



**C&C Group Plc**  
("C&C" or the "Group")

### **Acquisition of Matthew Clark and Bibendum**

**Dublin, London | 4 April 2018:** C&C announces that with the support of AB InBev, it is in advanced discussions to acquire the entire issued share capital of Matthew Clark (Holdings) Limited and Bibendum PLB (Topco) Limited and their subsidiary businesses Catalyst, Peppermint, Elastic and Walker & Wodehouse (together "Matthew Clark Bibendum"). The proposed acquisition is conditional upon, amongst other things, the appointment of administrators to Conviviality Brands Limited (the seller), which is expected to occur later today. A further announcement will be made later this morning.

Consideration for the shares will be a nominal sum, and C&C will provide sufficient funds to support the on-going working capital and other cash requirements of the business. In addition, AB InBev will provide additional financial support to the transaction. C&C's investment will be funded from existing C&C facilities.

At completion, Matthew Clark Bibendum will have £102 million of working capital facilities provided by its current lender group, repayable in instalments over the 12 months following completion.

#### **Highlights**

Matthew Clark Bibendum is the largest independent distributor to the UK on-trade drinks sector. On 29th March 2018, its parent company Conviviality Plc announced its intention to appoint administrators and to explore a potential sale of all or part of the business. C&C is pleased to be able to lead this industry-wide solution and bring stability to the business after the recent period of uncertainty.

Matthew Clark Bibendum will be run as a separate business and C&C management believe the combination with C&C will:

- create the leading independent route-to-market network across the British Isles, alongside C&C's existing drinks wholesaling businesses in the UK and Ireland;
- provide direct access to an incremental c.23,000 pre-dominantly on-trade customers across the UK comprising leading hotels, restaurants, pubs, clubs, and bars;
- enhance access for C&C's cider and super-premium brands across the on and off-trade in the UK;
- strengthen the combined Group's procurement, supply and distribution capabilities for third party wines, spirits, beer and soft drinks;
- enhanced access in the premium trade sectors, in particular London and the South East, through Bibendum's expertise in wine;
- significant revenue opportunities and other business benefits;

- significant earnings accretion and attractive returns on capital in the first full financial year following completion; and
- strengthen relationships with and commitment from all stakeholders including key suppliers.

### **The Matthew Clark Bibendum business**

Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. It offers a range of over 4,000 products, including beers, wines, spirits, cider and soft drinks, sourced from in excess of 300 suppliers. Matthew Clark also has a number of exclusive distribution agreements for third party products (mainly wines) into the UK market and also has a limited range of own brand wines.

Matthew Clark has a nationwide distribution network of 18 depots and sales team of over 250 serving the independent free trade and national accounts as well as a state-of-the-art on-line ordering system.

Bibendum is one of the largest wine, spirits and craft beer distributors and wholesalers to the UK on-trade and off-trade, with a particular focus on wine. It offers a range of over 4,000 wines, spirits and craft beers sourced from over 400 suppliers from over 20 different countries.

In addition, the Matthew Clark Bibendum business includes Catalyst, the brand representation business, and Peppermint the outdoor events business.

In the latest audited accounts for the 52 weeks ended 30 April 2017, Matthew Clark Bibendum had gross revenues of £1,219 million and adjusted EBITDA of £51.3 million (pre central costs)<sup>1</sup>. However, in their trading update of 21 March 2018, the Board of Conviviality PLC stated that they expected that the adjusted EBITDA for the entire Conviviality group for the year ending 29 April 2018 to be in the range of £45.5 million to £46.0 million. Gross assets of approximately £230 million are expected to be acquired at completion.

### **Financing and financial effects**

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At completion, Matthew Clark Bibendum will have £102 million of working capital facilities provided by its current lender group, repayable in instalments over the 12 months following completion.

The transaction is expected to complete later this morning and a further announcement will be made in due course.

### **Stephen Glancey, Group CEO, commented:**

*"We know the Matthew Clark and Bibendum businesses very well. They are great businesses with unparalleled on-trade market access, a wide range of supplier relationships and supported by a knowledgeable and loyal employee base.*

*The last few weeks have been challenging for employees, customers and suppliers alike. We hope today's announcement can put an end to this period of disruption and uncertainty. We look-forward to working with our new colleagues and other stakeholders to bring stability and restore the group's position as one of the leading and most respected drinks suppliers to the UK hospitality sector."*

**A conference call, hosted by Stephen Glancey, Group CEO, for analysts and investors will be held at 8.30am today.** Dial-in details are as follows: Dial-in: UK: +44 333 300 0804; Ireland: +353 143 11252; Participants pin: 29105537#.

1. As per PWC IM – (March 2018) financials for Conviviality Direct as extracted from the audited financial statements of Conviviality Plc for the 12 months ended 30 April 2017, adjusted EBITDA is prior to allocation of group and central overheads, interest, depreciation, amortisation and exceptionals.

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*This announcement contains inside information.*

**Note regarding forward-looking statements**

*This announcement includes forward-looking statements, including statements concerning current expectations about future financial performance and economic and market conditions which C&C believes are reasonable. However, these statements are neither promises nor guarantees, but are subject to risks and uncertainties, including those factors discussed on page 22 of the Group's FY2017 Preliminary Results Announcement that could cause actual results to differ materially from those anticipated.*

**About C&C Group plc**

*C&C Group plc is a premium drinks company which owns, manufactures, markets and distributes branded beer, cider, wine, soft drinks and bottled water. C&C Group brands include: Bulmers the leading Irish cider brand; Tennent's, the leading Scottish beer brand; Magners the premium international cider brand; as well as a range of niche and super premium ciders and beers, such as Menabrea, Heverlee, Chaplin & Corks and the recently acquired craft cider - Orchard Pig. C&C Group also owns and manufactures Woodchuck, a leading craft cider brand in the United States and manufactures and distributes a number of 3rd party international beer brands in Scotland and Ireland. C&C is also a leading drinks wholesaler in Scotland and Ireland, where it operates under the Tennent's and C&C Gleeson brands respectively. C&C Group is headquartered in Dublin with manufacturing operations in Co. Tipperary, Ireland; Glasgow, Scotland; and Vermont, USA. C&C Group plc is listed on the Irish and London Stock Exchanges.*