

Fevertree Drinks

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Fevertree fizzes to fresh all-time high as it upgrades full-year guidance once again

Fevertree Drinks PLC (LON:FEVR) fizzed to a fresh all-time high at the opening bell on Tuesday as the posh tonic maker returned to its usual ways with a full-year guidance upgrade.

The Chelsea-based company, one of the biggest on AIM, has made a habit of telling investors that full-year results will be better than expected, although it disappointed investors in May's trading update when it failed to do so.

READ: Jefferies cites US potential as it hikes Fevertree price target up to £40 That seems to be a blip though, with Fevertree, which also makes a Madagascan Cola and Sicilian Lemonade, claiming that full-year numbers will be "comfortably ahead" of forecasts.

Shares popped above 3,900p shortly after the bell, although they retreated to 3,680p in late afternoon trading - still a healthy 6.4% gain for the day.

For the six months ended June 30 2018, Fevertree reported a 45% jump in revenue to £104.2m (H1 17: £71.9m). Adjusted underlying earnings (EBITDA) climbed 35% to £34.0m (H1 17: £25.2m).

Those numbers prompted a 40% hike in the interim dividend, which now stands at 4.22p (H1 17: 3.01p). With more than £62m of cash in the bank, Fevertree can easily afford that.

Much of the growth came from the £4bn firm's home (and most mature) UK market, where sales rose 73% to £58.0m (H1 17: £33.6m).

US management team in place

Of much interest to shareholders will be the performance in the US, where a lot of growth is expected over the coming years as Fevertree's establishes itself in one of the world's largest drinks markets, estimated to be seven times that of the UK.

To try to tap into this, the company has recently opened a US headquarters in New York, having previously relied on importer Brands of Britain to sell its tonics, lemonades and ginger beers in the US.

Sales across the pond rose 15% to £15.1m (H1 17: £13.2m) in the first half but the market will be looking for those figures to soar over the next year or two as the new direct management team gets it feet under the table.

Potentially helping it to meet those lofty expectations will be the on-trade (bars and restaurants) distribution deal it signed with SGWS recently - the largest distributor of wines and spirits in North America.

'Major progress'

"The first half of 2018 has been one of major progress for Fever-Tree," said chief executive and co-founder Tim

Price: 2424p

Market Cap: £2814.92M

1 Year Share Price Graph



Share Information

Code: FEVR

Listing:

52 week	High	Low
	4,120.00p	2,106.00p

Sector: General Retailers

Website: www.fever-tree.com

Company Synopsis:

Fever-Tree is the world's leading supplier of premium carbonated mixers for alcoholic spirits by retail sales value, with distribution to approximately 50 countries internationally. Based in the UK, the brand was launched in 2005 by Charles Rolls and Tim Warrillow to provide high quality, natural mixers which could accompany the growing demand for premium spirits.

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Warrillow.

"The group delivered a strong performance, most notably in the UK, as we continue to drive and lead the evolution of the wider mixer category.

"We have successfully launched our wholly-owned US operations with a talented team recruited and now in place. The exclusive distribution agreement with SGWS, the largest North American wine and spirits distribution company, is a significant endorsement and provides a strong platform for Fever-Tree US in 2019 and beyond."

He concluded: "Given the strong performance in the first half of the year, the board anticipates that the outcome for the full year will be comfortably ahead of its expectations."

--Updates for share price--

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