

C&C Group

Building resilience and momentum

C&C Group's (CCR's) capital markets day set out its strategy as a branded multi-channel, multi-beverage specialist operating through two businesses: C&C Brands targets volume growth and Matthew Clark Bibendum (MCB) targets margin growth. The medium-term target is to grow operating profit to €85m in FY30, c 21% higher than FY26's €70.5m, and generate more than €100m free cash flow (FCF) after leases and exceptional costs in FY28–30 versus FY24–26's €72m. Having largely simplified operations, controlled costs and restored customer service levels, the group is now focused on core brand innovation, consolidation and profitable partnerships. Evidence of delivery against these targets could support higher valuation multiples.

Two routes to value

C&C Brands' focus is on volume growth after a period of price-led growth. Management is leveraging the strength of its core brands (Tennent's, Bulmers, Magners) to innovate into more product formats and flavours and increase production. It is well positioned: Tennent's accounts for one in two on-trade pints in Scotland and Bulmers has c 60% of the Irish cider market. Management guides to revenue growth and a 50–100bp decline in C&C Brands' operating margin, reflecting expected mix changes. Conversely, MCB is focused on growing its operating margin to 3%+ (FY26 c 1%) through volume consolidation, brand partnerships, price optimisation, improved branded mix and a lower cost to serve. The distribution network has capacity for c 50% more volume. Management believes the industry may consolidate in the future and it is in a good place to capture the extra volume, as seen with the acquisition of Asahi UK's direct distribution. With 20% of SKUs generating more than 80% of margin, management is prepared to exit low-return business and anticipates a revenue decline excluding any consolidation activity.

Spare capacity supports low capex and cash flow

The group's spare production capacity supports low capex requirements and provides a good basis for the FCF target. Cash priorities are to keep target leverage at 1.0–1.5x net debt/EBITDA on a pre-IFRS 16 basis versus 1.6x at FY26, continue investing in the business and pay a progressive ordinary dividend. Surplus capital could be used for growth investments, acquisitions or shareholder returns.

Valuation attractive versus peers

CCR's FY1 P/E multiple is at a discount to the peer average of 16.1x and its dividend yield is at a premium to the 3.4% of its peers.

Historical financials and consensus estimates

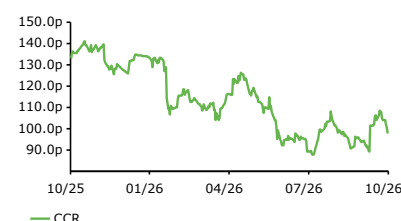
Year end	Revenue (€m)	EBIT (€m)	PBT (€m)	EPS (EUc)	DPS (EUc)	P/E (x)	Yield (%)	EV/EBITDA (x)
2/25	1,665.5	77.1	55.9	11.70	6.13	9.8	5.3	4.9
2/26	1,569.8	70.5	49.8	10.20	5.75	11.3	5.0	5.2
2/27e	1,491.0	70.9	47.6	10.50	5.60	10.9	4.9	5.3
2/28e	1,485.0	70.6	50.0	11.30	5.90	10.2	5.1	5.1

Source: C&C Group, Bloomberg. Note EPS is adjusted for exceptional items.

Consumer
2 October 2026

Price 97.90p
Market cap €425m

Share price performance



Share details

Code CCR
Listing LSE
Shares in issue 370.6m
Net cash/(debt) at 28 February €(121.4)m
2026

Business description

C&C Group is a UK and Irish drinks company operating through two businesses. C&C Brands manufactures and markets beer and cider brands, including Tennent's, Bulmers, Magners and Innis & Gunn, with its own route to market in Scotland and Ireland. Matthew Clark Bibendum is a drinks wholesaler to the on-trade in England and Wales.

Bull points

- New strategy demonstrates a more targeted approach for higher-quality earnings.
- Diversified portfolio of drinks with strong brand equity from Tennent's and Bulmers to capture changing drinking behaviours.
- Space capacity to support growth with low capex, supporting FCF generation.

Bear points

- Revenues affected by UK consumer weakness and uncertainty.
- Execution risk on MCB margin plan in a fragmented and competitive wholesale market.
- Cost inflation and exceptional costs could weigh on margins and cash conversion.

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