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Case Study
Britvic
Renewables Advisory and Fair Value Assessment

Overview

Britvic is a leading international soft drinks company, founded in the 1930s and now owning and marketing 39 popular brands. Listed on the London Stock Exchange and a part of the FTSE 250, Britvic operates in over 100 countries, with production facilities in Great Britain, Brazil, France, and Ireland.

Known for their innovation and commitment to sustainability, Britvic have committed to halve operational emissions by 2025, with overall emissions to be net zero by 2050. They contracted edenseven for two separate pieces of work linked to the long-term contracting of renewable assets as part of their ambition to decarbonise operations.

The Request

- An assessment of a proposed long-term renewables contract structure for a new-to-earth development within the UK.
- An outline of the key areas of focus for Britvic in the contract structure and how this would form part of their ongoing decarbonisation plan, specifically linked to Scope 2 emissions.
- Analysis of how this contracting structure would align to Britvic's long-term commodity purchasing strategy.
- A post-deal fair value assessment of two contracting structures in the UK and Ireland.
- Build a detailed valuation model which would outline different forward pricing structures in both markets and liaise with Britvic's auditors.

Skills & Knowledge

- Renewable Contracting: A clear understanding of contracting agreements linked to long-term Corporate Power Purchase Agreements. The ability to highlight the right contracting structure which best fits a business like Britvic.
- Energy Market Expertise: A knowledge of the Wholesale Energy Markets and how pricing varies in the short- and long-term markets within different countries. The ability to construct sensible logic to price curves where market liquidity was poor.
- Data Analysis: The ability to build a detailed model which would pull together multiple data sets and give the ability for Britvic to scenario test for different outcomes and pricing structures.
- Report Generation: The creation of documentation and reports which condense detail from a complex model into clear and concise messaging.

Outcomes

- A detailed review of a proposed long-term renewables contracting structure, outlining potential risks and areas Britvic should focus on through the negotiation phase.
- A detailed model which gave Britvic the ability to dynamically assess the fair value of their renewable contracts across two countries with differing structures and pricing characteristics.
- A structured report which outlined the key considerations and logic applied to the modelling process, shared internally with Britvic and Auditors.