



AFRICAN DISTILLERS LIMITED

TRADING UPDATE FOR THE FIRST QUARTER ENDED 30 JUNE 2021

TRADING ENVIRONMENT

The trading environment for the quarter under review was relatively stable. The good agricultural season as well as the partial easing of COVID-19 lockdown restrictions improved consumer spend and the general business operating conditions. The availability of foreign currency generated from trading enabled the Company to meet its current obligations.

VOLUME PERFORMANCE

The Company registered a volume growth of 56% for the quarter over the same period last year owing to improved access to the market. Spirit volume grew by 17% over prior year benefiting from the good performance of brown spirits. Widespread market acceptance of the newly introduced Gold Blend Number 9 contributed to this growth. The business however, continued to witness the influx of cheap and illicit spirits in small packs from several producers in the market. Wines and Ready to Drink (RTD) volumes grew 113% and 116% respectively, riding on improved availability in the quarter.

FINANCIAL PERFORMANCE

Revenue for the first quarter increased by 38% in inflation adjusted terms, whilst in historic terms it grew by 228%. Revenue growth was due to firm demand for the company's products which resulted in higher volumes.

IMPACT OF CORONAVIRUS (COVID-19)

The country is currently experiencing a third wave of COVID-19 infections and the full impact of the pandemic remains uncertain. The Company continues to implement all necessary mitigatory measures in line with Government and WHO protocols aimed at promoting the health and safety of employees and stakeholders during this pandemic.

OUTLOOK

Consistency in Government policies plays a pivotal role in the performance of the economy. Management will continue to focus on market share growth, profitability, innovation, and cost management to enhance shareholder value.

By Order of the Board.

L Mutamuko
Company Secretary
Date: 16 July 2021

