



AFRICAN DISTILLERS LIMITED

TRADING UPDATE FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022

OPERATING ENVIRONMENT

The economic environment continued to present impediments that constrained business operations. Liquidity constraints in ZWL and power supply outages impacted negatively on operations and consequently on the ability to fully supply the market. Measures taken by the authorities resulted in a relatively stable foreign currency exchange rate in the quarter. The business witnessed a significant increase in foreign currency transactions which aided in the funding of foreign supplies.

VOLUME PERFORMANCE

The company registered a volume growth of 10% for the quarter and 11% for the nine months compared to prior year. Spirits category grew by 19% benefitting from the focus on the affordable market segment as the business sought to regain share from cheaper and illicit products. Wine volume grew by 16% mainly driven by locally produced brands despite intense competition from imports. Ready to Drink ("RTD") volumes only grew by 3% due to stock supply gaps caused by power outages and regional bottle shortages.

FINANCIAL PERFORMANCE

Revenue for the quarter grew by 29% and 39% for the nine months in inflation adjusted terms over last year, whilst in historical terms it increased by 355% for the quarter and 360% for the nine months. Revenue growth in both inflation and historical terms was due to increased sales volume.

OUTLOOK

The operating environment is envisaged to remain unstable however, management has put in place measures to exploit available opportunities to sustain market share, revenue and profitability growth.

The health and safety of our employees and stakeholders remain important as the company continues to implement COVID-19 control protocols.

By Order of the Board.

L Mutamuko
Company Secretary
19 January 2023