Distil plc

("Distil" or the "Group")

Interim Results for the six months ended 30th September 2017

Distil (AIM: DIS), owner of premium drinks brands; RedLeg Spiced Rum, Blackwoods Gin and Vodka, Blavod Black Vodka, Jago's Cream Liqueur and Diva vodka, today announces its unaudited interim results for the six months ended 30th September 2017.

Operational review:

- Increased investment in marketing activity at the point of sale and events.
- Development of Blackwoods new vintage for launch in early Q4
- Investment in proprietary bottle and new packaging for Blackwoods Gin and Vodka.
- Continued growth in on-trade distribution for RedLeg Spiced Rum and Blackwoods Gin.

Financial Review – versus same period last year:

- Revenue increased by 22.8% to £0.818m (2016: £0.666m)
- Gross profit increased by 22.1% to £459k (2016: £376k)
- Volume (litres) increased by 41.3%
- Investment in brand marketing and promotion increased by 36.3% to £199k (2016: £146k)
- Other administration costs were flat
- Reduction in operating loss of 68.1% to £21k (2016: £66k)
- Cash reserves of £690k (2016: £883k)

Don Goulding Executive Chairman, commenting on these results said:

"*We continued to deliver strong year-on-year growth across our brand portfolio in the six months to 30th September 2017 despite lapping prior year pipeline fill in major retailers.*

During this period we increased our brand marketing investment to extend our reach directly with consumers at festivals and at the point of sale. Importantly we increased marketing funds to cover development costs of our new Blackwood's vintage and new packaging across the Blackwoods Gin and Vodka range for launch in Q4 of our fiscal year.

We are pleased to report that our key brands have outperformed each of their respective categories overall during the period."

Executive Chairman's Statement

Results

Distil's brands showed further year-on-year sales and volume growth during the period, supported by additional investment in marketing and promotion. Redleg Spiced Rum and Blackwoods Gin continued to perform strongly across all formats.

Overall volume growth at over 41% compared to revenue growth of 23% reflected a steady increase since the early part of the year in our licensed sales, particularly in Eastern Europe and Duty Free, together with a change in product and market mix across the portfolio during the period.

The strong performance of our brands together with continued tight control of overhead costs enabled a 68% reduction in operating losses during the period.

Operations

We continued to build distribution and increased consumer support at outlet level for our key brands. We also doubled the spend on consumer events and festivals year-on-year to increase product trial.

Our main operational focus has been to develop a new crafted Blackwoods Gin vintage. This will begin to appear in store and in bars in the new year as we move through inventories of the successful 2012 vintage. To maintain its premium positioning within a buoyant gin market we have also invested in updating and improving our Blackwoods Gin and Vodka packaging to coincide with this new vintage. All associated design costs have been expensed within the period.

Outlook

We have a greater number of promotional activities planned year on year for the important Q3 period and expect to remain on plan for the full year.

Q4 will see our new Blackwood’s design and vintage move through the pipeline and begin to reach consumers. An updated website will showcase the new design in December.

With uncertainty around the outcome of Brexit we continue to take prudent measures to manage risk and seek further operational efficiencies.

Distil plc - Half Year Results
Consolidated comprehensive interim income statement

	Six months ended 30 September 2017 Un-audited £'000	Six months ended 30 September 2016 Un-audited £'000	Year ended 31 March 2017 Audited £'000
Revenue	818	666	1,642
Cost of sales	(359)	(290)	(692)
Gross profit	**459**	**376**	**950**
Administrative expenses:			
Advertising and promotional costs	(199)	(146)	(384)
Other administrative expenses	(267)	(266)	(520)
Share based payment expense	(11)	(29)	(32)
Depreciation & amortization	(3)	(1)	(4)
Total administrative expenses	**(480)**	**(442)**	**(940)**
Operating (loss)/profit	**(21)**	**(66)**	**10**
Finance income	-	-	-
Finance expense	-	-	-
(Loss)/profit before tax from continuing operations	**(21)**	**(66)**	**10**
Income tax	-	-	-
(Loss)/profit for the period	**(21)**	**(66)**	**10**
(Loss)/earnings per share:			
From continuing operations			
Basic (pence per share)	(0.01)	(0.01)	0.00
Diluted (pence per share)	(0.01)	(0.01)	0.00

Consolidated interim balance sheet

	As at 30 September 2017 Un-audited £'000	As at 30 September 2016 Un-audited £'000	As at 31 March 2017 Audited £'000
ASSETS			
Non-current assets			
Property, plant and equipment	61	3	64
Intangible fixed assets	1,542	1,527	1,535
Total non-current assets	**1,603**	**1,530**	**1,599**
Current assets			
Inventories	228	185	199
Trade and other receivables	378	349	329
Cash and cash equivalents	690	883	910
Total current assets	**1,296**	**1,417**	**1,438**
Total assets	**2,899**	**2,947**	**3,037**
LIABILITIES			
Current liabilities			
Trade and other payables	(99)	(216)	(227)
Total current liabilities	**(99)**	**(216)**	**(227)**
Total liabilities	**(99)**	**(216)**	**(227)**
Net Assets	**2,800**	**2,731**	**2,810**
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	1,291	1,291	1,291
Share premium	2,884	2,884	2,884
Share based payment reserve	72	58	61
Retained deficit	(1,447)	(1,502)	(1,426)
Total equity	**2,800**	**2,731**	**2,810**

Consolidated interim cash flow statement

Cashflows	Six months ended 30 September 2017 Un-audited £'000	Six months ended 30 September 2016 Un-audited £'000	Year ended 31 March 2017 Audited £'000
Cashflows from operating activities			
(Loss)/profit before tax	(21)	(66)	10
Adjustments for:			
Depreciation	3	1	4
Share Based Payment Expense	11	29	32
	(7)	(36)	46
Movements in working capital			
(Increase)/Decrease in inventories	(29)	19	5
Increase in accounts receivables	(49)	(75)	(55)
(Decrease)/Increase in trade payables	(128)	(9)	2
Cash used in operations	(206)	(65)	(48)
Net cash used in operating activities	**(213)**	**(101)**	**(2)**
Cashflows from investing activities			
Purchase of property plant & equipment	-	(1)	(65)
Expenditure relating to the acquisition and registration of licenses and trademarks	(7)	(2)	(10)
Net cash (used in) investing activities	**(7)**	**(3)**	**(75)**
Cashflows from financing activities			
Proceeds from issue of shares	-	5	5
Net cash (used in)/generated by financing activities	**-**	**5**	**5**
Net decrease in cash and cash equivalents	(220)	(99)	(72)
Cash & cash equivalents at the beginning of the period	910	982	982
Cash & cash equivalents at the end of the period	**690**	**883**	**910**

Notes to the interims accounts:

1. Basic of preparation

This interim consolidated financial information for the six months ended 30 September 2017 has been prepared in accordance with AIM rule 18, '*Half yearly reports and accounts'*. This interim consolidated financial information is not the group's statutory financial statements within the meaning of Section 434 of the Companies Act 2006 (and information as required by section 435 of the Companies Act 2006) and should be read in conjunction with the annual financial statements for the year ended 31 March 2017, which have been prepared under International Financial Reporting Standards (IFRS) and have been delivered to the Register of Companies. The auditors have reported on those accounts; their report was unqualified, did not include references to any matters to which drew attention by way of emphasis of matter without qualifying their report and did not contain any statements under Section 498 (2) or (3) of the Companies Act 2006.

The interim consolidated financial information for the six months ended 30 September 2017 is unaudited. In the opinion of the Directors, the interim consolidated financial information presents fairly the financial position, and results from operations and cash flows for the period. Comparative numbers for the six months ended 30 September 2016 are also unaudited.

2. Availability

Copies of the interim report will be available from the Distil's registered office at 201 Temple Chambers, 3-7 Temple Avenue, EC4Y 0DT and also on www.distil.uk.com.

3. Approval of interim report

This interim report was approved by the Board on 23 October 2017.

For further information please contact:

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