

## DISTIL PLC

### Trading Update

Distil plc (AIM: DIS), owner of premium drinks brands RedLeg Spiced Rum, Blackwoods Gin and Vodka, Blavod Black Vodka, TRØVE Botanical Spirit and Diva Vodka, is pleased to provide an update on trading following the end of its financial year on 31 March 2023.

Unaudited year-on-year Q4 (January - March 2023) highlights:

- Volumes decreased 40%
- Revenues decreased 37%
- Investment into advertising and promotions decreased 66%
- Cash reserves of £515k at 31 March

Don Goulding, Executive Chairman of Distil, said:

"Although fourth quarter results are down year-on-year, the quarter has delivered the strongest trading performance during the financial year. Unaudited full year revenue sits slightly below market expectations at £1.32M (FY2022: £2.94M (audited)), whilst unaudited full year loss before tax is higher at £0.71M (FY2022: £95K (audited)).

Quarterly performance was suppressed due to reduced promotional activity in UK major grocery as a result of the transition away from distributor management. The quarter also saw us lapping particularly strong export sales last year, as we opened significant new markets and saw the benefit of associated pipe-fill sales.

Despite this, the outlook for the coming financial year is positive. Q4 delivered the strongest revenues of the financial year, indicating that we are successfully rebuilding following the business remodel in the first half of the year. It has been a transitional year for the business – there was a bigger job to be done than anticipated due to larger volumes of stock available in the trade than reported, however we are now through the issues that this has caused in previous quarters, and trading well with direct customers. We are confident that we will continue to build on this success and begin to see the benefits of the remodel from Q1 FY23/24.

Driving growth through export has remained a focus this quarter, and we're pleased to have opened new markets in Europe, with interest from markets further afield being nurtured across the portfolio. Expanding and strengthening our global brand footprint will play a pivotal role for the business going forward into FY23/24, both in terms of revenues and margin.

Management of operations and cost of goods also remains a priority across our brands as we're faced with double-digit price increases from suppliers in reaction to inflation. The team is working hard to mitigate these increases and reduce our costs moving forward.

Alongside building programmes to strengthen our existing brands, the quarter has seen us lay the groundwork on which to create innovative new-to-world products in response to consumer trends, including a blended malt whisky in accordance with our partnership with Ardgowan, which has a H2 target launch. The team will be working diligently over the coming months to bring the new brands to market, and we look forward to sharing more detail with shareholders in due course.

Progress remains positive at the Ardgowan site, with internal renovation works to the gin building complete, and the still due for installation in May. The team is working closely with Ardgowan to design the visitor experience, with plans to invite trade later this year once works have progressed further across the wider site.

This year has been challenging due to the short-term effect of the business remodel, taking control of the major retailers internally, and moving our UK on-trade business to Marussia Beverages. This decision was carefully considered by the Board, and we remain confident that the decision will yield significant revenue upside from the next financial year onwards.

We are entering the new financial year in a good cash position, with reserves of £515K. We will continue to focus on driving revenue and reinvesting profits into building our brands and have a strong promotional plan in place with UK grocers, as well as an additional programme of multi-channel marketing activity in the UK and key export markets to accelerate sales.

The business is well positioned to build and grow value for customers, shareholders, and other stakeholders in the next financial year and beyond. Market guidance for FY23/24 will be issued at the time of our final results announcement in June.”

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### **About Distil**

Distil Plc is quoted on the AIM market of the London Stock Exchange. It owns drinks brands in a number of sectors of the alcoholic drinks market. These include premium spiced rum, vodka, gin, vodka vanilla cream liqueur and are called RedLeg Spiced Rum. Blackwoods Vintage Gin, Blackwoods Vodka, TRØVE Botanical Vodkas, Blavod Original Black Vodka and Diva Vodka.

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