

Distil PLC

Trading Update

Distil plc (AIM: DIS), owner of premium drinks brands RedLeg Spiced Rum, Blackwoods Gin and Vodka, TRØVE Botanical Vodka and Blavod Black Vodka, is pleased to provide an update on trading for the third quarter of its current financial year ending 31 March 2024.

Unaudited year-on-year third quarter (October to December 2023) results:

- Revenues increased 39% to £571k (October to December 2022: £411k)
 - Cumulative revenues for 9 months to end 31 December grew 38% year-on-year to £1.2m (April – December 2022: £0.87m)
- Volumes increased 10%
- Gross profit increased 23% to £272k (October to December 2022: £222k)
 - Cumulative gross profit for 9 months to end 31 December increased 26% year-on-year to £554k
- A&P increased 48% to £198k (October to December 2022: £134k) representing increased promotional slots in major grocery over the Christmas period
- Launch and sell-out of RedLeg Limited Edition in major grocery

Don Goulding, Executive Chairman of Distil, said:

“I’m pleased to share the Q3 results which, despite a challenging economic environment and a suppressed consumer spirits market, show that the business is continuing to grow following the business remodel in 2022 and reported growth in H1.

This quarter saw the launch of the first RedLeg Limited Edition, available via RedLeg’s e-commerce site, as well as major UK grocery. The product sold out at a business level pre-Christmas, and we saw strong performance both in grocery and online, increasing off-promotion sales, recruiting new consumers and building brand equity. Following the launch, revenues online grew 261% versus the previous period, demonstrating consumer engagement and demand.

RedLeg also benefitted from increased promotional activity year-on-year, including investment into in-store media, additional shelf space in select stores, and more weeks on promotion in our key trading period.

Blackwoods Gin & Vodka saw Q3 revenue grow 123% year-on-year (72% revenue growth year-to-date vs same period last year), driven by growth in both the on-and off-trade across all SKUs. With the first distillation at Ardgowan due in January 2024, and the visitor brand experience scheduled to open in the Spring, we’re encouraged by the traction that is being built with the brand and are excited about the growth opportunities to come.

We continue to make progress in the UK on-trade, with key account wins in Q3. The on-trade is facing significant challenges as a result of utilities and duty increases squeezing consumer spending, but our brands are well positioned to continue to build on the success we’ve seen so far this year.

The fundraise in Q3 provided working capital to ensure that our customers were serviced to a high level during our busiest period, and will support our growth plans through to the end of March 2025, including the fit-out and opening of the Blackwoods brand experience at the distillery, and launch of new products. Cash balances at 31 December (unaudited) amounted to £581k

Despite the medium-term macro outlook continuing to be challenging as the overall spirits market remains soft due to increased pressures on consumer spending, we are encouraged by a positive quarter and the growth achieved year-to-date. Thanks to the flexibility afforded by our business remodel, we are confident that we can continue to build on this growth in Q4, ensuring that our brands and business is well positioned into the new financial year.”

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