

17 January 2022

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, provides an update on trading for the third quarter of its current financial year ending 31 March 2022.

The longer-term trend for the Company remains positive, however cumulative (unaudited) revenues for the nine months (April to December 2021) were lapping figures distorted by the initial Covid related lockdowns and consumer stockpiling. Because of its exceptional nature, year on year figures were down 28% versus the same period the previous year, although they were up 23% versus the prior year 'pre-Covid'.

Similarly, unaudited year-on-year third quarter (October to December 2021) revenues decreased by 32%, but in that period we also reduced support for deep-cut promotional activity in the UK in favour of a longer-term beneficial move to more premium positioning for our key brands. The Board sees the moves made to reinforce the premium positioning of the Group's brands as important for inherent brand and shareholder value.

As at 31 December 2021, cash balances amounted to £4.1million (unaudited).

Update on Ardgowan Distillery investment

We are pleased to confirm that the initial advance of £2.85 million (£3 million less one year's retained interest of £0.15 million) has now been made to Ardgowan under the terms of our loan agreement. Planning for the Blackwoods gin distillery is underway and making good progress in line with our planned timetable. We have also progressed our new Malt Scotch and anticipate formally launching the product in the coming months, opening new market opportunities for the Group and its brand portfolio.

Don Goulding, Executive Chairman of Distil, said:

"Q3 results reflected a significant reduction in domestic market promotional discounting and comparison to an extraordinary year last year due to Covid related lockdowns and unusually high levels of promotion.

Whilst difficult in the short term to move through an average UK retail selling price increase, the long-term benefits ease pressure on cost increases being faced and allow us to build our marketing spend away from discounting towards stronger revenue growth.

I am pleased to report that consumer sales in the UK hospitality sector and export markets began to show signs of recovery in the quarter year-on-year. In addition, we saw good growth in our Ready-To Serve (RTS) product offering:

- In the hospitality sector, despite continued uncertainty and staff shortages in outlet, sales increased 542% versus the same period last year and increased 19% versus the same period pre Covid.

- Sales of our Ready-To-Serve pre-mixed cocktails cans increased 150% in the quarter year-on-year, with nine month cumulative sales up by 46%.
- Export sales increased by 16% benefiting in part from strong sales in Russia.

Outlook for the full year remains difficult to forecast accurately due to the varying levels of restrictions across the UK and in our key export markets together with mixed economic forecasts although we are anticipating Q4 growth as we lap strong but not extraordinary comparisons.

We remain excited about the Ardgowan investment and will keep investors informed at each milestone in its development.”

For further Information:

Distil plc	
Don Goulding Executive Chairman Shan Claydon, Finance Director	Tel: +44 203 283 4007
SPARK Advisory Partners Limited (NOMAD)	
Neil Baldwin Mark Brady	Tel +44 203 368 3550
Turner Pope Investments (TPI) Limited (Broker)	
Andy Thacker / James Pope	Tel +44 20 3657 0050

About Distil

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