

AVI LIMITED

Registration number 1944/017201/06

Share code: AVI

ISIN: ZAE000049433

("AVI")

## TRADING STATEMENT AND UPDATE FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

Demand for our snacking and beverage brands normalised from the peaks during the hard lock-down period as consumers returned to more normal spending patterns. Sales of fragrance and beauty products improved during the semester but have not yet recovered to pre COVID-19 levels. Our retail brands' sales recovered as shoppers increasingly returned to malls and high-streets through the period.

Our ongoing efforts to keep staff safe and comply with the government's lockdown regulations ensured continuity of operations and minimised losses of production and sales.

Group revenue for the semester decreased by 0,1% over the same period in the prior year. Growth in our food and beverage categories was partially offset by the continued impact of COVID-19 on sales volumes in the fashion businesses and the Ciro out-of-home coffee solutions business. Revenue in the fashion businesses was 90% of that achieved in the first semester of last year. I&J's Abalone business continues to be impacted by lower demand, price pressure and logistical constraints in accessing the China and Hong Kong markets.

Gross profit margins were lower in some grocery categories due to cost pressures from the weaker Rand, however selling price increases should contribute to an improvement over the remainder of the financial year. I&J's gross profit margin was impacted by the performance of the Abalone category. Effective cost management resulted in a reduction in selling and administrative costs, partially offsetting the lower gross profit and resulting in a small decline in operating profit for the semester.

Net finance costs were materially lower than last year in line with lower debt levels and interest rates, resulting in growth in headline earnings for the semester.

## CAPITAL GAINS

The first semester of the previous financial year included a capital gain, after tax, of R373,7 million on the disposal of I&J's 40% interest in the Simplot joint venture in Australia. As there were no material capital items in the first half of the current financial year, attributable earnings have decreased.

## CONSOLIDATED HEADLINE AND ATTRIBUTABLE EARNINGS

The weighted average number of shares in issue is expected to be 0,2% higher than last year due to the issue of new shares in terms of the Group's various share incentive schemes.

We hereby advise shareholders, in accordance with Section 3.4 (b) of the Listings Requirements of the JSE Limited, that:

- Consolidated headline earnings per share for the six months ended 31 December 2020 are expected to increase by between 1% and 3% over the comparable period in the prior year, translating into an increase from last year's 293,8 cents to a range of between 296 and 303 cents per share; and
- Consolidated earnings per share for the six months ended 31 December 2020, including capital gains and losses, are expected to decrease by between 27% and 29% over the prior year, translating into a decrease from last year's 410,2 cents to a range of between 291 and 299 cents per share.

It is expected that AVI will release its full results for the six months ended 31 December 2020 on or about 8 March 2021.

The information above has not been reviewed and reported on by the Group's external auditors.

Illovo  
25 January 2021

Sponsor  
The Standard Bank of South Africa Limited