

AVI LIMITED

Registration number 1944/017201/06

Share code: AVI

ISIN: ZAE000049433

("AVI" or "the Company" or "the Group")

#### TRADING STATEMENT AND UPDATE FOR THE YEAR ENDED 30 JUNE 2021

Group revenue for the year increased by 0,5% mainly due to higher volumes at I&J in the second semester and price increases in most categories to offset cost pressures, primarily as a result of the weaker Rand. Apart from I&J, sales volumes for the year were lower than last year, with the fashion brands impacted by a weak first semester, as consumer demand slowly improved post the initial hard lockdown period, while demand for food and beverage brands normalised from the peak demand levels seen during the fourth quarter of the last financial year.

Operational disruption from COVID-19 was minor with all operations in compliance with the government's lockdown regulations. Gross profit margins were largely protected from the impact of lower sales volumes and the weaker Rand through effective management of costs and promotional activity, as well as selling price increases where necessary. Effective cost management yielded a reduction in selling and administrative costs for the year, resulting in growth in operating profit.

Performance in the second semester has been largely in line with the outlook provided in March 2021. Revenue from our fashion brands was 13,5% higher than in the second semester of last year, which was adversely impacted by the hard lockdown restrictions. This offset much of the decline in volumes and revenue in Entyce and Snackworks, which conversely benefitted from increased demand during the hard lockdown. I&J achieved better results in both the fishing and abalone operations, resulting in a significant contribution to revenue and profit growth for the second semester and the full year.

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

#### 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 current financial year, attributable earnings 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 year ended 30 June 2021 are expected to increase by between 5% and 7% over the prior year, translating into an increase from last year's 470,8 cents to a range of between 494 and 504 cents per share; and
- Consolidated earnings per share for the year ended 30 June 2021, including capital gains and losses, are expected to decrease by between 15% and 17% over the prior year, translating into a decrease from last year's 591,6 cents to a range of between 491 and 503 cents per share.

It is expected that AVI will release its full results for the year ended 30 June 2021 on or about 6 September 2021.

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

Illovo  
27 July 2021

Sponsor  
The Standard Bank of South Africa Limited