

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 SIX MONTHS ENDED 31 DECEMBER 2021

The trading environment remained challenging with inflationary pressure and growing unemployment impacting consumer spending. Rising supply chain costs and disruptions were notable in the semester but were effectively managed.

Group revenue increased by 2.3% over the same period last year. Revenue growth in Entyce and Snackworks was underpinned by selling price increases taken in response to cost pressures from rising commodity input costs. Volumes grew marginally compared to the prior year, which had benefited from lockdown related demand in the first quarter. Encouragingly Snackworks' biscuit demand was robust through the second quarter. I&J's revenue grew marginally with the abalone business sustaining its recovery following a myriad of COVID related market disruptions during the last 24 months. Revenue from the footwear and apparel business was 1.2% lower with the lost sales from the July unrest, stock availability challenges and unplanned outages not fully recovered by pleasing growth of 7.4% in December sales, over the prior year. Indigo's beauty and personal care categories remain challenged by COVID related demand shifts, particularly segments of the beauty portfolio where demand remains well below pre-COVID levels.

In general, the Group's gross margin was protected by ongoing efforts to control production and input costs, and by increased selling prices in specific categories. In some categories competitor activity limited a full recovery of commodity cost pressures through selling price increases.

Fixed costs were well managed and the ongoing effort to limit cost escalations to rates below inflation, despite additional once-off corporate activity costs related to Mondelez's interest in acquiring AVI's Snackworks business, provided reasonable leverage to the Group's operating profit.

Net finance costs for the year were higher than last year due to increased average debt levels.

#### CAPITAL GAINS

There were no material capital items in the current financial year.

#### 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 2021 are expected to increase by between 5.5% and 7.5% over the prior year, translating into an increase from last year's 297,3 cents to a range of between 313,6 and 319,6 cents per share; and
- Consolidated earnings per share for the six months ended 31 December 2021, including capital gains and losses, are expected to increase by between 5.5% and 7.5% over the prior year, translating into an increase from last year's 296,6 cents to a range of between 313,0 and 318,9 cents per share.

It is expected that AVI will release its full results for the six months ended 31 December 2021 on or about 7 March 2022.

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

Illovo  
25 January 2022

Sponsor  
The Standard Bank of South Africa Limited