

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 2023

The group delivered a satisfactory performance in a tough trading environment.

Our businesses were challenged by the ongoing inefficiency of SA's ports impacting supply chains and the continued load-shedding across most of our sites with the associated costs in line with last year.

Segmental revenue for the six months ended 31 December 2023

	2023 Rm	2022 Rm	% Change
Food & Beverage Brands	6 674,7	6 127,4	8,9
Entyce Beverages	2 420,2	2 086,6	16,0
Snackworks	3 101,1	2 824,9	9,8
I&J	1 153,4	1 215,9	(5,1)
Fashion brands	1 703,4	1 695,5	0,5
Personal Care*	539,3	610,5	(11,7)
Footwear & Apparel	1 164,1	1 085,0	7,3
Group	8 378,1	7 822,9	7,1

*COTY revenue loss from July 2023.

Entyce Beverages did not fully recover input cost pressures, but increased sales volumes in key categories and improved factory efficiencies protected margins and supported sound operating profit growth. Snackworks recovered material input cost pressure, and this combined with factory efficiencies and cost control improved gross margins, resulting in sound operating profit growth for both the biscuit and snacking categories. Indigo brands improved operating profit with growth in the aerosol, fragrance, and roll-on categories despite the loss of the Coty business from July 2023. SPITZ's footwear and apparel business had a strong December with good demand for core brands, albeit stronger for footwear than clothing. SPITZ's semester performance was characterised by constrained demand especially for apparel with the semester's operating profit only marginally ahead of the prior year.

I&J had a difficult semester. Fish sales volumes declined by 17,1% due to poor catch rates, aggressive competition both internationally and domestically as well as the loss of December's export sales due to inefficiencies at Cape Town's port. Cape Town's taxi strike impacted I&J's production facilities significantly with the loss of production impacting cost recoveries. A non-cash cost of R14,9 million was recognized in respect of the new BBBEE structure implemented effective July 2023. I&J's operating profit was materially lower than the prior year.

Net finance costs increased in line with higher interest rates partly offset by lower debt levels, which remain within our target range. The effective tax rate is largely in line with the corporate tax rate of 27%.

CAPITAL GAINS

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

CONSOLIDATED HEADLINE AND ATTRIBUTABLE EARNINGS

The weighted average number of shares in issue is expected to be marginally 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 2023 are expected to increase by between 16,0% and 18,0% over the prior year, translating into an increase from last year's 318,9 cents to a range of between 369,9 and 376,3 cents per share; and
- Consolidated earnings per share for the six months ended 31 December 2023, including capital gains and losses, are expected to increase by between 16,0% and 18,0% over the prior year, translating into an increase from last year's 318,4 cents to a range of between 369,3 and 375,7 cents per share.

It is expected that AVI will release its full results for the six months ended 31 December 2023 on or about 4 March 2024.

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

Illovo
23 January 2024

Sponsor
The Standard Bank of South Africa Limited