AVI LIMITED

Registration number 1944/017201/06

Share code: AVI

ISIN: ZAE000049433

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

TRADING UPDATE AND TRADING STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

TRADING UPDATE

AVI's results for the year ended 30 June 2024 reflect a pleasing performance in a challenging environment. The effective management of selling price increases, strong cost control, the benefits of investments in improving the efficiencies of our production facilities and ongoing hedging supported good operating leverage and underpinned the operating profit growth for the year.

Segmental revenue for the year ended 30 June 2024

	2024 Rm	2023 Rm	% Change
Food & Beverage	**13 082,5**	11 999,4	**9,0**
Entyce Beverages	**5 025,4**	4 251,6	**18,2**
Snackworks	**5 597,9**	5 261,2	**6,4**
I&J	**2 459,2**	2 486,6	**(1,1)**
Fashion brands	**2 779,8**	2 920,2	**(4,8)**
Personal Care*	**1 022,5**	1 223,3	**(16,4)**
Footwear & Apparel	**1 757,3**	1 696,9	**3,6**
Group	**15 862,3**	14 919,6	**6,3**

*As of 1 July 2023, Personal Care revenue does not include any contribution from the Coty business

Group revenue increased by 6.3% underpinned by selling price increases to off-set cost pressures and volume growth in the beverage categories. The Group's consolidated gross profit grew ahead of revenue supported by improved gross profit margin in most categories. Selling and administrative expenses increased at rates marginally higher than CPI.

Entyce delivered strong growth supported by a combination of higher selling prices, improved sales volumes across all its categories and operational leverage. Creamer performed particularly well, gaining market share and benefiting from additional production efficiencies following a substantial investment in the facility as well as competitor supply disruptions. Snackworks growth slowed through the second half with volumes across both the biscuit and snacks portfolio's ending lower. Contributions from innovation launched last year and during the last quarter were pleasing and continue to gain volumes. Margins were effectively managed and supported by improvements in factory efficiencies and an improved sales mix in the snack brands.

I&J had a difficult year with increased competition and reduced demand in key abalone markets constraining selling prices and volumes. Fishing revenues improved through the second semester with better catch rates compared to the first half, benefits from a weaker Rand and higher selling prices. I&J's operating profit margin for the year was similar to the prior year benefitting from lower fuel prices, restructuring initiatives implemented in the first half and the non-recurrence of last year's fire at I&J's value-added plant but partially offset by an unfavourable abalone biological asset fair value adjustment, the deleveraging impact of lower volumes, an unfavourable abalone sales mix and the non-cash cost associated with the new BBBEE structure implemented in July 2023.

Indigo's personal care profit declined marginally on last year due to the cessation of the Coty distribution agreement from July 2023. Indigo's owned brands performed soundly with improved margins supported by efficiencies from range rationalization initiatives and the loss of the lower margin Coty business. The footwear and apparel brands had a challenging second semester with constrained demand exacerbated by increased discounting in the sector, particularly in apparel. Core footwear brands performed well.

Net finance costs were marginally lower than last year with the impact of lower average borrowing levels partially offset by higher interest rates. 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 0,1% higher than last year due to the issue of new shares in terms of the Group's various share incentive schemes.

TRADING STATEMENT

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 2024 are expected to increase by between 21% and 25% over the prior comparative period, translating into an increase from last year's 553,6 cents to a range of between 669,9 and 692,0 cents per share; and

- Consolidated earnings per share for the year ended 30 June 2024, including capital gains and losses, are expected to increase by between 20% and 24% over the prior comparative period, translating into an increase from last year's 555,6 cents to a range of between 666,8 and 689,0 cents per share.

It is expected that AVI will release its full results for the year ended 30 June 2024 on or about 9 September 2024.

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

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12 July 2024

Sponsor
The Standard Bank of South Africa Limited