

Stock Data

Share Price: 2.50p
Market Cap.: £12.5m
Shares in issue: 502.0m

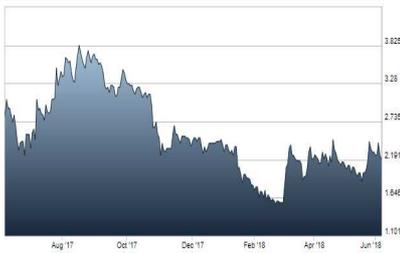
Company Profile

Sector: Beverages
Ticker : DIS
Exchange: AIM

Activities

Distil owns the Blackwood's Gin and Vodka and RedLeg Spiced Rum brands in addition to Blavod and Diva Vodka and Jago's Vanilla Cream Liqueur. The group markets and sells its own brands in the UK, US, Europe, Australia and Russia.

Share price performance



Source: LSE

Turner Pope contact details

Turner Pope Investments (TPI) Ltd
6th Floor
Becket House
36 Old Jewry
London
EC2R 8DD

Tel: 0203 621 4120
Email: info@turnerpope.com
Web: www.turnerpope.com

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TPI acts as broker to Distil plc

Barney Gray **Research analyst**
Tel: 0203 621 4120
barney@turnerpope.com

Distil PLC

Distil announced a strong trading update in regard to the quarter ended 30 June 2018. Year-on-year revenue increased by a robust 27% and volumes were up by 21%. To account for the Easter holiday period falling in non-comparable quarters, Distil also illustrated the group's strong performance over the first six months of the calendar year. During this period, sales increased by 28% with volumes up by 27%. In a continuation of the performance outlined in the preliminary results statement in June 2018, we believe that the latest results were driven by continued successful promotional and marketing activities by the company in the context of buoyant gin and rum markets.

In a trading update to the market, Distil announced that first quarter revenues for the first quarter period (April – June 2018) increased by 27% and volumes were up by 21%. As a function of Easter falling in April last year, sales in the comparable Q1 of 2017 included Easter promotional activity whereas much of the Easter related sales in 2018 (when Easter fell in March) came through in the month of March at the end of Q4 in the financial year ended 31 March 2018.

With this comparison caveat in mind, Distil has illustrated the company's unaudited six month performance numbers for the period to June 2018 in order to include Easter sales in each period. Consequently, sales in the six months ended 30 June 2018 increased by 28% compared to the first six months of 2017 and volumes were up by a similar level of 27% over the same period.

As outlined in June 2018, Distil reported a 23% increase in sales and 31% improvement in volumes in the financial year ended 31 March 2018. With revenue in particularly showing continued strong growth, we believe that the company is making very good progress in the current year.

The UK remains a strong core market for Distil and the company noted recently that overall sales of gin and spiced rum categories are continuing to grow faster than total spirit sales, taking market share from other sectors including vodka which has been in decline. In particular, premium brands have performed well and the company expects this trend to continue for the foreseeable future.

Within Distil's latest sales and volume numbers, we believe that the company's core brands including Blackwoods Vintage Dry Gin and RedLeg Spiced Rum in particular are continuing to perform strongly in line with Distil's expectations. We expect that the company will seek to continue this momentum with targeted promotional activity and brand innovations coupled with the establishment of new long term relationships and trade channels in new territories. With the potential for this combined strategy to further accelerate the growth of the company's core brands, we anticipate more positive news flow in the current year.

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