

Distell Group's earnings up 21% to 503c

Liquor group Distell has reported a 21% rise in diluted headline earnings per share from 415.8c a year ago to 503.0c for the six months to December .



Distell turned in a strong performance for the first six months of the year with strong growth coming from African markets. Image: Mask [Fotolia](#)

An interim dividend of 154c per share was declared - up 1.3% from a year ago. Reported headline earnings rose 22.9% to R1.1bn, while operating profits increased 27.2% to R1.5bn.

Distell said that in April last year, its bought Burn Stewart Distillers (BSD) and its results for the six months include the re-measurement of the contingent purchase price payable on the acquisition, as well as new business development expenses.

Normalised headline earnings and operating profit, which exclude the results of BSD, increased by 8.8% and 13.4% respectively.

Revenue grew 15.1% to R9.9bn on a sales volume increase of 5.5%. Domestic revenue was up by 5.2% and sales volumes by 3.1% in what Distell called a challenging economic environment that curtailed consumer demand.

Distell's cider and RTD (ready-to-drink) brands continued their strong performance, but the spirits portfolio showed a volume decline, mostly as a result of the depressed performance of the brandy category. Sales volumes of the wine portfolio declined marginally.

International sales volumes, including Africa, rose by 12.7% while revenue improved 48.9%, benefiting from a weaker rand and the addition of the BSD portfolio.

Ciders and RTDs again delivered strong volume growth while the wine and spirits portfolios delivered growth of 6.4% and

54.0% respectively.

"Sub-Saharan African markets, continued to deliver exceptional results with strong volume growth across all categories. The region contributed 55.1% to foreign revenue," Distell said.

Looking ahead, the group said it expects challenging trading conditions in many of its markets for the remainder of this year.

However, it believes the strength, appeal and diversity of its brands, its enhanced capacity to trade across a spectrum of markets and the security of its financial position will allow Distell to continue pursuing its strategic course successfully.

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