



Adnams Plc – Interim Trading Statement

For the half year ended 30 June 2022, Adnams experienced a trading period marked by stabilisation and consolidation following the prior two years of disrupted trading. This resulted in revenues of £30m, up £9m on 2021, delivering a much reduced operating loss of (£0.7 million) compared to (£3.1m) in the previous year, a result in line with expectations.

Cashflow remains strong and the company has repaid all outstanding monies owed to HMRC and is no longer in receipt of any Government support schemes. The business refinanced in January and maintained its facility with Barclays at £20m. This comprises a £10m term loan, £7m revolving credit facility and a £3m overdraft. The business also retains the facility to draw down a further £3m.

The trading mix between the on-trade and off-trade mirror that of the wider market, with the on-trade recovering some of its lost ground during the pandemic at the expense of the off-trade. The cask beer market remains subdued with pub and bar customers developing a preference for keg beer as a lower risk alternative to cask whilst footfall remains uncertain. Adnams long-term investments over many years means the company is well placed to respond to this development. The company's Hotel, Managed and Tied estate has delivered a solid half year with the attractiveness of East Anglian tourist locations, staycations, and the company's minimal exposure to town and city centre locations benefiting the business. The retail business is ahead of last year, with shops becoming more of a hub for both online deliveries and business customers an integration aided by our investment in a new website and e-commerce platform in early 2022.

From a product perspective Ghost ship 4.5%, Ghost ship 0.5% and the Copperhouse Gin range remain the company's product focus. Investments this year have focused upon automation and process efficiency with the aim of increasing raw material yield and reducing energy usage. The company has also continued to invest in the fabric of pubs and shops and all investments have been consistent with the company's approach to the natural, social and built environment.

An interim dividend was paid in February this year of 156p per 'B' share and 39p per 'A' share in recognition of:

- I) the continued support of members during the pandemic
- II) In recognition of the company paying no final dividend for the year ended 31 December 2019 or any dividend in relation to both years ended 31 December 2020 and 2021.
- III) strong trading throughout the Spring, Summer and Autumn of 2021.

