

RNS Trading Statement



Pre-Close Trading Statement

EAST IMPERIAL PLC

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Record performance in June following a half of strong sales and operational progress in key markets

East Imperial, the global purveyor of ultra-premium mixers, announces a pre-close trading statement for the six months ended 30 June 2022, ahead of reporting its interim results in September 2022.

In the first six months of the year, the group sold 95,780 cases globally across 28 markets, resulting in revenue moving 32% higher compared to the same period in 2021, driven by both the addition of new customers and strong demand from the existing base.

In East Imperial's established APAC market, sales in the period were ahead of the Board's expectations as COVID restrictions continue to lift in key markets, with New Zealand and Singapore now returning to pre-COVID levels of demand.

In the key strategic US market, revenue was 37% higher than budget, with June being East Imperial's biggest ever month of sales. The US team has been bolstered by experienced senior hires from the world of luxury beverages and the company now has a strong distribution network in place via a long-term agreement with Republic National Distributing Company (RNDC), one of the largest distributors in the US. RNDC initially began distributing East Imperial's mixers across eight key US states in March 2022 and given the success seen to date, plans are now in place to expand into more states over the next few months.

The company was the proud winner of eight medals, including two Best-in-Class, at the Spirits Business Awards in April 2022 as East Imperial's commitment to offering ultra-premium mixers made with the highest quality ingredients was recognised.

Global consumer trends in the beverage industry continue to shift towards ultra-premium drinks consumption, reinforcing the company's strategy for long-term sustainable growth.

Tony Burt, CEO of East Imperial, said:

"We're pleased with the performance of the business in the first six months of the current financial year. As well as achieving record sales in key strategic markets, we have also delivered important operational frameworks that provide a platform to enable us to drive sustainable sales growth in the months and years ahead.

While global logistic challenges remain, we are beginning to feel the benefits of the hard work our teams have done to put in place a strong bottling and distribution framework in the US. An operational priority for the rest of the year is to further enhance our bottling capability, to increase capacity and give us further flexibility as we embark on our national roll out with RNDC. We have an ongoing strategy to improve our margins, including actively reviewing our supply chain for ways to simplify the bottling and packaging process. We will see further margin improvement as we grow as we will also benefit from economies of scale. As an ultra-premium product, East Imperial's pricing also means that margins are holding up well.

While consumers more broadly are no doubt feeling the squeeze, the continuing shift towards premiumisation across the beverage industry means that demand for East Imperial's products remains very resilient despite inflationary pressures as people recognise the unparalleled quality of our product. I'm confident that this will cement our continued progress and deliver continued sales growth during the next six months, a period that is traditionally our dominant half of the year for sales. Our year to date performance encourages me that we have the right strategy and platform in place to drive long term sustainable growth to create value for our shareholders and we look forward to providing further details of our progress in September."

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