Distell expects up to 20% rise in full-year profits

By Emma Rumney

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Drinks maker Distell said on Friday its full-year profit would be up to around 20% higher than a year earlier, but a fourth ban on alcohol in its home market South Africa had cost it about R30m so far.

Source: Three Ships Whisky

Distell, in talks with Heineken over a possible buy-out, was hit hard by prohibitions on the sale of alcohol in 2020, when South Africa enforced one of the world's most restrictive lockdowns to combat the coronavirus pandemic.

It said its headline earnings per share for the year to 30 June were likely to stand at between 735.6 cents and 782.7 cents, an up to 19.9% increase on the 235.3 cents it achieved that year.

Clarion call for end to booze ban
23 Jul 2021

Impact of unrest,alcohol ban

South Africa returned to the fourth tier of a five-tier lockdown system in late June amid a third wave of infections driven by the Delta variant and re-imposed a ban on alcohol sales. Distell said this had cost it R30m in operating profit so far, increased illicit trade and resulted in lost revenues for tax authorities.

"As an industry collective we are consistently and constructively in dialogue with decision-makers to consider alternative solutions to prohibition," Distell said in a trading update.

200 liquor stores looted, along with SAB and Heineken facilities
15 Jul 2021

Nevertheless, it said its South African business had still managed to grow revenues by 6% compared to pre-Covid levels, and its businesses in Mozambique, Nigeria, Ghana and Zambia had performed particularly well.

It added that recent unrest in South Africa – some of the worst in years – had cost it an estimated R100m after one of its distribution centres was damaged.

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