



Adnams is today releasing its results for its year to 31 December 2019 and is also providing an update on the impact of Covid-19 on its business.

Adnams is faced with the closure of most of its key customers and all of its own pubs. We have also taken the decision to close our shops. Our operations are currently limited to our take home business, primarily supplying supermarkets with beer and spirits, and our online and mail order sales. We have reduced costs to a minimum and have reduced staffing to approaching ten percent of normal levels, with directors and our senior team taking a 50% pay cut.

It is not possible at this time to predict the full impact on our revenues, and whilst Adnams entered 2020 with gearing levels higher than we have normally had, after a period of substantial investment, we are managing our costs very closely and have adequate headroom in our facilities at the present time. We were already in discussion with our bankers regarding new facilities and our bank has remained positive and supportive. We have a largely freehold property estate, which we have not revalued, meaning that we have substantial unrecognised value in our balance sheet.

Specific actions that we have taken include:

- We have stopped all but essential spending of both a revenue and a capital nature.
- The large majority of our employees have been placed on furlough further to the government's job retention scheme. Many others are on reduced pay. Our culture has meant that our staff have responded positively to these decisions and they look forward to returning to work with us once the crisis has passed.
- There will be no final 2019 dividend.

Adnams is a values-led business that has always focused on the long term. We have continued to support our community, including having our distillery produce alcohol for hand sanitizer, and as we approach our 150th anniversary in 2022 we believe that we remain well placed in these uncertain times.