



**ARTISANAL  
SPIRITS**  
COMPANY

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The Artisanal Spirits Company plc  
FY24 H1 Results Presentation

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# ASC: CREATORS OF OUTSTANDING, ONE-OF-A-KIND WHISKY & EXPERIENCES AROUND THE WORLD



**Andrew  
Dane**  
CEO



**Billy  
McCarter**  
CFO



# EXEC SUMMARY

- **Profit Improvement Continues:** £1m of EBITDA improvement on prior year, which on relatively flat revenue year on year, reflects SMWS membership growth of 4% to 40,300 (H1 2023; 38,700), recurring cost efficiencies of £0.75m and gross profit margin improvement of £0.25m (2 pts).
- **Further Revenue Diversification:** Increasing revenue diversification to manage the industry and economic headwinds, most notably China, is demonstrated through launches in the important new markets of Taiwan and Korea, alongside the acquisition of Single Cask Nation and growth in cask sales.
- **Significant Asset Value:** An independent cask spirit valuation in June of just over £100m following an independent assessment representing around 4x our current Net Book Value “NBV” of cask spirit and Net Debt.
- **Improving Cash Profile:** Following significant investment in the cask inventory, we now hold all spirit required to meet demand through to the next decade. As a result, the cash profile of the Group is improving, and net debt has peaked, as we transition from material net cash investments in stock to a replenishment approach.
- **Outstanding Quality Recognition:** Further industry recognition celebrating the quality and uniqueness of our product offering, with awards for SMWS, JGT and SCN releases in 2024 including Independent Bottler of the Year for SMWS and SCN at the World of Whiskies and New York International Spirits Competition respectively.



# AGENDA



**Business Overview**



**FY24 H1 Results**



**Our Pioneering Model**



**The Long-Term Global Growth Opportunity**



**ARTISANAL  
SPIRITS**  
COMPANY



01

# BUSINESS OVERVIEW





# OUR VISION FOR SUCCESS



**Our Purpose**

**To captivate a global community of whisky adventurers**

**Our Proposition**

**We create and sell outstanding, limited-edition whisky & experiences around the world**

**Our Ambition**

**To create a high quality, highly profitable & cash generative, premium global business**

**Strategic Pillars**

**Whisky**

**Membership**

**Experiences**

**New Brands & Audiences**

**People**

# OUR BRANDS

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## The Scotch Malt Whisky Society (“SMWS”):



Established in 1983, SMWS has a growing worldwide membership of over 40,000 members and an established global presence in c.30 countries.

SMWS provides members with inspiring experiences, content and exclusive access to a vast and unique range of outstanding, expertly curated, single cask Scotch malt whiskies.

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## Single Cask Nation (“SCN”):



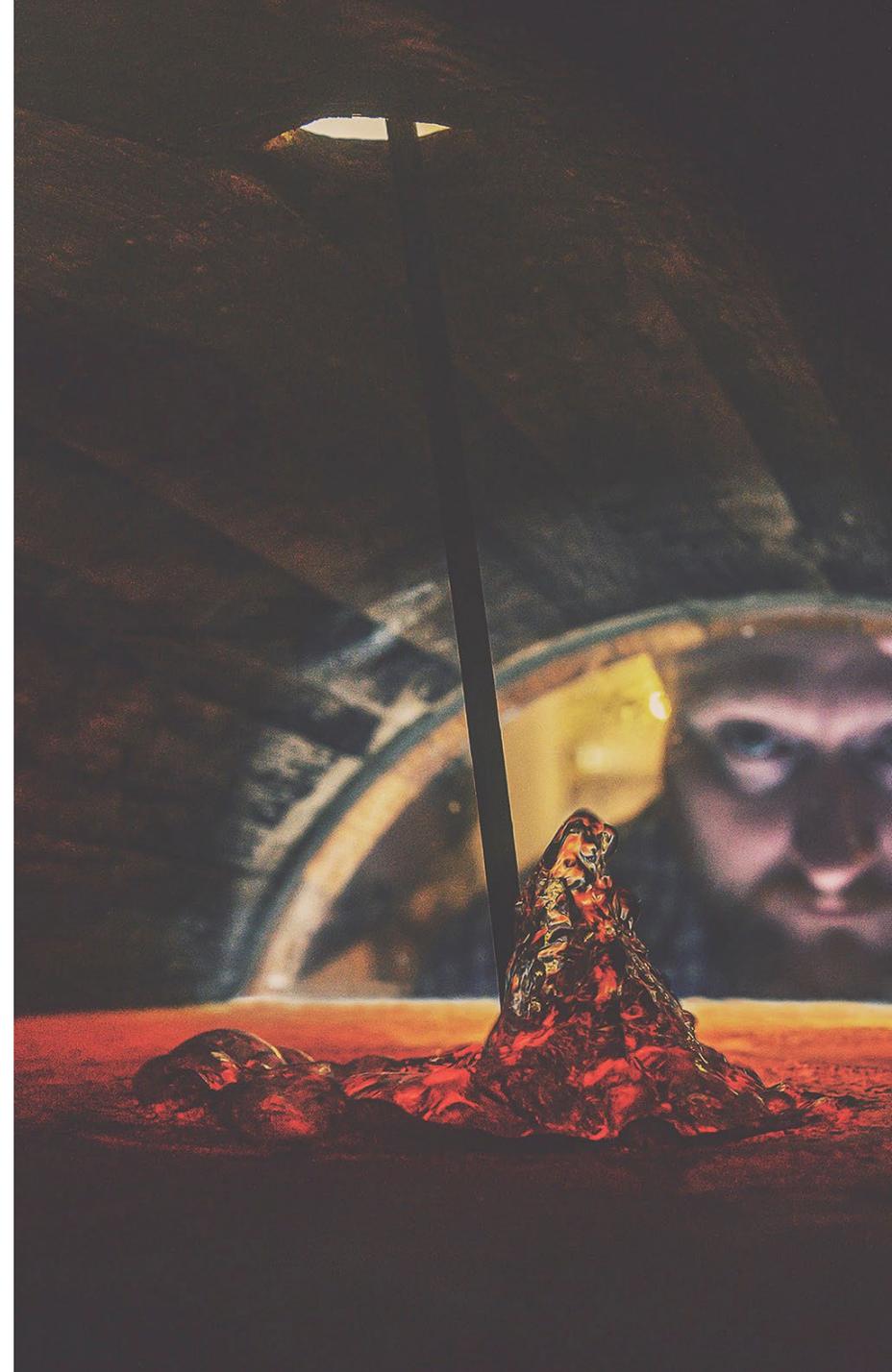
SCN sources, curates and bottles single-cask whiskies and other spirits selling both online and via traditional retail channels to its following of over 10,000 whisky enthusiasts in the USA and other key international markets.

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## J.G. Thomson (“JGT”):



Launched in the UK in late 2021, JGT has a focus on outstanding small batch blended malt whiskies and other spirits, available both through direct-to-consumer online sales and through traditional retail channels.



# THE SCOTCH MALT WHISKY SOCIETY (“SMWS”)



<b>Global</b> c65% revenue from across c30 countries outside UK	<b>Direct to consumer</b> Over 90% of revenue is D2C	<b>Premium</b> ASP of over £90 (exc. VAT) Over 60% gross margin	<b>E-Commerce</b> Over 80% of sales made online	<b>Limited edition</b> Typically, only 250 bottles per cask	<b>Whisky</b> Over £100m current market value of cask inventory	<b>Membership</b> 40,000 paying members
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*What is the Scotch Malt Whisky Society?*

<b>Procure</b> Over 150 distilleries released to date	<b>Mature</b> Over 18,000 casks maturing today	<b>Create</b> Additional maturation on over 1,000 casks	<b>Bottle</b> Over 200,000 bottles produced in 2023	<b>Brand</b> Sold under SMWS brand, established 1983	<b>Sell</b> Bottles sales exclusive to members	<b>Experience</b> Four members' rooms in UK, global presence
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02

**FY24 H1 RESULTS**



# ASC: A UNIQUE AND EXCITING OPPORTUNITY



## Robust business, primed to deliver

- Strong financials – high gross margin & contribution; over 60% & 50% respectively
- Unique and successful sourcing, curation & distribution strategy
- Whisky stock holding to satisfy forecast for the foreseeable future
- Substantial value creation through appreciating cask stock value
- Experienced Board and management leading a passionate & engaged team

## Pioneering model

- Loyal, valuable and growing global membership
- Constant stream of unique, award-winning products
- Relentless focus on innovation & delivering outstanding experiences
- Direct to consumer with proven data-rich e-commerce platform & digital content

## Long-term global growth opportunity

- Significant and growing addressable market
- Positioned for increased premiumisation & e-commerce growth
- Clear flightpath to profitable, cash generation in the short to medium term
- Building a growing portfolio of limited-edition spirits brands

# IMPROVED PROFITABILITY AND SIGNIFICANT CASK SPIRIT VALUATION



## GROWTH

Global Revenue

**(1%) vs 2023 H1**



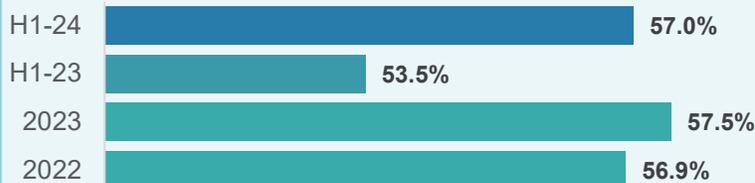
Gross Profit

**+3% vs 2023 H1**



Contribution margin (gross profit less commission)

**Up 3.5ppt vs 2023 H1**



## SMWS MEMBERS

Members

**+4% vs 2023 H1**



Annual Membership Retention

**Above pre-IPO levels**



Lifetime Value

**+5% pre-IPO levels**



## CASK SPIRIT

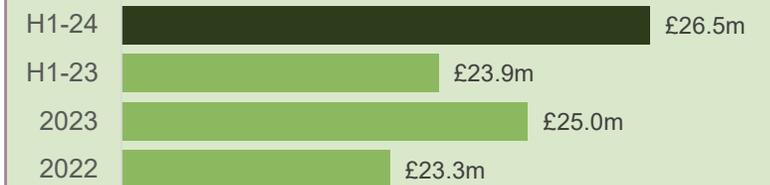
Cask Spirit Stock

**+8% vs June-23**



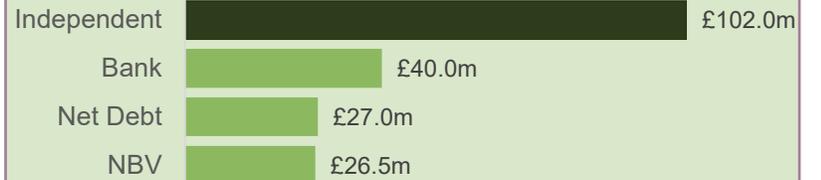
Cask Spirit – Current Value (NBV in accounts)

**+11% vs June-23**



Cask Spirit Valuation

**Around 4x NBV and Net Debt**

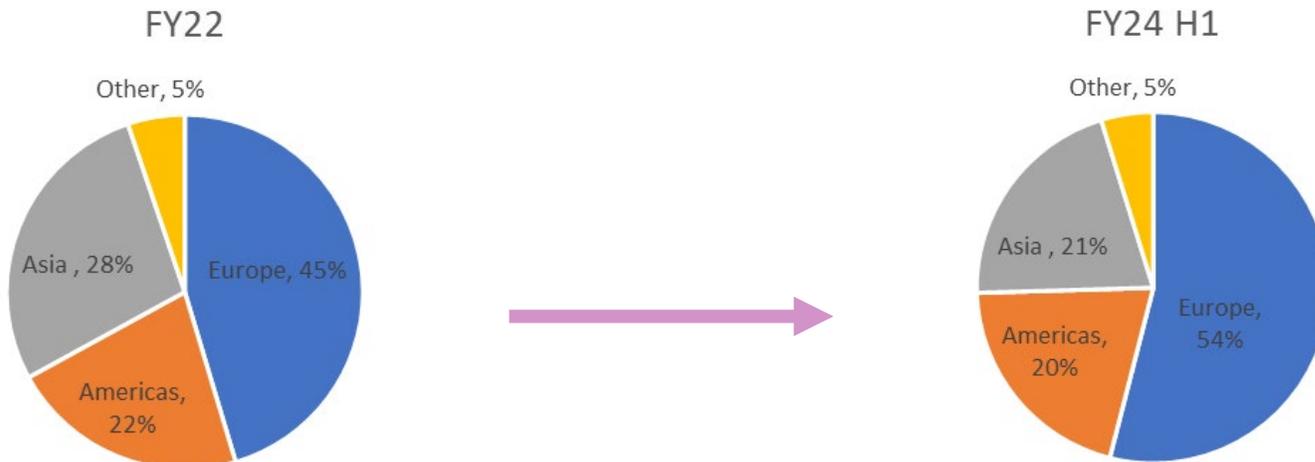


# GLOBAL REVENUE DIVERSIFICATION KEY TO DELIVERY



## ASC Group Revenue

£m	2022	2023	H1-23	H1-24	H1-24 vs H1-23	TAM <sup>2</sup> (£m)	TAM % <sup>1</sup>
Europe	9.9	12.6	5.5	5.5	0%	1,097	1.1%
Americas	4.7	4.7	1.9	2.0	3%	1,769	0.3%
Asia	6.1	5.2	2.3	2.1	(7%)	2,125	0.2%
Other	1.1	1.0	0.5	0.5	1%	285	0.3%
<b>Total Revenue</b>	<b>21.8</b>	<b>23.5</b>	<b>10.2</b>	<b>10.1</b>	<b>(1%)</b>	<b>5,277</b>	<b>0.4%</b>



Further strengthening of Group revenue diversification

Europe: Overall flat, with slight reduction in UK membership offset by increase in spend per member and growth in cask sales

Americas; Includes positive initial delivery from Single Cask Nation (SCN) in line with our stated ambition to further grow our presence in the USA

Asia; China economic challenges largely offset by new SWMS markets in Taiwan & Korea and growth in cask sales to members. Exposure to further declines in China minimal, with the market representing 12% of H1-24 revenue, down from 23% in FY22.

<sup>1</sup> TAM; Total Addressable Market of ultra-premium + price points based on IWSR data 2022. Other TAM % only considers TAM values for those markets where there is ASC revenue (not total rest of world) – so \$6.3bn is the addressable market for markets ASC are currently in

<sup>2</sup> TAM £m based on IWSR data 2022 converted to £m from USD at USD 1.2:1 GBP

# £1M PROFIT IMPROVEMENT AIDED BY SAVINGS FROM COST EFFICIENCIES



ASC GROUP P&L						
£m	2022	2023	H1-23	H1-24	H1-24 vs H1-23	H1-24 vs H1-23
<b>Total Revenue</b>	<b>21.8</b>	<b>23.5</b>	<b>10.2</b>	<b>10.1</b>	<b>(0.1)</b>	<b>(1%)</b>
Cost of Sales	(7.9)	(8.5)	(4.0)	(3.7)	0.3	(7%)
<b>Gross Profit</b>	<b>13.8</b>	<b>15.0</b>	<b>6.2</b>	<b>6.4</b>	<b>0.2</b>	<b>3%</b>
<b>Gross Margin</b>	<b>63.6%</b>	<b>63.8%</b>	<b>60.7%</b>	<b>63.2%</b>	<b>2.5%</b>	<b>2.5%</b>
Commission	(1.5)	(1.5)	(0.7)	(0.6)	0.1	(10%)
<b>Contribution</b>	<b>12.4</b>	<b>13.5</b>	<b>5.5</b>	<b>5.7</b>	<b>0.2</b>	<b>4%</b>
Marketing	(2.6)	(3.1)	(1.6)	(1.2)	0.4	(23%)
Payroll	(5.9)	(6.3)	(3.5)	(3.6)	(0.1)	4%
Other overheads	(3.5)	(4.0)	(2.2)	(1.9)	0.3	(15%)
<b>EBITDA</b>	<b>(0.2)</b>	<b>(0.5)</b>	<b>(2.0)</b>	<b>(1.0)</b>	<b>1.0</b>	<b>(50%)</b>
<b>Adjusted EBITDA</b>	<b>0.4</b>	<b>0.1</b>	<b>(1.8)</b>	<b>-</b>	<b>-</b>	<b>n/a</b>

Cost savings and margin improvement are the key driver of £1m year on year profit improvement

Increased marketing spend efficiency. Consistent revenue delivered with a 23% lower A&P spend

Slight payroll rise reflects addition of Taiwan team in Q3-23 and inflationary increases offsetting reduction in underlying payroll cost

Overheads savings related to;

- Non-recurring investment cost in tech, and ASC America set up (SCN) in FY23 – benefits now being realised
- Reduction in key spend items including professional fees, staff costs and wider incidentals as we manage bottom line delivery against challenging market conditions

<sup>2</sup> Adjusted EBITDA defined as earnings before interest tax, depreciation, amortisation and exceptional and non-recurring costs  
NB figures shown to the nearest £0.1m and totals may appear not to sum due to rounding

# WHISKY STOCK IN PLACE TO SATISFY FUTURE DEMAND. CASH PROFILE OF GROUP WILL IMPROVE SIGNIFICANTLY GOING FORWARD



## ASC Group Balance Sheet

£m	Dec-22	Dec-23	Jun-24	Jun-24 vs Dec-23
Cash	2.3	1.2	1.9	0.6
Loans	(17.3)	(24.1)	(28.9)	(4.8)
<b>Net Debt</b>	<b>(15.0)</b>	<b>(22.8)</b>	<b>(27.0)</b>	<b>(4.2)</b>
<b>Net WC<sup>1</sup></b>	<b>4.3</b>	<b>5.9</b>	<b>5.4</b>	<b>(0.5)</b>
<b>Cask Goods<sup>2</sup></b>	<b>23.3</b>	<b>25.3</b>	<b>26.5</b>	<b>1.1</b>
<b>Fixed Assets</b>				
Tangible Assets	7.7	7.8	7.7	(0.0)
Cask Wood	3.0	3.1	4.0	0.9
Intangible Assets	2.2	2.4	2.5	0.1
<b>Fixed Assets</b>	<b>13.0</b>	<b>13.2</b>	<b>14.2</b>	<b>0.9</b>
<b>Long Term Liabilities</b>	<b>(3.5)</b>	<b>(3.4)</b>	<b>(3.9)</b>	<b>(0.5)</b>
<b>Net Assets</b>	<b>22.0</b>	<b>18.3</b>	<b>15.2</b>	<b>(3.1)</b>

## ASC Cash Flow Statement

£m	FY22	FY23	FY24 H1
<b>Adjusted EBITDA</b>	<b>0.4</b>	<b>0.1</b>	<b>(1.0)</b>
<b>Change in Net WC<sup>1</sup></b>	<b>(2.1)</b>	<b>(0.8)</b>	<b>(0.7)</b>
<b>Operating Cash Flow</b>	<b>(1.7)</b>	<b>(0.6)</b>	<b>(1.7)</b>
<b>Net Cask Spirit Spend*</b>	<b>(2.9)</b>	<b>(2.9)</b>	<b>(0.5)</b>
Exceptional/Non-underlying Items	(0.6)	(0.6)	0.0
Capital Expenditure	(3.4)	(2.0)	(0.5)
M&A	0.0	0.0	(0.2)
Interest Payments	(0.3)	(1.4)	(0.8)
Tax Payments	(0.6)	(0.1)	(0.3)
Dividend Payments	(0.4)	0.0	0.0
Lease Payments	(0.3)	(0.5)	(0.3)
Equity Raise	0.1	0.3	0.0
<b>Net Change in Net Debt</b>	<b>(10.2)</b>	<b>(7.8)</b>	<b>(4.2)</b>
<b>Loan Movements</b>	<b>10.5</b>	<b>6.7</b>	<b>4.8</b>
<b>Net Change in Cash &amp; Cash Equivalents</b>	<b>0.3</b>	<b>(1.1)</b>	<b>0.6</b>

1) Change in Net Working Capital ("WC") in the Cash Flow Statement varies from the Balance Sheet movement due to Balance Sheet movements which are non-cash in nature – predominantly the recognition of £0.3m deferred consideration on SCN, £0.3m of interest accrued, and utilisation of £0.2m of prepayments in respect of cask purchases, partly offset by non-cash movements of £0.6m relating to absorption of costs into stock.

2) Cask Goods movement in the BS includes the above £0.6m of costs absorbed, which are not considered a cask spirit spend for Cash Flow purposes.

NB – figures shown to nearest £0.1m & totals may appear not to sum due to rounding

Well capitalised balance sheet with net assets of £15.2m and facility headroom of £9m at end June 24

Balance sheet further supported by cask spirit market valuation of £102m – around 4x the value held on our books

Level of net cash investment in spirit has peaked. H2 2024 plan indicates lower cask spirit and capital spend than H2 2023, which delivered positive operating cash flow

Current year capital spend predominantly on Cask Wood; prior year investments in Masterton Bond, The Vaults venue and Tech Roadmap spend complete.

M&A spend of £0.2m up-front payment to acquire Single Cask Nation in January, earn out to follow

# INDEPENDENT CASK SPIRIT VALUATION OF OVER £100M. NET DEBT TO VALUE OF C26%



Utilising a realisable sales value (RSV) over a 5-year time frame, a cask-by-cask review has valued our cask spirit stock at £102m. This represents almost a 4x multiple of both the carrying amount in our accounts (the Net Book Value) and our Net Debt levels (both c£27m).

Independent Cask Spirit Valuation		£102.0
Bank Valuation	£40.0	2.6x
Net Debt	£27.0	3.8x
NBV Cask Spirit	£26.5	3.8x

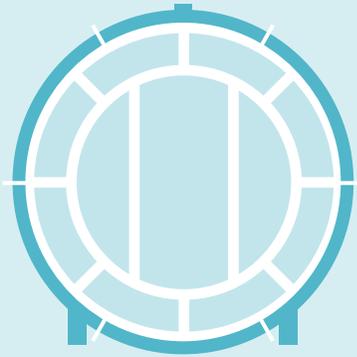
# DEMONSTRATING OUR TWO STAGE VALUE CREATION STRATEGY



Value Created to Date

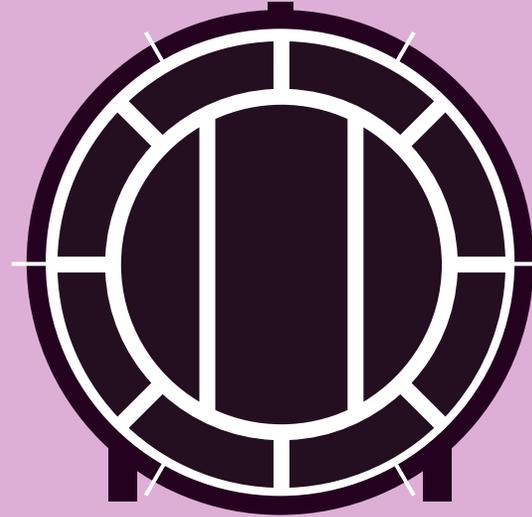
Future Value Opportunity

Original Purchase Price



Net Book Value  
c£26 million  
(Per accounts)

Current Market Value



c£102 million  
(Not recognised in accounts)

Indicative Retail Value



c£500m Revenue  
£300m+ Gross Profit

# LOYAL, VALUABLE AND GROWING GLOBAL SMWS MEMBERSHIP



## Last Twelve Months (LTM) to June 2024 Member Lifetime Value

	Revenue £'000	Period End Members	Average Members	Annual Revenue/ Avg Member (£)	Annual Contribution/ Avg Member (£)	Retention %	Expected Years	LTV (£) (Avg Members)
Europe	9.8	24,387	24,991	390	185	72%	3.6	656
Americas	4.7	8,520	8,069	582	342	64%	2.7	937
Asia	5.0	5,517	5,001	1,002	721	64%	2.8	1,994
Other	1.0	1,921	1,943	504	281	69%	3.2	894
<b>Total</b>	<b>20.4</b>	<b>40,345</b>	<b>40,004</b>	<b>511</b>	<b>288</b>	<b>71%</b>	<b>3.4</b>	<b>989</b>
<b>Change vs 2023<sup>5</sup></b>	<b>(4%)</b>	<b>4%</b>	<b>8%</b>	<b>(11%)</b>	<b>(13%)</b>	<b>(4%)</b>	<b>(10%)</b>	<b>(22%)</b>

1 Contribution is a non-IFRS measure and is defined by Management as Gross Profit less Commission.

2 Expected Years is a non-IFRS measure and is defined by Manager as one divided by one minus retention  $1/(1-r\%)$ .

3 Lifetime Value (LTV) is a non-IFRS measure and is defined as Annual Contribution per member, multiplied by expected years.

4 Regions contain all Markets & Franchises within that region

5 Change is shown versus the twelve-month period ended June 2023

6 The above analysis excludes Trade Cask Sales and Single Cask Nation sales as they aren't sales related to the membership proposition of SMWS

NB: some figures are rounded and therefore may appear not to sum (e.g. membership shown to the nearest 100)



LIFETIME VALUE

**£989**

(vs £932 pre IPO)

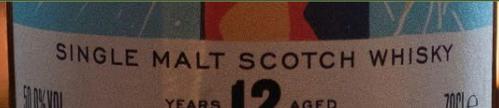


**ARTISANAL  
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03

**PIONEERING MODEL**



# ASC: A UNIQUE AND EXCITING OPPORTUNITY



## Robust business, primed to deliver

- Strong financials – high gross margin & contribution; over 60% & 50% respectively
- Unique and successful sourcing, curation & distribution strategy
- Whisky stock holding to satisfy forecast for the foreseeable future
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## Pioneering model

- Loyal, valuable and growing global membership
- Constant stream of unique, award-winning products
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- Direct to consumer with proven data-rich e-commerce platform & digital content

## Long-term global growth opportunity

- Significant and growing addressable market
- Positioned for increased premiumisation & e-commerce growth
- Clear flightpath to profitable, cash generation in the short to medium term
- Building a growing portfolio of limited-edition spirits brands

# UNIQUE & AWARD WINNING

RECORD NUMBER OF AWARDS IN 2024  
NOW STANDING AT OVER 300 TO DATE

## New York International Spirits Competition (NY ISC) 2024

SMWS recognised as Independent Bottler of the Year at the NY ISC, alongside 4 gold medals, 2 silver and 3 Scotch of the Year titles.

## Icons of Whisky Awards 2024

SCN were awarded the Independent Bottler of the Year Award at the prestigious 'Icons of Whisky Awards' in Louisville in Kentucky in the USA in January 2024

## International Spirits Challenge (ISC) 2024

A record haul of six Gold medals and one Silver in the International Spirits Challenge, which promotes outstanding quality spirits from across the globe and receives thousands of entries from over 70 countries worldwide.

## Scotch Whisky Masters (SWM) 2024

The Society picked up eight medals, including a Master award, six Golds and a Silver, while JG Thomson won five awards, including a Master, three Golds and a Silver.

## San Francisco Worlds Spirits Competition (SF WSC) 2024

Recognition at 2024 San Francisco World Spirits Competition saw SMWS and SCN win 11 medals in total, including three prestigious Double Gold medals for SMWS bottlings.

## International Wine & Spirits Competition (IWSC) 2024

SMWS took home seven awards with one gold, three silver and three bronze medals.



# SMWS MARKETING STRATEGY RECRUIT, RETAIN AND ENGAGE



## GLOBAL BRAND POSITIONING: ENDLESS DISCOVERIES

We create one-off, one-of-a-kind flavours & whiskies, so you get the thrill of chasing & tasting a better way to experience whisky.

### RECRUIT:

Digitally-focused recruitment of a better way to experience whisky



MEMBERSHIP & BOTTLE GROWTH IN FY24  
NEW EDUCATION OFFERING IN Q4-24

### RETAIN:

Personality-filled whiskies



1000 NEW BOTTLINGS RELEASED  
TO MEMBERS EVERY YEAR

### ENGAGE:

In-person touchpoints and whisky story-led content



HYBRID PHYSICAL AND DIGITAL  
EXPERIENCE WITH GLOBAL E-COMMERCE  
REACH, FOUR UK MEMBER ROOMS  
AND A NETWORK OF PARTNER BARS  
GLOBALLY



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04

**LONG-TERM GLOBAL GROWTH  
OPPORTUNITY**



# ASC: A UNIQUE AND EXCITING OPPORTUNITY



## Robust business, primed to deliver

- Strong financials – high gross margin & contribution; over 60% & 50% respectively
- Unique and successful sourcing, curation & distribution strategy
- Whisky stock holding to satisfy forecast for the foreseeable future
- Substantial value creation through appreciating cask stock value
- Experienced Board and management leading a passionate & engaged team

## Pioneering model

- Loyal, valuable and growing global membership
- Constant stream of unique, award-winning products
- Relentless focus on innovation & delivering outstanding experiences
- Direct to consumer with proven data-rich e-commerce platform & digital content

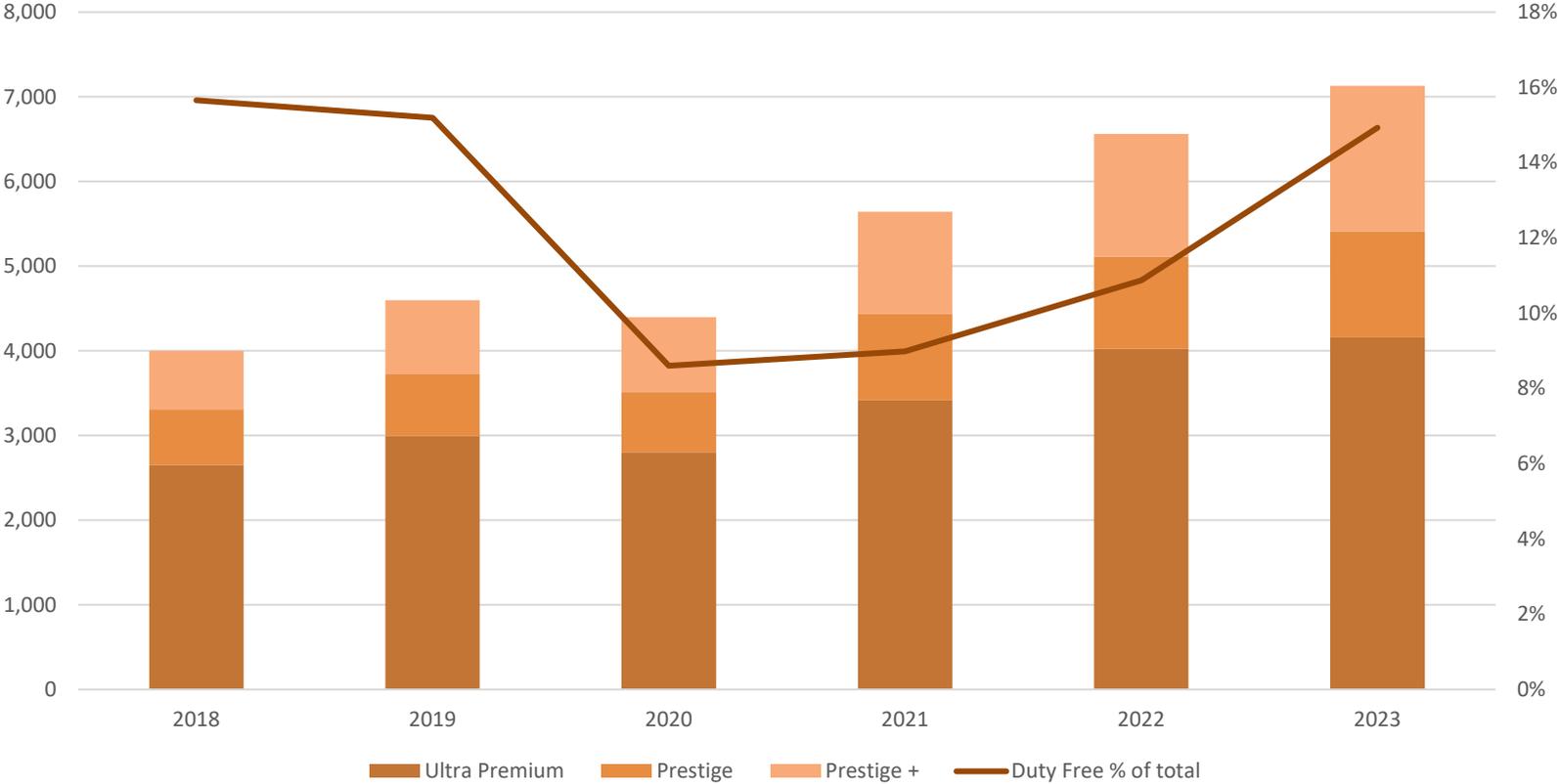
## Long-term global growth opportunity

- Significant and growing addressable market
- Positioned for increased premiumisation & e-commerce growth
- Clear flightpath to profitable, cash generation in the short to medium term
- Building a growing portfolio of limited-edition spirits brands

# GLOBAL ULTRA PREMIUM SCOTCH MARKET CONTINUED TO GROW IN 2023, PRIMARILY DRIVEN BY THE RETURN OF DUTY FREE



Global Ultra Premium Scotch Malt Whisky Sales \$m



Source; IWSR



# GLOBAL DATA SHOWS SIGNIFICANT VARIANCE BY MARKET IN 2023



Global Ultra Premium Scotch Whisky Market							
\$m	2013	2018	2022	2023	10YR CAGR	5YR CAGR	22-23 Growth
United States	658	1,167	1,550	1,504	9%	5%	(3%)
China	49	179	872	756	31%	33%	(13%)
Taiwan	167	286	442	527	12%	13%	19%
United Kingdom	138	267	360	354	10%	6%	(2%)
South Korea	45	74	145	243	18%	27%	67%
Germany	94	148	234	208	8%	7%	(11%)
France	118	151	221	196	5%	5%	(11%)
Japan	34	86	136	169	17%	15%	24%
Australia	37	83	171	153	15%	13%	(11%)
Canada	63	106	148	135	8%	5%	(9%)
Nigeria	0	8	57	114	78%	71%	101%
Vietnam	10	31	112	106	26%	28%	(5%)
Singapore	18	68	111	106	19%	9%	(5%)
Hong Kong	11	45	88	105	25%	19%	19%
Others	655	1,302	1,913	2,453	14%	13%	28%
<b>Grand Total</b>	<b>2,100</b>	<b>4,000</b>	<b>6,560</b>	<b>7,128</b>	<b>13%</b>	<b>12%</b>	<b>9%</b>
<b>Analysis:</b>							
Key ASC Markets	1,529	2,723	4,549	4,496	11%	11%	(1%)
Other ASC Markets	132	336	647	712	18%	16%	10%
<b>Total ASC Markets</b>	<b>1,661</b>	<b>3,059</b>	<b>5,196</b>	<b>5,209</b>	<b>12%</b>	<b>11%</b>	<b>0%</b>
Duty Free Markets	312	626	713	1,064	13%	11%	49%
Other Non ASC Markets	127	315	651	855	21%	22%	31%
<b>Total</b>	<b>2,100</b>	<b>4,000</b>	<b>6,560</b>	<b>7,128</b>	<b>13%</b>	<b>12%</b>	<b>9%</b>

Overall the global market for Ultra Premium Scotch Whisky grew by 9% in FY23, slightly below the 5 year CAGR of 12% and 10 year CAGR of 13%.

62% of this growth was driven by Duty Free, which is not a space that we are currently present in but are investigating future opportunities in this space.

For our key markets (US, UK, China, Europe and the largest franchises), those actually declined by 1%, most notably 13% decline in China, 3% in US and 2% in UK.

That while there was 10% growth in “Other” ASC markets, these are where we are relatively small (e.g. Hong Kong, Malaysia).

There was 31% growth in markets that ASC is not currently present in. We are very close to entering an agreement to launch in Vietnam and are looking at a number of other markets including Nigeria for future expansion.

# GROWING KEY MARKETS WILL DRIVE RECOVERY AND GROWTH – SMWS WELL POSITIONED TO BENEFIT



## RECENT CONTEXT

The spirit's industry has witnessed a slow down in 2023 – 2024. IWSR forecasts that in 2024 Total Beverage Alcohol (“TBA”) value will be essentially flat (+0.5%).

A key reason for this has been sentiment regarding personal finances, most significantly felt in the Chinese market, the correlation strong across most mature markets overall.

## LOOKING FORWARD

**With regards to recovery, IWSR forecast future TBA value gains will be led by China, the US and India** – contributing \$30bn in incremental TBA value by 2028, with two thirds of it coming from the US, China and India.

The 3 big markets will be supported by the **improvement in sentiment regarding personal finances, as well as legal drinking age (LDA) growth**. The significant value growth in India a result of the addition of 65m LDA consumers over the next 5 years, a more pragmatic approach to regulation and bureaucracy (as it results in significant tax contributions) and reduced tariffs for imports.

# IN SUMMARY



## H1-24 Headlines

- Profit Improvement Continues
- Further Revenue Diversification
- Significant Asset Value
- Improving Cash Profile
- Outstanding Quality Recognition

## H2-24 Outlook

- H2 initiatives include further international expansion, two completely new Scotch Malt Whisky distillery releases and the refresh of our range to ensure it continues to reflect current consumer trends, resulting in new releases such as the inaugural 'Creators' Collection' alongside the 2024 Winter Series collection.
- Trading to date in H2 has seen us consolidate the improved profitability in H1, which alongside the expected H2 revenue delivery from core markets at similar levels to FY23, planned US shipments and continued cask sales, ensure we remain on track to meet FY consensus EBITDA.



# APPENDICES



# APPENDICES



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Glossary

02

Leadership

03

Awards

04

2023 KPIs in greater market detail

05

The Board



# 01 | GLOSSARY



<b>A&amp;P</b>	Advertising & Promotional Costs
<b>ASC</b>	Artisanal Spirits Company
<b>CAGR</b>	Compound Annual Growth Rate
<b>Cask Wood</b>	an empty cask purchased for filling with spirit
<b>Churn</b>	the inverse of Retention (as defined below), i.e. the percentage of members who do not renew their membership at the end of their annual membership period. e.g. if retention was 75%, then churn would be 25%.
<b>Contribution</b>	Gross Margin less commission costs
<b>D2C</b>	Direct to Consumer
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>adjusted EBITDA</b>	Earnings before interest, tax, depreciation, amortization & exceptional and non-underlying costs
<b>ePos</b>	Electronic point of sale
<b>JGT</b>	JG Thomson & Co
<b>LTM</b>	Last twelve months

<b>LTV</b>	Lifetime value (or Lifetime Member Value) – calculated as annual contribution/member multiplied by member Years, where Years is calculated as one divided by Churn
<b>Market Value</b>	Indicative Market Bulk Value calculated using the external valuation basis used by RBS for Scotch Whisky maturing in casks (based on a sale being realised within 6 months), with all other stock held at book value
<b>MPOS</b>	Mobile point of sale
<b>Notional retail value</b>	Calculated as total litres of spirit in casks, converted to bottle equivalent (based on 70cl) multiplied by average net revenue per bottle in the period
<b>PB</b>	Partner Bars
<b>H1/H2</b>	Six months to end June/December respectively
<b>Retention</b>	The percentage of members who renew their membership at the end of their annual membership period.
<b>Revenue</b>	Presented in accordance with IFRS and represents the proceeds from the sale of goods and services, inclusive of duty and exclusive of VAT and other sales taxes. All sales related metrics (e.g. average selling price) are quoted on this revenue basis
<b>SCN</b>	Single Cask Nation
<b>Single Cask</b>	Single cask batch release
<b>SMWS</b>	Scotch Malt Whisky Society

Premium, Super-Premium, Ultra-Premium, Prestige and Prestige + market segments are consistent with IWSR definitions, which determines these price categorisations on a market-by-market basis (UK figures shown on P18). Note references to market sizes or market shares are taken to include that segment and above (e.g. the Ultra-Premium market includes Ultra-Premium, Prestige and Prestige Plus) <https://www.theiwsr.com/wp-content/uploads/IWSR-Methodology-Definitions-2019.pdf>

# 02 | FY24: SIX KEY STRATEGIC INITIATIVES



<b>Whisky</b>	<b>Range review</b> <b>Whisky release process improvements</b>
<b>Membership</b>	<b>Private Cask Sales (inc 50<sup>th</sup> Anniversary)</b>
<b>Experiences</b>	<b>New EPOS launched</b>
<b>New Brands &amp; Audiences</b>	<b>Acquisition of Single Cask Nation</b>
<b>People</b>	<b>HQ office move</b>

# 03 | LOYAL, VALUABLE AND GROWING GLOBAL SMWS MEMBERSHIP: LTM DEC 23



## Last Twelve Months (LTM) to December 2023 Member Lifetime Value

	Revenue £'000	Period End Members	Average Members	Annual Revenue/ Avg Member (£)	Annual Contribution/ Avg Member (£)	Retention %	Expected Years	LTV (£) (Avg Members)
Europe	10.2	25,921	24,987	409	187	78%	4.6	866
Americas	4.7	8,281	7,511	629	366	67%	3.0	1,107
Asia	5.2	4,865	4,249	1,229	878	63%	2.7	2,355
Other	1.0	1,977	1,958	499	291	70%	3.3	970
<b>Total</b>	<b>21.2</b>	<b>41,044</b>	<b>38,706</b>	<b>547</b>	<b>303</b>	<b>74%</b>	<b>3.9</b>	<b>1,173</b>
<b>Change vs 2022<sup>5</sup></b>	<b>-</b>	<b>+10%</b>	<b>+9%</b>	<b>(9%)</b>	<b>(7%)</b>	<b>(3%)</b>	<b>(10%)</b>	<b>(15%)</b>

1 Contribution is a non-IFRS measure and is defined by Management as Gross Profit less Commission.

2 Expected Years is a non-IFRS measure and is defined by Manager as one divided by one minus retention  $1/(1-r\%)$ .

3 Lifetime Value (LTV) is a non-IFRS measure and is defined as Annual Contribution per member, multiplied by expected years.

4 Regions contain all Markets & Franchises within that region

5 Change is shown versus the twelve-month period ended December 2022

6 The above analysis excludes Trade Cask Sales of £2.3m as they aren't sales related to the membership proposition of SMWS

NB: some figures are rounded and therefore may appear not to sum (e.g. membership shown to the nearest 100)



LIFETIME VALUE  
**£1,173**

# 04 | THE BOARD



An experienced team with a proven track record



**Mark Hunter**  
Independent  
Non-Executive Chair



**Andrew Dane**  
Chief Executive Officer



**Billy McCarter**  
Chief Financial Officer



**Paul Skipworth**  
NED & Deputy Chair



# 04 | THE BOARD



An experienced team with a proven track record



**Lesley Jackson**

Independent NED &  
Audit Committee Chair

Former CFO for Stock Spirits PLC (2011-17), and prior to that held similar positions at William Grant & Sons & United Breweries (an Indian listed public company).

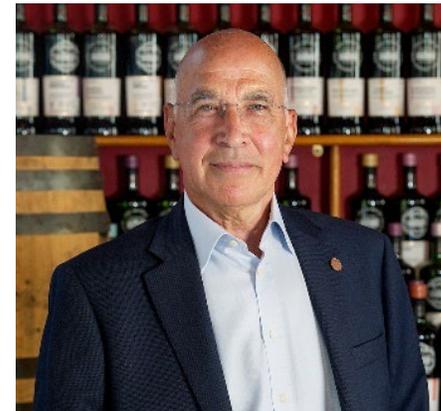


**Helen Page**

Independent NED & Remuneration  
Committee Chair

Former Chief Brand Officer for Virgin Money UK, chair of Virgin Money Giving & a member of the Financial Services Advisory Board in Scotland. Prior to that held senior roles at RBS, Argos & Abbey.

Non-Exec Director for Bank of Ireland from Feb 24, as well as Board Trustee for Scottish Charity's Air Ambulance and Scottish Society for Prevention of Cruelty to Animals (SSPCA)



**Gavin Hewitt CMG**

Independent NED

CEO of Scotch Whisky Association (2003-13)  
Non-Exec Chair Bladnoch Distillery (2015-17) and re-appointed to Bladnoch Board 2024  
British Ambassador to 3 EU member states (1994-03).  
Master of the Quaich & liveryman of the Worshipful Company of Distillers.



**Mark Bedingham**

NED

Vice Chair of ASPL (NYSE Listed);  
Exec Chair of CÉ LA VI the hospitality group and President and CEO of SMI – SGX (Singapore) listed. 20 years as Regional MD of Moët Hennessy Asia Pacific and former Director of Jardine Pacific.

# 05 | MARKET DATA: SMWS GLOBAL MEMBERSHIP

