



**ARTISANAL  
SPIRITS**  
COMPANY

# THE ARTISANAL SPIRITS COMPANY PLC

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H1-23 Results Presentation – September 2023

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# ASC: CURATORS OF THE WORLD'S FAVOURITE SINGLE CASK AND LIMITED-EDITION WHISKY



**Andrew  
Dane**  
CEO



**Billy  
McCarter**  
CFO



# THE SCOTCH MALT WHISKY SOCIETY (“SMWS”)



## Global

c65% revenue from across c30 countries outside UK

## Direct to consumer

Over 90% of revenue is D2C

## Premium

ASP of £97 (exc. VAT)  
Over 60% margin

## E-Commerce

Over 80% of sales made online

## Limited edition

Typically only 250 bottles

## Whisky

100% of stock required to FY28

## Membership

Over 39,000 paying members

*What is the Scotch Malt Whisky Society?*

## Procure

Over 150 distilleries released to date

## Mature

c16,700 casks maturing today

## Create

Additional maturation on over 1,000 more casks

## Bottle

Over 200,000 bottles produced in 2022

## Brand

Sold under SMWS brand, established 1983

## Sell

Bottles sales exclusive to members

## Experience

Four members' rooms in UK, global presence



# A CLEAR FRAMEWORK FOR PROFITABLE GROWTH



<b>Purpose</b>	<b>To captivate a global community of whisky adventurers</b> <i>We do this by revealing the magic of our unique &amp; outstanding whisky and the passion &amp; expertise of our people</i>				
<b>Proposition</b>	<b>We create and sell outstanding, limited-edition whisky &amp; experiences around the world</b> <i>And we curate these for quality drinks lovers looking to try something different</i>				
<b>Ambition</b>	<b>To create a high quality, highly profitable &amp; cash generative, premium global business</b> <i>We'll do that by delivering the world's best whisky experiences and we remain on track to deliver our shorter-term ambition of doubling ASC sales between 2020 and 2024</i>				
<b>Strengths</b>	<div> <b>Pioneering model</b> <b>Long-term global growth opportunity</b> <b>Robust business, primed to deliver</b> </div> <i>Underpinned by an outstanding whisky release calendar with well-planned communications</i>				
<b>Strategic Pillars</b>	<b>Develop the SMWS member proposition &amp; market reach</b>	<b>Grow SMWS digital &amp; physical experience</b>	<b>Drive value and volume of liquid consumption</b>	<b>Create new brands &amp; new audience reach</b>	<b>Be the best version of ourselves</b>

# FY23 OBJECTIVES PROGRESSING WELL UNDER THE FIVE STRATEGIC PILLARS



**Develop our member proposition & market reach**

**Grow digital & physical member experience**

**Drive value and volume of liquid consumption**

**Create new brands & new audience reach**

**Be the best version of ourselves**

**Taiwan Subsidiary Launch**

**New Membership & A Bottle Product Launched**

**Refurbishment & upgrade of the Vaults**

**App and Website, Phase 1**

**Export/Fulfilment in-house at Masterton**

**Cask Sales Programme**

**Prestige Trial**

**JGT International Expansion**

**America**

**Organisational development**



01

# KPIS AND FINANCIALS



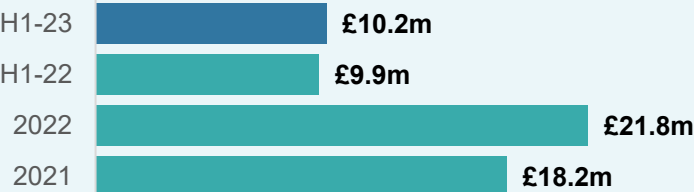
# GROWING REVENUE, MEMBERSHIP & CASK VALUE



## GROWTH

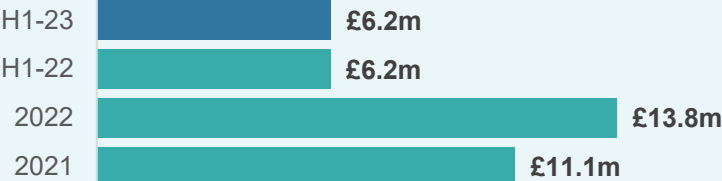
Global Revenue

**+3.3% vs H1-22**



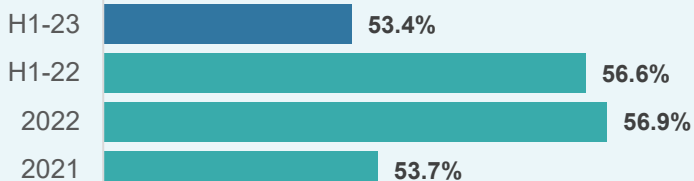
Gross Profit

**In line with H1-22**



Contribution (gross profit less commission)

**Down 3ppt vs H1-2022**



## MEMBERS

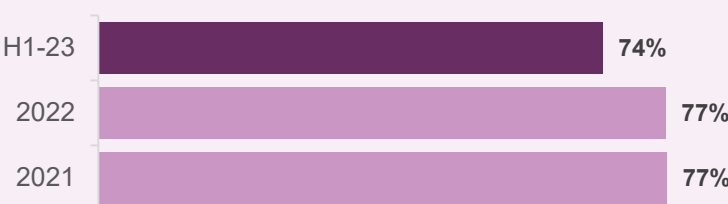
Members

**+9% vs Jun-22**



Annual Membership Retention

**Above pre-covid levels**



Lifetime Value

**Up 35% since IPO**



## CASK SPIRIT

Cask Spirit – Current Value (NBV in accounts)

**+4% vs Dec-22**



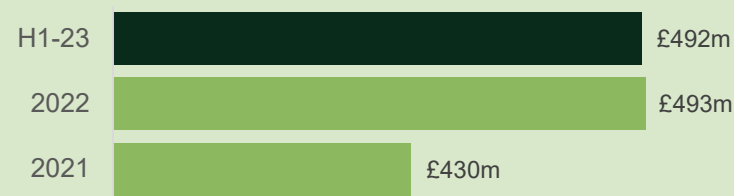
Cask Spirit – Current Value (Bank Valuation)

**+38% vs Dec-22**



Cask Spirit – Notional Retail Value

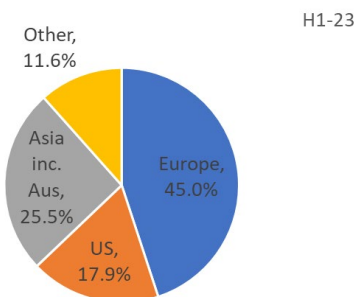
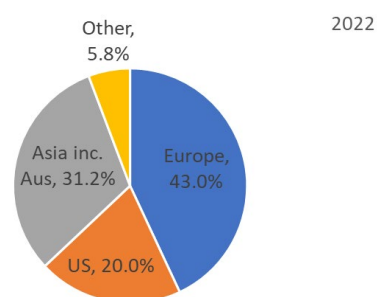
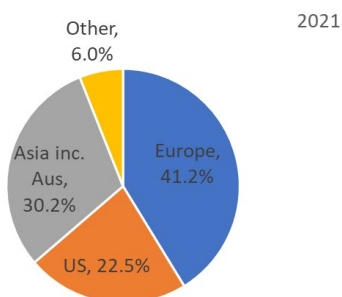
**In line with Dec-22**



# GROWING AND DIVERSIFIED GLOBAL REVENUE

## ASC Group Revenue

£m	2021	2022	H1-22	H1-23	H1-23 vs H1-22	TAM (£m) <sup>2</sup>	TAM % <sup>1</sup>	TAM Growth Rate <sup>3</sup>
UK E-Commerce	3.5	3.7	1.6	1.5	(5%)	282	1.3%	34%
UK Venues & Events	2.3	3.7	1.6	2.0	23%	-	-	
Cask Sales	0.0	0.3	0.1	0.5	838%	-	-	
<b>UK Total</b>	<b>5.8</b>	<b>7.7</b>	<b>3.3</b>	<b>4.0</b>	<b>23%</b>	<b>-</b>	<b>-</b>	
USA	4.1	4.4	1.9	1.8	(2%)	1,710	0.3%	33%
China	3.9	5.0	2.3	1.8	(25%)	885	0.6%	125%
Europe	1.7	2.0	0.9	1.1	21%	669	0.3%	27%
Australia	0.9	1.0	0.4	0.4	(13%)	216	0.5%	25%
Japan	0.7	0.8	0.4	0.5	7%	137	0.6%	48%
Rest of World	1.1	0.9	0.6	0.7	19%	2,432	0.0%	55%
<b>Total Revenue</b>	<b>18.2</b>	<b>21.8</b>	<b>9.9</b>	<b>10.2</b>	<b>3%</b>	<b>6,332</b>	<b>0.3%</b>	<b>49%</b>



## HEADLINES

UK Venues strongest 6-month performance on record

Europe continues its strong revenue growth journey, driven by continued membership growth in the region

In line with our strategy, we continue to enhance the value of our cask stock and take advantage of the opportunities to grow and realise the value on this substantial and appreciating asset

China recovering after 40% year on year decline in Q1. Revenue & membership now returned to growth.

<sup>1</sup> TAM; Total Addressable Market of ultra-premium + price points based on IWSR data 2022. Rest of World TAM % only considers TAM values for those markets where there is ASC revenue (not total rest of world)

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

<sup>3</sup> Growth rate based on IWSR data 2022 and displays growth from 2020 to 2022

NB figures shown to the nearest £0.1m and totals may appear not to sum due to rounding



# STRONG FINANCIALS REINVESTING FOR FURTHER GROWTH



## HEADLINES

Remain on track to deliver our ambition to double revenue by 2024 and deliver positive EBITDA this year

Gross margin impacted by mix, in particular growth in Europe and Venues relative to higher margin China and US

Full year margin expectation in line with prior year.

Payroll growth primarily relates to c£250k of Masterton Bond staff and inflationary pay increase impact.

Other overheads includes investment in our IT and technology to deliver and accelerate our growth, including the development of a new SMWS App for launch later this year

## ASC GROUP P&L

£m	2021	2022	H1-22	H1-23	H1-23 vs H1-22
<b>Total Revenue</b>	<b>18.2</b>	<b>21.8</b>	<b>9.9</b>	<b>10.2</b>	<b>3%</b>
Cost of Sales	(7.0)	(7.9)	(3.7)	(4.0)	9%
<b>Gross Profit</b>	<b>11.2</b>	<b>13.8</b>	<b>6.2</b>	<b>6.2</b>	<b>0%</b>
<i>Gross Margin</i>	61.5%	63.6%	62.6%	60.7%	(3.1%)
Commission	(1.4)	(1.5)	(0.6)	(0.7)	24%
<b>Contribution</b>	<b>9.8</b>	<b>12.4</b>	<b>5.6</b>	<b>5.5</b>	<b>(3%)</b>
<i>% of sales</i>	53.7%	56.9%	56.6%	53.4%	(5.6%)
Marketing	(2.4)	(2.6)	(1.2)	(1.6)	37%
<i>% of sales</i>	13.2%	12.1%	12.1%	16.1%	32.5%
Payroll	(4.5)	(5.9)	(2.9)	(3.5)	19%
<i>% of sales</i>	24.7%	27.1%	29.3%	33.8%	15.3%
Other overheads	(3.5)	(3.5)	(1.8)	(2.2)	21%
<i>% of sales</i>	19.2%	16.0%	18.2%	21.3%	17.0%
<b>Adjusted EBITDA</b>	<b>(0.6)</b>	<b>0.4</b>	<b>(0.3)</b>	<b>(1.8)</b>	<b>(504%)</b>

**As we drive increased revenue growth in H2, contribution and profit delivery will be significantly higher against a more steady cost base.**

\* Adjusted EBITDA defined as earnings before interest tax, depreciation, amortisation and exceptional and restructuring costs (these representing Masterton Bond Supply Chain facility move of £0.1m exceptional cost and restructuring cost of £01.m as a result of the change of CEO)

NB figures shown to the nearest £0.1m and totals may appear not to sum due to rounding

# STRONG AND WELL-CAPITALISED, ASSET-BACKED BALANCE SHEET



## ASC Group Balance Sheet

£m	Dec-21	Dec-22	Jun-23	Jun-23 vs Dec-22
Cash	2.0	2.3	1.5	(0.8)
Loans	(6.8)	(17.0)	(20.3)	(3.3)
<b>Net Debt</b>	<b>(5.2)</b>	<b>(14.7)</b>	<b>(18.8)</b>	<b>(4.1)</b>
<b>Net WC<sup>1</sup></b>	<b>2.2</b>	<b>4.3</b>	<b>4.3</b>	<b>0.0</b>
<b>Cask Goods</b>	<b>20.4</b>	<b>23.3</b>	<b>23.9</b>	<b>0.7</b>
<b>Fixed Assets</b>				
Tangible Assets	6.0	7.7	7.3	(0.4)
Cask Wood	2.4	2.7	3.2	0.6
Intangible Assets	2.4	2.2	2.1	(0.1)
<b>Fixed Assets</b>	<b>10.9</b>	<b>12.6</b>	<b>12.7</b>	<b>0.0</b>
<b>Long Term Liabilities</b>	<b>(4.3)</b>	<b>(3.5)</b>	<b>(3.4)</b>	<b>0.2</b>
<b>Net Assets</b>	<b>23.9</b>	<b>22.0</b>	<b>18.7</b>	<b>(3.3)</b>

## ASC Cash Flow Statement

£m	FY21	FY22	Jun-23
<b>Adjusted EBITDA</b>	<b>(0.6)</b>	<b>0.4</b>	<b>(1.8)</b>
<b>Change in Net WC</b>	<b>(1.4)</b>	<b>(2.1)</b>	<b>0.0</b>
<b>Operating Cash Flow</b>	<b>(2.0)</b>	<b>(1.7)</b>	<b>(1.8)</b>
<b>Net Cask Spirit Spend</b>	<b>(1.5)</b>	<b>(2.9)</b>	<b>(0.7)</b>
Exceptional/Non-underlying Items	(0.9)	(0.6)	(0.2)
Capital Expenditure	(1.0)	(3.4)	(0.6)
Interest Payments	(0.3)	(0.3)	(0.6)
Tax Payments	(0.3)	(0.6)	(0.1)
Dividend Payments	(0.4)	(0.4)	-
Lease Payments	(0.1)	(0.3)	(0.3)
Equity Raise	14.9	0.1	0.3
<b>Net Change in Net Debt</b>	<b>8.5</b>	<b>(10.2)</b>	<b>(4.1)</b>
<b>Loan Movements</b>	<b>(8.7)</b>	<b>10.2</b>	<b>3.3</b>
<b>Net Change in Cash &amp; Cash Equivalents</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(0.8)</b>

## HEADLINES

Well capitalised balance sheet with net assets of £18.7m

Level of net cash investment in spirit has peaked

Net debt to be managed at its current level in the near to medium term, as profit delivery and cash conversion funds spirit and wood investment requirements

Targeting positive Operating Cash flow in H2-23

CapEx investment reflects; Masterton Bond final elements, initial spend on The Vaults venue and continued Cask wood purchases

<sup>1</sup> WC = Working Capital

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







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02

# PIONEERING MODEL

# ASC: A UNIQUE AND EXCITING OPPORTUNITY



## 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 double sales 2020-24, delivering meaningful profits in medium term
- Building a growing portfolio of limited-edition spirits brands

## Robust business, primed to deliver

- Strong financials – high margin & contribution; greater than 60% & 50% respectively
- Unique and successful sourcing, curation & distribution strategy
- Own the whisky stock to satisfy forecast demand to FY29 (with 75% to FY33)
- Experienced Board and management leading a passionate & engaged team

# LOYAL, VALUABLE AND GROWING GLOBAL SMWS MEMBERSHIP



## Last Twelve Months (LTM) to June 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)
UK	7,156	18,161	17,815	402	217	76%	4.2	910
United States	4,370	6,289	5,935	736	386	68%	3.1	1,211
China	4,455	1,722	1,627	2,739	1,931	40%	1.7	3,210
Europe	2,388	4,785	4,316	553	236	73%	3.7	873
Rest of World	1,135	4,365	3,992	1,034	620	81%	7.9	2,047
Australia	945	1,538	1,577	599	318	75%	4.0	1,275
Japan	829	1,926	1,788	464	358	85%	6.7	2,393
<b>Total</b>	<b>21,278</b>	<b>38,786</b>	<b>37,050</b>	<b>574</b>	<b>330</b>	<b>74%</b>	<b>3.8</b>	<b>1,261</b>
<b>Change vs 2022</b>	<b>-</b>	<b>+4%</b>	<b>+5%</b>	<b>(4%)</b>	<b>(3%)</b>	<b>(4%)</b>	<b>(11%)</b>	<b>(13%)</b>

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

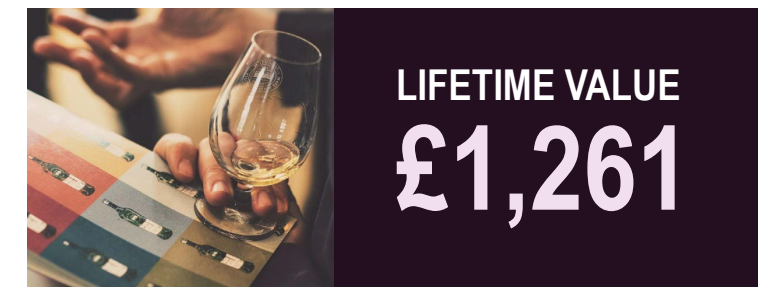
2 Expected Years is a non-IFRS measure and is defined by Manager as one divided by one minus retention  $1/(1-r\%)$ .

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

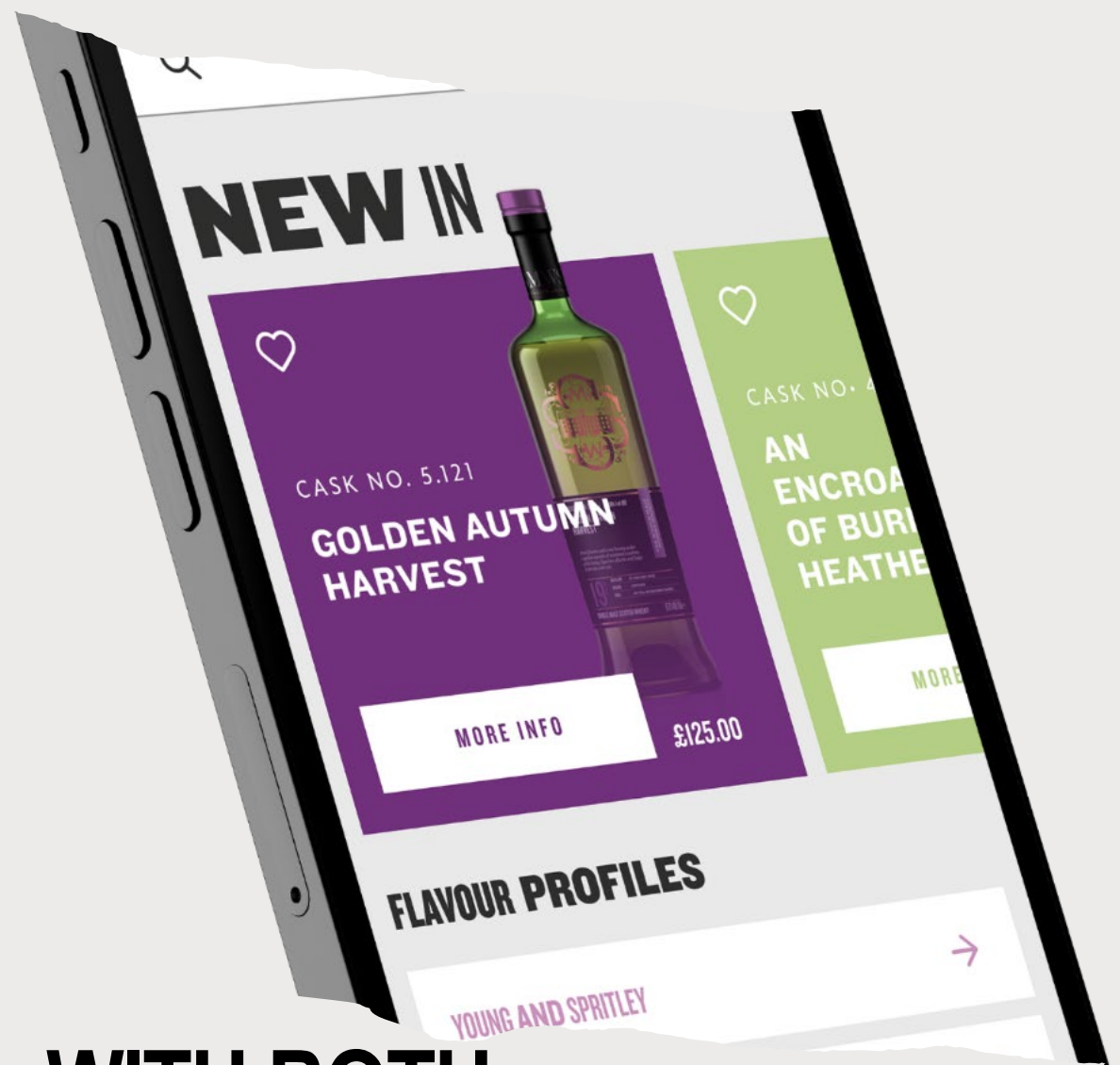
4 Europe represents direct sales markets within continental Europe, but excludes franchise markets in Denmark and Switzerland which are shown within Rest of World.

\*.Revenue excludes JG Thomson and cask sales of £0.6m as they aren't sales related to membership proposition of SMWS

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

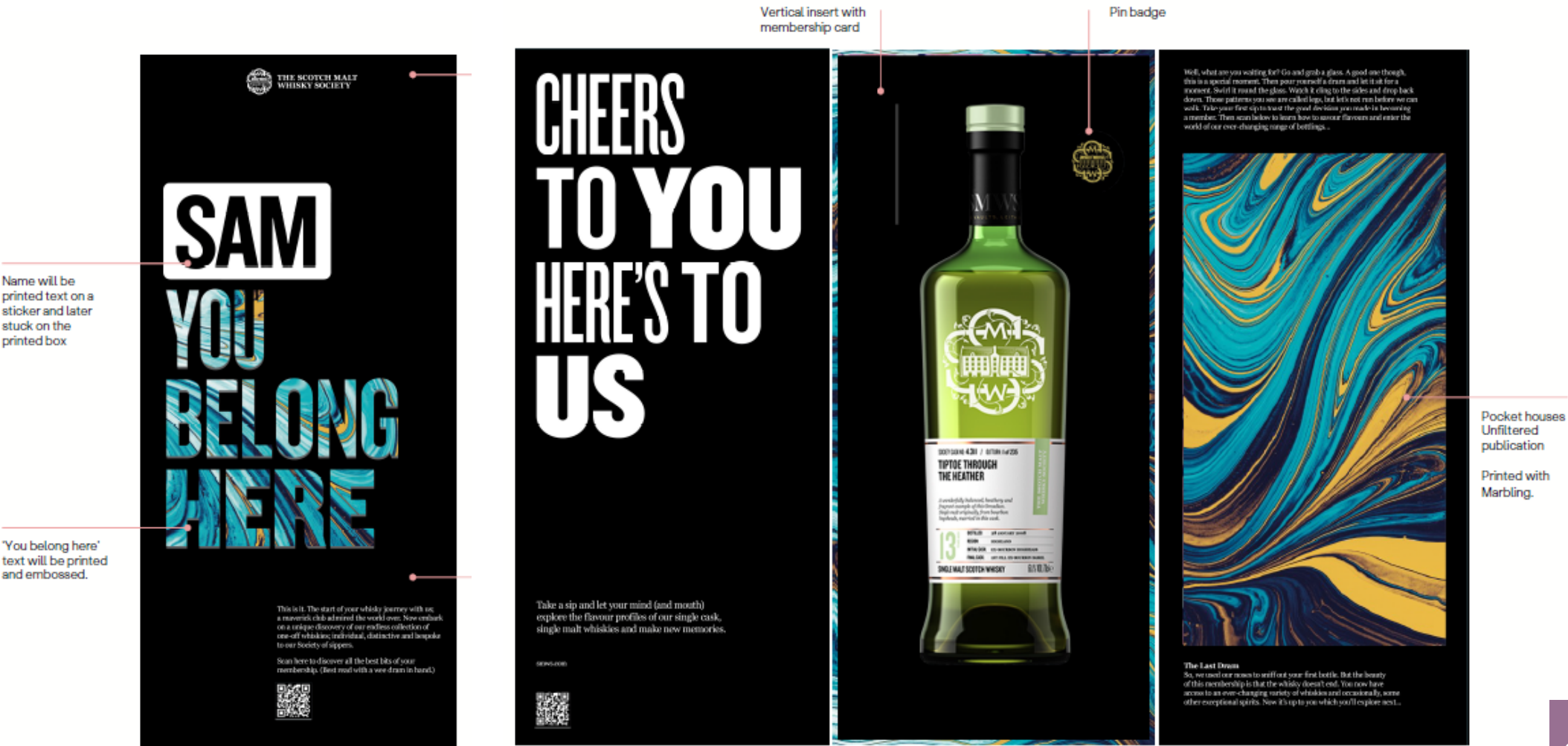






# WE OPERATE A HYBRID MODEL, WITH BOTH DIGITAL AND PHYSICAL INTERACTION

# NEW MEMBERSHIP AND A BOTTLE PRODUCT TO LAUNCH IN TIME FOR CHRISTMAS



**NEW MEMBER  
WOW FACTOR.**

**INCREASING  
“LIQUID TO LIPS”  
FOR NEW  
MEMBERS.**

**INCREASING  
BRAND REACH.**

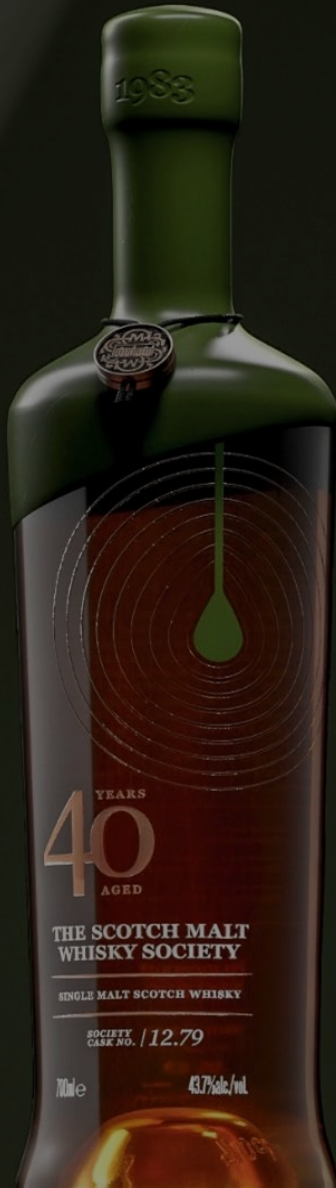
**ADDING TO THE  
DAY ONE VALUE  
PROPOSITION.**

**OPENING UP NEW  
SALES CHANNEL  
OPPORTUNITIES.**

**Develop the  
SMWS member  
proposition &  
market reach**



# 40-YEAR-OLD RELEASE



- A celebration of the original moment 40 years ago that we discovered the secret to the best tasting whisky in the world.
- This is one of our greatest & oldest whiskies yet
- Launching mid-October with a UK RRP of £3,000



**Drive value and volume of liquid consumption**





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03

**LONG TERM GLOBAL  
GROWTH OPPORTUNITY**



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# SIGNIFICANT AND GROWING ADDRESSABLE MARKET OPPORTUNITIES



Market	Addressable Market (AM)		ASC	
	2022 (\$m)	2020-22 Growth	2022 (\$m) <sup>1</sup>	2022 % of AM
US	2,052	33%	5.3	0.3%
China	1,063	125%	6.0	0.6%
Europe	803	27%	2.4	0.3%
Taiwan	593	38%	0.1	0.0%
UK	338	34%	4.4	1.3%
Korea	325	99%	0.1	0.0%
Australia	259	25%	1.2	0.5%
Malaysia	187	111%	0.0	0.0%
<b>Top 8 Markets</b>	<b>5,620</b>	<b>48%</b>	<b>19.5</b>	<b>0.3%</b>
<b>All ASC Markets</b>	<b>6,332</b>	<b>49%</b>	<b>21.4<sup>2</sup></b>	<b>0.3%</b>
<b>Total Market</b>	<b>8,144</b>	<b>52%</b>	<b>21.4<sup>2</sup></b>	<b>0.3%</b>

<sup>1</sup> Revenue translated from GBP to USD at 1:1.2

<sup>2</sup> Total ASC Revenue 2022 (\$m); £21.4m translated from GBP to USD and excludes Venue and Cask sales

## CONTINUED OPPORTUNITY FOR GROWTH

**ASC, through SMWS, is present in around 80% of the Ultra-Premium+ Scotch Whisky market of \$8.1 billion<sup>1</sup>**

**Growth in that addressable market<sup>2</sup>, since 2020, is around 50%**

**Our current market penetration in those markets\* (based on revenue) is only 0.3%**

### \*ADDRESSABLE MARKET DEFINED AS:

- Market:** Where ASC has footprint
- Product:** Scotch Whisky (Primarily Malt Scotch, Blended Scotch, and Grain Scotch)
- Price:** Ultra Premium, Prestige and Prestige Plus
- Channel:** Domestic only (no Duty Free)

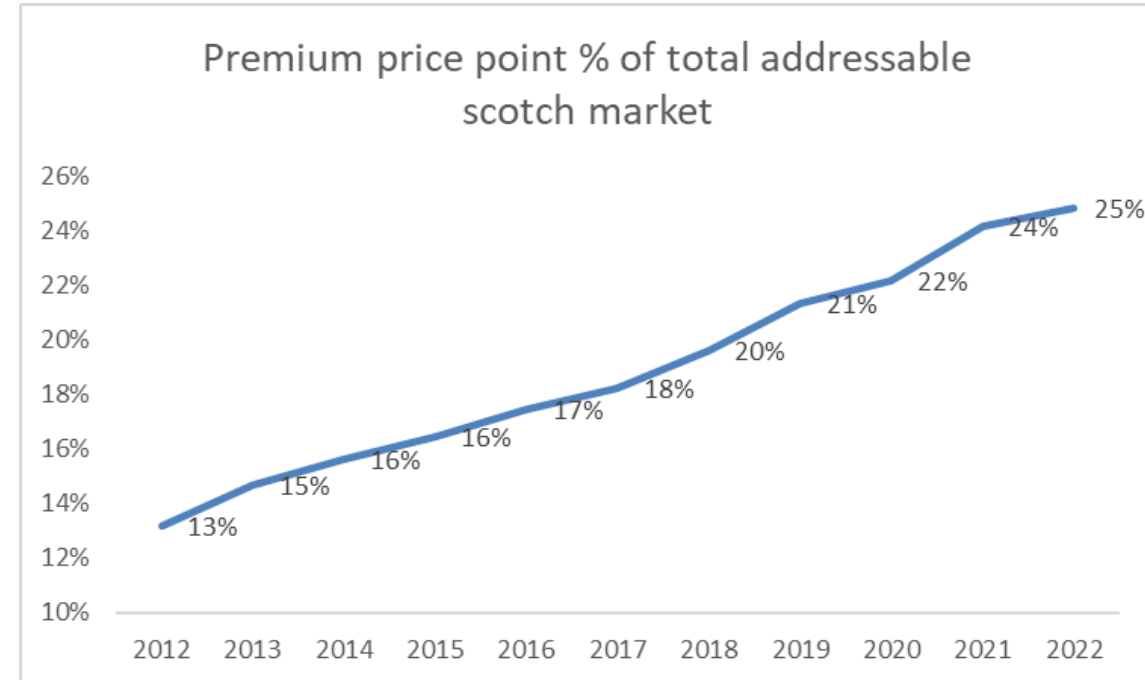
# ASC REMAINS WELL POSITIONED FOR INCREASED PREMIUMISATION



**Ultra-Premium & Above Spirits** equates to 25% of total global spirits in 2022 (vs 13% in 2012)<sup>2</sup>

**Alcohol ecommerce sales will... grow by +34% (2021-2026) across 16 focus markets examined<sup>4</sup>.** This follows value growth of +12% in 2019 and almost +43% in 2020 during the height of the pandemic<sup>1</sup>.

Other spirits companies are **focusing investment in the premium Scotch sector<sup>3</sup>.**



Sources:

1. IWSR 'Beverage alcohol ecommerce value to grow by a third over the next five years, despite weaker macroeconomic outlook' analysis
2. IWSR Database 2022 data (latest available info)
3. Diageo 'Delivering sustainable long-term growth – our vibrant Scotch portfolio' presentation 1<sup>st</sup> June 2023
4. Australia, Brazil, Canada, China, Colombia, France, Germany, Italy, Japan, Mexico, Netherlands, Nigeria, South Africa, Spain, UK and US



**100% of Artisanal Spirits Company bottle sales are in the Ultra-Premium and above price segment, > 80% of revenue driven through e-commerce.**



04

**ROBUST BUSINESS  
PRIMED TO DELIVER**





# ASC: A UNIQUE AND EXCITING OPPORTUNITY



## 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 double sales 2020-24, delivering meaningful profits in medium term
- Building a growing portfolio of limited-edition spirits brands

## Robust business, primed to deliver

- Strong financials – high margin & contribution; greater than 60% & 50% respectively
- Unique and successful sourcing, curation & distribution strategy
- Own the whisky stock to satisfy forecast demand to FY29 (with 75% to FY33)
- Experienced Board and management leading a passionate & engaged team

Investment in cask spirit driving short term and long-term value growth and profit generation.

£10m growth in Cask Spirit value year on year.

Cumulative cask spirit growth to date £14m (not recognised in the accounts).

The SMWS model allows for potential £0.5bn of notional retail value (c£0.3bn corresponding gross profit) in relation to future sales of current stock, sold as bottles.

# CASK SPIRIT INVESTMENT STRATEGY DRIVING SIGNIFICANT VALUE GENERATION

## SHORT TO MEDIUM TERM VALUE GENERATION

c£3m invested post IPO  
(All purchased Jun-22 onwards)

c140 casks at an average age of  
28 years

10% of initial cash investment  
already returned based on  
sales of c2% of this stock

**DRIVES BOTH SHORT TERM  
AND LONG TERM VALUE  
CREATION**

## LONG TERM VALUE GENERATION

c£3.5m invested post IPO

c3,600 casks at an average age  
on acquisition of under 3 years

26% growth to date in bank  
valuation of this investment in  
Scotch Whisky

**DRIVES LONG TERM MARGIN  
GROWTH AND PROVIDES  
SIGNIFICANT INFLATION  
HEDGE**



# PRIVATE CASK SALES PROGRAMME



Private cask sales programme launched in FY23. This is an opportunity to buy a private cask of single malt scotch whisky selected from our rare and precious high-age stocks which will be presented to you in a complete set of luxury, glass, copper trim finish, personalised bottles.

Drive value and volume of liquid consumption

# EXPERIENCED LEADERSHIP

## EXPERIENCED BOARD & MANAGEMENT

Building on the recent installation of an experienced Plc Board, 2023 has seen strong Executive and Management Team appointments to drive the strategic priorities of ASC Plc

- CEO – Andrew Dane (formerly FD)
- CFO – Billy McCarter (formerly Group Financial Controller)
- Chief Experience and Marketing Officer (CXO) - Rebecca Hamilton (formerly Marketing Director)
- Business Development Director - Chris Leggat (formerly CEO Douglas Laing)
- Further Head of Department roles to be filled in remainder of 2023, including Digital, Experience and Finance

## PASSIONATE AND ENGAGED TEAM

We were proud to receive an overall Employee Engagement Index score of 75 from our staff survey during FY23

## STRONG CULTURE

Our values are what we stand for. It's how we hold ourselves to account and how we depend on each other

## SUSTAINABLE BUSINESS

ASC is committed to the Scotch Whisky Association's Sustainability Strategy and focused on minimising our own impact, including increased energy and transport efficiency through Masterton Bond, use of recycled & recyclable packaging, with increased proportion of recycled glass



Be the best  
version of  
ourselves





05

# CURRENT TRADING & OUTLOOK





# ON TRACK TO MEET 2024 REVENUE TARGET AND DELIVER ON OUR CLEAR PATH TO PROFITABILITY



## Current trading/Post period insights

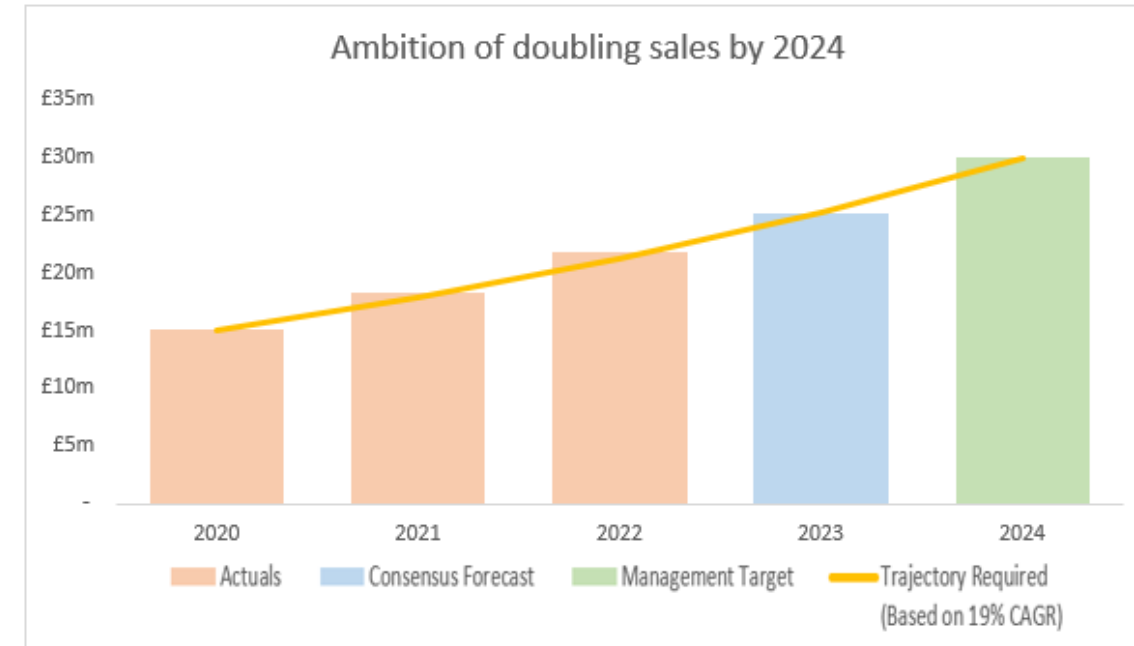
- Continued growth in membership, now above 39,000
- Successful launch of newly established SMWS Taiwan subsidiary

## What to expect from remainder of 2023

- Acceleration in revenue growth, with notable growth in UK online (up substantially year on year), positive impact of the Taiwan & Korea launches, weaker comparatives in China from H2-22, and further progress on cask sales.
- Continued strong performance in UK venues and the launch of the refurbished “Vaults” venue in Leith
- Further progress on strategic objectives: launch of new SMWS App in the UK; new “membership & bottle” initiative and first “prestige” 40 year old product.
- We therefore remain confident that we are on track to deliver growth in line with full year expectations, including inaugural positive EBITDA.

## Longer term outlook

- Despite ongoing wider macro economic conditions, our increasingly globally diversified footprint, growing membership and pioneering model, combined with the demographics of our loyal and engaged customers and the premiumisation trend driving the ultra premium scotch whisky segment, position us well to continue to grow and deliver on that ambition of doubling sales by 2024.



*The Board of ASC considers current consensus revenue expectations for FY23 to be £25.2m*



# APPENDICES





# APPENDICES



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Glossary

02

KPIs

03

Awards

04

The Board

05

Market Data





# 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>DTC</b>	Direct to Consumer
<b>EBITDAE</b>	Earnings before interest, tax, depreciation, amortization & exceptionals
<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>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 | KPI'S (PRIOR 12 MONTHS)

### Last Twelve Months (LTM) to December 2022 Member Lifetime Value

	Revenue* £m	Year End Members	Average Members	Revenue/ Avg. Member	Contribution <sup>1</sup> / Avg. Member	Retention %	Expected Years <sup>2</sup>	LTV <sup>3</sup> (Avg. Member)
UK	6,782	18,029	17,382	390	215	80%	5.1	1,095
United States	4,353	6,058	5,560	783	438	69%	3.2	1,415
China	5,002	1,659	1,670	2,994	2,125	44%	1.8	3,768
Europe	2,014	4,327	3,799	530	110	79%	4.9	534
Rest of World	1,256	3,875	3,836	828	371	79%	8.0	1,539
Australia	1,001	1,659	1,523	657	332	80%	5.0	1,668
Japan	800	1,809	1,651	485	362	85%	6.9	2,487
<b>Total</b>	<b>21,209</b>	<b>37,416</b>	<b>35,421</b>	<b>599</b>	<b>339</b>	<b>77%</b>	<b>4.3</b>	<b>1,457</b>
<b>Change vs prior year</b>	<b>+16%</b>	<b>+12%</b>	<b>+20%</b>	<b>-3%</b>	<b>+2%</b>	<b>-</b>	<b>-2%</b>	<b>+1%</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 Europe represents direct sales markets within continental Europe, but excludes franchise markets in Denmark and Switzerland which are shown within Rest of World

\*.Revenue excludes JG Thomson and cask sales of £0.6m as they aren't sales related to 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**  
**£1,457**

# 03 | AWARDS

## RECORD NUMBER OF AWARDS

### International Spirits Challenge 2023

A record haul of five 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 2023

SMWS achieved its best-ever result in the Scotch Whisky Masters 2023 with seven medals including five Masters medals, one Gold and one Silver.

### San Francisco Worlds Spirits Competition 2023

In the US, the Company was recognised at the 2023 San Francisco World Spirits Competition, winning 'Best in Class: Independent Merchant Single Malt Scotch' for Cask no 4.346 Savoury and Sweet.

### The Tokyo Whisky & Spirits Competition 2023

SMWS was also delighted to secure five medals at the 2023 The Tokyo Whisky & Spirits Competition (TWSC) in Japan, including three Superior Gold, one Gold and one Silver award. One of those Superior Gold medals went to the Society's Vaults Collection bottling, Cask No. 24.169: Bonkers for Conkers.





# 04 | THE BOARD



An experienced team with a proven track record



**Mark Hunter**  
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**

**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).

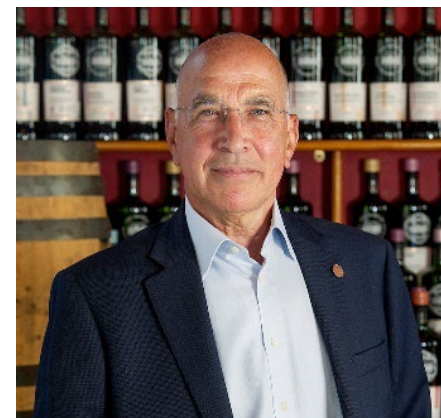
Note: further details at <https://www.artisanal-spirits.com/the-team/>



**Helen Page**

**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.



**Gavin Hewitt CMG**

**NED**

CEO of Scotch Whisky Association (2003-13)  
Non-Exec Chair Bladnoch Distillery (2015-17)  
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



SMWS membership

