



**ARTISANAL  
SPIRITS**  
COMPANY

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The Artisanal Spirits Company plc  
FY23 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 (1)

## 2023 performance highlights

- 8% global revenue growth, 9% gross profit growth and £0.1m of adjusted EBITDA, representing good progress, though not at the level we had targeted for the year
- Expansion of our footprint in Asia, with the addition of Taiwan and South Korea, helping to offset some of the downside from challenges in China
- Delivery of a number of key strategic initiatives in the year that support future growth, most notably cask sales strategy with launch of new product selling whole casks worth of bottles directly to members
- Another year of strong membership growth (+10%) in the Scotch Malt Whisky Society
- Further optionality & flexibility of funding through agreement of new £15m financing facility with Ferovinum – the initial £2.6m drawdown transaction valuing stock at 4.8x NBV
- Significant growth in the value of Cask Stock inventory owned by the business







# EXEC SUMMARY (2)



## Current trading

- In January 2024, acquisition of Single Cask Nation, to further grow our presence in the US and expected to be PBT positive in 2024
- Positive start to 2024, with +10% revenue growth, as we maintain confidence in delivering the full year EBITDA expectation
- We are on a path from low to high single digit EBITDA margin over the next 3 years

## Well placed to deliver

The Board is confident that following a challenging 2023 the Group has emerged stronger and is increasingly well positioned for continued growth with a strong business model:

- The Group operates in the attractive ultra-premium sub-sector of the substantial and growing global Scotch Whiskey market, representing significant headroom for growth
- Successful new market entries have driven continued geographical diversification
- The Group continues to demonstrate the significant value of its appreciating cask asset base
- Following significant investment in recent years, the Board expects to see increased reward from further growth as the Group pushes towards sustained profitable cash generation

# AGENDA



**Business Overview**



**FY23 Results**



**Our Pioneering Model**



**The Long-Term Global Growth Opportunity**



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

## 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.

## 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.

## 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”)



| Global                                            | Direct to consumer         | Premium                                             | E-Commerce                    | Limited edition                      | Whisky                         | Membership            |
|---------------------------------------------------|----------------------------|-----------------------------------------------------|-------------------------------|--------------------------------------|--------------------------------|-----------------------|
| c65% revenue from across c30 countries outside UK | Over 90% of revenue is D2C | ASP of over £90 (exc. VAT)<br>Over 60% gross margin | Over 80% of sales made online | Typically, only 250 bottles per cask | 100% of stock required to FY28 | 41,000 paying members |

*What is the Scotch Malt Whisky Society?*

| Procure                                | Mature                           | Create                                    | Bottle                                | Brand                                   | Sell                               | Experience                                 |
|----------------------------------------|----------------------------------|-------------------------------------------|---------------------------------------|-----------------------------------------|------------------------------------|--------------------------------------------|
| Over 150 distilleries released to date | Over 17,000 casks maturing today | Additional maturation on over 1,000 casks | Over 200,000 bottles produced in 2023 | Sold under SMWS brand, established 1983 | Bottles sales exclusive to members | Four members' rooms in UK, global presence |



# PROGRESS AGAINST IPO OBJECTIVES



## We Said At IPO

Double revenue to £30m by FY24

Develop the membership base in major international growth markets

Enhance e-commerce, route to market capabilities and digital content

Improve high gross margins through additional value creation

Grow cask stock levels and innovate styles to meet growing demand

Utilise SMWS venues and partner bars to dramatize the discerning whisky experience

Create new premium spirit brands beyond the SMWS

## We Delivered Since IPO

**FY23 revenue of £23.5m, up by 56% since FY20**

**Grown from 28,000 to 41,000 members, inc 57% growth in international markets**

**New US website, new UK app, new JV in Taiwan and Franchises inc. Korea**

**Diversified revenue inc. Cask sales strategy 59% to 64% gross margin**

**Increased from 14,000 to 17,300 casks, with retail value increasing from £330m to £480m**

**+21% EBITDA growth in UK Venues since 2019 (pre-Covid) and refurbishment of The Vaults**

**Creation of JG Thomson (JGT) and acquisition of Single Cask Nation (SCN)**



# FY23 RESULTS

02



# 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 demand to FY28 & 75% long into next decade
- 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



# GROWING REVENUE, MEMBERSHIP & CASK VALUE



## GROWTH

### Global Revenue

**+8% vs 2022**



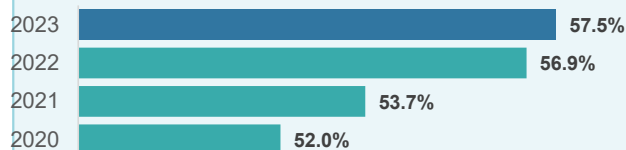
### Gross Profit

**+9% vs 2022**



### Contribution margin (gross profit less commission)

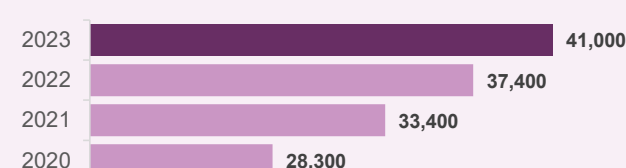
**Up 6ppt vs 2022**



## SMWS MEMBERS

### Members

**+10% vs 2022**



### Annual Membership Retention

**Above pre-IPO levels**



### Lifetime Value

**Up 25% since IPO**



## CASK SPIRIT

### Cask Spirit – Current Value (NBV in accounts)

**+7% vs Dec-22**



### Cask Spirit – Bank Valuation

**+36% vs Dec-22**



### Cask Spirit – Market Valuation Example

**4.8x NBV**



# GROWING AND DIVERSIFIED GLOBAL REVENUE



## ASC Group Revenue

| £m                         | 2021        | 2022        | 2023        | 23 vs 22     | TAM <sup>2</sup><br>(£m) | TAM % <sup>1</sup> | TAM Growth<br>Rate <sup>3</sup> |
|----------------------------|-------------|-------------|-------------|--------------|--------------------------|--------------------|---------------------------------|
| <i>E-Commerce</i>          | 5.9         | 5.9         | <b>6.2</b>  | <b>6%</b>    | 1,097                    | 0.6%               | 30%                             |
| <i>Venues &amp; Events</i> | 2.3         | 3.7         | <b>4.0</b>  | <b>9%</b>    | -                        | -                  | -                               |
| <i>Trade Cask Sales</i>    |             | 0.4         | <b>2.3</b>  | <b>571%</b>  | -                        | -                  | -                               |
| Europe                     | 8.2         | 9.9         | <b>12.6</b> | <b>27%</b>   | -                        | -                  | -                               |
| Americas                   | 4.3         | 4.7         | <b>4.7</b>  | <b>0%</b>    | 1,769                    | 0.3%               | 34%                             |
| Asia                       | 4.8         | 6.1         | <b>5.2</b>  | <b>(14%)</b> | 2,125                    | 0.2%               | 83%                             |
| Other                      | 1.0         | 1.1         | <b>1.0</b>  | <b>(13%)</b> | 285                      | 0.3%               | 33%                             |
| <b>Total Revenue</b>       | <b>18.2</b> | <b>21.8</b> | <b>23.5</b> | <b>8%</b>    | <b>5,277</b>             | <b>0.3%</b>        | <b>49%</b>                      |

<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

<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

## Venues growth

- Continued demand for in-person experience remains, even during the cost of living/high-inflationary environment

## Cask sales

- Delivery of member cask sales, a key strategic initiative in 2023 and part of our broadened core offer to members going forward'
- Strong delivery of Trade Cask sales demonstrating the significant and growing value on the cask inventory

## Asia growth partly offsetting China decline

- China decline of 30% offset significantly by new markets in Taiwan and Korea as well as record revenue in Japan

# STRONG FINANCIALS REINVESTING FOR FURTHER GROWTH



## ASC GROUP P&L

| £m                     | 2021         | 2022         | 2023         | 23 vs 22     | 2023 H1      | 2023 H2      | H2 % of    |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|
| <b>Total Revenue</b>   | <b>18.2</b>  | <b>21.8</b>  | <b>23.5</b>  | <b>8%</b>    | <b>10.2</b>  | <b>13.3</b>  | <b>56%</b> |
| Cost of Sales          | (7.0)        | (7.9)        | (8.5)        | 7%           | (4.0)        | (4.5)        | 53%        |
| <b>Gross Profit</b>    | <b>11.2</b>  | <b>13.8</b>  | <b>15.0</b>  | <b>8%</b>    | <b>6.2</b>   | <b>8.8</b>   | <b>59%</b> |
| <b>Gross Margin</b>    | <b>61.5%</b> | <b>63.6%</b> | <b>63.8%</b> | <b>0.4%</b>  | <b>60.7%</b> | <b>66.3%</b> | <b>-</b>   |
| Commission             | (1.4)        | (1.5)        | (1.5)        | 4%           | (0.7)        | (0.8)        | 51%        |
| <b>Contribution</b>    | <b>9.8</b>   | <b>12.4</b>  | <b>13.5</b>  | <b>11%</b>   | <b>5.5</b>   | <b>8.0</b>   | <b>59%</b> |
| Marketing              | (2.4)        | (2.6)        | (3.1)        | 17%          | (1.6)        | (1.4)        | 47%        |
| Payroll                | (4.5)        | (5.9)        | (6.3)        | 7%           | (3.5)        | (2.8)        | 45%        |
| Other overheads        | (3.5)        | (3.5)        | (4.0)        | 14%          | (2.2)        | (1.8)        | 44%        |
| <b>Adjusted EBITDA</b> | <b>(0.6)</b> | <b>0.4</b>   | <b>0.1</b>   | <b>(62%)</b> | <b>(1.8)</b> | <b>1.9</b>   | <b>-</b>   |
| <b>Loss Before Tax</b> | <b>(2.1)</b> | <b>(2.7)</b> | <b>(3.6)</b> | <b>32%</b>   | <b>(3.5)</b> | <b>(0.1)</b> | <b>-</b>   |

Revenue diversification aiding 9% gross profit improvement YoY through strong gross margin cask sales

Adj. EBITDA<sup>2</sup> of £0.1m; second year of positive return at an adjusted level, notably £1.9m return in H2

While full year Marketing, Payroll and Overheads increased, all three reduced in the second half of the year. Full year increases were driven by:

- Marketing investment in innovation products launched in year
- Payroll driven by higher inflationary pay increases in 2023 of £0.3m
- Investment in Tech Roadmap; £0.3m

<sup>2</sup> Adjusted EBITDA defined as earnings before interest tax, depreciation, amortisation and exceptional and non-recurring costs (these representing Masterton Bond Supply Chain facility move of £0.1m exceptional cost and restructuring cost of £0.1m 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        | Dec-23        | Dec-23 vs Dec-22 |
|------------------------------|--------------|---------------|---------------|------------------|
| Cash                         | 2.0          | 2.3           | 1.2           | (1.1)            |
| Loans                        | (6.8)        | (17.3)        | (24.1)        | (6.7)            |
| <b>Net Debt</b>              | <b>(5.2)</b> | <b>(15.0)</b> | <b>(22.8)</b> | <b>(7.9)</b>     |
| <b>Net WC<sup>1</sup></b>    | <b>2.2</b>   | <b>4.3</b>    | <b>5.9</b>    | <b>1.6</b>       |
| <b>Cask Goods</b>            | <b>20.4</b>  | <b>23.3</b>   | <b>25.3</b>   | <b>2.0</b>       |
| <b>Fixed Assets</b>          |              |               |               |                  |
| Tangible Assets              | 6.0          | 7.7           | 7.8           | 0.1              |
| Cask Wood                    | 2.4          | 3.0           | 3.1           | 0.1              |
| Intangible Assets            | 2.4          | 2.2           | 2.4           | 0.1              |
| <b>Fixed Assets</b>          | <b>10.9</b>  | <b>13.0</b>   | <b>13.2</b>   | <b>0.3</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>18.3</b>   | <b>(3.8)</b>     |

## ASC Cash Flow Statement

| £m                                               | FY21         | FY22          | FY23         | of which H2; |
|--------------------------------------------------|--------------|---------------|--------------|--------------|
| <b>Adjusted EBITDA</b>                           | <b>(0.6)</b> | <b>0.4</b>    | <b>0.1</b>   | <b>1.9</b>   |
| <b>Change in Net WC*</b>                         | <b>(1.4)</b> | <b>(2.1)</b>  | <b>(0.8)</b> | <b>(0.8)</b> |
| <b>Operating Cash Flow</b>                       | <b>(2.0)</b> | <b>(1.7)</b>  | <b>(0.6)</b> | <b>1.2</b>   |
| <b>Net Cask Spirit Spend*</b>                    | <b>(1.5)</b> | <b>(2.9)</b>  | <b>(2.9)</b> | <b>(2.2)</b> |
| Exceptional/Non-underlying Items                 | (0.9)        | (0.6)         | (0.6)        | (0.4)        |
| Capital Expenditure                              | (1.0)        | (3.4)         | (2.0)        | (1.4)        |
| Interest Payments                                | (0.3)        | (0.3)         | (1.4)        | (0.8)        |
| Tax Payments                                     | (0.3)        | (0.6)         | (0.1)        | (0.0)        |
| Dividend Payments                                | (0.4)        | (0.4)         | 0.0          | 0.0          |
| Lease Payments                                   | (0.1)        | (0.3)         | (0.5)        | (0.2)        |
| Equity Raise                                     | 14.9         | 0.1           | 0.3          | (0.0)        |
| <b>Net Change in Net Debt</b>                    | <b>8.5</b>   | <b>(10.2)</b> | <b>(7.8)</b> | <b>(3.8)</b> |
| <b>Loan Movements</b>                            | <b>(8.7)</b> | <b>10.5</b>   | <b>6.7</b>   | <b>3.4</b>   |
| <b>Net Change in Cash &amp; Cash Equivalents</b> | <b>(0.2)</b> | <b>0.3</b>    | <b>(1.1)</b> | <b>(0.3)</b> |

Well capitalised balance sheet with net assets of £18.0m

Level of net cash investment in spirit has peaked

H2 achieved positive operating cash flow through strong profit delivery

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

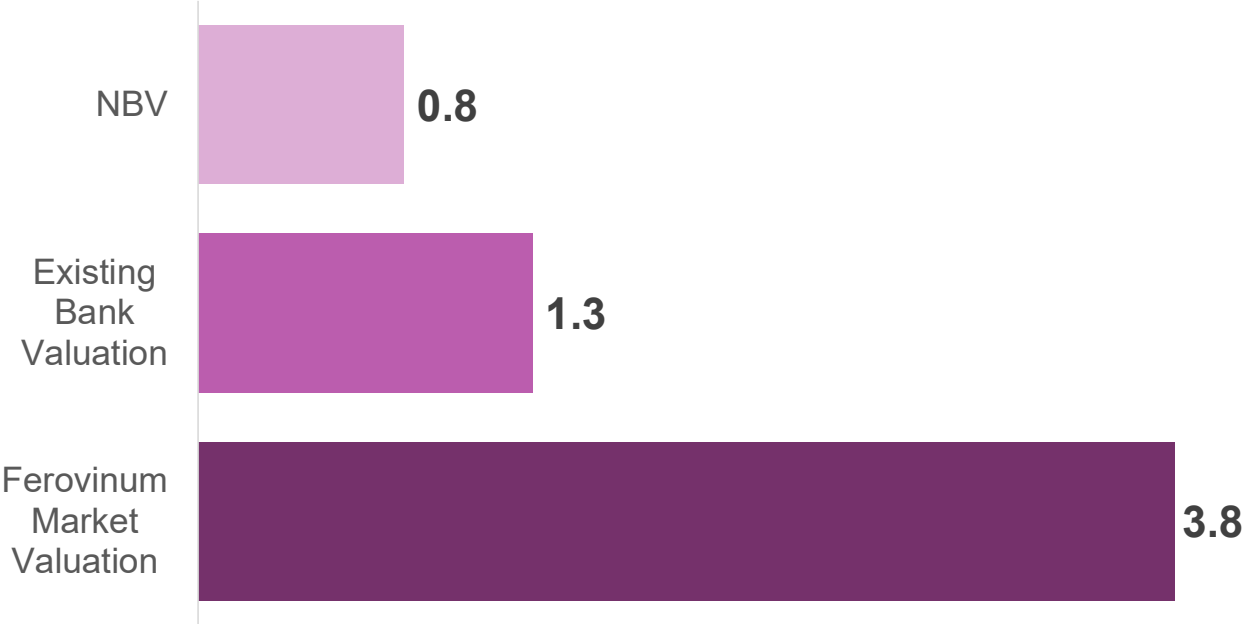
Interest rate rises and borrowing driving increased interest costs

\* Change in Net WC incorporates reallocation of £0.8m to Net Cask Spirit spend as it relates to prepayment of cask spirit stock. The driver of the net WC increase YoY is the timing of US shipments and the associated debtor (£0.8m)

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

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

# FEROVINUM: OPTIONALITY AND FLEXIBILITY THROUGH NEW £15M ASSET BACKED FACILITY



New financing facility of £15m agreed with Ferovinum in Q4 2023

Allows us to convert our maturing stock into a just-in-time asset at a truer market valuation

Results in further financial flexibility and optionality to develop our business

Of the initial draw down – stock NBV of £0.8m was valued at 4.8x that level, and 2.9x the only other external valuation, carried out by the bank

At the end of 2023, this is the only transaction completed, therefore facility headroom remained of £12.4m

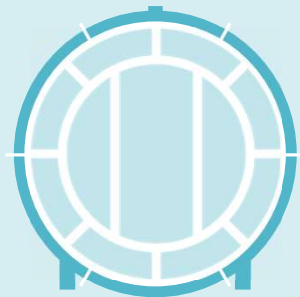
Alongside the existing RBS RCF, at the end of 2023, total facility headroom stood at £14m



# DEMONSTRATING OUR VALUE CREATION STRATEGY

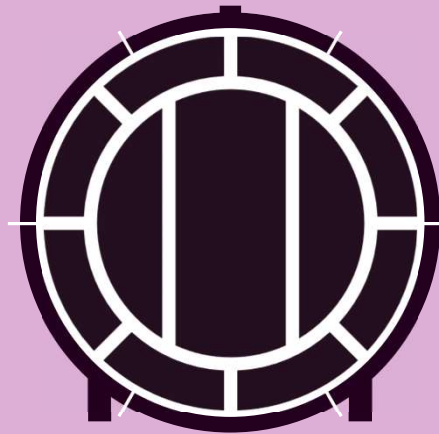


Original Purchase  
Price



Net Book Value  
£25 million

Current Market Value



FY23 Cask Sales Average: 4.5x NBV  
Ferrovinum Cask Valuation: 4.8x NBV

Indicative Retail Value



c£500m Revenue  
£300m+ Gross Profit

# LOYAL, VALUABLE AND GROWING GLOBAL SMWS MEMBERSHIP



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

|                                   | Revenue<br>£'000 | Period End<br>Members | Average<br>Members | Annual<br>Revenue/ Avg<br>Member (£) | Annual<br>Contribution/ Avg<br>Member (£) | Retention % | Expected<br>Years | LTV (£)<br>(Avg<br>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  $1/(1-r\%)$ .

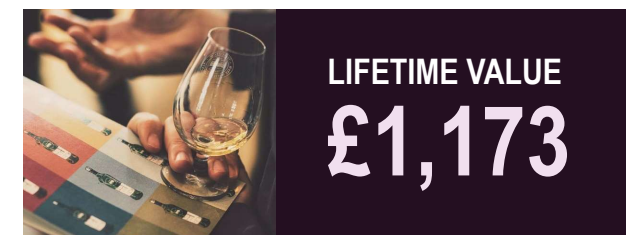
3 Lifetime Value (LTV) is a non-IFRS measure and is defined as Annual Contribution per member, multiplied by expected years.

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)





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 demand to FY28 & 75% long into next decade
- 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

# FY23: OBJECTIVES DELIVERED UNDER THE FIVE STRATEGIC PILLARS



## Whisky

- Masterton Bond
- Cask Sales
- Prestige Trial

## Membership

- Membership & Bottle
- “Drop & Dram”

## Experiences

- Vaults Refurb
- New App Launch

## New Brands & Audiences

- Single Cask Nation
- Taiwan Subsidiary
- Korean Franchise

## People

- Organisational development









# MASTERTON BOND

- Over 200,000 bottles produced to date
- Over 2,200 casks on site as at December 2023
- UK e-commerce and international shipment fulfilment completed on site
- Single Cask Nation bottling now underway





# SINGLE CASK NATION



In January 2024, the Group acquired 100% of the trade and trading assets of as Single Cask Nation

Self-financed initial acquisition price is expected to deliver positive EBITDA to the Group from Year 1

Single Cask Nation is a US-based business that purchases single cask whiskies and other spirits to distribute and sell direct to consumers and through retail and distribution channels in the USA, UK and across Europe.

Strategically the acquisition is well aligned with our stated ambition to further grow our presence in the USA

In late January 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



# 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  
DROP AND DRAM  
EDUCATION

### 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



**ARTISANAL  
SPIRITS**  
COMPANY



04

**LONG-TERM GLOBAL GROWTH  
OPPORTUNITY**



# ASC: A UNIQUE AND EXCITING OPPORTUNITY



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- Strong financials – high gross margin & contribution; over 60% & 50% respectively
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- 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

# SIGNIFICANT AND GROWING ADDRESSABLE MARKET OPPORTUNITIES



| Market                 | Addressable Market (AM) |                | ASC                     |              |
|------------------------|-------------------------|----------------|-------------------------|--------------|
|                        | 2022 (\$m)              | 2020-22 Growth | 2022 (\$m) <sup>1</sup> | 2022 % of AM |
| USA                    | 2,052                   | 33%            | 5.5                     | 0.3%         |
| China                  | 1,063                   | 125%           | 4.4                     | 0.4%         |
| Europe                 | 803                     | 27%            | 3.4                     | 0.4%         |
| Taiwan                 | 593                     | 38%            | 0.4                     | 0.1%         |
| UK                     | 338                     | 34%            | 4.4                     | 1.3%         |
| Korea                  | 325                     | 99%            | 0.2                     | 0.1%         |
| Australia              | 259                     | 25%            | 1.0                     | 0.4%         |
| Malaysia               | 187                     | 111%           | 0.0                     | 0.0%         |
| <b>Top 8 Markets</b>   | <b>5,620</b>            | <b>48%</b>     | <b>19.2</b>             | <b>0.3%</b>  |
| <b>All ASC Markets</b> | <b>6,332</b>            | <b>49%</b>     | <b>20.6<sup>2</sup></b> | <b>0.3%</b>  |
| <b>Total Market</b>    | <b>8,144</b>            | <b>52%</b>     | <b>20.6<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); £17.1m translated from GBP to USD and excludes Venue and Cask sales

Source: IWSR Database 2022 data (latest available info)

## 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 0.4%

## \*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)

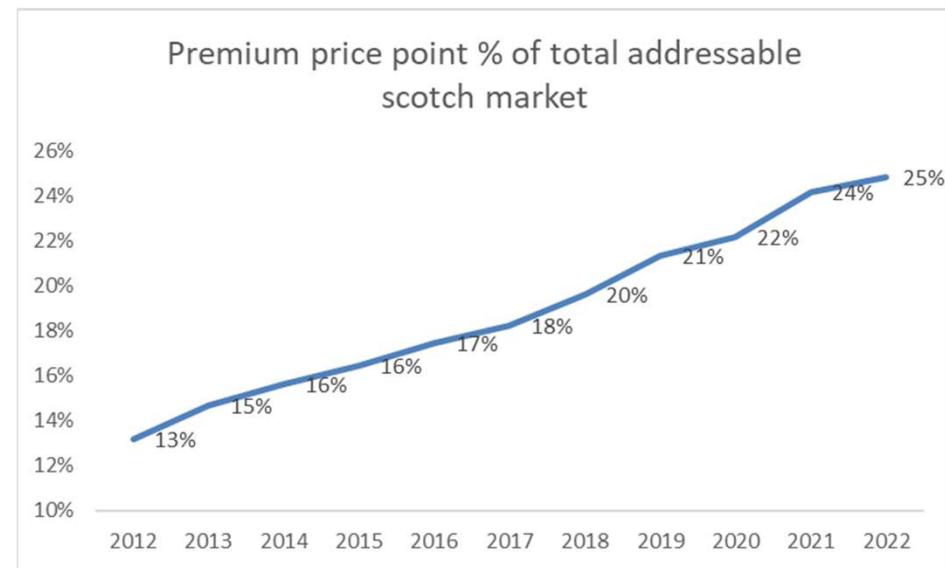
# ASC REMAINS WELL POSITIONED FOR INCREASED PREMIUMISATION



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

**Alcohol e-commerce 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>**



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

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 USA



# IN SUMMARY



## Current trading

- In January 2024, acquisition of Single Cask Nation, to further grow our presence in the US and expected to be EBITDA positive in 2024
- Positive start to 2024, with +10% revenue growth, as we maintain confidence in delivering the full year EBITDA expectation
- We are on a path from low to high single digit EBITDA margin over the next 3 years

## Well placed to deliver

- The Board is confident that following a challenging 2023 the Group has emerged stronger and is increasingly well positioned for continued growth with a strong business model:
  - The Group operates in the attractive ultra-premium sub-sector of the substantial and growing global Scotch Whisky market, representing significant headroom for growth
  - Successful new market entries have driven continued geographical diversification
  - The Group continues to demonstrate the significant value of its appreciating cask asset base
  - Following significant investment in recent years, the Board expects to see increased reward from further growth as the Group pushes towards sustained profitable cash generation

# FY24: SIX KEY STRATEGIC INITIATIVES



|                                       |                                                             |
|---------------------------------------|-------------------------------------------------------------|
| <b>Whisky</b>                         | <b>Range review<br/>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<br/>&amp; Audiences</b> | <b>Acquisition of Single Cask Nation</b>                    |
| <b>People</b>                         | <b>HQ office move</b>                                       |



# APPENDICES



# APPENDICES



01

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 | 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 USA, 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.

### Icons of Whisky Awards

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



# 03 | BREAKDOWN BY MARKET REVENUE



## ASC Group Revenue

| £m                   | 2021        | 2022        | 2023        | 23 vs 22   | TAM <sup>2</sup><br>(£m) | TAM % <sup>1</sup> | TAM Growth<br>Rate <sup>3</sup> |
|----------------------|-------------|-------------|-------------|------------|--------------------------|--------------------|---------------------------------|
| UK E-Commerce        | 3.5         | 3.3         | 3.5         | 5%         | 282                      | 1.2%               | 34%                             |
| UK Venues & Events   | 2.3         | 3.7         | 4.0         | 9%         | -                        | -                  | -                               |
| Trade Cask Sales     | -           | 0.4         | 2.3         | 571%       | -                        | -                  | -                               |
| <b>UK Total</b>      | <b>5.8</b>  | <b>7.4</b>  | <b>9.9</b>  | <b>34%</b> | -                        | -                  | -                               |
| USA                  | 4.1         | 4.4         | 4.4         | 2%         | 1,710                    | 0.3%               | 33%                             |
| China                | 3.9         | 5.0         | 3.5         | (30%)      | 885                      | 0.4%               | 125%                            |
| Europe               | 1.7         | 2.5         | 2.7         | 7%         | 669                      | 0.4%               | 27%                             |
| Japan                | 0.7         | 0.8         | 1.0         | 20%        | 137                      | 0.7%               | 48%                             |
| Australia            | 0.9         | 1.0         | 0.8         | (20%)      | 216                      | 0.4%               | 25%                             |
| Taiwan               | -           | -           | 0.3         | 100%       | 494                      | 0.1%               | 38%                             |
| Others               | 1.1         | 0.7         | 0.9         | 17%        | 1,939                    | 0.0%               | 55%                             |
| <b>Total Revenue</b> | <b>18.2</b> | <b>21.8</b> | <b>23.5</b> | <b>8%</b>  | <b>6,332</b>             | <b>0.4%</b>        | <b>49%</b>                      |

<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

# 03 | BREAKDOWN BY MARKET MEMBER LIFETIME VALUE



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

|                                   | Revenue<br>£'000 | Period<br>End<br>Members | Average<br>Members | Annual<br>Revenue/<br>Avg | Annual<br>Contribution<br>/ Avg | Retention % | Expected<br>Years | LTV (£)<br>(Avg<br>Members) |
|-----------------------------------|------------------|--------------------------|--------------------|---------------------------|---------------------------------|-------------|-------------------|-----------------------------|
| UK                                | 7,527            | 18,229                   | 18,090             | 416                       | 203                             | 78%         | 4.6               | 935                         |
| United States                     | 4,434            | 7,115                    | 6,358              | 697                       | 402                             | 67%         | 3.0               | 1,224                       |
| China                             | 3,522            | 1,699                    | 1,677              | 2,100                     | 1,526                           | 41%         | 1.7               | 2,578                       |
| Europe                            | 2,190            | 5,561                    | 4,766              | 460                       | 135                             | 74%         | 3.8               | 511                         |
| Rest of World                     | 1,718            | 4,910                    | 4,374              | 393                       | 277                             | 67%         | 3.0               | 833                         |
| Australia                         | 802              | 1,576                    | 1,566              | 512                       | 281                             | 69%         | 3.2               | 899                         |
| Japan                             | 960              | 1,954                    | 1,876              | 512                       | 346                             | 84%         | 6.1               | 2,109                       |
| <b>Total</b>                      | <b>21,153</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  $1/(1-r\%)$ .

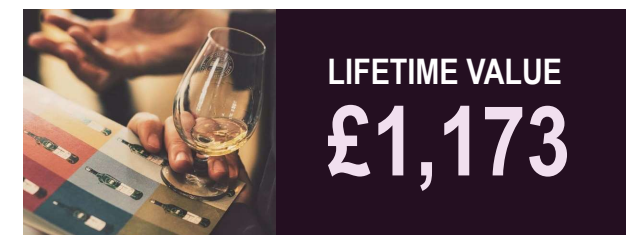
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4 Regions contain all Markets & Franchises within that region

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)



# 04 | EXPERIENCED LEADERSHIP



## EXPERIENCED BOARD & MANAGEMENT

Building on 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)
- Marketing Director – Anne Phillips

## 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





## 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

