



Key Financial Highlights

CORE REVENUE

2021 - £576.2m

2020 - £680.3m

2019 - £643.6m

⊖ 15%

Total revenue from our sales of continuing Edrington branded products on a constant currency basis.

ANALYSIS

Core revenue fell by 15% to £576.2m driven by the impact of the pandemic on the demand for our brands through the on-trade and travel retail channels together with trade destocking in key markets.

BRAND INVESTMENT

2021 - £118.9m

2020 - £129.5m

2019 - £129.3m

⊖ 8%

Advertising and promotional expenditure excluding discounts, on our core brands, on a constant currency basis.

ANALYSIS

We invested £118.9m in brand-building marketing activities this year, which is 8% lower than last year. This lower reduction than our decline in revenue has meant that our investment ratio has increased by 2 percentage points to 21%.

CORE CONTRIBUTION

2021 - £196.5m

2020 - £242.5m

2019 - £214.6m

⊖ 19%

Profit from our branded sales and distribution after the deduction of overheads on a constant currency basis.

ANALYSIS

Core contribution decreased by 19% to £196.5m this year, reflecting the trading performance, our cost reduction measures and our focus on protecting the level of brand investment. The measures implemented to reduce our discretionary cost base included the cancellation of annual bonus schemes, pay freezes and salary reductions for our senior leaders.

EARNINGS BEFORE INTEREST AND TAX* (EBIT)

2021 - £189.6m

2020 - £246.0m

2019 - £223.2m

⊖ 23%

EBIT is a measure of the profit generated by the business before the impact of interest, tax, minority interest charges and items deemed to be exceptional in nature.

ANALYSIS

EBIT fell by 23%, in line with the reduction in statutory revenue which is a greater reduction than core contribution due to the impact of a stronger average £ during the year compared to last year.

* before exceptional items



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FREE CASH FLOW

2021 - £122.5m

2020 - £64.8m

2019 - £87.7m

+ 89%

Net cash flow excluding the movements in borrowings, shares, dividend payments, expansionary capital expenditure and exceptional items.

ANALYSIS

Free cash flow represents the cash the business generates after maintaining our asset base. The increase in the year represents the efforts made to conserve cash as a result of the pandemic. The cash conservation measures implemented included reduced capital expenditure, lower investment in new fillings, suspension of dividends and the postponement of pension deficit contributions.

RETAINED PROFIT*

2021 - £77.6m

2020 - £90.3m

2019 - £91.6m

- 14%

Earnings after tax and minority interests excluding exceptional items.

ANALYSIS

Profits attributable to Edrington Shareholders (before exceptional items) declined by 14% to £77.6m. The underlying rate of decline for the year is 20% with a non-recurring prior year deferred tax charge of £6.5m (net of minority interests) benefitting the comparison this year.

* before exceptional items

STRATEGIC INVENTORIES

2021 - £896.9m

2020 - £845.1m

2019 - £756.2m

+ 6%

The net book value of our maturing inventories of whisky and rum and the casks in which they are held.

ANALYSIS

The 6% growth in strategic inventories reflects the ongoing investment in maturing stock to support the long term growth of our brands. The insurance and market value of our maturing whisky and rum is significantly higher than the carrying value.

NET DEBT/EBITDA

2021 - 1.7

2020 - 1.5

2019 - 1.8

- 13%

The ratio of bank and private placement debt at hedged rates, where applicable, after deduction of cash balances compared to reported earnings before interest, tax, depreciation and amortisation.

ANALYSIS

The 13% reduction in the ratio is driven by a partial decrease in our EBITDA offset with a reduction in our net debt.