



Chairman's Statement

Dear Shareholder

Welcome to our Annual Report 2022.

When I wrote the introduction to our Annual Report last year, we had just completed the first full year of the Covid pandemic. I wrote of the resilience demonstrated by the business and the creditable performance delivered in difficult circumstances.

This year, in the face of continuing challenging headwinds, the Company has delivered outstanding results while continuing to invest for the future.

2021/22

The year was once again characterised by the need to respond to Covid measures taken by governments around the globe. In addition, we were faced with the implications of the Ukrainian war including suspending shipments to Russia. The combination of Covid and the war have caused significant disruption in global supply chains, with implications for availability and cost of purchased dry goods.

On a positive note, we were pleased that following pressure from the Scotch Whisky Association and the UK Government, the US Government suspended the additional tariffs imposed on Single Malt Scotch Whisky.

In the face of this turbulence, one might have expected considerations of strategy to have been put on hold. However, the Company has continued to refine its strategy and drive through its implementation. Our focus has been increasingly on ultra-premium spirits, with positive results for The Macallan, The Glenrothes, Highland Park and Brugal.

Our long-term strategy of strengthening our routes to market continued with acquisition of our joint venture partner's stake to create Edrington UK, and the creation of Edrington France and Maxxium BeLux.

The combination of effective responses to the challenging market conditions and the successful implementation of the Company's strategy continues to pay dividends and all the Company's main brands performed well. Similarly, all regions produced results ahead of expectations.

As a consequence, results for the year are at an all-time record high. Sales of our brands increased by 45% on the previous year, and core contribution by 53%. To put this performance into context, when the pandemic struck in early 2020, we expected that it would take us until 2022/23 to get back to our

previous trend line. For Edrington to have bounced back in two years and delivered all-time record results this year is excellent.

THE YEAR AHEAD

In the year ahead, we will not have to look far to see continuing difficult headwinds. Not only do we face the uncertain consequences from the war in the Ukraine, but we continue to face shutdowns in China.

In addition, economic conditions in most parts of the globe have become more challenging. Slowing growth, commodity and energy-driven inflation, and potentially taxation increases may all impact on the Company either directly or indirectly on our consumers.

Challenging as the external environment is, the resilience and adaptability demonstrated in recent years stands us in good stead. Furthermore, many of the underlying drivers of our growth such as the growing middle classes around the globe and the continuing consumer trend to seek out spirits with quality and provenance have not gone away. We remain cautiously optimistic.

The Company recently adopted a new environmental objective to be net zero by 2045. While achieving this will not be easy, it is the right policy to pursue and will be expected by our consumers and other stakeholders.

DIVIDEND

We know that the dividends we pay are important to all shareholders. The Company's policy is to grow the dividend at a rate that reflects the underlying growth of the business. The Board has decided to pay a final dividend of 36p, which together with the interim dividend of 12p per share results in a total dividend of 48p per share, up 41% from 2021.

60 YEARS OF GIVING MORE

This year we celebrated the 60th anniversary of Edrington and The Robertson Trust. This year the Trust donated £21m to charities in Scotland and has now donated £322m since it was founded by the Robertson sisters in 1961.

The Company's global Giving More commitment goes well beyond what you see in many companies, and is not only the right thing to do, but together with the relationship with the



Chairman's Statement (continued)

Trust is an important driver of the Company's powerful culture. During the year, we supported more than 300 charities worldwide through individual fundraising and double matching by the Company.

CONCLUSION

Performance like the Company delivered this year does not happen by chance but rather through the talent, dedication and hard work of all our employees, building on the foundations of those who went before us. I would like to take this opportunity to thank and congratulate our Executive Team, my Board colleagues and indeed all employees for their effort over the last year.

While we do not know what the future holds, Edrington can look forward with confidence.

A handwritten signature in black ink, appearing to read 'Crawford Gillies'.

Crawford Gillies

Chairman

28 June 2022