

Chairman's Statement

Welcome to Edrington's Annual Report for 2024.

Once again, Edrington has demonstrated strong performance, navigating through a challenging economic environment with focus and resilience.

Performance

The strong growth generated in the first six months of the year helped the business to manage the impact of a global slowdown in the second half of the year with core revenue and core contribution delivering double digit growth.

Our strategic focus on ultra-premium spirits continues to drive our success and fuel a cycle of re-investment that has delivered industry-leading performance over several years.

Heritage and Innovation

The results set out in this report are built on a legacy of exceptional performance by generations of dedicated people. Each of our brands is steeped in its own heritage and tradition, and this year we are particularly proud to mark 200 years since The Macallan was first distilled. The brand has launched its 200th anniversary celebrations with a unique partnership with Cirque du Soleil. We look forward to seeing the spectacular products and compelling experiences and stories that the brand will share during the course of the coming year.

It is under Edrington's stewardship that The Macallan has flourished, attaining its status as the world's most valuable Single Malt Scotch Whisky. I consider it the primary example of what Edrington's carefully developed strategy, talented people and steadfast commitment to both investment and innovation can achieve.

Recognising the debt we owe to our predecessors who have nurtured the business with investments that could never be fully realised in their own time, we in turn must invest for the long term. Indeed, in an industry that is more long term focussed than most, our approach and strategy are demonstrably focussed on the long term.

Following on from the partnership with Grupo Estévez in 2023, we have further deepened our investments in the finest Sherry-seasoned oak casks with the acquisition this year of the Vasyma cooperage business based in Jerez, Spain. We also entered a joint venture partnership with Coopers Oak of Ohio, which provides high quality American oak for casks. The full benefits of these strategic investments will be delivered over decades to come.

As we thank those who have contributed to the current health of the business, I would like to remember Sir Ian Good CBE, who sadly passed this year. Sir Ian played a key role in the history of Edrington, working alongside the Robertson sisters to transform their family business into the brand-led international company we are privileged to be a part of today. He achieved this without sacrificing the sisters' commitment to their people, and also giving more to society.

In my seven years with Edrington, I and my fellow Board colleagues have strived to continue Sir Ian's mission and keep the Company's social purpose and values at the heart of a high-performing business.

Sustainability

We have also continued to invest to deliver our commitment to reach Net Zero by 2045. Edrington has made substantial investments in the last year in our operations at The Glenrothes and Highland Park distilleries, enhancing energy efficiency and reducing our carbon footprint. Completion of the first phase of our new solar power facility at Brugal in the Dominican Republic is another major step forward in our transition to renewable energy sources.

**CHAIRMAN'S STATEMENT
(CONTINUED)****Culture**

The quality of employees I have met this year assures me that Edrington continues to attract talented and committed people. I am pleased that this impression is borne out by the results of an employee survey, which has placed Edrington in the top quartile of companies worldwide in terms of employee engagement for the second year in a row.

Board Changes

I would like to extend our sincere gratitude of the Board to Alice Avis, who will retire in September. Alice has made an outstanding contribution to Edrington over almost a decade, particularly in her excellent stewardship of our Remuneration and Marketing Code committees and instilling a culture of brand building in the organisation.

It is with great pleasure that we welcome Catherine Rénier as a non-executive director. Catherine's track record of building brands and driving growth in the luxury goods sector will be invaluable to Edrington as the business continues to execute its ultra-premium strategy.

Dividend and Shareholder Returns

The Board remains committed to delivering value to our shareholders through our policy of increasing dividends in line with the medium-term underlying growth in the business. This year, we have declared a final dividend of 36p, bringing the total dividend for the year to 55p per share, up 3.8% from 2023. In addition to the dividend, our strong performance last year has enabled us to return a further £80m to shareholders through a share buyback, in addition to the £220m of share buybacks in the prior financial year, enhancing liquidity for our shareholders and providing additional diversification for Edrington's principal shareholder, The Robertson Trust.

Conclusion

The positive performance of this year is a direct result of the talent, dedication and commitment of our employees past and present. I extend my deepest gratitude to our Executive Team, my Board colleagues and employees around the world for their unwavering commitment to Edrington and their constant pursuit of excellence.

In the coming year we anticipate further volatility in an environment that has not seen stability in some time. Nevertheless, I am confident that Edrington's strategy and sound financial footing position the business well for the future.



Crawford Gillies
Chairman

24 June 2024