

# Chief Executive's Review

My report last year highlighted the challenging trading conditions facing the global spirits industry, and those conditions have persisted through 2025/26. Against this backdrop, Edrington has delivered a resilient performance.

Our results reflect both the strength of our brands and the benefits of disciplined execution of our strategy. At times this has meant that we have prioritised long-term brand health over short-term performance.

## Performance

The year was characterised by strong growth in core ranges, especially within The Macallan and Brugal brands, but we experienced a further decline in sales of products at the top of our price range. The 1% growth in core contribution reflects the net effect of this dynamic, as well as a disciplined approach to pricing and cost management.

Profit before tax (pre-exceptionals) is down 7% on last year. This was driven by the non-recurrence of a sale of maturing stock to the trade which took place last year, adverse foreign exchange movements and a reduced contribution from The Famous Grouse for part of the year, following its sale.

## Brands and Markets

The spirits industry continues to face a combination of cyclical and structural pressures, principally the cost of living crisis which has had a marked impact on consumer confidence and therefore discretionary spending. However, we expect the forces that have driven the long-term trend for premiumisation to continue. The business is well placed to serve the growing numbers of consumers who are interested in exploring high-quality brands and drinking 'less but better'. In this environment our policy has been to protect the long-term health of our brands and maintain the foundations required to support sustainable growth as market conditions stabilise.

Our brand investment ratio was lower than the previous year, which had included higher-than-usual spend to mark the 200th anniversary of The Macallan. The company continues its policy of brand investment that is high relative to the wider industry, reflecting our long-standing policy of prioritising long-term brand building. This policy is borne out by our brand health metrics, which provide an independent assessment of the extent that a brand is well known, well regarded and likely to be chosen by consumers.

Demand was strongest for The Macallan 12-year-old, which showed double-digit growth in net sales, while sales of 25- and 30-year-old expressions declined. This pattern reflects the broader environment facing the industry.

Brugal continues to build on its track record of growth, underpinned by strong foundations in its home market of the Dominican Republic. Its ultra-premium expression, 1888 continued to grow with strong performance in the United States and Sweden.

The Glenrothes has continued to enhance its luxury credentials, with The 51 proving a creative and commercial success within the prestige category, while Highland Park continued to build on its new brand positioning with a number of successful special editions in key markets.

The theme of a resilient overall performance driven by core products was consistent across most markets during the year and industry data from IWSR confirms that The Macallan has gained market share globally and in key markets across Asia Pacific, the Americas, the UK and Europe.

## Strategy Execution

The sale of The Famous Grouse brand, announced in September 2024, was completed in July 2025. This represents a significant step in implementing our strategy of focussing on ultra-premium spirits brands, which offer

**CHIEF EXECUTIVE'S REVIEW  
(CONTINUED)**

better long term growth prospects and is the part of the market where Edrington is best placed to compete. Following this transaction, we have moved from a business unit model that has been in place for thirteen years to a functional structure, designed to strengthen execution and improve our agility. The proceeds from the sale have been used to reduce debt and strengthen the business' balance sheet, which is helpful in the current volatile business environment.

We also marked a significant milestone in our strategy this year with the opening of Edrington India. India represents the world's largest market by volume for Scotch Whisky and is highlighted in our strategy as a significant long term opportunity.

During the year we continued to incorporate recent investments in our Sherry-seasoned cask supply chain. This integrated model, led by our own team in Jerez, ensures consistent cask quality and security of supply, underpinning our 100% natural colour across all our Scotch Whisky brands as well as their character and flavour.

Following these and the strategic developments of previous years, the business is now ideally configured to execute our strategy.

**People**

The downturn in the global spirits market has placed exceptional demands on our people around the world. I would like to thank my colleagues for their commitment and resilience during what has been an extended period of uncertainty and change. The need to adjust the size and shape of our business to reflect both strategic changes and trading conditions and the move to a function-led structure has meant that we had to take difficult decisions this year. These have brought a reduction in employee numbers and I can only apologise to those affected and express my gratitude for their contribution to Edrington.

The results of our employee engagement survey reflect that uncertainty and, while they have risen from last year's total, we have narrowly missed our top quartile target. I remain committed to our ambition to rank in the top 25% of global businesses for employee engagement.

**Outlook**

Looking ahead, the political and economic backdrop remains volatile, and we expect this will continue to weigh on consumer sentiment through the remainder of the current financial year. While we are encouraged by continued consumer demand for our brands, especially The Macallan, we expect market conditions to remain challenging in the coming year.

In response, we will continue to pursue growth opportunities whilst maintaining discipline over costs and continuing to invest in our brands, our operations and sustainability. This will ensure that our brands remain in good health and the business is well positioned to perform strongly in the future.



**Scott McCroskie**  
Chief Executive

22 June 2026