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## **Inver House Distillers reports steady sales as focus continues on global brand growth**

Inver House Distillers Ltd, the Scotch whisky subsidiary of global drinks business International Beverage Holdings Ltd, has reported steady sales for the year to September 2017 and an ongoing focus on the future of its brands.

The results reflect the Airdrie-based Company's continued investment in stock for future sales (up 3% from last year) and support for the global growth of its award-winning premium spirits portfolio – with a solid performance in core markets for single malt Scotch whisky brands Old Pulteney, Speyburn, anCnoc and Balblair, plus the premium blended Scotch Hankey Bannister.

A long term investment plan behind the Company's super premium Scottish gin Caorunn delivered a particularly strong performance in the results, with sales value growing by 34% in 2017 (47% growth in the UK market and 46% in the vital travel retail channel).

### **The financial results in summary:**

- Turnover at £62.7 million, was at a similar level to the prior period.
- Gross profit margins were slightly down on the prior period at 36.6%, core brands making up a larger % of the sales.
- Other operating expenses increased as more monies were invested behind promoting the brands.
- Operating Profit at 12.2% reflects investment behind brands reducing profits in current year.
- Profit before tax at 11.5% down on the prior year percentage of 14.1%.
- Caorunn Gin sales continue to grow at double digit level.
- Continued investment in stocks for future brand growth - up 3% to £118m.

### **2017 key financial information for the Year**

	2017 (12 Months)		2016 (9 Months)	
	<u>£000</u>	<u>%</u>	<u>£000</u>	<u>%</u>
<b>Sales</b>	62,705		47,989	
<b>Cost of sales</b>	-39,743		-29,959	
<b>Gross profit</b>	22,962	36.6%	18,030	37.6%
<b>Other operating expenses</b>	-15,292	-24.4%	-10,831	-22.6%
<b>Operating profit</b>	7,670	12.2%	7,199	15.0%

<b>Interest</b>	-470	-0.7%	-451	-0.9%
<b>Profit before tax</b>	7,200	11.5%	6,748	14.1%
<b>Tax</b>	-1,496	-2.4%	-1,403	-2.9%
<b>Profit after tax</b>	5,704	9.1%	5,345	11.1%

Martin Leonard, Inver House Distillers' Managing Director commented:

*'These results are as we expected and show that the business is in a strong position and delivering on our long term strategy to build on our highly successful brands in global markets. We are also committed to investment programmes at our distilleries, to ensure they are in good shape to deliver increased demand for stock in the future, where possible using the latest green technology and processes to protect the environment surrounding each site.'*

*'In terms of our brands, Caorunn is a very good example of our strategy in action. A 47% growth figure in the UK market demonstrates how our production, sales and marketing skills and long term approach can build a brand to become one of the UK's best sellers in what is an extremely competitive sector. We are investing heavily in supporting our brand portfolio to compete in the global market, with a recent relaunch for Speyburn in the UK and US, and further brand projects planned in the near future. Our spirits also continue to be recognised with 'best in class' medals at some of the world's top drinks industry competitions, and they continue to grow despite difficult trading conditions and general uncertainty in the marketplace'.*

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## **Notes to editors**

### **About International Beverage Holdings**

International Beverage Holdings Limited is one of the industry's most dynamic global drinks businesses. Established in 2006 as the international arm of ThaiBev, it specialises in developing distinctive, premium local brands for global growth, with a portfolio that is led by a range of high quality Scotch whiskies and includes some of the fastest growing and most prestigious beers, spirits and whiskies on the market today. These high quality brands are enjoyed by consumers in over 85 global markets and include Chang Beer, Mekhong, Old Pulteney Single Malt Scotch Whisky, Hankey Bannister blended whisky and Caorunn Gin.

### **Focus brands**

**Old Pulteney** is one of the world's finest and most distinctive single malt Scotch whiskies. Known as 'The Maritime Malt', it is crafted in the windswept coastal town of Wick, home to the Pulteney Distillery which is one of the most northerly on the Scottish mainland. The distillery was established in 1826 in the heart of 'Pulteneytown', the town created to house fishermen during Wick's famous herring boom which once drew a fleet of over 1000 boats and 7000 workers to this remote and rugged harbour. Old Pulteney is the embodiment of this place, its people and its remarkable history. The skilled Pulteney Distillery team continues to craft whisky using the most traditional and time-honoured techniques that most others have long abandoned. This includes the uniquely shaped Pulteney stills, which are reflected in the design of the Old Pulteney bottle on shelves today.

**Speyburn** is home to a multitude of award-winning and single malt Scotch whiskies; the result of an outstanding natural environment and an insistence on using a combination of the most traditional methods of production with innovative approaches. Established in 1897, by John Hopkins, Speyburn currently has three core expressions – Bradan Orach, Speyburn 10 Years Old and the newly released Speyburn 15 Years Old. Speyburn has been awarded for its quality products and ambition, winning Distillery of the Year 2017 at the New York International Spirits Competition (NYISC), as well as a host of gold medals from some of the world's most prestigious wines and spirits competitions.

**Balblair** distillery is one of the oldest working distilleries in the Scottish Highlands. Established in 1790, the distillery building and its warehouses sit on the original site to this day. Balblair whiskies are released as vintage expressions, only when they have reached their exact point of 'optimum maturation', the peak of perfection.

**anCnoc** is produced at Knockdhu Distillery – established in 1894 and one of the smallest and most enchanting in the Scottish Highlands. It is renowned the world over by malt enthusiasts for bringing a contemporary twist to the traditions of fine malt whisky, producing a single malt that is accessible and versatile for all occasions. anCnoc Cutter has been ranked in the Liquid Gold category of Jim Murray's Whisky Bible 2016 with a score of 96.5 adding to anCnoc's portfolio of award-winning expressions. Whiskies in this category are deemed by Jim Murray as "superstar whiskies that give us all a reason to live." The anCnoc 18 year old was also awarded the title of Best Highland Single Malt in the 13-20 year old category at the World Whisky Awards 2016.

**Caorunn** is a super-premium, small batch distilled gin from the Scottish Highlands, launched by International Beverage Holdings in 2009. With its roots in Celtic culture and heritage, Caorunn is a slow paced, small batch distilled gin made in a unique copper berry chamber at the Balmenach Distillery in Speyside. Five unique Celtic botanicals give Caorunn a subtlety and complexity that make it more than just a gin. This extra dimension means it can be mixed and enjoyed in a whole host of exciting ways, from classic and contemporary cocktails to the simplicity of our perfect-serve G&T with fresh red apple.