

For immediate release

3rd July 2019

Inver House Distillers reports 2018 sales and profits rise led by growth of single malt brands

Inver House Distillers, the Scotch Whisky subsidiary of global drinks business International Beverage Holdings Ltd, has reported a sales increase of 7.4% for the year to September 2018. This reflects a period of significant growth for its core brands, with sales of Inver House Single Malts growing by over 12% in the year.

This success was led by the company's flagship single malt Old Pulteney, produced at Pulteney Distillery in Wick, which grew sales by 20%. The company's super premium Scottish gin Caorunn also reported double digit growth.

The business remains focused on the long term global success of its brands, especially its single malts, with sustained investment in stocks for future sales, marketing and promotion.

The financial results in summary:

- Turnover at £67.3 million, up by £4.6m (7%) on the prior year.
- Gross profit margins were up on the prior year at 39% compared to 36.6% in the prior year, with core brands making up a larger percentage of sales.
- Other operating expenses increased as more monies were invested behind promoting brands.
- Operating Profit at 13.7% reflects higher margins on sales of single malts.
- Profit before tax at 10.2% up on the prior year percentage of 9.1%.
- Caorunn Gin sales continue to grow at double digit.
- Continued investment in stocks for future brand growth, up 3.5% to £122m.

Martin Leonard, Inver House Distillers Managing Director commented: *'With trading conditions challenging in many emerging markets, it was encouraging to see sales of our single malts grow significantly in the period. This is the result of having consistently invested in our people, in production at our distilleries, in the quality of our spirits and in their sales and promotion. We also now have the channels in place to grow our brands in markets around the world, so our focus is very much on rolling out some exciting plans and building further success in 2019 and beyond.'*

2018 key financial information for the Year

	2017 (12 Months)		2016 (12 Months)	
	£000	%	£000	%
Sales	67,327		62,705	
Cost of Sales	-41,073		-39,743	
Gross Profit	26,254	39.0%	22,962	36.6%
Other operating expenses	-16,998	-25.2%	-15,292	-24.4%
Operating profit	9,256	13.7%	7,670	12.2%
Interest	-471	-0.7%	-470	-0.7%
Profit before tax	8,785	13.0%	7,200	11.5%
Tax	-1,905	-2.8%	-1,496	-2.4%
Profit after tax	6,880	10.2%	5,704	9.1%

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International Beverage Holdings Ltd

International Beverage Holdings Ltd is one of the drinks industry's most dynamic global businesses. Established in 2006 as a wholly-owned subsidiary of Thaibev, the company operates as its international business arm, specialising in the development of premium local spirits for the global market. Its success is built on a strong understanding of local cultures and markets within a worldwide business network. Based in Hong Kong with regional offices in Singapore, Malaysia, Cambodia, the USA and UK, the company is responsible for the sales, marketing and distribution of a portfolio of premium brands in over 85 markets. These brands are built on character, craftsmanship and quality, led by a range of award-winning Scotch whiskies and an array of vibrant beers and spirits. These include:

- Single malt Scotch whiskies Old Pulteney, Balblair, anCnoc and Speyburn
- Blended Scotch Hankey Bannister
- Caorunn, Scotland's leading super premium gin
- Mekhong, 'The Spirit of Thailand' since 1941
- Chang Beer, Thailand's iconic beer brand

Inver House Distillers is a wholly owned subsidiary of International Beverage Holdings Ltd, producing its Scotch whiskies and gin at five distilleries around Scotland: Pulteney, Speyburn, Knockdhu, Balblair and Balmenach. Inver House is also highly active in the warehousing and blending of Scotch whisky, with warehousing for 500,000 barrels and state of the art blending and laboratory facilities at its headquarters in Airdrie. The business has won many prestigious accolades over the years, including the Icons of Whisky Distiller of the Year Award for Scotland (2017).

www.interbevgroup.com

Focus brands

Old Pulteney, 'The Maritime Malt', is crafted in the windswept coastal town of Wick at Pulteney Distillery - established in 1826 and one of the most northerly on the Scottish mainland. 'Pulteneytown' once housed 7000 fishermen during Wick's famous herring boom, and Old Pulteney is the embodiment of this place, its people and its remarkable history. Crafted using the most time-honoured techniques, Old Pulteney recently launched a new core range featuring flagship 12 Years Old, Huddart, 15 and 18 Years Old. www.oldpulteney.com

Speyburn Distillery was established in 1897 by John Hopkins at Rothes in the heart of Speyside. The beautiful natural environment of this location, combined with traditional methods of production and a quest for innovation, produce a whisky that symbolises all that is special about the great Speyside region. Speyburn currently has three core expressions – Bradan Orach, 10, 15 and 18 Years Old. www.speyburn.com

Balblair Distillery is one of the oldest working distilleries in the Scottish Highlands, built in 1790. Its location on the Dornoch Firth is intrinsically linked to the whisky its self, with its water source coming from the nearby Allt Dearg burn. Balblair currently has four core expressions – 12, 15, 18 and 25 Years Old www.balblair.com

anCnoc is produced at Knockdhu Distillery, built in 1894 and one of the smallest and most enchanting in the Scottish Highlands. It is renowned by malt enthusiasts worldwide 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 currently has four core expressions – 12, 18, 24 and Peatheart www.ancnoc.com

Caorunn was launched in 2009 at the forefront of the Scottish gin boom. Despite becoming one of the world's most in demand super premium gins, Gin Master Simon Buley has never wavered from Caorunn's handcrafted, small batch production process at the near-200 year old Balmenach Distillery in the Scottish Highlands. This includes using locally foraged wild Highland botanicals and vaporising through the distillery's vintage Copper Berry Chamber. This year the brand launched Caorunn Raspberry and Highland Strength which now join the travel retail exclusive Gin Master's Cut and flagship 'core' product to complete the current collection of four expressions. www.caorunngin.com

Hankey Bannister is crafted from a blend of fine single malts from the five Inver House distilleries, producing a smooth and distinctive blend that is true to the original recipe of its historic founders - the flamboyant Mr Beaumont Hankey and his astute business partner, Mr Hugh Bannister. The whiskies of these eighteenth century pioneers were awarded royal warrants under King George V and Edward VII and were enjoyed by the likes of Winston Churchill and the Prince Regent William IV. Hankey Bannister currently has three core expressions – Original Heritage and 12 Year Old Regency www.hankeybannister.com