



# Key Financial Highlights

## CORE REVENUE



↑ 7%

Core revenue is defined as being total branded sales adjusted for the impact of foreign currency.

### ANALYSIS

Core revenue growth of 7% was greater than our volume growth of 2% reflecting the improved mix of higher value products and premiumisation of the portfolio.

## BRAND INVESTMENT SPEND



↑ 5%

Brand investment spend is defined as being the total spend on advertising, global marketing and promotional activities for all brands, excluding discounts and adjusted for the impact of currency.

### ANALYSIS

The year on year increase is reflective of our strategy, to invest for long term growth and grow our brand equity. The Macallan, in particular, continued to benefit from this increased level of investment in the year with an increase of 8%.

## CORE CONTRIBUTION



↑ 7%

Core contribution is profits from our branded sales and distribution adjusted for the impact of foreign currency and after the deduction of overheads.

### ANALYSIS

Core contribution is the key measure of the underlying performance of the business and the increase in the year represents growth across all of our business units.

## EARNINGS BEFORE INTEREST AND TAX\* (EBIT)



↑ 2%

EBIT is a measure of the profit generated by the business before the impact of interest, tax, minority interest charges and items deemed to be exceptional in nature.

### ANALYSIS

EBIT has grown at a slower rate than core contribution due primarily to the impact of a weaker US dollar compared to last year.

\*before exceptional items



## Key Financial Highlights

### PROFIT FOR YEAR ATTRIBUTABLE TO PARENT\*

2018 - £87.9m

2017 - £91.5m

2016 - £72.5m

↓ 4%

This is defined as the net profit for the year taken to distributable reserves before the impact of any exceptional items which can distort comparability.

#### ANALYSIS

Profit for the year has declined by 4% primarily as a result of a non-recurring deferred tax credit received in the prior year.

\*before exceptional items

### FREE CASH FLOW

2018 - £91.0m

2017 - £98.3m

2016 - £62.65m

↓ 7%

Free cash flow is defined as being the net cash flow before movements in borrowings, payments to shareholders and expansionary capital expenditure.

#### ANALYSIS

Free cash flow represents the cash the business generates after maintaining our asset base. The reduction in the year represents an increased investment in casks and maturing stocks for the future growth of our brands.

### RETURN ON CAPITAL EMPLOYED (ROCE)

2018 - 21.4%

2017 - 23.2%

2016 - 21.3%

21.4%

ROCE is defined as EBIT before exceptional items divided by total equity, adjusted to remove intangible values attributed to our brands, post-retirement benefit obligations, derivative financial instruments and items defined as net debt.

#### ANALYSIS

The business continues to invest for the future evidenced by the opening of the Macallan distillery and brand home, an increased level of mature stock purchases and continued investment in our casks. As a result of this significant investment, for which the return will come from future sales, our ROCE has declined from 23.2% last year.

### DIVIDENDS PAID TO SHAREHOLDERS (PENCE PER SHARE)

2018 - 40.9p

2017 - 40.0p

2016 - 38.1p

↑ 2%

Defined as being the total dividend proposed for the year, made up of the interim dividend paid in the year and the final dividend agreed but not paid at the balance sheet date.

#### ANALYSIS

The 2% growth in dividends paid to our shareholders allows the business to maintain the real value of the dividend after adjusting for inflation whilst continuing to invest in assets and inventories to support the long term growth of our brands.