RNS Number : 3316D
Artisanal Spirits Company PLC (The)
19 October 2022

RNS Reach

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The Artisanal Spirits Company plc

("The Artisanal Spirits Company", "ASC" or the "Group")

New partnership agreement in Asia

Inaugural franchise agreement in South Korea

The Artisanal Spirits Company (AIM: ART), curators of the world's favourite, single-cask and limited-edition whisky, and owner of The Scotch Malt Whisky Society ("SMWS"), is pleased to announce that SMWS has signed a new franchise agreement with F.J. Korea ("FJK") in South Korea, Asia's fourth largest economy.

The Artisanal Spirits Company has a long-term, sustainable, global growth opportunity supported by the significant and growing addressable market in which it operates, with this new franchise helping to further expand the Group's commercial business potential. South Korea is the tenth largest market within the global Ultra-Premium Scotch Malt Whisky sector, based on value, and was estimated to be worth c. US$161 million in 2021, an increase of 65% vs 2020 (source: IWSR). This represents an entirely new market for SMWS which has not had a presence in South Korea to date.

F.J. Korea is the fourth largest liquor distributor in South Korea with a strong presence at over 2,000 on-trade venues and a wide national network base in key locations such as Seoul. In association with FJK, SMWS plans to recruit new members in the region through the SMWS website, digital marketing and social media activity, as well as physical, in person partner bar and live marketing initiatives such as whisky festivals and tasting events.

South Korea's whisky market is well positioned for increased premiumisation and e-commerce growth, demonstrating similar consumer trends to other global markets in which ASC operates, as consumers increasingly seek limited edition products and bespoke experiences. This is combined with a growing number of local whisky enthusiasts on social media and an emerging cohort of younger consumers, in particular, continuing to eschew larger, more mainstream brands in favour of niche, craft and limited edition Single Malt Scotch Whisky. The pioneering SMWS model, based around a loyal, valuable and growing membership, combined with the constant stream of unique, award winning products, is therefore perfectly placed to succeed in this market.

This development follows the Group's recent entry into Mexico and South Africa last year, through franchise agreements in those respective geographies, as ASC continues to expand its global footprint into new growth markets.

David Ridley, Managing Director of Artisanal Spirits Company, commented:

"I am delighted to announce this exciting collaboration as ASC continues to progress its strategy to expand its presence in key international whisky markets, adding South Korea to our growing footprint. This further establishes our operations in Asia - one of the fastest growing whisky regions in the world.

"We look forward to collaborating with F.J. Korea whose existing brand portfolio is highly complementary to SMWS' premium whiskies. FJK has committed to grow the SMWS brand for the long term, pledging a dedicated team to focus on our brands and member recruitment in in this new market. This further underpins our approach to seeding and expanding our growing presence in key international markets and the exciting potential we believe the Asia region continues to represent for ASC within the context of our international growth plan."

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Notes to Editors:

The Artisanal Spirits Company (ASC) are curators of the world's favourite, single-cask and limited-edition whisky.

Based in Edinburgh, ASC owns The Scotch Malt Whisky Society (SMWS) which was established in 1983 and currently has a growing worldwide membership of just over 36,000 paying members.

SMWS provides members with inspiring experiences, content and exclusive access to a vast and unique range of outstanding single cask Scotch malt whiskies and other craft spirits, sourced from over 100 distilleries in 20 countries and expertly curated with diligence and care.

Since producing the Society's very first cask, we have created around 10,000 different whisky releases, producing a constant flow of unique and exciting one-of-a-kind whiskies.

With proven e-commerce reach and new brands like J.G. Thomson, ASC is building a portfolio of small-batch spirits brands for a global movement of discerning consumers - delivering c. £20 million in annual revenues with over 80% of revenue generated online and over 65% from outside the UK, with a growing presence in the key global whisky markets including UK, China, USA and Europe.

ASC has a pioneering business model, a substantial and growing addressable market presenting a long-term global growth opportunity and a strong and resilient business, primed to deliver growth.

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