

LUXURY BRAND INDEX: 2021 ANNUAL REPORT



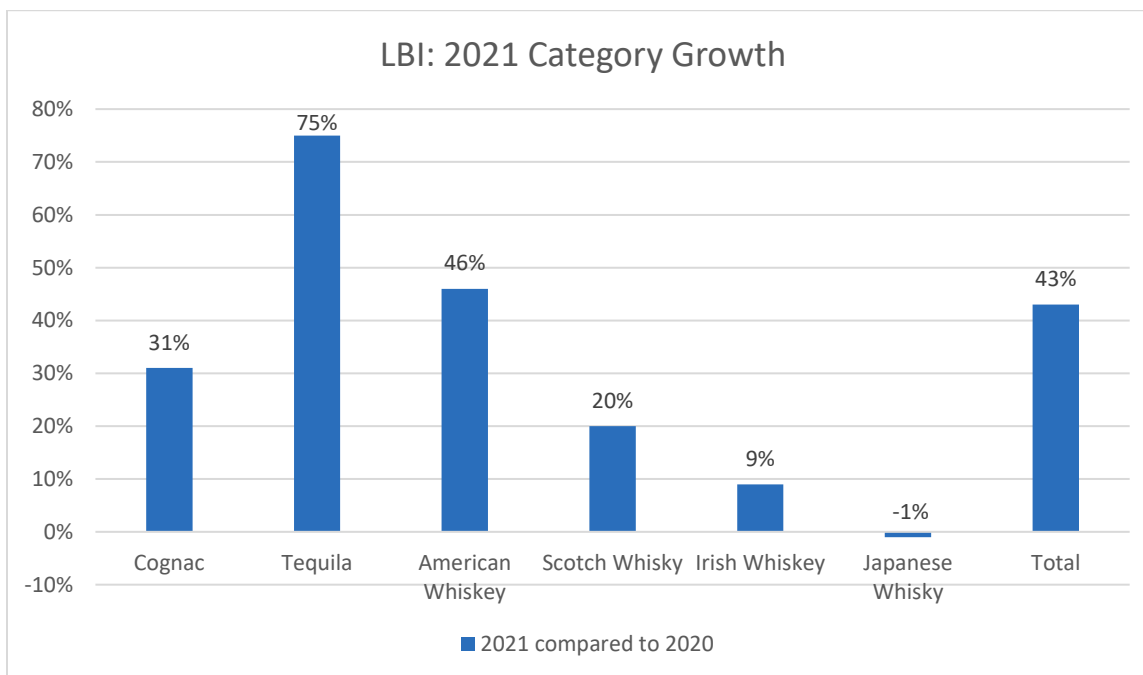
Luxury Spirits Trend Continues to Show Impressive Growth in 2021

The Luxury Brand Index (LBI), a tool created by the Distilled Spirits Council of the United States (DISCUS) to analyze sales of spirits brands at the top end of the distilled spirits market, shows luxury brands grew 43 percent in 2021 compared with 2020.

The 2021 growth rate was more than double the average 18 percent annual rate observed over the previous five years.

The premiumization trends of recent years gained momentum in 2021. Faced with restrictions brought by the pandemic, consumers have shifted their spending to drink better while experimenting with cocktails at home.

2021 CATEGORY TRENDS

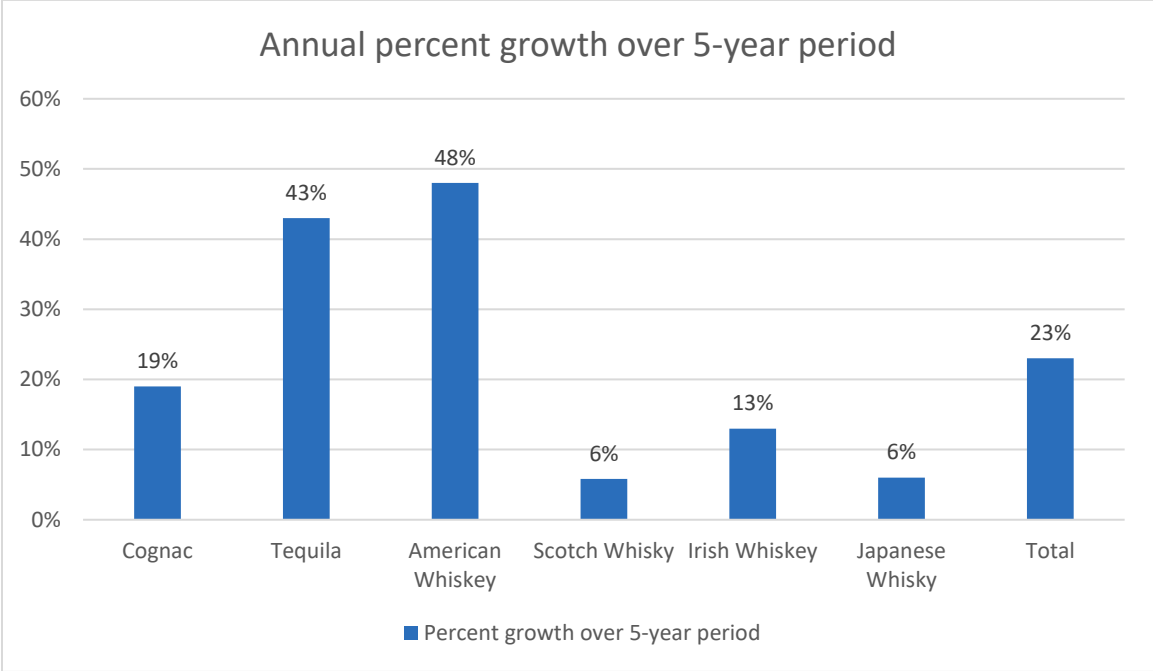


Tequila saw the biggest gains with 75 percent annual growth rate followed by **American Whiskey** and **Cognac** at 46 percent and 31 percent, respectively.

With the repeal of tariffs, **Scotch Whisky** rebounded with a strong 20 percent growth rate after showing losses during 2020. **Irish Whiskey** rose 9 percent while **Japanese Whisky** was almost flat.

FIVE-YEAR CATEGORY TRENDS

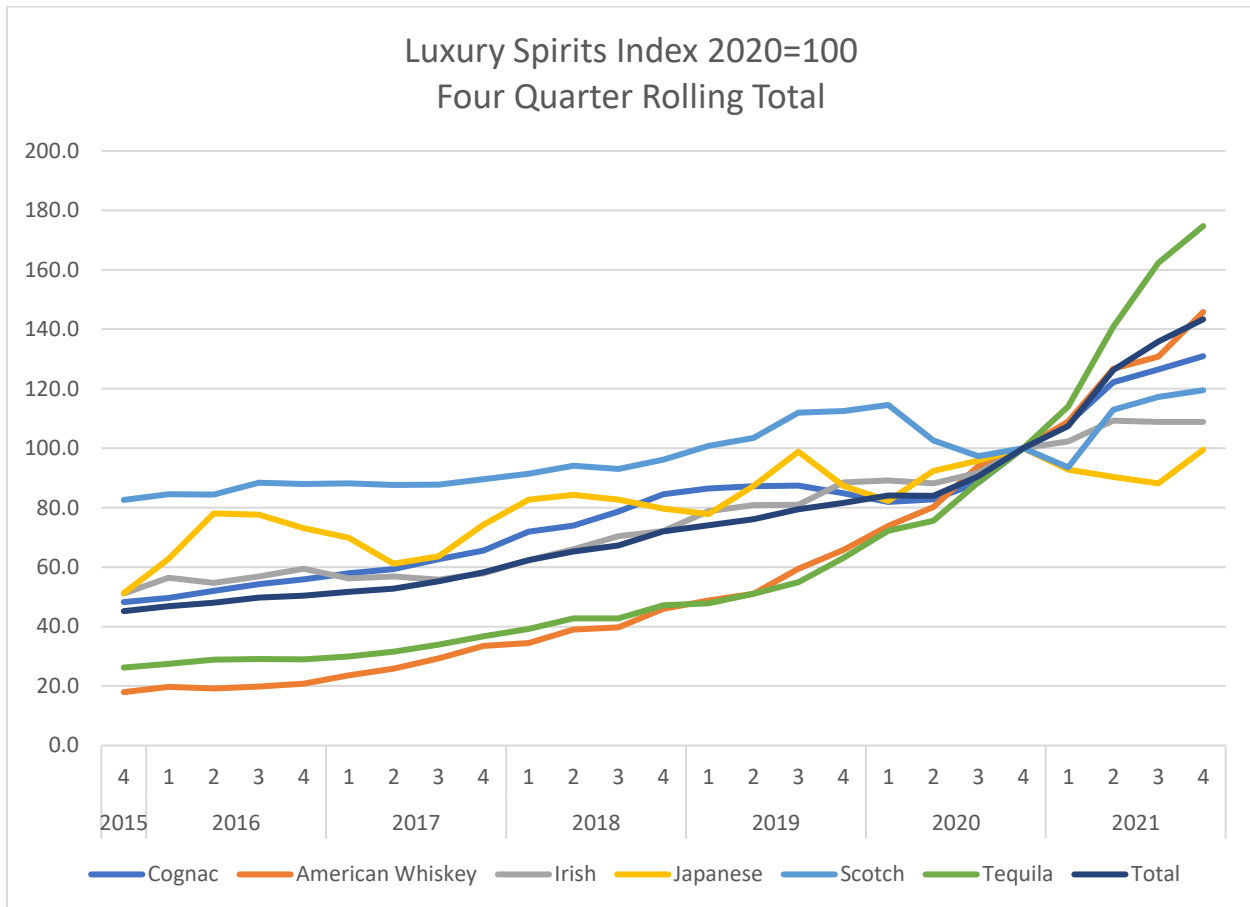
Over the five years between 2016 and 2021, all spirits categories included in the luxury index increased annual growth ranging from 6 to 48 percent, with an average rate of 23 percent.



Both **American Whiskey** and **Tequila** grew more than 40 percent per year, solidifying their place in the index while **Cognac** held its own by growing 19 percent. The performance of **Scotch Whisky** and **Japanese Whisky** was relatively muted with each showing a 6 percent annual growth rate. U.S. tariffs imposed in 2019 on Single Malt Scotch Whisky likely impacted sales. Meanwhile, **Irish Whiskey** rose 13 percent during the same period.

The LBI tracks the performance of spirits brands that have a 750ml retail price of \$50 or more. Retail prices were calculated by IRI Worldwide using retail scanner data. Volumes were derived from the DISCUS' proprietary brand data. The index is calculated based on four quarter rolling total starting in 2015. The base year of the index is 2020.

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LUXURY SPIRITS INDEX, 2020=100

	Cognac	American Whiskey	Irish Whiskey	Japanese Whisky	Scotch Whisky	Tequila	Total
2016	55.9	20.9	59.5	73.1	88.0	29.0	50.4
2017	65.6	33.5	58.0	74.3	89.5	36.8	58.2
2018	84.5	46.0	72.2	79.7	96.2	47.2	72.1
2019	84.9	65.8	88.5	87.3	112.5	63.1	81.6
2020	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2021	130.9	145.8	108.8	99.4	119.5	174.7	143.3

LUXURY SPIRITS INDEX, ANNUAL PERCENTAGE CHANGE

	Cognac	American Whiskey	Irish Whiskey	Japanese Whisky	Scotch Whisky	Tequila	Total
2017	17%	60%	-3%	2%	2%	27%	16%
2018	29%	37%	24%	7%	7%	28%	24%
2019	0%	43%	23%	10%	17%	34%	13%
2020	18%	52%	13%	14%	-11%	58%	23%
2021	31%	46%	9%	-1%	20%	75%	43%