

LUXURY BRAND INDEX: 2022 FIRST QUARTER REPORT

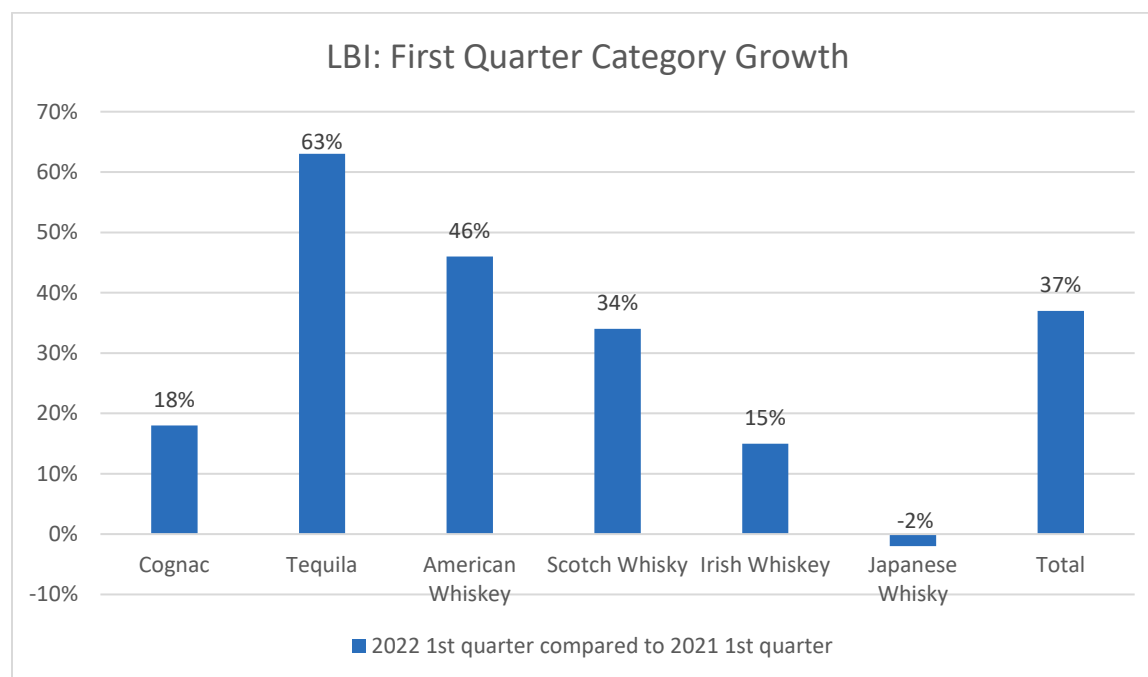


Luxury Spirits Trend Continues to Show Impressive Growth in First Quarter Of 2022

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 37 percent in the first quarter of 2022 compared with the same quarter of 2021.

The premiumization trends of recent years have continued through the first quarter of 2022. The partial return of on-premise drinking occasions has solidified premiumization trends through 2021 and the first quarter of 2022. Consumers who chose luxury brands when experimenting with at-home cocktails during the height of the pandemic have also preferred these brands when enjoying their drinks away from home.

2022 FIRST-QUARTER CATEGORY TRENDS



Tequila has been immensely popular with the American consumers in recent years. While celebrity brand launches have brought awareness to spirits' heritage and tradition, its mixability has made it a natural choice for on-premise and at-home cocktails. It saw the biggest gains with 63 percent annual growth rate.

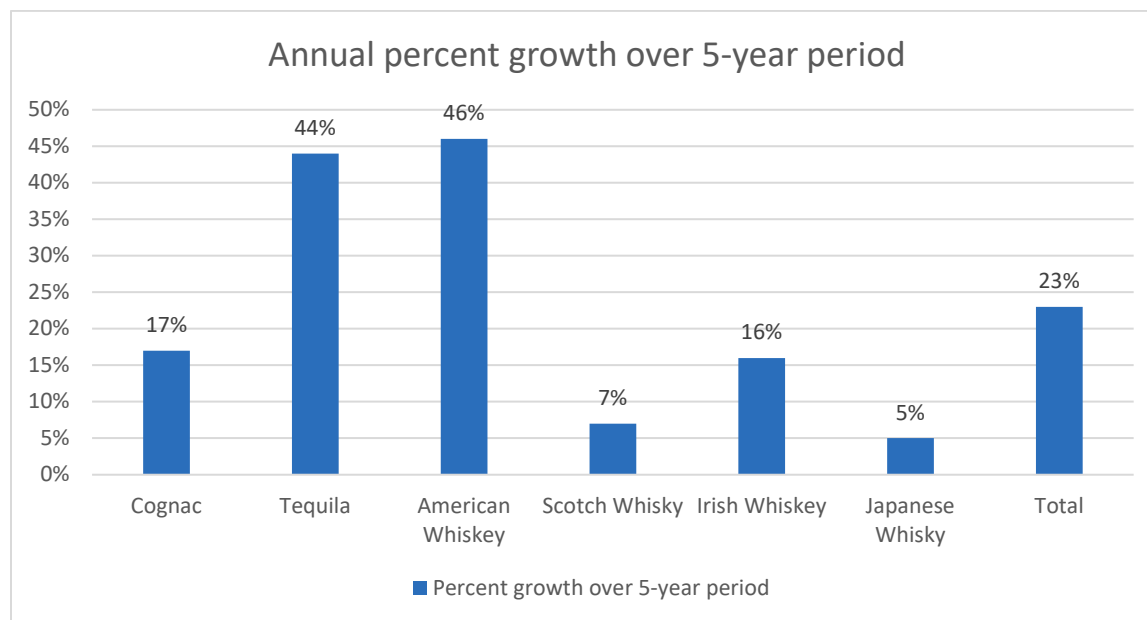
American Whiskey also greatly benefited from premiumization trends and rose 46 percent year-over-year.

With the repeal of retaliatory tariffs in June 2021, **Scotch Whisky** rebounded with a strong 34 percent annual growth rate after showing losses during the period when tariffs were in effect. **Cognac** slowed somewhat but still achieved a very respectable annual growth of 18 percent, followed by **Irish Whiskey** at 15 percent.

Japanese Whisky was almost flat.

FIVE-YEAR CATEGORY TRENDS

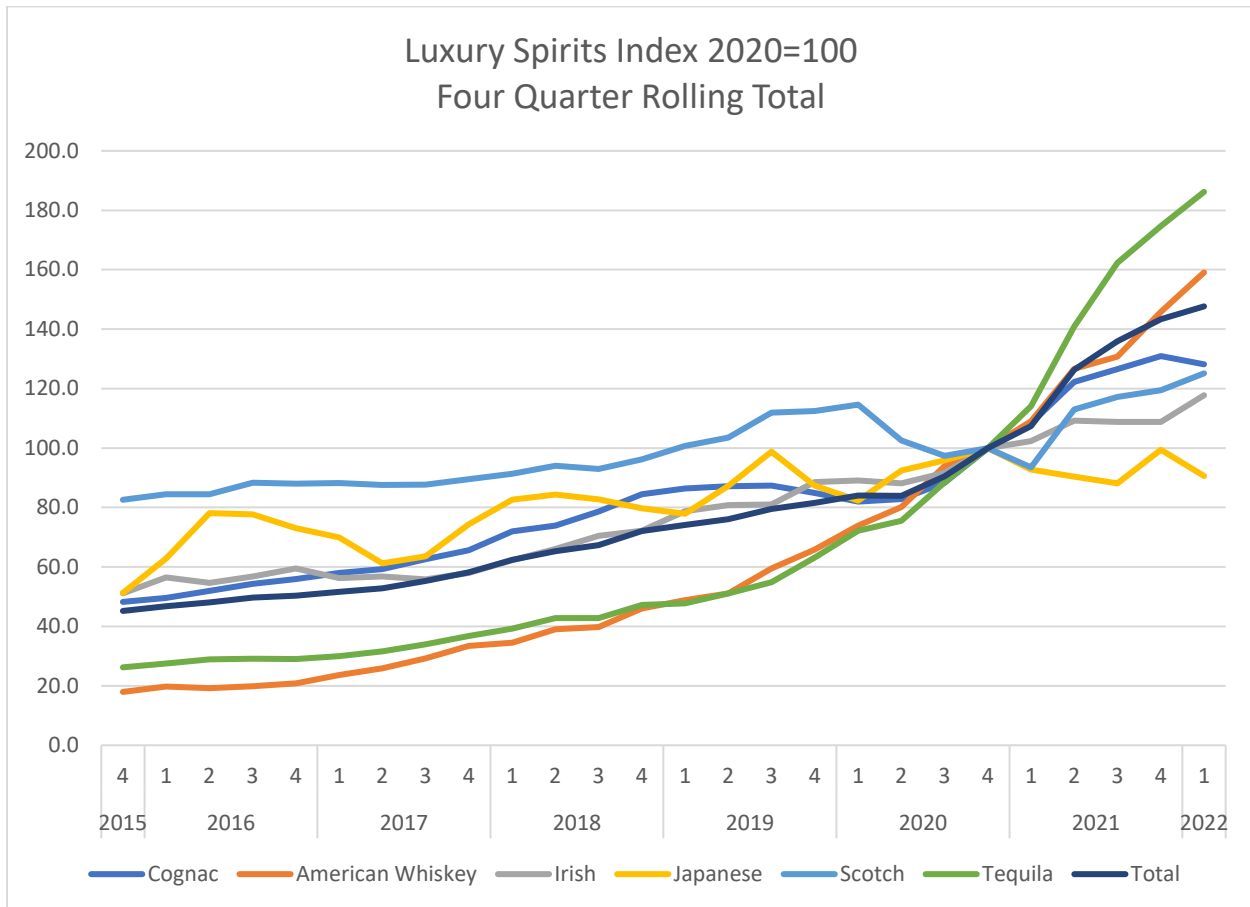
Over the five years between the first quarter of 2017 and 2022, all spirits categories included in the luxury index increased annual growth ranging from 5 to 46 percent, with an average rate of 23 percent.



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 17 percent. The performance of **Scotch Whisky** and **Japanese Whisky** was relatively muted at 7% and 5% annual growth rate, respectively. U.S. tariffs imposed in 2019 on Single Malt Scotch Whisky likely impacted sales. Meanwhile, **Irish Whiskey** rose 16 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

FIRST QUARTER

	Cognac	American Whiskey	Irish Whiskey	Japanese Whiskey	Scotch Whisky	Tequila	Total
2017	57.9	23.6	56.2	69.9	88.2	29.9	51.7
2018	71.9	34.5	62.3	82.7	91.4	39.2	62.4
2019	86.5	48.8	78.8	77.8	100.7	47.8	74.1
2020	81.9	73.9	89.1	82.3	114.6	72.2	84.0
2021	108.3	109.0	102.3	92.8	93.5	114.0	107.4
2022	128.1	159.1	117.8	90.7	125.1	186.2	147.7

LUXURY SPIRITS INDEX, ANNUAL PERCENTAGE CHANGE**FIRST QUARTER**

	Cognac	American Whiskey	Irish Whiskey	Japanese Whiskey	Scotch Whisky	Tequila	Total
2018	24%	46%	11%	18%	4%	31%	21%
2019	20%	42%	26%	-6%	10%	22%	19%
2020	-5%	52%	13%	6%	14%	51%	13%
2021	32%	47%	15%	13%	-18%	58%	28%
2022	18%	46%	15%	-2%	34%	63%	37%