

# LUXURY BRAND INDEX: 2022 THIRD QUARTER REPORT

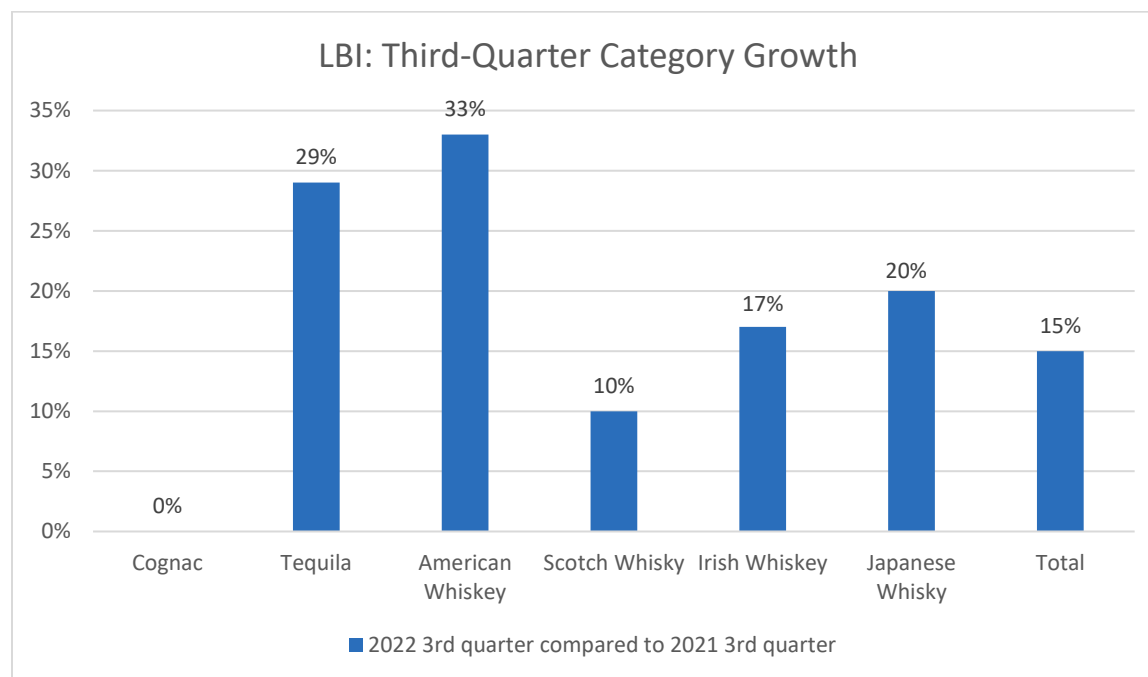


## Luxury Spirits Continue to Grow Strongly in Third Quarter of 2022

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 15 percent in the third quarter of 2022 compared with the same quarter of 2021.

The luxury spirits trends exhibited healthy growth through the third quarter of 2022 albeit at a slower rate, as compared to the growth rate between 2021 and 2020. In the third quarter of 2021, the index grew 50 percent from the same period in 2020. The economic uncertainty due to inflation and lackluster growth in overall economic activity have also slowed down the alcohol beverage industry. However, luxury spirits still have been able to attain significant growth in this challenging environment. The ongoing recovery of on-premise sales also supported luxury spirits.

## 2022 THIRD-QUARTER CATEGORY TRENDS



**American Whiskey** exhibited the largest increase in the third quarter of the year with a 33 percent annual growth rate followed by **Tequila** that rose 29 percent.

**Japanese Whisky** turned in a very solid performance and grew 20 percent after registering a decline in the year-ago period. **Irish Whiskey** also performed strongly and

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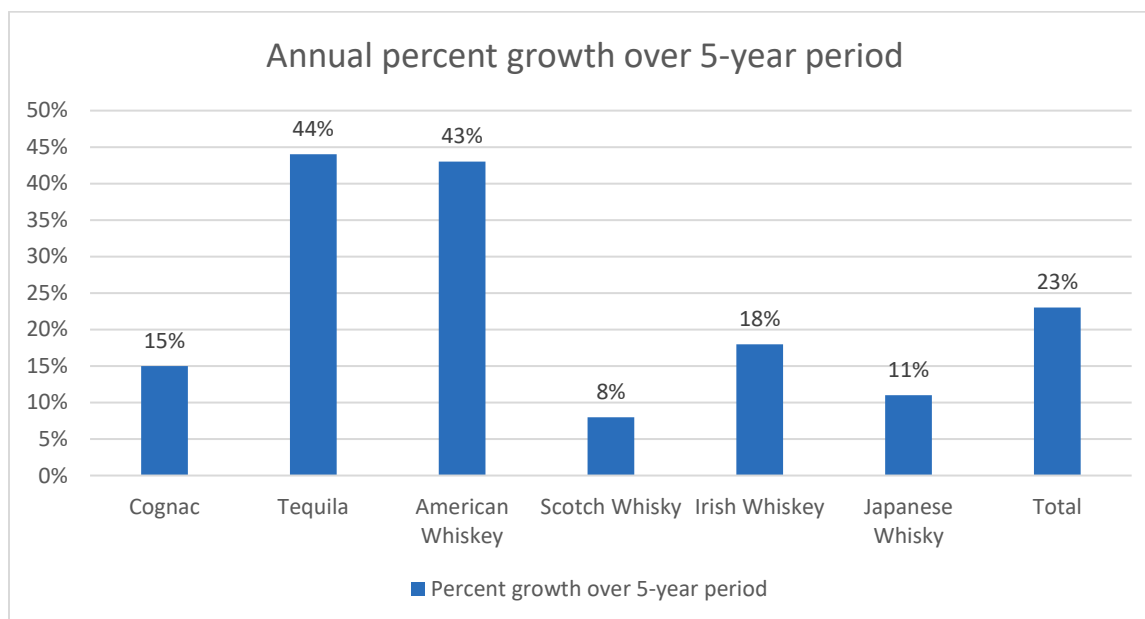


rose 17 percent in the third quarter of the year after attaining a similarly high growth rate of 19 percent in the year-ago period.

**Scotch Whisky** growth slowed down in the current quarter to 10 percent compared with a 20 percent growth rate in the year-ago period. **Cognac** was flat in the current period after a very strong showing in the year-ago period with a 43 percent annual growth rate.

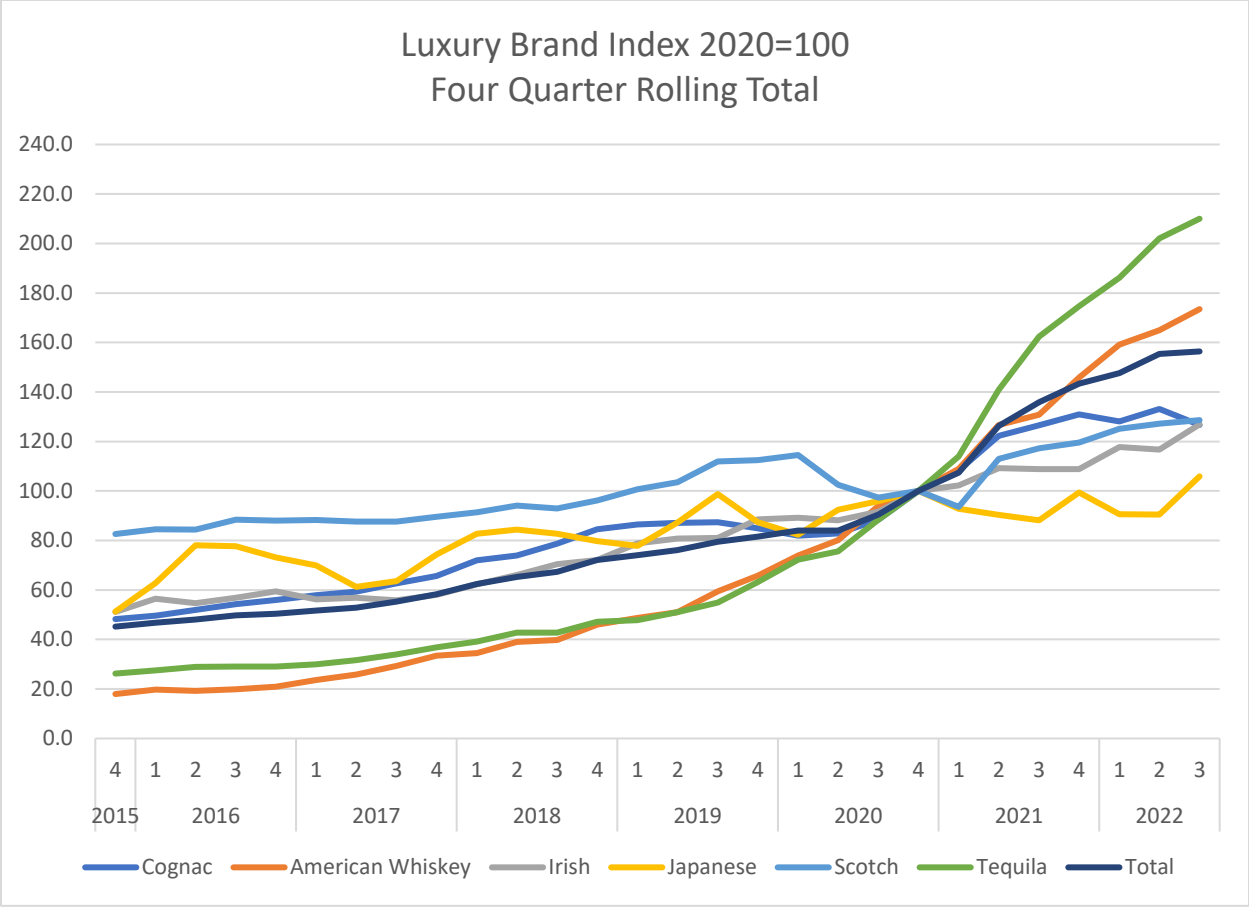
## FIVE-YEAR CATEGORY TRENDS

Over the five years between the third quarter of 2017 and 2022, all spirits categories included in the luxury index increased annual growth ranging from 8 to 44 percent, with an average rate of 23 percent.



Both **American Whiskey** and **Tequila** were the best performing categories over the last five years. Each grew more than 43 percent annually. Both **Irish Whiskey** and **Cognac** also had strong performances with an annual growth rate of 18 percent and 15 percent, respectively. **Japanese Whisky** attained a double-digit annual growth rate of 11 percent while **Scotch Whisky** grew 8 percent per year.

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 DISCUS' proprietary brand data. The index is calculated based on a four-quarter rolling total starting in 2015. The base year of the index is 2020.



**LUXURY BRAND INDEX, 2020=100**

*THIRD QUARTER*

|             | Cognac | American Whiskey | Irish Whiskey | Japanese Whisky | Scotch Whisky | Tequila | Total |
|-------------|--------|------------------|---------------|-----------------|---------------|---------|-------|
| <i>2017</i> | 62.6   | 29.3             | 55.8          | 63.6            | 87.7          | 34.0    | 55.2  |
| <i>2018</i> | 78.7   | 39.8             | 70.4          | 82.7            | 93.0          | 42.8    | 67.3  |
| <i>2019</i> | 87.4   | 59.5             | 81.0          | 98.8            | 111.9         | 54.9    | 79.5  |
| <i>2020</i> | 88.3   | 94.0             | 91.7          | 95.9            | 97.4          | 88.5    | 90.5  |
| <i>2021</i> | 126.5  | 130.8            | 108.8         | 88.1            | 117.2         | 162.3   | 135.9 |
| <i>2022</i> | 126.6  | 173.5            | 126.9         | 105.9           | 128.6         | 210.0   | 156.4 |

**LUXURY BRAND INDEX, ANNUAL PERCENTAGE CHANGE**

*THIRD QUARTER*

| Cognac | American Whiskey | Irish Whiskey | Japanese Whisky | Scotch Whisky | Tequila | Total |
|--------|------------------|---------------|-----------------|---------------|---------|-------|
|        |                  |               |                 |               |         |       |

|             |     |     |     |     |      |     |     |
|-------------|-----|-----|-----|-----|------|-----|-----|
| <i>2018</i> | 26% | 36% | 26% | 30% | 6%   | 26% | 22% |
| <i>2019</i> | 11% | 49% | 15% | 19% | 20%  | 28% | 18% |
| <i>2020</i> | 1%  | 58% | 13% | -3% | -13% | 61% | 14% |
| <i>2021</i> | 43% | 39% | 19% | -8% | 20%  | 84% | 50% |
| <i>2022</i> | 0%  | 33% | 17% | 20% | 10%  | 29% | 15% |