

LUXURY BRAND INDEX: 2022 ANNUAL REPORT

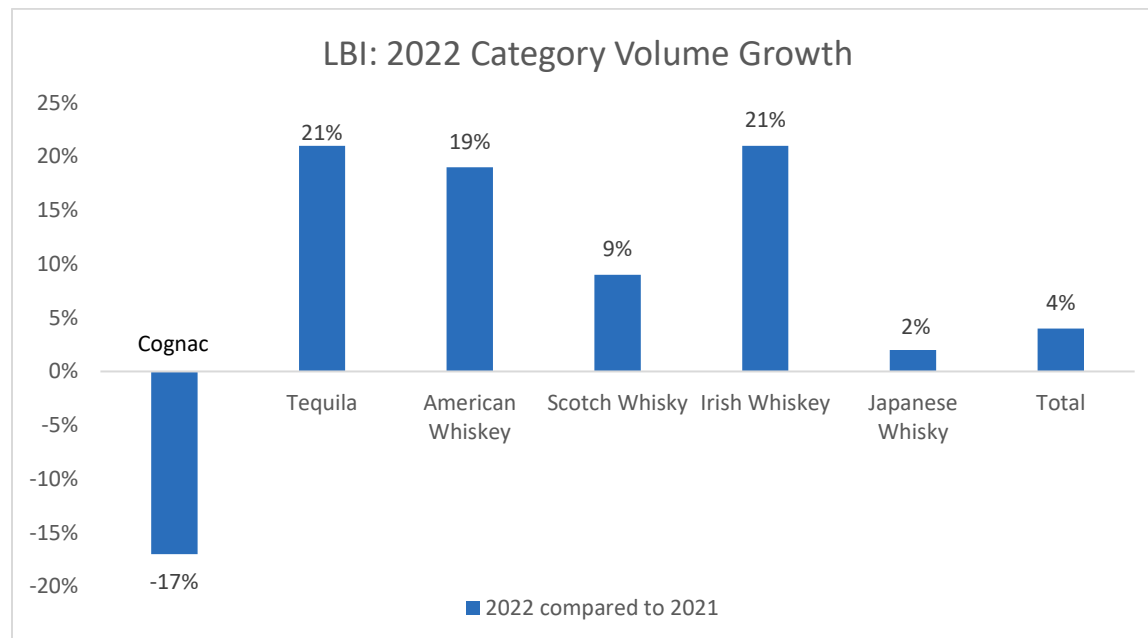


Luxury Spirits Continue to Grow in 2022

The Luxury Brand Index (LBI), a tool created by the Distilled Spirits Council of the United States (DISCUS) to analyze volume sales of spirits brands at the top end of the distilled spirits market, shows luxury brands grew 4 percent in 2022 compared with 2021.

The economic uncertainty brought by higher interest rates and inflation has slowed down the entire alcohol beverage industry. However, the luxury spirits category continued to grow in this challenging environment on the back of strong demand for Tequila, American Whiskey, and Irish Whiskey, in particular. The ongoing recovery of on-premise sales also supported growth in luxury spirits. Overall, the growth in luxury spirits sales has begun to normalize after two years of very strong growth in 2020 and 2021. While Cognac sales declined by double digits and contributed to a lowering of overall growth of the luxury spirits, Cognac sales in 2022 are still up by an impressive 28% compared to 2019.

2022 CATEGORY TRENDS

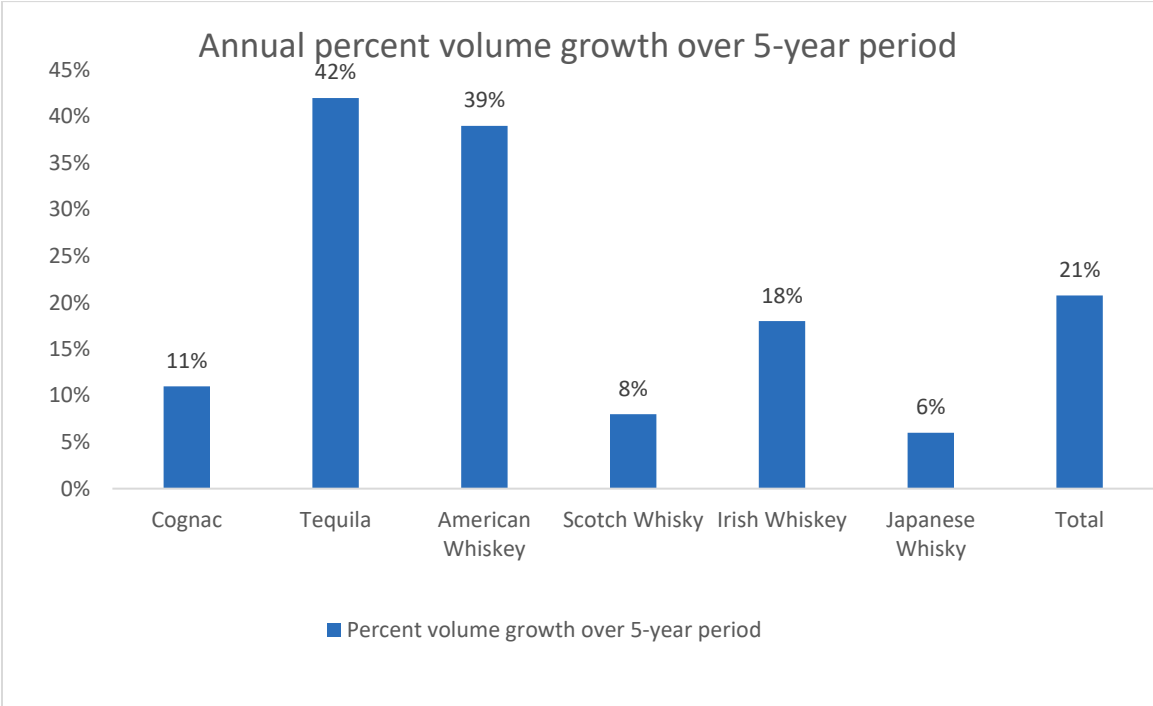


Tequila and **Irish Whiskey** saw the biggest gains with 21 percent annual growth rate each followed by **American Whiskey** at 19 percent.

Scotch Whisky and **Japanese Whisky** rose 9 percent and 2 percent, respectively. Meanwhile, **Cognac** sales declined by 17 percent after a very strong showing in 2021 with a 31 percent annual growth rate.

FIVE-YEAR CATEGORY TRENDS

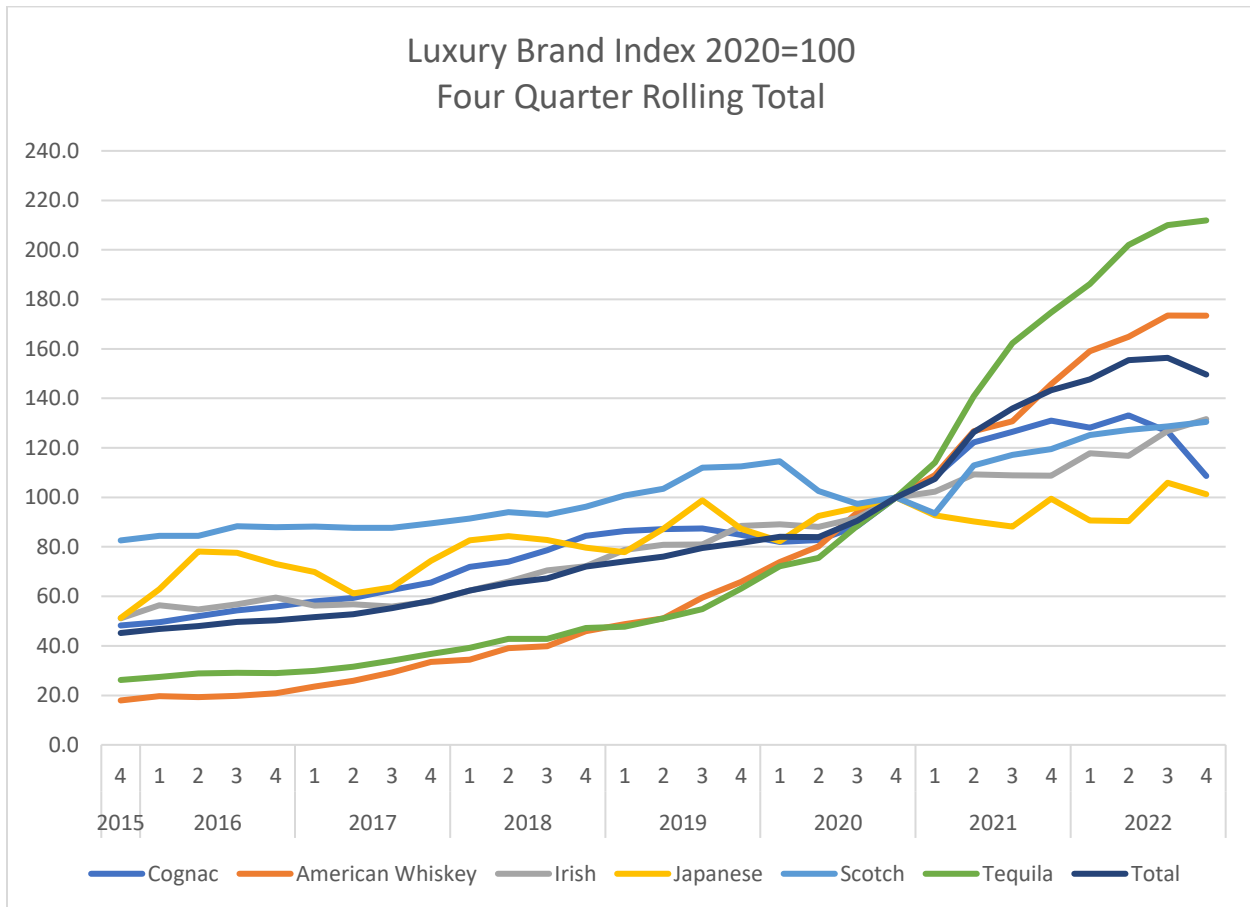
Over the five years between 2017 and 2022, all spirits categories included in the luxury index increased annual growth ranging from 6 to 42 percent, with an average rate of 21 percent.



Both **American Whiskey** and **Tequila** grew around 40 percent per year, spearheading the index as the best performing categories. **Irish Whiskey** and **Cognac** attained double digit annual growth rates at 18 percent and 11 percent, respectively. **Scotch Whisky** achieved a growth rate of 8 percent while **Japanese Whisky** rose 6 percent.

The LBI tracks the volume sales 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.

LUXURY BRAND INDEX: 2022 ANNUAL REPORT



LUXURY SPIRITS VOLUME INDEX, 2020=100

	Cognac	American Whiskey	Irish Whiskey	Japanese Whisky	Scotch Whisky	Tequila	Total
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
2022	108.6	173.4	131.6	101.2	130.5	211.9	149.6

LUXURY SPIRITS VOLUME INDEX, ANNUAL PERCENTAGE CHANGE

	Cognac	American Whiskey	Irish Whiskey	Japanese Whisky	Scotch Whisky	Tequila	Total
<i>2018</i>	29%	37%	24%	7%	7%	28%	24%
<i>2019</i>	0%	43%	23%	10%	17%	34%	13%
<i>2020</i>	18%	52%	13%	14%	-11%	58%	23%
<i>2021</i>	31%	46%	9%	-1%	20%	75%	43%
<i>2022</i>	-17%	19%	21%	2%	9%	21%	4%