

LUXURY BRAND INDEX: 2024 ANNUAL REPORT

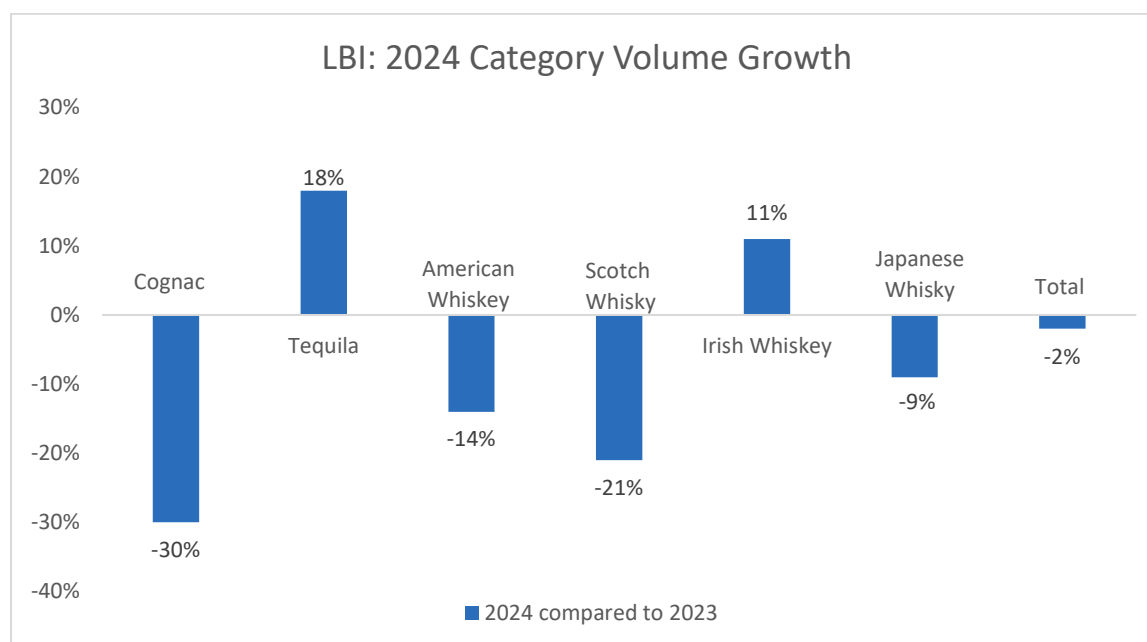


Luxury Spirits Showed Improvement in 2024, Despite Registering a Decline

Luxury brand shipments declined 2% in 2024 compared with 2023, according to 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. This annual decline rate was an improvement from the 9% drop seen in 2023, largely due to an 18% increase in **Tequila**. **Irish Whiskey**, which saw an 11% increase in 2024, also played a role in the slowdown of the overall decline in luxury spirits.

In 2024, the U.S. spirits industry continued to encounter persistent difficulties following substantial growth during the pandemic. As consumers returned to their usual routines and purchasing behaviors, spending on luxury spirits began to stabilize. High interest rates and several years of accumulated inflation have reduced consumer purchasing power, leaving less discretionary income to spend on luxury spirits. Additionally, distributors and retailers have been dealing with excess inventories from the post-pandemic period and have prioritized reducing these stocks to manage the costs associated with elevated interest rates.

2024 CATEGORY TRENDS

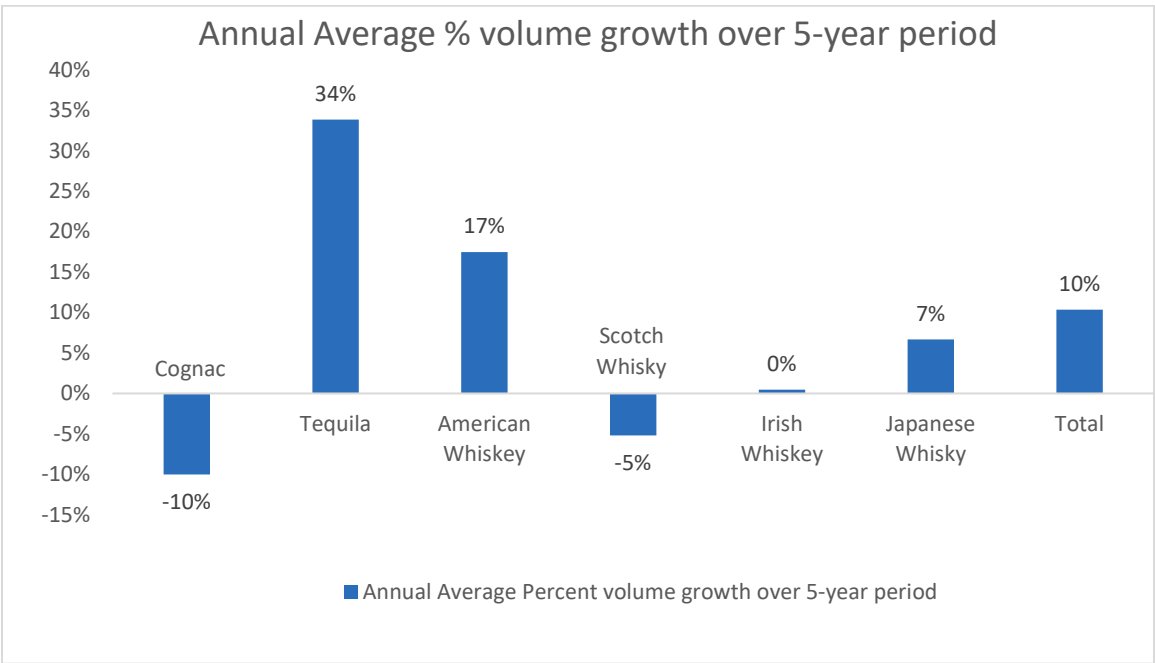


Tequila and **Irish Whiskey** managed to grow sales 18% and 11%, respectively, despite this challenging market environment. **Japanese Whiskey** faced a 9% decline while

American Whiskey decreased 14%. Meanwhile, **Cognac** and **Scotch Whisky** declined 30% and 21%, respectively.

FIVE-YEAR CATEGORY TRENDS

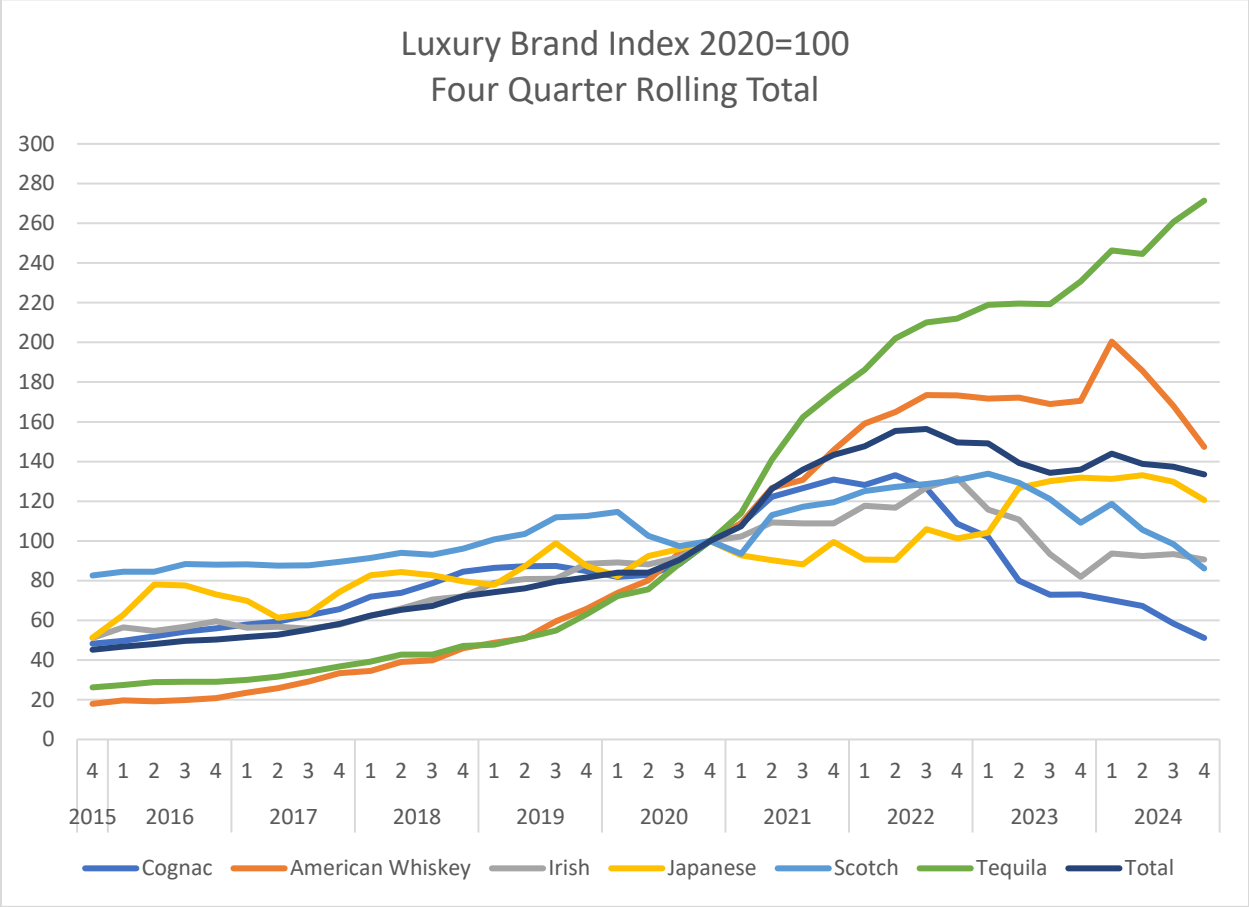
Over the five years between 2019 and 2024, the Luxury Brand Index achieved an average annual growth rate of 10%.



Tequila grew at an impressive average annual growth of 34% per year over the last five years, trailed by **American Whiskey** at 17%. Both categories spearheaded the index as the top performers. **Japanese Whisky** achieved a high single-digit growth rate at 7%. **Irish Whiskey** remained flat. The annual average decline in **Scotch Whisky** and **Cognac** reached 5% and 10%, respectively.

The LBI tracks the volume sales of spirits brands that have a 750ml retail price of \$50 or more. Retail prices were provided by IRI Worldwide through 2022 and by the IWSR for 2023 and 2024. Volumes were derived from 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 VOLUME INDEX, 2020=100

	Cognac	American Whiskey	Irish Whiskey	Japanese Whisky	Scotch Whisky	Tequila	Total
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
2023	73.0	170.6	81.9	131.9	109.2	230.8	135.8
2024	51.1	147.3	90.6	120.6	86.2	271.4	133.5

LUXURY SPIRITS VOLUME INDEX, ANNUAL PERCENTAGE CHANGE

	Cognac	American Whiskey	Irish Whiskey	Japanese Whisky	Scotch Whisky	Tequila	Total
2020	18%	52%	13%	14%	-11%	58%	23%
2021	31%	46%	9%	-1%	20%	75%	43%
2022	-17%	19%	21%	2%	9%	21%	4%
2023	-33%	-2%	-38%	30%	-16%	9%	-9%
2024	-30%	-14%	11%	-9%	-21%	18%	-2%