



Alcoholic Drinks

2021

The annual report on the most valuable and strongest alcoholic drinks brands
June 2021



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Request your own Brand Value Report

A Brand Value Report provides a complete breakdown of the assumptions, data sources, and calculations used to arrive at your brand's value.

Each report includes expert recommendations for growing brand value to drive business performance and offers a cost-effective way to gaining a better understanding of your position against competitors.

Visit brandirectory.com/request-a-valuation or email enquiries@brandfinance.com



Insight



Strategy



Benchmarking



Education



Communication



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Benchmarking

About Brand Finance.

Brand Finance is the world's leading brand valuation consultancy.

We bridge the gap between marketing and finance

Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For 25 years, we have helped companies and organisations of all types to connect their brands to the bottom line.

We quantify the financial value of brands

We put 5,000 of the world's biggest brands to the test every year. Ranking brands across all sectors and countries, we publish nearly 100 reports annually.

We offer a unique combination of expertise

Our teams have experience across a wide range of disciplines from marketing and market research, to brand strategy and visual identity, to tax and accounting.

We pride ourselves on technical credibility

Brand Finance is a chartered accountancy firm regulated by the Institute of Chartered Accountants in England and Wales, and the first brand valuation consultancy to join the International Valuation Standards Council.

Our experts helped craft the internationally recognised standards on Brand Valuation – ISO 10668 and Brand Evaluation – ISO 20671. Our methodology has been certified by global independent auditors – Austrian Standards – as compliant with both, and received the official approval of the Marketing Accountability Standards Board.

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- + Track brand value, strength, and rating across publications and over time
- + Use interactive charts to compare brand values across countries, sectors, and global rankings
- + Purchase and instantly unlock premium data, complete brand rankings, and research

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Brand Finance Group.



Brand Finance®
Institute

Brand Finance Institute

Brand Finance Institute is the educational division of Brand Finance, whose purpose is to create and foster a professional environment for knowledge-sharing and networking among practitioners and experts in the market. BFI organises events, in-company training, and corporate educational initiatives around the world. In the quest for marketing excellence and with the purpose to equip the brand valuation and strategy practitioners with the necessary skills and tools, we have developed a wide range of programmes and certifications in collaboration with the most coveted business schools, universities and thought leaders in the field.

Brand Dialogue

Brand Dialogue is a public relations agency developing communications strategies to create dialogue that drives brand value. Brand Dialogue has over 25 years of experience in delivering campaigns driven by research, measurement, and strategic thinking for a variety of clients, with a strong background in geographic branding, including supporting nation brands and brands with a geographical indication (GI). Brand Dialogue manages communications activities across Brand Finance Group's companies and network.

VI360

VI360 is a brand identity management consultancy working for clients of all sizes on brand compliance, brand transition, and brand identity management. VI360 provide straightforward and practical brand management that results in tangible benefits for your business.

vi360

Brand Finance®

Global Brand Equity Monitor

- Original market research on **2,500 brands**
- **29 countries** and **23 sectors** covered
- More than **50,000 respondents** surveyed annually
- We are now **in our 5th consecutive year** conducting the study

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or email enquiries@brandfinance.com



Foreword.



David Haigh
CEO, Brand Finance

25 years ago, on 1st April 1996, I launched Brand Finance to 'Bridge the Gap Between Marketing and Finance'. I thought that the gap between the silos would progressively disappear as finance people learned the importance of marketing for driving growth and marketing people learned the need for financial accountability.

Progress has been made but the gap is still there and we are now working hard through our publications, rankings, forums and the Brand Finance Institute training programmes to narrow the gap.

Over the last 25 years we have lived through four major recessions: 2001, when the dotcom bubble burst; 2009, when the Great Financial Crash washed over us; 2013, when the Euro caused a meltdown in Europe and in 2020, when the Covid Pandemic brought the world to a halt.

Brand Finance has been through many ups and downs but we have survived because we have always tried to lead our growing niche market. We claim to be the World's Leading Brand Valuation Consultancy. Over the last 25 years we have innovated continuously in our market place and we have transparently shared our innovations, knowledge and techniques to help grow the market, most obviously via ISO global standards on Brand Valuation and Brand Evaluation.

Throughout the last 25 years we have always invested heavily in training and professionalising our staff, in research to bring greater insight to our work and in high profile marketing and communications. We practice what we preach to clients.

There has never been greater recognition of brands as assets and the need to manage them for value. We are poised for significant growth as CEOs and Boards wake up to the need to manage brands better.

I started Brand Finance in the spare bedroom in Teddington. We now operate from the Brand Exchange building in the heart of the City of London and in 25 cities worldwide.

Over the last 25 years, many famous brands have disappeared or declined. Many new brands have emerged. Sectors have risen and fallen. Oil and gas brands are in decline while data- and technology-driven brands are booming. America and Europe are losing out to China and Asia.

But while there may be volatility, brands have never been more important for Nations, Companies, Products and Services. With a nudge from Brand Finance even Football teams and the Monarchy now recognise that they have valuable brands.

I hope the next 25 years will be as interesting and fun as the last. I would like to thank all the clients, staff and partners who have helped Brand Finance over the last 25 years.

Corona Defies Unfortunate Name Association & is Crowned World's Most Valuable Beer Brand.

- World's top 50 beer brands lose 16% of cumulative brand value due to COVID-19 pandemic
- Despite unfortunate name association, **Corona** is once again world's most valuable beer brand, brand value US\$5.8 billion
- Mexico's **Victoria** is strongest beer brand, AAA brand strength rating
- Chinese baijiu brands dominate spirits sector: **Moutai, Wuliangye, Yanghe, Luzhou Laojiao** and **Gujing Gong Jiu** make up top 5
- **Don Julio** is strongest spirits brand with AAA brand strength rating
- **Moët et Chandon** is most valuable and strongest wine & champagne brand

Executive Summary.

Brand Finance Beers 50.



World's top beer brands lose 16% of total brand value

The total value of the world's top 50 most valuable beer brands has declined by 16%, from US\$94.9 billion in 2020 to US\$80.2 billion in 2021. Most brands in the Brand Finance Beers 50 2021 ranking have been negotiating the effects of social distancing measures brought about by the widespread global lockdowns over the last year, which severely diminished demand for beers and wider alcoholic drinks.

Belgian beer brand, **Michelob**, bucks industry trends as the fastest growing brand, climbing 13 spots in the ranking following an impressive 39% brand value growth to US\$1.2 billion. Over the last year, the brand has cemented its position as an innovative presence within the sector through its digital-based "Ultra Beer Run" campaign – an initiative that offers free beer as a reward for exercising.

Australian brand, **XXXX** (brand value US\$743 million), and Spain's **Estrella Damm** (brand value US\$1.0 billion) are the second and third fastest growing brands, up 37% and 31% respectively.

Corona remains most valuable

Corona has retained the title of the world's most valuable beer brand, despite recording a 28% drop in brand value to US\$5.8 billion. As the bestselling imported drink in the United States, with an additional presence in over 120 countries, the Mexican brand

The pandemic has undoubtedly forced change upon the world's beer brands, which have grappled with consumers' significant lifestyle changes brought about by the limitations on social interaction. Brands with a strong existing reputation and good levels of familiarity amongst consumers are those most primed to weather the storm.

Richard Haigh
Managing Director, Brand Finance

has also recently become one of the fastest growing grocery products in the United Kingdom.

Over the last year, the brand has been met with some hesitancy, particularly in the United States, as Americans are hesitant to purchase its products due to its similarity in name to coronaviruses. It is this area of public opinion that could be behind the beer's slight dip in brand value this year, although it remains exemplary of the resilience of a strong and reputable global brand, recently announcing an initiative to help the restaurant industry recover from the effects of the pandemic.

Brand Value Change 2020-2021 (%)



Top 10 Most Valuable Brands

| | | | | |
|-----------|-----------------|----------------|----------------|--------|
| 1 | Corona Extra | 2021: \$5,822m | 2020: \$8,065m | -27.8% |
| 2 | Heineken | 2021: \$5,646m | 2020: \$6,968m | -19.0% |
| 3 | Budweiser | 2021: \$4,790m | 2020: \$6,436m | -25.6% |
| 4 | Victoria | 2021: \$4,038m | 2020: \$4,622m | -12.6% |
| 5 | BUD LIGHT | 2021: \$3,952m | 2020: \$5,760m | -31.4% |
| 6 | 雪花 | 2021: \$3,445m | 2020: \$4,137m | -16.7% |
| 7 | Modelo Especial | 2021: \$3,365m | 2020: \$3,754m | -10.4% |
| 8 | KIRIN | 2021: \$2,853m | 2020: \$3,212m | -11.2% |
| 9 | Lite | 2021: \$2,850m | 2020: \$2,877m | -0.9% |
| 10 | Asahi | 2021: \$2,848m | 2020: \$2,583m | +10.3% |

Brand Finance Beers 50 (USD m).

Top 5 Strongest Brands

| | Rank | Change | Brand | Flag |
|---|-----------------|--------|-------------|---|
|  | 1 | ↑ 11 | Victoria |  |
| 2021: 87.8 AAA | 2020: 81.7 AAA- | +6.1 | | |
|  | 2 | ↑ 12 | SKOL |  |
| 2021: 87.3 AAA | 2020: 81.6 AAA- | +5.7 | | |
|  | 3 | ↑ 5 | Black Label |  |
| 2021: 86.7 AAA | 2020: 83.8 AAA- | +2.9 | | |
|  | 4 | ← 4 | Brahma |  |
| 2021: 84.9 AAA | 2020: 84.3 AAA- | +0.6 | | |
|  | 5 | ↑ 42 | ULTRA |  |
| 2021: 84.9 AAA | 2020: 64.2 A+ | +0.7 | | |

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Brand Value by Country



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Victoria is strongest beer brand

In addition to measuring overall brand value, Brand Finance also determines the relative strength of brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance. **Victoria** (down 13% to US\$4.0 billion) has jumped ten spots in the brand strength ranking to become the world's strongest beer brand, with a Brand Strength Index (BSI) score of 87.8 out of 100 and a corresponding AAA brand strength rating.

As one of the oldest beers produced in Mexico, Victoria has become a firm favourite in its home country, where it is the most traditional out of Grupo Modelo's brand portfolio. Owned by AB InBev, the Mexican beer brand has undoubtedly benefited from parent company's positive reputation and the strength of its wider brand portfolio.

Top 50 most valuable beers brands

| 2021 Rank | 2020 Rank | Brand | Country | 2021 Brand Value | Brand Value Change | 2020 Brand Value | 2021 Brand Rating | 2020 Brand Rating |
|-----------|-----------|----------------------|----------------|------------------|--------------------|------------------|-------------------|-------------------|
| 1 | 1 | Corona | Mexico | \$5,822 | -27.8% | \$8,065 | AAA- | AAA- |
| 2 | 2 | Heineken | Netherlands | \$5,646 | -19.0% | \$6,968 | AAA- | AAA- |
| 3 | 3 | Budweiser | United States | \$4,790 | -25.6% | \$6,436 | AAA- | AAA |
| 4 | 5 | Victoria | Mexico | \$4,038 | -12.6% | \$4,622 | AAA | AAA- |
| 5 | 4 | Bud Light | United States | \$3,952 | -31.4% | \$5,760 | AAA- | AAA |
| 6 | 6 | Snow | China | \$3,445 | -16.7% | \$4,137 | AAA- | AA+ |
| 7 | 8 | Modelo Especial | Mexico | \$3,365 | -10.4% | \$3,754 | AA+ | AA |
| 8 | 9 | Kirin | Japan | \$2,853 | -11.2% | \$3,212 | AAA- | AAA- |
| 9 | 10 | Miller Lite | United States | \$2,850 | -0.9% | \$2,877 | AA | AA |
| 10 | 12 | Asahi | Japan | \$2,848 | +10.3% | \$2,583 | AA+ | AA+ |
| 11 | 11 | Skol | Brazil | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 12 | 7 | Harbin | China | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 13 | 14 | Guinness | Ireland | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 14 | 13 | Coors Light | United States | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 15 | 20 | Carlsberg | Denmark | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 16 | 18 | BrewDog | United Kingdom | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 17 | 15 | Tsingtao | China | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 18 | 16 | Brahma | Brazil | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 19 | 19 | Stella Artois | Belgium | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 20 | 17 | Tecate | Mexico | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 21 | 34 | Michelob | Belgium | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 22 | 21 | Busch | United States | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 23 | 29 | Tuborg | Denmark | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 24 | 35 | Estrella Damm | Spain | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 25 | 22 | Sabeco | Vietnam | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 26 | 26 | Saigon | Thailand | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 27 | 30 | Amstel | Netherlands | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 28 | 23 | Aguila | Colombia | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 29 | 39 | Tiger | Singapore | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 30 | 24 | Antarctica | Brazil | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 31 | 25 | Natural | United States | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 32 | - | New Radeberger Group | Germany | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 33 | 40 | Mahou | Spain | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 34 | 27 | Sapporo | Japan | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 35 | 50 | XXXX | Australia | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 36 | 32 | Kingfisher | India | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 37 | 28 | Cass | South Korea | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 38 | 31 | Yanjing | China | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 39 | 38 | Velkopopovicky Kozel | Czech Republic | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 40 | 47 | 333° export | Thailand | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 41 | 41 | Baltika | Russia | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 42 | 42 | Carling Black Label | South Africa | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 43 | 36 | Dos Equis XX | Mexico | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 44 | 37 | Castle | South Africa | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 45 | 45 | Foster's | Australia | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 46 | - | New Pilsner Urquell | Czech Republic | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 47 | 49 | Carling | United States | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 48 | 44 | Beck's | Germany | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 49 | - | New San Miguel | Spain | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |
| 50 | - | New Kinmugi | Japan | \$2,848 | 0.0% | \$2,583 | AA+ | AA+ |

Brand Finance Spirits 50.



Chinese Baijiu brands dominate top 5

The total value of the world's top 50 most valuable spirits brands has increased by 5%, up from US\$129.7 billion in 2020 to US\$135.9 billion in 2021. Performing particularly well in the ranking this year are the Chinese brands, with the nine brands that feature growing 27% in brand value on average.

Once again, Chinese Baijiu brands dominate the Brand Finance Spirits 50 2021 ranking, claiming the top five spots. **Moutai** maintains a clear lead at the top with a brand value of US\$45.3 billion, up 15% year-on-year. Moutai's revenues have suffered recently with sales reaching a five-year low, as the brand grapples with the sharp decline in consumer spending, as a result of the pandemic. The brand has been working towards increasing its direct sales channels, however, so that it can control prices more effectively as well as expanding its production capacity.

Fellow Baijiu brand **Wuliangye** sits in second with a brand value of US\$25.8 billion and celebrates a 24% brand value increase. Wuliangye has thrived since optimising its product structure, streamlining the business by demerging many sub brands, and focusing on the high-end spirits market.

Yanghe (down 8% to US\$7.1 billion), **Luzhou Laojiao** (up 25% to US\$7.0 billion) and **Gujing Gong Jiu** (up 22% to US\$4.0 billion) make up the top five. Following its 22% brand value increase Gujing Gong Jiu – famous for using the oldest existing distilling technique in the world - has climbed four spots to break into the top 5,

China is home to the largest spirits market in the world and it has been flourishing in recent years as alcohol consumption increases and purchasing power is on the up. Although we are beginning to witness a rise in popularity of international spirits across the country, the nation's traditional Baijiu spirit still dominates on home soil with immense volumes sold each year, particularly by market leaders Moutai and Wuliangye. This dominance is reflected in their brand values being significantly ahead compared to other brands across the sector.

Richard Haigh
Managing Director, Brand Finance

pushing whiskey giant **Jack Daniels** (down 17% to US\$3.4 billion) into 6th spot.

Soaring into the Brand Finance Spirits 50 2021 ranking in 28th position is **Jiugui Jiu** following a staggering 96% brand value increase to US\$760 million.

Brand Value Change 2020-2021 (%)



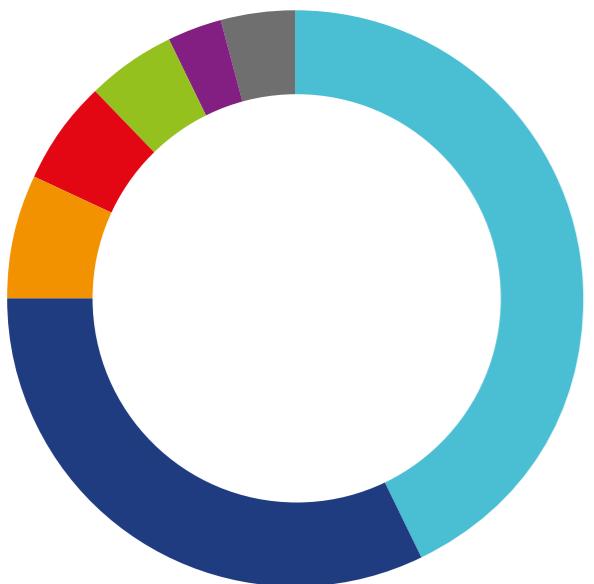
Top 10 Most Valuable Brands

| | | | |
|--|-----------|-----------------|--------|
| | 1 | ← 1 | |
| | | 2021: \$45,333m | +15.3% |
| | | 2020: \$39,332m | |
| | 2 | ← 2 | |
| | | 2021: \$25,768m | +23.5% |
| | | 2020: \$20,872m | |
| | 3 | ← 3 | |
| | | 2021: \$7,088m | -7.5% |
| | | 2020: \$7,666m | |
| | 4 | ← 4 | |
| | | 2021: \$7,032m | +25.0% |
| | | 2020: \$5,625m | |
| | 5 | ↑ 9 | |
| | | 2021: \$4,048m | +22.2% |
| | | 2020: \$3,312m | |
| | 6 | ↓ 5 | |
| | | 2021: \$3,388m | -17.2% |
| | | 2020: \$4,092m | |
| | 7 | ← 7 | |
| | | 2021: \$3,294m | -9.3% |
| | | 2020: \$3,633m | |
| | 8 | ← 8 | |
| | | 2021: \$3,169m | -4.5% |
| | | 2020: \$3,320m | |
| | 9 | ↑ 10 | |
| | | 2021: \$2,540m | -19.0% |
| | | 2020: \$3,137m | |
| | 10 | ↓ 6 | |
| | | 2021: \$2,398m | -40.6% |
| | | 2020: \$4,036m | |

Top 5 Strongest Brands

| | | | |
|--|----------------|-----------------|---|
|  | 1 | ← 1 |  |
| | 2021: 88.8 AAA | 2020: 88.7 AAA | +0.1 |
|  | 2 | ↑ 5 |  |
| | 2021: 88.8 AAA | 2020: 84.9 AAA | +3.9 |
|  | 3 | ↑ 8 |  |
| | 2021: 88.7 AAA | 2020: 82.8 AAA- | +5.9 |
|  | 4 | ← 2 |  |
| | 2021: 85.8 AAA | 2020: 88.1 AAA | -2.3 |
|  | 5 | ← 19 |  |
| | 2021: 85.7 AAA | 2020: 77.0 AA+ | +8.7 |

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Brand Value by Country

Brand Finance Spirits 50 (USD m.).

Top 50 most valuable spirits brands

| 2021 Rank | 2020 Rank | Brand | Country | 2021 Brand Value | Brand Value Change | 2020 Brand Value | 2021 Brand Rating | 2020 Brand Rating |
|--------------|--------------|----------------------|--------------------------|------------------------|--------------------------|------------------------|-------------------------|-------------------------|
| 1 | 1 | ➡ Moutai | China | \$45,333 | +15.3% | \$39,332 | AAA | AAA |
| 2 | 2 | ➡ Wuliangye | China | \$25,768 | +23.5% | \$20,872 | AAA | AAA- |
| 3 | 3 | ➡ Yanghe | China | \$7,088 | -7.5% | \$7,666 | AAA- | AA |
| 4 | 4 | ➡ Luzhou Laojiao | China | \$7,032 | +25.0% | \$5,625 | AAA | AA+ |
| 5 | 9 | ⬆ Gujing Gong Jiu | China | \$4,048 | +22.2% | \$3,312 | AA+ | AA |
| 6 | 5 | ⬇ Jack Daniel's | United States | \$3,388 | -17.2% | \$4,092 | AAA- | AAA- |
| 7 | 7 | ➡ Hennessy | France | \$3,294 | -9.3% | \$3,633 | AA+ | AA+ |
| 8 | 8 | ➡ Smirnoff | Russia | \$3,169 | -4.5% | \$3,320 | AAA- | AAA |
| 9 | 10 | ⬆ Bacardi | United Kingdom (Bermuda) | \$2,540 | -19.0% | \$3,137 | AAA- | AAA- |
| 10 | 6 | ⬇ Johnnie Walker | United Kingdom | \$2,398 | -40.6% | \$4,036 | AAA- | AAA- |
| 11 | 11 | ➡ Ruang Khaو | Thailand | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 12 | 14 | ⬆ Patrón | United States | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 13 | 15 | ⬆ Crown Royal | Canada | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 14 | 16 | ⬆ Chivas Regal | United Kingdom | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 15 | 13 | ⬇ Grey Goose | France | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 16 | 12 | ⬇ Absolut | Sweden | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 17 | 18 | ⬆ Grant's | United Kingdom | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 18 | 17 | ⬇ Baileys | Ireland | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 19 | 27 | ⬆ Imperial | South Korea | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 20 | 26 | ⬆ Yingjia | China | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 21 | 22 | ⬆ Don Julio | Mexico | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 22 | 23 | ⬆ United Spirits | India | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 23 | 20 | ⬇ Rémy Martin | France | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 24 | 21 | ⬇ Jameson | Ireland | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 25 | 28 | ⬆ Glenfiddich | United Kingdom | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 26 | 37 | ⬆ Shede | China | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 27 | 24 | ⬇ Ballantine's | United Kingdom | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 28 | - | New Jiugui Jiu | China | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 29 | 25 | ⬇ Ciroc | France | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 30 | 38 | ⬆ Royal Stag | India | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 31 | 40 | ⬆ Jagermeister | Germany | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 32 | 29 | ⬇ Suntory Whisky | Japan | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 33 | 35 | ⬆ Jose Cuervo | Mexico | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 34 | 36 | ⬆ Bulleit | United States | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 35 | 34 | ⬇ Chamsul | South Korea | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 36 | 31 | ⬇ Hengshui Laobaguan | China | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 37 | 30 | ⬇ Martell | France | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 38 | 19 | ⬇ Captain Morgan | JAMAICA | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 39 | 33 | ⬇ Ricard | France | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 40 | 39 | ⬇ McDowell's | India | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 41 | 46 | ⬆ Aperol | Italy | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 42 | 42 | ➡ Havana Club | Cuba | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 43 | 32 | ⬇ Bombay Sapphire | United Kingdom | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 44 | - | New William Lawson | United Kingdom | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 45 | 41 | ⬇ Belvedere | POLAND | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 46 | 44 | ⬇ Hendrick's | United Kingdom | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 47 | 43 | ⬇ Tanqueray | United Kingdom | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 48 | 47 | ⬇ Dewar's | United Kingdom | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 49 | - | New Finlandia | Finland | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |
| 50 | - | New Tullamore Dew | Ireland | 🔒 | 🔒 | 🔒 | 🔒 | 🔒 |



Brand Finance Champagne & Wine 15.



Moët et Chandon fizzes in first place

The total value of the world's top 10 most valuable champagne and wine brands has declined by 10%, decreasing from US\$7.4 billion in 2020 to US\$6.7 billion in 2021. This is a natural consequence of the COVID-19 pandemic, where restrictions on socialising and the shutdown of the hospitality sector limited opportunities for wine and champagne brands.

Despite recording an 11% drop in brand value to US\$1.2 billion, Moët et Chandon has retained the title of the world's most valuable champagne and wine brand for the 2nd consecutive year. While the brand continues to negotiate the fallout of the COVID-19 pandemic, Moët et Chandon remains one of the most renowned and prestigious luxury items in the world, aided by its numerous celebrity partnerships and

Despite Moët et Chandon recording a drop in brand value, the brand has benefited from its positive image as an instantly recognisable luxury product. This places Moët et Chandon in an excellent position to benefit from its favourable reputation in order to navigate the fallout from the COVID-19 pandemic over the coming year.

Richard Haigh
Managing Director, Brand Finance

association with high calibre events such as the Golden Globes and Royal Ascot.

Moët et Chandon is also the world's strongest champagne and wine brand, with a Brand Strength Index (BSI) score of 77.9 out of 100 and corresponding AA+ brand strength rating. Over the last year, the brand has maintained its status as a symbol of luxury, continuing to enjoy a favourable reputation amongst consumers.

Dom Pérignon brand value bubbles up

Dom Pérignon has recorded a 2% increase in brand value to US\$820 million this year. Owned by the champagne house of Moët et Chandon, the prestigious vintage champagne has remained in the public eye over the last year, most recently through a campaign with Lady Gaga and Nicola Formichetti, where proceeds from sales of the limited-edition Dom Pérignon Rosé 2005 will be donated to charity.

Top 5 Strongest Brands

| | | |
|-----------------------------|----------------|--|
| 1 | ↑ 2 | |
| MOËT & CHANDON CHAMPAGNE | 2021: 77.9 AA+ | 2020: 79.0 AA+ -1.1 |
| 2 | ↑ 3 | |
| VEUVE CLICQUOT | 2021: 76.7 AA+ | 2020: 78.2 AA+ -1.5 |
| 3 | ↑ 4 | |
| CHANDON | 2021: 74.1 AA | 2020: 77.4 AA+ -3.3 |
| 4 | ↓ 1 | |
| JACOB'S CREEK® | 2021: 74.0 AA | 2020: 79.4 AA+ -5.4 |
| 5 | ↑ 6 | |
| DOM PÉRIGNON | 2021: 71.8 AA | 2020: 73.3 AA -1.5 |

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Top 10 Most Valuable Brands

| | | |
|-----------------------------|----------------|--|
| 1 | ← 1 | |
| MOËT & CHANDON CHAMPAGNE | 2021: \$1,225m | 2020: \$1,377m -11.0% |
| 2 | ← 2 | |
| CHANGYU | 2021: \$1,174m | 2020: \$1,347m -12.9% |
| 3 | ↑ 6 | |
| HENKELL | 2021: \$855m | 2020: \$960m -10.9% |
| 4 | ← 4 | |
| VEUVE CLICQUOT | 2021: \$827m | 2020: \$986m -16.1% |
| 5 | ↓ 3 | |
| CHANDON | 2021: \$820m | 2020: \$803m +2.1% |
| 6 | ↓ 5 | |
| DOM PÉRIGNON | 2021: \$509m | 2020: \$529m -3.8% |
| 7 | ↑ 8 | |
| BAREFOOT | 2021: \$367m | 2020: \$534m -31.3% |
| 8 | ↓ 7 | |
| LINDEMANS | 2021: \$300m | 2020: \$462m -35.0% |
| 9 | ← 9 | |
| BERINGER | 2021: \$295m | 2020: \$373m -21.0% |
| 10 | ← 10 | |
| MARTINI | 2021: \$293m | 2020: \$334m -12.4% |

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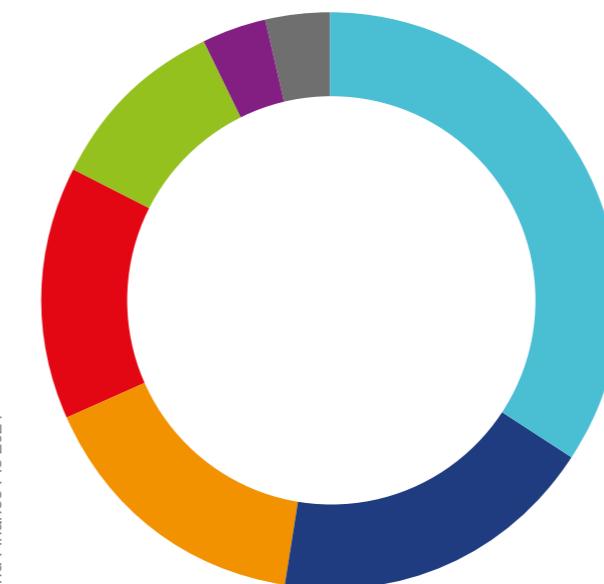
Brand Finance Champagne & Wine 15. (USD m.).

Top 50 most valuable spirits brands

| 2021 Rank | 2020 Rank | Brand | Country | 2021 Brand Value | Brand Value Change | 2020 Brand Value | 2021 Brand Rating | 2020 Brand Rating |
|--------------|--------------|----------------|---------------|------------------------|--------------------------|------------------------|-------------------------|-------------------------|
| 1 | 1 | Moët & Chandon | France | \$1,225 | -11.0% | \$1,377 | AA+ | AA+ |
| 2 | 2 | Changyu | China | \$1,174 | -12.9% | \$1,347 | AA- | AA |
| 3 | 6 | Henkell | Germany | \$889 | +18.7% | \$749 | A | A |
| 4 | 4 | Veuve Clicquot | France | \$855 | -10.9% | \$960 | AA+ | AA+ |
| 5 | 3 | Chandon | United States | \$827 | -16.1% | \$986 | AA | AA+ |
| 6 | 5 | Dom Pérignon | France | \$820 | +2.1% | \$803 | AA | AA |
| 7 | 8 | Barefoot | United States | \$509 | -3.8% | \$529 | A+ | A+ |
| 8 | 7 | Lindeman's | Australia | \$367 | -31.3% | \$534 | AA- | A+ |
| 9 | 9 | Beringer | Australia | \$300 | -35.0% | \$462 | AA- | A+ |
| 10 | 10 | Martini | Italy | \$295 | -21.0% | \$373 | AA- | AA |
| 11 | 11 | Concha y Toro | Chile | ■ | ■ | ■ | ■ | ■ |
| 12 | 13 | Yellow Tail | Australia | ■ | ■ | ■ | ■ | ■ |
| 13 | 15 | Jacob's Creek | Australia | ■ | ■ | ■ | ■ | ■ |
| 14 | 14 | Carlo Rossi | United States | ■ | ■ | ■ | ■ | ■ |
| 15 | 12 | Wolf Blass | Australia | ■ | ■ | ■ | ■ | ■ |



Brand Value by Country



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| Country | Brand Value (USD bn) | % of total | Number of Brands |
|---------------|----------------------|---------------|------------------|
| France | 2.9 | 29.1% | 3 |
| United States | 1.5 | 15.5% | 3 |
| Australia | 1.3 | 13.4% | 5 |
| China | 1.2 | 11.8% | 1 |
| Germany | 0.9 | 8.9% | 1 |
| Italy | 0.3 | 3.0% | 1 |
| Chile | 0.3 | 2.9% | 1 |
| Total | 8.4 | 100.0% | 15 |

Alcohol Portfolios.



Last year's most valuable alcohol portfolio, Belgian beer giant **ABInBev**, has slipped down to second place, behind China's **Moutai**. The company still has an impressive 15 beer brands featured in the Brand Finance Beers 50 2021 ranking, with a combined brand value of US\$42.0 billion. ABInBev's brand, Corona, has also been named the world's most valuable beer brand with a brand value of US\$5.8 billion. With well over 500 brands in its portfolio, six million customers and 2 billion consumers, ABInBev dominates the beer market globally and is by far the largest brewing company in the world.

As with other companies globally, ABInBev has grappled with the fallout from the pandemic, with global sales taking a hit. ABInBev has showcased its support in pandemic recovery, however, through assisting communities and producing and donating millions of units of hand sanitizer and drinking water, as well as delivering essential food and medical supplies.

Sitting in fourth is **Heineken's** portfolio – behind **Wuliangye's** singular brand – with its 6 brands that feature in the Brand Finance Beer 50 2021 ranking totalling a cumulative brand value of US\$17.7 billion. Owning over 300 brands across 190 countries, Heineken is home to a varied portfolio of internationally known and consumed brands, as well as local and regional beers. Its flagship brand Heineken (down 19% to US\$5.6 billion) is the second most valuable beer brand in the world, sitting only marginally behind sector leader Corona. The power of the Heineken brand is evident as it recorded double digit growth across 14 markets in the turbulent first six months of 2020, a clear signal that in times of uncertainty consumers turn brands they know and trust.

Both ABInBev and Heineken have both had to rise to the challenge of increased and stiff competition across the beer market in recent years as craft beers and independent breweries rose to prominence. Even as this market begins to saturate, however - demonstrated with a slowdown and plateau of the numbers of craft breweries opening in the UK and US - global brewers are still facing competition from us and coming new fashionable drinks.

Top 10 Most Valuable Alcohol Portfolios

| | | |
|---|-----------------|---|
|  | 1 |  |
| | 2021: \$45,333m | 1 brand |
|  | 2 |  |
| | 2021: \$41,991m | 15 brands |
|  | 3 |  |
| | 2021: \$25,768m | 1 brand |
|  | 4 |  |
| | 2021: \$17,718m | 6 brands |
|  | 5 |  |
| | 2021: \$17,644m | 11 brands |
|  | 6 |  |
| | 2021: \$11,338m | 3 brands |
|  | 7 |  |
| | 2021: \$10,806m | 9 brands |
|  | 8 |  |
| | 2021: \$8,820m | 3 brands |
|  | 9 |  |
| | 2021: \$7,750m | 3 brands |
|  | 10 |  |
| | 2021: \$7,311m | 7 brands |

*The number of brands in the Beers 50, Spirits 50, Champagne & Wine 10



Sector Reputation Analysis.

Benchmarking against the very best

Brand Finance's brand evaluations are designed to facilitate broader comparisons with brands across markets, and both within and across industries. This provides a more rounded assessment of brand strength, with benchmarking against the very best.

This perspective is particularly important as brand categories converge, with new technologies enabling disruption and brands seeking tactical entry into neighbouring categories. Brands with a strong reputation also have licensing opportunities in new sectors.

This year's global sector reputation rankings from our B2C research included a significantly larger number of product categories, with scores for over 2,500 brands.

Reputation on the up

Overall, reputation scores are slightly higher in 2021 across sectors covered both this year and last. In part, this reverses a small dip from 2020, but the impact of COVID-19 cannot be discounted. In a challenging year, consumers have relied upon and tested brands in different ways, and the best brands have stood up well to the challenge, keeping kitchens and wardrobes stocked, connections running, and essential services available.

Supermarkets, restaurants, and apparel shine

In many countries, being able to obtain basic groceries became a challenge for the first time in decades, as shopping was restricted and demand for online delivery slots surged. But by and large, supermarkets have responded well, and consumers have noted this. The average reputation score in the sector increased significantly year-on-year, and brands such as **Aldi**, **Lidl**, and **Migros** have improved already-strong reputations.

A similar dynamic has helped restaurants to a lesser degree, ensuring that brands in this sector maintain a positive reputation overall, despite reduced levels of in-store experiences. Apparel brands have also seemingly benefited from this dynamic, as the shift to online shopping accelerates.

Sectors Ranked by Reputation

| | | | |
|---|-----------|----------------------|---------------------------|
|  | 1= | Cosmetics | 7.6 _{/10} |
|  | 1= | Food | 7.6 _{/10} |
|  | 3 | Appliances | 7.5 _{/10} |
|  | 4= | Hotels | 7.4 _{/10} |
|  | 4= | Retail | 7.4 _{/10} |
|  | 6= | Apparel | 7.3 _{/10} |
|  | 6= | Beers | 7.3 _{/10} |
|  | 8= | Supermarkets | 7.2 _{/10} |
|  | 8= | Pharma | 7.2 _{/10} |
|  | 8= | Oil & Gas | 7.2 _{/10} |

| | | | |
|---|------------|--------------------|---------------------------|
|  | 8= | Restaurants | 7.2 _{/10} |
|  | 12= | Auto | 7.1 _{/10} |
|  | 12= | Logistics | 7.1 _{/10} |
|  | 12= | Tech | 7.1 _{/10} |
|  | 15 | Real Estate | 6.9 _{/10} |
|  | 16 | Airlines | 6.8 _{/10} |
|  | 17 | Insurance | 6.6 _{/10} |
|  | 18 | Utilities | 6.5 _{/10} |
|  | 19= | Telecoms | 6.3 _{/10} |
|  | 19= | Banking | 6.3 _{/10} |

FMCG brands have outstanding reputation

Major cosmetics and food brands have the highest reputations, on average, a reminder of the enduring value of a strong brand – some of the top performers are over a century old. The positive reputations of global giants such as **Johnson's**, **Dove**, **Danone**, and (in some markets) **Nestlé** have been nurtured and refreshed over long periods. Local favourites, such as **Bimbo** (Mexico) and **Amul** (India), show that they can match their global counterparts.

The slight cloud for the food sector is the more 'average' reputation that some of the big brands have in a number of developed markets, such as the UK. Here, supermarkets have perhaps squeezed the big food brands somewhat.

Tech admired, but not universally

The overall ranking of the tech sector fell slightly, and while the biggest brands such as **YouTube**, **Google**, and **Apple** continue to enjoy strong reputations, not all consumers are in love with these brands. **Amazon**, for example, ranks high in some markets (#1 in the sector in the USA, #3 in Spain), but polarises in some markets (e.g. Sweden, France). Similarly, the mixed reputation of brands such as **Facebook** shows no sign of significant improvement. Many consumers may support the increasing regulation of tech giants, and it might also be the case that there is room for an upstart challenger with the right innovation, a fresh approach and perhaps a clean slate.

Banks and telecoms struggle to improve their standing

Banking and telecoms brands rank lowest of all in many markets for reputation and trust, and last year saw little improvement, though banks did at least pull level with telecoms. As with other sectors, many brands have arguably served customers well in difficult times (with connectivity even more vital in the case of telecoms), but this has not helped erode distrust appreciably. Frustrated CMOs may feel that their brands continue to be taken for granted – unfortunately for them, 'business as usual' means treading water in terms of reputation. Across 2,500 brands, seven of the ten lowest-ranked for reputation are banks, the most prominent being **Deutsche Bank** in its home country.

Brand Spotlights.



How Savanna maintained their crisp, witty outlook on life during a pandemic.



Following COVID-19, how has it impacted Savanna's agility to accelerate their modern marketing approach?

Last year was a challenging year - we like to say that 2020 was a dumpster fire. But we are very proud of the fact that Savanna Cider managed to stay true to its brand purpose and remained crisp, dry and consistent throughout. This allowed us to thrive, and we saw tremendous growth in volume, value share and brand health in a year where several alcohol bans were announced. From day one, the decision was made to not put our plans on hold but rather to evolve as necessary to include strong #StaySafe messaging to remind our consumers to stick to the COVID-19 protocols and guidelines put in place by the government. We understood beyond brand engagement and enjoyment, we have a role to play in promoting responsible messaging around alcohol harm reduction and responsible consumption.

We stayed in touch with our consumers by saying #SiyavannaSouthAfrica (We get you, South Africa) in these unprecedented times. We continued to leverage our purpose of the last 20 years to provide our consumers with the uplifting medicine of laughter. We also managed to successfully add two new crisp and dry variants to our portfolio, Savanna Jean and Savanna Angry Lemon, and saw significant growth of our Savanna Non-Alcoholic variant due to the increased trend in moderation and conscious consumption. We struck a balance between entertaining our community with the introduction of the Savanna Virtual Comedy Bar (because laughter was the one thing that had no restrictions) and our new brand positioning, #SiyavannaSouthAfrica, which enabled us to strengthen our appeal to both men and women across the South African spectrum.

Savanna has always been a brand that people are happy to be associated with. Our #Siyavanna insights allowed us to create campaigns that rang true in the heart of our consumers. We believe that this has made us SA's most loved cider. We were also a brand that consumers could still vibe with despite the challenging financial times they – and all of us – had to live through. We offered an iconic premium brand and affordable sociability to consumers, and it helped to cement our relationship with our customers.

For all its challenges and pitfalls, Savanna took 2020 head on. We did not hide behind COVID-19 but challenged ourselves to grow – and we did. For us, 2020 will always be a year to toast to and remembered as the year Savanna became the largest cider in South Africa and Africa.

Looking forward, what dimensions and strengths will enable long-term sustainable growth for Savanna?

As an iconic and premium brand, Savanna isn't able to rest (bafethu) on its laurels. We must always strive to meet our community's expectations and ensure that we maintain our iconic premium credentials. This applies to everything we do: our packaging remaining modern and fresh, our in-store experiences offering the right message at the point of purchase, our campaigns and ensuring that we are work with the best partners across all platforms to deliver the premium experience that is Savanna.

The proposition of our crisp, witty perspective will allow us to stand out as a brand. All our efforts are rooted in real human truths and South African insights.

How Savanna maintained their crisp, witty outlook on life during a pandemic.



This makes us more than just a funny brand – it makes us distinctive and memorable. But above all, it allows us to have a genuine connection and understanding with our community. People are weighed down by the shifting reality of a post-COVID-19 world, which is why our purpose of uplifting a nation through humour and supporting the South African comedy industry is so important to us, and a space we've owned for 20 years.

In the past 12 months, we have introduced several campaigns that prove this point and has seeded the #SiyavannaSouthAfrica proposition amongst our community. Our favourite examples are the Savanna Savatical campaign (also known as the Rest, bafethu, rest campaign) and our My friend TVC. Siyavanna is a term originally coined by our social media community, which means, 'we get each other' or 'we see you'. This has become synonymous with everything we have done and will do in the future. Rest, bafethu, rest was inspired by one of SA's most popular memes throughout 2020 that we sent to each other when talking about how the world has changed since the start of the pandemic. My friend alluded to the fact that whenever a South African doesn't know somebody's name, they still know exactly what to call them. Our community responded to these campaigns with overwhelming positivity and participated in them enthusiastically.

We are always working on unexpected cross-category challenger innovations to focus on our future sustainability. This does not only apply to new product developments but also a premiumness in trade experiences and unexpected partnerships.

Are there any particular initiatives you are most proud of that have arisen for Savanna as a result of the pandemic?

There are several initiatives that arose because of the pandemic that we are very proud of. The Savanna Virtual Comedy Bar as a purpose platform, the introduction of #SiyavannaSouthAfrica, new product developments and some of the awards and accolades that we've scooped up along the way.

The Savanna Virtual Comedy Bar came to life during lockdown level 5. It lived on Savanna's social media channels because due to restrictions, no production or filming could take place. As a result, fans followed a YouTube or Facebook link on Thursday nights to receive their weekly dose of unrestricted laughter that they needed so badly. The role that Savanna Virtual Comedy Bar played for the brand was significant, with a great uptake from consumers tuning in every Thursday evening. The show was even acknowledged at the 2020 South African Comedy Awards with two top awards: The Top Comedy Sponsor and the Top Online Show.



We could have never expected just how much this show would end up growing. In October 2020, Comedy Central Africa (the global authority in comedy) picked it up for a season on TV with a line-up of some of South Africa's most loved comedians. They dove right into South African truths with the authenticity and audacity that allowed the show to laugh its way to a nomination for a 2021 SAFTAS Best Variety Show award. We are just kicking off our second season with Comedy Central and the wellbeing, continuous growth and development of comedic talent in SA remains our priority. The Savanna Virtual Comedy Bar is a platform for comedic talent to continue to do what they love most. Our community deserve a lot of credit, as they are funding the funny in a roundabout way every time they sip on a crisp Savanna.

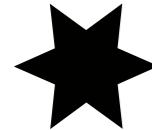
The introduction of #SiyavannaSouthAfrica as part of our always-on campaign communications has given us an easy way to explain our relationship with our community but also allowed us to show them that we get them and what they're going through. Our consumers are our inspiration, and this one word brings all of that together – we are in the same WhatsApp group.

In terms of new product developments, we challenged the craft spirit industry with a new juniper-flavoured cider: Savanna Jean. Drinking craft spirits or cocktails has become a status symbol, but Savanna Jean doesn't need to be drunk from a goblet filled with free-range berries at an ostentatious artisanal market to be enjoyed. Simply add a slice of lemon in the neck of the bottle for the perfect serve. The campaign also brought home two Bronze Loeries awards for Jean's online film, Survivor, and for Jean's radio advert, SpeakEasy.

We also listened to our consumers and brought back an old favourite: Savanna Angry Lemon. It originated in 2015 when times were simpler, so we launched it with The Great Twitter Throwback - a campaign that took all of Twitter back to the zestier days of 2015 and all the seemingly joyful conversations we were having in comparison to the ones we had in 2020. Savanna fans could relive their favourite 2015 memories while sipping on Savanna Angry Lemon. Both these new introductions have performed exceptionally well and have become well-loved variants in our range.



Mainbrace Rum.



MAINBRACE®

Rum is the third largest spirits category in the world, but how has the sector been affected by the pandemic?

Mainbrace was launched 6 months prior to the first UK lockdown. The winds of the industry were suggesting that now was the right time for the rum category to grow but that gin still reigned supreme.

During the COVID-19 pandemic, according to data from the Wine and Spirits Trade Association (WSTA), an extra 1.3 million bottles of rum were sold from April to June 2020 in the United Kingdom, equating to an increase of 38% compared to the same period over the previous year, despite a 20% drop in



alcohol sales during the first lockdown. A huge surge, as people changed their tastes and habits to try new drinks.

As gin did ten years ago, the rum category has struggled to establish its premium credentials but is now coming into its own with an increase in the number of producers, brands, and blends available on the market. Rum brands also receive greater scrutiny to champion quality products and to produce more natural blends, therefore consumers progressively look for quality rums. Brands like Mainbrace suffer from a lack of knowledge about the category because many consumers are unaware of distinctions between white, spiced, golden and dark and the versatility of the styles of rum.

As a quality blend of two distinct styles of rum, an English Navy Rum and a French Agricole, Mainbrace is positioned as a premium brand, with no sweeteners or colourings added to the blend, ready to win over potential converts from gin to the new breed of premium rums in the market. In 2021, the brand was rewarded at several international spirits competitions, including golds at The Spirits Business Rum & Cachaça Masters, the World Rum Awards and the San Francisco World Spirits Competition.

Rum is still growing and so is its quality. There isn't just an increase in the number of players and diversity in the category, but the standard is improving, hence why Mainbrace is working hard to ensure the brand stands up to the test for all consumers. It is an exciting category to be part of, as it is not as limited as other types of alcoholic drinks, and Mainbrace looks forward to taking part in the British summer of rum.

Educating the public to the fantastic variety and flavours rum has to offer is not something one brand can do by itself, so there is still a long journey for both Mainbrace and the category as a whole. As a host of new quality rums come out, the phrase that comes to mind – and suits a nautical inspired brand – is “a rising tide lifts all boats”.



Sector Insights.



Corporate Bottle.



David Gluckman
Brand Development
Consultant,
Author of "That Sh*t Will
Never Sell"

How an international corporation operated like a tiny, agile start-up. Because we did.

Meeting someone from IDV (International Distillers & Vintners) at a conference in Stresa in 1969 was the luckiest break I ever had in business. I was a brand development consultant to them from 1969 to 1997, when they became Diageo. And I continued working for Diageo for a further 8 years, to 2005.

During those years a host of brilliant brands were brought into the world. And happily, many of those are still thriving: *Baileys Irish Cream* – the world's largest-selling liqueur brand; *Malibu* - (sold to Allied Domecq for £560 million); *Bombay Sapphire* - (sold to Bacardi, alongside Dewar's, for £1.15 billion); *The Singleton*, *Smirnoff Black*, *Sheridan's*, *Tanqueray Ten*, *Ciroc* – the world's first grape vodka -, *Le Piat d'Or* – the leading French wine brand in the UK, Japan & Canada in the 1970s: *Aqua Libra* and *Purdey's* (the last two now owned by Britvic.)

Interestingly, on a rough calculation, the aggregate cost of bringing all those 11 brands to market probably did not exceed 1% of the billion dollars Diageo paid for each of George Clooney's Casamigos tequila and Ketel One Dutch vodka.

Looking back on my time with them and comparing it to time spent working with other global companies, IDV definitely trumped them all. And it happened eclectically over the years, not through some Business School-inspired Grand Design.



Here's why the IDV way worked. And will still work today.

1. The people at the head of the table

Inspired by Peters & Waterman's best seller 'In Search of Excellence', IDV introduced a 'brand champion' idea, where responsibility for new brands was managed by people at the top of the organisation.

Middle-management-controlled brand development meant that fear of failure was a predominant condition. The result? Time and huge amounts of money were wasted in the pursuit of insurance against failure. And no form of market research or consumer assessment has been developed that can predict failure. Or success.

Top management knew that we would fail from time to time. The aim was to fail quickly and cheaply.

2. Brand development was never a democracy

The more people who are allowed to engage in the creation of a brand, the more likely it is to fail. The brilliant *Bombay Sapphire* was the work of an autocrat, the Frenchman Michel Roux. It was his unique vision. It was not designed by a committee. Everything was designed to fit his personal template.

The Singleton is now the 4th biggest-selling single malt in the world. It was created within 6 months, not a penny was spent on market research, and single decisions were taken on name, pack design and product.

Baileys received a negative rating in consumer research but was launched anyway in exactly the form it was originally presented. The architect of its success was the authoritarian Irishman, the late David Dand. It is now the world's leading liqueur brand.

3. The single solution

All the brands mentioned above were created as the result of a single solution to a brief. They leveraged the experience and expertise of the protagonists, both creators and commissioners alike.

Tiny amounts were spent on consumer research, which kept investment minimal and enabled brands to get to market at top speed.



The exploration of options and alternatives is the greatest hindrance to agile, effective brand development.

4. Tiny teams, global reach

The nucleus of IDV's brand development was based on small teams drawing on the company's wider resources.

The IDV approach was not based on 'popularity contests' between multiple solutions but on optimising single ideas. This enabled a small team to service multiple companies across IDV's global network.

5. Consumers like what they know. They don't know what they like.

IDV's was a 'supply-driven' approach, offering consumers brands based on new propositions.

Aqua Libra and Purdey's pioneered the added-value non-alcoholic sector in the mid-1980s – a category that has reached boom status in the last few years.

IDV pioneered low-alcohol coolers, with St Leger, again in the 1980s, a category which has evolved to become the flourishing Hard-Seltzer sector today.



And Cîroc broke the tradition of grain-based vodka with the world's first grape vodka.

6. Floreat emptor

A lifetime's experience in the ideas business has taught me that the real heroes are the people who buy the ideas. They take risks with the company's money and indeed their own reputations. IDV were blessed with a number of individuals who really understood the drinks business and were able to make a call on a single solution to a brief.

Buying ideas is a rare skill and companies should go out of their way to seek out people who have that talent.

One of the great benefits of the IDV approach of by-passing middle management and marketing management, was that there was no 'over-thinking' in the creation of brands. Top managements' preoccupation was with 'when?' rather than 'how?'

The full story of my experiences working with IDV is chronicled in my book "That s*it will never sell!" which can be previewed on www.thatshitwillneversell.com and ordered either from the website or Amazon.

'Bottle' an English slang term meaning 'bravery', 'courage', 'balls', 'cojones'



How Brand Purpose Can Impact on Your Bottom Line.



Mariella Menato
Strategy Director at
Drinks Design Specialist,
Denomination

In the emotion-led purchase of wine and spirits, a brand's social, environmental, and political intent are increasingly important. Mariella Menato writes on why brand purpose, when delivered authentically, will galvanize a brand – both in market and in the office.

Cynical marketing professionals are now starting to talk about a 'post-purpose' world. Consumers are certainly more savvy and can spot 'purpose-washing' a mile off. But I believe that brand purpose, done properly and with integrity, is still a valuable way for marketers to engage people. And beyond that, its impact can stretch to employees, the planet and the company's bottom line.

People power

People want to feel good about the work they do, and so enticing the best and brightest to come and work with you, creating a positive culture and work environment, and inspiring the future leaders of our industry, is much easier for those businesses that champion a vision for a better tomorrow.

In a recent study, 91% of participants said they placed an increased value on living life with a sense of purpose, up 10% on two years prior. The same study indicated that more than nine out of 10 employees would be willing to trade a portion of their salaries over their lifetimes to enjoy a greater sense of purpose in their careers. I liken it to the way that NGOs are often able to select from the crème de la crème of Oxbridge and Ivy League graduates. Brand owners and businesses can attract the most talented marketers to their companies by offering them more meaningful careers.

Of course, attracting talented people is one thing, but getting the best out of them is another. This is where having strong company values and purpose can help. When employees believe in the work they are doing and enjoy a sense of fulfilment, productivity soars. Absolut celebrated this brilliantly in its slightly cheeky campaign, 'The Vodka with Nothing to Hide'. Its employees bare all in a spoof induction video to demonstrate the company's values.

In another study carried out earlier this year, employees that considered their work to be 'more than just a job' were 11 times more committed to staying with their current employers, 14 times more likely to look forward to coming to work, and four times as likely to put in extra effort than their peers at competitor businesses.

A culture of innovation

There are more obvious and immediate benefits of driving brand purpose, too. Society's need for climate and waste-reduction solutions, for example, are all at the forefront of what's driving our industry's most exciting innovations. It is those brands that identify and pioneer these resolutions that will carve out their place as industry leaders over the next decade.

From product innovations like Air Co's vodka, which is made from CO₂ captured from the atmosphere to sustainable packaging formats like Wild Glass, and the paper formats being brought out by the likes of Absolut and the luxury Ruinart Champagne house – these are innovations that will change the landscape of our industry for ever.

Greater circularity

With the shift to greater circularity and waste reduction solutions, exciting innovations are already taking place. Proof & Company's ecoSPIRITS is a prime example: an on-trade-specific packaging format that not only negates the need for single-use bottles, but drastically reduces costs along the supply chain, enabling the company to invest more in research and development.

Forward-thinking wineries and breweries across the world are installing refill growler stations on premises to encourage consumers to avoid single-use packaging, and services like Loop open the door for the refill model to start becoming more commonplace in people's day-to-day routines.

Finally, there is the slightly unsavoury idea of what is done with our industry's by-products, a vital cog in the circular economy, and one that is just in its infancy in terms of consumer-facing initiatives. Examples including

Trash Tiki, whose mission is to educate bartenders on how they can reduce waste in the industry, grew from a pop-up in 2016 to a 10-month, five-continent world tour in 2017. Today we are seeing high-end, zero waste cocktail bars like Sydney's Re prove that zero-waste drinking experiences can be luxurious. From cocktails made using bar 'waste' like lemon rinds, to fruit pilsners such as BeerFarm, which uses the lumpy, bumpy watermelons that retailers won't accept, product innovations that work to reduce waste are an exciting aspect of our industry's future and present additional value streams for minimal investment.

Change is hard, and a commitment to genuine brand purpose is hard, too. But more and more people are refusing to interact with brands that ignore these big issues, and beyond that we are starting to see governing bodies like the EU introduce Extended Producer Responsibility (EPR) legislation, presenting huge challenges for those businesses dragging their feet.

While fast becoming non-negotiable, we're not talking about the likes of Starbucks lecturing everyone on race relations and world peace. Jumping on unrelated social causes is confusing, inauthentic and irrelevant. To really resonate with target consumers, a brand standpoint has to come from deep within. For those values to be evident and believable, they should be part of a business's DNA.



Growth Drivers for the Beverage Industry.



Now that economists are revising post-pandemic growth forecasts upwards for most major economies, suggesting that there are fertile conditions for beverage brands to get back on track - which beverage brands will do more to get ahead of the pack on the recovery curve?

The last 18 months have been an opportunity to reboot and rethink for drinks producers. Some changes have been forced and driven out of pure necessity others have been an acceleration of already conceived future plans.

It has felt like being sent on a strategy simulation course with the focus on disaster scenarios but for most it has been for real.

For the more cautious there can be some comfort in the likely return for the on trade and travel retail business as if it had just been on an extended break, but for those more hungry for brand growth there are some pandemic prompted initiatives that can be double downed on to accelerate brand value.

Here are a few that we think will be growth drivers for 2021 and beyond.

Direct to consumer

For many it has been a scramble to get the logistics in place to enable product to be purchased direct to consumers homes especially internationally, either from a brand site or through a third party. There will be no turning back and watch out for the brands that don't just see this as an emergency distribution channel, but use the opportunity to build new closer and informed relationships with their consumers. Now the logistical basics are in place, expect drinks brands to accelerate their expertise in marketing to the 'at home' purchaser and consumer through new product formats, subscription services and tailored product or learning delivery.

Technology

We can't fail to be aware of the role that technology has played in helping us all continue to do business with each other. So, let's keep that belief in technology being a force for good. It doesn't just live in the future, but it is happening right now, so marketers can put this to the front of the agenda in exploring the ways that they can enhance consumers brand experience and facilitate purchase using technology. Now is the time to revisit your customer journey map and examine it through the eyes of a 25 year old; where are the touchpoints? where you are out of date?

Being really Big

The Brand Finance Alcoholic Drinks report focuses on the top of the pyramid of brands by value but compared to other sector reports it is unusual to have so many of the top players that are not truly global brands. Not the place to have the debate about what constitutes a global brand, but it is certainly the case that all the top brands here have room to grow, geographically at least. Most have regional strengths or powerhouse markets but not a complete global size 10 footprint. Moutai who top the Brand Finance Spirits 50 2021 ranking, have, according to The Spirits Business, 107 overseas distributors in 64 countries across 5 continents. In 2019, they generated around US\$370 million from these international markets out of their global revenue of US\$40 billion. The last year has thrown everything up

in the air so maybe it is time for the big to challenge themselves in what they are prepared to do to get bigger. Outside of spirits, global brands use other business models to build volume with losing value and maybe now is the time for a major spirits brand to bottle locally or build a franchise system. Can we put a value on production provenance, and for consumers is it distinct from brand provenance?

Sustainability

The other of the two existential challenges that are facing businesses in 2021. Most will have got past the naïve belief that climate change is something that we can pay lip service to and as long as we tidy up our act a bit and have a good policy statement for shareholders, we will be ok.

Now look out for the brands who will not only genuinely address their shortcomings to reassure consumers but will proactively find ways to delight them by taking the leading in specific areas.

These brands will embrace the mindset that having a sustainable strategy and being profitable are not mutually exclusive and that sound genuine. Sustainable credentials are a source of competitive advantage. The challenge will be to isolate which of the UN's 17 Sustainable Development Goals will be the most impactful in terms of growing brand value. It will be as important for marketers to add a sustainable mindset to their repertoire of skills as it is to have financial acumen.

Declutter

For those who have accumulated a tail of brands through acquisition or innovation it is time to swing it or lose it. I worked for a global business that had 1000 trademarks and actively invested in five of them, which was a good focus strategy but meant we didn't have a plan for the other 995 brands. Occasionally a hopeful buyer came knocking and more often than not we held on to it because 'it is a nice little brand, and I am sure we could do something with it'. It may well have been, but we never did. Emotion trumped the reality. If only in the spirit of reusing and recycling then please examine your tail, what can you use for testing new initiatives, which ones can you put a value on and pass on to some passionate entrepreneurs with some cash who might make a living out of them. The benefit will be a clearer focus on your portfolio tasks, maybe some cash to reinvest and freedom from the niggling 'I wonder if conversation'.



Beer and Communication.



Cristina Campos
Managing Director,
Brand Dialogue Spain

According to Infoadex data, advertising investment in Spain's beverage sector fell by 33.5% in 2021, but remains among the top 10 sectors in the nation due to controlled advertising investment. Advertising spend amongst Spanish beer brands had already experienced a 4% year-on-year drop in 2019, when €55.6 million were dispersed on advertising.

During the COVID-19 pandemic, **Mahou San Miguel** launched the "We are family" advertising campaign for its four most popular brands, **Mahou**, **San Miguel**, **Alhambra**, and **Solán de Cabras**. This campaign marked the first time in history that Mahou San Miguel called upon its brand portfolio in an advertising campaign, encouraging its customers to socialise responsibly.

Over the last year, big brands have had to reinvent themselves in the face of the pandemic, putting aside their usual messaging to focus on emotionally connecting with consumers through empathy and social commitment. Brands have employed a persuasive strategy of increased contact, participation, and emotivity, seeking to empathize with people, sharing emotions, feelings, and moods. This is the case with **Mahou's** "Being together" campaign.

While these PR and advertising strategies were generally well-received during the first wave of the pandemic, attitudes shifted as COVID-19 continued to plague global economies. As the second wave advanced, consumers sought comfort and escape, turning towards messages that sparked delight, almost like a balm to help cope with suffering and disappointment. The Spanish beer sector's messaging has now turned towards this kind of communications strategy.

Cristina Campos, Managing Director, Brand Dialogue Spain, commented: "Getting together and enjoying a beer on a terrace is a very Spanish custom that the pandemic has taken from us. Beer brands have therefore loaded their messaging with emotion, tradition, hope, and support for the hospitality sector."

Heineken's "Back to bars" campaign is an excellent example, as it connected with consumers by sharing real-life stories of how Barcelona's residents have been able to socialise through seemingly mundane activities such as taking the rubbish out or walking their dogs, despite nightlife being limited. Similarly, **Guinness'** campaign, "A message from Guinness: we will toast again", encouraged its customers to stay safe and look forward to the social distancing restrictions being eased.

Within this context, Spanish beer brand, **El Águila**, launched "Savour your freedom", its first national communication campaign to encourage customers to find their personal freedom in small things during the pandemic. Following this trend, **Estrella Damm** has gathered over 40 chefs to show solidarity with the hospitality industry, which has been one of the sectors most badly hit by the pandemic. Within the "Chefs" campaign, Estrella Damm showcased both employees and small producers who have continued to work hard throughout the pandemic. The chefs taking part in the viral campaign have used it to spread the message that they will continue to work with effort, dedication, enthusiasm, and innovation.

Corona's peculiar communications success story

Corona has demonstrated the importance of well managed communication in turning a crisis into an opportunity.

At the beginning of the pandemic, a study revealed that 4% of consumers in the United States would not buy the brand under any circumstances due to its name being associated with coronaviruses. While the public spoke tirelessly of this unfortunate coincidence, Corona was able to tap into the conversation and transform it into something positive. Subsequently, Cerveza Corona showed that brands should not always be discouraged when faced with difficult situation, but rather, proceed with creativity and tact.

Some recommendations

The social changes derived from the pandemic have created new challenges for brands, which attempt to anticipate and take advantage of new consumer behaviors. During the post-COVID-19 era, brands

should continue to maintain and improve the following good practices they have implemented during the pandemic:

1. Reputation: Sustained purpose

People positively perceive brands that have helped their clients, employees, and society during the pandemic, but this commitment must be sustained over time to prevent public confidence from evaporating.

A brand's reputation is built on keeping promises.

2. Agility

Businesses have had to be agile and adapt to the new reality, turning to digital strategies which are capable of meeting customers' needs as they evolve. Following the shutdown of the hospitality sector, drinks brands are well aware of this and should not lose sight in a post-pandemic world.

3. Communication

If that were not enough, brands face the difficult task of standing out above the noise to capture the attention and interest of their audience. Drinks brands such as



beer, wine, and whiskey are faced with a particular positioning challenge, as customers would be inclined to order these drinks without necessarily favouring a specific brand. It is now more important than ever for brands to communicate, make themselves visible, deliver relevant messages, track trends, and deliver at the right times.

Consumers move away from brands that they perceive to be working in their own self-interest and value those that have innovated to deepen their connection during the pandemic. This shift is expected to encourage an improvement in efficiency and productivity, as well as to improve customer participation, retain talent, and increase the impact of the company on society.

4. Consumers participating in brands

Digital technologies have helped bridge the gap between people and brands during the pandemic. Through online participation, clients have been able to assume the role of collaborators, therefore strengthening their relationship with the brand. It is precisely because of this that brands should create a holistic plan for clients to be able to continue to participate and engage with brands online.

An interesting trend observed in alcohol consumption habits during lockdown and social distancing measures is the drop in demand for well-known brands. While the

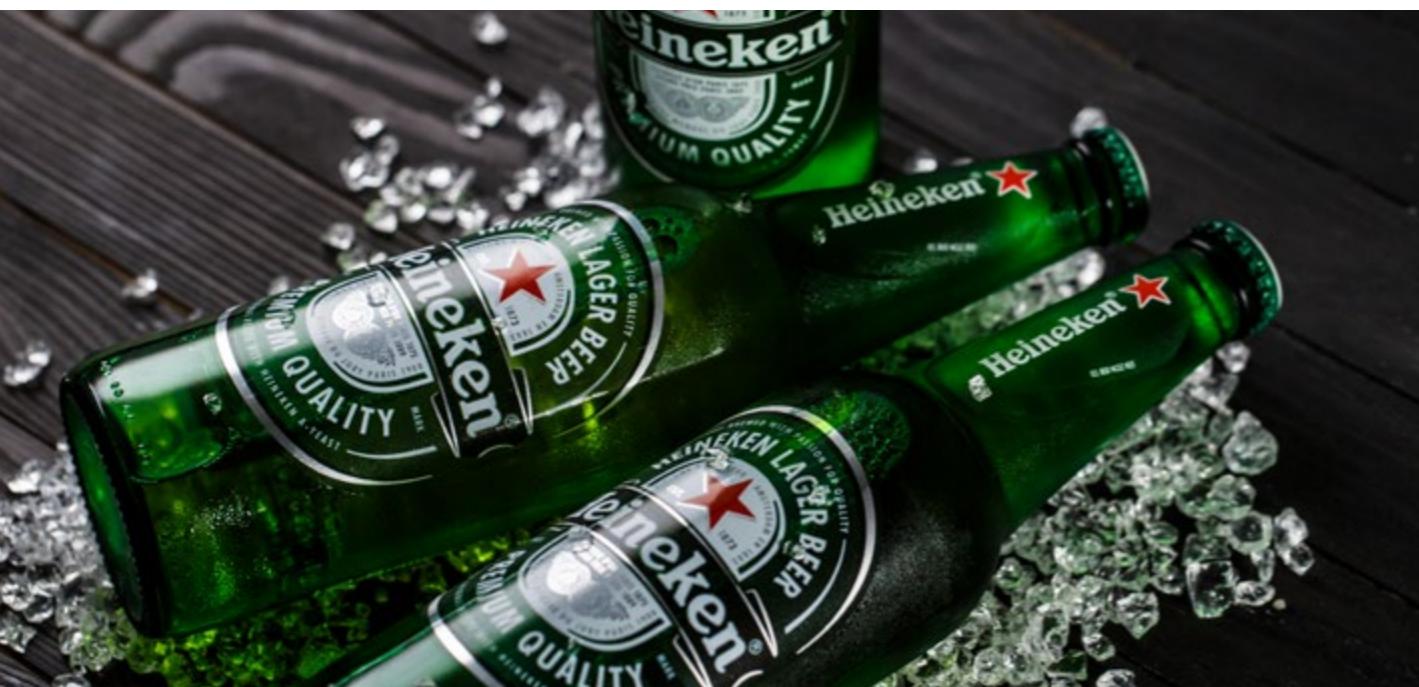
most popular brands have experienced an increase in sales, peripheral brands have struggled to maintain their market share. This shows the importance of brand building. When much of people's lives are uncertain, consumers will look for brands they trust and are familiar with.

Understanding this can help brand managers and marketing and communications professionals drive brand communication to recognize this longing for comfort and security, where perhaps they had previously favoured flashy, exciting campaigns over those which evoke a sense of comfort.

5. Companies reinvent themselves, increase comprehensive services, and differentiate themselves

We are witnessing a significant shift, where companies allow customers to be served with specific services or products to meet their needs more comprehensively. It is necessary to look beyond the current moment and, for this, the differentiation of competition and the disruption of its industry are the best opportunities for innovation and growth.

This can mean transcending the company's own products and services to find new tools that provide new points of view and better meet the needs of customers, employees and stakeholders.



The Importance of Intangibles in the Spirits Industry.



Samir Dixit
Managing Director,
Brand Finance Asia Pacific

The spirits industry is the epitome of luxury and intangible value. The brand, the packaging, the imagery, the limited editions, the origin, and various other aspects are the key ingredients in the spirits industry that drive and contribute to intangible value.

Was it always like this? Not really. Historically, there was Macallan and there was Jack Daniels. Let us just call them the Rolls Royce and the Bentley of whisky in their respective regions. Then came the challenger brands - Bowmore's, Dalmore's, Laphroaig, Grants, Yamazaki's and Hibiki, Jim Beam and Makers Mark and so on. While today there are hundreds more brands than there were 30 years ago, one thing that has remained constant is the importance of the brand and other intangibles. In fact, the importance of the intangibles has dialled up even more now than ever and some brand owners are spending thousands of dollars on just packaging development alone to boost their brand image.

External endorsements play an equally large part in driving the intangible value for the spirits industry. What Bill Murray (*Lost in Translation*) did to the image of Hibiki and Jim Murray (*The Whisky Bible*) did to the image of Yamazaki, as well as what the British Royal Family's association (through the royal warrants) did to scotch as a category, further demonstrates that marketing and brand building in the spirits category is more about the identification and exploitation of the intangibles. With the world running out of aged liquids and the distinction of a 25/30/40/50/70 year



old fading away fast, cask experimentations have taken centre stage, but is that a good replacement for the age? Does it really compensate for what has gone missing as an intangible value driver? Perhaps not because cask experimentation is extremely easy to replicate even by a new market entrant. So, several market limiting factors such as shortage of materials including water, new regulations, increased competition, coupled with the younger generation being more experiment oriented about what they drink, means brand and other intangibles will play even a bigger role for the customer choice in the future.

Therefore, with market expansion and growth comes the critical challenge of carefully managing the intangibles and not allowing them to fade away or dilute too much, otherwise it would result in significant loss of brand premium and brand value in a very short period of time.

To conclude, know your intangibles. Know what drives them. Know how competitive your intangibles are versus others. And know what you gain and more importantly what will likely be at risk with the marketing and brand decisions you make.

Country Spotlights.



ASEAN.



Samir Dixit
Managing Director,
Brand Finance Asia Pacific

The alcohol sector globally may have seen some decline, but demand in emerging markets has been steadily growing with expected CAGR of over 5% to 2025. China will contribute to nearly half of the revenue growth for the sector.

The ASEAN markets have historically seen optimistic growth and that is not going to change in the medium to long term with expected spending growth of 2.6% over the medium term. Following a 9.3% year-on-year contraction in 2020, Singapore is set for recovery with an estimated consumption increase of 4.8% year-on-year all the way to 2026, as forecasted by the market.

The heightened efforts by the manufacturers for deepening retail penetration through convenience stores and online retailing, as well as extension of purchase channels -such as opening exclusive brand experience centres by Macallan, Johnnie Walker and Grants - are contributing significantly to the growth of the alcohol market in the region.

Consumption patterns

Unlike the West, the Asia Pacific alcoholic beverages market is a highly diversified market when it comes to taste preference, products, and consumption patterns. This diversity can be simply attributed to a variety of social and cultures factors across the region.

The sector growth is driven by two primary factors: premiumization and out-of-home consumption (in bars, restaurants, etc.). This highlights the importance of the on-trade sales channel for the industry across the Asia Pacific region.

Lower alcohol content varieties and organic whisky among health-conscious drinkers are the major drivers for the demand for premium scotch whiskey from

the fast-growing ASEAN markets. The RTDs are also changing the consumption patterns rather quickly for the younger generation.

Role of brands

Brand image will continue to play a crucial role for growth and end-user choice as consumers generally consider strong brands to be synonymous with high quality.

While the consumers are spoilt for choice, the ASEAN market is fairly consolidated with the majority of the market share between the big five brands - Diageo, Bacardi, Heineken Holding NV, Anheuser-Busch InBev and Suntory. These big five players continue to dominate the ASEAN market for both the supply and consumption in the market.

COVID impact

The vast dependence on commercialization of the spirits and alcohol sector with multichannel marketing and consumption has been one of key challenges for the sector during the COVID-19 pandemic. The sudden and unexpected disruptions owing to lockdowns,

curfews, shutting of bars, restaurants, clubs, and pubs, saw some knock-on effect on alcohol consumption via out-of-home channels. Having said that, there has been reasonable compensation from the significant increase (300%-600%) in online sales of alcohol and spirits. The big challenge is whether this pattern will be reversed once the restrictions are lifted and whether consumers would return to "out of home" consumption.

Non-Covid factors

Some of the key growth restrictions that concern the market players do not come from the consumers but from the regulators and the trade itself. Heavy taxation, legal age restrictions, reduced retailing hours for liquor, legal import regulations by governments, and increasing availability of illicit alcohol in developing countries pose more continued and ongoing challenges than a pandemic.

To conclude

Going forward, the optimal strategies that will strengthen the big five and will drive growth and market dominance will include new product launches, followed by mergers and acquisitions, partnerships, and expansions.



Most Valuable ASEAN Alcohol Brands

| 1 |  |  | |
|---|---|---|--|
| | SABECO | | |
| | 2021: \$1,042m | -18.7% | |
| | 2020: \$1,282m | | |
| 2 |  |  | |
| | BIA SAIGON | | |
| | 2021: \$979m | -4.5% | |
| | 2020: \$1,025m | | |
| 3 |  |  | |
| | Tiger | | |
| | 2021: \$911m | +25.1% | |
| | 2020: \$728m | | |
| 4 |  |  | |
| | 333 PREMIUM EXPORT BEER | | |
| | 2021: \$626m | -1.7% | |
| | 2020: \$636m | | |

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Australia.



Mark Crowe
Managing Director,
Brand Finance Australia

Alcohol consumption in Australia has been experiencing a long-term decline since the mid-2000s. Although during the COVID-19 pandemic last year, consumption increased mainly as a result of the uptake in wine, spirits, and ready to drink (RTD) beverages.

Changing consumer demands and tastes have driven this overall trend. Significantly the downturn is due to reductions in youth drinking. This compels brands to invest in positioning and digital media that aligns with youthful lifestyles and values.

While beer continues to dominate market share volume especially among males, fewer Australians are consuming the product. The major beer brands are looking to address this trend through acquisitions across craft beer, wine, and the growing demand for spirits – a category that readily provides for diverse offerings while catering to a wide range of tastes.

The increasing emphasis on healthy lifestyles has seen consumers gravitate towards beverages that offer low alcohol, low sugar, or preservative free choices. Associated with this development, consumers want to know more about product provenance, sustainable manufacturing processes, and a brand's green credentials.

This changing environment has seen brands respond through innovation and a focus on premium quality offerings along with an emphasis on different eco-friendly packaging and imagery. Brands that are successful in addressing these changes can demand a price premium.

Alcohol brands in Australia have traditionally been at the forefront of brand activation and experiential marketing. However, COVID-19 has seen a greater emphasis on at-home experiences using households media consumption for promotion. The pandemic has also led to a growth in online orders which places an increasing importance for brands on delivery services and convenience.



Most Valuable Australian Alcohol Brands

| 1 | | | |
|--------------|-----------|--|--------|
| | XXXX | | +37.3% |
| 2021: \$743m | | | |
| 2020: \$542m | | | |
| 2 | | | |
| | FOSTER'S® | | -19.7% |
| 2021: \$532m | | | |
| 2020: \$662m | | | |
| 3 | | | |
| | LINDEMANS | | -31.3% |
| 2021: \$367m | | | |
| 2020: \$534m | | | |
| 4 | | | |
| | BERINGER | | -35.0% |
| 2021: \$300m | | | |
| 2020: \$462m | | | |

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Brazil.



Eduardo Chaves
Managing Director,
Brand Finance Brazil

The consumption of alcoholic beverages in Brazil has been growing year-on-year. The main alcoholic beverage consumed by Brazilians is beer, with average consumptions higher than in the Americas and higher than the global average. Regarding the consumption of spirits, Brazilians consume more than the average for the Americas, but less than the global average. The consumption of wines by Brazilians, however, is much lower than the average for the Americas and the global average.

Brazilians are beer drinkers as a result of cultural and environmental factors. Brazil is a country known for its hot weather, which favours the consumption of beer. In addition, there is no consumer or business culture in other alcoholic beverage segments other than in the brewing industry. A large reason for this is due to the fact that in Brazil you cannot advertise alcoholic beverages, except for beer, as there are restrictions on advertising products over 13% alcohol content. This naturally ends up favouring the sale and consumption of beer across the country.

It was through the beer industry that Brazil created Ambev, now ABInBev. In 1885, the Companhia Antarctica Paulista was created in Brazil, the beginning of a successful journey through the world of beers. In 1888, the Swiss Joseph Villiger created a small workshop with the name of Manufactura de Cerveja Brahma Villiger & Companhia, in Rio de Janeiro - RJ. Ambev was created in 1999 with the union between the centenarians Cervejaria Brahma and Companhia Antarctica. The most consumed beer in Brazil, the Skol brand, also from Ambev, was purchased in 1980 by Cervejaria Brahma, completing the ranking of the largest Brazilian brands in the Brand Finance Alcoholic Drinks report.

Of course, due to the context explained, Brazil would not have valuable brands across the spirits and wine sector, it is simply not part of our culture and tradition. But when it comes to beers, yes, we are very well positioned with Skol in 11th place with a brand value of US\$2.3 billion, followed by Brahma in 18th place and with a brand value of US\$1.4 billion, and finally Antarctica in 30th with a brand value US\$873 million. The three largest national beer brands are from Ambev, the largest beverage industry in Brazil and the world.

It is important to note that in the pandemic, Brazilians have increased their alcohol consumption. According to one study, 35% of Brazilians between 30 and 39 years old increased their alcohol consumption in the pandemic (PAHO,2020). The consumption of illicit alcohol (smuggled or produced illegally) has more than doubled during the pandemic period, going from 2.2% to 4.9% (PAHO,2020).



Most Valuable Brazilian Alcohol Brands

| 1 | SKOL | Beer icon |
|----------------|-------------------|-----------|
| 2021: \$2,320m | | -14.2% |
| 2020: \$2,704m | | |
| 2 | BRAHMA | Beer icon |
| 2021: \$1,377m | | -22.2% |
| 2020: \$1,771m | | |
| 3 | ANTARCTICA | Beer icon |
| 2021: \$873m | | -19.0% |
| 2020: \$1,077m | | |

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China.



Scott Chen
Managing Director,
Brand Finance China

Within the Chinese alcohol market, the segmentation of consumer groups is becoming more and more diverged. Baijiu continues to remain the most popular spirits across the country, especially in the middle-age bracket, as well as for formal business occasions. Whisky, brandy, and other Western spirits are constantly innovating and rejuvenating their brands across the domestic consumer market, attracting younger consumers' attention.

Brand plays a key role in the premium baijiu market. Sales volume, revenue, and profits are concentrated in advantageous production areas and national brands. However, not every product can be a high-end brand - this requires high quality, cultural heritage, and excellent brand marketing.

Nine Chinese spirits brands are featured in the Brand Finance Spirits 50 2021 ranking and they account for an impressive 68% of the total brand value. The top five spirits brands are all Chinese Baijiu brands.

Moutai and **Wuliangye** are the most valuable spirits brands. Their Brand Strength Index (BSI) scores are also very high – ranked in 2nd and 3rd, only behind **Don Julio**.

Wuliangye has thrived since optimising its product structure, streamlining the business by demerging many sub brands, and focusing on the high-end spirits market. Its year-on-year revenue growth is 14%, and the fundamental driving force behind this strong performance is its high-quality product and strong brand. Brand Finance's Global Brand Equity Monitor research supports this: Wuliangye's familiarity and consideration scores are higher than Moutai, and its reputation gets full marks score. This improved revenue and brand strength has driven growth in its brand value, which has increased by 25% to US\$25.8 billion.

New entrant, **Jiugui Jiu**, recorded a brand value growth of 96% - the fastest growing spirits brand in the ranking. The brand celebrated strong revenue growth over the previous year, up 21%.

China is a major beer consumption market, however, in recent years, the nation's population has continued to age and therefore the numbers in the 20-39 age bracket has decreased (prime beer consuming age). This, paired with the negative effects of severe homogenization of products and the pandemic, has resulted in the downward trend of both Chinese beer production and consumption.

One notable trend in the beer sector is the shift towards premium products. Companies will try their best to adjust the product structure, reduce the low-end product ratio, and strengthen the high-end product. Industry leaders, including Tsingtao, Snow, and AB InBev have clearly stated their strategic direction of shifting to high-end. Snow has set its sights on achieving the highest domestic market share in the high-end market within three years.

In China, the five largest beer companies, from the nation and abroad - Snow, Tsingtao, AB InBev, Yanjing and Carlsberg - have a combined market share of more than 70%. Big brands will continue to dominate the market. However, because of the regionalization of beer, leading companies are still competing for market share among various provinces. Some regional beer brands also enjoy high brand awareness and preference in local areas.

Four Chinese beer brands feature in the Brand Finance Beer 50 2021 ranking – **Snow**, **Harbin**, **Tsingtao** and **Yanjing**. Snow is the only Chinese brand in the top 10, in 6th position with a brand value of US\$3.4 billion.

Most Valuable Chinese Alcohol Brands

| | | | | |
|---|-----------|---|-----------------|--------|
|  | 1 |  | 2021: \$45,333m | +15.3% |
|  | 2 |  | 2021: \$25,768m | +23.5% |
|  | 3 |  | 2021: \$7,088m | -7.5% |
|  | 4 |  | 2021: \$7,032m | +25.0% |
|  | 5 |  | 2021: \$4,048m | +22.2% |
|  | 6 |  | 2021: \$2,225m | -45.8% |
|  | 7 |  | 2021: \$1,613m | -14.5% |
|  | 8 |  | 2021: \$1,174m | -12.9% |
|  | 9 |  | 2021: \$999m | +35.2% |
|  | 10 |  | 2021: \$782m | +37.9% |
|  | 11 |  | 2021: \$760m | +96.2% |
|  | 12 |  | 2021: \$652m | -28.6% |
|  | 13 |  | 2021: \$582m | -7.1% |

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France.



Bertrand Chovet
Managing Director,
Brand Finance France

Claiming three spots in the top 10, French brands dominate the champagne & wine sector. Their premium and luxury positioning, associated with a strong heritage, has only served to make them more resilient in the face of the COVID-19 pandemic. Dom Pérignon is the only brand in the ranking to increase in brand value this year, up 2%.

Within the spirits sector, French cognac and vodka stand out from the crowd with five brands featuring: **Hennessy** in 7th; **Grey Goose** in 15th; **Rémy Martin** in 23rd; **Ciroc** in 29th; **Martell** in 37th; and **Ricard** in 39th. All of these brands have recorded a drop in brand value and brand strength.

While in France rum brands are growing in popularity and are now just behind whisky and vodka, the premiumisation has begun, demonstrated by the growth of French Calvados and Armagnac.

Alcohol brands will certainly look to take advantage of the post-covid era, as consumers reconnect with drinking experiences and places. Brands could take advantage of the 'you only live once' mindset or 'revenge spending' decision making. They will need to better understand the premiumisation that consumers have experienced from at-home consumption during lockdowns. On the other hand, a new frugality could emerge among consumers, and brands should prepare themselves to answer these needs to.

The emerging trends in the no and low alcohol market continues to rise, both for health reasons and for taste - particularly across younger consumers and in the beer category. There has been a volume growth of 170% since 2017, and sales of no and low alcohol drinks are projected to increase by over 30% by 2024.

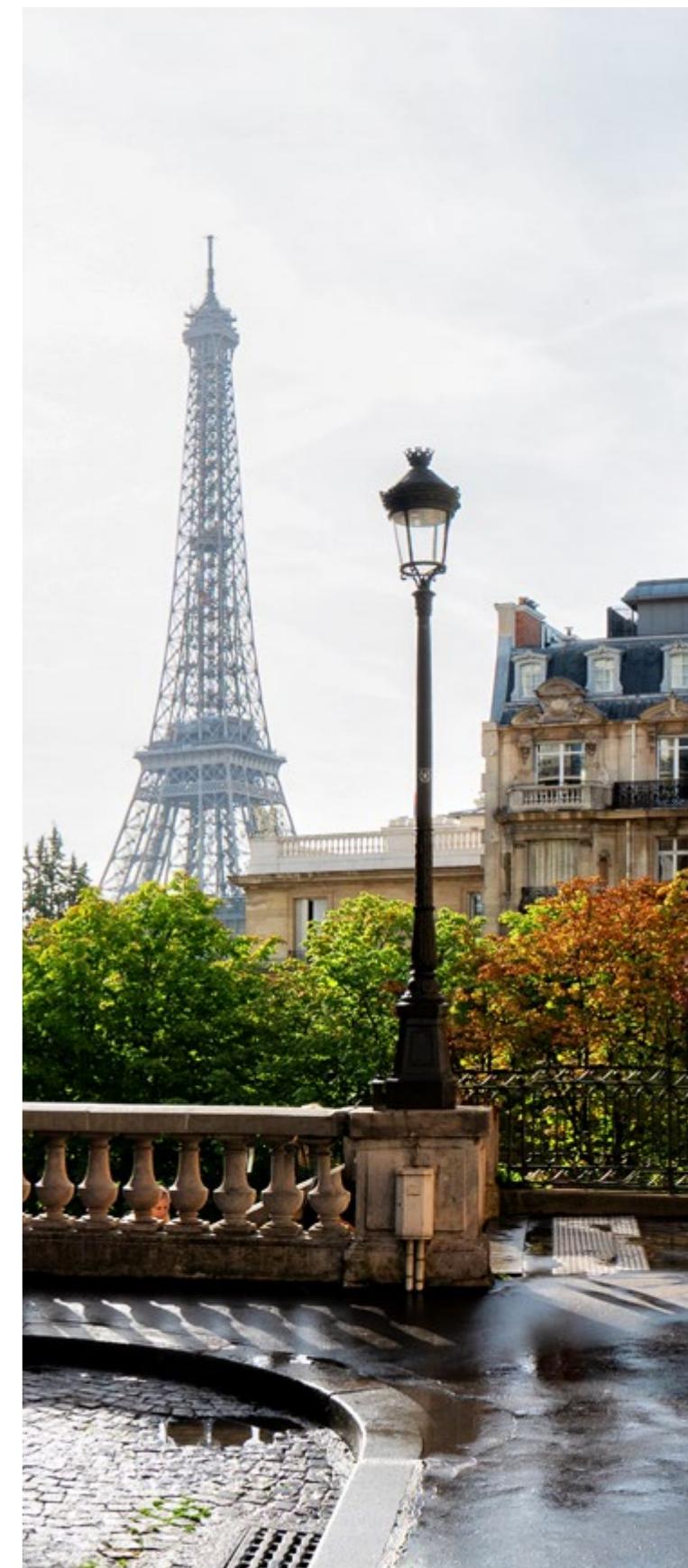
COVID-19 has also accelerated the local and craft trend as consumers seek a story behind the product they are drinking – perhaps as they pursue more anchorage following a year of turmoil. We have seen the rise of regional or national craft brands with alternative positions and promises – a shift enhanced due to less international travel and stronger familiarisation built during the lockdowns. Now, the local and/or craft brands that have survived or thrived during Covid times, will be able to rise the competition of larger brands or will become acquisition target.

While volumes were impacted by the pandemic, 2021 and beyond will see years of quality. When it will be safe to return to the bars, a reinvention through quality, knowledge, responsibility, localness, and sustainability will be guiding consumer choice more than ever.

Most Valuable French Alcohol Brands

| | | | | |
|----------|--|---|---------------|--------|
| 1 | | Hennessy | 2021: \$3,294 | -9.3% |
| | | COGNAC | 2020: \$3,633 | |
| 2 | | GRE GOOSE VODKA | 2021: \$1,485 | -21.1% |
| | | — | 2020: \$1,882 | |
| 3 | | MOËT & CHANDON CHAMPAGNE | 2021: \$1,225 | -11.0% |
| | | FRANCE 1743 | 2020: \$1,377 | |
| 4 | | RÉMY MARTIN FINE CHAMPAGNE COGNAC | 2021: \$878 | -19.8% |
| | | — | 2020: \$1,095 | |
| 5 | | Veuve Clicquot | 2021: \$855 | -10.9% |
| | | — | 2020: \$960 | |
| 6 | | Dom Pérignon | 2021: \$820 | 2.1% |
| | | — | 2020: \$803 | |
| 7 | | CIROC VODKA | 2021: \$647 | -17.7% |
| | | — | 2020: \$787 | |
| 8 | | MARTELL COGNAC FONDÉE EN 1715 | 2021: \$582 | -10.8% |
| | | — | 2020: \$653 | |
| 9 | | RICARD | 2021: \$543 | -12.0% |
| | | — | 2020: \$616 | |

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Germany.



Ulf-Brün Drechsel
Managing Director,
Brand Finance Germany

The new drinking motto: get drunk, but without alcohol! You may be thinking that this is a contradiction. But let me start with the sober numbers before we slowly get drunk.

Sales in the German alcoholic drinks market are forecasted to be around €43 million in 2021, this will increase to a market volume of €53 million in 2025, which corresponds to an annual increase in sales of around 5% (CAGR 2021-2025). The largest market segment is still beer (what else?) with a value-based market volume of approx. 43% in 2021. Ready-mixed spritzers, mixed beer beverages and lemonades mixed with spirits (so called alcopops) are targeting younger groups of consumers. In general, this type of beverage is now the 2nd most popular, after beer.

The trend towards a more conscious and healthier life is increasingly encouraging people to refrain from alcohol in everyday life. That is why alcohol-free beer will continue to be one of the main drinks trend of 2021. Whether it be Pils, Radler or Pale Ale - every brand is now also available in a non-alcoholic version. The technically perfected fermentation method results in more and more alcohol-free wines, alcohol-free sparkling wines, or alcohol-free gin.

Herbal liqueurs (such as **Jägermeister**, with a 13% share) and cream liqueurs (such as **Baileys**) are still at the top of the popularity scale among Germans for stronger spirits, followed by semi-bitters (such as **Averna**, **Ramazotti**), but increasingly also Obstler and vodka (about 10% share). The fastest growing is the consumption of grappa and gin (shares of 5 - 6%), while the more traditional brandy (still 5% share) is becoming increasingly unpopular.

When looking specifically at the German brands, only two beers brands are featured in the Brand Finance Beers 50 2021 ranking, **Radeberger** in 32nd and **Beck's** in 48th. With over 80 brands in its portfolio, the Radeberger Group is the leader in the German beer market. In addition, it is Germany's largest private brewery group. The success of Radeberger lies in the smart portfolio with national, regional, microregional, and international brands to its name.

Beck's relies on a strong regional identity. The bitter Pilsener beer from Bremen meets the taste of the Germans in the north and is often found across the world - overseas it is often perceived as THE ultimate German beer. Nevertheless, Beck's has not followed the no and low alcohol beer trends unlike its competitors. The brand is also losing ground on its authentic heritage - the Beck brewery was founded in Bremen in 1873 but is now part of the world's largest beer group, Anheuser-Busch InBev.

As we say in Germany: "nicht lang' schnacken, Kopf in' Nacken!"



Most Valuable German Alcohol Brands

| | | | |
|---|--------------|---|---|
|  | 1 | NEW |  |
| | 2021: \$805m | 2020: - | |
|  | 2 |  | +24.1% |
| | 2021: \$623m | 2020: \$502m | |
|  | 3 |  | -22.7% |
| | 2021: \$517m | 2020: \$669m | |

© Brand Finance Pic 2020



Italy.



Massimo Pizzo
Managing Director,
Brand Finance Italy

In the Brand Finance Spirits 50 2021 ranking only one Italian brand is featured. A brand that has become synonymous with happy hours worldwide - Aperol. Aperol - the top global priority brand for the Campari Group, the sixth-largest player worldwide in the premium spirits industry - accounts today for 18% of global sales for Campari. This year, the brand has recorded a 1% uptick in brand value to US\$454 million and has jumped 5 spots in the ranking to 41st. This performance is solid when compared to average brand value changes in the ranking, which stood at -2%. After a difficult 2020 due to COVID-19 restrictions and lockdowns in key markets, the group is expecting its best-selling brand to go back to double-digit growth in 2021.

We have noted that occasional consumption of alcohol in Italy has moved from 41% of 10 years ago to 47% now. Also, those who consume alcoholic beverages outside meals is increasing, moving from 25% to 31% over the last 10 years.

It would look like this trend is in line with the growth of the 'happy hour' trend which might see some change following the year of pandemic. There has been a marked increase in interest for private aperitifs in houses or balconies or the so-called aperigreen (happy hours in open spaces such as gardens, hills).

The trend has been confirmed by online sales of cocktail accessories from aperitif glasses to jiggers and mixers and bartender kits. Why is this changing? Because the happy hour is supposed to be an "happy-hour" and not something to be stressed about, and the house, a green space, a garden or a balcony, is the perfect place where you can mix social life, safety and value for money (let's not forget that you can drink more and spend less).

Will this trend have a long life or people will be back to normal – maybe we'll have to wait and see.



Most Valuable Italian Alcohol Brands



1

2021: \$454m
2020: \$449m



+1.1%



2

2021: \$295m
2020: \$373m



South Africa.



Jeremy Sampson
Managing Director,
Brand Finance Africa

The alcoholic beverage industry has had a difficult time as a result of the pandemic. Two draconian lockdowns - one with less than 24 hours' notice - has had severe consequences for the industry.

Drinking habits in South Africa range widely from sorghum beer (cloudy) in rural areas, to clear when it can be afforded, to the whole gamut to cane (sugar) spirits and lots of brandy, gin, and wine in between. During isolation, the resourceful South Africans produced most things. Why today there is a very drinkable whisky produced by a Scotsman and his team within the Distell group.

South African Breweries is now owned by AB InBev and has long been dominant in beer, whilst Heineken has slowly been building a presence by owning Namibia's Windhoek Brewery, renowned for reinheitsgebot – pure beer. Heineken is reported to be in talks with local producer Distell - 100% locally owned - which is very strong in RTDs, especially cider (Savanna and Hunter's), brandy, and wine. In this year's Brand Finance South Africa 50 2021 ranking, Distell was ranked 14th and local beers, including Castle, were also highly rated.

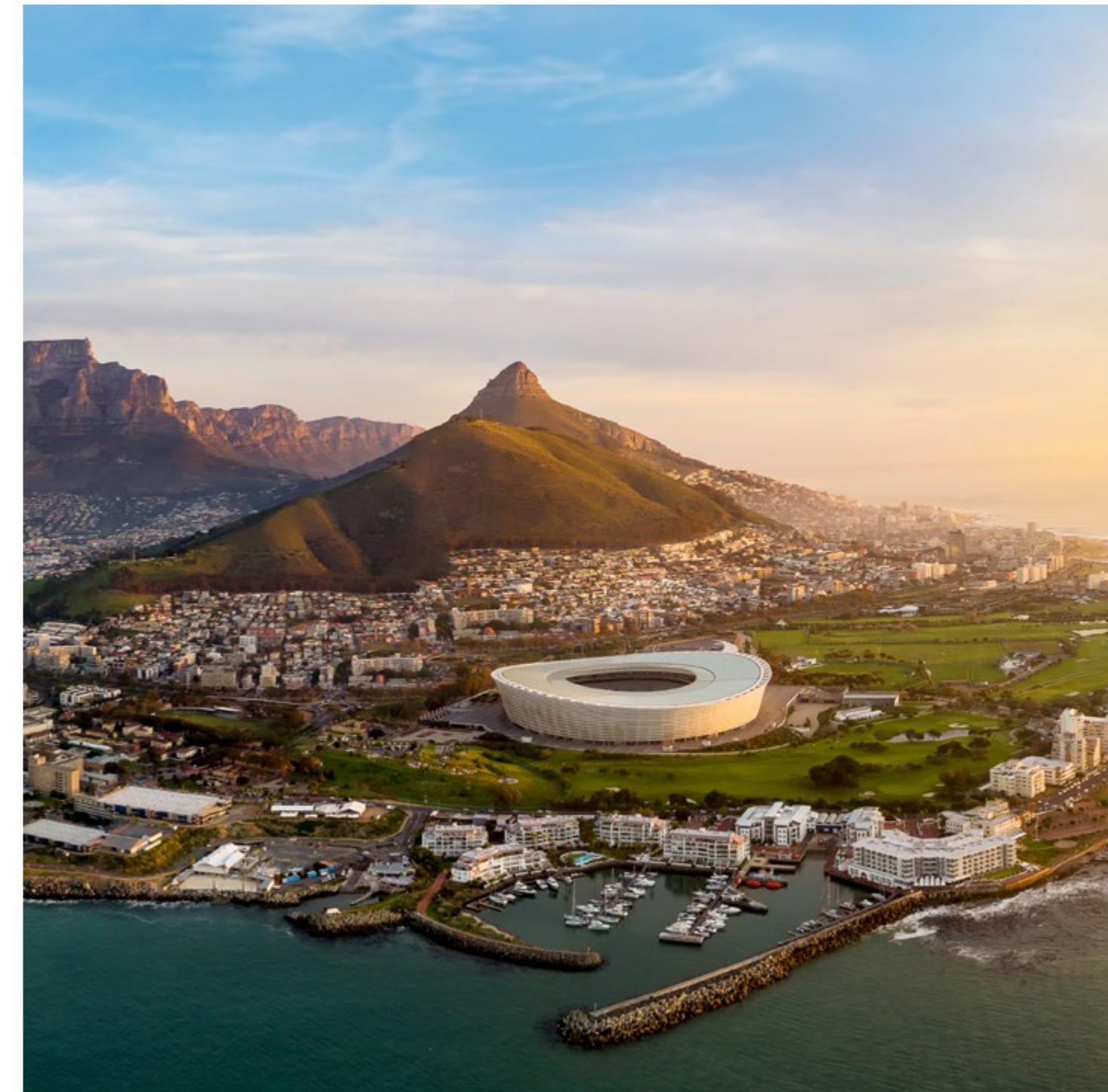
Currently both AB InBev and Heineken have withdrawn plans to expand manufacturing capacity given the threat of a third wave of Covid and the governments insensitivity to commercial norms of business.

The quality of wine has improved in leaps and bounds over the last 25 years, with some estates now owned by US, French, and German producers, resulting in their expertise being blended with local production. The Financial Times wine maven Jancis Robinson often refers to South African wine as the best value for money in the world.

The wine producing area of the Western Cape around Cape Town is also renowned for its scenic beauty. Tourism is a very important source of income and, unlike many Californian estates (farms) that are closed to the public, you can drive in, taste and buy. The area is also home to most of the top 20 restaurants in the country. But times are tough. Pre-Covid it was estimated that 90% of all producers were either breaking even or loss-making. In the last year, the number of primary producers has dropped from 3500 to 2700. Some are even ripping out the vines and replanting new more fashionable cultivars or apples and other fruits - less trouble, not as complicated, quicker return.

From a brand perspective, for the most part, it is totally fragmented with little scale and few, if any, of global standing. In the UK you may know Rupert and Rothschild (Johan Rupert is chairman of luxury goods group Richemont and its Maisons) and Chocolate Block but much South African wine is still exported in bulk and bottled locally. The KWV, in the apartheid era controlled the wine industry, and is now a fully commercial organisation owned by Vivian Imerman – to some The Man from Del Monte - and his Vasari Group.

From this you can see that the alcoholic beverages industry is vibrant despite many headwinds. The fact that the population is very young and slowly earning more, makes it an exciting prospect. It was the CEO of the biggest global drinks group Diageo who said the most exciting prospect in the world was the continent of Africa.



Most Valuable South African Alcohol Brands



1

2021: \$560m
2020: \$695m



-19.4%



2

2021: \$534m
2020: \$768m



-30.5%

Spain.



Teresa de Lemus
Managing Director,
Brand Finance Spain

2020 and 2021 have had a huge impact on the alcohol sector in Spain but although many things seem negative, there are reasons to see green shoots in the recovery and areas of opportunity for brands to take advantage of.

The first wave of COVID hit Spain like a tsunami with hospitals close to breaking point. This led to the Spanish government sending citizens in to one of the world's strictest lockdowns for 2 months and fines for anyone making too many "non-essential goods" (note: alcohol was not considered essential if unaccompanied by food). This lockdown was accompanied by a total cessation of sports and cultural events, the closure of bars and restaurants, and a virtual total stop to international tourism (including the cancellation of the famous season in Ibiza), one of the mainstays of the alcohol industry in Spain.

There was a partial re-opening in Summer 2020, but the opening of night clubs, bars and other public spaces led to a second wave, which the government responded to by putting in place a "State of Alarm" for over 6 months, limiting internal travel and providing legal backing to the Autonomous Communities to forcefully close restaurants and bars and keep people in their homes. This has now ended, to the celebration of many young people in Puerto del Sol and other public places in Madrid, but there are still many impediments for the industry – a principal one being the effective ban on UK tourists (which is the largest single source of tourists into Spain) coming to the country by the UK government.

All this has meant an immediate reduction in volume sales of about 18% with a recovery in 2021 but 2019 levels unlikely to be reached again until 2024, according to Euromonitor. This is accompanied by a 42% reduction in media spend in 2020 compared to 2019 and a 23% reduction in 2021 compared to 2019, according to WARC Data.

All of this sounds bad news for brands but despite all of this, Estrella Damm – Spain's biggest alcohol brand by brand value – has risen 23.4% from €721m to €889m, up 11 ranks to rank 24, and Mahou – Spain's second biggest beer brand – has jumped 7 spots in Brand Finance Beers 50 2021 ranking and risen from €717m to €789m (10%) in brand value, both beating the industry's average growth.

Despite the bad news, both brands were helped by strong balance sheets before the crisis and rising demand for beer that looks set to continue after the pandemic. Mahou for example, as well as capitalising on a relative openness in its core market of the Community of Madrid, has found some of its increase by riding a wave of increasing interest in craft beers promoting its new IPA lines strongly in supermarkets. This shows an interesting trend for rising interest in premium drinks in Spain that was spurred by the COVID crisis. Bearing in mind that in many places, beers are ordered for by simply asking for a beer rather than asking for a brand this is quite a change and looks set to help grow the market in the future.

In the country voted the most "fun" in the world according to over 75,000 respondents in Brand Finance's Global Soft Power 2021 Index research in February for the second year running, the strength of the beer industry and the alcohol industry more broadly has got to be a great thing. A return to cañas while sitting on sunny terrazas is just what both locals and tourists, slowly trickling back to the Spanish coast, have been waiting for. Salud!



Most Valuable Spanish Alcohol Brands

|  | 1 |  2021: \$1,045m 2020: \$799m +30.8% |
|---|----------|--|
|  | 2 |  2021: \$789m 2020: \$717m +10.1% |
|  | 3 |  2021: \$515m 2020: \$423m +21.8% |

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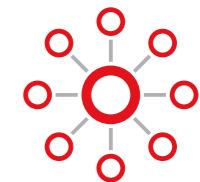
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A UNIQUE BLEND OF FINE RUMS FROM GUYANA AND
MARTINIQUE WITH NO ADDITIVES, SWEETENERS OR
COLOURINGS. AWARD WINNING RUMS THAT BOTTLE THE
SPIRIT OF 'SPICE THE MAINBRACE®'.**

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hello@mainbracerum.com | www.mainbracerum.com |

Enjoy responsibly

Brand Dialogue®



With strategic planning and creative thinking, we develop communications plans to create dialogue with stakeholders that drives brand value.

Our approach is integrated, employing tailored solutions for our clients across PR, marketing and social media, to deliver strategic campaigns and helping us to establish and sustain strong client relationships.

We also have a specific focus on geographic branding, including supporting nation brands and brands with a geographical indication (GI).

Brand Dialogue is a member of the Brand Finance plc group of companies

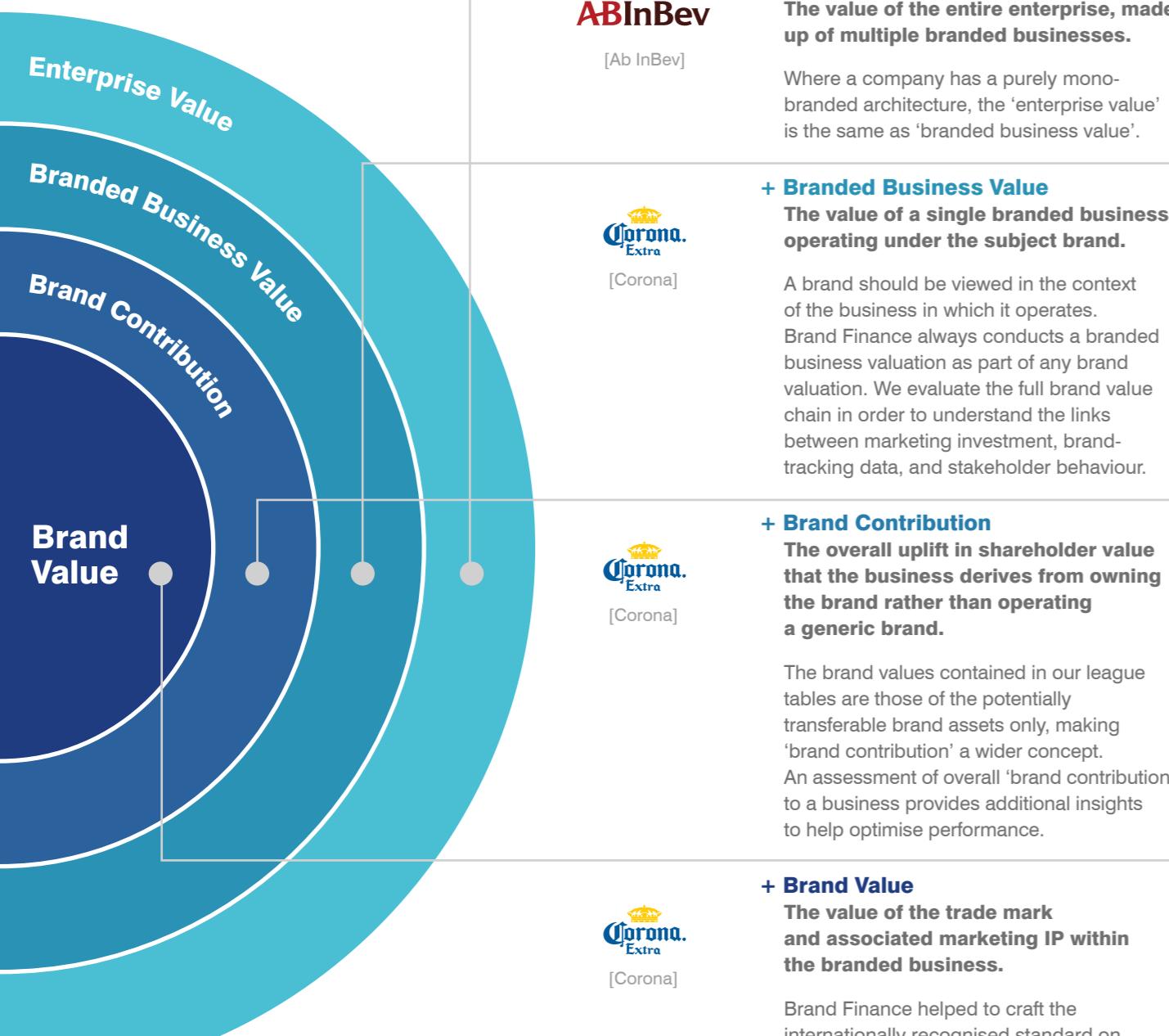
|  |  |  |  |  |
|--|--|---|---|--|
| Research, Strategy & Measurement Brand & Communications Strategy Campaign Planning Communications Workshops Market Research & Insights Coverage Analysis Social Media Analytics | Public Relations & Communications Media Relations Press Trips & Events Strategic Partnerships Relationship Management Influencer Outreach Media Training Social Media Management | Marketing & Events Promotional Events Conference Management Sponsorship Management Native Advertising Print Advertising Shopper Marketing Trade Marketing | Content Creation Bespoke Publications Press Releases Blog Posts & Newsletters Marketing Collateral Design Photography & Videography Social Media Content | Strategic Communications Crisis Communications Brand Positioning & Reputation Geographic Branding Corporate Social Responsibility (CSR) |



For more information, contact enquiries@brand-dialogue.com or visit www.brand-dialogue.com

Methodology.

Definitions.



Brand Valuation Methodology.

Definition of Brand

Brand is defined as a marketing-related intangible asset including, but not limited to, names, terms, signs, symbols, logos, and designs, intended to identify goods, services, or entities, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits.

Brand Value

Brand value refers to the present value of earnings specifically related to brand reputation. Organisations own and control these earnings by owning trademark rights.

All brand valuation methodologies are essentially trying to identify this, although the approach and assumptions differ. As a result published brand values can be different.

These differences are similar to the way equity analysts provide business valuations that are different to one another. The only way you find out the "real" value is by looking at what people really pay.

As a result, Brand Finance always incorporates a review of what users of brands actually pay for the use of brands in the form of brand royalty agreements, which are found in more or less every sector in the world.

This is sometimes known as the "Royalty Relief" methodology and is by far the most widely used approach for brand valuations since it is grounded in reality.

It is the basis for a public rankings but we always augment it with a real understanding of people's perceptions and their effects on demand – from our database of market research on over 3000 brands in over 30 markets.

Disclaimer

Brand Finance has produced this study with an independent and unbiased analysis. The values derived and opinions produced in this study are based only on publicly available information and certain assumptions that Brand Finance used where such data was deficient or unclear. Brand Finance accepts no responsibility and will not be liable in the event that the publicly available information relied upon is subsequently found to be inaccurate. The opinions and financial analysis expressed in the report are not to be construed as providing investment or business advice. Brand Finance does not intend the report to be relied upon for any reason and excludes all liability to any body, government or organisation.

Brand Impact

We review what brands already pay in royalty agreements. This is augmented by an analysis of how brands impact profitability in the sector versus generic brands.

This results in a range of possible royalties that could be charged in the sector for brands (for example a range of 0% to 2% of revenue)

Brand Strength

We adjust the rate higher or lower for brands by analysing Brand Strength. We analyse brand strength by looking at three core pillars: "Inputs" which are activities supporting the future strength of the brand; "Equity" which are real current perceptions sourced from our market research and other data partners; "Output" which are brand-related performance measures such as market share.

Each brand is assigned a Brand Strength Index (BSI) score out of 100, which feeds into the brand value calculation. Based on the score, each brand is assigned a corresponding Brand Rating up to AAA+ in a format similar to a credit rating.

Brand Impact × Brand Strength

The BSI score is applied to the royalty range to arrive at a royalty rate. For example, if the royalty range in a sector is 0-5% and a brand has a BSI score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.

Forecast Brand Value Calculation

We determine brand-specific revenues as a proportion of parent company revenues attributable to the brand in question and forecast those revenues by analysing historic revenues, equity analyst forecasts, and economic growth rates.

We then apply the royalty rate to the forecast revenues to derive brand revenues and apply the relevant valuation assumptions to arrive at a discounted, post-tax present value which equals the brand value.

Brand Strength.

Brand Strength

Brand Strength is the efficacy of a brand's performance on intangible measures, relative to its competitors.

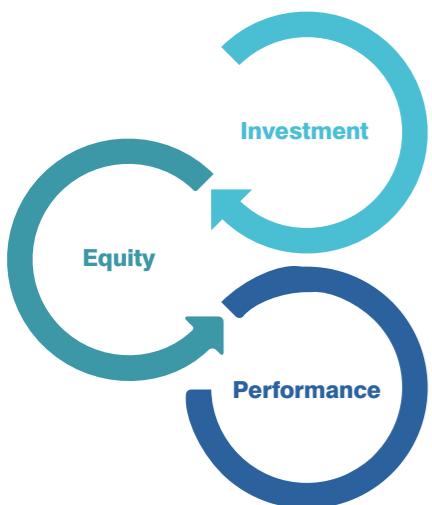
In order to determine the strength of a brand, we look at Marketing Investment, Stakeholder Equity, and the impact of those on Business Performance.



Widely recognised factors deployed by marketers to create brand loyalty and market share.

Perceptions of the brand among different stakeholder groups, with customers being the most important.

Quantitative market and financial measures representing the success of the brand in achieving price and volume premium.



Marketing Investment

- A brand that has high Marketing Investment but low Stakeholder Equity may be on a path to growth. This high investment is likely to lead to future performance in Stakeholder Equity which would in turn lead to better Business Performance in the future.
- However, high Marketing Investment over an extended period with little improvement in Stakeholder Equity would imply that the brand is unable to shape customers' preference.

Stakeholder Equity

- The same is true for Stakeholder Equity. If a company has high Stakeholder Equity, it is likely that Business Performance will improve in the future.
- However, if the brand's poor Business Performance persists, it would suggest that the brand is inefficient compared to its competitors in transferring stakeholder sentiment to a volume or price premium.

Business Performance

- Finally, if a brand has a strong Business Performance but scores poorly on Stakeholder Equity, it would imply that, in the future, the brand's ability to drive value will diminish.
- However, if it is able to sustain these higher outputs, it shows that the brand is particularly efficient at creating value from sentiment compared to its competitors.

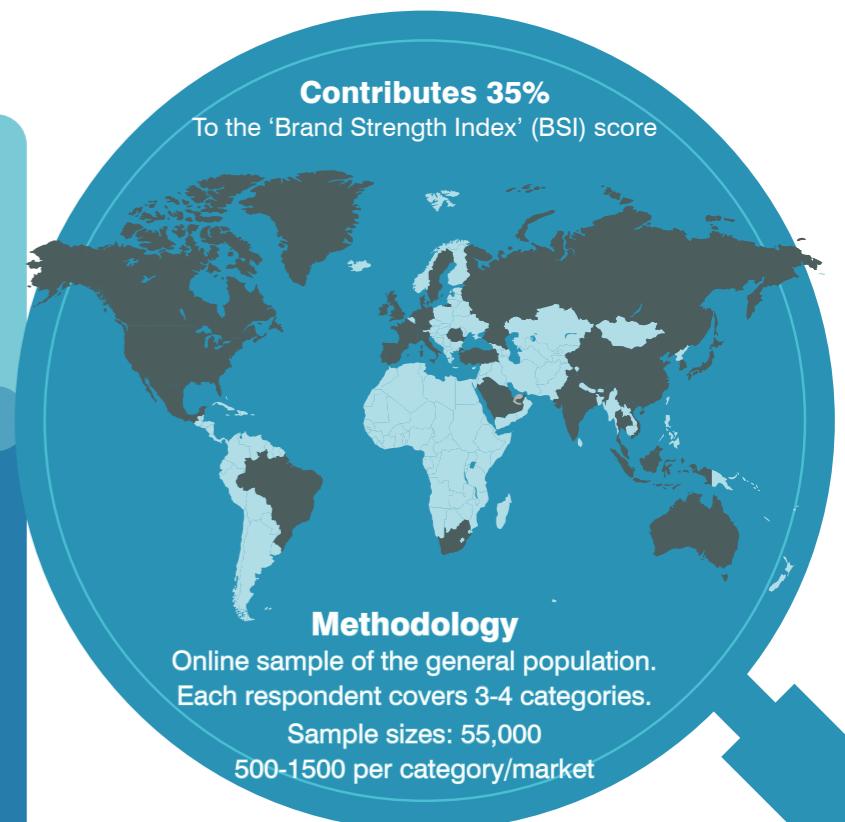
Brand Equity Research Database.

Original market research in 29 countries and across more than 20 sectors

Sector Coverage & Classification 2021

Tier 1 sectors cover all measures, Tier 2 KPIs only

| | |
|--------|--------------------|
| Tier 1 | Banking |
| Tier 1 | Insurance |
| Tier 1 | Telecoms |
| Tier 1 | Utilities |
| T1&T2† | Automotive |
| Tier 2 | Airlines |
| Tier 2 | Apparel |
| Tier 2 | Appliances |
| Tier 2 | Beers |
| Tier 2 | Cosmetics |
| Tier 2 | Food |
| Tier 2 | Hotels |
| Tier 2 | Logistics |
| Tier 2 | Luxury Automobiles |
| Tier 2 | Media |
| Tier 2 | Oil & Gas |
| Tier 2 | Pharma |
| Tier 2 | Real Estate |
| Tier 2 | Restaurants |
| Tier 2 | Retail |
| Tier 2 | Spirits |
| Tier 2 | Supermarkets |
| Tier 2 | Tech |



Brand KPIs and Diagnostics

- 1. Brand Funnel**
 - Awareness**
Have heard of your brand
 - Familiarity**
Know something about your brand
 - Consideration**
Would consider buying/using your brand
- 2. Brand Usage***
- 3. Quality***
- 4. Reputation**
- 5. Closeness***
- 6. Recommendation (NPS)***
- 7. Word of mouth**
- 8. Brand Imagery***

Not all categories are covered in every country
† Brand KPIs and diagnostics differ per sector depending on research tier allocation

*Tier 1 categories only

Our Services.



Consulting Services.

Make branding decisions using hard data

Brand Research

What gets measured

Brand evaluations are essential for understanding the strength of your brand against your competitors.

Brand Strength is a key indicator of future brand value growth whether identifying the drivers of value or avoiding the areas of weakness, measuring your brand is the only way to manage it effectively.

Brand Valuation

Make your brand's business case

Brand valuations are used for a variety of purposes, including tax, finance, and marketing. Being the interpreter between the language of marketers and finance teams they provide structure for both to work together to maximise returns.

Brand Strategy

Make branding decisions with your eyes wide open

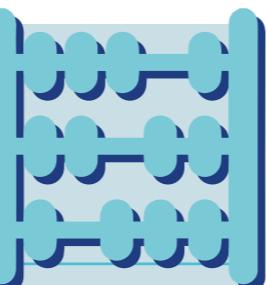
Once you understand the value of your brand, you can use it as tool to understand the business impacts of strategic branding decisions in terms of real financial returns.

- + Brand Audits
- + Primary Research
- + Syndicated Studies
- + Brand Scorecards
- + Brand Drivers & Conjoint Analysis
- + Soft Power



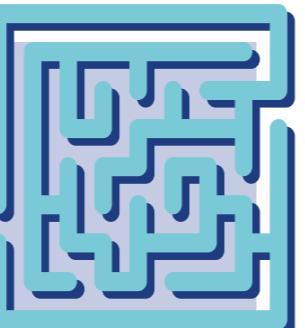
- + Are we building our brands' strength effectively?
- + How do I track and develop my brand equity?
- + How strong are my competitors' brands?
- + Are there any holes in my existing brand tracker?
- + What do different stakeholders think of my brand?

- + Brand Impact Analysis
- + Tax & Transfer Pricing
- + Litigation Support
- + M&A Due Diligence
- + Fair Value Exercises
- + Investor Reporting



- + How much is my brand worth?
- + How much should I invest in marketing?
- + How much damage does brand misuse cause?
- + Am I tax compliant with the latest transfer pricing?
- + How do I unlock value in a brand acquisition?

- + Brand Positioning
- + Brand Architecture
- + Franchising & Licensing
- + Brand Transition
- + Marketing Mix Modelling
- + Sponsorship Strategy



- + Which brand positioning do customers value most?
- + What are our best brand extension opportunities in other categories and markets?
- + Am I licensing my brand effectively?
- + Have I fully optimised my brand portfolio? Am I carrying dead weight?
- + Should I transfer my brand immediately?
- + Is a Masterbrand strategy the right choice for my business?

Brand Evaluation Services.

How are brands perceived in my category?

Brand Finance tracks brand fame and perceptions across 30 markets in 10 consumer categories. Clear, insightful signals of brand performance, with data mining options for those who want to dig deeper – all at an accessible price.

What if I need more depth or coverage of a more specialised sector?

Our bespoke brand scorecards help with market planning and can be designed to track multiple brands over time, against competitors, between market segments and against budgets. Our 30-country database of brand KPIs enables us to benchmark performance appropriately.

Do I have the right brand architecture or strategy in place?

Research is conducted in addition to strategic analysis to provide a robust understanding of the current positioning. The effectiveness of alternative architectures is tested through drivers analysis, to determine which option(s) will stimulate the most favourable customer behaviour and financial results.

How can I improve return on marketing investment?

Using sophisticated analytics, we have a proven track record of developing comprehensive brand scorecard and brand investment frameworks to improve return on marketing investment.

What about the social dimension? Does my brand get talked about?

Social interactions have a proven commercial impact on brands. We measure actual brand conversation and advocacy, both real-world word of mouth and online buzz and sentiment, by combining traditional survey measures with best-in-class social listening.

Communications Services.

How we can help communicate your brand's performance in brand value rankings



Brand Accolade – create a digital endorsement stamp for use in marketing materials, communications, annual reports, social media and website. Advertising use subject to terms and conditions.



TOP 50 BEERS BRAND



MOST VALUABLE SPIRITS BRAND



STRONGEST CHAMPAGNE & WINE BRAND



Video Endorsement – record video with Brand Finance CEO or Director speaking about the performance of your brand, for use in both internal and external communications.



Bespoke Events – organise an award ceremony or celebratory event, coordinate event opportunities and spearhead communications to make the most of them.



Digital Infographics – design infographics visualising your brand's performance for use across social media platforms.



Trophies & Certificates – provide a trophy and/or hand-written certificate personally signed by Brand Finance CEO to recognise your brand's performance.



Sponsored Content – publish contributed articles, advertorials, and interviews with your brand leader in the relevant Brand Finance report offered to the press.



Media Support – provide editorial support in reviewing or copywriting your press release, pitching your content to top journalists, and monitoring media coverage.

Brand Finance Network.

For further information on our services and valuation experience, please contact your local representative:

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| Indonesia | Jimmy Halim | j.halim@brandfinance.com | +62 215 3678 064 |
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