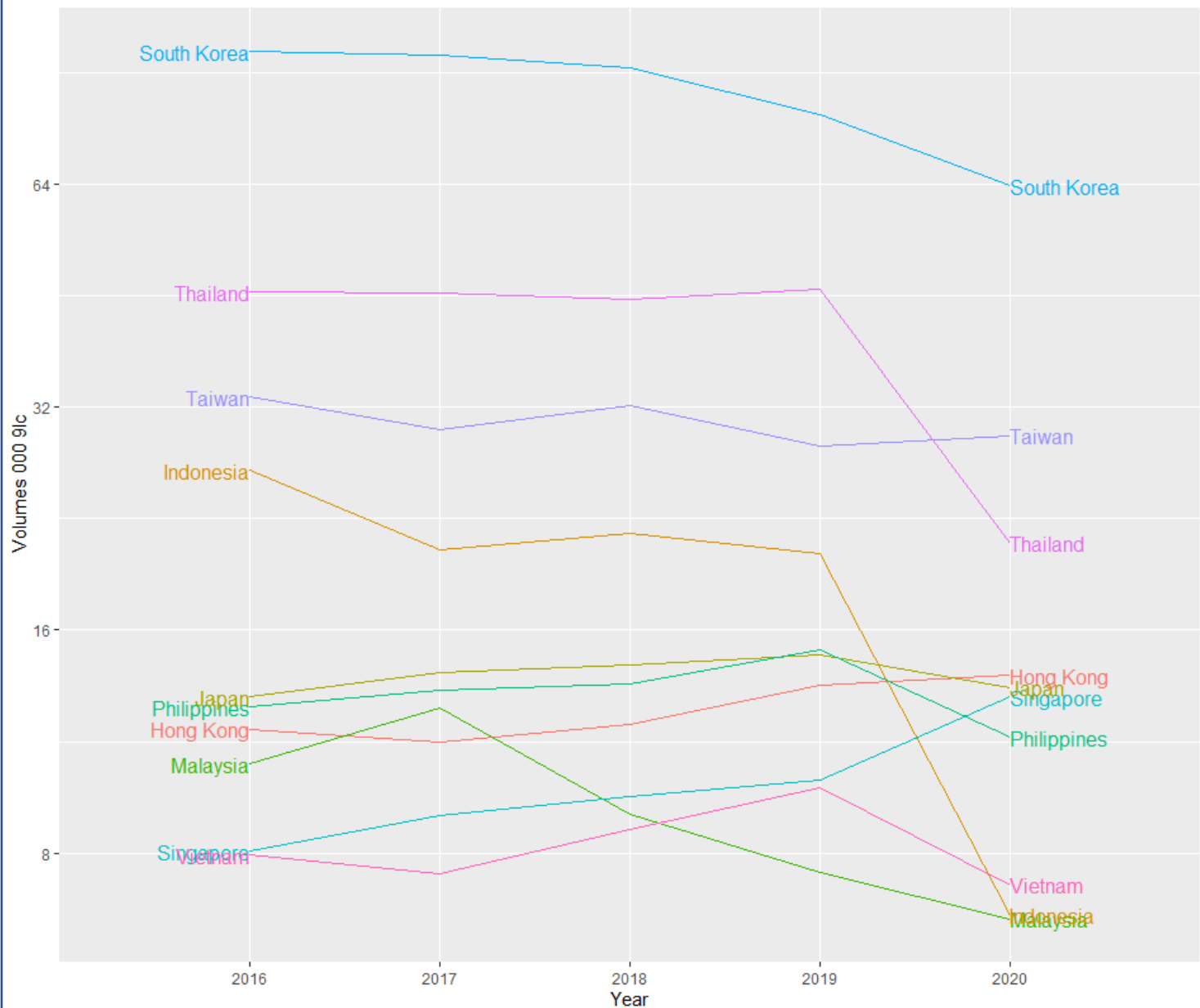




# Asia Markets Overview

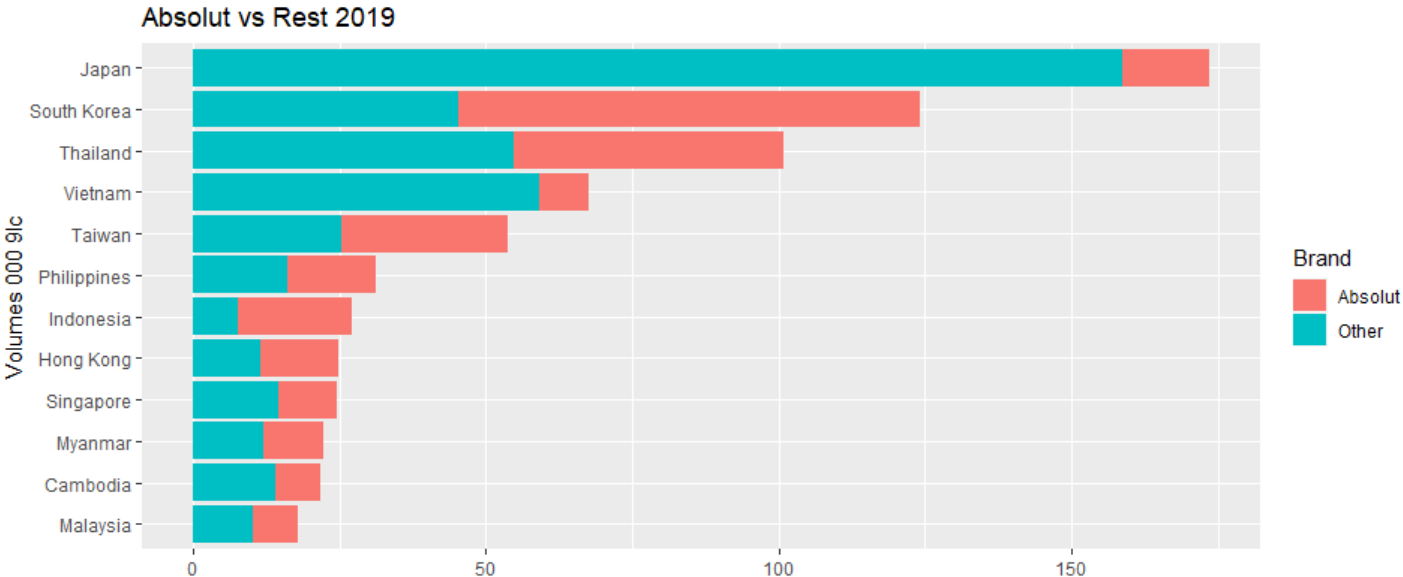
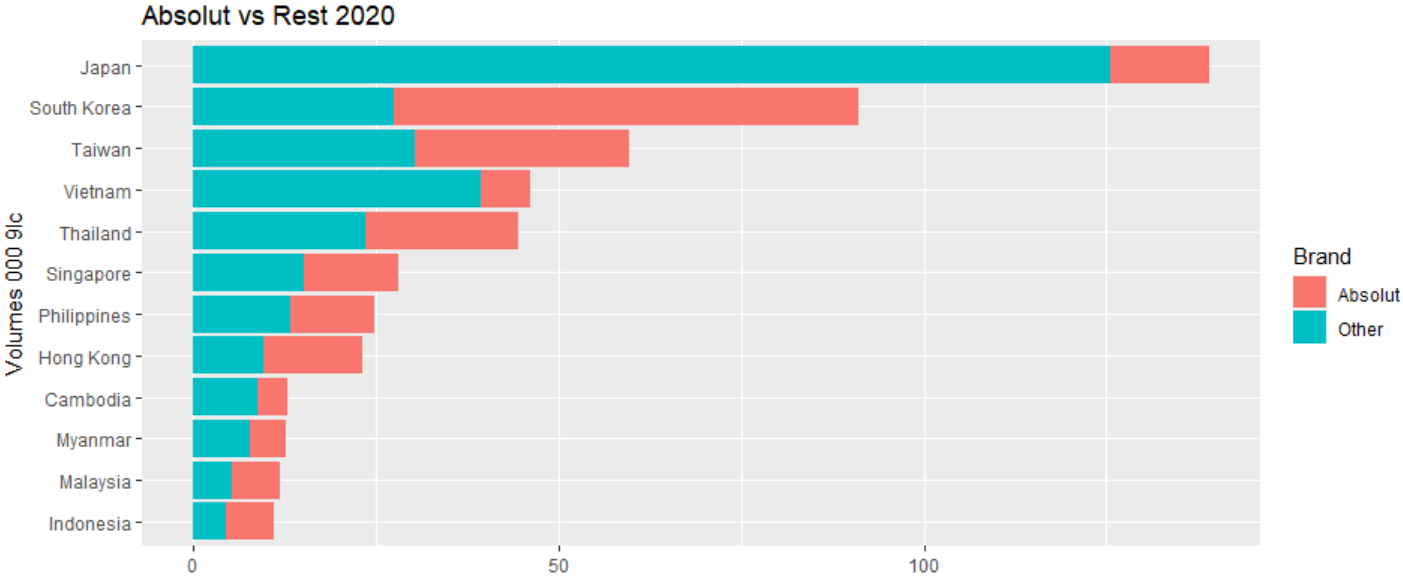
Fintan Cannon

Absolut Volumes in Asia



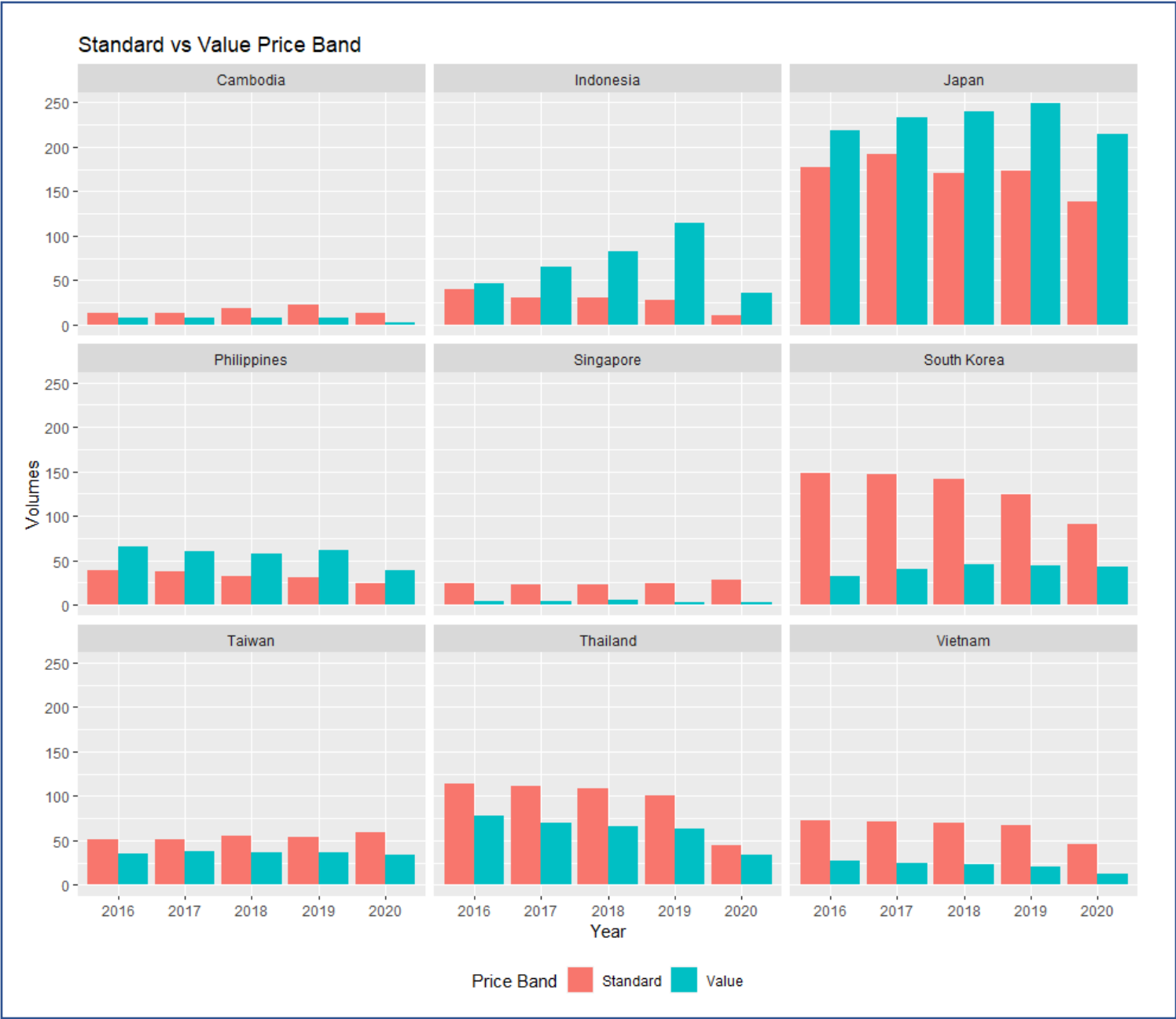
### Overview of Absolut in Asia

- Graph shows yearly 9lc Absolut volumes in selected Asian countries from 2016 – 2020
- Pandemic restrictions in MOT a big factor in the sharp volume declines in most markets in 2020.
- Some markets remained resilient and recorded modest growth – Singapore, Taiwan.
- Some markets recorded decline in volumes prior to pandemic – South Korea, Malaysia.
- Thailand and Indonesia saw dramatic decreases in volumes due to pandemic; potential to reclaim lost volumes post recovery.
- Absolut is significantly affected by parallel importing in some Asian countries and difficult to measure.



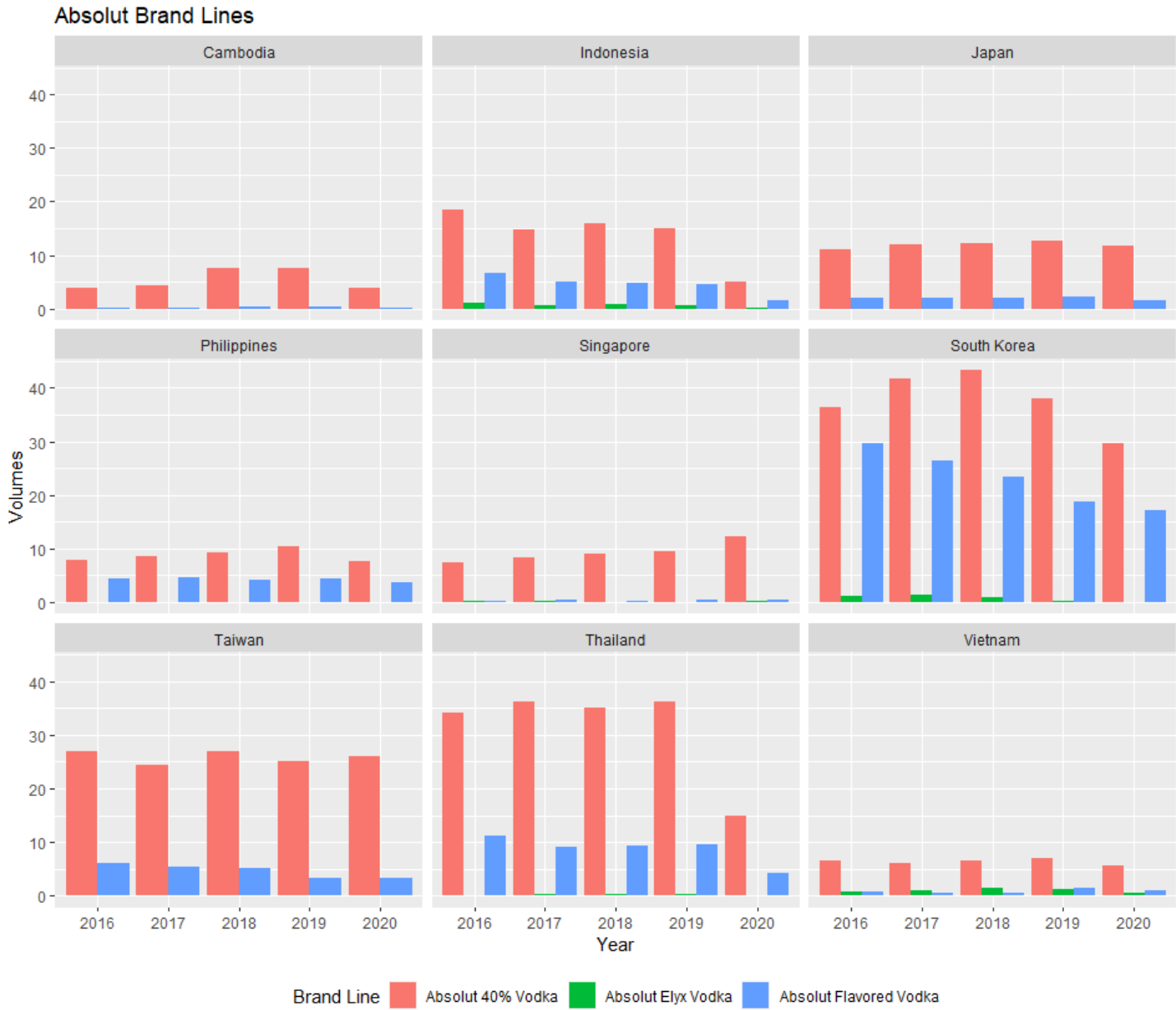
### Absolut vs the Rest

- Graph showing volumes of Absolut vs other imported competitors in the 'standard' price band.
- Absolut has >50% market share in South Korea, Hong Kong and Malaysia.
- Low market share in Japan and Vietnam.
- Pandemic's impact on Indonesia's vodka category highlighted through its drop to the lowest volume market in 2020.



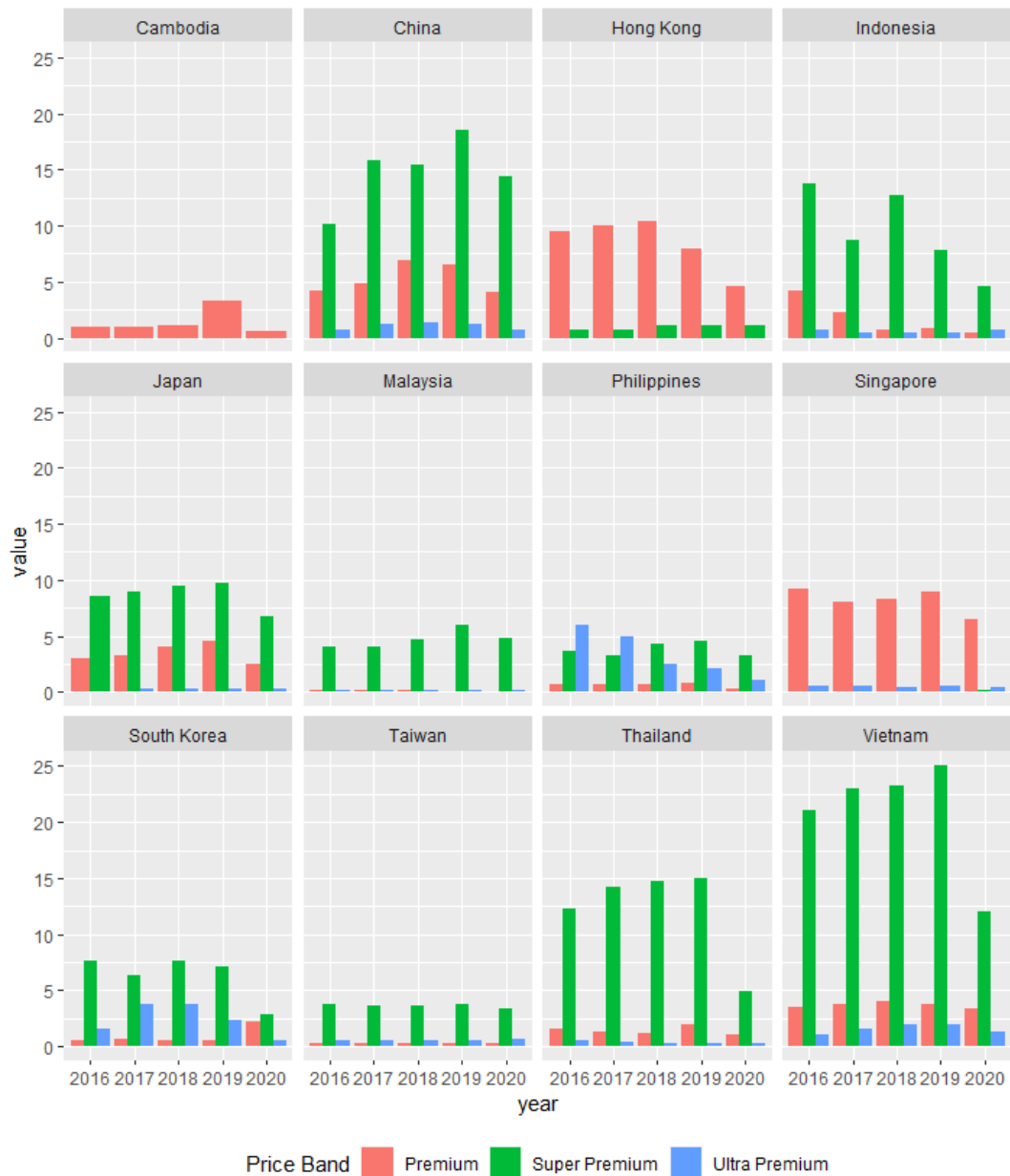
### Premiumization in Asia

- Graph shows volumes of the 'standard' and 'value' price bands in selected Asian countries.
- No statistically significant evidence to prove that consumers are trading up from 'value' to 'standard'.
- Thailand and Philippines recorded somewhat significant consumption in the 'value' segment.
- Vietnam has a very large (>200) but rapidly declining 'low-price' vodka category.



**Absolut Brand Lines**

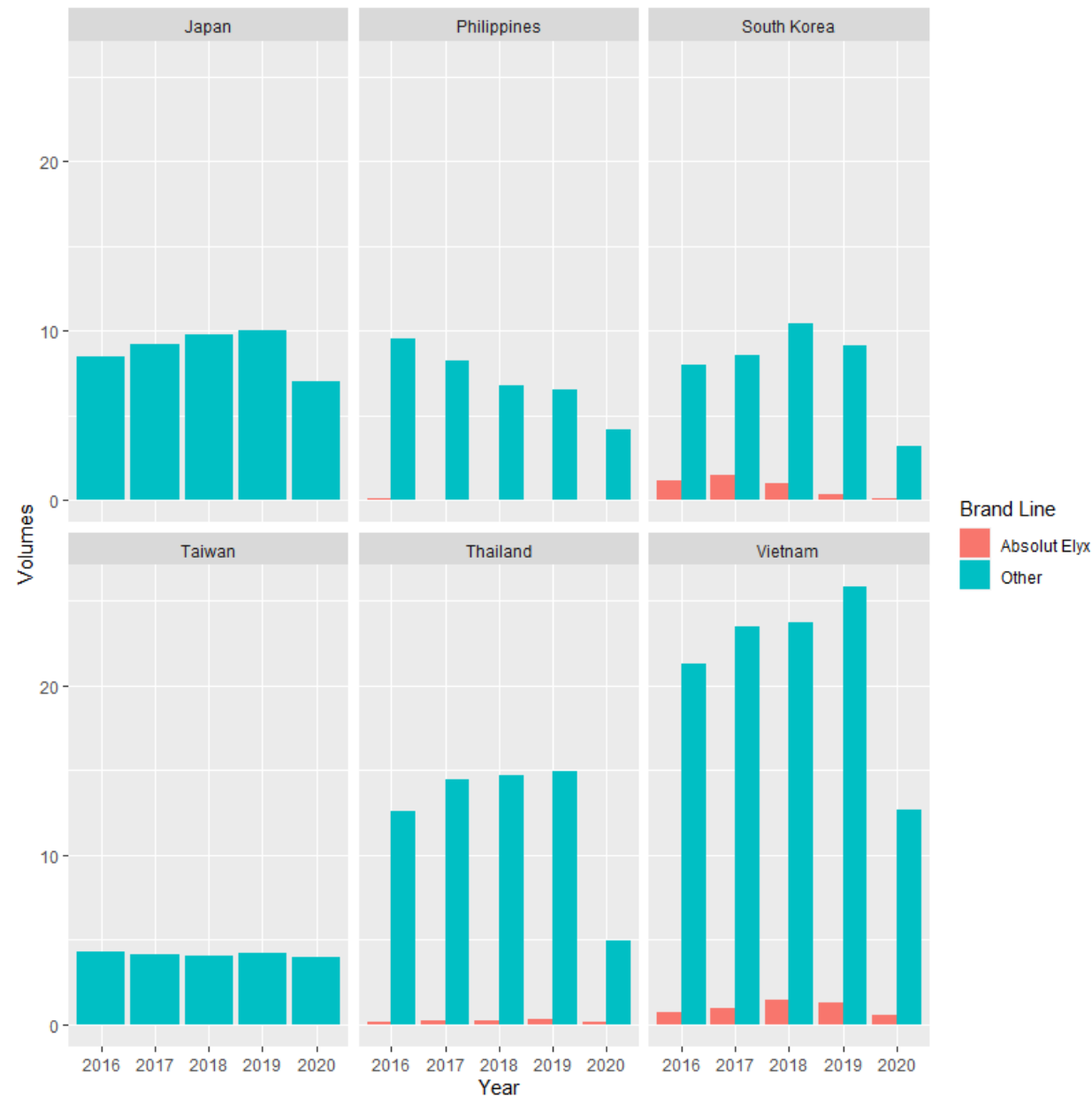
- Graph shows volumes of Absolut, Absolut Elyx and all its flavored variants.
- Flavored vodka a key growth driver in South Korea as consumers experimented with the new, lower priced options.



### Premium+ Bands

- Graph shows breakdown of 'premium', 'super premium' and 'ultra premium' vodka volumes in selected markets
- Thailand and Vietnam in particular recorded significant volumes in the 'super premium' category.
- Thailand and Vietnam were also recording growth in these categories prior to the pandemic.

Absolut Elyx vs Price Band



### Elyx vs Competitors

- Graph shows volumes of Absolut Elyx vs competitors in ultra/super premium price band.
- Depending on the market, Absolut Elyx considered super or ultra premium.
- In Vietnam, Grey Goose invested in the club scene before the pandemic to reinvigorate the high-end imported segment, which was led by Beluga: both brands reported huge losses.

## The view from IWSR:

### **Vietnam**

"The vodka category was badly affected by the pandemic and closure of gastronomy venues in 2020."

"Escalating competition from other white spirits categories is likely to inhibit imported vodka's growth in the long run. "

### **Thailand**

"Vodka's position in on-trade venues as a key staple will retain interest in the long run."

"The proliferation of high-energy nightlife venues in the key Thai cities will continue to fuel the thirst for premium vodkas, despite a likely slowdown during the coronavirus outbreak."

"While the high-end price segments will continue to benefit from the move to premiumize, standard-and-below segments will decline further as the category falls out of fashion."

### **South Korea**

"Vodka was one of the harder-hit spirits categories owing to its dependence on large high-energy clubs"

"The outlook is unclear as it depends primarily on decisions taken by brand owners and distributors, and genuine consumer interest is limited."

### **Indonesia**

"Vodka suffered severe decline thanks to the lack of on-trade venues and tourists, which particularly affected Absolut. With the cocktail trend still in vogue, vodka should see some increase on 2020 volumes when the on-trade re-opens."