

Diageo acquires Far West Spirits LLC, owner of hard seltzer brand, Lone River Ranch Water

8 March 2021: Today, Diageo announces it has acquired Far West Spirits LLC, owner of the Lone River Ranch Water (“Lone River”) brand. Lone River is a hard seltzer that takes inspiration from the popular classic Texan “Ranch Water” cocktail.

Lone River was founded in 2019 by native Texan, Katie Beal Brown. Katie will retain a minority interest and continue to lead the business on a day to day basis, as Chief Executive Officer of the brand. She will work closely with Diageo North America leadership to build further on Lone River’s success.

Taking inspiration from the Ranch Water cocktail enjoyed by Katie’s family for generations, the brand is inspired by the spirit of West Texas and its sense of adventure. It brings an authenticity and accessibility that lends itself to days spent outdoors and to enjoying relaxed occasions with family and friends. The portfolio has three unique offerings:

- Original: The Original Ranch Water hard seltzer flavoured with organic blue agave nectar and lime juice
- Spicy: Ranch Water with a kick of the Texas state pepper, jalapeño
- Rio Red Grapefruit: Ranch Water with a squeeze of Rio Red Grapefruit juice, the Texas state fruit

During Covid-19, the ready to drink (‘RTD’) category has increasingly gained momentum in the United States, driven by consumer trends such as interest in lower sugar, lower calorie and gluten free offerings, as well as increased demand for convenient formats that are ideal for casual and at-home occasions. Between 2016 and 2019, the category grew 20%¹, driven by growth of 259%² in the hard seltzer segment.

Debra Crew, President, Diageo North America, commented: “We are excited to bring this vibrant young hard seltzer brand into our growing ready to drink portfolio. Lone River captures the magic of Americans’ love for agave flavoured beverages combined with their desire for light, convenient refreshment. This acquisition is very much in keeping with our strategy to acquire high growth brands in fast growing categories and we look forward to working with Katie and her team to drive Lone River’s continued momentum.”

Katie Beal Brown, Founder and CEO of the Lone River Beverage Company, said: “We started Lone River with the dream of giving people a taste of Far West Texas. We are so grateful for the diverse set of communities that have embraced our brand, extending far beyond our small place on the map. We found in Diageo a world-class partner who believes in our vision to bring the spirit of Far West Texas to as many as we can.”

The acquisition will be funded through existing cash resources.

ENDS

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About Diageo

¹ IWSR, 2019: 2016-2019 volume CAGR

² IWSR, 2019: 2016-2019 volume CAGR



Diageo is a global leader in beverage alcohol with an outstanding collection of brands including Johnnie Walker, Crown Royal, J&B, Buchanan's and Windsor whiskies, Smirnoff, Ciroc and Ketel One vodkas, Captain Morgan, Baileys, Don Julio, Tanqueray and Guinness.

Diageo is a global company whose products are sold in more than 180 countries around the world. The company is listed on both the London Stock Exchange (DGE) and the New York Stock Exchange (DEO). For more information about Diageo, our people, our brands, and performance, visit us at www.diageo.com. Visit Diageo's global responsible drinking resource, www.DRINKiQ.com, for information, initiatives and ways to share best practice.

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About Lone River Beverage Co

Founded in 2019 by native Texan Katie Beal Brown, Lone River Beverage Company and its namesake Ranch Water hard seltzer are rooted in tradition and taste from the high desert of Far West Texas. At 80 calories and 4% ABV per can, Lone River Ranch Water brings an easy-drinking twist to Texas' classic cocktail. Lone River products, including Original, Spicy, Rio Red Grapefruit hard seltzer, are sold across Texas, Tennessee, Arizona, Alabama and the Florida panhandle in over 5,000 retail doors such as Kroger, Albertson's, Whole Foods Market, H-E-B, Costco, 7-Eleven, Food City, Total Wine & More, Specs, as well as independent stores. Lone River is also available via delivery platforms Drizly and Minibar. To learn more, visit www.loneriverbevco.com. Enjoy Responsibly.