

## DIAGEO TO ACQUIRE DON PAPA RUM

**17 JAN 2023:** Today, Diageo announces it has reached an agreement to acquire Don Papa Rum, a super-premium, dark rum from the Philippines. The upfront consideration is €260 million with a further potential consideration of up to €177.5 million through to 2028 subject to performance, reflecting the brand's current growth potential.

The super-premium plus segment of the rum category is in the early stages of premiumisation, with a compound annual growth rate (CAGR) of 18% in Europe and 27% in the US between 2016-2021. Through the same period, Don Papa Rum consistently outperformed the market in Europe, delivering a 29% CAGR\*.

Launched in 2012 by entrepreneur Stephen Carroll, together with Andrew John Garcia, Don Papa Rum is currently available in 30 countries, with France, Germany and Italy being its largest markets. Don Papa Rum has a unique flavour profile, highly distinctive packaging and an authentic brand story rooted in the beautiful island of Negros Occidental — known locally as 'Sugarlandia'. The rum is distilled and aged on the island in American oak barrels. The combination of the local sugar cane and the oak barrel ageing in a hot tropical climate provides the foundation for Don Papa Rum's long, rich-textured finish, which carries flavours of vanilla, honey, and candied fruits.

**John Kennedy, President, Diageo Europe and India, commented:** *"We are excited by the opportunity to bring Don Papa into the Diageo portfolio to complement our existing rums. This acquisition is in line with our strategy to acquire high growth brands with attractive margins that support premiumisation, and enables us to participate in the fast growing super-premium plus segment."*

**Stephen Carroll, Founder, Don Papa Rum, commented:** *"Diageo has a strong track record in nurturing founder-led brands. They believe in our unique story and have genuinely embraced our brand idea. We believe this acquisition is a great opportunity to take Don Papa into the next exciting chapter of its development."*

Stephen Carroll will remain involved with the brand, working alongside Diageo to build on Don Papa Rum's growth potential.

The acquisition will be funded through existing cash reserves and is expected to close in the first half of 2023. The company will be available to discuss the transaction in more detail after the release of Diageo's fiscal 23 interim results on 26 January 2023.

**ENDS**

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### About Diageo

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

\* IWSR 2016-21

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](http://www.diageo.com). Visit Diageo's global responsible drinking resource, [www.DRINKiQ.com](http://www.DRINKiQ.com), for information, initiatives, and ways to share best practice.

## **About Don Papa Rum**

Available in over 30 countries worldwide, Don Papa Rum is a super-premium dark rum from the Philippines. Distilled and aged in American oak barrels on the island of Negros Occidental (known locally as 'Sugarlandia'), the pure, original Negros sugar cane is the foundation for Don Papa Rum's long, rich-textured finish and flavours of vanilla, honey, and candied fruits. The namesake of Don Papa Rum is inspired by the unsung hero and mystic, Papa Isio, who was one of the leading figures of the late 19th century Philippine revolution. Initially a foreman at a sugar plantation, his leadership and courage played a critical part in liberating the island of Negros from Spanish rule. Don Papa is inspired by his legend and captures his spirit and sense of magic in every bottle.