

HABANOS SA

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- Habanos, S.A. maintains its leadership position with 15% growth in 2021.
- Spain, China, Germany, France and Switzerland lead the ranking of Habanos, S.A.'s most important countries.
- Habanos, S.A. announces that it will hold a Gala evening dedicated to the 55th anniversary of its most prestigious brand, Cohiba, on 9th of September in Havana.

Corporación Habanos, S.A., has released its financial data for the 2021 financial year, in which it obtained a turnover of 568 million dollars, with a 15% growth compared to the previous year.

“The 2021 results confirm the solid path we are on, despite the crisis caused by Covid-19. Last year we surpassed the \$500 million mark for Premium cigar sales worldwide, an all-time record for the category and a testament to the enormous potential of our business. We are very proud to lead the premium cigar category and to continue to grow despite the situations experienced over the past two years,” said Inocente Núñez Blanco and Luis Sánchez-Harguindey Pardo de Vera, Co-Presidents of Habanos, S.A.

In the ranking by country, Habanos, S.A.'s top 5 markets in terms of sales volume were Spain, China, Germany, France and Switzerland. Spain and China were once again the most important markets. By region, Europe remains Habanos' main market, with 59% of sales volume, followed by Asia Pacific (16%), America (14%) and Africa and the Middle East (11%).

Leopoldo Cintra González, Commercial Vice-President, and José María López Inchaurre, Vice-President of Development of Habanos, S.A., consider that *“At Habanos, S.A. we maintain our commitment to offer the best experience to our aficionados, exclusive products and novelties, all in keeping with the quality, tradition and unique origin that make our Habanos a luxury product appreciated all over the world. Our aficionados have remained loyal to Habanos and their tastes and, in many cases over the past year, they have incorporated into their domestic consumption vitolas and brands that used to be part of a more social consumption”*.

The exceptional situation we have experienced as a result of the pandemic has led to certain changes in consumer habits. Within this new context, the company has been able to adapt and, together with its Exclusive Distributors, has managed to keep the passion for Habanos alive as a result of its marketing strategies, launches, new products, virtual events and, when possible, face-to-face events.

Another key to success has been the retail concept , which continues to be an essential aspect of the Habano business, based on specialization, exclusive products and good service. These retail concept are a unique attraction for Habano and Premium cigar lovers. Despite the situation in 2021, at year-end the company had 20 Cohiba Atmosphere, 160 La Casa del Habano (+3%), 1,217 Habanos Specialist, 2,465 Habanos Point (+7%), and 486 Habanos Lounge / Habanos Terrace. These figures are proof of the strategic success of these concepts.

We are aware of the impact and delays in the supply of some of our best-selling vitolas, caused largely by the pandemic and by the strong international demand. Despite this situation, 38 new products were exported in 2021 and already, after the first quarter of 2022, we are seeing a gradual improvement in supply.

Some of the most eagerly awaited releases by aficionados: Cohiba Ambar Cohiba Ideales and Cohiba Edición Limitada 2021, all dedicated to the brand's 55th anniversary, could not be presented and tasted at the famous Habano Festival cancelled in 2021 and 2022, but were presented at an innovative virtual event called Habanos World Days. Today, Habanos, S.A. is pleased to announce that it will hold a Gala evening to commemorate the 55th anniversary of its most prestigious brand, Cohiba, on September 9th in Havana, Cuba. This and other surprises will soon be announced in greater detail on Habanos, S.A.'s official channels.

Habanos redefines the concept of luxury in premium cigars

As every year around this time, Habanos, S.A. has updated its selling prices for the distribution network for its entire portfolio. For 2022, they have been established taking into account the current demanding aspects affecting all sectors, including the luxury and premium cigar market, and a new strategy of global homogenization in the highest segment of the price pyramid.

Cohiba's unquestionable leadership worldwide, the strengthening of its positioning with new, even more exclusive projects, and the imbalance between supply (limited by the brand's unique characteristics) and the unstoppable demand for its vitolas, place Habanos' number one brand not only as the world's most exclusive premium cigar brand, but at the level of the most exclusive brands in all luxury sectors. Habanos, S.A. has decided to reinforce this positioning and to set Cohiba prices uniformly at a global level, taking the Hong Kong RRSP as a reference.

This decision applies similarly to the Trinidad brand, which consolidates its position among the elite of Habanos' brands by becoming the boutique Habanos brand par excellence.

Other vitolas and lines of unquestionable value in brands such as Montecristo, Partagás, or Romeo y Julieta are also raising the prices of some of their most exclusive items, similarly to Cohiba and Trinidad, and redefining the concept of luxury in the premium cigar sector.

