

## Diageo acquires leading Texas super premium whisky distiller, Balcones Distilling

**2 November 2022:** Today, Diageo announces it has acquired Balcones Distilling ('Balcones'), a Texas craft distiller and one of the leading producers of American Single Malt Whisky in the United States.

Founded in Waco, Texas in 2008, Balcones is a celebrated player in the emerging whisk(e)y movement in Texas, with a diverse portfolio of award-winning super premium and above whiskies, including Texas "1" American Single Malt, Lineage American Single Malt and Baby Blue Corn Whisky. Balcones embraces Texas' intense heat as well as its temperature fluctuations to create whiskies with differentiated flavours. The team also leverages distinctive high quality, and often locally sourced, original ingredients, including Texas-grown malted barley and roasted blue corn, to produce a range of highly decorated whiskies.

The super premium and above whisk(e)y segment has seen consistent volume growth in the US in recent years, with a compound annual growth rate (CAGR) of 13.3% from 2016 to 2021.<sup>i</sup> Within that, American Single Malt Whisky has been a driver of momentum, with 18.2% CAGR over the same period.<sup>ii</sup>

**Claudia Schubert, President, Diageo North America, commented:** "We are delighted to welcome Balcones Distilling into Diageo. The Balcones team are true innovators and pioneers in the emerging American Single Malt and Texas whisk(e)y movements, and their super premium plus whiskies are highly complementary to our whisk(e)y portfolio. This acquisition is in line with our strategy to acquire high growth brands in fast growing segments, such as super premium whisk(e)y, and we look forward to working with the Balcones team to support further growth for these world-class whiskies."

**Greg Allen, Chairman, Balcones Distilling, said:** "Balcones started with an idea driven by an innovative spirit and passion to create something original and authentic in the heart of Texas. Now, we couldn't be prouder to have created these award-winning American Single Malt and Texas whiskies, but also to have helped initiate an exciting new era of whisk(e)y in Texas. We are thrilled that Diageo shares our belief in its potential and we look forward to seeing Diageo bring Balcones' incredible whiskies to more consumers."

The acquisition has been funded through existing cash resources.

**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.

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.

*Celebrating life, every day, everywhere.*

## **About Balcones Distilling**

Driven by a passion to create something original and authentic, Balcones Distilling marries centuries of distilling tradition with the bold flavours of Texas. Balcones is synonymous with quality and innovation in the whisky industry, known for emphasizing high quality ingredients and drawing influences from all over Texas. To date, the distillery has earned more than 500 national and international tasting awards and accolades for their whiskies and spirits.

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<sup>i</sup> IWSR, volume

<sup>ii</sup> IWSR, US Single Malt Whisky category volume