

YOUNGER CONSUMERS INCREASINGLY ASPIRE TOWARDS MORE NATURAL LIFESTYLES

Watermelon vodka shoppers are young and diverse	Gen Z / Millennials are conscious about what they put in their bodies	Day Drinking is an important occasion as it allows for quality time to connect with friends / family
34% of Watermelon vodka shoppers are Black/AfAm vs. 13% for the spirits category	74% of Millennials are motivated by wellbeing to employ a conscious drinking strategy	Vodka is the #1 spirit for day drinking and over-indexes in afternoon group drinking occasions (126 index)
30% of Watermelon vodka shoppers are Millennials	64% of Millennials choose alcoholic drinks containing fewer calories	12% of alcohol occasions start in the morning or early afternoon
6% of Watermelon vodka shoppers are Gen Z	87% of Millennials are actively trying to reduce sugar consumption or are trying to consume sugar in moderation	29% percent of men and 19% of women say they drink in the daytime weekly



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Source: Millennials, Conscious Drinking (Bonamy Finch, 2018), Attitudes Towards Low and Non-Alcoholic Drinks (Mintel, 2017), Premium products are in high demand around the world (Nielsen, 2016)

INTRODUCING ABSOLUT WATERMELON COMING FEB OF FY21

WHAT

- Introducing Absolut's newest addition to the range with a lower ABV (38%) for an enhanced flavor profile
- Refreshing, tasty and summery flavor made exclusively from natural ingredients, containing no added sugar

NO
ADDED
SUGAR

WHO

- Health-conscious Millennials + Gen Z (LDA to 30 years old)¹
- Regular online frequency researching current trends and product variety²
- Consumers looking to simplify cocktail and spritz recipes

WHY

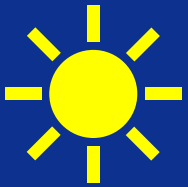
- Among Gen Z consumers, Watermelon is the 2nd most popular summer flavor in mixed alcoholic drinks with 80% saying they "love/like it"
- Associated with light summer refreshment, watermelon vodka is trending during summer and has grown 90% over the past two years. Flavorsome, but not domineering, the fruity has proved a versatile addition across numerous categories
- Watermelon vodka shoppers are younger and more diverse than the average spirits buyer (Gen Z 160 index, Millennial 123 index and AfAm 263 index).
- Watermelon appeals to Millennial/ Gen Z seeking out "better for me" alternatives without compromising on quality

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WATERMELON IS THE NEW FLAVOR OF SUMMER

LIQUID & CATEGORY



A light, refreshing and summery flavor with broad appeal



Watermelon Vodka
Size of Prize \$24M



Watermelon vodka has grown +90% in only two years driven by innovation

SERVE



Tiered drink strategy featuring:

- +1 recipes
- Cocktails
- Group Serves

Among Gen Z, Watermelon is the #2 summer flavor in mixed alcoholic drinks, with 80% saying they "Love/Like it" behind only Strawberry



OCCASION



Casual Get-Together

#1 most frequent drinking occasion



Day Drinking

Fastest growing type of drinking occasion among Millennials



WATERMELON LAUNCH WILL BE TACTICAL WITH IN-STORE TOOLS TO DRIVE CONVERSION

CONVERSATION



🍉 Included in F21 Summer comms alongside Blue to drive awareness



🍉 eCommerce investment given rising hometainment



🍉 Search support targeting consumers interested in watermelon vodka

CONVERSION



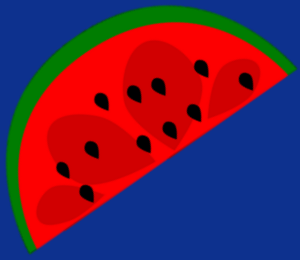
🍉 Developing co-displays and POS incorporating Watermelon and Blue



🍉 Launching Frozen Cocktail Set VAP with ice pop molds



🍉 Adding Watermelon hitchhikers to Blue to drive trial during launch



FAQS

What is the shelf life of Absolut Watermelon?

The products are best enjoyed within 24 months but no “best before” date is communicated on the packaging in line with our existing flavor portfolio.

Is there any sugar in the product?

No! Unlike competitive products which are laden with added sugar, Absolut Watermelon does not contain any added sugar in line with our existing flavor portfolio. This creates a versatile liquid that goes well with soda or your favorite mixer!

Is the liquid colored?

No, the liquid is clear, but the bottle features a colored back panel for enhanced shelf standout.

Why is the ABV of this product 38% compared to the standard 40% ABV?

The ABV has been reduced to 38% to deliver an enhanced flavor experience and allows for the perfect balance with soda and in delicious cocktails.

Are you planning to change the ABV on the rest of the Absolut flavors portfolio and if so, when?

At this time we are not planning to change the ABV on any of our existing products.

