

# Diageo to buy super-premium Don Papa Rum for at least €260m

Premium drinks giant Diageo has reached an agreement to acquire Don Papa Rum, a super-premium dark rum from the Philippines. The upfront consideration is €260m with a further potential consideration of up to €177.5m through to 2028 subject to performance.



Source: Supplied

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, distinctive packaging and a brand story rooted in the 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.



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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.”

Carroll, founder of 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.”



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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.

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