

Habanos smashes sales record in 2021

Cuban cigar supplier Corporación Habanos S.A. achieved a record turnover of US\$568 million in 2021, with 15% growth compared to the previous year.

Inocente Núñez Blanco and Luis Sánchez-Harguindey Pardo de Vera, Co-Presidents of Habanos, S.A, said: "The 2021 results confirm the solid path we are on, despite the crisis caused by Covid-19. Last year we surpassed the US\$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."

Habanos S.A.'s top five markets by 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., said: "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."

Changes in consumer habits

The pandemic has led to changes in consumer habits but 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.

At the end of 2021, the company counted 20 Cohiba Atmosphere concepts, 160 La Casa del Habano (+3%), 1,217 Habanos Specialists, 2,465 Habanos Points (+7%), and 486 Habanos Lounges/Habanos Terraces.

Despite the delays in the supply of some of its best-selling vitolas, caused largely by the pandemic and by strong international demand, 38 new products were exported in 2021 and already, after the first quarter of 2022, the company is 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 Habano Festival which was canceled in 2021 and 2022, but were introduced at an innovative virtual event called Habanos World Days.

However, Habanos, S.A. has announced that it will hold an in-person gala evening to commemorate the 55th anniversary of its most prestigious brand, Cohiba, on September 9 in Havana, Cuba.

Habanos redefines the concept of luxury

As every year around this time, Habanos S.A. has updated the selling prices for its portfolio. For 2022, they have taken 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”, the company said.

It continued: “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.”