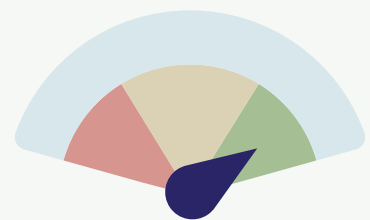


Investing in Armagnac Casks

with

 Splint Invest



Risk Category

Low-moderate



Average Return

8%



Investment Horizon

4-11 years



Armagnac Casks as Investment

The Armagnac cask market is characterized by significant barriers to entry, including the need for a substantial initial investment, exclusivity, and a relatively closed-off community.

In recent years, whisky prices have soared to unprecedented heights. Collectors and enthusiasts are increasingly faced with sky-high prices for coveted bottles of single-malt Scotch and bourbon. With some whiskies fetching tens of thousands of dollars, many are turning to alternatives that offer similar sophistication and depth at more accessible prices. Enter Armagnac—a French brandy that not only provides a comparable taste experience but also represents a compelling investment opportunity due to its unique characteristics and rising popularity.

Armagnac, France's oldest brandy, offers a taste profile that rivals that of well-aged whiskies. While Scotch and bourbon have become symbols of status and luxury, Armagnac provides a rich, complex flavor at a fraction of the cost. This lesser-known spirit, which predates Cognac by 150 years, is made in the southwest corner of France and adheres to stringent regulations that ensure its quality and authenticity.



Historical performance

The Armagnac casks have generated an average return of over 10% per annum.¹



Highly Limited supply

Armagnac produces about 3 million bottles annually, while the whisky industry, in 2023, exported approximately 1.35 billion bottles.



Provenance

Just like whisky, Armagnac is governed by a set of rigorous regulations that ensure its quality. The spirit must be produced within the designated Armagnac region and adhere to the AOC (Appellation d'Origine Contrôlée) guidelines.

¹ armagnac.fr

Market Overview

Market Size

The market size of Armagnac was valued at approximately \$105 million in 2023 and is projected to reach around \$140.71 million by 2030.¹

Key Markets

France, USA, UK, Russia and travel retail

Production Regions

The Armagnac region is limited to France and covers about 15,000 hectares of vineyards in the departments of Gers, Landes, and Lot-et-Garonne

Capital Growth Rate for Casks

In 2023, the Armagnac cask market saw an estimated annual growth rate of 5% up to 2030.¹

Controlled process

Producer must adhere to the AOC (Appellation d'Origine Contrôlée) guideline

Grapes Used

The primary grape varieties used in Armagnac production include Baco 22A, Colombard, Folle Blanche, and Ugni Blanc

Risk Considerations



Damaged cask

Properly managing and storing casks is essential for preserving their inherent worth. However, unforeseen circumstances like human mistakes, fires, or natural calamities can lead to damage or destruction of these barrels.

Aging

The barrel must be consistently observed during the aging period. The objective is to manage alcohol evaporation (ABV levels) and determine the appropriate moment for bottling. Risks involved include low ABV, insufficient or excessive maturation periods.

Market conditions

After conducting thorough due diligence and market research, it becomes possible to identify investment-grade assets. However, the challenge lies in paying the appropriate price for these assets, as there is a risk of acquiring them at a premium.

Investment case

Just like physical assets, there are fees and taxes associated. The greater the value of the asset, the greater these expenses become. Therefore, when making a purchase, the potential income must outweigh these costs for the investment to be worthwhile.

Investing with Splint Invest

Diversification

With Splint Invest, you can easily diversify your portfolio, therefore reducing your risk by investing in the 20 already available asset categories with numerous exciting assets on the platform.

Verified Investment Case

Every potential investment case goes through an extensive due diligence process and is validated by our experienced team.

Proven Track Record

The Armagnac casks are sourced from our trusted partners with high market expertise and a proven track record for Armagnac cask investments.

Security

The assets are securely stored and insured in freeports and vaults.



Collaborators



Mario von Bergen
Co-Founder
Head of Investments

The forecasted estimates are based on past performance data. Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, or product made reference to directly or indirectly in this factsheet, will be profitable, equal any corresponding indicated performance level, or be suitable for your portfolio. Due to various factors, including changing market conditions, the content may no longer be reflective of current opinions or positions.

For further information contact us at info@splintinvest.com