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Hennessy’s Brand Value Fell 29% to US$3.8 Billion, Brand Finance Says

The steepest drop among major cognac brands reflected weaker premium demand, trade disruption and inventory normalization in the United States and China.

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Hennessy’s brand value fell to US$3.8 billion in 2026, down 29% from a year earlier, according to a new report from Brand Finance, a London-based brand valuation consultancy that tracks the world’s largest spirits names. Based on the firm’s rounded figures, that suggests the cognac label lost about US$1.55 billion in estimated brand value from 2025, when its value would have been about US$5.35 billion.

The decline stood out in a year when Brand Finance said the global spirits business moved in sharply different directions. Tequila brands posted some of the fastest gains in the industry, while cognac and Scotch whisky brands came under pressure from tariffs, softer demand and weaker premium spending in key export markets.

Within cognac, the picture was mixed. Brand Finance said Martell increased 7% to US$925 million, making it the only cognac brand in its ranking to grow this year. Rémy Martin slipped 4% to US$806 million. Hennessy remained far larger than both rivals by the firm’s measure, but its drop was by far the steepest among the major cognac brands cited in the report.

Brand Finance published the findings on October 8 in its Alcoholic Drinks 2026 report. The firm said the total brand value of the world’s 50 most valuable spirits brands was US$161 billion in 2026, down nearly 4% from 2025.

The consultancy said cognac has been hit in its two most important markets, the United States and China. It pointed to trade disruption, inventory normalization and softer demand for high-end spirits as the main reasons for weaker brand performance. Henry Farr, Brand Finance’s global sector head for alcoholic drinks, said brands that rely heavily on one or two export markets have been especially exposed as tariffs and slower premium consumption weigh on sales conditions.

The report did not present the Hennessy decline as a measure of revenue, profit or a possible sale price. Brand Finance values brands as intangible assets using what it calls the royalty relief method, which estimates the future revenues linked to a brand and the royalty a company would theoretically pay to use it if it were licensed in the open market. The firm also said its calculations are based on publicly available information and assumptions where data is limited. The release did not break out the effect of currency movements on year-over-year changes.

The broader report showed that weakness in cognac was part of a larger shift inside the global spirits market. Chinese baijiu brands still dominate by total value. Moutai remained the world's most valuable spirits brand, with its brand value rising 2% to US$59.6 billion. Wuliangye stayed second at US$27.3 billion. Xinghuacun Fen Wine rose 6% to US$6.2 billion and moved ahead of Luzhou Laojiao, which fell 16% to US$5.3 billion.

Tequila, however, was the clearest growth story in the ranking. José Cuervo was the fastest-growing spirits brand in the report, with its brand value rising 61% to US$1.6 billion. Don Julio increased 57% to US$2.5 billion, and Patrón rose 36% to US$2.4 billion. Brand Finance said those gains reflect tequila's move beyond party drinking into premium sipping, gifting and lifestyle consumption.

That growth came even as the U.S. spirits market became more difficult. Brand Finance cited Distilled Spirits Council data showing that U.S. spirits supplier sales fell more than 2% to US$36.4 billion in 2025. At the same time, spirits-based ready-to-drink cocktails continued to expand, with sales growth of more than 16%.

Scotch whisky brands also lost ground in the report. Chivas Regal fell 32% to US$900 million. Johnnie Walker declined 10% to US$2.8 billion. Glenfiddich was an exception, rising 13% to US$493 million. Brand Finance linked the pressure on Scotch to tariffs in the U.S. market, softer consumer demand and higher operating costs.

One bright spot outside tequila was Crown Royal. Brand Finance named it the strongest spirits brand in the world in 2026, giving it a Brand Strength Index score of 96 out of 100 and an AAA+ rating. Its brand value rose 12% to US$2.7 billion. The firm said the Canadian whisky brand benefited from strong credibility with consumers, price acceptance and growth in ready-to-drink products.

For cognac producers, the new numbers point to a widening split inside the category. Hennessy still leads by a wide margin in absolute brand value, but its estimated decline was severe. Martell moved in the opposite direction, posting modest growth in a difficult market, while Rémy Martin recorded a smaller drop. Brand Finance's findings suggest that even within the same category, producers are not experiencing the downturn in the same way.

The report did not provide a separate market-by-market breakdown for each cognac brand, and it did not detail how much of Hennessy’s decline came from changes in demand, pricing power or geographic exposure. But Brand Finance’s explanation centered on pressure in the U.S. and China, the two markets that matter most for the category. Those countries have faced trade frictions, a more cautious consumer environment and weaker appetite for expensive imported spirits, all of which have hurt a segment that depends heavily on premium positioning.

Because the figures are estimates of brand value rather than operating results, they should not be read as a direct measure of how much a company sold or earned in a given year. Even so, the scale of the decline for Hennessy, compared with the improvement at Martell and the smaller retreat at Rémy Martin, offers a new measure of how uneven the current downturn has become for the major cognac houses.