



Pernod Ricard
Créateurs de convivialité

FY22 HALF-YEAR SALES AND RESULTS



10 February 2022

All growth data specified in this presentation refers to organic growth (constant FX and Group structure), unless otherwise stated.

Data may be subject to rounding.

This presentation can be downloaded from our website: www.pernod-ricard.com



Contents

- 3 ● Executive Summary
- 8 ● Sales
- 18 ● Profit
- 22 ● Cash Flow and Debt
- 25 ● Conclusion and Outlook
- 27 ● Appendices

EXECUTIVE SUMMARY


Pernod Ricard

Créateurs de convivialité

+25%

Reported PRO¹

Organic PRO +22%

+20%

Reported Sales

Organic Sales +17%

+39%

€1.4bn

Recurring Free Cash Flow

Record breaking Sales and PRO¹ at c. €6bn and c. €2bn

Very strong Net Sales performance with robust demand in most markets

- Diversified growth across regions and categories with On-trade rebound and Off-trade resilience
- All Must-Win markets growing strongly and market share gains in most markets
- Strong price/mix +6% on Strategic Brands

Strong financial performance

- Dynamic Sales with phasing of A&P spend resulting in strong operating margin expansion +147bps
- Very strong cash generation with Recurring Free Cash Flow at €1.4bn

Dynamic financial policy

- Active portfolio management, with acquisition of **The Whisky Exchange** and minority stake in **Sovereign Brands**
- Resumption of share buy-back with €250m executed

Business transformation velocity

- Driving 2030 Sustainability & Responsibility roadmap at pace
- Agile resource allocations investing on strategic priorities to secure sustainable long-term value growth
- Strong progress in digital transformation and solid e-commerce growth



+32%

Net PRO²

+39%

**Recurring Free Cash
Flow²**



Pernod Ricard

Créateurs de convivialité

Excellent performance with Sales and PRO well above pre-Covid levels¹

	H1 FY22	reported Δ vs. LY	organic Δ vs. LY	vs. pre-Covid ¹
Sales	5,959	+20%	+16.8%	+13%
Mature markets	3,184		+13%	+8%
Emerging markets	2,775		+21%	+21%
Profit from Recurring Operations (PRO)	1,998	+25%	+22.1%	+20%
PRO / Sales	33.5%		+147bps	+167bps
Net PRO Group Share	1,438	+32%		+18% ²
Net Profit Group Share	1,390	+44%		+35% ²
Recurring Free Cash Flow	1,383	+39%		+121%²
Free Cash Flow	1,320	+58%		+132% ²
Net Debt to EBITDA	2.4x	-1.0x		-0.3x ²

1. vs. H1 FY20, at constant FX

2. Reported growth

Convivialité at the heart of our grain to glass strategy

Creating value for all our stakeholders



Leader in the beverage industry



United Nations
Global Compact

LEAD participant status



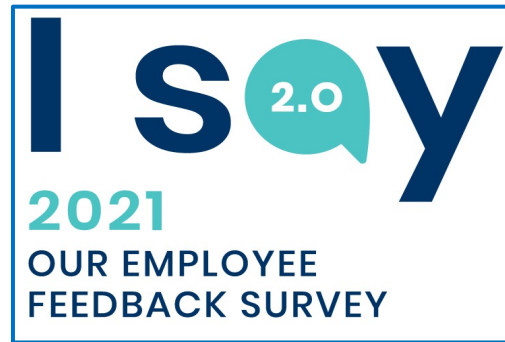
Valuing people

Strong employee engagement

They tell us they have:

- *Clarity of the Pernod Ricard Strategy*
- *Right Culture to be successful*
- *Teams Live the company Values*

Our employees recommend Pernod Ricard as a **Great Place to Work**



Taking Care of Each Other

Developing together the future of work to meet our employee needs:

- Creating contemporary work environments that foster **Agility and Collaboration**
- Elevating **employee support** during COVID crisis

Nurturing Terroir

Collaborating with farmers & suppliers

60 priority terroirs fully mapped

10 pilots launched on regenerative agriculture, in line with IUCN Agriculture & Land Health



Responsible Hosting

Drink More Water: this is how Pernod Ricard is trying to lead the way and empower young adults to make the right choices



Engaging with consumers on responsible drinking

Global campaign launched in over 34 countries, reaching over 60m young adults



Pernod Ricard

Créateurs de convivialité

Agility to gain exposure to fast growing categories and scale acquired brands

Leveraging unique partnerships with industry pioneers



THE WHISKY
EXCHANGE
WORLD OF FINE SPIRITS

Acquisition of The Whisky Exchange, a leading online spirits retailer, reinforcing positioning in fast growing e-commerce



Minority stake in U.S. based Sovereign Brands, innovative creators of Luc Belaire (a French sparkling wine), Bumbu (a range of rum products from the Caribbean) and other brands

Successful integration in Pernod Ricard ecosystem driving impressive growth¹

2016²



x4

2017

DEL MAGUEY
SINGLE VILLAGE MEZCAL

x3

2017



x2

2019



2019



2019



2019



x5

1. Net Sales growth since acquisition

2. Date of acquisition

A man wearing a dark beanie and a light-colored t-shirt is seated at a bar, holding a snifter glass filled with cognac. He is looking down at the glass with a slight smile. The background is a blurred bar scene with other patrons and warm, ambient lighting. The entire image has a strong green color cast.

SALES



Pernod Ricard

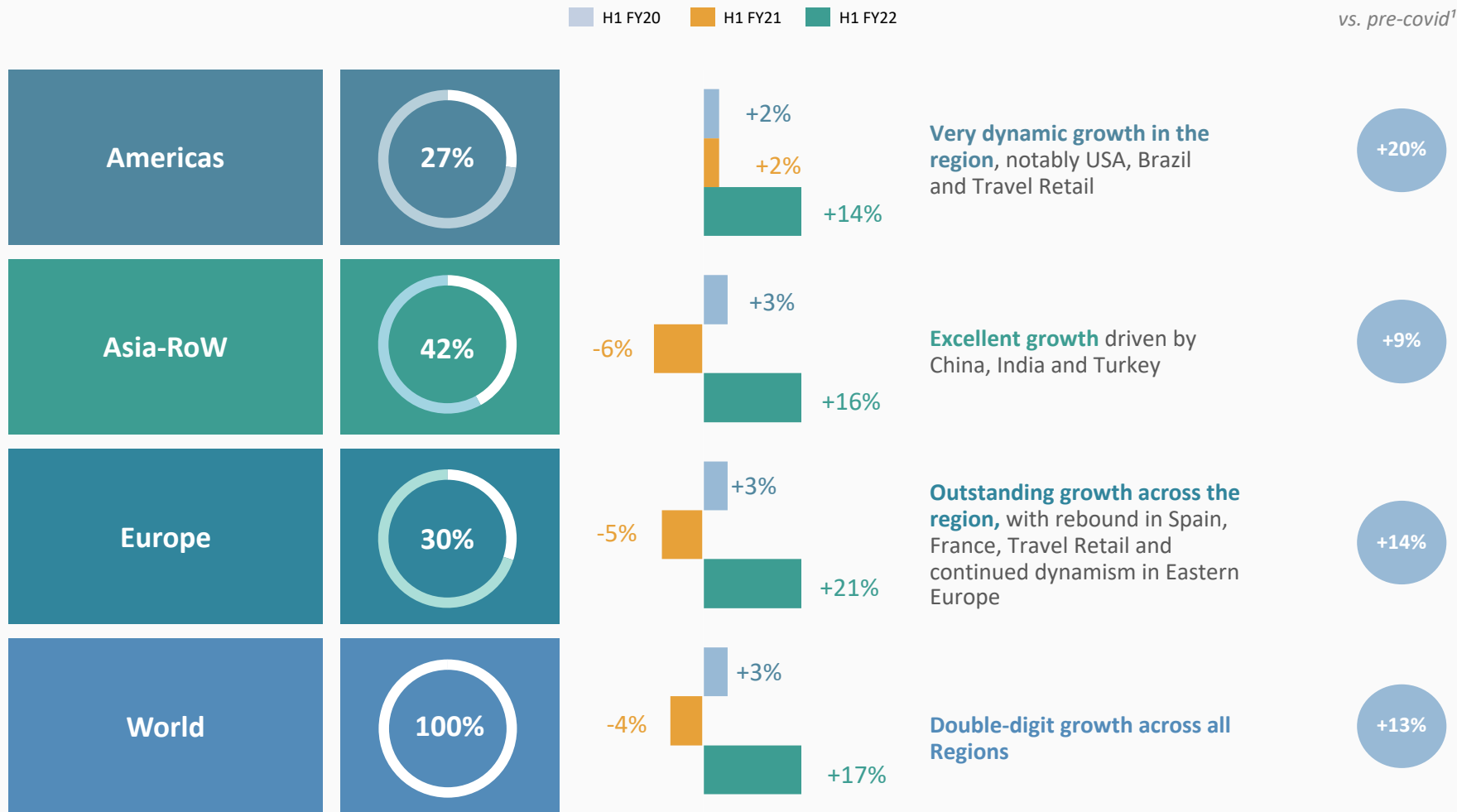
Créateurs de convivialité

Sales analysis

+20%
Reported Sales

+17%
Organic Sales

Transform and Accelerate strategy delivering double-digit growth across all Regions



% of Net Sales

1. vs. H1 FY20, at constant FX



All Must-Win markets in very dynamic growth

USA: +9% / +17%¹

Strong On-trade recovery and resilient Off-trade driving good sell-out growth

Growth driven by Jameson, Martell and Super Premium whiskeys (Redbreast and US whiskeys)

Very strong rebound of Jameson in On-trade. Launch of Jameson Orange in H2

Excellent performance of Martell and new media campaign with Janelle Monae

Very solid contribution to **growth of The Glenlivet**

Continued development of Agave portfolio in particular Del Maguey

Global Travel Retail: +38% / -41%¹

Steady recovery of international passenger traffic outside of Asia and despite slight slowdown in December

Return to growth in all regions on very favorable comparison basis but activity still below pre-covid levels

Resumption of strong activations, notably on Jameson and Chivas Regal

China: +14% / +28%¹

Good growth, with good MAF²

Solid Martell sell-out despite localised On-trade disruptions in H1

Acceleration of The Glenlivet and strong growth of Royal Salute and Ballantine's

Continued strong development of Absolut

Unveiling of THE CHUAN China's first ever malt whisky distillery by an international player

India: +19% / +12%¹

Very dynamic and broad-based growth across the portfolio, with strong underlying demand, favoured by low basis of comparison

Winning premiumisation strategy resulting in a strong mix within Seagram's Indian Whiskies and leadership maintained

Strategic International Brands in very strong growth, notably Jameson, Chivas Regal and Ballantine's

1. vs. pre-covid (vs. H1 FY20, at constant FX)

2. Mid-Autumn Festival



Excellent growth momentum and market share gains in most markets

Europe¹: +21%

France: rebound driven by On-trade recovery with Champagne momentum and strong growth of Ballantine's and Absolut

Spain: +34%, On-trade rebound benefitting notably Gin & Whisky, despite supply tensions. Good contribution to growth of innovations Beefeater Light and Ballantine's Light

UK: strong growth of Havana Club, Jameson and Absolut partly offset by decline of wine portfolio

Germany: continued good growth on high comparison basis driven by Jameson and Absolut

Russia: very strong growth supported by Jameson and Ballantine's and strong price/mix

Poland: +22%, strong rebound of On-trade on the back of easing restrictions, continued momentum of whiskies

Americas¹ incl. USA: +14%

Canada: modest decline on a high comparison. Market share gain on Absolut, Jameson and The Glenlivet

Brazil: continued excellent growth of Strategic International Brands, notably Absolut, Chivas Regal and Ballantine's, enhanced by price increases

Mexico: growth driven by Chivas Regal and Absolut. Strong price/mix

Asia-RoW¹ incl. China and India: +16%

Japan: good recovery on low comparison basis, notably Perrier-Jouët growth in On-trade driving favorable mix.

Korea: continued strong development of Strategic International Brand portfolio in Off-trade

Nigeria: outstanding growth driven by development of Jameson and Martell

Turkey: strong double digit growth, with price increases and continued very strong momentum behind whiskies and Absolut

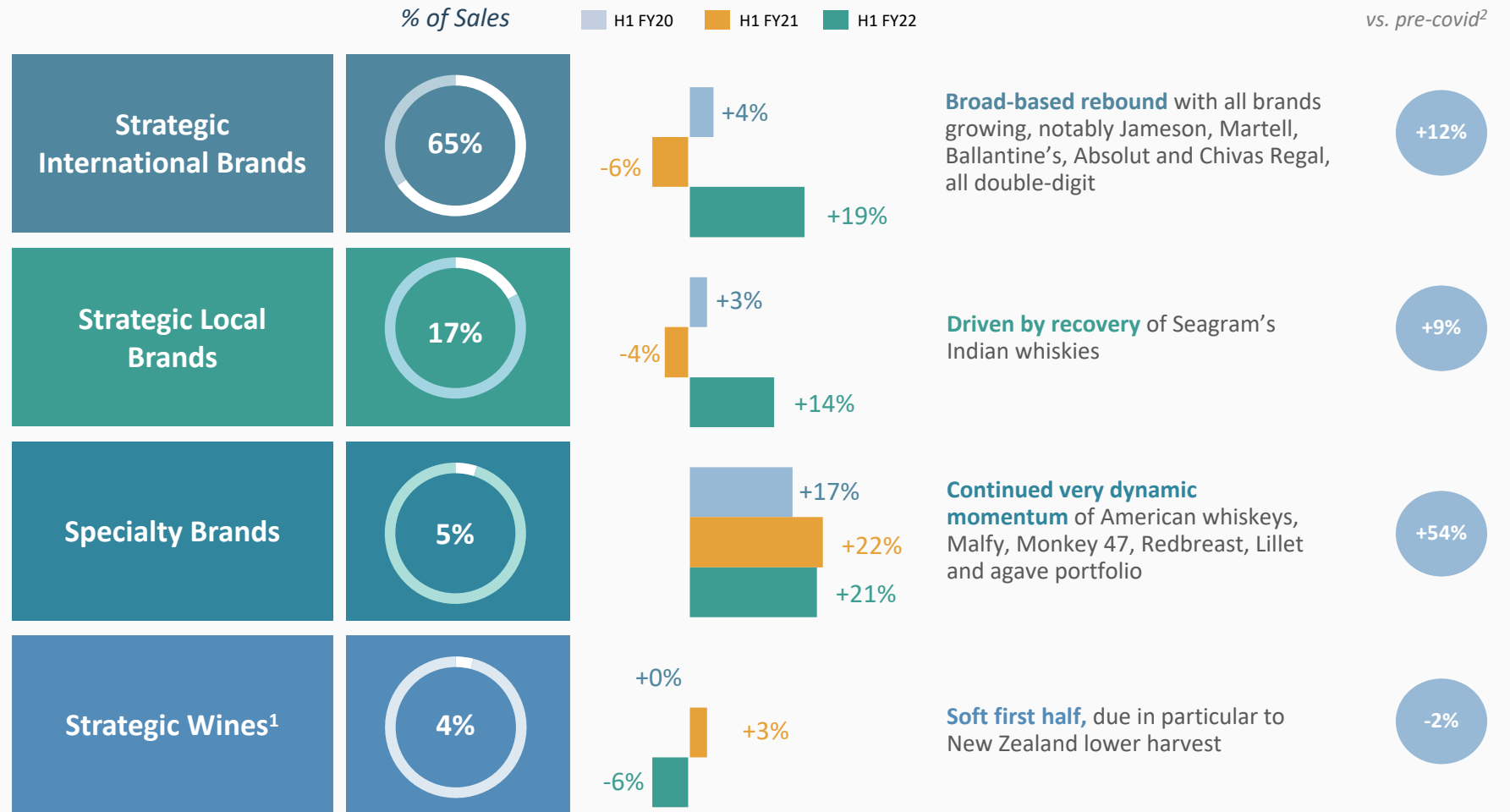


Pernod Ricard

Créateurs de convivialité



Excellent growth of Strategic International Brands and Specialty portfolio driving strong price/mix



Price/mix +6% on Strategic Brands

1. Perimeter change: strategic Wines historical growth restated with addition of Mumm Sparkling and Church Road (adding 1pt of organic growth to H1 FY21 and 2pts to H1 FY22)

2. vs. H1 FY20, at constant FX

Sales analysis



All brands benefiting from resilient Off-trade and recovery of On-trade in all markets

Martell: +11% / +8%¹

Continued growth momentum in China driven mainly by Noblige and Cordon Bleu

Strong development outside of China, in line with internationalisation strategy, notably very strong growth in Nigeria and Russia

Strong underlying Sell-out growth in USA (+23%/+30%)² leveraging continued consumer traction behind cognac category

Jameson: +22% / +25%¹

Continued strong global expansion

Very strong performance in USA supported by continued On-trade recovery

Europe in very strong double-digit growth, driven by Russia, Ireland, UK and Germany

Continued very fast development in Nigeria and India. Rebound in South Africa

Absolut: +23% / +9%¹

Excellent international development, +35% outside of USA

Broad-based rebound with growth notably driven by Brazil, France and Spain

Resilience in USA with On-trade recovery

Good pricing notably in Eastern Europe and Brazil

Scotch: +23% / +10%¹

Broad-based growth across the portfolio with good pricing

Chivas Regal: +23%, driven by 12yo, with rebound in Travel Retail, continued excellent momentum in Turkey and very strong growth in LATAM

Ballantine's: +29%, driven by Ballantine's Finest growth mainly in Spain, Brazil, France, Russia and Asia. Good development of innovations Ballantine's 7yo Bourbon and Ballantine's Light

The Glenlivet: +21%, continued very strong growth, on solid comparison basis, notably driven by China, USA, India and Korea

Royal Salute: +41%, strong recovery from a low basis of comparison due to high exposure to Travel Retail. Good growth in domestic markets driven by Taiwan market, Korea and China

¹. vs. pre-covid (vs. H1 FY20, at constant FX)

². Nielsen 52wk data ended January 1st / Nabca 52wk data ended December. NB Nabca includes On-trade

Sales analysis

Strong media investments behind our brands



Chivas released the two limited-edition bottles **Balmain x Chivas XV** collection, developed in partnership with Olivier Rousteing



New media campaign in USA '**Soar Beyond the Expected**', with **Janelle Monae**



Blender's **Pride Indian whisky** announced Alia Bhatt as the new face of the brand with a campaign film, '**Made of Pride**'



Perrier-Jouët introduced '**Fill Your World with Wonder**', a new campaign rooted in its **vineyards and savoir-faire** collaborating with a Dutch artist, **Viviane Sassen**

Innovation in strong growth +43%



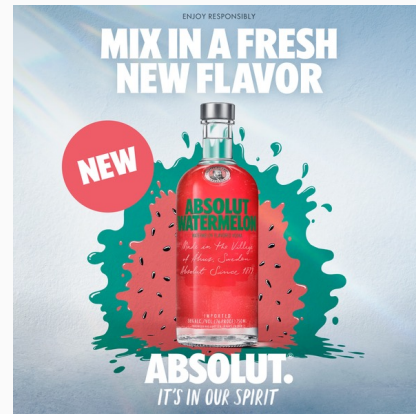
Launch of **Jameson Orange**



Continued development of **Ballantine's** and **Beefeater Light** in Spain



The Glenlivet 15yo with broad based growth



Very strong development of **Absolut Watermelon**



Martell Blue Swift in very strong growth in USA



Outstanding development of **Chivas 13yo Sherry**



Sales
analysis

+21%

Specialty Brands

Specialty Brands maintaining very strong momentum across regions



Aberlour: +9%, developing strongly notably in China, Eastern Europe and France
Redbreast in strong double-digit growth driven by USA and Ireland



Lillet in high single-digit growth, on high comparison basis, mainly driven by Western Europe and USA



Continued dynamic development of Agave portfolio +20% benefiting from On-trade recovery. Launch of Avion Cristalino in second half



Continued strong growth of American whiskey portfolio +31% with Jefferson's, Rabbit Hole, TX and Smooth Ambler



Monkey 47: +24%, with growth driven by Western Europe and USA
Malfy in strong double-digit growth





Other Strategic International Brands growing



Malibu: +9%, driven by Western Europe, USA and South Korea



Beefeater: +31%, rebounding strongly mainly due to On-trade recovery in Spain and outstanding growth in Brazil. Continued double-digit growth of Beefeater Pink



Havana Club: +12%, mostly driven by Western Europe offsetting soft performance in Cuba due to sanitary context and monetary reunification



Ricard: +2%, rebound on low basis of comparison



Mumm: +24%, driven by Champagne momentum in France and good rebound in On-trade in Italy, USA and Spain



Perrier-Jouët: +51%, broad-based rebound with growth notably driven by Japan and USA



Prestige portfolio: +18%, broad-based growth, in particular dynamism of Martell and Perrier-Jouët



PROFIT



Pernod Ricard

Créateurs de convivialité

+25%

Reported PRO

+22%

Organic PRO

Dynamic Sales with A&P spend phasing resulting in strong operating margin expansion +147bps

€ millions	H1 FY21	H1 FY22	reported Δ	organic Δ
Sales	4,985	5,959	+20%	+17%
Gross margin after logistics costs (GM)	3,021	3,640	+20%	+18%
GM / Sales	60.6%	61.1%		+39bps
Advertising & prom. expenditure (A&P)	(706)	(840)	+19%	+16%
A&P / Sales	14.2%	14.1%		+13bps
Contribution after A&P expenditure (CAAP)	2,315	2,801	+21%	+18%
CAAP / Sales	46.4%	47.0%		+52bps
Structure ¹	(721)	(803)	+11%	+9%
Structure / Sales	14.5%	13.5%		+94bps
Profit from Recurring Operations (PRO)	1,595	1,998	+25%	+22%
PRO / Sales	32.0%	33.5%		+147bps

- **Gross margin expanding +39bps:**
 - **Strong pricing across regions and operational excellence savings**
 - more than compensating inflation in Costs of Goods, notably from logistics and commodities
- **Phasing in A&P with acceleration expected in H2** with ratio of c. 16% for FY22
- **Structure costs** reinforcement to support Sales growth and transformation momentum
- **Positive FX impact** on PRO +€39m with US Dollar and Chinese Yuan appreciation vs. Euro offsetting significant Turkish Lira depreciation

1. Including OIE and Royalties

+33%
EPS

+32%

**Net Profit from
Recurring Operations¹**

Excellent PRO growth driving significant EPS increase

€ millions	H1 FY21	H1 FY22	reported Δ
Profit from Recurring Operations	1,595	1,998	+25%
Financial income (expense) from recurring operations	(151)	(102)	
Income tax on recurring operations	(337)	(436)	
Minority interests and other	(20)	(21)	
Group share of Net Profit from Recurring Operations	1,087	1,438	+32%
Number of shares used in diluted EPS calculation ('000)	261,478	260,829	
Diluted net earnings per share from recurring operations "EPS" (€/share)	4.16	5.51	+33%

- **Very strong improvement in Financial result given recent refinancings** (average cost of debt at 2.2%, -91bps)
- **Income tax on recurring operations increasing along with profit growth**
- **Accretive impact of share buy-back**

1. Group Share

+44%
**Group share of
 Net Profit**

Excellent Group Share of Net Profit

€ millions	H1 FY21	H1 FY22	Reported Δ
Profit from Recurring Operations	1,595	1,998	+25%
Non-recurring operating income and expenses	(61)	(2)	
Operating profit	1,534	1,995	+30%
Financial income (expense)	(254)	(135)	
Corporate income tax	(294)	(452)	
Non-controlling interests and other	(20)	(19)	
Group share of Net profit	966	1,390	+44%

- **Strong increase** in Net Profit given:
 - **Increase in Profit from Recurring Operations**
 - **Lower Non-recurring operating items on a high comparison basis** (reorganisation costs in H1 FY21 link to Group transformation)
 - **Lower financial expenses** with historically low cost of debt
 - **Increase in Corporate Income Tax** mainly driven by growth of Profit from Recurring Operations

CASH FLOW & DEBT



Pernod Ricard

Créateurs de convivialité

€1.4bn

Recurring
Free Cash
Flow

Very strong H1 cash generation

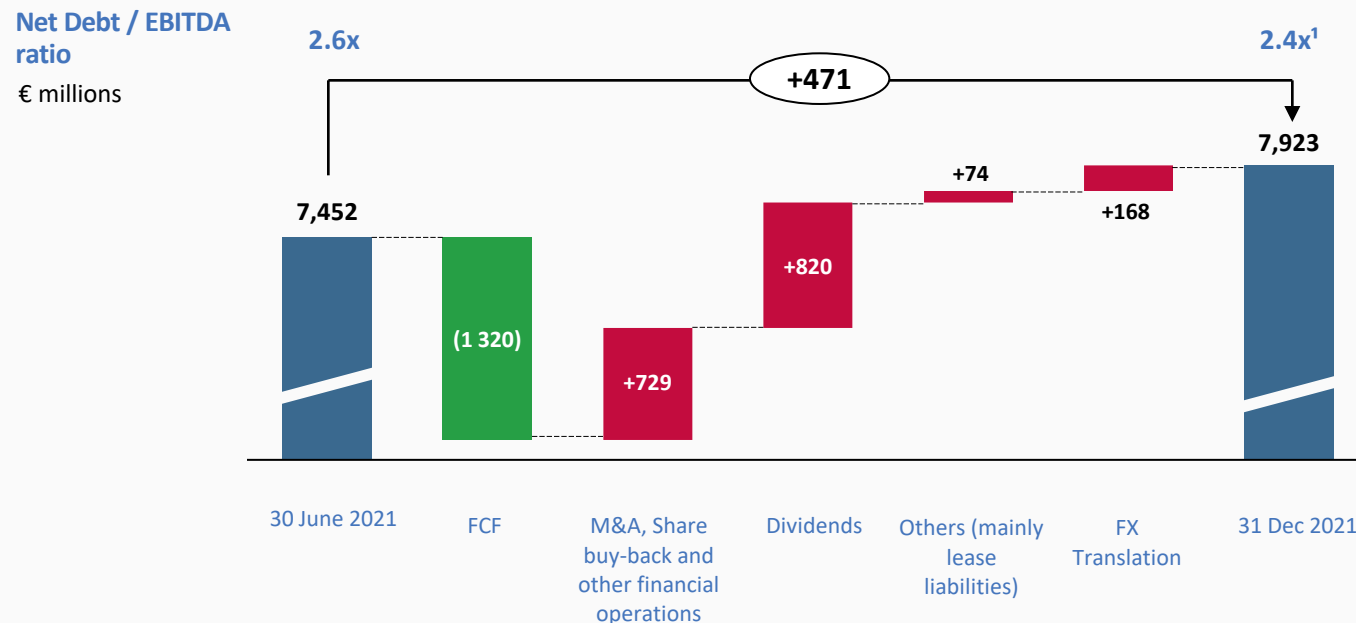
€ millions	H1 FY21	H1 FY22	Reported Δ	% Δ
Profit from Recurring Operations	1,595	1,998	+403	+25%
Amortisation, depreciation, provision movements and other	191	201	+10	
Self-financing capacity from recurring operations	1,786	2,198	+413	+23%
Decrease (increase) in strategic stocks	(14)	30	44	
Decrease (increase) in operating Working Capital Requirement (WCR)	(336)	(404)	(68)	
Decrease (increase) in recurring WCR	(350)	(374)	(24)	
Non-financial capital expenditure	(168)	(159)	+9	
Recurring Operating Cashflow	1,268	1,665	+398	+31%
Financial income (expense) and taxes	(273)	(282)	(9)	
Free Cash Flow from recurring operations (Recurring FCF)	995	1,383	+388	+39%
Non-recurring items	(160)	(63)	+97	
Free Cash Flow (FCF)	835	1,320	+485	+58%

- **Higher** usage of maturing inventories given strong business recovery. Cash-out increase expected in H2 as we continue to invest in future growth
- **Negative WCR variation** given very dynamic business growth and usual seasonality
- **Capex broadly stable vs. LY** with significant Covid-induced disruptions. Acceleration expected in H2
- **Financial expense and taxes increase** with historically low average cost of debt as a result of the successful bond refinancings, more than offset by adverse phasing in tax cash-out
- **Reduced non-recurring items** against a high base LY

2.4x¹

Net Debt / EBITDA
ratio at 31 Dec 2021

Dynamic financial policy supported by consistent strong cash delivery



- **Very strong balance sheet** with excellent cash performance allowing:
 - **M&A cash-out** on active portfolio management (The Whisky Exchange, Sovereign Brands)
 - **c. €250m of resumed share buy-back programme** executed in H1
 - **€820m dividend payment** (+€120m vs. LY back to historical high), aligned with c. 50% pay out policy

1. Based on average EUR/USD rate: 1.18 in calendar year 2021

CONCLUSION & OUTLOOK



Pernod Ricard

Créateurs de convivialité

Conclusion & Outlook

Continued execution of Transform & Accelerate strategy delivering **excellent H1 Sales and PRO¹ growth**

In an ongoing volatile environment with potential disruptions related to Covid-19, Pernod Ricard expects for FY22:

- Continued On-trade rebound, Off-trade resilience and Travel Retail gradual recovery **driving strong diversified Sales momentum across regions**
- **Dynamic topline driving operating margin expansion** albeit moderating vs. H1, with increased investments to fuel growth momentum
- Continued implementation of **Transform & Accelerate**, including **digital transformation** to develop Pernod Ricard into a **Conviviality Platform**
- **Strong cash generation** while upweighting investments behind key Capex and Strategic inventories
- Acceleration of share buy-back programme with additional c. €250m (total of c. €750m for FY22)

1. Profit from Recurring Operations





Appendices

Definitions and reconciliation of non-IFRS measures to IFRS measures

Pernod Ricard's management process is based on the following non-IFRS measures which are chosen for planning and reporting. The Group's management believes these measures provide valuable additional information for users of the financial statements in understanding the Group's performance. These non-IFRS measures should be considered as complementary to the comparable IFRS measures and reported movements therein.

Organic growth

- Organic growth is calculated after excluding the impacts of exchange rate movements and acquisitions and disposals.
- Exchange rates impact is calculated by translating the current year results at the prior year's exchange rates.
- For acquisitions in the current year, the post-acquisition results are excluded from the organic movement calculations. For acquisitions in the prior year, post-acquisition results are included in the prior year but are included in the organic movement calculation from the anniversary of the acquisition date in the current year.
- Where a business, brand, brand distribution right or agency agreement was disposed of, or terminated, in the prior year, the Group, in the organic movement calculations, excludes the results for that business from the prior year. For disposals or terminations in the current year, the Group excludes the results for that business from the prior year from the date of the disposal or termination.
- This measure enables to focus on the performance of the business which is common to both years and which represents those measures that local managers are most directly able to influence.

Profit from recurring operations

- Profit from recurring operations corresponds to the operating profit excluding other non-current operating income and expenses.

Upcoming communications

Date ¹	Event
28 April 2022	Q3 FY22 Sales conference call
10 May 2022	North America conference call
8 June 2022	Capital Market Day in Paris
24 June 2022	Asia conference call

1. Dates are indicative and liable to change

Emerging Markets

Asia-Rest of World		Americas	Europe
Algeria	Malaysia	Argentina	Albania
Angola	Mongolia	Bolivia	Armenia
Cambodia	Morocco	Brazil	Azerbaijan
Cameroon	Mozambique	Caribbean	Belarus
China	Namibia	Chile	Bosnia
Congo	Nigeria	Colombia	Bulgaria
Egypt	Persian Gulf	Costa Rica	Croatia
Ethiopia	Philippines	Cuba	Georgia
Gabon	Senegal	Dominican Republic	Hungary
Ghana	South Africa	Ecuador	Kazakhstan
India	Sri Lanka	Guatemala	Kosovo
Indonesia	Syria	Honduras	Latvia
Iraq	Tanzania	Mexico	Lithuania
Ivory Coast	Thailand	Panama	Macedonia
Jordan	Tunisia	Paraguay	Moldova
Kenya	Turkey	Peru	Montenegro
Laos	Uganda	Puerto Rico	Poland
Lebanon	Vietnam	Uruguay	Romania
Madagascar	Zambia	Venezuela	Russia
			Serbia
			Ukraine

Strategic International Brands' organic Sales growth

	Volumes H1 FY22 (in 9Lcs millions)	Organic Net Sales growth H1 FY22	of which Volume	of which Price/mix
Absolut	6.9	+23%	+22%	+1%
Chivas Regal	2.6	+23%	+25%	(2)%
Ballantine's	5.3	+29%	+25%	+4%
Ricard	2.4	+2%	+5%	(3)%
Jameson	5.8	+22%	+22%	+0%
Havana Club	2.4	+12%	(1)%	+12%
Malibu	2.6	+9%	+5%	+4%
Beefeater	2.0	+31%	+27%	+4%
Martell	1.7	+11%	+14%	(3)%
The Glenlivet	0.9	+21%	+16%	+5%
Royal Salute	0.1	+41%	+40%	+1%
Mumm	0.6	+24%	+18%	+6%
Perrier-Jouët	0.2	+51%	+38%	+13%
Strategic International Brands	33.3	+19%	+18%	+2%

Sales Analysis by Period and Region

Net Sales (€ millions)	H1 FY21		H1 FY22		Change		Organic Growth		Group Structure		Forex impact	
Europe	1,456	29.2%	1,797	30.2%	+341	+23%	+300	+21%	+19	+1%	+22	+2%
Americas	1,402	28.1%	1,638	27.5%	+235	+17%	+196	+14%	+17	+1%	+22	+2%
Asia / Rest of World	2,127	42.7%	2,524	42.4%	+397	+19%	+338	+16%	+0	+0%	+60	+3%
World	4,985	100.0%	5,959	100.0%	+974	+20%	+834	+17%	+36	+1%	+104	+2%

Net Sales (€ millions)	Q2 FY21		Q2 FY22		Change		Organic Growth		Group Structure		Forex impact	
Europe	811	29.5%	1,005	31.0%	+193	+24%	+156	+19%	+19	+2%	+19	+2%
Americas	729	26.5%	864	26.7%	+135	+19%	+107	+15%	+0	+0%	+28	+4%
Asia / Rest of World	1,209	44.0%	1,373	42.3%	+163	+13%	+122	+10%	+0	+0%	+41	+3%
World	2,750	100.0%	3,242	100.0%	+492	+18%	+386	+14%	+19	+1%	+87	+3%

Net Sales (€ millions)	Q1 FY21		Q1 FY22		Change		Organic Growth		Group Structure		Forex impact	
Europe	645	28.8%	793	29.2%	+148	+23%	+144	+22%	+0	+0%	+4	+1%
Americas	673	30.1%	773	28.5%	+100	+15%	+89	+13%	+17	+3%	(6)	(1)%
Asia / Rest of World	918	41.0%	1,152	42.4%	+234	+26%	+215	+23%	+0	+0%	+19	+2%
World	2,236	100.0%	2,718	100.0%	+482	+22%	+448	+20%	+17	+1%	+17	+1%

Note: Bulk Spirits are allocated by Region according to the Regions' weight in the Group

Summary Consolidated Income Statement

(€ millions)	H1 FY21	H1 FY22	Change
Net sales	4,985	5,959	20%
Gross Margin after logistics costs	3,021	3,640	20%
Advertising and promotion expenses	(706)	(840)	19%
Contribution after A&P expenditure	2,315	2,801	21%
Structure costs	(721)	(803)	11%
Profit from recurring operations	1,595	1,998	25%
Financial income/(expense) from recurring operations	(151)	(102)	-32%
Corporate income tax on items from recurring operations	(337)	(436)	29%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(20)	(21)	8%
Group share of net profit from recurring operations	1,087	1,438	32%
Other operating income & expenses	(61)	(2)	NA
Financial income/(expense) from non-recurring operations	(103)	(32)	NA
Corporate income tax on items from non recurring operations	44	(16)	NA
Non controlling interests (non-recurring)		3	
Group share of net profit	966	1,390	44%
Non-controlling interests	18	21	17%
Net profit	984	1,411	43%

Profit from Recurring Operations by Region (1/2)

World

(€ millions)	H1 FY21		H1 FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales	4,985	100.0%	5,959	100.0%	+974	+20%	+834	+17%	+36	+1%	+104	+2%
Gross margin	3,021	60.6%	3,640	61.1%	+619	+20%	+532	+18%	+17	+1%	+69	+2%
Advertising & promotional spend	(706)	14.2%	(840)	14.1%	(134)	+19%	(111)	+16%	(4)	+1%	(19)	+3%
Contribution after A&P spend	2,315	46.4%	2,801	47.0%	+485	+21%	+422	+18%	+13	+1%	+51	+2%
Profit from recurring operations	1,595	32.0%	1,998	33.5%	+403	+25%	+355	+22%	+8	+1%	+39	+2%

Americas

(€ millions)	H1 FY21		H1 FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales	1,402	100.0%	1,638	100.0%	+235	+17%	+196	+14%	+17	+1%	+22	+2%
Gross margin	909	64.8%	1,070	65.3%	+161	+18%	+123	+14%	+11	+1%	+27	+3%
Advertising & promotional spend	(250)	17.8%	(264)	16.1%	(14)	+6%	(7)	+3%	(3)	+1%	(5)	+2%
Contribution after A&P spend	659	47.0%	806	49.2%	+147	+22%	+117	+18%	+8	+1%	+23	+3%
Profit from recurring operations	459	32.7%	595	36.3%	+136	+30%	+110	+24%	+6	+1%	+20	+4%

Note: Bulk Spirits are allocated by Region according to the Regions' weight in the Group

Profit from Recurring Operations by Region (2/2)

Asia / Rest of the World

(€ millions)	H1 FY21		H1 FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales	2,127	100.0%	2,524	100.0%	+397	+19%	+338	+16%	+0	+0%	+60	+3%
Gross margin	1,232	57.9%	1,458	57.8%	+226	+18%	+198	+16%	+0	+0%	+29	+2%
Advertising & promotional spend	(291)	13.7%	(361)	14.3%	(70)	+24%	(58)	+20%	(0)	+0%	(12)	+4%
Contribution after A&P spend	940	44.2%	1,097	43.5%	+157	+17%	+140	+15%	(0)	(0)%	+17	+2%
Profit from recurring operations	674	31.7%	814	32.3%	+140	+21%	+128	+19%	+0	+0%	+12	+2%

Europe

(€ millions)	H1 FY21		H1 FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales	1,456	100.0%	1,797	100.0%	+341	+23%	+300	+21%	+19	+1%	+22	+2%
Gross margin	881	60.5%	1,112	61.9%	+231	+26%	+211	+24%	+7	+1%	+14	+2%
Advertising & promotional spend	(164)	11.3%	(214)	11.9%	(50)	+30%	(46)	+28%	(1)	+1%	(2)	+1%
Contribution after A&P spend	717	49.2%	898	50.0%	+181	+25%	+165	+23%	+5	+1%	+11	+2%
Profit from recurring operations	461	31.7%	589	32.7%	+127	+28%	+117	+25%	+3	+1%	+8	+2%

Note: Bulk Spirits are allocated by Region according to the Regions' weight in the Group

Foreign Exchange Impact

Forex impact H1 FY22 (€ millions)		Average rates evolution			On Net Sales	On Profit from Recurring Operations
		H1 FY21	H1 FY22	%		
US dollar	USD	1.18	1.16	(1.7)%	+23	+17
Chinese yuan	CNY	7.99	7.47	(6.6)%	+56	+33
Indian rupee	INR	87.48	86.52	(1.1)%	+7	+2
Russian rouble	RUB	88.61	84.86	(4.2)%	+8	+6
Argentinian peso	ARS	90.61	114.76	+26.7%	(10)	(4)
Turkish Lira	TRL	8.94	11.42	+27.8%	(19)	(19)
Pound sterling	GBP	0.90	0.85	(5.8)%	+14	(15)
Other					+25	+19
Total					+104	+39

Sensitivity of profit and debt to EUR/USD exchange rate

Estimated impact of a 1% appreciation of the USD

Impact on the income statement ⁽¹⁾	(€ millions)
Profit from recurring operations	+15
Financial expenses	(1)
Pre-tax profit from recurring operations	+14

Impact on the balance sheet	(€ millions)
Increase/(decrease) in net debt	+37

(1) Full-year effect

Balance Sheet: Assets

Assets (€ millions)	30/06/2021	31/12/2021
(Net book value)		
Non-current assets		
Intangible assets and goodwill	16,230	16,857
Tangible assets and other assets	3,963	4,146
Deferred tax assets	1,623	1,687
Total non-current assets	21,816	22,690
Current assets		
Inventories	6,555	6,694
<i>aged work-in-progress</i>	5,373	5,446
<i>non-aged work-in-progress</i>	84	82
<i>other inventories</i>	1,098	1,166
Receivables (*)	1,126	2,233
<i>Trade receivables</i>	1,080	2,165
<i>Other trade receivables</i>	46	67
Other current assets	413	353
<i>Other operating current assets</i>	408	345
<i>Tangible/intangible current assets</i>	6	8
Tax receivable	141	77
Cash and cash equivalents and current derivatives	2,086	2,023
Total current assets	10,321	11,380
Assets held for sale	11	0
Total assets	32,147	34,070
		-
(*) after disposals of receivables of:	592	919

Balance Sheet: Liabilities and Shareholder's Equity

Liabilities and shareholders' equity (€ millions)	30/06/2021	31/12/2021
Group Shareholders' equity	14,829	15,757
Non-controlling interests	246	265
<i>of which profit attributable to non-controlling interests</i>	<i>13</i>	<i>21</i>
Total Shareholders' equity	15,075	16,022
Non-current provisions and deferred tax liabilities	3,555	3,650
Bonds non-current	8,787	8,236
Lease liabilities - non current	405	402
Non-current financial liabilities and derivative instruments	108	97
Total non-current liabilities	12,854	12,385
Current provisions	163	151
Operating payables	2,337	2,976
Other operating payables	1,134	886
<i>of which other operating payables</i>	<i>724</i>	<i>828</i>
<i>of which tangible/intangible current payables</i>	<i>410</i>	<i>58</i>
Tax payable	282	423
Bonds - current	70	785
Lease liabilities - current	103	105
Current financial liabilities and derivatives	128	337
Total current liabilities	4,218	5,663
Liabilities held for sale	0	0
Total liabilities and shareholders' equity	32,147	34,070

Analysis of Working Capital Requirement

(€ millions)	June 2020	December 2020	June 2021	December 2021	H1 FY21 WC change*	H1 FY22 WC change*	
Aged work in progress	5,084	5,135	5,373	5,446	67	21	
Advances to suppliers for wine and ageing spirits	19	10	9	14	(8)	5	
Payables on wine and ageing spirits	(108)	(161)	(93)	(147)	(47)	(53)	
Net aged work in progress	4,995	4,984	5,289	5,313	11	(28)	
Trade receivables before factoring/securitization	1,375	2,508	1,672	3,085	1,173	1,360	
Advances from customers	(38)	(18)	(21)	(31)	19	(8)	
Other receivables	343	354	445	399	27	(40)	
Other inventories	1,006	932	1,098	1,166	(62)	10	
Non-aged work in progress	76	72	84	82	(2)	(3)	
Trade payables and other	(2,364)	(2,870)	(2,946)	(3,626)	(554)	(593)	
Gross operating working capital	398	978	331	1,075	601	725	
Factoring/Securitization impact	(513)	(750)	(592)	(919)	(246)	(315)	
Net Operating Working Capital	(115)	227	(261)	155	355	410	
Net Working Capital	4,879	5,211	5,028	5,468	366	382	
* at average rates							
					Of which recurring variation	350	374
					Of which non recurring variation	16	8

Net Debt

€ millions)	30/06/2021			31/12/2021		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	70	8,787	8,857	785	8,236	9,021
Syndicated loan	-	-	-	-	-	-
Commercial paper	7	-	7	170	-	170
Other loans and long-term debts	115	108	222	163	94	258
Other financial liabilities	122	108	229	333	94	428
Gross Financial debt	192	8,894	9,086	1,118	8,330	9,448
Fair value hedge derivatives – assets	-	(22)	(22)	(10)	(4)	(14)
Fair value hedge derivatives – liabilities	-	-	-	-	-	-
Fair value hedge derivatives	-	(22)	(22)	(10)	(4)	(14)
Net investment hedge derivatives – assets	-	(43)	(43)	-	(22)	(22)
Net investment hedge derivatives – liabilities	-	-	-	-	-	-
Net investment hedge derivatives	-	(43)	(43)	-	(22)	(22)
FINANCIAL DEBT AFTER HEDGING	192	8,830	9,022	1,108	8,305	9,413
Cash and cash equivalents	(2,078)	-	(2,078)	(1,997)	-	(1,997)
NET FINANCIAL DEBT EXCLUDING LEASE DEBT	(1,886)	8,830	6,944	(889)	8,305	7,416
Lease Debt	103	405	508	105	402	507
NET FINANCIAL DEBT	(1,783)	9,235	7,452	(784)	8,707	7,923

Change in Net Debt

(€ millions)	31/12/2020	31/12/2021
Operating profit	1,534	1,995
Depreciation and amortisation	179	189
Net change in impairment of goodwill, PPE and intangible assets	6	
Net change in provisions	(31)	(22)
Retreatment of contributions to pension plans acquired from Allied Domecq and others		
Changes in fair value on commercial derivatives and biological assets	(5)	(3)
Net (gain)/loss on disposal of assets	2	(3)
Share-based payments	15	17
Self-financing capacity before interest and tax	1,699	2,173
Decrease / (increase) in working capital requirements	(364)	(382)
Net interest and tax payments	(347)	(313)
Net acquisitions of non financial assets and others	(153)	(157)
Free Cash Flow	835	1,320
<i>of which recurring Free Cash Flow</i>	<i>995</i>	<i>1,383</i>
Net acquisitions of financial assets and activities, contributions to pension plans acquired from Allied Domecq and others	(33)	(464)
Dividends paid	(699)	(820)
(Acquisition) / Disposal of treasury shares and others	(25)	(292)
Decrease / (increase) in net debt (before currency translation adjustments)	78	(256)
Foreign currency translation adjustment	406	(168)
Non cash impact on lease liabilities	(40)	(47)
Decrease / (increase) in net debt (after currency translation adjustments and IFRS 16 non cash impacts)	443	(471)
Initial net debt	(8,424)	(7,452)
Final net debt	(7,980)	(7,923)

Debt Maturity at 31 December 2021

€ bn



Strong liquidity position at €5.4bn as of 31st December 2021, of which €3.4bn credit lines undrawn
 Gross debt after hedging at 31st December 2021 (excluding lease liabilities):

- 9% floating rate and 91% fixed rate
- 60% in EUR and 40% in USD

Bond Details

Currency	Par value	Coupon	Issue date	Maturity date
EUR	€ 1,500 m o/w: € 500 m € 500 m € 500 m	0.000% 0.500% 0.875%	24/10/2019	24/10/2023 24/10/2027 24/10/2031
	€ 650 m	2.125%	29/09/2014	27/09/2024
	€ 1,500 m o/w: € 750 m € 750 m	1.125% 1.750%	01/04/2020	07/04/2025 08/04/2030
	€ 500 m o/w: € 250 m € 250 m	1.125% 1.750%	27/04/2020	07/04/2025 08/04/2030
	€ 600 m	1.500%	17/05/2016	18/05/2026
	€ 500 m	0.125%	04/10/2021	04/10/2029
	USD	\$ 1,650 m o/w: \$ 800 m \$ 850 m	4.250% 5.500%	12/01/2012
\$ 600 m		3.250%	08/06/2016	08/06/2026
\$ 2,000 m o/w: \$ 600 m \$ 900 m \$ 500 m		1.250% 1.625% 2.750%	01/10/2020	01/04/2028 01/04/2031 01/10/2050

Net debt / EBITDA evolution

	Closing rate	Average rate ⁽¹⁾
<i>EUR/USD rate 30/06/2021 -> 31/12/2021</i>	1.19 -> 1.13	1.19 -> 1.18
Ratio at 30/06/2021	2.6	2.6
EBITDA & cash generation excl. Group structure effect and forex impacts	-0.4	-0.4
Group structure and forex impacts	0.2	0.1
Ratio at 31/12/2021	2.4	2.4

(1) Last-twelve-month rate

Diluted EPS

(x 1,000)	HY FY21	HY FY22
Number of shares in issue at end of period	261,877	261,877
Weighted average number of shares in issue (pro rata temporis)	262,315	261,877
Weighted average number of treasury shares (pro rata temporis)	(1,654)	(1,656)
Dilutive impact of stock options and performance shares	816	609
Number of shares used in diluted EPS calculation	261,478	260,829

(€ millions and €/share)	HY FY21	HY FY22	reported △
Group share of net profit from recurring operations	1,087	1,438	32.3%
Diluted net earnings per share from recurring operations	4.16	5.51	32.6%