



North America Conference Call

DECEMBER 13, 2018



Pernod Ricard

Highlights

KEY NORTH AMERICA FINANCIALS

% of Group Sales Δ vs. FY17



19%

+4%



2%

Stable

+ **North America is a critical market** for Pernod Ricard, accounting for 21% of global Sales

+ US market growth is stabilizing close to its **long-term trend of c. 4%**, driven by sustained dynamics

+ Pernod Ricard USA is now **growing broadly in line with market**, supported by the **execution of clear strategic choices: consumer centricity, customer & Route-to-Market, digital & data**

+ Pernod Ricard USA is **on track to achieve its medium-term ambition** of mid-single digit growth and market share gain

Pernod Ricard brands performance through our Corby affiliate



+15%

+Solid performance of Jameson and Wine

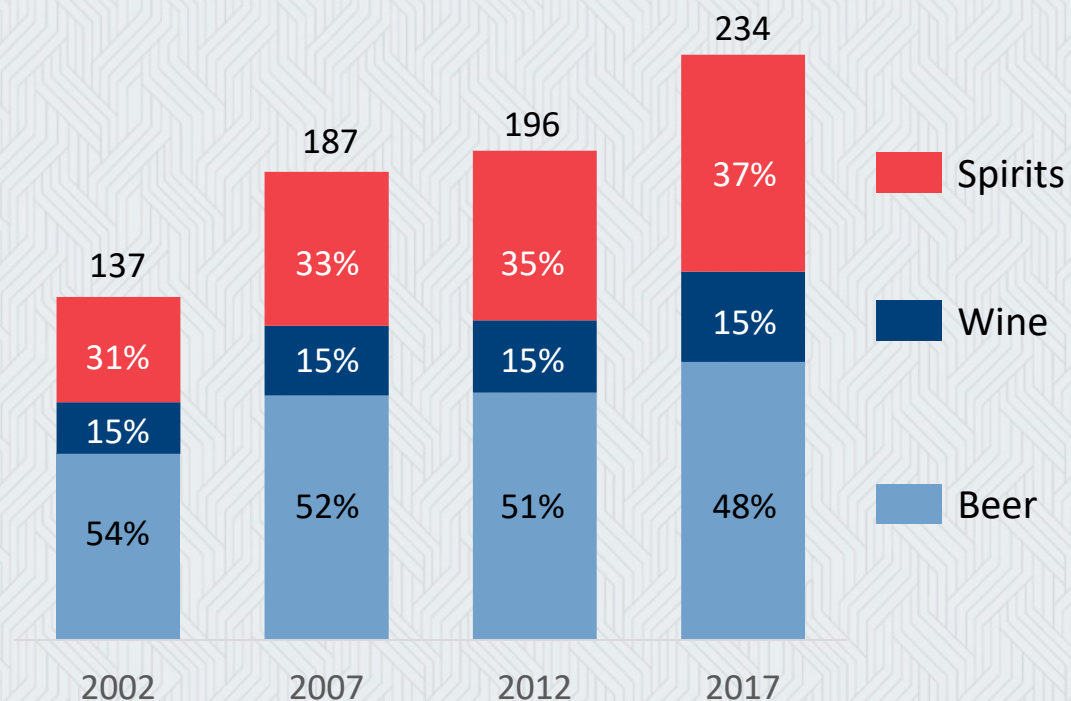
+Offset by Absolut and local brands

US spirits market continues to gain alcoholic beverages share

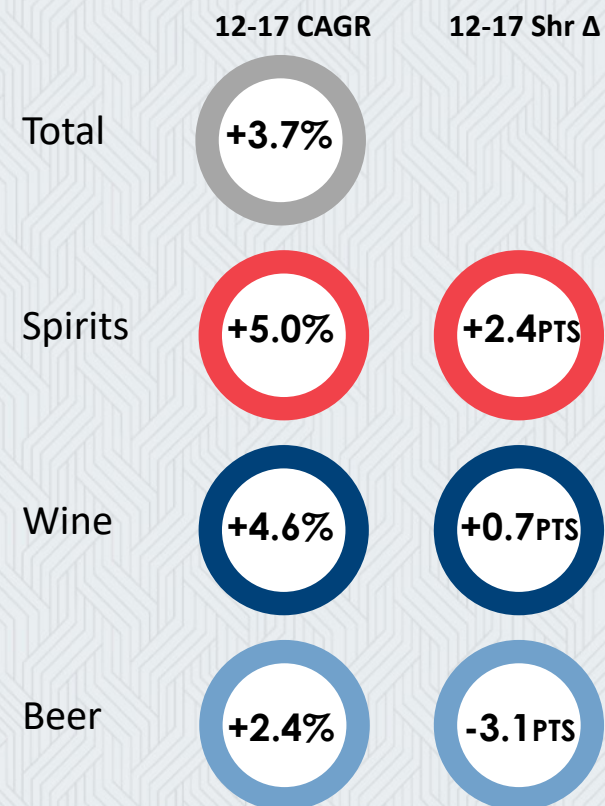


SPIRITS HAVE BEEN THE FASTEST GROWING SEGMENT IN US ALCOHOLIC BEVERAGES OVER THE LAST 15 YEARS...

US ALCOHOLIC BEVERAGES MARKET SIZE (\$B RETAIL SALES)



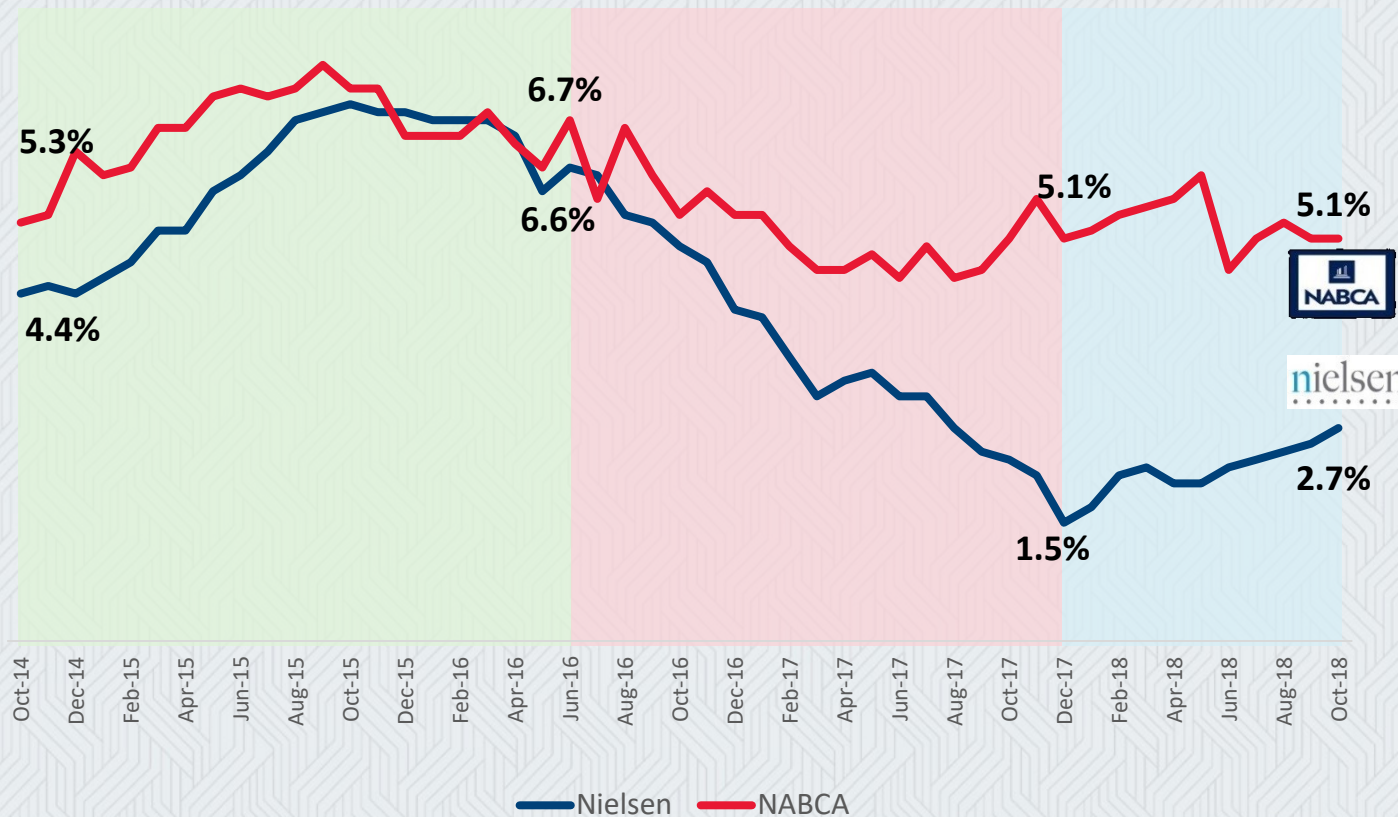
...GAINING 2.4 PTS OF VALUE SHARE IN 2012-2017, MOSTLY FROM BEER





Market stabilizing close to its long-term trend of c. 4% after 2017 deceleration

**NIELSEN & NABCA VALUE TRENDS
MAT % CHANGE**



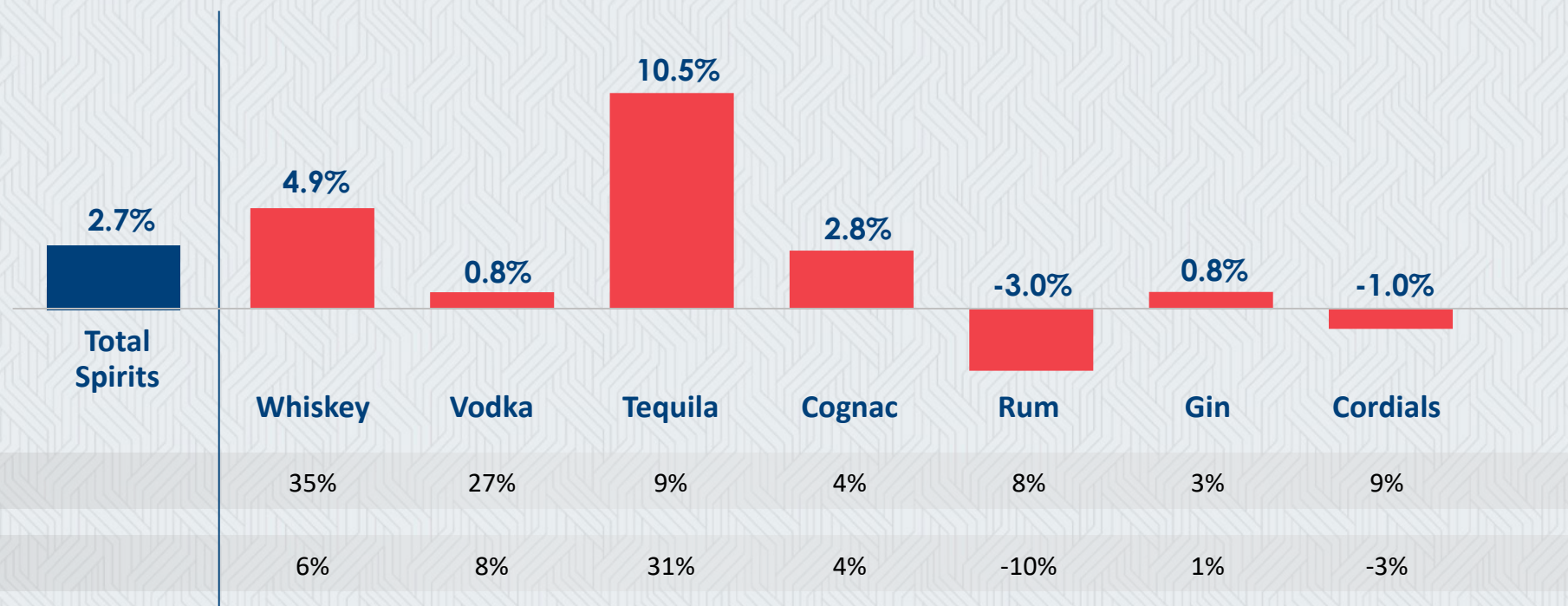
**PERNOD RICARD ESTIMATE
OF TOTAL MARKET GROWTH**

Oct. 18 R12	COVERAGE (Vol % market)	VALUE (yoy % growth)
Nielsen	~35%	2.7%
NABCA	~20%	5.1%
Rest of Market	~45%	~4.5%
TOTAL	100%	~4.0%

Whiskey, Tequila and Cognac remain key category growth drivers



NIELSEN, \$ VALUE TRENDS BY CATEGORY
MAT % CHANGE

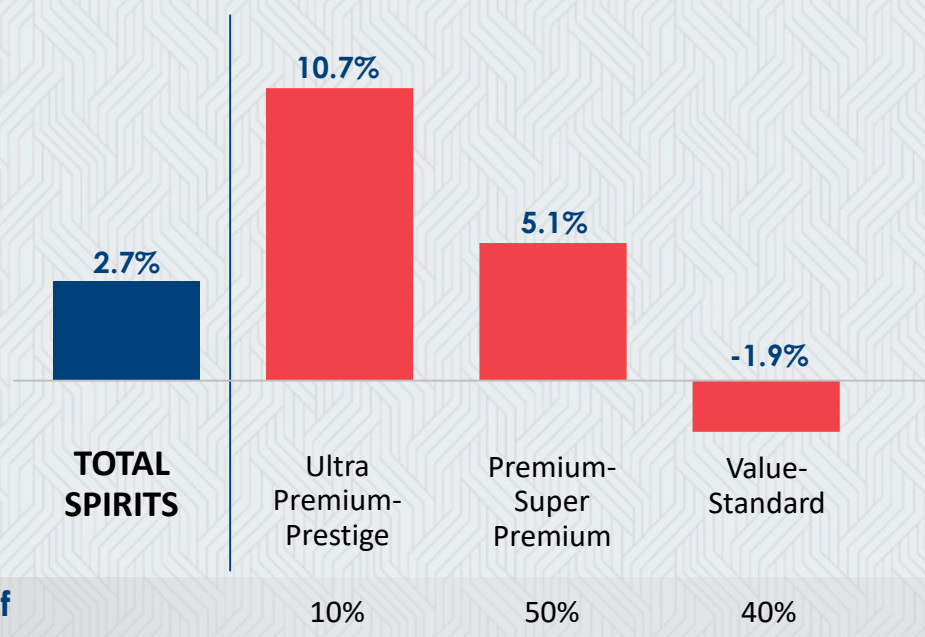


Premiumization remains positive, but entirely driven by mix



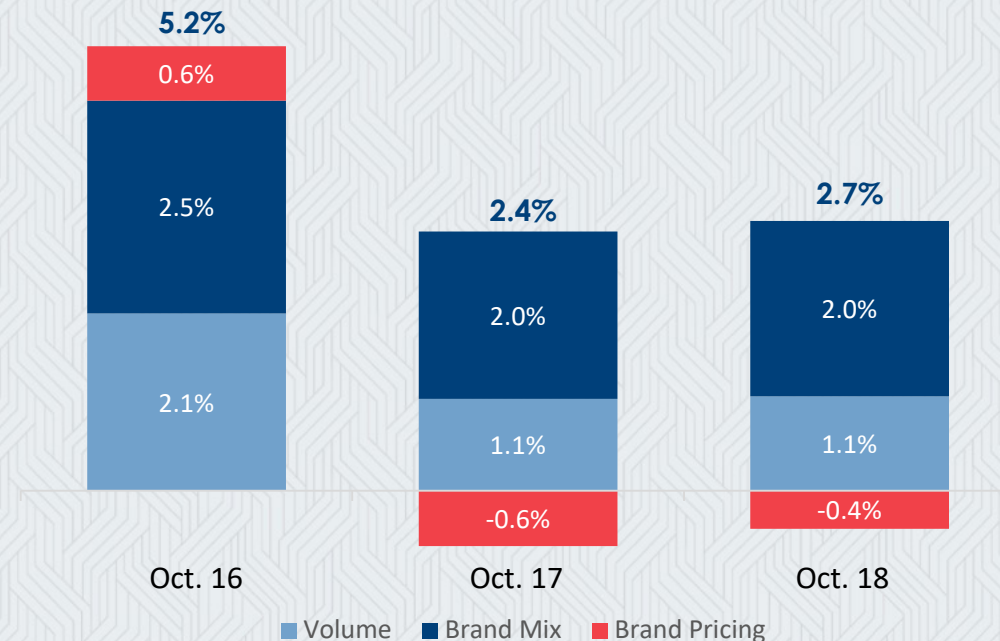
PREMIUM+ GAINING SHARE VS. STANDARD & VALUE SEGMENTS

NIelsen, \$ VALUE TRENDS BY CATEGORY
MAT % CHANGE



BRAND PRICING POWER NEGATIVE FOR THE INDUSTRY OVERALL

NIelsen, \$ VALUE TRENDS BY CATEGORY
MAT % CHANGE

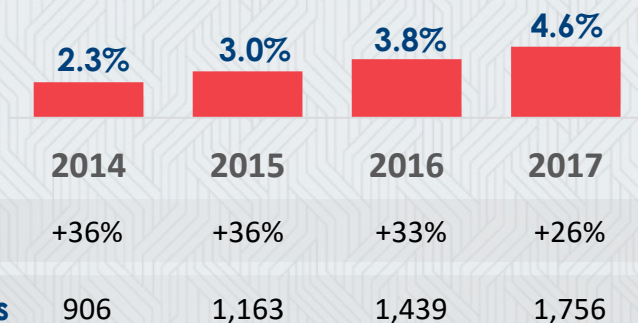


Despite fragmentation from craft spirits, market share gains continue to be highly concentrated



CRAFT SPIRITS CONTINUES TO SHOW STRONG GROWTH ALBEIT FROM A SMALL BASE...

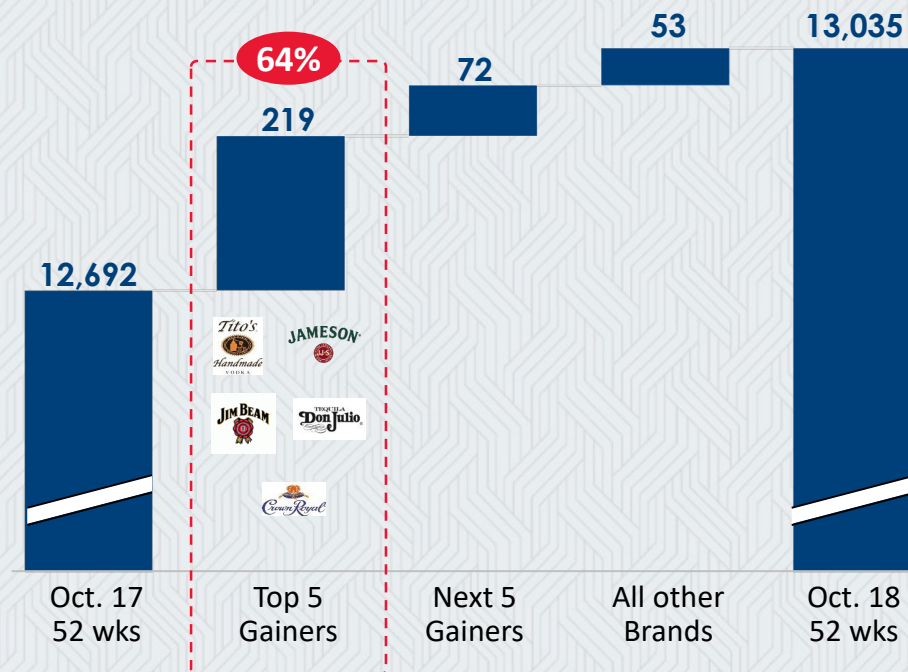
IWSR, \$ VALUE SHARE OF CRAFT SPIRIT DISTILLERS
IN THE US SPIRITS MARKET



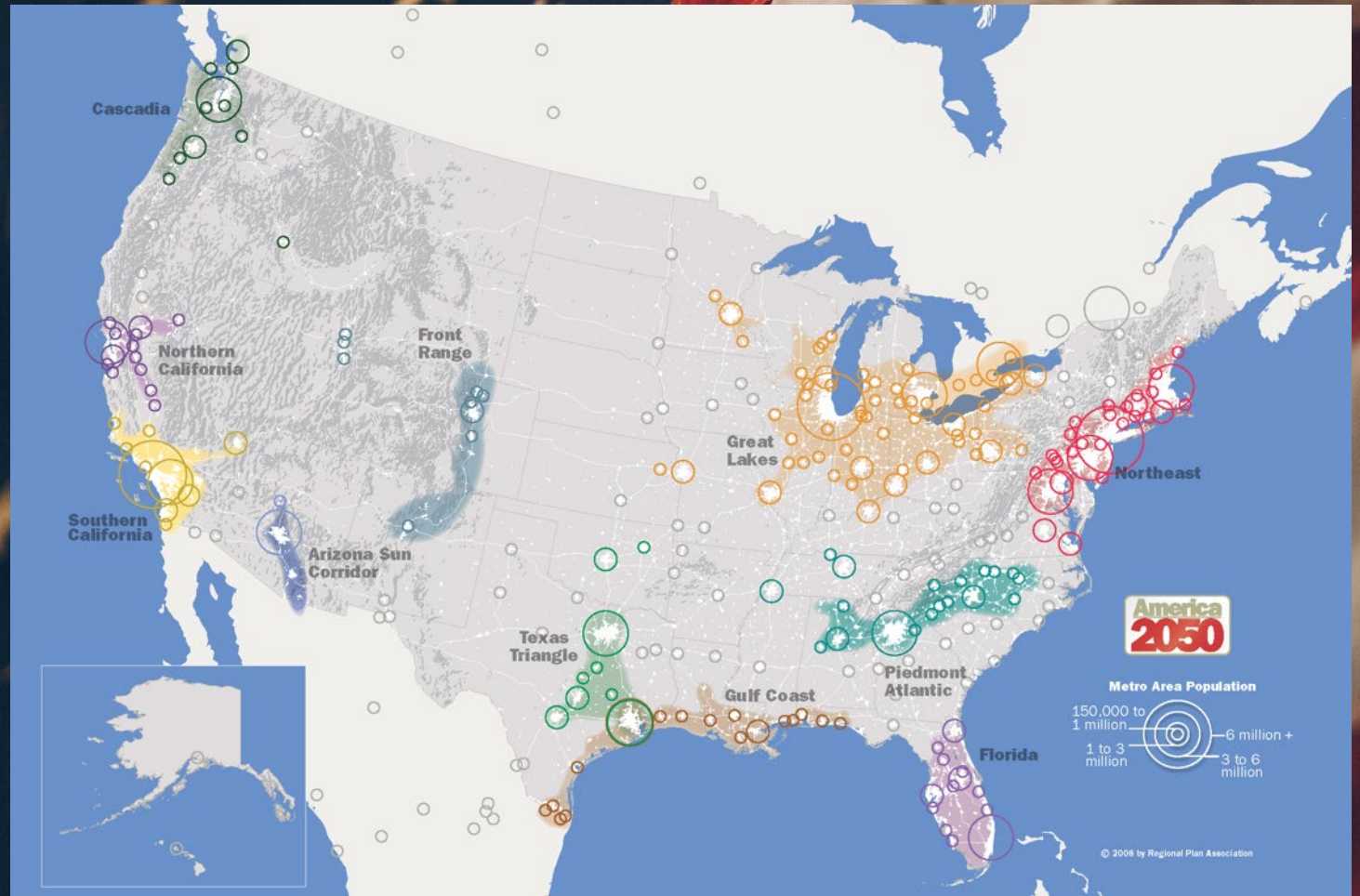
Value Growth	+36%	+36%	+33%	+26%
# of Active Distillers	906	1,163	1,439	1,756

...BUT MARKET GROWTH STILL CONCENTRATED IN BLOCKBUSTER BRANDS

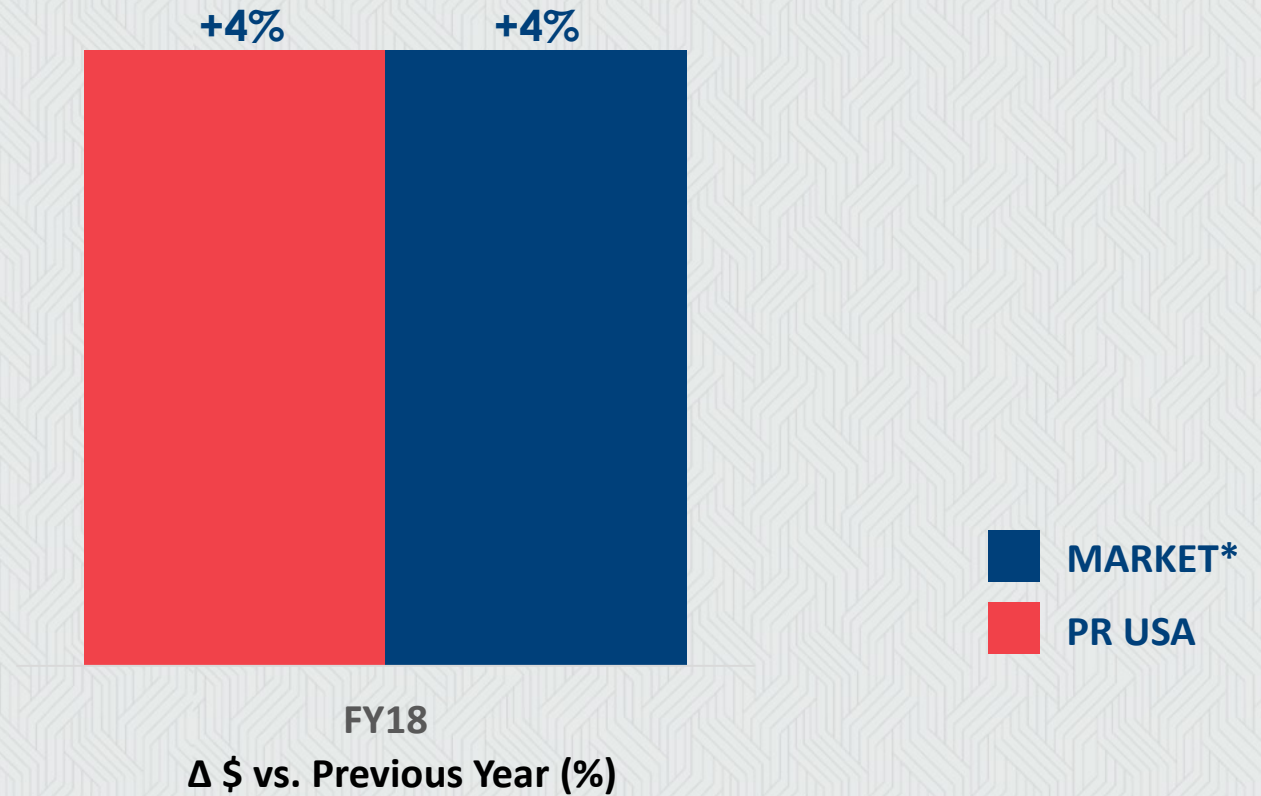
NIELSEN, TOP 10 GAINING US SPIRITS BRANDS
52WK VALUE GROWTH, M\$



Growth
expected to
concentrate in
mega-regions



Pernod Ricard USA is growing broadly in line with market



Growth supported by the execution of clear strategic choices



CONSUMER



- + **Brand pull** most significant lever
- + **Tiered portfolio approach & geographic focus**, guiding resource allocation
- + **Innovation**

CUSTOMER



- + **Route-to-Market capabilities** decentralized at State level
- + **Wholesalers** providing fit-for-purpose solutions
- + **Specialized teams** where impactful, in particular Chains

CAPABILITIES



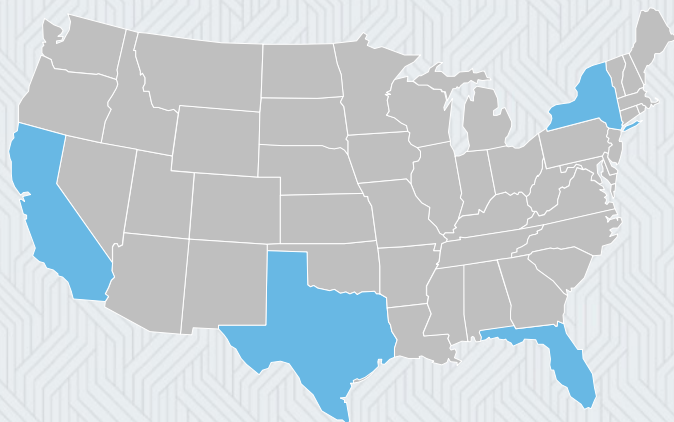
- + **Simple organization**, delayed and decentralized, with clear accountabilities
- + **Embedding systems**
- + **Better Balance/ Diversity**

DIGITAL & DATA ANALYTICS

RTM structures optimized through distributor contracts' renegotiations



FIT-FOR-PURPOSE RTM ECOSYSTEM NEGOTIATED



- + Redesigned **state operating models**
- + Redeployed and **prioritized investments**
- + **Common culture and ways of working**
- + Enhanced **data capabilities**
- + Strengthened **partnership**

SUPPORTED BY NATIONAL ENABLERS



+ **ADVANCED DATA ANALYTICS**



+ **CRM TOOLS**



+ **CHAINS CAPABILITIES**



+ **REVENUE GROWTH MANAGEMENT**



Clear Portfolio Prioritization & Tiered Approach

Growth Engine



Growth Relays



Bastion



Future Growth Star



Wines & Champagnes



INNOVATION FOCUS

Pernod Ricard recognized successes in innovation



TOP 10 Spirits

- + PR USA portfolio with 3 brands in Impact 'hot prospects' spirits brands



#1 IMPORTED WINE

- + Campo Viejo #1 Impact 'hot prospect' imported wine





Absolut medium-term objective remains to stabilize the brand



+ RENEWED CONSUMER ENGAGEMENT PLATFORM FOCUSED ON SUSTAINABILITY



+ FUEL GROWTH THROUGH ROBUST INNOVATION PIPELINE



+ FOCUS ON CULTURAL AND LOCAL RELEVANCE

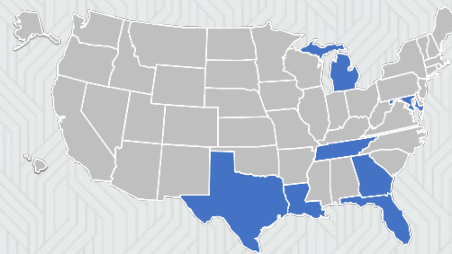




Jameson to continue to fuel double-digit growth



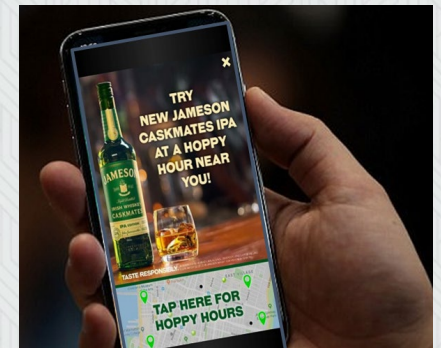
+ FUEL GROWTH THROUGH
**GEOGRAPHIC EXPANSION
AND MULTICULTURAL**



+ **EXPAND AND
PREMIUMIZE PORTFOLIO**



+ **DIGITAL FIRST
MOBILIZATION AROUND
'LOVE THY
NEIGHBORHOOD'**





Bold brand relaunch for the modern cognac drinker



+ SUCCESSFUL LAUNCH OF **BLUE SWIFT**, ENHANCING PRODUCT RANGE



+ LEVERAGING A SCALED-UP **INFLUENCER NETWORK**



+ ENGAGING WITH **MULTICULTURAL CONSUMERS**





Glenlivet stepping up in the \$35+ whisky category

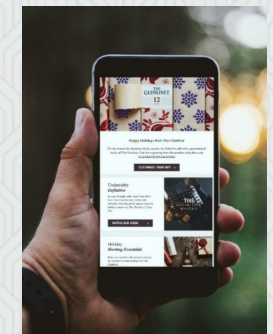
+ RECRUIT NEW CONSUMERS



+ SUCCESSFUL LAUNCH OF FOUNDER'S RESERVE



+ STRONG E-CRM PROGRAM



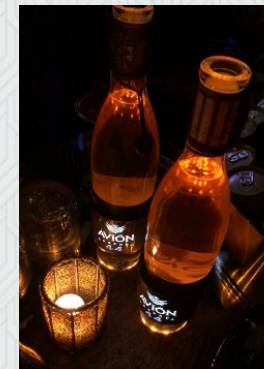


Driving growth with our agave portfolio

+ MULTI-BRAND
APPROACH
'AGAVE YOUR WAY'



+ CONTINUED FOCUS
ON ON-PREMISE AND
BARTENDER
RECOMMENDATION



+ **DEL MAGUEY** LEADER
IN BUOYANT EMERGING
MEZCAL CATEGORY



Pernod Ricard continues to be well-positioned to win in North America



- + Transformation well advanced with focus on enhancing capabilities
- + Comprehensive portfolio with strong emerging growth relays and successful innovations

TOPLINE

Sustainable
value share
gains

A&P

Prioritization
of resource
allocation

STRUCTURE COSTS

Disciplined
structure cost
management