

Press release – 27 September 2019

Pensions de-risking

The trustee of Pernod Ricard’s largest pension plan in the UK has signed an agreement to insure the majority of the pension plan’s pension liabilities through the purchase of a bulk purchase annuity contract.

The agreement of the bulk purchase annuity contract which is expected to be completed shortly would imply a reduction of Group equity, estimated at circa €0.9bn.

This transaction is in line with a history of de-risking and long-term strategic objectives of both the Group and the trustee of the pension plan. It is a further step in providing long-term security for payment of the pension plan liabilities. The agreement reduces the Group’s exposure to funding deficits arising from market risks, including inflation and interest rate risks, and longevity risks.

The bulk purchase annuity contract is a policy in the name of the trustee, commonly known as a “buy-in,” which will cover the trustee’s obligations in respect of the relevant pension liabilities. The trustee will remain responsible for the payment and administration of all pension liabilities.

About Pernod Ricard

Pernod Ricard is the No.2 worldwide producer of wines and spirits with consolidated sales of €9,182 million in FY19. Created in 1975 by the merger of Ricard and Pernod, the Group has developed through organic growth and acquisitions: Seagram (2001), Allied Domecq (2005) and Vin&Sprit (2008). Pernod Ricard, which owns 16 of the Top 100 Spirits Brands, holds one of the most prestigious and comprehensive brand portfolios in the industry, including: Absolut Vodka, Ricard pastis, Ballantine’s, Chivas Regal, Royal Salute, and The Glenlivet Scotch whiskies, Jameson Irish whiskey, Martell cognac, Havana Club rum, Beefeater gin, Malibu liqueur, Mumm and Perrier-Jouët champagnes, as well Jacob’s Creek, Brancott Estate, Campo Viejo, and Kenwood wines. Pernod Ricard’s brands are distributed across over 160 markets, and by its own direct salesforce in 73 markets. The Group’s decentralised organisation empowers its 19,000 employees to be true on-the-ground ambassadors of its vision of “Créateurs de Convivialité.” As reaffirmed by the Group’s three-year strategic plan, “Transform and Accelerate,” deployed in 2018, Pernod Ricard’s strategy focuses on investing in long-term, profitable growth for all stakeholders. The Group remains true to its three founding values: entrepreneurial spirit, mutual trust, and a strong sense of ethics. As illustrated by the 2030 roadmap supporting the United Nations Sustainable Development Goals (SDGs), “We bring good times from a good place.” In recognition of Pernod Ricard’s strong commitment to sustainable development and responsible consumption, it has received a Gold rating from Ecovadis and is ranked No. 1 in Vigeo Eiris for the beverage sector. Pernod Ricard is also a United Nation’s Global Compact LEAD company. Pernod Ricard is listed on Euronext (Ticker: RI; ISIN Code: FR0000120693) and is part of the CAC 40 index.

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