

**FY20 GUIDANCE UPDATED<sup>1</sup> TO REFLECT BUSINESS ACTIVITY:**  
**PROFIT FROM RECURRING OPERATIONS ORGANIC DECLINE OF C. -15%**

On 24 March 2020, Pernod Ricard shared its assumptions regarding the COVID-19 pandemic, leading to guidance of organic decline in Profit from Recurring Operations for FY20 of c. -20%, resulting from the following assumptions:

- China: very limited business in February and March; slow recovery from April
- Travel Retail: 80% business decline for the period from February to end June
- Other markets:
  - Off-trade, representing c.  $\frac{3}{4}$  of Sales: c.10% Sales reduction from mid-March to end June
  - On-trade, representing c.  $\frac{1}{4}$  of Sales: no Sales from mid-March to end June, as outlets are shut or not reordering.

On balance, these assumptions have proven to be directionally correct, in particular as regards China and Travel Retail. There have however been some notable differences, mainly with India being subject to a full six-week lockdown of all sales and production, but more resilience in the Off-trade, especially in the USA and Western Europe.

As a result, and thanks to strong cost mitigation, Pernod Ricard now expects an organic decline in Profit from Recurring Operations for FY20<sup>2</sup> of c. -15%.

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<sup>1</sup> Guidance given to market on 24 March 2020 of organic decline in Profit from Recurring Operations of c. -20% and confirmed on 23 April 2020 at the 9M Sales release.

<sup>2</sup> FY20 Results to be announced on 2 September 2020.

All growth data specified in this press release refers to organic growth (at constant FX and Group structure), unless otherwise stated. Data may be subject to rounding.

### 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.

### 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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