



Pernod Ricard  
*Créateurs de convivialité*

# Sales to 30 September 2020



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22 October 2020

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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](http://www.pernod-ricard.com)

## Executive Summary

**-6%**  
**Q1 FY21**  
**Organic Sales**

**-10%**  
**Q1 FY21**  
**Reported Sales**

# Encouraging Q1 FY21 at -6%, in marked improvement vs. Q4 FY20, thanks to partial On-trade reopening and continued Off-trade resilience

## Markets

**Off-trade remaining very resilient** in USA and Europe

Markets benefitting from **partial On-trade reopening**, though channel still disrupted

**Good start in USA and China**, with strong shipments ahead of festive season

**India** in double-digit decline

**Good resilience in Europe**, thanks to Off-trade and “staycation” over Summer. Continued strong dynamism in UK and Germany, near stability in France but declines in Spain and Russia

**Travel Retail still in very significant decline**, in spite of some domestic travel resuming

## Brands

**Strategic International Brands: -10%**, with significant declines for Martell, Chivas and Ballantine’s, due mostly to Travel Retail, but continued strong growth of Malibu and The Glenlivet, and resilience of Jameson

**Strategic Local Brands: -6%**, with decline of Seagram’s Indian whiskies but double-digit growth of Kahlua, Passport, Ramazzotti and Wiser’s

**Specialty Brands: +30%**, thanks in particular to Lillet, Malfy, Aberlour, Avion, Altos and Monkey 47

**Strategic Wines: +9%**, driven by double-digit growth of Campo Viejo and Brancott Estate, and Jacob’s Creek at +8%



## USA: +6%

**Robust market**, thanks to strong Off-trade resilience and On-trade reopening

**Q1 Sales benefitting from good shipments** ahead of festive season but adverse channel and category mix

**Jameson in good growth**<sup>1</sup>, driven by Original. Continued development of Cold Brew and Black Barrel

**Continued strong dynamism**<sup>1</sup> of growth relays The Glenlivet, tequilas Altos and Avion, and American whiskey portfolio

**Very dynamic growth**<sup>1</sup> of tried and trusted Bastion brands Malibu and Kahlua

## Global Travel Retail: -64%

**Decline** due to passenger traffic still significantly down vs. pre-Covid-19 levels. Very limited Sell-out trend improvement vs. Q4 FY20

Positive impact of opening of **Hainan island (China)** to **spirits** duty free sales

## China: +4%

**Good growth**, supported by On-trade recovery and Sell-in ahead of Mid-Autumn Festival

**Martell Sell-in stable** but depletions<sup>2</sup> in double-digit growth

**Chivas Regal** back to high-single digit depletion<sup>2</sup> growth

Growth relays **Absolut** and **The Glenlivet** continuing to develop very strongly<sup>2</sup>

## India: -13%

**Q1 FY21 trends improving vs. Q4 FY20** but demand still in double-digit decline due to Covid-19

**Sell-in ahead of Sell-out** in key states, in order to avoid supply chain disruption before festive season

**Strategic International Brands** very resilient with, in particular, double-digit growth of Jameson and Ballantine's



## Other key markets Q1 FY21



### Europe<sup>1</sup>: -5%

**France: -2%**, improving trends vs. Q4 FY20 thanks to On-trade reopening, on high basis of comparison (Q1 FY20 +3%)

**Spain: -26%**, due to significant On-trade exposure in context of night On-trade closures, strict restrictions for bars and restaurants and lower tourism in July and August

**UK: +22%**, broad-based acceleration, with Off-trade dynamism more than offsetting On-trade decline. Positive pricing thanks to increases in Q4 FY20

**Germany: +12%**, strong growth driven by Lillet and Ramazzotti. Very strong price/mix on Strategic brands

**Russia: double-digit decline** due to lower On-trade demand, against high basis of comparison (Q1 FY20 +13%)

**Poland: double-digit growth** due to strong development of Jameson and Ballantine's Finest

### Americas<sup>1</sup> incl. USA: +5%

**Canada: strong growth**, with advance shipments, primarily driven by Jacob's Creek, The Glenlivet and Absolut

**Brazil: gradual rebound**, enhanced by favourable phasing

**Mexico: growth** driven by Strategic International Brands and Passport, with low basis of comparison

### Asia-RoW<sup>1</sup> incl. China and India: -12%

**Japan: decline** due to limited footfall in On-trade. Resilient price/mix

**Korea: +13%**, driven by Strategic International Brands and positive pricing, enhanced by phasing

**South-East Asia:** most countries still impacted by pandemic and trade disruptions

**Africa Middle East:** decline primarily driven by **South Africa (-42%)** still under strict rules throughout most of Q1, despite continued strong performance in **Turkey (+49%)**



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<sup>1</sup> including Travel Retail

# Conclusion & Outlook

**Q1 FY21** in decline but **in marked improvement vs. Q4 FY20**, as expected, thanks to brand resilience in Off-trade and partial reopening of On-trade

**For FY21, Pernod Ricard expects:**

- **Continued uncertainty and volatility**, in particular relating to sanitary conditions and their impact on social gatherings and travel
- **Challenging economic** conditions
- **Resilience of Off-trade** in USA and Europe but prolonged **downturn in Travel Retail** and **On-trade disruption** throughout FY21
- **Return to growth in China** and **gradual improvement in India**
- **Q2 to still be strongly impacted by Covid-19**, but **Sales to return to growth in H2**
- Continued implementation of **clear strategy** with acceleration of **Digital transformation**
- Continued **strict cost discipline with agility to reinvest** to adjust to evolving market opportunities



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# Appendices



### Definitions and reconciliation of non-IFRS measures to IFRS measures

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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.

# Q1 FY21 Sales Analysis by Region

Net Sales (€ millions)	Q1 FY20		Q1 FY21		Change		Organic growth		Group structure		Forex impact	
Americas	674	27.1%	673	30.1%	(0)	-0%	+32	+5%	+20	+3%	(52)	-8%
Asia/Rest of World	1,116	44.9%	918	41.0%	(198)	-18%	(138)	-12%	+1	+0%	(61)	-5%
Europe	694	27.9%	645	28.8%	(49)	-7%	(32)	-5%	(2)	-0%	(14)	-2%
<b>World</b>	<b>2,483</b>	<b>100.0%</b>	<b>2,236</b>	<b>100.0%</b>	<b>(248)</b>	<b>-10.0%</b>	<b>(138)</b>	<b>-5.6%</b>	<b>+18</b>	<b>+0.7%</b>	<b>(128)</b>	<b>-5.1%</b>

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

# Forex Impact on Q1 FY21 Sales

Forex Impact Q1 FY21  
(€ millions)

Average rates evolution

On Net Sales

		Q1 FY20	Q1 FY21	%	
US dollar	USD	1.11	1.17	+5.2%	(31)
Indian rupee	INR	78.31	86.95	+11.0%	(25)
Chinese Yuan	CNY	7.80	8.09	+3.7%	(12)
Russian rouble	RUB	71.86	86.32	+20.1%	(10)
Brazilian real	BRL	4.42	6.29	+42.4%	(9)
Other					(42)
<b>TOTAL</b>					<b>(128)</b>

# Upcoming communications

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## Date<sup>1</sup>

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Friday 27 November 2020

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Tuesday 1 December 2020

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Thursday 11 February 2021

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## Event

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Annual General Meeting

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EMEA & LATAM conference call

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H1 FY21 Sales & Results

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1. Dates are indicative and liable to change