



Pernod Ricard

Créateurs de convivialité

SALES TO 31 MARCH 2017

20 April 2017

*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





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+3%

Q3 Sales

+4%

YTD Sales

Executive Summary

Strong year-to-date Sales

Q3: +3%, slightly softer quarter, as expected, mainly due to phasing of Chinese New Year¹. Underlying trends in line with those of H1

- **Good growth in Americas: +8%**, with Latin America improving and USA in growth despite difficult basis of comparison
- **Asia-RoW in decline at -2%**, due to CNY phasing¹ and final impact of demonetisation in India, as planned
- **Continued good performance in Europe: +7%**, with Western Europe solid and Eastern Europe dynamic

YTD: +4%, good growth

- **Strong growth across Americas: +7%**, with shipments ahead of depletions in USA
- **Modest growth in Asia RoW: +1%**, with China improving and now stable but slowdown in India (demonetisation)
- **Strong Sales in Europe: +4%**, with good growth in mature markets and dynamic recovery in Eastern Europe
- **Diversification of sources of growth:**
 - Strategic international Brands: +4%, with 11 of 13 brands in growth
 - Innovation representing 1/4 of topline growth
- **Mix positive (vs. negative in FY 16) but pricing still subdued**



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+4%
YTD Sales

Key figures

		9M FY17 vs. 9M FY16
Sales	€ 7,047 m	+4% Reported growth: +3%
<i>Mature markets</i>	€ 4,295 m	+3%
<i>Emerging markets</i>	€ 2,752 m	+5%
<i>Strategic International Brands</i>	€ 4,404 m	+4%
<i>Strategic Local Brands</i>	€ 1,308 m	flat
<i>Strategic Wines</i>	€ 386 m	+7%

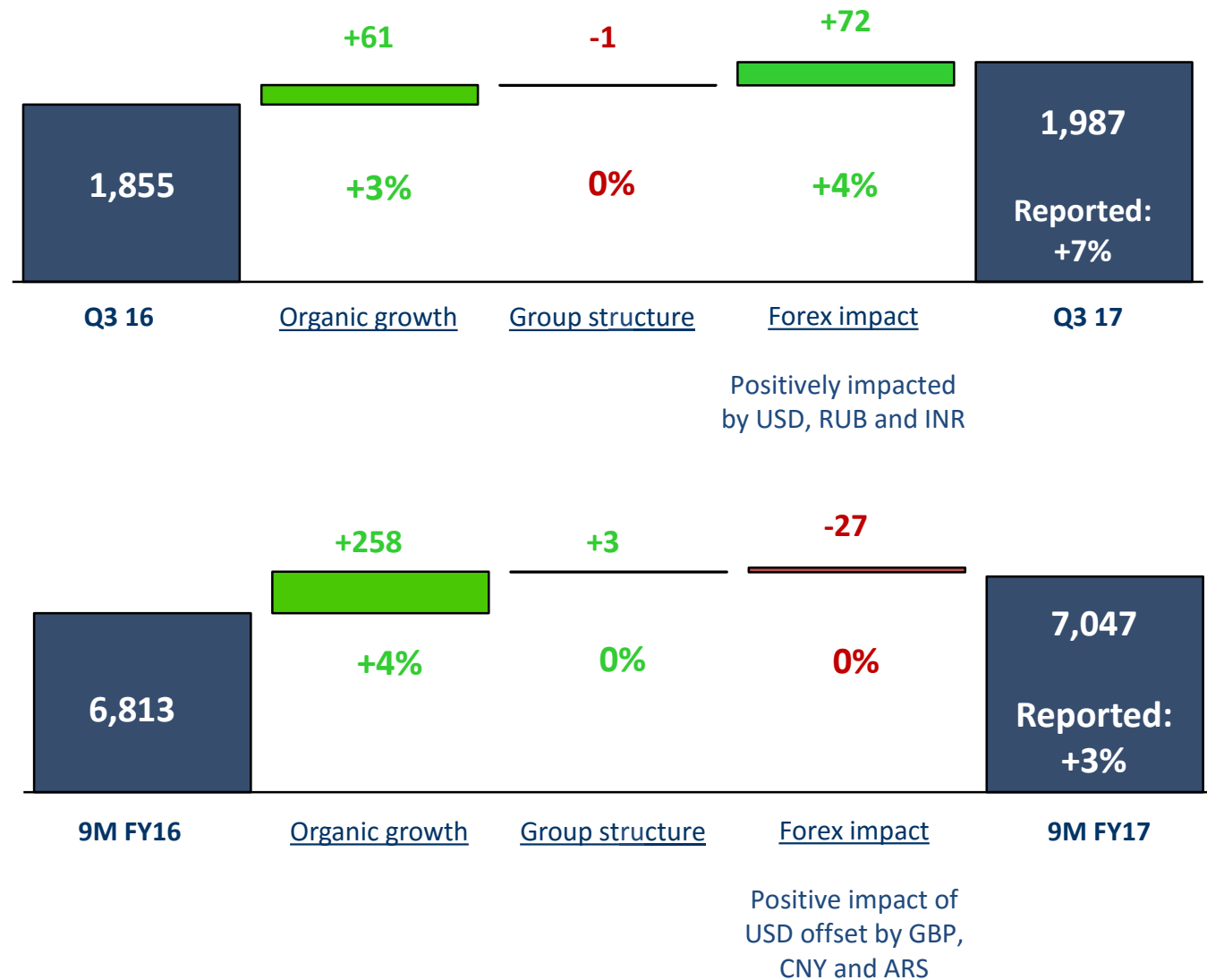


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+3%
Q3 Sales

+4%
YTD Sales

Key figures

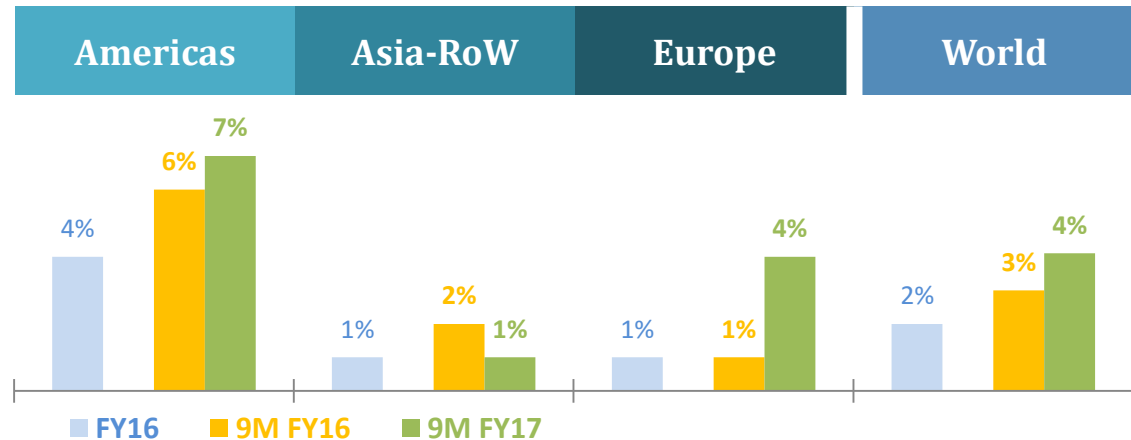




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Good momentum in Americas and Europe and modest growth in Asia-RoW

Year-to-date Sales growth by region



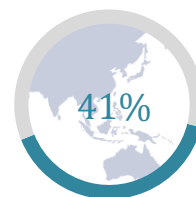
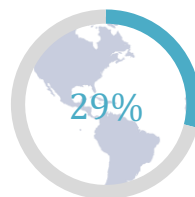
Continued dynamic growth across region

Modest growth with stabilisation in China but temporary challenges in India

Solid growth in Western Europe and dynamic recovery in Eastern Europe

Good YTD performance

% of Sales

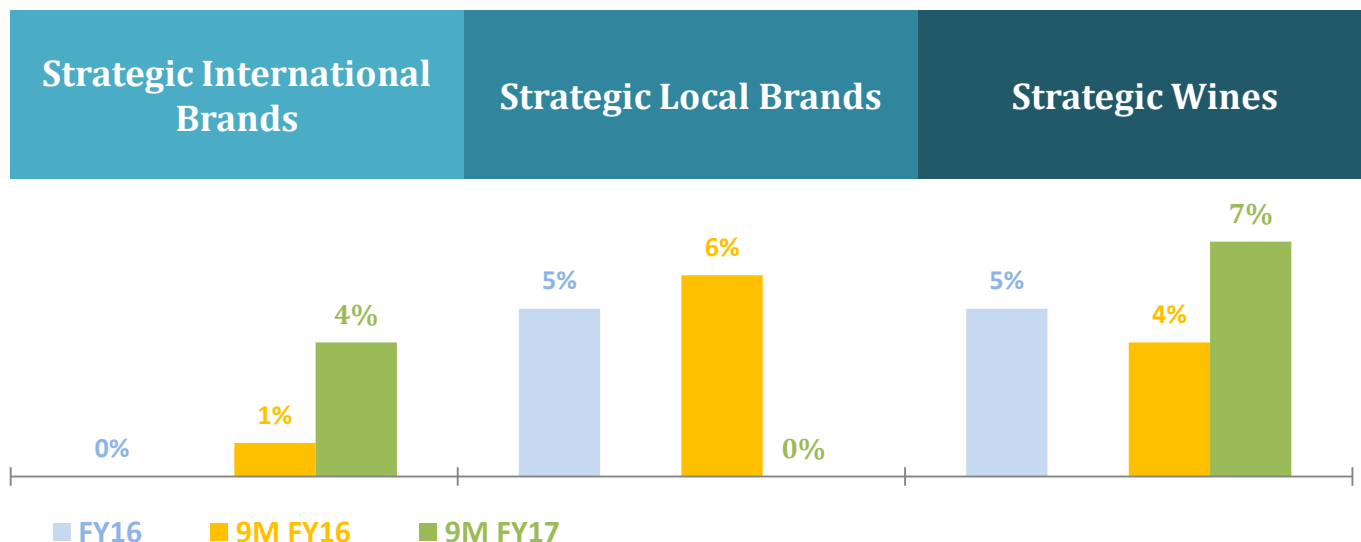




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Improvement driven by Strategic International Brands

Year-to-date Sales growth by category



Growth acceleration: strong momentum on Jameson, good growth on Ballantine's and improvement on Absolut and Martell

Deceleration due to the temporary slowdown in India impacting local whiskies

Dynamic growth driven by Campo Viejo

% of Sales

62%

19%

5%



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+7%

**YTD Sales
in Americas**

Americas

Continued dynamic growth in the Americas

USA: +5%

- Market growth deceleration with Nielsen¹ value now at +3.1%
- **Pernod Ricard at +2.2%¹ with an improvement in Q3:**
 - **Jameson continued double-digit growth**
 - **Absolut still in decline** but very strong launch of Lime
 - **Altos tequila in double-digit growth**
 - **Focus on Martell** with Blue Swift roll-out and relaunch of Martell VS Single Distillery
 - **Positive impact of efficiency initiatives**
- Shipments ahead of depletions

Travel Retail Americas

- **Return to growth** with better performance from Duty Free across zone, product mix and pricing

Latin America

- **Decline** in Brazil due to a difficult macroeconomic environment and shipment phasing. Significant price increases, in particular on international brands
- **Very strong growth in rest of region**, notably Argentina, Colombia, Uruguay and Cuba



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+1%

YTD Sales in Asia-RoW

Asia-Rest of World

Modest growth

India: +1%

- **Temporary growth deceleration** due to certain regulatory changes
- **Q2 and Q3 impacted as planned by demonetisation**, which has now run its course
- **Highway ban** to impact Sales mainly in Q4 FY17 and H1 FY18
- **Pernod Ricard confirming market leadership** in premium local and international whisky

China: Flat

- **Chinese New Year confirming improvement**, in line with expectations. **Q3 decline as planned due to earlier CNY¹** (unwinding of forward shipments in Q2)
- **Martell back to good volume and value growth**
- **Market remains challenging for Scotch**
- **Off-trade driving growth while on-trade remains in decline**

Korea

- **Continued strong decline**
- **Promising launch of Imperial 35 in December 2016**

Travel Retail Asia

- **Clear improvement with sales back to growth** but commercial environment still challenging

Africa and Middle East

- **Growth deceleration due to macroeconomic and geopolitical context**



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+4%

YTD Sales in
Europe

Europe

Solid growth in Western Europe and dynamic recovery in Eastern Europe

France

- Excluding technical impact¹, **Sales in slight growth**

Spain: +4%

- Continuation of strong performance, led by **Seagram's gin**
- **Consolidated leadership** in a faster-growing market

UK

- **Dynamic growth and market share gains² on priority brands** (Absolut, Chivas, Jameson and Campo Viejo), in a resilient environment
- **Advance shipments linked to price increases in March**

Russia

- **Successful strategy and execution** in a difficult market
- Pernod Ricard **sell-out in strong growth**, with **market share gains²** both overall and for Jameson, Ballantine's and Ararat

Travel Retail Europe

- **Decline** linked to difficult environment



Conclusion & Outlook

Strong YTD Sales

For full-year FY17, in an uncertain environment, Pernod Ricard expects:

- Good growth to continue in USA and Europe, as well as for Jameson worldwide and innovation
- Improvement vs. FY16 in China, Global Travel Retail and Absolut
- Temporary deceleration in India, due to certain regulatory measures

Confirmation of FY17 Guidance:

Organic growth in PRO between +2% and +4%

Updated positive FX impact of c.€80m¹ on Profit from Recurring Operations (“PRO”)

Appendices

Definitions and additional information related to the use of non-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

DATE¹

EVENT

Monday 15 May 2017

Asia Conference call

Thursday 31 August 2017

2016/17 Full-year Results

Thursday 19 October 2017

Q1 2017/18 Sales

Thursday 9 November 2017

Annual General Meeting

House of Brands effective 1 July 2016

Strategic International Brands



Strategic Local Brands



Strategic Wines



As of 1 July 2016

1. The above segmentation is used for Financial Communications. The same perimeter has been applied to FY16 for comparison purposes.
2. Bulk Spirits are allocated by Region according to the Regions' weight in the Group

Sales Analysis by Region

Net Sales (€ millions)	H1 2015/16		H1 2016/17		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,369	27.6%	1,431	28.3%	62	4%	95	7%	(5)	0%	(28)	-2%
Asia / Rest of the World	2,019	40.7%	2,040	40.3%	22	1%	52	3%	(0)	0%	(30)	-1%
Europe	1,570	31.7%	1,589	31.4%	19	1%	50	3%	10	1%	(41)	-3%
World	4,958	100.0%	5,061	100.0%	103	2%	197	4%	4	0%	(99)	-2%

Net Sales (€ millions)	Q3 2015/16		Q3 2016/17		Change		Organic Growth		Group Structure		Forex impact	
Americas	529	28.5%	602	30.3%	73	14%	43	8%	(0)	0%	31	6%
Asia / Rest of the World	822	44.3%	837	42.1%	15	2%	(15)	-2%	(0)	0%	30	4%
Europe	504	27.2%	547	27.5%	43	9%	33	7%	(1)	0%	11	2%
World	1,855	100.0%	1,987	100.0%	131	7%	61	3%	(1)	0%	72	4%

Net Sales (€ millions)	YTD March 2015/16		YTD March 2016/17		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,899	27.9%	2,033	28.9%	135	7%	138	7%	(6)	0%	3	0%
Asia / Rest of the World	2,841	41.7%	2,878	40.8%	37	1%	37	1%	(1)	0%	1	0%
Europe	2,074	30.4%	2,136	30.3%	62	3%	83	4%	9	0%	(30)	-1%
World	6,813	100.0%	7,047	100.0%	234	3%	258	4%	3	0%	(27)	0%



Forex Impact on YTD Sales

Forex impact 9M 2016/17 (€ millions)		Average rates evolution			On Net Sales
		2015/16	2016/17	%	
US dollar	USD	1.10	1.09	-1.5%	26
Argentinian peso	ARS	12.41	16.68	34.4%	(26)
Chinese yuan	CNY	7.07	7.38	4.4%	(28)
Pound sterling	GBP	0.74	0.86	16.7%	(56)
Other currencies					58
Total					(27)



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