



Pernod Ricard

Créateurs de convivialité

SALES TO 30 SEPTEMBER 2017

19 October 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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+5.7%

Organic Sales

Executive Summary

Very good Q1 Sales, with growth accelerating and diversifying

Continued dynamism in the Americas: +6%

- Good performance in USA
- Acceleration of Travel Retail throughout the continent

Significant acceleration in Asia-RoW: +7% vs. stable in Q1 FY17

- Strong Q1 in China
- Rebound in Travel Retail and Africa Middle East

Continued good overall growth in Europe: +3%

- Very strong Sales in Eastern Europe
- Modest increase in Western Europe, with strong dynamism in Germany and UK but decline in France and slow start in Spain

Acceleration coming from Emerging markets (+10%)

Performance partly enhanced by favourable basis of comparison in Q1 FY17 (Global Travel Retail, Africa Middle East...)



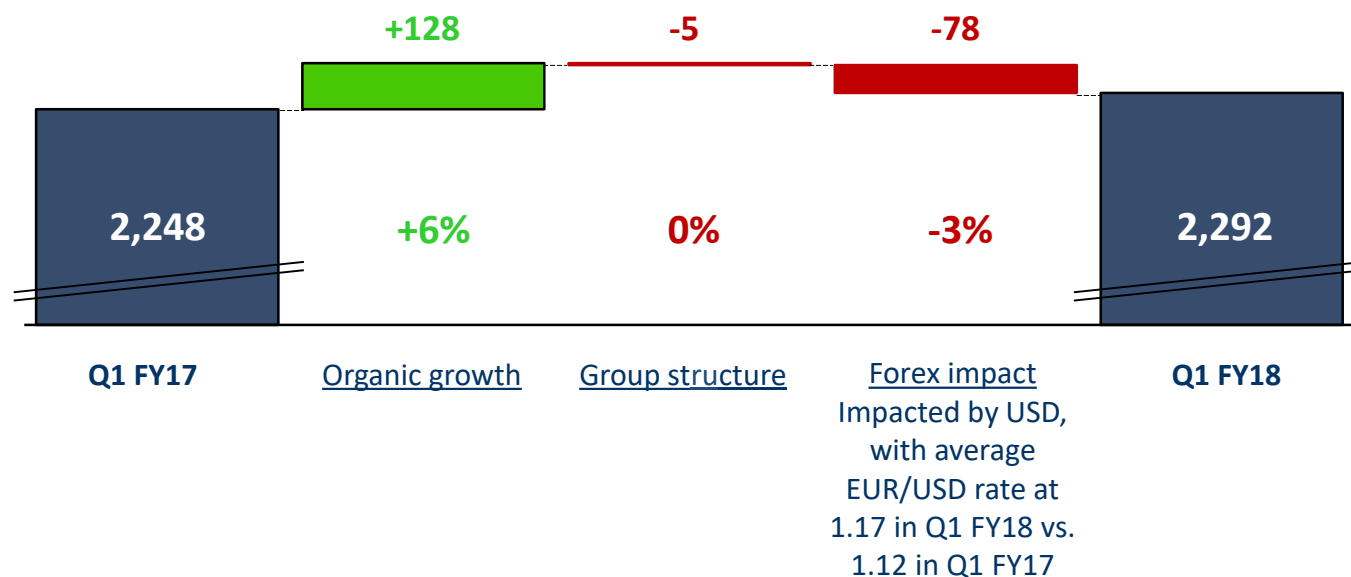
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+5.7%
Organic Sales

+2.0%
Reported Sales

Key figures

		Q1 FY18 vs. Q1 FY17
Sales	€ 2,292 m	+5.7% Reported growth: +2.0%
Mature markets	€ 1,364 m	+3%
Emerging markets	€ 929 m	+10%

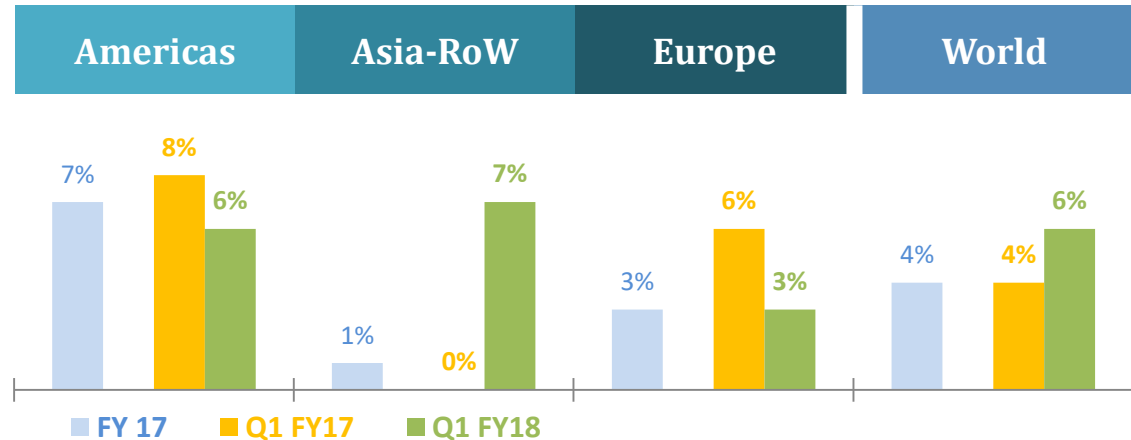




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**Good
momentum in
all Regions**

Sales growth by Region



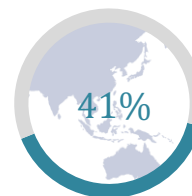
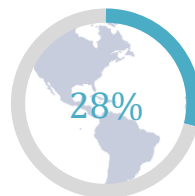
Continued dynamism, driven by good performance in USA and acceleration of Travel Retail

Significant acceleration with strong Q1 in China and rebound in Africa Middle East and Travel Retail

Good overall growth, with strong dynamism in Eastern Europe and modest growth in Western Europe

Very good Q1: growth accelerating and diversifying

% of
Sales

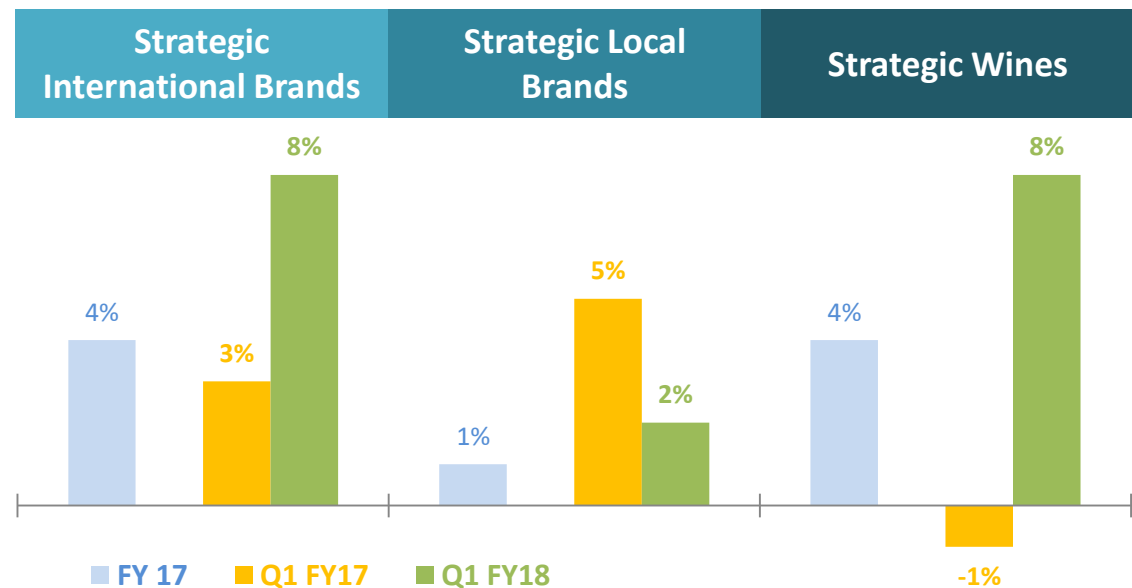




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Acceleration driven by Strategic International Brands

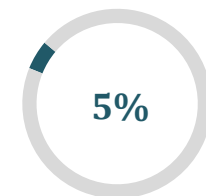
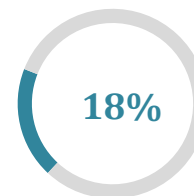
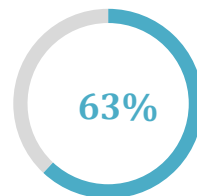
Sales growth by key category



Strong broad-based growth, driven in particular by Martell, Absolut, Jameson, Ballantine's, Chivas and Malibu

Seagram's Indian whiskies growth still subdued (highway ban) but strong growth in tequila and gin

Very strong quarter thanks mainly to Campo Viejo



% of Sales

Innovation: delivering +2% incremental Group top line growth in Q1



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+6%

Americas

Continued dynamism

USA: +4%

- **Good performance**
- Market growth stabilising around 3-4%¹
- **Clear portfolio strategy driving diversification of growth²:**
 - **Jameson continued double-digit growth**, with price increase in September
 - **Modest decline of Absolut** in a difficult category
 - **The Glenlivet and Avion** performing better after the changes made during FY17
 - **Very dynamic other growth relays**, in particular Martell (+35%) and Altos (+16%)

Canada

- **Slight decline** following destocking

Travel Retail Americas

- **Growth acceleration** driven by Absolut, Chivas and Ballantine's

Latin America

- **Return to growth in Brazil** in an improving context, driven by the Strategic International Brands and Passport
- **Improved performance in Mexico** following strategic refocus
- Continued good performance in Argentina and Cuba
- Impact of hurricanes and earthquake expected to dampen business in coming months in the Caribbean and Central America

¹ Internal estimate

² Nielsen value data 52 weeks to September 2017



+7%

Asia-Rest of World

Significant acceleration

China: +15%

- Sales acceleration in Q1 driven by all categories
- Continued good growth for Martell across all price segments
- Chivas in growth in Q1 following launch of Chivas 12 Extra (pipeline fill) and new NBA platform activation. Too early to assess success of new approach.
- Very good performance of premium brands after first year of new dedicated organisation, against a low basis of comparison in Q1 FY17
- Chinese New Year timing (3 weeks later¹) to negatively impact Q2

India: +2%

- Good resilience on challenging comparison basis. Positive impact of earlier Diwali².
 - Seagram's Indian whiskies in slight growth
 - Double-digit growth of Strategic International Brands, in particular Chivas
- Continued but easing disruption from highway ban – gradual improvement expected to start in Q2
- Implementation of GST on 1 July 2017, with resulting price increases

Korea

- Better Q1, with modest decline in Sales, thanks to implementation of turnaround plan and favourable phasing

Travel Retail Asia: +18%

- Strong rebound on a low basis of comparison (decline in Q1 FY17)

Africa and Middle East

- Double-digit growth largely driven by favourable basis of comparison (geopolitical tension and commercial dispute in Middle East in Q1 FY17)

¹ 16 February 2018 vs. 28 January 2017

² 19 October 2017 vs. 30 October 2016



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+3%

Europe

Continued good overall growth

France: -4%

- Sales down due to tough environment, with market in decline¹ in particular for anis

Spain

- Slow start with modest decline in Q1 driven by market growth deceleration² and adverse shipment phasing

Germany

- Very strong growth, lapping a commercial conflict in Q1 FY17
- Continued very strong development of aperitif segment in particular Lillet

UK

- Strong start in particular thanks to dynamic wine portfolio

Travel Retail Europe

- Rebound vs. weak start in Q1 FY17
- Underlying improvement linked in particular to return of Russian travellers

Russia

- Continued double-digit growth resulting in significant market share gain²



Outlook

For FY18, Pernod Ricard expects:

- Good Sales growth to continue in USA, Europe, Jameson and innovation
- Sales to improve vs. FY17 in China, India and for Chivas
- Continued focus on operational efficiency with new initiatives ramping up
- Continued strong cash flow generation
- Adverse FX impact on Profit from Recurring Operations

Confirmation of FY18 Guidance: Organic growth in Profit from Recurring Operations between +3% and +5%

Appendices

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.



Upcoming communications

DATE ¹	EVENT
Thursday 9 November 2017	Annual General Meeting
Wednesday 13 December 2017	North America conference call
Thursday 8 February 2018	H1 FY18 Sales & Results
Thursday 22 March 2018	EMEA & Latam conference call
Thursday 19 April 2018	Q3 FY18 Sales

Q1 Sales Analysis by Region

Net Sales (€ Million)	Q1 FY17		Q1 FY18		Change		Organic Growth		Group Structure		Forex impact	
Americas	649	28.9%	652	28.4%	3	0%	40	6%	(3)	0%	(34)	-5%
Asia / Rest of World	917	40.8%	940	41.0%	23	2%	64	7%	(1)	0%	(41)	-4%
Europe	682	30.3%	701	30.6%	19	3%	23	3%	(1)	0%	(3)	0%
World	2,248	100.0%	2,292	100.0%	45	2%	128	6%	(5)	0%	(78)	-3%



Forex Impact on Q1 Sales

Forex impact Q1 FY18 (€ Million)		Average rates evolution			On Net Sales
		Q1 FY17	Q1 FY18	%	
US dollar	USD	1.12	1.17	5.2%	(31)
Chinese yuan	CNY	7.44	7.83	5.2%	(13)
Pound sterling	GBP	0.85	0.90	5.6%	(6)
Other					(28)
Total					(78)



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