



Pernod Ricard EMEA & LATAM

Europe, Middle East, Africa & Latin America

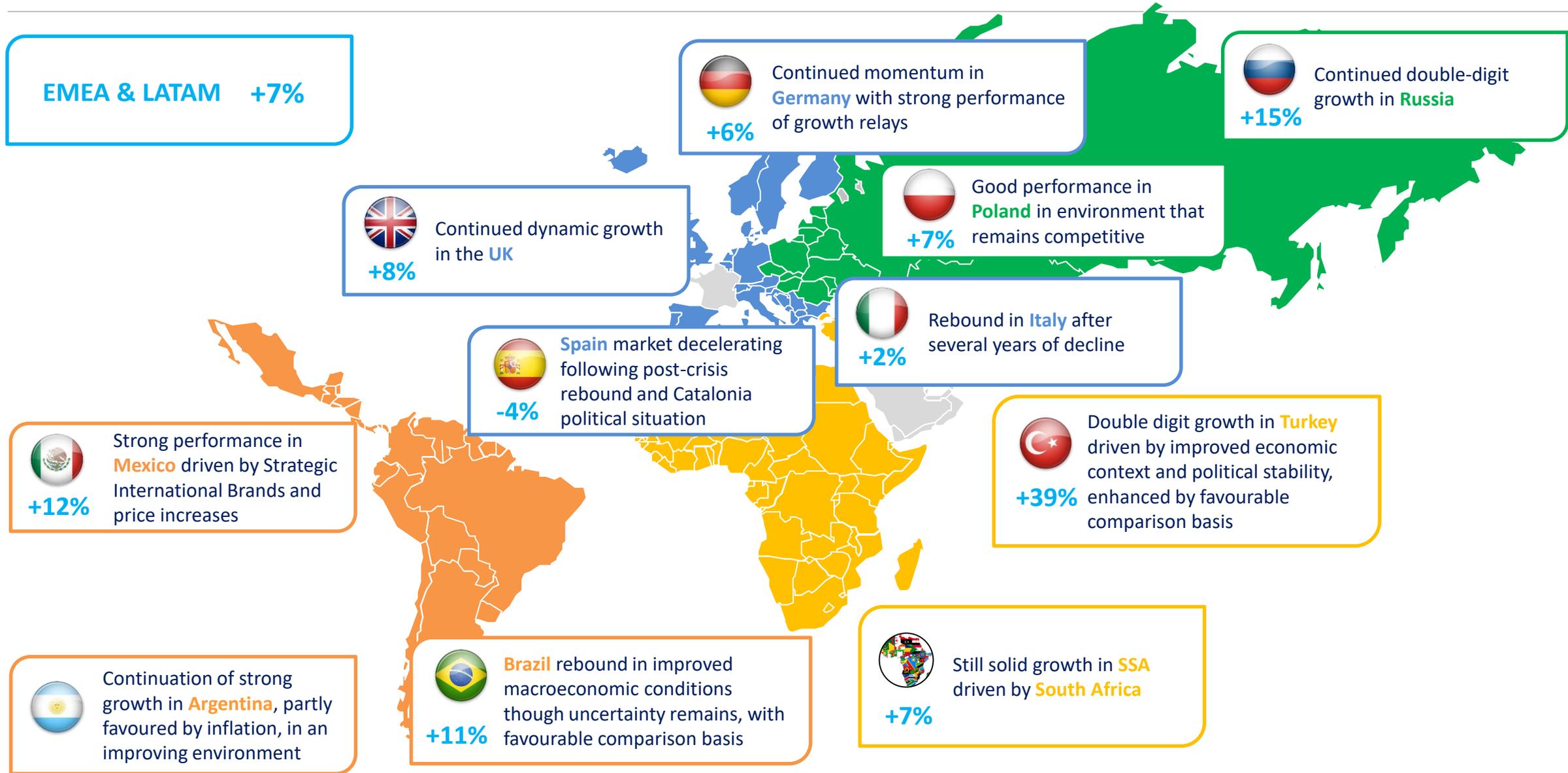
Regional conference call

Christian Porta
Chairman & CEO

March 22nd, 2018



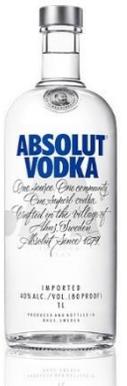
Strong H1 FY18 sales with Emerging Markets key drivers of growth



All categories very dynamic

Strategic International Brands growing +8%, in particular Absolut, Chivas and Jameson

Double-digit growth in LATAM, UK, South Africa, Middle East & Russia



+11%

#1

Premium vodka

Dynamic growth driven mainly by Turkey, Russia and LATAM



+9%

#2

Super Premium Scotch Whisky

Softer in decelerating Spain but strong in Middle East, Eastern & Central Europe



+5%

#2

Premium Scotch Whisky

Good growth across the region, mainly in Russia and South Africa



+12%

#2

Premium non-Scotch Whisky

Soft in Spain but double-digit growth in many markets



+3%

#1

Premium Plus Gin

Growth mainly driven by Germany, Russia and Mexico while softer in Spain and Italy



+3%

#1

Premium Plus Rum

Dynamic growth with strong contribution from emerging markets



+13%

#2

Super Premium Malts

Strategic International Brands		+8%
Strategic Wines		+6%
Strategic Local Brands		+5%



Innovation and Luxury delivering strongly



Accelerating successful innovations

Absolut Mixt



- Absolut RTD range launched in Scandinavia
- Iconic bottle format to recruit new generation of Absolut consumers
- A 360 launch campaign



Summer Tour



Monkey 47 Lodge in London



Monkey 47

Successful development across region in particular in UK and Germany

+53%



Lillet

- Distribution expansion
- Strong performance in Germany



+52%



Jameson NPDs

Premium extensions to capitalise on craft trend with Caskmates Stout & IPA



Acceleration of Prestige

- **Flexible and diverse portfolio** covering all moments of convivialité
- **Tailor-made activations** in Iconic locations
- Dedicated **expert teams** in key markets

Russia +12%



SPEAR's business club Wealth Management Awards by Chivas Ultis

Germany +16%



Tailor-made activation of Perrier-Jouët in top accounts

Greece +14%



High-energy activations of Absolut Elyx in Mykonos



Italy +16%



Havana Club activation in Milan's Iconic hotels



Strong contribution from Emerging Markets thanks to focused investment behind Strategic International Brands

A&P investment increased by more than 40% since H1 FY15



LATAM

Total

+16%

Strategic International Brands
(50% LATAM Sales)

+17%



Africa & Middle East

Total

+12%

Strategic International Brands
(88% Africa & Middle East Sales)

+13%



Eastern Europe

Total

+18%

Strategic International Brands
(65% of Eastern Europe Sales)

+21%



Note: figures reflect H1 FY18 Sales organic growth



Russia: successful strategy driving double-digit growth

Double-digit growth in a very dynamic market

2017* Value MAT

- Continued focus on Strategic Premium+ brands, while leveraging a strong portfolio of local brands

H1 Sales **+15%**

Strategic International Brands **+18%**



	Market Evol.	Market Share	△
Premium+	+12.6%	24.6%	Flat
Standard	+11.2%	4.7%	-0.8pt
Total	+11.8%	13.0%	-0.4pt

Effective activations and L3F execution

Ballantine's H1 Sales **+14%** SOM △ **+1.0pt**

True Music

- Boiler Room Music campaign activation
- Collaboration with Present Perfect Festival
- Series of True Music regional events
- Fastest growing Premium Blended Whisky**



Present Perfect Festival



H1 Sales **+20%** SOM △ **+0.4pt**

New advertising campaign "Born in the streets of Dublin"

- Strongly differentiating from market environment
- 360 campaign launched in Sept17



CHIVAS H1 Sales **+24%** SOM △ **+1.2pt**

Strong growth in H1

- Special events and staff incentive in the on-trade
- High season push in the off-trade



ARARAT H1 Sales **+12%** SOM △ **-1.2pt**

Brand building & differentiation strategy in a very competitive category

- 130th anniversary (Press tour)
- "Toast" campaign (off-trade, cultural sponsorship)
- Digital CRM platform
- Mentoring (new brand ambassador)





SSA: dynamic growth (+7%) driven by Premium+ Spirits despite some political uncertainty across the region in H1

Successful pan-African campaigns



Mumm – #DareWinCelebrate

Bring to life Mumm's essence of #DareWinCelebrate through a spectacular experience by taking over the sponsorship of Sun Met, the richest day of racing in Africa

Ballantine's – Beat of Africa

360 campaign in 6 markets: South Africa, Angola, Cameroon, Zambia, Mozambique, DRC



Absolut – One source campaign

Thinking locally in a global way



Continued solid growth in South Africa

- Continued double-digit performance of Jameson (inc. Caskmates)
- Strong contribution from growth relays in particular Absolut, Ballantine's and Prestige
- Increased pricing pressure from competitors

Strategic International Brands



H1 Sales

+9%

Value MAT	2017	△
Market Evol.	+9.6%	
Market Share	12.0%	-0.2pt
SOM		
ABSOLUT	29.4%	+1.7pt
 JAMESON	34.6%	+0.4pt
<i>Ballantine's</i>	10.6%	+1.2pt
 CHIVAS	8.5%	-0.4pt

Contrasted picture in other markets

- Good H1 in **West Africa** and **South Central Africa**
- Softer start in **East Africa** (political uncertainty in Q1 in Kenya) and in **Nigeria** (difficult economic environment)





Turkey: consolidating our leadership position in Imported Spirits and further developing our growth relays

Strong double digit growth in an improved economical and market context

- All channels growing with rebound of on-trade and hotels
- Favorable comparison basis last year
- Pernod Ricard continues to gain market share and to increase prices

Value MAT	2017*	△
Market Evol.	+31%	
Market Share	43.3%	+2.4pts

Successful development of growth relays

H1 Sales **+32%** SOM △ **+2.6pts**

CHIVAS

House of brothers

Offers a unique and super premium experience



H1 Sales **+51%** SOM △ **+2.8pts**

Ballantine's

Champions League

Off-trade driven strategy, focused on sales team incentives and customer loyalty programs.



H1 Sales **+33%** SOM △ **+3.4pts**

ABSOLUT.

Absolut #NightsByYou

High energy event sponsorships with maximized online coverage with Instagram influencers via #nightsbyyou platform



Source: Retail Audit (Supermarket + traditional) Nielsen MAT Value share, data ending December 17. Chivas on Super Premium whisky; Ballantine's on Premium Scotch whisky; Absolut on Premium Vodka. Total Market Share on Spirits excluding Rakı and VFM vodka * Change of perimeter by Nielsen vs. last year (traditional off trade incl.)



Mexico: acceleration thanks to continued strategic refocus on international brands

Market share stabilisation after full business reset and resource reallocation

- New organisation model aligned with refocused portfolio strategy
- Over-investment driving acceleration of Strategic International Brands
- Bold price increases (H1 price effect +13%)



	Value MAT	2017*	△
Market Evol.		+8.9%	
Market Share		7.7%	-0.1pt

Accelerating on Absolut and Martell, stabilising Chivas

Market Share 2017

ABSOLUT. 32% **+0.3pt**

- Launch of new advertising campaign “A night for change”
- Based on global concept, developed and produced locally



Market Share 2017

CHIVAS 8% **-0.1pt**

- Focusing on Mexico city and Guadalajara
- Selecting the right media: open TV and OOH
- Targeting the top selling stores for Whisky SP+
- Activating the on-trade



Market Share 2017

MARTELL 54% **+1.6pt**

COGNAC

- Martell VSOP: key touchpoints activated “Campestres” and Fairs
- Martell VS Single Distillery: launch supported by on-trade activations and regional fairs



New Martell VSOP launched mid-February 2018: “True elegance lies in its perfect balance”



Brazil: gaining market share in a context of economic rebound (uncertainties remain)

Resuming with growth and market share gains

- Restart of **strong brand building investment** after cuts during crisis
- Focus on **Strategic International Brands**, also leveraging a strong portfolio of local brands
- **Favorable comparison basis** last year
- Positive price effect (H1 +4%)

H1 Sales

Strategic International Brands  **+11%**

Value MAT	2017	△
Market Evol.	+2.3%	
Market Share	22.7%	+0.5pt

Growth coming both from Strategic International Brands and Local Brands

H1 Sales **+6%** SOM △ **+2.0pt**

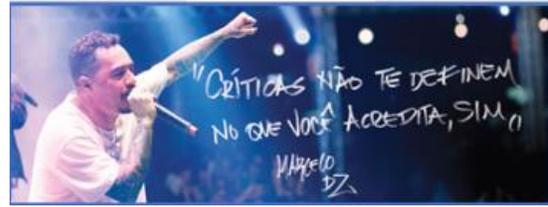
ABSOLUT.




Art resistance

H1 Sales **+14%** SOM △ **+0.4pt**

Ballantine's



Stay True Campaign

H1 Sales **+12%** SOM △ **+2.7pts**

 **CHIVAS**



"Win together, celebrate together"

H1 Sales **+23%** SOM △ **+1.5pt**

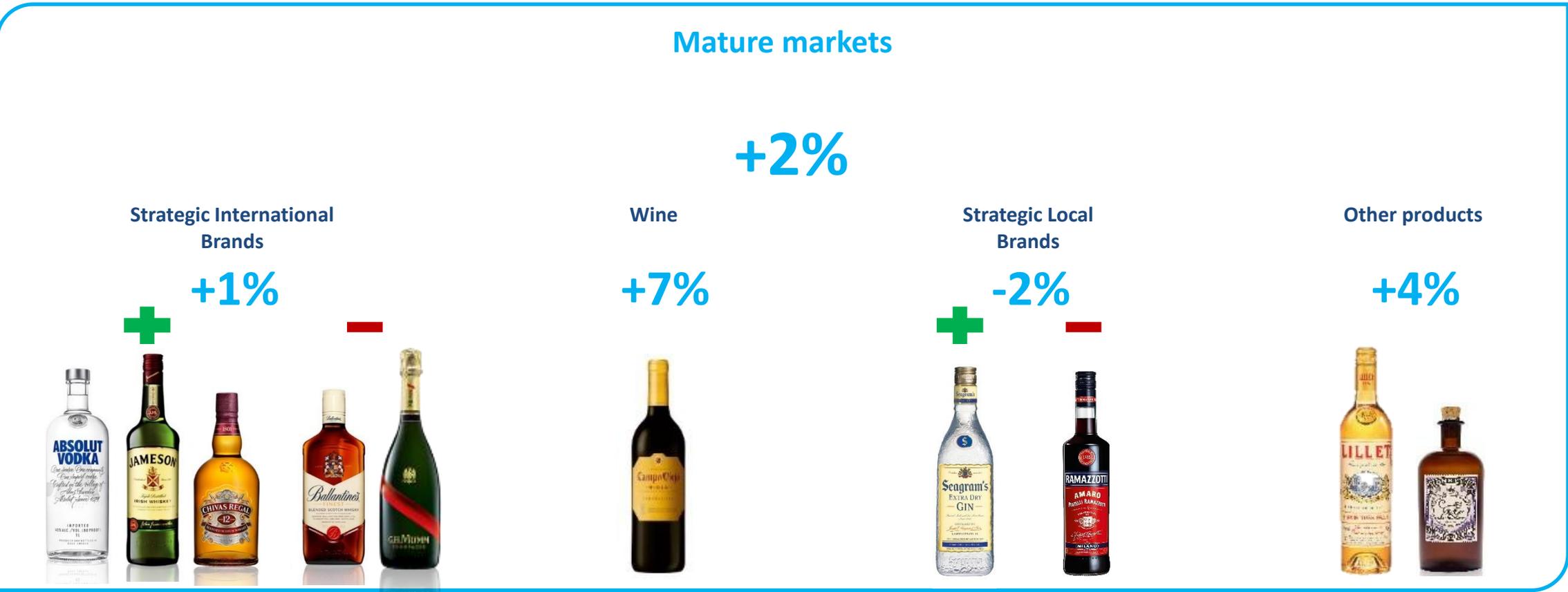


+17% **-1.9pt**



Consolidating leadership in mature markets with tight resource management

A&P investment optimization resulting in slight reduction of A&P / Net Sales ratio over the past 3 years
Strict monitoring of structure costs



Notes: figures reflect H1 FY18 Sales organic growth
Mature markets including Iberia, Western Europe, Southern Europe, UK, Northern Europe, Central Europe Management Entities



Spain: defending our leadership in a context of market deceleration

Resilient in a decelerating market

- **Market deceleration** following post crisis rebound and Catalonia political situation
- Beefeater Pink Gin launched in Feb18
- **Increased pricing pressure** especially in Whisky
- Soft summer leading to **wholesalers destocking**

H1 Sales **-4%**

Value MAT	2017	△
Market Evol.	+2.2%	
Market Share	23.7%	-0.4pt ▽

Strong activations

Market Share 2017
Seagram's GIN 13.4% **+0.5pt**

Seagram's Gin Hotel Campaign



- Monetising experiences - Timeless and authentic experiences and content directly from NYC

Ballantine's

Market Share 2017
26.4% **-0.5pt**



Music projects



Strong investment in C&C and WHS

- Experiential events with the best international DJs
- Weekly Ballantine's radio program
- Rehearsal studios & concerts for new music bands



Market Share 2017
24.7% **-2.1pt**



Experiential event in Madrid





Germany: strengthening our leadership in a premiumising market

Continued momentum

- Dynamism driven by growth relays and Prestige
- Positive price/mix (H1 + 3%)

H1 Sales

+6%

Imported Spirits

Market Evol.

+1.7%

Market Share

12.1%

△

flat

Total

-1.1%

8.6%

+0.1pt

Strengthening strong brands and growth relays



Absolut
Nights@Lollapalooza



Absolut
Nights over all
touchpoints

ABSOLUT

Market Share 2017

10% **+0.4pt**



24% **-1.2pt**

RAMAZZOTTI

17% **Stable**



27% **+4.8pts**

Lillet – Integrated campaign
for a strong push



H1 Sales

+14%



+50%



Prestige

+16%





UK: successful implementation of strategy focused on key brands

Strong growth with market share gains

- Sharpened portfolio strategy
- Benefit from April 2017 price increases
- Strategic International Spirits and Wines strongly contributing to growth



Value MAT	2017	△
Market Evol.	+4.3%	
Market Share	8.4%	+0.2pt

Strong momentum on both spirits and wines

Market Share 2017

ABSOLUT. 40% +2.2pts

J.J.S. JAMESON 12% +0.4pt

PRUK Xmas portfolio campaign focusing on 2 big bets **Absolut** and **Jameson**

Building a strong gin portfolio with inspiring activations and local campaigns

Beefeater Winter gin garden

Monkey 47 London Cocktail Week

Launch of Plymouth Fruit Cup in Summer 2018

Market Share 2017

21% +1.1pt

- Campo Cava launch across grocery market
- Campo Blanco sampling at Waitrose Drinks Festival
- Featuring Campo to gain visibility in the Impulse channel



Conclusion: an effective resource reallocation strategy

- ✓ **Strong growth delivered by Emerging Markets** thanks to an acceleration of A&P investments focused on Strategic International Brands
- ✓ **Leadership consolidated in mature markets** with tight resource management





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Q&As

