



Pernod Ricard Asia
Créateurs de convivialité

PERNOD RICARD ASIA

“Transform and Accelerate”



June 4th 2019



CONSOLIDATE CLEAR VALUE LEADERSHIP

Implementing “Transform & Accelerate” 3-year plan to drive profitable and sustainable long-term growth



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TOP LINE GROWTH

Strong broad-based growth across key markets, led by excellent performance in China and India. Double-digit top line growth (+15%), accelerating vs. 9M FY18 (+11%).

OPERATING LEVERAGE

In line with Group ambition, thanks to value strategy, portfolio premiumization and operational excellence.

STRATEGIC TRANSFORMATION

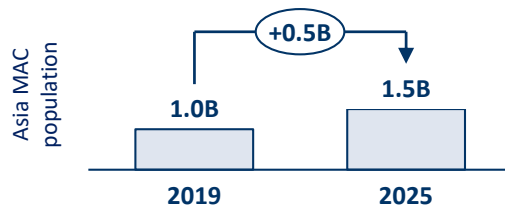
Key transformation milestones including the reorganization in Korea and establishment of new routes to market in Vietnam, Philippines and Myanmar.



CONSUMER DEVELOPMENT TRENDS CONTINUE



- Growing middle income and affluent consumer (MAC) population*



- Continued premiumization and up-trading to better and safer products
- Highest digital penetration in the world

FAVORABLE LONG-TERM OUTLOOK IN KEY MARKETS



- Public policy focus on domestic consumption increase



- Fastest growing major economy (+7% GDP growth forecasted**)
- Robust fundamentals (domestic demand and industrial sector growth, etc.)

POLITICAL RISKS TO MONITOR



- Trade tensions China/USA, US/EU and Brexit
- Possible changes to policies and regulatory environment post major elections in India, Thailand and Indonesia





9M FY19: ACCELERATING GROWTH IN KEY MARKETS, LED BY CHINA AND INDIA



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PERNOD RICARD ASIA

+15%
vs +11% LY

China



+21%
vs +19% LY

Very strong results thanks to value strategy and continued growth of Martell, Chivas and Premium Business Unit

Korea



(21)%
vs (6)% LY

Imperial distribution transferred to third-party, full focus on Strategic International Brands

Japan



+10%
vs +6% LY

Continued dynamic growth of Champagne and Chivas

India



+19%
vs +14% LY

Very strong performance across Seagram's brands and international portfolio

Taiwan Market

+8%
vs (9)% LY

Returned to growth after completion of trade destocking with strong performance in Scotch and Martell

HKSAR / MSAR*



+17%
vs +15% LY

Martell and Mumm/Perrier-Jouët driving growth

South East Asia

+8%
vs +3% LY

South East Asia, growth driven by strong performance of Martell and Whiskies

Note: % refer to 9M FY19 Sales (vs. 9M FY18 in grey)

*Hong Kong Special Administrative Region / Macao Special Administrative Region



MARTELL VERY STRONG GROWTH ACROSS ALL PRICE SEGMENTS AND MARKETS



+19%
vs +16% LY

#1

Cognac in China



SEAGRAM'S WHISKIES MOMENTUM SIGNIFICANT IN INDIA



+18%
vs +12% LY

#1

*Bottled in India
premium Whiskies*

FOLLOWING SUCCESSFUL RELAUNCH CHIVAS CONFIRMED RETURN TO GROWTH



+8%
vs +5% LY

#1

*Scotch Whisky in
China*



STRONG DYNAMISM OF PREMIUM GROWTH RELAYS



+36%

 
*Ballantine's Finest
Premium
Scotch Whisky*
#1 **#2**
in China in India



+26%

 
*Absolut
Premium
Imported Vodka*
#1 **#1**
in China in India



+27%

*Jameson
Seeding
momentum
across the
region*



#1

**CONSOLIDATE VALUE LEADERSHIP
BY CONQUERING THE MIDDLE CLASS AND EXPANDING STRONGHOLD WITH AFFLUENTS**

More from the Core

Premiumization

Innovation

Luxury

Prepare the Future

New
Categories

New
Price Points

New
Geographies

A MODEL WITH STRONGER DIVERSITY, LESS VOLATILITY AND IMPROVED RESPONSIVENESS



CHINA: UNIQUELY POSITIONED TO FULLY CAPTURE PRESENT AND FUTURE GROWTH OPPORTUNITIES

MAC
Population

+200M
next 6 yrs



Ambition: *Expand the Imported Spirits market to double its size from 1% to 2% between 2017 and 2025*

TWO BUSINESS UNITS AND FOUR ROUTES TO MARKET TO CAPTURE DIVERSE OPPORTUNITIES



PR CHINA'S VOLUME AND VALUE GROWTH STRATEGY UNDERPIN OUR MARKET LEADERSHIP*

Note: MAC - Middle Income and Affluent Consumers

*PR China IWSR 2018 Volume Share: Cognac 42%, Whisky 39%, Vodka 38%



CHINA: PRESTIGE BUSINESS UNIT CONTINUING DOUBLE DIGIT GROWTH FUELED BY MARTELL

REINFORCE MARTELL AS THE NO.1 COGNAC



Reinforce Martell's status as the No.1 Cognac brand while enhancing the prestige image



Accelerate consumer recruitment at meal occasions



Activate Curious Restaurants in 8 cities with over 20k participants



Drive recruitment of younger LDA+ consumers by building party platforms



Launch Martell Party Channel that is nationally available

STRONG VALUE STRATEGY FURTHER BOOSTING TOP LINE GROWTH

Premiumization of Sales Mix

Super & Ultra Premium

Prestige+



Price Increases
Across the whole range in 2018 and 2019

Moderation in Promotional Intensity



CHINA: DYNAMIC DEVELOPMENT OF PREMIUM BUSINESS UNIT GROWTH RELAYS



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CHIVAS RESPONDING WELL TO EQUITY-DRIVING RELAUNCH CAMPAIGN

Success is a Blend campaign with Kris Wu, most commercially valued male celebrity in China in 2018 (CBN weekly)



Recruit and engage MACs by continuously leverage NBA partnership



Premiumize in night occasions with Chivas Extra and Chivas XV



Digital led campaigns across all touchpoints to accelerate recruitment



ACCELERATE THE RECRUITMENT OF MACS WITH GROWTH RELAYS



Build Ballantine's as #1 young whisky for Chinese millennials

Scale up #Absolutnights Grow beyond street culture



Seed Specialty Brands on the back of China's growing cocktail culture



INDIA: VALUE LEADERSHIP POSITION UNDERPINNED BY ROBUST BUSINESS MODEL

MAC
Population

+100M
next 6 yrs



Ambition:

*Consolidate leadership position in the industry**

ROBUST BUSINESS MODEL

Unique Brand Portfolio



- Leader in Premium+ Western Style Spirits with Seagram's whiskies
- Broad and fast growing international spirits portfolio and Wines

Commercial and Marketing Excellence



- Strong marketing reach and execution with a focus on digital engagement
- Agile organization to capture emerging consumer opportunities and evolving trade space

Best in Class Operational Efficiency



- Manufacturing quality, food safety and efficiency recognized by leading industry bodies
- Quality and Food Safety Management Systems certified with high level of compliance

Leading Engagement with Community and S&R Programs

- Educate youth on underage drinking and substance abuse via Cool Teens program to reach over 200,000 teens
- On-track to achieving water neutrality by 2021
- Increase natural gas-powered vehicle fleet

REINFORCED LEADERSHIP AND INCREASING VALUE SHARE



INDIA: STRONG AND DIVERSIFIED GROWTH

INDIA
YTD SALES GROWTH **+19%**

COMPREHENSIVE AND VALUE LEADING SEAGRAM'S WHISKIES PORTFOLIO TO RECRUIT MAINSTREAM CONSUMERS AND DRIVE UPTRADE

100 PIPERS



Drive up-trading



Rejuvenated brand codes and assets



Refreshed packaging

IMPERIAL BLUE



Strengthened communication with LDA+ youth codes

POWERING AHEAD WITH INTERNATIONAL SPIRITS PORTFOLIO AND WINES



Absolut

Dynamic recruitment thanks to localized communication, collaboration creative platforms



Jacob's Creek

Drive premiumization and amplified media with localized communication



Chivas

Continue to build brand affinity and drive recruitment

Ballantine's

Continue to refresh communication and assets, become brand of choice of the corporate tribe





KOREA: SUCCESSFUL EXECUTION OF TRANSFORMATION PLAN TO ENABLE GREATER FOCUS ON STRATEGIC INTERNATIONAL BRANDS

SUCCESSFUL ORGANIZATIONAL TRANSFORMATION COMPLETED IN H2 2019



New Organization Focus

- Full focus on Strategic International Brands and Growth Relays



- Streamlined fit-for-purpose organization

Externalized

Third-party distribution of Imperial



REFOCUS ON STRATEGIC INTERNATIONAL BRANDS BALLANTINE'S AND ABSOLUT



Ballantine's
#1 Int. Blended Scotch



Absolut
#1 Vodka

Absolut - Recruit in
casual occasion and
bring innovations



Refresh
brand image



Elevate Status
of Prestige+



Drive modernity & contemporaneity

ACCELERATE DEVELOPMENT OF GROWTH RELAYS





JAPAN: DYNAMIC GROWTH CONTINUES THANKS TO PREMIUMIZATION

JAPAN
YTD SALES GROWTH **+10%**

REINFORCING LUXURY POSITION OF PERRIER-JOUET WITH NEW COMMUNICATION CAMPAIGN



ACCELERATING MUMM CHAMPAGNE DISTRIBUTION AND EQUITY WITH USAIN BOLT AND NEW PACK



RECRUITING NEW JAPANESE WHISKY DRINKERS WITH A MODERN IMAGE AND TOP CELEBRITY



VIETNAM



Imperial Blue launched in Oct 2018

Local production began in Aug 2018

Redesigned organization driving commercial excellence



PHILIPPINES



Imperial Blue and Imperial Blue Light launched in Dec 2018

Listing in major modern on-trade outlets completed

JV with Premier Wine & Spirits to amplify domestic consumer reach



MYANMAR



Re-launch of Seagram's High Class completed in 2018

Imperial Blue launched in Mar 2019

JV with strong local partners puts PR in good position to capture future development of International Spirits



REST OF SOUTH EAST ASIA



Thailand

Continue to innovate following Royal Stag launch in FY18



Cambodia

Solid progress in building new route to market



Indonesia

Ongoing efforts to optimize route to market and seek new MAC opportunities



Acceleration and diversification of growth in FY19

- Strong broad-based growth led by China and India
- Reorganization of Korea to focus on Strategic International Brands
- Diversifying sources of growth by brand, channel and market

Robust business model to recruit consumers and transform future opportunities

- Clear unique leadership in China and India with continuous focus on value and premiumization
- Ever-increasing exposure to middle-income consumers, notably in South East Asia, through digital acceleration, strengthened route to markets and expanding geographical footprint
- Highly skilled teams with unique commitment and strong winning mindset



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Q&A

