



Pernod Ricard Asia

*Créateurs de convivialité*

# ASIA CONFERENCE

## ANALYST & INVESTOR CALL

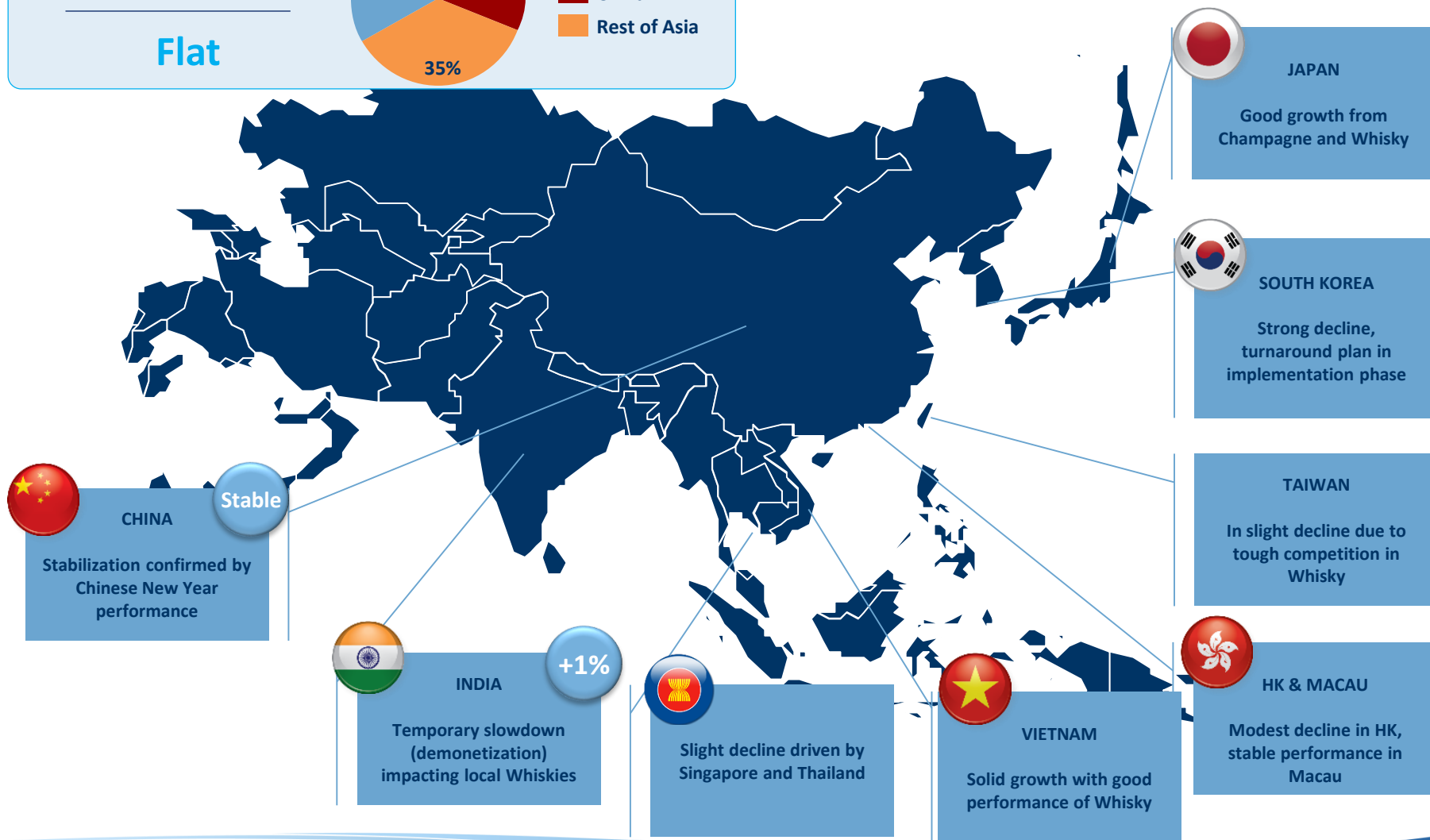
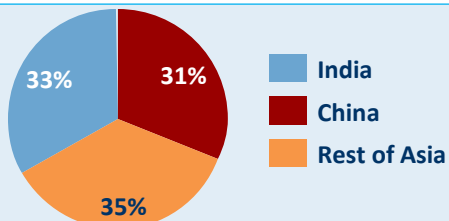


15<sup>th</sup> May 2017

# ASIA: Stable performance

ASIA  
9M SALES

Flat



# ASIA: Dynamic growth on Martell offset by Whiskies

## Martell

Back to growth in China



9M Sales

**+4%**

**#1**

Cognac  
in China<sup>1</sup>

## Seagram's Whiskies

Modest growth due to market  
conditions in India



9M Sales

**+1%**

**#1**

In Premium+  
WSS<sup>1</sup>

## Whiskies

China bearing on decline



9M Sales

Scotch  
**-7%**

Growth relays  
**+ 26%**

## Innovation

Big bets in solid double-digit growth



9M Sales

**+31%**

## Luxury brands

Good growth driven by Martell



9M Sales

**+4%**

#1

## A CLEAR VALUE LEADER IN IMPORTED SPIRITS



GEOGRAPHIC  
EXPANSION



MIDDLE-CLASS  
RECRUITMENT



NEW OCCASIONS  
(INCL MEAL)

INVESTMENT IN  
GROWTH RELAYS

DEVELOPMENT OF  
SOUTH-EAST ASIA

SUCCESSFUL  
INNOVATION

ACTIVE PORTFOLIO  
MANAGEMENT

RECRUITMENT OF NEW  
ASIAN TALENT

SCALE DIGITAL  
ACTIVATIONS

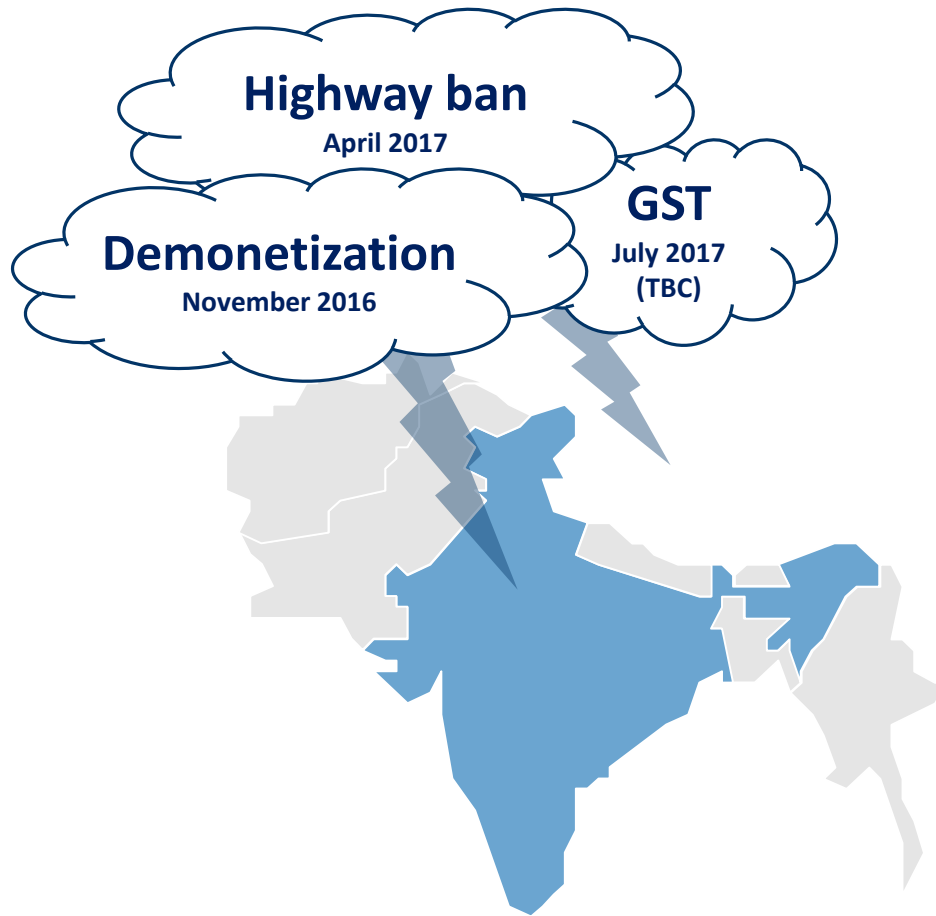
A MODEL WITH STRONGER DIVERSITY FOR BETTER AGILITY



# INDIA: A year of regulatory changes resulting in a temporary slowdown, yet long-term potential remains very strong



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## STRONG BUSINESS FUNDAMENTALS



UNIQUE & RESILIENT BUS. MODEL



RAPID EVOLUTION OF MIDDLE  
AND AFFLUENT CLASS  
POPULATION



LEADING LOCAL BRANDS GETTING  
STRONGER



DYNAMIC INTERNATIONAL  
BRANDS



# PERNOD RICARD INDIA fundamentals remain strong (1/3)

## Focus on local brands



### LEADING BRAND BUILDING CAPABILITIES



### PREMIUMIZATION



**Blender's Pride**  
Reserve Collection Restage



**Barrel Select by Royal Stag**  
Packaging Restage & ATL



### INNOVATION

- Clear #1 with **over 45%\*** market share
- Best suited to tap into large premiumization potential

**Royal Stag**  
Ltd Edition pack



**Imperial Black**



**Something Special**







# PERNOD RICARD INDIA fundamentals remain strong (2/3)

## Focus on International Strategic brands

### INTERNATIONAL STRATEGIC BRANDS

9M Sales

+13%

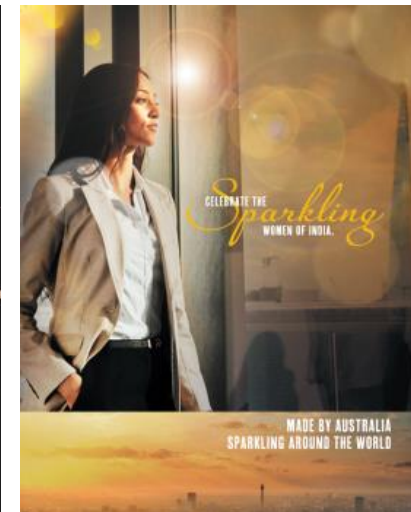
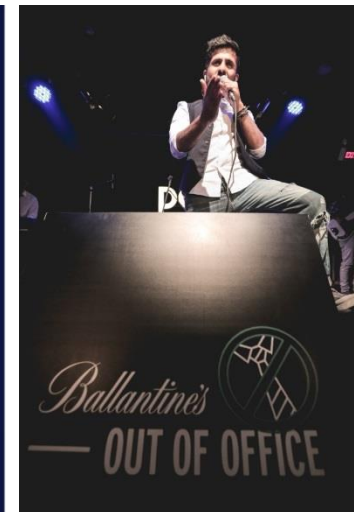
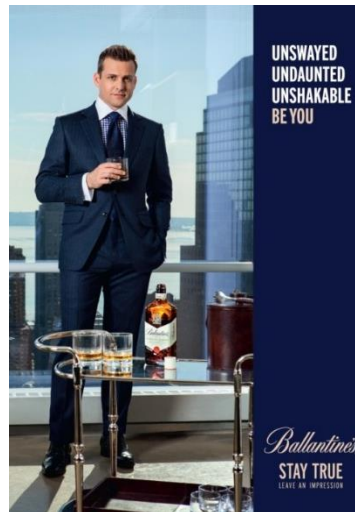


### KEY ACTIVATIONS

#### Absolut EVC Music festival



#### Chivas Real Success – local campaign



Local campaigns : Ballantine' featuring Gabriel Macht & Jacob's Creek Sparkling brand building efforts



# PERNOD RICARD INDIA fundamentals remain strong (3/3)

## Focus on enablers



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### COMMERCIAL EXCELLENCE

#### Visibility at point-of sale



### OPERATIONAL EFFICIENCY

#### Asset-light production footprint



### CONTRIBUTION TO THE COMMUNITY

#### Medical support through dispensaries



#### Hawk Eye

#### Display & competitor activity monitoring



#### Multiple national awards



#### Cool Teens – Anti-Underage Drinking Program

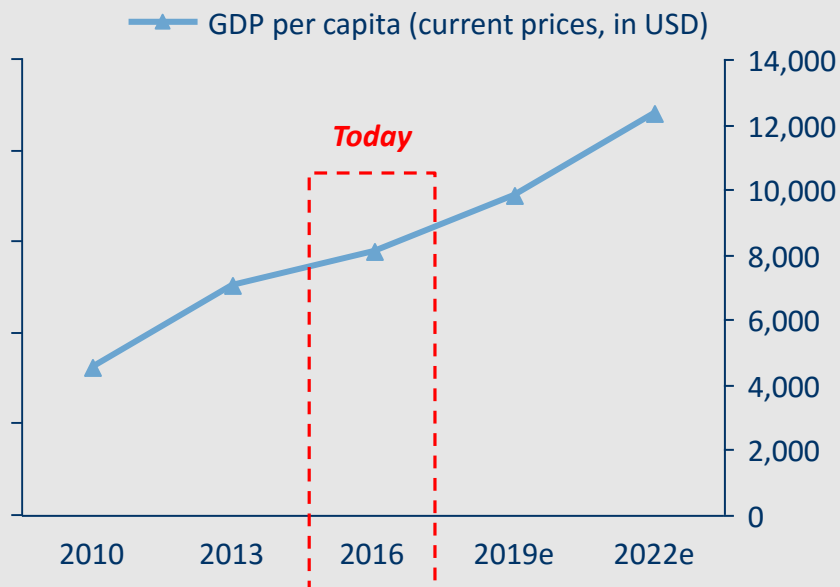






# CHINA: Long-term macro-trends remain positive

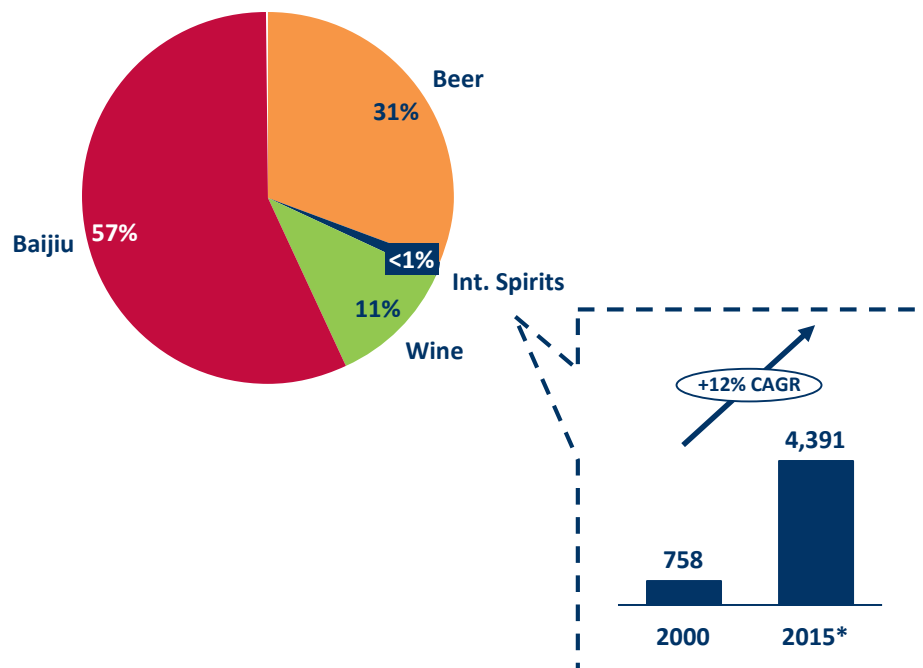
## CONTINUED INCREASE OF PURCHASING POWER



- Continued growth of GDP/capita, +50% expected by 2022
- Growth model based on increase of private vs. public spend, forecast to have positive impact on personal consumption

## LOW BUT INCREASING INTERNATIONAL SPIRITS PENETRATION

TOTAL ALCOHOL ~2.2B 9L Cs 40% ABV Eq



**Confirmed - very strong potential for future growth on International Spirits**



# CHINA: Pernod Ricard best positioned in the industry to capitalize on market growth

## #1 in Cognac, most comprehensive portfolio and strongest RTM

### EXPAND MARTELL SUCCESS

*Solid performance in volume and value in all channels*

- Best positioned to capture market growth with clear category leadership position
- Consumer education and recruitment through Distinction and Noblige



### REIGNITE CHIVAS REGAL

*Some market share erosion*

- Chivas equity still #1 in Whisky
- Action plan to improve performance in the works



### ACCELERATE GROWTH RELAYS

*Commercial & Marketing focus/amplification of Premium portfolio*

- Fit-for-purpose organization and route-to-market efficiencies
- New commercial talent pool

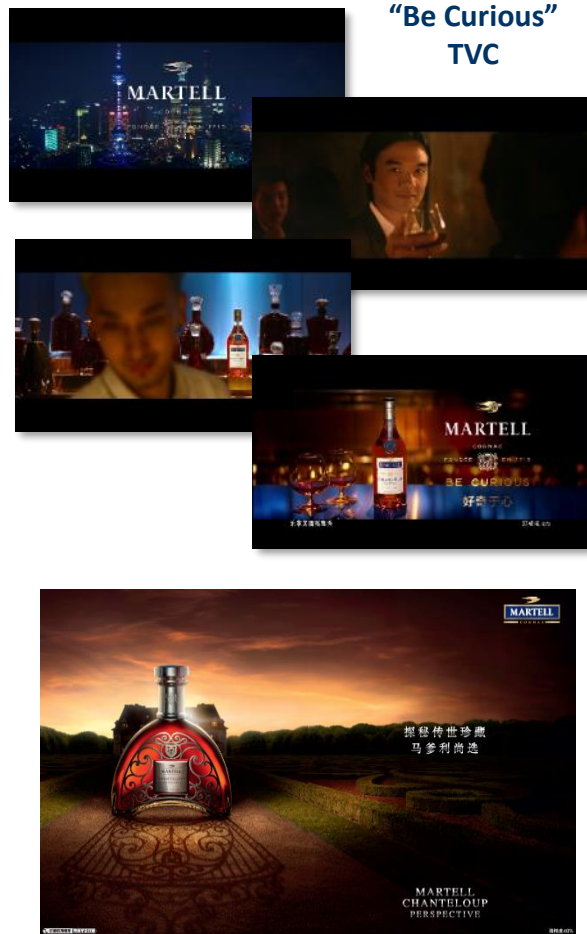




# CHINA: Martell's continued strong performance thanks to meal focus



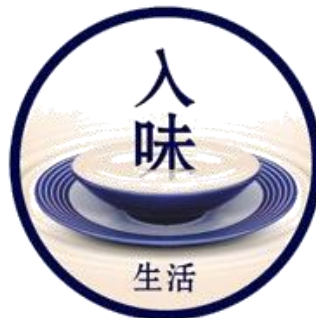
## PREMIUMIZATION & INNOVATION



Martell Chanteloup Perspective ATL



## MEAL FOCUS



Martell Meal Portfolio



## DIGITAL ACCELERATION





# CHINA: A new organization implemented in July 2016 to accelerate growth relays

## HNWI & AFFLUENT CLASS PORTFOLIO

## MIDDLE CLASS PORTFOLIO



## PROMPTING AN EVOLUTION OF OUR AFFILIATE



ACCESSIBLE RSPs FOR MIDDLE-CLASS



LARGER OUTLET UNIVERSE



LOWER COST OF OPERATIONS



LIGHTER ACTIVATION INVESTMENT





# SOUTH KOREA: Strong decline, turnaround plan in implementation phase

## ORGANIZATIONAL CHANGES

- New team in place with key appointments in management and commercial roles
- Reorganisation of sales department to better leverage resources
- Inspire a new mindset and foster operational efficiency

## KEY INITIATIVES



### 35 by Imperial

- Lower-ABV (35%)
  - Launched Dec. 16
- Strong initial response and share gain in Busan region*



- Webtoons comms
- 650 K unique views*



- 375ml mix education and recruitment tool (Oct'16)
  - Digital loyalty platform 'ABSOLUT ME' mobile app
- Distribution drive in BMOT targeting beer drinkers*

# JAPAN: Good growth thanks to Perrier-Jouët, Ballantine's and Chivas Regal

## KEY INITIATIVES – SCOTCH WHISKY



Chivas Mizunara  
ATL & Activation



BALLANTINE'S – Sampling, ATL & NPD



## KEY INITIATIVES – PERRIER-JOUËT



Perrier -Jouët  
Grand Brut  
Expansion

Digital Loyalty  
Platform



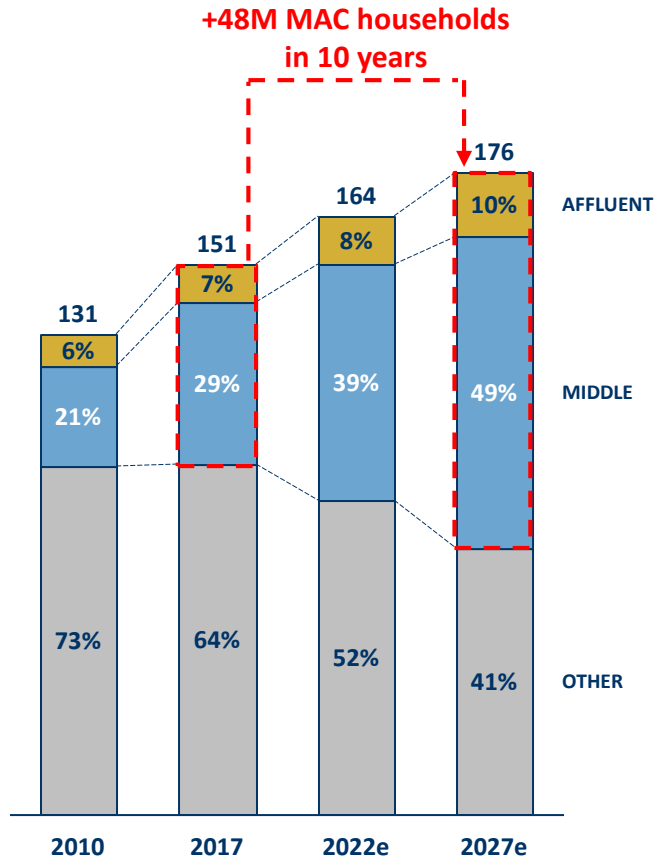
L'Eden  
Luxury  
Events &  
PR Vehicle



# SOUTH-EAST ASIA: An established stronghold for Martell, a growing pool of potential consumers

## STRONG FUTURE POOL OF MIDDLE AND AFFLUENT CLASS CONSUMERS

No. of Households\* (Mn)



## MARTELL STRONGHOLD



MARTELL NCF launch in key markets



\* Source: IHS Global insights, MAR 2017 (2005 USD Constant FX)  
Scope: Philippines, Singapore, Malaysia, Vietnam, Indonesia, Thailand  
MAC: Millions household income PPP, Affluents > \$80K USD, Middle Class: \$20k-80k USD, Others: <\$20k USD





# SOUTH EAST ASIA: A growth relay for Whiskies



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VIETNAM

Strong retail presence  
in HCMC and Hanoi



The Glenlivet mentoring & education with  
key customers



Chivas Blue Signature events and advocacy drive.



**MALAYSIA**  
Chivas 'The  
Venture' and  
'The Blend'  
Mentoring.

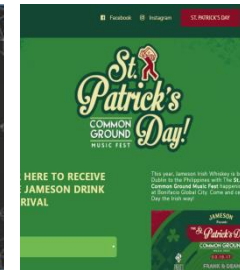


**THAILAND**

Extensive festive  
activation around Chivas



**PHILIPPINES**  
Developing new  
channels with  
Jameson



**SINGAPORE**

The Glenlivet  
presence and  
recruitment in  
modern on-  
trade



## CONCLUSION: PERNOD RICARD ASIA uniquely positioned to capture future growth across the region

- ✓ **Overall FY17 a year of stability**
  - Temporary slowdown in India due to very adverse market conditions
  - Confirmation of China's recent stabilization and positive outlook for Martell
- ✓ **Promising regional outlook**
  - Dynamic macro-economic and demographic trends
  - Rise of the middle-class
  - Imported spirits penetration growing with purchasing power
- ✓ **An agile platform to recruit consumers and transform future opportunities**
  - Portfolio breadth: robust stronghold in Super Premium+, promising deployment of growth relays in Premium-
  - Marketing power: expertise in brand building, focus on innovation
  - Commercial excellence: widespread routes-to-market, activation know-how