



Pernod Ricard
Créateurs de convivialité

FY21 FULL-YEAR SALES AND RESULTS



1 September 2021

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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EXECUTIVE SUMMARY



Pernod Ricard

Créateurs de convivialité

+10%
Sales

+18%
PRO¹

Excellent rebound with Sales and PRO above FY19 levels² and strong growth momentum

Very strong diversified FY21 growth

- **Driven by domestic Must-wins:** USA (+16%) and China (+44%) reaching record Sales above \$2bn and €1bn
- **Significant premiumisation**, thanks to Strategic International Brands (+11%) and Specialty Brands (+28%)
- **Market share gains** in most key markets

Business transformation momentum

- **Significant investment behind priority** brands and markets
- Strong progress in **digital transformation** and outstanding e-commerce growth (+63%)
- **Acceleration of sustainability** roadmap

Excellent performance

- Very active resource allocation leading to **significant operating leverage +213bps**
- **Outstanding cash performance**, driving Net debt/EBITDA ratio down to 2.6x
- **Increased Shareholder returns** with proposed dividend back to FY19 historical high³ and Share buyback to resume in current fiscal year

1. PRO: Profit from Recurring Operations
2. At constant FX
3. Subject to AGM vote on 10 November 2021



Excellent performance

	FY21 (€m)	FY reported Δ	FY organic Δ
Sales	8,824	+4.5%	+9.7%
Mature markets	5,045		+4%
Emerging markets	3,779		+17%
Profit from Recurring Operations (PRO)	2,423	+7.2%	+18.3%
PRO / Sales	27.5%	+70bps	+213bps
Net PRO ¹	1,612	+12%	
Net Profit¹	1,305	+297%	
Recurring Free Cash Flow	1,745	+74%	
Free Cash Flow	1,628	+96%	

- **Excellent operating leverage +213bps**, driving PRO margin to 27.5%, above FY19 level at constant FX
- **Significant adverse FX impact** resulting from USD and Emerging market currency depreciation vs. EUR
- **Net profit up +297%**, thanks to increased PRO, lower cost of debt and lapping €1bn asset impairment in FY20
- **Recurring FCF** at historical high, reflecting business recovery and debt refinancing

Executive Summary

+18.3%
PRO

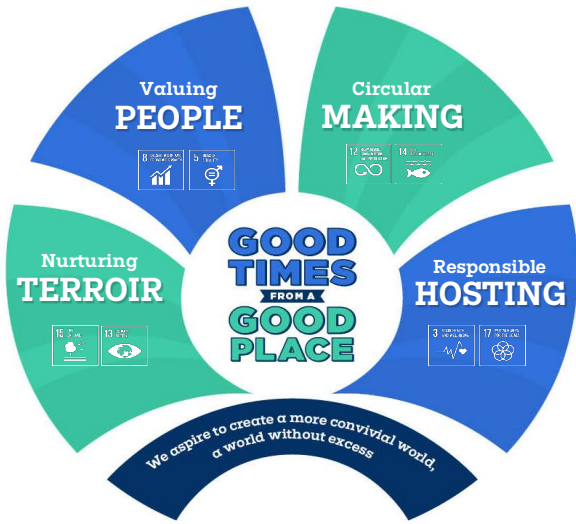
+297%¹
Net Profit

€1,745m
Recurring FCF



≡ Executive Summary

Acceleration of 2030 Sustainability and Responsibility roadmap



New collaborative agreement with International Union for Conservation of Nature for 'Agriculture & Land Health' initiative (IUCN)



New global Diversity & Inclusion roadmap "Live without labels", to drive more inclusive and diverse culture

Gender pay gap reduced to 1.8%



New carbon targets to reach Net Zero in scope 1 & 2 by 2030 and scope 3 by 2050

Signatory of Business Ambition to 1.5°C (SBT initiative)



Packaging and waste: removal of single-use plastic POS



Drink More...Water

New Responsible Party digital campaign launched in July 2021 to tackle issue of binge drinking among young adults



New responsible drinking logos to better inform our consumers

WINNING STRATEGY



Pernod Ricard

Créateurs de convivialité

Significant achievements of Transform & Accelerate during FY19-21

Milestones in key markets and portfolio management

US Sales >\$2bn and **China >€1bn**
GTR, China and India **leadership reinforced**
E-commerce +63% in FY21
€1bn M&A driving competitive edge, notably USA
Strong & agile investments behind key brands

Profound digital transformation underway

Transformation across all functions
6 key **Sales and Marketing initiatives**
Building industry-leading **Data science capabilities**

Ambitious S&R platform

2030 strategy: carbon net zero scopes 1+2 by 2030 / all by 2050 and **water use: -20%** by 2030
Single use plastic POS removed
UN Global Compact LEAD

Strong financial performance

Strong Sales momentum
Operating leverage
Strong cash performance
Increased shareholder returns



Fundamental consumer insights driving Transform & Accelerate now more compelling than ever

Changing consumer values & expectations from brands and corporations

New World Order with completely new geopolitical context

The real **emergence of Middle and Affluent Classes**, representing over half global population

Tech and data revolution radically changing consumer behaviour

Unprecedented **change in workplace** and increasing **war for talent**

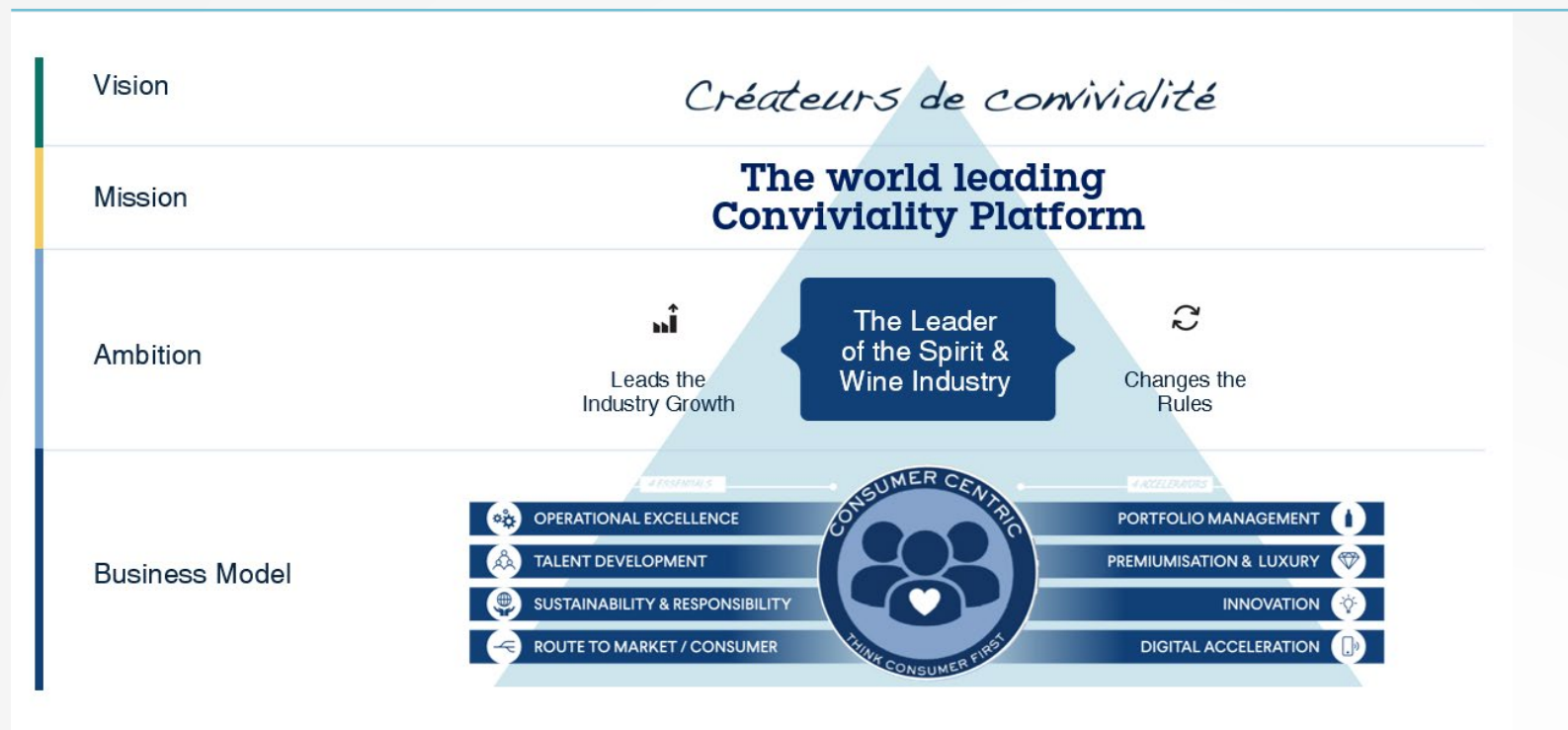
☰
**Winning
Strategy**



Winning Strategy



Continuing our transformational journey: The Conviviality Platform



- **Creating direct interactions** between consumers, customers, partners, brands, employees...
- **Leveraging data** to offer right product at right time to right consumer, for every occasion, in every market
- **Activating more brands** in each market

Strategy to maximise long-term value creation

Medium-term ambition (in normalised context):

Embed dynamic growth and deliver operating leverage

- **+4 to +7% topline growth**, leveraging key competitive advantages and consistent investment behind key priorities
- Focus on **pricing** and building new **operational excellence** initiatives
- **Significant A&P investment, maintained at c.16% of Sales**, with strong arbitration to support must-win brands and markets while stimulating innovation
- **Discipline on Structure costs**, investing in priorities while maintaining agile organisation, with growth below topline growth rates
- **Operating leverage of c.50-60 bps pa, provided topline within +4 to +7% bracket**

Financial policy priorities

While retaining Investment grade rating:

1. Investment in future **organic growth**, in particular through strategic inventories and capex
2. Continued **active portfolio management**, including value-creating M&A
3. **Dividend distribution at c.50%** of Net profit from Recurring Operations
4. **Share buy-back** programme (to resume in FY22)

**COMPREHENSIVE STRATEGIC UPDATE TO BE PROVIDED
DURING CAPITAL MARKET DAY IN FY22**

☰ **Winning
Strategy**



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A man in a white t-shirt and a dark beanie is seated at a bar, holding a snifter glass filled with cognac. He is looking down at the glass. The background is a dimly lit bar with a crowd of people, some with their arms raised. The lighting is a mix of green and blue, creating a moody atmosphere.

SALES



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Créateurs de convivialité

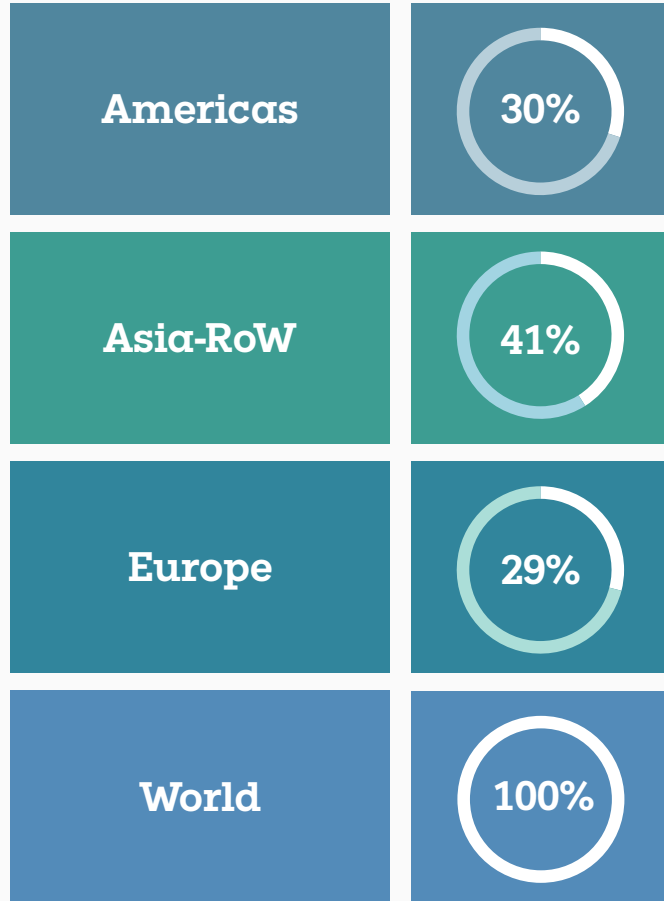
≡ Sales analysis

+10%
Organic Sales

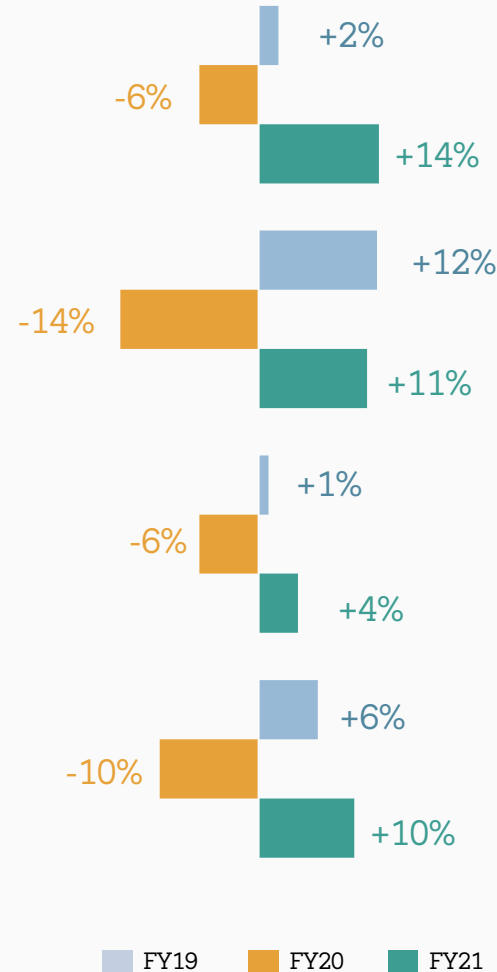


Organic Sales growth by Region

Sales rebounded above FY19 levels¹ with growth across all Regions



% of Sales



Excellent broad-based growth with USA, Canada and South America offsetting declines in Travel Retail

Very strong growth mainly driven by China, Korea and Turkey, and to lesser extent India

Dynamic rebound with UK, Germany and Eastern Europe offsetting declines in Spain, Ireland and Travel Retail

Very strong and broad-based growth with Sales above FY19 levels¹

1. At constant FX

USA: +16%

Record Sales > \$2bn

Very strong double-digit Sell-out¹ for The Glenlivet, Malibu, Kahlua, Super Premium whiskeys (Aberlour, Redbreast and US whiskeys), Martell and Tequilas

Jameson: very positive performance thanks to Off-trade and rebound of On-trade in Q4. **Black Barrel** continuing to grow dynamically

Absolut: good resilience despite lapping FY20 pantry loading and strong rebound in On-Trade. Successful launch of Watermelon

Ambitious transformation agenda and stronger portfolio arbitration, with increased media spend

Global Travel Retail: -40%

Continued share gains, significantly reinforcing leadership

Sell-in growing in H2, but passenger traffic still very subdued

Positive pricing and strong mix, thanks to better resilience of Martell and Royal Salute

Continued momentum behind offshore Duty Free islands, mainly Hainan and Jeju

Strict control over investments and tight receivables management

China: +44%

Record Sales >€1bn

Outstanding rebound driven by solid consumer sentiment

- **Martell reinforcing leadership position**², driven by Prestige and On-trade
- **Excellent Scotch performance with share gains**. The Glenlivet x2; Royal Salute and Chivas Regal in strong double-digit growth
- **Continued good development of Premium brands** Absolut, Perrier-Jouët and Beefeater

Very strong mix due to higher growth of Prestige brands, especially for Martell

India: +9%

Good recovery through 9M but slowdown in Q4 due to Covid

Strong value leadership position maintained²

Seagram's Indian whiskies in high-single digit growth with positive brand mix due to stronger focus on Royal Stag and Blender's Pride

Strategic International Brands in high double-digit growth, notably Jameson, Ballantine's and The Glenlivet

Must-win markets



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Other key markets

Europe¹: +4%

France: +1%, with **rebound in H2** thanks to On-trade reopening. **Share gains²** on Ricard, Mumm, Ballantine's and Absolut

Spain: decline due to On-trade restrictions and border shop closures but **return to growth in Q4**. **Market share gains in Off-trade²**

UK: strong dynamism, thanks to Off-trade and On-trade recovery in Q4. **Share gains²** and strong price/mix

Germany: +13%, with excellent Off-trade performance driven by **Lillet, Ramazzotti and Malfy**. **Share gains²**, notably in Gin and Whiskies

Russia: +20%, driven by On-trade recovery and news listings. **Share gains overall²** and notably in Gin

Poland: share gain², driven by Ballantine's, Jameson and Chivas Regal, leading to **strong brand mix**

Americas¹ incl. USA: +14%

Canada: driven mainly by The Glenlivet, Jacob's Creek, Malibu and Kahlua. **Dynamic innovation**

Brazil: excellent growth, thanks to Ballantine's, Passport, Absolut, Chivas Regal and Beefeater. **Good pricing**, and **share gains²** in Gin and Vodka

Mexico: +32%, with **share gains²** in imported premium spirits categories

Asia-RoW¹ incl. China and India: +11%

Japan: slight decline, with sanitary situation continuing to impact On-trade recovery. **Value share gains** in Champagne

Korea: successful refocus on Strategic International Brands, delivering strong double-digit growth despite On-trade disruption

Nigeria: triple-digit growth driven by development of Jameson and Martell

South Africa: +5%, despite periodic alcohol bans

Turkey: gaining share, with continued very strong momentum behind **whiskies** and **price increases**

1. Including Travel Retail

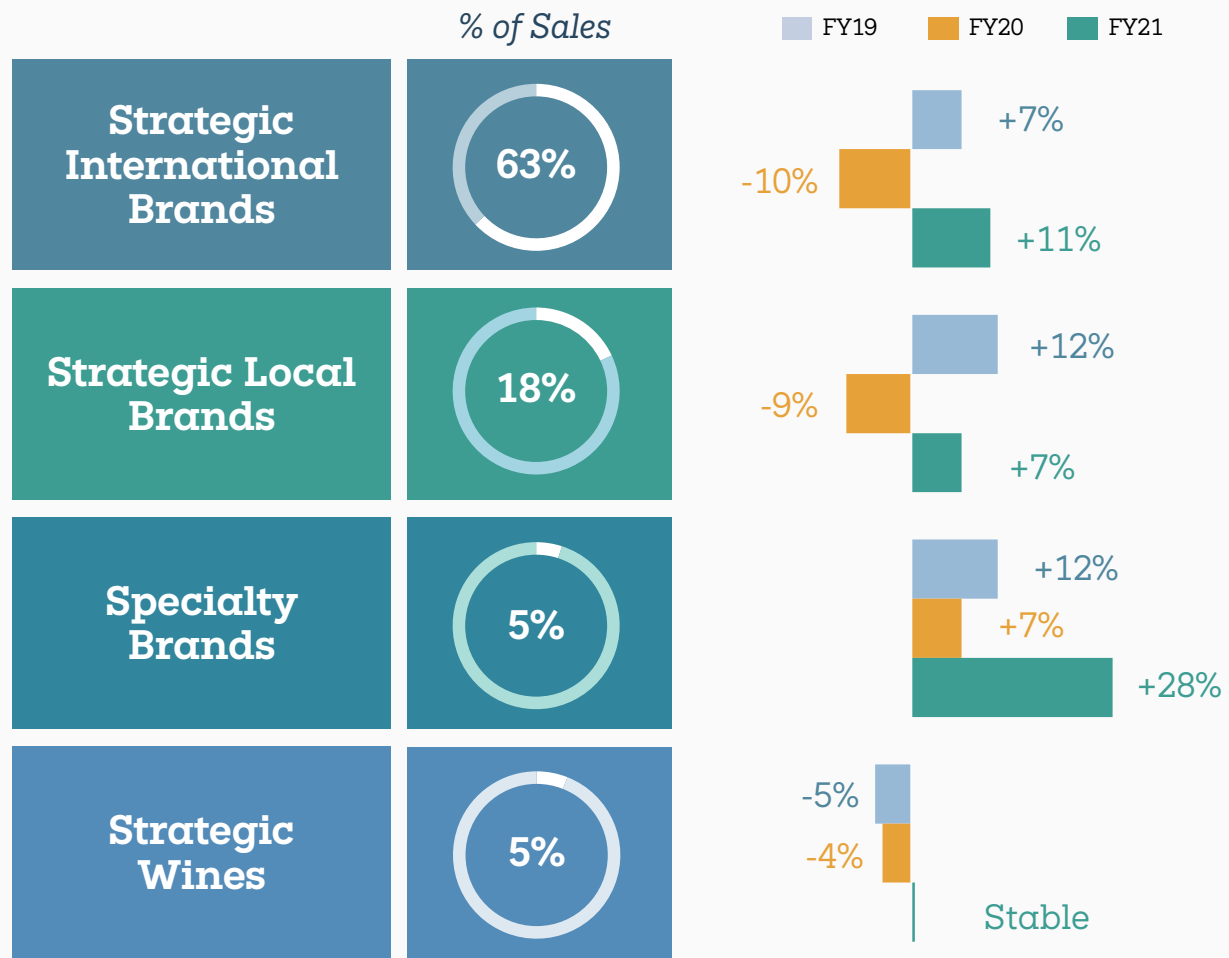
2. Sell-out data per latest 52 wk Nielsen value data available at end June 2021

Sales analysis

+10%
Organic Sales

Organic Sales growth by Category

Strong premiumisation and innovation



Very strong rebound, primarily driven by Martell in China and Jameson in USA

Driven by recovery of Seagram's Indian whiskies, Kalhua, Passport and Ramazzotti

Continued very strong growth of Lillet, Aberlour, Malfy, American whiskeys, Avion and Redbreast

Stable, with Campo Viejo growth offset by decline of Jacob's Creek and Kenwood

Innovation: +22%

Price/mix: +4% on Strategic brands



Dynamic growth of Strategic International Brands

Martell: +24%

Outstanding rebound driven by China growing +46% with strong brand mix

Strong underlying Sell-out growth in USA (+33%/+66%)¹ driven by at-home consumption

Dynamic development in Malaysia, Nigeria and Russia in line with **internationalisation strategy**

Continued weakness in Travel Retail despite Sales to Hainan

Scotch: +6% (+16% excl. Travel Retail)

The Glenlivet: +19%, accelerating in all regions. Global roll-out of Original By Tradition campaign

Chivas Regal: +3%, continued growth in Turkey, USA and Brazil, and recovery in China and European domestic markets, offsetting weakness in Travel Retail and Japan

Ballantine's: continued strong momentum on Ballantine's Finest and **successful launches** of Ballantine's 7yo Bourbon Finish and Ballantine's Light. Good growth across domestic markets in all regions, offset by Travel Retail

Royal Salute: -6%, double-digit growth in domestic markets, notably Taiwan market, Korea and China, offset by high exposure to Travel Retail

Jameson: +15%

Strong growth in USA supported by dynamic at-home consumption and On-trade re-opening

High-single-digit growth in Europe, thanks to very dynamic development in Russia, Ukraine and UK

Asian markets in strong double-digit growth driven by India and Korea

Acceleration in Africa Middle-East, driven by outstanding growth in Nigeria

Absolut: +5%

Strong rebound, despite still being impacted by On-trade and Travel Retail exposure

Very strong dynamism across many markets including UK, France, Brazil, Mexico and China

Good resilience in USA (-2%/+3%)¹ with Off-Trade lapping FY20 pantry loading and strong rebound in On-Trade in H2

Launch of sustainable paper bottle packaging in UK and Sweden



+28%

Specialty Brands



Acceleration of Specialty Brands



Very dynamic Specialty Whiskey portfolio, with Aberlour growing +32% driven by France and USA. **Redbreast** in strong double-digit growth in all key markets



Continued very strong growth of Lillet at +36%, mainly driven by Germany



Strong growth of agave portfolio, notably with **acceleration of Avion (+52%/+57%)¹** and continued good development of **Altos (+8%/+4%)¹** in USA. Acceleration of **Del Maguey** in USA



Rapid growth of American whiskey brands, Jefferson's, Rabbit Hole, TX and Smooth Ambler



Monkey 47 impacted by On-Trade disruptions in Western Europe but in strong development in Asia and USA
Malfy in triple-digit growth

Other key brands



Malibu: +24%, broad-based growth, primarily driven by USA thanks to Off-Trade exposure



Beefeater: impacted by On-trade exposure in Spain but growing high teens in H2 with good development in Brazil and Eastern Europe. Good growth of flavours, in particular Blood Orange and Pink. Successful launch of Beefeater Light



Havana Club: decline in Germany, Spain and France partially offset by good growth in Russia



Ricard: good share gains in Off-Trade in France.



Mumm: +12% with strong rebound in H2 notably in France and Pacific. Good price/mix in line with premiumisation strategy



Perrier-Jouët: strong growth in Japan due to distribution gains but also recovery in Hong Kong and China



Kahlua: +16% with acceleration driven by USA. Dynamic Flavours and positive pricing



Prestige portfolio: +15% thanks mainly to Martell in China, but still impacted by Travel Retail weakness

Sales analysis



PROFIT



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+18.3%
Organic PRO

+7.2%
Reported PRO

Very strong organic operating margin expansion +213bps

€ millions	FY20	FY21	FY reported Δ	FY organic Δ
Sales ¹	8,448	8,824	+4.5%	+9.7%
Gross margin after logistics costs (GM)	5,086	5,293	+4%	+11%
GM / Sales	60.2%	60.0%		+64bps
Advertising & prom. expenditure (A&P)	(1,327)	(1,393)	+5%	+9%
A&P / Sales	15.7%	15.8%		+12bps
Contribution after A&P expenditure (CAAP)	3,759	3,900	+4%	+12%
CAAP / Sales	44.5%	44.2%		+77bps
Structure ²	(1,499)	(1,477)	-1%	+1%
Structure / Sales	17.7%	16.7%		+136bps
Profit from Recurring Operations (PRO)	2,260	2,423	+7.2%	+18.3%
PRO / Sales	26.8%	27.5%		+213bps

- **Gross margin expanding +64bps** driven by:
 - Stable pricing with fewer price increases in Covid context
 - Better fixed cost absorption from volume growth and operational excellence savings
- **A&P ratio at c. 16%**, resulting from purpose-based investment, with quick response to channel shifts and strong reinvestment in markets and categories returning to growth
- **Structure costs: +136bps**, thanks to very strict discipline and FY20 reorganisations. Strong increase expected in FY22 to support growth
- PRO including **+€28m from USA drawback**
- **Significant FX impact** on PRO -€255m due to USD and Emerging market currency depreciation vs. Euro

1. Including customs duties

2. Including OIE and Royalties

+13%
EPS

EPS +13%, thanks to increased profit and lower cost of debt

€ millions	FY20	FY21	FY reported Δ
Profit from Recurring Operations	2,260	2,423	+7.2%
Financial income (expense) from recurring operations	(328)	(262)	
Income tax on recurring operations	(468)	(526)	
Minority interests and other	(25)	(24)	
Group share of Net Profit from Recurring Operations	1,439	1,612	+12%
Number of shares used in diluted EPS calculation ('000)	264,037	261,514	
Diluted net earnings per share from recurring operations "EPS" (€/share)	5.45	6.16	+13%

- **Financial result from recurring operations at +€66M vs FY20** resulting mainly from bond refinancing at lower interest rates and, to lesser extent, positive FX impact
- **Average Cost of debt at 2.8%** vs. 3.6% in FY20, thanks to successful bond refinancing
- **Tax rate on recurring items at 24.3%**, in line with that of FY20, with geographical mix offsetting the positive effect of French tax rate reduction
- **Reduction in number of shares** reflecting share buy-back carried out in FY20

Strong increase in Group share of Net profit

€ millions	FY20	FY21	Reported Δ
Profit from Recurring Operations	2,260	2,423	+7.2%
Non-recurring operating income and expenses	(1,283)	(62)	
Operating profit	978	2,361	+142%
Financial income (expense)	(366)	(371)	
Corporate income tax	(258)	(667)	
Non-controlling interests and other	(25)	(18)	
Group share of Net profit	329	1,305	+297%

- **Very significant increase in Net profit** due mainly to non-recurring items in FY20, in particular €1bn impairment charge
- **Non-recurring operating items at -€62m**, mainly driven by Restructuring/reorganisation costs linked to Group transformation and impairment (Imperial), partly offset by USA drawback
- **Increase in Corporate income tax** driven by:
 - ✓ Revaluation of deferred tax further to increase in UK rate in FY20
 - ✓ FY20 impacted by reduction in deferred tax liabilities (related to impairment), not repeated in FY21

CASH FLOW & DEBT



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€1,745m

Recurring
Free Cash
Flow

Outstanding Recurring FCF at historical high

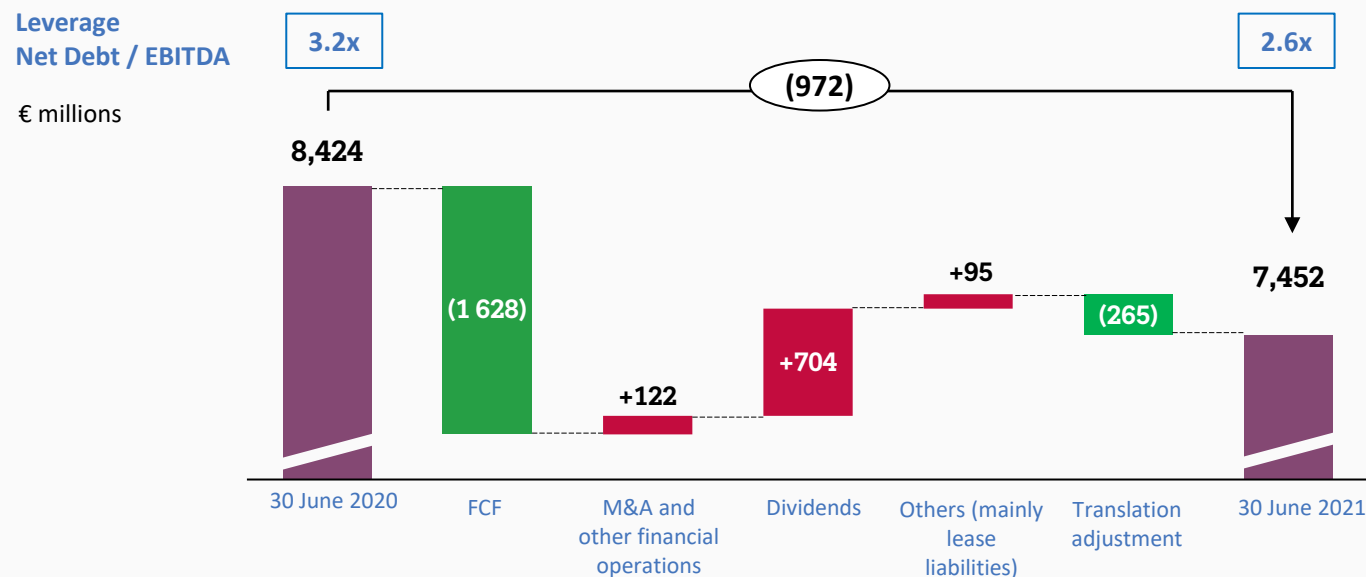
€ millions	FY20	FY21	Reported Δ	% Δ
Profit from Recurring Operations	2,260	2,423	+162	+7.2%
Amortisation, depreciation, provision movements and other	362	383	+21	
Self-financing capacity from recurring operations	2,623	2,806	+183	+7%
Decrease/(increase) in strategic stocks	(310)	(221)	+89	
Decrease/(increase) in operating Working Capital Requirement (WCR)	(140)	142	+282	
Decrease/(increase) in recurring WCR	(450)	(79)	+371	
Non-financial capital expenditure	(364)	(388)	(25)	
Recurring Operating Cashflow	1,809	2,339	+529	+29%
Financial income (expense) and taxes	(807)	(593)	+213	
Free Cash Flow from recurring operations (Recurring FCF)	1,003	1,745	+743	+74%
Non-recurring items	(173)	(117)	+56	
Free Cash Flow (FCF)	830	1,628	+799	+96%

- **Lower increase in strategic inventories** driven by higher usage of stocks linked to business recovery, partially offset by cash-out increase
- **Strong improvement in operating WCR**, thanks to rebuilding of payables (acceleration of A&P), partly offset by higher receivables due to business rebound
- **Increased capex** to drive future growth (expected at c. 5% in FY22)
- **Significant reduction in financial expense** thanks to successful bond refinancing
- **Reduction in tax cash-out** linked to lower prepayment in UK and favourable phasing resulting from FY20 Covid impacts in France and China
- **Non-recurring items:** due mainly to restructuring and make-whole call exercise (\$2bn bond early repayment) partly offset by USA drawback

2.6x¹

Net Debt /
EBITDA ratio at
30 June 2021

Significant decrease of leverage from very strong Free Cash Flow



- **€972m decrease in Net debt vs. 30 June 2020** driven primarily by very significant FCF improvement linked to business recovery and:
 - **M&A cash-out** reflecting active portfolio management
 - **Reduction in dividend** (-€145m vs. FY20) reflecting lower FY20 profit due to Covid
 - **€95m mainly from additional lease liabilities**
 - **Positive translation adjustment** mainly due to USD depreciation vs. Euro

1. Based on average EUR/USD rates: 1.19 in FY21



Significant return to stakeholders

Proposed dividend of €3.12 per share: +17% vs. FY20, back to historical high of FY19

€ / share	FY16	FY17	FY18	FY19	FY20	FY21 ¹
Dividend	1.88	2.02	2.36	3.12	2.66	3.12

Share buy-back programme to resume

- As published on 29 August 2019, financial policy included return to shareholders in form of **Share buy-back programme of up to €1bn across FY20 and FY21**
- **€523m was completed in 9 months to April 2020** and remaining c.€0.5bn suspended in April 2020
- **Remaining c. €0.5bn of Share buy-back to resume** in current fiscal year

Employee ownership programme to resume

- 1st programme in FY19
- **2d programme to take place in FY22²**

1. Subject to approval of Annual General Meeting of 10 November 2021
2. Subject to AMF approval (and to AGM of 10 November 2021 if launched after that date)

€3.12
Proposed
dividend per
share



A photograph of a distillery interior. Several large, polished copper stills are visible, connected by pipes. A man in a dark shirt and blue jeans is leaning over one of the stills, possibly inspecting or working on it. The floor is made of metal grating. The lighting is bright, coming from overhead fixtures. The overall atmosphere is industrial and clean.

CONCLUSION & OUTLOOK



Pernod Ricard

Créateurs de convivialité

Conclusion & Outlook

Excellent rebound with Sales and PRO above FY19 levels (at constant FX) and strong growth momentum

For FY22, Pernod Ricard expects:

- **Good Sales momentum**, supported by On-trade recovery, resilient Off-trade, dynamic e-commerce and travel improving very gradually, despite **ongoing sanitary restrictions**
- **Very dynamic Q1 Sales**, on low basis of comparison
- **Significant investment in A&P and Structure**, seizing opportunities for reinvestment to support future growth
- **Continued implementation of clear strategy and digital transformation**
- **Resumption of c.€0.5bn Share buyback programme**





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-recurring operating income and expenses.

Upcoming communications

Date ¹	Event
21 October 2021 9am CET	Q1 FY22 Sales
10 November 2021 2pm CET	Annual General Meeting
22 November 2021 3pm CET	EMEA LATAM conference Call
10 February 2022 9am CET	H1 FY22 Sales and Results

1. Dates are indicative and liable to change

Emerging Markets

Asia-Rest of World	Americas	Europe
Algeria	Argentina	Albania
Angola	Bolivia	Armenia
Cambodia	Brazil	Azerbaijan
Cameroon	Caribbean	Belarus
China	Chile	Bosnia
Congo	Colombia	Bulgaria
Egypt	Costa Rica	Croatia
Ethiopia	Cuba	Georgia
Gabon	Dominican Republic	Hungary
Ghana	Ecuador	Kazakhstan
India	Guatemala	Kosovo
Indonesia	Honduras	Latvia
Iraq	Mexico	Lithuania
Ivory Coast	Panama	Macedonia
Jordan	Paraguay	Moldova
Kenya	Peru	Montenegro
Laos	Puerto Rico	Poland
Lebanon	Uruguay	Romania
Madagascar	Venezuela	Russia
		Serbia
		Ukraine



Strategic International Brands' organic Sales growth

	Volumes FY21 (in 9Lcs millions)	Organic Sales growth FY21	Volumes	Price/mix
Absolut	10.5	5%	2%	3%
Chivas Regal	3.6	3%	-1%	4%
Ballantine's	7.6	1%	6%	-5%
Ricard	4.2	-1%	1%	-3%
Jameson	8.6	15%	14%	1%
Havana Club	4.3	-4%	3%	-7%
Malibu	4.8	24%	22%	2%
Beefeater	2.9	-5%	-6%	2%
Martell	2.4	24%	20%	3%
The Glenlivet	1.4	19%	16%	3%
Royal Salute	0.2	-6%	-12%	6%
Mumm	0.7	12%	12%	0%
Perrier-Jouët	0.3	5%	6%	0%
Strategic International Brands	51.5	11%	7%	4%

Sales Analysis by Period and Region

Net Sales (€ millions)	FY20		FY21		Change		Organic Growth		Group Structure		Forex impact	
Americas	2,449	29.0%	2,627	29.8%	178	7%	336	14%	85	3%	(244)	-10%
Asia / Rest of World	3,467	41.0%	3,640	41.2%	173	5%	372	11%	1	0%	(201)	-6%
Europe	2,532	30.0%	2,557	29.0%	26	1%	101	4%	(11)	0%	(64)	-3%
World	8,448	100.0%	8,824	100.0%	376	4%	810	10%	75	1%	(508)	-6%

Net Sales (€ millions)	Q4 FY20		Q4 FY21		Change		Organic Growth		Group Structure		Forex impact	
Americas	411	33.2%	633	33.6%	222	54%	255	64%	17	4%	(50)	-12%
Asia / Rest of World	368	29.8%	635	33.7%	266	72%	278	76%	1	0%	(12)	-3%
Europe	458	37.0%	616	32.7%	157	34%	158	35%	(1)	0%	0	0%
World	1,238	100.0%	1,883	100.0%	646	52%	691	57%	16	1%	(62)	-5%

Net Sales (€ millions)	H2 FY20		H2 FY21		Change		Organic Growth		Group Structure		Forex impact	
Americas	988	33.2%	1,225	31.9%	237	24%	315	33%	38	4%	(116)	-12%
Asia / Rest of World	1,052	35.4%	1,513	39.4%	461	44%	521	50%	0	0%	(61)	-6%
Europe	934	31.4%	1,101	28.7%	168	18%	184	20%	(4)	0%	(12)	-1%
World	2,974	100.0%	3,839	100.0%	865	29%	1,019	35%	35	1%	(189)	-6%

Note: Bulk Spirits are allocated by Region according to the Regions' weight in the Group

Summary Consolidated Income Statement

(€ millions)	FY20	FY21	Change
Net sales	8,448	8,824	4%
Gross Margin after logistics costs	5,086	5,293	4%
Advertising and promotion expenses	(1,327)	(1,393)	5%
Contribution after A&P expenditure	3,759	3,900	4%
Structure costs	(1,499)	(1,477)	-1%
Profit from recurring operations	2,260	2,423	7%
Financial income/(expense) from recurring operations	(328)	(262)	-20%
Corporate income tax on items from recurring operations	(468)	(526)	12%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(25)	(24)	-4%
Group share of net profit from recurring operations	1,439	1,612	12%
Other operating income & expenses	(1,283)	(62)	NA
Financial income/(expense) from non-recurring operations	(38)	(109)	NA
Corporate income tax on items from non recurring operations	210	(142)	NA
Non controlling interests (non-recurring)		6	NA
Group share of net profit	329	1,305	NA
Non-controlling interests	21	13	-37%
Net profit	350	1,318	NA

Note: USA Drawback impacting PRO +€28m and Other Operating Income & Expenses +€109m

Profit from Recurring Operations by Region (1/2)

World

(€ millions)	FY20		FY21		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	8,448	100.0%	8,824	100.0%	376	4%	810	10%	75	1%	(508)	-6%
Gross margin after logistics costs	5,086	60.2%	5,293	60.0%	206	4%	550	11%	33	1%	(376)	-7%
Advertising & promotion	(1,327)	15.7%	(1,393)	15.8%	(66)	5%	(116)	9%	(15)	1%	66	-5%
Contribution after A&P	3,759	44.5%	3,900	44.2%	141	4%	434	12%	17	0%	(311)	-8%
Profit from recurring operations	2,260	26.8%	2,423	27.5%	163	7%	415	18%	2	0%	(255)	-11%

Americas

(€ millions)	FY20		FY21		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,449	100.0%	2,627	100.0%	178	7%	336	14%	85	3%	(244)	-10%
Gross margin after logistics costs	1,599	65.3%	1,699	64.7%	100	6%	260	16%	38	2%	(197)	-12%
Advertising & promotion	(461)	18.8%	(470)	17.9%	(9)	2%	(39)	9%	(10)	2%	39	-9%
Contribution after A&P	1,138	46.5%	1,229	46.8%	91	8%	221	19%	28	2%	(158)	-14%
Profit from recurring operations	718	29.3%	803	30.6%	85	12%	194	27%	15	2%	(124)	-17%

Note: Bulk Spirits are allocated by Region according to the Regions' weight in the Group

Note: USA Drawback impacting Profit from Recurring Operations in Americas and World by +€28m

Profit from Recurring Operations by Region (2/2)

Asia / Rest of the World

(€ millions)	FY20		FY21		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	3,467	100.0%	3,640	100.0%	173	5%	372	11%	1	0%	(201)	-6%
Gross margin after logistics costs	1,969	56.8%	2,060	56.6%	91	5%	219	11%	(4)	0%	(124)	-6%
Advertising & promotion	(517)	14.9%	(542)	14.9%	(25)	5%	(44)	9%	(1)	0%	20	-4%
Contribution after A&P	1,452	41.9%	1,518	41.7%	66	5%	175	12%	(5)	0%	(103)	-7%
Profit from recurring operations	938	27.0%	996	27.4%	58	6%	148	16%	(6)	-1%	(84)	-9%

Europe

(€ millions)	FY20		FY21		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,532	100.0%	2,557	100.0%	26	1%	101	4%	(11)	0%	(64)	-3%
Gross margin after logistics costs	1,519	60.0%	1,534	60.0%	15	1%	71	5%	0	0%	(55)	-4%
Advertising & promotion	(349)	13.8%	(381)	14.9%	(32)	9%	(33)	9%	(5)	2%	6	-2%
Contribution after A&P	1,169	46.2%	1,153	45.1%	(17)	-1%	38	3%	(6)	0%	(49)	-4%
Profit from recurring operations	605	23.9%	624	24.4%	19	3%	73	12%	(7)	-1%	(47)	-8%

Note: Bulk Spirits are allocated by Region according to the Regions' weight in the Group

Foreign Exchange Impact

Forex impact FY21 (€ millions)		Average rates evolution			On Net Sales	On Profit from Recurring Operations
		FY20	FY21	%		
US dollar	USD	1.11	1.19	7.9%	(180)	(89)
Russian rouble	RUB	73.95	89.10	20.5%	(41)	(33)
Turkish Lira	TRL	6.76	9.22	36.5%	(33)	(31)
Indian rupee	INR	80.13	87.94	9.7%	(92)	(28)
Chinese yuan	CNY	7.77	7.90	1.5%	(17)	(13)
Pound sterling	GBP	0.88	0.89	1.0%	(3)	4
Other					(142)	(65)
Total					(508)	(255)

Sensitivity of profit and debt to EUR/USD exchange rate

Estimated impact of a 1% appreciation of the USD

Impact on the income statement ⁽¹⁾	(€ millions)
Profit from recurring operations	+ 11
Financial expenses	(2)
Pre-tax profit from recurring operations	+ 10

Impact on the balance sheet	(€ millions)
Increase/(decrease) in net debt	+ 36

(1) Full-year effect

Balance Sheet: Assets

Assets (€ millions)	30/06/2020	30/06/2021
(Net book value)		
Non-current assets		
Intangible assets and goodwill	16,576	16,230
Tangible assets and other assets	3,699	3,963
Deferred tax assets	1,678	1,623
Total non-current assets	21,953	21,816
Current assets		
Inventories	6,167	6,555
<i>aged work-in-progress</i>	5,084	5,373
<i>non-aged work-in-progress</i>	76	84
<i>other inventories</i>	1,006	1,098
Receivables (*)	906	1,126
<i>Trade receivables</i>	862	1,080
<i>Other trade receivables</i>	44	46
Other current assets	323	413
<i>Other operating current assets</i>	317	408
<i>Tangible/intangible current assets</i>	6	6
Tax receivable	142	141
Cash and cash equivalents and current derivatives	1,947	2,086
Total current assets	9,485	10,321
Assets held for sale	87	11
Total assets	31,525	32,147
<i>(*) after disposals of receivables of:</i>	513	592

Balance Sheet: Liabilities and Shareholder's Equity

Liabilities and shareholders' equity (€ millions)	30/06/2020	30/06/2021
Group Shareholders' equity	13,968	14,829
Non-controlling interests	243	246
<i>of which profit attributable to non-controlling interests</i>	21	13
Total Shareholders' equity	14,211	15,075
Non-current provisions and deferred tax liabilities	3,511	3,555
Bonds non-current	8,599	8,787
Lease liabilities - non current	433	405
Non-current financial liabilities and derivative instruments	192	108
Total non-current liabilities	12,735	12,854
Current provisions	222	163
Operating payables	1,877	2,337
Other operating payables	1,016	1,134
<i>of which other operating payables</i>	633	724
<i>of which tangible/intangible current payables</i>	383	410
Tax payable	232	282
Bonds - current	723	70
Lease liabilities - current	88	103
Current financial liabilities and derivatives	404	128
Total current liabilities	4,563	4,218
Liabilities held for sale	16	-
Total liabilities and shareholders' equity	31,525	32,147

Analysis of Working Capital Requirement

(€ millions)	June 2019	June 2020	June 2021	FY20WC change*	FY21WC change*
Aged work in progress	4,788	5,084	5,373	294	206
Advances to suppliers for wine and ageing spirits	12	19	9	7	(10)
Payables on wine and ageing spirits	(105)	(108)	(93)	(5)	22
Net aged work in progress	4,695	4,995	5,289	296	218
Trade receivables before factoring/securitization	1,842	1,375	1,672	(434)	309
Advances from customers	(24)	(38)	(21)	(14)	17
Other receivables	338	343	445	12	64
Other inventories	889	1,006	1,098	121	91
Non-aged work in progress	79	76	84	(1)	9
Trade payables and other	(2,717)	(2,364)	(2,946)	293	(574)
Gross operating working capital	405	398	331	(24)	(85)
Factoring/Securitization impact	(674)	(513)	(592)	161	(79)
Net Operating Working Capital	(269)	(115)	(261)	138	(164)
Net Working Capital	4,427	4,879	5,028	433	54
* at average rates					
			Of which recurring variation	450	79
			Of which non recurring variation	(17)	(25)

Net Debt

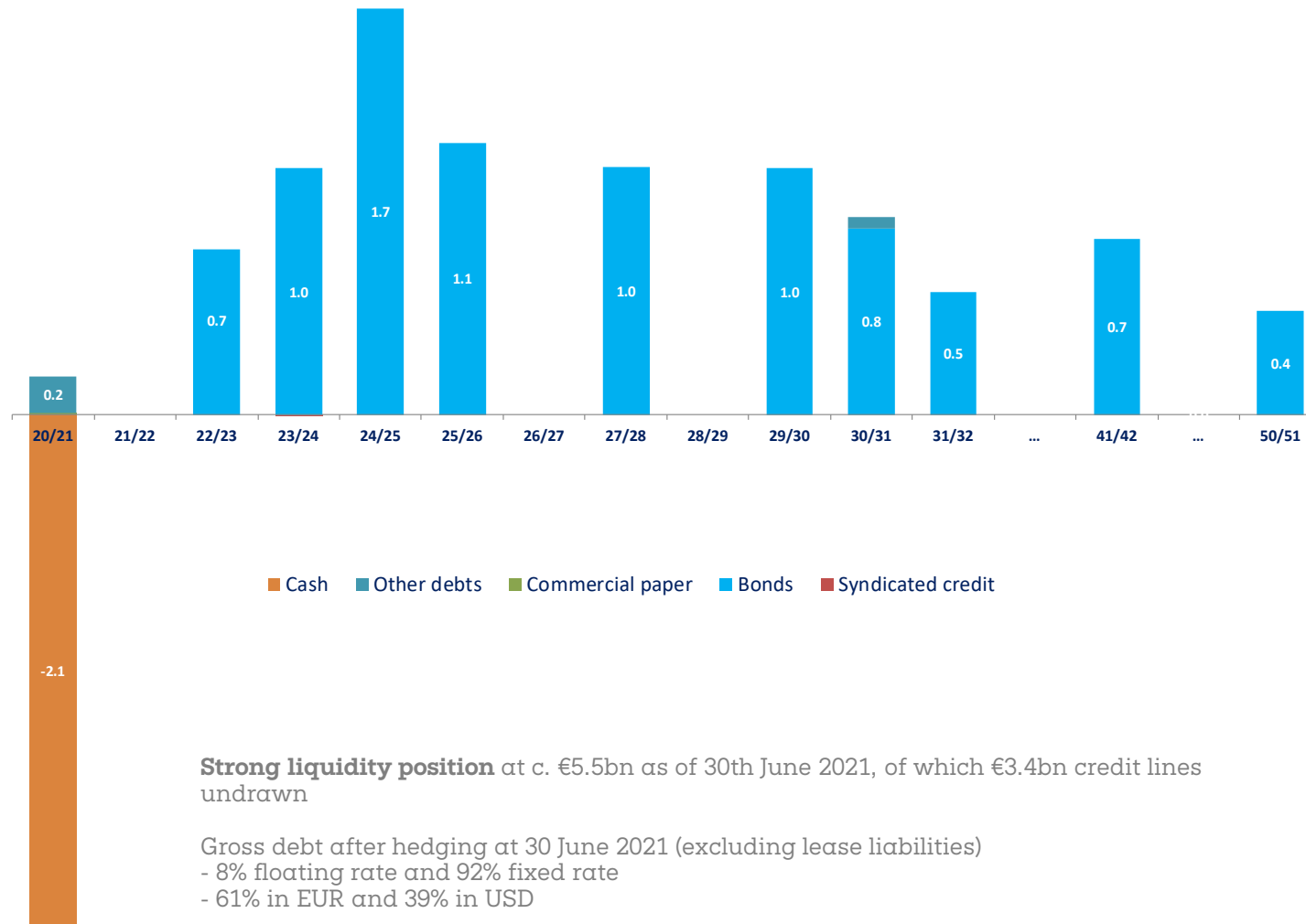
(€ millions)	30/06/2020			30/06/2021		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	723	8,599	9,322	70	8,787	8,857
Commercial paper	299	-	299	7	-	7
Other loans and long-term debts	81	192	273	115	108	222
Other financial liabilities	380	192	572	122	108	229
Gross Financial debt	1,103	8,791	9,894	192	8,894	9,086
Fair value hedge derivatives – assets	(3)	(40)	(44)	-	(22)	(22)
Fair value hedge derivatives – liabilities	-	-	-	-	-	-
Fair value hedge derivatives	(3)	(40)	(44)	-	(22)	(22)
Net investment hedge derivatives – assets	-	(13)	(13)	-	(43)	(43)
Net investment hedge derivatives – liabilities	-	-	-	-	-	-
Net investment hedge derivatives	-	(13)	(13)	-	(43)	(43)
FINANCIAL DEBT AFTER HEDGING	1,100	8,737	9,837	192	8,830	9,022
Cash and cash equivalents	(1,935)	-	(1,935)	(2,078)	-	(2,078)
NET FINANCIAL DEBT EXCLUDING LEASE DEBT	(835)	8,737	7,902	(1,886)	8,830	6,944
Lease Debt	88	433	522	103	405	508
NET FINANCIAL DEBT	(747)	9,171	8,424	(1,783)	9,235	7,452

Change in Net Debt

(€ millions)	30/06/2020	30/06/2021
Operating profit	978	2,361
Depreciation and amortisation	350	367
Net change in impairment of goodwill, PPE and intangible assets	1,007	78
Net change in provisions	97	(80)
Changes in fair value on commercial derivatives and biological assets	(3)	1
Net (gain)/loss on disposal of assets	(27)	(16)
Share-based payments	23	28
Self-financing capacity before interest and tax	2,423	2,738
Decrease / (increase) in working capital requirements	(433)	(54)
Net interest and tax payments	(809)	(686)
Net acquisitions of non financial assets and others	(352)	(370)
Free Cash Flow	830	1,628
<i>of which recurring Free Cash Flow</i>	<i>1,003</i>	<i>1,745</i>
Net acquisitions of financial assets and activities and others	(587)	(116)
Dividends paid	(849)	(704)
(Acquisition) / Disposal of treasury shares and others	(526)	(20)
Decrease / (increase) in net debt (before currency translation adjustments)	(1,132)	788
Foreign currency translation adjustment	(69)	265
Non cash impact on lease liabilities	(603)	(81)
Decrease / (increase) in net debt (after currency translation adjustments and IFRS 16 non cash impacts)	(1,804)	972
Initial net debt	(6,620)	(8,424)
Final net debt	(8,424)	(7,452)

Debt Maturity at 30 June 2021

€ bn



Bond Details

Currency	Par value	Coupon	Issue date	Maturity date
EUR	€ 500 m	1.875%	28/09/2015	28/09/2023
	€ 1,500 m o/w:			
	€ 500 m	0.000%		24/10/2023
	€ 500 m	0.500%	24/10/2019	24/10/2027
	€ 500 m	0.875%		24/10/2031
	€ 650 m	2.125%	29/09/2014	27/09/2024
	€ 1,500 m o/w:			
	€ 750 m	1.125%	01/04/2020	07/04/2025
	€ 750 m	1.750%		08/04/2030
	€ 500 m o/w:			
€ 250 m	1.125%	27/04/2020	07/04/2025	
€ 250 m	1.750%		08/04/2030	
€ 600 m	1.500%	17/05/2016	18/05/2026	
USD	\$ 1,650 m o/w:			
	\$ 800 m	4.250%	12/01/2012	15/07/2022
	\$ 850 m	5.500%		15/01/2042
	\$ 600 m	3.250%	08/06/2016	08/06/2026
	\$ 2,000 m o/w:			
	\$ 600 m	1.250%		01/04/2028
\$ 900 m	1.625%	01/10/2020	01/04/2031	
\$ 500 m	2.750%		01/10/2050	

Net debt / EBITDA evolution

	Closing rate	Average rate ⁽¹⁾
<i>EUR/USD rate Jun FY20 -> Jun FY21</i>	1.12 -> 1.19	1.11 -> 1.19
Ratio at 30/06/2020	3.2	3.2
EBITDA & cash generation excl. Group structure effect and forex impacts	(0.9)	(0.9)
Group structure and forex impacts	0.3	0.3
Ratio at 30/06/2021	2.6	2.6

(1) Last-twelve-month rate

Diluted EPS

(x 1,000)	FY20	FY21
Number of shares in issue at end of period	265,422	261,877
Weighted average number of shares in issue (pro rata temporis)	265,422	262,143
Weighted average number of treasury shares (pro rata temporis)	(2,564)	(1,347)
Dilutive impact of stock options and performance shares	1,179	718
Number of shares used in diluted EPS calculation	264,037	261,514

(€ millions and €/share)	FY20	FY21	reported △
Group share of net profit from recurring operations	1,439	1,612	12.0%
Diluted net earnings per share from recurring operations	5.45	6.16	13.1%

Note: 3.5m shares cancelled in July 2020 pursuant to share buy-back