THE CONVIVIALITY PLATFORM: A POWERFUL GROWTH MODEL

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It all starts from the human need for connection

- Connection is the need
- Conviviality is our answer
We deliver moments of conviviality by blending a powerful combination of three major assets

- **Our portfolio of brands**: Broadest and most comprehensive spirits portfolio
- **Our routes to markets**: Global scale Extended network Omnichannel distribution
- **Our people**: Talented individuals Empowered teams Inclusive Conviviality culture
Conviviality at the core of our Growth Model
Blending data with conviviality is the basis of our powerful platform for future growth

Leveraging data

- More granular understanding of consumer needs

- More accurate matching of fragmented demand

Bring the **right brand**, to the **right consumer**, at the **right time**, **right place**, with the **right message**, at the **right price**
The Conviviality Platform enables Pernod Ricard to stretch its balanced and diversified growth model.
The Conviviality Platform
Activating more brands with the right level of spend

**Stretch opportunity:**
Activate more brands (from 6-8 to 15-20 per market) and allocate A&P resources even more efficiently

**Right to win:**
Robust data-driven methodology and tools
Broad and granular outlook on the demand spaces
Enhanced resource allocation process, with stronger choices at global and local levels

**Key outcomes:**
Right portfolio activated / Right touchpoint / Right execution / Right level of spend
Maximizing the **pricing power** of our brands portfolio

**Stretch opportunity:**
Capture stronger value from data-driven pricing power and promotional effectiveness

**Right to win:**
Best-in-class Revenue Growth Management tools and capabilities
Comprehensive coverage of pricing, mix, trade terms and promotional effectiveness levers

**Key outcomes:**
Tailored pricing and promotion strategies across categories, channels and countries

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**MORE FROM THE CORE**

**PRICING POWER**

**PORTFOLIO AND PROMOTIONAL EFFECTIVENESS**

**MOMENTS OF CONVIVIALITY**

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**CAPITAL MARKETS DAY 2022**

**Pernod Ricard**
Growing our positions within the **prestige market**

**Stretch opportunity:**
Highly attractive market (size, dynamics, profitability), with opportunity to further increase market share

**Right to win:**
Exceptional portfolio of prestige assets  
Strong barriers to entry  
Global coverage  
Track-record in several key geographies

**Key outcomes:**
Acceleration of prestige positions in most attractive geographies and segments
Scaling-up innovation with new products and categories

Stretch opportunity:
Significant growth reservoir through adjacent or breakthrough innovation and the expansion into new categories

Right to win:
New regional Innovation Hubs
Dedicated RTD structure
Strong test & learn approach

Key outcomes:
At-scale innovations / expansions
Broadening our coverage of the route-to-consumer

Stretch opportunity:
Broader coverage of the value chain and better understanding of the consumer

Right to win:
Multiple direct-to-consumer businesses already in place
Strong omnichannel approach

Key outcomes:
New touchpoints; enhanced purchasing experiences; first-party consumer data
Stretching our boundaries to experiences and services

Stretch opportunity:
Leverage existing assets and create new businesses related to conviviality

Right to win:
Already wide offer from Brand Homes, BrandCos and MarketCos
Strong capabilities for building ad-hoc experiences and events

Key outcomes:
Brand Homes monetized, sharper understanding of the consumer, enhanced engagement and additional revenue streams
Mutual enrichment between “core” and “beyond” models, to create even more value

Example:
Brand Homes customer bases nurturing W&S direct sales

Example:
Prestige assets enabling Direct-to-VIP business model
Multiple digital applications and programs to support those growth axes
Data and Technology to create a competitive advantage
Segmenting Consumer Demand

Matching Consumer Demand

Maestria

Vista REV-UP
PROMOTIONAL EFFECTIVENESS

Matrix
MARKETING INVESTMENTS

D-STAR
ASSISTANTS FOR SALES TEAMS
Segmenting Consumer Demand

Matching Consumer Demand

MAESTRIA

VISTA REV-UP
PROMOTIONAL EFFECTIVENESS

MATRIX
MARKETING INVESTMENTS

D-STAR
ASSISTANTS FOR SALES TEAMS
Promotion effectiveness

Tailored Promo Recommendations

Tesco

Sept 2022
Promotion effectiveness

Optimized Promo Calendar

Full year
An application based on granular data and powerful AI

- **3 years historical data**
  - Sales data
    - Pernod Ricard & Market (sell in & sell out)
  - Promo data
    - Pernod Ricard & Market
  - Product data
    - Harmonized Taxonomy...
  - Financial data
    - Cost of Good Solds, Trade Terms

- **Proprietary AI model**
  - Latest Machine Learning Engines
  - Advanced AI Engineering

- **Optimized user experience**
  - Live Scenario Optimizer
Lighter version for smaller markets

Optimization potential

Expensive promos
- Promo spend: 3.6M (27%)
  - Incr. sales: 8.8M
  - Incr. margin: 1.3M
  - ROI: 0.36

Sales dilutive promos
- 0.2M (2%)
  - -0.5M
  - -0.3M
  - ROI: 1.39

Low value-creating promos
- ROI <= 0.35
  - 2.9M (22%)
    - 12.7M
    - 0.9M
    - ROI: 0.12

High value-creating promo
- ROI > 0.35
  - 6.4M (19%)
    - 45.4M
    - 7.4M
    - ROI: 1.15

- Statistical model -
Maestria

ISTA REV-UP
PROMOTIONAL EFFECTIVENESS

matrix
MARKETING INVESTMENTS

D-STAR
ASSISTANTS FOR SALES TEAMS
A deep and granular segmentation of consumer demand

- Brands’ perception
- Brands’ fit
- Path-to-purchase
- Predictive drivers of consumers’ choice
Putting consumer demand at the center of business decisions
ASSISTANTS FOR SALES TEAMS

PROMOTIONAL EFFECTIVENESS

MARKETING INVESTMENTS

D-STAR
ASSISTANTS FOR SALES TEAMS
Marketing effectiveness

Marketing & Trade spend allocation per brand

Marketing channels

matrix
Marketing effectiveness

Predictive sales impacts
- Sellout
- Market data
- A&P spend

Long-term prioritisation
- Priority of brands
- Consumer insights

Allocation by brand
Allocation by channel
ASSISTANTS FOR SALES TEAMS

PROMOTIONAL EFFECTIVENESS

MARKETING INVESTMENTS

D-STAR

Maestria

VISTA

matrix
Data-powered assistant for sales teams

Optimizing weekly route planning, based on outlet potential
Data-powered assistant for sales teams

Prioritizing actions & negotiations in each visited outlet
A unique integrated digital environment

Tailored
- High relevance of predictions for each business context
- Constant monitoring of accuracy and adoption

Owned
- Full transparency
- Stepstone for deployment of next features

Scalable
- Best-in-class tech and development
- Modular & flexible to support long-term business evolution
A sustainable model

The right team, in the right mode, with the right outcome
Joined forces to distill data for business

- Global data & AI expertise
- Market needs & specificities
- Agile methodologies & development expertise
- Integration in Pernod Ricard tech architecture
- Best-in-class technologies
- Coordination & value case
- Global adoption expertise
Internalized expertise

+150 new experts
HQ & Markets

- Data Scientists
- Data Engineers
- Data Stewards
- Digital Product Owners
- Digital Product Designers
- Machine Learning Engineers
- Data Analysts
Two catalysts

**PEOPLE**
- Massive upskilling initiatives
- Internalized adoption team
- New roles and adapted governance

**TECH**
- Digital, data and tech Centers of Excellence
- Data tech platforms
- Data portal as one entry point for all
From APPS to ASSETS
A continuous deployment dynamic
A competitive advantage

To generate and fulfill demand, with precision at scale, in the long run
The Conviviality Platform enables Pernod Ricard to stretch its growth model

- **Portfolio and A&P effectiveness**
- **Prestige acceleration**
- **Pricing power**
- **New products & categories**
- **D2C (B2C and B2B)**
- **Stronger share**
- **With improvements**
- **Innovation (incl. RTD)**
- **15-20 brands per market**
- **Route-to-consumers**

The Conviviality Platform

- **Experiences & services**
- **Maestria**
- **The Conviviality Platform**
- **MAESTRIA 2.0**
- **Innovation (incl. RTD)**
- **15-20 brands per market**
- **Route-to-consumers**
- **With improvements**
- **Innovation (incl. RTD)**
- **New products & categories**
- **D2C (B2C and B2B)**
- **Stronger share**
- **Maestria**
Stretching our topline growth with the Conviviality Platform

From activating 6-8 brands to **15-20 brands**

**Building on our key competitive advantages,** levering our broad-based portfolio and balanced geographical footprint

**+4% to +7% annual topline growth framework,** aiming at the upper end of the range