Management Report

5.

5.1 Key figures from the consolidated financial statements for the year ended 30 June 2025

5.1.1 Income statement

€ millions	30.06.2024	30.06.2025
Net sales	**11,598**	**10,959**
Gross margin after logistics expenses	**6,975**	**6,516**
Advertising and promotion expenses	(1,872)	(1,679)
Contribution after advertising and promotion expenses	5,103	4,837
Profit from recurring operations	3,116	2,951
Operating profit	**2,724**	**2,743**
Financial income/(expense)	(437)	(492)
Corporate income tax	(766)	(574)
Share of net profit/(loss) of associates and net profit of held for sale activities	(7)	(3)
NET PROFIT	**1,514**	**1,674**
Of which:		
Non-controlling interests	38	48
Attributable to Group shareholders	1,476	1,626
EARNINGS PER SHARE – BASIC (€)	**5.84**	**6.47**
EARNINGS PER SHARE – DILUTED (€)	**5.83**	**6.45**

5.1.2 Balance sheet

€ millions	30.06.2024	30.06.2025
ASSETS		
Non-current assets	25,725	24,722
Of which intangible assets and goodwill	*19,040*	*17,921*
Current assets	13,065	12,292
Assets held for sale	395	65
TOTAL ASSETS	**39,185**	**37,080**
LIABILITIES AND SHAREHOLDERS’ EQUITY		
Consolidated shareholders’ equity	16,797	16,226
Non-current liabilities	15,146	14,405
Current liabilities	7,091	6,442
Liabilities related to assets held for sale	151	7
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	**39,185**	**37,080**

5.1.3 Net debt

€ millions	30.06.2024	30.06.2025
Gross non-current debt	11,040	10,434
Gross current debt	2,130	1,718
Non-current derivative instruments – assets	—	(36)
Current derivative instruments – assets	—	—
Non-current derivative instruments – liabilities	10	—
Current derivative instruments – liabilities	6	4
Cash and cash equivalents	(2,683)	(1,829)
NET DEBT EXCLUDING LEASE LIABILITIES	**10,503**	**10,292**
Lease liabilities	448	435
NET DEBT	**10,951**	**10,727**
Free cash flow[1]	963	1,133

(1) The calculation of free cash flow is set out in section 5.3 "Net debt" to the management report.

5.1.4 Cash flow statement

€ millions	30.06.2024	30.06.2025
Self-financing capacity before interest and taxes	*3,378*	*3,101*
Net interest paid	*(336)*	*(426)*
Net income tax paid	*(547)*	*(417)*
Decrease/(increase) in working capital requirement	*(768)*	*(470)*
Net change in cash flow from operating activities	**1,727**	**1,788**
Net change in cash flow used in investing activities	**(676)**	**(521)**
Net change in cash flow used in financing activities	**(209)**	**(2,396)**
Cash flows from discontinued operations	—	—
Translation differences	232	275
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**1,609**	**2,683**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2,683**	**1,829**

5.2 Analysis of business activity and results

Consistent organic operating margin expansion, investing in brand desirability and sustainable long-term growth

- **Fiscal year 2025 Organic Net Sales -3.0%**, with declines in China, USA and GTR Asia negatively impacting mix, while many markets posted a resilient to strong growth, leading to gaining or maintaining shares in most of them.
- **Continued volume recovery (+2%)** with three consecutive semesters of volume growth.
- **Strong FY25 organic operating margin expansion at +64bps**, supported by the completion in FY25 of a €900m efficiency program FY23-25 and strong cost discipline.
- **Sustained reported operating margin** despite significant adverse FX impacts.
- **Free Cash Flow at €1.1bn,** (+18%) notably with strong Operating Working Capital management, leading to a strong improvement in cash conversion.
- Sustainable long-term growth investments with €1.2bn in **Capex and Strategic Inventories**, passed peak in FY24, along with continued dynamic portfolio management (including Wines and Imperial Blue[1] businesses disposals).

(1) Subject to regulatory approvals.

5.2.1 Presentation of results

5.2.1.1 Net profit from recurring operations, Group share and per share – diluted

€ millions	30.06.2024	30.06.2025
Profit from recurring operations	3,116	2,951
Financial income/(expense) from recurring operations	(417)	(455)
Corporate income tax on recurring operations	(646)	(619)
Non-controlling interests, net profit of discontinued and held for sale activities and share of net profit of associates	(53)	(49)
GROUP SHARE OF NET PROFIT FROM RECURRING OPERATIONS[(1)]	**2,000**	**1,829**
GROUP SHARE OF NET PROFIT FROM RECURRING OPERATIONS PER SHARE – DILUTED (€)	**7.90**	**7.26**

(1) Profit from recurring operations after taking into account financial income and expenses from recurring operations, corporate income tax on recurring operations, the share of net profit or loss of associates, and net profit of discontinued and held for sale activities.

5.2.1.2 Profit from recurring operations

Group

€ millions	30.06.2024	30.06.2025	Reported growth		Organic growth[(1)]	
Net sales	11,598	10,959	(639)	-5.5%	(351)	-3.0%
Gross margin after logistics expenses	6,975	6,516	(459)	-6.6%	(268)	-3.8%
Advertising and promotion expenses	(1,872)	(1,679)	192	-10.3%	165	-8.8%
Contribution after advertising and promotion expenses	5,103	4,837	(266)	-5.2%	(103)	-2.0%
PROFIT FROM RECURRING OPERATIONS	**3,116**	**2,951**	**(165)**	**-5.3%**	**(24)**	**-0.8%**

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

Americas

€ millions	30.06.2024	30.06.2025	Reported growth		Organic growth[(1)]	
Net sales	3,340	3,154	(186)	-5.6%	(96)	-2.9%
Gross margin after logistics expenses	2,162	2,021	(140)	-6.5%	(78)	-3.6%
Advertising and promotion expenses	(668)	(603)	65	-9.8%	50	-7.5%
Contribution after advertising and promotion expenses	1,493	1,419	(75)	-5.0%	(27)	-1.8%
PROFIT FROM RECURRING OPERATIONS	**878**	**847**	**(31)**	**-3.6%**	**3**	**0.4%**

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

Asia/Rest of the World

€ millions	30.06.2024	30.06.2025	Reported growth		Organic growth[(1)]	
Net sales	4,973	4,635	(338)	-6.8%	(194)	-3.9%
Gross margin after logistics expenses	2,851	2,620	(231)	-8.1%	(131)	-4.5%
Advertising and promotion expenses	(678)	(580)	99	-14.5%	86	-12.7%
Contribution after advertising and promotion expenses	2,173	2,040	(133)	-6.1%	(44)	-2.0%
PROFIT FROM RECURRING OPERATIONS	**1,461**	**1,360**	**(101)**	**-6.9%**	**(17)**	**-1.2%**

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

Europe

€ millions	30.06.2024	30.06.2025	Reported growth		Organic growth[(1)]	
Net sales	3,285	3,170	(115)	-3.5%	(60)	-1.9%
Gross margin after logistics expenses	1,962	1,875	(87)	-4.4%	(60)	-3.1%
Advertising and promotion expenses	(525)	(497)	28	-5.4%	28	-5.4%
Contribution after advertising and promotion expenses	1,437	1,378	(59)	-4.1%	(31)	-2.2%
PROFIT FROM RECURRING OPERATIONS	**777**	**744**	**(33)**	**-4.2%**	**(11)**	**-1.4%**

(1) Organic growth: growth at constant exchange rates and scope of consolidation.

5.2.2 Organic net sales growth of Strategic International Brands

In millions of 9-litre cases	Volumes 30.06.2024	Volumes 30.06.2025	Organic growth[1] in net sales	Of which volume growth	Of which price/mix effect
Absolut	12.0	12.3	+2%	+2%	-1%
Jameson	10.7	11.2	+3%	+5%	-2%
Ballantine's	8.8	9.1	0%	+3%	-3%
Chivas Regal	4.7	4.8	+2%	+2%	+1%
Ricard	4.3	4.2	-5%	-2%	-2%
Malibu	4.4	4.1	-10%	-6%	-3%
Beefeater	3.3	3.3	+3%	0%	+3%
Havana Club	3.5	3.3	+1%	-7%	+8%
Martell	2.2	1.9	-20%	-12%	-8%
The Glenlivet	1.4	1.4	-4%	+1%	-6%
Mumm	0.5	0.5	-3%	-2%	-2%
Perrier-Jouët	0.3	0.3	+8%	+9%	-1%
Royal Salute	0.2	0.2	-18%	-13%	-4%
STRATEGIC INTERNATIONAL BRANDS	**56.5**	**56.7**	**-4%**	**0%**	**-5%**

(1) Organic growth is defined in section 5.5 - Definition of alternative performance measures and reconciliation to IFRS measures.

Fiscal Year 2025 Net Sales totalled €10,959m, an organic decline of -3.0% (-5.5% reported), with a negative FX impact of -€277m mainly due to the Turkish Lira, Argentinean Peso and Indian Rupee.

By region:

- **Americas -3%,**
  - **USA -6%, Spirits market (incl. RTD) in slight growth, impacted by subdued consumer confidence and economic moderation. Narrowing gap-to-market through sharp execution.**
    - Sell-out volume and value gap-to-market continues to narrow, reflecting focus on execution and strong investment behind the brands.
    - Jameson, Absolut and Kahlúa are each performing ahead of their competitive set with Jameson significantly improving and posting positive sell-out in Q4.
    - Revised Route to Market implemented over the summer designed to align and increase executional capabilities.
    - Prolonged tariff uncertainty impacted distributor inventory level at year end, with adjustments expected throughout FY26.
  - **Canada** in good growth, notably on Jameson, Bumbu, The Glenlivet and RTDs, gaining market share.
  - **Brazil** in good growth, led by Strategic International Brands Beefeater, Royal Salute, Chivas Regal and Absolut, gaining market share.
  - **Mexico** in low single digit decline, gaining market share in whiskies.
- **Asia-RoW -4%,**
  - **India +6%, Strong underlying consumer demand and premiumisation trends.**
    - Strong and broad-based performance underpinned by dynamic consumer demand.
    - Premiumising sales with growth excluding Imperial Blue at +8%.
    - Double Digit growth on Royal Stag.
    - Double Digit growth on Strategic International Brands including continuing Jameson's exceptional performance, now the #1 imported Spirit brand in India and Pernod Ricard's #2 Jameson market by volume.
    - Disposal of Imperial Blue business expected to be immediately accretive to margins and growth[1].
    - Excise policy changes in Maharashtra state expected to negatively impact sales in FY26, most significantly in Q1.
  - **China -21%, Challenging macro-economic environment and continuing weak consumer sentiment impacting demand.**
    - Decline in sales of Martell and Scotch brands.
    - Premium brands including Jameson, Absolut and Olmeca in strong growth.
    - Increasing penetration of Premium Spirits among the growing middle class.
    - Soft consumer demand in Q4 combined with anticipation of the conclusion of Anti-Dumping investigation leading to distributor inventory overhang at year end.
    - Leading to a strong decline expected in Q1.
  - **Japan** in MSD growth, gaining market share, sharp declines in **South Korea** and **Taiwan market** amidst difficult macro-economic conditions.

(1) Subject to regulatory approvals.

- Very strong growth in **Turkey** (both organic and reported sales) led by Chivas Regal and Ballantine's, strong growth in **South Africa** with Martell and Jameson, gaining market share in both markets.
- **Australia** MSD growth, gaining market share.

- **Europe -2% (flat ex-Russia), Resilient Net Sales.**
  - Particularly dynamic across Eastern Europe, while Western Europe sees growth in **France**, with declines in **Germany** and **Spain.**
  - Gaining market share in France and Germany and maintaining share in **UK.**
  - Good brand performances on Bumbu, Jameson, Chivas, Ballantine's, Perrier-Jouët and Altos.
- **Global Travel Retail -13%, Gradual improvement in outlook expected with the resolution of the Cognac suspension in China Duty Free.**
  - Full year organic sales in decline impacted notably by the suspension of Cognac imports in China Duty Free since December 2024.
  - **Asia** region also negatively impacted by weakness in South Korea and Taiwan market.
  - Other regions, notably **Europe** and **Americas** are in growth.
  - Expecting a strong decline in Q1 driven by a high comparison, with Q2 to benefit from resumption of sales of Martell in China Duty Free.
  - GTR expected to return to growth in FY26.

By brand:

- **Strategic International Brands -4%,**
  - **Jameson** in LSD growth globally, with good growth across most regions, and stabilised sell out in the US, while declining in Western Europe.
  - **Martell** sharp decline in China though with stable market share, growth in South Africa.
  - **Absolut** in growth in all regions, except Western Europe due to decline in Germany.
  - **Scotch portfolio** in slight decline due to performance in US, Germany, South Korea and Taiwan market, with broad based growth across other markets.
- **Strategic Local Brands +2%,**
  - Strong momentum on Seagram's whiskies, notably **Royal Stag.**
  - Strong growth of **Kahlúa** in the US and **Olmeca** in Africa, Eastern Europe and China.
- **Specialty Brands -7%,**
  - Very strong growth on Bumbu across European markets and Canada.
  - Good growth from **The Deacon** in Japan and **Château Sainte Marguerite** in Western Europe and USA.
  - **Aberlour** declines from US and Taiwan market.
  - **Lillet** decline due to slow down in Germany.
- **RTDs +7%,** solid growth across the portfolio of brands.

5.2.3 Contribution after advertising and promotion expenses

Gross Margin impacted by negative market mix while benefitting from COGS efficiency programs.

A&P at c.16% of net sales, with sharp marketing resource allocation to maximise growth opportunities.

5.2.4 Profit from recurring operations

Fiscal Year 2025 Profit from Recurring Operations €2,951m, an organic decline of -0.8%, a reported decline of -5.3%.

- Strict discipline and continuous improvement on Structure costs, reduced organically by 4%.
- Operating Margin impacted by adverse FX and perimeter effects, with FX impact -€112m largely on Turkish Lira, Nigerian Naira, Indian Rupee, British Pound and Argentinean Peso, and Perimeter impact -€29m mainly brand disposals Clan Campbell and Becherovka.
- Decline in reported Profit from Recurring Operations mainly linked to negative translation FX.

5.2.5 Financial income/(expense) from recurring operations

Increased Recurring Financial Expenses with an average cost of debt of 3.2%

5.2.6 Group share of net profit from recurring operations

Group share of Net Profit from Recurring Operations €1,829m, down -9%.

5.2.7 Group share of net profit

Group Share of Net Profit €1,626m, up by +10% as non-recurring costs are significantly lower than FY24. Non-recurring costs mainly due to restructuring, lapping last year's Wine business impairment and the reversal on Kahlúa impairment.

5.3 Net debt

Reconciliation of net financial debt – Net financial debt is a metric used by the Group to manage its cash and net debt capacity. A reconciliation of net financial debt to the main balance sheet items is provided in Note 4.9 – *Financial instruments to the consolidated financial statements*. The following table shows the change in net debt over the year:

€ millions	30.06.2024	30.06.2025
Profit from recurring operations	**3,116**	**2,951**
Other operating income/(expenses)	**(392)**	**(208)**
• Depreciation of fixed assets	441	422
• Net change in impairment of goodwill, property, plant and equipment and intangible assets	495	52
• Net change in provisions	(37)	(42)
• Changes in fair value of commercial derivatives and biological assets	1	(7)
• Net (gain)/loss on disposal of assets	(292)	(93)
• Share-based payments	45	25
• Dividends received from associates	2	1
Sub-total of depreciation and amortisation, changes in provisions and other	**654**	**358**
SELF-FINANCING CAPACITY BEFORE INTEREST AND TAXES	**3,378**	**3,101**
Decrease/(increase) in working capital requirement	(767)	(470)
Net interest and tax paid	(884)	(844)
Net purchases of non-financial assets and other	(764)	(655)
FREE CASH FLOW	**963**	**1,133**
of which recurring free cash flow	*1,175*	*1,348*
Net purchases of financial assets and activities and other	38	134
Changes in scope of consolidation	—	—
• Share capital increases and other changes in shareholders' equity	—	4
• Dividends and interim dividends paid	(1,208)	(1,201)
• (Acquisition)/disposal of treasury shares	(334)	(11)
Sub-total of dividends, acquisition of treasury shares and other	**(1,542)**	**(1,208)**
DECREASE/(INCREASE) IN DEBT BEFORE FOREIGN EXCHANGE IMPACT	**(541)**	**59**
Translation differences	(46)	282
Non-cash effect on lease liabilities	(90)	(117)
DECREASE/(INCREASE) IN DEBT AFTER FOREIGN EXCHANGE IMPACT	**(677)**	**224**
Net debt at beginning of period	(10,273)	(10,951)
Net debt at end of period	(10,951)	(10,727)

5.4 Outlook

FY26 outlook

FY26 is expected to be a transition year with improving trends in Organic Net Sales, skewed toward H2.

A decline in Q1 is expected, with distributor inventory adjustment in the US, continued soft consumer demand and inventory adjustment in China, the impact of Maharashtra excise policy changes in India, skewed toward Q1 and sales of Cognac in Duty Free China only resuming from Q2.

We continue to invest to increase our brands' desirability with sharp allocation, efficiency, innovation and experiences with A&P investment ratio expected to remain at c.16%.

We will defend our organic operating margin to the fullest extent possible, supported by strict cost control and the implementation of our efficiency initiatives.

Focus on cash generation to continue, with strategic investments below €900m and strong operating working capital management. Cash conversion expected to improve further vs FY25.

FX impact expected to be significantly negative[1].

Medium term FY27-29

Leveraging our unique broad-based and balanced geographic breadth and diversified portfolio of premium international spirits

Projecting Organic Net Sales growth, aiming for the range of +3% to +6% p.a on average, with annual Organic Operating Margin expansion.

Anticipating organic margin expansion to be supported by efficiencies of €1bn from FY26 to FY29, with program to optimize Operations and implement a fit for future organisational structure.

Maintaining consistent investments behind our brands with c.16% A&P/NS, with agility and responsiveness to maximise opportunity by brand and market.

Strong cash generation aiming for c.80% and above cash conversion to fund our financial policy priorities, with strategic investments normalizing to no more than c. €1bn.

We are confident in our strategy, in our operating model and in the engagement of our teams, to deliver sustainable value growth over time.

5.5 Definition of alternative performance measures and reconciliation to IFRS measures

Pernod Ricard's management process is based on the following Alternative Performance Measures (APMs), which have been chosen for planning and reporting purposes. The Group's management believes that these measures provide valuable additional information for users of the financial statements in understanding the Group's performance. These APMs should be considered as complementary to IFRS measures and reported movements therein.

5.5.1 Organic growth

Organic growth is calculated after excluding the impacts of exchange rate movements, acquisitions and disposals, changes in applicable accounting principles and hyperinflation.

The exchange rate impact is calculated by translating the current year's results at the prior year's exchange rates and by adding changes in the current and prior years' translation adjustments.

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 only included in the organic movement calculations of the current year from the anniversary date of the acquisition.

The impact of hyperinflation on profit from recurring operations in Turkey and Argentina is excluded from organic growth calculations by capping local unit price/cost increases to a maximum of 26% per year, equivalent to 100% over three years.

Where a business, brand, brand distribution right or agency agreement was disposed of or terminated in the prior year, the Group excludes the results for that business from the prior year in the organic movement calculations. 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 users to compare the Group's performance on a like-for-like basis, focusing on areas that local management is most directly able to influence.

5.5.2 Free cash flow

Free cash flow comprises net cash from operating activities, aggregated with the proceeds from disposals of property, plant and equipment and intangible assets and after deduction of capital expenditure.

(1) *Based on current spot rates*

5.5.3 "Recurring" measures

The following three measures represent key indicators for the measurement of the recurring performance of the business, excluding significant items that, because of their nature and their infrequent occurrence, cannot be considered as inherent to the recurring performance of the Group:

- **Recurring free cash flow**

Recurring free cash flow is calculated by restating free cash flow for non-recurring items.

- **Profit from recurring operations**

Profit from recurring operations corresponds to operating profit excluding other non-recurring operating income and expenses.

- **Group share of net profit from recurring operations**

Group share of net profit from recurring operations corresponds to net profit attributable to Group shareholders before other non-recurring operating income and expenses, non-recurring financial income and expenses and non-recurring income taxes.

5.5.4 Net debt

Net debt, as defined and used by the Group, corresponds to total gross debt (translated at the closing rate), including lease liabilities and derivatives designated as fair value hedges and net foreign currency asset hedges (hedging of net investments and similar), less cash and cash equivalents.

5.5.5 EBITDA

EBITDA stands for "earnings before interest, taxes, depreciation and amortisation". EBITDA is an accounting measure calculated using the Group's profit from recurring operations excluding depreciation and amortisation on fixed assets.

5.6 Material contracts

5.6.1 Material contracts not related to financing

5.6.1.1 Suntory

In 1988, Allied Domecq entered into a series of agreements with Suntory Ltd, one of Japan's leading producers and distributors of spirits. One of the provisions of these agreements concerned the creation of a joint venture in Japan called Suntory Allied Ltd, in which 49.99% of the share capital and voting rights are owned by Allied Domecq and 50.01% by Suntory Ltd. Suntory Allied Ltd has been granted the exclusive distribution rights for certain Allied Domecq brands in Japan until 31 March 2029.

The management of Suntory Allied Ltd is jointly controlled by Pernod Ricard, as successor-in-interest to Allied Domecq, and Suntory Ltd.

5.6.1.2 Sale and repurchase agreements

Pernod Ricard did not enter into any sale and repurchase agreements during FY 2025.

5.6.2 Financing contracts

5.6.2.1 Credit agreements

2023 Credit Agreement

On 27 April 2023, Pernod Ricard and certain of its affiliates signed a new sustainability-linked loan totalling €2.1 billion (the "**Credit Agreement**") in order to refinance ahead of term its existing €2.5 billion credit facility maturing in June 2024. The initial maturity date of the Credit Agreement is five years, expiring on 27 April 2028, with an option to extend for one year at the end of the fifth year and an additional year at the end of the sixth year. The first extension option was exercised in March 2024, extending the maturity to 27 April 2029. The second extension option was exercised in March 2025, extending the maturity to 27 April 2030.

The facility is linked to two environmental commitments: a reduction in the Group's absolute greenhouse gas emissions (Scopes 1 and 2) and a reduction in its water consumption per unit of alcohol produced.

The obligations of each of the borrowers under the Credit Agreement are guaranteed by Pernod Ricard. No security interest *(sûreté réelle)* was granted under the terms of the Credit Agreement.

The Credit Agreement includes an "Accordion" feature which allows for borrowing of up to an additional €400 million beyond the initial €2.1 billion allocation.

2022 Credit Agreement (Bilateral Credit)

On 22 March 2022, Pernod Ricard and Pernod Ricard Finance entered into a bilateral revolving credit agreement (the "**Bilateral Credit Agreemen**t", referred to jointly with the Credit Agreement as the "**credit agreements**") with a principal amount of €500 million, for an initial period of three years, with the option of an extension of one year at the end of the third year and one additional year at the end of the fourth year. The first extension option was exercised in February 2025, extending the maturity to 22 March 2026. On the same date, the principal amount was partially reduced and now stands at €450 million.

The obligations of Pernod Ricard Finance under the Bilateral Credit Agreement are guaranteed by Pernod Ricard. No security interest *(sûreté réelle)* was granted under the terms of the Bilateral Credit Agreement.

Provisions of the credit agreements

The credit agreements contain the customary representations and warranties, as well as the usual restrictive covenants contained in such contracts. However, they do not include any covenants stipulating compliance with financial leverage ratios (e.g., net debt/EBITDA).

5.6.2.2 Bond issues

The Group has issued bonds (the "**Bonds**") through (i) Pernod Ricard, and (ii) Pernod Ricard International Finance LLC, a wholly owned affiliate of Pernod Ricard, whose issues are guaranteed by Pernod Ricard.

The nominal amount of the Bonds and the interest thereon constitute direct, unsubordinated and unsecured obligations of the issuer in question, ranking equally amongst themselves and *pari passu* with all other unsecured and unsubordinated debt, present and future, of said issuer. In addition, Pernod Ricard and Pernod Ricard International Finance LLC have undertaken not to grant any security interests in respect of bonds or other debt securities admitted, or liable to be admitted, to trading on a regulated market, an over-the-counter market or other stock exchange unless the bonds benefit from similar collateral or other collateral approved, as the case may be, by the mass of bondholders (Pernod Ricard) or by the meeting of bondholders (Pernod Ricard International Finance LLC).

These bond issues include a clause regarding change of control, which could trigger the compulsory early repayment of Bonds upon request of each bondholder in the event of a change of control of Pernod Ricard (benefiting a person or a group of persons acting in concert) and leading to a deterioration in Pernod Ricard's credit rating.

In addition, bondholders may request early redemption of these Bonds if certain customary events of default arise.

	Amount *(US$ thousands)*	Amount *(€ thousands)*	Place of issue	Nominal value	Maturity date	Redemption dates	Allocation of net proceeds of the issue	Rate
USD bond of 12/01/2012	850,000		Private placement for institutional investors, and subject to New York State (United States) law	US$150,000 (with multiples of US$1,000 in excess of this amount)	15/01/2042	Payable annually in arrears on 15 January and 15 July	Repayment of part of the 2008 syndicated loan denominated in US dollars	Fixed annual rate of 5.50%
EUR bond of 17/05/2016		600,000	Regulated market of Euronext Paris	100,000	18/05/2026	Payable annually in arrears on 18 May	Repayment of bond debt to extend the maturity of the Group's debt	Fixed annual rate of 1.50%
USD bond of 08/06/2016	600,000		Private placement for institutional investors, and subject to New York State (United States) law	US$150,000 (with multiples of US$1,000 in excess of this amount)	08/06/2026	Payable annually in arrears on 8 June and 8 December from 8 December 2016	Repayment of short-term debt and bond debt to extend the maturity of the Group's debt	Fixed annual rate of 3.25%
EUR bond of 24/10/2019		500,000	Regulated market of Euronext Paris	100,000	24/10/2027	Payable annually in arrears on 24 October	General corporate purposes	Fixed annual rate of 0.50%
EUR bond of 24/10/2019		500,000	Regulated market of Euronext Paris	100,000	24/10/2031	Payable annually in arrears on 24 October	General corporate purposes	Fixed annual rate of 0.875%
EUR bond of 06/04/2020		750,000	Regulated market of Euronext Paris	100,000	08/04/2030	Payable annually in arrears on 8 April	General corporate purposes	Fixed annual rate of 1.75%
EUR bond of 06/04/2020		250,000	Regulated market of Euronext Paris	100,000	08/04/2030	Payable annually in arrears on 8 April	General corporate purposes	Fixed annual rate of 1.75%

	Amount *(US$ thousands)*	Amount *(€ thousands)*	Place of issue	Nominal value	Maturity date	Redemption dates	Allocation of net proceeds of the issue	Rate
USD bond of 01/10/2020	600,000		Private placement for institutional investors, and subject to New York State (United States) law	US$150,000 (with multiples of US$1,000 in excess of this amount)	01/04/2028	Payable annually in arrears on 1 April and 1 October	General corporate purposes	Fixed annual rate of 1.25%
USD bond of 01/10/2020	900,000		Private placement for institutional investors, and subject to New York State (United States) law	US$150,000 (with multiples of US$1,000 in excess of this amount)	01/04/2031	Payable annually in arrears on 1 April and 1 October	General corporate purposes	Fixed annual rate of 1.625%
USD bond of 01/10/2020	500,000		Private placement for institutional investors, and subject to New York State (United States) law	US$150,000 (with multiples of US$1,000 in excess of this amount)	01/10/2050	Payable annually in arrears on 1 April and 1 October	General corporate purposes	Fixed annual rate of 2.75%
EUR bond of 04/10/2021		500,000	Regulated market of Euronext Paris	100,000	04/10/2029	Payable annually in arrears on 4 October	General corporate purposes	Fixed annual rate of 0.125%
EUR bond of 07/04/2022		750,000	Regulated market of Euronext Paris	100,000	07/04/2029	Payable annually in arrears on 7 April	General corporate purposes	Fixed annual rate of 1.375%
EUR bond of 02/11/2022		600,000	Regulated market of Euronext Paris	100,000	02/11/2028	Payable annually in arrears on 2 November	General corporate purposes	Fixed annual rate of 3.25%
EUR bond of 02/11/2022		500,000	Regulated market of Euronext Paris	10,000	02/11/2032	Payable annually in arrears on 2 November	General corporate purposes	Fixed annual rate of 3.75%
EUR bond of 15/09/2023		600,000	Regulated market of Euronext Paris	100,000	15/09/2027	Payable annually in arrears on 15 September	General corporate purposes	Fixed annual rate of 3.75%
EUR bond of 15/09/2023		750,000	Regulated market of Euronext Paris	100,000	15/09/2033	Payable annually in arrears on 15 September	General corporate purposes	Fixed annual rate of 3.75%
EUR bond of 07/05/2024		700,000	Regulated market of Euronext Paris	100,000	07/11/2030	Payable annually in arrears on 7 November	General corporate purposes	Fixed annual rate of 3.375%
EUR bond of 07/05/2024		800,000	Regulated market of Euronext Paris	100,000	07/05/2034	Payable annually in arrears on 7 May	General corporate purposes	Fixed annual rate of 3.625%
EUR bond of 03/03/2025		800,000	Regulated market of Euronext Paris	100,000	03/03/2032	Payable annually in arrears on 3 March	General corporate purposes	Fixed annual rate of 3.25%

5.6.2.3 Euro Medium Term Notes (EMTN) programme

After obtaining the approval of the French Financial Markets Authority (*Autorité des marchés financiers* – AMF) on the base prospectus, on 26 May 2020, Pernod Ricard set up a Euro Medium Term Notes (EMTN) programme that is updated annually, most recently on 24 October 2024 (the "Programme"). Under the terms of the Programme, the Group may issue bonds by means of private placements in various currencies. The securities may be admitted to trading on Euronext Paris. The maximum nominal amount of securities outstanding under the Programme is set at €7 billion (or the equivalent in any other currency).

5.6.2.4 Sustainability-linked bond

On 7 April 2022, Pernod Ricard conducted its first issuance of bonds incorporating environmental commitments, totalling €750 million with a maturity of seven years.

On 2 November 2022, Pernod Ricard conducted two new bond issuances incorporating the same environmental commitments. The first issuance was for €600 million with a six-year maturity, and the second issuance was for €500 million with a ten-year maturity.

Pernod Ricard has selected two Key Performance Indicators (KPIs) that are relevant, core and material to its overall business and of strategic significance to the Group's current and/or future operations.

The KPIs are aligned with the Sustainability & Responsibility (S&R) roadmap and the United Nations 2030 SDGs. For these two KPIs, Pernod Ricard has set ambitious Sustainability Performance Targets (SPTs) to highlight its commitment and leadership across the sector, with both short-term and long-term trajectories.

The two criteria chosen are related to environmental topics as follows:

- absolute reduction of greenhouse gas emissions (Scopes 1 and 2);
- reduction in water consumption per unit of alcohol produced at distilleries.

In regard to the key performance indicators to which the bond is linked, Pernod Ricard monitored its performance during the financial year, and progress towards the targets:

KPI	SPT	FY 2018 baseline[1]	FY 2025 performance[1]	Evolution
Absolute Scopes 1 and 2 GHG emissions ($ktCO_2e$) – Market-based	26% reduction by FY 2025 (emissions below 220 $ktCO_2e$) 54% reduction by FY 2030 (emissions below 138 $ktCO_2e$)	298	174	-42%
Water consumption per unit of alcohol produced in distilleries ($m^3/kLAA$)	12.5% reduction by FY 2025 (consumption below 16.7 $m^3/kLAA$) 20.9% reduction by FY 2030 (consumption below 15.1 $m^3/kLAA$)	19.0	16.2	-15%

(1) For the period from 1 July Y-1 to 30 June Y.

The Pernod Ricard Group has achieved the two Sustainability Performance Targets (SPTs) set for FY 2025, marking a milestone towards its 2030 objectives, reducing its greenhouse gas emissions in absolute terms (Scopes 1 and 2, as defined in the Group's Sustainability-Linked Financing Framework issued in September 2023) by 124 $ktCO_2e$. This represents a reduction of around 42% between FY 2018 and FY 2025. It has also achieved an average water intensity per unit of pure alcohol produced of 16.2 $m^3/kLAA$ in its distilleries, an improvement of 15% between FY 2018 and FY 2025.

SPT #1 - Absolute greenhouse gas emissions (Scopes 1 and 2)

This progress reflects the efforts made by the Group in recent years to achieve its 2030 objective, in particular:

- **significant investments** in energy efficiency (such as the recycling of steam using mechanical vapour recompression technology (MVR) and the removal of certain dryer systems);
- greater **use of biofuels** and biomass in distilleries;
- the **installation of on-site solar panels**; and
- **the purchase of renewable electricity** through green certificates in recent years.

In 2024, three new MVR systems were successfully commissioned at distilleries operated by Chivas Brothers and Irish Distillers. These installations helped reduce Scope 1 emissions by approximately 7 $ktCO_2e$. In early 2025, two further MVR units were installed at the Strathclyde and Walkerville distilleries. The associated emissions reductions will be reflected in our FY 2026 report, thereby consolidating our long-term decarbonisation pathway.

SPT #2 - Water consumption per unit of alcohol produced at distilleries

The improvement in water intensity at the distilleries is the result of the many Group-wide initiatives focused on optimising industrial processes, investing in water infrastructure and distribution networks, in addition to implementing water recycling solutions. The installation of MVR systems has also contributed to water conservation efforts, resulting in total savings of around 25,000 m^3 over FY 2025. The rainwater harvesting project commissioned in 2024 is now fully operational at the Midleton Distillery site, and led to an estimated 6,000 m^3 reduction in water consumption this year. In addition, shutting down the drying system at the Walkerville site in Canada resulted in a further reduction of around 24,000 m^3 in annual water consumption.

These key performance indicators have been subject to verification by an independent third party, which provided a limited assurance conclusion. The report is available on the Group's website. For more information on the Group's Environmental, Social and Governance (ESG) performance, see Chapter 3 "Sustainability & Responsibility". In relation to the €750,000,000 1.375% Sustainability-Linked Notes due 7 April 2029 (ISIN: FR0014009L57), the Group has appointed KPMG SA as the external verifier, replacing Deloitte & Associés, to perform the functions required to be performed by such external verifiers under the terms and conditions. KPMG will also act as an external verifier for the €600,000,000 3.250% Sustainability-Linked Notes due 2 November 2028 (ISIN: FR001400DOV0) and the €500,000,000 3.750% Sustainability-Linked Notes due 2 November 2032 (ISIN: FR001400DP44).

5.6.2.5 Factoring agreements

Pernod Ricard has set up programmes to sell trade receivables without recourse to banks, in order to hedge its credit risk. As substantially all of the risks and rewards related to the receivables are transferred to the purchaser in accordance with this programme, transferred receivables are deconsolidated.

At 30 June 2025, the net value of multi-currency receivables sold amounted to an equivalent of €688 million (see Note 4.5 – *Trade receivables and other operating receivables* in Chapter 6 "Annual consolidated financial statements").

5.6.2.6 Securitisation (Master Receivables Assignment Agreement)

An international securitisation programme has been set up between certain affiliates of Pernod Ricard and a bank, for the purpose of transferring eligible trade receivables to €STR. As substantially all of the risks and rewards related to the receivables are transferred to the purchaser in accordance with this securitisation programme, transferred receivables are deconsolidated.

At 30 June 2025, the net value of the multi-currency receivables transferred amounted to an equivalent of €435 million (see Note 4.5 – *Trade receivables and other operating receivables* in Chapter 6 "Annual consolidated financial statements").