

# FY23 Half-Year Sales and Results

16<sup>th</sup> February 2023

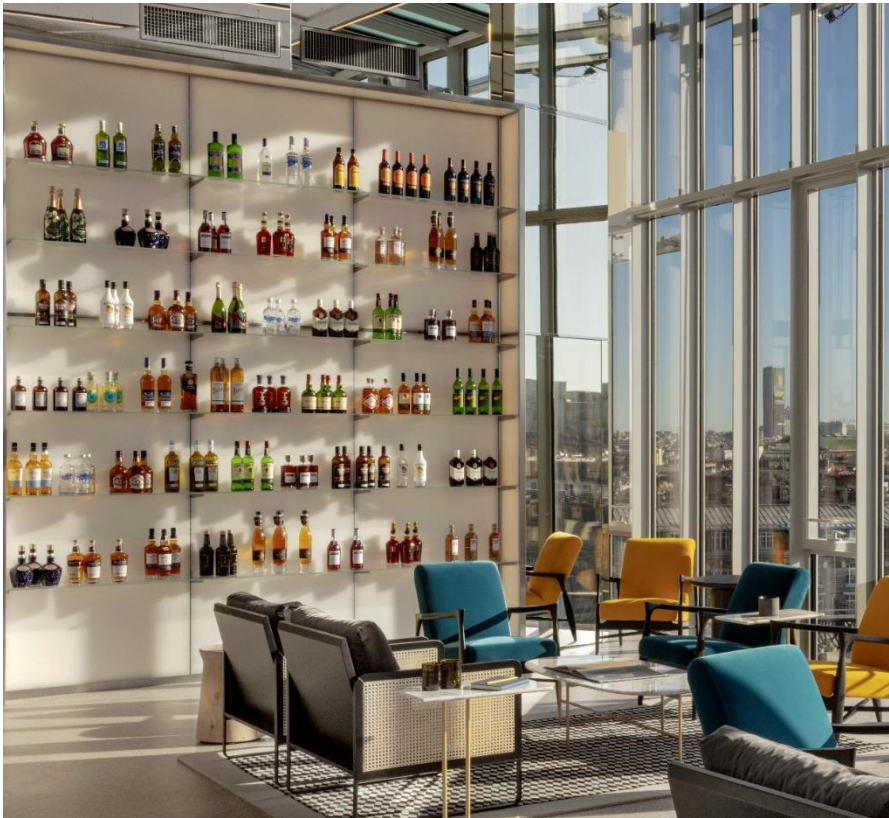
Growth data specified in this presentation refers to organic growth, unless otherwise stated

Data may be subject to rounding

This presentation can be downloaded from our website: [www.pernod-ricard.com](http://www.pernod-ricard.com)

# Very strong H1 with Sales growth +19% and PRO +21% Reported

Organic Sales and PRO growth +12%



## VERY STRONG, DIVERSIFIED SALES

Resilient consumer demand

Continued premiumization building on unique portfolio

Excellent broad-based growth across all regions

## SUSTAINING MARGINS DESPITE HIGH INFLATION

+10% price effect leveraging superior RGM<sup>1</sup> initiatives

+3% volumes growth

Continued operational efficiencies

## INVESTING IN OUR SUSTAINABLE FUTURE GROWTH

Velocity of digital transformation, A&P enhanced by KDP's<sup>2</sup>

Dynamic investments in CAPEX and strategic inventories

Active portfolio management

## LONG TERM SHAREHOLDER VALUE CREATION

+11% 5-year annualized total shareholder return<sup>3</sup>

€750m share buy-back in FY23

1. Revenue Growth Management

2. Key Digital Programs

3. Annualized Total shareholder return with spot rates between 06/02/2018 and 06/02/2023

# Very strong H1 FY23 financial delivery

<b>Sales</b>	<b>Reported</b>	<b>+19%</b>
<b>€7,116m</b>	<b>Organic</b>	<b>+12%</b>
	<b>3Y CAGR<sup>1</sup></b>	<b>+9%</b>

<b>Group Share of Net Profit</b>	
<b>€1,792m</b>	<b>+29%</b>

<b>PRO</b>	<b>Reported</b>	<b>+21%</b>
<b>€2,423m</b>	<b>Organic</b>	<b>+12%</b>
	<b>3Y CAGR<sup>1</sup></b>	<b>+10%</b>

<b>EPS</b>	
<b>€6.77</b>	<b>+23%</b>

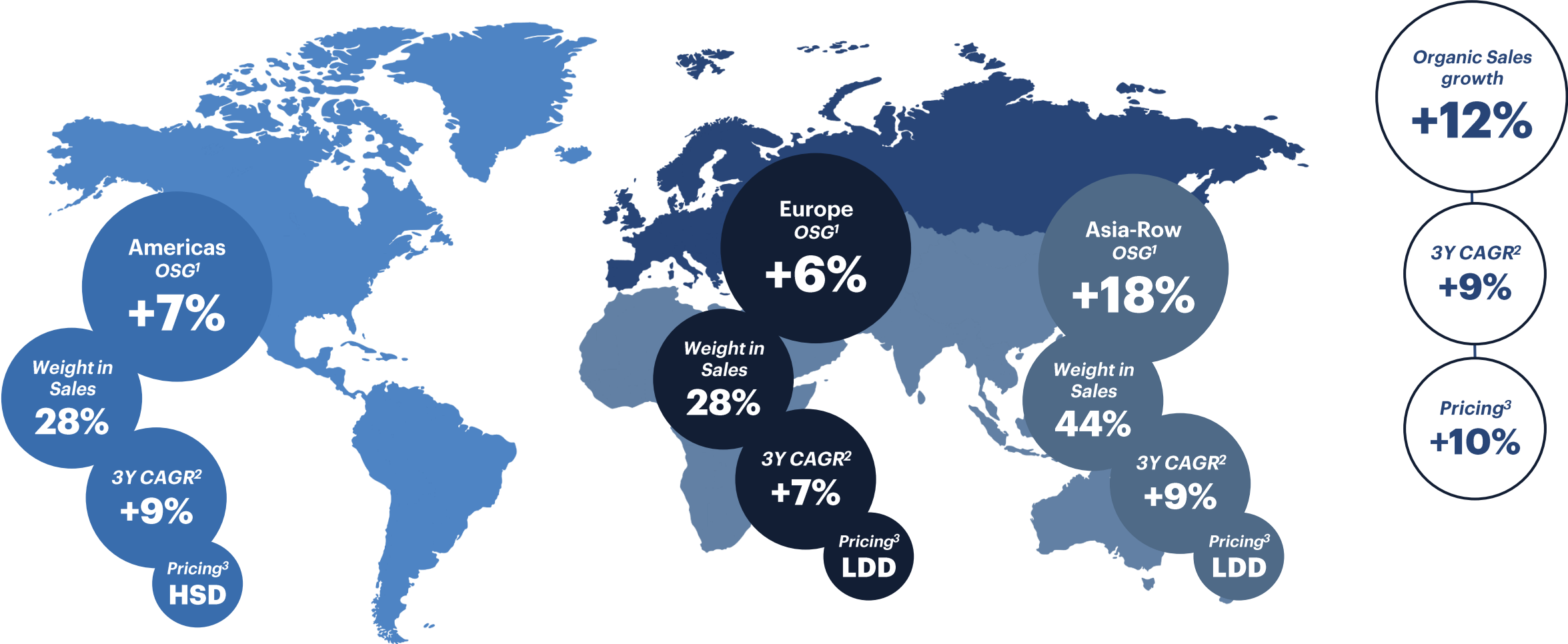
<b>Free Cash Flow</b>	
<b>€954m</b>	<b>-28%</b>

<b>Net Debt/ EBITDA</b>	
<b>2.6x</b>	<b>+0.2x</b>

1. 3Y CAGR vs H1 FY20 pre COVID, at constant Fx

# Continued excellent broad-based growth across all regions

Gaining market share in most markets  
Sales enhanced by phasing in US and China



1.Organic Sales Growth, Including Travel Retail    2. 3Y CAGR vs H1 FY20 pre COVID, at constant Fx    3. Pricing Effect: Mid Single Digit MSD; High Single Digit HSD; Low Double Digit LDD; Double Digit DD

# Very strong, diversified growth across all spirits categories

Leveraging the industry's broadest and most comprehensive portfolio with six categories driving c. 90% of the growth

## Scotch Whisky 22%<sup>1</sup>

Organic growth  
**+23%**

Pricing<sup>2</sup>  
LDD



## Vodka 8%

**+16%**

HSD



## Irish Whiskey 13%

**+20%**

LDD



## Gin 5%

**+15%**

HSD



## Cognac & Brandies 17%

**+4%**

DD



## Seagram's Whiskies 8%

**+12%**

MSD



1. Weight in H1 FY23 Net Sales    2. Pricing Effect: Mid Single Digit MSD; High Single Digit HSD; Low Double Digit LDD; Double Digit DD

# Buoyant Specialty Brands growing +14% with +22% 3Y CAGR

With rapid deployment of KDPs, activating more brands while addressing fast growing demand in an increasingly fragmented market. Specialty Brands doubling weight in Sales since FY19

Lillet

Organic growth  
**+43%** 3Y CAGR<sup>1</sup>  
**+28%**



Italicus

**+41%** 2Y CAGR<sup>2</sup>  
**+83%**



Malfy

**+23%** **+73%**



Redbreast

**+24%** **+27%**



Aberlour

**+15%** **+16%**



Altos

**+11%** **+14%**



1. 3Y CAGR vs H1 FY20 pre COVID, at constant Fx      2. For Italicus only, 2Y CAGR vs H1 FY21, at constant Fx

# Driving the attractiveness of our brands with strong investments

Leveraging **matrix**, strong A&P acceleration in US and Europe



Absolut 'The World of Absolut Cocktails: Born to Mix.'



Jameson's US 'Widen the Circle' campaign across TV, Digital & Out of Home



Unveiling the return of Beefeater Crown Jewel, the pinnacle of the brand's London Dry Gin portfolio



New Royal Salute global campaign launched in December 'Enter a New Kingdom'

c. €1bn investments in A&P in H1  
with A&P to Net Sales ratio  
increases in:

**USA**

**+224 bps**

**Europe**

**+77 bps**

# Brand equity of our premium portfolio supports strong broad-based price increases

Further improving value conversion through optimising RGM effectiveness powered by



Leveraging unique portfolio with c.80% of growth led by premium and above brands

---

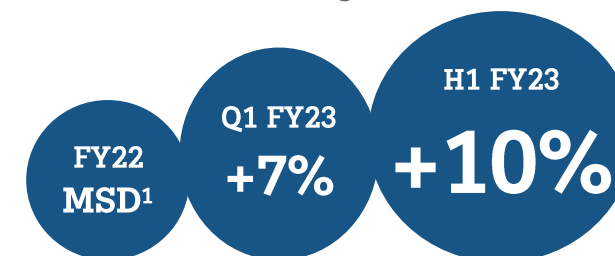
Driving acceleration of price impacts, across geographies and categories with momentum to continue in H2 across mature and emerging markets

---

Contribution to Organic Growth



Pricing effect



1. Mid Single Digit

# Digital transformation amplifying precision at scale and effectiveness

Rapid and broad-based deployment of Key Digital Programs continues across the regions

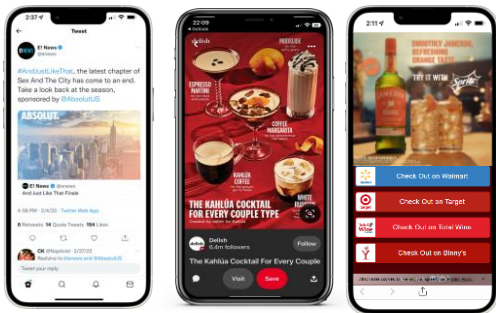


## matrix driving increasing media effectiveness

Data-Driven Approach Enabling Greater Precision and Personalization

Precision: Content & Media targeting tailored to the Right Person, Right Place, Right Time

Personalization: Dynamic content drives lift across Ad Engagement, Ad Recall & Landing Page visits



Targeting MOC needs

Seeking cocktail inspiration


Driving traffic & Purchase



+2 to +9 pts increase in effectiveness on Dynamic Content

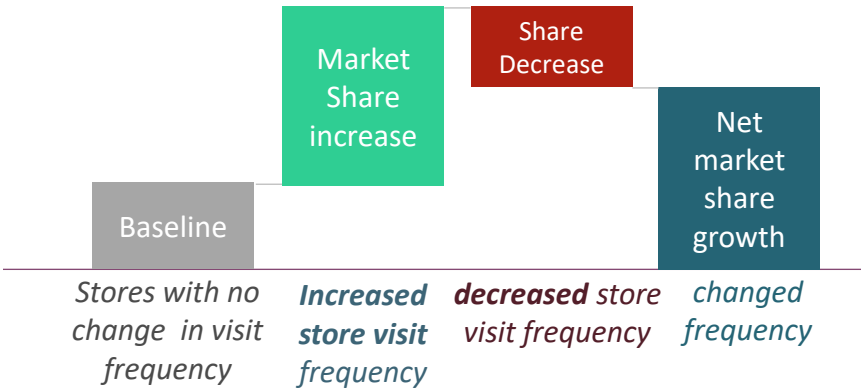
US Contribution of Media to Net Sales increasing 3X<sup>1</sup>

1. US FY20 to FY22 internal data    2. FY22 internal data



## D-STAR optimizing sales force activity

Changing store visit patterns to drive market share gains



Market share growth increase 4X<sup>2</sup> vs baseline in targeted outlets

# Continuing the premiumization of our portfolio with Innovation, Prestige and active portfolio management



Launch of the Absolut Night Range with Absolut Smoky Piña in Mexico



Royal Salute Platinum Jubilee Edition, ultra prestige edition celebrating the 70th year of the reign of Her Majesty Queen Elizabeth II



Launch of Jameson Single Pot Still in the UK, Ireland and GTR



Perrier-Jouët Belle Époque Anémone, an exclusive edition of six Belle Époque vintage cuvées



Limited Edition Havana Club Don Navarro, named after the 'father of Cuban rum'



Reinforcing US footprint with super premium+ acquisitions<sup>1</sup>

# Unique culture of Conviviality and Engagement amplifying performance

Diversity & Inclusion  
at the core



35% women in Top  
Management  
Group-wide gender pay equity

Strong sense  
of belonging



77% employees proud  
to belong to Pernod  
Ricard, above FMCG  
peers

Dynamic talent  
management



More than 400,000  
hours of training per  
year



# Leveraging the power of innovation, technology and our brands to drive sustainable change



Investing in new technologies for a carbon neutral future



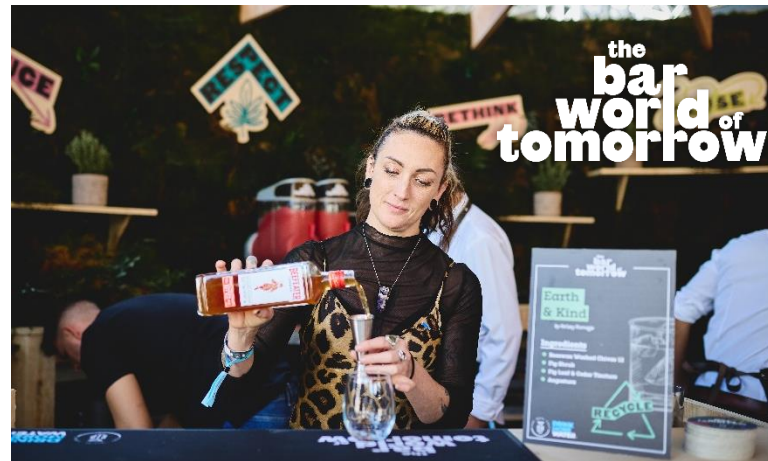
Innovating with new sustainable packaging solutions



Leveraging the power of our brands to promote responsible drinking



Sourcing ingredients sustainably to secure our supply chains



Empowering through knowledge & skills with the Bar World of Tomorrow



Pioneering digital solutions to support consumers in their choices

# Sales analysis



# USA +5% | +7% 3Y CAGR

## Solid first half growth in a normalizing market

- Underlying spirits value depletions growing +3% with continued dynamism in premiumization trends
- Strong pricing across portfolio following Fall price increases and complementing last year initiatives. New price increases in H2
- Jameson and Jefferson's value depletions growing strongly<sup>1</sup>. Solid growth for Malibu, Kahlua and Beefeater<sup>2</sup>
- Continued very strong development of RTD portfolio



1. High single digit    2. Low to mid single digit

# China +4% | +10% 3Y CAGR

## Confident outlook following lifting of Covid restrictions

- Sales impacted by heavy Covid restrictions in Q2
- Martell enjoyed solid growth with strong Mid Autumn Festival and soft Q2 due to Covid disruptions
- Very strong pricing driving overall growth
- Continued widening of the market footprint with growth relays The Glenlivet and Absolut growing double digit
- H1 favourable phasing of shipments ahead of Chinese New Year but soft demand, impacted by low footfall
- Anticipated consumer optimism following lifting of restrictions

# Global Travel Retail +36% | -7% 3Y CAGR

**Continued Sales recovery outside of China and on track to deliver profit back to pre-covid levels**

- Very solid low double digit pricing
- Very strong brand activation to capture demand recovery
- Net Sales now at c. 80% of pre covid levels
- Overall recovery driving very strong premium Scotch development

EXPLORE THE  
LIMITED EDITION PRODUCTS  
AND ENJOY A  
COMPLIMENTARY TASTING

ROYAL SALUTE

India +17% | +10% 3Y CAGR

## Excellent growth with continued premiumization momentum

- Very strong revenue growth management driving mid single digit pricing including on Seagram's whiskies
- Favorable mix with faster growth of Royal Stag and Blender's Pride
- Continued very strong momentum of Strategic International Brands in particular Jameson, the Scotch portfolio and Absolut



# Europe<sup>1</sup> +6% | +7% 3Y CAGR

## Excellent performance with very strong pricing across the region<sup>2</sup>

- France: modest growth, with good momentum on Ricard
- Spain: double-digit growth with On-trade rebound notably driven by gin portfolio, Absolut and Ballantine's
- UK: growth with dynamic spirits notably Absolut, Jameson, Malibu and Martell
- Germany: good growth across channels driven notably by Lillet and Ramazzotti with share gains across portfolio

1. Including Travel Retail

2. Europe growing +10% excluding Russia/Ukraine

# Americas<sup>1</sup> +7% | +9% 3Y CAGR

- Canada: high single digit growth with good pricing, driven by broad-based dynamism across Strategic International Brands
- Brazil: continued excellent performance driven by Scotch portfolio and Absolut, with very strong pricing
- Mexico: strong double-digit growth notably from Absolut and Chivas Regal, enhanced by excellent pricing

# Asia-RoW<sup>1</sup> +18% | +9% 3Y CAGR

- Japan: strong double-digit growth notably driven by Ballantine's, Chivas Regal and Beefeater
- Korea: continued excellent growth of Scotch portfolio and Jameson
- Taiwan market and South East Asia: strong rebound on low basis of comparison
- Turkey: continued excellent momentum notably behind Chivas Regal

1. Including Travel Retail, Americas including USA and Asia-RoW including China and India

# Attractiveness of our portfolio of brands powering double digit growth across all spirits segments

## Strategic International Brands 66%<sup>1</sup>

Organic  
growth  
**+13%**

3Y CAGR<sup>2</sup>  
**+8%**

Pricing<sup>3</sup>  
DD



## Strategic Local Brands 17%

**+13%**

**+7%**

HSD



## Specialty Brands 5%

**+14%**

**+22%**

MSD



## Strategic Wines 4%

**-2%**

**-1%**

MSD



1. Weight in H1 FY23 Sales

2. 3Y CAGR vs. H1 FY20 pre COVID, at constant Fx

3. Pricing Effect: Mid Single Digit MSD; Double Digit DD, Low Double Digit LDD, High Single Digit HSD

# Jameson +19% | +14% 3Y CAGR

## Excellent broad-based growth with all key markets growing<sup>1</sup>

- Continued good growth of Jameson Orange and Black Barrel
- Strong pricing across regions
- High single digit value depletion growth in USA  
Double digit growth in Europe and Travel Retail
- Continued strong development in South Africa, Nigeria, India, Korea, Australia and LATAM
- Successful Jameson's US 'Widen the Circle' campaign

<sup>1</sup> Excluding Russia



# Scotch +23% | +11% 3Y CAGR

## Chivas Regal

+34%<sup>1</sup> +11%<sup>1</sup>

Excellent growth driven by Travel Retail, Turkey, LATAM, India, Japan, Spain and Poland

## Royal Salute

+37% +12%

Excellent growth acceleration driven by Travel Retail recovery, Korea, Taiwan market, China and India

## Ballantine's

+17% +9%

Strong price and mix with growth driven mainly by higher marks in Travel Retail and Asian markets. Good growth in Brazil and Spain

## The Glenlivet

+12% +12%

Continued dynamic development driven by Travel Retail recovery, Taiwan market, Korea and China with share gains in the US

1. Numbers referring to H1 Organic Net Sales then 3Y CAGR vs H1 FY20 pre covid, at constant Fx





# Absolut +16% | +8% 3Y CAGR

Continued strong broad-based growth despite high comparison basis with all key markets growing

- Western Europe in double digit growth with strong price and volume growth
- Continued rapid international development notably, LATAM, India and China
- Solid rebound in Travel Retail across regions
- Stable depletions in the US

# Martell +3% | +4% 3Y CAGR

- Overall very strong pricing in line with value strategy
- Strong double digit pricing drove growth in China in Q1 with strong Mid Autumn Festival followed with soft Q2 due to COVID
- GTR impacted by Covid in Hainan and shipment phasing toward H2
- Soft H1 in USA
- Continued very strong development in Africa Middle East, notably Nigeria

# Very strong dynamism and pricing for other Strategic International Brands



Beefeater | +12%<sup>1</sup>



Ricard | +10%



Prestige portfolio | +10%



Havana Club | +8%



Malibu | +2% on high comparison basis



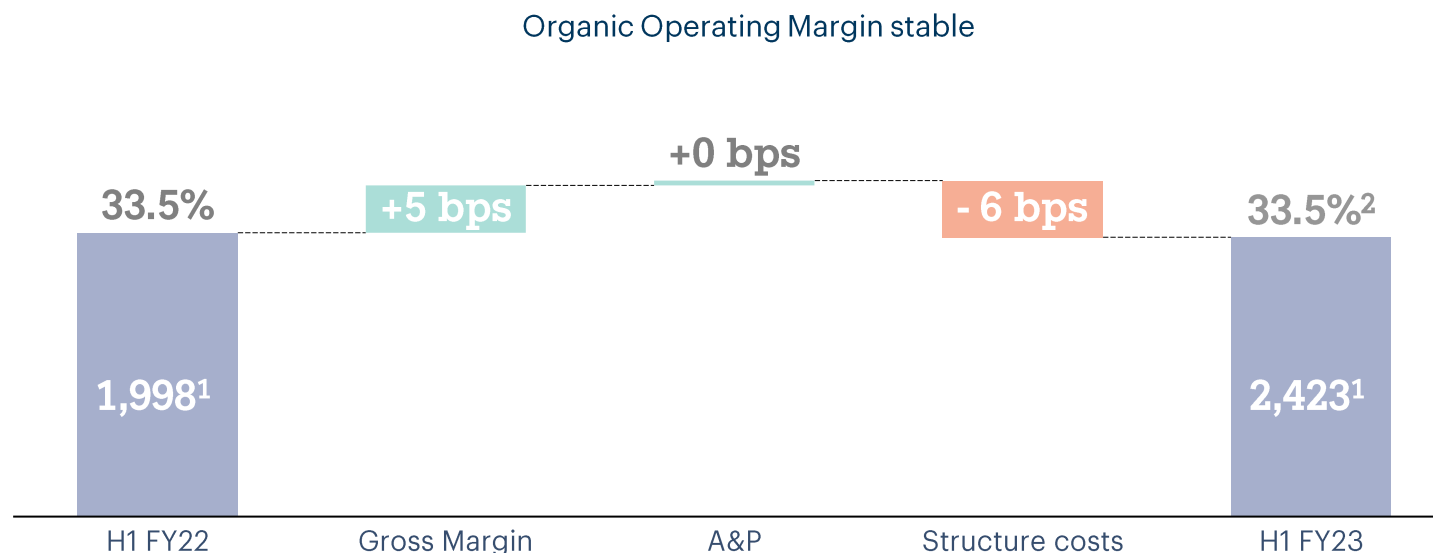
Mumm and Perrier-Jouët | decline on high comparison basis

1. H1 Organic Net Sales growth



# Profit

# Sustaining margins thanks to leading premium portfolio, excellent RGM and operational efficiencies



Organic PRO

**+12%**

Reported PRO

**+21%**

- Price/mix and volumes offsetting high COGS inflation
- Focus on operational efficiencies
- Disciplined increase in Structure costs
- Favorable FX impact of +€139m<sup>3</sup>

1. Profit from Recurring Operations, €m

2. Organic Operating margin rate

3. Impact on Profit from Recurring Operations

# Very strong EPS growth at +23%

	H1 FY22	H1 FY23	reported Δ
Profit from Recurring Operations	1,998	2,423	+21%
Financial expense from recurring operations	(102)	(134)	
Income tax on recurring operations	(436)	(521)	
Minority interests and other	(21)	(25)	
Group share of Net Profit from Recurring Operations	1,438	1,743	+21%
Number of shares for diluted EPS (millions)	260.8	257.4	
Earning per share <sup>1</sup>	5.51	6.77	+23%

- Limited increase of recurring financial expenses thanks to active liability management, with average cost of debt at 2.5%
- Income tax increase with PRO growth. Tax on recurring items at 22.8%
- Accretive impact of share buy-back program

Net Profit from Recurring Operations

**+21%**

EPS

**+23%**

1. Diluted net earnings per share from recurring operations (€/share)



# Excellent Group Share of Net Profit

€ millions	H1 FY22	H1 FY23	Reported Δ
Profit from Recurring Operations	1,998	2,423	+21%
Non-recurring operating income and expenses	(2)	86	
Operating profit	1,995	2,509	+26%
Financial expense	(135)	(139)	
Corporate income tax	(452)	(553)	
Non-controlling interests and other	(19)	(25)	
Group Share of Net Profit	1,390	1,792	+29%

Strong increase in Net Profit<sup>1</sup> +€402m driven by:

- Increase in Profit from Recurring Operations
- Non-recurring income from disposals
- Increase in Corporate Income Tax driven by increase in PRO

**Group share of Net Profit**

**+29%**

1. Group Share



# Cash flow & debt



# Solid cash generation

€ millions	H1 FY22	H1 FY23	Reported Δ	% Δ
Profit from Recurring Operations	1,998	2,423	+425	+21%
Amortisation, depreciation, provision movements and other	201	192	(8)	
Self-financing capacity from recurring operations	2,198	2,615	+417	+19%
Decrease (increase) in strategic stocks	30	(146)	(176)	
Increase in operating Working Capital Requirement	(404)	(914)	(510)	
Increase in recurring WCR	(374)	(1,060)	(686)	
Capital expenditure	(159)	(175)	(16)	
Recurring Operating Cashflow	1,665	1,380	(285)	-17%
Financial expense and taxes	(282)	(382)	(100)	
Recurring Free Cash Flow	1,383	999	(385)	-28%
Non-recurring items	(63)	(45)	+19	
Free Cash Flow	1,320	954	(366)	-28%

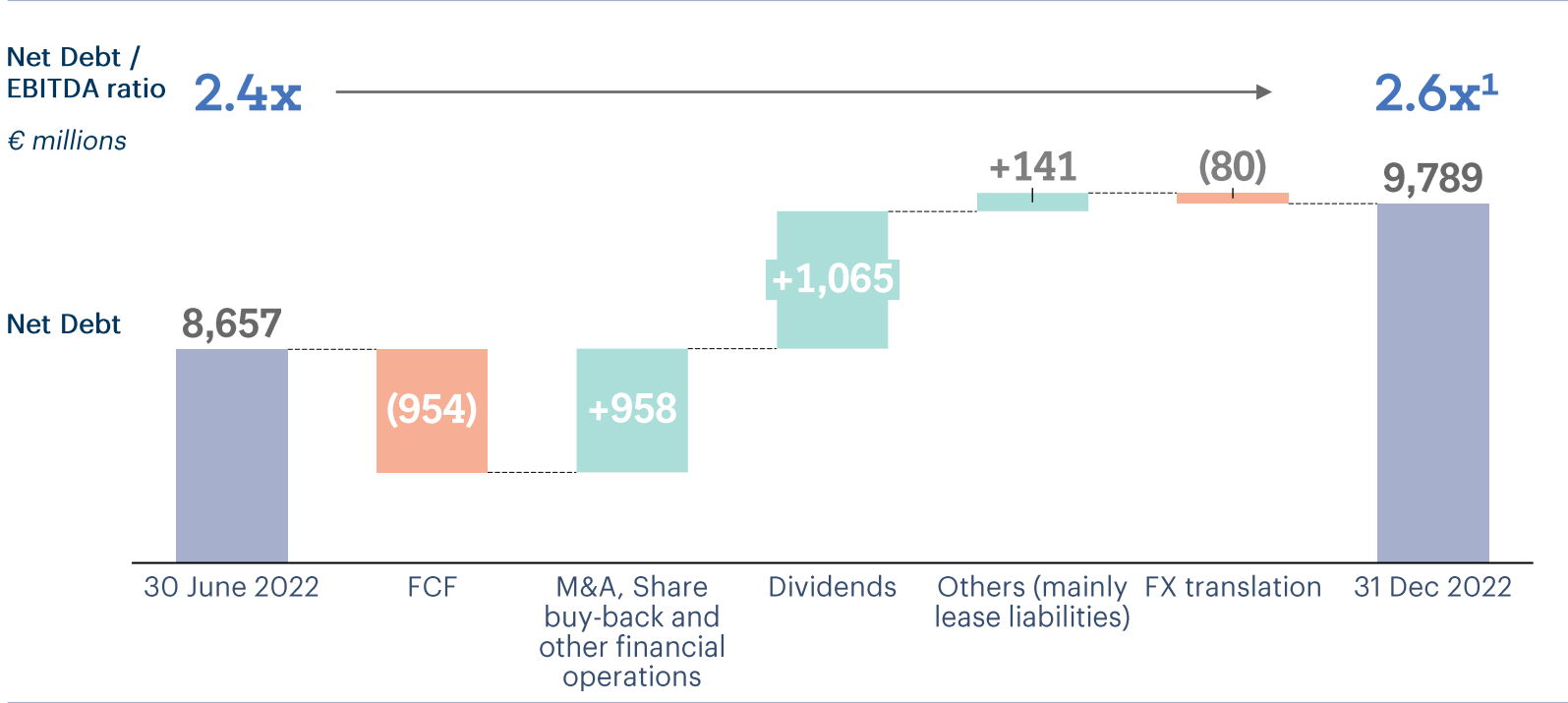
- Higher working capital outflows mainly due to normalization of payable balance
- Increased Capex of c. €(90)m excluding disposals, expected to accelerate in H2
- Increased investments in strategic stocks to support future growth of aged portfolio
- Limited increase in financial expenses, despite higher rate environment



Recurring Free Cash Flow

**c. €1bn**

# Strong balance sheet supporting dynamic financial policy



Net Debt / EBITDA

**2.6x**

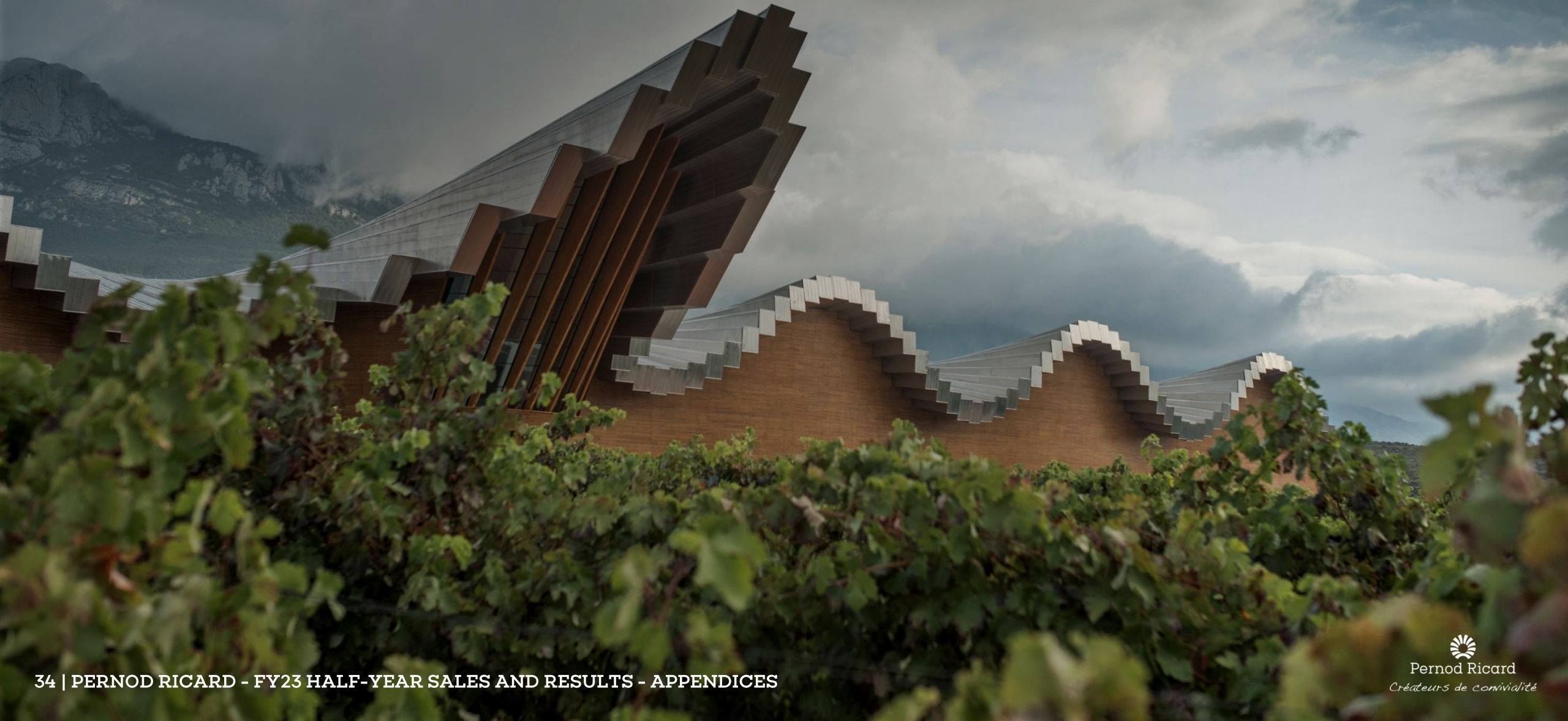
1. Based on average EUR/USD rate: 1.05 in calendar year 2022

# Outlook

In a persistently volatile context, reinforced confidence in delivering a strong performance in FY23 driven by our global footprint and the attractiveness of our diversified, premium portfolio :

- Dynamic, broad-based Net Sales growth albeit in a normalising environment
- Continuing focus on revenue growth management and operational efficiencies to offset cost pressure in high inflationary environment
- A&P ratio at c. 16% of Net Sales and continuing disciplined investments in structure
- Sustaining Operating margin
- Accelerating investments in CAPEX and strategic inventories, thanks to solid cash generation
- Confirming €750m share buy-back for FY23 with a new €300m tranche to be launched imminently
- Positive currency effect expected

# 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, changes in applicable accounting principles and hyperinflation.
- 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.
- The impact of hyperinflation on Net Sales in Turkey is excluded from P&L organic growth calculations by capping unit price increases to a maximum of +26% per year, equivalent to +100% over 3 years.
- 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-current operating income and expenses.

# Upcoming communications

Date <sup>1</sup>	Event
23 March 2023	North America conference call
27 April 2023	Q3 FY23 Sales conference call

1. Dates are indicative and liable to change

# Emerging Markets

Asia-Rest of World		Americas	Europe
Algeria	Malaysia	Argentina	Albania
Angola	Mongolia	Bolivia	Armenia
Cambodia	Morocco	Brazil	Azerbaijan
Cameroon	Mozambique	Caribbean	Belarus
China	Namibia	Chile	Bosnia
Congo	Nigeria	Colombia	Bulgaria
Egypt	Persian Gulf	Costa Rica	Croatia
Ethiopia	Philippines	Cuba	Georgia
Gabon	Senegal	Dominican Republic	Hungary
Ghana	South Africa	Ecuador	Kazakhstan
India	Sri Lanka	Guatemala	Kosovo
Indonesia	Syria	Honduras	Latvia
Iraq	Tanzania	Mexico	Lithuania
Ivory Coast	Thailand	Panama	Macedonia
Jordan	Tunisia	Paraguay	Moldova
Kenya	Turkey	Peru	Montenegro
Laos	Uganda	Puerto Rico	Poland
Lebanon	Vietnam	Uruguay	Romania
Madagascar	Zambia	Venezuela	Russia
			Serbia
			Ukraine

# Strategic International Brands' organic Sales growth

	Volumes H1 FY23  (in 9Lcs millions)	Organic Net Sales growth H1 FY23	of which Volume	of which Price/mix
Absolut	7.5	+16%	+9%	+7%
Chivas Regal	3.2	+34%	+24%	+10%
Ballantine's	5.3	+17%	+1%	+16%
Ricard	2.6	+10%	+8%	+2%
Jameson	6.4	+19%	+11%	+8%
Havana Club	2.4	+8%	+0%	+8%
Malibu	2.5	+2%	(4)%	+6%
Beefeater	2.1	+12%	+6%	+6%
Martell	1.5	+3%	(11)%	+14%
The Glenlivet	0.9	+12%	+6%	+7%
Royal Salute	0.2	+37%	+22%	+15%
Mumm	0.4	(11)%	(20)%	+10%
Perrier-Jouët	0.2	(6)%	(16)%	+10%
Strategic International Brands	35.1	+13%	+6%	+7%

# Sales Analysis by Period and Region

Net Sales (€ millions)	H1 FY22		H1 FY23		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,638	27.5%	2,005	28.2%	+368	+22%	+118	+7%	+30	+2%	+220	+13%
Asia / Rest of World	2,524	42.4%	3,122	43.9%	+597	+24%	+460	+18%	+48	+2%	+90	+4%
Europe	1,797	30.2%	1,989	27.9%	+191	+11%	+108	+6%	+38	+2%	+45	+3%
World	5,959	100.0%	7,116	100.0%	+1,156	+19%	+686	+12%	+115	+2%	+355	+6%

Net Sales (€ millions)	Q2 FY22		Q2 FY23		Change		Organic Growth		Group Structure		Forex impact	
Americas	864	26.7%	1,048	27.5%	+184	+21%	+73	+9%	+14	+2%	+98	+11%
Asia / Rest of World	1,373	42.3%	1,634	42.9%	+261	+19%	+229	+17%	+23	+2%	+9	+1%
Europe	1,005	31.0%	1,125	29.6%	+121	+12%	+79	+8%	+13	+1%	+28	+3%
World	3,242	100.0%	3,808	100.0%	+566	+17%	+381	+12%	+49	+2%	+135	+4%

Net Sales (€ millions)	Q1 FY22		Q1 FY23		Change		Organic Growth		Group Structure		Forex impact	
Americas	773	28.5%	957	28.9%	+184	+24%	+46	+6%	+16	+2%	+122	+16%
Asia / Rest of World	1,152	42.4%	1,488	45.0%	+336	+29%	+231	+20%	+25	+2%	+80	+7%
Europe	793	29.2%	863	26.1%	+70	+9%	+28	+4%	+25	+3%	+17	+2%
World	2,718	100.0%	3,308	100.0%	+590	+22%	+305	+11%	+66	+2%	+219	+8%

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

# Summary Consolidated Income Statement

(€ millions)	H1 FY22	H1 FY23	Change
Net sales	5,959	7,116	+19%
Gross Margin	3,640	4,368	+20%
Advertising and promotions spend	(840)	(994)	+18%
Contribution after A&P spend	2,801	3,375	+20%
Structure costs	(803)	(951)	+18%
Profit from recurring operations	1,998	2,423	+21%
Financial income/(expense) from recurring operations	(102)	(134)	+31%
Corporate income tax on items from recurring operations	(436)	(521)	+20%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(21)	(25)	+18%
Group share of net profit from recurring operations	1,438	1,743	+21%
Profit from Non Recurring Operations	(2)	86	NA
Financial income/(expense) from non-recurring operations	(32)	(5)	NA
Corporate income tax on items from non recurring operations	(16)	(32)	NA
Non controlling interests (non-recurring)	3	0	NA
Group share of net profit	1,390	1,792	+29%
Non-controlling interests	21	21	(0)%
Net profit	1,411	1,813	+29%

# Profit from Recurring Operations by Region (1/2)

## World

(€ millions)	H1 FY22		H1 FY23		Change		Organic Growth		Group Structure		Forex impact	
Net Sales	5 959	100,0%	7 116	100,0%	1 156	+19%	686	+12%	115	+2%	355	+6%
Gross margin	3 640	61,1%	4 368	61,4%	728	+20%	424	+12%	77	+2%	227	+6%
Advertising & promotion spend	(840)	14,1%	(994)	14,0%	(154)	+18%	(97)	+12%	(4)	+0%	(53)	+6%
Contribution after A&P spend	2 801	47,0%	3 375	47,4%	574	+20%	327	+12%	73	+3%	174	+6%
Profit from recurring operations	1 998	33,5%	2 423	34,1%	425	+21%	229	+12%	57	+3%	139	+7%

## Americas

(€ millions)	H1 FY22		H1 FY23		Change		Organic Growth		Group Structure		Forex impact	
Net Sales	1 638	100,0%	2 005	100,0%	368	+22%	118	+7%	30	+2%	220	+13%
Gross margin	1 070	65,3%	1 314	65,5%	244	+23%	59	+6%	18	+2%	168	+16%
Advertising & promotion spend	(264)	16,1%	(349)	17,4%	(85)	+32%	(45)	+17%	(3)	+1%	(37)	+14%
Contribution after A&P spend	806	49,2%	965	48,1%	159	+20%	14	+2%	15	+2%	130	+16%
Profit from recurring operations	595	36,3%	697	34,7%	102	+17%	(9)	(2)%	9	+1%	103	+17%

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

# Profit from Recurring Operations by Region (2/2)

## Asia / Rest of the World

(€ millions)	H1 FY22		H1 FY23		Change		Organic Growth		Group Structure		Forex impact	
Net Sales	2,524	100.0%	3,122	100.0%	597	+24%	460	+18%	48	+2%	90	+4%
Gross margin	1,458	57.8%	1,827	58.5%	369	+25%	285	+20%	48	+3%	36	+2%
Advertising & promotion spend	(361)	14.3%	(400)	12.8%	(39)	+11%	(25)	+7%	(0)	+0%	(14)	+4%
Contribution after A&P spend	1,097	43.4%	1,427	45.7%	331	+30%	260	+24%	48	+4%	23	+2%
Profit from recurring operations	814	32.2%	1,074	34.4%	260	+32%	194	+24%	46	+6%	20	+2%

## Europe

(€ millions)	H1 FY22		H1 FY23		Change		Organic Growth		Group Structure		Forex impact	
Net Sales	1,797	100.0%	1,989	100.0%	191	+11%	108	+6%	38	+2%	45	+3%
Gross margin	1,112	61.9%	1,227	61.7%	114	+10%	79	+7%	12	+1%	23	+2%
Advertising & promotion spend	(214)	11.9%	(245)	12.3%	(31)	+14%	(27)	+13%	(1)	+1%	(2)	+1%
Contribution after A&P spend	898	50.0%	982	49.4%	84	+9%	52	+6%	11	+1%	22	+2%
Profit from recurring operations	589	32.7%	652	32.8%	64	+11%	45	+8%	2	+0%	16	+3%

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

# Foreign Exchange Impact

Forex impact H1 FY23 (€ millions)		Average rates evolution			On Net Sales	On Profit from Recurring Operations
		H1 FY22	H1 FY23	%		
US dollar	USD	1.16	1.01	-12.7%	+222	+122
Russian rouble	RUB	84.86	61.58	-27.4%	+47	+39
Turkish Lira	TRL	11.42	18.54	+62.3%	(59)	(52)
Indian rupee	INR	86.52	82.11	-5.1%	+39	+13
Chinese yuan	CNY	7.47	7.08	-5.3%	+49	+29
Pound sterling	GBP	0.85	0.86	+1.4%	(4)	+5
Bresilian real	BRL	6.27	5.33	-15.0%	+21	+7
Argentinian peso	ARS	114.76	151.27	+31.8%	(16)	(7)
Japanese yen	JPY	129.90	141.70	+9.1%	(10)	(7)
Mexican peso	MXN	23.66	20.23	-14.5%	+10	(3)
Other					+54	(8)
Total					+355	+139

# Sensitivity of profit and debt to EUR/USD exchange rate

Estimated impact of a 1% appreciation of the USD

Impact on the income statement <sup>(1)</sup>	(€ millions)
Profit from recurring operations	+19
Financial result	(1)
<b>Pre-tax profit from recurring operations</b>	<b>+18</b>

Impact on the balance sheet	(€ millions)
<b>Increase/(decrease) in net debt</b>	<b>+39</b>

1. Full-year effect

# Balance Sheet: Assets

Assets (€ millions)	30/06/2022	31/12/2022
<b>(Net book value)</b>		
<b>Non-current assets</b>		
Intangible assets and goodwill	17,657	18,306
Tangible assets and other assets	4,600	4,416
Deferred tax assets	1,844	1,767
<b>Total non-current assets</b>	<b>24,100</b>	<b>24,489</b>
<b>Current assets</b>		
Inventories	7,369	7,567
<i>aged work-in-progress</i>	5,732	5,873
<i>non-aged work-in-progress</i>	91	122
<i>other inventories</i>	1,546	1,572
Receivables (*)	1,388	2,469
<i>Trade receivables</i>	1,320	2,387
<i>Other trade receivables</i>	68	81
Other current assets	435	448
<i>Other operating current assets</i>	427	417
<i>Tangible/intangible current assets</i>	8	31
Tax receivable	145	97
Cash and cash equivalents and current derivatives	2,559	1,805
<b>Total current assets</b>	<b>11,896</b>	<b>12,386</b>
Assets held for sale	15	1
<b>Total assets</b>	<b>36,012</b>	<b>36,875</b>
(*) after disposals of receivables of:	602	1,031

# Balance Sheet: Liabilities and Shareholder's Equity

Liabilities and shareholders' equity (€ millions)	30/06/2022	31/12/2022
Group Shareholders' equity	15,944	16,415
Non-controlling interests	309	343
<i>of which profit attributable to non-controlling interests</i>	35	21
Total Shareholders' equity	16,253	16,779
Non-current provisions and deferred tax liabilities	3,818	3,802
Bonds non-current	9,238	9,732
Lease liabilities - non current	400	390
Non-current financial liabilities and derivative instruments	197	229
Total non-current liabilities	13,653	14,153
Current provisions	150	135
Operating payables	3,019	3,222
Other operating payables	1,311	971
<i>of which other operating payables</i>	799	890
<i>of which tangible/intangible current payables</i>	513	82
Tax payable	263	391
Bonds - current	842	575
Lease liabilities - current	107	100
Current financial liabilities and derivatives	415	569
Total current liabilities	6,107	5,964
Liabilities held for sale	0	0
Total liabilities and shareholders' equity	36,012	36,896

# Analysis of Working Capital Requirement

(€ millions)	June 2021	December 2021	June 2022	December 2022	H1 FY22 WC change*	H1 FY23 WC change*
Aged work in progress	5,373	5,446	5,732	5,873	21	239
Advances to suppliers for wine and ageing spirits	9	14	8	19	5	10
Payables on wine and ageing spirits	(93)	(147)	(115)	(238)	(53)	(103)
<b>Net aged work in progress</b>	<b>5,289</b>	<b>5,313</b>	<b>5,626</b>	<b>5,653</b>	<b>(28)</b>	<b>146</b>
Trade receivables before factoring/securitization	1,672	3,085	1,922	3,419	1,360	1,599
Advances from customers	(21)	(31)	(34)	(31)	(8)	2
Other receivables	445	399	487	480	(40)	4
Other inventories	1,098	1,166	1,546	1,572	10	(13)
Non-aged work in progress	84	82	91	122	(3)	34
Trade payables and other	(2,946)	(3,626)	(3,669)	(3,842)	(593)	(277)
<b>Gross operating working capital</b>	<b>331</b>	<b>1,075</b>	<b>343</b>	<b>1,719</b>	<b>725</b>	<b>1,324</b>
Factoring/Securitization impact	(592)	(919)	(602)	(1,031)	(315)	(445)
<b>Net Operating Working Capital</b>	<b>(261)</b>	<b>155</b>	<b>(259)</b>	<b>688</b>	<b>410</b>	<b>878</b>
<b>Net Working Capital</b>	<b>5,028</b>	<b>5,468</b>	<b>5,366</b>	<b>6,341</b>	<b>382</b>	<b>1,024</b>
* at average rates						
Of which recurring variation					<b>374</b>	<b>1,060</b>
Of which non recurring variation					<b>8</b>	<b>(36)</b>

# Net Debt

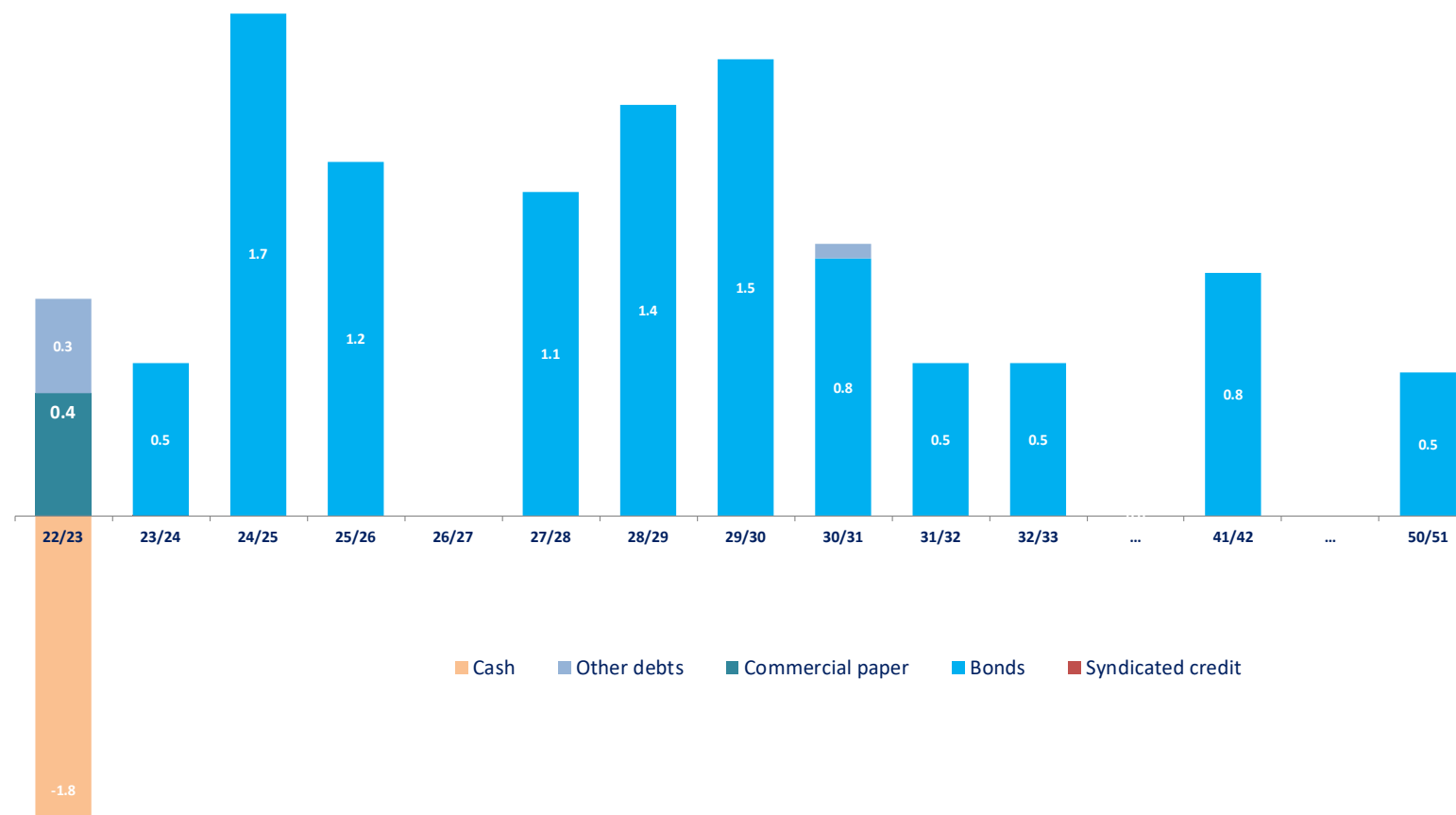
(€ millions)	30/06/2022			31/12/2022		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	842	9,238	10,079	575	9,732	10,307
Commercial paper	180	-	180	401	-	401
Other loans and long-term debts	226	179	405	157	207	364
Other financial liabilities	406	179	585	558	207	765
Gross Financial debt	1,248	9,417	10,664	1,133	9,939	11,072
Fair value hedge derivatives – assets	(5)	-	(5)	-	-	-
Fair value hedge derivatives – liabilities	-	9	9	-	14	14
Fair value hedge derivatives	(5)	9	3	-	14	14
Net investment hedge derivatives – assets	-	-	-	-	-	-
Net investment hedge derivatives – liabilities	-	9	9	-	8	8
Net investment hedge derivatives	-	9	9	-	8	8
FINANCIAL DEBT AFTER HEDGING	1,242	9,435	10,677	1,133	9,961	11,094
Cash and cash equivalents	(2,527)	-	(2,527)	(1,796)	-	(1,796)
NET FINANCIAL DEBT EXCLUDING LEASE DEBT	(1,284)	9,435	8,150	(662)	9,961	9,299
Lease Debt	107	400	507	100	390	490
NET FINANCIAL DEBT	(1,177)	9,835	8,657	(563)	10,351	9,789

# Change in Net Debt

(€ millions)	31/12/2021	31/12/2022
Operating profit	1,995	2,509
Depreciation and amortisation	189	204
Net change in impairment of goodwill, PPE and intangible assets		8
Net change in provisions	(22)	(50)
Changes in fair value on commercial derivatives, biological assets and investments	(3)	(75)
Net (gain)/loss on disposal of assets	(3)	(74)
Share-based payments	17	21
<b>Self-financing capacity before interest and tax</b>	<b>2,173</b>	<b>2,544</b>
Decrease / (increase) in working capital requirements	(382)	(1,024)
Net interest and tax payments	(313)	(395)
Net acquisitions of non financial assets and others	(157)	(170)
<b>Free Cash Flow</b>	<b>1,320</b>	<b>954</b>
<i>of which recurring Free Cash Flow</i>	<i>1,383</i>	<i>999</i>
Net acquisitions of financial assets and activities and others	(464)	(855)
Dividends paid	(820)	(1,065)
(Acquisition) / Disposal of treasury shares and others	(292)	(190)
<b>Decrease / (increase) in net debt (before currency translation adjustments)</b>	<b>(256)</b>	<b>(1,156)</b>
Foreign currency translation adjustment	(168)	80
Non cash impact on lease liabilities	(47)	(55)
<b>Decrease / (increase) in net debt (after currency translation adjustments and IFRS 16 non cash impacts)</b>	<b>(471)</b>	<b>(1,131)</b>
Initial net debt	(7,452)	(8,657)
Final net debt	(7,923)	(9,789)

# Net Debt Maturity profile at 31 December 2022

€ bn



# Bond Details

Currency	Par value	Coupon	Issue date	Maturity date
EUR	€ 1,500 m o/w: € 500 m € 500 m € 500 m	0.000% 0.500% 0.875%	24/10/2019	24/10/2023 24/10/2027 24/10/2031
	€ 650 m	2.125%	29/09/2014	27/09/2024
	€ 1,500 m o/w: € 750 m € 750 m	1.125% 1.750%	06/04/2020	07/04/2025 08/04/2030
	€ 500 m o/w: € 250 m € 250 m	1.125% 1.750%	30/04/2020	07/04/2025 08/04/2030
	€ 600 m	1.500%	17/05/2016	18/05/2026
	€ 750 m	1.375%	07/04/2022	07/04/2029
	€ 500 m	0.125%	04/10/2021	04/10/2029
	€1 100 m o/w: € 500 m € 600 m	3.750% 3.250%	02/11/2022	02/11/2032 02/11/2028
	\$ 850 m	5.500%	12/01/2012	15/01/2042
	\$ 600 m	3.250%	08/06/2016	08/06/2026
USD	\$ 2,000 m o/w: \$ 600 m \$ 900 m \$ 500 m	1.250% 1.625% 2.750%	01/10/2020	01/04/2028 01/04/2031 01/10/2050

# Net debt / EBITDA evolution

		Closing rate	Average rate <sup>(1)</sup>
EUR/USD rate 30/06/2022 -> 31/12/2022		1.04 -> 1.07	1.13->1.05
<b>Ratio at 30/06/2022</b>		<b>2.5</b>	<b>2.4</b>
EBITDA & cash generation excl. Group structure effect and forex impacts		0.0	0.0
Group structure and forex impacts		0.0	0.1
<b>Ratio at 31/12/2022</b>		<b>2.5</b>	<b>2.6</b>

(1) Last-twelve-month rate

# Diluted EPS

(x 1,000)	HY FY22	HY FY23
Number of shares in issue at end of period	261,877	257,947
Weighted average number of shares in issue (pro rata temporis)	261,877	257,947
Weighted average number of treasury shares (pro rata temporis)	(1,656)	(1,311)
Dilutive impact of stock options and performance shares	609	733
<b>Number of shares used in diluted EPS calculation</b>	<b>260,829</b>	<b>257,369</b>

(€ millions and €/share)	HY FY22	HY FY23	reported △
Group share of net profit from recurring operations	1,438	1,743	21.2%
<b>Diluted net earnings per share from recurring operations</b>	<b>5.51</b>	<b>6.77</b>	<b>22.8%</b>