



Q1 FY26 Sales
Press Release – Paris, 16 October 2025

SLOW START TO THE YEAR AS EXPECTED, WITH DECLINES IN CHINA AND USA LEADING TO Q1 ORGANIC NET SALES -7.6% AND REPORTED -14.3%

Sales for Q1 FY26 totalled €2,384m. Unfavourable Foreign Exchange impact of -€143m mainly linked to USD, INR and TRY¹, and negative perimeter impact of -€54m mainly linked to the disposal of Wines.

We are encouraged that our sell-out performance in the USA continued to improve versus the market. USA Net Sales declined in Q1, amplified by some inventory adjustments. Sales in China contracted sharply, with continued macroeconomic weakness that impacted consumer sentiment and demand, plus some inventory adjustments. India enjoyed strong underlying growth with the exception of Maharashtra State. Demand in Maharashtra was impacted by excise policy changes. Global Travel Retail sales were soft and will benefit from the resumption of our sales of Cognac to China Duty Free from Q2.

With our broad geographic base, positive performances in a number of markets across most regions, in Asia, Africa, Middle East, North America and Europe, helped to partially mitigate the declines in our top markets. Markets of note that enjoyed positive sales momentum in Q1 include Canada, Turkey, Japan and South Africa.

Price/mix is largely impacted by a negative market mix. Volumes declined in key markets, notably in the USA and China given the impact of destocking; and in India, given the Maharashtra excise policy changes.

By regions, including Must Win markets:

- **Americas -12%,**
 - **USA -16%,**
 - Gap to market continued to close, with resilient sell-out momentum while the Spirits market remained subdued
 - Sales were impacted by some inventory adjustments, as expected
 - Key brands including Jameson, Absolut and Kahlúa continued to outperform their respective competitive set
 - Marketing investments maintained above the group average with active program in place to support the important festive season
 - **Canada:** strong growth, in particular from newly acquired RTD brands, plus Jameson and Absolut
 - **Brazil:** declined, largely due to phasing
 - **Mexico:** declined sharply, amidst weak consumer demand
- **Asia-RoW -7%,**
 - **India +3%,**
 - Sales enjoyed strong underlying dynamics, though challenged by the excise policy changes in Maharashtra state implemented in July
 - The 50% increase in excise taxes impacted significantly on consumer demand
 - Strong sales growth both on Royal Stag and on International Brands, led by Jameson
 - For the full year, we expect the excise policy change in Maharashtra state to weigh on our overall sales performance, though with continued favourable and dynamic underlying trends

¹ US Dollar, Indian Rupee and Turkish Lira



- **China -27%,**
 - Sales contracted, in a still challenging macroeconomic environment
 - Soft consumer demand over the summer and into the Mid-Autumn Festival
 - On Trade is particularly impacted
 - Sales are further impacted by some trade inventory adjustments as expected
 - Cognac sales remain depressed, while premium brands continued to grow in Q1, notably Jameson
 - We remain cautious on the demand environment, ahead of the important CNY period
- Continued strong growth in **Japan**. Moderating rate of decline in **South Korea**. Sharp decline in **Taiwan market** due to the weak consumer demand environment
- Strong results in Africa and Middle East, notably in **Turkey** with Ballantine's and Chivas Regal and in **South Africa** with Martell
- **Europe -4%,**
 - **Spain** stabilising, **Germany** rate of decline eased, and **France** and the **UK** in modest decline
 - Stellar performances of Perrier-Jouët, Bumbu and strong sales of Kahlúa
- **Global Travel Retail -15%,**
 - Following the resolution to the Cognac anti-dumping investigation in July, the suspension of Cognac sales in China Duty Free has ended, with our sales expected to resume from Q2
 - Travel Retail in Asia beyond China remained weak, notably in South Korea, which is impacted by weakness in the domestic market
 - In Europe and America, underlying performance has been strong over the summer while sales were impacted by phasing
 - GTR expected to return to growth in FY26

By brands:

- **Strategic International Brands -9%**, mainly driven by Martell in China, Jameson and Absolut in the USA particularly impacted by inventory adjustment, by Ballantine's in South Korea Travel Retail, and Royal Salute in Taiwan market
- **Strategic Local Brands -4%**, Olmeca and Kahlúa showed solid momentum, Royal Stag in growth, declines in the remainder of the Seagram's whiskies portfolio
- **Specialty Brands -5%**, largely driven by the USA market performance, though with good results from Bumbu and the agave portfolio notably Código and Del Maguey
- **RTDs +10%**: strong growth across the range of the portfolio

FY26 Outlook

For FY26, we continue to expect improving trends in Organic Net Sales, skewed toward H2

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 FY26 to FY29 €1bn Operational Efficiencies program, including the adaptation of our "fit for future" organisation

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



Pernod Ricard
Créateurs de convivialité

FX impact expected to be significantly negative²

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

² Based on current Spot rates



All growth data specified in this press release refers to organic growth (at constant FX and Group structure), unless otherwise stated. Data may be subject to rounding.

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, 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 and adding the year-on-year variance in the reported transaction impact between the current year and the previous year.
- 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 calculations of the current year only 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.

Profit from recurring operations

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

About Pernod Ricard

Pernod Ricard is a worldwide leader in the spirits and wine industry, blending traditional craftsmanship, state-of-the-art brand-building, and global distribution technologies. Our prestigious portfolio of premium to luxury brands includes Absolut vodka, Ricard pastis, Ballantine's, Chivas Regal, Royal Salute, and The Glenlivet Scotch whiskies, Jameson Irish whiskey, Martell cognac, Havana Club rum, Beefeater gin, Malibu liqueur and Mumm and Perrier-Jouët champagnes. Our mission is to ensure the long-term development of our brands with full respect for people and the environment, while empowering our employees around the world to be ambassadors of our purposeful, inclusive and responsible culture of authentic conviviality. Pernod Ricard's consolidated sales amounted to €10,959 million in fiscal year FY25.

Pernod Ricard is listed on Euronext (Ticker: RI; ISIN Code:FR0000120693) and is part of the CAC 40 index.

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Appendices

Q1 FY26 Net Sales by Region

Net Sales (€ millions)	Q1 FY25		Q1 FY26		Change		Organic growth		Group Structure		Forex Impact	
Americas	787	28%	641	27%	-146	-19%	-89	-12%	-11	-1%	-46	-6%
Asia / Rest of World	1,181	42%	991	42%	-190	-16%	-85	-7%	-14	-1%	-92	-8%
Europe	816	29%	752	32%	-63	-8%	-29	-4%	-29	-4%	-5	-1%
Group	2,783	100%	2,384	100%	-399	-14%	-202	-8%	-54	-2%	-143	-5%

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

Q1 FY26 Foreign exchange impact on Net Sales

Forex impact Q1 FY26 (€ millions)			Average rates evolution			On Net Sales
			Q1 FY25	Q1 FY26	%	
US Dollar	USD		1.10	1.17	-6.3%	-35
Chinese Yuan	CNY		7.87	8.36	-6.2%	-13
Indian Rupee	INR		92.05	102.02	-10.8%	-34
British Pound	GBP		0.85	0.87	-2.5%	-2
Canadian Dollar	CAD		1.50	1.61	-7.4%	-6
Australian Dollar	AUD		1.64	1.79	-8.9%	-4
Japanese Yen	JPY		163.77	172.29	-5.2%	-3
Turkish Lira	TRY		36.88	47.66	-29.2%	-24
Singaporean Dollar	SGD		1.45	1.50	-3.4%	0
Polish Zloty	PLN		4.28	4.26	0.6%	0
South Korean Won	KRW		1,488.98	1,620.16	-8.8%	-2
South African Rand	ZAR		19.74	20.62	-4.4%	-1
Taiwan Dollar	TWD		35.46	35.00	1.3%	0
New Zealand Dollar	NZD		1.80	1.97	-9.6%	-1
Mexican Peso	MXN		20.83	21.77	-4.5%	-1
Hong Kong Dollar	HKD		8.57	9.13	-6.6%	-1
Argentinean Peso	ARS		1,034.35	1,555.38	-50.4%	-7
Nigerian Naira	NGN		1,727.69	1,777.03	-2.9%	-1
Other Currencies						-9
Total FX impact						-143

Sensitivity of full year profit to main exchange rates against EUR

Currency	Impact on FY Profit from Recurring Operations of a 1% appreciation vs. EUR (in M€)
US Dollar	+13
Chinese Yuan	+4
Indian Rupee	+4
Turkish Lira	+3

Upcoming Communications

Date (subject to change)	Event
27 th October 2025	Annual General Meeting
19 th February 2026	H1 FY26 Sales and Results
16 th April 2026	Q3 FY26 Sales

Login details for the conference-call on October 16, 2025

Available in the media section of the Pernod Ricard website