

Press Release – Paris, 13 October 2022

## **Pernod Ricard to reinforce its partnership with Sovereign Brands, strengthening its US market exposure and boosting its consumer-centric innovation pipeline**

Pernod Ricard announces today that it will significantly increase its minority stake in Sovereign Brands' portfolio of super premium wine and spirits brands. This additional investment will strengthen the already successful and ambitious long-term partnership initiated in September 2021.

At the closing of this transaction, Pernod Ricard will fully consolidate Sovereign Brands in its financial statements due to various call options through which Pernod Ricard may look to further increase its stake in the partnership in the future.

Sovereign Brands is a family company founded by brothers Brett and Brian Berish, who are among the industry's most innovative and creative beverage alcohol brand builders, in the world's leading spirits market, the United States. It is currently one of the fastest-growing companies in the beverage alcohol industry. The consolidation of Sovereign Brands is expected to be accretive on Pernod Ricard's operating margin\*.

Over the last 12 months, and in the frame of their long term partnership, Pernod Ricard and Sovereign Brands have already significantly accelerated the growth of Sovereign's exciting brand portfolio including French super-premium sparkling wine **Luc Belaire** (*circa 1 million 9L cases in 2021*), a range of Caribbean rums sold under the **Bumbu** brand (*circa 300K 9L cases in 2021*), the Brazilian gin **McQueen and the Violet Fog** and the French liqueur **Villon**. Both companies have also initiated a number of joint incubation projects, with an initial brand planned for a full scale launch in the coming months.

This additional investment is in line with the Pernod Ricard strategic plan *Transform & Accelerate* and reflects its ambition to further enhance its consumer-centric portfolio development and invest in anticipated growth categories. This partnership is a winning combination of like-minded companies committed to build global brands that tap into cultural trends and foster strong brand advocacy.

Closing, which is expected to occur in November 2022, remains subject to fulfillment of customary closing conditions, including regulatory clearances.

*"Our partnership with Sovereign Brands has already proven to be very successful, with brands such as Bumbu and Luc Belaire now reaching an ever growing number of consumers in the US and abroad. I believe we are perfectly matched as two consumer-centric companies with a shared commitment of creativity, innovation and brand building"* says Alexandre Ricard, Chairman and CEO of Pernod Ricard.

Brett Berish, CEO of Sovereign Brands, stated : *"In the year since we first announced our partnership with Pernod Ricard, everything that we could have hoped for from the relationship has come to pass. With the upcoming launch of our innovative first joint brands together, it's the perfect time to deepen our partnership."*

\*Accretive effect on Pernod Ricard's profit from recurring operations estimated to c.+3% on a full-year basis

### **About Pernod Ricard**

*Pernod Ricard is the No.2 worldwide producer of wines and spirits with consolidated sales amounting to €10,701 million in fiscal year FY22. The Group, which owns 17 of the Top 100 Spirits Brands, holds one of the most prestigious and comprehensive portfolios in the industry with over 240 premium brands distributed across more than 160 markets. Pernod Ricard's portfolio 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 or Mumm and Perrier-Jouët champagnes. The Group's mission is to unlock the magic of human connections by bringing "Good Times from a Good Place", in line with its Sustainability and Responsibility roadmap. Pernod Ricard's decentralised organisation empowers its 19,480 employees to be on-the-ground ambassadors of its purposeful and inclusive culture of conviviality, bringing people together in meaningful, sustainable and responsible ways to create value over the long term. Executing its strategic plan, Transform & Accelerate, Pernod Ricard now relies on its "Conviviality Platform", a new growth model based on data and artificial intelligence to meet the ever-changing demand of consumers.*

*Pernod Ricard is listed on Euronext (Ticker: RI; ISIN Code:FR0000120693) and is part of the CAC 40 and Eurostoxx 50 indices.*

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### **About Sovereign Brands**

*Sovereign Brands is a family-owned, international wine & spirits company headquartered in the USA. The company is owned and operated by brothers Brett and Brian Berish. Sovereign has a portfolio of successful brands including Luc Belaire, a smash-hit line of French sparkling wines, which has earned global acclaim for its exquisite taste and striking packages, and is available in more than 80 countries around the world. The company's portfolio also includes McQueen and the Violet Fog, an extraordinary gin from Jundiaí, Brazil, and Bumbu, a critically-acclaimed line of rum products. Sovereign's newest release is Villon, an exquisite French liqueur. The company is planning to launch new brands and extensions to its portfolio in 2023 and beyond.*

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