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Management Report

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5.1 Key figures from the consolidated financial statements for the year ended 30 June 2024

5.1.1 Income statement

€ millions	30.06.2023	30.06.2024
Net sales	12,137	11,598
Gross margin after logistics expenses	7,246	6,975
Advertising and promotion expenses	(1,939)	(1,872)
Contribution after advertising and promotion expenses	5,307	5,103
Profit from recurring operations	3,348	3,116
Operating profit	3,265	2,724
Financial income/(expense)	(327)	(437)
Corporate income tax	(651)	(766)
Share of net profit/(loss) of associates and net profit of held for sale activities	(4)	(7)
NET PROFIT	2,283	1,514
Of which:		
Non-controlling interests	21	38
Attributable to Group shareholders	2,262	1,476
EARNINGS PER SHARE – BASIC (€)	8.84	5.84
EARNINGS PER SHARE – DILUTED (€)	8.81	5.83

5.1.2 Balance sheet

€ millions	30.06.2023	30.06.2024
ASSETS		
Non-current assets	25,667	25,725
<i>Of which intangible assets and goodwill</i>	<i>19,000</i>	<i>19,040</i>
Current assets	12,008	13,065
Assets held for sale	1	395
TOTAL ASSETS	37,676	39,185
LIABILITIES AND SHAREHOLDERS' EQUITY		
Consolidated shareholders' equity	16,715	16,797
Non-current liabilities	14,026	15,146
Current liabilities	6,935	7,091
Liabilities related to assets held for sale	—	151
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	37,676	39,185

5.1.3 Net debt

€ millions	30.06.2023	30.06.2024
Gross non-current debt	9,851	11,040
Gross current debt	1,536	2,130
Non-current derivative instruments – assets	(3)	—
Current derivative instruments – assets	—	—
Non-current derivative instruments – liabilities	14	10
Current derivative instruments – liabilities	—	6
Cash and cash equivalents	(1,609)	(2,683)
NET DEBT EXCLUDING LEASE LIABILITIES	9,789	10,503
Lease liabilities	484	448
NET DEBT	10,273	10,951
Free cash flow ⁽¹⁾	1,431	963

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

5.1.4 Cash flow statement

€ millions	30.06.2023	30.06.2024
Self-financing capacity before interest and taxes	3,543	3,378
Net interest paid	(288)	(336)
Net income tax paid	(654)	(547)
Decrease/(increase) in working capital requirement	(568)	(768)
Net change in cash flow from operating activities	2,033	1,727
Net change in cash flow used in investing activities	(1,731)	(676)
Net change in cash flow used in financing activities	(1,117)	(209)
Cash flows from discontinued operations	—	—
Translation differences	(103)	232
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,527	1,609
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,609	2,683

5.2 Analysis of business activity and results

- FY 2024 organic net sales broadly stable (up by around 2% excluding Russia), as strong performances in many mature and emerging markets largely offset a still-normalising United States and challenging China.
- Sequential volume recovery throughout H2 in most markets.
- Pricing, operational efficiencies and cost discipline leading to organic gross margin and organic operating margin expansion of 108 bps and 80 bps.
- Investing in brand desirability and sustainable long-term growth with a sharp and consistent A&P policy and an acceleration in strategic investments.
- Continuing active portfolio management, notably with disposals of some Strategic Local Brands and the announcement of the disposal of Strategic Wine Brands.

5.2.1 Presentation of results

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

€ millions	30.06.2023	30.06.2024
Profit from recurring operations	3,348	3,116
Financial income/(expense) from recurring operations	(291)	(417)
Corporate income tax on recurring operations	(691)	(646)
Non-controlling interests, net profit of discontinued and held for sale activities and share of net profit of associates	(25)	(53)
GROUP SHARE OF NET PROFIT FROM RECURRING OPERATIONS⁽¹⁾	2,340	2,000
GROUP SHARE OF NET PROFIT FROM RECURRING OPERATIONS PER SHARE – DILUTED (€)	9.11	7.90

(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	30.06.2023	30.06.2024	Reported growth	Organic growth ⁽¹⁾		
Net sales	12,137	11,598	(539)	-4.4%	(150)	-1.2%
Gross margin after logistics expenses	7,246	6,975	(271)	-3.7%	37	0.5%
Advertising and promotion expenses	(1,939)	(1,872)	68	-3.5%	59	-3.1%
Contribution after advertising and promotion expenses	5,307	5,103	(203)	-3.8%	97	1.8%
PROFIT FROM RECURRING OPERATIONS	3,348	3,116	(232)	-6.9%	53	1.5%

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

Americas						
€ millions	30.06.2023	30.06.2024	Reported growth	Organic growth ⁽¹⁾		
Net sales	3,481	3,340	(141)	-4.1%	(159)	-4.6%
Gross margin after logistics expenses	2,220	2,162	(58)	-2.6%	(33)	-1.5%
Advertising and promotion expenses	(686)	(669)	17	-2.5%	57	-8.3%
Contribution after advertising and promotion expenses	1,534	1,493	(41)	-2.7%	23	1.5%
PROFIT FROM RECURRING OPERATIONS	965	878	(87)	-9.0%	(6)	-0.6%

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

Asia/Rest of the World						
€ millions	30.06.2023	30.06.2024	Reported growth	Organic growth ⁽¹⁾		
Net sales	5,191	4,973	(218)	-4.2%	167	3.2%
Gross margin after logistics expenses	2,969	2,851	(117)	-4.0%	155	5.1%
Advertising and promotion expenses	(740)	(678)	62	-8.4%	13	-1.8%
Contribution after advertising and promotion expenses	2,229	2,173	(55)	-2.5%	168	7.4%
PROFIT FROM RECURRING OPERATIONS	1,516	1,461	(55)	-3.6%	132	8.4%

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

Europe						
€ millions	30.06.2023	30.06.2024	Reported growth	Organic growth ⁽¹⁾		
Net sales	3,465	3,285	(180)	-5.2%	(158)	-4.6%
Gross margin after logistics expenses	2,057	1,962	(95)	-4.6%	(84)	-4.1%
Advertising and promotion expenses	(513)	(525)	(12)	2.3%	(11)	2.2%
Contribution after advertising and promotion expenses	1,544	1,437	(107)	-6.9%	(95)	-6.2%
PROFIT FROM RECURRING OPERATIONS	867	777	(90)	-10.4%	(74)	-8.6%

(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	Volumes	Organic growth ⁽¹⁾ in net sales	Of which volume growth	Of which price/mix effect
	30.06.2023	30.06.2024			
Absolut	12.7	12.0	-1%	-5%	+4%
Jameson	10.7	10.7	+1%	0%	+1%
Ballantine's	8.8	8.8	+1%	0%	+1%
Chivas Regal	5.1	4.7	-1%	-6%	+5%
Ricard	4.4	4.3	+3%	-2%	+4%
Malibu	4.7	4.4	-4%	-6%	+2%
Havana Club	4.3	3.5	+8%	-17%	+26%
Beefeater	3.7	3.3	-8%	-10%	+2%
Martell	2.4	2.2	-10%	-11%	+1%
The Glenlivet	1.6	1.4	-6%	-12%	+6%
Mumm	0.6	0.5	-12%	-14%	+2%
Royal Salute	0.3	0.2	+5%	-7%	+12%
Perrier-Jouët	0.3	0.3	+2%	-6%	+8%
STRATEGIC INTERNATIONAL BRANDS	59.5	56.5	-3%	-5%	+2%

(1) Organic growth is defined on page 222.

FY 2024 net sales totalled €11,598 million, an organic decline of 1% (down 4% as reported), with a negative FX impact mainly linked to the Argentinian peso, Turkish lira, US dollar, Chinese yuan and Indian rupee.

By region:

- **Americas, down 5%:**

- **United States, down 9%**, with a Spirits market that continues to normalise. In a still elevated interest rate environment, further inventory adjustments expected in FY 2025, leading to an anticipated decline in Q1,
- Canada broadly stable, with strong RTD growth; market share gains,
- Brazil up slightly, with a favourable basis of comparison and a consumer demand recovery in H2; market share gains,
- Mexico up slightly, with an unfavourable basis of comparison and a soft tourism season; market share gains;

- **Asia-RoW, up 3%:**

- **China, down 10%**, with a challenging macro-economic environment and continuing weak consumer sentiment impacting demand. Stable sales of Martell Noblige, good performance on Premium International Brands Absolut, Jameson, Olmeca and Beefeater. A strong decline expected in Q1, with subdued trade sentiment ahead of the FY 2025 Mid Autumn Festival, contrasting with much stronger consumer sentiment last year in Q1,
- **India, up 6%**, with a very solid, broad-based and accelerating performance underpinned by strong consumer demand,

- Very good growth in Japan and the Taiwan market, with market share gains; decline in South Korea in both net sales and market share,
- Very strong results in Africa and the Middle East, notably in Turkey with an outstanding performance on Chivas, and in Nigeria,
- Flat net sales in South Africa amid difficult macro-economic conditions;
- **Europe, down 5%**, with a solid performance in Europe excluding Russia (up 2%), with strong performances notably in Germany and Poland;
- **Global Travel Retail, up 2%**, full year sales growth with a soft H1 impacted by protracted sales negotiations, and good growth in H2. Passenger numbers fully normalised with the exception of the ongoing recovery of Chinese travellers.

By category:

Jameson continued its international expansion, Absolut saw dynamic growth in Asia-ROW and Europe, Scotch Brands were negatively impacted by the United States and China.

- **Strategic International Brands, down 3%**
- **Strategic Local Brands, up 5%**
- **Specialty Brands, down 2%**
- **Strategic Wine Brands, down 9%**

Our overall portfolio recorded mid-single digit price increases, with slightly lower volumes and an adverse market mix.

5.2.3 Contribution after advertising and promotion expenses

Strong organic gross margin expansion of 108 bps lifted by pricing, operational efficiencies and strict cost control.

A&P spend at €1.9 billion, representing around 16% of net sales, and strong structure cost discipline.

5.2.4 Profit from recurring operations

FY 2024 profit from recurring operations of €3,116 million, representing organic growth of 1.5%, a reported decline of 7%.

Operating margin expanded by 80 bps organically to 28.4%, but declined on a reported basis to 26.9%.

5.2.5 Financial income/(expense) from recurring operations

Higher interest rates led to increased recurring financial expenses with an average cost of debt at 3.2%.

5.2.6 Group share of net profit from recurring operations

Group share of net profit from recurring operations was €2,000 million, down 14.5%.

5.2.7 Group share of net profit

Group share of net profit was €1,476 million, down 35%. Non-recurring operating expenses include Wine business impairment, partially mitigated by proceeds on disposals and reversal of impairment on Kahlúa. Non-recurring income tax includes impacts on deferred tax driven by the reversal of Kahlúa impairment and impairment of deferred taxes on foreign tax credits in the United States.

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:

<i>€ millions</i>	30.06.2023	30.06.2024
Profit from recurring operations	3,348	3,116
Other operating income/(expenses)	(83)	(392)
• Depreciation of fixed assets	417	441
• Net change in impairment of goodwill, property, plant and equipment and intangible assets	52	495
• Net change in provisions	(74)	(37)
• Changes in fair value of commercial derivatives and biological assets	(87)	1
• Net (gain)/loss on disposal of assets	(74)	(292)
• Share-based payments	44	45
• Dividends received from associates		2
Sub-total of depreciation and amortisation, changes in provisions and other	278	654
SELF-FINANCING CAPACITY BEFORE INTEREST AND TAXES	3,543	3,378
Decrease/(increase) in working capital requirement	(568)	(768)
Net interest and tax paid	(942)	(884)
Net purchases of non-financial assets and other	(602)	(764)
FREE CASH FLOW	1,431	963
<i>of which recurring free cash flow</i>	<i>1,653</i>	<i>1,175</i>
Net purchases of financial assets and activities and other	(1,129)	38
Changes in scope of consolidation	—	—
• Share capital increases and other changes in shareholders' equity	—	—
• Dividends and interim dividends paid	(1,072)	(1,208)
• (Acquisition)/disposal of treasury shares	(786)	(334)
Sub-total of dividends, acquisition of treasury shares and other	(1,858)	(1,542)
DECREASE/(INCREASE) IN DEBT BEFORE FOREIGN EXCHANGE IMPACT	(1,556)	(541)
Translation differences	53	(46)
Non-cash effect on lease liabilities	(112)	(90)
DECREASE/(INCREASE) IN DEBT AFTER FOREIGN EXCHANGE IMPACT	(1,615)	(677)
Net debt at beginning of period	(8,657)	(10,273)
Net debt at end of period	(10,273)	(10,951)

5.4 Outlook

Leveraging our diversified portfolio and balanced footprint we reiterate our confidence in our medium-term⁽¹⁾ financial framework of aiming for the upper end of 4% to 7% organic net sales growth and 50 bps to 60 bps organic operating margin expansion.

For FY 2025, we expect:

- Full-year organic net sales back to growth, with continued volume recovery, and sustained organic operating margin;

- A soft Q1 with further inventory adjustments in the United States, a continued very weak macro-economic context in China and a good performance in the rest of the world.

⁽¹⁾ At our Capital Market Day in June 2022, we unveiled our FY 2023-FY 2025 medium-term ambitions. The ambitions are relevant beyond this time horizon, as medium-term is understood to refer to the next three to five financial years.

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.

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 operating 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 2024.

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 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 Agreement**", 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 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 customary representations and warranties, as well as the usual restrictive covenants contained in such contracts.

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 29/09/2014		650,000	Regulated market of Euronext Paris	100,000	27/09/2024	Payable annually in arrears on 27 September	Repayment of bond debt to extend the maturity of the Group's debt	Fixed annual rate of 2.125%
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	07/04/2025	Payable annually in arrears on 7 April	General corporate purposes	Fixed annual rate of 1.125%
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	07/04/2025	Payable annually in arrears on 7 April	General corporate purposes	Fixed annual rate of 1.125%
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	Pavable 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	Pavable 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	Pavable 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	Pavable 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	Pavable 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	Pavable 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	Pavable 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	Pavable 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	Pavable 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	Pavable 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	Pavable annually in arrears on 7 May	General corporate purposes	Fixed annual rate of 3.625%

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, updated on 11 October 2021, 24 October 2022 and 24 October 2023 (the “Programme”). Under the terms of the Programme, Pernod Ricard and Pernod Ricard International Finance LLC may issue Bonds by means of private placements in various currencies. The issues of Pernod Ricard International Finance LLC under the programme will be guaranteed by Pernod Ricard SA. 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). During the meeting on 24 April 2024, the Board of Directors authorised Pernod Ricard to issue bonds under the Programme up to a total maximum nominal amount of €2,850 billion less any amounts issued since 30 August 2023 (or the equivalent in any other currency) for a period of one year from 24 April 2024.

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 chosen 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 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 2024 performance ⁽¹⁾	Change
Absolute Scope 1 and 2 GHG emissions (ktCO ₂ e) – Market-based	26% reduction by FY 2025 (emissions below 220 ktCO ₂ e)	298	208	-30%
	54% reduction by FY 2030 (emissions below 138 ktCO ₂ e)			
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)	19.0	16.6	-13%
	20.9% reduction by FY 2030 (consumption below 15.1 m ³ /kLAA)			

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

Greenhouse gas emissions in absolute terms (Scopes 1 and 2, as defined in the Group’s Sustainability Linked Financing Framework issued in September 2023) fell by around 30% between FY 2018 and FY 2024.

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

- the **numerous investments** made in energy efficiency (such as the replacement of boilers with high energy efficiency units and the recycling of steam using mechanical vapour recompression technology);
- the increased **use of biofuels** and biomass in distilleries, especially at the Dalmonach site;
- the **installation of on-site solar panels**; and
- the **purchase of renewable electricity** through PPAs and green certificates in recent years.

In particular, the Nashik site in India has fully transitioned to the exclusive use of biomass in its boilers, instead of coal, thereby reducing its Scope 1 greenhouse gas emissions by around 3,500 tCO₂e. In addition, the Middleton site in Ireland has been able to reduce its Scope 1 greenhouse gas emissions by 7,500 tCO₂e thanks to the deployment of mechanical vapour recompression (MVR) technology on its stills and the installation of boilers that consume less energy.

In FY 2024, water consumption at distilleries fell by around 13% in intensity versus FY 2018. This improved performance is attributable to the programmes put in place across the Group’s distilleries, designed to optimise industrial processes, invest in distribution networks and enhance water recycling measures. In particular, projects run this year to enhance rainwater collection and restore the permeate filter for wastewater treatment at the Middleton site have slashed its water consumption by around 380,000 m³. The Glenlivet site in Scotland has also reduced its water consumption by some 18,000 m³ by installing a closed-loop reuse system for cooling tower water.

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*.

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 2024, the net value of multi-currency receivables sold amounted to an equivalent of €704 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 2024, the net value of the multi-currency receivables transferred amounted to an equivalent of €420 million (see Note 4.5 – *Trade receivables and other operating receivables* in Chapter 6 – *Annual consolidated financial statements*).