

F22 Full Year Sales and Results



1st September 2022

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

EXECUTIVE SUMMARY



Pernod Ricard

Créateurs de convivialité

Net Sales
+21% Reported
+17% Organic

PRO¹
+25% Reported
+19% Organic

A record year with excellent performance

Record Sales at €10.7bn...

- Market share gains in most markets, leveraging our wide portfolio and geographic breadth
- Price increases across all markets averaging mid single digit
- Strong recovery of the On-trade, resilience in the Off-trade and rapid rebound in Travel Retail

... driven by very strong, balanced and diversified growth

- Strong dynamism in Must-Win markets, notably India +26% and Travel Retail +48%, with USA +8% and China +5%
- Outstanding performance across Europe, Africa and Central & South America
- Excellent broad-based growth across the portfolio with Strategic International Brands +18%, Specialty Brands +24% and Strategic Local Brands +18%

...delivering record Profit from Recurring Operations at €3bn

- Revenue growth management and operational efficiencies offsetting the impact of cost inflation and delivering Gross Margin expansion
- Agile resource management with purposeful investments, notably impactful brand activations and innovations
- Record Operating Margin with expansion of +80bps reported and +52bps organic

1. Profit from Recurring Operations

Executive Summary

FCF €1.8bn

Net Debt/EBITDA

2.4x

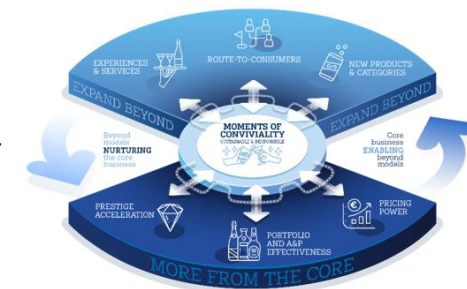
**ABSOLUT
VODKA**

Share buyback
€500m to €750m
in FY23

Demonstrating strength, agility and resilience

Deploying the Conviviality Platform at pace

- Executing our consumer-centric strategy at scale by leveraging data, our portfolio of brands and our distribution network to further stretch our growth
- Strengthening our portfolio of brands through investments, innovation, acquisitions, including The Whisky Exchange, Château Sainte Marguerite and a minority stake in Sovereign Brands
- Specialty Brands now generating 6% of Net Sales
- Well advanced on delivering our sustainability objectives within *Good Times from a Good Place* strategy



Record high cash generation, continued deleveraging

- Highest ever Free Cash Flow at €1.8bn
- Investing in future growth with increased strategic investments

Accelerating returns to shareholders

- Strong dividend growth +32% vs FY21¹
- New Share buyback program of €500m to €750m in FY23, following our financial policy priorities

1. Subject to AGM approval

Delivering superior Net Profit growth

**Reported Net Profit
+53%¹**



	FY22 (€m)	FY reported Δ	FY organic Δ	Vs. FY19 ²
Net Sales	10,701	+21%	+17%	+18%
Mature markets	5,959		+14%	
Emerging markets	4,742		+21%	
Profit from Recurring Operations (PRO)	3,024	+25%	+19%	+22%
PRO / Net Sales	28.3%	+80bps	+52 bps	
Net PRO ¹	2,124	+32%		
Net Profit¹	1,996	+53%		
Recurring Free Cash Flow	1,926	+10%		
Free Cash Flow	1,813	+11%		

- Net Profit¹ up +53% as result of increased PRO, lower cost of debt and lower non-recurring items
- Favourable foreign exchange effect mostly from USD and CNY appreciation versus EUR

1. Group Share
2. At constant Fx

TOWARDS SUSTAINABLE, STRETCHED GROWTH



Pernod Ricard

Créateurs de convivialité

Towards sustainable,
stretched growth

Our winning formula

Pernod Ricard's Unique Competitive Advantages

- Widest and most comprehensive premium plus spirits portfolio
 - Strong brand equity and brand building capabilities
- Diversified global footprint and scale
 - Balanced contribution to growth of mature and emerging markets
 - Most extensive owned distribution network
- A unique culture of *convivialité* combined with a performance mindset
 - High employee engagement, with very strong participation to our second employee stock ownership plan

Fuelled by favourable underlying drivers

- Demographic trends with growth in three key dimensions:
 - Global population¹; legal drinking age population²; middle and affluent classes in emerging countries²
- Consumer trends:
 - Premiumization established as a long term trend
 - Resilience of wines & spirits during economic downturns
- Global spirits market value growth +11% vs 2019³, Premium+ spirits outperforming

1. United Nations forecast
2. Internal Estimates
3. Total Beverage Alcohol, IWSR 2022 based on calendar year 2021

Towards sustainable, stretched growth

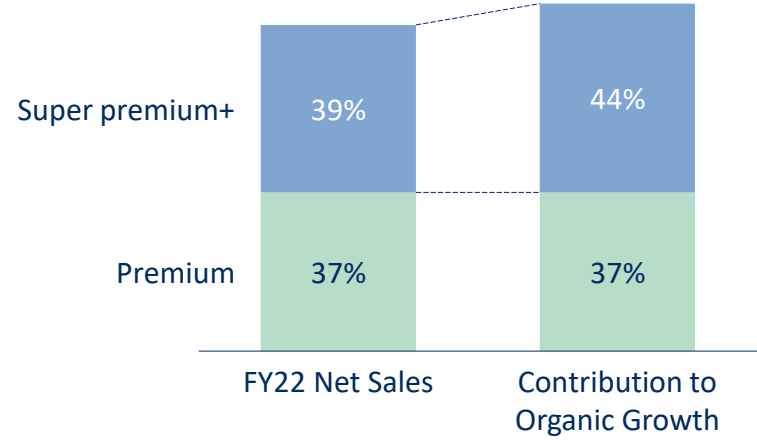
80% of growth generated from 6 spirits categories

Building on our truly diversified and balanced Premium+ portfolio...

Growth diversified across spirits categories

Contribution to FY22 growth / Weight in FY22 Net Sales

76% of Net Sales generated from categories Premium and above¹ which account for c. 80% of Organic Net Sales growth



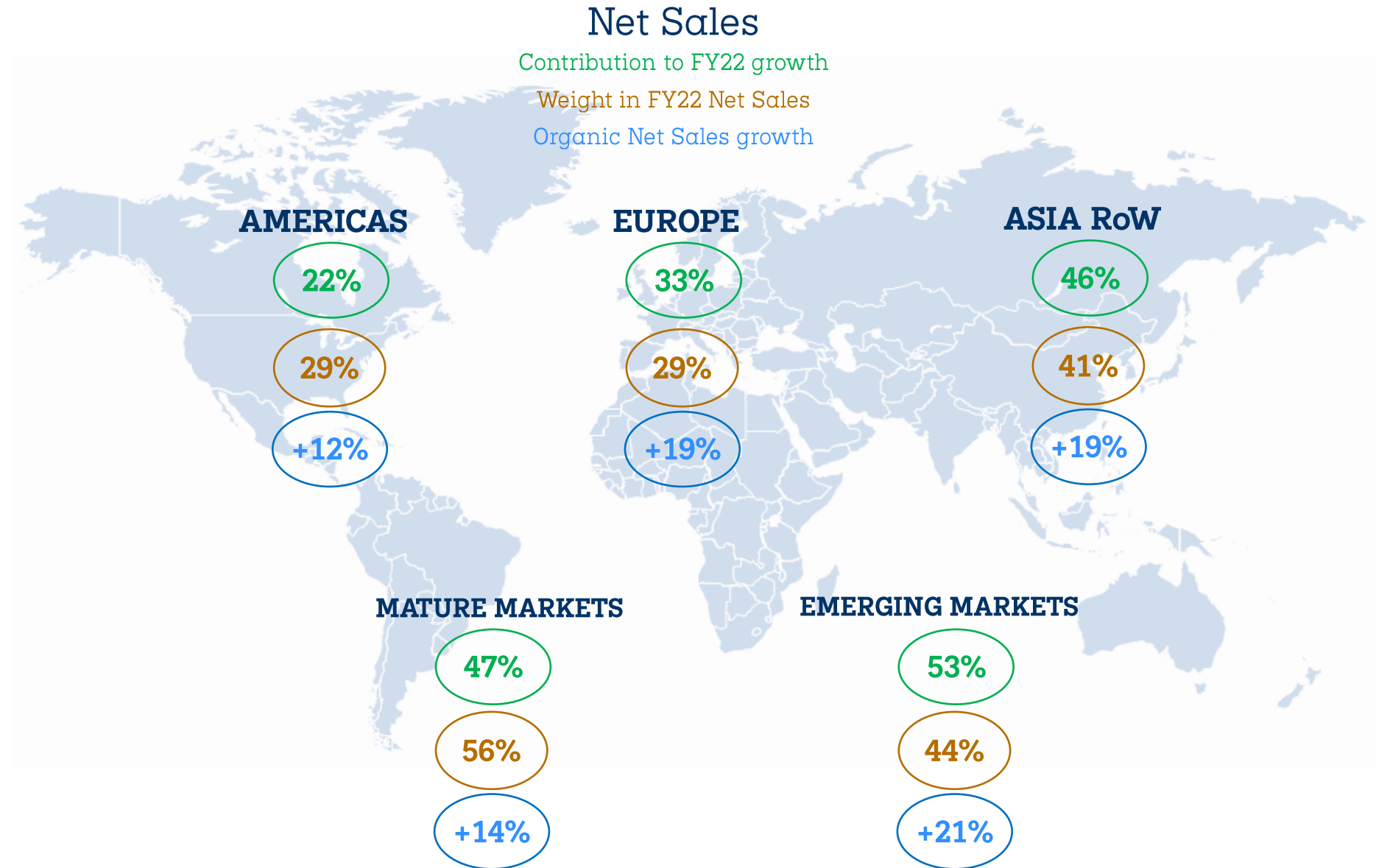
Gaining market share across markets and categories

1. Premium+ 15EUR and above / Super Premium+ 25EUR and above

Towards sustainable,
stretched growth

Group Organic
Net Sales +17%

...and broad-based geographical growth



Towards sustainable, stretched growth



Investing in sustainable technology at CBL & IDL distilleries

Accelerating circularity with ecoSPIRITS pilot

While driving success responsibly

Progress on our 2030 S&R roadmap - some key highlights

2030 Goals



Nurturing Terroir

5 wine regions piloting regenerative agriculture

63%

8



Valuing People

35% women in top management and equity in gender pay

88%

40-60%

6,400 bartenders trained on *The Bar World of Tomorrow*

64%

10,000



Circular Making

95% of packaging is reusable, recyclable or compostable

95%

100%

-13%: reduction in water consumption per unit since FY18

66%

-20%



Responsible Hosting

93% of markets implemented a responsible drinking initiative

93%

100%

94% of employees successfully completed training on alcohol and responsible consumption

94%

100%



**Towards sustainable,
stretched growth**



Maximising long-term sustainable value creation

FY23 to FY25 mid-term financial framework

- +4% to +7% annual top line growth, aiming for the upper end of the range
- Focus on pricing, enhanced by our digital proprietary predictive tools
- Continuous improvement in operational efficiency building on our culture of excellence
- Significant A&P investments, maintained at c.16% of Sales, with higher ROI leveraging Key Digital Programs
- Discipline on Structure Costs investing in priorities while maintaining an agile organisation, aiming at increase below top line
- Operating leverage of +50/+60 bps, provided top line within range +4% to +7%

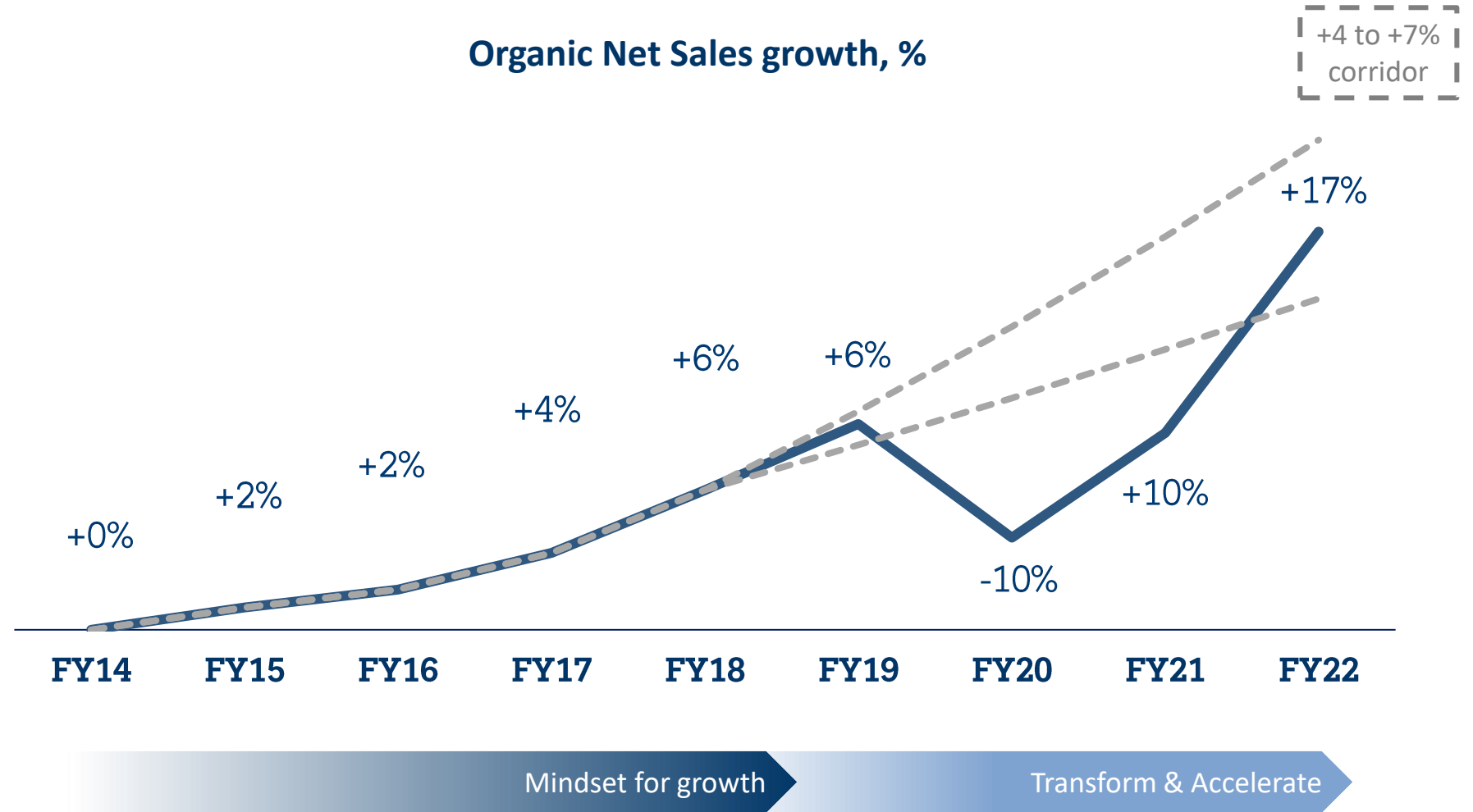
Financial policy

While maintaining investment grade rating

- Investing in future organic growth, in particular through Strategic Inventories and Capex
- Continued active portfolio management, including value creating M&A
- Dividend distribution at c.50% of Net Profit from Recurring Operations
- Share buyback when above priorities are fulfilled

Towards sustainable,
stretched growth

Strong growth trajectory despite Covid



SALES



Pernod Ricard

Créateurs de convivialité



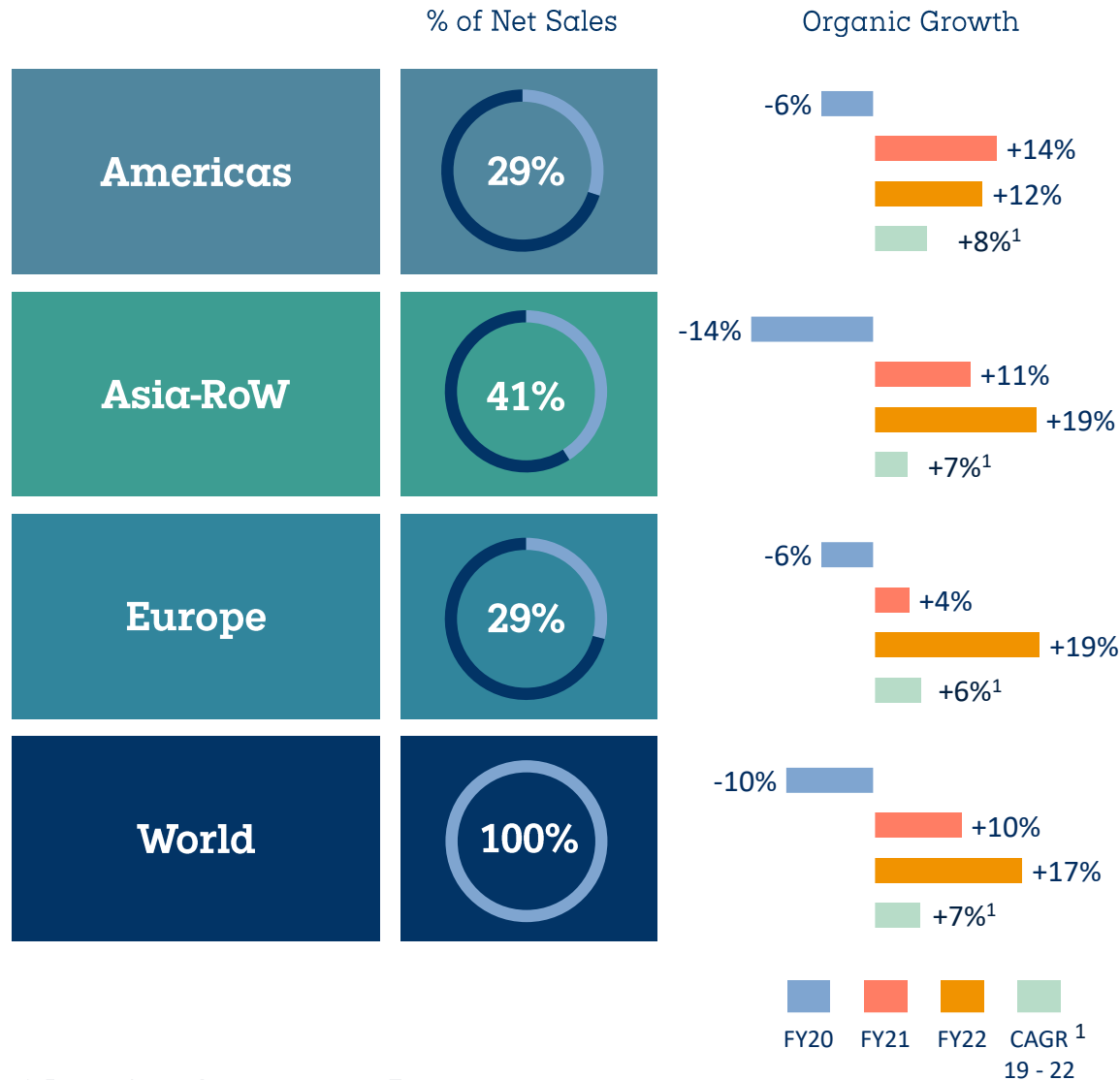
BEEFEATER
LONDON



+17%
Organic Sales

+21%
Reported Sales

Double digit Sales growth across all regions



Very strong growth in North America and very dynamic growth in LATAM, supported with a strong rebound in Travel Retail

Excellent growth led by India, Turkey, China and Sub-Saharan Africa. Very strong performance in Korea and Japan

Excellent growth in Europe, led by Spain, Germany, Poland, UK and with a very strong rebound in Travel Retail

Very strong and broad-based growth across all regions, with sales significantly above pre-Covid levels

1. Domestic markets, at constant Fx

Good growth and pricing in Must-Win markets

USA: +8% / 3yr CAGR¹ +8%

On-trade recovery and Off-trade resilience along with continuing consumer trends of premiumisation and convenience

Strong price-mix, following broad-based price increases in FY22 with additional price increases to be implemented in September/October 2022

Jameson in double-digit growth² and particularly strong performance of **Martell, Kahlua and The Glenlivet**

Specialty portfolio in strong double digit growth², notably American whiskies, Agave and Redbreast

Travel Retail: +48%/ 3yr CAGR¹ -13%

Value leadership reinforced³ with strong market share gains vs. pre Covid

Successful rebound with overall recovery of international passenger traffic throughout the year but Chinese travel remaining subdued

Exceptionally strong recovery in Europe and Americas

Travel Retail profit expected to be **back to pre Covid levels in FY23**

China: +5% / 3yr CAGR¹ +9%

Following a good start to the year with a strong Mid-Autumn Festival, **Sales significantly impacted by strict containment measures from March**

Improving trend since June with easing of restrictions

Martell reinforcing its leadership³. Mid single digit price increase in May FY22

Excellent performance of Single Malts with The Glenlivet's Sales almost doubling on an already very strong basis

Continued good development of premium spirits Absolut and Beefeater

India: +26% / 3yr CAGR¹ +7%

Leadership position reinforced³

Very strong rebound on a low basis of comparison supported by favourable economic recovery and premiumisation trend

Exceptionally strong Strategic International Brands' performance, notably the Scotch portfolio, Jameson and Absolut

Strong Strategic Local Brands' growth notably on Royal Stag and Blender's Pride

1. At constant Fx
2. Wholesalers' depletions
3. IWSR 2021 Retail Sales Value





SALES

Other Key Markets

Strength, resilience and pricing across all markets

Europe: +19% / 3yr CAGR¹ +6%

Spain: +36%, Sales driven by Seagram's Gin, Beefeater and Ballantine's with strong recovery in On-trade, the resumption of tourism and resilience in Off-trade

France: growth driven by Strategic International Brands and good performance on Specialty Brands. Profit decline in a challenging inflationary context

Germany: +10%, strong On-trade rebound and resilient Off-trade with growth drivers mainly Absolut, Havana Club, Chivas Regal and Lillet

Italy: +42%, strong On-trade rebound and solid Off-trade, with growth driven by Malfy, Havana Club and Beefeater

Eastern Europe: strength in Poland but performance impacted by conflict in Ukraine since mid-February. Significantly subdued activity in Russia also expected for FY23

UK: On-trade recovery, with Sales growth driven by Jameson, Absolut, Havana Club and good results on Specialty Brands notably Monkey 47 and Malfy

Americas: +12% / 3yr CAGR¹ +8%

Canada: growth driven by Jameson, The Glenlivet and dynamic result on Specialty Brands

Brazil: +52%, excellent performance, driven by Absolut, Chivas Regal and Ballantine's

Mexico: growth driven by Chivas Regal, Havana Club and Martell with strong On-trade and tourism recovery

Asia-ROW: +19% / 3yr CAGR¹ +4%

Korea: +33%, with Off-trade continuing to grow very strongly on all brands, especially on Malts and On-trade rebounding from Q4, notably Ballantine's and Royal Salute

Japan: strength of Perrier-Jouët and Ballantine's

South Africa: +38%, driven by Jameson and The Glenlivet

Nigeria: +81%, with continuing strong development of Jameson and Martell

Turkey: outstanding growth with very strong price mix effect in high inflationary environment

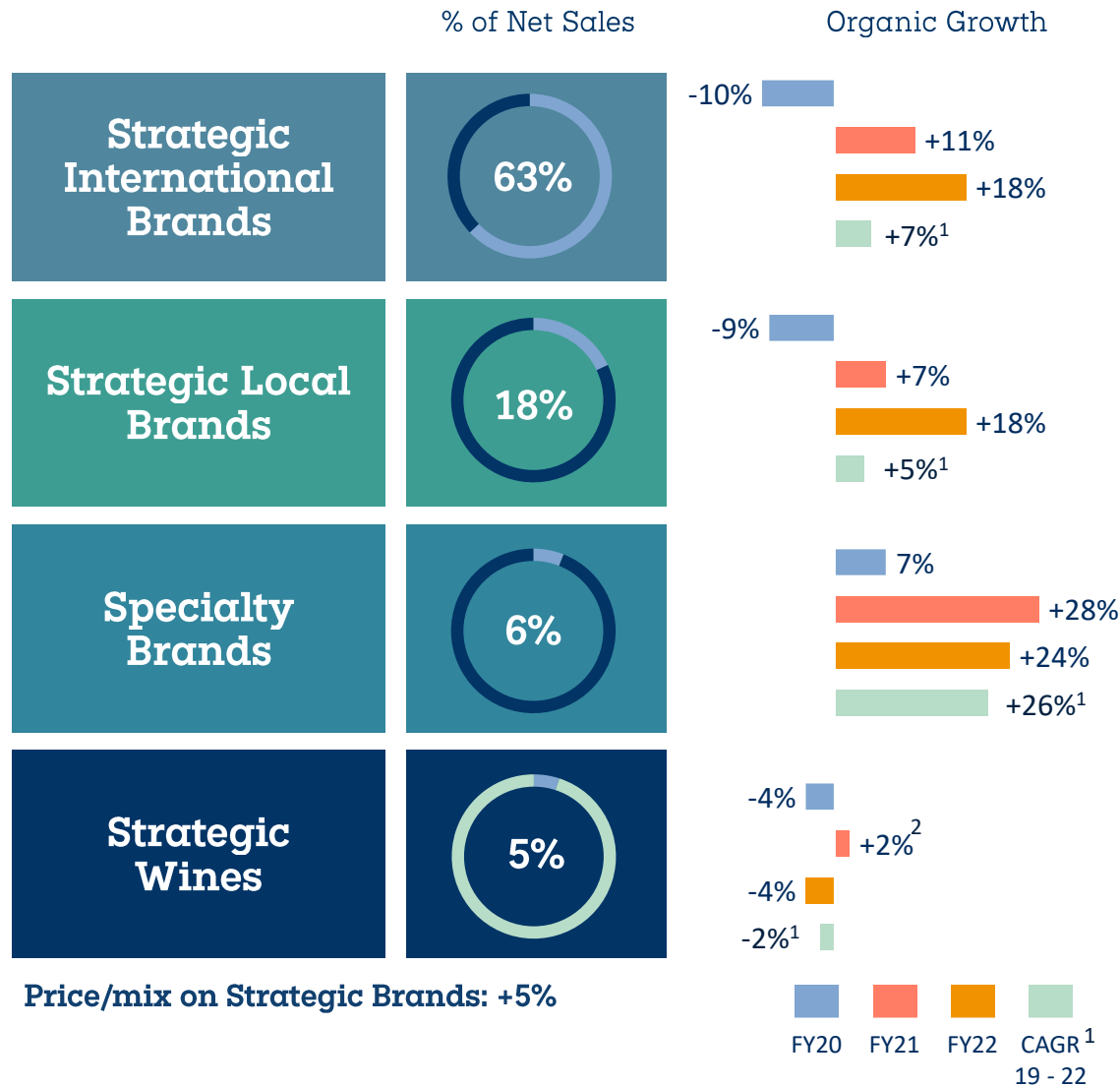
1. CAGR at constant FX

SALES

+21%
Reported Sales

+17%
Organic Sales

All spirits categories growing strong double digit



Excellent growth across all regions led by Jameson, Chivas Regal, Ballantine's, Absolut and Martell

Very strong growth notably led by Seagram's Indian whiskies, Kahlua, Olmeca and Seagram's Gin

Continued very rapid development led by American Whiskies, Gins and Agave brands. Specialty Brands doubling their weight in Sales vs. FY19

Overall soft performance in particular due to New Zealand lower harvest

1. Domestic markets, at constant Fx
 2. Perimeter change: strategic Wines historical growth restated with addition of Mumm Sparkling and Church Road (adding 2pt of organic growth to FY21)

SALES

Strategic
International
Brands
+18%



Strong growth of Strategic International Brands across all regions

Jameson: +24% / 3yr CAGR¹ +12%

Jameson breaking the 10M cases² milestone with fastest growth rate in 30 years

Double digit growth³ in USA, successful launch of Jameson Orange

Successful internationalization strategy with **growth accelerating to +39% outside USA**

Very strong double digit performance in India, South Africa and Nigeria

Premium products in very rapid growth, notably Black Barrel +43%

Absolut: +19% / 3yr CAGR¹ +4%

Excellent performance, breaking the 12M cases² milestone, with global expansion driving acceleration

European markets core growth drivers, in very strong double digit growth

Excellent growth across multiple markets in Asia-RoW notably India and Brazil

Strong rebound in Travel Retail from a low basis of comparison

Resilient performance in USA with On-trade recovery

Scotch: +25% / 3yr CAGR¹ +5%

Excellent momentum across portfolio, notably in Europe, LATAM and India

Chivas Regal: +29%, broad-based growth, driven notably by Turkey, Travel Retail, Brazil, India and Europe

Ballantine's: +27%, breaking 9M cases² milestone driven by Finest, with broad-based growth notably Europe, Turkey and India. Good development of innovations Ballantine's Light and 7 years old

The Glenlivet +21%, continued strong growth on solid comparison basis driven by China, USA, India and Taiwan market

Royal Salute +38%, continued globalization and strong growth in Korea, Taiwan market and Travel Retail

Martell: +7% / 3yr CAGR¹ +2%

Good growth, on very high comparison basis notably in China

Excellent growth in the US, led by strong performance of Blue Swift

Moderate growth in China as strong festive seasons' performance was offset by the impact of Covid restrictions, in particular from March to May

Continued global expansion with great results in Sub-Saharan Africa

1. At constant Fx 2. 9L cases 3. Wholesalers' depletions

SALES

Specialty
Brands
+24%

Weight in Sales
doubling vs.
FY19

Specialty Brands tapping into premiumization trends and maintaining very high momentum

Specialty whisky +23%

US whiskeys: +38% with Jefferson's and Rabbit Hole key drivers of growth

Redbreast: +27% & Spot Range +21%, very strong growth, strong pricing and successful innovation

Aberlour: +8% & Rare Malts +72% with strong Travel Retail recovery

Specialty Agave +21%

Avion: +26%, driven by USA where growth is supported by prestige price points notably with launch of Reserva Cristalino

Del Maguay: +44%, continued strong performance in USA and Rest of World

Altos: +10%, impacted by price repositioning in USA but good growth in Western Europe

Specialty Gin +43%

Malfy: +66%, excellent growth across all regions

Monkey 47: +33%, strong rebound with On-trade notably in Western Europe and North America

Other Specialty Brands +15%

Lillet: +10%, broad-based growth driven by France, Germany, Austria and USA

Italicus doubling and enjoying growth across Western Europe and North America

SALES



Highlights of robust growth achieved across the wider portfolio

Beefeater: +35%, strong rebound notably with On-trade reopening in Spain and outstanding growth in Brazil. Good development of Beefeater Light

Perrier-Jouët: +32%, broad-based rebound, driven by *Belle Epoque*, notably in Japan and USA

Mumm: +9%, with good pricing in line with premiumization strategy and very strong performance in the USA and Japan

Havana Club: +20%, broad-based rebound driven by Western Europe, primarily France, Germany, Spain and UK

Malibu: +7%, on very high comparison basis, with growth driven by UK, Germany, Mexico, offsetting softer performance in USA

Kalhua: +13%, with growth led mainly by USA, UK and Ireland

RTD portfolio in very strong double digit growth, with broad-based growth across all brands driven notably by very rapid development in USA. Successful launch of Jameson Ginger and Lime in USA

Innovation in strong growth +45%



Launch of Jameson Orange,
#1 spirits innovation in the USA



Launch of Jameson Ginger & Lime



Launch of Avion Reserva Cristalino,
our latest Ultra Premium+ Tequila
addition



Launch of Beefeater Zesty Lemon in Central
Europe with further expansion in European
markets



Launch of
Royal Salute 21YO Blended Grain

SALES



Targeted media investments in FY22



Absolut is introducing its biggest marketing campaign in over a decade **"The World of Absolut Cocktails. Born to Mix."**



Maison Martell launched the next chapter of its **'Soar Beyond the Expected'** campaign during Black History Month with Janelle Monáe



Jameson launched its new global marketing campaign **'Widen The Circle'**



The Glenlivet new digital campaign **#BreakTheStereotype**



PROFIT



Pernod Ricard

Créateurs de convivialité

PROFIT

Reported PRO
+25%

Organic PRO
+19%

Margin
Expansion

+80bps reported
+52bps organic

Strong top line and purposeful investments driving margin expansion

€ millions	FY21	FY22	FY reported Δ	FY organic Δ
Net Sales	8,824	10,701	+21%	+17%
Gross margin (GM)	5,293	6,473	+22%	+17%
<i>GM/Net Sales</i>	<i>60.0%</i>	<i>60.5%</i>		<i>+12bps</i>
Advertising & Promotional Spend (A&P)	1,393	1,698	+22%	+17%
<i>A&P/Net Sales</i>	<i>15.8%</i>	<i>15.9%</i>		<i>-5bps</i>
Contribution After A&P Spend (CAAP)	3,900	4,775	+22%	+17%
<i>CAAP/Net Sales</i>	<i>44.2%</i>	<i>44.6%</i>		<i>+7bps</i>
Structure costs ¹	1,477	1,751	+19%	+14%
<i>Structure costs/Net Sales</i>	<i>16.7%</i>	<i>16.4%</i>		<i>+45bps</i>
Profit from Recurring Operations (PRO)	2,423	3,024	+25%	+19%
<i>PRO/Net Sales</i>	<i>27.5%</i>	<i>28.3%</i>		<i>+52bps</i>

- **Gross Margin expanding** +12bps as price, mix and fixed cost absorption offset COGS increases
- **A&P ratio at c. 16%**, with dynamic allocation between brands, markets and activities. Enhanced focus on working A&P
- **Purposeful increases in Structure costs**, notably recruitments to support digital transformation
- **FX impact on PRO of c. €160m** due mostly to USD and CNY appreciation versus EUR

1. Includes OIE and Royalties

PROFIT

EPS +33%

Significant EPS growth

€ millions	FY21	FY22	FY reported Δ
Profit from Recurring Operations	2,423	3,024	+25%
Financial income (expense) from recurring operations	(262)	(215)	-18%
Corporate Income tax on recurring operations	(526)	(651)	+24%
Minority interests and other	(24)	(34)	
Group share of Net Profit from Recurring Operations	1,612	2,124	+32%
Number of shares used in diluted EPS calculation ('000)	261,514	259,719	
Diluted net earnings per share from recurring operations "EPS" (€/share)	6.16	8.18	+33%

- **Earning per share increase** driven by Profit from Recurring Operations growth, lower recurring financial expenses and Share buyback
- **Successful bond debt refinancing** driving lower financial expenses from Recurring Operations with average cost of debt of 2.3% (vs. 2.8% in FY21)
- Recurring effective tax rate **at 23.2%**
- **Reduction in number of shares as a result of c. €750m Share buyback** executed in the fiscal year

PROFIT

Group Share of Net Profit growing very strongly

Group share of
Net Profit
+53%

€ millions	FY21	FY22	FY reported Δ
Profit from Recurring Operations	2,423	3,024	+25%
Profit from Non Recurring Operations	(62)	(62)	
Operating Profit	2,361	2,963	
Financial income (expense)	(371)	(260)	
Corporate income tax	(667)	(676)	
Non-controlling interests and other	(18)	(30)	
Group share of Net Profit	1,305	1,996	+53%

- **+53% increase in Group share of Net Profit** combining strong PRO growth, reduced financial expenses and positive FX impact

CASH FLOW AND DEBT



Pernod Ricard

Créateurs de convivialité

Recurring Free
Cash Flow
€1,926m

Record-high cash generation

€ millions	FY21	FY22	Reported Δ	% Δ
Profit from Recurring Operations	2,423	3,024	+601	+25%
Amortisation, provision, others	383	441	+58	
Recurring Cash Flow	2,806	3,465	+659	+23%
Decrease/(increase) in strategic stocks	(221)	(264)	(43)	
Decrease/(increase) in operating Working Capital Requirement (WCR)	142	2	(141)	
Decrease/(increase) in recurring Working Capital Requirements	(79)	(262)	(183)	
Non-financial Capital Expenditure	(388)	(485)	(97)	
Recurring Operating Cash Flow	2,339	2,717	+378	+16%
Financial income/(expense) and taxes	(593)	(792)	(198)	
Free Cash Flow from recurring operations (Recurring FCF)	1,745	1,926	+180	+10%
Non-recurring items	(117)	(113)	+4	
Free Cash Flow (FCF)	1,628	1,813	+184	+11%

- **Increase in Strategic inventories** to support future growth of aged products, expected to accelerate further in FY23
- **Strong increase in Capex at 4.5%¹ of Net Sales** to support key investment priorities, expected to accelerate further in FY23
- **Negative WCR variation** given strong business momentum in a context of supply chain tensions
- **Reduced financial expenses** due to successful refinancings, Cash taxes increased following post Covid business profit recovery
- Non-recurring items mostly impacted by restructuring and bond debt early repayment costs
- **Highest ever Free Cash Flow** at €1.8bn

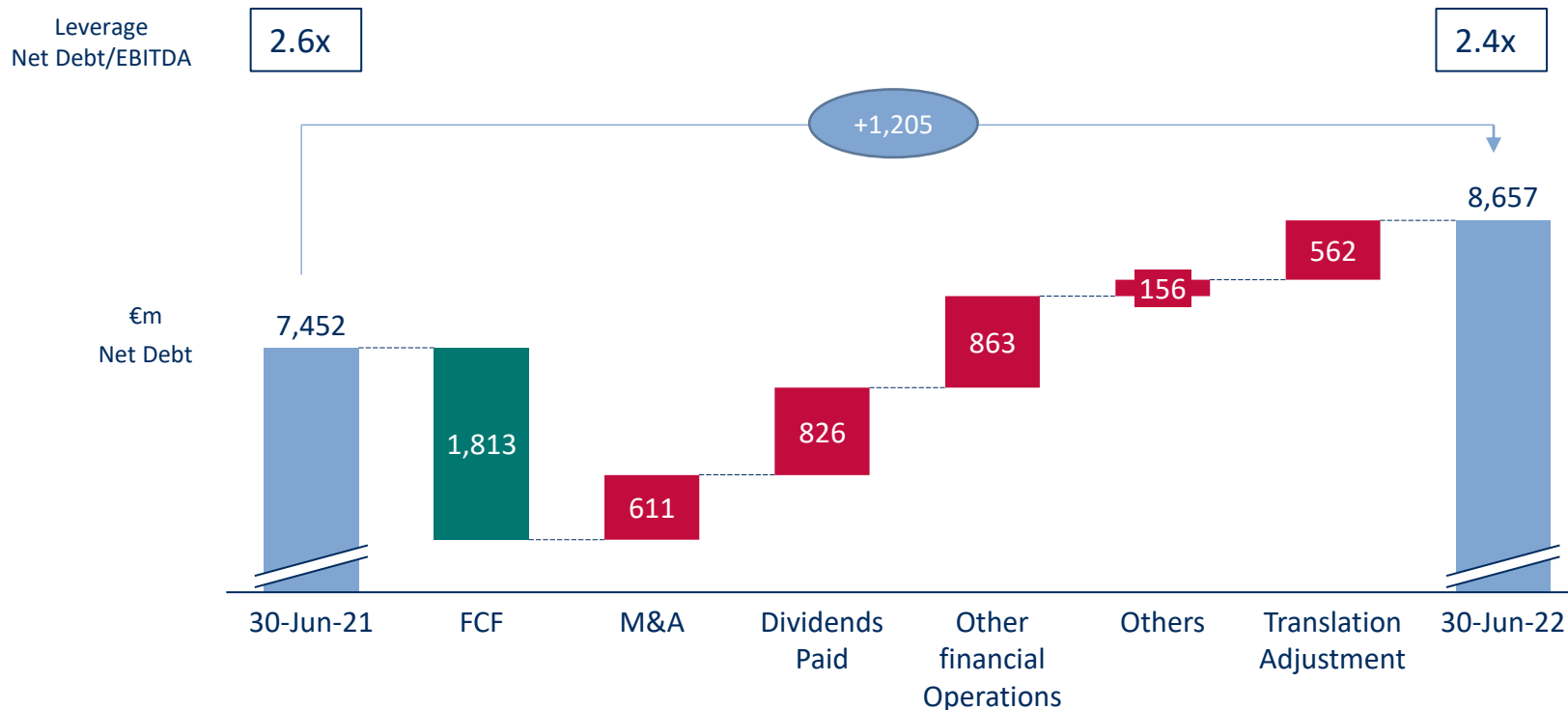
1. c. 5% before impacts of changes to accounting standards

CASH FLOW AND DEBT

2.4x¹

Net Debt/EBITDA
ratio at 30 June
2022

Strong performance driving leverage down



+€1,205m increase in Net Debt mainly from increased M&A and Share buyback:

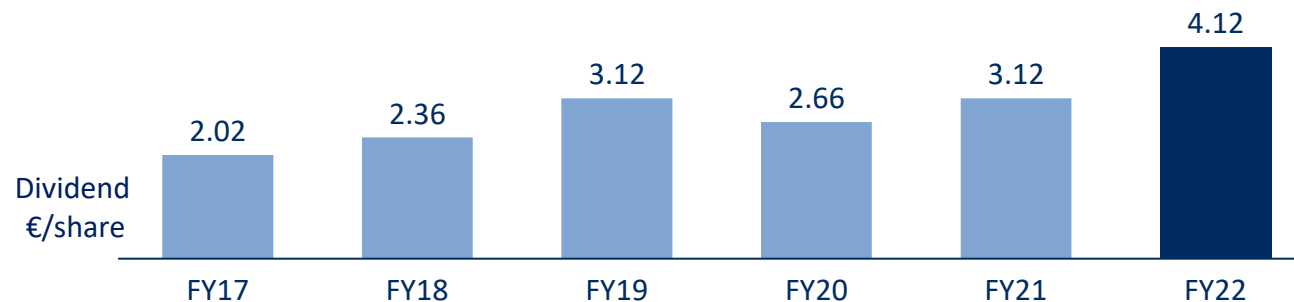
- **M&A cash-out** reflecting active portfolio management (Sovereign Brands, The Whisky Exchange and Château Sainte Marguerite)
- **Increase in Dividend** (+€122m) following strong FY21 performance
- **Resumption of Share buyback** with c. €750m executed in FY22
- **Negative translation adjustment** mainly due to USD appreciation vs. EUR

1. Based on average EUR/USD rates: 1.13

Accelerating returns to shareholders

€4.12
Proposed
dividend per
share¹

€500 to 750m
Share buyback
for FY23



In line with our financial policy:

- **Proposed Dividend¹ of €4.12 per share**, +32% vs FY21
- **Pernod Ricard announces a new Share buyback programme** for FY23 of €500m to €750m, following our financial policy priorities

1. Subject to shareholder approval at the AGM 10th November 2022

A photograph of a distillery interior. Several large, polished copper stills are arranged in a row. A worker in a dark shirt and blue jeans is leaning over one of the stills, possibly adjusting a valve or lid. The room has a white wall, a window, and various pipes and walkways. The lighting is warm and focused on the stills.

CONCLUSION & OUTLOOK



Pernod Ricard

Créateurs de convivialité



CONCLUSION AND OUTLOOK

In FY22 Pernod Ricard had a record year with an excellent performance, demonstrating improved strength, resilience and agility within a turbulent environment

Over **FY23 to FY25**, we are confident to **deliver our medium term strategic ambition** leveraging our unique competitive advantages, the pace of our consumer-centric digital transformation and our proven ability to adapt swiftly to challenging situations

Starting our new fiscal year with very healthy trade inventory levels across regions, in a context remaining volatile, we expect for **FY23**:

- **Dynamic, broad-based Net Sales growth**, on a normalizing comparison basis, with a good start to Q1;
- **Intense focus on revenue growth management and operational efficiencies** in a high inflationary environment;
- **A&P ratio at c. 16% of Net Sales**, with improved ROI;
- **Continuing investments in structure**, notably supporting the rapid deployment of the Conviviality Platform;
- **Increased Capex at c. 7% of Net Sales and Strategic Inventories** to fuel future growth;
- **€500m to €750m Share buyback**, following our financial policy priorities;
- **Significant positive currency effect** expected for FY23¹

1. Assuming USD/EUR at 1.00 (spot rate as at 22nd Aug)

APPENDICES



Pernod Ricard

Créateurs de convivialité

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 and changes in applicable accounting principles.
- 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.
- 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 (subject to change)	Event
20 October 2022	Q1 FY23 Sales
10 November 2022	Annual General Meeting
22 November 2022	EMEA LATAM Conference Call
16 February 2023	H1 FY23 Sales and Results

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 FY22 (in 9Lcs millions)	Organic Net Sales growth FY22	Volumes	Price/mix
Absolut	12.4	+19%	+18%	+1%
Chivas Regal	4.6	+29%	+27%	+1%
Ballantine's	9.1	+27%	+20%	+7%
Ricard	4.5	+4%	+5%	(1)%
Jameson	10.4	+24%	+22%	+2%
Havana Club	4.6	+20%	+5%	+15%
Malibu	4.9	+7%	+3%	+4%
Beefeater	3.7	+35%	+27%	+8%
Martell	2.5	+7%	+4%	+3%
The Glenlivet	1.6	+21%	+19%	+2%
Royal Salute	0.2	+38%	+32%	+6%
Mumm	0.7	+9%	+3%	+6%
Perrier-Jouët	0.3	+32%	+16%	+16%
Strategic International Brands	59.6	+18%	+16%	+3%

Sales Analysis by Period and Region

Net Sales (€ millions)	FY21		FY22		Change		Organic Growth		Group Structure		Forex impact	
Americas	2,627	29.8%	3,133	29.3%	506	+19%	319	+12%	30	+1%	156	+6%
Asia / Rest of World	3,640	41.2%	4,438	41.5%	799	+22%	674	+19%	0	+0%	125	+3%
Europe	2,557	29.0%	3,130	29.2%	573	+22%	483	+19%	55	+2%	35	+1%
World	8,824	100.0%	10,701	100.0%	1,877	+21%	1,476	+17%	86	+1%	316	+4%

Net Sales (€ millions)	Q4 FY21		Q4 FY22		Change		Organic Growth		Group Structure		Forex impact	
Americas	633	33.6%	708	30.9%	75	+12%	(17)	(3)%	9	+1%	83	+13%
Asia / Rest of World	635	33.7%	857	37.4%	222	+35%	189	+30%	(0)	(0)%	34	+5%
Europe	616	32.7%	729	31.8%	114	+18%	87	+14%	18	+3%	9	+1%
World	1,883	100.0%	2,295	100.0%	411	+22%	259	+14%	28	+1%	125	+7%

Net Sales (€ millions)	H2 FY21		H2 FY22		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,225	31.9%	1,495	31.5%	271	+22%	123	+10%	13	+1%	134	+11%
Asia / Rest of World	1,513	39.4%	1,914	40.4%	401	+27%	336	+22%	(0)	(0)%	65	+4%
Europe	1,101	28.7%	1,333	28.1%	231	+21%	183	+17%	37	+3%	12	+1%
World	3,839	100.0%	4,742	100.0%	903	+24%	642	+17%	50	+1%	211	+6%

Summary Consolidated Income Statement

(€ millions)	FY21	FY22	Change
Net sales	8,824	10,701	+21%
Gross Margin	5,293	6,473	+22%
Advertising and promotions spend	(1,393)	(1,698)	+22%
Contribution after A&P spend	3,900	4,775	+22%
Structure costs	(1,477)	(1,751)	+19%
Profit from recurring operations	2,423	3,024	+25%
Financial income/(expense) from recurring operations	(262)	(215)	(18)%
Corporate income tax on items from recurring operations	(526)	(651)	+24%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(24)	(34)	+44%
Group share of net profit from recurring operations	1,612	2,124	+32%
Profit from Non Recurring Operations	(62)	(62)	+0%
Financial income/(expense) from non-recurring operations	(109)	(45)	(59)%
Corporate income tax on items from non recurring operations	(142)	(26)	(82)%
Non controlling interests (non-recurring)	6	4	(29)%
Group share of net profit	1,305	1,996	+53%
Non-controlling interests	13	35	NA
Net profit	1,318	2,031	+54%

Profit from Recurring Operations by Region (1 of 2)

World

(€ millions)	FY21		FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	8,824	100.0%	10,701	100.0%	1,877	+21%	1,476	+17%	86	+1%	316	+4%
Gross margin after logistics costs	5,293	60.0%	6,473	60.5%	1,180	+22%	904	+17%	27	+1%	249	+5%
Advertising & promotion	(1,393)	15.8%	(1,698)	15.9%	(305)	+22%	(239)	+17%	(8)	+1%	(57)	+4%
Contribution after A&P	3,900	44.2%	4,775	44.6%	876	+22%	665	+17%	19	+0%	192	+5%
Profit from recurring operations	2,423	27.5%	3,024	28.3%	601	+25%	463	+19%	(17)	(1)%	155	+6%

Americas

(€ millions)	FY21		FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,627	100.0%	3,133	100.0%	506	+19%	319	+12%	30	+1%	156	+6%
Gross margin after logistics costs	1,699	64.7%	2,059	65.7%	360	+21%	179	+11%	19	+1%	162	+10%
Advertising & promotion	(470)	17.9%	(568)	18.1%	(98)	+21%	(65)	+14%	(6)	+1%	(28)	+6%
Contribution after A&P	1,229	46.8%	1,491	47.6%	262	+21%	114	+9%	14	+1%	134	+11%
Profit from recurring operations	803	30.6%	1,014	32.4%	211	+26%	95	+12%	5	+1%	111	+14%

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

Profit from Recurring Operations by Region (2 of 2)

Asia / Rest of the World

(€ millions)	FY21		FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	3,640	100.0%	4,438	100.0%	799	+22%	674	+19%	0	+0%	125	+3%
Gross margin after logistics costs	2,060	56.6%	2,496	56.2%	436	+21%	383	+19%	(0)	(0)%	53	+3%
Advertising & promotion	(542)	14.9%	(633)	14.3%	(91)	+17%	(67)	+12%	(0)	+0%	(24)	+4%
Contribution after A&P	1,518	41.7%	1,862	42.0%	344	+23%	316	+21%	(0)	(0)%	29	+2%
Profit from recurring operations	996	27.4%	1,220	27.5%	225	+23%	213	+21%	(7)	(1)%	19	+2%

Europe

(€ millions)	FY21		FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,557	100.0%	3,130	100.0%	573	+22%	483	+19%	55	+2%	35	+1%
Gross margin after logistics costs	1,534	60.0%	1,918	61.3%	384	+25%	342	+22%	7	+0%	35	+2%
Advertising & promotion	(381)	14.9%	(496)	15.9%	(115)	+30%	(107)	+28%	(3)	+1%	(6)	+2%
Contribution after A&P	1,153	45.1%	1,422	45.4%	269	+23%	235	+20%	5	+0%	29	+3%
Profit from recurring operations	624	24.4%	790	25.2%	166	+27%	156	+25%	(15)	(2)%	25	+4%

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

Foreign Exchange Impact

Forex impact FY22 (€ millions)		Average rates evolution			On Net Sales	On Profit from Recurring Operations
		FY21	FY22	%		
US dollar	USD	1.19	1.13	-5.5%	145	63
Russian rouble	RUB	89.10	84.39	-5.3%	12	9
Turkish Lira	TRL	9.22	13.83	49.9%	(67)	(72)
Indian rupee	INR	87.94	84.93	-3.4%	42	14
Chinese yuan	CNY	7.90	7.28	-7.8%	100	61
Pound sterling	GBP	0.89	0.85	-4.4%	20	(18)
Mexican peso	MXN	24.74	22.92	-7.4%	7	12
Other					56	87
Total					316	155

Sensitivity of profit and debt to EUR/USD exchange rate

Estimated impact of a 1% appreciation of the USD

Impact on the income statement ⁽¹⁾	(€ millions)
Profit from recurring operations	+15
Financial result	(1)
Pre-tax profit from recurring operations	+14

Impact on the balance sheet	(€ millions)
Increase/(decrease) in net debt	+40

(1) Full-year effect

Balance Sheet: Assets

Assets (€ millions)	30/06/2021	30/06/2022
(Net book value)		
Non-current assets		
Intangible assets and goodwill	16,230	17,657
Tangible assets and other assets	3,963	4,600
Deferred tax assets	1,623	1,844
Total non-current assets	21,816	24,100
Current assets		
Inventories	6,555	7,369
<i>aged work-in-progress</i>	5,373	5,732
<i>non-aged work-in-progress</i>	84	91
<i>other inventories</i>	1,098	1,546
Receivables (*)	1,126	1,388
<i>Trade receivables</i>	1,080	1,320
<i>Other trade receivables</i>	46	68
Other current assets	413	435
<i>Other operating current assets</i>	408	430
<i>Tangible/intangible current assets</i>	6	6
Tax receivable	141	145
Cash and cash equivalents and current derivatives	2,086	2,559
Total current assets	10,321	11,896
Assets held for sale	11	15
Total assets	32,147	36,012
(*) after disposals of receivables of:	592	602

Balance Sheet: Liabilities and Shareholders' Equity

Liabilities and shareholders' equity (€ millions)	30/06/2021	30/06/2022
Group Shareholders' equity	14,829	15,944
Non-controlling interests	246	309
<i>of which profit attributable to non-controlling interests</i>	13	35
Total Shareholders' equity	15,075	16,253
Non-current provisions and deferred tax liabilities	3,555	3,818
Bonds non-current	8,787	9,238
Lease liabilities - non current	405	400
Non-current financial liabilities and derivative instruments	108	197
Total non-current liabilities	12,854	13,653
Current provisions	163	150
Operating payables	2,337	3,019
Other operating payables	1,134	1,311
<i>of which other operating payables</i>	724	799
<i>of which tangible/intangible current payables</i>	410	513
Tax payable	282	263
Bonds - current	70	842
Lease liabilities - current	103	107
Current financial liabilities and derivatives	128	415
Total current liabilities	4,218	6,107
Liabilities held for sale	0	0
Total liabilities and shareholders' equity	32,147	36,012

Analysis of Working Capital Requirement

(€ millions)	June 2020	June 2021	June 2022	FY21 WC change*	FY22 WC change*
Aged work in progress	5,084	5,373	5,732	206	287
Advances to suppliers for wine and ageing spirits	19	9	8	(10)	(1)
Payables on wine and ageing spirits	(108)	(93)	(115)	22	(21)
Net aged work in progress	4,995	5,289	5,626	218	265
Trade receivables before factoring/securitization	1,375	1,672	1,922	309	163
Advances from customers	(38)	(21)	(34)	17	(9)
Other receivables	343	445	487	64	9
Other inventories	1,006	1,098	1,546	91	342
Non-aged work in progress	76	84	91	9	3
Trade payables and other	(2,364)	(2,946)	(3,669)	(574)	(534)
Gross operating working capital	398	331	343	(85)	(25)
Factoring/Securitization impact	(513)	(592)	(602)	(79)	12
Net Operating Working Capital	(115)	(261)	(259)	(164)	(13)
Net Working Capital	4,879	5,028	5,366	54	252
* at average rates				79	262
				(25)	(10)

Net Debt

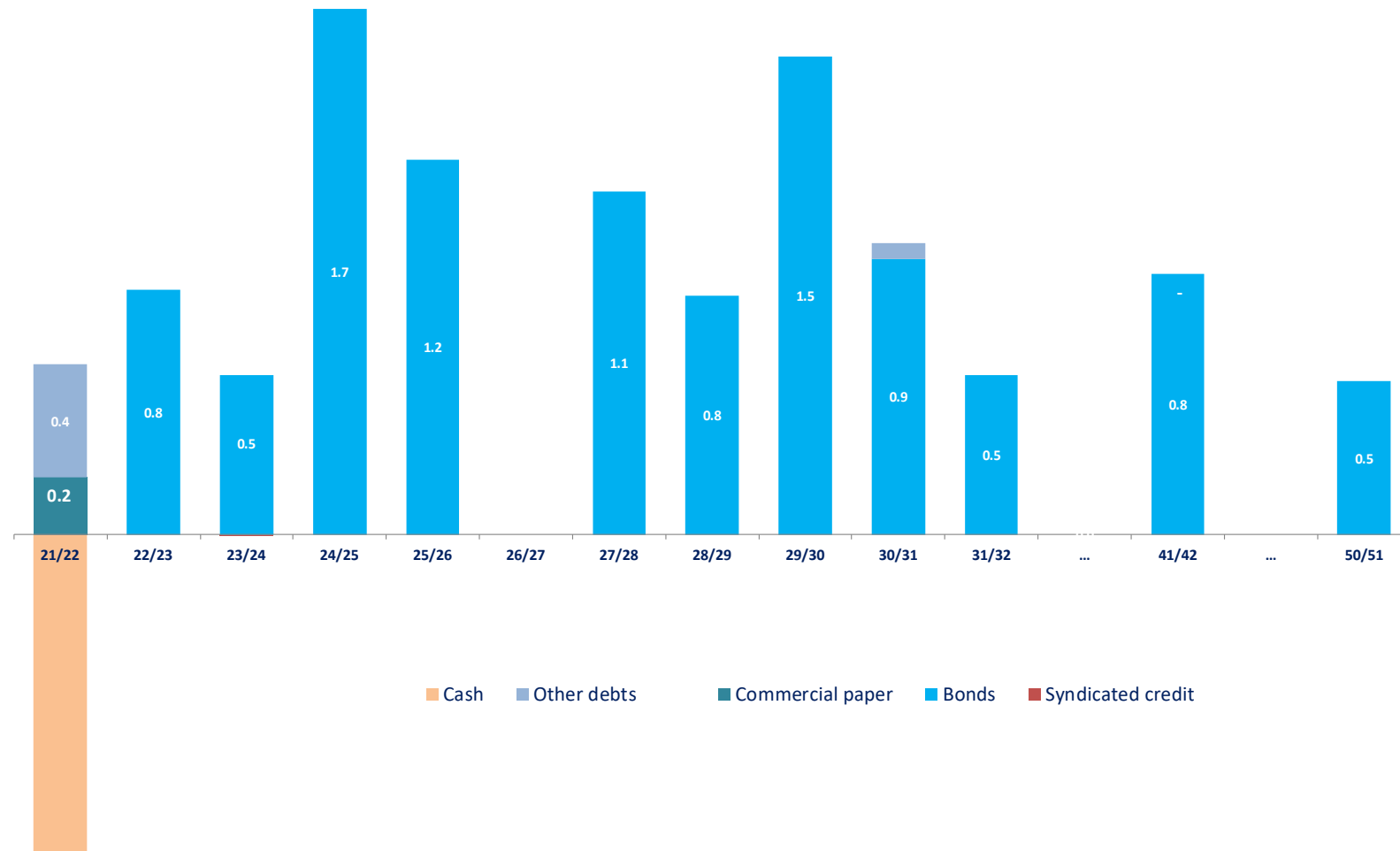
(€ millions)	30/06/2021			30/06/2022		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	70	8,787	8,857	842	9,238	10,079
Commercial paper	7	-	7	180	-	180
Other loans and long-term debts	115	108	222	226	179	405
Other financial liabilities	122	108	229	406	179	585
Gross Financial debt	192	8,894	9,086	1,248	9,417	10,664
Fair value hedge derivatives – assets	-	(22)	(22)	(5)	-	(5)
Fair value hedge derivatives – liabilities	-	-	-	-	9	9
Fair value hedge derivatives	-	(22)	(22)	(5)	9	3
Net investment hedge derivatives – assets	-	(43)	(43)	-	-	-
Net investment hedge derivatives – liabilities	-	-	-	-	9	9
Net investment hedge derivatives	-	(43)	(43)	-	9	9
FINANCIAL DEBT AFTER HEDGING	192	8,830	9,022	1,242	9,435	10,677
Cash and cash equivalents	(2,078)	-	(2,078)	(2,527)	-	(2,527)
NET FINANCIAL DEBT EXCLUDING LEASE DEBT	(1,886)	8,830	6,944	(1,284)	9,435	8,150
Lease Debt	103	405	508	107	400	507
NET FINANCIAL DEBT	(1,783)	9,235	7,452	(1,177)	9,835	8,657

Change in Net Debt

(€ millions)	30/06/2021	30/06/2022
Operating profit	2,361	2,963
Depreciation and amortisation	367	381
Net change in impairment of goodwill, PPE and intangible assets	78	10
Net change in provisions	(80)	7
Changes in fair value on commercial derivatives and biological assets	1	(2)
Net (gain)/loss on disposal of assets	(16)	(5)
Share-based payments	28	40
Self-financing capacity before interest and tax	2,738	3,392
Decrease / (increase) in working capital requirements	(54)	(252)
Net interest and tax payments	(686)	(846)
Net acquisitions of non financial assets and others	(370)	(481)
Free Cash Flow	1,628	1,813
<i>of which recurring Free Cash Flow</i>	<i>1,745</i>	<i>1,926</i>
Net acquisitions of financial assets and activities and others	(116)	(723)
Dividends paid	(704)	(826)
(Acquisition) / Disposal of treasury shares and others	(20)	(813)
Decrease / (increase) in net debt (before currency translation adjustments)	788	(549)
Foreign currency translation adjustment	265	(562)
Non cash impact on lease liabilities	(81)	(95)
Decrease / (increase) in net debt (after currency translation adjustments and IFRS 16 non cash impacts)	972	(1,205)
Initial net debt	(8,424)	(7,452)
Final net debt	(7,452)	(8,657)

Debt Maturity at 30 June 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	2.13%	29/09/2014	27/09/2024
	€ 1,500 m o/w: € 750 m € 750 m	1.125% 1.750%	01/04/2020	07/04/2025 08/04/2030
	€ 500 m o/w: € 250 m € 250 m	1.125% 1.750%	27/04/2020	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
	USD	\$ 1,650 m o/w: \$ 800 m \$ 850 m	4.250% 5.500%	12/01/2012
\$ 600 m		3.250%	08/06/2016	08/06/2026
\$ 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 ⁽¹⁾
<i>EUR/USD rate Jun FY21 -> Jun FY22</i>	1.19 -> 1.04	1.19 -> 1.13
Ratio at 30/06/2021	2.6	2.6
EBITDA & cash generation excl. Group structure effect and forex impacts	(0.4)	(0.4)
Group structure and forex impacts	0.3	0.2
Ratio at 30/06/2022	2.5	2.4

(1) Last-twelve-month rate

Diluted EPS

(x 1,000)	FY21	FY22
Number of shares in issue at end of period	261,877	257,947
Weighted average number of shares in issue (pro rata temporis)	262,143	261,190
Weighted average number of treasury shares (pro rata temporis)	(1,347)	(2,158)
Dilutive impact of stock options and performance shares	718	688
Number of shares used in diluted EPS calculation	261,514	259,719

(€ millions and €/share)	FY21	FY22	reported △
Group share of net profit from recurring operations	1,612	2,124	31.8%
Diluted net earnings per share from recurring operations	6.16	8.18	32.7%