

Q3 FY23 Sales
Press release - Paris, 27 April 2023

VERY STRONG BROAD-BASED SALES GROWTH 9M FY23: +8%

(9M REPORTED SALES: +13%)

FY23 GUIDANCE:

ORGANIC GROWTH IN PROFIT FROM RECURRING OPERATIONS OF C. +10%

WITH SOME EXPANSION IN ORGANIC OPERATING MARGIN

9 Month Sales

Sales for the first 9 months of FY23 totalled €9,507m, with a very strong broad-based organic growth of +8%, in a normalising environment, with +9% price effect for the Group and strong pricing in all regions:

Strong underlying performance in Must-Win markets:

- **USA** -1%: solid performance with spirits value depletions growing +2%, in a normalising environment. Q3 impacted by H1 phasing and high comparison basis¹. Strong Sales expected in Q4 against a low comparison basis, along with additional price increases on some brands.
- **China** -5%: very dynamic sell-out at the end of Q3 with good post CNY season activity. Very strong sales expected in Q4 as consumer demand recovery is further amplified by favourable comparison basis. Strong rebound in March but Martell January & February Sales impacted by soft festive season and adverse phasing² with inventory adjustment in Q3. Portfolio wide price increases to be taken in May.
- **India** +15%: continued excellent performance with strong premiumisation.
- **Global Travel Retail** +33%: very strong Sales recovery, with gradual resumption of Chinese travel.

Organic Sales growth in all regions:

- **Asia-RoW**: +12%, very strong growth led by India, Travel Retail and Turkey offsetting China. Solid performance in Japan, Thailand, South Korea, and continued rebound in South East Asia.
- **Europe**: +6%, value driven growth led by Spain, Travel Retail and Germany.
- **Americas**: +2%, growth driven by LATAM.

Growth is diversified by category:

- **Strategic International Brands**: continued momentum +7%, notably with the Scotch portfolio, Jameson and Absolut.
- **Strategic Local Brands**: very dynamic growth +11%, driven by growth of Seagram's Indian whiskies, Seagram's Gin and Kahlua.
- **Specialty Brands**: strong development +10%, notably of Lillet, Aberlour, Altos, Malfy and Redbreast.
- **Strategic Wines**: -2%, softness mostly from UK.

¹ FY22 Q3 Sales +23%. FY23 9M restated USA Sales adjusting for high comps +2%

² Earlier Chinese New Year vs. FY22

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Reported 9M Sales totalled €9,507m and grew +13% with a favourable FX impact of €296m, mainly from US Dollar appreciation, partly offset by depreciation of emerging market currencies. **Sales for Q3 of FY23 totalled €2,391m, an organic decline of -2%** and a reported decline of -2%.

Outlook

In a persistently volatile environment and a normalising market, confirmed confidence in delivering a strong performance in FY23:

- Very strong Q4 Sales on favorable comparison basis, while ensuring healthy levels of inventory at year-end
- 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
- Capex at c.6% of Net Sales and accelerated investments in Strategic Inventories
- Final c.€300m tranche to be launched imminently to complete c.€750m FY23 share buy back program
- Some positive currency effect

Guidance: organic growth c.+10% in Profit from Recurring Operations, with some expansion in Organic Operating Margin

Dividend

An **interim dividend of €2.06 per share** will be detached on 5 July 2023 and **paid on 7 July 2023**. The final dividend will be subject to the AGM decision on 10 November 2023.

Alexandre Ricard, Chairman and Chief Executive Officer, stated,

"Our very strong 9M performance was broad-based and confirms the strength of our business, with resilient volumes, strong pricing and continued dynamism in all our regions and spirits categories.

While the global environment remains volatile and as markets normalise, we are confident in delivering a strong performance for the full year in FY23, with very strong Sales expected in our fourth quarter.

Our full year guidance for FY23 is for organic growth in Profit from Recurring Operations of c. +10% with some Operating Margin expansion."

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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.

A detailed presentation of Q3 FY23 Sales can be downloaded from our website: www.pernod-ricard.com

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 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.

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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Appendices

9M FY23 Sales by Region

Net Sales (€ millions)	H1 FY22		H1 FY23		Change		Organic growth		Group structure		Forex Impact	
Americas	1,638	27%	2,005	28%	+368	+22%	+118	+7%	+30	+2%	+220	+13%
Asia / Rest of World	2,524	42%	3,122	44%	+597	+24%	+460	+18%	+48	+2%	+90	+4%
Europe	1,797	30%	1,989	28%	+191	+11%	+108	+6%	+38	+2%	+45	+3%
Group	5,959	100%	7,116	100%	+1,156	+19.4%	+686	+11.6%	+115	+1.9%	+355	+5.9%

Net Sales (€ millions)	Q3 FY22		Q3 FY23		Change		Organic growth		Group structure		Forex Impact	
Americas	787	32%	748	31%	(39)	(5)%	(76)	(10)%	+33	+4%	+4	+0%
Asia / Rest of World	1,057	43%	996	42%	(61)	(6)%	(16)	(2)%	+13	+1%	(58)	(5)%
Europe	603	25%	647	27%	+44	+7%	+40	+7%	+9	+2%	(5)	(1)%
Group	2,447	100%	2,391	100%	(56)	(2.3)%	(53)	(2.2)%	+55	+2.3%	(59)	(2.4)%

Net Sales (€ millions)	9M FY22		9M FY23		Change		Organic growth		Group structure		Forex Impact	
Americas	2,425	29%	2,753	29%	+328	+14%	+42	+2%	+63	+3%	+224	+9%
Asia / Rest of World	3,581	43%	4,118	43%	+537	+15%	+444	+12%	+61	+2%	+32	+1%
Europe	2,401	29%	2,636	28%	+235	+10%	+148	+6%	+48	+2%	+40	+2%
Group	8,407	100%	9,507	100%	+1,100	+13.1%	+634	+7.6%	+171	+2.0%	+296	+3.5%

Foreign exchange impact on 9M FY23 Sales

Forex impact 9M FY23		Average rates evolution			Net sales Impact (€ millions)
		9M FY22	9M FY23	%	
USD	US Dollar	1.15	1.03	+11%	+242
TRY	Turkish Lira	12.83	19.11	(33)%	(65)
CNY	Chinese Yuan	7.36	7.17	+3%	+29
ARS	Argentine Peso	116.38	169.68	(31)%	(29)
INR	Indian Rupee	85.82	84.16	+2%	+21
BRL	Brazilian Real	6.14	5.41	+14%	+21
JPY	Japanese Yen	130.09	141.79	(8)%	(15)
MXN	Mexican Peso	23.44	20.17	+16%	+12
	Other Currencies				+79
Total FX Impact					+296

27th April call details

Available in the media section of Pernod Ricard's website