

H1 FY22 Sales and Results  
Press release - Paris, 10 February 2022

**RECORD BREAKING H1 FY22 SALES AND PRO<sup>1</sup> AT C. €6BN AND C. €2BN**  
**+17% ORGANIC SALES GROWTH (+20% REPORTED) AND +13% VS. PRE-COVID<sup>2</sup>**  
**+22% ORGANIC GROWTH IN PRO<sup>1</sup> (+25% REPORTED) AND +20% VS. PRE-COVID<sup>2</sup>**

## **SALES**

Sales for H1 FY22 totalled €5,959m, with an **organic growth of +17%** (+20% reported), with a favourable FX impact linked mainly to strength of US Dollar and Chinese Yuan vs. Euro.

**H1 FY22 Sales grew in all regions:**

- **Americas +14%:** very dynamic growth in the region, notably USA, Brazil and Travel Retail
- **Asia-RoW +16%:** excellent growth driven by China, India and Turkey
- **Europe +21%:** outstanding growth across the region, with rebound in Spain, France, Travel Retail and continued dynamism in Eastern Europe.

Strategic International Brands and Specialty portfolio are driving **strong price/mix** with:

- **Strategic International Brands +19%: broad-based rebound** with all brands growing, notably Jameson, Martell, Ballantine's, Absolut and Chivas Regal, all double-digit
- **Strategic Local Brands +14%:** driven by recovery of Seagram's Indian whiskies
- **Specialty Brands +21%: continued very dynamic momentum** of American whiskeys, Malfy, Monkey 47, Redbreast, Lillet and agave portfolio
- **Strategic Wines -6%: soft first half**, due in particular to New Zealand lower harvest.

**Price/mix on Strategic Brands was strong at +6%.**

**Innovations are in strong growth +43%.**

**Q2 Sales were €3,242m, with +14% organic growth**, slowing vs. Q1 Organic Sales (+20%), cycling higher comparison basis in some markets.

## **RESULTS**

**H1 FY22 PRO was €1,998m, an organic growth of +22%**, with a strong organic operating margin improvement of +147bps:

- **Gross margin expanding +39bps:**
  - Strong pricing across regions and operational excellence savings
  - more than compensating inflation in Costs of Goods, notably from logistics and commodities
- **Phasing in A&P** with acceleration expected in H2 with ratio of c. 16% for FY22
- **Structure costs reinforcement** to support Sales growth and transformation momentum

<sup>1</sup> PRO: Profit from Recurring Operations

<sup>2</sup> vs. H1 FY20 at constant FX

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- **Positive FX impact on PRO +€39m** with US Dollar and Chinese Yuan appreciation vs. Euro offsetting significant Turkish Lira depreciation.

**Group share of Net PRO was €1,438m, +32%** reported vs. H1 FY21 and the **Group share of Net Profit was €1,390m, +44%** reported, reflecting increase in Profit from Recurring Operations, lower non-recurring operating items, lower financial expenses and increase in Corporate Income Tax.

**Excellent Earnings Per Share +33%**, reflecting growth in PRO and positive impact of FY22 Share buy-back.

### **FREE CASH FLOW AND DEBT**

**Very strong H1 cash conversion with Recurring Free Cash Flow at €1,383m, +39%**. Cash generation supported by strong growth in Profit from Recurring Operations. Seasonal Working Capital requirements in line with business growth.

**The average Cost of debt stood at 2.2%** vs. 3.2% in H1 FY21 following successful bond refinancings.

**Net debt increased by €471m** vs. 30 June 2021 to **€7,923m**. The **Net Debt/EBITDA** ratio at average rate<sup>1</sup> was **2.4x** at 31 December 2021.

### **OUTLOOK**

**In an ongoing volatile environment with potential disruptions of Covid-19**, Pernod Ricard expects for FY22:

Continued On-Trade rebound, Off-trade resilience and Travel Retail gradual recovery **driving strong diversified Sales momentum across regions**

**Dynamic topline driving operating margin expansion** albeit moderating vs. H1, with increased investments to fuel growth momentum

Continued implementation of **Transform & Accelerate**, including **digital transformation** to develop Pernod Ricard into a **Conviviality Platform**

**Strong cash generation** while upweighting investments behind key Capex and Strategic inventories

**Acceleration of share buy-back programme** with additional c. €250m (total of c. €750m for FY22)

**Alexandre Ricard**, Chairman and Chief Executive Officer, stated,

*“The execution of our Transform & Accelerate strategy is delivering an excellent and broad-based performance in the first half, with brand share gains in most countries and with all our Must-Win Markets showing very strong growth. I take the opportunity to praise the engagement and performance of our teams throughout the world, who have relentlessly accomplished outstanding work, in an environment still largely disrupted on many fronts by the Covid crisis.*

*Despite the ongoing volatile environment, we expect for FY22 strong Sales growth across regions, with continued On-Trade rebound, Off-trade resilience and a gradual Travel Retail recovery. We will increase investments to fuel growth momentum.*

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<sup>1</sup> Based on average EUR/USD rate: 1.18 in calendar year 2021



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*We remain focused on executing our strategy, progressing on our Sustainability and Responsibility journey and accelerating our digital transformation. A successful mix of robust fundamentals, the dedication of our teams and our portfolio of brands, has yielded a very strong set of results and seen us through this crisis, emerging even stronger."*

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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 H1 FY22 Sales and Results can be downloaded from our website: [www.pernod-ricard.com](http://www.pernod-ricard.com)

Limited review procedures have been carried out by the Statutory Auditors on the condensed half-yearly consolidated financial statements. The Statutory Auditors' Review Report on the Half-yearly Financial Information is being issued.

### 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 and acquisitions and disposals.

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.

### About Pernod Ricard

Pernod Ricard is the No.2 worldwide producer of wines and spirits with consolidated sales amounting to €8,824 million in fiscal year FY21. The Group, which owns 16 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, Mumm and Perrier-Jouët champagnes, as well Jacob's Creek, New Zealand Wines, Campo Viejo, Mumm Sparkling and Kenwood wines. Pernod Ricard's strategy focuses on investing in long-term and sustainable growth for all its stakeholders, remaining true to its founding values: entrepreneurial spirit, mutual trust, and strong sense of ethics. The Group's decentralised organisation empowers its 18,500 employees to be on-the-ground ambassadors of its vision of "Créateurs de Convivialité". Pernod Ricard 2030 Sustainability and Responsibility roadmap "Good Times from a Good Place" is integrated into all its activities from grain to glass, and Pernod Ricard is recognised as a UN Global Compact LEAD participant for its contribution to the United Nations Sustainable Development Goals (SDGs). 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

### 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<br>H1 FY22<br>(in 9Lcs millions) | Organic Net Sales<br>growth<br>H1 FY22 | of which Volume | of which Price/mix |
|---------------------------------------|--|--|-----------------|--------------------|
| Absolut                               | 6.9                                      | +23%                                   | +22%            | +1%                |
| Chivas Regal                          | 2.6                                      | +23%                                   | +25%            | (2)%               |
| Ballantine's                          | 5.3                                      | +29%                                   | +25%            | +4%                |
| Ricard                                | 2.4                                      | +2%                                    | +5%             | (3)%               |
| Jameson                               | 5.8                                      | +22%                                   | +22%            | +0%                |
| Havana Club                           | 2.4                                      | +12%                                   | (1)%            | +12%               |
| Malibu                                | 2.6                                      | +9%                                    | +5%             | +4%                |
| Beefeater                             | 2.0                                      | +31%                                   | +27%            | +4%                |
| Martell                               | 1.7                                      | +11%                                   | +14%            | (3)%               |
| The Glenlivet                         | 0.9                                      | +21%                                   | +16%            | +5%                |
| Royal Salute                          | 0.1                                      | +41%                                   | +40%            | +1%                |
| Mumm                                  | 0.6                                      | +24%                                   | +18%            | +6%                |
| Perrier-Jouët                         | 0.2                                      | +51%                                   | +38%            | +13%               |
| <b>Strategic International Brands</b> | <b>33.3</b>                              | <b>+19%</b>                            | <b>+18%</b>     | <b>+2%</b>         |

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### Sales Analysis by Period and Region

| Net Sales<br>(€ millions) | H1 FY21      |               | H1 FY22      |               | Change      |             | Organic Growth |             | Group Structure |            | Forex impact |            |
|---------------------------|--------------|---------------|--------------|---------------|-------------|-------------|----------------|-------------|-----------------|------------|--------------|------------|
|                           | Value        | %             | Value        | %             | Value       | %           | Value          | %           | Value           | %          | Value        | %          |
| Europe                    | 1,456        | 29.2%         | 1,797        | 30.2%         | +341        | +23%        | +300           | +21%        | +19             | +1%        | +22          | +2%        |
| Americas                  | 1,402        | 28.1%         | 1,638        | 27.5%         | +235        | +17%        | +196           | +14%        | +17             | +1%        | +22          | +2%        |
| Asia / Rest of World      | 2,127        | 42.7%         | 2,524        | 42.4%         | +397        | +19%        | +338           | +16%        | +0              | +0%        | +60          | +3%        |
| <b>World</b>              | <b>4,985</b> | <b>100.0%</b> | <b>5,959</b> | <b>100.0%</b> | <b>+974</b> | <b>+20%</b> | <b>+834</b>    | <b>+17%</b> | <b>+36</b>      | <b>+1%</b> | <b>+104</b>  | <b>+2%</b> |

| Net Sales<br>(€ millions) | Q2 FY21      |               | Q2 FY22      |               | Change      |             | Organic Growth |             | Group Structure |            | Forex impact |            |
|---------------------------|--------------|---------------|--------------|---------------|-------------|-------------|----------------|-------------|-----------------|------------|--------------|------------|
|                           | Value        | %             | Value        | %             | Value       | %           | Value          | %           | Value           | %          | Value        | %          |
| Europe                    | 811          | 29.5%         | 1,005        | 31.0%         | +193        | +24%        | +156           | +19%        | +19             | +2%        | +19          | +2%        |
| Americas                  | 729          | 26.5%         | 864          | 26.7%         | +135        | +19%        | +107           | +15%        | +0              | +0%        | +28          | +4%        |
| Asia / Rest of World      | 1,209        | 44.0%         | 1,373        | 42.3%         | +163        | +13%        | +122           | +10%        | +0              | +0%        | +41          | +3%        |
| <b>World</b>              | <b>2,750</b> | <b>100.0%</b> | <b>3,242</b> | <b>100.0%</b> | <b>+492</b> | <b>+18%</b> | <b>+386</b>    | <b>+14%</b> | <b>+19</b>      | <b>+1%</b> | <b>+87</b>   | <b>+3%</b> |

| Net Sales<br>(€ millions) | Q1 FY21      |               | Q1 FY22      |               | Change      |             | Organic Growth |             | Group Structure |            | Forex impact |            |
|---------------------------|--------------|---------------|--------------|---------------|-------------|-------------|----------------|-------------|-----------------|------------|--------------|------------|
|                           | Value        | %             | Value        | %             | Value       | %           | Value          | %           | Value           | %          | Value        | %          |
| Europe                    | 645          | 28.8%         | 793          | 29.2%         | +148        | +23%        | +144           | +22%        | +0              | +0%        | +4           | +1%        |
| Americas                  | 673          | 30.1%         | 773          | 28.5%         | +100        | +15%        | +89            | +13%        | +17             | +3%        | (6)          | (1)%       |
| Asia / Rest of World      | 918          | 41.0%         | 1,152        | 42.4%         | +234        | +26%        | +215           | +23%        | +0              | +0%        | +19          | +2%        |
| <b>World</b>              | <b>2,236</b> | <b>100.0%</b> | <b>2,718</b> | <b>100.0%</b> | <b>+482</b> | <b>+22%</b> | <b>+448</b>    | <b>+20%</b> | <b>+17</b>      | <b>+1%</b> | <b>+17</b>   | <b>+1%</b> |

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

### Summary Consolidated Income Statement

| (€ millions)   | H1 FY21 | H1 FY22 | Change |
|--|---------|---------|--------|
| Net sales  | 4,985   | 5,959   | 20%    |
| Gross Margin after logistics costs   | 3,021   | 3,640   | 20%    |
| Advertising and promotion expenses   | (706)   | (840)   | 19%    |
| Contribution after A&P expenditure   | 2,315   | 2,801   | 21%    |
| Structure costs  | (721)   | (803)   | 11%    |
| Profit from recurring operations   | 1,595   | 1,998   | 25%    |
| Financial income/(expense) from recurring operations   | (151)   | (102)   | -32%   |
| Corporate income tax on items from recurring operations  | (337)   | (436)   | 29%    |
| Net profit from discontinued operations, non-controlling interests and share of net income from associates | (20)    | (21)    | 8%     |
| Group share of net profit from recurring operations  | 1,087   | 1,438   | 32%    |
| Other operating income & expenses  | (61)    | (2)     | NA     |
| Financial income/(expense) from non-recurring operations   | (103)   | (32)    | NA     |
| Corporate income tax on items from non recurring operations  | 44      | (16)    | NA     |
| Non controlling interests (non-recurring)  |         | 3       |        |
| Group share of net profit  | 966     | 1,390   | 44%    |
| Non-controlling interests  | 18      | 21      | 17%    |
| Net profit   | 984     | 1,411   | 43%    |

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## Profit from Recurring Operations by Region

### World

| (€ millions)                     | H1 FY21 |        | H1 FY22 |        | Change |      | Organic Growth |      | Group Structure |     | Forex impact |     |
|----------------------------------|---------|--------|---------|--------|--------|------|----------------|------|-----------------|-----|--------------|-----|
| Net sales                        | 4,985   | 100.0% | 5,959   | 100.0% | +974   | +20% | +834           | +17% | +36             | +1% | +104         | +2% |
| Gross margin                     | 3,021   | 60.6%  | 3,640   | 61.1%  | +619   | +20% | +532           | +18% | +17             | +1% | +69          | +2% |
| Advertising & promotional spend  | (706)   | 14.2%  | (840)   | 14.1%  | (134)  | +19% | (111)          | +16% | (4)             | +1% | (19)         | +3% |
| Contribution after A&P spend     | 2,315   | 46.4%  | 2,801   | 47.0%  | +485   | +21% | +422           | +18% | +13             | +1% | +51          | +2% |
| Profit from recurring operations | 1,595   | 32.0%  | 1,998   | 33.5%  | +403   | +25% | +355           | +22% | +8              | +1% | +39          | +2% |

### Americas

| (€ millions)                     | H1 FY21 |        | H1 FY22 |        | Change |      | Organic Growth |      | Group Structure |     | Forex impact |     |
|----------------------------------|---------|--------|---------|--------|--------|------|----------------|------|-----------------|-----|--------------|-----|
| Net sales                        | 1,402   | 100.0% | 1,638   | 100.0% | +235   | +17% | +196           | +14% | +17             | +1% | +22          | +2% |
| Gross margin                     | 909     | 64.8%  | 1,070   | 65.3%  | +161   | +18% | +123           | +14% | +11             | +1% | +27          | +3% |
| Advertising & promotional spend  | (250)   | 17.8%  | (264)   | 16.1%  | (14)   | +6%  | (7)            | +3%  | (3)             | +1% | (5)          | +2% |
| Contribution after A&P spend     | 659     | 47.0%  | 806     | 49.2%  | +147   | +22% | +117           | +18% | +8              | +1% | +23          | +3% |
| Profit from recurring operations | 459     | 32.7%  | 595     | 36.3%  | +136   | +30% | +110           | +24% | +6              | +1% | +20          | +4% |

### Asia / Rest of the World

| (€ millions)                     | H1 FY21 |        | H1 FY22 |        | Change |      | Organic Growth |      | Group Structure |      | Forex impact |     |
|----------------------------------|---------|--------|---------|--------|--------|------|----------------|------|-----------------|------|--------------|-----|
| Net sales                        | 2,127   | 100.0% | 2,524   | 100.0% | +397   | +19% | +338           | +16% | +0              | +0%  | +60          | +3% |
| Gross margin                     | 1,232   | 57.9%  | 1,458   | 57.8%  | +226   | +18% | +198           | +16% | +0              | +0%  | +29          | +2% |
| Advertising & promotional spend  | (291)   | 13.7%  | (361)   | 14.3%  | (70)   | +24% | (58)           | +20% | (0)             | +0%  | (12)         | +4% |
| Contribution after A&P spend     | 940     | 44.2%  | 1,097   | 43.5%  | +157   | +17% | +140           | +15% | (0)             | (0)% | +17          | +2% |
| Profit from recurring operations | 674     | 31.7%  | 814     | 32.3%  | +140   | +21% | +128           | +19% | +0              | +0%  | +12          | +2% |

### Europe

| (€ millions)                     | H1 FY21 |        | H1 FY22 |        | Change |      | Organic Growth |      | Group Structure |     | Forex impact |     |
|----------------------------------|---------|--------|---------|--------|--------|------|----------------|------|-----------------|-----|--------------|-----|
| Net sales                        | 1,456   | 100.0% | 1,797   | 100.0% | +341   | +23% | +300           | +21% | +19             | +1% | +22          | +2% |
| Gross margin                     | 881     | 60.5%  | 1,112   | 61.9%  | +231   | +26% | +211           | +24% | +7              | +1% | +14          | +2% |
| Advertising & promotional spend  | (164)   | 11.3%  | (214)   | 11.9%  | (50)   | +30% | (46)           | +28% | (1)             | +1% | (2)          | +1% |
| Contribution after A&P spend     | 717     | 49.2%  | 898     | 50.0%  | +181   | +25% | +165           | +23% | +5              | +1% | +11          | +2% |
| Profit from recurring operations | 461     | 31.7%  | 589     | 32.7%  | +127   | +28% | +117           | +25% | +3              | +1% | +8           | +2% |

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

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### Foreign Exchange Impact

| Forex impact H1 FY22<br>(€ millions) |     | Average rates evolution |         |        | On Net Sales | On Profit from<br>Recurring<br>Operations |
|--------------------------------------|-----|-------------------------|---------|--------|--------------|---|
|                                      |     | H1 FY21                 | H1 FY22 | %      |              |   |
| US dollar                            | USD | 1.18                    | 1.16    | (1.7)% | +23          | +17                                       |
| Chinese yuan                         | CNY | 7.99                    | 7.47    | (6.6)% | +56          | +33                                       |
| Indian rupee                         | INR | 87.48                   | 86.52   | (1.1)% | +7           | +2  |
| Russian rouble                       | RUB | 88.61                   | 84.86   | (4.2)% | +8           | +6  |
| Argentinian peso                     | ARS | 90.61                   | 114.76  | +26.7% | (10)         | (4)                                       |
| Turkish Lira                         | TRL | 8.94                    | 11.42   | +27.8% | (19)         | (19)                                      |
| Pound sterling                       | GBP | 0.90                    | 0.85    | (5.8)% | +14          | (15)                                      |
| Other                                |     |                         |         |        | +25          | +19                                       |
| <b>Total</b>                         |     |                         |         |        | <b>+104</b>  | <b>+39</b>                                |

### Sensitivity of profit and debt to EUR/USD exchange rate

Estimated impact of a 1% appreciation of the USD

| Impact on the income statement <sup>(1)</sup>   | (€ millions) |
|---|--------------|
| Profit from recurring operations                | +15          |
| Financial expenses                              | (1)          |
| <b>Pre-tax profit from recurring operations</b> | <b>+14</b>   |

| Impact on the balance sheet            | (€ millions) |
|--|--------------|
| <b>Increase/(decrease) in net debt</b> | <b>+37</b>   |

(1) Full-year effect



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## Balance Sheet

| Assets<br>(€ millions)                            | 30/06/2021    | 31/12/2021    |
|---|---------------|---------------|
| <b>(Net book value)</b>                           |               |               |
| <b>Non-current assets</b>                         |               |               |
| Intangible assets and goodwill                    | 16,230        | 16,857        |
| Tangible assets and other assets                  | 3,963         | 4,146         |
| Deferred tax assets                               | 1,623         | 1,687         |
| <b>Total non-current assets</b>                   | <b>21,816</b> | <b>22,690</b> |
| <b>Current assets</b>                             |               |               |
| Inventories                                       | 6,555         | 6,694         |
| aged work-in-progress                             | 5,373         | 5,446         |
| non-aged work-in-progress                         | 84            | 82            |
| other inventories                                 | 1,098         | 1,166         |
| Receivables (*)                                   | 1,126         | 2,233         |
| Trade receivables                                 | 1,080         | 2,165         |
| Other trade receivables                           | 46            | 67            |
| Other current assets                              | 413           | 353           |
| Other operating current assets                    | 408           | 345           |
| Tangible/intangible current assets                | 6             | 8             |
| Tax receivable                                    | 141           | 77            |
| Cash and cash equivalents and current derivatives | 2,086         | 2,023         |
| <b>Total current assets</b>                       | <b>10,321</b> | <b>11,380</b> |
| Assets held for sale                              | 11            | 0             |
| <b>Total assets</b>                               | <b>32,147</b> | <b>34,070</b> |
| (*) after disposals of receivables of:            | 592           | 919           |

| Liabilities and shareholders' equity<br>(€ millions)         | 30/06/2021    | 31/12/2021    |
|--|---------------|---------------|
| <b>Group Shareholders' equity</b>                            | <b>14,829</b> | <b>15,757</b> |
| Non-controlling interests                                    | 246           | 265           |
| of which profit attributable to non-controlling interests    | 13            | 21            |
| <b>Total Shareholders' equity</b>                            | <b>15,075</b> | <b>16,022</b> |
| Non-current provisions and deferred tax liabilities          | 3,555         | 3,650         |
| Bonds non-current  | 8,787         | 8,236         |
| Lease liabilities - non current                              | 405           | 402           |
| Non-current financial liabilities and derivative instruments | 108           | 97            |
| <b>Total non-current liabilities</b>                         | <b>12,854</b> | <b>12,385</b> |
| Current provisions   | 163           | 151           |
| Operating payables   | 2,337         | 2,976         |
| Other operating payables                                     | 1,134         | 886           |
| of which other operating payables                            | 724           | 828           |
| of which tangible/intangible current payables                | 410           | 58            |
| Tax payable  | 282           | 423           |
| Bonds - current  | 70            | 785           |
| Lease liabilities - current                                  | 103           | 105           |
| Current financial liabilities and derivatives                | 128           | 337           |
| <b>Total current liabilities</b>                             | <b>4,218</b>  | <b>5,663</b>  |
| Liabilities held for sale                                    | 0             | 0             |
| <b>Total liabilities and shareholders' equity</b>            | <b>32,147</b> | <b>34,070</b> |

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## Analysis of Working Capital Requirement

| (€ millions)                                      | June 2020    | December 2020 | June 2021    | December 2021 | H1 FY21 WC change*               | H1 FY22 WC change*               |
|---|--------------|---------------|--------------|---------------|----------------------------------|----------------------------------|
| Aged work in progress                             | 5,084        | 5,135         | 5,373        | 5,446         | 67                               | 21                               |
| Advances to suppliers for wine and ageing spirits | 19           | 10            | 9            | 14            | (8)                              | 5                                |
| Payables on wine and ageing spirits               | (108)        | (161)         | (93)         | (147)         | (47)                             | (53)                             |
| <b>Net aged work in progress</b>                  | <b>4,995</b> | <b>4,984</b>  | <b>5,289</b> | <b>5,313</b>  | <b>11</b>                        | <b>(28)</b>                      |
| Trade receivables before factoring/securitization | 1,375        | 2,508         | 1,672        | 3,085         | 1,173                            | 1,360                            |
| Advances from customers                           | (38)         | (18)          | (21)         | (31)          | 19                               | (8)                              |
| Other receivables                                 | 343          | 354           | 445          | 399           | 27                               | (40)                             |
| Other inventories                                 | 1,006        | 932           | 1,098        | 1,166         | (62)                             | 10                               |
| Non-aged work in progress                         | 76           | 72            | 84           | 82            | (2)                              | (3)                              |
| Trade payables and other                          | (2,364)      | (2,870)       | (2,946)      | (3,626)       | (554)                            | (593)                            |
| <b>Gross operating working capital</b>            | <b>398</b>   | <b>978</b>    | <b>331</b>   | <b>1,075</b>  | <b>601</b>                       | <b>725</b>                       |
| Factoring/Securitization impact                   | (513)        | (750)         | (592)        | (919)         | (246)                            | (315)                            |
| <b>Net Operating Working Capital</b>              | <b>(115)</b> | <b>227</b>    | <b>(261)</b> | <b>155</b>    | <b>355</b>                       | <b>410</b>                       |
| <b>Net Working Capital</b>                        | <b>4,879</b> | <b>5,211</b>  | <b>5,028</b> | <b>5,468</b>  | <b>366</b>                       | <b>382</b>                       |
| * at average rates                                |              |               |              |               | Of which recurring variation     | Of which recurring variation     |
|   |              |               |              |               | <b>350</b>                       | <b>374</b>                       |
|   |              |               |              |               | Of which non recurring variation | Of which non recurring variation |
|   |              |               |              |               | <b>16</b>                        | <b>8</b>                         |

## Net Debt

| (€ millions)                                   | 30/06/2021     |              |              | 31/12/2021   |              |              |
|--|----------------|--------------|--------------|--------------|--------------|--------------|
|  | Current        | Non-current  | Total        | Current      | Non-current  | Total        |
| Bonds  | 70             | 8,787        | 8,857        | 785          | 8,236        | 9,021        |
| Syndicated loan                                | -              | -            | -            | -            | -            | -            |
| Commercial paper                               | 7              | -            | 7            | 170          | -            | 170          |
| Other loans and long-term debts                | 115            | 108          | 222          | 163          | 94           | 258          |
| Other financial liabilities                    | 122            | 108          | 229          | 333          | 94           | 428          |
| <b>Gross Financial debt</b>                    | <b>192</b>     | <b>8,894</b> | <b>9,086</b> | <b>1,118</b> | <b>8,330</b> | <b>9,448</b> |
| Fair value hedge derivatives – assets          | -              | (22)         | (22)         | (10)         | (4)          | (14)         |
| Fair value hedge derivatives – liabilities     | -              | -            | -            | -            | -            | -            |
| <b>Fair value hedge derivatives</b>            | <b>-</b>       | <b>(22)</b>  | <b>(22)</b>  | <b>(10)</b>  | <b>(4)</b>   | <b>(14)</b>  |
| Net investment hedge derivatives – assets      | -              | (43)         | (43)         | -            | (22)         | (22)         |
| Net investment hedge derivatives – liabilities | -              | -            | -            | -            | -            | -            |
| <b>Net investment hedge derivatives</b>        | <b>-</b>       | <b>(43)</b>  | <b>(43)</b>  | <b>-</b>     | <b>(22)</b>  | <b>(22)</b>  |
| <b>FINANCIAL DEBT AFTER HEDGING</b>            | <b>192</b>     | <b>8,830</b> | <b>9,022</b> | <b>1,108</b> | <b>8,305</b> | <b>9,413</b> |
| Cash and cash equivalents                      | (2,078)        | -            | (2,078)      | (1,997)      | -            | (1,997)      |
| <b>NET FINANCIAL DEBT EXCLUDING LEASE DEBT</b> | <b>(1,886)</b> | <b>8,830</b> | <b>6,944</b> | <b>(889)</b> | <b>8,305</b> | <b>7,416</b> |
| Lease Debt                                     | 103            | 405          | 508          | 105          | 402          | 507          |
| <b>NET FINANCIAL DEBT</b>                      | <b>(1,783)</b> | <b>9,235</b> | <b>7,452</b> | <b>(784)</b> | <b>8,707</b> | <b>7,923</b> |

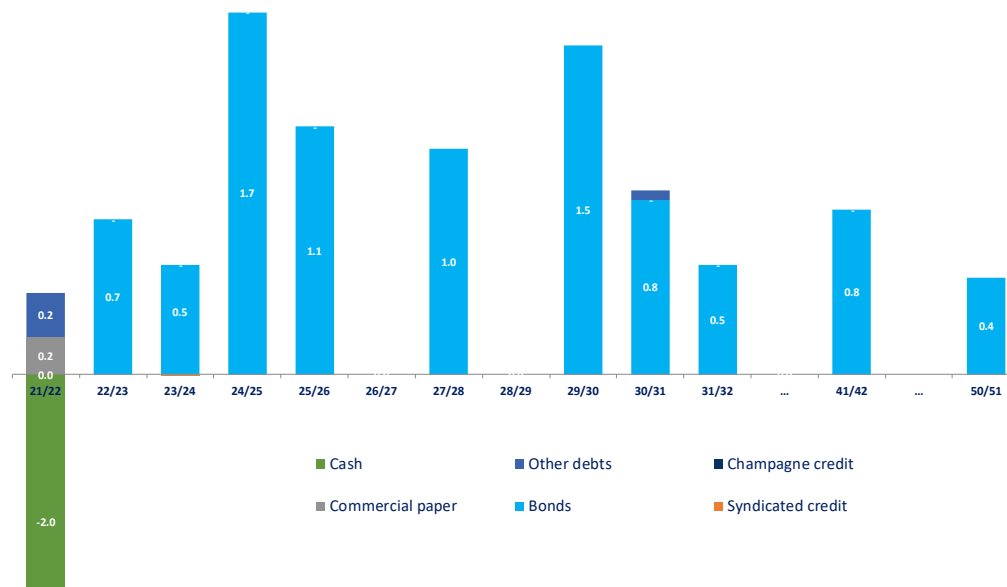
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## Change in Net Debt

| (€ millions)   | 31/12/2020   | 31/12/2021   |
|--|--------------|--------------|
| Operating profit   | 1,534        | 1,995        |
| Depreciation and amortisation  | 179          | 189          |
| Net change in impairment of goodwill, PPE and intangible assets  | 6            |              |
| Net change in provisions   | (31)         | (22)         |
| Retreatment of contributions to pension plans acquired from Allied Domecq and others                                       |              |              |
| Changes in fair value on commercial derivatives and biological assets  | (5)          | (3)          |
| Net (gain)/loss on disposal of assets  | 2            | (3)          |
| Share-based payments   | 15           | 17           |
| <b>Self-financing capacity before interest and tax</b>   | <b>1,699</b> | <b>2,173</b> |
| Decrease / (increase) in working capital requirements  | (364)        | (382)        |
| Net interest and tax payments  | (347)        | (313)        |
| Net acquisitions of non financial assets and others  | (153)        | (157)        |
| <b>Free Cash Flow</b>  | <b>835</b>   | <b>1,320</b> |
| <i>of which recurring Free Cash Flow</i>   | <i>995</i>   | <i>1,383</i> |
| Net acquisitions of financial assets and activities, contributions to pension plans acquired from Allied Domecq and others | (33)         | (464)        |
| Dividends paid   | (699)        | (820)        |
| (Acquisition) / Disposal of treasury shares and others   | (25)         | (292)        |
| <b>Decrease / (increase) in net debt (before currency translation adjustments)</b>   | <b>78</b>    | <b>(256)</b> |
| Foreign currency translation adjustment  | 406          | (168)        |
| Non cash impact on lease liabilities   | (40)         | (47)         |
| <b>Decrease / (increase) in net debt (after currency translation adjustments and IFRS 16 non cash impacts)</b>             | <b>443</b>   | <b>(471)</b> |
| Initial net debt   | (8,424)      | (7,452)      |
| Final net debt   | (7,980)      | (7,923)      |

## Net Debt Maturity at 31 December 2021

€ billions



Strong liquidity position at €5.4bn as of 31st December 2021, of which €3.4bn credit lines undrawn  
Gross debt after hedging at 31st December 2021 (excluding lease liabilities):

- 9% floating rate and 91% fixed rate
- 60% in EUR and 40% in USD

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### Bond details at 31 December 2021

| Currency | Par value       | Coupon | Issue date | Maturity date |
|----------|-----------------|--------|------------|---------------|
| EUR      | € 1,500 m o/w:  |        |            |               |
|          | € 500 m         | 0.000% | 24/10/2019 | 24/10/2023    |
|          | € 500 m         | 0.500% |            | 24/10/2027    |
|          | € 500 m         | 0.875% |            | 24/10/2031    |
|          | € 650 m         | 2.125% | 29/09/2014 | 27/09/2024    |
|          | € 1,500 m o/w:  |        |            |               |
|          | € 750 m         | 1.125% | 01/04/2020 | 07/04/2025    |
|          | € 750 m         | 1.750% |            | 08/04/2030    |
|          | € 500 m o/w:    |        |            |               |
|          | € 250 m         | 1.125% | 27/04/2020 | 07/04/2025    |
| € 250 m  | 1.750%          |        | 08/04/2030 |               |
|          | € 600 m         | 1.500% | 17/05/2016 | 18/05/2026    |
|          | € 500 m         | 0.125% | 04/10/2021 | 04/10/2029    |
| USD      | \$ 1,650 m o/w: |        |            |               |
|          | \$ 800 m        | 4.250% | 12/01/2012 | 15/07/2022    |
|          | \$ 850 m        | 5.500% |            | 15/01/2042    |
|          | \$ 600 m        | 3.250% | 08/06/2016 | 08/06/2026    |
|          | \$ 2,000 m o/w: |        |            |               |
|          | \$ 600 m        | 1.250% | 01/10/2020 | 01/04/2028    |
|          | \$ 900 m        | 1.625% |            | 01/04/2031    |
|          | \$ 500 m        | 2.750% |            | 01/10/2050    |

### Net Debt / EBITDA ratio evolution

|   | Closing rate | Average rate <sup>(1)</sup> |
|---|--------------|-----------------------------|
| EUR/USD rate 30/06/2021 -> 31/12/2021                                   | 1.19 -> 1.13 | 1.19 -> 1.18                |
| <b>Ratio at 30/06/2021</b>  | <b>2.6</b>   | <b>2.6</b>                  |
| EBITDA & cash generation excl. Group structure effect and forex impacts | -0.4         | -0.4                        |
| Group structure and forex impacts                                       | 0.2          | 0.1                         |
| <b>Ratio at 31/12/2021</b>  | <b>2.4</b>   | <b>2.4</b>                  |

(1) Last-twelve-month rate

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### Diluted Earnings Per Share (EPS) calculation

| (x 1,000)  | HY FY21        | HY FY22        |
|--|----------------|----------------|
| Number of shares in issue at end of period                     | 261,877        | 261,877        |
| Weighted average number of shares in issue (pro rata temporis) | 262,315        | 261,877        |
| Weighted average number of treasury shares (pro rata temporis) | (1,654)        | (1,656)        |
| Dilutive impact of stock options and performance shares        | 816            | 609            |
| <b>Number of shares used in diluted EPS calculation</b>        | <b>261,478</b> | <b>260,829</b> |

| (€ millions and €/share)  | HY FY21     | HY FY22     | reported<br>△ |
|---|-------------|-------------|---------------|
| Group share of net profit from recurring operations             | 1,087       | 1,438       | 32.3%         |
| <b>Diluted net earnings per share from recurring operations</b> | <b>4.16</b> | <b>5.51</b> | <b>32.6%</b>  |

### Upcoming Communications

| Date <sup>1</sup> | Event                         |
|-------------------|-------------------------------|
| 28 April 2022     | Q3 FY22 Sales conference call |
| 10 May 2022       | North America conference call |
| 8 June 2022       | Capital Market Day in Paris   |
| 24 June 2022      | Asia conference call          |

<sup>1</sup> The above dates are indicative and are liable to change