



Pernod Ricard

Créateurs de convivialité

SALES TO 30 SEPTEMBER 2018

18 October 2018

All growth data specified in this presentation refers to organic growth (constant FX and Group structure), unless otherwise stated. Data may be subject to rounding.

This presentation can be downloaded from our website: www.pernod-ricard.com





Pernod Ricard

+10.4%

Organic Sales

+7.2%

Reported Sales

Executive Summary

Very strong start, favoured by technical impacts

Growth to moderate in full-year FY19

Modest growth in the Americas: +2%

- **slower Q1 in USA**, due to shipment phasing, **although underlying trend remains broadly in line with market**
- **strong performance of Travel Retail**

Very dynamic Asia-RoW: +23%, boosted by technical impacts

- **strong growth across all categories in China**, further enhanced by advance shipments
- **particularly good Q1 in India** thanks to strong market conditions and value strategy, reinforced by favourable basis of comparison
- **strong performance in Travel Retail Asia and Africa Middle East**, but ongoing **difficulties in Korea**

Mixed performance in Europe: +1%

- **strong Sales in Eastern Europe**
- **France and Spain in decline**, with challenging markets



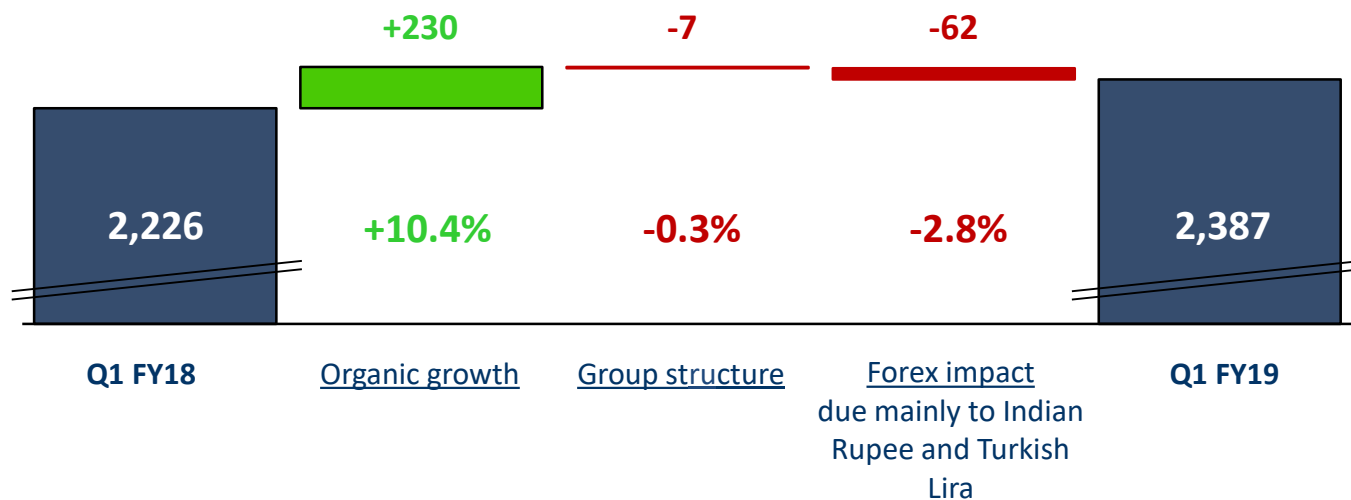
Pernod Ricard

+10.4%
Organic Sales

+7.2%
Reported Sales

Key figures

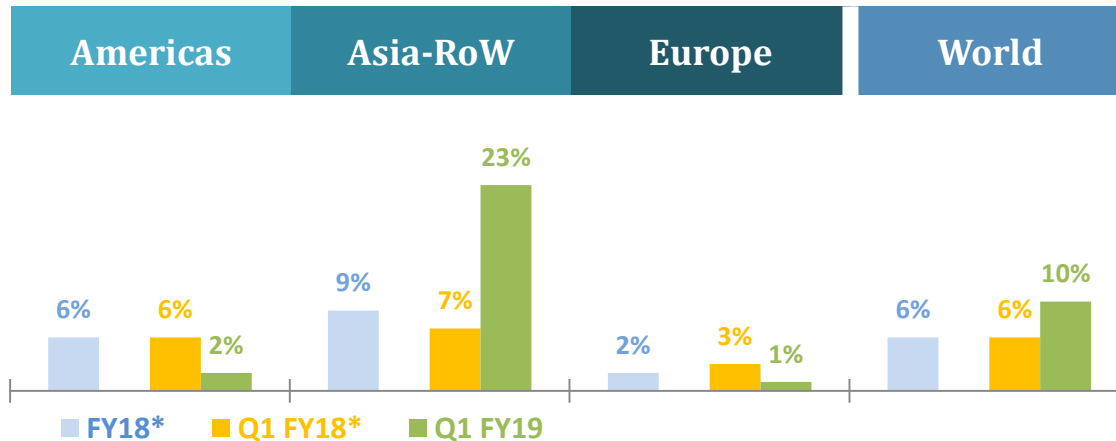
		<i>Q1 FY19 vs. Q1 FY18</i>
Sales	€ 2,387 m	+10.4% <i>Reported growth: +7.2%</i>
<i>Mature markets</i>	<i>€ 1,336 m</i>	<i>+2%</i>
<i>Emerging markets</i>	<i>€ 1,051 m</i>	<i>+23%</i>





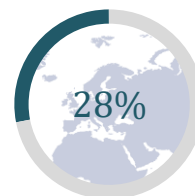
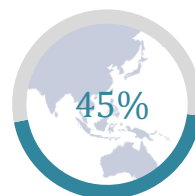
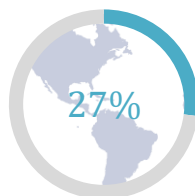
Very strong start driven by dynamism of Asia-ROW

Sales growth by Region



<p>Modest growth, driven by slower Q1 in USA (phasing), strong growth in Travel Retail, acceleration in Brazil but decline in Mexico (high comparison basis)</p>	<p>Very dynamic Asia-ROW, further enhanced by technical impacts, with strong growth in China (including advance shipments) and India (boosted by favourable basis of comparison)</p>	<p>Mixed performance in Europe, with strong Sales in Eastern Europe but challenging markets in France and Spain and high comparison basis leading to declines in UK and Germany</p>	<p>Very strong start, enhanced by positive technical impacts, with growth to moderate in full-year FY19</p>
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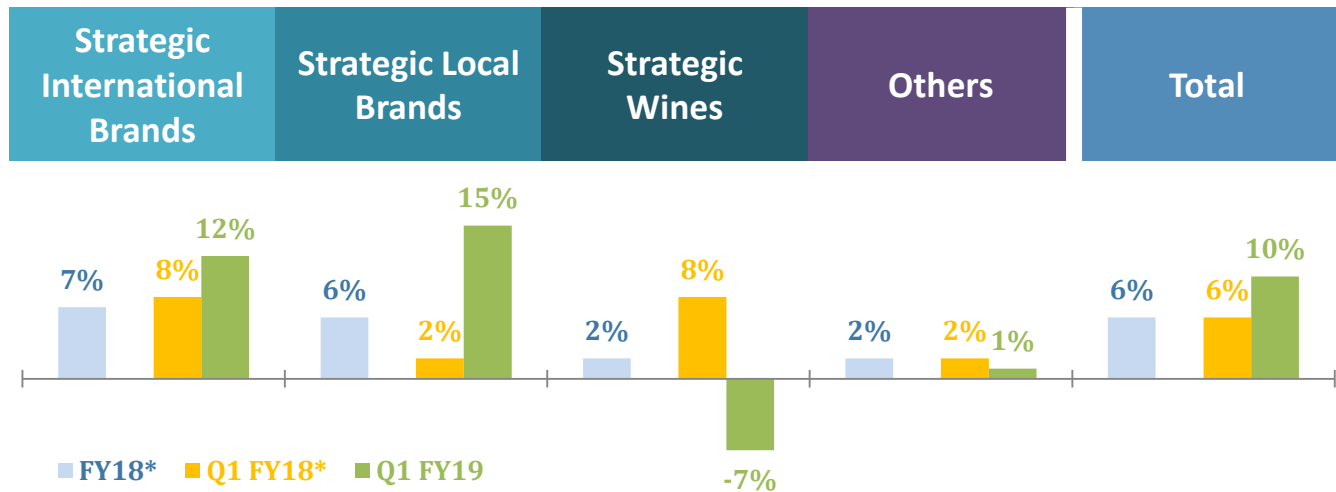
% of Sales





Acceleration driven by Strategic International and Local Brands

Sales growth by key category



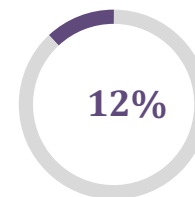
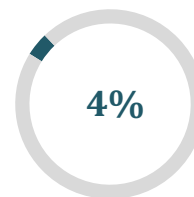
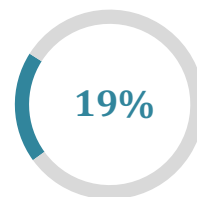
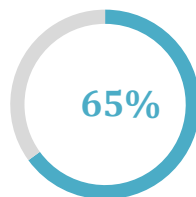
Growth acceleration broad-based, with improved growth from Martell and Scotch, continued strong performance from Jameson but Absolut in decline due to phasing in USA

Acceleration driven by Seagram’s Indian Whiskies, Ararat and Passport with continued strong growth from Olmeca / Altos

Decline driven by very high basis of comparison for Campo Viejo and implementation of clear value strategy on Jacob’s Creek (notably in UK)

Very strong performance of Lillet and Monkey 47

Very strong start, with growth to moderate in full-year FY19, in particular due to Martell coming back in line with medium-term high-single-digit volume growth target



% of Sales

Innovation: delivering +2% incremental Group topline growth

Price / mix: +2.9%

*FY18 growth rates pre-IFRS 15 restatement



+2%

Americas Sales

Americas

Modest growth

USA: +2%

- market growth stabilising around c. 4%¹
- **consistent implementation of diversified portfolio strategy²:**
 - **Jameson continued double-digit growth**, with Caskmates improving mix
 - **Absolut in decline**, with softer performance in recent months, in category that remains difficult
 - **very dynamic growth relays**, in particular Martell (+62%) and Altos (+24%)
- Sales negatively impacted by phasing, **although underlying performance remains broadly in line with market**

Canada: +3%

- **return to growth** driven by Strategic International Brands, in particular Absolut

Travel Retail Americas

- **continued strong performance** driven by Strategic International Brands, with Martell in good growth and Scotch accelerating

Latin America

- **Brazil: very strong start** across Strategic International and Local Brands (shipments partly favoured by national truck drivers' strike in Q4 FY18)
- **Mexico: decline** mainly linked to very high basis of comparison on Strategic International Brands. Improved underlying trends on whiskies and Absolut.



+23%

Asia-RoW
Sales

Asia-Rest of World

Very dynamic, partly favoured by technical impacts

China: +27%

- **dynamic demand across all key categories**
- **sell-in ahead of depletions**, due to wholesalers building inventories in advance of festive season
 - H1 to benefit from earlier Chinese New Year¹
 - Sales to normalise for full-year FY19, especially for Martell
- **Martell in strong growth** across all price segments
- **Chivas in double-digit growth**, continuing to respond positively to NBA platform activation
- **very good performance of growth relays**, in particular Absolut, The Glenlivet, Mumm and Jacob's Creek

India: +34%

- **very dynamic growth** across portfolio, benefiting from value strategy and further enhanced by cycling GST implementation and remainder of highway ban in Q1 FY18

Travel Retail Asia

- continued **very strong growth**, thanks in particular to Chinese and Korean travellers
- H1 to benefit from earlier Chinese New Year¹

Korea

- **still in decline** in difficult context, despite positive impact of innovation

Africa and Middle East

- **double-digit growth** thanks in particular to resilience of Turkish business and Nigeria



+1%

Europe Sales

Europe

Mixed performance

France: -4%

- **conditions still difficult**, with the market in decline
- pressure on whiskies and Aniseed categories

Spain

- market now flat¹ and increasingly competitive
- sell-in impacted by **destocking**

Germany

- **decline due to cycling very strong Q1 FY18**
- continued very strong development of aperitif segment, in particular Lillet

UK

- **slight decline** driven by Wines, linked to Campo Viejo Summer promotional phasing and implementation of value strategy
- **Strategic International Brands** in double-digit growth, with particularly strong performance from Beefeater, Absolut and Jameson

Travel Retail Europe

- **modest decline** due to soft start on Absolut and whiskies

Russia

- **strong Sales** across portfolio



Outlook

Continued execution of consistent strategy with clear resource allocation and support for must-win brands and markets

For FY19, in an uncertain geopolitical and monetary environment, Pernod Ricard expects:

- **broad-based Sales growth to continue, albeit moderating vs. Q1 FY19 in Asia**
- **improved pricing vs. FY18**
- **pressure on input costs**
- **FX impact on Profit from Recurring Operations slightly negative¹**

**Confirmation of FY19 Guidance:
Organic growth in Profit from Recurring Operations
between +5% and +7%**

Appendices

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.



Upcoming communications

DATE ¹	EVENT
Wednesday 21 November 2018	Annual General Meeting
Thursday 13 December 2018	North America conference call
Thursday 7 February 2019	H1 FY19 Sales & Results
Tuesday 19 March 2019	EMEA & LATAM conference call
Thursday 18 April 2019	Q3 FY19 Sales



Q1 FY19 Sales Analysis by Region

Net Sales (€ millions)	Q1 FY18		Q1 FY19		Change		Organic Growth		Group Structure		Forex impact	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Americas	639	28.7%	636	26.6%	(3)	0%	15	2%	(3)	0%	(15)	-2%
Asia / Rest of World	916	41.1%	1,084	45.4%	169	18%	208	23%	(0)	0%	(39)	-4%
Europe	671	30.2%	667	27.9%	(4)	-1%	7	1%	(4)	-1%	(8)	-1%
World	2,226	100.0%	2,387	100.0%	161	7%	230	10%	(7)	0%	(62)	-3%



Forex Impact on Q1 FY19 Sales

Forex impact Q1 FY19 (€ millions)		Average rates evolution			On Net Sales
		Q1 FY18	Q1 FY19	%	
US dollar	USD	1.17	1.16	-1.0%	6
Pound sterling	GBP	0.90	0.89	-0.6%	1
Chinese yuan	CNY	7.83	7.92	1.1%	(3)
Indian rupee	INR	75.51	81.65	8.1%	(22)
Turkish Lira	TRL	4.13	6.60	60.0%	(10)
Other					(33)
Total					(62)