

Q1 FY21 Sales

Press release - Paris, 22 October 2020

ENCOURAGING Q1 FY21: -6% ORGANIC SALES DECLINE (-10% REPORTED)
MARKED IMPROVEMENT VS. Q4 FY20 THANKS TO PARTIAL ON-TRADE REOPENING AND
CONTINUED BRAND RESILIENCE IN OFF-TRADE

Sales for the first quarter of FY21 totalled € 2,236 million, with an **organic decline of -6%, resulting from** the following channel dynamic:

- **Off-trade remaining very resilient** in the USA and Europe
- **Partial On-trade reopening**, though channel still disrupted
- **Travel Retail still in very significant decline**, in spite of some domestic travel resuming.

By geography, the following can be noted:

- **Good start in the USA and China**, with strong shipments ahead of festive season
- **India** in double-digit decline
- **Good resilience in Europe**, thanks to Off-trade and “staycation” over Summer. Continued strong dynamism in the UK and Germany, near stability in France but declines in Spain and Russia.

By category, Sales were driven by:

- **Strategic International Brands: -10%**, with significant declines for Martell, Chivas and Ballantine’s, due mostly to Travel Retail, but continued strong growth of Malibu and The Glenlivet, and resilience of Jameson
- **Strategic Local Brands: -6%**, with decline of Seagram’s Indian whiskies but double-digit growth of Kahlua, Passport, Ramazzotti and Wiser’s
- **Specialty Brands: +30%**, thanks in particular to Lillet, Malfy, Aberlour, Avion, Altos and Monkey 47
- **Strategic Wines: +9%**, driven by double-digit growth of Campo Viejo and Brancott Estate, and Jacob’s Creek at +8%

Reported Sales declined -10% due to unfavourable FX impacts, mainly from US Dollar and emerging market currencies.

Q2 expected to still be strongly impacted by Covid-19, but Sales to return to growth in H2.

As part of this communication, **Alexandre Ricard**, Chairman and Chief Executive Officer, stated,

“Our first quarter is encouraging. Sales were still in decline, but the business has recovered significantly vs. Q4 FY20, thanks to the partial reopening of the On-trade and the strong resilience of our brands in the Off-trade.

For FY21, we expect continued resilience of our business in an uncertain and disrupted environment. I would like to take this opportunity to praise our teams, whose engagement and performance are exemplary in these very challenging times. We will continue to implement our strategy, in particular accelerating our digital transformation. We will tightly manage costs while maintaining the agility to reinvest to adjust to market opportunities.”

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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 Q1 FY21 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 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.

About Pernod Ricard

Pernod Ricard is the No.2 worldwide producer of wines and spirits with consolidated sales of €8,448 million in FY20. Created in 1975 by the merger of Ricard and Pernod, the Group has developed through organic growth and acquisitions: Seagram (2001), Allied Domecq (2005) and Vin&Sprit (2008). Pernod Ricard, which owns 16 of the Top 100 Spirits Brands, holds one of the most prestigious and comprehensive brand portfolios in the industry, including: 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, Brancott Estate, Campo Viejo, and Kenwood wines. Pernod Ricard's brands are distributed across 160+ markets and by its own salesforce in 73 markets. The Group's decentralised organisation empowers its 19,000 employees to be true on-the-ground ambassadors of its vision of "Créateurs de Convivialité." As reaffirmed by the Group's strategic plan, "Transform and Accelerate," deployed in 2018, Pernod Ricard's strategy focuses on investing in long-term, profitable growth for all stakeholders. The Group remains true to its three founding values: entrepreneurial spirit, mutual trust, and a strong sense of ethics, as illustrated by the 2030 Sustainability and Responsibility roadmap supporting the United Nations Sustainable Development Goals (SDGs), "Good times from a good place." In recognition of Pernod Ricard's strong commitment to sustainable development and responsible consumption, it has received a Gold rating from Ecovadis. Pernod Ricard is also a United Nation's Global Compact LEAD company.

Pernod Ricard is listed on Euronext (Ticker: RI; ISIN Code: FR0000120693) and is part of the CAC 40 and Eurostoxx 50 indices.

Contacts

Julia Massies / VP, Financial Communications & Investor Relations	+33 (0) 1 70 93 17 03
Charly Montet / Investor Relations Manager	+33 (0) 1 70 93 17 13
Alison Donohoe / Press Relations Manager	+33 (0) 1 70 93 16 23
Emmanuel Vouin / Head of External Engagement	+33 (0) 1 70 93 16 34

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APPENDICES

Q1 FY21 Sales by Region

Net Sales (€ millions)	Q1 FY20		Q1 FY21		Change		Organic growth		Group structure		Forex impact	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Americas	674	27.1%	673	30.1%	(0)	-0%	+32	+5%	+20	+3%	(52)	-8%
Asia/Rest of World	1,116	44.9%	918	41.0%	(198)	-18%	(138)	-12%	+1	+0%	(61)	-5%
Europe	694	27.9%	645	28.8%	(49)	-7%	(32)	-5%	(2)	-0%	(14)	-2%
World	2,483	100.0%	2,236	100.0%	(248)	-10.0%	(138)	-5.6%	+18	+0.7%	(128)	-5.1%

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

Foreign exchange impact on Q1 FY21 Sales

Forex Impact Q1 FY21 (€ millions)		Average rates evolution			On Net Sales
		Q1 FY20	Q1 FY21	%	
US dollar	USD	1.11	1.17	+5.2%	(31)
Indian rupee	INR	78.31	86.95	+11.0%	(25)
Chinese Yuan	CNY	7.80	8.09	+3.7%	(12)
Russian rouble	RUB	71.86	86.32	+20.1%	(10)
Brazilian real	BRL	4.42	6.29	+42.4%	(9)
Other					(42)
TOTAL					(128)

Upcoming communications

Date ¹	Event
Friday 27 November 2020	Annual General Meeting
Tuesday 1 December 2020	EMEA & LATAM conference call
Thursday 11 February 2021	H1 FY21 Sales & Results

1. Dates are indicative and liable to change