



Pernod Ricard

Créateurs de convivialité

SALES TO 31 MARCH 2019

18 April 2019

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

+6.3%

**Organic
YTD Sales**

+2.5%

**Organic
Q3 Sales**

Executive Summary

Very strong and diversified YTD growth

Year-to-date: +6.3%, driven by Emerging markets (+15%)

- **Americas +3%:** good performance with USA broadly in line with market; start of USA wholesaler inventory optimisation in Q3
- **Asia-RoW +12%:** very strong performance driven by dynamic growth in China and India
- **Europe +1%:** very good Sales in Eastern Europe and contrasted performance in Western Europe

Q3: +2.5%, solid quarter as expected

- **Americas +2%:** improving performance in Latin America and shipments reflecting start of wholesaler inventory optimisation in USA
- **Asia-RoW +3%:** growth in line with expectations, with sustainable growth management of Martell following earlier Chinese New Year¹ and route-to-market change in Korea
- **Europe +2%:** improvement driven by very strong performance in Russia and UK, despite commercial dispute in France and Germany



Pernod Ricard

+6.3%

**Organic
YTD Sales**

+4.9%

**Reported
YTD Sales**

Key figures

		9M FY19 vs. 9M FY18
Sales	€ 7,188 m	+6.3% Reported growth: +4.9%
<i>Mature markets</i>	€ 4,009 m	stable
<i>Emerging markets</i>	€ 3,179 m	+15%
<i>Strategic International Brands</i>	€ 4,638 m	+8%
<i>Strategic Local Brands¹</i>	€ 1,328 m	+10%
<i>Specialty Brands</i>	€ 221 m	+14%
<i>Strategic Wines</i>	€ 340 m	-5%



Pernod Ricard

+6.3%

Organic YTD Sales

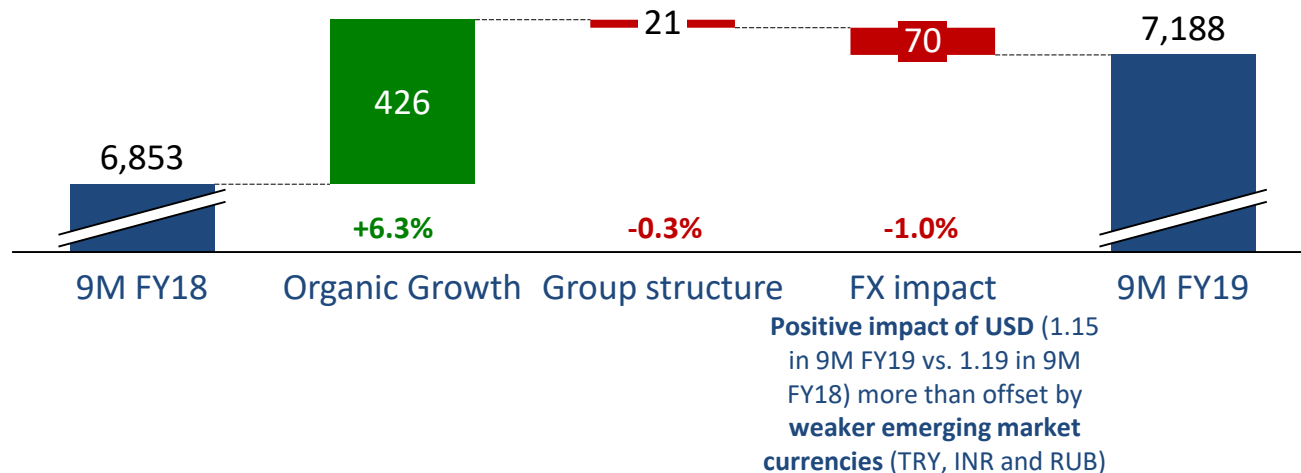
+4.9%

Reported YTD Sales

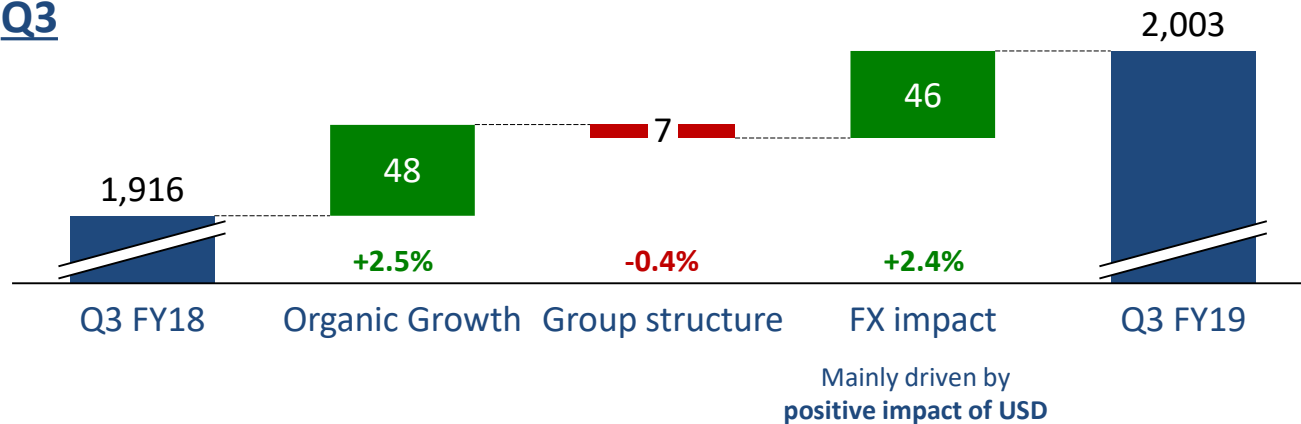
Key figures

In €ms

Year-to-date



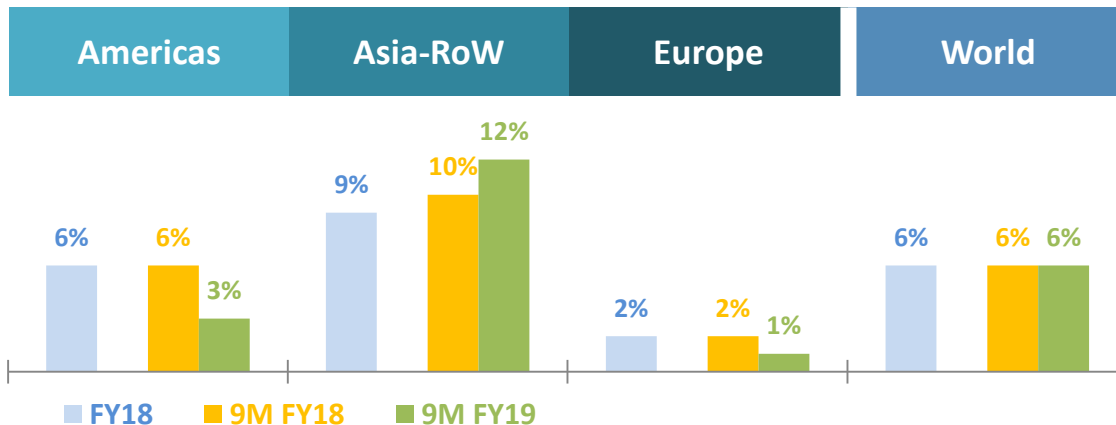
Q3



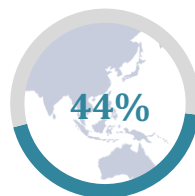
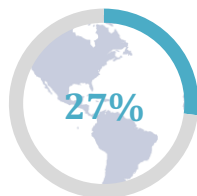


All Regions in growth

Sales growth by Region



Robust growth, with USA broadly in line with market and start of wholesaler inventory optimisation in Q3	Very dynamic growth thanks to China and India, despite route-to-market change in Korea	Continued strong momentum in Eastern Europe and contrasted performance in Western Europe	Very strong diversified YTD Sales
-----------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------	------------------------------------------



% of Sales



Sales growth by key category

Very strong diversified growth



Very strong growth driven by Martell, Jameson, Scotch, Beefeater and Perrier-Jouët, and strong price/mix	Continued dynamic performance, thanks to strong underlying fundamentals of Seagram’s Indian whiskies	Continued strong development, in particular Lillet, Monkey 47, higher style Irish Whiskey and Altos	Return to growth in Q3 thanks to Campo Viejo and Kenwood
----------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------	----------------------------------------------------------

Signing of agreement for the acquisition of super premium Italian gin Malfy



Note: FY18 figures above are pre-restatement for IFRS 15 norm
 1. Strategic Local Brands FY18 adjusted for removal of Imperial (including Imperial, FY18 was +6% and 9M FY18 +7%)



Pernod Ricard

+3%

YTD Sales in
Americas

Americas

Robust growth

USA: +2%, with Sell-out broadly in line with market at +c.4.5%¹

- **Jameson: continuation of very strong performance**, with investment strategy rebalanced throughout the year (less reliance on St Patrick's Day)
- **Absolut: in decline in difficult category**. Launch of "Planet Earth's Favorite Vodka" campaign and Absolut Juice innovation in Q4
- **continued double-digit development² of growth relays** Martell, Avion, Altos and The Glenlivet Founder's Reserve
- **dynamism of Specialty Brands within New Brand Ventures division**, in particular Monkey 47, Smooth Ambler and Del Maguey
- **Q3 shipments reflecting finished goods inventory optimisation** at wholesalers to deliver operational efficiencies. Total impact across H2 expected at c. 2 weeks shipments¹

Canada

- **good diversified growth**, including double-digit performance for Absolut following "Planet Earth's Favorite Vodka" campaign launch in Q2

Travel Retail Americas

- **growth driven by Strategic International Brands**, in particular blended Scotch, Malts and Martell

Latin America: +6%

- **strong diversified growth in Brazil (+10%)**, particularly on Beefeater and Scotch
- **Mexico: return to growth in Q3**, thanks to Passport and Absolut

¹ Internal estimate

² Nielsen data to 23 March 2019



Pernod Ricard

+12%

**YTD Sales in
Asia-RoW**

Asia-Rest of World

Continued very dynamic growth

China: +21%

- **strong Chinese New Year**
- **Martell momentum continuing**, with **very strong growth across all segments** and +5% price increase across brand from 1st February 2019. Q4 to be impacted by **inventory management of Martell**, to ensure growth sustainability
- **Chivas in continuing growth**, thanks to successful relaunch campaign
- **premium brands continuing very strong performance**, most notably on Absolut and Jacob's Creek
- **distribution agreement** with Domaines Barons de Rothschild (Lafite) with effect from FY20

India: +19%

- **very strong growth across whole portfolio** including Seagram's Indian Whiskies, international spirits and Jacob's Creek

Korea

- double-digit decline linked mainly to **destocking of Imperial in Q3** ahead of distribution handover to Drinks International on 1 April 2019
- Strategic International Brands impacted by **restructuring** - organisational changes now complete

Travel Retail Asia

- **growth** driven by Martell, The Glenlivet, blended whiskies and Perrier-Jouët

Africa and Middle East

- **double-digit growth** thanks to Beefeater, Scotch, Absolut and Jameson
- **very strong performance in Turkey**, with very strong pricing and good volume growth and mix



Pernod Ricard

+1%

YTD Sales in
Europe

Europe

Strong momentum in Eastern Europe and contrasted performance in Western Europe

France: -3%

- Q3 impacted by **commercial dispute**
- **Ricard in growth** and dynamism of growth relays Absolut, Beefeater, The Glenlivet and Lillet, but difficulties for whisky category
- new “**Egalim**” law expected to impact Sales negatively from Q4

Spain

- **modest decline**
- continued **good performance of Seagram’s Gin** but pressure on Ballantine’s and Beefeater

Germany

- **decline driven by commercial dispute**
- **Lillet** continuing to perform strongly

UK

- **double-digit Sell-out for spirits**, driven by Gin, Jameson, Chivas and Absolut
- slight decline YTD driven by value approach on Wines but **back to growth in Q3** thanks to strong rebound on Campo Viejo

Travel Retail Europe

- **good performance**, thanks to Strategic International Brands, in particular whisky portfolio and Beefeater

Russia: +13%

- **very strong performance across portfolio**, most notably Ballantine’s, Jameson, Ararat and Absolut



Conclusion & Outlook

Very strong and diversified YTD Sales

For full-year FY19, in uncertain environment, Pernod Ricard expects:

- **good diversified growth to continue** with Martell sustainable growth management and USA wholesaler inventory optimisation
- continuation of **good price-mix**
- **completion of €200m** FY16-20 operational excellence roadmap P&L savings, by end FY19
- **continued investment in A&P, strong strategic inventory build and capex** to ensure sustainable long-term growth
- **c.50 bps organic improvement in Profit from Recurring Operations (“PRO”) margin**
- **FX** impact of c.+€20m¹ on PRO

Increased FY19 Guidance²:
Organic growth in PRO of c. +8%

1. Based on average FX rates for full FY19 projected on 11 April 2019, particularly EUR/USD = 1.14
2. Guidance provided to market on 29 August 2018 of organic growth in PRO of between +5% and +7%, increased to between +6% and +8% on 7 February 2019

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 us 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
Tuesday 4 June 2019	Asia Conference call
Tuesday 25 June 2019	Marketing in the digital age Conference Call
Thursday 29 August 2019	FY19 Full-year Sales & Results
Wednesday 16 October 2019	Q1 FY20 Sales
Friday 8 November 2019	Annual General Meeting



Sales Analysis by Region

Net Sales (€ millions)	H1 FY18		H1 FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,369	27.7%	1,389	26.8%	20	1%	51	4%	(5)	0%	(26)	-2%
Asia / Rest of the World	2,015	40.8%	2,266	43.7%	251	12%	323	16%	(0)	0%	(73)	-4%
Europe	1,552	31.4%	1,530	29.5%	(23)	-1%	4	0%	(9)	-1%	(17)	-1%
World	4,937	100.0%	5,185	100.0%	248	5%	378	8%	(14)	0%	(115)	-2%

Net Sales (€ millions)	Q3 FY18		Q3 FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	530	27.6%	567	28.3%	37	7%	11	2%	(4)	-1%	31	6%
Asia / Rest of the World	878	45.8%	922	46.0%	44	5%	27	3%	(0)	0%	17	2%
Europe	509	26.6%	515	25.7%	6	1%	11	2%	(3)	-1%	(2)	0%
World	1,916	100.0%	2,003	100.0%	87	5%	48	3%	(7)	0%	46	2%

Net Sales (€ millions)	9M FY18		9M FY19		Change		Organic Growth		Group Structure		Forex impact	
Americas	1,899	27.7%	1,956	27.2%	57	3%	61	3%	(9)	0%	5	0%
Asia / Rest of the World	2,893	42.2%	3,188	44.3%	295	10%	350	12%	(0)	0%	(56)	-2%
Europe	2,061	30.1%	2,044	28.4%	(17)	-1%	14	1%	(12)	-1%	(19)	-1%
World	6,853	100.0%	7,188	100.0%	335	5%	426	6%	(21)	0%	(70)	-1%



Forex Impact on 9M Sales

Forex impact 9M FY19 (€ millions)		Average rates evolution			On Net Sales
		FY18	FY19	%	
US dollar	USD	1.19	1.15	-3.8%	70
Indian rupee	INR	76.97	81.34	5.7%	(47)
Turkish Lira	TRL	4.43	6.31	42.3%	(22)
Russian Rouble	RUB	69.34	75.71	9.2%	(15)
Pound sterling	GBP	0.89	0.88	-0.6%	2
Other currencies					(57)
Total					(70)



Pernod Ricard

Créateurs de convivialité