

CAPITAL
**MARKETS
DAY 2022**
Pernod Ricard

SUSTAINABLE VALUE CREATION



HÉLÈNE DE TISSOT
EVP Finance, IT & Operations

From profitable growth to stretched growth



Growth amplified by our advantaged geographical footprint and leveraging our diversified growth profile

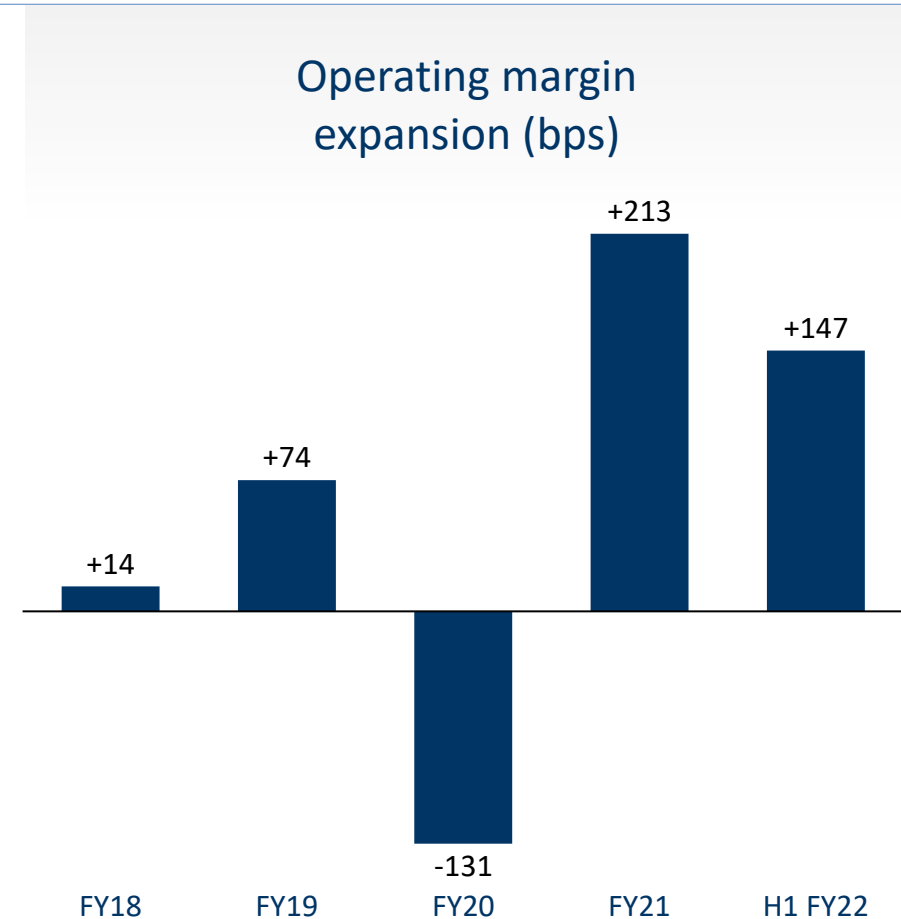
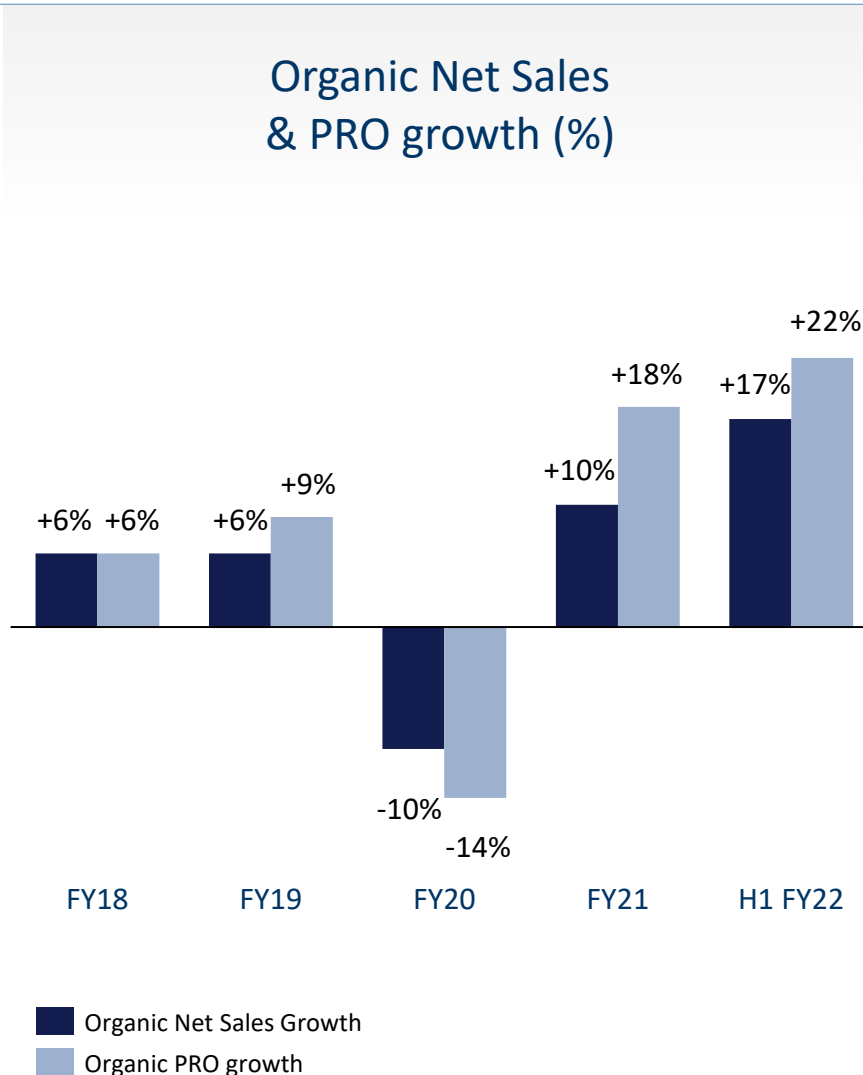
Leveraging our 4 must-win markets by building on favorable market trends and competitive advantages

<u>H1 FY22 vs. pre Covid</u>	<u>Reiterating our Ambition</u>
 +17%	Mid-single digit
 +28%	High-single to low-double digit
 +12%	Low-double digit
 -41%	Strong Value leadership

An increasingly balanced geographical growth profile

<u>Contribution to growth H1 FY22 vs. H1 FY21</u>		
Europe	36%	With strong topline acceleration & market share gains
Americas	24%	With market dynamism across categories and strong momentum
Asia-RoW	40%	With excellent growth driven by China, India and Turkey

Sales momentum fueling operating leverage expansion while continuing to invest long-term behind our brands

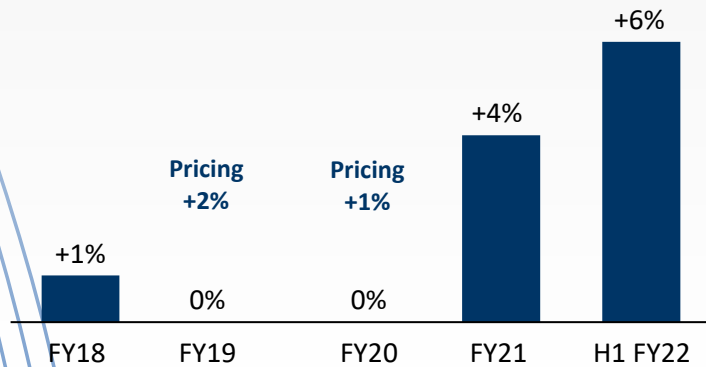


Confirmation of FY22 guidance

Organic Growth in Profit from Recurring Operations at c. +17%
 With Dynamic topline growth and increased investments driving some operating margin expansion

Focus on driving price/mix by leveraging our revenue growth management capabilities

Strong price/mix,
with promotional effectiveness and
active price management



Bold pricing actions across
all geographies with
continued momentum



The Conviviality Platform enabling
stronger value
from data-driven pricing
and optimized revenue
from promotions



Culture of “Excellence in Operation” delivering sustainable operational efficiencies

Annual Incremental Savings FY19 to FY21

c. €100m/yr



Continuing to drive future efficiencies

Packaging Value Creation

Sustainable pack design: reducing weight, removing gift boxes, optimising closures, enabling recyclability



Manufacturing Footprint Optimisation

Dynamic production site optimisation generating fixed cost reduction



Leveraging Consumer Trends leading to Wet goods optimisations



Enhanced procurement capabilities through “PR Procure”



Agility and resilience to address supply chain tensions, leveraging our strong long-term partnerships



Fit-for-purpose organization bolstering the Group transformation

Leveraging efficiencies, recruiting new skills and adapting our organization to support/ strengthen the Group transformation



1

Active and agile resource management with swift cost mitigation when needed, as illustrated during Covid

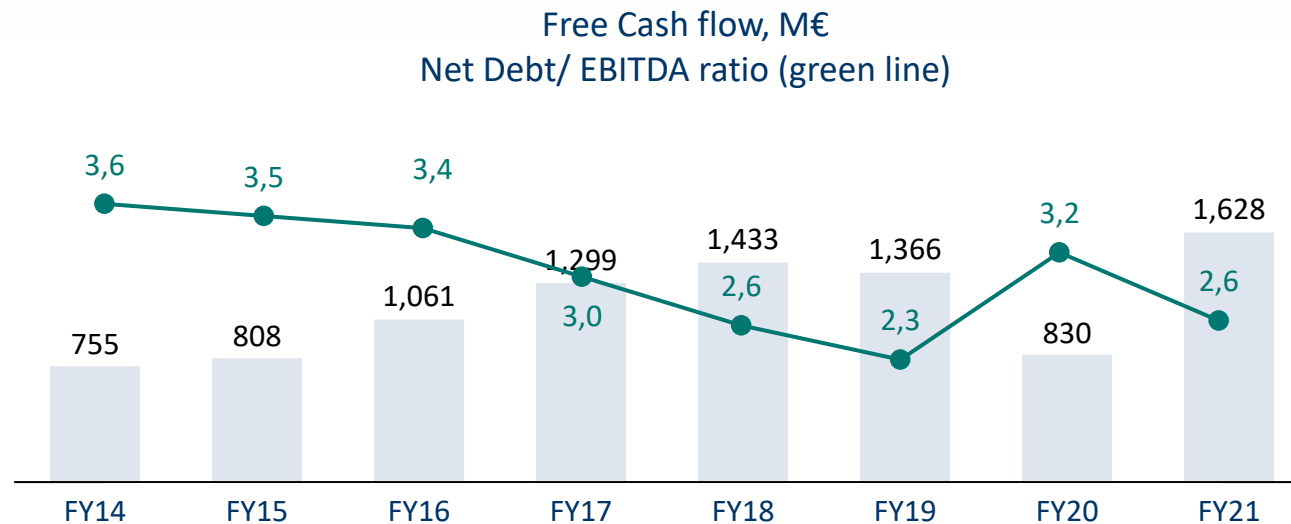
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Agile yet disciplined reinvestment seizing the growth momentum & accelerating pace of transformation

	FY18	FY19	FY20	FY21	H1 FY22
Net Sales growth	+6%	+6%	-10%	+10%	+17%
Structure Costs growth	+5%	+4%	-5% ¹	+1%	+9% ²
			H1:-2% H2:-9%		

Strong cash flow performance accelerating deleveraging

Accelerated sales growth, improved margin combined with significant deleveraging translating into a sound balance sheet, illustrated by our strong Investment-Grade credit rating at BBB+/Baa¹



Strong cash delivery with
historically high Free Cash Flow²

Strong, consistent cash
conversion

while increasing investments
in Capex³

and in ageing stocks⁴

to fuel our future organic growth

1. Upgraded from BBB/Baa2 to BBB+/Baa1 in October 2019

2. As at H1 FY22

3. From c. 3% in FY14 to c. 5% expected in full year FY22, % of Net Sales

4. c. 300M€/yr

Strong Balance Sheet driving long term value creation

CONFIRMED FINANCIAL POLICY PRIORITIES

While retaining investment grade rating:

- 1 Investment in future **organic growth**, in particular through strategic inventories and capex
- 2 Continued **active portfolio management**, including value-creating M&A
- 3 **Dividend distribution at c.50%** of Net Profit from Recurring Operations
- 4 **Share buy-back**, when above priorities are fulfilled

Investing sustainably in our future organic growth

1

Increasing investments in ageing stocks

c. €5.4bn
ageing stocks
on Balance
Sheet¹

FY14-FY18

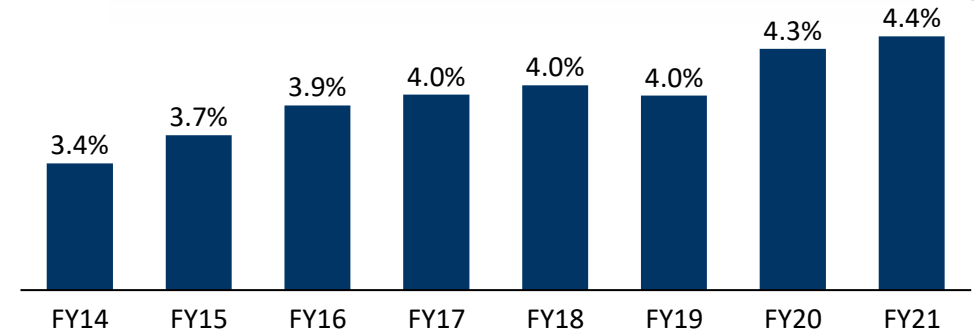
FY19-FY21

c. 200M€/yr

c. 300M€/yr

Accelerating our Capex investments, including digital and technology

c. 5%
expected
for FY22



Increase in strategic stocks, €m



Eaux-de-vie sourcing
investment in cognac
growth at all levels of
premiumness



Investment in facilities to
extend Jameson and
Redbreast ageing stock
storage

Ratio CAPEX to Net Sales



The CHUAN distillery
first ever malt distillery in
China by an international
player

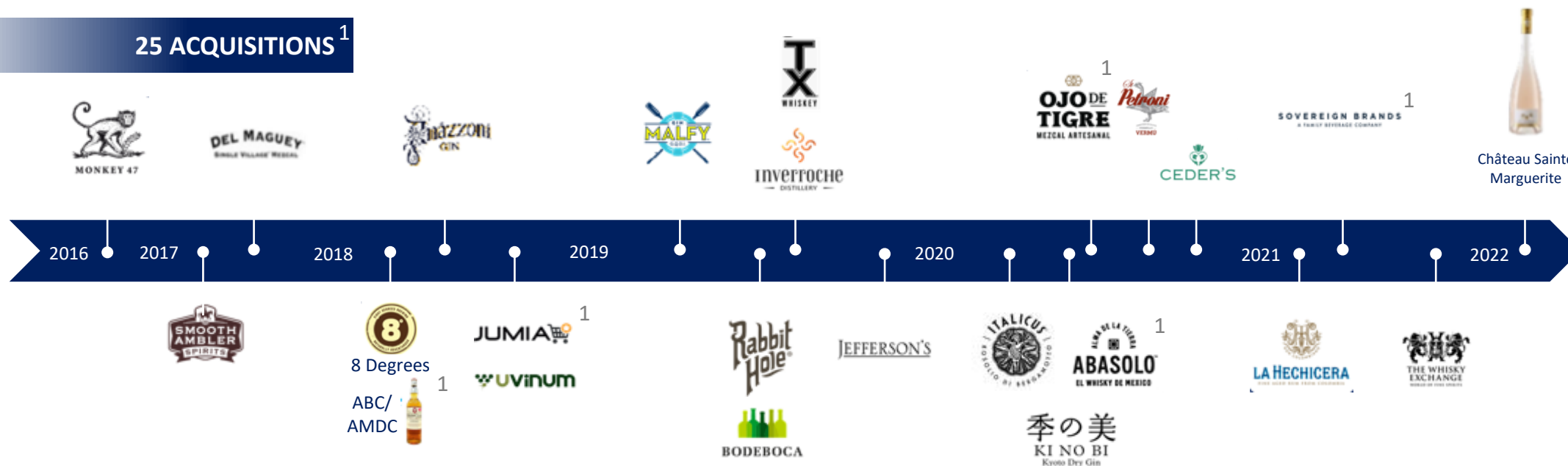


Investment in our
Aberlour and Milnford
distilleries to upgrade
sustainable distillation
technologies and increase
capacity

Accelerating our dynamic portfolio management over the past 5 years

2

25 ACQUISITIONS¹



8 DISPOSALS



1. Or acquisition of minority stake

Strong track-record of acquiring and scaling promising brands across categories, pursuant to our M&A strategic roadmap

Build a scalable
US whiskey portfolio



x2

Accelerate in Super
Premium+ Gin category



x4



x5

Increase
our agave exposure



x3

Diversify
our routes-to-market



x5

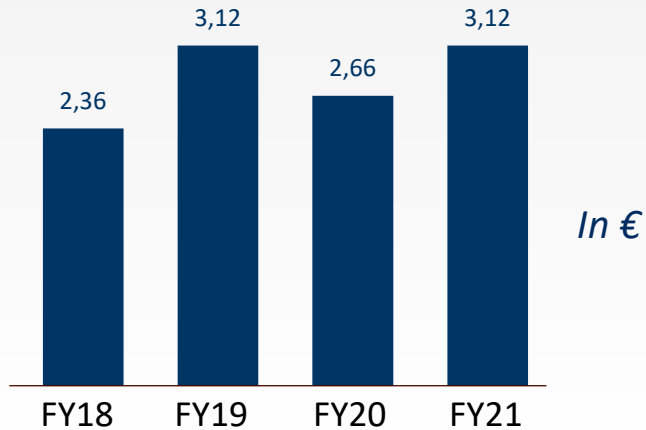
Net Sales growth since acquisition

Maximising long-term value creation for shareholders

3

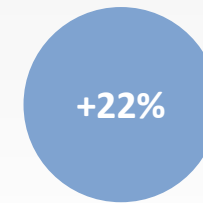
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+10% CAGR dividend per share

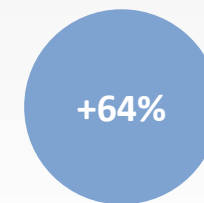


Strong Total Shareholder Return¹

3 Year



5 Year



Significant reduction in recurring financial expenses thanks to active debt management, resulting in:

Average cost of debt at 2.2% in H1FY22 (from 3.6% in FY20)

Smoother debt profile extended average bond maturity from 5 to 7 yrs

c. 50% of bond debt refinanced since FY19

Share Buy Back

c. €1.25bn

of shares repurchased since FY20

1. TSR calculation method used is a last month method (date to date) with reintegration of dividends with a closing date 2nd June 2022

Maximising long term value creation with the Conviviality Platform

Mid-term ambition FY23 to FY25

+4 to +7% annual topline growth aiming for the upper end of the range

- Stretching our topline growth with the Conviviality Platform
- Building on our key competitive advantages, leveraging our broad-based portfolio and balanced geographical footprint

Focus on **pricing, further enhanced by our digital proprietary predictive tools**

Continuous improvement in **operational efficiency, building on our culture of excellence**

Significant A&P investment, maintained at c. 16% of Sales, with higher return on investments leveraging Key Digital Programs

Discipline on Structure costs, investing in priorities while maintaining an agile organisation, aiming at increase below topline growth

Operating leverage of c.50-60 bps pa, provided topline within +4 to +7% range

Confirmed financial policy priorities