

FY21 Full-year Sales and Results  
Press release - Paris, 1 September 2021

**EXCELLENT REBOUND WITH SALES AND PRO<sup>1</sup> ABOVE FY19 LEVELS<sup>2</sup> AND STRONG  
GROWTH MOMENTUM**

**+10% ORGANIC SALES GROWTH (+4% REPORTED)  
+18% ORGANIC GROWTH IN PRO (+7% REPORTED)**

**RECURRING FREE CASH FLOW OF €1,745M, AT HISTORICAL HIGH**

**SALES**

**Sales for FY21 totalled €8,824m, with organic growth of +9.7%.** Reported Sales growth was +4.5% due to a significant adverse FX impact resulting from USD and Emerging market currency depreciation vs. Euro.

**FY21 Sales grew in all regions:**

- **Americas: +14%**, excellent broad-based growth with the USA, Canada and South America offsetting decline in Travel Retail
- **Asia-RoW: +11%**, very strong growth mainly driven by China, Korea and Turkey, and to a lesser extent India
- **Europe: +4%**, dynamic rebound with the UK, Germany and Eastern Europe offsetting declines in Spain, Ireland and Travel Retail.

By category:

- **Strategic International Brands: +11%**, very strong rebound, primarily driven by Martell in China and Jameson in the USA
- **Strategic Local Brands: +7%**, driven by recovery of Seagram's Indian whiskies, Kalhua, Passport and Ramazzotti
- **Specialty Brands: +28%**, continued very strong growth of Lillet, Aberlour, Malfy, American whiskeys, Avion and Redbreast
- **Strategic Wines: stable**, with Campo Viejo growth offset by decline of Jacob's Creek and Kenwood.

**Innovation grew +22%.**

**Price/mix was +4%** on Strategic brands.

**Q4 Sales were €1,883m**, +56.5% organic growth, on a low basis of comparison.

FY21 saw **very strong and diversified growth driven by domestic Must-wins** with the USA and China reaching record Sales above \$2bn and €1bn. **Premiumisation was strong**, thanks to growth of Strategic International Brands and Specialty Brands. Pernod Ricard **gained market share** in most key markets.

**Business transformation momentum is strong**, with **significant investments behind priority brands and markets**, strong progress in **digital transformation**, strong e-commerce growth (+63%) and **acceleration of the sustainability roadmap**.

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

<sup>2</sup> At constant FX

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## **RESULTS**

**FY21 PRO was €2,423m, an organic growth of +18.3%** (+7.2% reported) with a very strong organic operating margin expansion of +213bps:

- **Gross margin expanding +64bps** driven by:
  - ✓ **Stable pricing** with fewer price increases in Covid context
  - ✓ **Better fixed cost absorption** from volume growth and **operational excellence savings**
- **A&P ratio at c. 16%**, resulting from purpose-based investment, with quick response to channel shifts and strong reinvestment in markets and categories returning to growth
- **Structure costs: +136bps**, reflecting very strict discipline and FY20 reorganisations. A strong increase is expected in FY22 to support future growth
- PRO includes **+€28m from USA drawback**
- **Significant FX impact** on PRO -€255m due to USD and Emerging market currency depreciation vs. Euro.

The FY21 corporate income **tax rate** on recurring items was **24.3%, in line with that of FY20**, with geographical mix offsetting the positive effect of the French tax rate reduction.

**Group share of Net PRO was €1,612m, +12%** reported vs. FY20.

**Group share of Net profit was €1,305m, +297%** reported, a significant increase due mainly to non-recurring items in FY20, in particular a €1bn impairment charge.

## **CASH FLOW AND DEBT**

**Cash performance was outstanding, with Recurring Free Cash Flow at €1,745m**, its historical high.

**The average cost of debt stood at 2.8% vs. 3.6% in FY20**, thanks to successful bond refinancing.

**Net debt decreased by €972m vs. 30 June 2020 to €7,452m** driven primarily by a very significant Free Cash Flow improvement linked to business recovery. **The Net Debt/EBITDA** ratio at average rates<sup>1</sup> was **2.6x** at 30 June 2021.

The return to stakeholders is significant:

- **A dividend of €3.12** is proposed for the Annual General Meeting of 10 November 2021, back to the historical high of FY19
- The remaining c. €0.5bn **Share buyback programme will resume in FY22**
- A second **employee ownership programme** will take place in FY22<sup>2</sup>.

<sup>1</sup> Based on average EUR/USD rates: 1.19 in FY21

<sup>2</sup> Subject to AMF approval (and to AGM of 10 November 2021 if launched after that date)

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## **WINNING STRATEGY**

The Transform & Accelerate strategy launched in 2018 has driven **significant achievements**. The **fundamental consumer insights driving the strategy are now more compelling than ever**. As a result, Pernod Ricard will continue its transformational journey to become **The Conviviality Platform**. This strategy seeks to **maximise long-term value creation**, with the following medium-term ambition (in a normalised context):

### Embed dynamic growth and deliver operating leverage

- **+4 to +7% topline growth**, leveraging key competitive advantages and consistent investment behind key priorities
- Focus on **pricing** and building new **operational excellence** initiatives
- **Significant A&P investment**, maintained at c.16% of Sales, with strong arbitration to support must-win brands and markets while stimulating innovation
- **Discipline on Structure costs**, investing in priorities while maintaining agile organisation, with growth below topline growth rates
- **Operating leverage of c.50-60 bps pa**, provided topline within +4 to +7% bracket

### Financial policy priorities, while retaining Investment grade ratings:

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** programme (to resume in FY22)

A comprehensive strategic update will be provided during a capital market day in FY22.

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

*"The business rebounded very strongly during FY21 to exceed FY19 levels. We expect this good Sales momentum to continue in FY22 with, in particular, a very dynamic Q1. I would like to take this opportunity to praise the exceptional commitment of our teams during this difficult time and express my support to those who have been or continue to be impacted by this pandemic.*

*We will stay the strategic course, accelerating our digital transformation and our ambitious Sustainability & Responsibility roadmap. Thanks to our solid fundamentals, our teams and our brand portfolio, we are emerging from this crisis 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 FY21 Sales and Results can be downloaded from our website: [www.pernod-ricard.com](http://www.pernod-ricard.com)

Audit procedures have been carried out on the financial statements. The Statutory Auditors' report will be issued after examination of the management report and completion of procedures required for the filing of the Universal registration document."

### 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 of €8,824 million in FY21. 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

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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 FY21 (in 9Lcs millions)	Organic Sales growth FY21	Volumes	Price/mix
Absolut	10.5	5%	2%	3%
Chivas Regal	3.6	3%	-1%	4%
Ballantine's	7.6	1%	6%	-5%
Ricard	4.2	-1%	1%	-3%
Jameson	8.6	15%	14%	1%
Havana Club	4.3	-4%	3%	-7%
Malibu	4.8	24%	22%	2%
Beefeater	2.9	-5%	-6%	2%
Martell	2.4	24%	20%	3%
The Glenlivet	1.4	19%	16%	3%
Royal Salute	0.2	-6%	-12%	6%
Mumm	0.7	12%	12%	0%
Perrier-Jouët	0.3	5%	6%	0%
Strategic International Brands	51.5	11%	7%	4%

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### Sales Analysis by Period and Region

Net Sales (€ millions)	FY20		FY21		Change		Organic Growth		Group Structure		Forex impact	
Americas	2,449	29.0%	2,627	29.8%	178	7%	336	14%	85	3%	(244)	-10%
Asia / Rest of World	3,467	41.0%	3,640	41.2%	173	5%	372	11%	1	0%	(201)	-6%
Europe	2,532	30.0%	2,557	29.0%	26	1%	101	4%	(11)	0%	(64)	-3%
<b>World</b>	<b>8,448</b>	<b>100.0%</b>	<b>8,824</b>	<b>100.0%</b>	<b>376</b>	<b>4%</b>	<b>810</b>	<b>10%</b>	<b>75</b>	<b>1%</b>	<b>(508)</b>	<b>-6%</b>

Net Sales (€ millions)	Q4 FY20		Q4 FY21		Change		Organic Growth		Group Structure		Forex impact	
Americas	411	33.2%	633	33.6%	222	54%	255	64%	17	4%	(50)	-12%
Asia / Rest of World	368	29.8%	635	33.7%	266	72%	278	76%	1	0%	(12)	-3%
Europe	458	37.0%	616	32.7%	157	34%	158	35%	(1)	0%	0	0%
<b>World</b>	<b>1,238</b>	<b>100.0%</b>	<b>1,883</b>	<b>100.0%</b>	<b>646</b>	<b>52%</b>	<b>691</b>	<b>57%</b>	<b>16</b>	<b>1%</b>	<b>(62)</b>	<b>-5%</b>

Net Sales (€ millions)	H2 FY20		H2 FY21		Change		Organic Growth		Group Structure		Forex impact	
Americas	988	33.2%	1,225	31.9%	237	24%	315	33%	38	4%	(116)	-12%
Asia / Rest of World	1,052	35.4%	1,513	39.4%	461	44%	521	50%	0	0%	(61)	-6%
Europe	934	31.4%	1,101	28.7%	168	18%	184	20%	(4)	0%	(12)	-1%
<b>World</b>	<b>2,974</b>	<b>100.0%</b>	<b>3,839</b>	<b>100.0%</b>	<b>865</b>	<b>29%</b>	<b>1,019</b>	<b>35%</b>	<b>35</b>	<b>1%</b>	<b>(189)</b>	<b>-6%</b>

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

### Summary Consolidated Income Statement

(€ millions)	FY20	FY21	Change
Net sales	8,448	8,824	4%
Gross Margin after logistics costs	5,086	5,293	4%
Advertising and promotion expenses	(1,327)	(1,393)	5%
Contribution after A&P expenditure	3,759	3,900	4%
Structure costs	(1,499)	(1,477)	-1%
Profit from recurring operations	2,260	2,423	7%
Financial income/(expense) from recurring operations	(328)	(262)	-20%
Corporate income tax on items from recurring operations	(468)	(526)	12%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(25)	(24)	-4%
<b>Group share of net profit from recurring operations</b>	<b>1,439</b>	<b>1,612</b>	<b>12%</b>
Other operating income & expenses	(1,283)	(62)	NA
Financial income/(expense) from non-recurring operations	(38)	(109)	NA
Corporate income tax on items from non recurring operations	210	(142)	NA
Non controlling interests (non-recurring)		6	NA
<b>Group share of net profit</b>	<b>329</b>	<b>1,305</b>	<b>NA</b>
Non-controlling interests	21	13	-37%
<b>Net profit</b>	<b>350</b>	<b>1,318</b>	<b>NA</b>

Note: USA Drawback impacting PRO +€28m and Other Operating Income & Expenses +€109m

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## Profit from Recurring Operations by Region

### World

(€ millions)	FY20		FY21		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	8,448	100.0%	8,824	100.0%	376	4%	810	10%	75	1%	(508)	-6%
Gross margin after logistics costs	5,086	60.2%	5,293	60.0%	206	4%	550	11%	33	1%	(376)	-7%
Advertising & promotion	(1,327)	15.7%	(1,393)	15.8%	(66)	5%	(116)	9%	(15)	1%	66	-5%
Contribution after A&P	3,759	44.5%	3,900	44.2%	141	4%	434	12%	17	0%	(311)	-8%
Profit from recurring operations	2,260	26.8%	2,423	27.5%	163	7%	415	18%	2	0%	(255)	-11%

### Americas

(€ millions)	FY20		FY21		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,449	100.0%	2,627	100.0%	178	7%	336	14%	85	3%	(244)	-10%
Gross margin after logistics costs	1,599	65.3%	1,699	64.7%	100	6%	260	16%	38	2%	(197)	-12%
Advertising & promotion	(461)	18.8%	(470)	17.9%	(9)	2%	(39)	9%	(10)	2%	39	-9%
Contribution after A&P	1,138	46.5%	1,229	46.8%	91	8%	221	19%	28	2%	(158)	-14%
Profit from recurring operations	718	29.3%	803	30.6%	85	12%	194	27%	15	2%	(124)	-17%

### Asia / Rest of the World

(€ millions)	FY20		FY21		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	3,467	100.0%	3,640	100.0%	173	5%	372	11%	1	0%	(201)	-6%
Gross margin after logistics costs	1,969	56.8%	2,060	56.6%	91	5%	219	11%	(4)	0%	(124)	-6%
Advertising & promotion	(517)	14.9%	(542)	14.9%	(25)	5%	(44)	9%	(1)	0%	20	-4%
Contribution after A&P	1,452	41.9%	1,518	41.7%	66	5%	175	12%	(5)	0%	(103)	-7%
Profit from recurring operations	938	27.0%	996	27.4%	58	6%	148	16%	(6)	-1%	(84)	-9%

### Europe

(€ millions)	FY20		FY21		Change		Organic Growth		Group Structure		Forex impact	
Net sales (Excl. T&D)	2,532	100.0%	2,557	100.0%	26	1%	101	4%	(11)	0%	(64)	-3%
Gross margin after logistics costs	1,519	60.0%	1,534	60.0%	15	1%	71	5%	0	0%	(55)	-4%
Advertising & promotion	(349)	13.8%	(381)	14.9%	(32)	9%	(33)	9%	(5)	2%	6	-2%
Contribution after A&P	1,169	46.2%	1,153	45.1%	(17)	-1%	38	3%	(6)	0%	(49)	-4%
Profit from recurring operations	605	23.9%	624	24.4%	19	3%	73	12%	(7)	-1%	(47)	-8%

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

Note: Drawback impacting Profit from Recurring Operations in Americas and World by +€28m

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### Foreign Exchange Impact

Forex impact FY21 (€ millions)		Average rates evolution			On Net Sales	On Profit from Recurring Operations
		FY20	FY21	%		
US dollar	USD	1.11	1.19	7.9%	(180)	(89)
Russian rouble	RUB	73.95	89.10	20.5%	(41)	(33)
Turkish Lira	TRL	6.76	9.22	36.5%	(33)	(31)
Indian rupee	INR	80.13	87.94	9.7%	(92)	(28)
Chinese yuan	CNY	7.77	7.90	1.5%	(17)	(13)
Pound sterling	GBP	0.88	0.89	1.0%	(3)	4
Other					(142)	(65)
<b>Total</b>					<b>(508)</b>	<b>(255)</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	+ 11
Financial expenses	(2)
<b>Pre-tax profit from recurring operations</b>	<b>+ 10</b>

Impact on the balance sheet	(€ millions)
<b>Increase/(decrease) in net debt</b>	<b>+ 36</b>

(1) Full-year effect



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## Balance Sheet

Assets (€ millions)	30/06/2020	30/06/2021
<b>(Net book value)</b>		
<b>Non-current assets</b>		
Intangible assets and goodwill	16,576	16,230
Tangible assets and other assets	3,699	3,963
Deferred tax assets	1,678	1,623
<b>Total non-current assets</b>	<b>21,953</b>	<b>21,816</b>
<b>Current assets</b>		
Inventories	6,167	6,555
aged work-in-progress	5,084	5,373
non-aged work-in-progress	76	84
other inventories	1,006	1,098
Receivables (*)	906	1,126
Trade receivables	862	1,080
Other trade receivables	44	46
Other current assets	323	413
Other operating current assets	317	408
Tangible/intangible current assets	6	6
Tax receivable	142	141
Cash and cash equivalents and current derivatives	1,947	2,086
<b>Total current assets</b>	<b>9,485</b>	<b>10,321</b>
Assets held for sale	87	11
<b>Total assets</b>	<b>31,525</b>	<b>32,147</b>
<i>(*) after disposals of receivables of:</i>	<b>513</b>	<b>592</b>
Liabilities and shareholders' equity (€ millions)	30/06/2020	30/06/2021
<b>Group Shareholders' equity</b>	<b>13,968</b>	<b>14,829</b>
Non-controlling interests	243	246
of which profit attributable to non-controlling interests	21	13
<b>Total Shareholders' equity</b>	<b>14,211</b>	<b>15,075</b>
Non-current provisions and deferred tax liabilities	3,511	3,555
Bonds non-current	8,599	8,787
Lease liabilities - non current	433	405
Non-current financial liabilities and derivative instruments	192	108
<b>Total non-current liabilities</b>	<b>12,735</b>	<b>12,854</b>
Current provisions	222	163
Operating payables	1,877	2,337
Other operating payables	1,016	1,134
of which other operating payables	633	724
of which tangible/intangible current payables	383	410
Tax payable	232	282
Bonds - current	723	70
Lease liabilities - current	88	103
Current financial liabilities and derivatives	404	128
<b>Total current liabilities</b>	<b>4,563</b>	<b>4,218</b>
Liabilities held for sale	16	-
<b>Total liabilities and shareholders' equity</b>	<b>31,525</b>	<b>32,147</b>

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### Analysis of Working Capital Requirement

(€ millions)	June 2019	June 2020	June 2021	FY20WC change*	FY21WC change*
Aged work in progress	4,788	5,084	5,373	294	206
Advances to suppliers for wine and ageing spirits	12	19	9	7	(10)
Payables on wine and ageing spirits	(105)	(108)	(93)	(5)	22
<b>Net aged work in progress</b>	<b>4,695</b>	<b>4,995</b>	<b>5,289</b>	<b>296</b>	<b>218</b>
Trade receivables before factoring/securitization	1,842	1,375	1,672	(434)	309
Advances from customers	(24)	(38)	(21)	(14)	17
Other receivables	338	343	445	12	64
Other inventories	889	1,006	1,098	121	91
Non-aged work in progress	79	76	84	(1)	9
Trade payables and other	(2,717)	(2,364)	(2,946)	293	(574)
<b>Gross operating working capital</b>	<b>405</b>	<b>398</b>	<b>331</b>	<b>(24)</b>	<b>(85)</b>
Factoring/Securitization impact	(674)	(513)	(592)	161	(79)
<b>Net Operating Working Capital</b>	<b>(269)</b>	<b>(115)</b>	<b>(261)</b>	<b>138</b>	<b>(164)</b>
<b>Net Working Capital</b>	<b>4,427</b>	<b>4,879</b>	<b>5,028</b>	<b>433</b>	<b>54</b>
* at average rates				<b>450</b>	<b>79</b>
				<b>(17)</b>	<b>(25)</b>

### Net Debt

(€ millions)	30/06/2020			30/06/2021		
	Current	Non-current	Total	Current	Non-current	Total
<b>Bonds</b>	<b>723</b>	<b>8,599</b>	<b>9,322</b>	<b>70</b>	<b>8,787</b>	<b>8,857</b>
Commercial paper	299	-	299	7	-	7
Other loans and long-term debts	81	192	273	115	108	222
Other financial liabilities	380	192	572	122	108	229
<b>Gross Financial debt</b>	<b>1,103</b>	<b>8,791</b>	<b>9,894</b>	<b>192</b>	<b>8,894</b>	<b>9,086</b>
Fair value hedge derivatives – assets	(3)	(40)	(44)	-	(22)	(22)
Fair value hedge derivatives – liabilities	-	-	-	-	-	-
<b>Fair value hedge derivatives</b>	<b>(3)</b>	<b>(40)</b>	<b>(44)</b>	<b>-</b>	<b>(22)</b>	<b>(22)</b>
Net investment hedge derivatives – assets	-	(13)	(13)	-	(43)	(43)
Net investment hedge derivatives – liabilities	-	-	-	-	-	-
<b>Net investment hedge derivatives</b>	<b>-</b>	<b>(13)</b>	<b>(13)</b>	<b>-</b>	<b>(43)</b>	<b>(43)</b>
<b>FINANCIAL DEBT AFTER HEDGING</b>	<b>1,100</b>	<b>8,737</b>	<b>9,837</b>	<b>192</b>	<b>8,830</b>	<b>9,022</b>
Cash and cash equivalents	(1,935)	-	(1,935)	(2,078)	-	(2,078)
<b>NET FINANCIAL DEBT EXCLUDING LEASE DEBT</b>	<b>(835)</b>	<b>8,737</b>	<b>7,902</b>	<b>(1,886)</b>	<b>8,830</b>	<b>6,944</b>
Lease Debt	88	433	522	103	405	508
<b>NET FINANCIAL DEBT</b>	<b>(747)</b>	<b>9,171</b>	<b>8,424</b>	<b>(1,783)</b>	<b>9,235</b>	<b>7,452</b>

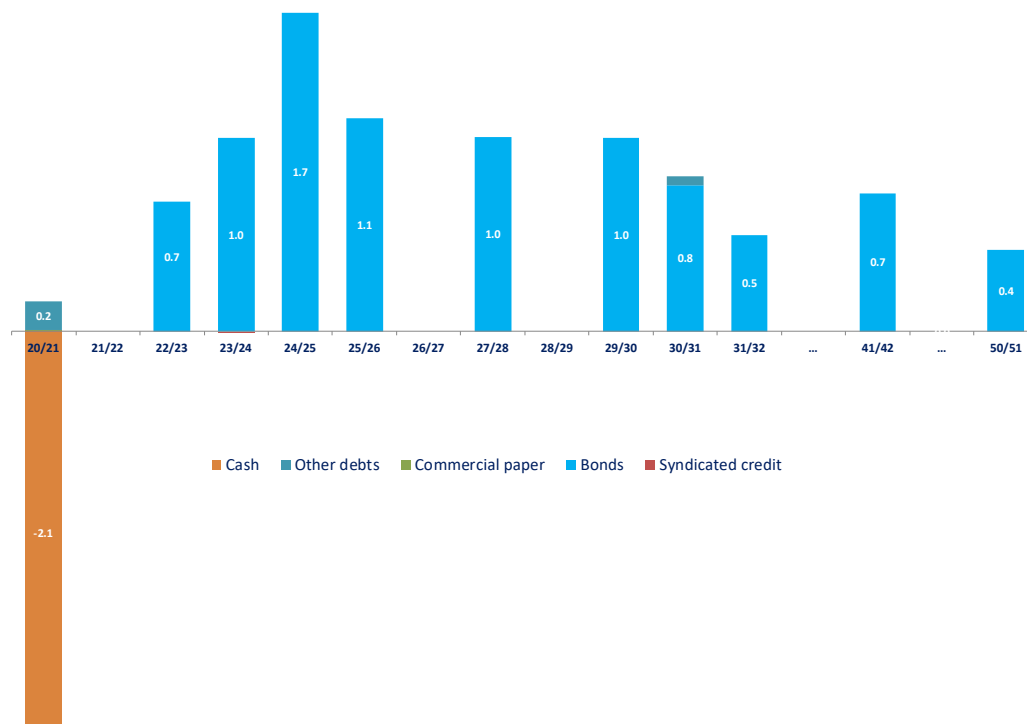
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## Change in Net Debt

(€ millions)	30/06/2020	30/06/2021
Operating profit	978	2,361
Depreciation and amortisation	350	367
Net change in impairment of goodwill, PPE and intangible assets	1,007	78
Net change in provisions	97	(80)
Changes in fair value on commercial derivatives and biological assets	(3)	1
Net (gain)/loss on disposal of assets	(27)	(16)
Share-based payments	23	28
<b>Self-financing capacity before interest and tax</b>	<b>2,423</b>	<b>2,738</b>
Decrease / (increase) in working capital requirements	(433)	(54)
Net interest and tax payments	(809)	(686)
Net acquisitions of non financial assets and others	(352)	(370)
<b>Free Cash Flow</b>	<b>830</b>	<b>1,628</b>
<i>of which recurring Free Cash Flow</i>	<i>1,003</i>	<i>1,745</i>
Net acquisitions of financial assets and activities and others	(587)	(116)
Dividends paid	(849)	(704)
(Acquisition) / Disposal of treasury shares and others	(526)	(20)
<b>Decrease / (increase) in net debt (before currency translation adjustments)</b>	<b>(1,132)</b>	<b>788</b>
Foreign currency translation adjustment	(69)	265
Non cash impact on lease liabilities	(603)	(81)
<b>Decrease / (increase) in net debt (after currency translation adjustments and IFRS 16 non cash impacts)</b>	<b>(1,804)</b>	<b>972</b>
Initial net debt	(6,620)	(8,424)
Final net debt	(8,424)	(7,452)

## Net Debt Maturity at 30 June 2021

€ billions



Strong liquidity position at c. €5.5bn as of 30th June 2021, of which €3.4bn credit lines undrawn  
Gross debt after hedging at 30 June 2021 (excluding lease liabilities)  
- 8% floating rate and 92% fixed rate  
- 61% in EUR and 39% in USD

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### Bond details

Currency	Par value	Coupon	Issue date	Maturity date
EUR	€ 500 m	1.875%	28/09/2015	28/09/2023
	€ 1,500 m o/w:			
	€ 500 m	0.000%		24/10/2023
	€ 500 m	0.500%	24/10/2019	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
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%		01/04/2028
	\$ 900 m	1.625%	01/10/2020	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 Jun FY20 -> Jun FY21	1.12 -> 1.19	1.11 -> 1.19
<b>Ratio at 30/06/2020</b>	<b>3.2</b>	<b>3.2</b>
EBITDA & cash generation excl. Group structure effect and forex impacts	(0.9)	(0.9)
Group structure and forex impacts	0.3	0.3
<b>Ratio at 30/06/2021</b>	<b>2.6</b>	<b>2.6</b>

(1) Last-twelve-month rate

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### Diluted EPS calculation

(x 1,000)	FY20	FY21
Number of shares in issue at end of period	265,422	261,877
Weighted average number of shares in issue (pro rata temporis)	265,422	262,143
Weighted average number of treasury shares (pro rata temporis)	(2,564)	(1,347)
Dilutive impact of stock options and performance shares	1,179	718
<b>Number of shares used in diluted EPS calculation</b>	<b>264,037</b>	<b>261,514</b>

(€ millions and €/share)	FY20	FY21	reported △
Group share of net profit from recurring operations	1,439	1,612	12.0%
<b>Diluted net earnings per share from recurring operations</b>	<b>5.45</b>	<b>6.16</b>	<b>13.1%</b>

Note: 3.5m shares cancelled in July 2020 pursuant to share buy-back

### Upcoming Communications

Date <sup>1</sup>	Event
21 October 2021 9am CET	Q1 FY22 Sales
10 November 2021 2pm CET	Annual General Meeting
22 November 2021 3pm CET	EMEA LATAM conference Call
10 February 2022 9am CET	H1 FY22 Sales and Results

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