

H1 FY22 Sales and Results  
Press release - Paris, 10 February 2022

**RECORD BREAKING H1 FY22 SALES AND PRO<sup>1</sup> AT C. €6BN AND C. €2BN**  
**+17% ORGANIC SALES GROWTH (+20% REPORTED) AND +13% VS. PRE-COVID<sup>2</sup>**  
**+22% ORGANIC GROWTH IN PRO<sup>1</sup> (+25% REPORTED) AND +20% VS. PRE-COVID<sup>2</sup>**

## **SALES**

Sales for H1 FY22 totalled €5,959m, with an **organic growth of +17%** (+20% reported), with a favourable FX impact linked mainly to strength of US Dollar and Chinese Yuan vs. Euro.

**H1 FY22 Sales grew in all regions:**

- **Americas +14%:** very dynamic growth in the region, notably USA, Brazil and Travel Retail
- **Asia-RoW +16%:** excellent growth driven by China, India and Turkey
- **Europe +21%:** outstanding growth across the region, with rebound in Spain, France, Travel Retail and continued dynamism in Eastern Europe.

Strategic International Brands and Specialty portfolio are driving **strong price/mix** with:

- **Strategic International Brands +19%: broad-based rebound** with all brands growing, notably Jameson, Martell, Ballantine's, Absolut and Chivas Regal, all double-digit
- **Strategic Local Brands +14%:** driven by recovery of Seagram's Indian whiskies
- **Specialty Brands +21%: continued very dynamic momentum** of American whiskeys, Malfy, Monkey 47, Redbreast, Lillet and agave portfolio
- **Strategic Wines -6%: soft first half**, due in particular to New Zealand lower harvest.

**Price/mix on Strategic Brands was strong at +6%.**

**Innovations are in strong growth +43%.**

**Q2 Sales were €3,242m, with +14% organic growth**, slowing vs. Q1 Organic Sales (+20%), cycling higher comparison basis in some markets.

## **RESULTS**

**H1 FY22 PRO was €1,998m, an organic growth of +22%**, with a strong organic operating margin improvement of +147bps:

- **Gross margin expanding +39bps:**
  - Strong pricing across regions and operational excellence savings
  - more than compensating inflation in Costs of Goods, notably from logistics and commodities
- **Phasing in A&P** with acceleration expected in H2 with ratio of c. 16% for FY22
- **Structure costs reinforcement** to support Sales growth and transformation momentum

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

<sup>2</sup> vs. H1 FY20 at constant FX

## H1 FY22 Sales and Results

Press release - Paris, 10 February 2022

- **Positive FX impact on PRO +€39m** with US Dollar and Chinese Yuan appreciation vs. Euro offsetting significant Turkish Lira depreciation.

**Group share of Net PRO was €1,438m, +32%** reported vs. H1 FY21 and the **Group share of Net Profit was €1,390m, +44%** reported, reflecting increase in Profit from Recurring Operations, lower non-recurring operating items, lower financial expenses and increase in Corporate Income Tax.

**Excellent Earnings Per Share +33%**, reflecting growth in PRO and positive impact of FY22 Share buy-back.

### **FREE CASH FLOW AND DEBT**

**Very strong H1 cash conversion with Recurring Free Cash Flow at €1,383m, +39%**. Cash generation supported by strong growth in Profit from Recurring Operations. Seasonal Working Capital requirements in line with business growth.

**The average Cost of debt stood at 2.2%** vs. 3.2% in H1 FY21 following successful bond refinancings.

**Net debt increased by €471m** vs. 30 June 2021 to **€7,923m**. The **Net Debt/EBITDA** ratio at average rate<sup>1</sup> was **2.4x** at 31 December 2021.

### **OUTLOOK**

**In an ongoing volatile environment with potential disruptions of Covid-19**, Pernod Ricard expects for FY22:

Continued On-Trade rebound, Off-trade resilience and Travel Retail gradual recovery **driving strong diversified Sales momentum across regions**

**Dynamic topline driving operating margin expansion** albeit moderating vs. H1, with increased investments to fuel growth momentum

Continued implementation of **Transform & Accelerate**, including **digital transformation** to develop Pernod Ricard into a **Conviviality Platform**

**Strong cash generation** while upweighting investments behind key Capex and Strategic inventories

**Acceleration of share buy-back programme** with additional c. €250m (total of c. €750m for FY22)

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

*“The execution of our Transform & Accelerate strategy is delivering an excellent and broad-based performance in the first half, with brand share gains in most countries and with all our Must-Win Markets showing very strong growth. I take the opportunity to praise the engagement and performance of our teams throughout the world, who have relentlessly accomplished outstanding work, in an environment still largely disrupted on many fronts by the Covid crisis.*

*Despite the ongoing volatile environment, we expect for FY22 strong Sales growth across regions, with continued On-Trade rebound, Off-trade resilience and a gradual Travel Retail recovery. We will increase investments to fuel growth momentum.*

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<sup>1</sup> Based on average EUR/USD rate: 1.18 in calendar year 2021



## H1 FY22 Sales and Results

Press release - Paris, 10 February 2022

*We remain focused on executing our strategy, progressing on our Sustainability and Responsibility journey and accelerating our digital transformation. A successful mix of robust fundamentals, the dedication of our teams and our portfolio of brands, has yielded a very strong set of results and seen us through this crisis, emerging even stronger."*

## H1 FY22 Sales and Results

Press release - Paris, 10 February 2022

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 H1 FY22 Sales and Results can be downloaded from our website: [www.pernod-ricard.com](http://www.pernod-ricard.com)

Limited review procedures have been carried out by the Statutory Auditors on the condensed half-yearly consolidated financial statements. The Statutory Auditors' Review Report on the Half-yearly Financial Information is being issued.

### 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 amounting to €8,824 million in fiscal year FY21. The Group, which owns 16 of the Top 100 Spirits Brands, holds one of the most prestigious and comprehensive portfolios in the industry with over 240 premium brands distributed across more than 160 markets. Pernod Ricard's portfolio includes 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, New Zealand Wines, Campo Viejo, Mumm Sparkling and Kenwood wines. Pernod Ricard's strategy focuses on investing in long-term and sustainable growth for all its stakeholders, remaining true to its founding values: entrepreneurial spirit, mutual trust, and strong sense of ethics. The Group's decentralised organisation empowers its 18,500 employees to be on-the-ground ambassadors of its vision of "Créateurs de Convivialité". Pernod Ricard 2030 Sustainability and Responsibility roadmap "Good Times from a Good Place" is integrated into all its activities from grain to glass, and Pernod Ricard is recognised as a UN Global Compact LEAD participant for its contribution to the United Nations Sustainable Development Goals (SDGs). Pernod Ricard is listed on Euronext (Ticker: RI; ISIN Code: FR0000120693) and is part of the CAC 40 and Eurostoxx 50 indices.

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H1 FY22 Sales and Results  
Press release - Paris, 10 February 2022

## 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 H1 FY22 (in 9Lcs millions)	Organic Net Sales growth H1 FY22	of which Volume	of which Price/mix
Absolut	6.9	+23%	+22%	+1%
Chivas Regal	2.6	+23%	+25%	(2)%
Ballantine's	5.3	+29%	+25%	+4%
Ricard	2.4	+2%	+5%	(3)%
Jameson	5.8	+22%	+22%	+0%
Havana Club	2.4	+12%	(1)%	+12%
Malibu	2.6	+9%	+5%	+4%
Beefeater	2.0	+31%	+27%	+4%
Martell	1.7	+11%	+14%	(3)%
The Glenlivet	0.9	+21%	+16%	+5%
Royal Salute	0.1	+41%	+40%	+1%
Mumm	0.6	+24%	+18%	+6%
Perrier-Jouët	0.2	+51%	+38%	+13%
<b>Strategic International Brands</b>	<b>33.3</b>	<b>+19%</b>	<b>+18%</b>	<b>+2%</b>

H1 FY22 Sales and Results  
Press release - Paris, 10 February 2022

### Sales Analysis by Period and Region

Net Sales (€ millions)	H1 FY21		H1 FY22		Change		Organic Growth		Group Structure		Forex impact	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Europe	1,456	29.2%	1,797	30.2%	+341	+23%	+300	+21%	+19	+1%	+22	+2%
Americas	1,402	28.1%	1,638	27.5%	+235	+17%	+196	+14%	+17	+1%	+22	+2%
Asia / Rest of World	2,127	42.7%	2,524	42.4%	+397	+19%	+338	+16%	+0	+0%	+60	+3%
<b>World</b>	<b>4,985</b>	<b>100.0%</b>	<b>5,959</b>	<b>100.0%</b>	<b>+974</b>	<b>+20%</b>	<b>+834</b>	<b>+17%</b>	<b>+36</b>	<b>+1%</b>	<b>+104</b>	<b>+2%</b>

Net Sales (€ millions)	Q2 FY21		Q2 FY22		Change		Organic Growth		Group Structure		Forex impact	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Europe	811	29.5%	1,005	31.0%	+193	+24%	+156	+19%	+19	+2%	+19	+2%
Americas	729	26.5%	864	26.7%	+135	+19%	+107	+15%	+0	+0%	+28	+4%
Asia / Rest of World	1,209	44.0%	1,373	42.3%	+163	+13%	+122	+10%	+0	+0%	+41	+3%
<b>World</b>	<b>2,750</b>	<b>100.0%</b>	<b>3,242</b>	<b>100.0%</b>	<b>+492</b>	<b>+18%</b>	<b>+386</b>	<b>+14%</b>	<b>+19</b>	<b>+1%</b>	<b>+87</b>	<b>+3%</b>

Net Sales (€ millions)	Q1 FY21		Q1 FY22		Change		Organic Growth		Group Structure		Forex impact	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Europe	645	28.8%	793	29.2%	+148	+23%	+144	+22%	+0	+0%	+4	+1%
Americas	673	30.1%	773	28.5%	+100	+15%	+89	+13%	+17	+3%	(6)	(1)%
Asia / Rest of World	918	41.0%	1,152	42.4%	+234	+26%	+215	+23%	+0	+0%	+19	+2%
<b>World</b>	<b>2,236</b>	<b>100.0%</b>	<b>2,718</b>	<b>100.0%</b>	<b>+482</b>	<b>+22%</b>	<b>+448</b>	<b>+20%</b>	<b>+17</b>	<b>+1%</b>	<b>+17</b>	<b>+1%</b>

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

### Summary Consolidated Income Statement

(€ millions)	H1 FY21	H1 FY22	Change
Net sales	4,985	5,959	20%
Gross Margin after logistics costs	3,021	3,640	20%
Advertising and promotion expenses	(706)	(840)	19%
Contribution after A&P expenditure	2,315	2,801	21%
Structure costs	(721)	(803)	11%
Profit from recurring operations	1,595	1,998	25%
Financial income/(expense) from recurring operations	(151)	(102)	-32%
Corporate income tax on items from recurring operations	(337)	(436)	29%
Net profit from discontinued operations, non-controlling interests and share of net income from associates	(20)	(21)	8%
Group share of net profit from recurring operations	1,087	1,438	32%
Other operating income & expenses	(61)	(2)	NA
Financial income/(expense) from non-recurring operations	(103)	(32)	NA
Corporate income tax on items from non recurring operations	44	(16)	NA
Non controlling interests (non-recurring)		3	
Group share of net profit	966	1,390	44%
Non-controlling interests	18	21	17%
Net profit	984	1,411	43%

H1 FY22 Sales and Results  
Press release - Paris, 10 February 2022

## Profit from Recurring Operations by Region

### World

(€ millions)	H1 FY21		H1 FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales	4,985	100.0%	5,959	100.0%	+974	+20%	+834	+17%	+36	+1%	+104	+2%
Gross margin	3,021	60.6%	3,640	61.1%	+619	+20%	+532	+18%	+17	+1%	+69	+2%
Advertising & promotional spend	(706)	14.2%	(840)	14.1%	(134)	+19%	(111)	+16%	(4)	+1%	(19)	+3%
Contribution after A&P spend	2,315	46.4%	2,801	47.0%	+485	+21%	+422	+18%	+13	+1%	+51	+2%
Profit from recurring operations	1,595	32.0%	1,998	33.5%	+403	+25%	+355	+22%	+8	+1%	+39	+2%

### Americas

(€ millions)	H1 FY21		H1 FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales	1,402	100.0%	1,638	100.0%	+235	+17%	+196	+14%	+17	+1%	+22	+2%
Gross margin	909	64.8%	1,070	65.3%	+161	+18%	+123	+14%	+11	+1%	+27	+3%
Advertising & promotional spend	(250)	17.8%	(264)	16.1%	(14)	+6%	(7)	+3%	(3)	+1%	(5)	+2%
Contribution after A&P spend	659	47.0%	806	49.2%	+147	+22%	+117	+18%	+8	+1%	+23	+3%
Profit from recurring operations	459	32.7%	595	36.3%	+136	+30%	+110	+24%	+6	+1%	+20	+4%

### Asia / Rest of the World

(€ millions)	H1 FY21		H1 FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales	2,127	100.0%	2,524	100.0%	+397	+19%	+338	+16%	+0	+0%	+60	+3%
Gross margin	1,232	57.9%	1,458	57.8%	+226	+18%	+198	+16%	+0	+0%	+29	+2%
Advertising & promotional spend	(291)	13.7%	(361)	14.3%	(70)	+24%	(58)	+20%	(0)	+0%	(12)	+4%
Contribution after A&P spend	940	44.2%	1,097	43.5%	+157	+17%	+140	+15%	(0)	(0)%	+17	+2%
Profit from recurring operations	674	31.7%	814	32.3%	+140	+21%	+128	+19%	+0	+0%	+12	+2%

### Europe

(€ millions)	H1 FY21		H1 FY22		Change		Organic Growth		Group Structure		Forex impact	
Net sales	1,456	100.0%	1,797	100.0%	+341	+23%	+300	+21%	+19	+1%	+22	+2%
Gross margin	881	60.5%	1,112	61.9%	+231	+26%	+211	+24%	+7	+1%	+14	+2%
Advertising & promotional spend	(164)	11.3%	(214)	11.9%	(50)	+30%	(46)	+28%	(1)	+1%	(2)	+1%
Contribution after A&P spend	717	49.2%	898	50.0%	+181	+25%	+165	+23%	+5	+1%	+11	+2%
Profit from recurring operations	461	31.7%	589	32.7%	+127	+28%	+117	+25%	+3	+1%	+8	+2%

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

H1 FY22 Sales and Results  
Press release - Paris, 10 February 2022

### Foreign Exchange Impact

Forex impact H1 FY22 (€ millions)		Average rates evolution			On Net Sales	On Profit from Recurring Operations
		H1 FY21	H1 FY22	%		
US dollar	USD	1.18	1.16	(1.7)%	+23	+17
Chinese yuan	CNY	7.99	7.47	(6.6)%	+56	+33
Indian rupee	INR	87.48	86.52	(1.1)%	+7	+2
Russian rouble	RUB	88.61	84.86	(4.2)%	+8	+6
Argentinian peso	ARS	90.61	114.76	+26.7%	(10)	(4)
Turkish Lira	TRL	8.94	11.42	+27.8%	(19)	(19)
Pound sterling	GBP	0.90	0.85	(5.8)%	+14	(15)
Other					+25	+19
<b>Total</b>					<b>+104</b>	<b>+39</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	+15
Financial expenses	(1)
<b>Pre-tax profit from recurring operations</b>	<b>+14</b>

Impact on the balance sheet	(€ millions)
<b>Increase/(decrease) in net debt</b>	<b>+37</b>

(1) Full-year effect



H1 FY22 Sales and Results  
Press release - Paris, 10 February 2022

## Balance Sheet

Assets (€ millions)	30/06/2021	31/12/2021
<b>(Net book value)</b>		
<b>Non-current assets</b>		
Intangible assets and goodwill	16,230	16,857
Tangible assets and other assets	3,963	4,146
Deferred tax assets	1,623	1,687
<b>Total non-current assets</b>	<b>21,816</b>	<b>22,690</b>
<b>Current assets</b>		
Inventories	6,555	6,694
aged work-in-progress	5,373	5,446
non-aged work-in-progress	84	82
other inventories	1,098	1,166
Receivables (*)	1,126	2,233
Trade receivables	1,080	2,165
Other trade receivables	46	67
Other current assets	413	353
Other operating current assets	408	345
Tangible/intangible current assets	6	8
Tax receivable	141	77
Cash and cash equivalents and current derivatives	2,086	2,023
<b>Total current assets</b>	<b>10,321</b>	<b>11,380</b>
Assets held for sale	11	0
<b>Total assets</b>	<b>32,147</b>	<b>34,070</b>
(*) after disposals of receivables of:	592	919

Liabilities and shareholders' equity (€ millions)	30/06/2021	31/12/2021
<b>Group Shareholders' equity</b>	<b>14,829</b>	<b>15,757</b>
Non-controlling interests	246	265
of which profit attributable to non-controlling interests	13	21
<b>Total Shareholders' equity</b>	<b>15,075</b>	<b>16,022</b>
Non-current provisions and deferred tax liabilities	3,555	3,650
Bonds non-current	8,787	8,236
Lease liabilities - non current	405	402
Non-current financial liabilities and derivative instruments	108	97
<b>Total non-current liabilities</b>	<b>12,854</b>	<b>12,385</b>
Current provisions	163	151
Operating payables	2,337	2,976
Other operating payables	1,134	886
of which other operating payables	724	828
of which tangible/intangible current payables	410	58
Tax payable	282	423
Bonds - current	70	785
Lease liabilities - current	103	105
Current financial liabilities and derivatives	128	337
<b>Total current liabilities</b>	<b>4,218</b>	<b>5,663</b>
Liabilities held for sale	0	0
<b>Total liabilities and shareholders' equity</b>	<b>32,147</b>	<b>34,070</b>

H1 FY22 Sales and Results  
Press release - Paris, 10 February 2022

## Analysis of Working Capital Requirement

(€ millions)	June 2020	December 2020	June 2021	December 2021	H1 FY21 WC change*	H1 FY22 WC change*
Aged work in progress	5,084	5,135	5,373	5,446	67	21
Advances to suppliers for wine and ageing spirits	19	10	9	14	(8)	5
Payables on wine and ageing spirits	(108)	(161)	(93)	(147)	(47)	(53)
<b>Net aged work in progress</b>	<b>4,995</b>	<b>4,984</b>	<b>5,289</b>	<b>5,313</b>	<b>11</b>	<b>(28)</b>
Trade receivables before factoring/securitization	1,375	2,508	1,672	3,085	1,173	1,360
Advances from customers	(38)	(18)	(21)	(31)	19	(8)
Other receivables	343	354	445	399	27	(40)
Other inventories	1,006	932	1,098	1,166	(62)	10
Non-aged work in progress	76	72	84	82	(2)	(3)
Trade payables and other	(2,364)	(2,870)	(2,946)	(3,626)	(554)	(593)
<b>Gross operating working capital</b>	<b>398</b>	<b>978</b>	<b>331</b>	<b>1,075</b>	<b>601</b>	<b>725</b>
Factoring/Securitization impact	(513)	(750)	(592)	(919)	(246)	(315)
<b>Net Operating Working Capital</b>	<b>(115)</b>	<b>227</b>	<b>(261)</b>	<b>155</b>	<b>355</b>	<b>410</b>
<b>Net Working Capital</b>	<b>4,879</b>	<b>5,211</b>	<b>5,028</b>	<b>5,468</b>	<b>366</b>	<b>382</b>
* at average rates					Of which recurring variation	Of which recurring variation
					<b>350</b>	<b>374</b>
					Of which non recurring variation	Of which non recurring variation
					<b>16</b>	<b>8</b>

## Net Debt

(€ millions)	30/06/2021			31/12/2021		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	70	8,787	8,857	785	8,236	9,021
Syndicated loan	-	-	-	-	-	-
Commercial paper	7	-	7	170	-	170
Other loans and long-term debts	115	108	222	163	94	258
Other financial liabilities	122	108	229	333	94	428
<b>Gross Financial debt</b>	<b>192</b>	<b>8,894</b>	<b>9,086</b>	<b>1,118</b>	<b>8,330</b>	<b>9,448</b>
Fair value hedge derivatives – assets	-	(22)	(22)	(10)	(4)	(14)
Fair value hedge derivatives – liabilities	-	-	-	-	-	-
<b>Fair value hedge derivatives</b>	<b>-</b>	<b>(22)</b>	<b>(22)</b>	<b>(10)</b>	<b>(4)</b>	<b>(14)</b>
Net investment hedge derivatives – assets	-	(43)	(43)	-	(22)	(22)
Net investment hedge derivatives – liabilities	-	-	-	-	-	-
<b>Net investment hedge derivatives</b>	<b>-</b>	<b>(43)</b>	<b>(43)</b>	<b>-</b>	<b>(22)</b>	<b>(22)</b>
<b>FINANCIAL DEBT AFTER HEDGING</b>	<b>192</b>	<b>8,830</b>	<b>9,022</b>	<b>1,108</b>	<b>8,305</b>	<b>9,413</b>
Cash and cash equivalents	(2,078)	-	(2,078)	(1,997)	-	(1,997)
<b>NET FINANCIAL DEBT EXCLUDING LEASE DEBT</b>	<b>(1,886)</b>	<b>8,830</b>	<b>6,944</b>	<b>(889)</b>	<b>8,305</b>	<b>7,416</b>
Lease Debt	103	405	508	105	402	507
<b>NET FINANCIAL DEBT</b>	<b>(1,783)</b>	<b>9,235</b>	<b>7,452</b>	<b>(784)</b>	<b>8,707</b>	<b>7,923</b>

H1 FY22 Sales and Results  
Press release - Paris, 10 February 2022

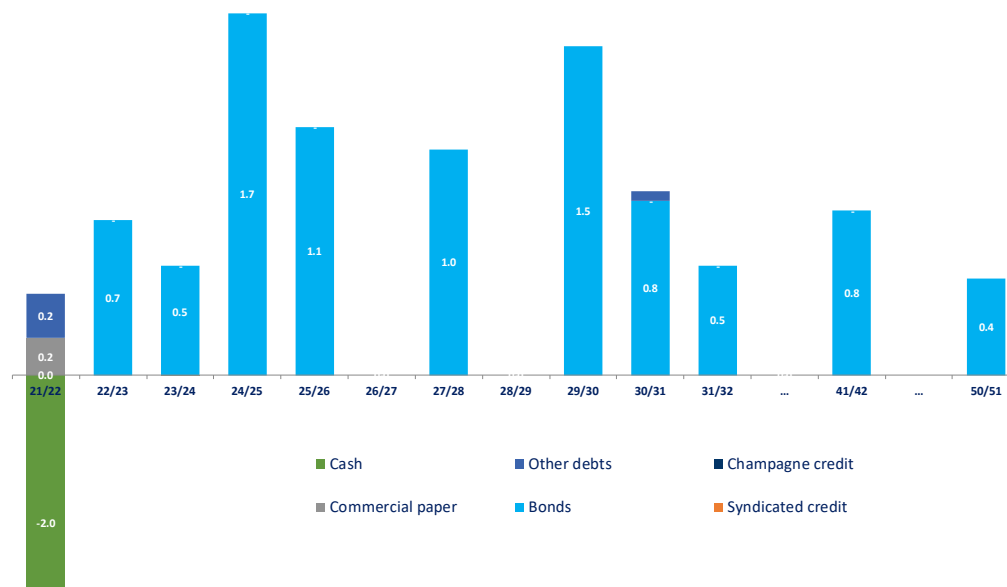
## Change in Net Debt

### Change in net debt

(€ millions)	31/12/2020	31/12/2021
Operating profit	1 534	1 995
Depreciation and amortisation	179	189
Net change in impairment of goodwill, PPE and intangible assets	6	
Net change in provisions	(31)	(22)
Retreatment of contributions to pension plans acquired from Allied Domecq and others		
Changes in fair value on commercial derivatives and biological assets	(5)	(3)
Net (gain)/loss on disposal of assets	2	(3)
Share-based payments	15	17
<b>Self-financing capacity before interest and tax</b>	<b>1 699</b>	<b>2 173</b>
Decrease / (increase) in working capital requirements	(364)	(382)
Net interest and tax payments	(347)	(313)
Net acquisitions of non financial assets and others	(153)	(157)
<b>Free Cash Flow</b>	<b>835</b>	<b>1 320</b>
<i>of which recurring Free Cash Flow</i>	<i>995</i>	<i>1 383</i>
Net acquisitions of financial assets and activities, contributions to pension plans acquired from Allied Domecq and others	(33)	(464)
Dividends paid	(699)	(820)
(Acquisition) / Disposal of treasury shares and others	(25)	(292)
<b>Decrease / (increase) in net debt (before currency translation adjustments)</b>	<b>78</b>	<b>(256)</b>
Foreign currency translation adjustment	406	(168)
Non cash impact on lease liabilities	(40)	(47)
<b>Decrease / (increase) in net debt (after currency translation adjustments and IFRS 16 non cash impacts)</b>	<b>443</b>	<b>(471)</b>
Initial net debt	(8 424)	(7 452)
Final net debt	(7 980)	(7 923)

## Net Debt Maturity at 31 December 2021

€ billions



Strong liquidity position at €5.4bn as of 31st December 2021, of which €3.4bn credit lines undrawn  
Gross debt after hedging at 31st December 2021 (excluding lease liabilities):  
- 9% floating rate and 91% fixed rate

H1 FY22 Sales and Results  
Press release - Paris, 10 February 2022  
- 60% in EUR and 40% in USD

**Bond details at 31 December 2021**

Currency	Par value	Coupon	Issue date	Maturity date
EUR	€ 1,500 m o/w:			
	€ 500 m	0.000%	24/10/2019	24/10/2023
	€ 500 m	0.500%		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	
€ 500 m	0.125%	04/10/2021	04/10/2029	
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 30/06/2021 -> 31/12/2021	1.19 -> 1.13	1.19 -> 1.18
<b>Ratio at 30/06/2021</b>	<b>2.6</b>	<b>2.6</b>
EBITDA & cash generation excl. Group structure effect and forex impacts	-0.4	-0.4
Group structure and forex impacts	0.2	0.1
<b>Ratio at 31/12/2021</b>	<b>2.4</b>	<b>2.4</b>

(1) Last-twelve-month rate

H1 FY22 Sales and Results  
Press release - Paris, 10 February 2022

### Diluted Earnings Per Share (EPS) calculation

(x 1,000)	HY FY21	HY FY22
Number of shares in issue at end of period	261,877	261,877
Weighted average number of shares in issue (pro rata temporis)	262,315	261,877
Weighted average number of treasury shares (pro rata temporis)	(1,654)	(1,656)
Dilutive impact of stock options and performance shares	816	609
<b>Number of shares used in diluted EPS calculation</b>	<b>261,478</b>	<b>260,829</b>

(€ millions and €/share)	HY FY21	HY FY22	reported △
Group share of net profit from recurring operations	1,087	1,438	32.3%
<b>Diluted net earnings per share from recurring operations</b>	<b>4.16</b>	<b>5.51</b>	<b>32.6%</b>

### Upcoming Communications

Date <sup>1</sup>	Event
28 April 2022	Q3 FY22 Sales conference call
10 May 2022	North America conference call
8 June 2022	Capital Market Day in Paris
24 June 2022	Asia conference call

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