

H1 FY23 Sales and Results  
Press release - Paris, 16 February 2023

**VERY STRONG BROAD-BASED GROWTH OF SALES AND PRO<sup>1</sup> IN FIRST HALF**  
**STRONG PRICING DYNAMIC, MAINTAINING OVERALL VOLUME GROWTH, SUSTAINING MARGINS**  
**+12% ORGANIC SALES GROWTH (+19% REPORTED)**  
**+12% ORGANIC GROWTH IN PRO (+21% REPORTED)**

**SALES**

Sales for H1 FY23 reached €7,116m and grew +12% organically (+19% reported), with a favourable FX impact of +€355m linked mainly to the strength of US Dollar vs. Euro.

**H1 FY23 Organic Sales growth was broad-based across all regions:**

- **Americas +7%:** dynamic growth driven notably by USA with favorable phasing<sup>2</sup>, Brazil and Canada,
- **Asia-RoW +18%:** excellent growth driven by India, Turkey, Travel Retail and South East Asia recovery. H1 Sales in China reflecting solid Q1 with good Mid Autumn Festival, but soft Q2 partly offset by favorable shipment phasing ahead of Chinese New Year<sup>3</sup>. Confident outlook for China following lifting of Covid restrictions,
- **Europe +6%:** very strong performance with Western Europe and Travel Retail.

**All spirits segments are growing double-digit:**

- **Strategic International Brands +13%:** strong momentum notably with the Scotch portfolio, Jameson and Absolut,
- **Strategic Local Brands +13%:** driven by growth of Seagram's Indian whiskies and Seagram's Gin,
- **Specialty Brands +14%:** continued very strong development of Lillet, Italicus, Malfy, Redbreast, Aberlour and Altos,
- **Strategic Wines -2%:** softness mostly from UK.

**Strong broad-based pricing dynamic at +10%**, thanks to strong brand equity. Further price increases planned in H2.

**Innovations and Prestige are in strong growth**, +16% and +10% respectively.

**Q2 Sales were €3,808m, with +12% organic growth**, accelerating vs. Q1 organic Sales (+11%).

**RESULTS**

**H1 FY23 PRO reached €2,423m, an organic growth of +12%**, with broadly stable organic operating leverage (-1 bp):

- **Gross margin expanding +5 bps:**
  - Strong broad-based pricing dynamic across brands and geographies and focus on operational efficiencies,
  - offsetting high inflation in Costs of Goods.

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

<sup>2</sup> USA H1 Organic Sales growth +5%, ahead of underlying value depletions +3%

<sup>3</sup> Earlier vs. LY

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- **A&P growing in line with Net Sales** with acceleration expected in H2 to fuel future growth. (Ratio of c. 16% of Net Sales expected for FY23),
- **Structure costs +12%** to support business dynamics and digital transformation momentum,
- **Favorable FX impact on PRO +€139m** mainly from US Dollar appreciation vs. Euro.

**Group share of Net PRO was €1,743m, +21% reported** vs. H1 FY22 and the **Group share of Net Profit was €1,792m, +29% reported**, mainly reflecting increase in Profit from Recurring Operations.

**Very strong Earnings Per Share growth +23%**, reflecting growth in PRO, limited increase of recurring financial expenses thanks to active liability management (with average cost of debt of 2.5%) in first half and the accretive impact of share buy-back program.

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

**Solid cash generation with Recurring Free Cash Flow at c. €1bn, -28%** vs H1 FY22, reflecting higher operating working capital outflows normalizing post covid recovery and increase in CAPEX and strategic inventories to support future growth of aged portfolio.

**Net debt increased by €1,131m** vs. 30 June 2022 to **€9,789m**.

**The Net Debt/EBITDA ratio at average rate<sup>1</sup> was 2.6x** at 31 December 2022.

### **OUTLOOK**

In a persistently volatile context, Pernod Ricard has **reinforced confidence** in delivering a strong performance in FY23 driven by our global footprint and the attractiveness of our diversified, premium portfolio :

- **Dynamic, broad-based Net Sales growth** albeit in a normalising environment
- Continuing focus on **revenue growth management** and **operational efficiencies** to offset cost pressure, in high inflationary environment
- **A&P ratio at c. 16% of Net Sales** and continuing disciplined investments in structure
- **Sustaining Operating margin**
- **Accelerating investments in CAPEX and strategic inventories**, thanks to solid cash generation
- **Confirming €750m share buy-back for FY23** with a new €300m tranche to be launched imminently
- **Positive currency effect expected**

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

*“Our first half performance was very strong, marked by broad-based and diversified growth across all regions and categories. In addition, particularly strong pricing dynamic illustrates the attractiveness of our portfolio of premium brands and enabled us to sustain margins in an inflationary context.*”

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<sup>1</sup> Based on average EUR/USD rate: 1.05 in calendar year 2022



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*We will continue to invest behind our brands, our group-wide transformation and S&R strategy, deliver operational efficiencies and prepare for exciting future growth opportunities.*

*I expect this dynamic growth to continue through FY23 albeit in a normalizing environment, demonstrating the strength of our strategy and the agility, dedication and exceptional engagement of our teams around the world."*

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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 H1 FY23 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, acquisitions and disposals and changes in applicable accounting principles and hyperinflation.
- 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.
- The impact of hyperinflation on Net Sales in Turkey is excluded from P&L organic growth calculations by capping unit price increases to a maximum of +26% per year, equivalent to +100% over 3 years.
- 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 €10,701 million in fiscal year FY22. The Group, which owns 17 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 or Mumm and Perrier-Jouët champagnes. The Group's mission is to unlock the magic of human connections by bringing "Good Times from a Good Place", in line with its Sustainability and Responsibility roadmap. Pernod Ricard's decentralised organisation empowers its 19,480 employees to be on-the-ground ambassadors of its purposeful and inclusive culture of conviviality, bringing people together in meaningful, sustainable and responsible ways to create value over the long term. Executing its strategic plan, Transform & Accelerate, Pernod Ricard now relies on its "Conviviality Platform", a new growth model based on data and artificial intelligence to meet the ever-changing demand of consumers.

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<br>H1 FY23<br>(in 9Lcs millions) | Organic Net Sales<br>growth<br>H1 FY23 | of which Volume | of which Price/mix |
|---------------------------------------|--|--|-----------------|--------------------|
| <b>Absolut</b>                        | 7.5                                      | +16%                                   | +9%             | +7%                |
| <b>Chivas Regal</b>                   | 3.2                                      | +34%                                   | +24%            | +10%               |
| <b>Ballantine's</b>                   | 5.3                                      | +17%                                   | +1%             | +16%               |
| <b>Ricard</b>                         | 2.6                                      | +10%                                   | +8%             | +2%                |
| <b>Jameson</b>                        | 6.4                                      | +19%                                   | +11%            | +8%                |
| <b>Havana Club</b>                    | 2.4                                      | +8%                                    | +0%             | +8%                |
| <b>Malibu</b>                         | 2.5                                      | +2%                                    | (4)%            | +6%                |
| <b>Beefeater</b>                      | 2.1                                      | +12%                                   | +6%             | +6%                |
| <b>Martell</b>                        | 1.5                                      | +3%                                    | (11)%           | +14%               |
| <b>The Glenlivet</b>                  | 0.9                                      | +12%                                   | +6%             | +7%                |
| <b>Royal Salute</b>                   | 0.2                                      | +37%                                   | +22%            | +15%               |
| <b>Mumm</b>                           | 0.4                                      | (11)%                                  | (20)%           | +10%               |
| <b>Perrier-Jouët</b>                  | 0.2                                      | (6)%                                   | (16)%           | +10%               |
| <b>Strategic International Brands</b> | 35.1                                     | +13%                                   | +6%             | +7%                |

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### Sales Analysis by Period and Region

| Net Sales<br>(€ millions) | H1 FY22      |               | H1 FY23      |               | Change        |             | Organic Growth |             | Group Structure |            | Forex impact |            |
|---------------------------|--------------|---------------|--------------|---------------|---------------|-------------|----------------|-------------|-----------------|------------|--------------|------------|
|                           | Value        | %             | Value        | %             | Value         | %           | Value          | %           | Value           | %          | Value        | %          |
| Americas                  | 1,638        | 27.5%         | 2,005        | 28.2%         | +368          | +22%        | +118           | +7%         | +30             | +2%        | +220         | +13%       |
| Asia / Rest of World      | 2,524        | 42.4%         | 3,122        | 43.9%         | +597          | +24%        | +460           | +18%        | +48             | +2%        | +90          | +4%        |
| Europe                    | 1,797        | 30.2%         | 1,989        | 27.9%         | +191          | +11%        | +108           | +6%         | +38             | +2%        | +45          | +3%        |
| <b>World</b>              | <b>5,959</b> | <b>100.0%</b> | <b>7,116</b> | <b>100.0%</b> | <b>+1,156</b> | <b>+19%</b> | <b>+686</b>    | <b>+12%</b> | <b>+115</b>     | <b>+2%</b> | <b>+355</b>  | <b>+6%</b> |

| Net Sales<br>(€ millions) | Q2 FY22      |               | Q2 FY23      |               | Change      |             | Organic Growth |             | Group Structure |            | Forex impact |            |
|---------------------------|--------------|---------------|--------------|---------------|-------------|-------------|----------------|-------------|-----------------|------------|--------------|------------|
|                           | Value        | %             | Value        | %             | Value       | %           | Value          | %           | Value           | %          | Value        | %          |
| Americas                  | 864          | 26.7%         | 1,048        | 27.5%         | +184        | +21%        | +73            | +9%         | +14             | +2%        | +98          | +11%       |
| Asia / Rest of World      | 1,373        | 42.3%         | 1,634        | 42.9%         | +261        | +19%        | +229           | +17%        | +23             | +2%        | +9           | +1%        |
| Europe                    | 1,005        | 31.0%         | 1,125        | 29.6%         | +121        | +12%        | +79            | +8%         | +13             | +1%        | +28          | +3%        |
| <b>World</b>              | <b>3,242</b> | <b>100.0%</b> | <b>3,808</b> | <b>100.0%</b> | <b>+566</b> | <b>+17%</b> | <b>+381</b>    | <b>+12%</b> | <b>+49</b>      | <b>+2%</b> | <b>+135</b>  | <b>+4%</b> |

| Net Sales<br>(€ millions) | Q1 FY22      |               | Q1 FY23      |               | Change      |             | Organic Growth |             | Group Structure |            | Forex impact |            |
|---------------------------|--------------|---------------|--------------|---------------|-------------|-------------|----------------|-------------|-----------------|------------|--------------|------------|
|                           | Value        | %             | Value        | %             | Value       | %           | Value          | %           | Value           | %          | Value        | %          |
| Americas                  | 773          | 28.5%         | 957          | 28.9%         | +184        | +24%        | +46            | +6%         | +16             | +2%        | +122         | +16%       |
| Asia / Rest of World      | 1,152        | 42.4%         | 1,488        | 45.0%         | +336        | +29%        | +231           | +20%        | +25             | +2%        | +80          | +7%        |
| Europe                    | 793          | 29.2%         | 863          | 26.1%         | +70         | +9%         | +28            | +4%         | +25             | +3%        | +17          | +2%        |
| <b>World</b>              | <b>2,718</b> | <b>100.0%</b> | <b>3,308</b> | <b>100.0%</b> | <b>+590</b> | <b>+22%</b> | <b>+305</b>    | <b>+11%</b> | <b>+66</b>      | <b>+2%</b> | <b>+219</b>  | <b>+8%</b> |

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

### Summary Consolidated Income Statement

| (€ millions)   | H1 FY22 | H1 FY23 | Change |
|--|---------|---------|--------|
| Net sales  | 5,959   | 7,116   | +19%   |
| Gross Margin   | 3,640   | 4,368   | +20%   |
| Advertising and promotions spend   | (840)   | (994)   | +18%   |
| Contribution after A&P spend   | 2,801   | 3,375   | +20%   |
| Structure costs  | (803)   | (951)   | +18%   |
| Profit from recurring operations   | 1,998   | 2,423   | +21%   |
| Financial income/(expense) from recurring operations   | (102)   | (134)   | +31%   |
| Corporate income tax on items from recurring operations  | (436)   | (521)   | +20%   |
| Net profit from discontinued operations, non-controlling interests and share of net income from associates | (21)    | (25)    | +18%   |
| Group share of net profit from recurring operations  | 1,438   | 1,743   | +21%   |
| Profit from Non Recurring Operations   | (2)     | 86      | NA     |
| Financial income/(expense) from non-recurring operations   | (32)    | (5)     | NA     |
| Corporate income tax on items from non recurring operations  | (16)    | (32)    | NA     |
| Non controlling interests (non-recurring)  | 3       | 0       | NA     |
| Group share of net profit  | 1,390   | 1,792   | +29%   |
| Non-controlling interests  | 21      | 21      | (0)%   |
| Net profit   | 1,411   | 1,813   | +29%   |

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## Profit from Recurring Operations by Region

### World

| (€ millions)                     | H1 FY22 |        | H1 FY23 |        | Change |      | Organic Growth |      | Group Structure |     | Forex impact |     |
|----------------------------------|---------|--------|---------|--------|--------|------|----------------|------|-----------------|-----|--------------|-----|
| Net Sales                        | 5,959   | 100.0% | 7,116   | 100.0% | 1,156  | +19% | 686            | +12% | 115             | +2% | 355          | +6% |
| Gross margin                     | 3,640   | 61.1%  | 4,368   | 61.4%  | 728    | +20% | 424            | +12% | 77              | +2% | 227          | +6% |
| Advertising & promotion spend    | (840)   | 14.1%  | (994)   | 14.0%  | (154)  | +18% | (97)           | +12% | (4)             | +0% | (53)         | +6% |
| Contribution after A&P spend     | 2,801   | 47.0%  | 3,375   | 47.4%  | 574    | +20% | 327            | +12% | 73              | +3% | 174          | +6% |
| Profit from recurring operations | 1,998   | 33.5%  | 2,423   | 34.1%  | 425    | +21% | 229            | +12% | 57              | +3% | 139          | +7% |

### Americas

| (€ millions)                     | H1 FY22 |        | H1 FY23 |        | Change |      | Organic Growth |      | Group Structure |     | Forex impact |      |
|----------------------------------|---------|--------|---------|--------|--------|------|----------------|------|-----------------|-----|--------------|------|
| Net Sales                        | 1,638   | 100.0% | 2,005   | 100.0% | 368    | +22% | 118            | +7%  | 30              | +2% | 220          | +13% |
| Gross margin                     | 1,070   | 65.3%  | 1,314   | 65.5%  | 244    | +23% | 59             | +6%  | 18              | +2% | 168          | +16% |
| Advertising & promotion spend    | (264)   | 16.1%  | (349)   | 17.4%  | (85)   | +32% | (45)           | +17% | (3)             | +1% | (37)         | +14% |
| Contribution after A&P spend     | 806     | 49.2%  | 965     | 48.1%  | 159    | +20% | 14             | +2%  | 15              | +2% | 130          | +16% |
| Profit from recurring operations | 595     | 36.3%  | 697     | 34.7%  | 102    | +17% | (9)            | (2)% | 9               | +1% | 103          | +17% |

### Asia / Rest of the World

| (€ millions)                     | H1 FY22 |        | H1 FY23 |        | Change |      | Organic Growth |      | Group Structure |     | Forex impact |     |
|----------------------------------|---------|--------|---------|--------|--------|------|----------------|------|-----------------|-----|--------------|-----|
| Net Sales                        | 2,524   | 100.0% | 3,122   | 100.0% | 597    | +24% | 460            | +18% | 48              | +2% | 90           | +4% |
| Gross margin                     | 1,458   | 57.8%  | 1,827   | 58.5%  | 369    | +25% | 285            | +20% | 48              | +3% | 36           | +2% |
| Advertising & promotion spend    | (361)   | 14.3%  | (400)   | 12.8%  | (39)   | +11% | (25)           | +7%  | (0)             | +0% | (14)         | +4% |
| Contribution after A&P spend     | 1,097   | 43.5%  | 1,427   | 45.7%  | 331    | +30% | 260            | +24% | 48              | +4% | 23           | +2% |
| Profit from recurring operations | 814     | 32.2%  | 1,074   | 34.4%  | 260    | +32% | 194            | +24% | 46              | +6% | 20           | +2% |

### Europe

| (€ millions)                     | H1 FY22 |        | H1 FY23 |        | Change |      | Organic Growth |      | Group Structure |     | Forex impact |     |
|----------------------------------|---------|--------|---------|--------|--------|------|----------------|------|-----------------|-----|--------------|-----|
| Net Sales                        | 1,797   | 100.0% | 1,989   | 100.0% | 191    | +11% | 108            | +6%  | 38              | +2% | 45           | +3% |
| Gross margin                     | 1,112   | 61.9%  | 1,227   | 61.7%  | 114    | +10% | 79             | +7%  | 12              | +1% | 23           | +2% |
| Advertising & promotion spend    | (214)   | 11.9%  | (245)   | 12.3%  | (31)   | +14% | (27)           | +13% | (1)             | +1% | (2)          | +1% |
| Contribution after A&P spend     | 898     | 50.0%  | 982     | 49.4%  | 84     | +9%  | 52             | +6%  | 11              | +1% | 22           | +2% |
| Profit from recurring operations | 589     | 32.7%  | 652     | 32.8%  | 64     | +11% | 45             | +8%  | 2               | +0% | 16           | +3% |

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

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### Foreign Exchange Impact

| Forex impact H1 FY23 (€ millions) |     | Average rates evolution vs EUR |         |        | On Net Sales | On Profit from Recurring Operations |
|-----------------------------------|-----|--------------------------------|---------|--------|--------------|-------------------------------------|
|                                   |     | H1 FY22                        | H1 FY23 | %      |              |                                     |
| US dollar                         | USD | 1.16                           | 1.01    | -12.7% | +222         | +122                                |
| Russian rouble                    | RUB | 84.86                          | 61.58   | -27.4% | +47          | +39                                 |
| Turkish Lira                      | TRL | 11.42                          | 18.54   | +62.3% | (59)         | (52)                                |
| Indian rupee                      | INR | 86.52                          | 82.11   | -5.1%  | +39          | +13                                 |
| Chinese yuan                      | CNY | 7.47                           | 7.08    | -5.3%  | +49          | +29                                 |
| Pound sterling                    | GBP | 0.85                           | 0.86    | +1.4%  | (4)          | +5                                  |
| Bresilian real                    | BRL | 6.27                           | 5.33    | -15.0% | +21          | +7                                  |
| Argentinian peso                  | ARS | 114.76                         | 151.27  | +31.8% | (16)         | (7)                                 |
| Japanese yen                      | JPY | 129.90                         | 141.70  | +9.1%  | (10)         | (7)                                 |
| Mexican peso                      | MXN | 23.66                          | 20.23   | -14.5% | +10          | (3)                                 |
| Other                             |     |                                |         |        | +54          | (8)                                 |
| <b>Total</b>                      |     |                                |         |        | <b>+355</b>  | <b>+139</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                | +19          |
| Financial result                                | (1)          |
| <b>Pre-tax profit from recurring operations</b> | <b>+18</b>   |

| Impact on the balance sheet            | (€ millions) |
|--|--------------|
| <b>Increase/(decrease) in net debt</b> | <b>+39</b>   |

(1) Full-year effect



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## Balance Sheet

| Assets<br>(€ millions)   | 30/06/2022        | 31/12/2022        |
|--|-------------------|-------------------|
| <b>(Net book value)</b>  |                   |                   |
| <b>Non-current assets</b>  |                   |                   |
| Intangible assets and goodwill                                   | 17,657            | 18,306            |
| Tangible assets and other assets                                 | 4,600             | 4,416             |
| Deferred tax assets  | 1,844             | 1,767             |
| <b>Total non-current assets</b>                                  | <b>24,100</b>     | <b>24,489</b>     |
| <b>Current assets</b>  |                   |                   |
| Inventories  | 7,369             | 7,567             |
| <i>aged work-in-progress</i>                                     | 5,732             | 5,873             |
| <i>non-aged work-in-progress</i>                                 | 91                | 122               |
| <i>other inventories</i>   | 1,546             | 1,572             |
| Receivables (*)  | 1,388             | 2,469             |
| <i>Trade receivables</i>   | 1,320             | 2,387             |
| <i>Other trade receivables</i>                                   | 68                | 81                |
| Other current assets   | 435               | 448               |
| <i>Other operating current assets</i>                            | 427               | 417               |
| <i>Tangible/intangible current assets</i>                        | 8                 | 31                |
| Tax receivable   | 145               | 97                |
| Cash and cash equivalents and current derivatives                | 2,559             | 1,805             |
| <b>Total current assets</b>                                      | <b>11,896</b>     | <b>12,386</b>     |
| Assets held for sale   | 15                | 1                 |
| <b>Total assets</b>  | <b>36,012</b>     | <b>36,875</b>     |
| (*) after disposals of receivables of:                           | 602               | 1,031             |
| <b>Liabilities and shareholders' equity<br/>(€ millions)</b>     | <b>30/06/2022</b> | <b>31/12/2022</b> |
| <b>Group Shareholders' equity</b>                                | <b>15,944</b>     | <b>16,415</b>     |
| Non-controlling interests  | 309               | 343               |
| <i>of which profit attributable to non-controlling interests</i> | 35                | 21                |
| <b>Total Shareholders' equity</b>                                | <b>16,253</b>     | <b>16,779</b>     |
| Non-current provisions and deferred tax liabilities              | 3,818             | 3,802             |
| Bonds non-current  | 9,238             | 9,732             |
| Lease liabilities - non current                                  | 400               | 390               |
| Non-current financial liabilities and derivative instruments     | 197               | 229               |
| <b>Total non-current liabilities</b>                             | <b>13,653</b>     | <b>14,153</b>     |
| Current provisions   | 150               | 135               |
| Operating payables   | 3,019             | 3,222             |
| Other operating payables   | 1,311             | 971               |
| <i>of which other operating payables</i>                         | 799               | 890               |
| <i>of which tangible/intangible current payables</i>             | 513               | 82                |
| Tax payable  | 263               | 391               |
| Bonds - current  | 842               | 575               |
| Lease liabilities - current                                      | 107               | 100               |
| Current financial liabilities and derivatives                    | 415               | 569               |
| <b>Total current liabilities</b>                                 | <b>6,107</b>      | <b>5,964</b>      |
| Liabilities held for sale  | 0                 | 0                 |
| <b>Total liabilities and shareholders' equity</b>                | <b>36,012</b>     | <b>36,896</b>     |

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## Analysis of Working Capital Requirement

| (€ millions)                                      | June 2021    | December 2021 | June 2022    | December 2022 | H1 FY22 WC change*               | H1 FY23 WC change* |              |
|---|--------------|---------------|--------------|---------------|----------------------------------|--------------------|--------------|
| Aged work in progress                             | 5,373        | 5,446         | 5,732        | 5,873         | 21                               | 239                |              |
| Advances to suppliers for wine and ageing spirits | 9            | 14            | 8            | 19            | 5                                | 10                 |              |
| Payables on wine and ageing spirits               | (93)         | (147)         | (115)        | (238)         | (53)                             | (103)              |              |
| <b>Net aged work in progress</b>                  | <b>5,289</b> | <b>5,313</b>  | <b>5,626</b> | <b>5,653</b>  | <b>(28)</b>                      | <b>146</b>         |              |
| Trade receivables before factoring/securitization | 1,672        | 3,085         | 1,922        | 3,419         | 1,360                            | 1,599              |              |
| Advances from customers                           | (21)         | (31)          | (34)         | (31)          | (8)                              | 2                  |              |
| Other receivables                                 | 445          | 399           | 487          | 480           | (40)                             | 4                  |              |
| Other inventories                                 | 1,098        | 1,166         | 1,546        | 1,572         | 10                               | (13)               |              |
| Non-aged work in progress                         | 84           | 82            | 91           | 122           | (3)                              | 34                 |              |
| Trade payables and other                          | (2,946)      | (3,626)       | (3,669)      | (3,842)       | (593)                            | (277)              |              |
| <b>Gross operating working capital</b>            | <b>331</b>   | <b>1,075</b>  | <b>343</b>   | <b>1,719</b>  | <b>725</b>                       | <b>1,324</b>       |              |
| Factoring/Securitization impact                   | (592)        | (919)         | (602)        | (1,031)       | (315)                            | (445)              |              |
| <b>Net Operating Working Capital</b>              | <b>(261)</b> | <b>155</b>    | <b>(259)</b> | <b>688</b>    | <b>410</b>                       | <b>878</b>         |              |
| <b>Net Working Capital</b>                        | <b>5,028</b> | <b>5,468</b>  | <b>5,366</b> | <b>6,341</b>  | <b>382</b>                       | <b>1,024</b>       |              |
| * at average rates                                |              |               |              |               |                                  |                    |              |
|   |              |               |              |               | Of which recurring variation     | <b>374</b>         | <b>1,060</b> |
|   |              |               |              |               | Of which non recurring variation | <b>8</b>           | <b>(36)</b>  |

## Net Debt

| (€ millions)                                   | 30/06/2022     |              |               | 31/12/2022   |               |               |
|--|----------------|--------------|---------------|--------------|---------------|---------------|
|  | Current        | Non-current  | Total         | Current      | Non-current   | Total         |
| Bonds  | 842            | 9,238        | 10,079        | 575          | 9,732         | 10,307        |
| Commercial paper                               | 180            | -            | 180           | 401          | -             | 401           |
| Other loans and long-term debts                | 226            | 179          | 405           | 157          | 207           | 364           |
| Other financial liabilities                    | 406            | 179          | 585           | 558          | 207           | 765           |
| <b>Gross Financial debt</b>                    | <b>1,248</b>   | <b>9,417</b> | <b>10,664</b> | <b>1,133</b> | <b>9,939</b>  | <b>11,072</b> |
| Fair value hedge derivatives – assets          | (5)            | -            | (5)           | -            | -             | -             |
| Fair value hedge derivatives – liabilities     | -              | 9            | 9             | -            | 14            | 14            |
| <b>Fair value hedge derivatives</b>            | <b>(5)</b>     | <b>9</b>     | <b>3</b>      | <b>-</b>     | <b>14</b>     | <b>14</b>     |
| Net investment hedge derivatives – assets      | -              | -            | -             | -            | -             | -             |
| Net investment hedge derivatives – liabilities | -              | 9            | 9             | -            | 8             | 8             |
| <b>Net investment hedge derivatives</b>        | <b>-</b>       | <b>9</b>     | <b>9</b>      | <b>-</b>     | <b>8</b>      | <b>8</b>      |
| <b>FINANCIAL DEBT AFTER HEDGING</b>            | <b>1,242</b>   | <b>9,435</b> | <b>10,677</b> | <b>1,133</b> | <b>9,961</b>  | <b>11,094</b> |
| Cash and cash equivalents                      | (2,527)        | -            | (2,527)       | (1,796)      | -             | (1,796)       |
| <b>NET FINANCIAL DEBT EXCLUDING LEASE DEBT</b> | <b>(1,284)</b> | <b>9,435</b> | <b>8,150</b>  | <b>(662)</b> | <b>9,961</b>  | <b>9,299</b>  |
| Lease Debt                                     | 107            | 400          | 507           | 100          | 390           | 490           |
| <b>NET FINANCIAL DEBT</b>                      | <b>(1,177)</b> | <b>9,835</b> | <b>8,657</b>  | <b>(563)</b> | <b>10,351</b> | <b>9,789</b>  |

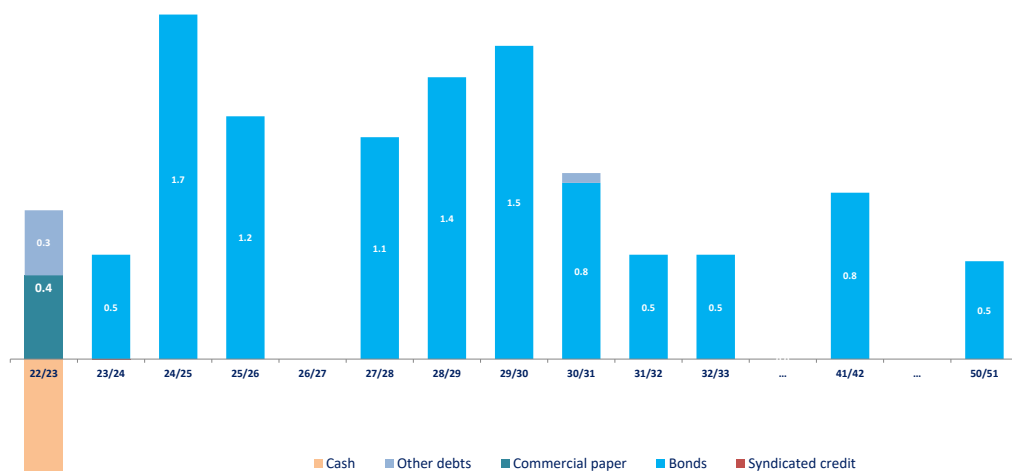
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## Change in Net Debt

| (€ millions)   | 31/12/2021   | 31/12/2022     |
|--|--------------|----------------|
| Operating profit   | 1,995        | 2,509          |
| Depreciation and amortisation  | 189          | 204            |
| Net change in impairment of goodwill, PPE and intangible assets  |              | 8              |
| Net change in provisions   | (22)         | (50)           |
| Changes in fair value on commercial derivatives, biological assets and investments                             | (3)          | (75)           |
| Net (gain)/loss on disposal of assets  | (3)          | (74)           |
| Share-based payments   | 17           | 21             |
| <b>Self-financing capacity before interest and tax</b>   | <b>2,173</b> | <b>2,544</b>   |
| Decrease / (increase) in working capital requirements  | (382)        | (1,024)        |
| Net interest and tax payments  | (313)        | (395)          |
| Net acquisitions of non financial assets and others  | (157)        | (170)          |
| <b>Free Cash Flow</b>  | <b>1,320</b> | <b>954</b>     |
| <i>of which recurring Free Cash Flow</i>   | <i>1,383</i> | <i>999</i>     |
| Net acquisitions of financial assets and activities and others   | (464)        | (855)          |
| Dividends paid   | (820)        | (1,065)        |
| (Acquisition) / Disposal of treasury shares and others   | (292)        | (190)          |
| <b>Decrease / (increase) in net debt (before currency translation adjustments)</b>                             | <b>(256)</b> | <b>(1,156)</b> |
| Foreign currency translation adjustment  | (168)        | 80             |
| Non cash impact on lease liabilities   | (47)         | (55)           |
| <b>Decrease / (increase) in net debt (after currency translation adjustments and IFRS 16 non cash impacts)</b> | <b>(471)</b> | <b>(1,131)</b> |
| Initial net debt   | (7,452)      | (8,657)        |
| Final net debt   | (7,923)      | (9,789)        |

## Net Debt Maturity Profile at 31 December 2022

€ billions



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### Bond details at 31 December 2022

| 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%     | 06/04/2020 | 07/04/2025    |
|               | € 750 m         | 1.750%     |            | 08/04/2030    |
|               | € 500 m o/w:    |            |            |               |
|               | € 250 m         | 1.125%     | 30/04/2020 | 07/04/2025    |
|               | € 250 m         | 1.750%     |            | 08/04/2030    |
|               | € 600 m         | 1.500%     | 17/05/2016 | 18/05/2026    |
| € 750 m       | 1.375%          | 07/04/2022 | 07/04/2029 |               |
| € 500 m       | 0.125%          | 04/10/2021 | 04/10/2029 |               |
| €1 100 m o/w: |                 |            |            |               |
| € 500 m       | 3.750%          | 02/11/2022 | 02/11/2032 |               |
| € 600 m       | 3.250%          |            | 02/11/2028 |               |
| USD           | \$ 850 m        | 5.500%     | 12/01/2012 | 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 30/06/2022 -> 31/12/2022                                   | 1.04 -> 1.07 | 1.13->1.05                  |
| <b>Ratio at 30/06/2022</b>  | <b>2.5</b>   | <b>2.4</b>                  |
| EBITDA & cash generation excl. Group structure effect and forex impacts | 0.0          | 0.0                         |
| Group structure and forex impacts                                       | 0.0          | 0.1                         |
| <b>Ratio at 31/12/2022</b>  | <b>2.5</b>   | <b>2.6</b>                  |

(1) Last-twelve-month rate

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### Diluted Earnings Per Share (EPS) calculation

| (x 1,000)  | HY FY22        | HY FY23        |
|--|----------------|----------------|
| Number of shares in issue at end of period                     | 261,877        | 257,947        |
| Weighted average number of shares in issue (pro rata temporis) | 261,877        | 257,947        |
| Weighted average number of treasury shares (pro rata temporis) | (1,656)        | (1,311)        |
| Dilutive impact of stock options and performance shares        | 609            | 733            |
| <b>Number of shares used in diluted EPS calculation</b>        | <b>260,829</b> | <b>257,369</b> |

| (€ millions and €/share)  | HY FY22     | HY FY23     | reported<br>△ |
|---|-------------|-------------|---------------|
| Group share of net profit from recurring operations             | 1,438       | 1,743       | 21.2%         |
| <b>Diluted net earnings per share from recurring operations</b> | <b>5.51</b> | <b>6.77</b> | <b>22.8%</b>  |

### Upcoming Communications

| Date <sup>1</sup> | Event                         |
|-------------------|-------------------------------|
| 23 March 2023     | North America conference call |
| 27 April 2023     | Q3 FY23 Sales conference call |

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

### 16th February 2023 call details

Available in the media section of Pernod Ricard's website