Pernod Ricard
Créateurs de convivialité

H1 FY26 Sales and Results
Press Release – Paris, 19 February 2026

STEERING WITH AGILITY, DISCIPLINE AND STRATEGIC CONVICTION, IN A TRANSITION YEAR

H1 FY26 ORGANIC SALES DECLINE -5.9% (-14.9% REPORTED)
H1 FY26 ORGANIC PRO[1] DECLINE -7.5% (-18.7% REPORTED)

Alexandre Ricard, Chairman and Chief Executive Officer, stated:

"Our priorities are clear: to strengthen the desirability of our brands as a foundation of long-term, sustainable growth; to drive greater efficiency across the organization; and to enhance cash generation.

Our balanced geographical footprint, diversified portfolio and highly engaged teams put us in a unique position to navigate a contrasted environment and seize opportunities. We remain fully committed to adapting with agility and executing with discipline to meet evolving consumer needs and capture growth.

Building on the journey we began in 2023, we have made significant progress on our FY26-29 €1 billion Operational Efficiencies program, including the rollout of our Fit for Future operating model. One third of the targeted efficiencies will be delivered this year and we have accelerated the normalization of our strategic investments.

I remain confident in the attractive fundamentals of our industry, Pernod Ricard's strategy and the resilience of our operating model to deliver sustainable value over time."

- ✓ **Soft H1 in a contrasted environment,** broadly stable when excluding US and China, for which the declines are amplified by inventory adjustments, with growth in many markets across all regions
- ✓ **Q2 trajectory improving**, notably in GTR and accelerating in India
- ✓ H1 unfavourable foreign currency exchange impact, while perimeter effects are accretive to the Operating Margin
- ✓ **Defending the Organic Operating Margin,** strongly supported by operational efficiencies, with Tariffs and COGS inflation, notably on aged liquids, partially mitigated through operational levers
- ✓ **Sharp reduction in Structure costs of -10%,** driven by implementation of the Fit for Future operating model and ongoing strong cost discipline
- ✓ **Strong improvement in Free Cash Flow of +9.5%** despite the decline in PRO, leading to enhanced cash conversion with normalizing Strategic Investments and disciplined Operating Working Capital management
- ✓ **Active portfolio management**, notably with the disposal of Imperial Blue business

[1] Profit from Recurring Operations

SALES

Sales for H1 FY26 totaled €5,253m, an organic decline of -5.9% and -14.9% reported, with a negative Foreign Exchange impact of -€356m mainly linked to US dollar, Indian Rupee, Turkish Lira, and a negative Perimeter of -€217m mainly due to brand disposals.

By region:

- **Americas -12%,**
  - **USA -15%,**
    - Spirits market conditions remaining soft
    - Our Sell-out value gap-to-market[2] has continued to narrow to c.2 points, benefitting from ongoing focus on execution
    - Key brands including Jameson, Kahlúa and The Glenlivet are beating their competitive set in H1
    - Sales in H1 were impacted by some inventory adjustments, expected to impact sales over the full year
  - **Canada** solid growth, good momentum on the RTD portfolio and Absolut
  - **Brazil** in decline, temporarily impacted by the methanol crisis, expecting return to growth in H2
  - **Mexico** declined facing weak market conditions amidst uncertain macro-economic environment
- **Asia-RoW -4%,**
  - **India +4% (+8% exc. Imperial Blue)**
    - Dynamic growth, sequentially improving in Q2 though still impacted by excise policy changes in Maharashtra, with strong underlying demand and continuing premiumization trends
    - DD growth on Strategic International Brands notably Jameson, Ballantine's and Absolut and MSD growth on Royal Stag and Blenders Pride
    - Strong innovation programs led by the launch of Xclamat!on, a range of premium local spirits
    - Continued strong momentum expected in H2
  - **China -28%**
    - Tightened regulatory environment impacting high end on-trade and persistent macro economic and consumer sentiment weakness
    - Martell and Chivas negatively affected by market conditions, premium brands including Absolut and Jameson in strong growth
    - Sales impacted by some inventory adjustments; and unfavourable Q2 comparison basis with the later timing of CNY, expected to reverse in H2
    - Cautious trade sentiment ahead of CNY
  - **Türkiye** maintains its very strong performance, with good growth across the portfolio
  - **South Africa** in solid growth, with strong performance of Martell
  - **Japan,** strong growth, with Perrier-Jouët growing double-digits
  - **Australia** resilient performance, solid momentum on RTDs & Jameson
  - **South Korea**, rate of decline moderating

[2] Bottled Spirits market

- **Europe -3%,**
  - Modest market contraction in France with sales impacted by phasing
  - Germany and Spain in decline driven by soft market conditions
  - UK resilient in a market showing signs of stabilisation
  - Poland in growth, amplified by phasing ahead of excise tax increases
  - Jameson and Absolut in modest growth, strong sales of Perrier-Jouët and Bumbu
- **Global Travel Retail -3%,**
  - Rebound in Q2 with the resumption of Martell sales in China Duty Free
  - Asia beyond China continues to see weakness, notably in South Korea
  - Good growth in Sell-out in Europe & Americas, sustained momentum in the cruise channel
  - GTR expected to be broadly stable in FY26

By brand:

- **Strategic International Brands -7%,**
  - Martell, in strong decline due to performance in China, while enjoying strong growth in South Africa, Nigeria and the US
  - Jameson in decline in the US though with improving sell-out momentum, notably with solid growth in India and Germany
  - Absolut in strong growth in India, China, Türkiye and Canada
  - Stellar performance of Perrier-Jouët growing double-digits across all regions
- **Strategic Local Brands -2%,** with Royal Stag and Blenders Pride enjoying mid-single-digit growth offset by a decline on Imperial Blue
- **Specialty Brands -7%,** Bumbu in strong growth, offset by the decline of Aberlour in the US and Lillet in Germany
- **RTDs +12%,** with a broad-based momentum across the portfolio

RESULTS

H1 FY26 PRO reached €1,614m, an organic decline of -7.5%, a reported decline of -18.7%

- Gross Margin -216bps organic decline, impacted by moderately negative price and mix at c.50bps, tariffs increase at c.70bps on US and China, and net COGS effect of low-single-digit increase driven by inflation from aged Wet Goods, lower fixed costs absorption and savings on dry goods. COGS are strongly benefiting from Operational Efficiencies.
- A&P at 13% of Net Sales, phasing skewed toward H2
- Rapid implementation of simplified organisation and strict cost discipline leading to a sharp reduction in structure costs at -10%, to continue in H2
- Operating Margin contracted organically -55bps, and -142bps on a reported basis to 30.7%
- Accretive perimeter[3] effect on the Operating Margin
- Adverse FX of -€187m, largely on USD, Turkish Lira, Indian Rupee and Chinese Yuan

Group share of Net PRO was €1,018m, down -20%. Optimization of financing costs leading to decrease in Recurring Financial Expenses, with an average cost of debt reduced to 3.2% (from 3.4%). Reduced Income Tax on Recurring Operations, in line with the reduction in PRO.

[3] Negative perimeter effect on the PRO of -€39m mainly disposals of Wine brands, Finnish brands and one month of Imperial Blue

Group Share of Net Profit is €975m, down -18%. Non-Recurring Operating Expenses include costs of Group restructuring, and disposals' proceeds and impairments.

Earnings Per Share in decline of -20% to €4.04, reflecting lower Group Share of Net Profit from Recurring Operations and unfavourable FX.

FREE CASH FLOW AND DEBT

Free Cash Flow at €482m, +€42m (+9.5%) vs H1 FY25, driven by optimized strategic investments and strong operating working capital management, leading to an improvement in Cash conversion.

Net debt decrease on 12 months to December, by c.-€900m to **€11,168m** with H1 increase vs June 2025 +€441m. **The Net Debt/EBITDA** ratio at average rate[4] stands at **3.8x** at 31 December 2025, reflecting the impact of lower EBITDA (including FX), and timing of dividend payments.

Actively focusing on cash generation to preserve a strong balance sheet, with Strategic investments normalizing, reducing from peak levels, ongoing operating working capital improvement initiatives, as the PRO returns to growth, and with dynamic portfolio management.

[4] Based on average EUR/USD rate: 1.13; calculation made of last twelve-month average

FY26 Outlook

In a context that remains volatile and uncertain, we remain focused on capturing growth opportunities, and as such, we continue to expect FY26 to be a transition year with improving trends in Organic Net Sales, skewed toward H2

We continue to invest to increase our brands' desirability with sharp allocation, efficiency, innovation and experiences with A&P investment ratio expected to remain at c.16%

We will defend our organic Operating Margin to the fullest extent possible, supported by strict cost control and the implementation of our FY26 to FY29 €1bn Operational Efficiencies program, including the adaptation of our "fit for future" organisation

Focus on cash generation to continue, with strategic investments now revised to c.€750m and strong operating working capital management

Aiming for c.80% and above cash conversion from FY26

FX impact expected to be significantly negative[5]

Medium Term FY27-29

Leveraging our unique broad-based and balanced geographic breadth and diversified portfolio of premium international spirits

Projecting Organic Net Sales growth, aiming for the range of +3% to +6% p.a[6] on average, with annual Organic Operating Margin expansion

Anticipating organic margin expansion to be supported by efficiencies of €1bn from FY26 to FY29, with program to optimize Operations and implement a Fit For Future organisational structure

Maintaining consistent investments behind our brands with c.16% A&P/Net Sales, with agility and responsiveness to maximise opportunity by brand and market

Strong cash generation aiming for c.80% and above cash conversion to fund our financial policy priorities, with strategic investments normalizing to no more than c.€800m p.a

We are confident in our strategy, in our operating model and in the engagement of our teams, to deliver sustainable value growth over time

[5] Based on current Spot rates
[6] Per annum

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 FY26 Sales & Results can be downloaded from our website: www.pernod-ricard.com

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, 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 and adding the year-on-year variance in the reported transaction impact between the current year and the previous year.*
- *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 calculations of the current year only from the anniversary date of the acquisition.*
- *The impact of hyperinflation on Profit from Recurring Operations in Türkiye and Argentina is excluded from organic growth calculations by capping local unit price/cost increases to a maximum of +26% per year, equivalent to +100% over three years.*
- *Where a business, brand, brand distribution right or agency agreement was disposed of or terminated in the prior year, the Group excludes the results for that business from the prior year in the organic movement calculations. 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 users to compare the Group's performance on a like-for-like basis, focusing on areas that local management is most directly able to influence.*

Profit from recurring operations

Profit from recurring operations corresponds to the operating profit excluding other non-recurring operating income and expenses.

About Pernod Ricard

Pernod Ricard is a worldwide leader in the spirits and wine industry, blending traditional craftsmanship, state-of-the-art brand-building, and global distribution technologies. Our prestigious portfolio of premium to luxury brands 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 and Mumm and Perrier-Jouët champagnes. Our mission is to ensure the long-term development of our brands with full respect for people and the environment, while empowering our employees around the world to be ambassadors of our purposeful, inclusive and responsible culture of authentic conviviality. Pernod Ricard's consolidated sales amounted to €10,959 million in fiscal year FY25.

Pernod Ricard is listed on Euronext (Ticker: RI; ISIN Code:FR0000120693) and is part of the CAC 40 index.

Contacts

Joelle Ferran	/ Global VP, Investors Relations & Financial Communication	+33 (0) 1 70 93 25 37
Edward Mayle	/ Investor Relations Director	+33 (0) 6 76 85 00 45
Ines Lo Franco	/ Investor Relations Manager	+33 (0) 1 70 93 17 13
Emmanuel Vouin	/ Head of External Engagement	+33 (0) 1 70 93 16 34

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Appendices

Financial Tables can be consulted on www.pernod-ricard.com

Upcoming Communications

Date (subject to change)	Event
16th April 2026	Q3 FY26 Sales
28th May 2026	US Webcast
27th August 2026	FY26 Sales and Results

Login details for the conference-call on February 19, 2026

Available in the media section of the Pernod Ricard website

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