Pernod Ricard
Créateurs de convivialité

FY25 Sales and Results
Press Release – Paris, 28th August 2025

STEERING THROUGH A CHALLENGING ENVIRONMENT WITH AGILITY, DISCIPLINE AND STRATEGIC CONVICTION

FY25 ORGANIC SALES -3.0% (-5.5% REPORTED)
FY25 ORGANIC PRO[1] -0.8% (-5.3% REPORTED)

Consistent organic operating margin expansion, investing in brand desirability and sustainable long-term growth

- ✓ **FY25 Organic Net Sales -3.0%,** with declines in China, USA and GTR Asia negatively impacting mix, while many markets posted a resilient to strong growth, leading to gaining or maintaining shares in most of them
- ✓ **Continued volume recovery (+2%)** with three consecutive semesters of volume growth
- ✓ **Strong FY25 organic operating margin expansion at +64bps**, supported by the completion in FY25 of a €900m efficiency program FY23-25 and strong cost discipline
- ✓ **Sustained reported operating margin** despite significant adverse FX impacts
- ✓ **Free Cash Flow at €1.1bn**, (+18%) notably with strong Operating Working Capital management, leading to a strong improvement in cash conversion
- ✓ Sustainable long-term growth investments with €1.2bn in **Capex and Strategic Inventories**, passed peak in FY24, along with continued dynamic portfolio management (including Wines and Imperial Blue[2] businesses disposals)
- ✓ **Proposed dividend[3] of €4.70 per share**, stable versus FY24

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[1]Profit from Recurring Operations [2]Subject to regulatory approvals [3]Subject to Shareholders' Approval on 27th October 2025

SALES

FY25 Net Sales totalled €10,959m, an organic decline of -3.0% (-5.5% reported), with a negative FX impact of -€277m mainly due to the Turkish Lira, Argentinean Peso and Indian Rupee.

By region:

- **Americas -3%,**
  - **USA -6%, Spirits market (inc. RTD) in slight growth, impacted by subdued consumer confidence and economic moderation. Narrowing gap-to-market through sharp execution**
    - Sell-out volume and value gap-to-market continues to narrow, reflecting focus on execution and strong investment behind the brands
    - Jameson, Absolut and Kahlua are each performing ahead of their competitive set with Jameson significantly improving and posting positive sell-out in Q4
    - Revised Route to Market implemented over the summer designed to align and increase executional capabilities
    - Prolonged tariff uncertainty impacted distributor inventory level at year end, with adjustments expected throughout FY26
  - **Canada** in good growth, notably on Jameson, Bumbu, The Glenlivet and RTDs, gaining market share
  - **Brazil** in good growth, led by Strategic International Brands Beefeater, Royal Salute, Chivas Regal and Absolut, gaining market share
  - **Mexico** in low single digit decline, gaining market share in whiskies

- **Asia-RoW -4%,**
  - **India +6%**, **Strong underlying consumer demand and premiumisation trends**
    - Strong and broad-based performance underpinned by dynamic consumer demand
    - Premiumising sales with growth excluding Imperial Blue at +8%
    - Double Digit growth on Royal Stag
    - Double Digit growth on Strategic International Brands including continuing Jameson's exceptional performance, now the #1 imported Spirit brand in India and Pernod Ricard's #2 Jameson market by volume
    - Disposal of Imperial Blue business expected to be immediately accretive to margins and growth[4]
    - Excise policy changes in Maharashtra state expected to negatively impact sales in FY26, most significantly in Q1

  - **China -21%, Challenging macro-economic environment and continuing weak consumer sentiment impacting demand**
    - Decline in sales of Martell and Scotch brands
    - Premium brands including Jameson, Absolut and Olmeca in strong growth
    - Increasing penetration of Premium Spirits among the growing middle class

[4] Subject to regulatory approvals

- Soft consumer demand in Q4 combined with anticipation of the conclusion of Anti-Dumping investigation leading to distributor inventory overhang at year end
- Leading to a strong decline expected in Q1

  - **Japan** in MSD growth, gaining market share, sharp declines in **South Korea** and **Taiwan market** amidst difficult macro-economic conditions
  - Very strong growth in **Turkey** (both organic and reported sales) led by Chivas Regal and Ballantine's, strong growth in **South Africa** with Martell and Jameson, gaining market share in both markets
  - **Australia** MSD growth, gaining market share

- **Europe -2% (flat ex-Russia), Resilient Net Sales**
  - Particularly dynamic across Eastern Europe, while Western Europe sees growth in **France**, with declines in **Germany** and **Spain**
  - Gaining market share in France and Germany and maintaining share in **UK**
  - Good brand performances on Bumbu, Jameson, Chivas, Ballantine's, Perrier-Jouët and Altos

- **Global Travel Retail -13%, Gradual improvement in outlook expected with the resolution of the Cognac suspension in China Duty Free**
  - Full year organic sales in decline impacted notably by the suspension of Cognac imports in China Duty Free since December 2024
  - **Asia** region also negatively impacted by weakness in South Korea and Taiwan market
  - Other regions, notably **Europe** and **Americas** are in growth
  - Expecting a strong decline in Q1 driven by a high comparison, with Q2 to benefit from resumption of sales of Martell in China Duty Free
  - GTR expected to return to growth in FY26

By brand:

- **Strategic International Brands -4%,**
  - **Jameson** in LSD growth globally, with good growth across most regions, and stabilised sell out in the US, while declining in Western Europe
  - **Martell** sharp decline in China though with stable market share, growth in South Africa
  - **Absolut** in growth in all regions, except Western Europe due to decline in Germany
  - **Scotch portfolio** in slight decline due to performance in US, Germany, South Korea and Taiwan market, with broad based growth across other markets

- **Strategic Local Brands +2%,**
  - Strong momentum on Seagram's whiskies, notably **Royal Stag**
  - Strong growth of **Kahlúa** in the US and **Olmeca** in Africa, Eastern Europe and China

- **Specialty Brands -7%,**
  - Very strong growth on **Bumbu** across European markets and Canada
  - Good growth from **The Deacon** in Japan and **Château Sainte Marguerite** in Western Europe and USA

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  - **Aberlour** declines from US and Taiwan market
  - **Lillet** decline due to slow down in Germany

- **RTDs +7%,** solid growth across the portfolio of brands

RESULTS

FY25 Profit from Recurring Operations €2,951m, an organic decline of -0.8%, a reported decline of -5.3%

- Gross Margin impacted by negative market mix while benefitting from COGS efficiency programs
- A&P at c.16% of net sales, with sharp marketing resource allocation to maximise growth opportunities
- Strict discipline and continuous improvement on Structure costs, reduced organically by 4%
- Operating Margin impacted by adverse FX and perimeter effects, with FX impact -€112m largely on Turkish Lira, Nigerian Naira, Indian Rupee, British Pound and Argentinean Peso, and Perimeter impact -€29m mainly brand disposals Clan Campbell and Becherovka
- Decline in reported Profit from Recurring Operations mainly linked to negative translation FX

Group share of Net Profit from Recurring Operations €1,829m, down -9%. Increased Recurring Financial Expenses with an average cost of debt of 3.2%, while Income Tax on Recurring Operations declined in line with the reduction in Profit from Recurring Operations.

Group Share of Net Profit €1,626m, up by +10% as non-recurring costs are significantly lower than FY24. Non-recurring costs mainly due to restructuring, lapping last year's Wine business impairment and the reversal on Kahlúa impairment.

Earnings Per Share in decline of -8% at €7.26, mainly due to unfavourable FX and higher financial expenses.

FREE CASH FLOW AND DEBT

Free Cash Flow at €1,133m, +€170m vs FY24, driven by improved Operating Working Capital notably with improvement in finished goods inventory. Decrease in strategic inventories investments and Capex following peak levels reached in FY24, though with continued investment to secure long term growth. For FY26, Strategic investments are expected to be below €900m.

Net debt down -€224m vs. 30 June 2024 to **€10,727m,** thanks to improved FCF and positive FX impact from the USD weakening. The **Net Debt/EBITDA ratio** at average rate[5] increased to **3.3x,** largely due to negative FX impact on Profit from Recurring Operations.

A dividend is proposed of €4.70 per share flat vs FY24, subject to shareholder approval at the Annual General Meeting on 27th October 2025.

[5] Based on average EUR/USD rate: 1.088

REMINDER OF STRATEGIC INTENT

- ✓ Attractive long-term industry fundamentals
- ✓ Broad-based and diversified geographical footprint
- ✓ Most complete portfolio of actively managed, premium international spirit brands
- ✓ Leading market share position in the International Premium Plus Spirits sector outside the US and consistently maintaining and gaining market shares on most markets
- ✓ Consistently investing behind our brands with c.16% A&P ratio with an increasingly optimized return-on-spend
- ✓ Track record of improving Organic Operating Margin
- ✓ Ongoing efficiencies with €900m delivered FY23 to FY25 and €1bn program targeted from FY26 to FY29
- ✓ Fit for Future organisation, based on simplification, empowerment and discipline
- ✓ Continuous focus on cash to invest in the long-term sustainable future of our brands and create shareholder value

FY26 OUTLOOK

FY26 is expected to be a transition year with improving trends in Organic Net Sales, skewed toward H2

A decline in Q1 is expected, with distributor inventory adjustment in the US, continued soft consumer demand and inventory adjustment in China, the impact of Maharashtra excise policy changes in India, skewed toward Q1 and sales of Cognac in Duty Free China only resuming from Q2

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 efficiency initiatives

Focus on cash generation to continue, with strategic investments below €900m and strong operating working capital management. Cash conversion expected to improve further vs FY25

FX impact expected to be significantly negative[6]

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 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/NS, 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. €1bn

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

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[6] Based on current spot rates

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 FY25 Sales & Results can be downloaded from our website: 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, 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 Turkey 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 and Eurostoxx 50 indices.

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Appendices

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

Upcoming Communications

Date (subject to change)	Event
16th October 2025	Q1 FY26 Sales
27th October 2025	Annual General Meeting
19th February 2026	H1 FY26 Sales and Results
16th April 2026	Q3 FY26 Sales