



Pernod Ricard

Pernod Ricard, the world's co-leader in Wines & Spirits, holds a leading position on all continents

Profile

Since its inception in 1975, Pernod Ricard has built up the most premium portfolio in the industry and has become the world co-leader in the Wine & Spirits market through significant organic growth and numerous acquisitions, including Seagram in 2001, Allied Domecq in 2005 and Vin & Spirit in 2008. This portfolio includes in particular 13 strategic international brands, 15 strategic local brands and 4 premium wine brands, produced and distributed by the group through its own worldwide distribution network.

Performance in 2015-2016

Pernod Ricard delivered strong results in a still challenging macroeconomic environment. In organic terms, turnover and current operating income increased by 1.8% and 2.1% respectively, while the currency effect was negligible. The operating margin was stable at 26.2%, with control over advertising expenditure and structural expenses offsetting a slight drop in the gross margin associated with the growth in Indian whiskies. The current net income, group's share, increased by 3.9%. Net debt was down at EUR 8.716 million, thanks to strong cash flow generation, while the net financial debt/EBITDA ratio also fell to 3.4x.

Key financial data

	30/06/2016	30/06/2015	30/06/2014
Simplified income statement (in EUR million)			
Turnover	8,682	8,558	7,945
Current operating income	2,277	2,238	2,056
Current net income (group's share)	1,381	1,329	1,185
Net income (group's share)	1,235	861	1,016

Simplified balance sheet

	30/06/2016	30/06/2015	30/06/2014
Simplified balance sheet (in EUR million)			
Shareholders' equity (group's share)	13,337	13,121	11,621
Non-controlling interests	169	167	157
Net financial debt	8,716	9,021	8,353
Debt-equity ratio (in %)	65	68	71
Net financial debt/EBITDA (x)	3.4	3.5	3.6

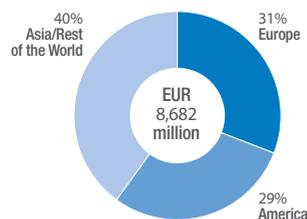
Operating data

	30/06/2016	30/06/2015	30/06/2014
Volume of strategic brands (in millions of 9-litre cases)			
14 strategic international brands	47.9⁽¹⁾	47.8	46.8
Priority Premium Wines	11.6	11.2	10.6

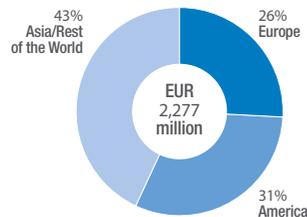
(1) Following the changes made to the House of Brands, there are now 13 strategic international brands accounting for a total volume of 46.4 million 9-litre cases

Pernod Ricard in figures

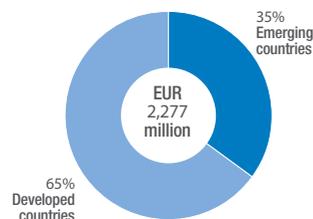
Geographic breakdown of 2015-2016 turnover



Breakdown of 2015-2016 current operating income



Breakdown of 2015-2016 current operating income



85

countries where
Pernod Ricard is active

18,500

employees

8.7

EUR billion
of turnover

101

production sites

17

brands in the world
Top 100

2

Wines and spirits
in the world

Financial communication

Julia Massies
Vice-President, Financial Communication
& Investor Relations
Tel.: +33 1 41 00 42 02
Julia.Massies@pernod-ricard.com
www.pernod-ricard.com

Investment case

The spirits market is supported by favourable long-term trends, in particular:

- expanding urban population
- growing market share compared to beer and wine
- upmarket move by consumers

Pernod Ricard has a solid growth and profitability profile:

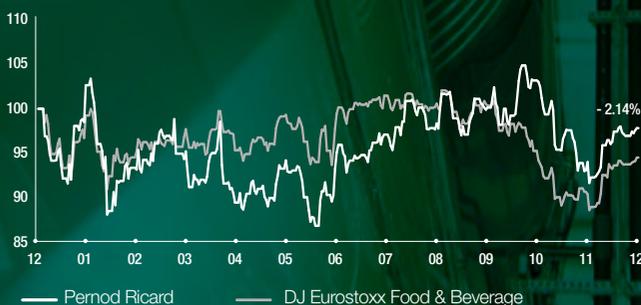
- global co-leader with one of the industry's most complete brand portfolios
- systematic upmarket move thanks to its superior-quality and innovative products
- numerous high-potential brands such as Jameson, Absolut and the Indian whiskies
- leading positions in categories such as whiskey, rum and luxury Cognac that outperform the market and enjoy high barriers to entry, for example guarantee of origin requirements and the need to set aside stocks for ageing

Outlook

The first half of the 2016-2017 financial year showed organic growth in terms of turnover and operating income of 4% (3% after adjusting for the early date of the Chinese New Year). Growth is positive in all of the group's regions and this confirms a gradual improvement, albeit in what continues to be a mixed environment.

For the full financial year 2016-2017, Pernod Ricard is projecting continued good performance in the United States, of Jameson as well as ongoing innovation and an improvement in China of Absolut and Chivas. A temporary slowdown is expected in India due to the government's decision to demonetise. Moreover, the company remains focused on the operating margin and cash flow generation. It has confirmed its target of organic growth in current operating income from 2% to 4%.

Share price in 2016

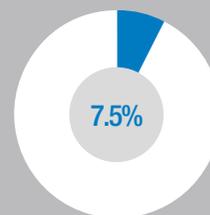


Market data and information in GBL's investment

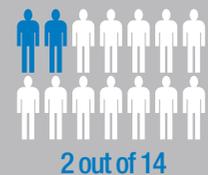
Stock market data	30/06/2016	30/06/2015	30/06/2014
Number of shares issued (in thousands)	265,422	265,422	265,422
Market capitalisation (in EUR million)	26,569	27,498	23,277
Closing share price (in EUR/share)	100.10	103.60	87.70
Diluted adjusted net income (in EUR/share)	5.20	4.99	4.46
Dividend (in EUR/share)	1.88	1.80	1.64

GBL's investment at 31 December	30/12/2016	30/12/2015	30/12/2014
Percentage of share capital (in %)	7.5	7.5	7.5
Percentage of voting rights (in %)	6.8	6.9	6.9
Market value of the investment (in EUR million)	2,048	2,093	1,835
Dividends collected by GBL (in EUR million)	37	36	33
Representatives in statutory bodies	2	2	2

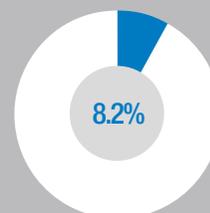
Stake held by GBL



Representatives in statutory bodies



Pernod Ricard's contribution to the net dividends collected on GBL's investments



Pernod Ricard's contribution to GBL's portfolio

