CAMPARI GROUP

2019 First Quarter Results

Investor Presentation

7 May 2019

TOASTING LIFE TOGETHER

Table of contents

Results for first quarter ended 31 March 2019

Strong results driven by organic sales growth thanks to developed markets with emerging markets recovery

Key figures	Q1 2019 (1)		Change vs. Q1 2018			
	€ million	% on sales	Reported	Organic	FX	Perimeter (2)
Net sales	**370.1**	*100.0%*	**+10.1%**	***+9.6%***	***+2.6%***	***-2.0%***
of which: Global priorities				*+12.6%*		
Regional priorities				*+7.8%*		
Gross profit	**223.8**	*60.5%*	**+11.9%**	**+9.9%**	**+2.6%**	**-0.6%**
margin accretion (bps) (3)			+100bps	*+20bps*	*0bps*	*+80bps*
EBIT adjusted (4)	**72.4**	*19.6%*	**+18.5%**	***+15.4%***	***+5.1%***	***-2.0%***
margin accretion (bps) (3)			+140bps	*+100bps*	*+40bps*	*0bps*
EBITDA adjusted (4)	**89.6**	*24.2%*	**+19.9%**	***+17.0%***	***+4.5%***	***-1.6%***
margin accretion (bps) (3)			+200bps	*+150bps*	*+40bps*	*+10bps*
Group pretax profit adjusted (4)	**63.9**	*17.3%*	**+16.5%**			
Net Debt at period end (1)	**893.9**					

(1) First-time application of IFRS 16-'Leases' (effective as of 1 January 2019). Please refer to 'Annex - 5' for further details
(2) Mainly including the tail-end effect of agency brands distribution termination
(3) Basis points rounded to the nearest ten
(4) Before operating adjustments of €(0.8) million in Q1 2019 and €21.6 million in Q1 2018 (capital gain from Lemonsoda disposal in January 2018 net of provisions for restructuring initiatives). After the above operating adjustments Q1 2019 EBIT at €71.7 million and EBITDA at €88.8 million

Key highlights

Outperformance of Global Priorities with recovery in low-margin emerging markets

> **Net Sales**

- **Very positive organic performance in Q1 2019 (+9.6%)** driven by **solid growth** of the **Global Priorities in core developed markets,** despite the late Easter, **enhanced** by a **recovery in emerging markets** helped by a **favourable comparison base** in a **small quarter**
  - **By brand: Global Priorities** continuing to **outperform (+12.6%)** driven by **Aperol, Campari, Wild Turkey, Grand Marnier** and the **Jamaican rums. SKYY Vodka was slightly up (+0.7%)** driven by the **international markets** whilst **reducing the gap in the core US market. Regional priorities up +7.8%** driven by **Espolòn, Cinzano, Frangelico, Forty Creek** and **GlenGrant**
  - **By geography: solid growth in high-margin developed markets,** driven by **North America** and **Western Europe** with a **strong recovery** in **lower-margin emerging markets** such as **Brazil, Russia** and **Argentina** against an easy comparison base
- Organic growth excludes positive price effect in Argentina of 90 bps in Q1 2019
- **Reported change of +10.1%,** reflecting **negative perimeter effect of -2.0% or €(6.9) million**, and **positive FX effect of +2.6% or €8.8 million**

> **EBIT adjusted**

- **Organic growth of +15.4%, well ahead of organic sales growth (+100 bps margin accretion),** driven by **the combined effect of contained gross margin expansion**, mainly due to the dilutive effect of strong growth in low-margin emerging markets and tough comparison base (+250 bps in Q1 2018), **slower growth in A&P investments** as well as **higher absorption of fixed structure cost** due to the strong sales growth
- **Reported change of +18.5%,** as the **positive FX of +5.1% or €3.1 million more than offset the negative perimeter effect of -2.0% or €(1.2) million** due to the tail-end effect of the termination of agency brands distribution

> **Pre-tax profit**

- **Group pre-tax profit adjusted** to €63.9 million, up **+16.5%**
- **Group pre-tax profit reported** to €63.2 million, down **-17.4%** (1)

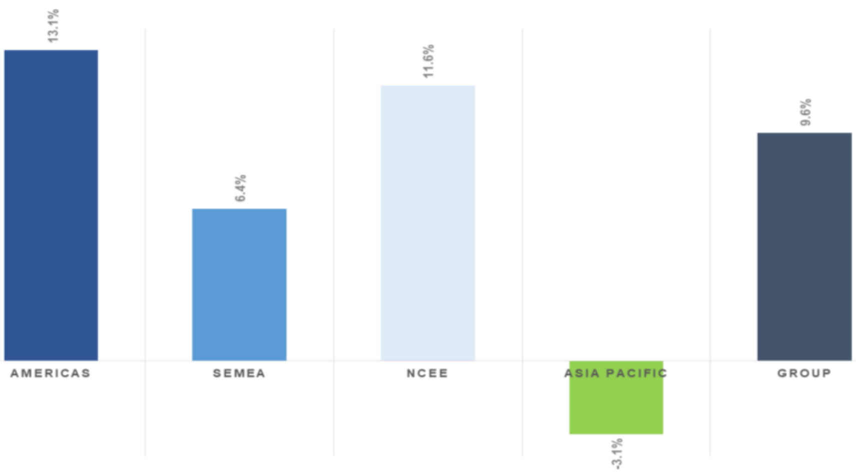
> **Net debt**

- **Net financial debt at €893.9 million** as of 31 March 2019 vs. €846.3 million as of 31 December 2018, up €47.7 million, due to an **increase** of **€83.3 million attributable to the first-time application of IFRS 16-'Leases'** (effective as of 1 January 2019) which more than offset the positive cash generation
- **Net debt to EBITDA pro-forma ratio at 2.0 times** as of 31 March 2019 (vs. 1.9x as of 31 December 2018)

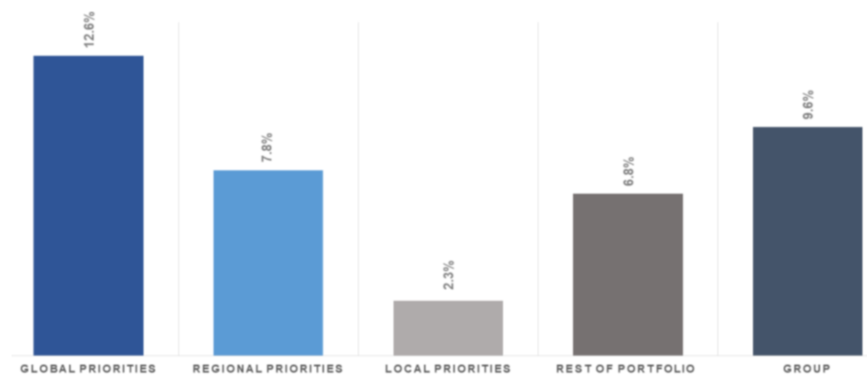
(1) After operating adjustments of €(0.8) million in Q1 2019 and €21.6 million in Q1 2018 (capital gain from Lemonsoda disposal in January 2018 net of provisions for restructuring initiatives)

Table of contents

Positive organic sales growth against an easy comparison base in a low seasonality quarter



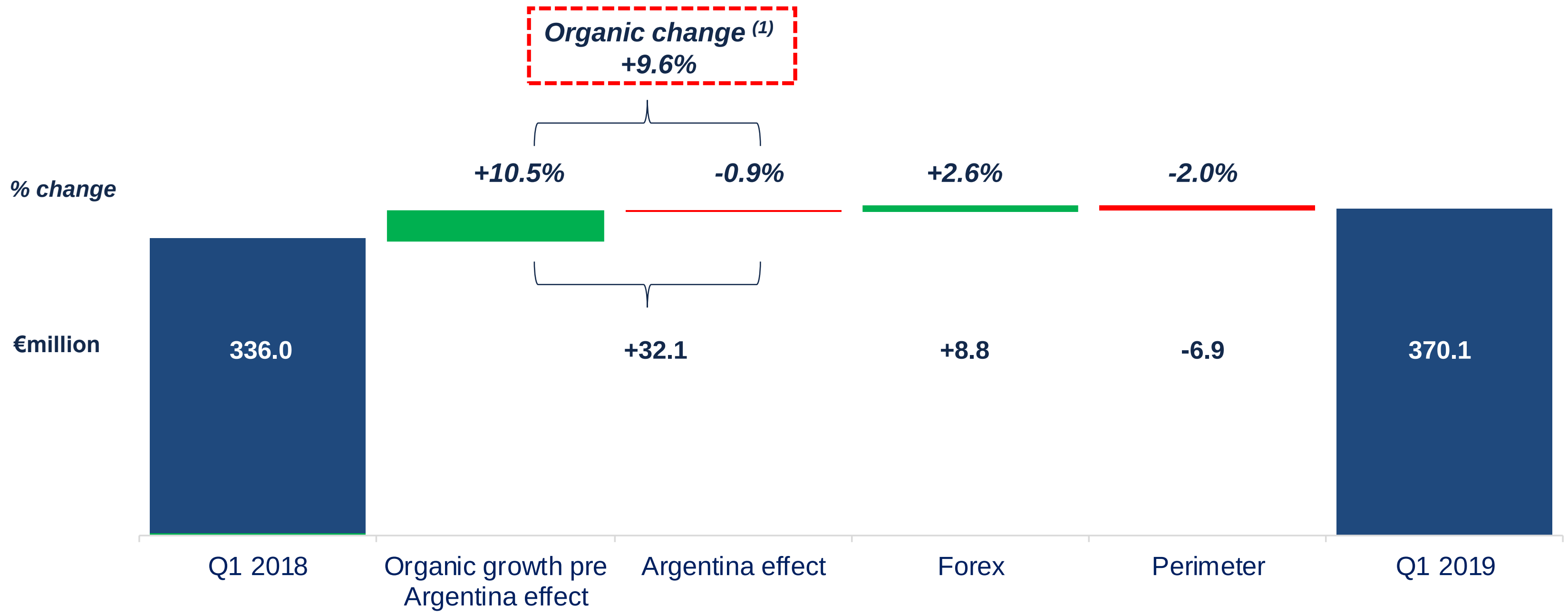
- **Americas:** US was up +11.2% alongside strong growth in both Jamaica and Canada while Brazil and Argentina recovered
- **SEMEA:** Core Italian market delivered solid growth, up +6.4% despite the late Easter. Good growth in Nigeria and France as well as in GTR and South Africa against an easy comparison base
- **NCEE:** Solid growth in Germany, up +9.7%, and in seeding markets such as Scandinavia and Eastern Europe. Double-digit growth in Russia against an easy comparison base, and the UK
- **Asia Pacific:** Weak start in Australia due to the late Easter and in Japan due to tough comparison base. China was positive



- **Global Priorities:** Aperol up +26.8%, double-digit growth in Wild Turkey, the Jamaican rums and Grand Marnier, and Campari up high-single digit. SKYY slightly up thanks to international markets, while the US performance is progressively closing the gap to more favourable consumption trends
- **Regional Priorities:** Espolòn continued its double-digit growth trend. Solid growth in Cinzano, Frangelico, Forty Creek and GlenGrant
- **Local Priorities:** Strong recovery in the Brazilian brands alongside growth in Campari Soda and Ouzo 12, partly offset by decline in Crodino

Net sales results for first quarter 2019

Growth drivers



- **Organic change of +9.6%** (after excluding the price effect in Argentina of 90 bps) or **€32.1 million**, largely driven by superior growth of high-margin Global Priorities as well as key Regional Priorities in developed markets, despite the late Easter, amplified by a recovery in emerging markets helped by a favourable comparison base in a low seasonality quarter
- **Forex effect of +2.6%** or **€8.8 million**, largely thanks to the **strengthening of the US Dollar** against Euro vs. 2018
- **Perimeter impact of -2.0%** or **€(6.9) million**, due to the termination of agency brands distribution

(1) Starting from Q3 2018, following the inclusion of Argentina into the cluster of hyperinflationary economies, sales organic change in this country has been calculated to reflect only the volume change, therefore excluding the price effect and the revaluation component required by IAS 29 (both included in FX effect)

Net sales by region & key markets in Q1 2019

The US is the largest market with 31.2% of Group Net Sales in a low seasonality quarter

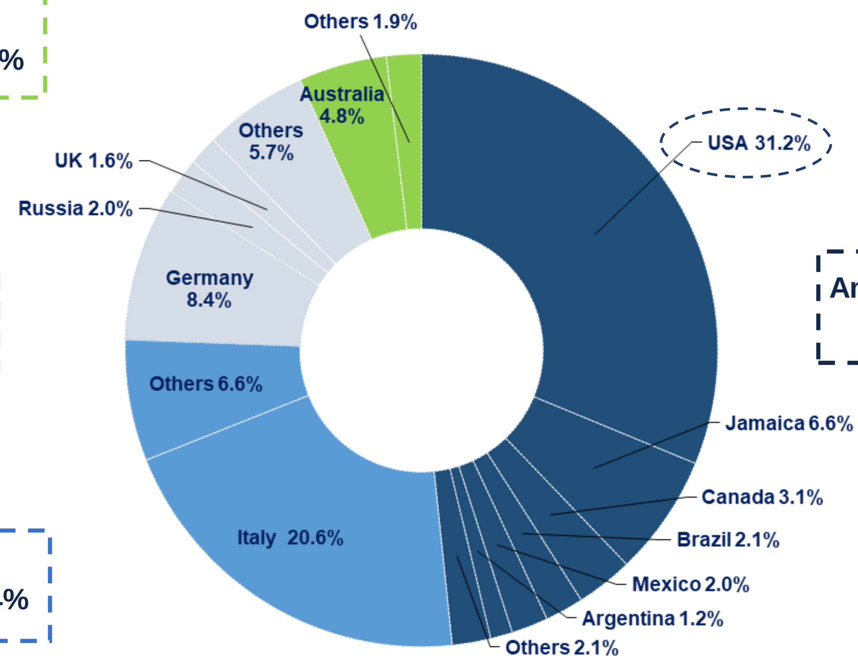
Q1 2019 Group Net Sales €370.1 million
Organic growth +9.6%

Asia Pac: 6.8% of total
Organic growth: -3.1%

NCEE: 17.7% of total
Organic growth: +11.6%

SEMEA: 27.2% of total
Organic growth: +6.4%

Americas: 48.3% of total
Organic growth: +13.1%



Developed vs. emerging markets [1]: 82% vs. 18%

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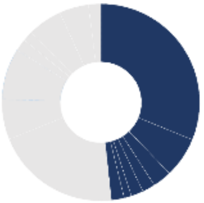
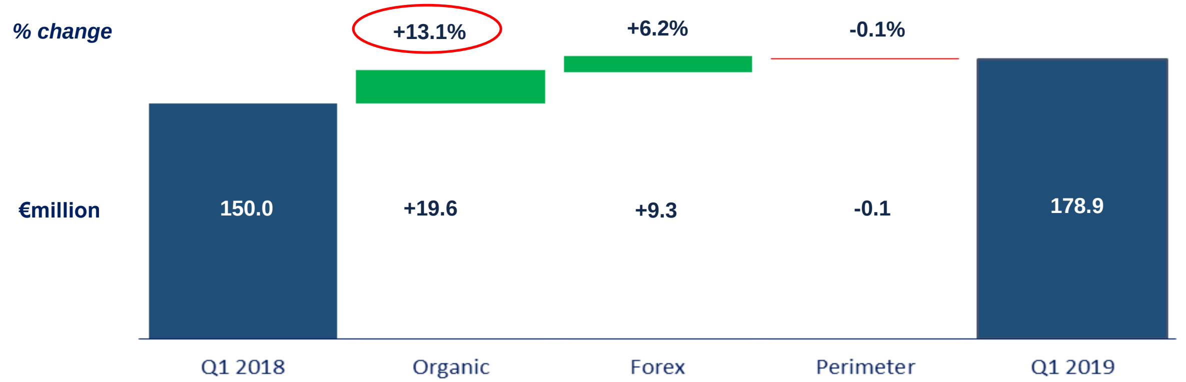
[1] Key emerging markets include Jamaica, Russia, Brazil, Argentina, Mexico, South Africa, Peru, China and Nigeria

Americas: +13.1% organic





Organic growth by key market

North America: +11.9%

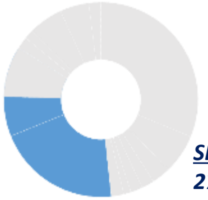
> **US**	**+11.2%**	**Solid start to the year** driven by **double-digit growth** in **Grand Marnier, with shipments phasing ahead of depletions,** the **Wild Turkey portfolio**, **Aperol, Campari, Espolòn** and the **Jamaican rums**. **The SKYY portfolio declined** by mid-single digit and continued to be affected by destocking exercises despite **gradually closing the gap** to **more favourable consumption trends**
> **Jamaica**	**+22.9%**	**Very strong** performance with continued **positive mix** driven by **double-digit growth** in core **Wray&Nephew Overproof, Campari** and **Appleton Estate.** Local brands such as **Magnum Tonic Wine** also continued their positive growth trajectory
> **Others**	**+5.8%**	**Canada registered a positive performance (+15.9%)** thanks to **Aperol, Forty Creek, Appleton Estate** and **Grand Marnier** while **Mexico** declined (-4.9%) largely driven by phasing in the Jamaican rum brands, while **SKYY ready-to-drink** and **SKYY Vodka** were **positive**

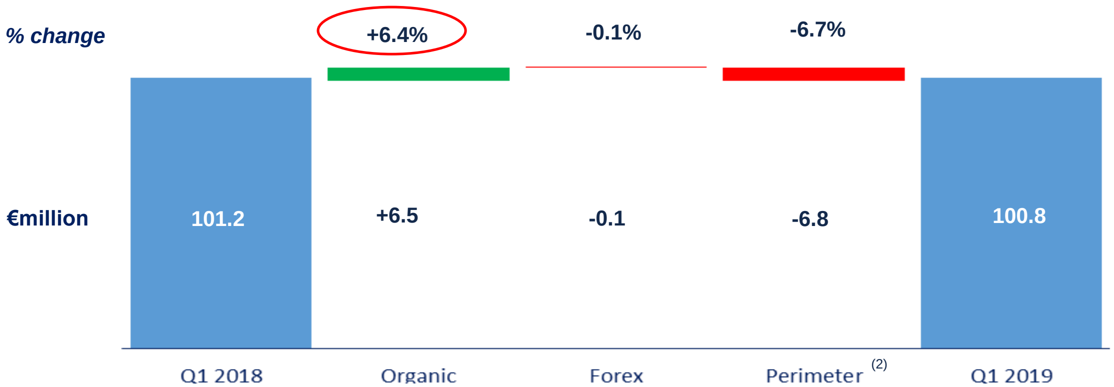
South America: +25.6%

> **Brazil**	**+41.8%**	**Recovery in Brazil**, helped also by an **easy comparison base** (-32.1% in Q1 2018), with a **double-digit growth** in the local **Brazilian brands, Campari, Aperol** and **SKYY**. Nonetheless, market volatility, persistent political instability and high unemployment remain
> **Argentina**	**+19.6%**[1]	**Positive performance** in Argentina, helped by an easy comparison base in a small quarter, driven by **Cinzano vermouth** and **Aperol**. The macro environment remains volatile and affected by a subdued consumer sentiment
> **Others**	**-7.2%**	Positive growth largely driven by **Aperol, Frangelico, Cinzano portfolio** and **SKYY** offset by declines in **Riccadonna** and **Campari** in a low seasonality quarter

(1) Starting from Q3 2018, following the inclusion of Argentina into the cluster of hyperinflationary economies, sales organic change in this country has been calculated to reflect only the volume change, therefore excluding the price effect and the revaluation component required by IAS 29 (both included in FX effect)

SEMEA[1]: +6.4% organic





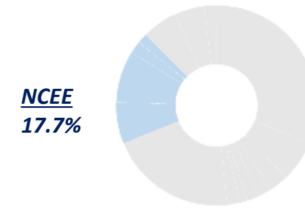
Organic growth by key market

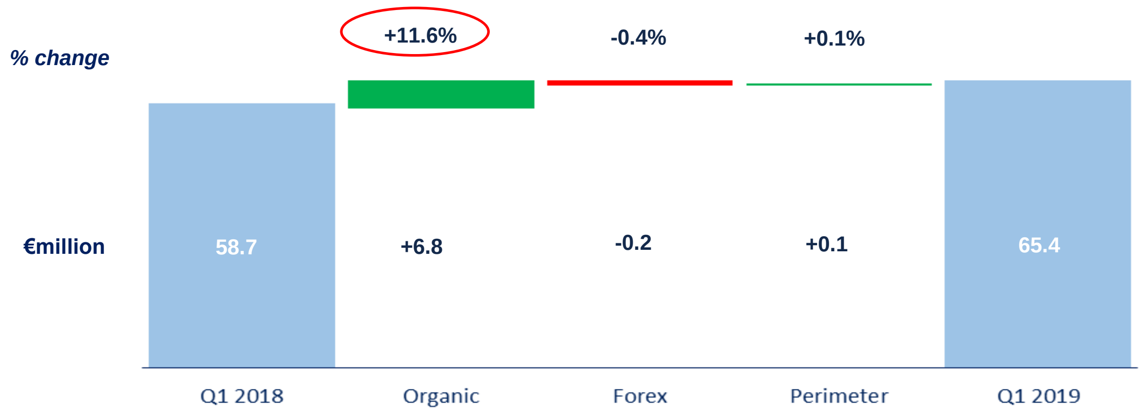
> **Italy** **+6.4%**
- **Very solid start to the year**, driven by sustained double-digit growth of **Aperol (+14.5%)**, solid growth of **Campari (+5.6%)** as well as **positive performance** of **Campari Soda** while **Crodino** was soft

> **Others** **+6.5%**
- **Positive** performance in **France**, largely thanks to growth in **Aperol** and **GlenGrant**
- **Positive** results in **Nigeria** thanks to **Campari** and **Wild Turkey portfolio**. **Strong growth** in **South Africa**, thanks to an easy comparison base, with growth in the **SKYY portfolio** and **Bulldog**
- **Global Travel Retail** up **+5.8%** thanks to strong performances of **Aperol, GlenGrant** and **Appleton Estate**

(1) Incl. Global Travel Retail
(2) Perimeter effect in Italy driven by the tail-end effect of agency brands distribution termination

NCEE: +11.6% organic





Organic growth by key market

> **Germany** **+9.7%**

- **Very satisfactory results in Germany** against an easy comparison base, driven by double-digit growth of **Aperol (+24.0%)** and **positive performance** in **Ouzo 12, Frangelico** and **Cinzano sparkling wine**, more than offsetting some softness in **Averna** and **Campari**, the latter due to price repositioning

> **Russia** **+18.5%**

- **Recovery in Russia** due to a **combination of both an easy comparison base** (-30.5% in Q1 2018) and **good growth** in **Aperol, the Cinzano portfolio, Mondoro** as well as growth from seeding brands such as **Espolòn** and **Wild Turkey**

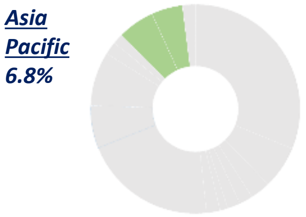
> **UK** **+10.4%**

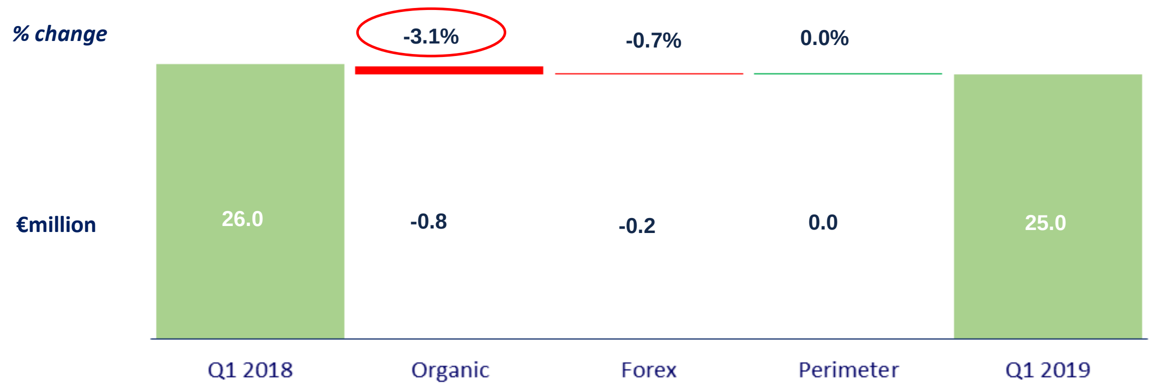
- **Positive start to the year,** with **continued outperformance** of **Aperol, Campari** and **Cinzano vermouth** as well as **Magnum tonic wine,** offsetting some temporary declines in **Bulldog** and the **Jamaican rums**

> **Others** **+12.4%**

- Very positive results among the other markets in the region, in particular, a solid performance in **Austria** (driven by Aperitifs) and **strong growth** in seeding markets such as **Scandinavia** and **Eastern Europe** (driven by **Aperol**)

Asia Pacific: -3.1% organic





Organic growth by key market

> **Australia** **-2.3%**
- **Weak start to the year** largely due to **phasing** and a **tough comparison base** (+9.4% in Q1 2018, which benefited from an earlier Easter timing). A decline in **Wild Turkey bourbon** was partially offset by **positive performances of Aperol, SKYY Vodka** and **Espolòn** while **Wild Turkey RTD** was flat

> **Others** **-5.3%**
- **Double-digit decline** in **Japan** due to a **very tough comparison base (+140.3% in Q1 2018)**, despite continued positive trends in **Aperol**, from a small base, while **China saw double-digit growth** against an easy comparison base with **positive trends in the SKYY portfolio, Grand Marnier** and **Cinzano sparkling wines**

Net sales by key brand

Global Priorities

58% of Total
Organic change: +12.6%

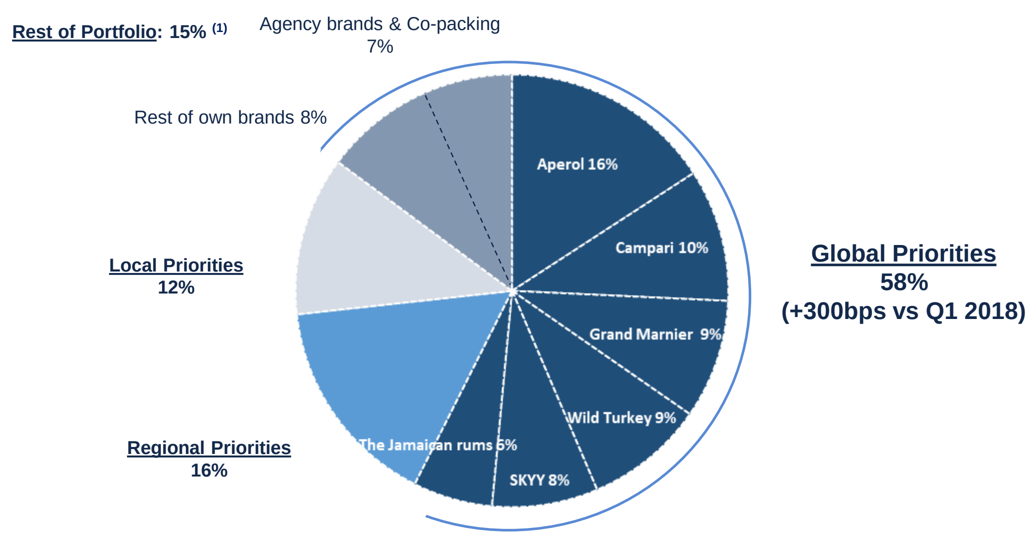
Regional Priorities

16% of Total
Organic change: +7.8%

Local Priorities

12% of Total
Organic change: +2.3%

Q1 2019 Group Net Sales €370.1 million
Organic growth +9.6%



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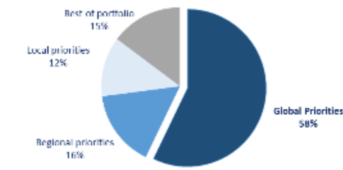
(1) Rest of Portfolio at 15% of group net sales in Q1 2019, down -200bps vs. Q1 2018

Brand sales review

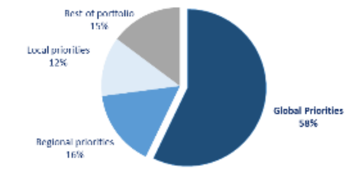
Global priorities



Global priorities	Brand sales as % of Group's sales in Q1 2019	Organic change in Q1 2019	
APEROL	16%	+26.8%	> **Double-digit growth in all core markets** (**Italy, Germany, Austria** and **Switzerland**) with deseasonalisation activities driving growth in winter months > **Excellent start to the year** with **double-digit growth** in **high potential** and **seeding markets** such as the **US**, **Russia, the UK, Australia, Spain, GTR, Scandinavia** and **Eastern Europe**
CAMPARI	10%	+9.2%	> Solid growth in the brand's core market **Italy (+5.6%)** > **Double-digit growth** in key markets such as **the US, Jamaica, Brazil** and **Nigeria** > Overall brand performance negatively impacted by **Germany** due to price repositioning
Grand Marnier	9%	+10.0%	> **Very satisfactory results overall,** driven by **solid growth** in the core markets of the **US (+15.3%)**, **ahead of depletions** due to shipment phasing, and **Canada (+10.1%)** > Outside the brand's core markets, soft performance overall as the brand is currently being relaunched

Brand sales review

Global priorities



Global priorities	Brand sales as % of Group's sales in Q1 2019	Organic change in Q1 2019
Wild Turkey Bourbon, Russell's Reserve, Wild Turkey American Honey	9% [1][2]	+10.0%
SKYY Vodka	8% [1]	+0.7%
Wray & Nephew White Overproof Rum, Appleton Estate Jamaica Rum	6% [1]	+10.0%

[1] Incl. Wild Turkey straight bourbon, Russell's reserve, American Honey
[2] Wild Turkey ready-to-drink and American Honey ready-to-drink are excluded

- **Positive start to the year** for **Wild Turkey bourbon** thanks to the continued growth in the **core US (+4.6%),** with **very positive contribution** from **premium variant Longbranch**, offsetting declines in **Australia (-4.5%)**
- High-margin **Russell's Reserve** continued to register **double-digit gains in the core US market**
- **American Honey** registered double-digit growth in the core **US** market as well as smaller markets, such as **Nigeria**, which more than offset weakness in **Australia**

[1] including SKYY Infusions

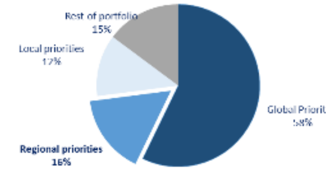
- The **core US** market **registered improving trends** at the start of the year, showing a shipment decline of **-4.6%** mainly due to flavours, as the **market gradually closes the gap** between shipments and more favourable consumption trends due to destocking
- **Positive growth** in international markets such as **China, Germany** and **South Africa**

[1] Incl. Appleton Estate and W&N Overproof

- **Wray&Nephew Overproof grew +15.3%,** thanks to solid trends in core markets of the **US**, helped also by an easy comparison base, and in **Jamaica,** which benefitted from positive shipments ahead of a price increase
- **Positive growth of Appleton Estate (+8.4%)** with continued positive trends in the core markets of **Jamaica**, **the US, GTR** and **Canada**

Brand sales review

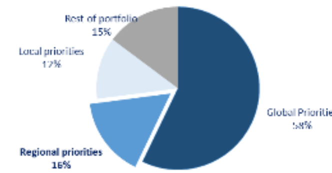
Regional priorities



	Regional priorities	Brand sales as % of Group's sales in Q1 2019	Organic change in Q1 2019	
Tequila	ESPOLÒN	3%	+22.7%	> **Solid start** to the year as the **core US market** continued to grow by **sustained double digits (+20.0%)**
Gin	BULLDOG LONDON DRY GIN	1%	+1.6%	> **Overall positive results** driven by **growth** in **Belgium**, **GTR, Germany** and **Brazil, offsetting weakness in core market of Spain** ahead of brand repositioning in 2019 with a new global campaign focusing on premiumness and distinctiveness
Whiskies	GLENGRANT SINGLE MALT	1%	+6.4%	> **Good growth** in **core France, Germany** and **GTR**, largely due to an easy comparison base. The **US** market registered a **good performance** as well, reflecting the strategic refocus of the portfolio to higher-margin and longer-aged premium expressions away from unaged variants
Whiskies	FORTY CREEK	1%	+9.8%	> **Strong performance** in the core market of **Canada (+11.5%) more than offset** some softness in the **US**

Brand sales review

Regional priorities

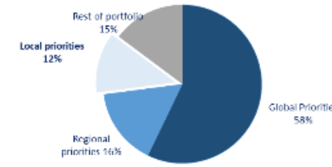


	Regional priorities	Brand sales as % of Group's sales in Q1 2019	Organic change in Q1 2019	
Italian bitters and liqueurs	AVERNA, CYNAR, BRAULIO, Frangelico	4%	+3.7%	> **Averna** registered positive performance driven by **the US**, offsetting weakness in **Germany**. Core **Italy** was flat > **Positive performance** of **Cynar** with strong **results in core markets of Italy, the US** and **Germany** > **Temporary decline** in **Braulio** due to **product availability** > Overall **strong performance** of **Frangelico** with good results in core markets of the **US** and **Germany** offsetting some weakness in seeding markets of **Spain** and **Australia**
Sparkling wine & vermouth	CINZANO[1]	3%	+11.1%	> **Vermouth up +14.6%** as the core markets of **Argentina** and **Russia** registered **very strong growth against an easy comparison base**. **Positive performance** in **Czech Republic** > **Sparkling wines up +8.3%** thanks to a positive performance in **core market** of **Germany**. **Russia** was slightly up while **Italy** was soft
	MONDORO, RICCADONNA	2%	-2.6%	> **Good start to the year for Mondoro (+7.0%)** driven by the core market of **Russia**, helped by an easy comparison base > **Riccadonna registered negative results of -9.1%** due to a **mid-single digit decline in core France** (against a difficult comparison base) and weakness in **Australia**

[1] Incl. Cinzano verrmouth and Cinzano sparkling wines

Brand sales review

Local priorities



Local priorities	Brand sales as % of Group's sales in Q1 2019	Organic change in Q1 2019	
Campari Soda	4%	+2.3%	> **Good start to the year** in core **Italian market**
Crodino	3%	-4.7%	> **Overall negative performance** due to softness in core market of **Italy**, partially offset by **positive growth** in **seeding markets**
	2%	-0.4%	> **Flattish performance in core market of Australia** against a difficult comparison base
Dreher Sagatiba	1%	+55.7%	> **Very strong growth** driven by recovery in **Brazil,** further helped by an easy comparison base (-40.5% in Q1 2018)
12 Ouzo	1%	+5.6%	> **Good performance** in core market of **Germany**
Cabo Wabo	1%	-10.2%	> **Weakness** in the core **US market** due to **shipment phasing** while underlying consumption remains positive

Table of contents

Q1 2019 consolidated P&L

	Q1 2019 [1]		Q1 2018		Reported change	Organic margin accretion/(dilution)	Organic change	Forex impact	Perimeter effect
	€ million	% of sales	€ million	% of sales	%	(bps) [4]	%	%	%
Net Sales	**370.1**	**100.0%**	**336.0**	**100.0%**	**10.1%**		**9.6%**	**2.6%**	**-2.0%**
COGS [2]	(146.2)	-39.5%	(136.0)	-40.5%	7.5%	20	9.0%	2.7%	-4.2%
Gross Profit	**223.8**	**60.5%**	**200.0**	**59.5%**	**11.9%**	**20**	**9.9%**	**2.6%**	**-0.6%**
A&P	(58.8)	-15.9%	(54.1)	-16.1%	8.6%	50	6.3%	2.1%	0.2%
Contribution after A&P	**165.1**	**44.6%**	**145.8**	**43.4%**	**13.2%**	**70**	**11.2%**	**2.8%**	**-0.8%**
SG&A [3]	(92.6)	-25.0%	(84.7)	-25.2%	9.4%	30	8.2%	1.1%	0.1%
EBIT adjusted	**72.4**	**19.6%**	**61.1**	**18.2%**	**18.5%**	**100**	**15.4%**	**5.1%**	**-2.0%**
Operating adjustments	(0.8)	-0.2%	21.6	6.4%	-103.5%				
Operating profit = EBIT	**71.7**	**19.4%**	**82.7**	**24.6%**	**-13.3%**				
Net financial income (charges)	(8.3)	-2.3%	(5.8)	-1.7%	45.1%				
Financial adjustments	0.0	0.0%	0.0	-	-				
Profit (loss) related to companies valued at equity	0.2	0.0%	0.0	-	-				
Put option costs	(0.3)	-0.1%	(0.5)	-0.1%	-31.6%				
Profit before taxes and non-controlling interests	**63.2**	**17.1%**	**76.5**	**22.8%**	**-17.4%**				
Profit before taxes adjusted	**63.9**	**17.3%**	**54.9**	**16.3%**	**16.5%**				
Depreciation	(17.1)	-4.6%	(13.6)	-4.0%	26.3%	(50)	24.0%	2.1%	0.3%
EBITDA adjusted	**89.6**	**24.2%**	**74.7**	**22.2%**	**19.9%**	**150**	**17.0%**	**4.5%**	**-1.6%**
EBITDA	**88.8**	**24.0%**	**96.3**	**28.7%**	**-7.8%**				

(1) IFRS 16-'Leases' effective as of 1 January 2019
(2) COGS = cost of materials, production and logistics expenses
(3) SG&A = Selling, General and Administrative expenses
(4) Bps rounded to the nearest ten

EBIT adjusted - Key highlights

> **Gross profit**: on a **reported** basis up **+11.9% in value**, to 60.5% on sales (**+100 bps accretion**):

- **Organic** growth of **+9.9% in value**, **+20 bps** margin expansion (+250 bps in Q1 2018). Organic growth ahead of topline thanks to **very favourable sales mix**, **overcoming the adverse agave purchase price** as well as the **dilutive effect** generated by the very positive performance of the **lower-margin emerging markets**

- **Forex and perimeter** combined effect of **+2.0% in value**, **+80 bps** margin expansion, driven by the tail-end effect of the previous year's transactions (mainly the termination of lower-margin agency brands distribution)

> **A&P**: on a **reported basis up +8.6% in value**, to 15.9% on net sales (+**20 bps accretion**)

- **Organic** growth of + **6.3% in value**, lower than the strong topline growth, generating **+50 bps** margin accretion
- **Forex and perimeter** combined effect of **+2.3% in value**, **-30 bps** margin dilution, driven by the tail-end effect of the termination of low A&P-intensity agency brands distribution

> **SG&A**: on a **reported** basis up **+9.4% in value**, to 25.0% on net sales (+**20 bps accretion**)

- **Organic** growth of +**8.2% in value**, **+30 bps** margin accretion, driven by higher absorption of fixed structure cost due to the strong topline growth
- **Forex and perimeter** combined effect of **+1.2% in value**, **-10bps** margin dilution

> **EBIT adjusted**: on a **reported** basis up **+18.5% in value**, to 19.6% on net sales (**+140 bps accretion**)

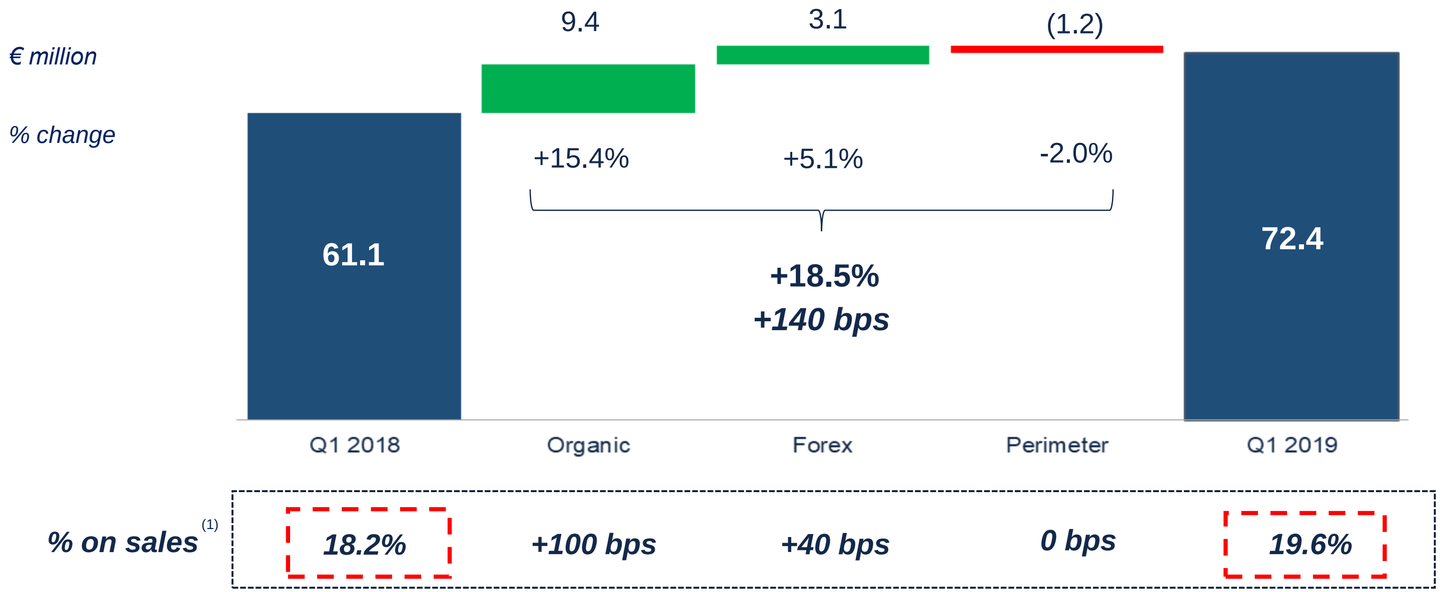
- **Organic** growth of **+15.4% in value**, +**100 bps** margin accretion (of which IFRS 16-'Leases' impact is neglectable, accounting for **+10 bps or €0.5 million**)
- **Forex and perimeter** combined effect of **+3.1% in value**, **+40 bps** margin accretion

> **EBITDA adjusted**: on a **reported** basis up **+19.9% in value**, to 24.2% margin on sales (+**200 bps accretion**), which includes **€3.1 million incremental depreciation** due to **IFRS 16-'Leases'** [(1)]

- **Organic** growth of **+17.0% in value, +150 bps** margin accretion
- **Forex and perimeter** combined effect of **+2.9% in value**, **+50 bps** margin accretion

(1) Please refer to 'Annex - 5' for further details

EBIT adjusted – summary effects



> **EBIT adjusted of €72.4 million, up +18.5%** on a reported basis, **19.6% margin** on sales **(+140 bps** accretion). Key drivers:

- **Organic growth of +15.4%,** ahead of topline growth (+**100 bps accretion,** of which IFRS 16-'Leases' impact is neglectable, accounting for **+10 bps or €0.5 million**), thanks to:
  - Moderate **gross margin expansion (+20 bps**), driven by the **very favourable sales mix**, **overcoming the adverse agave purchase price** as well as the **dilutive effect** generated by the very positive performance of **lower-margin emerging markets**
  - Slower growth in **A&P** investments, generating **+50 bps** margin accretion
  - **SG&A** accretive (**+30 bps**) driven by higher absorption of fixed structure cost due to the strong topline growth
- **FX effect of +5.1%** or €3.1 million (**+40 bps accretion**), mostly driven by the strengthening of the US Dollar vs. Euro
- **Perimeter effect of -2.0%** or €(1.2) million (**neutral on margin**)

> **EBIT of €71.7 million, down -13.3%,** due to unfavourable comparison base of net operating adjustments (negative amount of €(0.8) million in Q1 2019 vs. positive amount of €21.6 million in Q1 2018) [2]

(1) Bps rounded to the nearest ten
(2) In Q1 2018, positive operating adjustment of €21.6 million, due to capital gain from Lemonsoda disposal in January 2018 net of provisions for restructuring initiatives

Q1 2018 Consolidated P&L - Pretax profit

	Q1 2019		Q1 2018		Reported Change
Operating profit = EBIT	**71.7**	**19.4%**	**82.7**	**24.6%**	**-13.3%**
Net financial income (charges)	(8.3)	-2.3%	(5.8)	-1.7%	45.1%
Financial adjustments	(0.0)	0.0%	0.0	-	-
Profit (loss) related to companies valued at equity	0.2	0.0%	-	-	-
Put option costs	(0.3)	-0.1%	(0.5)	-0.1%	-31.6%
Profit before taxes and non-controlling interests	**63.2**	**17.1%**	**76.5**	**22.8%**	**-17.4%**
Profit before taxes adjusted	**63.9**	**17.3%**	**54.9**	**16.3%**	**16.5%**

> Negative financial charges were **€8.3 million** in Q1 2019, **up by €2.6 million** vs. Q1 2018, despite the **lower average indebtedness** (from €960.1 million in Q1 2018 to **€870.2 million in Q1 2019**), due to:

- **Increase of average cost of net debt to 3.7%** (1) in Q1 2019, up from 2.7% in Q1 2018, reflecting the negative carry effect on excess cash
- The effect of the **first-time application of IFRS 16-'Leases'**, amounting to **€0.9 million**

> **Group pretax profit** was **€63.2 million, down -17.4%**

> **Group pretax profit adjusted** was **€63.9 million** (2) , **up +16.5%**

(1) Excluding FX effects, ancillary financial expenses and financial adjustments
(2) Before adjustments of €(0.8) million in Q1 2019 (vs. €21.6 million positive adjustments in Q1 2018, attributable to capital gain from Lemonsoda disposal in January 2018 net of provisions for restructuring initiatives).

Table of contents

Net financial debt increased by €47.7 million due to the first-time application of IFRS 16-'Leases'

€ million	31 March 2019 [1]	31 December 2018	Δ 31 March 2019 vs. 31 December 2018
Short-term cash/(debt) (A)	**437.2**	**404.1**	**33.1**
- Cash and cash equivalents	694.2	613.9	80.2
- Short-term debt	*(257.0)*	*(209.9)*	*(47.1)*
Medium to long-term cash/(debt) (B)	**(1,156.0)**	**(1,076.0)**	**(80.0)**
Debt relating to operating activities (A+B)	**(718.8)**	**(672.0)**	**(46.9)**
Liabilities for put option and earn-out payments [2]	(175.1)	(174.3)	(0.8)
Net cash/(debt)	**(893.9)**	**(846.3)**	**(47.7)**

- **Net financial debt** at **€893.9 million** as of 31 March 2019 vs. €846.3 million as of 31 December 2018, up €47.7 million, due to **a step up of €83.3 million** attributable to **the first-time application of IFRS 16-'Leases'** (**figurative liabilities** reflecting the obligation to pay the lease instalments), which more than offset the positive cash generation
- **Net debt to EBITDA pro-forma ratio** [2] **at 2.0x as of 31 March 2019** (vs. 1.9x as of 31 December 2018)

(1) Excludes €150 million 5-year debt placement issued on 23 April 2019
(2) Pro-forma ratio mainly to take into account the full year effect of acquisitions and disposals that occurred in the period

Table of contents

Campari – Entering Red

Campari – Red Diaries 2019
‘Entering Red’

On February 5th 2019, **Campari launched the new short movie** for the **Campari Red Diaries** campaign, ‘**Entering Red**’, starring the internationally recognized actress **Ana De Armas** and directed by critically acclaimed Italian director **Matteo Garrone**

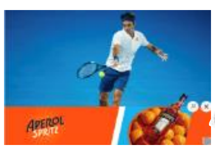
Remaining true to Campari’s mantra that **every cocktail tells a story**, this year’s production inaugurated the celebration of the iconic **Negroni cocktail** as the world famous drink marks **100 years since its existence**. The story further reiterates that **Campari truly is at the heart of the Negroni**, making it the **irreplaceable ingredient**. As the birthplace of **Campari**, **the city of Milano** has an important part to play in the film as the city’s most stunning locations come to life, including the breath-taking **Galleria Vittorio Emanuele II**, **home of Davide Campari’s staple Camparino bar,** and the Duomo, turning both monuments ‘**Campari red'** for the occasion

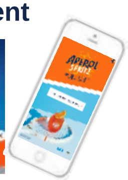
Aperol – orange wave continues

Australian Open Tennis Tournament

For the third year in a row, **Aperol Spritz** was a sponsor of the **Australian Open Tennis Tournament** in **Melbourne.** Running from the end of December 2018 up until the end of January 2019, an **Aperol Spritz 'Beach Club'** was installed which proved to be the **event's most popular activation**, with just under **180,000 Aperol Spritz** served – **the #1 most sold beverage at the tournament** – the **equivalent of one spritz every four seconds!**

There was **full digital support** for the duration of the tournament, including a **geo-targeted app** which allowed you to find your **nearest Aperol Spritz venue. Targeted TV displays** at the venue donned an **Aperol Spritz frame**, increasing the **visual impact** and strengthening the **association to the tournament**





Aperol-ivery

Aperol-ivery: inspiring **Brits to embrace the Aperol aperitivo moment,** showcasing **Aperol Spritz** as the **perfect start to the evening**, as well as communicating the brand values of **spontaneity** and **Italian sociability.** With full digital, PR and media support, the campaign became the **most read story in Timeout London!**

Deseasonalisation continues

Deseasonalisation of the **Aperol Spritz continues** within **central European markets** as **Aperol engages in activations** aiming to spread **Aperol Spritz consumption** through the year – everything from Aperol Spritz pop-up bars in the slopes, Aperol branded amphibious vehicles and branded DJ sets help to spread the word!

Marketing activities and special awards

BULLDOG – 'Shine your own light'

The new Global Campaign to support **Bulldog Gin** named **"Shine in your own light"** has been **launched in Spain** during January and will **begin to roll out across other key European markets and channels in 2019**

The line "**Shine in your own light**" is a **bold call to action**, an **invitation to encourage** everyone to be **driven by one's own instinct** – the exact personality of Bulldog within the gin category

O'ndina Gin – World Gin Awards

O'ndina gin has been awarded as "**Best Italian Contemporary Style Gin**" by "**The World Gin Awards**". The World Gin Awards select the very best gins in the **internationally recognized** gin styles and **promote the world's best gins to consumers** and **trade across the globe**. This award will contribute to **assess Super Premium** nature of the **brand strongly connected with its Italian provenance and personality**

GlenGrant Single Malt 15 y/o

The GlenGrant 15 Years Old Batch Strength Single Malt Scotch received a **Double Gold Medal** at the world renowned **San Francisco World Spirits Competition**, amidst elite competitors. The **GlenGrant aged range** now boasts **major industry recognized awards across each variant since its launch in 2016**, including for the **GlenGrant 18 Years Old Rare Edition** as the **highest rated Single Malt in the world** by the **Jim Murray Whisky Bible**

Forty Creek – Canadian Whisky Awards

Forty Creek 22 Year old Rye was **awarded the distinct honor** of being named **2019's Best Whisky in Canada** at the prestigious, ninth-annual **Canadian Whisky Awards**. The all-rye whisky distilled 22 years ago at Forty Creek Distillery in Grimsby, Ontario was **selected from blind tastings** of well over **100 whiskies by 10 independent whisky experts in the field.** The Awards founder, Davin de Kergommeaux described **Forty Creek 22 year-old Rye** as:
'A huge, yet elegant rye whisky, just bursting with complex flavours'

Brand launches

Cinzano Vermouth

The new **1757 Vermouth di Torino**, a tribute to **Casa Cinzano**, features secret recipes developed by the **Cinzano Herbalist & Master Blender** and crafted to be the **ultimate bartending companion**. Pluri-awarded bartender Erik Lorincz leads bartender engagement starting with a launch event at Dante Café in NYC at the end of March. **1757 Vermouth di Torino** is available in **Rosso & Extra Dry**, arriving in **top bars** around the world from April 2019

The re-launch of **Cinzano vermouth** celebrates the **rich heritage & unique expertise** across the world after nearly more than two centuries of the brand's existence. The new look heroes **Cinzano's iconic red & blue**, with **contemporary vintage visual cues** and started to arrive on shelves in February 2019

Grand Marnier – Louis Alexandre

In January 2019, the new **Cuvée Louis Alexandre was launched** in the **US market**, with **VSOP liquid** and brand new, more premium packaging. Created by **Patrick Raguenaud, Grand Marnier's master blender**, **Cuvée Louis Alexandre** uses cognac taken from the **most prestigious area in Cognac**, then aged in **oak barrels in Bourg-Charente**. The **Cuvée Louis Alexandre** has carefully selected cognac, **enriched** with the essence of highly **aromatic bitter orange**

Table of contents

Conclusion and Outlook

> **A strong start to the year, despite the late Easter**, driven by a combination of **positive underlying momentum** in **core developed markets enhanced** by a **recovery** in **emerging markets** and a **favourable comparison base**, in a **small quarter**

> **For the full year 2019, the outlook remains fairly balanced in terms of risks and opportunities** and **unchanged to the previous announcement** (1)

  > **Underlying performance:**

  - **The positive business momentum in sales growth is expected to continue**, despite the uncertain geopolitical and macroeconomic environments, **while reflecting different comparison bases** throughout the remainder of the year
  - **Previous year's EBIT organic margin expansion is expected to continue**, supported by **gross margin accretion**, after **reinvestments into the business**, particularly the Group's **on-premise capabilities** and the **brand houses development**

  > **FX and perimeter** effects, driven by the continued volatility of some currencies and the tail-end effect of the previous year's transactions, are expected to be less adverse than FY 2018

  > **Net profit reported** is expected to benefit from net positive adjustments of approx. €14 million, driven by 'Patent box' tax relief in Italy in 2019, in what will be its fifth and final year, net of restructuring provisions and related fiscal effects, as communicated (2)

The Group remains confident in delivering a positive performance across all key underlying business indicators in 2019

(1) Guidance provided to the market on FY2018 results announcement on 5 March 2019.
(2) 'Patent box' tax relief in Italy assumed in line with previous year at approx. €26 million, to more than offset provisions for the completion of certain reorganizational projects for a negative estimated amount of €(16) million and corresponding positive fiscal effects of approx. €4 million

Table of contents

Net sales by region & key market

Consolidated Net sales by region

	Q1 2019		Q1 2018		Change	of which:		
	€ m	%	€ m	%	%	organic	perimeter	forex
Americas	178.9	48.3%	150.0	44.7%	19.2%	13.1%	-0.1%	6.2%
Southern Europe, Middle East & Africa	100.8	27.2%	101.2	30.1%	-0.4%	6.4%	-6.7%	-0.1%
North, Central & Eastern Europe	65.4	17.7%	58.7	17.5%	11.3%	11.6%	0.1%	-0.4%
Asia Pacific	25.0	6.8%	26.0	7.7%	-3.8%	-3.1%	0.0%	-0.7%
Total	**370.1**	**100.0%**	**336.0**	**100.0%**	**10.1%**	**9.6%**	**-2.0%**	**2.6%**

Region breakdown by key market

Americas by market

	Q1 2019		Q1 2018		Change	of which:		
	€ m	%	€ m	%	%	organic	perimeter	forex
USA	115.3	64.5%	95.8	63.8%	20.4%	11.2%	0.0%	9.2%
Jamaica	24.5	13.7%	19.0	12.7%	28.7%	22.9%	-0.2%	6.0%
Canada	11.6	6.5%	9.7	6.5%	19.3%	15.9%	0.0%	3.4%
Brazil	7.7	4.3%	5.8	3.9%	32.3%	41.8%	0.0%	-9.5%
Mexico	7.6	4.2%	7.6	5.1%	-0.3%	-4.9%	-0.7%	5.3%
Argentina	4.5	2.5%	4.7	3.1%	-5.3%	19.6%	0.0%	-24.9%
Other countries	7.8	4.4%	7.4	5.0%	4.9%	0.1%	-0.2%	5.1%
Americas	**178.9**	**100.0%**	**150.0**	**100.0%**	**19.2%**	**13.1%**	**-0.1%**	**6.2%**

Net sales by region & key market

Southern Europe, Middle East & Africa by market

	Q1 2019		Q1 2018		Change	of which:		
	€ m	%	€ m	%	%	organic	perimeter	forex
Italy	76.3	75.7%	77.7	76.7%	-1.7%	6.4%	-8.1%	0.0%
Other countries	24.5	24.3%	23.5	23.3%	4.0%	6.5%	-2.1%	-0.4%
Southern Europe, Middle East & Africa	**100.8**	**100.0%**	**101.2**	**100.0%**	**-0.4%**	**6.4%**	**-6.7%**	**-0.1%**

North, Central & Eastern Europe by market

	Q1 2019		Q1 2018		Change	of which		
	€ m	%	€ m	%	%	organic	perimeter	forex
Germany	31.1	47.5%	28.3	48.2%	9.7%	9.7%	0.0%	0.0%
Russia	7.3	11.2%	6.6	11.3%	10.7%	18.5%	0.0%	-7.8%
United Kingdom	5.9	9.0%	5.3	9.0%	11.8%	10.4%	0.0%	1.4%
Other countries	21.1	32.3%	18.5	31.5%	13.8%	12.4%	0.3%	1.1%
North, Central & Eastern Europe	**65.4**	**100.0%**	**58.7**	**100.0%**	**11.3%**	**11.6%**	**0.1%**	**-0.4%**

Asia Pacific by market

	Q1 2019		Q1 2018		Change	of which		
	€ m	%	€ m	%	%	organic	perimeter	forex
Australia	17.8	71.3%	18.6	71.5%	-4.1%	-2.3%	0.0%	-1.9%
Other countries	7.2	28.7%	7.4	28.5%	-3.1%	-5.3%	0.0%	2.3%
Asia Pacific	**25.0**	**100.0%**	**26.0**	**100.0%**	**-3.8%**	**-3.1%**	**0.0%**	**-0.7%**

Net sales by brand cluster

	Q1 2019		Q1 2018		Change	of which:		
	€ m	%	€ m	%	%	organic	perimeter	forex
Global Priorities	214.5	58.0%	183.7	54.7%	16.8%	12.6%	0.0%	4.2%
Regional Priorities	57.6	15.6%	52.6	15.7%	9.4%	7.8%	0.1%	1.5%
Local Priorities	42.7	11.5%	41.9	12.5%	1.9%	2.3%	0.0%	-0.4%
Rest of portfolio	55.3	14.9%	57.8	17.2%	-4.3%	6.8%	-11.9%	0.8%
Total	**370.1**	**100.0%**	**336.0**	**100.0%**	**10.1%**	**9.6%**	**-2.0%**	**2.6%**

Financial debt details

Outstanding gross debt as of 31 March 2019

Issue date	Maturity	Type	Currency	Coupon	Outstanding Amount (€ million)	Original tenor	As % of total
Oct 25, 2012 (1)	Oct-19	Unrated Eurobond	EUR	4.5%	219	7 years	17%
Sep 30, 2015	Sep-20	Unrated Eurobond	EUR	2.75%	581	5 years	44%
Aug 3, 2016	Aug-21	Term Loan	EUR	0.85% +3m euribor	300	3 years	23%
Apr 5, 2017	Apr-22	Unrated Eurobond	EUR	1.768%	50	5 years	4%
Apr 5, 2017	Apr-24	Unrated Eurobond	EUR	2.165%	150	7 years	12%
Total gross debt					**1,300**		**100%**
Of which: medium-long term					1,081		

(1) Classified as short-term debt

New debt issue on 23 April 2019

Issue date	Maturity	Type	Currency	Coupon	Amount (€ million)	Original tenor
Apr 23, 2019	Apr-24	Unrated Eurobond	EUR	1.655%	150	5 years

Exchange rates effects

	Average exchange rate		Period end exchange rate	
	Q1 2019 : 1 Euro	change vs Q1 2018 %	31 March 2019 : 1 Euro	change vs 31 March 2018 %
US Dollar	1.136	8.3%	1.124	9.7%
Canadian Dollar	1.510	3.0%	1.500	6.0%
Jamaican Dollar	147.424	4.9%	141.669	9.3%
Mexican Peso	21.804	5.7%	21.691	3.8%
Brazilian Real	4.277	-6.7%	4.387	-6.7%
Argentine Peso (1)	48.935	-50.5%	48.935	-49.3%
Russian Ruble	74.884	-6.6%	72.856	-2.7%
Australian Dollar	1.594	-1.9%	1.582	1.4%
Chinese Yuan	7.662	2.0%	7.540	2.7%
British Pound Sterling	0.872	1.3%	0.858	1.9%
Swiss Franc	1.133	2.9%	1.118	5.3%

(1) Following the adoption of IAS 29 ‘Financial reporting Hyperinflationary economies’ in Argentina, the average exchange rate of Argentine Peso for Q1 2019 was adjusted to be equal to the rate as of 31 March 2019

IFRS 16-‘Leases’ (1) impact on Group key financial indicators

IFRS 16-'Leases' impact on Group key financial indicators					
€ million	Q1 2018 Reported	Q1 2019 Reported	Δ Q1 2019 vs. Q1 2018	Of whch: IFRS 16 impact	
				€ million	Margin accretion/(dilution) (bps)
EBITDA adjusted	**74.7**	**89.6**	**14.9**	**3.6**	**110**
EBIT adjusted	**61.1**	**72.4**	**11.3**	**0.5**	**10**
Pre-tax profit adjusted	**54.9**	**63.9**	**9.0**	**(0.5)**	
EBITDA	96.3	88.8	(7.5)	3.6	
EBIT	82.7	71.7	(11.0)	0.5	
Pre-tax profit	76.5	63.2	(13.3)	(0.5)	
Depreciation	**(13.6)**	**(17.1)**	**(3.6)**	**(3.1)**	
Net financial charges	**(5.8)**	**(8.3)**	**(2.6)**	**(0.9)**	
	31 December 2018	**31 March 2019**	**Δ 31 March 2019 vs. 31 December 2018**		
Net financial debt	**846.3**	**893.9**	**47.7**	**83.3**	

(1) Effective as of 1 January 2019, with 2018 numbers not restated. Under IFRS 16-’Leases’, all material lease contracts are re-measured to be recognized on the balance sheet: asset representing the right to use (to be depreciated on a straight line basis) and liability representing the obligation to make lease payments (to be measured at a discounted value and interest charges to be booked in P&L). Therefore, rent expenses in the P&L are replaced with depreciation on the right of use asset and the interest charge arising from the lease as net borrowing

Disclaimer

This document contains forward-looking statements that relate to future events and future operating, economic and financial results of Campari Group. By their nature, forward-looking statements involve risk and uncertainty because they depend on the occurrence of future events and circumstances. Actual results may differ materially from those reflected in forward-looking statements due to a variety of factors, most of which are outside of the Group's control.

It should be noted that the company's accounts and consolidated results are currently subject to auditing.

CAMPARI GROUP

TOASTING LIFE TOGETHER