CAMPARI GROUP

2019 Half Year Results

Investor Presentation

30 July 2019

TOASTING LIFE TOGETHER

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Results for half year ended 30 June 2019

Consistent solid performance across all key underlying indicators, driven by strong sales momentum

Key figures	H1 2019 [1]		Change vs. H1 2018			
	€ million	*% on sales*	Reported	*Organic*	*FX*	*Perimeter* [2]
Net sales	**848.2**	*100.0%*	**+9.0%**	**+8.0%**	***+2.3%***	***-1.4%***
of which: Global priorities				*+9.8%*		
Regional priorities				*+10.8%*		
Gross profit	**525.8**	*62.0%*	**+11.4%**	**+9.5%**	**+2.3%**	**-0.3%**
margin accretion (bps) [3]			+140bps	*+90bps*	*-10bps*	*+60bps*
EBIT adjusted [4]	**180.3**	*21.3%*	**+12.3%**	**+10.6%**	***+2.7%***	***-1.0%***
margin accretion (bps) [3]			+70bps	*+50bps*	*+10bps*	*+10bps*
EBITDA adjusted [4]	**215.1**	*25.4%*	**+14.4%**	**+12.7%**	***+2.6%***	***-0.8%***
margin accretion (bps) [3]			+120bps	*+100bps*	*+0bps*	*+20bps*
Group net profit adjusted [5]	**116.7**	*13.8%*	**+11.8%**			
Net Debt at period end [1]	**937.1**					

(1) Application of IFRS 16-'Leases' (effective 1 January 2019)
(2) Mainly including the effects of termination of agency brand contracts
(3) Basis points rounded to the nearest ten
(4) Before negative operating adjustments of €(8.6) million in H1 2019, mainly attributable to restructuring operations. Positive operating adjustments of €19.6 million in H1 2018.
(5) Group net profit before total net positive adjustments of €6.1 million in H1 2019, including operating adjustments of €(8.6) million, related fiscal effects and other tax adjustments of €2.2 million and Patent Box tax benefits of €12.5 million. Total positive adjustments of €42.8 million in H1 2018

Key highlights

Continuous sales mix improvement driven by key high-margin Global and Regional Priorities in core developed markets with emerging market recovery

> **Net Sales**

- **After a strong start to the year (Q1 2019 +9.6%),** the performance in Q2, **which is a high seasonality quarter for aperitifs,** was **positive (+6.9%),** helped by the late Easter effect, despite the **tough comparable base** (Q2 2018: +8.0%) and the poor weather in May:
  - **By brand: positive growth across brand clusters** as the **Global Priorities outperformed (+9.8% in H1 19)** despite a tough comparison base (H1 18 +8.7%) driven by **Aperol, Campari, Grand Marnier** as well as **brown spirits** while **SKYY** declined due to the destocking exercise and persistent competitive pressure. **Regional priorities grew positively by +10.8% in H1 2019** driven by **Espolòn, Averna** and **Riccadonna**, while **Local Priorities also grew positively by +4.0%**
  - **By geography: positive growth across all regions** with **solid growth across high-margin developed markets,** driven by **North America** and **Western Europe**, whilst lower-margin emerging markets continued their **positive trend**, notwithstanding macro-volatility and economic uncertainty
- Organic growth excludes positive pricing effect in Argentina of 90 bps in H1 2019
- **Reported change of +9.0%,** reflecting slightly **negative perimeter effect of -1.4% or €(10.6) million**, and positive **FX effect of +2.3% or €18.1 million**

> **EBIT adjusted**

- **Organic growth of +10.6%, ahead of organic sales growth (+50 bps margin accretion), driven by strong organic gross margin expansion of +90 bps** thanks to positive sales mix by brand and market, despite emerging market recovery and worse than expected agave impact, which more than offset the reinvestments in brand building initiatives behind and selective strengthening of the Group's on-premise sales capabilities
- **Reported change of +12.3%,** taking into account the negative effects of disposals of -1.0% or €(1.5) million and positive FX of +2.7% or €4.3 million

> **Net profit**

- **Group net profit adjusted** to €116.7 million, up **+11.8%** (1)
- **Group net profit reported** to €122.8 million, down **-16.6%**

> **Net debt**

- **Net financial debt at €937.1 million** as of 30 June 2019 vs. €846.3 million as of 31 December 2018, **up €90.9 million**(2), driven by the first time adoption of IFRS16-'Leases' accounting principle
- **Net debt to EBITDA pro-forma ratio at 2.1 times** as of 30 June 2019

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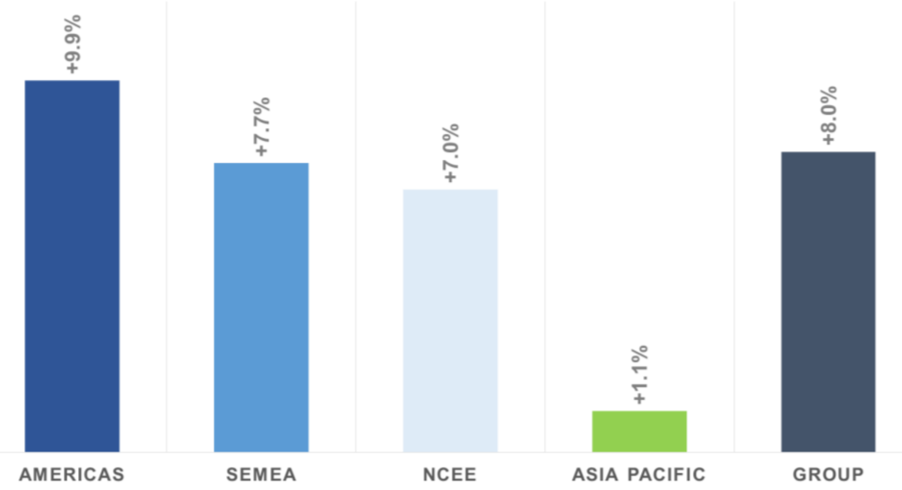
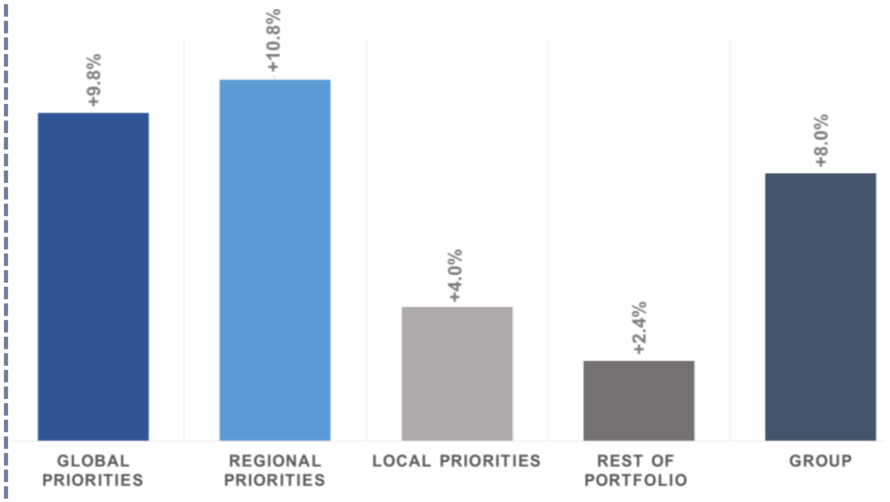
(1) Group net profit before total net positive adjustments of €6.1 million in H1 2019, including operating adjustments of €(8.6) million, related fiscal effects and other tax adjustments of €2.2 million and Patent Box tax benefits of €12.5 million. Total positive adjustments of €42.8 million in H1 2018
(2) Please refer to slide 34 for details on the net financial debt

Strong organic sales growth

Positive growth across all region and brand clusters



- **Americas**: strong growth driven by the Group's largest market, the US (+10.9%), continued positive momentum in Jamaica (+18.6%) and Canada (+7.4%) as well as a recovery in Brazil and Argentina
- **SEMEA**: core Italy up +6.7%, with good growth across the rest of the region, driven by France and African markets
- **NCEE**: solid growth across the region thanks to Germany, Austria and the UK, with a recovery in the Russian market and positive momentum in Scandinavian and Eastern European markets
- **Asia Pacific**: growth in the region, despite the tough comparison base, driven by Australia (+3.5%) and China, partly offset by Japan



- **Global Priorities**: overall strong half year performance (+9.8%), with continued double-digit growth of Aperol (+22.0%) and a solid performance of Campari (+5.8%), Wild Turkey (+11.4%), the Jamaican rums (+7.1%) and Grand Marnier (+2.3%). The result was partly offset by a low-single digit decline in SKYY
- **Regional Priorities**: very positive performance of Espolòn (+46.5%), Averna and Riccadonna helped to offset some weakness in GlenGrant and Cinzano
- **Local Priorities**: strong performance across the whole portfolio, particularly the aperitif brands of Campari Soda (+5.8%) and Crodino (+3.3%)

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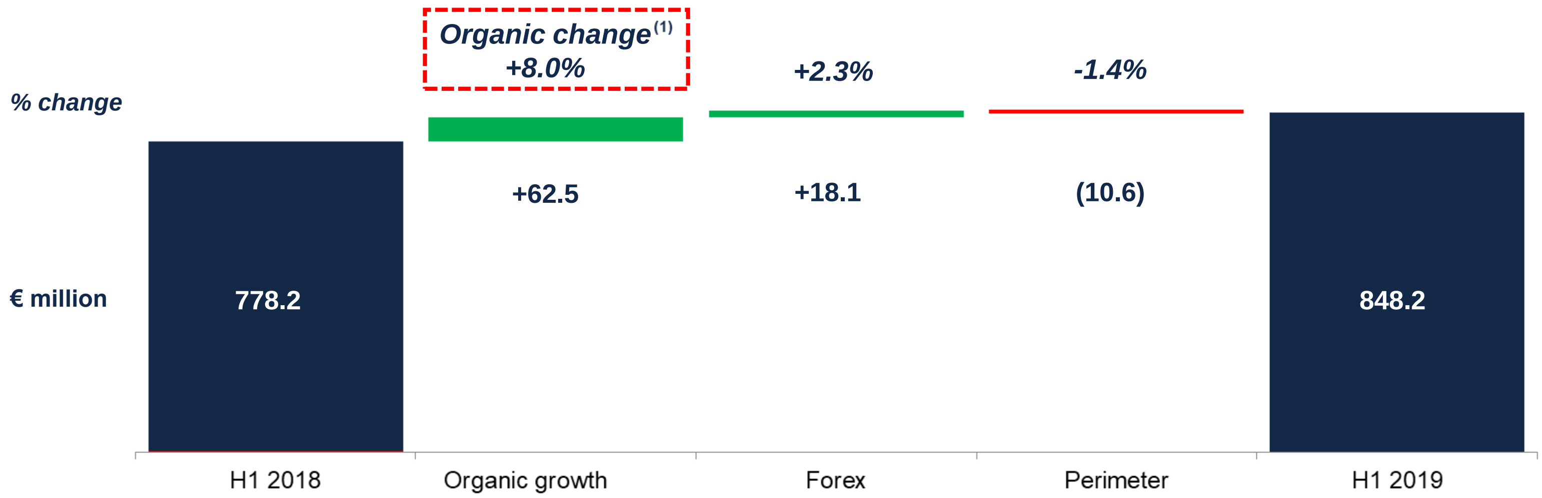
Growth drivers



- **Organic change of +8.0%** (after excluding the positive price effect in Argentina of 90 bps) (1) or €62.5 million (+6.9% or €30.4 million in Q2 2019) largely driven by high-margin Global and Regional Priorities
- **Forex effect of +2.3%** or €18.1 million, **largely thanks to the strengthened US dollar vs. Euro** (+2.1% or €9.3 million in Q2 2019)
- **Perimeter impact of -1.4%** or €(10.6) million, due to termination of agency brands contracts (-0.8% or €(3.7) million in Q2 2019)

(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 regions & key markets in H1 2019

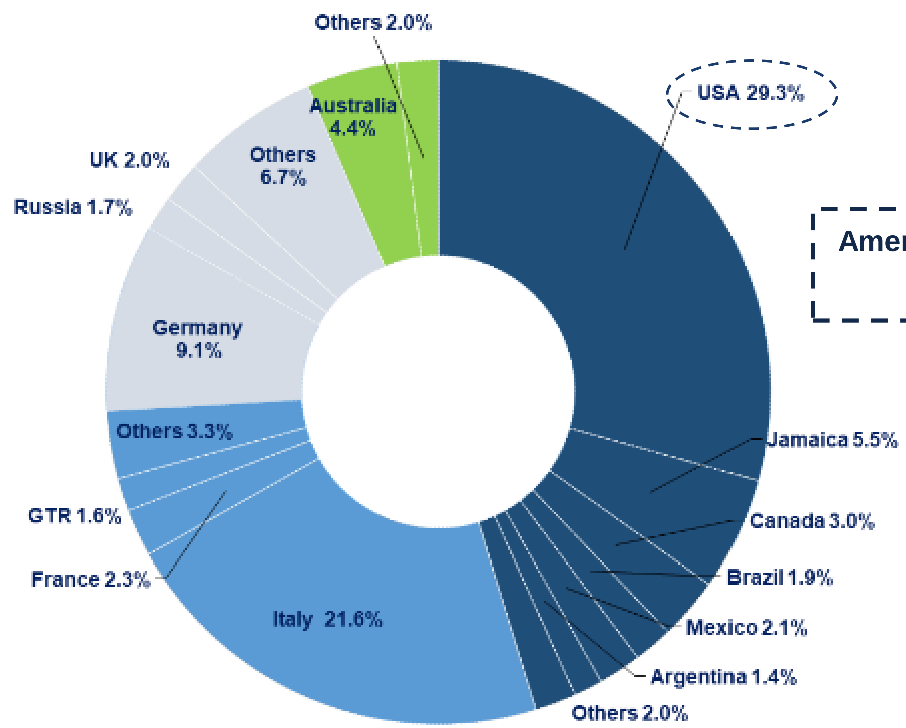
The US is the largest market with 29.3% of Net Sales

H1 2019 Net Sales €848.2 million
Organic growth +8.0%

Asia Pac: 6.4% of total
Organic growth: +1.1%

NCEE: 19.5% of total
Organic growth: +7.0%

SEMEA: 28.7% of total
Organic growth: +7.7%



Americas: 45.3% of total
Organic growth: +9.9%

Developed vs. emerging markets [1]: 83% vs. 17%

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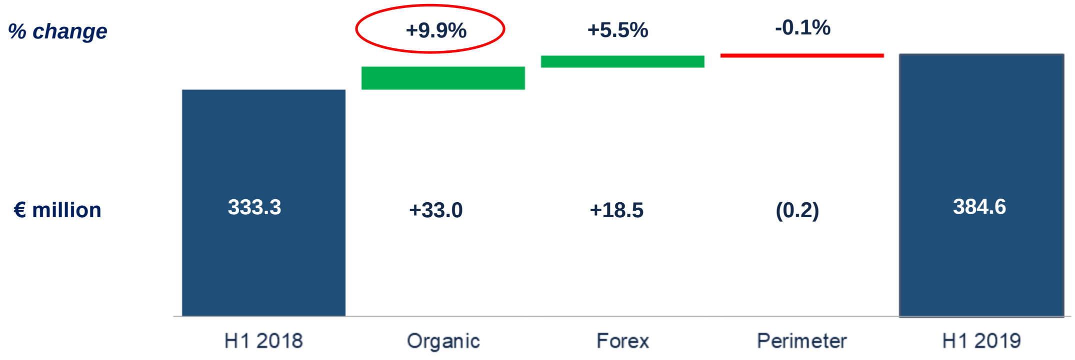
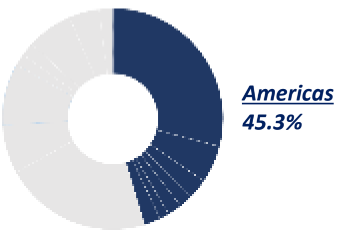
[1] Key emerging markets include Jamaica, Russia, Brazil, Argentina, Mexico, South Africa, Peru, China and Nigeria

Americas: +9.9% organic





Regional net sales organic growth by quarter

	Q1	Q2
2019	13.1%	7.3%
2018	2.9%	6.0%

Organic growth by key market

North America: +10.3%

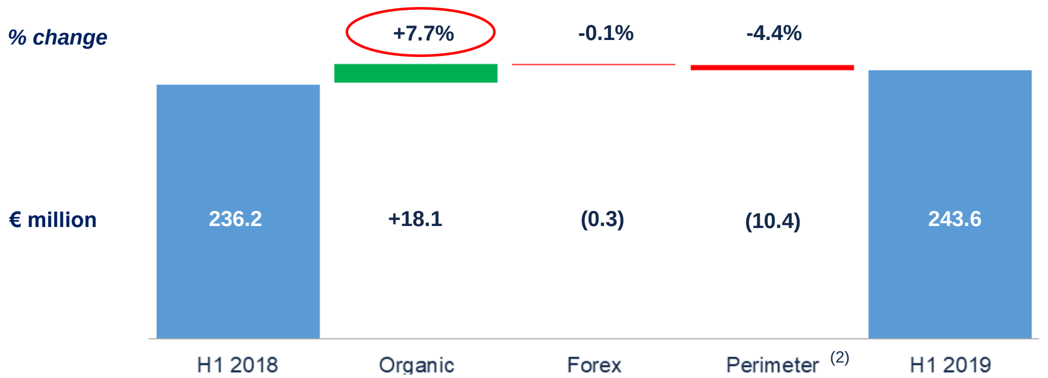
- **US** **+10.9%** • **Solid half year performance of +10.9%**, thanks to a strong Q2 performance (+10.7%), driven by continued **outperformance of Espolòn**, **Aperol, Campari** and **Wild Turkey portfolio growing** at **sustained double-digit rates**, and the positive contribution of **Grand Marnier** and the **Jamaican rum portfolio**. The **SKYY portfolio declined -5.8%**, as it continued to be affected by destocking as well as persistent competitive pressure
- **Jamaica** **+18.6%** • **Very strong performance in Jamaica** with **continued positive mix** driven by core **Wray&Nephew Overproof** (**+19.9%**), **Campari** (**+15.6%**) and **Appleton Estate** (**+54.8%**) as well as local brands such as **Magnum Tonic Wine** (**+21.0%**)
- **Others** **+1.9%** • **Canada registered a very positive performance** (**+7.4%**), largely thanks to **Aperol**, **SKYY Vodka** and **Campari** while **Mexico** declined slightly, despite growth in **SKYY ready-to-drink**, largely due to temporary weakness in Jamaican rums

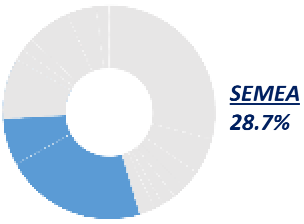
South America: +6.0%

- **Brazil** **+6.9%** • **Positive growth** in the half, against an easy comparison base (H1 18 -27.2%) driven by a positive performance from **Aperol**, **SKYY Vodka**, **Campari** as well as local brand **Dreher**. **Macroeconomic weakness**, **high unemployment rates** and **political** instability continue to impact the Brazilian market
- **Argentina** **+14.2%**[(1)] • **Positive performance** largely due to growth in the **Cinzano Vermouth**, while favourable trends in **Aperol** and **SKYY infusions** continue
- **Others** **-17.1%** • Temporary weakness in **Riccadonna** and **Campari** more than offset the positive growth in **Aperol**. The other South American markets cycled a tough comparison base from last year

(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]: +7.7% organic





Regional net sales organic growth by quarter

	Q1	Q2
2019	6.4%	8.6%
2018	1.1%	6.3%

Organic growth by key market

> **Italy** **+6.7%**

- **Very solid half year performance** with continued growth in Q2 (+6.9%), despite poor weather in May, driven by the aperitifs portfolio in a high seasonality quarter: **double-digit growth** of **Aperol** (**+12.2%**), **solid growth of Campari** (**+7.1%**) as well as positive trends in local brands such as **Crodino** (**+3.2%**) and **Campari Soda** (**+5.8%**). Within the bitters, growth in **Cynar** and **Averna** offset temporary weakness in **Braulio** which was affected by a tough comparison base

> **Others** **+10.9%**

- **France** grew **+26.4%** in the half (+45.5% in Q2) thanks to **double-digit growth** from **Aperol** and **Riccadonna**. **Spain** grew low single-digit as good growth in **Aperol** and **Cinzano Vermouth** was slightly offset by temporary decline in **Campari** and a competitive gin market affecting **Bulldog**. In the African markets, **Nigeria**, a market suffering from severe social and political instability, **grew +22.2%** thanks to a strong performance of **Campari** and **American** Honey. **South Africa** also grew thanks **SKYY Vodka** and **Bulldog**
- **Global Travel Retail** grew +1.0% against a difficult comparison base (H1 18 +15.3%) with positive trends in **Aperol**, **GlenGrant** and **Appleton Estate**

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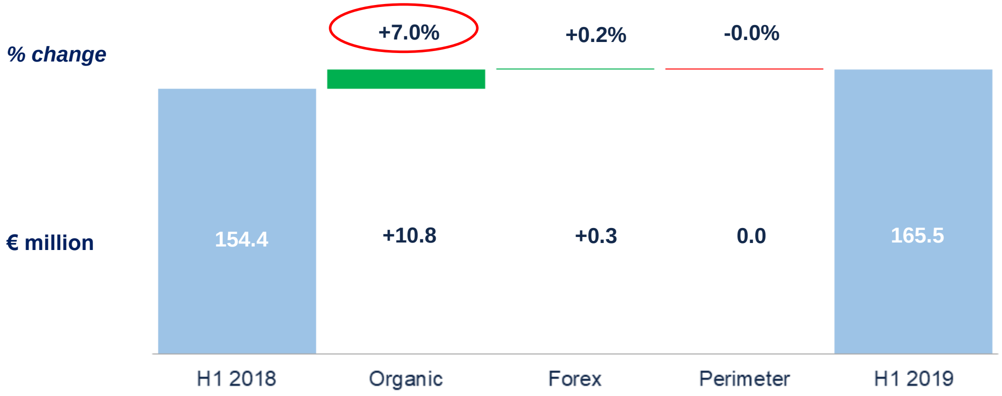
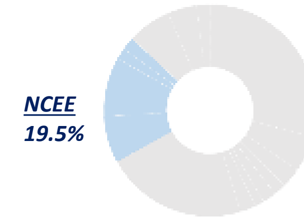
(1) Incl. Global Travel Retail
(2) Perimeter effect in Italy driven by disposals of non-core Lemonsoda businesses and agency brand distribution termination

NCEE: +7.0% organic





Regional net sales organic growth by quarter

	Q1	Q2
2019	11.6%	4.2%
2018	-3.8%	14.4%

Organic growth by key market

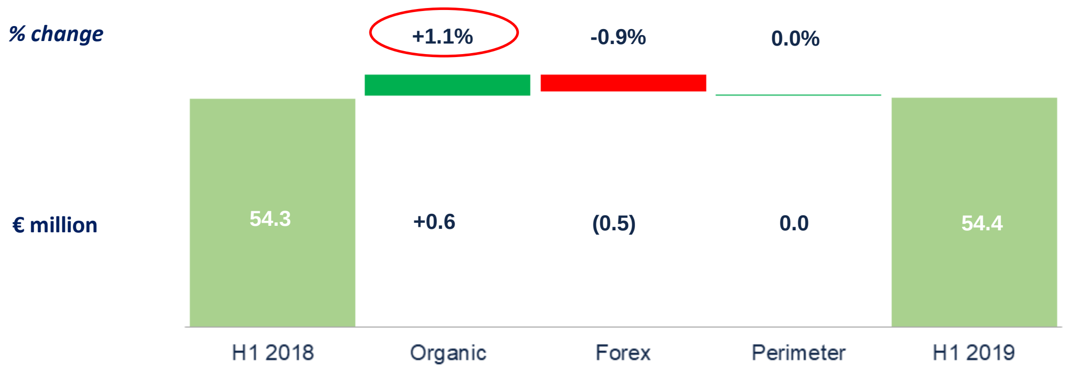
> **Germany** **+3.9%**
- **Very satisfactory results in Germany**, despite a flattish Q2 due to poor weather in May and a tough comparison base (Q2 18 +14.9%), largely driven by **double-digit growth** of **Aperol** (**+10.8%**) as well as **positive trends** in **SKYY Vodka**, **Frangelico**, **Averna**, and **GlenGrant**, more than offsetting the negative trends in the **Cinzano portfolio** and **Ouzo 12**. **Campari** also returned to growth following a price increase in January 2019

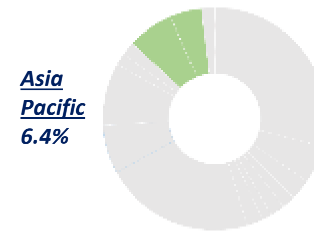
> **UK** **+13.8%**
- **Solid result** with **double-digit growth** in **Aperol** (**+25.8%**) and **the Jamaican brands** (**+35.0%**), driven by **Magnum Tonic Wine, Wray&Nephew Overproof** and **Appleton Estate**

> **Russia** **+10.9%**
- **Positive performance** against an easy comparison base (H1 18 -25.2%) with positive growth in **Aperol**, **Cinzano Vermouth** and **Cinzano sparkling wines** in a highly volatile market

> **Others** **+8.4%**
- **Good performance** among the other markets, with solid growth in **Austria** (Aperol, Campari, Averna) and **Benelux** (Aperol, Campari, Crodino). **Scandinavian** and other European markets were also in growth, largely thanks to **Aperol**, but also **Campari** and **Crodino**

Asia Pacific: +1.1% organic





Regional net sales organic growth by quarter

	Q1	Q2
2019	-3.1%	4.9%
2018	17.8%	11.7%

Organic growth by key market

> **Australia** **+3.5%**
- **Positive performance,** despite the tough comparison base (H1 18 +10.7%), with acceleration in Q2 (+9.3%). The result was driven by growth in **Aperol** which continues its **double-digit trend** (**+26.0%**) as well as the local **Wild Turkey ready-to-drink** brands, **Wild Turkey bourbon**, boosted by the premium extensions of **Wild Turkey Longbranch** and **Russell's Reserve**, **Espolòn**, **SKYY Vodka** and **Campari**

> **Others** **-4.3%**
- **Double-digit decline in Japan** and a slight decline in **New Zealand**, largely against tough comparison bases, was mitigated by growth in **China** (**+17.5%**) thanks to **Cinzano sparkling wine** and **SKYY Vodka**

Net sales by key brand

Global Priorities

59% of Total
Organic change: +9.8%

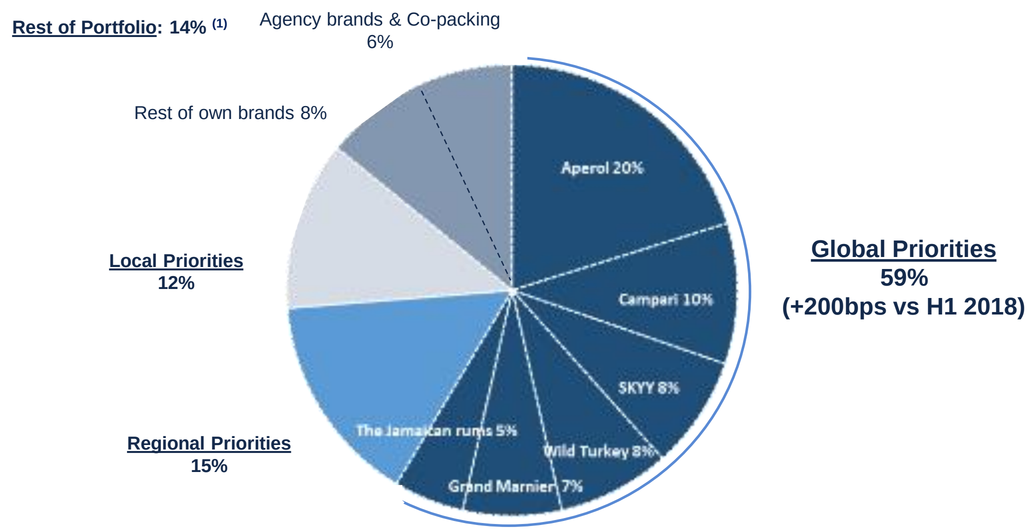
Regional Priorities

15% of Total
Organic change: +10.8%

Local Priorities

12% of Total
Organic change: +4.0%

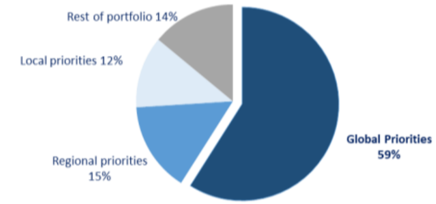
H1 2019 Net Sales €848.2 million
Organic growth +8.0%



(1) Rest of Portfolio at 14% of group net sales in H1 2019, down -200bps vs. H1 2018

Brand sales review

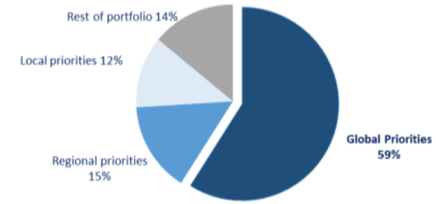
Global priorities



Global priorities	Brand sales as % of Group's sales in H1 2019	Organic change in H1 2019	Organic change in Q2 2019	
Aperol	20%	+22.0%	+19.5%	> **Continued strong growth in core European markets** despite bad weather in May, as consumption spreads into meal occasions > **Strong double-digit growth** in **high potential** and **seeding markets** such as the **US**, **France, the UK, Russia, Australia, Canada, GTR, Scandinavia** and **South America**
Campari	10%	+5.8%	+3.3%	> Solid growth in the brand's core market **Italy** (**+7.1%**) > **Double-digit growth** in key markets such as **the US**, **Jamaica**, **Brazil** and **Austria** > Flattish performance in the key market **Germany** due to price repositioning earlier in the year, while **GTR**, **France** and **Spain** suffered temporary declines
Grand Marnier	7%	+2.3%	-5.0%	> **Positive growth on the half**, as the **core US** market grew by **+7.1%**, despite declines in Q2 largely due to order phasing > **Canada** registered a soft performance due to a price increase

Brand sales review

Global priorities



Global priorities	Brand sales as % of Group's sales in H1 2019	Organic change in H1 2019	Organic change in Q2 2019
Wild Turkey Bourbon / Russell's Reserve / Wild Turkey American Honey	8% (1)(2)	+11.4%	+12.7%
SKYY Vodka	8% (1)	-3.0%	-5.7%
Wray & Nephew White Overproof / Appleton Estate Rum	5% (1)	+7.1%	+4.5%

Wild Turkey

(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

> **Double-digit growth** overall thanks to growth in the **core US** (**+15.1%**) and **Australian** markets, with **a continued positive contribution** from **premium variant Longbranch**, offsetting temporary decline in **Japan**

> High-margin **Russell's Reserve** grew **double-digits**, driven by the **core US market** (**+29.4%**)

> **American Honey** registered double-digit growth in the core **US** market as well as smaller markets, such as **Nigeria**

SKYY

(1) including SKYY Infusions

> The **core US** declined by **-5.8%** due to continued destocking with flavours down double-digit, in a market with persistent competitive pressure

> **Positive growth** in international markets (25% of total SKYY sales) such as **China**, **Germany**, **Canada, Australia** and **South Africa**

Jamaican rums

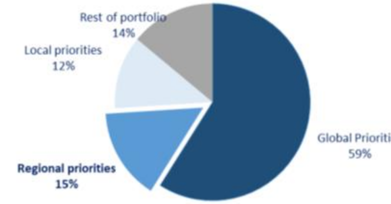
(1) Incl. Appleton Estate and W&N Overproof

> **Wray&Nephew Overproof grew +14.5% in the half**, thanks to solid trends in core markets of the **US**, **Jamaica** and **the UK** as well as in seeding markets such as **Canada**

> **Appleton Estate grew positively** (**+2.9%**), largely driven by **Jamaica**, **the UK** and **New Zealand**, while the **core US** and **Canadian** markets were slightly negative due to phasing

Brand sales review

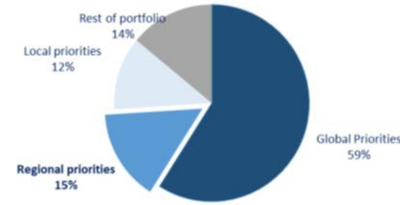
Regional priorities



	Regional priorities	Brand sales as % of Group's sales in H1 2019	Organic change in H1 2019	Organic change in Q2 2019	
Tequila	ESPOLÒN	4%	+46.5%	+63.5%	> **Core US market continued to grow by sustained double digits** (**+50.1%**), with an acceleration in Q2 (+71.8%). Seeding markets such as **Australia**, **Italy** and **Canada** registered **positive performances**
Gin	BULLDOG LONDON DRY GIN	1%	-3.1%	-6.4%	> Negative change due to a combination of gin market pressure in core **Spanish** and **Belgian** markets as well as the **temporary effect of price increases** in other regions
Whiskies	GLEN GRANT SINGLE MALT	1%	-11.0%	-23.5%	> Reduced volume allocations in **Italy**, **France** and **Australia** negated the positive performance in **the US**, **Germany** and **Global Travel Retail**, reflecting the **Group's strategic refocus on higher-margin and longer-aged premium expressions** away from unaged variants in lower-margin markets
Whiskies	FORTY CREEK	1%	+1.0%	-5.9%	> **Temporary weakness** in the core market of **Canada (-1.7%)** was offset by growth **US** in the half

Brand sales review

Regional priorities

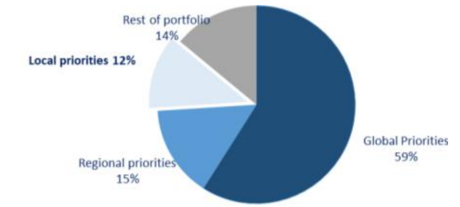


	Regional priorities	Brand sales as % of Group's sales in H1 2019	Organic change in H1 2019	Organic change in Q2 2019	
Italian bitters and liqueurs	BRAULIO CYNAR AVERNA Frangelico	4%	+1.0%	-1.6%	> **Overall decline in Braulio** due a robust price increase in core **Italy** > **Overall weakness in Cynar as growth in core Italy** and **seeding US** was offset by **declines** in **Switzerland**, **Brazil** and **France** > **Averna** registered positive results in the core markets of **Italy**, **Germany** and the **US**, partly offset by certain Central European markets and GTR > Flattish performance by **Frangelico** as **good growth** in **Germany** was offset by **weakness** in **the US**, **Spain** and **Australia**
Sparkling wine & vermouth	CINZANO	3% (1)	-1.1%	-10.4%	> **Vermouth flattish** (**-0.1%**) as very positive growth in core markets of **Russia**, **Argentina** and the **Czech Republic** was offset by weakness due to price repositioning in rest of Europe > **Sparkling wines down -1.9%** due to weakness in the **core markets** of **Germany** and **Italy**, **while Russia** was positive. Good growth in seeding markets of **China**, **Spain** and **Eastern Europe**
	MONDORO RICCADONNA	1%	+18.8%	+55.0%	> **Weakness in Mondoro** (**-6.4%**) driven by the core market of **Russia** > **Riccadonna registered very positive results of +33.7%** thanks to a **good performance** in the core market of **France**, largely driven by the positive trends in Aperol spritz

(1) Incl. Cinzano verrmouth and Cinzano sparkling wines

Brand sales review

Local priorities



Local priorities	Brand sales as % of Group's sales in H1 2019	Organic change in H1 2019	Organic change in Q2 2019	
CAMPARISODA	4%	+5.8%	+8.7%	> **Positive growth** in core **Italian market**, against an easy comparison base
CRODINO	4%	+3.3%	+9.2%	> **Positive performance** in core market of **Italy**, partly thanks to an easier comparison base, with **growth** in seeding markets (now 12% of sales) of **Benelux**, **Germany** and **the Czech Republic**
	2%	+2.8%	+5.7%	> **Good performance** in core **Australia** despite the tougher comparison base in Q2 (Q2 18 +14.9%)
Dreher Sagatiba	1%	+3.9%	-17.6%	> **Positive** overall performance, despite some negative phasing in Q2, driven by **Brazil**
12 OUZO	1%	+0.7%	-2.9%	> Weakness in core market of **Germany** while smaller markets such as **Greece**, **the US** and other **European** markets grew positively
CABO WABO	1%	+5.9%	+15.8%	> **Growth** in core **US market**

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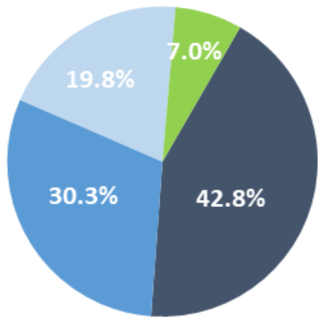
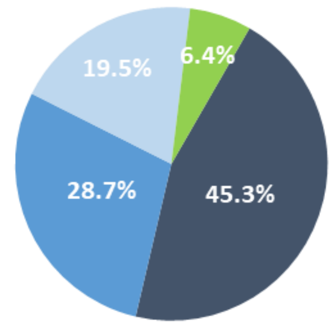
Net sales & EBIT analysis by region

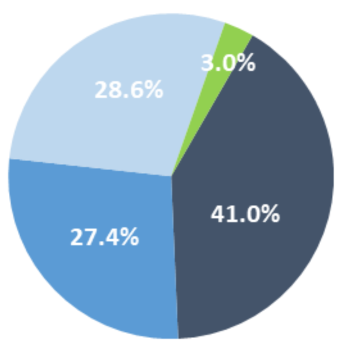
H1 2018 | **H1 2019**

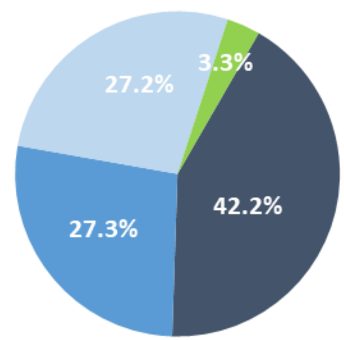
Net Sales breakdown by region





EBIT (1) breakdown by region





The **Americas remain the Group's largest region in terms of net sales and profitability** (45.3% of Group's net sales and 42.2% of Group's EBIT(1) in H1 2019), increasing its weight driven by sales outperformance. **Decrease in SEMEA's weight on sales** (-160bps) vs. H1 2018 driven by disposals of non-core businesses

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(1) EBIT adjusted

EBIT (1) by region - Americas

	H1 2019		H1 2018		Reported change	Organic change
	€ million	% of sales	€ million	% of sales	%	%
Net sales	384.6	100.0%	333.3	100.0%	+15.4%	+9.9%
Gross profit	226.9	59.0%	196.8	59.1%	+15.3%	+9.5%
A&P	(77.1)	-20.0%	(63.2)	-19.0%	+22.0%	+15.8%
SG&A	(73.7)	-19.2%	(67.9)	-20.4%	+8.6%	+4.5%
EBIT (1)	**76.1**	**19.8%**	**65.8**	**19.7%**	**+15.6%**	**+8.5%**

> Organic change: EBIT adjusted organic growth of +8.5% with -20 bps dilution. Key drivers:

Gross Profit

- Growth behind topline, leading to **-20 bps margin dilution,** due to the **increasingly negative impact of agave** as well as the **dilutive effect of recovery in emerging markets**, most notably Brazil and Argentina

A&P

- A&P grew **ahead of topline**, **-100 bps margin dilution**, driven by phasing of investments behind key global brands

SG&A

- SG&A growth **behind topline** (**+100 bps margin accretion**), as a consequence of the downsizing of local structures in South America

> FX & Perimeter: Positive FX effect largely driven by the strengthening USD vs Euro (+30 bps accretion)

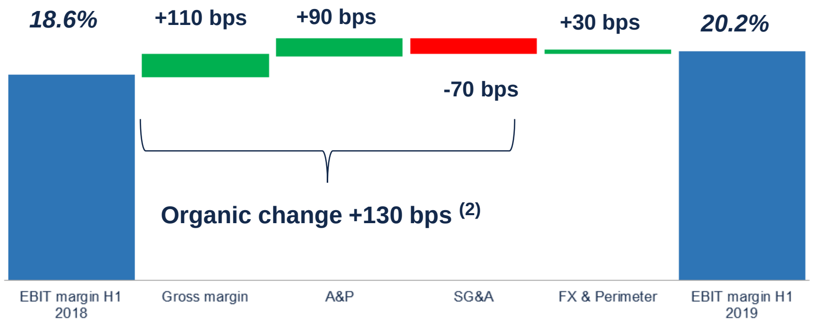
> EBIT margin: **EBIT margin** at **19.8% in H1 2019**, broadly in line with H1 2018

(1) EBIT adjusted
(2) Bps rounded to the nearest ten

EBIT (1) by region - SEMEA

	H1 2019		H1 2018		Reported change	Organic change
	€ million	% of sales	€ million	% of sales	%	%
Net sales	243.6	100.0%	236.2	100.0%	+3.2%	+7.7%
Gross profit	165.2	67.8%	152.5	64.6%	+8.3%	+9.5%
A&P	(38.2)	-15.7%	(37.7)	-16.0%	+1.3%	+1.5%
SG&A	(77.8)	-31.9%	(70.8)	-30.0%	+9.9%	+10.4%
EBIT (1)	**49.2**	**20.2%**	**44.0**	**18.6%**	**+11.7%**	**+14.9%**

+150 bps



> Organic change: **EBIT adjusted organic growth of +14.9%** (**+130 bps accretion**), mainly driven by positive sales mix. Key drivers:

Gross Profit
- **Strong gross margin expansion** (**+110 bps**) driven by **solid performance** of **high-margin aperitif portfolio**, in particular **Aperol** and **Campari**, across the region

A&P
- A&P growth below topline (**+90 bps**) driven by **phasing of marketing** activities

SG&A
- SG&A increase, leading to **-70 bps dilution**, mainly driven by the strengthening of central structures

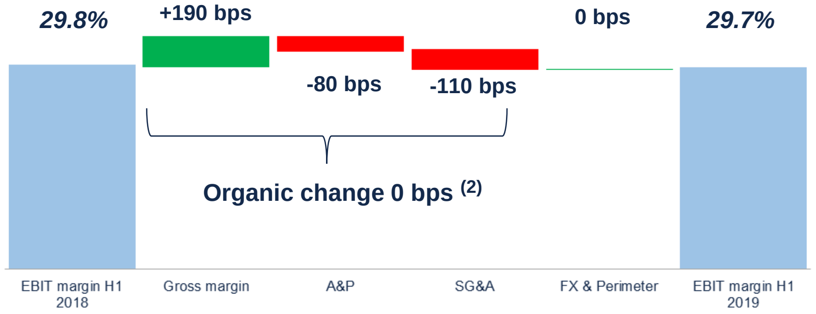
> FX & Perimeter: Neglectable FX effect. Negative although accretive perimeter effect, almost entirely attributable to the termination of low-margin agency brands

> EBIT margin: **EBIT margin** up to **20.2% in H1 2019** (+150 bps vs H1 2018)

(1) EBIT adjusted
(2) Bps rounded to the nearest ten

EBIT (1) by region - NCEE

	H1 2019		H1 2018		Reported change	Organic change
	€ million	% of sales	€ million	% of sales	%	%
Net sales	165.5	100.0%	154.4	100.0%	+7.2%	+7.0%
Gross profit	108.5	65.5%	98.4	63.7%	+10.2%	+10.1%
A&P	(29.7)	-17.9%	(26.5)	-17.2%	+12.0%	+11.7%
SG&A	(29.6)	-17.9%	(25.9)	-16.8%	+14.5%	+14.2%
EBIT (1)	**49.1**	**29.7%**	**46.0**	**29.8%**	**+6.9%**	**+6.9%**



> Organic change: **EBIT adjusted organic growth of +6.9**%, in line with sales growth. Key drivers:

Gross Profit
- Growth ahead of sales (**+190 bps**), driven by **strong sales mix improvement** led by the positive performance of the **high-margin aperitif portfolio** (**in particular Aperol**), **growing by double-digit** in core high-margin markets such as **Germany** and **the UK**

A&P
- A&P increase leading to **-80 bps** dilution to support the strong growth of the aperitif portfolio in a key seasonality period

SG&A
- SG&A increase ahead of sales, corresponding to **-110 bps dilution**, reflecting the enhancement of sales organizations in selective high-potential markets

> FX & Perimeter: Negligible FX and perimeter effect

> EBIT margin: **EBIT margin** up to **29.7% in H1 2019**, broadly in line with H1 2018

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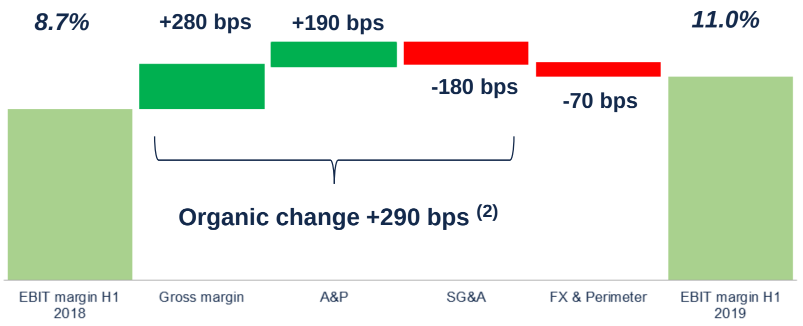
(1) EBIT adjusted
(2) Bps rounded to the nearest ten

EBIT (1) by region - Asia Pacific

	H1 2019		H1 2018		Reported change	Organic change
	€ million	% of sales	€ million	% of sales	%	%
Net sales	54.4	100.0%	54.3	100.0%	+0.2%	+1.1%
Gross profit	25.3	46.6%	24.2	44.5%	+4.9%	+7.4%
A&P	(6.5)	-12.0%	(7.5)	-13.8%	-13.2%	-12.7%
SG&A	(12.8)	-23.6%	(11.9)	-21.9%	+7.8%	+9.1%
EBIT (1)	**6.0**	**11.0%**	**4.7**	**8.7%**	**+26.0%**	**+35.0%**

+ 230 bps



> Organic change: **EBIT adjusted organic growth of +35.0**%, well ahead of sales growth (**+290 bps accretion**), driven by positive sales mix and phasing of A&P. Key drivers:

Gross Profit
- Gross margin up **high-single digits**, well above **sales growth**, with +**280 bps margin accretion**, driven by positive sales mix in **Australian market**

A&P
- A&P grew **well below topline (+190 bps**) due to phasing of marketing investments

SG&A
- **Increase in SG&A**, generating **-180 bps margin dilution**, driven by **lower absorption of fixed costs** given the **contained topline growth** combined with the **enhancing of the sales organization in Australia**

> FX & Perimeter: Negative FX effect largely driven by weakness in the Australian Dollar vs. Euro and neglectable perimeter impact

> EBIT margin: **EBIT margin** up to **11.0% in H1 2019** (+230 bps vs. H1 2018)

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(1) EBIT adjusted
(2) Bps rounded to the nearest ten

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H1 2019 consolidated P&L

	H1 2019		H1 2018		Reported change	Organic margin accretion/(dilution)	Organic change	Forex impact	Perimeter effect
	€ million	% of sales	€ million	% of sales	%	(bps) [3]	%	%	%
Net Sales	**848.2**	**100.0%**	**778.2**	**100.0%**	**9.0%**		**8.0%**	**2.3%**	**-1.4%**
COGS [1]	(322.3)	-38.0%	(306.3)	-39.4%	5.2%	90	5.8%	2.4%	-2.9%
Gross Profit	**525.8**	**62.0%**	**471.9**	**60.6%**	**11.4%**	**90**	**9.5%**	**2.3%**	**-0.3%**
A&P	(151.5)	-17.9%	(134.9)	-17.3%	12.3%	-30	9.4%	2.8%	0.1%
Contribution after A&P	**374.3**	**44.1%**	**337.0**	**43.3%**	**11.1%**	**60**	**9.5%**	**2.0%**	**-0.5%**
SG&A [2]	(194.0)	-22.9%	(176.5)	-22.7%	9.9%	-10	8.6%	1.4%	-0.1%
EBIT adjusted	**180.3**	**21.3%**	**160.5**	**20.6%**	**12.3%**	**50**	**10.6%**	**2.7%**	**-1.0%**
Operating adjustments	(8.6)	-1.0%	19.6	2.5%	-144.0%				
Operating profit = EBIT	**171.7**	**20.2%**	**180.1**	**23.1%**	**-4.7%**				
Net financial income (charges)	(15.1)	-1.8%	(14.8)	-1.9%	2.2%				
Financial adjustments	0.0	0.0%	1.6	0.2%	-				
Profit (loss) related to companies valued at equity	0.1	0.0%	(0.1)	0.0%	-				
Put option, earn out income (charges) and hyperinflation effects	(3.0)	-0.4%	(0.9)	-0.1%	-				
Profit before taxes and non-controlling interests	**153.7**	**18.1%**	**166.0**	**21.3%**	**-7.4%**				
Income Tax expense	(30.9)	-3.6%	(18.8)	-2.4%	-				
Group net profit	**122.8**	**14.5%**	**147.2**	**18.9%**	**-16.6%**				
Group net profit adjusted	**116.7**	**13.8%**	**104.4**	**13.4%**	**11.8%**				
Depreciation	(34.8)	-4.1%	(27.4)	-3.5%	26.8%	-60	24.7%	2.0%	0.1%
EBITDA adjusted	**215.1**	**25.4%**	**187.9**	**24.2%**	**14.4%**	**100**	**12.7%**	**2.6%**	**-0.8%**
EBITDA	**206.5**	**24.3%**	**207.5**	**26.7%**	**-0.5%**				

(1) COGS = cost of materials, production and logistics expenses
(2) SG&A = selling, general and administrative expenses
(3) Bps rounded to the nearest ten

EBIT adjusted - Key highlights

> **Gross profit**: on a **reported** basis up **+11.4% in value**, to 62.0% on sales (**+140 bps accretion**):
- **Organic** growth of **+9.5% in value**, **+90 bps margin expansion**. Organic growth ahead of topline thanks to **favourable sales mix by brand and market** despite the dilutive effect of emerging market recovery and the **increasingly more adverse effect of the agave purchase price**
- **Forex and perimeter** combined effect of **+1.9% in value**, **+50 bps** margin expansion, driven by termination of low-margin agency brands

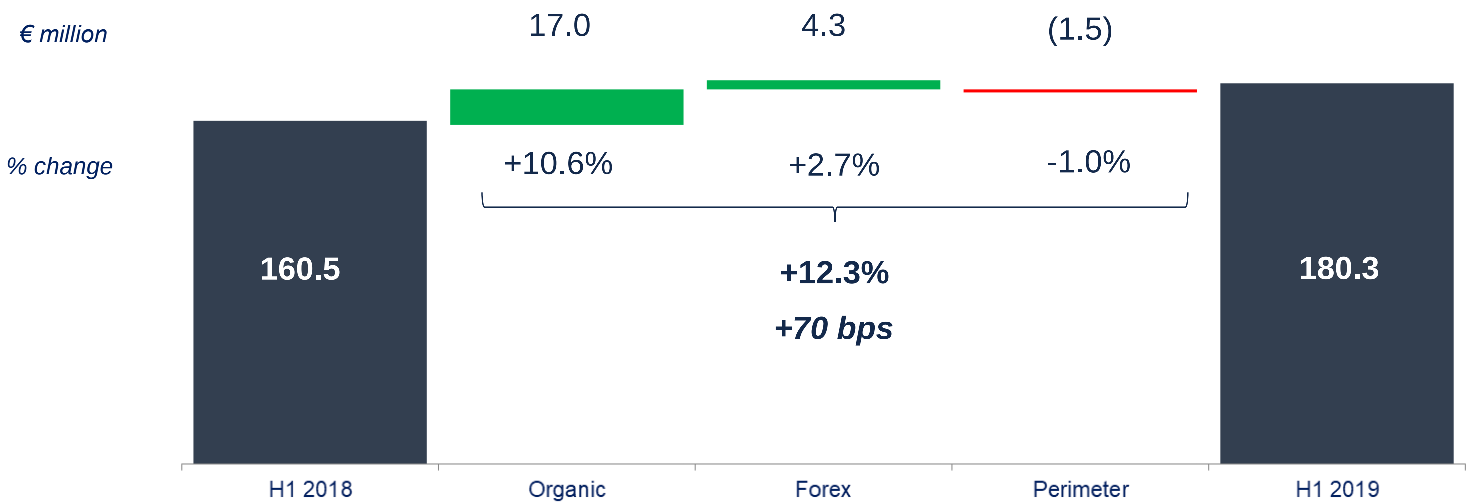
> **A&P**: on a **reported basis up +12.3% in value**, to 17.9% on net sales (**-60 bps dilution**)
- **Organic** growth of **+9.4% in value**, above topline growth leading to **-30 bps** margin dilution, reflecting higher marketing investments particularly behind global brands of Aperol, Campari, SKYY and Grand Marnier, as well as selected Regional priority brands
- **Forex and perimeter** combined effect of **+2.9% in value**, **-30 bps** margin dilution, driven by the termination of low A&P-intensity agency brands

> **SG&A**: on a **reported** basis up **+9.9% in value**, to 22.9% on net sales (**-20 bps dilution**)
- **Organic** growth of **+8.6% in value**, slightly above topline growth, leading to **-10 bps** margin dilution
- **Forex and perimeter** combined effect of **+1.3% in value**, **-10 bps** margin dilution, primarily driven by the deconsolidation of businesses carrying no structure costs

> **EBIT adjusted**: on a **reported** basis up **+12.3% in value**, to 21.3% on net sales (**+70 bps accretion**)
- **Organic** growth of **+10.6% in value**, above topline growth, generating **+50 bps** margin accretion, thanks to solid organic gross margin accretion (+90 bps), net of investments in marketing and structure costs (-40 bps). The adoption of IFRS16-'Leases' accounting principle from 1 January 2019 generated a positive effect of €1.3 million
- **Forex and perimeter** combined effect of **+1.7% in value**, corresponding to **+20 bps** margin accretion

> **EBITDA adjusted**: on a **reported** basis up **+14.4% in value**, to 25.4% on net sales. The increase includes a positive effect generated by the adoption of **IFRS 16-'Leases'** of **€7.7 million**, driven by the incremental depreciation on the rights of use
- **Organic** growth of **+12.7% in value**, leading to **+100 bps** margin accretion
- **Forex and perimeter** combined effect of **+1.8% in value**, **+20 bps** margin accretion

EBIT adjusted – summary effects



% on sales[1]	*20.6%*	*+50 bps*	*+10 bps*	*+10 bps*	*21.3%*

- **EBIT adjusted of €180.3 million, up +12.3%** on a reported basis, **21.3% margin** on sales (**+70 bps accretion**). Key drivers:
  - **Organic growth of +10.6%,** ahead of topline growth (**+50 bps accretion**), thanks to strong **gross margin expansion** (**+90 bps**) more than offsetting higher investment in brand building and sales capabilities (-40 bps)
  - **FX effect of +2.7%** or €4.3 million (**+10 bps accretion**), driven by an increasingly stronger US Dollar vs Euro
  - **Perimeter effect of -1.0%** or €(1.5) million (**+10 bps accretion**), largely due to termination of agency brand contracts
- **EBIT of €171.7 million**, **down -4.7%**, due to unfavourable comparison base of net operating adjustments (negative amount of €8.6 million in H1 2019 vs. positive amount of €19.6 million in H1 2018) [2]
- **EBITDA adjusted of €215.1 million,** down +14.4% overall, at **25.4% margin on sales**

(1) Bps rounded to the nearest ten
(2) In H1 2019, negative operating adjustments of €(8.6) million, attributable to provisions relating to restructuring costs initiated in 2018 and ongoing. This compares with the net positive operating adjustment of €19.6 million in H1 2018, generated by the capital gain of €38.5 million due to the sale of Lemonsoda, net of provisions for restructuring costs

Financial charges

	H1 2019	H1 2018	Change
Net financial income (charges) [1]	(15.1)	(14.8)	(0.3)
Adjustments to financial income (charges)	(0.0)	1.6	(1.6)
Proft (loss) related to companies valued at equity	0.1	(0.1)	0.2
Put option, earn out income (charges) and hyperinflation effects [2]	(3.0)	(0.9)	(2.1)
Average net debt	892.5	955.7	
Average cost of net debt [3]	***3.7%***	***3.0%***	

Notes
(1) Including FX gain/(loss)
(2) Non-cash P&L effects related to commitments to purchase minorities
(3) Excludes FX gains/losses and Put options costs

> **Net financial charges at €15.1 million in H1 2019**, up by €0.3 million vs. H1 2018, broadly in line with last year, despite the **lower average indebtedness** (€892.5 million in H1 2019 vs €955.7 million in H1 2018), due to:

- **average cost of net debt of 3.7**% in H1 2019, up from 3.0% in H1 2018, reflecting the negative carry effect on excess cash in H1 2019, significantly higher than H1 2018
- the effect of **IFRS16-'Leases' application** which amounted to an additional **€1.7 million** of interest charges

Group net profit adjusted and tax rate

€ million	Actual H1 2019	Actual H1 2018	Change
EBIT adjusted	180.3	160.5	12.3%
Recurring net financial charges	(15.1)	(14.8)	
Put option costs and others	(2.9)	(0.9)	
Pretax profit adjusted	**162.3**	**144.8**	**12.1%**
Total recurring taxes, of which:	**(45.6)**	**(40.4)**	
- Recurring cash tax	*(37.7)*	*(32.3)*	
- Goodwill deferred tax	*(7.9)*	*(8.0)*	
Group net profit adjusted	**116.7**	**104.4**	**11.8%**
Recurring cash tax rate	***-23.2%***	***-22.3%***	
Recurring effective tax rate	***-28.1%***	***-27.9%***	
Total adjustments net, of which	6.1	42.8	
- Operating adjustments	*(8.6)*	*19.6*	
- Financial adjustments	*0.0*	*1.6*	
- Fiscal effects on adjustments	*2.2*	*6.8*	
- Patent box	*12.5*	*14.8*	
Group net profit	**122.8**	**147.2**	**-16.6%**

> **Group net profit adjusted at €116.7 million**, +11.8%:

- **Recurring effective tax rate at 28.1%** in H1 2019, slightly up from 27.9% in H1 2018
- Adjusting the recurring effective tax rate for the goodwill deferred taxes (broadly in line with last year), recurring **cash tax rate at 23.2%** in H1 2019, up from 22.3% in H1 2018, driven by geographical mix and FX effects

> **Lower total net adjustments** vs. H1 2018, mainly due to the capital gain from Lemonsoda disposal included in H1 2018 operating adjustments

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Free cash flow

	H1 2019		H1 2018		Δ HY19 vs. HY18		Δ HY19 vs. HY18	
	Total	*Recurring*	Total	*Recurring*	Total		*Recurring*	
	€ m	€ m	€ m	€ m	€ m	%	*€ m*	%
EBITDA adjusted	**215.1**	**215.1**	**187.9**	**187.9**	**27.1**	**14.4%**	***27.1***	***14.4%***
Taxes paid	(9.1)	(14.2)	(24.2)	(12.4)	15.1		*(1.7)*	
Change in OWC (at constant FX and perimeter)	(77.2)	(77.2)	(21.1)	(21.1)	(56.1)		*(56.1)*	
Financial income (expense), of whcih	(3.0)	(3.0)	0.5	(1.1)	(3.5)		*(1.9)*	
Net interest paid	*(3.0)*	*(3.0)*	*(1.1)*	*(1.1)*	*(1.9)*		*(1.9)*	
Financial adjustments	*(0.0)*	*(0.0)*	*1.6*	*0.0*	*(1.6)*		*(0.0)*	
Capex [1]	(21.6)	(20.2)	(18.8)	(17.3)	(2.8)		*(2.9)*	
Other non-cash items	(23.0)	(14.3)	(13.4)	2.6	(9.6)		*(16.8)*	
Free Cash Flow (FCF)	**81.2**	**86.2**	**110.9**	**138.5**	**(29.7)**	**-26.8%**	***(52.3)***	***-37.8%***

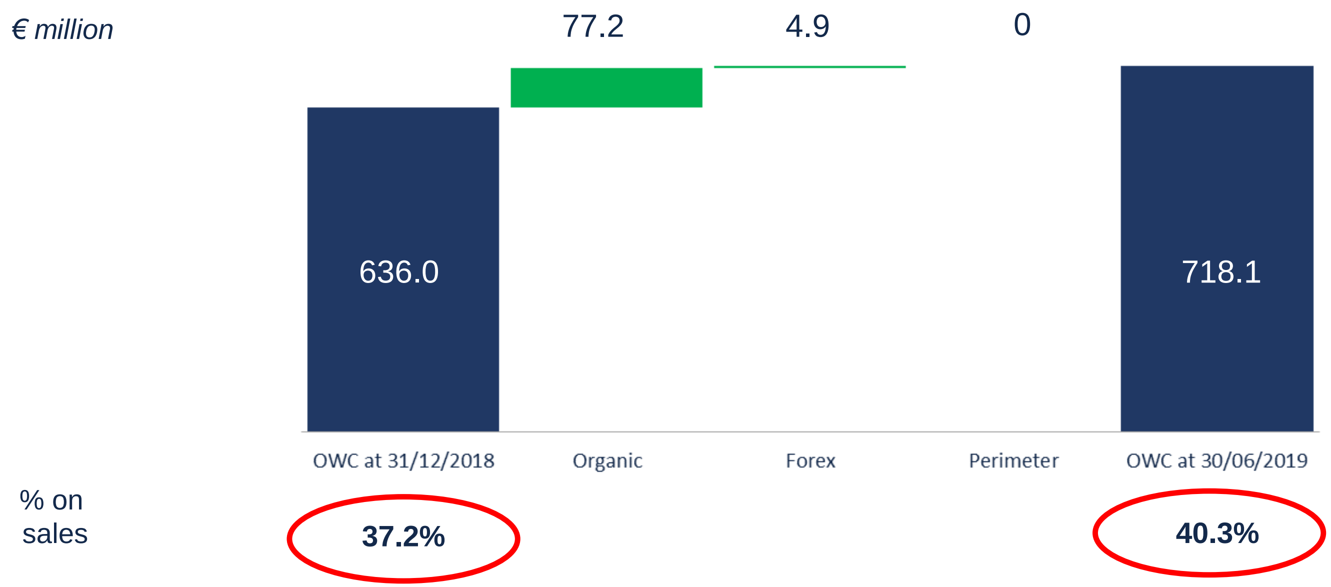
[1] Recurring capex refers to maintenance capex

> **Free cash flow at €81.2 million**, down €(29.7) million vs. H1 2018. **Recurring free cash flow at €86.2 million**, down €(52.3) million vs. H1 2018. Key drivers:

- **increase in recurring EBITDA adjusted** of €27.1 million
- temporary **bigger variation in operating working capital** of €(56.1) million, driven by:
  - **lower change in receivables vs. H1 2018 of €(66.4) million** due to shift in sales orders from May to the end of the second quarter, linked to weather conditions
  - **variation of change in inventory of €(4.9) million** and variation in change in payables of €15.2 million
- other non-cash items due to provisions, other operating changes and hyperinflation accounting effects
- taxes paid impacted by phasing of payments and non-recurring tax effects

(1) Refer to slide 56 ‘Operating working capital’ for details

Operating working capital(1)



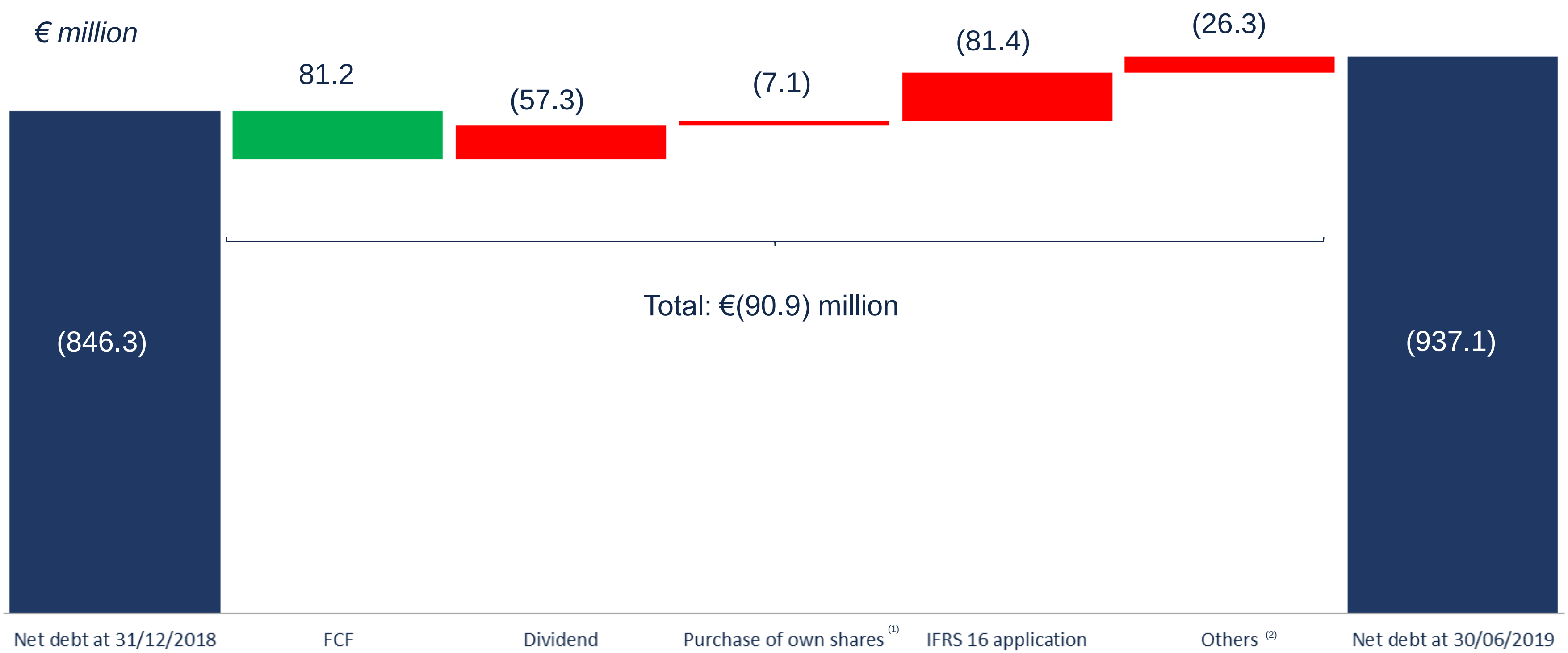
> **OWC increase of €82.1 million** as of 30 June 2019 vs. 31 December 2018. Key drivers:

- **Organic increase of €77.2 million**, due to:
  - increase in inventory of €61.4 million (of which ageing liquid increase of €16.5 million)
  - Decrease in payables of **€21.2 million**, impacted by some shift of payments from year-end 2018 into H1 2019
  - Decrease in receivables of **€5.3 million**. Physiologic reduction after year-end seasonal peak was almost entirely offset by an above average increase in receivables in connection with strong sales performance skewed at the end of the semester in some core European markets, due to weather conditions
- Forex impact of **€4.9 million**
- Negligible perimeter effect

> **OWC as % of net sales at 40.3%** as of 30 June 2019, up from 37.2% as of 31 December 2018

(1) Refer to annex 8 'Operating working capital' for details

Net financial debt increased by €90.9 million



> **Net financial debt** at **€937.1 million** as of **30 June 2019**, up **€90.9 million** from €846.3 million as of 31 December 2018 mainly driven by the first time adoption of IFRS16-'Leases' which generated an overall impact of €(81.4) million

> **Net debt to EBITDA pro-forma ratio** [3] **at 2.1x as of 30 June 2019** (vs. 1.9x as of 31 December 2018)

(1) Purchase of own shares net of sale of shares for stock option exercises
(2) Mainly related to FX and earn-out
(3) Pro-forma ratio mainly to take into account the full year effect of acquisitions and disposals that occurred in the period

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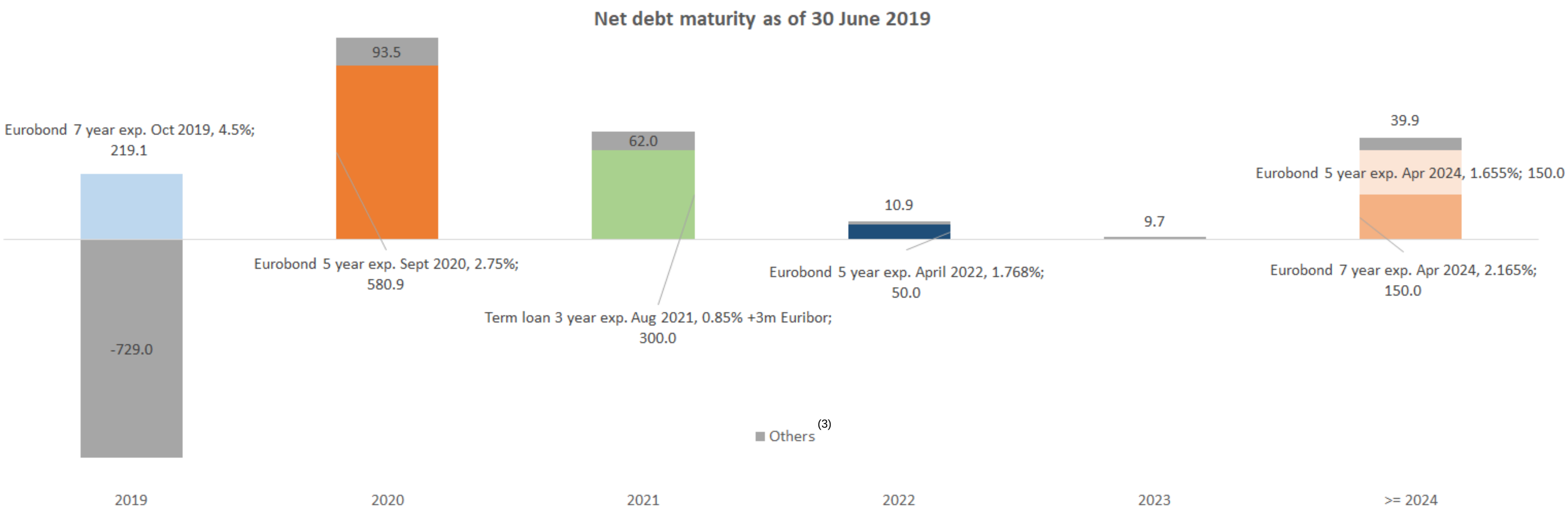
Debt maturity(1)

> **Net debt** of **€937.1 million** as of **30 June 2019**

> **Long-term gross debt at €1.2 billion**(2)

- Overall long-term gross debt **average coupon at 1.97%**
- **Fixed interest rate** debt accounts for **c. 76%** of the overall long-term gross debt



(1) Refer to slide 55 Financial debt details

(2) €219.1 million Eurobond expiring in October 2019 reclassified as short-term debt

(3) Includes Lease Debt arising from first time adoption of IFRS16-'Leases' application

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Aperol – celebrating 100 years in the home city

Aperol Happy Together LIVE – Venice

An **important birthday** deserves an **unforgettable party**. To **celebrate the centenary of Aperol**, a **unique show** joined different artists, set over a weekend, connected by the same passion for the music. **Venice and Piazza S. Marco** hosted the special edition of the **Aperol Happy Together Live**: a unique event that **mixes different styles** of **music** and **different people to toast together**. The show itself will be broadcast on TV, recorded by SKY and aired on their TV channels on July 26th 2019










Aperol – celebrating globally

Aperol Big Spritz Birthday Social – London & Manchester

During May & June in **London**, at the **Shoreditch Electric Light Station** and at **Manchester's Oast House**, **Aperol** invited Londoners and Mancunians (over 5,000 of them) to **celebrate its centenary anniversary** by immersing themselves in a world built for endless possibilities of Italian-style **spontaneity** and **sociability**. A one of a kind celebration with **food, dj-set, the UK's first ever revolving Aperol bar carousel**, embedded **'bubble booths'** hidden behind a giant **Aperol Spritz** as well as the unmissable **flowing orange waterfall**

Primavera Sound – Barcelona & Madrid

This year **Primavera Sound** started earlier than ever with a cycle of free concerts sponsored by **Aperol Spritz** in both **Madrid** and **Barcelona.** Live music, partying and **Aperol Spritz** conquered both cities during May. An **Aperol** beach area was set up within the concert area where people could spend some time during the festival: **orange sun loungers, Aperol spritz**, **paellas** and several fun activities took place!

Aperol TLV beats - Israel

After conquering the beaches of Europe, the **Aperol** amphibious vehicle arrived **in Israel** for the first time **in Banana Beach in May** – at the **Aperol TLV Beats**. The day before the final celebration of the **Eurovision event** broadcasted by the "Kan" 11 TV channel, **Aperol** kicked off a unique **sunset festival** that was not just a beach activation but a major and **fully orange event** with food & DJsets that hosted more than 10.000 people, media & influencers

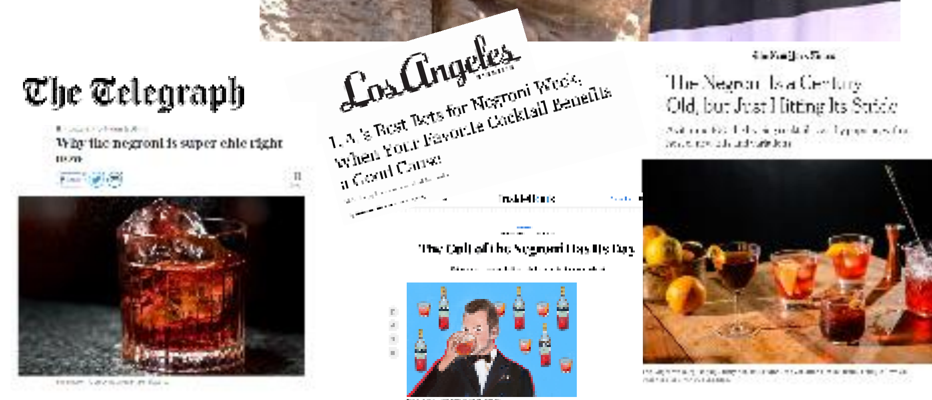
Campari – Negroni Week: 1919 - 2019

Negroni Week – 100 years of the Negroni

Negroni Week began by **unveiling a plaque celebrating the creation** of the **Negroni** in the presence of the **Deputy Mayor of the city of Florence** as well as Pier Lamberto and Paolo Andalò Negroni Bentivoglio, **Count Camillo's grandsons** and Luca Picchi, author of the book '***Negroni Cocktail. An Italian legend'***. In this corner of the Viviani Della Robbia Palace in the **Drogheria Casoni (Caffè Casoni) 100 years ago** the **Count Cammillo Negroni** inspired the creation of one of the most famous cocktails in the world – **the Negroni!**

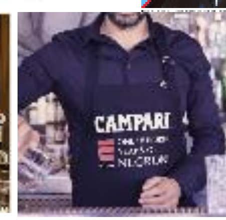
THERE'S NO NEGRONI WITHOUT CAMPARI

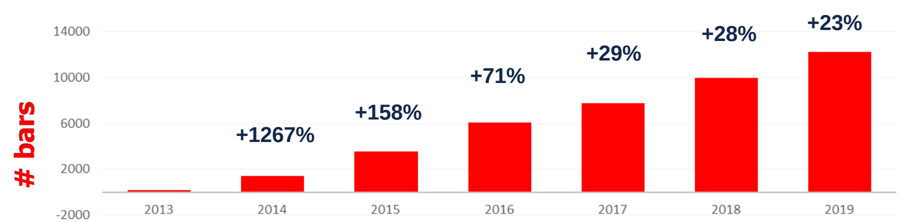
For the **7th year in a row**, under the partnership between **Campari and Imbibe**, the **Negroni week** took place in the last week of June. The participation of bars across the world has **increased year on year**, and in 2019 the number of bars participating in **Negroni week** grew by **+23% (2,000 venues!) compared to the 2018 edition**, with more than **12 thousand venues subscribed** in **60+ countries**!



	# venues	% of total
USA	3003	25%
Greece	1726	14%
Argentina	889	7%
Germany	827	7%
UK	812	6%
Canada	690	5%

...and many more!





SKYY Vodka – building on traditions

SKYY Vodka – US activities

SKYY USA WorldPride Sponsorship
In June 2019, **SKYY Vodka** continues its' efforts to **champion a new era of social progress fueled by diversity** within the LGBTQ+ community in the USA, by serving as the **Official Vodka of WorldPride NYC** and **Los Angeles Pride Festivals**. This year, in **honor of the 50th Anniversary** of the Stonewall riots, **SKYY** has partnered with the original Vogue performers, paying tribute to the people and history that shaped LGBTQ+ culture today. Activities included 9+ events, with over 4 million consumer engagements including a **branded float on June 30th during the official WorldPride Parade held in NYC**

SKYY Cold Brew
For a limited time only during Summer 2019, SKYY Vodka is bringing the authentic taste of the **USA's latest obsession**, **cold brew coffee**, to cocktail bars and retail stores with the release of **SKYY Infusions® Cold Brew Coffee**. This flavor is infused with **Arabica coffee beans**. Perfect for **brunches, summer parties or after work drinks**, it is enjoyed on the rocks, in coffee-inspired cocktails, or as a twist on a classic, like the **SKYY Martini**

SKYY Limited Edition
Launched in Spring 2019, **SKYY Vodka** proudly brings its **San Francisco roots** to life through the new **limited-edition SKYY Bottle Series**. These three new bottles celebrate the **culture and values** that have made the **brands hometown a global progressive icon**. For a limited time only, the brand's famous blue vodka bottle will feature recognized **San Francisco landmarks** paired with bold statements such as '**We Build Bridges, Not Walls**' or '**There is no straight path**': that define the city's leadership in diversity through **social progress, optimism and empowerment**

Regional Priorities

Bulldog – World Gin Day

Bulldog was the **exclusive Gin partner** at the **Field Day London music festival**, hailed '**London's hippest music festival**' and hosting approximately **60k visitors.** The activation included the new **Bulldog Gin Yard Container Bar**; an immersive, experiential '**Bulldog Flavour Accelerator**' container; and an exclusive **VIP Bulldog Brunch**; showcasing just how Bulldog does #WorldGinDay with its **independent spirit**, as well as its **unique role in both the day and the night**

Averna – Sicilian Excellence

Averna announced a close partnership with **another Sicilian name of notability**; Pierpaolo Bonajuto, owner of the oldest running chocolate factory in Sicily. The partnership comes as the **iconic amaro brand** continues to open up the **vibrant world of Sicily**. The perfect pairing between **Averna's essential oils** and the **salt within Bonajuto's Sicilian dark chocolate** was highlighted following research carried out by the renowned **Centre of Italian Cuisine, *ALMA School*. Averna** implemented **instore tasting, food truck events, restaurant activations** and **digital content generation** within the **Sicilian excellence** platform to emphasize **Averna's multisensorial experience** and **provenance**

Top awards

Grand Marnier Cuvées

Grand Marnier Wins in Ultimate Spirits Challenge (April 2019). Awards:

Grand Marnier Cuvee LAX: 96 Points, Extraordinary, Ultimate Recommendation, Chairman's Trophy

Grand Marnier Cuvee de Centenaire: 94 Points, Excellent, Highly Recommended, Finalist

Appleton Estate Rum

Appleton Estate Wins Big at 2019 Ultimate Spirits Challenge held in April 2019. Awards:

Appleton Estate 21YO: 98 Points, Extraordinary, Ultimate Recommendation, Chairman's Trophy

Appleton Estate Rare Blend 12YO: 94 Points, Excellent, Highly Recommended, Finalist

Appleton Estate Signature Blend: 92 Points, Excellent, Highly Recommended, Finalist, Great Value

Appleton Estate Reserve Blend: 92 Points, Highly Recommended, Finalist, Great Value

GlentGrant 15 Year Old: two separate awards

GlenGrant Single Malt 15 year old Batch Strength expression received a **Double Gold Medal** from the **19th annual San Francisco World Spirits Competition** (SFWSC). The prestigious accolade is awarded to entries that receive unanimous Gold Medal ratings from the judging panel, an **extremely rare indication** of a **world class product**

GlenGrant Single Malt 15 year old Batch Strength expression also won the **Spirit of Speyside Whisky Award** in the **13-20 Years Category,** selected as a finalist by the judges before being crowned winner in the public vote. **The Spirit of Speyside Whisky Festival Whisky Awards** remains the only **whisky awards competition in the world** that places the **power to determine the winning drams in the hands of the public**

GlentGrant 18 Year Old: Best whisky in the world 2019

GlenGrant once again **took home top honors** for its category in the latest edition of **Jim Murray's** anxiously anticipated **Whisky Bible – the world's most-influential** Whisk(e)y guide. **GlenGrant 18 Year Old**, the rarest variant in the GlenGrant single malt range, has once again been named **"Scotch Whisky of the Year"** by the esteemed Whisky writer and reviewer, taking home the top prize in the category for a **stunning third year in a row**

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Conclusion and Outlook

> **A strong first half** driven by a combination of **positive underlying sales momentum** in **core developed markets**, thanks to growth in **high-margin Global** and **Regional priorities**, **enhanced** by a **recovery** in **emerging markets**

> For the full year 2019, the **outlook remains fairly balanced in terms of risks and opportunities**

> **Organic performance:**

- **The positive business momentum is expected to continue**, with expected volatility in emerging markets in their key seasonality period
- **Sustained value growth in EBIT** driven by positive business momentum, whilst **EBIT margin expansion will be moderated** by **higher than expected increase in agave purchase price** exacerbated by Espolòn outperformance

> **The strengthening of the US Dollar against the Euro is expected to lessen in the rest of the year**, while **emerging markets currencies are expected to remain volatile** during the second half peak season. Tail end perimeter effect to phase out during the second half of the year

> **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 [1]

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

(1) '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

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Net sales by region & key market

Consolidated Net sales by region

	H1 2019		H1 2018		Change	of which:			Q2 2019
	€ m	%	€ m	%	%	organic	perimeter	forex	organic
Americas	384.6	45.3%	333.3	42.8%	15.4%	9.9%	-0.1%	5.5%	7.3%
Southern Europe, Middle East & Africa	243.6	28.7%	236.2	30.3%	3.2%	7.7%	-4.4%	-0.1%	8.6%
North, Central & Eastern Europe	165.5	19.5%	154.4	19.8%	7.2%	7.0%	0.0%	0.2%	4.2%
Asia Pacific	54.4	6.4%	54.3	7.0%	0.2%	1.1%	0.0%	-0.9%	4.9%
Total	**848.2**	**100.0%**	**778.2**	**100.0%**	**9.0%**	**8.0%**	**-1.4%**	**2.3%**	**6.9%**

Region breakdown by key market

Americas by market

	H1 2019		H1 2018		Change	of which:			Q2 2019
	€ m	%	€ m	%	%	organic	perimeter	forex	organic
USA	248.8	64.7%	209.3	62.8%	18.9%	10.9%	0.0%	8.0%	10.7%
Jamaica	47.1	12.2%	38.4	11.5%	22.6%	18.6%	-0.2%	4.1%	14.5%
Canada	25.5	6.6%	23.1	6.9%	10.3%	7.4%	0.0%	2.8%	1.3%
Brazil	16.3	4.2%	16.0	4.8%	2.0%	6.9%	0.0%	-4.9%	-13.2%
Mexico	18.2	4.7%	17.6	5.3%	3.7%	-2.0%	-0.6%	6.3%	0.2%
Argentina	11.7	3.0%	11.4	3.4%	2.4%	14.2%	0.0%	-11.8%	10.4%
Other countries	17.1	4.4%	17.6	5.3%	-2.9%	-6.4%	-0.2%	3.7%	-11.2%
Americas	**384.6**	**100.0%**	**333.3**	**100.0%**	**15.4%**	**9.9%**	**-0.1%**	**5.5%**	**7.3%**

Net sales by region & key market

Southern Europe, Middle East & Africa by market

	H1 2019		H1 2018		Change	of which:			Q2 2019
	€ m	%	€ m	%	%	organic	perimeter	forex	organic
Italy	182.8	75.0%	180.5	76.4%	1.3%	6.7%	-5.4%	0.0%	6.9%
Other countries	60.8	25.0%	55.6	23.6%	9.3%	10.9%	-1.1%	-0.5%	14.1%
Southern Europe, Middle East & Africa	**243.6**	**100.0%**	**236.2**	**100.0%**	**3.2%**	**7.7%**	**-4.4%**	**-0.1%**	**8.6%**

North, Central & Eastern Europe by market

	H1 2019		H1 2018		Change	of which			Q2 2019
	€ m	%	€ m	%	%	organic	perimeter	forex	organic
Germany	77.0	46.5%	74.1	48.0%	3.9%	3.9%	0.0%	0.0%	0.3%
Russia	14.5	8.7%	13.4	8.7%	8.3%	10.9%	0.0%	-2.6%	3.5%
United Kingdom	16.9	10.2%	14.8	9.6%	14.6%	13.8%	0.0%	0.8%	15.7%
Other countries	57.1	34.5%	52.2	33.8%	9.5%	8.4%	0.0%	1.1%	6.2%
North, Central & Eastern Europe	**165.5**	**100.0%**	**154.4**	**100.0%**	**7.2%**	**7.0%**	**0.0%**	**0.2%**	**4.2%**

Asia Pacific by market

	H1 2019		H1 2018		Change	of which			Q2 2019
	€ m	%	€ m	%	%	organic	perimeter	forex	organic
Australia	37.7	69.2%	37.1	68.3%	1.5%	3.5%	0.0%	-2.0%	9.3%
Other countries	16.7	30.8%	17.2	31.7%	-2.6%	-4.3%	0.0%	1.6%	-3.5%
Asia Pacific	**54.4**	**100.0%**	**54.3**	**100.0%**	**0.2%**	**1.1%**	**0.0%**	**-0.9%**	**4.9%**

Net sales by brand cluster

	H1 2019		H1 2018		Change	of which:			Q2 2019
	€ m	%	€ m	%	%	organic	perimeter	forex	organic
Global Priorities	498.7	58.8%	441.3	56.7%	13.0%	9.8%	0.0%	3.2%	7.8%
Regional Priorities	128.4	15.1%	113.7	14.6%	13.0%	10.8%	0.0%	2.1%	13.4%
Local Priorities	102.0	12.0%	98.3	12.6%	3.8%	4.0%	0.0%	-0.2%	5.2%
Rest of portfolio	119.0	14.0%	125.0	16.1%	-4.8%	2.4%	-8.5%	1.4%	-1.5%
Total	**848.2**	**100.0%**	**778.2**	**100.0%**	**9.0%**	**8.0%**	**-1.4%**	**2.3%**	**6.9%**

Q2 2019 Consolidated income statement

	Q2 2019		Q2 2018					
	€ million	% of sales	€ million	% of sales	Reported change	Organic change	Forex impact	Perimeter effect
Net sales	**478.1**	**100.0%**	**442.2**	**100.0%**	**8.1%**	**6.9%**	**2.1%**	**-0.8%**
COGS [(1)]	(176.1)	-36.8%	(170.3)	-38.5%	3.4%	3.1%	2.2%	-1.9%
Gross profit	**302.0**	**63.2%**	**271.9**	**61.5%**	**11.0%**	**9.2%**	**2.0%**	**-0.2%**
Advertising and promotion	(92.7)	-19.4%	(80.8)	-18.3%	14.8%	11.5%	3.3%	0.0%
Contribution after A&P	**209.2**	**43.8%**	**191.2**	**43.2%**	**9.5%**	**8.2%**	**1.5%**	**-0.3%**
SG&A [(2)]	(101.4)	-21.2%	(91.8)	-20.8%	10.5%	8.9%	1.7%	-0.2%
EBIT adjusted	**107.9**	**22.6%**	**99.4**	**22.5%**	**8.5%**	**7.6%**	**1.2%**	**-0.3%**
Adjustments	(7.9)	-1.6%	(2.0)	-0.5%	-			
Operating profit = EBIT	100.0	20.9%	97.4	22.0%	2.7%			
Net financial income (charges)	(6.8)	-1.4%	(9.1)	-2.0%	-25.0%			
Adjustments to financial income (charges)	(0.0)	0.0%	1.6	0.4%	-100.0%			
Proft (loss) related to companies valued at equity	(0.1)	0.0%	(0.1)	0.0%	-24.3%			
Put option costs	(2.7)	-0.6%	(0.4)	-0.1%	-			
Profit before taxes and non-controlling interests	**90.5**	**18.9%**	**89.5**	**20.2%**	**1.1%**			
Other information:								
Depreciation & Amortisation	(17.7)	-3.7%	(13.9)	-3.1%	27.3%	25.5%	1.9%	0.0%
EBITDA adjusted	**125.5**	**26.3%**	**113.3**	**25.6%**	**10.8%**	**9.8%**	**1.3%**	**-0.3%**
EBITDA	117.7	24.6%	111.3	25.2%	5.8%			

(1) COGS = cost of materials, production and logistics expenses
(2) SG&A = selling, general and administrative expenses

Consolidated balance sheet

Invested Capital and Resources

€ million	30 June 2019	31 December 2018	Change
Total fixed assets	3,037.5	2,962.5	74.9
Other net non-current assets / liabilities	(483.3)	(484.8)	1.5
Operating working capital	718.1	636.0	82.1
Other assets / liabilities	(96.5)	(104.7)	8.2
Invested capital	**3,175.7**	**3,009.1**	**166.6**
Shareholder's equity	2,238.5	2,162.8	75.7
Net financial position	937.1	846.3	90.9
Financing sources	**3,175.7**	**3,009.1**	**166.6**
% Net debt on equity	**41.9%**	**39.1%**	

Consolidated balance sheet (1 of 2)

Assets

	30 June 2019 € million	31 December 2018 € million	Change
ASSETS			
Non-current assets			
Net tangible fixed assets	450.0	454.4	(4.5)
Right of use assets	73.8	-	73.8
Biological assets	1.0	1.0	(0.0)
Investment properties	120.9	122.8	(1.9)
Goodwill and brands	2,349.8	2,341.0	8.7
Intangible assets with a finite life	41.6	42.9	(1.3)
Investments in associates and joint ventures	0.5	0.4	0.1
Deferred tax assets	42.1	38.4	3.7
Other non-current asssets	28.7	23.9	4.7
Total non-current assets	**3,108.3**	**3,024.9**	**83.4**
Current assets			
Inventories	628.6	565.3	63.4
Current biological assets	0.7	0.8	(0.1)
Trade receivables	284.1	285.9	(1.7)
Short-term financial receivables	4.6	29.1	(24.5)
Cash and cash equivalents	768.8	613.9	154.9
Income tax receivables	18.0	22.4	(4.4)
Other receivables	44.0	32.3	11.7
Total current assets	**1,748.9**	**1,549.7**	**199.1**
Assets held for sale	9.4	7.8	1.6
Total assets	**4,866.6**	**4,582.5**	**284.1**

Consolidated balance sheet (2 of 2)

Liabilities

	30 June 2019 € million	31 December 2018 € million	Change
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
- Share capital	58.1	58.1	-
- Reserves	2,180.4	2,104.7	75.7
Capital and reserves attributable to Parent Company	2,238.5	2,162.8	75.7
Non-controlling interests	-	-	-
Total shareholders' equity	**2,238.5**	**2,162.8**	**75.7**
Non-current liabilities			
Bonds	928.7	778.7	149.9
Other non-current liabilities	499.9	463.7	36.2
Post-employment benefit obligations	31.0	31.6	(0.6)
Provisions for risks and charges	116.0	118.7	(2.7)
Deferred tax liabilities	374.8	368.2	6.6
Total non-current liabilities	**1,950.3**	**1,760.9**	**189.4**
Current liabilities			
Payables to banks	4.6	4.5	0.1
Bonds	218.9	218.6	0.3
Other financial liabilities	90.9	52.5	38.4
Trade payables	195.4	216.0	(20.6)
Income tax payables	26.9	13.9	13.0
Other current liabilities	141.1	153.3	(12.2)
Total current liabilities	**677.7**	**658.8**	**18.9**
Liabilities held for sale	-	-	-
Total liabilities	**2,628.0**	**2,419.6**	**208.4**
Total liabilities and shareholders' equity	**4,866.6**	**4,582.5**	**284.1**

H1 2019 consolidated cash flow

	30 June 2019 € million	30 June 2018 € million	Change € million
EBITDA adjusted	**215.1**	**187.9**	**27.1**
Provisions and other changes from operating activities and hyperinflation effect	(23.0)	(13.4)	(9.6)
Taxes paid	(9.1)	(24.2)	15.1
Cash flow from operating activities before changes in working capital	**183.1**	**150.3**	**32.8**
Changes in net operating working capital	(77.2)	(21.1)	(56.1)
Cash flow from operating activities	**105.8**	**129.2**	**(23.3)**
Net interests paid	(3.0)	(1.1)	(1.9)
Adjustments to financial income (charges)	(0.0)	1.6	(1.6)
Capital expenditure cash outlay	(21.6)	(18.8)	(2.8)
Free cash flow	**81.2**	**110.9**	**(29.7)**
Acquisition and sale of companies or business division	-	22.3	(22.3)
Dividend paid out by the Parent Company	(57.3)	(57.5)	0.2
Other changes (incl. net puchase of own shares)	(13.2)	(21.4)	8.1
Total cash flow used in other activities	**(70.5)**	**(56.6)**	**(13.9)**
Exchange rate differences and other changes	**(19.3)**	**(27.1)**	**7.8**
Change in net financial position due to operating activities	**(8.6)**	**27.2**	**(35.8)**
Put option and earn-out changes	(0.8)	7.6	(8.4)
IFRS 16-'Leases' application	(81.4)	-	(81.4)
Net cash flow of the period = change in net financial position	**(90.9)**	**34.7**	**(125.6)**
Net financial position at the beginning of the period	**(846.3)**	**(981.5)**	**135.3**
Net financial position at the end of the period	**(937.1)**	**(946.8)**	**9.7**

Financial debt details

Gross debt composition as of 30 June 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	15%
Sep 30, 2015	Sep-20	Unrated Eurobond	EUR	2.75%	581	5 years	40%
Aug 3, 2016	Aug-21	Term Loan	EUR	0.85% +3m euribor	300	3 years	21%
Apr 5, 2017	Apr-22	Unrated Eurobond	EUR	1.768%	50	5 years	3%
Apr 5, 2017	Apr-24	Unrated Eurobond	EUR	2.165%	150	7 years	10%
Apr 23, 2019	Apr-24	Unrated Eurobond	EUR	1.655%	150	5 years	10%
Total gross debt					**1,450**		**100%**
Of which: medium-long term					1,231		

Net financial debt composition as of 30 June 2019

€ million	**30 June 2019 (1)**	**31 December 2018**	**Δ 30 June 2019 vs. 31 December 2018**
Short-term cash/(debt) (A)	**510.5**	**404.1**	**106.5**
- Cash and cash equivalents	768.8	613.9	154.9
- Short-term debt	*(258.3)*	*(209.9)*	*(48.4)*
Medium to long-term cash/(debt) (B)	**(1,299.3)**	**(1,076.0)**	**(223.2)**
Debt relating to operating activities (A+B)	**(788.8)**	**(672.0)**	**(116.8)**
Liabilities for put option and earn-out payments (2)	(148.4)	(174.3)	25.9
Net cash/(debt)	**(937.1)**	**(846.3)**	**(90.9)**

(1) Reclassified as short-term debt
(2) Including commitments for future minority purchases (including Grand Marnier) and payable for future earn-outs

Operating working capital

	30 June 2019		31 December 2018		Reported change	Organic change	Forex impact	Perimeter effect
	€ million	% sales	€ million	% sales		€ million		
Receivables	284.1	15.9%	285.9	16.7%	(1.7)	(5.3)	3.6	-
Inventories	629.3	35.3%	566.1	33.1%	63.2	61.4	1.9	-
- Maturing inventory	*357.2*	*20.0%*	*340.1*	*19.9%*	*17.1*	*16.5*	*0.5*	*-*
- Other inventory	*272.2*	*15.3%*	*226.0*	*13.2%*	*46.2*	*44.8*	*1.3*	*-*
Payables	(195.4)	-11.0%	(216.0)	-12.6%	20.6	21.2	(0.5)	-
Operating Working Capital	**718.1**	**40.3%**	**636.0**	**37.2%**	**82.1**	**77.2**	**4.9**	**-**

Exchange rates effects

	Average exchange rate		Period end exchange rate	
	H1 2019	change vs H1 2018	30 June 2019	change vs 30 December 2018
	: 1 Euro	%	: 1 Euro	%
US Dollar	1.130	7.2%	1.138	0.6%
Canadian Dollar	1.507	2.6%	1.489	4.8%
Jamaican Dollar	147.752	3.4%	148.303	-1.6%
Mexican Peso	21.654	6.6%	21.820	3.1%
Brazilian Real	4.340	-4.6%	4.351	2.1%
Argentine Peso (1)	48.568	-46.4%	48.568	-11.1%
Russian Ruble	73.725	-2.4%	71.598	11.3%
Australian Dollar	1.600	-1.9%	1.624	-0.1%
Chinese Yuan	7.667	0.6%	7.819	0.7%
British Pound Sterling	0.874	0.7%	0.897	-0.2%
Swiss Franc	1.129	3.6%	1.111	1.5%

(1) Following the adoption of IAS 29-'Financial reporting Hyperinflationary economies' in Argentina, the average exchange rate of Argentine Peso for H1 2019 was adjusted to be equal to the rate as of 30 June 2019

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.

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