CAMPARI GROUP

Strong business performance in the first nine months 2021 with double-digit growth across all sales and profit indicators vs both 2020 and 2019 unaffected by Covid-19

Very solid business momentum continued in the peak summer season driven by the on-premise bounce back, combined with the home-made premium cocktails trend

FIRST NINE MONTHS 2021-RESULTS HIGHLIGHTS

- **Reported net sales of €1,575.7 million**, **+27.3% organic growth** vs. **the first nine months of 2020** (+22.9% on a reported basis), and **+24.0% organic growth vs. the first nine months of 2019**. **Sustained net sales organic growth in the third quarter, up +12.8%**, **despite a tough comparison base**. **Strong growth of +27.3% vs. the third quarter of 2019**.
- **EBIT-adjusted** of **€359.8 million**, **+54.2% organic change vs. the first nine months of 2020**, **+410 basis points accretion** (+31.7%, +140 bps margin accretion vs. the first nine months of 2019). **EBIT adjusted organic growth of +16.2% in the third quarter, +70 bps accretion** (+29.0%, +30 bps margin accretion vs. the third quarter of 2019).
- **Group profit before taxation adjusted** of **€343.3 million**, up **+56.1%**.
- **Net financial debt** of **€926.0 million** as of September 30th, 2021, down 177.8 million vs. €1,103.8 million as of December 31st, 2020. **Net debt to EBITDA adjusted ratio at 1.8x as of 30 September 2021,** improving from 2.8x as of 31 December 2020, thanks to the positive cash flow generation.

Milan, **October 26th, 2021**-The Board of Directors of Davide Campari-Milano N.V. (Reuters CPRI.MI-Bloomberg CPR IM) approved the additional financial information at September 30th, 2021.
Bob Kunze-Concewitz, **Chief Executive Officer**: '*In the first nine months of 2021, our strong performance generated **double-digit growth across key markets and brands** as well as across **all key sales and profit indicators.** The positive trends from earlier in the year have continued into the key summer season, thanks to a **recovery in the on-premise** driven by 'revenge conviviality' combined with **sustained home consumption trends**. Regarding the outlook for the rest of the year, we expect the **positive brand momentum** and **favourable sales mix** to continue in the last quarter, helping to **partially offset the intensifying input cost pressure**, **particularly logistics costs**, **accelerated brand building investments**, as well as **structure costs phasing**. Looking beyond the current year, whilst uncertainty remains in connection with the evolution of the pandemic and its induced effects such as **logistic constraints and intensified input cost pressure**, albeit mitigated by the **improving outlook for agave**, we **remain confident of our solid business momentum**.*'.

SUMMARY FINANCIAL INFORMATION FOR THE FIRST NINE MONTHS ENDED 30 SEPTEMBER 2021

	9M 2021 € million	9M 2020 € million	Reported Change	Organic change	Perimeter Impact	Forex impact
Net sales	**1,575.7**	**1,282.5**	**22.9%**	**27.3%**	**-1.5%**	**-3.0%**
Gross profit	**961.2**	**761.5**	**26.2%**	**30.3%**	**-0.3%**	**-3.8%**
% on sales	*61.0%*	*59.4%*				
EBIT-adjusted	**359.8**	**248.5**	**44.8%**	**54.2%**	**-2.3%**	**-7.1%**
% on sales	*22.8%*	*19.4%*				
EBIT	350.1	200.3	74.8%			
Group profit before taxation adjusted	**343.3**	**220.0**	**56.1%**			
Group profit before taxation	**341.2**	**190.2**	**79.4%**			
EBITDA adjusted	**418.0**	**307.1**	**36.1%**	**44.1%**	**-1.7%**	**-6.3%**
% on sales	*26.5%*	*23.9%*				
EBITDA	408.4	258.9	57.7%			
Net financial debt at the end of the period	**926.0***					

* Net financial debt as of 31st December 2020 equal to €1,103.8 million.

FX AND PERIMETER OUTLOOK

Looking at the remainder of the year, the currency outlook is not expected to materially worsen. The perimeter is expected to remain broadly unchanged on a full year basis vs. previous guidance (estimated negative effect of approx. €(9) million on EBIT adjusted mainly due to termination of agency brands)[1].

REVIEW OF CONSOLIDATED SALES FOR THE FIRST NINE MONTHS 2021 RESULTS

Group sales totalled **€1,575.7 million**, up +22.9% on a reported basis or **+27.3% in organic terms**. Compared to the first nine months of 2019, which represent the unaffected base with regards to the Covid-19 impact, the organic growth was **+24.0%**. **The positive net sales organic growth continued in the third quarter, up +12.8%**, despite a tough comparison base, driven by very positive momentum of the aperitifs in their key summer season. **Strong growth of +27.3% vs. the third quarter of 2019**.

The perimeter effect was **-1.5%**, and **FX effect** was **-3.0%** mainly driven by the devaluation of the US Dollar and emerging market currencies.

Analysis of **organic change by geography**:

- Sales in the **Americas** (42% of total Group sales) were up organically by **+28.0%** (**+22.9% vs. the first nine months of 2019**). The **Group's largest market**, **the US**, showed an **overall very positive performance** of **+23.4%** (+23.7% vs. the first nine months of 2019), with sustained momentum in the third quarter (+12.3% vs the third quarter 2020, +21.8% vs the third quarter 2019). **Espolòn, Grand Marnier, Wild Turkey, Aperol** and **the Jamaican rums** registered **double-digit growth**. Off-premise sell-out data reflected the very tough comparison base from last year, while the 2-year stack shows +36.7% growth in value vs. 9M 2019[2], growing faster than the overall market. **Jamaica** registered strong growth (**+37.4%**) thanks to the continued recovery in the on-premise while **Canada** grew by **+10.7%** after a softer third quarter performance, due to a tough comparison base. **South America** registered **very positive growth** benefitting largely from an easy comparison base.

- Sales in **Southern Europe, Middle East and Africa**[3] (30% of total Group sales) registered a **positive performance of +31.9%** (**+16.4% vs. the first nine months of 2019**). On-premise skewed **Italy grew strongly** (+29.6%, +14.6% vs. the first nine months of 2019), thanks to consumption recovery in the on-premise. Key brands such as **Aperol, Campari** and **Campari Soda were up by strong double-digits**, while **Crodino** was up by high-single digits. The third quarter performance in the area was positive (+1.3%) despite a very tough comparison base (+35.4% in the third quarter 2020), thanks to the strong brand momentum and the boost generated by favourable weather conditions, 'revenge conviviality' and the staycation effect. **France** grew **+21.9%**, driven by continued positive brand momentum despite normalisation in the third quarter against a very tough comparison base, while the **GTR channel** grew **+43.9%** after an acceleration in the third quarter thanks to the initial lifting of travel restrictions. Amongst the other markets in the region, **Spain** grew strongly thanks to the reopening of the on-premise while **South Africa** was also positive thanks to an easy comparison base.

- **North, Central and Eastern Europe** (20% of total Group sales) grew organically by **+19.8%** (+**32.8% vs. the first nine months of 2019**). **Germany** registered solid growth of **+10.1%** (+22.7% vs. the first nine months of 2019), with a very tough comparison base (+11.6% in the nine months of 2020) and adverse weather conditions compensated by resilient home consumption. This enabled a stronger performance than the overall market, driven by **Aperol**, **Aperol Spritz ready-to-enjoy** and **Campari**. **The UK** also showed a **solid performance** (**+42.5%**), thanks to the good brand momentum in the on-premise coupled with sustained off-premise momentum. **Russia** was positive (**+32.2%**) as well as the **other markets in the region**, **largely led by Aperol.**

- Sales in **Asia Pacific** (8% of total Group sales) grew organically by **+30.4%** (**+36.5% vs. the first nine months of 2019**). **Australia** registered **a positive performance of +5.7%** (+27.6% vs. the first nine months of 2019), with a normalising trend in the third quarter due to an unfavourable comparison base as well as snap lockdowns and some trans-ocean supply constraints. **Other markets in the region showed a very positive result (+120.2%)**, as both China and South Korea were positively impacted from a strong shipment recovery post route-to-market changes.

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[1] Guidance provided upon FY 2020 results on 18th February 2021 and further confirmed upon Q1 2021 results on 4th May 2021 and H1 2021 results on 27th July 2021.
2 Source: Nielsen Total USxAOC+Liq Plus Conv CYTD YA Wks-38 W/E 25 September 2021.
[3] Includes Global Travel Retail.

Analysis of **organic change by brand**:

- **Global Priorities** (58% of total Group sales) registered an organic growth of **+27.5%** (**+24.0% vs. the first nine months of 2019**). **Aperol** registered a **strong performance (+29.9%)** across core markets as the **brand renews recruitment of consumers in the on-premise channel** and **continues to benefit from sustained home consumption**. **Core markets** such as **Italy, the US, France, the UK, Russia, Switzerland, Belgium** and **Austria** grew by **double-digits**, while seeding markets grew even faster. **The positive momentum continued** into the third quarter **with the brand up by +15.5%** despite the tough comparison base, particularly in Italy. **Aperol grew +33.2%**vs. the first nine months of 2019 with positive growth across all core markets (**+35.2% in the core Italian market**). **Campari** also delivered **strong growth** of **+28.4%** thanks to **positive trends across all major markets** benefitting from the **at-home mixology** consumption as well as on-premise momentum. **Compared with the first nine months of 2019**, **Campari grew by +27.1%** (core Italian market +30.6%). Off-premise sell-out data continue to be strong across key markets for both Aperol and Campari. **Wild Turkey showed strong growth** (**+20.9%**, **+15.6% vs. the first nine months of 2019**), driven by the core US market, also thanks to solid category momentum. **SKYY grew overall (+11.0%)** driven by the international markets, while the core US market delivered a positive result after full brand relaunch earlier in the year. The performance vs. the first nine months of 2019 (-6.0%) reflected the US destocking effect in 2020. **Grand Marnier (+43.3%**, **+28.3% vs. the first nine months of 2019) registered strong growth in the core US market** thanks to the positive cocktail home consumption trends, particularly the success of the **Grand Margarita**. The growth in the **Jamaican rum portfolio** (**+28.2%**, **+35.1% vs. the first nine months of 2019**) was driven by the favourable category trends in premium rum, particularly in the core US, Canada, Jamaica and the UK.

- **Regional Priorities** (17% of total Group sales) showed a strong performance (**+34.2%**, +35.3% vs. the first nine months of 2019), with **solid growth of Espolòn** (**+41.1%**, +83.1% vs. the first nine months of 2019), **Bulldog**, **The GlenGrant**, **Cinzano**, the **Sparkling Wines** (**Mondoro** and **Riccadonna**), the **Bitters** and **Forty Creek**. Recently acquired brands such as **Ancho Reyes, the Rhum Agricole portfolio** and **Bisquit&Dubouché** all grew, largely helped by a favourable comparison base while **Montelobos** also registered strong growth thanks to very positive category momentum.

- **Local Priorities** (13% of total Group sales) registered a **positive performance** (**+24.8%**, +25.5% vs. the first nine months of 2019), mainly **driven by Campari Soda and Aperol Spritz ready-to-enjoy.** Both brands **grew strong double-digits thanks to sustained home consumption and the gradual reopening of the on-premise,** while the latter also benefitted from its introduction into Germany and Australia. **X-Rated** also grew strongly.

REVIEW OF FIRST NINE MONTHS 2021 RESULTS

Gross profit totalled **€961.2 million**, corresponding to 61.0% of net sales, **up by +26.2%** in value on a reported basis. It **grew organically** by **+30.3%**, **generating +140 bps margin accretion with acceleration in the third quarter**, driven by **outperformance of high-margin aperitifs and premium spirits, stronger absorption of fixed production costs driven by higher production volume and the suspension of US import tariffs.** This helped to offset the **dilutive effect of Espolòn, albeit improving, due to the cost of agave and the intensified input cost pressure, particularly logistics costs, as of the third quarter**. Organic change of +21.4% vs. the first nine months of 2019, -130 bps dilution, due to unfavourable sales mix.

Advertising and Promotion expenses (**A&P**) were **€268.2 million**, corresponding to 17.0% of net sales, up by **+24.5%** in value on a reported basis. They increased organically by +27.2% broadly in line with topline in the nine months (+13.6% in the third quarter 2021). It grew +18.2% vs. the first nine months of 2019 and +33.6% vs. the third quarter 2019, confirming the **investment step-up**, in particular on aperitifs in the key summer season.

CAAP (Contribution after A&P) was **€692.9 million**, corresponding to 44.0% of net sales, up by **+26.9%** in value on a reported basis (up organically by +31.5%). Organic change was +22.7% vs. the first nine months of 2019.

Selling, general and administrative expenses (**SG&A**) totalled **€333.1 million**, corresponding to 21.1% of net sales, **+11.9%** in value on a reported basis. They grew **organically by +12.6%** in value with **+270 bps margin accretion** driven by strong topline growth as well as an easy comparison base. In the **third quarter**, **SG&A was up +18.0% organically,** growing faster than topline, hence driving margin dilution of **-90 bps reflecting investments in enhanced business infrastructure and cycling through lower discretionary spend.**

EBIT-adjusted was **€359.8 million**, corresponding to 22.8% of net sales, up by **+44.8%** in value on a reported basis. It **grew organically** by **+54.2%** in the first nine months 2021, with **+410 bps margin accretion**. EBIT-adjusted organic growth of

+16.2% in the third quarter, with +70 bps accretion (+29.0% and +30 bps margin accretion vs. the third quarter of 2019). The **perimeter effect** on EBIT adjusted was **-2.3% (or -€5.8 million) vs. 9M 2020, mainly due to the discontinuation of agency brands**. The **forex effect** on EBIT adjusted was **-7.1%** (or -€17.7 million) vs. 9M 2020, due to the **strong devaluation of almost all key Group currencies against the Euro**, in particular the US Dollar and the emerging market currencies.

Operating adjustments were negative at **-€9.7 million.**

EBITDA-adjusted was **€418.0 million**, up by **+36.1%** in value **on a reported basis** (**up organically +44.1%**), corresponding to 26.5% of net sales.

EBIT (22.2% of net sales) and **EBITDA** (25.9% of net sales) were at **€350.1 million** and **€408.4 million** respectively.

Net financial costs were **€15.1 million** in the first nine months 2021. Excluding the exchange gain/(loss), the **net financial charges were €19.0 million** (vs. €27.0 million for first nine months 2020), driven by a **lower average cost of net debt** (2.4% in the first nine months 2021 vs. 3.8% in the first nine months 2020, thanks to the liability management activities carried out in 2020).

Group profit before taxation-adjusted was **€343.3 million**, **up +56.1%** in the first nine months 2021. **Group profit before taxation** was **€341.2,** up **+79.4%.**

Net financial debt at €926.0 million as of 30 September 2021, down €177.8 million vs. 31 December 2020 (€1,103.8 million), thanks to the positive free cash flow generated by the business.

Net debt to EBITDA adjusted ratio at 1.8x as of 30 September 2021, improving from 2.8x as of 31 December 2020. The decrease is mainly driven by the solid business performance in terms of EBITDA adjusted and the positive cash generation in the first nine months 2021.

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FILING OF DOCUMENTATION

The additional financial information at September 30th 2021 has been made available to the general public on the 'Investors' section of the Company's website http://www.camparigroup.com/en/page/investors and by all other means allowed by applicable regulations.
Moreover, the documentation has been filed through 'Loket AFM' with the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten-AFM), which makes it available on its website at www.afm.nl.

The Board of Directors are responsible for preparing the first nine months report, inclusive of the first nine months condensed consolidated financial statements and the report on operations at September 30th, 2021, in accordance with the Dutch Financial Supervision Act and the applicable International Financial Reporting Standards (IFRS) for interim reporting, IAS 34-'Interim Financial Reporting'

ANALYST CONFERENCE CALL
At **1:00 pm (CET) today, October 26th, 2021**, Campari's management will hold a conference call to present the Group's results for the Group's First Nine Month results 2021. To participate, please dial one of the following numbers:

- **from Italy: (+39) 02 802 0911**
- **from abroad: (+44) 1212 818 004**

The **presentation slides** can be downloaded before the conference call from the main investor relations page on Campari Group's website, at https://www.camparigroup.com/en/page/investors.

A **recording of the conference call** will be available from today until Tuesday November 2nd, 2021, calling the following number:

- **(+39) 02 8020987** (Access code: **700915#**, PIN: **915#**)

FOR FURTHER INFORMATION

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ABOUT CAMPARI GROUP

Campari Group is a major player in the global spirits industry, with a portfolio of over 50 premium and super premium brands, spreading across Global, Regional and Local priorities. Global Priorities, the Group's key focus, include **Aperol, Campari, SKYY**, **Grand Marnier, Wild Turkey** and **Appleton Estate**. The Group was founded in 1860 and today is the sixth-largest player worldwide in the premium spirits industry. It has a global distribution reach, trading in over 190 nations around the world with leading positions in Europe and the Americas. Campari Group's growth strategy aims to combine organic growth through strong brand building and external growth via selective acquisitions of brands and businesses.

Headquartered in Milan, Italy, Campari Group operates in 22 production sites worldwide and has its own distribution network in 22 countries. Campari Group employs approximately 4,000 people. The shares of the parent company Davide Campari-Milano N.V. (Reuters CPRI.MI - Bloomberg CPR IM) have been listed on the Italian Stock Exchange since 2001. For more information: http://www.camparigroup.com/en. Please enjoy our brands responsibly.

- Appendix to follow -

CAMPARI GROUP

Consolidated net sales breakdown by brand for the first nine months 2021

	% on Group sales	% change, of which:			
		total	organic	Perimeter	Forex
Global Priorities	58.5%	23.7%	27.5%	0.0%	-3.8%
Regional Priorities	17.3%	31.1%	34.2%	0.8%	-3.8%
Local Priorities	12.9%	24.3%	24.8%	0.0%	-0.5%
Rest of portfolio	11.3%	7.3%	20.4%	-12.7%	-0.4%
Total	**100.0%**	**22.9%**	**27.3%**	**-1.5%**	**-3.0%**

Consolidated net sales breakdown by geographic area for the first nine months 2021

	% on Group sales	% change, of which:			
		total	organic	Perimeter	Forex
Americas	42.4%	20.9%	28.0%	0.0%	-7.1%
SEMEA (Southern Europe, Middle East and Africa)	29.6%	33.5%	31.9%	1.6%	0.1%
North, Central & Eastern Europe	20.3%	9.8%	19.8%	-8.8%	-1.1%
Asia Pacific	7.7%	35.8%	30.4%	0.8%	4.6%
Total	**100.0%**	**22.9%**	**27.3%**	**-1.5%**	**-3.0%**

Consolidated income statement for the first nine months 2021

	9M 2021		9M 2020		
	€ million	**%**	**€ million**	**%**	**Change**
Net sales	**1,575.7**	100.0%	**1,282.5**	100.0%	**22.9%**
Cost of goods sold[(1)]	(614.5)	-39.0%	(520.9)	-40.6%	18.0%
Gross profit	**961.2**	**61.0%**	**761.5**	**59.4%**	**26.2%**
Advertising and promotional costs	(268.2)	-17.0%	(215.4)	-16.8%	24.5%
Contribution margin	**692.9**	**44.0%**	**546.1**	**42.6%**	**26.9%**
SG&A[(2)]	(333.1)	-21.1%	(297.6)	-23.2%	11.9%
Result from recurring activities (EBIT adjusted)	**359.8**	**22.8%**	**248.5**	**19.4%**	**44.8%**
Adjustments to operating income (expenses)	(9.7)	-0.6%	(48.3)	-3.8%	-79.9%
Operating result (EBIT)	**350.1**	**22.2%**	**200.3**	**15.6%**	**74.8%**
Financial income (expenses)	(15.1)	-1.0%	(27.4)	-2.1%	-44.7%
Adjustments to financial income (expenses)	4.7	0.3%	2.0	0.2%	130.7%
Put option, earn out income (charges) and hyperinflation effects	(0.2)	0.0%	15.4	1.2%	-101.1%
Profit (loss) related to associates and joint ventures	1.6	0.1%	(0.9)	-0.1%	-
Group profit before taxation	**341.2**	**21.7%**	**190.2**	**14.8%**	**79.4%**
Group profit before taxation adjusted	**343.3**	**21.8%**	**220.0**	**17.2%**	**56.1%**
Depreciation and amortisation	(58.2)	-3.7%	(58.6)	-4.6%	-0.6%
EBITDA adjusted	**418.0**	**26.5%**	**307.1**	**23.9%**	**36.1%**
EBITDA	**408.4**	**25.9%**	**258.9**	**20.2%**	**57.7%**

(1) Includes cost of material, production and logistics costs.
(2) Includes selling, general and administrative costs.

Summary of consolidated income statement for the third quarter 2021

	3Q 2021		3Q 2020		Change
		€ million	**%**	**€ million**	**%**
Net sales	**574.8**	**100.0%**	**513.8**	**100.0%**	**11.9%**
Gross margin	357.6	62.2%	308.6	60.1%	15.9%
Contribution margin	251.2	43.7%	215.0	41.8%	16.9%
Result from recurring activities(EBIT adjusted)	**136.6**	**23.8%**	**118.2**	**23.0%**	**15.6%**
Operating result (EBIT)	133.0	23.1%	97.3	18.9%	36.7%
Group profit before taxation and non-controlling interests	**126.7**	**22.0%**	**88.4**	**17.2%**	**43.3%**
Non-controlling interests before taxation	0.0	0.0%	(0.3)	(0.2%)	-
Group profit before taxation	**126.6**	**22.0%**	**88.7**	**17.3%**	**42.8%**
Group profit before taxation adjusted	**130.1**	**22.6%**	**109.3**	**21.3%**	**19.0%**
EBITDA adjusted	**156.3**	**27.2%**	**137.4**	**26.7%**	13.8%
EBITDA	**152.7**	**26.6%**	**116.5**	**22.7%**	**31.0%**