DAVIDE CAMPARI-MILANO N.V.
ADDITIONAL FINANCIAL INFORMATION
AT 30 SEPTEMBER 2022

Intentionally blank page

Index

Intentionally blank page

About this report

Note on presentation

The additional financial information for the nine months ended 30 September 2022 have been prepared using the same recognition and measurement criteria used to prepare the Group's annual consolidated financial statements at 31 December 2021, to which reference is made. This document has not been audited. The additional financial information provides a description of the significant events that occurred during and after the end of the period, the Group's sales performance, the Group's profit before taxation and its consolidated net financial debt.

Forward-looking statements

Campari Group's additional financial information contains forward-looking statements that reflect management's current view of the Group's future development. All statements other than statements of historical facts set forth in this additional financial information regarding Campari Group's business strategy, such as future operations and businesses and management's plans and objectives, are forward-looking statements. In some cases, words such as 'may', 'will', 'expect', 'could', 'should', 'intend', 'estimate', 'anticipate', 'believe', 'outlook', 'continue', 'remain', 'on track', 'design', 'target', 'objective', 'goal', 'plan' and similar expressions are used to identify forward-looking statements that contain risks and uncertainties that are beyond the control of the Group and call for significant judgement. Should the underlying assumptions turn out to be incorrect or if the risks or opportunities described materialise, the actual results and developments may materially deviate (negatively or positively) from those expressed by such statements. The outlook is based on estimates that Campari Group has made on the basis of all the information available at the time of completion of this additional financial information. The effects arising from the pandemic as well as the consequences from of Russian invasion of Ukraine that occurred in February 2022 and the expected intensification of the inflationary pressure, especially on input costs, may be materially different from management's expectations.

Campari Group does not assume any obligations or liability in respect of any inaccuracies in the forward-looking statements made in this additional financial information or for any use by any third party of such forward-looking statements. Moreover, the Group does not assume any obligation to update any forward-looking statements made in this additional financial information beyond statutory disclosure requirements.

Information on the figures presented

All references in this additional financial information are expressed in 'Euro' or '€'.

For ease of reference, all the figures in this additional financial information are expressed in millions of Euro to one decimal place, whereas the original data is recorded and consolidated by the Group in Euro. Similarly, all percentages relating to changes between two periods or to percentages of net sales or other indicators are always calculated using the original data in Euro. The use of values expressed in millions of Euro may therefore result in apparent discrepancies in both absolute values and data expressed as a percentage.

For information on the definition of the alternative performance measures used, see paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' in the dedicated paragraph of this additional financial information.

The language of this additional financial information report is English. Certain legislative references and technical terms have been cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

This additional financial information is not prepared in the European Single Electronic Format (ESEF), which applies only to annual financial reports for all natural and legal persons with securities listed on a European stock exchange.

Intentionally blank page

Key financial highlights

	for the nine months ended 30 September					
	2022	2021	change		overall organic change vs. the nine months of 2019[2]	organic CAGR nine months 2022-2019[2]
	€ million	€ million	% total	% organic		
Net sales[1]	**2,005.7**	**1,575.7**	**27.3%**	**19.0%**	**47.0%**	**13.7%**
EBITDA	531.7	408.4				
EBITDA-adjusted	**557.8**	**418.0**	**33.4%**	**19.5%**	**52.1%**	**15.0%**
EBIT	466.1	350.1				
EBIT-adjusted	**492.2**	**359.8**	**36.8%**	**21.5%**	**58.6%**	**16.6%**
Profit before taxation	453.7	341.1	33.0%			
Group profit before taxation	**452.7**	**341.2**	**32.7%**			
Group profit before taxation-adjusted	**483.3**	**343.3**	**40.8%**			

	at 30 September 2022	at 31 December 2021
	€ million	€ million
Net financial debt	**961.2**	**830.9**
	number	number
Own ordinary shares held	38,835,829	29,109,729

	third quarter			
	2022	2021	change	
	€ million	€ million	%	% organic
Net sales[1]	**748.8**	**574.8**	**30.3%**	**18.6%**
EBITDA	200.7	152.7	31.5%	
EBITDA-adjusted	**204.8**	**156.3**	**31.0%**	**10.8%**
EBIT	177.2	133.0	33.3%	
EBIT-adjusted	**181.3**	**136.6**	**32.7%**	**10.6%**
Profit before taxation	171.4	126.7	35.3%	
Group profit before taxation	**171.1**	**126.6**	**35.1%**	
Group profit before taxation-adjusted	**179.6**	**130.1**	**38.1%**	

[1] Sales net of excise duties.

[2] The overall organic percentage change in the nine months ended 30 September of 2022 compared with the same period of 2019 is calculated as the sum of the overall values of organic performance in the periods under analysis of 2022, 2021 and 2020 (with respect to 2021, 2020 and 2019 respectively), divided by the overall net sales for the comparison period, i.e. 2019. The compound annual growth rate ('CAGR') is calculated as the nine months ended 30 September of 2022 organic annualised performance change when compared to the nine months ended 30 September of 2019.

Corporate bodies

Board of Directors[(1)]

Luca Garavoglia[(2)]	Chairman
Robert Kunze-Concewitz[(3)]	Chief Executive Officer
Paolo Marchesini[(3)]	Chief Financial and Operating Officer[(4)]
Fabio Di Fede[(3)]	General Counsel and Business Development Officer
Alessandra Garavoglia[(2)]	Director
Eugenio Barcellona[(2)]	Director and Member of the Control and Risks Committee and of the Remuneration and Appointment Committee
Emmanuel Babeau[(2)]	Director and Member of the Remuneration and Appointment Committee
Margareth Henriquez[(2)]	Director
Jean-Marie Laborde[(2)]	Director and Member of the Control and Risks Committee
Christophe Navarre[(2)]	Director and Member of the Remuneration and Appointment Committee
Lisa Vascellari Dal Fiol[(2)]	Director and Member of the Control and Risks Committee

External auditor

Ernst&Young Accountants LLP

(1) The annual general meeting held on 12 April 2022 appointed the new Board of Directors of Davide Campari-Milano N.V. (the 'Company' or 'Davide Campari' or 'Campari') for the three-year period 2022-2024 expiring at the end of the annual general meeting to be held in 2025, comprising Luca Garavoglia, Robert Kunze-Concewitz, Paolo Marchesini, Fabio Di Fede, Alessandra Garavoglia, Eugenio Barcellona, Emmanuel Babeau, Margareth Henriquez, Jean-Marie Laborde, Christophe Navarre and Lisa Vascellari Dal Fiol. The new Board of Directors, in the meeting held after the annual general meeting, confirmed for the same three-year period: (i) Luca Garavoglia as Chairman of the Board of Directors and (ii) Robert Kunze-Concewitz, Chief Executive Officer, Paolo Marchesini, Chief Financial Officer and Fabio Di Fede, General Counsel and Business Development Officer, as Executive Managing Directors. Alessandra Garavoglia, Eugenio Barcellona, Emmanuel Babeau, Margareth Henriquez, Jean-Marie Laborde, Christophe Navarre and Lisa Vascellari Dal Fiol qualify as Non-Executive Directors. Emmanuel Babeau, Margareth Henriquez, Jean-Marie Laborde, Christophe Navarre and Lisa Vascellari Dal Fiol are qualified as independent directors pursuant to the Dutch Corporate Governance Code. Eugenio Barcellona, Jean-Marie Laborde and Lisa Vascellari Dal Fiol were also appointed as members of the Control and Risks Committee. Eugenio Barcellona, Emmanuel Babeau and Christophe Navarre were also appointed as members of the Remuneration and Appointment Committee.

(2) Non-executive director.

(3) Executive managing director.

(3) The Board of Directors meeting held on 27 July 2022 appointed Paolo Marchesini as Chief Operating Officer in addition to his role as Chief Financial Officer.

Campari Group additional financial information for the first nine months ending 30 September 2022

Macro-economic scenario

After two challenging years due to the Covid-19 pandemic, the global economy activity has remained uncertain and started to show the first signs of slowdown despite the easing of restrictions in most economies, which had helped consumption recovery and led to a gradual return to normality. Persistent high inflation and disruptions in supply chains, together with heightened tensions on commodity and energy prices, are hampering the world economy's recovery, with GDP growth expectations moderating worldwide. The possible downside risks may arise not only from the weakened performance of the industrial sector, but also from the change in consumer behaviour due to rising prices of goods, including consumer staples and cost of energy, with the consequent implications in terms of lower living standards and disposable income. As regards monetary policy, the higher-than-expected overshoot of inflation targets has triggered a generalised tendency to implement corrective measures in terms of interest rate increases, with repercussions to be monitored carefully in the future and possible consequences on the slowdown in global growth.

Furthermore, the ongoing Russia-Ukraine conflict and related escalating geopolitical tensions continue to generate further volatility and uncertainty, alongside the risks of disruption in the European gas imports. In terms of business activities, Russia and Ukraine accounted overall for approximately 3% of the Group's net sales 2021. The Group has commercial operations in both countries with no production facilities. Since the outbreak of the war, the Group's priority has been ensuring the safety and security of Ukraine-based Camparistas, by providing them the best possible support, including financial aid and accommodation options.

With the end of the pandemic-related restrictive measures in most markets, the spirits sector continues to benefit from a return to the on-premise, while off-premise resilience has continued, even in a weaker consumer environment exposed to the challenges of the current macroeconomic scenario. Campari Group confirms its strategy to continuously monitor its resource allocation and pricing opportunities across major markets for continued value generation and brand portfolio strengthening.

Main brand-building initiatives and significant events of the period

The brand portfolio represents a strategic asset for Campari Group. Intangible assets are a key component of the market value of spirit products, reflecting the brand strength built over many years. The Group categorises its brands into three main priority clusters (global, regional and local) based on the geographic scale, business priority and growth potential of the brands[3]. The main marketing initiatives focused on global and regional priority brands, undertaken in the first nine months of 2022, are outlined below.

Global priorities

Aperol. During the summer period, multiple **experiential events** and activations, aimed at increasing consumer trial, engagements and recruitments were launched at music and summer festivals across several key locations worldwide, including Canada, the United States, France and Belgium, while in the United Kingdom, a **Piazza Aperol** was created in London's Covent Garden area, with a Venetian-style Aperol Spritz bar. Concomitantly, a strong focus on **Aperol communication** was affirmed, aimed at building brand awareness and creating an emotional bond through above-the-line-campaigns in Australia as well as outdoor displays and digital activations in France and Canada. In addition, activations were developed to recruit new consumers and educate them on the perfect Aperol Spritz serve. In the core Italian market, the 360° communication platform **Together We Joy** was reactivated, while the second edition of **Together We Cheer** was launched, followed by important events during the summer. Multiple initiatives were launched to strengthen Aperol's emotional bond with consumers outside the key summer season, including the **Aperol Alps tour** in three main areas of the French Alps.

Campari. During the period, brand activations were implemented to strengthen the unmistakable Italian red spirit with its ethos of Red Passion. Local markets, including Belgium, France, Spain, Argentina and Brazil, are following the release of the new **Red Passion digital campaign**, while the **Negroni week** in its 10th edition took place in September for a charitable goal across many on-premise accounts around the globe, including the United

[3] Starting from 1 January 2022, the Group has slightly reorganised its brand clusters, in order to reflect the evolved growth potential of selected brands, hence their brand building strategies. In particular Crodino, Aperol Spritz ready-to-enjoy (both previously within local priorities) and Magnum Tonic (previously within rest of portfolio) entered into the regional priorities cluster; SKYY ready-to-drink (previously within rest of portfolio) entered into the local priorities cluster and the Brazilian brands (Dreher and Sagatiba) were moved into the rest of portfolio (previously within local priorities).

Kingdom, the United States, Spain, Australia, Canada and Belgium. In addition, in the core Jamaican market, the **Respect the Bitter** campaign was launched to drive frequency and loyalty by expanding consumption occasions and strengthening the bond with the brand. Moreover, Campari's presence in the cinema territory was enhanced since the beginning of the 2022 film awards season through the following initiatives:

- Campari was the main sponsor at the 79th edition of the **Venice International Film Festival** and, for the first year, was the **official partner of the world-renowned Festival de Cannes (France)** in its 75th edition;
- the brand sponsored the **Screen Actors' Guild ('SAG') Awards**, the **Costume Design Guild ('CDGA') Awards** and the **New York Film Festival** in the United States.

Wild Turkey portfolio. Two key activations for the brand continued in the period, leveraging the spokesperson creative director Matthew McConaughey: the second edition of the **Longbranch Wonder What If** campaign and the **101 Bold Nights**. The latter included PR activations and a series of events across the United States, including a donation to a national charity partner.
Grand Marnier. During the period **Cuvée Quintessence** and **Cuvée Révélation**, the prestige expressions of the iconic French house, were launched and made available at fine retailers in selected markets. In June, Grand Marnier attended the **14th edition of Cocktail Spirits 2022**, a famous trade salon dedicated to the latest trends in the spirits industry in Paris, with a stand dedicated to the world of mixology and a signature cocktail list. Starting from September 2022, a partnership with several art festivals and events in Switzerland was activated, intending to premiumise the brand perception and sustain a clear cocktail proposition for consumers.
Jamaican rums. With regard to the Jamaican rums portfolio, during the period, multiple awards were obtained: Dr Joy Spence, the Appleton Estate Jamaica Rum's legendary Master Blender, received the 2022 Distilled Spirits Council of the United States (DISCUS) Lifetime Achievement Award, while Appleton Estate was recognised with multiple rewards in the United States, such as the globally recognised **Drinks International 2022 Brands Report**, the **2022 San Francisco World Spirits Competition** and the **2022 International Wine&Spirits Competition**. In April 2022, the **Ruby Anniversary Edition** was launched at premium retailers in the United States. It is a limited-edition release made from a blend of 5 exceptionally aged and rare Jamaican rums to celebrate Master Blender Joy Spence's 40 years of craftsmanship with the distillery.
SKYY. During the period, **digital activations** focused on social media and aimed at driving brand awareness were developed in the core United States market. Moreover, starting from May, the brand supported a full-scale **Born for the Summer** experiential campaign, with partnerships at multiple festivals and cultural events, including two large scale **music festivals** and the **New York City Pride**. In Australia, a 360° campaign was launched, leveraging the new SKYY Vodka proposition and the new global campaign **Born from the Blue**.

Regional priorities
With respect to **Espolòn**, the first global communication platform 'Change the Game' kicked off across Mexico, the United States and Italy. For **Braulio**, an important global repositioning was developed with an expansion of the brand's frame of reference to the premium and artisan Amaro world, also supported by a new global digital campaign aimed at driving brand awareness. **Averna**, in line with the global campaign 'Open Sicily' and with the objective of creating local relevance in that specific Italian region, saw the activation of an open and inclusive space to give back to the local community. With reference to awards obtained, **Trois Rivières**, **Maison La Mauny** and **Champagne Lallier** were honoured at the prestigious 2022 International Wines&Spirit Competition. In addition, the **Crodino** campaign 'Restiamo Umani' was activated at the beginning of April in the core market Italy to highlight Crodino's role as the quintessential Italian non-alcoholic aperitif, while from June onwards the new Crodino 17.5 cl format was launched in the on-trade channel, boosting its new and longer lasting drinking experience. In Switzerland, an activation campaign on multiple channels, including out of home, paid media and PR, was developed across different touchpoints in key cities, while in France, an out of home campaign was launched to increase brand equity and relevance for consumers.

In terms of initiatives dedicated to **RARE**, Campari Group's division of luxury offerings in key global markets, the following activations were developed:

- the event **Journey of the Senses** for the Grand Marnier Quintessence and Revelation Grand Cuvées was launched at the Baccarat Boutique in the Miami design district;
- an art exhibition for the renowned artist Donald Robertson was held at the Cerulean Gallery in Dallas, where guests were able to bid for a limited-edition **Champagne Lallier box hand-painted** by the artist;
- **Bisquit&Dubouché Cognac** celebrated its official launch in the United States and its **exclusive sponsorship of Frieze Los Angeles,** the world's leading platform for modern and contemporary art, with an immersive installation by Miami-based, multi-disciplinary artist Jillian Mayer;
- the **RARE Attico** was opened in Campari Group's Asia Pacific regional headquarters in Singapore, an invite-only space, aimed at providing a unique and exclusive experience of the most exceptional liquids in Campari Group's portfolio; and
- the **RARESPIRITS.IT** e-commerce platform was launched in Italy in September 2022 aiming to offer high-quality products and unique exceptional brand experiences directly to consumers.

Significant events during and after the end of the period

Acquisitions and commercial agreements

Acquisition of an initial minority interest in Howler Head bourbon brand together with exclusive global distribution rights and acquisition of minority stake in Catalyst Spirits Limited
On 24 August 2022, Campari Group announced the signing and simultaneous closing of an agreement with Catalyst Spirits to acquire an initial 15% interest in Monkey Spirits, LLC for a total consideration of USD15 million, with a path to increase the shareholding subject to a customary call option mechanism based on future brand results, which can be exercised starting from 2025. The company is the owner of Howler Head, the original banana-flavoured super-premium Kentucky straight bourbon whiskey, for which Campari Group also obtained concomitantly the exclusive global distribution rights. Howler Head was launched nationally in the United States in 2021 and in its first full year of operations sold over 50,000 9L cases, primarily to the United States and Canada markets, generating overall net sales of USD6.7 million in accordance with local GAAP. The brand is the official flavoured whiskey partner of UFC. The transaction was supplemented on 23 September 2022 with the acquisition of a minority interest in London-based Catalyst Spirits Limited, a global spirits brand incubator company helmed by industry veteran Simon Hunt. The company's mission is building digitally native brands, matching each brand in the pipeline with the right entertainment and marketing platform.

Acquisition of Del Professore brand
On 15 July 2022 Campari Group signed an agreement to acquire the Del Professore brand, a super-premium craft vermouth for a non-material consideration. Del Professore was founded in 2013 in Rome by a group of bartenders led by Leonardo Leuci, known to have launched the Jerry Thomas Speakeasy in Rome, the first Italian bar to enter the 50 World's Best Bars. The Del Professore range comprises a vermouth range and a gin range. In addition to the brand acquisition, the transaction envisages a consultancy contract with the prominent bartender Leonardo Leuci, who will continue acting as brand ambassador for Campari Group. The brand represents a perfect fit to the Group's RARE portfolio, with synergies to its signature cocktails. Through this transaction, Campari Group aims to solidify its position in the super-premium craft vermouth and gin categories.

Campari Group acquired Picon, a leading bitter aperitif brand in France
On 10 May 2022, Campari Group announced the signing and simultaneous closing of an agreement with Diageo to acquire the Picon brand, and minor related assets, for an overall consideration of approximately €119 million (excluding ancillary costs). Picon is a traditional, market-leading French bittersweet aperitif with a unique orange flavour, invented in 1837 by Gaétan Picon. For the fiscal year ended on 30 June 2021, the brand achieved net sales of €21.5 million and a Contribution After Advertising and Promotion of €12.9 million. Around 80% of its sales were generated in France, where it has a leading position in the bitter aperitif category, whilst the remaining were mostly generated in Benelux. With the acquisition of the Picon brand, Campari Group aims to further enlarge its brand offering in its core bitter aperitifs category in international markets and increase its critical mass in the strategic markets of France and Benelux.

New distribution agreement with Coca Cola FEMSA in Brazil
On 19 April 2022, Campari Group entered into a distribution agreement with the Brazilian subsidiary of Coca-Cola FEMSA, S.A.B. de C.V. and the Coca-Cola system for the distribution of its products in a defined territory of the Brazilian market. The partnership aims to leverage the strength of Coca Cola FEMSA's distribution network and execution capabilities to strengthen Campari Group's coverage in this market.

Corporate actions

Annual General Meeting of Davide Campari-Milano N.V.
On 12 April 2022, the Annual General Meeting ('AGM') approved the 2021 annual financial statements and the distribution of a dividend per share of €0.06 (increased from the €0.055 distributed in the previous fiscal year). The total dividend, calculated on the outstanding shares and excluding shares held by the Company on the date of the general meeting (34,365,724 own shares), amounted to €67,634,056.56. The cash dividend was paid from 21 April 2022, with a record date of 20 April 2022, and detachment date for coupon no. 2 of 19 April 2022, in line with the Italian Stock Exchange calendar.
Moreover, the AGM appointed a new Board of Directors for the three-year period of 2022-2024, whose composition is indicated in the 'Corporate bodies' section, and approved a new stock option as well as a mid-term incentive plan based on Campari shares. The latter is aimed at rewarding Camparistas for their active participation in Group performance and fostering their retention.

Group significant events

Share buyback programmes

During the first half of 2022 the Company has announced the launch of two share buyback programmes under Article 5 of Regulation (EU) No. 596/2014, intended to meet the obligations arising from the long-term share-based incentive plans currently in place or yet to be adopted and whose beneficiaries are (or will be) employees or other members of the administrative or management bodies of either the Company or other Campari Group companies. The share buyback programmes are managed in accordance with all applicable laws and regulations.

The share buyback programme launched on 7 March 2022, coordinated and executed by UBS Europe SE, was implemented in accordance with the resolution approved at the Company's Annual General Meeting held on 8 April 2021 and was completed on 11 April 2022. The Programme was managed with a maximum value allocation of €40 million and a reported number of 3,014,744 Campari shares acquired in the period from 7 March to 11 April 2022.

On 11 May 2022, the Company has launched a new share buyback programme, implemented in accordance with the resolution approved by the Company's Annual General Meeting held on 12 April 2022 and coordinated by Morgan Stanley Europe SE. The programme started on 12 May 2022 and will end not sooner than 28 February 2023 and, in any case, not after 31 May 2023. The maximum value allocated to the programme is €110 million, with a maximum number of 16,000,000 Campari shares to be purchased at time and price deemed most appropriate. Consistently with similar sustainability initiatives successfully completed in January 2022, this programme includes a contractually agreed reward mechanism to allocate an amount deriving from its outperformance[4] to energy efficiency projects, namely, the installation of photovoltaic panels at the production site in Jamaica. With this programme, Campari Group confirms its strong commitment to further contribute to the decarbonisation agenda already undertaken in this area through the responsible use of resources and reduction of the environmental impacts of its production activities, since the environment is one of the four pillars of Campari Group's sustainability roadmap.

Between 1 January and 30 September 2022, the Company granted 1,155,716 own shares, out of which 1,130,704 shares were sold for a total cash inflow of €4.2 million, corresponding to the average exercise price multiplied by the number of own shares sold to stock option beneficiaries, while additionally 25,012 shares were transferred in the context of share matching plans. In the same period and through the share buyback programmes, the Company purchased 10,881,816 shares at an average price of €10.2, for a total amount of €111.1[5] million. At 30 September 2022, the Company held 38,835,829 own shares, equivalent to 3.3% of the share capital.

[4] The outperformance is the difference between the purchase price and the average VWAP (Volume Weighted Average Price) during the execution period.
[5] The amount did not include €0.2 million liability to be paid in connection with the share buyback programmes.

Group Financial Review

Sales performance

Net sales relate to spirit products in Campari Group's markets. The nature, amount, timing and uncertainty of sales, as well as the corresponding cash flows, are affected by economic and business factors which differ across markets, also as a function of their different sizes and maturity profiles. These elements are primarily attributable to demographics, consumption habits and also influenced by historical, social and climatic factors, local consumer taste preferences, propensity to consume, the market commercial structure in terms of the weight of the distribution channels (off-premise vs. on-premise) as well as retailers concentration. As an effect of the above factors, the sales composition by brand differs from market to market. Consequently, the brand building and sales infrastructure investments are allocated to respond to each market priority.

For the Group, the four operating segments managed in terms of resource allocation, and in particular, investment in brand-building and distribution capabilities, are the following: Americas ('Americas'), Southern Europe, Middle East and Africa ('SEMEA'), Northern, Central and Eastern Europe ('NCEE'), and Asia-Pacific ('APAC').
In order to highlight the main business performance drivers in a diversified context and to assess the contribution of the different brands to the overall sales performance of the Group, further breakdowns by brand category (global, regional and local brands) and for major brands are provided to better explain their contribution to the region. The categorisation of brands into three main clusters (global priorities, regional priorities and local priorities) is based on their scale, growth potential and business priority.

1. Key highlights

In the first nine months of 2022, the Group's net sales amounted to €2,005.7 million, with an overall increase of +27.3% compared with the same period of 2021. Both organic and exchange rate components were positive at +19.0% and +8.5%, only partially offset by a negligible perimeter effect of -0.2%.

	for the nine months ended 30 September									
	2022	2021	total change		nine months change %, of which			organic change % by quarter		
	€ million	€ million	€ million	total	organic	perimeter	exchange rate[1]	first	second	third
Total	**2,005.7**	1,575.7	**430.0**	27.3%	**19.0%**	-0.2%	8.5%	29.4%	12.5%	**18.6%**

[1] Includes the effects associated with hyperinflation in Argentina.

A strong organic growth (+19.0%) was registered across all regions and all core brands during the first nine months of 2022, despite a tough comparison base (+27.3%). The third quarter showed a strong performance (+18.6%) led by a continued healthy brand momentum fuelled by the full reopening of the on-trade channel and pricing increases. In particular, performance was led by aperitifs in their key peak season, benefitting also from favourable weather conditions, as well as brown spirits. If compared with the first nine months of 2019, an unaffected base with respect to the pandemic, the net sales performance in the first nine months of 2022 was highly satisfactory, with an overall organic increase of +47.0% and a CAGR of +13.7%.

An in-depth analysis by geographical region and core market of sales registered in the first nine months of 2022 compared with the same period of 2021 is provided below. Unless otherwise stated, the comments relate to the organic change in each market.

2. Organic sales performance

The sales performance of the four operating segments in the first nine months of 2022 compared with the same period of 2021 is provided in the table below.

	for the nine months ended 30 September									
	2022		2021		total change	nine months change %, of which				third quarter
	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate[1]	organic change %
Americas	907.8	45.3%	667.9	42.4%	239.9	35.9%	18.7%	-0.1%	17.3%	29.9%
Southern Europe, Middle East and Africa	570.1	28.4%	465.6	29.6%	104.5	22.4%	23.3%	-1.1%	0.2%	15.2%
North, Central and Eastern Europe	392.0	19.5%	320.4	20.3%	71.6	22.3%	18.3%	0.6%	3.4%	8.7%
Asia-Pacific	135.9	6.8%	121.8	7.7%	14.1	11.6%	5.6%	0.9%	5.1%	1.9%
Total	**2,005.7**	**100.0%**	**1,575.7**	**100.0%**	**430.0**	**27.3%**	**19.0%**	**-0.2%**	**8.5%**	**18.6%**

- [1] Includes the effects associated with hyperinflation in Argentina.

- **Americas**

The region, broken down into its core markets below, recorded an overall organic increase of +18.7%. The region is predominantly off-premise skewed, particularly North America.

		for the nine months ended 30 September									
		2022		2021		total change	nine months change %, of which				third quarter
	% of Group total	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate[1]	organic change %
US	27.6%	553.5	61.0%	430.0	64.4%	123.5	28.7%	14.6%	-	14.2%	30.2%
Jamaica	5.2%	103.8	11.4%	75.0	11.2%	28.8	38.4%	26.3%	-	12.1%	32.5%
Canada	3.0%	60.0	6.6%	51.1	7.7%	8.9	17.4%	7.0%	-	10.4%	12.1%
Other countries of the region	9.5%	190.4	21.0%	111.7	16.7%	78.7	70.4%	35.2%	-0.8%	36.0%	34.4%
Americas	**45.3%**	**907.8**	**100.0%**	**667.9**	**100.0%**	**239.9**	**35.9%**	**18.7%**	**-0.1%**	**17.3%**	**29.9%**

[1] Includes the effects associated with hyperinflation in Argentina.

The **United States**, the Group's largest market, accounting for 27.6% of the total Group sales, registered positive double-digit growth of +14.6% in the nine months with a strong third quarter (+30.2%) thanks to continued positive momentum in the on-premise and resilient home-consumption. Moreover, the performance benefitted from pricing effects as well as some recovery in wholesaler inventory levels for Espolòn to avoid out of stock. The achievement of the period was driven by the solid growth of core Wild Turkey Bourbon (+27.0%) and Espolòn (+33.1%), supported by a sustained premiumisation trend in spirit consumptions as well as by very positive performances of the aperitif portfolio, mainly Aperol (+56.7%) and Campari (+33.2%), offsetting the negative performance of SKYY. Grand Marnier shipments were slightly negative over the period, despite a partial recovery in the third quarter, due to continuing glass constraints. Compared to the results of the first nine months of 2019, an overall organic increase of +40.7% and a CAGR of +12.1% in the same period of 2022 was registered.

Jamaica recorded an increase in sales of +26.3% with a strong result in the third quarter (+32.5%), driven by the continued outperformance of Wray&Nephew Overproof and Campari.

Canada reported an overall positive growth of +7.0% in the first nine months of 2022 after an acceleration in the third quarter (+12.1%), mainly driven by Campari, Grand Marnier, Espolòn, Aperol and SKYY. Whilst core Forty Creek shipments reflected weakness due to phasing linked to new packaging, despite a more positive result during the third quarter.

Other countries reported an overall organic growth in sales of +35.2%, mainly driven by the sound double-digit organic growth of **Brazil**, **Mexico** and **Argentina**. The exchange rate effect in Argentina includes the impact of applying the IAS 29 'Hyperinflation' principle in this market, where as a prudent measure to strip out the effects of the local high inflation rate, the exchange rate effect also included the pricing component.

- **Southern Europe, Middle East and Africa**
  The region, which is broken down by core markets in the table below, reported an organic increase of +23.3%. It is predominantly skewed to the on-premise channel.

		for the nine months ended 30 September									
		2022		2021		total change	nine months change %, of which				third quarter
	% of Group total	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate	organic change %
Italy[1]	18.1%	362.5	63.6%	306.4	65.8%	56.0	18.3%	21.5%	-3.2%	-	7.9%
France	5.3%	107.0	18.8%	92.2	19.8%	14.7	16.0%	10.7%	5.3%	-	21.7%
Other countries of the region	5.0%	100.6	17.7%	66.9	14.4%	33.7	50.4%	48.9%	-0.1%	1.5%	39.4%
Southern Europe, Middle East and Africa	**28.4%**	**570.1**	**100.0%**	**465.6**	**100.0%**	**104.5**	**22.4%**	**23.3%**	**-1.1%**	**0.2%**	**15.2%**

[1] Starting from 1 January 2022 San Marino is included in 'Italy' (previously included in 'Other countries of the region'). Therefore 2021 reference data have been recalculated according to this update.

The performance in the highly on-premise-skewed **Italian** market was overall strong in the first nine months of 2022 (+21.5%), with positive trends continuing in the third quarter (+7.9%, or CAGR of +14.0% vs. 2019). The performance was driven by the constant strength in the on-premise channel during the key peak-season, also boosted by good weather conditions and pricing. The entire aperitif portfolio registered strong growth led by a continued healthy brand momentum thanks to Campari (+34.1%), Aperol (+25.5%), Campari Soda (+9.2%) and the non-alcoholic Crodino (+20.6%). Additionally, the bitter portfolio (Averna, Braulio and Cynar) also recorded very solid growth, as well as SKYY, albeit off a smaller base. Compared to the results of the first nine months of 2019, the market registered an overall organic increase of +39.3% and a CAGR of +11.7% in the first nine months of 2022.

France registered a good organic growth of +10.7%. The overall positive performance was mainly driven by the double-digit performance of Aperol and Riccadonna sparkling wine, while Champagne Lallier and Cynar also showed growth in the period.

Other countries in the region reported an overall organic growth of +48.9%, particularly **Spain** and **South Africa** showed a very nice performance (+56.8% and +63.4% respectively). With regard to the **Global Travel Retail** a triple-digit growth of +100.4% was registered, with a continued momentum in the third quarter (+85.7%), benefiting from tourism recovery, which is gradually catching up to the pre-pandemic level.

- **Northern, Central and Eastern Europe**
The region, predominantly off-premise skewed, reported highly positive overall organic growth (+18.3%) across its core countries.

		for the nine months ended 30 September									
		2022		2021		total change	nine months change %, of which				third quarter
	% of Group total	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate	organic change %
Germany	7.4%	149.0	38.0%	121.5	37.9%	27.5	22.6%	22.5%	-	-	5.8%
United Kingdom	3.1%	61.3	15.6%	53.1	16.6%	8.2	15.3%	13.1%	-	2.3%	5.0%
Other countries of the region	9.1%	181.7	46.4%	145.7	45.5%	36.0	24.7%	16.7%	1.4%	6.6%	12.9%
North, Central and Eastern Europe	**19.5%**	**392.0**	**100.0%**	**320.4**	**100.0%**	**71.6**	**22.3%**	**18.3%**	**0.6%**	**3.4%**	**8.7%**

Germany showed a solid business performance (+22.5%) thanks to continued resilient home consumption combined with a strong on-premise channel, boosted also by pricing and favourable weather conditions. The performance was largely sustained by the aperitifs: Aperol (+35.4%), Aperol Spritz ready-to-enjoy (+106.7%) and the non-alcoholic Crodino (+31.0%), whilst Campari was flattish following price repositioning. The third quarter was up +5.8% (3-year CAGR of +12.2%), with Aperol and Aperol Spritz ready-to-enjoy continuing to grow by double-digits, offsetting the softness in Cinzano Sparkling wine impacted by glass availability. Compared to the first nine months of 2019 results, the market registered an overall organic increase of +45.0% and a CAGR of +13.2% in the same period of 2022.

The **United Kingdom** registered good double-digit growth in the first nine months (+13.1%), despite a tough comparison base (+42.5% in the same period of 2021), helped also by favourable weather conditions and driven by the very positive growth of Aperol, Magnum Tonic and newly launched Crodino, albeit off a small base.

Performance in the **other countries of the region** was up overall by +16.7% with double-digit growth of the aperitifs, including the non-alcoholic Crodino.

- **Asia-Pacific**
This region, which is predominantly off-premise skewed and whose market breakdown is shown in the table below, recorded an organic growth of +5.6%.

		for the nine months ended 30 September									
		2022		2021		total change	nine months change %, of which				third quarter
	% of Group total	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate	organic change %
Australia	4.2%	84.2	62.0%	78.5	64.4%	5.7	7.3%	1.3%	1.2%	4.8%	-0.1%
Other countries of the region	2.6%	51.7	38.0%	43.3	35.6%	8.4	19.3%	13.3%	0.3%	5.7%	5.0%
Asia-Pacific	**6.8%**	**135.9**	**100.0%**	**121.8**	**100.0%**	**14.1**	**11.6%**	**5.6%**	**0.9%**	**5.1%**	**1.9%**

Australia, the region’s largest market, showed a slightly positive growth (+1.3%) following a flat third quarter affected by continued ocean freight constraints, which in particular impacted the product availability of core Wild Turkey ready-to-drink. In the first nine months of 2022 the performance was mainly driven by Campari, Wild Turkey bourbon and SKYY. Compared to the first nine months of 2019 results, the market registered an overall organic increase of +29.4% and a CAGR of +9.0% in the same period of 2022.

Sales in the **Other countries of the region** grew by +13.3%. South Korea registered a very strong performance (+111.6%), largely driven by high-end Wild Turkey offerings, The GlenGrant, X-Rated and SKYY, thus offsetting the negative performances of China, still impacted by local lockdowns related to the zero-Covid policy, and Japan, due to shipment phasing. Positive and sustained momentum continued across the region thanks to the Group’s enhanced investments across all levers.

- **Brand performance overview**
The table shows the brand contribution to consolidated net sales and the most relevant markets for each brand.

While the global priority cluster includes brands with a globally diversified geographic exposure (either current or potential), regional priorities are concentrated in a limited number of countries within the same region and local priorities focus on one main domestic market[6].

	percentage of Group sales	nine months change % compared nine months 2021, of which				third quarter organic change % compared with third quarter 2021	main region/markets for brands
		total	organic	perimeter	exchange rate		
global priority brands	**59.5%**	**29.4%**	**21.2%**	**-**	**8.2%**	**19.5%**	**-**
Aperol	23.6%	35.2%	31.4%	-	3.7%	23.1%	- *Italy, SEMEA* *Germany, NCEE* *US, AMERICAS* *France, SEMEA* *United Kingdom, NCEE*
Campari	11.0%	37.8%	29.9%	-	7.9%	26.0%	- *Italy, SEMEA* *US, AMERICAS* *Brazil, AMERICAS* *Jamaica, AMERICAS* *Germany, NCEE*
Wild Turkey portfolio[(1)(2)]	7.8%	35.1%	22.1%	-	13.0%	30.2%	- *US, AMERICAS* *Australia, APAC* *South Korea, APAC* *Japan, APAC* *Gtr, SEMEA*
Grand Marnier	6.5%	12.5%	1.4%	-	11.2%	5.6%	- *US, AMERICAS* *Canada, AMERICAS* *France, SEMEA* *Gtr, SEMEA* *Mexico, AMERICAS*
Jamaican rums portfolio[(3)]	5.3%	26.7%	16.4%	-	10.3%	17.7%	- *Jamaica, AMERICAS* *US, AMERICAS* *United Kingdom, NCEE* *Canada, AMERICAS* *Mexico, AMERICAS*
SKYY[(1)]	5.2%	10.2%	-3.7%	-	13.9%	-2.9%	- *US, AMERICAS* *Argentina, AMERICAS* *Germany, NCEE* *South Africa, SEMEA* *Canada, AMERICAS*
regional priority brands	**23.8%**	**32.1%**	**23.5%**	**0.1%**	**8.5%**	**25.0%**	**-**
Espolòn	6.3%	47.4%	32.0%	-	15.5%	53.9%	-
Cinzano, Riccadonna and Mondoro	4.9%	34.7%	24.0%	-	10.8%	20.2%	-
Italian specialties[(4)]	2.9%	30.7%	22.9%	0.5%	7.2%	14.3%	-
Crodino	2.4%	22.7%	22.2%	-	0.4%	3.5%	-
Magnum Tonic	1.5%	1.2%	-3.3%	-	4.6%	1.1%	-
Aperol Spritz ready-to-enjoy	1.5%	44.4%	43.0%	-	1.4%	53.2%	-
The GlenGrant	0.9%	43.3%	38.1%	-	5.1%	45.2%	-
other[(5)]	3.5%	22.0%	14.9%	-	7.1%	13.3%	-
local priority brands[(6)]	**8.3%**	**17.4%**	**7.2%**	**6.0%**	**4.2%**	**7.8%**	**-**
Campari Soda	3.0%	9.0%	8.9%	-	-	13.6%	-
Wild Turkey ready-to-drink[(7)]	1.8%	4.3%	-0.4%	-	4.7%	-4.5%	-
Skyy ready-to-drink	1.0%	32.8%	19.1%	-	13.8%	10.7%	-
X-Rated	0.5%	-5.2%	-8.9%	-	3.7%	-9.2%	-
other[(8)]	2.0%	50.3%	12.3%	31.3%	6.7%	18.4%	-
rest of the portfolio	**8.4%**	**11.8%**	**5.3%**	**-7.7%**	**14.2%**	**5.9%**	**-**
total	**100.0%**	**27.3%**	**19.0%**	**-0.2%**	**8.5%**	**18.6%**	**-**

(1) Excludes ready-to-drink.
(2) Includes American Honey.
(3) Includes Appleton Estate, Wray&Nephew Overproof and Kingston '62.
(4) Includes Braulio, Cynar, Averna, Frangelico and Del Professore.
(5) Includes Bisquit&Dubouché, Bulldog, Forty Creek, Trois Rivières, Maison La Mauny, Ancho Reyes, Montelobos and Lallier.
(6) In light of the positive trends recorded over the past periods, starting from 1 January 2021 Aperol Spritz ready-to-enjoy and X-Rated were moved from the rest of the portfolio category and reported as local priority brands. Aperol Spritz ready-to-enjoy is a stand-alone brand not included in the Aperol brand performance.
(7) Includes American Honey ready-to-drink.
(8) Includes Cabo Wabo, Ouzo and Picon.

Focusing on the key brands driving the aforementioned performances by geography, the main drivers by brand category and by brand are reported below.

Global priority performance (+21.2%) was driven by solid brand momentum. <u>**Aperol**</u> registered a strong organic growth of +31.4% (+23.1% in the third quarter) among all key markets, in particular core Italy, Germany, the United States, Spain, France and the United Kingdom. The overall strong performance in the third quarter was achieved

[6] Starting from 1 January 2022, some changes in the clustering of priorities occurred, in order to reflect the brands' different growth profile. In particular Crodino, Aperol Spritz ready-to-enjoy (both previously within local priorities) and Magnum Tonic (previously within rest of portfolio) entered the regional priority cluster; SKYY ready-to-drink (previously within rest of portfolio) entered the local priority cluster; the Brazilian brand (Dreher and Sagatiba) were moved to the rest of portfolio (previously within local priorities). With regards to the sales comments, the performances have been calculated based on the 2021 data as recalculated to reflect the new brand cluster applicable from 1 January 2022.

thanks to numerous activations across all markets and a strong recruitment in the on-premise channel during the peak season, while sustained at-home consumption remained. **Campari** was up by +29.9% (+26.0% in the third quarter respectively) largely thanks to the core markets Italy, the United States, Brazil and Jamaica, while also Nigeria, Argentina, the Global Travel Retail and Spain showed double-digit growth. The strong overall performance benefitted from the at-home mixology trend, the success of the consumer-driven Campari spritz as well as the upward price repositioning. The **Wild Turkey portfolio** continued its double-digit growth of +22.1% (with an acceleration in the third quarter of +30.2%) with outperformance of high-end variants. Wild Turkey bourbon was up by +28.4%, mainly driven by the core United States market (+27.0%), Australia (+9.0%) and South Korea (+188.4%). The high-end Russell's Reserve grew +36.6% thanks to the United States and South Korea as consumers continued to premiumise. American Honey was slightly positive. **Grand Marnier** showed a slightly positive performance of +1.4% (with a positive +5.6% in the third quarter) despite a tough comparison base (+43.3%), due to shipment volatility in the core United States market primarily impacted by glass and logistic constraints. The **Jamaican rums portfolio** was up by +16.4% (+17.7% in the third quarter), with Wray&Nephew Overproof showing a double-digit growth of +22.3% thanks to an acceleration in the third quarter (+40.1%) led by its core markets, Jamaica and the United States. Appleton Estate was positive overall (+4.9%) against a tough comparison base, mainly led by its core market Jamaica as well as New Zealand and Mexico **SKYY** continued to register a weak performance of -3.7% due to shipment decline in the core United States market and China, which were partly mitigated by the growth across the rest of the markets (+51.8%), largely thanks to Argentina, Italy, Germany, South Africa and Canada.

Regional priority brands registered double-digit growth (+23.5%), with Espolòn continuing to grow strongly overall, despite a tough comparison base, and driven by the core United States market, partially due to recovery in inventory levels to avoid out of stocks, as well as international markets, albeit off a small base. The GlenGrant showed a strong performance driven by premiumisation trends, in particular in South Korea, China, and the Global Retail Travel. Crodino reported a strong growth in the core Italian market as well as seeding markets such as Germany, Benelux, Austria, Switzerland and the United Kingdom as the brand continued to expand internationally. Positive results were also delivered by Aperol Spritz ready-to-enjoy, mainly driven by Germany and all markets where the brand was recently launched. Magnum Tonic reported an overall decline due to continued procurement constraints, impacting the core Jamaican market, whilst the United Kingdom continued to grow. The other brands, such as the Italian specialties, sparkling wines and vermouths (Cinzano, Mondoro and Riccadonna), Bisquit&Dubouché, Montelobos, Ancho Reyes and Maison la Mauny also showed a positive growth.

The **local priority brands** grew by +7.2%, driven by the positive performance of Cabo Wabo, driven by the core United States market, Campari Soda in the core Italian market, combined with the good results of SKYY ready-to-drink, offsetting the flat performance of Wild Turkey ready-to-drink. X-Rated registered a weak performance overall due to core China, still impacted by the zero-Covid policy, while South Korea continues to grow.

The **rest of the portfolio** reported a positive growth of +5.3%.

3. Perimeter variation

The perimeter variation of -0.2% in the first nine months of 2022, compared with the sales in the same period of the previous year, is analysed in the table below.

perimeter variation		
breakdown of the perimeter effect	€ million	% on first nine months ended 30 September 2021
asset deal	8.8	0.6%
total asset deal	**8.8**	**0.6%**
new agency brands	1.1	0.1%
discontinued agency brands	(12.6)	-0.8%
total agency brands	**(11.5)**	**-0.7%**
total perimeter effect	**(2.7)**	**-0.2%**

- **Asset deal**
  In the first nine months of 2022, the asset deal effect was +0.6% and comprised the Picon and Del Professore brands starting from May and August 2022, respectively (for further information refer to paragraph 'Significant events of the year').

- **Agency brands distribution**
  The perimeter variation due to the agency brands in the first nine months of 2022 represented a net decrease of -0.7% and was mainly related to the termination of the distribution agreement for the Jägermeister brand in Italy, effective from 1 January 2022 (brand sales accounted for less than 1% of consolidated sales in 2021). This negative variation was only partially offset by the sales generated by the new agency brands Truly Hard Seltzer, for which the Group entered a partnership to manufacture and distribute the brand in Australia from February

2022, as well as Howler Head, following the acquisition of an initial investment in Monkey Spirits, LLC and related distribution rights from September 2022.

4. Exchange rate effects

The exchange rate effect for the nine months ended 2022 was positive at +8.5%, mainly thanks to the appreciation against the Euro of the Group's key currencies such as the US Dollar, the Jamaican Dollar, the Canadian Dollar, the Brazilian Real and the Mexican Peso. The exchange rate effect includes the impact of applying the IAS 29 Hyperinflation principle in Argentina. Moreover, as a prudent measure to strip out the effects of the local high inflation rate, the exchange rate effect also includes the pricing component. The table below shows, for the Group's most important currencies, the average exchange rates for the nine months ended 30 September 2022 and 2021, and the spot rates at 30 September 2022, with the percentage change against the Euro compared with 31 December 2021.

	average exchange rates			spot exchange rates		
	for the nine months ended 30 September 2022	for the nine months ended 30 September 2021	revaluation/(devaluation) vs. nine months 2021	at 30 September 2022	at 31 December 2021	revaluation/(devaluation) vs. 31 December 2021
	1 Euro	: 1 Euro	%	1 Euro	: 1 Euro	%
US Dollar	1.065	1.197	12.4%	0.975	1.133	16.2%
Canadian Dollar	1.365	1.498	9.7%	1.340	1.439	7.4%
Jamaican Dollars	163.558	179.242	9.6%	148.233	174.455	17.7%
Mexican peso	21.578	24.081	11.6%	19.639	23.144	17.8%
Brazilian Real	5.468	6.381	16.7%	5.258	6.310	20.0%
Argentine Peso[1]	143.376	114.214	-20.3%	143.376	116.362	-18.8%
Russian Ruble[2]	77.155	88.601	14.8%	58.969	85.300	44.7%
Great Britain Pounds	0.847	0.864	2.0%	0.883	0.840	-4.8%
Swiss Franc	1.012	1.090	7.7%	0.956	1.033	8.1%
Australian Dollar	1.505	1.577	4.7%	1.508	1.562	3.6%
Yuan Renminbi	7.021	7.741	10.3%	6.937	7.195	3.7%

[1] The average exchange rate of the Argentine Peso for the nine months ended 30 September 2022 and 30 September 2021 was equal to the spot exchange rate at 30 September 2022 and at 30 September 2021 respectively, based on IFRS accounting requirements for hyperinflation.

[2] On 2 March 2022, the European Central Bank ('ECB') decided to suspend the publication of Euro reference rate for the Russian Rouble until further notice. The Group has therefore decided to refer to an alternative reliable source for exchange rates based on executable and indicative quotes from multiple dealers.

Statement of profit or loss

Key highlights

Profit or loss for the first nine months of 2022 confirmed a strong organic performance for all profitability indicators. Specifically, in organic terms, net sales, gross profit, contribution margin and the result from recurring operations (EBIT-adjusted) showed a growth of +19.0%, +15.8%, +16.2% and +21.5%, respectively. In particular, the result from recurring operations (EBIT-adjusted) grew stronger than net sales, thus driving margin accretion in the first nine months. This result originated from a healthy brand momentum and positive effects of price increases, which helped to mitigate the pressures deriving from accelerating input cost inflation. Looking at the third quarter in particular, whilst sales organic growth remained very sustained, EBIT-adjusted showed an organic dilution effect, as expected, which was entirely driven by the heightened inflation in cost of sales.
In the first nine months of 2022, the perimeter component referred to the termination of the distribution agreement for the Jägermeister brand in Italy, effective from 1 January 2022, only partially offset by the inclusion of the Picon and Del Professore brands, in addition to the new agency brand Truly Hard Seltzer, for which the Group entered a partnership to manufacture and distribute the brand in Australia from February 2022, as well as Howler Head, following the acquisition of an initial investment in Monkey Spirits, LLC and related distribution rights in the main markets for the brand from September 2022.
The exchange rate effect was favourable during the period, mainly driven by the revaluation against the Euro of the Group's key currencies, such as the US Dollar, the Jamaican Dollar, the Canadian Dollar, the Brazilian Real and the Mexican Peso.

The table below shows the profit or loss[1] for the first nine months of 2022 and a breakdown of the total change by organic change, perimeter change and exchange rate effects.

	for the nine months ended 30 September											
	2022		2021		total change		of which organic		of which perimeter		of which due to exchange rates and hyperinflation	
	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
Net sales[2]	**2,005.7**	**100.0**	**1,575.7**	**100.0**	**430.0**	**27.3%**	**299.2**	**19.0%**	**(2.7)**	**-0.2%**	**133.5**	**8.5%**
Cost of sales	(795.6)	(39.7)	(614.5)	(39.0)	(181.1)	29.5%	(147.1)	23.9%	5.6	-0.9%	(39.5)	6.4%
Gross profit	**1,210.1**	**60.3**	**961.2**	**61.0**	**249.0**	**25.9%**	**152.1**	**15.8%**	**2.9**	**0.3%**	**94.1**	**9.8%**
Advertising and promotional expenses	(328.6)	(16.4)	(268.2)	(17.0)	(60.4)	22.5%	(39.7)	14.8%	(0.1)	-	(20.7)	7.7%
Contribution margin	**881.5**	**43.9**	**692.9**	**44.0**	**188.6**	**27.2%**	**112.4**	**16.2%**	**2.7**	**0.4%**	**73.4**	**10.6%**
Selling, general and administrative expenses	(389.3)	(19.4)	(333.1)	(21.1)	(56.1)	16.9%	(35.0)	10.5%	0.6	-0.2%	(21.7)	6.5%
Result from recurring activities (EBIT-adjusted)	**492.2**	**24.5**	**359.8**	**22.8**	**132.4**	**36.8%**	**77.4**	**21.5%**	**3.3**	**0.9%**	**51.7**	**14.4%**
Other operating income (expenses)	(26.1)	(1.3)	(9.7)	(0.6)	(16.4)	-						
Operating result (EBIT)	**466.1**	**23.2**	**350.1**	**22.2**	**116.0**	**33.1%**						
Financial income (expenses) and adjustments	(10.9)	(0.5)	(10.4)	(0.7)	(0.5)	4.5%						
Put option, earn-out income (expenses) and hyperinflation effect	0.8	-	(0.2)	-	1.0	-						
Profit (loss) related to associates and joint-ventures	(2.3)	(0.1)	1.6	0.1	(3.9)	-						
Profit before taxation	**453.7**	**22.6**	**341.1**	**21.6**	**112.5**	**33.0%**						
Non-controlling interests-before taxation	0.9	-	(0.1)	-	1.0	-						
Group profit before taxation	**452.7**	**22.6**	**341.2**	**21.7**	**111.5**	**32.7%**						
Group profit before taxation-adjusted	**483.3**	**24.1**	**343.3**	**21.8**	**140.0**	**40.8%**						
Total depreciation and amortisation	(65.5)	(3.3)	(58.2)	(3.7)	(7.3)	12.6%	(4.1)	7.1%	-	-	(3.2)	5.5%
EBITDA-adjusted	**557.8**	**27.8**	**418.0**	**26.5**	**139.7**	**33.4%**	**81.5**	**19.5%**	**3.3**	**0.8%**	**54.9**	**13.1%**
EBITDA	**531.7**	**26.5**	**408.4**	**25.9**	**123.3**	**30.2%**						

The table below shows the statement of profit or loss[1] for the third quarter of 2022 broken down into total change, organic change, perimeter change and exchange rate effects.

	third quarter											
	2022		2021		total change		of which organic		of which perimeter		of which due to exchange rates and hyperinflation	
	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
Net sales (2)	**748.8**	**100.0**	**574.8**	**100.0**	**173.9**	**30.3%**	**106.7**	**18.6%**	**2.4**	**0.4%**	**64.8**	**11.3%**
Cost of sales	(305.1)	(40.7)	(217.2)	(37.8)	(87.9)	40.4%	(69.4)	31.9%	1.3	-0.6%	(19.8)	9.1%
Gross profit	**443.7**	**59.3**	**357.6**	**62.2**	**86.1**	**24.1%**	**37.4**	**10.5%**	**3.7**	**1.0%**	**45.0**	**12.6%**
Advertising and promotional expenses	(125.8)	(16.8)	(106.4)	(18.5)	(19.5)	18.3%	(9.4)	8.8%	(0.7)	0.7%	(9.4)	8.8%
Contribution margin	**317.8**	**42.4**	**251.2**	**43.7**	**66.6**	**26.5%**	**28.0**	**11.1%**	**3.0**	**1.2%**	**35.6**	**14.2%**
Selling, general and administrative expenses	(136.5)	(18.2)	(114.6)	(19.9)	(21.9)	19.1%	(13.5)	11.8%	0.3	-0.2%	(8.7)	7.6%
Result from recurring activities (EBIT-adjusted)	**181.3**	**24.2**	**136.6**	**23.8**	**44.7**	**32.7%**	**14.5**	**10.6%**	**3.3**	**2.4%**	**26.9**	**19.7%**
Other operating income (expenses)	(4.1)	(0.5)	(3.6)	(0.6)	(0.4)	11.6%						
Operating result (EBIT)	**177.2**	**23.7**	**133.0**	**23.1**	**44.2**	**33.3%**						
Financial income (expenses) and adjustments	(6.2)	(0.8)	(6.2)	(1.1)	-	0.4%						
Put option, earn-out income (expenses) and hyperinflation effect	1.2	0.2	0.2	-	1.0	-						
Profit (loss) related to associates and joint-ventures	(0.8)	(0.1)	(0.3)	(0.1)	(0.5)	-						
Profit before taxation	**171.4**	**22.9**	**126.7**	**22.0**	**44.7**	**35.3%**						
Non-controlling interests-before taxation	0.3	-	-	-	0.2	-						
Group profit before taxation	**171.1**	**22.9**	**126.6**	**22.0**	**44.5**	**35.1%**						
Group profit before taxation-adjusted	**179.6**	**24.0**	**130.1**	**22.6**	**49.5**	**38.1%**						
Total depreciation and amortisation	(23.5)	(3.1)	(19.7)	(3.4)	(3.8)	19.3%	(2.3)	11.9%	-	-	(1.5)	7.4%
EBITDA-adjusted	**204.8**	**27.3**	**156.3**	**27.2**	**48.4**	**31.0%**	**16.8**	**10.8%**	**3.3**	**2.1%**	**28.3**	**18.1%**
EBITDA	**200.7**	**26.8**	**152.7**	**26.6**	**48.0**	**31.5%**						

(1) For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this additional financial information.
(2) Sales after deduction of excise duties.

The change in profitability in the first nine months of 2022 and in the third quarter 2022, shown by the operating profitability indicators, expressed as a percentage (basis points) of total net sales and organic sales as well as the percentage of organic change, is as follows(1).

	first nine months 2022 compared to first nine months 2021		
margin accretion (dilution) in basis point(2) and organic	total	organic bps	% organic
Net sales	-	**-**	**19.0%**
Cost of sales	(70)	(160)	23.9%
Gross profit	**(70)**	**(160)**	**15.8%**
Advertising and promotional expenses	60	60	14.8%
Contribution margin	**-**	**(100)**	**16.2%**
Selling, general and administrative expenses	170	150	10.5%
Result from recurring activities (EBIT-adjusted)	**170**	**50**	**21.5%**

	third quarter 2022 compared to third quarter 2021		
margin accretion (dilution) in basis point(2) and organic	total	organic bps	% organic
Net sales	-	-	**18.6%**
Cost of sales	(300)	(430)	31.9%
Gross profit	**(300)**	**(430)**	**10.5%**
Advertising and promotional expenses	170	150	8.8%
Contribution margin	**(130)**	**(270)**	**11.1%**
Selling, general and administrative expenses	170	110	11.8%
Result from recurring activities (EBIT-adjusted)	**40**	**(160)**	**10.6%**

(1) For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this additional financial information.
(2) There may be rounding effects given that the corresponding basis points have been rounded to the nearest ten.

Statement of profit or loss in detail

The key profit or loss items for the first nine months of 2022 are analysed below, while a detailed analysis of the 'sales performance' is included in the previous paragraph, to which reference is made.

Gross profit for the period was €1,210.1 million, up +25.9% compared with the same period of 2021 (+24.1% in the third quarter). The organic component of +15.8% (+10.5% in the third quarter) was combined with a positive exchange rate variation at +9.8% and a negligible perimeter effect of +0.3%. As a percentage of net sales, the profitability stood at 60.3% (59.3% in the third quarter), slightly lower than 61.0% reported in the first nine months of 2021, hence generating a dilutive effect of 70 basis points on a reported basis. This variance was driven by the dilutive organic effect of 160 basis points, only partially offset by the accretive exchange rate and perimeter components of 70 and 20 basis points, respectively. The organic margin dilution was largely dragged by the expected dilution in the third quarter (an organic dilution of 430 basis points), due to heightened input cost inflation, particularly logistics, and less favourable sales mix (i.e., outperformance of Espolòn and South America), which were only partially mitigated by the initial impact of successful price increases.

Advertising and promotional expenses amounted to €328.6 million, up +22.5% overall compared with the same period of 2021 (+18.3% in the third quarter). As a percentage of sales, advertising and promotional expenses stood at 16.4%, lower than the 17.0% shown in the first nine months of 2021, thus generating an accretive effect of 60 basis points on profitability on a reported basis. Both organic and exchange rate variations were positive at +14.8% and +7.7%, respectively, while the perimeter effect was negligible. In organic terms, marketing expenses reflected the sustained investments behind key brands and generated an accretive effect of 60 basis points (accretion of 150 basis points in the third quarter) thanks to a strong top line growth.

The **contribution margin** was €881.5 million, an overall increase of +27.2% on the first nine months of 2021 (+26.5% in the third quarter). As a percentage of sales, the contribution margin stood at 43.9%. The organic growth component was +16.2% below the one of net sales, hence creating a dilutive effect of 100 basis points on profitability (dilution of 270 basis point in the third quarter). The perimeter effect stood at +0.4%, with a positive impact on profitability of 20 basis points. The exchange rate effect of +10.6% had an accretive impact on margins of 80 basis points.

Selling, general and administrative expenses amounted to €389.3 million, up by +16.9% on the first nine months of 2021 (+19.1% in the third quarter). As a percentage of sales, they amounted to 19.4% lower than 21.1% recorded in the period of comparison. At organic level, selling, general and administrative expenses increased by +10.5%, lower than the net sales growth and therefore generating a meaningful accretion effect on margins of 150 basis points (110 basis point in the third quarter). The investments reflected the continuous strengthening of Group's capabilities and business infrastructure.

The result from recurring operations (EBIT-adjusted) was €492.2 million, with an overall increase of +36.8% on the first nine months of 2021 (+32.7% in the third quarter). The return on sales adjusted (ROS) stood at 24.5%, up from 22.8% recorded the same period of 2021, with an accretive effect of 170 basis points on a reported basis (accretion of 40 basis points in the third quarter). The organic growth component was +21.5%, higher than organic sales growth and thus generating a profit accretion of 50 basis points on net sales (dilution of 160 basis points in the third quarter). The impact of the exchange rate variation was positive at +14.4% (or €51.7 million, with an accretion of 100 basis points), namely generated by the revaluation against the Euro of the Group's key currencies, in particular the transactional effect of the US Dollar, while the perimeter effect was slightly positive at +0.9%. If compared with the results of the first nine months of 2019, an unaffected base with respect to Covid-19, an overall organic increase of +58.6% and a CAGR of +16.6% was registered in the same period of 2022.

Other operating income (expenses) comprised a net expense of €26.1 million, which included the non-recurring costs associated to the Russia-Ukraine conflict amounting to €8.7 million, namely related to the write-off of the inventory stocks destroyed during the conflict and a measurement of the expected credit losses reflecting the highly increased probability of default recorded in both countries. The costs associated with both restructuring and reorganisational projects, non-recurring last mile long-term incentive schemes with retention purposes to be potentially recognised to senior management[7] and investments in the Group digital transformation were reported in this reporting line as well, for a total amount of €17.4 million.

The operating result (EBIT) in the first nine months of 2022 was €466.1 million, reflecting an increase of +33.1% on the same period of 2021 (+33.3% in the third quarter). ROS, the operating result as a percentage of net sales, amounted to 23.2% (22.2% in the first nine months of 2021).

Depreciation and amortisation totalled €65.5 million, up by +12.6% on the first nine months of 2021, of which +7.1% was at organic level and +5.5% related to exchange rate variations while the perimeter variation was neutral.

EBITDA-adjusted stood at €557.8 million, an increase of +33.4% (+31.0% in the third quarter), of which +19.5% was at organic level (+10.8% in the third quarter), +13.1% was driven by exchange rate variations, while the perimeter effect was slightly positive at +0.8%. If compared with results from the first nine months of 2019, an

[7] Pursuant to the Remuneration Policy, a last mile incentive scheme with retention purposes to be potentially awarded to the Chief Executive Officer has been approved by the Parent Company's corporate bodies and therefore implemented as set out in the Remuneration Report in the 'Governance' section of the Campari Group annual report for the year ended 31 December 2021.

unaffected base with respect to Covid-19, the 2022 period registered an overall organic increase of +52.1% and a CAGR of +15.0%.

EBITDA was €531.7 million, an increase of +30.2% compared with the first nine months of 2021 (+31.5% in the third quarter).

Net financial expenses totalled €10.9 million compared with €10.4 million in the same period of 2021, including the positive monetary effect of cross-currency transactions of €7.6 million (€3.9 million in the first nine months of 2021), driven by the US Dollar. Excluding these exchange components, net financial expenses stood at €18.5 million in the first nine months of 2022, increased by €4.2 million compared to 2021. Excluding the financial adjustments represented by the remeasurement effect from liability management occurred in the first nine months of 2022 and the positive adjustment resulting from the favourable closure of a tax dispute in Brazil on indirect taxes in the comparative period 2021, the net financial costs were down by €5.0 million. The improvement was attributable to a reduced level of negative carry effect, the combined result of an increase in the interest income from short-term liquidity investments following the efficient financial management and a lower average net debt in the first nine months of 2022 (€907.9 million in the first nine months of 2022 and €1,040.6 million in the same period of 2021). The average cost of net debt excluding the before mentioned components, resulted in 2.1% which compared with 2.4% recorded in the first nine months of 2021.
A detailed analysis of the net financial expenses is provided in the table below.

	for the nine months ended 30 September	
	2022 € million	2021 € million
Total interest expenses bond, loans and leases	(21.4)	(21.1)
Bank and other term deposit interests income	10.9	4.8
Other net expenses	(3.6)	(2.8)
Remeasurement effect from liability management	(4.5)	-
Interest on tax dispute in Brasil	-	4.7
Total financial expenses before exchange gain (losses)	**(18.5)**	**(14.3)**
Exchange gain (losses)	7.6	3.9
Total financial income (expenses) and adjustments	**(10.9)**	**(10.4)**

The **income (expenses) relating to put options, earn-out and hyperinflation effects** was slightly positive at €0.8 million.

The profit (loss) related to associates and joint-ventures represented a net loss of €2.3 million, resulting from the allocation of the results from joint-venture companies.

Profit before taxation (Group and non-controlling interests) was €453.7 million, an increase of +33.0% compared with the first nine months of 2021. Profit before taxation as a percentage of sales was 22.6% (21.6% in the same period of 2021).

Profit (loss) before taxation relating to non-controlling interests for the period under analysis was positive at €0.9 million, compared to a marginal loss of €0.1 million in the first nine months of 2021.

The **Group's profit before taxation** amounted to €452.7 million, an increase of +32.7% on the same period of 2021. The Group's profit before taxation as a percentage of sales was 22.6% (21.7% in the first nine months of 2021). However, after excluding operating adjustments as well as financial adjustments, the Group's profit before taxation amounted to €483.3 million, up +40.8% on the figure reported in the first nine months of 2021, adjusted accordingly.

Net financial debt

As of 30 September 2022, consolidated net financial debt amounted to €961.2 million, up by €130.2 million compared with €830.9 million reported at 31 December 2021.
The increase was largely driven by cash absorption to fulfil various payment commitments and planned working capital increase due to inventory build-up in a constrained logistic environment.

Changes in the debt structure in the two periods under comparison are shown in the table below.

	at 30 September 2022	at 31 December 2021	total change	*organic*	*asset deal*	*exchange rates*
	€ million	€ million	€ million	*€ million*	*€ million*	*€ million*
cash and cash equivalents	483.2	791.3	(308.0)	*(251.4)*	*(150.0)*	*93.3*
bonds	-	(50.0)	50.0	*50.0*	-	-
loans due to banks	(104.7)	(198.1)	93.4	*100.3*	-	*(6.8)*
lease payables	(14.4)	(13.5)	(0.9)	*0.1*	-	*(1.1)*
other financial assets and liabilities	4.1	3.6	0.6	*(1.7)*	-	*2.3*
short-term net financial debt	**368.3**	**533.2**	**(164.9)**	***(102.6)***	***(150.0)***	***87.7***
bonds	(846.1)	(845.5)	(0.6)	*(0.6)*	-	-
loans due to banks	(351.8)	(355.2)	3.4	*3.4*	-	-
lease payables	(71.2)	(70.4)	(0.7)	*4.7*	-	*(5.5)*
other financial assets and liabilities	45.4	5.7	39.8	*39.1*	-	*0.7*
medium-/long-term net financial debt	**(1,223.7)**	**(1,265.5)**	**41.8**	***46.6***	**-**	***(4.7)***
net financial debt before put option and earn-out payments	**(855.4)**	**(732.3)**	**(123.1)**	***(56.1)***	***(150.0)***	***82.9***
liabilities for put option and earn-out payments current	(48.2)	(48.2)	0.1	*0.6*	-	*(0.5)*
liabilities for put option and earn-out payments non-current	(57.6)	(50.4)	(7.2)	-	-	*(7.2)*
net financial debt	**(961.2)**	**(830.9)**	**(130.2)**	***(55.5)***	***(150.0)***	***75.2***

As of 30 September 2022, net financial debt remains skewed into medium to long-term maturities in line with the company's long-term growth strategy. Short-term net debt is characterised by significant liquidity, represented by cash and cash equivalents, which reflects Campari Group's priority to maintain flexibility in a challenging macroeconomic context and to accomplish any short-term investment opportunity decisions. Backed by a strong reputation on the capital markets, the Group relies on significant credit lines for a total of €778.9 million, of which €62.4 million were drawn down at the end of the period. On 11 October 2022 the Group entered into a loan agreement for the duration of 3 years for a nominal amount of €50 million. The loan incorporates ESG commitment linked to the responsible use of resources and reduction of the environmental impact of its production activities, which is one of the four pillars of Campari Group's sustainability roadmap.

The short-term net financial position, comprised of cash and cash equivalents (€483.2 million) net of loans due to banks (€104.7 million) and other financial liabilities, was positive at €368.3 million, thus reporting an overall reduction of €164.9 million compared with 31 December 2021. The organic component accounted for €102.6 million driven by a positive free cash flow generation resulting from a satisfactory business performance, which was more than offset by the dividend payments for €67.6 million, the repayment of the 5-year unrated bond issued in 2017 with maturity in April 2022 for €50.0 million and by the net cash outflow to purchase own shares for €107.1 million[8] supporting the share buyback programmes launched in March and in May 2022 in connection with share-based incentive schemes. The reported variation was also impacted by an overall cash outflow of €150.0 million associated with asset deals, including the acquisition of the Picon and Del Professore brands, as well as the acquisition of an initial stake in Monkey Spirits, LLC and Catalyst Spirits Ltd., both connected with the Howler Head brand.

The medium to long-term financial debt largely consisted of bonds and loans due to banks for a total amount of €1,223.7 million. The decrease of €41.8 million reported overall during the period, was mainly driven by the positive impact of interest rate derivatives on both existing and potential future debt (pre-hedging).

Furthermore, the Group's net financial debt included liabilities of €105.8 million, related to future commitments to acquire outstanding minority interests in controlled companies, including Société des Produits Marnier Lapostolle S.A.S. (for an expected cash outflow of €44.5 million), Casa Montelobos, S.A.P.I. de C.V, Licorera Ancho Reyes y Cia., S.A.P.I. de C.V., J. Wray&Nephew Ltd. and Champagne Lallier S.A.S. (for an estimated combined cash outflow of €61.3 million).

Finally, the reported variation was impacted by positive exchange rates effects of €75.2 million overall, mainly driven by the US Dollar.

(8) The amount included €0.2 million liability in connection with the share buyback programmes. At 30 September 2022 the equivalent of 3.3% of the share capital, corresponding to 38,835,829 own shares, was held by the Company, mainly aimed to meet the obligations arising from the long-term share-based incentive plans.

At 30 September 2022, the Campari Group's net debt/EBITDA-adjusted ratio[9] was 1.5 times, compared with 1.6 times at 31 December 2021 and 1.8 at 30 September 2021, on a like-for-like basis. The decrease of the ratio compared with 30 September 2021 was mainly driven by the improved rolling EBITDA-adjusted, which more than offset the slight increase in net financial debt.

2022 first nine months conclusion and outlook

In the nine months ending 30 September 2022 the Group delivered strong top line performance which continued in the key summer season. Such performance was fuelled by strong brand momentum, continued on-premise strength, favourable weather conditions as well as the initial impact of successful price increases.

Looking at the remainder of the year, Campari Group remains confident about the positive business momentum with the outperformance of its key brands compared to the reference markets thanks to the strong brand equity. Shipments are expected to normalize in the last quarter reflecting the seasonal sales mix as well as supply chain challenges in selected areas. Concomitantly, volatility and uncertainty are expected to remain due to the ongoing pandemic, geopolitical tensions and elevated inflationary pressure, which will be mitigated by the positive pricing. Notwithstanding the margin dilution in the third quarter due to the expected heightened cost of goods sold inflation and a less favourable sales mix, the Group confirms its full year guidance of flat organic margin in EBIT-adjusted. Moreover, the Group expects a continued positive contribution from exchange rates effect thanks to the US Dollar.

Looking at the medium term, Campari Group remains confident in the strength of its brands enabling adequate pricing actions, to navigate through the current challenges.

(9) For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this management board report.

Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures

This paragraph presents and comments on certain financial performance measures that are not defined in the IFRS (non-GAAP measures).
These measures, which are described below, are used to analyse the Group's business performance in the 'Key Financial Highlights' and 'Additional financial information' sections and comply with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority ('ESMA') in its communication ESMA/2015/1415.
The alternative performance measures listed below should be used to supplement the information required under IFRS to help readers of the additional financial information to gain a better understanding of the Group's economic, financial and capital positions. They are applied to Group planning and reporting, and some are used for incentive purposes.
Alternative performance measures can serve to facilitate comparison with groups operating in the same sector, although, in some cases, the calculation method may differ from those used by other companies. They should be viewed as complementary to, and not replacements for, the comparable GAAP (Generally Accepted Accounting Principles) measures and the movements they reflect.

FINANCIAL MEASURES USED TO MEASURE GROUP PERFORMANCE

Organic change: Campari Group shows organic changes to comment on its underlying business performance. By using this measure, it is possible to focus on the business performance common to both periods under comparison which management can influence. Organic change is calculated by excluding both the impact of currency movement against the Euro (expressed at average exchange rates for the same period in the previous year) and the effects of brand asset deals, business acquisitions and disposals, as well as the signing or termination of distribution agreements.
Specifically:
- the exchange rate effects are calculated by converting the figures for the current period at the exchange rates applicable in the same period in the previous year. The exchange rate includes the effects associated with hyperinflationary economies;
- the results attributable to businesses acquired or the conclusion of distribution agreements during the current year are excluded from organic change for 12 months from the date on which the transaction is closed;
- the results attributable to businesses acquired or the conclusion of distribution agreements during the previous year are included in full in the figures for the previous year as from the closing date of the transaction, and are only included in the current period's organic change 12 months after their conclusion;
- the results from business disposals or the termination of distribution agreements during the same period in the previous year are wholly excluded from the figures for that period and, therefore, from organic change;
- the results from business disposals or the termination of distribution agreements during the current period are excluded from the figures for the same period in the previous year from their corresponding date of disposal or termination.

In order to mitigate the effect of hyperinflationary economies, the organic change for countries having to adopt the hyperinflationary methodology laid down in IFRS includes only the component attributable to volumes sold in relation to net sales, while the effects associated with hyperinflation, including price index variation and price increases, are treated as exchange rate effects.
The organic change as a percentage is the ratio of the overall value of the organic change, calculated as described above, to the overall value of the measure in question for the previous period under comparison.

Gross profit: calculated as the difference between net sales and the cost of sales (consisting of their materials, production and distribution costs components).

Contribution margin: calculated as the difference between net sales, the cost of sales (consisting of their materials, production and distribution cost components) and advertising and promotional expenses.

Other operating income (expenses): relate to certain transactions or events identified by the Group as adjustment components for the operating result, such as:
- capital gains (losses) on the disposal of tangible and intangible assets;
- capital gains (losses) on the disposal of businesses;
- penalties or gains arising from the settlement of tax disputes;
- impairment losses on fixed assets;
- restructuring and reorganisation costs;
- ancillary expenses associated with acquisitions/disposals of businesses or companies;

– other non-recurring income (expenses).

These items are deducted from, or added to, the following measures: operating result (EBIT), EBITDA, Group profit or loss before taxation. The Group believes that properly adjusted measures help both management and investors to assess the Group's results year on year on a comparable basis as well as against those of other groups in the sector, as they exclude the impact of certain items that are not relevant for assessing performance. For a detailed reconciliation of the items that had an impact on the alternative performance measures referred to above in the current and comparison periods, see the appendix given at the end of this section.

Operating result (EBIT): calculated as the difference between net sales, the cost of sales (in terms of their materials, production and distribution), advertising and promotional expenses, and selling, general and administrative expenses.

Result from recurring operations (EBIT-adjusted): the operating result for the period before the other operating income (expenses) mentioned above.

EBITDA: the operating result before depreciation and amortisation of intangible assets with a finite life, property, plant and equipment and right of use assets.

EBITDA-adjusted: EBITDA as defined above, excluding other operating income (expenses).

Adjustments to financial income (expenses): certain transactions or events identified by the Group as components adjusting the profit or loss before taxation related to events covering a single period or financial year, such as:

- interest on penalties or gains arising from the settlement of tax disputes;
- expenses related to the early settlement of financial liabilities or liability management operations including financial liability remeasurement effects;
- financial expenses arising from acquisitions/disposals of businesses or companies;
- other non-recurring financial income (expenses).

Put option, earn-out income (expenses): relates to the income (expenses) associated with the review of estimates and assessment of expected cash-out settlement for put options and earn-out agreements, also including the non-cash effect, arising from the related discount to present value.

Profit (loss) related to associates and joint-ventures: relates to the income (expenses) resulting from the application of the equity method in the valuation of the Group's interests in associates and joint-ventures. The item also includes any fair value re-assessments of previously held Group's interests in joint-ventures and associates before their consolidation.

Group profit or loss before taxation-adjusted: the result before taxation for the period attributable to the Group, before other operating income (expenses), adjustments to financial income (expenses), before put option, earn-out income (expenses) and the profit (loss) related to re-assessments of previously held joint-venture investments before their consolidation.

ROS (return on sales): the ratio of the operating result (EBIT) to net sales for the period.

ROS-adjusted: the ratio of the result from recurring activities (EBIT-adjusted) to net sales for the period.

Net financial debt: calculated as the algebraic sum of:

- cash and cash equivalents;
- bonds;
- loans due to banks;
- lease payables or receivables;
- liabilities for put options and earn-out payments;
- other current and non-current financial assets and liabilities.

Debt/EBITDA-adjusted ratio

The net debt/EBITDA-adjusted ratio is used by management to assess the Group's level of financial leverage, which affects its capacity to refinance its debt by the set maturity dates and to obtain further financing to invest in new business opportunities. The Group monitors changes in this measure on an ongoing basis. Net debt is the Group's net financial debt reported at the closing date of the reference period; the Group's EBITDA-adjusted for the past 12 months is calculated based on the reported value at the closing date of the reference period, into which the portion of EBITDA-adjusted recorded in the previous year is incorporated for the remaining months.

- **Appendix of alternative performance indicators**
  In the nine months ended 30 September 2022, EBITDA, the result from recurring activities (EBIT), Group profit or loss before taxation, were adjusted to take into account the items shown in the tables below.

for the nine months ended 30 September 2022	EBITDA		EBIT		Group profit before taxation	
	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure reported	**531.7**	**26.5%**	**466.1**	**23.2%**	**452.7**	**22.6%**
Ukraine and Russia conflict	(8.7)	-0.4%	(8.7)	-0.4%	(8.7)	-0.4%
restructuring and reorganisation costs	(6.1)	-0.3%	(6.1)	-0.3%	(6.1)	-0.3%
last mile long-term incentive schemes with retention purposes	(7.5)	-0.4%	(7.5)	-0.4%	(7.5)	-0.4%
other adjustments of operating income (expenses)	(3.9)	-0.2%	(3.9)	-0.2%	(3.9)	-0.2%
financial liability remeasurement effects	-	-	-	-	(4.5)	-0.2%
total adjustments	**(26.1)**	**-1.3%**	**(26.1)**	**-1.3%**	**(30.6)**	**-1.5%**
alternative performance measure-adjusted	**557.8**	**27.8%**	**492.2**	**24.5%**	**483.3**	**24.1%**

	for the nine months ended 30 September 2022
	€ million
EBITDA-adjusted at 30 September 2022 (+)	557.8
EBITDA-adjusted at 31 December 2021 (+)	514.9
EBITDA-adjusted at 30 September 2021 (-)	418.0
rolling twelve months EBITDA-adjusted	**654.6**
net financial debt at 30 September 2022	**961.2**
net debt/EBITDA-adjusted ratio	**ratio 1.5**

for the nine months ended 30 September 2021	EBITDA		EBIT		Group profit before taxation	
	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure reported	**408.4**	**25.9%**	**350.1**	**22.2%**	**341.2**	**21.7%**
devaluation of tangible assets, goodwill, brands and business disposed	(1.8)	-0.1%	(1.8)	-0.1%	(1.8)	-0.1%
restructuring costs	(5.2)	-0.3%	(5.2)	-0.3%	(5.2)	-0.3%
Jamaica site restoration	(4.8)	-0.3%	(4.8)	-0.3%	(4.8)	-0.3%
gain (loss) from disposals of tangible and intangible fixed assets	1.8	0.1%	1.8	0.1%	1.8	0.1%
gain (loss) resulting from fiscal disputes	6.2	0.4%	6.2	0.4%	6.2	0.4%
last mile long-term incentive schemes with retention purposes	(7.5)	-0.5%	(7.5)	-0.5%	(7.5)	-0.5%
cyber-attack expenses net of insurance refund	5.0	0.3%	5.0	0.3%	5.0	0.3%
other adjustments of operating income(expenses) (including donations)	(3.3)	-0.2%	(3.3)	-0.2%	(3.3)	-0.2%
profit (loss) related to re-assessments of previously held associates and joint-ventures	-	-	-	-	2.9	0.2%
interest revenues connected to the definition of fiscal disputes	-	-	-	-	4.7	0.3%
total adjustments	**(9.7)**	**-0.6%**	**(9.7)**	**-0.6%**	**(2.1)**	**-0.1%**
alternative performance measure-adjusted	**418.0**	**26.5%**	**359.8**	**22.8%**	**343.3**	**21.8%**

	for the nine months ended 30 September 2021
	€ million
EBITDA-adjusted at 30 September 2021 (+)	418.0
EBITDA-adjusted at 31 December 2020 (+)	399.9
EBITDA-adjusted at 30 September 2020 (-)	307.1
rolling twelve months EBITDA-adjusted	**510.8**
net financial debt at 30 September 2021	**926.0**
net debt/EBITDA-adjusted ratio	**ratio 1.8**

Davide Campari-Milano N.V.

Official seat: Amsterdam, The Netherlands-Dutch Companies' Register n. 78502934
Corporate address: Via Franco Sacchetti 20, 20099 Sesto San Giovanni (Milan), Italy
Share capital: €11,616,000.00 fully paid in
Fiscal Code and Milan Companies' Register n. 06672120158 - VAT n. IT06672120158

Investor Relations
investor.relations@campari.com