CAMPARI GROUP
ADDITIONAL FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2022

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About this report

Note on presentation
The additional financial information for the three months ended 31 March 2022 has 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, broken down by region and by brand, 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 fact, made in this additional financial information about the Campari Group business strategy, such as future operations and businesses, 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 derived from all the information available at the time of completion of this additional financial information. The consequences of the pandemic as well as the effects arising from the Russian invasion of Ukraine that occurred in February 2022 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 € to one decimal place, whereas the original data is recorded and consolidated by the Group in €. 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 €. The use of values expressed in millions of € 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 the 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 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 the applicable law.

This additional financial information is not prepared in the European Single Electronic Format (ESEF), which is required for the annual financial reports only. The obligation applies from 1 January 2021 for all natural and legal person with securities listed on a European stock exchange and it is required for annual IFRS consolidated financial statements.

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Key financial highlights

	for the three months ended 31 March					
	2022	2021	change		overall organic change vs. the first quarter of 2019[2]	organic CAGR first quarter 2022-2019[2]
	€ million	€ million	total %	organic change %	%	%
Net sales[1]	**534.8**	**397.9**	**34.4%**	**29.4%**	**43.7%**	**12.8%**
Contribution margin	232.4	169.0	37.5%	31.8%	39.0%	11.6%
EBITDA	130.0	85.5	52.1%			
EBITDA-adjusted	**134.7**	**87.6**	**53.7%**	**46.5%**	**52.5%**	**15.1%**
EBIT	109.6	66.4	65.2%			
EBIT-adjusted	**114.3**	**68.5**	**66.8%**	**58.5%**	**62.1%**	**17.5%**
Profit before taxation	107.4	65.0	65.3%			
Group profit before taxation	**107.0**	**64.8**	**65.1%**			
Group profit before taxation-adjusted	**111.7**	**64.1**	**74.1%**			
ROS % (EBIT/net sales)	20.5%	16.7%				
ROS (EBIT-adjusted/net sales)	**21.4%**	**17.2%**				

	at 31 March 2022 € million	at 31 December 2021 € million
Net financial debt	834.6	830.9

	number of shares	number of shares
Own ordinary shares held	33,291,823	29,109,729

[1]Sales net of excise duties.
[2]The overall organic percentage change in the first quarter of 2022 compared with the same period of 2019 is calculated as the sum of the overall values of organic performance in 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 first quarter 2022 organic annualized performance change when compared to first quarter 2019.

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Corporate bodies

Board of Directors[(1)]

Luca Garavoglia[(2)]	Chairman
Robert Kunze-Concewitz[(3)]	Chief Executive Officer
Paolo Marchesini[(3)]	Chief Financial Officer
Fabio Di Fede[(3)]	Group General Counsel and Business Development Officer
Emmanuel Babeau [(2)]	Director and Member of the Remuneration and Appointment Committee
Eugenio Barcellona[(2)]	Director and Member of the Control and Risks Committee and the Remuneration and Appointment Committee
Alessandra Garavoglia[(2)]	Director
Margareth Henriquez	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 of 12 April 2022 appointed a 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, Emmanuel Babeau, Eugenio Barcellona, Alessandra Garavoglia, 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, Group General Counsel and Business Development Officer, as Executive Managing Directors. Emmanuel Babeau, Eugenio Barcellona, Alessandra Garavoglia, Margareth Henriquez, Jean-Marie Laborde, Christophe Navarre and Lisa Vascellari Dal Fiol qualify as Non-Executive Directors. 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 appointed as members of the Remuneration and Appointment Committee.

(2) Non-executive director.

(3) Executive managing director.

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Campari Group additional financial information for the three months ended 31 March 2022

Macro-economic scenario

After two challenging years due to the Covid pandemic, which impacted health and social conditions as well as the global economy, 2022 started with more encouraging positive expectations. The scientific community has been making great strides in the development of ad hoc vaccines and targeted antiviral medicines, supporting higher confidence in global recovery and a return to most desired normality. However, the pandemic fallout is expected to persist in the medium term, continuing to drive volatility, inflationary pressure and supply chain challenges.

In addition, the recent optimism after the winding-down of the pandemic has been largely disrupted since the outbreak of the Russian invasion of Ukraine, together with the increasing global geopolitical tensions that began at the end of February 2022.

Beyond the consequences for the region directly affected by the war, new concerns have risen as a consequence of the conflict outbreak regarding the impact on the world economy in terms of further inflationary pressure and its ripple effects on consumer demand in major European markets, and its possible long-term implications. Stagflation appears to be more and more a reality following the upward tensions on commodity prices such as oil and gas, likely to persist for a longer term, which will exacerbate global inflationary pressures. There are downside risks to global GDP deriving not only from the weakening performance of the industrial sector, which is vulnerable to further inflationary pressures, but also from the change in consumer behaviour due to rising costs of goods, including consumer staples. Overall, going forward global growth is expected to decelerate and inflation to further increase.

Despite its relatively resilient nature, the spirits industry is currently facing the challenges of the current macroeconomic environment given the incremental pressures on input costs as well as the logistics constraints. Campari Group continuously monitors its resources allocation to optimise every opportunity for value generation and brand portfolio strengthening.

Russian-Ukraine conflict

Russia and Ukraine accounted overall for approximately 3% of the Group's net sales in full year 2021. The Group has commercial operations in both countries with no production facilities. In Ukraine, Campari Group employs 32 people as part of its commercial operations team. Since the outbreak of the war, the focus of the Group has been on ensuring the safety and security of Ukraine-based Camparistas, by providing them the best possible support, including financial aids to help them to face the emergency and the organization of potential sheltering solutions and of accommodation options in places outside Ukraine. At the same time, Campari Group is committed to help international non-governmental organizations (NGOs) operating on the ground, such as the International Committee of the Red Cross, Save The Children and the United Nations High Commissioner for Refugees (UNHCR).

Wishing to do more and responding to the Camparistas' desire to support and contribute in these difficult times, the Group has been establishing local subscriptions in countries where the Group operates through which Camparistas can donate to the International Committee of the Red Cross. The individual donations will then be matched locally by Campari Group, maximizing the positive impact of the contributions.

Looking at the business in Russia, Campari Group currently employs 122 Camparistas in the commercial operations. Since the beginning of the war, the Group has stopped its promotional investments in the country and reduced the business to the bare minimum necessary to support its people to live through this unprecedented situation. The Group is monitoring the situation closely and is open to reconsider its position accordingly.

The ongoing war and the escalating geopolitical tensions have generated further volatility and uncertainties, potentially adding even more pressure to the current highly inflationary environment.

Brand portfolio and main brand-building initiatives

The brand portfolio represents a strategic asset for the Campari Group. Intangible assets are a key component of the market value of spirits products, reflecting the brand strength built over many years.

The Group categorizes its brands into three main clusters (global priorities, regional priorities and local priorities) based on the geographic scale, business priority and growth potential of the brands. The six global priorities (Aperol, Campari, Grand Marnier, Jamaican rums, SKYY and Wild Turkey) consist of high-margin brands, with strong market positioning in their core markets as well as further penetration opportunities, and have the potential to expand their footprints internationally. Moreover, the Group manages a pool of regional priority brands, which currently still have limited global scale but have the potential to further expand within their regions. In addition, the Group has a portfolio of local priority brands that operate primarily in their domestic markets but can offer strong upside in terms of sales growth and mix improvement in their relevant markets. The rest of portfolio category includes agency brands and other non-strategic own brands, which the Group has progressively streamlined in recent years to focus on its owned core spirit brands.
Starting from 1 January 2022, the Group has reorganised its brand clusters, 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 priorities cluster; SKYY ready-to-drink (previously within rest of portfolio) entered the local priorities cluster and Brazilian brand (Dreher and Sagatiba) were moved to the rest of portfolio (previously within local priorities).

Advertising and promotional investments build and protect the value of the brands in the long-term. The Group has an ongoing commitment to invest in marketing designed to strengthen the recognition and reputation of its iconic and distinctive brands in the key markets, as well as launching and developing them in new high-potential geographical regions. Brand image is a critical factor in a consumer's choice of spirits products. The Group has been developing its strategies with an increasing focus on new communication tools, including the digital channel, which is regarded as strategic due to its interactive, customisable and measurable properties. Brand-activations are managed in a flexible manner in order to be remodelled, if necessary, to take into account changes in local environments.

The main marketing initiatives focused on global and regional priority brands, undertaken in the first three months of 2022, are outlined below.

All the Group's visitor centres around the world are now open, in rigorous compliance with the emergency health measures in force to protect the health of both guests and Camparistas. In particular, some of the measures in place to fight the pandemic involved limited tour experiences as well as capacity restrictions.

Main brand-building activations in the first quarter 2022
Global priorities

<u>Aperol</u>
Upon the reopening of the on-premise channel, multiple initiatives were launched to strengthen Aperol's emotional bond with consumers also outside of the key summer season. Activations were developed to recruit new consumers and educate them on the perfect Aperol Spritz. In particular, in the core Italian market, the 360° communication platform **Together We Joy** has been reactivated with an integrated video strategy campaign. With regards to the initiatives after the end of the period, an online consumer contest, **Together we create,** was launched to engage younger consumers. During the period, in France the **Aperol Alps tour** was developed in three main areas of the Alps while in Argentina, the **Aperol Spritz Live** was launched with a music tour throughout the main touristic areas of the country and in Australia, an **unforgettable experiential brand activation** was hosted in an iconic location.

<u>Campari</u>
During the period, brand activations were implemented to strengthen the unforgettable Italian red spirit with its ethos of Red Passion. In Argentina the **Cocktail at home** campaign was developed to improve the experience of cocktail making at home, while Campari's presence in the cinema territory was activated at the beginning of the 2022 Film Awards season in the United States, where the brand sponsored the **Screen Actors' Guild ('SAG') Awards** and the **Costume Design Guild ('CDGA') Awards**.

<u>Wild Turkey portfolio</u>
In terms of initiatives following the end of the period, in April 2022 the second edition of the **Longbranch Wonder What If** campaign was launched, continuing to leverage the brand creator and spokesperson Matthew McConaughey to support and inspire Longbranch's award-winning liquid credentials.

Grand Marnier
In terms of expressions, during the period new products were launched and made available at fine retailers in selective markets: **Cuvée Quintessence** and **Cuvée Révélation**, the prestige expression of the iconic French house.

Jamaican rums
With regard to the Jamaican rums portfolio, during the first quarter of 2022, multiple awards were achieved: 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 among the winners of the globally recognized **Drinks International 2022 Brands Report**. With regard to initiatives following the first quarter, in April 2022 the **Ruby Anniversary Edition was launched** in premium retailers in the United States. It is a limited-edition release made from a blend of 5 exceptionally aged and rare Jamaica rums to celebrate Master Blender Joy Spence's 40 years of craftsmanship with the distillery.

SKYY
During the period, **digital activations** were developed for the brand in the core United States market focusing on social media, aimed at driving brand awareness. In Australia, a 360° campaign was launched, leveraging the new SKYY vodka proposition and the new global campaign **Born from the Blue**.

Regional priorities
Among the regional brands priorities, some interesting initiatives were launched as well during the first quarter. With respect to **Espolòn**, the digital campaign Change the Game kicked-off in Mexico. 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. With reference to the awards received, both **Trois Rivières** and **Maison La Mauny** won gold medals at the prestigious 2022 International Wines&Spirit Competition. In terms of initiatives after the period end, the Crodino campaign **Restiamo Umani** was activated at the beginning of April to highlight Crodino's role as the quintessential Italian non-alcoholic Aperitif.

The **dedicated RARE** division has the ambition to become a leading purveyor of luxury offerings in key global markets. In terms of initiatives under the RARE division during the period the following activations were developed:
- launch event **Journey of the senses** for the Grand Marnier Quintessence and Revelation Grand Cuvées 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;
- the **official launch of Bisquit&Dubouché Cognac** through the RARE division in the United States and the **exclusive sponsorship of Frieze Los Angeles**, the world's leading platform for modern and contemporary art, were celebrated with an installation by Miami-based, multi-disciplinary artist Jillian Mayer, shown at the Bisquit&Dubouché's Frieze Los Angeles lounge;
- the **RARE Attico** was opened at Campari Group's Asia Pacific regional headquarters in **Singapore**, a by-invite only space, aimed at providing a unique and exclusive experience of the most exceptional liquids in Campari Group's portfolio.

Significant events during and after the end of the period

Commercial agreements

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 Parent Company Davide Campari-Milano N.V.
On 12 April 2022, the Annual General Meeting ('AGM') adopted the 2021 annual financial statements and approved 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 own shares held by Davide Campari-Milano N.V. (the 'Company') on the date of the general meeting (34,365,724 shares), was €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.

The general meeting appointed a new Board of Directors for the three-year period 2022-2024, the composition of which is given in the 'Corporate bodies' section. The Board of Directors also appointed the new members of the Control and Risks Committee, and of the Remuneration and Appointment Committee. Further details are available in the 'Corporate bodies' section.

The general meeting also approved a **mid-term incentive plan** based on Campari shares and aimed at rewarding Camparistas for their active participation in the Group performance and fostering their retention. Eligible Camparistas will be granted a right to receive a number of Campari shares for free, subject to their uninterrupted employment over a three-year vesting period from the grant date. Relevant details are available in the Information Document drawn in accordance with Article 114-bis of the Consolidated Law on Financial Intermediation and to be published on the Campari Group's website.

Furthermore, the general meeting approved a new **stock option plan**. The plan foresees the granting of stock options to directors of the Board and the Company's management, granting the relevant bodies the authorization to implement the plan by 30 June 2023.

Group significant events

Share buyback program
On 7 March 2022, the Company launched a share buyback program under Article 5 of Regulation (EU) no. 596/2014 (the 'Program'). The Program was intended to meet the obligations arising from the long-term share-based incentive plans currently in force or 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 program was implemented in accordance with the resolution approved by the Company's Annual General Meeting held on 8 April 2021 and was completed on 11 April 2022. The program has been coordinated and executed by UBS Europe SE in accordance with all applicable laws and regulations. The maximum value allocated to the program was €40,000,000 and the number of Campari shares acquired in the period from 7 March to 11 April 2022 was 3,014,744.

As a result of the exercise of stock option plans, between 1 January and 31 March 2022 the Company sold 180,242 own shares, for a total cash-in of €0.7 million, corresponding to the average exercise price multiplied by the number of own shares sold to the stock option beneficiaries. Additionally, 10,612 shares were transferred as part of active share matching plans. In the same period, the Company purchased 4,372,948 shares at an average price of €10.8, for a total amount of €46.8[1] million. As of 31 March 2022, the Company held 33,291,823 own shares, equivalent to 2.9% of the share capital.

[1] The amount does not include an overall amount of €0.3 million payable in connection with the share buyback program.

Group Financial Review

Sales performance

In the first quarter of 2022, the Group's net sales amounted to €534.8 million, an overall increase of +34.4% compared with the first quarter of 2021. Both organic and exchange rate components were positive at +29.4% and +5.6%, only partially offset by the perimeter effect of -0.6%

	for the three months ended 31 March						
	2022	2021	total change	three months change %, of which			
	€ million	€ million	€ million	total	organic	perimeter	exchange rate[1]
Total	**534.8**	397.9	**136.9**	**34.4%**	**29.4%**	-0.6%	5.6%

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

1. Organic change

The first quarter of 2022, the smallest in terms of contribution to annual results, registered strong double-digit organic growth (+29.4%), underpinned by very positive brand momentum across regions and brand clusters, particularly in the high-margin aperitifs portfolio in Europe, thanks to the strong recovery in the on-premise channel combined with resilient off-premise, which was driven by sustained at-home consumption. The performance was also helped by phasing and easy comparison bases, in particular the highly on-premise skewed Southern Europe, Middle East and Africa region.
The first quarter of the year is historically characterized by low-seasonality and therefore is less indicative of a full year performance trend. If compared with the first quarter 2019 results, an unaffected base with respect to Covid-19, the net sales performance in the first quarter 2022 was highly satisfactory with an overall organic increase of +43.7% and a CAGR of +12.8%.

2. Perimeter variation

The perimeter variation of -0.6% in the first quarter 2022, compared with 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 three months of 2021
new agency brands	0.2	0.1%
discontinued agency brands	(2.5)	-0.6%
total agency brands	**(2.3)**	**-0.6%**
total perimeter effect	**(2.3)**	**-0.6%**

- **Business acquisitions**

In the first quarter 2022, no perimeter variation was registered.

- **Agency brands distribution**

The perimeter variation due to the agency brands in the first quarter of 2022 represented a net decrease of -0.6% 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 full year 2021). This negative variation was only in part offset by the sales generated by 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.

3. Exchange rate effects

The exchange rate effect for the three months ended 2022 was positive at +5.6%, mainly thanks to the appreciation against the Euro, of the Group's key currencies, such as the US Dollar, the Canadian Dollar, the Brazilian Real and the Jamaican Dollar. The exchange rate effect includes the impact of applying IFRS guidance on managing hyperinflation in Argentina.
The table below shows, for the Group's most important currencies, the average exchange rates for the three months ended 2022, and the spot rates at 31 March 2022, with the percentage change against the Euro compared with the same period of 2021 and at 31 December 2021.

	average exchange rates			spot exchange rates		
	for the three months ended 31 March 2022	for the three months ended 31 March 2021	revaluation/(devaluation) vs. the three months ended 2021	at 31 March 2022	at 31 December 2021	revaluation/(devaluation) vs. 31 December 2021
	1 Euro	1 Euro	%	1 Euro	1 Euro	%
US Dollar	1.123	1.205	7.4%	1.110	1.133	2.0%
Canadian Dollar	1.422	1.527	7.4%	1.390	1.439	3.6%
Jamaican Dollar	173.960	177.347	1.9%	170.412	174.455	2.4%
Mexican Peso	23.006	24.514	6.6%	22.090	23.144	4.8%
Brazilian Real	5.882	6.593	12.1%	5.301	6.310	19.0%
Argentine Peso(1)	123.102	107.815	-12.4%	123.102	116.362	-5.5%
Russian Rouble(2)	98.947	89.715	-9.3%	90.263	85.300	-5.5%
Great Britain Pound	0.836	0.874	4.5%	0.846	0.840	-0.7%
Swiss Franc	1.037	1.090	5.2%	1.027	1.033	0.6%
Australian Dollar	1.551	1.560	0.6%	1.483	1.562	5.3%
Yuan Renminbi	7.126	7.809	9.6%	7.040	7.195	2.2%

(1) The average exchange rate of the Argentine Peso was equal to the spot exchange rate at the reporting date.
(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 alternative reliable source for exchange rates based on executable and indicative quotes from multiple dealers.

4. Comments on sales performance

The Group's revenues include sales of spirits on the markets. The nature, amount, timing and uncertainty of those sales, as well as the corresponding cash flows are affected by economic factors influenced by homogeneous elements, although markets have different sizes and maturity profiles. These elements are primarily attributable to features specific to geographical areas and the related breakdown by country and, secondly, to the development of brand clusters (global, regional and local) and the related breakdown by brand.
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 geographically 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 the geographic scale, business priorities and growth potential of the various brands.

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

	for the three months ended 31 March								
	2022		2021		total change	three months change %, of which			
	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate(1)
Americas	247.5	46.3%	197.3	49.6%	50.2	25.4%	14.9%	-0.1%	10.6%
Southern Europe, Middle East and Africa	150.6	28.2%	94.6	23.8%	55.9	59.1%	61.2%	-2.4%	0.3%
North, Central and Eastern Europe	91.7	17.2%	68.8	17.3%	22.9	33.3%	33.2%	-	0.2%
Asia-Pacific	45.0	8.4%	37.2	9.3%	7.9	21.2%	18.4%	0.7%	2.1%
Total	**534.8**	**100.0%**	**397.9**	**100.0%**	**136.9**	**34.4%**	**29.4%**	**-0.6%**	**5.6%**

(1) Includes the effects associated with hyperinflation in Argentina.

While the global priority cluster includes brands with a more diversified geographic exposure, regional priorities are concentrated in a limited number of countries and local priorities are primarily one-market oriented.
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). In the following tables the 2021 pro forma data are provided.

	2021 pro forma net sales						
	by quarter				year to date		
€ million	first quarter	second quarter	third quarter	fourth quarter	first half	nine months	full year
global priority brands	226.6	356.6	339.0	304.0	583.1	922.2	1,226.1
regional priority brands	84.2	125.7	123.5	166.2	209.9	333.4	499.6
local priority brands	37.4	48.9	40.1	40.6	86.3	126.5	167.1
rest of the portfolio	49.7	71.8	72.2	86.2	121.5	193.7	279.8
total	**397.9**	**602.9**	**574.8**	**597.0**	**1,000.8**	**1,575.7**	**2,172.7**

	2021 pro forma net sales organic growth (%) by quarter				year to date		
	first quarter	second quarter	third quarter	fourth quarter	first half	nine months	full year
global priority brands	16.2%	52.4%	15.0%	22.0%	35.7%	27.5%	26.2%
regional priority brands	21.8%	62.6%	17.1%	24.0%	43.1%	32.4%	29.6%
local priority brands	39.8%	48.0%	1.9%	20.0%	44.3%	27.7%	25.8%
rest of the portfolio	7.5%	52.4%	3.9%	13.5%	29.9%	18.9%	17.2%
total	**17.9%**	**54.0%**	**12.8%**	**20.9%**	**37.1%**	**27.3%**	**25.6%**

With regards to the first quarter 2022, the effects below have been calculated based on the 2021 pro forma data, as recalculated to reflect the new brand cluster applicable from 1 January 2022.

	percentage of Group sales for the three months ended 31 March 2022	three months change %, of which			
		total	organic	perimeter	exchange rate
global priority brands	**57.9%**	**36.6%**	**30.6%**	**-**	**6.0%**
Aperol	18.5%	74.6%	71.9%	-	2.6%
Campari	11.7%	62.4%	56.6%	-	5.8%
Wild Turkey portfolio(1)(2)	8.3%	21.2%	14.0%	-	7.2%
Grand Marnier	7.9%	16.0%	8.9%	-	7.2%
Jamaican rums portfolio(3)	5.9%	10.5%	6.5%	-	4.0%
SKYY(1)	5.5%	0.1%	-11.5%	-	11.6%
regional priority brands(4)	**23.6%**	**36.9%**	**31.7%**	**-**	**5.2%**
Espolòn	5.7%	37.9%	29.2%	-	8.7%
Cinzano, Riccadonna and Mondoro	5.0%	39.3%	35.6%	-	3.7%
Italian specialties(5)	3.2%	37.6%	31.7%	-	5.8%
Crodino	2.3%	66.9%	66.6%	-	0.4%
Magnum Tonic	1.6%	7.2%	3.8%	-	3.5%
Aperol Spritz RTE (ready-to-enjoy)	1.1%	34.8%	33.4%	-	1.4%
The GlenGrant	1.0%	49.5%	46.2%	-	3.3%
other(6)	3.7%	30.2%	24.0%	-	6.2%
local priority brands(7)	**9.3%**	**21.6%**	**19.6%**	**-**	**2.1%**
Campari Soda	3.8%	23.9%	23.8%	-	-
Wild Turkey ready-to-drink(8)	2.2%	10.9%	10.2%	-	0.6%
Skyy RTD (ready-to-drink)	1.0%	54.1%	44.7%	-	9.5%
X-Rated	0.5%	14.5%	11.2%	-	3.3%
other(9)	1.7%	18.8%	14.4%	-	4.4%
rest of the portfolio(10)	**9.2%**	**29.1%**	**27.2%**	**-5.9%**	**7.8%**
total	**100.0%**	**34.4%**	**29.4%**	**-0.6%**	**5.6%**

(1) Excludes ready-to-drink.
(2) Includes American Honey.
(3) Includes Appleton Estate, Wray&Nephew Overproof and Kingston 62.
(4) From 1 January 2022, Crodino, Aperol Spritz ready-to-enjoy (both previously within local priorities) and Magnum Tonic (previously within rest of portfolio) entered the regional priority cluster. Aperol Spritz ready-to-enjoy is a stand-alone brand not included in the Aperol brand performance.
(5) Includes Braulio, Cynar, Averna and Frangelico.
(6) Includes Bulldog, Forty Creek, Bisquit&Dubouché, Trois Rivières, Maison La Mauny, Ancho Reyes, Montelobos and Lallier.
(7) From 1 January 2022, SKYY ready-to-drink (previously within rest of portfolio) entered the local priority cluster.
(8) Includes American Honey ready-to-drink.
(9) Includes Cabo Wabo and Ouzo.
(10) From 1 January 2022, the Brazilian brand (Dreher and Sagatiba) were moved to the rest of portfolio cluster (previously within the local priorities).

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

- **Americas**

The region, broken down into its core markets below, recorded an overall organic increase of +14.9%. The region is predominantly off-premise skewed, particularly North America.

	% of Group total	for the three months ended 31 March 2022		2021		total change	three months change %, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate(1)
US	27.4%	146.7	59.3%	128.1	64.9%	18.6	14.5%	6.6%	-	7.9%
Jamaica	5.8%	30.9	12.5%	25.2	12.8%	5.7	22.5%	20.1%	-	2.3%
Canada	3.5%	19.0	7.7%	16.1	8.2%	2.8	17.5%	9.4%	-	8.1%
Other countries of the region	9.5%	50.9	20.6%	27.8	14.1%	23.1	83.1%	51.6%	-0.7%	32.2%
Americas	**46.3%**	**247.5**	**100.0%**	**197.3**	**100.0%**	**50.2**	**25.4%**	**14.9%**	**-0.1%**	**10.6%**

(1) Includes the effects associated with hyperinflation in Argentina.

The **United States**, the Group's largest market accounting for 27.4% of the total Group sales, closed the first quarter of 2022 with a positive organic performance of +6.6%, against an overall tough comparison base, benefitting from the on-premise bounce-back and sustained off-premise dynamics. The performance reported was driven by the double-digit growth of Espolòn and Wild Turkey boosted by a solid premiumization trend in spirit consumptions, as well as by very positive performances from the aperitif portfolio (Aperol and Campari) thanks to the renewed consumer engagement in the on-premise and resilient home consumption, and by Cabo Wabo. Grand Marnier shipments grew moderately, despite a tough comparison base, while the shipment performance of SKYY was impacted by an unfavourable comparison base. If compared with the first quarter 2019 results, the market registered an overall organic increase of +24.3% and a CAGR of +7.5% in the first quarter of 2022.

Jamaica recorded an increase in sales of +20.1%, driven by the strong growth of Campari and Appleton Estate.

Canada reported positive growth of +9.4% in the first quarter of 2022, mainly driven by Grand Marnier and the aperitif portfolio (Aperol and Campari), offsetting the temporary decline of Forty Creek due to a tough comparison base.

Other countries reported an overall organic growth in sales of +51.6%, against a tough comparison base (+31.4%), as markets recovered from the pandemic in the first low-seasonality quarter of the year, mainly driven by the sound double-digit organic growth of both **Mexico** (+64.8%), with very positive performance from SKYY ready-to-drink, Montelobos and Aperol, and **Brazil** (+80.1%) thanks to Campari and Aperol, as well as the local brand Dreher, in a still volatile economic environment. Performance was also boosted by the very positive results registered in **Peru**, **Chile** and **Argentina**. With regards to the latter market, as a prudent measure to strip-out the effects of the local high inflation rate, the organic change includes only the component attributable to the volumes sold.

- **Southern Europe, Middle East and Africa**

The region, which is broken down by core markets in the table below, reported an organic increase of +61.2%. It is predominantly skewed to the on-premise channel.

		for the three months ended 31 March								
	% of Group total	2022		2021		total change	three months change %, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate
Italy(1)	18.1%	96.7	64.2%	57.9	61.2%	38.8	66.9%	70.2%	-3.3%	-
France	4.9%	26.0	17.3%	19.0	20.1%	7.0	36.7%	38.8%	-2.1%	-
Other countries of the region	5.2%	27.8	18.5%	17.7	18.7%	10.2	57.5%	56.0%	-0.1%	1.6%
Southern Europe, Middle East and Africa	**28.2%**	**150.6**	**100.0%**	**94.6**	**100.0%**	**55.9**	**59.1%**	**61.2%**	**-2.4%**	**0.3%**

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

The performance in the highly on-premise-skewed **Italian** market was very strong in the first three months of 2022 (+70.2%), driven by the continued strength and 'revenge conviviality' in the on-premise channel. This performance was magnified by phasing and easy comparison base as the first quarter of 2021 (-0.9%[2]) was impacted by the third wave of the pandemic. The entire aperitif portfolio registered strong growth: Aperol (+101.4%), Campari (+118.7%), Campari Soda (+24.8%) and Crodino (+75.6%). Averna, Braulio and Cynar also registered very strong growth, thanks to the recovery of the on-premise channel. If compared with the first quarter 2019 results, the market registered an overall organic increase of +28.0% and a CAGR of +8.6% in the first quarter of 2022.

France registered organic growth of +38.8%. The performance was mainly driven by the double-digit performance of Aperol and Riccadonna, the latter benefitting from the Aperol Spritz cocktail momentum, combined with a solid growth of Campari.

Other countries in the region reported overall organic growth of +56.0%. With respect to the **Global Travel Retail** a double-digit growth of +50.2% was registered, driven by a favourable comparison base (-38.7% in the first quarter of 2021) still impacted by severe travel restrictions, which were lifted and more regulated to ensure safe travels across major markets during the first quarter of 2022. The performance was negative by -25.6% compared with 2019. **Spain** registered a very strong performance thanks to the on-premise recovery, and supported by a favourable comparison base (-33.0% in the first quarter of 2021) which was impacted by the pandemic restrictions. The strong performance in **South Africa** was mainly supported by the lifting of curfew and trading restrictions, together with the slow recovery registered in the market combined with progressive on-premise bounce-back. **Nigeria** showed weak results, impacted by a tough comparison base in a still volatile scenario with ongoing socio-economic instability, while **Greece** recorded double-digit growth in the period.

- **Northern, Central and Eastern Europe**

The region, predominantly off-premise skewed, reported highly positive overall organic growth (+33.2%) across its core countries.

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

	% of Group total	for the three months ended 31 March 2022		2021		total change	three months change %, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate
Germany	6.4%	34.1	37.2%	24.1	35.0%	10.0	41.5%	41.5%	-	-
United Kingdom	2.7%	14.7	16.0%	11.1	16.1%	3.6	32.4%	26.6%	-	5.8%
Other countries of the region	8.0%	43.0	46.8%	33.6	48.9%	9.4	27.8%	29.4%	-	-1.6%
North, Central and Eastern Europe	**17.2%**	**91.7**	**100.0%**	**68.8**	**100.0%**	**22.9**	**33.3%**	**33.2%**	**-**	**0.2%**

Germany showed a very solid business performance (+41.5%), in a low-seasonality quarter, supported also by favourable weather conditions. The performance was mainly driven by strong business momentum of the aperitifs (Aperol and Campari), as well as Aperol Spritz ready-to-enjoy, launched in the market in the second quarter of 2021. Crodino showed also very positive growth, albeit off a small base. If compared with the first quarter 2019 results, the market registered an overall organic increase of +39.6% and a CAGR of +11.8% in the first quarter of 2022.

The **United Kingdom** registered double-digit growth in the quarter (+26.6%), driven by the very positive growth of Aperol, Magnum Tonic and Appleton Estate. The overall growth was sustained by the good momentum in the on-premise channel, following the full reopening of venues at the end of December 2021, combined with sustained off-premise consumption.

Performance in the **Other countries of the region** was up overall by +29.4%, thanks to the double-digit trends of **Switzerland**, **Belgium** and **Austria**, largely led by Aperol. In Russia the Group has reduced its business to the minimum necessary to just be able to support local Camparistas.

- **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 +18.4%.

	% of Group total	for the three months ended 31 March 2022		2021		total change	three months change %, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate
Australia	5.3%	28.2	62.7%	26.4	71.0%	1.8	7.0%	5.4%	0.9%	0.6%
Other countries of the region	3.1%	16.8	37.3%	10.8	29.0%	6.0	55.9%	50.0%	-	5.8%
Asia-Pacific	**8.4%**	**45.0**	**100.0%**	**37.2**	**100.0%**	**7.9**	**21.2%**	**18.4%**	**0.7%**	**2.1%**

Australia, the region's largest market, showed good growth of +5.4% against a tough comparison base (+22.6% in the first quarter of 2021), with sustained off-premise dynamics, while the on-trade continued to suffered also due to the surge of new variants. In the first quarter the performance was driven by double-digit growth of Wild Turkey bourbon, Wild Turkey ready-to-drink, Campari and Espolòn, despite ocean freight constraints. If compared with the first quarter 2019 results, the market registered an overall organic increase of +51.6% and a CAGR of +14.9% in the first quarter of 2022.

Sales in the **Other countries of the region** grew by +50.0%. South Korea registered a strong performance (+105.7%), largely driven by The GlenGrant, X-Rated and high-end Wild Turkey offerings. China was broadly flat due to snap lockdowns in relation to the zero-covid policy. Japan grew double-digits, with strong growth in brands such as The GlenGrant and Wild Turkey bourbon. Positive momentum continued elsewhere thanks to the Group's enhanced investments across all levers.

Focusing on the performance of the brands, in order to explain in more detail the reasons underlying the aforementioned performances by geography, the main drivers of the sales trends by brand category and by brand are reported below.

Global priority performance (+30.6%) was driven by solid brand momentum. **Aperol** registered an organic growth of +71.9% with strong growth in core Italy (+101.4%), Germany (+79.2%), US (+51.2%), France (+79.5%) as well as all other European markets. The performance was achieved thanks to renewed activations and recruitment with the reopening of the on-premise and sustained at-home consumption, also helped by a favourable comparison base (+0.1% in the first quarter of 2021) and boosted by phasing effects. **Campari** was up by +56.6%, across all the main markets, including Italy (+118.7%), the United States, Germany, France, Jamaica and Brazil. The overall trend benefitted also from phasing ahead of a robust price repositioning in Europe combined with increased home consumption habits. The continued strong appreciation for the versatility of the liquid in the context of the at-home mixology trend, driven by proprietary cocktails such as Negroni, Boulevardier and Americano, as well as the widespread consumption of Campari Spritz, supported the very positive results.

The **Wild Turkey portfolio** recorded double-digit growth (+14.0%), driven by very good results in the core United States market, as well as in Japan, South Korea and Australia despite logistic constraints. **Grand Marnier** showed positive results (+8.9%), mainly driven by the positive trend in the core United States market, leveraging on home-made cocktail consumption trends and the success of the Grand Margarita cocktail, combined with overall positive results from Canada, Italy and France. The **Jamaican rums portfolio** was up by +6.5%, with Appleton Estate (+22.1%) benefitting from the favourable category trend in premium rum, particularly in Jamaica, the United States and the United Kingdom. Wray&Nephew Overproof declined overall (-5.7%) in its core markets, largely due to a tough comparison base (+68.8% in the first quarter of 2021) and supply constraints. **SKYY** registered a weak shipment performance of -11.5%, impacted by a tough comparison base in connection with the brand relaunch (+10.4% in the first quarter of 2021), with very positive results in international markets, largely thanks to Argentina and Italy, unable to offset the weakness in United States.

Regional priority brands registered double-digit growth (+31.7%), with Espolòn growing overall by double digits despite a tough comparison base driven by the core United States market, as well as international markets, albeit off a small base. The GlenGrant grew at a double-digit rate, notwithstanding the tough comparison base (+32.5%), driven by the repositioning of the brand with increased focus on the long-term and high-end variants. The other brands, such as the Italian specialities (particularly impacted negatively last year), sparkling wines and vermouths (Cinzano, Mondoro and Riccadonna), Crodino, Magnum Tonic and Aperol Spritz ready-to-enjoy also delivered positive figures.

The **local priority brands** grew by +19.6%, driven by the double-digit performance across all key brands including Campari Soda notwithstanding the tough comparison base (+43.8% in the first quarter of 2021), Wild Turkey ready-to-drink in Australia, combined with the good results of X-Rated in South Korea and SKYY ready-to-drink, driven by Mexico.

The **rest of the portfolio** reported double-digit growth of +27.2%.

Statement of profit or loss

Key highlights

Since the beginning of the Russia-Ukraine war at the end of February 2022, Campari Group has been continuously monitoring the impact of this geopolitical tensions on its business activities, financial situation and economic performances. The results of the first quarter of 2022 were not materially impacted by the war and the Group did not identify any critical situations that cannot be attributable to and addressed in the ordinary course of business. Nevertheless, the war is generating further volatility and uncertainties, potentially adding even more pressure to the current highly inflationary environment.

Profit or loss for the first quarter of 2022 showed very positive 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 growth of +29.4%, +28.7%, +31.8% and +58.5%, respectively. In particular, the result from recurring operations (EBIT-adjusted) grew strongly compared with net sales, thus driving margin accretion. This result was sustained by a healthy brand momentum (particularly in the aperitif portfolio), combined with sustained investments at the level of marketing and selling, general and administrative expenses, which have also driven margin accretion, given the top line strong growth. These effects were able to mitigate the pressures deriving from cost inflation and logistics constraints.

In the first quarter of 2022, the perimeter component related specifically 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 full year 2021). This was only partially offset by 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.

The exchange rate effect was favourable during first quarter of 2022, mainly driven by the revaluation against the Euro of the Group's key currencies, including the US Dollar.

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

	for the three months ended 31 March											
	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]	**534.8**	**100.0**	**397.9**	**100.0**	**136.9**	**34.4%**	**117.0**	**29.4%**	**(2.3)**	**-0.6%**	**22.2**	**5.6%**
Cost of sales	(223.2)	(41.7)	(166.3)	(41.8)	(56.9)	34.2%	(50.6)	30.4%	1.8	-1.1%	(8.1)	4.9%
Gross profit	**311.6**	**58.3**	**231.6**	**58.2**	**80.0**	**34.5%**	**66.4**	**28.7%**	**(0.5)**	**-0.2%**	**14.0**	**6.1%**
Advertising and promotional expenses	(79.2)	(14.8)	(62.6)	(15.7)	(16.6)	26.6%	(12.7)	20.3%	-	-	(3.9)	6.2%
Contribution margin	**232.4**	**43.4**	**169.0**	**42.5**	**63.3**	**37.5%**	**53.7**	**31.8%**	**(0.5)**	**-0.3%**	**10.2**	**6.0%**
Selling, general and administrative expenses	(118.1)	(22.1)	(100.5)	(25.3)	(17.6)	17.5%	(13.6)	13.6%	0.2	-0.2%	(4.1)	4.1%
Result from recurring operations (EBIT-adjusted)	**114.3**	**21.4**	**68.5**	**17.2**	**45.8**	**66.8%**	**40.1**	**58.5%**	**(0.3)**	**-0.5%**	**6.1**	**8.9%**
Other operating income (expenses)	(4.7)	(0.9)	(2.1)	(0.5)	(2.5)	116.7%						
Operating result (EBIT)	**109.6**	**20.5**	**66.4**	**16.7**	**43.3**	**65.2%**						
Financial income (expenses)	(1.3)	(0.2)	(3.4)	(0.8)	2.1	-61.7%						
Put option, earn out income (expenses) and hyperinflation effect	(0.1)	-	(0.3)	(0.1)	0.2	-79.2%						
Profit (loss) related to associates and joint-ventures	(0.8)	(0.2)	2.3	0.6	(3.1)	-137.2%						
Profit before taxation	**107.4**	**20.1**	**65.0**	**16.3**	**42.4**	**65.3%**						
Non-controlling interests-before taxation	0.4	0.1	0.2	-	0.2	129.5%						
Group profit before taxation	**107.0**	**20.0**	**64.8**	**16.3**	**42.2**	**65.1%**						
Group profit before taxation-adjusted	**111.7**	**20.9**	**64.1**	**16.1**	**47.5**	**74.1%**						
Total depreciation and amortisation	(20.4)	(3.8)	(19.1)	(4.8)	(1.3)	6.7%	(0.7)	3.5%	-	-	(0.6)	3.1%
EBITDA-adjusted	**134.7**	**25.2**	**87.6**	**22.0**	**47.1**	**53.7%**	**40.7**	**46.5%**	**(0.3)**	**-0.4%**	**6.7**	**7.6%**
EBITDA	**130.0**	**24.3**	**85.5**	**21.5**	**44.5**	**52.1%**						

[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 quarter of 2022 shown by the operating profitability indicators, expressed as a percentage (basis points) of total net sales and organic sales, is as follows(1).

margin accretion (dilution) in basis points ('bps')(2)	total bps	organic bps
Cost of sales	10	(30)
Gross profit	**10**	**(30)**
Advertising and promotional expenses	90	110
Contribution margin	**100**	**80**
Selling, general and administrative expenses	320	310
Result from recurring operations (EBIT-adjusted)	**420**	**390**

(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 quarter 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 €311.6 million, up +34.5% compared with the same period of 2021. The organic component of +28.7% was combined with positive exchange rate variations at +6.1% and negligible perimeter variations of -0.2%. As a percentage of sales, profitability stood at 58.3%, broadly in line with the first quarter of 2021 (58.2%). Total profitability increased as a percentage of sales by 10 basis points overall, driven by the perimeter change and exchange rates which accounted for 40 basis points overall and which were partially offset by the organic component holding a dilution of 30 basis points. In organic terms, the very positive mix driven by the outperformance of aperitifs (particularly Aperol and Campari) in high-margin markets was able to mitigate the increased inflationary pressure on input costs.

Advertising and promotional expenses amounted to €79.2 million, up +26.6% overall compared with the same period of 2021. As a percentage of sales, advertising and promotional expenses stood at 14.8% compared with 15.7% in the first quarter of 2021, with an overall accretion effect on sales' profitability of 90 basis points. Both organic and exchange rate variations were positive at +20.3% and +6.2% respectively, while the perimeter effect was negligible. In organic terms, marketing expenses were underpinned by sustained investments behind key brands, particularly the global priorities. Their organic growth was lower than that of net sales hence generating a margin accretion on sales of 110 basis points.

The **contribution margin** was €232.4 million, an overall increase of +37.5% on the first quarter of 2021. As a percentage of sales, the contribution margin stood at 43.4%, showing an overall accretion of 100 basis points compared with the same period of 2021. The organic growth component was +31.8% and was higher than organic sales growth, thus generating an improved profitability of 80 basis points. The perimeter effect was slightly negative at -0.3%, with a positive impact on profitability of 10 basis points, and it was attributable to the net effect deriving from the termination of distribution agreements for some agency brands, slightly compensated by new agency brands which entered into the Group's portfolio. The exchange rate effect of +6.0% had an accretive impact on margins of 10 basis points.

Selling, general and administrative expenses amounted to €118.1 million, up by +17.5% on the first quarter of 2021. As a percentage of sales, they amounted to 22.1%, compared with 25.3% in the first quarter of 2021, with an overall accretive effect on margins of 320 basis points. At organic level, selling, general and administrative expenses increased by +13.6%, compared with the first quarter of 2021, lower than the net sales trend, therefore, generating an accretion effect on margins of 310 basis points. The increase in investments in the first quarter of 2022 reflected a low comparison base of the first quarter 2021 (-2.2%) which was affected by cost containment measures, such as hiring freeze.

The result from recurring operations (EBIT-adjusted) was €114.3 million, with an overall increase of +66.8% on the first quarter of 2021. The return on sales adjusted (ROS) stood at 21.4%, up from 17.2% compared with the same period of 2021. The organic growth component was +58.5%, which was higher than organic sales growth (+29.4%), generating an improved profitability of 390 basis points. The impact of perimeter variations on EBIT-adjusted was slightly negative at -0.5% (neutral in terms of margin on sales), mainly attributable to the management of the distribution agreements of some agency brands in the Group's portfolio. Moreover, the exchange rate effect was positive at +8.9% (with an accretion of 30 basis points), namely generated by the revaluation against the Euro of the Group's key currencies, such as the US Dollar, the Canadian Dollar, the Brazilian Real and the Jamaican Dollar. If compared with the first quarter 2019 results, an unaffected base with respect to Covid-19, the 2022 period registered an overall organic increase of +62.1% and a CAGR of +17.5%.

Other operating income (expenses) comprised a net expense of €4.7 million for costs associated with both restructuring and reorganizational projects and with non-recurring last mile long-term incentive schemes with retention purposes, to be potentially recognised to senior management[3].

The operating result (EBIT) in the first quarter of 2022 was €109.6 million, reflecting an increase of +65.2% on the same period of 2021. ROS, which measures the operating result as a percentage of net sales, amounted to 20.5% (16.7% in the first quarter of 2021).

Depreciation and amortisation totalled €20.4 million, up by +6.7% on the first quarter of 2021, of which +3.5% was at organic level and +3.1% related to exchange rate variations, while the perimeter variation was neutral.

EBITDA-adjusted stood at €134.7 million, an increase of +53.7%, of which +46.5% was at organic level, +7.6% was driven by exchange rate variations, partially offset by the perimeter effect of -0.4%. If compared with the first quarter 2019 results, an unaffected base with respect to Covid-19, the 2022 period registered an overall organic increase of +52.5% and a CAGR of +15.1%.
EBITDA was €130.0 million, an increase of +52.1% compared with the first quarter of 2021 (€85.5 million).

Net financial expenses, totalled €1.3 million compared with €3.4 million in the same period of 2021, including positive exchange rate components of respectively €3.7 million and €3.2 million in the two periods. Excluding the aforementioned exchange components, net financial expenses stood at €5.0 million in the first quarter of 2022, a decrease of €1.6 million comparing to €6.6 million recorded in the same period of 2021. The improvement was mainly attributable to an increase in the interest income from bank and other term deposit interest for €1.7 million, thanks to efficient financial management and a lower average net debt in the first quarter of 2022 (€832.7 million in the first quarter of 2022 and €1,085.9 million in the same period of 2021). The average cost of net debt (excluding the exchange rate components) was stable at 2.4%, notwithstanding the negative carry effect in connection with the significant cash position held.
A detailed analysis of the net financial expenses is provided in the table below.

	for the three months ended 31 March		
	2022 € million	2021 € million	total change € million
Total interest expenses bond, loans, and leases	(7.3)	(7.1)	(0.2)
Bank and other term deposit interest income	3.1	1.4	1.7
Other net expenses	(0.9)	(0.9)	0.1
Total financial expenses	**(5.0)**	**(6.6)**	**1.6**
Exchange rate differences	3.7	3.2	0.5
Total financial income (expenses)	**(1.3)**	**(3.4)**	**2.1**

In the first quarters of both 2022 and 2021, the **adjustments to financial income (expenses)** were negligible.

The **income (expenses) relating to put options, earn-out and hyperinflation effects** was slightly negative at €0.1 million, entirely driven by the application of the hyperinflation management measures for the operations in Argentina. The value for the first quarter of 2021 of €0.3 million included, in addition to the hyperinflation effect of €0.1 million, net expense totalling €0.2 million which was attributable to the non-cash effects of the remeasurement and discounting to present value of payables for future commitments relating to earn-out and minority shareholdings in the businesses acquired.

The profit (loss) related to associates and joint-ventures represented a net loss of €0.8 million, resulting from the allocation of the results from joint-venture companies.

Profit before taxation (Group and non-controlling interests) was €107.4 million, an increase of +65.3% compared with the first quarter of 2021. Profit before taxation as a percentage of sales was 20.1% (16.3% in first quarter of 2021).

Profit (loss) before taxation relating to non-controlling interests for the period under analysis was positive at €0.4 million (€0.2 million in the first quarter of 2021).

The **Group's profit before taxation** amounted to €107.0 million, an increase of +65.1% on the same period of 2021. The Group's profit before taxation as a percentage of sales was 20.9% (16.3% in the first quarter of 2021). However, after excluding operating and financial adjustments and the re-assessment of previously held joint-venture investments before their consolidation, the Group's profit before taxation amounted to €111.7 million, up +74.1% on the figure reported in the first quarter of 2021, adjusted consistently.

[3] Pursuant to the Remuneration Policy, a last mile incentive scheme with retention purpose 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.

Net financial debt

As of 31 March 2022, consolidated net financial debt amounted to €834.6 million, slightly increased compared with €830.9 million reported as of 31 December 2021. The increase is largely driven by strong cash absorption of planned working capital increase due to inventory build-up ahead of peak season in a constrained logistic environment, as well as the share buyback program launched in March 2022 in connection with a newly introduced share-based incentive scheme.

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

	at 31 March 2022 € million	at 31 December 2021 € million	total change € million	*organic € million*	*perimeter € million*	*exchange rates € million*
cash and cash equivalents	717.1	791.3	(74.2)	*(92.3)*	-	*18.1*
bonds	(50.0)	(50.0)	-	-	-	-
loans due to banks	(145.6)	(198.1)	52.5	*54.3*	-	*(1.8)*
lease payables	(13.0)	(13.5)	0.4	*0.6*	-	*(0.2)*
other financial assets and liabilities	9.5	3.6	6.0	*6.0*	-	-
short-term net financial debt	**518.0**	**533.2**	**(15.3)**	***(31.5)***	**-**	***16.2***
bonds	(845.7)	(845.5)	(0.2)	*(0.2)*	-	-
loans due to banks [(1)]	(346.6)	(355.2)	8.6	*8.6*	-	-
lease payables	(67.2)	(70.4)	3.2	*4.3*	-	*(1.1)*
other financial assets and liabilities	6.1	5.7	0.4	*0.4*	-	-
medium/long-term net financial debt	**(1,253.5)**	**(1,265.5)**	**12.0**	***13.1***	**-**	***(1.1)***
net financial debt before put option and earn-out payments	**(735.5)**	**(732.3)**	**(3.3)**	***(18.4)***	**-**	***15.1***
liabilities for put option and earn-out payments	(99.1)	(98.7)	(0.4)	*(0.3)*	-	*(0.1)*
net financial debt	**(834.6)**	**(830.9)**	**(3.6)**	***(18.7)***	**-**	***15.1***

(1) Including the relevant derivative.

As of 31 March 2022, Campari Group confirmed its preference to sustain its long-term growth strategy by leveraging on a net financial debt predominantly skewed to the medium/long-term horizon. Short-term debt is still characterized by significant liquidity, represented by cash and cash equivalents, which reflects the Campari Group's priority to maintain flexibility as regards short-term investment decisions. Moreover, the Group relies on significant credit lines, totalling €771.8 million, of which only €20.5 million were drawn down at the end of the period.

The short-term net financial position was positive at €518.0 million and was mainly composed of cash and cash equivalents (€717.1 million) net of loans due to banks (€145.6 million) and bonds (€50.0 million). Other current financial assets and liabilities, for a net positive amount of €9.5 million, mostly included financial receivables for non-hedging derivatives on purchase and sale transactions. The short-term financial position reported a reduction of €15.3 million compared with 31 December 2021, driven by repayments of bank loans combined with the net purchase of own shares totalling €46.4 million[4] in the first quarter of 2022 (at 31 March 2022 the equivalent of 2.9% of the share capital, corresponding to 33,291,823 own shares were held by the Company mainly aimed to meet the obligations arising from the long-term share-based incentive plans currently in force or to be adopted).

The medium/long-term financial debt largely consisted of bonds and loans due to banks for a total amount of €1,192.3 million. Other non-current financial assets and liabilities, for a net positive amount of €6.1 million, mainly related to receivables connected with the sale of non-core business completed in previous years, as well as restricted deposits supporting future payments associated with past business acquisitions.
The decrease in the medium/long-term financial positions was mainly driven by decreases in bank loans and leasing debt due to settlement scheduled in the next twelve months.

Moreover, the Group's net financial debt included a liability of €99.1 million, representing future commitments to acquire outstanding minority shareholdings in controlled companies, and in particular in 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 €54.6 million).

The Group's debt management objective is based on achievement of an optimal and sustainable level of financial solidity, while maintaining an appropriate level of flexibility with regard to acquisition opportunities and funding options through available cash. The Group monitors changes in the net debt/EBITDA-adjusted ratio on an ongoing basis. For the purposes of ratio calculation, net debt is the value of the Group's net financial debt at 31 March 2022, whereas the EBITDA-adjusted relates to the rolling EBITDA-adjusted over the last twelve months (for more information on the calculation, please refer to 'Alternative Performance Measures' in this additional financial information). At 31 March 2022, this multiple was 1.5 times, compared with 1.6 times at 31 December 2021 and 2.5 at 31 March 2021, based on consistent calculation criteria. The decrease of the ratio compared with 31

[4] The amount includes an overall amount of €0.3 million payable in connection with the share buyback program.

December 2021 was mainly driven by the improved rolling EBITDA-adjusted which more than offset the slightly increase in net financial debt.

First quarter 2022 conclusion and outlook

2022 was characterized by a very positive start to the year in a low seasonality quarter, with continued underlying brand momentum, resilience of premiumization trends and strong on-premise recovery, particularly in the on-premise skewed European region, also amplified by phasing effects and easy comparison base. The favourable sales mix and product and channel help mitigate the challenges of an increasingly inflationary environment.

Looking at the remainder of the year, the Group expects the positive business momentum to continue across key brands and markets, fully leveraging new consumption habits across both on-premise and off-premise channels. Meanwhile, the overall performance will reflect the effects of a gradual normalization of the shipments due to phasing, different comparison bases throughout the rest of the year and the conflict in Ukraine. At the same time, volatility and uncertainty remain due to the ongoing pandemic and geopolitical tensions. The Group confirms its guidance of flat organic EBIT margin in 2022 as it continues to leverage adequate price increases and positive mix to mitigate the expected intensification of the inflationary pressure on input costs.

As a long-term focused organization, thanks to its agility Campari Group will continue to leverage existing and emerging consumption behaviours in a constantly evolving scenario, to further strengthen and premiumise its brand portfolio also via product innovation and digital transformation for a profitable long-term growth.

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 'Campari Group 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 Principle) 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 and 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 business acquisitions and disposals, as well as the signing or termination of distribution agreements. 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.
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.

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 and Group profit or loss before taxation. For a detailed reconciliation of the items that had an impact on the alternative performance measures referred to above in the current and comparison period, see the appendix given at the end of this section.

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.

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:
- interests on penalties or gains arising from the settlement of tax disputes;
- expenses related to the early settlement of financial liabilities or liability management operations;
- 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 option and earn out, also including the non-cash effect, arising from the related actualisation.

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-venture. 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;
- lease receivables;
- bonds;
- loans due to banks;
- lease payables;
- liabilities for put option and earn out payments;
- other current and non-current financial asset 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**

For the three months ended 31 March 2022, EBITDA, the result from recurring activities (EBIT) and Group's profit or loss before taxation were adjusted to take into account the items shown in the tables below.

for the three months ended 31 March 2022	EBITDA		EBIT		Group profit before taxation	
	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure reported	**130.0**	**24.3%**	**109.6**	**20.5%**	**107.0**	**20.0%**
restructuring and reorganisation costs	(0.9)	-0.2%	(0.9)	-0.2%	(0.9)	-0.2%
last mile long-term incentive schemes with retention purposes	(2.5)	-0.5%	(2.5)	-0.5%	(2.5)	-0.5%
other adjustments of operating income (expenses)	(1.3)	-0.2%	(1.3)	-0.2%	(1.3)	-0.2%
total adjustments	**(4.7)**	**-0.9%**	**(4.7)**	**-0.9%**	**(4.7)**	**-0.9%**
alternative performance measure adjusted	**134.7**	**25.2%**	**114.3**	**21.4%**	**111.7**	**20.9%**

	for the three months ended 31 March 2022 € million
EBITDA adjusted at 31 March 2022 (+)	134.7
EBITDA adjusted at 31 December 2021 (+)	514.9
EBITDA adjusted at 31 March 2021 (-)	87.6
rolling twelve months EBITDA adjusted	**561.9**
net financial debt at 31 March 2022	**834.6**
net debt/EBITDA-adjusted ratio	**ratio 1.5**

for the three months ended 31 March 2021	EBITDA		EBIT		Group profit before taxation	
	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure reported	**85.5**	**21.5%**	**66.4**	**16.7%**	**64.8**	**16.3%**
restructuring and reorganisation costs	(1.6)	-0.4%	(1.6)	-0.4%	(1.6)	-0.4%
fees from acquisition/disposals of business or companies	(0.1)	-	(0.1)	-	(0.1)	-
gains (losses) from disposals of tangible and intangible fixed assets	0.1	-	0.1	-	0.1	-
other adjustments of operating income (expenses) (including donations)	(0.5)	-0.1%	(0.5)	-0.1%	(0.5)	-0.1%
profit (loss) related to re-assessments previously held associates and joint-venture interest	-	-		-	2.8	0.7%
total adjustments	**(2.1)**	**-0.5%**	**(2.1)**	**-0.5%**	**0.7**	**0.2%**
alternative performance measure adjusted	**87.6**	**22.0%**	**68.5**	**17.2%**	**64.1**	**16.1%**

	for the three months ended 31 March 2021 € million
EBITDA adjusted at 31 March 2021 (+)	87.6
EBITDA adjusted at 31 December 2020 (+)	399.9
EBITDA adjusted at 31 March 2020 (-)	67.5
rolling twelve months EBITDA adjusted	**420.0**
net financial debt at 31 March 2021	**1,067.9**
net debt/EBITDA-adjusted ratio	**ratio 2.5**

Davide Campari - Milano N.V.

Official seat: Amsterdam, The Netherlands-Dutch Companies’ Register No. 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 No. 06672120158-VAT No. IT06672120158

Investor Relations
investor.relations@campari.com