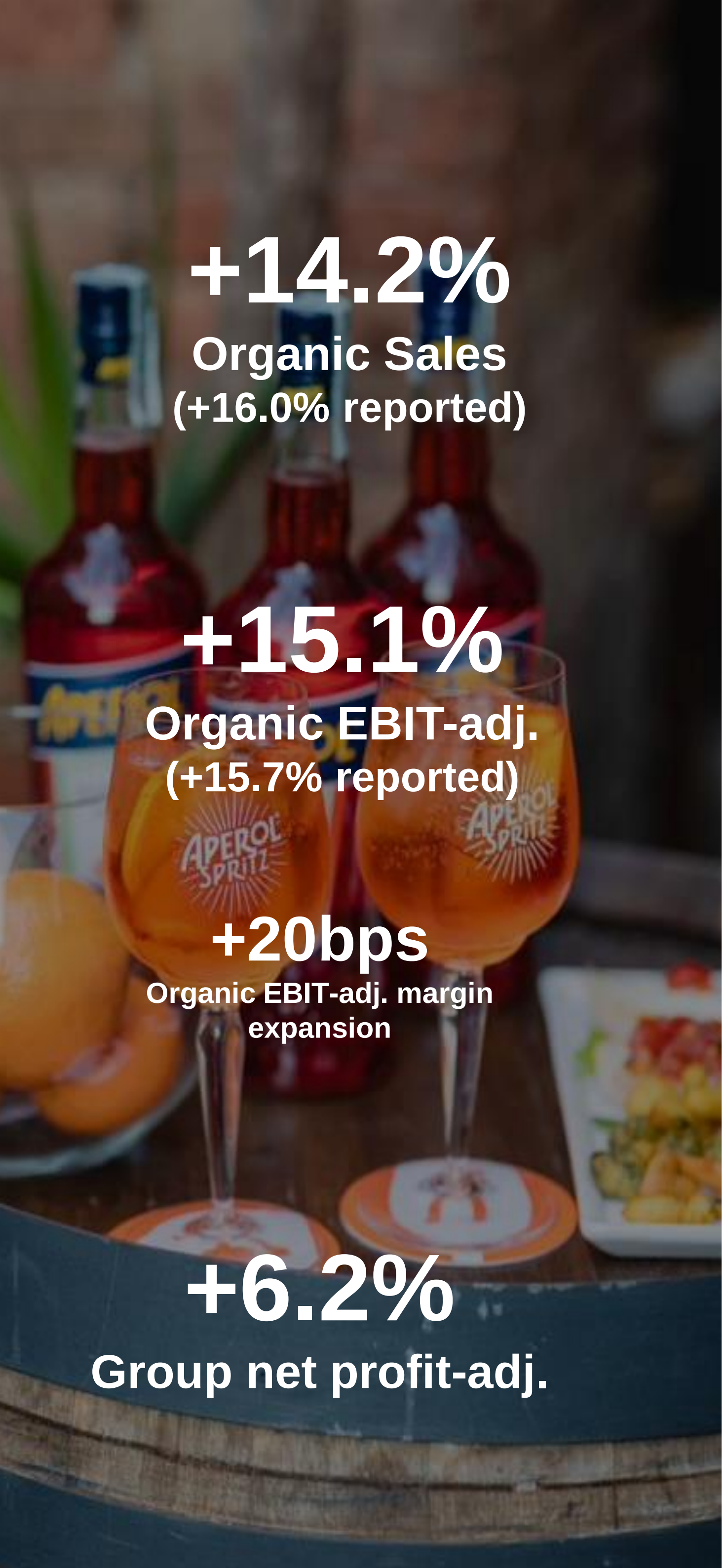
CAMPARI GROUP

Results Presentation
First Half Results ended 30 June 2023

July 26, 2023

TOASTING LIFE TOGETHER



+14.2%
Organic Sales
(+16.0% reported)

+15.1%
Organic EBIT-adj.
(+15.7% reported)

+20bps
Organic EBIT-adj. margin expansion

+6.2%
Group net profit-adj.

Very positive first half results with solid brand momentum continuing in the second quarter

> **Strong organic sales growth of +14.2% in the first half (+10.1% in Q2):**

- **solid brand momentum continued in the second quarter**, in particular, **aperitifs, tequila** and **premium bourbon**, **boosted also by pricing**
- the performance in Q2 reflected the **expected reversal of the temporary phasing effects** from Q1, **very poor weather** across core **Southern** & **Central Europe**, as well as **temporary delistings** from selected European retailers due to commercial negotiations in connection with price increases, which were subsequently passed through successfully

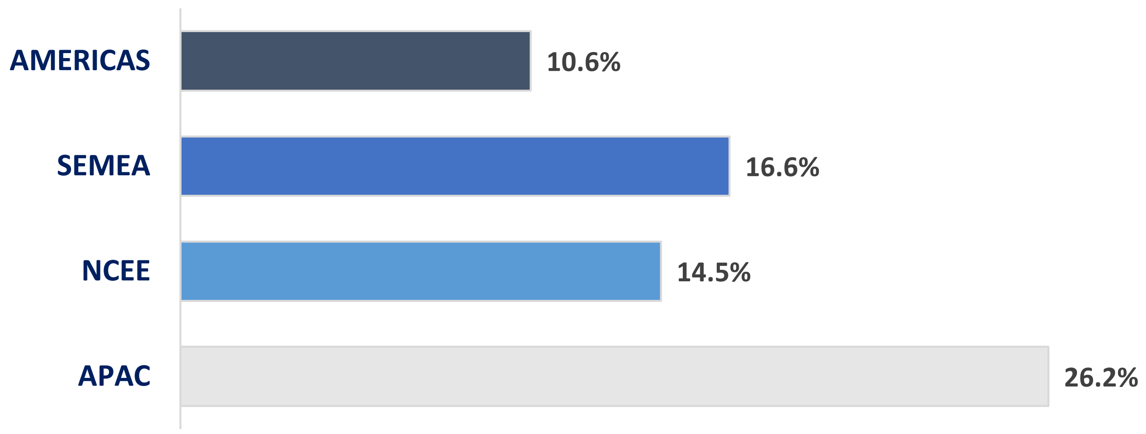
> **Solid organic EBIT-adj. growth of +15.1%**, with **+20 bps margin accretion** in the first half (**+5.3% in value**, -120bps margin dilution in Q2)**:**

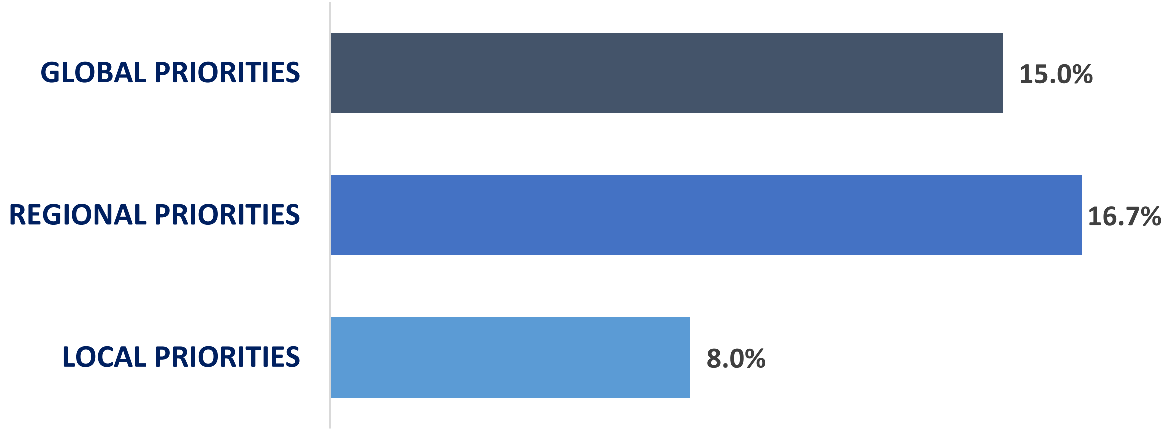
- **gross margin dilution in Q2** due to **negative reversal of Q1** and **the disproportional inflationary impact** (particularly the **high-season aperitifs**), with COGS inflation overall fully offset by price increases in value terms
- **phasing in A&P** linked to late start of the summer activations, impacted by bad weather

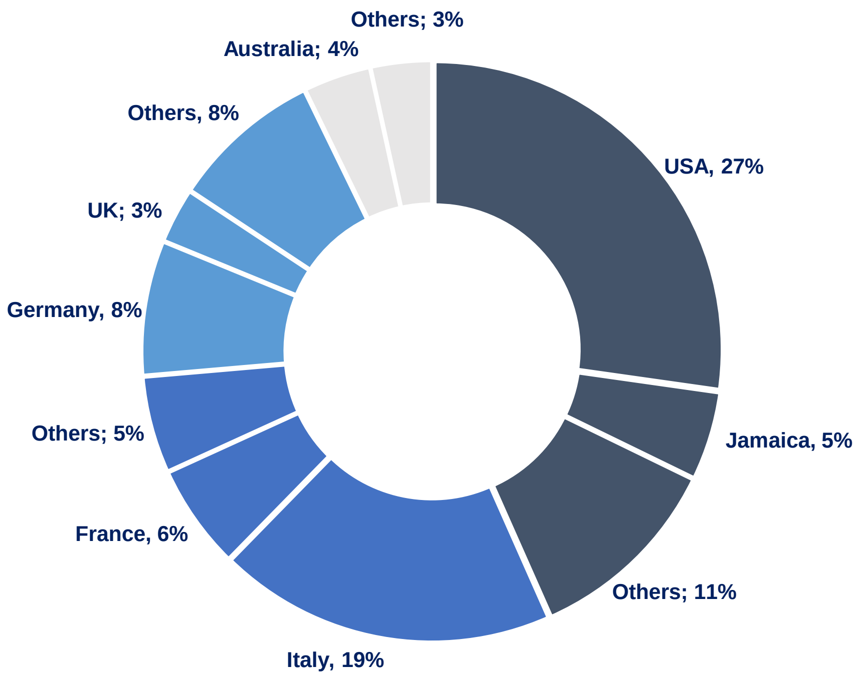
> **Full year guidance of flat organic EBIT-adj. margin confirmed in the current volatile macro-environment**

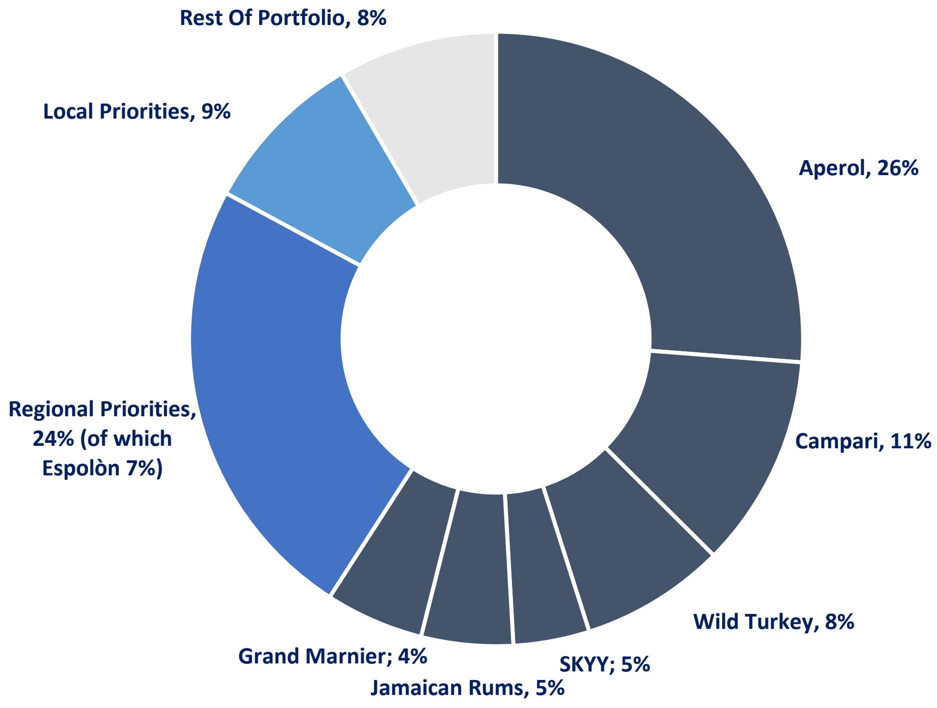
Solid growth across all regions, with aperitifs, tequila and premium bourbon outperforming

H1 2023 Net Sales Organic Performance and Weight Breakdown



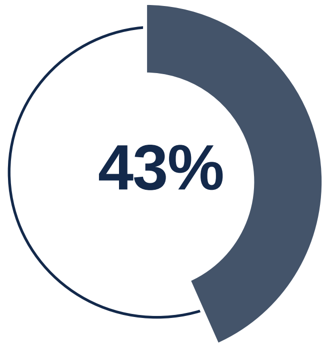




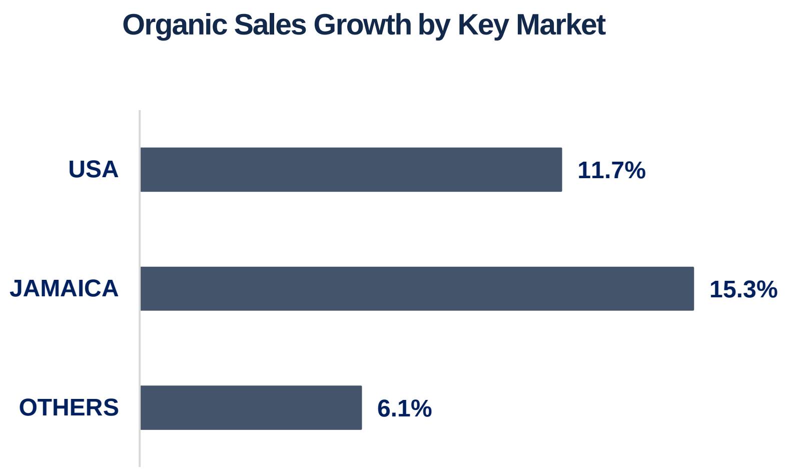


H1 2023 net sales organic performance by key market

AMERICAS

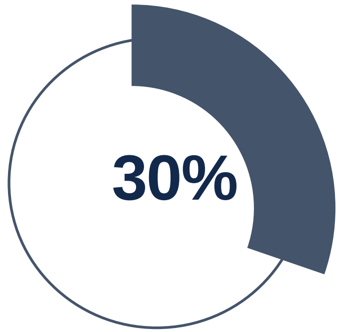


Organic Sales Growth:
+10.6%

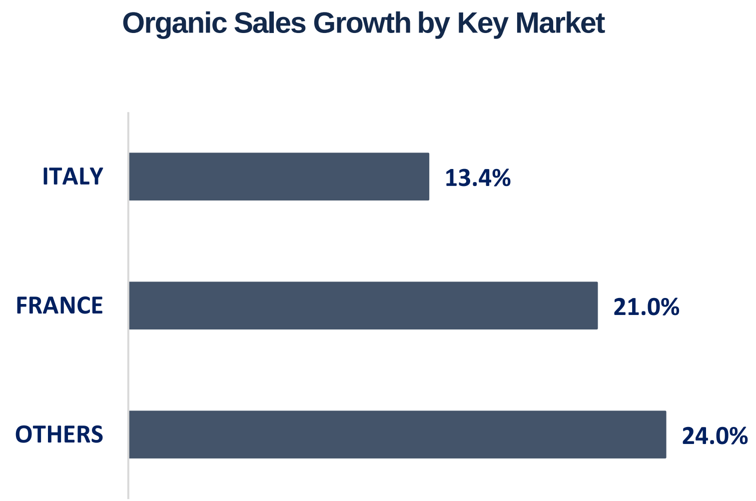


- **Very positive overall growth in the US** with Q2 shipments up +3.3% (vs. Q2 depletion of +16.3%), reflecting the **expected shipment phasing reversal** from Q1 and destocking in Grand Marnier. The positive performance in the first half was mainly driven by strong growth of **Aperol**, **Espolòn**, **Appleton Estate** as well as **Russell's Reserve**, with the **premiumisation of the bourbon portfolio continuing**
- Continued positive growth in **Jamaica** (Q2: +12.8%) thanks to **Magnum Tonic Wine**, **Appleton Estate** and **Wray&Nephew Overproof**
- Overall positive for the rest of the region, with growth from **Brazil** and **Mexico** offsetting weakness in other markets

SEMEA



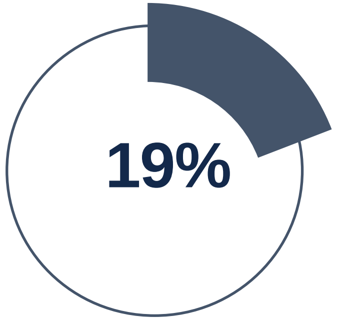
Organic Sales Growth:
16.6%



- **Underlying trends remain solid** in core **Italy**, with a very positive Q2 (+**8.1%**), driven by **pricing** including the most recent round, despite phasing reversal from Q1 and very poor weather. The growth in the first half was led by **Aperol**, **Campari**, **Campari Soda** and **Crodino**. The **Italian specialties** also grew as well as **Espolòn** off a small base
- Strong growth in **France** (Q2: +31.1%), driven by core **Aperol** and **Campari** as well as **Riccadonna sparkling wine** and **Lallier**
- **Positive overall performance** across the other markets including **Spain** and **Greece** thanks to continued momentum in a resilient consumer environment, led by **Aperol** and **Campari**. **GTR was up +49.8%** (Q2: +11.6%) with good momentum in Aperol, Campari, SKYY and Frangelico

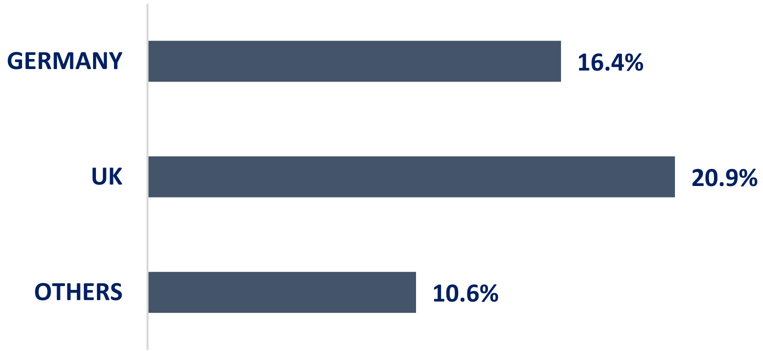
H1 2023 net sales organic performance by key market

NCEE



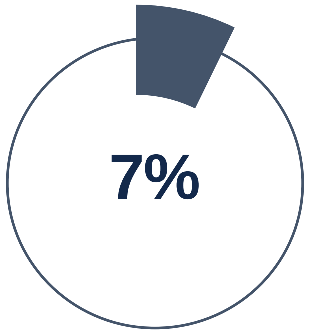
Organic Sales Growth:
+14.5%

Organic Sales Growth by Key Market



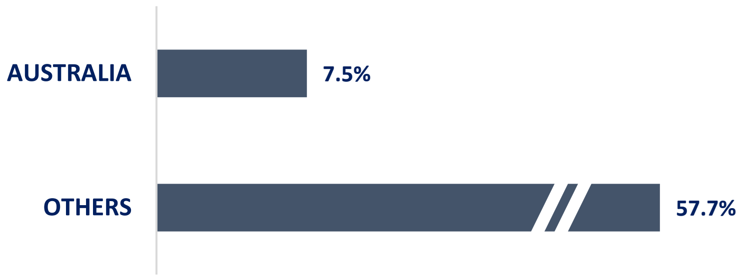
- **Underlying momentum in Germany remains solid** with an acceleration in Q2 (+19.3%), largely driven by the aperitif portfolio, including **Aperol**, **Aperol Spritz RTE, Campari**, **all growing double digits,** and **innovation (Sarti Rosa)**. Non-alcoholic **Crodino** continues to grow off a small base
- Continued outperformance in the tough **UK** market mainly driven by continued positive trends in **Aperol, Magnum Tonic Wine**, **Campari** and **Wray&Nephew Overproof**, all up **double digits**
- Good underlying trends remain in other markets, despite the poor weather earlier in the quarter

ASIA PAC



Organic Sales Growth:
+26.2%

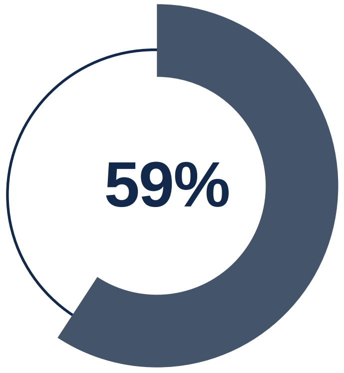
Organic Sales Growth by Key Market



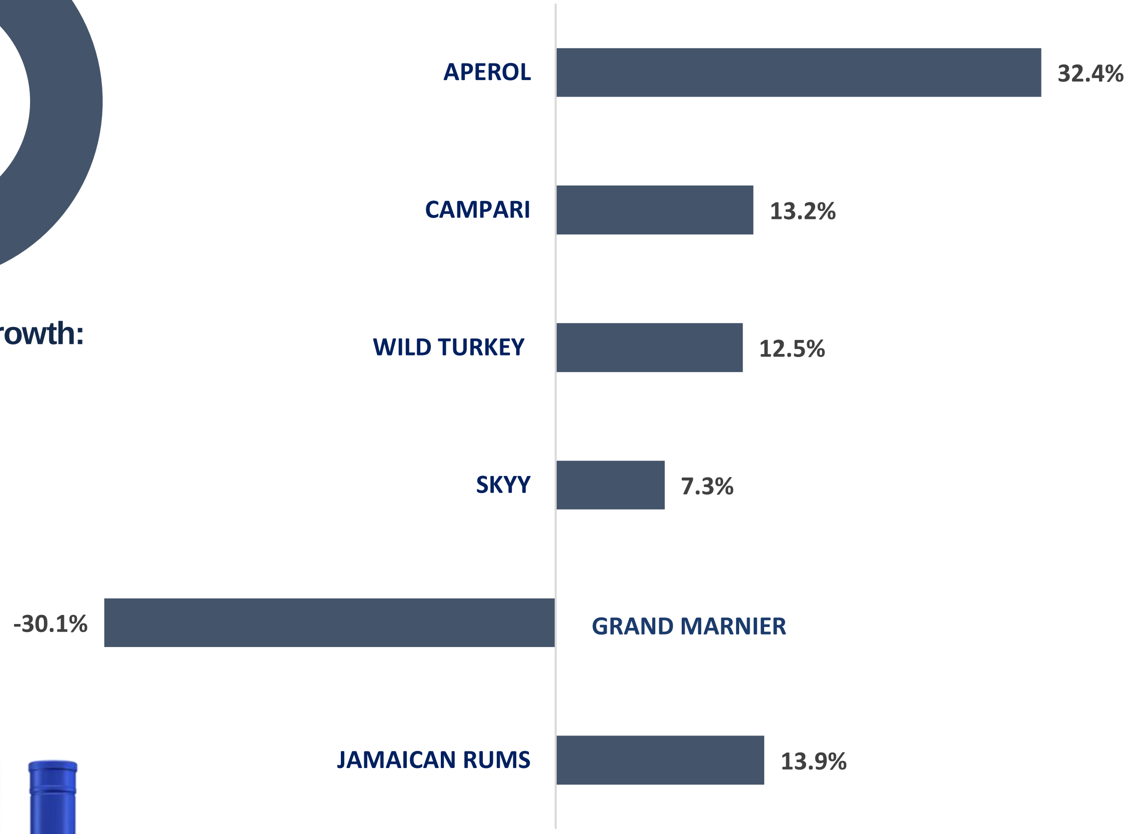
- Positive performance in **Australia after an acceleration in Q2** (**+10.1%**) largely led by **Wild Turkey ready-to-drink** thanks to a recovery in shipments as well as strong momentum in **Wild Turkey bourbon** and **Aperol**
- **South Korea grew double digits** in H1 driven by **high-end Wild Turkey offerings** and **The GlenGrant**, while the Q2 performance was slightly negative due to very tough comparison base (2022 Q2: +139.0%)
- **China** grew **strong double digits** against an easy comparison base, thanks to SKYY, The GlenGrant, Wild Turkey bourbon and X-Rated. **Strong growth in India** driven by Campari and Aperol. **Japan** also registered strong growth thanks to brown spirits as well as Campari

Global priorities net sales grew +15.0% organically

GLOBAL PRIORITIES



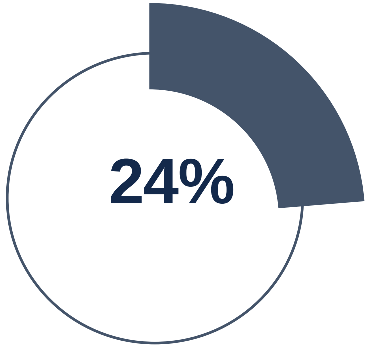
Organic Sales Growth: +15.0%



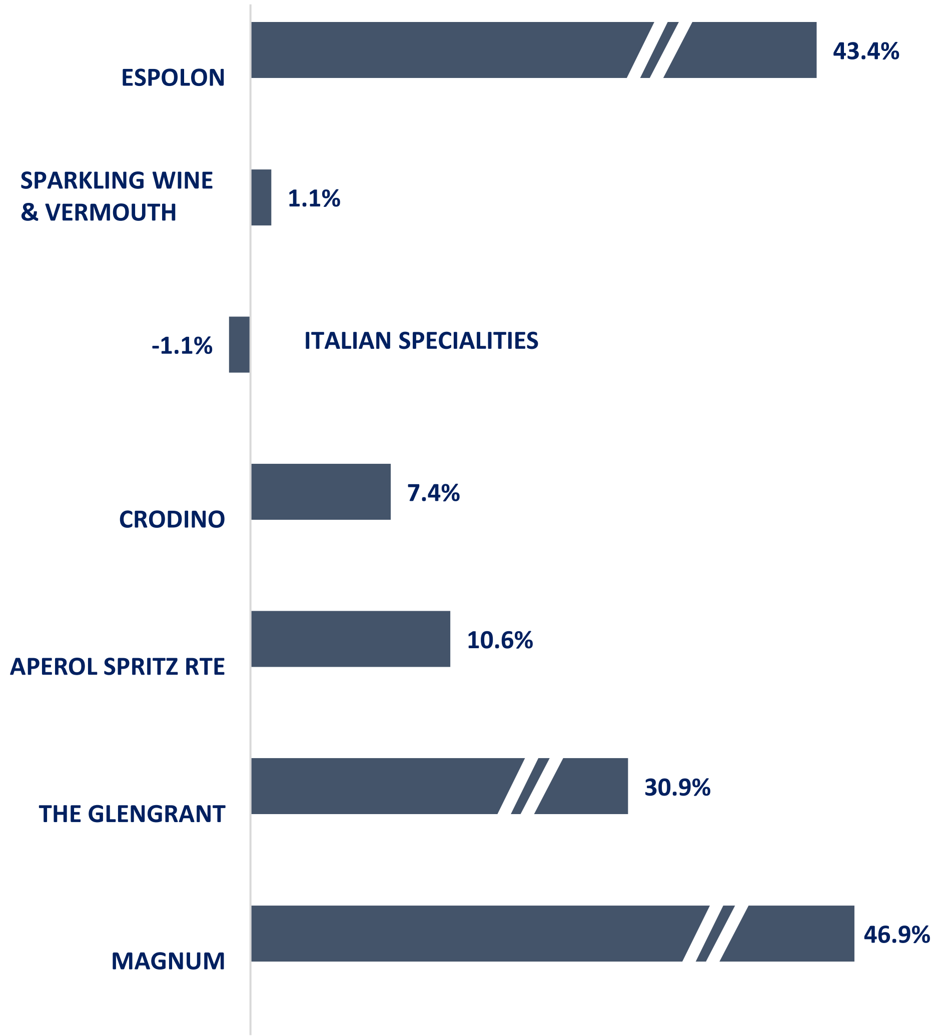
- **Aperol**: **strong momentum, boosted also by positive pricing,** driven by **core US (+122.5%), Italy (+18.0%), Germany (+22.2%)** and **France (+27.5%).** The **UK, Spain, Canada, Australia** as well as other **European markets all grew double digit,** while **GTR grew triple digits.** The **Q2 performance was positive (+26.6%)** driven by all core markets, including seeding markets in Asia Pacific, despite some temporary delistings in selected European markets in connection with price increases and poor weather conditions
- **Campari**: **solid growth** in core **Italy, the US, Brazil, Germany** as well as **the UK**, **Greece, France** and **Asian markets**. The brand performance was positive in Q2 (+5.0%), despite the negative phasing reversal impacting the core US as well as temporary delistings in selected European markets in connection with price increases and poor weather conditions
- **Wild Turkey**: positive performance driven by **core US**, **Australia**, **Japan** and **South Korea**, with an **outperformance of high-margin Russell's Reserve** (+76.0%)
- **SKYY**: positive overall thanks to growth in international markets such as **China, Australia, South Korea, Japan** as well as **GTR**. The **US** also grew overall after expected reversal in Q2
- **Grand Marnier**: negative shipments performance impacted by the destocking in the core US due to balancing out of inventory levels, which continued in Q2
- **Jamaican Rums**: **Appleton Estate** was positive overall (**+18.2%**) driven by continued favourable category trends in the premium end of rum. **Wray&Nephew Overproof** grew by **+12.4%** thanks to core **Jamaica** and **the UK**

Regional priorities net sales grew +16.7% organically

REGIONAL PRIORITIES



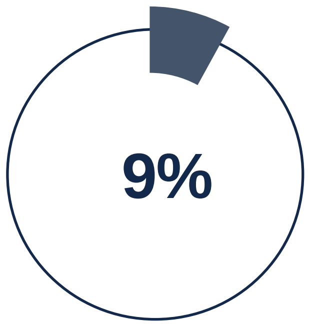
Organic Sales Growth:
+16.7%



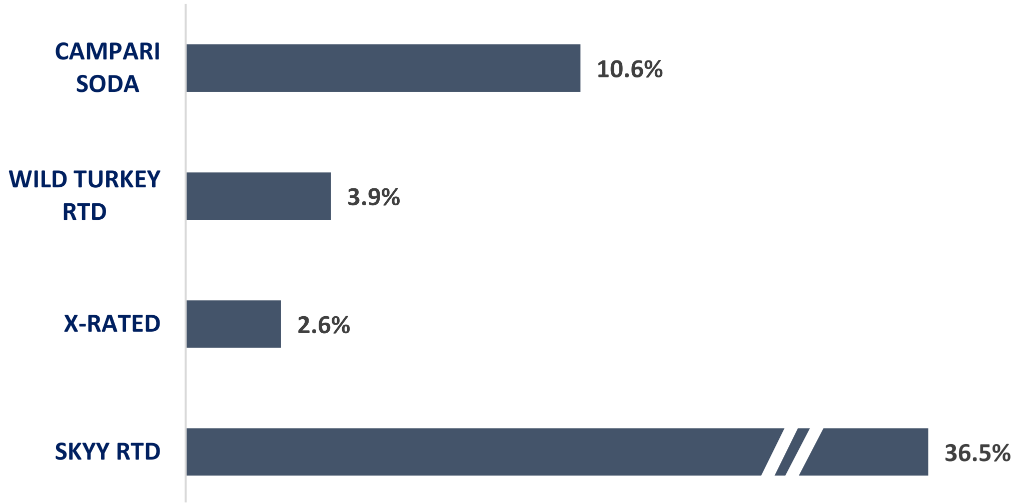
- **Espolòn**: continued momentum in the **core US** (Q2 +30.8%) as the brand continues to attract consumers and gain share
- **Sparkling Wine & vermouth**: slightly positive thanks to good momentum of Riccadonna in France
- **Italian specialties**: slightly negative performance largely due to weakness of Frangelico as well as Averna in core Italy
- **Crodino**: **positive performance** overall despite temporary weakness in core Italy and central European markets in Q2 due to poor weather
- **Aperol Spritz RTE**: overall positive despite temporary weakness in core Italy
- **The GlenGrant**: strong performance overall, in particular within **South Korea, Australia, Japan** and **China,** driven by **high-end expressions**
- **Magnum Tonic Wine:** strong momentum in the core **UK** and **Jamaica**
- **Other brands:** positive growth across the portfolio, in particular **Montelobos, Ancho Reyes**, **Lallier** and **Trois Rivières**

Local priorities net sales grew +8.0% organically

LOCAL PRIORITIES



Organic Sales Growth:
+8.0%



> **Campari Soda**: strong performance mainly driven by pricing in core Italy

> **Wild Turkey ready-to-drink**: positive performance driven by the recovery in core Australia in Q2

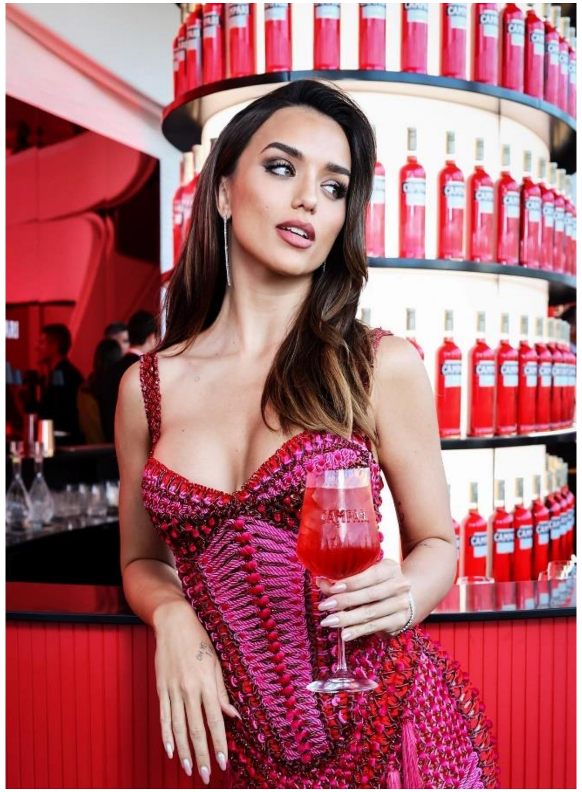
> **X-Rated**: overall positive thanks to recovery in core China

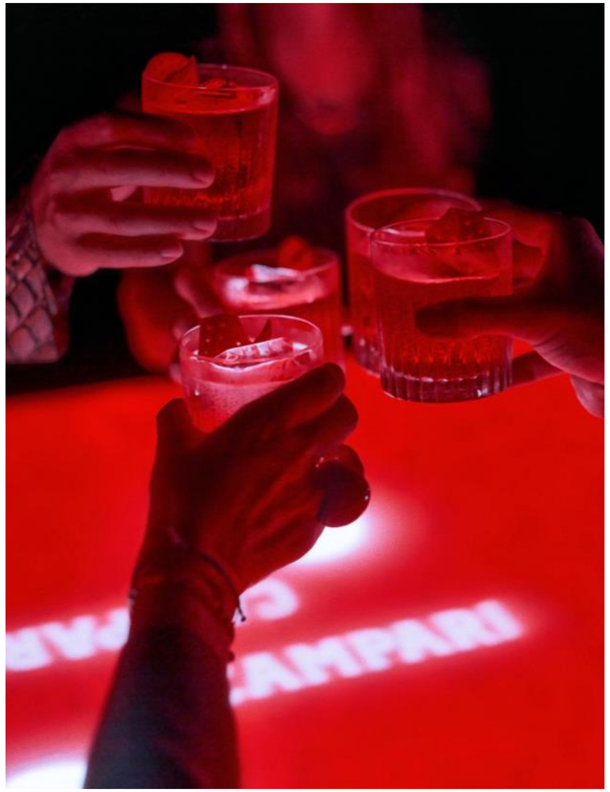
> **SKYY ready-to-drink**: strong growth in core Mexico

Campari lights up the Milanese sky with a never seen before show of illuminated drones for new bottle launch

Youtube link: Milano, House of Campari – Capitolo quinto – Drone Show Extended -

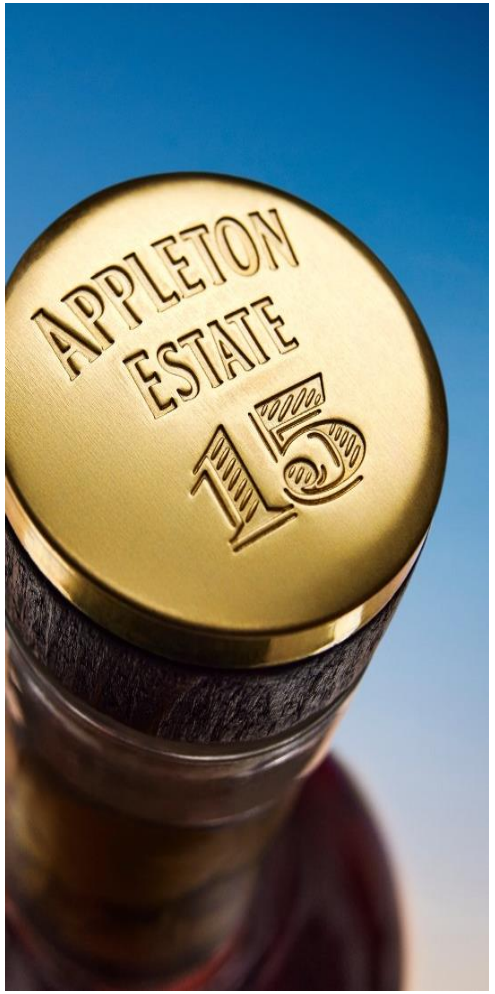
Campari celebrates unforgettable creations at 76th Festival de Cannes

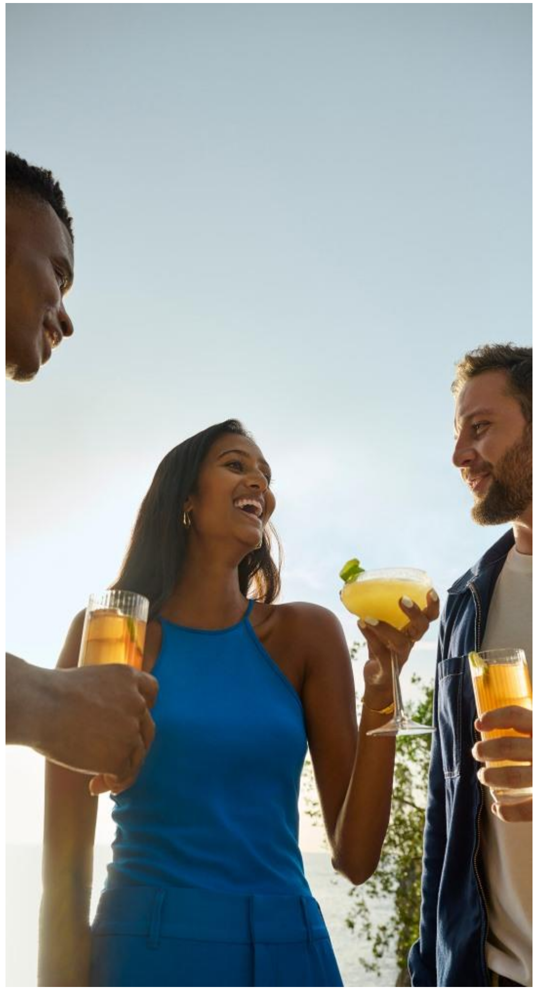




Appleton Estate Launches "Land on the Extraordinary": exploring the brand's incomparable rum heritage, watch here:

[Appleton Estate 8yo: Land on the Extraordinary]





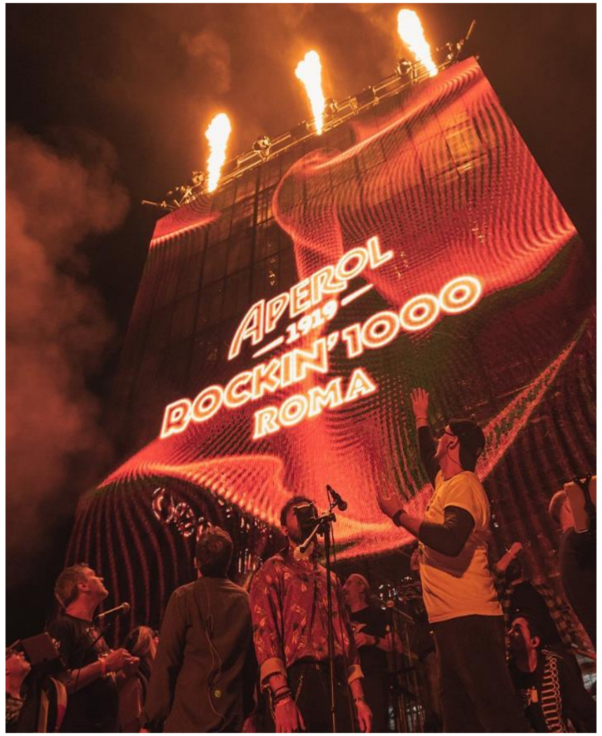
Aperol Spritz Summer Season: orange wave well underway to the sound of music

Aperidisco: Battersea, London

Aperol Island: Primavera Festival, Madrid

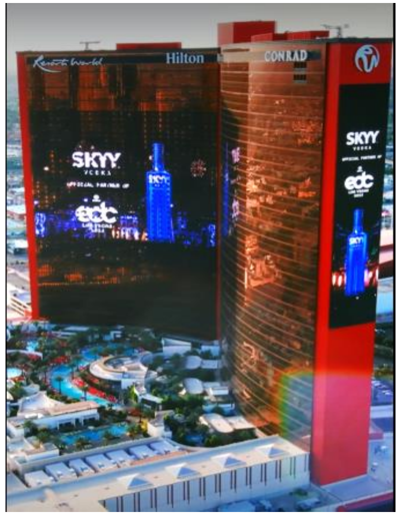
Aperol Piazza: Heart of Vienna

Aperol Rock: Rockin'1000, Rome

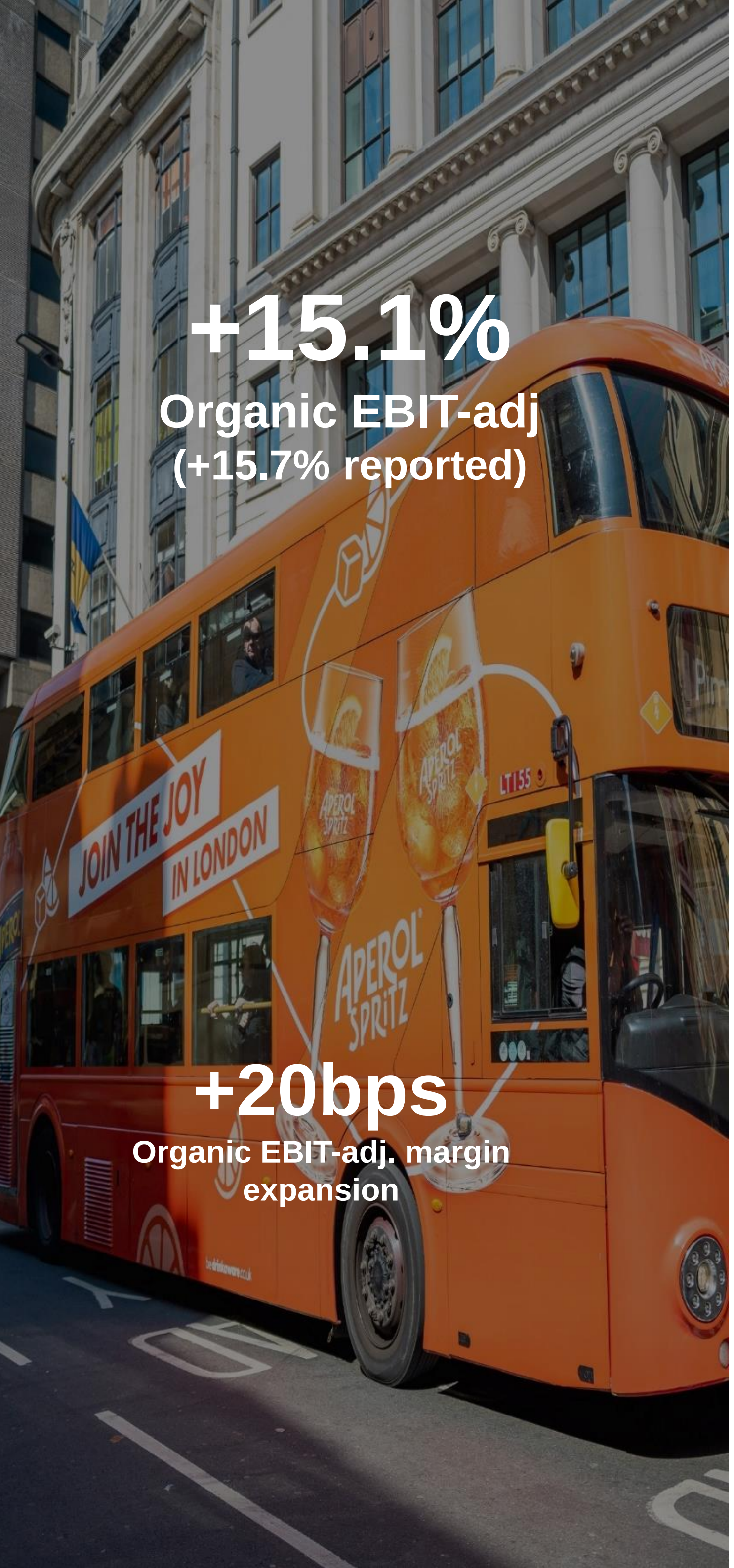


SKYY
VODKA
EST. 1992 SAN FRANCISCO, USA

SKYY Las Vegas: EDC Festival Pool Party(s) Takeover and SKYY Cove pop-up



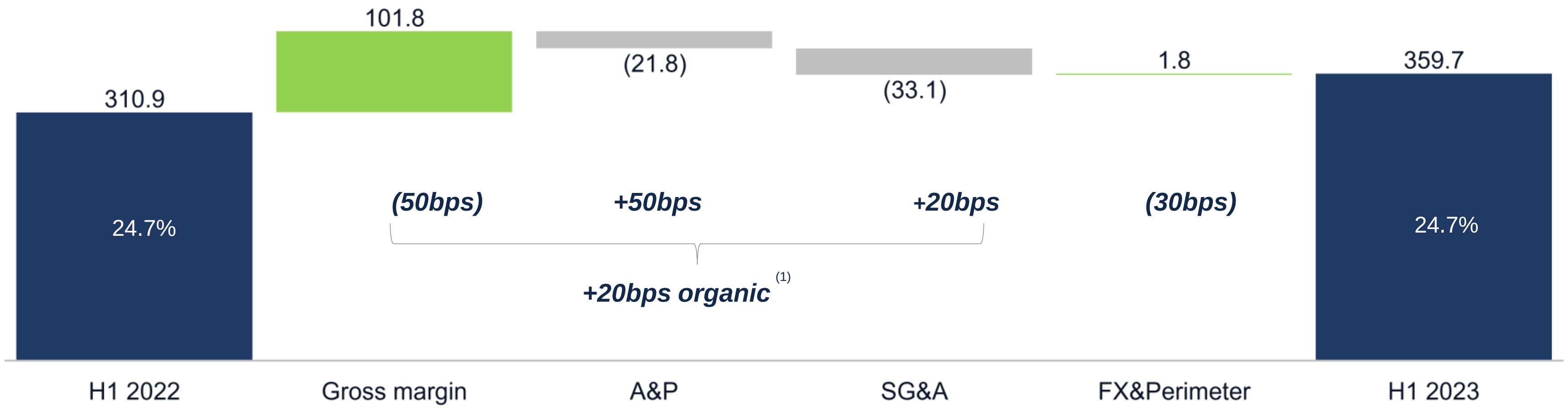
FINANCIAL REVIEW



+15.1%
Organic EBIT-adj (+15.7% reported)

+20bps
Organic EBIT-adj. margin expansion

Double-digit EBIT-adjusted organic growth with +20bps organic margin expansion



> **EBIT-adj. organic growth** of **+15.1%**, **+20bps organic margin accretion (Q2: +5.3%, -120bps dilution):**

- **gross profit** increase of **+13.3%**, **-50bps** margin dilution in H1, impacted by **COGS inflation**, only partially mitigated by **positive pricing** and **sales mix**. **Gross margin** dilution of **-100bps in Q2** due to **negative reversal of Q1** and **the disproportional inflationary impact** (particularly the **high-season aperitifs**), with COGS inflation overall fully offset by price increases in value terms
- **A&P** increase of **+10.7%** with sustained investments behind key brands, **+50bps** margin accretion driven by **A&P phasing** due to very poor weather conditions impacting the start of summer activations. **SG&A** increase of **+13.1%** reflecting the continuous **investments in the business infrastructure**, generating **+20bps margin accretion** thanks to strong topline growth. In Q2, A&P and SG&A grew slightly above topline (combined margin dilution of -10bps)

> **EBIT-adj. reported change** of **+15.7% in value,** including:

- **negative forex effect** of -1.9% (or **-€6.0 million**, -40bps dilutive), mainly driven by the depreciation of the US dollar in Q2 vs neutral on net sales
- **positive perimeter effect** of +2.5% (or **€7.8 million**, +10bps accretive) vs +1.8% (€22.7 million) on net sales, thanks to the consolidation of Picon and Wilderness Trail Distillery, LLC, with the latter generating lower than originally guided contribution, due to **prioritization of liquid allocation from bulk sales to future growth of high-margin own brands**

> **EBITDA-adj. was €411.1 million, reported change** of **+16.4%**, of which: +15.1% organic, +3.0% perimeter effect and -1.6% forex effect

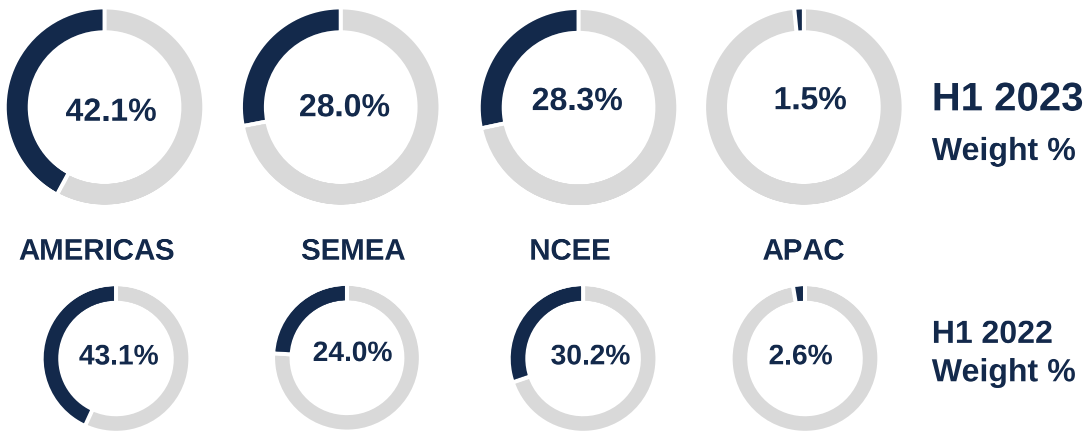
(1) Bps rounded to the nearest ten

Double-digit EBIT (1) organic growth mostly driven by SEMEA

Margin growth drivers

Change vs H1 2022	EBIT margin (%)	Net sales organic growth (%)	EBIT organic growth (%)	EBIT margin org. progression bps (2)	Gross margin org. progression bps (2)	A&P org. progression bps (2)	SG&A organic progression bps (2)
AMERICAS	23.9%	10.6%	13.0%	50	-80	30	100
SEMEA	22.9%	16.6%	29.9%	230	20	110	100
NCEE	36.5%	14.5%	8.8%	-190	-180	70	-80
APAC	5.3%	26.2%	-14.7%	-310	270	-200	-380

EBIT REGIONAL WEIGHT (% of Group EBIT)



EBIT adj. organic margin performance:

> **Americas** (**42.1% of Group overall,** up **+13.0%**), **margin accretion of +50bps,** driven by:
- **gross margin** dilution of **-80bps** due to COGS inflation and less favourable sales mix (outperformance of Espolòn which continues to be impacted by high agave purchase price), only partially mitigated by positive pricing; **A&P** and **SG&A accretive of +30bps** and **+100bps respectively** thanks to sustained topline growth

> **SEMEA** (**28.0% of Group overall,** up **+29.9%**), **margin improvement of +230bps**, driven by:
- **gross margin** expansion of **+20bps** driven by **strong pricing** including the increases introduced last fall as well as **favourable sales mix,** more than offsetting the COGS inflation; **A&P** was highly accretive by **+110bps** due to **delayed activations** in connection with very poor weather and **SG&A** accretive by **+100bps** with strong topline driving operating leverage

> **NCEE** (**28.3% of Group overall,** up **+8.8%**), **margin dilution of -190bps**, driven by:
- **gross margin** dilution of **-180bps,** impacted by COGS inflation, only partially offset by the pricing effects kicking in towards late Q2; **A&P** accretive by **+70bps** following the delay in the start of summer activations due to poor weather; **SG&A** dilutive by **-80bps** due to the strengthening of commercial capabilities in key markets

> **APAC** (**1.5% of Group overall,** down **-14.7%**), **margin dilution of -310bps**, driven by:
- **gross margin** accretion of **+270bps** thanks to **strong pricing**, very **favourable sales mix** driven by **continued premiumisation**, which more than offset COGS inflation; **A&P** and **SG&A** grew faster than topline**,** leading to margin dilution of **-200bps** and **-380bps** respectively, driven by **robust investments behind premium brands** and **route-to-market capabilities**

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

Profit before taxation

	H1 2023		H1 2022		total change
	€ million	% sales	€ million	% sales	%
EBIT-adjusted	**359.7**	**24.7%**	**310.9**	**24.7%**	**15.7%**
Operating adjustments	(16.0)	-1.1%	(22.1)	-1.8%	-27.3%
Operating profit = EBIT	**343.7**	**23.6%**	**288.9**	**23.0%**	**19.0%**
Financial income (expenses)	(32.4)	-2.2%	(4.7)	-0.4%	-
Hyperinflation effects	1.2	0.1%	(0.4)	-	-
Profit (loss) related to associates and joint ventures	(1.4)	-0.1%	(1.6)	-0.1%	-11.2%
Profit before taxation	**311.1**	**21.3%**	**282.3**	**22.5%**	**10.2%**
Profit before taxation-adjusted	**326.2**	**22.4%**	**304.3**	**24.2%**	**7.2%**

➡

Financial income/(expenses) breakdown:

Financial income/(expenses) breakdown:	H1 2023	H1 2022
Total financial expenses before exchange gain/(loss)	**(21.9)**	**(10.0)**
Exchange gain (losses)	(10.5)	5.3
Total financial income (expenses)	**(32.4)**	**(4.7)**

> **Operating adjustments of €(16.0) million,** mainly attributable to provisions linked to restructuring initiatives and long-term retention schemes as well as other non-recurring costs related to IT projects

> **Total financial income/(expenses)** were **€(32.4) million**, increased by €(27.7) million vs. H1 2022, of which:

- excluding the exchange effects**, the financial expenses were €21.9 million** (vs. €10.0 million in H1 2022), showing an **increase of €11.9 million** due to the combined effect of the higher level of average net debt in H1 2023 (€1,664.9 million vs. €890.2 million in H1 2022) and higher average **cost of net debt** (**2.6%** vs. 2.2% in H1 2022)
- exchange loss of €(10.5) million (vs. €5.3 million gain in H1 2022) linked to cross-currency transactions involving certain emerging markets currencies (incl. Argentine Peso) for which hedging would not be cost efficient hence not activated by the Group

> Hyperinflation effect and the profit (loss) related to associates and joint ventures were respectively €1.2 million and €(1.4) million

> Profit before taxation was €311.1 million, up +10.2%. **Profit before taxation-adjusted** was **€326.2 million**, **up +7.2%**

+6.2%

Group net profit-adjusted

Group net profit-adjusted

	H1 2023			H1 2022			% change H1 2023 vs H1 2022	
	Reported	**Adjustments**	**Adjusted**	**Reported**	**Adjustments**	**Adjusted**	**Reported**	**Adjusted**
Profit before taxation	311.1	(15.1) (3)	326.2	282.3	(22.1)	304.3	10.2%	7.2%
Taxation (1)	(93.4)	(1.9)	(91.6)	(82.7)	1.0	(83.8)	12.9%	9.3%
Net profit	**217.6**	**(17.0)**	**234.6**	**199.5**	**(21.1)**	**220.6**	**9.1%**	**6.4%**
Non-controlling interests	0.7		0.7	0.4		0.4	81.7%	81.7%
Group net profit (2)	**216.9**	**(17.0)**	**233.9**	**199.1**	**(21.1)**	**220.2**	**8.9%**	**6.2%**
Tax rate (reported/recurring effective)	**-30.0%**		**-28.1%**	**-29.3%**		**-27.5%**		
Deferred tax on goodwill and brands			(10.9)			(8.1)		
Recurring cash tax rate			**-24.7%**			**-24.9%**		

(1) Including deferred tax on goodwill and brands
(2) Excluding result relating to non-controlling interest
(3) Including other operating expenses and remeasurement of previously held joint-venture investments

> **Taxation** totalled **€93.4 million** on a reported basis with recurring income taxes equal to €91.6 million

> **Group net profit adjusted at €233.9 million**, up **+6.2%**

- **recurring tax rate at 28.1%** in H1 2023, +60bps higher than H1 2022 (i.e. 27.5%), due to unfavorable country mix
- **deferred tax** relating to the amortization of goodwill and brands for tax purposes, amounted to **€10.9 million**, €2.8 million higher than last year, mainly due to the first-time inclusion of the deferred tax effect from Wilderness Trail Distillery, LLC
- excluding the impact of the non-cash component linked to deferred taxes, **recurring cash tax rate** stood at **24.7%** in H1 2023, **down -20bps** vs. H1 2022, thanks to higher deferred taxes

> **Group net profit reported at €216.9 million,** up **+8.9%**

> **Basic earnings per share adjusted at €0.21**, up **+6.6%**

Free cash flow reflects strong working capital absorption

	H1 2023		H1 2022		Δ H1 2023 vs H1 2022		Δ H1 2023 vs H1 2022	
	Total	*Recurring*	Total	*Recurring*	Total		*Recurring*	
	€ million	*€ million*	€ million	*€ million*	€ million	%	*€ million*	%
EBITDA	**395.0**		**330.9**		**64.1**	**19.4%**		
EBITDA adjusted		***411.1***		***353.0***			***58.1***	***16.4%***
Taxes paid	(120.4)	*(115.4)*	(89.8)	*(74.6)*	(30.6)		*(40.8)*	
Effects from hyperinflation accounting in Argentina	5.2	*5.2*	3.5	*3.5*	1.7		*1.7*	
Accruals and other changes from operating activities	44.8	*39.5*	(27.5)	*(32.8)*	72.2		*72.3*	
Cash flow from operating activities before working capital changes	**324.6**	***340.4***	**217.2**	***249.2***	**107.4**	**49.5%**	***91.3***	***36.6%***
Change in OWC (at constant FX and perimeter)	(372.1)	*(372.1)*	(108.9)	*(108.9)*	(263.2)		*(263.2)*	
Cash flow from operating activities	**(47.5)**	***(31.7)***	**108.2**	***140.2***	**(155.8)**	**-143.9%**	***(171.9)***	***-122.6%***
Net interests paid	(18.5)	*(18.5)*	(4.9)	*(4.9)*	(13.7)		*(13.7)*	
Capex	(88.4)	*(41.5)*	(63.1)	*(37.0)*	(25.2)		*(4.5)*	
Free Cash Flow (FCF)	**(154.4)**	***(91.7)***	**40.2**	***98.4***	**(194.7)**	**-483.8%**	***(190.1)***	***-193.2%***

> **Recurring cash flow from operating activities before working capital changes** of **€340.4 million**, **up €91.3 million**, **or +36.6%** vs. H1 2022. Key drivers:

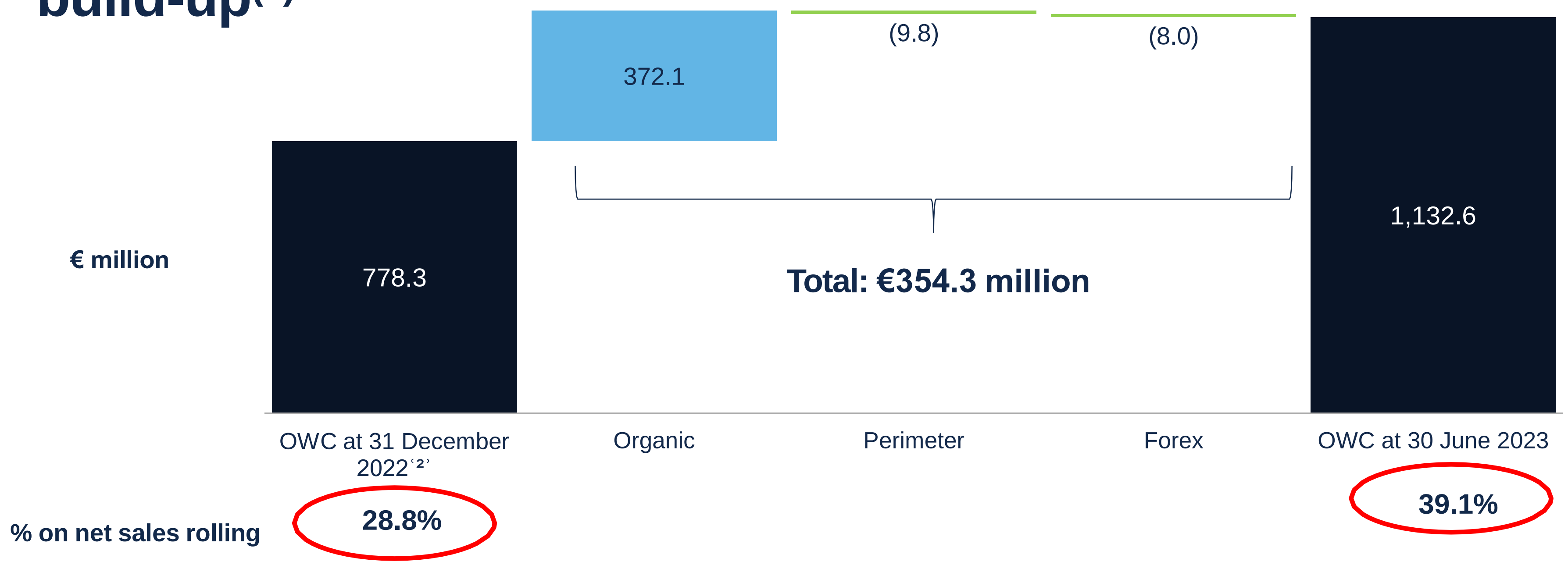
- **Increase in EBITDA adjusted** of **€58.1 million**
- **Higher taxes paid of €40.8 million**, reflecting stronger business performance as well as tax payment cycles
- **Effects from the hyperinflation accounting** in Argentina had a positive effect of €5.2 million (vs. positive effect of €3.5 million in H1 2022)
- Variation in **accruals and other changes from operating activities** of **€39.5 million** mainly related to excise taxes and VAT (vs. negative impact of €(32.8) million in H1 2022)

> **Recurring free cash flow** was negative at **€(91.7) million**, down €(190.1) million vs. H1 2022, due to:

- A negative cash effect from **OWC[(1)] step-up** of **€372.1 million,** significantly higher than last year (i.e. €108.9 million negative cash effect in H1 2022)
- **Net interest paid of €18.5 million, €13.7 million higher** vs. last year
- **Maintenance capex** of **€41.5 million,** up €4.5 million vs. last year. **Extraordinary capex amounted to €46.9 million**, mainly related to the **production capacity expansion projects,** expected to accelerate in H2 according to announced capex plan

(1) Refer to next slide for details on operating working capital

Operating Working Capital increase largely driven by inventory build-up[1]



> **OWC as % of last 12 months rolling net sales at 39.1%** as of 30 June 2023, **vs. 28.8% as of 2022 year-end** and 32.4% at 30 June 2022

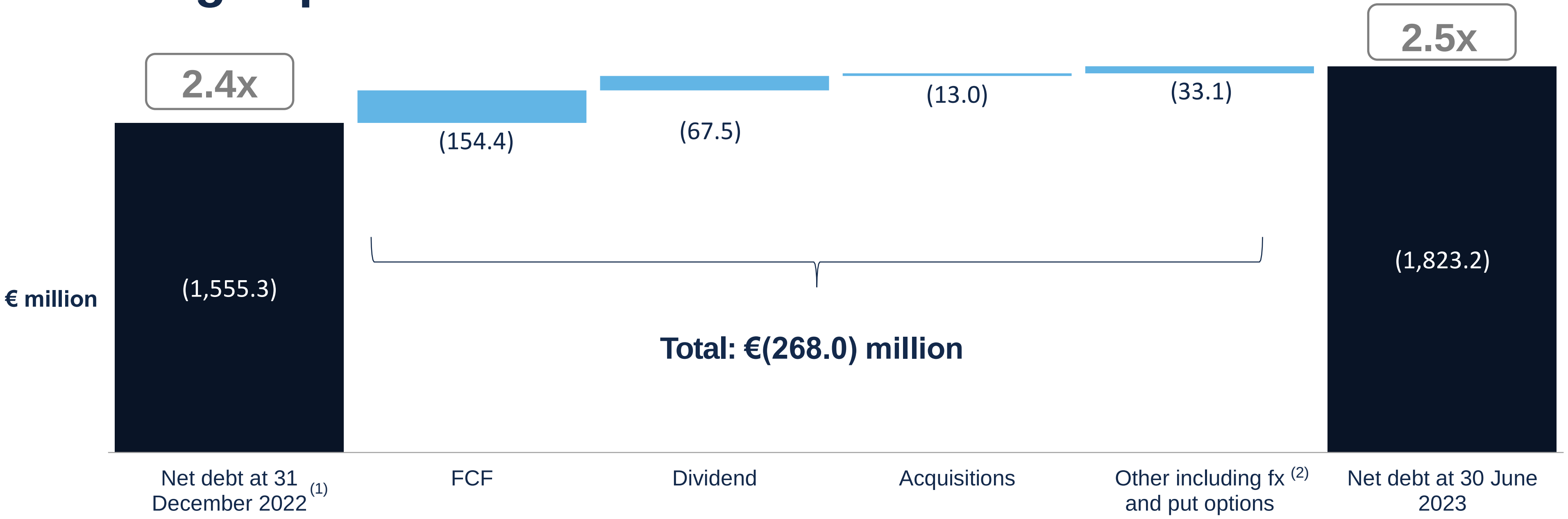
> **OWC increase of €354.3 million** as of 30 June 2023 vs. 31 December 2022. Key drivers:

- **Organic increase of €372.1 million**, due to:
  - **increase in inventory** of **€230.8 million,** of which an **increase of €57.5 million in ageing liquid** across whiskey, rum, tequila and cognac in order to support the Group's premiumization strategy. Excluding the ageing liquid, the **step up** of **other inventory** of **€170.7 million** was driven by the **planned inventory build-up** to support consumer demand ahead of key summer season as well as **temporary safety stock build** in connection with the plant capacity expansion
  - **increase in receivables** of **€128.4 million** driven by positive business performance and successful price increases
  - **slight decrease in payables** of **€12.9 million**
- Perimeter effect of **€(9.8) million,** attributable to the first-time consolidation of new in-market companies (i.e. Japan and New Zealand).
- Forex impact of **€(8.0) million,** mostly driven by the **depreciation of the US dollar**

> **OWC on net sales pro-forma ratio of 38.9% if adjusted for the pro-forma effects of the recent acquisition**

(1) Refer to Annex 'Operating working capital' for details
(2) Values restated as a result of the purchase price allocation of Wilderness Trail Distillery, LLC

Increase in net debt mainly due to strong cash absorption by working capital



- **Net financial debt** at **€1,823.2 million** as of 30 June 2023**, up €268.0 million** vs. last year, reflecting the negative free cash flow for €(154.4) million largely due to cash absorption for **inventory build-up**, as well as **cash outlays** for the **dividend payment** (€67.5 million) and acquisitions of minority stakes and other investments (€13.0 million)
- **Cash and equivalents** amounted to €623.7 million as of 30 June 2023, up €188.3 million vs. 31 December 2022
- **Long-term Eurobonds & term loan** amounted to €1,937 million with an average nominal coupon of 3.61%
- **Net debt to EBITDA adjusted [3] ratio at 2.5x** as of 30 June 2023 (same as on pro-forma basis including recent acquisition), slightly increased from 2.4x as of 31 December 2022 (or 2.2x including the pro-forma EBITDA effect of the recent acquisitions)

(1) Values restated as a result of the purchase price allocation of Wilderness Trail Distillery, LLC
(2) Changes in liabilities due to the remeasurement of the put option values related to purchase of the remaining stake of Ancho Reyes, Montelobos and Trans Beverages Ltd
(3) Twelve-month EBITDA adjusted

Outlook

> **Looking at the remainder of the year:**

> **Full year guidance** of **flat organic EBIT-adj margin in 2023**(1) **remains confirmed in the current volatile macro-environment**

- **the positive business momentum across key brand-market combinations is expected to continue**, **reflecting business seasonality and expected normalization in volume growth**, thanks to **strong brand equity** and **continued strength in the on-premise**
- **margin trends** are expected to reflect the **sales mix evolution**, **different comparison bases** for **pricing effects** as well as **initial easing effects on input costs inflation**, alongside **phasing of A&P** as well as **continued sustained investments** to strengthen the Group's commercial capabilities (route-to-market)

> **Forex & Perimeter:**

- **the negative forex trends** are expected **to accelerate**, **reflecting the weakening USD dollar** as well as **other key Group currencies**
- **perimeter effect** is expected to be **approx. €10-15 million on EBIT-adj** on a full year basis, **reflecting the prioritization of bulk liquid allocation of Wilderness Trail Distillery to the future development of own brands**

> **In the medium-term**, **looking beyond 2023**

> We remain **confident to continue delivering strong organic topline growth** and **margin expansion** leveraging **mix improvement** as well as **input cost inflation normalization**

(1) Guidance provided upon FY2022 results release

Annex

EBIT-adjusted by region

Americas

	H1 2023		H1 2022		Reported change	Organic change	Perimeter	FX
	€ million	% of sales	€ million	% of sales	%	%	%	%
Net sales	632.1	100.0%	556.3	100.0%	13.6%	10.6%	1.6%	1.5%
Gross profit	352.3	55.7%	319.2	57.4%	10.4%	9.0%	1.1%	0.3%
A&P	(101.9)	-16.1%	(92.6)	-16.6%	10.0%	8.3%	-	1.8%
SG&A	(99.1)	-15.7%	(92.5)	-16.6%	7.2%	3.8%	1.4%	2.1%
EBIT-adj.	**151.4**	**23.9%**	**134.1**	**24.1%**	**12.8%**	**13.0%**	**1.6%**	**-1.8%**

North, Central & Eastern Europe

	H1 2023		H1 2022		Reported change	Organic change	Perimeter	FX
	€ million	% of sales	€ million	% of sales	%	%	%	%
Net sales	279.1	100.0%	243.9	100.0%	14.4%	14.5%	1.0%	-1.1%
Gross profit	191.2	68.5%	172.3	70.6%	10.9%	11.6%	0.9%	-1.5%
A&P	(46.4)	-16.6%	(42.5)	-17.4%	9.0%	10.2%	0.1%	-1.3%
SG&A	(42.9)	-15.4%	(35.9)	-14.7%	19.6%	20.5%	-	-1.0%
EBIT-adj.	**101.9**	**36.5%**	**93.9**	**38.5%**	**8.5%**	**8.8%**	**1.6%**	**-1.9%**

Southern Europe, Middle East & Africa

	H1 2023		H1 2022		Reported change	Organic change	Perimeter	FX
	€ million	% of sales	€ million	% of sales	%	%	%	%
Net sales	441.3	100.0%	370.8	100.0%	19.0%	16.6%	2.7%	-0.2%
Gross profit	278.8	63.2%	235.2	63.4%	18.5%	16.9%	2.0%	-0.3%
A&P	(60.1)	-13.6%	(55.3)	-14.9%	8.7%	7.8%	1.2%	-0.3%
SG&A	(117.8)	-26.7%	(105.1)	-28.4%	12.0%	12.4%	-	-0.4%
EBIT-adj.	**100.9**	**22.9%**	**74.8**	**20.2%**	**34.9%**	**29.9%**	**5.3%**	**-0.3%**

Asia Pacific

	H1 2023		H1 2022		Reported change	Organic change	Perimeter	FX
	€ million	% of sales	€ million	% of sales	%	%	%	%
Net sales	105.4	100.0%	85.9	100.0%	22.6%	26.2%	1.9%	-5.5%
Gross profit	50.0	47.4%	39.7	46.3%	25.7%	33.6%	0.9%	-8.8%
A&P	(17.2)	-16.3%	(12.4)	-14.4%	39.2%	43.8%	1.8%	-6.5%
SG&A	(27.2)	-25.8%	(19.3)	-22.4%	41.2%	47.5%	-	-6.3%
EBIT-adj.	**5.6**	**5.3%**	**8.1**	**9.5%**	**-31.6%**	**-14.7%**	**1.5%**	**-18.3%**

H1 2023 Consolidated P&L

	H1 2023		H1 2022		Reported change	Organic margin accretion (dilution) [3]	Organic change	Perimeter effect	Forex impact
	€ million	% sales	€ million	% sales	%	bps	%	%	%
Net sales	**1,457.8**	**100.0%**	**1,256.9**	**100.0%**	**16.0%**		**14.2%**	**1.8%**	**-**
COGS [1]	(585.5)	-40.2%	(490.5)	-39.0%	19.4%	*(50)*	15.6%	2.6%	1.2%
Gross profit	**872.3**	**59.8%**	**766.5**	**61.0%**	**13.8%**	***(50)***	**13.3%**	**1.3%**	**-0.8%**
A&P	(225.5)	-15.5%	(202.8)	-16.1%	11.2%	*50*	10.7%	0.4%	0.1%
Contribution after A&P	**646.7**	**44.4%**	**563.7**	**44.8%**	**14.7%**	***-***	**14.2%**	**1.6%**	**-1.1%**
SG&A [2]	(287.0)	-19.7%	(252.7)	-20.1%	13.6%	*20*	13.1%	0.5%	-
EBIT-adjusted	**359.7**	**24.7%**	**310.9**	**24.7%**	**15.7%**	***20***	**15.1%**	**2.5%**	**-1.9%**
Operating adjustments	(16.0)	-1.1%	(22.1)	-1.8%	-27.3%				
Operating profit (EBIT)	**343.7**	**23.6%**	**288.9**	**23.0%**	**19.0%**				
Financial income (expenses)	(32.4)	-2.2%	(4.7)	-0.4%	-				
Hyperinflation effects	1.2	0.1%	(0.4)	-	-				
Profit (loss) related to associates and joint ventures	(1.4)	-0.1%	(1.6)	-0.1%	-11.2%				
Profit before taxation	**311.1**	**21.3%**	**282.3**	**22.5%**	**10.2%**				
Profit before taxation adjusted	**326.2**	**22.4%**	**304.3**	**24.2%**	**7.2%**				
Taxation	(93.4)	-6.4%	(82.7)	-6.6%	12.9%				
Net profit for the period	**217.6**	**14.9%**	**199.5**	**15.9%**	**9.1%**				
Net profit for the period-adjusted	**234.6**	**16.1%**	**220.6**	**17.5%**	**6.4%**				
Non-controlling interests	0.7	0.1%	0.4	-	81.7%				
Group net profit	**216.9**	**14.9%**	**199.1**	**15.8%**	**8.9%**				
Group net profit-adjusted	**233.9**	**16.0%**	**220.2**	**17.5%**	**6.2%**				
Total depreciation and amortisation	(51.3)	-3.5%	(42.1)	-3.3%	22.0%	-	15.2%	6.1%	0.7%
EBITDA-adjusted	**411.1**	**28.2%**	**353.0**	**28.1%**	**16.4%**	***20***	**15.1%**	**3.0%**	**-1.6%**
EBITDA	**395.0**	**27.1%**	**330.9**	**26.3%**	**19.4%**				

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

Q2 2023 Consolidated P&L

	Q2 2023		Q2 2022		Reported change	Organic margin accretion (dilution) (3)	Organic change	Perimeter effect	Forex impact
	€ million	**% sales**	**€ million**	**% sales**	**%**	**bps**	**%**	**%**	**%**
Net sales	**789.9**	**100.0%**	**722.1**	**100.0%**	**9.4%**		**10.1%**	**1.7%**	**-2.4%**
COGS (1)	(307.4)	-38.9%	(267.3)	-37.0%	15.0%	*(100)*	13.2%	2.9%	-1.0%
Gross profit	**482.5**	**61.1%**	**454.9**	**63.0%**	**6.1%**	***(100)***	**8.3%**	**1.0%**	**-3.2%**
A&P	(135.4)	-17.1%	(123.6)	-17.1%	9.6%	*(10)*	11.0%	0.3%	-1.7%
Contribution after A&P	**347.1**	**43.9%**	**331.3**	**45.9%**	**4.8%**	***(120)***	**7.4%**	**1.2%**	**-3.8%**
SG&A (2)	(146.7)	-18.6%	(134.6)	-18.6%	9.0%	-	10.4%	0.7%	-2.1%
EBIT-adjusted	**200.4**	**25.4%**	**196.7**	**27.2%**	**1.9%**	***(120)***	**5.3%**	**1.6%**	**-5.0%**
Operating adjustments	(9.2)	-1.2%	(17.4)	-2.4%	-47.2%				
Operating profit (EBIT)	**191.2**	**24.2%**	**179.2**	**24.8%**	**6.7%**				
Financial income (expenses)	(16.3)	-2.1%	(3.4)	-0.5%	-				
Hyperinflation effects	1.3	0.2%	(0.3)	-	-				
Profit (loss) related to associates and joint ventures	(0.8)	-0.1%	(0.7)	-0.1%	7.0%				
Profit before taxation	**175.5**	**22.2%**	**174.8**	**24.2%**	**0.4%**				
Total depreciation and amortisation	(26.5)	-3.4%	(21.7)	-3.0%	22.1%	***20***	16.1%	7.0%	-1.0%
EBITDA-adjusted	**226.9**	**28.7%**	**218.3**	**30.2%**	**3.9%**	***(100)***	**6.3%**	**2.1%**	**-4.6%**
EBITDA	**217.7**	**27.6%**	**200.9**	**27.8%**	**8.3%**				

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

Net sales by region & key market

	H1 2023		H1 2022		Change	of which:			Q2 2023
	€ m	% Group sales	€ m	% Group sales	%	organic	perimeter	forex	% organic growth
Americas	**632.1**	**43.4%**	**556.3**	**44.3%**	**13.6%**	**10.6%**	**1.6%**	**1.5%**	**3.4%**
USA	397.1	27.2%	343.3	27.3%	15.7%	11.7%	2.7%	1.3%	3.3%
Jamaica	72.4	5.0%	61.6	4.9%	17.5%	15.3%	-	2.2%	12.8%
Other countries	162.6	11.2%	151.4	12.0%	7.4%	6.1%	-0.3%	1.5%	0.2%
Southern Europe, Middle East & Africa	**441.3**	**30.3%**	**370.8**	**29.5%**	**19.0%**	**16.6%**	**2.7%**	**-0.2%**	**11.8%**
Italy	276.5	19.0%	243.0	19.3%	13.8%	13.4%	0.3%	-	8.1%
France	85.6	5.9%	63.2	5.0%	35.4%	21.0%	14.4%	-	31.1%
Other countries	79.2	5.4%	64.6	5.1%	22.7%	24.0%	0.1%	-1.4%	7.2%
North, Central & Eastern Europe	**279.1**	**19.1%**	**243.9**	**19.4%**	**14.4%**	**14.5%**	**1.0%**	**-1.1%**	**13.6%**
Germany	110.3	7.6%	94.7	7.5%	16.5%	16.4%	0.1%	-	19.3%
United Kingdom	45.1	3.1%	38.8	3.1%	16.1%	20.9%	0.00	-4.7%	20.5%
Other countries	123.6	8.5%	110.3	8.8%	12.0%	10.6%	2.1%	-0.7%	6.0%
Asia Pacific	**105.4**	**7.2%**	**85.9**	**6.8%**	**22.6%**	**26.2%**	**1.9%**	**-5.5%**	**39.0%**
Australia	55.3	3.8%	53.9	4.3%	2.5%	7.5%	0.3%	-5.3%	10.1%
Other countries	50.1	3.4%	32.0	2.5%	56.6%	57.7%	4.6%	-5.8%	88.1%
Total	**1,457.8**	**100.0%**	**1,256.9**	**100.0%**	**16.0%**	**14.2%**	**1.8%**	**0.0%**	**10.1%**

Net sales by brand cluster

	H1 2023		H1 2022		Change % of which:				Q2 2023
	€ m	%	€ m	%	total	organic	perimeter	forex	Organic
Global Priorities	863.4	59.2%	753.0	59.9%	14.7%	15.0%	-	-0.3%	10.0%
Regional Priorities	345.4	23.7%	294.0	23.4%	17.5%	16.7%	1.1%	-0.3%	8.8%
Local Priorities	126.7	8.7%	106.1	8.4%	19.5%	8.0%	10.7%	0.7%	11.8%
Rest of portfolio	122.2	8.4%	103.9	8.3%	17.7%	7.5%	7.8%	2.3%	13.7%
Total	**1,457.8**	**100.0%**	**1,256.9**	**100.0%**	**16.0%**	**14.2%**	**1.8%**	**0.0%**	**10.1%**

Reclassified balance sheet

Invested capital and resources

€ million	30 June 2023	31 December 2022[1]	total change
fixed assets	4,018.7	3,981.0	37.7
other non-current assets and (liabilities)	(353.3)	(360.7)	7.4
operating working capital	1,132.6	778.3	354.3
other current assets and (liabilities)	(129.6)	(165.7)	36.1
total invested capital	**4,668.4**	**4,232.8**	**435.6**
Group shareholders' equity	2,843.8	2,676.2	167.6
non-controlling interests	1.4	1.4	-
net financial debt	1,823.2	1,555.3	268.0
total financing sources	**4,668.4**	**4,232.8**	**435.6**

(1) Values restated as a result of the purchase price allocation of Wilderness Trail Distillery, LLC

Consolidated balance sheet (1 of 2)

Assets

	30 June 2023	31 December 2022 [1]	Change
	€ million	**€ million**	**€ million**
ASSETS			
Non-current assets			
Property, plant and equipment	832.4	781.3	51.0
Right of use assets	64.9	68.4	(3.6)
Biological assets	22.8	17.5	5.4
Goodwill	1,873.7	1,878.5	(4.8)
Brands	1,175.9	1,183.1	(7.3)
Intangible assets with a finite life	49.1	52.1	(3.0)
Interests in associates and joint ventures	39.7	36.0	3.7
Deferred tax assets	77.9	72.6	5.3
Other non-current assets	25.1	24.1	1.0
Other non-current financial assets	20.7	48.2	(27.5)
Total non-current assets	**4,182.1**	**4,161.9**	**20.3**
Current assets			
Inventories	1,237.8	1,004.6	233.2
Biological assets	10.7	7.1	3.6
Trade receivables	433.7	308.2	125.5
Other current financial assets	21.5	18.7	2.7
Cash and cash equivalents	623.7	435.4	188.3
Income tax receivables	23.7	19.1	4.6
Other current assets	105.8	60.3	45.5
Total current assets	**2,456.8**	**1,853.4**	**603.4**
Total assets	**6,638.9**	**6,015.3**	**623.7**

(1) Values restated to reflect the purchase price allocation adjustment of the acquisition of Wilderness Trail Distillery, LLC

Consolidated balance sheet (2 of 2)

Liabilities and shareholders' equity

	30 June 2023 € million	31 December 2022 [1] € million	Change € million
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Issued capital and reserves attributable to shareholders of the parent Company	2,843.8	2,676.2	167.6
Non-controlling interests	1.4	1.4	0.1
Total shareholders' equity	**2,845.2**	**2,677.6**	**167.6**
Non-current liabilities			
Bonds	845.3	846.3	(1.0)
Loans due to banks	929.5	770.9	158.6
Other non-current financial liabilities	310.2	301.4	8.8
Post-employment benefit obligations	23.5	24.1	(0.6)
Provisions for risks and charges	34.0	39.0	(5.1)
Deferred tax liabilities	403.2	399.4	3.8
Other non-current liabilities	35.4	30.9	4.4
Total non-current liabilities	**2,581.1**	**2,412.1**	**169.0**
Current liabilities			
Bonds	300.0	-	300.0
Loans due to banks	74.9	107.0	(32.1)
Other current financial liabilities	29.2	32.0	(2.8)
Trade payables	549.5	541.6	7.9
Income tax payables	40.7	72.5	(31.9)
Other current liabilities	218.4	172.5	45.9
Total current liabilities	**1,212.7**	**925.6**	**287.1**
Total liabilities	**3,793.7**	**3,337.7**	**456.1**
Total liabilities and shareholders' equity	**6,638.9**	**6,015.3**	**623.7**

[1] Values restated to reflect the purchase price allocation adjustment of the acquisition of Wilderness Trail Distillery, LLC

Reclassified Cash flow statement

	H1 2023 € million	H1 2022 € million	Change € million
EBITDA	**395.0**	**330.9**	**64.1**
Effects from hyperinflation accounting standard adoption	5.2	3.5	1.7
Accruals and other changes from operating activities	44.8	(27.5)	72.2
Income taxes paid	(120.4)	(89.8)	(30.6)
Cash flow from operating activities before changes in working capital	**324.6**	**217.2**	**107.4**
Changes in net operating working capital	(372.1)	(108.9)	(263.2)
Cash flow from operating activities	**(47.5)**	**108.2**	**(155.8)**
Net interests paid	(18.5)	(4.9)	(13.7)
Capital expenditure	(88.4)	(63.1)	(25.2)
Free cash flow	**(154.4)**	**40.2**	**(194.7)**
Sale and purchase of brands and rights	-	(123.6)	123.6
(Acquisition) disposal of business	(13.0)	-	(13.0)
Dividend paid out by the Company	(67.5)	(67.6)	0.2
Other changes (incl. net purchase of own shares)	6.3	(68.8)	75.1
Total cash flow used in other activities	**(74.2)**	**(260.0)**	**185.9**
Change in net financial position due to operating activities	**(228.6)**	**(219.8)**	**(8.8)**
Opening adjustment (1)	(2.7)	-	(2.7)
Put option and earn-out liability changes	(17.4)	(4.3)	(13.1)
Increase in investments for lease right of use	(4.2)	(2.9)	(1.2)
Net cash flow of the period = change in net financial debt	**(252.9)**	**(227.0)**	**(25.9)**
Effect of exchange rate changes on net financial debt	**(17.9)**	**52.9**	**(70.7)**
Net financial debt at the beginning of the period	**(1,552.5)**	**(830.9)**	**(721.6)**
Net financial position at the end of the period	**(1,823.2)**	**(1,005.1)**	**(818.2)**

(1) Values restated to reflect the purchase price allocation adjustment of the acquisition of Wilderness Trail Distillery, LLC

Operating working capital

	30 June 2023		31 December 2022 [1]		Reported change	Organic change	Perimeter effect	Forex impact	30 June 2022	
	€ million	**% sales rolling**	**€ million**	**% sales**	**€ million**	**€ million**	**€ million**	**€ million**	**€ million**	**% sales rolling**
Trade receivables	433.7	15.0%	308.2	11.4%	125.5	128.4	8.3	(11.2)	352.9	14.5%
Total inventories, *of which*:	1,248.4	43.1%	1,011.7	37.5%	236.7	230.8	9.2	(3.2)	889.1	36.6%
- maturing inventory	*571.3*	*19.7%*	*516.0*	*19.1%*	*55.4*	*57.5*	-	*(2.2)*	*445.8*	*18.4%*
- biological assets	*10.7*	*0.4%*	*7.1*	*0.3%*	*3.6*	*2.6*	-	*1.0*	*5.4*	*0.2%*
- other inventory	*666.4*	*23.0%*	*488.6*	*18.1%*	*177.8*	*170.7*	*9.2*	*(2.0)*	*437.8*	*18.0%*
Trade payables	(549.5)	*-19.0%*	(541.6)	*-20.1%*	(7.9)	12.9	(27.2)	6.5	(455.7)	*-18.8%*
Operating working capital	**1,132.6**	**39.1%**	**778.3**	**28.8%**	**354.3**	**372.1**	**(9.8)**	**(8.0)**	**786.3**	**32.4%**

[1] Values restated to reflect the purchase price allocation adjustment of the acquisition of Wilderness Trail Distillery, LLC

Financial debt details

Eurobonds and Term loans composition as of 30 June 2023

Issue date	Maturity	Type	Currency	Coupon	Outstanding Amount (LC)	Outstanding Amount (€ million)	Original tenor	As % of total
Apr 5, 2017	Apr-24	Unrated Eurobond	EUR	2.165%	150	150	7 years	8%
Apr 30, 2019	Apr-24	Unrated Eurobond	EUR	1.655%	150	150	5 years	8%
Oct 6, 2020	Oct-27	Unrated Eurobond	EUR	1.250%	550	550	7 years	28%
Dec 6, 2022	Dec-27	Term Loan	USD	6.240% (1)	420	387	5 years	20%
May 5, 2023	June-29	Term Loan	EUR	4.770% (2)	400	400	6 years	21%
May 11, 2023	May-30	Unrated Eurobond	EUR	4.710%	300	300	7 years	15%
Total gross debt						**1,937**		**100%**
Average coupon						**3.61%**		

€ million	30 June 2023	31 December 2022 (4)	Change 30 June 2023 vs 31 December 2022
Short-term cash/(debt)	**246.3**	**318.6**	**(72.3)**
- Cash and cash equivalents	*623.7*	*435.4*	*188.3*
- Bonds and Bank loans	*(374.9)*	*(107.0)*	*(267.9)*
- Others financial assets and liabilities (inc. leases)	*(2.6)*	*(9.8)*	*7.3*
Medium to long-term cash/(debt)	**(1,815.8)**	**(1,634.2)**	**(181.6)**
- Bonds and Bank loans	*(1,774.9)*	*(1,617.3)*	*(157.6)*
- Others financial assets and liabilities (inc. leases)	*(41.0)*	*(16.9)*	*(24.1)*
Liabilities for put option and earn-out payments (3)	**(253.7)**	**(239.7)**	**(14.0)**
Net cash/(debt)	**(1,823.2)**	**(1,555.3)**	**(268.0)**

(1) Floating interest rate linked to SOFR + spread
(2) Floating interest rate linked to Euribor + spread
(3) Values restated as a result of the purchase price allocation of Wilderness Trail Distillery, LLC
(4) Including commitments for future minority purchases (including mainly Wilderness) and payable for future earn-outs

Exchange rates effects

	Average exchange rates			Period end exchange rate		
	H1 2023	H1 2022	change H1 2023 vs H1 2022	30 June 2023	31 December 2022	change 30 June 2023 vs 31 December 2022
	1 Euro	1 Euro	%	1 Euro	1 Euro	%
US Dollar	1.081	1.094	1.2%	1.087	1.067	-1.8%
Canadian Dollar	1.457	1.391	-4.6%	1.442	1.444	0.2%
Jamaican Dollars	165.780	168.938	1.9%	167.551	161.803	-3.4%
Mexican peso	19.655	22.175	12.8%	18.561	20.856	12.4%
Brazilian Real	5.484	5.558	1.4%	5.279	5.639	6.8%
Argentine Peso (1)	278.502	129.898	-53.4%	278.502	188.503	-32.3%
Russian Ruble (2)	83.762	85.496	2.1%	97.118	79.226	-18.4%
Great Britain Pounds	0.877	0.842	-3.9%	0.858	0.887	3.3%
Swiss Franc	0.986	1.032	4.7%	0.979	0.985	0.6%
Australian Dollar	1.599	1.521	-4.9%	1.640	1.569	-4.3%
Yuan Renminbi	7.490	7.083	-5.4%	7.898	7.358	-6.8%

(1) Following the adoption of IAS 29 ‘Financial reporting Hyperinflationary economies’ in Argentina, the average exchange rate of Argentine Peso for H1 2023 and 2022 was adjusted to be equal to the rate as of 30 June 2023 and 30 June 2022 respectively

(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.

Disclaimer

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

Thanks.

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