CAMPARI GROUP

Strong start to 2022 in a low seasonality quarter,
thanks to positive underlying momentum,
coupled with phasing and favourable comparison bases

Strong on-premise recovery in Europe, benefiting in particular the high-margin aperitif portfolio

FIRST QUARTER 2022-RESULTS HIGHLIGHTS

- **Reported net sales** of **€534.8 million**, up +34.4% on a reported basis**. Organic growth** of **+29.4%** vs**. the first quarter 2021 (+43.7%** vs. **the first quarter 2019** or **3-year organic CAGR of +12.8%), thanks to healthy brand momentum and strong on-premise recovery in Europe, benefiting in particular the high-margin aperitifs, boosted also by easy comparison bases** and **phasing.**
- **EBIT-adjusted** of **€114.3 million**, up +66.8% on a reported basis. **Organic growth of +58.5%** vs. **the first quarter 2021 (+62.1%** vs. **the first quarter 2019** or **3-year organic CAGR of +17.5%)**, **+390 basis points margin accretion.**
- **EBITDA-adjusted of €134.7 million,** up +53.7% on a reported basis. **Organic growth of +46.5%** vs. **the first quarter 2021 (+52.5%** vs. **the first quarter 2019** or **3-year organic CAGR of +15.1%)**.
- **Group profit before taxation** of **€107.0 million,** up **+65.1%. Group profit before taxation adjusted** of **€111.7 million, up +74.1%**.
- **Net financial debt** of **€834.6 million** as of March 31st, 2022, **broadly unchanged** vs. **December 31st 2021. Net debt to rolling EBITDA-adjusted ratio at 1.5 times** as of March 31st 2022, with **slight improvement** vs. **2021 year end**.

Milan, **May 3rd 2022**-The Board of Directors of Davide Campari-Milano N.V. (Reuters CPRI.MI-Bloomberg CPR IM) approved the additional financial information as of March 31st, 2022.

Bob Kunze-Concewitz, **Chief Executive Officer**: '*Overall we had a **very solid start to the year** with **continuing underlying momentum and strong on-premise recovery in Europe**. This positive performance was **amplified** also by **phasing** and **easy comparison bases** in a **low seasonality quarter**.*

***Looking at the remainder of 2022**, we remain **confident about the continued strong business momentum** across our key brands and markets. 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**.* Concomitantly, **volatility** and **uncertainty remain** due to the ongoing pandemic and geopolitical tensions. ***We confirm our guidance** of **flat organic EBIT margin in 2022**[1] as we will leverage **adequate price increases** and **positive mix** to **mitigate the expected intensification of the inflationary pressure** on input costs.*'.

[1] Guidance provided upon FY2021 results release on February 23rd 2022.

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SUMMARY FINANCIAL INFORMATION FOR THREE MONTHS ENDED 31 MARCH 2022

	Q1 2022 € million	Q1 2021 € million	Reported Change	Organic change	Perimeter Impact	Forex impact	Org change Vs. Q1 2019	Org Change CAGR 2022-19
Net sales	**534.8**	**397.9**	**34.4%**	**29.4%**	**-0.6%**	**5.6%**	**43.7%**	**12.8%**
Gross margin	**311.6**	**231.6**	**34.5%**	**28.7%**	**-0.2%**	**6.1%**		
% on sales	*58.3%*	*58.2%*						
EBIT adjusted	**114.3**	**68.5**	**66.8%**	**58.5%**	**-0.5%**	**8.9%**	**62.1%**	**17.5%**
% on sales	*21.4%*	*17.2%*						
EBIT	109.6	66.4	65.2%					
Group profit before taxation adjusted	**111.7**	**64.1**	**74.1%**					
Group profit before taxation	**107.0**	**64.8**	**65.1%**					
EBITDA adjusted	**134.7**	**87.6**	**53.7%**	**46.5%**	**-0.4%**	**7.6%**	**52.5%**	**15.1%**
% on sales	*25.2%*	*22.0%*						
EBITDA	130.0	85.5	52.1%					
Net financial debt at the end of the period	**834.6**							

REVIEW OF CONSOLIDATED SALES FOR THE FIRST QUARTER 2022 RESULTS

Group sales totalled **€534.8 million**, up +34.4% on a reported basis or **+29.4% in organic terms**. **The perimeter effect** was **-0.6% while the FX effect** was **+5.6%** mainly driven by the appreciation of the US Dollar.

Analysis of **organic change by geography**:

- Sales in the **Americas** (46% of total Group sales) were up organically by **+14.9%.** The **Group's largest market**, **the US**, grew by **+6.6%** despite a tough comparison base, thanks to resilient home consumption and renewed strength in the on-premise. The performance was driven particularly by **Espolòn, Wild Turkey, Aperol, Campari** and **Cabo Wabo**. **Canada** grew by **+9.4%** and **Jamaica** registered strong growth (**+20.1%**). The rest of the region, including Brazil, Mexico and Argentina, grew by double digits as markets recover from the pandemic in a small quarter.

- Sales in **Southern Europe, Middle East and Africa**[2] (28% of total Group sales) grew by **+61.2%**. The region's largest market, **Italy**, was up **+70.2%**, mainly driven by strong recovery in the on-premise channel, magnified by phasing and an easy comparison base. **The entire aperitif portfolio registered strong growth** in the country: **Aperol (+101.4%), Campari (+118.7%), Campari Soda (+24.8%)** and **Crodino (+75.6%)**. **France** grew **+38.8%**, mainly driven by **Aperol**, **Riccadonna** and **Campari**. Other markets in the region registered a positive performance largely thanks to the on-premise recovery combined with an easy comparison base. GTR was up +50.2% thanks to the continued lifting of travel restrictions.

- **North, Central and Eastern Europe** (17% of total Group sales) grew organically by **+33.2%**. **Germany** registered very strong growth of **+41.5%** in a low seasonality quarter, benefiting also from favourable weather conditions. The performance was largely driven by growth in the aperitifs: **Aperol**, the newly introduced **Aperol Spritz ready-to-enjoy**, **Campari,** as well as **Crodino**, albeit off a small base. **The UK** grew by **+26.6%** mainly driven by **Aperol** and **Magnum Tonic**. **The other markets** in the region were also positive, **largely led by the aperitifs**.

- Sales in **Asia Pacific** (8% of total Group sales) grew organically by **+18.4%**. **Australia** grew **+5.4%** despite a tough comparison base (+22.6% in the first quarter of 2021) and ocean freight constraints. The performance was largely driven by **Wild Turkey bourbon**, **Wild Turkey RTD**, **Espolòn** and **Campari**. **Other markets** in the region registered **a very positive result (+50.0%)** with continued momentum, in particular **South Korea (+105.7%)**. **China** was broadly flat due to snap lockdowns in relation to the zero-Covid policy.

[2] Includes Global Travel Retail.

Analysis of **organic change by brand**[3]:

- **Global Priorities** (58% of total Group sales) registered an organic growth of **+30.6%. Aperol** grew **+71.9%,** thanks to strong growth in core Italy (+101.4%), Germany (+79.2%), the US (+51.2%), France (+79.5%) as well as all other European markets. The brand is benefitting from **renewed activations** and **recruitment** thanks to the **reopening of the on-premise** and **sustained at-home consumption**, boosted by a favourable comparison base (+0.1% Q1 2021) and phasing. **Campari** delivered **strong growth** of **+56.6%** thanks to all major markets including Italy (+118.7%), the US, Jamaica, Germany, Brazil and France. The positive performance was favoured also by phasing ahead of a robust price repositioning in Europe. **Wild Turkey registered solid growth**, up **+14.0%,** mainly driven by the **core US** market and **Australia** as well as **Asian markets** (Japan, South Korea). **SKYY declined -11.5%** largely due to the comparison base in the core US in connection with the brand relaunch whilst the international markets continue to grow. **Grand Marnier grew overall (+8.9%) thanks to the core US market**. **Jamaican rum portfolio grew +6.5%** overall against a tough comparison base, driven by the favourable category trends in premium rum.

- **Regional Priorities** (24% of total Group sales) recorded a positive performance (**+31.7%**). **Espolòn** grew by double digits (+29.2%) despite a tough comparison base, thanks to the core US as well as international markets, albeit off a small base. **The GlenGrant grew double digits** driven by **premiumisation**, in particular within South Korea, China and GTR. **Crodino** grew by **strong double digits** driven by strong growth in core Italy against an easy comparison base as well as seeding markets. The other brands such as the **Italian specialities, the sparkling wines** and **vermouths (Cinzano, Mondoro** and **Riccadonna), Magnum Tonic and Aperol Spritz ready-to-enjoy** all **delivered positive results.**

- **Local Priorities** (9% of total Group sales) grew **+19.6%** with **positive growth across the entire portfolio**, in particular **Campari Soda**, **Wild Turkey ready-to-drink** and **X-Rated**.

REVIEW OF FIRST QUARTER 2022 RESULTS

Gross profit totalled **€311.6 million**, corresponding to 58.3% of net sales, **up by +34.5%** in value on a reported basis. It **grew organically** by **+28.7%**, leading to **-30 basis points** margin dilution as the **positive sales mix driven by the high-margin aperitifs** was able to largely offset the **dilutive effect of increased input costs**.

Advertising and Promotion expenses (**A&P**) were **€79.2 million**, corresponding to 14.8% of net sales, up by **+26.6%** in value on a reported basis. They increased **organically by +20.3%,** reflecting sustained investments behind key brands, lower than net sales growth hence accretive on margins by **+110 basis points**.

CAAP (Contribution after A&P) was **€232.4 million**, corresponding to 43.4% of net sales, up by **+37.5%** in value on a reported basis and up **+31.8% organically**.

Selling, general and administrative expenses (**SG&A**) totalled **€118.1 million**, corresponding to 22.1% of net sales, up by **+17.5%** in value on a reported basis. They grew **organically by +13.6%**, lower than net sales, hence generating a **margin accretion of +310 basis points**.

EBIT-adjusted was **€114.3 million**, corresponding to 21.4% of net sales, up by **+66.8%** in value on a reported basis. It **grew organically** by **+58.5%**, generating an accretion of **+390 basis points.** The **perimeter effect** on EBIT-adjusted was **-0.5%** (or **-€0.3 million**), mainly due to the discontinuation of agency brands. The **forex effect** on EBIT-adjusted was positive by **+8.9%** (or **€6.1 million**), mainly driven by the appreciation of the US Dollar.

Operating adjustments were negative at **-€4.7 million.**

EBITDA-adjusted was **€134.7 million**, up by +53.7% in value on a reported basis (**up organically +46.5%**), corresponding to 25.2% of net sales.

EBIT (20.5% of net sales) and **EBITDA** (24.3% of net sales) were at **€109.6 million** and **€130.0 million** respectively.

Net financial expenses were **€1.3 million**. Excluding the exchange gain/(loss), the **net financial charges were €5.0 million, (vs. €6.6 million for the first quarter 2021), showing a decrease of €1.6 million** thanks to the lower level of average debt in the first quarter 2022 (€832.7 million vs. €1,085.9 million in the first quarter 2021).

Group profit before taxation-adjusted was **€111.7 million**, **up +74.1%** vs. the first quarter 2021. **Group profit before taxation** was **€107.0 million,** up **+65.1%.**

[3] Please note the following changes within the brand cluster classification: Crodino and Aperol Spritz from Local Priority to Regional Priority, Magnum Tonic from Rest of Portfolio to Regional Priority; SKYY RTD from Rest of Portfolio to Local Priority.

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Net financial debt at €834.6 million as of 31 March 2022**, up €3.6 million** vs. 31 December 2021 (€830.9 million), driven by strong cash absorption of planned working capital increase due to inventory build-up ahead of peak season in a constrained logistics environment, as well as share buyback.

Net debt to EBITDA-adjusted ratio at 1.5 times as of 31 March 2022**,** improving from 1.6 times as of 31 December 2021, driven by improved 12-months rolling EBITDA adjusted.

* * *

FILING OF DOCUMENTATION

The additional financial information at March 31st, 2022 is available to the general public on the Company's website (https://www.camparigroup.com/en/page/investors) and by all other means allowed by applicable regulations.

The Board of Directors is responsible for preparing the additional financial information for the three months ended March 31st, 2022, in accordance with the Dutch Financial Supervision Act and the applicable International Financial Reporting Standards (IFRS).

ANALYST CONFERENCE CALL

At **1:00 pm (CET) today, May 3rd, 2022**, Campari's management will hold a conference call to present the Group's First Quarter 2022 Results. To participate, please dial one of the following numbers:

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

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

A **recording of the conference call** will be available from today until Tuesday, May 10th, calling the following number:

- **(+39) 02 8020987** (Access code: **700931#**, PIN: **931#**)

FOR FURTHER INFORMATION

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ABOUT CAMPARI GROUP

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

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

- Appendix to follow -

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Consolidated net sales breakdown by brand priority for the first quarter 2022

	% on Group sales	% change, of which:			
		total	organic	external growth	exchange rate effect
Global Priorities	57.9%	36.6%	30.6%	0.0%	6.0%
Regional Priorities	23.6%	36.9%	31.7%	0.0%	5.2%
Local Priorities	9.3%	21.6%	19.6%	0.0%	2.1%
Rest of portfolio	9.2%	29.1%	27.2%	-5.9%	7.8%
Total	**100.0%**	**34.4%**	**29.4%**	**-0.6%**	**5.6%**

Consolidated net sales by geographic area for the first quarter 2022

	% on Group sales	% change, of which:			
		total	organic	external growth	exchange rate effect
Americas	46.3%	25.4%	14.9%	-0.1%	10.6%
SEMEA (Southern Europe, Middle East and Africa)	28.2%	59.1%	61.2%	-2.4%	0.3%
NCEE (North, Central and Eastern Europe)	17.2%	33.3%	33.2%	0.0%	0.2%
Asia Pacific	8.4%	21.2%	18.4%	0.7%	2.1%
Total	**100.0%**	**34.4%**	**29.4%**	**-0.6%**	**5.6%**

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Consolidated income statement for the first quarter 2022

	1 January-31 March 2022		1 January-31 March 2021		
	€ million	%	€ million	%	Change
Net sales	**534.8**	**100.0%**	**397.9**	**100.0%**	**34.4%**
Cost of goods sold(1)	(223.2)	-41.7%	(166.3)	-41.8%	34.2%
Gross profit	**311.6**	**58.3%**	**231.6**	**58.2%**	**34.5%**
Advertising and promotional costs	(79.2)	-14.8%	(62.6)	-15.7%	26.6%
Contribution margin	**232.4**	**43.4%**	**169.0**	**42.5%**	**37.5%**
SG&A(2)	(118.1)	-22.1%	(100.5)	-25.3%	17.5%
Result from recurring operations (EBIT-adjusted)	**114.3**	**21.4%**	**68.5**	**17.2%**	**66.8%**
Adjustments to operating income (expenses)	(4.7)	-0.9%	(2.1)	-0.5%	116.7%
Operating result (EBIT)	**109.6**	**20.5%**	**66.4**	**16.7%**	**65.2%**
Financial income (expenses)	(1.3)	-0.2%	(3.4)	-0.8%	-61.7%
Profit (loss) related to associates and joint ventures	(0.8)	-0.2%	2.3	0.6%	-137.2%
Put option, earn out income (expenses) and hyperinflation effects	(0.1)	0.0%	(0.3)	-0.1%	-79.2%
Profit before taxation and non-controlling interests	**107.4**	**20.1%**	**65.0**	**16.3%**	**65.3%**
Non-controlling interests	0.4	0.1%	0.2	0.0%	129.5%
Group profit before taxation	**107.0**	**20.0%**	**64.8**	**16.3%**	**65.1%**
Group profit before taxation-adjusted	**111.7**	**20.9%**	**64.1**	**16.1%**	**74.1%**
Total depreciation and amortisation	(20.4)	-3.8%	(19.1)	-4.8%	6.7%
EBITDA-adjusted	**134.7**	**25.2%**	**87.6**	**22.0%**	**53.7%**
EBITDA	**130.0**	**24.3%**	**85.5**	**21.5%**	**52.1%**

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