DAVIDE CAMPARI-MILANO S.p.A.
ADDITIONAL FINANCIAL INFORMATION
AT 31 MARCH 2020

CAMPARI
GROUP

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Highlights

This additional financial information at 31 March 2020 has been prepared using the same recognition and measurement criteria as those used to prepare the 2019 Annual Financial Statements, to which reference is made.

This document has not been audited. The quarterly information provides a description of the significant events that occurred during the period, the Group's sales performance, broken down by region and by brand, the Group's profit before tax and consolidated net financial debt.

	first quarter 2020	first quarter 2019	change	
			total	organic change
	€ million	€ million	%	%
Net sales	**360.2**	**370.1**	**-2.7%**	**-5.3%**
Contribution margin	151.8	165.1	-8.0%	-10.6%
EBITDA	61.9	88.8	-30.3%	
EBITDA adjusted	**67.5**	**89.6**	**-24.7%**	**-27.2%**
EBIT	42.3	71.7	-41.0%	
EBIT adjusted	**47.9**	**72.4**	**-33.9%**	**-35.3%**
Profit before tax and minority interests	30.5	63.2	-51.8%	
Group profit before tax	**30.6**	**63.2**	**-51.6%**	
Group profit before taxes adjusted	**34.7**	**63.9**	**-45.7%**	
ROS % (EBIT/net sales)	11.7%	19.4%		
ROS (EBIT adjusted/net sales)	**13.3%**	**19.6%**		

	31 March 2020	31 December 2019
	€ million	€ million
Net financial debt	887.1	777.4

Information on the figures presented

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

For information on the definition of the alternative performance measures, see paragraph 'Alternative performance indicators' in the next part of this additional financial information.

Corporate officers

Board of Directors[1]

Luca Garavoglia	Chairman
Robert Kunze-Concewitz	Managing Director and Chief Executive Officer
Paolo Marchesini	Managing Director and Chief Financial Officer
Fabio Di Fede	Director and Group General Counsel and Business Development Officer
Eugenio Barcellona	Director and Member of the Control and Risks Committee and the Remuneration and Appointments Committee
Annalisa Elia Loustau[2]	Director and Member of the Control and Risks Committee and the Remuneration and Appointments Committee
Alessandra Garavoglia	Director
Catherine Gérardin-Vautrin[2]	Director and member of the Control and Risks Committee and the Remuneration and Appointments Committee
Michel Klersy[2]	Director

Board of Statutory Auditors[3]

Ines Gandini	Chairman
Fabio Facchini	Statutory Auditor
Piera Tula	Statutory Auditor
Giovanni Bandera	Alternate Statutory Auditor
Pierluigi Pace	Alternate Statutory Auditor
Lisa Vascellari Dal Fiol	Alternate Statutory Auditor

Independent auditors[4]

EY S.p.A.

(1) The Shareholders' meeting of 16 April 2019 appointed the Board of Directors for the three-year period 2019-2021 and confirmed Luca Garavoglia as Chairman of the Board of Directors for the same three-year term.
The Board of Directors, which met after the Shareholders' meeting, confirmed Robert Kunze-Concewitz as Chief Executive Officer and Paolo Marchesini as Chief Financial Officer for the three-year period 2019-2021. It appointed Eugenio Barcellona, Annalisa Elia Loustau and Catherine Gérardin-Vautrin as members of the Control and Risks Committee and the Remuneration and Appointments Committee for the same three-year term.

(2) Independent director.

(3) The Board of Statutory Auditors was appointed on 16 April 2019 by the Shareholders' meeting for the three-year period 2019-2021. Following the resignation of Statutory Auditor Chiara Lazzarini on 5 December 2019, Piera Tula took over this role.
The Shareholders' meeting of 27 March 2020 appointed Lisa Vascellari Dal Fiol as an Alternate Statutory Auditor to supplement the Board of Auditors pursuant to the Articles of Association, which provides for the appointment of three Statutory Auditors and three Alternate Statutory Auditors.

(4) On 19 December 2017, the General Meeting of Shareholders appointed EY S.p.A. as its independent auditor for the nine-year period 2019-2027.

Additional financial information at 31 March 2020

Significant events during the period

Outbreak of the coronavirus, Covid-19

The global outbreak of the coronavirus (Covid-19) and its consequences for health, lifestyles, social relations and economic activities are now a cause for great alarm about the future impact of the pandemic on the global economic system.
The virus, which was recorded for the first time in China at the beginning of the year, has now spread to the rest of the world. On 11 March 2020, the World Health Organisation (WHO) declared the Covid-19 virus a pandemic after more and more countries reported infections.
The health crisis struck Italy on 21 February 2020, earlier than in other European countries, and is now spreading very aggressively in the American region, particularly in the United States.
In order to contain the spread, the governments of the various countries have introduced progressively more restrictive measures to limit the movements of and contacts between people, as well as the suspension, often total, of productive activities in sectors defined as critical, allowing only essential activities and production to continue. This includes the beverage sector, logistics services and freight transport. In this environment of significant uncertainty over the duration and spread of the virus and the expected impact on the global economy, the financial markets have reacted negatively, recording very high levels of volatility since the outbreak of the epidemic. At the same time, all governments, albeit in differing ways, are launching fiscal and monetary responses to support businesses and households, as well as measures designed to restore the confidence of the financial markets.
With reference to Campari Group, the company's priority is, and will continue to be, to guarantee the safety of its employees ('Camparistas') and the continuity of the business. The Group adopted promptly and responsibly all the conduct and safety measures specified by the authorities in its various markets by introducing new protocols, work practices and safety measures. In terms of the production facilities, all the Group's plants and distilleries are currently operational and comply rigorously with the emergency health provisions in force to protect the health of Camparistas and their families. The Group's aim is to continue to meet client demand and maintain the stocks necessary to tackle the crisis, while at the same time ensuring business continuity. There has been no interruption of supply from our suppliers nor in logistics and freight transport activities.
The pandemic is clearly having negative impacts on the spirits business, starting from the end of first quarter of 2020, given the sector's natural exposure to consumers in the distribution channel represented by bars and restaurants. The severe restrictions aimed at containing and slowing the spread of the virus through limitations on social contact and convivial gatherings has entailed an almost total closure of the on-premise channel. Owing to the severe limitations on people's movements, the Global Travel Retail channel has also been heavily affected. Meanwhile, in all the main markets, home consumption is not currently limited by restrictions on the sale of spirits in the large-scale retail (off-premise) channel, despite the fact that the distribution chains are progressively arranging their warehouse space to tackle short-term priorities in consumption.

Main brand-building activities

The brand portfolio represents a strategic asset for Campari Group. One of the main pillars of its mission is to build and develop brands. The Group has an ongoing commitment to investing in marketing designed to strengthen the recognition and reputation of iconic and distinctive brands in the key markets, as well as launching and developing them in new high-potential geographical regions. The Group is developing its strategies with an increasing focus on the on-premise distribution channel, deemed to be key to brand-building, and on new communications tools, especially the digital media channel, which is considered strategic thanks to its interactive, customisable and measurable properties.

The main marketing initiatives undertaken in the first quarter of 2020, which focused on global and regional priority brands, are set out below.

The activities shown below were mainly carried out before the outbreak of the coronavirus (Covid-19). In terms of marketing activities, as a result of the restrictive measures gradually introduced around the world to fight the pandemic, the visitor centres in all countries were temporarily closed. Specifically, brand-activation activities aimed at consumers and commercial partners in the on-premise and Global Travel Retail channels were suspended or postponed.

Global priority brands

Aperol

In January 2020 for the fourth year in a row, **Aperol** has been the **official aperitif of the tennis Australian Open**, renewing the official partnership. The two main brand experiences, Club Aperol and Casa Aperol, were specially designed with bars and wonderful gardens.
In February 2020, Aperol was the official **sponsor** of the **Venice Carnival**, one of the most famous public celebrations in Italy. The sponsorship, giving a great resonance Venice after the centenary celebration, included the Carnival's opening dinner at the Casino and nine days of activities brought to life mainly in St. Mark's Square, which was completely coloured in orange with two bars and a large Aperol-branded stage. Each year a young Venetian woman is chosen as 'angel' of the year and floats down on a cable from the bell tower into the square. This year, she was dressed in a long orange gown inspired by the colour of Aperol.

Campari

Campari is one of the official partners of the 22nd Biennale of Sydney, the biggest cultural event in Australia. This unique experience invites visitors into an artistic installation: the Campari Gallery on Cockatoo Island.
In February 2020, Campari sponsored the Vienna Opera Ball, one of the biggest cultural events in Austria, which also attracts significant media coverage in Europe, Japan and the United States.

Wild Turkey

In April 2020, the **Wild Turkey Longbranch** digital campaign was launched nationally in the United States.
Talk Turkey, the first series of advertainment on the brand of the same name, launched in 2019, continued in the first quarter of 2020 starring Matthew McConaughey.

SKYY

In February 2020, SKYY Vodka partnered with Mindshare in the United States to support LGBTQ+ journalism.

Jamaican rums

With reference to the Jamaican rums portfolio, the **Appleton Estate** brand was relaunched in the Canadian market in February 2020 with a new packaging design that emphasizes the brand's premium characteristics. In addition, a new range of aged rum, **Kingston 62**, was launched in the Jamaican market only.

Grand Marnier

In January 2020, the new **Cuvée du Centenaire,** created in 1927 to celebrate the first century of the House of Marnier Lapostolle, was rolled out worldwide with premium packaging inspired by the *art nouveau* movement.

Regional priority brands

Concerning the regional priority brands, the new packaging of **Bisquit&Dubouché** VSOP was launched in Belgium and South Africa, while **Espolòn** tequila received the Impact Hot Brand 2019 award for the fourth year in a row.

Acquisitions and commercial agreements

Joint venture in Japan
On 14 February 2020, the Group signed an agreement to create CT Spirits Japan Ltd., a joint venture in Japan, with a local partner experienced in the food&beverage sector.
The aim of the joint venture is to promote and develop the Group's products in this market. The Group has a call option on the remaining holding of 60% of the share capital, which can be exercised from 2023.

Acquisition of Baron Philippe de Rothschild France Distribution S.A.S..
On 28 February 2020, Campari Group completed the acquisition of 100% of French distributor Baron Philippe de Rothschild France Distribution S.A.S. ('RFD'), a wholly-owned subsidiary of Baron Philippe de Rothschild S.A. specialising in the distribution of a diversified portfolio of international premium spirits, wine and champagne brands in France. RFD is the sole distributor for the French market of the Campari Group's portfolio, currently the main contributor to RFD's sales and growth. With regard to the rest of the portfolio, RFD is the exclusive distributor for the French market of the seller's premium and super premium wines, including the Mouton Rothschild and Mouton Cadet brands. The total acquisition price was €54.6 million (including contractually defined price adjustments and the net financial debt at the closing date). The transaction was financed using the Group's available resources.
In 2019, RFD's total sales were €149.8 million based on local accounting principles (€100.0 million after the reclassification based on International Financial Reporting Standards principles 'IFRS').
The incorporation of the distribution structure of RFD (now called Campari France Distribution S.A.S.) into Campari's network and the possibility of operating directly in France (a high-potential market for the Group) represents a unique opportunity to enhance the focus on its key brands and benefit from the increased critical mass of the aperitifs business and the newly-acquired Trois Rivières and La Mauny premium rhum agricole brands.

Other significant events

Donations for the Covid-19 pandemic emergency
In March 2020, Davide Campari Milano S.p.A. donated €1 million for the Covid-19 coronavirus emergency to the public health institution ASST Fatebenefratelli Sacco in Milan, centre of national excellence in the research and treatment of highly contagious and dangerous infectious diseases and a reference point for the management of patients most seriously affected by Covid-19. The amount was intended to finance a general intensive care operational unit.
In response to the pandemic in the United States, Campari America donated USD1 million to Another Round, Another Rally, a non-profit organisation that raises emergency funds, offering relief for workers and bartenders in the hospitality industry who has been forced to shut down its commercial operations as a result of the Covid-19 emergency. This initial donation, supported on social media by the main brands, SKYY, Wild Turkey, Appleton Estate, Campari, Aperol, Grand Marnier, Espolòn, Cabo Wabo and Bulldog, and by various influencers, including Matthew McConaughey, gave rise to the challenge #OneMoreRound, in which the public were encouraged to make donations.
Lastly, Group companies operating in different markets are launching a number of initiatives to support local communities: these mainly consist of making donations of pure alcohol to various organisations which manufacture hand sanitiser.

Transfer of the registered office to Amsterdam (the Netherlands)
On 27 March 2020, the Extraordinary shareholders' meeting (the 'Meeting') of Davide Campari-Milano S.p.A. (the 'Company') approved the transfer of the Company's registered office in the Netherlands (the 'Transaction') proposed by the Board of Directors on 18 February 2020 (for more details about the features of the Transaction, see the Annual report for the year ending 31 December 2019 and the press releases issued pursuant to the law).
The completion of the Transaction is subject to the fulfilment of certain conditions precedent, including the requirement that the amount to be paid for shareholders' withdrawal (i.e. the cash amount that the Company might have to pay to shareholders who have exercised their right of withdrawal) does not exceed €150 million.
However, regardless of such amount, with the press release disclosed on 19 march 2020, in order to limit the potential loss arising from the payment of the withdrawal price relating to the sale of shares for which a right of withdrawal has been exercised, the Board of Director has proposed to its shareholders to revoke the decision approved by the Extraordinary Meeting dated 27 March in the event that the number of shares withdrawn by shareholders turns out to be material (a new Extraordinary shareholders' meeting might be called by 30 June 2020 for this purpose). At the market price of 19 March which, heavily impacted by the Covid-19 event, generates a significant discount to the share price compared with the reference price set at € 8,376, an acceptable level of shares withdrawn is identified at around 3 million shares, this amount corresponds to a number materially lower

than the maximum amount of € 150 million which, before the aforementioned unforeseeable event, was identified as the maximum outlay payable for the withdrawals. Revocation of the resolution would eliminate the obligation to pay the withdrawal price to shareholders who exercised their withdrawal rights.
Should the Transaction not be completed for any reason whatsoever, it would be re-submitted to the shareholders' approval once the market conditions and the share price will stabilize and will be no longer adversely affected by the current extraordinary market conditions.
Additional information on the Transaction is provided in compliance with applicable legislation and regulations and made available on the Campari website (www.camparigroup.com).

Share buyback plan
With regard to the execution of the share buyback program, the Board of Directors decided, on 18 February 2020, to continue it for an increased amount up to €350 million in the next twelve months. The increase of buyback serves the purpose of implementing the new strategy of having a portfolio of own shares capable to serve all the existing stock option plans, instead of just the plans that are close to be exercised. The aim is hedging the risk of the price increase of the shares underlying the options and, as a result, contain the overall outlay to service the incentive plans. The ordinary shareholders' meeting, confirming the purposes mentioned above, authorised the Board of Directors to purchase and/or sell own shares up until 30 June 2021, for the purposes of re-constituting the portfolio of own shares to serve the current and future stock option plans for the Group's management, according to the limits and procedures provided by applicable laws and regulations.

Annual financial statement approval and dividend distribution
The Ordinary shareholders' meeting approved the 2019 annual financial statements and agreed the distribution of a dividend of €0.055 per outstanding share, with an increase of +10.0% on the previous year. The total dividend, calculated on the outstanding shares and excluding own shares in the portfolio (18,451,416 shares on the date of the Shareholders' Meeting), was €62,873,172.12 and was paid on 22 April 2020 (with an ex-date for coupon n. 4 of 20 April 2020, and with a record date of 21 April 2020).

Purchase of own shares
Between 1 January and 31 March 2020, the Group purchased 7,215,143 own shares, at an average price of €6.63, for a total amount of €47.9 million, and sold 2,467,927 own shares for an outlay of €6.8 million, after the exercise of stock options. At 31 March 2020, the Parent Company held 18,451,416 own shares, equivalent to 1.59% of the share capital.

Economic and financial results of Campari Group

Sales performance

Overall performance

In the first quarter of 2020, the Group's net sales totalled €360.2 million, with an overall decrease of -2.7% compared to the first quarter of 2019. The organic growth component showed a negative trend with a contribution of -5.3%. The exchange rate variation and the perimeter effect were positive at +0.7% and +1.9% respectively.

	first quarter 2020		first quarter 2019		total change		3 months change, of which		
	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate(*)
Americas	182.2	50.6%	178.9	48.3%	3.4	1.9%	-0.9%	1.1%	1.7%
Southern Europe, Middle East and Africa	84.5	23.4%	100.8	27.2%	-16.4	-16.2%	-23.0%	6.8%	-
North, Central and Eastern Europe	68.7	19.1%	65.4	17.7%	3.3	5.1%	6.6%	-2.6%	1.1%
Asia-Pacific	24.8	6.9%	25.0	6.8%	-0.2	-0.9%	3.5%	-	-4.4%
Total	**360.2**	**100.0%**	**370.1**	**100.0%**	**-9.9**	**-2.7%**	**-5.3%**	**1.9%**	**0.7%**

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

Organic change

Organic sales showed an overall decline of -5.3% in the first quarter of 2020.

The organic performance seen in the first quarter, the smallest in terms of contribution to annual results, was heavily affected by an unfavourable comparison base (+9.6% in first quarter 2019) and by the lockdown measures implemented by various countries to fight the Covid-19 pandemic, with particular reference to the progressive closure of the on-premise channel which represents approximately 40% of overall sales for the Group. The first geographical regions that had to face this emergency were those most affected by the crisis. In the European region, the Italian market, whose key aperitifs segment is particularly exposed, closed the quarter with results significantly down, despite a very positive start to the year.
The organic contraction in sales was however lower in the geographical regions experiencing a delayed effect of the impacts of the pandemic, particularly in the United States market, the northern European region and Australia where, moreover, the contribution of the on-premise channel is structurally lower than in the Italian market.

The breakdown of on and off-premise channels on net sales of 2019 for the geographical areas covered by the Group is shown below.

		percentage on 2019 net sales of on-off premise channels			
		% on-premise		*% off-premise*	
Americas		35%		65%	
	of which United States		*30%*		*70%*
Southern Europe, Middle East and Africa		65%		35%	
	of which Italy		*70%*		*30%*
North, Central and Eastern Europe		30%		70%	
	of which Germany		*30%*		*70%*
Asia-Pacific		30%		70%	
	of which Australia		*15%*		*85%*
Group average		**40%**		**60%**	

With regard to brand performance, the overall picture shows an across-the-board decline in all three segments, with the global priority brands reporting -4.0%, the regional priority brands -7.9%, and the local priority brands-7.2%.

The main trends by geographical region and by priority brand are shown below.

❖ **Geographical regions**

- The **Americas** region recorded a slight fall of -0.9%: the positive performance of the United States (+1.1%), the Group's largest market by sales in both the region and overall, and Canada (+9.3%) were entirely offset by the fall in sales in Jamaica (-7.3%), Mexico (-14.1%) and the South American countries, particularly Brazil (-13.2%).
- The **Southern Europe, Middle East and Africa** region reported an organic decrease in sales of -23.0%, driven by the negative performance of its core market, Italy (-24.4%), followed by France (-41.6%) and the Global Travel Retail channel (-18.9%). Weak results were recorded in Spain and South Africa; in the latter, this was due to planned destocking carried out ahead of some route-to-market changes. Sales performance in Nigeria was impacted by a positive phasing effect, despite the ongoing socio-economic instability of the country.
- The **Northern, Central and Eastern Europe** region showed positive organic growth of +6.6%. Specifically, growth in the region was sustained by Russia (+30.4%) and the United Kingdom (+38.3%), which more than offset the slight decline in Germany (-0.3%), the region's core market.

- The **Asia-Pacific** region recorded a positive performance of +3.5%; this was driven by Australia, the region's core market, which increased by +18.2% and more than offset the negative decline in the rest of the region, especially Japan, which suffered from the destocking carried out ahead of route-to-market changes.

❖ **Brands**

- The Group's **global priority brands** registered an organic sales decrease of -4.0%. The positive contribution of the Jamaican rums portfolio and the broadly stable trend in sales of Aperol and Campari were more than offset by the decline in sales of the Wild Turkey portfolio, Grand Marnier and SKYY Vodka.
- The **regional priority brands** recorded an organic decrease of -7.9%, due to a decrease in sales of the core brands, with the exception of Espolòn and Forty Creek.
- The **local priority brands** decreased by -7,2%, as a result of the decline in sales of the Brazilian brands, Campari Soda and Crodino, despite the positive performance of Wild Turkey ready-to-drink.

Perimeter variation

The perimeter variation of +1.9% in the first quarter of 2020, compared with sales in the previous year, is analysed in the table below.

breakdown of the perimeter effect	€ million	% on first quarter 2019
acquisitions (Rhumantilles, Ancho Reyes and Montelobos and Baron Philippe de Rothschild France Distribution S.A.S.(*))	9.2	2.5%
total acquisitions	**9.2**	**2.5%**
discontinued agency brands	(2.0)	-0.6%
total discontinued agency brands	**(2.0)**	**-0.6%**
total perimeter effect	**7.1**	**1.9%**

(*) Baron Philippe de Rothschild France Distribution S.A.S. ('RFD'), now named Campari France Distribution S.A.S..

- **Business acquisitions**

In the first quarter of 2020, the perimeter variation due to business acquisitions was positive at +2.5%. The acquisition of Rhumantilles, owner of the Trois Rivières and La Mauny brands, contributed to the Group's results from 1 October 2019, while the acquisition of Ancho Reyes and Montelobos, owners of the brands of the same names, contributed to the Group's results from 20 November 2019. The acquisition of RFD contributed to the Group's results from 28 February 2020. With regard to the latter acquisition, it should be noted that sales of products in the Campari Group portfolio contribute to changes in organic sales growth as they were previously shown as Group sales by virtue of the distribution agreement that existed prior to the acquisition, whereas sales of agency brands are classified as perimeter variations.

- **Brands distributed**

The perimeter variation due to the termination of distribution of agency brands in the first quarter of 2020 amounted to -0.6%. This was due to the termination of the distribution of secondary brands in Germany and Russia from 1 January 2020.

Exchange rate effects

The positive exchange rate effect in the first quarter of 2020 was +0.7%, due to the strengthening of the US and Canadian Dollars against the Euro, which, overall, more than offset the weakness of the South American currencies. In addition, the financial results for the year ending 31 March 2020 include the effects of applying the IAS 29-'Financial Reporting in Hyperinflationary Economies', in Argentina accounting standard. The exchange rate effect includes both the impact of applying the standard (including the conversion to Euros at the spot exchange rate at the end of the period of all the income statement items expressed in Argentine Pesos) and the new method of calculating organic growth for the Argentine market.

The table below shows the average exchange rates for the first quarter of 2020 and spot rates at 31 March 2020 for the Group's most important currencies, together with the percentage change against the Euro, compared with the same period in 2019.

	average exchange rates		spot exchange rates	
	first quarter 2020	revaluation/(devaluation) vs. first quarter 2019	31 March 2020	revaluation/(devaluation) vs. 31 March 2019
	1 Euro	%	1 Euro	%
US Dollar	1.102	3.0%	1.096	2.5%
Canadian Dollar	1.481	2.0%	1.562	-4.0%
Jamaican Dollars	151.280	-2.5%	148.269	-4.5%
Mexican peso	22.040	-1.1%	26.177	-17.1%
Brazilian Real	4.912	-12.9%	5.700	-23.0%
Argentine Peso(*)	70.539	-30.6%	70.539	-30.6%
Russia Rubles	73.692	1.6%	85.949	-15.2%
Australian Dollar	1.678	-5.0%	1.797	-11.9%
Yuan Renminbi	7.692	-0.4%	7.778	-3.1%
Great Britain Pounds	0.862	1.2%	0.886	-3.2%
Switzerland Francs	1.067	6.2%	1.059	5.6%

(*) The average exchange rate of the Argentine Peso for both first quarter 2020 and first quarter 2019 was equal to the spot exchange rate at 31 March 2020 and 31 March 202019 respectively.

Sales by region

Sales for the first quarter of 2020 are analysed by geographical region and core market 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 decrease of -0.9%.

	% of Group total	first quarter 2020		first quarter 2019		total change	3 months change, of which			
		€ million	%	€ million	%	€ million	total	Organic(*)	perimeter	exchange rate(*)
US	33.8%	121.8	66.9%	115.3	64.5%	6.5	5.7%	1.1%	1.5%	3.1%
Jamaica	6.1%	22.1	12.1%	24.5	13.7%	-2.4	-9.6%	-7.3%	-	-2.4%
Canada	3.6%	12.9	7.1%	11.6	6.5%	1.3	11.6%	9.3%	0.1%	2.1%
Brazil	1.6%	5.8	3.2%	7.7	4.3%	-1.9	-24.4%	-13.2%	-	-11.2%
Mexico	1.8%	6.6	3.6%	7.6	4.2%	-1.0	-12.7%	-14.1%	2.3%	-0.9%
Other countries of the region	3.6%	13.0	7.1%	12.3	6.9%	0.7	5.5%	-0.9%	0.5%	5.9%
Americas	**50.6%**	**182.2**	**100.0%**	**178.9**	**100.0%**	**3.4**	**1.9%**	**-0.9%**	**1.1%**	**1.7%**

(*) Includes the effects associated with hyperinflation in Argentina. In order to mitigate the hyperinflation effect in Argentina, the organic change in this market includes exclusively the component attributable to volumes sold while the price variation, which includes the hyperinflation, is included in the exchange rate effect.

The **United States**, the Group's largest market with 33.8% of total sales, closed the first quarter of 2020 with organic growth of +1.1%, despite both the tough comparison base (+11.2% in first quarter 2019) and the initial effects of the Covid-19 restrictions introduced at the end of the period that impacted on the on-premise channel, which has an estimated share of around 30% of the market's 2019 net sales. This performance was achieved thanks to growth in the sales of Aperol, Campari and Espolòn, and the good performance of SKYY Vodka, for which the US is its key market. These results more than offset the fall in sales of Wild Turkey, due to the destocking carried out ahead of the packaging change, which has been postponed, and despite the solid figures for underlying consumption; and the decline in sales of Grand Marnier attributable to an unfavourable comparison base (+15.3% in first quarter 2019), which was amplified by the restrictive measures applied to the on-premise channel.

Jamaica recorded a decrease in sales of -7.3%, penalised in particular by closures in the on-premise channel and a sharp fall in tourist flows caused by the Covid-19 pandemic. The effect was exacerbated by an unfavourable comparison base in the same period in the previous year, and mainly due to Campari, Wray&Nephew Overproof and the local brands.

Canada posted a positive performance of +9.3% in the period, due to the healthy contribution of Grand Marnier, Aperol, Forty Creek, Appleton Estate and local brands.

Brazil recorded a negative performance of -13,2%, in a quarter of low seasonality. The fall in sales of Campari, Aperol and the local bands was only partially offset by sales of Cynar.

Mexico recorded an organic decline of -14.1%, mainly due to SKYY ready-to-drink and Grand Marnier. The performance of Aperol, on the other hand, was positive.

The **other countries** recorded a slight overall fall in sales of -0.9%. **Chile**'s positive performance was more than offset by the decrease in **Argentina** (-9.1%), a market that is still affected by an unstable economy, high inflation and a low propensity to spend. As a prudent measure to strip out the effects of inflation, the organic change in this market includes the component attributable to volumes sold only.

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

The region, which is broken down by core market in the table below, reported an organic decrease of -23.0%.

	% of Group total	first quarter 2020		first quarter 2019		total change	3 months change, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate
Italy	16.1%	57.9	68.5%	76.3	75.7%	-18.5	-24.2%	-24.4%	0.2%	-
France	2.4%	8.7	10.3%	7.5	7.5%	1.2	15.9%	-41.6%	57.5%	-
GTR	1.3%	4.6	5.5%	6.0	6.0%	-1.4	-23.3%	-18.9%	-4.5%	0.1%
Other countries of the region	3.7%	13.2	15.7%	10.9	10.8%	2.3	21.1%	-2.7%	23.8%	-
Southern Europe, Middle East and Africa	**23.4%**	**84.5**	**100.0%**	**100.8**	**100.0%**	**-16.4**	**-16.2%**	**-23.0%**	**6.8%**	**-**

Italy recorded an organic decrease in sales of -24.4%, despite the positive start to the year (double-digit growth in the first two months of the year); this was due to the negative performance of brands associated with the aperitifs market, a key segment in the Italian market that is particularly exposed to the effects of the Covid-19 pandemic, including, in particular, the shutdown of the on-premise channel, which accounts for 70% of the 2019 market's net sales. Aperol Spritz ready-to-drink[1] recorded double-digit growth thanks to its exposure to the off-premise channel and ease of consumption, in a period in which consumers are looking to replicate cocktails at home.

France showed an organic fall in sales of -41.6%, mainly due to non-recurring sales of excess bulk cognac during the first quarter of 2019 as well as the negative performance of Riccadonna, Grand Marnier and GlenGrant; this was only partially offset by growth in sales of Aperol.

The **Global Travel Retail** channel recorded an organic decrease of -18.9%, mainly due to GlenGrant, the Jamaican rums portfolio, SKYY Vodka and Aperol. The channel was particularly impacted by the effects of the lockdown measures relating to Covid-19, starting with the Asian markets, which were the first to experience the effects of the pandemic.

The **other countries in the region** reported an overall fall of -2.7%; this was mainly due to **South Africa,** mostly as a result of the effects of the planned destocking ahead of some route-to-market changes, and **Spain**, whose results were only partially offset by **Nigeria,** which, thanks to shipment phasing of Campari, recorded double-digit growth, despite the ongoing socio-economic instability.

- **Northern, Central and Eastern Europe**

The region recorded overall organic growth of +6.6%, spread across its core markets.

	% of Group total	first quarter 2020		first quarter 2019		total change	3 months change, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate
Germany	8.3%	30.0	43.6%	31.1	47.5%	-1.1	-3.5%	-0.3%	-3.2%	-
Russia	2.5%	9.0	13.1%	7.3	11.2%	1.7	23.0%	30.4%	-9.4%	2.0%
United Kingdom	2.3%	8.3	12.0%	5.9	9.0%	2.4	40.0%	38.3%	-	1.7%
Other countries of the region	6.0%	21.5	31.3%	21.1	32.3%	0.4	1.9%	-0.3%	-0.1%	2.2%
North, Central and Eastern Europe	**19.1%**	**68.7**	**100.0%**	**65.4**	**100.0%**	**3.3**	**5.1%**	**6.6%**	**-2.6%**	**1.1%**

Sales in **Germany** declined slightly (-0.3%) with positive sell-out trends outpacing shipments in a predominantly off-premise market (accounting for approximately 70% of the market net sales in 2019). Specifically, the positive performances of Campari, Ouzo 12 and Bulldog were offset by weak sales of Averna and SKYY Vodka. Aperol showed flat shipments, despite solid sell-out trends with a double digit growth.

Russia recorded an increase of +30.4% in sales, thanks to Aperol, Mondoro and Cinzano vermouth, in a quarter of traditionally low seasonality.

[1] A stand-alone brand not accounted in the Aperol brand performance.

Sales in the **United Kingdom** increased by +38.3%. Growth in the period was sustained by the Jamaican rums portfolio, especially Wray&Nephew Overproof, and by other minor brands. There was a temporary decline in Aperol's sales due to the lack of finished product in the off-premise channel.
Performance in the **other countries in the region** was stable overall (-0.3%): positive sales growth in **Austria** (Aperol and Campari) and **Switzerland** (Aperol and Crodino) was offset by the decrease in sales in **Benelux**.

- **Asia-Pacific**

This region, which is broken down by core market in the table below, recorded organic growth of +3.5%.

	% of Group total	first quarter 2020		first quarter 2019		total change	3 months change, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate
Australia	5.6%	20.0	80.8%	17.8	71.3%	2.2	12.3%	18.2%	-	-5.9%
Other countries of the region	1.3%	4.8	19.2%	7.2	28.7%	-2.4	-33.8%	-33.1%	-	-0.7%
Asia-Pacific	**6.9%**	**24.8**	**100.0%**	**25.0**	**100.0%**	**-0.2**	**-0.9%**	**3.5%**	**-**	**-4.4%**

In **Australia**, the region's largest market, organic growth in the period was positive at +18.2%. Performance was weak in the early part of the year due to the bush fires in the country, while, in the last part of the quarter, sustained sales were recorded in the off-premise channel (accounting for approximately 85% of the market net sales in 2019) in anticipation of the spread of the Covid-19. Sustained performance was recorded for Wild Turkey ready-to-drink, Wild Turkey bourbon, American Honey and Campari.

Sales in the **other countries in the region** fell by -33.1%; this was mainly due to the negative performance of sales in **Japan**, as a result of the destocking carried out by the Group ahead of the change in the route-to-market structure in the region, as well as the negative performance of sales in the rest of Asia, especially in **China**, which was the first country to be affected by the outbreak of Covid-19.

Sales by major brands at consolidated level

The following table summarises growth (split into its various components) in the Group's main brands in the first quarter of 2020, broken down into the categories identified by the Group based on the priority (global, regional, local and other) assigned to them.

The effects of new acquisitions are shown under external growth components, represented by perimeter variations, and contribute to the Group's results from the day after the closing date of the acquisition.
With reference to the quarter in question, the Trois Rivières and La Mauny French rums were included in the regional priority brands, while the Duquesne brand was classified under local priority brands. The Ancho Reyes and Montelobos brands, resulting from the acquisition completed on 20 November 2019, were included under regional priority brands. The agency brands relating to the acquisition of RFD, which was completed on 28 February 2020, were included in the rest of the portfolio. It should be noted that the products belonging to the Campari Group portfolio sold by RFD continue to be reported as organic changes, in line with previous practice.

	Percentage of Group sales	3 months change, of which			
		total	organic	perimeter	exchange rate
Aperol	16.2%	0.6%	-0.2%	-	0.8%
Campari	10.8%	0.9%	0.3%	-	0.6%
Wild Turkey portfolio[(1)(2)]	8.4%	-11.1%	-12.7%	-	1.6%
Grand Marnier	8.4%	-8.4%	-10.8%	-	2.4%
SKYY[(1)]	8.1%	-2.2%	-4.7%	-	2.5%
Jamaican rums portfolio[(3)]	6.1%	3.3%	3.7%	-	-0.4%
global priority brands	**57.9%**	**-2.7%**	**-4.0%**	**-**	**1.3%**
Espolòn	4.0%	13.0%	10.0%	-	3.0%
Bulldog	0.6%	-18.2%	-17.5%	-	-0.8%
GlenGrant	0.8%	-32.7%	-33.1%	-	0.4%
Forty Creek	1.2%	8.8%	6.5%	-	2.3%
Bitter and Italian liquors[(4)]	3.8%	-13.5%	-14.2%	-	0.7%
Cinzano	2.9%	-6.7%	-7.7%	-	1.0%
Bisquit	0.1%	-59.9%	-61.0%	-	1.1%
other[(5)]	3.4%	89.9%	-13.2%	102.2%	0.8%
regional priority brands	**16.7%**	**4.7%**	**-7.9%**	**11.3%**	**1.3%**
Campari Soda	3.2%	-19.8%	-19.9%	-	-
Crodino	2.8%	-15.3%	-15.5%	-	0.2%
Wild Turkey portfolio ready-to-drink[(6)]	2.1%	8.4%	14.0%	-	-5.7%
Dreher and Sagatiba	0.8%	-17.0%	-5.2%	-	-11.8%
other	2.0%	16.3%	12.5%	2.4%	1.4%
local priority brands	**10.8%**	**-8.5%**	**-7.2%**	**0.4%**	**-1.6%**
rest of the portfolio	**14.5%**	**-5.7%**	**-6.3%**	0.8%	**-0.3%**
total	**100.0%**	**-2.7%**	**-5.3%**	**1.9%**	**0.7%**

(1) Excludes ready-to-drink.
(2) Includes American Honey.
(3) Includes Appleton Estate and Wray&Nephew Overproof rum.
(4) Includes Braulio, Cynar, Averna and Frangelico.
(5) Includes Riccadonna, Mondoro, Trois Rivières, La Mauny, Ancho Reyes and Montelobos.
(6) Include American Honey ready-to-drink.

The Group's **global priority brands** (57.9% of sales) fell by -4.0% at organic level, with an overall decrease of -2.7%, an exchange rate effect of +1.3% and a neutral perimeter effect. The comments below relate to the organic performance of individual brands.
Aperol recorded a slight fall in sales of -0.2% during the quarter in question. Growth recorded in the United States, France, Russia, Switzerland and the eastern European markets was not enough to offset the decline recorded in Italy (the brand's largest market with approximately 35% of sales) due to the lockdown measures implemented from March, including the total shut down of the on-premise channel, to contain the Covid-19 pandemic. Excluding the performance in Italy, the brand would have grown by +22.1%.
Campari closed the period with modest organic growth of +0.3% thanks to the positive results achieved in the United States, the brand's second-largest market by value, Nigeria and Germany, which offset the double-digit decline in Italy, due to both Covid-19 and brand's exposure in on-premise channel. Excluding the performance in Italy, the brand would have grown by +9.3%.
The **Wild Turkey**, portfolio, which includes American Honey, showed a reduction in sales of -12.7% in the period, against a tough comparison base (+10.0% in first quarter 2019). The positive performance in Australia was more than offset by the contraction in the key US market, affected by destocking ahead of new packaging (now postponed), despite the solid figures for underlying consumption, and Japan market, with the latter being due to the destocking carried out by the Group ahead of the planned change in the region's route-to-market structure.
Grand Marnier recorded a decline of -10.8%, mainly due to the fall in sales in the United States, the brand's main market, which was penalised by an unfavourable comparison base in the same period in the previous year (+15.3% in first quarter 2019), as well as by a drop in sales in the on-premise channel due to initiatives against Covid-19 pandemic, and in France. In Canada, its second-largest market by size, the brand achieved positive results.

SKYY closed the first quarter of 2020 with a fall of -4.7%, mainly due to the negative performance in the international markets, including China and South Africa, the latter penalised by the significant destocking required for the planned changes in the route-to-market structures. The United States recorded a positive performance, due to consumer preference shifting to off-premise channel after the introduction in March of restrictive measures in the on-premise channel to contain the effects of Covid-19. Depletion and sell-out trends moved to positive territory as well.
The **Jamaican rums portfolio** (Appleton Estate and Wray&Nephew Overproof) recorded organic growth of +3.7% in the period. The positive results of Wray&Nephew Overproof, achieved thanks to good performances in the United States and the United Kingdom, offset the slight decrease in Jamaica, the brand's key market. The latter was impacted by the decrease in tourism as well as by the closure of the on-premise channel due to measures against Covid-19 pandemic. Sales of Appleton Estate fell slightly (-1.8%) due to destocking ahead of new packaging in February. The good performances in Canada and the UK were more than offset by the fall recorded in New Zealand and in the Global Travel Retail channel.

The **regional priority brands** (16.7% of the Group's sales) posted an organic decline of -7.9%, with an overall increase of +4.7%, an exchange rate effect of +1.3% and a perimeter effect of +11.3%. The comments below relate to the organic performance of individual brands.
Espolòn (+10.0%) recorded a positive performance in the United States, the brand's largest market. Net sales for the brand in the US market are lagging behind the stronger depletion and sell-out trends.
Bulldog sales fell (-17.5%) due to negative performances in the main markets of the United Kingdom, Spain and Belgium. In contrast, Germany recorded a positive result.
GlenGrant recorded a negative performance of -33.1% in the period; this was mainly due to the decline in the Global Travel Retail channel, which was particularly impacted by the effects of Covid-19, in France, due to phasing for route-to market changes and in Italy. Continued progress was made with the gradual repositioning of the brand, involving the shift of high-volume varieties that have a short ageing period to a premium higher-margin range.
Forty Creek recorded a positive performance of +6.5%, thanks to the results achieved in Canada and the United States.
Sales of **Italian bitters and liqueurs** (Cynar, Averna, Braulio and Frangelico) were negative overall (-14.2%) due to the falling trends in the main reference markets for each brand. Performance in Italy was negative due to the combined effect of the measures adopted in the on-premise channel to fight the spread of the Covid-19 pandemic and limitations measures carried out by the route-to-market chains in the spirits category.
Cinzano sales fell by -7.7% overall. In the vermouths segment, the negative performance is mainly attributable to the Eastern European markets. The Eastern Europe decline is due to unfavourable comparison base as well as brand repositioning as traditional vermouth. However, the brand reported growth in Russia and Australia. Performance in the sparkling wines segment was broadly stable thanks to growth in the German market and Eastern Europe, which more than offset the weakness recorded in the Italian and Chinese markets.
In the **other brands,** Mondoro recorded a good performance in the Russian market; this was partially offset by the decline in sales of Riccadonna during the period, mainly attributable to the French market impacted by shipment decline due to destocking ahead of route-to-market changes.
The **Bisquit** brand, which has contributed to the Group's organic sales effect from February 2019, recorded an organic decline of -61.0%, mainly in South Africa, due to the planned destocking carried out ahead of some route-to-market changes.

The **local priority brands** (10.8% of the Group's portfolio) showed an organic sales decrease of -7.2%, with an overall variation of -8.5%, an exchange rate effect of -1.6% and a perimeter effect of +0.4%. The comments below relate to the organic performance of individual brands.
The organic performance of the local priority brands is due to the contraction in sales of the Italian single-serve aperitifs, **Campari Soda** and **Crodino**, which were particularly impacted by the effects of the Covid-19 pandemic on the Italian key market, as well as the **Brazilian brands** (**Dreher** and **Sagatiba**). **Wild Turkey ready-to-drink** recorded a positive performance in Australia, the main reference market.

The **rest of the portfolio** (14.5% of the Group's sales) recorded a negative performance of -6.3%, due particularly to **SKYY ready-to-drink** in Mexico.

Income statement

Highlights

The income statement for the first quarter of 2020 suffered heavily from the effects of the outbreak of the Covid-19 pandemic, although the containment measures aimed at restricting people's movements and social contact were introduced progressively at global level and varied considerably between countries in both intensity and timescale. Therefore, despite a markedly favourable start to the year in many geographical regions, especially Italy, the results of the first quarter of 2020 include the effects of a new economic reality, which was in no way foreseeable. The severe restrictions, including the suspension of productive activities defined as non-essential (which does not include beverage), combined with the general situation of extreme uncertainty that, starting from February 2020, has taken hold of the financial markets and the global economy in general, has seriously affected end clients' propensity to consume; moreover, the latter is also affected by the actual availability of products at distributors, which are increasingly focusing on supplying the basic essentials, with consequent repercussions on the Group's business. While there are no issues with business continuity, the overall effect has led to a negative organic performance for all the profitability indicators monitored by the Group.

Specifically, net sales, gross margin, contribution margin and result from recurring activities (EBIT adjusted) showed an organic decline of -5.3%, -9.2%, -10.6% and -35.3% respectively. All the indicators therefore show a greater decrease than sales, with a resulting dilution in margins. This is due to the lower absorption of fixed costs due to the contraction in sales in a season of typically low seasonality and a tough comparison base compared with the first quarter of 2019. Moreover, the timing of the severe restrictions, which coincided with the end of the quarter, curbed the implementation of actions to reduce costs incurred by the Group, which could not be adapted to the changed development of the business. The available resources have, however, been re-directed to activities that are useful for the new environment, such as the strengthening of IT support activities, the monitoring of supplies, customer performance, changes to the financial structure and liquidity, and the reformulation of work activities by introducing new protocols, work practices and safety measures. Meanwhile, cost analysis was carried out on discretionary spending with the aim of reducing or postponing costs associated with activities not deemed to be a priority, including some spending on marketing and projects not strictly connected with business continuity.

The perimeter variations relate to the acquisitions of Rhumantilles, Ancho Reyes and Montelobos, which were completed in the latter part of 2019 and the recent acquisition of RFD, which was finalised on 28 February 2020, as well as the termination of some low-margin distribution agreements.

With regard to the total changes in the sales and profitability indicators, the favourable exchange rate effect, driven by the strengthening of the US dollar, which was only partly reduced by the depreciation of the currencies in the Group's main emerging markets, more than offset the negative perimeter impact, generated by the termination of some distribution agreements, net of the effect of new acquisitions.

The table below shows the income statement[1] for the first quarter of 2020 and a breakdown of the total change by organic growth, external growth and exchange rate effects.

	first quarter 2020		first quarter 2019		total change		of which organic		of which external		of which due to exchange rates and hyperinflation	
	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
Net sales	**360.2**	**100.0**	**370.1**	**100.0**	**(9.9)**	**-2.7%**	**(19.6)**	**-5.3%**	**7.1**	**1.9%**	**2.6**	**0.7%**
Cost of goods sold	(151.2)	(42.0)	(146.2)	(39.5)	(5.0)	3.4%	(0.9)	0.6%	(5.1)	3.5%	1.0	-0.7%
Gross profit	**209.0**	**58.0**	**223.8**	**60.5**	**(14.9)**	**-6.6%**	**(20.5)**	**-9.2%**	**2.0**	**0.9%**	**3.6**	**1.6%**
Advertising and promotional costs	(57.1)	(15.9)	(58.8)	(15.9)	1.6	-2.8%	3.0	-5.0%	(0.8)	1.3%	(0.5)	0.9%
Contribution margin	**151.8**	**42.2**	**165.1**	**44.6**	**(13.2)**	**-8.0%**	**(17.5)**	**-10.6%**	**1.2**	**0.7%**	**3.1**	**1.9%**
Overheads	(104.0)	(28.9)	(92.6)	(25.0)	(11.3)	12.2%	(8.0)	8.7%	(3.2)	3.5%	(0.1)	0.1%
Result from recurring activities (EBIT adjusted)	**47.9**	**13.3**	**72.4**	**19.6**	**(24.6)**	**-33.9%**	**(25.6)**	**-35.3%**	**(2.0)**	**-2.8%**	**3.0**	**4.2%**
Adjustments to operating income (expenses)	(5.6)	(1.5)	(0.8)	(0.2)	(4.8)	635.0%						
Operating result	**42.3**	**11.7**	**71.7**	**19.4**	**(29.4)**	**-41.0%**						
Financial income (expenses)	(12.8)	(3.6)	(8.3)	(2.3)	(4.4)	53.2%						
Adjustments to financial income (expenses)	1.4	0.4	-	-	1.4	-						
Profit (loss) related to companies valued at equity	0.1	-	0.2	-	(0.1)	-49.1%						
Put option, earn out income (expenses) and hyperinflation effect	(0.5)	(0.1)	(0.3)	(0.1)	(0.2)	60.1%						
Profit before tax and non-controlling interests interest	**30.5**	**8.5**	**63.2**	**17.1**	**(32.7)**	**-51.8%**						
Non-controlling interests	(0.1)	-	-	-	(0.1)	-						
Group profit before tax	**30.6**	**8.5**	**63.2**	**17.1**	**(32.6)**	**-51.6%**						
Group profit before tax adjusted	**34.7**	**9.6**	**63.9**	**17.3**	**(29.2)**	**-45.7%**						
Total depreciation and amortisation	(19.6)	(5.4)	(17.1)	(4.6)	(2.4)	14.3%	(1.2)	7.0%	(1.3)	7.4%	-	-0.2%
EBITDA Adjusted	**67.5**	**18.7**	**89.6**	**24.2**	**(22.1)**	**-24.7%**	**(24.4)**	**-27.2%**	**(0.7)**	**-0.8%**	**3.0**	**3.3%**
EBITDA	**61.9**	**17.2**	**88.8**	**24.0**	**(26.9)**	**-30.3%**						

[1] For information on the definition of alternative performance indicators, see the 'Alternative performance indicators' section in the next part of this Additional Financial Information.

The decrease in profitability in the first quarter of 2020 shown by the operating profitability indicators, expressed as a percentage (basis points) of total net sales and organic sales, is shown in the following table[1].

margin accretion (dilution) in basis point[2]	Total	Organic
Cost of goods sold	(250)	(250)
Gross margin	**(250)**	**(250)**
Advertising and promotional costs	-	-
Contribution margin	**(250)**	**(250)**
Overheads	(380)	(370)
Result from recurring activities (EBIT adjusted)	**(630)**	**(620)**

[1] For information on the definition of alternative performance indicators, see the 'Alternative performance indicators' section in the next part of this Additional financial information.

[2] There may be rounding effects given that the corresponding basis points have been rounded to the nearest ten.

Income statement in detail

The key income statement items are analysed below.

See the previous section for a detailed analysis of sales for the period.

The **gross margin** for the period was €209.0 million, a fall of -6.6% on the same period in 2019. The organic component was -9.2%, which was higher than the organic decrease in sales (-5.3%), while the growth components attributable to the exchange rate effect and perimeter variation were marginally positive at +1.6% and +0.9% respectively.
As a percentage of sales, it fell overall from 60.5% in the first quarter of 2019 to 58.0% in the period in question, with a decrease in both total and organic profitability of 250 basis points.
The organic contraction in margins was driven by an unfavourable product/market mix, which was affected by the weak performance of high-margin brands, such as aperitifs in Italy, the category's main market, due to the impact of the measures to contain the Covid-19 pandemic; as well as the lower contribution of some of the high-margin markets, particularly the United States, due to the selective destocking undertaken by distributors in anticipation of reduced demand caused by Covid-19.
The exchange rate effect and perimeter variation offset each other (60 basis points each with an accretive and dilutive effect on margins respectively) and therefore had a neutral impact on sales margins overall.

Advertising and promotional costs was €57.1 million, down by -2.8% overall compared with the same period in 2019. As a percentage of sales, these costs were broadly unchanged on the first quarter of 2019, totalling 15.9%, with a consequent neutral effect in terms of margins change.
Marketing costs decreased by -5.0% organically; this was mainly due to the aforementioned measures to contain and postpone some initiatives primarily associated with brand activation activities aimed at consumers and commercial partners in the on-premise and Global Travel Retail channels, which were significantly affected by Covid-19 during the quarter.
The growth component attributable to exchange rate effects came to +0.9%, generating a dilutive effect of 10 basis points on margins. This was fully absorbed by the perimeter component, which had an accretive effect of 10 basis points (growth of +1.3%).

The **contribution margin** was €151.8 million, a decrease of -8.0% overall on the same period in 2019. As a percentage of sales, these costs were 42.2%, an overall decrease of 250 basis points compared with the first quarter of 2019. The organic growth component fell by -10.6%, more than the decline in organic sales growth (-5.3%), generating a dilutive effect of 250 basis points. The impact of the perimeter variation was slightly positive at +0.7%, with a dilutive effect on margins of 50 basis points; this was entirely offset by exchange rate variations with an accretive effect of 50 basis points (up by +1.9% on the same period in the previous year),.

Overheads amounted to €104.0 million, up by +12.2% on the first quarter of 2019. Overheads as a percentage of sales amounted to 28.9%, compared with 25.0% in the same period in the previous year, with a resulting dilutive effect on margins of 380 basis points.
Organic growth was +8.7%, with a dilutive effect of 370 basis points on margins. Despite the appearance of the initial impacts of the Covid-19 pandemic, the Group continued with the initiatives previously planned to strengthen its commercial presence, including in route to market, in certain geographical regions. This mainly related to Asia, as a result of the move of the region's headquarters from Sydney to Singapore. Moreover, organic growth in overheads also includes the lower absorption of primarily fixed costs in a period of typically low seasonality, which experienced a strong organic contraction in sales. Growth due to perimeter and exchange rate effects, totalling +3.6% overall, generated a dilutive effect on margins of 10 basis points, mainly due to the new companies acquired.

The **result from recurring activities (EBIT adjusted)** was €47.9 million in 2020, an overall decrease of -33.9% on the same period in 2019. Adjusted return on sales (ROS) was 13.3% (19.6% in the first quarter of 2019).
The organic decline component was -35.3%, which was considerably higher than that of organic sales (-5.3%), resulting in a dilutive effect of 620 basis points.
The impact of perimeter variations on adjusted EBIT was -2.8%, mainly due to the termination of distribution agreements and the unfavourable impact of recent acquisitions, driven by the lower absorption of fixed costs (mainly overheads) following lower sales due to Covid-19. On the other hand, the exchange rate effect was +4.2%, mainly due to the strengthening of the US dollar against the Euro.

Adjustments to operating income (expenses) showed a net charge of €5.6 million; this related to donations of around €2 million made by the Group for the Covid-19 emergency, as well as costs associated with restructuring operations, mainly concerning initiatives to outsource the Group's accounting, administrative and selected information technology services, which were started in previous periods and are still in progress.

The **operating result** for the first quarter of 2020 was €42.3 million, reflecting a decrease of -41.0% on the same period in 2019. The ROS, which measures the operating result as a percentage of net sales, amounted to 11.7% (19.4% in the first quarter of 2019).

Depreciation and amortisation totalled €19.6 million, up +14.3% on the same period in 2019. The perimeter variation relating to recent acquisitions had a significant impact of +7.4%.

EBITDA adjusted was €67.5 million, a decrease of -24.7% of which -27.2% at organic level. Exchange rate effects made a positive contribution of +3.3%, while perimeter effects recorded a negative impact of -0.8%.

EBITDA was €61.9 million, a decrease of -30.3% compared with the first quarter of 2019 (€88.8 million).

Net financial expenses totalled €12.8 million, reflecting a significant increase on the same period in 2019 (€8.3 million), due to the following factors:
- a negative component of €2.9 million relating to exchange rate differences;
- negative effects on the current valuations of financial assets held in the portfolio and measured at fair value, totalling €1.4 million, due to the volatility and instability of the financial markets caused by the Covid-19 pandemic.

Therefore, despite a lower average level of debt at 31 March 2020 (€832.3 million, compared with €870.2 million at 31 March 2019), the average cost of debt for the first quarter of 2020 (excluding the component relating to exchange rate effects) amounted to 4.7%, showing an increase on the reported 3.7% for the same period in 2019. The increase is broadly attributable to the persistent significant negative carry due to the excess of interest paid on existing medium and long-term debt (down compared to the same period in 2019) compared to those accrued on available liquidity.

Positive **adjustments to financial income (expenses)** of €1.4 million were recorded in the first quarter of 2020; these related mainly to liability management concerning the term loan taken out in July 2019, which were carried out to benefit from better financial terms and conditions.

The item **income (expenses) relating to put options, earn-out and hyperinflation effects** was negative and totalled €0.5 million. It includes net expenses of €0.2 million attributable to the non-cash effects of the remeasurement and discounting to present value of payables for future commitments relating to earn-outs and minority shareholdings in acquired businesses. The item also includes expenses arising from the application of the IAS 29-'Financial Reporting in Hyperinflationary Economies' in Argentina accounting standard, totalling €0.3 million.

Net profit before tax and minority interests was €30.5 million, a decrease of -51.8% compared with the same period in 2019. Profit as a percentage of sales was 8.5% (17.1% in the first quarter of 2019).

Result before tax relating to non-controlling interests for the period in question was marginal and corresponds to a loss of €0.1 million.

The Group's profit before tax was €30.6 million, a decrease of -51.6% compared with the same period in 2019. Profit as a percentage of sales was 8.5% (17.1% in the first quarter of 2019).
However, after excluding adjustments to operating and financial components, the Group's profit before tax amounted to €34.7 million, a decrease of -45.7% on the figure for 2019, which was also adjusted consistently.

Breakdown of net financial debt

At 31 March 2020, consolidated net financial debt was €887.1 million, an increase of €109.7 million on the amount of €777.4 million reported at 31 December 2019.
Consolidated net financial debt at 31 March 2020 includes the effects of the acquisition of French distributor Baron Philippe de Rothschild France Distribution S.A.S., ('RFD'), now renamed Campari France Distribution S.A.S. for an overall impact of €54.6 million (overall cash outlay of €50.3 million at the closing date, to which is added the net financial debt of the acquired company; for more information see the 'Significant events during the year' section), as well as the purchase of own shares to service stock option plans for €41.1 million.
The Group's financial structure remains absolutely sound despite the generation of cash in the quarter has been partly affected by some negative effects associated with the general macroeconomic environment as a result of the Covid-19 pandemic. Thanks to its extremely solid financial profile, characterised by an absence of financial covenants of any kind on existing debt, significant cash and cash equivalents of €693.3 million, as well as credit lines in place totalling €500 million (only marginally used as at 31 March 2020), Campari Group is able to guarantee the maintenance of all existing financial commitments. Particular reference is made to the dividend payment of €62.9 million scheduled for 22 April 2020, the continuation of the share buyback program totalling €350 million, and the repayment of the Eurobond issued by Davide Campari-Milano S.p.A. in 2015 and expiring in September 2020 for a residual nominal amount of €581 million. With the aim of further strengthening the Group's financial structure and achieving greater flexibility, on 14 April 2020 Davide Campari-Milano S.p.A. entered into a loan agreement for a maximum amount of €750 million with final deadline on 31 December 2021 (see the section 'Events taking place after the period' for more information).

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

	31 March 2020	31 December 2019	change	*of which perimeter effect[2]*
	€ million	€ million	€ million	*€ million*
cash and cash equivalents	693.3	704.4	(11.1)	*(3.5)*
bond	(580.3)	(580.0)	(0.3)	-
payables to banks	(128.4)	(34.4)	(93.9)	*(0.1)*
lease payables	(16.1)	(15.4)	(0.7)	*0.1*
lease receivables	2.4	2.3	0.1	-
other financial receivables and payables	(10.3)	(5.4)	(4.9)	*2.3*
short-term net financial debt	**(39.4)**	**71.5**	**(110.9)**	***(1.2)***
bonds	(349.4)	(349.4)	-	-
payables to banks[1]	(246.2)	(249.3)	3.1	-
lease payables	(80.7)	(82.1)	1.4	*(4.4)*
lease receivables	4.3	4.8	(0.5)	-
other financial receivables and payables	8.3	9.8	(1.6)	-
medium-/long-term net financial debt	**(663.7)**	**(666.1)**	**2.3**	***(4.4)***
net financial debt relating to operating activities	**(703.1)**	**(594.6)**	**(108.5)**	***(5.6)***
liabilities for put option and earn-out payments	(184.0)	(182.8)	(1.2)	-
net financial debt	**(887.1)**	**(777.4)**	**(109.7)**	***(5.6)***

[1] Including the related derivatives.
[2] The change includes an overall marginal impact of € 1.3 million, related to the exit from the consolidation area of the Japanese Group's commercial company operating in the Japanese market following on-going changes in the distribution structure.

In terms of structure, net financial debt at 31 March 2020 continues to comprise a larger medium/long-term debt component compared with the short-term portion.
The short-term net financial position was €39.4 million and consists mainly of cash and cash equivalents (€693.3 million), net of bonds expiring during the year (€580.3 million) and payables to banks (€128.4 million). Payables to banks increased by €93.9 million compared with the net position at 31 December 2019. The short-term financial position relating to lease operations comprises €16.1 million for payables and €2.4 million for receivables. Other financial payables and receivables include a net payable of €10.3 million, which mainly relates to payables for interest normally accrued on existing bonds (in an amount of €14.4 million).
The short-term financial position was affected by the acquisition of RFD on 28 February 2020, which involved a cash outlay of €50.3 million.

The medium/long-term items comprise bonds of €349.3 million, bank payables of €246.2 million, a decrease of €3.1 million compared with 31 December 2019.
Notional payables and receivables relating to long-term leases, in amounts of €80.7 million and €4.3 million respectively, were also recorded. Lastly, medium/long-term net financial debt includes other financial payables and receivables of various types, represented by a net receivable of €8.3 million relating to various financial assets (€5.0 million) and restricted deposits for the payment of earn-out associated with business acquisitions (€3.3 million).

Separately, the Group's net financial debt shows a payable of €184.0 million, which comprises the payable for future commitments to purchase shareholdings in acquired businesses mainly related to the acquisition of Société des Produits Marnier Lapostolle S.A. for € 135.4 million; as well as Montelobos, Ancho Reyes and J. Wray & Nephew Ltd., in addition to earn-out relating to the acquisition of Bulldog, for an overall total amount of € 48.6 million.

The Group's debt management objectives are based on the achievement of an optimal level of financial soundness, while maintaining an appropriate level of liquidity that enables it to make an economic return and, at the same time, gives it sufficient flexibility in terms of how to finance acquisitions. The Group monitors changes to its net debt/adjusted EBITDA ratio on an ongoing basis. Net debt is the value of the Group's net financial position at 31 March 2020, whereas the Group's adjusted EBITDA taken as reference is that of the last 12 months. At 31 March 2020, this multiple was 1.9 times, an increase on the figure of 1.6 times at 31 December 2019, using consistent calculation criteria. The change is driven on one hand to the outlay incurred for the acquisition of RFD and on the other hand to the impact of Covid-19 on profitability in the first quarter of 2020.

Alternative performance indicators (non-GAAP measures)

These additional financial information presents and comments on certain financial performance indicators that are not defined in the IFRS (non-GAAP measures).

These indicators, which are described below, are used to analyse the Group's business performance in the 'Highlights' and 'Additional financial information' sections, in compliance with the requirements of Consob communication (DEM 6064293) of 28 July 2006 as subsequently amended and supplemented (Consob communication 0092543 of 3 December 2015, which incorporates the Guidelines on Alternative Performance Measures ESMA/2015/1415).

The alternative performance indicators listed below should be used to supplement the information required by IFRS to help readers of the Additional financial information gain a better understanding of the Group's economic, financial and capital position. In addition, alternative performance indicators may be used to facilitate comparison with groups operating in the same sector, although in some cases the calculation method could differ from those used by other companies.

- **Financial indicators used to measure Group operating performance**

Organic change: the Group shows organic changes to comment on its underlying business performance. By using this indicator, it is possible to focus on the business performance common to both periods under comparison and which management can influence. The organic changes are 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. Specifically:

- the exchange rate effects are calculated by converting the figures for the current period at the exchange rates applicable in the comparative period of the previous year;
- the results due to businesses acquired or the subscription of distribution agreements during the current year are excluded from the organic change for 12 months from the date on which the transaction closed;
- the results due to businesses acquired or the subscription of distribution agreements during the previous year are wholly included 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 the acquisition;
- the results due to business disposals or the termination of distribution agreements during the previous year are wholly excluded from the figures for that year and, therefore, from the organic change;
- the results due to business disposals or the termination of distribution agreements during the current year are excluded from the figures for the previous year from the corresponding date of disposal or termination of the agreement.

The percentage organic change is the ratio of the absolute value of the organic change, calculated as described above, to the absolute value of the indicator in question for the previous period being compared.

Gross margin: calculated as the difference between net sales and the cost of goods sold (in terms of their materials, production and distribution).

Contribution margin: calculated as the difference between net sales, the cost of goods sold (in terms of their materials, production and distribution cost components) and advertising and promotional costs.

Adjustments to operating income (expenses): relate to certain transactions or events identified by the Group as adjustment components to 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 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).

The above items were deducted from or added to the following indicators: operating result, EBITDA and profit/loss before tax for the period. For a detailed reconciliation of the items that had an impact on the above alternative performance indicators in the current and comparison years, see the appendix given at the end of this section.

The Group believes that properly adjusted indicators help both management and investors to assess the Group's results and cash flows against those of other groups in the sector, as they exclude the impact of some items that are not relevant for assessing performance.

Operating result (EBIT): calculated as the difference between net sales, the cost of goods sold (in terms of their materials, production and distribution), advertising and promotional costs, and overheads.

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

EBITDA: the operating result before depreciation and amortisation of tangible and intangible fixed assets and leased assets.

EBITDA adjusted: EBITDA as defined above, excluding the above-mentioned adjustments to operating income (expenses).

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

Adjusted profit/loss before tax: the profit/loss for the period before tax, before the above adjustments to operating income (expenses) and to financial income (expenses), and before the tax effect.

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

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

Net financial debt
Net financial debt is calculated as the algebraic sum of:
- cash and cash equivalents;
- non-current financial assets, recorded under Other non-current assets;
- current financial assets, recorded under Other receivables;
- receivables for leases;
- payables to banks;
- payables for leases;
- other financial payables;
- bonds;
- non-current financial liabilities, recorded under Other non-current liabilities;
- payables for put options and earn-out.

Debt/adjusted EBITDA ratio
The net debt/adjusted EBITDA 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 to this indicator 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 adjusted EBITDA for the past 12 months is calculated based on the reported value at the closing date of the reference period, integrating it for the remaining months with the portion of adjusted EBITDA recorded in the previous year.

- **Appendix: alternative performance indicators**

In the first quarter of 2020, EBITDA, the result from recurring activities (EBIT) and the Group profit before tax were adjusted to take account of the items shown in the table below.

31 March 2020	**EBITDA**		**EBIT**		**Group profit before taxes**	
	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance indicator reported	**61.9**	**17.2%**	**42.3**	**11.7%**	**30.6**	**8.5%**
restructuring and reorganisation costs	(2.4)	-0.7%	(2.4)	-0.7%	(2.4)	-0.7%
other adjustments of operating income (expenses)	(3.1)	-0.9%	(3.1)	-0.9%	(3.1)	-0.9%
adjustments to financial income (expenses)	-	-	-	-	1.4	0.4%
total adjustments	**(5.6)**	**-1.5%**	**(5.6)**	**-1.5%**	**(4.2)**	**-1.2%**
alternative performance indicator adjusted	**67.5**	**18.7%**	**47.9**	**13.3%**	**34.7**	**9.6%**

31 March 2019	**EBITDA**		**EBIT**		**Group profit before taxes**	
	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance indicator reported	**88.8**	**24.0%**	**71.7**	**19.4%**	**63.2**	**17.1%**
gains/(losses) from disposals of tangible and intangible fixed assets	1.0	0.3%	1.0	0.3%	1.0	0.3%
restructuring and reorganisation costs	(2.2)	-0.6%	(2.2)	-0.6%	(2.2)	-0.6%
other adjustments of operating income (expenses)	0.4	0.1%	0.4	0.1%	0.4	0.1%
total adjustments	(0.8)	-0.2%	(0.8)	-0.2%	(0.8)	-0.2%
alternative performance indicator adjusted	**89.6**	**24.2%**	**72.4**	**19.6%**	**63.9**	**17.3%**

Conclusions on the first quarter 2020 and outlook

Campari Group's start to the year can certainly be considered an anomaly and is marked by the sad reality of the Covid-19 pandemic. Italy, the Group's second largest market with its key segment represented by aperitifs had a very positive start to the year, growing by double-digits, but underwent a dramatic slowdown due to the total close of the on-premise channel in March. In a very short space of time, the rest of the world has progressively started to confront the same challenges, including the United States, the Group's largest market, which is now facing a total emergency.

The widespread containment measures implemented by governments around the world, including the closure of bars and restaurants, are having a significant impact on the Campari Group's business.
Organic growth in the first quarter of 2020 was severely affected by these restrictions, and the geographical regions that were forced to confront this emergency first are those that have been hardest hit by the effects of the crisis. The geographical regions experiencing a delayed effect of the impacts of the pandemic, particularly the United States, the northern European region and Australia, are the regions in which the weight of the on-premise channel is structurally lower than in the Italian market.

In this environment, protecting the safety of Camparistas and their families remains the top priority. At the same time, all the actions necessary to protect business continuity have been undertaken. The safety and prevention measures implemented at the start of the emergency are still in place and are continuously updated to reflect the new directives issued by the competent authorities. Ongoing dialogue with the main business counterparties, including suppliers and customers, has been further strengthened to ensure business continuity. In addition, Campari Group has proactively supported local communities through donations of cash and alcohol for the manufacture of sanitizers for healthcare workers on the front line worldwide, while at the same time providing support for baristas and other sector operators affected by the temporary closure of their business.

With regard to business performance for the current year, due to the high level of uncertainties generated by the pandemic in terms of its geographic expansion and intensity, the extent of the restrictions on the on-premise channel and the different reopening measures expected to be taken by the various governments, affecting consumer habits, the overall impact on the Group's business performance remains uncertain and difficult to be assessed at this stage.

Concerning the business areas impacted, the effects are mostly expected to concern consumption in the on-premise channel (which accounts for around 40% of consolidated net sales). This channel was severely affected by the measures to contain the pandemic in the Group's main markets, including Italy, to which its key aperitifs segment is particularly exposed. The impact on the off-premise channel (which accounts for the remaining 60% of consolidated net sales) is likely to be smaller than on the on-premise channel. More generally, it is harder to forecast the effects on this channel in the Group's main reference markets given the high degree of uncertainty regarding the duration of the pandemic. In addition, the Global Travel Retail segment, within the off-premise channel, to which the Group has limited exposure, is, of course, affected by the restrictions on the international movement of people.

In the short term, the Group expects its business performance to be more impacted in the second quarter and the beginning of the third, the peak season for the high-margin and on-premise skewed aperitif business. With the gradual lifting of the restrictive measures across markets, the negative impact is expected to lessen throughout the remainder of year based on the current visibility.

Although the Group is facing difficulties in the short term, as a highly agile organization, it is taking rapid actions to mitigate costs and preserve liquidity, while remaining focused on its long-term strategy. It is accelerating digital transformation and e-commerce programs to further strengthen its digital capabilities across the entire organization. At the same time, it continues to execute its M&A strategy focused on long-term brand-building activities. Finally, the Group's financial profile remains very solid.

Looking at the long term, the Group remains confident of the positive consumer trends and business growth opportunities. It will continue to leverage the strength and resilience of its brands and business, ensuring that it is strongly positioned and ready to accelerate its growth as soon as consumer demand returns to normal.

As a committed and long-term brand builder, the Group will remain focused and highly engaged in the on-premise opportunity with our distinctive brand portfolio, firmly convinced that the out of home social experience and conviviality will remain essential to consumers' lifestyles.

Whilst reiterating its commitment to undertake all action necessary to limit the effects of Covid-19 and protect its business results, the Group reserves the right to provide progressive updates as soon as the conditions provide greater clarity and allow for more accurate estimates of the impacts to be prepared.

Events taking place after the end of the period

Acquisitions and commercial agreements

Acquisition of Champagne Lallier
On 5 May 2020, Campari Group announced the signing of the agreement with the privately owned French company SARL FICOMA, family holding of Mr Francis Tribaut, for acquiring an 80% interest, with a medium-term route to total ownership, in the share capital of SARL Champagne Lallier and other group companies (jointly as the 'Company').
The Company is the owner of the Champagne brand 'Lallier', which was founded in 1906 in Aÿ, one of the few villages classified as 'Grand Cru' in Champagne, a clear indication of the product's quality.
In 2019 the sales of the Company amounted to around €21 million (under local GAAP), including primarily sales related to Champagne of approximately 1 million bottles, of which close to 700,000 bottles of Lallier. As of 31 December 2019, the book value of the inventories carried by the Company amounted to approximately €21.0 million.
The consideration to be paid is €21.8 million, which represents 80% of the share capital of the Company and is subject to customary price adjustments. The consideration will be financed through available resources and will be paid using cash. The net financial debt of the Company is €21.2 million.
Pursuant to the agreement, the remaining shareholding is subject to customary reciprocal put and call options which can be exercised starting from 2023. Mr. Francis Tribaut will continue in his role as managing director of Champagne Lallier.
The deal is expected to close during the third quarter of 2020.
The transaction scope includes the brands, related stocks, real estate assets (owned and operated vineyards included) and production facilities.
With this acquisition, which marks the entry of the first Italian player in the Champagne category, Campari Group will add a premium and historical champagne brand, Lallier, mainly sold in selected on-trade outlets and bottle shops, further extending its range of premium offerings to this key channel for brand building. Moreover, Campari Group will build further critical mass in the strategic French market where the Group recently started to sell through its own in-market company.

Other significant events

Financial debt management
On 14 April 2020, Davide Campari-Milano S.p.A. entered into a term debt facility agreement for an amount up to of €750 million ('the Facility') with a pool of leading international banks.
The Facility consists of a bridge short-term loan with an interest rate of 3-month Euribor plus a 0.65% spread, on top of utilization fees, with an original maturity date at 30 June 2021 and an extension option to 31 December 2021.
The purpose of the Facility is to support the general corporate purposes of Campari Group including, but not limited to, the redemption of the Eurobond issued by Davide Campari-Milano S.p.A. in 2015, expiring in September 2020, for a residual nominal amount of €581 million.

Other information

In accordance with Article 70(8) and Article 71(1-*bis*) of Consob Regulation 11971 of 14 May 1999, the Board of Directors has decided to take advantage of the option to derogate from the obligation to make available to the public the information documents prescribed in relation to significant mergers, spin-offs and capital increases through contributions in kind, acquisitions and disposals.

Sesto San Giovanni (MI), 5 May 2020

Chairman of the Board of Directors

Luca Garavoglia

Paolo Marchesini, the director responsible for preparing the company's accounting statements, hereby declares that, pursuant to paragraph 2, Article 154-*bis* of the Consolidated Finance Act (TUF), the accounting information contained in this additional financial information accurately represents the figures contained in the Group's accounting documents, ledgers and records.

Paolo Marchesini

Chief Financial Officer

Davide Campari - Milano S.p.A.

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