



Pernod Ricard
Créateurs de convivialité

Pernod Ricard Asia

***REINFORCING LEADERSHIP
AND SETTING UP
A NEW PHASE OF GROWTH***

**CAPITAL
MARKET
DAY**
SHENZHEN 2018

Philippe Guettat

Chairman & CEO, Pernod Ricard Asia



Philippe Guettat has been Chairman and CEO of Pernod Ricard Asia since July 2015.

Philippe joined Pernod Ricard in 1991 as Export Area Manager at Renault Bisquit. After occupying various marketing and sales positions in Singapore and Hong Kong, he was appointed as Managing Director of Casella Far East Ltd. Hong Kong in 1997. In 1999 he was named Vice-President of Marketing & International at Pernod, then was appointed Managing Director of Pernod Ricard China in 2002. In July 2009, he became CEO of The Absolut Company. In October 2012 he became CEO of Martell Mumm Perrier-Jouët. He was appointed Chairman and CEO of Pernod Ricard Asia in July 2015.

He holds a Master's degree from HEC Paris.

Jean-Etienne Gourgues

Managing Director, Pernod Ricard China



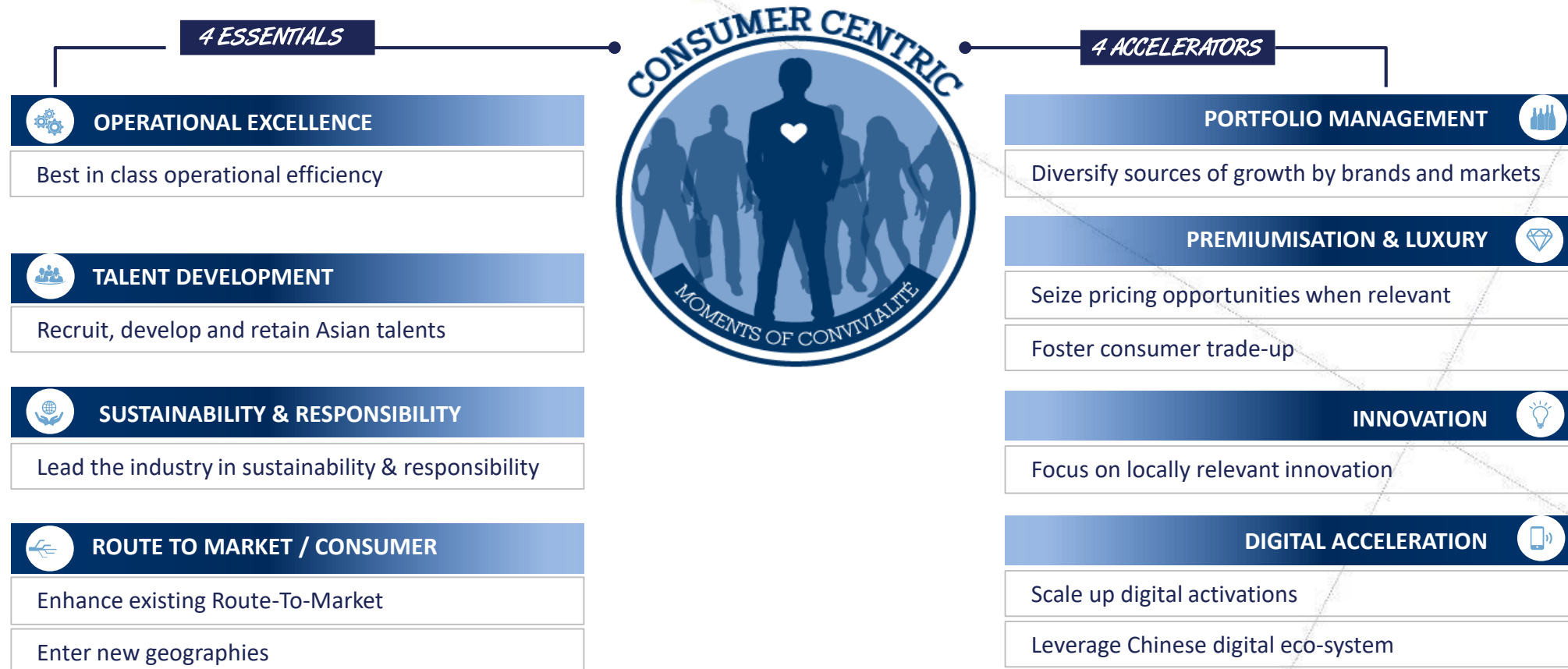
Jean-Etienne Gourgues has been the Managing Director of Pernod Ricard China since July 2014.

In 2001, after having worked in different industries, he joined Mumm & Perrier-Jouët Champagnes as Area Brand Manager, following which he was appointed to the position of Marketing and Development Manager in 2004. Jean-Etienne then became the Mumm & Perrier-Jouët Sales Director for Europe, with expanded worldwide responsibility in 2007. In 2008, he joined the Martell Mumm Perrier-Jouët Executive Committee as MMPJ Sales Director. In October 2011 he was appointed President and Chief Executive Officer of Pernod Ricard Japan, before becoming Managing Director of Pernod Ricard China in July 2014.

He holds a Master's degree from HEC Paris.

#1

A CLEAR VALUE LEADER IN IMPORTED SPIRITS

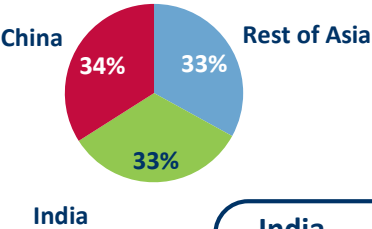


A MODEL WITH STRONGER DIVERSITY AND BETTER AGILITY

PERNOD RICARD ASIA

+11%

vs stable LY



China



+19%

vs +2% LY

Strong growth of Martell; Chivas responding positively to relaunch plan and growth of Premium Brands

Korea



(6)%

vs (14)% LY

Declining Imperial but trend improving thanks to Strategic Int'l Brands

Japan



+6%

vs +7% LY

Continued dynamic of Champagne and Chivas Regal Mizunara

India



+14%

vs +1% LY

Good performance across portfolio, enhanced by favorable comparison basis

Taiwan

(9)%

vs stable LY

Tough market combined with general destocking in trade

Thailand



+9%

vs (3)% LY

Successful Royal Stag launch and end of mourning period

HKSAR / MSAR*



+15%

vs stable LY

Martell and Mumm/Perrier-Jouët driving growth

Southeast Asia

+7%

vs stable LY

Southeast Asia (excluding Thailand), growth driven by strong double digit growth in Vietnam and Philippines

Note: % refer to 9M FY18 Sales (vs. FY17 in grey)
*Hong Kong Special Administrative Region / Macao Special Administrative Region

After a particularly challenging FY17...

DEMONETIZATION
November 2016

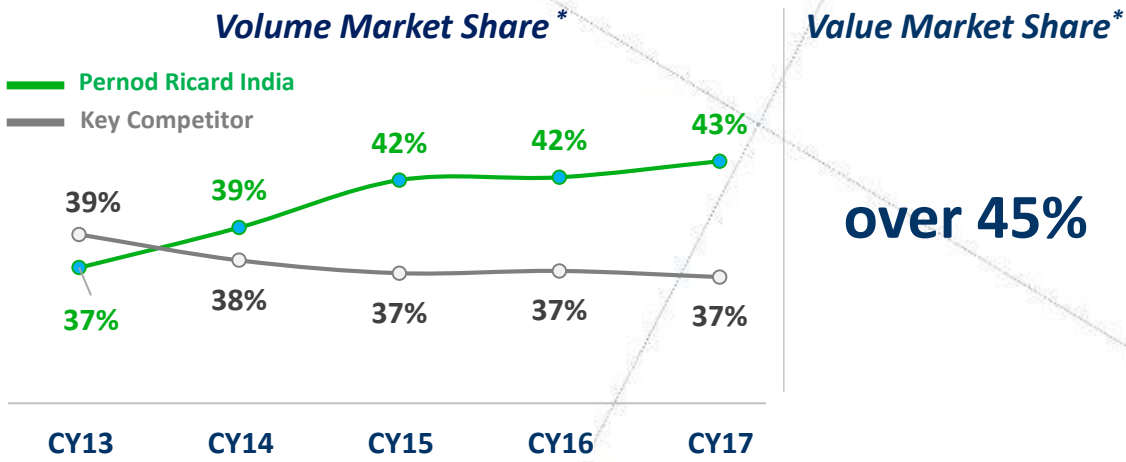
HIGHWAY BAN
April 2017

Goods and Services Tax
July 2017

... Pernod Ricard India is back to strong and diversified growth

9M FY18 Sales **+14%**
vs +1% in FY17

... and expanding its value leadership



*IWSR – Bottled in India Premium+ Western Style Spirits whiskies (>5 € AVE PRICE)



- ✓ Completed company overhaul mid-2016
- ✓ Clarified consumer-centric priorities
- ✓ Revamped sales organization
- ✓ Restored cohesion and winning mindset

YTD Mar
 (6)%
vs (14)% LY

Imperial
(9)%*

#3
In local whiskies



Imperial with friends campaign



Launch of low ABV products:
Imperial 35 launched in Dec 16,
The Smooth launched in Dec 17



Strategic International brands
+5%

#1
In vodka & Scotch Whiskies



Note: % refer to 9M FY18 Sales
*Source: Market depletion reports

KEY GROWTH ACCELERATORS

PREMIUMIZATION & LUXURY



INNOVATION



ROUTE TO MARKET



NEW GEOGRAPHIES



STRONG CONSUMER TRADE-UP IN INDIA ACROSS LOCAL AND INTERNATIONAL PORTFOLIO

Bottled in India

Blender's Pride Reserve Collection



Price Index >120
vs. Blender's Pride



9M FY18 Sales

+30%

Reserve
Collection

Royal Stag Barrel Select



Price Index 120
vs. Royal Stag



+36%

Barrel Select

Bottled in Origin

9M FY18 Sales



Strategic International Brands

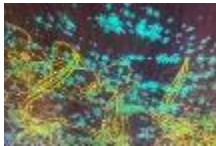
+24%

PERRIER-JOUËT AND MUMM AS KEY ENGINES FOR GROWTH IN JAPAN

Strong activation reinforcing Perrier-Jouët's equity

9M FY18 Sales

+12%



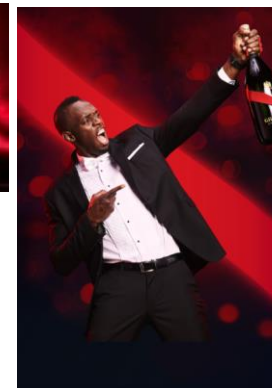
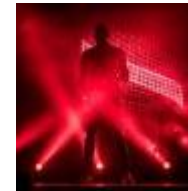
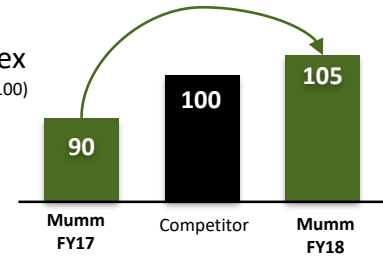
+

Correcting value gap with Mumm Grand Cordon

9M FY18 Sales

+13%

Price Index
(Competitor = 100)

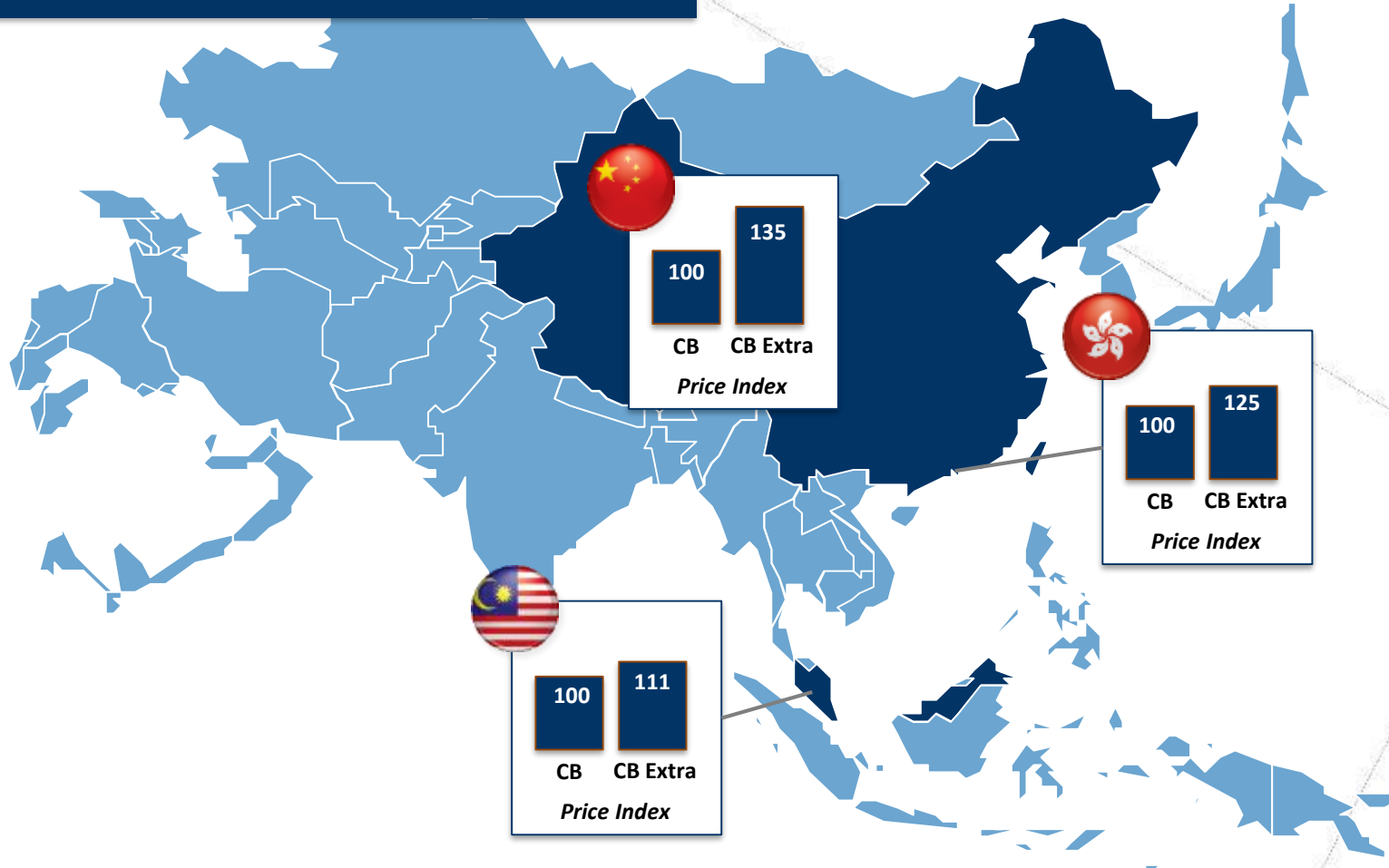


**Perrier-Jouët
and Mumm
Sales doubled
in the last 5
years**

SUCCESSFUL LAUNCH OF MARTELL CORDON BLEU EXTRA AS SOLID TRADE-UP PROPOSITION TO CORDON BLEU

Cordon Bleu Extra concept:

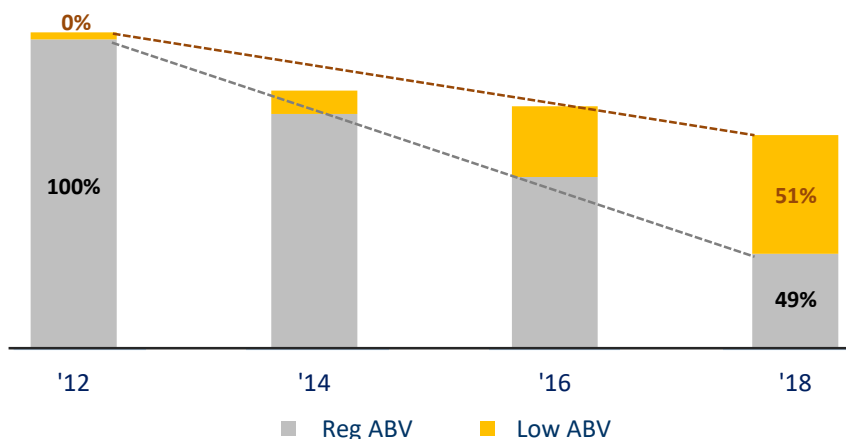
- The Extra-ordinary expression of Martell Cordon Bleu
- The original Martell Cordon Bleu blend boosted in Very Old Borderies



LOW ABV INNOVATION WITH OBJECTIVE TO RESET GROWTH IN KOREA

Declining market shifting to low ABV

Local Whisky market (CAGR -6%)



Source: Korea Wines & Spirits Importers Association (MAT Apr.)

Results

40% of Imperial volumes in less than 18 months since launch

Launch of a complete Low ABV portfolio



Launch of 35 by Imperial
First Low Abv that targets “down to earth” buddies (2016)



Launch of SMOOTH to target the discerning man within the “down to earth” buddies to expand penetration (2018)



Large market opportunity



Local Admix Market

2011 to 2017
CAGR +4%

Volume pool of
c.30M 9lc

Source: IWSR 2017, PR analysis

Competitive Price Point

Competitor 1



6.2

Competitor 2



6.6



10.0

RSP (70cl) €



@ THB 265
€ 6.6

Focused activations that drive trial and repeat



Results

Launched in **FY18**

close to
80% of 100 Pipers volume

Address popularity and growth on Japanese craft whisky



Fine blend of Scotch finished in rare and unique Japanese Mizunara Oak

Volume +54% 9M FY18
Price index: 120 vs. Chivas 12



Premiumization of Chivas 18



Crafted with 1st and 2nd filled cask, aged for at least 18 years

Volume +44% 9M FY18
Price index: 120 vs. Chivas 18



Enter second largest western style spirits category in India



Superior proposition to premiumize Rum consumer

Launched in FY18
Price index: >110 vs. key competitor



Win market share in Taiwan Malts category



Single malt aged 13 years in Sherry Oak

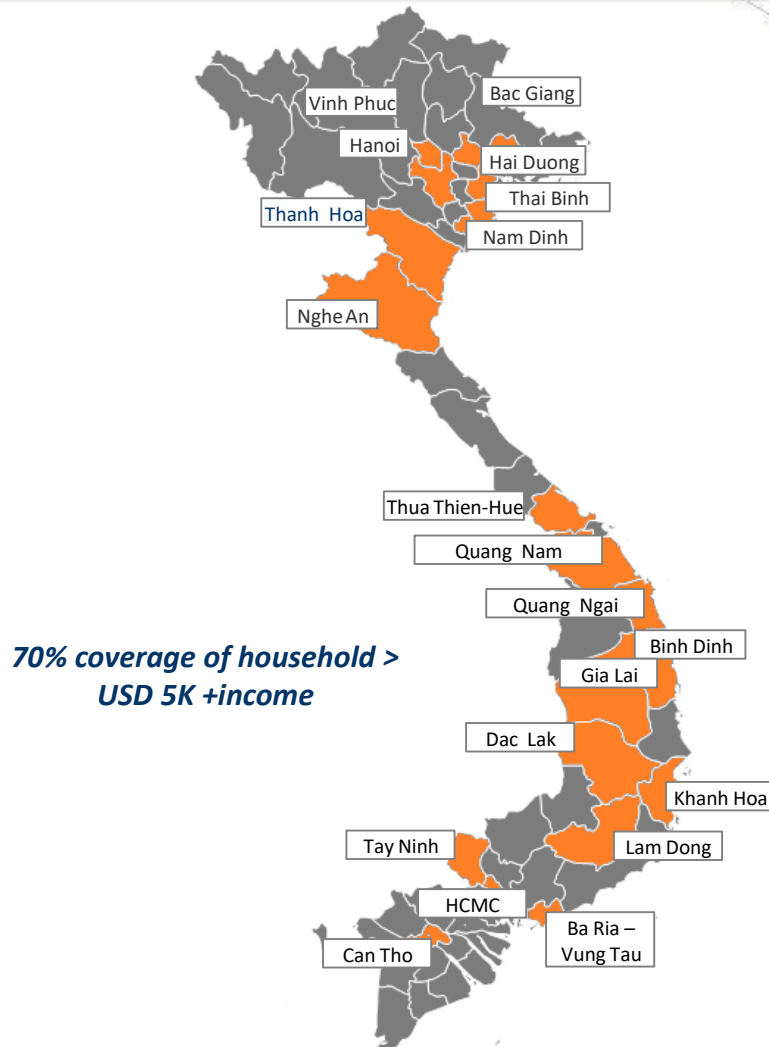
Price index: 200 vs. The Glenlivet's Founders Reserve

Taiwan Market

VIETNAM: REDESIGNED ORGANIZATION DRIVING COMMERCIAL EXCELLENCE



Prioritize distribution in 28 provinces (out of 83)



Set up of 2-tier wholesaling system



Delivering strong top line growth

YTD volume growth of

+29%



A small but attractive market for the mid-term with stable regulations for alcohol

GDP Growth +6.9%*

Fair and stable duty and tax system

Inflation +2.2%*

Accessible advertising and promotion environment

Current Size of Market
300K cases with 2/3 whisky



Pernod Ricard Cambodge

- **Priorities:**
 - Capture and recruit emerging adult middle-class
 - Lead whisky category development

Results:

- ✓ Successful 1st year of operations with uninterrupted activity
- ✓ Profitable from day one



Promising and fast-changing country

GDP growth +5.9%*

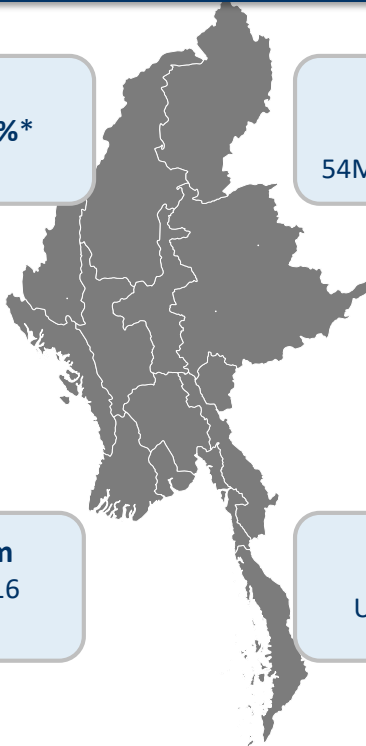
Large & Young Population
54M incl. 62% below 35 yo

New Government (Apr16)
willing to modernize the country

Emerging Middle Class
10M in 2020, x2 in 10Y
Rising income (+70% in 5Y)

Booming Tourism
>5M tourists in 2016
+60% vs 2014

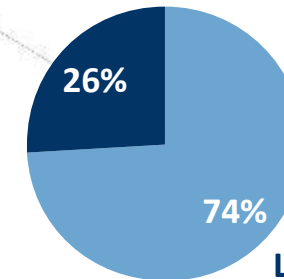
Soaring foreign investment
USD >6Bn FDI in 2016,
lead by MNCs



Large premiumizing local whisky market

13M 9lc WSS** market
growing 5-10% y.o.y

3 leading local players



Local whisky



Imported Spirits & Beer
restricted to DF
(wine allowed since 2015)

Pernod Ricard entering Myanmar to:

- Seize the existing Whisky opportunity by premiumizing local offerings
- Secure critical capabilities to build sustainable platform for long-term growth

*Source: Central Bank of Myanmar 2017

** Western Style Spirit

RECENTLY ANNOUNCED PARTNERSHIP WITH LOCAL WHISKY KEY PLAYER



Pernod Ricard to acquire a controlling stake in new joint venture



ABC[™]
ASIA BEVERAGES CO., LTD.


HIGH CLASS
WHISKY

- #3 brand in market
- Existing Route To Market
- Recognized local partners:
Yoma Strategic and Win Brothers




Pernod Ricard Asia

Target leadership in Myanmar's whisky industry



Pernod Ricard

Créateurs de convivialité

PLENARY SESSION - CHINA

**CAPITAL
MARKET
DAY**
SHENZHEN 2018

WE HAVE A VERY CLEAR AND COMPELLING VISION & AMBITION FOR CHINA

► Mission: Créateurs de Convivialité

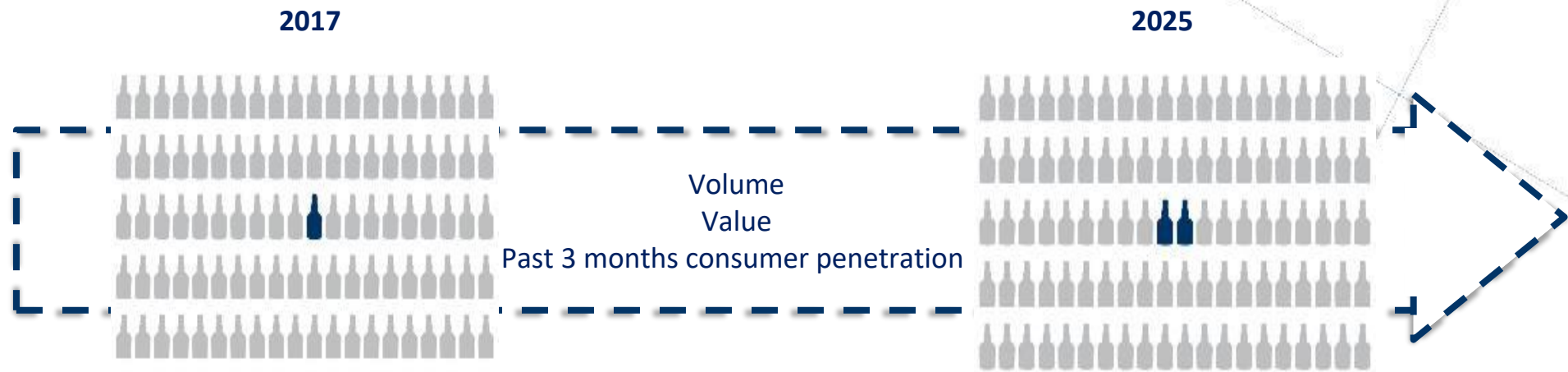
► Vision:

Build Pernod Ricard brands to become part of the everyday drinking repertoire of Middle and Affluent Classes

Be recognized as a good corporate citizen creating positive influence on society

► Ambition:

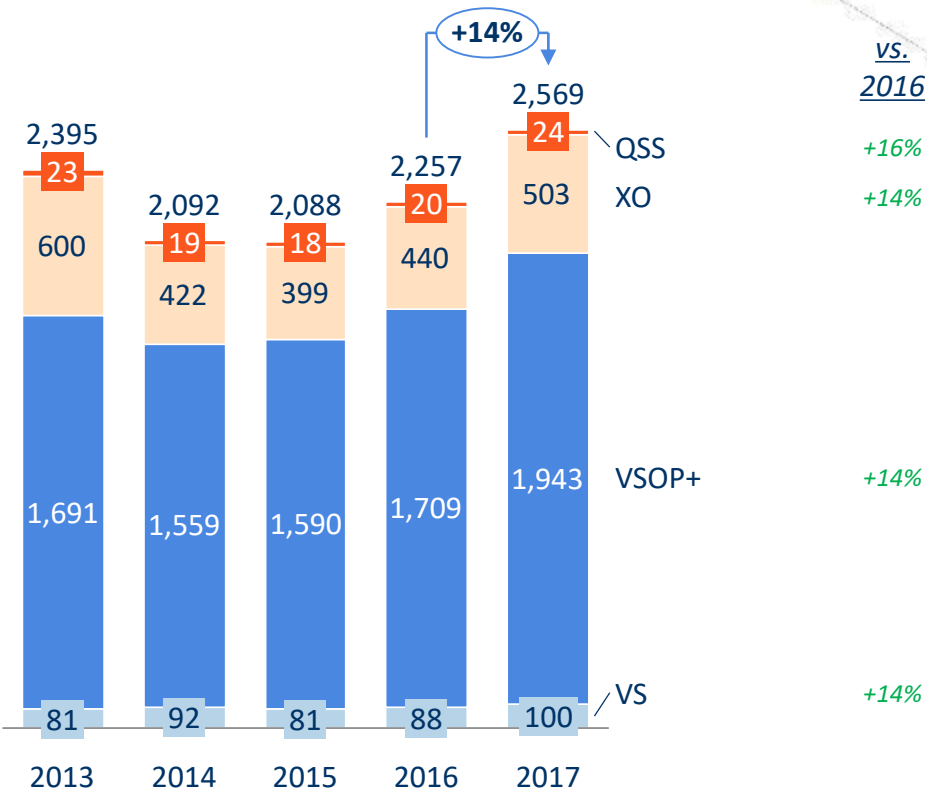
Expand the Imported Spirits market to double its size by 2025 and gain share in Wines



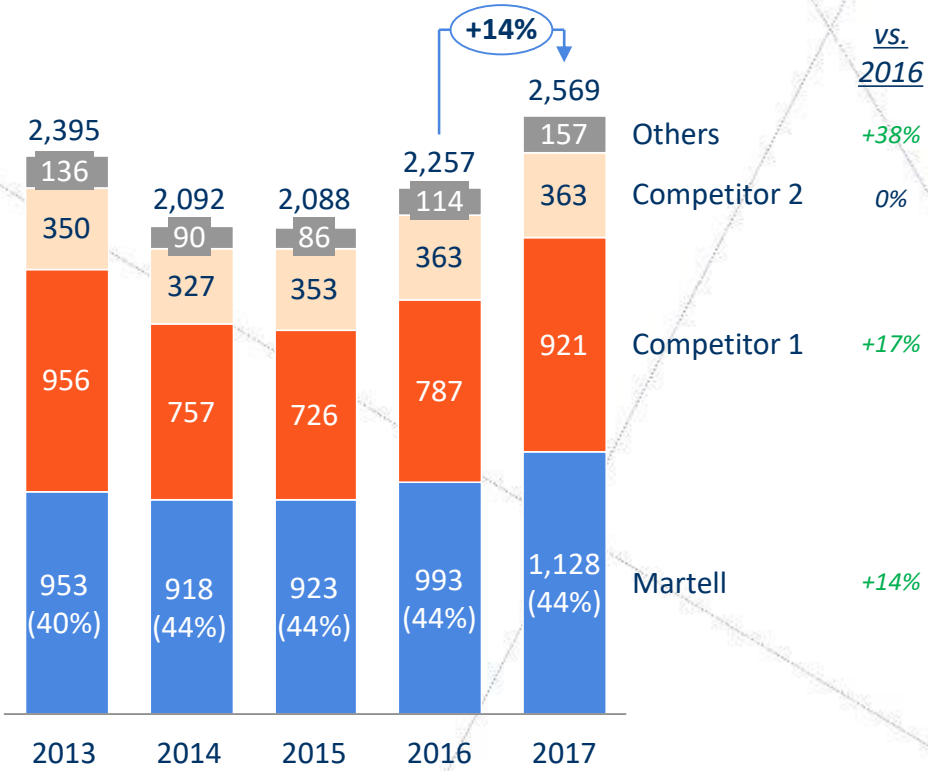
PERNOD RICARD CHINA IS UNIQUELY POSITIONED TO FULLY CAPTURE THE PRESENT
AND FUTURE GROWTH OPPORTUNITIES IN CHINA



Cognac by Quality



Cognac by Brand

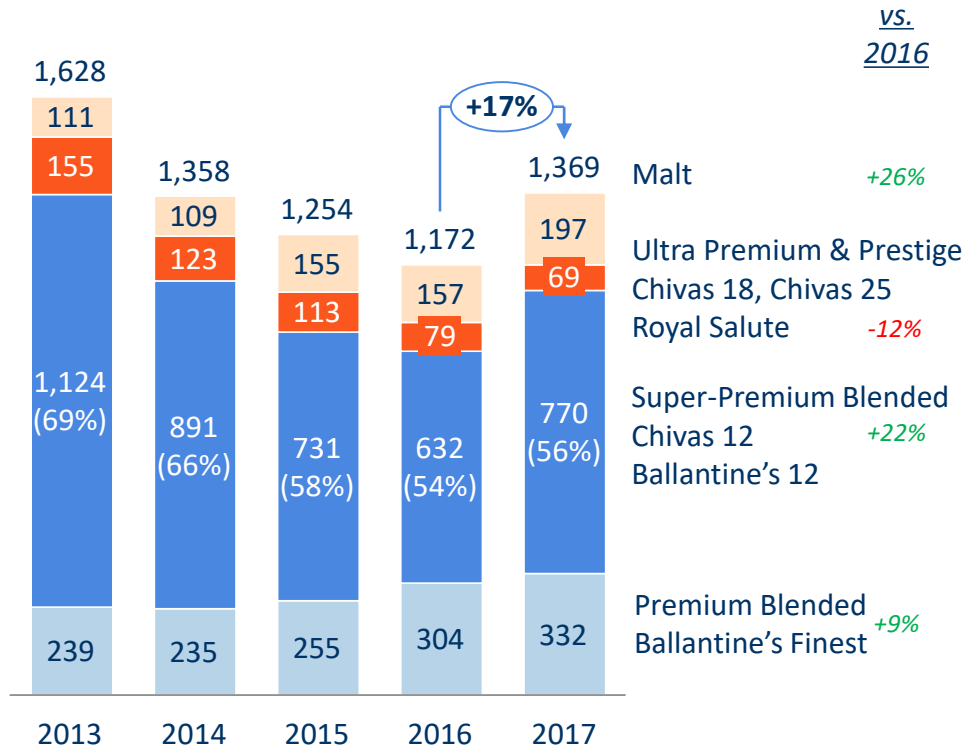


Pernod Ricard China [Volume] Market Share

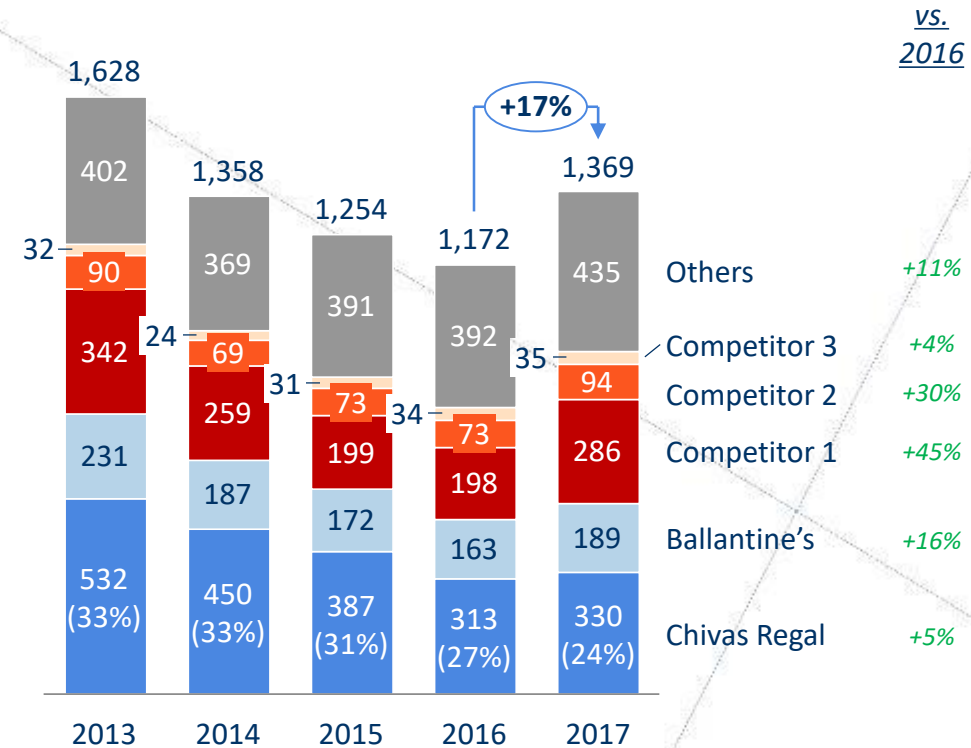


MARKET BACK TO GROWTH DRIVEN BY ALMOST ALL SEGMENTS, STRONG REBOUND OF BALLANTINES AND CHIVAS IN 2017

Whisky by Quality



Whisky by Brand



Pernod Ricard China [Volume] Market Share

49%

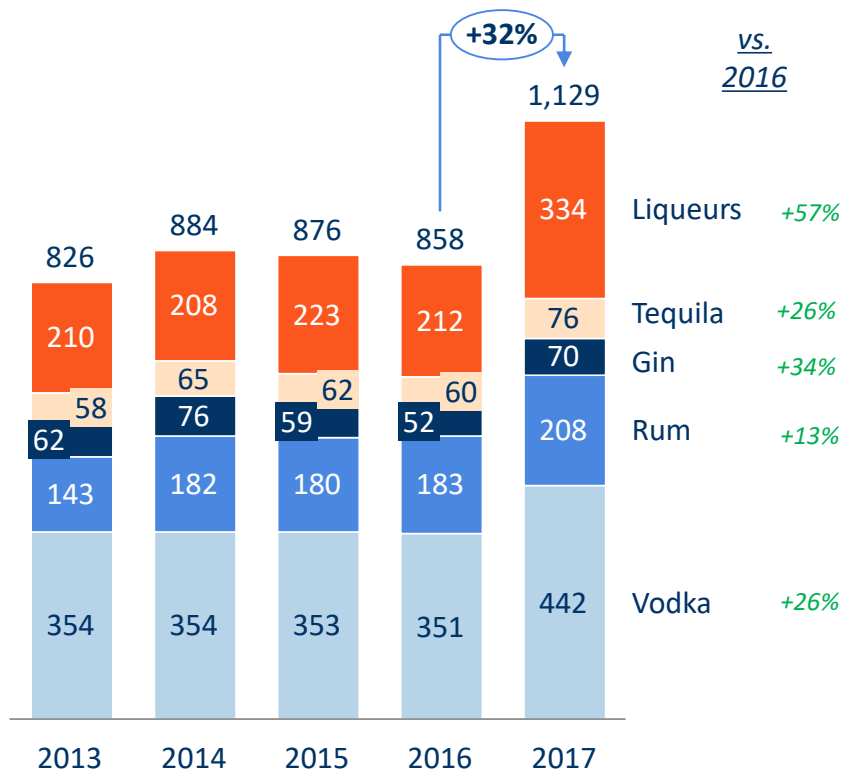
49%

47%

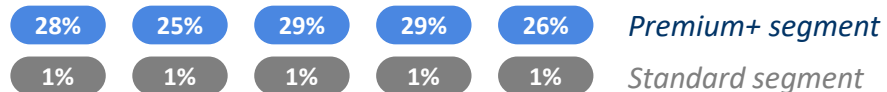
43%

40%

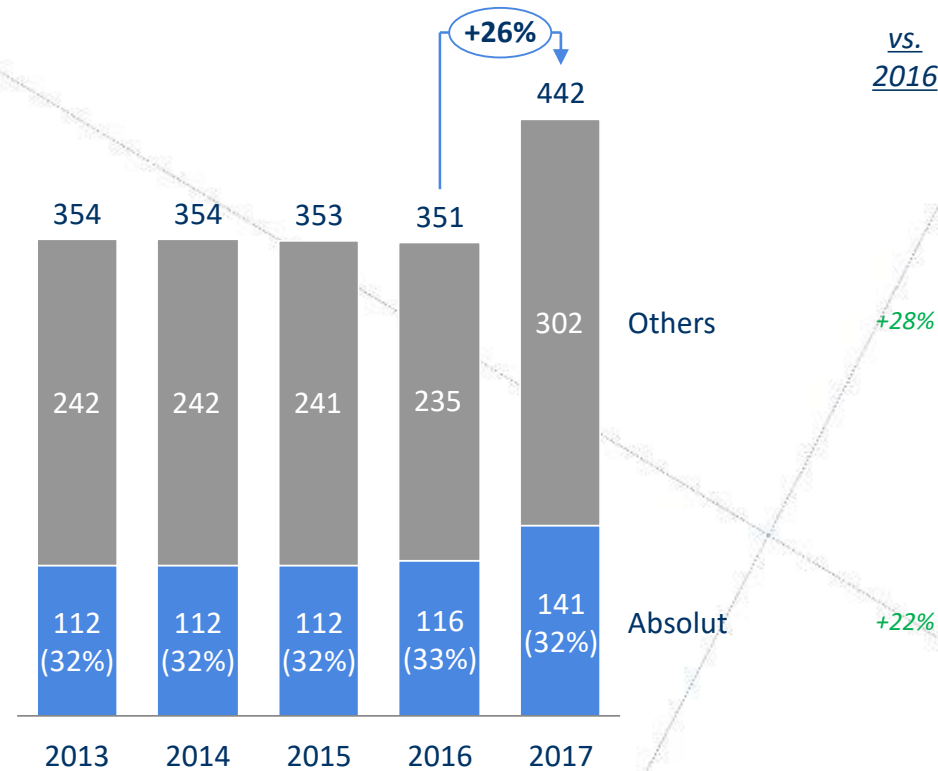
Total White Spirit by Product



Pernod Ricard China [Volume] Market Share



Focus on Vodka

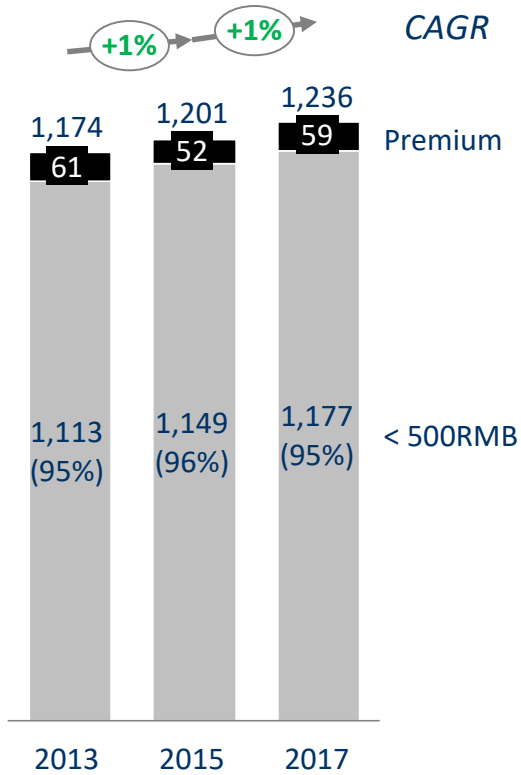


Absolut Market Share

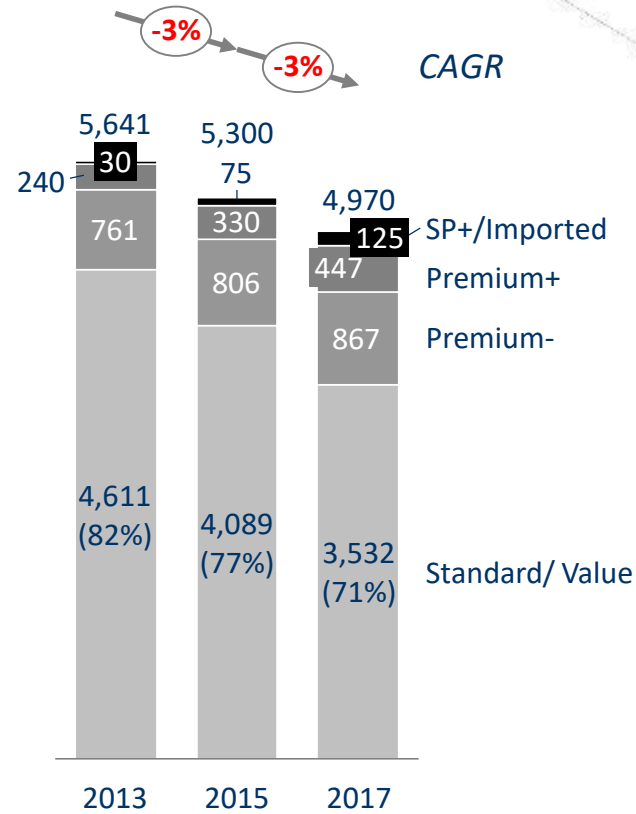


IMPORTED WINE & IMPORTED SPIRITS, PREMIUM BAIJIU & PREMIUM BEER ARE ENJOYING FASTEST GROWTH

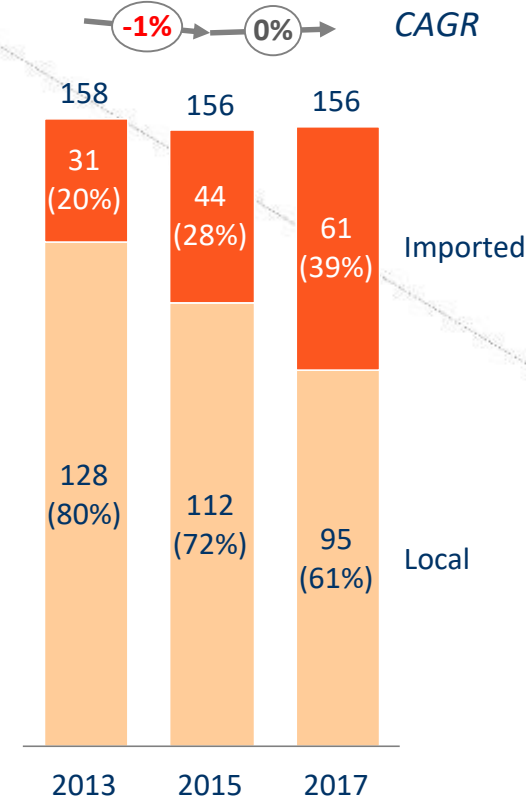
Baijiu



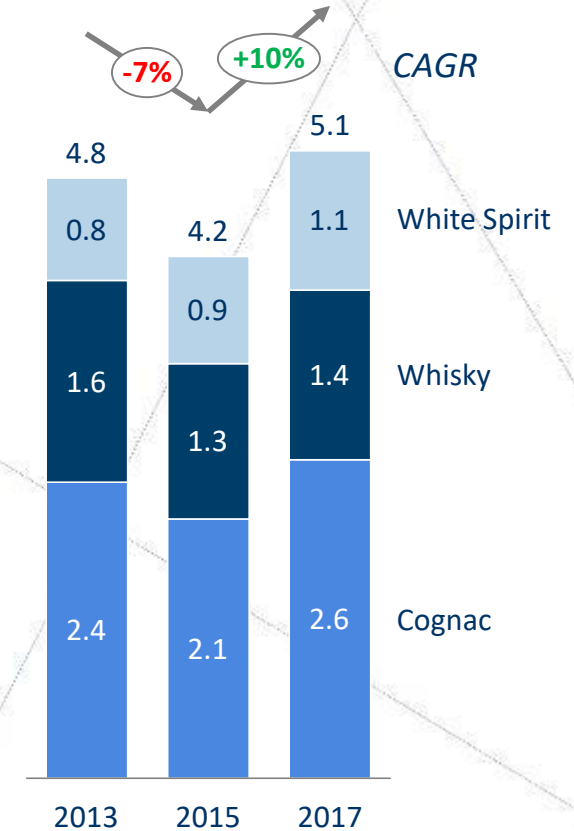
Beer



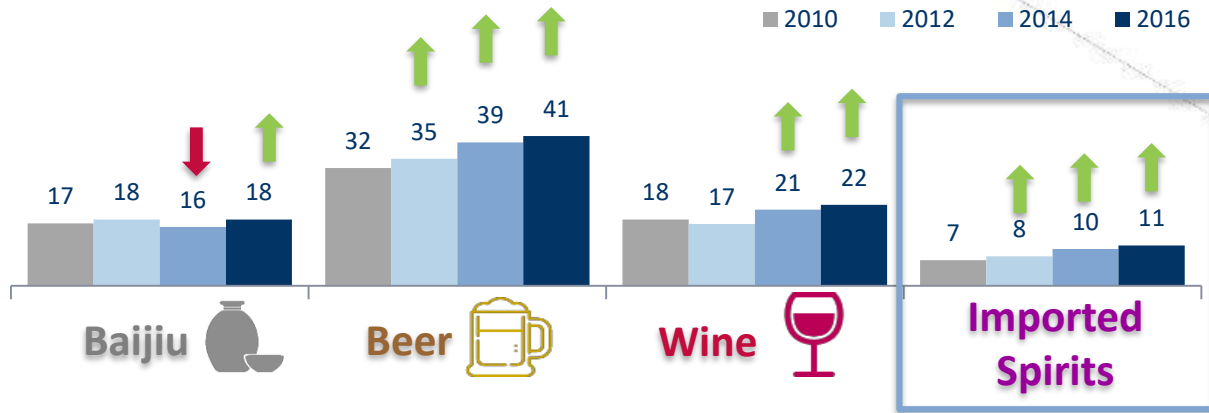
Wine



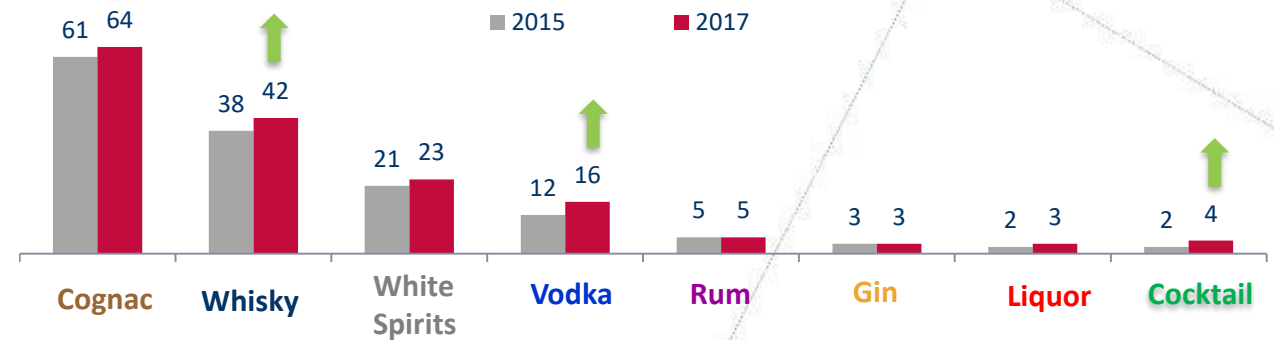
Imported Spirits

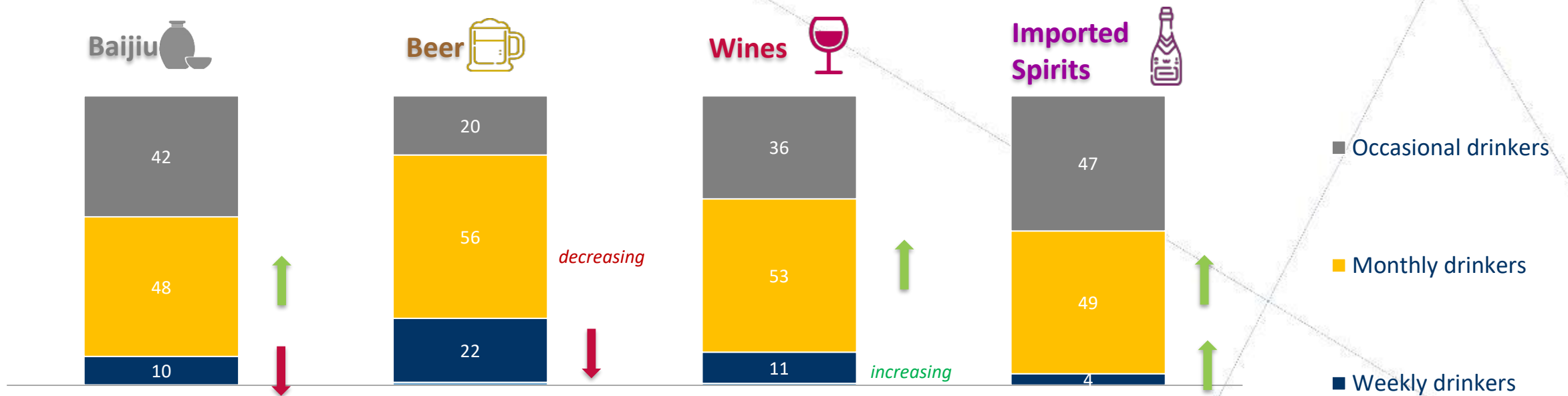


% of 18-60 years old having consumed alcohol
in past 3 Months



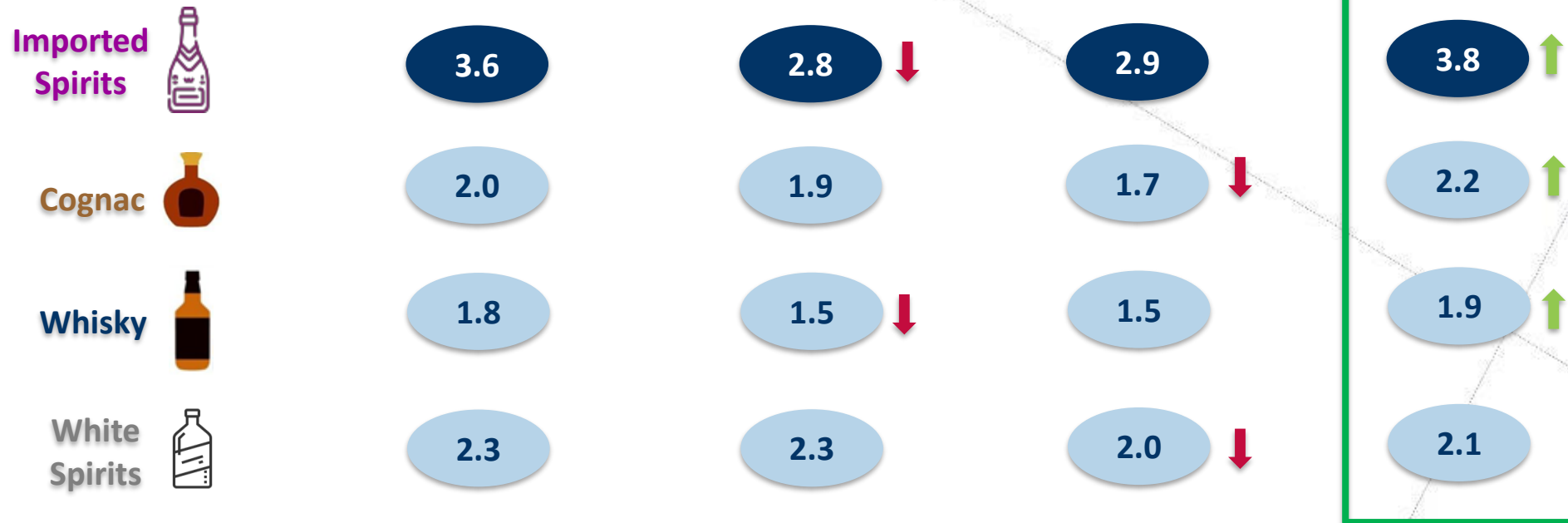
% of 18-60 years old having consumed imported
spirits in past 3 Months



Consumption Frequency
(among Past 3 Months category drinker)



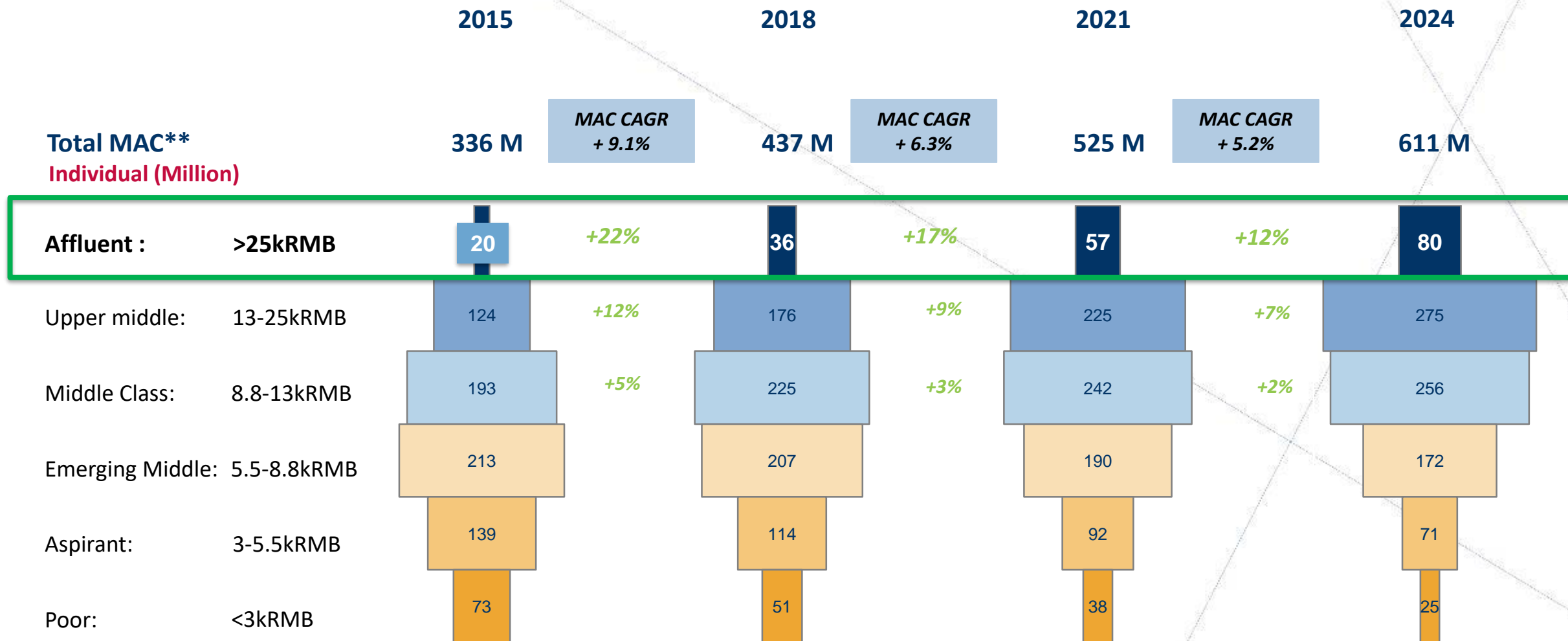
Average number of glasses consumed amongst past month drinkers



Significantly higher / lower vs. previous period (0,95)

PERNOD RICARD CHINA TRANSFORMED ITSELF TO ADAPT TO THE FAST-PACED CHANGING CHINESE MARKET





*Note: These are stated disposable income after tax in 2016 value

**MAC = MHHI > 8,800 RMB, i.e. Affluent + Upper Middle + Middle Class

HEALTH & WELLBEING

Increasing awareness and desire for health which leads to more cautiousness when choosing food, drink and lifestyle.

GROWING SOPHISTICATION

With continuous rising affluence, there is growing demand for knowledge and discernment as social currency and badge of social status.

CONNECTED LIFE

Under the boom of smart phone and mobile internet, nowadays consumers are using digital in every single aspect of their life.

RISE OF YOUNG GENERATION

The young generation is becoming the major driver of business growth and adopting new media and consumption behavior with new demands.

ALTERNATIVE WAYS OF HAVING FUN

Consumers now are exploring new ways of gathering beyond just traditional venue or activities, esp. among the young people. Party out of channel/home is trending.

FEMINISM 2.0

New gender roles and social norms with arising affluence and independence of Chinese female power. Greater engagement in alcohol category among females.

COCKTAIL CULTURE

With increasing need for diversification and personalization, cocktail is gaining traction driving accelerated penetration of white spirits.

WHEN GLOBAL MEETS LOCAL

Chinese consumers are looking for tailor-made product for China market and many brands are expanding with localization.



1 outlet is only visited by 1 Sales Representative of Pernod Ricard China

● PRESTIGE NIGHT
Night Club, KTV



● MEAL OCCASION
Traditional Off-Trade,
Restaurant



● ROUTE TO MARKET: 2 levels of wholesaler

● E-Commerce & New
Retail



● Modern Off-Trade
New On-Trade
30 priority cities



● ROUTE TO MARKET: Maximum 1 level of wholesaler



Connectors



Connected bottle and
consumer interaction video

Content



2.8 billion views (for 12 episodes)
and 6.9 billion online buzz

Partnerships



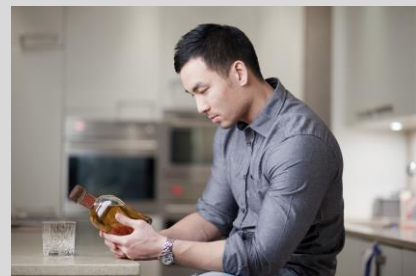
Partnerships with key Chinese
tech & digital partners

STRONG PERFORMANCE ACROSS 2 MOMENTS OF CONVIVIALITY WITH 2 CONSUMER TARGETS, NUMEROUS CHANNELS AND CONSUMER TOUCHPOINTS...

PREMIUM MEAL OCCASION



DISCERNING INSPIRERS



Mostly OFF Trade Purchase



Meal activation



Weddings & Banquets



Gifting

PARTY TO IMPRESS



SOCIAL STATUS SEEKERS



Mostly ON Trade Purchase



Parties



Festivals



Home Parties

RECRUITMENT

PEOPLE/TARGET



Younger consumers



Baijiu consumers

PRODUCTS/ PORTFOLIO

- Distinction
- Noblige
- Cordon Bleu
- Smaller formats



PROMOTION



Digital Sponsorships, social viral & trial

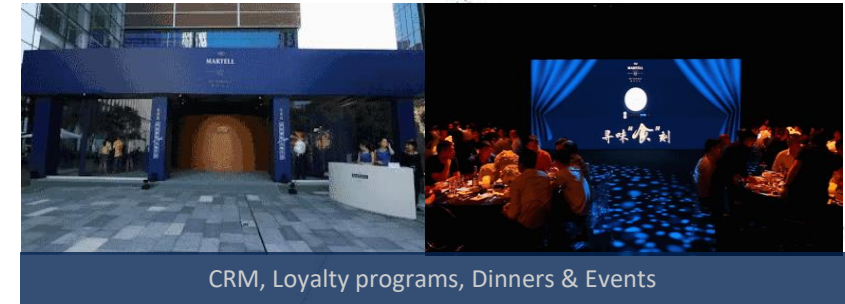
PREMIUMIZATION



Existing consumers of Noblige & Cordon Bleu



- Cordon Bleu
- Cordon Blue Extra
- QSS
- Large formats



CRM, Loyalty programs, Dinners & Events

GROWTH RELAYS

Geographical expansion

Digital transformation



Diversify in Prestige Night

Party To Impress

Business
Entertainment

Indulge Time



Retain and Up-trade Consumer

Grow in new Moments of Conviviality

Fun Night Out

Trendy Experience

Buddies/Besties
Together



CHIVAS



Accelerate Recruitment on MACs

DELIVERING DOUBLE DIGIT PERFORMANCE ACROSS THE WHOLE PORTFOLIO THIS FINANCIAL YEAR

9M FY18 Sales Growth +19%
vs +2% FY17



Martell
+19%

- Whole range achieving double-digit growth after strong CNY sell-out with both off-trade and on-trade in positive trend
- Price increase implemented in Q3
- Lower pace expected in Q4 to ensure sustainable growth in coming years



Chivas Regal
+19%

Rebound with first-year activation of new platform with NBA partnership and range extension with Chivas Regal 12yo Extra



**International
Premium brands**
+21%

International premium brands benefit from 1st full year of new sales and marketing organization to reach double-digit growth with solid e-commerce performance

PERNOD RICARD ASIA IS UNIQUELY POSITIONED TO FULLY CAPTURE PRESENT AND FUTURE GROWTH OPPORTUNITIES ACROSS THE REGION

✓ **Acceleration and diversification of growth in FY18**

- Strong regional performance fuelled by China and India
- Diversifying sources of growth by brand, channel and market

✓ **Powerful business model to recruit consumers and transform future opportunities**

- Clear value leadership in China and India, with continuous premiumization and business model transformation
- Ever-increasing exposure to middle-class consumers - notably in South East Asia - through digital acceleration, strengthened Route to Markets and expanding geographical footprint
- Superiorly skilled teams with unique commitment and strong winning mindset



Pernod Ricard

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THANK YOU

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