CAMPARI GROUP

Consistent solid performance across all key underlying indicators

Growth across all regions and brand clusters, with outperformance in key high margin brand and market combinations

H1 2019 RESULTS HIGHLIGHTS

- **Reported sales of €848.2 million**. **Organic growth** of **+8.0%.** On a **reported basis**, change of **+9.0%** after the exchange rate and perimeter effects.
- **Strong organic sales growth**, driven by continuous sales mix improvement thanks to the key high-margin brand and market combinations, with a recovery in the emerging markets.
- **EBIT adjusted**[1] of **€180.3 million**. **Organic growth of +10.6%** (**+50 bps margin accretion**). **On a reported basis**, **change** of **+12.3%**.
- **Group net profit adjusted**[2] of **€116.7 million**, **up +11.8%**. **Group net profit** of **€122.8 million**, **-16.6%** on a reported basis.
- **Net financial debt** of **€937.1 million** as of June 30th, 2019 (€846.3 million as of December 31st, 2018), driven by the effect of the first-time application of IFRS 16 (effective as of 1 January 2019).

Milan, July 30th, 2019-The Board of Directors of Davide Campari-Milano S.p.A. (Reuters CPRI.MI-Bloomberg CPR IM) approved the consolidated results for the first half year ended June 30th, 2019.

Bob Kunze-Concewitz, ***Chief Executive Officer***: *'After a very strong start to the year, **our positive business momentum continued in the second quarter 2019**, **the peak season for aperitifs**, helped by the late Easter effect, despite the **tough comparable base** as well as the poor weather in May across Europe. **Key underlying profitability indicators grew ahead of organic sales development**, thanks to **a very positive sales mix**, which more than offset the dilutive impact of the emerging markets recovery and the **adverse effect of the agave purchase price**, whose **growing trend is expected to continue** throughout the rest of the year. Reinvestments in brand building and sales capabilities initiatives are also expected to continue in the second half. Looking into the full year, the **outlook remains fairly balanced in terms of risks and opportunities**. The **positive business momentum is expected to continue**, with persisting volatility of emerging markets in their key seasonality period. We remain confident in delivering a **positive performance across all key underlying business indicators**.'.*

SUMMARY FINANCIAL INFORMATION FOR THE FIRST HALF ENDED 30 JUNE 2019

	H1 2019 € million	H1 2018 € million	Reported change	Organic change	Forex impact	Perimeter impact
Net sales	**848.2**	**778.2**	**9.0%**	**8.0%**	**2.3%**	**-1.4%**
Gross profit	**525.8**	**471.9**	**11.4%**	**9.5%**	**2.3%**	**-0.3%**
% on sales	*62.0%*	*60.6%*				
EBIT adjusted	**180.3**	**160.5**	**12.3%**	**10.6%**	**2.7%**	**-1.0%**
% on sales	*21.3%*	*20.6%*				
EBIT	171.7	180.1	-4.7%			
Group net profit adjusted	**116.7**	**104.4**	**11.8%**			
Group net profit	**122.8**	**147.2**	**-16.6%**			
EBITDA adjusted	**215.1**	**187.9**	**14.4%**	**12.7%**	**2.6%**	**-0.8%**
% on sales	*25.4%*	*24.2%*				
EBITDA	206.5	207.5	-0.5%			
Net financial debt (*)	**937.1**					

(*) Net financial debt as of December 31st, 2018: €846.3 million.

[1] EBIT before negative operating adjustments of -€8.6 million in H1 2019, mainly attributable to restructuring operations. Positive operating adjustments of €19.6 million in H1 2018.
[2] Group net profit before total net positive adjustments of €6.1 million in H1 2019, including operating adjustments of -€8.6 million, related fiscal effects and other tax adjustments of €2.2 million and Patent Box tax benefits of €12.5 million. Total positive adjustments of €42.8 million in H1 2018.

GUIDANCE FOR 2019

The outlook remains fairly balanced in terms of risks and **opportunities**.

The **positive business momentum is expected to continue into the second half of the year**, with expected volatility in emerging markets in their key seasonality period.

Sustained organic value growth in EBIT is expected to continue driven by **positive business momentum**, whilst **EBIT margin expansion will be moderated by higher than expected increase in agave purchase price exacerbated by Espolòn outperformance**.

With regards to the overall results, the **strengthening of the US Dollar against the Euro is expected to lessen in the rest of the year**, while **emerging markets currencies are expected to remain volatile** during the second half peak season. The **tail end perimeter effects will phase out during the second half of the year**.

Net profit reported in 2019 is expected to benefit from **net positive adjustments of approximately €14 million overall**. This is due to fiscal benefits coming from the Patent Box tax relief in Italy, in what will be its fifth and final year, for an estimated amount, assumed in line with previous year, of approximately €26 million, which will offset provisions for the completion of certain reorganizational projects for a negative estimated amount of -€16 million and corresponding positive fiscal effects of approximately €4 million.

REVIEW OF CONSOLIDATED SALES FOR FIRST HALF 2019

By **geography**:

- Sales in the **Americas** (45.3% of total Group sales) grew organically by **+9.9%**, with the **North America** region growing by **+10.3%**, thanks to the Group's largest market, **the US**, which grew organically by **+10.9%**, with solid growth across all brands but SKYY, as well as **Jamaica**, which registered positive organic growth of **+18.6%**, thanks to the rum portfolio and Campari. The **South America** region grew by **+6.0%** organically, thanks to a recovery in **Brazil** and **Argentina**, although macroeconomic weakness and political instability remain.

- Sales in **Southern Europe, Middle East and Africa**[3] (28.7% of total Group sales) registered positive organic growth of **+7.7%**. In **Italy,** organic sales grew **+6.7%**, driven by solid performance across all aperitif brands in their peak season, while other markets in the region grew **+10.9%** overall, largely driven by **France** (**+26.4%**), thanks to Aperol and Riccadonna, and the **African** markets.

- **North, Central and Eastern Europe** (19.5% of total Group sales) grew organically by **+7.0%** thanks to positive organic growth in **Germany** (**+3.9%**), **the UK** (**+13.8%**) and **Russia** (**+10.9%**) with continuined positive momentum in Scandinavian and Eastern European markets. The performance was largely driven by **double-digit growth** of **Aperol across the region**.

- Sales in **Asia Pacific** (6.4% of total Group sales) grew organically by **+1.1%**, as the largest market **Australia** registered organic growth of **+3.5%, driven by Aperol** and **Wild Turkey ready-to-drink** and **bourbon**, while the **other markets in the region** declined organically by **-4.3%**, largely due to a tough comparison base.

By **brand**:

- **Global Priorities** (59% of total Group sales) registered strong organic growth **(+9.8%)**, despite a low-single digit decline in **SKYY** due to both the announced de-stocking in the core US market as well as persistent competitive pressure. The performance was driven by **Aperol (+22.0%)**, thanks to **solid growth in core Europe**, despite bad weather in May, and a **double digit increase across all other geographies**, a solid performance of **Campari (+5.8%)**, largely driven by core geographies, **Wild Turkey (+11.4%)**, thanks to core US and Australian markets, **the Jamaican rums (+7.1%)**, thanks to core Wray&Nephew Overproof and Appleton Estate brands, and **Grand Marnier (+2.3%)**, driven by core US**.**

- **Regional Priorities** (15% of total Group sales) grew organically by **+10.8%**, thanks to a very positive performance from **Espolòn (+46.5%)**, driven by core US. Positive growth in **Averna, Forty Creek** and **Riccadonna** helped offset some weakness in **GlenGrant** and **Cinzano** in a low seasonality period.

[3] Includes Global Travel Retail.

CAMPARI GROUP

- **Local Priorities** (12% of total Group sales), registered a positive organic performance of **+4.0%**, with growth across the **whole portfolio**, especially single serve aperitifs **Campari Soda** (**+5.8%**), driven by Italy, and **Crodino** (**+3.3%**), sustained by growth in seeding international markets, ableit from a small base.

REVIEW OF FIRST HALF 2019 RESULTS

Group sales totaled **€848.2 million,** up by **+9.0%** in value **on a reported basis**. The result reflects a **positive organic sales performance** of **+8.0%,** a **positive FX effect** of **+2.3%**, thanks to a strengthening US Dollar vs. the Euro, and a **negative perimeter effect** of **-1.4%**, driven by the termination of low margin distribution contracts.

Gross profit was **€525.8 million**, up by **+11.4%** in value **on a reported basis** and up **+140 basis points** to 62.0% of net sales. It **grew organically** by **+9.5%,** ahead of sales, generating an organic margin expansion of **+90 basis points**, driven by **favourable sales mix by brand and market**, particularly the **positive performance of the high-margin aperitifs** in the **key developed markets**. This outperformance more than compensated the dilutive effect of the emerging market recovery and the increasingly more adverse effect of the agave purchase price.

Advertising and Promotion spending (**A&P**) was **€151.5 million**, up by **+12.3%** in value **on a reported basis**, corresponding to 17.9% of net sales. **It grew organically** by **+9.4%,** driven by the phasing of major investments in Global brands, particularly Aperol, Campari, SKYY and Grand Marnier as well as selected Regional priority brands.

CAAP (Contribution after A&P) was **€374.3 million**, up by **+11.1%** in value **on a reported basis** (up **organically** by **+9.5%**), corresponding to 44.1% of net sales.

Structure costs, i.e. selling, general and administrative costs, totalled **€194.0 million**, up by **+9.9%** in value **on a reported basis** (up **organically** by **+8.6%**), to 22.9% of net sales.

EBIT adjusted was **€180.3 million**, up by **+12.3%** in value **on a reported basis** and up +70 basis points to 21.3% of net sales. It **grew organically by +10.6%**, ahead of sales growth, leading to a margin accretion of **+50 basis points**, as the solid gross margin expansion more than offset marketing and structural investments. The **forex and perimeter changes** had a combined effect of **+1.7% in value**, corresponding to **+20 bps** margin accretion. The adoption of **IFRS16-'Leases'**[4] accounting principle from 1 January 2019 generated a positive effect of **€1.3 million** on EBIT adjusted.

EBITDA adjusted was **€215.1 million**, up by **+14.4%** in value **on a reported basis** (**up organically +12.7%**), corresponding to 25.4% of net sales. The increase includes a positive effect generated by the adoption of **IFRS 16-'Leases'** of **€7.7 million**, driven by the incremental depreciation on the rights of use.

EBIT and EBITDA reached €171.7 million (20.2% of net sales) and €206.5 million (24.3% of net sales) respectively, after negative **Operating adjustments** of -**€8.6 million**, mainly attributable to provisions for restructuring initiatives.

Net financial costs were €15.1 million, up by €0.3 million vs. the same period in 2018, reflecting the negative carry effect on excess cash and the effect of IFRS 16-'Leases' application generating additional financial charges of €1.7 million in the semester.

Group pre-tax profit adjusted was **€162.3 million** (**+12.1%**)**. Group pre-tax profit** was **€153.7 million**, down **-7.4%**.

Tax charges were -**€30.9 million** and included a Patent Box tax benefit of €12.5 million in the first half 2019.

Group net profit adjusted[5] was **€116.7 million** (**+11.8%**)**. Group net profit** was **€122.8 million**, decreased -16.6% vs. the first half 2018.

Net financial debt stood at **€937.1 million** as of June 30th, 2019 (€846.3 million as of December 31st, 2018), an increase of **€90.9 million**, driven by the incremental figurative debt generated by the first-time adoption of IFRS 16 (effective as of 1 January 2019) of €81.4 million.

Net debt to EBITDA pro-forma ratio was **2.1 times as of June 30th, 2019**, up from 1.9 times as of December 31st, 2018.

FILING OF DOCUMENTATION

The half-year report at 30 June 2019 has been made available to the general public at the Company's head office and on the 1INFO circuit for the storage of Regulated Information, operated by Computershare (www.1Info.it). The documentation is also

[4] The new accounting standard IFRS 16, effective as of 1 January 2019, introduces a single accounting model for leases in the financial statements of tenants.
[5] Group net profit before total net positive adjustments of €6.1 million in H1 2019, including operating adjustments of -€8.6 million, related fiscal effects and other tax adjustments of €2.2 million and Patent Box tax benefits of €12.5 million. Total positive adjustments of €42.8 million in H1 2018.

available in the 'Investor' section of the website www.camparigroup.com/en and by all other means allowed by applicable regulations.

The Executive responsible for preparing Davide Campari-Milano S.p.A.'s financial reports, Paolo Marchesini, certifies-pursuant to article 154-bis, paragraph 2 of the Legislative Decree 58/1998-that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

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

ANALYST CONFERENCE CALL

At **1:00 pm (CET) today, July 30th, 2019**, Campari's management will hold a conference call to present the Group's results for the first half 2019. To participate, please dial one of the following numbers:

- **from Italy: 02 805 88 11**
- **from abroad: + 44 121 281 8003**

The **presentation slides** can be downloaded before the conference call from the main investor relations page on Campari Group's website, at http://www.camparigroup.com/en/investors.
A **recording of the conference call** will be available from today, July 30th, until Tuesday, August 6th, 2019.

To listen to it, please call the following numbers:

- **from Italy: 02 72495**
- **from abroad: +44 1212 818005**

(Access code: **753#**).

FOR FURTHER INFORMATION

Investor Relations		
Chiara Garavini	Tel. +39 02 6225 330	Email: chiara.garavini@campari.com
Thomas Fahey	Tel. +44 (0)20 31009618	Email: thomas.fahey@campari.com
Francesco Pintus	Tel. +39 02 6225416	Email: francesco.pintus@campari.com
Corporate Communications		
Enrico Bocedi	Tel. +39 02 6225 680	Email: enrico.bocedi@campari.com

http://www.camparigroup.com/en/investor
http://www.camparigroup.com/en
http://www.youtube.com/campariofficial
https://twitter.com/GruppoCampari

Visit *Our Story*

ABOUT CAMPARI GROUP

Campari Group is a major player in the global spirits industry, with a portfolio of over 50 premium and super premium brands, spreading across Global, Regional and Local priorities. Global Priorities, the Group's key focus, include **Aperol, Campari, SKYY**, **Grand Marnier, Wild Turkey** and **Appleton Estate**. The Group was founded in 1860 and today is the sixth-largest player worldwide in the premium spirits industry. It has a global distribution reach, trading in over 190 nations around the world with leading positions in Europe and the Americas. Campari Group's growth strategy aims to combine organic growth through strong brand building and external growth via selective acquisitions of brands and businesses.
Headquartered in Milan, Italy, Campari Group owns 18 plants worldwide and has its own distribution network in 20 countries. Campari Group employs approximately 3,700 people. The shares of the parent company Davide Campari-Milano S.p.A. (Reuters CPRI.MI - Bloomberg CPR IM) have been listed on the Italian Stock Exchange since 2001. For more information: http://www.camparigroup.com/en. Please enjoy our brands responsibly

- Appendix to follow -

CAMPARI GROUP

CAMPARI GROUP

Consolidated net sales breakdown by brand for the first half 2019

	% on Group sales	% change, of which:			
		total	organic	exchange rate effect	external growth
Global Priorities	58.8%	13.0%	9.8%	3.2%	0.0%
Regional Priorities	15.1%	13.0%	10.8%	2.1%	0.0%
Local Priorities	12.0%	3.8%	4.0%	-0.2%	0.0%
Rest of portfolio	14.0%	-4.8%	2.4%	1.4%	-8.5%
Total	**100.0%**	**9.0%**	**8.0%**	**2.3%**	**-1.4%**

Consolidated net sales by geographic area for the first half 2019

	1 January-30 June 2019		1 January-30 June 2018		%
	€ million	%	€ million	%	Change
Americas	384.6	45.3%	333.3	42.8%	**15.4%**
SEMEA (Southern Europe, Middle East and Africa)	243.6	28.7%	236.2	30.3%	**3.2%**
North, Central & Eastern Europe	165.5	19.5%	154.4	19.8%	**7.2%**
Asia Pacific	54.4	6.4%	54.3	7.0%	**0.2%**
Total	**848.2**	**100.0%**	**778.2**	**100.0%**	**9.0%**

Breakdown of % change	total % change	organic growth	exchange rate effect	external growth
Americas	**15.4%**	9.9%	5.5%	-0.1%
SEMEA (Southern Europe, Middle East and Africa)	**3.2%**	7.7%	-0.1%	-4.4%
North, Central & Eastern Europe	**7.2%**	7.0%	0.2%	0.0%
Asia Pacific	**0.2%**	1.1%	-0.9%	0.0%
Total	**9.0%**	**8.0%**	**2.3%**	**-1.4%**

Consolidated EBIT adjusted by geographic area for the first half 2019

	1 January-30 June 2019		1 January-30 June 2018		change	change
	€ million	%	€ million	%	% total	% organic
Americas	76.1	42.2%	65.8	41.0%	**15.6%**	8.5%
SEMEA (Southern Europe, Middle East and Africa)	49.2	27.3%	44.0	27.4%	**11.7%**	14.9%
North, Central & Eastern Europe	49.1	27.2%	46.0	28.6%	**6.9%**	6.9%
Asia Pacific	6.0	3.3%	4.7	3.0%	**26.0%**	35.0%
Total	**180.3**	**100.0%**	**160.5**	**100.0%**	**12.3%**	**10.6%**

CAMPARI
GROUP

CAMPARI GROUP

Consolidated income statement for the first half 2019

	1 January-30 June 2019		1 January-30 June 2018		
	€ million	**%**	**€ million**	**%**	**Change**
Net sales	**848.2**	**100.0%**	**778.2**	**100.0%**	**9.0%**
Total cost of goods sold[1]	(322.3)	-38.0%	(306.3)	-39.4%	5.2%
Gross profit	**525.8**	**62.0%**	**471.9**	**60.6%**	**11.4%**
Advertising and promotion	(151.5)	-17.9%	(134.9)	-17.3%	12.3%
Contribution after A&P	**374.3**	**44.1%**	**337.0**	**43.3%**	**11.1%**
SG&A[2]	(194.0)	-22.9%	(176.5)	-22.7%	9.9%
EBIT adjusted[3]	**180.3**	**21.3%**	**160.5**	**20.6%**	**12.3%**
Operating adjustments	(8.6)	-1.0%	19.6	2.5%	-144.0%
Operating profit=EBIT	**171.7**	**20.2%**	**180.1**	**23.1%**	**-4.7%**
Financial income (expenses)	(15.1)	-1.8%	(14.8)	-1.9%	2.2%
Adjustments to financial income (expenses)	(0.0)	0.0%	1.6	0.2%	-100.1%
Profit (loss) related to companies valued at equity	0.1	0.0%	(0.1)	0.0%	-217.1%
Put option, earn out income (charges) and hyperinflation effects	(3.0)	-0.4%	(0.9)	-0.1%	251.3%
Profit before taxes and non-controlling interests	**153.7**	**18.1%**	**166.0**	**21.3%**	**-7.4%**
Group profit before taxes adjusted	**162.3**	**19.1%**	**144.8**	**18.6%**	**12.1%**
Income Tax expense	(30.9)	-3.6%	(18.8)	-2.4%	64.4%
Net Profit	**122.8**	**14.5%**	**147.2**	**18.9%**	**-16.6%**
Minority interests	-	0.0%	-	0.0%	0
Group net profit	**122.8**	**14.5%**	**147.2**	**18.9%**	**-16.6%**
Group net profit adjusted[4]	**116.7**	**13.8%**	**104.4**	**13.4%**	**11.8%**
Depreciation and amortisation	(34.8)	-4.1%	(27.4)	-3.5%	26.8%
EBITDA adjusted[3]	**215.1**	**25.4%**	**187.9**	**24.2%**	**14.4%**
EBITDA	**206.5**	**24.3%**	**207.5**	**26.7%**	**-0.5%**

(1) Includes cost of material, production and logistics expenses.
(2) Includes selling, general and administrative costs.
(3) EBIT and EBITDA before negative operating adjustments of -€8.6 million in H1 2019, mainly attributable to restructuring operations. Positive operating adjustments of €19.6 million in H1 2018.
(4) Group net profit before total net positive adjustments of €6.1 million in H1 2019, including operating adjustments of -€8.6 million, related fiscal effects and other tax adjustments of €2.2 million and Patent Box tax benefits of €12.5 million. Total positive adjustments of €42.8 million in H1 2018.

Consolidated balance sheet as of 30 June 2019

	30 June 2019 € million	30 June 2018 € million
ASSETS		
Non-current assets		
Net tangible fixed assets	450.0	454.4
Right of use assets	73.8	-
Biological assets	1.0	1.0
Investment property	120.9	122.8
Goodwill and trademarks	2,349.8	2,341.0
Intangible assets with a finite life	41.6	42.9
Investments in associates and joint ventures	0.5	0.4
Deferred tax assets	42.1	38.4
Other non-current assets	28.7	23.9
Total non-current assets	**3,108.3**	**3,024.9**
Current assets		
Inventories	628.6	565.3
Current biological assets	0.7	0.8
Trade receivables	284.1	285.9
Short-term financial receivables	4.6	29.1
Cash and cash equivalents	768.8	613.9
Income tax receivables	18.0	22.4
Other receivables	44.0	32.3
Total current assets	**1,748.9**	**1,549.7**
Assets held for sale	9.4	7.8
Total assets	**4,866.6**	**4,582.5**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	58.1	58.1
Reserves	2,180.4	2,104.7
Parent company's portion of shareholders' equity	2,238.5	2,162.8
Non-controlling interests' portion of shareholders' equity	-	-
Total shareholders' equity	**2,238.5**	**2,162.8**
Non-current liabilities		
Bonds	928.7	778.7
Other non-current liabilities	499.9	463.7
Defined benefit obligations	31.0	31.6
Provisions for risks and charges	116.0	118.7
Deferred tax liabilities	374.8	368.2
Total non-current liabilities	**1,950.3**	**1,760.9**
Current liabilities		
Payables to banks	4.6	4.5
Bonds	218.9	218.6
Other financial liabilities	90.9	52.5
Trade payables	195.4	216.0
Income tax payables	26.9	13.9
Other current liabilities	141.1	153.3
Total current liabilities	**677.7**	**658.8**
Liabilities held for sale	-	-
Total liabilities	**2,628.0**	**2,419.6**
Total liabilities and shareholders' equity	**4,866.6**	**4,582.5**

CAMPARI GROUP

Consolidated cash flow statement as of 30 June 2019

	30 June 2019	30 June 2018
	€ million	€ million
EBITDA Adjusted	**215.1**	**187.9**
Provisions and other changes from operating activities	(23.0)	(13.4)
Taxes paid	(9.1)	(24.2)
Cash flow from operating activities before changes in working capital	**183.1**	**150.3**
Changes in net operating working capital	(77.2)	(21.1)
Cash flow from operating activities	**105.8**	**129.2**
Net interests paid	(3.0)	(1.1)
Adjustments to financial income (charges)	(0.0)	1.6
Net capital expenditure	(21.6)	(18.8)
Free cash flow	**81.2**	**110.9**
(Acquisition) and sale of companies or business division	-	22.3
Dividend paid out by the Parent Company	(57.3)	(57.5)
Other changes	(13.2)	(21.4)
Total cash flow used in other activities	**(70.5)**	**(56.6)**
Exchange rate differences and other changes	**(19.3)**	**(27.1)**
Change in net financial position due to operating activities	**(8.6)**	**27.2**
Put option and earn-out changes	(0.8)	7.6
IFRS16 adoption	(81.4)	-
Net cash flow of the period = change in net financial position	**(90.9)**	**34.7**
Net financial position at the beginning of the period	**(846.3)**	**(981.5)**
Net financial position at the end of the period	**(937.1)**	**(946.8)**