CAMPARI GROUP

A good start of the year with resilient performance in light of the expected tough comparison base, in a small quarter

Growth driven primarily by Global Priority brands, largely aperitifs in EMEA and LATAM as well as Espolòn in the US

Continued industry outperformance leveraging strong brands in growing categories

FIRST QUARTER 2024- KEY HIGHLIGHTS

Campari Group delivered a resilient performance in the first three months of 2024 in light of the expected tough comparison base in a small quarter. Net Sales organic growth was primarily driven by overall continued **strength in aperitifs** led by **Campari** and **Aperol** despite the **challenging comparison base,** largely thanks to **EMEA and LATAM markets,** while **Espolòn in the US continued to show solid momentum.** EBIT-adjusted was down -2.3% organically, indicating -60bps vs Q1 2023 due to the dilutive effect of SG&A after flattish net sales growth. Gross margin was stable as pricing and positive sales mix fully offset expected COGS headwinds. **Outlook for the full year remains unchanged.**

- **Net sales of €663.5 million, up +0.2% organically and -0.7% on a reported basis** including perimeter impact of +0.6% driven by agency brands and FX effect of -1.4% mainly attributable to the US$. Against a normalized Q1 2023, **excluding the temporary phasing effect** ahead of price increases mainly impacting Italy and the US in the aperitifs and Espolòn, **organic sales growth would be c. +6%.**
- **EBIT-adjusted of €151.5 million, down -2.3% organically and -4.9% on a reported basis**, with margin of 22.8%. Excluding the temporary positive phasing effect in Q1 2023, **EBIT-adjusted organic growth** would be **c. +13% with flat gross margin**.
- **EBITDA-adjusted of €181.1 million**, up +0.6% organically and down -1.7% **on a reported basis**, with margin of 27.3%.
- **Group profit before taxation at €145.0 million**, up +8.6% on a reported basis. **Group profit before taxation-adjusted of €147.3 million, up +5.8%**.
- **Net debt[1] to EBITDA-adj. at 1.8 times** (vs. 2.5 times at December 31st, 2023) or 3.5 times with pro-forma net debt[2] after the closing of the Courvoisier acquisition excluding the positive P&L effect of its first-time consolidation.

Milan, **May 7th, 2024**-The Board of Directors of Davide Campari-Milano N.V. (Reuters CPRI.MI-Bloomberg CPR IM) approved the additional financial information for the three months ended March 31st, 2024.

Matteo Fantacchiotti, Chief Executive Officer: *'We entered the year yet again with momentum and a* ***resilient performance in a low season quarter and despite the expected tough comparison base. Going forward, our outlook remains unchanged.*** *With normalizing industry consumption patterns and volatile macro environment,* ***we expect continued industry outperformance thanks to our healthy brands playing in growing categories, particularly in aperitifs and tequila. For the medium-term, we remain confident about continued growth momentum to deliver profitable growth.*** *With the very recent closing of* **Courvoisier** *deal, we are also pleased to celebrate and* ***welcome this iconic*** **maison** ***of superior quality and prestige cognac*** *to our* ***portfolio of premium*** *and* ***global brands*** *and we look forward to start* ***unleashing its full potential***.'.

[1] Net debt as of 31 March 2024 including the effect of the equity raise and convertible bond issue
[2] Reported last 12 months EBITDA excluding Courvoisier impact/Net debt as of March 31st 2024 plus Enterprise Value of Courvoisier of €1.2 billion closed on April 30th 2024

REVIEW OF ORGANIC SALES PERFORMANCE

Analysis of **organic change by geography:**

- Sales in the **Americas** (48% of total Group sales) were up by **+1.5%**. The **core US market** was down by -0.4% against a tough comparison base. There was positive growth from **Espolòn, Aperol** and **Grand Marnier,** mitigating the challenging comparison base effect of **Wild Turkey** and **Campari**, as well as weakness in **SKYY**. **Jamaica** declined due to temporary supply shortages in rums while underlying trends remain on-track. The **other markets in the region grew double digit** overall, with **strong growth in Brazil** (driven by aperitifs and local Brazilian brands) and **Canada** (thanks to Aperol and Espolòn) offsetting **Argentina**.

- Sales in **EMEA**[3] (45% of total Group sales) grew by **+2.2%**. **Italy** was down by -4.9**%** impacted by the high comparison base, particularly for **Aperol** (Q1 2023 +32.9%), while **Campari** registered solid growth (**+11.8%**). **Germany** grew by +12.4% with continued outperformance **driven by Aperol** and **innovation Sarti Rosa**, while **non-alcoholic aperitif Crodino** also grew alongside **Ouzo12**. **France** grew by +4.5% thanks to **Aperol, Riccadonna Prosecco, Picon**, **Trois Rivières** and **Crodino** while the **UK** registered a softer performance (-3.6%) mainly due to a tough comparison base. Other markets in the region were positive driven by the aperitifs.

- Sales in **Asia Pacific** (6% of total Group sales) declined by **-20.2%**. **Australia** was down by -18.5%, as the market was impacted by a difficult macro environment, competitive off-premise trends and pressure in brown-spirit ready to drink. **Other markets** in the region registered an overall decline (-22.6%) ahead of route-to-market changes in **China** and **India**, while **South Korea** was impacted by phasing, a tough trading environment and a difficult comparison base (Q1 2023: +90.9%). **Good momentum in Japan** and **New Zealand** after the strengthening of distribution capabilities and investments.

Analysis of organic change by brand:

- **Global Priorities** (67% of total Group sales) registered growth of **+2.3%. Aperol** grew by +6.3% despite the tough overall comparison base (Q1 2023 +43.6%), mainly led by **Germany** (+25.1%) and the **US** (+15.0%) followed by **France, Austria, Canada** and **Spain** with outperformance also from seeding markets such as **Brazil** and **Mexico**, while core **Italy** was impacted by a very high comparison base. **Campari** also grew by +6.8%, despite the tough comparison base (Q1 2023 + 23.9%), after a strong performance in **Brazil, GTR and Italy**, offsetting a softer performance in the **US**. **Espolòn** was up +13.2%, after continued double-digit growth in the core US market with growth also accelerating in seeding markets. **Wild Turkey** (-10.3%) was impacted by shipment declines in core US and Australia, as well as South Korea due to a tough comparison base, despite solid growth from high-margin **Russell's Reserve**. **Grand Marnier** grew by +7.9%, while the **Jamaican rum portfolio** declined by -8.7% overall, as both **Appleton Estate and Wray&Nephew Overproof** were impacted by tough comparison bases as well as temporary supply shortages. Lastly, **SKYY** declined by -11.4% after a tough comparison base (Q1 2023 +20.8%).

- **Regional Priorities** (17% of total Group sales) declined by **-6.9%**. Good momentum in **Crodino, Cinzano sparkling wine**, **Mondoro** and **Aperol Spritz ready-to-enjoy** as well as the **French specialties,** particularly **Picon**, was offset by **Forty Creek** and **The GlenGrant** due to tough comparison bases.

- **Local Priorities** (7% of total Group sales) declined by **-1.6%** as positive growth in **Ouzo12** and **Campari Soda** was offset by weakness in **Wild Turkey ready-to-drink** and **SKYY ready-to-drink**.

REVIEW OF FIRST QUARTER 2024 RESULTS

Group sales totalled **€663.5 million**, down by -0.7% on a reported basis or **+0.2% in organic terms**. **The perimeter effect** was **+0.6%** (€3.9 million) driven by agency brands, while **the FX effect** was **-1.4%** (€(9.4) million) mainly driven by the devaluation against the Euro of the US Dollar.

[3] Includes GTR

Gross profit totalled **€381.2 million** (57.5% of net sales), down by -2.2% on a reported basis. It **grew organically by +0.2%** with a **neutral effect on margin**. The stability of the margin was supported by **pricing** and **positive sales mix** which fully offset the expected input cost headwinds.

Advertising and promotion expenses (**A&P**) were **€85.5 million** (12.9% of net sales), down by -5.2% in value on a reported basis. **A&P decreased organically -1.6%**, generating margin accretion of +20 basis points driven by phasing of investments.

CAAP (Contribution after A&P) was **€295.7 million** (44.6% of net sales), **down by -1.3%** in value on a reported basis and up **+0.7% organically**.

Selling, general and administrative expenses (**SG&A**) totalled **€144.3 million** (21.7% of net sales), up by +2.8% on a reported basis. This **grew organically by +4.2%**, generating -80bps margin dilution, driven by continuous investments against a softer topline.

EBIT-adjusted was **€151.5 million** (22.8% on sales), down by -4.9% on a reported basis. It **declined organically by -2.3%**, generating a margin dilution of **-60bps**. **Excluding the temporary positive phasing effect** in Q1 2023, **EBIT-adjusted organic growth** would be c**. +13%** with flat gross margin.

The **perimeter effect** on EBIT-adjusted was negative by **-0.2%** (**€(0.3) million**, -20bps dilutive), due to the net effect of changes in agency brands. The **FX effect** on EBIT-adjusted was negative by **-2.4%** (**€(3.8) million**, -20bps dilutive) mainly due to the Mexican Peso.

Operating adjustments were negative at **€(2.2) million,** mainly attributable to provisions linked to restructuring initiatives.

EBITDA-adjusted was **€181.1 million** (27.3% of net sales), down by -1.7% on a reported basis (**organically +0.6%**).

EBIT (22.5% on net sales) and **EBITDA** (27.0% on net sales) were at **€149.2 million** and **€178.9 million** respectively**.**

Total financial expenses were **€11.9 million**, with a decrease of -€4.3 million compared with the first quarter 2023, the combined effect of gross interest expense of €25.8 million (including the incremental interest on the recent convertible bond issued to finance the Courvoisier acquisition), partially offset by interest income of €13.8 million net of other expenses. The **average cost of net debt** stood at **3.1%** (3.3% in the same period of 2023). Exchange gains were €0.2 million (vs. €(3.3) million in Q1 2023).

Group profit before taxation-adjusted was **€147.3 million,** up **+5.8%** vs. the first quarter 2023. **Group profit before taxation** was **€145.0 million,** up **+8.6%.**

Net financial debt at **€1,315.3 million** as of 31 March 2024, **down €538.1 million** vs. December 31st, 2023 (€1,853.5 million) mainly driven by the **cash injection** from the equity raise and convertible bond carried out in January 2024 to **finance the Courvoisier acquisition**, partly offset by the increase in gross debt due to the convertible bond (net of the equity component).

Net debt[4] **to EBITDA-adjusted ratio at 1.8 times** vs. 2.5 times as of December 31st, 2023. **Post closing of the Courvoisier acquisition, net debt to EBITDA-adjusted ratio would be c. 3.5 times** as of 31 March 2024 with pro-forma net debt[5] incorporating the Enterprise Value of Courvoisier of € 1.2 billion and excluding positive P&L effect of its first-time consolidation.

OUTLOOK

Outlook remains unchanged. In organic terms, the Group expects continued industry outperformance by leveraging its strong brands in growing categories in a normalizing industry environment while macro remains volatile. In terms of profitability, the moderating inflationary environment and agave trends are expected to gradually reflect across P&L from second half of the year, with the pricing effect broadly reflected in the base in the remainder of the year. The phasing of mix across Q2 and Q3 will depend on summer months, especially for the aperitifs and this will also impact the level of brand building investments. The perimeter will reflect the consolidation of Courvoisier from the date of closing with limited impact expected in the first transition year. **In the medium-term, we remain confident in continued healthy brand momentum in key brand-market combinations as well as industry outperformance** leveraging a strengthened portfolio and geographic exposure, as well as focus on revenue growth management. The Group expects consistent operating margin expansion driven by sales mix,

[4] Net debt as of 31 March 2024 including the effect of the equity raise and convertible bond issue.
[5] Reported last 12 months EBITDA excluding Courvoisier impact/Net debt as of March 31st 2024 plus Enterprise Value of Courvoisier of €1.2 billion closed on April 30th 2024.

pricing, input cost inflation easing and operational efficiencies, with continuous reinvestment into brand building and marketing & commercial capabilities to fuel organic topline growth.

RECENT EVENTS

On April 30th 2024, Campari Group announced the closing of Courvoisier acquisition after the completion of various applicable regulatory processes, including antitrust. The upfront Enterprise Value is confirmed at US$1.20 billion (€1.11 billion) including US$ 410 million of maturing inventory. Should a contractual earn-out be paid in 2029, the total Enterprise Value is confirmed at US$1.32 billion (€1.22 billion). The **integration of the operations** and **strengthening of the commercial structure in core brand regions has been initiated** meanwhile the **brand strategic assessment** will start. The consolidation effect of this acquisition will be reflected in Campari Group financials from the closing date with limited impact expected in the first transition year.

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FILING OF DOCUMENTATION

The additional financial information for the three months ended March 31st, 2024 is available to the general public on the Company's website (https://www.camparigroup.com/en/page/investors), and by all other means allowed by applicable regulations.

Disclaimer
This press release contains certain forward-looking statements relating to the Campari Group. All statements included in this press release concerning activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and involve known and unknown risks, uncertainties and other factors, including, but not limited to, the following: volatility and deterioration of capital and financial markets, changes in general economic conditions, economic growth and other changes in business conditions, changes in government regulation and other economic, business and competitive factors affecting the businesses of Campari Group. Such factors include, but are not limited to: (i) changes in the laws, regulations or policies of the countries where Campari Group operates; (ii) the adoption, both at a global level and in the countries where Campari Group operates, of restrictive public policies that have an impact on the production, distribution, marketing, labelling, importation, price, sale or consumption of alcoholic products; (iii) long-term changes in consumers' preferences and tastes, social or cultural trends resulting in a reduction in the consumption of products of the Campari Group as well as in purchasing patterns and the ability of Campari Group to anticipate these changes in the marketplace; and (iv) increased production costs and volatility of raw materials' prices. Therefore, Campari and its affiliates, directors, advisors, employees and representatives, expressly disclaim any liability whatsoever for such forward-looking statements.
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ANALYST CONFERENCE CALL

Campari's management team will host a conference call to present **the Group's First Quarter 2024 Results** today at **1:00 pm (CET)**. To participate via webcast (listen only):

- **https://event.choruscall.com/mediaframe/webcast.html?webcastid=IngJ95ak**

To participate via audio and ask questions, please dial one of the following numbers:
- **from Italy: (+39) 02 802 09 11**
- **from abroad: +44 1212 818004**

Digital Playback:
A digital playback of the conference call & webcast will be available from today, until May 14th, 2024.
To listen to it, please call the following number:

- **(+39) 02 802 09 87**

(Access code: 700931#)
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Presentation slides:
The presentation slides available to download from Campari's Investor Relations Home Page at the address:

CAMPARI GROUP

https://www.camparigroup.com/en/page/investors

FOR FURTHER INFORMATION

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ABOUT CAMPARI GROUP

Campari Group is a major player in the global spirits industry, with a portfolio of over 50 premium and super premium brands, spreading across Global, Regional and Local priorities. Global Priorities, the Group's key focus, include Aperol, Campari, SKYY, Grand Marnier, Espolòn, Courvoisier, Wild Turkey and Appleton Estate. The Group was founded in 1860 and today is the sixth-largest player worldwide in the premium spirits industry. It has a global distribution reach, trading in over 190 nations around the world with leading positions in Europe and the Americas. Campari Group's growth strategy aims to combine organic growth through strong brand building and external growth via selective acquisitions of brands and businesses.
Headquartered in Milan, Italy, Campari Group operates in 23 production sites worldwide and has its own distribution network in 26 countries. Campari Group employs approximately 4,900 people. The shares of the parent company Davide Campari-Milano N.V. (Reuters CPRI.MI - Bloomberg CPR IM) have been listed on the Italian Stock Exchange since 2001. For more information: http://www.camparigroup.com/en. Please enjoy our brands responsibly.

- Appendix to follow -

Consolidated net sales breakdown by brand cluster for the first quarter 2024

	% on Group sales	% change, of which:			
		total	organic	perimeter	forex
Global Priorities	66.6%	0.9%	2.3%	0.0%	-1.4%
Regional Priorities	17.4%	-9.9%	-6.9%	0.0%	-3.0%
Local Priorities	6.9%	-1.3%	-1.6%	0.0%	0.3%
Rest of portfolio	9.1%	9.3%	1.2%	7.1%	1.0%
Total	**100.0%**	**-0.7%**	**0.2%**	**0.6%**	**-1.4%**

Consolidated net sales by geographic area for the first quarter 2024

	% on Group sales	% change, of which:			
		total	organic	perimeter	forex
Americas	48.4%	1.4%	1.5%	1.0%	-1.1%
EMEA (Europe, Middle East and Africa)	45.4%	0.5%	2.2%	-0.4%	-1.3%
Asia Pacific	6.1%	-20.7%	-20.2%	3.9%	-4.4%
Total	**100.0%**	**-0.7%**	**0.2%**	**0.6%**	**-1.4%**

Consolidated income statement for the first quarter 2024

	Q1 2024		Q1 2023		
	€ million	%	€ million	%	Change
Net sales	**663.5**	**100.0%**	**667.9**	**100.0%**	**-0.7%**
Cost of goods sold (1)	(282.3)	-42.5%	(278.1)	-41.6%	1.5%
Gross profit	**381.2**	**57.5%**	**389.7**	**58.4%**	**-2.2%**
Advertising and promotional costs	(85.5)	-12.9%	(90.1)	-13.5%	-5.2%
Contribution margin	**295.7**	**44.6%**	**299.6**	**44.9%**	**-1.3%**
SG&A(2)	(144.3)	-21.7%	(140.3)	-21.0%	2.8%
Result from recurring activities (EBIT-adjusted)	**151.5**	**22.8%**	**159.3**	**23.9%**	**-4.9%**
Other operating income (expenses)	(2.2)	-0.3%	(6.8)	-1.0%	-67.4%
Operating result (EBIT)	**149.2**	**22.5%**	**152.5**	**22.8%**	**-2.1%**
Financial income (expenses)	(11.9)	-1.8%	(16.1)	-2.4%	-26.4%
Hyperinflation effects	8.1	1.2%	(0.1)	-	-
Profit (loss) related to associates and joint-ventures	(1.1)	-0.2%	(0.6)	-0.1%	83.1%
Profit before taxation	**144.3**	**21.7%**	**135.6**	**20.3%**	**6.4%**
Profit before taxation-adjusted	**146.5**	**22.1%**	**141.3**	**21.2%**	**3.7%**
Non-controlling interests before taxation	(0.7)	-0.1%	2.1	0.3%	-
Group profit before taxation	**145.0**	**21.9%**	**133.6**	**20.0%**	**8.6%**
Group profit before taxation-adjusted	**147.3**	**22.2%**	**139.2**	**20.8%**	**5.8%**
Total depreciation and amortisation	(29.6)	-4.5%	(24.9)	-3.7%	19.1%
EBITDA-adjusted	**181.1**	**27.3%**	**184.2**	**27.6%**	**-1.7%**
EBITDA	**178.9**	**27.0%**	**177.3**	**26.6%**	**0.9%**

(1) Includes cost of material, production and logistics costs.

(2) Includes selling, general and administrative costs.