CAMPARI GROUP
ADDITIONAL FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2024

Intentionally blank page

Index

Intentionally blank page

About this Report

Note on presentation

The additional financial information for the three months ended 31 March 2024 was prepared using the same recognition and measurement criteria used to prepare the Group's annual consolidated financial statements at 31 December 2023, to which reference is made. This document has not been audited. The additional financial information provides a description of the significant events that occurred during and after the end of the period, the Group's sales performance, the Group's profit before taxation, its consolidated net financial debt and outlook.

Forward-looking statements

Campari Group's additional financial information contains forward-looking statements that reflect management's current view of the Group's future development. All statements other than statements of historical fact set forth in this additional financial information regarding Campari Group business strategy, such as future operations and businesses, management's plans and objectives, are forward-looking statements. In some cases, words such as 'may', 'will', 'expect', 'could', 'should', 'intend', 'estimate', 'anticipate', 'believe', 'outlook', 'continue', 'remain', 'on track', 'design', 'target', 'objective', 'goal', 'plan' and similar expressions are used to identify forward-looking statements that contain risks and uncertainties that are beyond the control of the Group and call for significant judgement. Should the underlying assumptions turn out to be incorrect or if the risks or opportunities described materialise, the actual results and developments may materially deviate (negatively or positively) from those expressed by such statements. The outlook is based on estimates made by Campari Group, utilising all available information at the time of completion of this additional financial information. The effects arising from intensification of the inflationary pressure mainly on input costs and interest rates, as well as the still persistent complicated and uncertain macro economic environment, may be materially different from management's expectations. Campari Group does not assume any obligations or liability in respect of any inaccuracies in the forward-looking statements made in this additional financial information or for any use by any third party of such forward-looking statements. Campari Group does not assume any obligation to update any forward-looking statements made in this additional financial information beyond statutory disclosure requirements.

Information on the figures presented

All references in this additional financial information are expressed in Euros (€).

For ease of reference, all the figures in this additional financial information are expressed in millions of € to one decimal place, whereas the original data is recorded and consolidated by the Group in €. 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 €. The use of values expressed in millions of € 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' used, see paragraph 'Definitions and reconciliation of the Alternative Performance Measures ('APMs' or non-GAAP measures) to GAAP measures in the dedicated paragraph of this additional financial information.

The language of this additional financial information is English. Certain legislative references and technical terms have been cited in their original language so that the correct technical meaning may be ascribed to them under applicable law.

This additional financial information is not prepared in the European Single Electronic Format ('ESEF'), which is required for all natural and legal persons with securities listed on a European stock exchange with respect to annual IFRS consolidated financial statements only.

Key Financial Highlights

	for the three months ended 31 March		change	
	2024	2023	total	organic change
	€ million	€ million	%	%
Net sales[1]	663.5	667.9	-0.7%	0.2%
EBITDA	178.9	177.3	0.9%	
EBITDA-adjusted[2]	181.1	184.2	-1.7%	0.6%
EBIT	149.2	152.5	-2.1%	
EBIT-adjusted[2]	151.5	159.3	-4.9%	-2.3%
Group profit before taxation	145.0	133.6	8.6%	
Group profit before taxation-adjusted[2]	147.3	139.2	5.8%	

	at 31 March 2024	at 31 December 2023
	€ million	€ million
Net financial debt	1,315.3	1,853.5
Number of own ordinary shares held[3] [4]	29,497,962	29,617,742

[1] Sales net of excise duties.

[2] For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this additional financial information.

[3] Ordinary shares.

[4] The total number of issued ordinary shares after the capital increase approved by the Board of Directors on 14 December 2023 and the corresponding successful placement on 12 January 2024 is 1,231,267,738.

Corporate Bodies

Board of Directors[(1)]

Luca Garavoglia[(2)]	Chairman
Matteo Fantacchiotti[(3)]	Chief Executive Officer
Paolo Marchesini[(3)]	Chief Financial and Operating Officer
Fabio Di Fede[(3)]	General Counsel and Business Development Officer
Eugenio Barcellona[(2)]	Director and member of the Control, Risks and Sustainability Committee and the Remuneration and Appointment Committee
Alessandra Garavoglia[(2)]	Director
Emmanuel Babeau[(2)]	Director and member of the Remuneration and Appointment Committee
Margareth Henriquez[(2)]	Director
Robert Kunze-Concewitz[(2)]	Director
Jean-Marie Laborde[(2)]	Director and member of the Control, Risks and Sustainability Committee
Christophe Navarre[(2)]	Director and member of the Remuneration and Appointment Committee
Lisa Vascellari Dal Fiol[(2)]	Director and member of the Control, Risks and Sustainability Committee

External auditor

Ernst&Young Accountants LLP

(1) The Annual General Meeting held on 12 April 2022 appointed the new Board of Directors of Davide Campari-Milano N.V. (the ‘Company’ or ‘Davide Campari’ or ‘Campari’) for the three-year period 2022-2024 expiring at the end of the Annual General Meeting to be held in 2025, comprising Luca Garavoglia, Robert Kunze-Concewitz, Paolo Marchesini, Fabio Di Fede, Alessandra Garavoglia, Eugenio Barcellona, Emmanuel Babeau, Margareth Henriquez, Jean-Marie Laborde, Christophe Navarre and Lisa Vascellari Dal Fiol. The new Board of Directors, in the meeting held after the Annual General Meeting, confirmed for the same three-year period: (i) Luca Garavoglia as Chairman of the Board of Directors and (ii) Robert Kunze-Concewitz, Chief Executive Officer, Paolo Marchesini, Chief Financial Officer and Operating Officer and Fabio Di Fede, General Counsel and Business Development Officer, as Executive Directors. Alessandra Garavoglia, Eugenio Barcellona, Emmanuel Babeau, Margareth Henriquez, Jean-Marie Laborde, Christophe Navarre and Lisa Vascellari Dal Fiol qualify as Non-Executive Directors. Emmanuel Babeau, Margareth Henriquez, Jean-Marie Laborde, Christophe Navarre and Lisa Vascellari Dal Fiol are qualified as independent directors pursuant to the Dutch Corporate Governance Code. Eugenio Barcellona, Jean-Marie Laborde and Lisa Vascellari Dal Fiol were also appointed as members of the Control, Risks and Sustainability Committee. Eugenio Barcellona, Emmanuel Babeau and Christophe Navarre were also appointed as members of the Remuneration and Appointment Committee. The Annual General Meeting held on 11 April 2024 appointed Matteo Fantacchiotti as Executive Director of the Company and Robert Kunze-Concewitz as Non-Executive Director effective following his decision to resign as Executive Director and Chief Executive Officer of the Company, effective as of the 2024 Annual General Meeting.

(2) Non-Executive Director.

(3) Executive Director.

Campari Group Additional Financial Information for the three Months ended 31 March 2024

Campari Group and the Global Environment

In the first three months of 2024, Campari Group showed a resilient performance in light of a tough comparison base as expected, in a small quarter, thanks to the contribution of a strong brand portfolio, especially aperitifs and tequila. The Group benefitted from last year's price increases mitigating the expected cost inflation while continuing to invest in its commercial infrastructure ahead of the newly acquired Courvoisier integration.

From a macroeconomic standpoint, the environment remains volatile, with global growth, according to OECD[1] analysis, expected to slow to +2.9% in 2024, after a resilient 2023, due to tighter financial conditions, subdued global trade and persisting geopolitical tensions. Looking at the main regions, growth in the United States, supported by household spending and strong labour market conditions, is projected to moderate to +2.1% in 2024. Euro area growth, hindered by tight credit conditions, is projected at +0.6% in 2024. China's growth is expected to also ease to +4.7% in 2024 due to subdued consumer demand, high debt and a weak property market. Inflation is expected to return to 2% target in most G20[2] countries by 2025 but high geopolitical tensions still pose a significant risk to economic activity and inflation. Monetary policy is expected to remain prudent to ensure inflationary pressures are contained.

In terms of consumption trends in the key regions, in the United States, the total spirits market continued to show low single-digit growth, with Campari Group outperforming in the tequila and aperitif categories. In Europe, consumption trends for spirits&aperitifs slightly improved throughout the quarter, with pricing remaining positive but decelerating due to lapping effects. Campari Group continued to significantly outperform in Europe overall driven by its aperitif portfolio. In Asia-Pacific, market conditions show increasingly competitive off-premises trends.

[1] Organization for Economic Cooperation and Development.
[2] The Group of Twenty (G20) is the premier forum for international economic cooperation.

Main Brand-Building Initiatives

The brand portfolio represents a strategic asset for Campari Group. Intangible assets are a key component of the market value of spirit products, reflecting the brand strength built over decades. The Group categorises its brands into three main priority clusters (global, regional and local) based on the geographic scale, business priority and growth potential of the brands.

With the aim of enhancing certain disclosures concerning net sales information, in response to evolving management strategies within its business operations, the Group has reorganised its brand clusters, with Espolòn being promoted to global priority starting from 1 January 2024. Global expansion for Espolòn is now enabled by unconstrained supply supported by the recent production capacity expansion. The decision is also supported by the consistently positive and increasing performance over the years for the brand in line with other global priority brands, with enduring business momentum within its category. Furthermore, to align with the comprehensive product portfolio review, minor adjustments have been made to the composition of regional priority clusters.

The main marketing initiatives focused on global and regional priority brands, as well as on the RARE division, undertaken in the first three months of 2024, are outlined below.

Global priorities

Aperol

Starting from the beginning of the year, the bond between Aperol and tennis was activated through the **Australian Open sponsorship** with an extensive campaign in Australia, New Zealand and Global Travel Retail (‘GTR’) to inspire and educate consumers on the ‘3,2,1 perfect serve’. During the winter season, the **Aperol Winter Tour** was launched in both the French and Italian Alps in key winter destinations such as Cortina and Courmayeur Super G ski world cup event with digital amplification throughout the winter season to share the orange apres-ski vibes, aimed at recruiting new consumers and educating existing consumers that Aperol Spritz is an all-season drink. In February, a communication spot was on air during **Sanremo Festival**, a famous cross-generational song festival in Italy driven by youth attracting record TV audiences, with the objective of reinforcing brand relevance and top of mind relevance.

Campari

Campari continued to champion the art of cinematic storytelling with a number of initiatives. Among these, Campari was the official sponsor at the **Screen Actors Guild Awards** held in Los Angeles and was co-partner of the 74th **Berlinale film festival** in Germany. Additionally, a multi-touchpoint amplification campaign was activated at Berlin Airport to engage travellers.

Grand Marnier

During the first part of the year, the brand was prominently featured on several occasions in the United States, including sponsorship of the post-event celebration of the **NBA All-Star weekend festival**, as well as being present at exclusive cocktail parties during the **Grammy Awards weekend**. In addition, within the activation **Encounter on the road**, an event at Miami Music Week was held to enhance the brand’s cultural and musical blend and expand its consumer base.

SKYY

In relation to SKYY Infusions, the esteemed Beverage Testing Institute in the United States has bestowed a distinguished gold medal upon the **Agave Lime Infusion**, while in Argentina SKYY **Infusions Blood Orange** was launched through culturally relevant influencer partnerships and activations, with a comprehensive launch plan encompassing various marketing strategies.

Espolòn

Espolòn launched its first-ever limited edition design, the **25th Anniversary Edition**, in collaboration with renowned artist Saner, to celebrate modern Mexico and the brand’s connection to street art and design, with comprehensive marketing strategies.

Regional priorities

Among regional priority brands, some interesting initiatives were launched during the period. With respect to **Crodino** in Italy, a new communication campaign was activated during the Italian Sanremo Festival to reinforce Crodino’s position as the leading non-alcoholic aperitif, while a 360° video strategy campaign was launched, focusing on multimedia platforms to enhance brand appeal among young individuals. At the Global Spirits Masters for Tequila&Mezcal awards, organized by ‘the Spirits Business’ publication in London, the tequila portfolio emerged as significant winner, affirming the quality of their products and their strong presence in the premium tequila market with brands like the global priority **Espolòn** and the regional tequila and mezcal portfolio, including **Cabo Wabo,** highlighting also the potential of **Mayenda** as an Ultra Premium Tequila brand and recognizing **Montelobos** as a standout in the mezcal category.

RARE division

With respect to the dedicated luxury RARE division, Champagne Lallier **Réflexion R.020** was launched in France, Belgium and Italy, accompanied by the presence of esteemed press representatives and distinguished clients.

Significant events during and after the end of the period

Acquisitions and Commercial Agreements

Acquisition of Courvoisier Cognac
On 30 April 2024, Campari Group completed the acquisition of 100% of Beam Holdings France S.A.S. (now renamed Courvoisier Holding France S.A.S.), which in turn owns 100% of Courvoisier S.A.S., the owner of the Courvoisier brand, according to the terms of the acquisition agreement previously disclosed. The closing of the agreement occurred subsequent to the successful and seamless completion of the consultation process with the French employees' representatives, the fulfilment of the appropriate regulatory processes, as well as the receipt of customary antitrust approvals.
The purchase price paid amounted to US$1.17 billion, corresponding to €1.08 billion at the hedged currency exchange rate. At closing, the book value of maturing inventory estimated at 30 April 2024 and included in the price paid was US$410 million.
In addition to the price paid, an estimated amount of approximately US$30 million (€28 million at closing date currency exchange rate) related to finished goods in the Beam Suntory Group's in-market companies will be paid by Campari Group according to a stock transfer agreement.
Therefore, the upfront enterprise value of US$1.20 billion (€1.11 billion) corresponding to the sum of the above purchase price paid and the value of finished goods stock take. In addition, an earn-out for a maximum amount of US$120 million (€112 million at the closing date currency exchange rate) will be payable in 2029 based on the achievement of net sales targets realised in full year 2028, as previously disclosed. Hence, should the earn-out be paid, the total enterprise value is confirmed at US$1.32 billion (€1.22 billion).
The purchase price and the finished goods stock take are still subject to the customary price adjustment mechanisms to be calculated in the 90 days after closing.
The transaction was financed in cash using the Group's available resources resulting from the combined offer directed to qualified investors on 10 January 2024. This offer consisted of the issuance of new ordinary shares for gross proceeds of approximately €650 million, as well as senior unsecured bonds that are convertible into new and/or existing ordinary shares of the Company due in 2029, resulting in gross proceeds of approximately €550 million (for more detailed information refer to Campari Group Annual report for the year ended 31 December 2023).
The consolidation effect of the acquisition will be reflected in Campari Group financials from the closing date onwards.
The acquired business includes an enviable inventory of maturing eaux-de-vie, consisting of well-balanced age profiles to support future brand development. Moreover, the acquisition perimeter includes the trademarks as well as comprehensive production facilities consisting of distillation, warehouses, vineyards, a visitor centre and château (hosting a museum), blending facilities, ageing cellars and an automated bottling plant.
As a premium cognac, Courvoisier is positioned to further strengthen Campari Group's portfolio of global brand priorities, particularly in aged spirits, as well as supporting future long-term premiumisation ambitions in key strategic segments for the Group. The brand, world-renowned and a global icon of luxury, presents the opportunity to strategically enhance our presence in one of the most significant spirit categories in the United States. Additionally, it promises to reshape Campari Group's growth profile in Asia and GTR through the expansion of its footprint of luxury expressions. Leveraging Campari Group's established leadership, focused approach and expertise in brand development, the Courvoisier brand stands to gain substantial benefits, capitalising on Campari Group's strengthened operational and business infrastructure.

New Route-to-Market in Greece
As of 1 January 2024, Campari Group entered the Greek market by leveraging on its subsidiary Campari Hellas S.A., which fully undertook the trading and distribution of alcoholic beverages of Campari Group for Greece. The strategic decision demonstrates the importance of the Greek market for the Group's growth trajectory, given the prospects and possibilities the country offers as one of the most popular summer destinations.

Distribution Agreements
From January 2024, Campari France is the exclusive distributor of Irish whiskeys Bushmills and The Sexton and of The Kraken rum owned by Proximo Spirits for the European territory of France and Monaco, across all trade channels. Proximo Spirits products will complete and reinforce Campari's position in two key segments of the market. From the same date, Campari Group is no longer distributing Beam Suntory brands in the French market as the distribution agreement expired at the end of 2023 with no extension.

Group Significant Events and Corporate Actions

Reorganisation of Brand Clusters and Business Unit Reconfiguration

As anticipated in 2023 Annual Report, starting from 1 January 2024, Campari Group aimed to enhance certain disclosures concerning net sales information.

Primarily, the Group managed a partial business unit reconfiguration which led to a combined EMEA region. The unified European area is aimed at strengthening the Group's leadership position in this region, unlocking operational and commercial efficiencies. Therefore, from 2024 the Group is overseen through distinct business units organised by the following geographical regions: 'Americas', 'EMEA' (combining Europe and Southern Europe Developing Markets, Middle East and Africa), and 'Asia-Pacific'.

The table below showed the changes affecting the Group net sales figures disclosed during 2023.

	for the three months ended 31 March 2023			
Group net sales focus by region	after reclassification		published	
	€ million	%	€ million	%
Americas	316.8	47.4%	316.8	47.4%
Southern Europe, Middle East and Africa	-	-	191.0	28.6%
North, Central and Eastern Europe	-	-	108.9	16.3%
EMEA	299.9	44.9%	-	-
Asia-Pacific	51.2	7.7%	51.2	7.7%
total	**667.9**	**100.0%**	**667.9**	**100.0%**

Simultaneously, the Group reorganised its brand clusters, with Espolòn being promoted to global priority brand status effective from the same date. Global expansion for Espolòn is now enabled by an unconstrained supply supported by the recent production capacity expansion. Furthermore, to align with the comprehensive product portfolio review, minor adjustments have been made to the composition of regional priority clusters.

The Group has opted to retrospectively apply these modifications, thus aligning financial data for 2023 with the aforementioned changes, effective as of 1 January 2024. Consequently, the data reported in the current additional financial information included the consistently restated 2023 values (for more detailed information refer to the Campari Group annual report for the year ended 31 December 2023).

The table below showed the changes affecting the Group net sales figures disclosed during 2023.

	for the three months ended 31 March 2023			
Group net sales focus by priorities	after reclassification		published	
	€ million	%	€ million	%
global priority brands	438.3	65.6%	387.0	57.9%
regional priority brands	127.9	19.1%	166.7	25.0%
local priority brands	46.7	7.0%	58.7	8.8%
rest of the portfolio	55.0	8.2%	55.5	8.3%
total	**667.9**	**100.0%**	**667.9**	**100.0%**

Future relocation of Campari Group's headquarters

Campari Group is undertaking new investments in a real-estate project to host its new headquarters and also the new combined EMEA region, creating a fully modernised working environment, leveraging its proprietary brand houses and academies in the city centre, thus reestablishing its bond with Milan. The new headquarters will serve as a pivotal, iconic, and accessible hub, attracting and retaining the best domestic and international talent. Additional capex to support the Group's move to new headquarters in downtown Milan is estimated at an initial investment of approximately €110 million in 2024 plus renovation. The move is expected in to take place 2027 following renovation.

Annual General Meeting of Davide Campari-Milano N.V. held on 11 April 2024

The Annual General Meeting of shareholders held on 11 April 2024 ('AGM') approved the annual accounts for the financial year 2023 (including, inter alia, the financial statements for the year ended 31 December 2023, the non-financial disclosure, the corporate governance and the remuneration report) and the distribution of a cash dividend of €0.065 per share outstanding, gross of withholding taxes, increasing by +8.3% compared to the previous financial year. The total dividend paid, calculated on the shares outstanding and excluding own shares in the portfolio (29,489,664) at the coupon detachment date (i.e. 22 April 2024) was €78.1 million. The cash dividend was paid on 24 April 2024 in accordance with the Italian Stock Exchange calendar, with a record date of 23 April 2023. The AGM granted discharge to the Executive and Non-Executive directors in office in 2023 in relation to the performance of their respective duties pursuant to the applicable regulation. Moreover, the AGM appointed Matteo Fantacchiotti as Executive Director of the Company, subsequently appointed Chief Executive Officer by the Board of Directors held on 15 April 2024. Moreover, Robert Kunze-Concewitz was appointed as Non-Executive Director by the AGM, following his decision to resign as Executive Director and Chief Executive Officer of the Company, effective as of the 2024 Annual General Meeting, both for a one-year period expiring at the end of the Annual General Meeting to be held in 2025.

The other AGM resolutions were the following:

- adoption of a new Company remuneration policy aimed at providing a compensation structure that allows Campari to attract and retain the most highly qualified executive talent and to motivate such executives to achieve business and financial goals that create value for shareholders and other stakeholders consistently with the Group's core business and leadership values;
- approval of a Long-Term Incentive Plan ('LTI Plan) for the Company's Lead Team with the aim of creating a link between the Company's performance and the Company's Lead Team members: the latter will be awarded a right to receive a number of Campari shares for free, subject to i) their continued directorship or employment relationship during a three-year vesting period and ii) the achievement of certain performance targets; as well as approval of a LTI Plan for eligible employees of the Group, aimed at rewarding selected employees of the Group for their active participation in Group performance and to foster retention. The eligible employees will be awarded a right to receive for free a number of Campari shares, subject to their continued employment during a three-year vesting period. All details of the plans are available at https://www.camparigroup.com/en/page/group/governance in the 'Lead Team LTI Information Document' and in the 'LTI Information Document', prepared in accordance with Article 84-bis of the Regulation n. 11971;
- approval of a LTI Plan for the Company's Chief Financial and Operating Officer ('CFOO'), aimed at rewarding the CFOO, who has provided the Company with extraordinary value during a long-standing managerial period, and ensuring retention of the CFOO with a long-term vision. The Company's CFOO will be awarded a right to receive for free a number of Campari shares, subject to his continued directorship relationship during an eight-year vesting period and the achievement of certain performance targets, as further explained in accordance with Article 114-bis of the Regulation n. 11971;
- authorisation of the Board of Directors to purchase the Company's own shares, mainly aimed at the replenishment of the portfolio of own shares to serve the current and future equity-based incentive plans for the Group's management, according to the limits and procedures provided by the applicable laws and regulations. The authorisation is granted until 11 October 2025.

Group Financial Review

Sales Performance

The nature, amount, timing and uncertainty of sales, as well as the corresponding cash flows, are affected by economic and business factors which differ across markets, also as a function of their different sizes and maturity profiles. These elements are primarily attributable to demographics, consumption habits and are also influenced by historical, social and climatic factors, local consumer taste preferences, propensity to consume, the market commercial structure in terms of the weight of the distribution channels (off-premise vs. on-premise) as well as retailers concentration. As an effect of the above factors, the sales composition by brand differs from market to market. Consequently, the brand-building and sales infrastructure investments are allocated to respond to each market priority.
Starting from 1 January 2024 the Group implemented a partial business unit reconfiguration which combined the EMEA region (combining Europe and Southern Europe Developing Markets, Middle East and Africa), aiming to enhance the Group's leadership position in this region, unlocking operational and commercial efficiencies. Following the aforementioned changes the Group's business units are organised by the subsequent geographical regions: 'Americas', 'EMEA', and 'Asia-Pacific'.
In order to highlight the main business performance drivers in a diversified context and to assess the contribution of the different brands to the overall sales performance of the Group, further breakdowns by brand category (global, regional and local brands) and for major brands are provided to better explain their contribution to the region. The categorisation of brands into three main clusters (global priorities, regional priorities and local priorities) is based on their scale, growth potential and business priority. As indicated in the 'Group significant events and corporate actions', effective as of 1 January 2024, the Group also reorganised its brand clusters, applying modifications with a retrospective approach. The comparative information for 2023 shown in the section 'Brand contribution on segments' was therefore consistently restated.

1. Key Highlights

In the first three months of 2024, the Group's net sales amounted to €663.5 million, with a reported decrease of -0.7% compared with the same period of 2023, of which organic +0.2%, perimeter impact of +0.6% driven by agency brands and exchange rate effect of -1.4% mainly driven by US$.

The first quarter, the smallest in terms of contribution to annual results, showed resilient organic growth of +0.2% with solid underlying trends against a tough comparison base (+19.6% in the first three months of 2023) due to a temporary phasing effect in the period of comparison ahead of price increases. Growth was driven by continuing strength in aperitifs led by Campari and Aperol despite the challenging comparison base, largely thanks to core European markets, while Espolòn continued to show solid momentum in the United States. Excluding the temporary positive phasing effect in the first three months of 2023, organic growth in the first three months of 2024 would be +6%, mainly driven by the United States and Italy in aperitifs and Espolòn.

	for the three months ended 31 March			three months change %, of which			
	2024 € million	2023 € million	total change € million	total	organic	perimeter	exchange rate[1]
total	**663.5**	667.7	**(4.4)**	-0.7%	**0.2%**	0.6%	-1.4%

[1] Includes the effects associated with hyperinflation in Argentina.

To mitigate the effect of hyperinflationary economies, the organic change for countries (Argentina) having to adopt the hyperinflationary methodology laid down in IFRS includes only the component attributable to volumes sold in relation to net sales, while the effects associated with hyperinflation, including price index variation and price increases, are treated as exchange rate effects. As regards the ongoing business in Russia-Ukraine, it continued to have a limited impact on the Group's consolidated results.

An in-depth analysis by geographical region and core market of sales registered in the three months ended 31 March 2024 compared with the same period of 2023 is provided below. Unless otherwise stated, the comments relate to the organic change in each market.

2. Organic Sales Performance of Operating Segments

The sales performance of the Group's operating segments in the three months ended 31 March 2024 compared with the same period of 2023 is provided in the table below.

	for the three months ended 31 March								
Group net sales focus by region	2024		2023		total change	three months change %, of which			
	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate[1]
Americas[1]	321.4	48.4%	316.8	47.4%	4.6	1.4%	1.5%	1.0%	-1.1%
EMEA	301.5	45.4%	299.9	44.9%	1.6	0.5%	2.2%	-0.4%	-1.3%
Asia-Pacific	40.6	6.1%	51.2	7.7%	(10.6)	-20.7%	-20.2%	3.9%	-4.4%
Total	**663.5**	**100.0%**	**667.9**	**100.0%**	**(4.4)**	**-0.7%**	**0.2%**	**0.6%**	**-1.4%**

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

- **Americas**

The region, broken down into its core markets below, recorded an overall organic increase of +1.5%. The region is predominantly off-premise skewed, particularly North America.

		for the three months ended 31 March								
	% of Group total	2024		2023		total change	three months change %, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate[1]
US	29.2%	193.9	60.3%	192.8	60.9%	1.1	0.5%	-0.4%	2.1%	-1.2%
Jamaica	5.2%	34.5	10.7%	38.6	12.2%	(4.2)	-10.8%	-8.3%	-	-2.4%
Other countries of the region[1]	14.0%	93.0	28.9%	85.3	26.9%	7.7	9.0%	10.3%	-1.1%	-0.2%
Americas	**48.4%**	**321.4**	**100.0%**	**316.8**	**100.0%**	**4.6**	**1.4%**	**1.5%**	**1.0%**	**-1.1%**

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

The **United States**, accounting for 29.2% of net sales, showed relatively flattish shipment performance (-0.4%) against a tough comparison base (+23.0% in the first quarter of 2023, benefitting from a temporary shipment phasing effect). The positive growth from Espolòn, Aperol and Grand Marnier was mitigated by the challenging comparison base effect of Wild Turkey and Campari as well as weakness in SKYY Vodka.
Jamaica reported a reduction of -8.3%, impacted by temporary supply shortages in rums as well as the comparison base (+17.9% in the first quarter of 2023), while underlying consumption trends remained on-track, particularly in the on-trade channel.
Overall double-digit growth (+10.3%) was registered across the **rest of the region**, including strong double-digit growth in Brazil due to aperitifs and local Brazilian brands thanks to a strong summer season. Also Canada grew thanks to Aperol and Espolòn off a small base, while Argentina was impacted by a persisting challenging macro environment.

- **EMEA**

The region, which is broken down by core markets in the table below, reported an organic increase of +2.2%. The predominance between off-premise and on-premise channels varies by country.

		for the three months ended 31 March								
	% of Group total	2024		2023		total change	three months change %, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate
Italy	16.9%	112.2	37.2%	117.9	39.3%	(5.7)	-4.9%	-4.9%	-	-
Germany	6.4%	42.6	14.1%	37.9	12.6%	4.7	12.4%	12.4%	-	-
France	4.9%	32.8	10.9%	32.6	10.9%	0.2	0.6%	4.5%	-3.9%	-
United Kingdom	2.5%	16.8	5.6%	16.9	5.6%	(0.1)	-0.6%	-3.6%	0.1%	3.0%
Other countries of the region	14.6%	97.1	32.2%	94.5	31.5%	2.6	2.7%	7.3%	-	-4.6%
EMEA	**45.4%**	**301.5**	**100.0%**	**299.9**	**100.0%**	**1.6**	**0.5%**	**2.2%**	**-0.4%**	**-1.3%**

The three months ended 31 March 2024 showed a decrease of -4.9% in **Italy**, driven by the expected impact from shipment performance in a small quarter and against high comparative base (+21.6% in the first quarter of 2023, as expected, due to positive phasing preceding price increases and Easter calendar effect), especially driven by Aperol (+32.9% in the first quarter of 2023). Solid ongoing growth in Campari with +11.8%.
Germany showed continued outperformance in the first quarter of 2024 compared to the same period of 2023 (+12.4%), largely driven by Aperol and the innovation Sarti Rosa. The non-alcoholic aperitif Crodino also grew alongside Ouzo12.
France showed solid growth (+4.5%) led by Aperol and Riccadonna Sparkling wines as well as Picon, Trois Rivières and Crodino.
The **United Kingdom** reported a softer performance of -3.6% compared to the first quarter of 2023, mainly due to a tough comparison base (+21.5% in the same period of last year) as well as temporary supply shortages in Jamaican rums.
Positive performance (+7.3%) was achieved across **the other markets of the region**, particularly in Austria, Spain, the Netherlands and Belgium, largely led by aperitifs, more than offsetting softer performance in GTR due to a tough comparison base (+126.5% in the three months ended 31 March 2023).

- **Asia-Pacific**

This region, which is predominantly off-premise skewed and whose market breakdown is shown in the table below, recorded an organic decrease of -20.2%.

		for the three months ended 31 March								
	% of Group total	2024		2023		total change	three months change %, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate
Australia	3.5%	23.1	56.9%	29.4	57.4%	(6.3)	-21.4%	-18.5%	1.1%	-4.1%
Other countries of the region	2.6%	17.5	43.1%	21.8	42.6%	(4.3)	-19.8%	-22.6%	7.7%	-4.9%
Asia-Pacific	**6.1%**	**40.6**	**100.0%**	**51.2**	**100.0%**	**(10.6)**	**-20.7%**	**-20.2%**	**3.9%**	**-4.4%**

Australia reported performance of -18.5% in the three months ended 31 March 2024, impacted by a difficult macroeconomic environment, increasingly competitive off-premise trends and pressure on the brown spirit ready-to-drink category. The resilient aperitif portfolio showed flat performance despite a tough comparison base.
With regard to **the other countries of the region,** the reduction of -22.6% compared to the first quarter of 2023 was caused by negative shipments ahead of route-to-market changes in China and India. South Korea was impacted by phasing, a tough trading environment as well as a very tough comparison base (+90.9% in the first three months of 2023). Good momentum was achieved in Japan and New Zealand, benefitting from strengthened distribution capabilities and continued investment.

- **Brand Contribution on Segments**

The table shows the brand contribution to consolidated net sales and the most relevant segment and markets for each brand. While the global priority cluster includes brands with a globally diversified geographic exposure (either current or potential), regional priorities are concentrated in a limited number of countries within the same region and local priorities focus on one main domestic market.

	Group percentage and net sales by priority for the three months ended 31 March 2024		three months change % compared with three months 2023, of which[1]				main region/markets for brands
	%	€ million	total	organic	perimeter	exchange rate	
global priority brands	**66.6%**	**442.0**	**0.9%**	**2.3%**	**-**	**-1.4%**	**-**
Aperol	22.8%	151.6	5.6%	6.3%	-	-0.7%	- *Italy, EMEA* *Germany, EMEA* *US, AMERICAS* *France, EMEA* *Austria, EMEA*
Campari	12.8%	84.8	6.7%	6.8%	-	-	- *Italy, EMEA* *Brazil, AMERICAS* *US, AMERICAS* *Jamaica, AMERICAS* *Germany, EMEA*
Espolòn	8.6%	57.1	11.5%	13.2%	-	-1.7%	- *US, AMERICAS* *Australia, APAC* *Russia, EMEA* *Canada, AMERICAS* *Italy, EMEA*
Wild Turkey portfolio[2][3]	7.7%	51.4	-12.1%	-10.3%	-	-1.8%	- *US, AMERICAS* *Australia, APAC* *Japan, APAC* *South Korea, APAC* *Canada, AMERICAS*
Jamaican rums portfolio[4]	5.1%	34.1	-10.2%	-8.7%	-	-1.5%	- *Jamaica, AMERICAS* *US, AMERICAS* *Canada, AMERICAS* *United Kingdom, EMEA* *Mexico, AMERICAS*
Grand Marnier	4.9%	32.6	6.9%	7.9%	-	-1.1%	- *US, AMERICAS* *Canada, AMERICAS* *France, EMEA* *GTR, EMEA* *Mexico, AMERICAS*
SKYY[2]	4.6%	30.4	-17.8%	-11.4%	-	-6.5%	- *US, AMERICAS* *Argentina, AMERICAS* *Germany, EMEA* *South Africa, EMEA* *GTR, EMEA*
regional priority brands	**17.4%**	**115.2**	**-9.9%**	**-6.9%**	**-**	**-3.0%**	**-**
Sparkling Wines, Champagne&Vermouth	4.9%	32.5	1.0%	10.8%	-	-9.9%	
Other specialties[5]	8.8%	58.2	-14.6%	-14.0%	-	-0.6%	
Other Whisk(e)y[6]	1.4%	9.4	-26.5%	-24.4%	-	-2.1%	
Crodino	2.3%	15.1	2.1%	1.8%	-	0.2%	
local priority brands	**6.9%**	**46.1**	**-1.3%**	**-1.6%**	**-**	**0.3%**	**-**
Campari Soda	3.3%	21.8	0.6%	0.6%	-	-	
Wild Turkey ready-to-drink[7]	1.4%	9.5	-18.1%	-13.7%	-	-4.4%	
SKYY ready-to-drink	1.3%	8.9	6.0%	-1.7%	-	7.7%	
Ouzo12	0.9%	5.9	16.9%	16.9%	-	-	
rest of the portfolio	**9.1%**	**60.2**	**9.3%**	**1.2%**	**7.1%**	**1.0%**	**-**
total	**100.0%**	**663.5**	**-0.7%**	**0.2%**	**0.6%**	**-1.4%**	**-**

[1] For information on reclassifications of comparative figures, refer to note 'Significant events during and after the end of the period'
[2] Excludes ready-to-drink.
[3] Includes American Honey.
[4] Includes Appleton Estate, Wray&Nephew Overproof and Kingston 62.
[5] Includes Braulio, Cynar, Averna, Frangelico, Del Professore, Ancho Reyes, Montelobos, Cabo Wabo, Bisquit&Dubouché, Bulldog, Trois Rivières, Picon, Maison La Mauny, Magnum Tonic, Aperol Spritz ready-to-enjoy and X-Rated.
[6] Includes The GlenGrant, Forty Creek and Wilderness Trail.
[7] Includes American Honey ready-to-drink.

Focusing on the key brands driving the aforementioned performance by segment, the main drivers by brand-category and by brand, are reported below.

Global priority brands reported resilient growth of +2.3%. **Aperol** showed positive growth (+6.3%) despite a tough comparison base (+43.6% in the first quarter of 2023), mainly led by Germany (+25.1%) and the United States (+15.0%), followed by France, Austria, Canada and Spain with outperformance also from seeding markets such as Brazil and Mexico. Core Italy was impacted by a very tough comparison base (+32.9% in the first three months of 2023). **Campari** recorded strong organic growth (+6.8%), despite a tough comparison base (+23.9% in the first quarter of 2023), led by growth in Brazil, GTR and core Italy, thus offsetting soft performance in the United States. **Espolòn** showed continued double-digit growth (+13.2%) driven by the core United States (+11.5%) despite the high comparison base (+62.4% in the three months ended 31 March 2023) with accelerated performance also in seeding markets alongside the focus on internationalisation, especially in Australia and GTR. **Wild Turkey** declined by -10.3% impacted by the core United States, Australia and South Korea markets due to the tough comparison base (+26.9% in the first three months of 2023), despite the growth in the premium offering (Russell's Reserve +3.8%). **Jamaican Rums** showed a decrease of -8.7%, due to both Appleton Estate and Wray&Nephew Overproof caused by a tough comparison base in core markets as well as temporary supply shortages, while underlying trends for premium rum remained intact. **Grand Marnier** grew by 7.9% led by the core United States (+15.2%) thanks to an easy comparison base after last year's destocking, also led by premium cocktail trends and mixology. **SKYY** was down by -11.4%, due to a tough comparison base (+20.8% in the first quarter of last year) with international markets mainly impacted by Argentina, which offset the growth in GTR and Australia.

Regional priority brands showed an organic decrease of -6.9%. **Sparkling Wines, Champagne&Vermouth** reported growth (+10.8%) particularly driven by Cinzano Sparkling wine, Lallier Champagne and Mondoro Sparkling wine, partly offset by weakness in Cinzano vermouth. **Other specialties** were down by -14.0%, impacted by negative phasing linked to price increases last year, offsetting solid growth in the French specialties, Aperol Spritz ready-to-enjoy, and Picon solid growth of +12.6%. **Other Whisk(e)y** recorded negative performance of -24.4% in the period, driven by Forty Creek in Canada and The GlenGrant in core GTR, South Korea and Australia due to a tough comparison base. Core no-alcohol franchise **Crodino** showed growth (+1.8%) driven by international markets such as Germany, France, the Netherlands and the United Kingdom.

The **local priority** brands were down by -1.6% organically. **Campari Soda** (+0.6%) showed a flattish performance in core Italy and favourable trends in international markets, which continue to grow, albeit off a very small base. **Wild Turkey ready-to-drink** (-13.7%) showed a negative result due to the core Australia market, caused by category weakness and subsequent increased competition in promotional activities. **SKYY ready-to-drink** (-1.7%) recorded strong growth in core Japan, which was more than offset by temporary weakness in Mexico. **Ouzo12** reported double-digit growth (+16.9%) mainly thanks to core Germany.

The **rest of the portfolio** reported growth of +1.2%.

3. Perimeter Variation

The perimeter variation of +0.6% in the three months ended 31 March 2024, compared with the sales in the same period of the previous year, is analysed in the table below.

breakdown of the perimeter effect	€ million	% on three months ended 31 March 2023
new agency brands	9.2	1.4%
discontinued agency brands	(5.3)	-0.8%
total agency brands	3.9	0.6%
total perimeter effect	**3.9**	**0.6%**

- **Asset Deals and Business Acquisitions**

In the first quarter of 2024, no perimeter variation was reported.

- **Agency Brands Distribution**

The perimeter variation due to the agency brands in the three months ended 31 March 2024 was +0.6%, mainly related to the sales generated by Miraval, which was exclusively distributed in the United States and France markets, partly offset by the discontinuation of the Proximo portfolio in France.

4. Exchange Rate Effects

The exchange rate effect for the three months ended 31 March 2024 was negative at -1.4% mainly due to the depreciation against the € of the Group's key currencies such as the US$ and the Jamaican Dollar, only partially offset by the appreciation of the Mexican Peso and Brazilian Real. The exchange rate effect includes the impact of applying the IAS 29 Hyperinflation principle in Argentina. Moreover, as a prudent measure to strip out the effects of the local high inflation rate, the exchange rate effect also includes the pricing component.

The table below shows, for the Group's most important currencies, the average exchange rates for the three months ended 31 March 2024 and the same period of 2023 respectively, and the spot rates at 31 March 2024, with the percentage change against the € compared with 31 December 2023.

	average exchange rates			spot exchange rates		
	for the three months ended 31 March 2024	for the three months ended 31 March 2023	revaluation/(devaluation) vs. the three months ended 31 March 2023	at 31 March 2024	at 31 December 2023	revaluation/(devaluation) vs. 31 December 2023
	1 €	1 €	%	1 €	1 €	%
US$	1.086	1.073	-1.2%	1.081	1.105	2.2%
Canadian Dollar	1.464	1.451	-0.9%	1.467	1.464	-0.2%
Jamaican Dollar	168.687	164.183	-2.7%	166.387	170.623	2.5%
Mexican Peso	18.443	20.046	8.7%	17.918	18.723	4.5%
Brazilian Real	5.376	5.574	3.7%	5.403	5.362	-0.8%
Argentine Peso[1]	927.230	226.891	-75.5%	927.230	892.924	-3.7%
Russian Ruble[2]	98.684	78.812	-20.1%	100.097	99.192	-0.9%
Great Britain Pound	0.856	0.883	3.2%	0.855	0.869	1.6%
Swiss Franc	0.950	0.992	4.5%	0.977	0.926	-5.2%
Australian Dollar	1.651	1.569	-5.0%	1.661	1.626	-2.1%
Yuan Renminbi	7.805	7.341	-5.9%	7.814	7.851	0.5%

(1) The average exchange rate of the Argentine Peso was equal to the spot exchange rate at the reporting date.
(2) On 2 March 2022, the European Central Bank ('ECB') decided to suspend the publication of the € reference rate for the Russian Rouble until further notice. The Group has therefore decided to refer to an alternative reliable source for exchange rates based on executable and indicative quotes from multiple dealers.

Statement of Profit or Loss

Key Highlights

Profit or loss for the three months ended 31 March 2024 showed resilient performance in light of a tough comparison base as expected, in a small quarter, with substantial stability across main profitability indicators. The table below shows the statement of profit or loss for the three months ended March 2024 and a breakdown of the total change by organic change, perimeter change and exchange rate effects.

	for the three months ended 31 March											
	2024		2023		total change		of which organic		of which perimeter		of which due to exchange rates and hyperinflation	
	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%	€ million	%
Net sales[2]	**663.5**	**100.0**	**667.9**	**100.0**	**(4.4)**	**-0.7%**	**1.2**	**0.2%**	**3.9**	**0.6%**	**(9.4)**	**-1.4%**
Cost of sales	(282.3)	(42.5)	(278.1)	(41.6)	(4.1)	1.5%	(0.5)	0.2%	(4.1)	1.5%	0.5	-0.2%
Gross profit	**381.2**	**57.5**	**389.7**	**58.4**	**(8.5)**	**-2.2%**	**0.6**	**0.2%**	**(0.2)**	**-**	**(9.0)**	**-2.3%**
Advertising and promotional expenses	(85.5)	(12.9)	(90.1)	(13.5)	4.6	-5.2%	1.5	-1.6%	0.7	-0.8%	2.4	-2.7%
Contribution margin	**295.7**	**44.6**	**299.6**	**44.9**	**(3.9)**	**-1.3%**	**2.1**	**0.7%**	**0.6**	**0.2%**	**(6.6)**	**-2.2%**
Selling, general and administrative expenses	(144.3)	(21.7)	(140.3)	(21.0)	(4.0)	2.8%	(5.8)	4.2%	(0.9)	0.7%	2.8	-2.0%
Result from recurring activities (EBIT-adjusted) [1]	**151.5**	**22.8**	**159.3**	**23.9**	**(7.8)**	**-4.9%**	**(3.7)**	**-2.3%**	**(0.3)**	**-0.2%**	**(3.8)**	**-2.4%**
Other operating income/(expenses)	(2.2)	(0.3)	(6.8)	(1.0)	4.6	-67.4%						
Operating result (EBIT)	**149.2**	**22.5**	**152.5**	**22.8**	**(3.2)**	**-2.1%**						
Financial income/(expenses)	(11.9)	(1.8)	(16.1)	(2.4)	4.3	-26.4%						
Hyperinflation effect	8.1	1.2	(0.1)	-	8.2	-						
Profit/(loss) related to associates and joint-ventures	(1.1)	(0.2)	(0.6)	(0.1)	(0.5)	83.1%						
Profit before taxation	**144.3**	**21.7**	**135.6**	**20.3**	**8.7**	**6.4%**						
Profit before taxation-adjusted [1]	**146.5**	**22.1**	**141.3**	**21.2**	**5.2**	**3.7%**						
Non-controlling interests-before taxation	(0.7)	(0.1)	2.1	0.3	(2.8)	-						
Group profit before taxation	**145.0**	**21.9**	**133.6**	**20.0**	**11.5**	**8.6%**						
Group profit before taxation-adjusted [1]	**147.3**	**22.2**	**139.2**	**20.8**	**8.0**	**5.8%**						
Total depreciation and amortisation	(29.6)	(4.5)	(24.9)	(3.7)	(4.8)	19.1%	(4.9)	19.7%	-	-	0.1	-0.6%
EBITDA-adjusted [1]	**181.1**	**27.3**	**184.2**	**27.6**	**(3.1)**	**-1.7%**	**1.2**	**0.6%**	**(0.3)**	**-0.2%**	**(3.9)**	**-2.1%**
EBITDA	**178.9**	**27.0**	**177.3**	**26.6**	**1.5**	**0.9%**						

(1) For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this additional financial information.
(2) Sales after deduction of excise duties.

The change in profitability in the three months ended 31 March 2024 shown as variation of percentage margin on net sales (basis points) and in percentage terms, is as follows[1].

	for the three months ended 31 March 2024		
margin accretion (dilution) in basis point[2] and organic	total	organic bps	% organic
Net sales	-	**-**	**0.2%**
Cost of sales	(90)	-	0.2%
Gross profit	**(90)**	**-**	**0.2%**
Advertising and promotional expenses	60	20	-1.6%
Contribution margin	**(30)**	**20**	**0.7%**
Selling, general and administrative expenses	(70)	(80)	4.2%
Result from recurring activities (EBIT-adjusted) [1]	**(100)**	**(60)**	**-2.3%**

(1) For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this additional financial information.
(2) There may be rounding effects given that the corresponding basis points have been rounded to the nearest ten.

In organic terms, the result from recurring operations (EBIT-adjusted) slightly decreased with a dilutive effect of selling, general and administrative expenses due to flattish net sales growth. Gross margin remained stable as pricing and positive sales mix fully offset expected cost of sales headwinds.

The perimeter component for the three months ended 31 March 2024 reflected the additions of the Miraval and Proximo Spirits brands partially offset by the discontinued France agency brands due to the closing of Beam Suntory distribution agreement.

The exchange rate effect was negative during the period, mainly driven by the devaluation against the € of the Group's key currencies, such as the US$ and the Jamaican Dollar, partially offset by the appreciation of Mexican Peso and the Brazilian Real.

Statement of Profit or Loss in Detail

The key profit or loss items for the three months ended 31 March 2024 are analysed below, while a detailed analysis of the 'sales performance' is included in the previous paragraph, to which reference is made.

Gross profit for the period was €381.2 million, down -2.2% compared with the same period of 2023 driven by resilient top-line performance despite a challenging comparison base. As a percentage of net sales, gross margin stood at 57.5% (58.4% in the same period of 2023), hence generating a dilutive effect of -90 basis points on a reported basis. The organic component was at +0.2%, neutral on margin as pricing and positive sales mix fully offset the expected cost of sales headwinds. Exchange rate variation was negative at -2.3% (equivalent to a dilution of -50 basis points) while the perimeter had no significant impact (resulting in a dilution of -40 basis points).

Advertising and promotional expenses amounted to €85.5 million, down -5.2% overall compared with the same period of 2023. As a percentage of sales, advertising and promotional expenses stood at 12.9%, lower than the 13.5% shown in the first quarter of 2023. In organic terms, the variation was negative by -1.6%, thus generating an organic accretive effect of +20 basis points on profitability due to phasing of initiatives supporting key brands in a small and low season quarter. Perimeter and exchange rate variations were negative at -0.8% and -2.7%, respectively.

Contribution margin was €295.7 million in the three months ended 31 March 2024, with an overall decrease of -1.3% on the same period of 2023. As a percentage of sales, contribution margin stood at 44.6%. The organic growth component was +0.7%, higher than that of net sales and hence creating an accretive effect of +20 basis points on profitability. The perimeter effect was positive at +0.2%, with a -10 basis points dilutive effect on profitability, while the exchange rate effect of -2.2% led to a dilutive impact on margins of -40 basis points.

Selling, general and administrative expenses amounted to €144.3 million in the period, up by +2.8% on the same period of 2023. As a percentage of sales, they amounted to 21.7% (21.0% in the same period of 2023). At organic level, selling, general and administrative expenses increased by +4.2% therefore generating a dilutive effect on margins of -80 basis points due to softer topline growth with ongoing investment in the strengthening of the business infrastructure and commercial capabilities.

The result from recurring operations (EBIT-adjusted) for the period was €151.5 million, with a reported decrease of -4.9% on the three months ended on 31 March 2023. The return on sales-adjusted ('ROS') stood at 22.8%, with a decrease from 23.9% recorded in the same period of 2023, resulting in a dilutive effect of -100 basis points on a reported basis. The organic growth component was -2.3% against flat net sales thus generating a profit dilution of -60 basis points on net sales. Excluding the temporary phasing effect in the first three months of 2023, EBIT-adjusted organic growth would be approximately +13%. The impact of the exchange rate variation was negative at -2.4% (-20 basis points dilutive), mainly driven by the revaluation of Mexican Pesos, while the perimeter effect was slightly negative at -0.2% (-20 basis points dilutive), mainly due to the net effect of changes in agency brands.

Other operating income/(expenses) comprised a net expense of €2.2 million, mainly attributable to provisions linked to restructuring initiatives.

Operating result (EBIT) in the three months ended 31 March 2024 was €149.2 million, reflecting a decrease of -2.1% compared with the same period of 2023. ROS amounted to 22.5% (22.8% in the same period of 2023).

Depreciation and amortisation totalled €29.6 million, up by +19.1% on the three months ended 31 March 2023, of which +19.7% was at organic level, -0.6% related to exchange rate variations, with neutral perimeter effect.

EBITDA-adjusted stood at €181.1 million, a decrease of -1.7% (+0.6% organic level, -2.1% exchange rate variations and -0.2% perimeter effect).

EBITDA was €178.9 million in the three months ended 31 March 2024, an increase of +0.9% on a reported basis compared with the same period of 2023.

Net financial expenses totalled €11.9 million compared with €16.1 million in the same period of 2023, including the positive foreign exchange rate effect of cross-currency transactions of €0.2 million which benefitted from low volatile exchange rates, compared to the corresponding negative effect of €3.3 million recorded in the first quarter of 2023. Excluding these components, the average cost of net debt was 3.1% (3.3% in the same period of 2023) resulting in net financial expenses of €12.1 million in the first three months of 2024 with a decrease of €0.8 million on the same period of 2023. Focusing in more detail on the composition of interests, the result for the three months ended 31 March 2024, was primarily influenced by the following key factors:

- interest expenses on bonds and loans of €25.8 million, compared to €15.2 million recorded in the corresponding period of the previous year, was mainly driven by incremental interest on the convertible bond issued in the first quarter to finance the Courvoisier acquisition and the higher interest rate;
- interest income accrued from substantial liquidity available from the issuance of new ordinary shares and senior unsecured convertible bonds, which have contributed to the majority of the €16.7 million for this income stream, a substantial increase compared to the €3.9 million recorded in the first quarter of 2023.

The absolute values of these interest-related figures mirror the broader trend in the interest rates across the two periods. A detailed analysis of the net financial expenses is provided in the table below.

	for the three months ended 31 March		
	2024 € million	2023 € million	total change € million
Total interest expenses bond, loans and leases	(25.8)	(15.2)	(10.6)
Bank and other term deposit interests income	16.7	3.9	12.7
Other net expenses	(2.9)	(1.6)	(1.4)
Total financial expenses before exchange gain/(losses)	**(12.1)**	**(12.9)**	**0.8**
Exchange gain/(losses)	0.2	(3.3)	3.5
Total financial income/(expenses)	**(11.9)**	**(16.1)**	**4.3**

Hyperinflation effects was positive at €8.1 million.

Profit/(loss) related to associates and joint-ventures represented a net loss of €1.1 million, resulting from the allocation of the results from joint-venture companies.

Profit before taxation (Group and non-controlling interests) was €144.3 million, an increase of +6.4% compared with the same period of 2023. Profit before taxation as a percentage of sales was 21.7% (20.3% in the same period of 2023). After excluding operating adjustments, the profit before taxation amounted to €146.5 million, up +3.7% on the figure reported in the first quarter 2023, adjusted accordingly.

Profit/(loss) before taxation relating to non-controlling interests for the first quarter of 2024 was negative at €0.7 million, compared to positive €2.1 million in the three months ended 31 March 2023.

Group profit before taxation amounted to €145.0 million, an increase of +8.6% on the comparative 2023 period. The Group's profit before taxation as a percentage of sales was 21.9%, improved compared with the 20.0% reported in the three months ended 31 March 2023. After excluding operating adjustments, the Group's profit before taxation amounted to €147.3 million, up +5.8% on the figure reported in the three months ended 31 March 2023, adjusted accordingly.

Net Financial Debt

As of 31 March 2024, consolidated net financial debt amounted to €1,315.3 million, down by €538.1 million compared with €1,853.5 million reported at 31 December 2023. The decrease in net financial debt was driven by a significant cash increase resulting from successful placement of the combined offers directed to qualified investors for issuance of new ordinary shares for gross proceeds of approximately €650 million and senior unsecured convertible bonds due in 2029 with an aggregate principal amount of €550 million partly offset by the increase in gross debt due to the same bonds issued (net of the related equity components).

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

	at 31 March 2024	at 31 December 2023	total change	*of which*		
				organic	*perimeter*	*exchange rates*
	€ million	€ million	€ million	*€ million*	*€ million*	*€ million*
cash and cash equivalents	1,737.9	620.3	1,117.6	*1,116.6*	-	*1.0*
bonds	(300.0)	(300.0)	-	-	-	-
loans due to banks	(198.7)	(130.6)	(68.1)	*(65.3)*	-	*(2.8)*
lease payables	(16.9)	(16.0)	(0.9)	*(0.9)*	-	*(0.1)*
other financial assets and liabilities	4.3	5.3	(1.1)	*(1.5)*	-	*0.4*
short-term net financial position	**1,226.6**	**179.1**	**1,047.4**	***1,048.9***	**-**	***(1.5)***
bonds	(1,354.8)	(845.8)	(509.0)	*(509.0)*	-	-
loans due to banks	(904.5)	(901.5)	(3.0)	*(10.3)*	-	*7.3*
lease payables	(58.0)	(60.0)	2.0	*2.4*	-	*(0.4)*
other financial assets and liabilities	14.1	9.8	4.3	*4.2*	-	*0.1*
medium-/long-term net financial position	**(2,303.2)**	**(1,797.5)**	**(505.7)**	***(512.7)***	**-**	***7.0***
net financial debt before put option and earn-out	**(1,076.6)**	**(1,618.4)**	**541.8**	***536.3***	**-**	***5.5***
liabilities for put option and earn-out payments	(238.7)	(235.1)	(3.7)	*1.1*	-	*(4.7)*
net financial debt	**(1,315.3)**	**(1,853.5)**	**538.1**	***537.3***	**-**	***0.8***

As of 31 March 2024, net financial debt remains skewed into medium to long-term maturities in line with Campari Group's long-term growth strategy, supported by significant credit lines available to the Group for a total of €772.3 million, of which €400.0 million committed with an expiry date extended in March from 2028 to 2029 (undrawn as of 31 March 2024) and uncommitted for an amount of €372.3 million out of which €157.0 million was drawn down at the end of the period.

The short-term net financial position, primarily consisting of cash and cash equivalents (€1,737.9 million) net of bonds (€300.0 million) and of loans due to banks (€198.7 million), was positive at €1,226.6 million. This represents a reported overall increase of €1,047.4 million compared with 31 December 2023. The variation was mainly driven by the financing transactions completed in January 2024. These transactions involved the issuance of new ordinary shares and convertible bonds for a total amount of €1,200.0 million (see the section 'Significant events during and after the end of the period' for details). The purpose was to capitalise on market conditions optimising the funding structure and support the acquisition of the Courvoisier cognac business in 2024. Additionally, the funds were allocated for general corporate purposes, including the purchase of the new headquarters. It should be noted that consolidated net financial debt at 31 March 2024 does not include the cash outflow effect related to the Courvoisier acquisition, completed on 30th April 2024.

The medium to long-term financial debt primarily consisted of bonds and loans due to banks totalling €2,303.2 million. This reflected an increase of €505.7 million compared to 31 December 2023, mainly related to the new senior unsecured convertible 5-year bond due in 2029, as mentioned above.

Furthermore, the Group's net financial debt included liabilities of €238.7 million related to future commitments to acquire outstanding minority interests in controlled companies as well as liabilities for future earn-out (it should be noted that the amount reported as at 31 March 2024 does not include the earn-out effect related to the Courvoisier acquisition). In addition, the reported variation in net financial debt was impacted by positive exchange rate effects of €0.8 million, mainly driven by the positive effect of the depreciation of the US$ against € on the loans denominated in such currency.

At 31 March 2024, the Campari Group's net debt/EBITDA-adjusted ratio[3] was 1.8 times, compared with 2.5 times at 31 December 2023 and 2.3 times at 31 March 2023 on a like-for-like basis. The proforma index-adjusted at 31 March 2023, taking into account the annual effect on EBITDA of the business sale and acquisition of the related last 12 months, was equal to 2.2 times, thus considered more consistent in comparative terms with the current year. The index at 31 March 2024 is not inclusive of any effect deriving from the Courvoisier acquisition, completed on 30 April 2024.

[3] For information on the definition of alternative performance measures, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of this management board report.

Treasury shares
Between 1 January and 31 March 2024, the Company granted 119,780 own shares in the context of long terms incentives, out of which 85,889 shares were sold for a total cash inflow of €0.5 million, corresponding to the average exercise price multiplied by the number of own shares sold to beneficiaries upon the exercise of their stock option rights, while additionally 33,891 shares were transferred in the context of share matching plans. In the same period, no purchases of shares took place. At 31 March 2024, the Company held 29,497,962 own shares, equivalent to 2.4% of the total number of ordinary shares amounting to 1,231,267,738.

First quarter 2024 conclusion and outlook

Campari Group delivered an overall resilient performance in a small quarter, outperforming the industry in terms of growth excluding the temporary phasing effect in the first three months of 2023.

Looking at the remainder of the year, the Group outlook remains unchanged. In organic terms industry outperformance is expected to continue, leveraging strong brands in growing categories in a normalising industry environment while macroeconomic scenario remains volatile. Moderating inflationary environment and agave trend are expected to gradually reflect across the profit and loss starting from the second half of the year, while pricing effects carried out during 2023 will be broadly reflected in the base in the remainder of the year. Phasing effects on mix in the second and third quarters dependent on summer months, especially for the aperitifs, which will impact level of brand building investments. The perimeter will start reflecting the inclusion of Courvoisier from May 2024 onwards with limited impact expected in the first transition year.

In the medium term, Campari Group remains confident in continued healthy brand momentum in key brand-market combinations, as well as industry outperformance leveraging strengthened portfolio and geographic exposure, as well as focus on revenue growth management. Campari Group expects consistent operating margin expansion driven by sales mix, pricing, input cost inflation easing and operational efficiencies, with continuous reinvestment into brand building as well as marketing and commercial capabilities to fuel organic topline growth.

Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures

This paragraph presents and comments on certain financial performance measures that are not defined in the IFRS (non-GAAP measures).
These measures, which are described below, are used to analyse the Group's business performance in the 'Key highlights' and 'Management board report' sections and comply with the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority ('ESMA') in its communication ESMA/2015/1415.
The alternative performance measures listed below should be used to supplement the information required under IFRS to help readers of the annual report to gain a better understanding of the Group's economic, financial and capital position. They are applied to Group planning and reporting, and some are used for incentive purposes.
Alternative performance measures can serve to facilitate comparison with groups operating in the same sector, although, in some cases, the calculation method may differ from those used by other companies. They should be viewed as complementary to, and not replacements for, the comparable GAAP measures and movements they reflect.

FINANCIAL MEASURES USED TO MEASURE GROUP PERFORMANCE

Organic change: Campari Group shows organic changes to comment on its underlying business performance. By using this measure, it is possible to focus on the business performance common to both periods under comparison and which management can influence. Organic change is calculated by excluding both the impact of currency movement against the € (expressed at average exchange rates for the same period in the previous year) and the effects of brand asset deals, 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 same period in the previous year. The exchange rate includes the effects associated with hyperinflationary economies;
- the results attributable to businesses acquired or the conclusion of distribution agreements during the current year are excluded from organic change for 12 months from the date on which the transaction is closed;
- the results attributable to businesses acquired or the conclusion of distribution agreements during the previous year are included in full 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 their conclusion;
- the results from business disposals or the termination of distribution agreements during the same period in the previous year are wholly excluded from the figures for that period and, therefore, from organic change;
- the results from business disposals or the termination of distribution agreements during the current period are excluded from the figures for the same period in the previous year from their corresponding date of disposal or termination.

In order to mitigate the effect of hyperinflationary economies, the organic change for countries having to adopt the hyperinflationary methodology laid down in IFRS includes only the component attributable to volumes sold in relation to net sales, while the effects associated with hyperinflation, including price index variation and price increases, are treated as exchange rate effects.
The organic change as a percentage is the ratio of the overall value of the organic change, calculated as described above, to the overall value of the measure in question for the previous period under comparison.

Gross profit: calculated as the difference between net sales and the cost of sales (consisting of their materials, production and distribution cost components).

Contribution margin: calculated as the difference between net sales, the cost of sales (consisting of their materials, production and distribution cost components) and advertising and promotional expenses.

Other operating income/(expenses): related to certain transactions or events identified by the Group as adjustment components for 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 or gains arising from the settlement of tax disputes;
- impairment losses on fixed assets (tangible and intangible);
- restructuring and reorganisation costs;
- ancillary expenses associated with acquisitions/disposals of businesses or companies;
- other non-recurring income/(expenses).

These items are deducted from, or added to, the following measures: operating result (EBIT), EBITDA, profit or loss before taxation and the Group's profit before taxation for the period. For a detailed reconciliation of the items that impacted on the alternative performance measures referred to above in the current and comparison periods, see the appendix given at the end of this section.

The Group believes that properly adjusted measures help both management and investors to assess the Group's results and cash flows year on year on a comparable basis as well as against those of other groups in the sector, as they exclude the impact of certain items that are not relevant for assessing performance.

Operating result (EBIT): calculated as the difference between net sales, the cost of sales (in terms of their materials, production and distribution), advertising and promotional expenses, and selling, general and administrative expenses.

Result from recurring operations (EBIT-adjusted): the operating result for the period before the other operating income/(expenses) mentioned above.

EBITDA: the operating result before depreciation and amortisation of intangible assets with a finite life, property, plant and equipment and right of use assets.

EBITDA-adjusted: EBITDA, as defined above, excluding other operating income/(expenses).

Adjustments to financial income/(expenses): certain transactions or events identified by the Group as components adjusting the profit or loss before taxation related to events covering a single period or financial year, such as:
- interest on penalties or gains arising from the settlement of tax disputes;
- expenses related to the early settlement of financial liabilities or liability management operations, including financial liability remeasurement effects;
- financial expenses arising from acquisitions/disposals of businesses or companies;
- other non-recurring financial income/(expenses).

Put option, earn-out income/(expenses): relates to the income/(expenses) associated with the review of estimates and assessment of expected cash-out settlement for put option and earn-out agreements, also including the non-cash effect, arising from the related actualisation.

Profit/(loss) related to associates and joint-ventures: relates to the income/(expenses) resulting from the application of the equity method in the valuation of the Group's interests in associates and joint-ventures. The item also includes any fair value reassessments of previously held Group interests in joint-ventures and associates before their consolidation.

Profit or loss before taxation-adjusted: the result before taxation for the period, before other operating income/(expenses), adjustments to financial income/(expenses), before put option, earn-out income/(expenses) and the profit/(loss) related to reassessments of previously held joint-venture investments before their consolidation and including the non-controlling interests result before taxation.

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

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

Net financial debt: calculated as the algebraic sum of:
- cash and cash equivalents;
- lease receivables;
- bonds;
- loans due to banks;
- lease payables;
- liabilities for put option and earn-out payments;
- other current and non-current financial assets and liabilities.

Debt/EBITDA-adjusted ratio
The net debt/EBITDA-adjusted 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 business development. The Group's debt management objective is based on the achievement of an optimal and sustainable level of financial solidity while maintaining an appropriate level of flexibility with regard to funding

options. The Group monitors changes in this measure 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 EBITDA-adjusted for the past 12 months is calculated based on the reported value at the closing date of the reference period, into which the portion of EBITDA-adjusted recorded in the previous year is incorporated for the remaining months.
Upon the occurrence of significant business acquisition (or disposal) transactions, a pro-forma index-adjusted is calculated to take into account the annual effect on EBITDA of the business transaction (including for acquisition, excluding for a disposal) of the last twelve months, to ensure consistency in comparative terms with the previous year reported.

- **Appendix of alternative performance indicators**

For the three months ended 31 March 2024.

for the three months ended 31 March 2024	**EBITDA**		**EBIT**		**profit before taxation**		**Group profit before taxation**	
	€ million	% on sales	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure reported	**178.9**	**27.0%**	**149.2**	**22.5%**	**144.3**	**21.7%**	**145.0**	**21.9%**
impairment loss on goodwill, trademark and on tangible assets	(0.7)	-0.1%	(0.7)	-0.1%	(0.7)	-0.1%	(0.7)	-0.1%
restructuring and reorganisation costs	(1.4)	-0.2%	(1.4)	-0.2%	(1.4)	-0.2%	(1.4)	-0.2%
other adjustments of operating income/(expenses)	(0.2)	-	(0.2)	-	(0.2)	-	(0.2)	-
total adjustments	**(2.2)**	**-0.3%**	**(2.2)**	**-0.3%**	**(2.2)**	**-0.3%**	**(2.2)**	**-0.3%**
alternative performance measure-adjusted	**181.1**	**27.3%**	**151.5**	**22.8%**	**146.5**	**22.1%**	**147.3**	**22.2%**

	for the three months ended 31 March 2024 € million
EBITDA-adjusted at 31 March 2024 (+)	181.1
EBITDA-adjusted at 31 December 2023 (+)	728.9
EBITDA-adjusted at 31 March 2023 (-)	184.2
rolling twelve months EBITDA-adjusted	**725.8**
net financial debt at 31 March 2024	**1,315.3**
net debt/EBITDA-adjusted ratio	**ratio 1.8**

For the comparative figures ended 31 March 2023.

for the three months ended 31 March 2023	**EBITDA**		**EBIT**		**profit before taxation**		**Group profit before taxation**	
	€ million	% on sales	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure reported	**177.3**	**26.6%**	**152.5**	**22.8%**	**135.6**	**20.3%**	**133.6**	**20.0%**
restructuring and reorganisation costs	(5.1)	-0.8%	(5.1)	-0.8%	(5.1)	-0.8%	(5.1)	-0.8%
last mile long-term incentive schemes with retention purposes	(2.5)	-0.4%	(2.5)	-0.4%	(2.5)	-0.4%	(2.5)	-0.4%
other adjustments of operating income/(expenses)	0.7	0.1%	0.7	0.1%	0.7	0.1%	0.7	0.1%
profit/(loss) related to reassessments of previously held interest in associates and joint-ventures					1.2	0.2%	1.2	0.2%
total adjustments	**(6.8)**	**-1.0%**	**(6.8)**	**-1.0%**	**(5.7)**	**-0.8%**	**(5.7)**	**-0.8%**
alternative performance measure-adjusted	**184.2**	**27.6%**	**159.3**	**23.9%**	**141.3**	**21.2%**	**139.2**	**20.8%**

	for the three months ended 31 March 2023 € million
EBITDA-adjusted at 31 March 2023 (+)	184.2
EBITDA-adjusted at 31 December 2022 (+)	660.3
EBITDA-adjusted at 31 March 2022 (-)	134.7
rolling twelve months EBITDA-adjusted	**709.8**
net financial debt at 31 March 2023	**1,616.1**
net debt/EBITDA-adjusted ratio	**ratio 2.3**
rolling twelve months EBITDA-adjusted for business acquisition	**739.6**
net debt/EBITDA-adjusted for business acquisition ratio	**ratio 2.2**

Davide Campari-Milano N.V.

Legal domicile: Amsterdam, The Netherlands-Dutch Companies’ Register n. 78502934
Corporate address: Via Franco Sacchetti, 20, 20099 Sesto San Giovanni (Milan), Italy
Share capital composed of ordinary shares: €12,312,677.38 fully paid in
Fiscal Code and Milan Companies’ Register n. 06672120158-VAT n. IT06672120158

Investor Relations
investor.relations@campari.com