CAMPARI GROUP

Overall performance impacted by COVID-19, as the second quarter reflected the full effect of the pandemic, whilst off-premise skewed markets showed good resilience

Strong brand momentum continues across the key markets, with shipments performing behind positive sell-out trends in the off-premise due to destocking

Calling of the first Shareholders' meeting on September 18th, 2020

H1 2020-HIGHLIGHTS

- **As expected**, the **second quarter was impacted by the full effect of the COVID-19 pandemic and the subsequent restrictive measures** across key markets.
- **Reported sales of €768.7 million**, an **organic decline** of **-11.3%**. On a **reported basis**, total change of **-9.4%** after a positive perimeter effect and a slightly negative exchange rate effect.
- **EBIT adjusted**[1] of **€130.4 million**, **an organic decline of -30.8%**, against a **tough comparison base**, largely due to **COVID-19 impact**, hitting in particular the high-margin and on-premise skewed aperitif business. Cost containment initiatives in the second quarter across both A&P and SG&A helped contain margin dilution, still heavily impacted by the top line decline and lower absorption of fixed costs (-27.8% in the second quarter, 320 bps margin dilution).
- **Group net profit adjusted**[2] of **€77.6 million**, down **-33.5%**. **Group net profit** at **€73.0 million**, down **-40.6%**.
- **Net financial debt** of **€1,061.5 million** as of June 30th, 2020, up €284.2 million vs. €777.4 million as of December 31st, 2019, mainly due to the acquisitions of the French distributor and Champagne Lallier, the investment in Tannico, as well as the dividend payment and the share buyback, for an overall amount of €281.2 million[3].

Milan, July 28th, 2020-The Board of Directors of Davide Campari-Milano N.V. (Reuters CPRI.MI-Bloomberg CPR IM) approved the consolidated results for the first half year ended June 30th, 2020.

HALF YEAR RESULTS AND 2020 GUIDANCE

With the bulk of on-premise skewed markets being affected by COVID-19, **Campari Group's business performance was particularly impacted during the second quarter**, the peak season for the high-margin and highly on-premise skewed aperitif business. Nevertheless, **strong brand sell-out momentum in the off-premise continued across key markets**, although **shipments remained below positive consumption trends due to destocking**.

Looking at **the remainder of the year**, with regards to the organic performance, whilst the **COVID-19 impact will continue to affect**, in particular, **the beginning of the third quarter**, the negative impact is expected to **lessen with the gradual lifting of the restrictive measures across markets**, based on the current visibility. Moreover, **shipments are expected to progressively catch up with the positive sell-out trends** once the destocking activities are completed at wholesaler level.

On a reported basis, the full year **results are expected to be impacted by incremental one-off costs** for an overall estimated amount of **approx. €25 million, in addition to the non-recurring costs registered in the first half,** mainly related to business re-organization initiatives as well as the transaction fees in connection with the recent acquisitions and the transfer of the legal office to the Netherlands.

Bob Kunze-Concewitz, **Chief Executive Officer**: '***The half year 2020 can certainly be characterized as an extraordinary period, and the overall scenario in the short-term still appears to be uncertain with regards to the extent and timing of the economic recovery in the context of the gradual lifting of the restrictive measures****. Nevertheless,* ***we continue to experience solid consumption trends for our brands across key markets****, although* ***shipments are temporarily impacted by destocking, in particular, in the US market****. While we will continue to undertake all the* ***necessary actions*** *to contain the effects of the pandemic on the business in the short-term, we remain* ***focused on pursuing our long-term strategy****, via the* ***acceleration of our programs in digital transformation and e-commerce****, remaining* ***focused on our M&A strategy*** *and* ***leveraging the strength and resilience of our brands and organisation for future profitable growth****.'.*

[1] Before operating adjustments of €(27.4) million in H1 2020 and €(8.6) million in H1 2019.
[2] Before total adjustments of €(4.7) million in H1 2020 (vs. €6.1 million adjustments in H1 2019).
[3] Excluding redomiciliation transaction and related shares acquired.

SUMMARY FINANCIAL INFORMATION FOR THE FIRST HALF ENDED 30 JUNE 2020

	H1 2020 € million	H1 2019 € million	Reported change	Organic change	Forex impact	Perimeter impact
Net sales	**768.7**	**848.2**	**-9.4%**	**-11.3%**	**-0.2%**	**2.1%**
Gross profit	**452.9**	**525.8**	**-13.9%**	**-16.3%**	**1.3%**	**1.1%**
% on sales	*58.9%*	*62.0%*				
EBIT adjusted	**130.4**	**180.3**	**-27.7%**	**-30.8%**	**4.9%**	**-1.9%**
% on sales	*17.0%*	*21.3%*				
EBIT	103.0	171.7	-40.0%			
Group net profit	73.0	122.8	-40.6%			
Group net profit adjusted	**77.6**	**116.7**	**-33.5%**			
EBITDA adjusted	**169.7**	**215.1**	**-21.1%**	**-24.7%**	**3.9%**	**-0.3%**
% on sales	*22.1%*	*25.4%*				
EBITDA	142.4	206.5	-31.1%			
Net financial debt (*)	**1,061.5**					

*Net financial position as of 31st December 2019 equal to €777.4 million.

REVIEW OF CONSOLIDATED SALES FOR THE FIRST HALF 2020 RESULTS[4]

By **geography**:

- Sales in the **Americas**[5] (46.6% of total Group sales) were down organically by **-7.6%**. The **decline in the Group's largest market**, **the US** (**-4.1%**), was largely due to both a **tough comparison base** (+10.9% in the first half 2019) as well as the **negative impact of COVID-19 restrictions applied to the on-premise channel** (accounting for ca. 30% of the market net sales in FY 2019). Nevertheless, **brand momentum in the off-premise remains strong** across the whole portfolio with sell-out at +40.3% overall and strong double-digit growth in all core brands since lockdown[6], outperforming the local market by +13.0 percentage points, whilst **destocking at wholesaler level impacted shipments**. **Jamaica** registered an overall decline of **-8.9%** due to on-premise closures and reduced touristic flows, amplified by a tough comparison base. **Canada** grew by **+9.6%**. In South America, **Brazil** was heavily impacted by the COVID-19 pandemic showing a negative performance across the portfolio (**-8.5%**).

- Sales in **Southern Europe, Middle East and Africa**[7] (23.8% of total Group sales) registered a significant organic decline of **-32.8%**, mainly driven by the **full closure** of the **on-premise channel** in **Italy** (accounting for ca. 70% of the market net sales in FY 2019), which registered an overall decline of **-33.1%**. The whole **high-margin aperitifs portfolio registered a strong negative performance in a peak seasonal quarter** driven by the on-premise channel, only partly mitigated by a gradual recovery in late June as consumers began to return to bars with outdoor spaces. Meanwhile, core brands' momentum continued in the off-premise as Aperol and Campari grew by double-digit in terms of sell-out[8] since the lockdown. **Other markets in the region** were also **strongly affected by the pandemic** (**-32.0%**), with **Global Travel Retail** and **Spain** recording a negative performance equal to**-60.7%** and **-49.3%** respectively. **France** was **flattish with a positive second quarter** helping to recover the destocking which occurred in the first quarter ahead of the route-to-market change.

- **North, Central and Eastern Europe**[9] (22.4% of total Group sales) grew organically by **+5.9%**. **Germany** generated a **positive performance** (**+3.4%**), with an acceleration in the second quarter. The double-digit sell-out trends outpaced shipments across the portfolio in a predominantly off-premise market (accounting for ca. 70% of the market net sales in FY 2019). A **strong growth was registered in the UK** (**+36.2%**), driven by the strong performance in the off-premise and e-commerce channels during the lockdown period. **Russia also grew strongly** (**+19.2%**), despite a tough comparison base. **Other markets in the region** were overall negative (**-3.2%**).

- Sales in **Asia Pacific**[10] (7.3% of total Group sales) grew organically by **+7.1%**. **Australia** registered a strong growth overall in an off-premise skewed market (accounting for ca. 85% of the market net sales in FY 2019) after a weak year end. **Other markets in the region** declined overall by **-19.2%**: a double-digit growth in **China** (**+26.2%**), a predominantly on-premise

[4] Group on-premise vs. off-premise split based on FY 2019 net sales: 40% vs. 60%.
[5] Americas' split on-premise vs. off-premise based on net sales of FY 2019 at regional level: 35 % vs. 65%.
[6] Source: US Nielsen data xAOC+Total Liquor, representing c.34% of total US off-trade volume, from W/E March 7th, 2020 till W/E June 27th, 2020.
[7] Includes Global Travel Retail. SEMEA's split on-premise vs. off-premise based on net sales of FY 2019 at regional level: 65 % vs. 35%.
[8] Source: IRI (Off Trade, excl Discount), March-June 2020.
[9] NCEE's split on-premise vs. off-premise based on net sales of FY 2019 at regional level: 30% vs 70%.
[10] Asia Pacific split on-premise vs. off-premise based on net sales of FY 2019 at regional level: 30% vs 70%.

market, which benefitted from the post COVID-19 recovery during the second quarter, was more than offset by a decline in **Japan** (**-48.6%**) due to continued destocking ahead of the route-to-market change.

By **brand**:

- **Global Priorities** (59% of total Group sales) registered an organic decline (**-9.9%**). **Aperol** and **Campari** were strongly impacted by the pandemic in the first half (**-11.6%** and **-10.6%** respectively), with the **negative effects accelerating in their peak seasonal quarter**, as the decline in core Italy due to COVID-19 entirely offset **resilient growth in most of the other markets**. **Aperol** organic growth in the first half, **excluding Italy** and **Global Travel Retail**, would have been positive by **+4.0%**. **Grand Marnier** also declined (**-9.7%**), with the positive performance in Canada unable to offset the declines in the core US market due to the heavy on-premise skew (whilst growing in terms of sell-out trends in the off-premise) and destocking at wholesaler level. **SKYY** declined by **-16.5%**, with the US market impacted by destocking at wholesaler level in the second quarter. SKYY core showed sustained **depletion and sell-out trends**, outperforming flavours. **Wild Turkey** declined (**-7.7%**) against a tough comparison base, with the core US market affected by the destocking ahead of new packaging (now postponed); nonetheless, sell-out trends remain very positive. The growth in the **Jamaican rum portfolio** (**+4.9%**) was driven by the core US, Jamaica, the UK and Canada.

- **Regional Priorities** (16% of total Group sales) declined organically by **-11.5%**, driven by **Cinzano**, **GlenGrant**, **the Averna and Braulio bitters** and **Bulldog** despite the **resilient growth of Espolòn** thanks to the core US and seeding markets as well as **Forty Creek** in core Canada.

- **Local Priorities** (11% of total Group sales) registered a **negative organic performance** (**-13.1%**), as the **positive performance in Wild Turkey RTD**, **Cabo Wabo**, **the Brazilian Brands** and **Ouzo 12 was unable to offset declines in on-premise skewed single-serve aperitifs** in core Italy.

REVIEW OF FIRST HALF 2020 RESULTS

Group sales totalled **€768.7 million,** down by **-9.4%** in value **on a reported basis**. The result reflects a **strong organic sales decline** of **-11.3%**, a **slightly negative FX effect** of **-0.2%**, as the strengthened US Dollar vs. Euro was unable to fully offset weakness in Latin American and Australian currencies, and a **positive perimeter effect** of **+2.1%**[11].

Gross profit came in at **€452.9 million**, down by **-13.9%** in value **on a reported basis** and **down -310 basis points** to 58.9% of net sales. It **declined organically** by **-16.3%**, generating an organic margin dilution of **-350 basis points**, driven by **unfavourable sales mix**, with COVID-19 hitting in particular the high-margin on-premise skewed aperitif business, as well as the lower absorption of fixed production costs.

Advertising and Promotion spending (**A&P**) was **€121.8 million**, down by **-19.6%** in value **on a reported basis**, corresponding to 15.8% of net sales, generating **+200 bps accretion**. **It declined organically** by **-20.2%**, driving **+180 bps margin accretion**, thanks to cost containment measures and postponement of some initiatives in the on-premise and GTR channels, which enabled sustained reinvestments into digital brand building and online brand activations as well as e-commerce initiatives.

CAAP (Contribution after A&P) was **€331.1 million**, down by **-11.5%** in value **on a reported basis** (down **organically** by **-14.7%**), corresponding to 43.1% of net sales.

Structure costs, i.e. selling, general and administrative costs, totalled **€200.7 million**, up by **+3.5%** in value **on a reported basis** (**-320 basis points**), to 26.1% of net sales. They **slightly grew organically** by **+0.2%**, generating a **dilution of -300 basis points**, mainly due to the **lower absorption of fixed costs** given the strong top line drop. The **costs containment measures starting from the second quarter** (-7.5% organic drop) were **mainly related to the variable costs** as **no actions were taken at a structural cost level**, confirming the Group's long-term development strategy.

EBIT adjusted was **€130.4 million**, down by **-27.7%** in value **on a reported basis**, at 17.0% of net sales (-430 basis points). It **declined organically** by **-30.8%,** generating **-470 bps margin dilution**, due to the combined effect of the **COVID-19 impact,** the **lower absorption of fixed costs** and a **tough comparison base** (+10.6% in value in the first half 2020).

[11] Mainly including the effect from the acquisitions of Rhumantilles, Ancho Reyes and Montelobos (completed in Q4 2019) and the French distributor Baron Philippe de Rothschild France Distribution S.A.S., of which only the third-party brands were included in the perimeter effect (completed at the end of February 2020), net of discontinuation of agency brands, mainly in Northern Europe.

Operating adjustments were negative at **€(27.4) million**, mainly related to the **impairment loss of €(16.3) million for the Bulldog trademark**, **significantly impacted by COVID-19** given its strong exposure to on-premise channel in its core markets and GTR, the donations of €(2.7) million made by the Group to support the sanitary emergency and the acquisition transaction fees[12].

EBITDA adjusted was **€169.7 million**, down by **-21.1%** in value **on a reported basis** (**down organically -24.7%**), corresponding to 22.1% of net sales.

EBIT (13.4% of net sales) and **EBITDA** (18.5% of net sales) were at €103.0 million and €142.4 million respectively.

Net financial costs were **€19.2 million**, an **increase of €4.0 million** vs. the first half 2019, mainly due to the negative exchange rate differences and the effects on the current valuations of financial assets, generating a €(3.9) million negative impact overall, as well as a **higher average cost of net debt of 3.9%** in the first half 2020, up from 3.7% in the first half 2019, due to the negative carry on the recent round of financing.

Positive financial adjustments of **€1.6 million**, essentially related to the liability management concerning the term loan subscribed in July 2019, aimed at benefitting from better financial terms and conditions.

Profit before taxation was **€101.0 million**, a decrease of **-34.3%** compared with first half 2019.

Tax charges were €(28.2) million and included tax adjustments totalling €4.5 million namely referring to tax effects connected to the operating and financial adjustments as well as other purely fiscal adjustments.

Group net profit adjusted[13] was **€77.6 million**, down**-33.5**% vs. first half 2019. **Group net profit** was **€73.0 million**, down **-40.6%** vs. first half 2019.

Free cash flow was negative at €(4.5) million. The **recurring free cash flow** amounted to **€65.0 million**, at 38.3% of EBITDA adjusted, from 40.1% in first half 2019.

Net financial debt at **€1,061.5 million** as of June 30th, 2020 (€777.4 million as of December 31st, 2019), up **€284.2 million**, mainly due to the acquisitions of the French distributor and of Champagne Lallier, the investment in Tannico, as well as the dividend payment and the share buyback, for an overall amount of €281.2 million[14].

Net debt to EBITDA adjusted ratio at **2.4 times**[15] **as of June 30th, 2020**, up from 1.6 times as of December 31st, 2019.

OTHER EVENTS

Restructuring program for the sugar business in Jamaica. In July 2020, the Group launched a **restructuring program for the agricultural sugar business** subsequent to the significant losses cumulated over the years, further penalized by the COVID-19. A consultation process with the local authorities and trade unions started with a view to reach the best possible outcome for the local community. A one-off provision, covering the expected restructuring costs associated with the project, will be included in the Group's results as a result of the consultation process.

OTHER RESOLUTIONS

Approval of the new Corporate Governance procedures. The Board of Directors approved the new Corporate Governance procedures under Dutch Law and the Dutch Corporate Governance Code. The Code contains best practice principles for Dutch companies listed on a regulated market. Such principles create a set of standards governing the functions and the relationships among the corporate bodies of a Dutch listed company and may be regarded as providing general guidance on good corporate governance.

Confirmation of Ernst&Young Accountants LLP as independent external auditor. In line with the resolution adopted by the Shareholders' meeting of March 27th, 2020, the Board of Directors has confirmed Ernst&Young Accountants LLP as independent external auditor, which will succeed to EY S.p.A. with effect from the effective date of the redomiciliation to the Netherlands (i.e. July 4th, 2020).

[12] Redomiciliation fees and other related costs to be accounted for in H2 2020.
[13] Before total adjustments of €(4.7) million in H1 2020 (vs. €6.1 million adjustments in H1 2019).
[14] Including the acquisitions of RFD for €54.6 million and Champagne Lallier for €44.0 million (excluding estimated earn-out of €4.3 million), as well as the investment in Tannico for €23.7 million.
[15] Calculated as net debt at period end divided by EBITDA adjusted for the last twelve months.

Calling of the Extraordinary Shareholders' meeting on September 18th, 2020. The Board of Directors proposed an Extraordinary Shareholders' meeting to be convened on September 18th, 2020 to resolve on the following items on the agenda: a) **Capital reduction and amendment of the Company's articles of association**. As announced on February 18th, 2020, in order to limit the impact of the special voting shares on the capital reserves, the Board of Directors resolved to propose to the Extraordinary Shareholders' meeting a reduction of the nominal value of each ordinary share from €0.05 to €0.01. As a result of this transaction, which will entail a reduction of the ordinary share capital from the current €58,080,000 to €11,616,000, special voting shares A will have a nominal value equal to €0.01, special voting shares B will have a nominal value equal to €0.04 and special voting shares C will have a nominal value equal to €0.09. The reduction of the ordinary share capital will be carried out in accordance with Dutch law and it will entail the creditors' right of opposition pursuant to the terms provided by Dutch law. b) **Appointment of Fabio Facchini as non-executive director**. The Board of Directors resolved to propose to the Extraordinary Shareholders' meeting the appointment of Fabio Facchini as additional non-executive director until the approval of the Company's financial statements by the annual general meeting of shareholders to be held in 2022. Fabio Facchini, whose nomination is binding pursuant to article 15.2 of the Company's articles of association, is considered independent within the meaning of the Dutch Corporate Governance Code. c) **Approval of the remuneration policy**. The Board of Directors, on proposal of the Remuneration and Appointment Committee, resolved to propose to the Extraordinary Shareholders' meeting the approval of the remuneration policy, as updated and amended in accordance with the new Dutch legal framework. The remuneration policy provides for the criteria for the remuneration of the executive directors and the non-executive directors. d) **Implementation of Article 13.11 of the Company's Articles of Association**. In order to implement article 13.11 of the Company's Articles of Association, the Board of Directors resolved to propose to the Extraordinary Shareholders' meeting (i) to grant shareholders holding special voting shares C (which, jointly with the underlying Ordinary Share, grant 10 voting rights), with the right to convert such shares into a special class ordinary shares granting multiple votes, each of which granting 20 voting rights (**Special Ordinary Shares**) and (ii) to provide the possibility to exercise this right within two pre-determined conversion periods, the first of which shall run from November 1st to November 30th, 2028 and the second of which shall run from November 1st to November 30th, 2030. The second conversion period will allow shareholders having elected to receive special voting shares A not later than November 30th, 2020 to benefit of the right to convert. The right to convert is in line with the Company's strategy to further strengthen the Group's stability and foster the development and the continuous involvement of a stable base of long-term shareholders, also with a view to implementing the Group's growth strategy through acquisitions and integrations of players in the global spirits sector. Further information will be provided in the explanatory notes on the items in the agenda of the Extraordinary Shareholders' meeting, as well as in the proposed amendments to the articles of associations' and in the Special Ordinary Shares' terms and conditions which will be made available pursuant to the terms provided by law.

FILING OF DOCUMENTATION

The half-year report at 30 June 2020 has been made available to the general public on the 'Investors' section of the Company's website https://www.camparigroup.com/en/page/investors and by all other means allowed by applicable regulations. Moreover, the documentation has been filed through 'Loket AFM' with the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten – AFM), which makes it available on its website's relevant register at www.afm.nl.

The Board of Directors is responsible for preparing the half year report, inclusive of the half year condensed consolidated financial statements and the interim report on operations at 30 June 2020, in accordance with the Dutch Financial Supervision Act and the applicable International Financial Reporting Standards (IFRS) for interim reporting, IAS 34-'Interim Financial Reporting'.

Disclaimer

This press release contains certain forward-looking statements relating to Campari and 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.
These forward-looking statements speak only as of the date of this document and Campari does not undertake an obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise, except as required by law.

ANALYST CONFERENCE CALL

At **1:00 pm (CET) today, July 28th, 2020**, Campari's management will hold a conference call to present the Group's results for the first half 2020. To participate, please dial one of the following numbers:

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

The **presentation slides** can be downloaded before the conference call from the main investor relations page on Campari Group's website, at https://www.camparigroup.com/en/page/investors.
A **recording of the conference call** will be available from today, July 28th, until Tuesday, August 4th, 2020, calling the following number:

- **(+39) 02 8020987**

(Access code: **700953#**).
(PIN: **953#**).

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, Wild Turkey** and **Appleton Estate**. The Group was founded in 1860 and today is the sixth-largest player worldwide in the premium spirits industry. It has a global distribution reach, trading in over 190 nations around the world with leading positions in Europe and the Americas. Campari Group's growth strategy aims to combine organic growth through strong brand building and external growth via selective acquisitions of brands and businesses.
Headquartered in Milan, Italy, Campari Group owns 22 plants worldwide and has its own distribution network in 21 countries. Campari Group employs approximately 4,000 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 -

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Consolidated net sales breakdown by brand for the first half 2020

	% on Group sales	% change, of which:			
		total	organic	exchange rate effect	external growth
Global Priorities	58.8%	-9.3%	-9.9%	0.5%	0.0%
Regional Priorities	16.2%	-3.0%	-11.5%	0.2%	8.3%
Local Priorities	11.3%	-15.1%	-13.1%	-2.4%	0.4%
Rest of portfolio	13.7%	-11.5%	-15.5%	-1.6%	5.6%
Total	**100.0%**	**-9.4%**	**-11.3%**	**-0.2%**	**2.1%**

Consolidated net sales by geographic area for the first half 2020

	1 January-30 June 2020		1 January-30 June 2019		%
	€ million	%	€ million	%	Change
Americas	358.1	46.6%	384.6	45.3%	**-6.9%**
SEMEA (Southern Europe, Middle East and Africa)	182.6	23.8%	243.6	28.7%	**-25.1%**
North, Central & Eastern Europe	172.0	22.4%	165.5	19.5%	**3.9%**
Asia Pacific	55.9	7.3%	54.4	6.4%	**2.9%**
Total	**768.7**	**100.0%**	**848.2**	**100.0%**	**-9.4%**

Breakdown of % change	total % change	organic growth	exchange rate effect	external growth
Americas	**-6.9%**	-7.6%	0.1%	0.6%
SEMEA (Southern Europe, Middle East and Africa)	**-25.1%**	-32.8%	0.0%	7.7%
North, Central & Eastern Europe	**3.9%**	5.9%	0.1%	-2.0%
Asia Pacific	**2.9%**	7.1%	-4.2%	0.0%
Total	**-9.4%**	**-11.3%**	**-0.2%**	**2.1%**

Consolidated EBIT adjusted by geographic area for the first half 2020

	1 January-30 June 2020		1 January-30 June 2019		change	change
	€ million	%	€ million	%	% total	% organic
Americas	69.0	52.9%	76.1	42.2%	**-9.3%**	-19.3%
SEMEA (Southern Europe, Middle East and Africa)	-1.8	-1.3%	49.2	27.3%	**-103.6%**	-100.6%
North, Central & Eastern Europe	57.4	44.0%	49.1	27.2%	**16.9%**	16.8%
Asia Pacific	5.7	4.4%	6.0	3.3%	**-4.8%**	6.3%
Total	**130.4**	**100.0%**	**180.3**	**100.0%**	**-27.7%**	**-30.8%**

Consolidated income statement for the first half 2020

	1 January-30 June 2020		1 January-30 June 2019		
	€ million	%	€ million	%	Change
Net sales	**768.7**	**100.0%**	**848.2**	**100.0%**	**-9.4%**
Total cost of goods sold (1)	(315.8)	-41.1%	(322.3)	-38.0%	-2.0%
Gross profit	**452.9**	**58.9%**	**525.8**	**62.0%**	**-13.9%**
Advertising and promotion	(121.8)	-15.8%	(151.5)	-17.9%	-19.6%
Contribution after A&P	**331.1**	**43.1%**	**374.3**	**44.1%**	**-11.5%**
SG&A(2)	(200.7)	-26.1%	(194.0)	-22.9%	3.5%
EBIT adjusted	**130.4**	**17.0%**	**180.3**	**21.3%**	**-27.7%**
Operating adjustments	(27.4)	-3.6%	(8.6)	-1.0%	-
Operating profit=EBIT	**103.0**	**13.4%**	**171.7**	**20.2%**	**-40.0%**
Financial income (expenses)	(19.2)	-2.5%	(15.1)	-1.8%	26.5%
Adjustments to financial income (expenses)	1.6	0.2%	(0.0)	0.0%	-
Profit (loss) related to associates and joint ventures	(0.2)	0.0%	0.1	0.0%	-
Put option, earn out income (charges) and hyperinflation effects	15.7	2.0%	(3.0)	-0.4%	-
Profit before tax	**101.0**	**13.1%**	**153.7**	**18.1%**	**-34.3%**
Taxation	(28.2)	-3.7%	(30.9)	-3.6%	-8.6%
Net Profit	**72.7**	**9.5%**	**122.8**	**14.5%**	**-40.7%**
Non-controlling interests	(0.2)	0.0%	-	0.0%	-
Group net profit	**73.0**	**9.5%**	**122.8**	**14.5%**	**-40.6%**
Group net profit adjusted	**77.6**	**10.1%**	**116.7**	**13.8%**	**-33.5%**
Depreciation and amortisation	(39.4)	-5.1%	(34.8)	-4.1%	13.2%
EBITDA adjusted	**169.7**	**22.1%**	**215.1**	**25.4%**	**-21.1%**
EBITDA	**142.4**	**18.5%**	**206.5**	**24.3%**	**-31.1%**

(1) Includes cost of material, production and logistics expenses.
(2) Includes selling, general and administrative costs.

CAMPARI GROUP

Consolidated balance sheet as of 30 June 2020

	30 June 2020 € million	30 June 2019 € million
ASSETS		
Non-current assets		
Property, plant and equipment	487.3	496.4
Right of use assets	78.8	80.5
Biological assets	6.7	3.9
Investment property	1.3	1.1
Goodwill and trademarks	2,426.9	2,423.7
Intangible assets with a finite life	42.9	48.9
Investments in associates and joint ventures	24.2	0.5
Deferred tax assets	54.6	40.8
Other non-current assets	7.8	8.2
Other non-current financial assets	13.1	14.7
Total non-current assets	**3,143.5**	**3,118.5**
Current assets		
Inventories	695.0	618.6
Biological assets	0.9	0.9
Trade receivables	282.2	316.8
Other current financial assets	9.4	8.3
Cash and cash equivalents	787.1	704.4
Income tax receivables	18.3	18.7
Other current asset	49.0	44.7
Total current assets	**1,842.0**	**1,712.4**
Assets held for sale	4.6	5.3
Total assets	**4,990.0**	**4,836.2**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Share capital	58.1	58.1
Reserves	2,156.8	2,326.2
Parent company's portion of shareholders' equity	2,214.9	2,384.3
Non-controlling interests' portion of shareholders' equity	0.6	1.9
Total shareholders' equity	**2,215.5**	**2,386.2**
Non-current liabilities		
Bonds	349.4	349.4
Other non-current financial liabilities	640.8	460.2
Post-employment benefit obligations	34.6	33.4
Provisions for risks and charges	46.5	52.4
Deferred tax liabilities	388.5	384.5
Other non-current liabilities	22.2	16.2
Total non-current liabilities	**1,482.0**	**1,296.1**
Current liabilities		
Payables to banks	253.4	34.4
Bonds	580.6	580.0
Other current financial liabilities	47.0	80.8
Trade payables	233.8	242.1
Income tax payables	31.5	75.1
Other current liabilities	146.4	141.5
Total current liabilities	**1,292.6**	**1,153.9**
Liabilities held for sale	-	-
Total liabilities	**2,774.6**	**2,450.0**
Total liabilities and shareholders' equity	**4,990.0**	**4,836.2**

CAMPARI GROUP

Consolidated cash flow statement as of 30 June 2020

	30 June 2020 € million	30 June 2019 € million
EBITDA Adjusted	169.7	215.1
Goodwill, trademark and sold business impairment	(16.3)	-
Provisions and other changes from operating activities	10.4	(23.0)
Income taxes paid	(80.0)	(9.1)
Cash flow from operating activities before changes in working capital	**83.8**	**183.1**
Changes in net operating working capital	(55.4)	(77.2)
Cash flow from operating activities	**28.4**	**105.8**
Net interests paid	(7.7)	(3.0)
Adjustments to financial income (charges)	1.6	(0.0)
Capital expenditure	(26.9)	(21.6)
Free cash flow	**(4.5)**	**81.2**
(Acquisition) disposal of business	(122.3)	-
Dividend paid out by the Parent Company	(62.9)	(57.3)
Other changes (net purchase of own shares included)	(95.7)	(13.2)
Total cash flow used in other activities	**(280.8)**	**(70.5)**
Exchange rate differences and other changes	(7.2)	(19.3)
Change in net financial position due to operating activities	**(292.5)**	**(8.6)**
Put option and earn out liability changes	12.1	(0.8)
Effect of IFRS 16-'Leases' first application	-	(81.4)
Increase in investments for lease right of use	(3.7)	-
Net cash flow of the period = change in net financial position	**(284.2)**	**(90.9)**
Net financial position at the beginning of the period	**(777.4)**	**(846.3)**
Net financial position at the end of the period	**(1,061.5)**	**(937.1)**