CAMPARI GROUP
ADDITIONAL FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED 31 MARCH 2023

Intentionally blank page

Index

Intentionally blank page

About this report

Note on presentation

The additional financial information for the three months ended 31 March 2023 was prepared using the same recognition and measurement criteria used to prepare the Group's annual consolidated financial statements at 31 December 2022, 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 that Campari Group has made on the basis of all the information available at the time of completion of this additional financial information. The effects arising from the intensification of the inflationary pressure mainly on input costs and the still persistent complicated and uncertain macro-economic environment, may lead to results 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 € (€).

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 the annual financial reports only. The obligation applies from 1 January 2021 for all natural and legal person with securities listed on a European stock exchange and it is required for annual IFRS consolidated financial statements.

Intentionally blank page

Key financial highlights

	for the three months ended 31 March 2023 € million	2022 € million	change total %	organic change %
Net sales[1]	**667.9**	**534.8**	**24.9%**	**19.6%**
EBITDA	177.3	130.0	36.4%	
EBITDA-adjusted	**184.2**	**134.7**	**36.8%**	**29.3%**
EBIT	152.5	109.6	39.1%	
EBIT-adjusted	**159.3**	**114.3**	**39.4%**	**32.0%**
Profit before taxation	135.6	107.4	26.2%	
Group profit before taxation	**133.6**	**107.0**	**24.8%**	
Group profit before taxation-adjusted[2]	**139.2**	**111.7**	**24.6%**	

	at 31 March 2023 € million	at 31 December 2022 € million
Net financial debt	1,616.1	1,552.5
Own shares in Shareholders' equity[3]	37,978,153	39,952,423

(1) Sales net of excise duties.
(2) The 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 annual report.
(3) Ordinary shares.

Corporate bodies

Board of Directors[1]

Luca Garavoglia[2]	Chairman
Robert Kunze-Concewitz[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 and Risks 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
Jean-Marie Laborde[2]	Director and member of the Control and Risks Committee
Christophe Navarre[2]	Director and member of the Remuneration and Appointment Committee
Lisa Vascellari Dal Fiol[2]	Director and member of the Control and Risks 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 Managing 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 and Risks Committee. Eugenio Barcellona, Emmanuel Babeau and Christophe Navarre were also appointed as members of the Remuneration and Appointment Committee.

[2] Non-executive director.

[3] Executive director.

Campari Group additional financial information for the three months ended 31 March 2023

Campari Group and the global environment

In the early months of 2023, the world has started to emerge from the still lingering tailspins related to the Covid-19 pandemic and related consequences impacting the global economy, with improved near-term expectations in the global consumer and trade sector. A counter-trend in the increase in energy and consumer goods prices recorded in 2022 has been observed in 2023, thanks also to the combined effect of China's economic reopening and monetary policy interventions applied worldwide.

Nevertheless, the global economy and trading activities remain in an unstable environment, dampened by ongoing geopolitical uncertainty, mainly due to the persistence of the Russia-Ukraine conflict and by the inflation that still grips the major economies. The collapse of some banks in the United States and Switzerland has also increased risk aversion and volatility. Global GDP growth is projected to slow below trend levels in 2023 and 2024, albeit to a lesser extent than the original 2022 estimates.

The overall macroeconomic situation remains a major challenge for the industrial sector, due to possible changes in consumer behaviour, as growing economic concerns affect disposable income. The spirits sector continues to benefit from a strong consumption trend in the on-premise channel, helped by the end of the pandemic, as well as the boost of international tourism worldwide. At the same time, off-premise resilience continues, responding to the challenging and volatile consumer environment and macroeconomic scenario.

In the first three months of 2023 Campari Group continued to capitalize on strong brand momentum, benefitting from previous pricing initiatives taken across major markets to mitigate inflationary pressure on costs, to ensure continued value generation and brand portfolio strengthening. Moreover, it continued to commit to its route-to-market strategy with the completion of important business development initiatives. As regards to the impact of the ongoing conflict between Russia and Ukraine, Campari Group is continuing to maintain its purely commercial activities in both countries by providing the best possible support to the Camparistas who work on site, always guaranteeing them the maximum possible safety and security.

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 many years. 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. The main marketing initiatives focused on global and regional priority brands, undertaken in the first three months of 2023, are outlined below.

Global priorities
<u>Aperol</u>
Starting from the beginning of the year, both the platform **Aperol together with Venice** and the sponsorship as the official aperitif for the carnival were activated in Venice (Italy) to increase cultural relevance in the region Veneto (the brand's birthplace) and to strengthen the bond with the brand's roots. In line with the deseasonalisation strategy of the aperitif business, during the winter season, the **Aperol alps tour** took place in main resorts in France, engaging consumers through dedicated premium events in mountain bars.
With regards to the initiatives after the end of the period, Aperol brought a taste of the modern Italian lifestyle to the world-famous **Coachella Arts&Music Festival** (California, United States) through a 360° communication plan.

<u>Campari</u>
Campari's longstanding dedication to the world of cinema was also developed at the beginning of the year with the following initiatives:
- Campari was the official sponsor at the **Screen Actors Guild Awards** held in Los Angeles, United States;
- the brand signed the first engagement for the sponsorship of the **Berlinale film festival** in Germany.

<u>SKYY</u>
A partnership was launched in Sydney, Australia, with SKYY Vodka as the 'Official White Spirits Partner' of the KPMG Australia **Sail Grand Prix ('SailGP')**, as well as the Australia SailGP Team.

Grand Marnier

In February 2023, **National Margarita Day** was celebrated in Canada with a series of events that brought media, content creators, retailers, and cocktail makers together to showcase the diverse and exciting ways to make a Grand Margarita, using Cordon Rouge as the key ingredient to elevate the cocktail. To accompany the activity, the brand launched a digital campaign to continue building awareness of the Grand Margarita and the unique alchemy of Grand Marnier.

Jamaican rums

During the first quarter of 2023, Appleton Estate further reinforced its premium evolution through the unveiling of the new **Appleton Estate boutique** in Montego Bay, in the Sangster International Airport of Jamaica. Customers can navigate their way through the boutique via a series of interactive touchpoints that express the legend, craft, and personality of Jamaica's iconic rum, with the aim to create an unforgettable premium brand experience. As the brand's first ever travel retail boutique, the store also has a tasting bar, personalized gifting options, and shows the full aged product range.

The Jamaican rums portfolio obtained multiple awards at the beginning of the year, validating the portfolio's strong liquid credentials. In the United States, Appleton Estate and Wray&Nephew Overproof were stand-out brands in the **Drinks International 2023 Brand Report**. Further to this prestigious award, these brands were big winners at the **2023 Rum and Cachaca Masters** competition, one of the most highly regarded series of spirits blind-tasting competitions.

Regional priorities

Among the regional priority brands, some interesting initiatives were launched during the period.

With respect to **Crodino**, a new communication campaign was activated in the core Italian market to start generating awareness with the younger target population, leveraging the new 17.5cl long drinking proposition. With regards to **The GlenGrant**, the new The GlenGrant 21-Year-Old Single Malt Scotch Whisky was unveiled, leading the Prestige Range for the brand. In addition, the **Trois Rivières** pure cane rhum brand, hailing from Martinique, has been awarded a total of three prestigious accolades (one master and two golds) from the **2023 Rum and Cachaca Masters** competition, one of the most internationally lauded and influential competition in the world.

The **dedicated RARE** division has the ambition to become a leading purveyor of luxury offerings in key global markets. In terms of initiatives, an event was held in New York City to celebrate the global **launch of The GlenGrant 21-Year-Old Single Malt Scotch Whisky**. Influencers, trade and key media attended an immersive experience with a sensorial journey of discovery, culminated with a step into The Glasshouse, designed by the renowned floral artist Lewis Miller, where the new proposition was revealed through a guided tasting from Master Distiller Dennis Malcolm. In addition, several trade tastings were hosted to celebrate this new permanent expression for The GlenGrant.

Significant events during and after the end of the period

Acquisitions and commercial agreements

Development initiatives in the Asia-Pacific region
In 2023 the following initiatives, consistent with the Group's growth ambitions in the Asian-Pacific region, were implemented.
On 1 March 2023, Campari Group acquired the remaining outstanding shares in the distribution joint-venture CT Spirits Japan Ltd. ('CTSJ'), in which it previously had a non-controlling stake. As a result, CTSJ has become a wholly owned subsidiary, triggering its full consolidation in Campari Group's accounts since that date.
On 3 April 2023, Campari Group became the majority shareholder of Thirsty Camel Ltd., in which it previously had a non-controlling stake. Thirsty Camel markets and distributes some of the world's leading brands and began distributing the full Campari portfolio in New Zealand on 1 January 2023, thus supporting the Group's expansion and presence in the area. The company will be included in the consolidation area starting from April 2023 with an impact on consolidated group accounts not expected to be material.
The above transactions, completed via the anticipated exercise of contractual call options on the entities' share capital and which have no material impact on consolidated accounts, had the objective to further strengthen Campari Group's commercial capabilities and enhance its focus on its brands in this strategic region.

Corporate actions

Sustainability: new Environmental targets
Following a very positive progression in 2022 regarding the Group's environmental commitments, more challenging medium and long-term environmental targets have been set as per approval by the Board of Directors. In particular:

- Emissions: the Group reaffirmed its commitment to achieve zero net emissions by 2050; pledging to:
  - reduce greenhouse gas ('GHG') emissions (kgCO2e/L) from direct operations (Scope 1&2) by 55% by 2025, by 70% by 2030, and by 30% from the total value chain (Scope 1, 2&3) by 2030[1];
  - source 90% renewable electricity in the Group's production sites by 2025[2].

A new carbon emission reduction roadmap has been defined, aimed at reducing the environmental impact from direct and indirect operations. Regarding Scope 1&2 emissions, the Group will increase the share of renewable electricity by installing new photovoltaic systems and by extending the 'Guarantee of Origin' of purchased electricity to more production sites. With regards to indirect emissions, specific actions in the areas of purchase of goods, services and logistics will be implemented by introducing new sustainability criteria in packaging design and related development, also partnering with suppliers to identify more sustainable solutions and practices.

- Water use: the Group commits to reduce the water intensity (L/L) by 60% by 2025 and by 62% by 2030[3], by implementing a 'Water Reduction Program' and specific initiatives to increase water recycling and reuse in its production sites.

Meanwhile, Campari Group confirms its commitments in the areas of people, responsible practice and community involvement, continuing to promote and support global and local projects related to all Sustainability dimensions.

Annual General Meeting of Davide Campari-Milano N.V.
The annual general meeting of shareholders held on 13 April 2023 ('AGM') approved the annual accounts for the financial year 2022 (including, *inter alia*, the financial statements for the year ended 31 December 2022, the non-financial disclosure, the corporate governance and the remuneration report) and the distribution of a dividend of €0.06 per share outstanding, gross of withholding taxes, unchanged versus last year. The total dividend paid, calculated on the shares outstanding and excluding own shares in the portfolio (36,889,189) at the date of the coupon detachment date (i.e. 24 April 2023) was €67.5 million.
The dividend was paid on 26 April 2023 in accordance with the Italian Stock Exchange calendar, and a record date of 25 April 2023.
In addition, the AGM confirmed the appointment of Ernst&Young Accountants LLP as an independent external auditor entrusted with the audit of the annual accounts for the financial years 2023-2027.

Moreover, the AGM approved a new stock option plan for an aggregate maximum number of options based on the *ratio* between €6,000,000 and the options' exercise price for the category of beneficiaries other than the

[1] Previous target: Reduce greenhouse gas ('GHG') emissions (kg of CO2e/L) from direct operations (scope 1&2) by 20% by 2025, by 30% in 2030 and by 25% from the total Supply Chain by 2030, using2019 as the baseline.
[2] Previous target: 100% renewable electricity for European production sites within 2025.
[3] Previous targets: Reduce water usage (L/L) by 40% within 2025 and by 42.5% within 2030, using 2019 as the baseline.

members of the Board of Directors (while no options have been assigned to the members of the Board of Directors this year), in accordance with the Stock Option Regulation adopted by the Company. The options may be exercised during the two years after the end of the fifth year following the assignment date. For a more detailed explanation of the stock option plan, please refer to the relevant explanatory report of the Board of Directors, prepared in compliance with article 84-*bis* of the Italian Issuer Regulation, which is available at the registered office of the Company, on the Company's website (www.camparigroup.com/en/page/group/governance) and through the authorized storage mechanism 1Info (www.1info.it), in accordance with the terms prescribed by law.

The AGM also authorized the Board of Directors for the management of share buyback programs until 13 October 2024. The repurchase of own shares can take place for a minimum price, excluding expenses, of the nominal value of the shares concerned and a maximum price of an amount equal to 10% above the opening price on the day of acquisition of the shares.

Group significant events

Share buyback program

Davide Campari-Milano N.V. has share buyback program activated under Article 5 of Regulation (EU) no.596/2014 (the 'Program'). The Program is intended to meet the obligations arising from the long-term equity-based incentive plans currently in force or to be adopted and whose beneficiaries are (or will be) employees or other members of the administrative or management bodies of either the Company or other Campari Group companies.

Between 1 January and 31 March 2023, the Company granted 2,960,860 own shares, out of which 2,951,410 shares were sold for a total cash inflow of €11.9 million, corresponding to the average exercise price multiplied by the number of own shares sold to stock option beneficiaries, while additionally 9,450 shares were transferred in the context of share matching plans. In the same period and through the share buyback programs, the Company purchased 986,590 shares at an average price of €10.2, for a total amount of €10.1million[4]. At 31 March 2023, the Company held 37,978,153 own shares, equivalent to 3.3% of the share capital.

[4] The amount includes €0.6 million liabilities to be paid in connection with the share buyback program.

Group Financial Review

Sales performance

Net sales relate to spirit products in Campari Group's markets. 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 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.
For the Group, the four operating segments managed in terms of resource allocation, and in particular, investment in brand-building and distribution capabilities, are the following: Americas ('Americas'), Southern Europe, Middle East and Africa ('SEMEA'), Northern, Central and Eastern Europe ('NCEE'), and Asia-Pacific ('APAC').
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.

1. Key highlights

In the first quarter of 2023, the Group's net sales amounted to €667.9 million, with an overall increase of +24.9% as compared with the same period of 2022. Organic, perimeter and exchange rate components were positive at +19.6%, +2.0% and +3.3% respectively.

	for the three months ended 31 March			three months change %, of which			
	2023 € million	2022 € million	total change € million	total	organic	perimeter	exchange rate[1]
total	**667.9**	534.8	**133.1**	24.9%	**19.6%**	2.0%	3.3%

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

The first quarter, the smallest in terms of contribution to annual results, reported a continued strong organic sales performance (+19.6%) driven by aperitifs, tequila and bourbon across all key markets thanks to solid underlying brand momentum in a resilient consumer environment, particularly in the on-premise channel. The Group's net sales benefitted from the full effect of the previous year price increase rounds, favoured also by mix (aperitifs) and temporary effects, such as the early Easter calendar shift and some shipment phasing.

To mitigate the effect of hyperinflationary economies, the organic change for countries having to adopt the hyperinflationary methodology laid down in IFRS (Argentina) 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.

With regards to the ongoing Russia-Ukraine conflict and related business activities, Russia and Ukraine accounted overall for approximately 3% of Campari Group's net sales in both 2022 and in the three months ended 31 March 2023.

An in-depth analysis by geographical region and core market of sales registered in the three months ended 31 March 2023 compared with the same period of 2022 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 four operating segments in the three months ended 31 March 2023 compared with the same period of 2022 is provided in the table below.

Group net sales focus by region	for the three months ended 31 March 2023		2022		total change	three months change %, of which			
	€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate(1)
Americas	316.8	47.4%	247.5	46.3%	69.3	28.0%	19.5%	1.7%	6.8%
Southern Europe, Middle East and Africa	191.0	28.6%	150.6	28.2%	40.4	26.8%	23.5%	3.5%	-0.2%
North, Central and Eastern Europe	108.9	16.3%	91.7	17.2%	17.2	18.7%	16.0%	1.3%	1.5%
Asia-Pacific	51.2	7.7%	45.0	8.4%	6.2	13.7%	14.5%	0.1%	-0.9%
Total	**667.9**	**100.0%**	**534.8**	**100.0%**	**133.1**	**24.9%**	**19.6%**	**2.0%**	**3.3%**

(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 +19.5%. The region is predominantly off-premise skewed, particularly North America.

	% of Group total	for the three months ended 31 March 2023		2022		total change	three months change %, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate(1)
US	28.9%	192.8	60.9%	146.7	59.3%	46.2	31.5%	23.0%	2.8%	5.7%
Jamaica	5.8%	38.6	12.2%	30.9	12.5%	7.7	24.9%	17.9%	-	7.0%
Other countries of the region	12.8%	85.3	26.9%	69.9	28.2%	15.5	22.1%	13.1%	0.1%	8.9%
Americas	**47.4%**	**316.8**	**100.0%**	**247.5**	**100.0%**	**69.3**	**28.0%**	**19.5%**	**1.7%**	**6.8%**

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

The **United States**, accounting for 28.9% of the Group's net sales, showed a very strong start to the year (+23.0%) thanks to the positive performance of core Espolòn (+66.9%), Wild Turkey bourbon (+18.9%) as well as the aperitifs Aperol (+153.6%) and Campari (+72.6%), partially offset by Grand Marnier, which declined double-digits, impacted by destocking due to the balancing out of inventory levels after normalisation of logistics.

Jamaica reported a strong growth of +17.9% thanks to Wray&Nephew and Appleton Estate.

Overall double-digit growth was registered across the **rest of the region**, including Latin America.

- ### Southern Europe, Middle East and Africa

The region, which is broken down by core markets in the table below, reported an organic increase of +23.5%. It is predominantly skewed to the on-premise channel.

	% of Group total	for the three months ended 31 March 2023		2022		total change	three months change %, of which			
		€ million	%	€ million	%	€ million	total	organic	perimeter	exchange rate
Italy	17.6%	117.8	61.7%	96.7	64.2%	21.1	21.9%	21.6%	0.3%	-%
France	4.9%	32.6	17.1%	26.0	17.3%	6.6	25.4%	6.5%	18.9%	-%
Other countries of the region	6.1%	40.5	21.2%	27.8	18.5%	12.6	45.4%	46.2%	- %	-0.8%
Southern Europe, Middle East and Africa	**28.6%**	**191.0**	**100.0%**	**150.6**	**100.0%**	**40.4**	**26.8%**	**23.5%**	**3.5%**	**-0.2%**

The three months ended 31 March 2023 showed a continued strong momentum in **Italy**, despite the tough comparison base (+70.2% in the same period of 2022). This performance was led by Aperol (+32.9%), Campari (+18.6%) as well as Crodino (+19.2%), benefitting from the full year effect of last year's price increases rounds, favoured also by shipment phasing and early Easter period.

Positive underlying trends were registered in **France**, against a tough comparison base, showing good growth of +6.5% mainly driven by core Aperol, Campari as well as Champagne Lallier and rhum agricole Trois Rivières.

Positive performance, largely driven by continued strong momentum in both the on-premise and off-premise, was reached across **the other markets of the region**, mainly led by Aperol and Campari. **Global Travel Retail ('GTR')** was up +126.5% with triple-digit growth in Aperol, Grand Marnier, The GlenGrant, SKYY Vodka and Wild Turkey bourbon.

- **Northern, Central and Eastern Europe**

The region, predominantly off-premise skewed, reported positive overall organic growth (+16.0%) across its core countries.

	% of Group total	for the three months ended 31 March 2023 € million	2023 %	2022 € million	2022 %	total change € million	three months change %, of which: total	organic	perimeter	exchange rate
Germany	5.7%	37.9	34.8%	34.1	37.2%	3.8	11.3%	11.1%	0.2%	-%
United Kingdom	2.5%	16.9	15.5%	14.7	16.0%	2.2	15.1%	21.5%	-	-6.4%
Other countries of the region	8.1%	54.1	49.7%	43.0	46.8%	11.1	25.9%	17.9%	2.6%	5.4%
North, Central and Eastern Europe	**16.3%**	**108.9**	**100.0%**	**91.7**	**100.0%**	**17.2**	**18.7%**	**16.0%**	**1.3%**	**1.5%**

Germany delivered a strong start to the year (+11.1%) as the brand portfolio momentum remained solid, benefitting also from the shift of the Easter period. Core Aperol grew (+15.9%) alongside Ouzo 12 (+15.2%), while Aperol Spritz RTE also showed solid growth (+24.9%). The non-alcoholic aperitif Crodino continued to grow off a relatively small base (+15.1%), while Campari was slightly negative after a significant price-repositioning.

Positive overall performance (+21.5%) was registered in the **United Kingdom,** mainly driven by continued positive trends in Aperol, Magnum Tonic and Wray&Nephew Overproof, which showed all strong double-digits growth.

Moreover, the other countries of the region showed a solid performance (+17.9%) across markets including **Austria**, **Switzerland** and **Belgium**, largely led by the aperitifs.

- **Asia-Pacific**

This region, which is predominantly off-premise skewed and whose market breakdown is shown in the table below, recorded an organic growth of +14.5%.

	% of Group total	for the three months ended 31 March 2023 € million	2023 %	2022 € million	2022 %	total change € million	three months change %, of which: total	organic	perimeter	exchange rate
Australia	4.4%	29.4	57.4%	28.2	62.7%	1.2	4.1%	5.1%	0.2%	-1.2%
Other countries of the region	3.3%	21.8	42.6%	16.8	37.3%	5.0	30.0%	30.4%	0.1%	-0.5%
Asia-Pacific	**7.7%**	**51.2**	**100.0%**	**45.0**	**100.0%**	**6.2**	**13.7%**	**14.5%**	**0.1%**	**-0.9%**

Australia reported a positive performance (+5.1%) in the three months ended 31 March 2023, largely led by Aperol and Wild Turkey bourbon, while the core Wild Turkey RTD temporarily declined due to trade reactions after last year's supply constraints.

With regards to **the other countries of the region** (+30.4%), positive momentum continued in **South Korea** (+90.9%), driven by high-end Wild Turkey offerings, The GlenGrant and X-Rated. China remained volatile, growing mid-single digits largely thanks to positive shipments of core SKYY Vodka.
Continued momentum continued elsewhere thanks to the Group's enhanced investments across all levers.

- **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.

	percentage of Group sales	three months change % compared with three months 2022, of which				segment/main markets for brands
		total	organic	perimeter	exchange rate	
global priority brands	**57.9%**	**25.0%**	**22.0%**	**-%**	**3.0%**	**-**
Aperol	21.5%	45.3%	43.6%	-	1.7%	- *Italy, SEMEA* *Germany, NCEE* *US, AMERICAS* *France, SEMEA* *Spain, SEMEA*
Campari	11.9%	26.8%	23.9%	-	2.9%	- *Italy, SEMEA* *US, AMERICAS* *Brazil, AMERICAS* *Jamaica, AMERICAS* *Argentina, AMERICAS*
Wild Turkey portfolio[1][2]	8.8%	31.1%	26.9%	-	4.2%	- *US, AMERICAS* *Australia, APAC* *South Korea, APAC* *Japan, APAC* *GTR, SEMEA*
Jamaican rums portfolio[3]	5.7%	20.3%	15.7%	-	4.5%	- *Jamaica, AMERICAS* *US, AMERICAS* *United Kingdom, NCEE* *Canada, AMERICAS* *Mexico, AMERICAS*
SKYY[1]	5.5%	25.2%	20.8%	-	4.4%	- *US, AMERICAS* *Argentina, AMERICAS* *China, APAC* *South Africa, SEMEA* *Germany, NCEE*
Grand Marnier	4.6%	-28.0%	-30.7%	-	2.7%	- *US, AMERICAS* *Canada, AMERICAS* *France, SEMEA* *GTR, SEMEA* *Mexico, AMERICAS*
regional priority brands	**25.0%**	**32.1%**	**27.3%**	**1.3%**	**3.6%**	**-**
Espolòn	7.7%	69.4%	62.4%	-	6.9%	
Cinzano, Riccadonna and Mondoro	4.6%	14.2%	7.5%	-	6.7%	
Italian specialties[4]	3.2%	25.2%	20.3%	2.1%	2.9%	
Crodino	2.2%	19.3%	19.0%	-	0.2%	
Magnum Tonic	1.7%	30.1%	30.0%	-	0.1%	
Aperol Spritz ready-to-enjoy	1.1%	19.7%	19.3%	-	0.4%	
The GlenGrant	1.1%	32.7%	34.3%	-	-1.5%	
other[5]	3.4%	17.7%	10.4%	6.3%	1.0%	
local priority brands	**8.8%**	**17.4%**	**3.8%**	**11.5%**	**2.1%**	**-**
Campari Soda	3.3%	6.6%	6.5%	-	-	
Wild Turkey ready-to-drink[6]	1.7%	-2.6%	-1.3%	-	-1.1%	
Skyy ready-to-drink	1.3%	50.0%	31.2%	-	18.8%	
X-Rated	0.5%	9.2%	9.0%	-	0.2%	
other[7]	2.1%	49.9%	-13.6%	62.0%	1.5%	
rest of the portfolio	**8.3%**	**13.0%**	**0.8%**	**6.8%**	**5.3%**	**-**
total	**100.0%**	**24.9%**	**19.6%**	**2.0%**	**3.3%**	**-**

(1) Excludes ready-to-drink.
(2) Includes American Honey.
(3) Includes Appleton Estate, Wray&Nephew Overproof and Kingston 62.
(4) Includes Braulio, Cynar, Averna, Frangelico and Del Professore.
(5) Includes Bisquit&Dubouché, Bulldog, Forty Creek, Trois Rivières, Maison La Mauny, Ancho Reyes, Montelobos, Lallier and Wilderness Trail.
(6) Includes American Honey ready-to-drink.
(7) Includes Cabo Wabo, Ouzo 12 and Picon.

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

Global priority brands registered solid growth of +22.0% overall. **Aperol** continued its strong momentum (+43.6%) driven by double-digit growth in core Italy, Germany, France, Spain, the United Kingdom as well as triple-digit growth in the core United States market and GTR. This growth mainly benefitted from resilient consumer environment, particularly in the on-premise, further favoured by some shipment phasing and the Easter period shift. The brand continues to gain pace in both mature and seeding markets as the Group continued to take ownership of consumption occasions. **Campari** recorded strong double-digit growth (+23.9%) in the core market Italy, the United States, Brazil as well as Argentina, thus offsetting temporary weakness in Jamaica. **Wild Turkey** had a solid start to the year (+26.9%) with high-end Russell's Reserve outperforming the category trend (+88.0%). The overall performance was particularly driven by the core United States market (+22.5%) as well as South Korea and GTR, the latter growing triple-digits. **Jamaican Rums** showed a solid performance (+15.7%) with Appleton Estate growing positively overall (+26.3%) driven by the continued favourable category trends in the premium rum. Wray&Nephew Overproof grew by +13.2% thanks to core market Jamaica and the United Kingdom. **SKYY** showed positive shipment performance (+20.8%) mainly in the core US market thanks to restocking against an easy comparison base as well as growth in international markets such as Argentina, South Africa, Italy, China and GTR. The performance of **Grand Marnier** was affected by negative shipments impacted by the destocking in the core United States market due to the balancing out of inventory levels after normalisation of logistics constraints.

Regional priority brands registered double-digit growth of +27.3%, with **Espolòn** reporting a very strong momentum (+62.4%) in the core United States market (+66.9%), mainly driven by the consumer demand. **Cinzano** and other **Sparkling Wines** reached an overall positive performance (+7.5%) thanks to growth in Germany, Spain, the United States as well as in South America. **Italian specialties** showed a strong growth across all brands in the portfolio (+20.3%) largely thanks to the core United States market and Germany, while other European markets also grew. Positive performance was registered for **Crodino** (+19.0%) driven by strong growth in the core market Italy (+19.2%), while seeding markets such as Belgium, Austria, Switzerland, the United Kingdom and Germany also grew as the brand continued to be rolled-out internationally. Strong growth was also delivered by **Aperol Spritz ready-to-enjoy** (+19.3%) driven by the core markets Italy and Germany and the seeding United States and Austrian markets. **The GlenGrant** reported a strong performance overall (+34.3%), in particular within South Korea and GTR, while Australia also grew. **Magnum Tonic Wine** continued its strong momentum (+30.0%) in the core United Kingdom market. Positive growth (+10.4%) has also been reported across other regional priority brands portfolio, mainly **Montelobos**, **Ancho Reyes**, **Lallier** and **Trois Rivieres**.

The **local priority brands** grew by +3.8%, thanks to **Campari Soda** (+6.5%), whose strong performance was driven by core market Italy. **X-Rated** continued positive growth (+9.0%) in the core market South Korea where the brand has been thriving in the night-life channel, while China has yet to recover due to consumer fragility, particularly in the night-life channel. **SKYY ready-to-drink** registered strong growth (+31.2%), mainly in the core market Mexico. **Wild Turkey ready-to-drink** showed slight weakness in the core Australian market due to shipment phasing.

The **rest of the portfolio** reported a positive growth of +0.8%.

3. Perimeter variation

The perimeter variation of +2.0% in the three months ended 31 March 2023, compared with the sales in the same period of the previous year, is analysed in the table below.

perimeter variation		
breakdown of the perimeter effect	€ million	% on first three months ended 31 March 2022
asset deals and business acquisitions	9.0	1.7%
total acquisitions	**9.0**	**1.7%**
new agency brands	1.7	0.3%
total agency brands	1.7	**0.3%**
total perimeter effect	**10.7**	**2.0%**

- **Asset deals and business acquisitions**

In the three months ended 31 March 2023, the sales contribution from asset deals and business acquisitions was +1.7% on the overall Group level and comprised the Picon and Del Professore brands starting from May and August 2022 respectively, as well as the sales related to Wilderness Trail Distillery, LLC starting from 1 January 2023.

- **Agency brands distribution**

The perimeter variation due to the agency brands in the three months ended 31 March 2023 was +0.3% and was mainly related to the sales generated by Howler Head bourbon from September 2022, following the acquisition of an initial minority investment in the brand owner Monkey Spirits, LLC and related distribution rights.

4. Exchange rate effects

The exchange rate effect for the three months ended 31 March 2023 was positive at +3.3% mainly thanks to the appreciation against the Euro of the Group's key currencies such as the US Dollar, the Jamaican Dollar, the Brazilian Real and the Mexican Peso. 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 2023 and the same period of 2022 respectively, and the spot rates at 31 March 2023, with the percentage change against the Euro compared with 31 December 2022.

	average exchange rates			spot exchange rates		
	for the three months ended 31 March 2023	for the three months ended 31 March 2022	revaluation/(devaluation) vs. the three months ended 2022	at 31 March 2023	at 31 December 2022	revaluation/(devaluation) vs. 31 December 2022
	1 Euro	: 1 Euro	%	1 Euro	: 1 Euro	%
US Dollar	1.073	1.123	4.6%	1.088	1.067	-1.9%
Canadian Dollar	1.451	1.422	-2.0%	1.474	1.444	-2.0%
Jamaican Dollar	164.183	173.960	6.0%	164.180	161.803	-1.4%
Mexican Peso	20.046	23.006	14.8%	19.639	20.856	6.2%
Brazilian Real	5.574	5.882	5.5%	5.516	5.639	2.2%
Argentine Peso[1]	226.891	123.102	-45.7%	226.891	188.503	-16.9%
Russia Ruble[2]	78.812	98.947	25.5%	84.140	79.226	-5.8%
Great Britain Pound	0.883	0.836	-5.3%	0.879	0.887	0.9%
Swiss Franc	0.992	1.037	4.5%	0.997	0.985	-1.2%
Australian Dollar	1.569	1.551	-1.1%	1.627	1.569	-3.5%
Yuan Renminbi	7.341	7.126	-2.9%	7.476	7.358	-1.6%

(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 Euro reference rate for the Russian Rouble until further notice. The Group has therefore decided to refer to 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 2023 confirmed a strong organic performance for all profitability indicators. Specifically, in organic terms, net sales, gross profit, contribution margin and the result from recurring operations (EBIT-adjusted) showed a growth of +19.6%, +20.5%, +23.9% and +32.0%, respectively. In particular, the result from recurring operations (EBIT-adjusted) grew stronger than net sales, thus driving margin accretion. The strong organic net sales, EBIT growth and margin expansion in the first quarter were driven by a very positive sales mix and pricing as well as operating leverage on fixed costs, which more than offset the high-cost inflation, benefitting also from some temporary effects including some shipment phasing and early Easter calendar. Excluding the estimated temporary effects, net sales organic growth in the quarter would be approximately +13%, with EBIT-adjusted organic growth in line with net sales, thus leading to flat EBIT adjusted organic margin.
The perimeter component for the three months ended 31 March 2023 reflected the additions of the Picon and Del Professore brands, the new agency brand Howler Head in the United States and the acquisition of Wilderness Trail Distillery.
The exchange rate effect was favourable during the period, mainly driven by the revaluation against the Euro of the Group's key currencies, such as the US Dollar, the Jamaican Dollar, the Brazilian Real and the Mexican Peso.

The table below shows the statement of profit or loss[1] for the three months ended March 2023 and a breakdown of the total change by organic change, perimeter change and exchange rate effects.

	for the three months ended 31 March											
	2023		2022		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]	**667.9**	**100.0**	**534.8**	**100.0**	**133.1**	**24.9%**	**104.9**	**19.6%**	**10.7**	**2.0%**	**17.5**	**3.3%**
Cost of sales	(278.1)	(41.6)	(223.2)	(41.7)	(54.9)	24.6%	(41.0)	18.4%	(5.2)	2.3%	(8.7)	3.9%
Gross profit	**389.7**	**58.4**	**311.6**	**58.3**	**78.1**	**25.1%**	**63.8**	**20.5%**	**5.5**	**1.8%**	**8.8**	**2.8%**
Advertising and promotional expenses	(90.1)	(13.5)	(79.2)	(14.8)	(10.9)	13.7%	(8.2)	10.4%	(0.5)	0.6%	(2.2)	2.7%
Contribution margin	**299.6**	**44.9**	**232.4**	**43.4**	**67.2**	**28.9%**	**55.6**	**23.9%**	**5.0**	**2.2%**	**6.6**	**2.8%**
Selling, general and administrative expenses	(140.3)	(21.0)	(118.1)	(22.1)	(22.2)	18.8%	(19.1)	16.1%	(0.4)	0.3%	(2.8)	2.4%
Result from recurring activities (EBIT-adjusted)	**159.3**	**23.9**	**114.3**	**21.4**	**45.0**	**39.4%**	**36.6**	**32.0%**	**4.7**	**4.1%**	**3.8**	**3.3%**
Other operating income (expenses)	(6.8)	(1.0)	(4.7)	(0.9)	(2.2)	47.0%						
Operating result (EBIT)	**152.5**	**22.8**	**109.6**	**20.5**	**42.8**	**39.1%**						
Financial income (expenses)	(16.1)	(2.4)	(1.3)	(0.2)	(14.8)	1144.8%						
Put option, earn out income (expenses) and hyperinflation effect	(0.1)	-	(0.1)	-	-	92.4%						
Profit (loss) related to associates and joint-ventures	(0.6)	(0.1)	(0.8)	(0.2)	0.2	-26.3%						
Profit before taxation	**135.6**	**20.3**	**107.4**	**20.1**	**28.2**	**26.2%**						
Profit before taxation-adjusted	**141.3**	**21.2**	**112.1**	**21.0**	**29.2**	**26.0%**						
Non-controlling interests-before taxation	2.1	0.3	0.4	0.1	1.7	423.6%						
Group profit before taxation	**133.6**	**20.0**	**107.0**	**20.0**	**26.5**	**24.8%**						
Group profit before taxation-adjusted	**139.2**	**20.8**	**111.7**	**20.9**	**27.5**	**24.6%**						
Total depreciation and amortisation	(24.9)	(3.7)	(20.4)	(3.8)	(4.5)	21.9%	(2.9)	14.2%	(1.1)	5.2%	(0.5)	2.5%
EBITDA-adjusted	**184.2**	**27.6**	**134.7**	**25.2**	**49.5**	**36.8%**	**39.5**	**29.3%**	**5.7**	**4.3%**	**4.3**	**3.2%**
EBITDA	**177.3**	**26.6**	**130.0**	**24.3**	**47.3**	**36.4%**						

(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 2023 shown as variation of percentage margin on net sales (basis points) and in percentage terms, is as follows[1].

margin accretion (dilution) in basis points ('bps')[2]	total bps	organic bps	% organic
Net sales	-	**-**	**19.6%**
Cost of sales	10	40	18.4%
Gross profit	**10**	**40**	**20.5%**
Advertising and promotional expenses	130	110	10.4%
Contribution margin	**140**	**160**	**23.9%**
Selling, general and administrative expenses	110	60	16.1%
Result from recurring activities (EBIT-adjusted)	**250**	**220**	**32.0%**

(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.

Statement of profit or loss in detail

The key profit or loss items for the three months ended 31 March 2023 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 €389.7 million, up +25.1% compared with the same period of 2022 driven by strong top-line performance notwithstanding the very challenging macro environment, combined with supply chain headwinds. The organic component of +20.5% was combined with a positive exchange rate variation at +2.8% and a perimeter effect at +1.8%. As a percentage of net sales, gross margin stood at 58.4%, in line with the same period of 2022, hence generating an accretive effect of 10 basis points on a reported basis. This variance was driven by the accretive organic effect of 40 basis points, only partially offset by the combined result of exchange rate and perimeter components accounted for total dilutive 30 basis points. The organic margin accretion reflected the positive operating leverage on fixed production costs, more than offsetting the still high inflation on inputs (particularly glass) and logistics costs. Moreover, it was supported by a very positive pricing effect benefitting largely from the previous year's repeated price increases, as well as favourable sales mix especially in the outperforming core aperitif business.

Advertising and promotional expenses amounted to €90.1 million, up +13.7% overall compared with the same period of 2022. As a percentage of sales, advertising and promotional expenses stood at 13.5%, lower than the 14.8% shown in the same period of 2022, thus generating on a reported basis an accretive effect of 130 basis points on profitability. Organic, exchange rate and perimeter variations were positive at +10.4%, +2.7% and +0.6%, respectively. In organic terms, the investments reflected sustained initiatives behind key brands and generated an accretive effect of 110 basis points thanks to strong top-line growth.

Contribution margin was €299.6 million in the three months ended 31 March 2023, with an overall increase of +28.9% on the same period of 2022. As a percentage of sales, contribution margin stood at 44.9%. The organic growth component was +23.9%, higher than the one of net sales and hence creating an accretive effect of 160 basis points on profitability. Perimeter effect was positive at +2.2%, with a neutral impact on profitability, while the exchange rate effect of +2.8% had a dilutive impact on margins of 20 basis points.

Selling, general and administrative expenses amounted to €140.3 million in the period, up by +18.8% on the same period of 2022. As a percentage of sales, they amounted to 21.0% lower than 22.1% recorded in 2022. At organic level, selling, general and administrative expenses increased by +16.1%, lower than the net sales growth and therefore generating an accretion effect on margins of 60 basis points, benefitting from operating leverage. The investments reflected the continuous strengthening in the business infrastructure and commercial capabilities, with a focus on route to market changes, namely in Asia Pacific area.

The result from recurring operations (EBIT-adjusted) for the period was €159.3 million, with an overall increase of +39.4% on the three months ended on 31 March 2022. The return on sales-adjusted ('ROS') stood at 23.9%, up from 21.4% recorded in the same period of 2022, with an accretive effect of 250 basis points on a reported basis. The organic growth component was +32.0%, higher than organic sales trend and thus generating a profit enhancement of 220 basis points on net sales. The impact of the exchange rate variation was positive at +3.3% (with no effect on profitability), namely generated by the revaluation against the Euro of the Group's key currencies, in particular the transactional effect of the US Dollar, while the perimeter effect was slightly positive at +4.1% thanks to the consolidation of Picon and Wilderness Trail Distillery.

Other operating income (expenses) comprised a net expense of €6.8 million, which mainly included the costs and revenues associated with restructuring, mergers and acquisitions projects and indemnities for contract resolutions as well as last mile long-term incentive schemes with retention purposes to be potentially recognised to senior management[5].

Operating result (EBIT) in the three months ended 31 March 2023 was €152.5 million, reflecting an increase of +39.1% compared with the same period of 2022. ROS amounted to 22.8% (20.5% in the same period of 2022).

Depreciation and amortisation totalled €24.9 million, up by +21.9% on the three months ended 31 March 2022, of which +14.2% was at organic level, +2.5% related to exchange rate variations and +5.2% related to perimeter effect.

[5] Pursuant to the Remuneration Policy, a last mile incentive scheme with retention purposes to be potentially awarded to the Chief Executive Officer has been approved by the Parent Company's corporate bodies and therefore implemented as set out in the Remuneration Report in the 'Governance' section of the Campari Group annual report for the year ended 31 December 2022.

EBITDA-adjusted stood at €184.2 million, an increase of +36.8%, of which +29.3% was at organic level, +3.2% was driven by exchange rate variations and perimeter effect was also positive at +4.3%.

EBITDA was €177.3 million in the three months ended 31 March 2023, an increase of +36.4% compared with the same period of 2022.

Net financial expenses totalled €16.1 million compared with €1.3 million in the same period of 2022, including the negative foreign exchange rate effect of cross-currency transactions of €3.3 million (compared to a positive effect of €3.7 million in the same period of 2022). Excluding these components, the average cost of net debt was 3.3% (2.4% in the same period of 2022) reporting net financial expenses at €12.9 million in the first three months of 2023 and showing an increase of €7.9 million on the same period of 2022. The growth was due to the overall rise in interest rates affecting namely the new term loan subscribed at the end of 2022, combined with a higher average net debt in the first quarter of 2023 (€1,584.3 million in the first quarter of 2023 and €832.7 million in the same period of 2022). A detailed analysis of the net financial expenses is provided in the table below.

	for the three months ended 31 March		
	2023 € million	2022 € million	total change € million
Total interest expenses bond, loans and leases	(15.2)	(7.3)	(8.0)
Bank and other term deposit interests income	3.9	3.1	0.8
Other net expenses	(1.6)	(0.9)	(0.7)
Total financial expenses	**(12.9)**	**(5.0)**	**(7.9)**
Exchange rate differences	(3.3)	3.7	(7.0)
Total financial income (expenses)	**(16.1)**	**(1.3)**	**(14.8)**

Income (expenses) relating to put options, earn-out and hyperinflation effects was slightly negative at €0.1 million.

Profit (loss) related to associates and joint-ventures represented a net loss of €0.6 million, resulting from the allocation of the results from joint-venture companies and including also the gain resulting from the reassessment of the previous Group's interests in the Japanese joint-venture, CT Spirits Japan Ltd., which became a wholly owned subsidiary after the Group acquired the full control from 1 March 2023.

Profit before taxation (Group and non-controlling interests) was €135.6 million, an increase of +26.2% compared with the same period of 2022. Profit before taxation as a percentage of sales was 20.3% (20.1% in the same period of 2022).

Profit (loss) before taxation relating to non-controlling interests for the period under analysis was positive at €2.1 million, compared to €0.4 million in the three months ended 31 March 2022.

Group's profit before taxation amounted to €133.6 million, an increase of +24.8% on the same period of 2022. The Group's profit before taxation as a percentage of sales was 20.0% (unchanged compared with the three months ended 31 March 2022). After excluding operating adjustments, the Group's profit before taxation amounted to €139.2 million, up +24.6% on the figure reported in the three months ended 31 March 2022, adjusted accordingly.

Net financial debt

As of 31 March 2023, consolidated net financial debt amounted to €1,616.1 million, up by €63.6 million compared with €1,552.5 million reported at 31 December 2022. The increase was driven by cash absorption to fulfil various payment commitments, mainly investments in manufacturing capacity expansion as part of a multiyear capital expenditure program initiated by Campari Group and inventory build-up ahead of peak season.

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

	at 31 March 2023 € million	at 31 December 2022 € million	total change € million	*organic* *€ million*	*perimeter* *€ million*	*exchange rates* *€ million*
cash and cash equivalents	377.1	435.4	(58.3)	*(57.3)*	*4.0*	*(5.0)*
loans due to banks	(124.0)	(107.0)	(17.1)	*(4.8)*	*(9.1)*	*(3.2)*
lease payables	(14.4)	(14.4)	-	*(0.1)*	*(0.1)*	*0.2*
other financial assets and liabilities	6.8	7.4	(0.6)	*(0.6)*	-	-
short-term net financial debt	**245.4**	**321.4**	**(75.9)**	***(62.7)***	***(5.2)***	***(8.0)***
bonds	(846.6)	(846.3)	(0.2)	*(0.2)*	-	-
loans due to banks	(764.0)	(770.9)	7.0	*14.0*	-	*(7.1)*
lease payables	(62.2)	(65.1)	2.9	*2.2*	-	*0.7*
other financial assets and liabilities	41.9	48.2	(6.3)	*(6.3)*	-	-
medium-/long-term net financial debt	**(1,630.9)**	**(1,634.2)**	**3.3**	***9.8***	**-**	***(6.4)***
net financial debt before put option and earn-out payments	**(1,385.4)**	**(1,312.8)**	**(72.6)**	***(52.9)***	***(5.2)***	***(14.4)***
liabilities for put option and earn-out payments	(230.7)	(239.7)	9.0	*6.4*	*(0.5)*	*3.1*
net financial debt	**(1,616.1)**	**(1,552.5)**	**(63.6)**	***(46.5)***	***(5.8)***	***(11.3)***

As of 31 March 2023, 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[6] available to the Group for a total of €762.8 million, out of which €87.3 million were drawn down at the end of the period. Short-term net financial position confirmed to be positive, mainly represented by cash and cash equivalents, being supportive of the Group's goals to enable flexibility in any short-term investment opportunity, including the commitment in the multiyear capital expenditure program. During the first months of 2023, the net financial debt reflected the acquisition of the outstanding remaining 60% interests in CT Spirits Japan Ltd. for a total amount of €5.8 million.

The short-term net financial position was positive at €245.4 million with a reported overall reduction of €75.9 million compared with 31 December 2022 and mainly comprised of cash and cash equivalents (€377.1 million) net of loans due to banks (€124.0 million). The organic decrease accounted for €62.7 million, mainly driven by the repayment of short-term loans during the year. The inflow proceeds from the sale of shares in connection with the exercise of share-based incentive schemes, namely stock option plans, net of the outflow to purchase own shares on the market supporting the share buyback programs launched in May 2022, amounted to €1.8 million[7].

The medium to long-term financial debt was largely composed of bonds and loans due to banks for a total amount of €1,630.9 million, broadly in line with 31 December 2022.

Moreover, the Group's net financial debt included liabilities of €230.7 million related to future commitments to acquire outstanding minority interests in controlled companies.

Finally, the reported variation in net financial debt was impacted by negative exchange rates effects of €11.3 million overall, mainly driven by the US Dollar.

At 31 March 2023, the Campari Group's net debt/EBITDA-adjusted ratio[8] was 2.3 times, compared with 2.4 times at 31 December 2022 and 1.5 times at 31 March 2022 on a like-for-like basis. The pro-forma ratio adjusted to consider the twelve-month estimated effect of the recent acquisition and disposals on EBITDA-adjusted, and therefore calculated for comparison purposes, is equal to 2.2 times and thus unchanged from the index measured consistently at 31 December 2022.

[6] The overall amount included €400 million committed credit lines.

[7] The amount included €0.6 million liability in connection with the share buyback programs. At 31 March 2023 the equivalent of 3.3% of the share capital, corresponding to 37,978,153 own shares, was held by the Company, mainly aimed to meet the obligations arising from the long-term share-based incentive plans.

[8] 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.

First quarter 2023 conclusion and outlook

Campari Group delivered a very positive start to the year in a relatively small quarter. The organic performance was strong in a still volatile macroeconomic environment, driven by a solid underlying brand momentum in a resilient consumer environment, particularly in the on-premise, and benefitting from the full effect of previous year's price increases and also temporary effects such as early Easter calendar effect and some shipment phasing. The organic performance also benefitted from a favourable sales mix (outperformance of the high-margin aperitifs) and operating leverage.

Looking at the remainder of the year, the positive business momentum across key brand-market combinations is expected to continue thanks to strong brand equity and continued strength in the on-premise. Campari Group confirms hence its full year guidance of a flat organic EBIT margin in 2023 in the current volatile macroeconomic circumstances. Whilst inflation on input costs is showing initial easing effects, margin trends are expected to show pricing effect increasingly entering in the base over the course of the year, alongside sales mix evolution and the normalization in volume growth. Regarding forex effect, trends are expected to reverse mainly due to weakening US dollar.

Looking beyond 2023 and the medium-term horizon, Campari Group is confident to continue delivering strong organic sales growth and mix improvement, leading to organic margin expansion.

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 brands 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 costs 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 net profit 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:
- interests 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 re-assessments 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 re-assessments 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 2023.

for the three months ended 31 March 2023	EBITDA		EBIT		profit before taxation	
	€ 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%**
restructuring and reorganisation costs	(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%
other adjustments of operating income (expenses)	0.7	0.1%	0.7	0.1%	0.7	0.1%
profit (loss) related to re-assessments of previously held associates and joint ventures					1.2	0.2%
total adjustments	**(6.8)**	**-1.0%**	**(6.8)**	**-1.0%**	**(5.7)**	**-0.8%**
alternative performance measure-adjusted	**184.2**	**27.6%**	**159.3**	**23.9%**	**141.3**	**21.2%**

	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**

For the comparative figures ended 31 March 2022 and 31 December 2022.

for the three months ended 31 March 2022	EBITDA		EBIT		profit before taxation	
	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure-reported	**130.0**	**24.3%**	**109.6**	**20.5%**	**107.4**	**20.1%**
restructuring and reorganisation costs	(0.9)	-0.2%	(0.9)	-0.2%	(0.9)	-0.2%
last mile long-term incentive schemes with retention purposes	(2.5)	-0.5%	(2.5)	-0.5%	(2.5)	-0.5%
other adjustments of operating income (expenses)	(1.3)	-0.2%	(1.3)	-0.2%	(1.3)	-0.2%
total adjustments	**(4.7)**	**-0.9%**	**(4.7)**	**-0.9%**	**(4.7)**	**-0.9%**
alternative performance measure-adjusted	**134.7**	**25.2%**	**114.3**	**21.4%**	**112.1**	**21.0%**

for the year ended 31 December 2022	EBITDA		EBIT		profit before taxation	
	€ million	% on sales	€ million	% on sales	€ million	% on sales
alternative performance measure-reported	**602.0**	**22.3%**	**511.5**	**19.0%**	**475.0**	**17.6%**
fees from acquisition/disposals of business or companies and indemnities from contract resolutions	(14.4)	-0.5%	(14.4)	-0.5%	(14.4)	-0.5%
restructuring and reorganisation costs	(11.4)	-0.4%	(11.4)	-0.4%	(11.4)	-0.4%
last mile long-term incentive schemes with retention purposes	(10.0)	-0.4%	(10.0)	-0.4%	(10.0)	-0.4%
Ukraine and Russia conflict	(8.0)	-0.3%	(8.0)	-0.3%	(8.0)	-0.3%
devaluation of assets, goodwill, brands and business disposed	(6.6)	-0.2%	(6.6)	-0.2%	(6.6)	-0.2%
other adjustments of operating income (expenses)	(10.3)	-0.4%	(10.3)	-0.4%	(10.3)	-0.4%
gains (losses) from disposals of fixed assets	2.3	0.1%	2.3	0.1%	2.3	0.1%
adjustments to financial income (expenses) (including financial liability remeasurement effects)					(4.7)	-0.2%
total adjustments	**(58.3)**	**-2.2%**	**(58.3)**	**-2.2%**	**(63.0)**	**-2.3%**
alternative performance measure-adjusted	**660.3**	**24.5%**	**569.9**	**21.1%**	**538.0**	**19.9%**

	for the three months ended 31 March 2022
	€ million
EBITDA adjusted at 31 March 2022 (+)	134.7
EBITDA adjusted at 31 December 2021 (+)	514.9
EBITDA adjusted at 31 March 2021 (-)	87.6
rolling twelve months EBITDA adjusted	**561.9**
net financial debt at 31 March 2022	**834.6**
net debt/EBITDA-adjusted ratio	**ratio 1.5**

	for the year ended 31 December 2022 € million
EBITDA adjusted at 31 December 2022	660.3
net financial debt at 31 December 2022	**1,552.5**
net debt/EBITDA-adjusted ratio	**ratio 2.4**
EBITDA adjusted for business acquisition	**695.4**
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: €11,616,000.00 fully paid in
Fiscal Code and Milan Companies' Register n. 06672120158-VAT n. IT06672120158

Investor Relations
investor.relations@campari.com