CAMPARI GROUP

PRESS RELEASE

Sector outperformance continuing in sell-out across most geographies

Financial performance in Q1, the smallest and lowest seasonality quarter, was softened by heightened macroeconomic volatility, Easter timing and phasing of investments as expected, amplified by logistic delays

Prudent approach in the current uncertain operating environment, affected also by newsflow regarding tariffs. Cost containment on-track with ongoing commitment to deleverage, as well as focus on geographic expansion of brands, quality of commercial execution and pricing discipline

Milan, May 8th, 2025-The Board of Directors of Davide Campari-Milano N.V. (Reuters CPRI.MI-Bloomberg CPR IM) approved Campari Group's the additional financial information for the three months ended March 31st, 2025.

FIRST QUARTER 2025-RESULTS HIGHLIGHTS

Campari Group recorded a soft start to the year in Q1 2025, as expected, in a backdrop of heightened macroeconomic volatility in the smallest and lowest seasonality quarter with impact also due to Easter timing and amplified by some phasing. In the same period, profitability was also impacted by phasing of A&P and SG&A. On the other hand, sell-out outperformance continued in Q1 versus the spirits market across most geographies, with strong bounce back in April in markets impacted by Easter timing, demonstrating the ongoing strength of our brands.

- **Net sales €666 million**, down -4.2% organically and up +0.3% on a reported basis. The perimeter impact was +4.3% driven mainly by Courvoisier while FX effect was +0.2%.
- **EBIT-adjusted €136 million**, -17.2% organically and -10.2% on a reported basis with a margin of 20.4%.
- **EBITDA-adjusted €174 million,** -10.9% organically and -4.1% on a reported basis, with a margin of 26.1%.
- **Group profit before taxation at €107 million,** -26.1% on a reported basis. Group profit before taxation-adjusted of €114 million, -22.5%.
- **Net debt to EBITDA-adjusted ratio at 3.4 times** compared to 3.2 times in 2024, reflecting committed investments.

Simon Hunt, Chief Executive Officer: *'**We are maintaining a prudent approach given the current uncertain operating environment, affected also by tariff threats.** There was a soft start to the year impacted by heightened macroeconomic volatility in our smallest and lowest seasonality quarter, Easter timing in EMEA and logistic delays in the US market. At the same time, our **outperformance in sell-out is continuing across most geographies, which demonstrates the strength of our brands.** Looking forward, we confirm that our previously provided guidance for 2025 remains our target, while recognising that visibility is low. We remain confident in the **delivery of long-term sustainable growth** by leveraging* our ***powerful brand portfolio including accelerated geographic expansion*** *utilising our* ***existing footprint*** *and focusing on the quality of* ***commercial execution*** *and* ***pricing discipline****. At the same time, we commit to maximise the potential of the Group by driving* ***efficiency*** *through the already announced cost containment program while continuing to invest in brand building and completing our extraordinary capex program. We remain committed to* ***deleverage*** *and* ***streamline the portfolio*** *while* ***not foreseeing acquisitions****.'*.

2025 OUTLOOK

In the current uncertain macroeconomic environment and low visibility, the economic pressure on consumers and the uncertainty on the trade in connection with tariffs continues. In this backdrop, **Campari Group remains prudent for the short-term** and is focusing on the controllable including deleverage and cost management as well as commercial execution and pricing discipline with focus on portfolio streamlining while not foreseeing acquisitions.

For 2025, the company is targeting to achieve the previously provided guidance on the March 4th, 2025 while recognising that the visibility is low. The negative impact from tariffs, which is not included in the guidance, is expected to be around €25 million on EBIT in 2025 before possible mitigation actions. Additionally, the weakening US dollar may pose additional negative impact on FX.

MEDIUM-TERM OUTLOOK

Medium-term guidance remains confirmed. Campari Group expects to continue to **achieve outperformance** vs competition and **market share gains** leveraging its strong brands in growing categories with a **gradual return in the medium-term to mid-to-high single digit organic net sales growth trajectory** in a normalised macro environment, before impact of potential tariffs. **Gross margin** is expected to benefit from **sales growth, positive sales mix** driven by aperitifs, tequila and premiumization across the portfolio, as well as **COGS efficiencies. Accretion on EBIT margin** will be supported by **key company initiatives delivering 200bps overall benefit of SG&A to net sales in 3 years by 2027 and increased efficiency in brand building spend.**

REVIEW OF ORGANIC NET SALES BY GEOGRAPHY

- **Americas** (47% of total Group sales) declined by -6%. The **US** recorded -11% change due to impact of high volatility in the operating environment and threat of tariffs leading to destocking, mainly in SKYY, Grand Marnier and Wild Turkey as well as logistic delays, excluding which, the change would be -5%. Espolòn was impacted by a tough comparison base and softness in Blanco category trends while Aperol remained resilient. **Jamaica** recorded +5% growth driven by Jamaican brands off a low base given supply constraints last year as well as support from the normalisation in the local operating environment following impacts of the hurricane in July 2024. The **other markets in the region** recorded +7% growth mainly driven by Aperol and SKYY excluding **Brazil,** which was impacted by high comparison base (Q1 2024: +77%, 2-year stack +24%).
- **EMEA**[1] (46% of total Group sales) declined by -4%. **Italy** and **Germany** were down -3**%** and -10%, respectively, both impacted by phasing of shipments due to Easter timing. Both these markets would

1 Includes Global Travel Retail

have recorded a flat performance excluding the impact of Easter timing. **France** recorded a decline of -2% in a subdued market environment due to local brands despite the ongoing resilience in aperitifs. **UK** recorded a strong double-digit performance excluding bulk sales (+10%, reported -13%) with underlying growth driven by aperitifs, mainly Aperol. **Other markets in the region** recorded -2% despite ongoing growth in aperitifs, mainly driven by **GTR** and **Greece**, due to softer trends mainly in **South Africa** and **the Netherlands**.

- **APAC** (7% of total Group sales) grew +11%. **Australia** was up +16% with a positive performance mainly driven by the excellent execution in aperitifs at the Australian Open with an accelerated focus on on-premise activations. Wild Turkey bottle and RTD also contributed benefitting from an easy comparison base while Espolòn bottle and RTD reached 7% of total sales in the country with solid growth. **Other markets in the region** registered an overall positive performance of +4% driven by positive trends in **China**, on the back of prior route to market investments, and **South Korea**.

REVIEW OF ORGANIC NET SALES BY HOUSES OF BRANDS

- **House of Aperitifs** (44% of total Group sales) registered -1% performance. **Aperol** recorded a flat performance with solid growth in the Americas (+8%) offset by Easter timing impact in EMEA. **Campari** registered -5% impacted by Americas due to high comparison base in Brazil, softer trend in the US as well as Easter timing impact in Italy. **Other brands** grew +2% with **Crodino** showing a resilient performance across EMEA despite some pressure in Italy due to Easter timing while with **other aperitif brands** continued to grow supporting leadership position in the aperitif category.
- **House of Whiskey and Rum** (15% of total Group Sales) registered -2% decline. **Wild Turkey** was impacted by soft performance in the core US offsetting solid growth in APAC, including Australia and South Korea, as well as EMEA off a small base. The **Jamaican Rum portfolio** grew +5% with a positive performance across core markets off an easy comparison base due to supply shortages last year with solid underlying trends. **Other whiskey** declined by -6%, in line with pressure in category trends.
- **House of Agave** (9% of total Group Sales) was down by -2%. **Espolòn** was -5% driven by the core US with a decline in Blanco, partially offset by ongoing growth in Reposado (+5%), due to discipline in promotions and pricing in a period of tariff uncertainty as well as logistic delays. Seeding markets showed a positive performance off a small base, in line with the strategy of proactively building the brand internationally. **Other agave brands** recorded +29% growth driven by a strong trend in Montelobos and Ancho Reyes in the Americas as well as Espolòn RTD in core Australia.
- **House of Cognac and Champagne** (10% of total Group Sales) was down by -13%. **Grand Marnier** recorded -12% mainly driven by logistic delays as well as destocking and focus on pricing in the US, in a highly competitive environment. **Other cognac and champagne** registered -22% mainly impacted by **Bisquit&Dubouché** in South Africa as well as **Lallier** in the US and France, offsetting positive ongoing trend across various other countries. **Courvoisier**, which is in the perimeter and will be included in organic growth in May, recorded €32 million net sales with progressive investment in the US and UK while the definition of the plan for APAC is ongoing given the current volatile market.
- Lastly, **local brands** (22% of total Group sales) declined by -9%. **SKYY** recorded -8% due to persisting challenges in the category, in line with other major players in its core US market, more than offsetting growth in rest of Americas as well as APAC. **Sparkling wines and vermouth** -5% and **rest of the portfolio** -11%.

FIRST QUARTER 2025 RESULTS

Group sales totalled €666 million, up by +0.3% on a reported basis and -4.2% in organic terms. The perimeter effect was +4.3% (€29 million) mainly driven by Courvoisier (€32 million) and FX effect was relatively flat (€1 million).

Gross profit was **€391 million**, 58.8% of net sales, **up by +1.0%** on a reported basis. It declined by -4.3% organically leading to a flat gross margin as the positive COGS impact supported by declining agave cost and other input costs was offset by negative mix effect due to lower share in the US with minimal contribution from pricing.

Advertising and Promotion expenses (A&P) were **€92 million**, 13.8% of net sales, **up by +7.7%** on a reported basis. A&P increased organically by +2.4%, thus generating -90 basis points margin dilution due to accelerated activations in the on-premise for aperitifs ahead of peak season.

Selling, general and administrative expenses (SG&A) totalled **€163 million**, 24.5% of net sales, **up by +8.5%** on a reported basis. Organic growth of +5.1%, generated -220bps margin dilution, impacted by carry-over from previous quarters and muted sales with cost containment efforts expected to progressively reflect and be visible in the second half of the year.

EBIT-adjusted was **€136 million**, 20.4% of net sales, **down by -10.2%** on a reported basis. It was down organically by -17.2%, generating a margin dilution of -310 basis points impacted by phasing of A&P and SG&A as well as muted topline performance.

Operating adjustments were recorded as **€(7) million**, mainly due to the asset impairment in connection with a plant disposal.

Total **financial expenses were €(22) million** with an increase of €(10) million compared to Q1 2024, which included the benefit of interest income on higher cash position ahead of closing of Courvoisier acquisition. Average cost of net debt at 4.2% vs. 3.1% in Q1 2024.

Group profit before taxation was €107 million, down -26.1% while **Group profit before taxation-adjusted was €114 million**, down -22.5%.

Net financial debt at €2,460 million, up €(83) million vs 31 December 2024. **Net debt to EBITDA-adjusted ratio at 3.4 times** compared to 3.2 times in 2024.

FILING OF DOCUMENTATION

The additional financial information for the three months ended March 31st, 2025 is available to the general public on the Company's website (https://www.camparigroup.com/en/page/investors), and by all other means allowed by applicable regulations.

for such forward-looking statements. Further information on the Group and its activities, including those factors that may materially influence its financial results, are contained in the reports and documents of the Group deposited with the AFM. 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. For information on the definition of alternative performance measures used in this document, see the paragraph 'Definitions and reconciliation of the Alternative Performance Measures (APMs or non-GAAP measures) to GAAP measures' of the additional financial information for the three months ended March 31st, 2025.

ANALYST CONFERENCE CALL

Campari's management team will host a conference call to present the Group's First Quarter 2025 results on **Thursday May 8th, 2025 at 6:15 pm CET** following the release of the financial report, presentation and press release after market close at around 5:45 pm CET.

Simon Hunt, CEO and **Paolo Marchesini**, CFOO will host the conference call.

To join via **Webcast** (listen only), please click on the following link
https://87399.choruscall.eu/links/campari250508.html

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

Digital Playback. A digital playback of the conference call & webcast will be available from Thursday, May 8th for one week. To listen, please call the following number
(+39) 02 802 09 87
(Access code: **700931#**)
(PIN: **931#**)
Presentation slides. The presentation slides will be available to download from Campari's Investor Relations Home Page at the address after market close at around 5:45 pm (CET):
https://www.camparigroup.com/en/page/investors

FOR FURTHER INFORMATION

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ABOUT CAMPARI GROUP
Campari Group is a major player in the global spirits industry, with a portfolio of over 50 premium and super premium brands, spanning across Aperitifs, including iconic brands like Aperol and Campari, Agave spirits such as Espolòn tequila, Whiskeys and Rum, with Wild Turkey and Appleton Estate, as well as Cognac and Champagne, including Courvoisier and Grand Marnier. 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. Headquartered in Milan, Italy, Campari Group operates via 25 production sites worldwide and its

own distribution network in 27 countries. Campari Group employs approximately 5,000 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 -

Consolidated net sales breakdown by House of Brands for the first quarter 2025. From 2025, Campari Group's operating model combines four newly created Houses of Brands as below, interacting with the existing three regions.

	% on Group sales	change % of which:			
		Total	Organic	Perimeter	FX
House of Aperitifs	43.5%	-1.5%	-1.4%	-	-0.1%
House of Whiskey&Rum	15.0%	-1.0%	-2.3%	-	1.3%
House of Agave	9.5%	0.7%	-1.6%	-	2.3%
House of Cognac&Champagne	9.6%	76.6%	-13.4%	88.3%	1.7%
Local Brands	22.4%	-12.2%	-9.3%	-2.0%	-0.9%
Total	**100.0%**	**0.3%**	**-4.2%**	**4.3%**	**0.2%**

Consolidated net sales by geographic area for the first quarter 2025

	% on Group sales	change % of which:			
		Total	Organic	Perimeter	FX
AMERICAS	47.3%	-2.0%	-6.5%	4.1%	0.4%
EMEA	46.0%	1.5%	-3.9%	5.1%	0.3%
APAC	6.7%	10.2%	10.9%	1.1%	-1.8%
Total	**100.0%**	**0.3%**	**-4.2%**	**4.3%**	**0.2%**

Consolidated income statement[1]

	Q1 2025		Q1 2024		
	€ million	%	€ million	%	Change
Net sales	**665.6**	**100.0%**	**663.5**	**100.0%**	**0.3%**
Cost of goods sold[2]	(274.4)	-41.2%	(276.3)	-41.6%	-0.7%
Gross profit	**391.2**	**58.8%**	**387.2**	**58.4%**	**1.0%**
Advertising and promotional costs	(92.1)	-13.8%	(85.5)	-12.9%	7.7%
Contribution margin	**299.1**	**44.9%**	**301.7**	**45.5%**	**-0.9%**
SG&A[3]	(163.0)	-24.5%	(150.3)	-22.6%	8.5%
Result from recurring activities (EBIT-adj.)	**136.1**	**20.4%**	**151.5**	**22.8%**	**-10.2%**
Other operating income (expenses)	(7.0)	-1.1%	(2.2)	-0.3%	215.7%
Operating result (EBIT)	**129.1**	**19.4%**	**149.2**	**22.5%**	**-13.5%**
Financial income (expenses)	(21.8)	-3.3%	(11.9)	-1.8%	83.2%
Earn-out income (expenses) and hyperinflation effects	0.2	0.0%	8.1	1.2%	-97.9%
Profit (loss) related to associates and joint ventures	(0.7)	-0.1%	(1.1)	-0.2%	-37.6%
Profit before tax	**106.7**	**16.0%**	**144.3**	**21.7%**	**-26.0%**
Profit before tax-adj.	**113.7**	**17.1%**	**146.5**	**22.1%**	**-22.4%**
Non-controlling interests before tax	(0.4)	-0.1%	(0.7)	-0.1%	-50.5%
Group pre-tax profit	**107.1**	**16.1%**	**145.0**	**21.9%**	**-26.1%**
Group pre-tax profit-adj.	**114.1**	**17.1%**	**147.3**	**22.2%**	**-22.5%**
Depreciation and amortisation	(37.6)	-5.6%	(29.6)	-4.5%	26.9%
EBITDA-adj.	**173.7**	**26.1%**	**181.1**	**27.3%**	**-4.1%**
EBITDA	**166.7**	**25.0%**	**178.9**	**27.0%**	**-6.8%**

(1) Q1 2024 incorporates reclassification between COGS and SG&A related to Supply Chain functions that have progressively evolved into administrative and coordination roles in the new operating model. Q1 2024 impact: €6.0 million
(2) Cost of material, production and logistics
(3) Selling, general and administrative costs