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Campari Equity Research: Valuation and Strategic Outlook in a Globalized Spirits Market

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Abstract

This thesis presents an equity research and valuation of Davide Campari-Milano, a global leader in the spirits industry. Founded in 1860 in Milan, Campari has expanded through strategic acquisitions, now operating in over 190 countries with flagship brands such as Aperol, Campari, Wild Turkey, and Grand Marnier. The analysis includes a strategic review of the Group's global positioning, supply chain, and marketing strategy, with a focus on trends such as premiumization, digitalization, and changing consumer preferences. The financial section compares Campari to key competitors—Diageo and Pernod Ricard—across profitability, liquidity, and leverage metrics. A DCF valuation was conducted using a WACC of 4.48% and a terminal growth rate of 2%, yielding an implied share price of €5.6, slightly below the market price. A multiples-based valuation confirms that Campari trades at a premium to peers, likely due to its brand strength and growth expectations.

Keywords: Equity Research; Spirits; Beverage; Campari; Valuation

This report is part of the Campari Equity Research report (annexed), developed by Nicola Vincenzo Gaudio and Alessio Giuffrida, and should be read as an integral part of it. Although specific sections were divided for organizational purposes, the entire analysis was conducted jointly, and all parts reflect the shared contributions and agreement of both authors. The valuation and final conclusions are considered collective work and are included exclusively in the full report.

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Industry Analysis

Europe has a long history of producing and consuming wines, beers, and spirits, being one of the biggest and impactful markets for alcoholic beverages. The European spirits market's

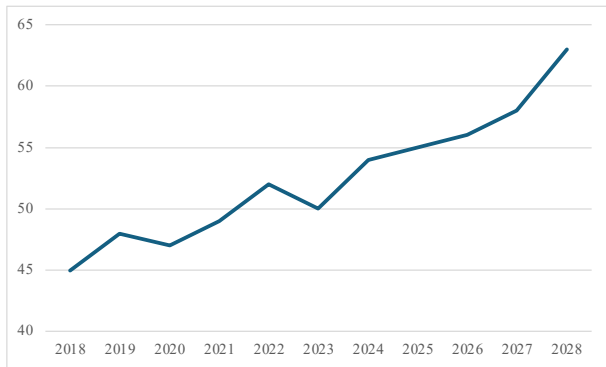


Chart 1: Revenue of the spirits market in Europe from 2018 to 2028 (in billions of euro)

revenue has been rising quickly, hitting €52 billion in 2023 and forecasted to reach €62.9 billion by 2028 (Statista, 2024). This positive and steady trend is fueled by market premiumization, where consumers prefer high quality, crafted products over the classic retail options. In Europe it was demonstrated

by analyzing the volume of spirits sold (Statista, 2024): for spirits the volume dropped by more than 5% from 2008 until 2019, whereas the value rose by 29%. This phenomenon can be described by customers who prefer higher quality over quantity, therefore this trend gave several brands lots of opportunities to differentiate themselves and improve the quality with handcrafted and more sustainable products. Covid-19 hit the market with a dip in the trend in 2020 but quickly recovered, surpassing over €53 billion in 2022 and maintaining its upward trend. This recovery has been backed up by higher on-trade sales like cocktail bars, restaurants, and hotels; moreover, the new trend of home mixology has improved spirit's awareness, which has led to a more responsible consumption within mixology enthusiasts and spirits connoisseurs. It's undeniable that consumer preferences are changing accordingly to new global trends: health-conscious consumers are shifting their preferences towards products with less alcohol, no alcohol, or with less calories. For instance, the non-alcoholic beer market has a much smaller market share compared to the traditional one, even though it has grown from 8 billion in 2019 to over 12 billion of € by 2029: the growth rate is way higher than that of alcoholic beer, suggesting people are going towards healthier and low calories alternatives. This rising

category of consumers prioritize labels that promote organic ingredients, plastic free packaging, and sustainable and ethical methods. The market for alcoholic beverages in Europe is changing quickly, with spirits continuing to see robust revenue growth and a wide range of customer preferences. Emerging markets like premium gin, tequila, and craft spirits are changing the business, even as more established categories like whiskey, vodka, and brandy continue to keep their dominance. In order to be competitive, businesses need to adjust to premiumization, sustainability, and health-conscious purchasing trends as the industry grows to reach €62.9 billion by 2028. Italian people commonly drink for social occasions, whether it's an *aperitivo* or while sharing a dinner with friends and family. As stated in the nation's alcoholic beverage market income, the trend has been increasing steadily after a steep dip in 2020 and 2021 after social restrictions deployed by the Italian government to slow down the pandemic expansion made this routine unattainable. Wine takes the lead of the most appreciated alcoholic drink among the others reaching a production volume of more than 38 million hectoliters. On the other hand, beer production was around two times lower whereas the production volume of the spirits was 36 times lower. This massive production of wine is reflected by Italy's exports, since it's the largest exporter of wine in the world, reaching 21.5 million hectoliters of wine shipped around the globe. Beer and spirit volume is modest compared to wine segment, reaching respectively 3.5 and 1.1 million hectoliters exported. The revenues stemming from exports were around 8 billion dollars from wine, 302 million dollars from beer, and 1.8 billion dollars from spirits and liquors (Statista. 2024). Over the next 5 years the total amount of revenues is expected to witness some fluctuations within the segment, but the wine one is expected to relentlessly maintain the lead.

DTC and E-Commerce in the Industry

In recent years, the spirits industry, like all other industries, has been impacted by the advent of new digital technologies. Campari has taken advantage of the new technological paradigm by increasing investment in online direct-to-consumer sales channels. One of the company's latest moves in this direction involves the acquisition of Tannico^(Green, Martin. 2020): a leading online wine and spirits retailer. At the day of the acquisition Tannico represented about 30 percent of Italy's online alcohol retail market and had already begun expanding into other countries, including the UK. In addition to Tannico, Campari has made several investments and launched agreements and partnerships to ride the current digital evolution. For example, Campari partnered with IBM^(IBM, 2023) to create a digital factory aimed at simplifying and streamlining the development and management of the websites of each of its brands, while improving the overall online user experience by increasing the power of online outlets and reducing the expenses associated with managing the online services themselves. This initiative has been a success, reducing the time it takes to launch a website by 50 percent and increasing consumer engagement on the brands' websites by about 20 percent.

However, Campari was not the only company to move in this direction. Diageo, for example, adopted a different approach to strengthen its online presence, pursuing various partnerships aimed at boosting online sales^(Green, Martin. 2021). Pernod Ricard, the world's #2 spirits group, has taken an aggressive route of acquiring e-commerce assets and building a dedicated DTC division^(Pernod Ricard. 2022). In late 2022, Pernod announced the creation of a new Direct-To-Consumer business unit to scale up its existing e-commerce ventures. This unit bundles several Pernod-owned online retailers – notably The Whisky Exchange, Drinks&Co, and Bodeboca – under one umbrella.

Porter's Five Forces

1. **Threat of new entrants**

The industry might seem attractive to new entrants due to potentially high profit margins; however, there are numerous barriers to enter, mainly associated to strong brand recognition of the incumbent firms and their control of distribution channels. Strong brand loyalty and well-established brand equity make it hard for newcomers to entice consumers away from familiar labels. Decades of marketing have created iconic brands like Campari. Moreover, the threat of new entrants is lowered by the needs significant capital requirements to benefit of economies of scale in order to compete in the market. Despite formidable barriers, recent years have seen a wave of craft distilleries and niche brands entering the market. Lower-cost digital marketing (social media, influencer campaigns) and shifting consumer tastes toward “authentic” local products have opened cracks in the entry barriers. These boutique entrants typically focus on specific spirit categories (e.g. craft gin, whiskey, or bitters) and can gain regional popularity. However, while niche players can emerge, they rarely attain the global scale to threaten giants like Campari. Moreover, these small businesses do not have long life, in fact one key strategy of the big players is to acquire small companies in order to expand their business. The proliferation of small brands increases product diversity and keeps established players alert to new trends. Campari has responded by innovating within its own portfolio and through acquisitions of promising brands. In the end it is possible to state that these factors make the threat weak to moderate.

2. **Bargaining power of buyers**

The biggest consumers for alcohol beverage companies are represented by hypermarkets and supermarkets (45%)(Global Growth Insights. 2025), which are not sensitive to brand recognition, but they are still attached to final consumers’ taste. Switching costs

for buyers are low, as supermarkets can easily replace one brand with another. Moreover, alcohol sales represent only a fraction of their total revenue, increasing their negotiating power, which increases the power of retailers. However, the power dynamic is mutually dependent: distributors need strong brands to attract customers, and retailers want popular products that drive traffic. Campari's portfolio includes high-demand brands – for instance, Aperol and Campari are staple ingredients in trendy cocktails. This brand strength limits buyers' leverage: a liquor store or bar cannot easily drop Aperol or Campari without disappointing customers. Thus, for Campari's top labels, buyers have lower power because they must stock these products to meet consumer demand. In contrast, for less differentiated or newly launched spirits, distributors and retailers may push back more on pricing and placement. The relationship between buyers and spirits produces is balanced but at the same time the industry is driven by tastes and willingness to pay of final consumer, so considering the influence of buyers and final consumers the final bargaining power of buyers is moderate.

3. Threat of substitute products.

The substitute products for the spirits industry include other alcoholic beverages (beer, wine), and non-alcoholic beverages. These alternative products can be found at different levels of quality and price. A person choosing a soft drink, mocktail, or even bottled water instead of an alcoholic cocktail represents a lost sale for spirits makers. This threat of substitutes has grown in recent years due to health and lifestyle trends (Arthur, Rachel. 2024). Campari and its rivals recognize this trend; some have introduced their own non-alcoholic line extensions or cocktails to recapture teetotaling consumers. It is therefore easy to find substitute products. The overall impact of substitutes is mitigated by the unique role of spirits in culture and cuisine (certain cocktails or aperitifs have no true

1:1 substitute for their flavor and effect). Campari's Aperol Spritz, for instance, offers a taste and social experience not exactly matched by a soft drink. Companies can rely on strong brand recognition and consumer loyalty, which makes the threat of substitutes weak. Overall, considering all the possibilities and the possibility to switch easily among the different options the risk posed by substitute is high-moderate.

4. Bargaining power of suppliers

The bargaining power of suppliers is moderate in the industry. The producers rely on various raw ingredients like neutral spirits or distillates, grains agave, sugar cane, fruits, herbs and botanicals, as well as flavorings and colorings. Most of these inputs are readily available commodities or agricultural products with multiple global suppliers. The supplier base is highly fragmented, which limits any single supplier's leverage. However, manufacturers are not free to change easily ingredients and to protect the taste differentiation they must stick to a single recipe in order to avoid a change in tastes. Moreover, one area of concern is packaging materials (glass bottles, caps, cartons) who are demanded by many industries and do not fear the bargain power of spirit manufacturers. Some specialty ingredients (like the botanicals or flavor extracts in bitters or agave for tequila) can face price volatility or tight supply. Overall, suppliers have limited bargaining power in this industry: raw materials are commoditized, and large distillers can diversify their supply base.

5. Rivalry among existing competitors

In general, the competition among the players in the industry is strong. The market is fragmented due to the presence of numerous independent large manufacturers. Rivalry is aggravated by high exit costs and by the lack of differentiation scope; it is however

limited by strong branding. Moreover, the rivalry is heightened by the fact that industry growth is moderate. In regions like Europe or North America where alcohol consumption is relatively flat, spirits makers compete fiercely via brand campaigns, price promotions, and innovation to steal share from each other. Despite the rivalry, the spirits sector is not purely a price war – it often emphasizes premiumization (encouraging consumers to “drink less but better”). As a result, much competition centers on brand image, quality, and innovation rather than just undercutting on price. Campari’s strategy exemplifies this: it has focused on acquiring and growing premium brands to compete at the high end. Rivalry also drives consolidation – major players frequently acquire smaller brands or even entire companies to expand market share and fill portfolio gaps.

Overall, the Porter five forces analysis suggests high rivalry among the incumbent firms. The situation aggravated in recent years due to negative value and volume growth of the European spirit’s market. Despite this, Campari gained maximum value share in the period from 2017 to 2022. Furthermore, forecasts predict an increase in both market value and market volume within 2027.

Financial Analysis

Before presenting the financial analysis, it is important to briefly outline the methodology adopted. Two of Campari’s main competitors—Diageo and Pernod Ricard—were selected for benchmarking purposes. However, at the time of writing, the most recent available data in common for all companies referred to 2023. Therefore, all the analysis that include comparisons

with peers are based on financial statements as of 31/12/2023, retrieved using the Refinitiv Eikon platform. Since the fiscal year-end dates of the comparable companies differ, to ensure consistency in comparison, all figures analyzed during the peers analysis were converted to a semi-annual basis. Coming to the analysis of Campari alone without any peers at the side, the evaluation is based on annual data from the latest available financial statement, with a fiscal year ending on 31/12/2024.

Revenue performance and growth trends of Campari

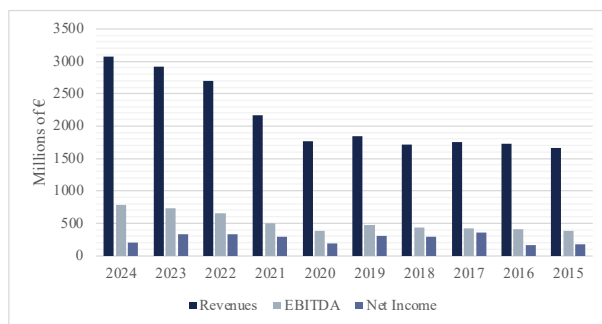


Chart 2: Revenues, EBITDA and Net Income of Campari

The analysis of Campari's financial data highlights stable revenue performance but draws attention to certain issues related to net income and net margins during 2024. As of December 31, 2024, revenues amount to €3,069.7 million, showing a growth of 5.2%

compared to the previous year. Analyzing the historical trend, despite the alcoholic beverage sector not experiencing its best period, revenue growth has been generally positive between 2015 and 2024, although with some downturns, such as in 2020 due to the pandemic. As noted in the company's latest financial report, this revenue increase may be attributed to the erosion of market shares held by Campari's competitors. EBITDA increased by 7.9% in 2024 and 11.8% in 2023, reaching €782 million, with the EBITDA margin continuing to improve to 25%, compared to 24% of 2022 and 23% of 2021. This indicates a decent ability to control operating costs despite the overall rise in expenses. Net profit recorded a drop of 39% in the last year, amounting to €201.6 million. The main reason, as explained in the financial statement of the company itself, for this drop is due to exceptional restructuring costs, higher financial expenses

from the Courvoisier acquisition, impairment losses, and rising operating costs that outpaced revenue growth. In 2024, Campari experienced a notable decline in its profitability ratios, with Return on Assets (ROA) falling to 2.4% from 5.0% in 2023, and Return on Equity (ROE) decreasing to 5.2% from 11.3%. These are the lowest values in the last decade and fall well below the historical averages of 5.1% (ROA) and 11.4% (ROE). The deterioration is primarily attributed to the drop in net profit that fell due to extraordinary operating costs which included restructuring charges, brand impairments, and acquisition-related expenses—especially related to Courvoisier. Moreover, higher financial expenses, stemming from increased debt levels and rising interest rates, impacted net income as well. At the same time, capital employed increased significantly due to heavy investment (like the new Headquarter) and M&A, leading to lower efficiency in asset and equity returns despite stable revenues.

Profitability margins comparison

Analyzing Campari's Gross and EBITDA margins of 2023 with those of its two main competitors reveals some critical issues. Campari's latest Gross Margin is stable at 57%, lower

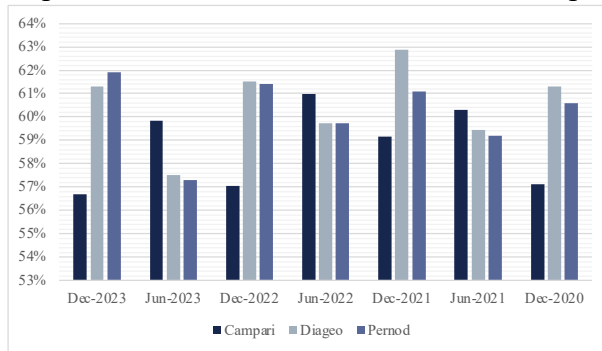


Chart 4: Gross Margin of Campari, Diageo and Pernod

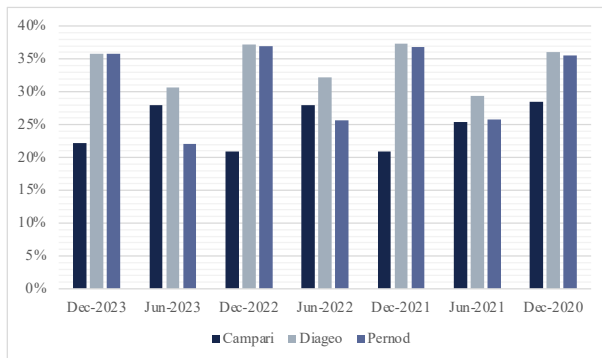


Chart 5: EBITDA Margin of Campari, Diageo and Pernod

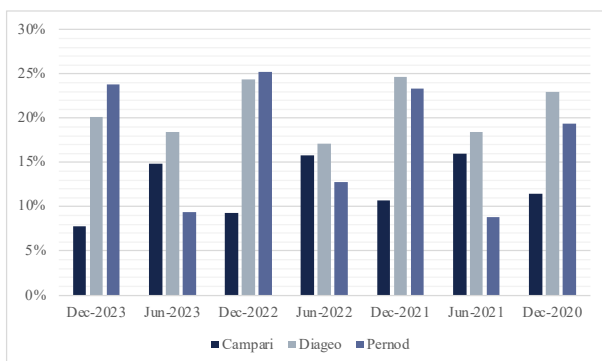


Chart 6: Net Margin of Campari, Diageo and Pernod

than those of Pernod and Diageo which are both around 60%. It is interesting to note that when analyzing gross margin on a semester-by-semester basis, it is difficult to determine who is the winner because in some semesters, almost on a cyclical basis, Campari has a slightly better gross margin than its competitors, and in other semesters, however, competitors have it slightly better. The EBITDA Margin, on the other hand, represents a pain point for Campari when compared. In fact, it is systematically lower than that of its two competitors. As of 12/31/2023 with semiannual data, Campari had a margin of 22% with an average of 25% while Diageo and Pernod show an average of 34% and 30% respectively. The reason for Campari's underperformance can probably be found in worse supply chain optimization and operations management. The situation is

even more severe regarding the Net Margin. As it is observable from chart 6, Campari consistently reports a net margin lower than its competitors.

Liquidity and financial stability

Campari shows a cash ratio of 0.51 in 2023, below its historical average of 0.77 but higher than Diageo (0.14) and Pernod Ricard (0.30). This indicates a better ability for Campari to immediately meet its current debts with cash and cash equivalents, though it still falls short of excellent levels. Overall, Campari's current ratio stands at 1.98, below the historical average of 2.18 but higher than Diageo's ratios (1.58) and similar to Pernod Ricard's (2.08). Although this value is sufficient to cover current liabilities, the reduction from the historical average could suggest greater pressure on working capital management. Looking also at the cash ratio and

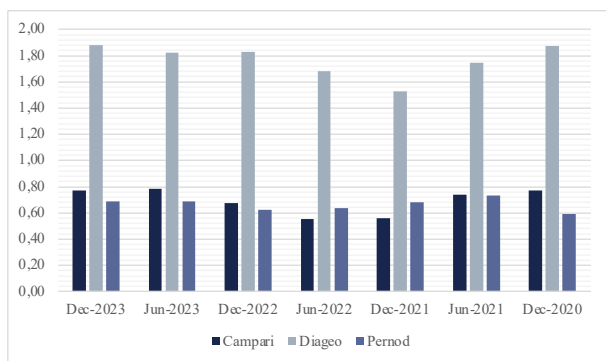


Chart 7: Debt-to-Equity ratio of Campari, Diageo and Pernod

quick ratio, it is possible to say that Campari demonstrates a more conservative approach to cash management than Diageo and Pernod Ricard, but it is important to note that the trend is not extremely positive. In fact, the indicators are contracting over time lying below historical values. Campari's debt-to-

equity ratio in 2023 is 0.77, in line with the average for the period analyzed. This figure reflects a balanced financial structure, especially when compared with Diageo (1.88), which has a significantly higher level of leverage. On the other hand, Diageo has a slightly more conservative approach in managing the ratio between Debt and Equity, in fact both the last value and the average value are slightly below the value of Campari. Campari's interest coverage ratio in 2023 is declining, standing at 5.94 in the last semester of 2023, below the average value of 9.85. Diageo (6.30) and Pernod Ricard (9.79) report higher values, indicating more efficient debt management and greater relative operating profitability. Campari needs to improve its control over interest expenses to ensure greater financial resilience. The company is fairly leveraged, Campari's Net Financial Debt/EBITDA ratio in 2023 stands at 4.99, above

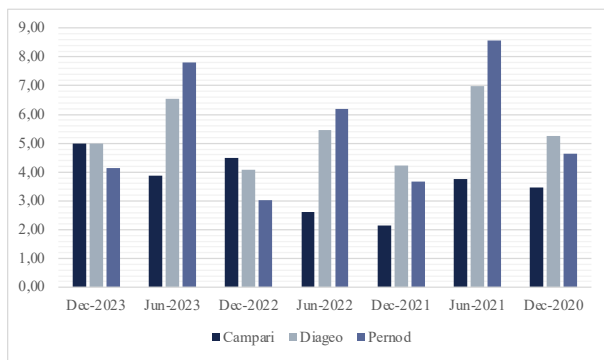


Chart 8: NFD/EBITDA Ratio of Campari, Diageo and Pernod

the historical average of 3.75. The value of Campari is slightly less favorable than Pernod Ricard's 4.14 one and it is equal to the value reported by Diageo. A high ratio indicates increased vulnerability to debt, reducing the company's financial flexibility.

Working Capital and Cash Conversion Cycle

With an average of 219.7 days, Campari's Cash Conversion Cycle (CCC) on semiannual basis falls between that of its main competitors: higher than Diageo, which averages 174.5 days, but lower than Pernod Ricard, with an average of 359.46 days. In 2023, Campari's CCC changed by -13% in June and -7% in December, reaching 207.03 days at year-end, reflecting an overall improvement compared to the previous year-end of 238.96 days. Despite attempting to maintain a lower Days Inventory Outstanding level than Pernod Ricard and aiming to record a competitive value of Days Sales Outstanding, Campari's relatively limited Days Payable Outstanding still represents an area for improvement being largely below the calculated values of its two comparable companies. Reducing the overall working capital cycle by adopting more aggressive payment terms and improving supply chain efficiency could help Campari free up additional financial resources to support strategic initiatives.

Cost of Capital

The cost of capital was estimated using the WACC methodology, incorporating each company's cost of equity and after-tax cost of debt, weighted by their respective capital structures. The

risk-free rate is based on the current yield of 10-year German government bonds, while the equity risk premium applied is country-specific: Italian ERP for Campari, UK ERP for Diageo, and French ERP for Pernod Ricard provided by Damodaran. In order to calculate cost of debt and the amount of debts and equity we used figures at 31/12/2023. For the cost of debt, we divided the “Interest Expense – Net of Capitalized Interest” by the total debt. We chose this specific item because it better reflects the actual interest burden incurred by the company on its financial obligations, excluding capitalized interest, which does not represent a current cash outflow. For the cost of equity, we used the CAPM formula by adding to the risk-free rate the product of the company's beta (as extracted from Refinitiv) and the respective ERP. Campari shows a cost of equity of 5.3%, slightly higher than Pernod Ricard (5%) and Diageo (4.6%), largely due to a higher Italian ERP event tough lower beta. The cost of debt, adjusted for tax rates, is lowest for Campari at 1.9%. Overall, Campari’s WACC stands at 3.7%, higher than Diageo’s 2.7% and Pernod’s 3.5%, reflecting a more expensive capital structure and increased exposure to country-specific risk.

Stock market performance

Analysis of the performance of Campari, Diageo, and Pernod stocks shows significant differences in yield, volatility, and growth, providing a comprehensive overview of their market



Chart 9: Campari's share price

performance. Campari stands out with an average monthly return of 0.7%, higher than Diageo (0.2%) and Pernod (0.1%). From a risk and volatility perspective, Campari has a standard deviation of returns of 6.6%, higher



Chart 10: Diageo's share price



Chart 11: Pernod's share price

than Diageo (5.0%) and Pernod (5.4%). However, Campari's unadjusted Sharpe ratio of 10.8% indicates that the additional return per unit of risk is significantly better than Diageo (3.8%) and Pernod (2.5%), suggesting an attractive risk-return profile for

investors. Campari recorded its best monthly return in March 2016, with an increase of 21.2%,

showcasing its ability to capitalize on favorable market conditions. However, it also experienced a decline of -18.7% in October 2024. In comparison, Diageo and Pernod reported lower peak returns, at 15.8% and 18.9% respectively, with less pronounced declines (-10.2% and -15.7%), confirming

lower volatility compared to Campari. Campari offers higher average returns, but this performance is offset by higher volatility, which makes the stock more exposed to extreme market movements. Diageo and Pernod, on the other hand, exhibit greater price stability followed by lower volatility and more moderate overall growth.

Full Report

Campari Equity Research

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Abstract

This thesis presents an equity research and valuation of Davide Campari-Milano, a global leader in the spirits industry. Founded in 1860 in Milan, Campari has expanded through strategic acquisitions, now operating in over 190 countries with flagship brands such as Aperol, Campari, Wild Turkey, and Grand Marnier. The analysis includes a strategic review of the Group's global positioning, supply chain, and marketing strategy, with a focus on trends such as premiumization, digitalization, and changing consumer preferences. The financial section compares Campari to key competitors—Diageo and Pernod Ricard—across profitability, liquidity, and leverage metrics. A DCF valuation was conducted using a WACC of 4.48% and a terminal growth rate of 2%, yielding an implied share price of €5.6, slightly below the market price. A multiples-based valuation confirms that Campari trades at a premium to peers, likely due to its brand strength and growth expectations.

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Company Overview

Campari was founded in 1860 following an invention by the liquorist Gaspare Campari in Milan. The company opened its first production facility in 1904 on the outskirts of Milan, in Sesto San Giovanni. This site remains the company's headquarters today. Since its inception, the brand's bond with Italian art and worldly culture has been inseparable. The first product was Bitter Campari, also known as Campari Rosso, an alcoholic aperitif made with herbs, spices, and fruit, characterized by its bright red color and distinctive bitter taste. Its unmistakable red color became a cornerstone of Italian drinking culture through numerous advertising and artistic collaborations, such as the partnership with Fellini in 1984 and the organization of the 1990 FIFA World Cup in Italy. The years 2001 and 2003 mark two key dates in Campari's history. In 2001, the company was listed on the stock exchange, while in 2003, it acquired the famous Aperol brand. Over the years after the listing, numerous acquisitions followed, making Campari the owner of several brands within the spirits and spumante sector. The Campari Group has a global presence, operating directly in 27 countries and distributing products in 190 countries, including key markets in Europe, North America, Asia, and Latin America. It employs 4,900 workers and owns 25 production facilities worldwide, while maintaining some of its most important production sites in Italy, such as the Nove Ligure plant, which is among the largest producers of Aperol. Today, Campari Group pursues a growth strategy focused on the premiumization of its product portfolio and expansion into high-potential markets. The company aims to drive the growth of its globally prioritized brands, such as Aperol and Campari, through outstanding marketing and innovation, and to strengthen its presence in emerging markets through targeted acquisitions and direct control of distribution. Campari's marketing strategy strongly emphasizes the connection to quality and the traditions tied to each product. The group's primary target is premium consumers who are willing to pay above-average prices for high-end products.

Campari's Brand Portfolio

Campari Group's business spans three principal lines: spirits, wines, and non-alcoholic beverages. Campari Group's portfolio spans a broad range of categories, but the Campari's strategic focus is squarely on spirits – as noted in company strategy, “*Spirits are the company's core business and where it focuses its acquisition efforts*”.

- **Aperitifs & Bitter:** these bitter/aperitif brands are at the core of Campari's Italian heritage and global aperitif strategy and the main actor in the Campari Group revenue model representing the 43% of the sales in 2024. Among the brands we must mention Campari itself who does around 25% of the total sales of the group. Followed by famous brands as Aperol (another red bitter aperitif), Cinzano (vermouth) and Crodino (an alcohol-free bitter aperitif).
- **Whiskies:** Wild Turkey (Kentucky straight bourbon whiskey, including Russell's Reserve and other expressions) – a global priority brand for Campari. Forty Creek (Canadian whisky), acquired in 2014, and Glen Grant (single malt Scotch whisky, distillery in Scotland) are also part of the whisky portfolio. Campari Group has also invested in new bourbon production with its 2022 acquisition of the Wilderness Trail distillery in Kentucky (to expand its American whiskey offerings).
- **Rum:** Appleton Estate (premium aged Jamaican rum) – a global priority brand, and Wray & Nephew Overproof Rum (high-strength white rum from Jamaica), both acquired through the 2012 purchase of Lascelles deMercado. Campari also owns Trois Rivières and La Mauny (agricole rums from Martinique, acquired in 2019) and the local

Jamaican rum brand Kingston 62. These rum brands give Campari Group a strong presence in the rum category across the Caribbean.

- **Tequila and Mezcal:** Espolòn (100% agave tequila from Mexico) – a high-growth brand in the portfolio (Campari’s “House of Agave” segment). Campari also owns Cabo Wabo tequila (acquired in 2007) and launched Mayenda premium tequila in 2023. In mezcal, the Group added Montelobos mezcal to its portfolio (acquired in 2019 alongside Ancho Reyes). These agave-based spirits are an important growth area for the company.
- **Vodka & Gin:** SKYY Vodka (a U.S.-origin vodka brand, part of Campari’s global priorities) and Bulldog Gin (a premium London Dry-style gin acquired in 2017) are the flagship brands in this segment. Campari Group also markets gins like Bickens (UK) and O’ndina (Italy) in selected markets.
- **Liqueurs & Specialty Spirits:** Grand Marnier (French orange liqueur made with Cognac) – a global priority brand acquired in 2016. Frangelico (Italian hazelnut liqueur), Ancho Reyes (Mexican chile liqueur), Sagatiba (Brazilian cachaça), X-Rated (fusion liqueur), Zedda Piras (Sardinian myrtle berry liqueur, and Dreher (Brazilian cane brandy) are among other liqueurs and specialties in the portfolio. Campari Group’s range of bitter liqueurs and sweet liqueurs support its presence in the cocktail and after-dinner segments.
- **Cognac & Sparkling Wine:** these products contribute with just 8% in 2024 of the sales of the group. Courvoisier (one of France’s historic “Big Four” cognac houses) – acquired in 2023, marking Campari’s entry into the Cognac category. The Group also owns Bisquit & Dubouché Cognac (acquired in 2017). In wines, Campari’s key brands are Champagne Lallier (a boutique champagne house acquired in 2020) and a portfolio of Italian sparkling wines including Cinzano (Asti and Prosecco under the Cinzano brand), Mondoro and Riccadonna (Italian sparkling wines). The company also still owns

Italian still wine producers such as Sella & Mosca (Sardinia) and Teruzzi & Puthod (Tuscany), acquired in 2016, though these are smaller contributors.

Campari Shareholders Structure

Campari Group is majority-controlled by Lagfin S.C.A., the holding vehicle of the Garavoglia family. As of the end of 2024, Lagfin S.C.A. held 51.73% of Campari's ordinary share capital. This stake makes Luca Garavoglia (Campari's Chairman, who indirectly controls Lagfin) the controlling shareholder. Due to Campari's loyalty voting scheme, Lagfin's voting power is even higher – about 82.6% of total voting rights as of Dec 31, 2024. The loyalty voting system rewards long-term shareholders with extra voting rights. If a shareholder holds ordinary shares for 2, 5, or 10 years without interruption, they receive special voting shares that increase their voting power to 2, 5, or 10 votes per share, respectively. After 10 years, these shares can be converted—during set windows in 2028 and 2030—into special ordinary shares that grant 20 votes each. The company itself held approximately 2.3% of its own ordinary shares in treasury at year-end 2024. These shares carry no voting rights and are typically used for purposes like incentive plans or M&A funding. No other single shareholder exceeded the 3% disclosure threshold in 2024, meaning the remaining ownership is widely distributed among institutional investors and the public. The largest institutional investors each hold only small stakes (under 3%). For instance, Comgest, BlackRock, and Vanguard were among Campari's largest minority shareholders, with roughly 2.9%, 2.1%, and 1.6% of shares respectively. Each of these remains below the reporting threshold, indicating a very dispersed free float.

Strategic Analysis

Global market presence

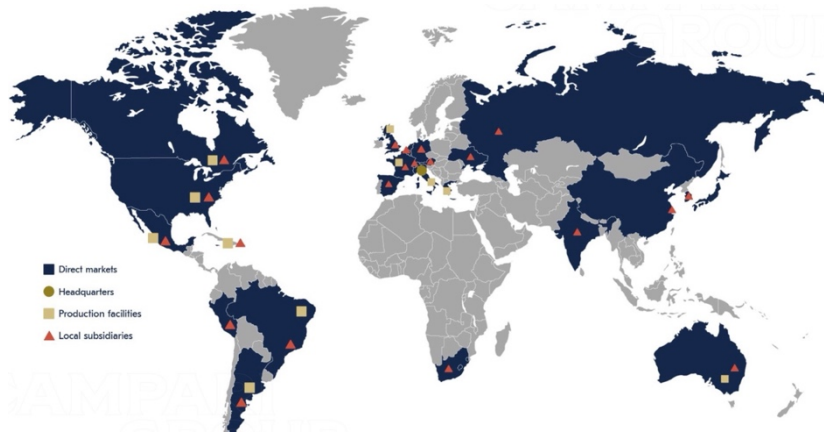


Figure 1: Global presence of Campari

about 180 other markets. Major countries where Campari has direct sales and marketing operations include Italy, Germany, the UK, Austria, Belgium, Switzerland, Russia, and Ukraine in Europe, the United States, Canada, Jamaica, Brazil, Mexico, and Argentina in the Americas, as well as markets in Asia-Pacific such as Australia and China. Europe is the company's historical home and remains extremely important. In the latest full-year results, the

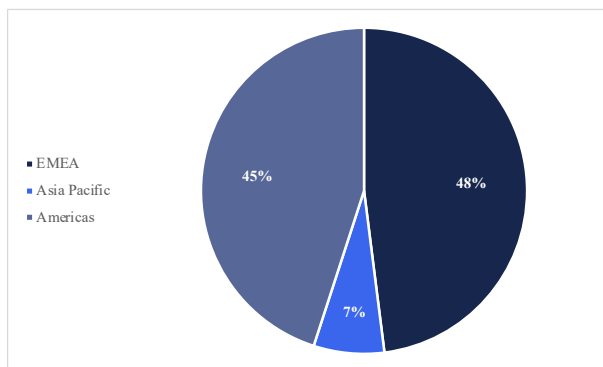


Chart 1: Breakdown by region of Campari's sales

Europe/Middle East/Africa region (EMEA) accounted for about 48% of Campari's sales, nearly half of the business. Within EMEA, Italy is the single largest market – the company's "home base" – with continued growth driven by the aperitif culture. Other

key European markets include Germany (a major Aperol and Campari market with double-digit growth in recent years) and the United Kingdom. Even as the company expands globally, Europe provides a stable core of sales and a testbed for new brands and innovations. The Americas region contributes roughly 45% of group sales. The United States is Campari Group's

largest single market worldwide, driven by brands like Wild Turkey bourbon, Espolòn tequila, Appleton rum, and the spread of Aperol and Campari in American cocktail culture. The company's strategy emphasizes strengthening its penetration in core developed markets and expanding in emerging markets through both organic growth and acquisitions.

Supply Chain and Operations

The company operates 25 production facilities worldwide to manufacture its diverse portfolio of spirits and wines. Production is fairly global but with key hubs in certain locations corresponding to major brand origins. Italy remains a central manufacturing base. The Group's single largest production site is the Novi Ligure plant in Piedmont. Novi Ligure alone produced 29% of the Group's total product volume in 2023. This plant includes a specialized herbs infusion center (opened in 2015) for processing the botanical ingredients used in Campari Group's aperitifs and liqueurs. Other Italian production sites include facilities in Canale d'Alba (vermouth and sparkling wine production), near Naples (where the Averna and Braulio herbal liqueurs are produced), and in Alghero, Sardinia (Sella & Mosca winery and the Zedda Piras myrtle liqueur). Campari's supply chain extends to the Americas for its rum, bourbon, and tequila brands. In Jamaica, the company owns the Appleton Estate distillery and aging facilities in Nassau Valley (for Appleton Estate rum) and also produces Wray & Nephew Overproof rum locally. In the United States, Campari owns the Wild Turkey Distillery in Lawrenceburg, Kentucky, where Wild Turkey bourbon (and related brands like Russell's Reserve) are distilled and aged. In Canada, Campari operates the Forty Creek distillery in Ontario for its Canadian whisky. In Mexico, the Espolòn tequila is produced at the San Nicolás distillery in Los Altos, Jalisco (which Campari obtained in its 2009 acquisition of Espolòn) and the Group sources agave from the Jalisco highlands. Mezcal Montelobos is sourced from Oaxaca, working with

local mezcalteros. With the acquisition of Maison Grand Marnier (2016) and the recent addition of Courvoisier (whose deal closed in 2023), Campari now has production operations in France. Grand Marnier's production involves blending cognac and orange essence (likely still done in France), while Courvoisier comes with distilleries and aging cellars in the Cognac region (Jarnac). Campari also owns Champagne Lallier in Reims, producing its range of Champagnes. Campari Group's footprint includes smaller production assets elsewhere: for example, it owns a gin distillery in the UK (for Bulldog or Bickens gin production) or distilleries in Brazil for typical and local products.

Given its diverse brands, Campari Group sources a wide array of raw materials globally. Key inputs include: grains (corn, rye, barley) for whiskeys and vodka; sugarcane and molasses for rums; blue agave for tequilas; grapes for wines, vermouths, and cognac; herbs, spices, fruits and botanicals for its bitters and liqueurs.

Once produced and bottled, Campari Group's products are distributed through its global network. In markets with a Campari subsidiary, the local Campari company imports (or produces) the product and handles sales and marketing. In other markets, Campari contracts with third-party distributors or import partners to reach consumers.

Campari's Corporate Social Responsibility

Campari Group's Corporate Social Responsibility strategy is deeply integrated into its philosophy, focusing on people development, responsible consumption, sustainability, and cultural promotion. The company fosters growth of the personnel through continuous learning initiatives, encouraging employees to take charge of their professional development while also promoting well-being and work-life balance. Beyond internal efforts, Campari actively supports responsible drinking through educational initiatives, bartender training programs, and

adherence to strict marketing guidelines to ensure ethical communication. Sustainability is a cornerstone of the Group's activities, with commitments to energy efficiency, decarbonization, responsible sourcing, and circular economy principles. Investments in renewable energy and water conservation demonstrate Campari's proactive approach to reducing environmental impact. Finally, since its foundation, the company has maintained a strong connection with art and cinema, supporting cultural initiatives such as the Venice International Film Festival and the Campari LAB for emerging filmmakers.

SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats).

- **Strengths:**

1. **Brand Reputation and Presence** - Campari's longstanding brand reputation is built on heritage and quality, making it a globally trusted name with presence all over Italy. Strong brand recognition and a diversified spirits portfolio give Campari robust pricing power and resilience across multiple drink categories.
2. **Strong Distribution Network** - Campari efficiently reaches consumers globally through a comprehensive distribution network. It owns 25 production facilities worldwide and operates its own distribution network in 27 countries, covering nearly all major markets in the Americas and Europe. In total, Campari products are sold in over 190 nations globally.
3. **Marketing and Advertising** - Campari engages consumers effectively with captivating marketing campaigns across various platforms. It leverages a mix of traditional advertising and digital/social media campaigns to engage consumers across markets. The company's Campari Academy and creative brand activations

(like the annual Campari Calendar or Aperol-sponsored events from music festivals to tennis tournaments) have reinforced its brands' lifestyle appeal.

- **Weaknesses:**

1. **Dependence on Aperitif Segment** - A significant portion of Campari Group's revenue comes from a few flagship products, which exposes the company to concentration risk. Furthermore, the aperitif business is seasonal – consumption of spritzes and bitters tends to spike in the warm months of May–September and drop off in winter(Olson et al. 2021). Campari's heavy reliance on the aperitif segment for a significant portion of its revenue leaves it vulnerable to fluctuations in consumer preferences within this niche market.
2. **Limited Geographic Diversification** - Despite its global footprint, Campari's revenue is concentrated in a few regions and markets, with comparatively less penetration in certain emerging markets. This heavy dependence on mature Western markets can be a weakness if those economies slow down or if consumer trends shift. The geographic imbalance means Campari is not fully benefiting from faster growth regions, and it remains vulnerable to conditions in its core markets.

- **Opportunities:**

1. **Global Expansion:** Campari can explore new markets and regions to drive growth and tap into new consumer segments, expanding internationally. Campari Group has substantial room to grow its business in emerging markets and regions where it currently has a smaller presence, like in Asia-Pacific region which is the world's largest spirits market by value(GlobeNewswire. 2025).

2. Product Diversification: Campari can introduce new spirits or premium variations of existing products. This move can cater to evolving consumer preferences, strengthening Campari's market position and brand loyalty. The company's track record of acquisitions suggests it could seize attractive small brands in trending categories to broaden its range.

- **Threats:**

1. Regulatory Constraints - Campari faces the constant threat of stricter alcohol laws, higher taxes, and other regulatory actions across its markets. Future regulations aimed at reducing alcohol consumption – such as tougher advertising restrictions, health warning labels, or significant excise tax increases – could directly dampen demand for Campari's products. For example, some countries are considering new warning labels on alcohol packaging (highlighting health risks), and many jurisdictions have tightened limits on liquor advertising (especially targeting youth).
2. Competition - Intense competition from both local Italian brands and international competitors poses a threat to Campari's market share and profitability (ex: Martini or Emperador Distillers). There is a risk that big competitors could aggressively push pricing promotions or new product launches that erode Campari's market share in key categories. On the other end of the spectrum, craft and local brands pose competitive threats by capitalizing on authenticity or niche trends (e.g., craft bitters, local gins). These small players, while fragmented, collectively nibble at market share and can put pressure on Campari's brands to keep up with trends.
3. Economic Factors - As a purveyor of discretionary consumer goods, Campari is vulnerable to macroeconomic downturns and cost fluctuations. In times of economic stress (recessions, high inflation, or crises), consumers may cut back on dining out

or purchasing premium spirits, opting for cheaper alternatives or reducing alcohol consumption altogether.

Campari's SWOT shows its solid branding and global strategy, but notes a reliance on the aperitif segment, with geographic concentration risks and limitations in flexibility due to market fluctuations. The company can grow by exploring new markets, expanding product lines and leveraging premium products for growth. However, regulation and competitive pressures can pose potential challenges which could affect profitability and operations.

Tariff's Threat

One risk that deserves particular attention is the set of tariffs imposed—and threatened—by the newly elected President of the United States. These tariffs could significantly impact Campari's business, as a large share of its products is exported to and consumed in the U.S. According to a company press release, a 25% tariff could result in an estimated impact of 90 to 100 million of € over the next 12 months, if no immediate countermeasures are taken. In its pricing decisions, the group aims to keep prices as stable as possible in order to preserve demand, while continuing to implement cost-cutting strategies(Reuters, 2025).

Two potential scenarios can be outlined: one involving full and aggressive enforcement of tariffs, and a second, more moderate one. In the case of full implementation of Trump's protectionist threats, Campari may face either a reduction in sales volume due to price increases or a decrease in unit contribution margins if it chooses to absorb the tariffs. We'd expect industry-wide margin compression in the near term as firms like Campari, Pernod Ricard, and Diageo try to avoid fully alienating U.S. consumers with price hikes. In a more optimistic scenario with partial tariff enforcement, the impact could be more limited and, under certain

conditions, even slightly positive. Premium and luxury brands may behave as Giffen goods—where higher prices can signal exclusivity and, paradoxically, drive more consumer interest. While this remains a remote hypothesis, a relevant example from a different industry illustrates this phenomenon: when Ferrari announced a 10% increase in the average price of its supercars in the U.S., the news was followed by a rise in its share price and in the company’s perceived market value.

Industry Analysis

Europe has a long history of producing and consuming wines, beers, and spirits, being one of the biggest and impactful markets for alcoholic beverages. The European spirits market’s

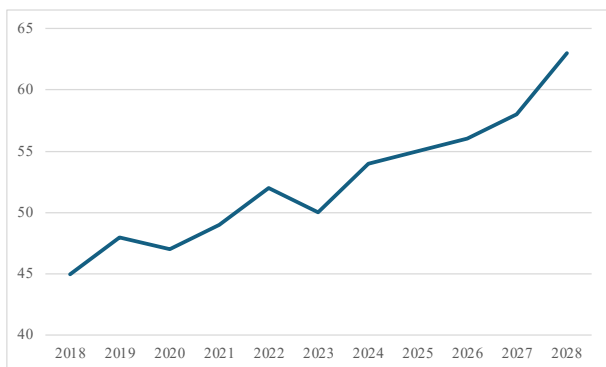


Chart 2: Revenue of the spirits market in Europe from 2018 to 2028 (in billions of euro)

revenue has been rising quickly, hitting €52 billion in 2023 and forecasted to reach €62.9 billion by 2028 (Statista, 2024). This positive and steady trend is fueled by market premiumization, where consumers prefer high quality, crafted products over the classic retail options. In Europe it was demonstrated

by analyzing the volume of spirits sold (Statista, 2024): for spirits the volume dropped by more than 5% from 2008 until 2019, whereas the value rose by 29%. This phenomenon can be described by customers who prefer higher quality over quantity, therefore this trend gave several brands lots of opportunities to differentiate themselves and improve the quality with handcrafted and more sustainable products. Covid-19 hit the market with a dip in the trend in 2020 but quickly recovered, surpassing over €53 billion in 2022 and maintaining its upward trend. This recovery has been backed up by higher on-trade sales like cocktail bars, restaurants, and hotels;

moreover, the new trend of home mixology has improved spirit's awareness, which has led to a more responsible consumption within mixology enthusiasts and spirits connoisseurs. It's undeniable that consumer preferences are changing accordingly to new global trends: health-conscious consumers are shifting their preferences towards products with less alcohol, no alcohol, or with less calories. For instance, the non-alcoholic beer market has a much smaller market share compared to the traditional one, even though it has grown from 8 billion in 2019 to over 12 billions of € by 2029: the growth rate is way higher than that of alcoholic beer, suggesting people are going towards healthier and low calories alternatives. This rising category of consumers prioritize labels that promote organic ingredients, plastic free packaging, and sustainable and ethical methods. The market for alcoholic beverages in Europe is changing quickly, with spirits continuing to see robust revenue growth and a wide range of customer preferences. Emerging markets like premium gin, tequila, and craft spirits are changing the business, even as more established categories like whiskey, vodka, and brandy continue to keep their dominance. In order to be competitive, businesses need to adjust to premiumization, sustainability, and health-conscious purchasing trends as the industry grows to reach €62.9 billion by 2028. Italian people commonly drink for social occasions, whether it's an *aperitivo* or while sharing a dinner with friends and family. As stated in the nation's alcoholic beverage market income, the trend has been increasing steadily after a steep dip in 2020 and 2021 after social restrictions deployed by the Italian government to slow down the pandemic expansion made this routine unattainable. Wine takes the lead of the most appreciated alcoholic drink among the others reaching a production volume of more than 38 million hectoliters. On the other hand, beer production was around two times lower whereas the production volume of the spirits was 36 times lower. This massive production of wine is reflected by Italy's exports, since it's the largest exporter of wine in the world, reaching 21.5 million hectoliters of wine shipped around the globe. Beer and spirit volume is modest compared to wine segment, reaching

respectively 3.5 and 1.1 million hectoliters exported. The revenues stemming from exports were around 8 billion dollars from wine, 302 million dollars from beer, and 1.8 billion dollars from spirits and liquors (Statista. 2024). Over the next 5 years the total amount of revenues is expected to witness some fluctuations within the segment, but the wine one is expected to relentlessly maintain the lead.

DTC and E-Commerce in the Industry

In recent years, the spirits industry, like all other industries, has been impacted by the advent of new digital technologies. Campari has taken advantage of the new technological paradigm by increasing investment in online direct-to-consumer sales channels. One of the company's latest moves in this direction involves the acquisition of Tannico (Green, Martin. 2020): a leading online wine and spirits retailer. At the day of the acquisition Tannico represented about 30 percent of Italy's online alcohol retail market and had already begun expanding into other countries, including the UK. In addition to Tannico, Campari has made several investments and launched agreements and partnerships to ride the current digital evolution. For example, Campari partnered with IBM (IBM, 2023) to create a digital factory aimed at simplifying and streamlining the development and management of the websites of each of its brands, while improving the overall online user experience by increasing the power of online outlets and reducing the expenses associated with managing the online services themselves. This initiative has been a success, reducing the time it takes to launch a website by 50 percent and increasing consumer engagement on the brands' websites by about 20 percent.

However, Campari was not the only company to move in this direction. Diageo, for example, adopted a different approach to strengthen its online presence, pursuing various partnerships aimed at boosting online sales (Green, Martin. 2021). Pernod Ricard, the world's #2 spirits group, has

taken an aggressive route of acquiring e-commerce assets and building a dedicated DTC division (Pernod Ricard, 2022). In late 2022, Pernod announced the creation of a new Direct-To-Consumer business unit to scale up its existing e-commerce ventures. This unit bundles several Pernod-owned online retailers – notably The Whisky Exchange, Drinks&Co, and Bodeboca – under one umbrella.

Porter’s Five Forces

1. Threat of new entrants

The industry might seem attractive to new entrants due to potentially high profit margins; however, there are numerous barriers to enter, mainly associated to strong brand recognition of the incumbent firms and their control of distribution channels. Strong brand loyalty and well-established brand equity make it hard for newcomers to entice consumers away from familiar labels. Decades of marketing have created iconic brands like Campari. Moreover, the threat of new entrants is lowered by the needs significant capital requirements to benefit of economies of scale in order to compete in the market. Despite formidable barriers, recent years have seen a wave of craft distilleries and niche brands entering the market. Lower-cost digital marketing (social media, influencer campaigns) and shifting consumer tastes toward “authentic” local products have opened cracks in the entry barriers. These boutique entrants typically focus on specific spirit categories (e.g. craft gin, whiskey, or bitters) and can gain regional popularity. However, while niche players can emerge, they rarely attain the global scale to threaten giants like Campari. Moreover, these small businesses do not have long life, in fact one key strategy of the big players is to acquire small companies in order to expand their business. The proliferation of small brands increases product

diversity and keeps established players alert to new trends. Campari has responded by innovating within its own portfolio and through acquisitions of promising brands. In the end it is possible to state that these factors make the threat weak to moderate.

2. Bargaining power of buyers

The biggest consumers for alcohol beverage companies are represented by hypermarkets and supermarkets (45%)(Global Growth Insights. 2025), which are not sensitive to brand recognition, but they are still attached to final consumers' taste. Switching costs for buyers are low, as supermarkets can easily replace one brand with another. Moreover, alcohol sales represent only a fraction of their total revenue, increasing their negotiating power, which increases the power of retailers. However, the power dynamic is mutually dependent: distributors need strong brands to attract customers, and retailers want popular products that drive traffic. Campari's portfolio includes high-demand brands – for instance, Aperol and Campari are staple ingredients in trendy cocktails. This brand strength limits buyers' leverage: a liquor store or bar cannot easily drop Aperol or Campari without disappointing customers. Thus, for Campari's top labels, buyers have lower power because they must stock these products to meet consumer demand. In contrast, for less differentiated or newly launched spirits, distributors and retailers may push back more on pricing and placement. The relationship between buyers and spirits produces is balanced but at the same time the industry is driven by tastes and willingness to pay of final consumer, so considering the influence of buyers and final consumers the final bargaining power of buyers is moderate.

3. Threat of substitute products.

The substitute products for the spirits industry include other alcoholic beverages (beer, wine), and non-alcoholic beverages. These alternative products can be found at different levels of quality and price. A person choosing a soft drink, mocktail, or even bottled water instead of an alcoholic cocktail represents a lost sale for spirits makers. This threat of substitutes has grown in recent years due to health and lifestyle trends (Arthur, Rachel. 2024). Campari and its rivals recognize this trend; some have introduced their own non-alcoholic line extensions or cocktails to recapture teetotaling consumers. It is therefore easy to find substitute products. The overall impact of substitutes is mitigated by the unique role of spirits in culture and cuisine (certain cocktails or aperitifs have no true 1:1 substitute for their flavor and effect). Campari's Aperol Spritz, for instance, offers a taste and social experience not exactly matched by a soft drink. Companies can rely on strong brand recognition and consumer loyalty, which makes the threat of substitutes weak. Overall, considering all the possibilities and the possibility to switch easily among the different options the risk posed by substitute is high-moderate.

4. Bargaining power of suppliers

The bargaining power of suppliers is moderate in the industry. The producers rely on various raw ingredients like neutral spirits or distillates, grains agave, sugar cane, fruits, herbs and botanicals, as well as flavorings and colorings. Most of these inputs are readily available commodities or agricultural products with multiple global suppliers. The supplier base is highly fragmented, which limits any single supplier's leverage. However, manufacturers are not free to change easily ingredients and to protect the taste differentiation they must stick to a single recipe in order to avoid a change in tastes. Moreover, one area of concern is packaging materials (glass bottles, caps, cartons) who are demanded by many industries and do not fear the bargain power of spirit

manufacturers. Some specialty ingredients (like the botanicals or flavor extracts in bitters or agave for tequila) can face price volatility or tight supply. Overall, suppliers have limited bargaining power in this industry: raw materials are commoditized, and large distillers can diversify their supply base.

5. Rivalry among existing competitors

In general, the competition among the players in the industry is strong. The market is fragmented due to the presence of numerous independent large manufacturers. Rivalry is aggravated by high exit costs and by the lack of differentiation scope; it is however limited by strong branding. Moreover, the rivalry is heightened by the fact that industry growth is moderate. In regions like Europe or North America where alcohol consumption is relatively flat, spirits makers compete fiercely via brand campaigns, price promotions, and innovation to steal share from each other. Despite the rivalry, the spirits sector is not purely a price war – it often emphasizes premiumization (encouraging consumers to “drink less but better”). As a result, much competition centers on brand image, quality, and innovation rather than just undercutting on price. Campari’s strategy exemplifies this: it has focused on acquiring and growing premium brands to compete at the high end. Rivalry also drives consolidation – major players frequently acquire smaller brands or even entire companies to expand market share and fill portfolio gaps.

Overall, the Porter five forces analysis suggests high rivalry among the incumbent firms. The situation aggravated in recent years due to negative value and volume growth of the European spirit’s market. Despite this, Campari gained maximum value share in the period from 2017 to

2022. Furthermore, forecasts predict an increase in both market value and market volume within 2027.

Financial Analysis

Before presenting the financial analysis, it is important to briefly outline the methodology adopted. Two of Campari's main competitors—Diageo and Pernod Ricard—were selected for benchmarking purposes. However, at the time of writing, the most recent available data in common for all companies referred to 2023. Therefore, all the analysis that include comparisons with peers are based on financial statements as of 31/12/2023, retrieved using the Refinitiv Eikon platform. Since the fiscal year-end dates of the comparable companies differ, to ensure consistency in comparison, all figures analyzed during the peers analysis were converted to a semi-annual basis. Coming to the analysis of Campari alone without any peers at the side, the evaluation is based on annual data from the latest available financial statement, with a fiscal year ending on 31/12/2024.

Revenue performance and growth trends of Campari

The analysis of Campari's financial data highlights stable revenue performance but draws attention to certain issues related to net income and net margins during 2024. As of December 31, 2024, revenues amount to €3,069.7 million, showing a growth of 5.2% compared to the previous year. Analyzing the historical trend, despite the alcoholic beverage sector not experiencing its best period, revenue growth has been generally positive between 2015 and 2024, although with some downturns, such as in 2020 due to the pandemic. As noted in the

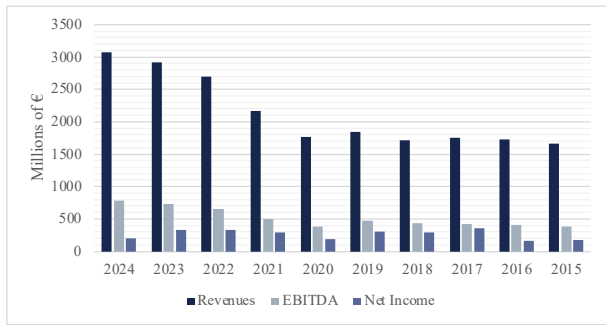


Chart 3: Revenues, EBITDA and Net Income of Campari

company's latest financial report, this revenue increase may be attributed to the erosion of market shares held by Campari's competitors. EBITDA increased by 7.9% in 2024 and 11.8% in 2023, reaching €782 million, with the EBITDA margin continuing to improve to

25%, compared to 24% of 2022 and 23% of 2021. This indicates a decent ability to control operating costs despite the overall rise in expenses. Net profit recorded a drop of 39% in the last year, amounting to €201.6 million. The main reason, as explained in the financial statement of the company itself, for this drop is due to exceptional restructuring costs, higher financial expenses from the Courvoisier acquisition, impairment losses, and rising operating costs that outpaced revenue growth. In 2024, Campari experienced a notable decline in its profitability ratios, with Return on Assets (ROA) falling to 2.4% from 5.0% in 2023, and Return on Equity (ROE) decreasing to 5.2% from 11.3%. These are the lowest values in the last decade and fall well below the historical averages of 5.1% (ROA) and 11.4% (ROE). The deterioration is primarily attributed to the drop in net profit that fell due to extraordinary operating costs which included restructuring charges, brand impairments, and acquisition-related expenses—especially related to Courvoisier. Moreover, higher financial expenses, stemming from increased debt levels and rising interest rates, impacted net income as well. At the same time, capital employed increased significantly due to heavy investment (like the new Headquarter) and M&A, leading to lower efficiency in asset and equity returns despite stable revenues.

Profitability margins comparison

Analyzing Campari's Gross and EBITDA margins of 2023 with those of its two main competitors reveals some critical issues. Campari's latest Gross Margin is stable at 57%, lower

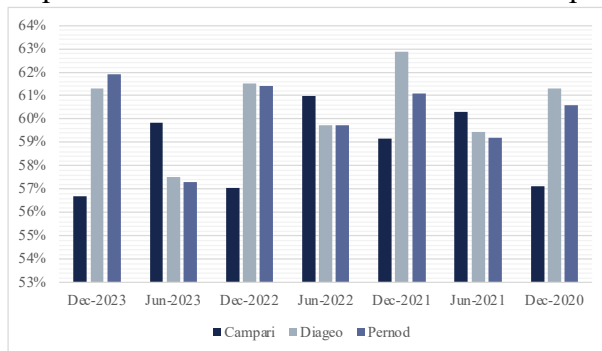


Chart 4: Gross Margin of Campari, Diageo and Pernod

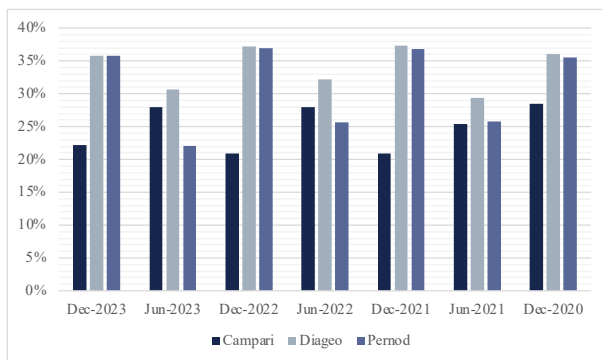


Chart 5: EBITDA Margin of Campari, Diageo and Pernod

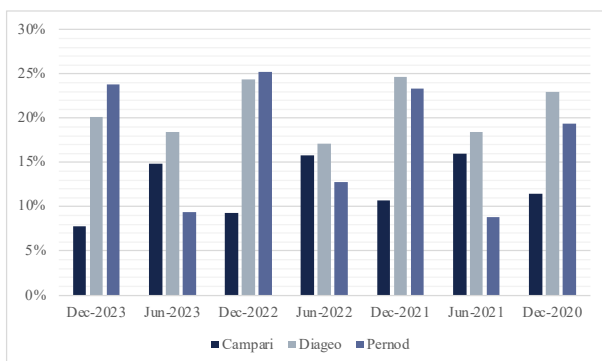


Chart 6: Net Margin of Campari, Diageo and Pernod

than those of Pernod and Diageo which are both around 60%. It is interesting to note that when analyzing gross margin on a semester-by-semester basis, it is difficult to determine who is the winner because in some semesters, almost on a cyclical basis, Campari has a slightly better gross margin than its competitors, and in other semesters, however, competitors have it slightly better. The EBITDA Margin, on the other hand, represents a pain point for Campari when compared. In fact, it is systematically lower than that of its two competitors. As of 12/31/2023 with semiannual data, Campari had a margin of 22% with an average of 25% while Diageo and Pernod show an average of 34% and 30% respectively. The reason for Campari's underperformance can probably be found in worse supply chain optimization and operations management. The situation is

even more severe regarding the Net Margin. As it is observable from chart 6, Campari consistently reports a net margin lower than its competitors.

Liquidity and financial stability

Campari shows a cash ratio of 0.51 in 2023, below its historical average of 0.77 but higher than Diageo (0.14) and Pernod Ricard (0.30). This indicates a better ability for Campari to immediately meet its current debts with cash and cash equivalents, though it still falls short of excellent levels. Overall, Campari's current ratio stands at 1.98, below the historical average of 2.18 but higher than Diageo's ratios (1.58) and similar to Pernod Ricard's (2.08). Although this value is sufficient to cover current liabilities, the reduction from the historical average could suggest greater pressure on working capital management. Looking also at the cash ratio and

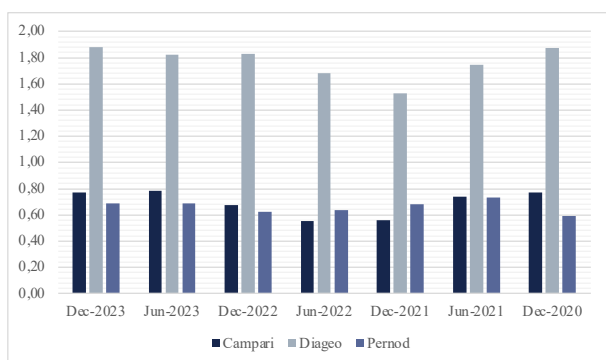


Chart 7: Debt-to-Equity ratio of Campari, Diageo and Pernod

quick ratio, it is possible to say that Campari demonstrates a more conservative approach to cash management than Diageo and Pernod Ricard, but it is important to note that the trend is not extremely positive. In fact, the indicators are contracting over time lying below historical values. Campari's debt-to-

equity ratio in 2023 is 0.77, in line with the average for the period analyzed. This figure reflects a balanced financial structure, especially when compared with Diageo (1.88), which has a significantly higher level of leverage. On the other hand, Diageo has a slightly more conservative approach in managing the ratio between Debt and Equity, in fact both the last value and the average value are slightly below the value of Campari. Campari's interest coverage ratio in 2023 is declining, standing at 5.94 in the last semester of 2023, below the average value of 9.85. Diageo (6.30) and Pernod Ricard (9.79) report higher values, indicating more efficient debt management and greater relative operating profitability. Campari needs to improve its control over interest expenses to ensure greater financial resilience. The company is fairly leveraged, Campari's Net Financial Debt/EBITDA ratio in 2023 stands at 4.99, above

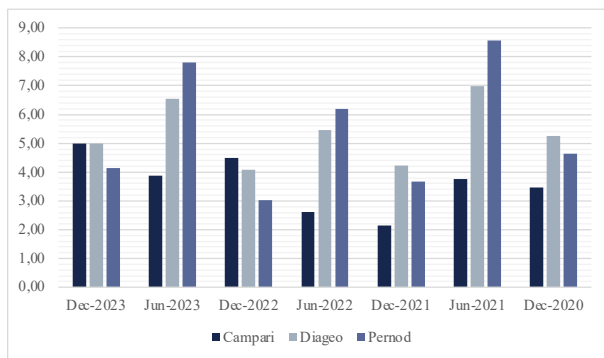


Chart 8: NFD/EBITDA Ratio of Campari, Diageo and Pernod

the historical average of 3.75. The value of Campari is slightly less favorable than Pernod Ricard's 4.14 one and it is equal to the value reported by Diageo. A high ratio indicates increased vulnerability to debt, reducing the company's financial flexibility.

Working Capital and Cash Conversion Cycle

With an average of 219.7 days, Campari's Cash Conversion Cycle (CCC) on semiannual basis falls between that of its main competitors: higher than Diageo, which averages 174.5 days, but lower than Pernod Ricard, with an average of 359.46 days. In 2023, Campari's CCC changed by -13% in June and -7% in December, reaching 207.03 days at year-end, reflecting an overall improvement compared to the previous year-end of 238.96 days. Despite attempting to maintain a lower Days Inventory Outstanding level than Pernod Ricard and aiming to record a competitive value of Days Sales Outstanding, Campari's relatively limited Days Payable Outstanding still represents an area for improvement being largely below the calculated values of its two comparable companies. Reducing the overall working capital cycle by adopting more aggressive payment terms and improving supply chain efficiency could help Campari free up additional financial resources to support strategic initiatives.

Cost of Capital

The cost of capital was estimated using the WACC methodology, incorporating each company's cost of equity and after-tax cost of debt, weighted by their respective capital structures. The

risk-free rate is based on the current yield of 10-year German government bonds, while the equity risk premium applied is country-specific: Italian ERP for Campari, UK ERP for Diageo, and French ERP for Pernod Ricard provided by Damodaran. In order to calculate cost of debt and the amount of debts and equity we used figures at 31/12/2023. For the cost of debt, we divided the “Interest Expense – Net of Capitalized Interest” by the total debt. We chose this specific item because it better reflects the actual interest burden incurred by the company on its financial obligations, excluding capitalized interest, which does not represent a current cash outflow. For the cost of equity, we used the CAPM formula by adding to the risk-free rate the product of the company's beta (as extracted from Refinitiv) and the respective ERP. Campari shows a cost of equity of 5.3%, slightly higher than Pernod Ricard (5%) and Diageo (4.6%), largely due to a higher Italian ERP event tough lower beta. The cost of debt, adjusted for tax rates, is lowest for Campari at 1.9%. Overall, Campari’s WACC stands at 3.7%, higher than Diageo’s 2.7% and Pernod’s 3.5%, reflecting a more expensive capital structure and increased exposure to country-specific risk.

Stock market performance

Analysis of the performance of Campari, Diageo, and Pernod stocks shows significant differences in yield, volatility, and growth, providing a comprehensive overview of their market



Chart 9: Campari's share price

performance. Campari stands out with an average monthly return of 0.7%, higher than Diageo (0.2%) and Pernod (0.1%). From a risk and volatility perspective, Campari has a standard deviation of returns of 6.6%, higher



Chart 10: Diageo's share price



Chart 11: Pernod's share price

than Diageo (5.0%) and Pernod (5.4%). However, Campari's unadjusted Sharpe ratio of 10.8% indicates that the additional return per unit of risk is significantly better than Diageo (3.8%) and Pernod (2.5%), suggesting an attractive risk-return profile for investors. Campari recorded its best monthly return in March 2016, with an increase of 21.2%, showcasing its ability to capitalize on favorable market conditions. However, it also experienced a decline of -18.7% in October 2024. In comparison, Diageo and Pernod

reported lower peak returns, at 15.8% and 18.9% respectively, with less pronounced declines (-10.2% and -15.7%), confirming lower volatility compared to Campari. Campari offers higher average returns, but this performance is offset by higher volatility, which makes the stock more exposed to extreme market movements. Diageo and Pernod, on the other hand, exhibit greater price stability followed by lower volatility and more moderate overall growth.

Company valuation

Valuation's assumptions

The assumptions underlying the valuation are few and simple, with the aim of assessing the company in its current "as-is" state. The first assumption concerns revenue growth: we estimated that over the next five years Campari will continue to grow by applying the CAGR

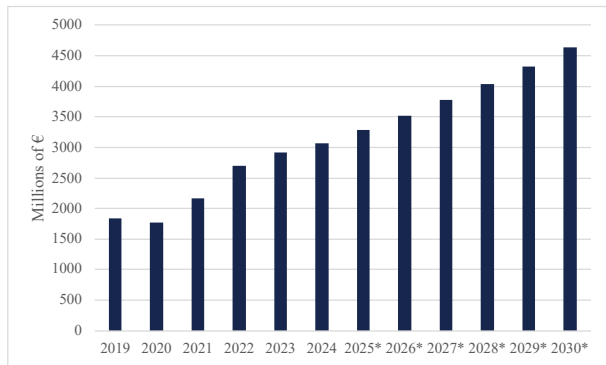


Chart 12: Revenues forecast of Campari

observed from 2015 to 2024 (7.9%). The choice of using the CAGR is based on the idea that it reflects a more organic and smoother growth path, excluding outliers such as the 2020. The second assumption relates to the EBITDA margin. Observing how the EBITDA margin has remained

relatively stable in the last 5 years, we considered it appropriate to assume that the company will maintain its current operational structure, targeting an EBITDA margin equal to the average of the last few years (41%). Regarding taxes, we used a neutral rate of 24%, corresponding to the current corporate tax rate (IRES) in Italy. An important assumption is the CAPEX one. In our valuation, we utilized the CAPEX figure calculated directly from the company's financial statements, rather than the one explicitly provided by Campari. This choice was made to accurately capture the actual cash outflows incurred for investments in tangible assets, thus reflecting a more precise and comprehensive measure of real economic investments. By analyzing past CAPEX figures from the financial statements of the last five years, we decomposed total CAPEX into recurring and non-recurring components. Recurring CAPEX, as stated from the explanation provided by the financial statements of the company, refers to regular and planned investments required to maintain existing operations, while non-recurring CAPEX includes acquisitions and expansion projects such as new production facilities or the purchase of smaller brands. As highlighted in previous sections, acquisitions represent approximately 50% of Campari's expansion strategy. To model non-recurring CAPEX in the

base case, we applied the average of the last five years in absolute value, excluding the most recent year, which was considered an outlier due to the capitalized costs related to the construction of the new Milan headquarters as well as of 2020 when due to the pandemic the acquisition plan was probably slowed. Another assumption concerns Depreciation & Amortization (D&A): having observed that D&A has historically averaged around 7.6% of the initial PP&E value for each year, we believe it is reasonable to assume that this trend will continue in the future. Regarding the Net Working Capital, we assumed that the company would aim to maintain a cash conversion cycle (CCC) close to the average of previous years. The significant increase in Current Assets observed in 2024 may be largely attributed to the acquisition of the Courvoisier business, which, as stated in the annual report, contributed substantially to the rise in working capital during the year. The change in Net Working Capital has been projected to evolve proportionally with revenue growth, ensuring consistency between top-line performance and operating balance sheet items. The Free Cash Flows have been calculated following the FCF method, subtracting taxes, CAPEX, and changes in Net Working Capital from EBIT, and adding back D&A. The projected FCFs serve as the basis for the company valuation, both in the explicit forecast period and in the terminal value.

For the cost of capital, we applied the same methodology used in the previous analysis, with a few adjustments. In the previous analysis, we used 2023 data because, at the time, Campari's competitors had not yet published their financial statements. However, for this valuation, we deemed it more appropriate to use the most recent figures available, namely those for 2024. The WACC used is 4.48%, calculated by weighting the cost of equity and the after-tax cost of debt. The risk-free rate was based on the German 10-year government bond yield, widely considered a benchmark for stability and creditworthiness in the Eurozone. The Equity Risk Premium was selected based on the Italian-specific ERP. This choice reflects Campari's production concentration in Italy and its strategic exposure to the European market. The beta was calculated

using the 5-year levered beta of Campari Group as sourced from Refinitiv. The cost of debt was derived by dividing the company's interest expense, net of capitalized interest, by total debt.

Terminal Value of Discounted Cash Flow valuation

For the terminal value, we used a perpetuity growth model starting from 2030. To determine the implied share price, we chose a steady growth rate of 2%, the inflation rate targeted both by the European Central Bank and Federal Reserve, since we are not expecting faster growth than the overall economy for Campari Group, given its maturity and stability within the beverage market. The DCF model yields an implied price per share of €5.60. The value is calculated by adding the sum of present value of free cash flows of €1.76 billion with the present value of the terminal value of €10.1 billion, leading to an enterprise value of about €12.48 billion. After adjusting for cash (€620.3 million), total debt (€2.86 billion), and minority interests (€1.6 million), the resulting equity value is €10.24 billion. Dividing this by the 1,827.32 million diluted shares outstanding results in the implied price per share. When compared to the actual market price of €6.018 at the end of 2024, the valuation suggests that Campari Group may be overvalued.

		Growth Rate				
		1.00%	1.50%	2.0%	2.50%	3.00%
WACC	3.48%	5.89	7.48	10.16	15.57	32.36
	3.98%	4.71	5.74	7.30	9.91	15.20
	4.48%	3.87	4.59	5.60	7.12	9.67
	4.98%	3.25	3.78	4.48	5.46	6.95
	5.48%	2.77	3.17	3.68	4.37	5.33

Table 1: Sensitivity matrix of Implied Share Price

To evaluate different scenarios, a sensitivity analysis was created with two parameters: WACC and terminal growth rate. As shown in

the sensitivity matrix (see Table 1) the dependence on the terminal value implies a direct correlation either to the growth rate and WACC assumptions: for instance, in case of a growth

rate between 2.5 and 3% would impact on the implied share price varying from €7.12 and €9.67, widening the difference with the current market price.

Multiples Valuation

For the multiples valuation, we relied on the latest fiscal year data available for each comparable company. While this approach may introduce timing asymmetries—given that some firms close their financial year in December, others in June or February—it ensures that we capture the most recent and relevant financial performance of each company. This enhances the comparability of operational metrics by avoiding outdated figures and aligning the analysis more closely with current market conditions. We performed a multiples analysis using Campari’s figures and those of its most comparable companies in the alcoholic beverage industry. These peers, Diageo, Pernod Ricard, Carlsberg, Heineken, C&C, and Rémy Cointreau, operate in the same sector, although some are more focused on specific segments, while others have broader portfolios. Despite differences in scale and focus, they share a global presence and encounter each other in the supply chain and in consumer choices. Based on this analysis, Campari trades at stronger multiples across all metrics: EV/Revenue of 4.43x versus a peer average of 2.85x (3.00x excluding outliers), EV/EBITDA of 17.39x versus 14.50x, and a P/E of 59.27x compared to 22.62x. Applying these peer multiples to Campari’s financials results in an implied share price range between €1.94 and €4.83—significantly below both the current market price and our DCF valuation of €5.60. This divergence is largely due to Campari trading at a structural premium, driven by investor confidence in its focused portfolio, brand strength, and strategic growth path. Additionally, the P/E-based valuation is distorted by a 39% drop in net income in the last year, caused by extraordinary costs related to a major acquisition. This one-off effect distorts the earnings base, resulting in a biased equity value when using the P/E

ratio. Therefore, while multiples provide a useful benchmark, they underestimate Campari's intrinsic value due to structural and temporal limitations. Notably, when using the average EV/EBITDA and EV/Revenue multiples of only Campari's direct competitors, the implied share prices increase to €5.83 and €4.83 respectively—figures that align more closely with both our DCF valuation and the market price as of 31/12/2024.

Investment Thesis

A moderate overvaluation is derived by comparing the DCF model (€5.60) to Campari's market price at the end of 2024 (€6.018). The margin resulting from this analysis of -7.46% demonstrates that the stock is trading close to its fair value. Key recent developments may influence the upcoming share price, and they deserve a brief presentation to deliver a complete and more accurate outlook.

In December 2024, Campari named Simon Hunt as the new CEO to take the lead of the company. His previous experience within the beverage industry, as showcased by covering senior positions at Bacardi and Diageo over the last thirty years, suggests a more forceful drive for operational effectiveness and brand scaling globally (Anzolin, and Chiumento, 2024). When a leadership transition takes over, markets tend to react positively in favor of these events specifically in the long run.

In 2025, Campari will need to face impactful consequences on the EBIT around €25 millions due to U.S. tariffs imposed by the president of the United States of America, Donald Trump, which will obstruct Canadian and Mexican imports, which both host production facilities and local subsidiaries of the company. Campari's ability to offset this risk with pricing or cost-saving measures will be crucial to guarantee itself a lower pressure on the gross margin. To boost growth and profitability, the new CEO has announced a cost-cutting program by reducing

the workforce by 10%, equal to approximately 500 headcounts, including 20 managers. The rationale and the strategy behind this measure are consistent with the SG&A cost containment plan announced by Campari Group alongside its Q3 results, in which it was aiming to lower by 200 bps its impact on net sales by 2027.

Let's now delve into two different scenarios:

- Base case: it's characterized by more conservative assumptions with a WACC of 4.48% and a terminal growth rate of 2%, resulting in an implied share price of €5.60. In this scenario, the stock is trading at a higher price compared to the implied price, suggesting a slight overvaluation and a modest upside potential. Given this small margin of -7.46%, the stock leaves a little margin of safety, in which long-term investors may prefer to hold existing positions while keeping track of significant events that may alter the future stock price. Given these conditions, adding more exposure to the stock before the new maneuvers' concrete impact is not desirable to keep a low-risk profile.
- Optimistic case: it's characterized by a WACC of 3.98% and a terminal growth rate of 2.5%, resulting in an implied share price of €9.91 (according to Table 1: Sensitivity matrix of Campari's share price). In this scenario, the growth rate outperforms the ECB's inflation target by +0.5%, the cost of capital assumption is more optimistic, and the cost-cutting measures deployed by the CEO are effective. Under these specific circumstances, Campari seems undervalued by approximately 39.27%, which could be a promising buying opportunity for a long-term investor who is confident in the company's ability to exploit these positive trends.

A long-term growth investor may decide to maintain or wisely add exposure. Campari's objective to pursue a campaign that prioritizes premiumization in alcohol consumption

worldwide will be a key element that investors need to take into account while they decide whether to hold the stock in their portfolios (being neutral) or go long on Campari (add exposure). Patience will be crucial for this category of investors, considering that returns may be susceptible to earnings volatility and biased by companies' policies and outcomes. For a fundamental investor, the base case DCF suggests overpricing, and this category may not find enough elements and upsides to justify a long position. Nevertheless, if investors' expectations get aligned with the optimistic case (second scenario), the basics to carefully enter can be assessed, especially if the price witnesses a dip in the stock market or higher growth assumptions are met. Furthermore, another aspect to bear in mind while crafting expectations about being neutral, bullish, or bearish is the beta of the industry: in this specific context is equal to 0.45, which is attractive for risk-averse investors who are incentivized to invest to cover themselves from the market's volatility.

Conclusion

Campari may be an attractive investment opportunity for those who believe and choose the history and heritage of the brand, its position within the beverage industry, and its strength gained thanks to the M&A maneuvers which enriched its portfolio with notable brands (such as Aperol, Wild Turkey, Campari, Espolón, Sky). By leveraging its brand reputation, Campari will have the opportunity to target the premium segment by launching exclusive products, compelling to luxury consumers, and enhancing profitability. Its critical eye for rising trends like premiumization of alcoholic beverages, or health-conscious consumers, offers a long run growth track of records which is going to be hard to replicate for the majority of the players.

Given the slight premium above the intrinsic value in base case, and the upcoming operational and geopolitical challenges, holding the stock and assuming a neutral position would be ideal. In case of GDP acceleration, efficient restructuring, reduction of external pressures, and other broad macroeconomic factors that may influence the economic landscape, investing in Campari's stock could become a more attractive investment to pursue.

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Appendix

Analysis of Campari

Revenues, EBITDA & Net Income												Average	CAGR
	31-12-2024	31-12-2023	31-12-2022	31-12-2021	31-12-2020	31-12-2019	31-12-2018	31-12-2017	31-12-2016	31-12-2015			
Revenues	3069.7	2918.6	2697.6	2172.7	1772	1842.5	1711.7	1753.4	1726.5	1656.8	2132.2	7.1%	
Change	5.2%	8.2%	24.2%	22.6%	-3.8%	7.6%	-2.4%	1.6%	4.2%		7.5%		
EBITDA	782	725	649	500	382	473	433	426	412	382	516.4	8.3%	
Change	7.9%	11.8%	29.7%	31.1%	-19.4%	9.2%	1.8%	3.4%	7.8%		9.3%		
Net Income	201.6	330.5	333	284.8	187.9	308.4	296.3	356.4	166.3	175.4	264.1	1.6%	
Change	-39.0%	-0.8%	16.9%	51.6%	-39.1%	4.1%	-16.9%	114.3%	-5.2%		9.6%		

Operating Cost, Gross Margin, EBITDA Margin												Average
	31-12-2024	31-12-2023	31-12-2022	31-12-2021	31-12-2020	31-12-2019	31-12-2018	31-12-2017	31-12-2016	31-12-2015		
Operating cost of revenues	1303	1218.4	1109	875.8	746.1	721.3	684.5	741.7	742.5	740.5	888.3	
Change	7%	10%	27%	17%	3%	5%	-8%	0%	0%		7%	
Gross margin	58%	58%	59%	60%	58%	61%	60%	58%	57%	55%	58%	
Change	-1%	-1%	-1%	3%	-5%	1%	4%	1%	3%		0%	
EBITDA margin	25%	25%	24%	23%	22%	26%	25%	24%	24%	23%	24%	
Change	3%	3%	4%	7%	-16%	1%	4%	2%	3%		1%	
Net margin	7%	11%	12%	13%	11%	17%	17%	20%	10%	11%	13%	
Change	-42%	-8%	-6%	24%	-37%	-3%	-15%	111%	-9%		2%	

Main Ratios												Average
	31-12-2024	31-12-2023	31-12-2022	31-12-2021	31-12-2020	31-12-2019	31-12-2018	31-12-2017	31-12-2016	31-12-2015		
Return on Asset (ROA)	2.4%	5.0%	5.5%	5.6%	4.1%	6.4%	6.5%	8.1%	3.7%	4.2%	5.1%	
Return on Equity (ROE)	5.2%	11.3%	12.4%	12.0%	9.4%	12.9%	13.7%	18.3%	8.8%	10.0%	11.4%	
Net Debt/EBITDA	2.80	2.23	2.09	1.45	2.60	1.26	1.52	1.85	2.53	1.04	1.94	
Interest Coverage Ratio	5.94	8.97	19.18	16.16	9.31	9.84	11.30	9.85	5.22	5.17	10.09	
D/E	0.74	0.77	0.67	0.65	0.77	0.55	0.60	0.67	0.74	0.75	0.69	

Financial Analysis (peers)

Profitability Analysis																		
	31-12-2023	30-06-2023	31-12-2022	30-06-2022	31-12-2021	30-06-2021	31-12-2020	30-06-2020	31-12-2019	30-06-2019	31-12-2018	30-06-2018	31-12-2017	30-06-2017	31-12-2016	30-06-2016	31-12-2015	Average
EBITDA Margin																		
Campari	22%	28%	21%	28%	21%	25%	28%	21%	27%	24%	26%	24%	25%	23%	24%	23%	25%	25%
Change	26%	-25%	34%	-25%	22%	12%	-24%	25%	-9%	8%	-9%	4%	-6%	3%	-4%	7%	-4%	7%
Diageo	36%	31%	37%	32%	37%	29%	36%	26%	39%	30%	38%	32%	36%	31%	35%	30%	36%	34%
Change	-14%	22%	-13%	16%	-21%	23%	-28%	50%	-22%	26%	-16%	13%	-16%	14%	-13%	17%	-13%	17%
Pernod	36%	22%	37%	26%	37%	26%	36%	20%	36%	26%	34%	25%	34%	25%	32%	26%	31%	30%
Change	-38%	67%	-31%	44%	-30%	38%	-44%	81%	-28%	32%	-26%	35%	-25%	29%	-20%	19%		
Gross Margin																		
Campari	57%	60%	57%	61%	59%	60%	57%	59%	60%	62%	60%	61%	57%	58%	57%	57%	56%	59%
Change	6%	-5%	7%	-3%	2%	-5%	3%	2%	4%	-4%	2%	-6%	2%	-3%	1%	-2%		
Diageo	61%	57%	62%	60%	63%	59%	61%	57%	62%	60%	64%	61%	63%	61%	62%	60%	59%	61%
Change	-6%	7%	-3%	5%	-5%	3%	-7%	9%	-3%	5%	-4%	3%	-3%	2%	-3%	-1%		
Pernod	62%	57%	61%	60%	61%	59%	61%	56%	62%	60%	62%	60%	61%	62%	62%	62%	62%	61%
Change	-7%	7%	-3%	2%	-3%	2%	-7%	11%	-3%	4%	-4%	3%	1%	1%	-1%	1%		
Net Margin																		
Campari	8%	15%	9%	16%	11%	16%	11%	9%	19%	14%	16%	19%	26%	13%	10%	9%	11%	14%
Change	91%	-38%	70%	-33%	49%	-28%	-17%	97%	-22%	10%	18%	40%	-50%	-24%	-10%	20%		
Diageo	20%	18%	24%	17%	25%	18%	23%	19%	26%	20%	29%	17%	32%	20%	24%	17%	25%	20%
Change	-9%	32%	-30%	44%	-25%	25%	-144%	-359%	-23%	44%	-40%	84%	-35%	16%	-27%	46%		
Pernod	24%	9%	25%	13%	23%	9%	19%	-24%	19%	11%	20%	11%	23%	12%	18%	9%	18%	14%
Change	-61%	169%	-49%	83%	-62%	119%	-222%	-180%	-43%	82%	-42%	105%	-48%	49%	-48%	93%		
Return on Asset (ROA)																		
Campari	1.7%	3.3%	2.2%	3.7%	2.5%	3.2%	2.5%	1.5%	3.8%	2.5%	3.3%	3.3%	5.6%	2.4%	2.2%	1.5%	2.3%	2.8%
Change	92%	-32%	66%	-33%	32%	-22%	-42%	163%	-34%	29%	2%	70%	-56%	-11%	-33%	58%		
Diageo	4.8%	3.9%	6.2%	3.6%	5.8%	3.3%	4.8%	-1.4%	5.6%	3.9%	6.2%	3.3%	6.8%	4.1%	5.0%	3.2%	5.4%	4.4%
Change	-19%	58%	-42%	63%	-43%	43%	-130%	-498%	-31%	60%	-48%	108%	-40%	23%	-37%	70%		
Pernod	4.3%	1.3%	5.3%	1.9%	4.4%	1.1%	2.9%	-2.3%	3.4%	1.5%	3.4%	1.4%	3.6%	1.6%	2.9%	1.1%	3.0%	2.4%
Change	-69%	303%	-64%	132%	-75%	174%	-177%	-248%	-56%	134%	-58%	153%	-57%	87%	-61%	157%		

Return on Equity (ROE)

	31-12-2023	30-06-2023	31-12-2022	30-06-2022	31-12-2021	30-06-2021	31-12-2020	30-06-2020	31-12-2019	30-06-2019	31-12-2018	30-06-2018	31-12-2017	30-06-2017	31-12-2016	30-06-2016	31-12-2015	Average
Campani	4%	8%	5%	8%	5%	7%	6%	3%	8%	5%	7%	7%	9%	6%	5%	4%	6%	6%
Change	95%	-36%	53%	-31%	40%	-22%	-42%	137%	-29%	26%	6%	17%	-30%	-13%	-25%	44%		
Diageo	18%	12%	24%	11%	20%	11%	18%	-7%	18%	11%	17%	6%	14%	9%	13%	8%	14%	13%
Change	-34%	95%	-53%	82%	-44%	58%	-140%	-354%	-37%	49%	-56%	80%	-35%	45%	-36%	72%		
Permod	10%	3%	11%	4%	10%	2%	6%	-4%	7%	3%	7%	3%	8%	4%	7%	3%	7%	5%
Change	-70%	292%	-64%	134%	-75%	161%	-169%	-256%	-55%	138%	-55%	162%	-56%	81%	-59%	156%		

Liquidity Analysis

Cash ratio

	31-12-2023	30-06-2023	31-12-2022	30-06-2022	31-12-2021	30-06-2021	31-12-2020	30-06-2020	31-12-2019	30-06-2019	31-12-2018	30-06-2018	31-12-2017	30-06-2017	31-12-2016	30-06-2016	31-12-2015	Average
Campani	0.51	0.51	0.47	0.55	1.06	0.77	0.73	0.61	0.61	1.13	0.93	1.29	1.11	0.61	0.61	0.59	0.99	0.77
Change	1%	-8%	18%	92%	-28%	-5%	-16%	0%	86%	-18%	38%	-14%	-45%	0%	-4%	69%		
Diageo	0.14	0.19	0.29	0.27	0.23	0.38	0.41	0.51	0.11	0.13	0.22	0.14	0.13	0.18	0.17	0.18	0.09	0.22
Change	31%	54%	-7%	-14%	64%	7%	24%	-79%	24%	68%	-38%	-8%	41%	-7%	6%	-47%		
Permod	0.30	0.41	0.35	0.49	0.43	0.42	0.23	0.20	0.22	0.20	0.21	0.16	0.13	0.11	0.11	0.11	0.14	0.25
Change	37%	-15%	40%	-12%	-2%	-47%	-13%	11%	-8%	5%	-25%	-15%	-15%	-8%	0%	30%		

Quick ratio

	31-12-2023	30-06-2023	31-12-2022	30-06-2022	31-12-2021	30-06-2021	31-12-2020	30-06-2020	31-12-2019	30-06-2019	31-12-2018	30-06-2018	31-12-2017	30-06-2017	31-12-2016	30-06-2016	31-12-2015	Average
Campani	0.95	1.00	0.91	1.05	1.56	1.25	1.19	0.89	0.95	1.65	1.49	2.04	1.94	1.25	1.22	0.95	1.46	1.28
Change	5%	-9%	16%	48%	-20%	-5%	-25%	7%	74%	-10%	37%	-5%	-36%	-2%	-22%	54%		
Diageo	0.65	0.62	0.78	0.69	0.70	0.76	0.91	0.88	0.53	0.56	0.73	0.58	0.63	0.58	0.66	0.69	0.76	0.69
Change	-5%	25%	-11%	2%	8%	20%	-3%	-40%	5%	32%	-21%	9%	-8%	14%	5%	10%		
Permod	0.81	0.74	0.83	0.89	0.94	0.73	0.73	0.56	0.79	0.63	0.75	0.52	0.56	0.40	0.54	0.40	0.62	0.67
Change	-8%	12%	8%	5%	-23%	1%	-24%	42%	-21%	20%	-31%	8%	-29%	36%	-26%	54%		

Current ratio

	31-12-2023	30-06-2023	31-12-2022	30-06-2022	31-12-2021	30-06-2021	31-12-2020	30-06-2020	31-12-2019	30-06-2019	31-12-2018	30-06-2018	31-12-2017	30-06-2017	31-12-2016	30-06-2016	31-12-2015	Average
Campani	1.98	2.03	2.00	1.97	2.58	2.08	2.06	1.43	1.48	2.58	2.35	3.41	3.00	2.28	2.15	1.64	2.06	2.18
Change	2%	-1%	-1%	30%	-19%	-1%	-31%	4%	74%	-9%	45%	-12%	-24%	-6%	-24%	26%		
Diageo	1.58	1.63	1.57	1.53	1.52	1.60	1.77	1.77	1.15	1.34	1.48	1.37	1.31	1.30	1.29	1.43	1.52	1.48
Change	3%	-4%	-2%	-1%	5%	10%	0%	-35%	17%	10%	-7%	-4%	-1%	-1%	11%	6%		
Permod	2.08	2.05	2.01	2.45	2.30	2.08	1.92	1.79	2.13	2.09	2.00	1.77	1.52	1.47	1.62	1.44	1.80	1.91
Change	-6%	3%	22%	-6%	-10%	-7%	-7%	19%	-2%	-4%	-12%	-14%	-3%	10%	-11%	24%		

Solvency Analysis

Debt-to-Equity ratio

	31-12-2023	30-06-2023	31-12-2022	30-06-2022	31-12-2021	30-06-2021	31-12-2020	30-06-2020	31-12-2019	30-06-2019	31-12-2018	30-06-2018	31-12-2017	30-06-2017	31-12-2016	30-06-2016	31-12-2015	Average
Campani	0.77	0.78	0.67	0.55	0.56	0.74	0.77	0.76	0.55	0.69	0.60	0.65	0.67	0.76	0.74	0.76	0.75	0.69
Change	2%	-14%	-18%	2%	32%	4%	-1%	-28%	26%	-13%	7%	4%	13%	-3%	3%	-1%		
Diageo	1.88	1.82	1.83	1.68	1.53	1.75	1.87	1.99	1.46	1.24	1.08	0.85	0.86	0.75	0.91	0.99	1.02	1.38
Change	-3%	0%	-8%	-9%	14%	7%	6%	-27%	-15%	-13%	-22%	1%	-12%	21%	9%	2%		
Permod	0.69	0.69	0.62	0.64	0.68	0.73	0.59	0.47	0.52	0.51	0.57	0.62	0.69	0.69	0.70	0.72	0.75	0.64
Change	0%	-10%	2%	7%	7%	-19%	-21%	11%	-1%	11%	8%	12%	0%	1%	2%	5%		

Interest coverage ratio

	31-12-2023	30-06-2023	31-12-2022	30-06-2022	31-12-2021	30-06-2021	31-12-2020	30-06-2020	31-12-2019	30-06-2019	31-12-2018	30-06-2018	31-12-2017	30-06-2017	31-12-2016	30-06-2016	31-12-2015	Average
Campani	5.94	13.07	14.37	22.39	14.38	15.67	15.32	6.55	10.93	8.75	12.64	9.85	11.62	8.15	6.82	3.91	5.85	10.97
Change	120%	10%	56%	-36%	9%	-2%	-57%	67%	-20%	44%	-22%	20%	-31%	-16%	-43%	50%		
Diageo	6.30	5.38	8.63	8.35	11.98	6.77	9.21	3.86	9.23	6.35	10.94	8.71	10.53	7.14	8.75	5.76	7.31	7.95
Change	-15%	60%	-3%	43%	-43%	36%	-58%	139%	-31%	72%	-20%	21%	-32%	22%	-34%	27%		
Permod	9.79	6.09	16.28	7.57	17.61	6.52	10.56	2.32	10.15	5.58	9.87	4.26	9.56	4.67	7.13	3.88	5.83	8.10
Change	-38%	167%	-54%	133%	-63%	62%	-78%	337%	-45%	77%	-57%	125%	-51%	53%	-46%	50%		

Net Financial Debt / EBITDA

	31-12-2023	30-06-2023	31-12-2022	30-06-2022	31-12-2021	30-06-2021	31-12-2020	30-06-2020	31-12-2019	30-06-2019	31-12-2018	30-06-2018	31-12-2017	30-06-2017	31-12-2016	30-06-2016	31-12-2015	Average
Campani	4.99	3.88	4.50	2.61	2.16	3.75	3.48	5.38	2.23	3.73	2.68	3.84	3.36	5.50	4.38	4.46	1.78	3.69
Change	-22%	16%	-42%	-17%	74%	-7%	55%	-59%	67%	-28%	43%	-12%	64%	-20%	2%	-60%		
Diageo	4.99	6.55	4.09	5.45	4.23	6.99	5.25	11.00	4.66	6.22	3.91	4.94	3.80	4.43	3.98	5.38	4.45	5.31
Change	31%	-38%	33%	-22%	65%	-25%	109%	-58%	33%	-37%	26%	-23%	17%	-10%	35%	-17%		
Permod	4.14	7.80	3.03	6.18	3.67	8.57	4.65	11.26	3.68	6.78	4.22	8.37	5.42	8.87	5.61	9.32	5.95	6.32
Change	89%	-61%	104%	-41%	133%	-46%	142%	-67%	84%	-38%	98%	-35%	64%	-37%	66%	-36%		

Value Creation for Shareholders

EPS

	31-12-2023	30-06-2023	31-12-2022	30-06-2022	31-12-2021	30-06-2021	31-12-2020	30-06-2020	31-12-2019	30-06-2019	31-12-2018	30-06-2018	31-12-2017	30-06-2017	31-12-2016	30-06-2016	31-12-2015	Average
Campani	0.06	0.12	0.08	0.12	0.07	0.09	0.06	0.06	0.16	0.11	0.13	0.13	0.22	0.09	0.09	0.06	0.08	0.10
Change	92%	-37%	49%	-38%	26%	-28%	-1%	152%	-34%	22%	-2%	68%	-56%	-9%	-32%	45%		
Diageo	0.91	0.72	1.19	0.67	0.99	0.53	0.75	-0.22	0.90	0.57	0.92	0.45	0.93	0.53	0.70	0.43	0.78	0.69
Change	-21%	66%	-44%	48%	-46%	40%	-130%	-505%	-37%	61%	-52%	108%	-43%	32%	-39%	82%		
Permod	6.13	1.83	6.90	2.32	5.33	1.30	3.68	-2.66	3.91	1.64	3.87	1.63	4.34	1.81	3.46	1.32	3.35	2.95
Change	-70%	277%	-66%	129%	-76%	183%	-172%	-247%	-58%	136%	-58%	167%	-58%	91%	-62%	154%		

Cash Conversion Cycle

	31-12-2023	30-06-2023	31-12-2022	30-06-2022	31-12-2021	30-06-2021	31-12-2020	30-06-2020	31-12-2019	30-06-2019	31-12-2018	30-06-2018	31-12-2017	30-06-2017	31-12-2016	30-06-2016	31-12-2015	Average
Campani	361.22	389.09	298.52	330.81	284.47	328.90	278.52	402.16	283.36	356.34	273.82	352.73	223.32	295.43	233.98	341.00	233.16	309.81
Days Invent	46.76	54.29	39.04	51.24	45.22	60.43	51.26	67.00	58.15	61.13	55.89	54.78	61.83	55.60	56.89	57.85	60.08	55.14
Days Payat	200.96	219.71	190.70	212.34	191.18	180.23	117.69	137.51	100.05	11								

	31-12-2023	30-06-2023	31-12-2022	30-06-2022	31-12-2021	30-06-2021	31-12-2020	30-06-2020	31-12-2019	30-06-2019	31-12-2018	30-06-2018	31-12-2017	30-06-2017	31-12-2016	30-06-2016	31-12-2015	Average
Period																		
Days Inven	550.41	627.34	444.72	626.66	483.13	718.24	561.81	804.34	489.77	629.26	492.45	635.69	496.29	642.39	509.33	682.43	481.68	580.94
Days Sales	68.38	50.45	57.27	43.34	56.01	43.07	79.04	75.23	66.38	51.23	64.80	54.68	71.12	49.36	64.51	56.46	63.64	59.70
Days Payat	298.01	323.89	252.39	292.06	239.48	291.74	292.06	394.49	256.48	294.85	254.90	292.02	255.12	275.57	245.03	293.33	228.71	281.18
Cash Conv	320.78	353.91	249.60	377.93	299.66	469.56	348.79	485.09	299.68	385.64	302.35	398.35	312.29	416.18	328.82	445.56	316.62	359.46
Change	-9%	42%	-34%	26%	-36%	35%	-28%	62%	-22%	28%	-24%	28%	-25%	27%	-26%	41%		

Cost of Capital at 31/12/2023

	Campari	Diageo	Pernod
Cost of debt	1.9%	2.4%	2.01%
tax rate	24%	25%	25%
Risk Free Rate 31/12/2023	2.0%	2.0%	2.0%
MRP 2024	7.3%	5.1%	5.1%
Beta 5y	0.45	0.5	0.58
Cost of equity	5.3%	4.6%	5.0%
Total Debt	2776.3	20,070	11,870
Equity	3800	9364.37	15,717
WACC	3.7%	2.7%	3.5%

Share Price Analysis

Statistics	Campari	Diageo	Pernod
average return	0.7%	0.2%	0.1%
max closing price	12.87	48.0323041	211.5
highest month	11/30/21	12/31/21	12/31/21
min closing price	3	23.5479495	90.18
lowest month	1/31/15	4/30/16	9/30/15
highest return	21.2%	15.8%	18.9%
lowest return	-18.7%	-10.2%	-15.7%
month of the best performance	3/31/16	11/30/20	10/31/15
month of the worst performance	10/31/24	11/30/23	10/31/24
variance of returns	0.0043	0.0025	0.0029
standard deviation	6.6%	5.0%	5.4%
unadjusted sharp ratio	10.8%	3.8%	2.5%
CAGR	0.49%	0.06%	-0.01%

Valuation

Free cash flow												
Fiscal Year	2030	2029	2028	2027	2026	2025	2024	2023	2022	2021	2020	2019
Revenue	4630.70	4324.02	4037.66	3770.26	3520.57	3287.41	3069.70	2918.60	2697.60	2172.70	1772.00	1842.50
COGS	1905.27	1779.09	1661.27	1551.25	1448.51	1352.58	1303.00	1218.40	1109.00	875.80	746.10	721.30
Gross Profit	2725.4	2544.9	2376.4	2219.0	2072.1	1934.8	1766.7	1700.2	1588.6	1296.9	1025.9	1121.2
Operating expenses	1609.01	1502.45	1402.95	1310.03	1223.27	1142.26	984.40	974.90	939.60	796.50	644.30	648.00
EBITDA	1116.42	1042.49	973.45	908.98	848.78	792.57	782.30	725.30	649.00	500.40	381.60	473.20
Depreciation & Amortization	263.92	246.96	230.00	213.06	196.13	179.21	127.70	110.20	87.10	77.00	78.00	71.70
Operating Profit (EBIT)	852.50	795.53	743.45	695.92	652.65	613.36	654.60	615.10	561.90	423.40	303.60	401.50
Operating Taxes	204.60	190.93	178.43	167.02	156.64	147.21	63.00	134.00	143.50	105.60	22.70	46.20
Net Operating Profit After Taxes (NOPAT)	647.90	604.60	565.02	528.90	496.02	466.15	591.60	481.10	418.40	317.80	280.90	355.30
(+) Depreciation & Amortization	263.92	246.96	230.00	213.06	196.13	179.21	127.70	110.20	87.10	77.00	78.00	71.70
(-) Capital Expenditures Recurring	266.65	249.51	232.38	215.26	198.15	181.06	139.80	112.40	107.50	81.90	64.60	61.10
(-) Capital Expenditures Non Recurring	221.98	221.98	221.98	221.98	221.98	221.98	604.50	273.90	265.50	134.00	23.00	214.50
(-) Change in Net Working Capital	84.88	79.26	74.01	69.11	64.53	-430.70	146.80	-5.40	-428.50	-376.40	-92.00	-426.50
NWC	1281.69	1196.81	1117.55	1043.54	974.43	909.90	1,340.60	922.4	536.9	423.5	466.5	464.4
Current Assets	2,573.50	2,403.07	2,243.92	2,095.31	1,956.55	1,826.97	2,263.00	1,671.50	1,337.70	1,057.60	958.40	936.30
Current Liabilities	1291.80	1206.25	1126.37	1051.77	982.12	917.07	922.40	749.10	800.80	634.10	491.90	471.90
Free cash flow	338.31	300.81	266.65	235.61	207.48	673.03	-171.80	210.40	561.00	555.30	363.30	577.90

Assumptions												
Fiscal Year	2030	2029	2028	2027	2026	2025	2024	2023	2022	2021	2020	2019
Revenue Growth	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	5%	8%	24%	23%	-4%	8%
COGS % of Revenue	41%	41%	41%	41%	41%	41%	42%	42%	41%	40%	42%	39%
EBITDA Margin	41%	41%	41%	41%	41%	41%	44%	43%	41%	39%	37%	42%
Tax % of EBIT	24%	24%	24%	24%	24%	24%	10%	22%	26%	25%	7%	12%

Corporate tax rate in Italy

Fixed Assets Schedule												
Fiscal Year	2030	2029	2028	2027	2026	2025	2024	2023	2022	2021	2020	2019
Beginning PP&E	3492.09	3267.56	3043.21	2819.03	2595.03	2,371.20	1,754.60	1,478.50	1,192.60	1,053.70	1,044.10	840.20
D&A	263.92	246.96	229.999225	213.06	196.13	179.21	127.70	110.20	87.10	77.00	78.00	71.70
Non Recurring Capex	221.98	221.98	221.98	221.98	221.98	221.98	604.50	273.90	265.50	134.00	23.00	214.50
Recurring Capex	266.65	249.51	232.38	215.26	198.15	181.06	139.8	112.4	107.5	81.9	64.6	61.1
Ending PP&E	3,716.80	3,492.09	3,267.56	3,043.21	2,819.03	2,595.03	2,371.20	1,754.60	1,478.50	1,192.60	1,053.70	1,044.10

Assumptions												
Fiscal Year	2030	2029	2028	2027	2026	2025	2024	2023	2022	2021	2020	2019
Revenue	4630.7	4324.0	4037.7	3770.3	3520.6	3287.4	3069.7	2918.6	2697.6	2172.7	1772.0	1842.5
COGS	1905.3	1779.1	1661.3	1551.2	1448.5	1352.6	1303.0	1218.4	1109.0	875.8	746.1	721.3
Days Sales Outstanding (DSO)	53.3	53.3	53.3	53.3	53.3	53.3	61.4	46.8	41.7	48.8	58.0	62.8
Days Inventory Outstanding (DIO)	355.1	355.1	355.1	355.1	355.1	355.1	477.1	375.2	333.0	310.8	321.3	313.5
Days Payable Outstanding (DPO)	206.9	206.9	206.9	206.9	206.9	206.9	245.9	208.7	227.0	224.5	213.1	122.5
Other Current Assets as a % of Revenue	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%	0.3%	0.5%	0.0%
Prepaid Expenses as a % of Revenue	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	1.3%	1.4%	0.5%	0.7%	0.6%	0.0%
Income Tax Payable as a % of Revenue	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	0.2%	0.8%	2.7%	2.5%	0.9%	4.1%
Other Current Liabilities as a % of Revenue	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	1.3%	1.0%	1.4%	1.9%	2.3%	8.4%

Net Working Capital												
Fiscal Year	2030	2029	2028	2027	2026	2025	2024	2023	2022	2021	2020	2019
Accounts Receivables	675.58	630.84	589.06	550.05	513.62	479.61	516.40	374.30	308.20	290.40	281.80	316.80
Inventory	1853.77	1731.00	1616.36	1509.31	1409.36	1316.02	1703.10	1252.50	1011.70	745.70	656.70	619.50
Prepaid Expenses	34.45	32.16	30.03	28.04	26.19	24.45	40.00	39.80	12.40	15.80	10.80	0.00
Other Current Assets	9.71	9.07	8.47	7.90	7.38	6.89	3.50	4.90	5.40	5.70	9.10	0.00
Current Assets	2,573.50	2,403.07	2,243.92	2,095.31	1,956.55	1,826.97	2,263.00	1,671.50	1,337.70	1,057.60	958.40	936.30
Accounts Payables	1080.23	1008.69	941.89	879.51	821.27	766.88	877.70	696.80	689.80	538.60	435.50	242.10
Income Tax Payable	85.99	80.30	74.98	70.01	65.38	61.05	6.20	22.30	72.50	54.40	16.10	75.10
Other Current Liabilities	125.58	117.26	109.50	102.25	95.47	89.15	38.50	30.00	38.50	41.10	40.30	154.70
Current Liabilities	1291.80	1206.25	1126.37	1051.77	982.12	917.07	922.40	749.10	800.80	634.10	491.90	471.90

Assumptions												
Fiscal Year	2030	2029	2028	2027	2026	2025	2024	2023	2022	2021	2020	2019
D&A as a % of Beginning PP&E	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	7.3%	7.5%	7.3%	7.3%	7.5%	8.5%
Capex as a % of Beginning PP&E	19.3%	19.3%	19.3%	19.3%	19.3%	19.3%	34.5%	18.5%	22.3%	12.7%	2.2%	25.5%
Recurring Capex as % of Beginning PP&E	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%	8.0%	7.6%	9.0%	7.8%	6.2%	7.3%

WACC

Weighted Average Cost of Capital

Equity	3,854.00
Debt	2,863.6

Cost of Debt	3.8%
Tax Rate	24%
D/(D+E)	42.6%
After Tax Cost of Debt	2.92%

Risk Free Rate 31/12/24	2.36%
Equity Risk Premium (ERP)	7.26%
Levered Beta	0.45
E/(E+D)	57.4%
Cost of Equity	5.63%

WACC	4.48%
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DCF & Terminal Value

Free cash flow											
Fiscal Year	2030	2029	2028	2027	2026	2025	2024	2023	2022	2021	2020
Free cash flow	338.31	300.81	266.65	235.61	207.48	673.03	-171.80	210.40	561.00	555.30	363.30
Projection Year					1	2	3	4	5	6	
Present Value of Free Cash Flow					644.19	190.08	206.61	223.81	241.66	260.14	

Implied Share Price Calculation	
Sum of PV of FCF	1,766
Growth Rate	2.0%
WACC	4.48%
Terminal Value	13,935.8
PV of Terminal Value	10,716
Enterprise Value	12,482
(+) Cash	620.3
(-) Debt	2,864
(-) Minority Interest	1.60
Equity Value	10,237
Diluted Shares Outstanding (mm)	1827.32
Implied Share Price	5.60

Sensitivity Table					
WACC	Growth Rate	Growth Rate			
		1.00%	1.50%	2.0%	2.50%
3.48%	5.89	7.48	10.16	15.57	32.36
3.98%	4.71	5.74	7.30	9.91	15.20
4.48%	3.87	4.59	5.60	7.12	9.67
4.98%	3.25	3.78	4.48	5.46	6.95
5.48%	2.77	3.17	3.68	4.37	5.33

Comparable Companies Analysis

Company	Market Data			Financials (last data available)			Valuation		
	Market Cap.	Net Debt	Enterprise Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA	P/E
Campari	11,416.06	2189.8	13,605.86	3069.7	782.3	192.6	4.43x	17.39x	59.27x
Diageo	65,310.49	18,684	86,460.60	18,745	6236.81	3852.69	4.61x	13.86x	16.95x
Pernod Ricard	32,096.75	10,261	44,079.75	11598	3562	1514	3.80x	12.38x	21.20x
Carlsberg	12,984.15	3559.19	16,924.36	10,059	2027.77	1073.49	1.68x	8.35x	12.10x
Heineken	39,571.38	14,699	57,091.38	29,908	2027.77	1073.49	1.91x	28.15x	36.86x
C&C	659.66	168	827.66	1652.5	94.30	-113.50	0.50x	8.78x	-5.81x
Remy Cointreau	4,789.08	631.50	5,420.88	1194.1	349.6	184.4	4.54x	15.51x	25.97x
High							4.61x	28.15x	36.86x
75th Percentile							4.35x	15.10x	24.78x
Average							2.84x	14.50x	17.88x
Average excluding outliers							3.00x	14.50x	22.62x
Average of direct competitors of Campari							4.32x	14.50x	16.09x
Median							2.85x	13.12x	19.08x
25th Percentile							1.74x	9.68x	13.31x
Low							0.50x	8.35x	-5.81x

Valuation Range			
	EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value	9,212.60	11,346.20	4,355.87
Implied Enterprise Value (using only the average multiple of direct competitors)	13,253.85	11,346.20	3,098.24
Net Debt	2189.8	2189.8	2189.8
Implied Market Value	7,022.80	9,156.40	3,674.03
Implied Market Value (using only the average multiple of direct competitors)	11,064.05	9,156.40	908.44
Shares Outstanding	1,896.99	1,896.99	1,896.99
Implied Value Per Share	3.70	4.83	1.94
Implied Value Per Share (using only the average multiple of direct competitors)	5.83	4.83	0.48