

FINANCIAL DATA GUIDELINES _ INNOVATION PIPELINE

Latest update: Sept 2016

This document provides key information to help you fill in the business data in the Pipeline, and guidelines to ensure consistency across the Group for financial consolidations.

Please do reach out to the team if you have any question or issue not listed below.

1. WHAT IS THIS DATA FOR?

Capturing this data enables:

- Innovation portfolio management at brand, entity and Group levels thanks to consistent and comparable exports and monitoring tools.
- Innovation investment patterns understanding at entity and Group levels to provide guidance and good practices

2. WHO SHOULD FILL IN THIS DATA?

Business data on innovation should be filled in by financial teams of the entity owning the project, and shared with marketing teams' project owners (who fill in qualitative data).

3. WHAT EXCHANGE RATE SHOULD I USE?

Please use **last available exchange rates as given by central finance / Prisma team for each LE update.**

If you have a doubt about the exchange rate to apply, you can download the file with applicable rates next to the business data table.

4. WHAT IS INCLUDED IN A&P, CENTRAL INVESTMENT AND CAAP?

Advertising and Promotion should include all **spends for activating the innovation in market:** consumer A&P and trade A&P.

Central Investment should include **all brand spend by the project owner:** all development costs on the innovation project from ideation to launch supported at central level.
(NB: does not include CAPEX).

Contribution After A&P (CAAP) = Contributive Margin – Central Investment (brand owner) – A&P (markets).

5. PRISMA / NON PRISMA: WHAT FIGURES SHOULD I USE?

To ensure consistency at Group level, **whenever possible please use Prisma figures** in priority.

If your innovation is not reported in Prisma, please use **latest figures (LE)** – based on business cases and internal estimates – and apply related Prisma rates.

In any case, as some Prisma consolidations may not provide enough granularity (ie. innovation investments consolidated in mother brand spend, various innovations consolidated together, depletions...), or to give more information on constraints or events that might have had an impact on business results, you can use the comment box to provide additional information.

6. WHAT IS THE AMBITION SECTION FOR?

This section aims to understand the mid / long-term ambition behind a project rather than tying teams to performance. It is a projection based on **estimations** from the project owner entity.

In a portfolio management approach, it will help each entity and the Group identify and anticipate the next **big bets and growth drivers** among the innovations.

7. BIG BETS REPORTING

Big bets represent half of innovation investments for the Group. They must be reported both in Prisma and in the Pipeline with detailed feedback from markets.

Haven't found what you were looking for? Do not hesitate to contact Emily from the Innovation HQ team:

Email: emily.lararosales@pernod-ricard.com

Tel: +33 1 41 00 43 42