

DIAGEO PLC (ADR) NYSE-DEO				RECENT PRICE	86.26	P/E RATIO	14.4	(Trailing: 20.4 Median: 23.0)	RELATIVE P/E RATIO	0.77	DIV'D YLD	5.0%	VALUE LINE								
TIMELINESS	4	Lowered 8/15/25	High: 133.0 122.5 117.8 146.8 151.3 176.2 171.3 222.1 223.1 190.0 154.7 127.0	Low: 108.2 100.6 99.5 103.4 131.2 137.9 100.5 153.7 160.1 135.6 117.7 85.1									Target Price Range 2028 2029 2030								
SAFETY	2	Lowered 1/9/26	<div>LEGENDS</div> <div>14.0 x "Cash Flow" p ADR</div> <div>Relative Price Strength</div> <div>Options: Yes</div> <div>Shaded area indicates recession</div>																		
TECHNICAL	3	Raised 1/9/26																			
BETA	.85	(1.00 = Market)																			
18-Month Target Price Range				Low-High	Midpoint (% to Mid)																
				\$72-\$139	\$106 (20%)																
2028-30 PROJECTIONS				Price	Gain	Ann'l Total															
				High	Low	Return															
				165	120	(+90%)															
				120		(+40%)															
U.S. Institutional Decisions				1Q/2025	2Q/2025	3Q/2025															
				to Buy	366	360															
				to Sell	493	416															
				Hld's(000)	56522	56634															
				Percent	6																
				shares	4																
				traded	2		<div>2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026</div> <div>© VALUE LINE PUB. LLC 28-30</div>														
Shares of Diageo plc primarily trade on the London Stock Exchange under the ticker: DGE.L. Its American Depository Receipts (ADRs) trade on the New York Stock Exchange (Ticker: DEO). One ADR is equal to four ordinary shares. Bank of New York Mellon acts as Diageo's U.S. depository bank.																					
CAPITAL STRUCTURE as of 6/30/25																					
Total Debt \$23.7 bill. Due in 5 Yrs \$2.9 bill.																					
LT Debt \$20.8 bill. LT Interest \$1.3 bill.																					
(68% of Cap'l)																					
Uncapitalized Leases Annual rentals \$112.0 mill.																					
No Defined Benefit Pension Plan																					
Pfd Stock None																					
Common Stock 608,106,282 ADRs.																					
MARKET CAP: \$52 billion (Large Cap)																					
CURRENT POSITION (SMILL)				2023	2024	6/30/25															
Cash Assets				1813.1	1130.0	2200.0															
Receivables				3427.2	3487.0	3504.0															
Inventory (FIFO)				9652.9	9720.0	10658.0															
Other				729.5	789.0	1135.0															
Current Assets				15622.7	15126.0	17497.0															
Accts Payable				6678.0	6354.0	6952.0															
Debt Due				2143.3	2885.0	2928.0															
Other				772.3	629.0	832.0															
Current Liab.				9593.6	9868.0	10712.0															
ANNUAL RATES of change (per ADR)				Past 10 Yrs.	Past 5 Yrs.	Est'd '23-'25															
Sales				2.5%	6.5%	4.0%															
"Cash Flow"				2.5%	5.0%	5.0%															
Earnings				2.5%	3.5%	2.0%															
Dividends				3.0%	4.0%	1.5%															
Book Value				.5%	-3.0%	9.5%															
Fiscal Year Ends				QUARTERLY SALES (\$ mill.) ^B	Full Fiscal Year																
				Sep.30	Dec.31	Mar.31	Jun.30														
2022				--	9628	--	9068														
2023				--	11398	--	10164														
2024				--	10962	--	9307														
2025				--	10901	--	9344														
2026				--	10000	--	10000														
Fiscal Year Ends				EARNINGS PER ADR ^{AB}	Full Fiscal Year																
				Sep.30	Dec.31	Mar.31	Jun.30														
2022				--	4.07	--	2.69														
2023				--	4.87	--	3.42														
2024				--	3.20	--	3.71														
2025				--	3.44	--	.79														
2026				--	3.00	--	3.00														
Cal-endar				QUARTERLY DIVIDENDS PAID ^{BC}	Full Fiscal Year																
				Mar.31	Jun.30	Sep.30	Dec.31														
2022				--	1.53	--	2.28														
2023				--	1.54	--	2.38														
2024				--	1.62	--	2.52														
2025				--	1.62	--	2.52														
2026				--		--															

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18-Month Target Price Range
Low-High Midpoint (% to Mid)
\$72-\$139 \$106 (20%)

2028-30 PROJECTIONS
Ann'l Total
Price Gain Return
High 165 (+90%) 21%
Low 120 (+40%) 12%

U.S. Institutional Decisions
1Q/2025 2Q/2025 3Q/2025
to Buy 366 360 319
to Sell 493 416 432
Hld's(000) 56522 56634 56605
Percent shares traded 6 4 2

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CAPITAL STRUCTURE as of 6/30/25
Total Debt \$23.7 bill. Due in 5 Yrs \$2.9 bill.
LT Debt \$20.8 bill. LT Interest \$1.3 bill.
(68% of Cap'l)

Uncapitalized Leases Annual rentals \$112.0 mill. No Defined Benefit Pension Plan

Pfd Stock None

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MARKET CAP: \$52 billion (Large Cap)

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ANNUAL RATES of change (per ADR)
Past 10 Yrs. Past 5 Yrs. Est'd '23-'25
Sales 2.5% 6.5% 4.0%
"Cash Flow" 2.5% 5.0% 5.0%
Earnings 2.5% 3.5% 2.0%
Dividends 3.0% 4.0% 1.5%
Book Value .5% -3.0% 9.5%

Fiscal Year Ends	QUARTERLY SALES (\$ mill.) ^B	Full Fiscal Year
Sep.30 Dec.31 Mar.31 Jun.30		
2022	-- 9628 -- 9068	18697
2023	-- 11398 -- 10164	21562
2024	-- 10962 -- 9307	20269
2025	-- 10901 -- 9344	20245
2026	-- 10000 -- 10000	20000

Fiscal Year Ends	EARNINGS PER ADR ^{AB}	Full Fiscal Year
Sep.30 Dec.31 Mar.31 Jun.30		
2022	-- 4.07 -- 2.69	6.76
2023	-- 4.87 -- 3.42	8.29
2024	-- 3.20 -- 3.71	6.91
2025	-- 3.44 -- .79	4.23
2026	-- 3.00 -- 3.00	6.00

Cal-endar	QUARTERLY DIVIDENDS PAID ^{BC}	Full Fiscal Year
Mar.31 Jun.30 Sep.30 Dec.31		
2022	-- 1.53 -- 2.28	3.81
2023	-- 1.54 -- 2.38	3.93
2024	-- 1.62 -- 2.52	4.14
2025	-- 1.62 -- 2.52	4.14
2026	-- -- --	

BUSINESS: Diageo plc was incorporated as Arthur Guinness Son & Company Limited, in October 1886. After a number of mergers, in 1997, the corporation changed its name to Diageo. It is one of the world's largest alcoholic beverage producers and distributors. Popular brands include *Johnnie Walker* (blended scotch whisky), *Baileys* (liqueur), *Captain Morgan* (rum), *Smirnoff* (vodka), and *Guinness* (beer). Has about 29,600 employees. CEO: Sir Dave Lewis. Chairman: Sir John Manzoni. BlackRock owns 5.9% of common stock; Capital Research and Management, 5.0%; Massachusetts Financial Services, 5.0% (6/25 20-F). Inc.: England and Wales. Address: Lakeside Drive, Park Royal, London NW10 7HQ, England. Telephone: +44 20 8978 6000. Internet: www.diageo.com.

Diageo plc has a new CEO. Effective January 1, Sir Dave Lewis took the helm of Diageo. Sir Dave spent the majority of his career at Unilever, starting as a graduate trainee and rising to become Global President for Personal Care. After 28 years at the consumer goods giant, he left to run supermarket chain Tesco plc as Group CEO, leading the retailer for six years. The Diageo leadership change is expected to have a positive impact on the alcoholic beverage producer, as Sir Dave will likely leverage his proven track record in turnaround situations, cost discipline, and innovate brand marketing.

Diageo is scheduled to report interim-year 2026 results in early February. We expect sales for the December period to slip from \$10.9 billion to \$10.0 billion, and earnings to fall from \$3.44 per ADR to \$3.00. Recent demand for Diageo's products has been mixed, and this could be reflected in the interim results. While organic volume has grown, indicating that consumers are still purchasing products, overall demand has been tempered by a decline in price/mix. This suggests that while people are buying more, they are op-

ting for lower-priced items or there is a shift in product mix, particularly in regions like Asia Pacific, where the performance of Chinese white spirits has been notably weak.

The beverage industry is experiencing some notable shifts in consumer behavior and market dynamics. One of the biggest trends is the growing demand for lower-alcohol and no-alcohol options, as consumers increasingly prioritize moderation and health-conscious choices. Products like *Guinness 0.0* have gained traction, reflecting this shift. Another trend is the softening demand for core spirits, particularly in the U.S. Economic pressures are playing a significant role, with consumers showing signs of weaker confidence and trading down to smaller sizes or lower price points.

These ADRs are ranked (Timeliness: 4) to underperform the broader market averages in the year ahead. Furthermore, DEO ADRs were recently downgraded for Safety (now 2, Above Average) and the equity has fallen 9% since our October review.

Kathleen Uckert *January 9, 2026*

(A) American Depository Receipts (ADRs). One ADR equals four ordinary shares. (B) All financial data are prepared using International Financial Reporting Standards (IFRS), and released semi-annually. Figures may not sum to total due to rounding. Next earnings report due early February. (C) Dividends commonly paid in late April and October. (D) In millions. (E) Includes intangibles. In FY 2025, \$14.8 billion or \$24.30 per ADR. (F) In 2024, the functional currency changed from sterling to U.S.dollar.

Company's Financial Strength A
Stock's Price Stability 90
Price Growth Persistence 30
Earnings Predictability NMF

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