



ISSUER RATING
LongTerm

OUTLOOK
Positive

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Rating Action and Rationale

- EthiFinance Ratings affirms Campari's long-term rating at BBB-, but changes the outlook from Stable to Positive.
- Based in Milan (Italy) and legally domiciled in the Netherlands, Davide Campari-Milano N.V. (Campari) is a major player in the global spirits industry, and the sixth largest globally, with a portfolio of over 50 premium and super-premium brands marketed in approximately 190 countries.
- The revision of the outlook to Positive reflects Campari's faster-than-expected deleveraging and the progressive execution of its strategic transformation under new CEO Simon Hunt. In FY25, the group generated net sales of €3,051m, slightly lower on a reported basis (-0.6% yoy) due to adverse FX effects (mainly USD and Latin American currencies), but with solid organic growth of +2.4%, driven by all regions and all four brand houses. Profitability improved meaningfully: adjusted EBITDA reached €783m (+24.7% yoy), with the adjusted EBITDA margin rising to 25.7% (vs 20.4% in FY24). This was driven by gross margin gains from lower input costs – particularly agave – as well as a contained U.S. tariff impact of only €11m, as the group had strategically pre-built inventory in the U.S. ahead of tariff implementation. At the same time, the group delivered visible progress on its SG&A cost containment program (70 basis points of margin improvement in 2025, on track for a cumulative 200 basis points by end-2027), while deliberately increasing brand investment with A&P (Advertising & promotional cost) rising to 17.9% of sales (vs 16.7% in FY24). Net debt-to-adjusted-EBITDA improved sharply to 2.6x at YE25, down from a peak of 3.9x following the Courvoisier acquisition in September 2024, reaching the group's deleverage target a full year ahead of plan. This was supported by recurring Fund from Operation of €575m and disposal proceeds from the portfolio streamlining program (including Cinzano, the Australian bottling plant, and the Tannico stake).
- Over our forecast period (2026–28), despite the normalization of extraordinary capital expenditure (guided at c. €100m in FY26, its final year, before dropping to maintenance-only levels of c. 4% of sales) and the explicit pause on bolt-on acquisitions, we expect net adjusted leverage to decline modestly to approximately 2.6x by end-2028, mainly due to uncertainties linked to 2026 tariffs that are expected to weigh on profitability. However, our rating remains constrained by several factors. The discretionary nature of the spirits industry exposes the group to macroeconomic volatility and shifts in consumer sentiment, and the current operating environment remains challenging across key markets. Notably, the favorable tariff dynamics of 2025 are set to reverse: U.S. tariff impact is expected to nearly triple to c. €30m in 2026 as the pre-built inventory buffer is depleted, while the pricing environment remains too competitive to pass through costs to consumers. Brand concentration risk persists, as of FY25 the Aperol franchise alone represented c. 26% of group net sales and the broader aperitif portfolio accounts for 44%, meaning a sustained downturn in the category would disproportionately impact group performance. Working capital absorption from maturing inventory – bourbon, cognac and rum require years of ageing before sale – runs at approximately €100m per year and is expected to persist as a structural feature of the portfolio, constraining free cash flow conversion.
- The beverages subsector has medium-to-high ESG risks under our methodology (sector heatmap score between 3.5 and 4), slightly constraining our industry assessment. Regarding environmental factors, the industry has a low impact on climate and biodiversity, but has some impact on pollution linked to the use of glass and plastic bottles. However, the sector raises significant health issues around sugared soft drinks and alcoholic beverages. In particular, the latter can have a higher impact on consumers' health compared to "regular beverages", with alcohol-related harm being a major public health concern (responsible for c.255-290k deaths each year across EU countries, according to the WHO). In addition, legal and regulatory constraints from state authorities (including changes in regulations relating to production, distribution, importation, marketing, advertising, pricing, and packaging) may have a negative impact on the financial performance of a company operating in this subsector.
- Our assessment of the company's ESG policy is advanced (company ESG score of between 0 and 1), positively impacting our financial assessment. Campari's ESG profile shows diverging trends across pillars. The environmental score improved, mainly driven by a 1.7% reduction in Scope 1 and 2 GHG emissions (location-based). This was partially offset by higher water consumption and increased waste generation. The group remains committed to net-zero by 2050, however its targets have not been validated by the SBTi. Social factors were broadly stable, with improved female representation across management levels and a lower accident frequency rate, but penalized by a sharp rise in employee turnover. The governance assessment weakened slightly, as the board expanded to 13 members while independent directors declined to 4, reducing the weight of independent oversight; the separation of chairman and CEO roles is maintained.

Issuer Description

Founded in 1860, Campari is a major player in the global spirits industry with a well-diversified portfolio of premium and super-premium brands across the major categories, including aperitifs, vodka, whisky, tequila, rum, gin, and

cognac. Its brands are categorized into global, regional, and local priority brands based on their business priority, geographic scale, and growth potential. Campari's portfolio is organized into four Houses of Brands, which together represent 78% of FY25 net sales, with Local Brands making up the residual 22%. The House of Aperitifs is the largest at c. 44%, followed by Whiskey & Rum (c. 14%), Agave (c. 10%), and Cognac & Champagne (c. 10%). Campari owns 24 production sites worldwide (including distilleries and bottling plants) and operates its own distribution network in 27 countries, while trading in over 190 nations globally. Campari is listed on the Italian Stock Exchange, and has a market capitalization of €8.1bn (market closing of April 14, 2026). Lagfin (the holding company of the Garavoglia family) controls 50.8%.

For 2025, Campari generated revenues of c. €3.1bn, and adjusted EBITDA of €783m (+24.7% yoy), equivalent to a 25.7% margin (vs 20.4% in 2024). The consolidated EthiFinance Ratings net leverage ratio was 2.6x at end-2025 (vs 3.9x at end-2024).

Main Financial Figures

Main financial figures. millions of EUR						
	FY24	FY25	FY26e	FY27e	FY28e	25vs24
Turnover	3 070	3 051	3 042	3 103	3 165	-0,6%
Adj EBITDA ⁽¹⁾	628	783	629	620	629	24,7%
Adj EBITDA Margin	20,4%	25,7%	20,7%	20,0%	19,9%	5,2pp
EBIT	287	565	473	475	485	96,7%
EBIT Margin	9,4%	18,5%	15,6%	15,3%	15,3%	9,2pp
EBT	265	460	395	400	414	74,0%
Total Assets	8 483	8 111	8 139	8 138	8 333	-4,4%
Equity	3 855	3 856	4 022	4 192	4 372	0,0%
Adj Total Financial Debt ⁽²⁾	3 105	2 741	2 600	2 424	2 424	-11,7%
Adj Net Financial Debt ⁽²⁾	2 439	2 038	1 908	1 755	1 605	-16,5%
Equity/TFD ⁽²⁾	124,2%	140,7%	154,7%	173,0%	180,3%	16,5pp
Adj NFD/Adj EBITDA ^{(1) (2)}	3,9x	2,6x	3,0x	2,8x	2,6x	-1,3x
Adj Funds From Operations	535	575	438	435	444	7,6%
Adj FFO/Adj NFD ⁽²⁾	21,9%	28,2%	23,0%	24,8%	27,7%	6,3pp
Adj EBITDA/Adj Interest ⁽¹⁾	5,6x	7,5x	6,6x	6,9x	7,3x	1,8x

⁽¹⁾ Adjusted for restructuring and reorganization costs, and incentives schemes.

⁽²⁾ Adjusted for pensions and reverse factoring.

Credit Rating

Credit Rating	
Business Risk Profile	BBB-
Industry risk assessment	BBB
Industry's ESG	Negative
Competitive Positioning	BB+
Governance	BBB-
Financial Risk Profile	BBB
Cash flow and leverage	BB+
Solvency	A-
Company's ESG	Positive
Anchor Rating	BBB-
Modifiers	-
Rating	BBB-

Rating Sensitivity

- **LT Rating: BBB-**

Factors that may (individually or collectively) impact the rating:

- **Rating positive factors (↑)**

A long-term rating upgrade to BBB could be considered if Campari sustains its current deleveraging trajectory, with an EthiFinance Ratings-adjusted net leverage ratio below 3.0x for a sustained period, combined with continued margin-accretive organic growth.

- **Rating negative factors (↓)**

A long-term rating downgrade to BB+ could be triggered by a sustained deterioration of Campari's credit metrics, with the EthiFinance Ratings-adjusted net leverage ratio deteriorating to between 3.5x and 4.0x for a sustained period. We view this scenario as highly unlikely given the current trajectory of deleveraging, the pause on M&A activity, and the normalization of capital expenditure.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
 - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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