

Cautionary statements concerning forward-looking statements and non-GAAP financial measures

The following presentation contains 'forward-looking' statements. These statements can be identified by the fact that they do not relate only to historical or current facts and may generally, but not always, be identified by the use of words such as "will", "anticipates", "should", "could", "would", "targets", "aims", "may", "expects", "intends" or similar expressions or statements. In this presentation, such statements include those that express forecasts, expectations, plans, outlook, objectives and projections with respect to future matters, including information related to Diageo's fiscal 24 outlook, Diageo's medium-term guidance for fiscal 23 to 25, Diageo's supply chain agility programme, future Total Beverage Alcohol market share ambitions and any other statements relating to Diageo's performance for the year ending 30 June 2024 or thereafter.

Forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including factors that are outside Diageo's control, which include, but are not limited to: (i) economic, political, social or other developments in countries and markets in which Diageo operates, including macroeconomic events that may affect Diageo's customers, suppliers and/or financial counterparties; (ii) the effects of climate change, or legal, regulatory or market measures intended to address climate change; (iii) changes in consumer preferences and tastes, including as a result of disruptive market forces, changes in demographics and evolving social trends (including any shifts in consumer tastes towards at-home occasions, premiumisation, small-batch craft alcohol, or lower or no alcohol products and/or developments in e-commerce); (iv) changes in the domestic and international tax environment that could lead to uncertainty around the application of existing and new tax laws and unexpected tax exposures; (v) changes in the cost of production, including as a result of increases in the cost of commodities, labour and/or energy due to inflation and/or supply chain disruptions; (vi) any litigation or other similar proceedings (including with tax, customs, competition, environmental, anti-corruption or other regulatory authorities); (vii) legal and regulatory developments, including changes in regulations relating to environmental issues and/or e-commerce; (viii) the consequences of any failure of internal controls; (ix) the consequences of any failure by Diageo or its associates to comply with anti-corruption, sanctions, trade restrictions or similar laws and regulations, or any failure of Diageo's related internal policies and procedures to comply with applicable law or regulation; (x) Diageo's ability to make sufficient progress against or achieve its ESG ambitions; (xi) cyber-attacks and IT threats or any other disruptions to core business operations; (xii) contamination, counterfeiting or other circumstances which could harm the level of customer support for Diageo's brands and adversely impact its sales; (xiii) Diageo's ability to maintain its brand image and corporate reputation or to adapt to a changing media environment; (xiv) fluctuations in exchange rates and/or interest rates; (xv) Diageo's ability to derive the expected benefits from its business strategies, including Diageo's investments in e-commerce and its luxury portfolio; (xvi) increased competitive product and pricing pressures, including as a result of introductions of new products or categories that are competitive with Diageo's products and consolidations by competitors and retailers; (xvii) increased costs for, or shortages of, talent, as well as labour strikes or disputes; (xviii) movements in the value of the assets and liabilities related to Diageo's pension plans; (xix) Diageo's ability to renew supply, distribution, manufacturing or licence agreements (or related rights) and licences on favourable terms, or at all, when they expire; or (xx) any failure by Diageo to protect its intellectual property rights.

All oral and written forward-looking statements made on or after the date of this presentation and attributable to Diageo are expressly qualified in their entirety by the above cautionary factors and by the factors set out under "Our principal risks and risk management" in Diageo's Annual Report and under "Risk Factors" in Diageo's Annual Report on Form 20-F for the year ended 30 June 2022 filed with the US Securities and Exchange Commission. Any forward-looking statements made by or on behalf of Diageo speak only as of the date they are made. Diageo does not undertake to update forward-looking statements to reflect any changes in Diageo's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

This presentation includes financial measures which are not presented in Diageo's financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the UK and are considered "non-GAAP financial measures" under US Securities and Exchange Commission rules. Please refer to the section "Definitions and reconciliation of non-GAAP measures to GAAP measures" set out at the end of this presentation.

DIAGEO

Delivering *sustainable* *long-term* growth

Preliminary Results Fiscal 23

Debra Crew &
Lavanya Chandrashekar

1 August 2023



Ivan

1959 - 2023

Our ambition is to be
one of the *best performing,*
most trusted and respected
consumer products
companies in the world

A strong set of results
and organic NSV
4-YEAR CAGR¹

8%

F23 results

Organic
volume

↓ -1%

Organic
net sales
value growth

↑ +6%

Organic
operating profit

↑ +7%

Free
cash flow

£1.8bn
↓ -£1.0bn

Our *advantaged portfolio* of brands is *fundamental* to driving our business.

We delivered *double-digit growth* from our biggest brands in our top 3 categories.

F23 organic net sales growth



Johnnie Walker,
the world's #1
*international
spirit*¹ brand,
continued to
grow double-digit



Diageo is *#1 in global tequila¹* and is well positioned to take tequila *around the world*

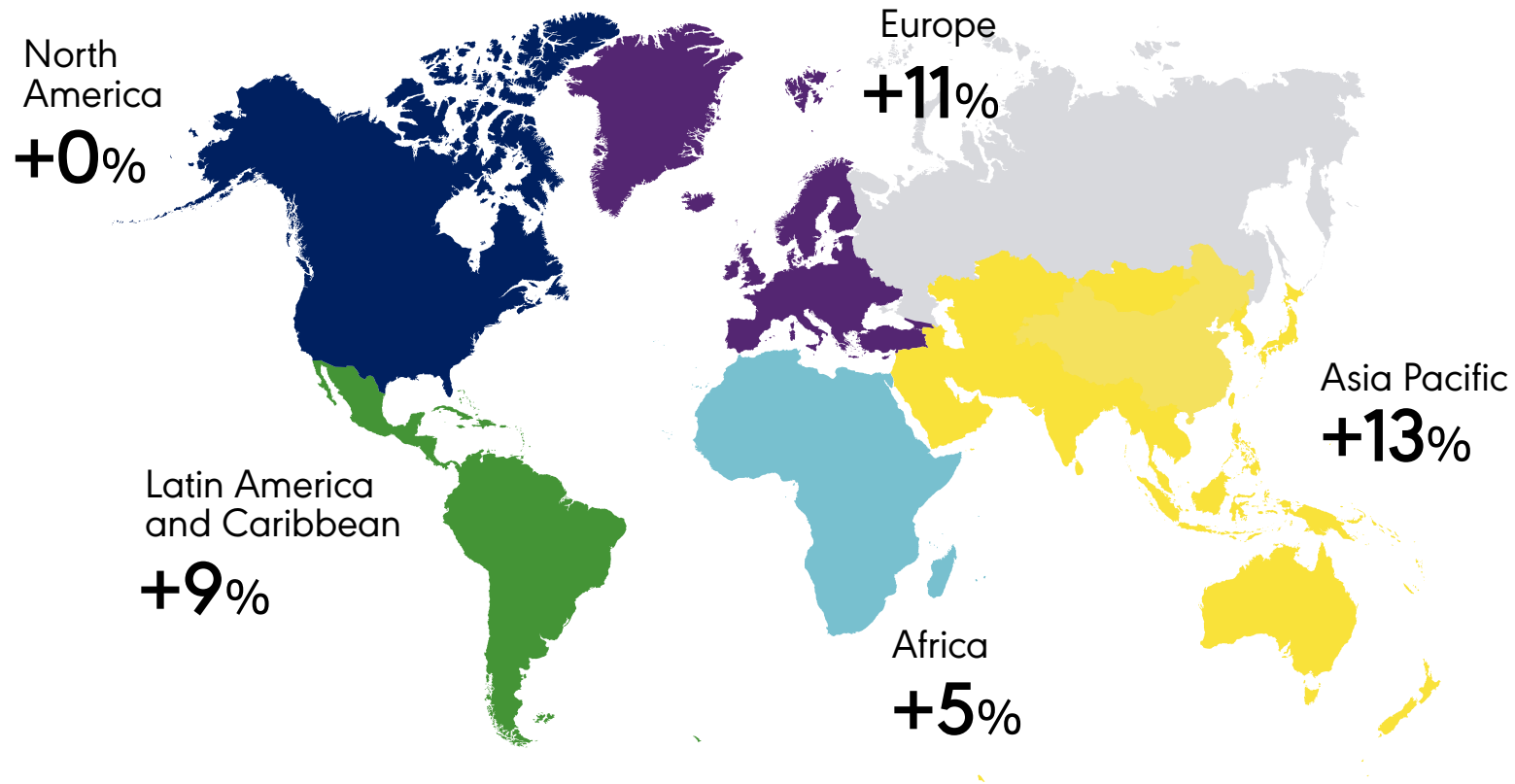


A momentous year for Guinness



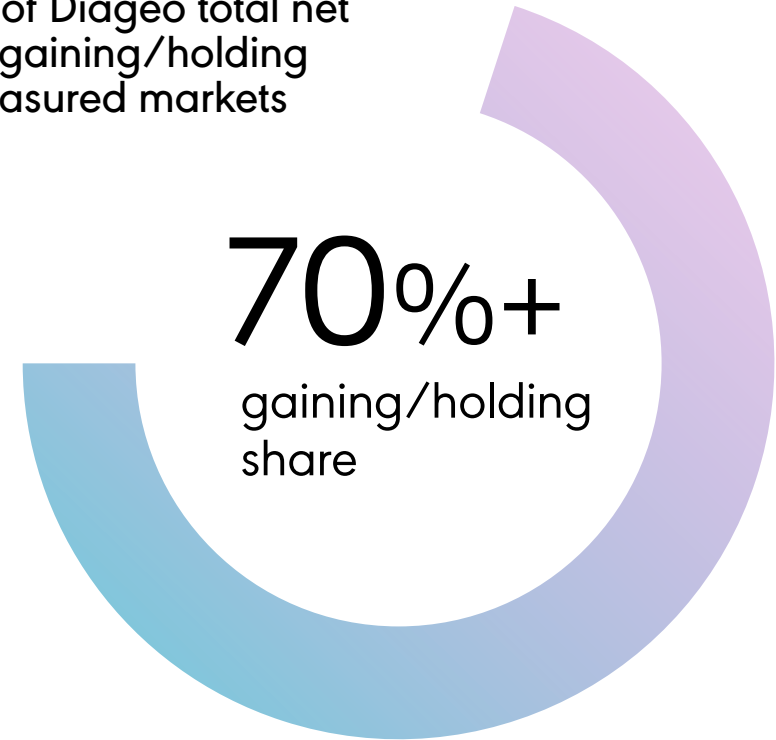
Resilience and opportunity from our diversified footprint

F23 full year organic net sales growth by region



Delivered quality market share gains in fiscal 23 and going forward *expect consistent gains* from key markets

Percentage of Diageo total net sales value gaining/holding share in measured markets

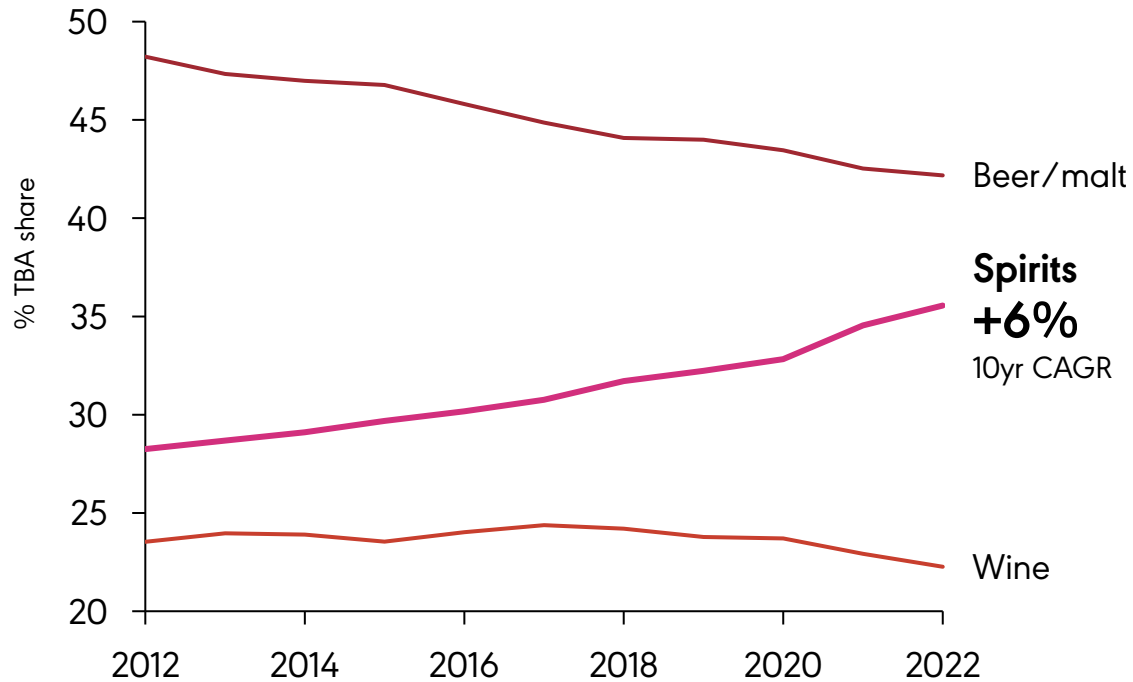


Source: Internal estimates incorporating Nielsen, Association of Canadian Distillers, Dichter & Neira, Frontline, INTAGE, IRI, ISCAM, NABCA, Scintia, State Monopolies, TRAC, IPSOS and other third-party providers. All analysis of data has been applied with a tolerance of +/- 3 bps. Percentages represent percent of markets by total Diageo net sales contribution that have held or gained total trade share fiscal year to date. Measured markets indicate a market where we have purchased any market share data. Market share data may include beer, wine, spirits or other elements. Measured market net sales value sums to 87% of total Diageo net sales value in fiscal 23.

US spirits consumer *resilient* and continues to *premiumise*

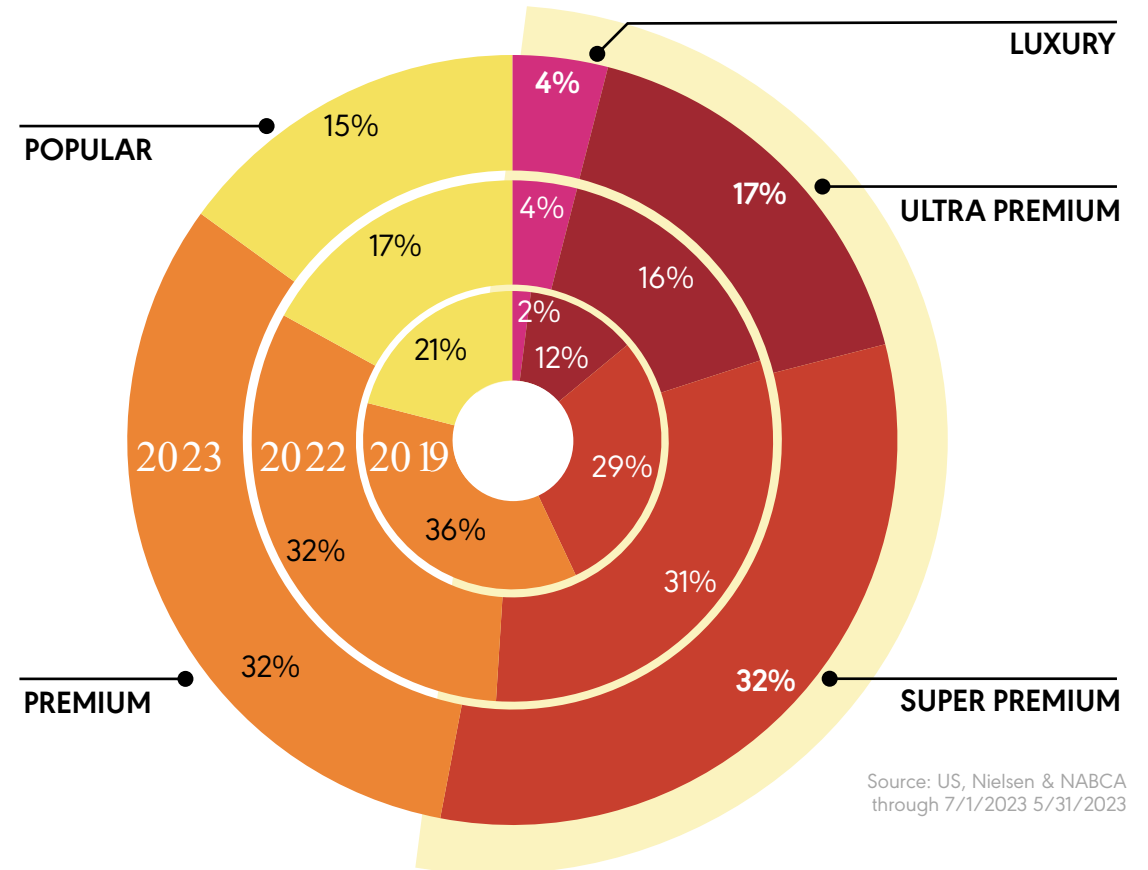
Spirits taking share of US TBA

US TBA +4% 10yr CAGR



Source: IWSR, 2012-2022

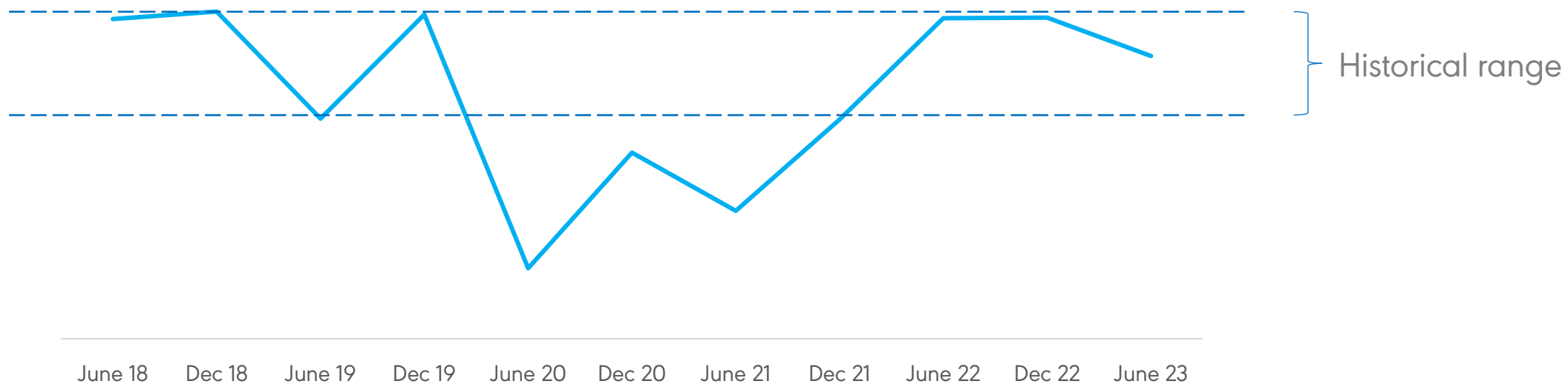
Super-Premium Plus: +11% 4yr CAGR in US



Source: US, Nielsen & NABCA through 7/1/2023 5/31/2023

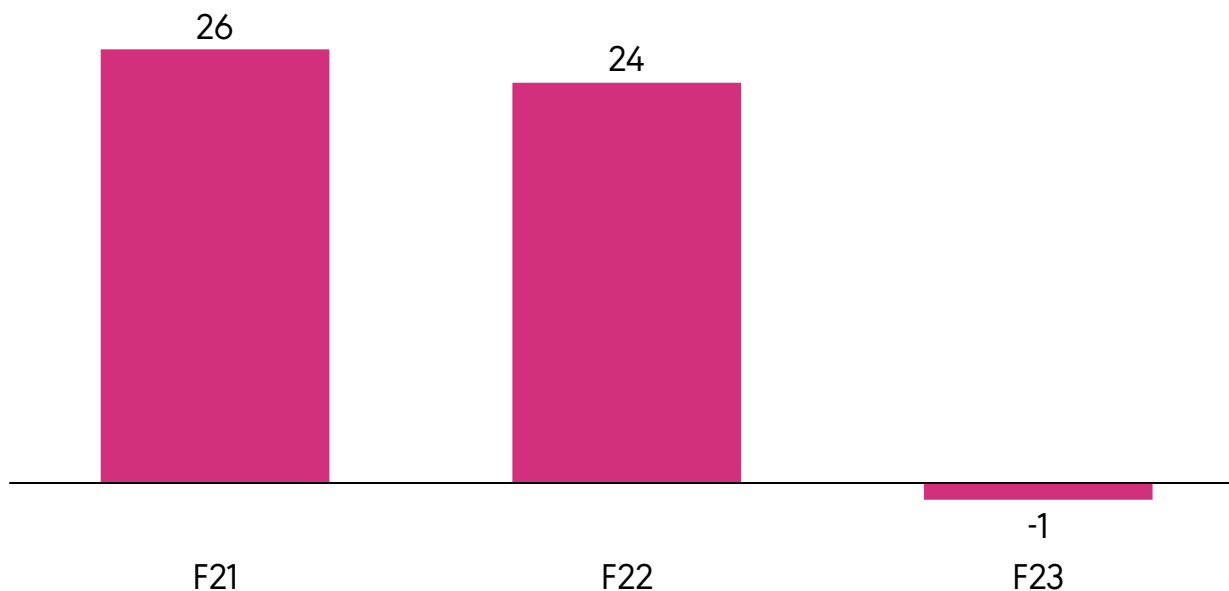
Diageo US distributor inventory levels at historical levels

Diageo US Spirits Distributor Historical DSI¹



Opportunity for Diageo to *re-gain share competitiveness in the US*

Diageo US TBA Share change (bps)



Near-term opportunities – Innovation



Speed & agility

Near-term opportunities – Global brand building



Scotch



Tequila



Guinness

Speed & agility

Productivity initiatives
delivered **£450m**
of cost savings in F23

Critical to *fueling*
investment
to deliver our medium-
term guidance



Strong F23
performance
*across key
financial
metrics*

Efficient growth

Organic net sales
value growth

↑ +6.5%

Organic operating
margin expansion

↑ +15_{bps}

Value creation

Return on
invested capital

16.3%

↓ -50_{bps}

Free
cash flow

£1.8_{bn}

↓ -£1.0_{bn}

Pre-exceptional
eps

163.5_p

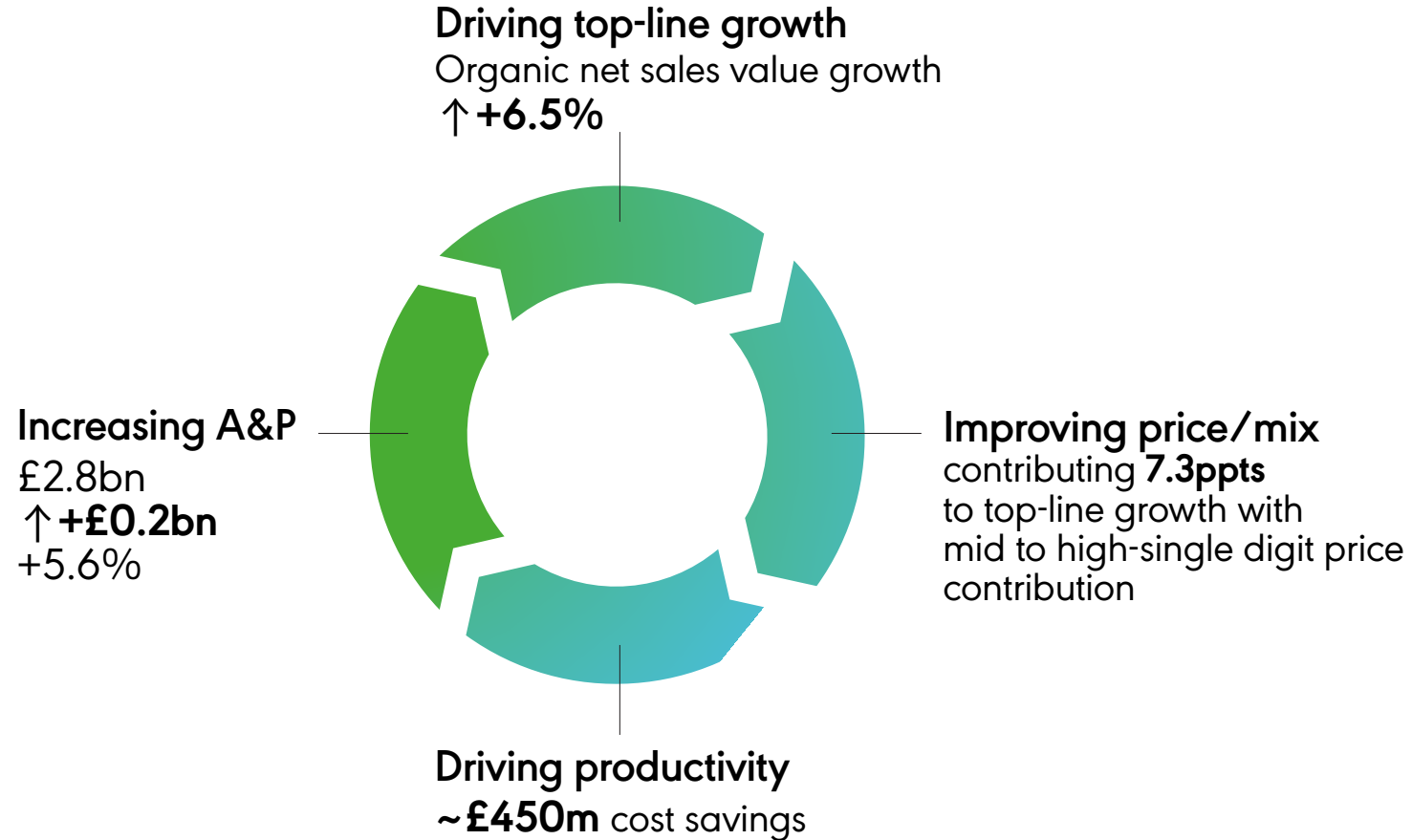
↑ +7.6%

Total shareholder
return¹

9% - 10 yr
-2% - 1 yr

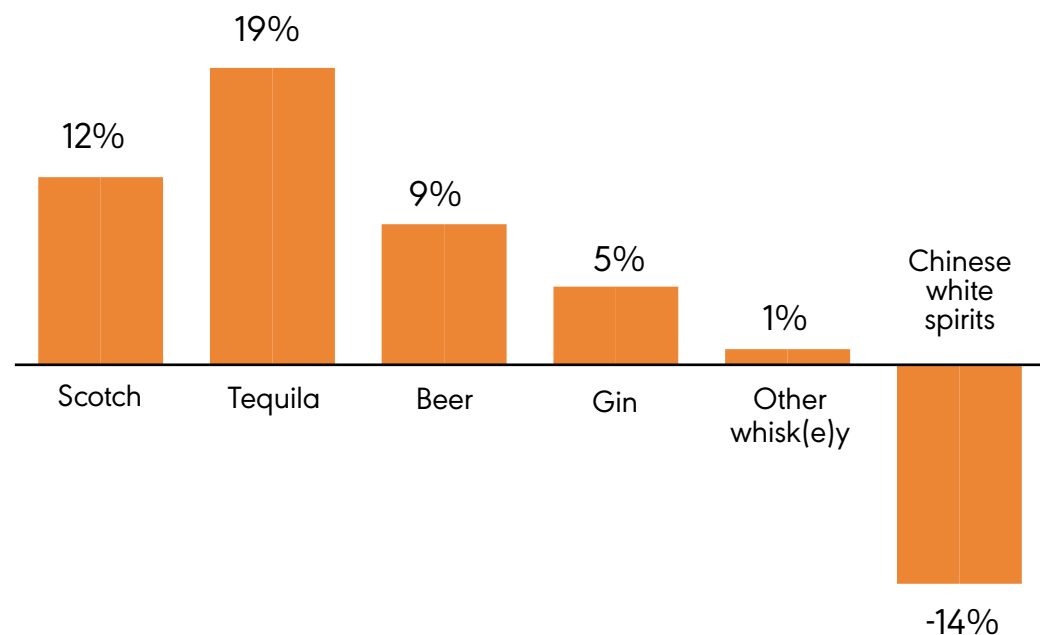
Our profitable growth algorithm delivers *quality long-term growth*

1. Driving top-line growth
2. Improving price/mix
3. Driving productivity
4. Increasing A&P



Our *advantaged portfolio* in fast-growing categories is *driving top-line growth*

F23 Organic net sales growth of key categories¹



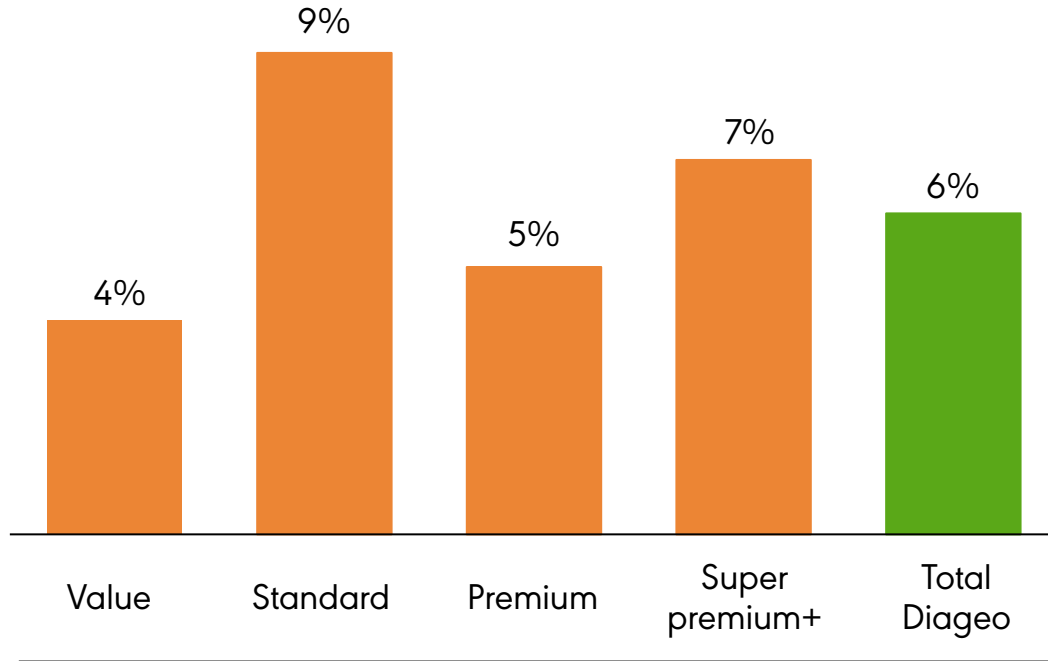
F19 - F23 CAGR³

	Net sales	Volume
Scotch	8%	4%
Tequila	43%	32%
Beer	5%	-1%
Gin	8%	5%
Other whisk(e)y ²	4%	2%
Chinese white spirits	7%	6%
Total Diageo	8%	2%

Source: Diageo internal information
 1. Growth rates reflected are year-on-year
 2. Other whisk(e)y comprises all whisk(e)y categories except for scotch.
 3. F19 to F23 4YR CAGR indicative, based on rounded numbers apart from Other Whisk(e)y. The impact from disposals, acquisitions and re-classifications may not be fully captured

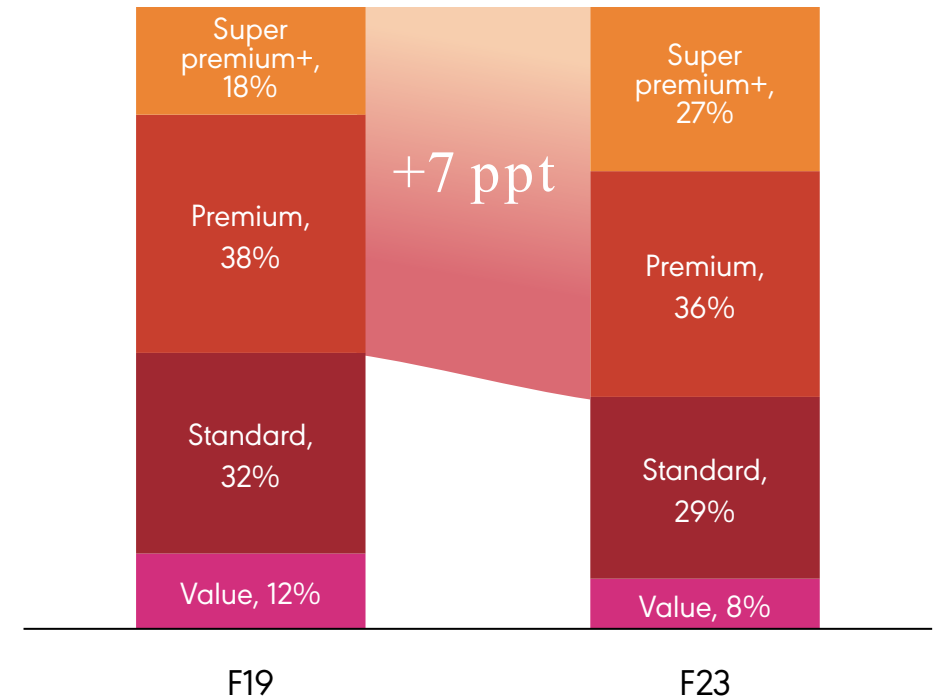
Our *premium-plus* price tier has grown 7 percentage points since F19

F23 Organic net sales growth vs F22
by price tier¹



F19-F23 Net sales CAGR ³	3%	7%	6%	17%	8%
F19-F23 volume CAGR ³	0%	3%	3%	11%	2%

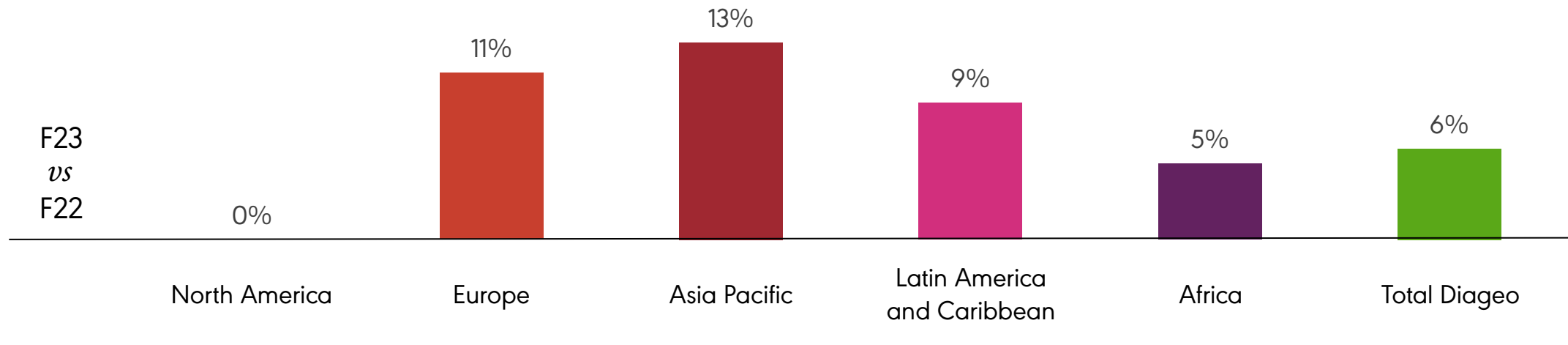
Reported net sales
by price tier, F19 – F23²



Source: Diageo internal information
 1. Growth rates reflected are year-on-year. Super premium+ represents super premium, ultra premium and luxury segments
 2. Selected brands have been reclassified across price tiers consistent with Diageo's process of continuously reviewing and monitoring metrics of price segmentation.
 3. F19 to F23 4YR CAGR indicative, and the impact from disposals, acquisitions and re-classifications may not be fully captured

Our *diversified global footprint* is delivering *strong top-line growth*

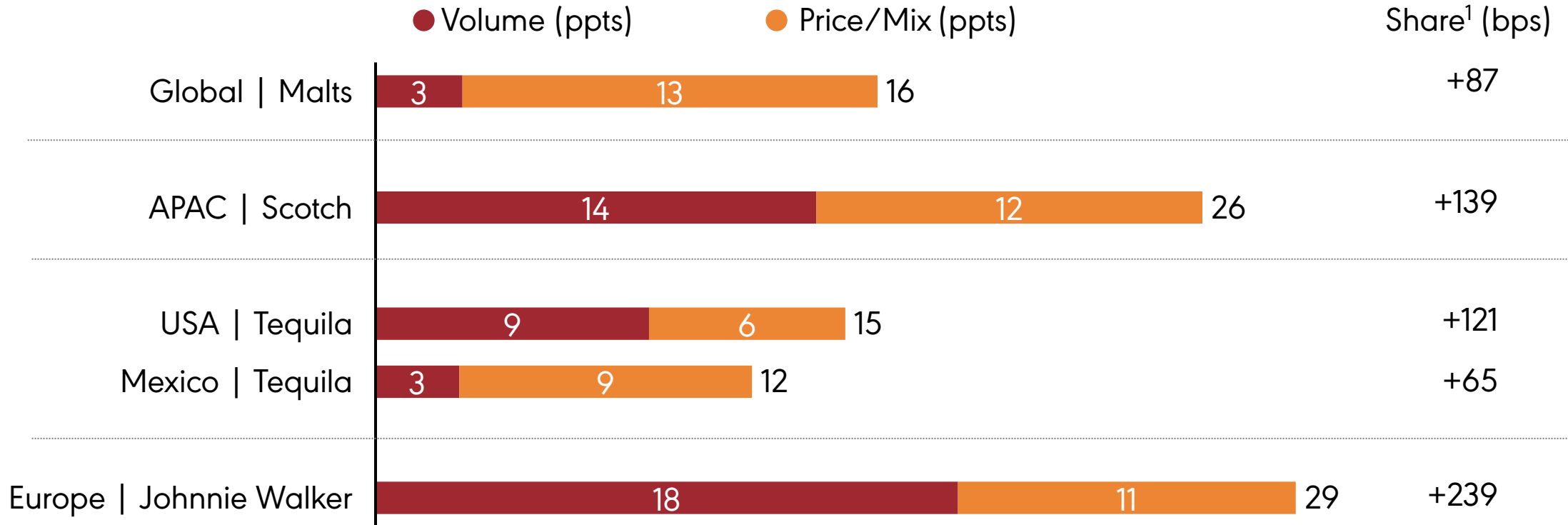
Organic net sales growth
by region



F19-F23 net sales CAGR ²	9%	7%	6%	15%	8%	8%
F19-F23 volume CAGR ²	2%	3%	1%	4%	2%	2%

Diageo F23 net sales are **35%** higher than F19¹

Revenue growth management is *driving balanced top-line growth and share gains in key categories*



1. Source: Internal estimates incorporating AC Nielsen, Association of Canadian Distillers, Dichter & Neira, Frontline, Intage, IRI, ISCAM, NABCA, Scintia, State Monopolies, TRAC, IPSOS and other third-party providers
For additional information, please see financial/legal appendix

Source: Diageo internal information

Productivity initiatives delivered around £450m during fiscal 23



Procurement



Product



Logistics



Manufacturing



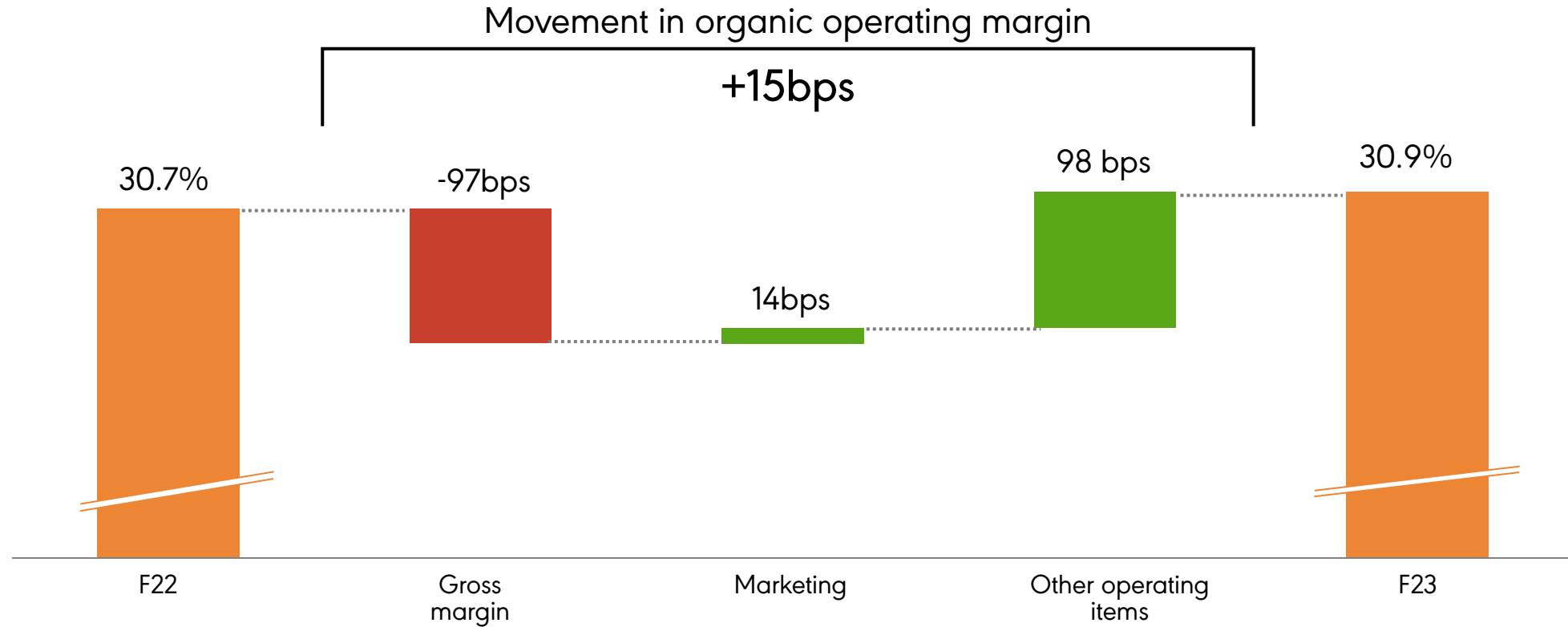
Marketing effectiveness



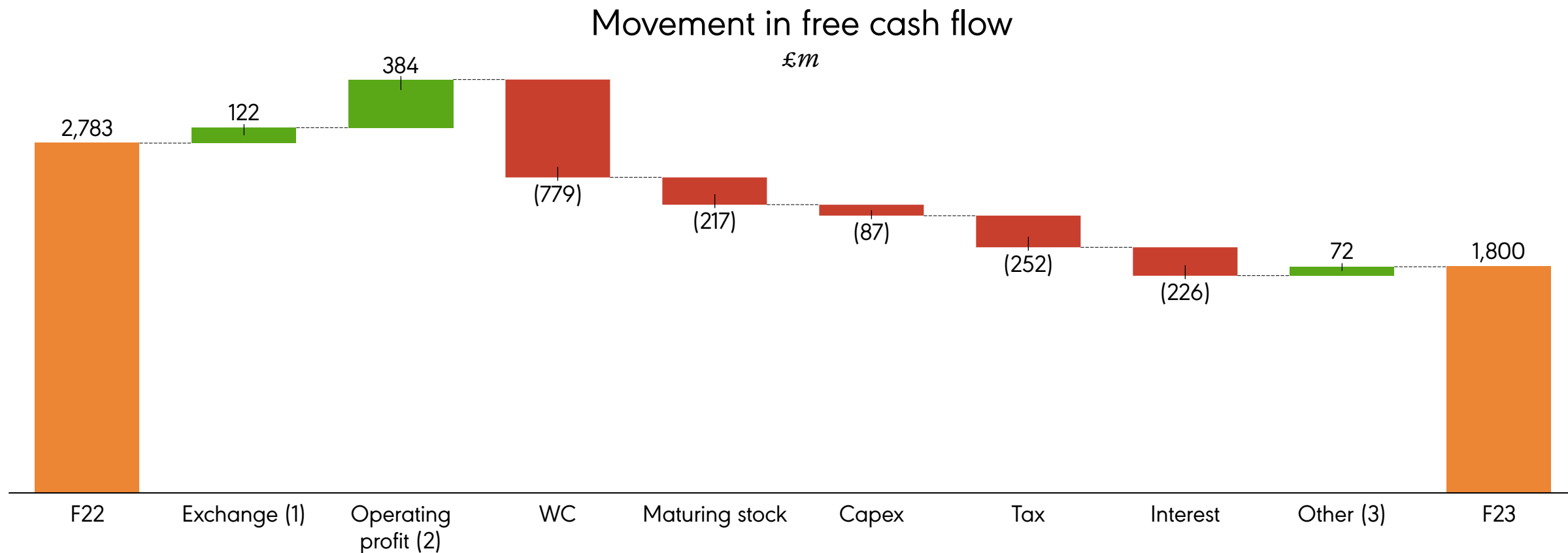
Overhead efficiencies

COGS productivity

Resilience in organic operating margin despite increased cost inflation



Free cash flow generation impacted primarily by creditors within working capital



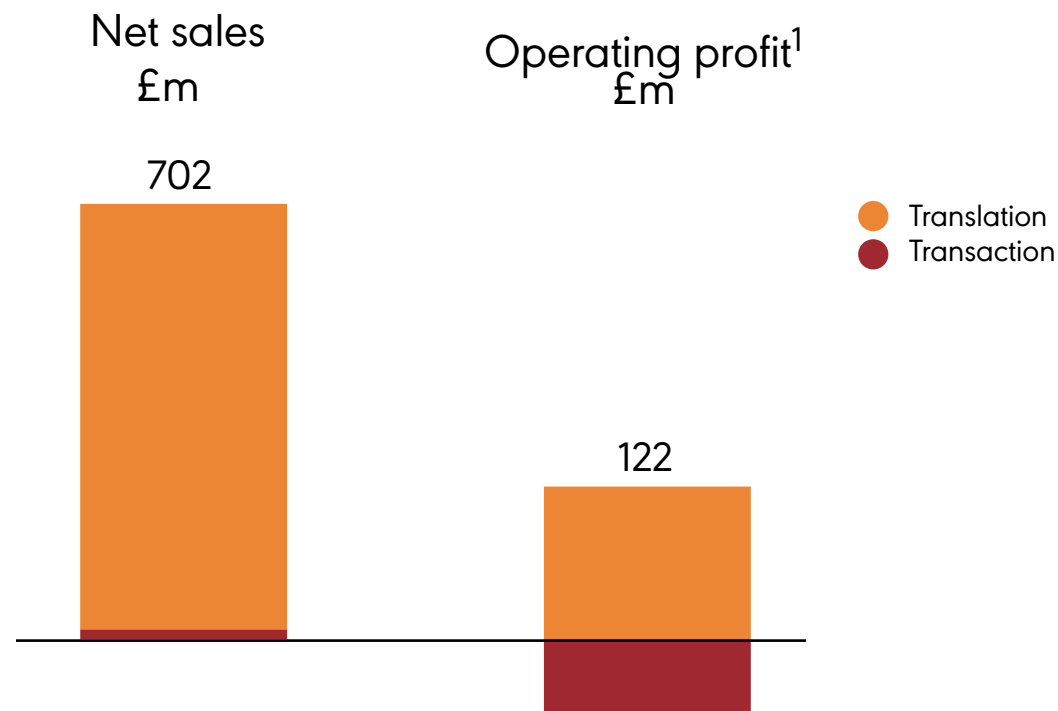
Source: Diageo internal information

1. Exchange on operating profit before exceptional items

2. Operating profit excluding exchange, depreciation and amortisation, post employment charges and non-cash items but including operating exceptional items

3. Other items include dividends received from associate and joint ventures, post employment payments and movements in loans and other investments

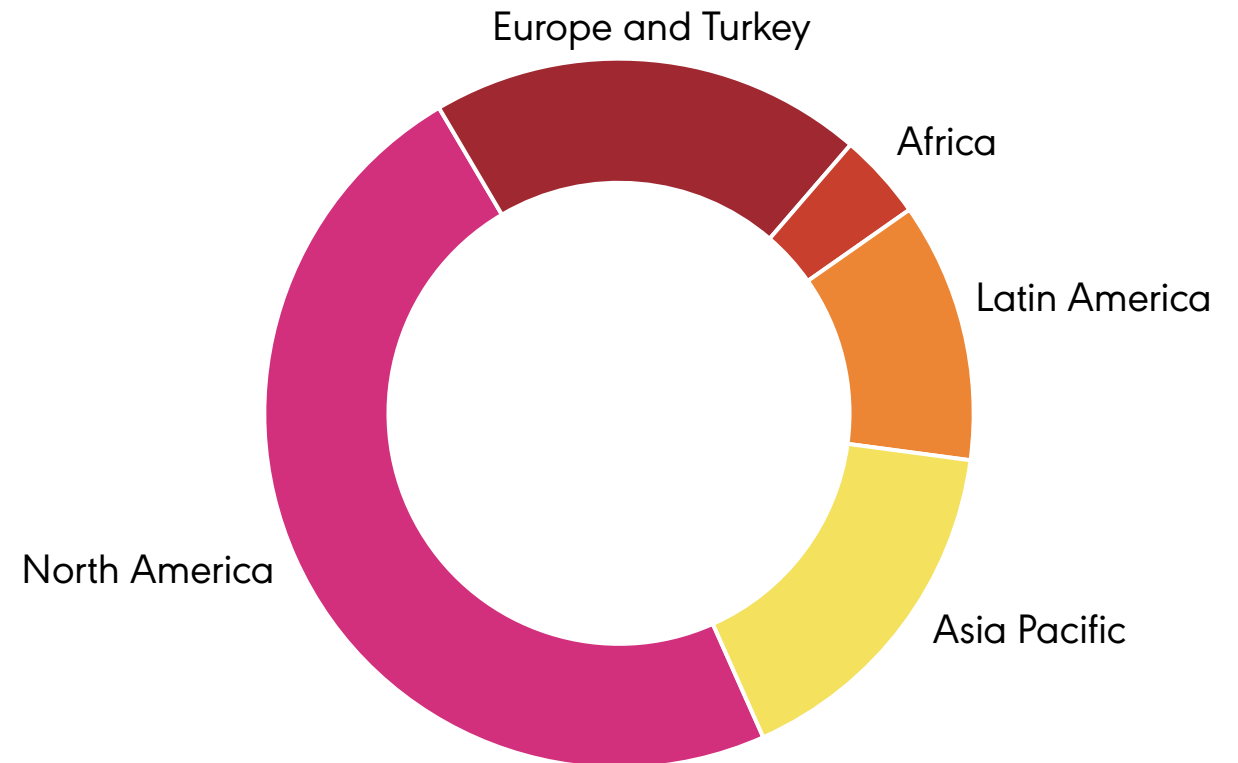
Translation driving
positive impact
from *foreign*
exchange



Diageo, starting F24, will change its functional and presentation currency from GBP to USD

- Change in functional currency took effect 1 July, 2023
- No change to UK listing
- Three years re-presented historical financials to be made available prior to F24 Interim Results

F23 Reported Operating Profit by Geography¹
%



Strong balance sheet drives resilience in our business

		F23	F22	Movement
Closing net debt ¹	£m	(15,541)	(14,137)	(1,404)
Average Net Debt¹	£m	(15,244)	(12,692)	(2,552)
Net interest charge	£m	(595)	(353)	(242)
Net other finance charges	£m	1	(69)	70
Net Finance Charges	£m	(594)	(422)	(172)
Effective interest rate	%	3.9	2.7	1.2
Adjusted² Net Debt¹ / Adjusted³ EBITDA	x	2.6	2.5	0.1

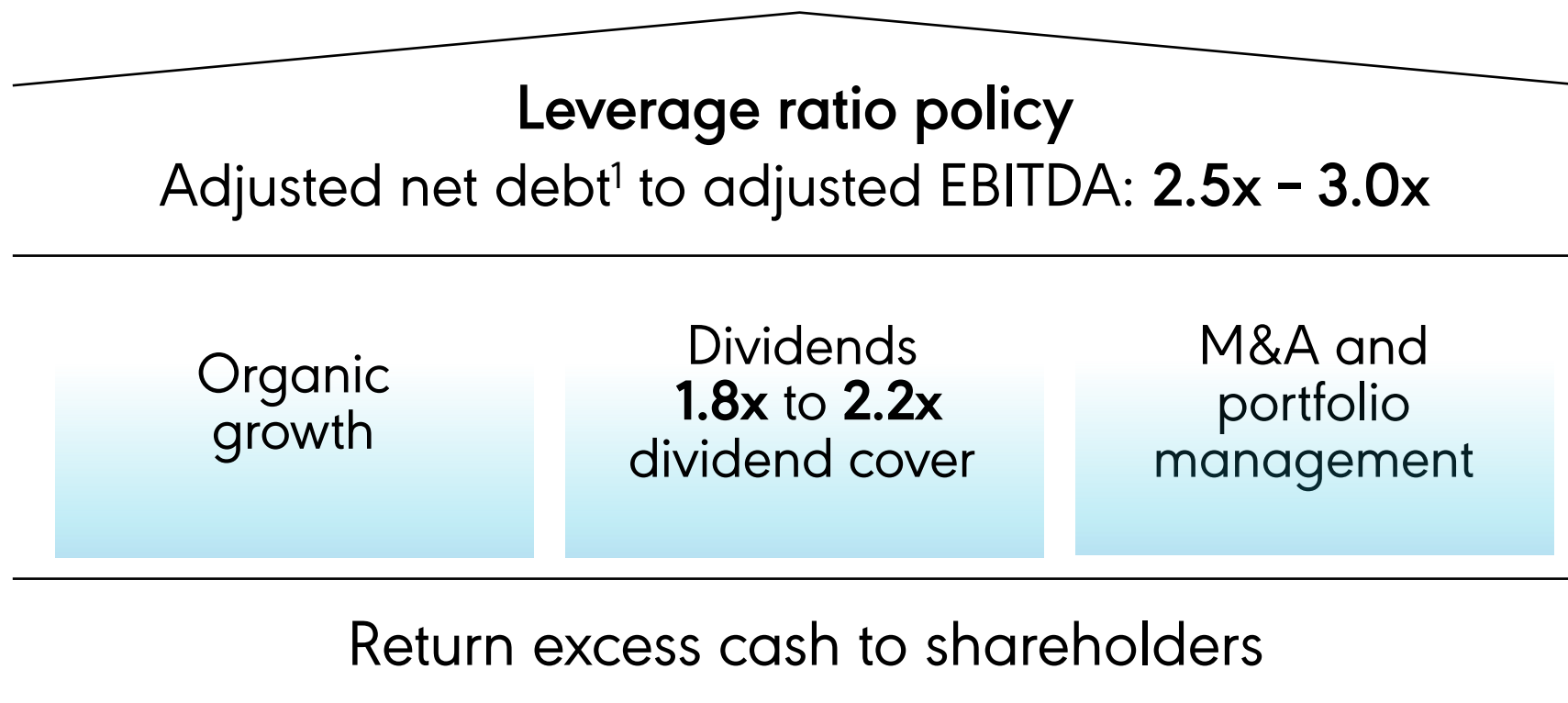
Source: Diageo internal information

1. Net debt is equivalent to net borrowings

2. Adjusted to include net debt and post employment plan benefit liabilities

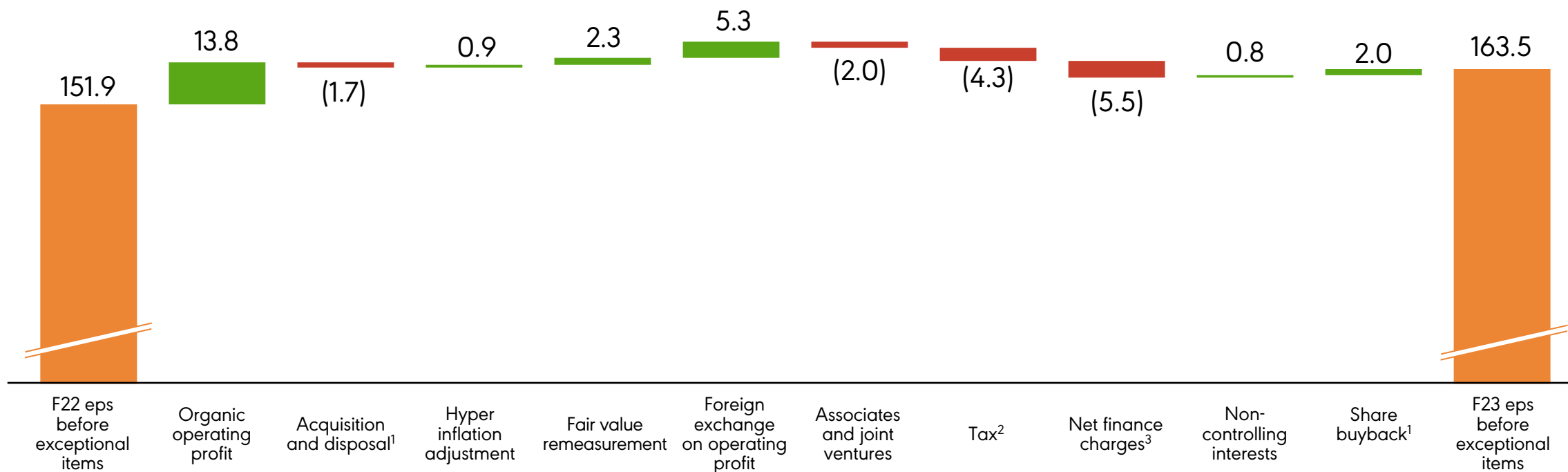
3. Earnings before exceptional operating items, interest, tax, depreciation, amortisation and impairment
For additional information on non-GAAP measures please see financial/legal appendix

Consistent and disciplined approach
to capital allocation



Strong growth in eps driven primarily by organic operating profit

Movement in earnings per share before exceptional items
pence



Source: Diageo internal information

1. Includes finance charges net of tax

2. Excludes tax related to acquisitions, disposals and share buybacks

3. Excludes finance charges related to acquisitions, disposals, share buybacks and includes finance charges related to hyperinflation adjustments

Well positioned for the long-term

- Encouraged by the strong performance we delivered for the full year in F23
- F23-F25 medium-term guidance:
 - Organic net sales growth of **5%** to **7%**
 - Organic operating profit growth of **6%** to **9%**

On track to deliver
bold 2030 ambition

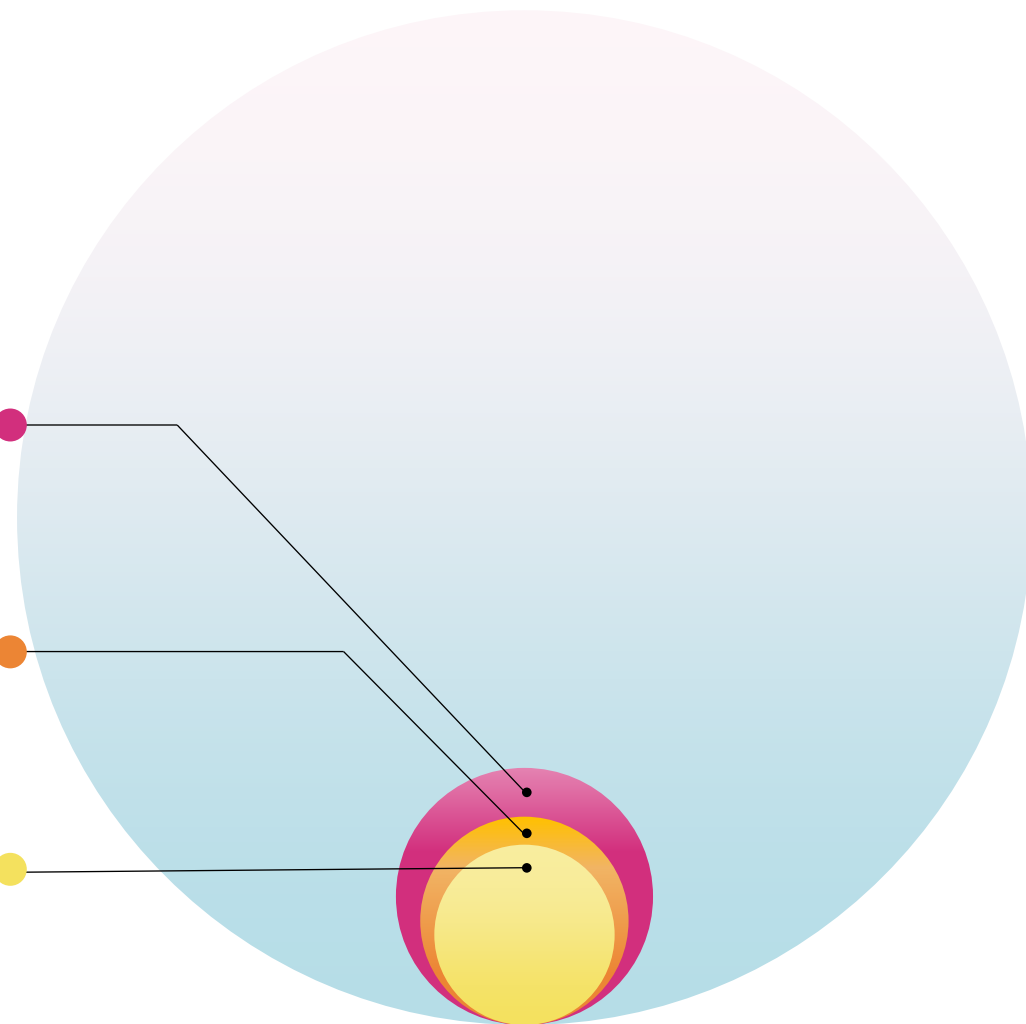
~ **50%**

increase in Diageo's TBA
market share by 2030

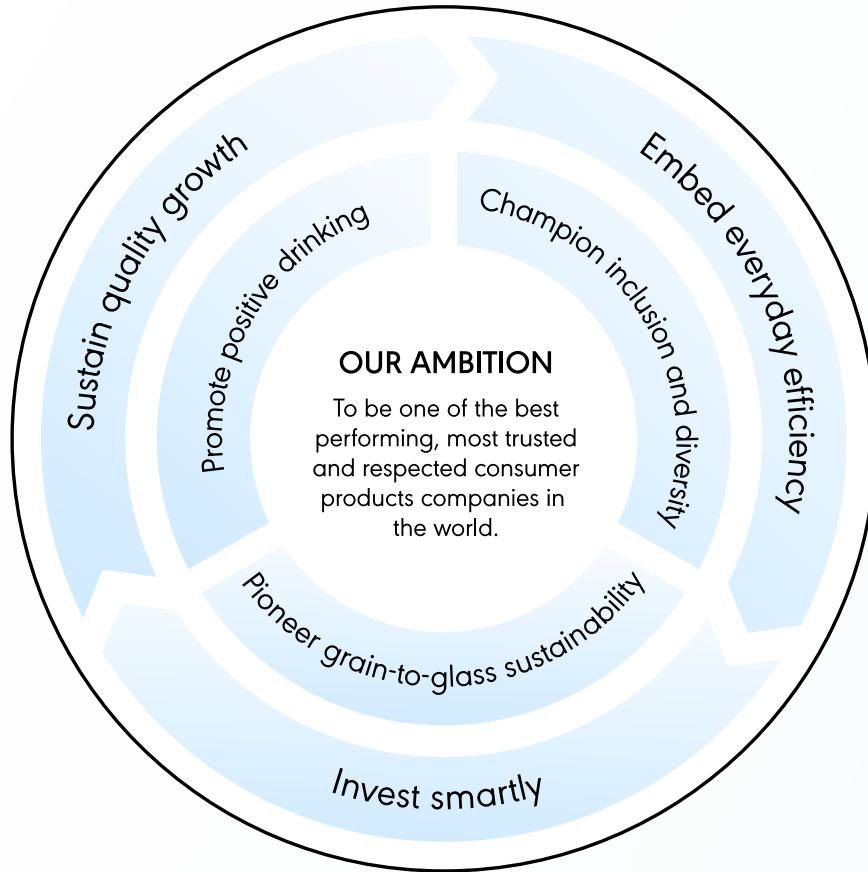
6.0%
2030

4.7%
2022

4.0%
2020



Well positioned for the long term



- TBA remains an attractive, growing and resilient market
- Spirits continue to gain share
- Premiumisation is continuing
- Consumer remains resilient
- Diversified footprint and advantaged footprint
- Our core capabilities provide a competitive advantage

DIAGEO

Celebrating life, every day, everywhere

Drink responsibly. DRINKIQ.com



Tanqueray



SMIRNOFF

Captain Morgan

APPENDIX : Increase in operating profit⁽¹⁾ driven by *organic growth*

	F23 £m	F22 £m	Reported operating margin ²
Prior period operating profit before exceptional items¹	4,797	3,746	31.0%
Exchange rate movements	122	(32)	(58)Bps
Fair value remeasurement & other	75	104	23bps
Acquisitions & disposals	(61)	(16)	(15)bps
Organic growth	321	995	15bps
Current period operating profit before exceptional items¹	5,254	4,797	30.7%

Source: Diageo internal information

1. Reported operating profit before exceptional items
2. Reported operating margin before exceptional items

Financial/legal appendix:

Definitions and reconciliation of non-GAAP measures to GAAP measures

Diageo's strategic planning process is based on certain non-GAAP measures, including organic movements. These non-GAAP measures are chosen for planning and reporting, and some of them are used for incentive purposes. The group's management believes these measures provide valuable additional information for users of the financial statements in understanding the group's performance. These non-GAAP measures should be viewed as complementary to, and not replacements for, the comparable GAAP measures and reported movements therein.

It is not possible to reconcile the forecast tax rate before exceptional items to the most comparable GAAP measure as it is not possible to predict, without unreasonable effort, with reasonable certainty, the future impact of changes in exchange rates, acquisitions and disposals and potential exceptional items.

Volume

Volume is a performance indicator that is measured on an equivalent units basis to nine-litre cases of spirits. An equivalent unit represents one nine-litre case of spirits, which is approximately 272 servings. A serving comprises 33ml of spirits, 165ml of wine, or 330ml of ready to drink or beer. Therefore, to convert volume of products other than spirits to equivalent units, the following guide has been used: beer in hectolitres, divide by 0.9; wine in nine-litre cases, divide by five; ready to drink and certain pre-mixed products that are classified as ready to drink in nine-litre cases, divide by ten.

Organic movements

Organic information is presented using pounds sterling amounts on a constant currency basis excluding the impact of exceptional items, certain fair value remeasurements, hyperinflation adjustments and acquisitions and disposals. Organic measures enable users to focus on the performance of the business which is common to both years and which represents those measures that local managers are most directly able to influence.

Calculation of organic movements

An explanation of non-GAAP measures, including organic movements, is set out on page 76 of Diageo's Annual Report for the year ended 30 June 2022.

Continued on the following page

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(a) Exchange rates

'Exchange' in the organic movement calculation reflects the adjustment to recalculate the reported results as if they had been generated at the prior period weighted average exchange rates.

Exchange impacts in respect of the external hedging of intergroup sales by the markets in a currency other than their functional currency and the intergroup recharging of services are also translated at prior period weighted average exchange rates and are allocated to the geographical segment to which they relate. Residual exchange impacts are reported as part of the Corporate segment. Results from hyperinflationary economies are translated at respective years' actual rates.

(b) Acquisitions and disposals

For acquisitions in the current period, the post acquisition results are excluded from the organic movement calculations. For acquisitions in the prior period, post acquisition results are included in full in the prior period but are included in the organic movement calculation from the anniversary of the acquisition date in the current period. The acquisition row also eliminates the impact of transaction costs that have been charged to operating profit in the current or prior period in respect of acquisitions that, in management's judgement, are expected to be completed.

Where a business, brand, brand distribution right or agency agreement was disposed of, or terminated, in the reporting period, the group, in the organic movement calculations, excludes the results for that business from the current and prior period. In the calculation of operating profit, the overheads included in disposals are only those directly attributable to the businesses disposed of, and do not result from subjective judgements of management.

(c) Exceptional items

Exceptional items are those that in management's judgement need to be disclosed separately. Such items are included within the income statement caption to which they relate and are excluded from the organic movement calculations. Management believes that separate disclosure of exceptional items and the classification between operating and non-operating items further helps investors to understand the performance of the group. Changes in estimates and reversals in relation to items previously recognised as exceptional are presented consistently as exceptional in the current year.

Exceptional operating items are those that are considered to be material and unusual or non-recurring in nature and are part of the operating activities of the group, such as one-off global restructuring programmes which can be multi-year, impairment of intangible assets and fixed assets, indirect tax settlements, property disposals and changes in post-employment plans.

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Gains and losses on the sale or directly attributable to a prospective sale of businesses, brands or distribution rights, step up gains and losses that arise when an investment becomes an associate or an associate becomes a subsidiary and other material, unusual non-recurring items, that are not in respect of the production, marketing and distribution of premium drinks, are disclosed as exceptional non-operating items below operating profit in the income statement.

Exceptional current and deferred tax items comprise material unusual non-recurring items that impact taxation. Examples include direct tax provisions and settlements in respect of prior years and the remeasurement of deferred tax assets and liabilities following tax rate changes.

(d) Fair value remeasurement

Fair value remeasurement in the organic movement calculation reflects an adjustment to eliminate the impact of fair value changes in biological assets, earn-out arrangements that are accounted for as remuneration and fair value changes relating to contingent consideration liabilities and equity options that arose on acquisitions recognised in the income statement.

Continued on the following page

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Shareholder value metrics

- Dividends: Diageo internal information.
- Return of Capital (RoC): Diageo internal information.
- TSR: FactSet as of 30 June 2023. TSR based on time periods of 1 year, annualised 5 years and annualised 10 years up to 30 June 2023. TSR based on trading currency.

Market share approach

- All analysis of data has been applied with a tolerance of +/- 3 bps
- Percentages represent % of markets by total Diageo net sales contribution who have held or gained total trade share fiscal year to date.
- Measured markets indicate a market where we have purchased any market share data.
- Effective fiscal 23 market share now reflects total on and off trade and data may include beer, wine, spirits or other elements.
- Measured market net sales value sums to 87% of total Diageo net sales value in the full year of fiscal 23.