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Pernod Ricard accepts €1.2194 billion of notes in debt buyback

The repurchase cancels bonds due from 2027 to 2032 after a €1.5 billion hybrid sale reshaped its capital structure

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Pernod Ricard said on Wednesday, October 28, that it had completed a tender offer for several outstanding bond issues, accepting €1.2194 billion of notes for repurchase as the French spirits group reshapes its debt profile after a €1.5 billion hybrid debt sale.

The company said it accepted €319.4 million of its 3.750% notes due September 15, 2027, and another €900 million across four other issues: €141.5 million of 0.500% notes due October 24, 2027, €168.7 million of 3.250% sustainability-linked notes due November 2, 2028, €270.6 million of 3.375% notes due November 7, 2030, and €319.2 million of 3.250% notes due March 3, 2032.

Pernod Ricard had launched the tender offer on October 20 for seven bond lines in total, including notes maturing in 2027, 2028, 2030 and 2032. The company said all notes it buys back in the offer will be canceled. Settlement is expected on Friday, October 30.

The repurchase came after Pernod Ricard completed the sale of new euro-denominated deeply subordinated notes under its EMTN program in a total amount of €1.5 billion. The new securities were split into two €750 million tranches, one with a perpetual NC5.25 structure and a fixed annual coupon of 5.625%, and another with a perpetual NC8 structure and a fixed annual coupon of 6.125%.

The company said that, under the IFRS accounting standards now in force, it will record the new hybrid notes entirely as equity. That accounting treatment can help a company reinforce its balance sheet while extending funding. Pernod Ricard also said the new notes were to be issued and admitted to trading on Euronext Paris on Wednesday, October 28.

In its statement, the company said the transaction would allow it to manage its capital structure and expected debt maturity profile more proactively. For a company the size of Pernod Ricard, one of the world’s largest liquor groups, that matters beyond its own balance sheet. Large beverage producers often rely on regular access to bond markets to finance operations, maintain flexibility for brand investment and acquisitions, and spread out refinancing needs over time. A transaction like this can therefore be read as part of a broader effort in the drinks industry to keep funding options open while adjusting to changing borrowing costs.

Pernod Ricard said the 75% threshold was not reached for the September 2027 notes. Because of that, the company said it may still use its right to redeem those notes, in whole or in part, at a make-whole redemption amount under the bond terms. It added

that any such decision would depend on market conditions and other circumstances at the time.

The tender offer covered a broad set of existing notes, including €600 million of September 2027 notes, €500 million of October 2027 notes, €600 million of November 2028 sustainability-linked notes, €1 billion of April 2030 notes, €700 million of November 2030 notes, €800 million of March 2032 notes and €500 million of November 2032 sustainability-linked notes. The accepted purchases were concentrated in the shorter-dated 2027 maturity and in selected later maturities, giving the company a way to reduce some near- and medium-term refinancing pressure while replacing part of that funding with a hybrid instrument that sits differently in the capital structure.

For investors, the deal shows how Pernod Ricard is using the bond market not only to raise money but also to reorder liabilities across maturities and instrument types. For the spirits sector, it also offers a signal that major producers may continue using hybrid capital and targeted buybacks to defend financial flexibility as they manage large global brand portfolios.