vinetur

Pernod Ricard plans global restructuring amid industry headwinds and market uncertainty

Job cuts expected as the spirits giant reorganizes divisions and adapts to shifting demand and geopolitical pressures

Monday, June 23, 2025



Pernod Ricard, the world's second-largest spirits group, has announced a plan to reorganize its operations, which will include job cuts. The company confirmed the news on Thursday, stating that consultations with employee representatives will begin in the coming months. A more detailed announcement, including possible figures on job

reductions, is expected when Pernod Ricard releases its annual results at the end of August. The company currently employs about 18,500 people worldwide, with around 4,000 based in France. This includes 1,200 staff at its Paris headquarters and others in Cognac and Reims.

The company has not yet specified how many employees will be affected by the restructuring. Pernod Ricard's move follows similar actions by other major players in the sector. Rémy Martin, part of Rémy Cointreau, recently placed several hundred workers on partial unemployment for one week each month through June. Moët Hennessy, the wine and spirits division of LVMH, has also announced plans to reduce its workforce, reportedly by about 10 percent. Diageo, the industry leader and owner of brands like Smirnoff and Guinness, has launched a $500 million cost-saving plan to reduce debt.

In a statement released Thursday, Pernod Ricard said it is working to adapt its organization and ways of working to a rapidly changing business environment. The company described the reorganization as an internal project aimed at creating a more agile and simplified structure aligned with its strategic goals and current business trends. The group said these changes require local consultation processes with social partners and employees where necessary. Pernod Ricard declined to provide further details at this stage.

According to a source close to the company, Pernod Ricard plans to restructure into two main divisions instead of five. One division will focus on aged spirits such as grape-based eaux-de-vie and champagne and will be called "Gold," referencing the amber color of some of these drinks. The other division, "Crystal," will cover white spirits and aperitifs.

The announcement comes as Pernod Ricard faces challenges in key markets. In late April, the company reported a 3 percent drop in quarterly sales to 2.3 billion euros and maintained its forecast for an annual revenue decline of several percentage points at constant scope and exchange rates. The group cited a difficult geopolitical context as a factor.

In China, where the market is already sluggish, spirits companies have been hit by sanctions imposed by Beijing since fall 2024 in response to European measures on Chinese electric vehicles. As a result, companies have had to pay large deposits and have lost access to duty-free channels while awaiting the outcome of an anti-dumping investigation due in early July.

The U.S. market is also uncertain due to shifting decisions from the Trump administration regarding additional tariffs on imported goods. Hélène de Tissot, Pernod Ricard’s finance vice president, said at the end of April that it was difficult to predict what would happen in the current quarter because of these uncertainties. However, she emphasized that the group can maintain its profit margins without compromising investment levels needed to support brand growth in the United States—its largest market—through advertising and event partnerships.

The broader spirits industry is under pressure from changing consumer habits regarding alcohol consumption and declining demand in some markets. These factors are weighing on companies across the sector as they try to adjust their strategies and operations amid ongoing economic and geopolitical challenges.