



RÉMY COINTREAU

Paris, 24 April 2019

Sales for the Full-Year 2018/19 (April 2018 – March 2019)

Strong growth (+7.8%*) and record year for Group sales 2018/19 guidance confirmed

Rémy Cointreau generated sales of **€1,216.5 million** in financial year 2018/19, marking a **historic level for the Group**. Sales for the year were up 7.9% on a reported basis, and up **7.8%** in organic terms (at constant exchange rates and scope).

The Group delivered sustained organic sales growth in the fourth quarter (+7.0%), despite the negative impact of the earlier timing of the Chinese New Year 2019. Adjusted for this factor, organic growth was +8.5% over the last three months of the fiscal year.

Group brands (+9.8%*) achieved another year of robust growth: the attractiveness of the brands of the **House of Rémy Martin (+11.9%)** translated in remarkable growth across all geographical areas. The **Liqueurs & Spirits** division had a year of solid growth (+4.0%*), reaping the benefits of its value strategy and the launch of new marketing campaigns, which started to bear fruit in the second half of the year. **Partner Brands** continued to decline, consistent with the Group's strategy of gradually refocusing on Group Brands.

Asia-Pacific posted another year of very strong growth, driven by the Group's entire brand portfolio. **The Americas** continued their strong momentum, driven by market share gains in the United States. The **Europe, Middle East & Africa (EMEA)** region was penalized by the end of distribution contracts with Partner Brands, but also benefited from solid performance in the United Kingdom and Russia.

Sales breakdown by division :

(€ million)	Pre-IFRS 15				Post-IFRS 15
	12 months at 31/03/19	12 months at 31/03/18	Change		12 months at 31/03/19
			Reported	Organic(*)	
House of Rémy Martin	851.9	760.0	12.1%	11.9%	774.4
Liqueurs & Spirits	276.6	266.8	3.7%	4.0%	264.4
Subtotal : Group Brands	1,128.6	1,026.8	9.9%	9.8%	1,038.8
Partner Brands	87.9	100.2	-12.2%	-12.7%	87.2
Total	1,216.5	1,127.0	7.9%	7.8%	1,125.9

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope

House of Rémy Martin

The **House of Rémy Martin** delivered an excellent year (+11.9% organic growth), due to contributions across all geographical areas. Asia Pacific continued to experience strong growth in both Greater China and Southeast Asia, while the Americas confirmed their strong momentum. Within the EMEA zone, Russia, the United Kingdom, the Middle East, and France all contributed to the House's performance.

The brand elevation strategy bore fruit in 2018/19, with organic growth of 11.9% comprised of 6% volume growth and a remarkable 6% contribution from price and mix. To achieve that, the brands have once again demonstrated great creativity: **Rémy Martin** benefited from the global success of its limited edition *VSOP Matt. W Moore*, the performance of its XO quality, supported by sustained investments, and the opening of new "Rémy Martin Houses" in London, Moscow, Chengdu or Shenzhen. **LOUIS XIII** continued the expansion of its "100 Years" campaign in partnership with Pharrell Williams by organizing exceptional events in the world's largest cities. Additionally, since February 2019, the brand has been integrating NFC technology into its decanters ("Smart Decanter") to offer clients exclusive access to the "LOUIS XIII Society" via their smartphones.

Liqueurs & Spirits

Supported by an excellent fourth quarter, the Liqueurs & Spirits division achieved organic growth of 4.0% in 2018/19.

The **House of Cointreau** achieved good growth in the full-year: the brand enjoyed a significant improvement during the second half of the year, as the benefits of its "The Art of the Mix" campaign began to come to fruition. After several years of very strong growth, the **House of Metaxa** recorded a slight decline in 2018/19, due to the brand's accelerated move upmarket. Investments were thus concentrated on the higher qualities, specifically *Metaxa 12 Stars*, and the second opus of the campaign "Don't Drink it, Explore it." The performance of **Mount Gay** was also mixed, as the brand is currently in the process of repositioning. The brandy **St-Rémy** had a good year, driven by the success of its limited edition "St-Rémy French Chardonnay Cask Finish," the refocus on its XO quality, and the effective digital campaign in Canada. Finally, **The Botanist** gin continued its strong growth across all geographical areas, and the **Whisky** division had an excellent year thanks to the new #WeAreIslay marketing campaign and the success of the new **Port Charlotte** bottle.

Partner Brands

The decline in sales over the fiscal year (-12.7% in organic terms) was due to the termination of new distribution contracts with third-party brands, in line with the Group's strategy of gradually refocusing on its proprietary brands (Group Brands).

2018/19 outlook

With full-year sales in line with the Group's forecasts, Rémy Cointreau confirms its guidance of growth in Current Operating Profit for the financial year 2018/19, assuming constant exchange rates and consolidation scope (proforma Pre-IFRS 15, 16, & 9).

(*^o) Organic growth is calculated assuming constant exchange rates and consolidation scope

Appendices: Sales and organic growth by business

First-quarter 2018/19 sales (April-June 2018)

€m	Pre-IFRS 15						Post-IFRS 15
	Reported	Forex effect	Organic	Reported	Reported	Organic (*)	Reported
	18-19	18-19	18-19 (*)	17-18	change	Change	18-19
	A		B	C	A/C-1	B/C-1	
House of Rémy Martin	163.5	-10.5	174.0	156.6	4.4%	11.1%	147.0
Liqueurs & Spirits	57.8	-2.4	60.3	58.6	-1.3%	2.8%	55.3
Subtotal: Group Brands	221.3	-12.9	234.3	215.2	2.8%	8.8%	202.3
Partner Brands	20.2	0.1	20.1	25.0	-19.2%	-19.7%	20.0
Total	241.5	-12.8	254.4	240.2	0.5%	5.9%	222.2

Second-quarter 2018/19 sales (July-September 2018)

€m	Pre-IFRS 15						Post-IFRS 15
	Reported	Forex effect	Organic	Reported	Reported	Organic (*)	Reported
	18-19	18-19	18-19 (*)	17-18	change	Change	18-19
	A		B	C	A/C-1	B/C-1	
House of Rémy Martin	234.5	-1.5	236.0	210.3	11.5%	12.2%	212.6
Liqueurs & Spirits	69.2	-0.7	69.9	70.6	-1.9%	-0.9%	66.6
Subtotal: Group Brands	303.7	-2.1	305.9	280.9	8.1%	8.9%	279.3
Partner Brands	26.1	0.1	26.0	23.2	12.3%	11.8%	25.5
Total	329.8	-2.0	331.8	304.1	8.5%	9.1%	304.7

First-half 2018/19 sales (April-September 2018)

€m	Pre-IFRS 15						Post-IFRS 15
	Reported	Forex effect	Organic	Reported	Reported	Organic (*)	Reported
	18-19	18-19	18-19 (*)	17-18	change	Change	18-19
	A		B	C	A/C-1	B/C-1	
House of Rémy Martin	398.0	-12.0	410.0	367.0	8.5%	11.7%	359.6
Liqueurs & Spirits	127.1	-3.1	130.2	129.2	-1.6%	0.8%	121.9
Subtotal: Group Brands	525.1	-15.1	540.1	496.1	5.8%	8.9%	481.5
Partner Brands	46.3	0.2	46.1	48.2	-4.0%	-4.5%	45.5
Total	571.4	-14.8	586.2	544.4	5.0%	7.7%	527.0

Third-quarter 2018/19 sales (October-December 2018)

€m	Pre-IFRS 15						Post-IFRS 15
	Reported	Forex effect	Organic	Reported	Reported	Organic (*)	Reported
	18-19	18-19	18-19 (*)	17-18	change	Change	18-19
	A		B	C	A/C-1	B/C-1	
House of Rémy Martin	244.8	2.5	242.3	209.6	16.8%	15.6%	222.4
Liqueurs & Spirits	79.0	0.1	78.8	75.1	5.2%	5.0%	74.8
Subtotal: Group Brands	323.8	2.7	321.1	284.7	13.7%	12.8%	297.2
Partner Brands	24.3	0.1	24.2	33.0	-26.5%	-26.8%	24.3
Total	348.0	2.7	345.3	317.7	9.5%	8.7%	321.5

Nine-month sales 2018/19 (April-December 2018)

€m	Pre-IFRS 15						Post-IFRS 15
	Reported	Forex effect	Organic	Reported	Reported	Organic (*)	Reported
	18-19	18-19	18-19 (*)	17-18	change	Change	18-19
	A		B	C	A/C-1	B/C-1	
House of Rémy Martin	642.8	-9.5	652.3	576.6	11.5%	13.1%	582.0
Liqueurs & Spirits	206.0	-3.0	209.0	204.2	0.9%	2.3%	196.7
Subtotal: Group Brands	848.8	-12.4	861.3	780.8	8.7%	10.3%	778.7
Partner Brands	70.6	0.3	70.3	81.3	-13.2%	-13.6%	69.8
Total	919.4	-12.1	931.5	862.1	6.7%	8.1%	848.5

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope

Fourth-quarter 2018/19 sales (January-March 2019)

€m	Pre-IFRS 15						Post-IFRS 15
	Reported 18-19	Forex effect 18-19	Organic 18-19 (*)	Reported 17-18	Reported change	Organic (*) Change	Reported 18-19
	A		B	C	A/C-1	B/C-1	
House of Rémy Martin	209.1	11.2	197.9	183.5	14.0%	7.9%	192.4
Liqueurs & Spirits	70.6	2.2	68.4	62.5	12.9%	9.3%	67.7
Subtotal: Group Brands	279.7	13.4	266.3	246.0	13.7%	8.2%	260.0
Partner Brands	17.4	0.1	17.3	18.9	-8.1%	-8.8%	17.4
Total	297.1	13.6	283.5	264.9	12.1%	7.0%	277.4

Full-Year sales 2018/19 (April 2018-March 2019)

€m	Pre-IFRS 15						Post-IFRS 15
	Reported 18-19	Forex effect 18-19	Organic 18-19 (*)	Reported 17-18	Reported change	Organic (*) Change	Reported 18-19
	A		B	C	A/C-1	B/C-1	
House of Rémy Martin	851.9	1.8	850.2	760.0	12.1%	11.9%	774.4
Liqueurs & Spirits	276.6	-0.7	277.4	266.8	3.7%	4.0%	264.4
Subtotal: Group Brands	1,128.6	1.0	1,127.5	1,026.8	9.9%	9.8%	1,038.8
Partner Brands	87.9	0.4	87.5	100.2	-12.2%	-12.7%	87.2
Total	1,216.5	1.5	1,215.0	1,127.0	7.9%	7.8%	1,125.9

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Definitions of alternative performance indicators

Rémy Cointreau's management process is based on the following alternative performance indicators, chosen for planning and reporting. The Group management considers that these indicators provide financial statement users with useful additional information for understanding the Group's performance. These alternative performance indicators should be considered as supplementing those included in the consolidated financial statements and the resulting movements.

Starting on April 1st 2018, the Rémy Cointreau Group applied the standard "IFRS 15 – Revenue from Contracts with Customers." For the transition, the Group did not opt for retrospective application. Thus, the comparative period has not been restated and organic growth is calculated using turnover which excludes the impact of IFRS 15. The main effect of this standard is the reclassification of some SG&A costs (notably some promotional expenses) in deduction of net sales. Its estimated impact on the full-year is a reduction in net sales amounting to 8% and an accretive effect of about 1.5 points on the Current Operating Margin.

Organic sales growth

Organic growth is calculated excluding the impacts of variations in exchange rates as well as acquisitions and disposals.

The impact of exchange rates is calculated by converting sales for the current financial year into the exchange rate of the previous financial year.

For acquisitions in the current financial year, the sales of the acquired entity are not included in organic growth calculations. For acquisitions in the previous financial year, the sales of the acquired entity are included in the previous financial year but are only included in organic growth calculations for the current year starting from the anniversary date of the acquisition.

For significant disposals, we use data following the application of IFRS 5, which systematically reclassifies the sales of the sold entity in "Net profit from activities sold or to be sold" for the current and previous financial year.

This indicator serves to focus on Group performance common to both financial years, which local management is more directly capable of influencing.

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