



RÉMY COINTREAU

Paris, 24 January 2020

Sales in the first nine months 2019/20 (April 2019 – December 2019)

Slight reported growth for the Group Brands, on top of elevated comparatives

Rémy Cointreau posted sales of €814.0 million over the first nine months of its 2019/20 financial year, down 4.1%. While sales of **Group Brands** grew 1.6% over the period, Partner Brands declined by 67.5%, due to the Group's voluntary withdrawal from a few distribution contracts in Europe and in the United-States. Foreign exchange effects were positive, adding 2.4% over the period.

In organic terms (i.e. assuming constant exchange rates and consolidation scope), **Group Brands** declined 1.0% over the period, on top of strong comparatives (+10.3% over the first nine months of 2018/19): the **House of Rémy Martin** was down 1.6%* (on top of +13.1% over the first nine months of 2018/19). Strong momentum in China was offset by a number of cyclical factors such as a decline in tourism in Hong Kong, slow stock replenishment in the United States and changes in the distribution network, mainly in Western Europe, consistent with the Group's upscaling strategy.

The **Liqueurs & Spirits** division posted modest growth over the period (up 0.7%*), also adversely affected by changes in the distribution network in Europe. These figures mask excellent performance by Cointreau in the United States as well as strong global trends for The Botanist and the Group's portfolio of Single Malt Whiskies.

Geographically speaking, **Group Brands** gained ground in Asia, driven by China, but declined in the Europe, Middle East & Africa and Americas regions for the above reasons.

Breakdown of sales by division:

(€m)	9 months to 31/12/19	9 months to 31/12/18	Change	
			Reported	Organic ^(*)
House of Rémy Martin	588.9	582.0	1.2%	(1.6%)
Liqueurs & Spirits	202.5	196.7	2.9%	0.7%
Subtotal: Group Brands	791.4	778.7	1.6%	(1.0%)
Partner Brands	22.7	69.8	(67.5%)	(67.8%)
Total	814.0	848.5	(4.1%)	(6.5%)

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

House of Rémy Martin

Sales at the **House of Rémy Martin** consolidated over the first nine months of the year (down 1.6% in organic terms), on top of elevated comparatives. Performance was mainly hit by the decline in tourism in Hong Kong, slow stock replenishment by US retailers and the consequences of changes in the distribution network, mainly in Europe. However, these figures mask continued strong performance in China.

The House of Rémy Martin's upscaling strategy continued to filter through into very positive mix and price effects (adding 4.7%), partly making up for lower volumes over the period (down 6.3%).

Liqueurs & Spirits

The **Liqueurs & Spirits** division posted organic growth of 0.7% over the first nine months, fuelled by Cointreau, The Botanist and whiskies. However, the division's performance in the third quarter was tempered by the effects of changes in the Group's distribution network in Western Europe.

The **House of Cointreau** delivered a solid performance over the period thanks to continued strong momentum in the United States and China. Sales at the **House of Metaxa** declined over the period, mainly due to the change of distributors in Central Europe and Germany. While **St-Rémy** slowed over the period, the full-year outlook remains positive, notably thanks to successful brand marketing activities in the United States. The decline in sales of **Mount Gay** was mainly due to a voluntary slowdown in shipments ahead of the brand's relaunch next quarter. **The Botanist** continued to enjoy double-digit growth over the period, buoyed by the brand's expansion in the United States and Asia. Lastly, the **Whisky** division benefited from worldwide strong momentum in the single malt category.

Partner Brands

As expected, sales of Partner Brands have fallen sharply this year (down 67.8% in organic terms) as a result of the termination of large distribution contracts in the Czech Republic, Slovakia and the United States. For the financial year 2019/20, the termination of these contracts will have an impact of €56 million on sales and €5 million on Current Operating Profits.

Outlook

On the occasion of its change in General Management, the Rémy Cointreau Group has decided to hold off on the previously provided annual and mid-term objectives. Yet, it confirms the pertinence of its value strategy, aiming at building an ever more sustainable, resilient and profitable business model. The publication of the annual results 2019/20, on June 4th 2020, will be the occasion to share the new roadmap of the Group's strategic vision.

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

Sales and organic growth by division

Sales in the first-quarter 2019-20 (April-June 2019)

€m	Reported 19-20 A	Currency 19-20	Organic 19-20 (*) B	Reported 18-19 C	Change: Reported A/C-1	Change: Organic (*) B/C-1
House of Rémy Martin	161.1	6.0	155.1	147.0	9.6%	5.5%
Liqueurs & Spirits	55.3	1.5	53.9	55.3	0.1%	(2.6%)
Subtotal: Group Brands	216.5	7.5	209.0	202.3	7.0%	3.3%
Partner Brands	6.7	0.0	6.7	20.0	(66.4%)	(66.6%)
Total	223.2	7.5	215.6	222.2	0.4%	(3.0%)

Sales in the second-quarter 2019-20 (July-September 2019)

€m	Reported 19-20 A	Currency 19-20	Organic 19-20 (*) B	Reported 18-19 C	Change: Reported A/C-1	Change: Organic (*) B/C-1
House of Rémy Martin	218.4	6.4	212.1	212.6	2.7%	(0.3%)
Liqueurs & Spirits	75.9	1.8	74.1	66.6	13.9%	11.2%
Subtotal: Group Brands	294.3	8.1	286.2	279.3	5.4%	2.5%
Partner Brands	6.4	0.1	6.3	25.5	(74.9%)	(75.2%)
Total	300.7	8.2	292.5	304.7	(1.3%)	(4.0%)

Sales in the first half 2019-20 (April-September 2019)

€m	Reported 19-20 A	Currency 19-20	Organic 19-20 (*) B	Reported 18-19 C	Change: Reported A/C-1	Change: Organic (*) B/C-1
House of Rémy Martin	379.6	12.4	367.2	359.6	5.6%	2.1%
Liqueurs & Spirits	131.2	3.2	128.0	121.9	7.6%	4.9%
Subtotal: Group Brands	510.8	15.6	495.1	481.5	6.1%	2.8%
Partner Brands	13.1	0.1	13.0	45.5	(71.2%)	(71.4%)
Total	523.9	15.7	508.1	527.0	(0.6%)	(3.6%)

Third quarter 2019-20 sales (October-December 2019)

€m	Reported 19-20 A	Currency 19-20	Organic 19-20 (*) B	Reported 18-19 C	Change: Reported A/C-1	Change: Organic (*) B/C-1
House of Rémy Martin	209.4	3.8	205.6	222.4	(5.9%)	(7.6%)
Liqueurs & Spirits	71.2	1.0	70.2	74.8	(4.8%)	(6.1%)
Subtotal: Group Brands	280.6	4.8	275.8	297.2	(5.6%)	(7.2%)
Partner Brands	9.6	0.1	9.5	24.3	(60.7%)	(61.1%)
Total	290.2	4.9	285.3	321.5	(9.8%)	(11.3%)

9-month sales 2019-20 (April-December 2019)

€m	Reported 19-20 A	Currency 19-20	Organic 19-20 (*) B	Reported 18-19 C	Change: Reported A/C-1	Change: Organic (*) B/C-1
House of Rémy Martin	588.9	16.2	572.8	582.0	1.2%	(1.6%)
Liqueurs & Spirits	202.5	4.3	198.2	196.7	2.9%	0.7%
Subtotal: Group Brands	791.4	20.4	771.0	778.7	1.6%	(1.0%)
Partner Brands	22.7	0.2	22.5	69.8	(67.5%)	(67.8%)
Total	814.0	20.6	793.4	848.5	(4.1%)	(6.5%)

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

Definitions of alternative performance indicators

Rémy Cointreau's management process is based on the following alternative performance indicators, selected for planning and reporting purposes. The Group's management considers that these indicators provide users of the financial statements 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.

Organic sales growth

Organic growth is calculated excluding the impact of exchange rate fluctuations, acquisitions and disposals.

The impact of exchange rates is calculated by converting sales for the current financial year using average exchange rates from the previous financial year.

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

For significant disposals, data is post-application of IFRS 5, which systematically reclassifies the sales of sold entities 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 across both financial years, which local management is more directly capable of influencing.

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