First half 2023-24
Paris, 27 October 2023

Q2 2023-24 sales: -10.8% on an organic basis
Slower than expected recovery in the US
2023-24 guidance adjusted
2029-30 strategic plan confirmed

- Continued destocking in the US in a worsening market
- Solid growth in sales in China despite a slower than anticipated post-Covid recovery
- Robust trends in the rest of the world, notably in other Asian countries, as Travel Retail continues to bounce back
- **Adjusted 2023-24 guidance:**
  - Sales: decline between -15% and -20% on an organic basis (vs stable previously)
  - COP margin: contained organic decrease (vs stable previously) thanks to deployment of a major cost-cutting plan

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Rémy Cointreau generated **consolidated sales of €636.7 million in the first half of 2023-2024, down -22.2% on an organic basis**[1] (+20.9% compared to 1st half of 2019-20). On a reported basis, the decline was -26.6%, including a negative currency effect of -4.4% due primarily to the renminbi and the US dollar.

Against this backdrop, the **Cognac** division saw sales retreat -30.1% on an organic basis in the 1st half. As anticipated, the **Liqueurs & Spirits** division returned to growth in the 2nd quarter (+12.1% on an organic basis) to report steady sales for the first half (+0.1% on an organic basis).

In the **Americas**, sales fell a steep -49.9% on an organic basis in the first half, due to continued destocking and sharp normalization of consumption in a tough market. In **APAC**, sales rose a strong +16.6%, driven by China and Southeast Asia, along with a recovery in Travel Retail. Lastly, **EMEA** reported good resilience, with sales up +8.9%.

Breakdown of sales by division:

€m (April – September)	**H1 2023-24**	**H1 2022-23**	***Change as reported***	***Organic change***	
				vs. H1 22-23	***vs. H1 19-20***
Cognac	416.1	638.1	*-34.8%*	*-30.1%*	*+9.4%*
Liqueurs & Spirits	206.7	214.5	*-3.6%*	*+0.1%*	*+55.8%*
Subtotal: Group Brands	**622.7**	**852.6**	***-27.0%***	***-22.5%***	***+21.2%***
Partner Brands	14.0	14.5	*-4.0%*	*-3.2%*	*+8.4%*
Total	**636.7**	**867.1**	***-26.6%***	***-22.2%***	***+20.9%***

[1] *All references to "on an organic basis" in this press release refer to sales growth at constant currency and consolidation scope*

Cognac

First-half sales at the **Cognac** division fell -30.1% on an organic basis, due primarily to a steep decline in **North America** where the Group is targeting a reduction in its inventories, and facing a normalization of consumption and an intense promotional environment. In this context, the Group's decision to maintain its value-driven strategy through a firm pricing policy contributed to increased short-term pressure on volume.
Within **APAC**, **China** saw solid growth in sales during the *Mid-Autumn Festival* despite a slower than expected post-Covid recovery. Off-trade distribution channels and direct sales helped offset softness in on-trade. In the rest of Asia, the Cognac division continued to report solid trends.
Lastly, **EMEA** turned in a very strong performance in the first half, fueled by demand in AME[2] and Western Europe.

Liqueurs & Spirits

First-half sales at the **Liqueurs & Spirits** division were steady (+0.1% on an organic basis), supported by a marked acceleration in the 2nd quarter (+12.1% on an organic basis). As expected, the **Americas** saw a steep rise in sales in the 2nd quarter, led by solid momentum in Cointreau, Bruichladdich and The Botanist.
The **EMEA** region turned in a solid performance in the 1st half, reflecting strong trends in Western Europe and in the United Kingdom. Lastly, the **APAC** region edged up, underpinned by a strong showing in North and Southeast Asia, and a recovery in Travel Retail.

Partner Brands

First-half sales of **Partner Brands** were down -3.2% on an organic basis.

[2] *Africa and the Middle East*

Adjusted 2023-24 outlook

Worsening market conditions, primarily in the United States, have led Rémy Cointreau to update its underlying assumptions for 2023-24 as follows:

- **In the United States,** market conditions have deteriorated on the back of a fiercely promotional environment and a rise in interest rates that has cut distributors' financing capacity. Consequently, the rebound in sales initially expected for the third quarter is now anticipated in fiscal 2024-25.
- **In APAC,** the Group expects growth in sales, but at a pace below initial forecasts given the slower than anticipated post-Covid economic recovery in **China.**
- Lastly, in the **EMEA** region, the Group expects more moderate annual growth in a persistently inflationary context.

In this context, Rémy Cointreau is determined to protect its 2023-24 profitability through tight cost controls, while continuing to roll out its medium-term plan. To this end, it will:

- maintain a strict and uncompromising pricing policy
- protect its gross margin in a persistently inflationary environment
- selectively reduce its marketing and communications spend, particularly for the Cognac division
- significantly reduce other operating costs

As a result, Rémy Cointreau has adjusted its full-year 2023-24 objectives and now expects:

- **a decline between -15% and -20% in sales on an organic basis (vs stable previously)**
- **a contained organic decrease in COP margin (vs stable previously) thanks to deployment of a major cost-cutting plan**

Lastly, based on shifts in its geographical mix and the renminbi's decline, the Group expects **exchange rates to have a negative impact for the full year for:**

- sales: between -€50m and -€60m
- COP: between -€10m and -€15m

Rémy Cointreau is today ahead of its strategic plan and is underpinned by solid foundations and a long-term vision. This makes 2023-24 a year that will allow the Group to return cognac inventories in the United States to healthier levels and absorb the effects of post-Covid normalization before **heading into 2024-25 in the best possible conditions**, resuming the trajectory it set itself for 2029-30.

2029-30 objectives confirmed

Rémy Cointreau reiterates both its financial and extra-financial targets for 2029-30, and its aim to **become the global leader in exceptional spirits.**

The Group targets a **gross margin of 72% and a Current Operating Margin of 33%** (based on 2019-20 consolidation scope and exchange rates).

As part of its "Sustainable Exception" plan, Rémy Cointreau aims to train and engage **100% of its direct partners in agriculture in sustainable farming practices**, targeting a **50% reduction in carbon emissions per bottle by 2030**. This is the first step towards achieving zero net carbon status in 2050—a trajectory compatible with holding global warming to +1.5°C as validated by the Science Based Target Initiative (SBTi).

Contacts

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About Rémy Cointreau

All around the world, there are clients seeking exceptional experiences; clients for whom a wide range of terroirs means a variety of flavors. Their exacting standards are proportional to our expertise – the finely-honed skills that we pass down from generation to generation. The time these clients devote to drinking our products is a tribute to all those who have worked to develop them. It is for these Men and Women that Rémy Cointreau, a family-owned French Group, protects its terroirs, cultivates exceptional multi-centenary spirits and undertakes to preserve their eternal modernity. The Group's portfolio includes 14 singular brands, such as the Rémy Martin and Louis XIII cognacs, and Cointreau liqueur. Rémy Cointreau has a single ambition: becoming the world leader in exceptional spirits. To this end, it relies on the commitment and creativity of its 2,021 employees and on its distribution subsidiaries established in the Group's strategic markets. Rémy Cointreau is listed on Euronext Paris.

A conference call with investors and analysts will be held today by CFO Luca Marotta, from 9:00 am (Paris time). Related slides will also be available on the website (www.remy-cointreau.com) in the Finance section.

Appendices

Q1 2023-24 sales (April-June 2023)

€m	**Reported 23-24 A**	**Forex 23-24**	**Scope 23-24**	**Organic 23-24 B**	**Reported 22-23 C**	**Reported change A/C-1**	**Organic change B/C-1**
Cognac	155.1	-6.6	-	161.6	292.3	*-46.9%*	*-44.7%*
Liqueurs & Spirits	95.0	-2.2	-	97.2	109.7	-13.5%	-11.4%
Subtotal: Group Brands	**250.0**	**-8.8**	-	**258.8**	**402.0**	***-37.8%***	***-35.6%***
Partner Brands	7.5	-0.1	-	7.6	7.9	*-5.4%*	*-4.6%*
Total	**257.5**	**-8.9**	-	**266.4**	**409.9**	***-37.2%***	***-35.0%***

Q2 2023-24 sales (July-September 2023)

€m	**Reported 23-24 A**	**Forex 23-24**	**Scope 23-24**	**Organic 23-24 B**	**Reported 22-23 C**	**Reported change A/C-1**	**Organic change B/C-1**
Cognac	261.0	-23.1	-	284.1	345.9	*-24.5%*	*-17.8%*
Liqueurs & Spirits	111.7	-5.7	-	117.4	104.7	*+6.7%*	*+12.1%*
Subtotal: Group Brands	**372.7**	**-28.8**	-	**401.6**	**450.6**	***-17.3%***	***-10.9%***
Partner Brands	6.4	0.0	-	6.5	6.6	*-2.3%*	*-1.6%*
Total	**379.2**	**-28.9**	-	**408.0**	**457.2**	***-17.1%***	***-10.8%***

H1 2023-24 sales (April-September 2023)

€m	**Reported 23-24 A**	**Forex 23-24**	**Scope 23-24**	**Organic 23-24 B**	**Reported 22-23 C**	**Reported change A/C-1**	**Organic change B/C-1**
Cognac	416.1	-29.7	-	445.8	638.1	*-34.8%*	*-30.1%*
Liqueurs & Spirits	206.7	-7.9	-	214.6	214.5	*-3.6%*	*+0.1%*
Subtotal: Group Brands	**622.7**	**-37.7**	-	**660.4**	**852.6**	***-27.0%***	***-22.5%***
Partner Brands	14.0	-0.1	-	14.1	14.5	*-4.0%*	*-3.2%*
Total	**636.7**	**-37.8**	-	**674.5**	**867.1**	***-26.6%***	***-22.2%***

Regulated information in connection with this press release can be found at www.remy-cointreau.com

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 to help them understand its performance. These indicators should be considered as supplementing those including in the consolidated financial statements and resulting movements.

Organic sales growth:

Organic growth excludes the impact of exchange rate fluctuations, acquisitions and disposals.

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

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

For significant disposals, data is post-application of IFRS 5 (which reclassifies entities disposed of under "Net earnings from discontinued operations" for the current and prior financial year). It thus focuses on Group performance common to both financial years, over which local management has more direct influence.