

Third-quarter 2023-24 sales: -23.5% on an organic basis  
2023-24 full-year guidance confirmed

- Sequential improvement in the United States, driven by positive phasing effect
- Major destocking in China ahead of the Chinese New Year
- Solid execution of cost-cutting measures in line with plan
- **2023-24 full-year guidance confirmed:**
  - Sales: decline at the lower end of the guidance range<sup>1</sup> (close to -20% on an organic basis)
  - COP margin: contained decrease on an organic basis
- 2029-30 full-year guidance confirmed

Rémy Cointreau generated consolidated sales of €956.6 million in the first nine months of 2023-2024, down -22.7% on an organic basis<sup>2</sup> (+16.7% compared to the first nine months of 2019-20). On a reported basis, the decline was -26.7%, including a negative currency effect of -4.0%, due primarily to the renminbi and the US dollar. This performance includes a -23.5% decrease on an organic basis in the third quarter of 2023-2024, representing a +9.1% organic rise compared to the third quarter of 2019-2020.

The **Cognac** division saw sales retreat -33.9% on an organic basis in the third quarter, affected by a major destocking in China and a persistently sluggish market in the United States. The **Liqueurs & Spirits** division reported third-quarter growth of +4.3% on an organic basis, driven by good momentum and positive phasing effect in the United States.

In the **Americas**, sales edged down in the third quarter, underscoring a significant sequential improvement from the second quarter (positive phasing effect in Liqueurs & Spirits), while in **APAC** shipments fell sharply. This reflected major destocking in China and, to a lesser extent, the unfavorable calendar impact of this year's earlier Chinese New Year. Lastly, the **EMEA** region reported a sharp drop in sales due to the combined impact of unfavorable phasing and inflation curbing consumption.

Breakdown of sales by division:

€m (April – December)	9M 2023-24	9M 2022-23	Change as reported	Organic change	
				vs. 9M 22-23	vs. 9M 19-20
Cognac	613.2	952.1	-35.6%	-31.4%	+3.5%
Liqueurs & Spirits	321.3	328.6	-2.2%	+1.5%	+57.8%
Subtotal: Group Brands	934.5	1 280.7	-27.0%	-22.9%	+17.1%
Partner Brands	22.1	24.0	-7.9%	-7.3%	-0.8%
<b>Total</b>	<b>956.6</b>	<b>1 304.7</b>	<b>-26.7%</b>	<b>-22.7%</b>	<b>+16.7%</b>

<sup>1</sup> Guidance range published on October 27, 2023 (between -15% and -20% organically)

<sup>2</sup> All references to "on an organic basis" in this press release refer to sales growth at constant currency and consolidation scope

## Cognac

---

Third-quarter sales at the **Cognac** division were down -33.9% on an organic basis.

In the **United States**, performance was affected by the intense promotional environment (which gathered pace as the year-end approached) and ongoing inventory reductions. Depletions (wholesale sales) improved sequentially but continued to lag expectations. In the third quarter, Rémy Martin continued to invest in its brands and unveiled its new *Life is a melody* campaign featuring singer Usher.

In **China**, the Group significantly reduced its level of inventories ahead of the Chinese New Year. At the same time, it expanded its marketing efforts. Initiatives included a new campaign for Rémy Martin CLUB featuring its first brand spokesperson, Chinese actor Xian Li, and the release of *Blossoms Shanghai*, a Chinese television series directed and produced by Hong Kong's Wong Kar-wai in which Rémy Martin XO features prominently. Lastly, Rémy Cointreau launched numerous e-commerce activations on its strategic T-Mall and JD.com platforms during the *Double-Eleven Festival*, and sales on its e-commerce channel rose steeply.

The **EMEA region** posted a mixed performance, hit by unfavorable phasing effect, inflation's impact on consumer demand, and a fiercely competitive promotional environment.

## Liqueurs & Spirits

---

Sales of the **Liqueurs & Spirits** division increased by +4.3% on an organic basis in the third quarter thanks to strong growth in sales in the United States, notably of The Botanist gin and Cointreau liqueur. The latter is benefitting from good momentum fueled by the roll-out of its latest *Keep it Cosmo* and *MargaRight* campaigns featuring actress Aubrey Plaza.

After a solid first half, sales in the **EMEA** region slowed, reflecting adverse phasing effect and a tapering off in demand in an inflationary context.

Lastly, sales in the **APAC** region were down, hit by slowed growth in demand in the whisky category in China.

## Partner brands

---

**Partner brands** reported third-quarter sales down -13.5% on an organic basis, affected by trends in the Benelux and the United Kingdom.

## 2023-24 full-year objectives confirmed

---

For full-year 2023-24, Rémy Cointreau assumes the following:

- 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, Rémy Cointreau does not expect a return to growth in sales before fiscal 2024-25.
- In **APAC**, the Group expects growth in sales, tempered by a slower than anticipated post-Covid economic recovery in **China**.
- Lastly, in the **EMEA** region, the Group expects growth in sales to be moderated by 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, in 2023-24 Rémy Cointreau expects:

- a decline in sales at the lower end of the guidance range<sup>3</sup> (close to -20% on an organic basis)
- a contained organic decrease in COP margin thanks to deployment of a major cost-cutting plan, estimated at around €100 million this year (including €25 million already achieved in the first half)

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, with operations 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.

---

<sup>3</sup> *Guidance range published on October 27, 2023 (between -15% and -20% organically)*

## Post-close events

On January 5, 2024, industry associations (SpiritsEUROPE and BNIC) and industry players including Rémy Cointreau were informed that the Ministry of Commerce of the People's Republic of China had opened an anti-dumping investigation.

This investigation targets brandy exports from European Union member countries to China in containers of under 200 liters for the period between October 1, 2022 and September 30, 2023. It may run for up to 12 months and can be extended for a further 6 months.

Rémy Cointreau immediately contacted its institutional representatives and is cooperating fully with the Chinese authorities in this investigation.

China is a long-standing trade partner of Rémy Cointreau and the European spirits industry. Relations and levels of cooperation have always been excellent. The Group is convinced that its products and business practices comply fully with Chinese and international regulations, and is approaching future discussions with confidence and diligence.

## 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

---

**Investor relations:** Célia d'Everlange / [investor-relations@remy-cointreau.com](mailto:investor-relations@remy-cointreau.com)

**Media relations:** Mélissa Lévine / [press@remy-cointreau.com](mailto:press@remy-cointreau.com)

## 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](http://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%
<b>Subtotal: Group Brands</b>	<b>250.0</b>	<b>-8.8</b>	<b>-</b>	<b>258.8</b>	<b>402.0</b>	<b>-37.8%</b>	<b>-35.6%</b>
Partner Brands	7.5	-0.1	-	7.6	7.9	-5.4%	-4.6%
<b>Total</b>	<b>257.5</b>	<b>-8.9</b>	<b>-</b>	<b>266.4</b>	<b>409.9</b>	<b>-37.2%</b>	<b>-35.0%</b>

*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%
<b>Subtotal: Group Brands</b>	<b>372.7</b>	<b>-28.8</b>	<b>-</b>	<b>401.6</b>	<b>450.6</b>	<b>-17.3%</b>	<b>-10.9%</b>
Partner Brands	6.4	0.0	-	6.5	6.6	-2.3%	-1.6%
<b>Total</b>	<b>379.2</b>	<b>-28.9</b>	<b>-</b>	<b>408.0</b>	<b>457.2</b>	<b>-17.1%</b>	<b>-10.8%</b>

*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%
<b>Subtotal: Group Brands</b>	<b>622.7</b>	<b>-37.7</b>	<b>-</b>	<b>660.4</b>	<b>852.6</b>	<b>-27.0%</b>	<b>-22.5%</b>
Partner Brands	14.0	-0.1	-	14.1	14.5	-4.0%	-3.2%
<b>Total</b>	<b>636.7</b>	<b>-37.8</b>	<b>-</b>	<b>674.5</b>	<b>867.1</b>	<b>-26.6%</b>	<b>-22.2%</b>

*Q3 2023-24 sales (October-December 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	197.1	-10.4	-	207.5	314.0	-37.2%	-33.9%
Liqueurs & Spirits	114.6	-4.4	-	119.0	114.1	+0.4%	+4.3%
<b>Subtotal: Group Brands</b>	<b>311.8</b>	<b>-14.7</b>	<b>-</b>	<b>326.5</b>	<b>428.1</b>	<b>-27.2%</b>	<b>-23.7%</b>
Partner Brands	8.1	0.0	-	8.2	9.5	-14.0%	-13.5%
<b>Total</b>	<b>319.9</b>	<b>-14.8</b>	<b>-</b>	<b>334.7</b>	<b>437.6</b>	<b>-26.9%</b>	<b>-23.5%</b>

*9M 2023-24 sales (April-December 2023)*

<i>€m</i>	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	613.2	-40.1	-	653.3	952.1	-35.6%	-31.4%
Liqueurs & Spirits	321.3	-12.3	-	333.6	328.6	-2.2%	+1.5%
<b>Subtotal: Group Brands</b>	<b>934.5</b>	<b>-52.4</b>	<b>-</b>	<b>986.9</b>	<b>1 280.7</b>	<b>-27.0%</b>	<b>-22.9%</b>
Partner Brands	22.1	-0.2	-	22.2	24.0	-7.9%	-7.3%
<b>Total</b>	<b>956.6</b>	<b>-52.6</b>	<b>-</b>	<b>1 009.2</b>	<b>1 304.7</b>	<b>-26.7%</b>	<b>-22.7%</b>

*Regulated information in connection with this press release can be found at [www.remy-cointreau.com](http://www.remy-cointreau.com)*

<b>Definitions of alternative performance indicators</b>
--

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.