



RÉMY COINTREAU

Des terroirs, des hommes et du temps

Fiscal H1 2017/18 Sales
ending 30 September 2017

17.10.17

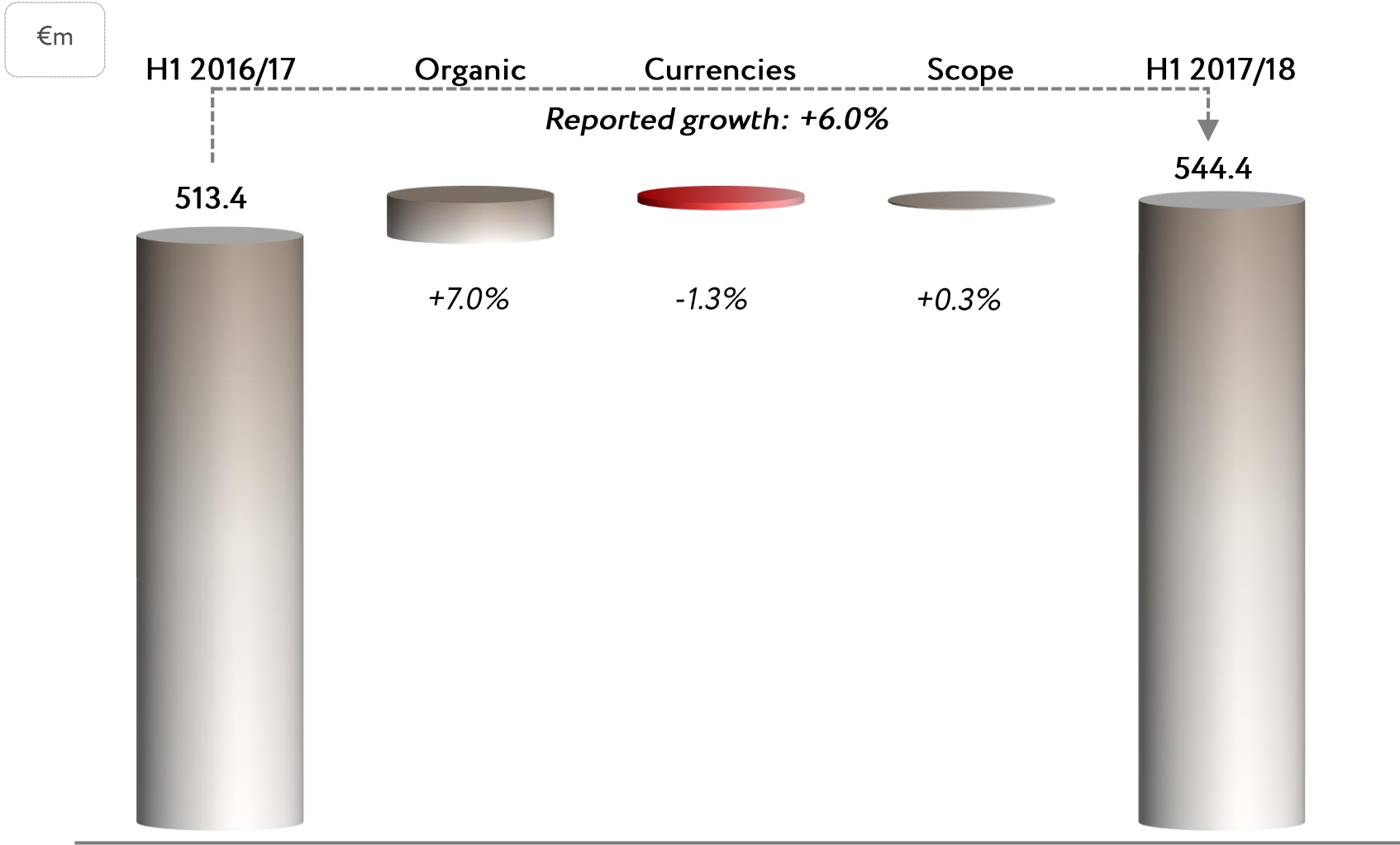
Key Messages

- **Strong start to the year: +7.0%** organic sales growth in H1 17-18 , led by Group's Own Brands (+9.6%):
 - Strong Q2 organic growth of +6.2% (Own Brands: +7.6%) despite high comps and adverse technical factors
- **Technical factors lowered sales by around EUR17M** in H1 or -3pp of growth:
 - Deconsolidation of Passoa (EUR8M)
 - End of the Champagne distribution contract (EUR9M)

Adjusted for these factors, H1's underlying organic growth was +10.3%

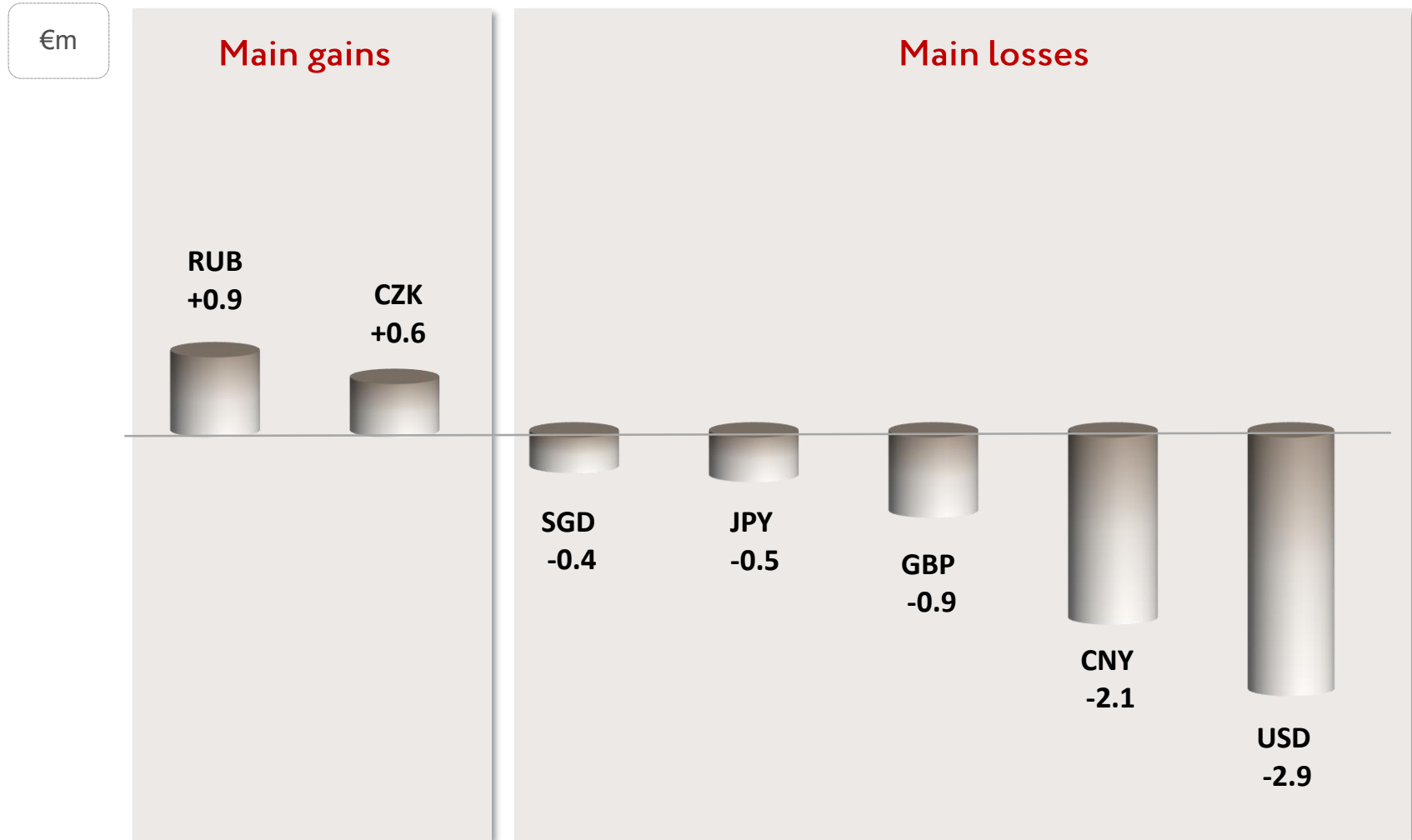
- **Solid value depletion trends** in H1 2017-18, coherent with sales growth levels:
 - Greater China: fast-growing upper middle-class driving strong demand for high-end spirits across the region
 - US: Normalized depletion trends in Q2; Steady and healthy sell-out trends
 - Western Europe: flattish underlying trends broadly unchanged
 - Russia: solid recovery on-track
 - Africa: Renewed growth led by new phase of regional expansion
 - Global Travel Retail: rebounding trends
- **FY 17/18 outlook confirmed:** on track to deliver positive organic Current Operating Profit growth

H1 2017/18 Sales Analysis

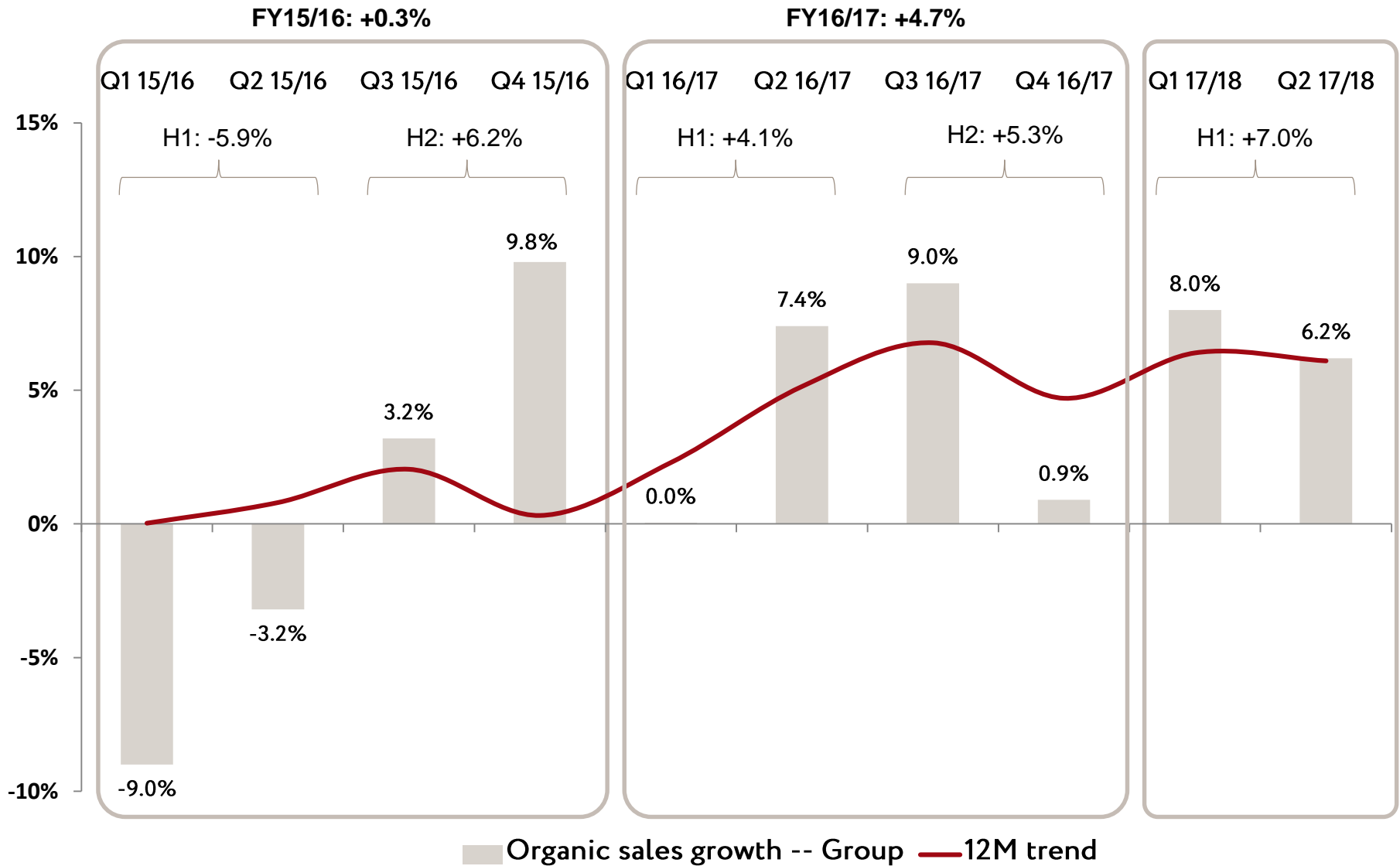


Currency Impact on H1 2017/18 Sales

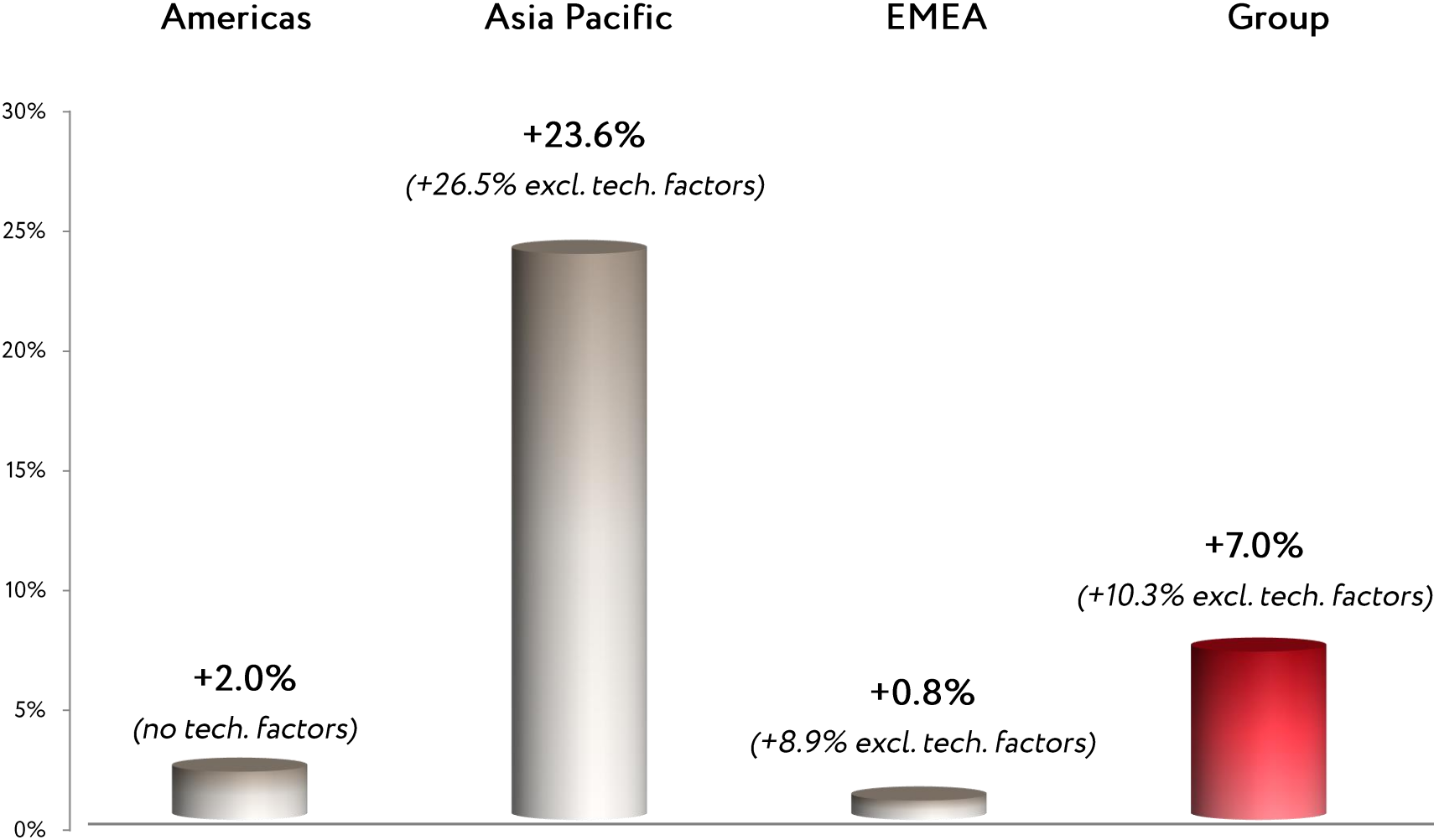
Currency translation loss of 6.3 million euros



Quarterly Organic Sales Growth



H1 2017/18 Organic Growth by Region



H1 2017/18 Organic Trends by Region (1)

RÉMY COINTREAU

Asia-Pacific organic sales +23.6%, led by Greater China

- Technical factors lowered sales by EUR4M (or -3pp of growth) in H1 (Champagne contract)
- Greater China: Solid double-digit sales growth
 - Fairly easy comps
 - Mainland China accelerating further (positive signals on MAF); Clear improvement in Macao and HK
 - Ongoing strength in depletion trends: up double digits in volume and solid double digits in value
- Japan: rebounding on easy comps and improving depletion trends
- Travel Retail : Strong performance in H1 on fairly easy comps

Americas organic sales +2.0%: Q2 trends back to growth after weak Q1

- US : normalized sell-in and depletions trends in Q2 after weak trends in Q1 (due to high comps)
 - Group Brands' value depletions : +8% over 3M, +0% over 6M, +4% over 12M
- US Nielsen sales data suggests Group Brands' sell-out trends remain very solid:
 - Periods ending 9 September 2017: +8% over 3M, +9% over 6M and +10% over 12M
- Strong performance of Travel Retail (relaunch of classic VSOP/XO, new listings and better traffic)

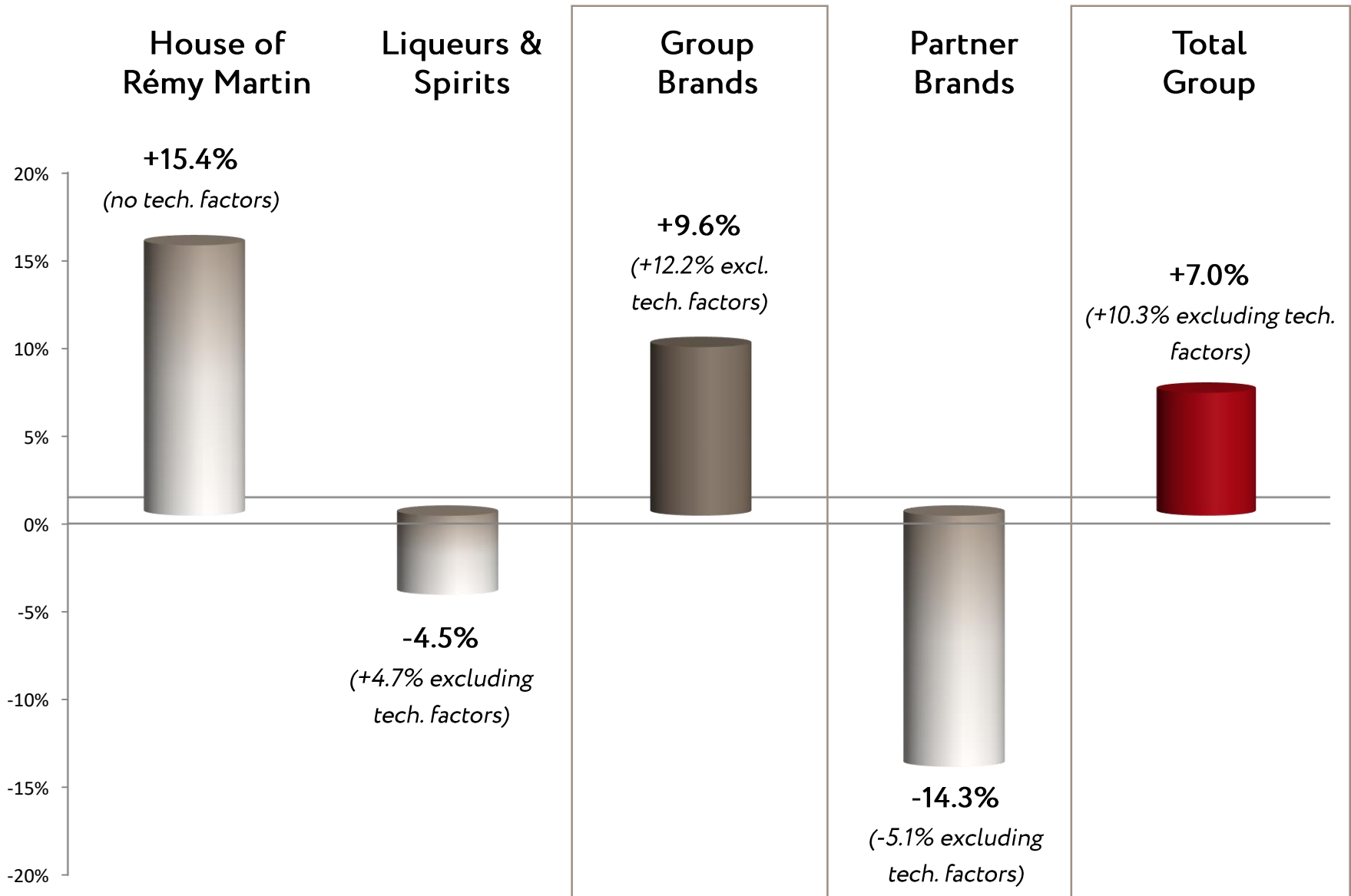
H1 2017/18 Organic Trends by Region (2)

Europe, Middle East & Africa organic sales +0.8%, muted by technical factors

- Sales up 0.8% in organic terms, despite sizeable technical factors (EUR13M or -8pp hit):
 - End of the distribution contract with Piper & Charles Heidsieck (EUR5M) and deconsolidation of Passoã from December 1st 2016 (EUR8M).
 - Adjusted for these technical factors, EMEA would have been up +8.9%
- Western Europe: double-digit sales decline, due to technical factors (Passoã, Champagne)
 - Good depletion trends in the UK and in Germany, but ongoing weakness in Belgium
- Central & South Europe: double-digit growth
 - Solid momentum led by Czech Republic and Slovakia
- Russia & North East Europe: solid double-digit growth
 - Russia: Sales and value depletion trends both growing double-digits across the brands portfolio
- Travel Retail: sales decline due to the end of the distribution contract for champagne brands
 - Double-digit growth at the Group's Own Brands
- Africa : back to growth in H1, led by a new phase of regional expansion
 - South Africa strong both in sell-in and sell-out; signs of improvement in Nigeria

H1 2017/18 Organic Growth by Product Division

RÉMY COINTREAU



House of Rémy Martin (+15.4% OSG in H1)

RÉMY COINTREAU

Asia-Pacific

- Strong H1 performance, led by double-digit growth in Greater China, Singapore, Japan and Travel Retail
- Greater China: depletions up double digits in volume and up solid double digits in value

Americas

- Strong Q2 sales performance (in-line with sell-out trends) after weak Q1 (penalized by high comps)
- Normalized US volume depletions in the last 3M period (6M distorted by very high comps)
- Price/mix gains of 1pp in the 12M period to September 2017

	Volume depletion trends to September 2017		
	3 months	6 months	12 months
US Cognac/Brandy Market	-2.6%	1.4%	4.9%
Rémy Martin	14.6%	2.1%	4.7%

Source: NABCA/Discus

Europe, Middle East & Africa

- Strong start to the year, led by Russia, the UK, Germany, Africa and Travel Retail

Carte Blanche à Baptiste Loiseau: 2nd Edition

RÉMY MARTIN
COGNAC FINE CHAMPAGNE
BAPTISTE LOISEAU
A BAPTISTE LOISEAU
MAISON FONDÉE EN 1765

**CARTE BLANCHE
À BAPTISTE LOISEAU**

Baptiste Loiseau, Rémy Martin Cellar Master,
was given Carte Blanche to create this exclusive collection

 **RÉMY MARTIN**

Liqueurs & Spirits (-4.5% OSD in H1)



Organic sales +4.7% adjusted for the deconsolidation of Passoã (EUR12M / -9pp hit)

Cointreau

- Growth driven by the US and growth relays (Greater China and Russia)
- United-States:
 - Further share gains in a depressed category
 - September depletion trends mitigated by shipment phasings
 - Nielsen data (periods ending 9 September 2017): +5% over 3M, +5% over 6M and +2% over 12M
 - Price/mix gain of 1pp in the 12M period to September 2017

	Volume depletion trends to September 2017		
	3 months	6 months	12 months
Total US Cordials Market	-5.5%	-5.8%	-12.3%
Cointreau	-0.8%	1.4%	1.2%

Source: NABCA/Discus

Metaxa: Solid H1 growth, largely driven by improving trends in Russia, Germany and Travel Retail (come back of the Russian travelers)

Liqueurs & Spirits (-4.5% OSD in H1)



Mount Gay

- Good H1 performance, led by historical markets (mainly the Barbados and the UK)
- Volatility of US volume depletions reflects the gradual de-emphasis on entry-price *Eclipse* and strategy of portfolio upgrade
- US value depletions benefited from a price/mix gain of 1-2pp in the 12M period ending Sept. 2017

	Volume depletion trends to September 2017		
	3 months	6 months	12 months
Total US Rum Market	0.0%	3.6%	1.1%
Mount Gay	-9.3%	-5.8%	-3.3%

Source: NABCA/Discus

Progressive Hebridean Distillers: double-digit sales growth, mainly driven by the success of The Botanist gin in all regions

St-Rémy: Solid H1 growth led by Canada, Russia/CIS and Travel Retail



Cointreau Fizz Summer Campaign in Frankfurt Airport



The Garden Party in Gatwick Airport (Botanist, Mount Gay and Cointreau Blood Orange)



Partner Brands (-14.3% OSD in H1)

Technical factors held back sales by EUR5M in H1, a -9pp hit on growth:

- End of the distribution contract for the champagne brands Piper Heidsieck and Charles Heidsieck (in EMEA and Travel Retail Asia) : a EUR9M loss
- Consolidation of Passoã as a Partner Brand (in markets where Rémy Cointreau now distributes the brand on behalf of the Passoã JV) : a EUR4M gain
- Other Third-Party spirits declined mid-single digits in H1, as ongoing strength in Central Europe was more than offset by weakness in Belgium and in Travel Retail

2017/18 Outlook Confirmed

- Strong start to the fiscal year 2017/18
- Maintains guidance of delivering **positive growth in Current Operating Profit, at constant exchange rate and scope**, for the financial year 2017/18



RÉMY COINTREAU

Des terroirs, des hommes et du temps

Q&A

17.10.17