



RÉMY COINTREAU

**Fiscal Year 2015/16  
9 months ended  
31 December 2015**

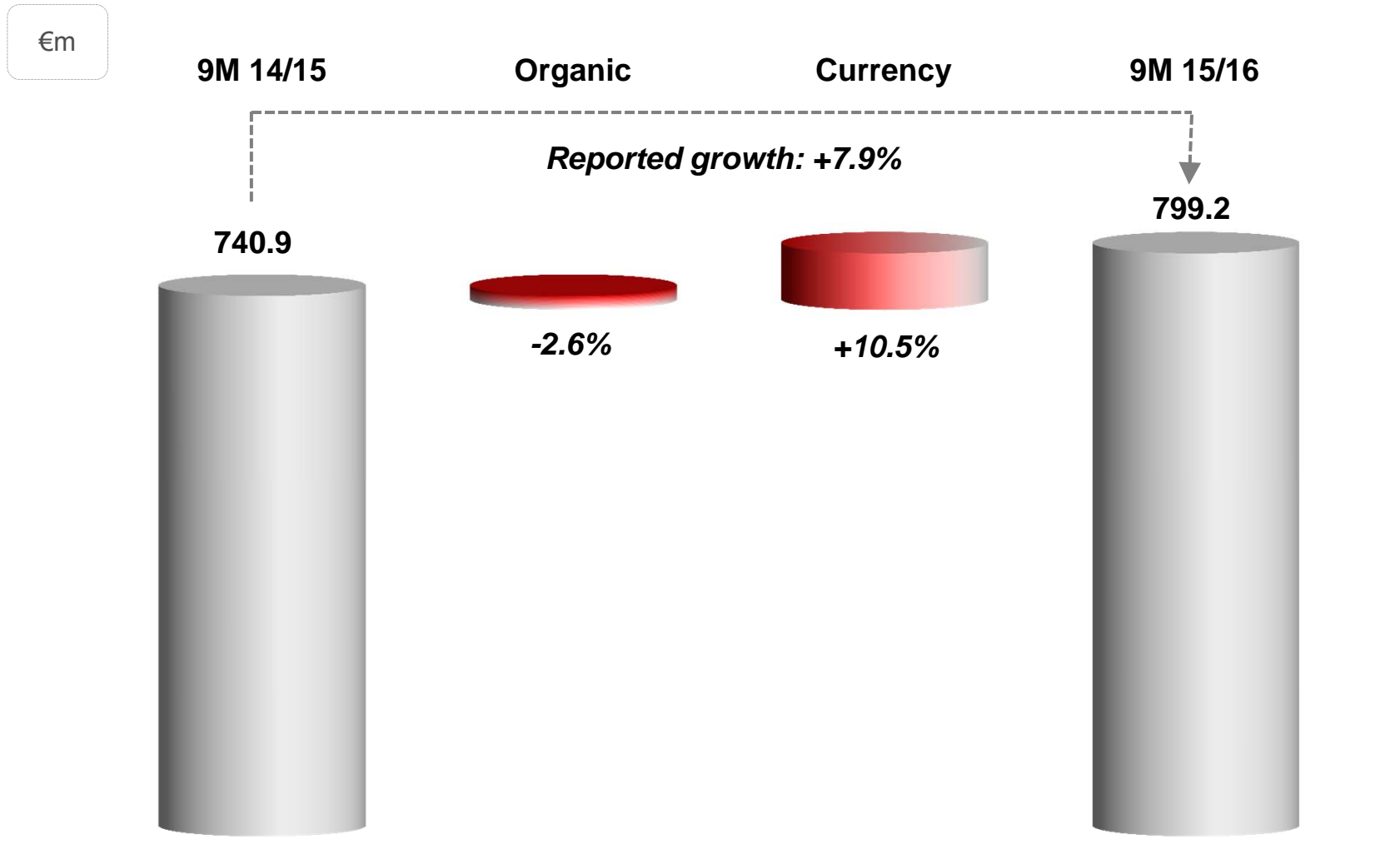
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**21 January 2016**

# Key Messages

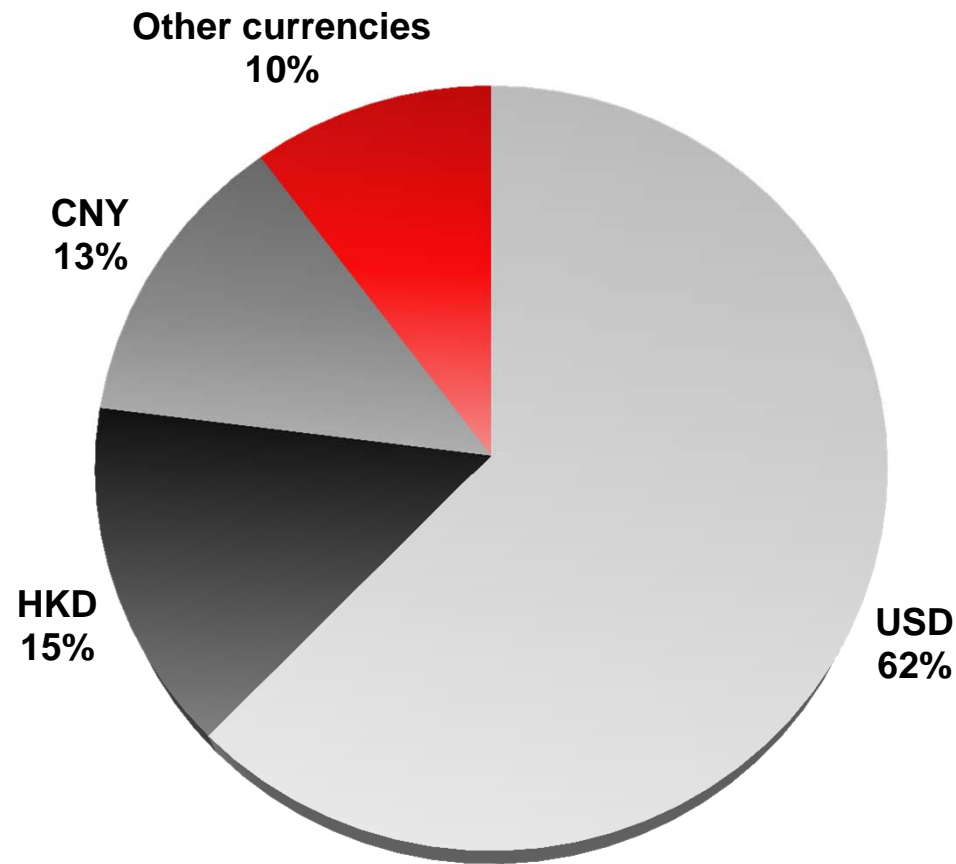
- Return to growth in Q3
- We are on track: 9M sales performance in-line with our expectations
- Technical factors: a 4.0pp/EUR29.3m hit on 9M organic sales growth
- Gradually improving consumer trends in 9M
  - Improving trends in the US and in the EMEA zone
  - Clear improvement in Greater China depletions
  - Ongoing weakness in Russia and deteriorated trends in Global Travel Retail
- Better H2 trends confirmed, with Q4 expected to be stronger than Q3
- FY15/16 outlook confirmed

# 9M 2015/16 Sales Analysis

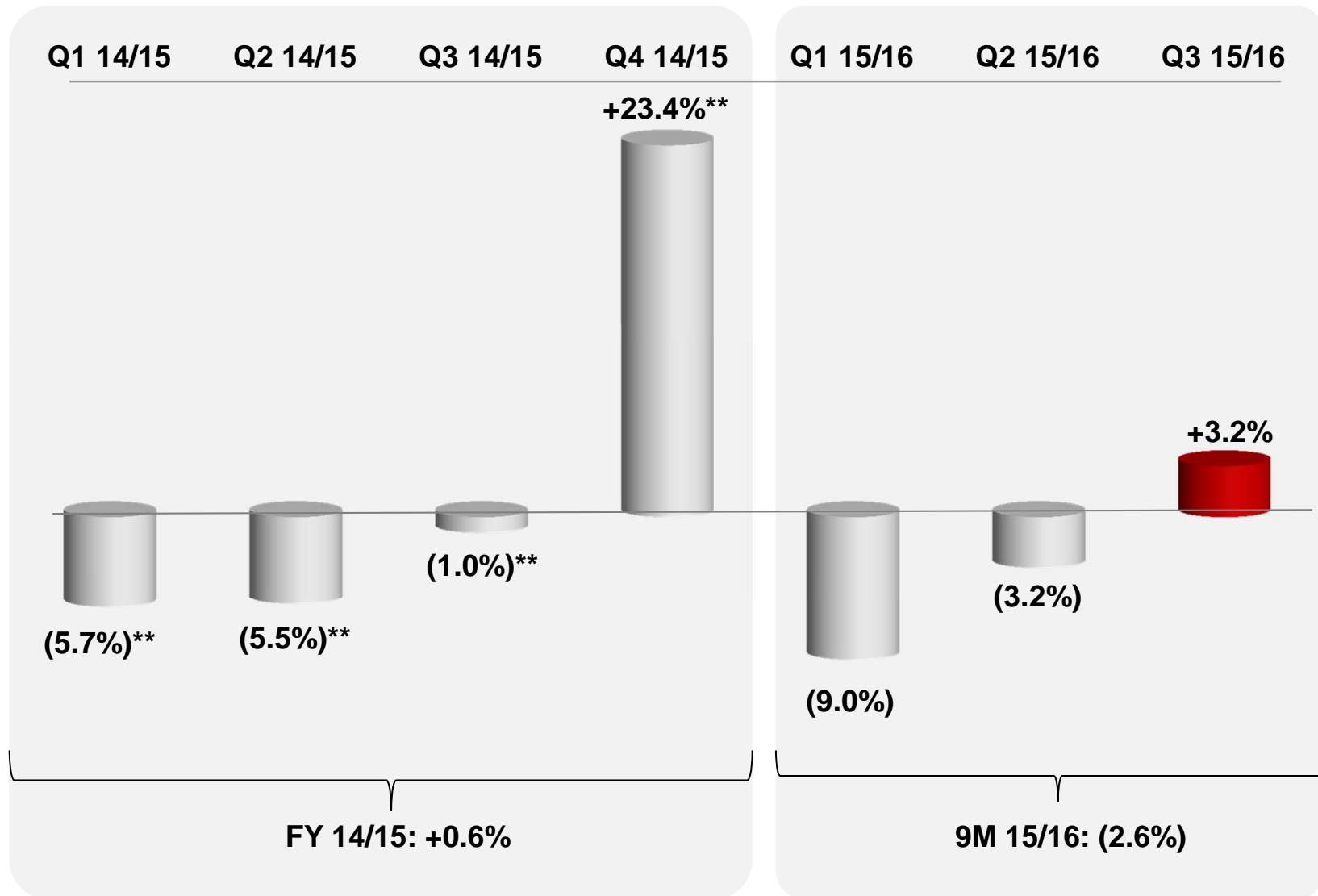


# Currency Impact on 9M 2015/16 Sales

Positive currency impact : EUR77.4m



# Quarterly Organic Sales Growth



(\*\*) Calculated based on 2013/14 pro forma sales (i.e. excluding the Edrington contract in the US)

# 9M 2015/16 Trends by Region (1)

- **Asia-Pacific sales in decline over 9M, but close to stability in Q3**
  - Technical factors weighed on 9M performance (mainly in H1)
    - Route-to-Market adjustments in Greater China
    - Streamlining of on-trade outlets in Greater China
    - Change in distributor in Australia
  - Greater China showing a clear improvement in sell-through trends, in the past 6 months
    - Wholesalers' cautiousness (strong impact in H1) starting to alleviate in Q3
    - Improving sell-through: volume depletions up and value depletions flat in 9M
    - Positive inflection led by Mainland China, while HK and Macau remain soft
  - Solid trends in South East Asia (Vietnam, Philippines, Thailand) and in Korea
  - New route to market in Australia (joint-venture)

# 9M 2015/16 Trends by Region (2)

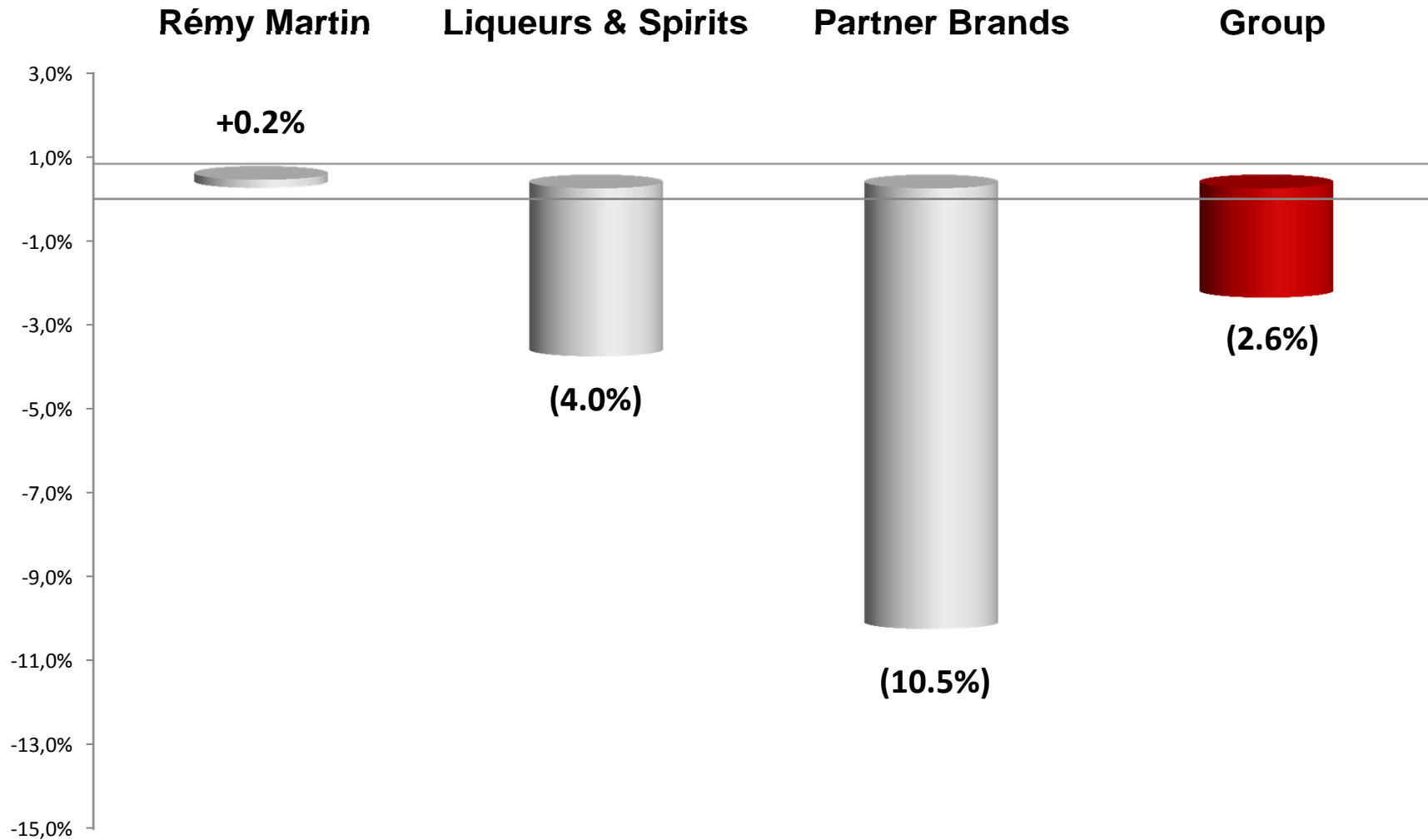
- **Americas sales flat in the 9M period: strong US depletions mitigated by technical factors**
  - Technical factors weighed on the Americas sales performance
    - Exit from the VS cognac category in the US (H1)
    - High comparable base for Cointreau in the US (H1)
    - Change in distributor in Canada (H1)
    - Termination of the distribution contract of the champagne brands in the US (9M)
  - Group brands' US value depletions (excl.VS) still running at solid double-digit rates
    - +14.3% over 3M, +15.6% over 6M, +15.7% over 12M
    - Group brands: net sales growing in-line with value depletions in Q3

# 9M 2015/16 Trends by Region (3)

- **Europe, Middle East & Africa showing further acceleration in the 9M period**
  - Western Europe: flat sales in 9M
    - Negative technical factor in 9M: earlier Easter celebrations (Q1)
    - Double-digit sell-in and sell-out growth in Germany, led by Rémy Martin and Cointreau
    - Improving depletion trends in France, Belgium and the UK
  - Central Europe: double-digit growth in 9M
    - Strong performance in the Czech Republic and Slovakia; mid-single digit growth in Poland
    - Ongoing weakness in Greece and Turkey
  - Russia/CIS: weak 9M performance (but rate of decline narrowing)
    - Sell-in trends gradually aligning on depletions (destocking over)
    - Depletions down double-digits over 12M
    - New round of price increases in January 2016
  - Travel Retail penalized by soft Russian tourism
  - Triple-digit sales growth in Africa, led by good depletion trends and expansion into newer markets



# 9M Organic Growth by Product Division



# Rémy Martin (+0.2% organic growth in 9M)

## ■ Asia-Pacific

- Double-digit sales decline in 9M (technical factors/ Greater China wholesalers' prudence) ; But Q3 close to stability
- Clear improvement in Greater China's sell-through: depletions up in volumes, flat in value

## ■ Americas

- Sales up low double-digits in 9M, led by ongoing strength in the US
- US volume depletions (excl. VS) running at strong and steady double-digit rates

	Volume depletion trends to Dec 2015		
	3 months	6 months	12 months
US Cognac/Brandy Market	4.5%	9.6%	12.0%
Rémy Martin (excl. VS)	17.9%	18.6%	19.5%

Source: NABCA/Discus

- Ongoing strength of 1738 and pick-up of Louis XIII depletions drove **price/mix gains of 1-2pp** in the 12M period to December

## ■ Europe, Middle East & Africa

- Strong double-digit sales growth, led by Africa
- Good depletion trends led by Germany, the UK, South Africa and Nigeria

# Rémy Martin: Marketing Initiatives

- First PR and social results of the « One Life / Life Them » campaign
  - **Press coverage** : more than €14m worth of media value-equivalent (€10m in the US and €4m in China)
  - **Social networks** : more than 120 millions web users reached (40m in the US and 80m in China)



# Liqueurs & Spirits (-4.0% organic decline in 9M)

- **9M sales decline largely due to technical factors (H1) and Russia; Q3 back to growth**
  - Technical factors: Cointreau comps in the US (H1), earlier Easter in Western Europe (Q1), and changes in distributors in Australia and Canada (mainly Q1)
  - Weak sell-in in Russia, Greece and EMEA Travel Retail

- **Cointreau**

- Sales decline mainly due to high US comparables in H1; Return to growth in Q3
- Solid US depletions trends, led by both the on and off-trade
- US value depletions benefited from a **price/mix gain of 1pp** in the 12M period to Dec.

	Volume depletion trends to Dec 2015		
	3 months	6 months	12 months
<b>Total US Cordials Market</b>	-4.1%	-3.9%	-3.3%
<b>Cointreau</b>	0.2%	4.5%	5.1%

*Source: NABCA/Discus*

- Good sell-in in Western Europe, led by solid sell-out trends in France, Belgium and Germany (low to mid-single digit growth).

# Liqueurs & Spirits (-4.0% organic decline in 9M)

- **Metaxa:** double-digit sales decline led by Russia, Greece and Travel Retail (Russian tourists); Positive growth in Q3, led by the successful launch of Metaxa Honey Shot (Central Europe)
- **Mount Gay**
  - Sales growth led by mix gains in key markets (US, Barbados, UK, Travel Retail, France)
  - US volume depletions softer in the last 6 months further to significant price increases on Eclipse (+c30%) and XO

	<b>Volume depletion trends to Dec 2015</b>		
	<b>3 months</b>	<b>6 months</b>	<b>12 months</b>
<b>Total US Rum Market</b>	-3.0%	-1.1%	-4.0%
<b>Mount Gay</b>	-2.1%	-2.6%	1.6%

*Source: NABCA/Discus*

- US value depletions enjoyed a **price/mix gain of 3pp** in the 12M period ending Dec.
- **Islay Spirits:** Double-digit sales growth led by new listings in Europe, US, Japan, and GTR
- **St-Rémy:** Sales decline due to a change in distributor in Canada (brand's largest market)
- **Passoa:** High comps in France (Football's World Cup last year) and competitive environment

# Liqueurs & Spirits: Marketing Initiatives

**Metaxa AEN:**  
Everness by Greek designer Dimitris Tsigos



**Cointreau:**  
Great 30's Limited Edition



## Partner Brands (-10.5% organic decline in 9M)

- Double-digit decline in sales mainly reflects the end of the distribution contract of Piper and Charles Heidsieck in the US (EUR11.0M loss)
- Double-digit growth of the third-party spirits distributed in EMEA

# 2015/16 Outlook Confirmed

- 9M 2015/16 organic sales performance **in-line with Group's expectations**
- Maintains guidance of delivering **positive growth in current operating profit**, at constant exchange rate and scope, for the financial year 2015/16





RÉMY COINTREAU

**Q&A**