



RÉMY COINTREAU

Des terroirs, des hommes et du temps

Harrods



Sales for the
Fiscal Year 2016/17
ending 31 March 2017

19.04.17

CELEBRATE MEMORABLE MOMENTS

ONE CENTURY IN A BOTTLE

Each dram is made from four generations of Cellar Masters over 100 years to craft

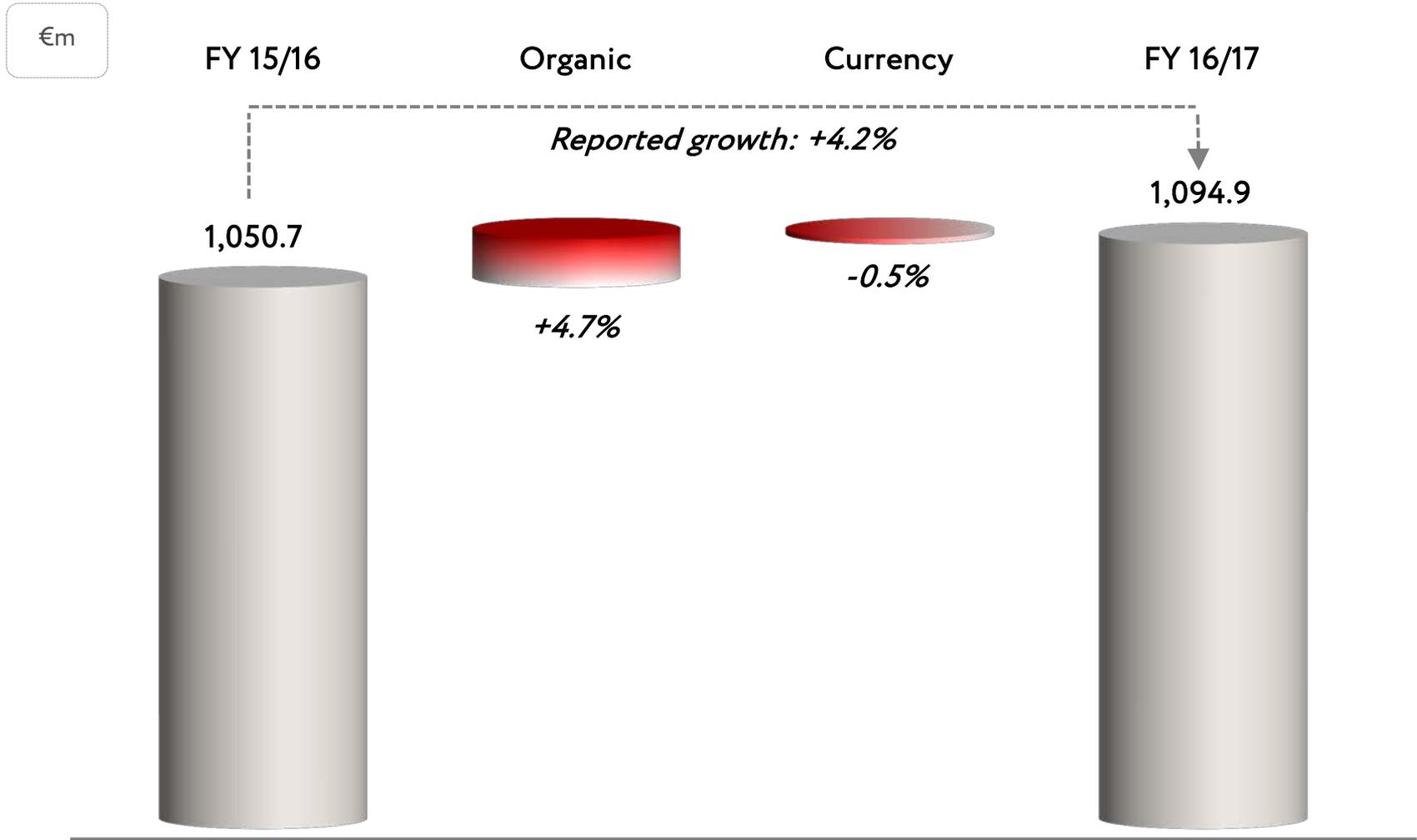
Key Messages

- **Solid FY16-17 organic sales growth performance (+4.7%), led by Group's Own Brands (+7.4%)**
- **Q4 (+0.9% in organic terms)** held back by technical factors of around EUR13.5M (-5pp):
 - the earlier timing of the CNY timing (EUR6M)
 - The deconsolidation of Passoa (EUR2.5M)
 - The end of the Champagne distribution contract (EUR5M)

Adjusted for these factors, **Q4's underlying organic growth was +6%**.

- **Supportive value depletion trends** in FY2016-17:
 - Greater China: sizeable acceleration in consumption trends; Strong Mid-Autumn Festival and Chinese New Year
 - US: Normalized growth after 2 very strong years
 - Western Europe: broadly unchanged
 - Russia: clear recovery
 - Global Travel Retail: improving trends in H2
- **FY16/17 outlook confirmed:** on track to deliver positive organic Current Operating Profit growth

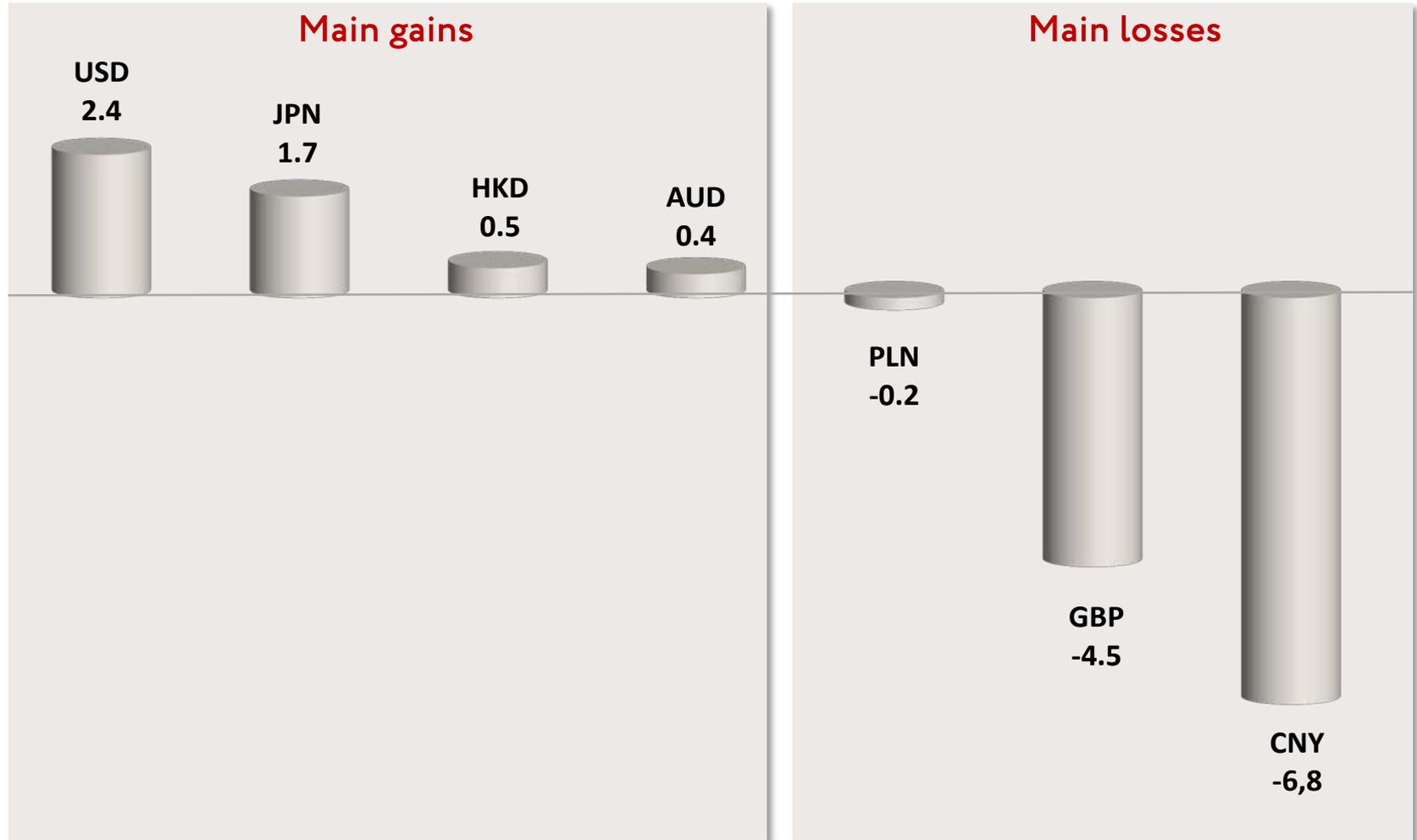
2016/17 Sales Analysis



Currency Impact on 2016/17 Sales

Negative translation currency impact : -5.8 million euros

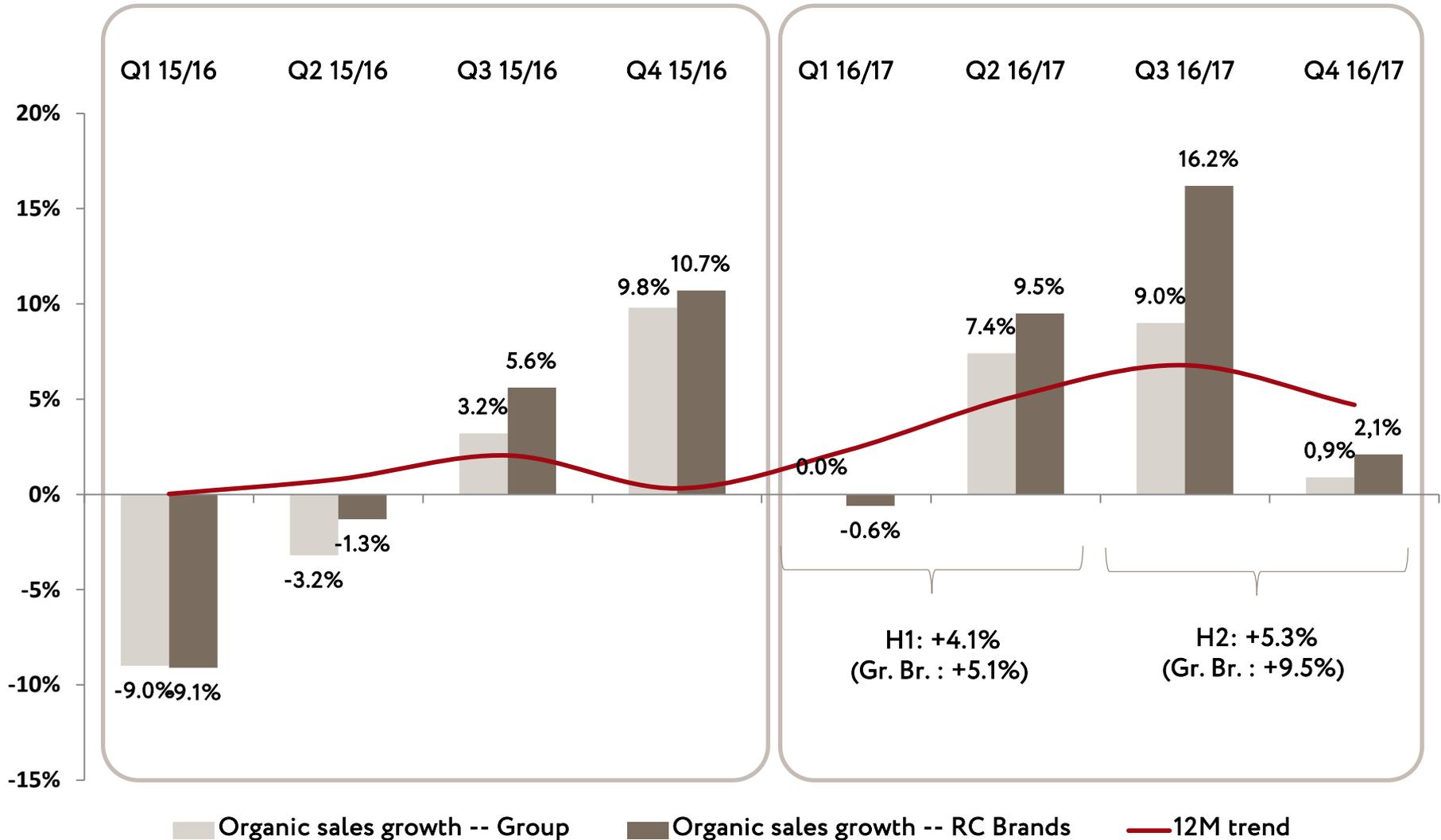
€m



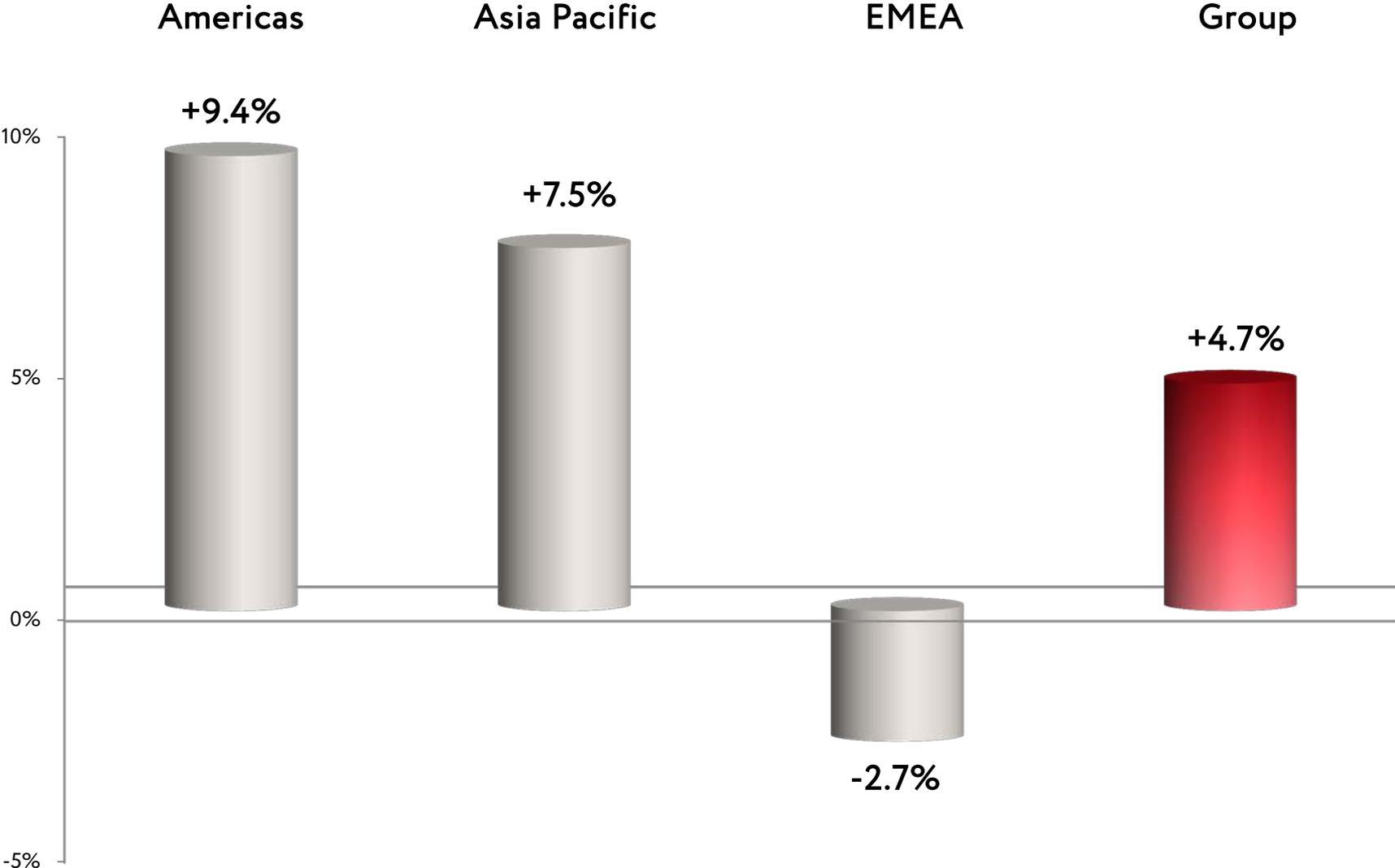
Quarterly Organic Sales Growth

FY15/16: +0.3% (Group Brands: +1.7%)

FY 16/17: +4.7% (Group Brands: +7.4%)



2016/17 Organic Growth by Region



2016/17 Organic Trends by Region (1)



Asia-Pacific sales up 7.5% in 2016/17, led by recovery in Greater China

- Greater China back to solid growth:
 - Sales up solid double-digits in 2016-17
 - Strong Chinese New Year performance (value depletions up strong double-digits)
 - 12M depletions up high single digits in volume and solid double digits in value, led by CLUB and QSS
- Australia: Strong improvement in sales and depletion trends as a result of the change in route-to-market
- Japan negatively impacted by strong yen and price increases
- Travel Retail in decline in FY, despite improving trends in H2
 - Relaunch of classic VSOP and XO and increased spend of Chinese travellers in H2

Americas sales up 9.4% in 2016/17

- US growth normalizing (at solid levels) after 2 very strong years:
 - Group Brands' value depletions : +11.9% over 3M, +7.9% over 6M, +10.5% over 12M
- Accelerating trends in Canada and LatAm
- Good performance of Travel Retail

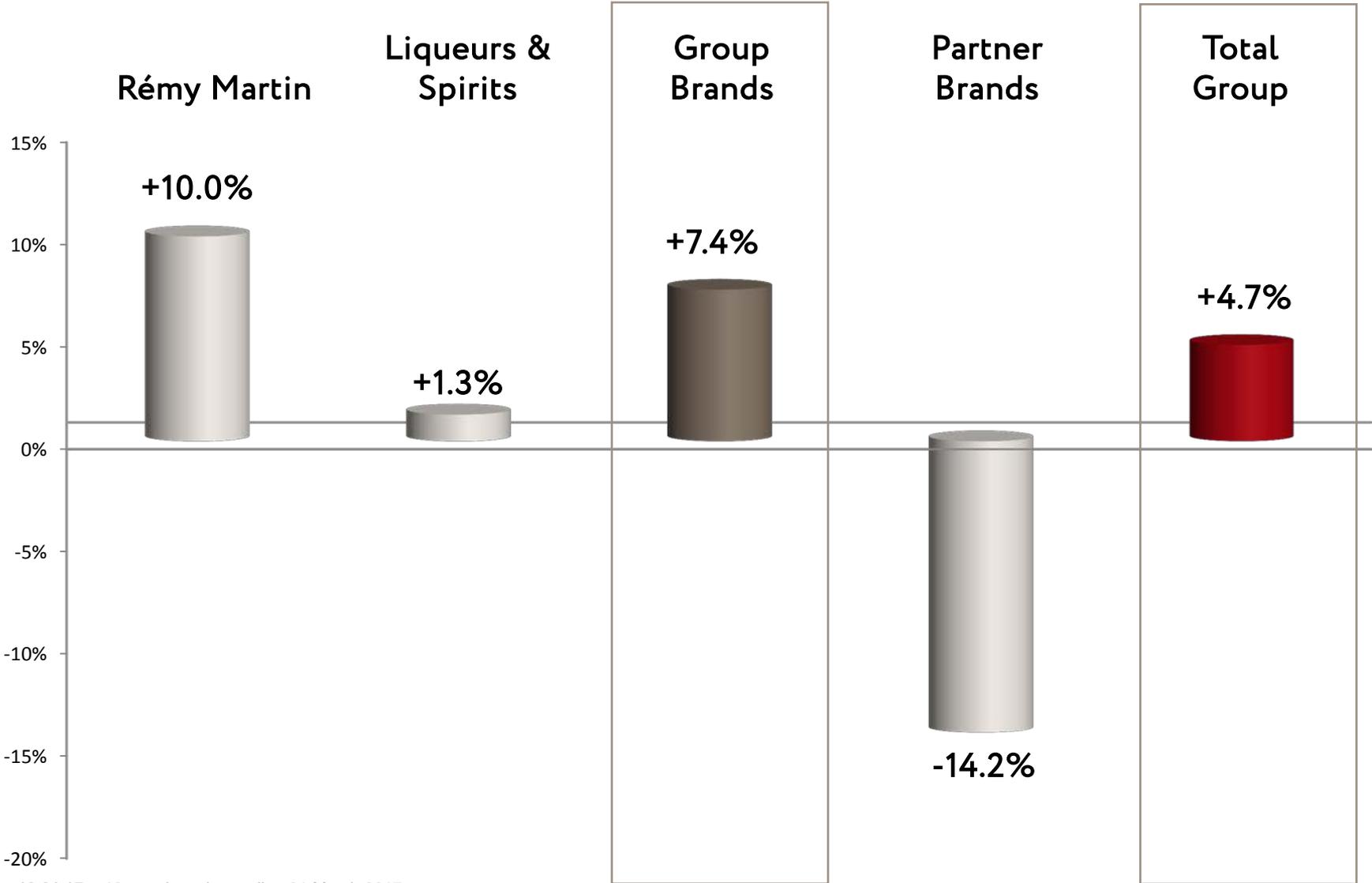
2016/17 Organic Trends by Region (2)

Europe, Middle East & Africa sales down 2.7% in 2016/17, due to technical factors

- Region penalized by technical factors (-6pp hit):
 - The end of the distribution contract with Piper & Charles Heidsieck (EUR17M) and the deconsolidation of Passoa from December 1st 2016 (EUR3.5M).
 - Adjusted for these technical factors, EMEA would have been up +3%
- Western Europe: double-digit sales decline in FY, due to technical factors (Passoa, Champagne)
 - Solid depletion trends in the UK and in France, but further weakness in Belgium due to duty increase
- Central Europe: double-digit growth in FY
 - Solid momentum led by Czech Republic and Slovakia
 - Poland and Greece back to healthy growth
- Russia/CIS: solid double-digit growth in FY
 - Sales and value depletion trends both growing double-digits, led by Louis XIII, Cointreau, Metaxa and St-Rémy
- Travel Retail: Good FY performance, led by double-digit growth at the Group's Own Brands
- Africa held back by Nigeria (macro-economic factors); South Africa strong both in sell-in and sell-out

2016/17 Organic Growth by Product Division

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19.01.17 - 12 months sales ending 31 March 2017

Rémy Martin (+10.0% organic growth in FY)

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Asia-Pacific

- Strong FY performance, led by double-digit growth in Greater China and in Singapore, as well as improving trends in Global Travel Retail (in H2)
- Greater China: depletions up high single digits in volume, solid double digits in value

Americas

- Strong FY performance, led by double-digit growth in the US and in Canada
- US depletions : normalized volume trends (high single digits) after 2 years of very strong growth
- Solid depletion trends of 1738 and Louis XIII drove **price/mix gains of 3-4pp** in the 12M period to March

	Volume depletion trends to March 2017		
	3 months	6 months	12 months
US Cognac/Brandy Market	15.3%	8.5%	9.2%
Rémy Martin	10.1%	6.5%	9.0%

Source: NABCA/Discus

Europe, Middle East & Africa

- Sales slightly positive in FY, led by Russia, the UK, South Africa and Travel Retail

Rémy Martin: Marketing Initiatives



LOUIS XIII Pop-Up Boutique at Harrods in London



Liqueurs & Spirits (+1.3% organic growth in FY)

Liqueurs & Spirits posted 1.3% organic growth in FY, held back by the deconsolidation of Passoa (EUR6,3M or a 3pp hit)

Cointreau

- Good sales growth, mainly driven by the US and growth relays (Greater China and Russia)
- Solid Cointreau depletions in France (+5% 12M ending February)
- Slower US volume depletions trends; But still gaining share in a depressed category
- US value depletions benefited from a **price/mix gain of 1-2pp** in the 12M period to March

	Volume depletion trends to Mar. 2017		
	3 months	6 months	12 months
Total US Cordials Market	-19.1%	-17.4%	-15.9%
Cointreau	1.8%	1.1%	3.4%

Source: NABCA/Discus

Metaxa: Strong sell-in and depletion performance in FY, led by ongoing strength in Central Europe, an upturn in Russia/CIS, and healthy growth in Greece and Germany. Successful relaunch of Metaxa “12 Stars”.

Liqueurs & Spirits (+1.3% organic growth in FY)

Mount Gay

- Slight decline in FY sales, as declining volumes (mainly resulting from the upgrading strategy of the brand) are not fully offset by positive mix gains
- International roll-out of Black Barrel and XO: solid growth in EMEA (UK, Germany, Travel Retail)
- Volatility of US volume depletions reflects the gradual de-emphasis on entry-price *Eclipse*
- US value depletions enjoyed a price/mix gain of around 2pp in the 12M period ending March

	Volume depletion trends to Mar. 2017		
	3 months	6 months	12 months
Total US Rum Market	-10.0%	-1.4%	-2.6%
Mount Gay	6.0%	-0.2%	0.5%

Source: NABCA/Discus

Progressive Hebridean Distillers: Double-digit sales growth led by key markets (Europe, US, and Travel Retail)

St-Rémy: Strength in St-Rémy XO (in particular in Canada, Australia and Russia) offset by a strong decline in low-end quality volumes in Nigeria

Liqueurs & Spirits: Marketing Initiatives



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The acquisitions of Domaine des Hautes Glaces and Westland



Partner Brands (-14.2% organic decline in FY)



- Sales decline reflects the end of the distribution contract for Piper Heidsieck and Charles Heidsieck in EMEA and Travel Retail (EUR20M net loss in 12M or a 16pp hit)
- Other Third-Party spirits grew mid-single digits in FY, led by solid growth in EMEA and Travel Retail.

2016/17 Outlook Confirmed

- 2016/17 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 2016/17



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LOUIS XIII

LOUIS XIII

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THE MOST MEMORABLE MOMENTS

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Questions & Answers

19.04.17