



RÉMY COINTREAU

Des terroirs, des hommes et du temps



Fiscal 9M 2017/18 Sales
ending 31 December 2017

19.01.18

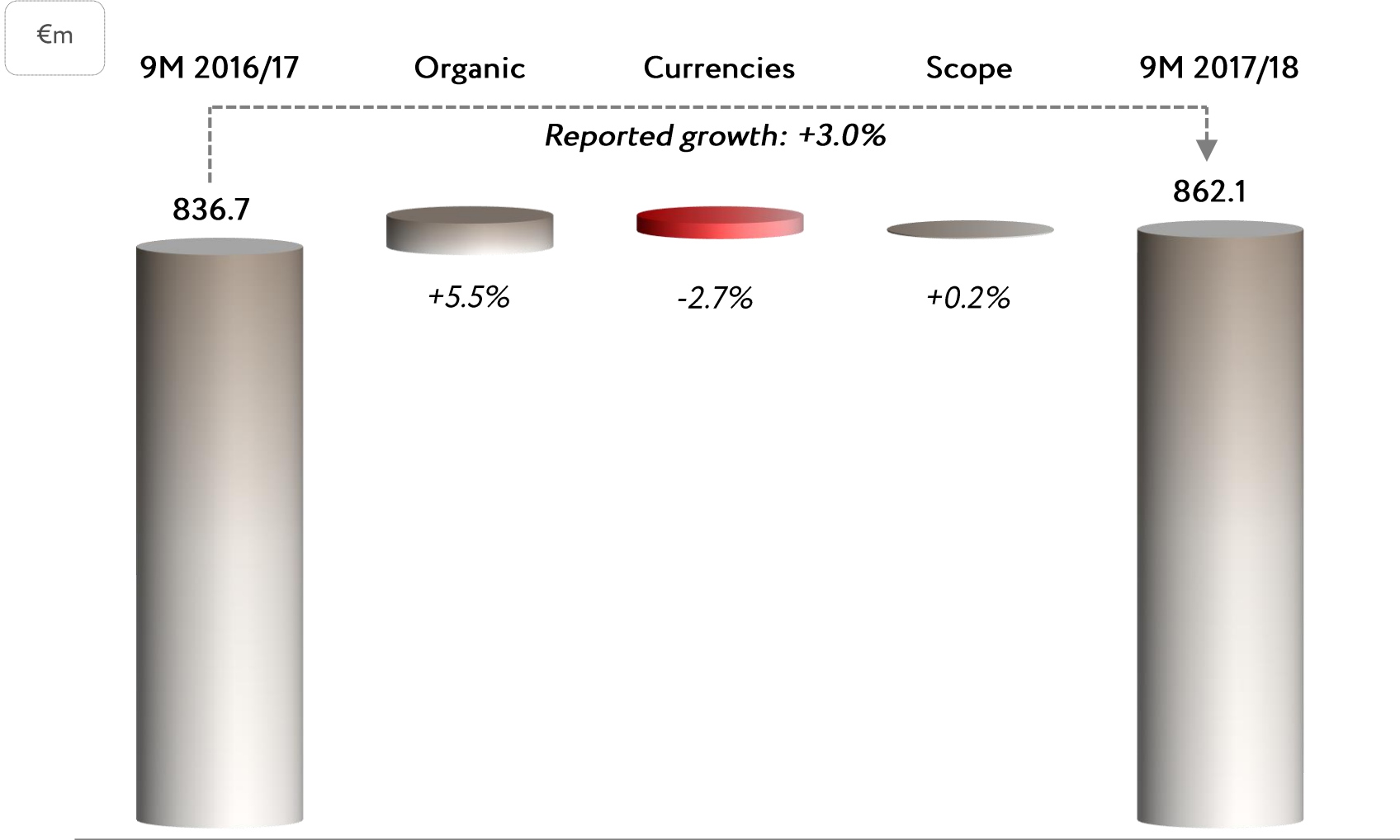
Key Messages

- **Continued dynamism: +5.5%** organic sales growth in 9M 17/18 , led by Group's Own Brands (+7.1%)
 - Softer Q3 organic growth of +3.2% due to high comps (Q3 16/17: +9.0%) and adverse technical factors (EUR12M/-4pp) including the later timing of the Chinese New Year (-3pp hit)
- **Technical factors lowered sales by around EUR29M** in 9M or **-3.4pp** of growth:
 - Later timing of the Chinese New Year (EUR9M)
 - Deconsolidation of Passoa (EUR9M)
 - End of the Champagne distribution contract (EUR11M)

Adjusted for these factors, **9M's underlying organic growth was +9%** (Group Brands +10%)

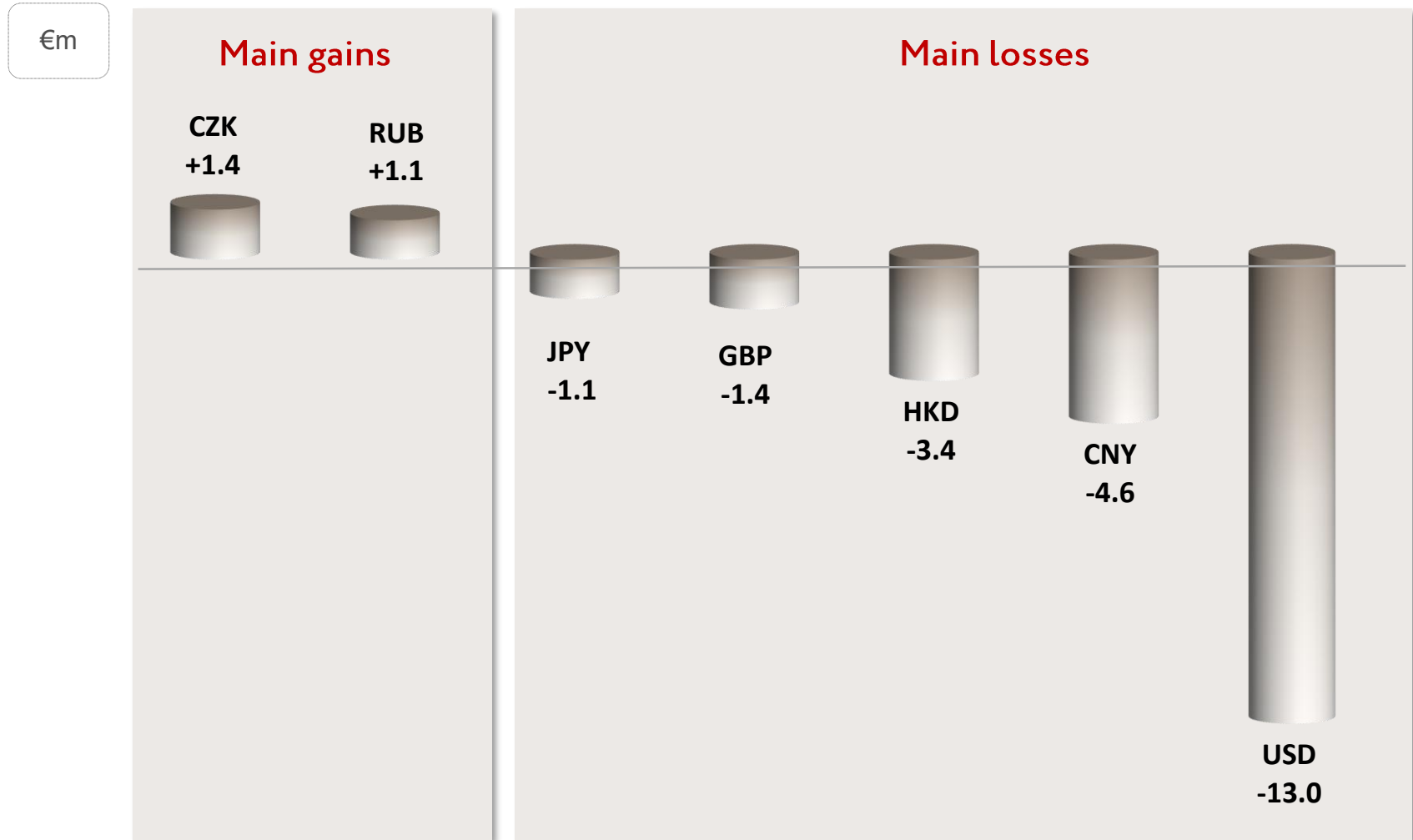
- **Solid value depletion trends in 9M 17/18, coherent with the Group's underlying growth trends:**
 - Greater China: fast-growing upper middle-class driving double-digit growth for high-end spirits
 - US: Solid (and normalized) depletion trends since Q2; Share gains in volume and value
 - Western Europe: flattish underlying trends broadly unchanged
 - Russia: strong recovery on-track
 - Africa: dynamic trends
 - Global Travel Retail: rebounding trends confirmed, led by Chinese and Russian travellers
- **FY 17/18 outlook confirmed:** on track to deliver positive **organic growth** in Current Operating Profit (at constant exchange rate and scope)

9M 2017/18 Sales Analysis



Currency Impact on 9M 2017/18 Sales

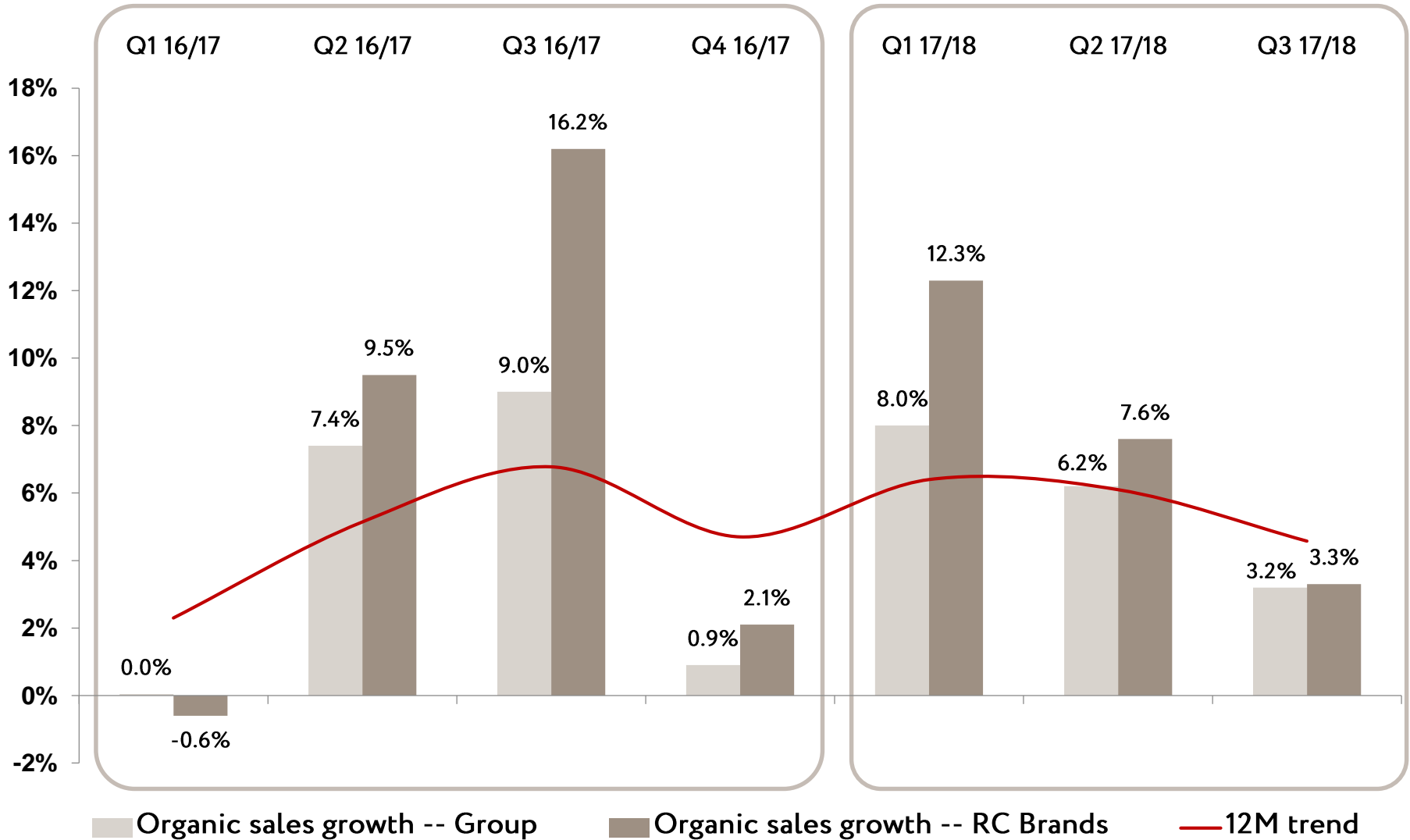
Currency translation loss of 22.6 million euros



Quarterly Organic Sales Growth

FY16/17: +4.7% (RC Brands: +7.4%)

9M17/18: +5.5% (RC Brands: +7.1%)



9M 2017/18 Organic Trends by Region (1)

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Asia-Pacific : solid double-digits organic sales growth, including a good Q3

- Technical factors lowered sales by EUR14M (or -6pp of growth) in 9M:
 - EUR9M due to the later timing of the Chinese New Year (16 Feb 2018 vs. 28 Jan 2017) – Will reverse in Q4
 - EUR5M due to the end of the Champagne distribution contract
- Greater China: Solid double-digit organic sales growth
 - Good growth in Q3 despite the later timing of the CNY
 - Ongoing strength in depletion trends: up double digits in volume and solid double digits in value
- Japan and Singapore : strong double-digit organic sales growth, led by QSS
- Travel Retail : double-digit growth led by solid traffic and improved value per basket

Americas : Good trends in the US partially offset by softness in LatAm

- US : Good sell-in and sell-out trends in Q2 and Q3, led by share gains in cognac and liqueurs
 - Group Brands' value depletions : +11% over 3M, +10% over 6M, +6% over 12M
- LatAm : Caribbean softer as a result of the September hurricanes (business slow to pick-up)
- Solid performance of Travel Retail (relaunch of classic VSOP/XO, new listings and better traffic)

9M 2017/18 Organic Trends by Region (2)

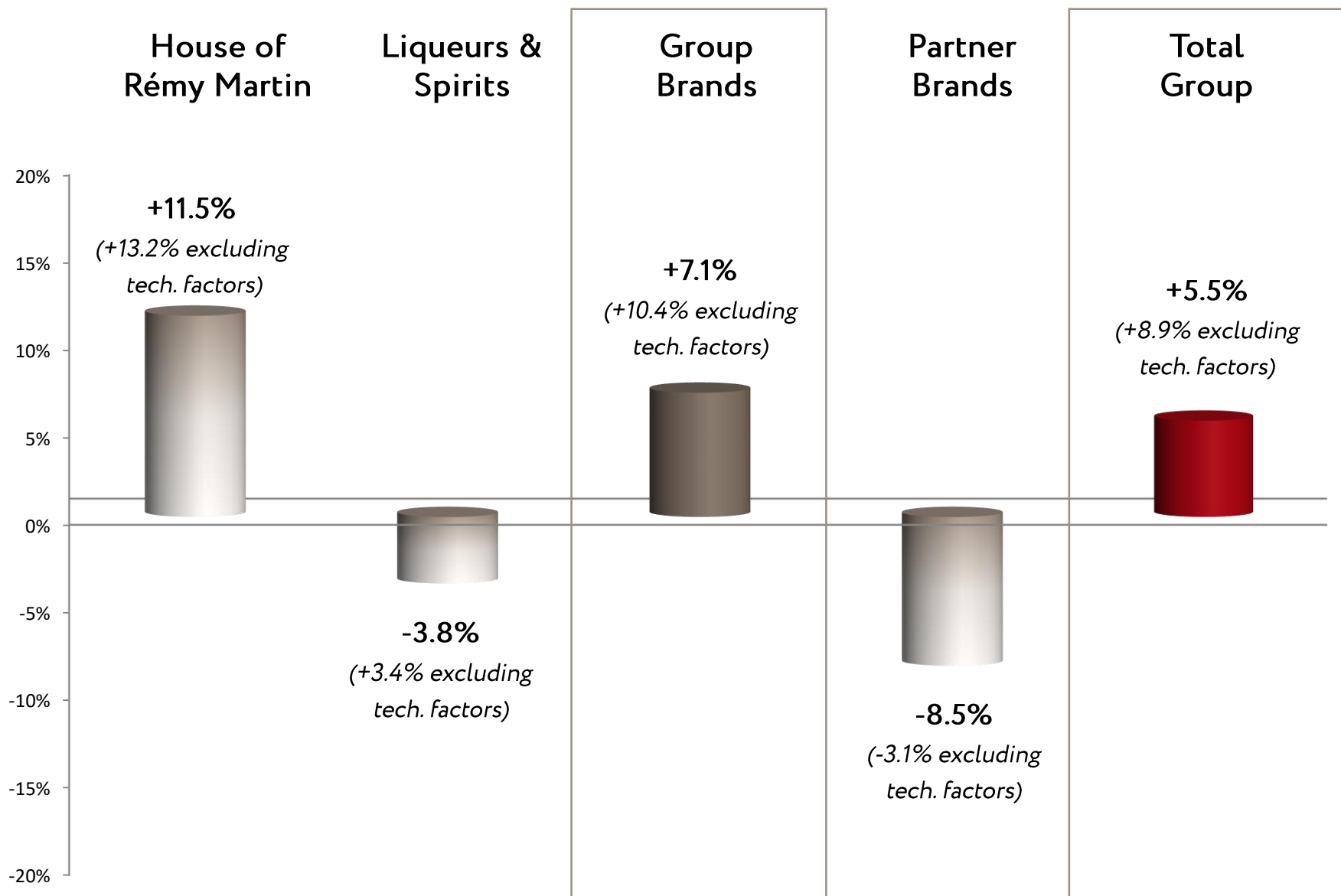


Europe, Middle East & Africa organic sales slightly up, muted by technical factors

- Organic sales growth slightly positive, despite sizeable technical factors (EUR15M or -5pp hit):
 - End of the distribution contract with Piper & Charles Heidsieck (EUR6M) and deconsolidation of Passoã from December 1st 2016 (EUR9M).
 - Adjusted for these technical factors, EMEA would have been up mid-single digits
- Western Europe: double-digit organic 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
 - Solid growth at the Group's Own Brands, led by Cognac QSS, Metaxa and The Botanist
- Africa : double-digit growth, led by a new phase of regional expansion
 - South Africa strong both in sell-in and sell-out; improving trends in Nigeria

9M 2017/18 Organic Growth by Product Division

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House of Rémy Martin (+11.5% OSG in 9M)

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Organic sales +13.2% adjusted for the timing of the CNY (EUR9M / -2pp hit)

Asia-Pacific

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

Americas

- Solid performance (in particular in Q2 and Q3), led by continued strong demand for high-end cognacs
- Robust US cognac depletions suggest seizable volume and value share gains within the category
- Flattish price/mix in the 12M period : positive pricing offset by adverse product mix/state mix

Volume depletion trends to December 2017

	3 months	6 months	12 months
US Cognac/Brandy Market	6.8%	2.3%	6.0%
Rémy Martin	14.6%	14.6%	7.9%

Source: NABCA/Discus

Europe, Middle East & Africa

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

1st Edition of the Bartender Talent Academy



Two new influencers in Dubai



Liqueurs & Spirits (-3.8% OSD in 9M)



Organic sales +3.4% adjusted for the deconsolidation of Passoã (EUR15M / -7pp hit)

Cointreau

- Ongoing strength in 'new frontier' markets (Greater China and Russia); Mixed trends mature markets
- United-States:
 - Volume depletions up low/mid single digits (last 3M trend boosted by hurricanes-related phasing)
 - Steady share gains in a depressed category
 - Price/mix gain of 1pp in the 12M period to December 2017

	Volume depletion trends to December 2017		
	3 months	6 months	12 months
Total US Cordials Market	-2.9%	-3.3%	-8.0%
Cointreau	6.3%	2.5%	2.6%

Source: NABCA/Discus

Metaxa: Continued solid momentum, led by Russia, Germany and Travel Retail (come back of the Russian travellers) ; Metaxa launched in China early December.

Liqueurs & Spirits (-3.8% OSD in 9M)



Mount Gay

- Solid performance in the EMEA region (in particular in the UK and Russia), offset by softness in the US and in the Caribbean islands (hurricanes)
- Volatile US depletions (resulting from our strategy of portfolio upgrade) amid depressed category
- US value depletions benefited from a price/mix gain of 1pp in the 12M period ending Dec. 2017

	Volume depletion trends to December 2017		
	3 months	6 months	12 months
Total US Rum Market	-6.6%	-3.6%	-2.3%
Mount Gay	-2.5%	-6.2%	-2.6%

Source: NABCA/Discus

Progressive Hebridean Distillers: double-digit sales growth, driven by the success of The Botanist gin across all regions and the fast development of the Malts in Asia Pacific

St-Rémy: Good trends in Canada, Russia/CIS, Africa and Travel Retail

Launch of METAXA 12 STARS in CHINA



这不仅仅是一杯酒，
更是一段旅程的开始。

*DON'T DRINK IT,
EXPLORE IT*



Partner Brands (-8.5% OSD in 9M)

Technical factors held back sales by EUR5M in 9M, a -5pp hit on growth:

- End of the distribution contract for the champagne brands Piper Heidsieck and Charles Heidsieck (in EMEA and Travel Retail Asia) : a EUR11M loss
- Consolidation of Passoã as a Partner Brand (in markets where Rémy Cointreau now distributes the brand on behalf of the Passoã JV) : a EUR6M gain
- Other Third-Party spirits declined low-single digits in 9M, as ongoing strength in Central Europe was more than offset by weakness in Belgium and in Travel Retail

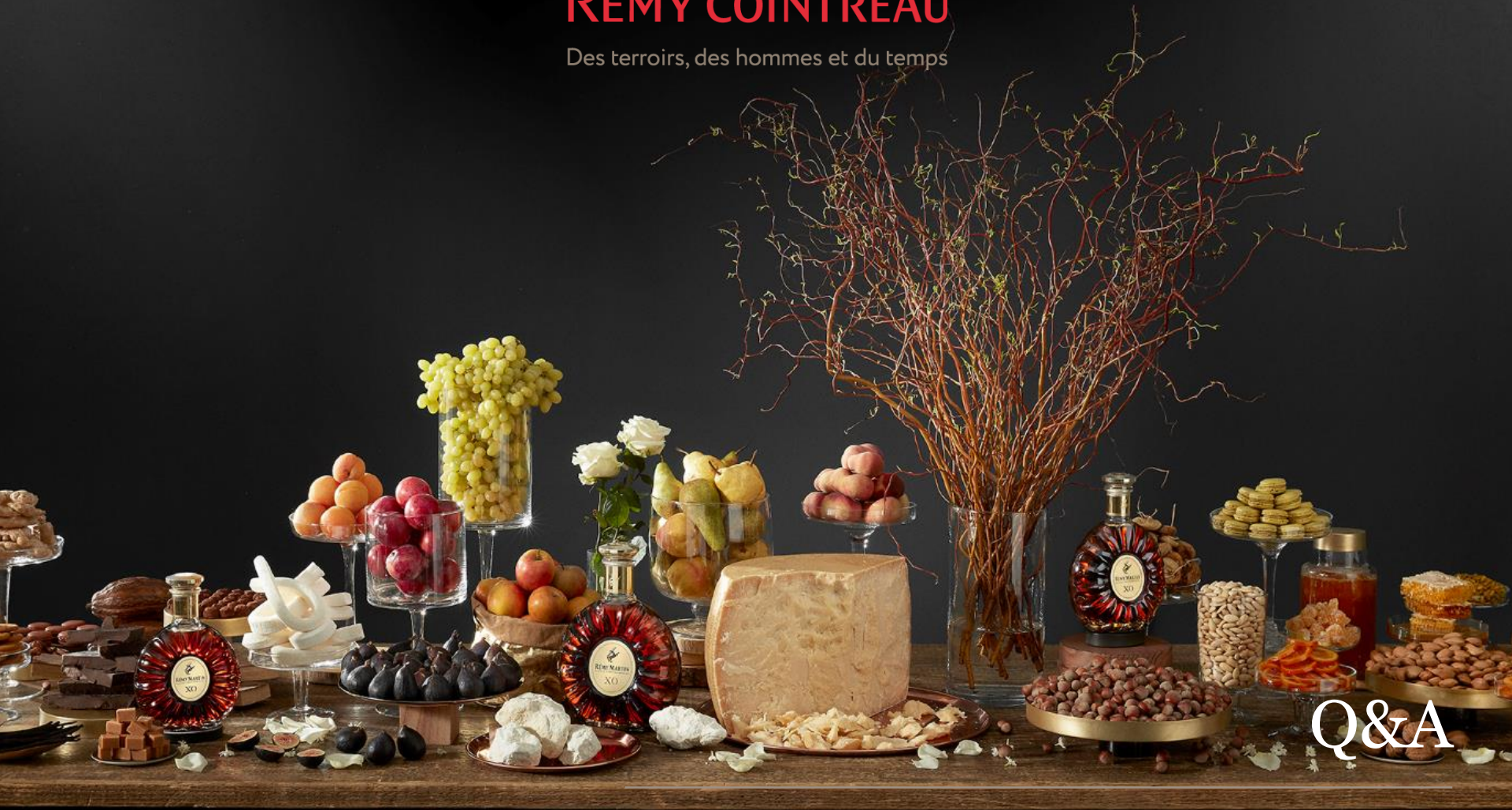
2017/18 Outlook Confirmed

- 9M sales 2017/18 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 2017/18



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Q&A