RÉMY COINTREAU

Des terroirs, des hommes et du temps

Sales for the Fiscal Year 2017/18

ending 31 March 2018

18.04.2018

2017/18 Sales : Key Messages

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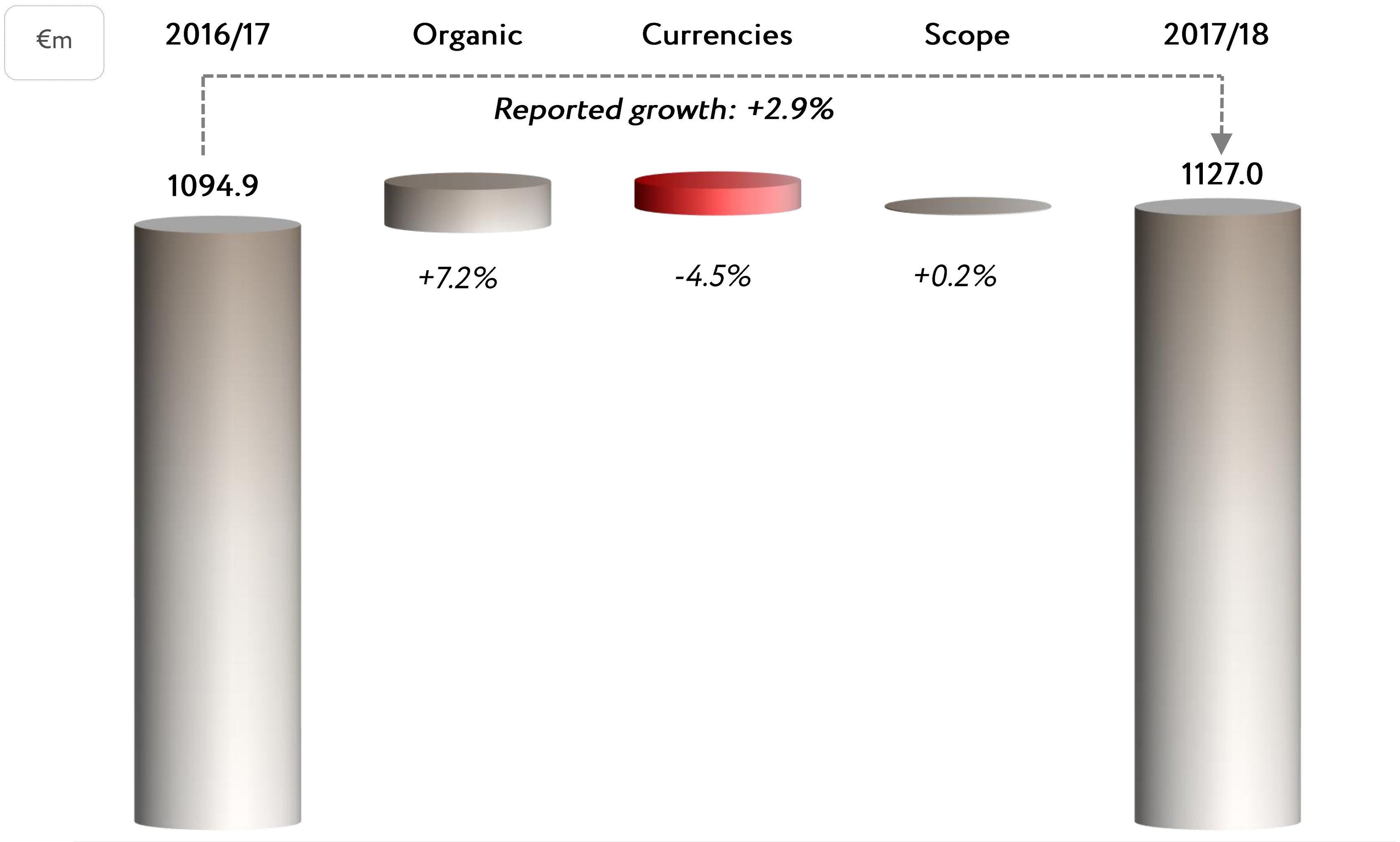
- **Accelerated growth: +7.2% organic sales growth, led by Group Brands (+9.2%)**
  - Strong Q4 organic growth of +12.8% partially due to the later timing of the Chinese New Year (+3.5pp)
- **Technical factors decreased sales by about EUR21M in 2017/18 or -1.9pp of growth:**
  - The deconsolidation of Passoã (EUR9M)
  - Termination of the champagne brands' distribution contract (EUR12M)

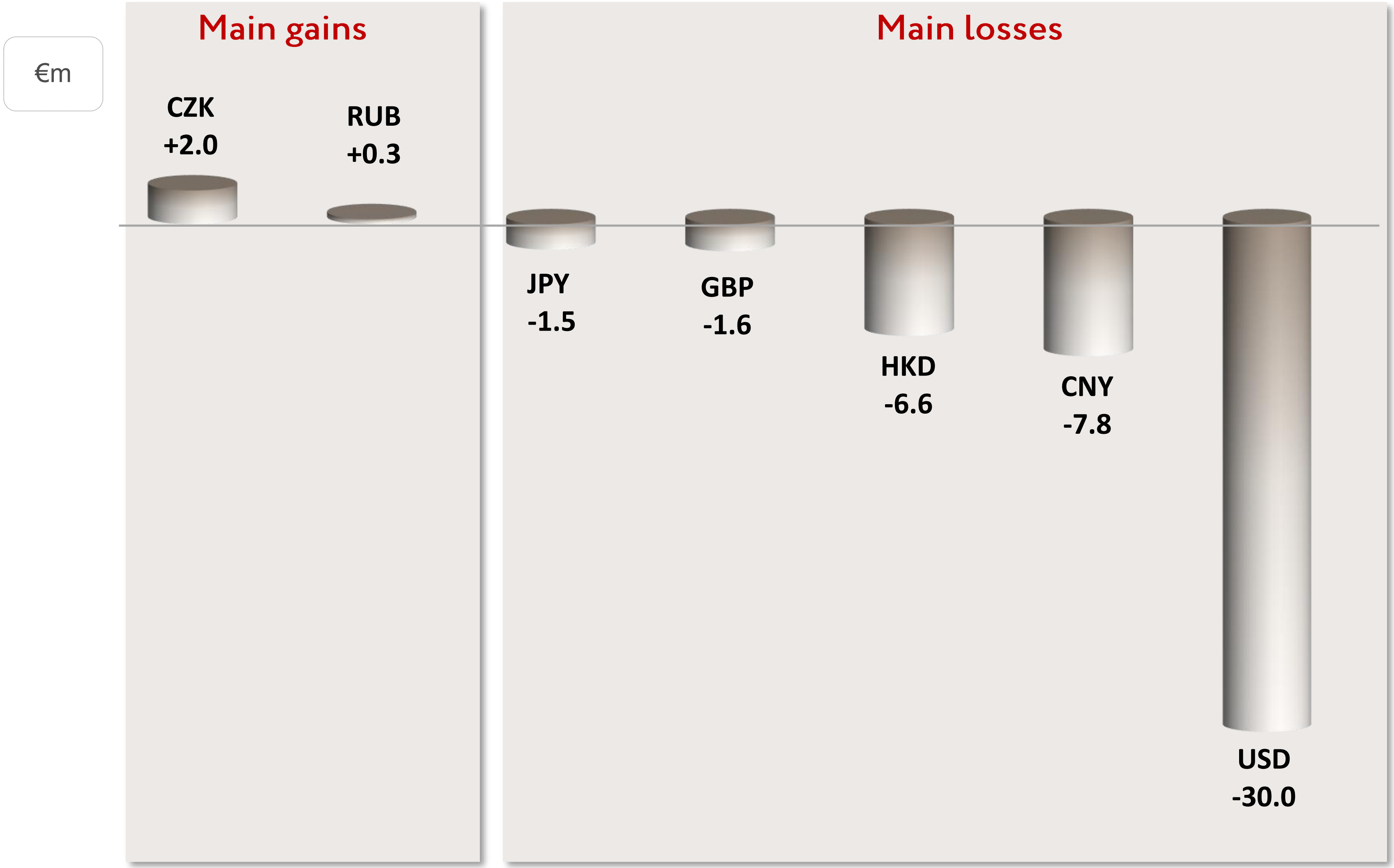
  Adjusted for these factors, 2017/18's underlying organic growth was +9% (Group Brands +11%)
- **Accelerated value depletion trends in 2017/18, coherent with the Group's underlying growth trends:**
  - Greater China: further acceleration in depletion trends, fueled by excellent MAF and Chinese New Year
  - US: Solid depletion trends amid slower market trends; Share gains in volume and value
  - Western Europe: flattish underlying trends broadly unchanged
  - Russia: Clear recovery confirmed
  - Africa/India : good momentum in South Africa, Nigeria, Middle East and India
  - Global Travel Retail: accelerated trends, led by Chinese and Russian travelers
- **FY 17/18 outlook confirmed: on track to deliver positive organic growth in Current Operating Profit (at constant exchange rate and scope)**

2017/18 Sales Analysis

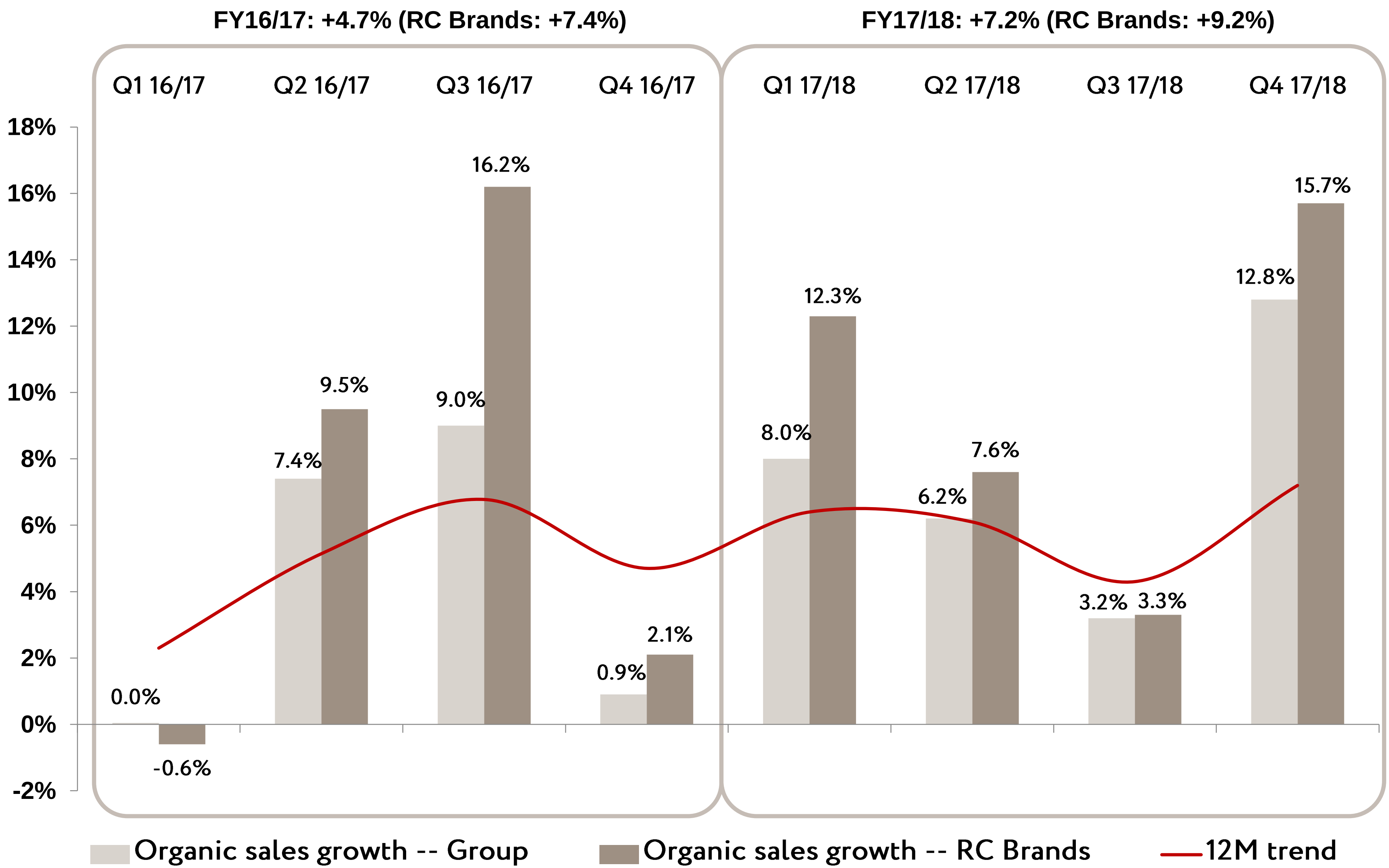


Currency Impact on 2017/18 Sales

Currency translation loss of 48.9 million euros



Quarterly Organic Sales Growth



2017/18 Organic Growth by Region

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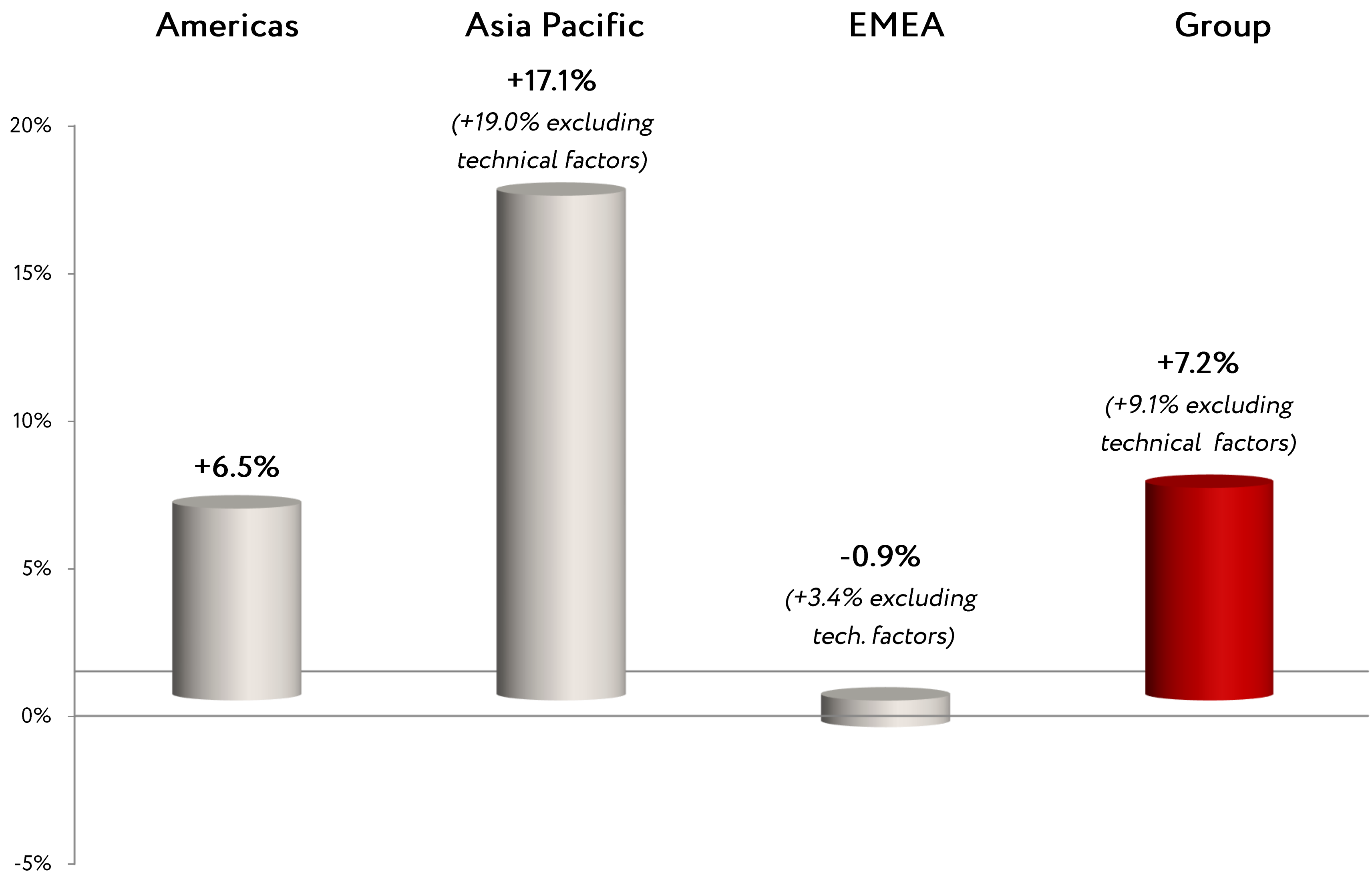

2017/18 Organic Trends by Region (1)

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Asia-Pacific organic sales up 17.1%, led by accelerated trends across the region

- Technical factors lowered sales by EUR6M (or -2pp of growth) in 2017/18
  - End of distribution contracts for third-party brands
- Strong momentum in Greater China:
  - Strong double-digit organic sales growth in 2017/18
  - Excellent Chinese New Year performance (very strong double-digit volume and value growth)
  - Accelerated depletion trends: up solid double-digits in volume and strong double-digits in value
- Japan and Singapore : strong double-digit organic sales growth, led by QSS
- Travel Retail : Solid momentum led by good traffic and improved value per basket

Americas organic sales up 6.5%, led by the US, Canada and Travel Retail

- US : solid sell-in and sell-out performance amid slower market trends
  - Group Brands' value depletions : +7% over 3M, +10% over 6M, +6% over 12M
- Canada : Good momentum led by a successful on-trade strategy
- LatAm : Caribbean softer as a result of the September hurricanes (business slow to pick up)
- Solid performance of Travel Retail (new listings and better traffic)

2017/18 Organic Trends by Region (2)

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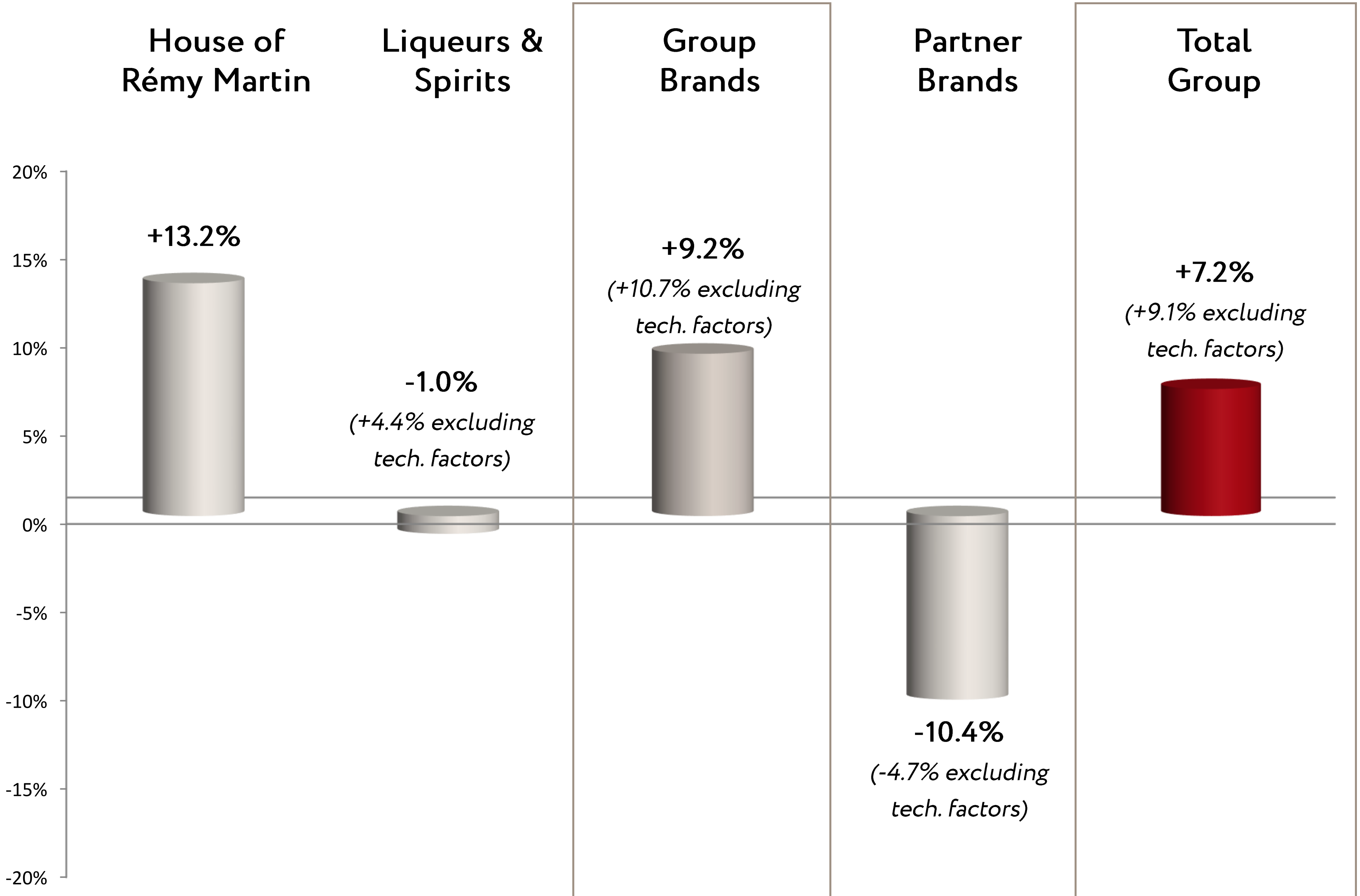
Europe, Middle East & Africa organic sales down 0.9%, due to technical factors

- Technical factors decreased sales by EUR15M (or -4pp of growth) in 2017/18
  - Termination of distribution contracts (EUR6M) and deconsolidation of Passoã from December 1st 2016 (EUR9M)
  - Adjusted for these technical factors, EMEA would have been up +3%
- Western Europe: double-digit organic sales decline, due to technical factors (Passoã, Distribution contracts)
  - 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: good momentum in South Africa and Nigeria, expansion in the Middle East and India
  - South Africa strong both in sell-in and sell-out; Rebounding trends in Nigeria
  - Fast development in the Middle East and India

2017/18 Organic Growth by Product Division



House of Rémy Martin (+13.2% OSG in FY)

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Asia-Pacific

- Strong double-digit growth, led by Greater China, Singapore, Japan and Travel Retail
- Greater China: depletion trends up solid double digits in volume and strong double digits in value

Americas

- Solid performance led by the US, Canada and Travel Retail
- Accelerated US cognac depletions suggest 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 March 2018		
	3 months	6 months	12 months
US Cognac/Brandy Market	6.5%	7.0%	4.3%
Rémy Martin	11.0%	12.9%	8.1%

Source: NABCA/Discus

Europe, Middle East & Africa

- Good performance, led by Russia, the UK, Germany, India/Middle East and Travel Retail

Global Travel Retail Activations during the Chinese New Year

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Frankfurt airport

Vancouver airport

Liqueurs & Spirits (-1.0% OSD in FY)

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Organic sales +4% adjusted for the deconsolidation of Passoã (EUR15M / -5pp hit)

Cointreau

- Continued progress led by strong momentum in 'new frontier' markets (Greater China and Russia)
- Good sales growth in the US amid slower market trends :
  - Volume depletions up low/mid single digits ; Share gains over 12M in a depressed category
  - Value depletions: Price/mix gain of 1pp in the 12M period to March 2018

	Volume depletion trends to March 2018		
	3 months	6 months	12 months
Total US Cordials Market	3.7%	0.1%	-2.3%
Cointreau	1.8%	4.0%	2.7%

Source: NABCA/Discus

Metaxa

- Continued solid momentum, led by Czech Republic/Slovakia, Russia and Travel Retail (boosted by improved traffic from Russian travelers) ; Metaxa launched in China early December

Liqueurs & Spirits (-1.0% OSD in FY)

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Mount Gay

- Solid performance in the EMEA region, offset by softness in the US and in the Caribbean islands
- Volatile US volume depletions (due to our strategy of portfolio upgrade) amid depressed category
- US value depletions : flattish price/mix gain in the 12M period ending March 2018

	Volume depletion trends to March 2018		
	3 months	6 months	12 months
Total US Rum Market	3.9%	-2.1%	0.8%
Mount Gay	-16.3%	-9.2%	-7.4%

Source: NABCA/Discus

Progressive Hebridean Distillers

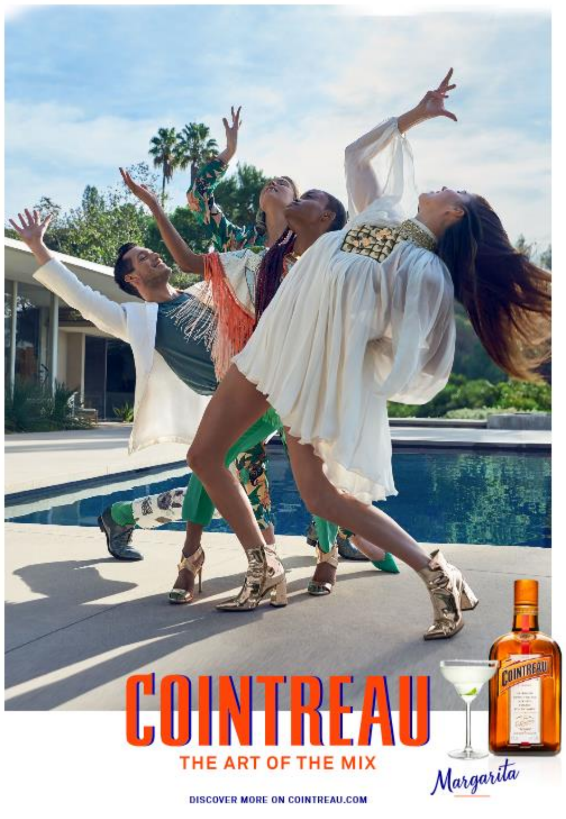
- Double-digit sales growth, driven by the success of The Botanist gin across all regions and the fast development of the Malts in Asia Pacific

St-Rémy

- Good growth led by Canada, US, Russia/CIS and Travel Retail

Rémy Cointreau

Cointreau: New Global Campaign "THE ART OF THE MIX"



Partner Brands (-10.4% OSD in FY)

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Organic sales -5% adjusted for technical factors (EUR6M / -6pp hit)

- Termination of the champagne brands' (Piper Heidsieck and Charles Heidsieck) distribution contract in EMEA and Travel Retail Asia : EUR12M loss
- Consolidation of Passoã as a Partner Brand (in markets where Rémy Cointreau now distributes the brand on behalf of the Passoã JV) : EUR6M gain
- Other Third-Party spirits declined mid-single digits in 2017-18, as ongoing strength in Central Europe was more than offset by the termination of other smaller distribution contracts in Western Europe and in Travel Retail

2017/18 Outlook Confirmed

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- 2017/18 sales in line with Group's expectations
- Group maintains guidance of delivering **positive growth in Current Operating Profit**, **at constant exchange rate and scope**, for the financial year 2017/18


COINTREAU
THE ART OF THE MIX
Cosmopolitan
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VODKA, CRANBERRY JUICE & LIME
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