



Paris, 19 October 2018

First-half sales 2018/19
(April-September 2018)

Accelerating second-quarter growth 2018/19 full-year guidance confirmed

Rémy Cointreau generated sales of €571.4 million in the first half of its 2018/19 financial year, up 5.0% in reported terms and **up 7.7%** in organic terms (at constant exchange rates and consolidation scope). After coming in at 5.9% in the first quarter, organic growth picked up to **9.1%** in the second quarter.

First-half performance was once again supported by remarkable growth in **Group Brands (up 8.9%*)**, and particularly at the **House of Rémy Martin** (up 11.7%*), buoyed by continuing strong trends in the Asia-Pacific region, as well as a solid US market. The **Liqueurs & Spirits** division (up 0.8%*) had a more moderate start to the year but should pick up nicely in the second half, boosted by a number of communication campaigns. **Partner Brands** continued to decline, consistent with the Group's strategy to gradually refocus on the Group Brands.

Geographically, Asia-Pacific delivered excellent performance in the first-half, thanks to continuing strong trends across the whole region, particularly in Greater China. The Americas region accelerated in the second quarter as expected, driven by good momentum for our cognac brands, while the termination of Partner Brand distribution agreements continued to weigh on performance in Europe, the Middle East and Africa (EMEA).

Breakdown of sales by division:

(€m)	Pre-IFRS 15				Post-IFRS 15
	6 months to 30/09/18	6 months to 30/09/17	Change		6 months to 30/09/18
			Reported	Organic(*)	
House of Rémy Martin	398.0	367.0	8.5%	11.7%	359.6
Liqueurs & Spirits	127.1	129.2	-1.6%	0.8%	121.9
Subtotal: Group	525.1	496.1	5.8%	8.9%	481.5
Partner Brands	46.3	48.2	-4.0%	-4.5%	45.5
Total	571.4	544.4	5.0%	7.7%	527.0

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

House of Rémy Martin

The **House of Rémy Martin** once again posted strong growth in the half-year (up 11.7% in organic terms), thanks to continuing excellent trends in Greater China, as well as in other key markets in the Asia-Pacific region (Singapore, Australia and Japan) and in Travel Retail. As expected, growth picked up in the second quarter in the Americas region, amid favorable cognac market trends, especially for the highest-end products. Within the EMEA region, key markets (Russia, the United Kingdom, Switzerland and India) posted sustained growth.

The creativity of the House's brands and its global strategy of brand elevation once again bore fruit over the period, with organic growth of 11.7%, breaking down into volume growth of 6.4% and a 5.3% contribution from mix and price benefits.

Liqueurs & Spirits

The **Liqueurs & Spirits** division posted modest growth in the early part of the year (up 0.8%^(*)) but should pick up nicely in the second half, supported by a number of communication campaigns.

Throughout the first semester, the **House of Cointreau** rolled out its new campaign "The Art of the Mix" as well as marketing activities celebrating the 70th anniversary of the *Margarita*. As such, the brand should benefit from enhanced sales over the second half of the year.

The **House of Metaxa** launched the new version of its "Don't Drink It, Explore It" campaign, and celebrated the 130th anniversary of the brand this summer in Greece with the limited-edition AEN Cask No. 2 (AEN means "forever" in Greek). The upscaling strategy at **Mount Gay** and **St-Rémy** resulted in a further decline in volumes but significant growth in value per case. **The Botanist** gin continued to deliver strong growth across all regions, while the **Whisky** business unit posted a remarkable performance, driven by the Scottish single malts, in particular, thanks to the success of the new **Port Charlotte** bottle.

Partner Brands

Sales continued to decline (-4.5% in organic terms) over the first half, due to the termination of new distribution contracts with third-party brands. However, second-quarter performance was boosted by a successful one-off promotional campaign in the United States.

2018/19 outlook

On the heels of this positive first-half performance, Rémy Cointreau confirms its guidance of growth in Current Operating Profit over the financial year 2018/19, assuming constant exchange rates and consolidation scope.

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Appendices:

Sales and organic growth by business

First-quarter 2018/19 sales (April-June 2018)

	Pre-IFRS 15						Post-IFRS 15
€m	Reported 18-19	Forex effect 18-19	Organic 18-19 (*)	Reported 17-18	Reported change	Change Organic (*)	Reported 18-19
	A		B	C	A/C-1	B/C-1	
House of Rémy Martin	163.5	-10.5	174.0	156.6	4.4%	11.1%	147.0
Liqueurs & Spirits	57.8	-2.4	60.3	58.6	-1.3%	2.8%	55.3
Subtotal: Group Brands	221.3	-12.9	234.3	215.2	2.8%	8.8%	202.3
Partner Brands	20.2	0.1	20.1	25.0	-19.2%	-19.7%	20.0
Total	241.5	-12.8	254.4	240.2	0.5%	5.9%	222.2

Second-quarter 2018/19 sales (July-September 2018)

	Pre-IFRS 15						Post-IFRS 15
€m	Reported 18-19	Forex effect 18-19	Organic 18-19 (*)	Reported 17-18	Reported change	Change Organic (*)	Reported 18-19
	A		B	C	A/C-1	B/C-1	
House of Rémy Martin	234.5	-1.5	236.0	210.3	11.5%	12.2%	212.6
Liqueurs & Spirits	69.2	-0.7	69.9	70.6	-1.9%	-0.9%	66.6
Subtotal: Group Brands	303.7	-2.1	305.9	280.9	8.1%	8.9%	279.3
Partner Brands	26.1	0.1	26.0	23.2	12.3%	11.8%	25.5
Total	329.8	-2.0	331.8	304.1	8.5%	9.1%	304.7

First-half 2018/19 sales (April-September 2018)

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€m	Reported 18-19	Forex effect 18-19	Organic 18-19 (*)	Reported 17-18	Reported change	Change Organic (*)	Reported 18-19
	A		B	C	A/C-1	B/C-1	
House of Rémy Martin	398.0	-12.0	410.0	367.0	8.5%	11.7%	359.6
Liqueurs & Spirits	127.1	-3.1	130.2	129.2	-1.6%	0.8%	121.9
Subtotal: Group Brands	525.1	-15.1	540.1	496.1	5.8%	8.9%	481.5
Partner Brands	46.3	0.2	46.1	48.2	-4.0%	-4.5%	45.5
Total	571.4	-14.8	586.2	544.4	5.0%	7.7%	527.0

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.

Definitions of alternative performance indicators

Rémy Cointreau's management process is based on the following alternative performance indicators, chosen for planning and reporting. The Group management considers that these indicators provide financial statement users with useful additional information for understanding the Group's performance. These alternative performance indicators should be considered as supplementing those included in the consolidated financial statements and the resulting movements.

Starting on April 1st 2018, the Rémy Cointreau Group applied the standard "IFRS 15 – Revenue from Contracts with Customers." For the transition, the Group did not opt for retrospective application. Thus, the comparative period has not been restated and organic growth is calculated using turnover which excludes the impact of IFRS 15. The main effect of this standard is the reclassification of some SG&A costs (notably some promotional expenses) in deduction of net sales. Its estimated impact on the full-year is a reduction in net sales amounting to 8% and an accretive effect of about 1.5 points on the Current Operating Margin.

Organic sales growth

Organic growth is calculated excluding the impacts of variations in exchange rates as well as acquisitions and disposals.

The impact of exchange rates is calculated by converting sales for the current financial year into the exchange rate of the previous financial year.

For acquisitions in the current financial year, the sales of the acquired entity are not included in organic growth calculations. For acquisitions in the previous financial year, the sales of the acquired entity are included in the previous financial year but are only included in organic growth calculations for the current year starting from the anniversary date of the acquisition.

For significant disposals, we use data following the application of IFRS 5, which systematically reclassifies the sales of the sold entity in "Net profit from activities sold or to be sold" for the current and previous financial year.

This indicator serves to focus on Group performance common to both financial years, which local management is more directly capable of influencing.

(*) Organic growth is calculated assuming constant exchange rates and consolidation scope.