



LOUIS
BLACK

RÉMY COINTREAU

Des terroirs, des hommes et du temps

Sales for the
Fiscal Year 2018/19
ending 31 March 2019

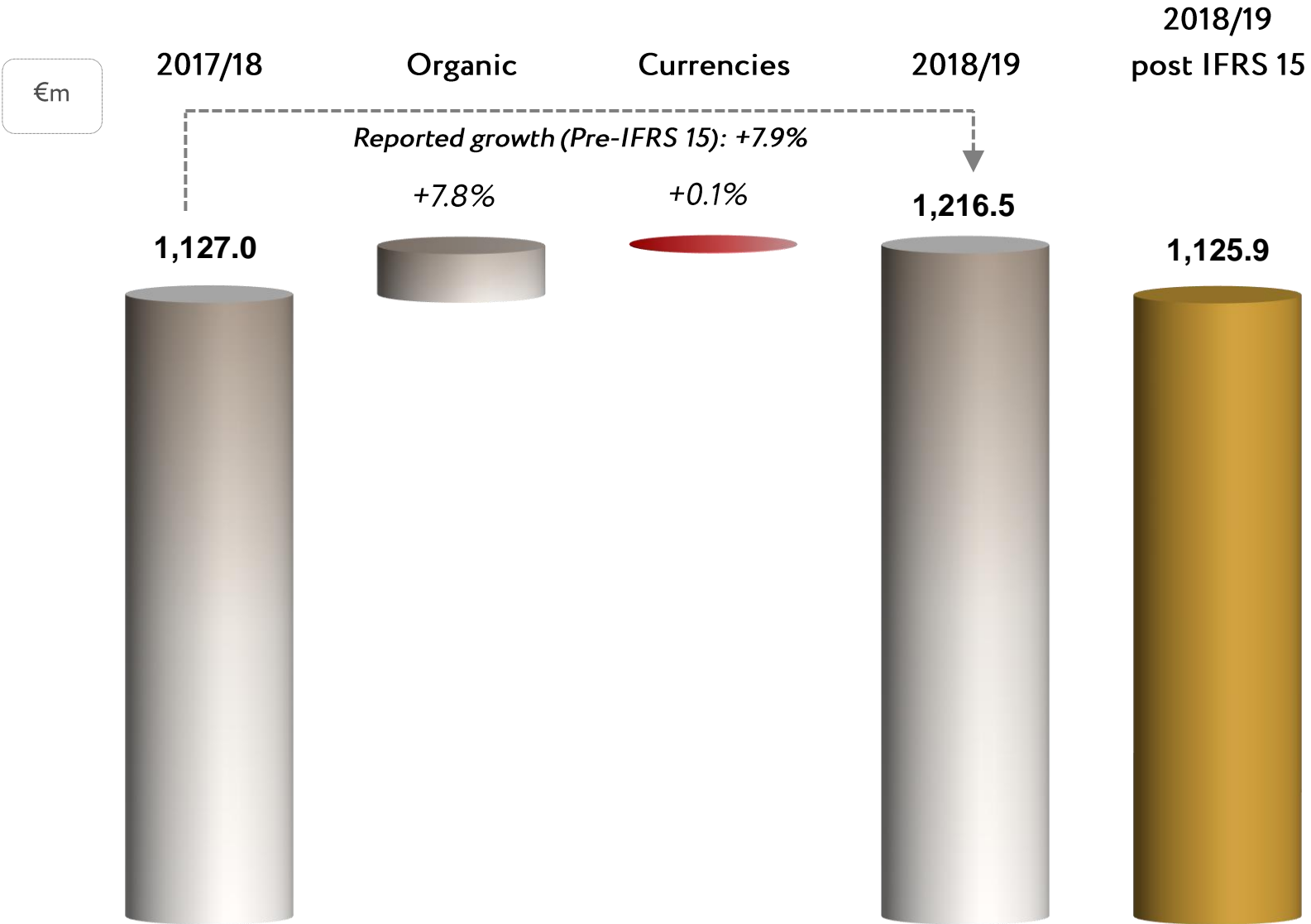
24.04.2019

2018/19 Sales : Key Messages

- **Robust growth in FY 2018/19: +7.8% organic sales growth, including +9.8% for Group Brands**
 - Sustained growth in Q4: +7.0% organic sales growth (+8.2% for Group Brands), led by strong performance in the Americas and in EMEA. Asia-Pacific growth mitigated by the earlier timing of the Chinese New Year.
- **Technical factors decreased sales by about EUR15M in 2018/19 or -1.4pts of growth:**
 - Termination of two partner brands' distribution contracts : Campari in Czech Rep and Slovakia, and Russian Standard vodka in Travel Retail
 - The earlier timing of CNY (5 Feb. 2019 vs. 16 Feb. 2018) had a neutral effect on the FY, but negatively impacted sales by €4M in Q4 (-1.5pts of growth) after boosting Q3

Adjusted for these factors, 2018/19's underlying organic growth was +9.2%
- **2018/19 value depletions coherent with underlying sales trends:**
 - Greater China: solid double-digit depletion trends over the 12M period; Successful CNY 2019
 - US: robust growth for our cognac brands (strong price/mix); accelerating trends for Cointreau in H2
 - Western Europe: flattish trends amid changes in RTM; ongoing strength in the UK, France improving
 - Russia: solid, but moderate growth in H2
 - Africa : ongoing strength in key markets (South Africa/Nigeria) and strong growth in India and Middle East
 - Global Travel Retail: solid in Asia Pacific and Americas
- **2018/19 earnings outlook confirmed: on track to deliver positive organic growth in Current Operating Profit (at constant exchange rate and scope), proforma Pre-IFRS 15, 16 & 9**

2018/19 Sales Analysis

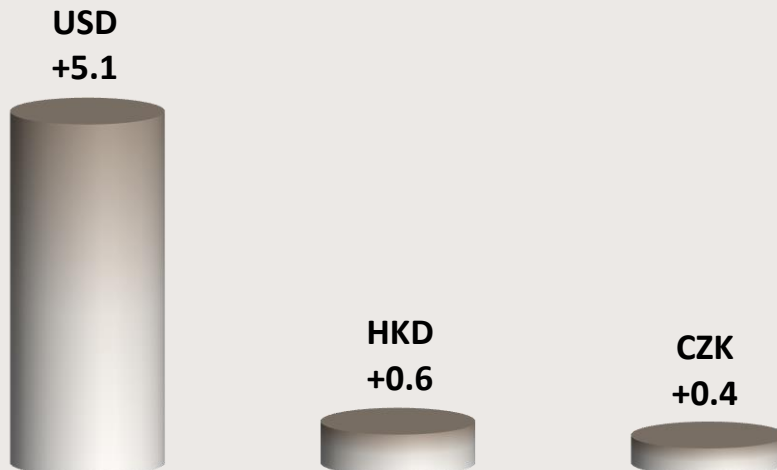


Currency Impact on 2018/19 Sales

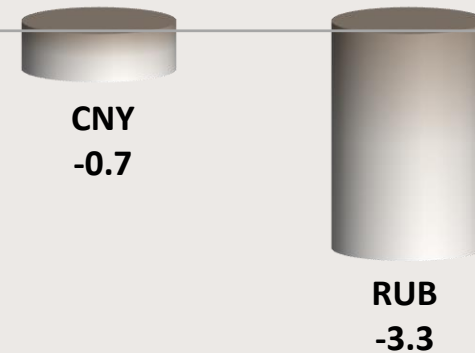
Currency translation gain of 1.5 million euros

€m

Main gains



Main losses



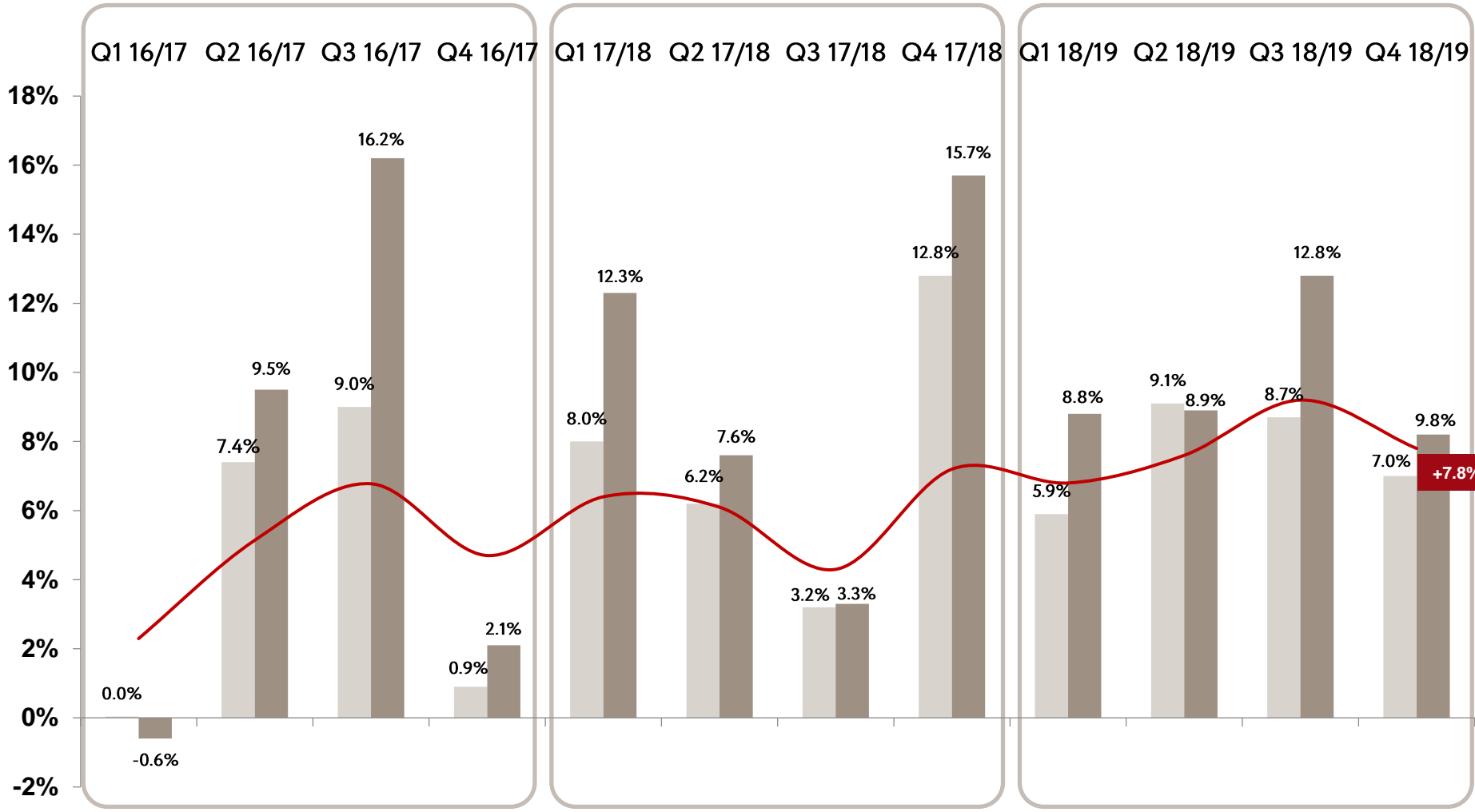
Quarterly Organic Sales Growth



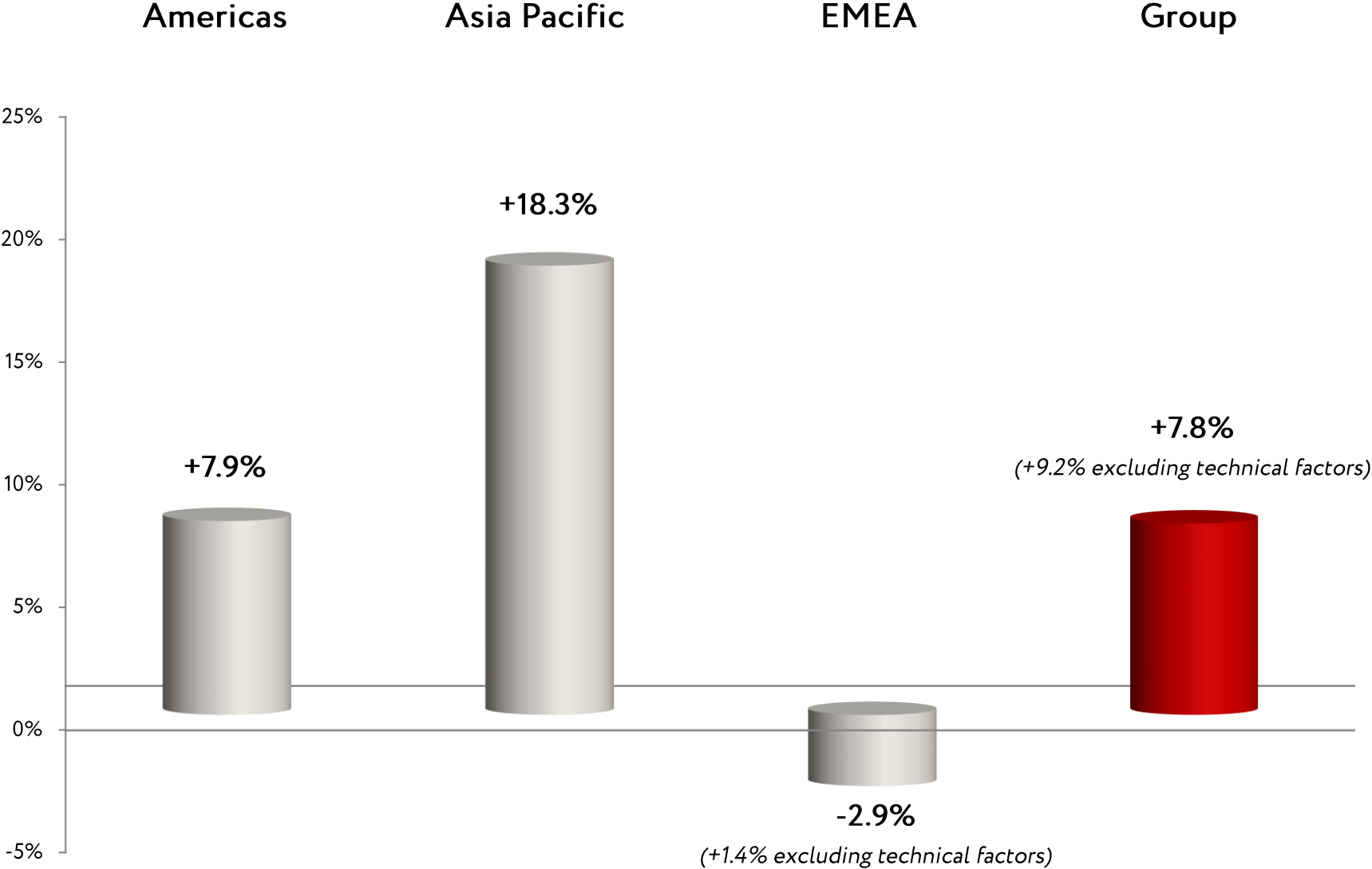
FY16/17: +4.7% (RC Brands: +7.4%)

FY17/18: +7.2% (RC Brands: +9.2%)

FY18/19: +7.8% (RC Brands: +9.8%)



2018/19 Organic Growth by Region



2018/19 Organic Trends by Region (1)



Asia-Pacific organic sales up 18.3%, led by Greater China, Southeast Asia and Travel Retail

- Earlier timing of the CNY lowered sales by €4M and growth by c4.4pts in Q4 (no impact in FY)
- Solid double-digit growth in Greater China in 2018/19:
 - Double-digit growth across our brand portfolio
 - Direct sales growing significantly faster than “traditional” Route-To-Market
 - Annual depletion trends showing solid double-digit growth in volume and value : very robust growth in Mainland China and HK partially offset by weakness in Macau and Taiwan
 - Successful Chinese New Year (sell-out up double-digits across cognac qualities)
- Southeast Asia and Travel Retail up strong double-digits
- Japan: solid growth, led by QSS cognac qualities

Americas organic sales up 7.9%, led by buoyant cognac sales across the region

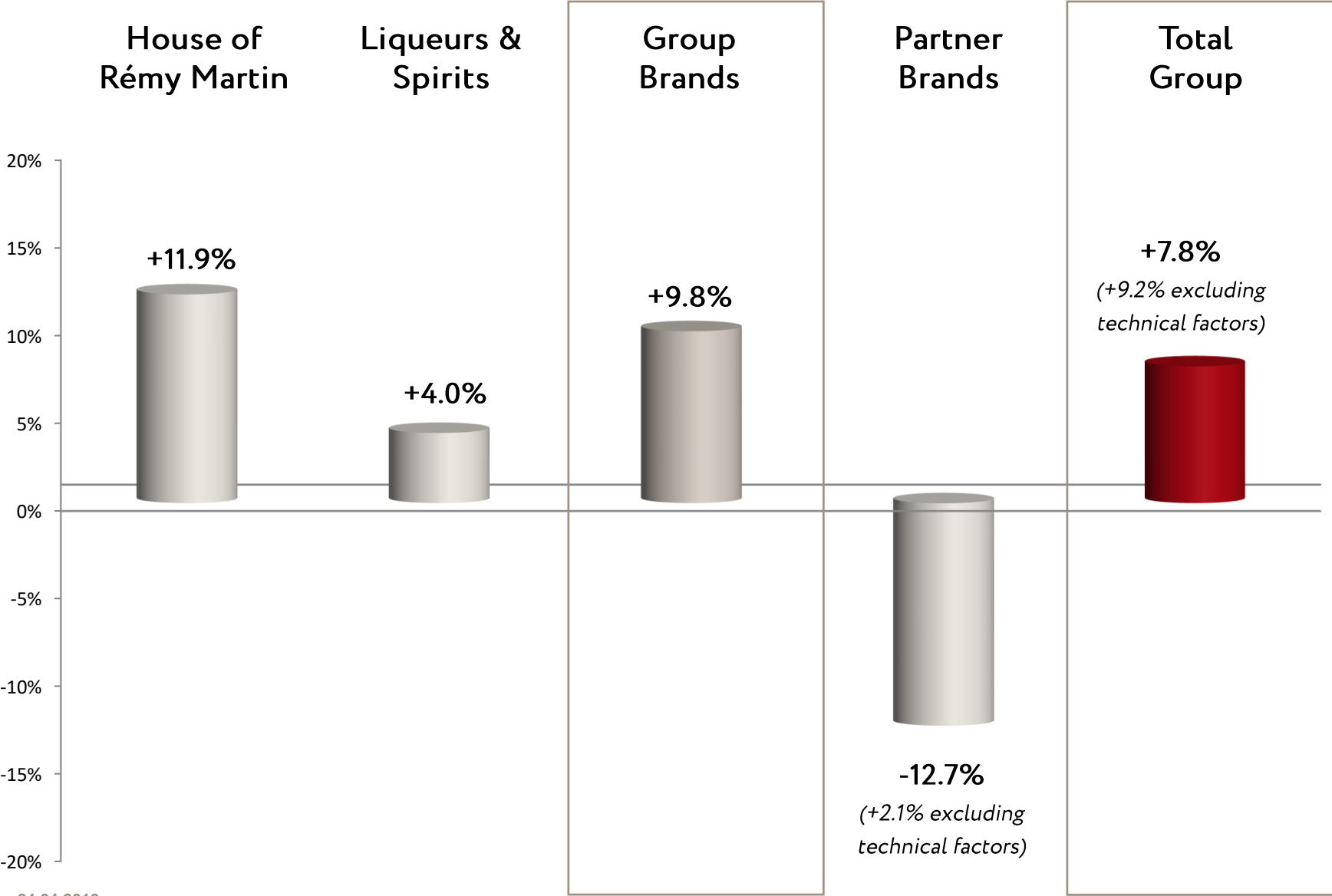
- US : solid annual performance, substantially above the US market growth
- Strong annual depletion trends, led by all cognac qualities and Cointreau
 - Group Brands’ value depletions : +7.0% over 3M, +2.7% over 6M, and +8.2% over 12M
- Canada : good full-year performance
- LatAm : strong growth led by rebounding trends in Puerto Rico and the Caribbean
- Strong performance of Travel Retail (new listings and better traffic)

2018/19 Organic Trends by Region (2)

Europe, Middle East & Africa organic sales down 2.9%

- Technical factors decreased sales by EUR15M (or -4.3pts of growth) in FY
 - Termination of distribution contracts (Campari in Czech Republic/Slovakia; Russian Standard in Travel Retail)
 - Organic sales up 1.4% excluding technical factors in the full-year
- Western Europe: flattish performance in the full-year
 - Good performance in the UK, Switzerland and France partially offset by changes in RTM (Italy, Spain, Germany)
- Central & South Europe: good underlying growth, offset by technical factors
 - RC brands : double-digit growth in Czech Republic and Slovakia
- Russia & North East Europe: solid growth, albeit softening in H2
 - Russia up high single digits
- Africa: Strong rebound in H2 after slow first half-year (due to significant price increases across the region)
 - South Africa and Nigeria: sustained growth in depletions
 - Good performance in India and Middle East
- Travel Retail: sales decline largely driven by the end of the Russian Standard distribution contract

2018/19 Organic Growth by Division



House of Rémy Martin (+11.9% OSG in FY)



RÉMY COINTREAU

Asia-Pacific

- Strong double-digit sales growth, led by Greater China, Southeast Asia and Travel Retail
- Greater China : depletion trends up solid double-digits in volume and in value
- Successful CNY, with double-digit growth across cognac qualities

Americas

- Solid performance led by all sub-regions
- US: strong cognac depletion trends (volume), despite significant price increases; last 3M trends showing recovery after second round of VSOP price increases in October
- Value depletions: price/mix gain of 4pts in the 12M period ending March 2019

Volume depletion trends to March 2019

	3 months	6 months	12 months
US Cognac/Brandy Market ⁽¹⁾	12.2%	8.1%	9.5%
US Cognac/Brandy Market ⁽²⁾	5.2%	4.8%	2.3%
Rémy Martin	4.4%	-1.5%	5.4%

Source: NABCA/Discus⁽¹⁾

Source: NABCA⁽²⁾

Europe, Middle East & Africa

- Low-single digit growth (double-digit recovery in H2)
- Solid growth in the UK, Switzerland, Eastern Europe, Nigeria, Middle East and India

LOUIS XIII: SHOP-IN-SHOP IN HONG-KONG AIRPORT DURING CHINESE NEW YEAR



Liqueurs & Spirits (+4.0% OSG in FY)



Cointreau

- Good growth in the FY, with a significant improvement during H2, as the benefits of “The Art of the Mix” campaign started to bear fruit
- Sustained growth in the US and in the UK; Strong performance in newer markets (China/Russia)
- US depletions showing a nice acceleration in H2:
 - Bolstered by activations around the 70th anniversary of the Margarita and “The Art of the Mix” campaign
 - Value depletions: Flattish price/mix gain in the 12M period to March 2019 (state mix)

	Volume depletion trends to March 2019		
	3 months	6 months	12 months
US Cordials Market ⁽¹⁾	1.4%	2.8%	-1.0%
US Cordials Market ⁽²⁾	4.3%	3.3%	2.1%
Cointreau	7.4%	10.1%	6.6%

Source: NABCA/Discus⁽¹⁾

Source: NABCA⁽²⁾

Metaxa

- Brand elevation strategy weighed on volumes in FY (lower rate of sales under promotion and 3-Star entry-level quality de-emphasized in Greece); Solid price/mix benefits

Liqueurs & Spirits (+4.0% OSG in FY)

Mount Gay

- Despite positive growth in Q4, sales remained in decline during the FY. Good performance in Canada, Asia Pacific and Travel Retail, offset by weakness in the US
- US volume depletions under pressure as the brand is currently in the process of repositioning
- US value depletions : 1pp price/mix gain in the 12M period ending March 2019

St-Rémy

- Strong H2 performance drove solid growth in the FY. Robust growth in newer markets (Africa, Russia) and good growth in the US.

The Botanist

- Continued double-digit growth, led by all geographical regions; successful #BeTheBotanist campaign

Single Malt Whiskies

- Sustained double-digit sales growth, driven by the successful relaunch of Port Charlotte and the #WeAreIslay campaign. Westland and Domaine des Hautes Glaces focusing on building inventory capacities

ST-REMY: NEW CAMPAIGN AND CASK FINISH COLLECTION



Partner Brands (-12.7% OSD in FY)

Organic sales were up 2.1% adjusted for technical factors:

- Termination of two Partner Brands' distribution contracts (Campari in Czech Republic/Slovakia and Russian Standard in Travel Retail): EUR15M sales loss / -15pts hit on sales growth
- Other third-party spirits : good growth in the US (partially helped by a one-off benefit from a successful promotional campaign in Q2) and in Asia Pacific, but ongoing weakness in Belgium

FY2018/19 Outlook Confirmed

- FY2018/19 sales well 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 2018/19 (proforma Pre-IFRS 15, 16 & 9)

Technical factors expected in 2019/20

We expect technical factors to lower sales by €56.0M in 2019/20, equivalent to a 5.0-point impact on organic sales growth:

- Termination of Partner Brands' distribution in Czech Republic and Slovakia (disposal of the subsidiaries): **€49.5M hit on sales (-4.4pts of growth)**
- Termination of Piper Sonoma's distribution in the US: **€6.5M hit on sales (-0.6pt of growth)**

The **€56.0M hit will split between €31M in H1 and €25M in H2**

Q&A

