



RÉMY COINTREAU

Des terroirs, des hommes et du temps

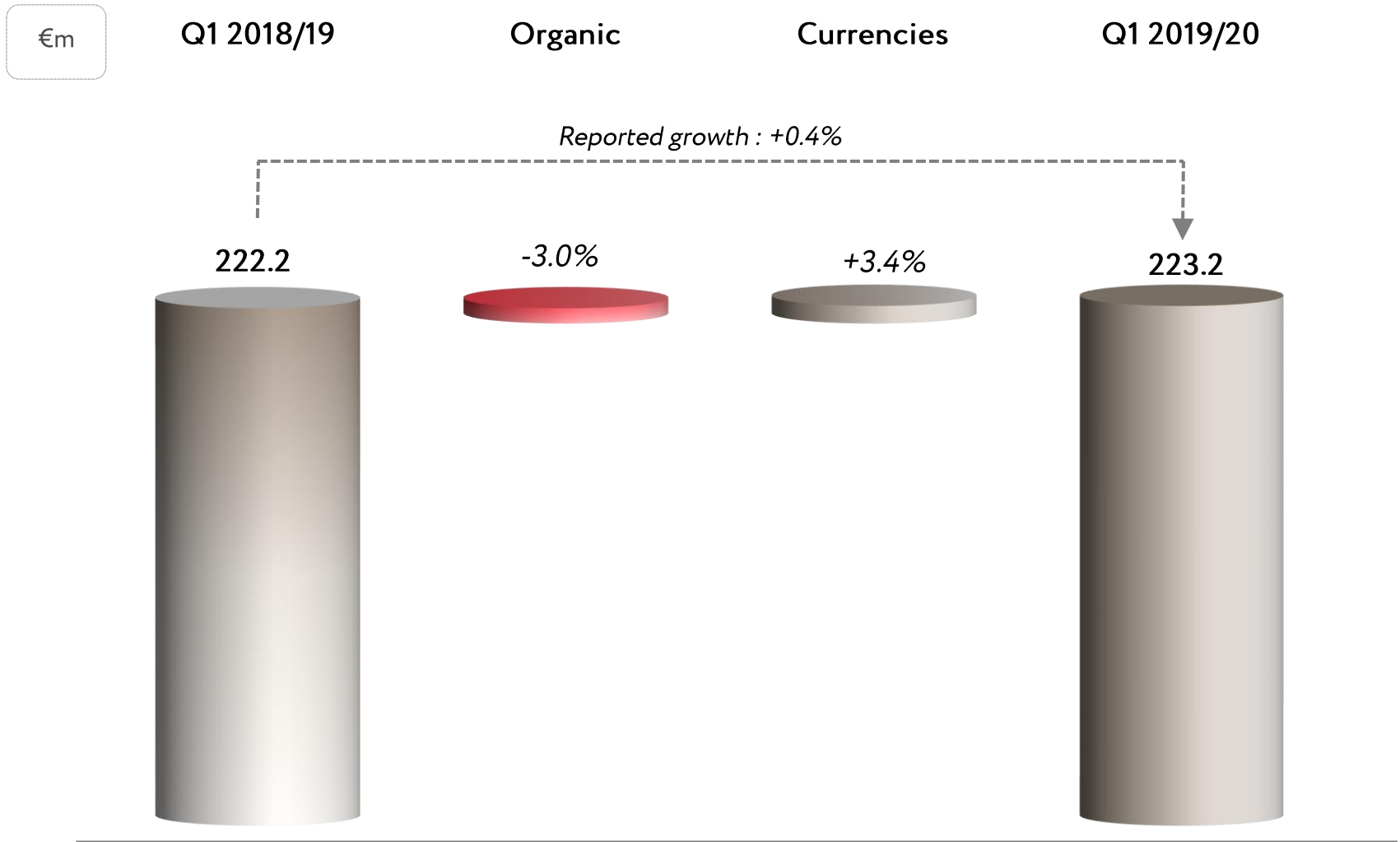
Sales for the
First Quarter 2019/20
ending 30 June 2019

18.07.2019

Q1 2019/20 Sales : Key Messages

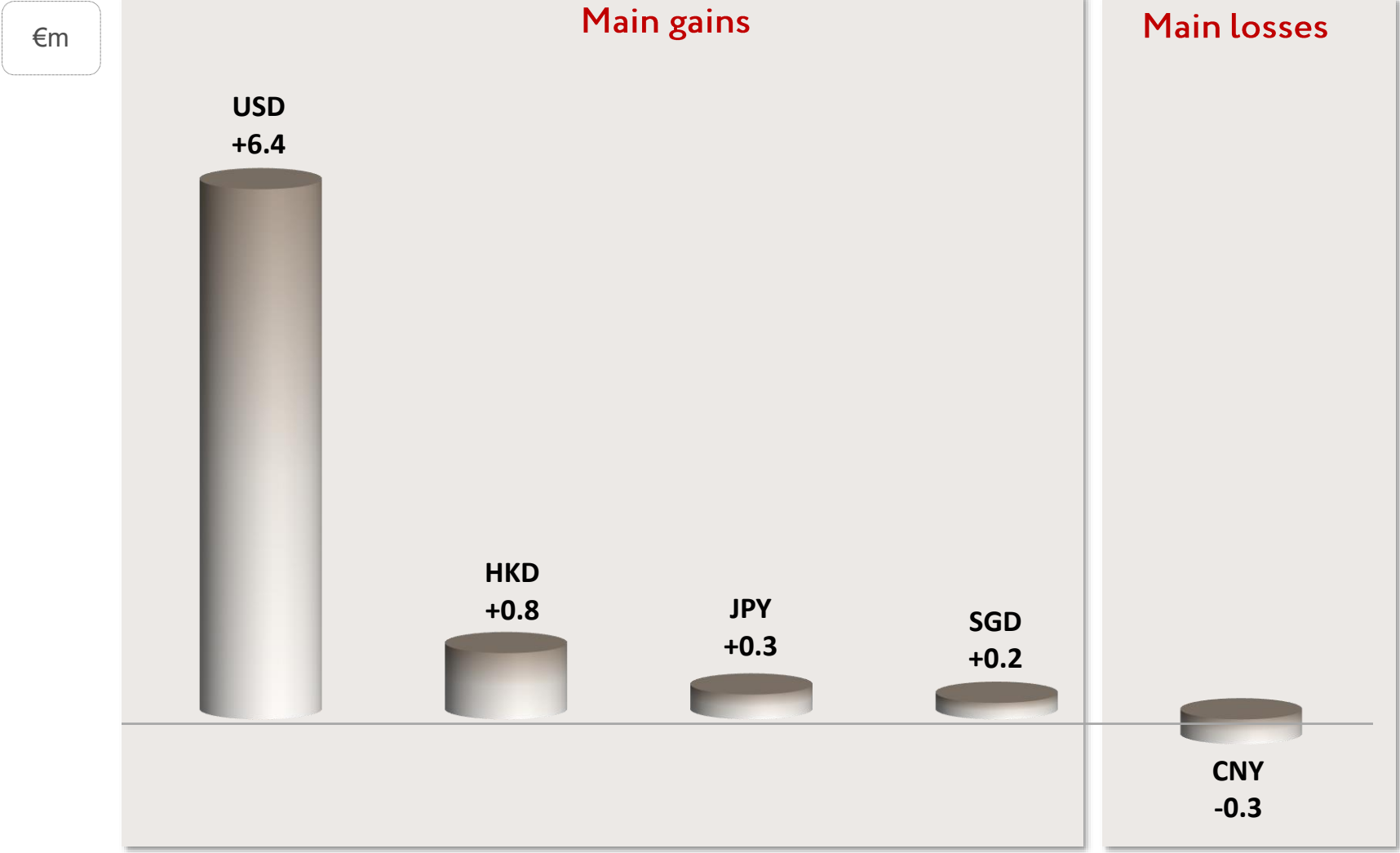
- **Q1 performance in-line with expectations: -3.0% organic sales growth**
 - **Technical factors decreased sales by EUR12.5M in Q1 2019/20 or -5.6pp of growth:**
 - Termination of distribution contracts in Czech Republic/Slovakia (further to the disposal of the distribution subsidiaries) and in the US (Piper Sonoma)
 - **+3.3% for the Group Brands: as expected, Group Brands' Q1 trends are below full-year expectations due to:**
 - Phasing effects related to the price increases (taken across the board at the beginning of the fiscal year)
 - Disruptions related to the changes in route-to-market in the EMEA
- **Q1 2019/20 depletion trends also temporarily affected by phasing effects:**
 - Greater China: 12M trend to June showing solid double-digit growth, despite slower Q1 (low season for cognac)
 - US: cognac depletions penalized by phasing effects post strong price increases; Cointreau up double-digits
 - Western Europe: flattish underlying trends broadly unchanged (changes in RTM)
 - Eastern Europe: sustained growth in the region, but slower trends in Russia
 - Africa : ongoing strength in South Africa and Nigeria
 - Global Travel Retail: sustained growth fueled by Asian travelers
- **Group Brands: Accelerated performance expected from Q2**
- **FY 19/20 to unfold within the framework of the Group's mid-term guidance**

Q1 2019/20 Sales Analysis



Currency Impact on Q1 2019/20 Sales

Currency translation gain of 7.5 million euros

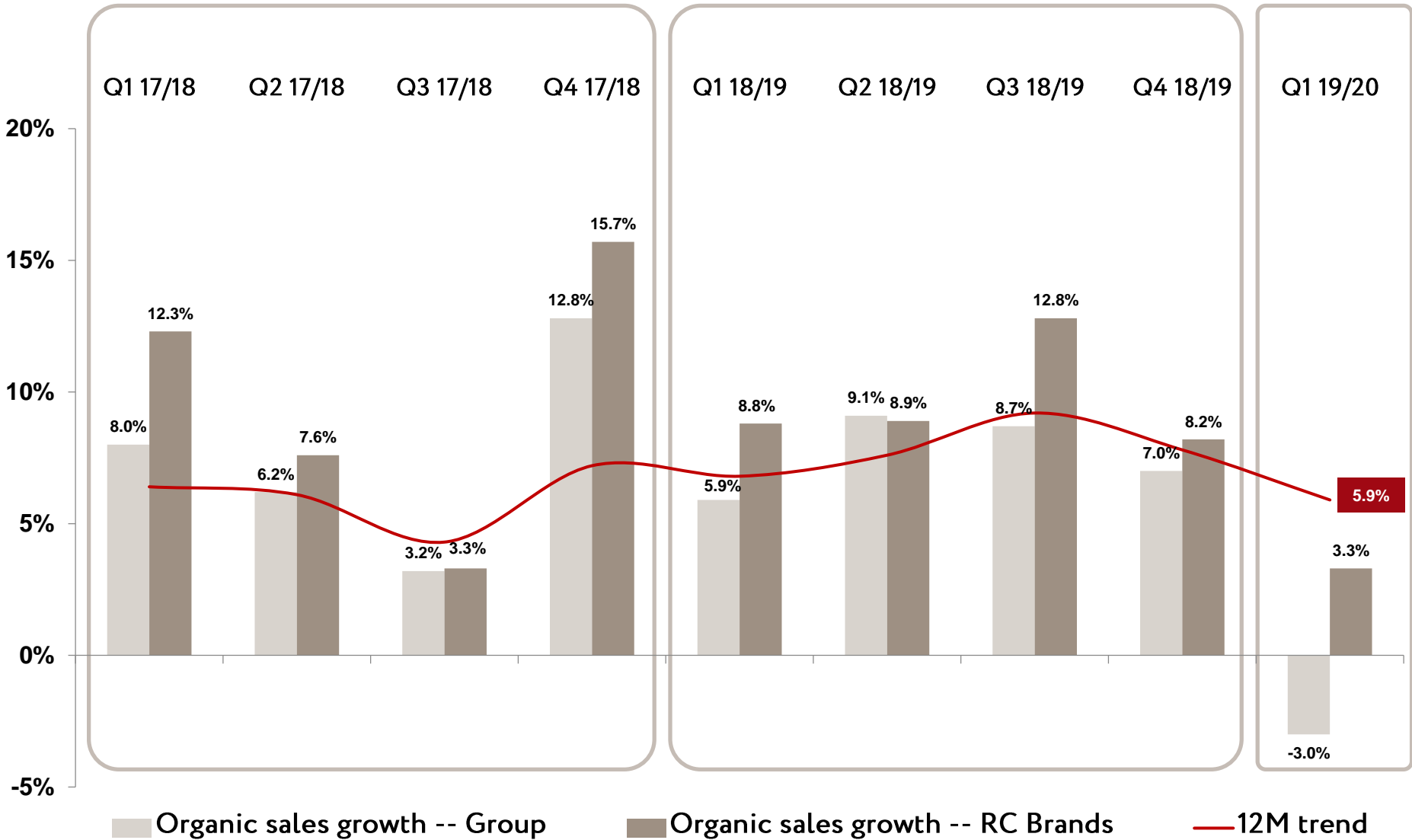


Quarterly Organic Sales Growth



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

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



Q1 2019/20 Organic Trends by Region (1)

Comments are for the Group Brands (i.e excluding Partner Brands)

Asia-Pacific organic sales up mid single-digits

- Greater China: single-digit organic sales growth
 - Double-digit organic sales growth in China Mainland and Taiwan, partially offset by slower HK and Macau
 - 12M depletion trends in China showing solid double-digit growth (coherent with expectations)
- Ongoing strength in South-East Asia: Japan, Malaysia, Philippines showing solid double-digit growth
- Travel Retail : sustained double-digit growth led by good traffic and strength across the portfolio

Americas organic sales up low single-digits, held back by phasing effects

- US: mid-single digit growth led by a strong L&S performance, while Cognac experienced slower growth
 - Group Brands' value depletions penalized by phasing effects: -1.4% over 3M, +3.5% over 6M, +4.8% over 12M
- Canada : elimination of low-end volumes penalizing Q1 performance
- LatAm : brand elevation strategy in Mexico and Puerto Rico weighing of Q1 sales growth
- Slow start to the year in Travel Retail (as expected)

Q1 2019/20 Organic Trends by Region (2)



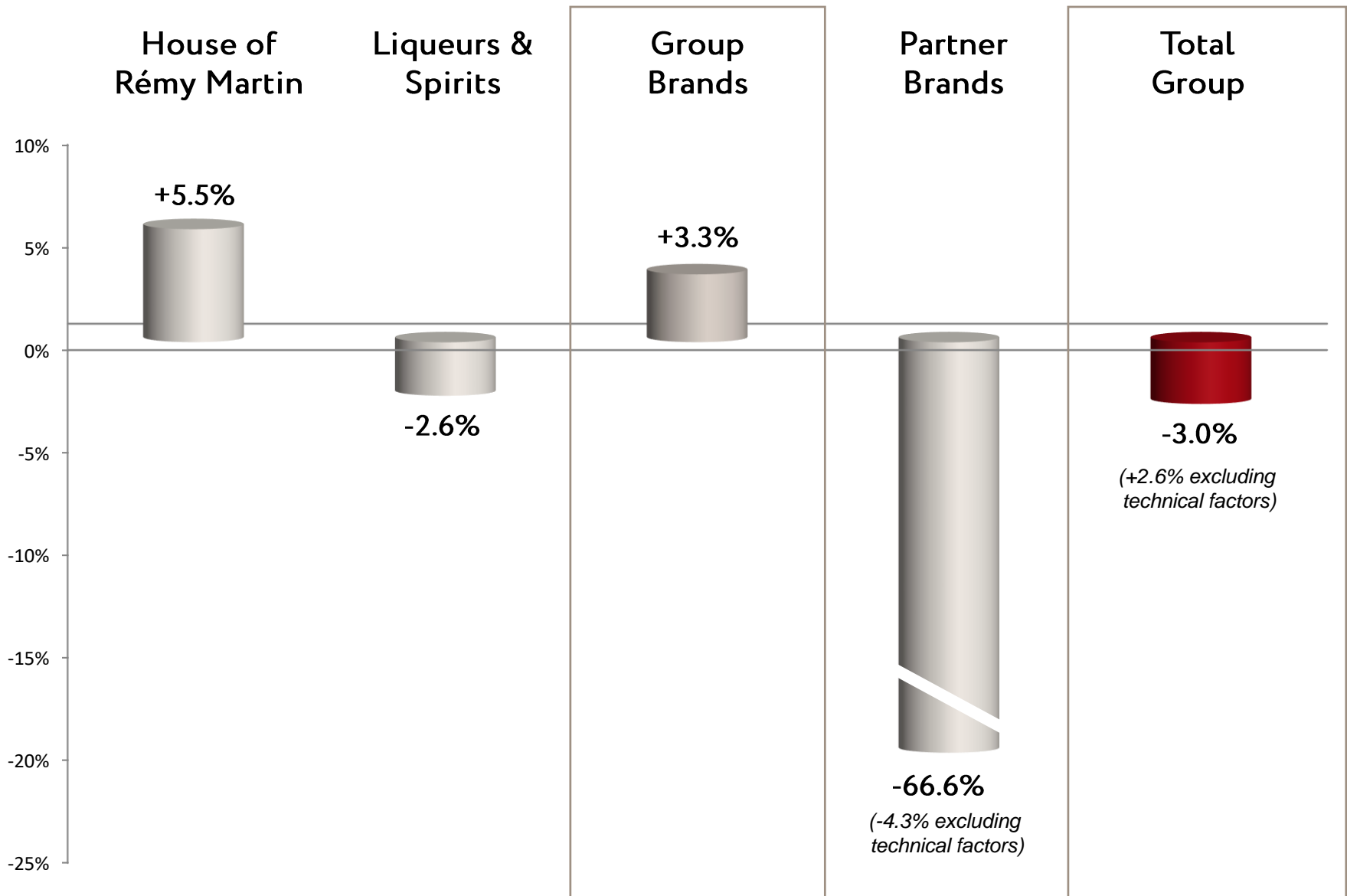
Comments are for the Group Brands (i.e excluding Partner Brands)

Europe, Middle East & Africa up mid-to-high single digits

- Western Europe: flattish performance
 - Good start to the year in the UK, Switzerland and Nordics, but weakness in Spain (RTM change)
- Central & South Europe: low-single digit growth
 - Good performance across the board, except in Italy and Germany (RTM change)
- Russia & North East Europe: Strong growth in the Baltics & CIS markets but slower Russia
- Travel Retail: good growth led by the cognac brands
- Africa: strong double-digit growth across the continent

Q1 2019/20 Organic Growth by Product Division

RÉMY COINTREAU



House of Rémy Martin (+5.5% OSG in Q1)

RÉMY COINTREAU

Asia-Pacific

- High single-digit growth (phasing) led by China Mainland, Malaysia, Japan and Travel Retail Asia
- Greater China: solid double-digit depletion trends (volume/value) in the last 12M despite slower trends in last 3M (phasing + low season)

Americas

- Low-single digit organic sales growth in the US (phasing effect related to price increases)
- US cognac depletion trends also reflecting phasing effects further to price increases taken in April
- Value Depletions: Strong Price/mix effects of 5pp in the 12M period ending June 2019

Volume depletion trends to June 2019

	3 months	6 months	12 months
US Cognac/Brandy Market ⁽¹⁾	4.3%	8.2%	7.7%
US Cognac/Brandy Market ⁽²⁾	-0.3%	2.5%	1.7%
Rémy Martin	-9.3%	-2.5%	0.2%

Source: NABCA/Discus⁽¹⁾

Source: NABCA⁽²⁾

Europe, Middle East & Africa

- Double-digit growth, led by rebound in Africa and accelerated growth in Western Europe and Travel Retail

Rémy Martin's Limited Edition with Steaven Richard



Liqueurs & Spirits (-2.6% OSD in Q1)

Cointreau

- Double-digit growth in the Americas but slow start to the year in the EMEA and Asia-Pacific
- US shipments accelerating on the heels of strong depletion trends in FY18/19 :
 - Double-digit growth in depletion trends since the launch of the new campaign
 - Flattish price/mix gain in the 12M period to June 2019 (positive pricing but negative state mix)

Volume depletion trends to June 2019			
	3 months	6 months	12 months
US Cordials Market ⁽¹⁾	-6.6%	-2.5%	-1.6%
US Cordials Market ⁽²⁾	0.3%	2.4%	1.4%
Cointreau	9.9%	8.7%	8.1%

Source: NABCA/Discus⁽¹⁾

Source: NABCA⁽²⁾

Metaxa

- Good performance in the Americas offset by weakness in the EMEA (penalized by changes in RTM and a poor performance in Travel Retail)

Liqueurs & Spirits (-2.6% OSD in Q1)



Mount Gay

- Good quarter in the US offset by a slow start to the year in the UK and in Travel Retail
- US volume depletions still slightly down as the brand is currently in the process of repositioning

St-Rémy

- Slow start to the year in Canada (gradual elimination of low-end qualities) partially offset by good performance in the US, Australia, Africa and Travel Retail

The Botanist

- Continued double-digit growth, in particular driven by the US and brand expansion in Asia-Pacific

Single Malt Whiskies

- Fast growth in Asia Pacific and Travel Retail, but a slow start to the year in the US after very strong growth in FY18/19.

Cointreau: introducing the “Cocktail Show”

COSMOPOLITAN

LE COCKTAIL SHOW



MARGARITA

LE COCKTAIL SHOW



COINTREAU FIZZ

LE COCKTAIL SHOW



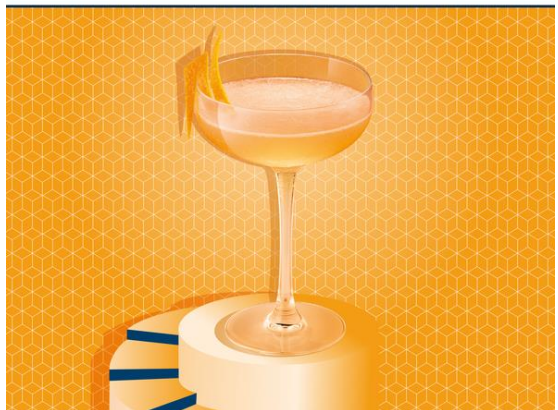
WHITE LADY

LE COCKTAIL SHOW



SIDE CAR

LE COCKTAIL SHOW



MAI TAI

LE COCKTAIL SHOW



Partner Brands (-66.6% OSD in Q1)

- Acceleration of the termination of Partner Brands' distribution contracts
- In 2019/20, termination of the Partner Brands distributed in Czech Republic/Slovakia and Piper Sonoma in the US: EUR12.5M sales loss (-62pp hit)
- Adjusting for these technical factors, organic sales growth down 4.3% due to lingering weakness in Belgium

2019/20 Outlook Confirmed

- Q1 in-line with Group expectations
- Accelerated performance expected from Q2
- Group anticipates that 2019-20 will take place within the framework of the group's medium-term objectives
- Termination of distribution contracts for Partner Brands (in the Czech Republic, Slovakia and the United States) estimated to have an impact of €56 million on sales and €5 million on Current Operating Profits.

Q&A

