



# RÉMY COINTREAU

Paris, July 18, 2019

## First-quarter sales 2019/20 (April 2019 – June 2019)

Start to the year in line with our expectations  
Group Brands up +3.3%\*  
Acceleration expected from the 2<sup>nd</sup> quarter

Rémy Cointreau's revenue amounted to €223.2 million during the first quarter of the 2019-20 financial year, up 0.4% on a reported basis. As expected, organic growth <sup>(\*)</sup> fell slightly (-3.0%) following the voluntary withdrawal from the Partner Brands and the one-off technical effects linked to the price increases taken at the beginning of the fiscal year. Favourable currency effects (+3.4%) nevertheless offset this decline.

The **Group Brands** saw continued growth (+3.3%\*): The **House of Rémy Martin** grew +5.5%\*, driven by its highest-end qualities, in line with the Group's long-term strategy. The VSOP quality has proved resilient to the significant price increases that occurred at the beginning of the year. While the **Liqueurs & Spirits** division (-2.6%\*) recorded a start to the year that was mainly disrupted by changes in the distribution network in Europe, it nevertheless recorded promising growth in the United States.

Geographically, the **Group Brands** are growing across all regions, particularly in South East Asia, Japan and Africa, which posted excellent performances. The Americas region absorbed the price increases of the beginning of the year well, and its growth should accelerate in the coming quarters.

### Sales by division:

(€ million)	3 months at 30/06/19	3 months at 30/06/18	Change	
			Reported	Organic(*)
House of Rémy Martin	161.1	147.0	9.6%	5.5%
Liqueurs & Spirits	55.3	55.3	0.1%	(2.6%)
<b>Subtotal: Group Brands</b>	<b>216.5</b>	<b>202.3</b>	<b>7.0%</b>	<b>3.3%</b>
Partner Brands	6.7	20.0	(66.4%)	(66.6%)
<b>Total</b>	<b>223.2</b>	<b>222.2</b>	<b>0.4%</b>	<b>(3.0%)</b>

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

## House of Rémy Martin

The **House of Rémy Martin** continued to grow in the first quarter (+5.5% in organic terms), despite the unfavourable impact of the phasing effects of price increases, particularly in the United States. Trends remain very favourable for the House's highest-end qualities, particularly in South-East Asian countries, Japan and Africa.

The brands of the House continued their creative initiatives in the first quarter: **LOUIS XIII** launched the limited edition "Black Pearl AHD", in tribute to André Hériard Dubreuil, the former visionary president of the House of Rémy Martin, born 100 years ago. And **Rémy Martin** launched the limited edition "XO Steaven Richard" at the Shanghai Design Week, of which Rémy Martin is a partner. It was also on this occasion that the Centaur piece of art, specially created for the brand by ironworker by Steaven Richard, was unveiled as a world premiere.

## Liqueurs & Spirits

The sales trend of the Liqueurs & Spirits division in the 1st quarter (-2.6% in organic terms) is mainly explained by the changes in the distribution network in Europe made on April 1, 2019.

**The House of Cointreau** is enjoying a genuine sales acceleration in the United States but remains penalized in Europe by distribution evolution in some of its historical markets. Similarly, **Metaxa's** sales were down following the change of distributors in Central Europe and Germany. **Mount Gay** and **St-Rémy** also consolidated at the beginning of the year, while **The Botanist** gin posted another strong quarter, driven by growth in the United States and in Travel Retail. Finally, the **Whisky** division is continuing its rapid development in Asia-Pacific and Travel Retail, while the Americas are consolidating after the very strong growth of the previous year.

## Partner Brands

The decline in Partner Brand sales accelerated (-66.6% in organic terms), with the termination of distribution contracts in the Czech Republic, Slovakia and the United States.

## Outlook 2019/20

Rémy Cointreau anticipates that 2019/20 will unfold within the framework of the Group's medium-term objectives. As a reminder, the year will include the termination of distribution contracts for Partner Brands (in the Czech Republic, Slovakia and the United States), which are estimated to have an impact of €56 million on sales and €5 million on Current Operating Profits.

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<sup>(\*)</sup> Organic growth is calculated assuming constant exchange rates and consolidation scope

## Appendices:

### Sales and organic growth by division

#### Sales in the first-quarter 2019-2020 (April-June 2019)

	Reported 19-20	Currency 19-20	Organic 19-20 (*)	Reported 18-19	Change: Reporte d	Change: Organic (*)
(€ millions)	A		B	C	A/C-1	B/C-1
House of Rémy Martin	161.1	6.0	155.1	147.0	9.6%	5.5%
Liqueurs & Spirits	55.3	1.5	53.9	55.3	0.1%	(2.6%)
<b>Subtotal: Group Brands</b>	<b>216.5</b>	<b>7.5</b>	<b>209.0</b>	<b>202.3</b>	<b>7.0%</b>	<b>3.3%</b>
Partner Brands	6.7	0.0	6.7	20.0	(66.4%)	(66.6%)
<b>Total</b>	<b>223.2</b>	<b>7.5</b>	<b>215.6</b>	<b>222.2</b>	<b>0.4%</b>	<b>(3.0%)</b>

#### 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.

##### **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