



# RÉMY COINTREAU

Paris, 18 October 2019

**First-half sales 2019/20**  
(April 2019 – September 2019)

## Group Brands up +6.1% in the first half Continued strength in underlying market trends

Rémy Cointreau achieved sales of €523.9 million in the first half of its 2019/20 fiscal year, down 0.6%. This decline can be explained by the voluntary withdrawal of the Group from certain Partner Brands (-71.2%) while **Group Brands sales grew by 6.1% over the same period**. Currency effects were favourable (+3.0%) over the half-year.

In organic terms (at constant exchange rates and scope of consolidation), **Group Brands** saw growth of **2.8% over the period**: **The House of Rémy-Martin** grew by 2.1%\*. This performance, limited by situational factors (a fall in tourism in Hong Kong and slow stock replenishment by retailers in the United States), masks continued steady demand for cognacs, in particular in China. The **Liqueurs & Spirits** division enjoyed strong growth over the half-year (+4.9%\*). After disruption at the beginning of year due to changes in the distribution network in Europe, sales benefited from a general recovery in the second quarter and remarkable growth for Cointreau in the United States in particular.

**Group Brands** experienced growth across all regions (+2.8%\*), with a strong performance in Europe, Middle East and Africa (+7.1%), led by the United Kingdom and Africa. Asia Pacific (+1.4%) and the Americas (+1.8%) had a slower start to the year for the reasons explained above.

### Breakdown of sales by division:

(€m)	6 months to 30/09/19	6 months to 30/09/2018	Change	
			Reported	Organic <sup>(*)</sup>
House of Rémy Martin	379.6	359.6	5.6%	2.1%
Liqueurs & Spirits	131.2	121.9	7.6%	4.9%
<b>Subtotal: Group Brands</b>	<b>510.8</b>	<b>481.5</b>	<b>6.1%</b>	<b>2.8%</b>
Partner Brands	13.1	45.5	(71.2%)	(71.4%)
<b>Total</b>	<b>523.9</b>	<b>527.0</b>	<b>(0.6%)</b>	<b>(3.6%)</b>

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

## House of Rémy Martin

The **House of Rémy Martin** continued to grow during the first half (+2.1% in organic terms). It nonetheless suffered from the fall in tourism in Hong Kong and from slower than anticipated stock replenishment by retailers in the United States. This performance masks continued steady demand for our cognacs and an excellent Mid-Autumn Festival in China for all the House's qualities.

The House brands unveiled new creative initiatives during the first half: **LOUIS XIII** launched a 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. The brand also opened a pop-up boutique at Changi Airport (Singapore) where clients could enjoy a multisensory experience, capturing the essence of LOUIS XIII. At the beginning of September, **Rémy Martin** innovated with the launch of "Tercet". An inspiration from three artisans, our cellar master Baptiste Loiseau, our master distiller Jean-Marie Bernard and wine producer Francis Nadeau, this new cognac quality will be initially launched in the United States and in China.

## Liqueurs & Spirits

The Liqueurs & Spirits division experienced strong growth in the first half (+4.9% in organic terms), backed by most of its brands.

The **House of Cointreau** enjoyed an excellent first half, thanks to continued strength in the United States and more favourable trends in its historic European markets (particularly in France and Germany). Sales at the **House of Metaxa** declined over the period, primarily due to the change of distributors in Central Europe and Germany. However, the strong performance of its "12 Stars" quality in its key markets this summer is encouraging for the brand's growth outlook. **Mount Gay** and **St-Rémy** enjoyed a strong start to the year, thanks to their historic markets, the United States and Canada, respectively. **The Botanist** continued its double-digit growth, led by the expansion of the brand in the United States and in Travel Retail. Finally, the **Whisky** division benefited from the success of the single malt category, specifically in Europe and in Asia.

## Partner Brands

As expected, the decline in Partner Brands sales accelerated (-71.4% in organic terms) with the termination of large 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 United States), which are estimated to have an impact of €56 million on sales and €5 million on Current Operating Profits.

<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 2019-20 (April-June 2019)*

<i>€m</i>	Reported 19-20 A	Currency 19-20	Organic 19-20 (*) B	Reported 18-19 C	Change: Reported A/C-1	Change: Organic (*) 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>

*Sales in the second-quarter 2019-20 (July-September 2019)*

<i>€m</i>	Reported 19-20 A	Currency 19-20	Organic 19-20 (*) B	Reported 18-19 C	Change: Reported A/C-1	Change: Organic (*) B/C-1
House of Rémy Martin	218.4	6.4	212.1	212.6	2.7%	(0.3%)
Liqueurs & Spirits	75.9	1.8	74.1	66.6	13.9%	11.2%
<b>Subtotal: Group Brands</b>	<b>294.3</b>	<b>8.1</b>	<b>286.2</b>	<b>279.3</b>	<b>5.4%</b>	<b>2.5%</b>
Partner Brands	6.4	0.1	6.3	25.5	(74.9%)	(75.2%)
<b>Total</b>	<b>300.7</b>	<b>8.2</b>	<b>292.5</b>	<b>304.7</b>	<b>(1.3%)</b>	<b>(4.0%)</b>

*Sales in the first half 2019-20 (April-September 2019)*

<i>€m</i>	Reported 19-20 A	Currency 19-20	Organic 19-20 (*) B	Reported 18-19 C	Change: Reported A/C-1	Change: Organic (*) B/C-1
House of Rémy Martin	379.6	12.4	367.2	359.6	5.6%	2.1%
Liqueurs & Spirits	131.2	3.2	128.0	121.9	7.6%	4.9%
<b>Subtotal: Group Brands</b>	<b>510.8</b>	<b>15.6</b>	<b>495.1</b>	<b>481.5</b>	<b>6.1%</b>	<b>2.8%</b>
Partner Brands	13.1	0.1	13.0	45.5	(71.2%)	(71.4%)
<b>Total</b>	<b>523.9</b>	<b>15.7</b>	<b>508.1</b>	<b>527.0</b>	<b>(0.6%)</b>	<b>(3.6%)</b>

(\*) 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, selected for planning and reporting purposes. The Group's management considers that these indicators provide users of the financial statements 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 impact of exchange rate fluctuations, acquisitions and disposals.*

*The impact of exchange rates is calculated by converting sales for the current financial year using average exchange rates from the previous financial year.*

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

*For significant disposals, data is post-application of IFRS 5, which systematically reclassifies the sales of sold entities 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 across both financial years, which local management is more directly capable of influencing.*

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