



RÉMY COINTREAU

Paris, July 21, 2020

First-quarter sales 2020/21 (April 2020 – June 2020)

A better than expected start to the year in an environment marked by COVID-19 Half-year guidance adjusted accordingly

The beginning of this financial year has been significantly affected by the global COVID-19 pandemic, the main impact of which has been the closure of the on-trade channel (restaurants, bars, hotels, etc.) in numerous markets and a slump in global air traffic. However, thanks to resilient consumption of spirits in the United States and the United Kingdom, the Group was able to post slightly higher than expected sales. Rémy Cointreau thus posted total sales of **€150.1 million** in the first quarter of financial year 2020/21, down 32.8% on a reported basis (down 33.2% on an organic basis).

Sales at the **House of Rémy Martin** declined 39.2%* in the first quarter. The appeal of its cognac brands was still clearly reflected in end demand (notably in the United States and China), though sales were penalised by destocking in most major markets and a slump in duty-free sales. The **Liqueurs & Spirits** division proved more resilient (down 17.0%*) thanks to a remarkable performance by Cointreau.

While all major geographical regions posted declines in the first quarter, the Americas region outperformed thanks to an only moderate decline in the United States. It should also be noted that the Group saw strong growth in the United Kingdom and Russia over the period.

Breakdown of sales by division:

(€m)	3 months to 30/06/2020	3 months to 30/06/2019	Change	
			Reported	Organic (*)
House of Rémy Martin	98.7	161.1	(38.8%)	(39.2%)
Liqueurs & Spirits	46.1	55.3	(16.7%)	(17.0%)
Subtotal: Group Brands	144.8	216.5	(33.1%)	(33.5%)
Partner Brands	5.3	6.7	(21.4%)	(21.1%)
Total	150.1	223.2	(32.8%)	(33.2%)

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

House of Rémy Martin

Sales at the **House of Rémy Martin** declined significantly in the first quarter (down 39.2% on an organic basis) against the backdrop of a pandemic not conducive to celebratory events. Furthermore, the gradual recovery in global demand since May and very strong performance by Rémy Martin's brands in the United States since the beginning of lockdown are masked by destocking by wholesalers. Lastly, duty-free sales were hit hard by the slump in global air traffic.

Liqueurs & Spirits

The Liqueurs & Spirits division, while more resilient, also posted a decline in the first quarter (down 17.0% on an organic basis).

Sales at the **House of Cointreau** were up slightly over the period on an organic basis thanks to remarkable growth in the United States, Germany and the United Kingdom, where consumption of cocktails at home made up for the closure of the on-trade channel. Although in decline, **Mount Gay** benefited, to some extent, from the gradual launch of its new portfolio of brands. Sales of **Metaxa**, **St-Rémy** brandy, **The Botanist** gin and **Whisky** all declined, mainly due to the drop in duty-free sales, which account for a significant proportion of these brands' business.

Partner Brands

The decline in sales of Partner Brands (down 21.1% on an organic basis), heavily exposed to Western Europe, was due to lower consumption of spirits while countries in the region were locked down.

2020/21 outlook

In a still uncertain public health, economic and geopolitical environment, the **Rémy Cointreau Group** remains confident of its ability to emerge stronger from the crisis.

Following this better than expected first quarter and (unchanged) expectations of a moderate decline in the second quarter, Rémy Cointreau now expects **Current Operating Profit to be down 35-40% on an organic basis in the first half of financial year 2020/21** (compared with previous expectations of a 45-50% decline). Despite low visibility, the second half of 2020/21 should see a strong recovery, buoyed by the United States and Mainland China.

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

Appendices:

Sales and organic growth by division

First quarter 2020/21 sales (April-June 2020)

€m	Reported	Forex	Organic	Reported	Reported	Organic
	20-21	20-21	20-21 (*)	19-20	change	change (*)
	A		B	C	A/C-1	B/C-1
House of Rémy Martin	98.7	0.7	98.0	161.1	(38.8%)	(39.2%)
Liqueurs & Spirits	46.1	0.2	45.9	55.3	(16.7%)	(17.0%)
Subtotal: Group Brands	144.8	0.9	143.9	216.5	(33.1%)	(33.5%)
Partner Brands	5.3	(0.0)	5.3	6.7	(21.4%)	(21.1%)
Total	150.1	0.9	149.2	223.2	(32.8%)	(33.2%)

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 (under which sales of entities disposed of are systematically reclassified under "Net earnings from discontinued operations" 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.

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