



RÉMY COINTREAU

Paris, October 20, 2020

First-half sales 2020/21
(April 2020 – September 2020)

**A clear improvement in the second quarter,
in an environment still marked by COVID-19
New adjustment of half-year guidance**

Over the first half-year, which was significantly affected by the global COVID-19 pandemic, the Rémy Cointreau Group posted total sales of **€430.8 million**, down 17.8% on a reported basis and down 16.4%* on an organic basis (at constant exchange rates and consolidation scope). Thus, after a first quarter marked by a decline of 33.2%*, the second quarter (down 4.0%*) showed a significant sequential improvement.

Cognac sales were down 18.1%* since the beginning of the financial year, but only 2.5%* in the second quarter, thanks to the excellent momentum in the United States and the recovery seen in Mainland China. However, the very low level of duty-free sales and the slow reopening of the on-trade channel in the emerging markets in Southeast Asia, Africa and South America brought down overall performance. The **Liqueurs & Spirits** division, which had been more resilient throughout the first quarter (down 17.0%*), improved more slowly in the second quarter (down 11.0%*), penalized by its significant exposure to the on-trade channel and in particular to the bars that remain closed in many countries.

All the major geographical regions posted declines over the period, but the Americas region (down 0.7%*) enjoyed a marked return to growth in the second quarter, driven by strong progress in the United States. Asia-Pacific posted a decline of 27.4% over the first half, penalized by the weakness of duty-free sales and the Southeast Asia markets. The Europe, Middle East & Africa region posted a decline of 31.6%, despite the United Kingdom's strong performance.

Breakdown of sales by division:

(€m)	6 months to 09/30/2020	6 months to 09/30/2019	Change	
			Reported	Organic(*)
Cognac	305.4	379.6	(19.5%)	(18.1%)
Liqueurs & Spirits	112.1	131.2	(14.6%)	(13.6%)
Subtotal: Group Brands	417.5	510.8	(18.3%)	(16.9%)
Partner Brands	13.3	13.1	1.8%	2.1%
Total	430.8	523.9	(17.8%)	(16.4%)

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

Cognac

The Cognac division now includes sales from the **House of Brillet**, consolidated since April 1, 2020 at €0.1 million.

Over the period, cognac sales declined by 18.1%*. Following a decline of 39.2%* in the first quarter, sales showed a limited decline in the second quarter (down 2.5%*), primarily thanks to excellent performance in the United States, where our brands – traditionally consumed at home – enjoyed a highly sustained demand, in the favorable context of the move upmarket. Furthermore, China confirmed its recovery, as suggested by the remarkable growth of our brands during the Mid Autumn Festival celebrations. However, duty-free sales showed no improvement and the newer markets (Southeast Asia, Africa and Latin America) remained significantly penalized by the slow reopening of the on-trade channel.

Liqueurs & Spirits

The division now includes sales of the Belle de Brillet liqueur, consolidated since April 1, 2020 at €0.4 million.

Liqueurs & Spirits sales were down 13.6%* in the first half, with a slight improvement in the second quarter (down 11.0%*). Sales at the **House of Cointreau** showed a modest decline since the start of the year, with strong growth in the United States, the United Kingdom, Germany, Belgium and Australia offset by weak activity in the other European countries, in Asia-Pacific and in duty-free sales. Sales of the **House of Metaxa**, **St-Rémy** brandy, **The Botanist** gin, **Mount Gay** rum and **Whisky** all declined, largely penalized by a disappointing summer tourist season as well as the fall in on-trade and duty-free sales, which represent a significant part of their respective activities.

Partner Brands

Partner Brand sales grew by 2.1%* since the start of the year, thanks to a noticeable recovery in the Benelux countries in the second quarter, which was also observed among the Group's brands.

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.**

With a more favorable geographical mix than expected over the first six months of the year, Rémy Cointreau now expects **Current Operating Profit to be down 25-30% on an organic basis in the first half of 2020/21** (compared with previous expectations of a 35-40% decline). Despite persistent low visibility, the Group confirms that the second half of 2020/21 should continue to benefit from 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 activity

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

€m	Reported 2020/21	Forex 2020/21	Scope 2020/21	Organic 2020/21 (*)	Reported 2019/20	Reported change	Organic change (*)
	A			B	C	A/C-1	B/C-1
Cognac	98.7	0.7	0.0	98.0	161.1	(38.8%)	(39.2%)
Liqueurs & Spirits	46.1	0.2	0.0	45.9	55.3	(16.7%)	(17.0%)
Group Brands	144.8	0.9	0.0	143.9	216.5	(33.1%)	(33.5%)
Partner Brands	5.3	(0.0)	0.0	5.3	6.7	(21.4%)	(21.1%)
Total	150.1	0.9	0.0	149.2	223.2	(32.8%)	(33.2%)

Second quarter 2020/21 sales (July-September 2020)

€m	Reported 2020/21	Forex 2020/21	Scope 2020/21	Organic 2020/21 (*)	Reported 2019/20	Reported change	Organic change (*)
	A			B	C	A/C-1	B/C-1
Cognac	206.8	(6.3)	0.1	213.0	218.4	(5.3%)	(2.5%)
Liqueurs & Spirits	66.0	(2.0)	0.4	67.5	75.9	(13.1%)	(11.0%)
Group Brands	272.7	(8.3)	0.6	280.5	294.3	(7.3%)	(4.7%)
Partner Brands	8.1	(0.0)	0.0	8.1	6.4	26.1%	26.5%
Total	280.8	(8.3)	0.6	288.5	300.7	(6.6%)	(4.0%)

First half 2020/21 sales (April-September 2020)

€m	Reported 2020/21	Forex 2020/21	Scope 2020/21	Organic 2020/21 (*)	Reported 2019/20	Reported change	Organic change (*)
	A			B	C	A/C-1	B/C-1
Cognac	305.4	(5.6)	0.1	310.9	379.6	(19.5%)	(18.1%)
Liqueurs & Spirits	112.1	(1.8)	0.4	113.4	131.2	(14.6%)	(13.6%)
Group Brands	417.5	(7.4)	0.6	424.3	510.8	(18.3%)	(16.9%)
Partner Brands	13.3	(0.0)	0.0	13.4	13.1	1.8%	2.1%
Total	430.8	(7.4)	0.6	437.7	523.9	(17.8%)	(16.4%)

(*) 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 by 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 years).

This indicator allows the user 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