

Sales for the  
9 months 2020/21  
ending 31 December 2020

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JANUARY 22<sup>nd</sup>, 2021

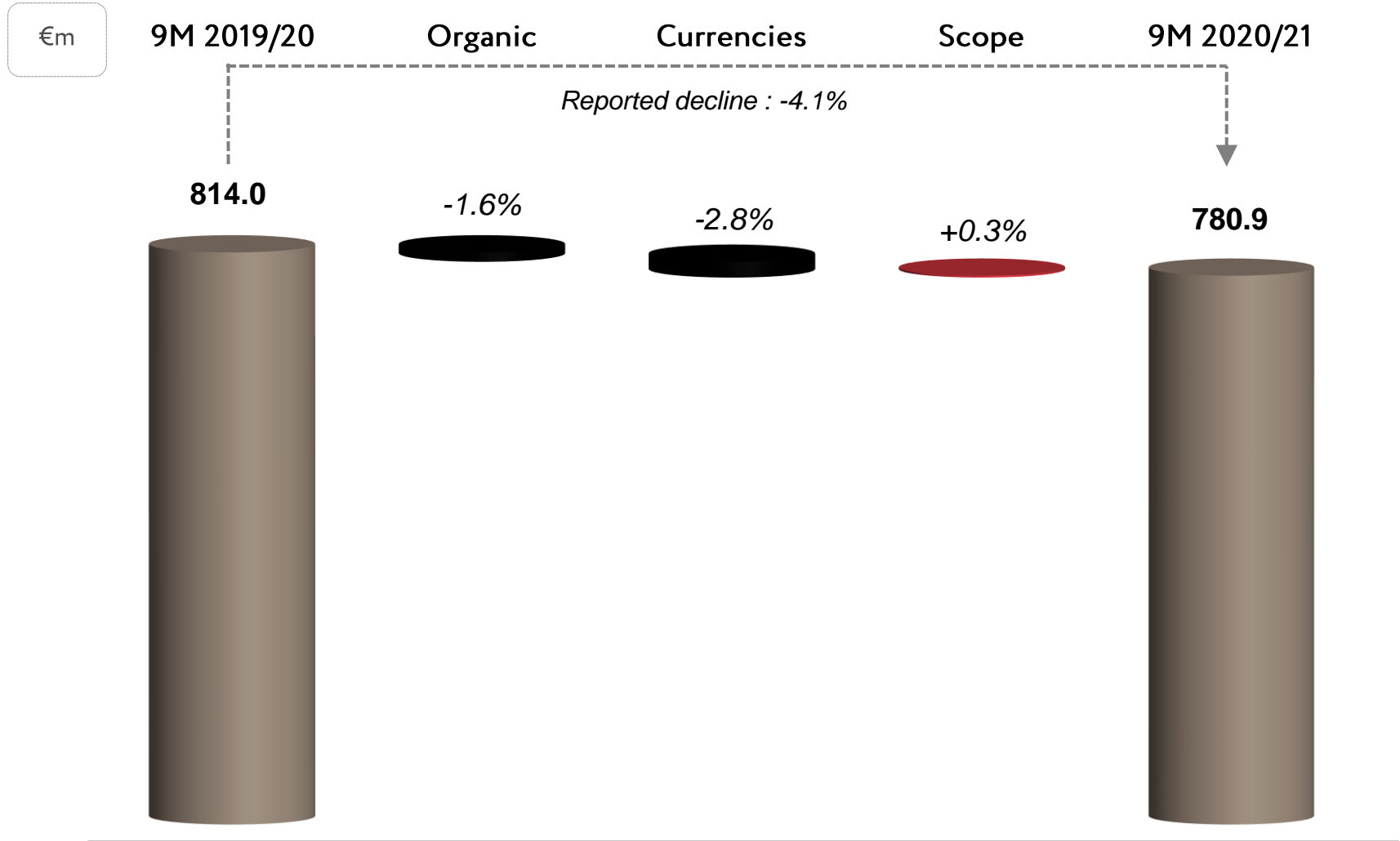


RÉMY COINTREAU

# 9M 2020/21 Sales : Key Messages

- **Global context still largely impacted by the COVID-19 pandemic:**
  - Collapse in duty free sales (along with international airline traffic)
  - Partial closure of the on-trade channel (bars and clubs particularly) significantly impacting sales in Europe and in many markets of South East Asia, Africa and LatAm
  - Booming at-home consumption in several markets including the US, the UK and Australia
  - China Mainland is “back to normal”, with off and on-trade channels having both normalized since last June
- **9M 2020/21 organic sales down 1.6%: significant rebound in Q3 (+25.1%) after a 16.4% decline in H1**
- **9M 2020/21 value depletion trends showed strong growth, with a further acceleration in Q3**
  - **Asia Pacific:** accelerated trends in China Mainland, Australia/New Zealand and Vietnam partially offset by lingering weakness in the rest of South East Asia and in Japan
  - **Americas:** continued strong double-digit growth driven by booming at-home consumption and restocking at retail in the US. Canada showed sequential improvement while LatAm remained very challenging
  - **EMEA:** general weakness continued across the region. Within that context, a few markets enjoyed positive depletion trends, including the UK, Germany, Switzerland, Russia and Nigeria
  - **Global Travel Retail:** depressed trends across all regions; sequential improvement in GTR Asia led by Hainan
- **Confidence in Group’s 2020/21 outlook:**
  - **Buoyant growth expected in Q4** (albeit less strong than in Q3), due to strategic inventory management
  - **Current Operating Profit** to show positive organic growth

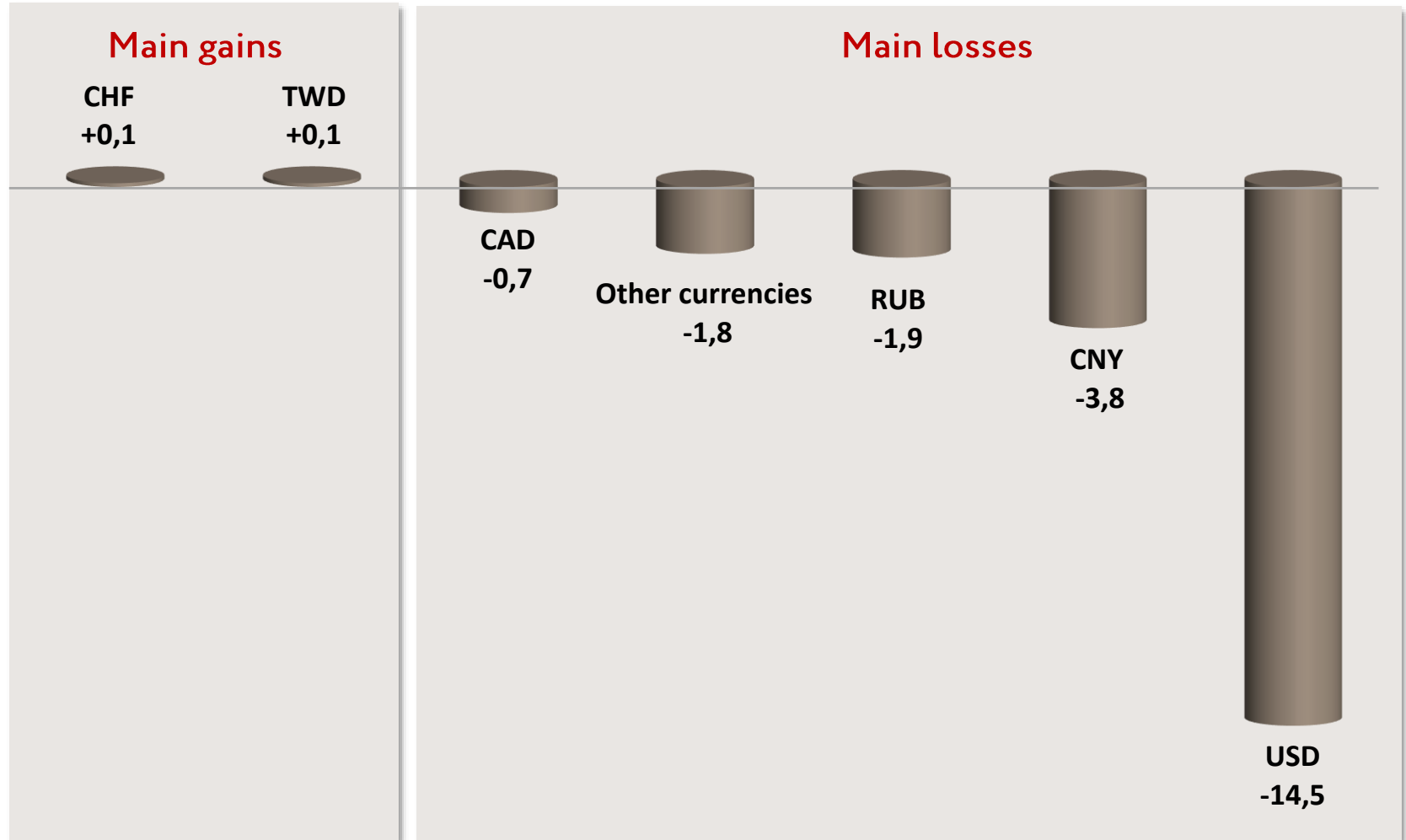
# 9M 2020/21 Sales Analysis



# Currency Impact on 9M 2020/21 Sales

Currency translation loss of 22.5 million euros

€m





# Quarterly Organic Sales Growth



# 9M 2020/2021 Organic Sales Trends by Region

## Asia-Pacific organic sales still down double-digits in 9M, despite positive growth in Q3

- **Greater China up low-single digits in the 9M period, led by double-digit growth in Q3:**
  - Accelerated double-digit trends in China Mainland and continued growth in Taiwan, but ongoing weakness in HK and Macau
  - China Mainland: value depletion trends up low double-digits in 9M, thanks to strong growth in Q2 and Q3  
Strong trends during the “Mid Autumn Festival” and “Double Eleven” for our cognacs and Scottish single malt whiskies
  - Later Chinese New Year (February 12<sup>th</sup> 2021 vs. January 25<sup>th</sup> 2020): circa €8M shipments postponed from Q3 into Q4
- **Sequential improvement in South East Asia driven by Australia, New Zealand and Vietnam;** still weak in other markets (on-trade still closed or under strict social distancing restrictions, borders still closed for some markets).
- **Travel Retail Asia** : sequential improvement driven by Greater China (Hainan), but still weak overall

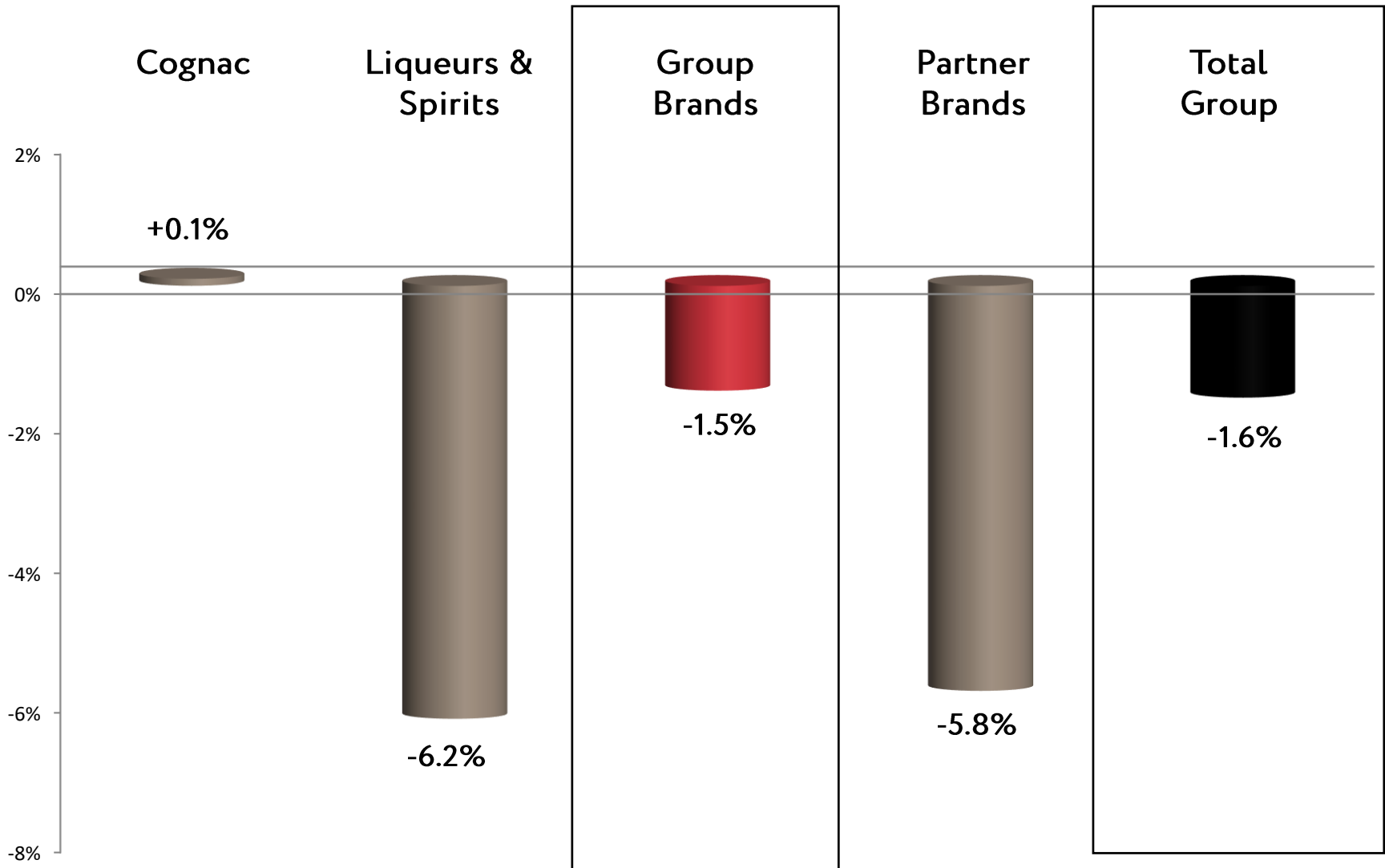
## Americas organic sales up strong double-digits in 9M, led by a significant catch-up in Q3

- **US: strong double-digit sales growth in 9M, led by most of our brands.** Significant **catch-up in Q3**, after trailing sales versus depletions in H1; Remy Cointreau brands continued to grow ahead of the market in Q3, driven by impressive at-home consumption and strong appetite for our spirits
  - Despite the Q3 catch-up, Group Brands’ value depletions over the 9M period still outpace their sales growth :  
+59.1% over 3M, +58.1% over 6M, +58.4% over 9M, +42.7% over 12M
- **Canada** : strong Q3 sales performance (volatile), but downtrading consumer trends penalizing cognac depletions
- **LatAm** : continued double-digit decline due to weak domestic consumption and a fall in tourism
- Ongoing poor performance of the **Travel Retail channel**

## EMEA organic sales still down double-digits , despite a sequential improvement in Q3

- **Renewed weakness in Central and Western Europe (lockdowns) in Q3** was partially mitigated by a sequential improvement in the other sub-regions
- **Few markets enjoyed positive depletion trends in Q3:** The UK (Nielsen up +35% over the 9M period and E-commerce sales +114%), Germany, Switzerland, Russia and Nigeria
- Continuing poor performance of the **Travel Retail channel**

# 9M 2020/21 Organic Growth by Division



# Cognac (+0.1% OSG in 9M)

## Asia-Pacific

- **Greater China: double-digit organic sales in Q3 drive low-single digit growth in the 9M period**
  - China Mainland enjoyed accelerated double-digit sales trends in Q3 (despite an estimated €8M shipment delay from Q3 into Q4, due to the later CNY), led by a strong Mid Autumn Festival and “Double Eleven” performance. Very positive outlook for the upcoming Chinese New Year
  - While prospects for HK remain bleak, Macau (where casinos and hotels have reopened) could benefit from improved trends going forward
- **Japan returned to growth in Q3, while South East Asia** remained penalized by on-trade restrictions and closed borders
- Despite ongoing weakness, **Travel Retail Asia showed a sequential improvement in Q3**, thanks to initial business in Hainan

## Americas

- **Strong double-digit sales growth in 9M was driven by a significant catch-up in the US** and in Canada in Q3, while Travel Retail Americas, and LatAm remained weak
- US: very strong organic sales growth in 9M, driven by 1738 Accord Royal, VSOP and Tercet; XO also showed a nice acceleration in Q3
- **Excellent US cognac depletion trends continued into Q3**, fueled by ongoing strength in at-home consumption
- Value depletions: price/mix negative by 1pp in the 12M period ending December 2020, due to unfavorable product and state mix

	Volume depletion trends to December 2020		
	3 months	6 months	12 months
Cognac market Nielsen	+24.7%	+33.7%	+29.3%
Cognac market NABCA	+46.5%	+52.8%	+35.3%
Cognac market NABCA/Discus	+48.5%	+39.5%	+19.1%
<b>Rémy Martin</b>	<b>+77.9%</b>	<b>+73.0%</b>	<b>+50.6%</b>

Source: Nielsen, NABCA, Discus, Rémy Cointreau

## Europe, Middle East & Africa

- Strong double-digit decline, led by further weakness in most markets as well as in Travel Retail EMEA
- **The UK was the only dynamic market in the region**, led by at-home consumption

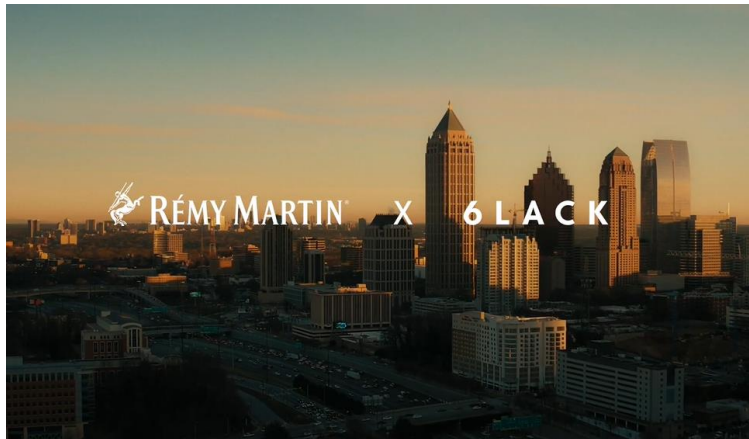




# Rémy Martin: celebrating the sounds that bring communities together

Rémy Martin teamed up with multi-platinum, GRAMMY nominated artist, 6LACK to release "Ground's Melody," a two-part video series, paying tribute to the Atlanta and Los Angeles communities and music scenes.

Episode 1: Tribute to Atlanta



Episode 2: Tribute to Los Angeles



# Liqueurs and Spirits (-6.2% OSD in 9M)

## Cointreau

- **Double digit organic growth in Q3 drove positive sales trends in 9M:** double-digit growth in the US, Australia, the UK and Belgium, was partially offset by weakness in the rest of Europe and in Travel Retail
- Ongoing strength in at-home consumption (success of the original Margarita cocktail) continued to offset the on-trade weakness:
  - +15%/20% depletion trends in the last 3, 6 and 12 months
  - **Value depletions: price/mix effects of +10pp in the 12M** period ending December 2020, led by favorable product size mix

	Volume depletion trends to December 2020		
	3 months	6 months	12 months
Cordials market Nielsen	+12.6%	+18.3%	+21.7%
Cordials market NABCA	+11.0%	+10.2%	+4.6%
Cordials market NABCA/Discus	+1.5%	+1.9%	-4.5%
<b>Cointreau</b>	<b>+15.9%</b>	<b>+19.7%</b>	<b>+15.3%</b>

Source: Nielsen, NABCA, Discus, Rémy Cointreau

## Metaxa

- **Double-digit organic sales decline** led by the shortfall in Global Travel Retail and a poor performance in Central and Western Europe
- Good performance in Eastern Europe and flattish performance in Germany

## Mount Gay

- **Single-digit organic sales decline** driven by weakness in the Barbados and in Travel Retail; strong growth in the US and in the UK

## St-Rémy

- **Low double-digit organic sales decline** largely driven by the shortfall in Global Travel Retail; the brand enjoyed strong growth in the US, where it benefited from the trade up from lower-end brandies

## The Botanist

- **Double digit organic sales growth in Q3** limited the decline in the 9M period, led by strong growth in the US and better trends in Europe

## Single-Malt Whiskies

- **Further acceleration in Q3 drove positive organic growth in 9M;** Solid trends in all three macro-regions more than offset ongoing weakness in Global Travel Retail sales

# Liqueurs & Spirits awards



# Confidence in 2020/21 Outlook

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- **Buoyant growth expected in Q4 (albeit less strong than in Q3)**, due to strategic inventory management
- **Current Operating Profit** to show positive organic growth
- **Currencies and Scope** to reduce COP by **8.0 M€** and **2.0 M€**, respectively



REMY COINTREAU