



RÉMY COINTREAU

Paris, 22 January 2021

9-month sales 2020/21
(April – December 2020)

Strong Q3 recovery Confidence in full-year guidance

The Rémy Cointreau group posted sales of **€780.9 million** in the first nine months of its financial year 2020/21, down 4.1% on a reported basis and down 1.6%* on an organic basis (assuming constant exchange rates and consolidation scope). Even amid the continuing significant impact of the global COVID-19 pandemic, the Group's sales **bounced back 25.1%* in the third quarter** (after falling 16.4%* in the first half of the year).

Thanks to very strong growth in the third quarter (up 33.1%*), year-to-date sales of **Cognac** were stable (on an organic basis). This performance was mainly driven by catch-up effects in the United States, where consumption remains very buoyant, and a quickening recovery in Mainland China. The **Liqueurs & Spirits** division also enjoyed an upturn in the third quarter (up 7.2%*), led by the United States, Australia and the United Kingdom. The division's sales were down 6.2% on an organic basis over the nine-month period. Generally speaking, they continue to be adversely affected by their significant exposure to the on-trade channel (particularly in Europe).

The **Americas** region has posted strong growth in the year-to-date thanks to excellent performance in the United States. Despite returning to modest growth in the third quarter, buoyed by Mainland China and Australia, sales in the **Asia-Pacific** region as a whole continued to decline over the period. Lastly, the **Europe, Middle East & Africa** region showed a sequential improvement in the third quarter but continued to be hit hard by the closure of the on-trade channel. Only the United Kingdom has really seen dynamic at-home consumption since the start of the pandemic.

Breakdown of sales by division:

(€m)	9 months to 31/12/20	9 months to 31/12/19	Change	
			Reported	Organic ^(*)
Cognac	572.5	588.9	(2.8%)	0.1%
Liqueurs & Spirits	187.2	202.5	(7.6%)	(6.2%)
Subtotal: Group Brands	759.6	791.4	(4.0%)	(1.5%)
Partner Brands	21.2	22.7	(6.4%)	(5.8%)
Total	780.9	814.0	(4.1%)	(1.6%)

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

Cognac

Cognac sales held steady over the nine-month period (up 0.1%^(*)). After declining 18.1%^(*) in the first half, they grew very strongly in the third quarter, up 33.1%^(*), thanks to catch-up effects in US shipments, where our brands continue to enjoy a very strong demand for at-home consumption. Momentum also quickened in China thanks to the success of our cognac brands during the Mid-Autumn Festival and “Double Eleven” celebrations. Although their decline slowed, duty-free sales remain weak and the slow reopening of the on-trade channel continues to affect new markets (Southeast Asia, Africa and Latin America).

Liqueurs & Spirits

Liqueurs & Spirits were down 6.2%^(*) in the year-to-date, though this masked a real recovery in the third quarter (up 7.2%^(*)). Sales at the **House of Cointreau** rose over the period, buoyed by double-digit growth in the third quarter driven by the United States as well as the UK, Australia and Belgium.

The **Whisky business** also posted growth in the year-to-date, with accelerated trends in the main domestic markets making up for lower duty-free sales.

Sales of the **House of Metaxa**, **St-Rémy** brandy, **The Botanist** gin and **Mount Gay** rum all remained depressed over the period, mainly due to persistent weakness in the EMEA region and the duty-free channel.

Partner Brands

After bouncing back over the summer, Partner Brand sales were once again hit by the closure of the on-trade channel in Western Europe. As a result, year-to-date sales were down 5.8%^(*).

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.

Having completed the first nine months of its financial year, the **Group** can thus confidently reiterate its **2020/21 full-year guidance**. As expected, it is anticipating **buoyant organic sales growth in the fourth quarter**, albeit less strong than in the third quarter, due to strategic inventory management. Rémy Cointreau is also maintaining its forecast of **positive organic growth in its 2020/21 Current Operating Profit**.

Furthermore, the Group now estimates that this performance will be tempered by adverse foreign exchange and scope effects of -€8.0 million and -€2.0 million respectively.

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

Sales and organic growth by division

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

€m	Reported 20-21 A	Forex 20-21	Scope 20-21	Organic 20-21 (*) B	Reported 19-20 C	Reported change A/C-1	Organic change (*) 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 20-21 A	Forex 20-21	Scope 20-21	Organic 20-21 (*) B	Reported 19-20 C	Reported change A/C-1	Organic change (*) 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 20-21 A	Forex 20-21	Scope 20-21	Organic 20-21 (*) B	Reported 19-20 C	Reported change A/C-1	Organic change (*) 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%)

Third quarter 2020-21 sales (September-December 2020)

€m	Reported 20-21 A	Forex 20-21	Scope 20-21	Organic 20-21 (*) B	Reported 19-20 C	Reported change A/C-1	Organic change (*) B/C-1
Cognac	267.0	(11.8)	0.2	278.7	209.4	27.5%	33.1%
Liqueurs & Spirits	75.1	(3.2)	1.9	76.4	71.2	5.4%	7.2%
Group Brands	342.1	(15.0)	2.1	355.0	280.6	21.9%	26.5%
Partner Brands	7.9	(0.1)	0.0	8.0	9.6	(17.5%)	(16.6%)
Total	350.0	(15.1)	2.1	363.0	290.2	20.6%	25.1%

9-month sales 2020-21 (April-December 2020)

€m	Reported 20-21 A	Forex 20-21	Scope 20-21	Organic 20-21 (*) B	Reported 19-20 C	Reported change A/C-1	Organic change (*) B/C-1
Cognac	572.5	(17.4)	0.3	589.6	588.9	(2.8%)	0.1%
Liqueurs & Spirits	187.2	(5.0)	2.3	189.8	202.5	(7.6%)	(6.2%)
Group Brands	759.6	(22.4)	2.6	779.4	791.4	(4.0%)	(1.5%)
Partner Brands	21.2	(0.1)	0.0	21.4	22.7	(6.4%)	(5.8%)
Total	780.9	(22.5)	2.6	800.7	814.0	(4.1%)	(1.6%)

(*) 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 to help them understand 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 (i.e. like-for-like) 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.

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