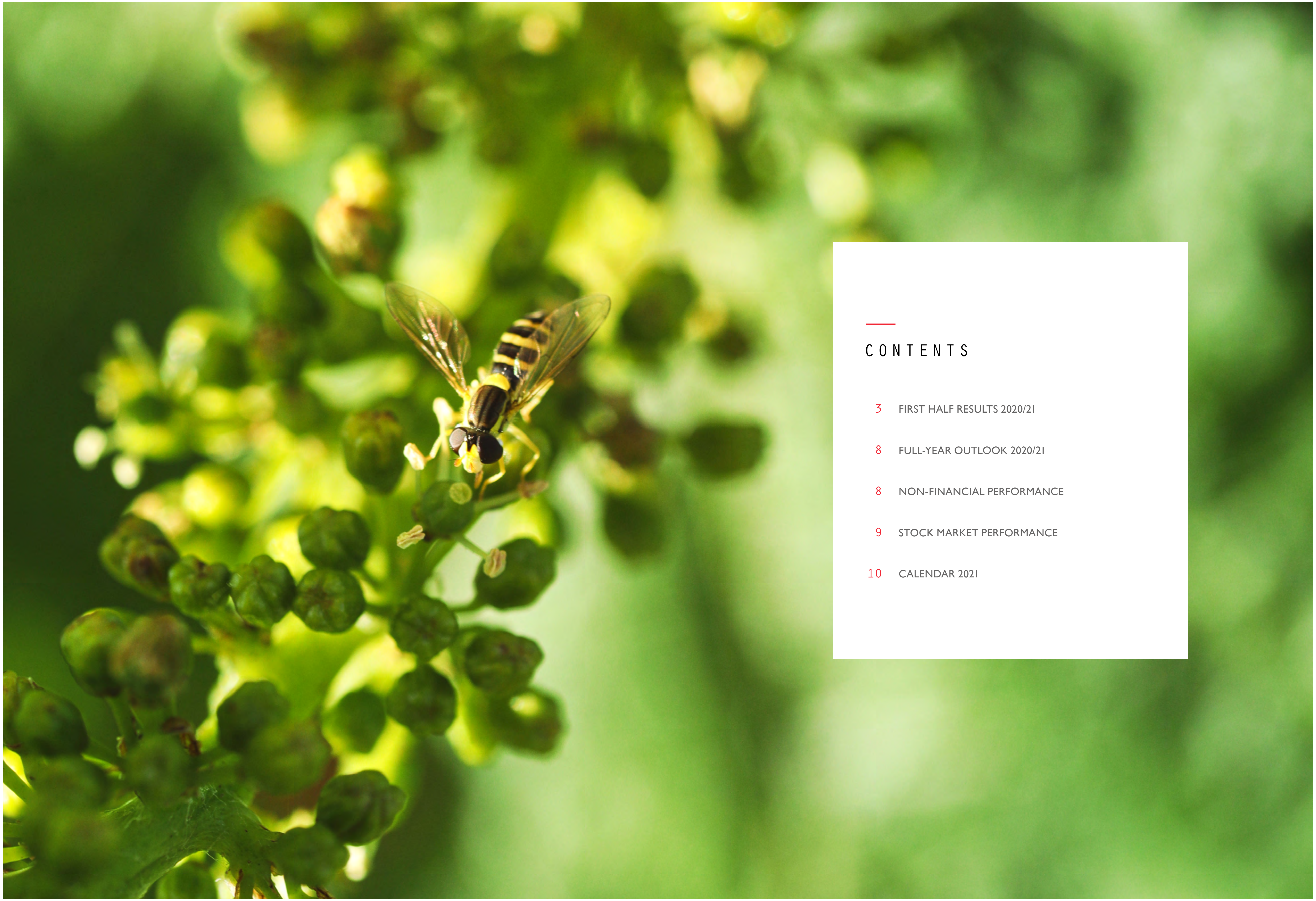
SHAREHOLDERS' LETTER

/ JANUARY 2021

RÉMY COINTREAU

RESULTS FOR THE FIRST HALF 2020/2021



CONTENTS

BETTER THAN EXPECTED INTERIM RESULTS AMID A GLOBAL PANDEMIC FULL-YEAR RESULTS NOW EXPECTED TO SHOW GROWTH*

Over the six-month period ending September 2020, Rémy Cointreau posted sales of **€430.8 million**, down 17.8% on a reported basis and 16.4% on an organic basis (assuming constant exchange rates and consolidation scope), against the backdrop of a global pandemic.

Current Operating Profit came in at **€106.2 million**, down 23.2% (down 22.5% on an organic basis). **The current operating margin proved resilient at 24.7%, down only 1.7 percentage points**. While the gross margin fell 2.1 percentage points (on an organic basis) as a result of lower volumes and an unfavourable product mix, investment in communications (ratio down 0.6 percentage point) and overheads, distribution and holding company costs (ratio up only 0.4 percentage point) were well controlled. Foreign exchange effects were slightly unfavourable over the period (-€1.0 million).

Excluding non-recurring items, net profit attributable to the Group came in at **€65.2 million**, down 23.0%.

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

COGNAC

Cognac sales declined 18.1% on an organic basis (down 19.5% on a reported basis) over the period, showing a genuine improvement between the first and second quarters. This decline was the combined result of an 8.1% fall in volumes and a 10.0% deterioration in price mix effects against the backdrop of a pandemic not conducive to celebratory events. Sales were also adversely affected by destocking by wholesalers, the fall in duty-free sales and the slow reopening of the on-trade channel. These factors were partly offset by strong growth in at-home consumption in a number of countries, and particularly in the United States, where the Group's brands benefited from buoyant demand, in a favourable context of move upmarket. Moreover, remarkable growth in the Group's brands during the Mid-Autumn Festival confirmed the recovery in the Chinese market over the second quarter.

Current Operating Profit totalled €93.6 million, down 26.3% on a reported basis, while the current operating margin came out at 30.6%, down 2.8 percentage points. This decline was the result of a lower gross margin (affected in particular by the unfavourable price/mix), while investment in communications was adjusted in response to circumstances, with a reduction in non-strategic spend and a tangible increase in digital spend. Strict control over other costs also helped the margin.

LIQUEURS & SPIRITS

Sales of Liqueurs & Spirits declined 13.6% on an organic basis (down 14.6% on a reported basis) over the first half. The House of Cointreau showed resilience thanks to strong growth in its main market, the United States, while other brands all posted marked declines, mainly due to a disappointing summer tourist season and their significant exposure to the on-trade and duty-free channels.

Current Operating Profit totalled €18.6 million, down 11.1% on a reported basis, giving a current operating margin of 16.6%, up 0.6 percentage point, buoyed by a significant uplift in profitability at the House of Cointreau, which was helped by a very favourable country mix (United States) and distribution channel mix (at-home consumption).

PARTNER BRANDS

Partner Brand sales were up 2.1% on an organic basis in the half-year thanks to a genuine recovery in the Benelux countries in the second quarter, the effects of which are also reflected in Group brands.

Current Operating Profit thus came in at €0.5 million, compared with a €0.6 million loss in the six months to 30 September 2019.

CONSOLIDATED RESULTS

Current Operating Profit (COP) came in at €106.2 million, down 23.2% on a reported basis and 22.5% on an organic basis. This was mainly due to a 24.1% decline in **Current Operating Profit from Group brands**, partly offset by an improvement in Partner Brands' COP and a significant fall in holding company costs.

Foreign exchange effects were slightly unfavourable over the half-year, coming in at **-€1.0 million**: the average euro/dollar exchange rate deteriorated (coming out at 1.14, compared with 1.12 for the six months to 30 September 2019), while the average collection rate (linked to the Group's hedging policy) over the period came out at 1.16, stable relative to the six months to 30 September 2019.

Consequently, the **current operating margin fell 1.7 percentage points to 24.7%** over the first half (down 1.9 percentage points on an organic basis).

Operating profit came in at **€106.0 million** after taking into account a net operating expense of €0.2 million.

Net financial income/expense showed a net expense of **€8.0 million** over the period, down €6.4 million. While the cost of gross financial debt held more or less steady at €6.1 million, other finance costs declined €4.4 million as a result of changes in the terms of some eaux-de-vie supply contracts since the start of the financial year. Net foreign exchange gains/losses showed a €0.6 million loss in the half-year, compared with a €2.4 million loss in the six months to 30 September 2019.

The **tax expense** totalled **€33.1 million**, giving an effective tax rate of **33.8%** (similar rate excluding non-recurring items), higher than the rate at September 2019 (31.7% on a reported basis and excluding non-recurring items) as a result of changes in the geographical breakdown of profit and, in particular, weak performance in duty-free and the Asia-Pacific region over the half-year.

Net profit attributable to the Group came in at **€65.0 million**, down 28.1% on a reported basis. For reference, net profit for the first half of financial year 2019/20 included net proceeds of €6.3 million from the disposal of the Group's subsidiaries in the Czech Republic and Slovakia.

Excluding non-recurring items, net profit attributable to the Group came in at **€65.2 million**, down 23.0%, giving a net margin of 15.1% (down 1.1 percentage points).

Excluding non-recurring items, net earnings per share came in at **€1.31**, down 23.1%.

Net debt stood at **€427.3 million**, down €23.6 million from the position at end March 2020 and €31.6 million from the position at end September 2019. This was a result of strict control over manufacturing investment amid the global pandemic as well as the fact that 80% of shareholders opted to take their dividends in shares this year, with the cash balance paid in October (i.e. in the second half). Last year, all dividends (ordinary and extraordinary) were paid in cash during the first half of financial year 2019/20.

As a result, the **net debt/EBITDA ratio** came out at **2.04x**, compared with 1.39x at end September 2019.

POST-CLOSING EVENTS

On **16 October 2020**, the Rémy Cointreau Group announced that it had acquired a majority stake in Champagne J. de Telmont, including its brands, inventory, production facilities and property assets on its estate as well as vineyards in the Champagne region.

FULL-YEAR OUTLOOK 2020/21

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 the first half over, the Group continues to expect **a real recovery in the second half**, driven by the United States and Mainland China. For financial year 2020/21, Rémy Cointreau is thus forecasting **positive organic growth in its Current Operating Profit**. On current estimates, this performance is likely to be slightly tempered by adverse foreign exchange and scope effects of €5.0 million and €3.0 million respectively.

_KEY FIGURES

Millions of euros (€m)	to 30/09/20 reported	to 30/09/19 reported	Change reported	Change organic*
Sales	430.8	523.9	(17.8%)	(16.4%)
Current Operating Profit — Group Brands	112.2	147.9	(24.1%)	(23.4%)
Current Operating Profit — Group	106.2	138.3	(23.2%)	(22.5%)
Current operating margin	24.7%	26.4%	-1.7pt	-1.9pt
Net profit — attributable to the Group	65.0	90.5	(28.1%)	(28.5%)
Net profit — excl. non-recurring items	65.2	84.6	(23.0%)	(23.6%)
Net margin excluding non-recurring items	15.1%	16.2%	-1.1pt	-1.4pt
EPS — after minority interests (€)	1.30	1.82	(28.3%)	-
EPS — excluding non-recurring items (€)	1.31	1.70	(23.1%)	-
Net debt/EBITDA ratio	2.04	1.39	+0.65pt	-

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

_CURRENT OPERATING PROFIT BY DIVISION

Millions d'euros (m€)	to 30/09/20 reported	to 30/09/19 reported	Change reported	Change organic*
Cognac	93.6	126.9	(26.3%)	(25.1%)
As % of sales	30.6%	33.4%	+2.8pts	-2.8pts
Liqueurs & Spirits	18.6	21.0	(11.1%)	(13.4%)
As % of sales	16.6%	16.0%	+0.6pt	-0.0pt
Subtotal: Group Brands	112.2	147.9	(24.1%)	(23.4%)
As % of sales	26.9%	29.0%	-2.1pts	-2.3pts
Partner Brands	0.5	(0.6)	-	-
As % of sales	3.6%	-4.5%	+8.1pts	+7.5pts
Holding company costs	(6.5)	(9.0)	(28.4%)	(29.1%)
Total	106.2	138.3	(23.2%)	(22.5%)
As % of sales	24.7%	26.4%	-1.7pt	-1.9pt

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

Louis XIII store in Shenzhen

NON-FINANCIAL PERFORMANCE

As the 5th anniversary of COP 21 has just been celebrated (which was held in Paris in December 2015), we are delighted to share with you four recent events concerning the group's commitment to Corporate, Social and Environmental Responsibility. For over 15 years, our CSR projects are increasing year after year, and these "rewards" attest to their validity. They also encourage us to continue and expand our actions. And indeed, our ambition remains very important: 100% sustainable agriculture and renewable energies by 2025 and a "decarbonization" of the group by 2050.

_RÉMY COINTREAU WINS THE 2020 TROPHY FOR "BEST EXTRA-FINANCIAL PERFORMANCE STATEMENT"

On the 20th anniversary of the CSR and Global Performance Trophy ceremony organized by the French Superior Council of the Order of Chartered Accountants (CSOEC) and the National Company of Statutory Auditors (CNCC), the Rémy Cointreau Group was awarded the Trophy for the "Best Extra-Financial Performance Statement produced in response to Article L.225-102-1 of the French Commercial Code".

_RÉMY COINTREAU AWARDED "CLIMATE LEADERSHIP" STATUS BY THE CDP

For the first time, the Carbon Disclosure Project (CDP) has awarded the Rémy Cointreau group "Leadership" status in climate matters, with an A- rating for 2020. This rating rewards the world's most transparent companies in terms of environmental reporting. Our Group is delighted with its strong progress of two levels in one year. 776 companies worldwide have reached this level, representing only 8% of the 9,526 companies analyzed this year. Our sector (Food & Beverage Europe) is on average ranked C (Awareness).

_REMY COINTREAU RANKED NUMBER 1 RESPONSIBLE COMPANY AMONG FRENCH FOOD & BEVERAGE COMPANIES

Rémy Cointreau was ranked the most "Responsible" company within the French Food & Beverage sector by Le Point magazine, based on social, environmental and governance criteria. All sectors combined, the Group ranked 26th. A survey was conducted among 5,000 people on their assessment of French companies' CSR Commitment and accounted for 30% of the score. In addition, Statista noted around twenty key indicators in each of the three themes (e.g. amount of waste or carbon emissions for the environment, equal pay index or number of accidents of work for Social, number of women on board or quantity pages of the CSR report for Governance, etc.). These factual criteria accounted for 70% of the score.

_RÉMY COINTREAU NOMINATED FOR THE INTANGIBLE TROPHIES 2020

Among the SBF250 companies, Rémy Cointreau finished in the top three of the winners, alongside Getlink (ex-Eurotunnel) & Nexity, which won the trophy. The Observatory of the Intangible, a community created in 2007, brings together business leaders, public authorities, intellectual services companies and personalities from the academic world, in order to build and disseminate approaches to better identify, measure and activate intangible forces of organizations (human capital, organizational, relational). Its jury, composed of independent personalities, made a ranking according to a rating framework built in partnership with EthiFinance. It consists of 5 equally weighted pillars retained as constituting the intangible (business ethics, CSR policy, relationship with suppliers, relationship with customers and skills management).

STOCK MARKET PERFORMANCE

Performance of the last years: (at the end of November)

One year: 27.5%

Two years: 45.7%

Three years: 29.0%

Four years: 88.1%

CALENDAR 2021

January 22, 2021 Turnover for the 9 months 2020-21

April 23, 2021 Annual turnover 2020-21

June 3, 2021 Annual results 2020-21

July 20, 2021 Turnover for first quarter 2021-22

July 22, 2021 General Meeting 2021

October 22, 2021 Turnover for first half-year 2021-22

November 25, 2021 Half-year results 2021-22

SHAREHOLDER CONTACTS

Laetitia Delaye

+33 (0)7 87 25 36 01

Regulated information in connection with this press release can be found at www.remy-cointreau.com


ST-RÉMY
DISTILLATEUR FRANÇAIS DEPUIS 1886
Signature
SMOOTH & OAKY
FRENCH BRANDY FRANÇAIS
750 ml
PRODUIT DE FRANCE - PRODUCT OF FRANCE
40%alc./vol
GRAPES