Sales for the Full Year 2020/21 ending 31 March 2021

APRIL 23rd, 2021

2020/21 Sales : Key Messages

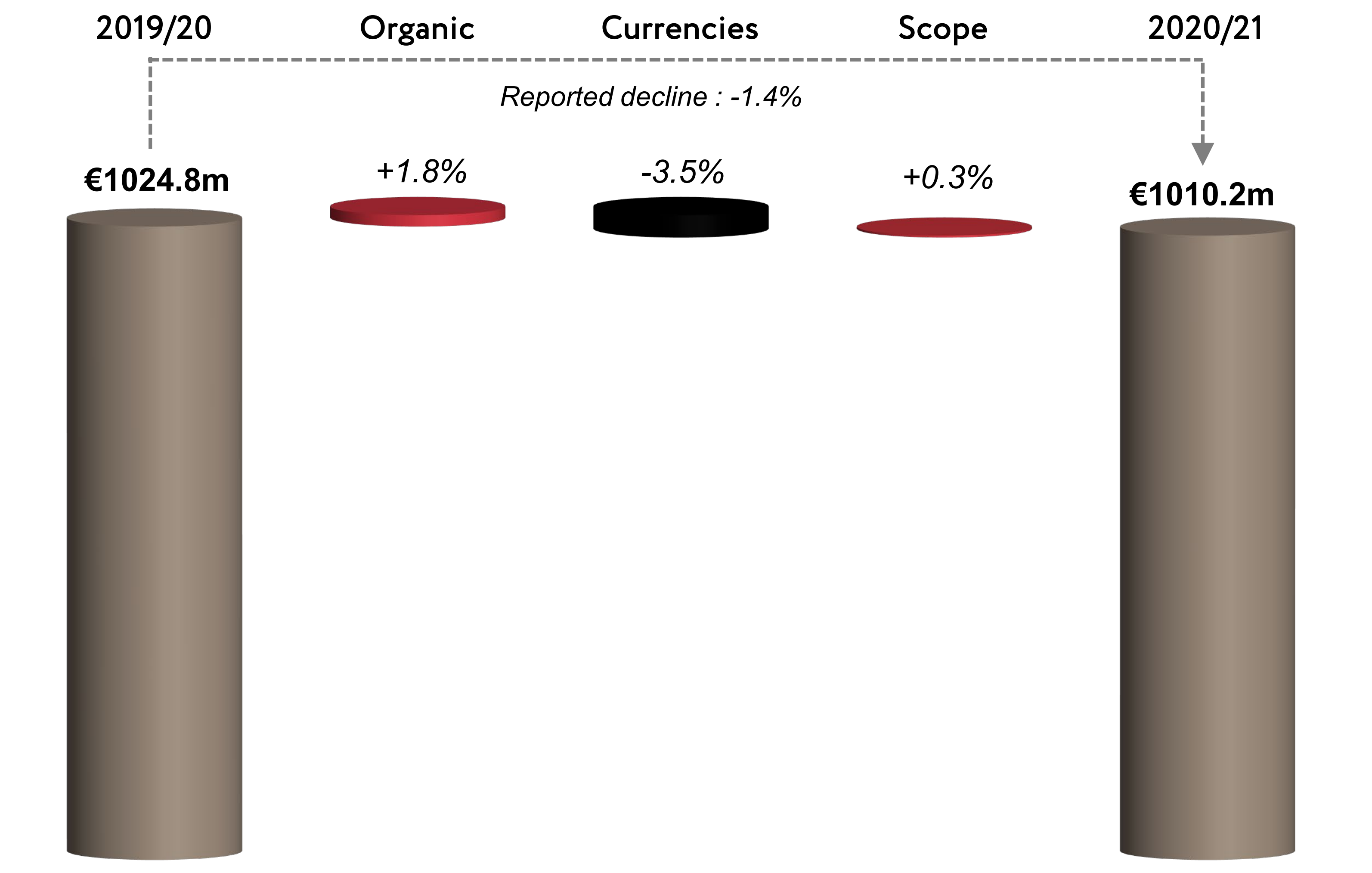
- **A year impacted by the COVID-19 pandemic:**
  - Collapse in duty free sales (along with international airline traffic)
  - Partial closure of the on-trade channel (bars and clubs particularly) significantly impacting sales in Europe (with new lock downs in Q4) and in many markets of South-East Asia, Africa and LatAm
  - Booming at-home consumption in several markets including the US, the UK and Australia
  - Mainland China is "back to normal" with off and on-trade channels having both normalized since summer 2020

- **Strong resilience of the Group: FY2020/21 organic sales up 1.8%, implying ongoing strength in Q4 (+15.1%) after a strong Q3**
  - Q4 mitigated by strategic inventory management in the US
  - Phasing effect that will be favorable for Q1 2021/22

- **FY2020/21 value depletion trends showed strong growth, well above sell-in trends**
  - **Americas:** very strong double-digit growth in the US, driven by booming at-home consumption combined with uptrading trends. Good annual performance in Canada while LatAm was strongly impacted by the lack of tourism
  - **Asia Pacific:** strong trends in Mainland China and Australia/New Zealand partially offset by lingering weakness in the rest of South-East Asia and in Japan
  - **EMEA**: general weakness across the region. Within that context, a few markets enjoyed positive depletion trends, including the UK, Benelux, Switzerland and Germany
  - **Global Travel Retail:** depressed trends across all regions; sequential H2 improvement in GTR Asia led by Hainan

- **Increased confidence in Group's 2020/21 COP outlook:**
  - **FY2020/21 sales performance** slightly above internal expectations
  - **Current Operating Profit** now expected to grow **around +10%**, in organic terms

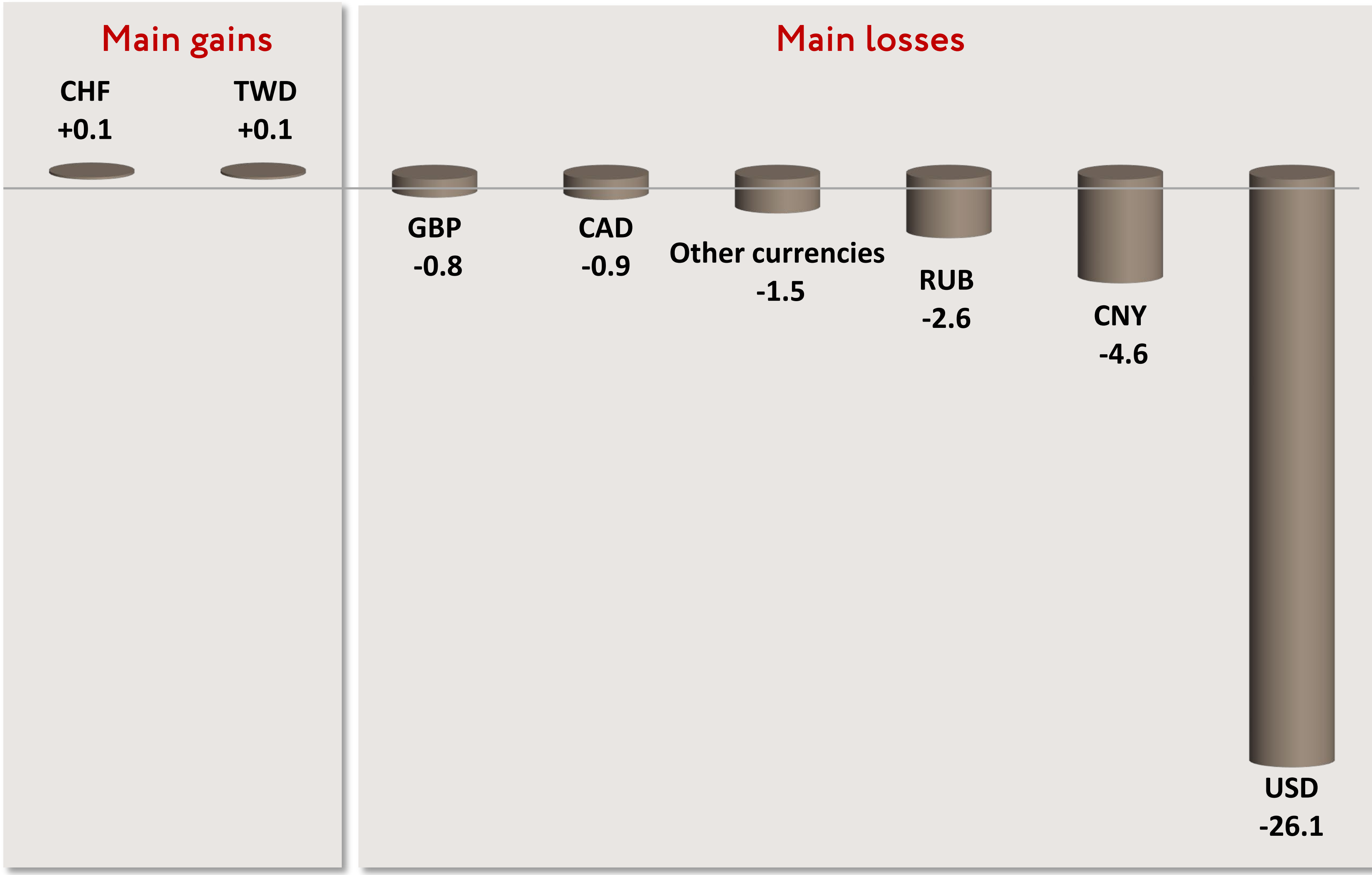
2020/21 Sales Analysis



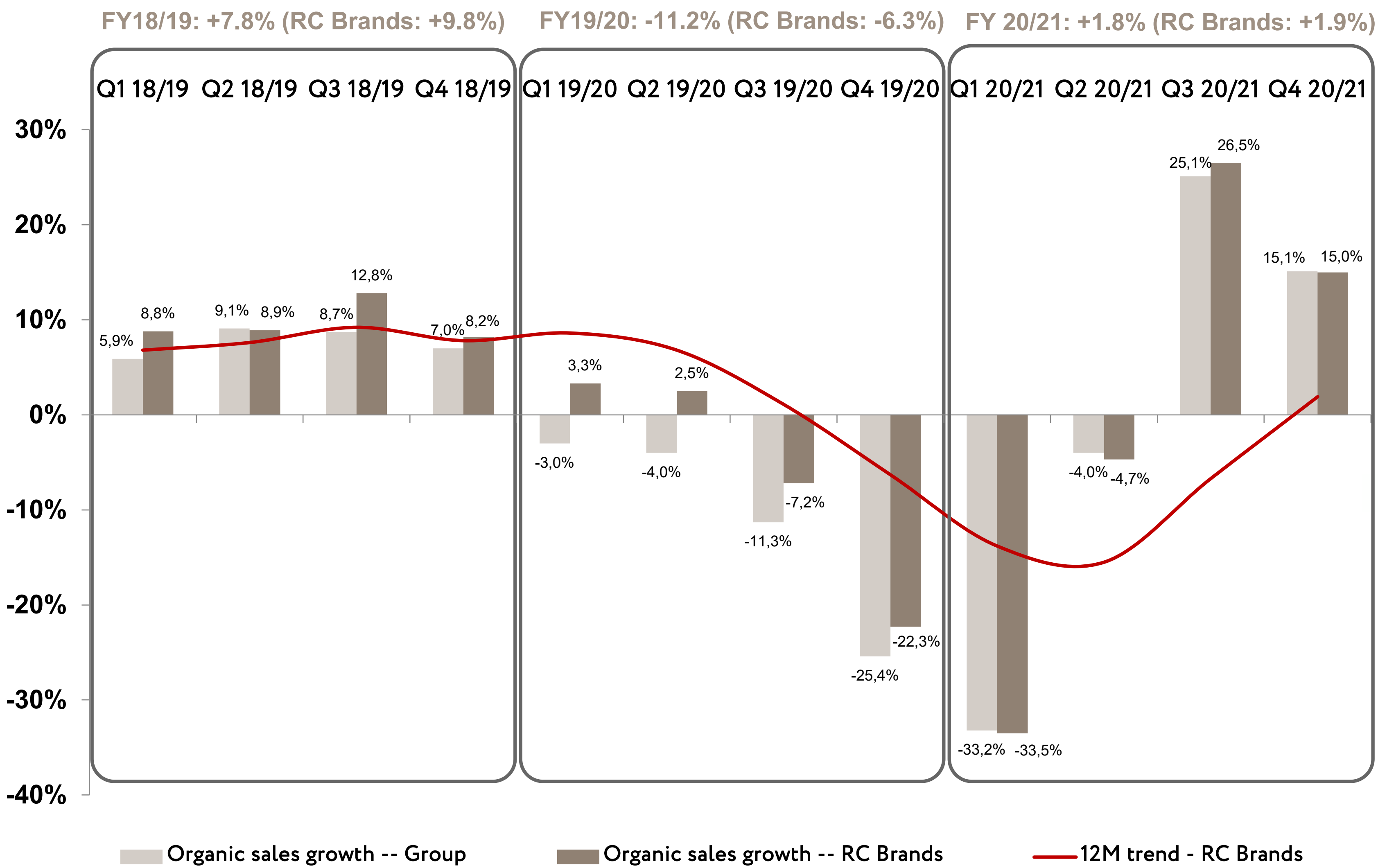
Currency Impact on 2020/21 Sales

Currency translation loss of 36.3 million euros

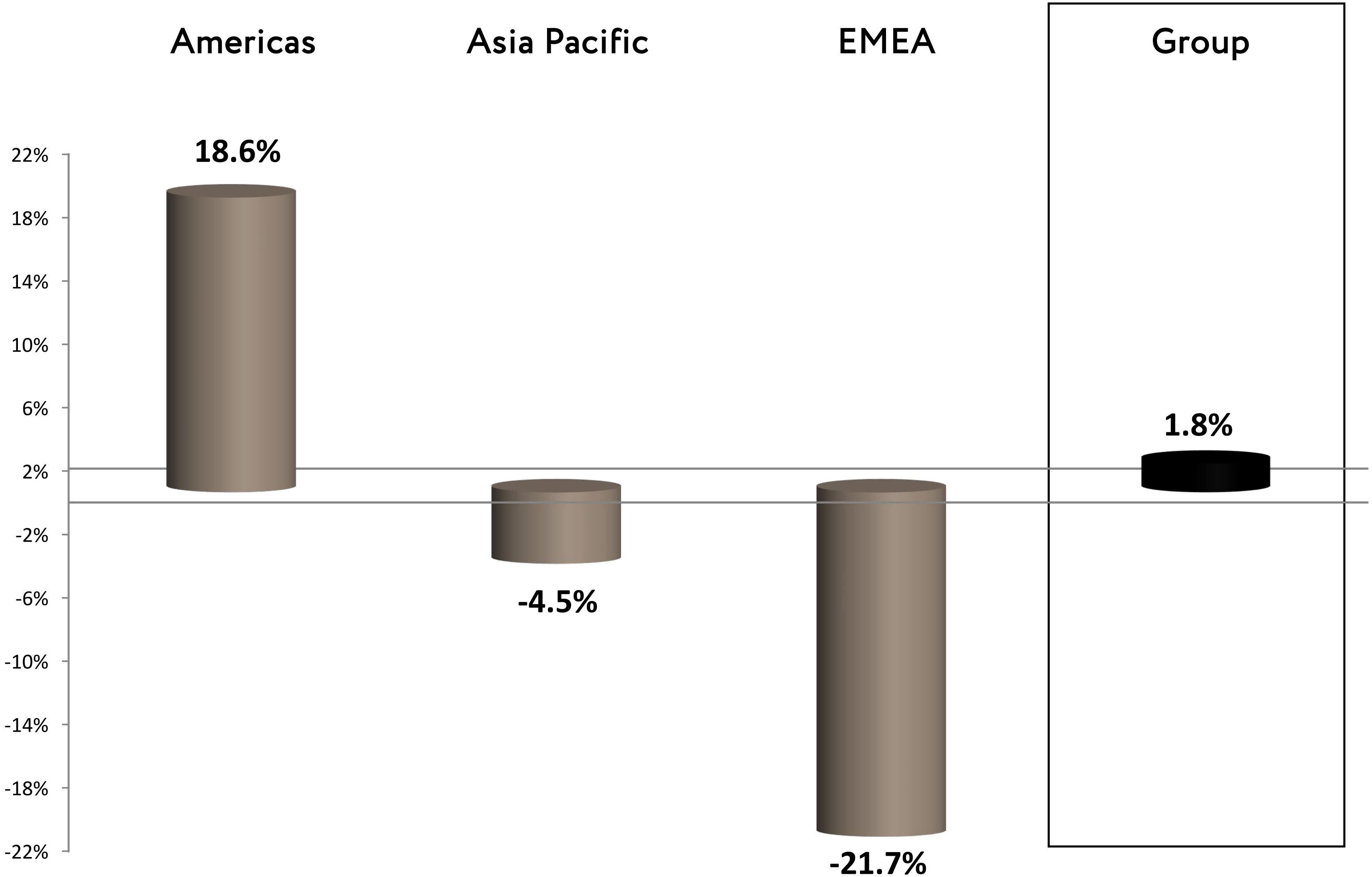
€m



Quarterly Organic Sales Growth



2020/21 organic sales trend by region



2020/21 Organic Sales Trends by Region

Americas organic sales up 18.6%, led by an outstanding performance in the US

- **US: strong double-digit sales growth in FY, led by most brands**
  Based on Nielsen data, Remy Cointreau was the number 2 fastest growing spirits brand owner within the top 20 suppliers in the 12-month period ending March 2021, driven by impressive at-home consumption and strong appetite for our spirits.
    - Group Brands' value depletions over the FY period substantially outpaced sales growth :
      +33.2% over 3M, +47.5% over 6M, +52.5% over 12M
- **Canada :** slight sales decline in the FY, despite good depletion trends, led by Cointreau, St-Rémy and Rémy Martin (encouraging catch-up in Q4)
- **LatAm :** continued double-digit decline due to weak domestic consumption and a fall in tourism
- Very poor performance of the **Travel Retail channel**

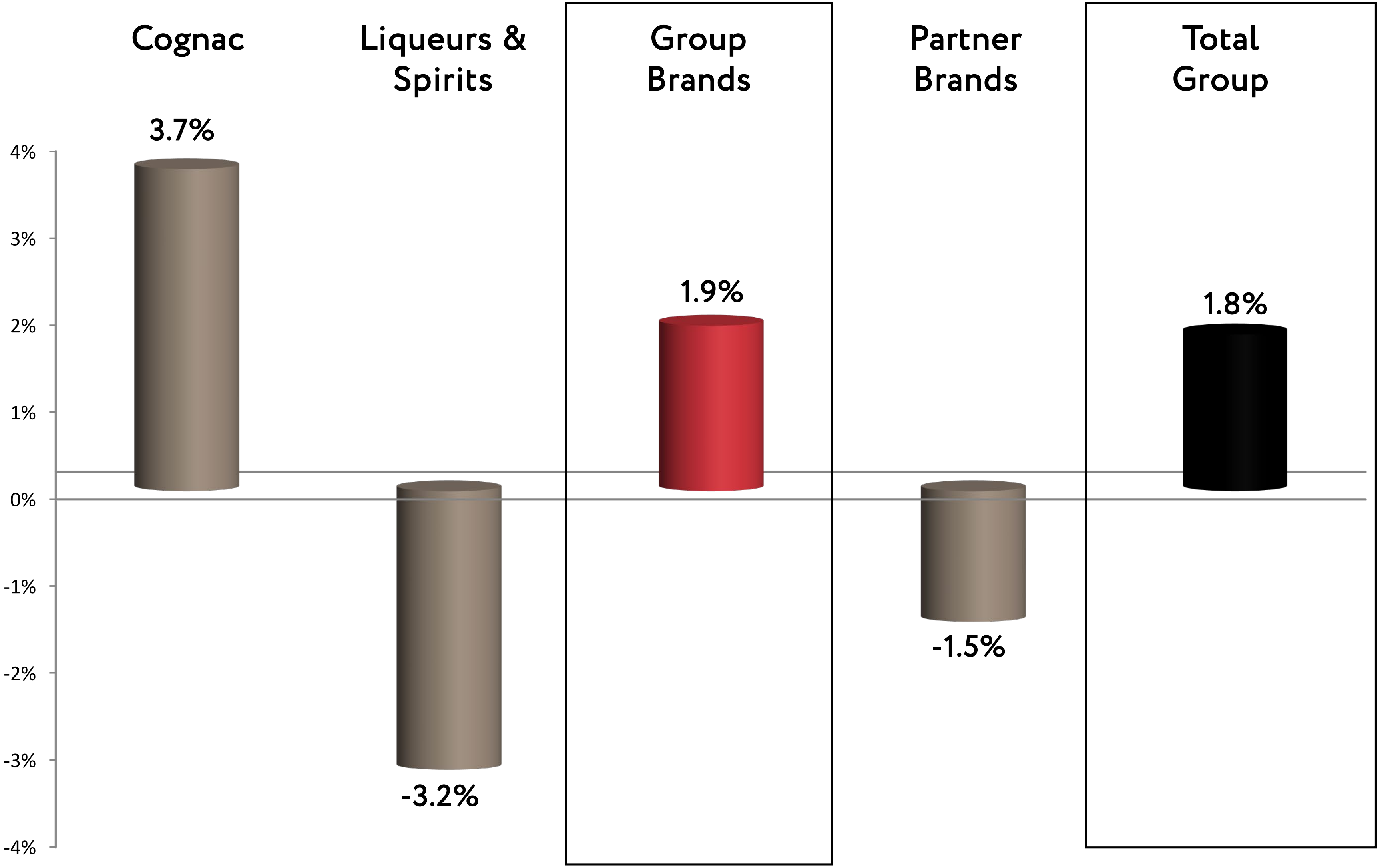
Asia-Pacific organic sales down 4.5%, including very strong double-digit growth in Q4

- **Greater China sales up double-digits in FY, boosted by triple-digit growth in Q4**:
    - FY performance was led by strong double-digit growth in Mainland China and good momentum in Taiwan, while HK and Macau were very weak
    - Q4 sales benefited from the later Chinese New Year (February 12th 2021 vs. January 25th 2020): circa €8M shipments were postponed into Q4
    - Mainland China: value depletions were up strong double-digits in FY, including an excellent Chinese New Year performance in Q4, for both our cognacs and Scottish single malt whiskies.
    - Mainland China: consistent sales growth across all channels of distribution (direct/indirect) in FY
- **Double-digit decline in South-East Asia in the FY :** strong performance in Australia and New Zealand was offset by significant weakness in other markets (on-trade closed or under strict social distancing restrictions, borders still closed for some markets).
- **Travel Retail Asia** : sequential improvement driven by Greater China (Hainan) in H2, but still weak overall

EMEA organic sales down 21.7%, despite a fairly resilient Q4 in domestic markets

- The FY decline was largely driven by **Africa, Central and Western Europe and the Travel Retail channel**
- **A few markets enjoyed positive sales and depletion trends in the FY:** The UK, Switzerland, Benelux and Germany

2020/21 Organic Growth by Division



Cognac (+3.7% OSG in FY)

Americas

- **Strong double-digit sales growth in FY, driven by an excellent performance in the US** while Canada, LatAm and Travel Retail declined
- **Outstanding US cognac depletion trends continued into Q4**, despite strategic inventory management (in particular on 1738)
- **Value depletions:** price/mix **slightly negative** in the 12M period ending March 2021, due to unfavorable product and state mix

	Volume depletion trends to March 2021		
	3 months	6 months	12 months
Cognac market Nielsen	+24.8%	+25.0%	+33.2%
Cognac market NABCA	+25.1%	+35.9%	+40.6%
Cognac market NABCA/Discus	+30.7%	+40.2%	+29.2%
Rémy Martin	**+33.0%**	**+57.5%**	**+64.4%**

Source: Nielsen, NABCA, Discus, Rémy Cointreau

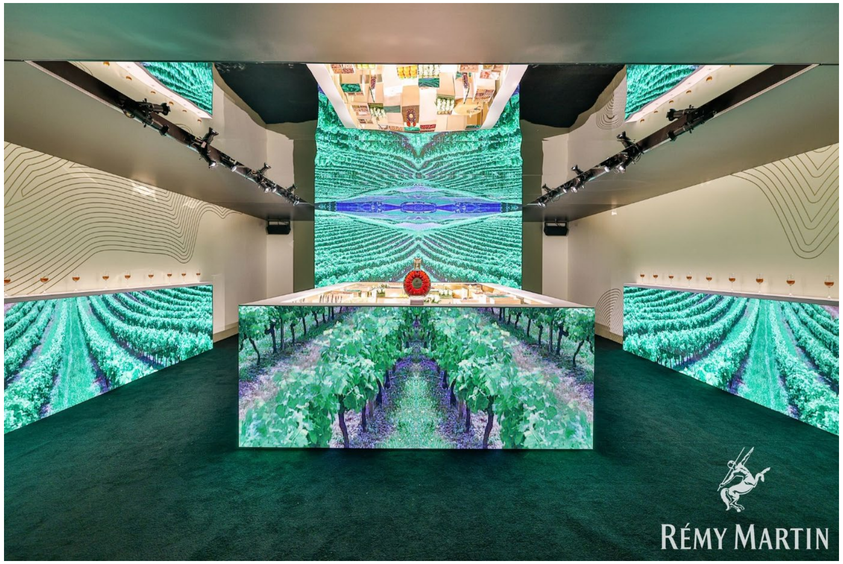
Asia-Pacific

- **Greater China: triple-digit organic sales growth in Q4 drives double-digit growth in the FY**
  - Mainland China enjoyed triple-digit sales trends in Q4 (including an estimated €8M shipment timing from Q3 into Q4, due to the later CNY), led by a very strong Chinese New Year performance, across our cognac portfolio
  - Macau (where casinos and hotels have reopened) should benefit from improved trends going forward, while HK is experiencing lower declines
- **Japan returned to growth in H2, while South-East Asia** remained penalized by on-trade restrictions and closed borders
- Despite ongoing weakness, **Travel Retail Asia showed a sequential improvement in H2,** thanks to initial business in Hainan

Europe, Middle East & Africa

- Strong double-digit decline, led by weakness in most markets as well as in Travel Retail EMEA
- **The UK enjoyed strong growth across the year, while good momentum in Switzerland and Russia was driven by a significant pick-up in H2**

La « Maison Rémy Martin » Guangzhou in China



Rémy Martin VSOP Mixtape Limited Edition in the US

Liqueurs and Spirits (-3.2% OSD in FY)

Cointreau

- **Strong FY performance, led by double-digit sales trends in H2**: double-digit growth in the US, Australia, the UK, Russia and Benelux, was mitigated by weakness in the rest of Europe, in China and in Travel Retail
- In the US, the boom in at-home mixology (success of the original Margarita cocktail) largely offset the on-trade weakness:
  - **Depletion trends accelerated further in the last 3M (+34.2%)**, led by the re-opening of the on-trade and the benefits of the Super Bowl ad
  - Value depletions: price/mix effects of **+6pp** in the 12M period ending March 2021, led by favorable product size mix

	Volume depletion trends to December 2020		
	3 months	6 months	12 months
Cordials market Nielsen	+18.3%	+16.2%	+25.3%
Cordials market NABCA	+4.9%	+7.9%	+4.6%
Cordials market NABCA/Discus	+12.2%	+6.1%	-0.3%
Cointreau	**+34.2%**	**+24.2%**	**+24.3%**

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
- Strong performance in Eastern Europe and in Germany

Mount Gay

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

St-Rémy

- **Low double-digit organic sales decline** driven by the shortfall in Global Travel Retail and weakness in Africa, while the brand enjoyed strong momentum in the US and a good performance in its key Canadian market (depletions +8%)

The Botanist

- **The solid H2 sales rebound (led by the US)** did not fully offset the H1 shortfall and ongoing weakness in Travel Retail

Single-Malt Whiskies

- **Double-digit sales growth across all three macro-regions** more than offset ongoing weakness in Global Travel Retail sales
- **Excellent performance** of the portfolio during the Chinese New Year 2021

Cointreau: The "Love Letter" during Super Bowl

Outlook

Increased confidence in the 2020/21 Outlook….

- **Full-year 2020/21 sales** slightly above internal expectations
- **Current Operating Profit** now expected to grow **around +10%**, in organic terms
- **Currencies and Scope** now expected to reduce COP by **5.0 M€** (vs. 8.0M€ previously) and by **2.0M€** (unchanged), respectively

…as well as in 2021/22 prospects

- **The group anticipates a strong start to 2021/22**, supported by a very favourable base of comparison, shipment phasing benefits and structurally more buoyant consumer trends in the United States


Q&A