



RÉMY COINTREAU

2021-22 H1 Sales

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IN THE NAME OF MOTHER NATURE

October 22, 2021



# Key messages – Very strong performance, above expectations

2021-22 H1  
ORGANIC  
SALES GROWTH  
**+52.0%**  
**+26.9% vs. 2Y**

- Another very strong quarter reflecting sustained underlying demand : **+23.7% of organic growth in Q2 21/22**
- Q2 21/22 sales well above pre-Covid level (+19.4% vs. Q2 19/20) in both Cognac and Liqueurs & Spirits divisions
- Strong rebound in on-trade across regions while off-trade showed steady resilience (strong double-digit growth vs. 2Y)
- On top of strong underlying trends, sales performance has been reinforced by low bases of comparison and some replenishment effects in the US

2021-22 H1  
SALES  
BY REGION

- **AMERICAS** was up **+60.2%**, boosted by buoyant consumption trends in the US and restocking effects
- **APAC** increased by **+49.3%**, benefitting from strong Mid-Autumn Festival
- **EMEA** grew by **+33.5%** led by strong rebound during summer

2021-22 H1  
VALUE  
DEPLETIONS

- Very strong double-digit growth in **China and Europe**
- Back to growth over last 3M at HSD% **in the US** (LSD% over last 6M and very strong double-digit growth over last 12M)

INCREASED  
CONFIDENCE  
IN 2021-22 FY  
GUIDANCE

- **Year of two halves** (H1 > H2) both in sales and COP:
  - Strong FY 21/22 **sales growth** mainly driven by H1 performance
  - A year of increased strategic investments (A&P, OPEX, CAPEX, WCR) over-weighted in H2
  - Strong FY 21/22 **COP growth** will mostly benefit from its exceptional performance in H1

# Q2 highlights - Embracing booming cocktail culture through our hero drinks

*H1 organic sales growth*



Sidecar 100th anniversary  
1738: > +60%



Margarita  
Cointreau: > +50%



Sangria  
St-Rémy: > +30%



# Q2 highlights - Leveraging strong on-trade momentum



The Botanist x Jazz - Dubai



Cointreau summer terrace - London



Pop-up Bar Metaxa - Athens





## Q2 highlights – Mid-Autumn Festival activations



**Super brand day**  
*Livestreaming*



**Pop-up Store MIX-C World LG atrium**  
*Shenzhen*



**New version of XO Luxury Dinner**

## Q2 highlights – Driving uniqueness & desirability

Shanghai



*200 N°XIII red decanters available worldwide  
Limited to one decanter per club per night  
One more step towards exception and rarity*

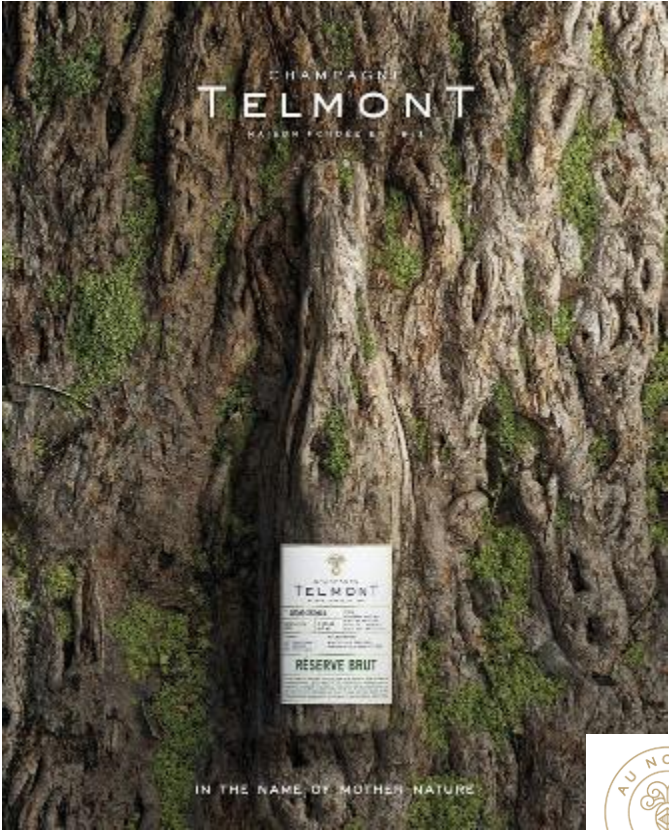


# Q2 highlights – Official relaunch of Champagne Telmont

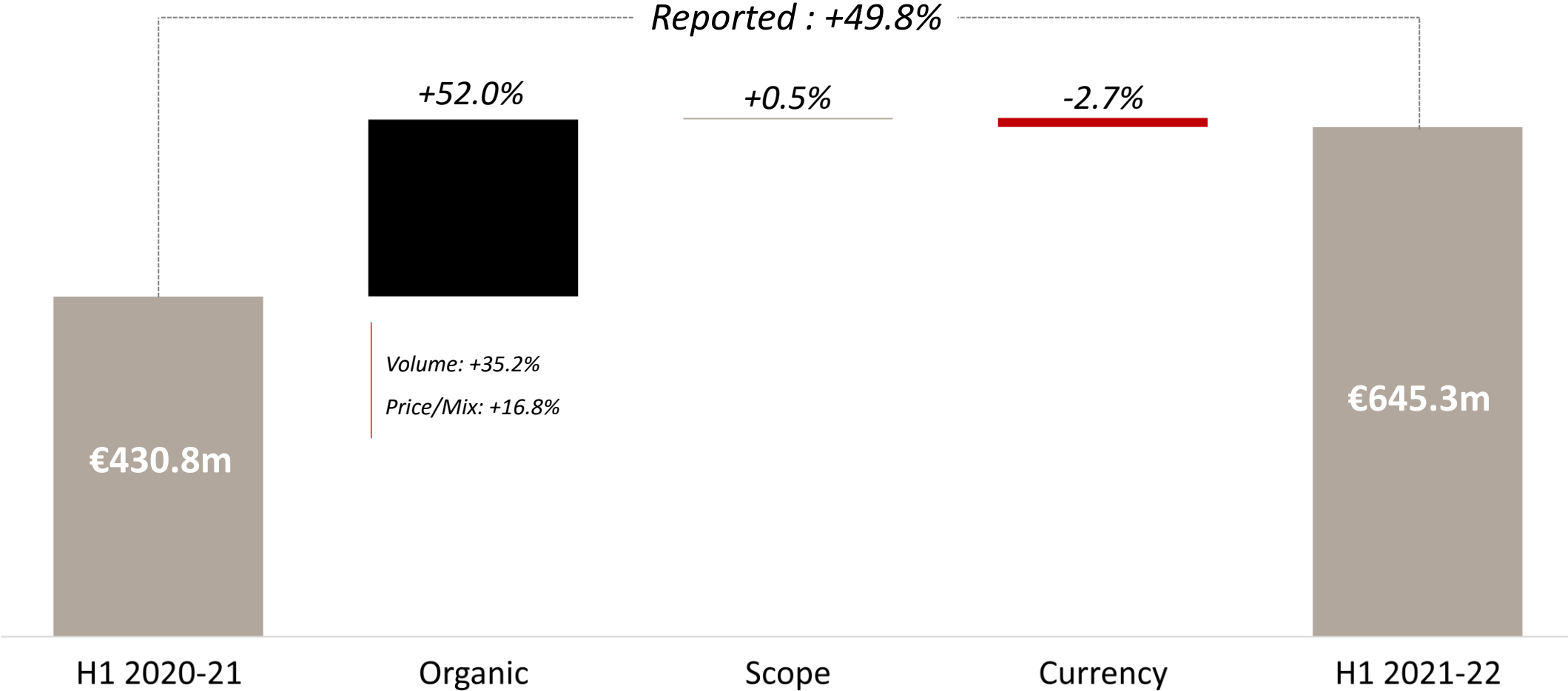
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Revamped & streamlined  
Telmont range

High-end distribution  
in selected cities

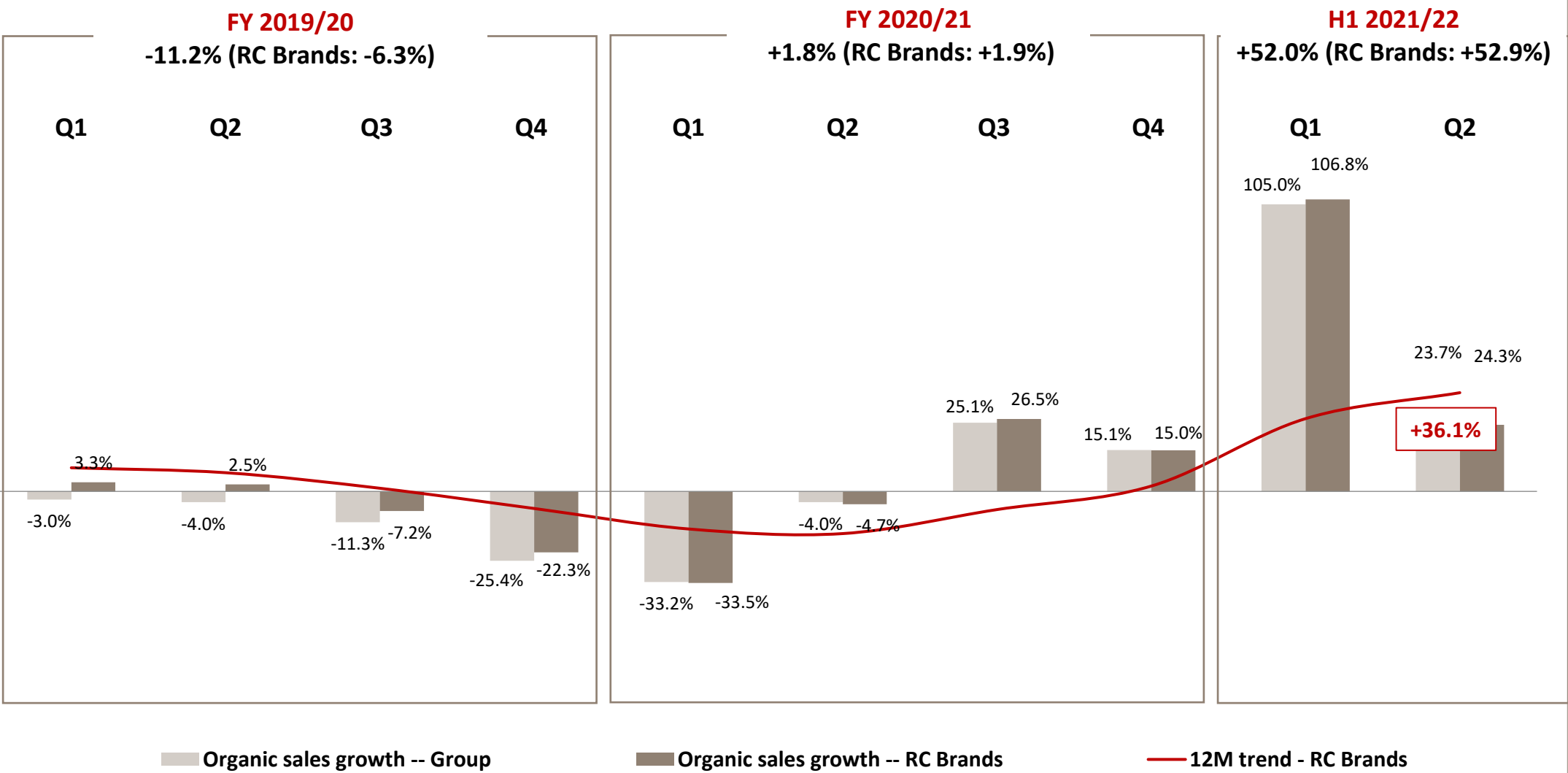


# 21/22 H1 Sales bridge

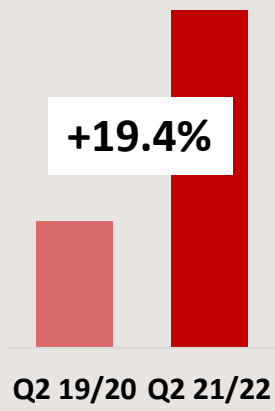
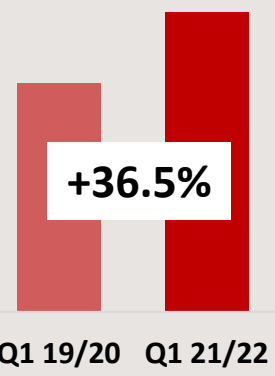




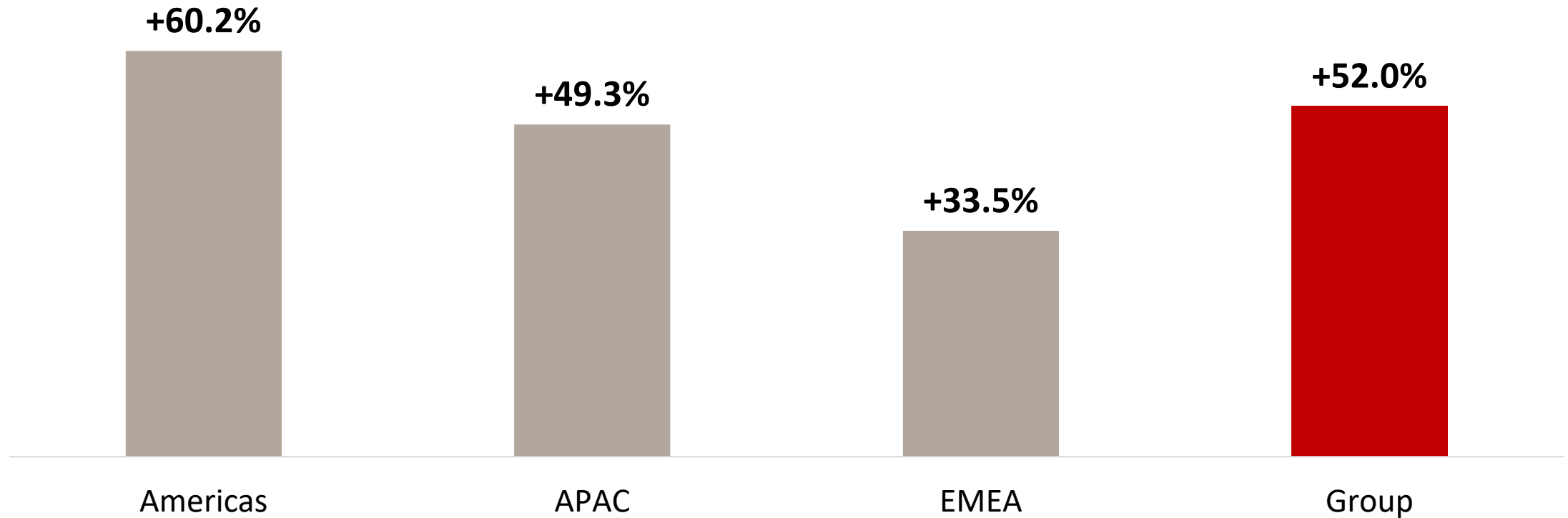
# Quarterly Organic Sales Growth



**Group organic sales growth vs. 2Y**



## 21/22 H1 organic sales growth by region





# 21/22 H1 Organic sales growth by Region

## AMERICAS

55% of H1 Sales

**Sales growth: +60.2%**

### US

Steadily high underlying trends  
Completion of Q1 restocking; persistent tensions on Supply (low level of inventories)  
Strong on-trade rebound showing continued up-trading trends; high off-trade resilience

#### Value depletions:

Back to growth (3M) following replenishments

### Canada

Strong double-digit sales growth led by Cognac, Cointreau and St-Rémy

### Latin America

Triple-digit sales growth  
Continued recovery driven by gradual improvement in tourism flows

## APAC

28% of H1 Sales

**Sales growth: +49.3%**

### China

Very strong double-digit sales growth  
Very good performance during MAF led by CLUB and XO  
Steady high growth on Single-Malts  
Healthy level of inventories

#### Value depletions:

Very strong double-digit growth well-balanced between Cognac and Liqueurs & Spirits

### Rest of Asia

Double-digit sales growth led by Australia and New Zealand (notably Cointreau)  
Lockdowns and public health restrictions weighed on Q2 performance

## EMEA

17% of H1 Sales

**Sales growth: +33.5%**

**Western Europe and the UK** outperformed led by market share gains and new listings

Strong rebound of on-trade since reopening

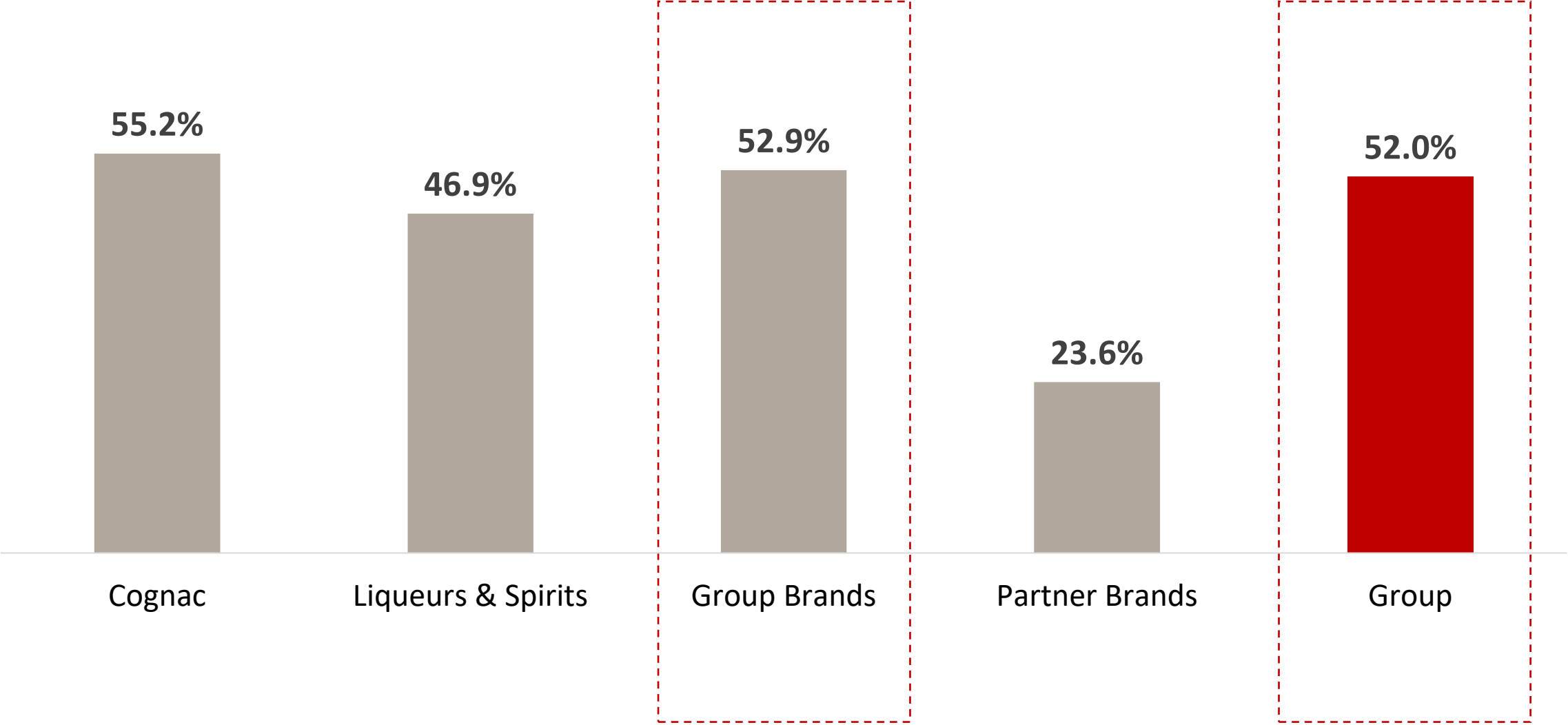
Good summer season supported by improvement in local tourism flows

Sound level of inventories

#### Value depletions:

Very strong double-digit growth in key markets

# 21/22 H1 organic sales growth by Division





# Cognac: organic sales growth of +55.2% in H1 21/22

## AMERICAS

Very strong double-digit sales growth

58% of H1 Sales

**North America:** very strong double-digit sales growth in H1

- Steadily high underlying demand boosted by strong on-trade rebound and off-trade resilience ; consistent up-trading trends
- Completion of replenishments in Q2 ; persistent low level of inventories due to continued tension on logistics and very high demand
- As expected, depletions returned to growth over the last 3 months ; depletions set to remain volatile (supply chain disruptions)

*\* Company sources*

US	Volume depletion trends to Sept. 2021	vs. Sept. 2020			vs. Sept. 2019 (2Y-basis)		
		3M	6M	12M	3M	6M	12M
	Market Nielsen	-19.0%	-11.6%	5.8%	18.9%	24.5%	29.6%
	Market NABCA	-11.7%	-3.3%	5.1%	10.7%	14.8%	15.1%
	Market NABCA/Discuss	-16.8%	-10.1%	2.3%	1.3%	1.7%	3.2%
	<b>Rémy Martin*</b>	<b>1.4%</b>	<b>-6.9%</b>	<b>17.9%</b>	<b>69.8%</b>	<b>59.8%</b>	<b>51.8%</b>

**Price/mix: +5 pp**  
12M period (Sept.-21 vs. LY)

**Latin America:** triple-digit sales growth led by Rémy Martin XO and supported by US tourism gradual recovery in Q2

## APAC

Very strong double-digit sales growth

34% of H1 Sales

**China:** very strong double-digit sales growth in H1

- **Mainland China** recorded very high level of growth across Cognac portfolio (Louis XIII, XO and CLUB) ; Strong results during MAF
- **Hong-Kong** showed continued recovery in Q2; **Macau** generated strong growth in Q2 despite a slowdown of tourism from Guangdong; **Taiwan** was still impacted in Q2 by strict sanitary restrictions

**Rest of Asia** recorded very strong double-digit sales growth, mainly driven by Q1 ; Q2 impacted by on-trade closures in several key cities such as Sydney, Victoria and Auckland as well as public health restrictions (Japan, Singapore)

## EMEA

Strong double-digit sales growth

8% of H1 Sales

- Strategic management inventory of Cognac in EMEA weighed on Q2 performance: priority given to the US, China and key European markets
- **Western Europe and the UK** continued to outperform in Q2

# Liqueurs & Spirits: organic sales growth of +46.9% in H1 21/22

## AMERICAS

Very strong double-digit sales growth

50% of H1 Sales

**North America:** double-digit sales growth

- **Cointreau:** double-digit sales growth driven by high demand in on-trade and positive phasing effect in Q1; continued positive trends in depletions despite high comps ; very strong performance of **St-Rémy** supported by positive results from the launch of Signature dedicated to younger generation ; excellent performance of **The Botanist** driven by distribution gains in on-trade and growing awareness

	Volume depletion trends to Sept. 2021	vs. Sept. 2020			vs. Sept. 2019 (2Y-basis)		
		3M	6M	12M	3M	6M	12M
US	Market Nielsen	-11.3%	-13.3%	2.7%	17.8%	21.3%	18.6%
	Market NABCA	7.6%	17.6%	12.5%	17.7%	18.8%	14.7%
	Market NABCA/Discuss	7.7%	23.2%	13.7%	10.3%	13.9%	6.6%
	Cointreau*	6.8%	14.2%	18.7%	31.6%	41.6%	33.2%

\* Company sources

**Price/mix: flat**  
12M period (Sept.-21 vs. LY)

**Latin America:** triple-digit sales growth supported by low base of comps. and the excellent performance of Cointreau in touristic areas

## EMEA

Very strong double-digit sales growth

38% of H1 Sales

- Very strong double-digit sales growth led by all regions (especially Western & Eastern Europe as well as the UK) and brands
- Strong rebound of on-trade during summer helped by relatively good tourism flows
- **Cointreau** and **the Botanist** outperformed, boosted by market share gains in key markets and new listings in France and Spain
- **Metaxa:** strong double-digit growth led by Greece and Germany ; solid commercial execution and marketing plan to rejuvenate the brand
- **Whisky portfolio** recorded double-digit growth reflecting new listing gains in Q1

## APAC

Very strong double-digit sales growth

12% of H1 Sales

**China:** strong double-digit growth led by **Single-Malt whiskies** which benefitted from the very good dynamics of the category as well as its strong desirability among younger generations (especially in the south of China) ; **The Botanist** generated another quarter of strong growth supported by a strengthened route-to-market as well as the good performance of the gin category's high-end segment

**Rest of Asia:** double-digit sales despite sequential deceleration in Q2 in Japan where on-trade was impacted by public health restrictions



# 2021-22 outlook

## Increased confidence in FY guidance

- **Confidence in continued outperformance** of the exceptional spirits market
- 2021/22 is expected to be a **year of two halves both in sales and COP** :
  - **Strong sales growth** expected for the year, mainly driven by **H1 performance**
  - **Significant increase in strategic investments** will be **over-weighted** in H2
  - **Strong full year COP growth** will mostly benefit from its **exceptional growth** in H1, tempered by:
    - Currency effects: between - **€10m** and - **€14m**
    - Scope effect : **circa - €2m**

# COINTREAU

THE ART OF THE MIX



MARGARITA = COINTREAU + TEQUILA + LIME

# Appendices

# Quarterly Sales by division

<i>In €m</i>	Q1 21/22	Q1 20/21	Reported %	Organic % vs. Q1 20/21	Organic % vs. Q1 19/20
Cognac	199.6	98.7	102.3%	114.4%	29.8%
Liqueurs & Spirits	85.3	46.1	84.9%	90.5%	58.0%
<b>Subtotal: Group Brands</b>	<b>284.9</b>	<b>144.8</b>	<b>96.8%</b>	<b>106.8%</b>	<b>37.0%</b>
Partner Brands	8.2	5.3	55.6%	55.3%	21.8%
<b>Total</b>	<b>293.1</b>	<b>150.1</b>	<b>95.3%</b>	<b>105.0%</b>	<b>36.5%</b>

<i>In €m</i>	Q2 21/22	Q2 20/21	Reported %	Organic % vs. Q2 20/21	Organic % vs. Q2 19/20
Cognac	265.0	206.8	28.2%	26.9%	24.7%
Liqueurs & Spirits	78.8	66.0	19.5%	16.5%	3.4%
<b>Subtotal: Group Brands</b>	<b>343.8</b>	<b>272.7</b>	<b>26.1%</b>	<b>24.3%</b>	<b>19.2%</b>
Partner Brands	8.4	8.1	4.3%	2.9%	30.7%
<b>Total</b>	<b>352.2</b>	<b>280.8</b>	<b>25.4%</b>	<b>23.7%</b>	<b>19.4%</b>

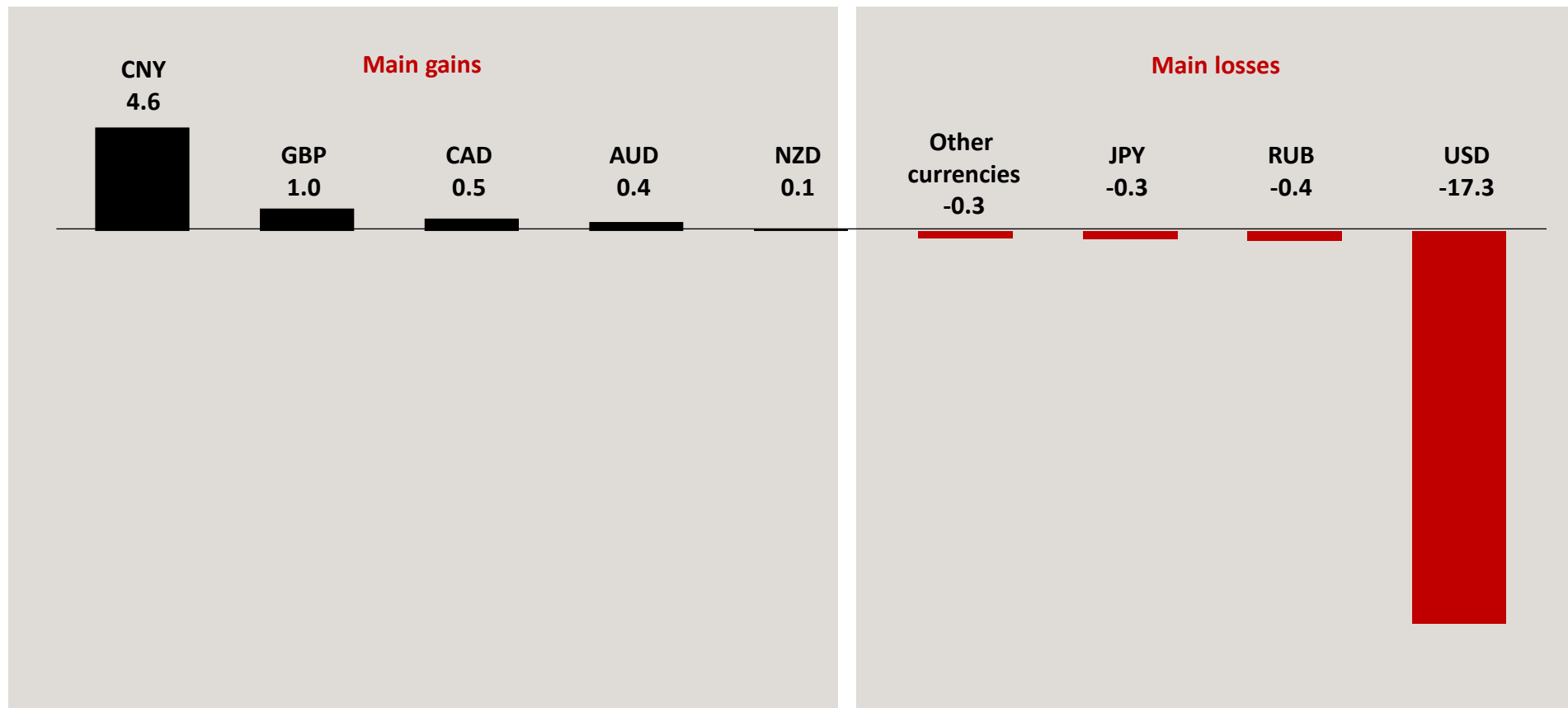
<i>In €m</i>	H1 21/22	H1 20/21	Reported %	Organic % vs. H1 20/21	Organic % vs. H1 19/20
Cognac	464.6	305.4	52.1%	55.2%	27.0%
Liqueurs & Spirits	164.1	112.1	46.4%	46.9%	26.9%
<b>Subtotal: Group Brands</b>	<b>628.7</b>	<b>417.5</b>	<b>50.6%</b>	<b>52.9%</b>	<b>26.9%</b>
Partner Brands	16.6	13.3	24.6%	23.6%	26.1%
<b>Total</b>	<b>645.3</b>	<b>430.8</b>	<b>49.8%</b>	<b>52.0%</b>	<b>26.9%</b>



# Key currency impacts on 21/22 H1 Sales

**21/22 H1 total currency impact: -€11.7m**

(In €m)





Q&A