



RÉMY COINTREAU

2021-22 H1 Results



November 25, 2021



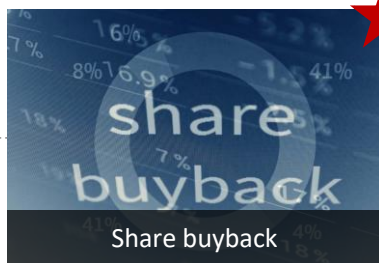
Marc Hériard Dubreuil,
Chairman

Record performance in 2021-22 H1

A half-year packed with initiatives

2021-22 H1

BUSINESS



June 2021



June 2021



Oct. 2021



Nov. 2021

SUSTAINABILITY



June 2021



June 2021



June 2021



Nov. 2021

RECORD KPIS

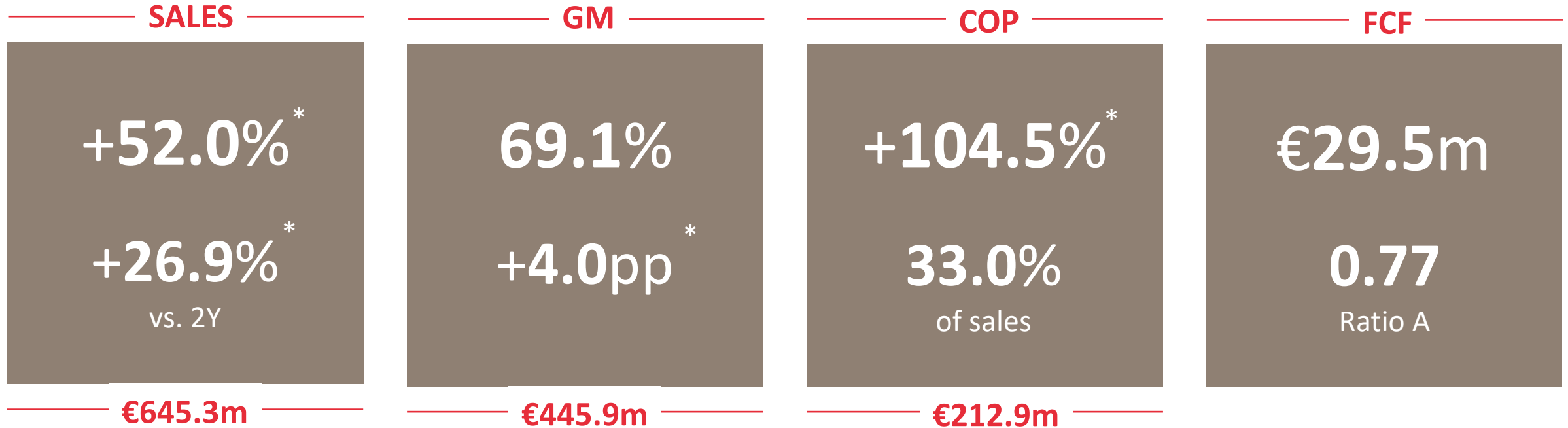




Introduction

Eric Vallat, CEO

Excellent first half-year performance...



On track to become the world leader of exceptional spirits

... showing strong progress in our strategic priorities



Increase value per case

Sales mix-price : **+16.8pp**
Gross margin: **+2.0pp** vs 2Y

Enhance portfolio management

Cointreau: **> +50%***
The Botanist: **> +80%***
PHD Malts: **> +35%***

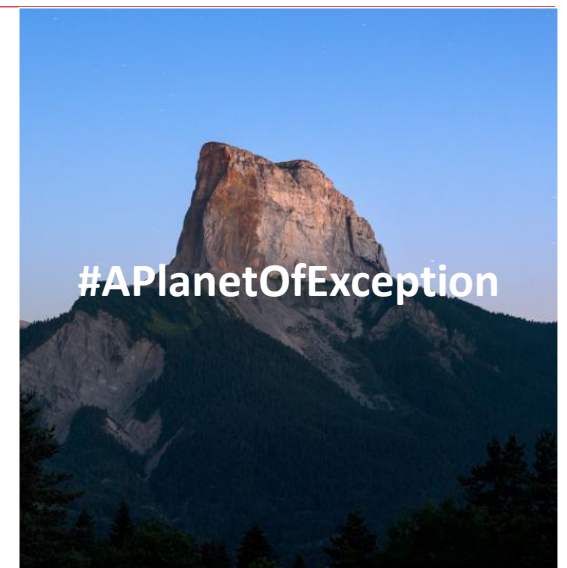
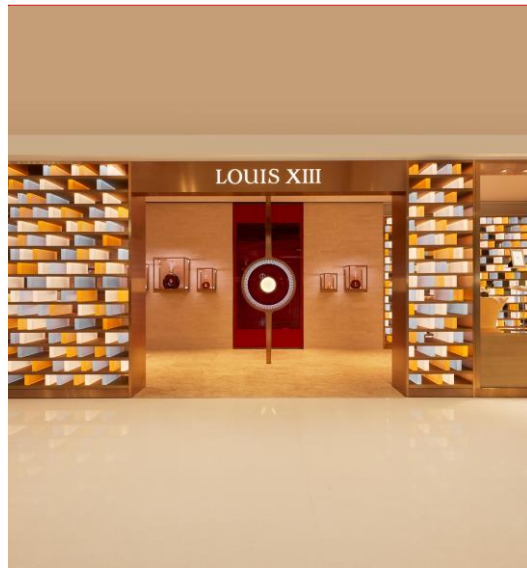


Implement client centric model

+2 boutiques
+6 e-boutiques
China direct : **+60% vs. 2Y**

Achieve responsible growth

Ambitious
Commitments to combat
climate change



Achieve responsible growth

Ambitious short- and long-term commitments to combat climate change

2021 -22
Partnership with South Pole

2030-2050
#APlanetOfException

Carbon neutrality



- > Fund certified projects
- > Support initiatives to protect territories and communities

↘ **50% carbon emissions by 2030**

Net zero emissions by 2050

- > Joining the Science-Based Targets initiative
- > Committing to annual contribution to climate actions in our main markets



Business Review

Eric Vallat, CEO

Broad-based growth driven by all divisions

Cognac



+55.2%

+27.0% vs. 2Y

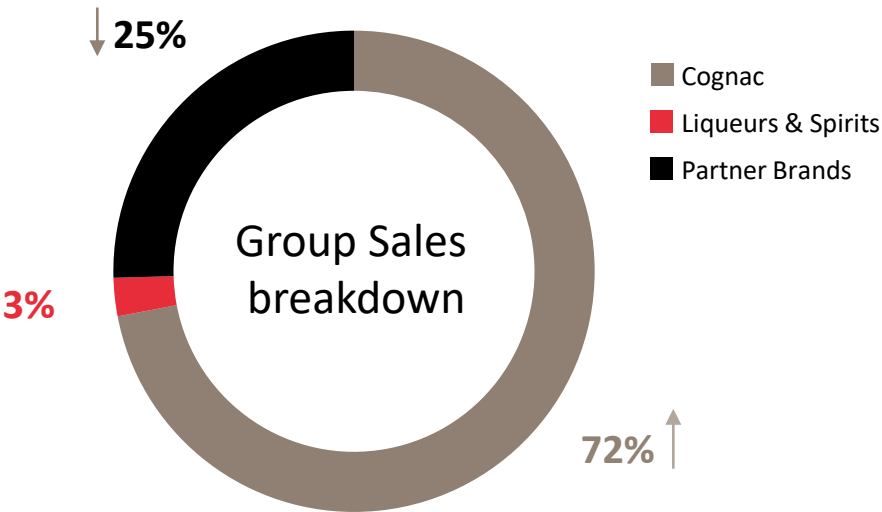
Liqueurs & Spirits



+46.9%

+26.9% vs. 2Y

Group



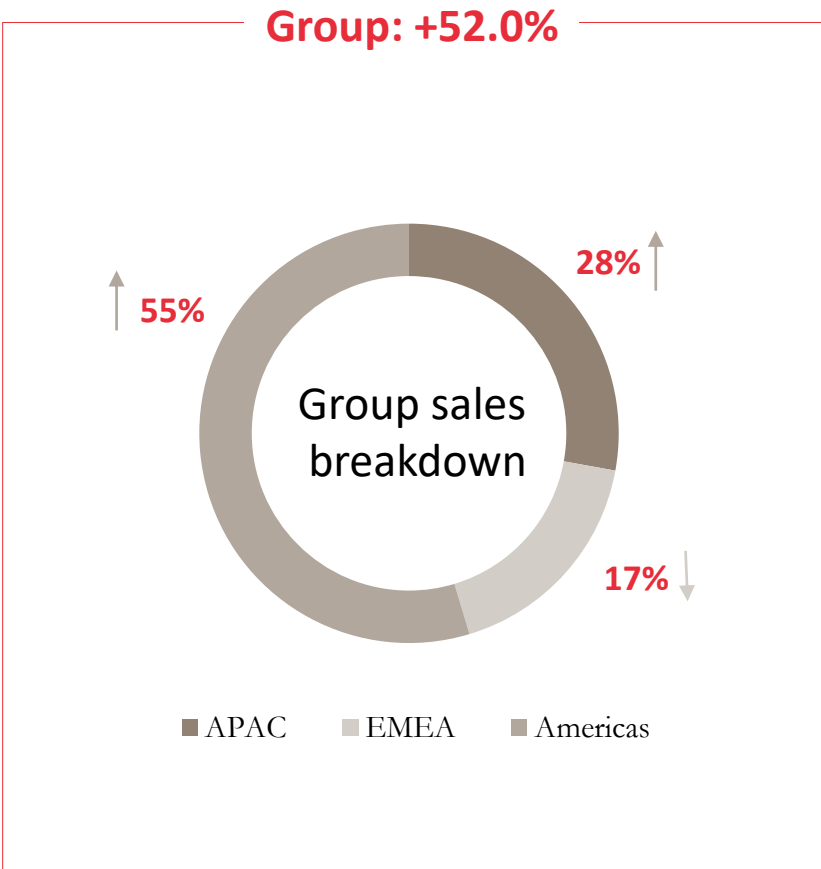
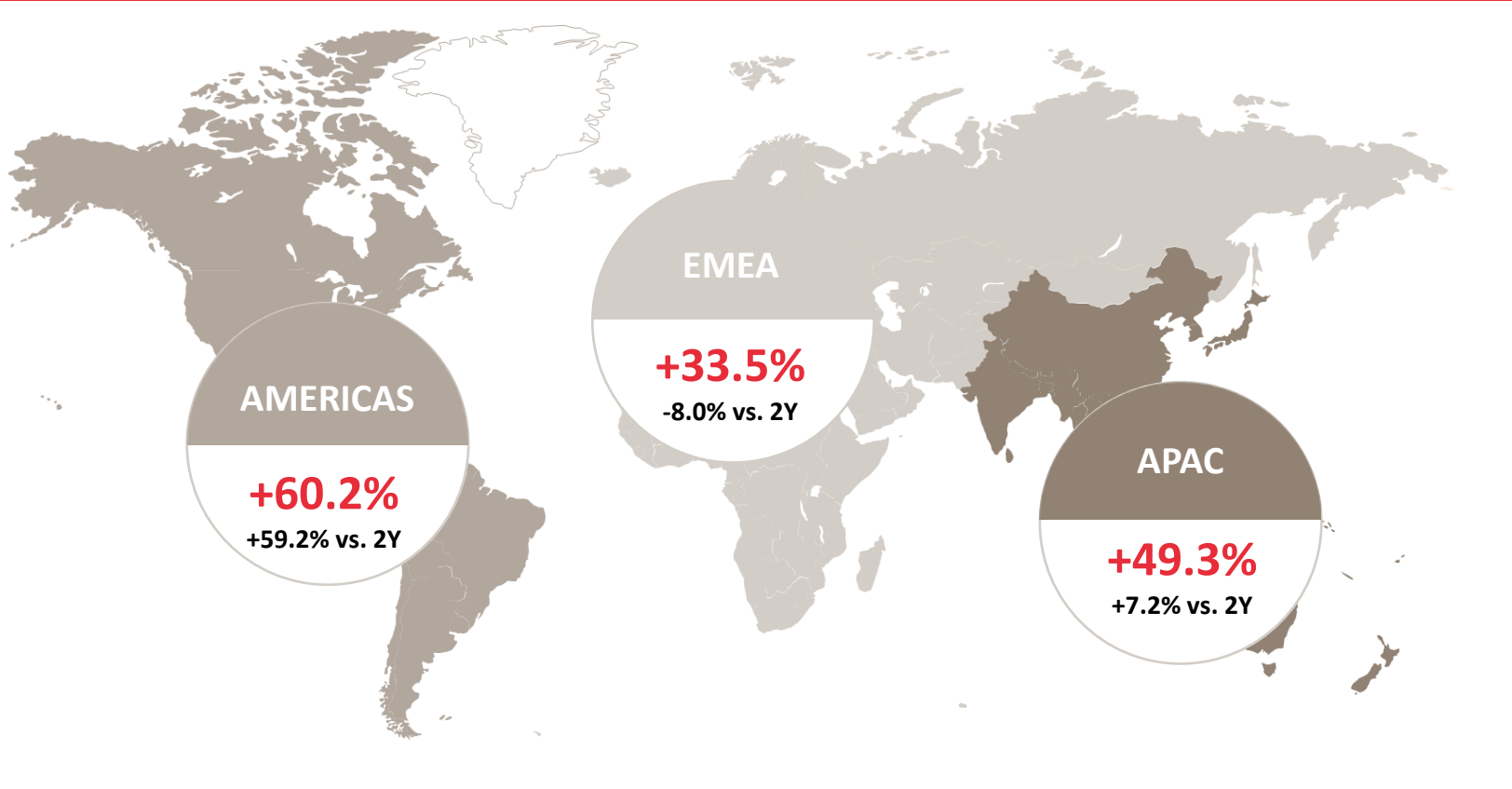
+52.0%

+26.9% vs. 2Y

Group brands: +52.9%

Partner brands: +23.6%

Outstanding growth in the US and China



RÉMY MARTIN × U S H E R

TEAM UP
For
EXCELLENCE

The RÉMY SIDECAR
Made to be Shared since the 1920's



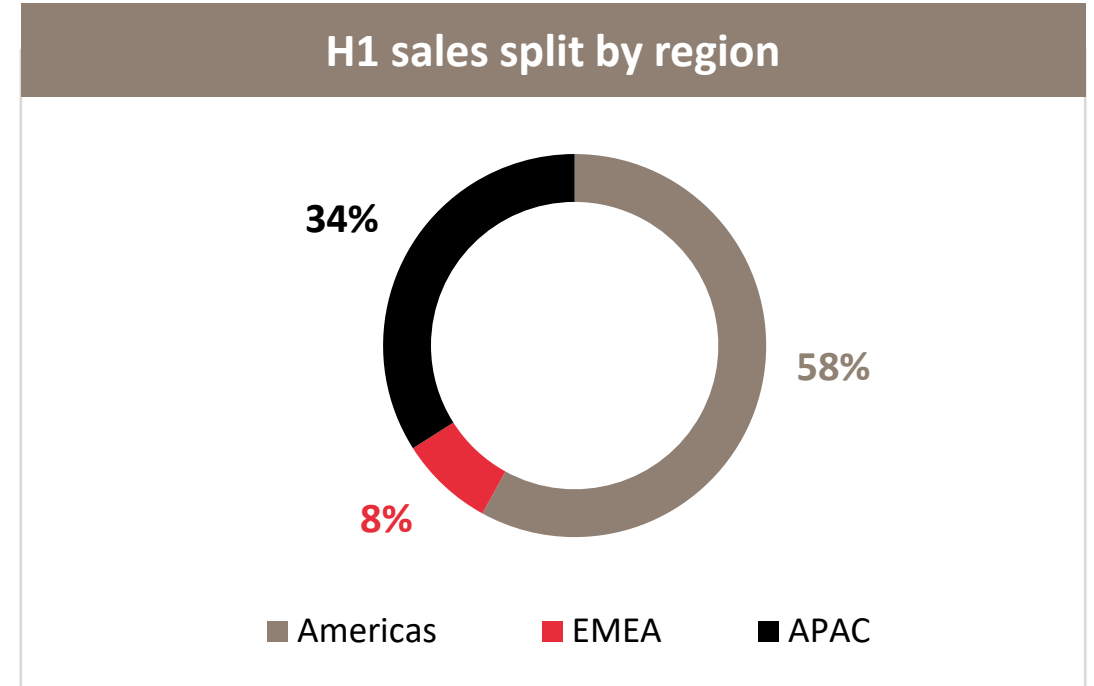
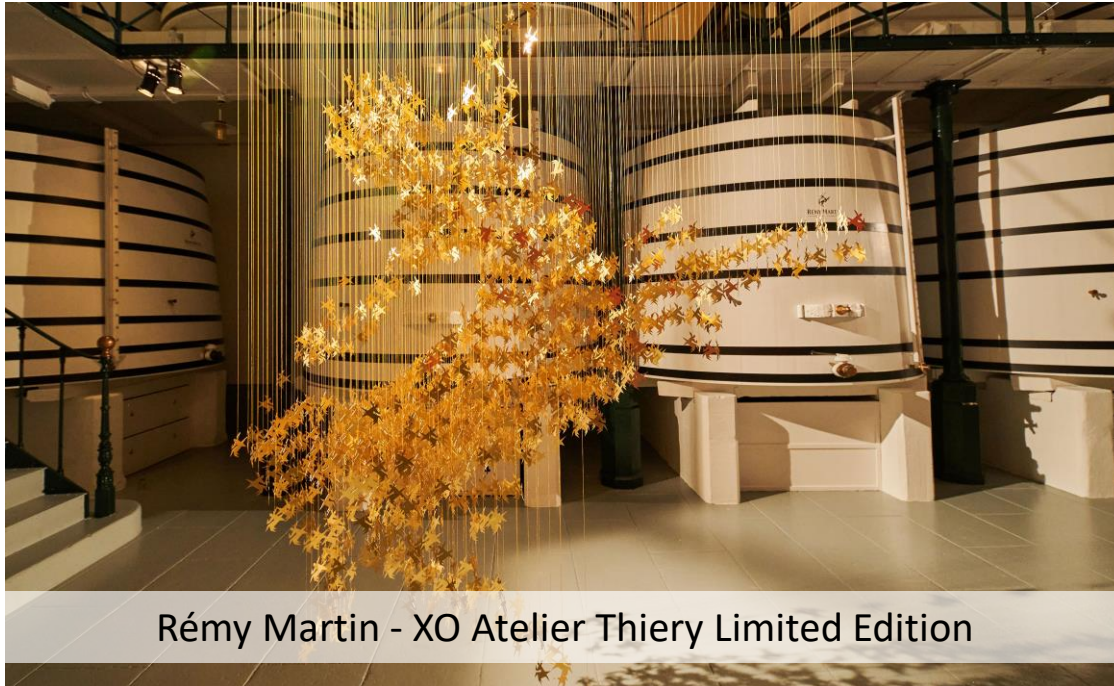
© 2021 E. Rémy Martin & Co., Rémy Martin® Cognac Fine Champagne, 40% Alc./Vol.,
Imported by Rémy Cointreau USA, Inc., New York, NY. 1738® Centaur Design®. PLEASE DRINK RESPONSIBLY.

Cognac division

2021-22 H1 key figures

Sales	€464.6m
Organic change (%)	+55.2%
Volume / Price-Mix (%)	+35.0% / +20.2%
Current operating profit	€188.1m
Organic change (%)	+101.9%
Current operating margin (%)	40.5%
Organic change (pp)	+9.2pp

Cognac: organic sales growth of +55.2%

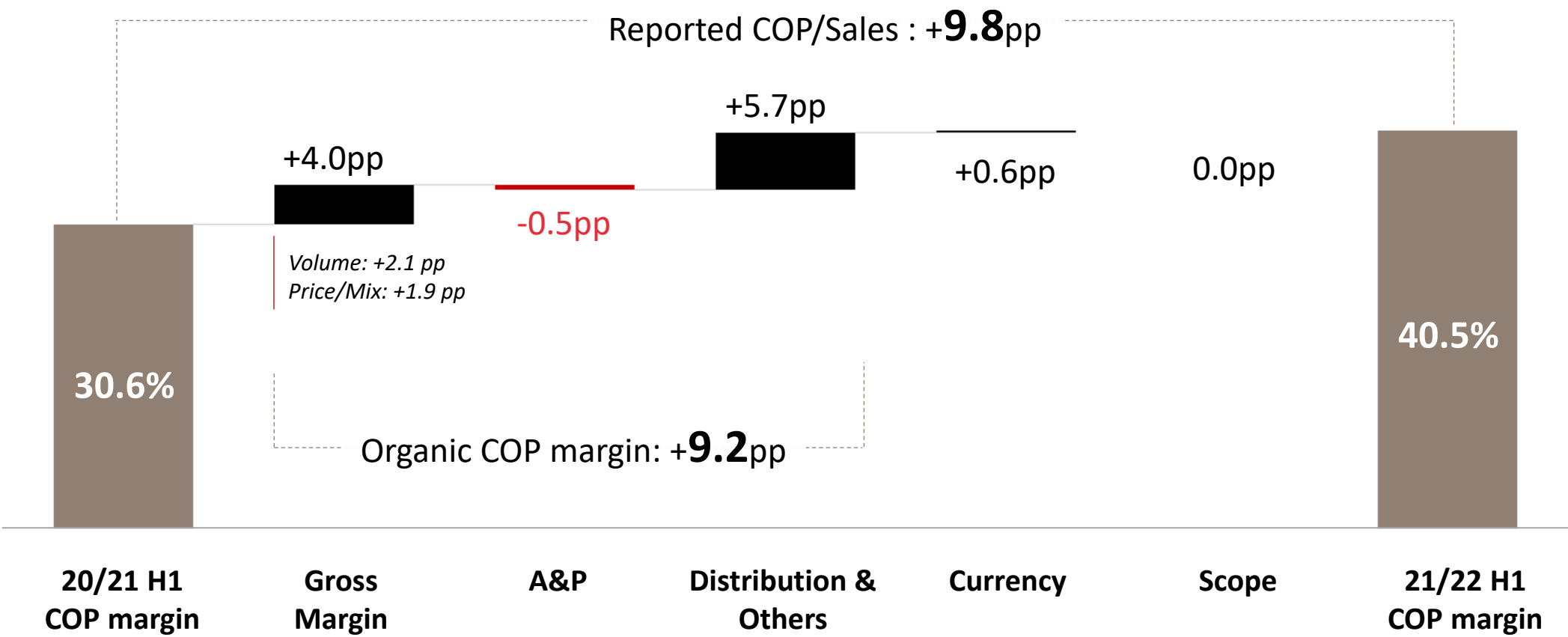


North America: very strong double-digit sales growth fueled by steadily high underlying demand (new paradigm)

China: very strong double-digit sales growth led by the entire portfolio during MAF

EMEA: strong double-digit sales growth led by Western Europe and the UK

Cognac: 40.5% of COP margin (+9.2pp*)



(*) At constant currency & scope

COINTREAU
THE ART OF THE MIX



MARGARITA = COINTREAU + TEQUILA + LIME

Liqueurs & Spirits division

2021-22 H1 key figures

Sales

€164.1m

Organic change (%)

+46.9%

Volume / Price-Mix (%)

+37.2% / +9.7%

Current operating profit

€37.8m

Organic change (%)

+121.5%

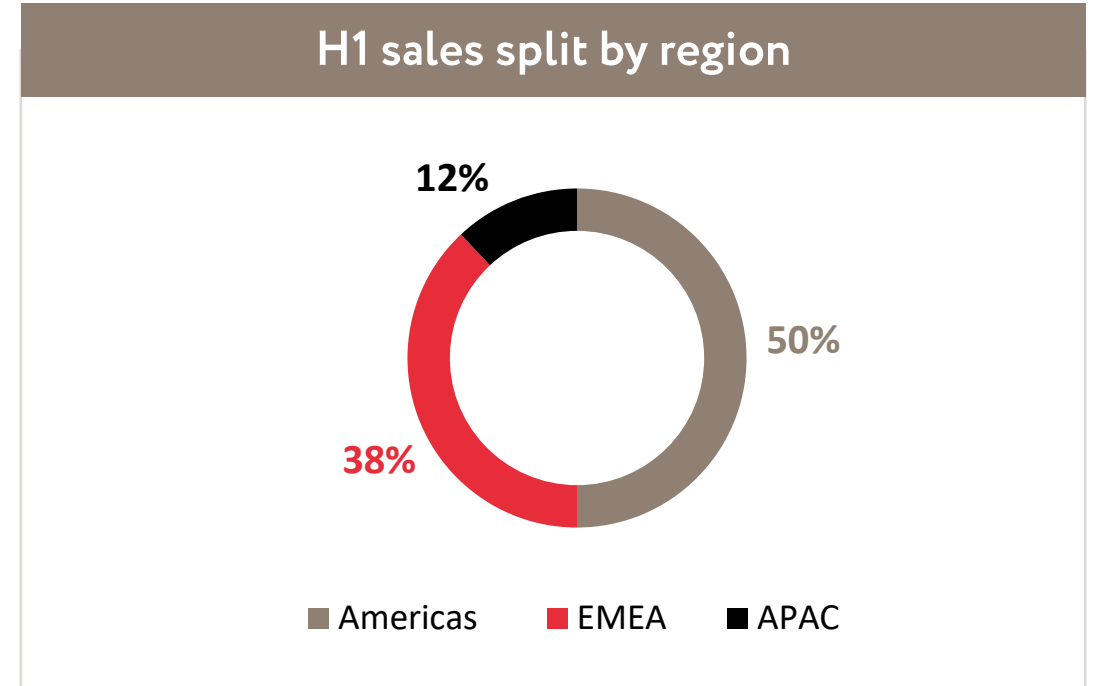
Current operating margin (%)

23.1%

Organic change (pp)

+8.4pp

Liqueurs & Spirits: organic sales growth of +46.9%

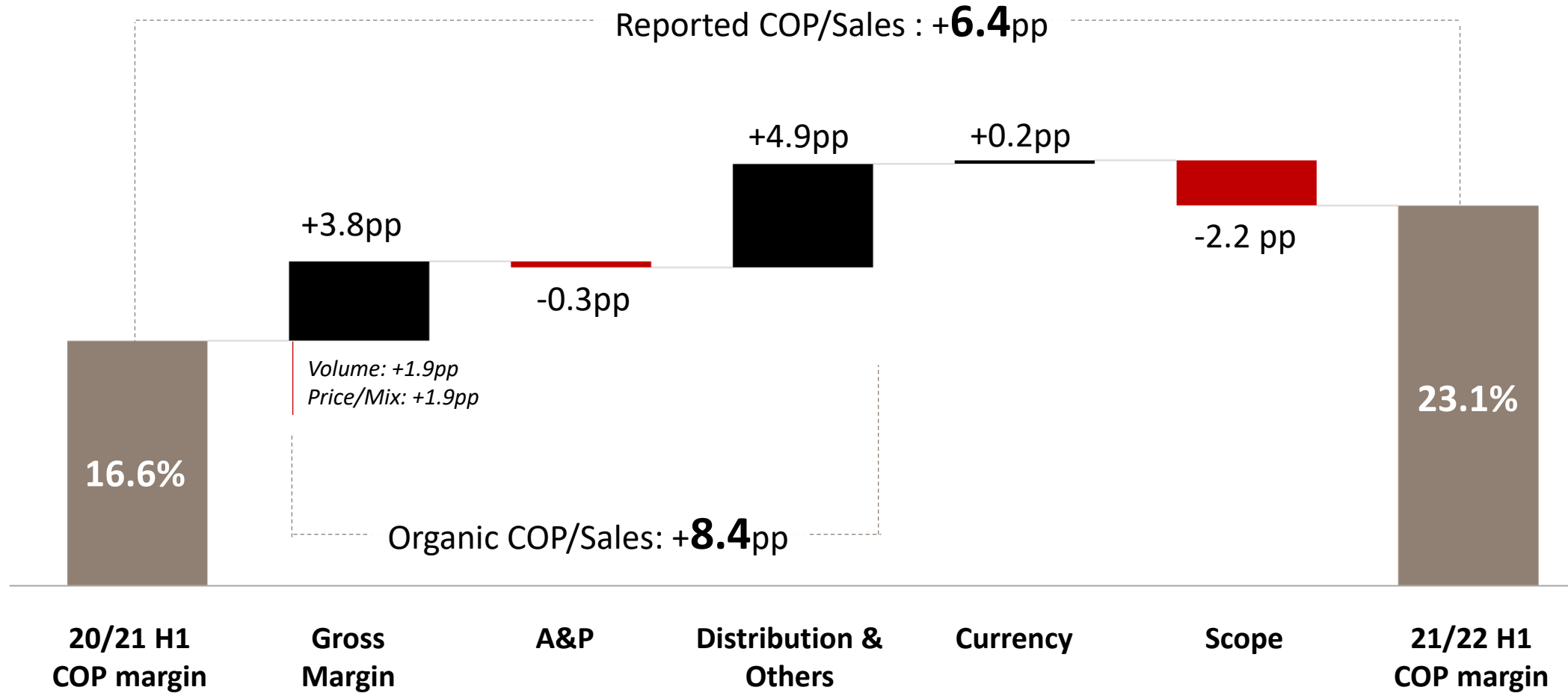


North America: very strong double-digit sales growth led by Cointreau, The Botanist and St-Rémy

EMEA: very strong double-digit sales growth with all countries and brands contributed to growth

China: strong double-digit sales growth led by Single-Malt whiskies; The Botanist delivered strong performance

Liqueurs & Spirits: 23.1% of COP margin (+8.4pp*)



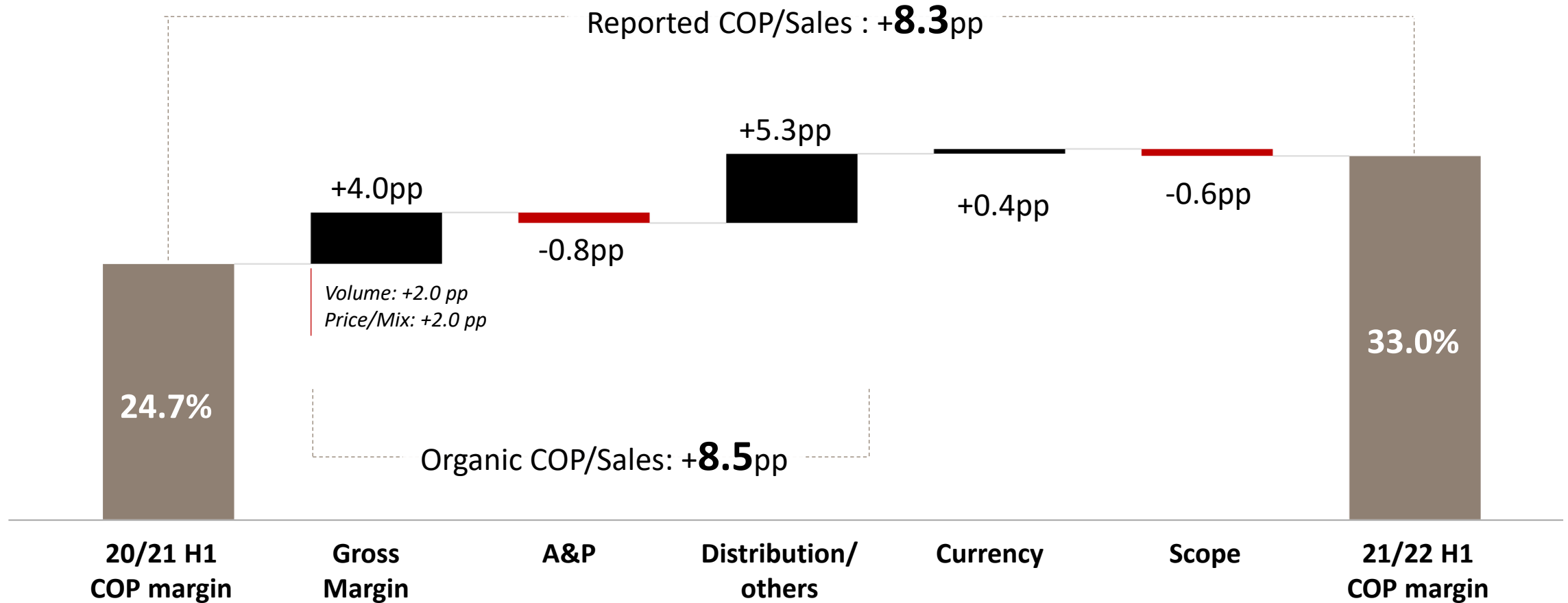


Financial results
Luca Marotta, CFO

Current Operating Profit

<i>Ending September (in €m)</i>	21/22 H1	20/21 H1	<i>Reported %</i>	<i>Organic %</i>
Net Sales	645.3	430.8	+49.8 %	+52.0 %
Gross Profit	445.9	278.6	+60.0 %	+61.4 %
<i>% of sales</i>	<i>69.1%</i>	<i>64.7%</i>	<i>+4.4pp</i>	<i>+4.0pp</i>
Sales and marketing expenses	(172.1)	(128.6)	+33.8 %	+34.5 %
Administrative expenses	(60.9)	(43.8)	+39.2 %	+35.7 %
Current Operating Profit	212.9	106.2	+100.4 %	+104.5 %
<i>Current operating margin (%)</i>	<i>33.0%</i>	<i>24.7%</i>	<i>+8.3pp</i>	<i>+8.5pp</i>

Current operating margin of 33.0% (+8.5pp*)



Net profit

<i>Ending September (in €m)</i>	21/22 H1	20/21 H1	<i>Reported %</i>	<i>Organic %</i>
Current Operating Profit	212.9	106.2	+100.4 %	+104.5 %
Other operating income (expenses)	(13.6)	(0.2)	-	-
Operating Profit	199.3	106.0	+88.0 %	+92.0 %
Net financial income (charge)	(7.4)	(8.0)	-8.4 %	-5.2%
Profit Before Tax	191.9	98.0	+95.9 %	+100.0 %
Taxes	(58.1)	(33.1)	+75.6 %	+77.1 %
<i>Tax rate (%)</i>	30.3%	33.8%	-3.5pp	-3.9pp
Share profit (loss) of associated companies	0.2	-	-	-
Minority Interest	-	0.1	-	-
Net Profit Group share	134.0	65.0	+106.1 %	+111.6 %
Earnings Per Share	2.67	1.30	+104.9 %	-
Net Profit excluding non-recurring items	148.2	65.2	+127.4 %	+132.9 %
<i>Net margin excluding non-recurring items (%)</i>	23.0 %	15.1 %	+7.8pp	+8.0pp
EPS excluding non-recurring items	2.95	1.31	+126.0 %	-

Non-recurring items

<i>Ending September (in €m)</i>	21/22 H1	20/21 H1
Net Profit – Group share	134.0	65.0
Other operating income (expenses)	13.6	0.2
Non-recurring tax items	(3.4)	(0.1)
Impact of tax rate changes on deferred taxes in France and the UK	4.0	-
Net Profit excluding non-recurring items – Group share	148.2	65.2

Net debt/ Cash flow

<i>Ending September (in €m)</i>	21/22 H1	20/21 H1	Change
Opening net financial debt (1 April)	(314.3)	(450.9)	136.6
Gross operating profit (EBITDA)	235.4	123.8	111.5
WCR of eaux-de-vie and spirits in ageing process	23.9	23.4	0.4
Other working capital items	(152.2)	(64.5)	-87.8
Capital expenditure	(23.7)	(20.5)	-3.2
Financial expenses	(6.5)	(7.3)	0.8
Tax payments	(47.3)	(22.4)	-24.9
Free Cash Flow	29.5	32.6	-3.0
Brillet acquisition impact on Net debt	-	(9.5)	9.5
Other proceeds/disposals	(13.1)	(1.8)	-11.3
Capital increase / share buyback	(151.4)	-	-151.4
OCEANE conversion impact on Financial debt	149.1		149.1
Conversion differences and others	0.6	2.4	-1.8
Other Cash-Flow	(14.8)	(8.9)	-5.9
Total cash flow for the period	14.7	23.6	-8.9
Closing net financial debt (30 Sept.)	(299.6)	(427.3)	127.7
A Ratio (Net debt/EBITDA)	0.77	2.04	-1.27

Net financial expenses

<i>Ending Sept. (in €m)</i>	21/22 H1	20/21 H1
Net debt servicing costs	(5.5)	(6.1)
Net currency gains (losses)	(0.4)	(0.6)
Other financial expenses (net)	(1.5)	(1.3)
Net financial income (charges)	(7.4)	(8.0)

Foreign exchange – Hedging impact

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22E
Average EUR/USD exchange rate	1.10	1.17	1.16	1.11	1.17	1.18
Average EUR/USD hedged rate	1.11	1.19	1.18	1.16	1.17	1.19
Total sales impact (in €m)	(5.7)	(48.9)	1.5	24.5	(36.3)	0
Total COP impact (in €m)	23.6	(18.5)	(6.8)	9.1	(4.8)	Circa (5.0)

- *Estimated impact on 2021/22 sales and COP is based on following assumptions: average exchange rate of **\$1.18/€** and average hedged rate of **\$1.19/€***
- *In 2021/22, we expect a neutral impact on sales and around -€5.0m on COP*
- *The sensitivity of Group's sales and COP to the US dollar and related currencies is the following: A 1 cent increase in USD vs. EUR is a c€5-6m gain on sales and a c.€4m gain on COP, all things alike*

Balance sheet as of September 30, 2021

(€m)	Sept. 2021	in %	Sept. 2020	in %		Sept. 2021	in %	Sept. 2020	in %
Non-current assets	929	33%	864	33%	Shareholders' equity	1,586	56%	1,466	56%
Current assets	1,905	67%	1,662	64%	Current and Non-current liabilities	850	30%	634	24%
o/w inventories	1,513	53%	1,379	53%					
Cash	99	3%	90	3%	Gross financial debt	399	14%	517	20%
Total Assets	2,834	100%	2,616	100%	Total Liabilities	2,834	100%	2,616	100%
Stocks/Assets		53%		53%	Net gearing		19%		29%



Outlook

Eric Vallat, CEO

Ahead of our 2030 strategic plan

It starts with a great product...



... supported by an attractive brand...

... and a great client experience and journey...

... in an ever-changing work environment



Accelerate & measure A&P

Develop direct-to-client activities

Build new capabilities

2021-22: Year of incremental investments

Investing behind our global priority brands



Louis XIII

Rémy Martin

Cointreau

PHD Malts

The Botanist



Las Vegas

Guangzhou

Shanghai

Tokyo

13

new cities
to come by end
of year...



Rejuvenate image & increase brand affinity
New campaign to be launched shortly



2021-22: Year of incremental investments

Investing behind our global priority brands



Louis XIII

Rémy Martin

Cointreau

PHD Malts

The Botanist

**Jessica
Alba
x
Cointreau**

Partnership with Condé Nast
“Catching Up Over Cosmos”

COINTREAU
THE ART OF THE MIX

The Original Margarita

MARGARITA = COINTREAU + TEQUILA + LIME

drinkaware.co.uk for the facts about alcohol

**DISCOVER
A TASTE OF THE WILD**

THE BOTANIST

Wide campaign to drive awareness
Cointreau (Winter) and The Botanist (Spring)

2021-22: Year of incremental investments

Implementing client centric model

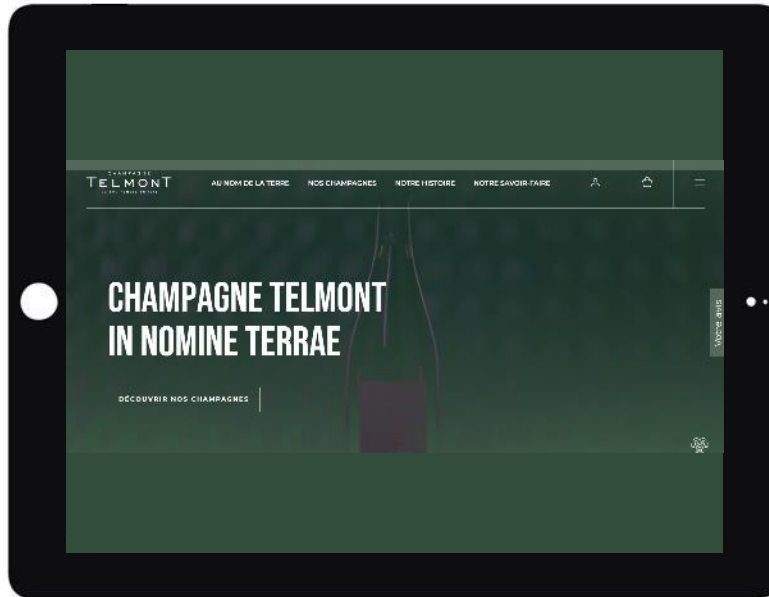


E-commerce

Boutiques

Datas

CRM



1st Rémy Martin boutique
Hainan

2021-22: Year of incremental investments

Implementing client centric model



E-commerce

Boutiques

Datas

CRM



2021-22: Year of incremental investments

Balanced capital allocation – increasing focus on sourcing



c. €70m

in 2021-22

Strategic WCR

outflow

**Eaux-de-vie
Ageing liquid**



€50-60m

in 2021-22

Capex

- Production/factories: c. 50%
- Infrastructures: c. 20%
- Direct selling: c. 10%
- Others: c. 20%



c.€170m

Share buyback
as of now

€1.85

20/21 Dividend

Shareholder return

- Consistent **dividend** policy
- Agile in returning additional cash to shareholders (**SBB**)
- Successful **employee stock ownership**: >75% of subscription

Full-year guidance upgraded

Confident to **outperform** the exceptional spirit market

2021-22 is expected to be **a year of two halves** both in terms
of sales and COP organic growth

Sales: strong organic Full-year growth, with H1 strongly above H2 growth

A&P: meaningful increase in marketing spend, particularly in H2

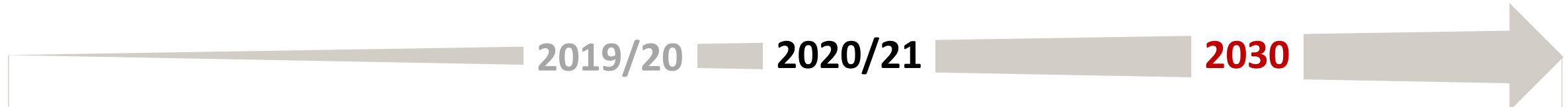
COP: very strong organic COP growth (previously: strong)

- FY organic growth will only benefit from H1 outstanding growth due to high comps. and an increase in investments, as well as strategic inventory management in Q4
- FY organic growth to be also tempered by FX effects (c. -€5.0m) and scope effects (-€2.4m)

COP margin: organic improvement (previously: stable)



2030 objectives confirmed



	2019/20	2020/21	2030
Gross margin^(*)	66.0%	66.8%	72.0%
Current operating margin^(*)	21.0%	23.3%	33.0%

100% sustainable agriculture **by 2025**

25% reduction in carbon emissions (scope 1 & 2) and **30%** value per case reduction (scope 3) **by 2025**

Net zero carbon emissions **by 2050**



Appendices

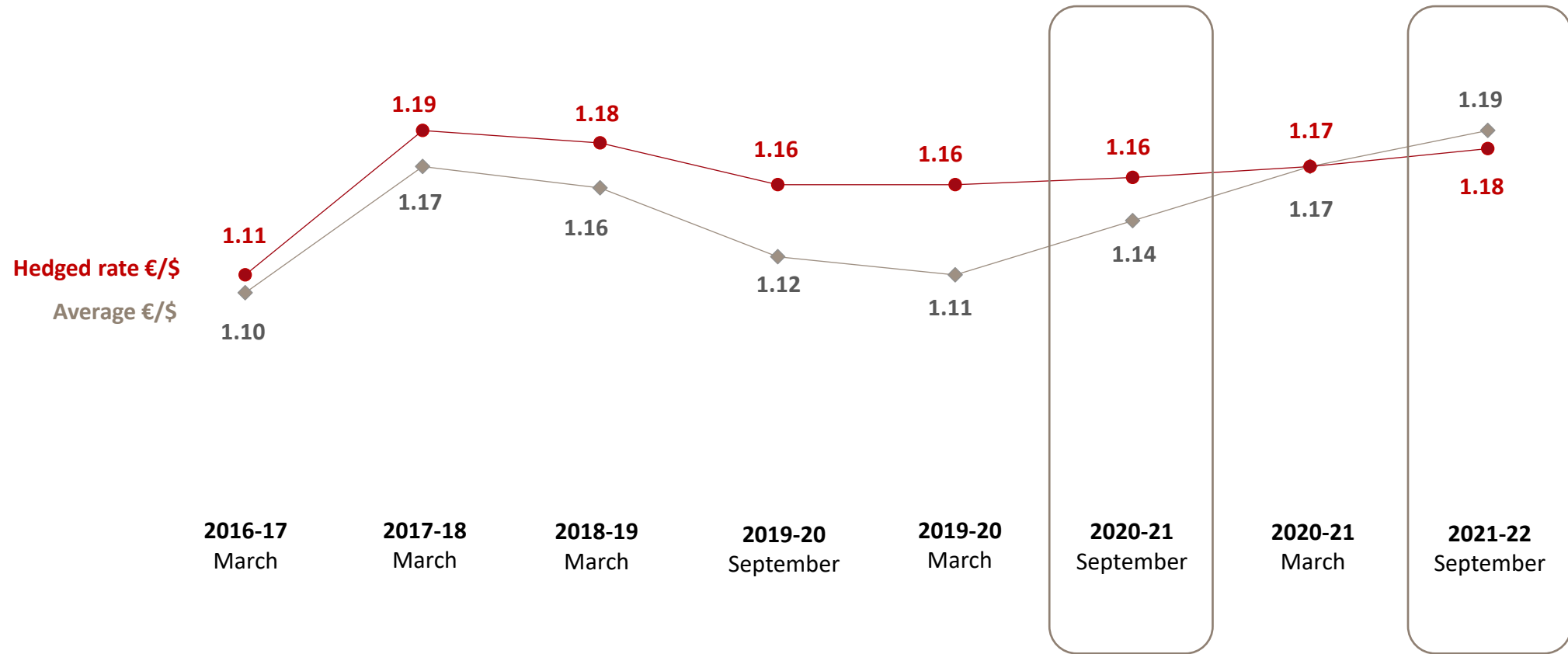
Quarterly Sales by division

<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%
Subtotal: Group Brands	284.9	144.8	96.8%	106.8%	37.0%
Partner Brands	8.2	5.3	55.6%	55.3%	21.8%
Total	293.1	150.1	95.3%	105.0%	36.5%

<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%
Subtotal: Group Brands	343.8	272.7	26.1%	24.3%	19.2%
Partner Brands	8.4	8.1	4.3%	2.9%	30.7%
Total	352.2	280.8	25.4%	23.7%	19.4%

<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%
Subtotal: Group Brands	628.7	417.5	50.6%	52.9%	26.9%
Partner Brands	16.6	13.3	24.6%	23.6%	26.1%
Total	645.3	430.8	49.8%	52.0%	26.9%

Foreign exchange - Hedging impact



Key events during the half-year

- **3 June 2021**
Launch of a share buyback programme of 1m shares
Pursuant to this authorization, an investment services provider will be instructed to purchase up to a maximum of 1 million shares of Rémy Cointreau SA, accounting for 1.98% of the share capital, at the price authorized in Resolution 19 passed at the Shareholders' Meeting of 23 July 2020.
- **6 August 2021**
Issuance of first employee share ownership plan,
On 8 June 2021, Rémy Cointreau announced the launch of its first employee share ownership plan, "My Rémy Cointreau", in France. More than 630 subscribers, equating to 68.4% of eligible current and former employees, signed up for the plan via the My Rémy Cointreau employee investment fund (FCPE).
- **1 October 2021**
OCEANE – Change in conversion ratio
Pursuant to the conditions, notice is hereby given to bondholders that, as result of the dividend of € 1.85 per share, payable on October 1st, 2021, to holders of record on September 30, 2021, in accordance with conditions 15.7.2, the calculation agent has determined the new conversion/exchange ratio shall be adjusted from 1.009 (one and 9 thousandths) to 1.011 (one and 11 thousandths), effective October 1st, 2021.

Post closing events

- **3 November 2021**

Climate commitments

Rémy Cointreau launched the #APlanetOfException project, which focuses on a dual commitment: (i) to reduce the Group's carbon footprint (in line with the Paris Climate Agreement) as part of its official membership of the SBT initiative and (ii) to make an annual contribution to climate action in its key markets. The Group thus confirms its long-term targets of reducing the intensity of its carbon emissions by 50% across the entire value chain by 2030 and to reach net zero emissions by 2050. The Group has also committed alongside South Pole to make an annual contribution to projects in the United States and China. Actions in this area will enable it to achieve carbon neutrality from as early as 2021-22.

- **8 November 2021**

Group takes out an €80 million loan

Rémy Cointreau announced that it had taken out an €80 million seven-year loan at a fixed interest rate of 0.60%.

- **17 November 2021**

For the 2nd consecutive year, Rémy Cointreau is one of the most responsible French companies in the food sector, according to a study published by the magazine Le Point and carried out in partnership with the independent Statista Institute. Ranked number 2 in this ranking, the group is even number 1 in the ranking on the Environment criterion.

Next financial publication

Jan. 25, 2022

2021-22 Q3 Sales

April 29, 2022

2021-22 FY Sales

June 2, 2022

2021-22 FY Results

July 21, 2022

Shareholder Meeting





Q&A