



RÉMY COINTREAU

2021-22 H1 Results



November 25, 2021



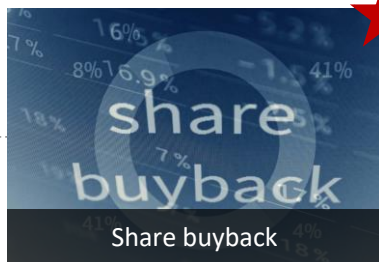
Marc Hériard Dubreuil,  
Chairman

# 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



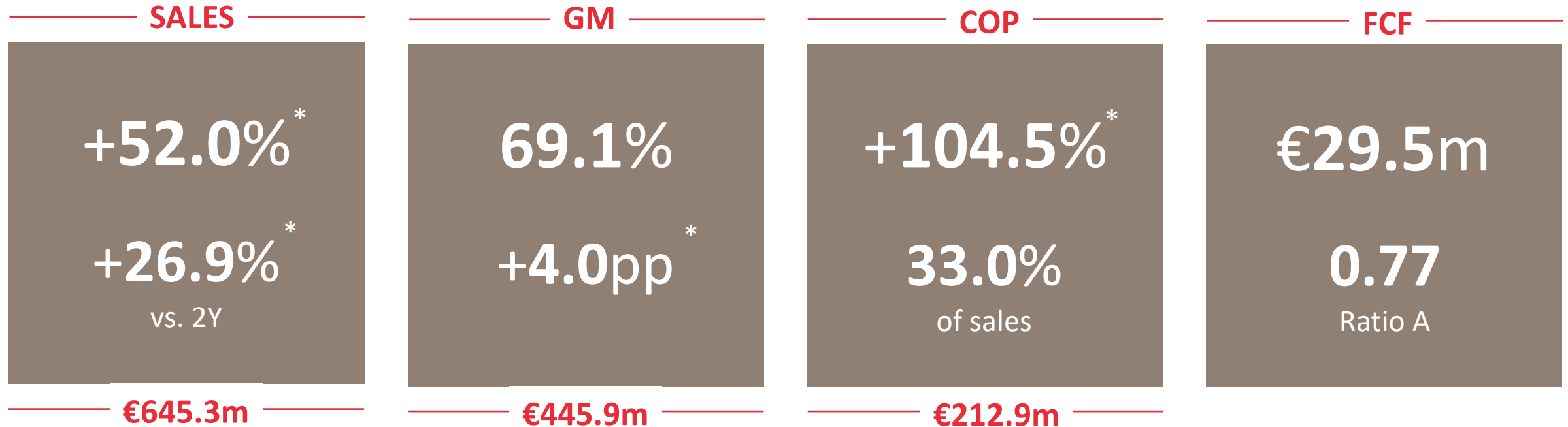




# Introduction

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

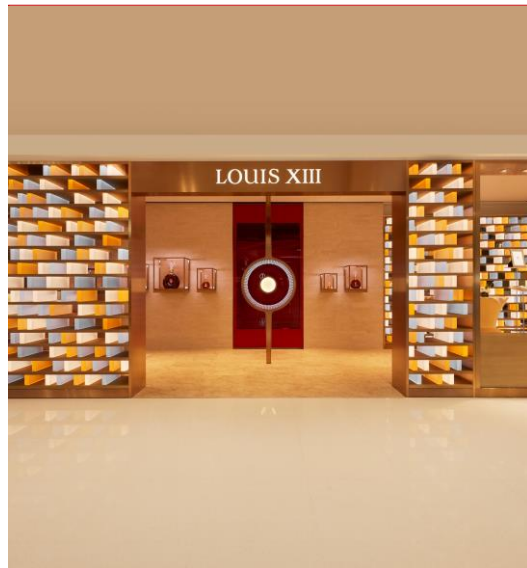


## Increase value per case

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

## Enhance portfolio management

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

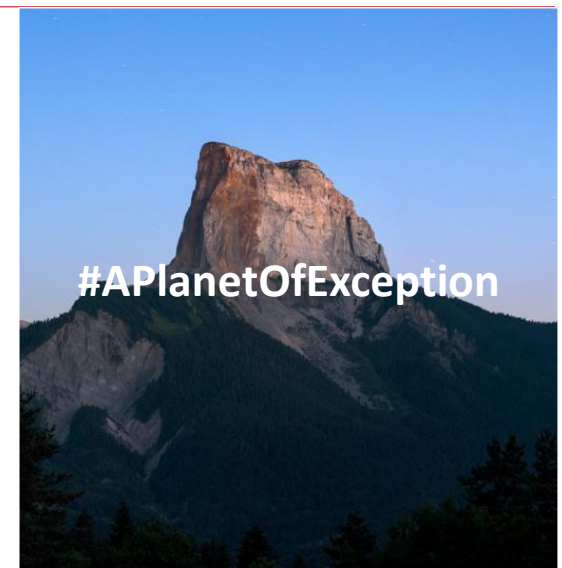


## Implement client centric model

**+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**

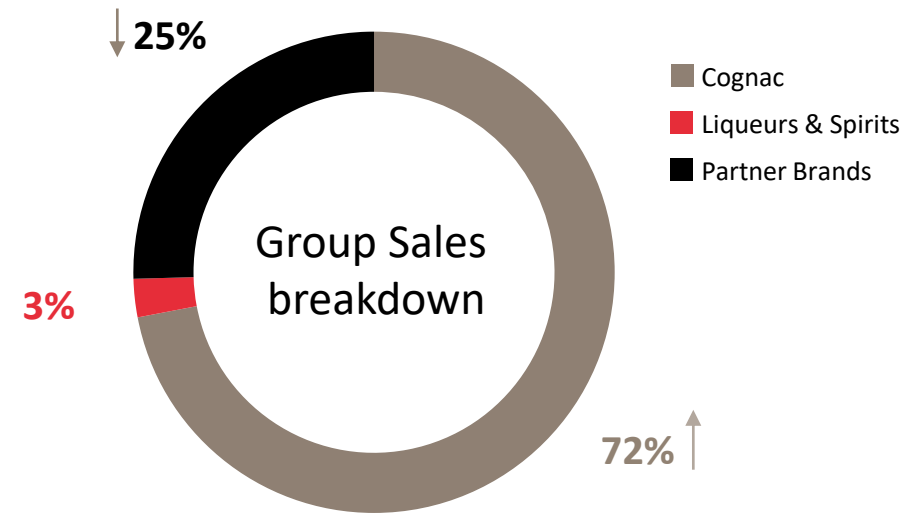
## Liqueurs & Spirits



**+46.9%**

**+26.9% vs. 2Y**

## Group



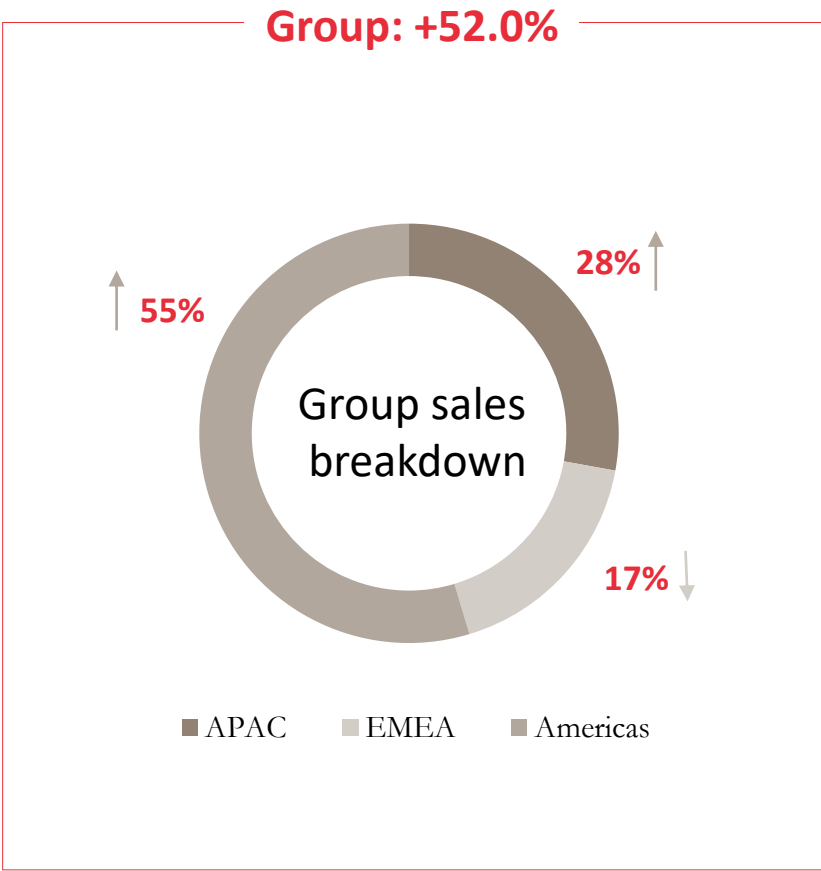
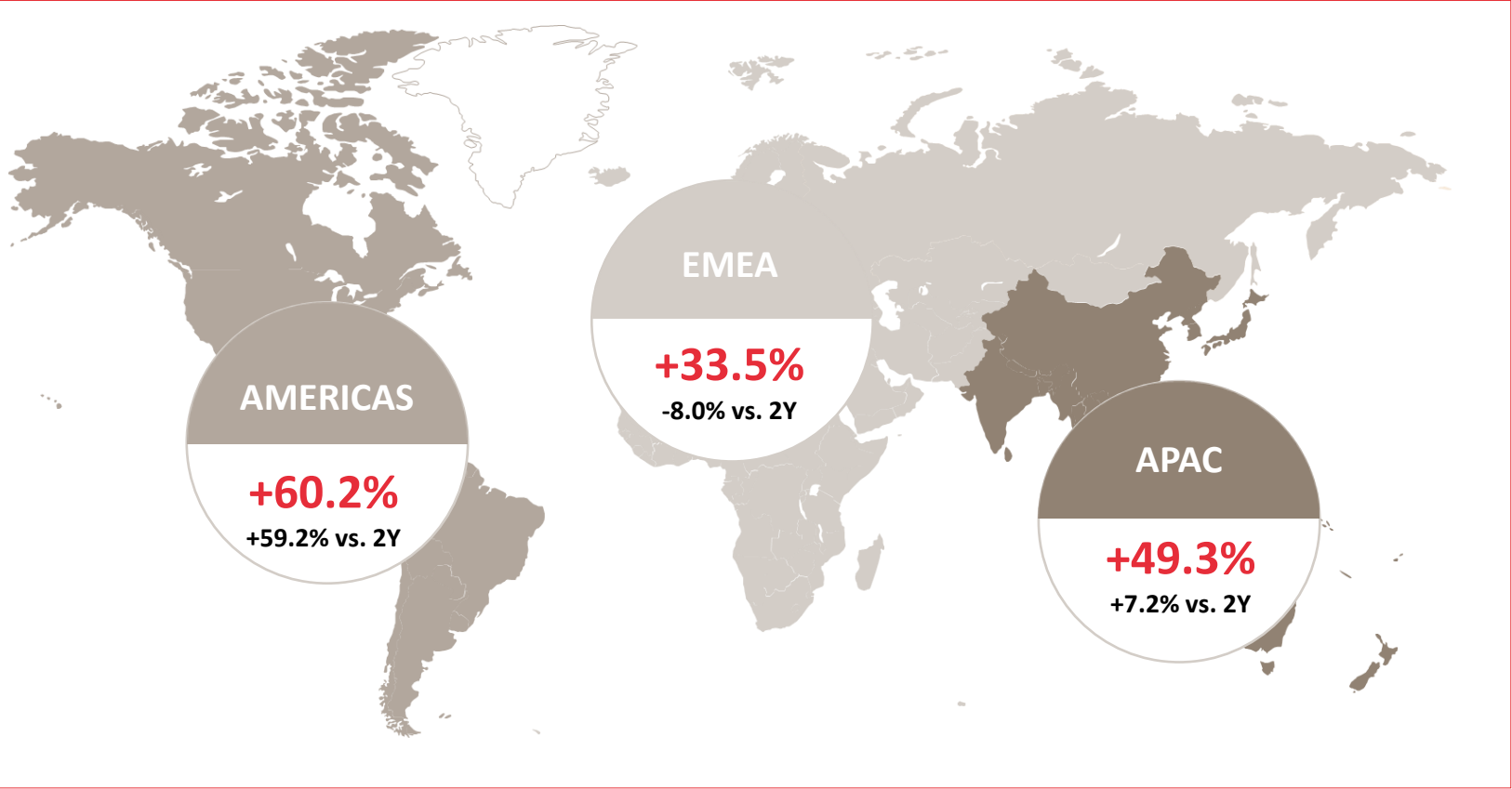
**+52.0%**

**+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.

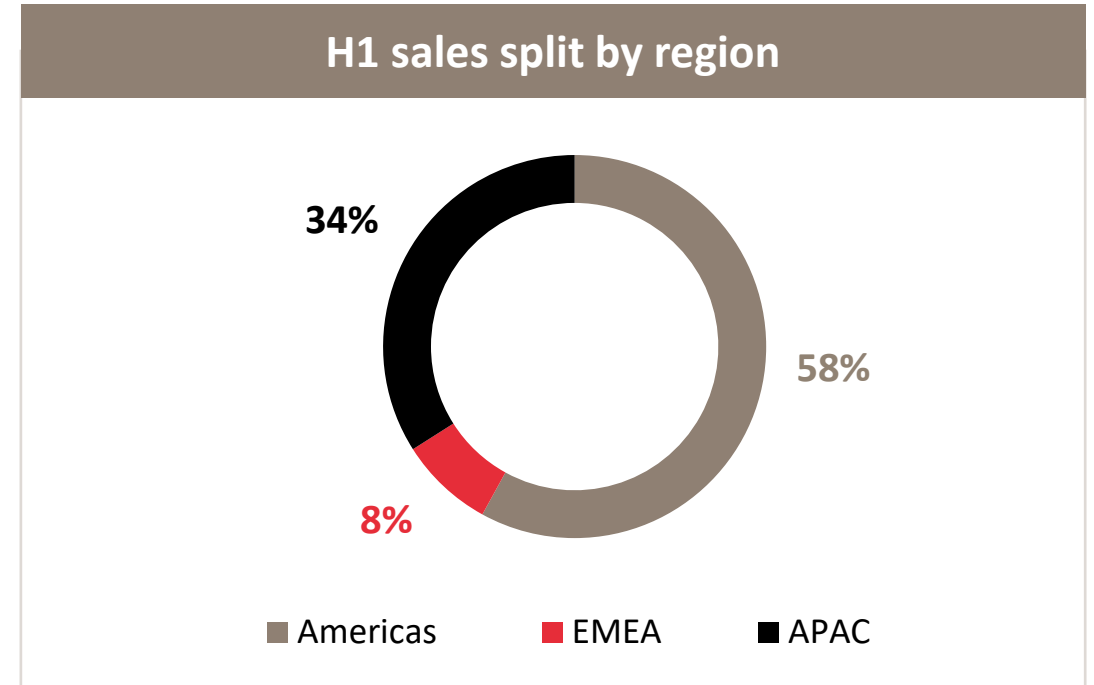
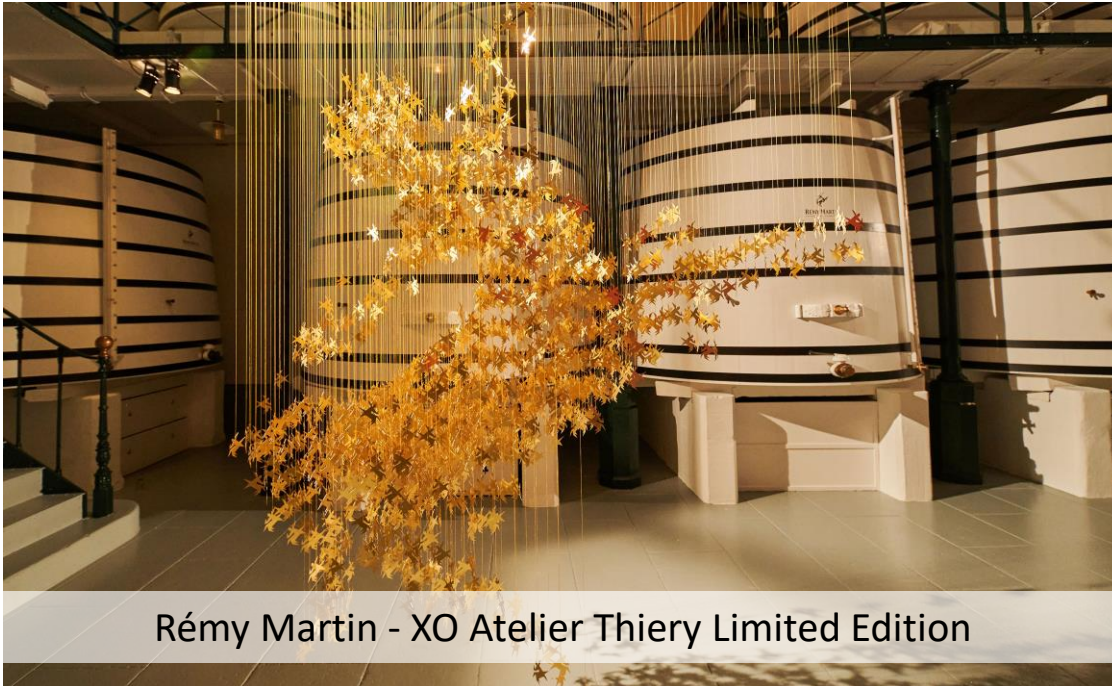
## Cognac division

### 2021-22 H1 key figures

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



# Cognac: organic sales growth of +55.2%

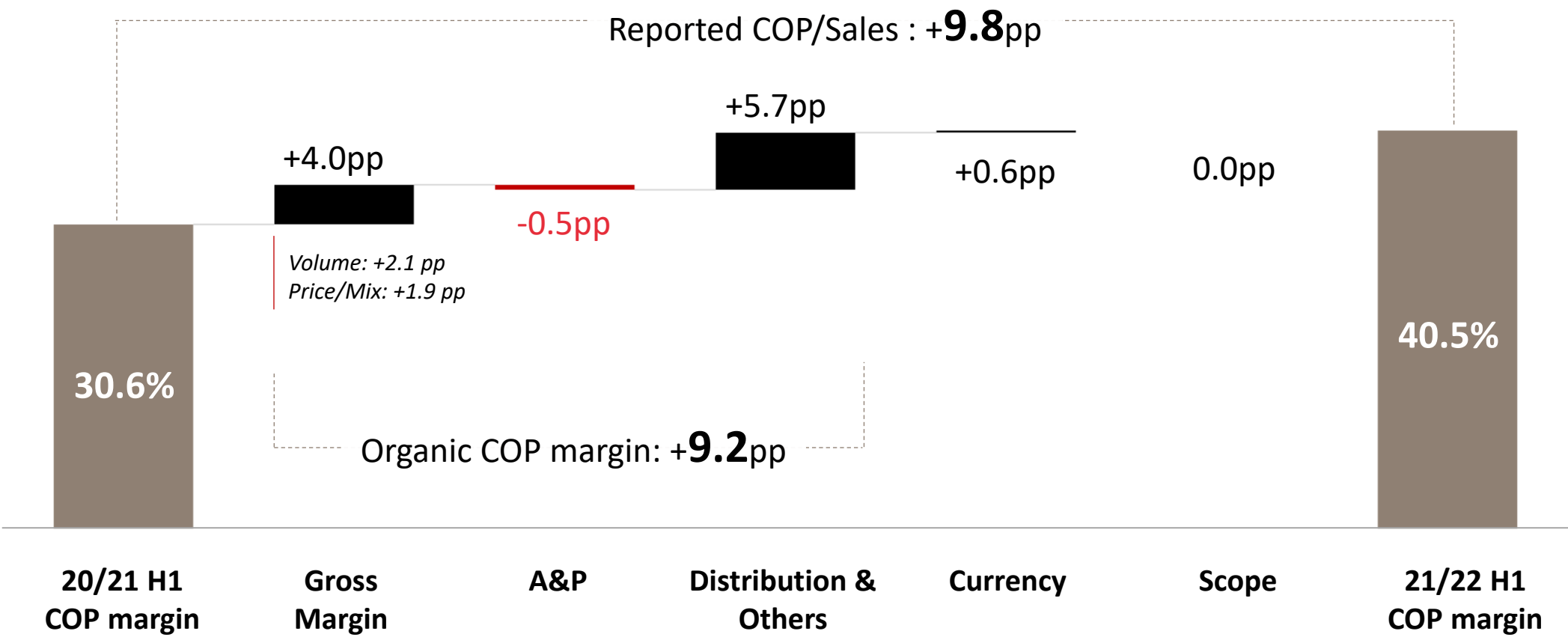


**North America:** very strong double-digit sales growth fueled by steadily high underlying demand (new paradigm)

**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

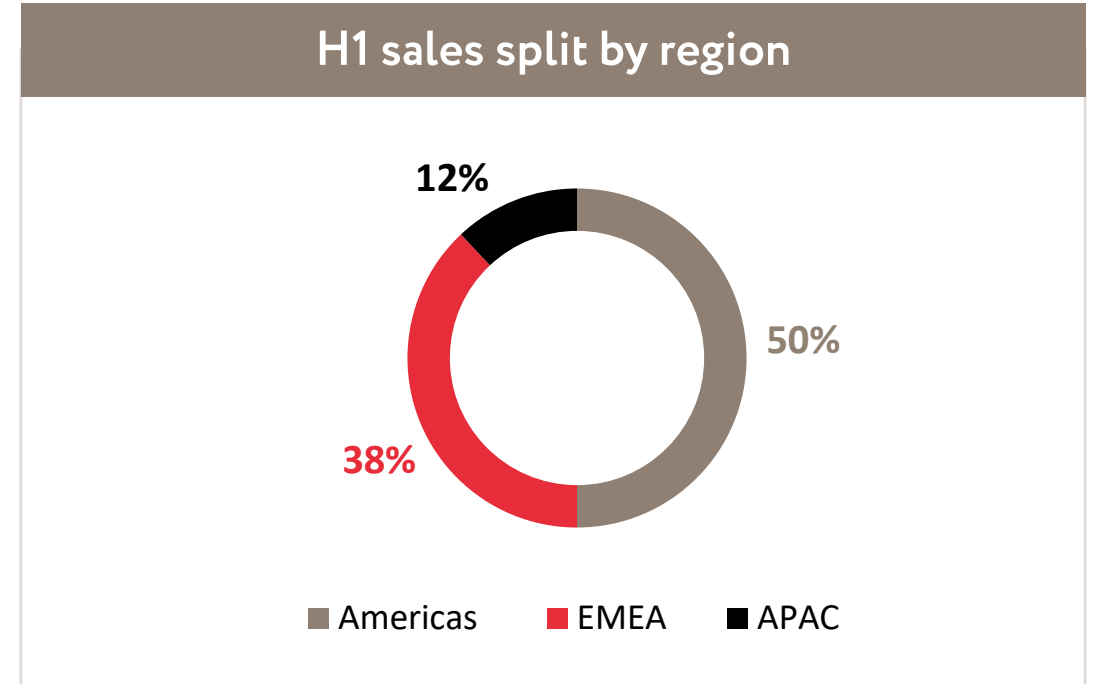
## Liqueurs & Spirits division

### 2021-22 H1 key figures

<b>Sales</b>	<b>€164.1m</b>
Organic change (%)	+46.9%
Volume / Price-Mix (%)	+37.2% / +9.7%
<b>Current operating profit</b>	<b>€37.8m</b>
Organic change (%)	+121.5%
Current operating margin (%)	23.1%
Organic change (pp)	+8.4pp



# Liqueurs & Spirits: organic sales growth of +46.9%

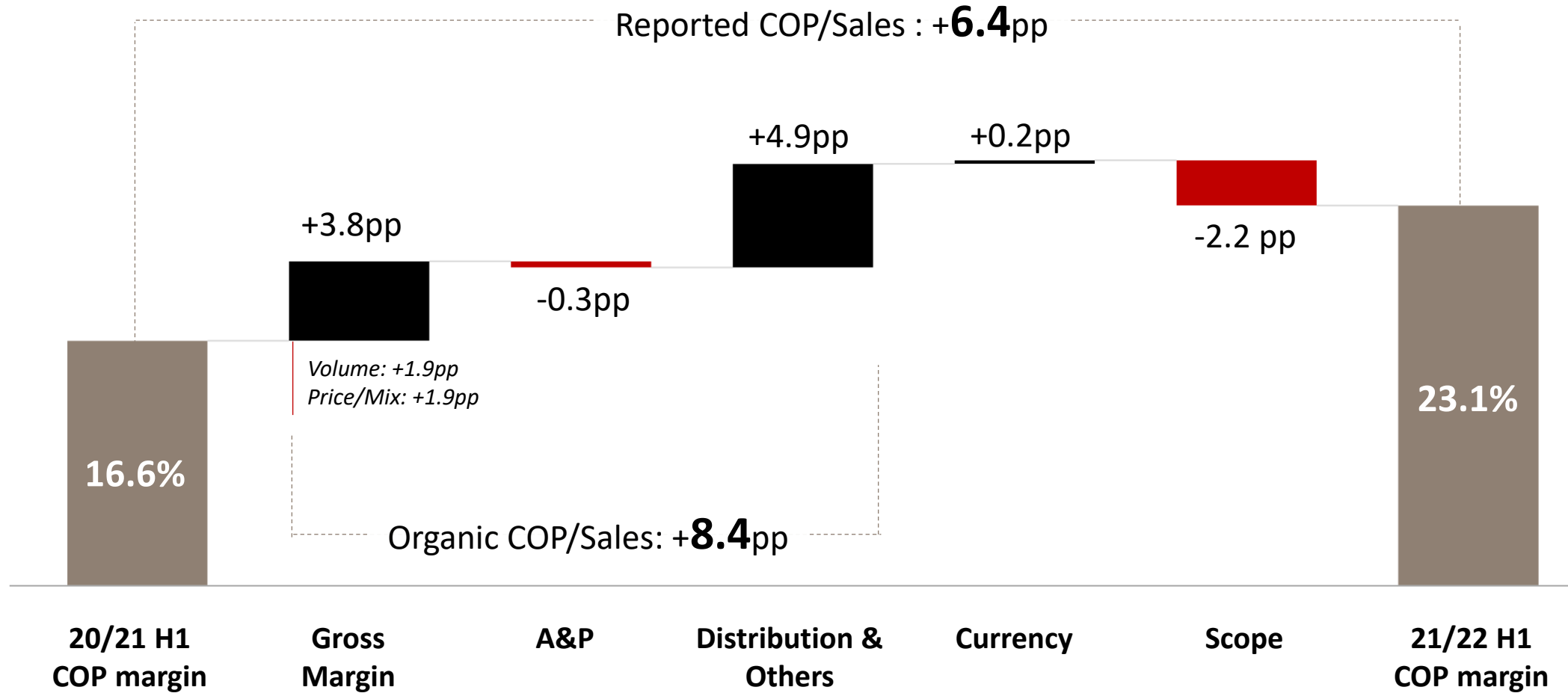


**North America:** very strong double-digit sales growth led by Cointreau, The Botanist and St-Rémy

**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\*)





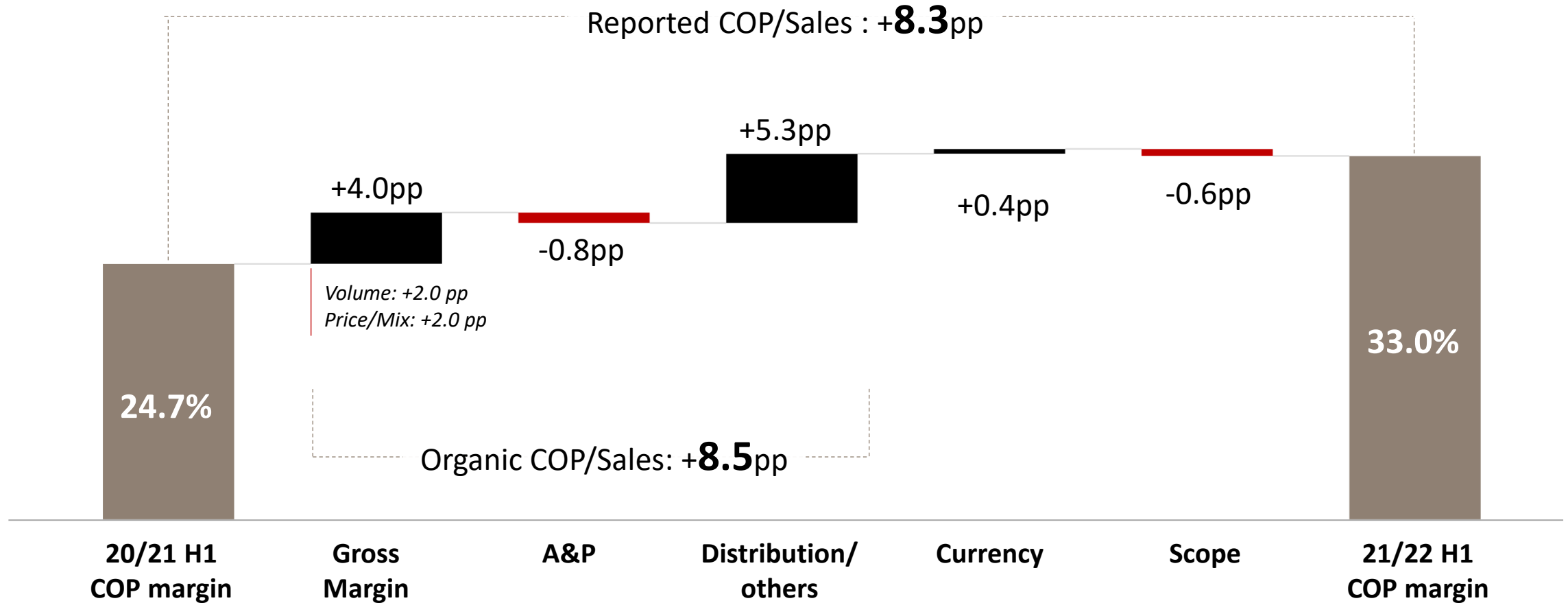
Financial results  
Luca Marotta, CFO



# Current Operating Profit

<i>Ending September (in €m)</i>	<b>21/22 H1</b>	<b>20/21 H1</b>	<b><i>Reported %</i></b>	<b><i>Organic %</i></b>
<b>Net Sales</b>	<b>645.3</b>	<b>430.8</b>	<b>+49.8 %</b>	<b>+52.0 %</b>
<b>Gross Profit</b>	<b>445.9</b>	<b>278.6</b>	<b>+60.0 %</b>	<b>+61.4 %</b>
<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 %
<b>Current Operating Profit</b>	<b>212.9</b>	<b>106.2</b>	<b>+100.4 %</b>	<b>+104.5 %</b>
<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>	<b>21/22 H1</b>	<b>20/21 H1</b>	<b><i>Reported %</i></b>	<b><i>Organic %</i></b>
<b>Current Operating Profit</b>	<b>212.9</b>	<b>106.2</b>	<b>+100.4 %</b>	<b>+104.5 %</b>
Other operating income (expenses)	(13.6)	(0.2)	-	-
<b>Operating Profit</b>	<b>199.3</b>	<b>106.0</b>	<b>+88.0 %</b>	<b>+92.0 %</b>
Net financial income (charge)	(7.4)	(8.0)	-8.4 %	-5.2%
<b>Profit Before Tax</b>	<b>191.9</b>	<b>98.0</b>	<b>+95.9 %</b>	<b>+100.0 %</b>
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	-	-
<b>Net Profit Group share</b>	<b>134.0</b>	<b>65.0</b>	<b>+106.1 %</b>	<b>+111.6 %</b>
<b>Earnings Per Share</b>	<b>2.67</b>	<b>1.30</b>	<b>+104.9 %</b>	-
<b>Net Profit excluding non-recurring items</b>	<b>148.2</b>	<b>65.2</b>	<b>+127.4 %</b>	<b>+132.9 %</b>
<i>Net margin excluding non-recurring items (%)</i>	23.0 %	15.1 %	+7.8pp	+8.0pp
<b>EPS excluding non-recurring items</b>	<b>2.95</b>	<b>1.31</b>	<b>+126.0 %</b>	-



# Non-recurring items

<i>Ending September (in €m)</i>	<b>21/22 H1</b>	<b>20/21 H1</b>
<b>Net Profit – Group share</b>	<b>134.0</b>	<b>65.0</b>
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	-
<b>Net Profit excluding non-recurring items – Group share</b>	<b>148.2</b>	<b>65.2</b>

# Net debt/ Cash flow

<i>Ending September (in €m)</i>	<b>21/22 H1</b>	<b>20/21 H1</b>	<b>Change</b>
<b>Opening net financial debt (1 April)</b>	<b>(314.3)</b>	<b>(450.9)</b>	<b>136.6</b>
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
<b>Free Cash Flow</b>	<b>29.5</b>	<b>32.6</b>	<b>-3.0</b>
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
<b>Other Cash-Flow</b>	<b>(14.8)</b>	<b>(8.9)</b>	<b>-5.9</b>
<b>Total cash flow for the period</b>	<b>14.7</b>	<b>23.6</b>	<b>-8.9</b>
<b>Closing net financial debt (30 Sept.)</b>	<b>(299.6)</b>	<b>(427.3)</b>	<b>127.7</b>
<b>A Ratio (Net debt/EBITDA)</b>	<b>0.77</b>	<b>2.04</b>	<b>-1.27</b>

# Net financial expenses

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



# 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
<b>Total sales impact (in €m)</b>	<b>(5.7)</b>	<b>(48.9)</b>	<b>1.5</b>	<b>24.5</b>	<b>(36.3)</b>	<b>0</b>
<b>Total COP impact (in €m)</b>	<b>23.6</b>	<b>(18.5)</b>	<b>(6.8)</b>	<b>9.1</b>	<b>(4.8)</b>	<b>Circa (5.0)</b>

- *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%
<b>Total Assets</b>	<b>2,834</b>	<b>100%</b>	<b>2,616</b>	<b>100%</b>	<b>Total Liabilities</b>	<b>2,834</b>	<b>100%</b>	<b>2,616</b>	<b>100%</b>
<b>Stocks/Assets</b>		<b>53%</b>		<b>53%</b>	<b>Net gearing</b>		<b>19%</b>		<b>29%</b>



# 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

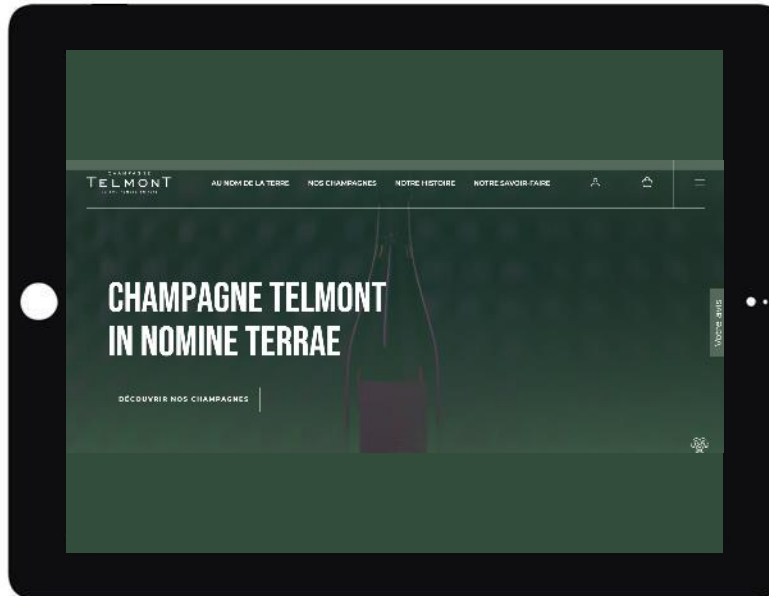


E-commerce

Boutiques

Datas

CRM



1<sup>st</sup> 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

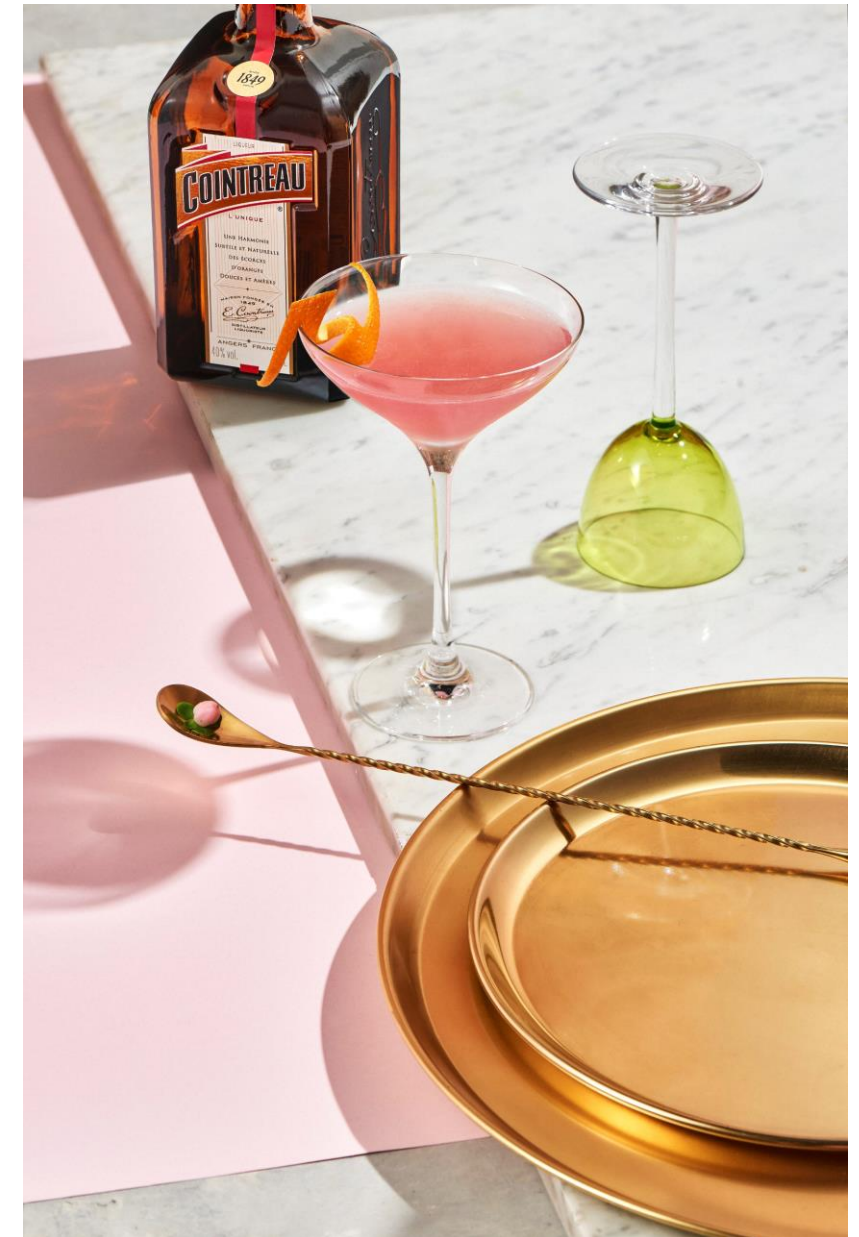
**Sales:** **strong** organic Full-year growth, with H1 strongly above H2 growth

**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
<b>Gross margin<sup>(*)</sup></b>	66.0%	66.8%	72.0%
<b>Current operating margin<sup>(*)</sup></b>	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

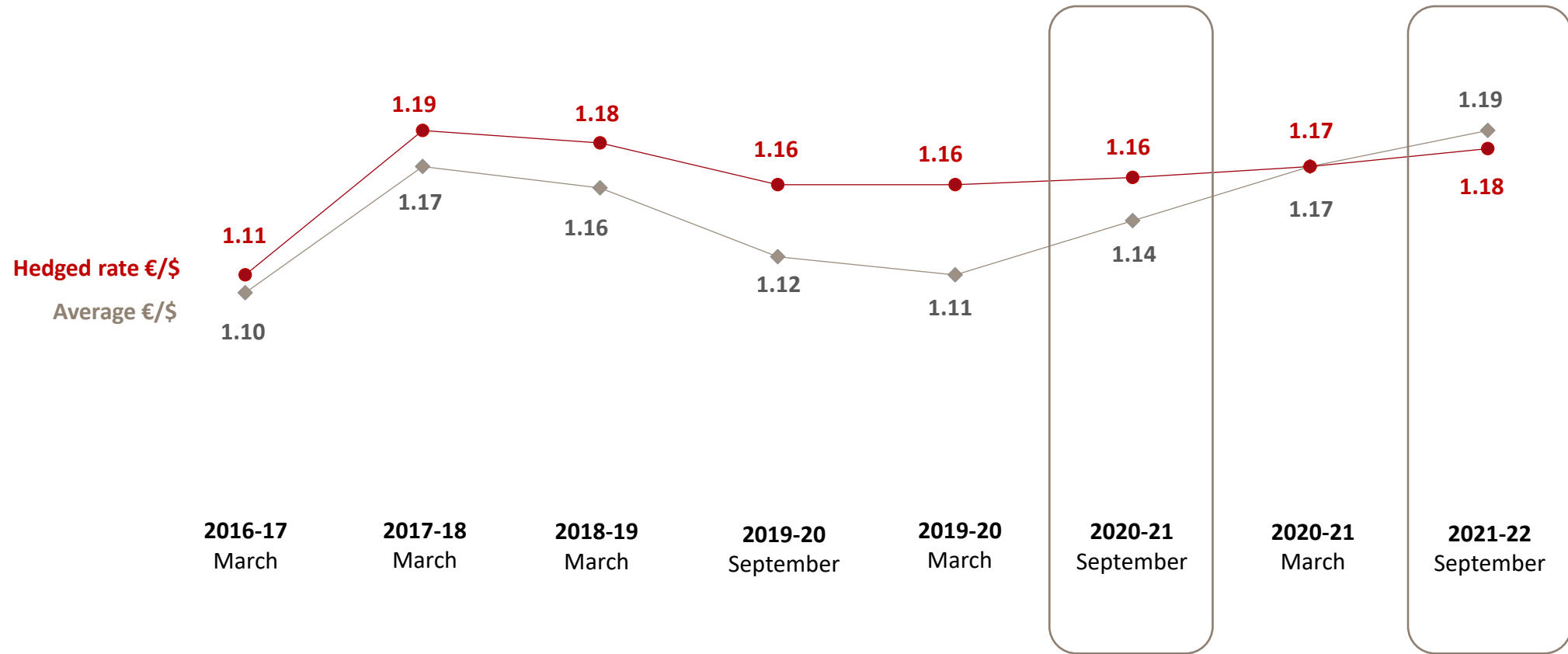
# Quarterly Sales by division

<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%
<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>

# 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 2<sup>nd</sup> 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