



RÉMY COINTREAU

2022-23 FY Sales
Luca Marotta, CFO

April 28, 2023

FY 2022/23 – Another strong year

FY 22-23 ORGANIC* SALES GROWTH

+10.1%

+43.6% vs. 3Y

- **Strong annual performance (+10.1%)**, representing **+43.6% organic sales growth vs. FY 2019-20**
- **Sales up +10.2% in Q4** reflecting successful value strategy (Price-Mix: +7.6%); Volume up +2.6%
- **-1.5 pts of calendar** effect linked to CNY in Q4 2023-24 (i.e, around -€3m)
- Sharp normalization of consumption in **the US**
- Meaningful rebound in **China** and **Travel Retail (approx. +45% vs. Q4 19-20)**

FY 22-23 ORGANIC SALES GROWTH BY REGION

- **AMERICAS: +2.5%** with Q4 down MSD% affected by normalization in US (**+58.4% vs. FY 19-20**)
- **APAC: +22.7%** with Q4 up very strong DD% led by China & Travel Retail recovery (**+49.1% vs. FY 19-20**)
- **EMEA: +11.0%** with Q4 showing solid resilience (up strong DD%) led by all sub-regions except Eastern Europe (**+8.8% vs. FY 19-20**)

FY 22-23 VALUE DEPLETIONS BY REGION

- **US:** mid-teens decline YoY (i.e. up LSD% excl. VSOP); approx. +30% vs. 2019-20 (i.e. approx. +60% excl. VSOP)
- **China:** mid-teens growth YoY, led by CLUB and whiskies; up mid-teens in Q4 (o/w > +700% in March)
- **EMEA:** high single-digit growth YoY, led by all sub-regions excluding Eastern Europe

FY 22-23 GUIDANCE CONFIRMED

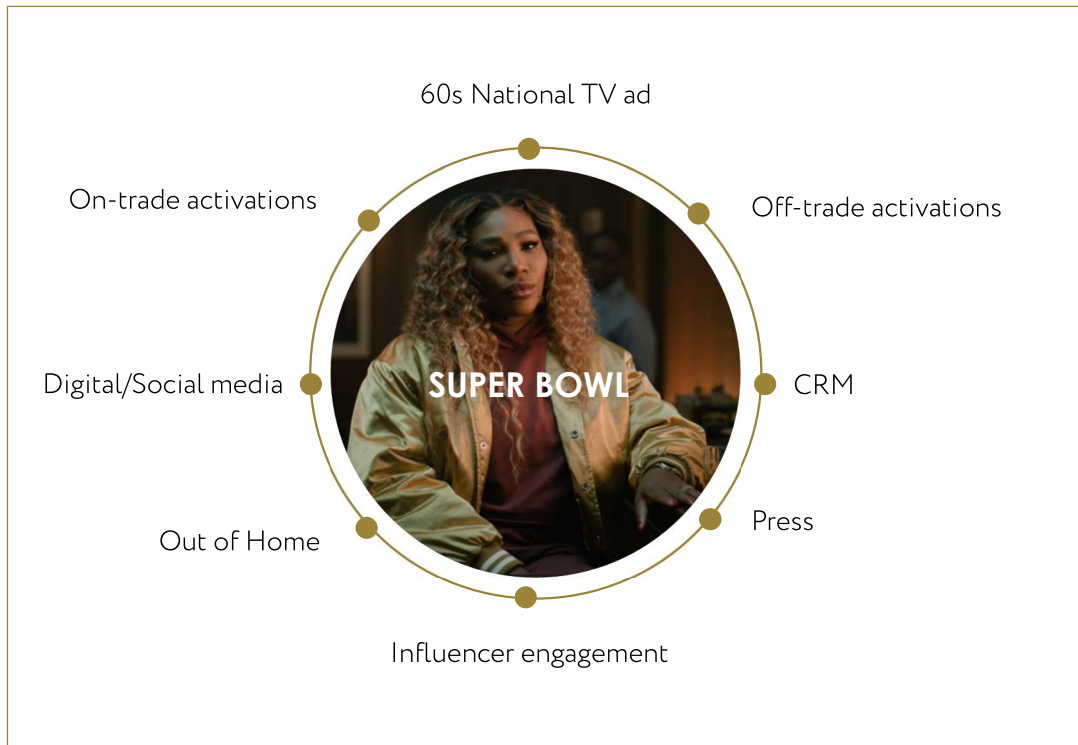
- **Strong organic COP growth**
- Leading to an **organic COP margin improvement**

(*) All references to organic growth in this presentation correspond to sales growth at constant exchange rates and scope
MSD: Mid-single digit / DD: double-digit / LSD: low-single digit



Q4 2022/23 – US marketing highlights

Superbowl – Grow desirability & awareness and drive relevance



- Ad ranking: ranked #25 out of 124 ads
- Engagement: outperformed median SB ad by 2.7x
- Top 10 SB ads purchase intent: ranked #8
- Top 5 influential celebrities: Serena Williams ranked #2
- Earned Press impressions: 11.1B+

Increased brand perceptions & relevance amongst 25-45 yo spirits drinkers

Enhanced premium perceptions with increased endorsement on worth paying more for



Q4 2022/23 - China marketing highlights

Solid Chinese New Year despite tough market conditions

Off-trade activations



Remy Martin cognac express Pop up
Guangzhou - Shenzhen

On-trade activations following CNY



CLUB and XO MOT Party

Strong push on e-commerce to leverage Limited Edition for CNY

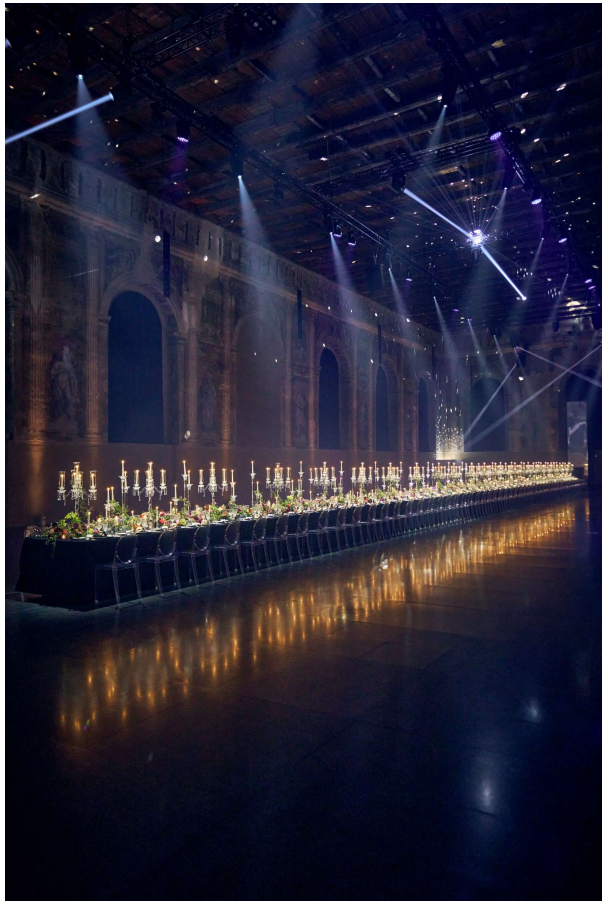


RM teamed up with QQ Music for
JD.com CNY campaign



Q4 2022-23 marketing highlights

Louis XIII Rare Cask 42.1



42.1 ABV

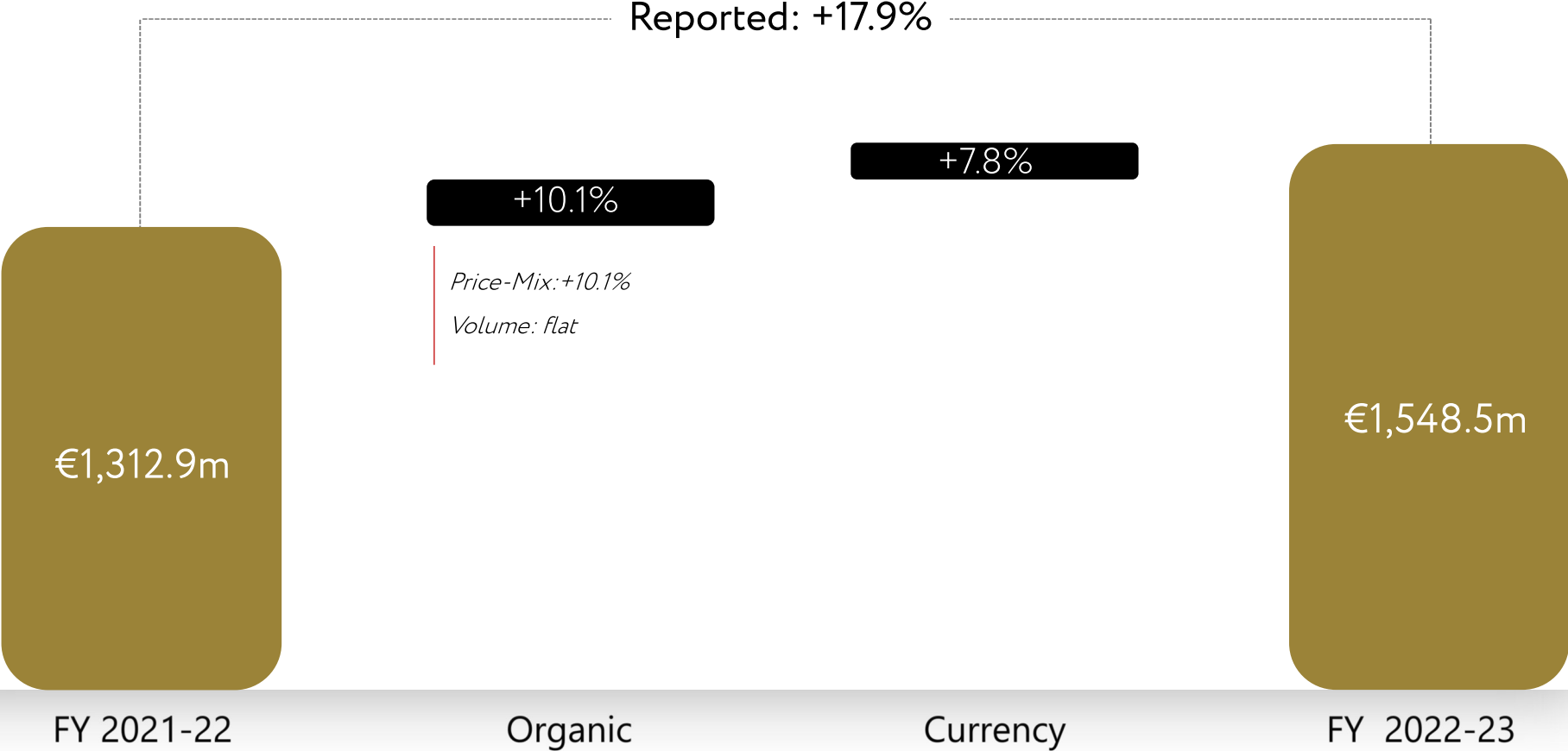


775 decanters in a single tierçon



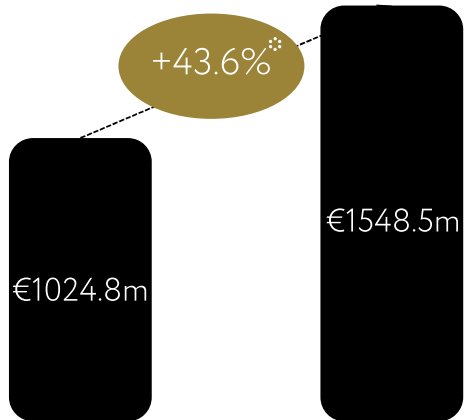
10 years since RARE CASK 42.6

FY 2022/23 - Group Sales bridge



FY 2022/23 - Organic sales up +43.6%* vs. FY 2019-20

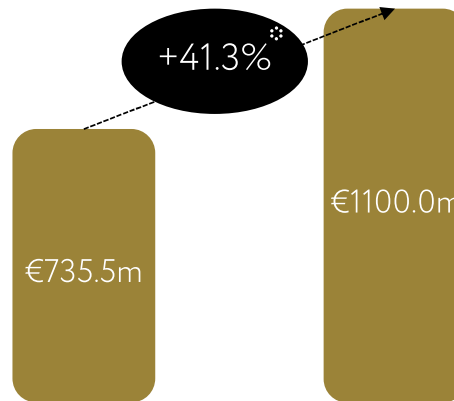
GROUP
Sales CAGR: +12.8%



FY 19/20 FY 22/23

Volume: +14.3% (i.e. CAGR: +4.6%)
Price-Mix: +29.3% (i.e. CAGR: +8.9%)

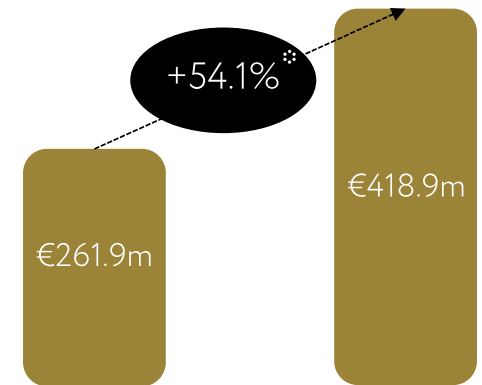
COGNAC
Sales CAGR: +12.2%



FY 19/20 FY 22/23

Volume: +11.4% (i.e. CAGR: +3.7%)
Price-Mix: +29.9% (i.e. CAGR: +9.1%)

LIQUEURS & SPIRITS
Sales CAGR: +15.5%



FY 19/20 FY 22/23

Volume: +20.6% (i.e. CAGR: +6.4%)
Price-Mix: +33.5% (i.e. CAGR: +10.1%)

(* Organic sales growth at constant exchange rates (2021-22 rates)

FY 2022/23 – Organic Sales growth by region

AMERICAS: +2.5% YoY

+58.4% vs. FY 19-20

US

Mid single-digit decline in Q4 (> pre-covid level), affected by sharp normalization of consumption (positive sales growth excl. VSOP)

Inventories at end of March
5-6 months

12M value depletions

Mid-teens decline YoY (up LSD excl. VSOP)
approx. +30% vs. 12M 19-20 (approx. +60% excl. VSOP)

Canada

Very strong DD decline in Q4 impacted by St-Rémy (phasing effects following strikes in March in France)

Latin America

Very strong double-digit rise in Q4, driven by Mount Gay and RM VSOP
Strong underlying trends boosted by tourism flows

50%
of sales

APAC: +22.7% YoY

+49.1% vs. FY 19-20

China

Very strong double-digit sales growth in Q4

Solid CNY vs. LY led by CLUB and whiskies
On-trade weakness (low traffic) offset by stellar performance in e-commerce
Record penetration rate (approx. 50% of sales)

Strong rebound in sales and traffic since mid-Feb, following huge wave of Covid cases in Jan

Inventories at end of March

Back to normal levels: ready to seize opportunities

12M value depletions

Mid-teens growth YoY (> +700% in March)

Rest of Asia

Very strong double-digit growth in Q4 led by Japan, Australia and New Zealand, boosted by tourism flows

33%
of sales

EMEA: +11.0% YoY

Approx. +8.8% vs. FY 19-20

Western Europe

Very strong double-digit growth in Q4 across whole portfolio

UK

Very strong double-digit growth in Q4
Continued solid dynamics in on-trade
Performance led by VSOP, Cointreau, whiskies
Distribution ramp-up of St-Rémy

Rest of EMEA

Strong dynamics in all sub-regions except Eastern Europe
Continued good dynamics in on-trade, supported by mixology rise

Inventories at end of March
Very healthy

12M value depletions
HSD growth YoY

17%
of sales

Cognac: +7.6% in FY (o/w -9.3% in Volume and +16.9% in Price-Mix)

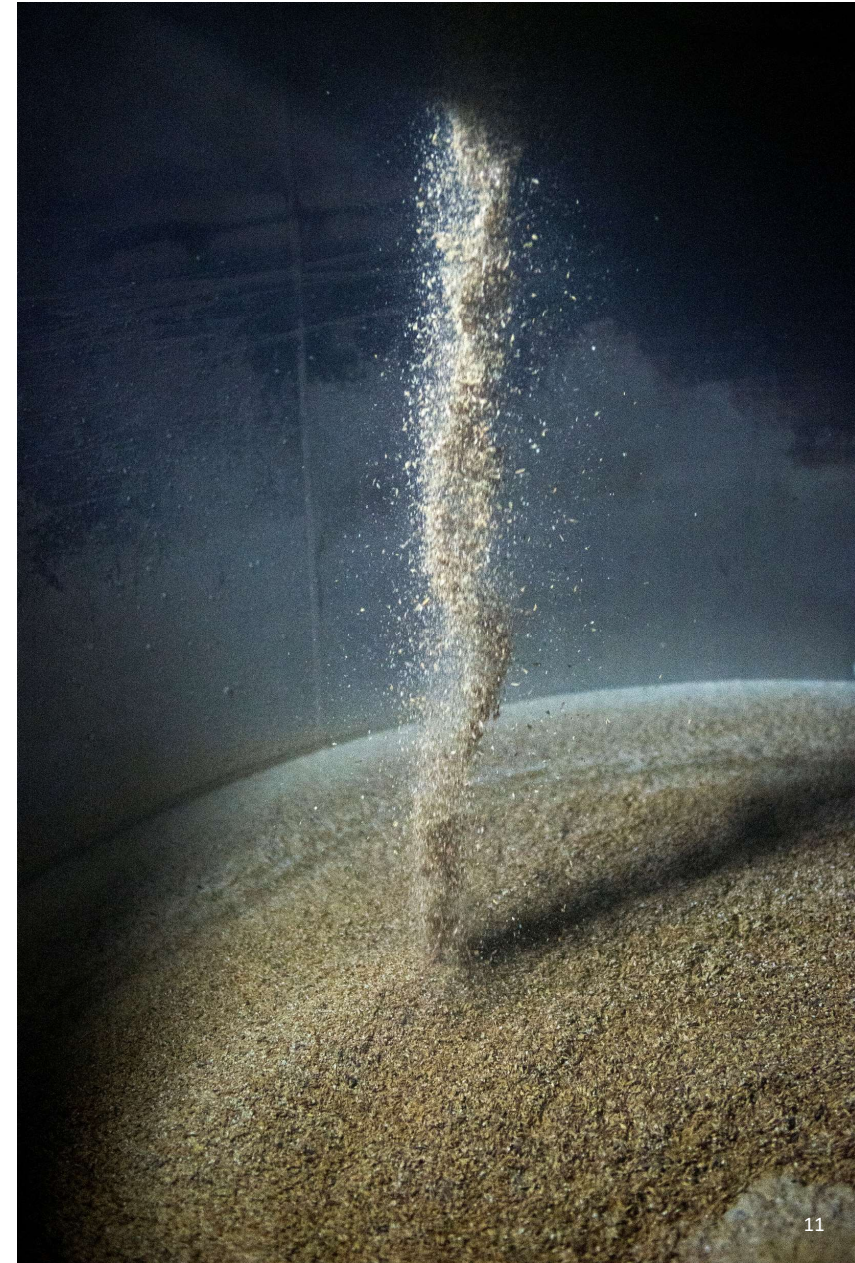
<p>AMERICAS</p> <p>LSD organic decline in FY 22-23 (c.+55% vs. 19-20)</p> <p>51% of sales</p>	<p>North America:</p> <ul style="list-style-type: none"> FY 22-23: low single-digit decline in sales YoY (> +60% vs. FY 19-20) Q4: very strong double-digit decline in sales YoY impacted by sharp normalization of consumption; persistent up-trading trends with continued outperformance of Louis XIII and RM XO Q4 US <u>value</u> depletions: very strong double-digit decline YoY (approx. +10% vs. Q4 19-20); Excl. VSOP, value depletions were up +40% vs. Q4 19-20 <table border="1"> <thead> <tr> <th rowspan="2">US</th> <th rowspan="2">Volume depletion trends to March 2023</th> <th colspan="3">vs. March 2022 (vs. LY)</th> <th colspan="3">vs. March 2019 (vs. 3Y)</th> </tr> <tr> <th>3M</th> <th>6M</th> <th>12M</th> <th>3M</th> <th>6M</th> <th>12M</th> </tr> </thead> <tbody> <tr> <td></td> <td>Market (source Nielsen)</td> <td>-11.0%</td> <td>-12.5%</td> <td>-17.1%</td> <td>-16.7%</td> <td>-13.5%</td> <td>-8.9%</td> </tr> <tr> <td></td> <td>Market (source NABCA/Discuss)</td> <td>-40.3%</td> <td>-35.9%</td> <td>-20.5%</td> <td>-44.8%</td> <td>-35.4%</td> <td>-18.0%</td> </tr> <tr> <td></td> <td>Rémy Martin (source Company)</td> <td>-31.8%</td> <td>-37.0%</td> <td>-34.7%</td> <td>-12.2%</td> <td>-12.6%</td> <td>-2.4%</td> </tr> </tbody> </table> <p>* Company data</p> <p>Price-Mix: Approx. +10 pts YoY +25 pts vs. 12M 2019-20 (ended March 2023)</p> <p>Latin America: sales up mid-teens in FY o/w up > +100% in Q4, driven by RM VSOP, Louis XIII and RM 1738; still below pre-Covid level</p>	US	Volume depletion trends to March 2023	vs. March 2022 (vs. LY)			vs. March 2019 (vs. 3Y)			3M	6M	12M	3M	6M	12M		Market (source Nielsen)	-11.0%	-12.5%	-17.1%	-16.7%	-13.5%	-8.9%		Market (source NABCA/Discuss)	-40.3%	-35.9%	-20.5%	-44.8%	-35.4%	-18.0%		Rémy Martin (source Company)	-31.8%	-37.0%	-34.7%	-12.2%	-12.6%	-2.4%
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<p>APAC</p> <p>Very strong organic growth in FY 22-23 (c.+45% vs. 19-20)</p> <p>41% of sales</p>	<p>China:</p> <ul style="list-style-type: none"> Mainland China: sales up by mid-teens in FY (approx. +85% vs. FY 19-20) and showed excellent growth in Q4 YoY driven by RM CLUB; tough market in Jan. (hit by pandemic), followed by a sharp recovery in sales from Mid-Feb.; stellar performance in e-commerce, which offset weakness in on-trade (triple-digit organic sales growth in Q4); very confident for 2023-24 Very strong DD% in Taiwan in Q4 and FY driven by rebound in traffic flows from China and strong CNY; weak activity in Macau in Q4, impacted by limited high-end tourism flows (strong DD% in FY); Hong Kong showed triple digit rise in Q4 and FY driven by reopening of borders and RM CLUB <p>Rest of Asia: up HSD% in Q4 (up strong DD% in FY), led by Louis XIII and 1738 in Australia, South Korea and Japan; strong Travel Retail recovery</p>																																						
<p>EMEA</p> <p>Mid-teens organic growth in FY 22-23 (c.-15% vs. 19-20)</p> <p>8% of sales</p>	<ul style="list-style-type: none"> Sales show mid-teens growth in FY (o/w very strong growth in Q4), led by all regions except Eastern Europe; Benelux and the UK continued to outperform in Q4. Strong outperformance of RM VSOP and RM XO 																																						

L&S: +18.7% in FY (o/w +8.3% in Volume and +10.5% in Price-Mix)

<p style="text-align: center;">AMERICAS</p> <p style="text-align: center;">Very strong DD organic growth in FY22-23 (c.+70% vs. 19-20)</p> <p style="text-align: center;">52% of sales</p>	<p>North America:</p> <ul style="list-style-type: none"> Sales showed very strong double-digit growth YoY in FY and in Q4 (approx. +75% vs. FY 19-20), driven by Cointreau and The Botanist: continued rise in mixology (good momentum around the Margarita cocktail) and persistent up-trading trends in on-trade Cointreau Q4 US value depletions were up by mid single-digit YoY due to high comps (before pricing increases in April-22); c.+75% vs. Q4 19-20 <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="3" style="text-align: center;">US</th> <th rowspan="2" style="text-align: center;">Volume depletion trends to March 2023</th> <th colspan="3" style="text-align: center;">vs. March 2022 (vs. LY)</th> <th colspan="3" style="text-align: center;">vs. March 2019 (vs. 3Y)</th> </tr> <tr> <th style="text-align: center;">3M</th> <th style="text-align: center;">6M</th> <th style="text-align: center;">12M</th> <th style="text-align: center;">3M</th> <th style="text-align: center;">6M</th> <th style="text-align: center;">12M</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Market (source Nielsen)</td> <td style="text-align: center;">-2.5%</td> <td style="text-align: center;">1.2%</td> <td style="text-align: center;">-0.7%</td> <td style="text-align: center;">3.3%</td> <td style="text-align: center;">10.9%</td> <td style="text-align: center;">13.1%</td> </tr> <tr> <td style="text-align: center;">Market (source NABCA/Discuss)</td> <td style="text-align: center;">3.9%</td> <td style="text-align: center;">-2.2%</td> <td style="text-align: center;">-2.1%</td> <td style="text-align: center;">26.8%</td> <td style="text-align: center;">9.4%</td> <td style="text-align: center;">14.0%</td> </tr> <tr> <td style="text-align: center;">Cointreau (Source Company)</td> <td style="text-align: center;">-2.5%</td> <td style="text-align: center;">1.7%</td> <td style="text-align: center;">4.1%</td> <td style="text-align: center;">60.4%</td> <td style="text-align: center;">57.6%</td> <td style="text-align: center;">54.1%</td> </tr> </tbody> </table> <p style="font-size: small;">* Company data</p> <p style="text-align: right;">Price-Mix: +6 pts YoY +16 pts vs. 12M 2019-20 (ended March 2023)</p> <p>Latin America: very strong double-digit growth in FY YoY (o/w high single-digit rise in Q4 YoY), led by Mount Gay and whiskies</p>	US	Volume depletion trends to March 2023	vs. March 2022 (vs. LY)			vs. March 2019 (vs. 3Y)			3M	6M	12M	3M	6M	12M	Market (source Nielsen)	-2.5%	1.2%	-0.7%	3.3%	10.9%	13.1%	Market (source NABCA/Discuss)	3.9%	-2.2%	-2.1%	26.8%	9.4%	14.0%	Cointreau (Source Company)	-2.5%	1.7%	4.1%	60.4%	57.6%	54.1%
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<p style="text-align: center;">EMEA</p> <p style="text-align: center;">Low DD organic growth in FY 22-23 (c.+30% vs. 19-20)</p> <p style="text-align: center;">34% of sales</p>	<ul style="list-style-type: none"> Low double-digit sales growth in FY and in Q4 YoY, led by Cointreau, the whiskies and St-Rémy; growing interest in mixology, gradually catching up with more mature markets such as the US and the UK <ul style="list-style-type: none"> Western Europe and the UK showed strong resilience and outperformed, while Benelux and Africa performed very well Eastern Europe continues to be impacted by the geopolitical context 																																			
<p style="text-align: center;">APAC</p> <p style="text-align: center;">Very strong double-digit organic growth in FY 22-23 (c.+75% vs. 19-20)</p> <p style="text-align: center;">14% of sales</p>	<p>China:</p> <ul style="list-style-type: none"> Very strong double-digit sales growth in FY and Q4 (around +120% vs. FY 19-20) Whiskies continued to outperform the overall portfolio, led by new generations looking for novelty and high-end products <p>Rest of Asia:</p> <ul style="list-style-type: none"> Very strong double-digit growth in FY and Q4 YoY, led by Cointreau and St Rémy; ramp-up of Telmont in Japan 																																			

Outlook 2022-23 confirmed

- Strong organic COP growth
- Leading to organic COP margin improvement
 - Sizeable Gross Margin improvement
 - Increased A&P investments, notably in H2
 - Tight control of OPEX
- Expected currency effects on COP: around +€40m (vs. +€55/60M€ previously)



2023-24 outlook: V-shaped trajectory (1/2)

On the heels of two outstanding years, Rémy Cointreau expects FY 2023-24 to show:

- Continued **strong normalization of consumption in the US** which should settle at “new normal” levels (significantly above 2019-20) considering:
 - Stronger brands (awareness and desirability)
 - Increased investment capacity
 - Efficient organization, based on solid progress made on 4 strategic priorities^(*)
 - Lasting new consumer trends such as up-trading and mixology
- **Strong organic sales growth in the rest of the world**, led by:
 - Major gains in China
 - Very good performance in the EMEA and Rest of Asia regions
 - Level of activity similar to that of 2019-20 for Travel Retail

(*) 1/ Increase value per Case 2/ Implement client centric model 3/ Enhance portfolio management 4/ Achieve responsible growth



2023-24 outlook: V-shaped trajectory (2/2)

In this context, Rémy Cointreau anticipates **stable organic sales** for 2023-24, including:

- Strong sales decline in H1, impacted by a very strong fall in the US and high bases for comparison
- Strong recovery in sales in H2, driven by a sharp rebound in the US from Q3

Rémy Cointreau intends to confirm its level of profitability, based on:

- Continued roll-out of its value-driven strategy, built on firm pricing policy and improved Price-Mix
- Resilient Gross Margin, in a persistently inflationary context
- Stabilization of A&P ratio (% sales)
- Tight control of overhead costs





Appendices

Quarterly sales by division

<i>In €m</i>	Q1 22/23	Q1 21/22	Reported %	Organic %
Cognac	292.3	199.6	+46.4%	+31.5%
Liqueurs & Spirits	109.7	85.3	+28.7%	+19.4%
Subtotal: Group Brands	402.0	284.9	+41.1%	+27.9%
Partner Brands	7.9	8.2	-3.1%	-3.8%
Total	409.9	293.1	+39.9%	+27.0%

<i>In €m</i>	Q2 22/23	Q2 21/22	Reported %	Organic %
Cognac	345.9	265.0	+30.5%	+15.6%
Liqueurs & Spirits	104.7	78.8	+32.9%	+22.2%
Subtotal: Group Brands	450.6	343.8	+31.1%	+17.1%
Partner Brands	6.6	8.4	-21.6%	-21.9%
Total	457.2	352.2	+29.8%	+16.2%

<i>In €m</i>	H1 22/23	H1 21/22	Reported %	Organic %
Cognac	638.1	464.6	+37.3%	+22.4%
Liqueurs & Spirits	214.5	164.1	+30.7%	+20.7%
Subtotal: Group Brands	852.6	628.7	+35.6%	+22.0%
Partner Brands	14.5	16.6	-12.5%	-13.0%
Total	867.1	645.3	+34.4%	+21.1%

Organic sales growth: at constant exchange rates & scope

Quarterly sales by division

<i>In €m</i>	Q3 22/23	Q3 21/22	Reported %	Organic %
Cognac	314.0	332.7	-5.6%	-11.0%
Liqueurs & Spirits	114.1	98.7	+15.7%	+10.1%
Subtotal: Group Brands	428.1	431.4	-0.8%	-6.2%
Partner Brands	9.5	9.1	+3.6%	+3.9%
Total	437.6	440.5	-0.7%	-6.0%

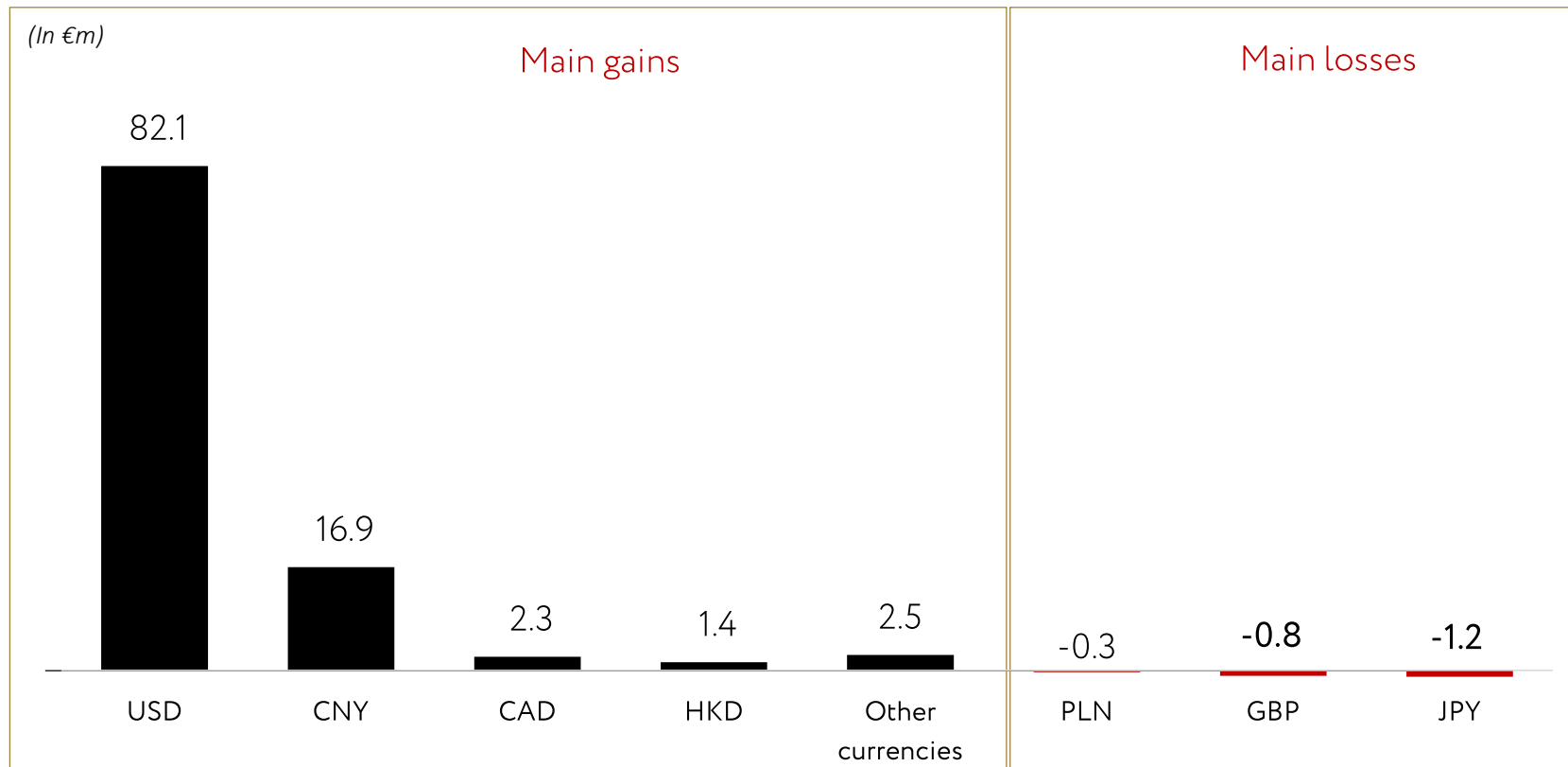
<i>In €m</i>	Q4 22/23	Q4 21/22	Reported %	Organic %
Cognac	147.9	151.0	-2.0%	+2.9%
Liqueurs & Spirits	90.3	70.5	+28.1%	+26.2%
Subtotal: Group Brands	238.2	221.5	+7.6%	+10.4%
Partner Brands	5.6	5.6	+0.7%	+2.5%
Total	243.8	227.0	+7.4%	+10.2%

<i>In €m</i>	FY 22/23	FY 21/22	Reported %	Organic %
Cognac	1 100.0	948.3	+16.0%	+7.6%
Liqueurs & Spirits	418.9	333.2	+25.7%	+18.7%
Subtotal: Group Brands	1 518.9	1 281.5	+18.5%	+10.5%
Partner Brands	29.6	31.3	-5.4%	-5.3%
Total	1 548.5	1 312.9	+17.9%	+10.1%

Organic sales growth: at constant exchange rates & scope

Key currency impacts on FY 2022-23 sales

Total currency impact: +€102.8m





Q&A