



MAKE YOUR *Margarita*  
**MARGARIGHT**

WITH AUBREY PLAZA



RÉMY COINTREAU

2023-24 Q1 Sales  
Luca Marotta, CFO

July 25, 2023

# Executive summary – Q1 2023-24 sales in line with expectations

## Q1 ORGANIC\* SALES GROWTH

-35.0 % vs. Q1 22-23  
+14.3 % vs Q1 19-20

- Sales down -35.0% YoY, in line with expectations
- Sales performance impacted by exceptionally high bases of comparison LY (Q1 22-23: +74.0% vs. Q1 19-20) and short-term headwinds in the US
- Very strong growth in the rest of the world, particularly China, Southeast Asia and the EMEA region
- Price-Mix: -9.0% due to strong negative mix, linked to Cognac's underperformance compared with Liqueurs & Spirits; Volume effect (-26.0%) reflects meaningful decline in Americas

## Q1 23-24 ORGANIC SALES GROWTH BY REGION

- **AMERICAS:** massive decline, as expected, (approx. -10% vs. Q1 19-20), impacted by high comps. and meaningful destocking, essentially for Cognac
- **APAC:** very strong double-digit growth, led by China, Southeast Asia and continued GTR recovery (approx. +30% vs. Q1 19-20)
- **EMEA:** mid-teen rise, showing a broad-based growth (> +35% vs. Q1 19-20)

## Q1 23-24 VALUE DEPLETIONS BY REGION

- **US:** low single-digit decline YoY in Q1 (stable excl. VSOP); approx. +45% vs. Q1 19-20 (> +75% excl. VSOP); strong sequential improvement throughout Q1 with June back to positive
- **China:** very strong double-digit growth in Q1 YoY, led by CLUB, Louis XIII, VSOP and XO; approx. +20% vs. Q1 19-20
- **EMEA:** strong double-digit growth in Q1 YoY, led by Africa-Middle East, Benelux and Eastern Europe; approx. +50% vs. Q1 19-20

## FY GUIDANCE CONFIRMED

- Stable sales and profitability on an organic basis
- Year of two halves (H1 < H2) both in sales and COP margin

(\*) All references to organic growth in this presentation correspond to sales growth at constant exchange rates and scope



# Q1 2023-24 marketing highlights

## New campaign for Cointreau: Margarita Right since June 14

### On-Premise Activation & Menus



### Times Square Takeover

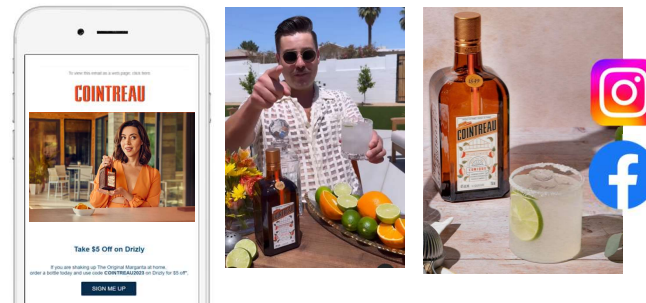


230m  
impressions

### Off-Premise & E-Comm Tools, incl. Drizly Takeover



### Social Media, CRM & Influencer Amplification



39m  
views & plays  
across screens



# Q1 2023-24 marketing highlights 6/18 Festival on T-Mall and JD.com

**+25%**  
YoY Growth

**Top 1\***  
Western Spirits Brands on JD

**Top 2\***  
Western Spirits Brands on T-Mall



**CLUB SHEEP CHEN**  
Special edition of Remy Martin CLUB -Radiant Sun Bottle



**CLUB SHENZHEN**  
Special edition of Remy Martin CLUB -City Series - Shenzhen Bottle



**CLUB SERIES**  
Austin Li livestreaming on Jun 18



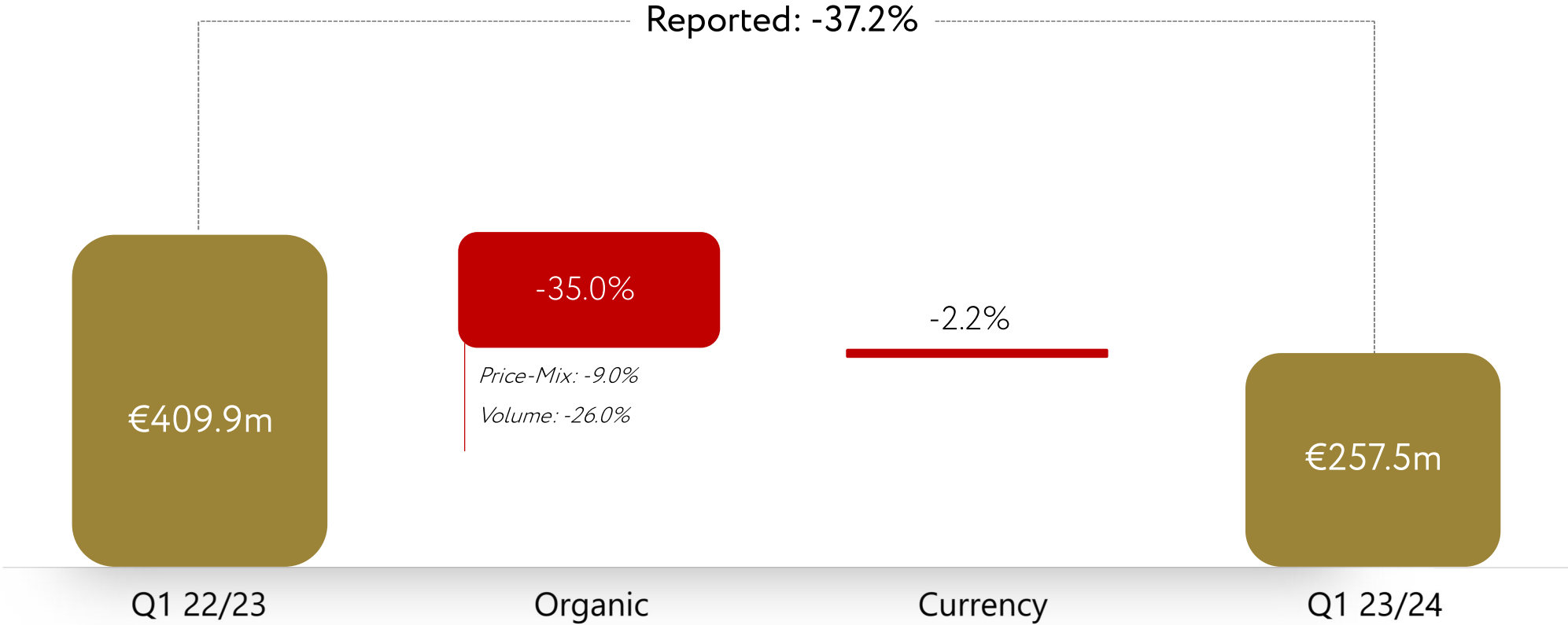
Chinese artist Sheep Chen unveils CLUB -Radiant Sun (T-Mall exclusivity)  
Partnership with Affordable Art Fair @ Shanghai



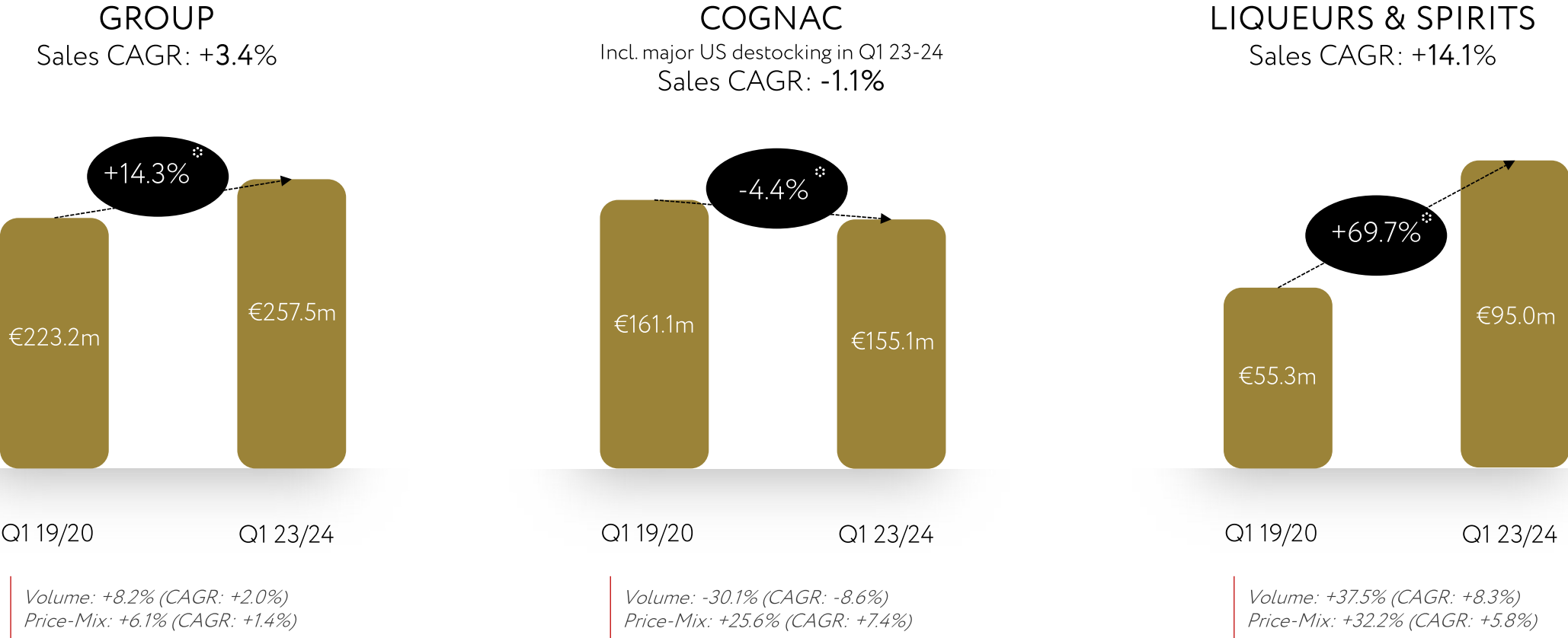
Outdoor Lifestyle EC Livestreaming on JD.com @ Shenzhen (CLUB Shenzhen)

(\* ) On B2C and D2C platforms

# Q1 2023/24 - Group sales bridge

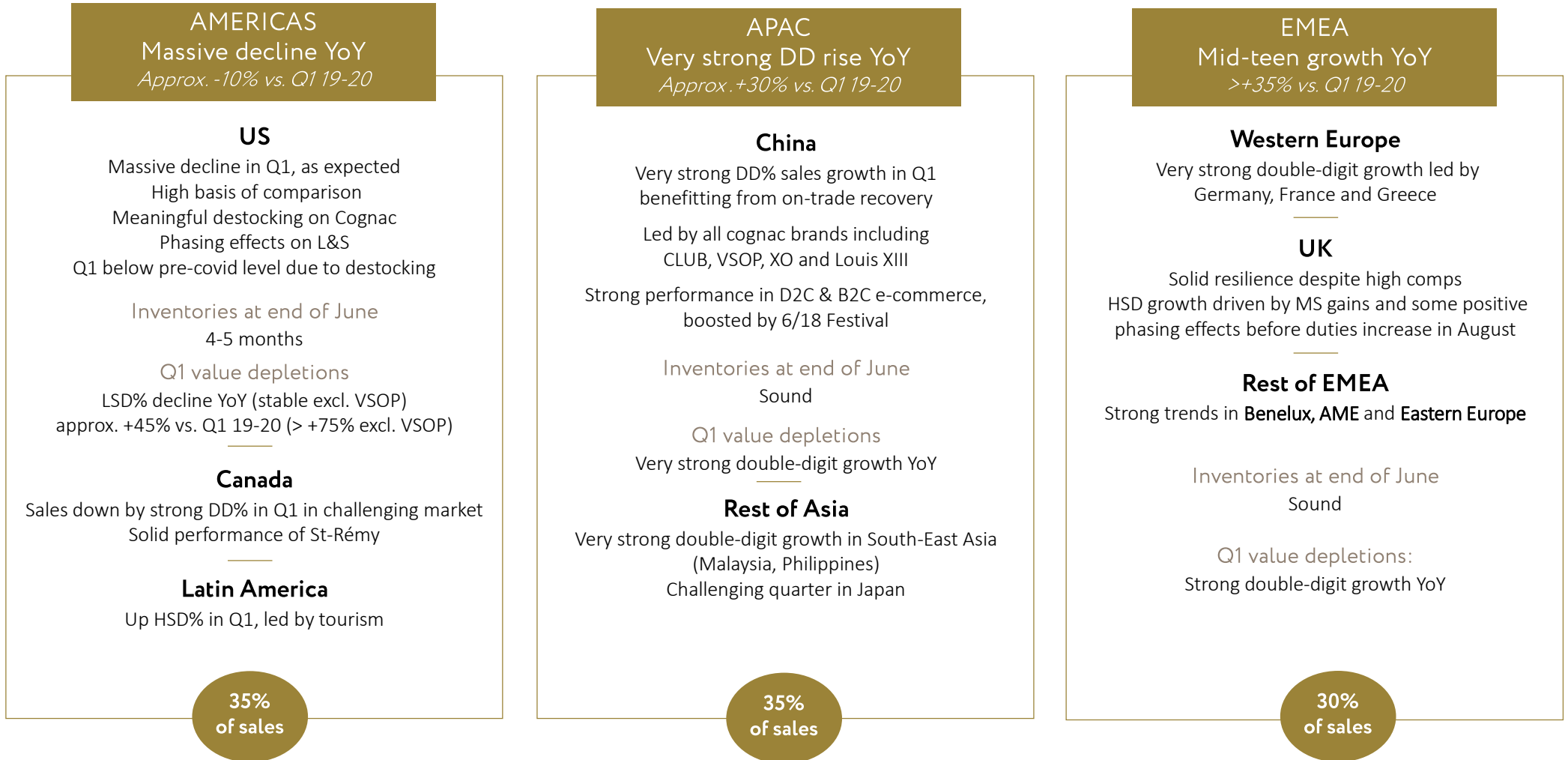


# Q1 2023/24 - Organic sales up +14.3%\* vs. Q1 2019-20



(\* Organic sales growth at constant exchange rates (2022-23 rates)

# Q1 2023/24 – Organic sales trends by region



AME: Africa Middle-East  
LSD: Low single-digit / HSD: High single-digit / MSD: Mid single-digit / DD: double-digit

# Cognac

Organic sales growth of -44.7% in Q1 (o/w -55.1% in volume and +10.4% of Price-Mix)

<p><b>APAC</b> Very strong DD% rise YoY ~ +30% vs. Q1 19-20</p> <p>51% of sales</p>	<p><b>China:</b></p> <ul style="list-style-type: none"> <li><b>Mainland China:</b> very strong double-digit rise in sales (approx. +100% vs. Q1 19-20) driven by on-trade recovery, very good performance of B2C &amp; D2C e-commerce during 6/18 Festival on T-Mall &amp; JD.com (approx. +30% sales growth, leading to 33% of total digital sales penetration); performance led by all Cognac segments (CLUB continued to outperform, while XO showed some positive early signs); Inventories remain sound and outlook very positive despite challenging macro context</li> <li>Outstanding performance in <b>Taiwan</b>; muted performance in <b>Macau</b> as gaming activity is not fully back; <b>Hong Kong</b> was slightly down, impacted by some phasing effects (value depletions were up sharply in Q1)</li> </ul> <p><b>Rest of Asia:</b> strong double-digit rise YoY, led by Louis XIII and VSOP in Malaysia, Thailand and Philippines</p>																																											
<p><b>AMERICAS</b> Massive org. decline YoY ~ -35% vs. Q1 19-20</p> <p>30% of sales</p>	<p><b>North America:</b></p> <ul style="list-style-type: none"> <li>Massive decline YoY (very strong DD% decline vs. Q1 19-20) due to high comps (Q1 22-23 in the US: &gt; +190% vs. Q1 19-20) and meaningful destocking; sales were up MSD% excl. VSOP vs Q1 19-20</li> <li>In a market that showed a structural price decrease and in a more global promotional context, Rémy Martin continued to increase its prices</li> <li><b>Q1 US value depletions:</b> down -4.5% YoY (+37.9% vs. Q1 19-20 o/w approx. +90% excl. VSOP), showing a sequential improvement throughout the quarter (back to positive in June); 1738 was positive as of Q1</li> </ul> <p><b>Latin America:</b> very strong DD% rise in sales, supported by continued tourism recovery</p> <p><i>* Company data</i></p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Volume depletion trends to June 2023</th> <th colspan="3">vs. June 2022 (vs. LY)</th> <th colspan="3">vs. June 2019 (vs. 4Y)</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 rowspan="4"><b>US</b></td> <td>Market (source Nielsen)</td> <td>-13.6%</td> <td>-13.1%</td> <td>-15.3%</td> <td>-7.1%</td> <td>-4.0%</td> <td>0.4%</td> </tr> <tr> <td>Market (source NABCA/Discuss)</td> <td>-38.5%</td> <td>-33.1%</td> <td>-25.6%</td> <td>-39.6%</td> <td>-35.8%</td> <td>-24.5%</td> </tr> <tr> <td>Rémy Martin in Volume (source Company)</td> <td>-5.5%</td> <td>-19.7%</td> <td>-32.0%</td> <td>8.1%</td> <td>-9.9%</td> <td>-9.2%</td> </tr> <tr> <td>Rémy Martin in Value (source Company)</td> <td>-4.5%</td> <td>-13.8%</td> <td>-24.0%</td> <td>37.9%</td> <td>16.0%</td> <td>17.6%</td> </tr> </tbody> </table> <p><b>Price-Mix:</b> Approx. +8 pts YoY +27 pts vs. 2019-20 (12m basis - ended June 2023)</p>		Volume depletion trends to June 2023	vs. June 2022 (vs. LY)			vs. June 2019 (vs. 4Y)			3M	6M	12M	3M	6M	12M	<b>US</b>	Market (source Nielsen)	-13.6%	-13.1%	-15.3%	-7.1%	-4.0%	0.4%	Market (source NABCA/Discuss)	-38.5%	-33.1%	-25.6%	-39.6%	-35.8%	-24.5%	Rémy Martin in Volume (source Company)	-5.5%	-19.7%	-32.0%	8.1%	-9.9%	-9.2%	Rémy Martin in Value (source Company)	-4.5%	-13.8%	-24.0%	37.9%	16.0%	17.6%
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<p><b>EMEA</b> Very strong DD% rise YoY ~ +5% vs. Q1 19-20</p> <p>19% of sales</p>	<ul style="list-style-type: none"> <li>Sales up by very strong double-digits across all regions, particularly <b>Africa &amp; ME</b> and <b>Western Europe</b></li> <li>Meanwhile, <b>Eastern Europe</b> generated strong double-digit growth from low comps and <b>the UK</b> showed good resilience</li> <li>Strong outperformance for <b>Louis XIII</b> and <b>RM VSOP</b></li> </ul>																																											



# Liqueurs & Spirits

Organic sales growth of -11.4% in Q1 (o/w -7.6% in volume and -3.8% of Price-Mix)

<p><b>AMERICAS</b></p> <p>Very strong DD% decline YoY ~ +65% vs. Q1 19-20</p> <p>45% of sales</p>	<p><b>North America:</b></p> <ul style="list-style-type: none"> <li>Sales show strong DD% decline YoY (approx. +70% vs. Q1 19-20), impacted by very high comps (Q1 22-23 in the US: around +160% vs. Q1 19-20) and some phasing effects linked to distributors restocking in Q4 ahead of price increases in April (particularly for Cointreau); underlying trends remain healthy and sell-in set to renew with growth from Q2</li> <li>Cointreau's Q1 US value depletions were up +4.1% YoY from high comps (+85.4% vs. Q1 19-20)</li> </ul> <table border="1" data-bbox="667 593 1769 786"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Volume depletion trends to June 2023</th> <th colspan="3">vs. June 2022 (vs. LY)</th> <th colspan="3">vs. June 2019 (vs. 4Y)</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 rowspan="4">US</td> <td>Market (source Nielsen)</td> <td>2.8%</td> <td>2.1%</td> <td>2.7%</td> <td>25.2%</td> <td>26.0%</td> <td>20.6%</td> </tr> <tr> <td>Market (source NABCA/Discuss)</td> <td>-6.4%</td> <td>-2.3%</td> <td>-3.2%</td> <td>39.3%</td> <td>34.3%</td> <td>21.5%</td> </tr> <tr> <td>Cointreau in Volume (Source Company)</td> <td>4.7%</td> <td>1.5%</td> <td>4.1%</td> <td>67.8%</td> <td>59.8%</td> <td>60.5%</td> </tr> <tr> <td>Cointreau in Value (source Company)</td> <td>4.1%</td> <td>4.1%</td> <td>8.5%</td> <td>85.4%</td> <td>91.9%</td> <td>85.6%</td> </tr> </tbody> </table> <p>* Company data</p> <p>Price-Mix: +4 pts YoY +25 pts vs. 2019-20 12M basis (ended June 2023)</p> <p><b>Latin America:</b> stable YoY with Cointreau performing well and Mount Gay declining in Barbados</p>		Volume depletion trends to June 2023	vs. June 2022 (vs. LY)			vs. June 2019 (vs. 4Y)			3M	6M	12M	3M	6M	12M	US	Market (source Nielsen)	2.8%	2.1%	2.7%	25.2%	26.0%	20.6%	Market (source NABCA/Discuss)	-6.4%	-2.3%	-3.2%	39.3%	34.3%	21.5%	Cointreau in Volume (Source Company)	4.7%	1.5%	4.1%	67.8%	59.8%	60.5%	Cointreau in Value (source Company)	4.1%	4.1%	8.5%	85.4%	91.9%	85.6%
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<p><b>EMEA</b></p> <p>Mid-teens org. growth YoY ~ +80% vs. Q1 19-20</p> <p>43% of sales</p>	<ul style="list-style-type: none"> <li>Mid-teens growth in Q1 YoY led by Cointreau, whiskies and Saint-Rémy</li> <li>Western Europe, Africa &amp; ME and the UK outperformed and generated double-digit growth</li> <li>Benelux showed solid dynamics led by whiskies</li> <li>Eastern Europe recorded very strong double-digit growth from a low base</li> </ul>																																											
<p><b>APAC</b></p> <p>Slight decline YoY ~ +60% vs. Q1 19-20</p> <p>12% of sales</p>	<ul style="list-style-type: none"> <li>China: strong double-digit sales decline in Q1 YoY (approx. +35% vs. Q1 19-20) impacted by some destocking at retailer level and aggressive promotions from high end competitors</li> <li>Rest of Asia: mid-teen sales growth in Q1 YoY led by Japan, New Zealand and Thailand (Cointreau, Whiskies and Telmont)</li> </ul>																																											

## 2023-24 outlook: V-shaped trajectory

- Continued strong normalization of consumption in the US (to remain significantly above 2019-20)
  - Strong organic growth in the rest of the world led by China, EMEA/Rest of Asia and Travel Retail (back to 2019-20 level)
- 

### **Rémy Cointreau anticipates stable organic sales for 2023-24:**

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

### **Rémy Cointreau intends to confirm its level of profitability on an organic basis:**

- Continued roll-out of its value-driven strategy (firm pricing policy & improved 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

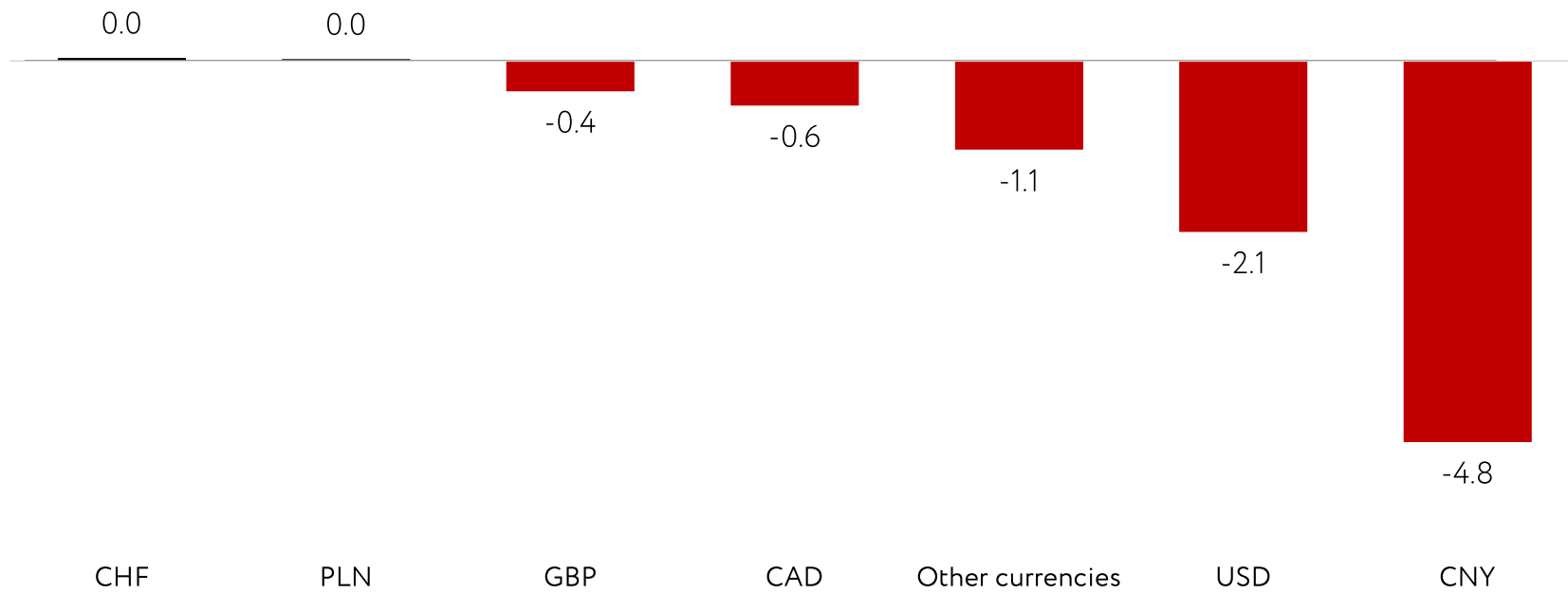
<i>In €m</i>	Q1 23/24	Q1 22/23	Reported %	Organic %
Cognac	155.1	292.3	-46.9%	-44.7%
Liqueurs & Spirits	95.0	109.7	-13.5%	-11.4%
Subtotal: Group Brands	250.0	402.0	-37.8%	-35.6%
Partner Brands	7.5	7.9	-5.4%	-4.6%
<b>Total</b>	<b>257.5</b>	<b>409.9</b>	<b>-37.2%</b>	<b>-35.0%</b>

*Organic sales growth: at constant exchange rates & scope*

# Key currency impacts on Q1 23/24 sales

Q1 23/24 total currency impact: -€8.9m

(In €m)



## Next financial publication dates

Oct. 27, 2023

2023-24 Q2 Sales

Nov. 30, 2023

2023-24 H1 Results





MAKE YOUR *Margarita*  
**MARGARIGHT**

WITH AUBREY PLAZA



RÉMY COINTREAU

Q&A