



**2023-24**  
**HALF-YEAR RESULTS**

November 30, 2023

Marie-Amélie de Leusse, Chairwoman

Eric Vallat, CEO

Luca Marotta, CFO

**KEEP IT COSMO**™





RÉMY MARTIN  
COGNAC FINE CHAMPAGNE

DREAMING FORWARD SINCE 1724



Introduction  
Marie-Amélie de Leusse,  
Chairwoman

2023-24: a year that will allow Rémy Cointreau to head into 2024-25 in the best possible conditions

We face short-term headwinds...

... but we can rely on solid foundations – even stronger than in the past...

... underpinned by our long-term vision...

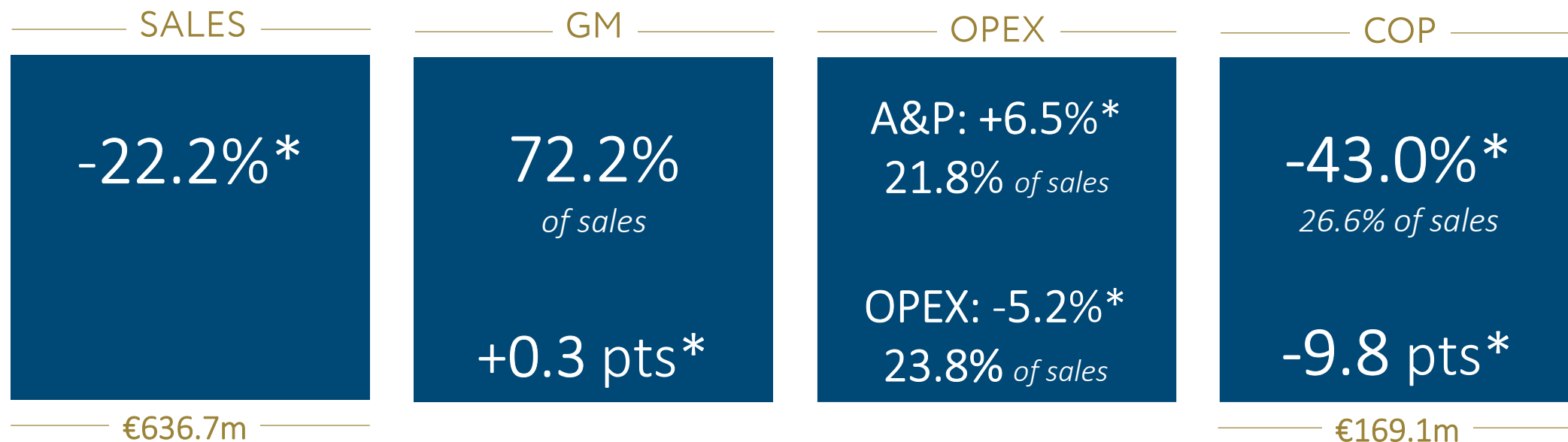
... and strengthened by faster-than-expected progress towards 2029-30



# Business Review

## Eric Vallat, CEO

# H1 2023-24 – Key highlights



Due to rounding, the sum of values presented in this presentation may differ from totals as reported. Such differences are not material.

(\*) Organic terms

# H1 2023-24 sales breakdown by division

Cognac



-30.1%

+9.4% vs. 4Y

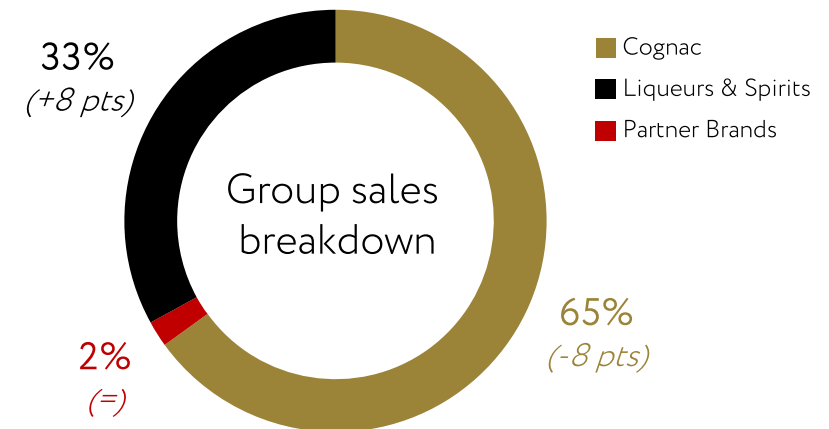
Liqueurs & Spirits



+0.1%

+55.8% vs. 4Y

Group

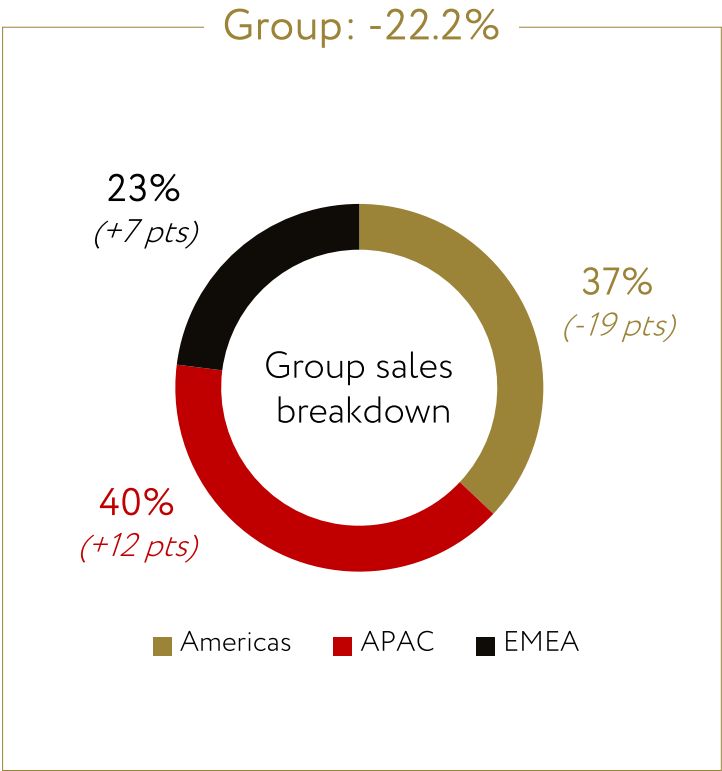
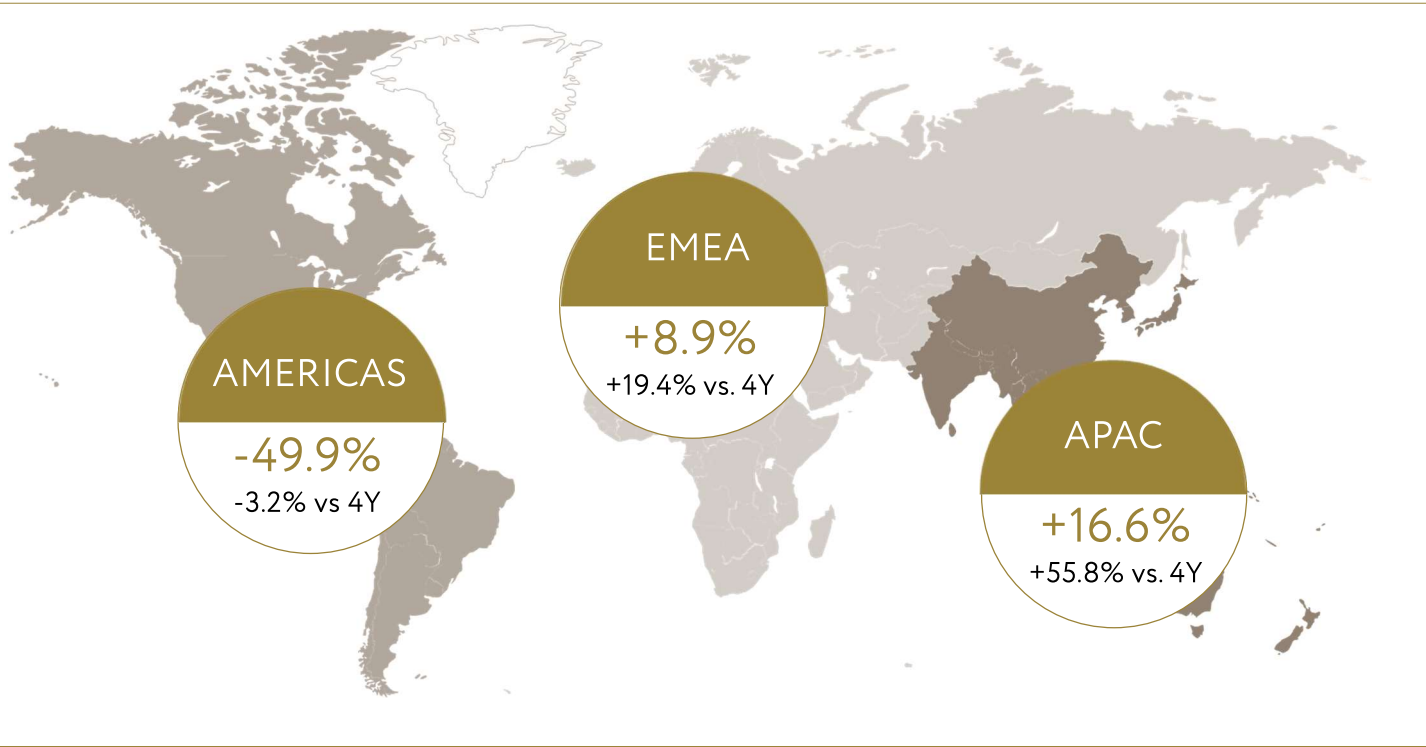


Group Brands: -22.5%

Partner Brands: -3.2%



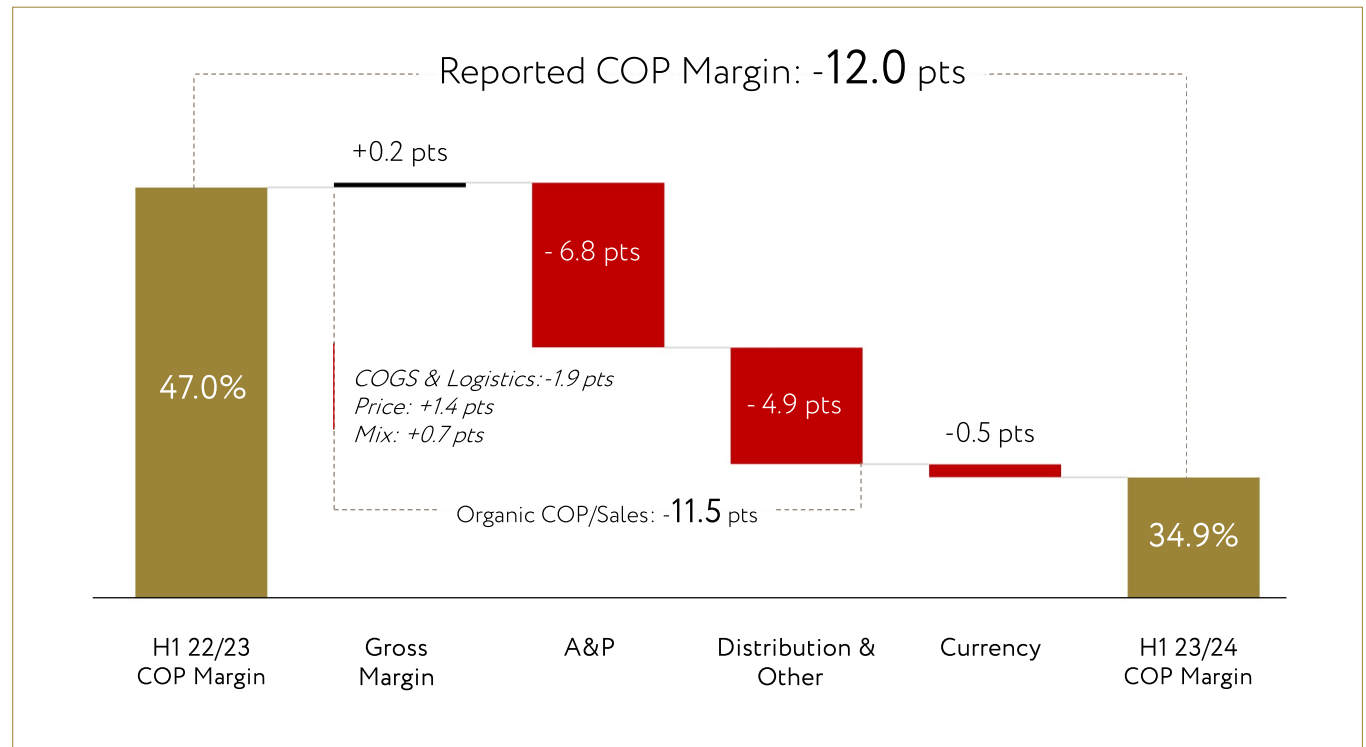
# H1 2023-24 sales breakdown by region



# H1 2023-24 Current Operating Margin by division

## Cognac: -47.2% organic growth in COP

Sales	€416.1m
Organic change (%)	-30.1%
Volume / Price-Mix	-39.0% / +8.9%
Current Operating Profit	€145.3m

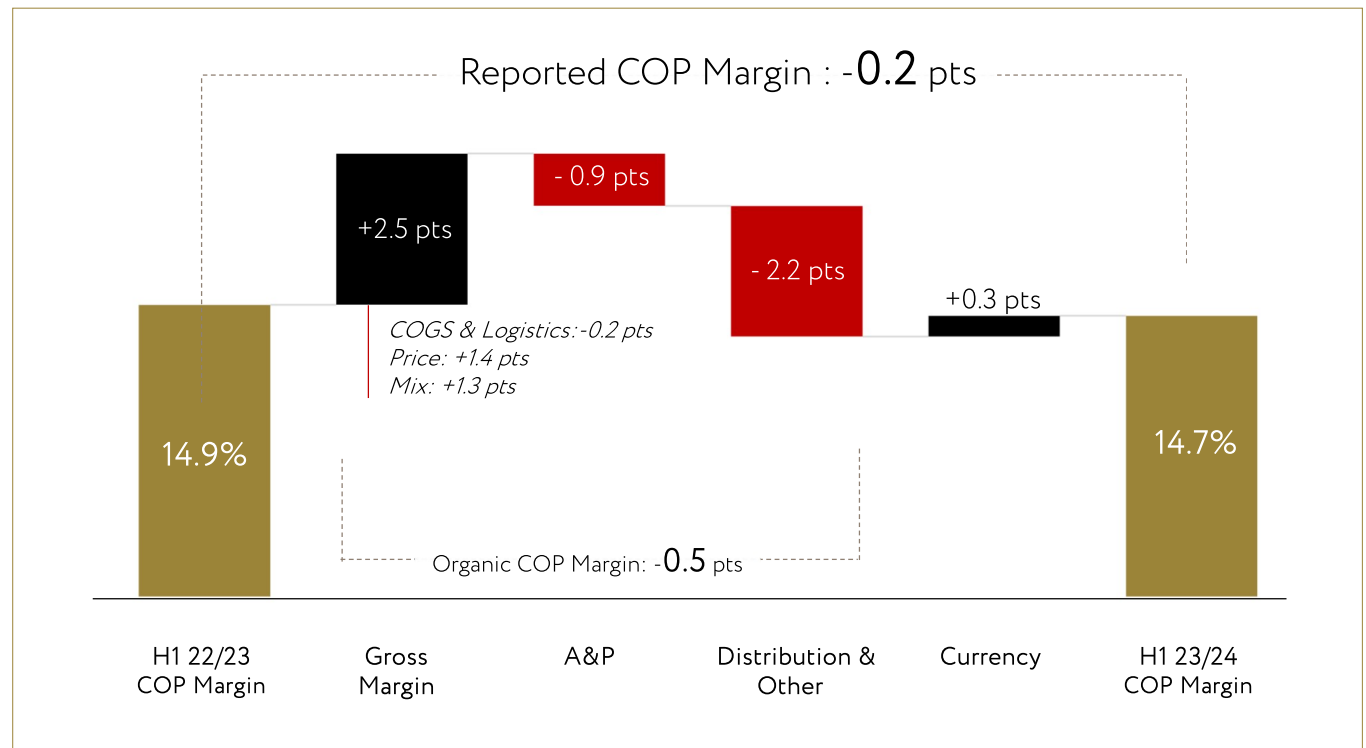




# H1 2023-24 Current Operating Margin by division

## Liqueurs & Spirits: -3.5% organic growth in COP

Sales	€206.7m
Organic change (%)	+0.1%
Volume / Price-Mix	-6.5% / +6.6%
Current Operating Profit	€30.3m





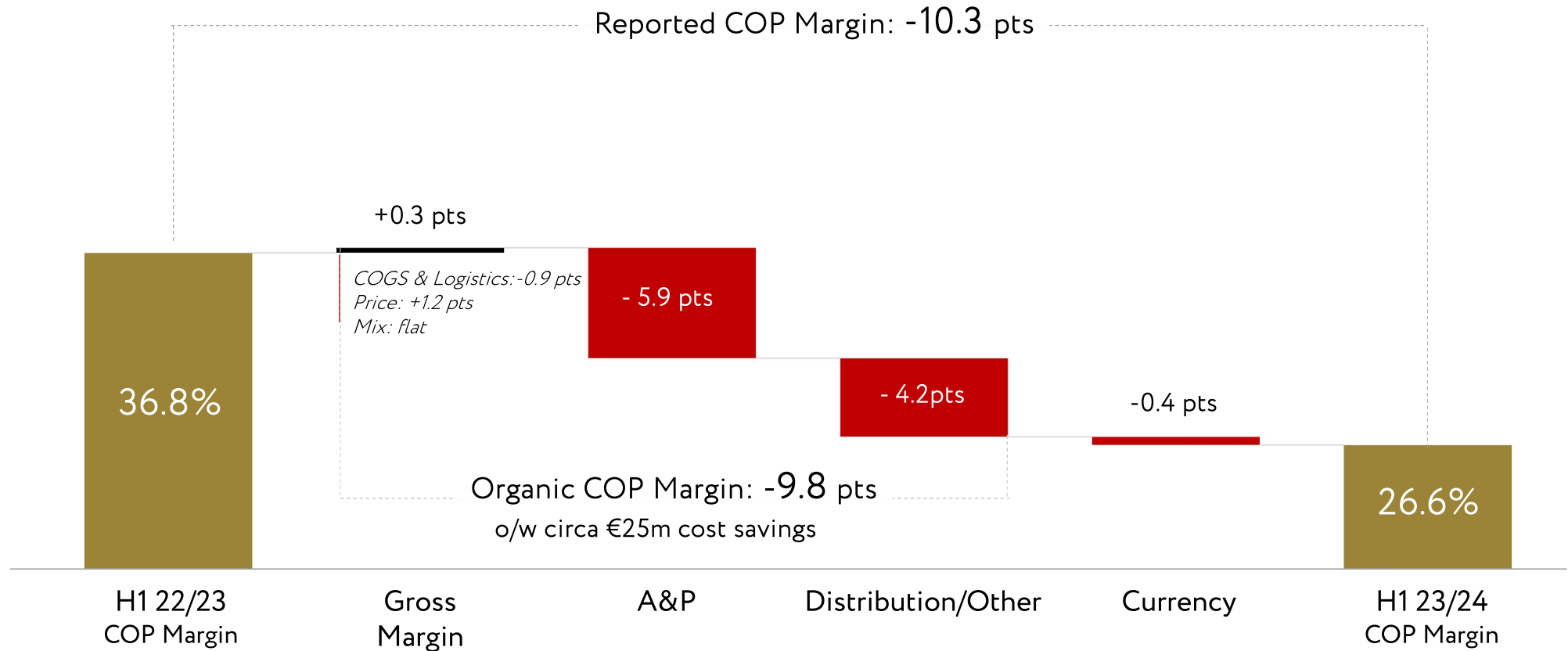
# Financial Results

Luca Marotta, CFO

## H1 2023-24 Current Operating Profit

<i>Ending September (in €m)</i>	H1 2023-24	H1 2022-23	<i>Reported %</i>	<i>Organic % vs. H1 22-23</i>	<i>Organic % vs. H1 19-20</i>
<b>Net Sales</b>	<b>636.7</b>	<b>867.1</b>	<b>-26.6%</b>	<b>-22.2%</b>	<b>+20.9%</b>
<b>Gross Profit</b>	<b>459.9</b>	<b>623.7</b>	<b>-26.3%</b>	<b>-21.9%</b>	<b>+28.9%</b>
<i>% of sales</i>	<i>72.2%</i>	<i>71.9%</i>	<i>+0.3 pt</i>	<i>+0.3 pt</i>	<i>+4.5 pts</i>
Sales and marketing expenses	(231.3)	(230.8)	+0.2%	+6.2%	+43.1%
Administrative expenses	(59.5)	(73.6)	-19.2%	-18.9%	+20.0%
<b>Current Operating Profit</b>	<b>169.1</b>	<b>319.3</b>	<b>-47.0%</b>	<b>-43.0%</b>	<b>+16.1%</b>
<b>Current Operating Margin (%)</b>	<b>26.6%</b>	<b>36.8%</b>	<b>-10.3 pts</b>	<b>-9.8 pts</b>	<b>-1.1 pts</b>

# H1 2023-24 Group Current Operating Margin



# H1 2023-24 Net profit

<i>Ending September (in €m)</i>	H1 2023-24	H1 2022-23	<i>Reported %</i>	<i>Organic % vs. H1 22-23</i>	<i>Organic % vs. H1 19-20</i>
<b>Current Operating Profit</b>	<b>169.1</b>	<b>319.3</b>	<b>-47.0%</b>	<b>-43.0%</b>	<b>+16.1%</b>
Other non-current income (expenses)	0.0	(4.0)	-	-	-
<b>Operating profit</b>	<b>169.1</b>	<b>315.3</b>	<b>-46.4%</b>	<b>-42.2%</b>	<b>+16.6%</b>
Net financial income (charge)	(15.7)	(5.1)	+205.7%	+152.7%	-
<b>Pre-tax profit</b>	<b>153.4</b>	<b>310.2</b>	<b>-50.5%</b>	<b>-45.5%</b>	<b>+16.1%</b>
Taxes	(40.8)	(86.9)	-53.1%	-48.2%	-
Tax rate (%)	(26.6%)	(28.0%)	-1.4 pts	-1.4 pts	-5.1 pts
Share of profit (loss) of associated companies	0.2	0.3	-	-	-
Minority Interest	0.2	0.1	-	-	-
<b>Net profit Group share</b>	<b>113.0</b>	<b>223.8</b>	<b>-49.5%</b>	<b>-44.3%</b>	<b>+17.8%</b>
Net margin (%)	17.7%	25.8%	-8.1 pts	-7.3 pts	-0.5 pts
<b>Net profit excluding non-recurring items</b>	<b>113.0</b>	<b>226.8</b>	<b>-50.2%</b>	<b>-45.1%</b>	<b>+24.7%</b>
Net margin excluding non-recurring items (%)	17.7%	26.2%	-8.4 pts	-7.7 pts	+0.6 pts
<b>Earnings per share (€)</b>	<b>2.24</b>	<b>4.40</b>	<b>-49.1%</b>	<b>-43.9%</b>	<b>+16.1%</b>
<b>Earnings per share excluding non-recurring items (€)</b>	<b>2.24</b>	<b>4.46</b>	<b>-49.8%</b>	<b>-44.6%</b>	<b>+23.0%</b>

## H1 2023-24 Net debt/Cash flow

<i>Ending September (in €m)</i>	<b>H1 2023-24</b>	<b>H1 2022-23</b>	<b><i>Change</i></b>
<b>Opening net financial debt (1 April)</b>	<b>(536.6)</b>	<b>(353.3)</b>	<b>-183.3</b>
Gross operating profit (EBITDA)	195.4	343.8	-148.4
WCR for eaux-de-vie and spirits in ageing process	(0.8)	2.1	-2.9
Other working capital items	(172.1)	(212.9)	+40.7
Capital expenditure	(45.8)	(31.7)	-14.1
Financial expenses	(13.9)	(4.7)	-9.2
Tax payments	(61.8)	(77.2)	+15.4
Net flows in other non-current income and expenses	-	(2.9)	+2.9
<b>Free Cash Flow</b>	<b>(99.0)</b>	<b>16.6</b>	<b>-115.6</b>
Other proceeds/disposals	0.3	(3.3)	+3.6
Capital increase / share buyback	-	(61.7)	+61.7
OCEANE conversion impact on Financial debt	50.8	42.3	+8.4
Conversion differences and others	(5.9)	11.1	-17.0
<b>Other Cash flow</b>	<b>45.2</b>	<b>(11.5)</b>	<b>+56.7</b>
<b>Total cash flow for the period</b>	<b>(53.8)</b>	<b>5.0</b>	<b>-58.9</b>
<b>Closing net Financial debt (30 September)</b>	<b>(590.5)</b>	<b>(348.3)</b>	<b>-242.2</b>
<b><i>A Ratio (Net debt/EBITDA)</i></b>	<b><i>1.57</i></b>	<b><i>0.65</i></b>	<b><i>0.92</i></b>



## H1 2023-24 Net financial expenses

<i>Ending September (in €m)</i>	H1 2023-24	H1 2022-23
Net debt servicing costs	(11.7)	(4.5)
Net currency gain/loss	(1.4)	1.4
Other financial expenses (net)	(2.6)	(2.0)
<b>Net financial income (charges)</b>	<b>(15.7)</b>	<b>(5.1)</b>

# Balance sheet as of September 30, 2023

(€m)	Sept. 2023	in %	Sept. 2022	in %		Sept. 2023	in %	Sept. 2022	in %
Non-current assets	1,023	29%	996	32%	Shareholders' equity	1,778	50%	1,740	55%
Current Assets excl. cash	2,243	63%	2,054	65%	Current and Non-current liabilities	898	25%	962	31%
o/w inventories	1,839	52%	1,648	52%					
Cash	278	8%	95	3%	Gross financial debt	868	25%	443	14%
Total Assets	3,544	100%	3,145	100%	Total Liabilities	3,544	100%	3,145	100%
Inventories/Assets		52%		52%	Net gearing		33%		20%



Outlook  
Eric Vallat, CEO

In a challenging environment, we are staying the course...  
Short-term volatility does not question our LT value strategy

- Most headwinds are cyclical
- We can rely on desirable global brands with strong legitimacy and a unique legacy
- Terroir & exception will drive scarcity in the long run
- Long-term strategy is guided by a fundamental consumer trend: *drink less, but better*



**Become the worldwide leader  
in exceptional spirits**

# ...while mitigating short term impacts

## Activating sales boost plan

### Raising visibility through communication



### Seizing growth opportunities in all channels

- Leverage Travel Retail recovery
- Accelerate BtoB development
- Unleash e-commerce potential
- Increase On-trade bar activations
- Expand DtoC network

### Leveraging innovation to drive premiumization



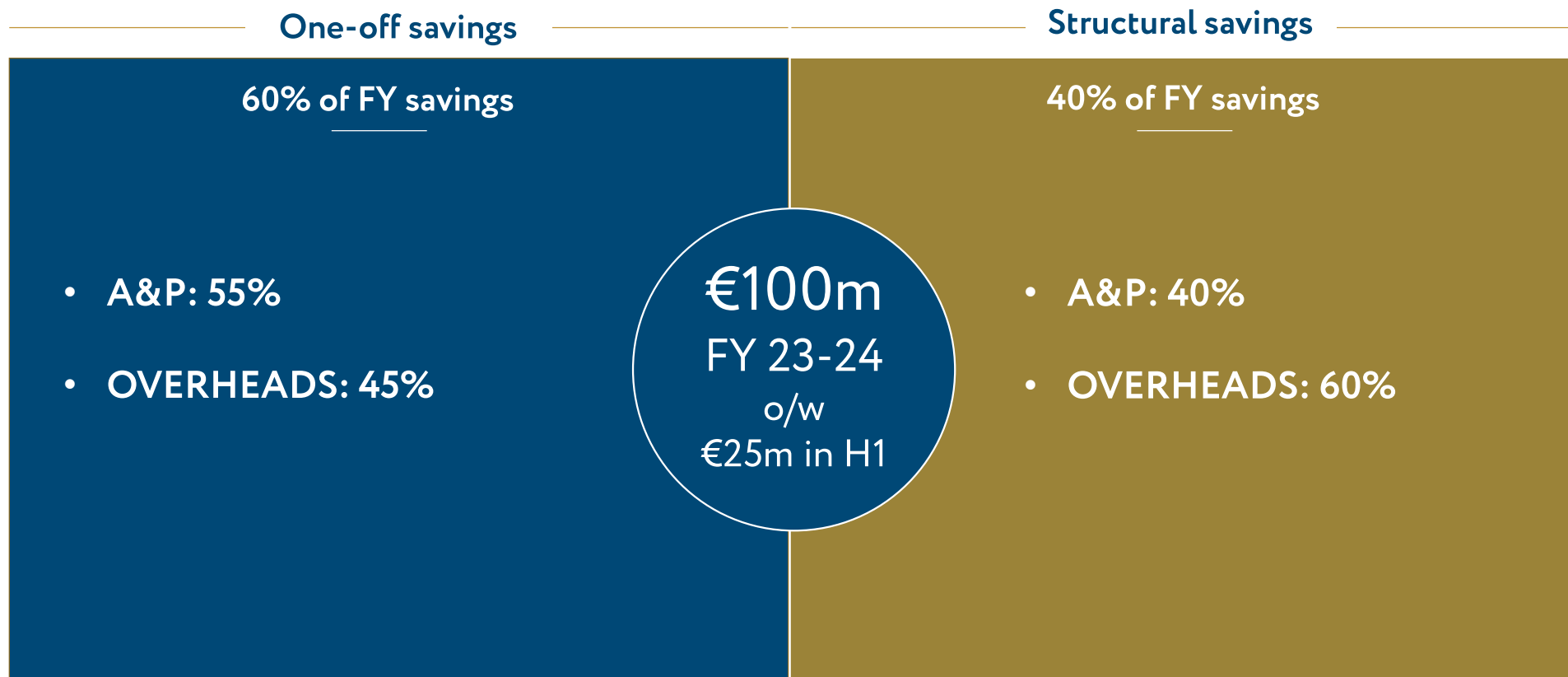
### Activating “Blitz” operations to drive volume

- Execute tactical actions to promote VSOP
- Accelerate portfolio management to leverage non cognac brands’ potential



...while mitigating short-term impacts

Implementing cost-cutting measures: 40% structural savings





# What is happening in the US? Is it cyclical or structural?

## The downturn is mostly cyclical

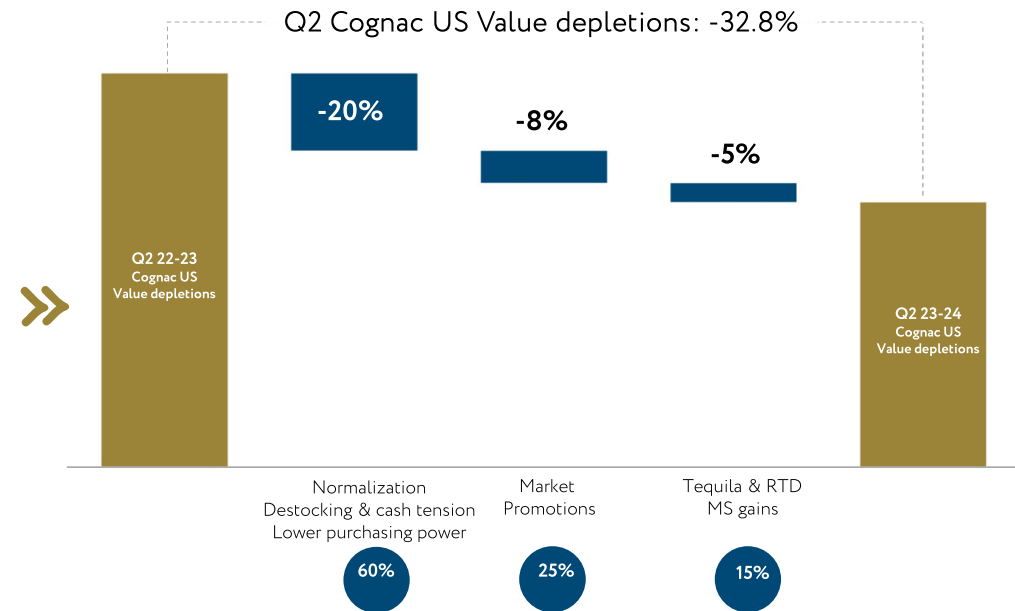
- Tequila continues to gain market share, but trends are easing
- Normalization is structural, but amplified by inflation and thus promotions, while we have no entry price point below \$50. This is driving depletions down.
- This downtrend is exacerbated by:
  - 3-tier system organization
  - Cash tension on wholesalers & Retailers
  - Our focus on destocking

Source: Company estimates

## Fundamentals are structural

- **Surveys show good resilience of: Cognac as a category and of Rémy Martin as a brand**
- **Rémy Martin desirability remains high**
- **Brand equity will be reinforced by a consistent pricing policy**

Source: BHT Ipsos 2023



## Desirability (Share Of Heart) in 2023

**Cognac  
still among  
TOP 5**

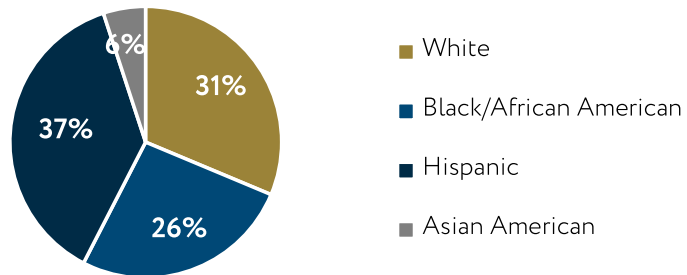
**Rémy Martin  
# 2  
vs # 3 in 2020**

**RM in top 15  
premium  
spirits\***

# What is happening in the US?

## VSOP more exposed to cyclical headwinds

While Rémy Martin consumers are well-balanced...



VSOP consumers over indexes with Black/African American community



**In an inflationary context VSOP is losing ground:**

- The most impacted by the current context
- More exposed to competitors' price war

Although VSOP not our #1 priority over the long run...

- Not our most strategic SKU
- Less profitable vs. rest of portfolio
- Long-term sourcing challenge



We must take tactical measures on volumes in the short term

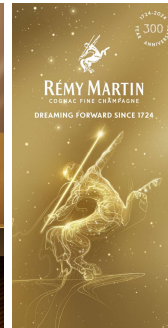
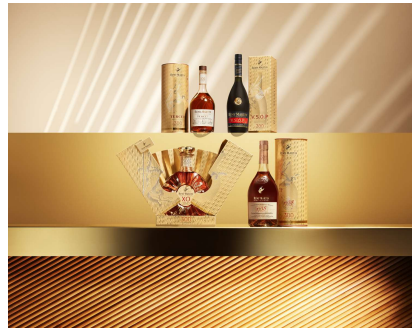
- To protect share on shelf and share on cash
- To preserve our ability to invest in upper-end brands

# Short-term priorities to reignite growth in the US

1738, XO and Louis XIII remain our LT priorities

Smart support of VSOP volumes

Keep activating upper-end ranges: > 500 events planned in H2



- Adopt a portfolio approach to marketing, by including VSOP in Rémy Martin campaigns
- Implement volume-driven actions, leveraging “OND”



# 2023-24 outlook

## PRIORITIES

Support depletions/sell-out growth

Maintain a strict pricing policy

Focus on A&P that drive impact  
Optimize A&P, leveraging BTL and digital

Implement cost-cutting plan (around €100 million)

## GUIDANCE

Sales to decline by between -15% and -20% on an organic basis  
Negative FX impact : -€50/60m on sales

Protect gross margin in a persistently inflationary environment

Selectively reduce A&P, particularly for the Cognac division

Contain organic decrease in COP margin  
Negative FX impact : -€10/15m on COP

Keep progressing towards our four strategic priorities

While 2024-25 visibility remains poor, we are confident we will reach our 2029-30 objectives

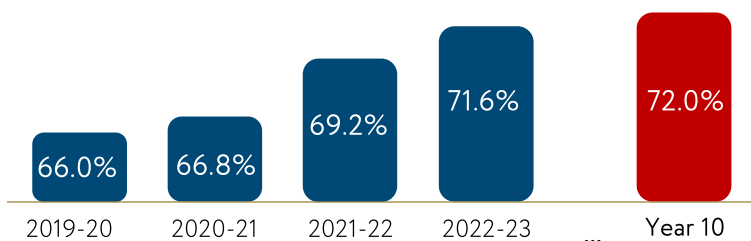
**While we are confident over the long run:**

- Relevant strategy
- Solid and sound fundamentals
- Well ahead of our long-term roadmap
- Cost-cutting plan will help

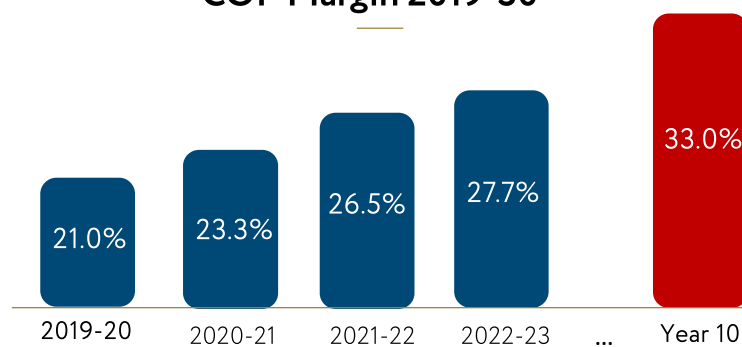
**2024-25 visibility remains poor and subject to:**

- Impact of geopolitical context on consumption
- Timing of US recovery (sell-out, depletions, sell-in)
- Level of US stocks at end of March 2024
- Pace of growth recovery in China

**Gross Margin 2019-2030\***



**COP Margin 2019-30\***



(\*) In organic terms - At 2019/20 scope and exchange rate



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%
Total	257.5	409.9	-37.2%	-35.0%

<i>In €m</i>	Q2 23/24	Q2 22/23	Reported %	Organic %
Cognac	261.0	345.9	-24.5%	-17.8%
Liqueurs & Spirits	111.7	104.7	6.7%	12.1%
Subtotal: Group Brands	372.7	450.6	-17.3%	-10.9%
Partner Brands	6.4	6.6	-2.3%	-1.6%
Total	379.2	457.2	-17.1%	-10.8%

<i>In €m</i>	H1 23/24	H1 22/23	Reported %	Organic %
Cognac	416.1	638.1	-34.8%	-30.1%
Liqueurs & Spirits	206.7	214.5	-3.6%	0.1%
Subtotal: Group Brands	622.7	852.6	-27.0%	-22.5%
Partner Brands	14.0	14.5	-4.0%	-3.2%
Total	636.7	867.1	-26.6%	-22.2%

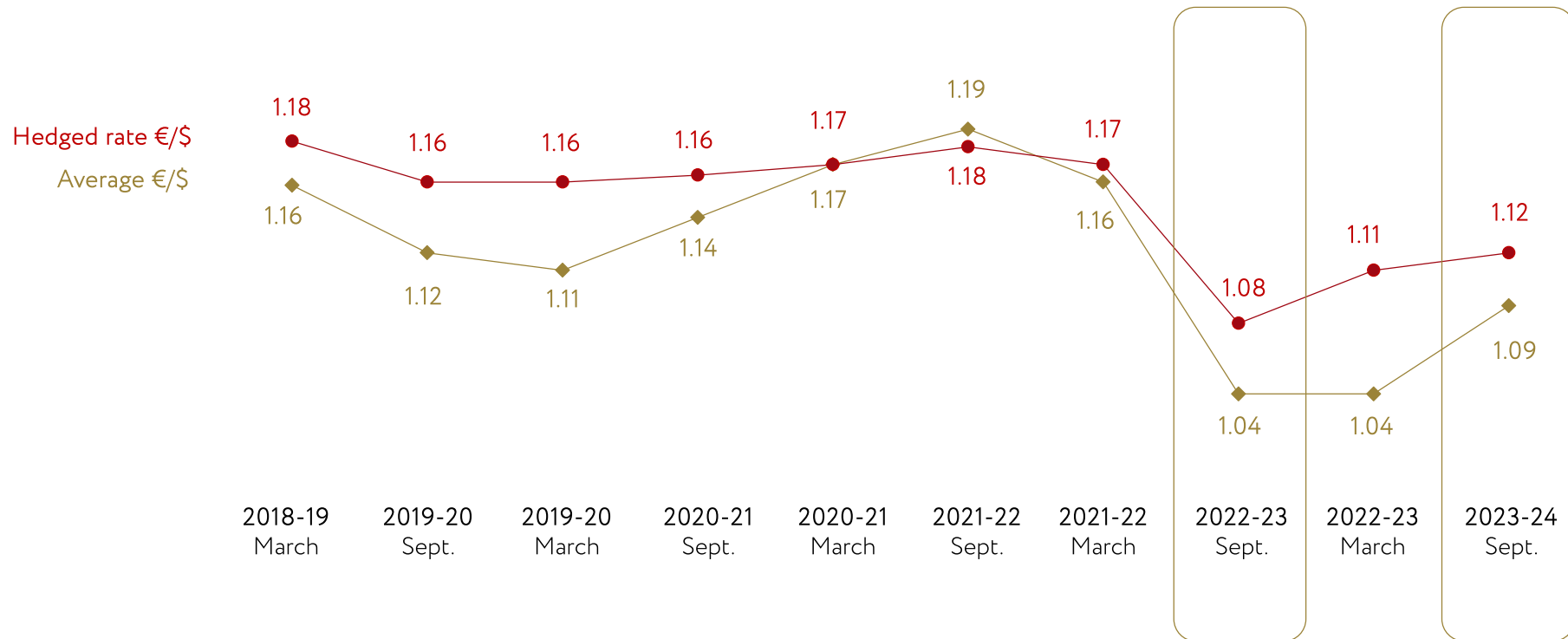
Organic sales growth: at constant exchange rates & scope

## Current Operating Profit by division

<b>COP by division (in €m)</b>	<b>H1 2023-24</b>	<b>H1 2022-23</b>	<b><i>Reported %</i></b>	<b><i>Organic %</i></b>
Cognac	145.3	299.7	-51.5%	-47.2%
Liqueurs & Spirits	30.3	31.9	-4.8%	-3.5%
Subtotal: Group Brands	175.6	331.5	-47.0%	-43.0%
Partner Brands	0.2	0.1	-	-
Holding Company costs	-6.7	-12.3	-45.4%	-45.3%
<b>Total</b>	<b>169.1</b>	<b>319.3</b>	<b>-47.0%</b>	<b>-43.0%</b>

<b>COP Margin by division (in %)</b>	<b>H1 2023-24</b>	<b>H1 2022-23</b>	<b><i>Reported %</i></b>	<b><i>Organic %</i></b>
Cognac	34.9%	47.0%	-12.0 pts	-11.5 pts
Liqueurs & Spirits	14.7%	14.9%	-0.2 pts	-0.5 pts
Subtotal: Group Brands	28.2%	38.9%	-10.7 pts	-10.3 pts
Partner Brands	-	-	-	-
Holding Company costs	-	-	-	-
<b>Total</b>	<b>26.6%</b>	<b>36.8%</b>	<b>-10.3 pts</b>	<b>-9.8 pts</b>

# Foreign exchange - Hedging impact



## Key events during the half-year

- **July 26, 2023**  
**OCEANE 2026 -Timetable and procedure for exercising put option**  
Rémy Cointreau reminded bondholders of the timetable and procedures for the exercise relating to the early redemption option of the OCEANE due on September 7, 2026, bearing interest at 0.125%, for a total nominal amount of €275.0 million (ISIN: FR0013200995) convertible into new shares and/or exchangeable for existing Rémy Cointreau shares (the 'OCEANE 2026'). Bondholders wishing to obtain early redemption of all or part of their Bonds submitted a request to the institution with which their Bonds are registered between July 26, 2023 and August 31, 2023 (included). The early redemption price (the "Premium Redemption Price") was €110.70, plus accrued interest of €0.138375 ("redemption amount"). Redemption took place on September 7, 2023 ("Put Redemption Date") exclusively in cash.
- **September 28, 2023**  
**Rémy Cointreau issued a €380 million private bond placement, with an average 10-year maturity**  
Rémy Cointreau announced that it has completed a €380 million, non-listed and not rated private bond placement with maturities of 7, 10 and 12 years and a weighted average coupon of 5.58%. The bonds were subscribed by selected international institutional investors. Rémy Cointreau is rated Baa3, stable outlook, by Moody's. As part of the Company's active financing needs management, this issue enables Rémy Cointreau to enhance its funding flexibility, to diversify its financing's sources and to extend the average maturity of its debt, in line with its strategic assets. The net proceeds of the issue will be used for general corporate purposes of the Group.
- **October 2, 2023**  
**OCEANE – Change in conversion ratio**  
Pursuant to the conditions, notice is hereby given to bondholders that, as result of the dividend of €3.0 per share, payable from October 2, 2023, to holders of record on September 29, 2023, in accordance with conditions 15.7.2, the calculation agent has determined the new conversion/exchange ratio shall be adjusted from 1.018 (one and 18 thousandths) to 1.030 (one and 30 thousandths), effective October 2, 2023.

## Next financial publication dates

Jan. 26, 2024

2023-24 Q3 Sales

April 26, 2024

2023-24 Q4 Sales

June 6, 2024

2023-24 FY Results



  
RÉMY COINTREAU

Q&A

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