



Rémy Cointreau 2025- 26 Full-Year Results

Thursday, 4th June 2026

Rémy Cointreau 2025-26 Full-Year Results

Marie-Amélie de Leusse: Good morning, everyone, and thank you for being with us this morning for Rémy Cointreau's '25-'26 Full-Year Results. I'm here with Franck Marilly, our CEO, and Luca Marotta, our Deputy CEO and CFO. The both of them will, of course, take you through the detailed results.

Before we review the year in more detail, I would like to share a few reflections on where we stand today and how the Board views the future of the Group.

Firstly, it is with a clear head that we must acknowledge the reality we live in. Over the past three years, Rémy Cointreau has operated in an exceptionally challenging macroeconomic and geopolitical environment. At the same time, our performance has fallen short of our ambitions. Consumer behaviours are evolving, market dynamics are changing, and it is key for us to adapt accordingly. Yet, despite these numerous challenges, we remain absolutely confident in our ability to create value.

We own a portfolio of exceptional brands with significant untapped potential. As illustrated by the image introducing this section, we believe our brands are uniquely positioned in a world where experiences rather than ownership increasingly becomes the focus of customers.

Our brands are not simply offering products, they embody and deliver experiences by their very nature, creating memorable moments of sharing, celebration and connection.

We are also encouraged by the first signs of recovery emerging across several key markets. Beyond cognac, we see attractive opportunities to accelerate growth and further diversify our sources of value creation. This confidence is reflected in the launch of RC Forward. More than a cost-cutting plan, it is an ambitious transformation programme designed to unlock the Group's full potential. Its objective is to simplify the way we operate, accelerate decision-making and strengthen execution across the organisation.

By generating additional resources through efficiencies across everything we do, it will allow us to reinvest behind our brands and growth opportunities, while building a company that is less cyclical, more agile and more resilient.

Finally, throughout this journey, we remain guided by a long-term perspective. We will continue to invest in the strength and desirability of our brands while maintaining disciplined financial stewardship. As a family-controlled company with a long-term horizon, we remain focused on creating sustainable value for all our stakeholders and on strengthening the Group for future generations.

With this in mind, I will now hand over to Franck, who will review our performance and priorities in greater detail.

Franck Marilly: Thank you, Marie-Amélie. Good morning, everyone, thank you for joining us today. I will begin with a quick overview of full-year '25-'26. Luca will detail our financial results, and I will conclude by giving you an update on the outlook, and of course, our transformation plan, RC Forward.

Let's begin with a review of our full year business performance.

I'm now on slide five. Group sales total €935.3 million, representing a slight organic growth of plus 0.2% versus last year. COP reached €165.4 million, down minus 11.5% on an organic

basis, resulting in a margin of 17.7%, down 2.6 points organically. This evolution mainly reflects the decline in gross margin, including the impact of tariff, as well as an unfavourable price/mix and higher production cost. This was partially offset by disciplined control over overhead cost, while we took the deliberate decision to maintain marketing investment at a high level with A&P at 19.7% of sales.

Despite a challenging context, we have taken important initiatives to protect as much as possible our free cash flow generation. Consequently, it improved from €19.2 million last year to €53.8 million. In this context, our net debt EBITDA ratio increased slightly, reaching 3.22 times at the end of March.

While these results are clearly not sufficient and remain below our ambitions, they are nonetheless consistent with the objectives we had set for the year and represent a first step in the right direction.

These financial results have been achieved in a responsible way. Rémy Cointreau continued to deploy a sustainable exception. This roadmap and confirm together progress in its transformational journey. Under a stalwart pillar, the Group committed in 2022 to aligning its climate trajectory with the Paris Agreement, with targets validated by the Science Based Targets initiative.

For the second consecutive year, the Group's carbon emissions remain ahead of its trajectory, both for direct emissions and across its value chain, with a 17% reduction versus the 2021 baseline. This momentum was supported by concrete initiatives implemented across the Group's houses, including the expansion of solar electricity production.

The Group also continued its trajectory to reduce water withdrawal, particularly at sites located in water-stressed areas. The objective is to achieve a 20% reduction by 2030 compared with '22-'23 levels. Once again this year, performance exceeded the target trajectory with water withdrawals down minus 36%. This achievement reflects a continued mobilisation of production sites around treatment process optimisation, loss reduction, and infrastructure improvements.

Regarding agricultural sourcing, the Group continued supporting suppliers towards sustainable or responsible agriculture certifications, reaching 77% certified strategic agricultural raw materials, compared with 68% last year.

In addition, a key milestone was achieved in 2025 by Domaine des Glaces and Telmont, which obtained Regenerative Organic Certified, ROC, certification for their owned estates, reinforcing their pioneering position in regenerative agriculture.

Under the people pillar, the Group confirmed further progress in diversity and equal opportunity, with women now representing 50% of the Executive Committee, exceeding the permanent target of 40%.

Full-year '25-'26 was clearly a transition year for Rémy Cointreau. A year where we started rebuilding momentum while remaining fully aware that we are still at the beginning of a journey. Over the past 12 months, our priority was first to stabilise the business before re-accelerating growth. In this environment, we remained fully committed to our long-term value strategy while also demonstrating greater pricing agility whenever necessary to adapt to local market conditions and protect competitiveness.

We also accelerated innovation with launches aligned with evolving consumer trends and new consumption occasions. In the US, we started to regain ground with Rémy Martin gaining plus 0.6 percentage points of market share, including plus 1.1 points on VSOP, an encouraging first step in our ambition to reconquer this key market. At the same time, we continue to leverage our key strengths in China, where our brands further reinforced their leadership position. These are important first steps, even if we're not yet where we want to be.

At the same time, we remain extremely focused on defending profitability in what remain a very adverse environment. In this context, protecting our industrial leading gross margin remained a key focus. We also implemented strict discipline on overhead cost without compromising our A&P investment and launched multiple mitigation initiatives to limit the impact of tariff.

Finally, protecting cash generation and debt leverage as much as possible remained central to our actions throughout the year. We took decisive actions to protect cash, optimise working capital through a reduction of eaux-de-vie commitments, and we reduced further our level of CAPEX to essentials.

Finally, this year was also about preparing for the future. We started evolving our organisation to become more agile, more efficient and more business-driven. This transformation journey is essential to strengthen our execution capabilities, accelerate decision-making and support a broader recovery over the coming years.

A quick word on some of the year's achievement that helped stabilise top line performance across our key regions. Starting with the US on slide eight.

After two years of underperformance, our brands are regaining momentum and regaining market share, both in cognac and across our key Liqueurs & Spirits brands. Our total depletions remain negative at the end of March, but continue to improve sequentially in what remains a difficult and slowing market environment.

While our Liqueurs & Spirits portfolio volume depletions are still positive, there is still work to be done in Cognac.

There are several positive elements to highlight in China, which is clearly the market where we're significantly outperforming. Rémy Martin gained an additional 3 points of market share in volume depletions during calendar year 2025, mainly driven by the strong momentum of CLUB. At the same time, we further strengthened our leadership position in e-commerce, gaining an additional 10 points of market share.

Our last key achievement that I would like to highlight on slide 10 was also our ability to leverage additional growth opportunities across the portfolio. First, we significantly strengthened our innovation pipeline with launches spanning Cognac, Liqueurs & Spirits, ready-to-drink formats, and new consumer occasions. These innovations are helping us to reinforce the brand desirability, recruit new customers and adapt to evolving consumption trends while remaining fully aligned with our premium positioning.

We also accelerated our presence in categories and formats with strong momentum, particularly around convenience, mixology and accessibility. At the same time, global Travel Retail delivered a strong rebound with sales up 15% versus last year. This channel is clearly a strategic priority for us over the medium term.

Today, we believe our position remains under-scaled relative to peers, meaning there is still meaningful upside potential to capture going forward. This gives us confidence in our ability to progressively broaden our growth levers beyond our traditional markets and consumption occasions.

Luca Marotta: Thank you, Franck. Now, let's look into financial statements, starting with the full-year income statement.

As already mentioned, organic sales were up by 0.2%. Based on this, gross profits decreased by 5% in organic terms, implying 3.7 points of deterioration in gross margin. This full-year gross margin contraction has been driven by incremental tariff custom duties, an unfavourable price/mix effect, and some production cost pressure.

At the same time, sales and marketing net expenses were down by 2.8% organically. But within this total, we have the A&P expenses line down by 3% organically, representing 19.7% of sales, i.e., an organic decrease of 0.7 points. Despite the continued pressure on sales, we have decided to maintain our investment efforts behind our brands to protect their desirability and to be prepared for the recovery.

However, we did that while keeping a clear focus on efficiency and selectivity. As a consequence, we increased the share of below-the-line spending relative to the above-the-line during the period. As a result, the share of below-the-line investment was higher compared to the above-the-line spend. Above-the-line spend, what it is, as a reminder, is traditional media, digital PR, which represented 45% of the A&P, while below-the-line, more directive-driven to sales and a quicker payback on volumes and values, investment represented 55%.

In complement, additionally, digital represented more than 65%, two-thirds of global ATL. So you can say that around 30% of our total A&P spending is digital.

Now let's focus on distribution cost, which decreased by 2.5% organically, but also including a one-off related to a compensation indemnity, as you remember, already recorded in H1. Administrative net expenses were almost flat on an organic basis, reflecting continued discipline on overhead costs following optimisation made last year.

Overall, current operating profit was down minus 11.5% organically and minus 23.8% on a reported basis, after accounting for a negative currency impact of minus €26.6 million. In terms of margin profile, COP margin stood at 17.7%, down 4.4 points as reported, but only 2.6 points organically.

Now let's take a look at the Group's current operating margin bridge. As said, it was down 4.4 points as reported, reaching 17.7%. This breaks down into an organic decrease of 2.6 points at a negative currency effect in terms of points of 1.8 points. The organic evolution of the current operating margin largely reflects a deterioration of the gross margin. This deterioration was reduced by ongoing discipline in distribution and in structural costs.

More detail. Gross margin, as already said, was down 3.7 point, of which more or less 40% is linked to incremental custom duties alongside tariff US and price undertaking China, alongside an unfavourable price/mix, mostly pricing in the current environment, and inflation-related cost of goods, particularly on cognac, eaux-de-vie and cost of goods.

Second, A&P ratio decreased slightly by 0.7 point, as said, but remained at a high level compared to the turnover delivered.

Third, the ratio of distribution and structural cost was down by 0.4 point and decreased by €3.7 million in absolute terms. Please remember that this is a key achievement considering the reintegration of around €11 million of last year one-off savings.

Let's move on, on the remaining items in the income statement in page 14.

In the full-year '25-'26, operating profit included €13.9 million of other non-current income or expenses. I'll be back on that point.

Financial charges slightly decreased from €42.6 to €42.1. As well, I will go into more details during next slides.

Reported tax rate was almost stable, flat at 28.7%. No additional change related to exceptional corporate tax contribution in France has been recorded. You remember last year, so no additional this year. But excluding non-recurring items, tax rates comparably increased by 1 point from 27.2% to 28.2%. For the next year, so already started, '26-'27, we expect tax rate to land at around 29%.

As a result, net profit Group share came in at €78.7 million, down 35.1% on a reported basis, i.e., a net margin of 8.4%, down 3.9 points. Earnings per share came out at €1.51, down 36% reportedly, but equivalent to €1.71, €0.20 more excluding non-recurring items.

As said, now we need to analyse the non-recurring items. Mainly inside this €13.9 million, we have to highlight two different elements. Notably, an impairment on Westland assets for €9.5 million and restructuring costs in Benelux related to the evolution of the distribution network.

We are terminating our current distribution agreement and have launched an RFP for this cluster. This was the €13.9 million negative. But we have also tax shield effect, so €3.4 million of positive non-recurring tax items linked to this charge.

A few comment on net financial expenses, as promised, which amounted to €42.1 million in full-year '25-'26, compared to €42.6 million for the previous one. Let's start with net debt servicing cost, were almost stable in absolute terms at €33.6 million, and our cost of debt decreased from 4.07% to 3.86%. Net currency gains stood at €0.8 million this year versus a loss of €1.3 million last year.

And finally, other financial expenses stood at €9.2 million in full-year '25-'26. For the year '26-'27, we expect our financial charges globally to land at more than €45 million.

Now, let's analyse the free cash flow generation and the net debt evolution, page 17. As already announced, explained by Franck, free cash flow increased this year from €19.2 million to €53.8 million in '25-'26. Or if you want, from €27.6 million to €58.2 million, excluding non-recurring items.

On top, excluding €28 million tax refund that we had in '24-'25 related to prior overpayment. This represents a significant improvement, switching from a negative free cash flow on a comparable basis last year to €53.8 million this year. This strong free cash flow improvement reflects a meaningful decrease in EBITDA, but a underlying but more than offset by two factors.

First, significant decrease of other working capital items outflow, i.e., as you can see, a positive variance of effect of €77.8 million, mostly driven by some phasing effect in trade payables between last year and this year. This improvement is very important, but not 100% of that can be considered as structural. In the same time, the working cap outflow related to eaux-

de-vie, the most strategic part, let me say that and other spirits in ageing process, was also down, as expected, by €14.1 million due to the reduction eaux-de-vie purchases as part of the renegotiation of contract in March 2025.

Overall, total working capital outflow evolution is significantly favourable, has been reduced by €91.9 million. Second element, a decrease of the €14.2 million of CAPEX outflow following the optimisation action that we decided on that line to protect even more at the maximum our free cash flow evolution. This was the operational part. But there are also other cash flow inflows, outflows. In that case, other cash flows outflows increased, so it's a negative one, by €23.9 million. This was mostly driven by the cash dividend paid last year from €41 million to €58.8 million.

As a result, at the end of March 2026, our net financial debt stood at €690.4 million, up by €15 million from March '25. Consequently, A Ratio is up from 2.4 in March 2025 to 3.22 in March 2026.

Please pay attention. Looking forward, our objective is clear, remaining below 3.5, this kind of A Ratio, so below, clearly our covenant at the end of the full-year '26-'27.

On slide number 18, as a matter of fact of additional focus, we will putting even more on free cash flow and conversion of that into EBITDA in the future.

Let's talk about these indicators, which is a very peculiar one for our industry, particularly for players heavily exposed to ageing inventories.

The analysis of its evolution highlights a strong year-on-year volatility, primarily driven by changes in EBITDA. As you can see, during peak periods, '20-'21, the free cash flow conversion reached 45%, supported by the initial COVID-driven business boom and a measured level of eaux-de-vie purchases. In '21-'22, free cash flow conversion was also high at 24%, driven by record high EBITDA during the COVID peak, but partially offset by the strong reinforcement of our future eau-de-vie supply coverage.

Structurally, our business model includes some inertia due to the today purchases being made and committed even before they will happen and to support future development and future growth. I've told you last year that the more normalised level, excluding the positive effects of COVID and the current adverse context, and also up and down in other working capital items, would be in the range of 15% to 20% range.

While achieving a 27% free cash flow conversion rate this year is a very important effect, despite the impact of tariff is a very positive outcome, I insist, it is important to recognise that part of that performance also reflects a favourable phasing effect on trade payables.

To conclude, in a nutshell, this is a great achievement considering all the challenges we had to face. It is sustainable, too early to say, but is definitively our mid-term goal. I'll be back even more clear on that during November presentation for the mid-term plan.

Now let's move on the impact of the currency hedges. A bit technical, but important because EBITDA is also composed for A Ratio by foreign exchanges.

The Group reported a negative translation impact of €51.4 million on sales and a negative translation effect of €26.6 on operating profit in '25-'26. This mainly reflects the evolution of the US dollar and the Chinese RMB. In last year, '25-'26, we recorded a deterioration of the

average euro-dollar conversion rate from 1.07 to 1.16, which is a huge negative swings, more dollar for the same euro, and the euro/RMB, the same scale, conversion rates from 7.76 to 8.23 for €0.10.

In addition, our average hedged rate deteriorated from 1.09 to 1.15 in term for dollars in '25-'26, and deteriorated from RMB 7.65 to RMB 8.21 for €0.10 in '25-'26. This was the past. Let's look at the forecast for the full-year '26-'27.

Assuming a conversion rate of 1.19 on EUR/US dollar and 8.30 on EUR/Chinese RMB, as well as an hedge rate of 1.18 EUR/US dollar, 8.25 on RMB, we anticipate a negative impact between €15 million and €20 million on sales with a phasing 50-50 H1/H2, and between minus €5 million and minus €8 million. So, so far less than our previous estimation six months ago for the year '26-'27 on operating profit. And this will happen mostly in H2. So still negative, but more modest and moderate compared to the previous estimation, and we discussed together six and nine months ago.

You can read on the slide what is very important for you, the forex sensitivity by currency. As the evolution of the EUR/US dollar exchange rate remain very volatile also that of EUR/RMB. We will continue to share with you an update every quarter. At this stage, for the year that just started, '26-'27, we already covered more or less 100% of our net US dollar exposure, but with around 60%, so more than the half of option. So would be flexible with some reactivity.

On Chinese yuan, RMB, we have already covered 75%, so a bit less of our net Chinese RMB forecast exposure, of which 55% of option.

Now let's move on the balance sheet overview, where total assets liability stood at €346 billion, up €32 million compared to '24-'25. On the asset side, the global inventory increased by €62 million to reach €2.17 billion due to the purchase of the young eaux-de-vie, an increase in our inventory levels, given the current context. Inventories now represent 63% of our total asset, up 2 points from last year. That was the left side.

On the other part, on the right side, on liabilities, the shareholder equity is almost flat versus last year, mainly driven by the net income offset by the payment of the dividend related to the fiscal year of '24-'25.

Net gearing, the Group net debt to equity ratio was slightly up over the period from 35% to 36%, reflecting the increase of our financial debt.

Now, moving on the ROCE slide, slide number 21. Our ratio came in at 7.7% in '25-'26, down 2.6 points on a reported basis and down 1.4 points in organic terms. This includes an organic decrease of 1.4 in ROCE of the Group Brands and a negative swing in the partner brands' ROCE. ROCE evolution is the result of an asymmetry clearly visible between an organic increase of 2.1% in employed capital and the strong organic decline, mathematically speaking, of minus 11.5% in COP.

The Group continues to invest as part of this in long-term contract, so it's quite normal to have this asymmetry so far. This is particularly the case for the Cognac division. Its ROCE declined by 1.7 points organically to 8.1 on the back of an increase, as I said, of 3.1% on employed capital and a COP decline of 12.6%. In '25-'26, the Group continued to invest in aging inventories as part of this long-term contract, less than before, but still, and to a lesser extent on CAPEX.

Talking about the Liqueurs & Spirits division, ROCE decreased by 0.3 points, so marginal decrease, to reach organically 10.8%. This evolution reflects a decrease of the employed capital as we have more flexibility compared to the cognac or the long-term engagement, minus 1% organically, and at the same time, a decrease of 3.1% in the operating profit.

Let's get a look at the employed capital bridge on slide 22. The overall amount increased by €32.2 million, mainly split between an organic increase of €45 million and the negative currency impact, in that case, is helpful. The negative impact of €12.8 million.

On organic side, the 2.1% year-on-year increase in capital employed is mostly driven by strong increase in hedging inventories, partially offset by strong optimisation of the other working cap items.

Next, slide number 23, let's talk about the yearly dividend. In light of the current environment and our focus on the leveraging, the Board has decided to submit for shareholder approval a temporary calibration of the dividend, while maintaining an attractive level of shareholder return. At the AGM on 21st July 2026, shareholders will therefore be asked to approve an ordinary dividend of €0.75 per share, composed by €0.5 in cash and €0.25 with the option to receive the payment in cash or share. So there is a script option for one-third of the global amount.

This proposal, mathematically speaking, represent still a 50% payout ratio based on EPS €1.51, and a yield of 1.66% on the average share price over the fiscal year, which was €45.07. Last year, the yield was 2.22%. So 50% payout, even if the dividend is cut by 50% compared to the previous year. It will result in an expected cash outflow of maximum €40 million to be compared to around €59 million this year, last year of '25-'26. This measured adjustment reflects our disciplined approach to capital allocation, protecting the balance sheet and supporting the deleveraging in the short-term, while at the same time remain confident in the Group medium-term recovery and value creation potential. Clearly on top, a shareholder return that remains attractive compared to the payout ratio that I showed just before.

Thank you for your attention, and will now hand over to Franck.

Franck Marilly: Thank you, Luca. Before moving into the detailed guidance, let me first highlight the broader context in which this guidance has been built. Several variables remain uncertain, including the level of US tariff and the potential reimbursement of tariff already paid, geopolitical developments in the Middle East, the global macroeconomic environment and consumer trends, as well as ongoing regulatory restrictions on consumption in China.

Some of these factors could potentially provide upside, such as the reimbursement of tariff paid last year. However, while these external variables may still shape the year, our determination is very clear. We intend to perform, transform and remain resilient amid persistent volatility. To achieve this, we will leverage innovation and greater pricing agility, accelerate our non-cognac brands while capturing all available opportunities in cognac, and turn the disruption in US distribution into a growth opportunity.

At the same time, we will not compromise on brand building investment, but we will refocus A&P spending on fewer brands and regions to maximise impact.

Finally, we will place a strong emphasis on execution, efficiency, early wins from RC Forward, and a more agile organisation to support delivery throughout the year.

As you understood, top line recovery is my number one priority. The recovery will be gradual, but the progress achieved in '25-'26 clearly needs to continue and further materialise in '26-'27. A number of initiatives are already underway across our key regions and brands, and I would like to highlight some of the key actions supporting our return to growth.

Let me start with the US on page 26, where our ambition is very clear: to continue outperforming the market and regain market shares. First, we want to continue leveraging the rapidly evolving distribution landscape in the US to optimise our route-to-market and capture new opportunities.

The ongoing reshaping of the industry creates opportunities for us to be more agile, more targeted, and ultimately, more effective commercially. At the same time, we will accelerate in small size format and further strengthen our revenue growth management capabilities.

Innovation will also remain a key growth contributor. On Cognac, the priority is clearly to rebuild momentum. We are launching a new global brand platform for Rémy Martin to reinforce desirability while revitalising VSOP through range extensions, increased A&P support, and stronger RGM execution.

We also want to recruit new consumers and broaden consumption occasions, notably by capturing more spirit drinkers and developing new occasions with a Rémy V national rollout.

Beyond cognac, we see significant opportunities to accelerate our non-cognac categories through our key growth platforms, Cointreau and The Botanist.

Moving to China on slide 27. Our objective is to continue to gain market share while leveraging the solid momentum of Rémy Martin CLUB as a key growth engine. In Cognac, the priority is first to sustain the strong performance of RM CLUB. This year, we will notably further leverage collaborations and culturally relevant activations.

We also see some upside in VSOP, notably, through stronger on-trade presence aimed at broadening occasions and recruiting younger consumers. At the same time, we will continue to leverage dinner and banquet occasions to revitalise high-end segments.

Beyond Cognac, we also intend to accelerate the non-Cognac development to further diversify our growth profile in China. For Cointreau, the ambition is to maintain our leadership position within liqueurs, while accelerating growth through new opportunities linked to cocktail culture, younger consumers and more casual on-trade occasions.

For Bruichladdich, the strategy is to evolve from a niche prestige positioning toward a more scalable super premium brand, benefiting from the steadily growing Chinese whiskey consumer base and changing consumption behaviours, increasingly focused on personal pleasure and experiential engagement.

Finally, we also want to unlock additional channel opportunities across China. We will continue to leverage banquet occasions while adopting an increasingly client-centric approach and delivering a more seamless omnichannel experience. At the same time, we will support the growth of our non-cognac portfolio by expanding our presence in convenience stores and developing new on-trade opportunities.

To accelerate these ambitions, we are also implementing a new commercial organisation designed to strengthen execution and support our new phase of growth beyond the Guangdong Province.

Beyond the US and China, we also have several sizable growth opportunities across the rest of the portfolio and geographies that can meaningfully enhance the Group's growth profile. I'm now on page 28.

Starting with Global Travel Retail, a new organisation will be implemented shortly to accelerate execution and sharpen focus on airports. We also want to accelerate our Louis XIII, while leveraging the strong momentum currently seen on Club Exception. Innovation will remain an important contributor alongside greater pricing agility on Bruichladdich.

Moving to Emerging Markets, which represent an important long-term growth opportunity for the Group and a key pillar of our diversification strategy.

To fully capture this potential, we will establish a dedicated business unit in second half, providing greater focus and allowing us to prepare these markets for faster future growth.

In India, we are accelerating through a new route-to-market model that has been implemented since April and which should strengthen our commercial reach and execution capabilities. In Africa, we will continue to leverage the strong momentum generated by the successful launch of Rémy Martin VS in South Africa and further build on this encouraging start.

And in Latin America, we see additional opportunities to accelerate growth, particularly in Brazil. Together, all these initiatives will help establish emerging markets as a meaningful new growth platform for the Group over the coming years.

Let me now turn to our guidance for '26-'27 on slide 29.

As discussed earlier, the environment remains volatile and visibility is still limited on several external parameters. Nevertheless, based on what we see today, we expect to return to organic sales growth for the year.

On profitability, we expect COP margin to remain resilient despite the impact of tariffs and to improve slightly organically. The total impact from tariffs is currently estimated at around €20 million, including approximately \$15 million in the US and €5 million in China, based on the current assumptions. This represents an increase of €5 million versus last year.

Tariff developments in the US continue to evolve rapidly. Based on the information available today, we have assumed a cautious 15% tariff rate on European imports.

On foreign exchange, we expect a negative impact of around €15 million to €20 million on sales and around €5 million to €8 million on COP. At the same time, disciplined capital allocation will remain a key priority, notably through tight management of inventories and CAPEX.

Finally, maintaining our debt ratio below 3.5 at the end of the year is a key focus for the Group.

Beyond the short-term guidance, we're also taking decisive actions to strengthen the Group structurally through RC Forward. This transformation plan is designed as a strong enabler to support our medium-term strategy and progressively reduce the Group's dependency on macroeconomic cycles.

The ambition is threefold: first, strengthen our foundation and better prepare the Group for the future; second, unlock additional top line growth through sharper and more effective execution across markets, brands and channels; and third, generate value across all levels of the organisation in order to fuel top line growth while reinforcing COP profitability.

As part of RC Forward, our ambition is to generate significant gross value creation of €100 million over the next three years. All things alike and at a constant foreign exchange versus '25-'26.

The objective is to progressively deliver these gains by '28-'29 through a combination of top line acceleration, stronger commercial execution and procurement optimisation.

Three main levers will drive this plan: first, driving sizable top line project that will help shape our medium-term growth trajectory; second, improving sales execution across regions and channels; and third, unlocking procurement efficiencies through greater centralisation and tighter discipline.

At the same time, we're conducting an ongoing in-depth analysis across our current brand portfolio with no sacred cows. Overall, the gross efficiency gains would be equivalent to a three-year COP CAGR of 17%, all things alike.

Let me now briefly illustrate the three major battles at the core of RC Forward on slide 32. The first battle is to drive sizable top line project that can shape our medium-term growth trajectory. This includes launching a breakthrough cognac innovation in Q1 of '27-'28 in the US, aimed at recruiting new consumers and creating new occasions, unlocking the full potential of Rémy Martin XO starting with Asia as a key market and fully capturing the potential of our prestige division.

At the same time, we intend to scale up Emerging Markets and accelerate the expansion of global Travel Retail, both of which represent important growth platforms for the future that we expect to double by '28-'29.

The second battle is to improve sales execution. This starts with a full reassessment of our go-to-market models in the US, targeted route-to-market in Europe and adapting sales forces to better capture white spaces opportunities in China.

We also want to further strengthen revenue growth management and maximise returns on A&P investment by refocusing allocations on key brands and regions, optimising media mix and improving ROI measurement capabilities.

The third battle is procurement efficiency through greater centralisation. The objective is to unlock synergies across markets and brands, notably in A&P purchasing, optimise the operating model, improve spend visibility and discipline centrally and challenge specifications through packaging re-specification and supplier negotiations.

Finally, all of this will be supported by clearer and more agile organisation, notably through a clarification of our marketing operating model and a simplification of internal processes within support functions to ensure greater commercial focus and faster decision-making.

Thank you very much. We are now very happy to take your questions.

Questions and Answers

Operator: If you wish to ask a question, please dial pound key five on your telephone keypad to enter the queue. You are kindly asked to limit yourself to two questions only. We now have our first question from Edward Mundy from Jefferies. Your line is open. Please go ahead.

Edward Mundy (Jefferies): Morning, everyone. Thanks for taking the question. My first question is around this €100 million gross COP uplift by fiscal '29. And I appreciate we might need to wait until November for a bit more detail. But as you think about the three main levers, Franck, of these three big buckets, are you able to provide a rough split between what falls in which bucket? I think the market is really trying to understand how much of the €100 million comes from top line and how much of it comes from bottom line? As part of that same question, do you have a sense of what level of reinvestment there might be, i.e., what portion of the gross might equal net? That's my first question.

And then my second question is, coming back to slide 32, you allude to a cognac innovation launch within the US. Would love to get a little bit more colour around both the timing of that. Why not potentially earlier? And also, where do you think within the cognac hierarchy that innovation might sit?

Luca Marotta: Hello. This is Luca speaking. I will answer to the first one, and Franck, please feel free to complete.

So the aim of the slide in which we highlight an objectives in three years, all things equals to an improvement of profitability of 17% in CAGR in the next three years to be equal to €100 million is to give you the magnitude of the engagement, the commitment we are putting at the end of this journey.

Franck highlighted in a clear way four elements, three of them more linked to the top line, one efficiency, so meaning the first part of the message is, part of that, very important part, will be based on improving sales as global, the conversion of additional volumes in sales in term of additional value for the same volume, so GTM and RGM. On top efficiency to be converted in sales faster and quicker and deeper in A&P and procurement.

How much is the split of each layer, we will not disclose that now, because this needs to be embedded in the strategic journey we'll analyse altogether on a longer period in November. But the first part of the message is that top line increase, top line execution and return of the same volume compared to today to be increased, and A&P procurement will deliver a big part of this €100 million, everything equals.

The fourth one is that more agility, simplification of roles, accountability, with an increase of direct responsabilisation under the umbrella of a greater centralisation on some topics to be more focused on overall objectives to be conquered.

But in the slides, there was also a fifth line as well. Don't forget about that one. So this fifth element was that no sacred cows anymore inside our current brand portfolio. So it means that also, proactive think in terms of asset rotation is not out of this footprint.

To be back at your question in a very concrete way, so we will not disclose today by sub stream the detail of the €100 million. The CAGR is 17%, but maybe will not be a straight line. Also because at this stage, no final allocation has been made between us, because RC Forward is an

enabler. It's the flame. Then during the summer, we will use this flame to feed all of the work that need to be done and to be officialised to you, our Board of Directors, before you in November, to put that all together in a global service of the mid-term plan, in which also the strategic part will be clearly combined to show you what this €100 million, and maybe more, can be put under the service of what. By brands, by region, by objectives.

What does it mean? And then I will stop. No final allocation. We are on purpose preserving our own intellectual flexibility. Depending also the market condition, because we are clearly starting with some new rule of the games. We are much more aggressive on some topics. We are not denying our DNA, but we are changing a bit gears, improving speed, improving simplicity, improving what is the boldest in the long term. But market is part of the game.

So if market also is a little bit more positive than today, this €100 million, I tell you what, maybe can be bigger, but in the top line. And top line means also additional cost investment to feed that. It is more complicated, can be more in the option three and four and five, so more cost-cutting. But this is not a cost-cutting plan. This is the enabler for a greater growth. Because at the end, if the free cash flow conversion needs to be improved, EBITDA and reduction working capital is the name of the game. To do that, you have to have, at the end of the game, more operating profit and less debt, less negative cash.

We will be adjusting that. What does it mean for you? Did the €100 million at risk? No. Is the profit and loss profiles in the future is less important as a target what it was five years ago. It's more the absolute value, what we deliver, and what is the final exit in term of financial. Less sentimental, more to financial basic under the shield of a huge, quicker, strong strategy.

Franck Marilly: So I'm smiling because, Luca has been much broader than €100 million on the scope and the reason why RC Forward.

Let me bring some substance, first of all, on what is happening. A company turnaround doesn't happen because market do not depend on market recovery, but the turnaround happens when a company takes back control. This is a first step, RC Forward, to fix the fundamentals in our company.

Then a second step, we accelerate. But as Luca illustrated, there are many points in this RC Forward opportunities. It is not a cost-cutting exercise indeed. It is all about optimising our resources and putting the right resources in the right place. It is discipline. It is making sure we get a good return on investment on our A&P. We have a good focus. We have good working ways, or ways of working, clear races. We leverage every opportunity we can in go-to market, in RGM, in A&P, as I said, in execution, which is very key.

Taking control for me is very meaningful. We need to de-correlate ourselves from the negative markets, even though we're increasing gradually, step by step, but surely. It is about clear strategic focus, one being on the core brands. So we need a clear focus on the core brands, on the key geographies, the key markets, even the key cities in some instances.

It is about RTM excellence, getting better at execution at store level, and what are the expectation behind our distributors' engagement, whether it's a direct model or JV partner model or through a distributor. We need to accelerate the in-store execution, be more visible. We obviously need to work on the desirability of our brands, which is very key. We know about the stock issues in the different markets. But we need to operate in a different way.

We need to have discipline with inventories. We need to have stronger execution, as I said, to deplete faster, but we also need to rebuild the fundamentally important equation about consumer pull, and that's what we are working on.

So basically, our RC Forward is sequential. As I said, we first fix and then we accelerate. We clean the base. We restore control and credibility in the house.

On your second question, very key question. I won't say too much, unfortunately, because it's too early for me to say, but I can say to you it's a more affordable version. A beautiful cognac. Very enticing, calling on our heritage, on our savoir faire.

Rémy Martin is an amazing house with 300 years of history. Who else can say that? We have an amazing heritage. Our heritage should be our gravity. We need to build desirability, and this is part of it. We need to create new occasions because the consumer's tastes are evolving. The ways we consume are evolving, not only in China, also in America. This is going to be really a beautiful innovation that is going to make a difference for us, even though we need to continue to build a fundamental around the VSOP, 1738, which is our singular product in the US, and the rest of the portfolio.

But I think I get more questions about the rest of the portfolio. Even on Cognac, let me be clear, is the number one priority because this is the biggest proportion of our portfolio.

Edward Mundy: Thank you.

Franck Marilly: More questions, please.

Operator: Our next question comes from Richard Withagen from Kepler Cheuvreux. Your line is open. Please go ahead.

Richard Withagen (Kepler Cheuvreux): Yes. Good morning, all. Thanks for the question. I have two as well, please. Yes, first on fiscal '27 on the margin bridge. You expect organic EBIT growth ahead of top line growth. Can you please talk a bit about the moving parts behind that? Are you looking to improve the gross margin, or should we expect some contribution from overheads as well?

And then the second question is on the US. I mean, on the market share gains, you mentioned VSOP, but can you give some more details where you are gaining market share by channel? How is the higher end segment doing? And can you also talk about the sustainability of those market share gains, too?

Luca Marotta: I'll take the first.

Franck Marilly: Yeah, sure. Second, yeah.

Luca Marotta: Hello, it's Luca speaking. Will take the first one. You are asking, where do we stand, compared to the consensus? I'd like to have some guidelines on the profit and loss profile. So actually, sales company consensus is a plus 3%.

Franck Marilly: Luca, I'm not sure you can.

Luca Marotta: Yeah, there was a technical problem. So let's start with where do we stand compared to the consensus. The sales company consensus or your opinion is that we will deliver plus 3 top line, 3%, and plus 5.4% in operating profit. I will say that I want to confirm the guidance is to improve, to grow top line and bottom line. It's too early to comment, to be

more precise, because we have just started the year and many elements remain vaguely unknown, as I said during the top line conference call at the end of April.

We have some positive, some negative. The geopolitical context, still question mark on tariffs. You have seen the news of yesterday. A lot of combining moving pieces that makes us to be very conservative and cautious at this stage, but the guidance is clear.

What is certain, I can tell you, however, that the company consensus is currently factoring, if you consider 9 plus 3%, plus 5.4%, around 4 bps, if I'm not wrong, our organic operating profit margin improvement, which does not align with what I consider a slight improvement. So I will not be more precise defining the mathematical expectation compared to the consensus. I will stick to that.

Some hints in terms of profit and loss profile, whatever it is. Clearly, you have seen that the pricing power and the need to acceleration, improve the go-to-market, also new kind of market mix compared to the previous year with a low COGS increase, but still stability/low COGS increase, the gross margin less to be a tool to improve the profitability. So where the profitability come through by the overheads leverage effect, because we need to grow top line faster than the previous year, clearly.

And A&P efficiency, meaning not reducing them in terms of support, but trying to have additional euro saving to be invested in additional programme to speed up the first line, which accounts for everything, which is final sell-out, final depletion and reinforcing the cycle of shipment.

So a bit less of tonic of gross margin in increase between overheads and A&P has an effect of the leverage.

Franck Marilly: I suppose you finish answering the question, Luca.

Luca Marotta: Yes. Waiting for you.

Franck Marilly: No, thank you. Thank you for your question. The US is an amazing market. It is our number one market. Personally, I live three times in my life in the US, so I feel very close to this market, as you can imagine.

There is a lot at stake. A lot of people are concerned about the reshuffle of distribution. I actually see that as a massive opportunity. Reyes coming into place with all due respect to the amazing work that RNDC did, the super team of RNDC. There is going to be a new dynamic in the market. Needless to say, we want to reconquer this market. We want to get stronger, rebuild our fundamentals.

First of all, we put in place a new leadership in the US. Secondly, we're going to be targeting new distribution channels which haven't been explored so far, like convenience stores. For that, you need to be sure you have the right formats. You may need some pricing agility from time to time. Even though, let me reassure you, we're staying a premium company, with luxury brands with maintaining and protecting the strong equity, because that makes a difference even in a turmoil in a difficult marketplace.

Convenience stores, on-trade is very key. Experiential liquids to lip is very key today. We have to let the world know, our consumer know we have the best products in the world, the best

quality of the world. I don't hesitate in saying that. We need to let people know. We have to make more storytelling about that. We're working on it.

On-trade, e-com. We're underpenetrated. We are around 15% to 16% share today. In China, for different reasons, because we have a different ecosystem, as you know, we are at a 30% share. One should not prevent from having higher ambitions to get a higher proportion. It is feasible. I'm thinking also about a high net worth individual. We should work harder on the D2C. Thanks to Louis XIII, undeniably the best cognac in the world, the most amazing brand with the highest equity and luxury in the world. There's much to regain on Louis XIII, which has been a little bit understated in the last two years.

Lastly, I want to insist, it's not just cognac, as I said. We have three key priorities in the US. One of them being, obviously, the cognac first, but then the Cointreau. Cointreau is an amazing brand, gaining share, incredible share in Texas, for instance. But more to come in getting shares and more execution on reaching more higher targets in Cointreau.

And The Botanist. The Botanist, we feel, has a super potential in the US that we need to exploit. There is a lot at stake in the US. As I said, VSOP 1738, and now the new cognac coming soon, will make definitely a difference, and backed by Louis XIII, where we feel we have a lot of work, with the XIII, where we have a lot of work to do.

But there is a new mindset in the US. I want to stress that. New leadership, people very engaged, lots of capacities, lots of awareness of where are the challenges. In the US, we have 50 states, but you cannot be focusing on all the states. Five of the states represent the 80%. That's where we need to be even stronger, focus our energies, challenge our distributors.

I said I see a great opportunity with the family at Reyes, who is very committed to grow our business, to be behind the business, to increase the backup in having more people on the field, in increasing the number of point of sales and better committed to better in-store visibility. That's why I think the US is a super mega opportunity for us going forward.

Richard Withagen: Thanks, Franck. Thank you, Luca.

Operator: Next question coming from Trevor Stirling from Bernstein. Your line is open. Please go ahead.

Trevor Stirling (Bernstein): Good morning, Marie-Amélie, Franck and Luca. Two questions from my side. About the US consumer. Franck, probably one for you, particularly around the African American consumer. Critically, that has always been a huge part of cognac consumption. We have been seeing a drift away towards tequila, away from cognac. Where do you think Rémy Cointreau stands in that context? And indeed, with the health of the African American consumer.

And then second question more for Luca. As I'm thinking about cash flow in FY27, Luca, if you hit your organic top line growth and your margin expansion, a bit of FX hedge, we're looking at EBITDA flat to maybe up a little bit, eaux-de-vie down, dividend cuts, tax up a little bit, interest up. But I guess, critically, the other working capital item, how should we think about that in FY27? I think that'll be critical to what the final cash flow is.

Franck Marilly: Thank you, Trevor, for your great question. As you say, that community, African community you mentioned, remains very strong. However, they're not buying the same levels of basically creating the same value as other pockets of consumers. So we need to go

in every direction, capture a greater amount of consumer base through also the digital transformation we're operating through having a better CRM, targeting better. AI is going to play a big role in this, in identifying and helping us to support better marketing targeting and commercial efficiencies.

So we need to grow bigger, and we need to adapt to the evolving consumer in the US. It's very different from China, I think. There has been a very strong post-COVID consumption, as you know. Premiumisation has been very important. Trading up has been important.

Now we're more in a crisis, even though it's a very resilient market. There's less uncertainty maybe compared to China, but there is a more selective spending. There's a bigger desire for value and experience. That's where we need to focus. This goes well beyond the communities. Of course, we can also target the Asian community. For instance, we know the highest pockets of Asian communities outside of China are in the US. We know exactly where they are. We need to pinpoint the potential where it is. That's why I mentioned the key cities early on.

So we have to have the right format, the right pricing agility in different states. It doesn't mean having the same pricing agility everywhere. We need to maintain our value, our gross margin as much as we can. However, let me be clear, I'd rather have a bit more volume to offset our cost and rebuild capabilities to reinvest in A&P overall. So as the world is changing, we have to adapt as well.

So answering to your question, African community, yes, will continue to be important but we need to go much beyond than that. Creating value and creating desirability in our brand, creating new moments. That's why we need innovation. To that extent, talking about innovation, I created an Innovation Lab, headed by Douglas, part of our Executive Committee, to generate more innovation. But more impactful. I'm always saying less is more. It takes time to create innovation, but we need to create value at the same time.

We need to be very consumer-centric, much more than we have ever been. That's why we put in place many workshops between the brands, between the regions, which did not really happen before. I really wanted people to be in tune on the potential and answer the needs of the consumers. So the African community is very important, but many other communities are very key.

All consumers are appealing to us. We need to reengage the consumers. I think you mentioned CSR is very key as well. As a matter of rebuilding the trust as much as we can in this world. CSR is creating a competitive advantage. It's creating value creation and a commitment to our consumers.

So I hope I answered your question, but it goes much beyond targeting one single community. It's building a strong desirability, answering the different ways of consumptions, whether it is in the US or in China, because in China, it is fundamentally changing as well. It is a very key market as well.

So we have to be very opportunistic in every way we can, but still protect our brand equity because it's a very differentiating point from all our key competitors.

Luca Marotta: About cash flow for the full-year '26-'27 estimation. I will do the opposite what I do normally. I will not do the bottom-up. I will do the top-down, and then I will try to explain.

So this year, the conversion rate has been at 27%. It's an important indicator. It's always been there, but will be even more important in the future. It contains a part of other working capital, non-recurring but a bit extraordinary effect. One of them being the huge swing in the Chinese New Year investment.

The previous one of the investment were done and paid. This year, the delayed of that and the increase of the spend makes a huge swing of the debt that was not paid at the closing. But overall, also some more lasting effect, like to give you an example, a strong decrease with a positive effect of €23 million in stock of other element out of eaux-de-vie and aged bulk. It means that overall, all the brands, all the teams, supply chain makes a hell of a work to reduce the non-necessary stock engagement and realisation for the last year. Part of that won't be re-applied.

So '27 can't be so far before the new plan being adopted and RC Forward bearing its fruit being a normative element. The normative one for the next one or two years out of the transitional year '26-'27 should be more around 15% to 20%. Specifically, in a nutshell, for the full year '26-'27, I can confirm you that will be positive out of non-recurring events, clearly. Positive one and more in the range of between 10%, 12%, 13%.

So without going through all the hypothetical, let me say, free cash flow, some elements factorise that. You have understood that top line and bottom line will be growing with a slight improvement in marginality. And then taxes, we said that '29 compared '28 as an increase in financial expenses in terms of book, doesn't mean being equal in terms of cash out on financial effect?

And CAPEX still standing around the same level, maybe lower, around €30 million, so some saving. Eaux-de-vie working capital variation, the aim to be around €90 million, €100 million if we can to improve even more compared to this year's saving. Other non-working capital item, again, to deliver positive inflow, but a lower span compared to this fiscal year.

And on top, forex is negative, but less than this year. So the organic element will be having a bigger way.

So in a nutshell, '27 not possible in a percent conversion in '26-'27. We are more between 10%, 12%, 8%, 9%, 11%, more than out of non-recurring positive or negative potential event. I hope it's clear.

Trevor Stirling: Super. Thank you very much for the detailed answer, Luca.

Operator: I will now take the last question. Question is coming from Olivier Nicolai from GS. Your line is open. Please go ahead.

Olivier Nicolai (Goldman Sachs): Hi. Good morning, everyone. Just in the interest of time, I stick to one question on China, really. If you could give us a bit more of an update on the underlying demand and what you could expect for this year, and what specific actions you're taking to unlock the VSOP potential there? Thank you.

Franck Marilly: Thank you very much for your question. China is equally important as much as the US, even though nobody asked me a question about emerging and GTR, which are going to be fuelling big way our growth going forward.

In China, we have to expand our territories, first of all, beyond Guangdong, as I said. We're resetting the commercial organisation to have the means to go further. We need to also grow our other brands, not just be dependent, so reliant on CLUB. We need to grow XO. We have a big workshop going on with the Chinese team, ongoing XO, of course, and Louis XIII, where we need to regain our energy, even though that will be done in two steps.

So the Chinese consumer is evolving. I mentioned the American consumer. You have to understand. You have to be consumer-centric to understand the trends, to adapt to those trends when it comes to innovation but also the way you market your products. The Chinese consumer today, there is a real estate crisis, not so much trust in the government policies today. They're saving money. However, they're ready to spend in the right places, right occasions and are definitely looking for value in the products, trading up, but also are looking for experience. So we need to gear our strategy towards that.

The Chinese consumer now wants more discretion. He's more rational, cautious spending, less visibility, less ostentation. A lot of drinking happens at home nowadays. So it's not as extravagant as it has been at one stage, if I may say, this world. But there are new policies, new scrutinies from the government. The macroeconomic pressure is there. So you need to diversify the occasions to have more local relevance, to be less reliant on gifting, for instance.

So there are many ways to look at it. But we're geared towards, we have high ambition, we have a super team in China. Every time I come back from China, where I go quite often together with the US, I can feel the energy of the team, the determination.

I don't know if this is my last question, by the way, but I want to finish on a specific touch. It's important for me to say we're a smaller company. We don't pretend to become the number one company. That's not the case.

However, we have an amazing portfolio, amazing selective portfolio with 300 years of history. We have amazing people in this company who are highly determined. RC Forward is also generating new energies, new ways of looking at the business, creating accountability, responsibility at all levels, killing the silos which we don't have time for.

We have, as I said, this new energy of going forward, new ambitions, the emerging market. We're creating a new leadership for emerging markets, the GTR. This is going to create a new dynamic within the company. And because we're smaller by definition, I just want to say we have higher possibilities, capabilities, untapped territories when it comes to untapped distribution channels, as I mentioned, convenience stores for the US, but it also applies to China, for instance.

Territories where we're not, go beyond Guangdong in China. But emerging market has not really been worked, like Africa, we need to go further with VSOP, not only VS, obviously.

Middle East is a key market for us. Southeast Asia, we need to go further. And Latin America, that's why I detached Latin America from US domestic to give it the right focus, because we know there is a great potential. I mentioned Brazil. But we also have Mexico, for instance.

Mercosur, as you know, may help in some ways to lower the barriers in terms of pricing barriers. So we have many opportunities. The new US distribution model is another one. GTR emerging, expanding distribution. Conquering India is another one, where we're very small today, but we can definitely only get bigger.

New channel of distribution. E-commerce is important going forward. D2C, I did not mention. B2B is another exceptional opportunity for us, which we never really explored.

And last but not least, is showcasing our exceptional sites. We were so happy within the company yesterday because we received a second star of the Michelin Guide for cognac being an exceptional site, which I invite you to visit.

Experience is what money cannot buy. Believe me, I went through this and it's amazing, and that's why we need to bring more traffic to let the world know about those exceptional sites that we have.

I hope I summarised well all the opportunities going forward. I tend to look at the glass full of opportunities. And thank you for your commitment. Thank you for listening to what we had to say, and I look forward to the next meetings we have together.

Luca Marotta: Olivier, clearly, a very strategic point of the situation done by Franck. So you understood we have a huge ambition, despite the huge headwind. To complete on the financial – not financial, but mathematical part of your question, what are our expectation in China, despite an environment visibility which remains low?

The market is pretty tough and very promotional. We are very humbly gaining market share. We expect to be positive on the full-year '26-'27 in China, even more in APAC, capitalising on the acceleration Asian Travel Retail, and as Franck said very clearly, on other Asian country. So up in sales and in depletion. More in volume, less in value, but depletion and sales positive as a target in APAC and in China for the full year. VSOP is less important there than XO and CLUB, clearly as you know.

What is the current trading? So what's happening right now? 6/18, 18th June, which is very important, started very strongly. So first sign that even if the first two months are not so important in terms of weight, the sign that situation is complicated, but we are fighting in a more than a decent way, and we are getting more than our previous shares. Thank you.

[END OF TRANSCRIPT]