



REMY COINTREAU

Des berrains, des oranges et du temps



Sales for the
9 months 2018/19
ending 31 December 2018

22.01.2019

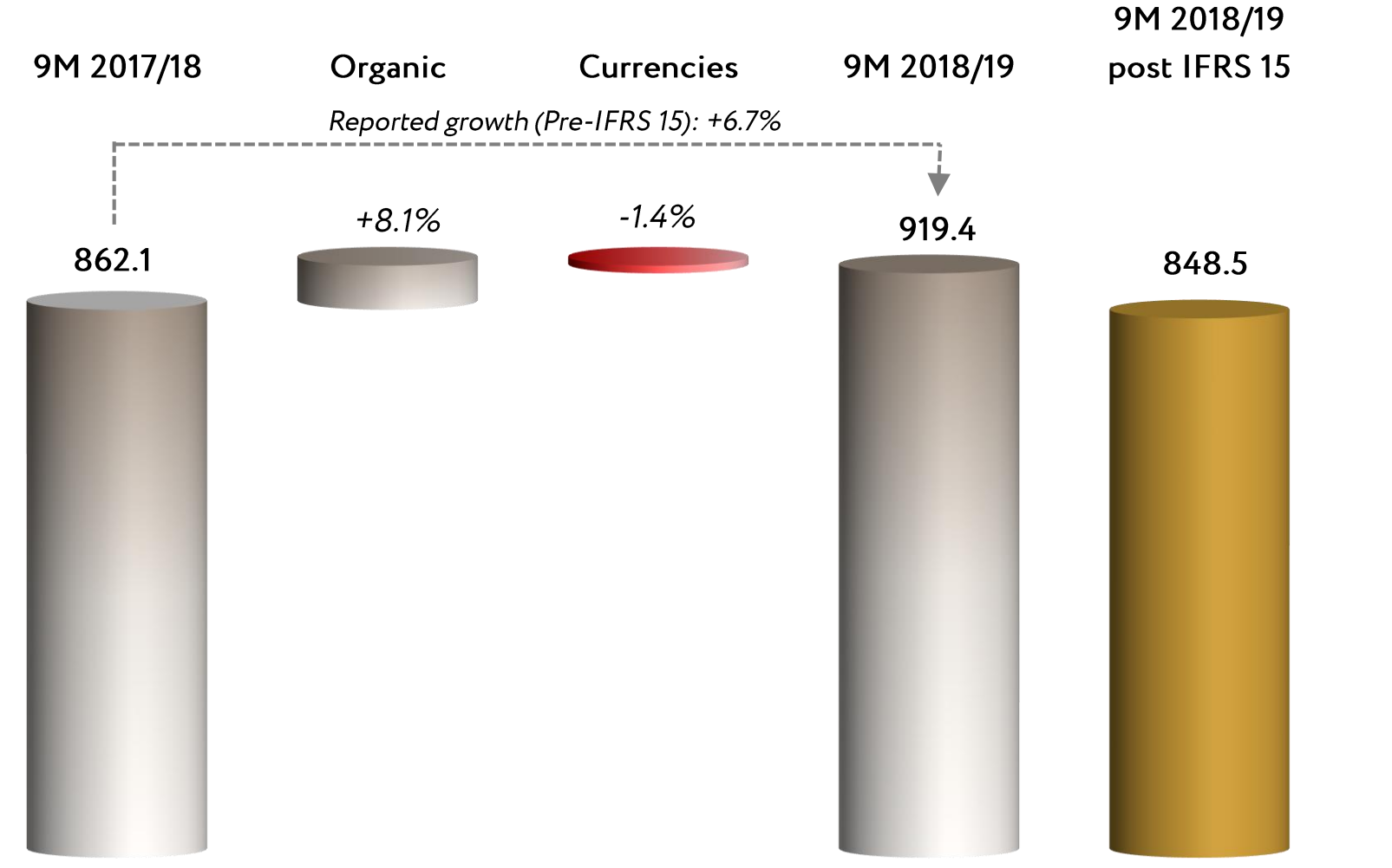
9M 2018/19 Sales : Key Messages

- **Robust growth in 9M: +8.1% organic sales growth, including +10.3% for Group Brands**
 - Sustained dynamism in Q3: +8.7% organic sales growth (vs. +7.7% in H1), led by accelerated trends in Group Brands at +12.8% (vs. +8.9% in H1). Ongoing strength in Asia Pacific (strong double-digits) and improved performance in the Americas and the EMEA.
- **Technical factors decreased sales by about EUR9M in 9M 2018/19 or -1.1pts of growth:**
 - Termination of two partner brands' distribution contracts : Campari in Czech Rep and Slovakia, and Russian Standard vodka in Travel Retail
 - Earlier timing of CNY (5 Feb. 2019 vs. 16 Feb. 2018) boosted sales by €4M in Q3 (added 1pt of growth in Q3)

Adjusted for these factors, 9M 2018/19's underlying organic growth was +9.2%
- **9M 2018/19 value depletions coherent with underlying sales trends:**
 - Greater China: ongoing “strong double-digit depletion trends” both in volume and in value
 - US: Continued solid trends for our cognac brands (strong price/mix); accelerating trends for Cointreau
 - Western Europe: flattish underlying trends (slight improvement in Belgium and France)
 - Russia: solid, but moderating growth
 - Africa : ongoing strength in key markets (South Africa and Nigeria) and strong growth in India
 - Global Travel Retail: solid in Asia Pacific and Americas
- **FY 18/19 outlook confirmed: on track to deliver positive organic growth in Current Operating Profit (at constant exchange rate and scope), proforma Pre-IFRS 15, 16 & 9**

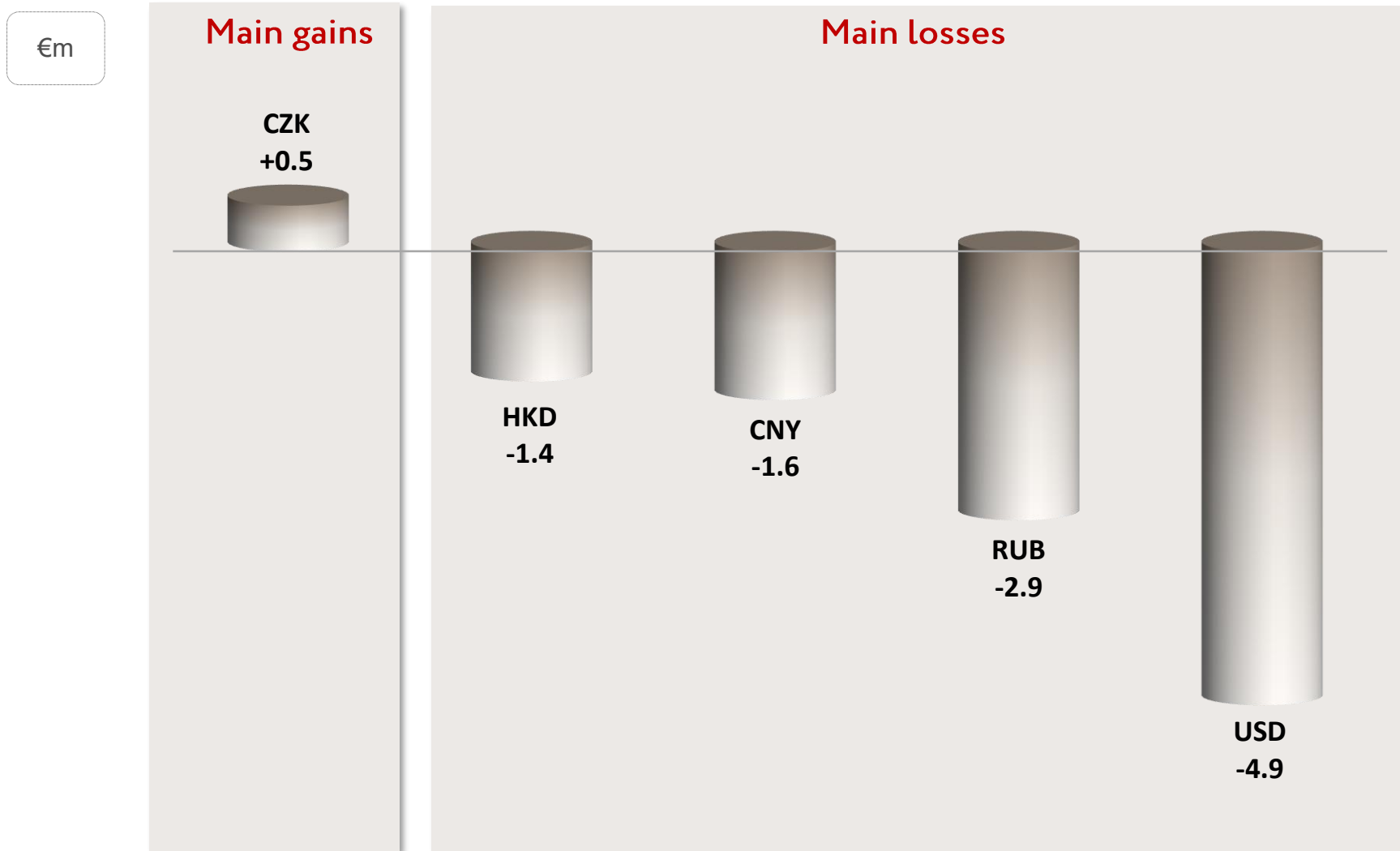
9M 2018/19 Sales Analysis

€m



Currency Impact on 9M 2018/19 Sales

Currency translation loss of 12.1 million euros



12M sales trend showing further acceleration

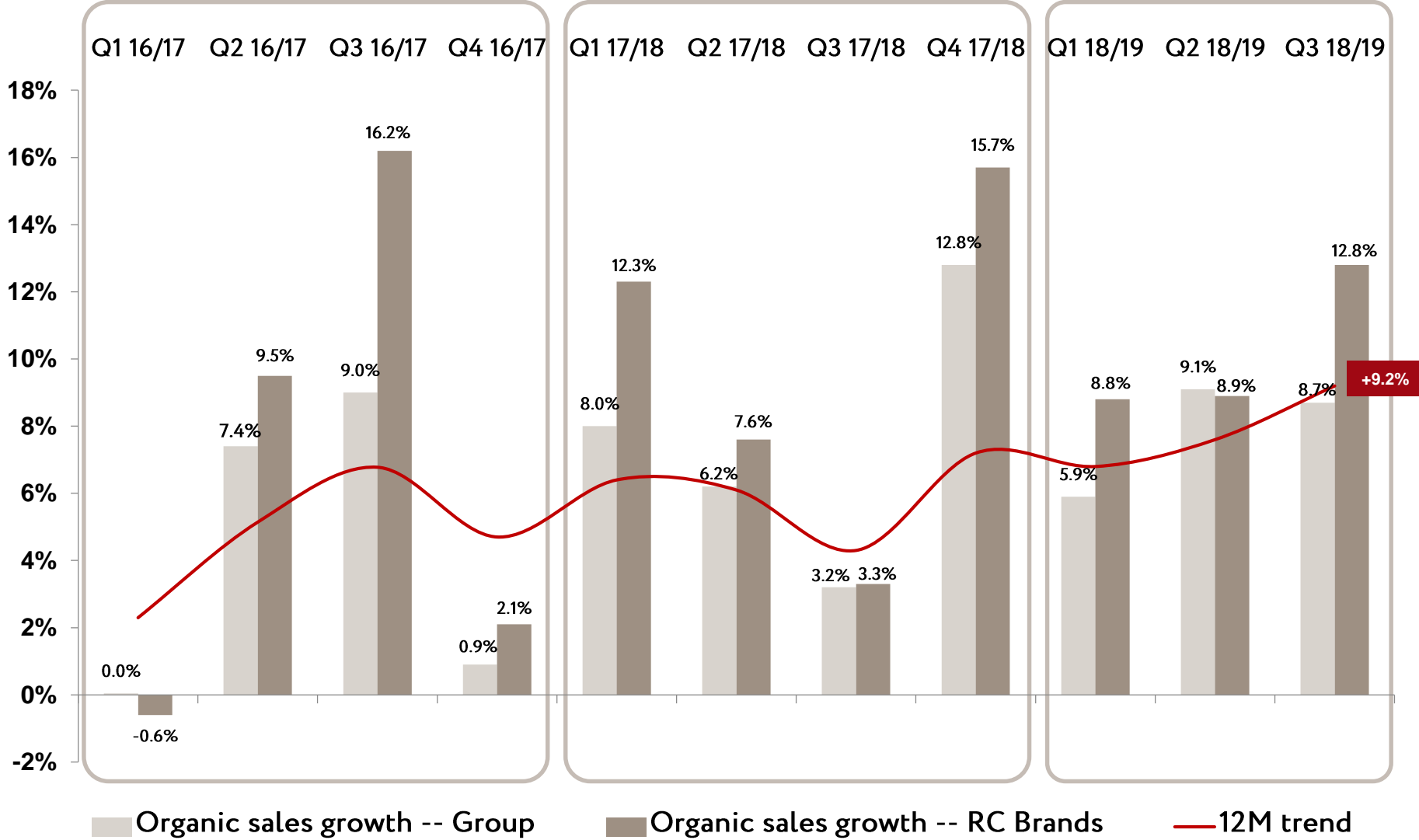


RÉMY COINTREAU

FY16/17: +4.7% (RC Brands: +7.4%)

FY17/18: +7.2% (RC Brands: +9.2%)

9M18/19: +8.1%
(RC Brands: +10.3%)



9M 2018/19 Organic Trends by Region (1)

REMY COINTREAU

Asia-Pacific organic sales up double-digits in 9M, led by Greater China and South East Asia

- Sustained double-digit growth in Greater China in Q3 and in 9M:
 - Earlier timing of the CNY boosted Asia Pacific sales by €4M and growth by c4pts in Q3
 - Direct sales growing faster than “traditional” Route-To-Market
 - Ongoing strength in depletion trends: up “strong double-digits” in volume and value
- South East Asia: continued double-digit growth, led by Singapore, Australia and Malaysia
- Travel Retail : sustained double-digit growth across the region

Americas organic sales up mid/high single-digit in 9M, led by further acceleration in Q3

- US : accelerated sales growth in Q3 (further catch up on strong value depletion trends)
- Q3 depletion trends reflecting retail destocking further to new round of VSOP price increases in October
 - Group Brands’ value depletions : -0.8% over 3M, +7.2% over 6M, +8.6% over 9M, and +8.3% over 12M
- Canada : solid 9M performance, with accelerated growth in Q3 (sales catching up on good depletion trends)
- LatAm : good regional performance (except in the Barbados)
- Strong performance of Travel Retail (new listings and better traffic)

9M 2018/19 Organic Trends by Region (2)



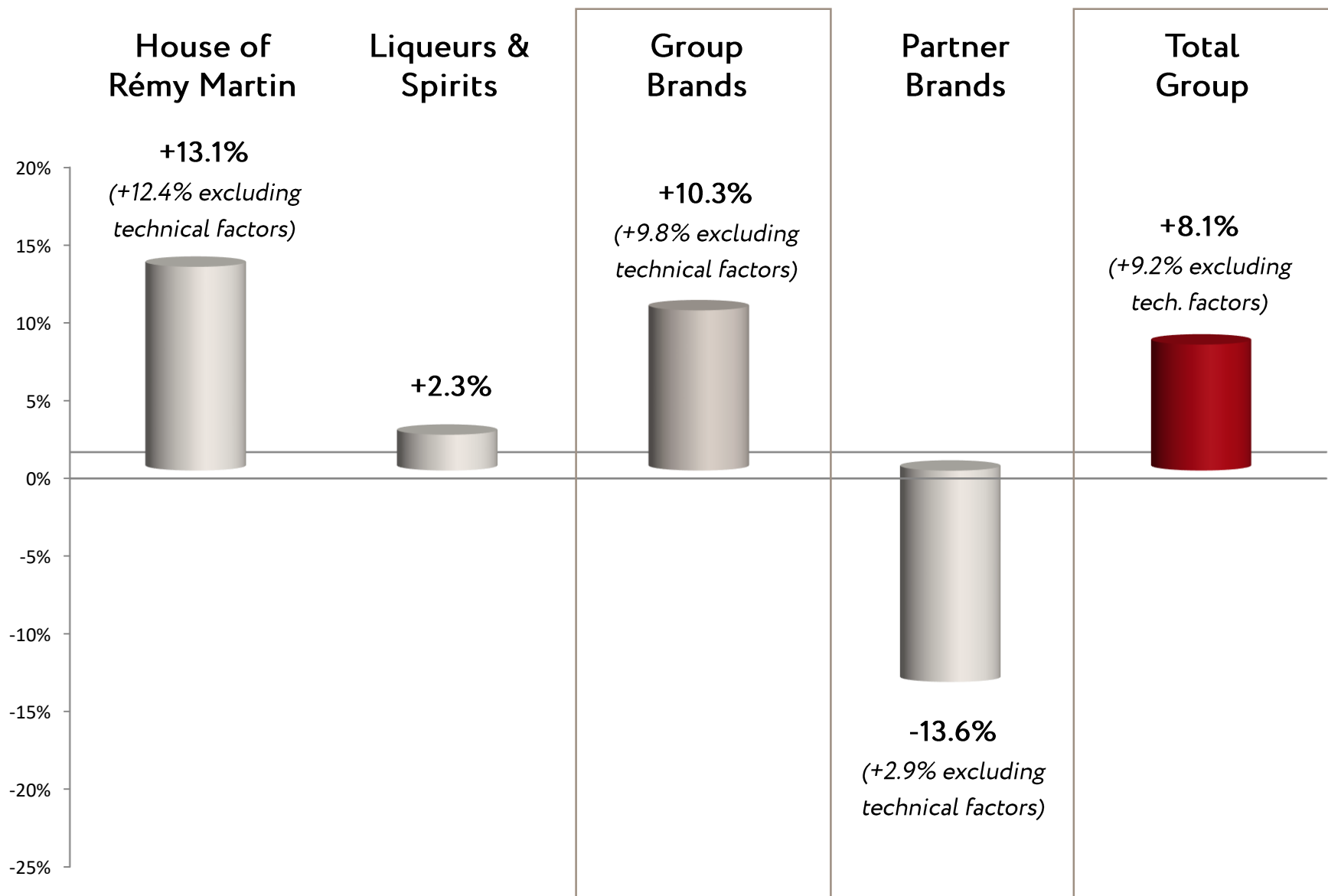
Mid-single digit organic sales decline in Europe, Middle East & Africa

- Technical factors decreased sales by EUR13M (or -4.9pts of growth) in 9M
 - Termination of distribution contracts (Campari in Czech Republic/Slovakia; Russian Standard in Travel Retail)
 - Flattish performance excluding technical factors in 9M (positive growth in Q3)
- Western Europe: flattish performance in 9M
 - Good performance in the UK, Switzerland and France; Weakness in Belgium attenuating
- Central & South Europe: good underlying growth, offset by technical factors
 - RC brands : solid growth in Czech Republic and Slovakia
- Russia & North East Europe: solid growth, albeit moderating
 - Russia up high single digits
- Africa: Q3 rebounds after slow first half-year (further to significant price increases across the region)
 - South Africa and Nigeria: sustained growth in depletions
 - Good performance in India
- Travel Retail: sales decline largely driven by the end of the Russian Standard distribution contract

9M 2018/19 Organic Growth by Division



RÉMY COINTREAU



House of Rémy Martin (+13.1% OSG in 9M)

RÉMY COINTREAU

Asia-Pacific

- Strong double-digit sales growth in 9M and Q3, led by Greater China, Singapore, Malaysia and Travel Retail
- Earlier timing of the CNY boosted sales by c4pp in Q3
- Greater China continuing strong: depletion trends up “strong double-digits” in volume and in value

Americas

- Double-digit growth in Q3 drives solid performance over the 9-month period
- Solid US cognac depletion trends, despite weaker 3M trends further a new round of price increase on VSOP
- Value depletions: price/mix gain of 3pts in the 12M period ending December

Volume depletion trends to December 2018

| | 3 months | 6 months | 12 months |
|--|----------|----------|-----------|
| US Cognac/Brandy Market ⁽¹⁾ | 4.3% | 7.1% | 8.0% |
| US Cognac/Brandy Market ⁽²⁾ | 4.2% | 0.8% | 0.0% |
| Rémy Martin | -6.3% | 4.1% | 7.2% |

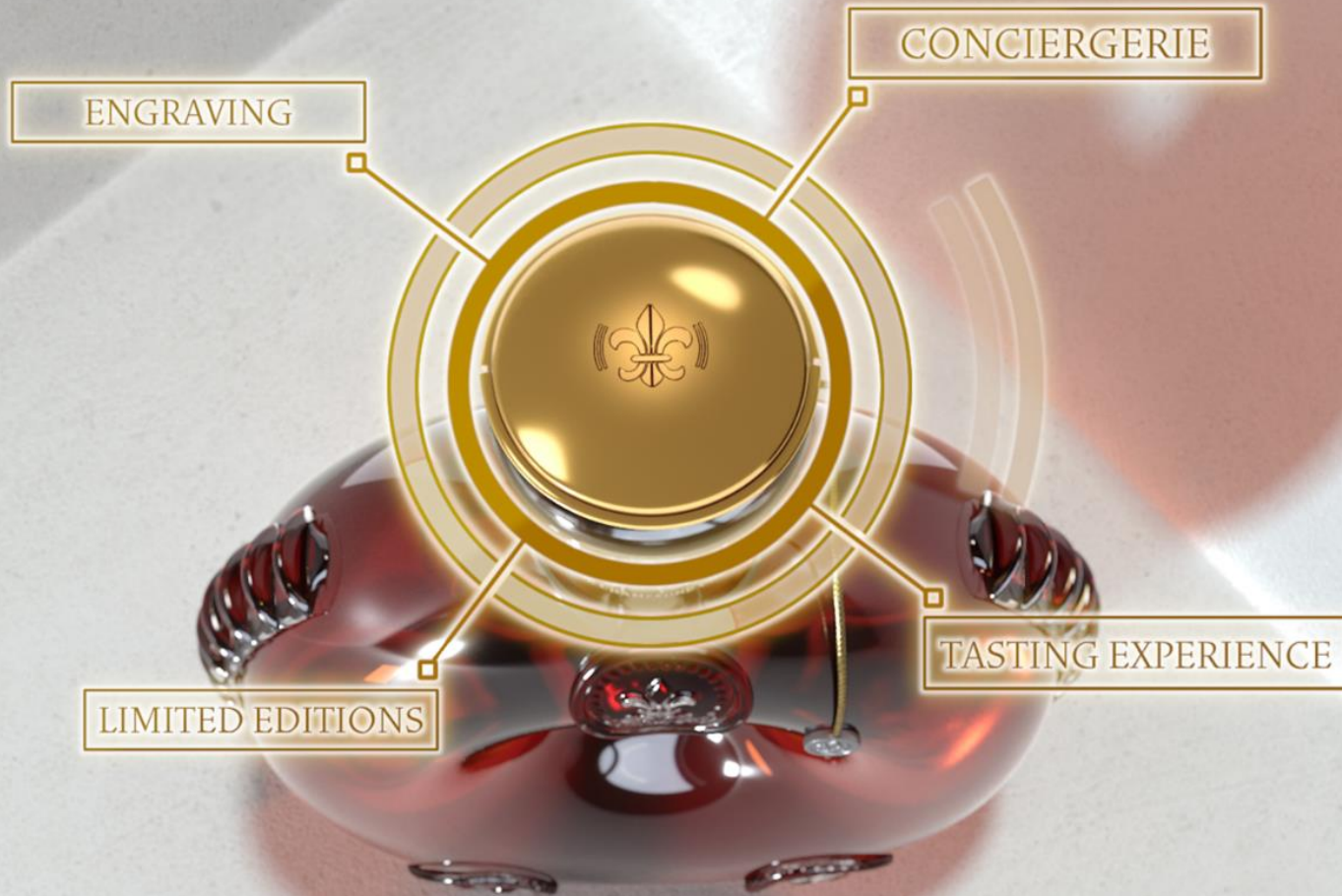
Source: NABCA/Discus⁽¹⁾

Source: NABCA⁽²⁾

Europe, Middle East & Africa

- Slight sales decline over 9M; but double-digit rebound in Q3 as basis of comparison normalizes
- Continuing strength in the UK, Eastern Europe, Nigeria and India

LOUIS XIII: THE SMART DECANTER



Liqueurs & Spirits (+2.3% OSG in 9M)



Cointreau

- Nice acceleration in Q3 drives sales growth in the 9M period
- Ongoing strength in newer markets (China/Russia), solid in the US, return to growth in EMEA in Q3
- Depletions showing further acceleration in the US :
 - Strong acceleration of volume depletions in the last 3M; new campaign bearing fruits
 - Value depletions: Flattish price/mix gain in the 12M period to December 2018 (state mix)

| | Volume depletion trends to December 2018 | | |
|-----------------------------------|--|----------|-----------|
| | 3 months | 6 months | 12 months |
| US Cordials Market ⁽¹⁾ | 2.9% | -1.0% | -0.2% |
| US Cordials Market ⁽²⁾ | 2.1% | 0.4% | 0.3% |
| Cointreau | 13.2% | 7.6% | 4.7% |

Source: NABCA/Discus⁽¹⁾

Source: NABCA⁽²⁾

Metaxa

- Brand elevation strategy weighed on volumes in 9M (lower rate of sales under promotion and 3-Star entry-level quality de-emphasized in Greece); Solid price/mix benefits

Liqueurs & Spirits (+2.3% OSG in 9M)



Mount Gay

- Despite a sequential improvement in Q3, sales remain in decline in the 9M period. Solid performance in Canada, Asia Pacific and Travel Retail
- US volume depletions remain under pressure (amid weak category), as of a result of our brand elevation strategy
- US value depletions : flattish price/mix gain in the 12M period ending December 2018

| | Volume depletion trends to December 2018 | | |
|------------------------------|--|----------|-----------|
| | 3 months | 6 months | 12 months |
| US Rum Market ⁽¹⁾ | -10.3% | -6.8% | -2.9% |
| US Rum Market ⁽²⁾ | -0.7% | -1.3% | -0.4% |
| Mount Gay | -4.0% | -3.1% | -6.4% |

Source: NABCA/Discus⁽¹⁾

Source: NABCA⁽²⁾

St-Rémy

- Strong Q3 performance drives low-single digit growth in the 9M period. Robust growth in newer markets (Africa, Russia) and good growth in the US, partially offset by Canada.

The Botanist

- Continued double-digit growth, led by all geographical regions; successful #BeTheBotanist campaign

Single Malt Whiskies

- Sustained double-digit sales growth, driven by the fast development of the Scottish Malts in all three macro-regions. Westland and Domaine des Hautes Glaces focusing on building inventory capacities

COINTREAU: TWO LIMITED EDITIONS IN COLLABORATION WITH THE DESIGN LABORATORY OF CENTRAL SAINT MARTINS COLLEGE



COINTREAU

THE ART OF THE MIX

Limited Edition

DRINK RESPONSIBLY

DISCOVER MORE ON COINTREAU.COM



Partner Brands (-13.6% OSD in 9M)

Organic sales were up 2.9% adjusted for technical factors

- Termination of two Partner Brands' distribution contract (Campari in Czech Republic/Slovakia and Russian Standard in Travel Retail): EUR13M sales loss / -17pts hit on sales growth
- Other third-party spirits : good growth in the Americas (one-off benefit from a successful promotional campaign in the US in Q2) and Asia Pacific, but ongoing weakness in Belgium

2018/19 Outlook Confirmed

- 9M 2018/19 sales well in line with Group's expectations
- Group maintains guidance of delivering **positive growth in Current Operating Profit, at constant exchange rate and scope**, for the financial year 2018/19 (proforma Pre-IFRS 15, 16 & 9)

Q&A

