



RÉMY COINTREAU

2024-25 Q1 Sales

Luca Marotta, CFO

July 24, 2024

Q1 2024-25 sales - Executive summary

Q1 24-25 ORGANIC* SALES GROWTH

-15.6% YoY
-4.0% vs Q1 19-20

- Sales down -15.6% in organic terms reflecting:
 - Continued destocking, mainly in the US
 - High base of comparison in APAC and to a lesser extent in EMEA
 - Soft end-consumption and intense promotional activity around the world
- Sales performance includes -20.2% from volume effects and +4.6% from Price-mix

Q1 24-25 ORGANIC SALES GROWTH BY REGION

- AMERICAS: strong sales decline, reflecting destocking in a market that shows no sign of a recovery in depletions yet
- APAC: slight sales decrease affected by Southeast Asia; China almost flat on the back of high comps and tough market conditions
- EMEA: very strong DD% decline impacted by high comps, some phasing effects and softer consumer trends

Q1 24-25 VALUE DEPLETIONS BY REGION

- US: strong double-digit decline YoY; approx. +10% vs. Q1 19-20 (approx. +55% excl. VSOP)
- China: down mid-teens YoY and vs. Q1 19-20 (greater volatility due to the small size of Q1 and following a sharp growth in Q4)
- EMEA: down mid-teens YoY; down LSD% (flat excl. Russia) vs. Q1 19-20

FY 2024-25 GUIDANCE CONFIRMED

- Organic sales : generate gradual recovery in sales over the course of the year
- Organic COP Margin: protect profitability through rigorous cost controls and roll-out of value strategy

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



Q1 Marketing Highlights

Reignite growth by executing US plan to boost sales

Increase A&P to improve visibility & conversion on VSOP



- o Partnered with Nylon House to launch XO Night & amplify VSOP at Coachella
- o Cocktail amplification

Leverage cocktail momentum through activations on Cointreau



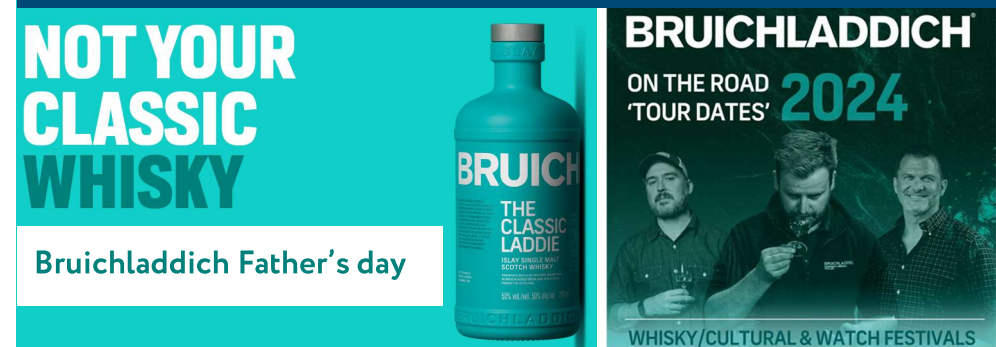
- o Lime of Credit campaign for Cinco de Mayo celebrations

+12%
Cinco
week
Nielsen

Use Eclipse Navy Strength to increase profitability & visibility



Drive Liquid-to-Lips on Bruichladdich to increase education





Q1 Marketing Highlights

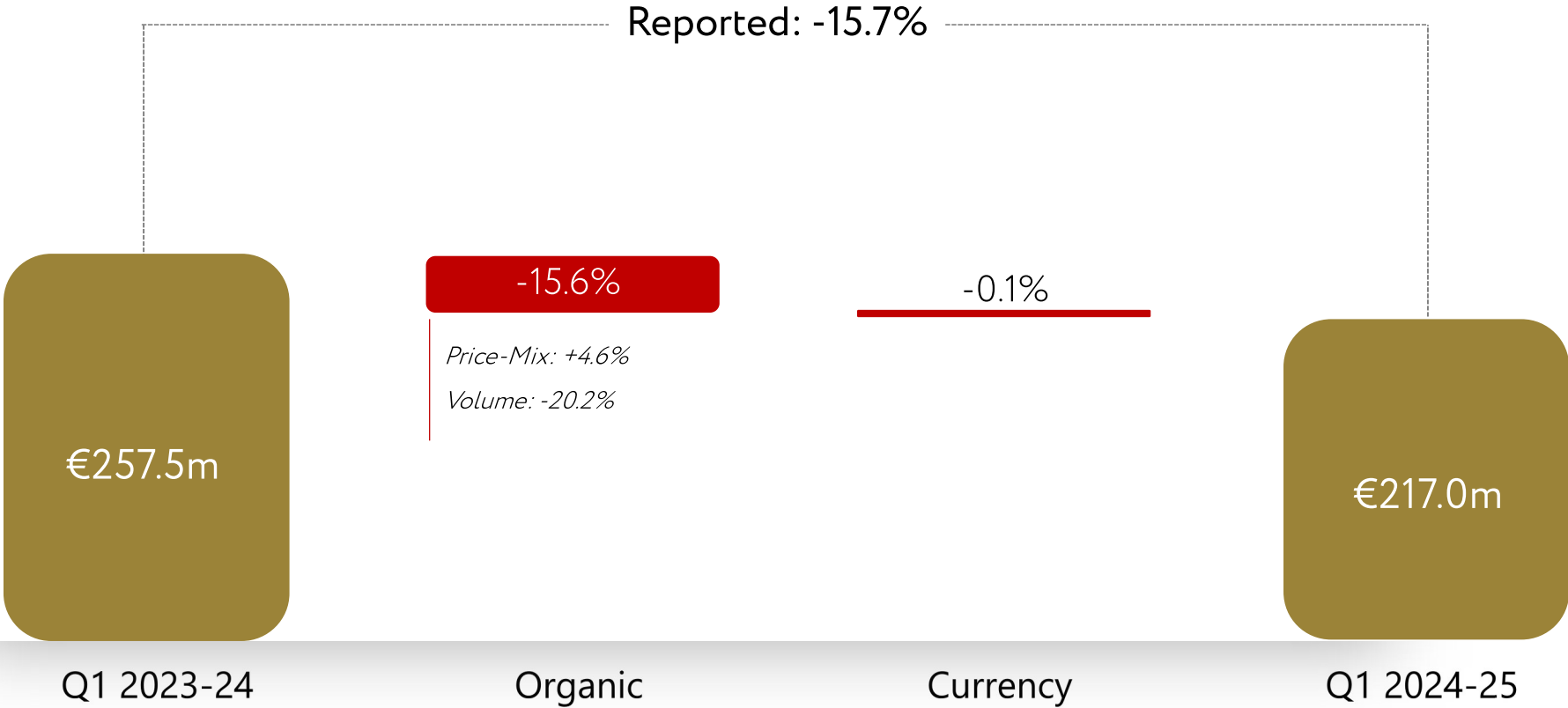
6/18 Festival – Maintain leadership in e-commerce



+14%
Sales
growth

- o Successful launch of 2 exclusive new products : CLUB 'Sunrise in Paris' and 'Midnight in Paris'
- o Fully leveraged RM 300Y pop up stores and social influencers with 3 brand-led livestreaming to celebrate EC 618

Q1 2024-25 - Group sales bridge

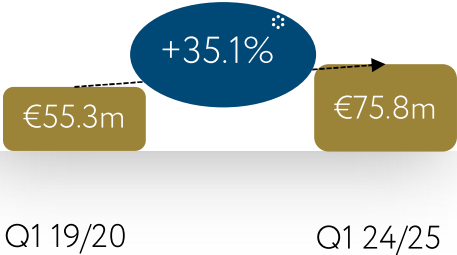
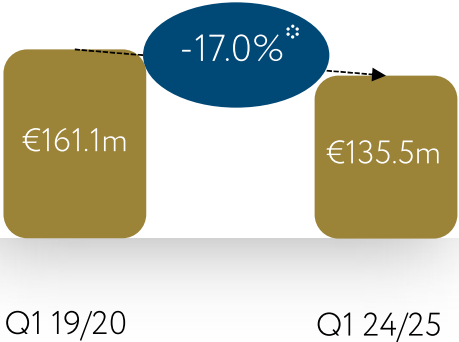
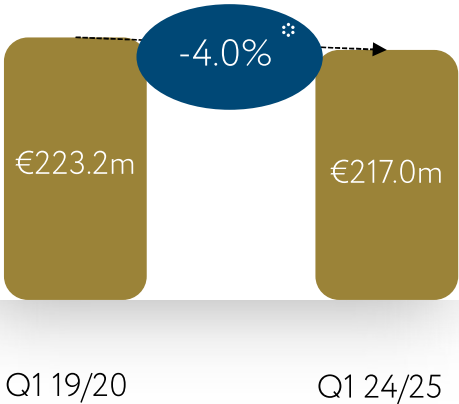


Q1 2024-25 - Organic sales down -4.0%* vs. Q1 2019-20

GROUP
Sales CAGR: -0.8%

COGNAC
Incl. major US destocking
Sales CAGR: -3.6%

LIQUEURS & SPIRITS
Sales CAGR: +6.2%



Volume: -13.6% (CAGR: -2.9%)
Price-Mix: +9.6% (CAGR: +2.1%)

Volume: -35.7% (CAGR: -8.4%)
Price-Mix: +18.7% (CAGR: +4.8%)

Volume: +4.6% (CAGR: +0.9%)
Price-Mix: +30.5% (CAGR: +5.3%)

(* Organic sales growth at constant exchange rates (2023-24 rates)

Q1 2024-25 – Organic sales trends by region

APAC: slight decrease YoY

> +20% vs. Q1 19-20

China

Sales were almost flat
Market remains complex and tough, particularly for high-end segments
E-commerce remains the most resilient channel: +15% at more than 35% of sales
Negative impact from Taiwan, Macau and HK

Inventories at end of June
Healthy level

Q1 value depletions
down mid-teens YoY and vs. Q1 19-20
Greater volatility due to small size of Q1 and following a strong Q4

Rest of Asia

Very tough markets in Southeast Asia (particularly Australia, Malaysia and Singapore)
Very strong sales growth in Japan

39%
of sales

Americas: strong decline YoY

Around -25% vs. Q1 19-20

US

Strong sales decline in Q1, impacted by continued destocking given no sign of a recovery in depletions

Inventories at end of June
5m considering further depletions' deterioration
Q1 value depletions
Strong DD% decline YoY
Approx. +10% vs. Q1 19-20 (approx. +55% excl. VSOP)

Canada

Low DD% sales decline, impacted by Cognac

Latin America

Very strong DD% sales decline

35%
of sales

EMEA: very strong decline YoY

+LSD% vs. Q1 19-20

Western Europe

Very strong DD% sales decline, impacted by Germany, Greece and Spain: high comps and destocking
Sell-out much better than sell-in

UK

Sales down DD% impacted by high comps (strong restocking LY ahead of rise in excise duties)
Encouraging signs of improvement on the back of less inflation

Rest of EMEA

Very strong DD% sales decline impacted by AME (destocking), Eastern Europe (phasing linked to Orthodox New Year) and Benelux (mainly Cognac)

Inventories at end of June
Healthy level
Q1 value depletions
down mid-teens YoY
down LSD% (flat excl. Russia) vs. Q1 19-20

26%
of sales

Cognac

Organic sales growth of -12.2% (o/w -8.0% in volume and -4.2% of Price-Mix)

<p>APAC LSD% org. decrease YoY Approx +25% vs. Q1 19-20</p> <p>56% of sales</p>	<p>China was flat in Q1, affected by high comps and weaker consumption</p> <ul style="list-style-type: none"> Consumer confidence remains low and continues to impact consumption; cash pressures weigh on wholesalers. Consequently, value depletions were down mid-teens in Q1 YoY; CLUB is overperforming while high-end products are underperforming On-trade is the channel most affected by the current context (downtrading and lower spend per capita) while e-commerce is up +15% boosted by 6/18 festival Hong Kong, Taiwan and Macau were particularly weak, hit by high comps, destocking and tourists' preference for Japan over HK <p>Rest of Asia was down mid-teens, particularly impacted by Malaysia, Philippine and Singapore; conversely, Japan generated a very strong DD%</p>																																											
<p>AMERICAS Low DD% org. decline YoY Approx -45% vs. Q1 19-20</p> <p>30% of sales</p>	<p>North America:</p> <ul style="list-style-type: none"> Sales down by low double-digit still impacted by destocking on the back of persistent negative depletions, which are not showing any sign of recovery yet; market remains driven by intense promotional activity Q1 US value depletions: down very strong DD% YoY with sharp underperformance of VSOP; sequential deterioration in Q1 vs. Q4 on the back of high comps (June was up mid-teens LY before the implementation of price increases) <table border="1" data-bbox="560 893 1825 1101"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Volume depletion trends to June 2024</th> <th colspan="3">vs. June 2023 (vs. LY)</th> <th colspan="3">vs. June 2019 (vs. 5Y)</th> </tr> <tr> <th>3M</th> <th>6M</th> <th>12M</th> <th>3M</th> <th>6M</th> <th>12M</th> </tr> </thead> <tbody> <tr> <td rowspan="4">US</td> <td>Market (source Nielsen)</td> <td>-8.5%</td> <td>-6.8%</td> <td>-7.7%</td> <td>-44.3%</td> <td>-33.9%</td> <td>-23.3%</td> </tr> <tr> <td>Market NABCA</td> <td>-9.0%</td> <td>-7.4%</td> <td>-9.0%</td> <td>-28.5%</td> <td>-24.6%</td> <td>-21.2%</td> </tr> <tr> <td>Market (source NABCA/Discuss)</td> <td>23.9%</td> <td>13.6%</td> <td>-1.6%</td> <td>-25.0%</td> <td>-26.9%</td> <td>-25.6%</td> </tr> <tr> <td>RC Cognac in Volume (source Company)</td> <td>-32.3%</td> <td>-29.5%</td> <td>-28.0%</td> <td>-27.4%</td> <td>-37.0%</td> <td>-34.8%</td> </tr> </tbody> </table> <p>Price-Mix: -2 pts YoY +18 pts vs. 2019-20 12m basis ended June-24</p> <p>Latin America: very strong double-digit decline in sales in Q1, impacted by fierce promotional competition</p>		Volume depletion trends to June 2024	vs. June 2023 (vs. LY)			vs. June 2019 (vs. 5Y)			3M	6M	12M	3M	6M	12M	US	Market (source Nielsen)	-8.5%	-6.8%	-7.7%	-44.3%	-33.9%	-23.3%	Market NABCA	-9.0%	-7.4%	-9.0%	-28.5%	-24.6%	-21.2%	Market (source NABCA/Discuss)	23.9%	13.6%	-1.6%	-25.0%	-26.9%	-25.6%	RC Cognac in Volume (source Company)	-32.3%	-29.5%	-28.0%	-27.4%	-37.0%	-34.8%
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<p>EMEA Very strong DD% decline YoY Approx -30% vs. Q1 19-20</p> <p>14% of sales</p>	<ul style="list-style-type: none"> Very strong DD% sales decline in Q1, reflecting high comps and negative phasing in softer markets; mostly impacted by South Africa and Germany The UK showed relatively good resilience despite very high comps (strong restocking in Q1 23-24 ahead of rise in excise duties); sell-out shows signs of improvement alongside inflation decrease Western Europe was down by double-digits; however, sell-in is well below depletions and sell-out EMEA value depletions were down mid-teens vs. LY in Q1 																																											

Liqueurs & Spirits

Organic sales growth of -20.4% (o/w -23.9% in volume and +3.5% of Price-Mix)

<p>AMERICAS</p> <p>Strong DD% org. decline YoY Approx. +30% vs. Q1 19-20</p> <p>45% of sales</p>	<p>North America:</p> <ul style="list-style-type: none"> DD% decline in Q1 (o/w Canada: up LSD%), impacted by some destocking alongside greater caution from wholesalers in a slowing market However, underlying trends are resilient; Cointreau's Q1 US value depletions were up LSD% YoY (i.e approx. +95% vs. Q1 19-20); The Botanist showed also positive trends YoY (+90% vs Q1 19/20) <table border="1" data-bbox="544 560 1720 746"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Volume depletion trends to June 2024</th> <th colspan="3">vs. June 2023 (vs. LY)</th> <th colspan="3">vs. June 2019 (vs. 5Y)</th> </tr> <tr> <th>3M</th> <th>6M</th> <th>12M</th> <th>3M</th> <th>6M</th> <th>12M</th> </tr> </thead> <tbody> <tr> <td rowspan="4">US</td> <td>Market (source Nielsen)</td> <td>-0.2%</td> <td>1.9%</td> <td>1.3%</td> <td>25.6%</td> <td>23.2%</td> <td>20.8%</td> </tr> <tr> <td>Market NABCA</td> <td>-3.0%</td> <td>-2.6%</td> <td>-2.0%</td> <td>25.8%</td> <td>16.0%</td> <td>16.0%</td> </tr> <tr> <td>Market (source NABCA/Discuss)</td> <td>-7.3%</td> <td>-13.0%</td> <td>-9.3%</td> <td>28.8%</td> <td>16.4%</td> <td>10.0%</td> </tr> <tr> <td>Cointreau in Volume (Source Company)</td> <td>2.7%</td> <td>-0.1%</td> <td>0.4%</td> <td>73.8%</td> <td>60.0%</td> <td>61.4%</td> </tr> </tbody> </table> <p>Price-Mix: -5 pts YoY +18 pts vs. 19-20 12m basis ended June-24</p> <p>Latin America: sales were down by very strong double digits in Q1 in persistent promotional market</p>		Volume depletion trends to June 2024	vs. June 2023 (vs. LY)			vs. June 2019 (vs. 5Y)			3M	6M	12M	3M	6M	12M	US	Market (source Nielsen)	-0.2%	1.9%	1.3%	25.6%	23.2%	20.8%	Market NABCA	-3.0%	-2.6%	-2.0%	25.8%	16.0%	16.0%	Market (source NABCA/Discuss)	-7.3%	-13.0%	-9.3%	28.8%	16.4%	10.0%	Cointreau in Volume (Source Company)	2.7%	-0.1%	0.4%	73.8%	60.0%	61.4%
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<p>EMEA</p> <p>Strong DD% org. decline YoY Approx. +45% vs. Q1 19-20</p> <p>43% of sales</p>	<ul style="list-style-type: none"> EMEA's sales down strong DD% in Q1, impacted by high comps, some negative phasing effects and softer consumer trends While Benelux shows good resilience driven by Cointreau, the UK was impacted by high base of comps Western Europe was sharply down on the back of high comps, some destocking in Germany and an overall soft market; Eastern Europe was impacted by some destocking following various changes in RTMs EMEA value depletions were down high-single-digit vs. LY in Q1 																																											
<p>APAC</p> <p>Strong DD% org. decline YoY Approx. +30% vs. Q1 19-20</p> <p>12% of sales</p>	<ul style="list-style-type: none"> China: down by strong double-digits in Q1, impacted by continued destocking in whiskies and weak end-demand (mainly from younger generations) Rest of Asia: down mid-teens in Q1; while Southeast Asia faced sluggish consumer market (mainly in Australia and New Zealand), Japan is booming driven by Bruichladdich and Telmont 																																											

2024-25 outlook – a year of transition

The Group expects:

**GENERATE A GRADUAL RECOVERY IN SALES
OVER THE COURSE OF THE YEAR ...**



... with H1 affected by:

- Continued stock adjustments in the Americas
- High basis of comparison in APAC
- Mixed consumption in EMEA

PROTECT PROFITABILITY:

Rigorous cost controls
Implementation of value strategy
Continued investment to prepare for tomorrow



- GM resilience: measured price increase & moderate inflation
- A&P sales ratio normalization at much higher level than 2019-20
- Tight control of overheads to offset most of the rise in costs resulting from the reversal of temporary savings achieved in 23-24

Mixed FX effects for the year:



- Sales: between -€5M and -€10M
- COP: between +€3M and +€7M

Rémy Cointreau has maintained a lead on its 10-year strategic plan

2024-25: a year of transition to finalize inventory adjustments in the Americas,
before renewing from 2025-26 with **average HSD% organic sales growth**, alongside **a gradual organic improvement in COP margin**



Appendices

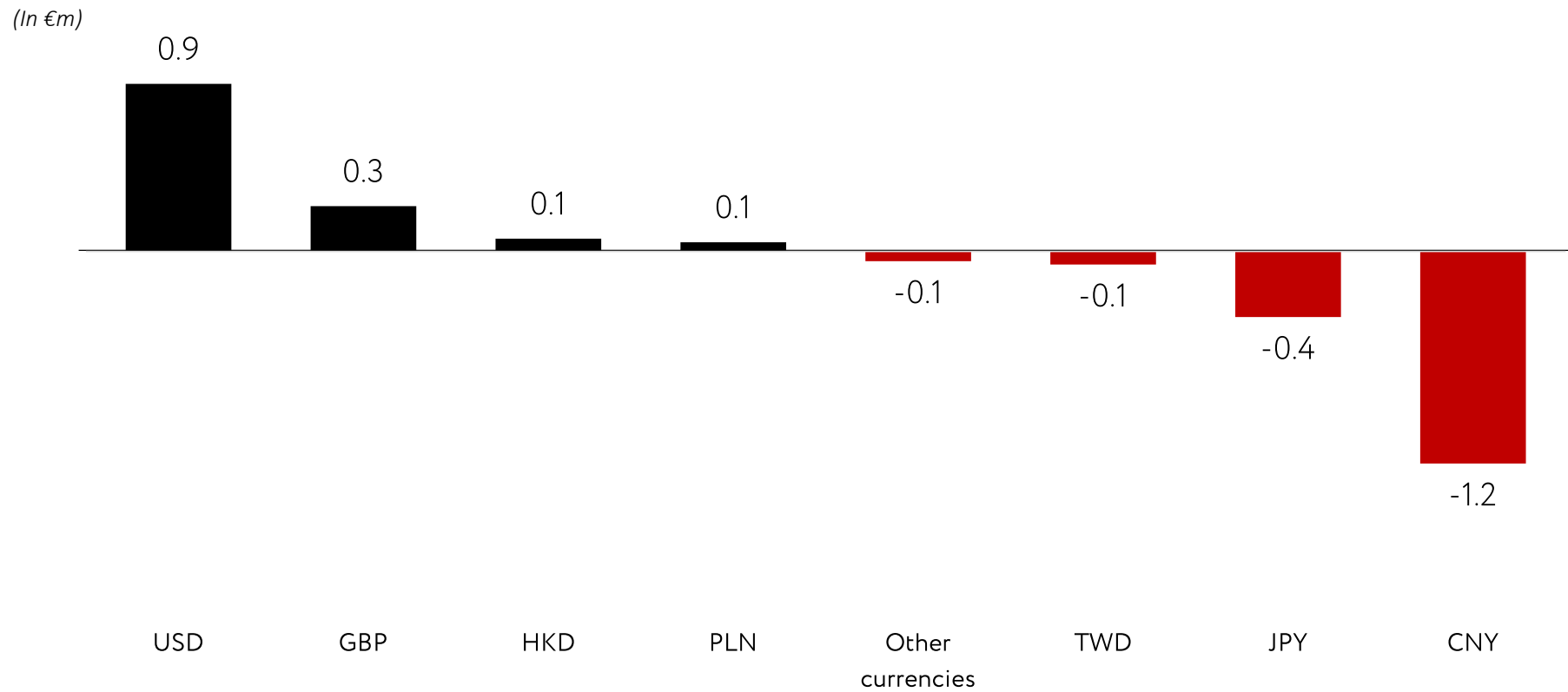
Quarterly sales by division

<i>In €m</i>	Q1 24/25	Q1 23/24	Reported %	Organic %
Cognac	135.5	155.1	-12.6%	-12.2%
Liqueurs & Spirits	75.8	95.0	-20.1%	-20.4%
Subtotal: Group Brands	211.3	250.0	-15.5%	-15.3%
Partner Brands	5.7	7.5	-24.3%	-24.6%
Total	217.0	257.5	-15.7%	-15.6%

Organic sales growth: at constant exchange rates & scope

Key currency impacts on Q1 2024-25 sales

Total currency impact: -€0.4m



Upcoming financial publications

Oct. 25, 2024

2024-25 Q2 Sales

Nov. 28, 2024

2024-25 H1 Results





RÉMY COINTREAU

Q&A