Paris, 6 June 2024

2023-24 annual results
Sharp drop in Current Operating Profit
Solid execution of cost-cutting plan: €145m achieved vs €100m target
Rémy Cointreau remains ahead of its 2030 strategic plan

- **Sales** down -19.2% on an organic basis, hit by inventory adjustments in the United States
- **Gross margin** resilient at a high level: -1.3 pts on an organic basis at 71.2% (+4.0 pts vs 2019-20)
- Sustained and selective investment in **marketing and communication:** 21.4% of sales
- **Solid execution of cost-cutting plan:** €145m achieved vs €100m target
- **COP:** -27.8% on an organic basis, with margin down -3.0 pts organically at 25.5% (+3.4 pts vs 2019-20)
- **EPS:** €3.64, down -37.1% as reported, for an organic rise of +50.0% compared with 2019-20
- **2024-25 objectives:** gradual recovery in sales in the course of the year and profitability protected
- **From 2025-26:** return to high single-digit average annual sales growth, with a gradual improvement in COP margin (on an organic basis)
- **2029-30 objectives confirmed**

Rémy Cointreau's **consolidated sales** came to €1,194.1 million in 2023-24, -19.2% on an organic basis (+16.2% from 2019-20). Sales as reported were down -22.9%, including -3.7% in currency effect due primarily to trends in the Chinese renminbi and the US dollar.

Current Operating Profit was €304.4 million, down -27.8% on an organic basis (+34.9% from 2019-20). Above and beyond a record level of comparison, this figure reflects the significant fall in sales, which was partly offset by meaningful cost-cutting that generated €145 million in savings, of which 45% will be structural. **Current Operating Margin** declined by -3.0 points on an organic basis to total 25.5%.

Sales - in € million (*unless otherwise stated*)	**2023-24**	**2022-23**	***Reported change***	***Organic change***	
				vs. 2022-23	*vs. 2019-20*
Sales	**1,194.1**	**1,548.5**	***-22.9%***	***-19.2%***	***+16.2%***
Gross margin (%)	*71.2%*	*71.3%*	*-0.1 pts*	*-1.3 pts*	*+4.0 pts*
Current Operating Profit	**304.4**	**429.6**	***-29.1%***	***-27.8%***	***+34.9%***
Current operating margin (%)	*25.5%*	*27.7%*	*-2.3 pts*	*-3.0 pts*	*+3.4 pts*
Net profit - Group share	**184.8**	**293.8**	***-37.1%***	***-35.9%***	***+52.7%***
Net margin (%)	***15.5%***	***19.0%***	***-3.5 pts***	***-3.9 pts***	***+3.6 pts***
Net profit – Group share excl. non-recurring items	194.8	296.6	*-34.3%*	*-33.0%*	*+47.1%*
Net margin excl. non-recurring items (%)	*16.3%*	*19.2%*	*-2.8 pts*	*-3.3 pts*	*+3.3 pts*
EPS Group share (€)	**3.64**	**5.79**	***-37.1%***	***-35.9%***	***+50.0%***
EPS Group share excl. non-recurring items (€)	3.84	5.85	*-34.3%*	*-33.0%*	*+44.4%*
Net debt /EBITDA ratio	**1.68x**	**0.84x**	***+0.84x***	***+0.84x***	***-0.18x***

Chief Executive Officer Eric Vallat commented:

We've come through a challenging year in which we moved swiftly to adapt our costs and optimize our structure, while calling for a major effort from our teams. I would like to take this opportunity to thank them, both for stepping up so quickly and for their willingness to take initiatives. In 2023, we also pursued our investment program, continued to innovate, and achieved major progress—in China, where our brands proved resilient and won market share; in Travel Retail, where business is now back above pre-Covid levels; and in e-commerce, where sales rose 20%. We also rolled out "The Sustainable Exception" roadmap. In a persistently uncertain macro-economic environment, these achievements will help us maintain a value-driven strategy rooted in our long-term vision. We are approaching the new year with determination and remain fully focused on recovery in the US market, where we are adopting more efficient sales structures and executing tightly focused initiatives designed to promote a recovery in growth.

Current Operating Profit by division

In €m (*unless otherwise stated*)	2023-24	2022-23	Reported change	Organic change	
				vs. 2022-23	vs. 2019-20
Cognac	265.7	405.2	-34.4%	-33.0%	+26.2%
As % of sales	*34.1%*	*36.8%*	*-2.7 pts*	*-3.9 pts*	*+5.3 pts*
Liqueurs & Spirits	56.7	48.1	+18.0%	+18.0%	+55.4%
As % of sales	*14.6%*	*11.5%*	*+3.2 pts*	*+2.7 pts*	*+0.7 pts*
Subtotal : Group brands	**322.4**	**453.3**	**-28.9%**	**-27.6%**	**+30.4%**
As % of sales	***27.6%***	***29.8%***	***-2.2 pts***	***-3.0 pts***	***+2.8 pts***
Partner brands	(0.3)	0.1	-	-	-
Holding company costs	(17.7)	(23.7)	-25.5%	-25.3%	-12.3%
Total	**304.4**	**429.6**	**-29.1%**	**-27.8%**	**+34.9%**
As % of sales	***25.5%***	***27.7%***	***-2.3 pts***	***-3.0 pts***	***+3.4 pts***

Cognac

Sales at the Cognac division declined -25.1% on an organic basis (+5.8% compared with 2019-20), including a -29.7% fall in volumes and a Price-Mix gain of +4.6%. This trend reflects both a significant decline in sales in the Americas—where the Group continued destocking while holding prices steady, despite a sluggish environment and fierce promotional pressure—and resilient sales in the APAC[1] and EMEA[2] regions.

Current Operating Profit was down -33.0% on an organic basis to total €265.7 million, representing a -3.9 pt decline in Current Operating Margin to 34.1% (+5.3 pts from 2019-20). This trend reflects the strong fall-off in sales and includes an erosion of -1.8 pts of the gross margin (from a record high basis of comparison) that followed a rise in production costs which was only partly offset by the April 2023 hike in sales prices. At the same time, heavy investments in marketing and communication continued (unchanged as a percentage of sales), with a more targeted approach on spending. Lastly, the Cognac division managed to mitigate the impact of the sales decline through major cutbacks in its overheads.

[1] *Asia-Pacific*

[2] *Europe, Middle East and Africa*

Liqueurs & Spirits

The **Liqueurs & Spirits** division reported sales down -4.6% on an organic basis (+47.4% from 2019-20), including a -6.4% fall in volumes and a Price-Mix effect of +1.8%. Tougher market conditions in the Americas took a toll, while the whiskey category slowed in China. The EMEA region proved resilient.

Current Operating Profit rose +18.0% on an organic basis to total €56.7 million, for a steep +2.7 pt rise in margin on an organic basis to 14.6% (+0.7 pts from 2019-20). This trend reflects both a strong rise in gross margin (+1.2 pts on an organic basis) in the wake of price increases rolled out last April, and tight management of overheads. At the same time, the Group continued to invest heavily in marketing and communications to lay the groundwork for future growth.

Partner Brands

Sales of Partner Brands were down -6.1% on an organic basis (+2.3% from 2019-20), undermined by adverse trends in the Benelux and the UK.

Current Operating Profit stood at -€0.3 million in 2023-24, compared with €0.1 million in 2022-23.

Consolidated results

Current Operating Profit (COP) came to €304.4 million, down -29.1% as reported (-27.8% on an organic basis). This includes a -27.6% organic fall in COP for Group Brands, and a -€6.0 million reduction in the holding company's expenses that illustrates cost-cutting in a tough economic environment.

This figure includes a **negative currency effect** (-€5.7 million) linked primarily to adverse trends in the Chinese renminbi and the US dollar. The average euro-renminbi conversion rate worsened from 7.14 in 2022-23 to 7.79 in 2023-24, while the average collection rate (linked to the Group's hedging policy) deteriorated from 7.38 in 2022-23 to 7.59 in 2023-24. The average euro-dollar conversion rate worsened from 1.04 in 2022-23 to 1.08 in 2023-24, and the average collection rate improved from 1.11 in 2022-2023 to 1.10 in 2023-24.

Current Operating Margin stood at 25.5%, down -3.0 points on an organic basis, and down -2.3 points as reported. This reflects the combined impact of:

- a 1.3 pt decline in **gross margin** on an organic basis to 71.2%, hit by the high basis of comparison (+4.0 points from 2019-20), rising production costs, and a negative brand-mix effect
- a stabilization of the **marketing and communication spend ratio** (spending up by 3.5 pts from 2019-20)
- a controlled increase of the **overhead costs ratio** (-1.9 pts on an organic basis) reflecting a 12.0% organic reduction in the cost base (down by 2.9 points from 2019-20)
- a favorable **currency effect**: +0.7 pts

Other operating income and expenses totaled -€12.8 million in 2023-24 compared with -€3.1 million in 2022-23, and consisted mainly of the cost of restructuring distribution networks in the United States and Europe.

Net financial expense stood at -€38.5 million in 2023-24 (vs -€17.6 million in 2022-23), amid higher interest rates and renewal of long-term credit lines.

Tax charges came to €69.4 million, setting the effective tax rate at 27.4% in 2023-24 (27.1% excluding non-recurring items). This compares with 28.4% in 2022-23 (28.3% excluding non-recurring items) and reflects geographical mix.

Net Profit Group share stood at €184.8 million, down -37.1% as reported (+52.7% on an organic basis when compared with 2019-20), setting net margin at 15.5%, down -3.5 points as reported.

EPS Group share totaled €3.64, down -37.1% as reported compared to 2022-23. Excluding non-recurring items, EPS came to €3.84.

Net debt stood at €649.7 million, or €113.1 million more than at 31 March 2023, following the strong drop in EBITDA. Even so, Free Cash Flow improved sharply in the second half to total +€13.8 million full year (of which +€112.8 million in the second half). The **ratio of net debt/EBITDA** was 1.68 on 31 March 2024 compared with 0.84 one year earlier.

Return on Capital Employed (ROCE) came to 15.5% on 31 March 2024, down -8.9 points (-8.6 pts on an organic basis). This followed a fall in profitability of Group brands combined with ongoing strategic purchases of eaux-de-vie and investments that weighed on capital employed.

At the annual general meeting to be held on 18 July 2024, the Board of Directors will propose the payment of **an ordinary dividend of €2.0 per share.** Payment will include **an option payable in cash or shares** for the totality of the dividend paid out. Subject to approval by shareholders, the Group's majority **shareholder ORPAR has informed Rémy Cointreau that it will ask for the 2023-24 dividend to be paid entirely in shares**, demonstrating its confidence in the Group's future growth.

“The Sustainable Exception”: supporting responsible growth

In 2019-20, Rémy Cointreau initiated a profound transformation of its business model to adapt to major climate change worldwide. Sustainable development is one of the four pillars supporting this transformation. The Sustainable Exception plan is an ambitious programme built on a clear vision, CSR-driven governance at all levels of the Group, and investments totaling €80 million over 10 years.

In 2023-24, Rémy Cointreau continued to roll out this plan and its efforts were rewarded. CDP was one body that recognized progress made by awarding the Group an A rating in the Climate category, an A- in Water, and Leader status in Suppliers. Westland became a certified BCorp during the year, and PHD Malts’ BCorp status was renewed.

New Generation Terroirs

To meet the challenges of adapting its terroirs to the hazards of climate change, Rémy Cointreau has continued to deploy its New Generation Terroirs plan. This is designed to:

- make terroirs more resilient as the climate becomes more erratic, and thus secure a steady supply of essential raw materials over the long term
- promote our soils as carbon sinks in the fight against global warming

For the past 10 years, Rémy Cointreau has worked to commit its entire supply of agricultural raw materials to environmental certification programmes (79% as of March 2024). But in the past 3 years, it has raised the bar further, targeting a conversion to regenerative agriculture and viticulture. Today around 40% of the estates it owns are already on board, and the Group is focused on committing all its suppliers to this approach, aiming to train 100% of its direct farmers and growers in regenerative farming practices by 2030 (6% as of March 2024).

Reducing Greenhouse Gases

In 2023-24, the Group’s total carbon footprint, including scopes 1, 2 and 3, stood at 167,459 tCO2eq, down -15.0% from the previous year. This was achieved on the back of a decline in volumes produced and all the actions implemented by the Group throughout its value chain.

- **GHG emissions for scopes 1 and 2** (5%) were down by -10.0%, following a decline in volumes distilled and more energy-efficient operations at production sites.
- **GHG emissions for scope 3** (95%) were down by -15.0%:
  - Emissions linked to packaging: -27.0% (79% of products sold without packaging in 2023-24)
  - Emissions linked to transport: -21.0%

Water Stewardship Plan

In 2023, the Group revised its approach to sustainable water management under a Water Stewardship Plan designed to structure and accelerate implementation.

This Plan calls for action on three fronts:

- reducing water withdrawals at production sites
- improving quality and recovery of effluents
- regenerating water through high-impact actions, particularly in areas of water stress

A total of 210,663 m3 of water were used in 2023-24, down -19.0%.

2024-25 objectives

Despite the sharp fall in its 2023-24 results, Rémy Cointreau continues to exceed milestones set for its 10-year strategic plan. 2024-25 will be a year of transition, with highlights including finalization of destocking in the Americas, and 2025-26 will mark a resumption of the trajectory and targets set for 2029-30**:**

- high single-digit annual growth in sales on average and on an organic basis
- a gradual organic improvement in Current Operating Profit margin

In a complex environment with limited visibility in its main markets, Rémy Cointreau anticipates a **gradual recovery in sales over the course of 2024-25, with the first half affected by:**

- continued inventory adjustments in the Americas, given the still-negative trend in depletions[3]
- a high basis of comparison in the **APAC** region (sales up +55% in H1 2023-24 compared with H1 2019-20)
- mixed consumption levels in the **EMEA** region.

Against this backdrop, Rémy Cointreau is determined to use tight cost controls and its value-driven strategy to protect its profitability, while continuing to make the investments needed for tomorrow's growth.

In 2024-25, the Group will build on:

- the resilience of its **gross margin** thanks to a measured, selective rise in prices amid moderate inflation
- normalization of its **marketing & communication/sales ratio,** at a level much higher than in 2019-20
- tight control of **overheads** to offset most of the rise in costs resulting from the reversal of temporary savings achieved in 2023-24.

Lastly, Group forecasts of the **currency effects** call for:

- a negative impact on sales between **-€5 million and -€10 million**
- a favorable impact on Current Operating Profit of between **+€3 million and +€7 million**

2029-30 objectives confirmed

Rémy Cointreau reiterates both its financial and extra-financial targets for 2029-30, and its aim to become the global leader in exceptional spirits.

The Group targets a **gross margin of 72% and a Current Operating Margin of 33%** based on 2019-20 consolidated scope and exchange rates.

As part of The Sustainable Exception plan, Rémy Cointreau aims to train and engage **100% of its direct partners in agriculture in regenerative agriculture practices**, targeting **a 50% reduction in carbon emissions per bottle by 2030**. This is the first step towards achieving zero net carbon status in 2050—a trajectory compatible with holding global warming to +1.5°C **as validated by the Science Based Target Initiative (SBTI).** Lastly, the Group is aiming to **reduce water withdrawals at its production sites by -20% per liter of alcohol produced by 2030.**

A webcast for investors and analysts will be held today, starting at 9.00 (CET) with Marie-Amélie de Leusse, Chairwoman; Eric Vallat, CEO; and Luca Marotta, CFO. Presentation slides are available online at www.remy-cointreau.com under "Finance".

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[3] *Wholesalers' sales to retailers*

Appendices

Sales and Current Operating Profit by division

€m (unless otherwise stated)	2023-24		2022-23	Change	
	Reported	Organic	Reported	Reported	Organic
	A	B	C	A/C-1	B/C-1
Sales					
Cognac	778.6	823.9	1,100.0	-29.2%	-25.1%
Liqueurs & Spirits	387.8	399.6	418.9	-7.4%	-4.6%
Subtotal: Group Brands	**1,166.5**	**1,223.5**	**1,518.9**	**-23.2%**	**-19.4%**
Partner Brands	27.7	27.8	29.6	-6.6%	-6.1%
Total	**1,194.1**	**1,251.3**	**1,548.5**	**-22.9%**	**-19.2%**
Current Operating Profit					
Cognac	265.7	271.4	405.2	-34.4%	-33.0%
As % of total sales	*34.1%*	*32.9%*	*36.8%*	*-2.7 pts*	*-3.9 pts*
Liqueurs & Spirits	56.7	56.7	48.1	+18.0%	+18.0%
As % of total sales	*14.6%*	*14.2%*	*11.5%*	*+3.2 pts*	*+2.7 pts*
Subtotal: Group Brands	**322.4**	**328.1**	**453.3**	**-28.9%**	**-27.6%**
As % of total sales	***27.6%***	***26.8%***	***29.8%***	***-2.2 pts***	***-3.0 pts***
Partner Brands	(0.3)	(0.3)	0.1	-	-
Holding Company costs	(17.7)	(17.7)	(23.7)	-25.5%	-25.3%
Total	**304.4**	**310.1**	**429.6**	**-29.1%**	**-27.8%**
As % of total sales	***25.5%***	***24.8%***	***27.7%***	***-2.3 pts***	***-3.0 pts***

Summary income statement

€m (unless otherwise stated)	2023-24		2022-23	Change	
	Reported	Organic	Reported	Reported	Organic
	A	B	C	A/C-1	B/C-1
Sales	**1,194.1**	**1,251.3**	**1,548.5**	*-22.9%*	*-19.2%*
Gross margin	850.2	876.3	1 103.8	*-23.0%*	*-20.6%*
Gross margin (%)	***71.2%***	***70.0%***	***71.3%***	*-0.1 pts*	*-1.3 pts*
Current Operating Profit	304.4	310.1	429.6	*-29.1%*	*-27.8%*
Current operating margin (%)	*25.5%*	*24.8%*	***27.7%***	*-2.3 pts*	*-3.0 pts*
Other non-current income and expenses	(12.8)	(13.1)	(3.1)	-	-
Operating profit	**291.6**	**297.0**	**426.5**	*-31.6%*	*-30.4%*
Net financial result	(38.5)	(39.0)	(17.6)	*+118.7%*	*+121.3%*
Profit before Tax	**253.2**	**258.0**	**408.9**	***-38.1%***	***-36.9%***
Corporate income tax	(69.4)	(70.8)	(116.3)	*-40.3%*	*-39.2%*
Tax rate (%)	*-27.4%*	*-27.4%*	*(28.4%)*	*+1.0 pts*	*+1.0 pts*
Share in profit (loss) of associates/minority interests	1.1	1.1	1.2	*-12.1%*	*-12.1%*
Net profit – Group share	**184.8**	**188.3**	**293.8**	***-37.1%***	***-35.9%***
Net margin (%)	*15.5%*	*15.1%*	*19.0%*	*-3.5 pts*	*-3.9 pts*
Net profit – Group share excl. non-recurring items	194.8	198.6	296.6	*-34.3%*	*-33.0%*
Net margin excl. non-recurring items (%)	*16.3%*	*15.9%*	*19.2%*	*-2.8 pts*	*-3.3 pts*
EPS Group - share (€)	3.64	3.71	5.79	*-37.1%*	*-35.9%*
EPS Groupe – share excluding non-recurring items	3.84	3.92	5.85	*-34.3%*	*-33.0%*

Reconciliation of net profit and net profit excluding non-recurring items

In €m	2023-24	2022-23
Net profit – Group share	**184.8**	**293.8**
Other operating income and expenses	12.8	3.1
Tax on "other operating income and expenses"	(2.8)	(0.4)
Net profit - Group share excluding non-recurring items	**194.8**	**296.6**

Cash-Flow statement

As of March 31 (in €m)	2024	2023	*Change*
Opening net financial debt (April 1st)	**(536.6)**	**(353.3)**	***-183.3***
Gross operating profit (EBITDA)	356.4	481.6	*-125.2*
WCR for eaux-de-vie and spirits in ageing process	(116.9)	(152.6)	*+35.7*
Other working capital items	(27.2)	(42.0)	*+14.8*
Capital expenditure	(80.9)	(75.6)	*-5.3*
Financial expenses	(24.7)	(13.3)	*-11.4*
Tax payments	(88.4)	(140.4)	*+52.0*
Net flows on other non-current income and expenses	(4.5)	(9.2)	*+4.7*
Free Cash-Flow	**13.8**	**48.6**	***-34.8***
Dividends	(152.7)	(111.0)	*-41.7*
Capital increase / share buyback	-	(162.7)	*+162.7*
OCEANE conversion impact on Financial debt	50.8	42.9	*+7.9*
Conversion differences and others	(24.9)	(1.1)	*-23.9*
Other Cash flow	**(126.8)**	**(231.9)**	***+105.1***
Total cash flow for the period	**(113.1)**	**(183.3)**	***+70.2***
Closing net financial debt (March 31)	**(649.7)**	**(536.6)**	***-113.1***
A Ratio (Net debt/EBITDA)	***1.68***	***0.84***	***0.84***

Balance sheet

As of March 31 (in €m)	2024	2023
Non-current assets	**1,037.3**	**1,004.4**
Current assets	**2,333.4**	**2,182.5**
o/w inventories	1,962.8	1,815.8
o/w Cash and equivalent	93.0	73.7
Total Assets	**3,370.7**	**3,187.0**
Shareholders' equity	**1,845.6**	**1,755.1**
Non-current liabilities	**590.3**	**396.5**
o/w Long term financial debt	514.9	325.1
Current Liabilities	**934.8**	**1,035.3**
o/w Short-term financial debt	227.8	285.3
Total Liabilities and Shareholders' equity	**3,370.7**	**3,187.0**

Definitions of alternative performance indicators

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

Rémy Cointreau's management process is based on the following alternative performance indicators, selected for planning and reporting purposes. The Group's management considers that these indicators provide users of the financial statements with useful additional information to help them understand the Group's performance. These alternative performance indicators should be considered as supplementing those included in the consolidated financial statements and the resulting movements.

Organic growth in sales and Current Operating Profit

Organic growth is calculated excluding the impact of exchange rate fluctuations, acquisitions and disposals. This indicator serves to focus on Group performance common to both financial years, which local management is more directly capable of measuring.

The impact of exchange rates is calculated by converting sales and Current Operating Profit for the current financial year using average exchange rates (or, for Current Operating Profit, the hedged exchange rate) from the previous financial year.

For acquisitions in the current financial year, sales and Current Operating Profit of acquired entities are not included in organic growth calculations. For acquisitions in the previous financial year, sales and Current Operating Profit of acquired entities are included in the previous financial year; however, they are only included in current year organic growth calculations with effect from the anniversary date of the acquisition.

For significant disposals, data is post-application of IFRS 5, under which results of entities disposed of are systematically reclassified under "Net earnings from discontinued operations".

Indicators "excluding non-recurring items"

The two items set out below constitute key indicators for measuring recurring business performance, since they exclude significant items which, by virtue of their unusual nature, cannot be considered inherent to the Group's ongoing performance:

- ***Current Operating Profit*** *consists of operating profit before other non-recurring operating income and expenses.*
- ***Net profit attributable to the Group excluding non-recurring items*** *consists of net profit attributable to the Group adjusted to exclude other non-recurring operating income and expenses, associated tax effects, profit from deconsolidated, divested and discontinued operations and the contribution from dividends paid in cash.*

Gross operating profit (EBITDA)

This measure, which is used in particular to calculate certain ratios, equates to Current Operating Profit less amortization and depreciation expenses on intangible assets and property, plant and equipment for the period, expenses arising from stock option plans, and dividends received from associates during the period.

Net debt

Net financial debt as defined and used by the Group is equal to the sum of long- and short-term financial debt and accrued interest, less cash and cash equivalents.

About Rémy Cointreau

All around the world, there are clients seeking exceptional experiences; clients for whom a wide range of terroirs means a variety of flavors. Their exacting standards are proportional to our expertise – the finely-honed skills that we pass down from generation to generation. The time these clients devote to drinking our products is a tribute to all those who have worked to develop them. It is for these men and women that Rémy Cointreau, a family-owned French Group, protects its terroirs, cultivates exceptional multi-centenary spirits and undertakes to preserve their eternal modernity. The Group's portfolio includes 14 singular brands, such as the Rémy Martin and Louis XIII cognacs, and Cointreau liqueur. Rémy Cointreau has a single ambition: becoming the world leader in exceptional spirits. To this end, it relies on the commitment and creativity of its 1,943 employees and on its distribution subsidiaries established in the Group's strategic markets. Rémy Cointreau is listed on Euronext Paris.

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