2023

RÉMY COINTREAU

HALF-YEAR FINANCIAL REPORT 2023/2024

SUMMARY

RÉMY COINTREAU

HALF-YEAR FINANCIAL REPORT 2023/2024


CASK
42,1

INTERIM MANAGEMENT REPORT

01

Rémy Cointreau generated **consolidated sales** of €636.7 million in the first half of 2023-2024, down -22.2% on an organic basis (up +20.9% compared to the first half of 2019-2020). On a reported basis, sales were down -26.6% including a negative currency effect of -4.4%, due primarily to trends in the renminbi and the US dollar.

Current Operating Profit stood at €169.1 million, down -43.0% on an organic basis (i.e., up +16.1% compared to the first half of 2019-2020) and down -47.0% as reported. Beyond a high base of comparaison (the Group recorded the equivalent of 12 months of COP in the first six months of 2022-23), this performance reflects a decrease in sales, partially offset by a reduction in overhead costs as part of the roll-out of a cost-cutting plan estimated at around €100 million this year (of which €25 million already achieved in the first half). **Current operating margin** stood at 26.6%.

Éric Vallat, CEO, commented: *"Our half-year results were heavily impacted by developments in the US market, which has faced cyclical headwinds including high inventories linked to a sharp normalization of consumption, an unprecedented promotional environment, and rising interest rates. Against this backdrop, we are staying the course, convinced that our value-driven strategy remains underpinned by favorable medium- and long-term trends. This is why we opted to implement cost-cutting measures to mitigate short-term effects. Despite limited visibility over the next few months, we are taking a much longer term view, building on desirable 300-year-old brands with a unique heritage. Today we are determined to follow our roadmap as we implement our four strategic priorities, and we are confident that we will achieve our medium-term objectives in 2029-30."*

/ 1.1 ANALYSIS OF THE BUSINESS AND CONSOLIDATED INCOME STATEMENT

1.1.1 KEY FIGURES

All data are presented in millions of euros for the period from 1 April to 30 September. Organic change is calculated at constant currency and scope compared with the prior period.

Due to rounding rules, the sum of the values presented may display some differences that are insignificant compared to the total reported.

Between 2019-20 and 2023-24, Rémy Cointreau has fully benefited from consumer trends that the Covid crisis has strengthened. In this context, the Group recorded exceptional sales and Current Operating Profit growth. Given the high level of its comparison bases and in order to facilitate understanding of the underlying trends, the Group has chosen to present two types of data in its management report: organic growth compared to the first half of 2022/2023 and compared to the first half of 2019/2020 (pre-Covid).

(In € millions, unless otherwise stated)	September 2023	September 2022	Reported change vs. September 2022	Organic change vs. September 2022	Organic change vs. September 2019
Sales	**636.7**	**867.1**	**-26.6%**	**-22.2%**	**+20.9%**
Gross margin (%)	**72.2%**	**71.9%**	**+0.3pts**	**+0.3pts**	**+4.5pts**
Current Operating Profit	**169.1**	**319.3**	**-47.0%**	**-43.0%**	**+16.1%**
Current operating margin (%)	26.6%	36.8%	-10.3pts	-9.8pts	-1.1pts
Operating profit	**169.1**	**315.3**	**-46.4%**	**-42.2%**	**+16.6%**
Net profit - Group share	**113.0**	**223.8**	**-49.5%**	**-44.3%**	**+17.8%**
Net margin (%)	17.7%	25.8%	-8.1pts	-7.3pts	-0.5pts
Net profit – Group share excl. non-recurring items	**113.0**	**226.8**	**-50.2%**	**-45.1%**	**+24.7%**
Net margin excluding non-recurring items (%)	17.7%	26.2%	-8.4pts	-7.7pts	+0.6pts
Earnings per share (basic):					
Net profit – Group share	**€2.24**	**€4.40**	**-49.1%**	**-43.9%**	**+16.1%**
Net profit – Group share excluding non-recurring items	**€2.24**	**€4.46**	**-49.8%**	**-44.6%**	**+23.0%**
Operating investments	30.3	21.6	+40.0%	-	-
Free cash flow	(99.0)	16.6	-	-	-
Net financial debt	590.5	348.3	+69.5%	-	-

1.1.2 SALES

Sales by geographic area

Rémy Cointreau generated **consolidated sales of €636.7 million in the first half of 2023-2024, down -22.2% on an organic basis** (+20.9% compared to 1st half of 2019-20). On a reported basis, the decline was -26.6%, including a negative currency effect of -4.4% due primarily to the renminbi and the US dollar.

(In € millions, unless otherwise stated)	September 2023	% Total	September 2022	% Total	Reported change vs. September 2022	Organic change vs. September 2022	Organic change vs. September 2019
Asia-Pacific	255.7	40%	240.8	28%	+6.2%	+16.6%	+55.8%
Americas	233.3	37%	490.3	56%	-52.4%	-49.9%	-3.2%
Europe-Middle East-Africa	147.7	23%	136.1	16%	+8.5%	+8.9%	+19.4%
TOTAL	**636.7**	**100%**	**867.1**	**100%**	**-26.6%**	**-22.2%**	**+20.9%**

In the **Americas**, sales fell a steep -49.9% on an organic basis in the first half, due to continued destocking and sharp normalization of consumption in a tough market. In **Asia-Pacific**, sales rose a strong +16.6%, driven by China and Southeast Asia, along with a recovery in Travel Retail. Lastly, **Europe-Middle East-Africa** reported good resilience, with sales up +8.9%.

Sales by division

(In € millions, unless otherwise stated)	September 2023	% Total	September 2022	% Total	Reported change vs. September 2022	Organic change vs. September 2022	Organic change vs. September 2019
Cognac	416.1	65%	638.1	73%	-34.8%	-30.1%	+9.4%
Liqueurs & Spirits	206.7	33%	214.5	25%	-3.6%	+0.1%	+55.8%
GROUP BRANDS	**622.7**	**98%**	**852.6**	**98%**	**-27.0%**	**-22.5%**	**+21.2%**
Partner Brands	14.0	2%	14.5	2%	-4.0%	-3.2%	+8.4%
TOTAL	**636.7**	**100%**	**867.1**	**100%**	**-26.6%**	**-22.2%**	**+20.9%**

First-half sales at the **Cognac** division fell -30.1% on an organic basis, due primarily to a steep decline in **North America** where the Group is targeting a reduction in its inventories, and facing a normalization of consumption and an intense promotional environment. In this context, the Group's decision to maintain its value-driven strategy through a firm pricing policy contributed to increase short-term pressure on volume.

During the period, the Group maintained a vigorous marketing policy to prepare for the rebound and boost recognition and desirability, with Rémy Martin unveiling its new "Life is a melody" campaign for the Accord Royal 1738 and XO ranges.

Within **Asia-Pacific**, **China** saw solid growth in sales during the Mid-Autumn Festival despite a slower than expected post-Covid recovery. Off-trade distribution channels and direct sales helped offset softness in on-trade. In the rest of Asia, the Cognac division continued to report solid trends.

Lastly, **Europe-Middle East-Africa** turned in a very strong performance in the first half, fueled by demand in Africa, Middle-East and Western Europe.

First-half sales at the **Liqueurs & Spirits** division were steady (+0.1% on an organic basis), supported by a marked acceleration in the 2nd quarter (+12.1% on an organic basis). As expected, the **Americas** saw a steep rise in sales in the 2nd quarter, led by solid momentum in Cointreau, Bruichladdich and The Botanist.

During the period, Cointreau launched two new US campaigns with actress Aubrey Plaza to sustain the excellent momentum of its two top cocktails, the margarita and cosmopolitan.

The **Europe-Middle East-Africa** region turned in a solid performance in the 1st half, reflecting strong trends in Western Europe and in the United Kingdom. Lastly, the **APAC** region edged up, underpinned by a strong showing in North and Southeast Asia, and a recovery in Travel Retail.

First-half sales of **Partner Brands** were down -3.2% on an organic basis.

1.1.3 ANALYSIS OF CURRENT OPERATING PROFIT

Current Operating Profit stood at €169.1 million, down -43.0% on an organic basis. Beyond a high base of comparaison (the Group recorded the equivalent of 12 months of COP in the first six months of 2022-23), this decline reflects a decrease in sales, partially offset by a reduction in overhead costs. **Current operating margin** slipped by -9.8 points on an organic basis to 26.6% (-10.3 points as reported).

The change in Current Operating Profit compared with September 2022 breaks down as follows:

Current Operating Profit – September 2022	**319.3**
Currency effects (net of hedging)	(13.0)
Change in gross profit	(136.8)
Change in advertising expenditure	(9.0)
Change in other selling and administrative expenses	8.7
CURRENT OPERATING PROFIT – SEPTEMBER 2023	**169.1**

Currency effects had an overall impact of minus €13.0 million, resulting primarily from unfavorable trends in both the renminbi and the US dollar. The average EUR/USD rate for the period was 1.09 compared with 1.04 during the previous period. The average collection rate on EUR/USD hedges was 1.12 over the period.

The change in gross margin reflects an unfavorable evolution of the production costs and logistics offsets by a positive price effect. Advertising expenditure rose by €9.0 million.

Other selling and administrative expenses fell by €8.7 million.

Current Operating Profit by division

(In € millions, unless otherwise stated)	September 2023	September 2022	Reported change vs. September 2022	Organic change vs. September 2022	Organic change vs. September 2019
Cognac	145.3	299.7	-51.5%	-47.2%	+9.3%
Current operating margin (%)	*34.9%*	*47.0%*	*-12.0pts*	*-11.5pts*	*-0.1pts*
Liqueurs & Spirits	30.3	31.9	-4.8%	-3.5%	+40.2%
Current operating margin (%)	*14.7%*	*14.9%*	*-0.2pts*	*-0.5pts*	*-1.6pts*
GROUP BRANDS	**175.6**	**331.5**	**-47.0%**	**-43.0%**	**+13.3%**
Current operating margin (%)	***28.2%***	***38.9%***	***-10.7pts***	***-10.3pts***	***-2.0pts***
Partner Brands	0.2	0.1	-	-	-
Holding company costs	(6.7)	(12.3)	-45.4%	-45.3%	-25.6%
TOTAL	**169.1**	**319.3**	**-47.0%**	**-43.0%**	**+16.1%**
Current operating margin (%)	*26.6%*	*36.8%*	*-10.3pts*	*-9.8pts*	*-1.1pts*

For the **Cognac** division, Current Operating Profit fell -47.2% on an organic basis to €145.3 million, triggering an organic decline of -11.5 points in current operating margin to 34.9%. While the Group's value-driven strategy helped hold gross margin high, tight management of overheads only partially offset the fall in sales, combined with a rise in marketing and communications expense.

The **Liqueurs & Spirits** division achieved a Current Operating Profit of €30.3 million, down -3.5% on an organic basis, setting current operating margin at 14.7% (an -0.5-point decline on an organic basis). This trend reflects the combined impact of a sharp rise in gross margin (+2.5 points) in the wake of last April's price increase, along with increased spending on marketing and communications to prepare for future growth.

Holding company costs recorded a reduction of -€5.6 million to 6.7 million euros, reflecting a selection of cost-cutting measures implemented in response to current economic conditions.

1.1.4 OTHER INCOME STATEMENT ITEMS

(In € millions, unless otherwise stated)	September 2023	September 2022	Reported change vs. September 2022	Organic change vs. September 2022	Organic change vs. September 2019
Current Operating Profit	**169.1**	**319.3**	**-47.0%**	**-43.0%**	**+16.1%**
Other non-current income/(expense)	-	(4.0)			
Operating profit	**169.1**	**315.3**	**-46.4%**	**-42.2%**	**+16.6%**
Financial result	**(15.7)**	**(5.1)**	**+205.7%**	**+152.7%**	**-**
Income tax	(40.8)	(86.9)	-53.1%	-48.2%	-
Net profit	**112.8**	**223.7**	**-49.6%**	**-44.4%**	**+25.0%**
Non-controlling interests	0.2	0.1	+76.3%	+76.3%	-
Net Profit Group share	**113.0**	**223.8**	**-49.5%**	**-44.3%**	**+17.8%**
Net Profit Group share excluding non-recurring items	**113.0**	**226.8**	**-50.2%**	**-45.1%**	**+24.7%**
Earnings per share (basic):					
Net profit – Group share	**€2.24**	**€4.40**	**-49.1%**	**-43.9%**	**+16.1%**
Net profit – Group share excluding non-recurring items	**€2.24**	**€4.46**	**-49.8%**	**-44.6%**	**+23.0%**

Operating profit totaled €169.1 million, down -46.4% as reported. This does not include other operating income and expense from the first half of 2023-24.

The **financial result** is a net expense of €15.7 million, €10.6 million higher than the first-half 2022/23. The steep rise is mainly due to the increase of the average debt level, and the rise in interest rates.

The **income tax** expense, estimated using a forecast annual effective tax rate, was €40.8 million. This implies an effective tax rate of 26.6% compared to 28.0% for the 2022/23 period. The decrease of 1.4 percentage points is essentially due to the geographical mix.

Net Profit Group share stood at €113.0 million, down -44.3% in organic terms (+17.8% on an organic basis compared to 2019-20) and -49.5% as reported. **EPS Group share** was €2.24 in the first half of 2023-24 , down -49.1% as reported and -43.9% in an organic basis.

Excluding non-recurring items (other non-current income and expenses, net of tax), Net Profit Group share was €113.0 million, down -50.2% on a reported basis and -45.1% on an organic basis.

/ 1.2 COMMENTS ON THE FINANCIAL POSITION

(in € millions)	September 2023	September 2022	March 2023	Change vs. March 2023
Non-current assets (other than deferred taxation)	**987.0**	**955.1**	**973.2**	**13.8**
Inventories	1,839.3	1,647.6	1,815.8	23.5
Trade and other receivables	364.2	389.2	268.7	95.4
Trade and other payables	(647.1)	(647.9)	(717.5)	70.4
Net current assets	**1,556.3**	**1,388.9**	**1,367.0**	**189.3**
Other assets (liabilities)	**(174.6)**	**(255.4)**	**(48.5)**	**(126.1)**
TOTAL	**2,368.7**	**2,088.5**	**2,291.8**	**76.9**
Financed by:				
Equity	**1,778.2**	**1,740.2**	**1,755.1**	**23.1**
Net financial debt	**590.5**	**348.3**	**536.6**	**53.8**
TOTAL	**2,368.7**	**2,088.5**	**2,291.8**	**76.9**
For information:				
TOTAL ASSETS	**3,543.7**	**3,145.4**	**3,187.0**	**356.7**

All changes given below are compared with the financial year ended 31 March 2023.

The increase in **non-current assets** breaks down as follows:

Translation differences	4.0
Operating investments	30.3
Amortisation/depreciation for the period	(16.6)
Change in IFRS 16 right-of-use assets	(3.7)
Change in value of Dynasty investment	(0.9)
Other changes (liquidity account, guarantee deposits)	0.7
TOTAL CHANGE	**13.8**

Inventories, an essential asset for the Group, include €1,556.8 million of spirits in the course of ageing (85%). The change in working capital is commented on in the cash flow section.

The €126.1 million net decrease in **Other assets and liabilities** breaks down as follows:

Translation differences	0.3
Dividend payable	(152.7)
Current and deferred taxation	19.4
Change in hedging instruments	4.7
Change in provisions for liabilities and charges	2.2
TOTAL CHANGE	**(126.1)**

The change in **equity** breaks down as follows:

Net profit for the period	112.8
Change in translation reserves	3.5
Other comprehensive income	4.2
Allocation to bonus share plans	4.7
Dividend paid	(152.7)
Partial conversion of OCEANE bonds	50.8
Other movements	(0.2)
TOTAL CHANGE	**23.1**

The Shareholders' Meeting of 20 July 2023 approved the payment of an ordinary dividend in cash of €2.00 per share in respect of the financial year ended 31 March 2023. It also approved the payment of an exceptional dividend in cash of €1.00 per share. This resulted in the recognition of a dividend payable in cash of €152.7 million, which was paid in October 2023.

During the half-year, requests were made to convert 458,841 OCEANEs into Rémy Cointreau shares, bringing the total amount of OCEANEs converted to date to 92.2%. In accordance with the conversion ratio, 467,273 shares were thus created. The transaction resulted in an impact of €50.8 million on consolidated shareholders' equity.

Net financial debt was €590.5 million, an increase of €53.8 million. The net movement includes the free cash flow of minus €99.0 million as well as the €50.8 million non-cash effect of the early conversion of OCEANE bonds.

On 28 September 2023, Rémy Cointreau successfully issued a €380 million, non-listed and non-rated private bond placement with maturities of 7, 10 and 12 years (i.e. an average 10-year maturity) and a weighted average coupon of 5.58%.

At 30 September 2023, the Rémy Cointreau Group thus has €851.5 million in confirmed funding. This includes:

- a €150 million bridge loan – maturity 27 December 2023 – 3-month EURIBOR plus fixed margin;
- a €40 million confirmed credit facility – maturity 31 March 2024 – €STR plus fixed margin;
- an €80 million bond issue (private placement) – maturity 27 February 2025 – fixed interest at 2.94%;
- a €100 million syndicated revolving loan – maturity 2 July 2025 – EURIBOR plus variable margin;
- €21.5 million of unredeemed OCEANE convertible bonds issued on 7 September 2016 – maturity 7 September 2026 – fixed interest at 0.125%;
- a bilateral loan of €80 million – maturity November 2028 – fixed interest at 0.60%;
- a €75 million bond issue (private placement) – maturity 28 September 2030 – fixed interest at 5.194%;
- a €205 million bond issue (private placement) – maturity 28 September 2033 – fixed interest at 5.626%;
- a €100 million bond issue (private placement) – maturity 28 September 2035 – fixed interest 5.788%;

The Group also has €305 million in unconfirmed credit lines.

The A ratio [(1)] (Net debt/EBITDA), on which the availability of the private bond placement, of the bilateral loan agreement and the syndicated loan is conditional, was 1.57 at 30 September 2023 (March 2023: 0.84; September 2022: 0.65). Under the terms of the syndicated loan, this ratio is calculated at six-monthly intervals and must remain less than or equal to 4.0 until the loan matures.

/ 1.3 COMMENTS ON CASH FLOWS

(in € millions)	September 2023	September 2022	Change vs. September 2022
EBITDA	195.4	343.8	(148.4)
Change in working capital	(172.9)	(210.8)	37.8
Net cash flow from operations	**22.5**	**133.1**	**(110.6)**
Net cash flow in relation to other non-current income/(expenses)	-	(2.9)	2.9
Net cash flow in relation to financial income/(expenses)	(13.9)	(4.7)	(9.2)
Net cash flow in relation to income taxes	(61.8)	(77.2)	15.4
Other operating cash flows	**(75.7)**	**(84.8)**	**9.1**
Net cash flow from operating activities	**(53.2)**	**48.3**	**(101.5)**
Net cash flow from operating investments	(45.8)	(31.7)	(14.1)
Free cash flow	**(99.0)**	**16.6**	**(115.6)**
Proceeds from/outflows for financial assets	0.3	(3.3)	3.6
Net cash flows before financing	**(98.7)**	**13.3**	**(112.0)**
Capital increase	-	-	-
Treasury shares	-	(61.5)	61.5
Cash flows before change in debt	**(98.7)**	**(48.3)**	**(50.5)**
Change in financial debt	306.7	13.1	293.6
Net cash flows after financing	**208.0**	**(35.1)**	**243.1**
Translation differences on cash and cash equivalents	(4.1)	13.8	(17.9)
CHANGE IN CASH AND CASH EQUIVALENTS	**203.9**	**(21.3)**	**225.2**

(1) The A ratio is calculated every six months. It is the ratio of (a) the arithmetic average of net debt at the end of the half-year and the end of the prior half-year – in this case 30 September 2023 and 31 March 2023 – and (b) EBITDA for the previous 12 months – in this case 31 March 2023 minus 30 September 2022 plus 30 September 2023.

First-half operating cash flow was minus €53.2 million. The significant decrease relative to the prior period reflects the change in EBITDA, net of a smaller increase in working capital and lower cash flows in relation to tax.

Changes in working capital had a negative impact of €172.9 million on operating cash flows, compared to €210.8 million in the previous period. The net overall change in working capital was thus 17.9% lower. This was due to smaller increases in finished goods inventories and trade receivables.

(in € millions)	September 2023	September 2022	Change vs. September 2022
Change in working capital for ageing spirits	(0.8)	2.1	(2.9)
change in inventory of ageing spirits	18.5	27.1	(8.6)
change in payables to eaux-de-vie suppliers	(19.3)	(25.0)	5.7
Change in other inventories	(41.3)	(52.5)	11.2
Change in net trade receivables	(90.5)	(107.5)	17.0
Change in suppliers	(4.4)	2.0	(6.4)
Change in other items (net)	(35.9)	(54.9)	18.9
TOTAL	**(172.9)**	**(210.8)**	**37.8**

Net cash outflows for investing activities in the period were €45.8 million, comprising €30.3 million in capital expenditure plus a €15.6 million increase in payables to suppliers of non-current assets. Investing activities mainly concerned the production sites and the head office relocation of the US subsidiary.

Free cash flow was consequently minus €99.0 million. After taking account the net cash flows from financing, the change in gross financial debt (heavily affected by new borrowings taken out at the end of the half-year) and currency translation differences, cash and cash equivalents rose by €203.9 million.

/ 1.4 EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred since the summary consolidated financial statements were reviewed by the Board of Directors on 29 November 2023.

/ 1.5 OUTLOOK

For full-year 2023-24, Rémy Cointreau assumes the following:

In **the United States**, market conditions have deteriorated on the back of a fiercely promotional environment and a rise in interest rates that has cut distributors' financing capacity. Consequently, Rémy Cointreau does not expect a return to growth in sales before fiscal 2024-25.

In **APAC**, the Group expects growth in sales tempered by a slower than anticipated post-Covid economic recovery in **China**.

Lastly, in the **EMEA** region, the Group expects annual growth to be moderated by a persistently inflationary context.

In this context, Rémy Cointreau is determined to protect its 2023-24 profitability through tight cost controls, while continuing to roll out its medium-term plan.

To this end, it will:

- maintain a strict and uncompromising pricing policy ;
- protect its gross margin in a persistently inflationary environment ;
- selectively reduce its marketing and communications spend, particularly for the Cognac division ;
- significantly reduce other operating costs.

As a result, for full-year 2023-24 Rémy Cointreau expects:

- **sales to decline by between -15% and -20% on an organic basis** ;
- **a contained organic decrease in COP margin thanks to deployment of a major cost-cutting plan, estimated at around €100 million this year (including €25 million already achieved in the first half).**

Lastly, based on shifts in its geographical mix and the renminbi's decline, **the Group expects exchange rates to have a negative impact for the full year for:**

- sales: between -€50m and -€60m ;
- COP: between -€10m and -€15m.

Rémy Cointreau is today ahead of its strategic plan and is underpinned by solid foundations and a long-term vision. This makes 2023-24 a year that will allow the Group to return cognac inventories in the United States to healthier levels and absorb the effects of post-Covid normalization before **heading into 2024-25 in the best possible conditions**, resuming the trajectory it set itself for 2029-30.

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 consolidation scope and exchange rates).

As part of its "Sustainable Exception" plan, Rémy Cointreau aims to train and engage **100% of its direct partners in agriculture in sustainable farming 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)**.


MAISON FONDÉE
EN 1724
RÉMY MARTIN
COGNAC FINE CHAMPAGNE
XO
EXTRA OLD
COGNAC
PRODUCT OF FRANCE

CONSOLIDATED FINANCIAL STATEMENTS OF THE RÉMY COINTREAU GROUP AT 30 SEPTEMBER 2023

02

/ 2.1 CONSOLIDATED INCOME STATEMENT

(in € millions)	Notes	September 2023	September 2022	March 2023
Sales	**15**	**636.7**	**867.1**	**1,548.5**
Cost of sales		(176.8)	(243.4)	(444.7)
Gross margin		**459.9**	**623.7**	**1,103.8**
Distribution and administrative expenses	16	(290.8)	(304.4)	(674.2)
Current Operating Profit	**15**	**169.1**	**319.3**	**429.6**
Other non-current income/(expense)	17	-	(4.0)	(3.1)
Operating profit		**169.1**	**315.3**	**426.5**
Net borrowing cost		(11.7)	(4.5)	(11.7)
Other financial income/(expense)		(4.0)	(0.7)	(5.9)
Financial result	**18**	**(15.7)**	**(5.1)**	**(17.6)**
Profit before tax		**153.4**	**310.2**	**408.9**
Income tax	19	(40.8)	(86.9)	(116.3)
Share of profit of associates	5	0.2	0.3	0.9
Net profit		**112.8**	**223.7**	**293.5**
Non-controlling interests		0.2	0.1	0.3
Net profit – attributable to owners of the parent		**113.0**	**223.8**	**293.8**
Net earnings per share				
▪ basic		2.24	4.40	5.79
▪ diluted		2.22	4.32	5.70
Number of shares used for the calculation				
▪ basic	10.2	50,508,715	50,896,381	50,720,336
▪ diluted	10.2	50,964,523	51,817,149	51,601,087

/ 2.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	September 2023	September 2022	March 2023
Net profit for the period	**112.8**	**223.7**	**293.5**
Movement in the value of hedging instruments	6.9	(36.6)	22.4
Actuarial difference on pension commitments	-	-	5.5
Securities at fair value through comprehensive income	(0.9)	(3.3)	(5.9)
Related tax effect	(1.8)	9.5	(7.0)
Movement in translation differences	3.5	10.2	(2.0)
Other comprehensive income	**7.7**	**(20.2)**	**13.0**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**120.5**	**203.4**	**306.5**
Of which:			
attributable to owners of the parent	120.7	203.4	306.8
attributable to non-controlling interests	(0.2)	(0.0)	(0.3)

/ 2.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in € millions)	Notes	September 2023	September 2022	March 2023
Goodwill and other intangible assets	2	505.7	512.9	506.4
Right-of-use assets (IFRS 16)	3	33.2	20.0	36.6
Property, plant and equipment	4	430.2	381.7	412.5
Investments in associates	5	1.7	2.0	1.5
Other financial assets	6	16.2	38.5	16.3
Deferred taxation		36.4	41.4	31.2
NON-CURRENT ASSETS		**1,023.4**	**996.4**	**1,004.4**
Inventories	7	1,839.3	1,647.6	1,815.8
Trade and other receivables	8	364.2	389.2	268.7
Income tax receivables	19	16.5	7.6	5.3
Derivatives	14	22.7	9.6	19.0
Cash and cash equivalents	9	277.6	95.0	73.7
CURRENT ASSETS		**2,520.3**	**2,149.0**	**2,182.5**
TOTAL ASSETS		**3,543.7**	**3,145.4**	**3,187.0**
Share capital		82.0	82.8	81.3
Share premium		823.6	934.7	773.6
Treasury shares		(50.9)	(120.2)	(50.9)
Consolidated reserves and net profit for the period		889.7	800.0	920.7
Translation differences		33.3	41.9	29.8
Equity – attributable to the owners of the parent		**1,777.7**	**1,739.2**	**1,754.4**
Non-controlling interests		0.5	1.0	0.7
Equity	**10**	**1,778.2**	**1,740.2**	**1,755.1**
Long-term financial debt	11	691.5	319.3	325.1
Provision for employee benefits		19.4	24.6	19.0
Long-term provisions for liabilities and charges	12	0.8	3.1	1.1
Deferred taxation		46.8	42.2	51.3
NON-CURRENT LIABILITIES		**758.5**	**389.3**	**396.5**
Short-term financial debt and accrued interest charge	11	176.6	123.9	285.3
Trade and other payables	13	647.1	647.9	717.5
Dividend payable		152.7	111.0	-
Income tax payables	19	24.3	61.8	23.0
Short-term provisions for liabilities and charges	12	1.7	18.7	4.0
Derivatives	14	4.5	52.6	5.5
CURRENT LIABILITIES		**1,006.9**	**1,015.9**	**1,035.3**
TOTAL EQUITY AND LIABILITIES		**3,543.7**	**3,145.4**	**3,187.0**

/ 2.4 CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

						Attributable to:		
(in € millions)	**Share capital and premiums**	**Treasury shares**	**Reserves and net profit**	**Translation differences**	**Other comprehensive income**	**owners of the parent company**	**non-controlling interests**	**Total equity**
AT 31 MARCH 2022	**939.3**	**(58.7)**	**774.0**	**31.8**	**(25.6)**	**1,660.7**	**1.0**	**1,661.8**
Net profit for the period	-	-	223.8	-	-	223.8	(0.1)	223.7
Other comprehensive income	-	-	-	10.1	(30.5)	(20.3)	0.1	(20.2)
Expenses related to stock option and similar plans	-	-	4.9	-	-	4.9	-	4.9
Transactions on treasury shares	-	(61.5)	-	-	-	(61.5)	-	(61.5)
Dividends	34.7	-	(145.7)	-	-	(111.0)	-	(111.0)
OCEANE conversion (note **11**)	43.6	-	(1.2)	-	-	42.3	-	42.3
Other movements	-	-	0.4		-	0.4	-	0.4
AT 30 SEPTEMBER 2022	**1,017.6**	**(120.2)**	**856.0**	**41.9**	**(56.0)**	**1,739.2**	**1.0**	**1,740.2**
AT 31 MARCH 2023	**854.9**	**(50.9)**	**931.2**	**29.8**	**(10.5)**	**1,754.4**	**0.7**	**1,755.1**
Net profit for the period	-	-	113.0	-	-	113.0	(0.2)	112.8
Other comprehensive income	-	-	-	3.5	4.2	7.7	0.0	7.7
Expenses related to stock option and similar plans	-	-	4.7	-	-	4.7	-	4.7
Dividends	-	-	(152.7)	-	-	(152.7)	-	(152.7)
OCEANE conversion (note **11**)	50.8	-	-	-	-	50.8	-	50.8
Other movements	-	-	(0.2)		-	(0.2)	-	(0.2)
AT 30 SEPTEMBER 2023	**905.7**	**(50.9)**	**896.1**	**33.3**	**(6.4)**	**1,777.7**	**0.5**	**1,778.2**

/ 2.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(in € millions)	Notes	September 2023	September 2022	March 2023
Current Operating Profit		169.1	319.3	429.6
Depreciation and amortisation		21.6	19.1	41.0
Share-based payments		4.7	5.4	10.1
Dividends received from associates	5	-	-	0.9
EBITDA		**195.4**	**343.8**	**481.6**
Change in inventories		(22.8)	(25.3)	(202.8)
Change in trade receivables		(90.5)	(107.5)	(16.7)
Change in trade payables		(23.7)	(23.1)	37.3
Change in other receivables and payables		(35.9)	(54.9)	(12.5)
Change in working capital requirement		**(172.9)**	**(210.8)**	**(194.6)**
Net cash flow from operations		**22.5**	**133.1**	**287.0**
Net cash flow in relation to other non-current income/(expenses)		-	(2.9)	(9.2)
Net cash flow in relation to financial income/(expenses)		(13.9)	(4.7)	(13.3)
Net cash flow in relation to income taxes		(61.8)	(77.2)	(140.4)
Other operating cash flows		**(75.7)**	**(84.8)**	**(162.8)**
Net cash flow from operating activities		**(53.2)**	**48.3**	**124.1**
Purchase of operating investments	2/4	(45.8)	(31.7)	(75.6)
Proceeds from sale of non-current assets		0.4	0.2	-
Cash flow from other financial assets		(0.1)	(3.5)	16.3
Net cash flow from investment activities		**(45.5)**	**(35.0)**	**(59.3)**
Capital increase		-	-	1.8
Treasury shares	10	-	(61.5)	(161.6)
Increase in financial debt		431.1	62.1	172.6
Repayment of financial debt		(124.4)	(49.0)	(9.0)
Dividends paid in cash		-	-	(111.0)
Net cash flow from financing activities		**306.7**	**(48.4)**	**(107.2)**
Translation differences on cash and cash equivalents		(4.1)	13.8	(0.2)
Change in cash and cash equivalents		**203.9**	**(21.3)**	**(42.6)**
CASH AND CASH EQUIVALENTS AT START OF PERIOD	**9**	**73.7**	**116.3**	**116.3**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**9**	**277.6**	**95.0**	**73.7**

/ 2.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

Rémy Cointreau is a Société anonyme (French limited liability company) with a Board of Directors subject to French legislation and in particular the French Commercial Code. Rémy Cointreau shares are listed on Euronext Paris.

The condensed consolidated financial statements presented below were approved by the Board of Directors on 29 November 2023 after hearing the opinion of the Audit Committee, which met on 28 November 2023.

NOTE 1 Accounting policies

Rémy Cointreau's financial year runs from 1 April to 31 March. The consolidated financial statements are presented in millions of euros. Due to rounding rules, the sum of the values presented may display some differences that are insignificant compared to the total reported.

The interim consolidated financial statements are prepared and presented in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union. The notes to these financial statements do not include all the disclosures required for the full annual financial statements and must be read in conjunction with the Group's consolidated financial statements for the financial year ended 31 March 2023.

In accordance with European Regulation (EC) No. 1606/2002 of 19 July 2002, the Rémy Cointreau Group's consolidated financial statements are prepared in accordance with international accounting standards applicable within the European Union.

The accounting policies applied in the preparation of the consolidated financial statements comply with IFRS, the accounting basis adopted by the European Union. These standards can be consulted on the European Commission website at www.eur-lex.europa.eu.

The accounting policies applied in the preparation of the interim financial statements for the period ended 30 September 2023 are the same as those applied in the consolidated financial statements for the financial year ended 31 March 2023.

Note 1.1 Changes to the accounting basis compared with the previous financial year

Application of new standards and interpretations

The new IFRS standards and amendments to existing standards adopted by the European Union and mandatory from 1 January 2023 are as follows:

- amendments to IAS 1 concerning disclosures on material accounting policies;
- amendments to IAS 8 clarifying the distinction between a change in an accounting estimate and a change in accounting policy;
- amendments to IAS 12 removing the exemption from the initial recognition of deferred tax for transactions giving rise to equal amounts of taxable and deductible temporary differences;
- IFRS 17, establishing the principles for the recognition, measurement, presentation and disclosure of insurance contracts.

Application of these new standards and interpretations did not have a material impact on the Group financial statements for the period ended 30 September 2023.

Early application

The Group has not applied any standards early for which application was not mandatory during the period.

Standards issued but not yet applicable

Amendments to IAS 12: international tax reform – Pillar Two model rules. The Group has begun work in relation to applying the safe harbour measures in order to measure its potential exposure when these new rules take effect, which is expected to occur in 2024. At this stage, no material impact is expected and no deferred taxation has been recognised.

Note 1.2 Seasonality

Historically, Group sales are not evenly split between the first half-year and the second half-year. As a result, the interim results at 30 September 2023 are not necessarily indicative of those expected for the full financial year ending 31 March 2024.

Note 1.3 Specific characteristics of the interim financial statements

In the interim financial statements, the income tax expense for the period is based on an estimate of the effective annual rate for each tax jurisdiction, which is applied to the profit before tax for the period excluding any significant exceptional items. Any exceptional items in the period, such as disposals of investments or the effect of tax disputes, are recorded with their actual tax effect.

NOTE 2 Goodwill and other intangible assets

(in € millions)	Goodwill	Brands	Distribution rights	Other	Total
Gross value at 30 September 2022	**56.3**	**519.4**	**4.4**	**65.4**	**645.5**
Gross value at 31 March 2023	**53.1**	**517.1**	**4.0**	**69.6**	**643.8**
Acquisitions	-	-	-	1.5	1.5
Disposals, items scrapped	-	-	-	(0.0)	(0.0)
Other movements	-	-	-	0.1	0.1
Translation differences	1.1	0.8	0.1	0.0	2.0
GROSS VALUE AT 30 SEPTEMBER 2023	**54.2**	**517.8**	**4.1**	**71.2**	**647.4**
Accumulated amortisation and impairment at 30 September 2022	**24.3**	**62.7**	**4.4**	**41.2**	**132.6**
Accumulated amortisation and impairment at 31 March 2023	**29.1**	**61.4**	**4.0**	**42.9**	**137.4**
Increase	0.0	0.0	-	3.0	3.1
Other movements	-	-	-	0.1	0.1
Translation differences	0.7	0.3	0.1	0.1	1.2
Accumulated amortisation and impairment at 30 September 2023	**29.8**	**61.7**	**4.1**	**46.1**	**141.7**
Net carrying amount at 30 September 2022	**32.0**	**456.7**	**0.0**	**24.2**	**512.9**
Net carrying amount at 31 March 2023	**24.0**	**455.6**	**0.0**	**26.7**	**506.4**
NET CARRYING AMOUNT AT 30 SEPTEMBER 2023	**24.4**	**456.1**	**0.0**	**25.2**	**505.7**

"Goodwill", with a net value of €24.4 million at 30 September 2023, includes the goodwill generated by the acquisitions of Bruichladdich Distillery Company Ltd (September 2012), Brillet (April 2020) and Telmont (October 2020).

The carrying amount for the Rémy Martin and Cointreau brands, which totals €281.8 million, is essentially derived from the recognition of acquisitions of non-controlling interests and so does not represent a comprehensive valuation of these brands.

For other brands – mainly consisting of Metaxa, Bruichladdich, Westland and Brillet – the total is €174.3 million, and €198.7 million including the goodwill of the cash generating units (CGUs) to which these brands belong.

"Other" mainly includes software licenses acquired and developed internally.

Impairment of brands and other intangible assets

Since the amounts recorded under "Goodwill" and "Brands" are considered to have an indefinite useful life, the brands recorded in the statement of financial position are not amortised. Impairment tests are carried out annually in the second half-year or as soon as there is an indication of impairment. The methodology used to determine the current value of goodwill and brands is described in note **2** to the annual consolidated financial statements.

The current forecasts are in line with the assumptions made as at 31 March 2023.

At 30 September 2023, the total provision for the impairment of intangible assets was €95.6 million (September 2022: €91.4 million; March 2023: €94.5 million) including €45.0 million for Greek brandy brand Metaxa acquired in 2000 (partial impairment), €13.0 million for Mount Gay (full impairment), €27.1 million for Westland and €10.5 million for secondary brands.

NOTE 3 Right-of-use assets – IFRS 16

(in € millions)	Gross amount	Depreciation	Total
At 30 September 2022	**45.3**	**(25.3)**	**20.0**
At 31 March 2023	**64.9**	**(28.3)**	**36.6**
New leases	1.3	-	1.3
Expired leases	(2.5)	2.5	-
Depreciation	-	(5.0)	(5.0)
Translation differences	0.3	(0.1)	0.3
AT 30 SEPTEMBER 2023	**64.0**	**(30.8)**	**33.2**

NOTE 4 Property, plant and equipment

(in € millions)	Land	Buildings	Other	In progress	Total
Gross value at 30 September 2022	**31.0**	**220.7**	**371.6**	**49.2**	**672.5**
Gross value at 31 March 2023	**29.9**	**224.0**	**381.9**	**67.7**	**703.5**
Acquisitions	0.0	1.3	9.0	18.4	28.8
Disposals, items scrapped	(0.0)	(0.1)	(1.1)	-	(1.2)
Changes in scope of consolidation	-	-	-	-	-
Other movements	0.5	10.4	10.7	(21.8)	(0.1)
Translation differences	0.3	1.4	1.8	0.7	4.1
GROSS VALUE AT 30 SEPTEMBER 2023	**30.8**	**237.0**	**402.3**	**65.0**	**735.1**
Accumulated depreciation and impairment at 30 September 2022	**3.9**	**75.1**	**211.8**	**-**	**290.8**
Accumulated depreciation and impairment at 31 March 2023	**3.8**	**76.5**	**210.8**	**-**	**291.1**
Increase	0.3	3.4	9.9	-	13.6
Disposals, items scrapped	-	(0.1)	(1.0)	-	(1.1)
Changes in scope of consolidation	-	-	-	-	-
Other movements	-	1.5	(1.5)	-	(0.1)
Translation differences	0.0	0.3	1.1	-	1.4
Accumulated amortisation and impairment at 30 September 2023	**4.0**	**81.7**	**219.2**	**-**	**304.9**
Net carrying amount at 30 September 2022	**27.1**	**145.6**	**159.8**	**49.2**	**381.7**
Net carrying amount at 31 March 2023	**26.1**	**147.5**	**171.1**	**67.7**	**412.5**
NET CARRYING AMOUNT AT 30 SEPTEMBER 2023	**26.7**	**155.4**	**183.1**	**65.0**	**430.2**

Acquisitions during the period mainly concerned the investment programmes at the Cognac, Saint-Barthélemy-d'Anjou, Islay, Barbados, Seattle and St-Jean-d'Hérans production sites.

NOTE 5 Investments in associates

(in € millions)	Spirits Platform	Total
At 31 March 2023	**1.5**	**1.5**
Net profit for the period	0.2	0.2
Translation differences	(0.0)	(0.0)
AT 30 SEPTEMBER 2023	**1.7**	**1.7**

NOTE 6 Other financial assets

(in € millions)	September 2023	September 2022	March 2023
Non-consolidated equity investments (note **6.1**)	9.3	13.7	9.9
Sub-leasing assets – IFRS 16	0.2	0.9	0.5
Liquidity account (excluding treasury shares)	0.0	3.3	0.0
Other	6.8	20.6	5.9
TOTAL	**16.2**	**38.5**	**16.3**

Note 6.1 Non-consolidated equity investments

(in € millions)	% held	September 2023	% held	September 2022	% held	March 2023
Dynasty Fine Wines Group Ltd (China)	23.9%	8.7	27.0%	13.2	27.0%	9.4
Bacalhôa-Vinhos de Portugal (Portugal)	0.8%	0.5	0.8%	0.5	0.8%	0.5
TOTAL		**9.3**		**13.7**		**9.9**

This item mainly includes the valuation of the investment in the Chinese Dynasty Fine Wines Group, a major wine player in China, listed on the Hong Kong Stock Exchange. Said equity investment is recognised in accordance with IFRS 9. At a closing share price of HKD 0.22, the investment was valued at €8.7 million at 30 September 2023, representing a decrease of €0.7 million compared to 31 March 2023 which was recognised in other comprehensive income.

NOTE 7 Inventories

(in € millions)	September 2023	September 2022	March 2023
Raw materials	60.2	54.5	55.4
Ageing wines and eaux-de-vie [(1)]	1,556.8	1,377.5	1,572.1
Goods for resale and finished goods	229.3	220.6	192.9
Gross amount	**1,846.3**	**1,652.6**	**1,820.4**
Provision for impairment	(7.0)	(5.1)	(4.6)
Carrying amount	**1,839.3**	**1,647.6**	**1,815.8**

(1) Including Alliance Fine Champagne inventories (September 2023: €269.5 million; March 2023: €359.7 million); September 2022: €234.6 million).

NOTE 8 Trade and other receivables

(in € millions)	September 2023	September 2022	March 2023
Trade receivables	230.3	242.1	138.8
Receivables related to taxes and social charges (excl. income tax)	34.7	46.3	35.3
Sundry prepaid expenses	14.2	17.8	15.7
Advances paid	75.1	75.6	73.3
Other receivables	9.8	7.4	5.5
TOTAL	**364.2**	**389.2**	**268.7**
Provision for doubtful debts included in the above	(0.4)	(0.4)	(0.4)

The Group is engaged in factoring programmes in Europe, the United States and Asia-Pacific (excluding China) with specialist companies that are subsidiaries of top-tier banks.

Through these programmes, the Group is able to transfer to the factor all credit and carrying risks related to the accounts receivable of certain customers, up to a certain credit limit. These programmes meet the conditions set forth by IFRS 9, enabling the Group to deconsolidate its receivables once they are transferred to the factor.

The Group made use of factoring programmes during the period, thereby speeding up the payment of trade receivables totalling €104.0 million at 30 September 2023 (September 2022: €60.6 million; 31 March 2023: €81.2 million).

NOTE 9 Cash and cash equivalents

(in € millions)	September 2023	September 2022	March 2023
Short-term deposits	-	0.1	1.0
Cash at bank	277.6	94.9	72.7
TOTAL	**277.6**	**95.0**	**73.7**

NOTE 10 Equity

Note 10.1 Share capital, share premiums and treasury shares

	Number of shares	Treasury shares	Total number of shares	Share capital	Share premiums	Treasury shares
At 31 March 2023	**50,785,696**	**(347,939)**	**50,437,757**	**81.3**	**773.6**	**(50.9)**
OCEANE conversion	467,273	-	467,273	0.7	50.0	-
AT 30 SEPTEMBER 2023	**51,252,969**	**(347,939)**	**50,905,030**	**82.0**	**823.6**	**(50.9)**

Share capital and premiums

At 30 September 2023, the share capital consisted of 51,252,969 shares with a par value of €1.60.

OCEANE conversion

During the half-year, requests were made to convert 458,841 OCEANEs into Rémy Cointreau shares, bringing the total amount of OCEANEs converted to date to 92.2%. In accordance with the conversion ratio, 467,273 shares were thus created. The transaction resulted in an impact of €50.8 million on consolidated shareholders' equity.

Treasury shares

At 30 September 2023, Rémy Cointreau held 347,939 of its own shares in order to cover current or future bonus share plans.

Note 10.2 Number of shares used to calculate earnings per share

	September 2023	September 2022	March 2023
Average number of shares (basic):			
Average number of shares	50,856,654	51,328,663	51,340,129
Average number of treasury shares	(347,939)	(432,282)	(619,793)
TOTAL USED TO CALCULATE BASIC EARNINGS PER SHARE	**50,508,715**	**50,896,381**	**50,720,336**
Average number of shares (diluted):			
Average number of shares (basic)	50,508,715	50,896,381	50,720,336
Dilution effect of bonus share plans	255,890	256,003	215,986
Dilution effect on OCEANE convertible bonds	199,918	664,765	664,765
TOTAL USED TO CALCULATE DILUTED EARNINGS PER SHARE	**50,964,523**	**51,817,149**	**51,601,087**

Note 10.3 Dividends

The Shareholders' Meeting of 20 July 2023 approved the payment of an ordinary dividend in cash of €2.00 per share in respect of the financial year ended 31 March 2023. It also approved the payment of an exceptional dividend in cash of €1.00 per share. This resulted in the recognition of a dividend payable in cash of €152.7 million, which was paid on 2 October 2023.

Note 10.4 Non-controlling interests

Equity attributable to non-controlling interests amounts to €0.5 million (September 2022: €1.0 million; March 2023: €0.7 million) and mainly concerns the non-controlling interests in Mount Gay Distilleries Ltd.

NOTE 11 Financial debt

Note 11.1 Net financial debt

	September 2023			September 2022			March 2023		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Gross financial debt	691.5	176.6	868.1	319.3	123.9	443.3	325.1	285.3	610.4
Cash and cash equivalents (note **9**)	-	(277.6)	(277.6)	-	(95.0)	(95.0)	-	(73.7)	(73.7)
NET FINANCIAL DEBT	**691.5**	**(101.0)**	**590.5**	**319.3**	**28.9**	**348.3**	**325.1**	**211.6**	**536.6**

Note 11.2 Gross financial debt by type

	September 2023			September 2022			March 2023		
(in € millions)	Long term	Short term	Total	Long term	Short term	Total	Long term	Short term	Total
Private bonds (note **11.3**)	458.3	-	458.3	144.8	-	144.8	79.9	64.9	144.9
Convertible bonds (OCEANE) (note **11.4**)	21.5	-	21.5	72.0	-	72.0	71.7	-	71.7
Syndicated loan (note **11.5**)	100.0	-	100.0	-	-	-	60.0	-	60.0
Other loans and borrowings	79.8	166.1	245.9	79.8	113.9	193.7	79.9	207.3	287.2
Accrued interest	-	2.5	2.5	-	1.2	1.2	-	3.4	3.4
Commitments to purchase securities of non-controlling shareholders	5.2	-	5.2	9.5	-	9.5	4.9	-	4.9
Lease liabilities (IFRS 16)	26.7	8.0	34.7	13.3	8.9	22.2	28.6	9.7	38.3
GROSS FINANCIAL DEBT	**691.5**	**176.6**	**868.1**	**319.3**	**123.9**	**443.3**	**325.1**	**285.3**	**610.4**

Note 11.3 Private bonds

On 27 February 2015, Rémy Cointreau issued an €80.0 million bond in the form of a private placement with a leading European insurer. These ten-year bonds bear interest at a nominal annual rate of 2.945%.

On 28 September 2023, Rémy Cointreau carried out a €380 million private placement of unlisted, unquoted bonds with 7, 10 and 12-year maturities (average maturity: 10 years) at a weighted average coupon rate of 5.58%.

The detailed features of these borrowings are as follows:

(in € millions)	Nominal	Issue date	Maturity	Term (years)	Annual coupon	Covenant
Private bond placement 2015	80.0	27 February 2015	27 February 2025	10	2.945%	“A” ratio (<4.00)
Private bond placement 2023	75.0	28 September 2023	28 September 2030	7	5.194%	“A” ratio (<4.00)
Private bond placement 2023	205.0	28 September 2023	28 September 2033	10	5.626%	“A” ratio (<4.00)
Private bond placement 2023	100.0	28 September 2023	28 September 2035	12	5.788%	“A” ratio (<4.00)
Issuance costs	(1.7)					
TOTAL	**458.3**					

The availability of these borrowings is contingent on the A ratio (Average net debt/EBITDA) being less than or equal to 4.0 at 30 September and 31 March of each year until maturity. At 30 September 2023, the A ratio was 1.57 (September 2022: 0.65; March 2023: 0.84).

Note 11.4 Convertible bonds (OCEANE)

On 7 September 2016, by way of a private placement with institutional investors, Rémy Cointreau issued bonds with an option to convert to and/or exchange for new and/or existing shares ("OCEANE" bonds), with a maturity date of 7 September 2026 and a nominal amount of €275.0 million, comprising 2,484,191 OCEANEs with a par value of €110.70 each.

The OCEANE bonds bear interest at a nominal annual rate of 0.125%, payable in arrears on 7 September each year.

At the date of issue, the unit par value of the OCEANE bonds incorporates an issue premium of 40% based on the reference price of the Company's shares on the Euronext Paris regulated market. Pursuant to the split accounting required by IAS 32, the OCEANE was initially recognised in financial debt for €250.1 million and in equity for €24.9 million.

Holders of OCEANEs have a right to the allocation of new and/or existing Rémy Cointreau shares, at an initial conversion ratio of one share for one OCEANE. In accordance with the terms and conditions of the bonds, this ratio was subsequently adjusted. It was 1.018 shares per bond at 31 March 2023 and will be 1.030 as from 2 October 2023.

This right to the allocation of shares is exercisable from 7 September 2023, or in the event of an early conversion condition being met.

During the half-year, 458,841 outstanding bonds were converted into Rémy Cointreau shares, bringing the total amount of OCEANEs converted to date to 92.2%. In accordance with the conversion ratio, 467,273 shares were thus created. The transaction resulted in an impact of €50.8 million on consolidated shareholders' equity.

At 30 September 2023, 194,095 OCEANE bonds remained outstanding, with a nominal value of €21.5 million.

Note 11.5 Syndicated loan

On 2 July 2018, Rémy Cointreau signed a new syndicated loan of €100 million with a pool of banking groups, which will mature on 2 July 2025.

Amounts drawn down bear interest at EURIBOR plus a margin of 35 bps to 125 bps, depending on the Group's debt rating.

The availability of the facility is contingent on the A ratio (Average net debt/EBITDA) being less than or equal to 4.0 at 30 September and 31 March of each year until maturity. At 30 September 2023, the A ratio was 1.57 (September 2022: 0.65; March 2023: 0.84).

NOTE 12 Provisions for liabilities and charges

Note 12.1 Changes

(in € millions)	Total
At 31 March 2023	**5.1**
Increase	0.2
Reversals – Used	(1.9)
Reversals – Unused	(0.8)
Translation differences	(0.1)
AT 30 SEPTEMBER 2023	**2.6**

"Provisions for liabilities and charges" mainly consist of provisions recognised to cover trade and employee-related litigation.

Note 12.2 Maturity

These provisions are intended to cover probable items of expenditure payable as follows:

(in € millions)	September 2023	September 2022	March 2023
Long-term provisions (or unknown maturity)	1.7	3.1	1.1
Short-term provisions	0.8	18.7	4.0
TOTAL	**2.6**	**21.8**	**5.1**

Short-term provisions at 30 September 2022 included a customs risk provision of €13.6 million. This dispute was settled during the previous financial year.

NOTE 13 Trade and other payables

(in € millions)	September 2023	September 2022	March 2023
Trade payables – eaux-de-vie	276.7	247.6	296.6
Other trade payables	291.4	302.1	312.6
Advances from customers	2.0	4.1	3.3
Payables related to tax and social charges (excl. income tax)	58.5	62.3	80.1
Excise duties	0.7	(0.0)	1.4
Miscellaneous deferred revenue	1.7	1.6	1.5
Other payables	16.1	30.1	22.0
TOTAL	**647.1**	**647.9**	**717.5**

NOTE 14 Financial instruments and market risks

The Group commonly uses financial instruments to manage its foreign exchange risk exposure. The market risk management policy complies with the prudential rules approved by the Board of Directors. More specifically, the sale of options is limited to tunnel strategies and the resale of previously purchased instruments that are subject to approval on an individual basis.

All hedging transactions are entered into with top-tier international banks.

With regard to foreign exchange risk, the Group endeavours to hedge its budgeted net commercial exposure over a rolling period of approximately 12 to 24 months. This is achieved by entering into firm or optional currency hedging agreements in accordance with the guidelines set by the Board of Directors.

The Group does not hedge the foreign exchange risk arising from the translation of the financial statements of companies outside the euro zone into euros.

The Group's hedging policy only allows for the hedging of short-term foreign exchange risk. It is not intended to protect the Group against the economic effects of long-term money market trends on the Group's sales and margins.

Note 14.1 Breakdown of financial instruments (interest rate and foreign exchange rates)

(in € millions)	September 2023	September 2022	March 2023
Assets			
Interest rate derivatives		-	-
Exchange rate derivatives	22.7	9.6	19.0
TOTAL	**22.7**	**9.6**	**19.0**
Liabilities			
Interest rate derivatives		-	-
Exchange rate derivatives	4.5	52.6	5.5
TOTAL	**4.5**	**52.6**	**5.5**

Note 14.2 Interest rate derivatives

At 30 September 2023, the Group had no interest rate derivatives in its portfolio.

Note 14.3 Exchange rate derivatives

The Group uses options and forward contracts to hedge its cash flows from commercial transactions. Commercial transactions for the financial year for which payment has not been received as of the reporting date are hedged by short-term currency swaps.

Furthermore, Rémy Cointreau SA, which centrally manages the Group's financing needs, and its subsidiary Financière Rémy Cointreau make intra-Group loans and borrowings denominated in the counterparty's currency. The Group uses back-to-back currency swaps to match these loans and borrowings. The maturity of such transactions ranges from one month to one year.

Breakdown of all foreign exchange risk hedging instruments in the portfolio at 30 September 2023:

(in € millions)	Notional amount (1)	Initial value	Market value	Of which CFH (2)	Of which *Trading* (2)
Put options and tunnel options					
Seller USD (*vs.* EUR)	94.4	1.7	(0.2)	(0.2)	-
Other currencies (*vs.* EUR)	81.5	0.2	2.0	1.9	0.1
	175.9	**1.9**	**1.9**	**1.8**	**0.1**
Forward sales					
Seller USD (*vs.* EUR)	207.7	-	1.8	1.8	-
Other currencies (*vs.* EUR)	104.8	-	13.5	13.5	-
	312.5	**-**	**15.3**	**15.3**	**-**
***Purchase/(sale)* of currency swaps (operating activities) (3)**					
Seller USD (*vs.* EUR)	(205.6)	-	1.3	-	1.3
Other currencies (*vs.* EUR)	(35.1)	-	(0.2)	-	(0.2)
	(240.7)	**-**	**1.2**	**-**	**1.2**
***Purchase/(sale)* of currency swaps (financing activities) (3)**					
Seller USD (*vs.* EUR)	(64.1)	-	0.5	-	0.5
Other currencies (*vs.* EUR)	(118.0)	-	(0.5)	-	(0.5)
	(182.1)	**-**	**(0.1)**	**-**	**(0.1)**
TOTAL	**65.6**	**1.9**	**18.2**	**17.0**	**1.2**

(1) Notional amount in foreign currency translated at the closing rate.
(2) *FVH:* fair value hedge; *CFH:* cash flow hedge; Trading: assets held for trading.
(3) Difference between closing rate and forward rate.

NOTE 15 Segment information

As required by IFRS 8, the Rémy Cointreau Group provides an analysis by business segment and geographic area of certain items of its consolidated financial statements. Under this standard, the operating segments to be presented are those for which separate financial information is available internally and which are used by the "main operational decision-maker" to make operational decisions. Rémy Cointreau's main operational decision-maker is the Executive Committee. This committee reviews operational performance and allocates resources based on the financial data analysed for the Rémy Martin, Liqueurs & Spirits and Partner Brands businesses. Consequently, the Group has identified these three businesses as the operating segments to be presented. In addition, a holding company segment includes central expenses that are not reallocated to the various segments.

The information given by business segment is identical to that presented to the Executive Committee.

Note 15.1 Businesses

Breakdown of sales and Current Operating Profit

	Sales			Current Operating Profit		
(in € millions)	September 2023	September 2022	March 2023	September 2023	September 2022	March 2023
Cognac	416.1	638.1	1,100.0	145.3	299.7	405.2
Liqueurs & Spirits	206.7	214.5	418.9	30.3	31.9	48.1
GROUP BRANDS	**622.7**	**852.6**	**1,518.9**	**175.6**	**331.5**	**453.3**
Partner Brands	14.0	14.5	29.6	0.2	0.1	0.1
Holding	-	-	-	(6.7)	(12.3)	(23.7)
TOTAL	**636.7**	**867.1**	**1,548.5**	**169.1**	**319.3**	**429.6**

There are no intra-segment sales.

Note 15.2 Geographic areas

Sales

(in € millions)	September 2023	September 2022	March 2023
Europe-Middle East-Africa [(1)]	147.7	136.1	259.5
Americas	233.3	490.3	780.0
Asia-Pacific	255.7	240.8	509.0
TOTAL	**636.7**	**867.1**	**1,548.5**

(1) Sales in France amounted to €10.2 million in the period to 30 September 2023 (September 2022: €9.6 million; March 2023: €18.0 million).

NOTE 16 Analysis of operating expenses by type

(in € millions)	September 2023	September 2022	March 2023
Employee benefit expenses	(123.9)	(134.9)	(275.7)
Advertising and promotion expenses	(139.0)	(138.4)	(335.2)
Depreciation, amortisation and impairment of non-current assets	(21.6)	(19.1)	(40.2)
Other expenses	(45.7)	(49.7)	(100.3)
Expenses allocated to inventories and production costs	39.4	37.8	77.2
TOTAL	**(290.8)**	**(304.4)**	**(674.2)**
of which:			
Distribution costs	(231.3)	(230.8)	(521.6)
Administrative expenses	(59.5)	(73.6)	(152.6)
TOTAL	**(290.8)**	**(304.4)**	**(674.2)**

Employee benefit expenses mainly include salaries and social charges, pension plan costs, bonus share plan expenses and benefits in kind.

Distribution costs comprise advertising and promotion expenses, commission income or expenses, ordinary provisions for the impairment of inventories and trade receivables and the overheads of the Group's distribution companies.

Administrative expenses comprise all overheads of the holding companies and production companies.

NOTE 17 Other operating income/(expense)

(in € millions)	September 2023	September 2022	March 2023
Loss on ineffective foreign exchange hedges in roubles	-	(4.0)	(4.1)
Provisions for international customs risks relating to prior periods	-	-	7.7
Tax adjustments excluding income tax	-		1.0
Goodwill impairment	-	-	(7.5)
Other	-		(0.1)
TOTAL	**-**	**(4.0)**	**(3.1)**

NOTE 18 Financial result

Note 18.1 Net borrowing cost by type of financing

(in € millions)	September 2023	September 2022	March 2023
Bonds	(1.0)	(1.4)	(2.8)
OCEANE convertible bonds	(0.5)	(0.9)	(1.2)
Private bond placements	(1.4)	(1.2)	(2.4)
Other loans	(0.2)	(0.2)	(0.5)
Syndicated loan and unconfirmed credit lines	(5.7)	(0.3)	(3.6)
Bridge loan	(1.7)	-	-
Finance costs of special *purpose entities*	(0.6)	(0.2)	(0.7)
Accretion of lease liabilities – IFRS 16	(0.7)	(0.4)	(0.8)
GROSS BORROWING COST	**(11.9)**	**(4.6)**	**(12.0)**
Interest income	0.2	0.2	0.3
NET BORROWING COST	**(11.7)**	**(4.5)**	**(11.7)**

Financial debt is described in note **11**.

Note 18.2 Other financial income/(expense)

(in € millions)	September 2023	September 2022	March 2023
Currency gains	-	1.4	-
OTHER FINANCIAL INCOME	**-**	**1.4**	**-**
Currency losses	(1.4)	-	(2.5)
Other financial expenses of special *purpose entities*	(1.6)	(0.9)	(1.6)
Other	(1.0)	(1.1)	(1.8)
OTHER FINANCIAL EXPENSES	**(4.0)**	**(2.0)**	**(5.9)**
OTHER FINANCIAL INCOME/(EXPENSE)	**(4.0)**	**(0.7)**	**(5.9)**

Currency gains/(losses) from operations are recognised in gross margin.

NOTE 19 Income tax

Note 19.1 Net income tax expense

(in € millions)	September 2023	September 2022	March 2023
Current tax (expense)/income	(52.4)	(87.8)	(114.8)
Deferred taxation (expense)/income	11.6	0.9	(1.6)
Income tax	**(40.8)**	**(86.9)**	**(116.3)**
Effective published tax rate	-26.6%	-28.0%	-28.4%
Effective tax rate excl. non-recurring items	-26.6%	-28.0%	-28.3%

Note 19.2 Income tax receivables and payables

(in € millions)	September 2023	September 2022	March 2023
Income tax receivables	16.5	7.6	5.3
Income tax payables	(24.3)	(61.8)	(23.0)
Net position – asset (liability)	**(7.8)**	**(54.2)**	**(17.7)**

NOTE 20 Net profit from discontinued operations

The net profit from discontinued operations over all the periods presented is nil.

NOTE 21 Net profit excluding non-recurring items

Note 21.1 Reconciliation with net profit

Net profit excluding non-recurring items attributable to owners of the parent is reconciled with net profit attributable to owners of the parent as follows:

(in € millions)	September 2023	September 2022	March 2023
Net profit – attributable to owners of the parent	**113.0**	**223.8**	**293.8**
Items recorded under "Other operating income/(expense)" (note **17**)	-	4.0	3.1
Tax on "Other operating income/(expense)"	-	(1.0)	(0.4)
Net profit excluding non-recurring items – attributable to owners of the parent	**113.0**	**226.8**	**296.6**

Note 21.2 Net earnings per share excluding non-recurring items

(in € millions)	Notes	September 2023	September 2022	March 2023
Net profit excluding non-recurring items – attributable to owners of the parent		**113.0**	**226.8**	**296.6**
Number of shares				
▪ basic	10.2	50,508,715	50,896,381	50,720,336
▪ diluted	10.2	50,964,523	51,817,149	51,601,087
Per share (in €)				
▪ basic		2.24	4.46	5.85
▪ diluted		2.22	4.38	5.75

NOTE 22 Off-balance sheet commitments and contingent assets and liabilities

Note 22.1 Operating activity commitments

(in € millions)	September 2023	September 2022	March 2023
Purchase commitments – non-current assets	45.0	65.4	52.6
Purchase commitments – eaux-de-vie	562.6	659.7	552.6
Purchase commitments – other spirits	61.7	21.0	62.7
Other purchase commitments	26.4	26.2	70.9

Purchase commitments for non-current assets concern the acquisition of ageing casks at the Cognac site, and real estate projects for Rémy Martin, Cointreau and Telmont.

Eaux-de-vie purchasing commitments mainly relate to multi-year contracts in place with distillers.

These commitments are valued based on the prices known at the reporting date.

Other purchase commitments comprise purchase commitments for packaging items, advertising and promotion spending commitments and other miscellaneous purchase commitments.

Note 22.2 Financing commitments, deposits and similar guarantees

(in € millions)	September 2023	September 2022	March 2023
Customs guarantees	39.6	40.6	38.9
Environmental guarantees	3.0	2.8	2.8
Guarantees on credit lines	14.9	-	-
Agricultural warrants on AFC inventories	20.0	20.0	55.0
Other guarantees	5.3	5.4	7.1

Note 22.3 Contingent assets and liabilities related to disposal transactions

In connection with disposal transactions, guarantees in respect of liabilities are generally granted to the buyers for periods and amounts stipulated in the agreements. Liabilities for tax, excise duties and social security payments that may arise following audits covering periods prior to the sale are generally covered until such liabilities lapse under the statute of limitations.

At 30 September 2023, no guarantees were outstanding.

Note 22.4 Other contingent liabilities

During the period ended 30 September 2023, Rémy Cointreau was involved in various legal disputes. Following a review of each case within each subsidiary involved, and based on the advice of the legal counsels, the provisions deemed necessary were recognised to cover the estimated risks.

Rémy Cointreau certifies that it has not omitted to report any significant off-balance sheet items in its consolidated financial statements.

NOTE 23 Related parties

During the period ended 30 September 2023, relationships with related parties remained similar to those for the financial year ended 31 March 2023.

NOTE 24 Events after the reporting period

No significant events have occurred since the summary consolidated financial statements were reviewed by the Board of Directors on 29 November 2023.

NOTE 25 Information on the consolidation scope

There was no material change in scope over the half-year.

STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEAR FINANCIAL INFORMATION

For the period from 1 April to 30 September 2023

This is a free translation into English of the statutory auditors' review report on the half-year financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-year management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Annual General Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-year consolidated financial statements of Rémy Cointreau, for the period from 1 April to 30 September 2023;
- the verification of the information presented in the half-year management report.

These condensed half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34- standard of the IFRS as adopted by the European Union applicable to interim financial information.

II – SPECIFIC VERIFICATION

We have also verified the information presented in the half-year management report on the condensed half-year consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-year consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 29 November 2023

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Amélie Wattel	Jérôme de Pastors

CERTIFICATE OF THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

I certify that, to the best of my knowledge, the condensed consolidated financial statements for the first half-year 2023/2024 were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, the financial position and the financial performance of the Company and all the companies included in the consolidation, and the half-year operating report presents a true and fair view of significant events which occurred in the first six months of the year, their impact on the half-year financial statements, significant transactions between related parties, as well as the principal risks and uncertainties for the remaining six months of the financial year.

Paris, 29 November 2023

Éric Vallat
Chief Executive Officer of Rémy Cointreau

RÉMY COINTREAU

Limited company with a capital of €81,980,564.80
Head office: rue Joseph Pataa – Ancienne rue de la Champagne – 16 100 Cognac – France
302 178 892 R.C.S Angoulême

www.remy-cointreau.com

Photo credits: iStock - Médiathèque Rémy Cointreau