OENEO

WE CARE ABOUT YOUR WINE

Monday, November 5, 2018

SOLID GROWTH OF 5.6% IN Q2 Y-O-Y

FASTER EXPANSION VERSUS Q1

ROBUST PERFORMANCE IN CLOSURES AND GRADUAL IMPROVEMENT IN WINEMAKING

TURNOVER (€m)	2018-2019	2017-2018*	CHANGE	CHANGE AT CONSTANT SCOPE AND EXCHANGE RATES
2ND QUARTER	**69.7**	**66.0**	**+5.6%**	**+3.4%**
o/w Closures	37.6	34.1	+10.2%	+10.3%
o/w Winemaking	32.1	31.9	+0.7%	-3.9%
1ST HALF	**130.0**	**125.5**	**+3.6%**	**+1.5%**
o/w Closures	82.5	76.3	+8.1%	+8.2%
o/w Winemaking	47.5	49.2	-3.4%	-8.3%

**2017-2018 turnover restated for Closures activities in the process of being sold in accordance with IFRS 5. These activities represented turnover of €10.2 million in the first half of 2017-2018 and €7.9 million in the first half of 2018-2019. The application of accounting standard IFRS 15 did not have any material impact.*

Oeneo expanded at a faster pace in the second quarter of 2018, with turnover rising 5.6% year on year to €69.7 million (up 3.4% at constant scope and exchange rates). The Closures division returned to double-digit growth during the quarter, up 10.2%, boosted by a positive price effect as well as gains in high-end segments. Sales are improving as expected in the Winemaking division, with a seasonal effect that will be much more favorable in the second half of the financial year.

For the six months ended September 30, 2018, turnover came in at €130.0 million, up 3.6% (or 1.5% at constant scope and exchange rates). Recent acquisitions in the Winemaking division contributed €3.2 million in turnover over the first half of the financial year.

The half-yearly results, which will be published on December 6 after the markets close, will reflect the exceptional increase in cork prices observed since the second half of 2017-2018, and will also be affected, to a lesser extent, by the seasonal contraction in Winemaking business. The Group's current operating margin for the first half could stand at around 14%.

However, thanks to the Group-wide initiatives taken to absorb the increase in raw materials costs, the Group's recurring operating margin should return to a level more in line with its recent performance and thereby make up for some of the lag incurred in the first half.

REVIEW BY DIVISION

CLOSURES: SOLID GLOBAL SALES

The Closures division enjoyed second-quarter growth of 10.2%, once again driven by turnover generated with the Diam range. This performance stems from higher volumes in mid-range/high-end closures, for both still and sparkling wines, and price increases introduced at a time of sharply rising cork costs.

The division expanded by 8.1% over the first half as a result, performing very well in a less favorable environment, as this year's wine producers felt the repercussions of last year's weak grape harvest. In addition, and apart from the buoyant growth seen in the high-end segments, all geographic areas reported an improvement over the first half of the financial year, confirming the Group's solid penetration of international markets and its confidence in the outlook for the coming months.

The division took assertive measures to absorb the sudden rise in cork prices, which, following a very weak 2018 cork harvest, rose sharply to a historic high during the first half of the financial year to almost double their level in the same prior-year period. All of the Group's measures will gradually pay off and will also act as a key driver of operating performance once the price of cork returns to a level that is more in line with market fundamentals, which is expected to occur during the 2019-2020 financial year in light of improving harvest forecasts.

WINEMAKING: SOLID SALES PERFORMANCE, BUT SEASONAL EFFECT EXPECTED TO BE MORE FAVORABLE IN THE SECOND HALF

The Winemaking division reported a contraction in business of 3.4% (down 8.3% at constant scope and exchange rates) due to a seasonal effect linked to later harvesting and the phasing of some large container orders occurring only in the second half of the year.

The sales performance remains very robust, and this will be reflected in third-quarter turnover, with business already at a record high in Europe and the United States for the month of October. The Group intends to continue capitalizing on its range of diversified, high value-added solutions to strengthen its international positions and reduce its exposure to the impact of adverse weather conditions.

Oeneo is continuing to integrate Etablissements Cenci and Tonnellerie Millet, developing the initial synergies and implementing action plans to bring the two entities' productivity in line with the Group's profitability standards. The division remains on the lookout for acquisition opportunities, with the aim of strengthening its positions and/or enriching its offerings.

ONEO GROUP WILL PUBLISH ITS RESULTS FOR THE FIRST HALF OF 2018-2019

ON DECEMBER 6, 2018 AFTER THE MARKETS HAVE CLOSED

About OENEO Group

Oeneo Group is a major wine industry player with high-end and innovative brands. Present around the world, the Group covers each stage in the winemaking process through two core and complementary divisions:

- Closures, involving the manufacture and sale of cork closures, including high value-added technological closures through its DIAM and PIETEC ranges.
- Winemaking, providing high-end solutions in winemaking and spirits for leading market players through its cooperage brands Seguin Moreau, Boisé, Millet, Fine Northern Oak and Galileo, and developing innovative solutions for the wine industry with Vivelys (R&D, consulting, systems).

Oeneo prides itself in offering solutions in the production, maturing, preservation and enhancement of wines or spirits that faithfully convey all of the emotion and passion of each winegrower and improve their performance.

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