

July 21, 2020

FIRST QUARTER TURNOVER:
COVID-19 IMPACT IN LINE WITH EXPECTATIONS

TURNOVER (€M)	2020-2021	2019-2020	CHANGE	CHANGE AT CONSTANT EXCHANGE RATES
FIRST QUARTER	57.9	68.3	-15.2%	-14.2%
Closures	42.5	49.6	-14.3%	-13.1%
Winemaking	15.4	18.7	-17.8%	-17.1%

The beginning of the 2020-2021 financial year was strongly impacted by the Covid-19 health crisis, which slowed business for both of the Group's divisions.

During this unprecedented period, clients have been very cautious with their investment decisions and their orders due to the lack of visibility, linked to a decrease in consumption in the wine growing sector, mainly caused by the closure of bars and restaurants for around two months, particularly in Europe and the United States.

Since the confinement measures have eased, the Group's business has been gradually recovering to pre-Covid levels. With early harvests expected in the Northern Hemisphere this year, the order intake has picked up in both divisions.

This improvement towards the end of the quarter has limited the first-quarter contraction in business to 15.2% (14.2% at constant exchange rates), in line with the estimation announced in early June. In view of current trends, the Group confirms it should recover gradually, which will substantially mitigate the decline in full-year turnover.

REVIEW BY DIVISION

CLOSURES: PREMIUM RANGES HOLD UP WELL

The division posted turnover of €42.5 million, down 13.1% at constant exchange rates. Sales of Diam Closures trended upwards thanks to very robust high-end ranges, especially the bio-sourced Origine by Diam range and the Diam 10 and 30 ranges. The Group benefits from its premium positioning, which also has a positive impact on the average sale price.

The other Diam ranges and technological closures were more strongly impacted by the downturn in market volumes, as certain clients cautiously decided to defer the bottling of their wine production due to lower consumption.



Early harvests are expected in Europe and the United States, however, allowing the market to progressively reactivate. This catch-up effect and the sales initiatives currently ongoing to win new clients should enable the division to make up some of the ground lost in the first quarter, assuming that the health crisis is contained on a global scale.

WINEMAKING: RECOVERY IN LINE WITH EXPECTATIONS

The Winemaking division posted turnover of €15.4 million, down 17.1% at constant exchange rates. The first quarter, which traditionally records the lowest performances of the year, saw wine-growers decrease or postpone their investments, mainly in barrels and in the consulting and systems activities.

Thanks to its comprehensive offering, the Group has been able to mitigate this impact with higher sales of large containers and resilient alternative wooded solutions, particularly in the United States.

After a challenging first two months of dealing with the consequences of the health crisis, including delivery issues and temporary closures of certain sites, business recovered sharply in June, and is now on a more favorable trend, supported by early harvests. Like Closures, Winemaking is aiming to recover the ground lost in the first quarter over the full year.

OENEO WILL PUBLISH ITS TURNOVER FOR THE FIRST HALF OF 2020-2021 ON
NOVEMBER 3, 2020.

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.

WE CARE ABOUT YOUR WINE

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