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STRONG RESILIENCE OF ANNUAL TURNOVER IN A CONSISTENTLY DIFFICULT HEALTH SITUATION

TURNOVER (€M)	2020-2021	2019-2020	CHANGE	CHANGE AT CONSTANT SCOPE AND EXCHANGE RATES
4TH QUARTER	76.2	78.2	-2.7%	-2.3%
O/w Closures	57.6	58.7	-2.0%	-2.0%
O/w Winemaking	18.6	19.5	-4.7%	-3.0%
12 MONTHS	272.8	290.3	-6.0%	-5.1%
O/w Closures	185.7	195.3	-4.9%	-4.1%
O/w Winemaking	87.1	95.0	-8.3%	-7.4%

Oeneo Group delivered turnover of €76.2 million in the fourth quarter of 2020-2021, down by 2.7% (2.3% at constant exchange rates), confirming the strong resilience of its business amid the ongoing health crisis, which continues to foster a wait and see approach among clients in the café, hotel and restaurant business.

The Closures division generated turnover broadly in line with that of the same prior-year period, with a record-breaking and promising performance in March, confirming the robustness of the Group's market share. As in previous quarters, the decline was slightly more pronounced for the Winemaking division, due to the delay in investments as a result of the economic environment.

The quarterly performance resulted in a slight 6.0% drop in full-year turnover to €272.8 million (down 5.1% at constant exchange rates). This business level is significantly higher than forecasts made at the beginning of the health crisis. Oeneo Group is reaping the rewards of its global presence, the recognized competitiveness of its innovative offering and the loyalty of its existing clients.

During the year, the Group took measures to reduce its operating expenses and therefore anticipates a full-year recurring operating margin at least equal to that achieved in the first half of the year (16%) and higher than the previous year.

BOARD OF DIRECTORS' REVIEW OF 2020-2021 BY DIVISION

CLOSURES: HIGHLY RESILIENT PERFORMANCE

Closures delivered a solid performance in 2020-2021, with turnover down by 4.9% to €185.7 million. Most of this decline stems from the first quarter, which was heavily impacted by the health crisis, although the division recovered over the next three quarters to generate sales in line with those of the same prior-year period.

Nearly 2.3 billion cork-based closures were sold, with very positive momentum in the high-end segment (Diam 10, 30 and Origine ranges) and a strong performance from the entry level ranges, while the intermediary level ranges suffered from café, hotel and restaurant having closed across the globe. In this unfavorable environment, the division managed to keep average prices at a similar level to the previous year.

In geographic terms, the division notably consolidated its market shares in the Americas, particularly in South America, and demonstrated a high degree of resilience in France with almost stable business levels. Southern Europe (Italy and Spain) was hit harder by the consequences of the health crisis, which led clients to postpone or cancel bottling orders.

The division's operating margin, supported by careful cost management, particularly in the second half, will be higher than previous year and is expected to be close to 20%.

WINEMAKING: HEAVILY IMPACTED BY THE CRISIS

The Winemaking division posted turnover of €87.1 million, down 8.3% (down 7.4% at constant exchange rates). However, this performance is better than initially expected, thanks to the diversified position of Seguin Moreau, which benefited from the impressive resilience of the Cognac market, the large containers market and a solid high-end wine market in this difficult context. Sales of alternative oak products also held up well, thanks to the development of the client portfolio in France and Europe.

These market share wins helped to mitigate the economic impact of the global health crisis and the initial consequences of the California wildfires, leading several clients to scale down or postpone their investments.

In this unusual year, the division's operating margin is expected to be close to the previous year (12.3%), with the effects of the productivity gains implemented this year being mitigated by the temporary lack of business.

OENEO GROUP WILL PUBLISH ITS 2020-2021
FULL-YEAR RESULTS ON JUNE 23, 2021.

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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