

June 14, 2023

2022-2023 ANNUAL RESULTS

INCREASE IN TURNOVER AND RESULTS
RECURRING OPERATING MARGIN OF 15.7%
RECORD NET INCOME OF €41.2 MILLION

CONSOLIDATED PROFIT & LOSS STATEMENT (€M)	2021-2022	2022-2023	CHANGE
TURNOVER	326.0	348.2	+6.8%
O/w Closures	232.6	244.5	+5.1%
O/w Winemaking	93.4	103.7	+11.0%
RECURRING OPERATING PROFIT	54.0	54.6	+1.2%
O/w Closures	46.2	45.2	-2.2%
O/w Winemaking	10.8	12.0	+11.1%
O/w Corporate	(3.1)	(2.6)	
NON-RECURRING OPERATING PROFIT/(LOSS)	(4.8)	(2.4)	
OPERATING PROFIT	49.2	52.2	+6.1%
Financial profit/(loss)	(0.9)	(0.9)	
Tax	(11.2)	(10.2)	
NET PROFIT	37.1	41.2	+10.8%
CONSOLIDATED NET PROFIT, GROUP SHARE	37.1	41.2	+10.8%
SHAREHOLDERS' EQUITY	338.6	343.0	+1.3%
NET DEBT	7.9	29.8	N/A

Oeneo's consolidated statements for financial year 2022-2023 ended March 31, 2023 were approved by its Board of Directors on June 14, 2023. The consolidated financial statements have been audited in full. The auditors' report will be published once the procedures required for the publication of the annual financial report have been completed.

Oeneo delivered a solid performance in 2022-2023, posting record turnover and results despite a complex macroeconomic environment. This performance demonstrates the relevance of the Group's premium strategy and global footprint.

Turnover for 2022-2023 amounted to €348.2 million, up 6.8% year on year. Both of the Group's divisions achieved their highest ever turnover, with the Winemaking division passing the symbolic €100 million mark for the first time.

The Group posted recurring operating profit of €54.6 million, up 1.2%. Changes in the product mix and a controlled pricing policy, reflecting the premium strategy of the Group's brands, helped to mitigate the effects of inflation on raw materials and the rise in certain production costs. This performance is all the more commendable since recurring operating profit includes a €2.7 million expense relating to performance shares. **The Group's recurring operating margin came in at 15.7% of turnover, in line with the Group's forecast.**

Operating profit rose to €52.2 million, up 6.1% due to a €2.4 million decrease in non-recurring expenses

Financial profit remained stable at €0.9 million, with the increase in cost of gross debt offset by positive currency effects (particularly from the euro/dollar). The €1.0 million fall in tax to €10.2 million, linked to tax loss carryforwards in Europe, allowed **net profit, Group share, to climb 10.8% to €41.2 million.**

Shareholders' equity amounted to €343.0 million, versus €338.6 million at March 31, 2022. Cash flow from operations remained high at €41.0 million, despite a significant €23.0 million increase in WCR, due in particular to the effects of inflation on the value of inventories. It more than covered net investments for the year, which totaled €19.5 million, primarily directed towards improving the production facilities of both divisions.

Free cash flow therefore rose slightly to €21.5 million, part of which was used to repay bank debt (€12.3 million) and pay interest (€1.4 million). The Group paid shareholders a dividend of €38.9 million last year, half of which as an exceptional dividend.

Net debt (including €4.9 million in debt linked to leases as a result of the application of IFRS 16 "Leases") amounted to €29.8 million at March 31, 2023, limiting the net gearing ratio to 8.7%. Available cash stood at €30.3 million.

In view of the Group's very healthy financial situation and structural cash flow generation, the Board of Directors will recommend the payment of a cash dividend of €0.70 per share (€0.35 ordinary and €0.35 exceptional) in respect of 2022-2023, at the next Annual General Meeting.

In 2023-2024, faced with a persistently difficult and uncertain environment, the Oeneo Group is committed to consolidating its market share by prioritizing growth in high-end segments, and, at the same time, continuing to adjust its pricing. The Group is also pressing ahead with its operational efficiency action plans aimed at maintaining its recurring operating margin.

2022-2023 PERFORMANCE REVIEW BY DIVISION

CLOSURES: Recurring operating margin of 18.5%

The Division achieved another year of growth with turnover of €244.5 million, up 5.1% at constant exchange rates. This increase was mainly driven by the shift in the product mix toward high-end ranges, and by price increases introduced during the year. The Group sold more than 2.54 billion cork-based closures in 2022-2023, and is now present in more than 85 countries.

These price adjustments and efficient cost management have mitigated the strong inflationary effect on raw materials, particularly cork, the price of which is at historically high levels. Recurring operating margin for the year remained at a high 18.5%, slightly down from the prior-year level of 19.9%.

The Division expects a slowdown in sales in the most competitive entry-level segments in 2023-2024 and will therefore pursue its strategy of focusing on high-end closures, which are less sensitive to the economic context and customers' wait-and-see attitude. The Group will continue to adapt its pricing structure to safeguard its gross margin and recurring operating margin.

WINEMAKING: Recurring operating margin stable at 11.6%

The Winemaking division achieved a strong year of growth with turnover of €103.7 million, up 8.7% at constant exchange rates. This growth was driven in particular by the upturn in business in the United States, and by ongoing robust activity in Europe.

Recurring operating margin came in at 11.6%, remaining stable on the previous year. The increase in volumes and price adjustments offset the sharp rise in procurement costs, particularly for wood.

In 2023-2024, the Division intends to consolidate its record level of business and continue to implement its operational improvement levers to optimize profitability in this demanding context.

OENEO GROUP WILL PUBLISH ITS TURNOVER FOR THE FIRST QUARTER OF 2023-2024

ON JULY 24, 2023, AFTER TRADING.

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, Millet, Galileo and Boisé, and developing innovative solutions for the wine industry with Vivelys (R&D, consulting, and systems).

We are passionate about the art and culture of wine, conscious of the urgent environmental and societal challenges facing our world, and firmly believe that enlightened innovation must serve the common good. We want to use our strengths and expertise to serve the wine industry's sustainable development as we innovate to uphold the great history of wine.

WE CARE ABOUT YOUR WINE

INFORMATION AND PRESS RELATIONS

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APPENDICES

BALANCE SHEET

<i>ASSETS</i>	March 31, 2023	March 31, 2022
Goodwill	47,475	47,458
Intangible assets	8,398	10,140
Property, plant & equipment	143,584	137,914
Financial assets	3,743	2,020
Deferred taxes	2,643	1,752
Total non-current assets	205,844	199,285
Inventories and work in progress	164,723	135,136
Trade and other receivables	88,063	98,947
Tax receivables	1,019	870
Other current assets	2,061	3,011
Cash and cash equivalents	30,286	60,819
Total current assets	286,152	298,783
Assets related to operations held for sale	-	366
Total assets	491,996	498,434
<i>LIABILITIES</i>	March 31, 2023	March 31, 2022
Paid-in capital	65,052	65,052
Share premium	35,648	35,648
Reserves and retained earnings	201,108	200,840
Profit for the period	41,164	37,148
Total shareholders' equity (Group share)	342,973	338,689
Minority interests	58	(90)
Total shareholders' equity	343,031	338,599
Borrowings and debt	46,865	58,618
Employee benefits	2,400	2,666
Other provisions	0	712
Deferred taxes	4,202	2,753
Other non-current liabilities	9,811	10,399
Total non-current liabilities	63,279	75,149
Borrowings and short-term bank debt (portion due in less than 1 year)	13,253	10,141
Provisions (portion due in less than 1 year)	475	337
Trade and other payables	69,803	71,019
Other current liabilities	2,154	3,190
Total current liabilities	85,686	84,687
Liabilities related to operations held for sale	-	-
Total Liabilities and Shareholders' Equity	491,996	498,434

PROFIT AND LOSS STATEMENT

<i>In thousands of euros</i>	March 31, 2023	March 31, 2022
Turnover	348,239	325,999
Other operating income	1,800	1,508
Cost of goods purchased and change in inventories	(146,579)	(136,184)
External costs	(66,505)	(59,048)
Payroll costs	(63,518)	(57,291)
Tax	(1,895)	(2,177)
Depreciation and amortization	(17,839)	(16,802)
Provisions	(1,226)	(2,142)
Other recurring income and expenses	2,157	135
Recurring operating profit	54,636	53,998
Profit/(loss) on disposal of consolidated equity interests	-	-
Other non-recurring operating income and expenses	(2,446)	(4,818)
Operating profit	52,190	49,180
<i>Income from cash and cash equivalents</i>	<i>15</i>	<i>16</i>
<i>Cost of gross debt</i>	<i>(1,765)</i>	<i>(1,417)</i>
Cost of net debt	(1,750)	(1,402)
Other financial income and expenses	831	468
Profit before tax	51,271	48,247
Income tax	(10,190)	(11,171)
Profit after tax	41,081	37,076
Net profit of companies accounted for by the equity method	79	63
Net profit	41,159	37,139
Net income from continuing operations	41,159	37,139
Minority interests	5	9
Group net profit from continuing operations	41,164	37,148
Group net profit from discontinued operations	-	-
Net profit from consolidated operations	41,159	37,139
Group net profit	41,164	37,148
Consolidated earnings per share (in euros)	0.64	0.58
Earnings per share from continuing operations (in euros)	0.64	0.58
Diluted earnings per share from consolidated operations (in euros)	0.63	0.57
Diluted earnings per share from continuing operations (in euros)	0.63	0.57

CASH FLOW STATEMENT

<i>In thousands of euros</i>	March 31, 2023	March 31, 2022
CASH FLOW LINKED TO OPERATIONS		
<i>Consolidated net profit</i>	41,159	37,139
<i>Profit/(loss) from discontinued operations</i>	-	-
= Consolidated net profit from continuing operations	41,159	37,139
Elimination of the share in profit of companies accounted for by the equity method	(79)	(63)
Elimination of amortization and provisions	19,464	18,520
Elimination of disposal and dilution gains and losses	(56)	96
Elimination of dividend income	(170)	(140)
Expenses and income linked to share-based payments	2,292	1,068
Other income and expenses with no impact on cash flow	-	-
= Cash flow after cost of net debt and tax	62,610	56,620
Tax expense	10,190	11,171
Cost of net debt	1,750	1,402
= Cash flow before cost of net debt and tax	74,550	69,193
Tax paid	(10,316)	(12,526)
Change in WCR linked to operations	(23,216)	(13,047)
Net cash flow linked to continuing operations	41,019	43,621
Net cash flow linked to discontinued operations	-	-
= Net cash flow linked to operations	41,019	43,621
CASH FLOW LINKED TO INVESTMENTS		
Impact of changes in scope	-	-
Acquisitions of property, plant & equipment and intangible assets	(19,282)	(23,320)
Acquisitions of financial assets	(1,350)	-
Disposals of property, plant & equipment and intangible assets	958	219
Disposals of financial assets	11	-
Dividends received	250	205
Change in loans and advances	(76)	-
Net cash flow linked to investment activities from continuing operations	(19,489)	(22,896)
Net cash flow linked to investment activities from discontinued operations	-	-
= Net cash flow linked to investments	(19,489)	(22,896)
CASH FLOW LINKED TO FINANCING ACTIVITIES		
Transactions with minority interests	(315)	-
Acquisitions and disposals of treasury shares	(3)	(7,653)
Loans issued	154	1,294
Repayment of loans	(12,532)	(18,121)
Net interest paid	(1,384)	(1,036)
Parent company dividends	(38,887)	(12,874)
Minority interest dividends	-	-
Net cash flow linked to financing activities from continuing operations	(52,966)	(38,390)
Net cash flow linked to financing activities from discontinued operations	-	-
= Net cash flow linked to financing activities	(52,966)	(38,390)
Impact of changes in foreign exchange rates	(195)	293
Change in cash from continuing operations	(31,631)	(17,373)
Opening cash position (net of bank debt)	60,318	77,690
Closing cash position (net of bank debt)	28,687	60,318
Change in cash position (net of bank debt)	(31,631)	(17,373)
Net debt	29,832	7,941
Change in net debt	26,425	2,831