



PRESS RELEASE

SIGNIFICANT UPTURN IN 2021 FIRST-HALF EARNINGS

Reims, Thursday September 9, 2021 - 5:45pm

The LANSON-BCC Group is publishing its accounts for the first half of 2021, with a net profit of €4.71m, a significant improvement versus 2020, which was deeply affected by the shock of the pandemic. This satisfactory first-half result was recorded thanks to strong growth in higher-value sales both in France and for exports. As a family-owned pure player for Champagne, LANSON-BCC is continuing to focus on its long-term value development strategy.

Key developments

Against the backdrop of a global economic recovery, Champagne recorded an excellent first half of 2021, confirming the strong level of attachment to its wines among consumers worldwide. In terms of volumes, the industry's shipments over this period climbed 47.9%, compared with a contraction of -29.4% for the first half of 2020 due to the health crisis. The French market (40.4% of volumes shipped) bounced back with +32.2% growth, compared with -29.2% for H1 2020. In terms of exports, shipments to European Union countries (+56.8%; 18.4% of volumes shipped) and to third countries¹ (+62.7%; 41.3% of volumes shipped) improved significantly, beating their previous record from 2018. Source: CIVC

On these markets which are picking up, the Group's Maisons, benefiting from their new governance, achieved strong sales growth both in France and for exports. Our Maisons with the strongest Mass Retail sector exposure have recorded good levels of shipments from the start of the year, illustrating the robust level of actual consumption in 2020, while the Maisons with the strongest focus on exports and serving traditional client segments have improved their performance levels as the health measures have been gradually lifted and consumption venues have reopened.

Consolidated income statement

IFRS (€m)	H1 2021	H1 2020	Change (%)
Revenues	99.11	74.13	33.7
EBIT	8.57	-1.44*	ns
Financial income and expenses*	-2.04	-1.94*	-5.1
Net income	4.71	-2.57	ns

* Following restatement of foreign exchange gains (€0.13m) recognized in EBIT since December 31, 2020 (IFRS 15).

¹ Following Brexit, the Champagne industry's shipment statistics have been adjusted, with the United Kingdom included in the "Third Country" region.

Consolidated revenues for the first half of 2021 came to **€99.11m**, up 33.7% from 2020 and 24.7% versus the first half of 2019. Excluding the brokerage subsidiary, whose activity is traditionally subject to fluctuations, consolidated revenues represent **€97.30m**, up 32.5% compared with the first half of 2020.

Exports generated 57.9% of revenues at June 30, 2021, compared with 50.2% at June 30, 2020. This change reflects better performances for several European destinations (Belgium, Germany, Italy, Switzerland, etc.) and in the UK, where Maison Lanson has historically had strong market shares, as well as in the United States and Russia.

EBIT came to **€8.57m**, compared with -€1.44m for the first half of 2020. This change is linked to the growth in volumes, as well as positive price effects, which are essential to absorb the increase in the cost price of wines sold during the period.

Financial income and expenses came to **-€2.04m**, compared with -€1.94m. The cost of financing for the aging of Champagne stock totaled €1.81m, compared with €1.88m for the first half of 2020. The change in financial income and expenses is therefore linked to foreign exchange effects, which are now recognized in EBIT in accordance with the new IFRS 15 standard.

Following an effective corporate income tax rate of 31.5%, **net income** totaled **€4.71m**, compared with -€2.57m for the first half of 2020.

Consolidated balance sheet

Shareholders' equity is up to **€291.69m**, compared with €281.80m at June 30, 2020.

Consolidated net financial debt totaled **€519.18m**, compared with €545.21m at June 30, 2020. €430.6m concerns the aging of a stock of wines for four years on average, with a slight drop following a reduced harvest in 2020.

Other financial debt represents **€89m** (vs. €105m at end-2020). It includes €35m of government-backed bank loans, which have since been repaid. €54m concern investments in the Maisons and vineyards, compared with €62m at end-2020.

The Group's financial structure has continued to improve, with **gearing** down to **1.78** from 1.93 at June 30, 2020.

Outlook

Considering the traditional seasonality of Champagne sales, these results cannot be extrapolated over the full year. LANSON-BCC would like to highlight that usually around one third of sales are recorded during the first half of the year, which is subject to half of fixed costs for the whole year. However, this proportion may not be verified this year due to the partly exceptional nature of the upturn in shipments over the first half of the year, as well as the continued uncertainty surrounding global economic and health aspects. As there is no visibility for the end of the year, LANSON-BCC is not releasing any forecasts for the full year.

Additional information

The consolidated half-year financial statements have been subject to a limited review by the statutory auditors (Grant Thornton and KPMG). The half-year financial report was approved by the Board of Directors on September 9, 2021 and is available on the Group website: www.lanson-bcc.com.

2021 full-year revenues will be released on **Thursday January 27, 2022** (after close of trading).

<p>LANSON-BCC is a group built around eight Maisons producing Champagne wines, created and led by Champagne families. It unites together outstanding Maisons, renowned for their unique wines and benefiting from the effective fit between their customer segments. The combination of ancestral know-how and modern technical capabilities, creative independence and rational synergies enables each one of its Maisons to develop its performances, ensuring the LANSON-BCC Group's sustainability.</p> <ul style="list-style-type: none"> • Champagne Lanson, prestigious Maison founded 1760, Reims, holder of a Royal Warrant since the time of Queen Victoria, 80% of Champagne sold on international markets. • Champagne Chanoine Frères, Maison founded 1730, Reims, Champagne sold primarily for the European mass retail market, reputed above all for its highly sought-after Tsarine cuvee. • Champagne Boizel, Maison founded 1834, Epernay, Champagne distributed through mail order in France (BtoC) and in traditional sectors for international markets. • Champagne De Venoge, Maison founded 1837, Epernay, Champagne sold on selective retail markets, notably with its Cordon Bleu and Princes ranges and its Louis XV grande cuvee. • Champagne Besserat de Bellefon, Maison founded 1843, Epernay, producer of the Cuvée des Moines, Champagne distributed through traditional networks (restaurants, wine stores). • Champagne Philipponnat, Maison founded 1910, Mareuil sur Aÿ, owner of Clos des Goisses, Champagne sold on selective retail markets and in the world's leading restaurants. • Maison Burtin, Maison founded 1930, Epernay, private-label supplier for the European mass retail market and also producer of Champagne Alfred Rothschild. • Champagne Alexandre Bonnet, Les Riceys, Domaine founded 1970, owner of a vast vineyard, with wine sold in traditional sectors, also producer of Rosé des Riceys. <p>www.lanson-bcc.com</p>	<p>Euronext Growth ISIN: FR0004027068 Ticker: ALLAN Reuters: ALLAN.PA Bloomberg: ALLAN:FP Indices: EN Growth Allshare, EnterNext PEA-PME 150</p>
	<p>Eligible for SME share-based savings schemes (implementing order of March 5, 2014)</p>
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