



PRESS RELEASE

VALUE STRATEGY CONFIRMED BY THE 2023 FULL-YEAR EARNINGS

- **Revenues: €271.70m, -6.1%**
- **Income from ordinary operations: €58.76m, +17.0%**
- **Net income: €36.74M (-5.2%), with €5.44 per share**
- **Dividend to be proposed at the General Meeting: €1.10 per share**

Reims, Thursday March 7, 2024 - 5:45 pm

The LANSON-BCC Group, a Champagne pure player, recorded good performances in 2023, with its current operating margin climbing to 21.6% of consolidated revenues, reflecting the impact of the improvement in the price-product mix and the better value creation achieved in the Group's Maisons. Net income is down to €36.74m following the increase in financial expenses. These results enabled the Group to further strengthen its financial structure. Despite a challenging economic environment, the LANSON-BCC Group is resolutely moving forward with its value creation strategy.

Key developments: the global Champagne wine market in 2023

The market saw volumes drop -8.2% to 299.0 million bottles shipped, with over €6bn in sales. France (42.6% of volumes) and exports (57.4% of volumes) contracted by -8.0% and -8.3% respectively (source: CIVC).

Our Maisons

In this context, the LANSON-BCC Group recorded a more marked decline in its volumes than the industry, with consolidated revenues down -6.1% to €271.70m. Excluding the brokerage subsidiary, whose activity is traditionally subject to fluctuations, the Group's consolidated revenues are down -5.8% to €266.4m. The downturn came to -5.4% in France, linked primarily to Champagne Chanoine withdrawing a range whose value levels were too low, and -6.1% for exports, particularly following the surplus inventory built up in the United States and Australia.

Consolidated income statement

IFRS (€m)	2023	2022	Change (%)
Revenues	271.70	289.23	-6.1%
Gross margin	139.54	131.65	
Income from ordinary operations	58.76	50.24	+17.0%
<i>% of revenues</i>	<i>21.6%</i>	<i>17.4%</i>	<i>+4.2 pts</i>
<i>Non-current items</i>	<i>0.14</i>	<i>5.61</i>	
EBIT	58.90	55.86	+5.4%
Finance costs	-10.08	-4.27	+136.0%
Corporate income tax	-12.68	-13.13	
Net income	36.74	38.75	-5.2%
<i>% of revenues</i>	<i>13.5%</i>	<i>13.4%</i>	<i>-</i>
Net earnings per share (€)	5.44	5.74	-€0.34

Consolidated revenues for 2023 came to **€271.70m** (-6.1%). The contraction in volumes was partially offset by the change in the price-product mix, with +11.6% growth, outpacing the overall industry figure (+10.3%). France generated 41.8% of revenues in 2023, with 58.2% for exports.

EBITDA (income from ordinary operations before depreciation and provisions - net of reversals) is up +15.6% from €57.99m to **€67.06m**. This change is linked mainly to the growth in average sales prices and the improvement in the product mixes.

Income from ordinary operations reached **€58.76m**, compared with €50.24m in 2022, delivering +17.0% growth. The ratio of income from ordinary operations to revenues is up +4.2 pts to **21.6%**.

EBIT came to **€58.90m**, compared with €55.86m in 2022, up +5.4% (for reference, in 2022, this result included €1.6m of non-current income linked to the favorable outcome reached following a dispute with the tax authorities and a €3.2m reversal of provisions linked to an agreement concerning the financing and conditions for managing the mutual health insurance program for retired Maison Burtin staff).

Financial expenses primarily concern interest linked to the aging of wines in cellars. They represented **-€10.08m**, compared with -€4.27m in 2022, up +136%, reflecting the gradual increase in interest rates, which is becoming more marked as our aging-related credit facilities reach their deadlines for renewal.

Pre-tax earnings came to €48.82m, compared with €51.58m in 2022.

Following a corporate income tax rate of 26.0% in 2023, compared with 25.4% in 2022, **net income** totaled **€36.74m**, versus €38.75m on a reported basis in 2022 (€35.19m on a comparable basis restated for the non-current items net of tax from the previous year). The net margin rate in 2023 was **13.5%**, compared with a restated net margin of 12.2% in 2022.

However, it is important to note that the full-year results for 2023 do not yet reflect the full impact of grape price inflation on the cost of sales or the impact of financing on the aging of wines in cellars.

Consolidated balance sheet

Shareholders' equity (Group share) was further strengthened to reach **€354.3m**, compared with €324.0m at end-2022, notably taking into account the impact of the allocation of 83% of 2022 net income to reserves.

Consolidated net financial debt totaled **€501.6m**, compared with €466.9m at end-2022. €434.2m correspond to credit facilities for the aging of the stock of Champagne wines, representing a volume of nearly 4.1 years of sales, **based on the 2024 budget**, with a book value of €565.8m, compared with €519.3m at end-2022. Other financial debt represents €67.4m (versus €60.6m at end-2022) and concerns the investments in the Group's Maisons and vineyards.

The Group has continued to improve its **financial structure: gearing** at **1.39**, versus 1.42 in 2022, is at a correct level for Champagne due to the significant levels of stock for aging.

Proposed dividend

Taking into account the year's results, LANSON-BCC's Board of Directors will be submitting a **dividend of €1.10 per share** for approval at the General Meeting on April 26, 2024, scheduled for payment on May 6, 2024. This payout represents 20% of full-year net income for 2023. Historically, the bulk of earnings have been capitalized in order to improve gearing and give each of the Group's Maisons the means to drive its development.

Outlook

A family-owned pure player for Champagne, LANSON-BCC is continuing to focus on its long-term premiumization development strategy. The Group's ambition to further strengthen its positioning in the world of high-end wines is still, more than ever, firmly anchored at the heart of its plans. This strategy is vital considering the continued increase in grape prices and the rapid rise in the cost of stock financing.

In line with its cautious policy, the Group is not releasing any forecasts for the new financial year.

Additional information

The consolidated financial statements for 2023 were approved by the Board of Directors on March 07, 2024. The audit procedures on the consolidated accounts have been completed. The certification report will be issued once the necessary procedures have been finalized for filing the 2023 Universal Registration Document with the AMF.

A video presenting the 2023 earnings will be published shortly on the Group website: www.lanson-bcc.com.

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.

- **Champagne Lanson**, prestigious Maison founded 1760, Reims, holder of a Royal Warrant since the time of Queen Victoria, 85% of Champagne sold on international markets.
- **Champagne Philipponnat**, Maison founded 1910 with a tradition dating back to 1522, Mareuil sur Aÿ, owner of **Clos des Goisses**, Champagne sold on selective retail markets and in the world's leading restaurants.
- **Champagne De Venoge**, Maison founded 1837, Epernay, Champagne sold on selective retail markets in France and for export, 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) in France and for export.
- **Champagne Boizel**, Maison founded 1834, Epernay, Champagne distributed through mail order in France (BtoC) and in traditional sectors for international markets.
- **Champagne Chanoine Frères**, Maison founded 1730, Reims, Champagne sold primarily on mass retail and export markets, reputed above all for its **Tsarine** cuvee.
- **Maison Burtin**, Maison founded 1933, Epernay, mass retail supplier, producer of "custom" Champagne for key accounts, including the **Alfred Rothschild** range.
- **Domaine Alexandre Bonnet**, Les Riceys, owner of a vast vineyard, with "grower" champagnes sold in traditional sectors in France and for export, also producer of **Rosé des Riceys**.

www.lanson-bcc.com

LANSON-BCC shares are listed on Euronext Growth Paris
Ticker: ALLAN | ISIN: FR0004027068 | Reuters: ALLAN.PA | Bloomberg: ALLAN:FP
Indices: EN Growth Allshare, EN Family Business
LANSON-BCC shares are eligible for SME share-based savings schemes
(PEA-PME - implementing order of March 5, 2014)

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