



Financial press release

2020 first-half revenue: €64.3 million Stable first half net income

Reims, the 10th of September 2020

Vranken-Pommery Monopole's Board of Directors met on the 10th of September 2020, chaired by Paul-François Vranken and in the presence of the statutory auditors, to approve the group's financial statements for the first half of 2020.

Consolidated data in millions of euro	06/2020	06/2019	Change
Revenue	64,3	87,0	-22,7
Subactivity	-1,0	0	-1.0
Ordinary Operating Income	1,2	2,9	-1,7
Operating Income	-0,1	1,5	-1,6
Financial Result	-8,8	-9,7	+0,9
Net income	-6,5	-6,6	+0,1
<i>Attributable to equity holders of the parent</i>	<i>-6,4</i>	<i>-6,6</i>	<i>+0,2</i>

Revenue

As a result of the containment measures adopted worldwide, including the closure of hotels, cafés and restaurants, the halt to events, the severe restrictions on international flights and Duty-Free sales, the group's consolidated revenues for the first half of 2020 reached €64.3 million, down 26.1%. However, it should be noted that :

- The negative impact of inter-professional sales of €4 million compared to June 30, 2019 will be offset in the second half of the year;
- Vranken-Pommery Monopole has managed to limit the deterioration in its business by a strong presence of its brands in all European off-trade sales networks: wine merchants, food retailers and food shops.

Export sales accounted for 56% of consolidated revenue, primarily driven by sales of Champagnes in the European Union and sales of Rosé Wines to large food customers.

Analysis of results

The Group's first-half results were marked by the containment measures that paralyzed the global economy. In this context, which was exceptional in its scope and intensity, Vranken-Pommery Monopole relied on its responsiveness and the agility of its organization to adapt to this unprecedented situation, as the results below attest :

- A current operating profit of €1.2 million, down €1.7 million, including €1 million of under-activity related to Covid-19. The Champagne and Other operating sector contributed 61% of recurring operating income and the Camargue and Provence Wines operating sector 39%;
- Operating profit broke even after 673 K€ of partial unemployment benefits in application of the economic support system for the Covid-19 epidemic adopted by the French government. The good level of expenses completed the system set up by the State.
- A financial result which improved by €0.9 million thanks to the expected reduction in financial expenses.
- A net result (group share) which improved by €0.2 million to - €6.4 million.

Financial structure

Net financial debt decreased by €12 million at June 30, 2020 thanks to the debt reduction measures undertaken. Net financial debt at June 30, 2020 was €742 million, of which €26 million was due to the application of IFRS 16. Net financial debt is related to the carrying of Champagne inventories.

The Group has mobilized €15 million from its financial partners as part of the State-guaranteed loan program.

Equity amounted €366 million in the first half of 2020, up €5 million compared to the first half of 2019.

Outlook

Harvests

The exceptional climatic conditions in Europe in 2020 favored early harvests of extreme quality.

In Champagne, in order to adapt inventories to the change in sales estimated to date, which are expected to decline by 25% in 2020, the Champagne Committee has limited the marketing of grapes to 8,000 kg per hectare. The yield is balanced with the expected decline in sales.

Exceptional weather conditions made it possible to harvest as early as August the 17th, a historic record for earliness.

In Provence, spring frosts will have a measured impact on the yield of Château La Gordonne.

In the Camargue, harvesting began on August the 4th. To counter the recurring rainfall deficit, investments made in water supply have helped the harvest level in 2020 to be 14% higher than in 2019.

In the Douro Valley, the Port Wine Institute, taking measures similar to those in Champagne, has imposed a marketing requirement for the 2020 harvest that is 15% lower than in 2019.

Sales

After the decontainment, sales of Champagne by Vranken-Pommery Monopole, the leader in European Off-Trade, improved significantly in France and in other countries.

Despite a drastic reduction in global On-Trade, the Group's Rosé Wines sales have so far performed well with volumes up by more than 10% compared to 2019.

This recovery in Off-Trade, replacing part of the volumes shipped in On-Trade, gives the group hope for a second half of the year that will be more active than the first.

The epidemic crisis has changed consumer behaviour, resulting in a shift from out-of-home consumption to consumption at home that continues beyond the period of confinement.

Through its presence in all distribution channels in France and abroad, the recognized quality of its products, and the breadth of its range, Vranken-Pommery Monopole responds perfectly to this need for customer proximity.

In an economic context that is, to say the least, disrupted, it remains difficult today to accurately determine the landing point at the end of 2020 in terms of both sales and earnings. The Group remains vigilant in adapting to changes in consumption patterns, and confident in its ability to rebound.

Next release

Publication of 2020 full-year revenue: 28 January 2020 after the stock market close

About Vranken-Pommery Monopole

Vranken-Pommery Monopole manages 2,600 hectares of land, owned outright or under lease and spread over four vineyards in Champagne, Provence, Camargue and Douro. The group's wine-making activities range from production to marketing, with a strong commitment to the promotion of terroirs, sustainable wine-growing and environmental conservation.

Its brand portfolio includes:

- the Vranken, Pommery & Greno, Heidsieck & Co Monopole, Charles Lafitte and Bissinger & Co champagnes;
- the Rozès and Sao Pédro port wines and the Terras do Grifo Douro wines;
- the Domaine Royal de Jarras and Pink Flamingo Camargue wines and the Château La Gordonne Provence wine;
- the Sparkling wines, the Louis Pommery California, Louis Pommery England, Brut de France and Pink Flamingo sparkling wines.

Vranken-Pommery Monopole is listed on NYSE Euronext (Paris and Brussels).

(Codes "VRAP" (Paris), and "VRAB" (Brussels); ISIN: FR0000062796).

Contacts

Vranken-Pommery Monopole :

Franck Delval, Directeur des Contrôles Financiers
+33 3 26 61 62 34, comfi@vrankenpommery.fr

Presse

Laurent Poinot, + 33 1 53 70 74 77 lpoinot@image7.fr
Claire Doligez, +33 1 53 70 74 25, cdoligez@image7.fr
Caroline Simon, +33 1 53 70 74 65, caroline.simon@image7.fr



VRANKEN-POMMERY MONOPOLE - SOCIÉTÉ ANONYME AU CAPITAL DE 134 056 275 EUROS

5, PLACE GÉNÉRAL GOURAUD - BP 1049 - 51689 REIMS CÉDEX 2 - TÉL. : 33 (0)3 26 61 62 63 - FAX : 33 (0)3 26 61 63 88
348 494 915 RCS REIMS - SIRET : 00054 - N° TVA : FR 36 348 494 915 - APE : 4634 Z