



Financial press release

Positive results despite the health crisis

Reims, 29 March 2020

Vranken-Pommery Monopole's Board of Directors met on 29 March 2021, chaired by Paul-François Vranken and in the presence of the statutory auditors, to approve the group's financial statements for 2020 financial year.

Consolidated data in millions of euro	31/12/2020	31/12/2019	Change In value
Revenue	244,0	274,6	-30,6
Ordinary Operating Income	18,6	24,3	-5,7
Operating Income	18,0	20,3	-2,3
Financial Result	-17,3	-19,3	+2,0
Net income	0,3	0,1	+0,2
<i>Attributable to equity holders of the parent</i>	0,2	0,1	+0,1

The process of auditing and issuing the audit report for the certification of the consolidated accounts is being finalised.

The Vranken-Pommery Monopole group demonstrated its ability to absorb economic shocks in the course of the year 2020. This resilience is based on its recognised brands, the quality of its products, the flexibility of its organisation and its presence in all distribution channels, particularly in home consumption networks.

The end consumer has remained attached to the group's products and has adapted its consumption patterns to the constraints of the Covid-19 pandemic, in particular the restrictions on mobility and conviviality.

Revenue

Consolidated revenues for 2020 are down 11.1% to 244 million euros, with exports up 60%.

In the Champagne business, in a market that is down around 18% in volume (source: CIVC), Vranken-Pommery Monopole is gaining market share with a limited 11.9% decline. The group even managed to increase its sales in the countries in the north-eastern crown of Europe and in Australia.

The growth of Provence and Camargue Rosé Wines was confirmed at +11.7%. The group is establishing itself as a leader in organic winegrowing, thus responding to growing consumer demand.

Port and Douro Wines suffered from the lack of tourist activity in Portugal, partially offset by export sales.

Analysis of results

The strategic measures announced and implemented over the last three years have made it possible to cushion the impact of the health crisis. This adaptation of the cost structure to market changes has proved its relevance in this unprecedented context and is reflected in :

- Current Operating Profit of €18.6m, down €5.7m. The Group reduced its personnel costs by €7.5m, of which €2.1m related to government support measures in the context of the pandemic.
- Operating Profit of €18m, down by €2.3m, with a stable margin compared to sales at 7.7%.
- Financial result improved by €2m to €17.3m, as a result of the work carried out over the last 3 years to reduce financial debt and improve financing conditions. The average rate of financial debt will be 2.40% in 2020 compared to 2.54% in 2019
- A net profit of €0.3m despite the deteriorated context.

Financial structure

Data in €M

ASSETS	31,12,20	31.12.19	LIABILITIES	31,12,20	31.12.19
Non-current assets	508,5	511,8	Equity attributable to the Group	368,2	369,3
Inventories and work in progress	673,2	685,8	Minority interests	4,3	4,3
Trade and other current assets	97,6	96,6	Non-current liabilities	690,6	708,1
Cash and cash equivalents	17,5	6,5	Current liabilities	233,7	213,0
TOTAL	1 296,8	1 294,7	TOTAL	1 296,8	1 294,7

Shareholders' equity remains stable at €372.5m and represents almost 29% of the balance sheet total.

The Group's net financial debt at 31/12/2020 was €683.6m compared with €712.1m in 2019, a reduction of €28.5m. This reduction corresponds to the group's net cash generation, thanks to the control of its operating requirements. Restated for the application of IFRS 16 in the amount of €25m in 2020, net financial debt stands at €658.6m, fully covered by the €673.2m of inventories.

During the 2020 financial year, Vranken-Pommery Monopole has implemented all the means at its disposal to ensure the continuity of its operations and preserve its liquidity. In this respect, the group has subscribed to €24 million in State Guaranteed Loans.

The group has no bond maturity in 2021.

Outlook

Vranken-Pommery Monopole returned to growth in the first quarter of 2021, with an increase of over 15% in its Champagne sales volumes.

At the end of March, sales volumes for Sables de Camargue had doubled thanks to new listings in European supermarkets and the upturn in business in the United States, while volumes for Provence remained dynamic, with a significant increase.

Aware of the attractiveness of its brands and confident in the quality of its production, Vranken-Pommery Monopole is approaching the 2021 financial year with confidence and determination, but remains cautious in its outlook, due to the persistence of the pandemic.

The deployment of the vaccination campaigns is indeed the essential prerequisite for the restoration of "normal" life, which will in particular enable the re-launch of events, the reopening of the hotel and catering and travel retail sectors throughout the world.

In this context, the group is aiming for turnover growth of around 5% in 2021

In addition, Vranken-Pommery Monopole reaffirms its strong commitment to responsible and sustainable viticulture. After the conversion of its vineyards in the Camargue and Provence to organic farming, the group is continuing with the conversion of its vineyards in Champagne and Portugal

Dividend

In a context that remains uncertain, the group maintains strict financial discipline and gives priority to preserving its liquidity. At the Annual General Meeting scheduled for 3 June 2021, Vranken-Pommery Monopole will therefore propose not to distribute a dividend for the 2020 financial year.

Next release

Publication of the group's Universal Registration Document (URD) on 15 April 2021 after the stock exchange.

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:

- Champagne : Vranken, Pommery & Greno, Heidsieck & Co Monopole, Charles Lafitte and Bissinger & Co;
- Ports and Douro Wines : Rozès and Sao Pédro port wines and the Terras do Grifo Douro wines;
- Camargue : Domaine Royal de Jarras and Pink Flamingo Camargue wines
- Provence : Château La Gordonne Provence and Chapelle Gordonne wines;
- Sparkling wines : 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).

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