

**2021 HALF YEAR RESULTS**

- ⇒ **Very strong growth in half-year results**
- ⇒ **Strengthening the financial structure**
- ⇒ **First results of the strategic roadmap**

*Domaine Vranken-Pommery à Reims*

TURNOVER	ORDINARY OPERATING INCOME	NET INCOME	NET FINANCIAL DEBT *
<b>93,3 M€</b>	<b>6,7 M€</b>	<b>-2,4 M€</b>	<b>716 M€</b>
+45%	+5,5 M€ <i>compared to H1 2020</i>	+4,1 M€	-26 M€
+7%	+3,8 M€ <i>compared to H1 2019</i>	+4,2 M€	-38 M€

\*excluding IFRS16: €694.4m

Reims, 9th september 2021

The Board of Directors of Vranken-Pommery Monopole met on 9 September 2021 under the chairmanship of Mr Paul-François Vranken, in the presence of the Statutory Auditors, to approve the Group's accounts for the first half of 2021.

**Excellent half-year results 2021 of the Vranken-Pommery Monopole Group**

- Turnover, Ordinary Operating Income, and Net Income are up significantly on H1 2020 and above H1 2019
- Acceleration of the Group's deleveraging
- Strengthening of the financial structure

**Successful business development: +68% in exports and +16,5% in France**

- Strong international development for Pommery & Greno champagne and for Château La Gorgonne rosé wines in Provence
- Continued premiumisation policy and market share gains

**First results of the strategic roadmap**

- Digital transition and improved operational efficiency
- Reducing inventory by a better matching supplies to sales
- New commercial dynamics with a strong focus on results

**Confirmation of the 2021 outlook**

- Turnover growth of at least +7.5%
- Constantly rising value added

The Vranken-Pommery Monopole Group's half-year results for 2021 show strong growth, in a context still troubled by the Covid-19 pandemic, and demonstrate the validity of the strategic decisions taken.

- ⇒ Turnover, ordinary operating profit and net profit are higher than in 2019
- ⇒ The Group's deleveraging is accelerating. Equity increased by €5m to €371m compared to H1 2020. This strengthens the Group's financial structure.

<i>Consolidated data in millions of euro</i>	06/2021	06/2020	Change	06/2019
Turnover	93,3	64,3	+29,0	87,0
Ordinary Operating Income	6,7	1,2	+5,5	2,9
Operating Income	6,6	-0,1	+6,7	1,5
Financial Result	-8,6	-8,8	+0,2	-9,7
Net Result	-2,4	-6,5	+4,1	-6,6
<i>Attributable to equity holders of the parent</i>	-2,4	-6,4	+4,0	-6,6

### Business Development : Turnover up by 45%

The increase in turnover was achieved in all geographical areas, with the following breakdown: +68% in exports and +16,5% in France. It is back at a higher level than in 2019.

The Group is continuing its international efforts, which now represent 64% of turnover. Development is being driven for champagne by Pommery & Greno, and for rosé wines by Château La Gordonne in Provence.

Champagne Vranken and Camargue rosé wines have a strong presence in France and Belgium. Their development depends on their planned internationalisation

- ⇒ The market share gains achieved at the height of the crisis continued in the first half. The premiumisation policy is also improving the mix.

### Very strong growth in results

In the first half of 2021, Vranken-Pommery Monopole confirms its ability to adapt to the exceptional situation represented by the Covid-19 health crisis.

- ⇒ The strategic decisions taken since 2018 to improve the group's operational efficiency and the growth of its activities have led to a very significant improvement in its results compared to H1 2020, but especially compared to H1 2019..

The half-year results show :

- Ordinary operating income of €6.7m, up €5.5m, compared to H1 2020.
- Operating income of €6.6m, up €6.7m.
- A financial result of €8.6m, which improved by €0.2m.
- Net income attributable to equity holders of the parent, up +4.1 million euros to -2.1 million euros. This result is explained by the strong seasonal nature of Champagne sales.

### Strengthening the financial structure

Net financial debt was significantly reduced by €26m at 30 June 2021, from €742m to €716m, thanks to the debt reduction measures announced and implemented. Adjusted for the €21.6m impact of IFRS 16, net financial debt was €694.4m. Net financial debt is primarily linked to the carrying of Champagne inventories.

In addition, the Group has obtained the agreement of its financial partners to repay its State Guaranteed Loans for 24 million euros over three years, including a one-year grace period.

Shareholders' equity came to 371 million euros in the first half of 2021, up 5 million euros compared with the first half of 2020.

- ⇒ Overall, the financial structure of the group is strengthened compared to the 2020 and 2019 situations.

## Continuation of the strategic roadmap and adoption of the « Reason of being »

The measures undertaken to rationalise operating costs and improve operating efficiency are bearing fruit. The Group is pursuing the following projects :

- The digital transition, through the deployment of more efficient tools allowing the automation of manual tasks, better commercial management and decision support.
- An agile organisation of teams, favouring transparency, exchange and initiative.
- A result-oriented approach.

The Group has taken the strategic decision to become a company with a mission and has adopted the following mission statement which underlines its historical commitment to CSR: "To promote the highest quality of Champagnes and wines produced throughout the world, while mobilising the ecosystem in which the Company operates (Group companies, employees, partners, customers, shareholders), for the protection of the environment and biodiversity, sustainable development and the preservation of the identity of the terroirs and the specificity and quality of their products".

## Outlook

### Harvest

In Champagne, the Champagne Committee has defined the marketing of grapes at 10,000 kg per hectare. The agronomic yield is expected to be low but will be compensated by the release of reserve wines.

In Provence, the harvest of Château La Gordonne is good. On the other hand, the Camargue suffered an exceptional spring frost and a strong rainfall deficit during the summer, which should limit the level of the harvest.

### Lucas Carton (activity consolidated by the equity method)

Lucas Carton, the Group's Michelin-starred restaurant and a high-profile venue that contributes to the reputation of our brands, has been revitalised by the arrival of a new chef: Hugo Bourny.

### Profitability

The Group is maintaining its prudent sales growth target for 2021 at +7.5%.

The policy of premiumisation of our brands, and the favourable sales outlook, should lead to an increase in added value.

Efforts to improve operational efficiency should stabilise the Group's operating costs.

The continuation of the Group's debt reduction plan, as a result of bringing inventories in line with sales, will enable a reduction in financial costs.

⇒ **The actions undertaken will lead to an improvement in the profitability of the Vranken-Pommery Monopole Group in the medium term.**

## Next communication

Publication of 2021 annual turnover: 27 January 2022 after stock exchange closing

## 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 Pedro 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.

### Contacts

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