

December 3, 2020

2020-2021 HALF-YEARLY RESULTS
RESILIENT PERFORMANCE AMID COVID-19 HEALTH CRISIS
RECURRING OPERATING MARGIN HOLDS FIRM

CONSOLIDATED PROFIT & LOSS STATEMENT (€M)	H1 2019-2020	H1 2020-2021	CHANGE
TURNOVER	143.0	131.2	-8.3%
o/w Closures	92.1	84.6	-8.2%
o/w Winemaking	50.9	46.6	-8.4%
RECURRING OPERATING PROFIT	23.3	21.0	-9.9%
o/w Closures	16.6	14.4	-13.3%
o/w Winemaking	7.8	7.4	-5.8%
o/w Corporate	(1.1)	(0.8)	
NON-RECURRING OPERATING PROFIT/(LOSS)	(0.3)	(0.2)	
OPERATING PROFIT	23.0	20.7	-9.9%
Financial profit/(loss)	(0.6)	(1.2)	
Tax	(6.5)	(5.3)	
NET PROFIT	16.0	14.2	-10.8%
Net profit/(loss) from discontinued operations	(1.1)	-	
GROUP NET PROFIT	14.8	14.2	-4.5%
SHAREHOLDERS' EQUITY	271.6	299.8	+10.4%
NET DEBT	80.6	57.0	-29.3%

Oeneo's 2020-2021 half-yearly consolidated financial statements have been reviewed by the Group's Statutory Auditors and were approved by its Board of Directors on December 2nd, 2020. The half-yearly financial report will be available on the Group's website www.oeneo.com from December 4th, 2020.

Oeneo Group has held up well in the first half of 2020 amid the health crisis, which slowed business mainly during the first quarter. The resilience of its model makes for solid economic indicators, including a high recurring operating margin and a stronger financial position.

Turnover for the period came in at €131.2 million, down 8.3% year on year. The majority of the decrease in turnover was reported in the first quarter, due to restrictive measures introduced due to the health crisis, which strongly disrupted the Group's operations from April to June and reinforced customers' wait-and-see approach. In the second quarter, the Group demonstrated its ability to rebound with business back at prior-year levels and uniform increases across both divisions.

Recurring operating profit totaled €21.0 million, down a contained 9.9% at a similar level to the decrease in turnover, **allowing the Group to maintain a solid 16.0% operating margin.** These results are all the more satisfying in that they take into account the payment of a one-off Covid bonus of €1.1 million to the Group's employees. The lower absorption of fixed costs due to the business slowdown was for the most part offset by an improvement in the yield from raw materials in both divisions and by productivity gains in Winemaking. The cost of long-term incentive plans for key managers, which take the form of performance share awards, also decreased to €0.4 million (versus €1.1 million in the first half of 2019-2020).

Given the lack of any non-recurring expenses, **operating profit came in at €20.7 million.** Financial loss amounted to €1.2 million and includes, for the first months of the period, the one-off additional cost of setting up the syndicated loan. **Group net profit amounted to €14.2 million,** on a par with the first half of the previous year (€14.8 million), in a more complex environment. Discontinued operations have been shut down and no longer have an impact on this year's results.

Shareholders' equity advanced to €299.8 million compared to €271.6 million at September 30, 2019. **Net debt** (including €6.2 million of debt linked to leases as a result of the application of IFRS 16 "Leases") **came to €57.0 million at September 30, 2020, representing a low net gearing ratio of 19.0%.**

Cash flow from operations for the period amounted to €7.8 million, mitigated as every year by the seasonal peak in working capital at September 30 (up by €15.2 million since March 31, 2020). It covers almost all of the period's investments, which amount to €8.4 million. Oeneo's cash position remained largely positive at €56.5 million at September 30, 2020.

On the strength of its solid business model, the Group intends to continue consolidating its market shares in the second half while preserving its margins in an environment that remains uncertain, with new restrictions introduced in Europe and the California wildfires that have impacted the 2020 harvest in the US.



PERFORMANCE REVIEW BY DIVISION

CLOSURES: Recurring operating margin of 17.0%

Oeneo's Closures division reported turnover of €84.6 million, down by just 6.8% at constant exchange rates (down 8.2% at current exchange rates). The positive trend in very high-end Diam closures (biosourced Origine range and Diam 10 and 30) mitigated the crisis-related decrease in mid-range volumes.

The drop in cork prices partially offset a lower absorption of fixed costs due to the decrease in volumes. Recurring operating margin for the period remained solid at 17.0% (down by 1 percent year on year). This performance confirms the division's potential for profitability once more normal conditions resume.

The division has confidence in its capacity to deliver a solid full-year performance despite the persistently uncertain conditions, thanks to the strong loyalty of its existing customers and regular new wins across all geographic regions.

WINEMAKING: Reaping the success of our productivity initiatives

Turnover for the Winemaking division came in at €46.6 million, down 7.8% at constant exchange rates. This represents a resilient performance, despite the health crisis and adverse weather conditions (California wildfires), which led customers to take a wait-and-see approach.

Despite this business slowdown due to the economic context, the division's recurring operating margin advanced to 15.8%, up 0.4 points year on year, reflecting the success of the measures taken to optimize the raw materials yield and improve productivity. The recovery of Etablissements Cenci is also progressing on schedule, with the operating loss contained at €1.0 million over the period (€1.4 million loss in H1 2019-2020).

While expecting a moderate downturn over the full year due to the health crisis, the division aims to consolidate this resilient trend in the second half.

OENEO GROUP WILL PUBLISH ITS TURNOVER FOR THE THIRD QUARTER OF 2020-2021

ON JANUARY 21ST, 2021 AFTER THE CLOSE OF TRADING





About OENEO Group

Oeneo Group is a major wine industry player with high-end and innovative brands. Present around the world, the Group covers each stage in the winemaking process through two core and complementary divisions:

- Closures, involving the manufacture and sale of cork closures, including high value-added technological closures through its Diam and Pietec ranges.
- Winemaking, providing high-end solutions in winemaking and spirits for leading market players through its cooperage brands Seguin Moreau, Boisé, Millet, Fine Northern Oak and Galileo, and developing innovative solutions for the wine industry with Vivelys (R&D, consulting, systems).

Oeneo prides itself in offering solutions in the production, maturing, preservation and enhancement of wines or spirits that faithfully convey all of the emotion and passion of each winegrower and improve their performance.

WE CARE ABOUT YOUR WINE

INFORMATION AND PRESS RELATIONS

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BALANCE SHEET

<i>In thousands of euros</i>	30/09/2019	30/09/2020
Goodwill	47,474	47,417
Intangible assets	4,688	4,455
Property, plant & equipment	127,841	136,246
Financial assets	938	1,867
Deferred tax assets and other long-term assets	1,456	2,121
Total non-current assets	182,397	192,106
Inventories and work in progress	140,924	139,544
Trade and other receivables	94,184	84,939
Tax receivables	524	1,463
Other current assets	2,799	2,874
Cash and cash equivalents	25,632	56,447
Total current assets	264,062	285,267
Assets related to operations held for sale	1,577	393
Total assets	448,037	477,766
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<i>In thousands of euros</i>		
Paid-in capital	65,052	65,052
Share premium	35,648	35,648
Reserves and retained earnings	156,060	184,924
Profit for the period	14,846	14,177
Total shareholders' equity (Group share)	271,607	299,802
Minority interests	6	(47)
Total shareholders' equity	271,612	299,754
Borrowings and debt	36,062	71,834
Employee benefits	3,586	3,300
Other provisions	612	145
Deferred taxes	3,899	3,181
Other non-current liabilities	8,392	9,383
Total non-current liabilities	52,551	87,843
Borrowings and short-term bank debt (portion due in less than 1 year)	70,233	41,577
Provisions (portion due in less than 1 year)	662	412
Trade and other payables	49,923	44,627
Other current liabilities	3,055	3,553
Total current liabilities	123,873	90,168
Liabilities related to operations held for sale	-	-
Total liabilities	448,037	477,766

PROFIT & LOSS

<i>In thousands of euros</i>	30/09/2019	30/09/2020
Turnover	143,027	131,218
Other operating income	132	135
Cost of goods purchased	(60,136)	(53,304)
External costs	(23,270)	(20,621)
Payroll costs	(26,118)	(27,212)
Tax	(1,300)	(1,193)
Depreciation and amortization	(6,739)	(7,730)
Provisions	(2,789)	(732)
Other recurring income and expenses	481	421
Résultat Opérationnel Courant	23,288	20,981
Other non-recurring operating income and expenses	(265)	(237)
Operating profit	23,024	20,743
<i>Income from cash and cash equivalents</i>	129	36
<i>Cost of gross debt</i>	(676)	(1 346)
Cost of net debt	(548)	(1,310)
Other financial income and expenses	(43)	113
Profit before tax	22,432	19,546
Income tax	(6,505)	(5,278)
Profit after tax	15,927	14,268
Net profit of companies accounted for by the equity method	39	(31)
Net income from continuing operations	15,966	14,237
Minority interests	21	(60)
Group net profit from continuing operations	15,945	14,177
Net profit/(loss) from discontinued operations	(1,141)	-
Net profit from consolidated operations	14,825	14,237
Group net profit	14,846	14,177

CASH FLOW STATEMENT

<i>In thousands of euros</i>	30/09/2019	30/09/2020
CASH FLOW LINKED TO OPERATIONS		
Consolidated net profit	14,825	14,237
Profit/(loss) from discontinued operations	(1,141)	-
= Consolidated net profit from continuing operations	15,966	14,237
Elimination of the share in profit of companies accounted for by the equity method	(39)	31
Elimination of amortization and provisions	6,256	7,574
Elimination of disposal and dilution gains and losses	(46)	(565)
Expenses and income linked to share-based payments	-	(201)
Other income and expenses with no impact on cash flow	1,053	356
Elimination of the share in profit of companies accounted for by the equity method	(82)	391
= Cash flow after cost of net debt and tax	23,108	21,823
Tax expense	6,505	5,278
Cost of net debt	548	1,310
= Cash flow before cost of net debt and tax	30,161	28,411
Tax paid	(6,590)	(5,371)
Change in WCR linked to operations	(29,316)	(15,211)
Net cash flow linked to continuing operations	(5,745)	7,829
Net cash flow linked to discontinued operations	(423)	-
= Net cash flow linked to operations	(6 168)	7,829
FLUX DE TRESORERIE LIES AUX OPERATIONS D'INVESTISSEMENT		
Impact of changes in scope	-	543
Acquisitions of property, plant & equipment and intangible assets	(7,934)	(8,232)
Acquisitions of financial assets	-	(1,075)
Disposals of property, plant & equipment and intangible assets and financial assets	65	93
Disposal of financial assets	-	108
Dividends received.	-	201
Change in loans and advances	(1)	(5)
Net cash flow linked to investment activities from continuing operations	(7,870)	(8,367)
Net cash flow linked to investment activities from discontinued operations	486	-
= Net cash flow linked to investments	(7,384)	(8,367)
CASH FLOW LINKED TO FINANCING ACTIVITIES		
Acquisitions and disposals of treasury shares	28	-
Loans issued	6 072	1 425
Repayment of loans	(18,670)	(4,188)
Net interest paid	(547)	(1,127)
Parent company dividends	(969)	-
Minority interest dividends	(102)	-
Net cash flow linked to financing activities from continuing operations	(14,188)	(3,890)
Net cash flow linked to financing activities from discontinued operations	(63)	-
= Net cash flow linked to financing activities	(14,251)	(3,890)
Impact of changes in foreign exchange rates	21	(143)
Change in cash from continuing operations	(27,782)	(4,571)