

November 5, 2019

STRONG GROWTH DYNAMIC FOR THE FIRST HALF OF THE YEAR: +9.5%

ACTIVE CONTRIBUTIONS FROM BOTH DIVISIONS

TURNOVER (€M)	2019-2020	2018-2019*	CHANGE	CHANGE AT CONSTANT SCOPE AND EXCHANGE RATES
2ND QUARTER	74.7	70.0	+6.7%	+6.4%
o/w Closures	42.5	37.9	+12.1%	+12.3%
o/w Winemaking	32.2	32.1	+0.3%	-0.6%
1ST HALF	143.0	130.6	+9.5%	+9.4%
o/w Closures	92.1	83.1	+10.9%	+11.1%
o/w Winemaking	50.9	47.5	+7.2%	+6.4%

The Portuguese subsidiary SA Sobrinho (purchase/resale of cork and by-products) was classified as a discontinued operation in accordance with IFRS 5. Following the decision to retain this business, its turnover has been reinstated for the comparative periods in 2018-2019 (€0.3 million in sales in the second quarter and €0.6 million in the first half).

Oeneo Group turned in a solid performance in the first half of 2019-2020, with turnover rising 9.5% year on year to €143.0 million (up 9.4% at constant scope and exchange rates).

The Closures division continued to enjoy strong momentum with double-digit growth of 10.9%, boosted by an excellent second quarter of persistently upbeat Diam sales. Winemaking also delivered a good performance in the first six months of the year, with solid growth of 7.2%.

Coupled with the optimization of production processes, this growth will help better absorb the still high costs of raw materials (particularly cork). In line with its expectations, the Group anticipates a higher recurring operating margin for the period than in first-half 2018-2019.

REVIEW BY DIVISION

CLOSURES: CONTINUED GROWTH SUPPORTED BY STRONG MOMENTUM

Growth was particularly dynamic again in second-quarter 2019-2020, coming in at 12.1% for the period and taking half-yearly growth to close to 11%. It continued to be supported by the worldwide commercial success of Diam corks, which get stronger and stronger quarter after quarter.



This performance was primarily underpinned by another significant increase in sales volumes and amplified by a favorable price effect stemming from a product mix geared more toward mid- and high-end ranges, as well as the full impact of the price increases implemented in 2018-2019.

The Group's three main sales areas – France, Europe and the United States – actively contributed to this dynamic growth, driven by high customer loyalty and the steady ramp-up of new accounts.

Taking into account the other technological closures marketed by Oeneo, the division sold nearly 1.15 billion corks during the period, which helped strengthen its market share.

The division's operating performance over the six months was boosted by an improved product mix and streamlined costs through the Opticork plan. The gradual easing in the price of cork, which appears to be confirmed by the most recent inventory purchases, may have a positive impact on performances in the next half-year periods.

WINEMAKING: ROBUST SALES PERFORMANCE IN THE FIRST HALF OF THE YEAR

The Winemaking division posted a 7.2% increase (6.4% at constant scope and exchange rates) in activity over the first six months. As harvesting times can shift from one quarter to the next between years in both hemispheres, quarterly performance analyses may not be of any real value. The division benefited from a favorable basis of comparison in the first half of 2019-2020, and remains in line with its growth targets for the year.

Half-yearly growth was satisfactory as it stemmed fully from the division's core businesses, notably barrels, large containers and services. Only the side activity – the sale of wood to third parties (turnover of €3.4 million) which is essentially handled by Cenci – retreated by €0.5 million over the first six months.

Business was particularly brisk in the Americas, particularly the United States and Argentina, which strengthened the Group's regional market shares. In France, performance was driven by the hugely successful sales campaign in the Cognac region.

Going forward, Oeneo Group intends to keep up this momentum over the second half, and has set itself the medium-term goal of gradually reaching the €100 million milestone in turnover for the division, whilst maintaining a solid operating performance.

OENEO GROUP WILL PUBLISH ITS RESULTS FOR THE FIRST HALF OF 2019-2020

ON DECEMBER 4, 2019 AFTER THE MARKETS HAVE CLOSED.





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

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