OENEO

WE CARE ABOUT YOUR WINE

June 13, 2019

## 2018-2019 ANNUAL RESULTS:

TURNOVER UP NEARLY 8%

RECURRING OPERATING MARGIN OF 15.1%

A RESILIENT PERFORMANCE DESPITE HIGHER RAW MATERIALS COSTS

| CONSOLIDATED PROFIT & LOSS STATEMENT (€M) | 2017-2018 | 2018-2019 | CHANGE |
|---|---|---|---|
| **TURNOVER** | **248.6** | **268.2** | **+7.9%** |
| o/w Closures | 163.1 | 175.9 | +7.8% |
| o/w Winemaking | 85.5 | 92.3 | +7.9% |
| **RECURRING OPERATING PROFIT** | **46.5** | **40.5** | **-12.9%** |
| o/w Closures | 33.8 | 28.9 | -14.5% |
| o/w Winemaking | 16.5 | 14.4 | -12.7% |
| o/w Corporate | (3.8) | (2.8) | |
| **NON-RECURRING OPERATING PROFIT/(LOSS)** | **(2.8)** | **(1.8)** | |
| **OPERATING PROFIT** | **43.6** | **38.7** | **-11.4%** |
| Financial profit/(loss) | (2.0) | (1.0) | |
| Tax | (11.1) | (10.4) | |
| **NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS** | **30.6** | **27.3** | **-10.8%** |
| Net profit/(loss) from discontinued operations | (3.9) | (2.0) | |
| **CONSOLIDATED NET PROFIT/(LOSS)** | **26.6** | **25.3** | **-5.1%** |
| **CONSOLIDATED NET PROFIT/(LOSS), GROUP SHARE** | **26.6** | **25.4** | **-4.7%** |
| **SHAREHOLDERS' EQUITY** | **229.7** | **256.4** | **+11.6%** |
| **NET DEBT** | **48.5** | **60.2** | **+24.2%** |

*Oeneo's consolidated statements for financial year 2018-2019 ended March 31, 2019 were approved by its Board of Directors on June 12, 2019. The application of IFRS 15 did not have any material impact. The consolidated financial statements have been audited in full. The auditors' report will be published once the procedures required for the publication of the annual financial report have been completed.*

**Oeneo Group delivered a solid operating performance in financial year 2018-2019, in line with its expectations, reaping the first rewards of the cost optimization measures rapidly implemented to withstand the impact of the substantial increase in raw materials prices (cork and wood).**

**Annual turnover rose 7.9% to €268.2 million** (up 5.5% at constant scope and exchange rates). This substantial increase was driven by persistently strong momentum in the Closures division and robust activity in the Winemaking division, bolstered by the contributions of Tonnellerie Millet and Etablissements Cenci, which were acquired early in the year.

**Recurring operating profit came in at €40.5 million, bringing the recurring operating margin to 15.1%, in line with the Group's expectations. The recurring operating margin reached 16.2% in the second half** as a result of the measures taken to increase sale prices, optimize production costs and reduce central costs to adapt to the sharp increase in raw materials prices.

Thanks to lower non-recurring expenses, **the Group's operating profit came in at €38.7 million**. After €1.0 million in financial expenses (down since the prior period) and €10.4 million in tax expense, **net profit from continuing operations amounted to €27.3 million**.

Discontinued operations, which will be abandoned definitively in 2019, reduced their net losses to €2.0 million (including just €0.5 million in the second half). **Consolidated net profit, Group share, came in at €25.4 million, down 4.7%.**

**Shareholders' equity rose to €256.4 million.** Cash flow from operating activities came to €7.1 million, offset by a strong increase in working capital of €36.2 million due to a preventive reinforcement of inventories in both divisions, to the consolidation of acquisitions carried out during the year and to a strong seasonal effect in the second half for the Winemaking division. The year's net investments were contained at €15.4 million, of which €4.2 million of external growth transactions. **Net debt came to €60.2 million, representing a low gearing ratio of 23.5%.**

The Group will recommend the payment of a dividend of €0.15 per share at its next Annual General Meeting with the option of payment in cash or in new shares.

**The Group has made a confident start to 2019-2020 confirming its strong growth potential in both divisions. The measures taken will continue to contribute to improving Oeneo's recurring operating margin.**

OENEO

WE CARE ABOUT YOUR WINE

## PERFORMANCE REVIEW BY DIVISION

### CLOSURES: Recurring operating margin recovers in the second half to almost 19%

Oeneo's Closures division enjoyed another year of growth as turnover climbed 7.8%. The performance was once again driven by the worldwide success of Diam closures, which benefit from favorable volume, price and mix effects. The Group sold some 2.3 billion closures over the year, all types combined.

The sharp increase in the price of cork, which lasted throughout the year, had a €20 million knock-on effect on recurring operating profit. Opticork, the cost optimization plan, and price increases contributed to the achievement of €28.9 million in recurring operating profit with a recurring operating margin of 16.4%, down four points. After hitting a low of 13.9% in the first half, the recurring operating margin made an impressive recovery in the second half, reaching 18.6%.

In 2019-2020, the division intends to continue increasing its market share and to deliver another year of growth. The Group will also continue its structural measures with a view to gradually restoring its margins to historic levels in a cork market that has not yet shown the first signs of easing.

### WINEMAKING: Recurring operating margin of 15.6%

The Winemaking division reported growth of 7.9%, of which 1.0% at constant scope and exchange rates. The division consolidated its position in France and abroad by continuing to focus on high-end market segments.

The Group's recurring operating profit came in at €14.4 million, resulting in a recurring operating margin of 15.6%. The anticipated dilutive contribution of the year's acquisitions was amplified by a substantial increase in wood prices, which also impacted the division's historic business. The figures also reflect low business levels in the first half, impacting annual productivity. Efforts to streamline activities and generate synergies, primarily with the recent acquisitions, bode well for the year to come.

In 2019-2020, the division intends to continue its growth momentum and progressively move towards its turnover target of €100 million. An emphasis will be put on increased sales prices and achieving greater profitability by optimizing productivity.

OENEO GROUP WILL PUBLISH ITS TURNOVER FOR THE
FIRST QUARTER OF 2019-2020
ON JULY 24, 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

INFORMATION AND PRESS RELATIONS


| OENEO | ACTUS FINANCE | |
|---|---|---|
| **Philippe Doray**<br>Chief Administrative and Financial Officer<br>+33 (0)5 45 82 99 93 | **Guillaume Le Floch**<br>Analysts – Investors<br>+33 (0)1 53 67 36 70 | **Alexandra Prisa**<br>Press – Media<br>+33 (0)1 53 67 36 90 |

OENEO

WE CARE ABOUT YOUR WINE

## APPENDICES

BALANCE SHEET

| *In thousands of euros* | March 31, 2018 | March 31, 2019 |
|---|---|---|
| Goodwill | 46,140 | 46,417 |
| Intangible assets | 4,672 | 4,837 |
| Property, plant & equipment | 119,760 | 122,318 |
| Financial assets | 842 | 973 |
| Deferred tax assets and other long-term assets | 1,007 | 1,137 |
| **Total non-current assets** | **172,421** | **175,682** |
| Inventories and work in progress | 105,656 | 127,829 |
| Trade and other receivables | 70,494 | 86,187 |
| Tax receivables | 2,772 | 345 |
| Other current assets | 1,879 | 2,043 |
| Cash and cash equivalents | 53,193 | 39,997 |
| **Total current assets** | **233,994** | **256,401** |
| Assets held for sale | **15,657** | **5,856** |
| **Total assets** | **422,072** | **437,939** |

| *In thousands of euros* | | |
|---|---|---|
| Paid-in capital | 63,181 | 64,104 |
| Share premium | 20,664 | 28,000 |
| Reserves and retained earnings | 119,159 | 138,815 |
| Profit for the period | 26,603 | 25,349 |
| **Total shareholders' equity (Group share)** | **229,606** | **256,267** |
| Minority interests | 132 | 129 |
| **Total shareholders' equity** | **229,738** | **256,396** |
| Borrowings and debt | 67,492 | 46,469 |
| Employee benefits | 3,431 | 3,419 |
| Other provisions | 960 | 1,056 |
| Deferred taxes | 2,617 | 2,864 |
| Other non-current liabilities | 8,639 | 8,648 |
| **Total non-current liabilities** | **83,138** | **62,456** |
| Borrowings and short-term bank debt (portion due in less than 1 year) | 34,170 | 53,749 |
| Provisions (portion due in less than 1 year) | 586 | 606 |
| Trade and other payables | 57,613 | 60,921 |
| Other current liabilities | 12,654 | 3,812 |
| **Total current liabilities** | **105,024** | **119,087** |
| Liabilities related to operations held for sale | 4,172 | - |
| **Total liabilities** | **422,072** | **437,939** |

OENEO

WE CARE ABOUT YOUR WINE

PROFIT & LOSS

| *In thousands of euros* | 2017-2018 | 2018-2019 |
|---|---|---|
| Turnover | 248,618 | 268,166 |
| Other operating income | 997 | 870 |
| Cost of goods purchased and change in inventories | (99,748) | (118,239) |
| External costs | (40,266) | (43,415) |
| Payroll costs | (48,423) | (49,066) |
| Tax | (2,538) | (2,308) |
| Depreciation and amortization | (10,093) | (11,583) |
| Provisions | (944) | (2,178) |
| Other recurring income and expenses | (1,149) | (1,793) |
| **Recurring operating profit** | **46,454** | **40,455** |
| Other non-recurring operating income and expenses | (2,827) | (1,803) |
| **Operating profit** | **43,627** | **38,652** |
| *Income from cash and cash equivalents* | *226* | *293* |
| *Cost of gross debt* | *(1,301)* | *(1,291)* |
| Cost of net debt | (1,076) | (997) |
| Other financial income and expenses | (911) | (12) |
| **Profit before tax** | **41,641** | **37,642** |
| Income tax | (11,074) | (10,397) |
| **Profit after tax** | **30,567** | **27,245** |
| Net profit of companies accounted for by the equity method | 17 | 29 |
| **Net profit** | **30,584** | **27,274** |
| Minority interests | (48) | 75 |
| **Group net profit from continuing operations** | **30,536** | **27,349** |
| **Group net profit from discontinued operations** | **(3,933)** | **(2,000)** |
| **Net profit from consolidated operations** | **26,651** | **25,274** |
| **Group net profit** | **26,603** | **25,349** |
| Consolidated earnings per share (in euros) | 0.42 | 0.40 |
| Earnings per share from continuing operations (in euros) | 0.49 | 0.43 |
| Diluted earnings per share from consolidated operations (in euros) | 0.42 | 0.40 |
| Diluted earnings per share from continuing operations (in euros) | 0.49 | 0.43 |

WE CARE ABOUT YOUR WINE

## CASH FLOW STATEMENT

| *In thousands of euros* | 2017-2018 | 2018-2019 |
|---|---|---|
| **CASH FLOW LINKED TO OPERATIONS** | | |
| Consolidated net profit | 26,651 | 25,274 |
| Profit/(loss) from discontinued operations | (3,933) | (2,000) |
| **= Consolidated net profit from continuing operations** | **30,584** | **27,274** |
| Elimination of the share in profit of companies accounted for by the equity method | (17) | (29) |
| Elimination of amortization and provisions | 9,375 | 11,471 |
| Elimination of profit from disposals and gains and losses on dilution | (72) | 124 |
| Dividends received from companies accounted for by the equity method | 40 | - |
| Expenses and income linked to share-based payments | 1,260 | 1,069 |
| Other income and expenses with no impact on cash flow | 1,666 | (37) |
| **= Cash flow after cost of net debt and tax** | **42,836** | **39,872** |
| Tax expense | 11,074 | 10,397 |
| Cost of net debt | 1,076 | 997 |
| **= Cash flow before cost of net debt and taxes** | **54,986** | **51,267** |
| Tax paid | (11,821) | (8,085) |
| Change in WCR linked to operations | (13,310) | (36,234) |
| **Net cash flow linked to continuing operations** | **29,855** | **6,948** |
| **Net cash flow linked to discontinued operations** | **(212)** | **(119)** |
| **= Net cash flow linked to operations** | **29,643** | **7,067** |
| **CASH FLOW LINKED TO INVESTMENTS** | | |
| Impact of changes in scope | (118) | (4,179) |
| Acquisitions of property, plant & equipment and intangible assets | (16,313) | (11,295) |
| Acquisitions of financial assets | (176) | (72) |
| Disposals of property, plant & equipment and intangible assets | 77 | 149 |
| Change in loans and advances | 35 | (34) |
| **Net cash flow linked to investment activities from continuing operations** | **(16,495)** | **(15,431)** |
| **Net cash flow linked to investment activities from discontinued operations** | - | - |
| **= Net cash flow linked to investments** | **(16,495)** | **(15,431)** |
| **CASH FLOW LINKED TO FINANCING ACTIVITIES** | | |
| Transactions with minority interests | - | - |
| Acquisitions and disposals of treasury shares | (3,865) | (18) |
| Loans issued | 15,469 | 34,910 |
| Repayment of loans | (32,692) | (42,064) |
| Net interest paid | (1,076) | (998) |
| Parent company dividends | (6,480)) | (1,158) |
| Minority interest dividends | - | (90) |
| **Net cash flow linked to financing activities from continuing operations** | **(28,734)** | **(9,238)** |
| **Net cash flow linked to financing activities from discontinued operations** | **(200)** | **(119)** |
| **= Net cash flow linked to financing activities** | **(28,934)** | **(9,447)** |
| Impact of changes in foreign exchange rates | 885 | 280 |
| **Change in cash from continuing operations** | **(16,259)** | **(17,531)** |