



Financial press release

2019 first-half revenue: €87 million
Growth in export business
Increase in seasonal nature of sales in France benefits the second half-year

Reims, 18 July 2019

International expansion and premiumisation

<i>Cumulative data in € millions</i>	30/06/2019	30/06/2018	Change	as a %
Champagnes	65.9	76.4	-10.5	-13.7%
Provence and Camargue wines	6.7	6.0	+0.7	+11.7%
Others (port, sparkling and sundry wines)	9.8	10.2	-0.4	-3.9%
Semi-finished products and generic wines	4.6	1.6	+3.0	N.S.
Like-for-like sales (*)	87.0	94.2	-7.2	-7.6%
Listel	-	0.6	-0.6	N.S.
Revenue (**)	87.0	94.8	-7.8	-8.2%

(*) last contracts for Listel, deconsolidated in July 2017

(**) under audit

Vranken-Pommery Monopole's consolidated revenue in the first half of 2019 came to €87 million, down 7.6% like-for-like. Sales in France were impacted by the EGalim Act, which profoundly changes retailing operations by regulating promotions and strongly increases the activity's seasonal nature to the benefit of the second half of the year, particularly for champagnes.

The group's foreign subsidiaries are responsible for an increasing proportion of sales. Exports were up by 4.2% and represented 56.5% of consolidated revenue in the first half of 2019. Vranken-Pommery Monopole reaffirmed its international development strategy, which relies on its nine subsidiaries. The prestige of Pommery & Greno is increasing market recognition of the group's entire brand portfolio.

Sales by brand

Champagne

The premium brands Vranken and Pommery & Greno continue to develop in France and worldwide. This growth is currently going hand in hand with a reduction in the volumes of the group's non-premium brands. Exports represented 62.5% of sales in the first half of 2019, marked by strong growth in Europe. The drop in shipments within France in the first half-year was accompanied by a 5.5% increase in the average selling price, in line with the champagne branch's premiumisation strategy.

Rosé wines

Provence and Camargue wines saw a further 11.7% increase in revenue to €6.7 million, of which 61% from exports. Growth was driven in the first half-year by Pink Flamingo Sable de Camargue sales, up 23.3%, but held back for the Château La Gordonne Provence by the poor 2018 harvest.

In the still wines market, the rosé segment is experiencing the strongest growth, now representing 30% of sales in France and 14% internationally. Vranken-Pommery Monopole is fully benefiting from this trend thanks to its mastery of the highest quality standards. Producing wines from its own vineyards, its Grands Domaines du Littoral subsidiary controls the entire value creation process from vine to wine.

Sparkling wines

The sparkling wines business represents a solid growth driver for the future.

Alongside Louis Pommery California, which continues to gain market share in the United States, and Louis Pommery England, which recently won the gold medal at the *Champagne & Sparkling Wines World Championship*, this year Grands Domaines du Littoral has launched the Pink Flamingo sparkling wine. This effervescent rosé wine reflects the group's capacity for innovation and both expands and rounds out its range.

Douro wines

In the Douro Valley business, the repositioning based on the Rozès port's premium qualities is now at an advanced stage. As part of its overall strategy of moving upmarket and expanding internationally, the group has decided to focus on high-end ports and higher-margin Douro wines.

Semi-finished product sales

The group carried out a certain amount of semi-finished champagne sales to make qualitative inventory adjustments. It brought forward sales of semi-finished Camargue wines – usually made at the end of the year – to the first half of 2019, which explains the jump in this line. It will not repeat these sales at the end of the year.

Outlook

In mid-July, water, sunlight and disease control were at satisfactory levels at all of the Group's vineyards.

Next release

Publication of the 2019 interim financial report: 12 September 2019 after the stock market closes.

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 Pédro 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 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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