



12 December 2017

2017-2018 HALF-YEARLY RESULTS

SIGNIFICANT INCREASE IN TURNOVER

RECURRING OPERATING PROFIT UP 10% – GROUP NET PROFIT UP 17.3%

CONSOLIDATED PROFIT & LOSS STATEMENT (€M)	H1 2016-2017	H1 2017-2018	CHANGE
TURNOVER	127.8	135.7	+6.2%
o/w Closures	78.4	86.5	+10.4%
o/w Winemaking	49.4	49.2	-0.4%
RECURRING OPERATING PROFIT	22.4	24.7	+10.0%
o/w Closures	14.6	16.2	+10.8%
o/w Winemaking	10.1	10.4	+2.7%
o/w Corporate	(2.2)	(1.9)	
NON-RECURRING OPERATING PROFIT/(LOSS)	(1.7)	(0.7)	
OPERATING PROFIT	20.7	23.9	+15.7%
Financial profit/(loss)	(0.5)	(1.3)	
Tax	(6.5)	(6.7)	
NET PROFIT	13.7	16.0	+17.3%
GROUP NET PROFIT	13.6	16.0	+17.3%
SHAREHOLDERS' EQUITY	193.9	219.9	+13.4%
NET DEBT	79.7	63.5	-20.3%

Oeneo's 2017-2018 half-yearly consolidated financial statements have been reviewed by the Group's Statutory Auditors and were approved by its Board of Directors on 8 December 2017. The half-yearly financial report will be available online on the Group's website www.oeneo.com from 14 December.

Oeneo Group posted a strong performance in the first half of 2017-2018, which saw **an improvement in all of its financial indicators**.

The Group reported 6.2% growth in turnover for the period, bolstered by new market share for the Closures division and a Winemaking division that held up well despite the impact of weather conditions on global production (cold spring in Europe and drought in the United States).





Benefiting from the improvement in the two divisions' operating margin and the careful management of corporate expenses, **recurring operating profit came in at €24.7 million** (up 10%), resulting in a current operating margin of 18.2%.

The Group's operating profit increased 15.7% to €23.9 million due to a drop in non-current expenses. The Group's €1.3 million in financial expenses includes an unrealized foreign exchange loss of €0.5 million on intra-group foreign currency receivables. **Group net profit came in at €16.0 million, up 17.3%.**

Shareholders' equity increased to €219.9 million. After taking into account investments of €5.9 million and a dividend payment of €6.5 million, **net debt totaled €63.5 million**, resulting in net gearing of 28.9% (compared with 41.1% on 30 September 2016). Net debt will be significantly lower at the end of the period given the seasonal nature of cash flow generation, which is typically higher in the second half of the year.

PERFORMANCE REVIEW BY DIVISION

CLOSURES: Current operating margin of 18.7%

Oeneo's Closures division performed very well in the first half of 2017-2018, with organic growth of 10.4% and more than 1.2 billion cork closures sold over the period. Growth was driven by the success of the Diam range, which saw turnover accelerate again to 17%.

Recurring operating profit for the division increased 10.8% to €16.2 million. Efficient cost absorption for the Diam range was able to offset a ramp-up in sales drives and the impact of lower-margin activities for Piedade, which is currently refocusing on products with a higher value-added and has been hit by recent increases in raw materials prices.

The Closures division's strong growth will continue in the second half of the year, going hand-in-hand with the Diam range's increasing market share and worldwide success period after period.

WINEMAKING: Record current operating margin of 21.1%

Stable activity saw Oeneo's Winemaking division report a current operating margin of 21.1%, which is a new record for the first six months of the year (compared with 20.4% in H1 2016-2017).

This excellent performance was notably due to constant measures to optimize raw material costs and the careful management of production costs. Efficient production gave the division sufficient leeway to boost its sales initiatives in order to mitigate cyclical effects and weather conditions, while continuing to improve its operational margin.





Despite the 8% drop in global wine production, Oeneo Group has held up very well thanks to its premium market positioning and its global operations, which reduce its exposure to a specific geographic region. Despite this rather unfavorable environment, the Winemaking division aims to be on par with its 2016-2017 performance.

OENEO GROUP WILL PUBLISH ITS TURNOVER FOR THE THIRD QUARTER OF 2017-2018 ON 22 JANUARY 2018 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, which manufactures and sells cork closures, including high value-added technological closures through its Diam range and traditional closures through its Piedade range.
- Winemaking, which provides high-end solutions in winemaking and spirits for leading market players with Seguin Moreau and develops 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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APPENDICES

BALANCE SHEET

<i>In thousands of euros</i>	30 September 2017	30 September 2016
Goodwill	45,990	46,034
Intangible assets	4,584	4,820
Property, plant and equipment	114,951	114,337
Financial assets	688	598
Deferred tax assets and other long-term assets	2,090	5,173
Total Non-Current Assets	168,304	170,961
Inventories and work in progress	112,464	113,912
Trade and other receivables	77,902	68,739
Tax receivables	132	568
Other current assets	3,154	3,961
Cash and cash equivalents	57,322	52,487
Total Current Assets	250,975	239,668
Assets held for sale	-	1,238
Total Assets	419,279	411,866
<i>In thousands of euros</i>		
Paid-in capital	63,181	61,636
Share premium	20,664	12,219
Reserves and retained earnings	119,990	106,339
Profit for the period	15,996	13,632
Total Shareholders' Equity (Group share)	219,831	193,826
Minority interests	84	123
Total Shareholders' Equity	219,915	193,949
Borrowings and financial debt	81,217	92,148
Employee benefits	3,206	3,184
Other provisions	929	954
Deferred taxes	3,216	3,901
Other non-current liabilities	17,521	14,657
Total Non-Current Liabilities	106,088	114,844
Borrowings and short-term bank debt (portion due in less than 1 year)	39,597	40,013
Provisions (portion due in less than 1 year)	268	1,042
Trade and other payables	47,412	54,672
Other current liabilities	5,998	7,346
Total Current Liabilities	93,275	103,074
Total Liabilities	419,279	411,866

PROFIT & LOSS

<i>In thousands of euros</i>	30 September 2017	30 September 2016
Turnover	135,662	127,750
Other operating income	698	198
Cost of goods purchased	(56,044)	(50,621)
External costs	(21,263)	(19,456)
Payroll costs	(26,004)	(25,750)
Tax	(1,317)	(1,125)
Depreciation and amortization	(5,381)	(6,314)
Provisions	(555)	(2,025)
Change in inventories of finished goods and work in progress	(424)	(183)
Other current income and expenses	(701)	(48)
Recurring Operating Profit	24,672	22,427
Profit/(loss) on disposal of consolidated equity interests	-	-
Other non-current operating income and expenses	(725)	(1,729)
Operating Profit	23,948	20,697
<i>Income from cash and cash equivalents</i>	<i>101</i>	<i>119</i>
<i>Cost of gross financial debt</i>	<i>(777)</i>	<i>(823)</i>
Cost of net financial debt	(676)	(704)
Other financial income and expenses	(594)	207
Profit before tax	22,678	20,200
Income tax	(6,683)	(6,464)
Profit after tax	15,995	13,736
Net profit of companies accounted for by the equity method	26	(83)
Net profit	16,021	13,653
Minority interests	25	21
Group net profit	15,996	13,632

CASH FLOW STATEMENT

<i>In thousands of euros</i>	30 September 2017	30 September 2016
CASH FLOW LINKED TO OPERATIONS		
Consolidated net profit	16,021	13,653
Elimination of the share in profit of companies accounted for by the equity method	(26)	83
Elimination of amortization and provisions	4,389	6,538
Elimination of profit from disposals and gains and losses on dilution	(9)	(1)
Dividends received from companies accounted for by the equity method	40	-
Expenses and income linked to share-based payments	628	938
Other income and expenses with no impact on cash flow	820	1,185
= Cash flow after cost of net financial debt and tax	21,863	22,396
Tax expense	6,683	6,464
Cost of net financial debt	676	704
= Cash flow before cost of net financial debt and taxes	29,222	29,564
Tax paid	(4,014)	(908)
Change in WCR linked to operations	(22,064)	(25,226)
= Net cash flow linked to operations	3,144	3,430
CASH FLOW LINKED TO INVESTMENTS		
Impact of changes in scope	-	(97)
Acquisitions of property, plant and equipment and intangible assets	(5,974)	(6,788)
Acquisitions of financial assets	(4)	-
Disposals of property, plant and equipment and intangible assets	44	2
Disposals of financial assets	-	-
Change in loans and advances	36	(4)
= Net cash flow linked to investments	(5,898)	(6,887)
CASH FLOW LINKED TO FINANCING ACTIVITIES		
Transactions with minority interests		
Capital increase	-	-
Acquisitions and disposals of own shares	(3,385)	9
Loans issued	7,661	8,627
Repayment of loans	(16,409)	(22,138)
Net financial interest paid	(656)	(704)
Parent company dividends	(6,480)	(530)
Minority interest dividends	(90)	-
= Net cash flow linked to financing activities	(19,359)	(14,736)
Impact of changes in foreign exchange rates	(654)	103
Change in cash	(22,767)	(18,090)
Opening cash	65,289	50,592
Closing cash	42,522	32,502