

12 June 2018

**2017-2018 ANNUAL RESULTS: CONFIRMED GROWTH**

TURNOVER +11.9%

RECURRING OPERATING PROFIT +7.3%

CONSOLIDATED PROFIT & LOSS STATEMENT (€M)	2016-2017 PUBLISHED	2016-2017 ADJUSTED*	2017-2018 PUBLISHED*	CHANGE
<b>TURNOVER</b>	<b>246.6</b>	<b>222.2</b>	<b>248.6</b>	<b>+11.9%</b>
o/w Closures	161.4	137.0	163.1	+19.1%
o/w Winemaking	85.2	85.2	85.5	+0.4%
<b>RECURRING OPERATING PROFIT</b>	<b>42.0</b>	<b>43.3</b>	<b>46.5</b>	<b>+7.3%</b>
o/w Closures	30.5	31.7	33.8	+6.3%
o/w Winemaking	16.1	16.1	16.5	+2.8%
o/w Corporate	(4.5)	(4.5)	(3.8)	
<b>NON-RECURRING OPERATING PROFIT/(LOSS)</b>	<b>(3.6)</b>	<b>(3.5)</b>	<b>(2.8)</b>	
<b>OPERATING PROFIT</b>	<b>38.4</b>	<b>39.8</b>	<b>43.6</b>	<b>+9.6%</b>
Financial profit/(loss)	(1.1)	(0.9)	(2.0)	
Tax	(10.8)	(10.7)	(11.1)	
<b>NET PROFIT</b>	<b>26.5</b>	<b>28.2</b>	<b>30.6</b>	<b>+8.4%</b>
<b>NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>-</b>	<b>(1.7)</b>	<b>(3.9)</b>	
<b>GROUP NET PROFIT</b>	<b>26.4</b>	<b>26.4</b>	<b>26.6</b>	<b>+0.7%</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>215.3</b>	<b>215.3</b>	<b>229.7</b>	<b>+6.7%</b>
<b>NET DEBT</b>	<b>50.0</b>	<b>50.0</b>	<b>48.5</b>	<b>-3.0%</b>

\* Oeneo's consolidated statements for financial year 2017-2018\*\* ending 31 March 2018 were approved by its Board of Directors on 11 June 2018. Natural and composite/disk closures production for the Closures division, which are currently in the process of being sold, have been reclassified as Assets held for sale in accordance with IFRS 5, and have been consolidated under Net profit/(loss) from discontinued operations. The financial statements for 2016-2017 have been adjusted for the purpose of comparison with 2017-2018.

Oeneo Group continues to post robust results. With growth of 7.3% in recurring operating profit, the Group reported a strong performance for financial year 2017-2018, despite a weaker economic backdrop (lowest global wine production since 1957 and a rise in the price of cork).



**Annual organic growth in Group turnover amounted to 11.9% for the year**, bolstered by increasing market share for the Closures division's Diam range, and underpinned by a Winemaking division which held up well, despite an 8% drop in global wine production in 2017.

**The Group's recurring operating profit came in at €46.5 million** (up 7.3%), resulting in a current operating margin of 18.7%. The high impact of the increase in the price of cork notwithstanding, the two divisions are nonetheless growing, boosted by sound cost control at head office.

**The Group's operating profit increased 9.6%**. Non-current expenses dropped by €2.8 million. Financial expenses of €2 million include an unrealized foreign exchange loss of €0.9 million. **The Group's net profit after tax from continuing operations came in at €30.6 million** (up 8.4%).

Certain Closures operations in the process of being sold generated a net loss of €3.9 million to reflect the decline in growth for these non-strategic operations. After accounting for this loss, **Group consolidated net profit rose by a slight 0.7% to stand at €26.6 million**.

Shareholders' equity rose to €229.7 million and, at €29.6 million, cash flow linked to operations more than offset the year's dividend payments and €16.5 million in net investments. **Net debt was reduced to €48.5 million**, representing a carefully controlled net gearing ratio of 21.1%.

Oeneo will be recommending the payment (with the option of payment in cash or in shares) of a dividend of €0.15 per share at its next Annual General Meeting.

#### PERFORMANCE REVIEW BY DIVISION

CLOSURES: Current operating margin of 20.7%

Oeneo's Closures division had an excellent year, with a 19.1% increase in turnover to €163.1 million. Growth was driven by the worldwide success of the Diam range, which saw value and volume grow by around 20%.

The division's recurring operating profit came in at €33.8 million (up 6.3%), resulting in a current operating margin of 20.7%. Growth in volumes and the careful management of yields and distribution costs made it possible to largely compensate for the impact on gross margin of the increase in the price of cork over the last year, due to exceptionally poor harvest levels. The imbalance between supply and demand for cork should gradually diminish over the course of the current year.

Economic indicators for the Closures division should remain upbeat even if turnover is expected to be more moderate due to a higher basis for comparison and the delayed effect of poor global grape production in 2017.





WINEMAKING: Current operating margin of 19.3 %

Recurring operating profit for Oeneo's Winemaking division increased 2.8% for a 0.4% increase in turnover. This performance brings the current operating margin to 19.3%, which is a new annual record for the division.

The optimization of operational productivity made it possible to absorb the expense of increased sales activity in response to economic and weather conditions. The Group is pursuing its efforts to manage operations upstream of the value chain more efficiently and to reduce its raw material costs. The acquisition announced at the end of May of Etablissements Cenci, a specialist in forestry and timber processing, fits perfectly with this strategy.

Drawing on a unique and comprehensive offer, Oeneo is ideally placed to take advantage of the market's potential rebound (depending on 2018 harvest production). The Group also remains alert to opportunities to bolster or complement its high value-added offer with new acquisitions for the division.

*(\*\*) The consolidated financial statements have been audited in full. The auditors' report will be published once the due diligence procedures required for the publication of the yearly financial report are complete.*

OENEO GROUP WILL PUBLISH ITS TURNOVER  
FOR THE FIRST QUARTER OF 2018-2019  
ON 25 JULY 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, involving the manufacture and sale of cork closures, including high value-added, technological closures through its Diam closure range and technical closures through its Pietec range;
- Winemaking, providing high-end solutions in winemaking and spirits for leading market players with the Seguin Moreau, Boisé, Millet and Galileo cooperage brands and developing innovative solutions for the wine industry with Vivelys (R&D, consulting, and 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>	<b>31 March 2017</b>	<b>31 March 2018</b>
Goodwill	46,069	46,140
Intangible assets	4,889	4,672
Property, plant & equipment	115,354	119,760
Financial assets	720	842
Deferred tax assets and other long-term assets	4,231	1,007
<b>Total Non-Current Assets</b>	<b>171,263</b>	<b>172,421</b>
Inventories and work in progress	113,835	105,656
Trade and other receivables	64,834	70,494
Tax receivables	1,180	2,772
Other current assets	2,621	1,879
Cash and cash equivalents	67,353	53,193
<b>Total Current Assets</b>	<b>249,823</b>	<b>233,994</b>
Assets held for sale	-	<b>15,657</b>
<b>Total Assets</b>	<b>421,086</b>	<b>422,072</b>

<i>In thousands of euros</i>		
Paid-in capital	62,904	63,181
Share premium	18,642	20,664
Reserves and retained earnings	107,187	119,159
Profit for the period	26,412	26,603
<b>Total Shareholders' Equity (Group share)</b>	<b>215,145</b>	<b>229,606</b>
Minority interests	149	132
<b>Total Shareholders' Equity</b>	<b>215,294</b>	<b>229,738</b>
Borrowings and financial debt	89,936	67,492
Employee benefits	3,178	3,431
Other provisions	929	960
Deferred taxes	3,719	2,617
Other non-current liabilities	15,928	8,639
<b>Total Non-Current Liabilities</b>	<b>113,690</b>	<b>83,138</b>
Borrowings and short-term bank debt (portion due in less than 1 year)	27,434	34,170
Provisions (portion due in less than 1 year)	1,299	586
Trade and other payables	56,144	57,613
Other current liabilities	7,225	12,654
<b>Total Current Liabilities</b>	<b>92,102</b>	<b>105,024</b>
Liabilities held for sale	-	4,172
<b>Total Liabilities</b>	<b>421,086</b>	<b>422,072</b>



PROFIT & LOSS

<i>In thousands of euros</i>	31 March 2017 Adjusted*	31 March 2018
Turnover	222,188	248,618
Other operating income	1,873	997
Cost of goods purchased	(79,690)	(100,178)
External costs	(35,704)	(40,266)
Payroll costs	(47,967)	(48,423)
Tax	(2,177)	(2,538)
Depreciation and amortization	(12,196)	(10,093)
Provisions	(3,322)	(944)
Change in inventories of finished goods and work in progress	525	430
Other current income and expenses	(222)	(1,149)
<b>Recurring Operating Profit</b>	<b>43,308</b>	<b>46,454</b>
Profit/(loss) on disposal of consolidated equity interests	-	-
Other non-current operating income and expenses	(3,500)	(2,827)
<b>Operating Profit</b>	<b>39,808</b>	<b>43,627</b>
<i>Income from cash and cash equivalents</i>	208	226
<i>Cost of gross financial debt</i>	(1,422)	(1,301)
Cost of net financial debt	(1,214)	(1,076)
Other financial income and expenses	301	(911)
<b>Profit before tax</b>	<b>38,895</b>	<b>41,641</b>
Income tax	(10,707)	(11,074)
<b>Profit after tax</b>	<b>28,188</b>	<b>30,567</b>
Net profit of companies accounted for by the equity method	7	17
<b>Net profit</b>	<b>28,195</b>	<b>30,584</b>
Minority interests	(47)	(48)
<b>Group net profit from recurring operations</b>	<b>28,148</b>	<b>30,536</b>
<b>Group net profit from discontinued operations</b>	<b>(1,736)</b>	<b>(3,933)</b>
<b>Net profit from consolidated operations</b>	<b>26,459</b>	<b>26,651</b>
<b>Group net profit</b>	<b>26,412</b>	<b>26,603</b>
Consolidated earnings per share (in euros)	0.43	0.42
Earnings per share from recurring operations (in euros)	0.46	0.49
Diluted earnings per share from consolidated operations (in euros)	0.42	0.42
Diluted earnings per share from recurring operations (in euros)	0.45	0.49

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## CASH FLOW STATEMENT

<i>In thousands of euros</i>	31 March 2017 Adjusted*	31 March 2018
<b>CASH FLOW LINKED TO OPERATIONS</b>		
Consolidated net profit	26,459	26,651
Profit/(loss) from discontinued operations	(1,736)	(3,933)
<b>Net profit from continuing operations</b>	<b>28,195</b>	<b>30,584</b>
Elimination of the share in profit of companies accounted for by the equity method	(7)	(17)
Elimination of amortization and provisions	13,861	9,375
Elimination of profit from disposals and gains and losses on dilution	123	(72)
Dividends received from companies accounted for by the equity method	-	40
Expenses and income linked to share-based payments	1,506	1,260
Other income and expenses with no impact on cash flow	2,731	1,666
<b>= Cash flow after cost of net financial debt and tax</b>	<b>46,409</b>	<b>42,836</b>
Tax expense	10,707	11,074
Cost of net financial debt	1,214	1,076
<b>= Cash flow before cost of net financial debt and taxes</b>	<b>58,330</b>	<b>54,986</b>
Tax paid	(6,513)	(11,821)
Change in WCR linked to operations	(12,444)	(13,310)
<b>= Net cash flow linked to recurring operations</b>	<b>39,373</b>	<b>29,855</b>
<b>Net cash flow linked to discontinued operations</b>	<b>(53)</b>	<b>(212)</b>
<b>= Net cash flow linked to operations</b>	<b>39,320</b>	<b>29,643</b>
<b>NET CASH FLOW LINKED TO INVESTMENTS</b>		
Impact of changes in scope	(122)	(118)
Acquisitions of property, plant & equipment and intangible assets	(13,199)	(16,313)
Acquisitions of financial assets	-	(176)
Disposals of property, plant & equipment and intangible assets	1,095	77
Change in loans and advances	(64)	35
<b>Net cash flow linked to investment activities from continuing operations</b>	<b>(12,290)</b>	<b>(16,495)</b>
<b>Net cash flow linked to investment activities from discontinued operations</b>	<b>-</b>	<b>-</b>
<b>= Net cash flow linked to investments</b>	<b>(12,290)</b>	<b>(16,495)</b>
<b>CASH FLOW LINKED TO FINANCING ACTIVITIES</b>		
Acquisitions and disposals of own shares	(464)	(3,865)
Loans issued	23,261	15,469
Repayment of loans	(33,798)	(32,692)
Net financial interest paid	(1,214)	(1,076)
Parent company dividends	(530)	(6,480)
Minority interest dividends	-	(90)
<b>Net cash flow linked to financing activities from continuing operations</b>	<b>(12,745)</b>	<b>(28,734)</b>
<b>Net cash flow linked to financing activities from discontinued operations</b>	<b>(158)</b>	<b>(200)</b>
<b>= Net cash flow linked to financing activities</b>	<b>(12,903)</b>	<b>(28,934)</b>
Impact of changes in foreign exchange rate	359	885
<b>Change in cash from continuing operations</b>	<b>14,697</b>	<b>(16,259)</b>
<b>Change in cash from discontinued operations</b>	<b>(211)</b>	<b>(412)</b>