

May 4, 2020

COVID-19 CRISIS: VERY LIMITED IMPACT ON THE END OF THE 2019-2020
FINANCIAL YEAR

ANNUAL TURNOVER UP 7.8% TO €290 MILLION

Oeneo's 2019-2020 financial year ended at a time when the health and economic crisis resulting from the Covid-19 pandemic was spreading across the globe. Since the crisis first began, and thanks to the mobilization of its teams, the Group was able to ensure the continuity of its operations while simultaneously strengthening health and safety measures and rolling out remote working to protect employees on production sites.

TURNOVER (€M)	2019-2020	2018-2019*	CHANGE	CHANGE AT CONSTANT SCOPE AND EXCHANGE RATES
4TH QUARTER	78.3	72.8	+7.5%	+8.7%
o/w Closures	58.7	52.5	+11.9%	+12.9%
o/w Winemaking	19.6	20.3	-3.9%	-2.3%
12 MONTHS	290.3	269.4	+7.8%	+8.0%
o/w Closures	195.3	177.1	+10.3%	+10.7%
o/w Winemaking	95.0	92.3	+3.0%	+2.7%

* 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 added back for the 2018-2019 comparative periods (€0.3 million in sales in the fourth quarter and €1.2 million over the full year).

Oeneo delivered turnover of €78.3 million in the fourth quarter of 2019-2020, representing an increase of 7.5% (8.7% at constant scope and exchange rates). This momentum was driven by the Closures division, which recorded double-digit growth in the period, and which once again benefited from the global success of Diam closures. The Winemaking division was slightly down over the period, following a good performance in the first nine months of the year, mainly due to a high basis for comparison (close to 20% growth in the last quarter of 2018-2019).

The quarterly performance lifted full-year turnover by 7.8% to €290.3 million (8.0% at constant scope and exchange rates).

The Group's recurring operating margin for the full year is expected to stand at around 15% after integrating the new long-term incentive plans granted in the form of performance shares.



At the end of the 2019-2020 financial year, with the health of employees being an absolute priority, the Group took the necessary measures to adapt production sites to ongoing operations and therefore continue to support its clients and maintain its quality of service on a daily basis. Some French locations were required to close temporarily to protect their teams (mainly in France's Grand Est and Bourgogne-Franche-Comté regions in the east, which were particularly affected by the pandemic). These sites have now reopened.

The consequences of the ongoing health crisis and its negative impacts on global wine consumption, particularly due to closures of bars, hotels and restaurants, will of course have a greater impact on the financial year 2020-2021. With the decline automatically impacting the economy and the visibility of winemakers, the latter could defer or lower their investments in Winemaking, or potentially reduce wine production volumes this year impacting Closures.

The uncertainty, mainly as to how long the health crisis will last, currently makes it impossible to make projections as to the Group's turnover and profitability. Group management is closely following the situation by adapting its response and implementing cost-saving measures, which include part-time work measures at certain sites.

Convinced of the strength of its teams and of its core strategy, and benefiting from a healthy financial position and a good level of available cash at March 31, 2020, the Group is addressing the crisis with a view to protecting its employees, preserving its industrial base and pursuing long-term value creation, while simultaneously protecting its financial position. Given this uncertain context, Oeneo's Board of Directors will propose not to pay a dividend for 2020 at the Annual General Meeting to be held in Bordeaux in September.

The Group will review its current position again when it publishes its full-year results on June 11 after the close of trading.

2019-2020 SALES REVIEW BY DIVISION

CLOSURES: DOUBLE-DIGIT GROWTH IN 2019-2020

In 2019-2020, the division posted turnover of €195.3 million, representing an increase of 10.3% (10.7% at constant exchange rates), an excellent performance that testified to the sustainable growth in Diam closures on all global markets.

Besides the volume effect, the increase in turnover is also attributable to the price effect, which mainly resulted from the development of the high-end range, as illustrated by the success of the bio-sourced Origine line, as well as market share gains with prestigious clients.

In geographic terms, all regions contributed to growth, with excellent performances in Europe (Italy and Spain in particular), the United States and Chile.





By integrating the other technical closures, the Group sold some 2.4 billion cork closures in full-year 2019-2020, setting another record this year.

This solid level of activity will consolidate growth of the division's recurring operating margin, which will come in at a similar level as in the first half (after taking into account the cost of performance shares).

WINEMAKING: A SOLID YEAR

The Winemaking division posted a solid year with turnover of €95.0 million, up 3.0% (2.7% like-for-like), in line with projections.

Growth was driven by barrels and large containers (which recorded significant growth) mainly in the Americas and France. While sales of alternative wooden winemaking solutions remained similar to last year, overall performance was dampened by a slowdown in the side activity consisting of sales of wood to third parties (turnover of €6.6 million), which fell €1.5 million over the year, mainly due to Etablissements Cenci.

This subsidiary was closed for most of March to protect employees during the health crisis, which inevitably slowed down its turnaround, and will continue to weigh on the division's recurring operating margin as was the case in the first half of the year. The recurring operating margin will be down by about two points on last year's figure (after taking into account the cost of performance shares).

OENEO GROUP WILL PUBLISH ITS 2019-2020
FULL-YEAR RESULTS ON JUNE 11, 2020.

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

Philippe Doray
Chief Administrative and
Financial Officer
+33 (0)5 45 82 99 93

ACTUS FINANCE

Guillaume Le Floch
Analysts – Investors
+33 (0)1 53 67 36 70

Alexandra Prisa
Press – Media
+33 (0)1 53 67 36 90

OENEO SA

French joint stock company (*société anonyme*) with a share capital of €65,052,474
Head office: 16 Quai Louis XVIII – 33000 Bordeaux
Tel. +33 (0)5 45 82 72 61
www.oeneo.com

