



June 23, 2021

2020-2021 ANNUAL RESULTS

GOOD OPERATING PERFORMANCE DESPITE THE COVID-19 CRISIS
 RECURRING OPERATING MARGIN OF 16.9% - NET PROFIT: +11.5%
 SHARP REDUCTION IN NET DEBT

CONSOLIDATED PROFIT & LOSS STATEMENT (€M)	2019-2020	2020-2021	CHANGE
TURNOVER	290.3	272.8	-6.0%
O/w Closures	195.3	185.7	-4.9%
O/w Winemaking	95.0	87.1	-8.3%
RECURRING OPERATING PROFIT	44.3	46.0	+3.9%
O/w Closures	36.2	37.8	+4.3%
O/w Winemaking	11.7	10.5	-10.7%
O/w Corporate	(3.6)	(2.2)	N/A
NON-RECURRING OPERATING PROFIT/(LOSS)	(1.8)	(1.2)	
OPERATING PROFIT	42.5	44.8	+5.4%
Financial profit/(loss)	(1.8)	(1.9)	
Tax	(11.2)	(11.3)	
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	29.5	31.5	+7.0%
Net profit/(loss) from discontinued operations	(1.2)	-	
CONSOLIDATED NET PROFIT/(LOSS)	28.3	31.5	+11.5%
CONSOLIDATED NET PROFIT/(LOSS), GROUP SHARE	28.3	31.5	+11.2%
SHAREHOLDERS' EQUITY	286.8	319.5	+11.4%
NET DEBT	54.3	5.1	N/A

Oeneo's consolidated statements for financial year 2020-2021 ended March 31, 2021 were approved by its Board of Directors on June 22, 2021. 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 very strong performance in financial year in 2020-2021, posting resilient turnover despite the health crisis and the California wildfires. Thanks to its operational reactivity and agility, the Group also demonstrated the resilience of its model with an improvement in profitability indicators, strong free cash-flow generation and a sharp reduction in its net debt.



Oeneo Group delivered **turnover of €272.8 million in 2020-2021, down by just 6.0%** (5.1% at constant exchange rates), against a backdrop characterized by cautious winegrowers, most of whom have reduced their investments during the health crisis, particularly those involved in the café, hotel and restaurant (CHR) business. The Closures division returned to near-normal business levels toward year-end, confirming its strong sales momentum. The decline was slightly sharper for the Winemaking division, due to the delay in investments as a result of the economic environment.

During the year, the Group took measures to control and optimize its raw materials costs as well as its operating expenses. Oeneo Group reaped the rewards of these measures, with **recurring operating profit coming in at €46.0m, €1.7m higher than the previous year (+3.9%)**. The lower absorption of fixed costs linked to the decline in business was offset by effective control over production costs and a reduction in marketing costs (fewer trade shows and less travel). This performance also factors in a decrease in the cost of long-term incentive plans, in the form of performance shares, from €3.6 million in 2019-2020 to €2.6 million in 2020-2021, and the payment of an exceptional “Covid” bonus of €1.2 million for the Group’s employees. **Recurring operating margin stood at 16.9% (17.8% excluding performance share costs)**.

After non-recurring expenses of €1.2 million, **operating profit increased 5.4% to €44.8 million**. The financial loss was virtually stable at €1.9 million, with the one-time cost of setting up the syndicated loan at the start of the year offset by positive currency effects in the Americas. The amount of tax also remained stable and discontinued operations (closed at the start of the year) no longer impacted net profit which **came in at €31.5 million, up 11.5%**.

Shareholders' equity amounted to €319.5 million, versus €286.8 million at March 31, 2020. Cash flow from operations rose sharply to €68.9 million, thanks to improved results and a significant reduction in working capital of €17.9 million, partly due to the adjustment of inventory levels. It more than covered net investments for the year, which totaled €15.5 million. **Free cash flow therefore amounted to more than €53 million, and was directly allocated to servicing debt, reducing gross debt and strengthening the amount of available cash.**

Net debt (including €6.1 million in debt linked to leases - IFRS 16 “Leases”) decreased sharply to €5.1 million at March 31, 2021 (versus €54.3 million in the prior-year period), representing a very low gearing ratio of 1.6%. Available cash amounted to €80.3 million, consolidating the Group's sound financial position.

In light of these good results, the Board of Directors will propose the payment of a dividend of €0.20 per share at the next Annual General Meeting.

The Group has started 2021-2022 with strengthened fundamentals and market shares. In addition to a favorable basis for comparison, the Group will benefit from a more dynamic business climate from the first quarter, with the recovery in the café, hotel and restaurant business giving its customers better visibility.

2020-2021 PERFORMANCE REVIEW BY DIVISION

CLOSURES: Current operating margin of over 20%

In 2020-2021, turnover for the Closures division amounted to €185.7 million, a decline of 4.9%. Nearly 2.3 billion cork-based closures were sold over the year, a performance consolidated by higher market shares in the Americas, particularly in South America, and by very strong sales resilience in France.

Despite the decrease in business, recurring operating profit for the division increased by 4.3% to €37.8 million. Recurring operating margin came in at a high 20.3% (21.1% excluding performance share costs). This remarkable performance, exceeding initial expectations, is based on the price of the cork used, effective production cost management and the decrease in business expenses. The division also continues to reap the benefits of its Opticork plan and the resulting productivity gains.

In 2021-2022, the division aims to return to growth and exceed the €200-million mark while maintaining a recurring operating margin of 20%.

WINEMAKING: Stable recurring operating margin

The Winemaking division posted turnover of €87.1 million, down 8.3% (7.4% at constant exchange rates) in a market heavily impacted by the effects of the health crisis and the postponement of investments. However, the Group's diverse offering and its commercial presence across all continents enabled it to mitigate the impact of the economic situation.

Against this backdrop, the Winemaking division succeeded in maintaining a recurring operating margin of 12.0% (12.9% excluding performance share costs) thanks to productivity gains and yield, as well as tight control of expenses, particularly commercial costs. The turnaround in the performance of Etablissements Cenci (renamed Seguin Moreau Ronchamp) also continued, with the operating loss reduced to €1.7 million over the year (from €2.8 million in 2019-2020), of which only €0.7 million was incurred in the second half of the year.

In 2021-2022, the division will continue to focus on measures to optimize productivity and increase profitability in a market where visibility is still uncertain. The wait-and-see approach adopted by customers continues to prevail, due to environmental factors in Europe (spring frost) and the delayed effect of the California wildfires on customer investments.

OENEO GROUP WILL PUBLISH ITS TURNOVER FOR THE
FIRST QUARTER OF 2021-2022 ON JULY 22, 2021 AFTER TRADING.

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

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APPENDICES

BALANCE SHEET

<i>In thousands of euros</i>	March 31, 2021	March 31, 2020
Goodwill	47,416	47,469
Intangible assets	5,163	4,697
Property, plant & equipment	139,022	138,039
Financial assets	1,903	916
Deferred tax assets and other long-term assets	1,928	1,724
Total non-current assets	195,432	192,845
Inventories and work in progress	129,297	138,253
Trade and other receivables	80,199	93,926
Tax receivables	467	1,299
Other current assets	2,470	2,765
Cash and cash equivalents	80,315	53,474
Total current assets	292,748	289,718
Assets held for sale	366	582
Total assets	488,546	422,072
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<i>In thousands of euros</i>		
Paid-in capital	65,052	65,052
Share premium	35,648	35,648
Reserves and retained earnings	187,32	157,802
Profit for the period	31,518	28,331
Total shareholders' equity (Group share)	319,570	286,833
Minority interests	(82)	(9)
Total shareholders' equity	319,488	286,823
Borrowings and debt	65,158	83,294
Employee benefits	3,068	3,318
Other provisions	35	145
Deferred taxes	2,152	2,827
Other non-current liabilities	10,871	8,280
Total non-current liabilities	81,284	97,864
Borrowings and short-term bank debt (portion due in less than 1 year)	20,266	24,458
Provisions (portion due in less than 1 year)	266	471
Trade and other payables	63,994	70,869
Other current liabilities	3,248	2,643
Total current liabilities	87,774	98,441
Liabilities related to operations held for sale	-	-
Total liabilities	488,546	483,144

PROFIT & LOSS

<i>In thousands of euros</i>	March 31, 2021	March 31, 2020
Turnover	272,815	290,258
Other operating income	140	176
Cost of goods purchased and change in inventories	(107,777)	(123,753)
External costs	(43,391)	(45,966)
Payroll costs	(55,682)	(55,360)
Tax	(2,957)	(3,268)
Depreciation and amortization	(15,677)	(14,345)
Provisions	(1,598)	(1,860)
Other recurring income and expenses	130	(1,608)
Recurring operating profit	46,003	44,274
Results from the disposal of consolidated companies.	387	
Other non-recurring operating income and expenses	(1,624)	(1,816)
Operating profit	44,766	42,459
<i>Income from cash and cash equivalents</i>	61	35
<i>Cost of gross debt</i>	(2,270)	(1 234)
Cost of net debt	(2,209)	(1 199)
Other financial income and expenses	358	(608)
Profit before tax	42,915	40,651
Income tax	(11,284)	(11,164)
Profit after tax	31,632	29,481
Profits/ losses of associates	(88)	(5)
Minority interests	(26)	36
Group net profit from continuing operations	31,518	29,517
Group net profit from discontinued operations	-	(1,186)
Net profit from consolidated operations	31,544	28,295
Group net profit	31,518	28,331
Consolidated earnings per share (in euros)	0,49	0,44
Earnings per share from continuing operations (in euros)	0,49	0,46
Diluted earnings per share from consolidated operations (in euros)	0,48	0,43
Diluted earnings per share from continuing operations (in euros)	0,48	0,45

CASH FLOW STATEMENT

<i>In thousands of euros</i>	March 31, 2020	March 31, 2020
CASH FLOW LINKED TO OPERATIONS		
Consolidated net profit	31,544	28,295
Profit/(loss) from discontinued operations	-	(1,186)
= Consolidated net profit from continuing operations	31,544	29,481
Elimination of the share in profit of companies accounted for by the equity method	88	5
Elimination of amortization and provisions	15,323	13,434
Elimination of profit from disposals and gains and losses on dilution	(232)	(3)
Elimination of dividends	(202)	-
Expenses and income linked to share-based payments	2,085	3,178
Other income and expenses with no impact on cash flow	(50)	(52)
= Cash flow after cost of net debt and tax	48,556	46,043
Tax expense	11,284	11,164
Cost of net debt	2,209	1,199
= Cash flow before cost of net debt and taxes	62,049	58,406
Tax paid	(11,040)	(12,903)
Change in WCR linked to operations	17,908	(10,688)
Net cash flow linked to continuing operations	68,917	34,815
Net cash flow linked to discontinued operations	-	(206)
= Net cash flow linked to operations	68,917	34,609
CASH FLOW LINKED TO INVESTMENTS		
Impact of changes in scope	543	-
Acquisitions of property, plant & equipment and intangible assets	(15,478)	(18,458)
Acquisitions of financial assets	(1,075)	-
Disposals of property, plant & equipment and intangible assets	243	475
Disposals of financial assets	108	-
Dividends received	202	-
Change in loans and advances	(73)	(24)
Net cash flow linked to investment activities from continuing operations	(15,530)	(18,007)
Net cash flow linked to investment activities from discontinued operations	-	488
= Net cash flow linked to investments	(15,530)	(17,519)
CASH FLOW LINKED TO FINANCING ACTIVITIES		
Acquisitions and disposals of treasury shares	-	156
Loans issued	529	73,242
Repayment of loans	(12,643)	(80,799)
Net interest paid	(1,843)	(1,198)
Parent company dividends	-	(970)
Minority interest dividends	-	(102)
Net cash flow linked to financing activities from continuing operations	(13,957)	(9,671)
Net cash flow linked to financing activities from discontinued operations	-	(283)
= Net cash flow linked to financing activities	(13,957)	(9,954)
Impact of changes in foreign exchange rates	(21)	(355)
Change in cash from continuing operations	39,409	6,782
Opening cash (net of bank overdrafts)	38,281	31,500
Closing cash (net of bank overdrafts)	77,690	38,281
Change in cash (net of bank overdrafts)	39,409	6,781
Net Debt	5,109	54,278
Change in net debt	(49,169)	(5,943)