



November 7, 2023

SLIGHT TREND IMPROVEMENT IN SECOND QUARTER
DYNAMIC PERFORMANCE IN WINEMAKING

TURNOVER (€M)	2023-2024	2022-2023	CHANGE	CHANGE AT CONSTANT EXCHANGE RATES
SECOND QUARTER	77.6	84.9	-8.7%	-8.1%
O/w Closures	43.6	51.8	-15.9%	-15.8%
O/w Winemaking	34.0	33.1	+2.7%	+4.0%
FIRST HALF	154.3	173.2	-10.9%	-10.6%
O/w Closures	100.6	118.9	-15.4%	-15.4%
O/w Winemaking	53.8	54.3	-1.1%	-0.2%

Oeneo Group recorded a slight improvement in its sales trends in the second quarter thanks to growth in the Winemaking division, which made up for the lag experienced in the first quarter. Consolidated sales were nevertheless still down 8.7% (or -8.1% at constant exchange rates), impacted, as in the first quarter by the downturn in activity for the Closures division after several years of strong growth.

This quarterly trend takes sales for the first half of 2023-2024 to €154.3 million, down 10.9% compared to first-half of 2022-2023 (-10.6% at constant exchange rates).

The drop in sales had a negative impact on recurring operating margin for the period, which was still impacted by higher raw material costs (wood and cork) than in the previous year, and which should come in at around 13% (16.8% in first-half 2022-2023).

Although visibility is still uncertain, the Group expects the second half to be more buoyant, with a return to growth in the fourth quarter, thanks to a more favorable basis of comparison and the end of inventory adjustments in the distribution channels.

BUSINESS REVIEW BY DIVISION

CLOSURES: DECLINE AMPLIFIED BY TEMPORARY REDUCTION IN INVENTORIES

The division posted sales of €100.6 million for the first half of the year, down 15.4% versus the record performance in the first-half 2022-2023. The decline was mainly concentrated on entry-level and mid



-range closures, which are more sensitive to inflationary conditions, especially as the Group has strategically withdrawn from certain non-Diam markets.

Business remains buoyant for the high-end Diam range with trends varying from region to region. In France, sales held up very well, close to the prior-year level, with growth in Diam closures.

In Europe, sales were impacted by the fall in wine exports from key countries (Italy, Spain) and by the return to normal inventory levels at certain distributors in a less robust environment for clients.

In North America, sales were adversely affected in particular by destocking policies following "precautionary" purchases in previous years.

The division expects to see an improvement as of the fourth quarter, with the expected recovery in orders from partner distributors. The Group is also continuing its focus on maintaining a solid gross margin level in order to limit, insofar as possible, the impact of this one-off drop in business on its margins.

WINEMAKING: SOLID FIRST-HALF PERFORMANCE

The Winemaking division posted turnover of €53.8 million for the first half of the year, virtually unchanged (-0.2% at constant exchange rates) from the first-half 2022-2023. The growth recorded in the second quarter made up for the ground lost in the first quarter.

The good performance in strategic segments (barrels and oak products) fully offset the controlled withdrawal from the wood trading business, enabling it to post a 2.3% increase in half-year sales, excluding wood trading. The division reported strong growth in North America, due in particular to an earlier start to business this year.

Conversely, sales of large containers, which are more sensitive to the spirits market, fell by €0.8 million due to deferred orders from clients affected by the slowdown in global consumption.

The Consulting business proved resilient, but turnover was still lower than in the first half of 2022-2023, which benefited from a major one-off engagement.

The division is continuing its business plan with the aim of remaining close to the previous year's record level of business in its strategic activities, excluding wood trading, which will be down significantly. The implementation of strong levers for operational improvement continues to optimize profitability.

OENEO GROUP WILL PUBLISH ITS 2023-2024 FIRST-HALF RESULTS
ON DECEMBER 6, 2023 AFTER THE CLOSE OF 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 under the Diam, Mytik Diam and Setop brands.
- 🕒 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).

We are passionate about the art and culture of wine, conscious of the urgent environmental and societal challenges facing our world, and firmly believe that enlightened innovation must serve the common good. We want to use our strengths and expertise to serve the wine industry's sustainable development as we innovate to uphold the great history of wine.

WE CARE ABOUT YOUR WINE

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