



July 26, 2023

DECLINE IN TURNOVER IN FIRST QUARTER TREND IMPROVEMENT EXPECTED IN THE COMING QUARTERS

TURNOVER (€M)	2023-2024	2022-2023	CHANGE	CHANGE AT CONSTANT EXCHANGE RATES
FIRST QUARTER (APRIL – JUNE)	76.7	88.3	-13.1%	-13.1%
Closures	56.9	67.1	-15.1%	-15.1%
Winemaking	19.8	21.2	-6.8%	-6.7%

Oeneo Group posted turnover of €76.7 million in the first quarter of 2023-2024, down 13.1% versus the first quarter of 2022-2023, which had reached an all-time high. This result marks a return to first quarter 2021-2022 levels.

Closures posted a sharp decline, mainly due to inflationary conditions which impacted wine consumption worldwide, and to downward inventory adjustments by most of its distributors after two years of very strong post-Covid growth.

Changes in Winemaking were due to calendar effects, notably late orders for vats and casks. Barrel sales remain buoyant and are growing.

Both divisions expect improved sales in the 2023-2024 financial year and seasonal trends should be reversed. This start to the year confirms the Group's development strategy focused on premium wines, which are less sensitive to unfavorable conditions.

REVIEW BY DIVISION

CLOSURES: DIFFERING PERFORMANCE BY SEGMENT

The division posted turnover of €56.9 million, down 15.1% on first-quarter 2022-2023. Sales of high-end Diam corks, part of our premium strategy, are growing, benefiting both from price increases accepted by clients and from new winemaker wins.

In the more competitive entry and mid-level range, which is more sensitive to price changes, sales of closures by all brands are down significantly. This range is directly impacted by the consequences of the inflationary context on clients, who are tending to delay or reduce their new wine production and cork orders.

This trend is mirrored by our distribution partners, who are also seeing a return to normal logistics lead times to the Americas and Asia, and are consequently reducing their inventories to normal levels.



These destocking trends are set to ease, and the division expects a gradual improvement over the coming quarters. Closures aims to return to growth in the second half of the year, and continues to prioritize maintaining a good level of gross margin to preserve operating profitability.

WINEMAKING: A FAVORABLE PRODUCT MIX

Winemaking generated first-quarter turnover of €19.8 million, down 6.8% on first-quarter 2022-2023. The decline was limited to 3.7% excluding the non-strategic, low-margin wood product trading business.

This quarter was characterized by strong barrel and oak product sales, with cumulative turnover up 2%, again driven by North America. More volatile, sales of large containers were down €0.6 million, but this will be made up in the coming quarters given the seasonality of orders. The Consulting business remains solid, considering the first-quarter 2022-2023 comparison basis which benefited from an exceptionally large contract.

The division intends to consolidate its prior year record business levels, while remaining attentive to weather trends what may impact harvests in both quantitative and qualitative terms. It is also continuing to implement its operational improvement levers to optimize profitability.

OENEO GROUP WILL PUBLISH ITS TURNOVER
FOR THE FIRST HALF OF 2023-2024 ON NOVEMBER 7, 2023.

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.

INFORMATION AND PRESS RELATIONS

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