

January 22, 2024

THIRD QUARTER TURNOVER DOWN 19.7%, IN LINE WITH EXPECTATIONS

TURNOVER (€M)	2023-2024	2022-2023	CHANGE	CHANGE AT CONSTANT EXCHANGE RATES
3RD QUARTER	71.3	88.7	-19.7%	-19.3%
O/w Closures	46.7	61.3	-23.9%	-23.8%
O/w Winemaking	24.6	27.4	-10.3%	-9.2%
9 MONTHS	225.6	261.9	-13.9%	-13.6%
O/w Closures	147.2	180.2	-18.3%	-18.3%
O/w Winemaking	78.4	81.8	-4.1%	-3.2%

The third quarter of 2023-2024 followed a similar trend to the first six months of the year, amplified by a very high basis for comparison. Indeed, the third quarter of 2022-2023 saw record growth, up 15%, driven by high customer orders prior to the price increases introduced at the start of 2023. The Closures division remained affected over the period by inventory adjustments in distribution channels and a difficult economic environment for customers. The decline in Winemaking division turnover was less pronounced.

This quarterly trend saw turnover for the first nine months of 2023-2024 come in at €225.6 million, down 13.9% on the same period in 2022-2023 (down 13.6% at constant exchange rates).

The Group expects the fourth quarter to be more buoyant, due to the expected return in orders from distributors in the Closures segment and a more favorable comparison basis. Oeneo expects that the recurring operating margin for 2023-2024 will be on a par with that of the first half of the year.

REVIEW BY DIVISION

CLOSURES: THIRD QUARTER IN LINE WITH FIRST HALF

The third quarter was marked by a market environment that remained sluggish, emphasized by the destocking strategy of the main distributors, who had placed large orders during this period last year, prior to the price increases at the beginning of 2023.

This unfavorable comparison base can also be seen among direct customers, particularly for entry-level and mid-range closures, which are sensitive to the inflationary environment and the drop in sales. High-end Diam closure sales, however, are proving more resilient, and are even growing in certain segments and countries.

Turnover for the first nine months came to €147.2 million, down 18.3% compared to last year's record level. The Division expects the fourth quarter to be more buoyant, thanks to a more favorable comparison basis and a gradual recovery in orders from distributors.

The Group is continuing its focus on maintaining a solid gross margin rate to limit the impact of the one-off drop in business.

WINEMAKING: STABLE BUSINESS EXCLUDING WOOD TRADING OVER NINE MONTHS

The Winemaking division reported a 10.3% decline in turnover in the third quarter of 2023-2024, limited to 7.1% excluding non-strategic "wood trading". This quarter saw a rebound in large container turnover, while sales in the "barrels" segment, which were rather resilient in Europe, were impacted by a base effect in the United States, due to early orders in the second quarter.

Over 9 months, the division's turnover of €78.4 million was generated by strategic activities, which remained virtually unchanged at €76.5 million, and wood trading, down 61% to €1.9 million.

As announced, the Division is aiming for turnover close to last year's level in its strategic businesses, excluding wood trading. The implementation of operational improvement levers is continuing, in order to absorb as effectively as possible the impact of the rise in wood prices on recurring operating profitability.

OENEO GROUP WILL PUBLISH ITS YEARLY TURNOVER
FOR 2023-2024 ON MAY 13, 2024.

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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