

ANNUAL RESULTS 2023

Operating income up 12.7% to €39 million

**CONSOLIDATED
TURNOVER**

€ 338 million

+1,2%
+3,9 €M

**CURRENT
OPERATING INCOME**

€ 39 million

+12,7% (vs 2022)
+4,4 €M

EQUITY

€ 420 million

+2,5%
+10,1 €M

**NET FINANCIAL
DEBT (excluding
IFRS 16)**

€ 635 million

+1,4%
+9 €M

Reims, March 27, 2024

The Board of Directors of Vranken-Pommery Monopole met on March 27, 2024 under the chairmanship of Mr. Paul-François Vranken, and in the presence of the Statutory Auditors, to approve the Group's financial statements for the year 2023.

Results

<i>Consolidated data in €M</i>	31/12/2023	31/12/2022	Change in value
Turnover	338,4	334,5	+3,9
Current Operating Income	39	34,2	+4,4
Operating Income	39,2	33,7	+5,2
Financial result	-29,5	-18,3	-11,1
Net Income	6,1	10,1	-4,2
Attributable to equity holders of the parent	6,1	10,0	-4,1

The process of auditing and issuing the audit report for the certification of the consolidated accounts is being finalised.

Vranken-Pommery Monopole's **consolidated sales for 2023 rose by 1.2% to €338.4 million**, in a Champagne market down 8.2% in volume terms, back to its 2019 level.

The Group's export share remained stable at **65%** of packaged sales.

With an EBITDA of €54 million in 2023, up +10%, the Group confirms the relevance of its strategic plan and its agility in adapting to highly contrasting situations.

- ⇒ **Current operating income up 12.7% to €39 million.**
- ⇒ **Current Operating Margin is 11.5%**, up from 10.3% in 2022.
- ⇒ **Operating income of €39.2 million**, representing an **operating margin of 11.6%**.
- ⇒ The Group's performance was hampered by a **net financial expense of €29.5 million**. The sharp rise in interest rates during 2023 was only partially offset by fixed-rate outstandings, which cover half of the Group's debt.
- ⇒ **Net income** came to **€6.1m**, after the exceptional rise in financial expenses.

Financial structure

data in €M

ASSETS	31/12/23	31/12/2022 restated (*)	Difference	LIABILITIES	31/12/2023	31/12/2022 restated (*)	Difference
Non-current assets	568,2	547,2	21,0	Shareholders' equity	419,7	409,6	10,1
Inventories and work in progress	654,9	639,9	15,0	of which minority interests	5,4	5,2	0,2
Trade and other current assets	97,8	105,8	-8,0	Non-current liabilities	612,9	635,6	-22,7
Cash and cash equivalents	15,9	8,5	7,4	Current liabilities	304,2	256,2	48,0
TOTAL	1 336,8	1 301,4	35,4	TOTAL	1 336,8	1 301,4	35,4

(*) At the close of fiscal year 2023, an error was identified in the valuation of inventories relating to fiscal 2019 to 2022. In application of IAS 8 "Accounting policies, changes in accounting estimates and errors", VPM's consolidated financial statements have therefore been treated retrospectively for this error correction. The total impact on shareholders' equity at December 31, 2022 is a negative €4.4 million.

The Group's financial structure has been strengthened, **with shareholders' equity reaching €419.7 million** (+€10.1 million), or **31.4%** of the balance sheet total. **Net financial debt rose slightly by 1.5% to 656.1 M€** at December 31, 2023, as raw material prices for the 2022 and 2023 harvests rose by more than 20%.

The impact on working capital requirements has been limited by optimized inventory management.

Inventories of €654.9m fully cover the €635.5m of net financial debt restated for the €20.6m related to the application of IFRS 16.

« Société à Mission »

In 2023, the Mission Committee had chosen to focus on reducing its greenhouse gas emissions, and thus join the "zero net emissions" trajectory by 2050 defined by the United Nations, with an intermediate reduction target of 10% by 2025.

Key measures for 2023:

- Continued conversion of the vehicle fleet to electric (72% by the end of 2023)
- Expansion of our photovoltaic plant in Portugal and development of new projects at our Champagne and Camargue sites.
- Installation of a compressor heat recovery system at the Tours-sur-Marne site
- Installation of a substation-based building heating control system
- Automation and conversion of cellar lighting to LEDs
- Involvement of suppliers in our efforts to reduce CO2 emissions.

New initiatives will gradually be added to those already underway.

In 2024, the Mission Committee wanted to highlight actions to preserve biodiversity in our vineyards.

The Group has been integrating this dimension for several years, with the installation of beehives, the development of eco-pasturing in Champagne, Camargue and Provence, the use of falcons and Harris buzzards in the Clos Pompadour in Reims to protect them from starlings.

Other actions include the elimination of herbicides and the organic conversion of vineyards in Provence, Camargue and Portugal.

Always attentive to changing consumer expectations for more responsible and sustainable wines, the group innovates with the creation of **La Félicité 9°**, which marks a breakthrough in the production of rosé wines. This low alcohol level is obtained in a totally natural way, without any intervention to reduce it artificially, while preserving the freshness and inimitable taste of Camargue wines.

Outlook

After the resumption of convivial moments in 2021 and 2022 following the pandemic of 2020, the year 2023 was marked in Champagne by inflation. Announced price increases led to overstocking of customers before March 1, 2023. The year 2024 should be less affected by the erratic movements of the recent past, and return to volumes comparable to those of 2019 and the previous decade.

Against this backdrop, we do not anticipate any increase in volume, but rather the continued deployment of our value-creation strategy.

The expected prospect of lower key interest rates should have a slightly positive impact on the Group's financial expenses in 2024, and a more significant one in the medium term.

As the "bubbles" of celebration for exceptional moments, Champagne retains the unique attachment and loyalty of its clientele, who continue to give it a prominent place in life's happy events.

To mark the 150th anniversary of the creation of history's first brut Champagne by Madame Pommery in 1874, the Group has created the cuvée **Pommery Apanage Brut 1874**. This new cuvée is a blend of three great vintages 2018, 2015 and 2012 and the perpetual reserve of the House of Pommery & Greno. Pommery Apanage Brut 1874 is the privileged link between Maison Pommery, gastronomy and the grand hôtellerie.

Dividend

At its Annual General Meeting on June 6, 2024, Vranken-Pommery Monopole will propose the payment of a dividend in respect of the 2023 financial year of **€0.80 per share**. This dividend will be paid on September 25, 2024, and would correspond to a gross yield of **5.11%** based on the share price on March 26, 2024.

Next release

Filing of universal registration document 2023: April 17, 2024.

About Vranken-Pommery Monopole

Vranken-Pommery Monopole manages 2,600 hectares of land, owned outright or under lease and spread over four vineyards in Champagne, Provence, Camargue and Douro. The group's wine-making activities range from production to marketing, with a strong commitment to the promotion of terroirs, sustainable wine-growing and environmental conservation.

Its brand portfolio includes:

- the Vranken, Pommery & Greno, Heidsieck & Co Monopole, Charles Lafitte and Bissinger & Co champagnes;
- the Rozès and Sao Pédro port wines and the Terras do Grifo Douro wines;
- the Domaine Royal de Jarras and Pink Flamingo Camargue wines and the Château La Gordonne Provence wine;
- the Sparkling wines, the Louis Pommery California, Louis Pommery England, Brut de France and Pink Flamingo sparkling wines.

Vranken-Pommery Monopole is a company listed on NYSE Euronext Paris and Brussels.

(code "VRAP" (Paris), code "VRAB" (Brussels); ISIN code: FR0000062796).

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