

Financial press release
2020 revenues: €244 million (-11.1%)
Gaining market share

Reims, January 28th, 2021

Cumulative data in € millions	31/12/2020	31/12/2019	Change	as a %
Champagnes	184,4	209,4	-25,0	-11,9%
Semi-finished products	9,0	16,1	-7,1	-44,1%
Provences et Camargues wines	30,6	27,4	+3,2	+11,7%
Others (Port, Sparkling Wines and others)	20,0	21,7	-1,7	-7,8%
Consolidated revenue (*)	244,0	274,6	-30,6	-11,1%

(*) under audit

Vranken-Pommery Monopole's consolidated sales amounted to €244 million for the financial year 2020, down only 11.1%.

Faced with the containment and curfew measures adopted in France and abroad throughout the 2020 financial year, the group demonstrated its resilience by relying on its strong brands, the agility of its organisation and its historical presence in sales networks for home consumption.

The weight of exports increased again in 2020 to reach 60% of sales compared with 40% for France.

In countries where distribution is mainly focused on out-of-home consumption, i.e. England, the United States and Japan, sales are declining.

Conversely, in countries where the group is present in the off-trade networks, Switzerland, Austria, Germany, Holland, Belgium and Australia, turnover is increasing.

Champagne Branch

On-Trade consumption has contracted all over the world, particularly in France where gastronomy and events are the two largest Champagne sales networks.

Sales in points of sale for home consumption (Off-Trade) remained satisfactory in France, and even good in the major consumer countries.

Vranken-Pommery Monopole, French leader in this sector, was thus able to mitigate the drop in its Champagne sales to 11.9% in a world market down by around 20% (from CIVC).

Exports represented 60% of the group's Champagne sales in 2020.

Market shares were gained in all the countries in the north-eastern European crown, from Switzerland to Belgium, enabling total export sales (excluding duty free) to increase by 3% compared to 2019.

The appeal of Champagne to consumers remains undiminished, but unfavourable circumstances, particularly the absence of convivial moments and restricted mobility, explain the drop in sales.

At the Champagne and Sparkling Wines World Championship 2020, Vranken-Pommery Monopole received 4 new Gold Medals for its Pommery Brut Royal, Apanage, Grand Cru 2004 and Clos Pompadour cuvées with Best in Class. These international distinctions were completed by the Gold Medal for Pommery Apanage at the Champagne Masters 2020 organised by the magazine Drinks Business.

Wine Branch

The good harvest in both the Camargue and Provence enabled the Grands Domaines du Littoral to increase sales by 11.7% to €30.6m.

The "Pink Flamingo" brand of Domaine Royal de Jarras in the Camargue and the "Vérité du Terroir" brand of Château La Gordonne in Provence continue to develop and are beginning to be recognised by consumers as the leaders in organic viticulture.

All the wine estates are treated organically and are ready to receive the public as soon as the pandemic is defeated.

Oeno-Cultural Tourism

Visiting and reception activities in Reims have been stopped, and the Pierrefeu du Var, Aigues-Mortes and Lamego shops have been closed since March 2020. They have only been open for a short time between confinements. The loss of turnover is significant at more than €4 million.

Ports, Sparkling Wines and others

The absence of tourists in Portugal has affected the sales of the subsidiary on its domestic market, partly compensated for by the international progression.

The Sparkling Wines continued their referencing for both Louis Pommery California and Louis Pommery England, but the alternating periods of confinement and openings disrupted sales development.

Louis Pommery England obtained a new distinction when it was awarded the Gold Medal at the Wine Great Britain Awards 2020 by the English Wine Association, rewarding the work carried out by the group.

Outlook

The health crisis has accelerated the group's strategic transformation from a product-oriented to a customer-oriented approach.

The measures undertaken concern the entire value creation chain from the vine to the end consumer.

- Vineyards: conversion to organic farming of the Champagne and Portuguese vineyards, following the conversion to organic farming of the Camargue and Provence vineyards
- Production: implementation of a programme to improve industrial performance and the supply chain, notably in Champagne by refocusing industrial activities on the Tours-sur-Marne site.
- Organisation: overhaul of the IT organisation and acceleration of the digitisation of services
- Marketing: strengthening digital communication by setting up a data service and investing in customer service.
- Commercial: development of an e-commerce site, shelving of "gift products", expansion of the wine tourism offer by opening Château La Gordonne in Provence to the public as soon as health conditions allow.

All of these measures will enable the group to return to growth as of 2021, growth that should however remain moderate due to the persistence of the pandemic.

The world has now learned to live with the Covid-19 virus, and the success of the vaccination campaigns should make it possible to return to a "normal" life and thus regain moments of conviviality. This outlook should be favourable to the development of the group, which relies on a large portfolio of brands, its international sales network and a reinforced proximity to the end consumer.

Next release

Online publication of the group's annual results on 29 March 2021, after the close of trading

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 São Pedro 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 Louis Pommery California, Louis Pommery England, Brut de France and Pink Flamingo sparkling wines.

*Vranken-Pommery Monopole is listed on NYSE Euronext (Paris and Brussels).
(Codes "VRAP" (Paris), and "VRAB" (Brussels); ISIN: FR0000062796).*

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