



PRESS RELEASE

2020 FULL-YEAR EARNINGS

Reims, Thursday March 18, 2021 - 5:45pm

LANSON-BCC's results for 2020 were affected by an unprecedented crisis. Globally, the encouraging performances by several Maisons were offset by the marked drop in volumes sold and the customer mix, combined with the increase in grape prices. Nevertheless, net income for this challenging year remained positive, highlighting the Group's ability to rapidly adapt to ensure its resilience.

Key developments: the Market

Global Champagne shipments came to 244.1 million bottles (-17.9%). The French market continued with its contraction that began 10 years ago, coming in at -19.9%. It represents 46.4% of the volumes shipped by the Champagne industry. The other European Union countries are down 13.3% to 27.2% of the volumes sold, while non-EU countries contracted 18.8% and represented 26.5% of the volumes sold. The total value of shipments came to €4.2bn, down 16.7% (source: CIVC).

Our Maisons

On markets that have been so deeply affected, the Group's Maisons with the strongest focus on exports and serving traditional customer segments - Philipponnat, De Venoge, Besserat de Bellefon - recorded a significant contraction in their sales. Maison Lanson further strengthened its market shares in the UK, the leading export market for Champagne wines, as well as for mass export. Maison Boizel recorded positive performances with its "B to C" customers. Our two Maisons with the strongest mass retail presence - Chanoine Frères and Maison Burtin - saw a drop in revenues due to the major challenge of passing on the excessive grape price rises from the last few years.

Consolidated income statement

IFRS (€m)	2020	2019	Change
Revenues	223.12	250.29	-10.9%
Gross margin	79.07	92.92	
EBIT	13.42	17.63	-23.9%
% of revenues	6.0%	7.0%	
Financial income and expenses	-3.83	-3.53	-8.5%
Corporate income tax	-3.19	-4.17	
Net income	6.39	10.11	-36.8%
% of revenues	2.9%	4.0%	

Consolidated revenues for 2020 came to **€223.12m** (-10.9%). Excluding the brokerage subsidiary, whose activity is traditionally subject to fluctuations, consolidated revenues represent €219.74m (-10.7%).

EBIT represents **€13.42m**, compared with €17.63m (-23.9%). This change primarily reflects the drop in volumes across most of our markets and the excessive increase in grape prices over the last 10 years. The reduction of all our staff costs and external costs by almost 15% did not fully offset the lower level of business and higher costs.

Financial expenses primarily concern financing for the aging of Champagne stocks. They totaled **-€3.83m**, compared with -€3.53m, thanks to the effective management of bank debt and the moderation of its average cost.

Pre-tax earnings came to **€9.58m** (-32.1%).

Corporate income tax represents €3.19m (-23.6%), with an effective corporate income tax rate of 33.3% for the Group.

Net income totaled **€6.39m** (-36.8%), with a net margin rate of 2.9%.

Consolidated balance sheet

Shareholders' equity represents **€289.1m**, compared with €287.9m at end-2019, notably reflecting the impact of provisions resulting from the revaluation of employee-related commitments for €1.9m (health insurance and retirement benefits).

Consolidated net financial debt totaled **€533m**, compared with €544.4m at the end of 2019. €439.7m correspond to credit facilities for the aging of a stock of Champagne wines over nearly four years on average, with a book value of €523.1m, compared with €540.3m at end-2019.

Other financial debt totaled **€105m** (vs. €74.4m at end-2019), **including a €43m French government-backed loan plan** (€8m government-backed loan with BPI + €35m government-backed loan with banking partners). €62m concern investments in our Maisons and vineyards, compared with €74.4m at end-2019.

The Group's financial structure remains sound: gearing, at **1.82**, is at a normal level for Champagne due to the significant levels of stock for aging.

Proposed dividend

As no dividends were paid out in 2020, and taking into account its confidence in the future, LANSON-BCC's Board of Directors will be submitting a proposal for a dividend of €0.20 per share (22% of net income) for approval at the General Meeting on April 29, 2021, for payment on May 4, 2021. As has been the case since 2006, the bulk of earnings, i.e. 78%, are capitalized in order to give the Group the means to drive its development, while continuing to improve its gearing.

Outlook

As a family-owned pure player for Champagne, LANSON-BCC is continuing to move forward with its long-term value development strategy, despite the slowdown due to the shock of the pandemic, and with the renewal of its governance. The Group's ambition to further strengthen its positioning in the world of high-end wines is, more than ever, firmly anchored at the heart of its plans. Despite the persistent health and economic crisis, consumers around the world are still strongly attached to Champagne Wines. The Group's confidence is based on the quality of its wines, the constant progress with the image of its Maisons, and the robust performance by its teams.

Additional information

The consolidated financial statements for 2020 were approved by the Board of Directors on March 18, 2021. The audit procedures on the consolidated accounts have been completed. The certification report will be issued once the necessary procedures have been finalized for filing the 2020 Universal Registration Document with the AMF.

A video presenting the 2020 earnings (in French only) is available on the Group website: www.lansonbcc.com.

<p>LANSON-BCC is a group built around eight Maisons producing Champagne wines, created and led by Champagne families. It unites together outstanding Maisons, renowned for their unique wines and benefiting from the effective fit between their customer segments. The combination of ancestral know-how and modern technical capabilities, creative independence and rational synergies enables each one of its Maisons to develop its performances, ensuring the LANSON-BCC Group's sustainability.</p> <ul style="list-style-type: none">• Champagne Lanson, prestigious Maison founded 1760, Reims, holder of a Royal Warrant since the time of Queen Victoria, 80% of Champagne sold on international markets.• Champagne Chanoine Frères, Maison founded 1730, Reims, Champagne sold primarily for the European mass retail market, reputed above all for its attractive Tsarine cuvee.• Champagne Boizel, Maison founded 1834, Epernay, Champagne distributed through mail order in France (BtoC) and in traditional sectors for international markets.• Champagne De Venoge, Maison founded 1837, Epernay, Champagne sold on selective retail markets, notably with its Cordon Bleu and Princes ranges and its Louis XV grande cuvee.• Champagne Besserat de Bellefon, Maison founded 1843, Epernay, Champagne distributed through traditional networks (restaurants, wine stores).• Champagne Philipponnat, Maison founded 1910, Mareuil sur Aÿ, owner of Clos des Goisses, Champagne sold on selective retail markets and in the world's leading restaurants.• Maison Burtin, Epernay, private-label supplier for the European mass retail market and also producer of Champagne Alfred Rothschild.• Champagne Alexandre Bonnet, Les Riceys, owner of a vast vineyard, with wine sold in traditional sectors, also producer of Rosé des Riceys. <p>www.lansonbcc.com</p>	<p>Euronext Growth ISIN: FR0004027068 Ticker: ALLAN Reuters: ALLAN.PA Bloomberg: ALLAN:FP Indices: EN Growth Allshare, EnterNext PEA-PME 150</p> <p>Eligible for SME share-based savings schemes (implementing order of March 5, 2014)</p> <p>LANSON-BCC Nicolas Roulleaux Dugage Tel: +33 (0)3 26 78 50 00 investisseurs@lansonbcc.com actionnaires@lansonbcc.com</p> <p>CALYPTUS Cyril Combe Tel: +33 (0)1 53 65 68 68 cyril.combe@calyptus.net</p>
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