



PRESS RELEASE

## 2019 FIRST-HALF EARNINGS

**Reims, Thursday September 12, 2019 - 5:45 pm**

*The LANSON-BCC Group is releasing its audited earnings for the first half of 2019, with net income of -€1.18m, while the first half-year period accounts for only around one third of sales, but half of costs. The positive effects of the improvement in the price-product mix did not offset, over the period, the negative impact of the contraction in volumes linked to the general economic environment in France. As a family-owned pure player for Champagne, LANSON-BCC is moving forward with its long-term value development strategy with determination.*

### Highlights

In terms of volumes, for the overall Champagne sector, the first half of 2019 (-3.1%) was less favorable than the same period in 2018 (-0.9%). The contraction in the French market (45.4% of volumes shipped) accelerated to -6.0% from -3.3% for the first half of 2018. The other European countries are picking up (+3.8%), including the UK, following the downturn seen in the last few years. Countries outside the European Union are down -4.2%, with 29.4% of the volumes shipped. Source: CIVC

In this context, the LANSON-BCC Group has focused in priority on strengthening the price positioning of its Maisons. Volumes for the first half of 2019 were primarily affected by the drop in consumption in France in a sluggish economic environment marked by the social movements, the electoral climate and the delicate rollout of the French "EGALIM" Law for the mass retail sector. On export markets, the Group's Maisons have achieved encouraging performances, with positive price-mix effects.

### Consolidated income statement

IFRS (€m)	H1 2019	H1 2018
<b>Revenues</b>	<b>79.47</b>	<b>88.20</b>
<b>EBIT</b>	<b>0.13</b>	<b>1.90</b>
<b>Financial income and expenses</b>	<b>-1.93</b>	<b>-1.88</b>
<b>Net income</b>	<b>-1.18</b>	<b>0.17</b>

**Consolidated revenues** for the first half of 2019 came to **€79.47m**, versus **€88.20m**, down -9.9%, compared with +3.7% growth for the first half of 2018. Excluding the brokerage subsidiary, whose activity is traditionally subject to fluctuations, consolidated revenues represent **€77.94m** for the first half of 2019, compared with €86.98m (-10.4%).

**Exports** generated **47.6%** of revenues at June 30, 2019, compared with 44% at June 30, 2018. This performance reflects the lower level of business for the Group's Maisons in France, combined with sales growth for several European destinations and the UK in particular, where the Group has significant longstanding market shares.

**EBIT** came to **€0.13m**, compared with €1.90m for the first half of 2018. The globally positive price-mix effects did not make it possible to offset the drop in volumes in France or the increase in the cost price of bottles sold during the period.

**Financial income and expenses** came to **-€1.93m**, compared with -€1.88m.

**Net income** totaled **-€1.18m**, compared with €0.17m at June 30, 2018.

## Consolidated balance sheet

**Shareholders' equity** represents **€277.15m**, compared with €271.08m at June 30, 2018.

**Net financial debt** came to **€547.18m**, compared with €525.59m at June 30, 2018. In addition to the interest acquired in the vineyard real estate company La Croix d'Ardillères in November 2018 for €8m, 90% of this debt concerns the aging of a stock of wine for over 3.5 years on average, which is an essential part of the Champagne wine production process. **Gearing** represents **1.97**, compared with 1.94 at June 30, 2018.

## Outlook

Due to the seasonality of Champagne sales, which has increased in 2019, these results cannot be extrapolated over the full year. As visibility for the end of the year is still limited, the Group is not releasing any forecasts for the full year, but it is important to note that the last quarter of the calendar year represents nearly 50% of sales.

## Additional information

The consolidated half-year financial statements have been subject to a "limited" review by the statutory auditors (Grant Thornton and KPMG). The half-year financial report, approved by the Board of Directors on September 12, 2019, is available on the Group website: [www.lanson-bcc.com](http://www.lanson-bcc.com).

**2019 full-year revenues** will be released on **Thursday January 30, 2020** (after close of trading).

<p><b>LANSON-BCC is a group built around eight Maisons that produce Champagne wines, created and led by Champagne families.</b> It unites together outstanding Maisons, renowned for their unique wines and benefiting from the effective fit between their customer segments. The blend of ancestral know-how and leading-edge 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>	<p>Euronext Growth          ISIN: FR0004027068          Ticker: ALLAN          Reuters: ALLAN.PA          Bloomberg: ALLAN:FP          Indices: CAC All Shares, CAC Consumer Goods, EnterNext PEA-PME 150</p>
<ul style="list-style-type: none"> <li>• <b>Champagne Lanson</b>, prestigious Maison founded 1760, Reims, with 80% distributed on international markets.</li> <li>• <b>Champagne Chanoine Frères</b>, Maison founded 1730, Reims, wines intended primarily for the European mass retail market (Chanoine brand), reputed above all for its <b>Tsarine</b> cuvee.</li> <li>• <b>Champagne Boizel</b>, Maison founded 1834, Epernay, French mail-order specialist (BtoC), distributed in the traditional sector for international markets.</li> <li>• <b>Champagne De Venoge</b>, Maison founded 1837, Epernay, sold on selective retail markets, notably with its <b>Princes</b> range and its <b>Louis XV</b> grande cuvee.</li> <li>• <b>Champagne Besserat de Bellefon</b>, Maison founded 1843, Epernay, distributed through traditional networks (restaurants, wine stores).</li> <li>• <b>Champagne Philipponnat</b>, Maison founded 1910, Mareuil sur Aÿ, which owns the renowned <b>Clos des Goisses</b>, with wines exclusively available on selective retail markets as well as in the world's leading restaurants.</li> <li>• <b>Maison Burtin</b>, Epernay, private-label supplier for the European mass retail market and also producer of Champagne Alfred Rothschild.</li> <li>• <b>Champagne Alexandre Bonnet</b>, Les Riceys, owner of a vast vineyard, with wine sold in traditional sectors.</li> </ul>	<p>Eligible for SME share-based savings schemes (implementing order of March 5, 2014)</p>
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