



**HALF-YEARLY RESULTS  
2018-2019 FINANCIAL YEAR**

**NOVEMBER 23, 2018**

# OVERVIEW

- The market
- Half-year highlights
- Key figures
- Analyses
- Balance sheet
- Latest news from Champagne and works
- Continued pursuit of value policy
- Outlook and conclusion



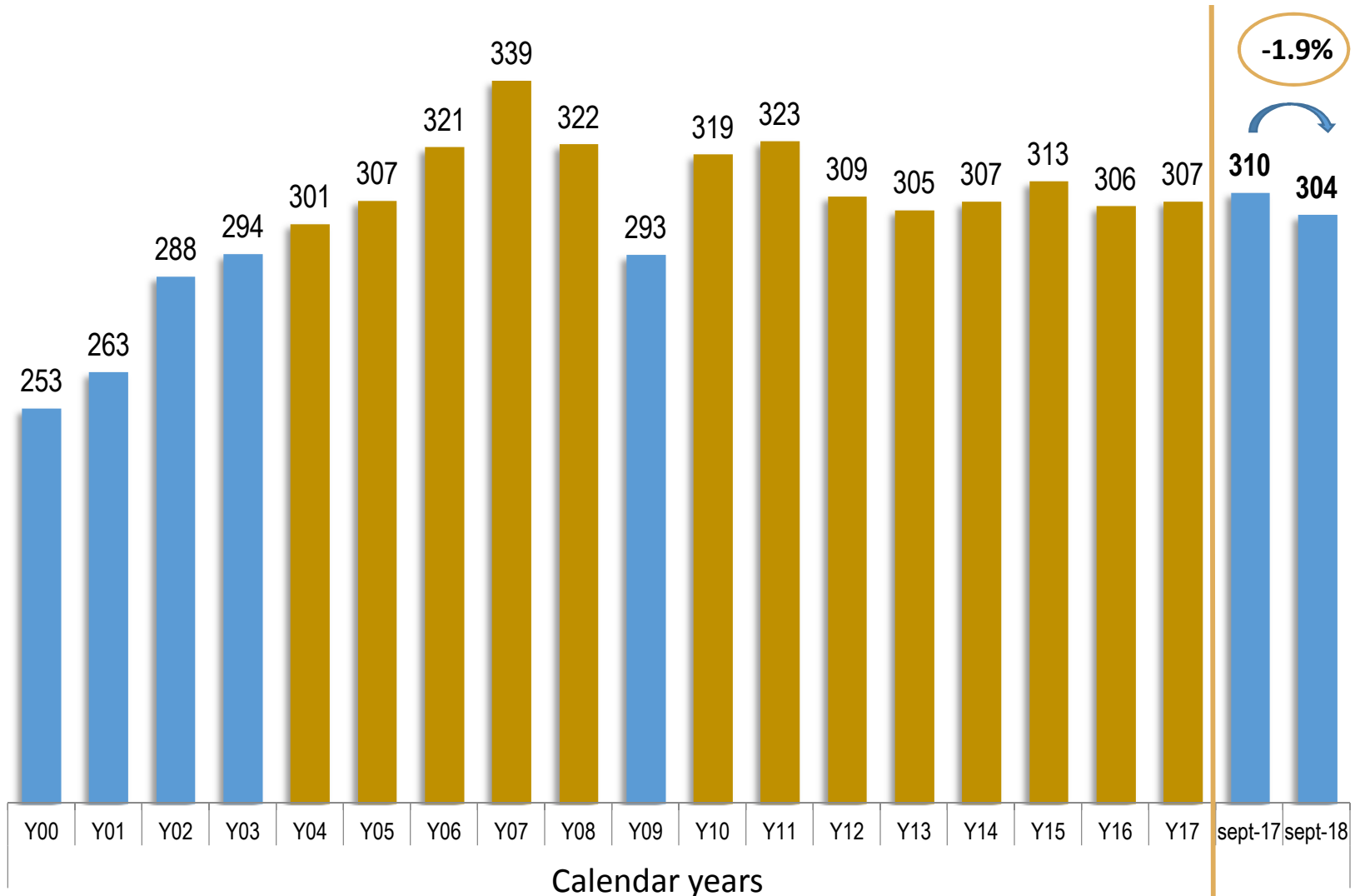
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# A DECLINING MARKET IN THE 12 MONTHS TO END-SEPTEMBER

Source: CIVC – million bottles



# OVER 12 MONTHS, LAURENT-PERRIER BRAND OUTPERFORMS MARKET

Growth in shipments in the 12 months to end-September 2018

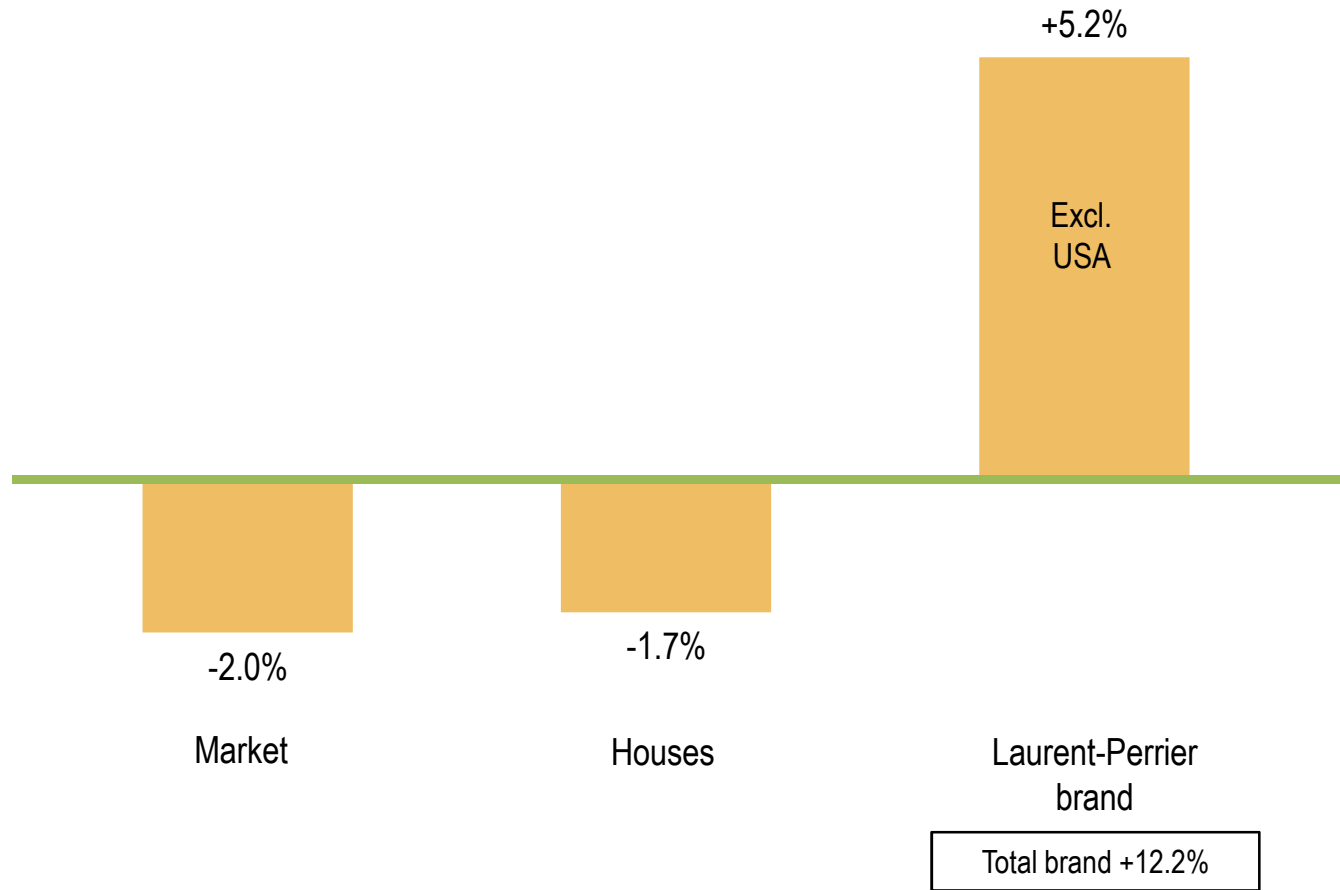
(Sources: CIVC and Laurent-Perrier)

	Laurent-Perrier brand	Houses	Market
Volume	+2.7%	-1.6%	-1.9%
Price/Mix (constant exchange rates)	+2.4%	-	-



# PERFORMANCE ESPECIALLY MARKED IN H1 OF FISCAL YEAR

Growth in shipments in the 6 months from April to September 2018  
(Sources : CIVC and Laurent-Perrier)





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# FIRST-HALF HIGHLIGHTS, 2018-2019

## ➤ EXTERNAL FACTORS

- Market
- Exchange rate

## ➤ INTERNAL FACTORS

- Changes initiated
- Media investment
- The least promoted brands
- Agrimer / Social liabilities





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## MAIN CONSOLIDATED DATA

### LAURENT-PERRIER GROUP / PUBLISHED DATA

(€ million)	1st half 2017-2018	1st half 2018-2019	Change
<b>Turnover</b>	<b>94.7</b>	<b>99.7</b>	<b>5.3%</b>
<b>Gross margin</b>	<b>47.8</b>	<b>52.8</b>	<b>+10.5%</b>
<i>as % of turnover</i>	<i>50.5%</i>	<i>53.0%</i>	<i>+2.5Pts</i>
<b>Operating result</b>	<b>16.9</b>	<b>18.7</b>	<b>+10.6%</b>
<i>as % of turnover</i>	<i>17.9%</i>	<i>18.8%</i>	<i>+0.9Pts</i>
<b>Group net income</b>	<b>7.9</b>	<b>10.6</b>	<b>+33.1%</b>
<i>as % of turnover</i>	<i>8.3%</i>	<i>10.7%</i>	<i>+2.4Pts</i>
<b>Net cash-flow (*)</b>	<b>-28.0</b>	<b>-29.5</b>	<b>-1.5</b>

(\*) Cash flow from operations minus net investment minus dividends

## ORGANIC RESTATEMENT

### LAURENT-PERRIER GROUP / ORGANIC RESTATEMENTS

(€ million)	Currency	Margin /Harvest	Provisions & other regul	TOTAL
Turnover	+0.3		-0.0	+0.2
Gross margin	+0.2	-1.6	-0.0	-1.4
Operating result	+0.4	-1.6	+1.2	-0.1

## MAIN CONSOLIDATED ORGANIC DATA

### LAURENT-PERRIER GROUP / ORGANIC DATA

(€ million)	1 <sup>st</sup> half 2017-2018	1 <sup>st</sup> half 2018-2019 organique *	Organic change *
<b>Turnover</b>	<b>94.7</b>	<b>100.0</b>	<b>+5.5%</b>
<b>Gross margin</b>	<b>47.8</b>	<b>51.5</b>	<b>+7.6%</b>
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<b>Operating result</b>	<b>16.9</b>	<b>18.6</b>	<b>+10.2%</b>
<i>as % of turnover</i>	<i>17.9%</i>	<i>18.6%</i>	<i>+0.8Pt</i>

\* Hors change. marges sur récolte et provisions

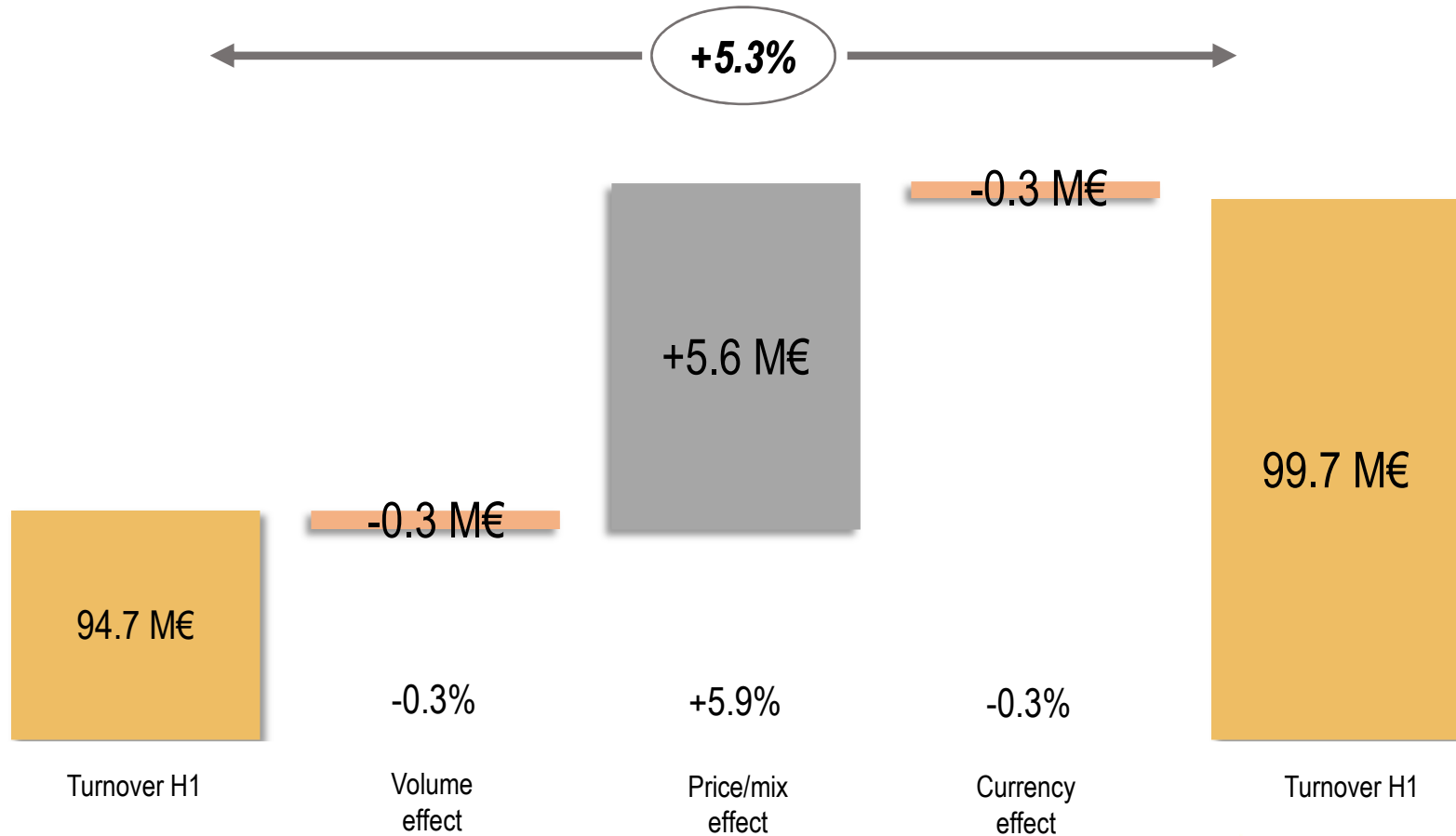
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# GROWTH IN GROUP TURNOVER DRIVEN BY PRICE/MIX EFFECT

## LAURENT-PERRIER GROUP - VS PREVIOUS YEAR (€ MILLION)





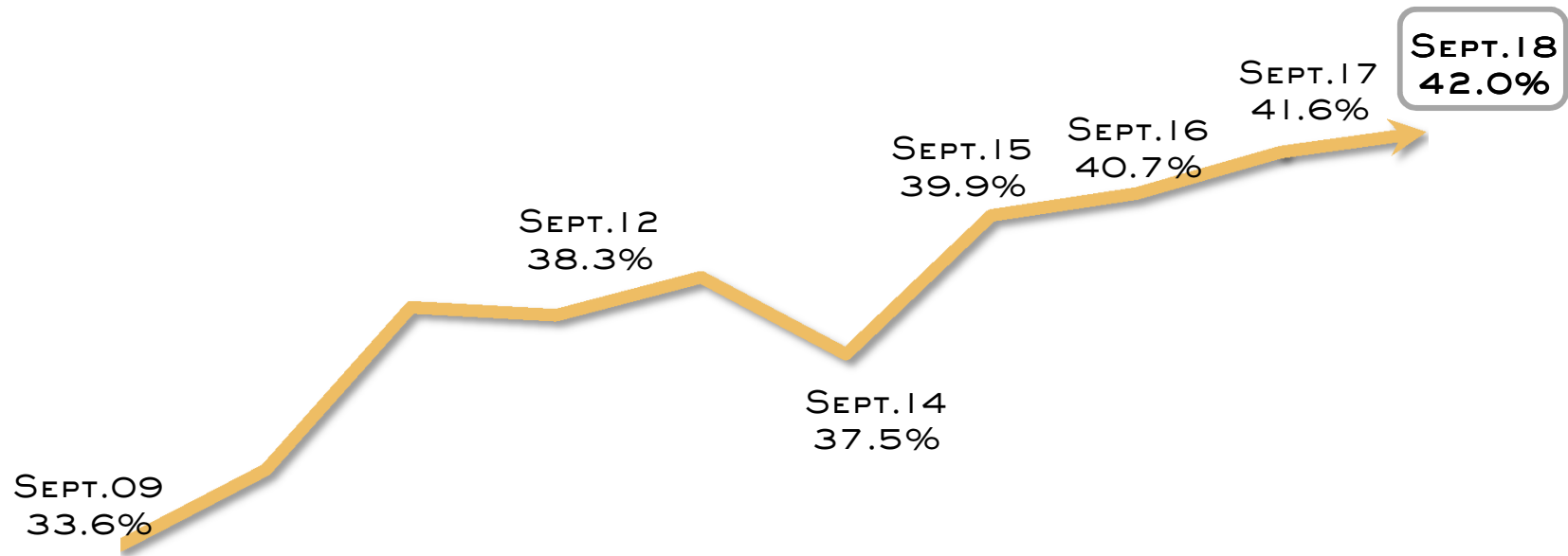
## Diapositive 14

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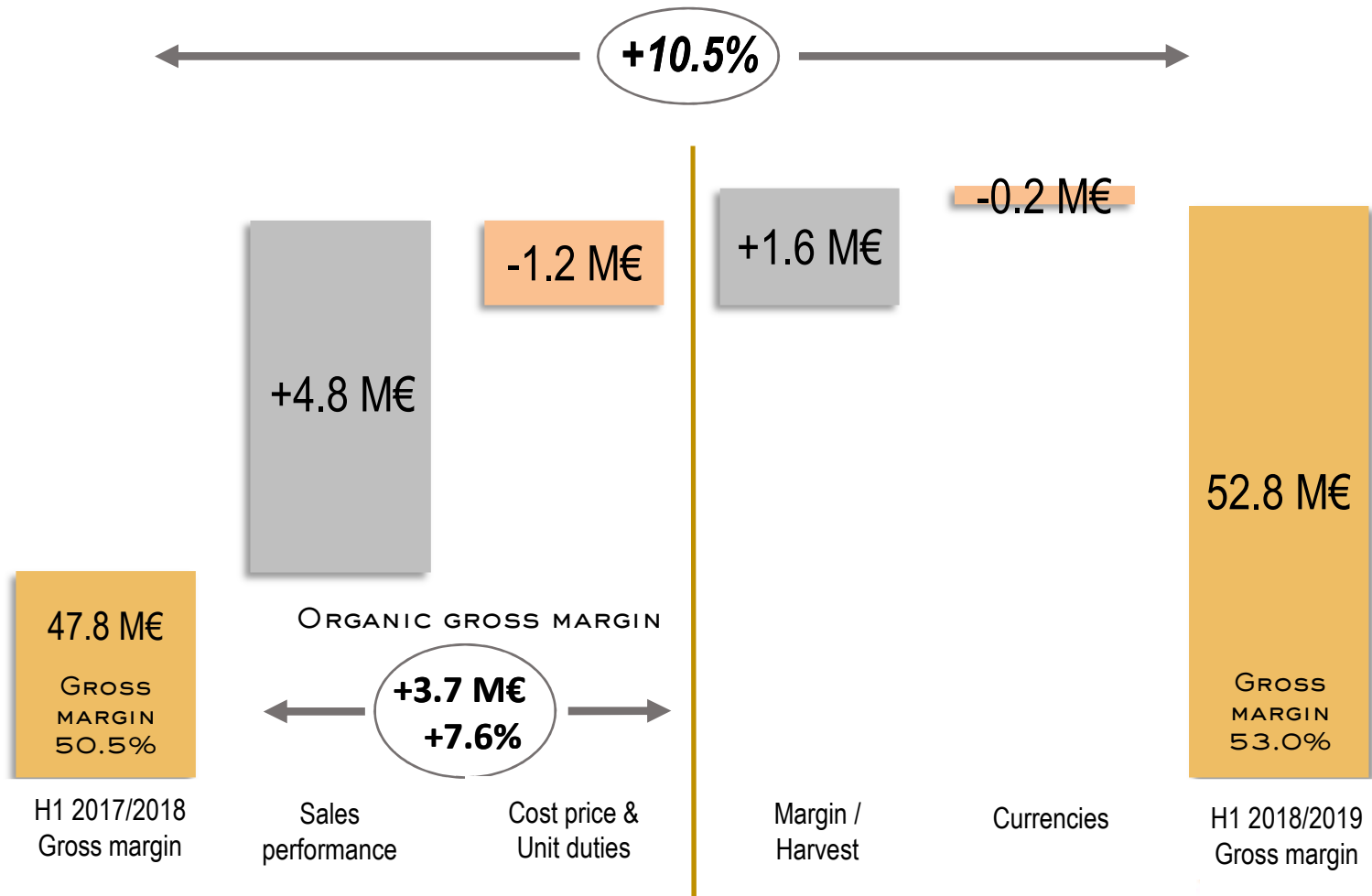
**RS2** Turnover H1 Volume Effect; Price-Mix Effect; Currency Effect; Turnover H1  
Richard Stephenson; 27/11/2018

**RS3** Richard Stephenson; 27/11/2018

# PREMIUM CONTRIBUTION SEES FURTHER GROWTH IN LAURENT-PERRIER BRAND TURNOVER

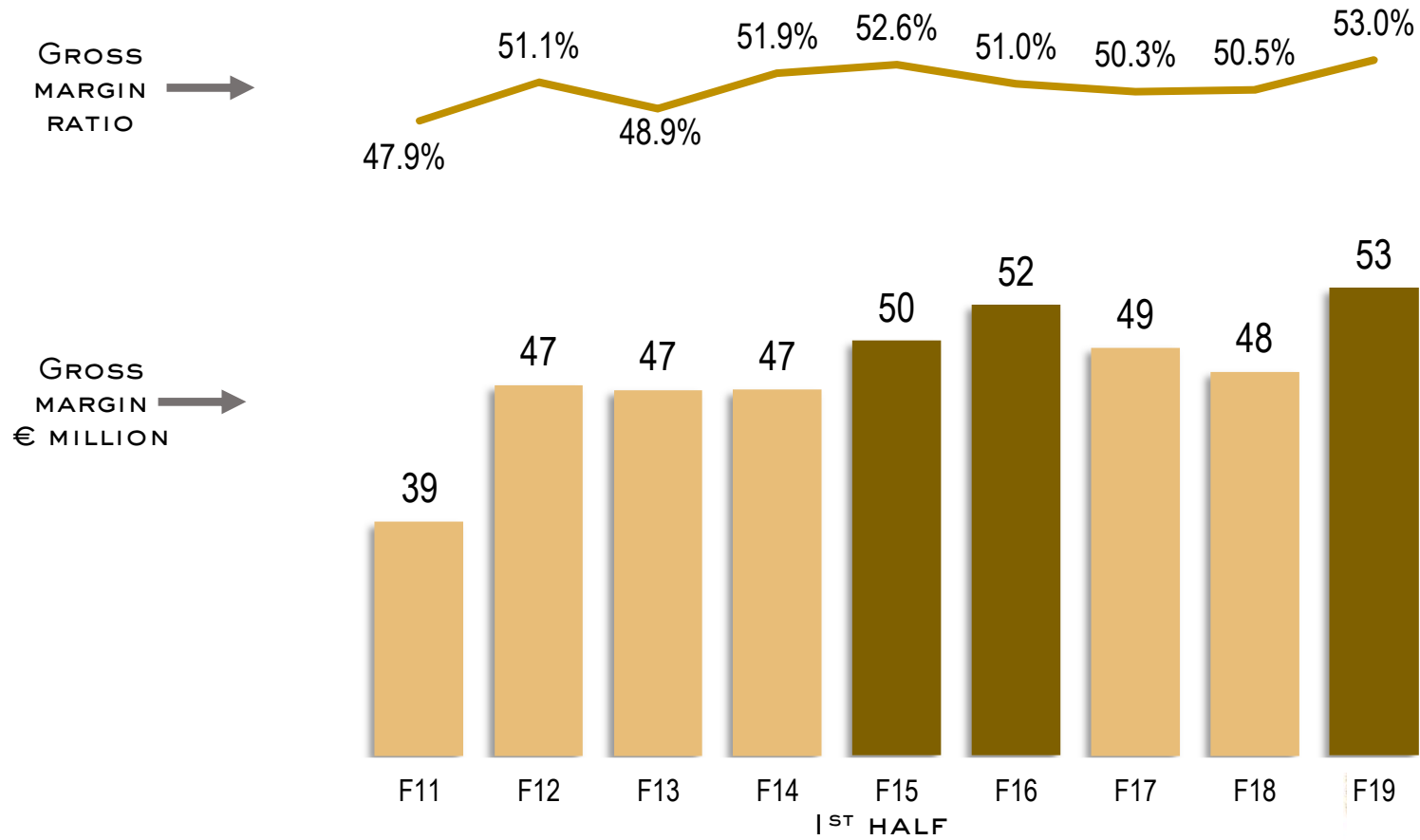


**ORGANIC GROSS MARGIN GREW BY €3.7 MILLION IN FIRST HALF...**  
**LAURENT-PERRIER GROUP - VS PREVIOUS YEAR (€ MILLION)**

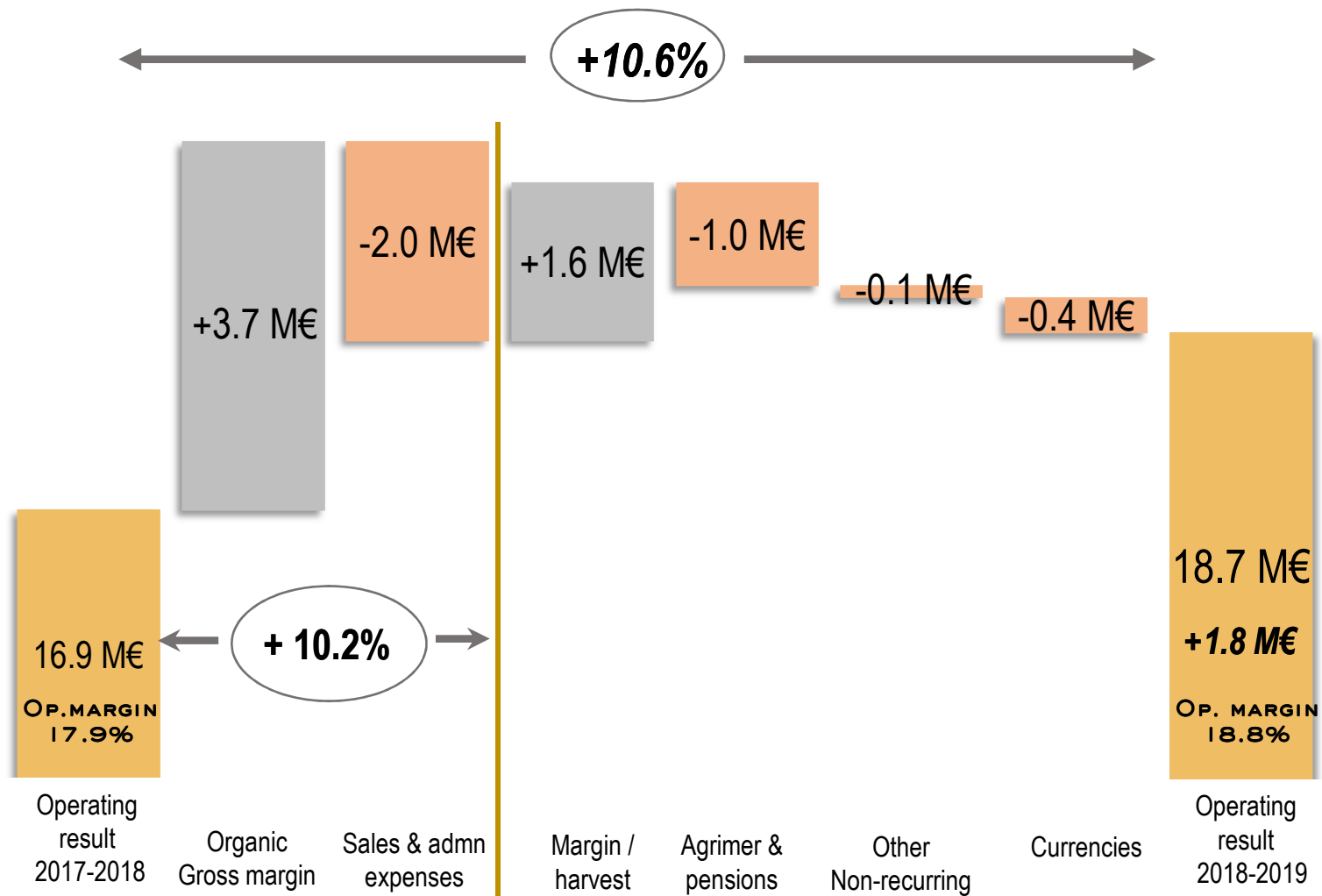


...RETURNING TO ONE OF THE HIGHEST FIRST-HALF LEVELS SINCE UN 2011

LAURENT-PERRIER GROUP - PUBLISHED DATA

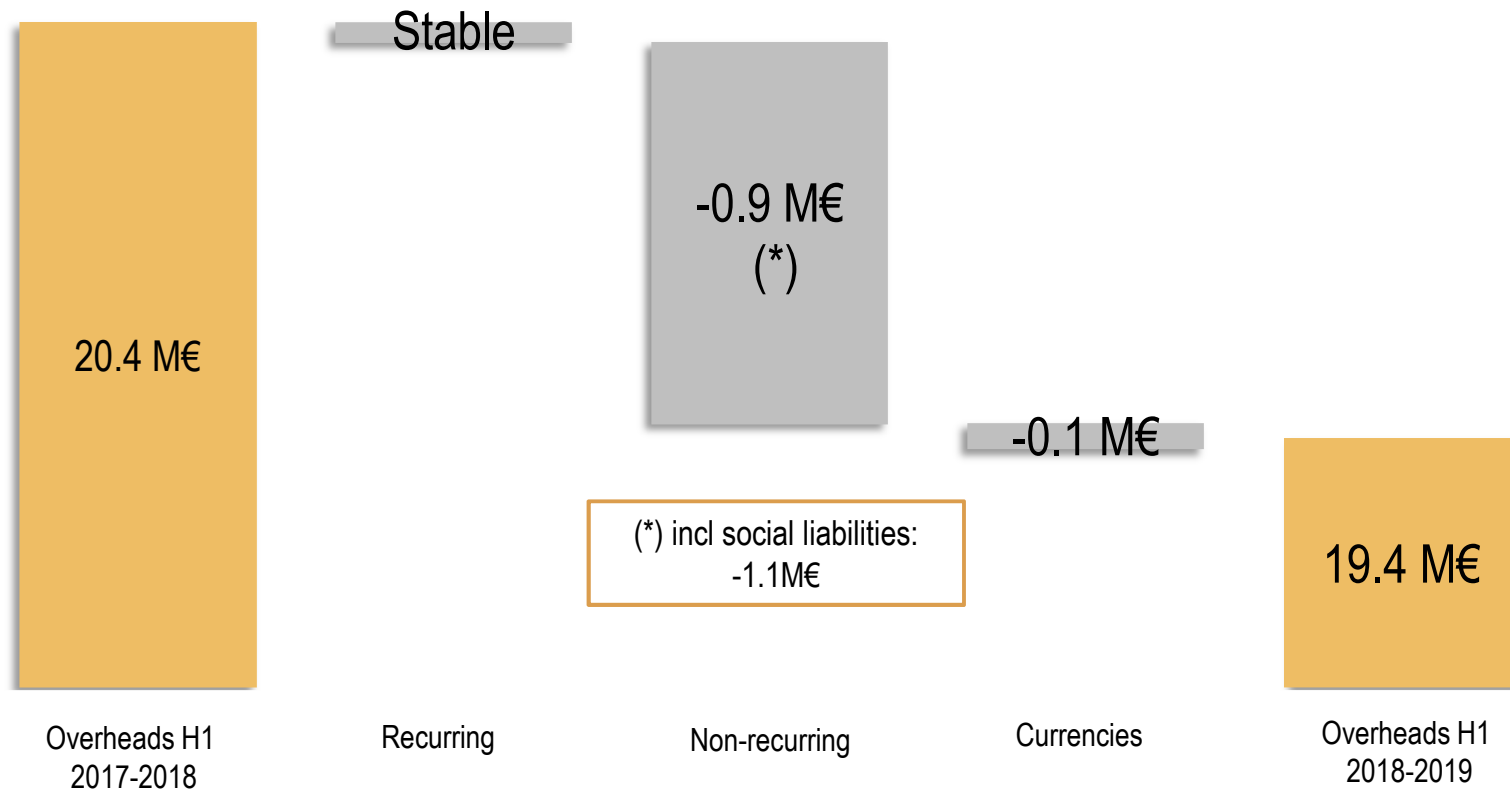


# ORGANIC OPERATING RESULT. UP BY €1.7 MILLION LAURENT-PERRIER GROUP - VS PREVIOUS YEAR (€ MILLION)



# EXCLUDING NON-RECURRING ITEMS, OVERHEAD COSTS ARE STABLE

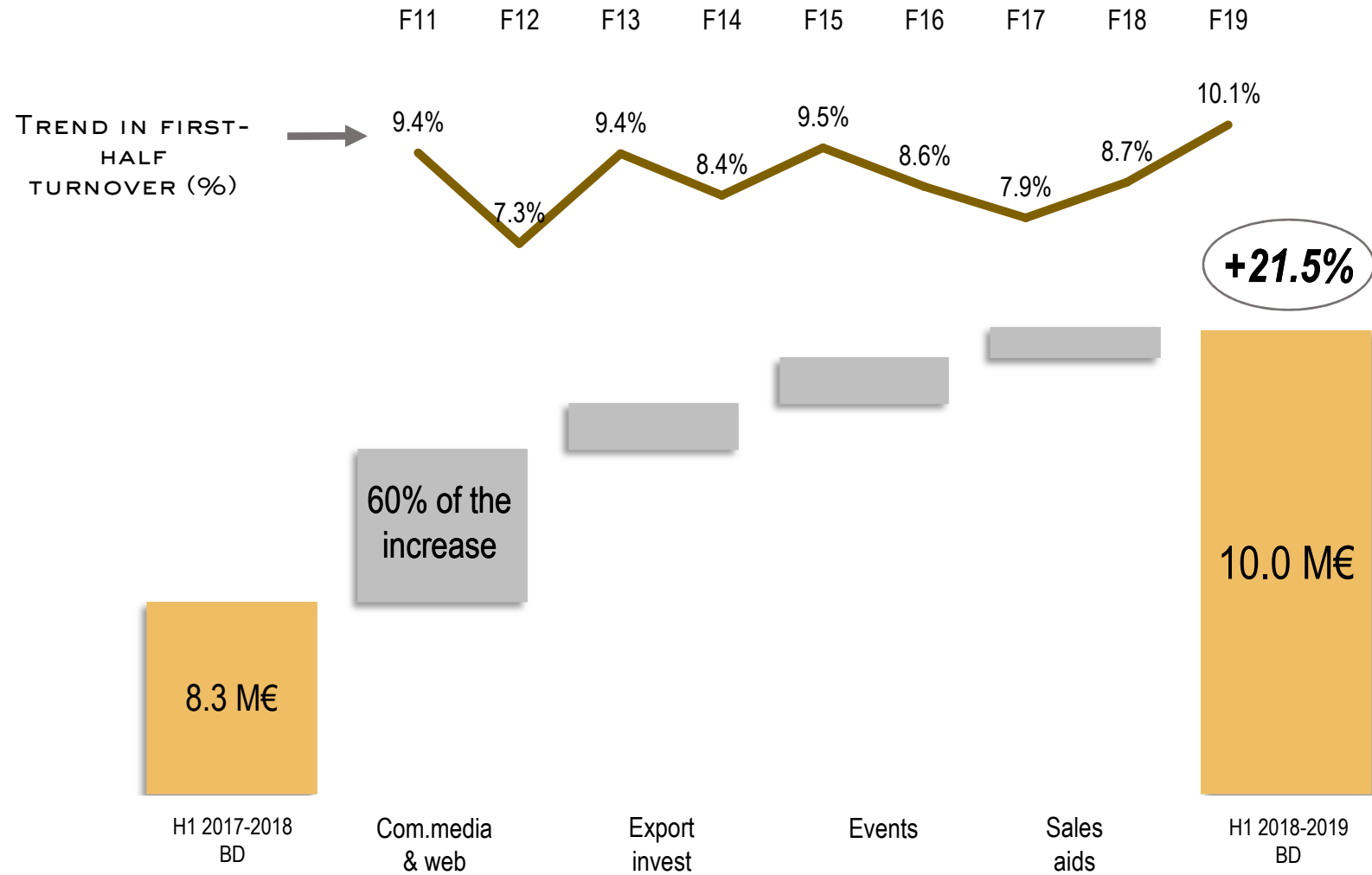
## LAURENT-PERRIER GROUP - PUBLISHED DATA





# ADVERTISING INVESTMENT UP IN FIRST HALF IN LINE WITH GROUP STRATEGY

## LAURENT-PERRIER GROUP - PUBLISHED DATA





# FIRST HALF 2018-2019 INCOME STATEMENT

## Laurent-Perrier Group – Published data

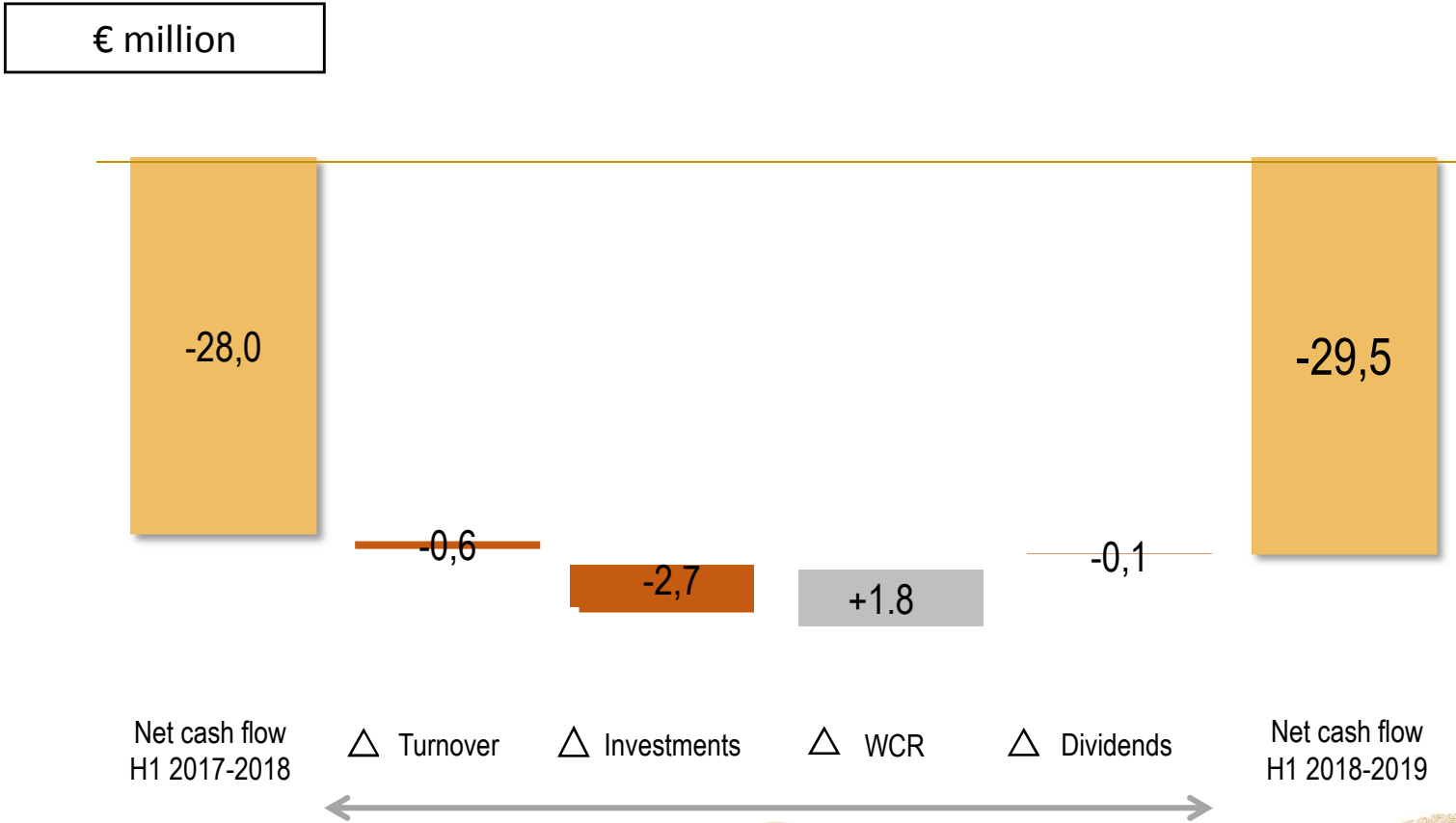
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Brand devt & Comm.	-8.3	-10.0	+21.5%
Sales & admin. expenses	-22.9	-22.2	-3.1%
Other income & expenses	0.3	-1.9	-724.7%
<b>Operating result</b>	<b>16.9</b>	<b>18.7</b>	<b>+10.6%</b>
<i>as % of turnover</i>	<i>17.9%</i>	<i>18.8%</i>	<i>+0.9Pts</i>
Financial result	-4.7	-3.5	-24.7%
Tax	-4.3	-4.6	+6.0%
<b>Group net income</b>	<b>7.9</b>	<b>10.6</b>	<b>+33.1%</b>
<i>as % of turnover</i>	<i>8.3%</i>	<i>10.7%</i>	<i>+2.4Pts</i>
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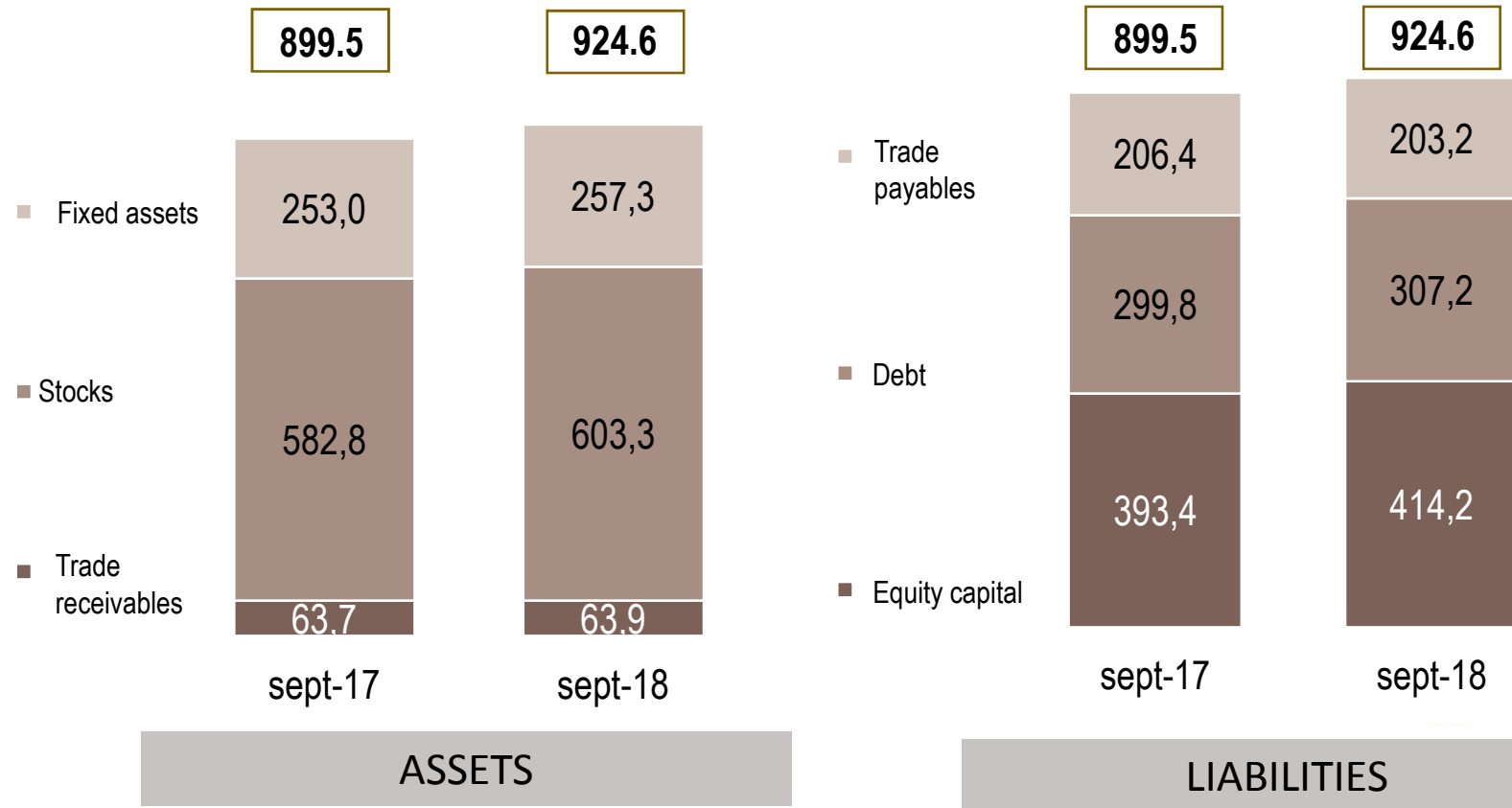
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# NEGATIVE CHANGE IN NET CASH FLOW IS DUE TO INVESTMENTS

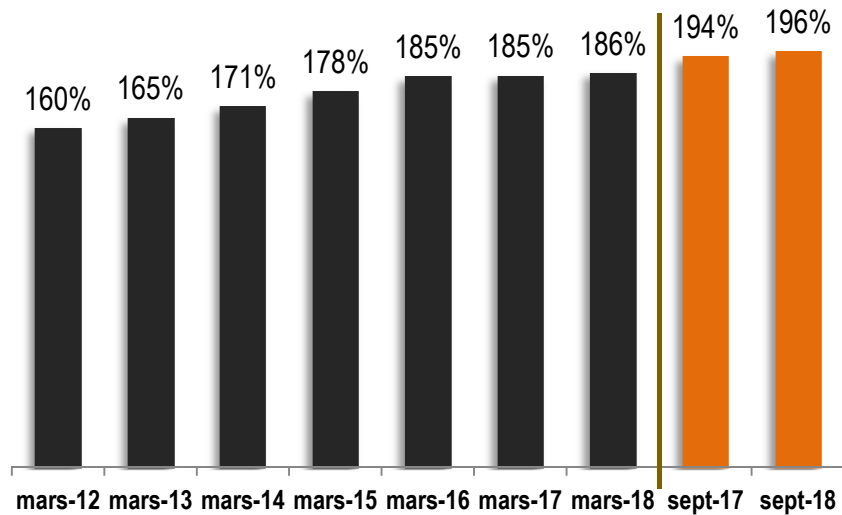


# BALANCE SHEET STRUCTURE

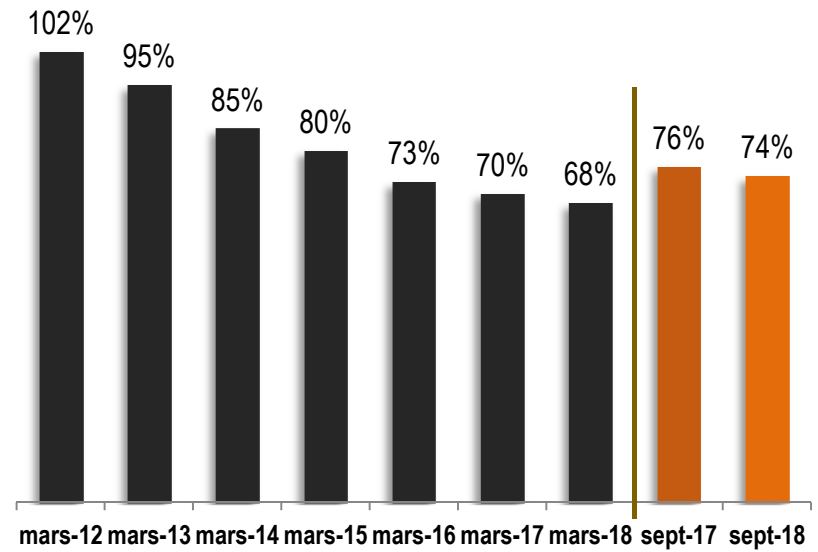




## DEBT RATIOS CONTINUE TO IMPROVE



**Stocks/Debt as %**



**Debt/Equity as %**

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## THE WINE GROWING YEAR 2018

- Very mild rainy winter followed by spring storms (hail affected 1,000ha)
- Flowering in early June in good conditions for all three varieties
- In July, vegetation extremely advanced with very large number of bunches
- Thanks to an outstanding summer, all the grapes ripened perfectly
- Some sectors began harvesting on 20 August, but on average, the harvest ran from 25 August to 10 September



## THE GRAPE HARVEST



## 2018 HARVEST ASSESSMENT

- Very rapid ripening, with excellent weather conditions
- Very even harvest quality for all three varieties in all areas
- Agronomic yield for all of Champagne: 18,200 kg/ha (9,000 kg/ha in 2017; 8,500 kg/ha in 2016)
- Positive outcome due to ideal weather conditions for vineyard needs



## USABLE YIELD IN LINE WITH MARKET LEVELS

- Agronomic yield = 18,200 kg/ha
- Usable AOC yield = 10,800 Kg/ha
- Set-aside of 4,700 kg for 2018 and up to 8,000 kg/ha for individual set-aside







## INVESTMENT UPDATE

- Buildings / Winery: 2015 / 2016
- Cellar extension: 2017 /2018
- Further investment on Tours-sur-Marne site

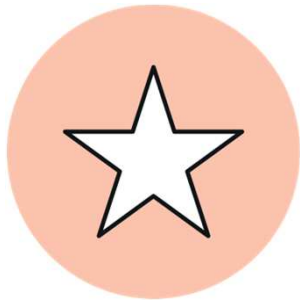


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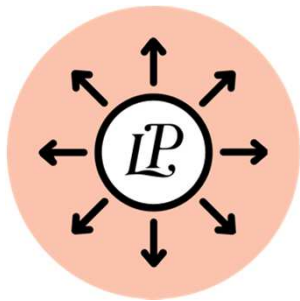
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Two key strengths: quality specific nature of wines



THREE DRIVERS:

1. Develop brand awareness
2. Bolster brand preference
3. Adapt structures






Beyond rare vintages

RECREATING THE PERFECT YEAR

18/20	18.5/20	93/100
<i>bettane + desseauve</i>	<i>Jancis Robinson</i>	<i>Wine Spectator</i>
Aug. 2017	Sept. 2017	Nov. 2017

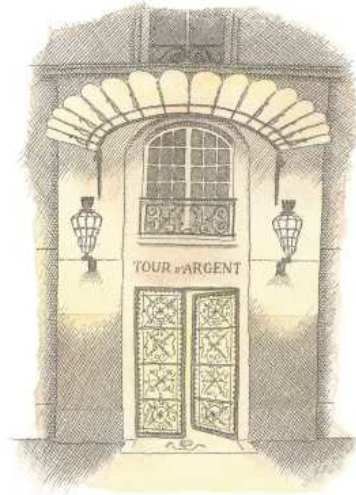
CHAMPAGNE  
Grand Siècle  
Laurent-Perrier  
GRANDS VIGNONS

\*2018 edition of Grand Siècle in Magnum (vintages 1999-1997-1995)

 laurentperriergrandsiecle  
www.grandsiecle.com

**drinkaware.co.uk**  
for the facts





*La Tour d'Argent  
Paris*

# Laurent-Perrier

*Cuvée Rosé, chosen by the best.*

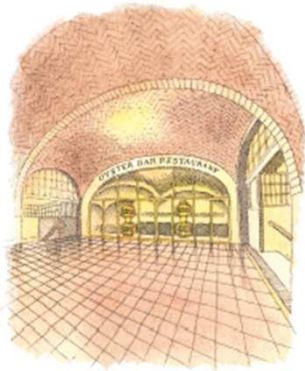


INDEPENDENT FAMILY-OWNED HOUSE



© laurentperrierose Photo credit: Iria Velho // Illustration credit: Pierre Le-Tan





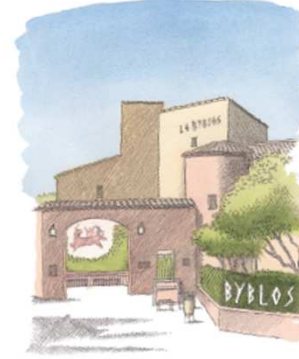
*Grand Central Oyster Bar  
New York*



*Bob Lobster  
London*



*Restaurant Bijou  
Paris*



*Le Byblos  
Saint-Tropez*

## Laurent-Perrier

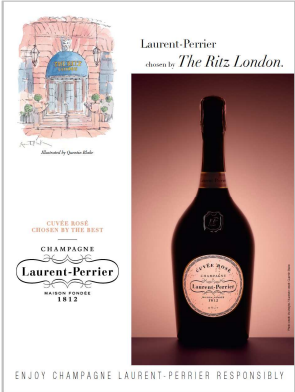
*Cuvée Rosé, choisie par les meilleurs.*



CHAMPAGNE  
**Laurent-Perrier**  
MAISON FONDÉE  
1812

MAISON FAMILIALE INDÉPENDANTE

© laurentperrierose Photographie : Na Vajha / Illustration : Diane Le-Tan







TASTE OF LONDON



TASTE OF PARIS



GAULT & MILLAU EVENTS



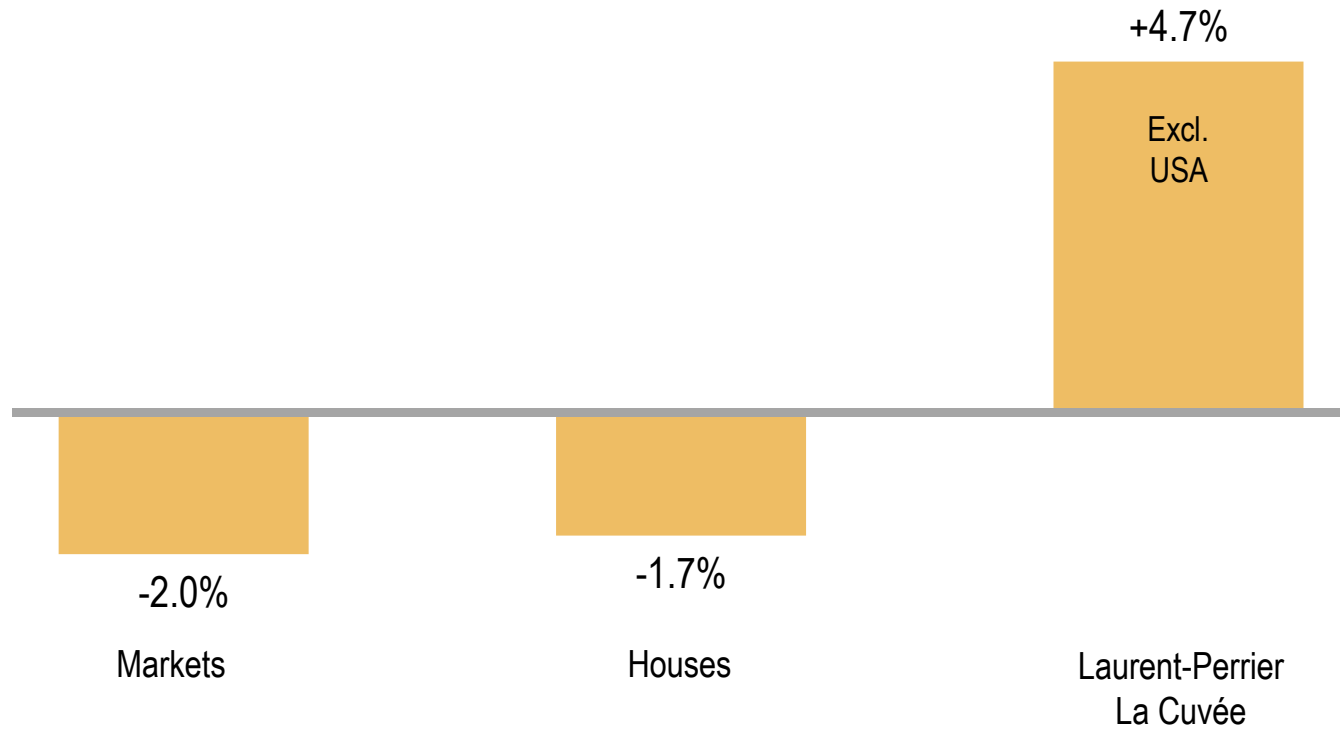








## SUCCESS OF LA CUVÉE CONFIRMED IN H1 OF FISCAL YEAR



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## OUTLOOK AND CONCLUSION

- 2<sup>nd</sup> half 2018-2019
  - ✓ Changes underway to continue
  - ✓ 1st half results cannot be extrapolated to 2<sup>nd</sup> half
  - ✓ Caution on annual estimate of Group results
- Vigilance necessary
  - ✓ Uncertain trend in exchange rates
  - ✓ A Champagne market that continues to decline : -2.6% to end October
  - ✓ Brexit?





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