



RESULTS FOR FY 2016-2017

2 JUNE 2017

# OVERVIEW

- Highlights
- Key figures
- Analyses
- Financial structure
- News from Champagne and works
- Outlook & conclusion



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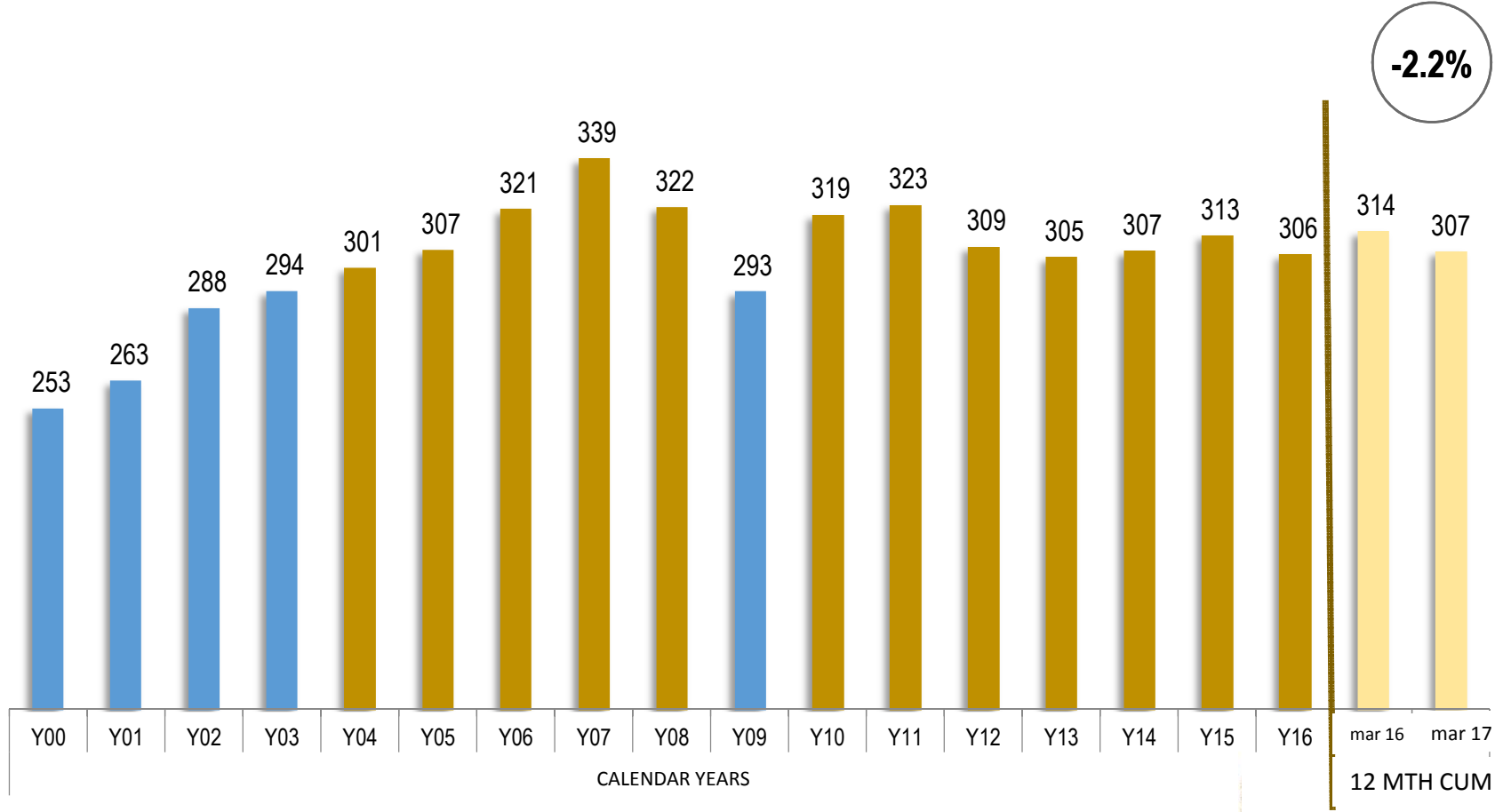


## OPERATING RESULT STABLE AT CONSTANT EXCHANGE RATES vs 2015-2016

- Thanks to price/mix effect
- Strict management of expenditure
- In adverse conditions:
  - market down 2.2% (12 months to end-March 2017)
  - some regions very badly affected (Africa, Middle East, etc.)
  - Brexit (£/€ impact)
  - distribution of Suntory whiskies in France halted...
  - decisions on volumes required for future profitability



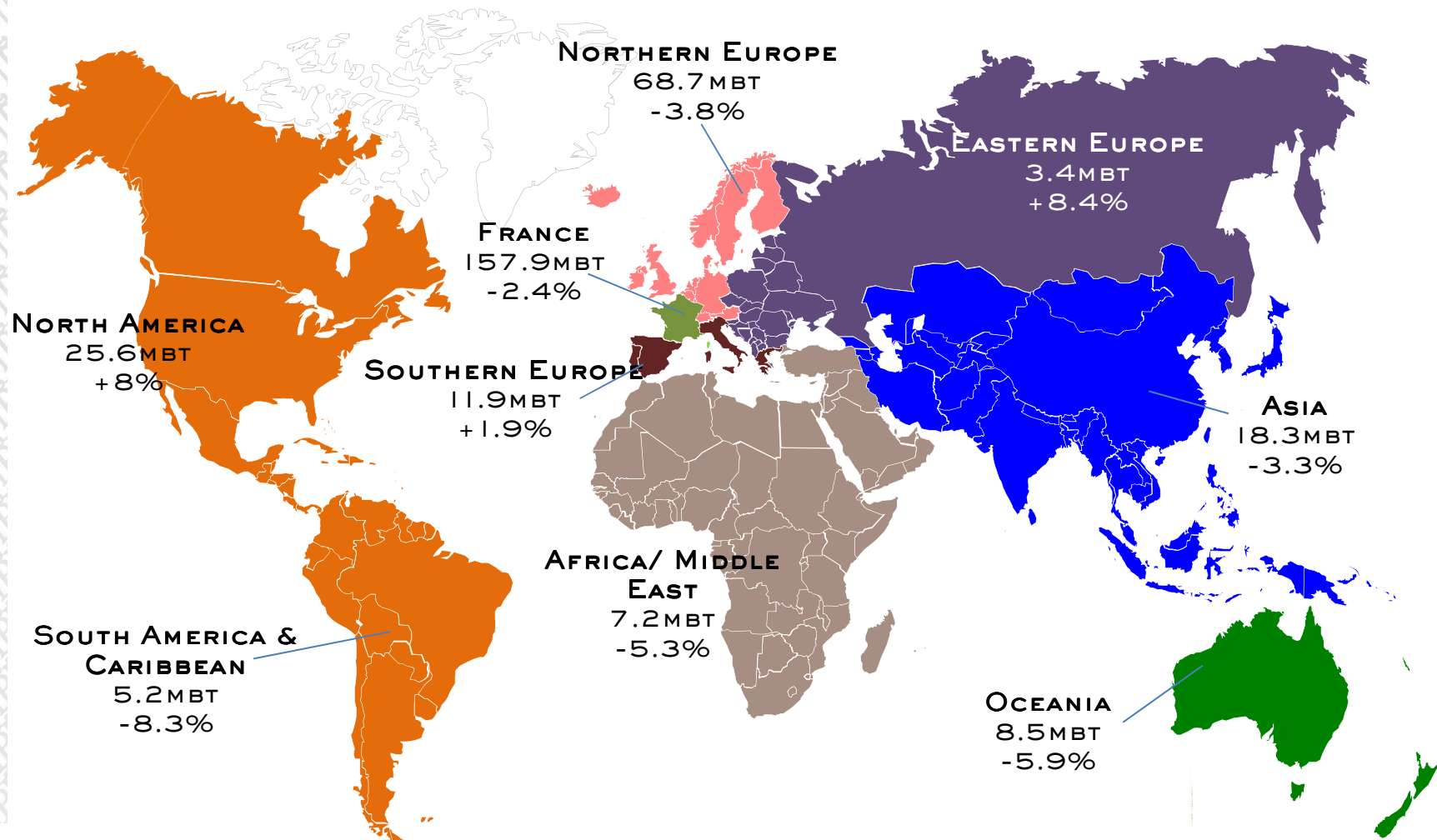
# MARKET DOWN IN YEAR TO END-MARCH





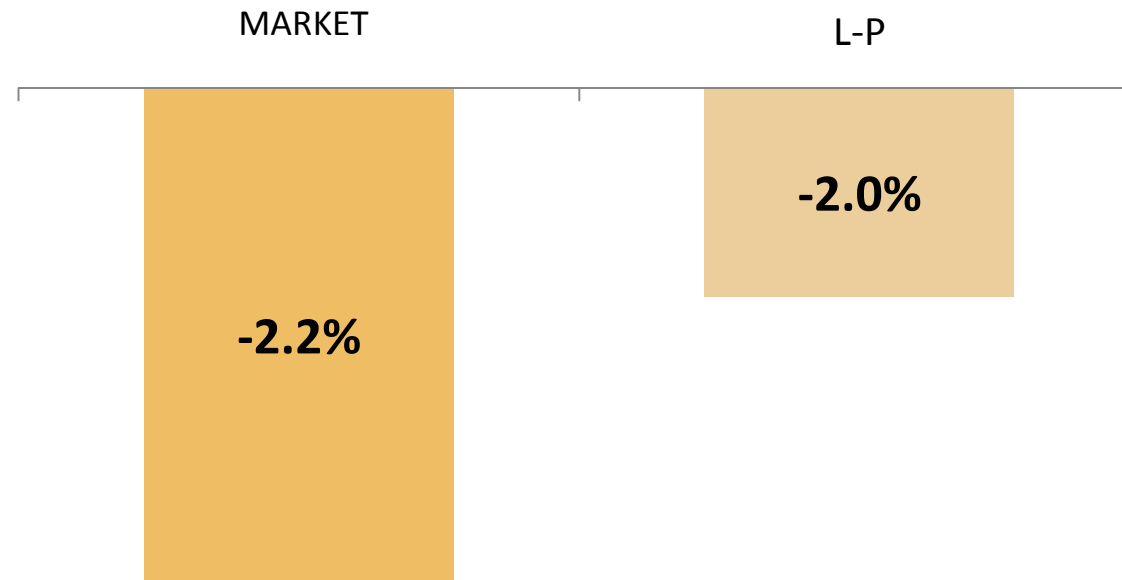
# ALL REGIONS IN DECLINE EXCEPT NORTH AMERICA AND EASTERN/SOUTHERN EUROPE

GLOBAL SHIPMENTS IN 2016 [SOURCE: CIVIC]



# AT END-MARCH 2017 LAURENT-PERRIER BRAND PERFORMANCE VOLUME BETTER THAN MARKET AVERAGE

CHANGE, 12 MONTHS TO END-MARCH:  
VOLUME



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# FY 2016-2017 KEY FIGURES

LAURENT-PERRIER GROUP / PUBLISHED DATA

(€ million)	2016	2017	Change
Turnover	244.8	230.6	-5.8%
Gross margin <i>as % of turnover</i>	114.9 46.9%	108.5 47.0%	-5.6% +0.1Pt
<b>Operating result</b> <i>as % of turnover</i>	<b>44.5</b> 18.2%	<b>41.1</b> 17.8%	<b>-7.8%</b> -0.4Pt
<b>Group net income</b> <i>as % of turnover</i>	<b>25.2</b> 10.3%	<b>23.2</b> 10.1%	<b>-7.9%</b> -0.2Pt
Cash-flow from operations*	11.7	1.7	-10.0

\* Cash generated by operations minus net investment

# FY 2016-2017 KEY FIGURES

LAURENT-PERRIER GROUP / ORGANIC RESTATEMENT

(€ million) Vs 2015-2016	Change	Third- party activities	Margin on harvest	Provisions	TOTAL
Turnover	+5.7	+0.9		-0.0	+6.5
Gross margin	+5.2	+0.3	+0.7	-0.0	+6.2
Operating result	+3.7	+0.6	+0.7	-0.7	+4.4

# FY 2016-2017 KEY FIGURES

## LAURENT-PERRIER GROUP / ORGANIC DATA

(€ million)	2016	2017 Organic*	Change Organic*
Turnover	244.8	237.1	-3.2%
Gross margin	114.9	114.7	-0.2%
<i>as % of turnover</i>	46.9%	48.4%	+1.4Pt
Operating result	44.5	45.5	+2.2%
<i>as % of turnover</i>	18.2%	19.2%	+1.0Pt

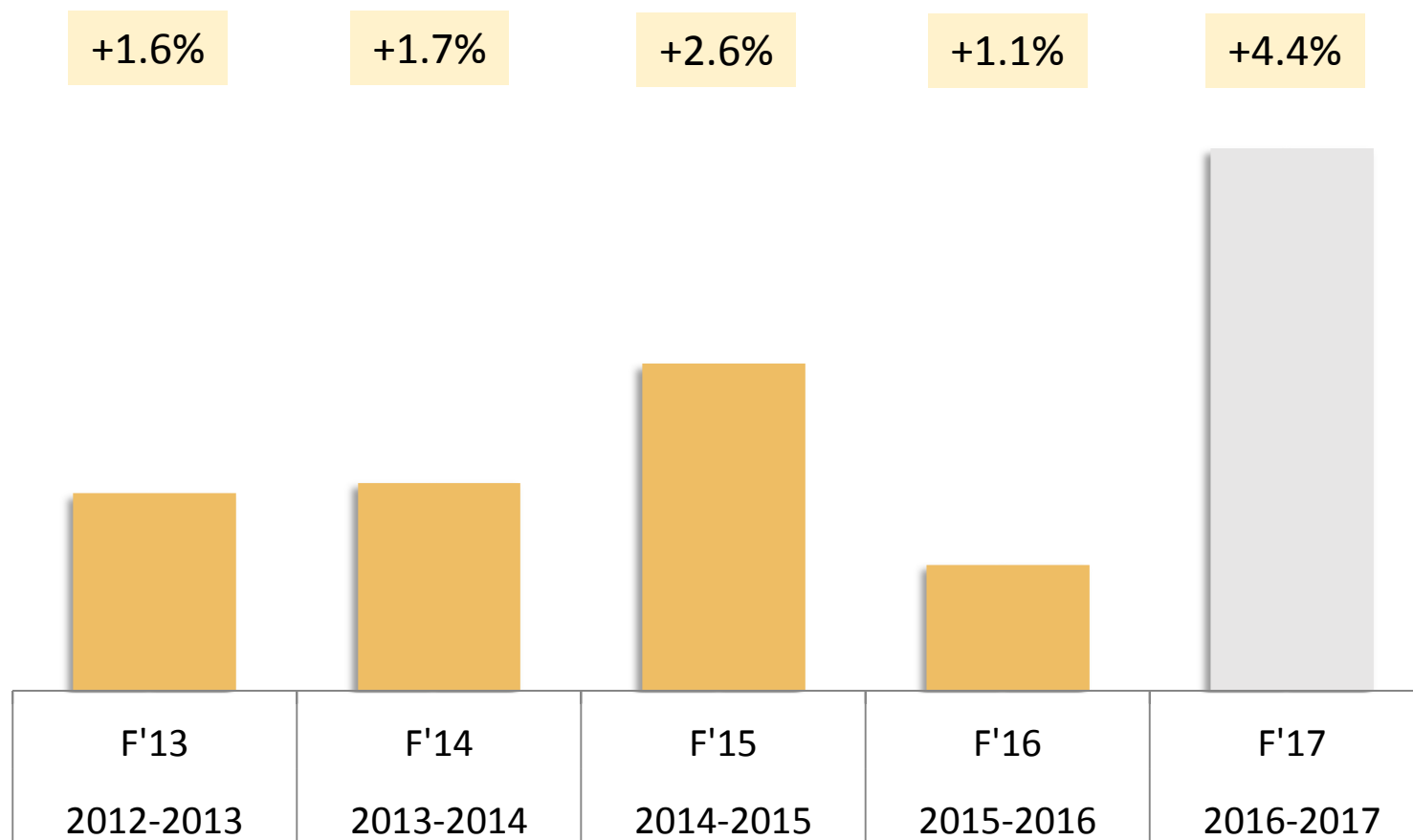
\* Excluding currency effects, third-party operations, margin on harvests and provisions

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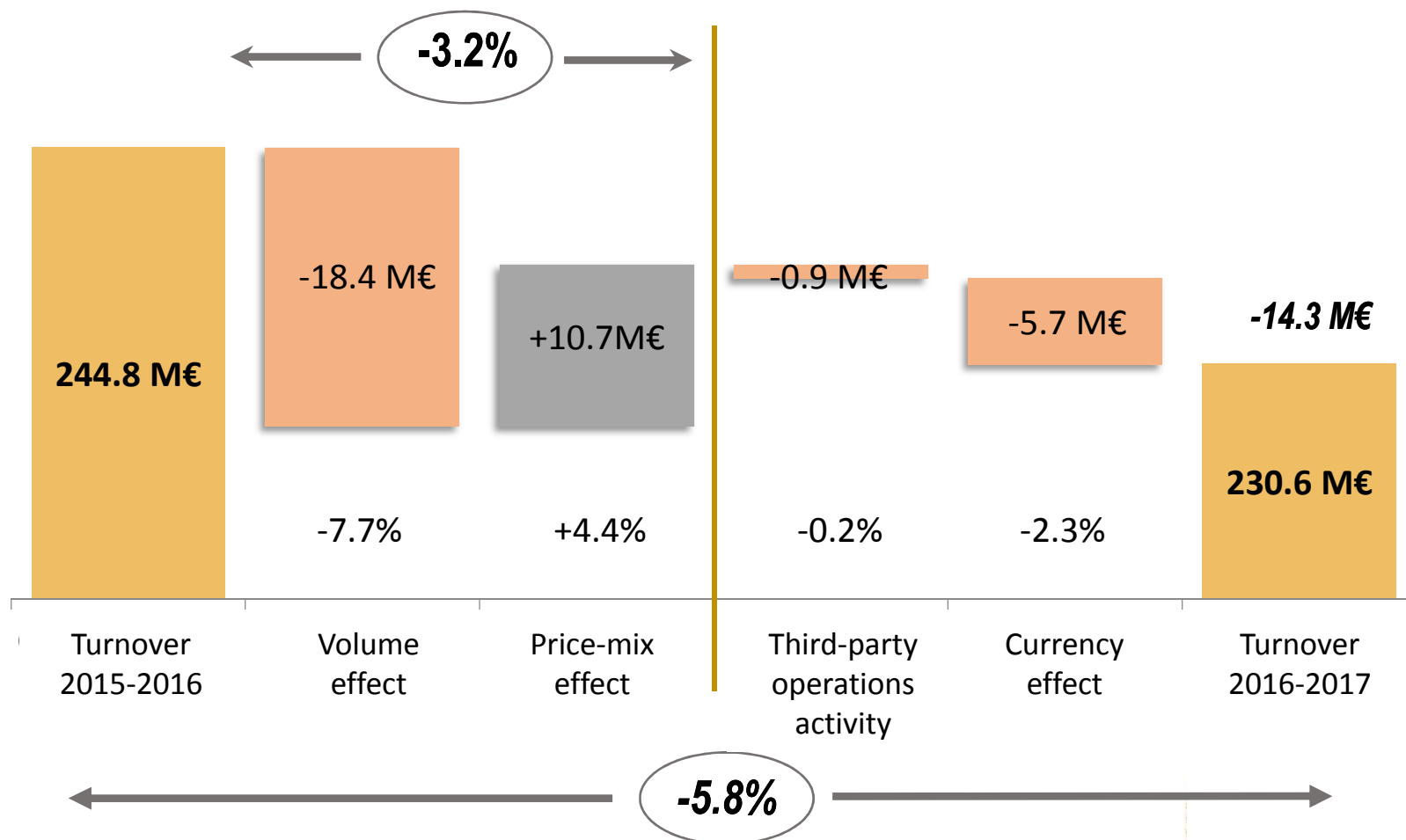


## PRICE/MIX EFFECT AT NEAR RECORD LEVELS (EXCLUDING CURRENCY EFFECTS)



## TURNOVER DOWN 3.2% LIKE-FOR-LIKE

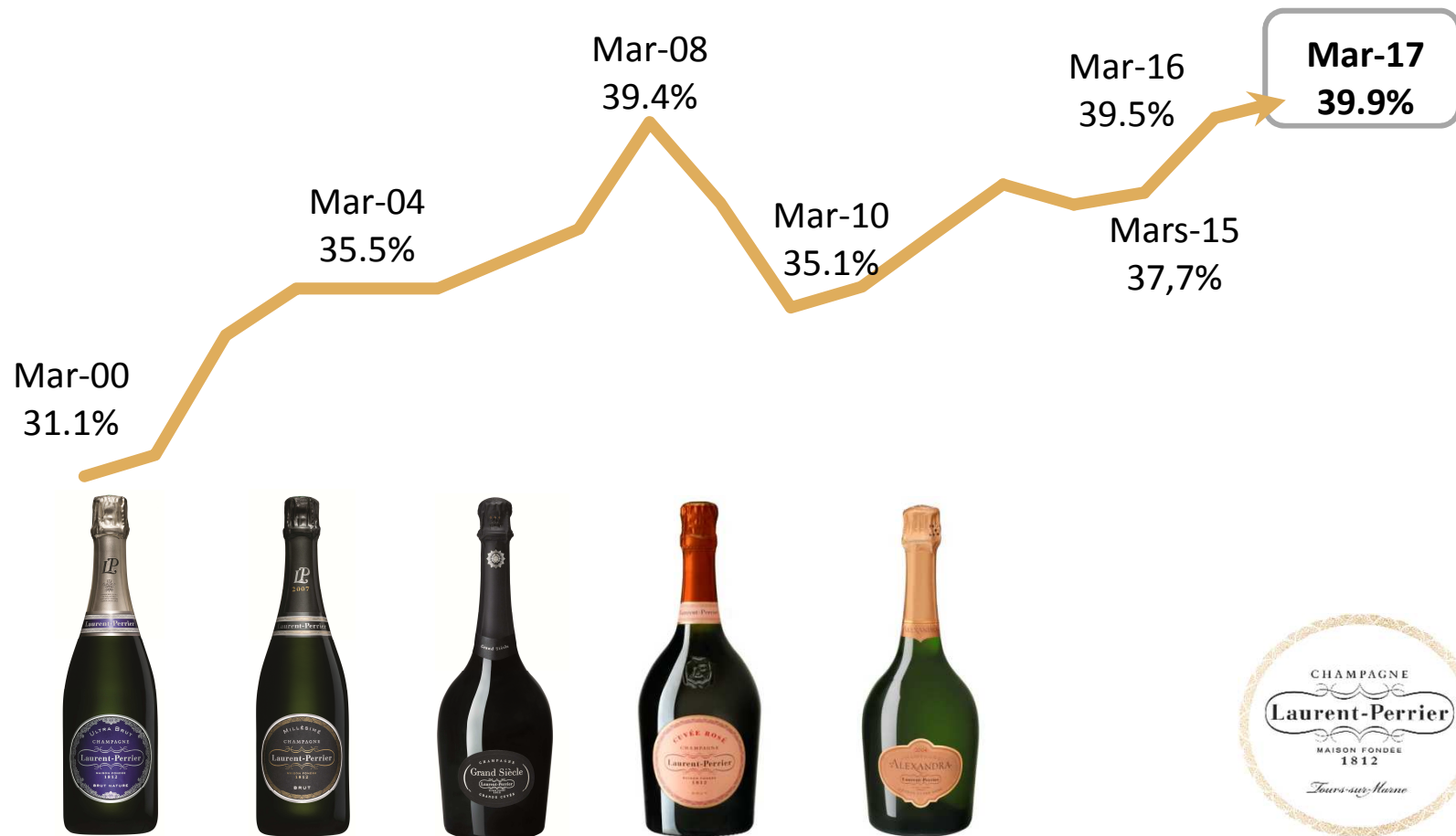
LAURENT-PERRIER GROUP - VS PREVIOUS YEAR (€ MILLION)





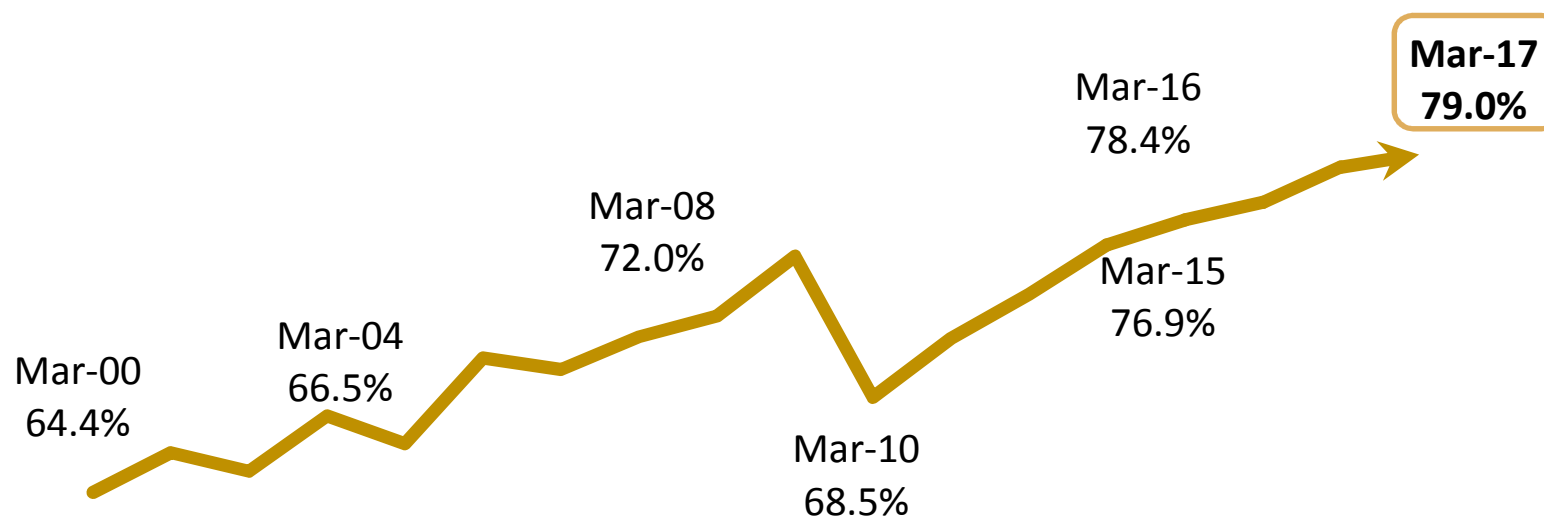
# PROPORTION OF PREMIUM CUVÉES APPROACHING 40% OF TURNOVER THRESHOLD

## SHARE OF PREMIUM CUVÉES LAURENT-PERRIER BRAND



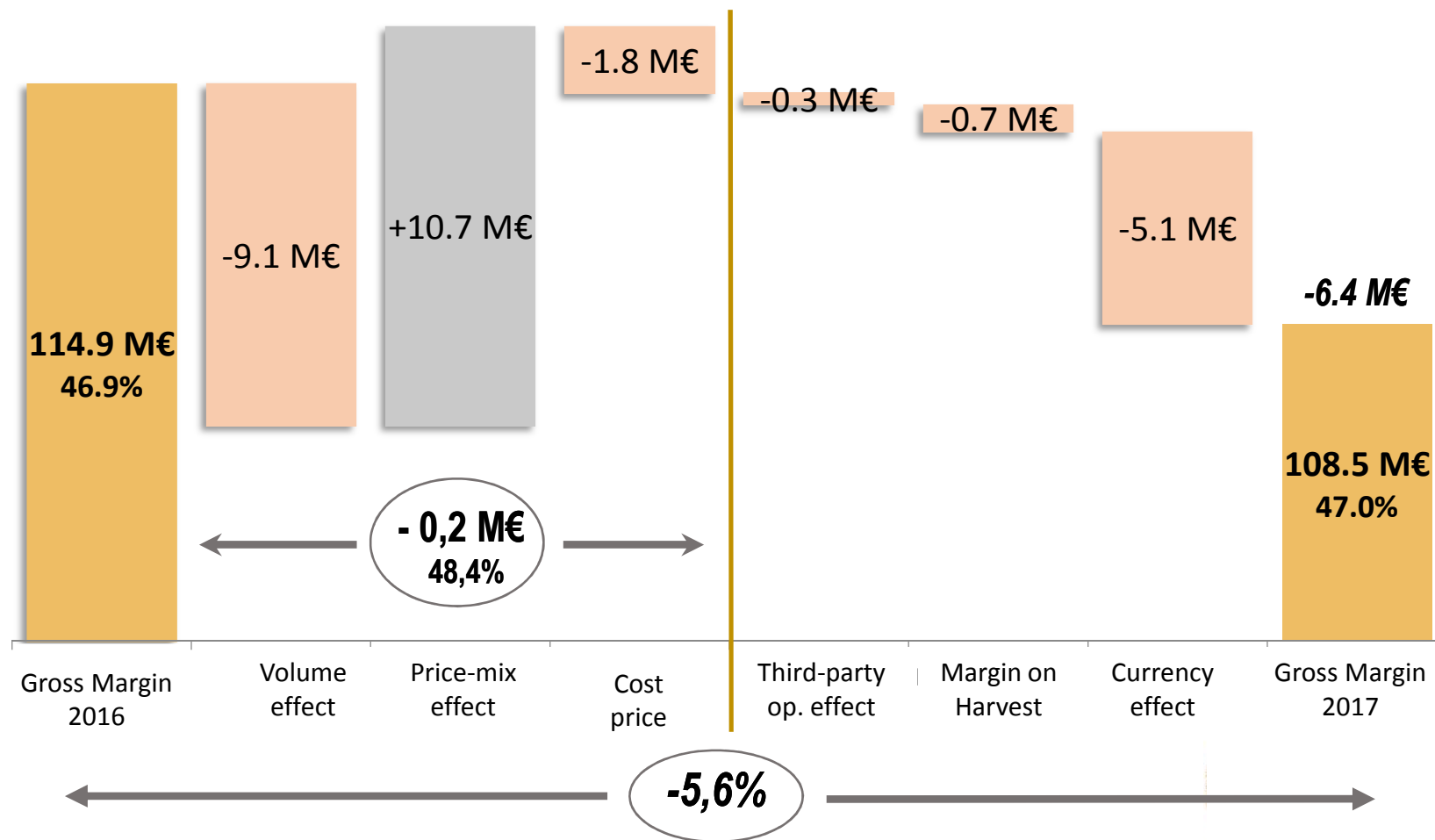
## SHARE OF LAURENT-PERRIER BRAND IN EXPORTS SEES FURTHER GROWTH, TO CLOSE TO 80%

SHARE OF EXPORT TURNOVER  
LAURENT-PERRIER BRAND



## ORGANIC GROSS MARGIN STILL SOLID

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



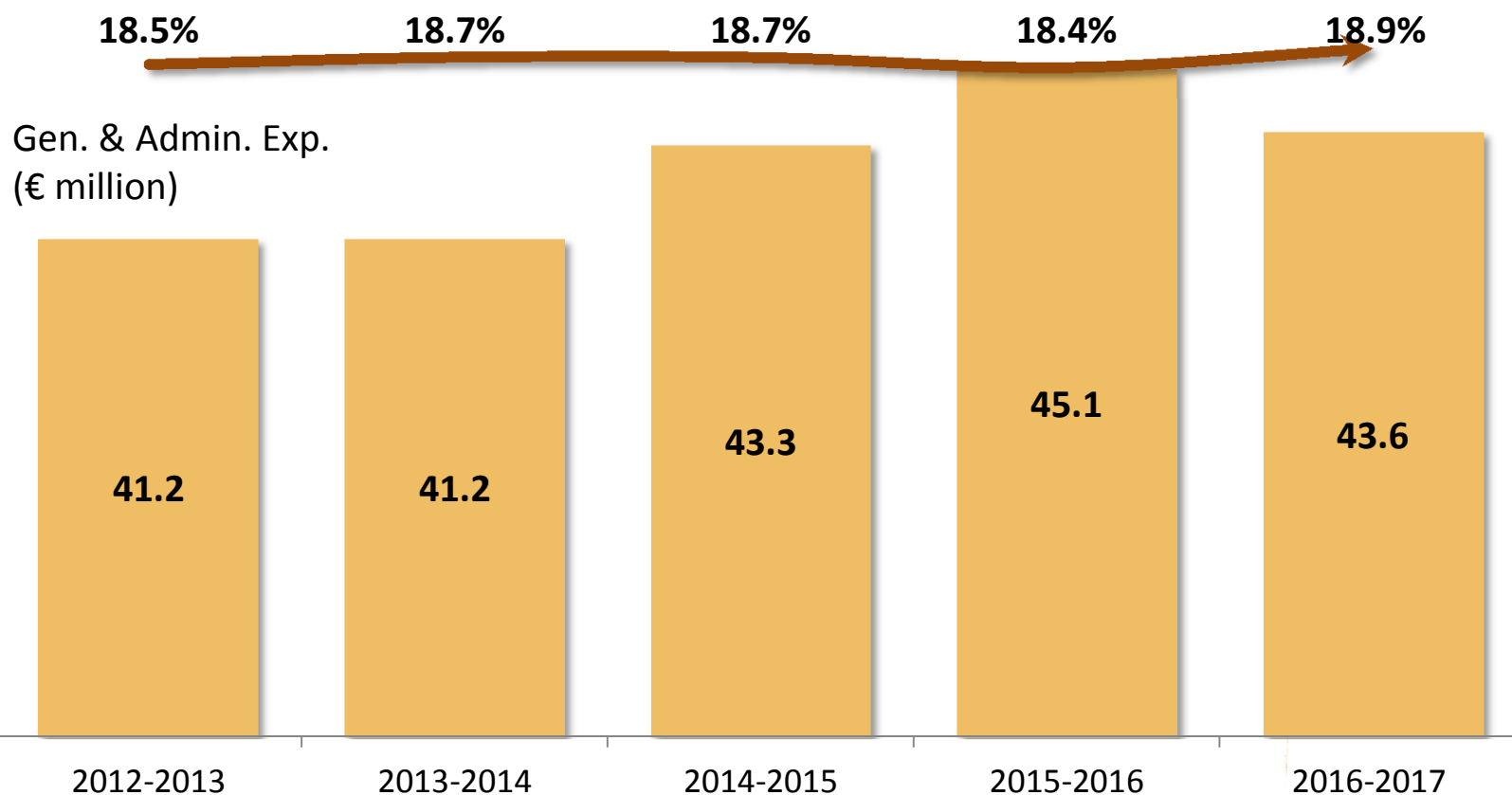
# GENERAL AND ADMINISTRATIVE EXPENSES DOWN €1.5 MILLION

(€1.0 MILLION AT CONSTANT EXCHANGE RATES)

LAURENT-PERRIER GROUP - PUBLISHED DATA

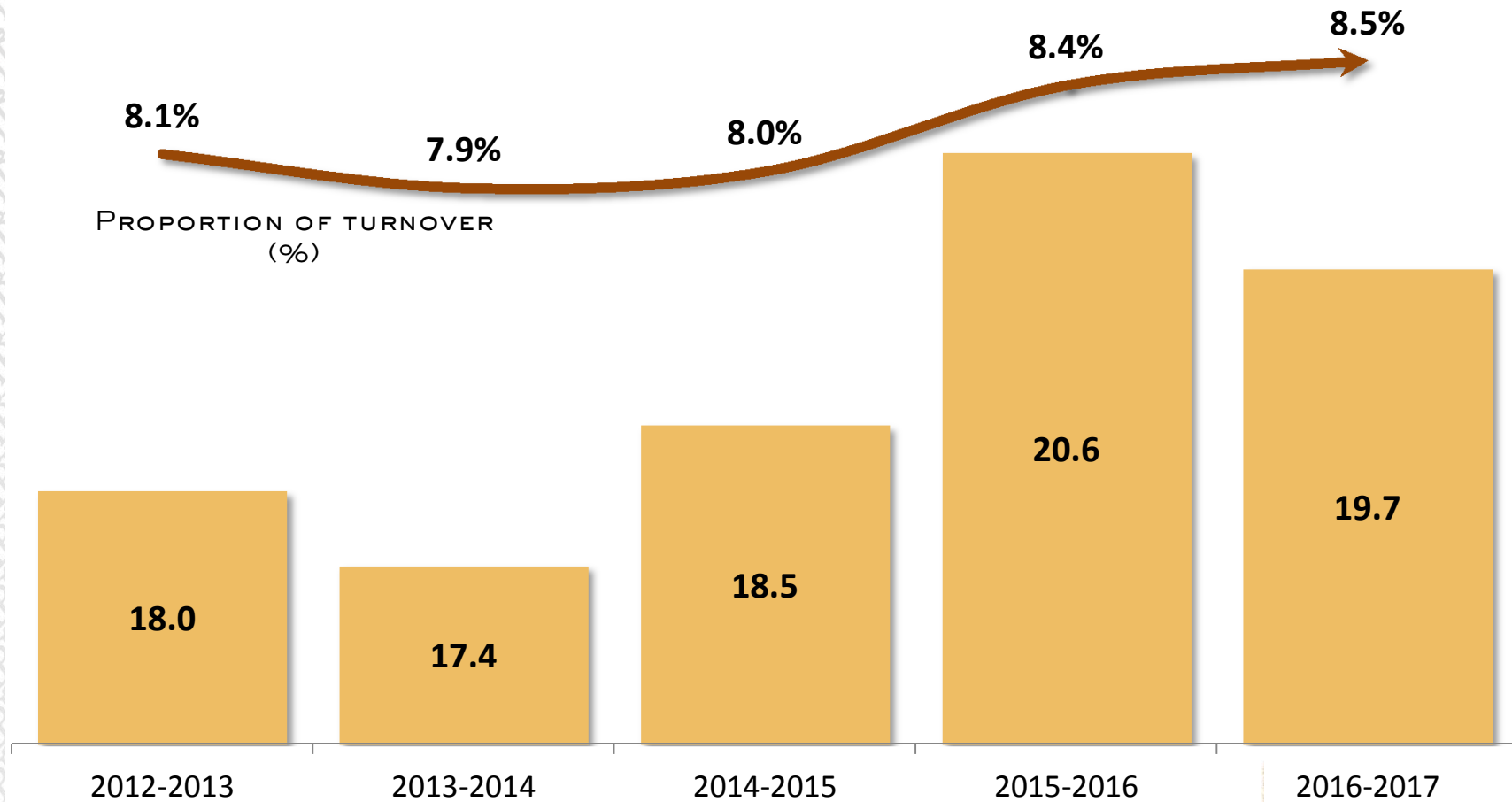
PROPORTION OF TURNOVER

(%)

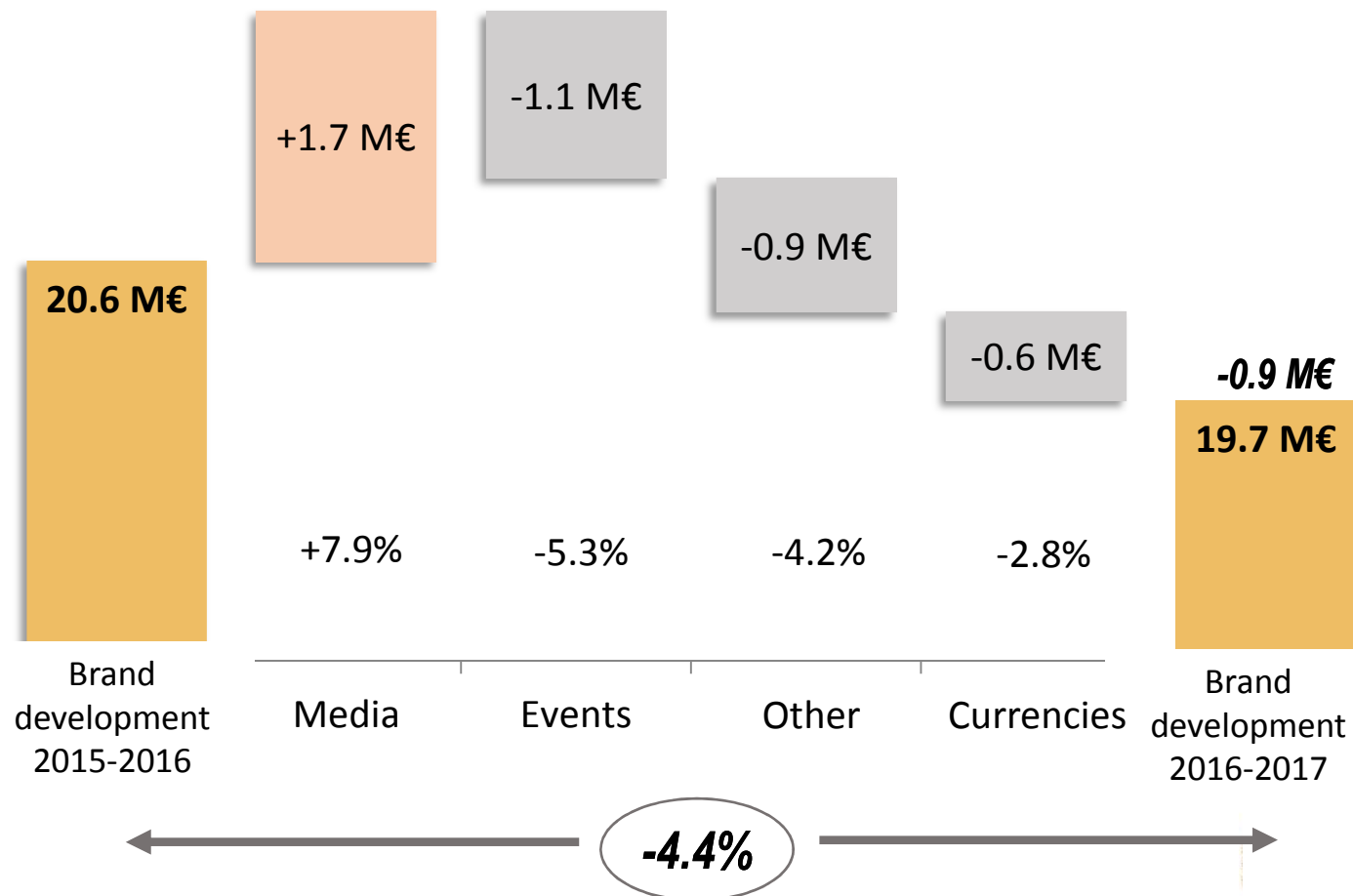


## BRAND DEVELOPMENT EXPENDITURE STABLE AS %...

LAURENT-PERRIER GROUP - PUBLISHED DATA



...WHILE INVESTMENT IN ADVERTISING CONTINUES  
LAURENT-PERRIER GROUP - VS PREVIOUS YEAR (€ MILLION)





## MEDIA INVESTMENT WORKING

	MARKET 2015		F16	F17
COUNTRY	MBT	PROPORTION	No MÉDIA WAWES	No MÉDIA WAWES
FRANCE	162	52%	1	2
UK	34	11%	1	2
USA (NY)	6	2%	-	1
ITALY	6	2%	-	1
<b>TOTAL</b>	<b>208</b>	<b>67%</b>	<b>2</b>	<b>6</b>



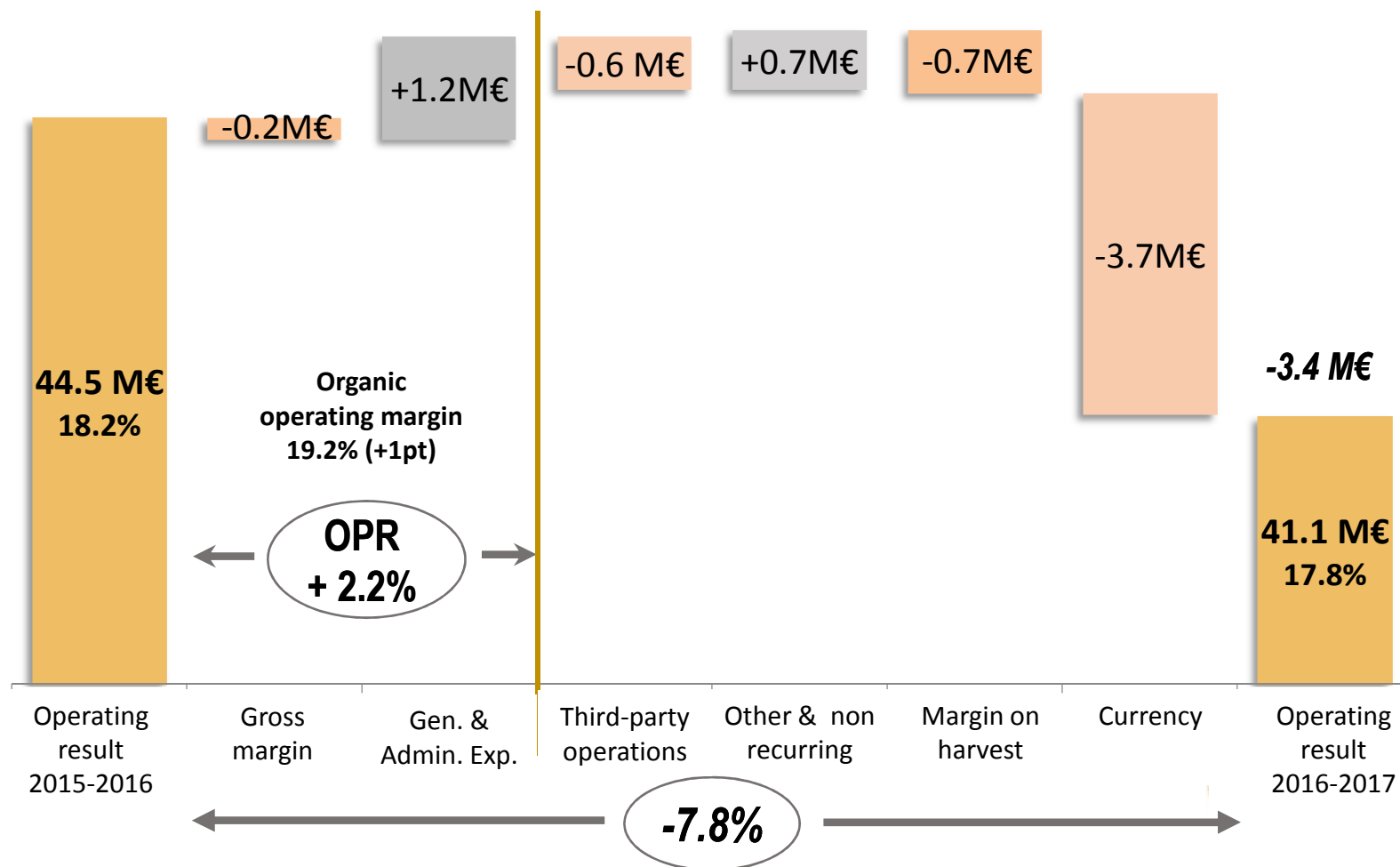
- In these 4 regions:

- Volume +3%
- PMV +3%

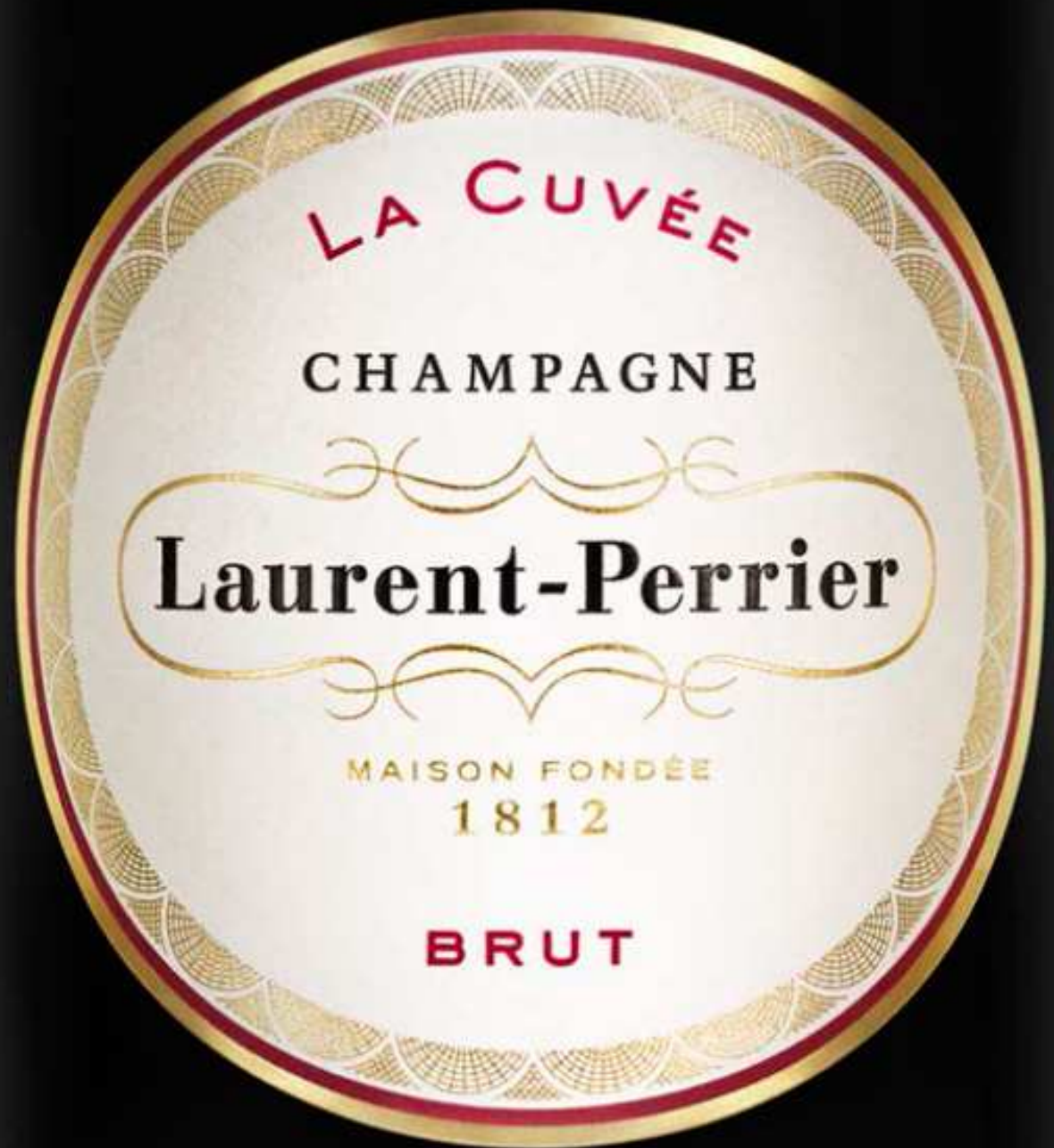


# ORGANIC OPERATING RESULT IMPROVING

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



Laurent-Perrier  
LA CUVÉE



## LAUNCH OF LA CUVÉE





# LA CUVÉE IN 4 POINTS

- LA CUVÉE is a blend of the best juices (only 80% of extracted grape juice).
- LA CUVÉE IS AGED OVER MANY MONTHS IN OUR CELLARS UNTIL IT IS PERFECTLY MATURE.
- LA CUVÉE is made from over 100 crus selected by Laurent-Perrier.
- LA CUVÉE is majority Chardonnay: 50-55% of the blend.

## LAUNCH OF LA CUVÉE DESIGNED TO BOLSTER VALUE POLICY IN 2017-2018

### Initial observations:

- Price ✓
  - Volume: ? / initial favourable test
- 
- But to be confirmed
  - On a market that is still uncertain





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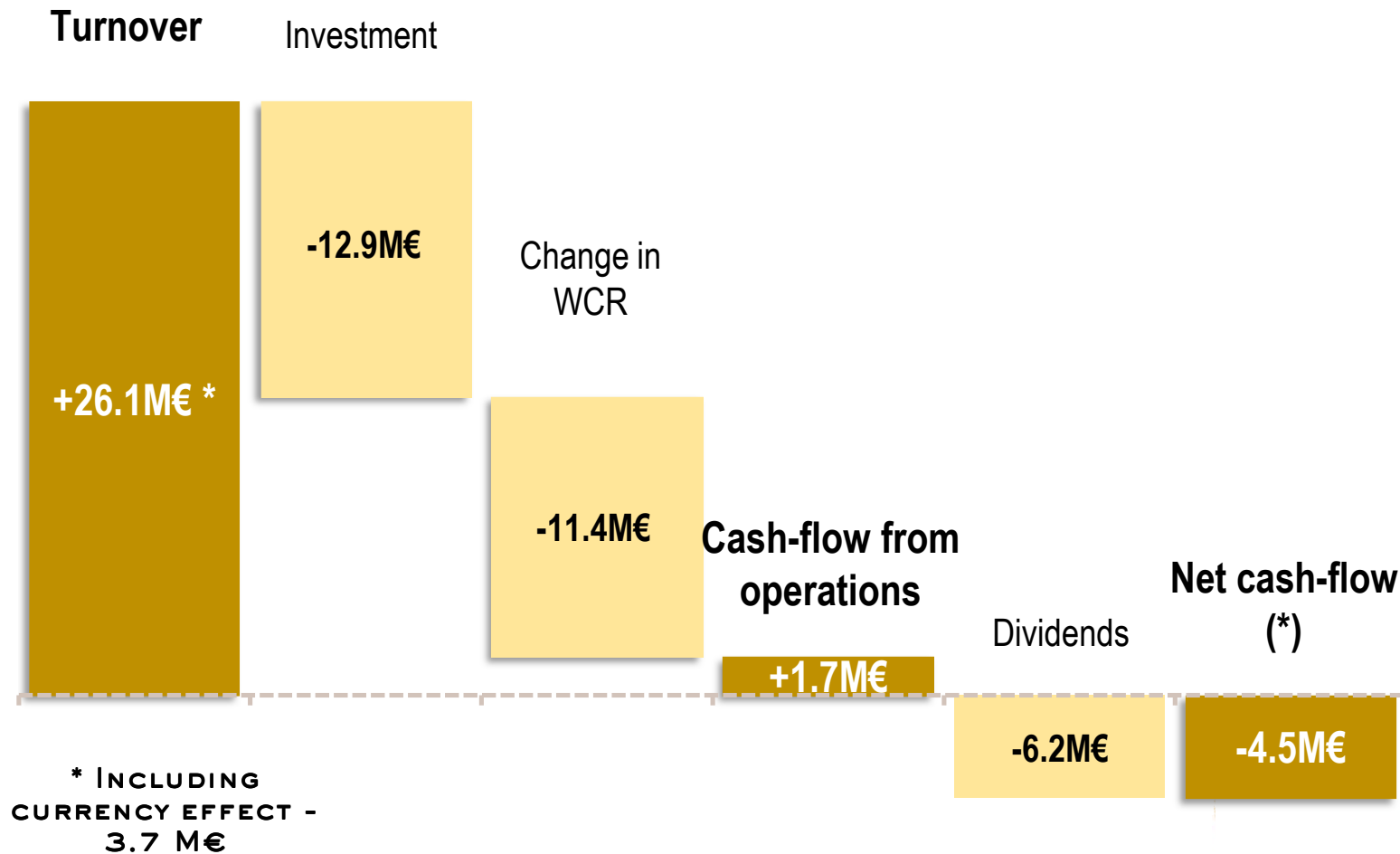


# FY 2016-2017 INCOME STATEMENT

## LAURENT-PERRIER GROUP / PUBLISHED DATA

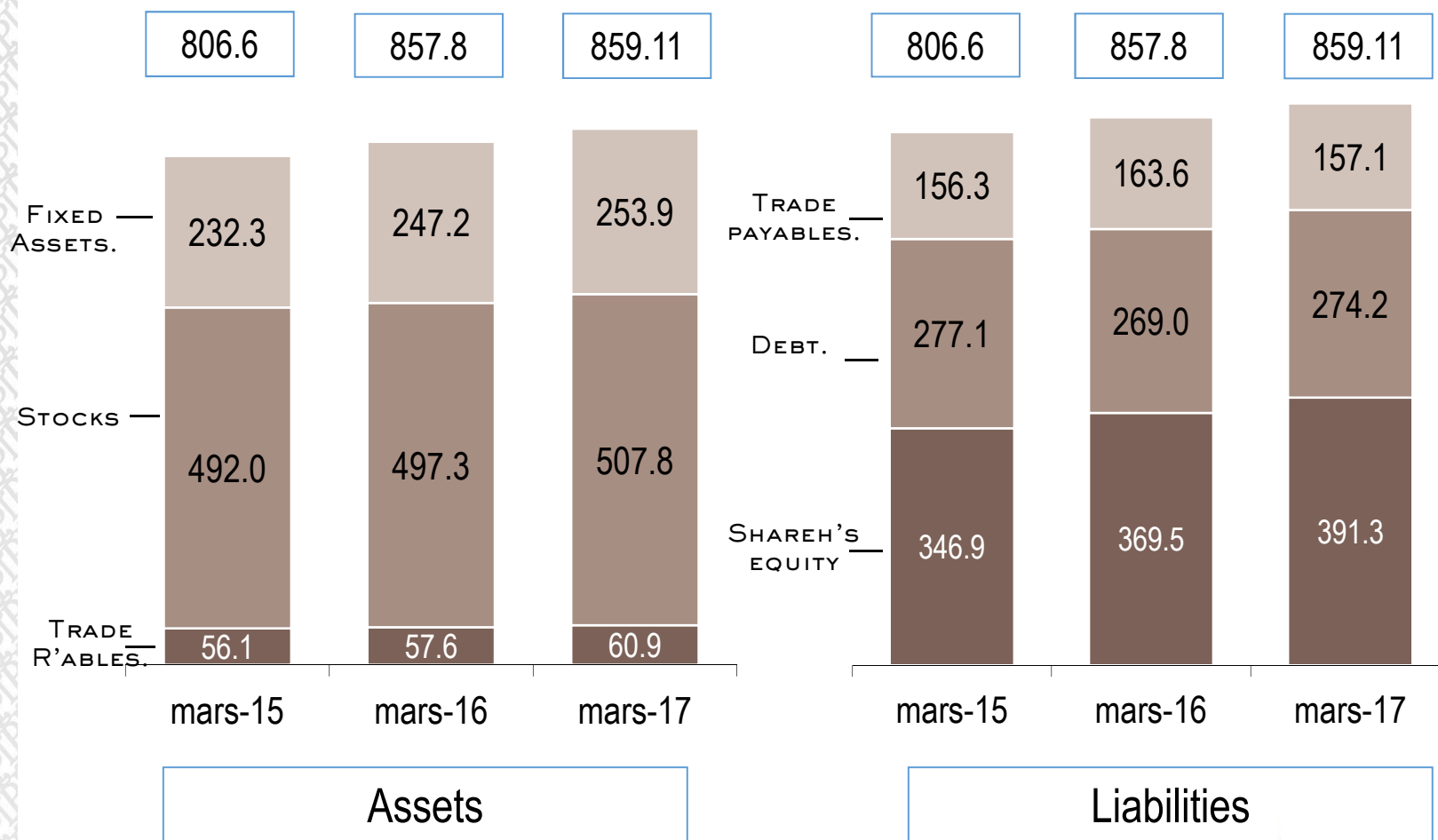
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<b>Turnover</b>	<b>244.8</b>	<b>230.6</b>	<b>-5.8%</b>
<b>Gross margin</b>	<b>114.9</b>	<b>108.5</b>	<b>-5.6%</b>
<i>as % of turnover</i>	<i>46.9%</i>	<i>47.0%</i>	<i>+0.1Pts</i>
Brand development & Advertising	-20.6	-19.7	-4.4%
Gen. & Admin. Expenses	-50.9	-49.2	-3.4%
Other income and expenses	1.2	1.5	+29.0%
<b>Operating result</b>	<b>44.5</b>	<b>41.1</b>	<b>-7.8%</b>
<i>as % of turnover</i>	<i>18.20%</i>	<i>17.8%</i>	<i>-0.4Pts</i>
Financial result	-6.2	-6.3	+1.5%
Tax	-13.1	-11.6	-11.5%
<b>Group net income</b>	<b>25.2</b>	<b>23.2</b>	<b>-7.9%</b>
<i>as % of turnover</i>	<i>10.3%</i>	<i>10.1%</i>	<i>-0.2Pts</i>
Cash-flow from operations	11.7	1.7	-10.0

## CASH-FLOW IMPACTED CURRENCY EFFECT ON TURNOVER, INVESTMENT PROGRAMME AND RISE IN INVENTORIES



# FINANCIAL STRENGTH MAINTAINED

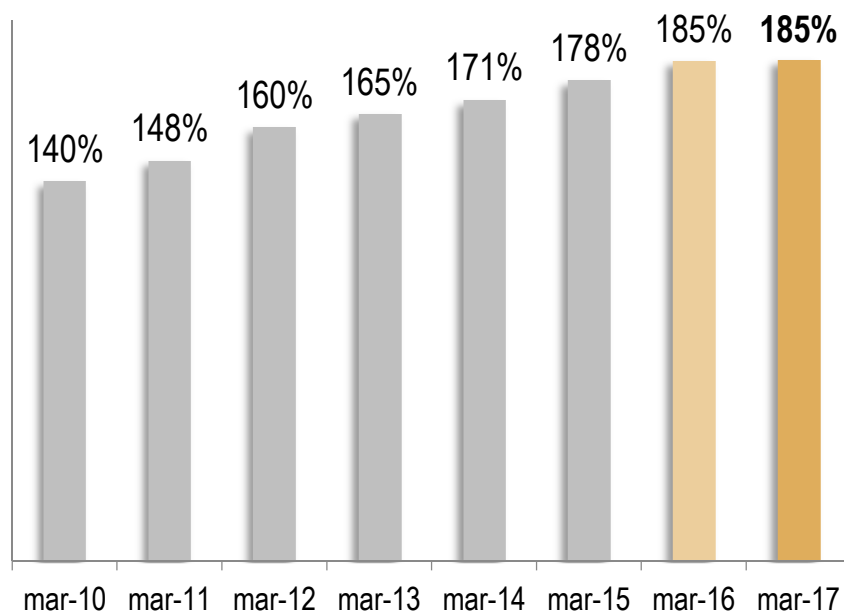
## LAURENT-PERRIER GROUP [€ MILLION]



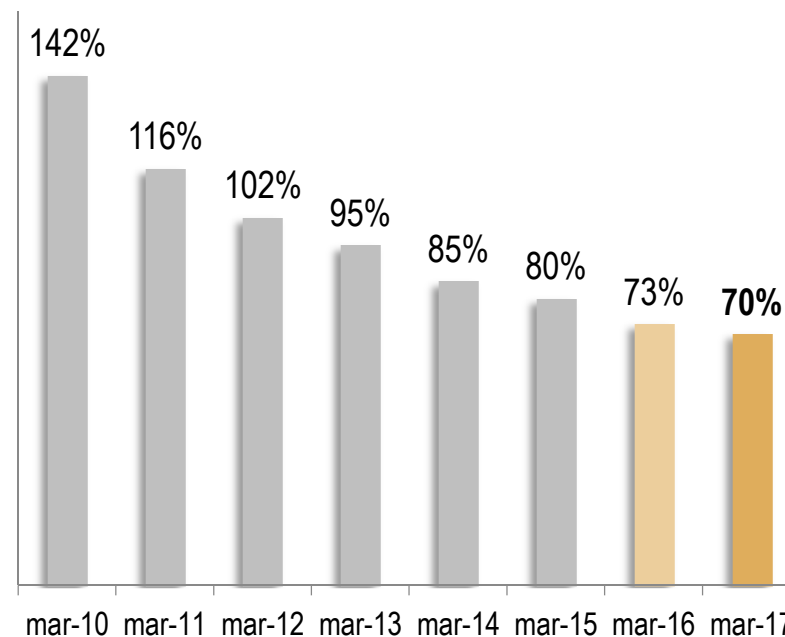
\*including provisions for contingencies and losses and deferred tax

## FINANCIAL RATIOS CONTINUE TO IMPROVE

### LAURENT-PERRIER GROUP [%]



STOCKS/DEBT  
AT END-MARCH, %



DEBT/EQUITY  
AT END-MARCH, %



**SINCE CLOSING:**





## STRENGTHENING THE FINANCIAL STRUCTURE

- Improve average debt term
- Create a financing structure costing less or the same as that of existing debt
- By better protecting ourselves from a future rise in interest rates



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## NEWS FROM CHAMPAGNE

Spring frosts 19/20 April (-7°C)

Sales and inventory levels will influence usable volumes



# MULTI-YEAR INVESTMENT SCHEDULE AT TOURS-SUR-MARNE

[CALENDAR YEARS]

		2 <sup>nd</sup> half 2014	1 <sup>st</sup> half 2015	2 <sup>nd</sup> half 2015	1 <sup>st</sup> half 2016	2 <sup>nd</sup> half 2016	1 <sup>st</sup> half 2017	2 <sup>nd</sup> half 2017	1 <sup>st</sup> half 2018	2019/ 2021
<i>Wine-making process centralised</i>	Cellars	→	→	→	→			→	→	
	Winery			→	→	→				
<i>Reception and visitor facilities remodelled</i>	Reception Visitors								→	→
<i>Refurbishment of work environment</i>	Management Offices								→	→

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# OUTLOOK & CONCLUSION

- Great caution on volume market trend
- Continued pursuit of value policy
- Brand-by-brand arbitrage between margin and volume
- With appropriate financial structure







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