

PRESS RELEASE – September 25, 2024

## 2024 HALF-YEARLY RESULTS

AdVini recovers with new growth on the export market despite a clear downturn for French wines

<i>Simplified consolidated income statement (in € millions)</i>	H1 2023	H1 2024	Change 2024 / 2023
<b>Revenue</b>	<b>140.2</b>	<b>137.5</b>	<b>-2.7</b>
<b>Gross margin</b>	<b>51.3</b>	<b>50.9</b>	-0.4
<i>Gross margin (as a % of revenue)</i>	36.6%	<b>37%</b>	+0.4 pt
<b>Recurring EBITDA</b>	<b>7.4</b>	<b>9.0</b>	<b>1.5</b>
<i>Recurring EBITDA (as a % of revenue)</i>	5.3%	<b>6.5%</b>	+1.2 pts
Non-recurring operating income and expense	-0.5	0.5	+1.0
Depreciation, amortization and provisions	-7.4	-6.3	+1.1
Net financial income	-3.8	-5.0	-1.3
<b>Net income</b>	<b>-4.1</b>	<b>-2.5</b>	<b>1.5</b>

<b>Net financial liabilities</b>	<b>167.1</b>	<b>175.0</b>	<b>+7.9</b>
<b>Gearing (%)</b>	<b>192%</b>	<b>222%</b>	

AdVini posted **revenue of €137.5 million** at end June 2024 (down 1.6% like-for-like in terms of scope and exchange rates). Revenue from brands and estates has resumed growth (+1.4%) while revenue from custom products, sold essentially on off-trade markets in Europe, was down (-3.2%).

The first half of 2024 was marked by a decline in **retail** (-9%) and in on-trade (-8%) activity in France.

**Exports, however, grew by 3.9% in a wine market in decline (-6.8%)** despite a serious drop (-11%) in the UK off-trade market.

Business growth is dynamic in Benelux (+29%), German-speaking countries (+6%) and in **on-trade sales** in the UK (+11%) and Scandinavian countries (+3%). Travel retail continued to improve thanks to ongoing growth in air travel (29%), as did **overseas exports** to the United States (+29%), Canada (8% at like-for-like exchange rates) and Japan (+36%). The only exception was Asia (-6%), where deep economic woes in China continue.

**South Africa** remains a major driver of growth. Overall business grew by + 24% (at like-for-like exchange rates), both locally in South Africa (50% of all business and + 9% growth) and abroad, in Europe (+ 52%) and Canada (+ 43%).

## **FINANCIAL RESULTS AND PARAMETERS**

An increase in pass-through combined with the lower costs of dry materials, energy and wines brought gross margin up 0.4% points to 37%. Thanks to strict control of structure and operational expenses, recurring EBITDA stood at €9 million, an increase of €1.5 million. Operating income was up by €2.6 million from H1 2023.

Financial expenses peaked during this half at €5 million, a €1.3 million increase over H1 2023 that overshadowed renewed operational performance.

As a result, **net income for H1 2024 was down €2.5 million, compared to a loss of €4.1 million** at June 30, 2023.

Net liabilities (excluding IRFS 16 liabilities) rose slightly over the first half to **€175 million, up from €167 million at end June 2023 and from €174 million at end December 2023**. In a marked trend reversal, H1 2024 generated a positive free cash flow of €3.6 million in contrast to €12.7 million in consumption in H1 2023. Net debt is expected to fall sharply at December 31 2024 down from 2023 thanks to efforts made on inventories (down by €17 million from H1 2023) and WCN (down by €10 million from H1 2023).

## **OUTLOOK FOR 2024**

AdVini is in a better position, particularly since Q2 2024 thanks to renewed growth in brands and estates and a much-improved control over all its activities. The second half is set to confirm this trend with a further improvement in results that definitively relegates 2023 to the past.

A long-term growth policy driven by our **ESG vision**, the increasingly renowned **quality of our teams, wines and vineyards** and our **leading position** in many winegrowing countries and regions provide a solid foundation for renewed growth and for the future.

*\*ESG: Environmental, social and governance policy*

**Next announcement: a press release on 2024 annual revenue will be published on February 13, 2025 at the market close.**

### **ABOUT ADVINI**

*Founded in 1872, AdVini is an international wine group driven by family spirit, visionary, people-focused shareholders, and incredible entrepreneurship. For over 150 years, AdVini has embraced all trades in the wine industry. A winemaker, producer, supply chain expert and operator, and worldwide distributor, AdVini carries forth excellent savoir-faire and winegrowing tradition by sharing its passion for wine with its partners and promoting its defining mosaic of terroirs and traditions.*

*Deeply rooted in major vineyards in France and South Africa, AdVini cultivates the independence of its properties and estates, which work together to achieve a common goal: "United in our diversity, working daily with respect for all, to bring out the best in our vineyards and people. "*

*AdVini is resolutely committed to the sustainability of its activities and strives daily to reduce their impact, both in the vineyard, where it is leading an agroecological transition, and at production sites, where careful attention is paid to water use, energy efficiency and green design techniques in winemaking.*

### **FOR MORE INFORMATION, CONTACT**

#### **AdVini**

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