

PRESS RELEASE

2023/24 financial year:

Schloss Wachenheim AG holds its ground in a challenging market environment

- **Sales increase by 3.7% to € 441.5 million**
- **Declining sales in Germany and France**
- **Positive impetus from acquisitions in Eastern Central Europe**
- **Stable to slightly upward business development expected in 2024/25**
- **Dividend of 0.60 euros per share planned**

Trier, 25 September 2024. Once again, Schloss Wachenheim AG held its ground amid a persistently challenging market environment in the 2023/24 financial year (30 June): the group achieved sales revenue totalling EUR 441.5 million, corresponding to an increase of 3.7% compared to the previous year (EUR 425.8 million). The number of bottles sold, converted to a 0.75 l bottle average, was down slightly on the previous year (233.7 million) by 5.2% at a total of 221.5 million. With three operational subgroups in Germany, France and East-Central Europe, Schloss Wachenheim AG is one of the leading sparkling and semi-sparkling wine producers in Europe and the world, and also markets a wide assortment of other alcoholic and non-alcoholic wine-based drinks as well as children's party drinks.

Operating earnings (EBIT) for the 2023/24 financial year amounted to EUR 28.2 million, an increase of almost 3.0% compared to the previous year (EUR 27.4 million). An increased gross profit margin (up +2.6% to EUR 183.6 million) as well as a significant reduction in non-recurring charges associated with the relocation of production capacity from Wissembourg to Tournan-en-Brie in France were offset primarily by increased personnel expenses. Consolidated net earnings were down roughly EUR 0.5 million to EUR 18.5 million as a result of increased interest expenses. Earnings per share were EUR 1.20 (previous year: EUR 1.38).

There were particular challenges in 2023/24 from an ongoing cloudy consumer mood as well as significant price increases, particularly for wine, which made it necessary to increase our own sales prices again. This environment has seen the group prove its resilience yet again. “Strength through variety – that’s the philosophy behind our tried and tested business model, which consists of three subgroups managed predominantly on a decentralised basis in operational terms and firmly established in their respective markets with their own brands and broadly diversified products,” says Oliver Gloden, Spokesperson for the Executive Board of Schloss Wachenheim AG, summing up the company’s recipe for success.

Germany: a decline in sales volumes alongside price-related sales revenue increases

In the German subgroup, sales volumes fell by 4.3% to 78.7 million bottles (previous year 82.2 million bottles). This was attributable primarily to development at Schloss Wachenheim AG and linked to price increases that had to be implemented as a result of increases in the price of wine and raw materials. “But the wine retail sector posted a fall in sales again too amid high inflation and the associated subdued

consumer mood,” explains Oliver Gloden. The sales revenue in the German subgroup rose by 2.4% to EUR 145.8 million as a result of price increases (previous year: EUR 142.4 million).

France: a noticeable decline in sales

In the French subgroup, sales volumes dropped by 17.5% to 51.5 million bottles (previous year 62.5 million bottles). “This development was driven primarily by our export business where, as anticipated, we failed to reach the high volume of the previous year in several countries,” sums up Oliver Gloden. “That said, our sales volumes are down on the previous year on the French domestic market too thanks to weak consumer sentiment.” The 10.6% decline in sales revenue to EUR 94.1 million (previous year: EUR 105.2 million) was less pronounced in comparison to sales development due to the price increases that had to be implemented in France as a result of procurement price increases there too.

East-Central Europe: positive stimuli from acquisitions

The East-Central European subgroup, represented by AMBRA S.A. and its subsidiaries, closed the past financial year with a 11.4% increase in revenue to 208.6 million euros (previous year: EUR 187.2 million); the sales volume of 96.0 million bottles was slightly above that of the previous year (95.0 million bottles). “The acquisition of two vineyards in Romania in 2023/24 was instrumental in this development,” explains Oliver Gloden. “In addition to this, price increases in a difficult macroeconomic environment and positive currency effects have had an impact here too.”

Stable to slightly upward trend in performance anticipated in 2024/25

Schloss Wachenheim AG anticipates a stable to slightly upward business trend for the current 2024/25 financial year. “This is coupled with expectations of a gradual economic recovery in our key sales countries and, associated with this, a gradual brightening of consumer mood, with positive stimuli for our end-of-year business too,” explains Oliver Gloden. Continued extensive sales-promoting and advertising measures are intended to support the development of strong brands. Group-wide, Schloss Wachenheim AG anticipates stable to slightly increasing sales volumes, with disproportionate increases in revenue as a result of price. With this in mind, expectations for the operational result in 2024/25 are between 31 million euros and 33 million euros.

Dividend of EUR 0.60 per share planned

In light of the development in earnings in 2023/24 and the outlook for the 2024/25 financial year, the Executive Board and Supervisory Board will propose a dividend of EUR 0.60 per share (as in the previous year) at the Annual General Meeting.

Note:

The 2023/2024 Group Annual Report will be published on 25 September 2024 at www.schloss-wachenheim.com.

About Schloss Wachenheim AG:

Schloss Wachenheim AG is one of Europe's leading manufacturers and distributors of sparkling wine and semi-sparkling wine and is active in several European countries with its own companies.

Its product portfolio covers a wide range of traditional and innovative products. In addition to sparkling wine and semi-sparkling wine, key products include dealcoholised sparkling wines and wines, but also vermouth, cider, spirits, wine-based drinks, children's party drinks and, of course, high-quality sparkling wines and quality wines. The Group's products are distributed to approximately 80 countries.

Major brands sold include Charles Volner and Muscador in France, Faber, LIGHT live and Robby Bubble in Germany, Cin&Cin, Fresco and Dorato in Poland and Zarea, Sange de Taur and Pelin Carpatin in Romania.

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