



**Chapel Down Group Plc  
(‘CDG’ or ‘the Company’)  
EPIC: CDGP**

**Half Year Trading Update**

Chapel Down, England's leading and largest winemaker, is pleased to report the delivery of a highly successful 2023 H1 performance for the period ended 30<sup>th</sup> June 2023.

***Financial highlights:***

- Continued strong sales growth momentum with H1 net sales revenue (“NSR”) growth of 21% to £8.37m (2022 H1: £6.94m).
- Total wine volumes increased 6% to 732k with traditional method sparkling volumes up +32% to 428k, reflecting the continued successful delivery of our premiumisation strategy.
- Volume growth has been amplified by Average Sales Price (ASP) growth of 16%, driven partly by a stronger mix of traditional method sparkling and partly by realised unit price increases across our categories.
- Strong NSR growth across all trade channels:
  - Off-Trade sales up 25%, with Chapel Down market share increasing to 36% in H1 (31% for 2022) and the brand driving 80% of overall English Sparkling Wine category value growth (Nielsen YTD to 3rd July)
  - On-Trade net sales grew by 20% through increased distribution in premium outlets, now totaling 1,997 outlets, up 40% since 31 December 2022.
  - Highly successful launch into Duty Free airports including London Heathrow and Gatwick, contributing to the 90% growth in our Export business.
  - Direct to Consumer sales growth of 4% supported by an eCommerce improvement +6% and strong sales at summer events
- Net cash on 30<sup>th</sup> June was £1.1m (31 December 2022: £3.3m) after the completion of 118 acres of planting at Boarley. A further £12m of liquidity is available through our unused revolving credit facility with PNC.
- The Group continues to trade strongly, and the Board remains confident of a continuing strong performance in H2.

***Operational highlights:***

- Growing conditions in 2023 have so far been positive and the vines are developing ahead of seasonal averages. No damage from frost was incurred, and the weather during the key period of flowering was favourable. Following on from our record FY22 harvest of 2,050 tonnes, another successful and high yielding Harvest is currently forecast, subject to continued positive growing conditions.
- Our newest vineyard plantings have been completed at Boarley on the Kent Downs which has added 118 acres of Chardonnay and Pinot Noir. Planning is well underway for our 2024 plantings which will take our total acreage under vine to over 1,000 acres.
- The new Chapel Down brand identity was successfully launched in May which gives Chapel Down a more premium, modern and distinctive look and our new iconic label designs are now on shelf.
- Excellent growth in Chapel Down brand awareness from 29% to 37% of all sparkling wine drinkers in the UK and brand penetration increased from 11% to 14% of households (Source: BrandVue). This market leading performance has been supported by our successful sponsorships and events programme, including Chapel Down’s status as the ‘Official Sparkling Wine’ of English cricket, the new ‘Official Sparkling Wine’ of Pub in The Park



summer festivals and additionally a new 3-year agreement has been signed with Ascot racecourse. During English Wine Week our “Chapelle en Bas” brand campaign, which generated record engagement on social media, showed that in blind tastings in the heart of France’s Champagne region, Chapel Down was preferred by 60% of consumers to a best-selling branded champagne.

- Chapel Down wines continue to win multiple awards with 23 awards in H1, the highlight of which was Chapel Down Kits Coty Coeur de Cuvee receiving gold medals in the IWC and Wine GB awards and being awarded 96 points by Decanter.

Andrew Carter, CEO, commented: “Our focus remains on delivering significant growth in sparkling wine sales, margins, profits and cash flow, so we are extremely pleased with the powerful momentum of the business in the first half of the year. We are continuing to deliver on our growth plans by building our leadership position in the fast-growing English Sparkling wine category to deliver long-term shareholder value.

“Consumers’ love for Chapel Down continues to grow as more people at home and abroad learn about our brand and our wines, and this is fueling strong and profitable growth across all our distribution channels. We have a world class team in place, are successfully executing our premiumisation strategy to support and grow our margins, and have a strong balance sheet to enable us to meet our target of doubling the size of our business by 2026.”

This announcement contains inside information for the purposes of the retained UK version of the EU Market Abuse Regulation (EU) 596/2014 (“UK MAR”).

## Contacts

### **Chapel Down Group plc**

Andrew Carter	Chief Executive	01580 763 033
Rob Smith	Chief Financial Officer	

### **Singer Capital Markets**

Shaun Dobson	AQSE Corporate Adviser and	020 7496 3000
Tom Salvesen	Broker	
Asha Chotai		
James Fischer		

### **H/Advisors Maitland**

Sam Cartwright	020 73795151
Jonathan Cook	

## About Chapel Down

Chapel Down is England’s leading wine producer with an award-winning range of sparkling and still wines. Based in Kent, in the heart of the Garden of England, Chapel Down produces wines of the highest quality and which the winemaker believes offer the best expression of England.