



Chapel Down Group Plc

('CDG' or 'the Company')

EPIC: CDGP

FY23 Trading Update

Chapel Down, England's leading and largest winemaker, is pleased to provide an unaudited trading update for the year ended 31 December 2023.

The Board is pleased to report a strong result for the financial year. In line with strategy, the Group has continued to deliver profitable growth and expand its brand presence both domestically and internationally.

The Group expects to report:

	2023	2022	Change	H2 2023	H2 2022	Change
Gross Sales Revenue (GSR)	£20.1m	£17.7m	+13%	£10.8m	£9.9m	+9%
Duty	£2.2m	£2.1m	+5%	£1.2m	£1.2m	+8%
Net Sales Revenue pre-retro (NSR)	£17.9m	£15.6m	+14%	£9.6m	£8.7m	+9%
Retro	£0.7m	£0.6m	+15%	£0.5m	£0.4m	+7%
Net Sales Revenue post-retro (NSR post retro)	£17.2m	£15.0m	+14%	£9.1m	£8.3m	+10%

- Chapel Down has shown continued sales momentum.
 - NSR post retro¹ is expected to have grown 14% to £17.2m (2022: £15.0m).
 - NSR pre retro^{1,2}, Chapel Down's previously disclosed main revenue metric, is expected to have grown 14% to £17.9m (2022: £15.6m).
- Strong Traditional Method Sparkling (TMS) wine volume and value growth underpinned the premiumisation strategy:
 - Core TMS wine NSR grew by 25% to £12.0m (2022: £9.6m) on underlying volume growth of 12% to 887k bottles (2022: 789k).
 - "A Touch of Sparkle" Carbonated wine NSR grew by 7% to £1.5m (2022: £1.4m)
 - Still wine NSR reduced by 7% to £2.6m (2022: £2.8m), in a competitive market for Still wines and with the increase in Duty during the year.
 - Spirits NSR reduced by 7% to £0.6m (2022: £0.6m). Chapel Down reconfirms its planned exit from Spirits in Q1 2024.

- Sales growth was spread across all of Chapel Down’s UK & International trade channels and the Direct-to-Consumer business, showing the benefits of scale and breadth of distribution.
 - Off-trade remains the largest channel and NSR grew +9%. Off-trade TMS wines NSR grew +21%, strengthened by the introduction of Sparkling Rose for sale alongside Brut in the Premium category, as well as an expanded distribution to 3,805 listings (2022: 3,116).
 - English Sparkling Wine as a category grew retail sales value by 16% in the UK Off-trade, whilst Champagne sales declined 9%. Chapel Down’s Off-trade value market share, measured by Nielsen, was maintained at 35.4% in 2023 (2022: 35.7%), re-confirming its market leadership.
 - On-trade NSR grew +26%, driven by a significant increase in listings to over 2,000, with over 1,000 being “by the glass”, which leads to the greatest rate of sale and consumer conversion.
 - Export NSR grew +67% primarily due to a very strong first year listing in UK Duty Free outlets including Heathrow, Gatwick and London City airports. Chapel Down is also focused on establishing its brand and growing sales internationally across core export markets.
 - The Direct-to-Consumer business accounted for 32% of NSR (2022: 33%) with strong Ecommerce NSR growth of +18% and Tenterden brand home & Events increasing +14%, supported by a successful summer of events.
- Chapel Down’s average realised sales price (ASP) grew 12% during the year, illustrating the continued premiumisation of the brand and favourable mix.
- The Chapel Down brand continues to grow strongly due to best-in-class wines (winner of 28 awards in 2023), scale and sustained investment, with prompted brand awareness at 39% (2022: 32%) and penetration of 14% (2022: 10%). Source: BrandVue
- The brand home at Tenterden operated at close to full capacity for the year, with 60,000 visitors in 2023.
- The Company recorded net debt of £1.2m (2022: Net Cash £3.3m) after a record Harvest of 3,811 tonnes (2022: 2,050) and the planting of 118 acres at the Boarley vineyard, which takes total land under vine to 906 acres, or 367 Hectares (2022: 788 acres, 319 Hectares).



Andrew Carter, Chapel Down CEO, commented:

“2023 was a landmark year for English Wine and Chapel Down, and it is great to see the strategic and operational progress that we have delivered, and the continuing sales momentum we have. In line with our 2023 targets, the business achieved double digit net sales revenue growth, driven by the exceptional performance of our traditional method sparkling wine and with growth across all our UK & International trade channels and our Direct-to-Consumer business.

“Chapel Down continues to grow profitably – a core strength which, along with our strong balance sheet, makes us resilient and underpins our ambitious plans. We look forward to updating the market on the continued profitability of our business in our full year audited results.

“Chapel Down is the market leader in an industry which is enjoying rapid and sustained growth, we have the strongest and most recognised brand, the deepest distribution which we continue to expand at pace, and we continue to win international acclaim for the quality of our wines. Reflecting the maturity of the business and our ambitious growth plans, in December Chapel Down’s shares admitted to trading on the London Stock Exchange’s AIM, enabling a wider pool of investors to participate in Chapel Down’s growth in 2024 and beyond.

“Our continued outstanding performance, and the fantastic, record-breaking 2023 harvest, means our passionate and highly skilled team carries significant momentum into the new financial year.”

Note 1: Chapel Down listed on AIM on 7th December 2023. Consequently, the company has adopted IFRS as its accounting standard. This includes netting Retrospective discount support (Retro), which is promotional price support given to customers by Chapel Down, from Net Sales Revenue (“NSR post Retro”). Previously, Net Sales Revenue was reported before netting Retro (“NSR pre retro”). The full impacts of moving to IFRS accounting, and a reconciliation to results under the Company’s previous FRS accounting standard, will be provided in the year end audited accounts.

Note 2: All channel and category splits in this announcement are shown pre retro, to enable like for like comparison.

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



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About Chapel Down

Chapel Down (AIM: CDGP) is England's leading and largest winemaker and the power brand of English wine, the world's newest international wine region. From its home in Kent in the heart of the Garden of England, Chapel Down produces a range of sparkling and still wines which consistently win prestigious international awards for their quality. Chapel Down has over 1,000 acres of vineyards, of which 750 acres are fully productive.

Chapel Down's status as the most recognised English wine brand is supported by its partnerships with flagship sporting and cultural events including Ascot, the Boat Race and Pub in the Park, and Chapel Down is the 'Official Sparkling Wine' of the England and Wales Cricket Board.

Chapel Down is listed on the London Stock Exchange's AIM and has over 8,000 retail investors who enjoy discounts on Chapel Down's wines and tours and tastings at the brand's home at Tenterden Kent, which each year attracts c60,000 visitors.

Chapel Down is strongly committed to growing its business in balance with the environment and sustainability is a strong, ongoing focus. The company is a founding member of Sustainable Wines of GB and practices sustainable viticulture.