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Chapel Down Group Plc
('CDG' or 'the Company') EPIC: CDGP

UNAUDITED TRADING STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2024

Chapel Down, England's leading and largest winemaker, is pleased to provide an unaudited trading update for the year ended 31 December 2024, with net sales revenue in line with guidance and strong sales momentum in H2. The Group expects to report:

Highlights

	2024	2023	Change	2024 H2	2023 H2	Change
Gross sales revenue (GSR)	£19.8m	£20.1m	-1%	£11.4m	£10.8m	+5%
Duty	(£2.6m)	(£2.2m)	+16%	(£1.5m)	(1.2m)	+22%
Net sales revenue - gross of retro	£17.3m	£17.9m	-4%	£9.9m	£9.6m	+3%
Retro	(£0.9m)	(£0.7m)	+28%	(£0.6m)	(0.4m)	+62%
Net sales revenue - net of retro (NSR)	£16.3m	£17.2m	-5%	£9.2m	£9.2m	+1%
NSR ex Spirits	£16.2m	£16.6m	-3%	£9.2m	£8.8m	+4%

- Chapel Down sales net of duty and retro (NSR) are expected to have reduced by 5% during the year to £16.3m (2023: £17.2m), in line with guidance. Excluding the exited Spirits business, NSR is -3%.
- Chapel Down showed good sales momentum in H2 (H2 NSR +1%, +4% ex-Spirits), with particularly strong trading over the Christmas period (Q4 NSR +7%, +10% ex-Spirits)
- Strong performances in eCommerce (+22%) and the On-trade (+16%) offset by NSR decline in the Off-trade (-19%) due to the previously reported one-off reductions in stock held by retailers during H1. Sales to consumers in the Off-trade, continued to show growth throughout the year¹ (FY +2%, Q4 +25%).
- Chapel Down remains the leading brand in English wine with continued growth in Awareness² (42%), Affinity² (25%) and Penetration² (17%), higher than any other English wine brand.
- The Company recorded net debt of £9.2m after planting 118 acres of new vines taking total acreage to 1,024 (c10% of the UK's total) and also increased stock levels after the exceptional 2023 harvest, which underpins future growth. The company retains significant headroom on its £20m revolving credit facility.
- As announced on 13th December 2024, James Pennefather joins as Chief Executive Officer on 1st February 2025.

Andrew Carter, Chapel Down CEO, commented:

"2024 was a year of continued strong consumer demand for Chapel Down's award-winning wines, as well as significant strategic and operational progress for the Company. Chapel Down enjoyed strong growth in its direct-to-consumer channels, maintained its market leadership in the critical Off-trade, with strong sales momentum across our channels in H2, accelerating in the all-important final quarter.

Chapel Down continues to consolidate its position as the leading English winemaker, with the strongest brand metrics and the deepest distribution in English wine. The exceptional quality of our wines was recognised in 2024 with some of the industry's most prized awards, including 'best in show' at the global Decanter awards for our Sparkling Rosé and Wine GB's 'Supreme Champion' with Kit's Coty Coeur de Cuvee 2016.

"As I reflect on my time at Chapel Down, our fantastic team can take great pride in what we have achieved. Chapel Down has a renewed focus on our market leadership of the growing English wine region. We have invested to grow our vineyards to over 1,000 acres, c10% of the UK's total, we have developed our premium sparkling wine brand, grown the broadest and deepest distribution base and created a single business platform to support future

growth. Under the new leadership of James Pennefather, the Board's confidence in the future growth of both Chapel Down and English wine is as strong as ever."

Trading performance

Company sales

- Chapel Down sales net of duty and retro (NSR) are expected to have reduced by 5% during the year to £16.3m (2023: £17.2m)
 - Strong performances in the On-trade (+16%) and eCommerce (+22%)
 - Offset by NSR decline in the Off-trade (-19%)
 - Significant reduction in stock held by retailers in H1, impacted sales by c£1m for the full year, which we do not expect to recur.
 - Nielsen¹ data shows +2% sales to consumer growth in the year for Chapel Down in the Off-trade.
- Chapel Down has good sales momentum from trading in H2, particularly over Black Friday and the Christmas period.
 - H2 showed +1% NSR growth to £9.2m (H2 2023: £9.2m)
 - NSR growth accelerated in Q4 with +7% growth to £5.7m (Q4 2023: £5.4m)
- Excluding the now exited Spirits business, the full year NSR decline reduced to -3% (NSR 2024: £16.2m, 2023: £16.6m) and the Company showed +4% H2 NSR growth, accelerating to +10% in Q4

Channels and Products

- Chapel Down continues to benefit from the industry's broadest distribution and expects to report.
 - Continued strong consumer demand driving +22% growth in eCommerce revenues to £3.8m (2023: £3.1m) and overall DTC growth of 13% to £6.4m (2023: £5.7m).
 - On-trade revenue growth at +16% to £2.5m (£2.1m) as Chapel Down continued to enjoy a strong rate of sale and secure key distribution wins (outlets +25% to 2,462), including The Langham, and extended partnerships with Greene King and Mitchells & Butler, among others.
 - Off-trade remains Chapel Down's largest channel with strong sales to consumers and H2 momentum being offset by previously reported one-off impacts of reductions in stock held by retailers in H1.
 - NSR -19% to £6.8m (2023: £8.4m), however, sales to consumers through the Off-trade¹ continued their growth in 2024 (+4% Sparkling, +2% overall) with particular momentum in the Christmas period (+38% Sparkling, +29% Overall).
 - Chapel Down maintained market leadership in the Off-trade in 2025 with its 34% market share¹.
 - Overall statutory sales growth in 2024 was materially impacted by both the Coronation being in the comparative period and retailers significantly reducing their stockholdings in H1, as referenced above.
 - International NSR was 10% lower at £0.7m, (2023: £0.8m)
 - Primarily driven by a decline in Export sales. Chapel Down is currently reviewing a range of options to optimise distribution in export markets.
 - Global Travel Retail +33% year on year growth. Chapel Down is now listed in 35 key UK travel hubs including Heathrow, Gatwick, London City, Luton and Manchester airports (2023: 13 locations).
 - International remains a significant future growth opportunity for the company.
- Sparkling wine remains our strategic focus and was 70% of wine sales in 2024 (2023: 74%). Chapel down sales by category are expected to show that:
 - Sparkling wine NSR was £10.6m (2023: £11.4m), primarily due to one-off challenges in the Off-trade, as referenced above. In the Off-trade¹, Chapel Down Sparkling wines (+4%) outgrew English sparkling wine as a category (+2%) and Champagne (-2%).
 - Still wine NSR grew 22% to £3.1m (2023: £2.5m), due to customer demand, increased distribution and a planned RRP reduction in 2024.
 - A Touch of Sparkle (ATOS) NSR showed a slight decline to £1.3m (2023: £1.4m). ATOS classic was relaunched, under a new label consistent, with ATOS Rosé, in Q4.
 - Chapel Down fully exited Spirits in the year, reflected in sales of £0.2m (2023: £0.6m)
- Sparkling average selling price (ASP) grew 5% showing continued brand strength and consumer demand but was offset by planned RRP reductions in Still (-9%) and ATOS (-4%) leaving blended ASP -4%.

Financial

- The Company recorded net debt of £9.2m (2023: £1.2m). Increased net debt was after:
 - Planting 118 acres (48 hectares) at our new Buckwell vineyard. Chapel Down's total planted vineyards now extend to 1,024 acres (414 hectares), c10% of all UK planted vineyards.
 - Stock growth of c£4m, which underpins future growth, primarily as a result of the exceptional 2023 Harvest.
 - The Company retains significant headroom on its RCF of £20m.

Note 1:

- Consumer sales in Off-trade for 52 weeks to 28th December - Chapel Down +2%, Chapel Down Sparkling +4%. Chapel Down market share, 34%, unchanged on PY.
- Q4 consumer sales in Off-trade for 12 weeks to 28th December - Chapel Down +25%, Chapel Down Sparkling +32%
- Chapel Down sales in 4 weeks to 28th December - Chapel Down +29%, Chapel Down Sparkling +38%
- Source, Nielsen

Note 2:

- Source: Savanta, BrandVue, Sparkling Wine drinkers, MAT End December 2024

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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 10,000 retail investors who enjoy discounts on Chapel Down's wines, tours and tastings at the brand's home at Tenterden in 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 Great Britain and practices sustainable viticulture

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