

31 July 2025

Chapel Down Group Plc

('CDG' or 'the Company')

EPIC: CDGP

H1 2025 TRADING UPDATE

Chapel Down, England's leading and largest winemaker, is pleased to report the delivery of strong growth for the six month period ended 30th June 2025 ("2025 H1").

Financial highlights

- H1 net ales revenue ("NSR") growth of +11% to £7.9m (2024 H1: £7.1m), in line with management expectations:
 - Off-trade NSR increased +30% to £3.8m. The strong performance in 2025 H1 was due to increased listings of Rosé, new shopper marketing initiatives and a more impactful Easter promotional programme. We also lapped a comparative period in 2024 H1 of softer retailer orders due to higher stockholding positions, due to a softer trading period over Christmas 2023. Chapel Down outperformed the wider category and maintained category leadership in English Sparkling Wine¹.
 - On-Trade NSR increased by +3% to £1.2m, as our outlet listing universe grew +15%, however this was balanced by the lapping of significant pipefill of some major new national account customers in prior year.
 - International grew +17% to £0.5m as we executed on our new distribution partnership with Jackson Family Wines in the US, and agreed a new distribution partnership for Norway.
 - Direct to Consumer (DTC) declined by -7% to £2.4m, following a number of shopper conversion initiatives in 2024 which were not repeated, including the sell-through of the remaining spirits products in H1 2024.
- Net debt increased to £11.3m (2024 FY: £9.2m, 2024 H1: £5.8m), with significant headroom on the £20m Revolving Credit Facility (RCF) remaining. Movement in net debt reflects:
 - Increased cultivation costs following new plantings at Boxley Abbey and Buckwell which will be fully productive in FY26 and FY27 respectively.
 - Increased inventory as the wines from the 2024 harvest were bottled, underpinning future growth. Inventory levels remain within internal stock norms.

Operational highlights

- New executive leadership team appointed to lead the business through the next phase of profitable growth, with CEO James Pennefather and CFO Louan Mouton joining the Company in February and April respectively.
- Onboarding of new distributors in the US (Jackson Family Wines) and Norway (Anora Group) has progressed in line with expectations and gives the Company confidence in being able to step change Chapel Down's participation in those key export markets in the future.
- Successful establishment of the Buckwell vineyard, which consists of 92 acres of Chardonnay and 27 acres of Pinot Noir and is expected to enter full production in 2027. Chapel Down's total acreage is 1,018, the equivalent of c. 9% of the UK's planted vineyard acreage²
- Traditional Method Sparkling continues to be our core strategic focus, making up 70% of the total NSR (2024 H1: 69%).
- The Company received two Golds at the prestigious International Wine Challenge (IWC) Awards for Kit's Coty Coeur de Cuvée 2016 and Kit's Coty Blanc de Blancs 2019.
- Brand equity measures continued to strengthen during the period, with Brand Awareness now at 46% (+4 ppt vs prior year), demonstrating the positive impact of sustained investment in Brand marketing³.

Outlook

- Growing conditions in 2025 have been favourable to date, however final yields are unpredictable due to the impact that weather conditions can have up to and including the harvest period in September/October.
- Whilst the macroeconomic environment in the UK and internationally remains uncertain, the Board remains confident in delivering strong sales growth and a return to full profitability for the full year. The Off-trade, our largest channel, is particularly encouraging with strong underlying sales growth and the Board expects H2 2025 to deliver significant growth in this channel in comparison to a softer H2 2024 due to the one-off destocking events by retailers in the prior year.
- The Board therefore remains confident in achieving market expectations for 2025 FY.

James Pennefather, CEO, commented: "Chapel Down entered 2025 with strong momentum, and I am delighted that this has continued through the first half of the year to deliver +11% net sales growth to the end of June. With over 1,000 acres of vines now planted and as the leading brand in English wine, we continue to invest for future growth and can see significant future potential both within the UK and in key export markets. Chapel Down's brand awareness is now at an all time high and the brand is well positioned to benefit from the positive consumer engagement we are seeing within the category. I would like to thank all members of the Chapel Down team for the significant progress we have made in executing against our strategy during H1 to support our ambition to win an equivalent 1% share of the global Champagne market by 2035."

Note 1: Chapel Down sparkling wine growth was +12% (+15% for Traditional Method Sparkling wine) compared to English Sparkling Wine category growth of +10%. Chapel Down remains the market leader in the English Sparkling Wine category with 35% market share across the Off-trade channel. Source Nielsen Off-trade consumer retail sales value for 52 w/e 14th June 2025 vs 52 w/e 15th June 2024.

Note 2: Wine GB Industry Report 2024.

Note 3: BrandVue 12 month rolling to end of June 2025.

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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, c.9% of the UK's total, 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 c50,000 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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