

Charenton-le-Pont, 26 September 2024

H1 2024 earnings

Resilience in earnings despite the confirmed slowdown of the spirits market and the decline in consumer demand

- EBITDA¹ of €8.5m in H1 2024, up €0.3m from €8.1m in H1 2023
- Net profit (Group share) of €6.5m in H1 2024, up €1.4m

Marie Brizard Wine & Spirits (the “Company”) (Euronext: MBWS) today announces its consolidated earnings for H1 2024 as approved by the Group’s Board of Directors today. The audit procedures have been carried out.

Fahd Khadraoui, Chief Executive Officer of MBWS, said: *“Faced with difficult market conditions and headwinds, we achieved a good performance, with a growth in our EBITDA and net income in the first half of 2024. However, the improvement in our Gross Margin rate of +1.5 percentage point vs. 2023 is only partial, as we are still lagging below the Gross Margin rate level of the first half of 2022, before the impact of the wave of inflation.*

This performance is the result of the efforts of our teams, who were able to focus on our Group’s fundamentals while rigorously controlling our costs and staying true to our core offering. Our International Strategic and Regional Stars brands proved resilient amid a complex environment. Moreover, our Industrial Services and third-party brand distribution offerings continue to shore up our own-brand business.

Thanks to our investments in innovation, productivity and competitiveness, we are well positioned to achieve a sustainable growth over the long term, despite a complex short-term context, which sees coming up considerable increases in the cost prices of ageing liquids that were distilled during the inflationary period (particularly Whisky and Cognac).

I would like to thank our teams for their commitment and dedication in making these improvements possible.”

¹ EBITDA = EBIT + depreciation & amortisation + provisions excl. current assets

NB: All revenue growth figures reported herein are at constant exchange rates and consolidation scope, unless otherwise stated. Financial data individually rounded up or down.

Simplified income statement - H1 2024

| €m except EPS | H1 2023 | H1 2024 | Change 2024 vs 2023 |
|---|-------------|-------------|------------------------|
| Net revenues (excluding excise duties) | 98.8 | 94.9 | -3.9% |
| Gross margin | 36.2 | 36.2 | - |
| <i>Gross margin ratio</i> | 36.6% | 38.1% | +1.5 pp |
| EBITDA | 8.1 | 8.5 | +0.3 |
| Underlying operating profit | 5.4 | 5.2 | -0.2 |
| Net profit (Group share) | 5.1 | 6.5 | +1.4 |
| Earnings per share | 0.05 | 0.06 | |

First half 2024 revenues

First half 2024 revenues excluding excise duties came to €94.9m, down 3.9% versus H1 2023 (excluding currency impact). This decline in sales is mainly due to a slowdown in international business, particularly in Europe during the second quarter, albeit partly offset by strong resilience among strategic brands in France.

The France Cluster posted first half 2024 revenues of €42.5m, up 1.1% versus H1 2023 despite the continued slowdown in the spirits market.

- Sales increased across the William Peel, Marie Brizard and Sobieski brands, both in the Off-Trade segment and On-Trade one, which posted a solid performance during the second quarter.
- The Marie Brizard brand posted an increase in sales thanks to new listings.
- H1 2024 revenues for the France Cluster continued to benefit from the price increases introduced on 1 March 2023 and from a base effect linked to stock-outs in Q1 2023.
- Sales also benefited from a stocking effect with customers at the end of the half-year in preparation for the Paris 2024 Olympic Games.

International revenues amounted to €52.4m in H1 2024, down 7.6% versus H1 2023 at constant exchange rates, reflecting contrasting trends across regions:

- Revenues from European subsidiaries were down overall in Q2 2024, particularly across the Group's brands (in Spain and to a lesser extent Lithuania, despite an increase in Scandinavia). The solid performance from the subcontracting business in Spain failed to offset the decline in revenues in the Industrial Services segment, which was penalised by falling ethanol bulk unit sale prices in Lithuania and by destocking by some of our brand-owning partners in Bulgaria.
- Across the Atlantic, sales of Sobieski brand products in the United States were up versus H1 2023, unlike the Marie Brizard brand, for which the distributor reduced its inventory. In Brazil, revenues continued to grow despite the impact of high inflation and declining buying power on volumes.
- The decline in sales across the various export markets was confirmed, particularly in the Asia Pacific region (primarily due to the Australian, Korean and Taiwanese markets) and in Europe, where the strong Q1 2024 performance in Benelux, Italy and Germany failed to continue into the second quarter, while sales in Poland remained sluggish over the period.

First half 2024 earnings

As growth slowed across the wines and spirits sector, the gross margin ratio was 38.1% in H1 2024 compared to 36.6% in H1 2023. This 150 bp increase reflects our cost control initiative and rigorous sales.

First half 2024 EBITDA amounted to €8.5m, up €0.3 million from H1 2023 (excluding currency impact).

The France Cluster posted EBITDA of €6.1m in H1 2024, up from €6.0m in H1 2023. This improvement reflects the slight growth in Cluster revenues, despite the sluggish market, and continued control of production costs and structural costs.

Meanwhile, the International Cluster posted EBITDA of €4.1m, stable compared to H1 2023. The Lithuanian subsidiary's decline in profitability during the first half, mainly due to temporary difficulties in the bulk and export markets, was offset by growth in the Industrial Services segment in Spain, along with increased profitability in Brazil in line with the subsidiary's plan to improve EBITDA.

Group EBITDA also benefited from the stabilisation of the Holding company's internal costs, resulting in a €1.8m EBITDA loss for the first half of 2024 compared to a €1.9m loss the previous year.

H1 2024 EBITDA by cluster

| €m | H1 2023 | LFL change | Currency impact | H1 2024 | LFL change (excl. currency impact) | Reported growth (incl. currency impact) |
|-------------------------|--------------|------------|-----------------|--------------|------------------------------------|---|
| France | 6.0 | 0.1 | - | 6.1 | +2.4% | +2.4% |
| International | 4.1 | 0.0 | 0.0 | 4.1 | +0.5% | +0.5% |
| Holding company | (1.9) | 0.2 | - | (1.8) | +8.6% | +8.6% |
| TOTAL MBWS GROUP | 8.1 | 0.3 | 0.0 | 8.5 | +4.0% | +4.0% |

First half net profit, Group share amounted to €6.5m, up €1.4m over H1 2023. This increase was due to an improvement in operating profit and net financial income, bolstered by optimised cash investments.

Balance sheet at 30 June 2024

Shareholders' equity (Group share) amounted to €211.0m at 30 June 2024, up from €203.3m at 31 December 2023, while gross debt remained stable at €7.1m. Gross cash and cash equivalents increased slightly to €47.1m at 30 June 2024, as did net cash, which amounted to €40.0m at 30 June 2024 versus €38.3m at 31 December 2023.

Inventory and work-in-progress came to €53.6m at 30 June 2023, posting a considerable €2.9m decline year-on-year, reflecting the return to normal levels of purchasing inflation and control of operating inventory levels. The slight increase in trade receivables versus H1 2023 takes into account the effects of the price increases rolled out in 2023 to offset higher input costs. Furthermore, the programme to ramp up capital expenditure continued into H1 2024.

Outlook

The 2023 financial year confirmed the Group's resilience and flexibility amid an uncertain environment, thus demonstrating the Group's ability to continue posting earnings growth and lay the foundations for the sustainable and profitable development of its business portfolio.

As predicted, the gradual return to normal of the inflationary climate during the first half of 2024 was coupled with a market contraction in terms of both volumes and value, exacerbated by inventory rundowns across the distribution channels. These trends reflect the targeted moderation of consumer purchases. The Group continues to adapt to the elasticity of demand following price adjustments mainly carried out in 2023, while strengthening its innovation and investment approach.

In 2024, although commercial outlook remains unclear for the end of the year, the Group is committed to maintaining the positive trend of EBITDA growth.

It is actively preparing for 2025, which will be affected by the considerable impact of inflation on the ageing liquids produced during the inflationary period. The Group is approaching the future with caution, focusing on profitability through growth initiatives, rigorous commercial and operational management, and tight control of structural costs.

Financial calendar

- Publication of revenues for the first nine months of 2024: 24 October 2024

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About Marie Brizard Wine & Spirits

Marie Brizard Wine & Spirits is a wine and spirits group operating in Europe and the United States. Marie Brizard Wine & Spirits stands out for its expertise, a combination of brands with a long tradition and a resolutely innovative spirit. Since the birth of the Maison Marie Brizard in 1755, the Marie Brizard Wine & Spirits Group has developed its brands in a spirit of modernity while respecting their origins. Marie Brizard Wine & Spirits is committed to offering its customers bold and trusted brands full of flavour and experiences. The Group now has a rich portfolio of leading brands in their market segments, including William Peel, Sobieski, Marie Brizard, Cognac Gautier and San José. Marie Brizard Wine & Spirits is listed on Compartment B of Euronext Paris (FR0000060873 - MBWS) and is part of the EnterNext© PEA-PME 150 index.



APPENDIX

H1 2024 Consolidated Financial Statements

Income statement

| (€000) | H1 2024 | H1 2023 |
|--|----------------|----------------|
| Revenues | 115,177 | 116,955 |
| Excise duties | (20,243) | (18,192) |
| Net revenues excluding excise duties | 94,934 | 98,763 |
| Cost of goods sold | (58,731) | (62,578) |
| External expenses | (12,834) | (13,617) |
| Personnel expense | (14,935) | (13,894) |
| Taxes and levies | (718) | (835) |
| Depreciation and amortisation charges | (3,169) | (2,936) |
| Other operating income | 1,795 | 1,834 |
| Other operating expenses | (1,123) | (1,387) |
| Underlying operating profit | 5,219 | 5,350 |
| Non-recurring operating income | 2,238 | 1,440 |
| Non-recurring operating expenses | (1,424) | (1,489) |
| Operating profit | 6,032 | 5,300 |
| Income from cash and cash equivalents | 818 | 59 |
| Gross cost of debt | (138) | (124) |
| Net cost of debt | 680 | (65) |
| Other financial income | 200 | 115 |
| Other financial expenses | (180) | (123) |
| Net financial income/(expense) | 700 | (74) |
| Profit before tax | 6,733 | 5,226 |
| Income tax | (203) | (120) |
| Net profit/(loss) from continuing operations | 6,530 | 5,106 |
| Net profit/(loss) from discontinued operations | - | - |
| NET PROFIT/(LOSS) | 6,530 | 5,106 |
| Group share | 6,521 | 5,102 |
| of which Net profit/(loss) from continuing operations | 6,521 | 5,102 |
| of which Net profit/(loss) from discontinued operations | - | - |
| Non-controlling interests | 9 | 4 |
| of which Net profit/(loss) from continuing operations | 9 | 4 |
| of which Net profit/(loss) from discontinued operations | - | - |
| | - | - |
| Earnings per share from continuing operations, Group share (€) | €0.06 | €0.05 |
| Diluted earnings per share from continuing operations, Group share (€) | €0.06 | €0.05 |
| Earnings per share, Group share (€) | €0.06 | €0.05 |
| Diluted earnings per share, Group share (€) | €0.06 | €0.05 |
| Weighted average number of shares outstanding | 111,884,212 | 111,856,360 |
| Diluted weighted average number of shares outstanding | 111,884,212 | 111,856,360 |

Balance sheet

| Assets | 30/06/2024 | 31/12/2023 |
|---|-------------------|-------------------|
| <i>(€000)</i> | | |
| Non-current assets | | |
| Goodwill | 14,704 | 14,704 |
| Intangible assets | 74,445 | 76,137 |
| Property, plant and equipment | 32,847 | 31,206 |
| Financial assets | 958 | 965 |
| Deferred tax assets | 2,858 | 2,712 |
| Total non-current assets | 125,812 | 125,724 |
| Current assets | | |
| Inventory and work-in-progress | 53,644 | 51,546 |
| Trade receivables | 40,599 | 40,999 |
| Tax receivables | 637 | 1,217 |
| Other current assets | 11,420 | 10,852 |
| Current derivatives | 330 | 83 |
| Cash and cash equivalents | 47,078 | 45,132 |
| Total current assets | 153,707 | 149,829 |
| TOTAL ASSETS | 279,519 | 275,553 |
| | | |
| Equity & Liabilities | | |
| <i>(€000)</i> | | |
| Shareholders' equity | | |
| Share capital | 156,786 | 156,786 |
| Additional paid-in capital | 72,815 | 72,815 |
| Consolidated and other reserves | (17,561) | (26,332) |
| Translation reserves | (8,518) | (8,746) |
| Consolidated net profit/(loss) | 6,521 | 8,732 |
| Shareholders' equity (Group share) | 210,043 | 203,254 |
| Non-controlling interests | 103 | 94 |
| Total shareholders' equity | 210,146 | 203,348 |
| Non-current liabilities | | |
| Employee benefits | 1,601 | 1,497 |
| Non-current provisions | 3,591 | 3,738 |
| Long-term borrowings – due in > 1 year | 3,126 | 2,538 |
| Other non-current liabilities | 1,533 | 1,577 |
| Deferred tax liabilities | 200 | 145 |
| Total non-current liabilities | 10,051 | 9,495 |
| Current liabilities | | |
| Current provisions | 3,094 | 3,633 |
| Long-term borrowings – due in < 1 year | 863 | 656 |
| Short-term borrowings | 3,105 | 3,615 |
| Trade and other payables | 34,056 | 34,094 |
| Tax liabilities | 95 | 416 |
| Other current liabilities | 18,108 | 20,241 |
| Current derivatives | 1 | 55 |
| Total current liabilities | 59,322 | 62,710 |
| TOTAL EQUITY AND LIABILITIES | 279,519 | 275,553 |

Cash flow statement.

| <i>(€000)</i> | H1 2024 | H1 2023 |
|---|----------------|----------------|
| Total consolidated net profit/(loss) | 6,530 | 5,106 |
| Depreciation and provisions | 2,883 | 1,580 |
| Gains/(losses) on disposals and dilution | (418) | 18 |
| Operating cash flow after net cost of debt and tax | 8,995 | 6,704 |
| Income tax charge/(income) | 203 | 120 |
| Net cost of debt | (667) | 63 |
| Operating cash flow before net cost of debt and tax | 8,530 | 6,887 |
| Change in working capital 1 (inventories, trade receivables/payables) | (2,553) | 607 |
| Change in working capital 2 (other items) | (1,874) | (5,270) |
| Tax paid/received | 49 | (2,317) |
| Cash flow from operating activities | 4,153 | (93) |
| Purchase of PP&E and intangible assets | (2,662) | (1,858) |
| Decrease (increase) in loans and advances granted | (11) | 116 |
| Disposal of PP&E and intangible assets | 477 | - |
| Impact of change in consolidation scope | (4) | (116) |
| Cash flow from investment activities | (2,200) | (1,858) |
| Capital increase | - | - |
| New borrowings | - | 37 |
| Borrowings repaid | (447) | (360) |
| Net interest (paid)/received | 599 | (11) |
| Net change in short-term debt | (463) | (55) |
| Cash flow from financing activities | (311) | (389) |
| Impact of exchange rate fluctuations | 304 | (263) |
| Change in cash and cash equivalents | 1,945 | (2,603) |
| Opening cash and cash equivalents | 45,133 | 47,496 |
| Closing cash and cash equivalents | 47,078 | 44,893 |
| Change in cash and cash equivalents | 1,945 | (2,603) |