

Charenton-le-Pont, 26th October 2023

### Q3 2023 revenues

MBWS posts 3<sup>rd</sup> quarter decline (down 6.1% versus 2022) compared to last year's strong performance in France and in the face of tough competition, particularly on the international markets

Nine-month 2023 revenues stands at €144.2m, up 6.9%<sup>1</sup> versus 2022

- **France: third-quarter sales down 4.2% versus 2022 amid a confirmed decline in the spirits market and by unfavourable comparison with 2022 - Nine-month 2023 revenues up 2.0%**
  - In the off-trade, despite the price increases applied this year, sales of strategic brands declined. This came on the back of a high comparison base in 2022, during which the Group cut back on promotional expenditure and benefited from purchase gains among consumers, following numerous shortages of products in the same price positioning;
  - The on-trade sector posted higher sales for the quarter, against a lower 2022 comparative base, as a result of stockpiling by distributors at the end of June 2022.
- **International: slowdown in the quarter (down 7.6%) with widening regional disparities - Nine-month 2023 revenues up 10.9%**
  - Slower sales growth in Europe than in the first half of 2023, with continued significant growth in Lithuania and Bulgaria and their export zones, but a cyclical downturn in Spain and a moderate recovery in the UK market;
  - Further sharp decline in the United States in a challenging market environment marked by falling depletions and inventory destocking by our importer;
  - Persisting sluggish environment in Asia Pacific.
- **Price increases applied in 2023 across almost all Group markets in an attempt to offset soaring input costs since 2022 are impacting consumer demand.**

Marie Brizard Wine & Spirits (Euronext: MBWS) today announces its unaudited revenues for the period from 1 January to 30 September 2023.

#### Nine-month 2023 revenues:

€m	9M 2022	LFL change	Currency impact	9M 2023	LFL change (excl. currency impact)	Reported growth (incl. currency impact)
France	60.4	1.2	-	61.6	+2.0%	+2.0%
International	74.6	8.1	-0.1	82.6	+10.9%	+10.8%
<b>TOTAL MBWS GROUP</b>	<b>135.0</b>	<b>9.3</b>	<b>-0.1</b>	<b>144.2</b>	<b>+6.9%</b>	<b>+6.8%</b>

<sup>1</sup> All revenue growth figures reported herein are at constant exchange rates and consolidation scope, unless otherwise stated.

### Q3 2023 revenues

€m	Q3 2022	LFL change	Currency impact	Q3 2023	LFL change (excl. currency impact)	Reported growth (incl. currency impact)
France	20.3	-0.8	-	19.5	-4.2%	-4.2%
International	28.2	-2.1	-0.1	25.9	-7.6%	-8.1%
<b>TOTAL MBWS GROUP</b>	<b>48.5</b>	<b>-3.0</b>	<b>-0.1</b>	<b>45.4</b>	<b>-6.1%</b>	<b>-6.4%</b>

#### France cluster

Amid a continuing slowdown in the spirits market in France, mainly in off-trade, France Cluster sales, at €19.5m, were down 4.2% in Q3 2023 versus the previous year, which was marked by lower promotional pressure and out of stock of products in the same price range as our brands. However, nine-month 2023 sales were up 2.0% at €61.6m.

All the spirits market is affected, particularly the 12-year blended Scotch whisky category in off-trade, down 0.9% in terms of sales revenue and down 4.9%<sup>2</sup> in volume, with impacts particularly the William Peel brand. The other strategic brands, Sobieski, Marie Brizard and San José, were also down over the quarter. Only sales of the Berger brand posted very modest growth, driven by a period of promotional activity and stock shortage among certain competitors. In addition, the context is somewhat unsettled for the business in off-trade, with some legislative changes relating to annual negotiation timing periods coming soon.

The on-trade sector reported a 13.9% rise in revenues for the third quarter across all strategic brands, compared with a weak third quarter in 2022 impacted by early inventory build-up by distributors at the end of H1 2022.

#### International cluster

International cluster sales amounted to €25.9m in Q3 2023, down 7.6% versus Q3 2022. Revenues for the nine months ended 30 September 2023 amounted to €82.6m, up 10.9% versus 2022 at constant exchange rates.

Spain posted an 11.1% fall in third quarter sales versus 2022 and a 19.0% increase in nine-month sales, impacted by a cyclical downturn in industrial subcontracting services after a brisk third quarter 2022 which enabled the company to make up the delay caused by shortages of raw materials in the first half of 2022. Market performance among strategic brands was mixed.

In Western European export markets, revenues fell 16.5% in Q3, reflecting poor sales performances in all markets except Benelux and the UK, where the Group is benefiting from new listings for its brands, notably Sobieski. The Africa region saw a sharp decline over the quarter.

<sup>2</sup> Source: IRI Aggregate Current P10 2023 data

Lithuania posted a 15.0% rise in Q3 revenues and a 29.3% increase in nine-month revenues versus 2022, driven by the export business and, in particular, growth in sales to the Ukrainian market. Domestic sales were down compared with Q3 2022, impacted by unfavourable market conditions for the industrial services business.

In Bulgaria, revenues continued to grow strongly in Q3 2023 (up 39.8% versus 2022) after a buoyant first half (up 37.1% versus H1 2022), with sales still driven by export markets (industrial subcontracting in particular) and significant price increases in H1 2023, which nonetheless led to price sensitivity in the wine category.

Revenues in Scandinavia were down 23.9% in Q3 2023 after a strong performance in Q3 2022 amid the continuing sharp upswing in business following the early 2022 lifting of health restrictions. The decline in sales also reflects demand volume elasticity in the face of price hikes, the restructuring of certain distributors in the sector and a number of on-trade delistings due to greater concentration among competitors and the resulting tightening of market conditions. However, Gautier sales held up well.

In Eastern European export markets, Q3 2023 and nine-month sales in Poland continued to fall short of 2022 levels, which were boosted by stock-building of the newly launched Gautier brand. Moreover, the spirits market in Poland has followed a downward trend in 2023 to date across all categories.

In the United States, after a slight upturn in revenues in Q2 2023, the third quarter saw a further fall in sales (down 46.8%). This is linked to the inventory destocking policy pursued by the local distributor and a low depletion rate following difficulties caused by the change in some routes to market in key states. In addition, operational, logistical and commercial difficulties impacted the performance of our brands, particularly Sobieski and Gautier. However, the Marie Brizard brand performed well, up 18%.

In Brazil, in contrast to the first two quarters, Q3 2023 revenues were down 15.2% (up 22.3% over the first nine months versus 2022), impacted mainly by shortages of imported brands and a squeeze on purchasing power linked to the non-renewal of government support programmes. The strong performance by local brands, up 11%, and the continuation of a rigorous sales and pricing policy over 2023 only partly succeeded in offsetting this decline.

In the Americas export region, revenues continued to decline significantly in Canada in Q3 2023, again due to the highly competitive vodka segment and continuing decline in the cognac category, despite a highly respectable performance by the Marie Brizard brand.

Lastly, Asia Pacific saw a sharp decline in Q3 2023, particularly in Australia, South Korea and Japan, although modest sales in Taiwan continued to grow steadily.

### Outlook

The first half of 2023 demonstrated the overall resilience of the Group in the face of the challenges of availability and significant price rises resulting from the persistent increases in input costs at the beginning of 2023. The decline in sales in Q3 2023 and the recent negative trend over the last few months are in line with the cautious comments made in the last quarterly press releases for 2023.

It should be remembered that, at this stage, the price increases designed to cushion the rise in input costs since 2022 only partly offset them, leading to pressure on margins despite these efforts.

However, in most markets (both in France and internationally), the sharp rises in raw material and energy prices in 2022 and 2023 and resulting increases in consumer goods prices in general (including Group products impacted by the aforementioned price rises) have led to changes in consumer purchasing patterns, resulting in a gradual reduction in demand, to a greater or lesser extent depending on the geographical regions.

The Group continues to closely monitor these changes in consumer demand in response to the prioritisation of their purchases and, despite these persistent challenges, is committed to staying flexible and focused on the operational direction. To this end, the Group will leverage its diversified business portfolio and broad geographical footprint in order to deliver a strong and steady performance, as demonstrated this year (e.g. growth in Europe vs. challenges in the US, development of industrial services vs. market slowdown affecting certain strategic categories). The Group is committed to expanding this diversity.

The current sluggishness of international growth, which remains one of the Group's development priorities, is compounded by a French market that is increasingly mature, concentrated and highly focused on purchasing power. Against this backdrop, the Group remains cautious regarding the short to medium-term business outlook.

### Financial calendar

- Q4 and full-year 2023 revenues: 15 February 2024

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#### A propos de Marie Brizard Wine & Spirits

Marie Brizard Wine & Spirits est un Groupe de vins et spiritueux implanté en Europe et aux Etats-Unis. Marie Brizard Wine & Spirits se distingue par son savoir-faire, combinaison de marques à la longue tradition et d'un esprit résolument tourné vers l'innovation. Depuis la naissance de la Maison Marie Brizard en 1755, le Groupe Marie Brizard Wine & Spirits a su développer ses marques dans la modernité tout en respectant leurs origines. L'engagement de Marie Brizard Wine & Spirits est d'offrir à ses clients des marques de confiance, audacieuses et pleines de saveurs et d'expériences. Le Groupe dispose aujourd'hui d'un riche portefeuille de marques leaders sur leurs segments de marché, et notamment William Peel, Sobieski, Marie Brizard, Cognac Gautier et San José.

Marie Brizard Wine & Spirits est coté sur le compartiment B d'Euronext Paris (FR0000060873 - MBWS) et fait partie de l'indice EnterNext© PEA-PME 150.

