



Paris, 11th February 2019

Q4 2018 and FY 2018 Net Sales

Top-line decrease in France and the Americas partially offset by growth in Poland

Marie Brizard Wine & Spirits (Euronext: MBWS) today announced its non-audited net sales for Q4 2018, covering the reporting period from 1st October to 31st December 2018, and full-year 2018.

Q4 2018 Net sales

The Group's consolidated non-audited Q4 2018 net sales totaled €99.5m¹, a -6.2%² decrease compared to Q4 2017. The Branded Business accounted for 58.3% of total net sales, marking a sequential improvement in consolidated revenue mix versus the Branded Business accounting for 49.7% of net sales in Q3 2018.

Q4 2018 net sales, by cluster

In €m IFRS 15	Q4 2017 restated ¹	Organic Growth	Forex impact	Q4 2018	Organic Growth (excl. foreign exchange impact)	Reported growth (incl. foreign exchange impact)
Branded Business	63.8	-6.1	0.3	58.0	-9.6%	-9.1%
WEMEA	35.3	-3.5	0.1	31.9	-10.0%	-9.6%
France	28.4	-4.1	0.0	24.3	-14.6%	-14.6%
Rest of cluster	6.9	0.6	0.1	7.6	8.5%	10.7%
CEE	16.6	2.5	0.3	19.4	15.1%	17.2%
Poland	8.5	1.5	0.3	10.3	17.1%	21.0%
Rest of cluster	8.0	1.1	0.0	9.1	13.1%	13.1%
Americas	10.1	-4.5	-0.2	5.4	-44.3%	-45.9%
Asia Pacific	1.8	-0.6	0.0	1.2	-34.0%	-34.1%
Other Businesses	40.9	-0.3	0.9	41.5	-0.8%	1.3%
Sobieski Trade	24.7	0.7	0.9	26.3	2.8%	6.3%
Private Label	16.2	-1.0	0.0	15.2	-6.3%	-6.3%
TOTAL MBWS	104.7	-6.4	1.2	99.5	-6.2%	-5.0%

¹ The IFRS 15 Accounting Standard regarding "Revenue from contracts with customers" has been in effect since 1st January 2018. Marie Brizard Wine & Spirits has thus published its 2017 and 2018 quarterly and full-year net sales according to this accounting standard.

² All growth rates mentioned in this press release are calculated at constant exchange rates on a like-for-like basis, unless otherwise stated. The figures provided at a constant exchange rate are calculated by applying the exchange rate from the year-ago period to the net sales figure of the current reporting period.



Western Europe, Middle East and Africa (WEMEA): Sales declined in France, partially offset by growth in the rest of the cluster

In France, Q4 2018 net sales totaled €24.3m, a -14.6% decrease compared to the previous year. Revenue was affected by the decline in sales evident across the overall spirits sector in France since the first half of 2018, and further exacerbated by the social movements in November and December, which have affected most consumer goods categories. In Q4 2018, the value of the spirits market decreased by -3.0%³, with MBWS' main categories continuing to underperform the overall sector. The value of the vodka sector declined -6.1%³, Scotch whisky decreased -3.4%³, and flavored wines decreased -6.5%⁴. The Group's net sales underperformance during the quarter is due primarily to a decrease in volumes, attributable to a lower level of promotions carried out by MBWS, in contrast to intense promotional activity by competitors, particularly in the scotch whisky and vodka categories. The sparse availability of 2017 vintage rosé also had a negative impact on MBWS' Q4 net sales.

In the rest of the WEMEA cluster, net sales grew to €7.6m, a +8.5% increase compared to last year. This result was driven by solid sales growth in Spain, reflecting the positive impact of a double-digit price increase, which has been well-accepted by the market.

Central and Eastern Europe (CEE): Double-digit top-line growth in Poland, and a return to growth in the rest of the cluster

In Poland, Q4 2018 net sales grew +17.1% versus Q4 2017, to €10.3m, providing evidence of the progressive recovery from the proactive destocking in H1 2018. Sales growth in Poland was driven by a net sales increase in the modern trade, and by the gradually accelerating execution of distribution agreements signed in the second half of 2018.

In Lancut, final testing is being carried out and most of the required authorizations were recently obtained. Operations at the new distillery are scheduled to begin in the coming weeks.

In the rest of the CEE cluster, Q4 2018 net sales reached €9.1m, an increase of +13.1%, marking a return to growth. Sales growth in Lithuania reflects the full impact of pricing increases taken earlier in the year, and the restrictive but consistent regulatory environment regarding the sale of alcohol since the second half of 2017. Sales activity in Bulgaria also generated solid growth.

Americas: Sales decrease due to ongoing destocking and pricing pressure

In the Americas cluster, net sales totaled €5.4m. As anticipated and previously mentioned, in the United States top-line decreased sharply with continued destocking of Sobieski in some regional markets into Q4 2018. Consequently, net sales in the cluster were down -44.3% as compared to Q4 2017 (with a challenging comparable base of +10.8%). Additionally, pricing pressure accelerated in the US vodka market over the holiday season, with overall pricing in the category moving downward, and a consequent negative impact on Sobieski's net sales.

³ Source: Nielsen, P11 – P13, in value

⁴ Source: IRI, P11 – P13, in value



A top-line decrease in Brazil, due primarily to a challenging comparable base, also contributed to the overall sales decline in the Americas cluster during this reporting period.

Asia Pacific

Net sales in the Asia Pacific cluster totaled €1.2m in Q4 2018, a decrease of -34.0% versus last year off of a low base, and in-line with Q3 2018 net sales. In Asia, the distribution agreements in place have not enabled the Group to meet its objectives. The new strategic plan will put forth a new approach to the route-to-market in this cluster.

Other Businesses

Net sales for Other Businesses in Q4 2018 totaled €41.5m, a decrease of -0.8%. The dynamics evident in the third quarter of 2018 continued, with net sales at Sobieski Trade growing +2.8%, while a decrease in private label wine led to an overall -6.3% sales decrease in the Private Label business.

Events after year-end 2018

Principal Option of the agreement between MBWS and COFEPP approved by a large majority of shareholders; French Financial Markets Authority (AMF) authorization granted

The Principal Option of the agreement between MBWS and COFEPP, presented at the AGM on 31 January 2019, was approved by 89% of voting shareholders (with COFEPP excluded from the vote).

This option is based on the agreement of 21 December 2018 between MBWS and COFEPP (as modified by an addendum on 30 January 2019) for a Reserved Capital Increase (RCI) and subsequent free stock warrant program for all shareholders. The capital increase should provide a minimum of €45m in new money to MBWS.

As set out under the terms of the agreement between Marie Brizard Wine & Spirits and COFEPP, a €25m bridge loan was granted by COFEPP to MBWS on 4 February 2019. This loan will be repaid to COFEPP by an offsetting receivable within the framework of the COFEPP Reserved Capital Increase that is expected to take place at the end of February.

This operation is subject to COFEPP obtaining an exemption by the French Financial Markets Authority (AMF). The required exemption was granted on 5 February 2019. The operation is also subject to prior authorization of the anti-trust authorities in Poland. This authorization was obtained today. The operation is additionally subject to the authorization from the French anti-trust authorities under conditions considered acceptable by COFEPP; this decision is expected to be received by the end of the February 2019.

Marie Brizard Wine & Spirits produces and sells a range of wine and spirits across four geographic clusters: Western Europe, Middle East & Africa, Central and Eastern Europe, the Americas, and Asia-Pacific. MBWS has distinguished itself for its know-how, the range of its brands, and a long tradition and history of innovation. From the inception of Maison Marie Brizard in Bordeaux, France in 1755, to the launch of Fruits and Wine in 2010, MBWS has successfully developed and adapted its brands to make them contemporary while respecting their origins. MBWS is committed to providing value by offering its customers bold, trustworthy, flavorful and experiential brands. The company



has a broad portfolio of leading brands in their respective market segments, most notably William Peel scotch whisky, Sobieski vodka, Krupnik vodka, Fruits and Wine flavored wine, Marie Brizard liqueurs and Cognac Gautier. MBWS is listed on the regulated market of Euronext Paris, Compartment B (ISIN code FR0000060873, ticker MBWS) and is included in the EnterNext© PEA -PME 150 index, among others.



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ANNEX

Full Year 2018 net sales, by cluster (IFRS 15)

In €m IFRS 15	FY 2017 restated	Organic Growth	Forex impact	FY 2018	Organic Growth (excl.foreign exchange impact)	Reported Growth (incl.foreign exchange impact)
Branded Business	230.7	-34.2	-0.7	195.8	-14.8%	-15.1%
WEMEA	131.7	-13.5	0.1	118.4	-10.3%	-10.2%
France	108.9	-12.1	0.0	96.9	-11.1%	-11.1%
Rest of cluster	22.8	-1.5	0.1	21.5	-6.4%	-5.8%
CEE	69.0	-12.1	0.4	57.3	-17.5%	-16.9%
Poland	39.8	-11.2	0.4	29.0	-28.2%	-27.2%
Rest of cluster	29.2	-0.9	0.0	28.3	-3.0%	-3.0%
Americas	25.6	-7.3	-1.2	17.0	-28.6%	-33.5%
Asia Pacific	4.4	-1.3	0.0	3.1	-29.2%	-29.4%
Other Businesses	184.1	8.0	1.2	193.3	4.4%	5.0%
Sobieski Trade	100.2	6.1	1.2	107.5	6.1%	7.3%
Private Label	83.9	1.9	0.0	85.8	2.3%	2.3%
TOTAL MBWS	414.7	-26.2	0.5	389.0	-6.3%	-6.2%