

Charenton-le-Pont, 17 April 2024

2023 full-year earnings

Growth in EBITDA¹ and underlying operational profit in 2023 despite the slowdown in the spirits market, particularly in France.
Full-year positive effect of earlier restructuring done.

- EBITDA¹ of €13.3m in 2023, up 12.8% versus 11,8 M€ in 2022
- Net profit (Group share) of €8.7m in 2023 compared with a net loss of €0.9m in 2022

NB: All revenue variation figures reported herein are at constant exchange rates and consolidation scope, unless otherwise stated.

Marie Brizard Wine & Spirits (Euronext: MBWS) today announces its consolidated earnings for the 2023 financial year as approved by the Group's Board of Directors on 16 April 2024. All audit procedures have been carried out.

Commenting on these results, Fahd Khadraoui, Chief Executive Officer of Marie Brizard Wine & Spirits, said: *"Our Group faced many challenges in 2023 and I am proud of the work accomplished by our teams in this demanding environment.*

In a year marked by dramatic inflation, starting in 2022, and persistent market downturns, we were able to implement price increases designed to cover the rise in input costs, while preserving the market share of our Strategic International and Flagship Local brands.

We have also succeeded in developing our Agencies Brands distribution and Industrial Services offerings, allowing us to better absorb the structural costs of our subsidiaries.

In the first year of our medium-term development plan, "Investing for a Sustainable Growth", we have focused our investments on improving the productivity and sustainability of our industrial equipment and the visibility of our brands.

Lastly, the benefits of the major restructuring initiatives launched in 2022 were felt over the full year basis in 2023, making a major contribution to improving Group profitability.

As markets are normalising in 2024 after the episode of inflation, we must redouble our efforts to protect our market share and positioning, as well as our margins, building on our fundamental commitment to offering our consumers high-quality products at the best prices."

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

Simplified income statement - FY 2023

(€m <i>except EPS</i>)	2022	2023	Change 2023/2022
Net revenues (excluding excise duties)	181.4	194.2	+12.8
Gross margin	70.9	70.7	-0.2
<i>Gross margin ratio</i>	<i>39.1%</i>	<i>36.4%</i>	
EBITDA	11.8	13.3	+1.5
<i>EBITDA margin</i>	<i>6.5%</i>	<i>6.9%</i>	
Underlying operating profit	7.1	8.1	+1.0
Net profit (Group share)	(0.9)	8.7	+9.6
<i>of which Net profit/(loss) from continuing operations, Group share</i>	<i>(0.9)</i>	<i>8.7</i>	<i>+9.6</i>
<i>of which Net profit/(loss) from discontinued operations</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Earnings per share, Group share (EPS, €)</i>	<i>-0.01</i>	<i>0.08</i>	<i>+0.09</i>
<i>Earnings per share from continuing operations, Group share (EPS, €)</i>	<i>-0.01</i>	<i>0.08</i>	<i>+0.09</i>

In 2023, the Group generated sales of €194.2m, up 7.2% on the prior year, excluding currency impact. 2023 was marked by a rise in revenues for both clusters, particularly the International cluster.

Gross margin was virtually stable at €70.7m, and the gross margin ratio was 36.4% in 2023, compared with 39.1% in 2022. This 2.7 percentage point decline reflects the continuing surges in material and energy prices, partly offset by price increases and the dilutive effect of revenue growth.

2023 EBITDA amounted to €13.3m, up from €11.8m the previous year, with an EBITDA margin of 6.9% of revenues, an improvement of 40 basis points on 2022 (6.5%).

The France cluster saw EBITDA increase by €1.1m. The year 2022 was severely impacted by the sudden sharp rise in raw material and energy costs, starting in the second quarter and mainly affecting the second half of the year. The improvement in EBITDA in 2023 is the result of price increases designed to cover rising input costs, the full-year effect of the restructuring of the Off-Trade sales department initiated in 2022 and disciplined management.

Despite the price increases, International cluster EBITDA fell by €1.6m, mainly due to difficulties in the US market and in certain export markets, overshadowing the improvements observed in Spain, Lithuania, Bulgaria and Brazil.

2023 net revenues by cluster

(€m)	2022	LFL change	Currency impact	2023	LFL change (excl. currency impact)	Change (incl. currency impact)
FRANCE CLUSTER	81.3	2.1	-	83.3	2.5%	2.5%
INTERNATIONAL CLUSTER	100.1	11.0	(0.2)	110.9	11.0%	10.8%
TOTAL MBWS	181.4	13.1	(0.2)	194.2	7.2%	7.1%

2023 EBITDA by cluster

(€m)	2022	LFL change	Currency impact	2023	LFL change (excl. currency impact)	Change (incl. currency impact)
FRANCE CLUSTER	8.4	1.1	-	9.5	13.6%	13.6%
INTERNATIONAL CLUSTER	9.5	(1.6)	0.0	7.8	-17.4%	-17.9%
HOLDING COMPANY	(6.1)	2.0	-	(4.0)	33.6%	33.6%
TOTAL MBWS	11.8	1.5	0.0	13.3	12.8%	12.5%

FRANCE CLUSTER:

In France, revenues rose 2.5% versus 2022 amid a market slowdown. On-trade sales improved, despite a slight dip in the fourth quarter due to lower consumer demand.

EBITDA for the cluster rose 13.6% to €9.5m in 2023.

INTERNATIONAL CLUSTER:

International revenues rose 11.0% versus 2022, with disparities between regions:

- growth in Spain, Lithuania, Bulgaria and Brazil thanks to a strong performance from industrial services and the brands;
- a downturn in export sales across all regions, the United States and Scandinavia:
- in the United States, the decline in Sobieski and Gautier revenues is linked to a competitive and shrinking market, as well as the significant impact of the local distributor's inventory rundown policy.

EBITDA for the cluster fell 17.4% to €7.8m.

Changes in International cluster revenues by entity were as follows:

MBWS International

Revenues amounted to €15.6m in 2023, down 16.2% on 2022. In the Western European export markets, sales were down 3,6% and the strong performance by William Peel failed to offset the decline in Marie Brizard sales. In the Americas export region, sales were down 25.7%, impacted by a highly competitive vodka market and a continuing unfavourable trend in the cognac category. Finally, Asia Pacific sales fell 24.0% under the impact of the decline in Marie Brizard sales, particularly in the Australian and South Korean markets.

MBWS España

Revenues amounted to €26.0m, up 23.2%. Growth was primarily driven by a significant increase in industrial subcontracting and continuing strong performances by a number of strategic international brands, notably William Peel in the cross-border market.

MBWS Scandinavia

In 2023, revenues in Denmark fell 10.7% to €3.0m as a result of market restructuring marked by consolidation agreements between certain players and a number of on-trade delistings.

MBWS Baltics

Revenues in Lithuania and its export zone amounted to €32.8m in 2023, up 24.4%, mainly driven by flagship regional brands, strategic international brands (mainly William Peel) and continued export growth driven by the Ukrainian market.

MBWS Bulgaria

Revenues for Bulgaria and its export zone amounted to €22.2m, up 32.0%, driven by export markets and industrial subcontracting.

Imperial Brands

In the United States, full-year 2023 revenues were down 27.4% at €7.7 m, impacted in the case of Sobieski by a highly competitive vodka market coupled with the local distributor's inventory rundown policy. This trend is also linked to sluggish local sales following changes in the routes to market in key States. Finally, Gautier sales were impacted by the sharp decline in the US cognac market, while Marie Brizard sales were stable.

Dubar

In Brazil, 2023 revenues surged 21.5% to €3.6m, mainly driven by resilience among the region's flagship brands and the continuation of a rigorous sales policy and proactive pricing policy.

HOLDING COMPANY

The holding company posted an EBITDA loss of €4.0m for 2023 versus a €6.1m loss in 2022, an improvement reflecting continued reduction and control of internal costs as well as temporary positive exchange rate effects on operating performance.

BALANCE SHEET AT 31 DECEMBER 2023

Shareholders' equity, Group share, was €203.3m at 31 December 2023, compared to €194.6m the previous year.

Net cash amounted to €38.3m at 31 December 2023, compared to €40.9m the previous year. This reflects the improvement in the Group's cash flow, which did not, however, offset higher capital expenditure, particularly in France and Lithuania, the payment of corporation tax and the reduction in trade payables (linked in particular to the normalisation of inventories which began in the second half of 2023). There was also an unfavourable timing effect on customer receipts in France at the end of 2023, with 31st December falling on a Sunday.

OUTLOOK

For several years now, the Group has focused on creating the conditions for a profitable development of its brand portfolio and markets (subsidiaries and sales networks, direct export).

In the wake of the health crisis and the subsequent disruption to markets, upstream industrial chains, supply shortages and drastic inflation from 2022 onwards, the Group has adopted a rigorous and proactive approach to negotiations, brand development and commercial operations with all its customers.

It has thus demonstrated its ability to remain agile and resilient, by pursuing the following objectives:

- balance the necessary price increases against inflation in raw material and other production costs;
- maintain the value growth approach while pursuing business development wherever the brands allow (notably in France, Lithuania, Bulgaria, Western Europe and the main export markets).

The year 2024 will see a continuous market normalisation, with a resumption of the fall in consumer volumes, combined with inventory rundowns by certain importer customers in a context of downward pressure on prices following the exceptional wave of inflation of the last two years.

In 2024, the Group plans to pursue its strategy of focusing on value-creating activities, with an emphasis on:

- “good value for money” offers to protect its market share following price increases;
- implementing growth initiatives and projects, both organic and external, in its two clusters, in order to expand its trading base and improve financial performance;
- normalised investment in strategic inventories, in line with the needs identified by the Group;
- investments in productivity that could lead to the replacement of machinery, which would require production stoppages in the first half, without a major impact on full-year performance.

Within a competitive environment that remains quite intense, the Group continually monitors the soundness of its sales policies, the effectiveness of its route to market, any necessary adjustments to its commercial offering and the pursuit of intra-Group synergies, in order to continue to strengthen its overall profitability.

Financial calendar:

- Q1 2024 revenues: 25 April 2024
- General Meeting: 27 June 2024

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About Marie Brizard Wine & Spirits

Marie Brizard Wine & Spirits is a wine and spirits group based 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 and Cognac Gautier.

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

FY 2023 Consolidated Financial Statements

Income statement

(€000)	2023	2022
Revenues	236,029	227,121
Excise duties	(41,800)	(45,770)
Net revenues excluding excise duties	194,229	181,351
Cost of goods sold	(123,504)	(110,420)
External expenses	(28,675)	(27,599)
Personnel expense	(27,289)	(27,134)
Taxes and levies	(1,304)	(2,483)
Depreciation and amortisation charges	(6,031)	(6,075)
Other operating income	4,396	4,166
Other operating expenses	(3,688)	(4,735)
Underlying operating profit	8,134	7,071
Non-recurring operating income	5,462	5,080
Non-recurring operating expenses	(3,277)	(10,269)
Operating profit	10,319	1,882
Income from cash and cash equivalents	789	113
Gross cost of debt	(246)	(198)
Net cost of debt	543	(85)
Other financial income	582	1,064
Other financial expenses	(467)	(1,181)
Net financial income/(expense)	658	(202)
Profit before tax	10,977	1,680
Income tax	(2,225)	(2,605)
Net profit from continuing operations	8,751	(925)
Net profit/(loss) from discontinued operations		
NET PROFIT	8,751	(925)
Group share	8,732	(945)
of which Net profit from continuing operations	8,732	(945)
of which Net profit/(loss) from discontinued operations		
Non-controlling interests	20	20
of which Net profit from continuing operations	20	20
of which Net profit/(loss) from discontinued operations		
Earnings per share from continuing operations, Group share (€)	€0.08	(€0.01)
Diluted earnings per share from continuing operations, Group share (€)	€0.08	(€0.01)
Earnings per share, Group share (€)	€0.08	(€0.01)
Diluted earnings per share, Group share (€)	€0.08	(€0.01)
Weighted average number of shares outstanding	111,872,262	111,856,837
Diluted weighted average number of shares outstanding	111,872,262	111,856,837

Balance sheet

Assets		
(€000)	31/12/2023	31/12/2022
Non-current assets		
Goodwill	14,704	14,704
Intangible assets	76,137	77,847
Property, plant and equipment	31,206	26,932
Financial assets	965	1,146
Deferred tax assets	2,712	3,781
Total non-current assets	125,724	124,410
Current assets		
Inventory and work-in-progress	51,546	51,934
Trade receivables	40,999	43,523
Tax receivables	1,217	734
Other current assets	10,852	10,468
Current derivatives	83	114
Cash and cash equivalents	45,132	47,495
Assets held for sale		
Total current assets	149,829	154,268
TOTAL ASSETS	275,553	278,678
Equity & Liabilities		
(€000)	31/12/2023	31/12/2022
Shareholders' equity		
Share capital	156,786	156,786
Additional paid-in capital	72,815	72,815
Consolidated and other reserves	(26,332)	(25,529)
Translation reserves	(8,746)	(8,520)
Consolidated net profit/(loss)	8,732	(945)
Shareholders' equity (Group share)	203,254	194,607
Non-controlling interests	94	333
Total shareholders' equity	203,348	194,940
Non-current liabilities		
Employee benefits	1,497	1,769
Non-current provisions	3,738	2,540
Long-term borrowings – due in > 1 year	2,538	2,218
Other non-current liabilities	1,577	1,518
Deferred tax liabilities	145	139
Total non-current liabilities	9,495	8,184
Current liabilities		
Current provisions	3,633	5,417
Long-term borrowings – due in < 1 year	656	641
Short-term borrowings	3,615	3,702
Trade and other payables	34,094	36,694
Tax liabilities	416	1,932
Other current liabilities	20,241	26,899
Current derivatives	55	269
Liabilities held for sale		
Total current liabilities	62,710	75,554
TOTAL EQUITY AND LIABILITIES	275,553	278,678

Cash flow statement.

<i>(€000)</i>	31/12/2023	31/12/2022
Total consolidated net profit	8,751	-925
Depreciation and provisions	1,265	6,562
Gains/(losses) on disposals and dilution	(32)	49
Operating cash flow after net cost of debt and tax	9,984	5,686
Income tax charge/(income)	2,225	2,605
Net cost of debt	(546)	89
Operating cash flow before net cost of debt and tax	11,664	8,380
Change in working capital 1 (inventories, trade receivables/payables)	(213)	-18,280
Change in working capital 2 (other items)	(6,755)	-3,366
Tax paid/received	(3,072)	3,183
Cash flow from operating activities	1,624	-10,083
Purchase of PP&E and intangible assets	(5,112)	-3,202
Subsidies received	16	
Increase in loans and advances granted	(2)	
Decrease in loans and advances granted	202	1,632
Disposal of PP&E and intangible assets	99	2,872
Impact of change in consolidation scope	(116)	
Cash flow from investment activities	(4,913)	1,302
Capital increase		22
New borrowings		16
Borrowings repaid	(725)	-970
Net interest paid	677	-75
Net change in short-term debt	(100)	1,283
Cash flow from financing activities	(147)	276
Impact of exchange rate fluctuations	1,074	1,831
Change in cash and cash equivalents	(2,362)	-6,674
Opening cash and cash equivalents	47,495	54,169
Closing cash and cash equivalents	45,133	47,495
Change in cash and cash equivalents	(2,362)	-6,674