

Charenton-le-Pont, 28 July 2021

Turnover for 1st half of 2021

- Sales for the first six months excluding Poland and Moncigale: €81M (-5.8%)
- Sales excluding non-recurring items*: Up 3.5%
(*adjusted for the positive one-off effect of bulk ethyl alcohol sales in Lithuania in 2020 and of the stock pipeline build linked to the new third-party distribution agreement introduced in the USA on 1st January 2020)
- France: positive H1 sales but momentum reversed in Q2 as On Trade sales picked up at the expense of Off Trade sales
- International: a recovery of sales in certain key markets including the UK, in a cluster still affected by Covid measures restricting On Trade sales, and a marked decline in bulk sales in Baltic countries

NB: Unless otherwise stated, any growth in turnover mentioned is quoted at a constant exchange rate and consolidation scope.

Marie Brizard Wine & Spirits (Euronext: MBWS) today announces its unaudited turnover for the second quarter of 2021 covering the period from 1 April to 30 June 2021 and for the first half of 2021.

NB: In accordance with the Group's new managerial organisation implemented on 1 January 2021, the Group's turnover is now presented as two clusters, France and International, in order to reflect the evolution of business after the different disposals in 2019 (including the business' in Poland, sold on 21 October 2020 and Moncigale, sold on 16 February 2021).

Sales* for first half of 2021

in €M	H1 2020	Organic growth	Exchange rate effect	H1 2021	Organic growth (excl. exchange rate)	Published growth (inc. exchange rate)
France	38.3	0.8	0.0	39.1	2.0%	2.0 %
International	48.5	-5.8	-0.8	41.9	-12.0%	-13.5 %
MBWS TOTAL	86.8	-5.0	-0.8	81.0	-5.8%	-6.7 %

* Application of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations:' pre-consolidation adjustments relating to the businesses sold (Poland and Moncigale)

Sales for the Q2 2021

in €M	Q2 2020	Organic growth	Exchange rate effect	Q2 2021	Organic growth (excl. exchange rate)	Published growth (inc. exchange rate)
France	20.3	-0.4	0.0	19.9	-2.0%	-2.0%
International	24.7	-1.7	-0.3	22.7	-7.1%	-8.2%
MBWS TOTAL	45.0	-2.1	-0.3	42.6	-4.8%	-5.4%

* Application of IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations:' pre-consolidation adjustments relating to the businesses sold (Poland and Moncigale)

Details per Cluster

France

The French cluster generated a turnover of €39.1m for the first half of 2021 an increase of 2% compared to 2020, with the second quarter of 2021 declining by 2%.

This half-year trend is a result of two opposing trends: after a first quarter driven by the Off Trade business, the second quarter was affected by the recovery of business in the On Trade, which dampened retail sales, especially in June with the massive reopening of cafés and restaurants. This phenomenon has notably affected the Blended Scotch market and consequently the sales volumes of the William Peel brand. At the same time, the first half of 2021 incorporates the distribution of the Irish Whiskey brand, Paddy, which was taken over in June 2020.

The Group also continued its promotional support for the Sobieski brand, resulting in market share gains.

International

The International Cluster's turnover for the first half of 2021 was €41.9m, down 12% compared with 2020. This performance can be explained by Covid-related restrictions, the significant drop in demand for hydro-alcoholic gel as well as some shipments postponed to the second half of the year. In the second quarter the decline was limited to 7.1% thanks to the recovery of some markets, especially the United Kingdom and Spain.

As in the first quarter, two positive prior-year effects affected the International cluster negatively in the second quarter namely, the impact of the new distribution agreement in the USA (related to building up initial stocks) and very strong bulk sales in Lithuania. After adjusting for these mechanical and non-recurring effects, the sales for the International cluster would show an increase of 5% over the first half of 2021.

Sales in Western Europe reflect the impact of Covid, which was still penalising sales in the first half of 2021 whereas the first half of 2020 was only partially affected by the pandemic. While business has not been as high as expected in Germany and while Belux is still suffering from the pandemic, the UK has seen the beginning of a recovery with bars and restaurants opening their terraces. This positive trend for the second half of the year is however conditional on any changes to government health measures.

Business in the Iberian region has seen border sales recover as well as those of the On Trade, favouring the William Peel and Marie Brizard brands.

In Scandinavian countries, domestic sales recovered well in the second quarter, unlike the 1st quarter. Off Trade business also benefited from the strategy of focusing on wine merchants and specialised shops.

Africa has recorded an increase in sales over the half year, following a good start to the year.

As in the 1st quarter, bulk ethyl alcohol sales in Lithuania once again came under severe pressure, with both volume and prices falling. Business in the domestic market recovered slightly with the lifting of Covid restrictions, whereas export sales in Lithuania were disrupted by the political unrest in Belarus. In Bulgaria, the growth in wine sales on the domestic market continued and the first half of 2021 also benefited from a subcontracting agreement which began in July 2020.

Sales of William Peel to the Group's former subsidiary in Poland, now a partner client, increased over the half year.

As previously mentioned, the sharp decline in sales in the USA in the first half of 2021 is mainly a mechanical reflection of the non-recurring effects which benefited the Group last year, namely the new distribution agreement being implemented on 1st January 2020, the resulting build-up of inventory by our partner, and the transfer of inventory on hand at the end of 2019. Shipments to the US are increasingly disrupted by the problems with sea freight, while the US Off Trade market was still penalised by a high base effect in 2020, following the closure of the bars and restaurants at the time along with a high level of promotional activity. The Group benefited from the On Trade recovery, especially for Marie Brizard and to a lesser extent Sobieski.

Despite being affected since the beginning of the year by the Covid restrictions, Canada has seen business start to recover in the 2nd quarter. Brazil continues its sales growth, in terms of both volume and price. This upturn affects local and imported brands, such as Cutty Sark.

Once again, Asia Pacific has been resilient, especially in Australia where the sales of Marie Brizard liqueurs continued their upward trend. This success offsets the problems with On Trade business in Japan over the half year, given the state of emergency.

Financial calendar

- 2021 First Half Results: 29 September 2021

About Marie Brizard Wine & Spirits

Marie Brizard Wine & Spirits is a Group of wines and spirits 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 its origins.

Marie Brizard Wine & Spirits' commitment is to offer its customers brands of confidence, daring and full of flavours 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.



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