



Paris, 7th November 2018

Q3 2018 Net Sales: €99.6m (-4.2%)

Q3 YTD 2018 Net Sales: €289.6m (-6.4%)

Return to growth in Poland and the Americas

Sales decreased in France, in line with H1 2018

Andrew Highcock has joined MBWS as Chief Executive Officer

Confirmation of all EBITDA estimates previously provided by the Group

FY 2017 and H1 2018 financial accounts to be published by mid-December

Discussions with banking partners are ongoing

Marie Brizard Wine & Spirits (Euronext: MBWS) today announced its non-audited net sales for Q3 2018, covering the reporting period from 1st July to 30th September 2018.

Q3 2018 Net sales

The Group's consolidated non-audited Q3 2018 net sales totaled €99.6m¹, a -4.2%² decrease compared to Q3 2017, but an improvement compared to the first two quarters of 2018. The progress vis-à-vis H1 2018 is due primarily to the improving performance of the Branded Business, which nevertheless declined by -2.8%.

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 Q3 2017 and Q3 2018 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 ago to the net sales figure of the current reporting period.



Q3 2018 net sales, by cluster (IFRS 15)

In €m IFRS 15	Q3 2017 restated	Organic Growth	Forex impact	Q3 2018	Organic Growth (excl. foreign exchange impact)	Reported growth (incl. foreign exchange impact)
Branded Business	51.1	-1.4	-0.2	49.5	-2.8%	-3.1%
WEMEA	30.7	-3.0	0.0	27.7	-9.8%	-9.8%
France	25.3	-2.8	0.0	22.6	-10.9%	-10.9%
Rest of cluster	5.4	-0.3	0.0	5.1	-4.7%	-4.7%
CEE	15.1	1.7	0.0	16.8	11.3%	11.1%
Poland	7.8	1.9	0.0	9.7	24.9%	24.6%
Rest of cluster	7.3	-0.2	0.0	7.0	-3.4%	-3.4%
Americas	4.3	0.2	-0.2	4.4	5.5%	1.9%
Asia Pacific	0.9	-0.3	0.0	0.6	-36.5%	-36.3%
Other Businesses	53.3	-3.0	-0.3	50.1	-5.5%	-6.1%
Sobieski Trade	26.8	1.0	-0.3	27.4	3.6%	2.5%
Private Label	26.6	-3.9	0.0	22.7	-14.7%	-14.7%
TOTAL MBWS	104.4	-4.4	-0.5	99.6	-4.2%	-4.6%

Western Europe, Middle East and Africa (WEMEA): H1 2018 trends continue

In France, Q3 2018 net sales totaled €22.6m, a decrease of -10.9% versus year-ago, thus maintaining the trend of the earlier part of the year.

As discussed in the press release of 4th September 2018, the Group's Q3 2018 sales in France were impacted by the slowdown that has affected the overall spirits category. The spirits market decreased by -2.7%³. This downturn in the market is more pronounced in the Group's main categories, such as vodka which declined -2.8%², Scotch whisky down -5.9%², and flavored wines which decreased -8.9%⁴. Additionally, the insufficient availability of 2017 vintage rosé wine has had a significant negative impact on the Group's Q3 2018 net sales in France.

In the rest of the WEMEA cluster, net sales reached €5.1m, a decrease of -4.7%. Nevertheless, this marks an improvement compared to trends in H1 2018, particularly in Spain where destocking has now ended, and the price increase on Marie Brizard anisette has taken effect.

Central and Eastern Europe (CEE): A return to growth is confirmed in Poland

In Poland, Q3 2018 net sales totaled €9.7m, a +24.9% increase versus the year-ago period. A return to healthy growth was expected after the significant stock reduction that took place in the first half of 2018. The reporting period's level of sales was achieved by a combination of significantly lower promotional expenses, and normalized stock levels which have been maintained since early July 2018.

³ Source: Nielsen, periods P8 – P10, in value

⁴ Source: IRI, periods P8 – P10 in value



The action plan outlined for Poland is being executed and early results are in line with expectations. In a market that remains highly competitive and with ongoing pricing pressure, the Group's market share in the vodka category has stabilized since the beginning of Q3 2018. Additionally, the distribution agreements with the principal Polish wholesalers have been signed and are being executed.

The remaining work on the Lancut distillery has progressed and every effort is being made to begin operations as soon as possible. The Group is working to finalize the remaining technical matters and to conclude the changes requested by the Polish authorities as a prerequisite to granting the authorizations to begin operations.

In the rest of the CEE cluster, Q3 2018 net sales reached €7.0m, a -3.4% decrease, continuing the improvement begun in Q2 2018. During the quarter, sales in Lithuania continued to be affected by a restrictive regulatory environment regarding the sale of alcohol. Conversely, sales in Bulgaria grew strongly.

Americas: Sales growth has resumed in a market that remains highly competitive

In the Americas cluster, net sales totaled €4.4m, a +5.5% increase. In the United States, destocking of Sobieski in its old packaging continued into Q3 2018, accounting for a gradual return to growth. At present, some distributors have begun to rebuild their stocks with the new Sobieski packaging, while others are finalizing their destocking of the previous packaging.

Overall, the existing stock of Sobieski among distributors in the United States is at normalized levels. In a vodka market that remains highly competitive, the Group remains cautious about the sustainability of the sales dynamic in Q4 2018.

Asia Pacific

Net sales in the Asia Pacific cluster totaled €0.6m in Q3 2018, a decrease of -36.5% off of a low base in the same quarter last year.

Other Businesses

Net sales for Other Businesses in Q3 2018 were €50.1m, a decrease of -5.5%. The Private Label business was affected by a lower level of third-party bottling orders⁵, however Sobieski Trade returned to growth with a sales increase of +3.6%.

Outlook

Andrew Highcock has joined MBWS as CEO

As announced, Andrew Highcock assumed the role of Chief Executive Officer of Marie Brizard Wine & Spirits on 29th October 2018. He will spend the following several weeks meeting with MBWS staff, and with many of the key customers in countries where the Group operates.

⁵ Mostly Pulco



The Group's Board of Directors has also entrusted Benoît Héroult, in addition to his role as Chairman of the Board, with the task of assisting Andrew Highcock in the ongoing discussions with MBWS' banking partners.

Update on the discussions with banking partners and the measures announced in September

Discussions with the Group's banking partners have not been finalized. Nevertheless, given its financial situation, the Group has obtained – subject to certain conditions – a temporary standstill on repayment of two loans totaling principal of €7.5m, obtained from the Group's banking partners, with an initial maturity date of 31st October 2018.

The Group expects to publish its FY 2017 and H1 2018 financial accounts in mid-December 2018. This will enable the Group to meet the 31st January 2019 deadline for holding an Annual General Meeting of shareholders to approve the accounts.

The work being carried out to adapt the Group's cost structure, and the project to sell some of the Group's brands, are in progress.

Confirmation of all previously-announced EBITDA estimates

The Group confirms its expectation of:

- Estimated 2017 EBITDA in a range -€11m to -€12m.
- Estimated H1 2018 EBITDA in a range of -€20m to -€23m.
- Estimated 2018 EBITDA in a range of -€20m to -€25m.

Cautionary note: this press release includes forward-looking assumptions and statements that have not been audited, and are subject to a number of risks and uncertainties.

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 FR0 000060873, ticker MBWS) and is included in the EnterNext© PEA-PME 150 index, among others.



Investor Contact

Raquel Lizarraga
raquel.lizarraga@mbws.com
Tél : +33 1 43 91 50

Press Contact

Simon Zaks, Image Sept
szaks@image7.fr
Tél : +33 1 53 70 74 63



ANNEX

Q3 2018 Year-to-Date Net Sales, by cluster (IFRS 15)

In €m IFRS 15	Q3 YTD 2017 restated	Organic Growth	Forex impact	Q3 YTD 2018	Organic Growth (excl. foreign exchange impact)	Reported Growth (incl. foreign exchange impact)
<u>Branded Business</u>	166.9	-28.1	-1.0	137.8	-16.8%	-17.4%
WEMEA	96.4	-10.0	0.0	86.4	-10.3%	-10.4%
France	80.5	-7.9	0.0	72.6	-9.8%	-9.8%
Rest of cluster	15.9	-2.1	0.0	13.9	-12.9%	-13.0%
CEE	52.4	-14.6	0.1	37.9	-27.8%	-27.7%
Poland	31.2	-12.7	0.1	18.6	-40.6%	-40.4%
Rest of cluster	21.2	-1.9	0.0	19.2	-9.1%	-9.1%
Americas	15.5	-2.9	-1.1	11.6	-18.4%	-25.4%
Asia Pacific	2.6	-0.7	0.0	1.9	-25.8%	-26.1%
<u>Other Businesses</u>	143.1	8.4	0.3	151.8	5.8%	6.1%
Sobieski Trade	75.5	5.4	0.3	81.2	7.2%	7.6%
Private Label	67.6	2.9	0.0	70.6	4.4%	4.4%
TOTAL MBWS	310.0	-19.7	-0.7	289.6	-6.4%	-6.6%