



Paris, 7 November 2019

## Net sales for the third quarter and first nine months of 2019

Sales for the first nine months of 2019: €284.7 million (down 1.5%)<sup>1</sup>  
Resilience of Branded Business, with organic growth of 1.9%

Sales for the third quarter of 2019: €98.9 million (down 0.6%)  
Mixed quarterly results by business and region,  
in line with expectations and our announcement on 15 October

Continued rollout of strategic plan  
Sale of Sobieski Trade expected to close soon, following recent approval  
by the Polish competition authority

Marie Brizard Wine & Spirits (Euronext: MBWS) today announced its unaudited net sales for the third quarter of 2019.

### RESULTS BY CLUSTER

#### Q3 2019

en €M	Q3 2018	Org. growth	Currency impact	Q3 2019	Org. Growth at cc	Growth
<b>Branded Business</b>	<b>49.5</b>	<b>-1.1</b>	<b>-0.2</b>	<b>48.2</b>	<b>-2.1%</b>	<b>-2.6%</b>
<b>WEMEA</b>	<b>27.7</b>	<b>-1.2</b>	<b>0.0</b>	<b>26.5</b>	<b>-4.4%</b>	<b>-4.4%</b>
France	22.6	-0.5	0.0	22.1	-2.1%	-2.1%
Rest of cluster	5.1	-0.7	0.0	4.4	-14.6%	-14.6%
<b>CEE</b>	<b>16.8</b>	<b>-0.4</b>	<b>-0.1</b>	<b>16.3</b>	<b>-2.3%</b>	<b>-2.6%</b>
Poland	9.7	-0.3	-0.1	9.4	-2.7%	-3.2%
Other CEE	7.0	-0.1	0.0	6.9	-1.7%	-1.7%
<b>Americas</b>	<b>4.4</b>	<b>0.3</b>	<b>-0.2</b>	<b>4.5</b>	<b>5.9%</b>	<b>2.1%</b>
<b>APAC</b>	<b>0.6</b>	<b>0.3</b>	<b>0.0</b>	<b>0.9</b>	<b>48.4%</b>	<b>48.4%</b>
<b>Other Businesses</b>	<b>50.1</b>	<b>0.5</b>	<b>0.1</b>	<b>50.6</b>	<b>1.0%</b>	<b>1.1%</b>
Sobieski Trade	27.4	0.7	0.1	28.2	2.5%	2.8%
Private Labels	22.7	-0.2	0.0	22.4	-0.9%	-0.9%
<b>TOTAL MBWS</b>	<b>99.6</b>	<b>-0.6</b>	<b>-0.2</b>	<b>98.9</b>	<b>-0.6%</b>	<b>-0.7%</b>

<sup>1</sup> All net sales growth figures mentioned in this press release are expressed at constant structure and exchange rates, unless stated otherwise.



9M 2019

in €M	9M 2018	Org. growth	Currency impact	9M 2019	Org. Growth at cc	Growth
<b>Branded Business</b>	<b>137.8</b>	<b>2.6</b>	<b>0.3</b>	<b>140.7</b>	<b>1.9%</b>	<b>2.1%</b>
<b>WEMEA</b>	<b>86.4</b>	<b>-6.3</b>	<b>0.0</b>	<b>80.1</b>	<b>-7.3%</b>	<b>-7.3%</b>
France	72.6	-6.0	0.0	66.6	-8.3%	-8.3%
Rest of cluster	13.9	-0.3	0.0	13.5	-2.4%	-2.4%
<b>CEE</b>	<b>37.9</b>	<b>8.3</b>	<b>-0.3</b>	<b>45.8</b>	<b>21.9%</b>	<b>21.0%</b>
Poland	18.6	8.5	-0.3	26.8	45.9%	44.1%
Other CEE	19.2	-0.3	0.0	19.0	-1.4%	-1.4%
<b>Americas</b>	<b>11.6</b>	<b>0.7</b>	<b>0.6</b>	<b>12.9</b>	<b>5.8%</b>	<b>11.0%</b>
<b>APAC</b>	<b>1.9</b>	<b>0.0</b>	<b>0.0</b>	<b>1.9</b>	<b>-0.2%</b>	<b>-0.2%</b>
<b>Other Businesses</b>	<b>151.8</b>	<b>-6.8</b>	<b>-1.0</b>	<b>144.0</b>	<b>-4.5%</b>	<b>-5.1%</b>
Sobieski Trade	81.2	-2.2	-1.0	78.1	-2.7%	-3.9%
Private Labels	70.6	-4.7	0.0	65.9	-6.6%	-6.6%
<b>TOTAL MBWS</b>	<b>289.6</b>	<b>-4.2</b>	<b>-0,7</b>	<b>284.7</b>	<b>-1.5%</b>	<b>-1.7%</b>

**Western Europe, Middle East and Africa (WEMEA): net sales reflecting the Group's value-oriented marketing strategy and the downturn for the aromatised wine-based beverage (BABV) segment**

In the first nine months of 2019, net sales for the WEMEA region totalled €80.1 million, down 7.3% compared with the same period in 2018, with third quarter net sales of €26.5 million (down 4.4%).

Net sales for France, still a highly competitive and promotion-driven market, came to €22.1 million in the third quarter of 2019, a modest decline of 2.1% from the year-earlier period. This near stability in net sales reflects the success of the Group's sales and marketing strategy focused on value as the key priority, which continues to involve limited use of promotional activities, an approach expected to be maintained until the end of the year. The relevance of this strategy was supported in the third quarter by a slight recovery of the company's market share in the Scotch Whisky category. Despite the pronounced downturn in the BABV market, Fruits and Wine maintained its market share in the quarter. Results delivered in France for the first nine months of the year, with net sales down 8.3%, are thus consistent with the expected impact of having implemented the Group's strategy of focusing on profitability.

Net sales for the rest of the cluster totalled €4.4 million in the third quarter of 2019. This performance reflects the new distribution model in Spain, stable business in the United Kingdom and the impact of a higher pricing policy in the Middle East, in line with the Group's profitability improvement strategy.



### **Central and Eastern Europe (CEE): weaker third quarter across the entire region**

The CEE region reported net sales of €45.8 million for the first nine months of 2019, up 21.9%, including net sales of €16.3 million in the third quarter, down 2.3% compared with the year-earlier period.

The decline recorded in the quarter was due in part to a challenging base for comparison in Poland, where robust sales in the third quarter of 2018 followed a lacklustre first half. Business levels are also still affected by the impact of stricter promotional policies, necessary for future profitability. Lastly, as announced on 15 October, conditions in the vodka market remain challenging, with considerable competitive pressure. Net sales in Poland thus rose 45.9% to €26.8 million in the first nine months of 2019, but declined by 2.7% in the third quarter.

Net sales for the rest of the cluster in the third quarter were down 1.7% to €6.9 million, a small dip due to exports from Bulgaria and the continuing portfolio reorganisation in Lithuania which prioritises more profitable products and the launch of promising new products.

### **Americas: good third quarter performance fuelled by growth in Brazil and mixed results for brands in the United States**

Net sales for the Americas region in the first nine months of 2019 were up 5.8% compared with the same period in 2018, to €12.9 million.

Net sales for the cluster rose 5.9% to €4.5 million in the third quarter of 2019. In the United States, shipments to wholesalers grew in the third quarter, due to the mechanical effect of healthier inventory levels than those of the previous year. In terms of product sales ex-wholesalers, Sobieski continued to decline, hit by persistent and strong price pressures in the vodka market affecting all players, with the exception of a leading domestic player capturing all of the category growth. On the other hand, Marie Brizard regained market share, driven in particular by the company's business in the control states.

Brazil consolidated its previous performance with a further increase in net sales during the third quarter. The Group is reaping the benefits of its sales and marketing strategy, focused on developing the Group's local brands in priority states, and is continuing its expansion by acquiring new customers.

### **Asia Pacific**

The Asia-Pacific cluster recorded good business levels in the third quarter, with the continuing exception of China. Net sales were higher, up 48.4% to €0.9 million, off a low base. They totalled €1.9 million in the first nine months of 2019, stable compared with the year-earlier period.

### **Other Businesses**

Net sales for the Group's Other Businesses were €50.6 million in the third quarter of 2019, up 1.0%, bringing the figure for the first nine months of 2019 to €144.0 million, a decline of 4.5%.

Marie Brizard Wine & Spirits' proposed sale of Sobieski Trade received approval from the Polish competition authority on 20 September 2019, which should allow the transaction to be finalised soon. The information relating to this disposal and the Group's Polish subsidiaries, as published on 15 October 2019, remains unchanged.



Favourable weather conditions in the summer helped to nearly stabilize sales for Private Label (MDD) in the third quarter, but they were down 6.6% to €65.9 million in the first nine months of 2019, reflecting the continued difficult market environment overall for the supermarket and hypermarket chains in France.

## OUTLOOK

As announced on 15 October, Marie Brizard Wine & Spirits expects that its full-year 2019 EBITDA will be a loss amounting to between €20 million and €25 million.

## Financial calendar

Marie Brizard Wine & Spirits will report its net sales for the fourth quarter of 2019 and for the fiscal year 2019 on 13 February 2020.

## **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 know-how, a combination of brands with a long tradition and a spirit resolutely turned towards innovation. From the birth of the Maison Marie Brizard in 1755 to the launch of Fruits and Wine in 2010, the Marie Brizard Wine & Spirits Group has been able to develop its brands in a modern way while respecting their origins.

Marie Brizard Wine & Spirits' commitment is to offer its customers trustworthy, bold and full of flavors and experiences. The Group now has a rich portfolio of leading brands in their market segments, including William Peel, Sobieski, Krupnik, Fruits and Wine, Marie Brizard and Cognac Gautier.

Marie Brizard Wine & Spirits is listed on Euronext Paris Compartment B (FR0000060873 - MBWS) and is part of the EnterNext© PEA-PME 150 index



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