

Charenton-le-Pont, 28 April 2022

Q1 2022 Net Sales

Q1 2022 Net Sales totalled €40.6 million, up 5.2% compared with Q1 2021 (particularly over the first two months of the year)

- Performance maintained in France at the start of 2022, despite an overall slowdown in the spirits market (sales growth of 4% compared with 2021), benefiting notably from:
 - good on-trade activity which was penalised by COVID measures in 2021;
 - a lesser decline in William Peel sales compared with the competition and moderate growth for the other brands in the portfolio (particularly Marie Brizard).
- Sustained recovery in international sales (up 6.3% compared with Q1 2021), varying according to the region:
 - recovery in Europe compared with 2021 (health restrictions) despite the Russian-Ukrainian conflict which has resulted in limited loss of Net Sales for the moment;
 - slowdown of Sobieski sales in the United States in a still competitive environment in the Vodka category;
 - significant growth of our strategic brands in Asia-Pacific (mainly in Korea, Taiwan, Japan), a region that is still growing.
 - a pricing policy that anticipated certain increases in raw material costs.

NB: All revenue growth figures mentioned in this press release are at constant scope and exchange rates, unless otherwise stated.

Marie Brizard Wine & Spirits (Euronext: MBWS) today announces its unaudited Net Sales for the first quarter of 2022, covering the period from 1 January to 31 March 2022.

Q1 2022 Net Sales

in €m	31 March 2021	Like-for-like change	Currency impact	31 March 2022	Like-for-like change (excl. currency impact)	Reported growth (incl. currency impact)
France	19.1	0.8	-	19.9	4.0%	4.0%
International	19.3	1.2	0.2	20.7	6.3%	7.4%
TOTAL MBWS GROUP	38.4	2.0	0.2	40.6	5.2%	5.7%

France cluster

In Q1 2022, the Net Sales of the France cluster reached €19.9 million, up 4.0% compared with the first quarter of 2021, due notably to the strong recovery in on-trade activity, as well as resilient sales among major retailers (off-trade) due to a favourable mix and a reduction in promotional activity, in particular regarding the Paddy brand.

The Group's main brands posted positive performances in the early part of 2022, notably again Marie Brizard and San José. Other brands, such as Sobieski, are making good progress in the on-trade segment. Against the backdrop of a sharp slowdown in sales in the market for under-12-year blended whisky (down 7.0%), it can be noted a limited drop for William Peel (down 3.7%) in Q1 2022 compared with the same period in 2021, thanks in particular to the listing in the second half of 2021 with a new distribution player, which allowed the brand to solidify its market share.

This positive quarter-on-quarter change in sales for the France cluster should be seen against the highly disruptive background of disruption in the raw material supply chain since the beginning of March, particularly since the outbreak of the Russian-Ukrainian conflict, and the significant price rises (especially for glassware during April), leading to the risk of allocations based on the volumes available.

International cluster

The Q1 2022 Net Sales of the International cluster amounted to €20.7 million, up 6.3% at constant exchange rates compared with Q1 2021.

In Western Europe, on top of the end of COVID-related health restrictions, trading in early 2022 continued to reflect a strong recovery in the United Kingdom (after a near complete shutdown for the same period in 2021), with good gains for the Marie Brizard brand (by value and portfolio weight).

In the Middle East, there was good development of the Marie Brizard brand in the syrups category, an activity that is expected to grow.

Spain reported a 2% decline in Net Sales, driven by strong growth in on-trade brand sales (particularly for Marie Brizard), cross-border sales (William Peel), a proactive pricing policy but also a decrease in sales of the subcontracting activity, mainly due to difficulties in the supply of bottles.

Scandinavia (following the lifting of COVID-related restrictions at the end of January) saw its Net Sales increase very significantly from a low volume base.

Q1 2022 Net Sales in the Baltic countries were impacted negatively by a mechanical effect of customer overstocking at the end of 2021 in anticipation of the increase in excise duties, the sharp rise in energy prices, as well as the immediate consequences of the war in Ukraine on exports to Russia and Belarus (not significant at overall Group level). These declines were partially compensated by a proactive pricing policy.

Bulgaria reported strong growth across its entire brand portfolio of spirits and wines in Q1 2022, both in its domestic market and for export (Greece, Turkey, Hungary, etc.), together with sustained subcontracting activity for Romania.

In Poland, sales of our brands enjoyed significant growth thanks to a fine performance by Cognac Gautier, the development of Marie Brizard liqueurs and stable sales of William Peel.

In the United States, Q1 2022 Net Sales were down year on year. Q1 2022 remained marked by a slowdown in Sobieski sales due to the evolution of the Vodka category.

These unfavourable effects were only partially offset by the good performance of the Marie Brizard and Cognac Gautier brands.

Canada, on the other hand, was the main contributor to the growth in Net Sales of the Direct Export business during the quarter.

Brazil experienced a significant decline in Net Sales compared with 2021, for all brands except Marie Brizard. The price increase applied to the entire portfolio helps to limit the decline observed.

In the Asia-Pacific region, Q1 2022 Net Sales were driven by good performance in Korea, Taiwan and Japan, despite the absence of sales in the Chinese market.

Outlook

As already indicated in the press release on the 2021 annual results (issued on 14 April), and as described above, MBWS Group, like other players in the wine and spirits sector, is regularly facing supply chain pressures relating to the periodic unavailability of certain raw materials and dry goods, a sequence that started with the easing of Covid restrictions and continued during the first quarter of 2022.

Sharp increases in purchasing costs have already been noted at the end of 2021, particularly for glassware following the disorganisation of this sector after the Covid pandemic. The Group therefore already implemented price increases at the beginning of the year.

However, since the beginning of April and following the events in Ukraine, the immediate and significant additional increases in raw material prices are potentially higher than the capacity to pass on prices downstream to distribution and customer partners.

Combined with the volatile availability of suppliers' production, these impacts could have negative effects on the Group's ability to supply all its customers (in France and internationally), and on the elasticity of consumer demand, notably given the need for the Group to adapt its commercial policies to this new context.

This environment requires the Group to adopt a cautious view about commercial activity in the coming months and perhaps more particularly in the second half if there has not been a satisfactory settlement of the Russian-Ukrainian conflict by then and if its disruptive consequences persist.

Financial calendar

- General Meeting: 30 June 2022
- H1 2022 revenues: 28 July 2022

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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.

