



Paris, 27 July 2018

Andrew Highcock appointed CEO of MBWS

Update on discussions with banking partners

Decrease in Q2 2018 net sales

2018 EBITDA Outlook

Marie Brizard Wine & Spirits (Euronext : MBWS) today announced the appointment of Andrew Highcock to the position of Chief Executive Officer, and also released the company's Q2 2018 net sales.

Andrew Highcock named Chief Executive Officer of Marie Brizard Wine & Spirits

Andrew Highcock is a recognized and highly experienced spirits industry executive. He holds a degree from Cambridge University, and began his career at Arthur Andersen in the United Kingdom, moving from there to a career in the consumer goods sector when he joined the Beecham Group. Later, he joined Diageo where he held several positions, starting with Marketing Director for Central Europe, followed by General Manager of the Hungarian subsidiary, and finally marketing director of Diageo in France. He then joined Maxxium, first to manage the southern Europe cluster (France, Spain, Portugal, Italy, Greece and Turkey) and later assumed the role of President of the company's Canadian subsidiary. Finally, he joined the SABMiller Group -- the world's second largest brewer -- in their Central and Eastern Europe cluster (later acquired by the Japanese group, Asahi) as General Manager of the Slovakian subsidiary, followed by a role as President of the Romanian subsidiary, and as President of the Polish subsidiary, his current position. He is expected to join MBWS on 29th October 2018.

Benoît Hérault, Chairman of the Board and current CEO of MBWS declared, *"We have taken the time necessary to find the executive who will be able to return our Group to a path of profitable growth, and we are thus very happy to announce the arrival of Andrew Highcock as CEO of MBWS. Andrew is an executive who has demonstrated over the course of his career in the beverages and spirits industries his ability to transform and to drive growth in the companies that he has led. Andrew's multi-cultural profile and his professional successes in France, in Central and Eastern Europe (in particular, the turnaround of the Asahi Group's operations in Poland), and in North America will be determinant factors in his new role. His primary mission will be to define the means and the strategy for returning Marie Brizard Wine & Spirits to profitable growth."*

Andrew Highcock added: *"I am honored to take on the role of Chief Executive Officer of Marie Brizard Wine & Spirits. I am aware of the responsibility this entails vis-à-vis the company's employees, partners, clients and shareholders, and I look forward to beginning this new entrepreneurial adventure. I do not under-estimate the enormity of the task, but I have great enthusiasm for this project as I am convinced that the Group possesses significant under-developed potential and assets to win in the market."*



Marie Brizard Wine & Spirits also announced the appointment of Jacques Tierny as an independent non-executive director of MBWS. Given Mr. Tierny's skills and experience, the Board unanimously decided to appoint him President of the Audit committee. Jacques Tierny was successively Deputy CFO of Michelin, CFO and Executive Deputy CEO of the Casino Groupe, and CFO of Gemalto. The appointment of Mr. Tierny follows the resignation for personal reasons of Benoît Ghiot, a member of MBWS' Board of Directors since 16 September 2014.

Ongoing discussions with banking partners

The renegotiation of some of the terms of financing lines is now very advanced, and as previously stated, the Group reiterates that it is confident in its ability to finalize the negotiations by end of summer 2018. The Group will then be in a position to publish its FY 2017 accounts. The FY 2017 EBITDA is in a range of -€11m to -€12m.

Q2 2018 Net sales

MBWS' consolidated, non-audited Q2 2018 net sales totaled €107.9m, a decrease of -11.4% compared to Q2 2017¹. The performance of the Branded Business declined significantly, by -25.2%. This performance is a result of the company's proactive policy, being carried out primarily in Poland and the United States, to enable stock levels in the market to return to normal levels. These results also reflect a much lower level of activity in France during the month of June.

The IFRS 15 accounting standard as it relates to "Revenue from contracts with customers" has been applicable since 1st January 2018. Consequently, Marie Brizard Wine & Spirits has published its Q2 2017 and 2018 net sales in keeping with this new accounting standard.

¹ All net sales growth rates mentioned in this press release are calculated at constant exchange rates on a like-for-like basis, unless otherwise stated.



Q2 2018 Net Sales by Cluster (IFRS 15)

In €m	Q2 2017 restated	Organic growth	Currency impact	Q2 2018	Org. Growth (excl. forex)	Org. Growth (incl. forex)
BRANDED BUSINESS	70.0	-17.7	-0.5	51.8	-25.2%	-26.0%
WEMEA	38.6	-4.8	0.0	33.7	-12.5%	-12.5%
France	32.0	-3.6	0.0	28.4	-11.2%	-11.2%
Rest of cluster	6.6	-1.2	0.0	5.4	-18.8%	-18.9%
CEE	23.2	-10.7	0.0	12.5	-46.0%	-46.0%
Poland	15.8	-9.9	0.0	5.9	-62.8%	-62.8%
Rest of cluster	7.4	-0.8	0.0	6.7	-10.2%	-10.2%
Americas	7.2	-2.1	-0.5	4.6	-29.1%	-36.4%
Asia Pacific	1.0	0.0	0.0	0.9	-4.7%	-5.6%
OTHER BUSINESSES	52.8	3.6	-0.3	56.1	6.9%	6.4%
Sobieski Trade	28.0	-0.3	-0.3	27.4	-1.2%	-2.1%
Private Label	24.8	3.9	0.0	28.7	15.9%	15.9%
TOTAL MBWS	122.7	-14.0	-0.8	107.9	-11.4%	-12.1%

Western Europe, Middle East and Africa (WEMEA)

In France, net sales in Q2 2018 reached €28.4m, a decrease of -11.2% versus the year ago period. MBWS' net sales decreased sharply in June as a result of one-time destocking of spirits carried out by the market's large retailers. Net sales in France continued to be affected by the shortage of 2017 vintage rosé wine, which is expected to continue into H2 2018. According to IRI, the volume of rosé wines from Provence have decreased -12.3%² year-to-date.

In the rest of the WEMEA cluster, net sales totaled €5.4m, a decrease of -18.8%. Although the Group's activity stabilized in the United Kingdom, almost all of the decrease in the second quarter in the rest of WEMEA is attributable to the business in Spain. The deployment of the strategy to reset stock levels, which began at the start of the year, led MBWS to continue a process of destocking and to increase prices on its flagship Marie Brizard anisette brand, in order to gradually restore the Group's profitability in the Spanish market.

Marie Brizard Wine & Spirits' H1 2018 net sales in the WEMEA cluster totaled €58.7m, a decrease of -10.6%.

² IRI P6 2018 YTD.



Central and Eastern Europe (CEE)

In Poland, Q2 2018 net sales totaled €5.9m, a -62.8% decrease versus the year ago period. This sharp decline is attributable to the proactive policy to reduce stocks, primarily in the traditional trade. Stock levels are now normalized.

The action plan built around five large initiatives and presented on 13th April of this year, is ongoing as follows:

- **Distribution:** improvement in distribution and visibility in the traditional trade's principal points of sale, and acceleration of this strategy over the course of H2 2018.
- **Organization:** the management team of the sales organization is now complete; currently recruiting sales people and trade marketing staff, to be operational in Q3 2018;
- **Product positioning:** ongoing improvement in product mix, driven by small formats, new flavors of Krupnik, and William Peel;
- **Operations:** production testing is ongoing, and the Lancut distillery is expected to be fully operational in Q4 2018;
- **Processes:** finalization of internal control processes, as well as process for managing receivables and payables.

H1 2018 net sales totaled €8.9m, a -62.5% decrease.

The initiatives taken by MBWS-Poland should enable the gradual return to growth over the course of H2 2018.

In the rest of the CEE cluster, Q2 2018 net sales totaled €6.7m, a decrease of -10.2%, marking a sequential improvement versus Q1 2018. This decline is due primarily to the business in Lithuania, which was impacted – along with the rest of the spirits market in that country – by the restrictive regulatory framework for the sale of alcohol. In the rest of CEE, H1 2018 net sales were €12.2m, a -12.0% decline.

Americas

In the Americas cluster, net sales totaled €4.6m, a decrease of -29.1%. This decline is due to destocking activities carried out by distributors, particularly related to the change to new packaging for Sobieski, which was launched at the very end of Q2 2018. In H1 2018, net sales in the Americas reached €7.2m, a decrease of -27.6%.

Net sales in Brazil continued to be affected by the market's challenging macroeconomic context.

Asia Pacific

Net sales in the Asia Pacific cluster totalled €0.9m during Q2 2018, a decrease of -4.7%, or €56,000 compared to a challenging comp in the year ago period (+62.2% growth in Q2 2017). Nonetheless, MBWS continues to develop its brands across the cluster. H1 2018 net sales totaled €1.3m in the Asia Pacific cluster.



Other Businesses

Other Businesses net sales increased by +6.9% to €56.1m, driven by third party bottling³ and Private Label brands (+15.9%). After strong growth during several quarters, Sobieski Trade's net sales totaled €27.4m, a slight decrease of -1.2%. H1 2018 net sales for the Other Businesses totaled €101.7m, a +12.6% increase.

Outlook

MBWS net sales decreased sharply in Q1 2018 and Q2 2018. This level of revenue was partially expected, and is primarily due to a proactive strategy to reduce stock levels held by clients across several of the Group's markets. This strategy will enable the new CEO to assume his new role within the context of a level operating environment.

The decline in net sales during the first half of the year will affect H1 2018 profitability, which should thus show a very significant decrease compared to H1 2017. This has been mostly anticipated in the budget that was revised and approved by the Board of Directors in April 2018.

Starting in H2 2018, MBWS confirms its expectation of a gradual return to growth across all clusters, but this is not expected to offset the top-line decrease in H1 2018. Consequently, the Group expects that FY2018 EBITDA will be negative, although it should mark an improvement over anticipated FY 2017 EBITDA.

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 FR0000060873, 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

³ Primarily Pulco



Annexes

H1 2018 Net Sales by Cluster (IFRS 15)

In M€	H1 2017 restated	Organic growth	Currency impact	H1 2018	Org. Growth (excl. forex)	Org. Growth (incl. forex)
BRANDED BUSINESS	115.8	-26.7	-0.8	88.3	-23.0%	-23.8%
WEMEA	65.7	-7.0	0.0	58.7	-10.6%	-10.6%
France	55.1	-5.1	0.0	50.0	-9.3%	-9.3%
Rest of cluster	10.5	-1.8	0.0	8.7	-17.1%	-17.2%
CEE	37.3	-16.3	0.1	21.1	-43.7%	-43.4%
Poland	23.4	-14.6	0.1	8.9	-62.5%	-62.0%
Rest of cluster	13.9	-1.7	0.0	12.2	-12.0%	-12.0%
Americas	11.2	-3.1	-0.9	7.2	-27.6%	-36.0%
Asia Pacific	1.7	-0.3	0.0	1.3	-19.8%	-20.3%
OTHER BUSINESSES	89.8	11.3	0.6	101.7	12.6%	13.3%
Sobieski Trade	48.7	4.5	0.6	53.8	9.1%	10.4%
Private Label	41.1	6.9	0.0	47.9	16.7%	16.7%
TOTAL MBWS	205.6	-15.3	-0.2	190.0	-7.5%	-7.6%

2017 Net Sales by Cluster and by Quarter (IFRS 15)

In M€	Q1 2017 IFRS 15	Q2 2017 IFRS 15	Q3 2017 IFRS 15	Q4 2017 IFRS 15	FY 2017 IFRS 15
BRANDED BUSINESS	45.8	69.9	51.1	63.8	230.7
WEMEA	27.1	38.6	30.7	35.3	131.7
France	23.2	32.0	25.3	28.4	108.9
Rest of cluster	3.9	6.6	5.4	6.9	22.8
CEE	14.1	23.2	15.1	16.6	69.0
Poland	7.6	15.8	7.8	8.5	39.8
Rest of cluster	6.5	7.4	7.3	8.0	29.2
Americas	4.0	7.2	4.4	10.0	25.6
Asia Pacific	0.6	1.0	0.9	1.8	4.4
OTHER BUSINESSES	37.0	52.8	53.3	40.9	184.1
Sobieski Trade	20.8	28.0	26.8	24.7	100.2
Private Label	16.3	24.8	26.6	16.2	83.9
TOTAL MBWS	82.8	122.7	104.5	104.7	414.7

