



Paris, 4 September 2018

Revision to FY 2018 Outlook

Marie Brizard Wine & Spirits (Euronext: MBWS) today announced a downward revision in the outlook for its FY 2018 EBITDA, published on 27 July 2018. The current estimate takes into account, in particular, the evolution of the spirits markets in the Group's main geographies.

Downward revision of FY 2018 EBITDA outlook

On 27 July, based on the financial information available at the time, the Group indicated an expectation that H1 2018 EBITDA would be significantly lower than H1 2017 EBITDA, and that FY 2018 EBITDA would be negative but would mark an improvement compared to the level anticipated for FY 2017.

The information provided by the work currently being carried to close the H1 2018 accounts leads the Group to expect EBITDA for the period in a range of -€20m and -€23m.

In August 2018, the Group also carried out a review of its H2 2018 budget to take into account the latest available financial information and the trends expected through the end of the current year. Although sales in H2 2018 should improve compared to H1 2018, the pace of improvement is expected to be slower than previously assumed. Consequently, the EBITDA expected for H2 2018 should be lower than the estimates the Group published on 27 July of this year. Nevertheless, the results should mark an improvement compared to H2 2017. FY 2018 EBITDA should be in a range of -€20m and -€25m.

Weaker market conditions in France and the United States, and delays in action plan execution in Poland

In line with other spirits companies in France, Marie Brizard Wine & Spirits is facing a slow-down of the overall spirits market. According to the latest data published by Nielsen, covering the period from 1st January to 20th August 2018, the value of the spirits market has decreased -1.2%¹. This slow-down is more pronounced for the main categories in which MBWS is active. Vodka value sales are down -2.6%¹, Scotch Whisky is down -2.7%¹, and fruit-flavored wine beverages have decreased by -10.3%². Similarly, in the United States, the Mid segment of the vodka market is down -4.1%³.

Given the weight of these categories in the Group's sales in France and in the United States, net sales and profitability in those two countries will be significantly impacted by this slow-down.

In Poland, the execution of two out of the five initiatives (distribution and operations) outlined in the action plan are running behind schedule. The negotiations with the main Polish wholesalers that service the traditional trade have taken longer than expected to conclude. However, the agreements between the different parties are now aligned. At the same time, the competitive environment at the modern trade's main large retailers has become more challenging. These two factors will have a significant impact on the Group's volume sales of vodka in 2018 and will diminish the absorption of fixed costs in Poland. Moreover,

¹ Source: Nielsen, P8 YTD 2018 in value

² Source: IRI, P8 YTD 2018 in value

³ Source: Nielsen Total US xAOC + Liq Plus, YTD 32 Wks at 11 August 2018, in value



the delay in bringing the Lancut production facility on line will curtail the previously anticipated cost savings for H2 2018. The Lancut distillery is still expected to come on line in Q4 2018. These delays will significantly impact the Polish subsidiary's H2 2018 EBITDA, and account for roughly half of the difference between the initial budget and the revisions made to the budget in August 2018.

Status of discussions with banking partners

The weaker outlook for the Group's 2018 financial results requires further negotiations with MBWS' banking partners regarding some of the terms of financing lines extended to the Group. These discussions are expected to continue for several more weeks, and a specific date cannot be provided at this time. The timeframe for closing and publishing FY 2017 accounts has been further delayed to allow for the conclusion of these negotiations, and the Group will not be able to publish its H1 2018 results on 19 September, as previously announced. Estimated FY 2017 EBITDA remains in a range of -€11m to -€12m.

Significant measures taken to address the Group's financial situation

In light of MBWS' lowered financial outlook for 2018 and the market conditions under which the Group operates, the Board of Directors has decided to accelerate the evaluation of different scenarios to optimize the Group's cost structure. Therefore, various possibilities are currently being evaluated to optimize and significantly reduce the Group's operating expenses.

At the same time, the Board of Directors has embarked upon a complete review of the Group's brand portfolio with the objective of considering a project to sell some of the brands. The goal of such a sale would be to cover all or part of the losses expected in 2018. However, the brands that contribute most significantly to the Group's net sales would not be affected by this review.

The Group will inform the market as more detailed information becomes available and is approved by the Board of Directors.

Cautionary note: This press release contains forward-looking assumptions and statements which have not been audited, and that 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 FR0000060873, ticker MBWS) and is included in the EnterNext® PEA-PME 150 index, among others.



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