

Charenton-le-Pont, 15th February 2024

Q4 and full-year 2023 revenues

MBWS posts full-year 2023 revenues of €194.2m, up 7.2%¹ versus 2022

Q4 revenues up 8.1% to €50.1m

Return to positive business momentum in Q4 following Q3 downturn

- In France, full-year 2023 revenues rose 2.5% versus 2022, mainly due to price increases designed to cover the rise in input costs. The revenues growth in Q4 represents a + 4.2% compared to 2022 thanks to an improvement in the off-trade business towards the end of the year amid a market slowdown in terms of both volumes and sales revenue:
 - higher off-trade sales in Q4, particularly for William Peel and San José, driven by the postponement of major promotional trade activities from H1 to Q4, a base effect compared with the weak performance in Q4 2022 when some product lines in the portfolio were out of stock, as well as price increases in H1 2023;
 - a slight fall in on-trade sales in Q4, marked by a decline in consumer demand.
- Full-year 2023 international revenues rose sharply (up 11.0% vs. 2022), with business showing strong resilience in Q4 (up 11.3% vs. Q4 2022) impacted by contrasting trends per region:
 - business growth in Europe, still driven by significant growth in Lithuanian and Bulgarian domestic and export markets, despite the Russian-Ukraine conflict, and by a marked improvement in sales in Spain, mainly in the industrial services segment;
 - a sharp decline in the United States, where the vodka market remains highly competitive and the cognac market is in steep decline, amid tight control of inventory levels by our importer;
 - Asia Pacific area down sharply.

Marie Brizard Wine & Spirits (Euronext: MBWS) today announces its unaudited revenues for the fourth quarter of 2023 (1 October to 31 December 2023) and for the full year 2023.

¹ All revenue figures reported herein are at constant exchange rates and consolidation scope, unless otherwise stated.

Full-year 2023 revenues

€m	FY 2022	LFL change	Currency impact	FY 2023	LFL change (excl. currency impact)	Reported growth (incl. currency impact)
France	81.3	+2.1	-	83.3	+2.5%	+2.5%
International	100.1	+11.0	-0.2	110.9	+11.0%	+10.8%
TOTAL MBWS GROUP	181.3	+13.1	-0.2	194.2	+7.2%	+7.1%

Q4 2023 revenues

€m	Q4 2022	LFL change	Currency impact	Q4 2023	LFL change (excl. currency impact)	Reported growth (incl. currency impact)
France	20.9	+0.9	-	21.8	+4.2%	+4.2%
International	25.5	+2.9	-0.1	28.3	+11.3%	+10.9%
TOTAL MBWS GROUP	46.4	+3.8	-0.1	50.1	+8.1%	+7.9%

Breakdown by cluster

France cluster

Amid continuing slowdown in the French spirits market, mainly in the off-trade segment, the France cluster posted full-year 2023 revenues of €83.3m, up 2.5% versus 2022 despite the early year glass shortages. Q4 revenues rose 4.2% versus 2022, driven by strong performances among the Group's strategic international brands, mainly in the off-trade segment, as well as a base effect that penalised Q4 2022 due to the same glass shortages experienced at the start of 2023. This excellent performance was achieved despite a general decline in consumer spending and tensions linked to legislative changes relating to annual negotiation periods.

In a generally declining market for under-12-year blended scotch whisky (down 4.8%² in volume and down 1.3%² in terms of sales revenue over 2023), distribution of the William Peel brand fell sharper than the market as a whole versus 2022, largely due to supply shortages at the start of the year.

International cluster

The International cluster posted full-year 2023 revenues of €110.9m, up 11.0% versus 2022 at constant exchange rates, and up 11.3% in Q4.

Spain reported a sharp 23.2% increase in 2023 revenues versus 2022, mainly due to significant growth in industrial subcontracting and the continued performance of certain strategic international brands (notably William Peel in the cross-border market).

² Source: IRI P13 2023 – CAM All off-trade channels.

In **Western European export markets**, revenues rose in Q4 2023, with sales continuing to grow in the Benelux countries and the start of a recovery in the UK market. However, for the year as a whole, revenues fell 3.6%.

Lithuania reported a 24.4% increase in 2023 revenues, including a strong Q4 performance mainly driven by flagship regional brands, strategic international brands (mainly William Peel) and continued export growth driven by the Ukrainian market.

In **Bulgaria**, revenues continued to grow strongly in Q4 2023. Full-year sales were up 32.0%, still driven by export markets and industrial subcontracting.

Revenues in **Scandinavia** returned to growth in Q4 2023, mainly driven by strong sales of Cognac Gautier. However, this did not prevent a sharp decline in full-year sales (down 10.7%) due to market restructuring among certain operators (concentration of players and new agreements) and some delistings in the on-trade channel.

In **Eastern European export markets, Poland** recorded a decline in sales in Q4, as the increase in William Peel sales failed to offset the fall in sales of Cognac Gautier. Over 2023 as a whole, revenues fell 32.4%, mainly due to the inventory control policy pursued by distributors.

In the **United States**, full-year 2023 revenues were down 27.4%, impacted, in the case of Sobieski, by a highly competitive vodka market coupled with the local distributor's inventory rundown policy. This trend is also linked to sluggish local depletions following changes in the routes to market in key states. Gautier sales were impacted by the sharp decline in the US cognac market, while Marie Brizard sales remained stable.

In **Brazil**, revenues grew strongly in Q4 2023, while full-year revenues rose 21.5%, mainly driven by resilience among the region's flagship brands and the continued proactive sales and pricing policy.

In the **Americas export region**, revenues continued to decline significantly in Canada in Q4 2023, again due to persisting strong competition in the vodka segment and a confirmed decline in the cognac category. As a result, full-year revenues were down 25.7%.

Lastly, **Asia Pacific** saw a sharp decline in Q4 2023, particularly in Australia, although business picked up again in Korea and Japan. Full-year revenues were down 24.0%, despite a strong performance from the modestly sized Taiwan business.

Outlook

As input costs continued to rise, 2023 confirmed the overall resilience of the Group's main brands in the face of availability issues, sales price increases and growing competition.

However, over the past two years, sharp rises in the prices of raw materials, energy and consumer goods have altered consumer purchasing behaviour, leading to a gradual reduction in demand, to varying degrees depending on product category and region.

In these circumstances, the price increases introduced at the beginning of 2023 with the aim at covering, in value terms only, the increases in input costs have resulted in a mechanical dilution of the profitability rates of the Group's businesses. More recently, we are witnessing a gradual market normalisation of the inflation, with an expected slowdown in the first half of 2024

The Group is committed to staying flexible and focused on its operations. To this end, it will leverage its diversified business portfolio and broad geographical footprint in order to deliver a strong and steady performance (examples in 2023: growth in Europe vs. challenges in the USA, expansion and growth in industrial services vs. market slowdown in certain categories).

In addition, the Group continues to implement its development strategies, namely organic growth through the international expansion of strategic brands, local development of flagship regional brands, growth in the agency brands business and development of the industrial services offering, while at the same time reviewing external growth opportunities.

The Group needs to maintain a cautious sales business outlook, given that it operates in an international environment that remains volatile and turbulent, coupled with uncertain economic forecasts. The Group remains confident in its key strengths, namely offering consumers quality products at mainstream prices during a period of high inflation and declining purchasing power.

Financial calendar

- 2023 full-year earnings: 17 April 2024 after close of trading

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About Marie Brizard Wine & Spirits

Marie Brizard Wine & Spirits is a wine and spirits group operating 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 their origins. Marie Brizard Wine & Spirits is committed to offering its customers bold and trusted brands full of flavour 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.

