Press Release

Paris, 13 April 2023

2022 full-year earnings

Resilience of current operating results in 2022, driven by international development and restructurings undertaken, despite a highly inflationary context and persistent supplies availability pressure

- EBITDA[1] of €11.8m in 2022, down 7.5% from €12.6m in 2021, when EBITDA was boosted by a €3.1m non-recurring credit note - Excluding this one-off item and incorporating the change in the EBITDA[1] definition, EBITDA would have risen by + 19 %
- Net loss, Group share of €(0.9)m in 2022, compared to net profit, Group share of €5.6m in 2021, that was boosted by €3.1m non-recurring income. 2022 includes an exceptional expense for the restructuring of the Off-Trade sales department in France, announced early 2022. Restating these two exceptional items, 2022 net profit Group share would would be slightly lower than in 2021

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

Marie Brizard Wine & Spirits (Euronext: MBWS) today announces its consolidated earnings for the 2022 financial year as approved by the Group's Board of Directors on 12 April 2023. All audit procedures have been carried out.

Commenting on these results, Fahd Khadraoui, Chief Executive Officer of Marie Brizard Wine & Spirits, said*: "The Group continued to improve its operating performance in 2022. During the year, we successfully created value by working on multiple fronts: intensifying international growth, continuing the value-over-volumes strategy, and completing the restructuring programme. The biggest contributors to value creation were international development and the streamlining of overheads.*
On the other hand, the Group was hardly hit by a tough external environment in 2022: the unprecedented surge in raw material and energy costs and patchy availability of supplies restricted our capacity to meet customer demand and eroded margins. Nevertheless, we remained on track thanks to the hard work put in by all our teams.
This situation persists in 2023, and our major challenges this year will again be to deal with these external factors: the price list increase policy to mitigate the effects of inflation, the availability of raw materials and the impact on our customers' purchasing power. All of which leads us to take a prudent approach in the short and medium term, while maintaining our mainstream positioning and the quality of our products, a winning combination for our consumers in inflationary times."

[1] *EBITDA = EBIT + depreciation, amortisation & provisions excl. current assets. From 1st January 2022, provisions on current assets are included in the definition of EBITDA which restated would have reached €13.0m in 2021.*

Simplified income statement - FY 2022

(€m *except EPS*)	2021	2022	Change 2022/2021
Net revenues (excluding excise duties)	**166.7**	**181.4**	**+14.7**
Gross margin	**68.6**	**70.9**	**+2.3**
Gross margin ratio	*41.1%*	*39.1%*	
EBITDA	**12.6**	**11.8**	**-0.8**
EBITDA margin	*7.5%*	*6.5%*	
Recurring operating profit	5.7	7.1	**+1.4**
Net profit/(loss) Group share	**5.6**	**(0.9)**	**-6.5**
of which Net profit/(loss) from continuing operations, Group share	*6.6*	*(0.9)*	**-7.5**
of which Net profit/(loss) from discontinued operations	*(1.0)*	*-*	**+1.0**
Earnings per share, Group share (EPS, €)	*0.06*	*(0.01)*	**-0.07**
Earnings per share from continuing operations, Group share (EPS, €)	*0.06*	*(0.01)*	**-0.07**

In 2022, the Group generated sales of €181.4m, up 7.8% on the prior year, excluding currency impacts. 2022 was marked by a rise in revenues for both clusters, with growth has been stronger in the international cluster.

The consolidated gross margin ratio fell 2 percentage points to 39.1% in 2022, as inflation pushed up materials and energy prices all year, rises that were only partly offset by raising prices in the international cluster. This ratio also reflects the dilutive impact of the Company's stated target of offsetting the value of rising input costs by price increases in absolute value. The France cluster saw EBITDA decline by €4.0m, partly due to base effects in 2021, when MBWS France recorded the aforementioned non-recurring €3.1m supplier discount. Also, the fast rising costs of raw materials and energy in 2022, exacerbated by the Russia-Ukraine war, could not be fully passed on to selling prices.
EBITDA for the international cluster rose by €0.7m (excluding currency impact), driven by strong performances in the Baltic States, direct International Export, Spain and Scandinavia. EBITDA in the United States (excluding currency impact) fell and was particularly hard hit by a highly competitive vodka market. Brazil had a tough year in a low-growth market suffering economic volatility.

2022 net revenues by cluster

(€m)	2021	LFL change	Currency impact	2022	LFL change (excl. currency impact)	Change (incl. currency impact)
FRANCE CLUSTER	**78.6**	**+2.7**	**-**	**81.3**	**+3.4%**	**+3.4%**
INTERNATIONAL CLUSTER	**88.1**	**+10.4**	**+1.6**	**100.1**	**+11.7%**	**+13.6%**
TOTAL MBWS	**166.7**	**+13.1**	**+1.6**	**181.4**	**+7.8%**	**+8.8%**

2022 EBITDA by cluster

(€m)	2021	LFL change	Currency impact	2022	LFL change (excl. currency impact)	Change (incl. currency impact)
FRANCE CLUSTER	**12.4**	**-4.0**	**-**	**8.4**	**-32.1%**	**-32.1%**
INTERNATIONAL CLUSTER	**8.6**	**+0.7**	**+0.2**	**9.5**	**+8.1%**	**+10.2%**
HOLDING COMPANY	**(8.4)**	**+2.3**	**-**	**(6.1)**	**+27.8%**	**+27.8%**
TOTAL MBWS	**12.6**	**-1.0**	**+0.2**	**11.8**	**-7.5%**	**-6.1%**

FRANCE CLUSTER:

In France, despite a 4.0% decline in the fourth quarter, revenues grew by 3.4% for 2022 as a whole versus 2021, mainly due to the strong performance of our strategic brands and the effect of general inflation on the trading environment. The fourth quarter fall in revenues was caused by the restricted availability and inflating prices of inputs. This led to problems meeting the demand of all our customers, forcing us to adapt pricing policies and scale back promotions. Despite these factors, the off-trade business held up well, driven in particular by sales of William Peel, which grew in the second half despite an environment of shortages and logistical problems that caused supply chain interruptions among competitors, and a spirits market which again declined compared to the same period in 2021. Full-year on-trade sales were much stronger in 2022 than in 2021, which had still been impacted by Covid restrictions.

As a reminder, 2021 EBITDA was boosted by a one-off €3.1m credit note that the Group received from a whisky supplier under a new contract signed in January 2021. Overall, 2022 EBITDA for the France cluster fell to €8.4m from €12.4m in 2021.

INTERNATIONAL CLUSTER:

International revenues grew significantly in 2022, up 11.7% versus 2021, with disparities between regions:
- growth in Europe, particularly in the Bulgarian and Lithuanian domestic markets despite the Russia-Ukraine conflict, and in Spain;
- a fall-off in Sobieski revenues in the United States, a highly competitive vodka market with heavy promotional pressure;
- a solid performance by all Group strategic brands, particularly Marie Brizard and Cognac Gautier.

EBITDA for the international cluster rose 8.1% (excluding currency impact) in 2022 to €9.5m, mainly driven by export markets and the European subsidiaries.

- MBWS International

Revenues for the subsidiary totalled €18.6m, up €4m versus 2021 driven by strong performances in the French overseas territories, South Korea (+€0.7m) and Australia (+€0.8m) and by the Marie Brizard and Gautier brands.
Western Europe export markets saw significant growth by William Peel in Belgium and Marie Brizard in Italy and the Middle East (Marie Brizard syrups), partly offsetting struggling sales for Marie Brizard in the UK which hampered revenue growth for the region.

In the Americas export market, Canada revenues rose 15.7% year-on-year. Growth was driven mainly by Gautier and Marie Brizard, while Sobieski vodka continues to struggle in a hotly contested market segment.
Lastly, in Asia Pacific, the positive trend of the first nine months of 2022 was confirmed in the fourth quarter by sustained performances, notably in Taiwan.

- MBWS España

Revenues amounted to €21.1m, up €1.1m.
This represents a 5.6% rise in 2022 revenues versus 2021, driven mainly by solid performances from strategic brands (most notably Marie Brizard and William Peel) and stable trading in the subcontracting business.

- MBWS Scandinavia

Scandinavia posted a 25.3% increase in 2022 full-year revenues versus 2021, bolstered by the lifting of all Covid restrictions on the on-trade channel and driven again by sales of Marie Brizard, Sobieski and third-party brands.

- MBWS Baltics

The Baltic States posted full-year revenues of €26.4m, up 14.1%, including a fourth quarter upturn mainly due to brand performance driven by a proactive pricing policy, limited recovery in Ukraine and the continued buoyancy of the bulk market and its by-products.

- MBWS Bulgaria

Sales in Bulgaria continued to ramp up in the fourth quarter (Q4 up 22.8%, up 19.8% for the year) across the entire brand portfolio (spirits and wine) in both domestic and export markets thanks to a rigorous sales policy.
The subsidiary posted revenues of €16.8m, up €2.8m.

- Imperial Brands

In the United States, revenues were down 9.3% year-on-year. The Sobieski brand was particularly hardly hit by an extremely competitive and shrinking vodka market and by changes made by our importer in some regional routes to market that are strategically important to the brand. These changes created operational, logistical and marketing issues that held back the brand’s performance.
The Marie Brizard and Gautier brands confirmed their sales growth in this market in the fourth quarter, but had their own problems with some of the changes that were affecting Sobieski.

- Dubar

Brazil had a mixed year, with a review of pricing policy across the whole portfolio at the start of the year which, however, successfully limited the decline. Revenues were down in the fourth quarter 2022 with a 16.7% drop in performance for the year, mainly due to delays in availability for certain strategic products.

HOLDING COMPANY:

EBITDA amounted to a €6.0m loss in 2022 compared to a €8.4m loss in 2021, reflecting the results of the 2021 restructuring and the ongoing drive to cut overheads.

Balance sheet at 31 December 2022

Shareholders' equity, Group share, was €194.6m, compared to a restated[2] €193.3m at 31 December 2021. Net cash amounted to €40.9m at 31 December 2022 compared to €48.2m the previous year.

These changes reflect the resumption of capital investment, the costs of restructuring the Off-trade sales department in France, scheduled payments under the CCSF plan (deferral of tax and social security payments agreed in April 2021) as well as the increase in the level of safety stocks (mainly for input categories subject to regular availability disruptions) and upward variations in their unit values (inflation).

Outlook

For the past four years, the Group has maintained its strategic direction and the principle of prioritising operations that help improve the profitability of the Group's businesses and significantly increase EBITDA.

To achieve this growth in profitability, the Group is endeavouring to create the conditions for profitable development of its brand portfolio and key markets (subsidiaries and/or sales networks, direct export).

Also, in all Group markets and subsidiaries, negotiations and marketing with customers systematically prioritise value over volumes, wherever possible.

The Group now plans to accelerate the roll-out of its growth initiatives and projects in its France and International clusters, both organically and through mergers and acquisitions, so as to expand its trading base and improve financial performance.

2022 operating earnings confirm the Group's capacity to maintain the positive trends of the last two years (stripping out non-recurring items), in a fast-changing local and global economic environment: pandemic, followed by bottlenecks in raw materials supplies and logistics, the Russia-Ukraine war threatening a further squeeze on product availability and the cost of inputs and energy, and some declining markets such as under-12-year blended Scotch whisky in France, vodkas in the USA, etc.

These factors could potentially disrupt global business and have already led to a dilution in margins rates. Visibility remains low in some countries more heavily exposed to this changing scenario, such as the concentrated and increasingly mature French market where volumes are in sharp decline. For these reasons the Group is, for now, remaining highly prudent in its short and medium-term outlook.

[2] *In preparing its 2022 financial statements, the Company conducted an in-depth review of its deferred tax liabilities. It was found that their value in previous years had been overstated by €19.7m. Almost all of this related to deferred taxes on the value of trademarks. Therefore, as required by IAS 8, the Company retrospectively restated all material differences in the comparative information published for 2021. As these adjustments derived from years prior to 2021, the technical correction was made in the opening statements for the 2021 financial year and led to a €19.7m increase in shareholders' equity. This has no impact on cash or earnings for the period.*

Financial calendar:

- Q1 2023 revenues: 27 April 2023
- General Meeting: 29 June 2023
- H1 2023 revenues: 27 July 2023

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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.

APPENDIX FY 2022 Consolidated Financial Statements

Income statement

(€000)	2022	2021	2022/2021 change	
Revenues	**227,121**	**214,395**	**+12,726**	**+6%**
Excise duties	(45,770)	(47,711)	+1,941	+4%
Net revenues excluding excise duties	**181,351**	**166,684**	**+14,667**	**+9%**
Cost of goods sold	(110,420)	(98,124)	-12,296	-13%
External expenses	(27,599)	(26,713)	-886	-3%
Personnel expense	(27,134)	(31,177)	+4,043	+13%
Taxes and levies	(2,483)	(1,688)	-833	-49%
Depreciation and amortisation charges	(6,075)	(6,616)	+541	+8%
Other operating income	4,166	7,155	-2,993	-42%
Other operating expenses	(4,735)	(3,829)	-906	-24%
Recurring operating profit	**7,071**	**5,692**	**+1,337**	**+23%**
Non-recurring operating income	2,267	5,226	-2,959	-57%
Non-recurring operating expenses	(7,456)	(5,334)	-2,122	-40%
Operating profit	**1,882**	**5,584**	**-3,744**	**-67%**
Income from cash and cash equivalents	113	120	-7	-6%
Gross cost of debt	(198)	(454)	+256	+56%
Net cost of debt	**(85)**	**(334)**	**+249**	**+75%**
Other financial income	1,064	730	+334	+46%
Other financial expenses	(1,181)	(146)	-1,035	-709%
Net financial income/(expense)	**(202)**	**250**	**-452**	**-181%**
Profit before tax	**1,680**	**5,834**	**-4,196**	**-72%**
Income tax	(2,605)	751	-2,012	-268%
Net profit/(loss) from continuing operations	**(925)**	**6,585**	**-6,208**	**-94%**
Net profit/(loss) from discontinued operations	**-**	**(1,017)**	**+1,017**	
NET PROFIT/(LOSS)	**(925)**	**5,568**	**-5,191**	**-93%**
Group share	(945)	5,564	-5,207	-94%
of which Net profit/(loss) from continuing operations	(945)	6,581	-6,224	(1)
of which Net profit/(loss) from discontinued operations	0	(1,017)	+1,017	1
Non-controlling interests	20	4	+16	4
of which Net profit/(loss) from continuing operations	20	4	+16	4
of which Net profit/(loss) from discontinued operations				
Earnings per share from continuing operations, Group share (€)	(0.008)	0.06		
Diluted earnings per share from continuing operations, Group share (€)	(0.008)	0.06		
Earnings per share, Group share (€)	(0.008)	0.05		
Diluted earnings per share, Group share (€)	(0.008)	0.05		
Weighted average number of shares outstanding	111,856,837	105,889,482		
Diluted weighted average number of shares outstanding	111,856,837	105,889,482		

Balance sheet

Assets

(€000)	31.12.2022	31.12.2021 restated	2022/2021 change	
Non-current assets				
Goodwill	14,704	14,704		
Intangible assets	77,847	79,361	-1,514	-2%
Property, plant and equipment	26,932	27,181	-249	-1%
Financial assets	1,146	4,001	-2,855	-71%
Deferred tax assets	3,781	4,366	-585	-13%
Total non-current assets	**124,410**	**129,613**	**-5,203**	**-4%**
Current assets				
Inventory and work-in-progress	51,934	35,094	+16,840	+48%
Trade receivables	43,523	35,891	+7,632	+21%
Tax receivables	734	4,125	-3,391	-82%
Other current assets	10,468	9,714	+754	+8%
Current derivatives	114	281	-167	-59%
Cash and cash equivalents	47,495	54,169	-6,674	-12%
Assets held for sale		3,058	-3,058	-100%
Total current assets	**154,268**	**142,332**	**+11,936**	**+8%**
TOTAL ASSETS	**278,678**	**271,945**	**+6,733**	**+2%**

Equity & Liabilities

(€000)	31.12.2022	31.12.2021 restated	2022/2021 change	
Shareholders' equity				
Share capital	156,786	156,729	+57	+0%
Additional paid-in capital	72,815	72,751	+64	+0%
Consolidated and other reserves	(25,529)	(31,957)	+6,428	-20%
Translation reserves	(8,520)	(9,807)	+1,287	-13%
Consolidated net profit	(945)	5,564	(6,509)	-117%
Shareholders' equity (Group share)	**194,607**	**193,280**	**+1,327**	**+1%**
Non-controlling interests	333	332	+1	+0%
Total shareholders' equity	**194,940**	**193,612**	**+1,328**	**+1%**
Non-current liabilities				
Employee benefits	1,769	2,214	-445	-20%
Non-current provisions	2,540	4,116	-1,576	-38%
Long-term borrowings – due in > 1 year	2,218	2,546	-328	-13%
Other non-current liabilities	1,518	1,735	-217	-13%
Deferred tax liabilities	139	199	-60	-30%
Total non-current liabilities	**8,184**	**10,810**	**-2,626**	**-24%**
Current liabilities				
Current provisions	5,417	2,546	+2,871	+113%
Long-term borrowings – due in < 1 year	641	888	-247	-28%
Short-term borrowings	3,702	2,542	+1,160	+46%
Trade and other payables	36,694	31,113	+5,581	+18%
Tax liabilities	1,932	135	+1,797	+1,331%
Other current liabilities	26,899	29,942	-3,043	-10%
Current derivatives	269	198	+71	+36%
Liabilities held for sale		159	-159	
Total current liabilities	**75,554**	**67,523**	**+8,031**	**+12%**
TOTAL EQUITY AND LIABILITIES	**278,678**	**271,945**	**+6,733**	**+2%**

Cash flow statement

(€000)	2022	2021
Total consolidated net profit	**(925)**	**5,568**
Depreciation and provisions	6,562	1,927
Gains/(losses) on disposals and dilution	49	579
Operating cash flow after net cost of debt and tax	**5,686**	**8,074**
Income tax charge/(income)	2,605	(751)
Net cost of debt	89	315
Operating cash flow before net cost of debt and tax	**8,380**	**7,638**
Change in working capital 1 (inventories, trade receivables/payables)	(18,280)	(13,111)
Change in working capital 2 (other items)	(3,366)	5,693
Tax paid	3,183	(9,341)
Cash flow from operating activities	**(10,083)**	**(9,121)**
Purchase of PP&E and intangible assets	(3,202)	(3,276)
Increase in loans and advances granted	0	(45)
Decrease in loans and advances granted	1,632	1,841
Disposal of PP&E and intangible assets	2,872	283
Impact of change in consolidation scope	0	1,859
Cash flow from investment activities	**1,302**	**662**
Capital increase	22	16,710
New borrowings	16	7,209
Borrowings repaid	(970)	(1,485)
Net interest paid	(75)	(315)
Net change in short-term debt	1,283	(2,752)
Cash flow from financing activities	**276**	**19,367**
Impact of exchange rate fluctuations	1,831	1,186
Change in cash and cash equivalents	**(6,674)**	**12,094**
Opening cash and cash equivalents	54,169	42,075
Closing cash and cash equivalents	47,495	54,169
Change in cash and cash equivalents	**(6,674)**	**12,094**