

## Sector View

## Spirits

## MBWS: H1 2016 results

	1 M	3 M	6 M	31/12/15
Food & Bev.	-1.0%	3.0%	3.1%	-0.5%
DJ Stoxx 600	0.3%	1.0%	-0.2%	-6.8%

\*Stoxx Sector Indices

## Companies covered

CAMPARI	BUY	EUR9,7
DIAGEO	NEUTRAL	2100p
PERNOD RICARD	NEUTRAL	EUR112
REMY COINTREAU	BUY	EUR84

Yesterday, MBWS published EBITDA of EUR0.5m in H1, down 72% YoY. When it released its Q2 sales, the group had guided for a decline in EBITDA, but this was below market expectations (EUR1.5m). It reflects higher investments in pillar brands (William Peel, Sobieski and Fruits & Wines) and an increase in salary expenses with several recruitments in the course of 2015. MBWS indicated it expects to generate EBITDA of around EUR20m in 2016 (consensus: EUR20.6m).

## ANALYSIS

- Yesterday, MBWS published EBITDA of EUR0.5m in H1, down 72% YoY. When it released its Q2 sales, the group had guided for a decline in EBITDA, but this was below market expectations (EUR1.5m). It reflects higher investments in pillar brands (William Peel, Sobieski and Fruits & Wines) and an increase in salary expenses with several recruitments in the course of 2015. Q2 sales declined 4.5% in organic terms, penalised by non-core activities in Poland and the French private label wine business.
- The company indicated it expects to generate EBITDA of around EUR20m in 2016. This compares to previous guidance for significant growth in EBITDA (consensus: EUR20.6m) and should be driven by the relaunch of Marie Brizard, accelerating growth in pillar brands and gains from the rationalisation and optimisation programmes. MBWS also confirmed its 2018 targets for sales between EUR450-500m and EBITDA margin of 15%.

## NEXT CATALYSTS

- Meeting at 8h30am CET / Q3 sales on 8th November

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## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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