
Corporate overview

We are committed to delivering sustainable growth in shareholder value through:

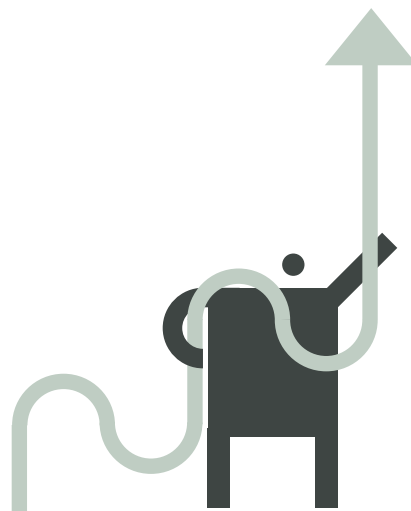
- ① Doing the right thing for our customers, suppliers and people**
- ② Disciplined and aggressive investment**
- ③ Data driven test and learn culture**

“

We now have a first class team, a first class plan, and a clear goal – £500m of Group sales by 2019

Phil Wrigley
Chairman

”



Majestic Wine plc At a glance



Market size

£2.2bn

Key financials

Sales for the year (to March 2016)	% of Group sales	Sales growth
£244.0m	60.7%	+5.5%

Description

The UK's largest specialist wine retailer, with 210 branches in the UK, two in France, and over 900 highly trained, specialist people.

Highlights

- Positive start to three year turnaround
- Division back in growth
- Talented new team

Proposition:

We help people find wines they will love

Competitive advantage:

900+ delightful team members who love and know wine

Key stats

- Founded: 1980, listed on AIM market in 1996
- 775,000 active customers
- 4.8% Like-for-like growth
- Average bottle price £8.54 (inc. VAT)
- c.20% freehold properties



Market size

£17.0bn

UK £2.0bn, USA £14.0bn, AUS £1.0bn

Key financials

Sales for the year (to March 2016)	% of Group sales	Pro forma sales growth
£104.3m*	25.5%	+27.3%

Description

Naked Wines funds independent winemakers to make exclusive wines at preferential prices, which we pass onto our customers.

Highlights

- Exceeded £100m of sales
- Delivered New Business ROI performance of 104%
- 301,000 Mature Angels signed up (Mature Angels = Customers over four months)

Proposition:

Making great wine an everyday pleasure, not a privilege

Competitive advantage:

The model – crowdfunding independent winemakers

Key stats

- Founded 2008 in UK, 2012 in USA and Australia,
- 152 winemakers in 14 countries

* Includes period prior to acquisition.

Wine Specialists
Commercial

Market size

£2.0bn

Key financials

Sales for the year (to March 2016)	% of Group sales	Sales growth
£45.6m	11.3%	+7.9%

Description

A specialist on-trade supplier, targeting independent restaurants and pubs, with the unique advantage of running their supply chain through Retail stores.

Highlights

- Great Value Merchant of the year for the third time

Proposition:

We make your wine list profitable

Competitive advantage:

210 delivery hubs enabling more effective, local service

Key stats

- 4,768 accounts
- 48 sales team members

L A Y & W H E E L E R
INTERNATIONAL WINE MERCHANTS SINCE 1854

Market size

£0.7bn

Key financials

Sales for the year (to March 2016)	% of Group sales	Sales growth
£10.0m	2.5%	+10.0%

(before adjustment for
En Primeur timing)

Description

A specialist fine wine merchant. Lay & Wheeler aims to be a trusted guide for people who love fine wine, supplying the world's finest wines with a personal service.

Highlights

- New team to refocus the business

Proposition:

Your trusted guide into fine wine

Competitive advantage:

Committed team specialising in helping normal people discover fine wine

Key stats

- 20 team members

Our model is our strength

Sustainable growth in shareholder value through doing the right thing

We aim to deliver growth in a **sustainable** way – in other words, doing it in a way that we can repeat year after year.

We obsess about customer loyalty because this is the engine that drives sustainable growth.

To deliver this plan we need to excel at 3 disciplines:

- ① **Doing the right thing for our customers, suppliers and people**
- ② **A Disciplined and Aggressive approach to investment**
- ③ **A test and learn, data driven culture**

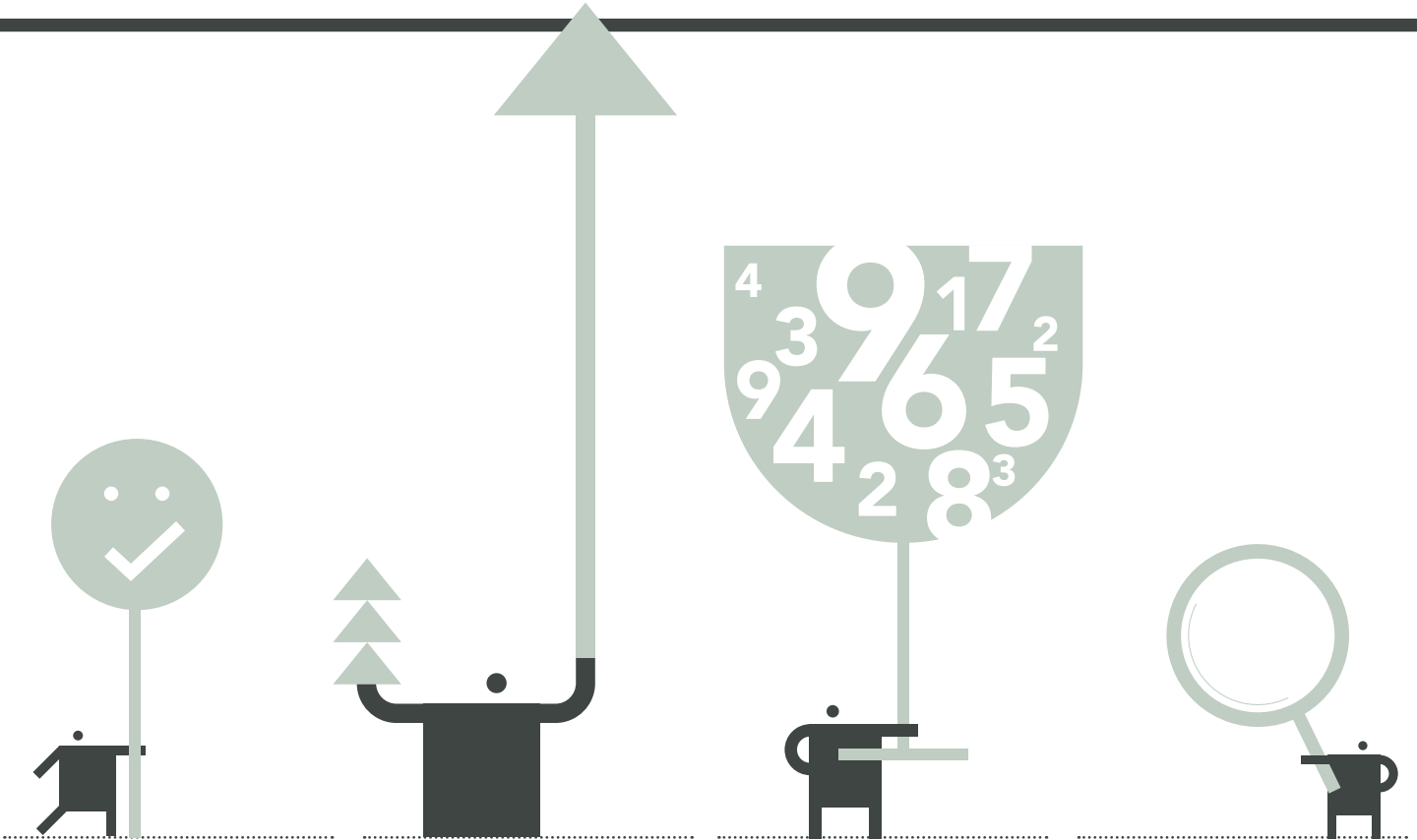
Our model is centred on driving customer loyalty, by doing the right thing through all our divisions for our people, customers, suppliers which delivers a better return for our shareholders.



We have a clear plan
to deliver sustainable
value in our businesses,
built on:



And we can prove it
works:



1
Doing the right thing by our customers, suppliers and people

We believe you **have** to be nice to be profitable so we invest in doing the right thing, e.g In wine quality and customer service

2
A Disciplined and Aggressive approach to investment

Many companies regard investment as a necessary evil. We regard it as an opportunity to beat the market. Where we can spend more money and get a return we will. This means we are agnostic about whether we invest in Capex or Opex, in the UK or the US, in Naked Wines or the original Majestic businesses.

3
A test and learn, data driven culture

We empower our people to test their great ideas. At Naked Wines we have the data to support this with over 6 million wine rating reviews. We know our customers tastes and preferences more than any other Company.

**Supported by...
Focus on Return on Investment**

We believe that there are a lot of exciting opportunities that can contribute to our growth and that is why we reinvest our cash back into the business. We measure ROI on everything, from the quality of new customers to the effectiveness of our marketing campaigns. We are implementing ROI measurement within Majestic, including ROI on new customers and stores.

Doing the right thing for stakeholders delivers a better return for shareholders

Customers who have a 5* experience are 62% more valuable than those who are rate their service 1-4*. Giving a good service delivers tangible financial results so we invest in our customer service and reward only 5* performance.
5* ratings have gone from 86% to 90% this year and customer retention from 78% to 80%.

We measure ROI on all of our investments

By reviewing ROI we can determine what will be engines of future growth or those where we need to correct the course. E.g at Naked we measure ROI on new customer acquisition, and the specifics of any changes in strategy e.g. new media channels. If they yield results we then increase spend.

We don't debate we test

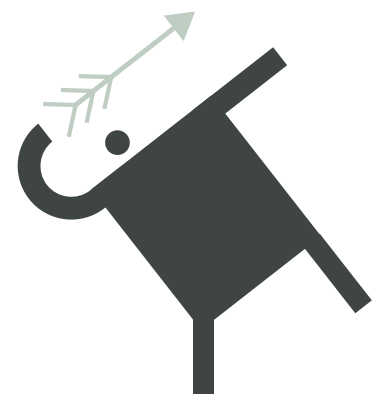
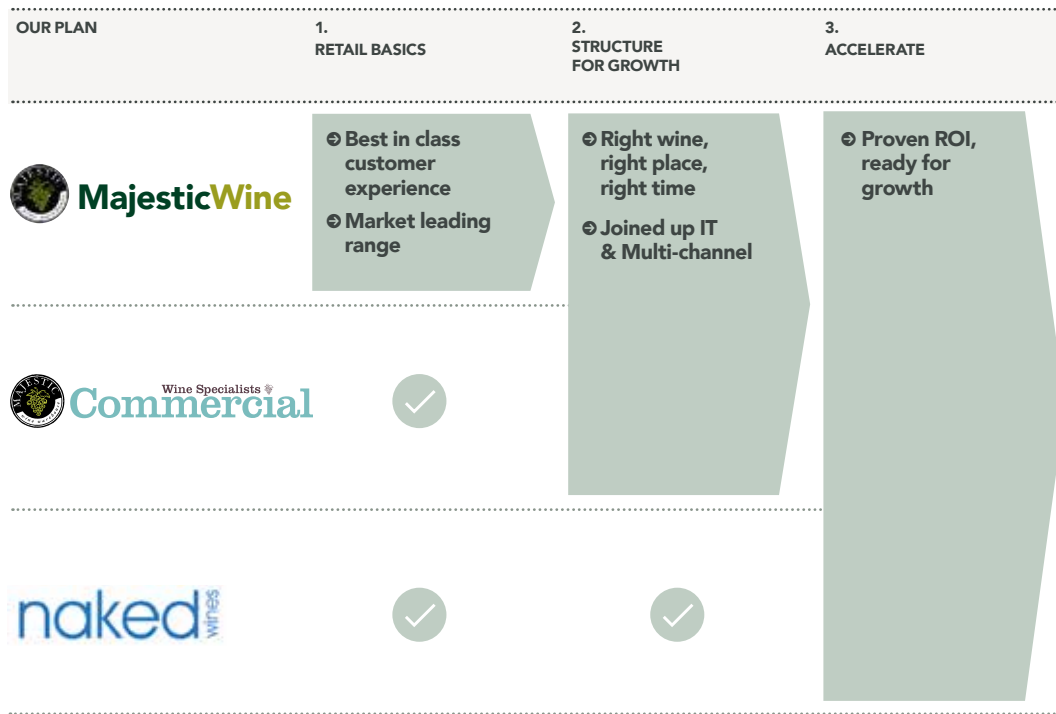
If we don't produce the required result we modify or stop that action. All the time, within each business, we are curtailing those investments that underperform and increasing the available budget behind the winners.

Our historic ROI proves it's working

This year's ROI at Naked Wines was 104% and has not fallen below 70% in the past 12 months. We aim for investments into Naked Wines to generate at least 75% ROI and at Majestic at least 25% ROI.

Our plan

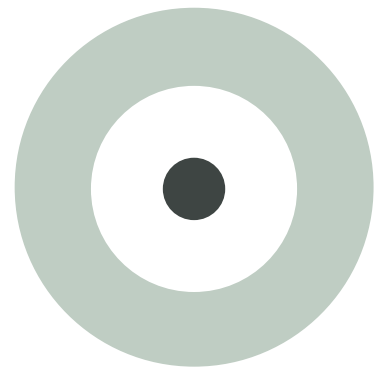
Our goal is to reach £500m in Total Sales by 2019. Our plan to do this involves three stages:



KPIs

In our view, these five Key Performance Indicators are the best way of measuring how we are doing in delivering our **“deliver value by doing the right thing”** plan.

We are in the process of embedding these across the Group. However, as you can see, we have good progress in four out of five. As we said before, expect manager turnover to get worse before it gets better as the changes we are making to the business bed in and staff decide whether the new Majestic is right for them or not.



GROUP KPI	DEFINITION	MAJESTIC RETAIL	NAKED WINES	MAJESTIC COMMERCIAL	LAY & WHEELER
Repeat customer retention	% of repeat customers from 12 months ago that are still repeat customers, as measured from our customer databases	68% (FY15: 66%)	66% (FY15: 64%)	80% (FY15: 78%)	92% ⁽¹⁾ (FY15: 90%)
Product availability	% of targeted range available in stores/on websites as indicated by our inventory reporting	66% (FY15: N/A)	N/A	N/A	N/A
Team retention	% of key staff (e.g. store managers) as of 12 months ago still working per payroll records	75% (FY15: 78%)	N/A	81% ⁽²⁾ (FY15: N/A)	76% (FY15: 84%)
Wine quality (Buy It Again ratings)	% of “Yes” scores in the last 12 months as recorded by websites/apps	N/A (FY15: N/A)	89% (FY15: 88%)	N/A	N/A
Proportion of 5* service ratings	% of service ratings scoring 5* in last two months as recorded by websites/apps/ telephone feedback	86% (FY15: N/A)	90% (FY15: 86%)	N/A	N/A

(1) Cellar circle

(2) All staff

Our key stats

SALES £M

£402.1m

(FY2015 £284.5m)

ADJUSTED EBIT £M⁽³⁾

£16.6m

(FY2015 £21.6m)

ADJUSTED PROFIT BEFORE TAX £M⁽⁴⁾

£15.0m

(FY2015 £21.6m)

FCF £M⁽⁶⁾

£13.8m

(FY2015 £27.1m)

ADJUSTED EPS £

19.2p

(FY2015 25.3p)

MARKET CAPITALISATION

(Average from 1 April 2015 - 28 March 2016)

£269.2m

Dividend policy

The Dividend will be reinstated from H1 2017 at c. 35% of adjusted earnings, with new policy permitting special dividends if excess cash is available based on foreseeable investment opportunities.

Gearing

Net Debt : EBITDA

(FY16: 0.9x Target: 0.5x)

Lease Adjusted Net Debt : EBITDAR

(FY16: 3.1x Target: 2.5x)

TOP 10 HOLDERS (AS AT 24 MAY 2016)

1. Apthorp Family	12,954,028	18.30
2. Rowan Gormley	4,528,881	6.40
3. T Rowe Price International	4,259,753	6.02
4. Fidelity Mgt & Research	3,984,590	5.63
5. Standard Life Investments	3,844,006	5.43
6. Schroder Investment Mgt	3,118,748	4.41
7. Baillie Gifford & Co	2,851,654	4.03
8. Invesco Perpetual Asset Mgt	1,998,103	2.82
9. JO Hambro Capital Mgt	1,721,148	2.43
10. Danske Capital Mgt	1,454,236	2.05

PLC BOARD

Phil Wrigley

Chairman

Rowan Gormley

Chief Executive Officer

James Crawford

Group Chief Financial Officer
& Company Secretary

Anita Balchandani

Non-Executive Director

Brian Gregory Hodder

Non-Executive Director

Ian Harding

Non-Executive Director

Justin Apthorp

Non-Executive Director

FINANCIAL CALENDAR

10.8.16

Annual General Meeting

21.11.16 – TBC

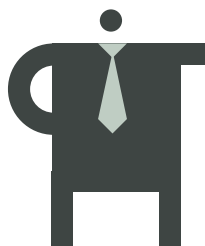
Interim Results

January 2017

Christmas Trading Update

For more information please contact:

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01923 298200



- (1) Underlying movement (a) excludes impact of Naked Wines; (b) includes En Primeur revenues in year of order not year of fulfilment, and (c) is calculated using constant FX rates for translation.
- (2) Pro forma presentation per underlying movement but assuming that Naked Wines was included in the group results for all of FY15 and FY16.
- (3) Adjusted EBIT is operating profit adjusted for amortisation of acquired intangibles, acquisition costs, share based payment charges, impairment of goodwill, restructuring costs, fair value movement through P&L on financial instruments and adjusting en primeur results to reflect profits on orders rather than on wine fulfilment.
- (4) Adjusted PBT is defined as Adjusted EBIT less net finance charges.
- (5) Like-for-like sales trends refer to Retail sales only, include Calais and exclude the impact of new stores and store closures during the year (2015: -0.1%).
- (6) Free cash flow is defined as cash generated by operating activities less capital expenditure and before one-off.