NEWS RELEASE

Acceleration of Growth Plans

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Majestic Wine PLC

17 April 2018

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Majestic Wine PLC
("Majestic" or "the Group")

Acceleration of growth plans

Majestic is pleased to announce that it intends to accelerate growth, by materially increasing investment in new customer acquisition.

Key points:

- **FY18 Update - trading in line with market expectations:**
  - Sales on track to hit £500m sales target in 2019
  - FY18 adjusted EBIT expected to be in line with market expectations*
  - Balance sheet and cash flow remain strong, with FY18 net debt expected to be reported at c.0.4x EBITDA, below our target of 0.5x EBITDA
  - Dividend expected to be in line with market expectations for FY18*

- **New information shows investment opportunity materially bigger than previously thought**:
  - The Group is currently investing around £12m a year in new customer

acquisition at a lifetime payback in excess of 4x, generating £48m per year of future value
    - Naked Wines Mature Angel sales retention, of 85%, is higher than the customer retention rate previously reported
    - The opportunity to invest in new customer acquisition is materially bigger than previously thought and the Board believes there is potential over time to double from the current level
    - Returns are trending higher as we continue to optimise our investment approach
    - Early indications show the same returns are achievable in Majestic Retail as in Naked Wines

- **As a result the group intends to increase investment in new customer acquisition in FY19:**
    - We will invest an additional £9m to £12m, of which £7m to £10m is directed at growth and £2m will ensure we drive growth safely
    - This will reduce adjusted EBIT in FY19 by £2m to £3m (vs FY18), but increase annual generation of future value from £48m to £80m+ a year
    - The FY19 dividend is expected to be in line with current market expectations*
    - Additional financial data will be provided going forwards to facilitate assessment of both trading and investment performance
    - The Board expects to see significant benefits from this investment from FY21 and beyond

Rowan Gormley, CEO commented:
"We are in the fortunate position of having the option to accelerate growth by investing in new customer acquisition.

We are starting from a good place with the core business on track to meet our 2019 sales target of £500m and the market's expectation for profits and dividend in FY18.

In the last 3 years, we have doubled sales at Naked Wines and delivered profitability in all 3 markets - after increasing investment in new customer acquisition.

We believe we can double the level of investment again while maintaining the returns, driving sustained growth in shareholder value.

On a risk / return basis, the case for accelerating investment is clear. We can measure success in months while delivering returns over years.

This is the right thing to do to maximise shareholder value."

Notice of Capital Markets Days
Majestic Wine plc will host a Capital Markets Day for analysts and investors in London this afternoon to present the Group's future investment strategy and growth ambitions.

For US investors, Majestic will host a follow up Capital Markets Day on 1 May 2018 at the Naked Wines USA office in Napa, California.

For details on timing, venue and to register your interest in attending either event please contact Gabby Clinkard on the details below. A copy of the materials to be presented

today and a CEO letter is now available on the company's website: **www.majesticwineplc.co.uk**, a webcast of the presentation will be made available later today.

Appendix: Guidance Information

1. Naked Wines historic performance (£m, unaudited, restated to constant FX rates)

	New customers		**Repeat customers**		**Fixed costs (as reported)**
	Sales	Contribution	Sales	Contribution	
FY14	21	(8)	38	8	(7)
FY15	28	(8)	57	14	(9)
FY16	29	(10)	79	20	(10)
FY17	36	(13)	103	26	(11)

2. Naked Wine forecasting metrics

	Naked FY18	**Naked FY19**
New customer investment	£12-12.5m	£16-20m
Repeat sales retention	c.85%	c.85%
New to repeat sales conversion	c.105%	c.100%
New customer margin	-200 to -300bps YoY	-600 to -900bpsYoY
Repeat contribution margin	+70-100bpsYOY	Unchanged
Fixed cost growth	Flat	+10-15%

*Current analyst consensus estimates can be found below and on

www.majesticwineplc.co.uk : _

	FY 2018	FY 2019
Revenue	£484.3m	£518.0m
Adjusted EBIT	£17.9m	£20.8m
Adjusted Profit Before Tax	£16.8m	£19.9m
Adjusted, Diluted EPS	17.8 pence	21.1 pence
Dividend per share	5.6 pence	6.8 pence

For further information, please contact:

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About Majestic Wine PLC:

Majestic Wine plc is a quality wine specialist, with over 1m customers in the UK, USA and Australia.

Our goal is to try to beat the market by investing in customer relationships, rather than stores. We do that through:

- Investing in models that compound, i.e. models that get stronger with growth.
- Investing with discipline, because we are able to test new opportunities before we roll them out.
- Using data and technology to continuously improve - every quarter we double up on our best performing investments, and cancel the worst performers.

Our divisions:

1) Majestic Retail - The UK's largest specialist wine retailer. We help people find wines they will love by employing highly engaged, well trained people equipped with state of the art tools and unique wines.

2) Naked Wines - Naked's customers in the UK, USA and Australia crowdfund independent winemakers in exchange for preferential prices on exclusive wines.

3) Majestic Commercial - A specialist on-trade supplier. We help our customers make more money from their wine list by offering national pricing and scale but local delivery and training.

4) Lay and Wheeler - A specialist fine wine merchant. We are a trusted guide for people who love fine wine, supplying the world's finest wines with a personal service.

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