



## **Purcari revenues up 25% in 1H19, profitability increasing ahead of sales**

*Bucharest, August 16<sup>th</sup>, 2019*

Purcari Wineries Plc (“Purcari”, “Group”), one of the leading wine producers in CEE, announced today the publication of results for the first half of 2019. Revenues were up 25% reaching 87.8 RON million, while adjusted EBITDA and adjusted Net Income increased YoY by 30% and 35% respectively, to 30.1 RON million and 21.1 RON million.

"Customers continue to appreciate the excellent quality at reasonable prices that we offer, which shows in our financials. It all starts with a great product and Purcari wine is just that. Take our Chardonnay de Purcari, 2018 vintage, which was awarded 97 points at Decanter London and a Platinum medal. In Romania it retails for circa 7 EUR shelf price, while competing products with such scores often retail for 10 times that and more. If you'll taste this product, you'll understand more about our growth and financials than anything you'll find in our spreadsheets", commented Victor Bostan, CEO of Purcari Wineries.

"It has been an extremely rewarding first two months with the Purcari team. I am impressed about what I found here and also about the huge potential we still have ahead of us. As we continue scaling the company, we set very ambitious targets for ourselves and the 1H results are a testament to the hard work put in by the team. We don't plan on slowing down.", added Eugen Comendant, COO of Purcari Wineries.

### **Key highlights**

- Strong and accelerating growth, sales increasing +25% YoY in 1H19, to RON 88m (vs. +19% YoY in 1H18); Well-above guidance range of 18-22% given for the full 2019, on strong performance of all our brands;
- Poland contributing most to the growth, up 47%, on improved Bostavan performance; we continue focusing on revamping our Bostavan range, up 30% across all markets, to the benefit of our channel partners and consumers;
- Solid margins, even in the seasonally lower 1H. EBITDA margin at 34% and Normalized Net Income margin at 24%, helped by prudent approach to SG&A, strong gross margins; Selling and marketing expenses stable as share of revenue despite vigorous growth, G&A expenditures down 8% YoY;

- Excellent customer feedback, both on existing and new varietals. Seven out of top ten wines in Romania according to Vivino (30-60 RON shelf price) are Purcari's;
- Chardonnay de Purcari won the Platinum medal at Decanter London, awarded 97 points, retailing at a fraction of what many competing products with similar scores sell at;
- Traminer de Purcari, our newest addition to the portfolio, is already top-3 in the Vivino Romania rankings with an outstanding 4.4 rating, ranked a top 1% wines globally.

## Selected financial information

	1H 2019	1H 2018	Δ '19/'18
Revenue	87,794,126	69,961,134	+25%
Gross Profit	43,221,331	36,024,717	+20%
<i>% Gross margin</i>	49.2%	51.5%	(2.3pp)
Adj. EBITDA <sup>1</sup>	30,110,613	23,147,711	+30%
<i>% Adj. EBITDA margin</i>	34.3%	33.1%	+1.2pp
EBITDA	30,110,613	22,229,287	+35%
<i>% EBITDA margin</i>	34.3%	31.8%	+2.5pp
Normalized Net Income <sup>2</sup>	21,100,073	15,638,750	+35%
<i>% Normalized Net Income Margin</i>	24.0%	22.4%	+1.7pp
Net Income	17,118,073	15,973,325	+7%
<i>% Net Income margin</i>	19.5%	22.8%	(3.3pp)

Notes:

(1) EBITDA for 1H18 calculated net of IPO, non-recurrent expenses to enable apples to apples comparison for growth in 1H19

(2) 1H19 Normalized Net Profit excludes RON ~4.0m in non-operating FX loss; 1H18 Normalized Net Profit excludes RON ~1.3m in non-operating FX gain and RON ~0.9m in IPO costs. Normalizations made to facilitate apples to apples comparison for the growth rate.

## Investors' call

The conference call for discussion and presentation of 1H 2019 results shall be held on August 16<sup>th</sup>, at 02:00 PM CEST, 03:00 PM EEST. <sup>1</sup>

Attached are the Financial Results for 1H 2019 and the Presentation for the conference call.

## About Purcari Wineries

Purcari Wineries Plc (Purcari, Crama Ceptura, Bostavan and Bardar brands) is one of the largest wine and brandy groups in the CEE region. The Group manages around 1,400 hectares of vineyards and operates four production platforms in Romania and Moldova. Purcari is the leader in the premium wine segment in Romania, with a 30% segment share, and the largest wine exporter from Moldova, delivering to over 40 countries. Founded in 1827, Purcari is the most awarded winery in CEE at Decanter London 2015-2019 and among the best ranked on Vivino, with an average score of 4.0 out of 5.0, based on over 28,000 reviews. Starting February 2018, the Group is listed on the Bucharest Stock Exchange, under the ticker WINE. Purcari is led by Victor Bostan, a 30+ years wine business veteran and backed by top institutional investors, including Horizon Capital, Franklin Templeton, SEB, Fiera Capital and IFC.

## Enquiries

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