



## **Purcari concludes a very strong year, with IFRS net income up 58%**

*Bucharest, February 15<sup>th</sup>, 2019*

Purcari Wineries Plc (the “Group”), the CEE’s leading wine producer, announced today consolidated preliminary financial results for 2018. Revenues were up 19%, to RON 169 million, with EBITDA and IFRS Net Income increasing 48% and 58% respectively, to RON 63 million and RON 46 million. Adjusted for non-recurrent, one-off items, EBITDA and Net Income rose to RON 57 million and RON 40 million.

"It was exactly one year ago, to the day, that we excitingly rang the bell for our listing on the BVB and we are proud to conclude 2018 on a high note. We maintained a high level of growth, benefitting from the investments in quality which we have been making over the years. Consumers, especially the new generation, are becoming more discerning and sophisticated about wine, which puts us in a great position given the excellent value for money we are offering them and the aspirational nature of our brands. We have started 2019 on a strong note, have set ourselves bold plans for the year and look forward to continue delighting our consumers and meeting the high return expectations of our shareholders”, commented Victor Bostan, CEO of Purcari Wineries.

### **Key highlights**

- Ongoing strong traction in core markets, with sales up by 30% in Romania, 22% in Poland, 19% in Moldova, 9% in Czechia and Slovakia, somewhat offset by a slowdown in Asia, down 4%;
- Market share in Romania to 9% overall (from 3% in 2014), still only #4, plenty of room to catch up vs leaders; market share in premium to 30%, focus on growing segment from low base;
- Gross margin up 2pp, to 49%, on the back of the effective grape sourcing strategy in the 2017 season, which increased reliance on own processed grapes vs. buying third-party bulk wine;
- Launched arguably the most impactful Q4 festive season campaign for Purcari on record – *Accente*; reached 3.6m views across FB, YouTube and Instagram, with 9k+ shares, 37k+ likes on FB alone
- Very strong consumer feedback on our wines, with 9 out of 25 top-ranked wines on Vivino in Romania (30-60 RON segment) being Purcari wines. The scores for our freshly released 2018 white vintages are record high: Purcari Rosé = 4.0, Pinot Grigio = 4.2, Sauvignon Blanc = 4.2, Chardonnay = 4.3;
- The 2018 harvest very strong, both quantity and quality. Own production up circa 19% year-on-year, while purchases of third-party grapes from partner-farmers up 74%, in preparation for a strong 2019. Cost base attractive, despite ongoing headwind of Moldovan currency appreciation.

## 2019 guidance

We provide the following 2019 guidance to our investors:

- Revenue growth vs 2018: +18-22%
- EBITDA margin: 32-34%
- Net Income margin: 22-24%

## Selected financial information

	FY 2018	FY 2017	YoY change
Revenue	168,694,138	142,254,440	+19%
Gross Profit	82,940,842	67,724,151	+22%
% Gross margin	49%	48%	+2 pp
Adj. EBITDA	56,611,320	43,647,334	+30%
% Adj. EBITDA margin	34%	31%	+3 pp
Adj. Net Income	39,709,014	30,181,918	+32%
% Adj. Net Income margin	24%	21%	+2 pp
EBITDA	62,577,961	42,424,350	+48%
% EBITDA margin	37%	30%	+7 pp
Net Income	45,675,655	28,958,934	+58%
% Net Income margin	27%	20%	+7 pp

## About Purcari

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 1,000 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 30 countries. Founded in 1827, Purcari is the most awarded winery in CEE at Decanter London 2015-2018 and among the best ranked on Vivino, with an average score of 4.0 out of 5.0, based on over 23,000 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

Diana Durnescu  
Investor Relations Manager  
[Investor.relations@purcari.wine](mailto:Investor.relations@purcari.wine)

## Disclaimer

*This document may contain certain forward-looking statements which are based on estimations and forecasts. By their nature, these forward-looking statements are subject to important risks and uncertainties and factors beyond our control or ability to predict. These forward-looking statements should not be considered as a guarantee of future performance, the actual results could differ materially from those expressed or implied by them. The forward-looking statements only reflect Group's views as of the date of this document, and the Group does not undertake to revise or update these forward-looking statements. The forward-looking statements should be used with caution and circumspection and in no event can the Group and its management be held responsible for any investment or other decision based upon such statements. The information in this document does not constitute an offer to sell or an invitation to buy shares in the Group or an invitation or inducement to engage in any other investment activities.*