



Purcari growth stays strong, up 22%, maintaining a healthy margin level

Bucharest, November 15th, 2019

Purcari Wineries Plc (“Purcari”, “Group”), one of the leading wine producers in CEE, announced today the publication of results for the 9 months of 2019. Revenues were up 22% reaching 138.6 RON million, while adjusted EBITDA and Net Income increased YoY by 17% and 15% respectively, to 46.2 RON million and 29.4 RON million.

“We are pleased with the results for the first nine months and we are looking forward to the decisive fourth quarter of the year, seasonally the most important one. We are pleased with the harvest, in what was a challenging year globally, putting us in a good position from a demand and pricing perspective as we prepare for our ambitious 2020 plans”, commented Victor Bostan, CEO of Purcari Wineries.

“We continue delivering on our premium strategy, with a very exciting launch of Malbec de Purcari, but also Dominum Cervi, our popular premium offering in the Crama Ceptura range, which is also supported by an ample TV campaign. In terms of our position in the capital markets, we are happy about the boost in our free-float and liquidity, as well as the broadening of our investor base after the ABB of Horizon Capital, which further increased the appeal of our stock” added Eugen Comendant, COO of Purcari Wineries.

Key highlights

- Strong growth, sales increasing +22% YoY in 9M19, to RON 138.6m (vs. +20% YoY in 9M18);
- Romania contributing most to the growth, increasing 25% YoY, on accelerating Purcari performance; Good traction in Asia. Strong development of Bardar in Moldova, crystalizing the shift from bulk sales.
- Solid margins, EBITDA margin at 33% and Net Income margin at 21%, strong growth in revenues accompanied with efficient cost control. Selling and marketing expenses stable as share of revenue; growth year on year explained by uneven allocation among quarters in the comparable period last year.
- Good harvest +11% vs 2017 along with significant stocks build-up in 2018 season are well enough to support ambitious sales plan in 2020.
- Good outlook on full 2019, ahead of crucial Q4, seasonally the most important quarter sales and margin contribution wise. Maintaining the guidance for Revenue, EBITDA margin and Net Income margin.

Selected financial information

	9M 2019	9M 2018	Δ '19/'18
Revenue	138,559,236	113,341,860	22%
Gross Profit	69,344,872	56,578,941	23%
<i>% Gross margin</i>	<i>50.0%</i>	<i>49.9%</i>	<i>+0.1 pp</i>
Adj. EBITDA ¹	46,233,867	39,492,348	17%
<i>% Adj. EBITDA margin</i>	<i>33%</i>	<i>35%</i>	<i>(2 pp)</i>
EBITDA	46,233,867	38,573,923	20%
<i>% EBITDA margin</i>	<i>33%</i>	<i>34%</i>	<i>(1 pp)</i>
Net Income	29,411,696	25,640,681	15%
<i>% Net Income margin</i>	<i>21%</i>	<i>23%</i>	<i>(2 pp)</i>

Notes:

- (1) EBITDA for 9M18 calculated net of IPO, non-recurrent expenses to enable apples to apples comparison for growth in 9M19

Investors' call

The conference call for discussion and presentation of 9 months 2019 results shall be held on November 18th, at 02:00 PM CEST, 03:00 PM EEST. ¹

Attached are the Financial Results for 9 months 2019 and the Presentation for the conference call.

Financial reports, the replays of our conference calls and related presentations are available in our Investor Relations section on our corporate website at this [link](#).

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 25% 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 31,000 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 Fiera Capital, Conseq, East Capital, SEB, Franklin Templeton, IFC, Aberdeen.

Enquiries

Investor.relations@purcari.wine

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