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S I N C E

## **Purcari delivers very strong quarter, growing sales 29%, net income up 46%**

*Bucharest, May 15<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 quarter of 2019. Revenues were up 29% reaching RON 42.2 million, while EBITDA and IFRS Net Income increased 37% and 46% respectively, to RON 13.9 million and RON 8.7 million. The results compare very favorably to the announced revenue growth guidance for the year of +18-22%.

"We are pleased with the start of 2019. While Romania remains our largest market by far and keeps showing excellent growth, we are particularly encouraged by our momentum in other CEE markets like Poland, Czechia and Slovakia, where we seek to replicate our Romanian successful recipe. Our vintage 2018 whites and rosés, already on shelf, are among the best we ever produced, so we hope our consumers will be delighted with the unbeatable quality and value for money offered by Purcari”, commented Victor Bostan, CEO of Purcari Wineries.

### **Key highlights**

- Exceptional revenue growth across key markets, Romania (+34% YoY), Poland (+49%), Czechia and Slovakia (+96%). Continue to work on strengthening sales in Asia (+29%, from low base);
- Gross margin +4pp year-on-year, on good pricing dynamic and positive impact on COGS of tax reform in Moldova. Good grip on G&A expenses, up only 2%, also helped by the tax reform effects. As a result, EBITDA margin rose to 33% and up 37% in absolute terms;
- Launched a new premium white wine, Traminer de Purcari, featuring an unmistakable aroma of rose petals confiture, with all the ingredients there for a delightful summer hit;
- Scores on 2018 Purcari vintages already on shelf are excellent: Chardonnay 4.2, Pinot Grigio 4.2, Sauvignon Blanc 4.1, Rara Neagra 4.1, Rosé 4.0; In fact, 4 out of top-5 wines on Vivino in Romania, in the core 30-60 RON segment, are produced by Purcari;
- The results from the first international wine competitions are another testament to the quality of our wines, with 5 golds at Challenge International du Vin in Bordeaux and another 3 golds at Concours Mondial du Bruxelles.

## Selected financial information

	1Q 2019	1Q 2018	Δ '19/'18
Revenue	42,218,022	32,781,229	29%
Gross Profit	20,202,531	14,495,141	39%
<i>% Gross margin</i>	48%	44%	+4 pp
Adj. EBITDA	13,937,730	11,044,525	+26%
<i>% Adj. EBITDA margin</i>	33%	34%	-1 pp
EBITDA	13,937,730	10,207,530	+37%
<i>% EBITDA margin</i>	33%	31%	+2 pp
Net Income	8,668,227	5,917,408	+46%
<i>% Net Income margin</i>	21%	18%	+2 pp

The Adjusted EBITDA metric normalizes the comparison base for 1Q 2018, for non-recurrent, IPO related expenses.

### Update on 2019 guidance

The Company issued the following financial guidance for 2019 on February 15, 2019:

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

The results for 1Q 2019 come comfortably above announced guidance. We continue to observe a good momentum in 2Q 2019, based on the visibility to date. Nevertheless, we are prudently abstaining, for now, to make any changes to the announced guidance reserving the right to announce eventual changes in the future.

### Investors' call

The conference call for discussion and presentation of 1Q 2019 results shall be held on May 16<sup>th</sup>, at 14:30 CET.

### 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 over 1,392 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 2015-2018 and among the best ranked on Vivino, with an average score of 4.0 out of 5.0, based on over 26,000 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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