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Purcari concludes another strong year, with EBITDA up 25%

Bucharest, February 28th, 2020

Purcari Wineries Plc (the “Group”), the CEE’s leading wine producer, announced today consolidated preliminary financial results for 2019. Revenues were up 18%, to RON 199 million, with EBITDA and normalized IFRS Net Income² increasing 25% and 19% respectively, to RON 68.2 million and RON 44.5 million.

“We continued to deliver on our ambitious growth plans and look forward to sustaining that momentum in 2020 too. In 2019, we have invested in expanding our capacities, modernizing our production and creating a solid base for future growth. We have a number of exciting innovations in the pipeline and count to see the payback from them in the upcoming years”, said Victor Bostan, CEO.

Key highlights

- RO: Strong Purcari performance, up 37% YoY. Bardar up fourfold, albeit from lower base. Crama Ceptura growing at high single-digit rate, launched a 360 ad-campaign to boost sales, expected to positively lift the sales in 2020;
- MD: Bardar shows ongoing strong growth. Good ramp up with Coca Cola Hellenic, our distribution partner for the last year; better client services and AR discipline. Continued increasing our channel penetration in Q4, expanding coverage, HORECA has recovered growth pace following transition pains upon distributor change;
- PL: growing in key accounts, price increases pushed through, reflecting quality improvements. Continue to work on brand revamp, premiumization. Purcari and Bardar brands +50% and +112% accordingly, albeit from smaller bases;
- ASIA: Strong volume growth, better product mix. Ongoing work on commercial strategy for the market. No ability to accurately estimate the impact of the coronavirus for now;
- CZ&SK: Impact from restructuring key distributor; buffer stock effects on a large order from key partner; much more aggressive price promo from local and EU competitors. Refocusing away from sweeter wines perceived as cheap to more premium dry segments.

2020 guidance

We provide the following 2020 guidance to our investors:

- Revenue growth vs 2019: +16-20%
- EBITDA margin: 30-32%
- Net Income margin: 20-22%

Selected financial information

	FY 2019	FY 2018	YoY change
Revenue	199,099,390	168,118,988	18%
Gross Profit	102,374,199	82,638,690	24%
% Gross margin	51%	49%	+2 pp
EBITDA	68,165,256	54,412,855	25%
Adj. EBITDA (1)	68,165,256	55,331,279	23%
% Adj. EBITDA margin	34%	33%	+1 pp
Adj. Net Income (2)	44,533,629	37,559,871	19%
% Adj Net Income margin	22%	22%	0 pp
Net profit	44,298,438	41,732,930	6%
% Net profit margin	22%	25%	(3) pp

Note: (1) EBITDA in 2018 adjusted for the one-off IPO related costs; (2) Net Income for 2018 is normalized for the recorded fair-value gain pertaining to the stake held in Glass Container Company S.A., a glass producer in which the Group holds a 31.4% stake.

Investors' call

The conference call for discussion and presentation 2019 results shall be held on February 28th, at 14:30 PM EET, 13:30 PM CET.

Attached are the Preliminary Unaudited Financial Results for 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 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 35,000 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 Aberdeen Standard, Conseq, East Capital, Fiera Capital, Franklin Templeton, Horizon Capital and SEB.

Enquiries

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