



Purcari – strong start of the year, with 1Q21 net income up 28%

Bucharest, May 17th, 2021

Purcari Wineries Plc (“Group”), the CEE’s leading wine producer, announced today the publication of results for the first quarter of 2021. Revenues rose by 8% to RON 49.8 million vs. the similar period of last year (and were up 18% vs. 1Q19). Margins grew ahead of revenues, primarily driven by a further improving mix, with EBITDA rising 13%, to RON 19.6 million and Net Income up 28%, to RON 10.3 million, respectively. The Group sees its business performing strongly in the post-Covid market reality and, among other things, has been taking steps to capitalize on the increased online demand for wine. To that end, Purcari [announced on May 14](#) its investment into the business of [8Wines.com](#) a fast-growing online retailer of wines, seeking to further strengthen its ecommerce footprint.

“It has been a mantra of ours that every crisis also creates a big opportunity and I do believe we are emerging stronger from this pandemic. We continued investing during 2020, when many of our competitors froze and this is now showing in our results and the appreciation of our consumers. We feel good about where we stand at the beginning of 2021”, said Victor Bostan, CEO.

Key highlights

- **Romania:** Strong growth continues in 1Q21, +19% yoy. Flagship Purcari brand leading the growth, up by 29%. Bardar doubled sales yoy, albeit from smaller base. While modern trade channel continues to perform strongly, traditional retail sees a particularly strong rebound, up 24%.
- **Moldova:** Demand environment significantly improved, but still below 2019 levels. Increased sales yoy in all channels, except HoReCa, still affected by pandemic restrictions.
- **Poland:** Sales down due to different timing of Easter and strict lockdown effects, with trade marketing campaigns postponed as a result, to maximize ROI. Expect recovery in the second quarter, normalizing the underperformance in 1Q21.
- **Asia:** Up 23% yoy, yet still below 2019 levels; catering segment, a significant one for wine sales in China, still not fully recovered. Bostavan benefits from increased demand on middle level wine. Strong interest in Bardar, generating highest margins, albeit from a smaller base.
- **Czechia and Slovakia:** Slow recovery, sales up 2% yoy. Both modern and traditional retail channels suffering from restrictive measures, especially in Slovakia. TESCO restructuring still adversely affecting results, but effect diminishing. Entering premium segment with Purcari Wines, sales in 1Q21 at 43% of entire 2020 level.

- **Ukraine:** Doubled sales of Purcari wines YoY, as it becomes increasingly popular with Ukrainian consumers and influencers, providing excellent value for money offered. In process of opening local office to sustain growth.

Selected financial information

	1Q 2020	1Q 2021	Δ 1Q
Revenue	46,359,781	49,845,667	8%
Gross Profit	23,590,412	26,034,372	10%
% Gross margin	51%	52%	+1pp
EBITDA	17,359,320	19,626,253	13%
% EBITDA margin	37%	39%	+2pp
Net Profit	8,033,032	10,281,448	28%
% Net Profit margin	17%	21%	+4pp

Investors' call

The conference call for discussion and presentation of 1Q 2021 financial results shall be held on May 18th, at 15:00 PM EEST, 14:00 PM CEST. Attached are the Interim Financial Results for the three-month period ended 31 March 2021 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 1,300 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 2015-2020 and among the best ranked on Vivino, with an average score of 4.1 out of 5.0, based on over 51,000 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 Conseq, East Capital, Fiera Capital, Franklin Templeton, Horizon Capital and SEB.

Enquiries

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