



Purcari concludes 2020 on a high, with annual net income up 49%

Bucharest, February 26th, 2021

Purcari Wineries Plc (“Group”), the CEE’s leading wine producer, announced today the publication of consolidated preliminary financial results for 2020. Revenues were up by 2% to RON 203.4 million, with EBITDA and Net Profit reaching RON 60 million and RON 60.4 million, respectively. The Net Profit spiked 49% year-on-year, helped by the gain from the realization of Group’s stake in Glass Container Company (GCC), sold to Vetropack in December 2020.

Group’s performance is on a strong recovery path, revenues increasing by 7% in 4Q20, accelerating from the +5% in 3Q20. For the full year, the growth was driven by modern trade channel, with particularly strong performance in Romania +24%, Poland +13%, Ukraine +11%, Baltics +19%, which compensated the drops in Moldova (-38%) and China (-44%).

The Group ended the year with a very strong balance sheet, further helped by the GCC divestment, as well as the strict cost and cash-flow discipline put in place. The Group’s cash balance rose to 50.7 million RON, while Net Debt to EBITDA dropped to an all-time-low of 0.77x.

“I am proud about the results demonstrated by the team, who worked around the clock this past year, against a very challenging operating backdrop. In such a fragmented industry as ours, each crisis offers plenty of opportunities for strong, well-capitalized players like Purcari, so I am confident we are emerging in a much stronger position from this pandemic”, said Victor Bostan, CEO.

Key highlights

- **Romania:** Strong growth in 4Q20 at +20% year-on-year, achieving +24% for the full 2020. The flagship Purcari brand led the growth, up 31%. Strong modern trade traction compensated for the weaker HoReCa channel.
- **Moldova:** Demand environment significantly improved by 4Q20, but sales still remained below 2019 levels. All brands have had their strongest quarter of the year in 4Q, accounting for a share of annual sales of 43% for Bardar, 37% for Purcari and 32% for Bostavan. Moldova remains the market which is most dependent on HoReCa and Duty-Free in Group’s universe, thus most affected by lockdowns.

- **Poland:** Growth fueled by an improved product mix, medium price segment sales increase across all partners supplemented by new brand listings. Strong growth of the premium portfolio i.e. Purcari +77%, Bardar +18%, albeit from a smaller base.
- **Asia:** by 4Q20, quarterly sales nearly reverted to the level of the previous year, down only 6%. Bardar, was the star performers, up 69%, albeit from a lower base.
- **Czechia and Slovakia:** Recovery continues with 4Q20 accounting for 29% of full year sales. Good outcome from campaigns with main commercial partners mitigated in part the lockdown effects and the adverse impact of TESCO restructuring.
- **Ukraine:** flagship Purcari brand up 18%, reaching 54% of total Group sales in the market, as it becomes increasingly popular with Ukrainian consumers, influencers.

Selected financial information

	4Q 2019	4Q 2020	Δ 4Q	2019	2020	Δ
Revenue	60,540,154	65,042,459	7%	199,099,390	203,364,870	2%
Gross Profit	29,601,103	30,133,915	2%	98,945,975	98,389,985	-1%
% Gross margin	49%	46%	(3 pp)	50%	48%	(2 pp)
EBITDA	19,126,975	15,822,619	-17%	65,360,842	60,013,426	-8%
% EBITDA margin	32%	24%	(8 pp)	33%	30%	(3 pp)
Net Profit	11,051,779	34,850,116	215%	40,463,475	60,445,651	49%
% Net Profit margin	18%	54%	+35 pp	20%	30%	+10 pp

Investors' call

The conference call for discussion and presentation of 2020 Preliminary financial results shall be held on March 1st, at 15:00 PM EET, 14:00 PM CET. Attached are the Preliminary Unaudited Financial Results for 2020 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 circa 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 2015-2020 and among the best ranked on Vivino, with an average score of 4.1 out of 5.0, based on over 48,000 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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