



## **AB VILNIAUS DEGTINĖ**

Key performance indicators report  
for the third quarter of 2016

30 November 2016

Vilnius

**AB Vilniaus degtinė**

Company's code 120057287, Paneriu 47, Vilnius

**Information about Company**

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Name of the company	AB Vilniaus degtinė
Legal form	Public stock company
Date and place of registration	23 November 1990, Vilnius branch of State Enterprise Centre of Registers
Code of company	120057287
Share capital	EUR 7,078,445 Eur
Registered office	Panerių 47, Vilnius, Lithuania
Telephone	+ 370 5 233 08 19
Fax	+ 370 231 5052
E-mail	vd@degtine.lt
Internet address	www.degtine.lt
Branch	Obeliai distillery
Branch address	Vienožinskio 3, Audronių I village, Rokiškis district, Lithuania
Telephone	+ 370 458 78723
Fax	+ 370 458 78723
E-mail	obeliai@degtine.lt
Main activities	Production of and trade in alcoholic beverages
Auditor	KPMG Baltics, UAB



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**Overview of the Company for the third quarter of 2016**

Sales revenue excluding excise duty of AB Vilniaus degtinė amounted to EUR 16,000.3 thousand in the third quarter of 2016 and increased by 9.73%, compared to the same time period last year (in 2015 – EUR 14,582.0 thousand).

Sales in the Lithuanian market made up the largest portion of the Company's sales - 72%. EU market sales increased by 13.43%, sales to third countries grew 31.04%. Sales to Poland, Latvia, Estonia and Bulgaria made up the largest portion of the income from the EU market. Sales to Belarus, Ukraine, Russian Federation made up the largest portion of the income from third countries.

The Company's profit amounted to EUR 1,415.3 thousands in the third quarter of 2016 and increased by 81.52%, compared to the same time period last year (in 2015 – EUR 779.7 thousands).

EBITDA of the Company amounted to EUR 2,483.3 thousands in January-September 2016 and increased by 59.59%, compared to the same time period last year (in January-September 2015 – EUR 1,556.1 thousands). EBITDA margin has increased from 10.67% to 15.52% during the year.

**Main Company Indicators**

Indicators	Jan-Sep 2016	Jan-Sep 2015	Change
Sales revenue excl. Excise tax, EUR	16,000,253	14,581,967	9.73%
Gross profit, EUR	5,812,034	4,592,495	26.55%
Operating profit, EUR	1,650,336	836,736	97.23%
Profit before tax, EUR	1,583,220	830,695	90.59%
Profit for the period, EUR	1,415,258	779,652	81.52%
Gross profit margin ratio, %	36.32%	31.49%	4.83
Operating profit margin ratio, %	10.31%	5.74%	4.57
Profit before tax margin ratio, %	9.89%	5.70%	4.19
Profit for the period margin ratio, %	8.84%	5.35%	3.49
EBITDA, EUR	2,483,341	1,556,095	59.59%
EBITDA margin ratio, %	15.52%	10.67%	4.85
ROE (return on equity), %	10.56%	6.58%	3.98
ROA (return on assets), %	5.78%	3.61%	2.17
Quick ratio	1.01	0.91	10.99%
Debt to equity ratio	1.31	1.11	18.02%



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### Overview of the Company for the third quarter of 2016

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Better sales performance during 3Q 2016 was mainly influenced by export growth and bigger sales of products, such as brandy "Renaissance", vodka "Bajorų Premium" and „Barska Premium“ (export). According to AC Nielsen, at the end of September 2016 "Bajorų" vodka volume share in Lithuania reached 10.4% of total vodka market (or +2 pp vs LY).

Cogeneration plant, installed in Obeliai Distillery, is powered with biogas to generate electricity and heat using the internal combustion engines. Steam is used in generation process. Excess electric power is sold to AB Energijos skirstymo operatorius. This project reduced the costs of energy resources of the Branch as well as environmental pollution. Installed power is 1.5 MW. 6,333.0 MWh of electric power was generated in 3Q 2016.

Obeliai Distillery produces distilled food grade ethyl alcohol from rye and triticale. 5,016.4 thousand liters of absolute alcohol was produced in January-September 2016.

#### Alcoholic beverages produced

Name	Measurement unit	Jan-Sep, 2016	Jan-Sep, 2015	Change (+,-), percent
Alcoholic beverages	000s litres	9,729.2	8,893.2	9.40%

In the third quarter of 2016 alcoholic beverages production increased by 9.40%, compared to the same time period last year. Growth of alcoholic beverages production has been caused expansion into foreign markets.



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**Comprehensive Income Statement**

31 September

In EUR	Jan-Mar 2016	Jan-Mar 2015
<b>Sales revenue</b>	<b>45,148,325</b>	<b>41,259,608</b>
Excise duty	(29,148,072)	(26,677,640)
<b>Sales revenue excluding excise duty</b>	<b>16,000,253</b>	<b>14,581,967</b>
Cost of sales	(10,188,219)	(9,989,473)
<b>Gross profit</b>	<b>5,812,034</b>	<b>4,592,495</b>
Other income	238,878	249,725
Sales and distribution expenses	(1,860,831)	(1,576,554)
Administrative expenses	(2,534,320)	(2,423,143)
Other expenses	(5,425)	(5,787)
<b>Result from operating activities</b>	<b>1,650,336</b>	<b>836,736</b>
Financial income	55,858	106,574
Financial expenses	(122,974)	(112,615)
<b>Profit (loss) before tax</b>	<b>1,583,220</b>	<b>830,695</b>
Income tax	(167,962)	(51,043)
<b>Profit (loss) for the period</b>	<b>1,415,258</b>	<b>779,652</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Cash flow hedges		
Fair value losses arising during the year	(10,477)	0
Reclassif. adjustments for amounts recognised in profit or loss	7,422	
	(3,055)	
Income tax relating to items that may be reclassified subsequently to profit or loss	458	0
Other comprehensive income, net of income tax	(2,597)	0
<b>TOTAL COMPREHENSIVE INCOME (EXPENSES)</b>	<b>1,412,661</b>	<b>779,652</b>
Basic and diluted earnings per share	0.06	0.03



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**Statement of Financial Position**

In EUR	30 09 2016	31 12 2015
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,811,125	10,375,864
Intangible assets	2,292,238	2,519,391
Financial assets	1,358,426	1,657,168
<b>Total non-current assets</b>	<b>15,461,789</b>	<b>14,552,423</b>
<b>Current assets</b>		
Inventories	2,450,397	2,177,567
Prepayment	139,981	156,213
Trade receivables	6,190,284	8,509,587
Other receivables	404,543	372,652
Cash and cash equivalents	690,901	1,311,242
<b>Total current assets</b>	<b>9,876,106</b>	<b>12,527,262</b>
<b>TOTAL ASSETS</b>	<b>25,337,895</b>	<b>27,079,685</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	7,078,445	7,078,445
Legal reserve	706,917	706,917
Other reserves	(15,960)	(13,363)
Retained earnings	6,600,179	5,184,921
<b>Total equity</b>	<b>14,369,581</b>	<b>12,956,920</b>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	1,551,462	1,600,694
Governmental grants	1,927,288	2,101,211
Deferred tax liability	264,626	289,147
<b>Total non-current liabilities</b>	<b>3,743,376</b>	<b>3,991,052</b>
<b>Current liabilities</b>		
Interest bearing loans and borrowings	822,718	2,024,013
Trade payables	2,671,833	3,644,668
Income tax payables	192,025	110,237
Other payables	3,538,362	4,352,794
<b>Total current liabilities</b>	<b>7,224,938</b>	<b>10,131,712</b>
<b>Total liabilities</b>	<b>10,968,314</b>	<b>14,122,765</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,337,895</b>	<b>27,079,685</b>