



AB VILNIAUS DEGTINĖ

Key performance indicators report
for the nine-month period ended on the
30th September 2017

30 November 2017

Vilnius

AB Vilniaus degtinė

Company's code 120057287, Paneriu 47, Vilnius

Information about Company

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

AB Vilniaus degtinė

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Overview of the Company for the nine-month period ended on the 30th September 2017

Sales revenue excluding excise duty of AB Vilniaus degtinė amounted to EUR 18,080.1 thousand in January - September 2017 and increased by 13.00%, compared to the same time period last year (in 2016 – EUR 16,000.3 thousand).

Sales in the Lithuanian market made up the largest portion of the Company's sales – 66.44%. EU market sales increased by 17.48%, sales to third countries grew 123.97%. Sales to Poland, Latvia, Estonia and France made up the largest portion of the income from the EU market. Sales to Ukraine, Russian Federation, Belarus made up the largest portion of the income from third countries.

The Company's profit amounted to EUR 989.8 thousands in January - September 2017 and decreased by 30.06%, compared to the same time period last year (in 2016 – EUR 1,415.3 thousands).

EBITDA of the Company amounted to EUR 2,854.6 thousands in January - September 2017 and increased by 14.95%, compared to the same time period last year (in January - September 2017 – EUR 2,483.3 thousands). EBITDA margin has increased from 15.52% to 15.79% during the year.

Main Company Indicators

Indicators	Jan-Sep 2017	Jan-Sep 2016	Change
Sales revenue excl. Excise tax, EUR	18,080,071	16,000,253	13.00%
Gross profit, EUR	6,107,811	5,812,034	5.08%
Operating profit, EUR	1,403,926	1,650,336	-14.93%
Profit before tax, EUR	1,163,401	1,583,220	-26.52%
Profit for the period, EUR	989,827	1,415,258	-30.06%
Gross profit margin ratio, %	33.78%	36.32%	-2.54
Operating profit margin ratio, %	7.77%	10.31%	-2.54
Profit before tax margin ratio, %	6.43%	9.89%	-3.46
Profit for the period margin ratio, %	5.47%	8.84%	-3.38
EBITDA, EUR	2,854,643	2,483,341	14.95%
EBITDA margin ratio, %	15.79%	15.52%	0.27
ROE (return on equity), %	6.53%	10.56%	-4.03
ROA (return on assets), %	4.57%	6.04%	-1.47
Quick ratio	1.12	1.01	10.89%
Debt to equity ratio	0.80	0.76	5.26%

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The sales performance during January – September 2017 was mainly influenced by a general decline in the market, however, due to the new products and consumer needs/ basket changes, the sales revenue of AB Vilniaus degtinė increased by +13% (excise tax excluded). Although the category of vodka (volume) continued to decrease -6% (according to AC Nielsen), AB Vilniaus degtinė products market share increased by +0,6 pp up to 23.7% vol.

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. 6,947.0 MWh of electric power was generated in January - September 2017.

Obeliai Distillery produces distilled and rectified food grade ethyl alcohol from rye and triticales. 7,225.6 thousand liters of absolute alcohol was produced in January - September 2017.

Alcoholic beverages produced

Name	Measurement unit	Jan-Sep, 2017	Jan-Sep, 2016	Change (+,-), percent
Alcoholic beverages	000s litres	7,799.2	9,729.2	-19.84%

In January - September 2017 alcoholic beverages production decreased by 19.84%, compared to the same time period last year. Decrease in the production of alcoholic beverages was driven by a general decline in the market.

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Comprehensive Income Statement

30 September

In EUR	Jan-Sep 2017	Jan-Sep 2016
Sales revenue	51,409,472	45,148,325
Excise duty	(33,329,401)	(29,148,072)
Sales revenue excluding excise duty	18,080,071	16,000,253
Cost of sales	(11,972,260)	(10,188,219)
Gross profit	6,107,811	5,812,034
Other income	247,500	238,878
Sales and distribution expenses	(1,819,922)	(1,860,831)
Administrative expenses	(3,126,555)	(2,534,320)
Other expenses	(4,908)	(5,425)
Result from operating activities	1,403,926	1,650,336
Financial income	5,613	55,858
Financial expenses	(246,138)	(122,974)
Profit (loss) before tax	1,163,401	1,583,220
Income tax	(173,574)	(167,962)
Profit (loss) for the period	989,827	1,415,258
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Cash flow hedges		
Fair value profit (losses) arising during the year	(933)	(10,477)
Reclassif. adjustments for amounts recognised in profit or loss	7,558	7,422
	6,625	(3,055)
Income tax relating to items that may be reclassified subsequently to profit or loss	(994)	458
Other comprehensive income, net of income tax	5,631	(2,597)
TOTAL COMPREHENSIVE INCOME (EXPENSES)	995,458	1,412,661
Basic and diluted earnings per share	0.04	0.06

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Statement of Financial Position

In EUR	30 09 2017	31 12 2016
ASSETS		
Non-current assets		
Property, plant and equipment	12,156,884	12,588,549
Intangible assets	2,052,867	2,271,613
Financial assets	410,630	578,972
Total non-current assets	14,620,381	15,439,134
Current assets		
Inventories	3,510,209	2,305,019
Prepayment	204,032	173,377
Trade receivables	8,287,014	7,342,357
Other receivables	2,151,721	397,998
Cash and cash equivalents	2,516	1,761,520
Total current assets	14,155,492	11,980,271
TOTAL ASSETS	28,775,873	27,419,405
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	7,078,445	7,078,445
Legal reserve	706,917	706,917
Other reserves	(6,281)	(11,912)
Retained earnings	8,177,400	7,187,572
Total equity	15,956,481	14,961,022
Non-current liabilities		
Interest bearing loans and borrowings	1,580,449	2,060,431
Governmental grants	1,695,392	1,869,314
Deferred tax liability	231,959	263,162
Total non-current liabilities	3,507,800	4,192,907
Current liabilities		
Interest bearing loans and borrowings	3,119,080	1,119,492
Trade payables	2,742,181	2,681,538
Income tax payables	209,717	297,486
Other payables	3,240,614	4,166,960
Total current liabilities	9,311,592	8,265,476
Total liabilities	12,819,392	12,458,383
TOTAL EQUITY AND LIABILITIES	28,775,873	27,419,405