



AB VILNIAUS DEGTINĖ

Key performance indicators report
for the twelve-month period ended on the
31th December 2018

28 February 2019

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

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Overview of the Company for the twelve-month period ended on the 31th December 2018

Sales revenue excluding excise duty of AB Vilniaus degtinė amounted to EUR 21,361.2 thousand¹ in January - December 2018 and decreased by 10.9%, compared to the same time period last year (in 2017 – EUR 23,974.9 thousand).

Sales in the Lithuanian market made up the largest portion of the Company's sales – 61.64%. EU market sales decreased by 8.5%, sales to third countries grew 16.9%. Sales to Poland, Latvia, Estonia, Bulgaria 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 losses amounted to EUR 404.5 thousands in January - December 2018, while the Company earned EUR 1,210.0 thousands of profit in the same time period in 2017.

EBITDA of the Company amounted to EUR 1,896.5 thousands in January - December 2018 and decreased by 49.2%, compared to the same time period last year (in January - December 2017 – EUR 3,691.8 thousands).

Main Company Indicators

Indicators	Jan-Dec 2018	Jan-Dec 2017	Change
Sales revenue excl. Excise tax, EUR	21,361,229	23,974,872	-10.91%
Gross profit, EUR	4,744,301	7,024,470	-32.5%
Operating profit/losses, EUR	(307,080)	1,715,633	-117.9%
Profit/losses before tax, EUR	(445,199)	1,422,066	-131.3%
Profit/losses for the period, EUR	(404,491)	1,210,046	-133.4%
Gross profit margin ratio, %	22.21%	29.3%	-7.1%
Operating profit margin ratio, %	-1.44%	7.16%	-8.6%
Profit before tax margin ratio, %	-2.08%	5.93%	-8.01%
Profit for the period margin ratio, %	-1.89%	5.05%	-6.9%
EBITDA, EUR	1,876,502	3,691,812	-49.2%
EBITDA margin ratio, %	8.78%	15.40%	-6.6%
ROE (return on equity), %	-2.53%	7.77%	-10.3%
ROA (return on assets), %	-0.82%	5.37%	-6.19%
Quick ratio	1.13	1.20	-5.8%
Debt to equity ratio	0.87	0.79	+10.1%

¹ The IFRS 15 "Revenue from contracts with customers" has been in effect since 1st January 2018. AB Vilniaus degtinė has published its 2018 and 2017 full-year sales revenue according to this standard.

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Overview of the Company for the twelve-month period ended on the 31th December 2018

The sales performance during January – December 2018 was mainly influenced by general decline in the market and Lithuanian consumer preference change that were not offset by the expansion in export markets.

Alcoholic beverages produced

Name	Measurement unit	Jan-Dec, 2018	Jan-Dec, 2017	Change (+,-), percent
Alcoholic beverages	000s litres	10,356.2	10,650.1	-2.76%

During January-December 2018 compared to the last year, production of alcoholic drinks decreased by 2.76%,. It was driven by a general decline in the market and change in consumer preference.

It was generated 8,424.0 MWh of electric power in Cogeneration plant installed in Obeliai Distillery in January – December 2018.

Obeliai Distillery produces distilled and rectified food grade ethyl alcohol from rye and triticale. 9,604.8 thousand liters of absolute alcohol was produced in January - December 2018.

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Comprehensive Income Statement

31 December

In EUR	Jan-Dec 2018	Jan-Dec 2017
Sales revenue	69,436,902	71,527,114
Excise duty	(48,075,673)	(47,552,242)
Sales revenue excluding excise duty	21,361,229	23,974,872
Cost of sales	(16,616,928)	(16,950,402)
Gross profit	4,744,301	7,024,470
Other income	195,079	351,452
Sales and distribution expenses	(1,175,741)	(1,547,062)
Administrative expenses	(4,063,123)	(4,106,431)
Other expenses	(7,596)	(6,796)
Result from operating activities	(307,080)	1,715,633
Financial income	25,938	8,671
Financial expenses	(164,057)	(302,238)
Profit (loss) before tax	(445,199)	1,422,066
Income tax	(40,708)	(212,020)
Profit (loss) for the period	(404,491)	1,210,046
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	(16)	(1,152)
Reclassif. adjustments for amounts recognised in profit or loss	4,823	9,532
	4,807	8,380
Income tax relating to items that may be reclassified subsequently to profit or loss	(721)	(1,257)
Other comprehensive income, net of income tax	4,086	7,123
TOTAL COMPREHENSIVE INCOME (EXPENSES)	(400,405)	1,217,169
Basic and diluted earnings per share	(0.02)	0.05

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Statement of Financial Position

In EUR	31 12 2018	31 12 2017
ASSETS		
Non-current assets		
Property, plant and equipment	11,311,352	12,143,489
Intangible assets	1,708,390	1,987,149
Financial assets	168,098	410,840
Total non-current assets	13,187,840	14,541,478
Current assets		
Inventories	2,977,341	2,738,487
Prepayment	133,040	153,855
Trade receivables	12,402,538	10,142,678
Other receivables	852,990	506,049
Cash and cash equivalents	4,609	604,838
Total current assets	16,370,518	14,145,907
TOTAL ASSETS	29,558,358	28,687,385
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	7,078,445	7,078,445
Legal reserve	707,845	707,845
Other reserves	(703)	(4,789)
Retained earnings	7,992,198	8,396,690
Total equity	15,777,785	16,178,191
Non-current liabilities		
Interest bearing loans and borrowings	447,330	1,280,321
Governmental grants	1,405,521	1,637,417
Deferred tax liability	160,828	216,313
Total non-current liabilities	2,013,679	3,134,051
Current liabilities		
Interest bearing loans and borrowings	886,980	1,212,060
Trade payables	4,346,623	2,703,672
Income tax payables		25,436
Other payables	6,533,291	5,433,975
Total current liabilities	11,766,894	9,375,143
Total liabilities	13,780,573	12,509,194
TOTAL EQUITY AND LIABILITIES	29,558,358	28,687,385