

AB VILNIAUS DEGTINĖ

Key performance indicators report for the first quarter of 2018

31 May 2018

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 first quarter of 2018

Sales revenue excluding excise duty of AB Vilniaus degtinė amounted to EUR 4,956.9 thousand in the first quarter of 2018 and decreased by 13.16%, compared to the same time period last year (in 2017 – EUR 5,707.9 thousand).

Sales in the Lithuanian market made up the largest portion of the Company's sales – 59.10%. EU market sales increased by 22.14%, sales to third countries grew 49.86%. 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 losses amounted to EUR 315.5 thousands in the first quarter of 2018, while the Company earned EUR 392.2 thousands of profit in the same time period in 2017.

EBITDA of the Company amounted to EUR 215.4 thousands in January-March 2018 and decreased by 77.40%, compared to the same time period last year (in January-March 2017 – EUR 953.2 thousands).

Main Company Indicators

Indicators	Jan-Mar 2018	Jan-Mar 2017	Change
Sales revenue excl. Excise tax, EUR	4,956,901	5,707,965	-13.16%
Gross profit, EUR	1,189,717	2,023,460	-41.20%
Operating profit/losses, EUR	-287,161	514,845	-155.78%
Profit/losses before tax, EUR	-326,826	462,297	-170.70%
Profit/losses for the period, EUR	-315,547	392,342	-180.43%
Gross profit margin ratio, %	24.00%	35.45%	-11.45%
Operating profit margin ratio, %	-5.79%	9.02%	-14.81%
Profit before tax margin ratio, %	-6.59%	8.10%	-14.69%
Profit for the period margin ratio, %	-6.37%	6.87%	-13.24%
EBITDA, EUR	215,420	953,209	-77.40%
EBITDA margin ratio, %	4.35%	16.76%	-12.35%
ROE (return on equity), %	-2.02%	2.74%	-4.76%
ROA (return on assets), %	-0.89%	1.46%	-2.35%
Quick ratio	1.19	0.99	20.20%
Debt to equity ratio	0.64	1.27	-49.61%

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Overview of the Company for the first quarter of 2018

The sales performance of the first quarter of 2018 was mainly influenced by general decline in the market and Lithuanian consumer preference change.

It was generated 2,014.0 MWh of electric power in Cogeneration plant installed in Obeliai Distillery in January-March 2018.

Obeliai Distillery produces distilled and rectified food grade ethyl alcohol from rye and triticales. 2,505.3 thousand liters of absolute alcohol was produced in January-March 2018.

Alcoholic beverages produced

Name	Measurement unit	Jan-Mar, 2018	Jan-Mar, 2017	Change (+,-), percent
Alcoholic beverages	000s litres	2,311.1	3,579.2	-35.43%

In the first quarter of 2018 alcoholic beverages production decreased by 35.43%, compared to the same time period last year. It was driven by a general decline in the market and changes in consumer preferences.

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Comprehensive Income Statement

31 March

In EUR	Jan-Mar 2018	Jan-Mar 2017
Sales revenue	15,388,386	16,974,187
Excise duty	(10,431,485)	(11,266,222)
Sales revenue excluding excise duty	4,956,901	5,707,965
Cost of sales	(3,767,184)	(3,684,505)
Gross profit	1,189,717	2,023,460
Other income	42,645	75,027
Sales and distribution expenses	(554,857)	(546,403)
Administrative expenses	(962,829)	(1,035,431)
Other expenses	(1,837)	(1,808)
Result from operating activities	(287,161)	514,845
Financial income	3,430	1,978
Financial expenses	(43,095)	(54,526)
Profit (loss) before tax	(39,666)	462,297
Income tax	11,279	(69,955)
Profit (loss) for the period	(315,547)	392,342
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	(703)	232
Reclassif. adjustments for amounts recognised in profit or loss	1,674	2,764
	971	2,996
Income tax relating to items that may be reclassified subsequently to profit or loss	(146)	(449)
Other comprehensive income, net of income tax	825	2,547
TOTAL COMPREHENSIVE INCOME (EXPENSES)	314,722	394,889
Basic and diluted earnings per share	-0.01	0.02

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Statement of Financial Position

In EUR	31 03 2018	31 12 2017
ASSETS		
Non-current assets		
Property, plant and equipment	12,166,504	12,143,489
Intangible assets	1,914,228	1,987,149
Financial assets	336,150	410,840
Total non-current assets	14,416,882	14,541,478
Current assets		
Inventories	2,743,066	2,738,487
Prepayment	130,299	153,855
Trade receivables	7,652,057	10,142,678
Other receivables	574,112	506,049
Cash and cash equivalents	557,021	604,838
Total current assets	11,656,555	14,145,907
TOTAL ASSETS	26,073,437	28,687,385
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	7,078,445	7,078,445
Legal reserve	707,845	706,917
Other reserves	(3,964)	(4,789)
Retained earnings	8,081,143	8,397,618
Total equity	15,863,469	16,178,191
Non-current liabilities		
Interest bearing loans and borrowings	1,036,202	1,280,321
Governmental grants	1,579,443	1,637,417
Deferred tax liability	205,180	216,313
Total non-current liabilities	2,820,825	3,134,051
Current liabilities		
Interest bearing loans and borrowings	1,234,129	1,212,060
Trade payables	2,168,730	2,703,672
Income tax payables	-62,81	25,436
Other payables	4,048,565	5,433,975
Total current liabilities	7,389,143	9,375,143
Total liabilities	10,209,968	12,509,194
TOTAL EQUITY AND LIABILITIES	26,073,437	28,687,385