



AB VILNIAUS DEGTINĖ

Key performance indicators report
for the nine-month period ended on the
30th September 2018

30 November 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 nine-month period ended on the 30th September 2018**

Sales revenue excluding excise duty of AB Vilniaus degtinė amounted to EUR 15,667.7 thousand in January - September 2018 and decreased by 13.34%, compared to the same time period last year (in 2017 – EUR 18,080.1 thousand).

Sales in the Lithuanian market made up the largest portion of the Company's sales – 60.54%. EU market sales increased by 1.55%, sales to third countries grew 2.65%. Sales to Poland, Latvia, Estonia made up the largest portion of the income from the EU market. Sales to Ukraine, Belarus, Russian Federation, made up the largest portion of the income from third countries.

The Company's losses amounted to EUR 500.7 thousands in January - September 2018, while the Company earned EUR 989.8 thousands of profit in the same time period in 2017.

EBITDA of the Company amounted to EUR 1,178.4 thousands in January - September 2018 and decreased by 58.70%, compared to the same time period last year (in January - September 2017 – EUR 2,854.6 thousands).

Main Company Indicators

Indicators	Jan - Sep 2018	Jan - Sep 2017	Change
Sales revenue excl. Excise tax, EUR	15,667,693	18,080,071	-13.34%
Gross profit, EUR	4,019,066	6,107,811	-34.20%
Operating profit/losses, EUR	-437,519	1,403,926	-131.16%
Profit/losses before tax, EUR	-541,206	1,163,401	-146.52%
Profit/losses for the period, EUR	-500,697	989,827	-150.58%
Gross profit margin ratio, %	25.65%	33.78%	-8.13%
Operating profit margin ratio, %	-2.79%	7.77%	-10.56%
Profit before tax margin ratio, %	-3.45%	6.43%	-9.88%
Profit for the period margin ratio, %	-3.20%	5.47%	-8.67%
EBITDA, EUR	1,178,420	2,854,643	-58.70%
EBITDA margin ratio, %	7.52%	15.79%	-8.27%
ROE (return on equity), %	-3.17%	6.53%	-9.70%
ROA (return on assets), %	-1.36%	4.57%	-5.93%
Quick ratio	1.14	1.12	1.79%
Debt to equity ratio	0.71	0.80	-11.25%

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**Overview of the Company
for the nine-month period ended on the 30th September 2018**

The sales performance during January – September 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. Despite the negative trends in the local market, AB Vilniaus degtinė vodka volume market share reached 27.9% during January – September 2018 and increased by +4.4 p.p. versus LY.

Alcoholic beverages produced

Name	Measurement unit	Jan-Sep, 2018	Jan- Sep, 2017	Change (+,-), percent
Alcoholic beverages	000s litres	7,542.4	7,799.2	-3.29%

It was generated 6,008.0 MWh of electric power in Cogeneration plant installed in Obeliai Distillery in January – September 2018.

Obeliai Distillery produces distilled and rectified food grade ethyl alcohol from grain. 8,134.13 thousand liters of absolute alcohol was produced in January – September 2018.

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Comprehensive Income Statement

30 September

In EUR	Jan-Sep 2018	Jan-Sep 2017
Sales revenue	49,078,306	51,409,472
Excise duty	(33,410,613)	(33,329,401)
Sales revenue excluding excise duty	15,667,693	18,080,071
Cost of sales	(11,648,627)	(11,972,260)
Gross profit	4,019,066	6,107,811
Other income	122,461	247,500
Sales and distribution expenses	(1,640,175)	(1,819,922)
Administrative expenses	(2,933,128)	(3,126,555)
Other expenses	(5,743)	(4,908)
Result from operating activities	(437,519)	1,403,926
Financial income	19,553	5,613
Financial expenses	(123,240)	(246,138)
Profit (loss) before tax	(541,206)	1,163,401
Income tax	40,509	(173,574)
Profit (loss) for the period	(500,697)	989,827
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	(228)	(933)
Reclassif. adjustments for amounts recognised in profit or loss	4,215	7,558
	3,987	6,625
Income tax relating to items that may be reclassified subsequently to profit or loss	(598)	(994)
Other comprehensive income, net of income tax	3,389	5,631
TOTAL COMPREHENSIVE INCOME (EXPENSES)	(497,308)	995,458
Basic and diluted earnings per share	-0.02	0.04

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Statement of Financial Position

In EUR	30 09 2018	31 12 2017
ASSETS		
Non-current assets		
Property, plant and equipment	11,728,558	12,143,489
Intangible assets	1,782,946	1,987,149
Financial assets	167,887	410,840
Total non-current assets	13,679,391	14,541,478
Current assets		
Inventories	2,888,692	2,738,487
Prepayment	100,137	153,855
Trade receivables	9,364,491	10,142,678
Other receivables	799,106	506,049
Cash and cash equivalents	3,114	604,838
Total current assets	13,155,540	14,145,907
TOTAL ASSETS	26,834,931	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	(1,400)	(4,789)
Retained earnings	7,895,993	8,397,618
Total equity	15,680,883	16,178,191
Non-current liabilities		
Interest bearing loans and borrowings	557,017	1,280,321
Governmental grants	1,463,495	1,637,417
Deferred tax liability	176,402	216,313
Total non-current liabilities	2,196,914	3,134,051
Current liabilities		
Interest bearing loans and borrowings	1,080,524	1,212,060
Trade payables	3,051,622	2,703,672
Income tax payables	0	25,436
Other payables	4,824,988	5,433,975
Total current liabilities	8,957,134	9,375,143
Total liabilities	11,154,048	12,509,194
TOTAL EQUITY AND LIABILITIES	26,834,931	28,687,385