



PRESS RELEASE

August 22, 2024

Financial Results of Novabev Group for H1 2024

Novabev Group announces the IFRS consolidated financial results for H1 2024: revenue increased by 19%, reaching 57.1 billion rubles, gross profit rose by 9% and exceeded 20.5 billion rubles, EBITDA showed no dynamics, amounting to 7.6 billion rubles, net income decreased by 34% to 2 billion rubles.

Financial highlights and main corporate events:

	H1 2024
Revenue (mln rubles)	57,097 (+19%)
Gross profit (mln rubles)	20,586 (+9%)
EBITDA (mln rubles)	7,553 (+0%)
Net income (mln rubles)	2,017 (-34%)

The company achieved strong revenue and gross profit growth due to increased sales of high-margin brands in the premium and above segments, effective working capital management and the expansion of the WineLab chain.

In the first half of the year, the overall sales amounted to 7.67 million 9L cases. The most dynamic growth was recorded by the premium brands Beluga (+28%), Orthodox (+28%) and Snow Owl (Belaya Sova) (+49.6%) vodkas, Fox & Dogs whisky (+26%), Tiflis Treasure brandy (+11.9%), Devil's Island rum (+27.8%), as well as Golubitskoe Estate and Tête de Cheval wines, which doubled in volume.

WineLab's own retail chain sets new records: the number of outlets exceeded 1,800, sales increased by 32.5%, with click & collect sales up 116%, traffic increased by 10.7% and the average ticket by 19.6%. To the moment, more than 7.5 million people are participants of the WINCLUB points-based loyalty program.

The Board of Directors pays attention to the investment attractiveness of the business. In accordance with this policy, dividends were paid for 2023. On August 20, additional ordinary shares were distributed to Novabev Group shareholders. This event will make Novabev Group shares more accessible to more investors by increasing the number of outstanding shares eightfold.

An important corporate event of the period was the upgrade of the company's credit rating by Expert RA agency in July to ruAA with a stable outlook.



Financial indicators demonstrate the company's stability in the country's alcoholic beverages market. The group is successfully implementing a strategy of brand portfolio diversification, focusing on the premium segment and actively expanding its own retail chain WineLab, which is becoming increasingly popular among consumers. These factors, together with efficient working capital management, contribute to sustainable growth of financial performance and further development of Novabev Group in the Russian alcoholic beverages market.

FINANCIAL REVIEW

Financial Performance and Operations Results

The table shows the company's consolidated financial results for 1H 2024 comparing to 1H 2023.

(In mln RUB, except for the figures indicated in other units of measurement)

	1H 2024	1H 2023	Change
Sales, million 9L cases	7.7	7.8	(1%)
Sales, excise included	70,599	61,626	+15%
Net Revenue	57,097	47,934	+19%
COGS	(36,511)	(29,112)	+25%
Gross profit	20,586	18,822	+9%
General and administrative expenses	(2,780)	(2,462)	+13%
Distribution expenses	(13,253)	(11,077)	+20%
EBITDA	7,533	7,561	+0%
Operating profit	4,515	4,994	(10%)
Net finance costs	(2,036)	(1,683)	+21%
Net profit	2,017	3,046	(34%)
Gross profit margin, %	36.1%	39.3%	(3.2 p.p.)
EBITDA margin, %	13.2%	15.8%	(2.6 p.p.)
Operating profit margin, %	7.9%	10.4%	(2.5 p.p.)
Net profit margin, %	3.5%	6.4%	(2.9 p.p.)

The main drivers of revenue growth were the increase in sales of brands from the premium segment and above, consistent growth of the import portfolio, as well as the steady development of the group's in-house retail chain WineLab, which in the first half of 2024 continued the trend of store openings with a +20% year-on-year growth rate.

Despite the exceptional financial results of the first half of 2024, gross profit increased by 9% to 20.6 billion rubles in the reporting period, while EBITDA was stable.



Net income showed negative dynamics of 34% mainly due to continued interest rate growth, as well as investments in the development of WineLab. With more than 150 stores opened in the first half of the year, such dynamic growth requires significant commercial expenses, which will pay off on average after twelve months as the stores reach their sales targets.

Segment reporting

The table shows the changes in the distribution of the revenue and operating profit in segments for 1H 2024, as compared to those for 1H 2023.

mIn RUB	Alcohol	Retail	Food
Revenue 1H2024, including intersegment revenue	36,124	38,175	2,582
Revenue 1H2023, including intersegment revenue	29,175	29,012	2,455
<i>Change</i>	+24%	+32%	+5%
EBITDA 1H2024	4,595	3,446	125
EBITDA 1H2023	4,459	3,028	190
<i>Change</i>	+3%	+14%	(34%)

The financial debt

The table illustrates the changes in liabilities structure as of June 30, 2024 compared to the prior period.

(In mIn RUB, except for the figures indicated in other units of measurement)

	30 June 2024	30 June 2023	Change
Loans and bonds, long-term	17,351	16,936	+2%
Long-term lease liabilities	17,434	12,426	+40%
Loans and bonds, short-term	7,441	8,879	(16%)
Short-term lease liabilities	3,865	3,154	+23%
Total debt	46,091	41,395	+11%
Cash and cash equivalents	(2,273)	(4,954)	(54%)
Total net debt	43,818	36,441	+20%
EBITDA (last twelve months)	19,276	17,749	+9%
Net Debt / EBITDA	2.27x	2.05x	+0.22x
Share of long-term debt	70%	66%	+4 p.p.
Share of unsecured liabilities	100%	100%	-

Taking into account the seasonality of the business, the structure of the loan portfolio generally remains at a comfortable level for the group and is in line with long-term strategic objectives: the Net Debt/ LTM EBITDA ratio reached 2.3x, the weighted average interest rate on the credit portfolio is at a moderate level of 11.62% as of June 30. Overall, the share of debt excluding lease liabilities decreased by 4% from 25.8 billion rubles in June 2023 to 24.8 billion rubles in 2024, while debt to financial institutions fell by 24% from 6.4 billion rubles to 4.86 billion rubles. The overall debt figure increased mainly due to lease liabilities driven by the opening of new WineLab stores.



NOVABEV GROUP

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Despite seasonality, operating cash flow reached 2.9 billion rubles. The main driver of growth is effective working capital management. Due to the work with inventories and accounts payable, the group's free cash flow reached stable positive values for the first time since the 1H 2021 and reached 0.8 billion rubles.

About the Company

Novabev Group is Russian alcohol company. The group runs five factories, one ethanol plant, one winery and manages its own distribution system and specialized alcohol retail chain WineLab.

The key brands of company's own production are the super-premium vodka Beluga, the vodka brands Belenkaya, Arkhangelskaya, Snow Owl (Belaya Sova), Orthodox, the still wine Golubitskoe Estate, the sparkling wine Tête de Cheval, the bitters Beluga Hunting, the Russian brandy brands Golden Reserve and Bastion, the gin Green Baboon, the Scotch whisky Fox & Dogs, and the rum Devil's Island.

Novabev Group's spirits imported brand portfolio includes the rum Barceló, the brandy Torres, the Armenian cognac Noy, the rum Plantation, the Japanese whiskey The San-In, the tequila Agavita, and the liqueur Disaronno. The company exclusively represents in Russia international winemakers and brands, including Familia Torres, Masi, Tenuta Luce, Gérard Bertrand, Faustino, Cono Sur, Maison Calvet, Piccini, Markus Molitor, JP. Chenet, Concha y Toro, Champagne Pommery, Barton & Guestier and Casa Zonin. Novabev Group is also the exclusive distributor of the Austrian premium glassware manufacturer RIEDEL.

Appendix

NOVABEV GROUP PAO

Consolidated Interim Condensed Financial Statements for the six months ended 30 June 2024

(All amounts in Russian Ruble million, unless stated otherwise)

CONSOLIDATED INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2024	2023
Sales, net of VAT	70 599	61 626
Excise duties	(13 502)	(13 692)
Revenue	57 097	47 934
Cost of sales	(36 511)	(29 112)
Gross profit	20 586	18 822
General and administrative expenses	(2 780)	(2 462)
Distribution expenses	(13 253)	(11 077)
Other income/(expense)	(38)	(289)
Operating profit	4 515	4 994
Net finance costs	(2 036)	(1 683)
Profit before tax	2 479	3 311
Income tax	(462)	(265)
Net income and total comprehensive income for the period	2 017	3 046
Attributable to:		
Equity holders of the Company	2 019	3 035
Non-controlling interest	(2)	11
Basic earnings per share, RUB	166.31	266.53

Appendix**NOVABEV GROUP PAO**

Consolidated Interim Condensed Financial Statements for the six months ended 30 June 2024

(All amounts in Russian Ruble million, unless stated otherwise)

CONSOLIDATED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	30 June 2024	31 December 2023
ASSETS		
Non-current assets		
Property, plant and equipment	32 388	29 662
Intangible assets	7 041	6 788
Goodwill	3 633	3 633
Other long-term assets	731	778
Deferred tax assets	1 801	1 525
Total non-current assets	45 594	42 386
Current assets		
Inventories	34 551	29 641
Trade and other receivables	14 584	19 318
Prepayments	2 909	1 182
Income tax prepayment	379	294
Cash and cash equivalents	2 273	3 423
Total current assets	54 696	53 858
TOTAL ASSETS	100 290	96 244
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity and reserves		
Share capital	1 580	1 580
Treasury shares	(358)	(357)
Share premium	4 813	5 192
Retained earnings	19 095	19 891
Total equity attributable to shareholders of PJSC NovaBev Group	25 130	26 306
Non-controlling interest	289	291
Total equity and reserves	25 419	26 597
Long-term liabilities		
Long-term loans and bonds	17 351	11 385
Long-term lease liabilities	17 434	14 623
Deferred tax liabilities	3 659	3 225
Total long-term liabilities	38 444	29 233
Current liabilities		
Short-term loans and bonds	7 441	6 192
Short-term lease liabilities	3 865	3 330
Trade and other payables	24 640	29 957
Income tax payable	481	935
Total current liabilities	36 427	40 414
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	100 290	96 244

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Consolidated Interim Condensed Financial Statements for the six months ended 30 June 2024

(All amounts in Russian Ruble million, unless stated otherwise)

CONSOLIDATED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to shareholders of PJSC Novabev Group					Non- controlling interest	Total equity and reserves
	Share capital	Treasury shares	Share premium	Retained earnings	Total share- holders' equity		
1 January 2024	1 580	(357)	5 192	19 891	26 306	291	26 597
Dividends	-	-	-	(2 815)	(2 815)	-	(2 815)
Share-based payments, payable	-	2	(2)	-	-	-	-
Repurchase and sale of treasury shares	-	(3)	(377)	-	(380)	-	(380)
Total transactions with shareholders	-	(1)	(379)	(2 815)	(3 195)	-	(3 195)
Net income for the period	-	-	-	2 019	2 019	(2)	2 017
30 June 2024	1 580	(358)	4 813	19 095	25 130	289	25 419

	Equity attributable to shareholders of PJSC Novabev Group					Non- controlling interest	Total equity and reserves
	Share capital	Treasury shares	Share premium	Retained earnings	Total share- holders' equity		
1 January 2023	1 580	(455)	549	23 447	25 121	268	25 389
Dividends	-	-	-	(5 817)	(5 817)	(1)	(5 818)
Share-based payments, payable	-	3	(3)	-	-	-	-
Repurchase and sale of treasury shares	-	12	1 035	-	1 047	-	1 047
Total transactions with shareholders	-	15	1 032	(5 817)	(4 770)	(1)	(4 771)
Net income for the period	-	-	-	3 035	3 035	11	3 046
30 June 2023	1 580	(440)	1 581	20 665	23 386	278	23 664

Appendix

NOVABEV GROUP PAO

Consolidated Interim Condensed Financial Statements for the six months ended 30 June 2024

(All amounts in Russian Ruble million, unless stated otherwise)

CONSOLIDATED INTERIM CONDENSED CASH FLOW STATEMENT

	Six months ended 30 June	
	2024	2023
Cash flows from operating activities		
Operating profit	4 515	4 994
Adjustments:		
Depreciation and amortisation	3 038	2 567
Loss / (Gain) on disposal of property, plant and equipment	106	(43)
Other non-cash transactions	(103)	381
Changes in working capital:		
Increase in inventories	(5 172)	(5 842)
Decrease in accounts receivable and prepayments	3 304	4 453
Decrease in accounts payable	(2 830)	(5 630)
Cash flows from operating activities	2 858	880
Interest and arrangements of borrowing paid	(2 262)	(1 587)
Income tax paid	(746)	(1 246)
Net cash flow from operating activities	(150)	(1 953)
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangible assets	(1 387)	(1 441)
Disposal of property, plant and equipment and intangible assets	50	33
Net cash flow from investing activities	(1 337)	(1 408)
Cash flows from financing activities		
(Repurchase) / sale of own shares, net	(256)	1 835
Dividends	(5 111)	(5 817)
Payments of lease liabilities	(1 510)	(1 166)
Loans received and bonds issued	13 467	999
Loans and bonds repaid	(6 253)	(777)
Net cash flow from financing activities	337	(4 926)
Net decrease in cash and cash equivalents	(1 150)	(8 287)
Cash and cash equivalents at beginning of the year	3 423	13 241
Cash and cash equivalents at end of the period	2 273	4 954