

# Purcari Wineries Plc

Corporate presentation

24 June 2021



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- 1 **Our Group, Vision and Strategy**
- 2 1Q 2021 Operational Results
- 3 2021 Outlook
- 4 View on Purcari's Stock
- 5 Bigger Vision ... after becoming the undisputed CEE champion



Viorica de Purcari caters to the increasing interest in indigenous aromatic grapes. **BEST IN SHOW** at Decanter 2020, 97 pts.

## Leading wine player in Central and Eastern Europe...

Founded in 1827 by French colonists, Purcari group is now...

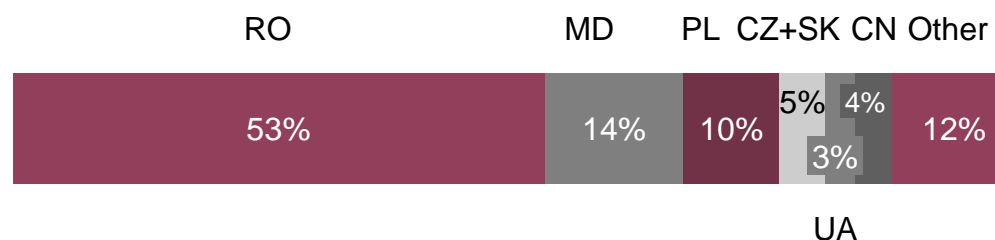
- #1** Most awarded CEE winery of the year in 2015-2020 at Decanter London, "wine Olympics"
- #1** Best premium wine brand in Romania, Moldova
- #1** Fastest growing large winery in CEE
- #1** Largest exporter of bottled wine from Moldova
- top** 1 300+ hectares of prime vineyards, top production assets
- top** Listed on Bucharest Stock Exchange, with reputable shareholders alongside founder, Victor Bostan: Horizon Capital, Fiera Capital, Conseq, East Capital, Paval Holding, Franklin Templeton, SEB etc.

## 6 production sites and 4 brands, covering a broad spectrum of segments



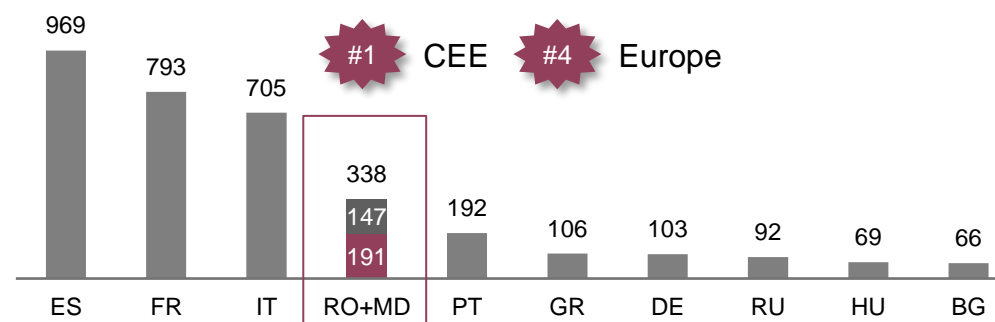
## ... with a strong & expanding regional footprint

Geographical breakdown of sales in value terms, 1Q21, %



## Located in a region with one of the richest wine heritages

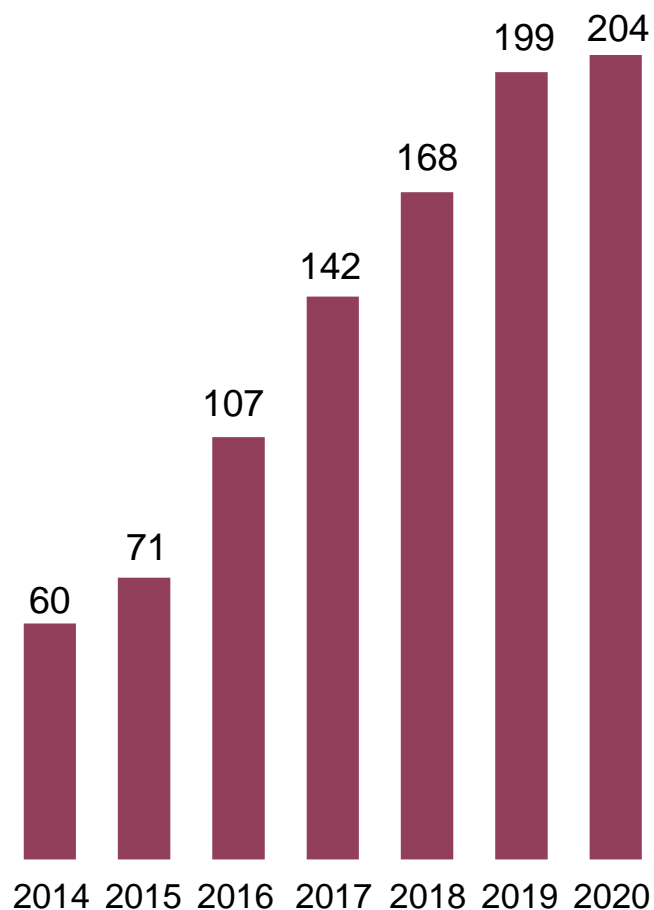
Top 10 European countries by area under vines, kha



# 1 Strong track record of growth, despite headwinds in 2020

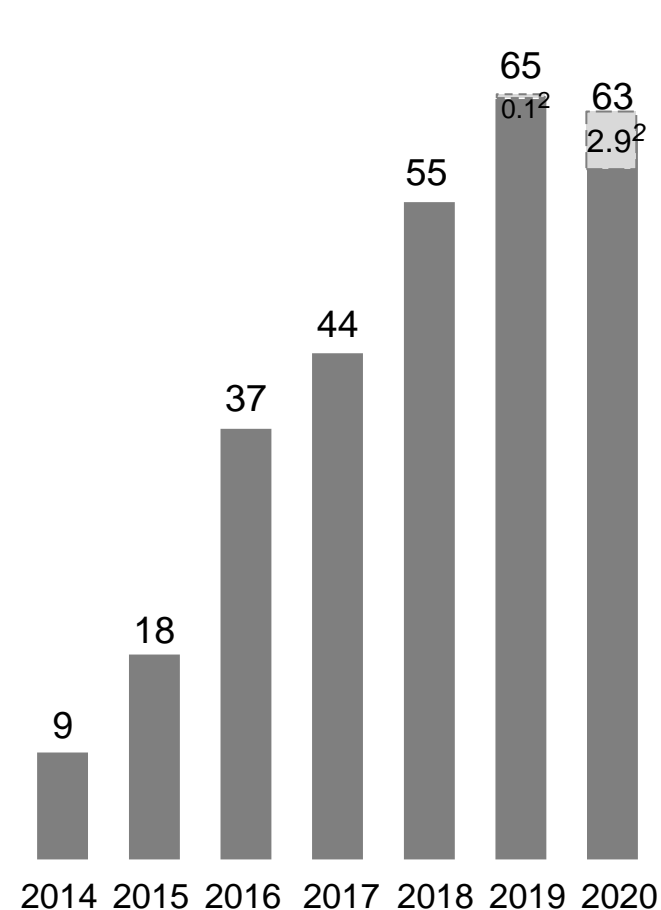
## Revenues

RON m



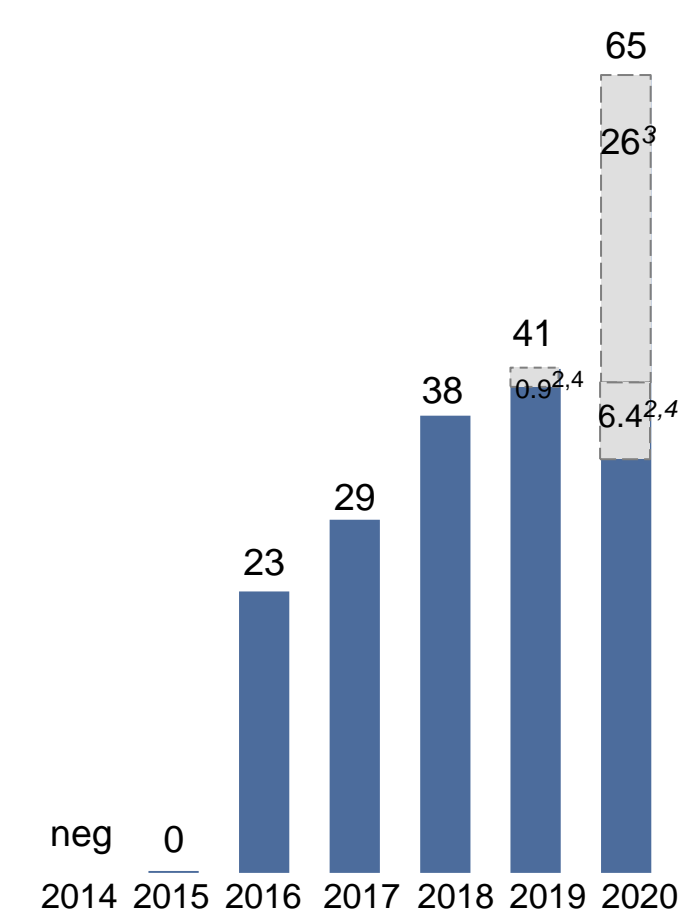
## Normalized EBITDA<sup>1,2</sup>

RON m



## Normalized Net Income<sup>2,3</sup>

RON m



Note: (1) EBITDA normalized for non-recurring, IPO-related expenses incurred in 2017 and 2018.

(2) Normalized with the impact of fair value adjustment of biological assets: RON 2.9mil. (Y20) and RON 0.1mil. (Y19).

(3) Includes net income from one off transactions adjusted to implied taxation: settlement of assigned receivable from Speed Husi and sale of the stake in Glass Container Company.

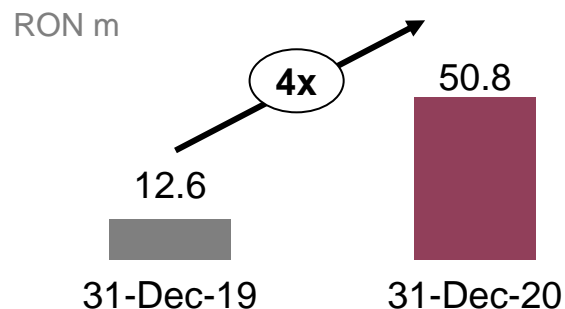
(4) FX translation loss due to MDL depreciation vs. hard currencies as of December 31, 2020 – RON 3.51mil. (Y20) and RON 0.81mil. (Y19).



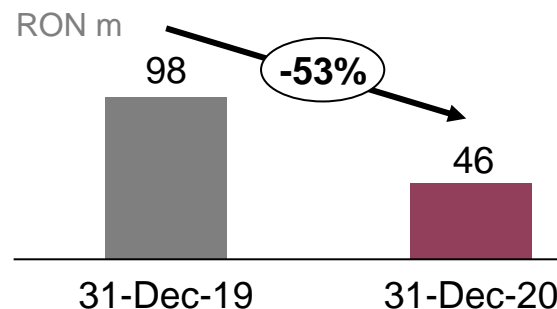
# 1 Balance sheet further strengthened by proceeds from GCC sale

## Cash and Receivables

### Cash Position



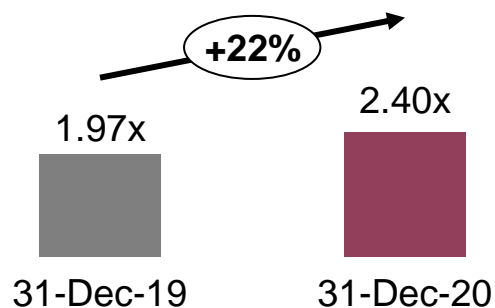
### Net Debt



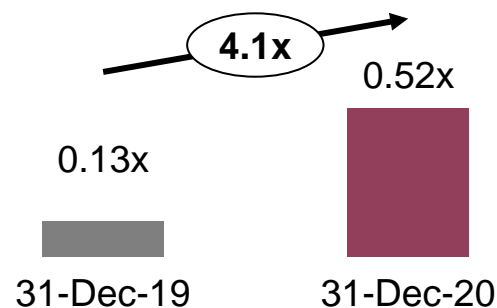
- Solid Cash position.
- Net Debt decreased by 53% due to 4x increase in cash and 13% decrease in Total Debt BoP.

## Liquidity

### Current Ratio



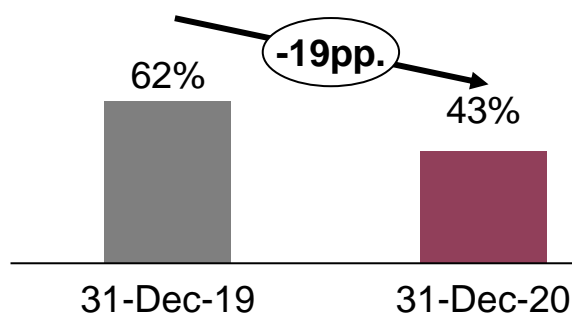
### Cash Ratio<sup>1</sup>



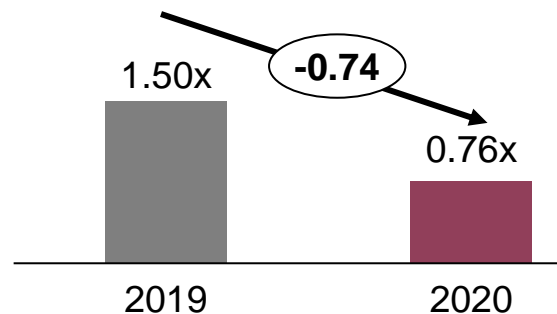
- Healthy Current Ratio above 2.4x, as of the end of 2020.
- Increased cash position improved cash ratio by 4.1x BoP.

## Solvency

### Debt-to-Equity



### Net Debt-to-EBITDA



- In 2020 Total Debt decreased by 13% BoP, down to RON 96.8m, improving Debt/Equity ratio by 19pp.
- Net Debt-to-EBITDA ratio improved by 0.74 on 4x cash increase.

(1) Cash to current liabilities;

## 1 Our Group: competitive advantage in an attractive market

### Attractive market

Secular shift from beer, spirits to wine, especially in CEE

### Competitive advantage

#1 premium wine brand in Romania

Wine growth '16-'20F in Romania 9.0% vs. 1.9% for beer

Plenty to catch up: wine consumption in Poland =  $\frac{1}{4}$  Germany, per cap.

#1 fastest growing large winery in Romania

#1 most awarded CEE winery at Decanter, "wine Olympics"

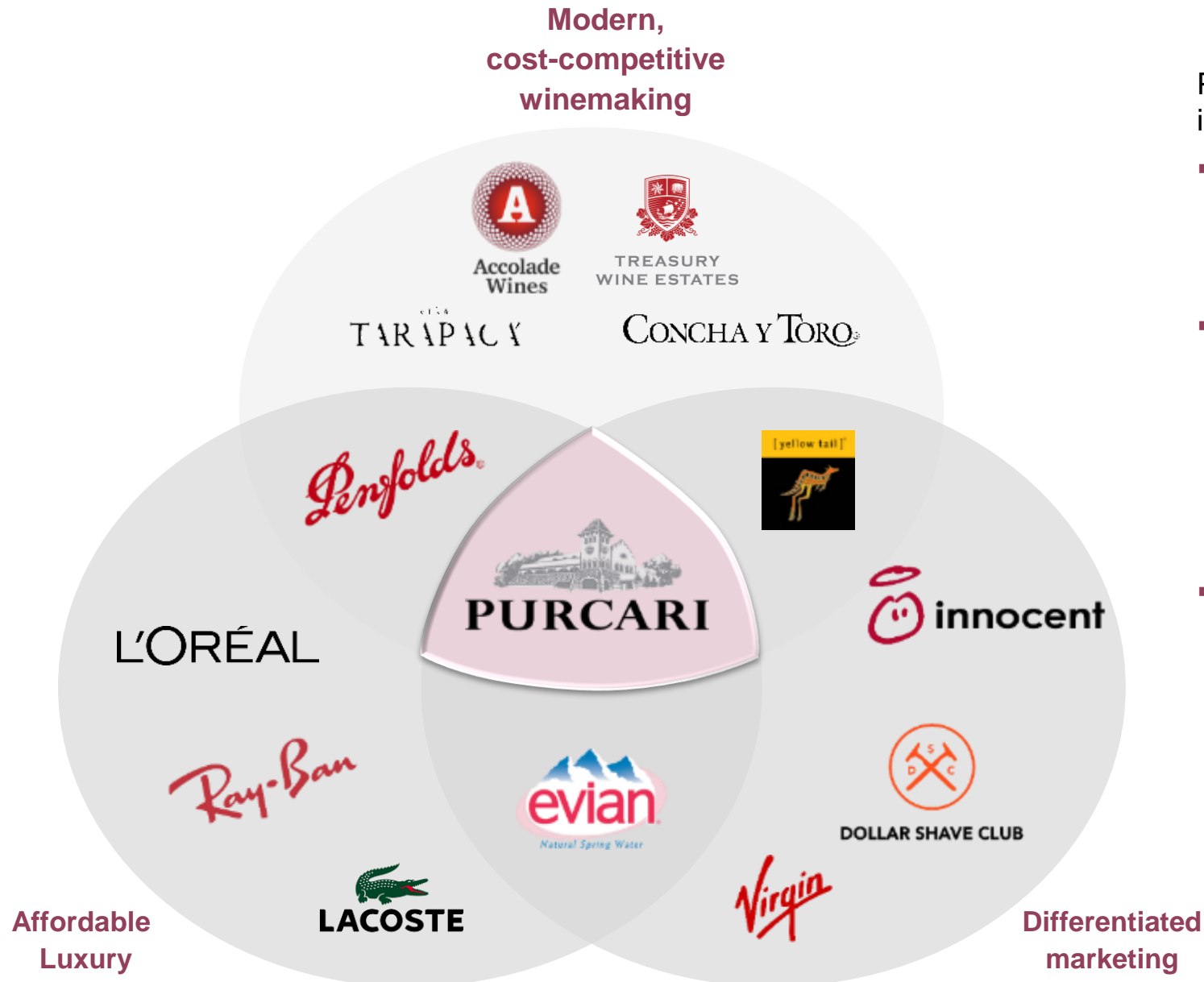
Shrinking vine plantations, create shortage, push prices up

Romania + Moldova undisputable #1 vineyards size in CEE, 5x vs #2

#1 EBITDA margin among global publicly traded wine peers

#1 on Instagram, Vivino engaging millennials in Romania

# 1 Our business model: Affordable Luxury



Purcari is positioned at the intersections of three themes:

- **Modern winemaking:** the company is brand, as opposed to *appellation*-centric and runs a cost-efficient business
- **Affordable luxury:** as an aspirational brand, Purcari wines are an example of affordable luxury, building on a heritage dating back to 1827 and ranking among the most awarded wineries in Europe
- **Differentiated marketing:** the company is not afraid to be quirky about the way it approaches marketing, prioritizing digital channels and focusing on engaging content as opposed to traditional advertising



## Our mission

To bring joy in people's lives, by offering them high quality, inspiring, ethical wines and excellent value for money.

## Our vision

To become the undisputable wine champion in CEE, acting as a consolidator of a fragmented industry

## Our values

### *Hungry*

We win in the marketplace because we want it more

### *Ethical*

Always do the right thing and the money will follow

### *Thrifty*

The only way we can offer better value for money

### *Different*

We proud ourselves on taking a fresh look on things

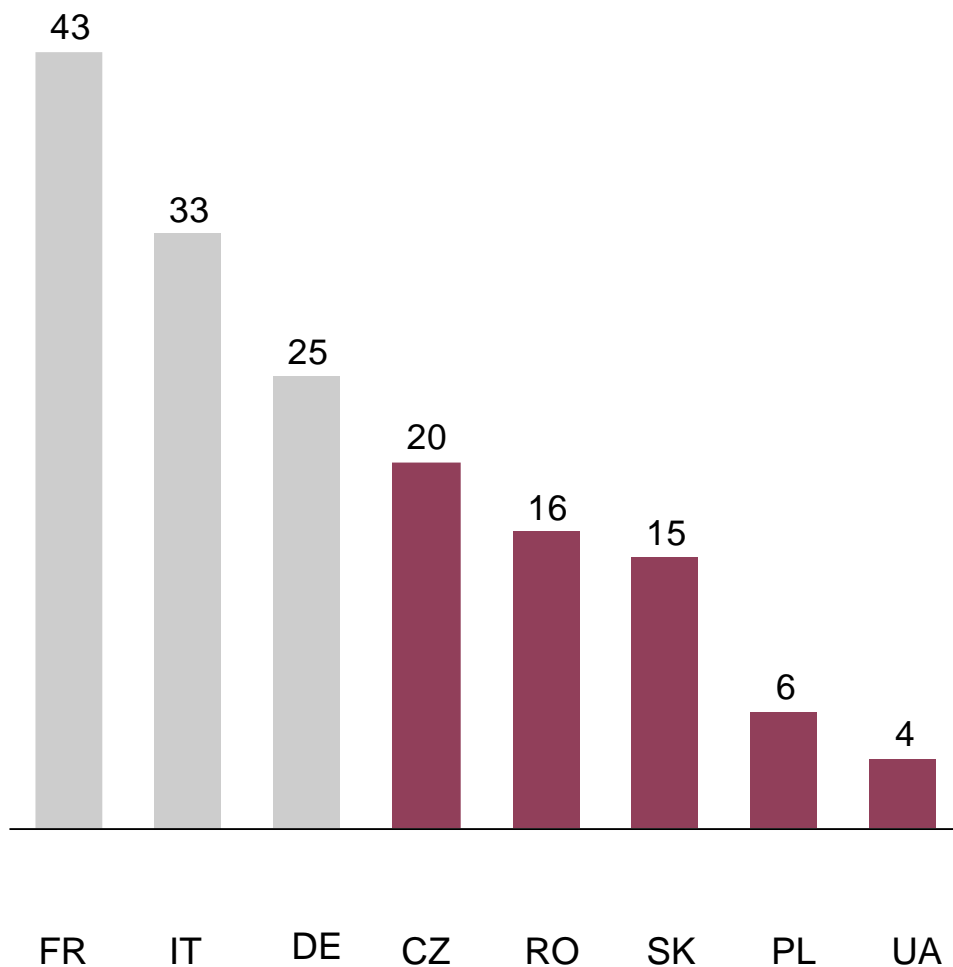
### *Better*

We keep improving – both our wines and our people

# 1 CEE consumption especially strong, on shifting drinking patterns

## Plenty of catch up for CEE countries

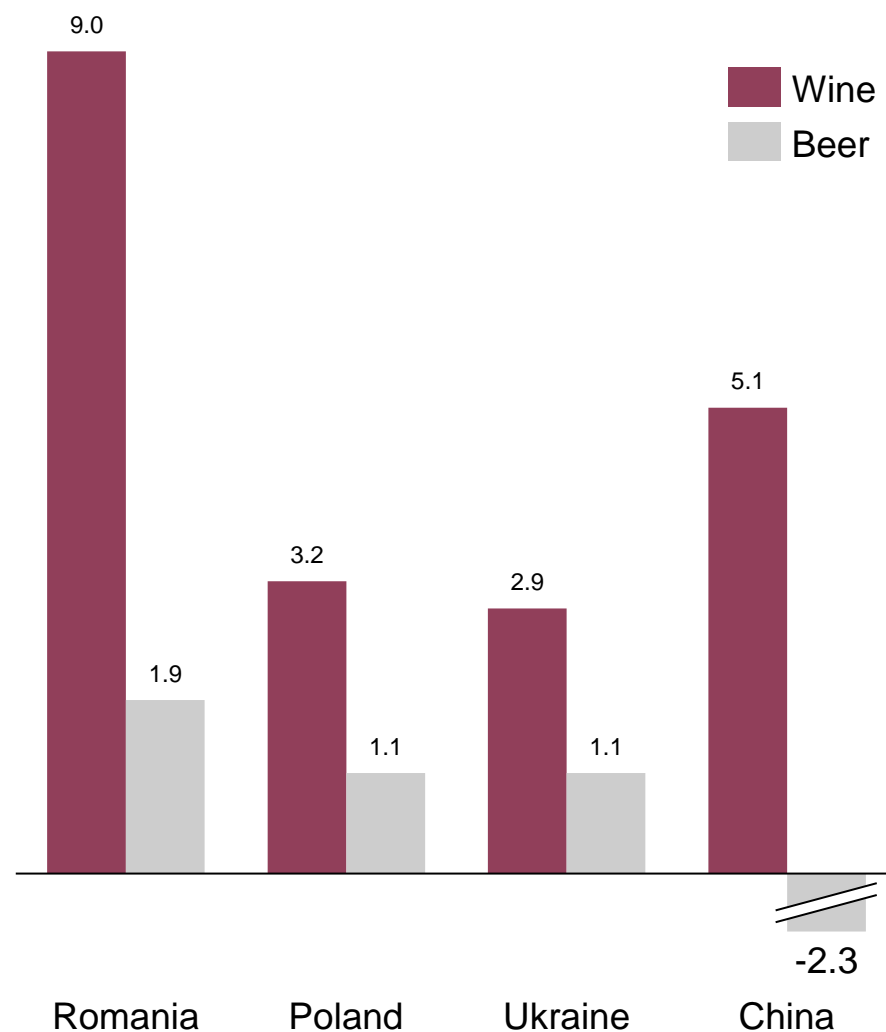
Wine consumption, litres per capita, selected countries



- Per capita wine consumption in CEE lags significantly WE levels, but catches up on growing share vs. beer

## Wine steals share from beer

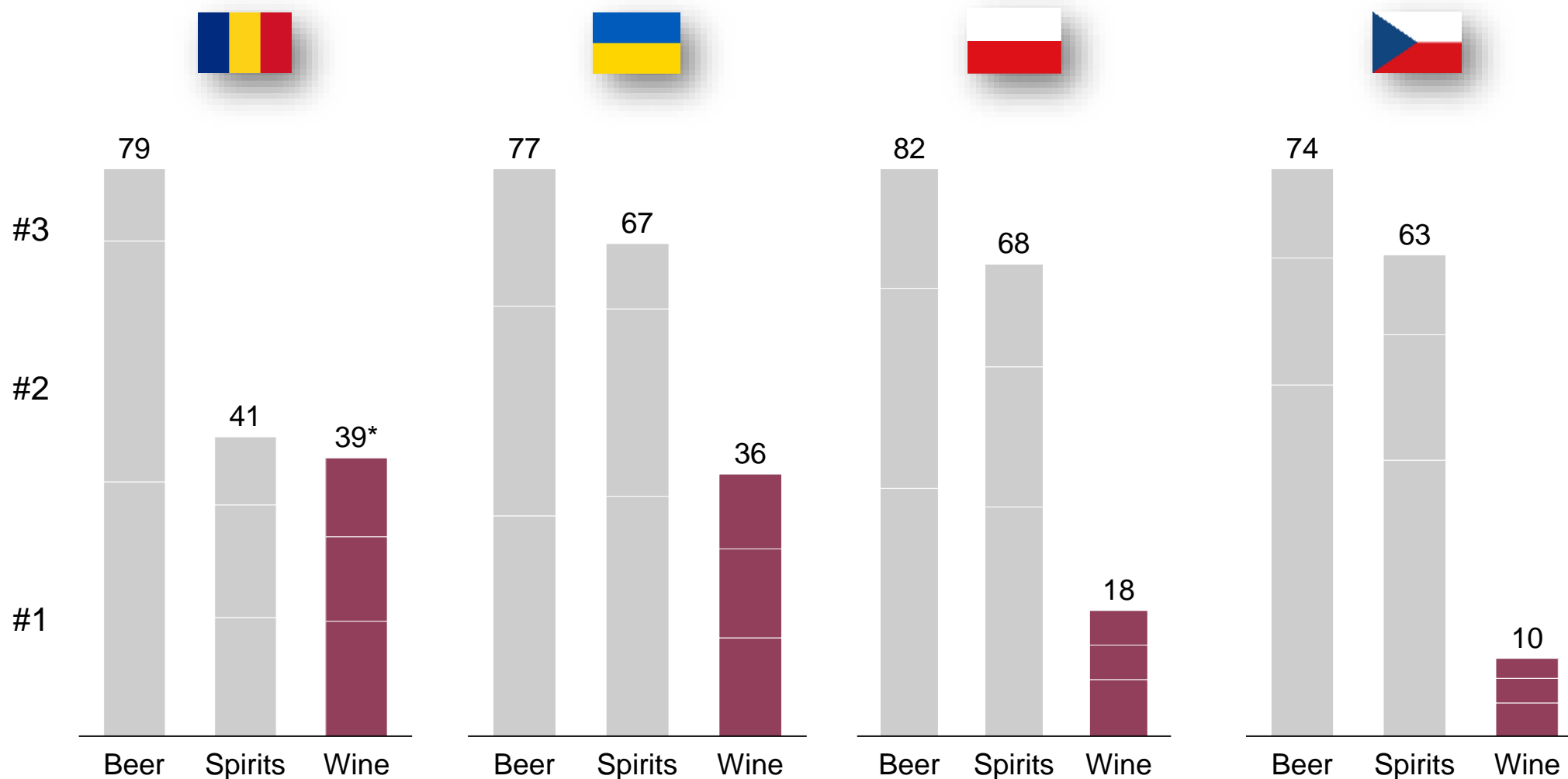
Forecast growth by category, by country 2016-2020F, %



- Romania, Group's largest market, show fastest growth forecast in CEE












# 1 Vision: be the consolidator of a fragmented market

Volume share top-3 players by country, %



*Unlike beer or spirits, **wine market remains very fragmented**; players who have the scale and sophistication needed – are in a **great position to consolidate it***

# 1 Sustainable cost advantage, across the cost structure

					
<b>Average net salary [€/ month]</b> 	2,209	1,332	544	575	319
<b>Electricity [€/ kwh]</b> 	0.095	0.118	0.120	0.103	0.071
<b>Diesel [€/ liter]</b> 	1.39	1.18	0.72	1.09	0.76
<b>Bottle [€/ 0.75l]</b> 	0.25	0.30	0.15	0.18	0.15
<b>Grapes<sup>1)</sup> [€/ kg]</b> 	0.90 Val de Loire	0.85-1.20 Rioja	0.30 Colchagua	0.30 Ceptura	0.25 Purcari
<b>Vines<sup>2)</sup> [€/ ha]</b> 	25k - 3.4m	31k - 50k	27k – 48k	10k – 15k	4k – 10k

1) Electricity price for business (excl. VAT), September 2020; 2) Quality comparable to Group's production 2) France (Bordeaux); France (Val de Loire, based on 10t/ha yield calculation); Spain (La Rioja, Pais Vasco); Chile (Colchagua); Romania (Crama Ceptura Winery, 2017); Moldova (Purcari Winery, 2017)

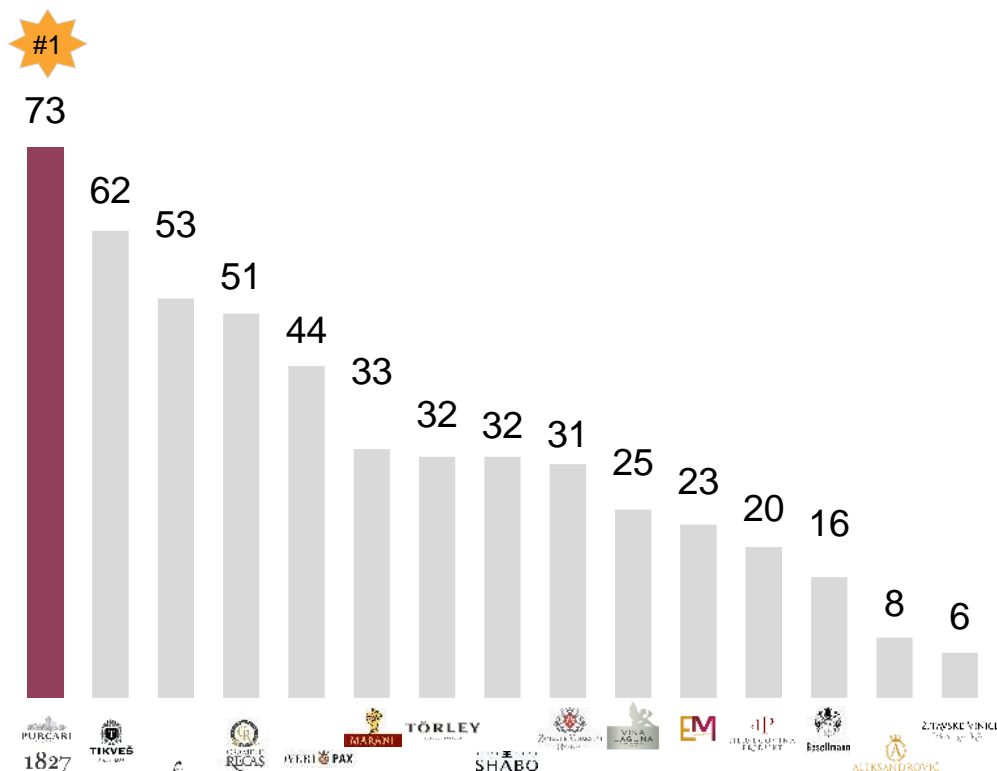
Sources: Company data, Numbeo, Eurostat, ODEPA, Ministry of Agriculture of Spain, Agrifrance 2017 Rural Report, [www.vinetur.com](http://www.vinetur.com), [www.larioja.org](http://www.larioja.org), <http://www.lomejordevinoderioja.com>, [www.vivastreet.cl](http://www.vivastreet.cl), [www.Globalpetrolprices.com](http://www.Globalpetrolprices.com), [www.exchangerates.org.uk](http://www.exchangerates.org.uk), [www.elobservador.com.uy](http://www.elobservador.com.uy)



# 1 Quality highly commended, remain the most awarded winery in CEE

Leading medal-winning winery in CEE at Decanter, the Wine "Olympics"

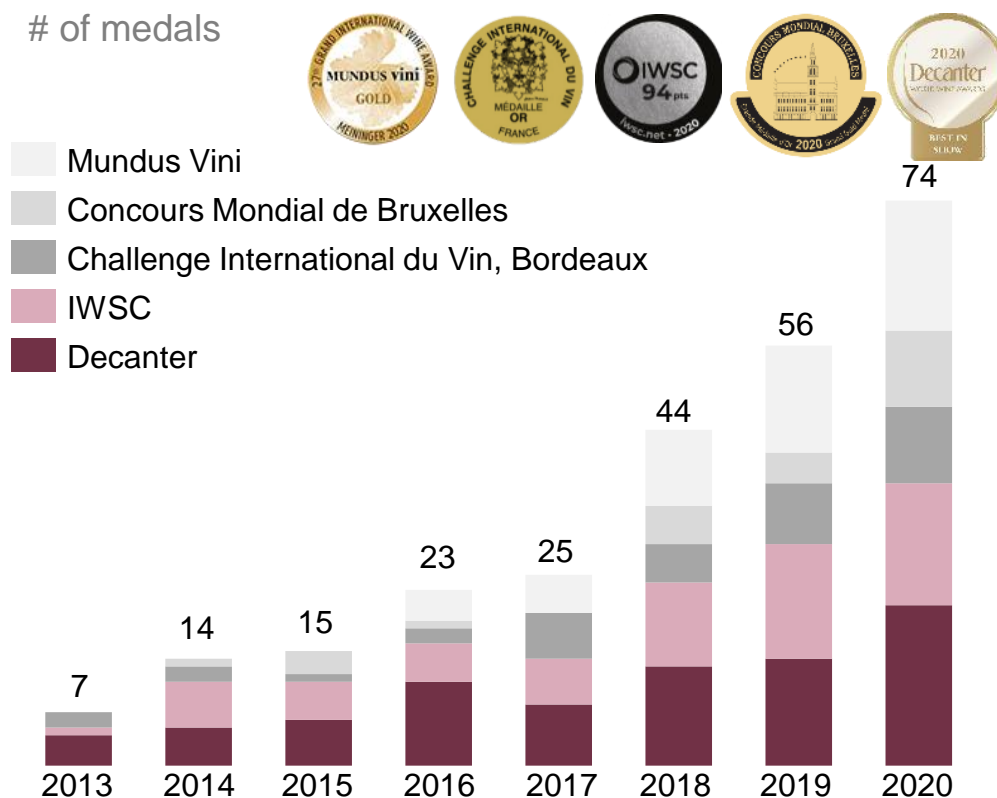
# of Decanter medals in 2015 – 20



- Most awarded winery to the east of Rhine, ahead of reputable (and much pricier!) German, Hungarian or Austrian wineries

Increasing number of medals won from year to year

# of medals



- Unlike beer or spirits, wine production is more prone to quality fluctuations. The Group has demonstrated the ability to keep raising the bar quality wisely, as illustrated by the mounting number of medals won at top global competitions

## 1 2020 Decanter: huge success, including a top-50 global wine



*“Two Moldovan wines in our Best in Show selection makes 2020 a breakthrough year for this significant but often underrated wine-producing nation – and what could be more appropriate than that one of these is based on the indigenous variety Viorica”*

Beth Willard, Regional Chair for North, Central and Eastern Europe at DWWA














1

# Unbeatable quality-to-price ratio: Best in Show & 97 POINTS (DECANTER) FOR OUR ~£15.99 WINE



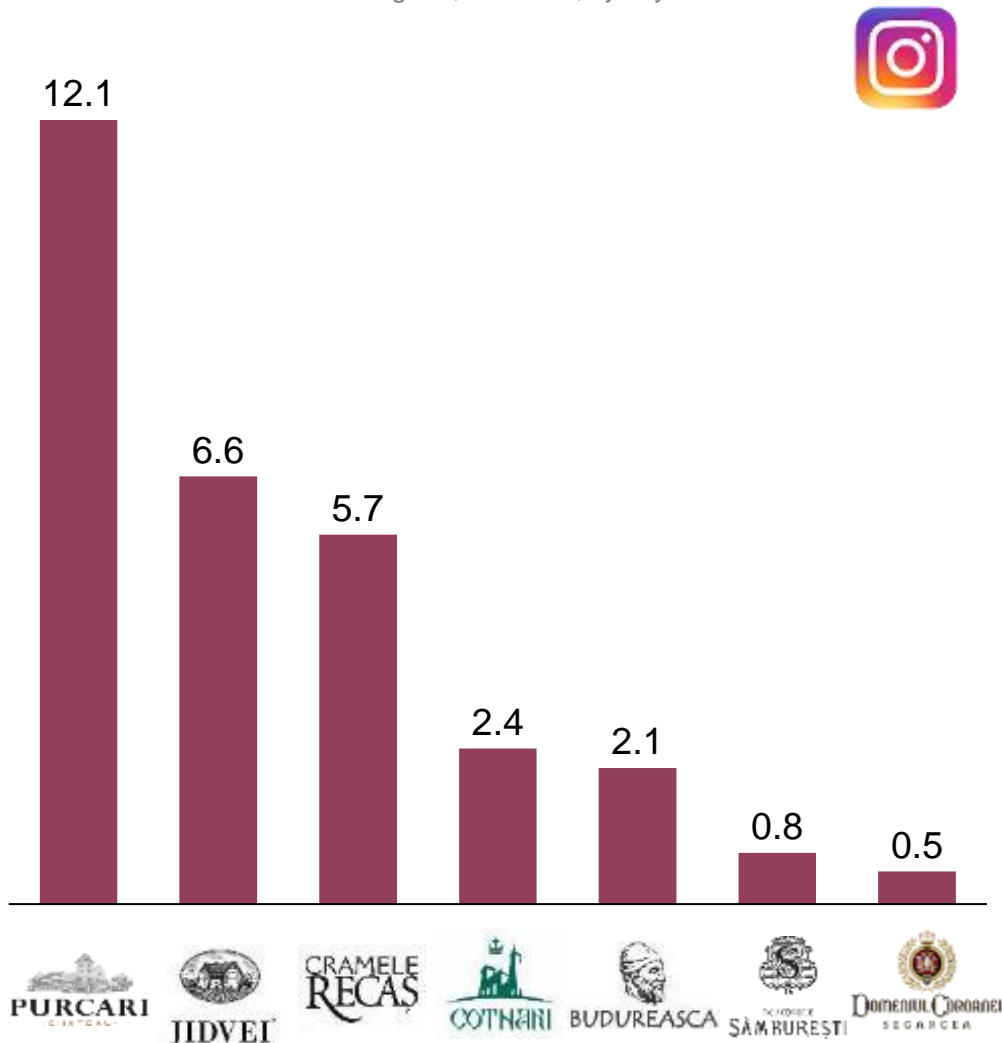
Selected top awarded white wines at Decanter London 2020

<i>Wine</i>	<i>Origin</i>	<i>Award</i>	<i>Points</i>	<i>Price (in UK)</i>
Viorica de Purcari ( <i>Chateau Purcari</i> )		Best in Show	97	£15.99
Primo Grande Cuvée ( <i>Cantina Terlan</i> )		Platinum	97	£181.75
TED Chardonnay ( <i>Bird in Hand</i> )		Platinum	97	£82.00
Ben Ryé ( <i>Donnafugata</i> )		Best in Show	97	£60.00
Villa Baulieu ( <i>Coteaux d'Aix-en-Provence</i> )		Best in Show	97	£60.00
Gewurztraminer Sélection de Grains Nobles ( <i>Domaine Aimé Stentz</i> )		Best in Show	97	£60.00
Cuvée Evdemon ( <i>Estate Argyos</i> )		Best in Show	97	£58.50
Leonardo ( <i>Simčić</i> )		Best in Show	97	£52.95
Hexham Vineyard Equilibrio Chardonnay ( <i>Soumah</i> )		Best in Show	97	£35.95
Édes Szamorodni ( <i>Juliet Victor</i> )		Best in Show	97	£35.92
Parterre Chardonnay ( <i>Fraser Gallop Estate</i> )		Best in Show	97	£35.00

# 1 Topping competition at engagement and quality

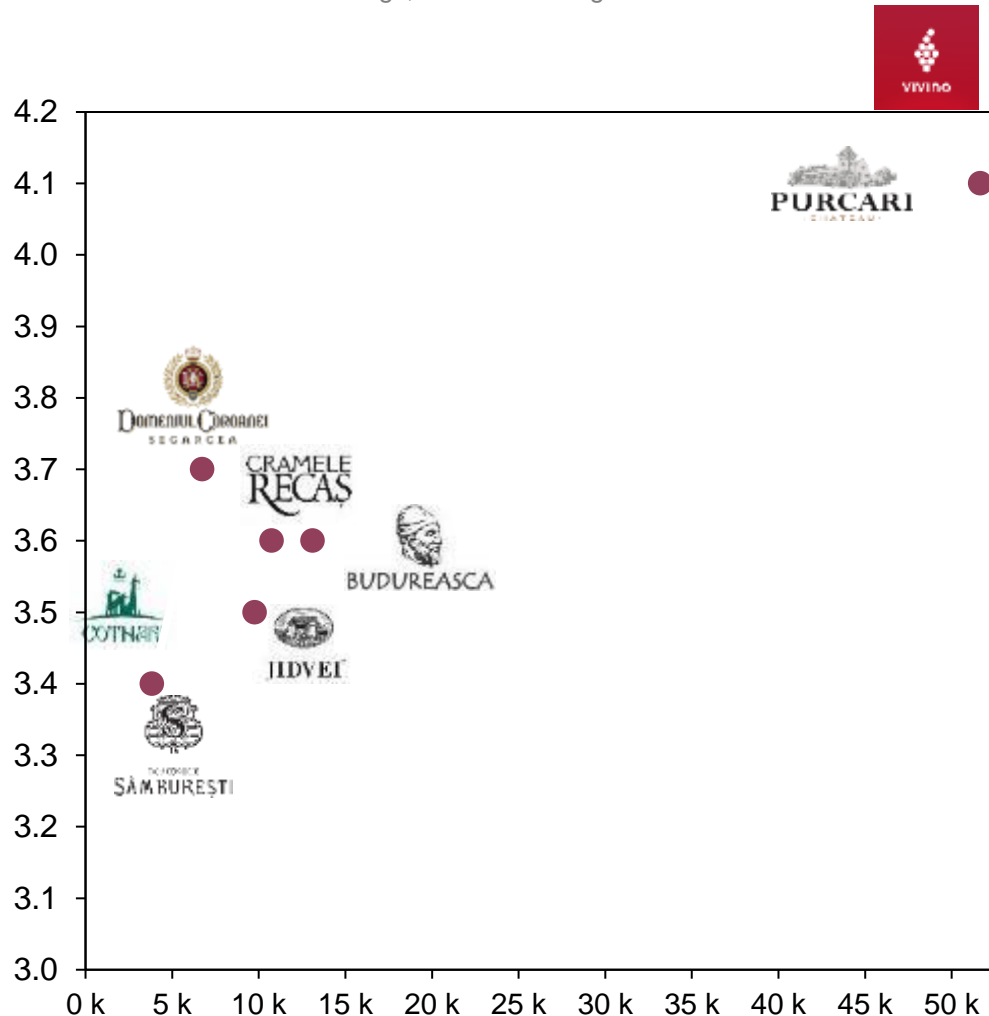
## Aspirational brand which consumers like sharing about

Number of #brand uses on Instagram, thousand, by key Romanian brands



## Highest number of ratings and highest scores on Vivino

X axis – number of Vivino ratings; Y axis – average Vivino score



Note: Purcari - #purcari, Cramele Recas - #recas, Jidvei - #jidvei, Cotnari - #cotnari, Budureasca - #budureasca, Samburesti - #samburesti, Segarcea - #segarcea

Sources: Instagram, Vivino as of May 2021

1

# Vivino feedback remains very strong, essential for online sales

#1 presence in the crucial RON 30-60 segment, holding 13 out of TOP-25 positions

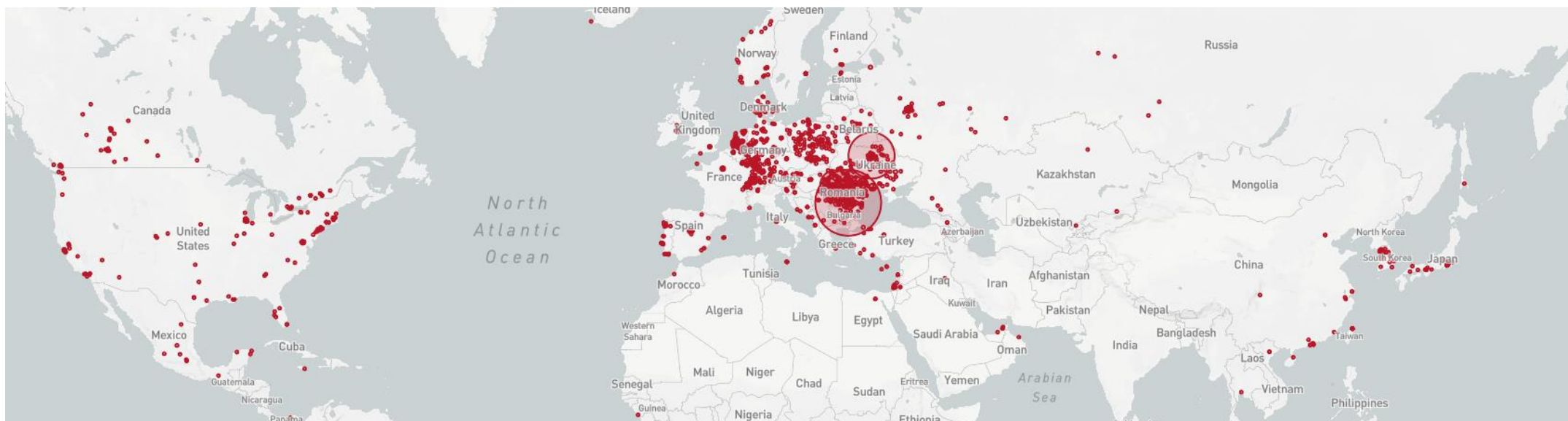


#1



- We remain **obsessed with the quality of our wines**, which pays off in excellent consumer feedback
- In our core premium segment, 30-60 RON per bottle shelf price, we dominate the category with **13 best-rated wines in Vivino's top-25**
- Negru de Purcari 2015 among the **top 1% of all wines in the world**
- We remain convinced, it is the **product that will make the difference** in the mid and long term with consumers, so we are focusing on making exciting wines that capture people's imagination

## 1 Growth in Vivino usage, key for consumer engagement



**4.24**

Average score out of 5.0 in 1Q21

**84%**

Scores equal or above 4.0

**Top 1%**

Global ranking based on avg. score received

**25,256**

Vivino scans in 1Q21

**+30%**

March 2021 YoY scans growth

**61**

# of countries where Purcari has been scanned



# 1 More Portfolio innovations...



- 1 Our Group, Vision and Strategy
- 2 **1Q 2021 Operational Results**
- 3 2021 Outlook
- 4 View on Purcari's Stock
- 5 Bigger Vision ... after becoming the undisputed CEE champion



Negru de Purcari  
2015, **GOLD** at  
**Decanter 2020**,  
**95 pts.**, 4.4 score  
on Vivino, top 1%  
wine globally



## 2 Strong growth, despite many pandemic restrictions still in place

### Revenues

RON m



Growth vs. 1Q19, +18%

### EBITDA

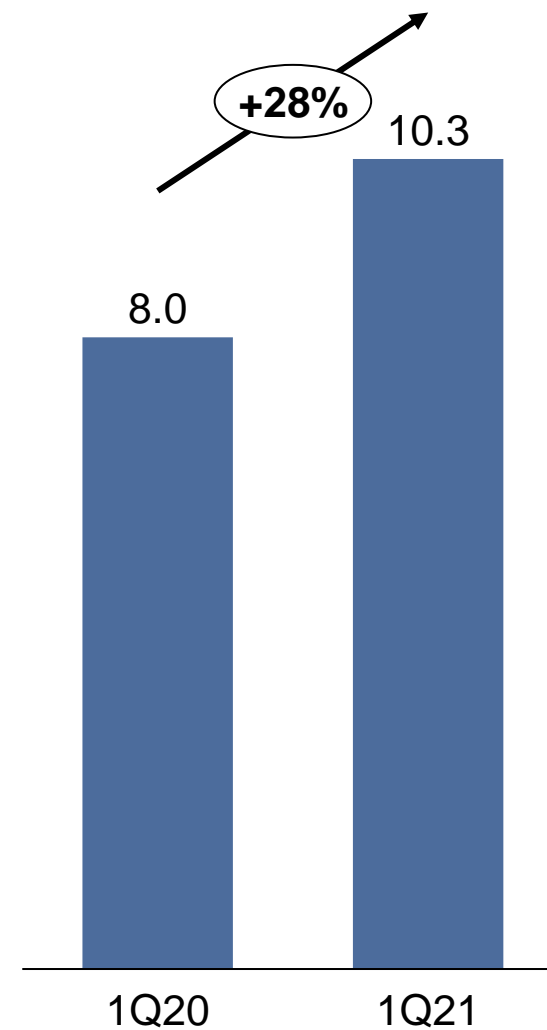
RON m



EBITDA margin

### Net Income

RON m



Net Income margin

**Ongoing strong performance in Romania**

- Revenues up 8% vs. a largely still strong pre-pandemic 1Q20; growth vs. 1Q19 at +18%
- Strong performance in Romania, with Purcari leading the growth
- Moldova and China having the best quarter since pre-Covid era in 2020
- Bardar still faces adverse effects from pandemic restriction. However, strong growth in Romania and Asia

**Investing in boosting ecommerce capabilities**

- Announced acquisition of 10% stake in 8wines.com, plus option to increase stake at pre-defined terms
- 8Wines is a Prague based fast growing online wine retailer, with 2020 sales of €1.5M (2.9x up yoy) and a 2021 target of €4.5M
- Investment seeks to boost ecommerce capabilities, thereby positioning Purcari to better to work with online retailers across distribution universe

**Strong margins on improving mix**

- EBITDA up by 13%, reaching historically highest margin, at 39%; net income up 28%
- Improving mix, with strong growth of flagship Purcari brand, contributing to better margins
- Exceeded provided Guidance on EBITDA margin 28-30%, being slightly above the target with Net Profit margin at 21%.

**Investments in quality keep paying off**

- 2021 the year of sparkling: Cuvée de Purcari Rosé Brut Gold medal at Concours Mondial de Bruxelles, Cuvee Alb Brut - Best of Show White at Mundus Vini Spring Tasting 2021
- The Group was awarded 100 Medals at 6 high profile wine contests in 2021

**Bonus shares and dividends announced, approved**

- Doubling issued share capital approved. One bonus share for each share held to be paid on 21.07.2021, ex-date: 19.07.2021
- Dividend of 1.3 RON/share approved to be paid on 09.09.2021, ex-date: 19.08.2021

## 2 P&L: solid performance and margins in a restrictive environment

RON m	1Q20	1Q21	Δ '21/'20
Revenue	46.4	49.8	8%
Cost of Sales	(22.8)	(23.8)	5%
Gross Profit	23.6	26.0	10%
<i>Gross Profit margin</i>	51%	52%	1 pp

SG&A:	(9.5)	(11.0)	16%
<i>Marketing and selling</i>	(3.9)	(5.0)	26%
<i>General and Administrative</i>	(5.6)	(6.0)	9%
Other income/expenses:	(0.0)	1.3	na

EBITDA	17.4	19.6	13%
<i>EBITDA margin</i>	37%	39%	2 pp








Net Profit	8.0	10.3	28%
<i>Net Profit margin</i>	17%	21%	4 pp





### Comments

- 1Q21 continues the growth momentum set in 4Q20, with sales up 8% (and +18% vs. 1Q19). Cost of sales increasing at a slower pace than revenue at 5% YoY.
- Strong Gross margin at 52%, +1 p.p. YoY, on improving mix with higher share of Purcari in total sales. The positive impact from sales increase in markets with higher premium share, including Moldova and China.
- Marketing and selling expenses at 10% of revenue. +26% YoY growth due to different comparable basis, including certain salary cost reallocations<sup>1</sup> from G&A to marketing and selling expenses; agile marketing budget revision initiated in 1Q20 in response to COVID outburst that shifted main costs to the second half of 2020.
- G&A expenses at 12% of revenue, flat YoY. A share of the increase comes from higher professional fees related to Group activity contracted starting from the second half of 2020: i.e. market-making services, M&A consulting, legal fees. Variances in other taxes and fees.
- EBITDA up by 13% to RON 19.6 million with a 39% margin on lower Cost of sales and flat SG&A at 22% of revenue.
- Net profit at RON 10.3 million, increase by 28% YoY with a 21% margin, slightly above the guidance.

(1) Upon discussions with Group's auditors, the Company performed certain re-allocations of cost items between G&A and Sales and Marketing categories.

## 2 Romania leading the growth; Moldova and China on recovery path

Market	Share of sales, 1Q21	Growth, 1Q21 YoY	Comments
RO 	53%	+19%	<ul style="list-style-type: none"> <li><b>RO:</b> strong growth in 1Q21 +19% yoy. Purcari was leading the growth by 29% yoy. Bardar doubled sales YoY, albeit from smaller base. IKA sales continued growth, Retail grew by 24% despite pandemic emergency situation.</li> </ul>
MD 	14%	+10%	<ul style="list-style-type: none"> <li><b>MD:</b> demand environment significantly improved, but still below 2019 levels. Increased sales YoY in all channels, except HoReCa still being affected by pandemic restrictions. Purcari and Bostavan were leading the Growth. Bardar slightly behind 1Q20.</li> </ul>
PL 	10%	-22%	<ul style="list-style-type: none"> <li><b>PL:</b> revenues down on shifting timing of Easter (seasonality) and ongoing effect of restrictions. Trade marketing campaigns postponed to maximize ROI. Expect 2Q21 results to normalize the effects of the 1<sup>st</sup> quarter.</li> </ul>
ASIA 	4%	+23%	<ul style="list-style-type: none"> <li><b>ASIA:</b> up 23% yet still below 1Q19 level; catering segment, a significant one for wine sales in China, still not fully recovered. Bostavan benefits from increased demand on middle level wine. Strong interest in Bardar, generating highest margins, albeit from a smaller base.</li> </ul>
CZ SK 	5%	+2%	<ul style="list-style-type: none"> <li><b>CZ&amp;SK:</b> slow recovery, sales up 2% yoy. Both modern and traditional retail channels suffering from restrictive measures, especially in Slovakia. TESCO restructuring still adversely affecting results, but effect diminishing. Entering premium segment with Purcari Wines, sales in 1Q21 at 43% of entire 2020 level.</li> </ul>
UA 	3%	+6%	<ul style="list-style-type: none"> <li><b>UA:</b> doubled sales of Purcari brand yoy, as it becomes increasingly popular with Ukrainian consumers and influencers, providing excellent value for money offered. In process of opening local office to sustain growth.</li> </ul>
RoW 	12%	-2%	<ul style="list-style-type: none"> <li><b>OTHER:</b> good traction for main brands in all countries, except Belarus (demonstrating softer demand), which is a large market for Bardar exports.</li> </ul>

Brand	Share of sales, 1Q21	Growth, 1Q YoY	Comments
	48%	+29%	<ul style="list-style-type: none"> <li>• <b>PURCARI:</b> Ongoing strong traction in Romania. Moldova at +20% yoy, matching the 1Q19 level, the first growing quarter since 2020. Doubled sales in Ukraine, promising performance in newer markets: Poland, Czech Republic and Slovakia.</li> </ul>
	26%	-6%	<ul style="list-style-type: none"> <li>• <b>BOSTAVAN:</b> -6% decrease yoy, impacted by shifts for April in deliveries and effects of Easter timing in Poland, the largest market. Moldova – sales recovered, recording +15% yoy, the first growing quarter since 2020. Strong sales in Asia and Baltics.</li> </ul>
	16%	+1%	<ul style="list-style-type: none"> <li>• <b>CRAMA CEPTURA:</b> +1% increase due to high base of 1Q20. Focusing on core brands which grew by low double digits. Shift of sales between quarters with strong traction in April as Easter occurred later in 2021 vs 2020.</li> </ul>
	9%	-14%	<ul style="list-style-type: none"> <li>• <b>BARDAR:</b> Following recovering trend. Moldova slightly under 1Q20 results at -2% yoy, still mostly affected by HoReCa closure, ban on public events (i.e. weddings, anniversaries), traveling restrictions continued to adversely affect Duty-Free channel. Largest drop in Sales recorded in Belarus. Elsewhere, sales in Romania and Asia more than doubled, albeit from the smaller base.</li> </ul>




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**Platinum at Decanter 2020, 97 pts., 4.4 score on Vivino, top 1% wine globally**



### 3 Guidance 2021 – maintaining our guidance for the year

Target	2021 guidance	Status 1Q21	Comments
Organic revenue growth	+12-14%		<ul style="list-style-type: none"> <li>Romania to remain biggest growth driver, continue focusing on Poland, Czechia, Slovakia, Ukraine. Significant recovery expected in Moldova and Asia – most affected by pandemic</li> <li>Bardar is expected to emerge strong after COVID situation is cleared up</li> </ul>
EBITDA margin	28-30%		<ul style="list-style-type: none"> <li>Drought and poor harvest in 2020 to drag on margins</li> <li>Assuming harvest back to normal in 2021 (base case for now), to see margins revert to low-to-mid 30s</li> <li>Assuming improving mix trend set in 1Q21 sustains, may overshoot on margins</li> </ul>
Net Income margin	18-20%		<ul style="list-style-type: none"> <li>Drought and poor harvest in 2020 to drag on margins</li> <li>Assuming harvest back to normal in 2021 (base case for now), to see margins revert to low-to-mid 20s</li> <li>Assuming improving mix trend set in 1Q21 sustains, may overshoot on margins</li> </ul>

## Purcari

- Installed MBF bottling line with filtration system (5 000 bottles/hour), supporting various closures: corks, screw caps
- Automated microfiltration equipment
- +360 new barriques with different toasting levels
- 12 Oak casks and 30 clay amphoras bringing vinification to a new level and opening new horizons for Purcari's oenologists
- Planted 17 ha of new vineyards



## Crama Ceptura

- Started workings for a greenfield Warehouse for finished goods
- Increased the surface of temperature-controlled rooms and insulated stainless steel vessels
- Upgraded equipment required for wine handling (i.e. pumps etc.)

## Bostavan

- Planted 47 ha of new vineyards
- Increased the surface of temperature-controlled rooms, insulated vessels and infrastructure
- Built a refrigeration generator
- Upgraded various production equipment: i.e. Pellenc selection, filters, pneumatic press etc

## Bardar

- Increased stainless steel storing capacities for distillates by 25%
- Extended aging warehouse area by 45% for additional barrels
- Renovated distillery, both building and equipment
- Installed heat recovery system for distillery



### 3 State-of-the-art winery....



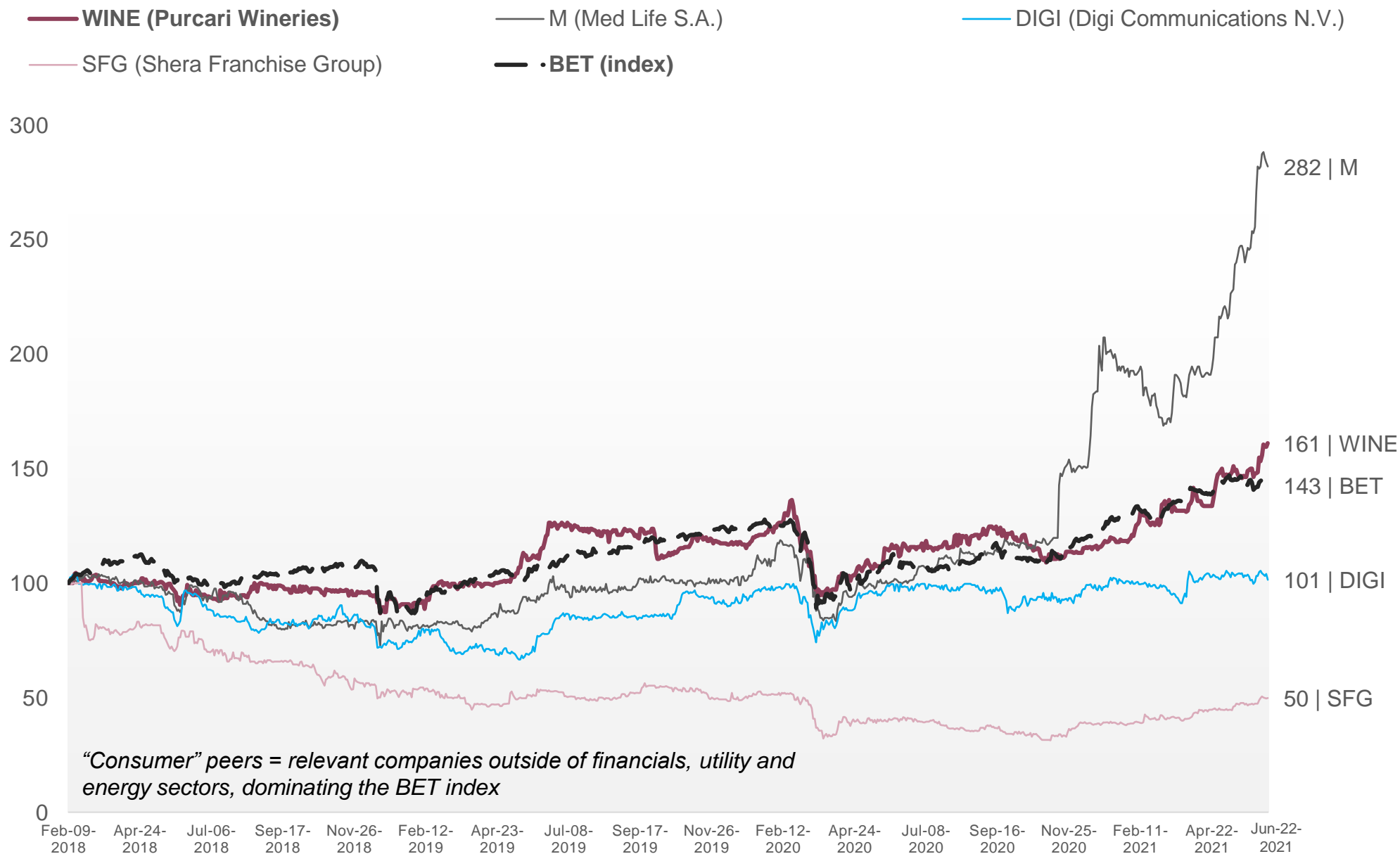
Arial view of Purcari Winery production facilities



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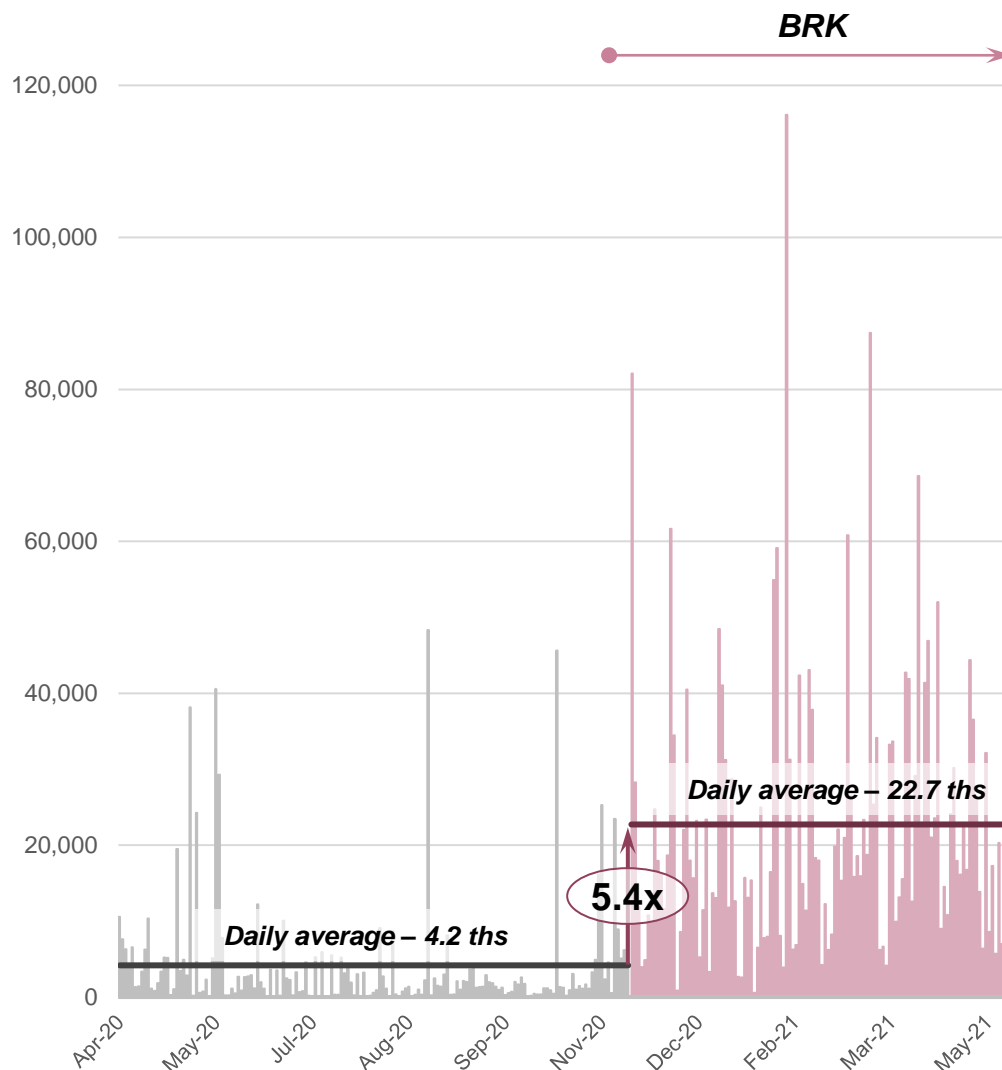


Cuvée de Purcari, the extension to sparkling launched in 2017. Made according to the traditional, *Champenoise* method, with in-bottle fermentation



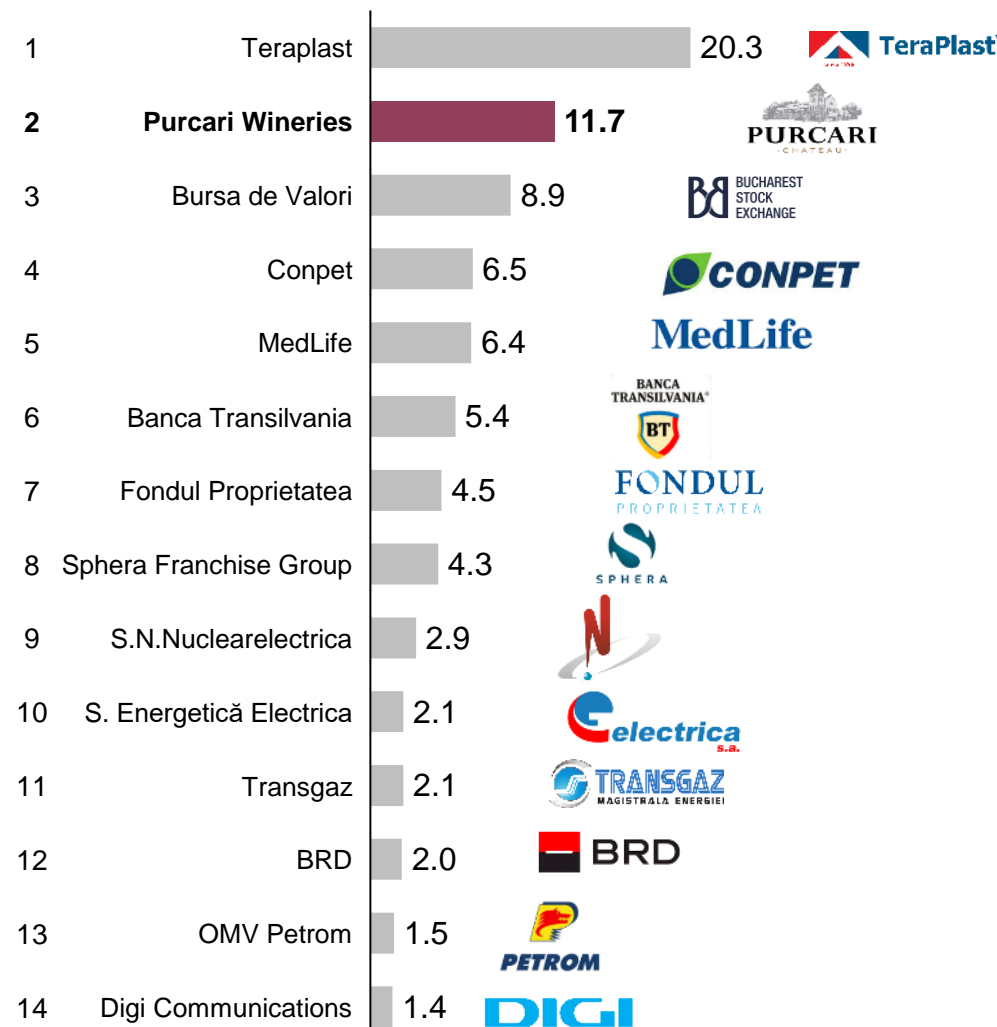
## Rapid rose of stock's liquidity after BRK Financial Group became Market Maker for Purcari shares

Daily volume



## Relative to Market Cap, Purcari liquidity among strongest in BET

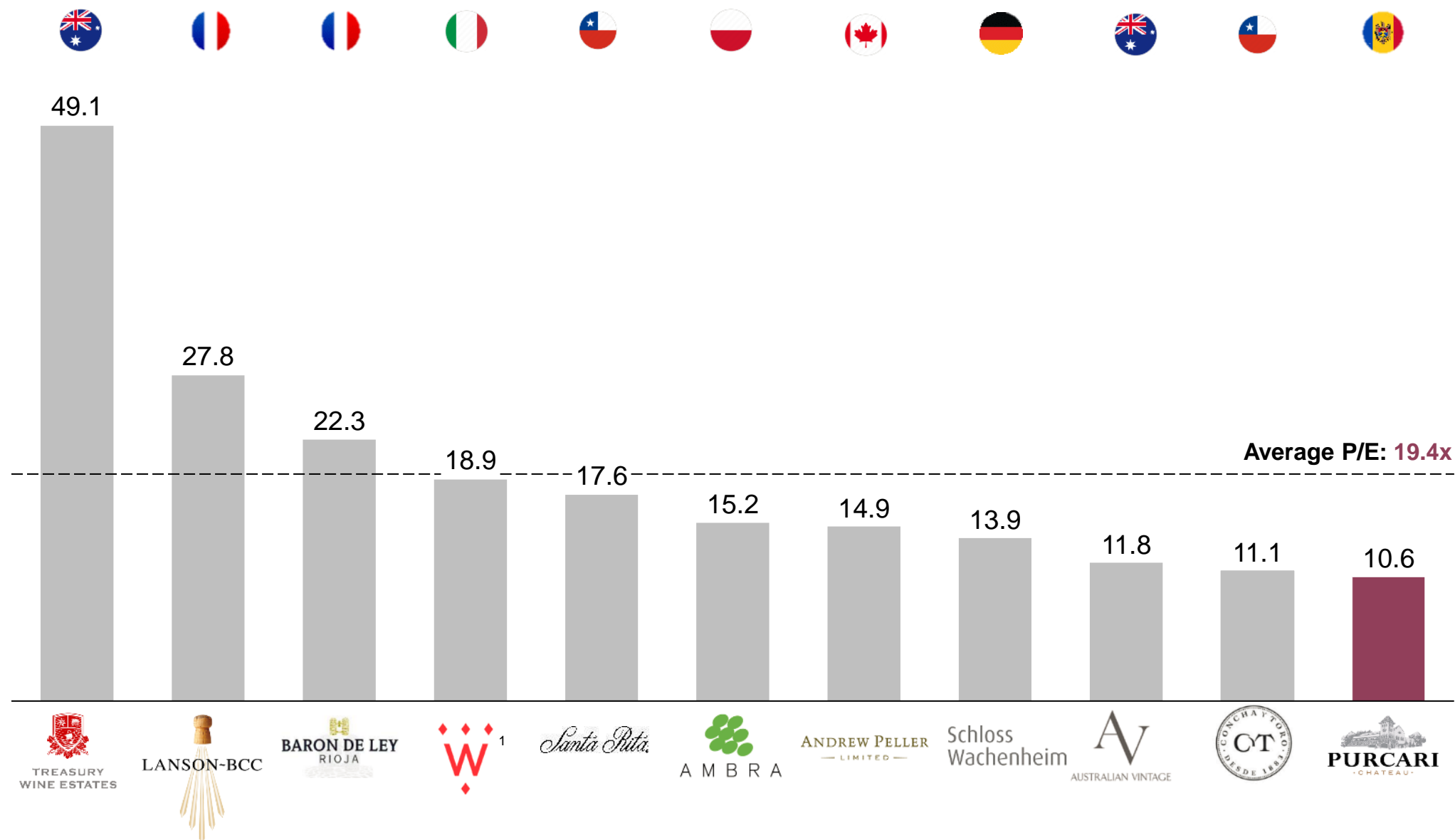
Ratio of daily trade value to Market Capitalisation, 2021 YTD average, bps





## Purcari vs Selected wine public companies

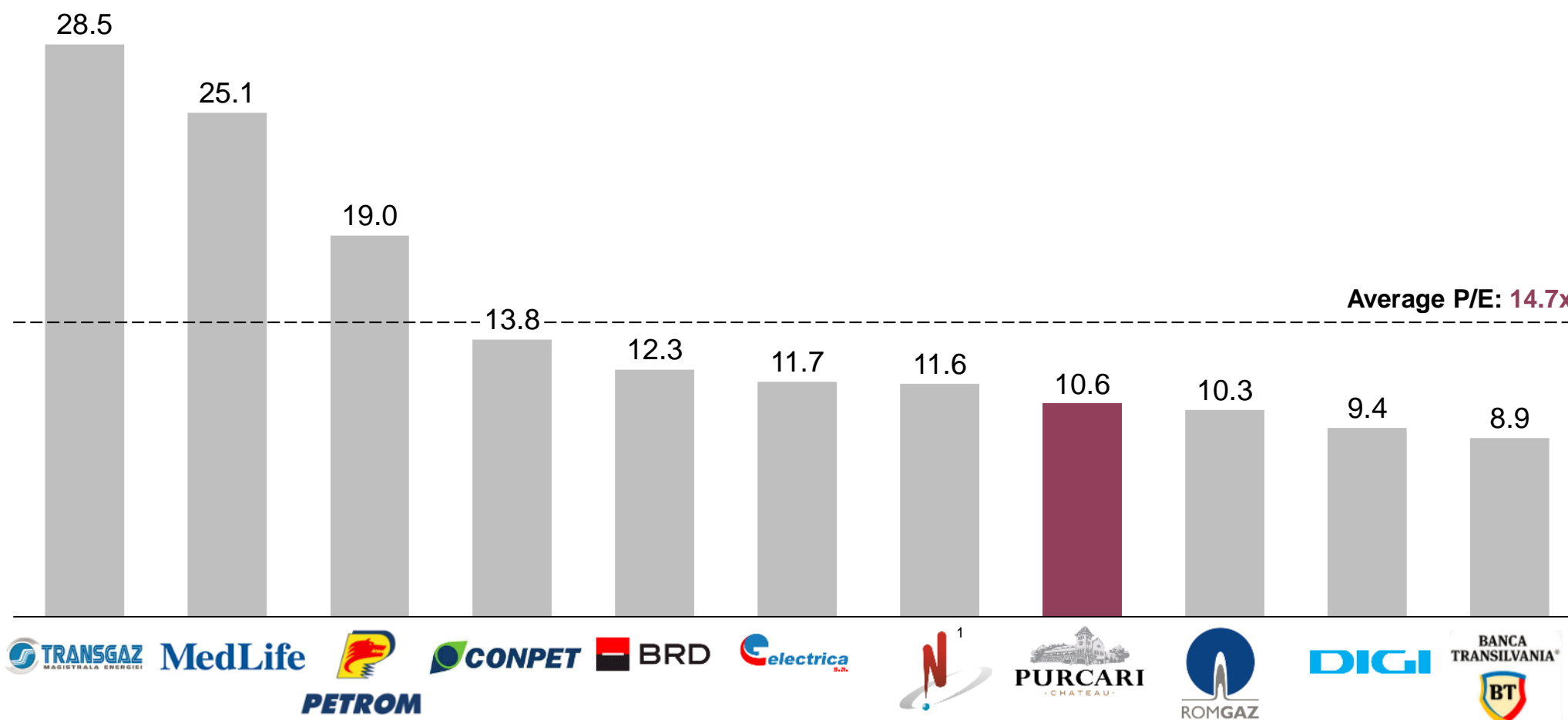
P/E LTM Multiples



## 4 Average valuation relative to Romanian listed peers

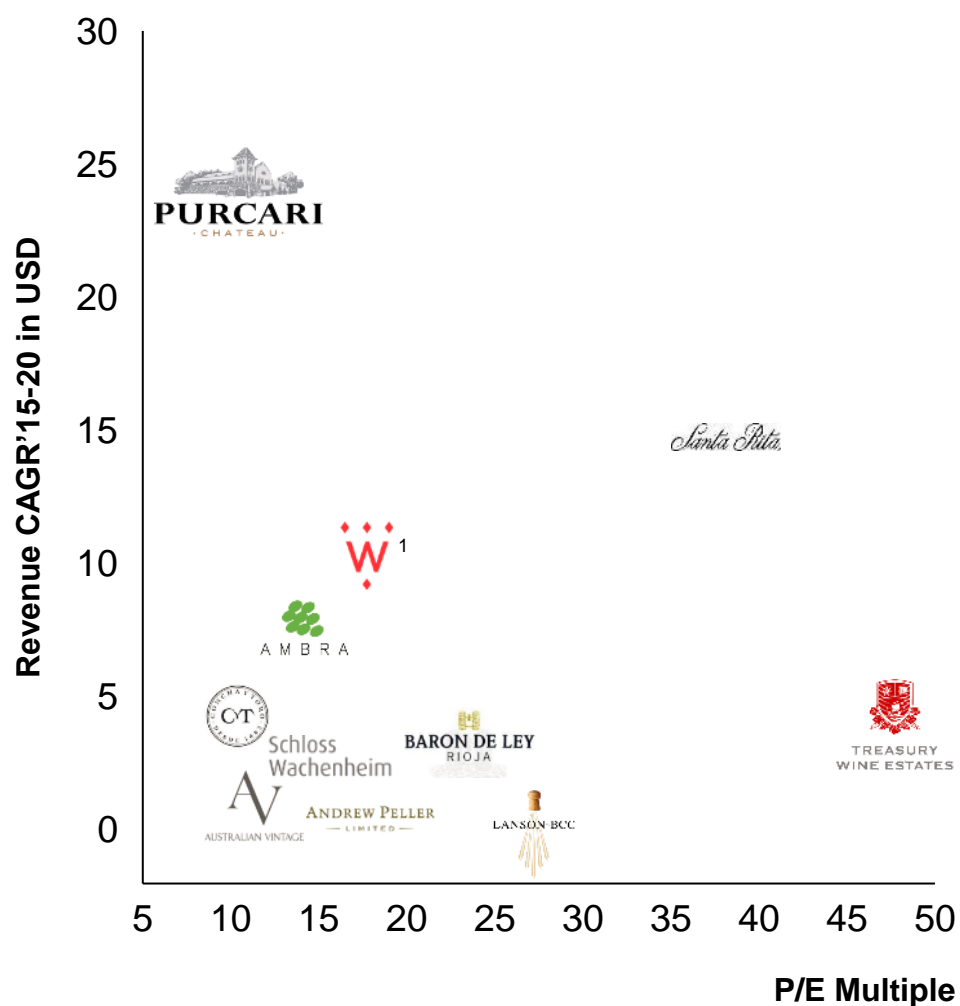
### Purcari vs Selected Romanian public companies

P/E LTM Multiples

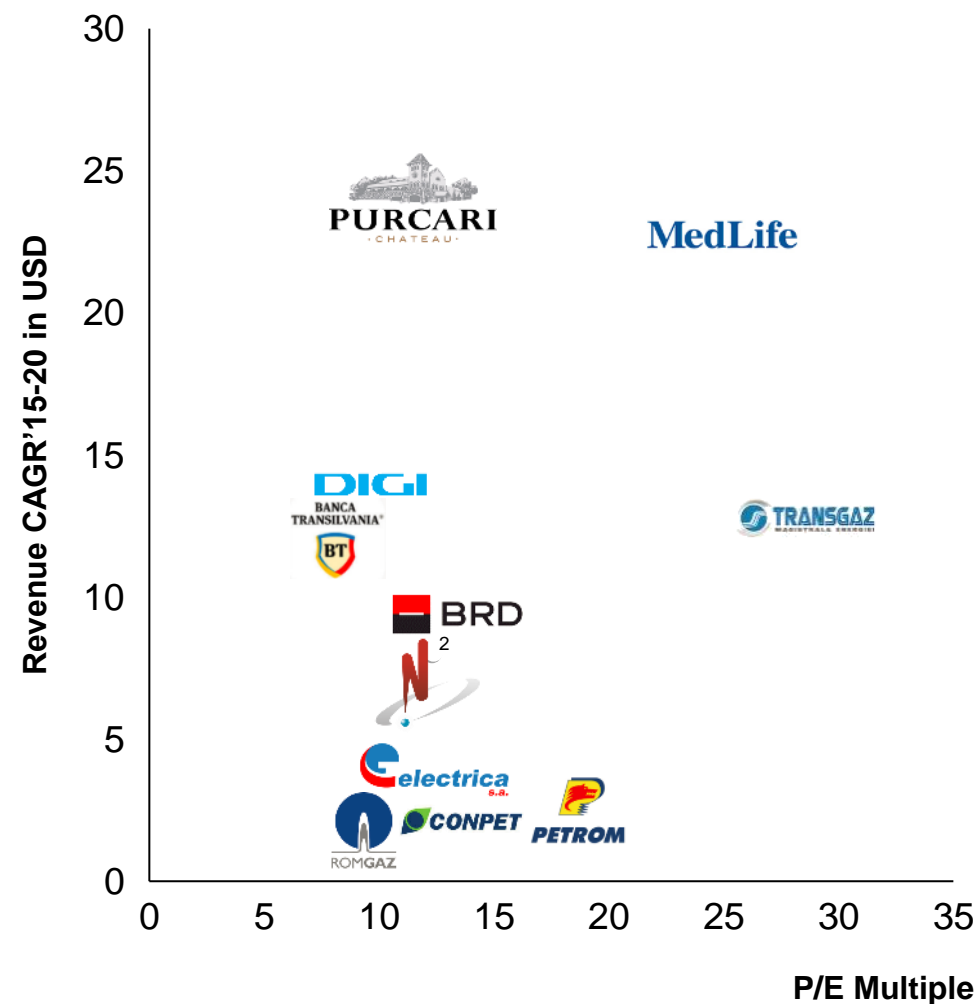


## 4 High growth not incorporated in valuations yet

### Purcari vs Selected wine public companies



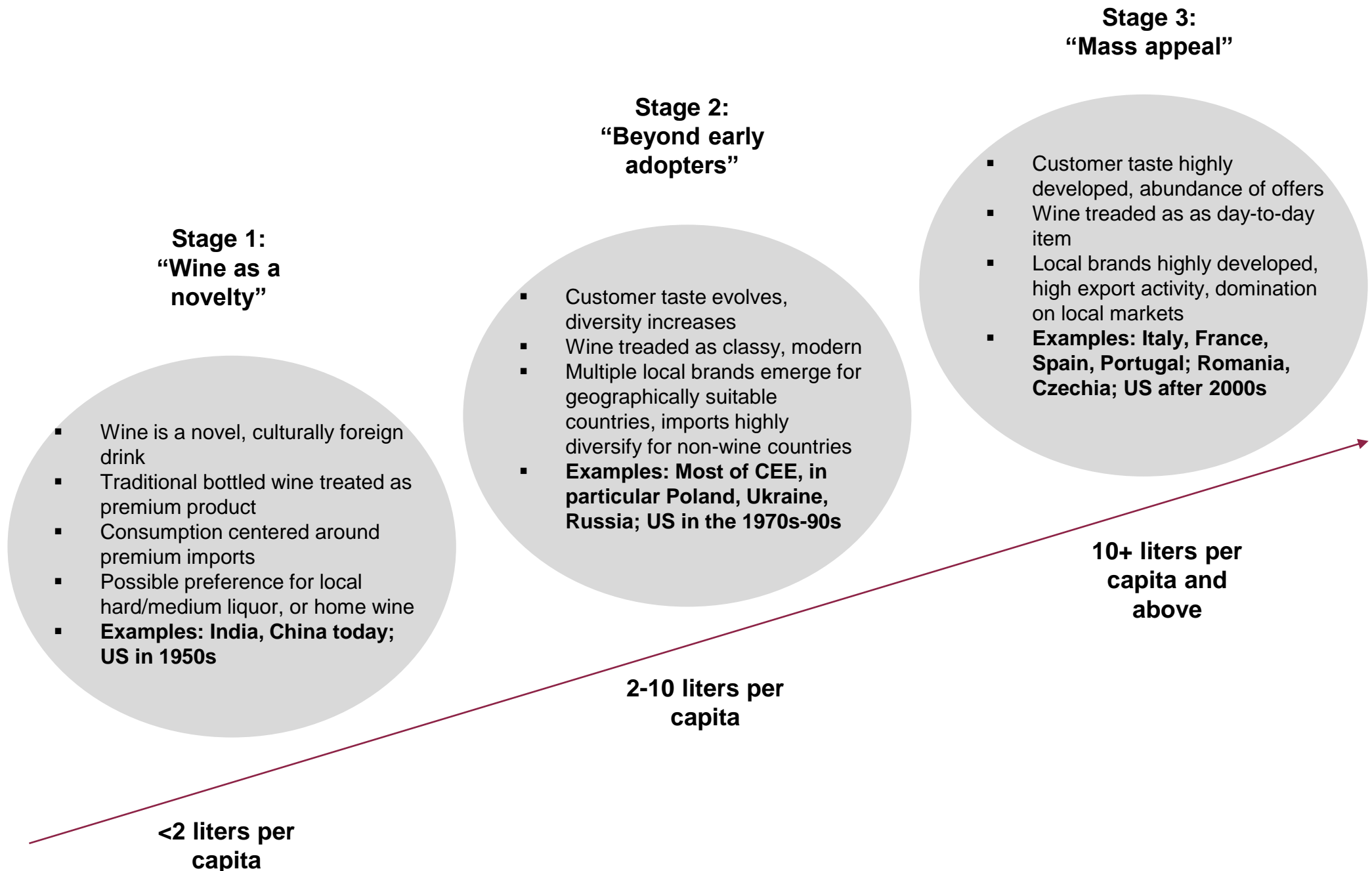
### Purcari vs Selected Romanian public companies



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Purcari Ice Wine,  
Decanter Platinum, 95  
points, Best CEE sweet



### Old World *Before 1980s*



### New World *1980s-2010s*

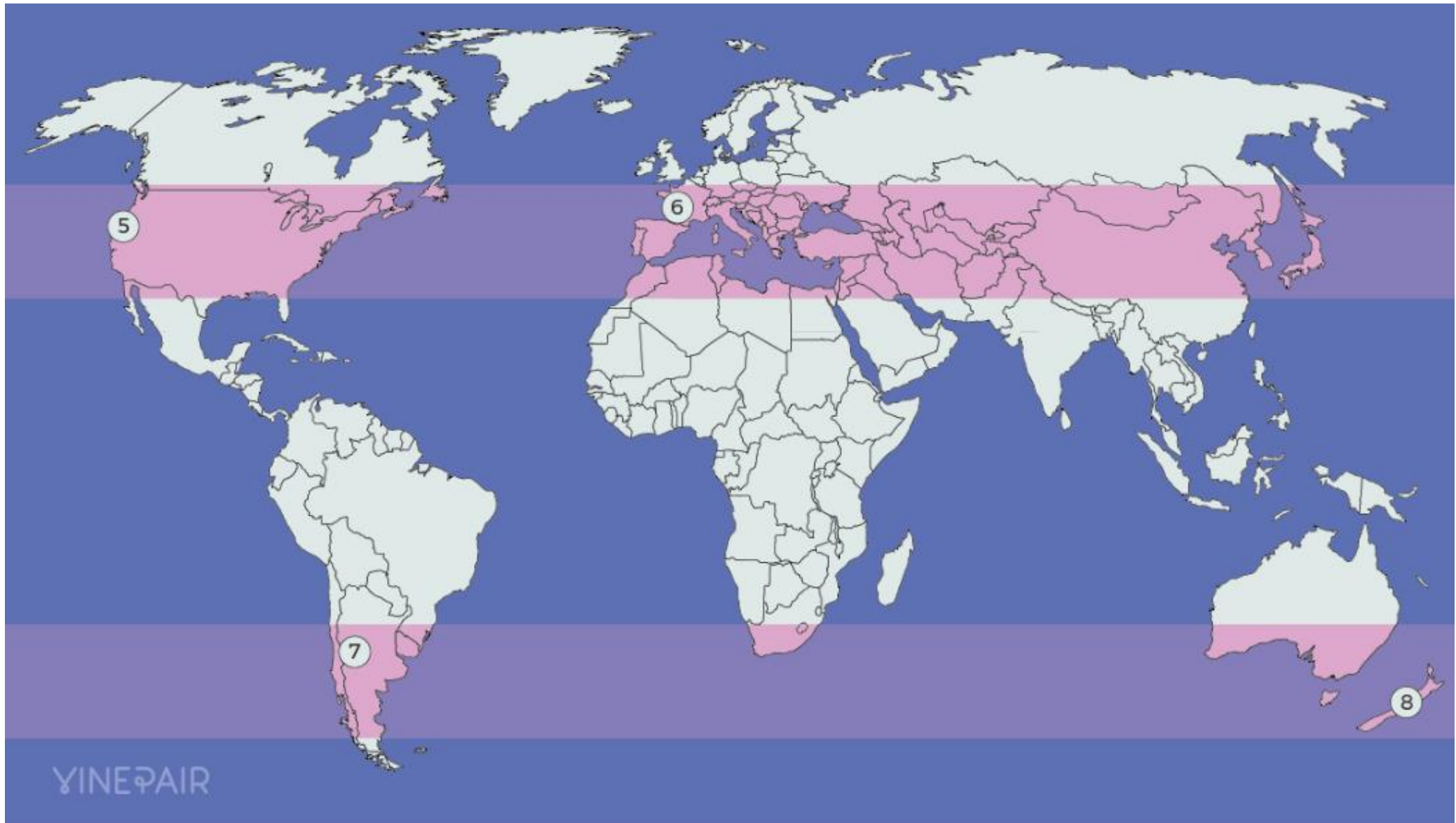


### The New Frontiers *2010s - onwards*



***New Frontier champions will inevitably emerge, leveraging a lower cost structure, better access to new markets and better understanding of local consumers***







## Case study: Developing Indians' taste for wine

Authorities have reclassified winemaking as an agribusiness

Anand Narasimhan and Aparna M. Dogra DECEMBER 6, 2011



**The story.** When Rajeev Samant left India to study and work in California, he also found himself learning about wine thanks to that state's burgeoning industry. After returning to India in the late 1990s, he took over land owned by his father outside Nasik, near Mumbai, and tried growing crops such as mangoes, peanuts and roses.

With Nasik being India's biggest table grape region it prompted a question: could he grow wine grapes too and develop a winery that could match foreign wines for quality?

**The challenge.** Growing and processing the grapes – starting with Sauvignon Blanc – turned out to be the easy part. For Sula Vineyards, the toughest test was how to change consumer tastes.

Alcohol has negative connotations in the Hindu, Buddhist, Jain and Muslim traditions, and most Indians had never tasted wine. Getting it into the Indian shopping basket would require a change in social attitudes.



Opinion FT Magazine

## Châteaux China

At several wineries, it is clear that Ningxia's raw material is impressively consistent, and five qualify as excellent

JANCIS ROBINSON

+ Add to myFT



Jancis Robinson SEPTEMBER 14, 2012



You know a wine venture is a success if you have the world's most energetic purveyor of special glasses and decanters, Georg Riedel of Austria, volunteering to take part.

Two weeks ago, I flew to a remote province of China to participate in the inaugural Ningxia Wine Festival. But Riedel got there several days before me – and when I managed to visit the

wine producer who first alerted me to the potential of Ningxia, vivacious Emma Gao of Silver Heights, I found that her collection of Riedel glassware took up almost more room than her tiny barrel cellar.

Ningxia is a small, impoverished province 550 miles west of Beijing. Until recently it was best known for its inhospitable mountains and desert, sheep and goji berries, but local government officials have become convinced that Ningxia's future lies in wine. A campaign started in earnest in the late 1990s



## Moldovan winemakers turn their eyes to the west

About 90% of exports used to go to other parts of the former Soviet Union



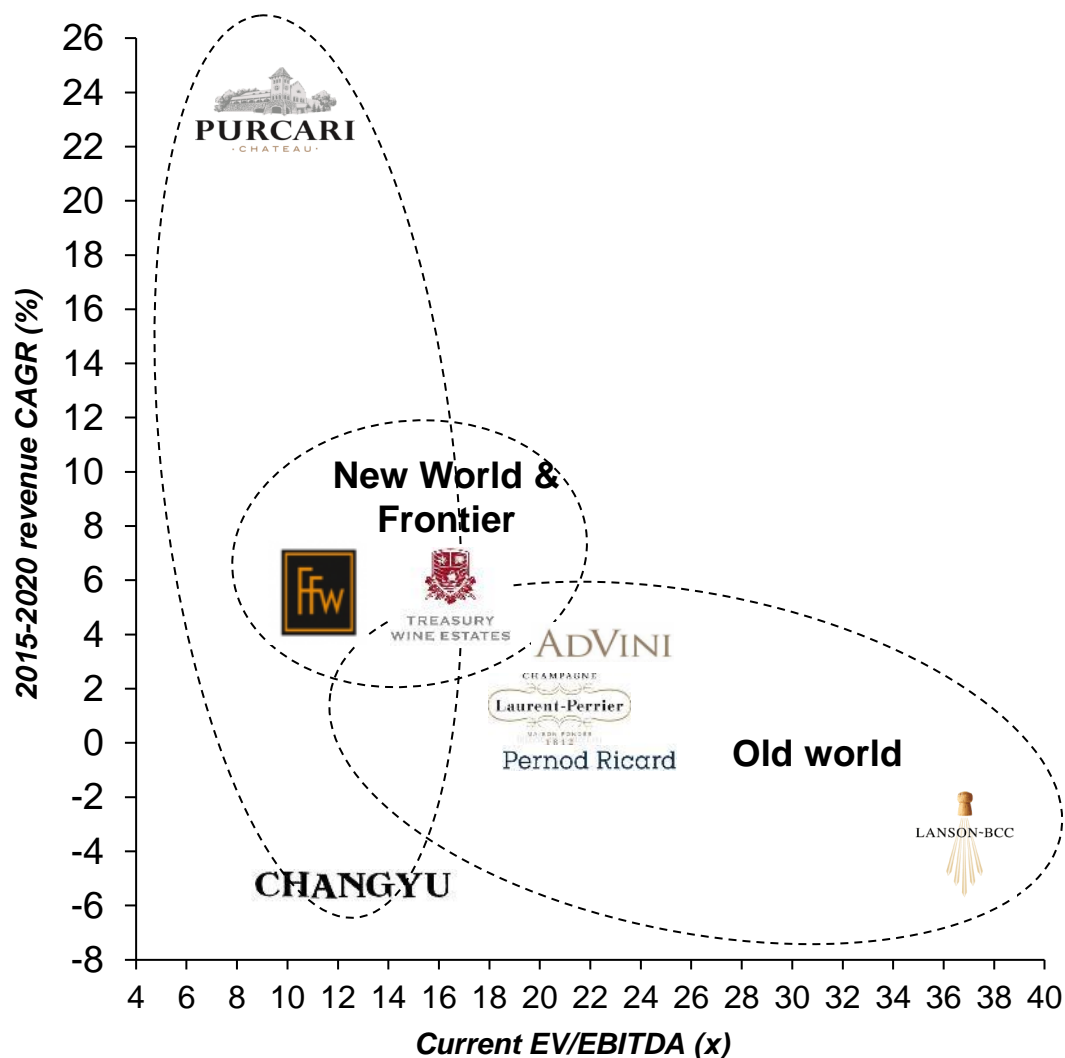
Victor Bostan: wine is in the blood

Henry Foy NOVEMBER 21, 2015



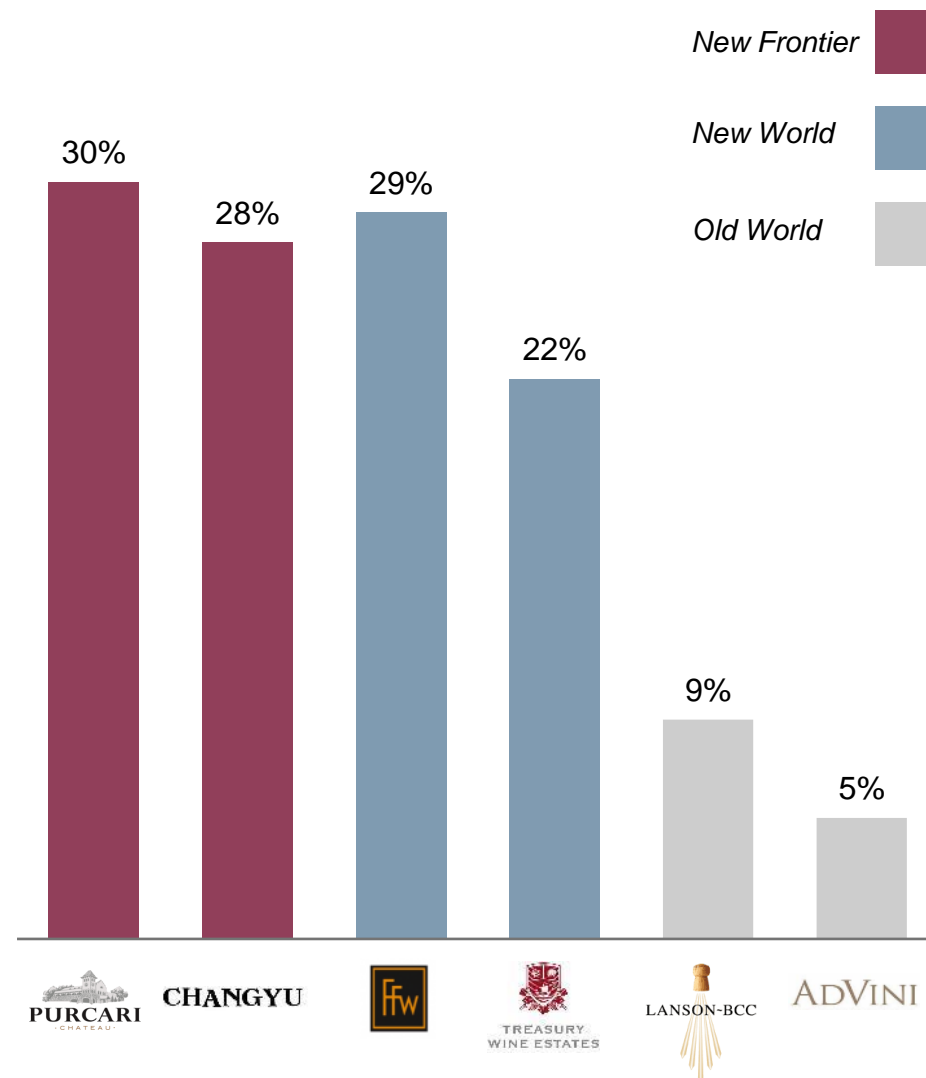
Moldovan winemaker Purcari's Freedom Blend was created in 2011 to commemorate [Moldova](#), Georgia and Ukraine's 20 years of independence from the Soviet Union. But it took on another meaning when Russian tanks rolled into Crimea last year.

At some point, the relationship between Sales growth and multiples got to catch up



New Frontier beating New and Old World wineries at economics

EBITDA margin, 2020



Source: Capital IQ, Net Income and Market Cap as of June 22<sup>nd</sup>, 2021 USD terms. Growth figures as per Capital IQ, minor discrepancies with Purcari reported performance possible due to exchange rate treatment

Note: Changyu's EV/EBITDA as of March 31, 2021 due to recent Enterprise Value spike; Adjusted EBITDA used for Purcari; Financial Year Ending June 30, 2020, used for 2020 data of Treasury Wine Estates and Foley Family Wines; June 30, 2020 LTM used for 2020 data of Advini



Thank you.

