



# Purcari Wineries

Feel The Markets  
Corporate Presentation  
March 14<sup>th</sup>, 2022

#PRAYFORUKRAINE

#СЛАВАУКРАЇНІ

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## 1 Geopolitical and Macroeconomic Update

## 2 Q4 2021 Operational Results

## 3 2022 Outlook

## 4 Purcari Stock

*Freedom Blend is made of indigenous Ukrainian, Moldovan and Georgian grapes. It has the heart of Georgia, the terroir of Moldova, and the free spirit of Ukraine. Launched in 2014, it is today more actual than ever.*



# Refugees fleeing Ukraine since war outburst

## Humanitarian effort by country, per 100 000 inhabitants



## Efforts of Moldovans

**328,000**

# of refugees crossed the border of Moldova

**104 929**

# of refugees remained in Moldova

**+4%**

Increase in population in Moldova since war outburst

**4040.23**

# of refugees per 100 000 inhabitants in Moldova

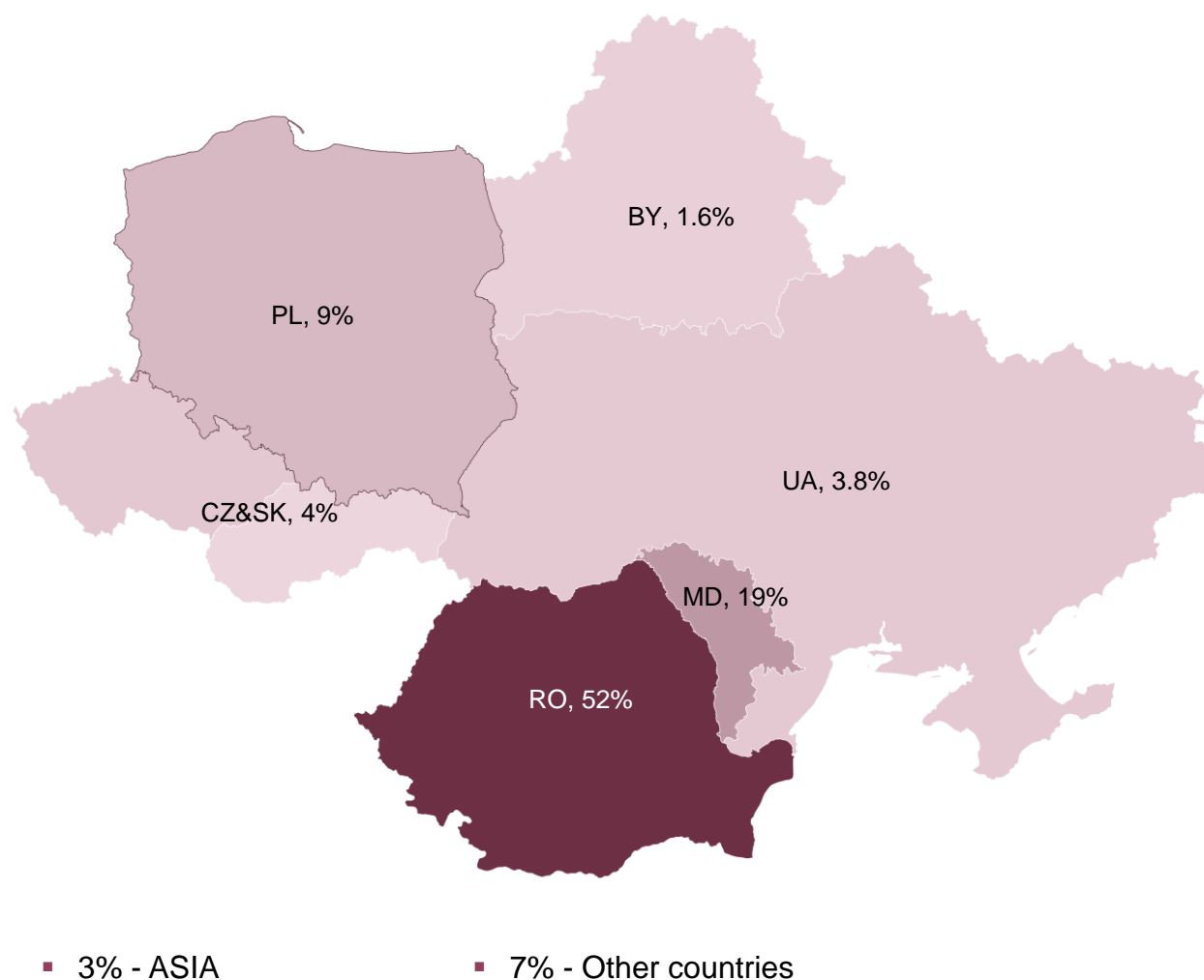
**9400**

# of refugees stopped at the help center of Purcari

**2978**

# of refugees provided with accommodation by Purcari

## Geographical breakdown of sales in value terms, 2021, %



## Operational update

- The current risk of the war in Ukraine to spill over to Moldova is low.
  - Moldova has its neutrality fixed in the constitution.
  - Moldova does not fit Russia's narrative on so called "demilitarization" and "denazification" used as pretext to invade Ukraine.
  - Over 1 million of Moldovan population are Romanian citizens.
- No material disruptions to production operations in Romania and Moldova.
- No material disruptions to the supply chain.
- Group sales to Ukraine, Belarus and Russia as of 2021 is less than 6% of total sales.
- Account receivables relating to clients located in Ukraine, Belarus, Russia amount USD 988k. The management is considering making provisions for USD 709k.
- No vineyards located in, or grapes sourced from Transnistria region.

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Negru de Purcari 2015,  
4.4 score on Vivino,  
top 1% wine globally  
**GOLD at Concours Mondial de  
Bruxelles,**





# Purcari Wineries Group at a glance

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

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

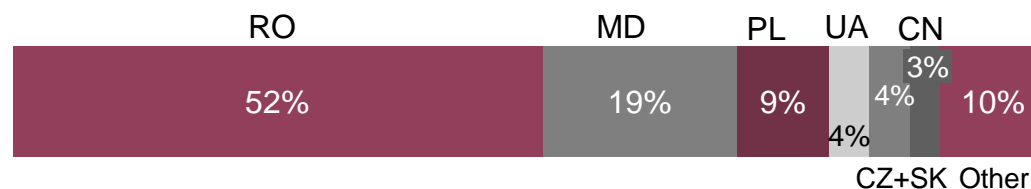
- #1 World's most awarded winery in 2021
- #1 Most awarded CEE winery of the year in 2015-2021 at Decanter London, "Wine Olympics"
- #1 Best premium wine brand in Romania, Moldova
- #1 Fastest growing large winery in CEE
- #1 Largest exporter of bottled wine from Moldova
- top 1 350+ hectares of prime 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 5 brands, covering a broad spectrum of segments



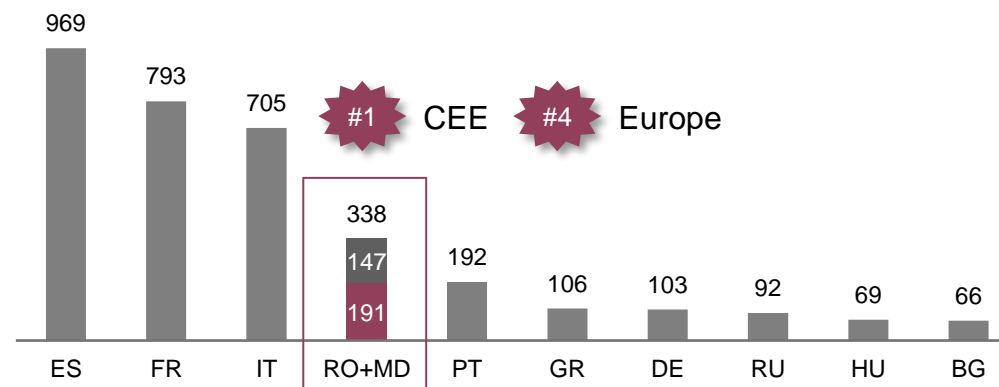
## ... with a strong & expanding regional footprint

Geographical breakdown of sales in value terms, 2021, %



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

Top 10 European countries by area under vines, kha



## Core Business

*Wine, Spirits and Tourism*  
*Since 1827*



## Waste Recycling Management

*Ecosmart Union*  
*Consolidated from Sep'2021*



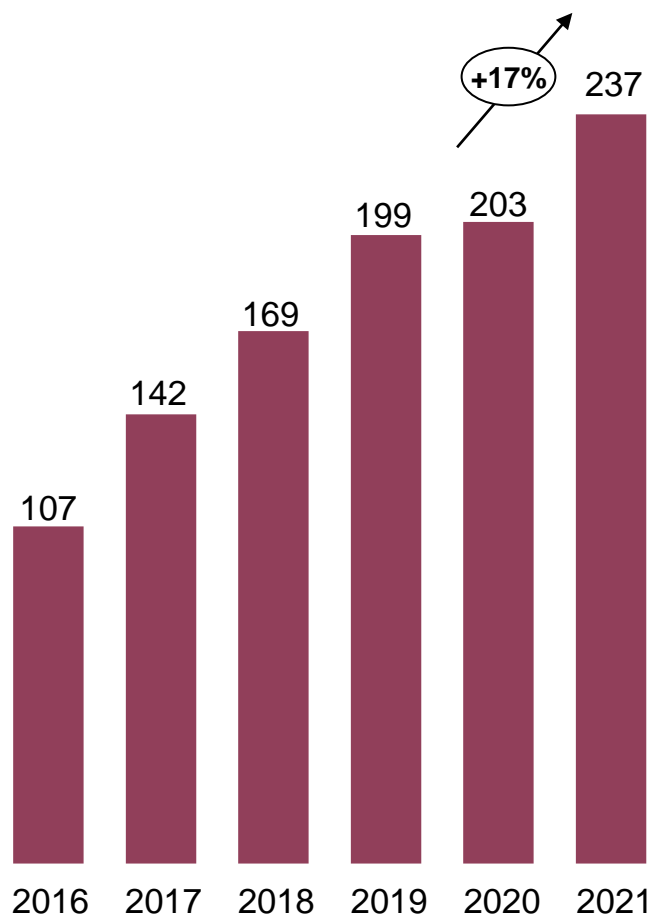
- Increased stake from 27% to 65.75%
- Part of sustainability focus
- Controlling stake obtained for a non-material amount
- Expect it to be a high ROI investment post-turnaround; expect ~30m RON in revenues in 2022 and mid-to high single digits EBITDA margin



# Strong growth for the Core Business in 2021 (excl. EcoSmart)

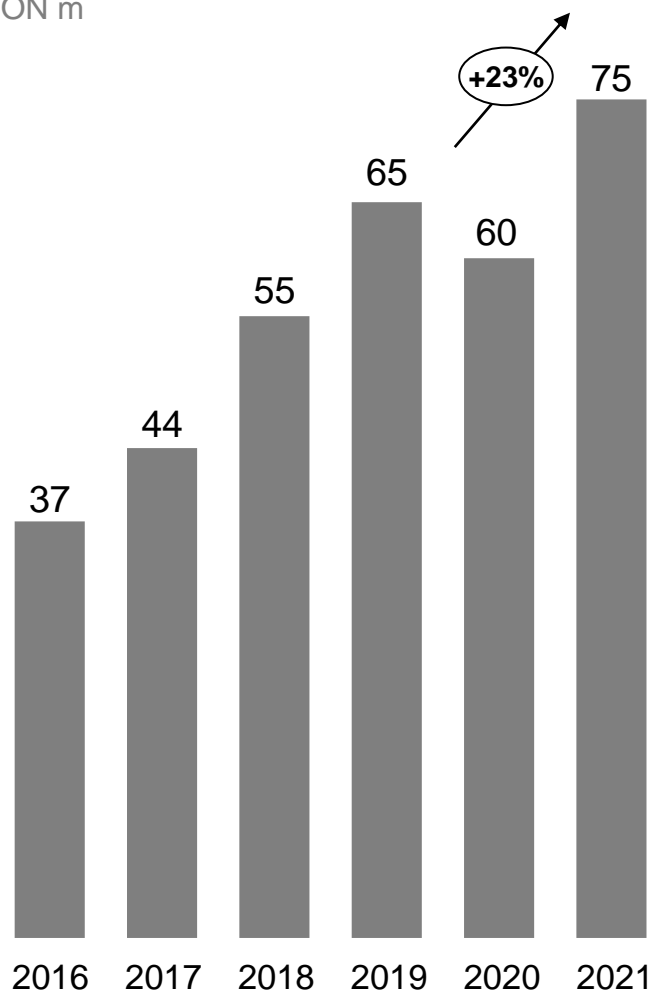
## Revenues

RON m



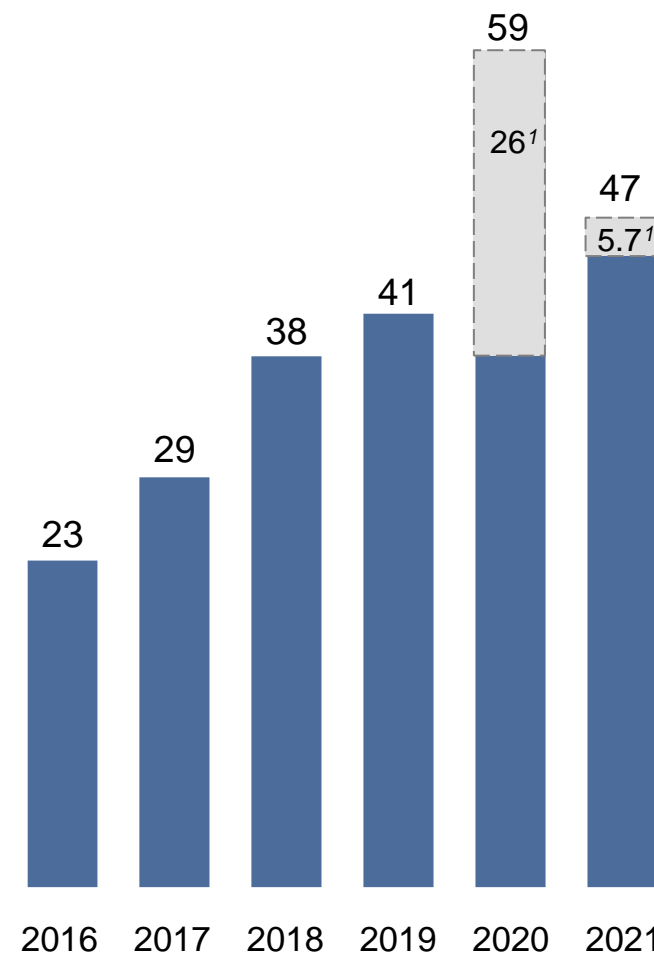
## EBITDA

RON m



## Net Income

RON m



EBITDA margin

33%

30%

31%

Net Income margin

20%

29%

20%

(1): Includes the following one-off effects

- Income on settlement of assigned receivable from Speed SRL, RON 4.3m in 2020
- Income from sale of the stake in Glass Container Company, RON 21.6m in 2020 and RON 5.7m in 2021

## P&L: Strong performance for Core Business

### Core Wine Business (excl. Waste Management)<sup>1</sup>

RON m	2021	Δ '21/'20	2020	Δ '20/'19	2019
Revenue	237.3	17%	203.7	2%	199.1
Gross Profit	111.8	14%	97.8	-1%	98.9
Gross Profit margin	47%	na	48%	na	50%
EBITDA	74.6	23%	60.5	-7%	65.4
EBITDA margin	31%	na	30%	na	33%
Net Profit	47.2	-20%	59.2	46%	40.5
Net Profit margin	20%	na	29%	na	20%









### Purcari Group<sup>2</sup>

RON m	2021	Δ '21/'20
Revenue	244.6	20%
Gross Profit	114.0	17%
Gross Profit margin	47%	83%
EBITDA	68.7	14%
EBITDA margin	28%	na
Net Profit	41.1	-31%
Net Profit margin	17%	na





1. Purcari Wineries Group results, excluding the consolidation of Ecosmart Union.

2. Consolidated Purcari Wineries Group figures, including Ecosmart Union (waste recycling management business).

## Romania sustained growth; Moldova at pre-pandemic levels

Market	Share of sales FY2021	YoY Variance		Comments
		FY2020	FY2019	
RO 	52%	+17%	+46%	<ul style="list-style-type: none"> <li><b>RO:</b> Growth of +17% vs. FY20 and +46% vs FY19. Purcari leads with +22% YoY supported by Nocturne and Limited-Edition performance. Bardar +52% due to numeric distribution growth in IKA. HoReCa showing strong return, despite pandemic restrictions, with Nocturne proving to be a success.</li> </ul>
MD 	19%	+61%	0%	<ul style="list-style-type: none"> <li><b>MD:</b> Strong rebound, reaching pre-pandemic sales level. Purcari performing best +76%, followed by Bardar and Bostavan with +55% and +36%, respectively. All channels performing well, while HoReCa and Duty Free still recovering to 2019 levels due to periodic restrictions.</li> </ul>
PL 	9%	-15%	-3%	<ul style="list-style-type: none"> <li><b>PL:</b> Prioritizing margin over volumes, with price increases that led to tough negotiations with certain key accounts. Targeting premium segment by listing the Nocturne collection from Purcari in HoReCa. Tailored action plans for each partner, new SKUs – Wine Crime, DAOS 0% Alcohol, product promotion campaigns focused on brand awareness. Moldawska Dolina #1 brand in Moldovan wines according to Nielsen.</li> </ul>
ASIA 	3%	-2%	-44%	<ul style="list-style-type: none"> <li><b>ASIA:</b> -2% YoY in highly restrictive pandemic and economic environment, as total wine imports to China were down 17% YoY. Closely working with local partners, participation in Wine Fairs and rolling out digital communication strategy.</li> </ul>
CZ SK  	4%	-2%	-4%	<ul style="list-style-type: none"> <li><b>CZ&amp;SK:</b> Further adverse effects from TESCO restructuring, promotion of private brands and continuous restrictions for HoReCa, aggressive discounts.</li> </ul>
UA 	4%	+20%	+33%	<ul style="list-style-type: none"> <li><b>UA:</b> Sales grew +20% vs FY20 and +33% vs FY19. Increased activity through opening a local office: expanding presence in Fragmented Trade, growing numeric distribution in IKA, focus on increasing average sales per SKU and POS.</li> </ul>
RoW 	10%	+2%	+15%	

## Premium Purcari and Bardar brands lead the growth

Brand	Share of sales	YoY Variance		Comments
	FY2021	FY2020	FY2019	
	50%	+28%	+41%	<ul style="list-style-type: none"> <li>• <b>PURCARI:</b> Strong performance on higher volumes and better mix. Sales in Moldova exceeding pre-pandemic levels. Ongoing strong traction in Romania, Nocturne series very popular with HoReCa. Promising performance in newer markets, forging partnerships to expand geographically.</li> </ul>
	23%	-2%	-3%	<ul style="list-style-type: none"> <li>• <b>BOSTAVAN:</b> Facing adverse effects on mainstream segment in Poland, Czechia and Slovakia on strong price competition, TESCO restructuring, pandemic effects. Baltics and Ukraine continue good performance in 2021, Moldova slightly behind pre-pandemic sales -1%. Focus on rebranding with launch and promotion of new SKUs. Recovery plans agreed, negotiations in process with distributors and retail chains in key markets.</li> </ul>
	16%	+9%	+21%	<ul style="list-style-type: none"> <li>• <b>CRAMA CEPTURA:</b> +9% increase YoY, continuing the growth of core brands in Romania. Acquired 70ha of vineyards with DOC Dealu Mare to support premiumization. Focus on brand awareness and portfolio reassessment. +78% YoY on export markets, albeit from smaller base.</li> </ul>
	12%	+23%	-6%	<ul style="list-style-type: none"> <li>• <b>BARDAR:</b> Strong performance +23% YoY. Moldova slightly behind pre-pandemic results -2%, with HoReCa and DutyFree operating in restrictive environment. Continue the shift from bulk to bottled to support increasing demand for premium aged brandy. Successful launch of Bardar XXO 25 Years, already gaining popularity in China with repeated orders.</li> </ul>

## PURCARI – THE WORLD’S MOST AWARDED WINERY



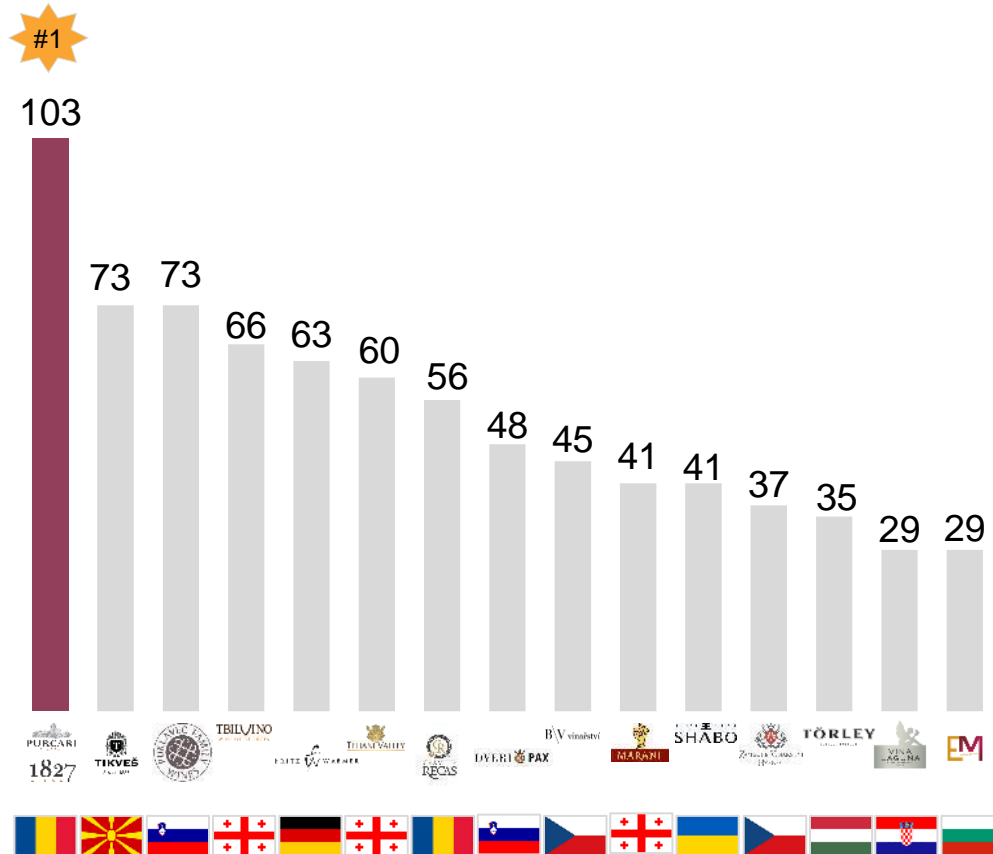
\* Awards won at the most important international contests in 2021: Decanter World Wine Awards, Concours Mondial de Bruxelles, Mundus Vini Spring Tasting, Citadelles du Vin, Eurasia Wine & Spirits, Concurs International de Lyon, Berliner Wine Trophy, London Wine and Spirits Competition, IWSC, Challenge International du Vin, Vinarium, Women’s International Trophy, Vinalies Internationales.



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

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

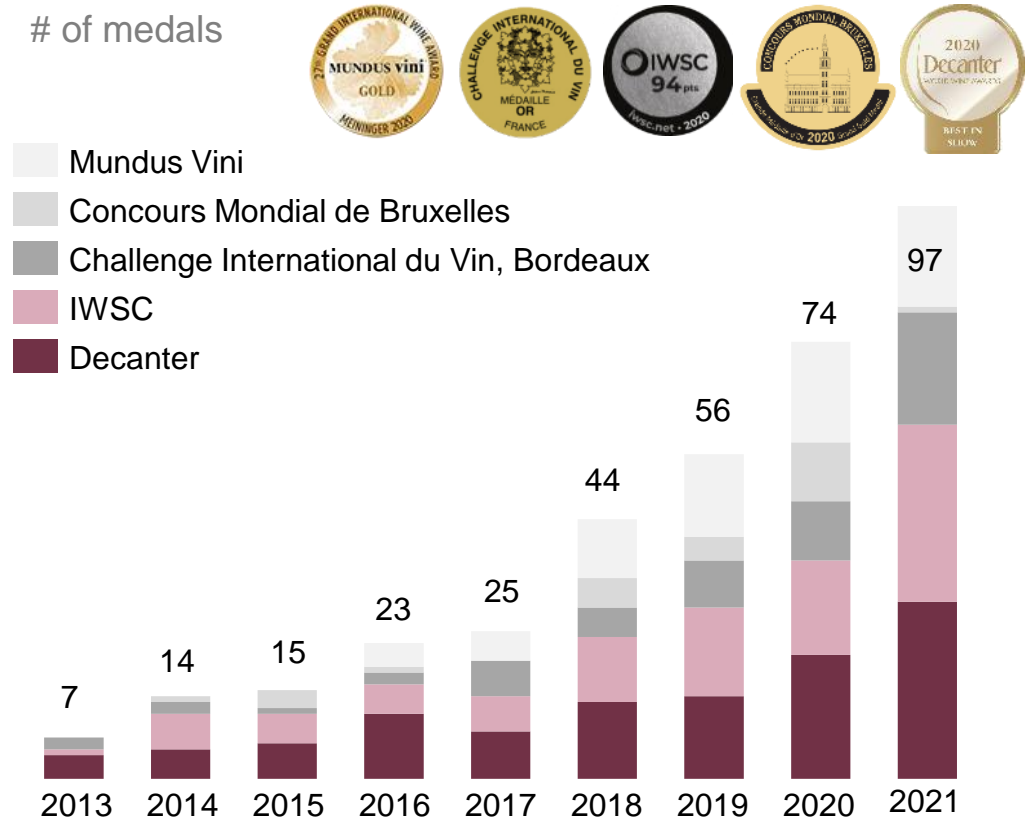
# of Decanter medals in 2015 – 21



- 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, In 2021 the most awarded winery in the World

# 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.

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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.  
**TOP 10 Best Sparkling Wines** at Effervescents du Monde 2021.



Target	2022 guidance	Comments
Revenue growth	+15-20%	<ul style="list-style-type: none"> <li>Romania to remain a growth driver. Expanding with new SKUs and brands, continue with premiumization. Exporting Nocturne's success in Romanian HoReCa to other markets.</li> <li>Bardar shift from bulk to bottled to support increasing demand for premium aged brandy.</li> <li>Expecting a turnaround for Ecosmart Union under new management.</li> </ul>
Revenue growth, Wine <sup>1</sup>	+10-15%	
EBITDA margin	20-25%	<ul style="list-style-type: none"> <li>Expect high inflationary pressure to sustain, with price-rises taking more time to be passed-through to retail.</li> <li>COGS to include significant portion of more expensive wine stocks of 2020 vintage.</li> </ul>
Net Income margin	10-15%	

(1) All Purcari Wineries Group Segments, excluding Ecosmart Union

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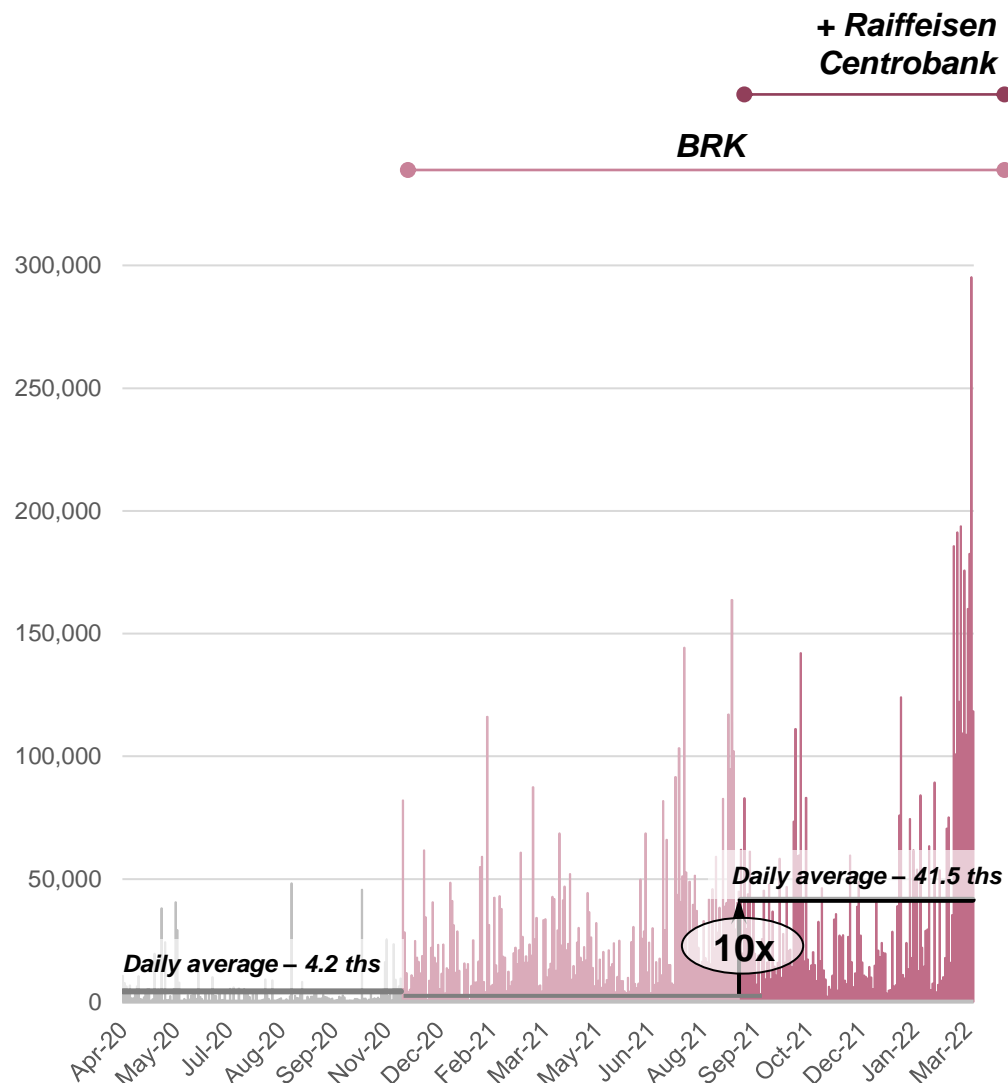
4 **Purcari Stock**

**Gold Medal and Best in Show by Country at  
London Wine Competition 2021,**  
A complex of contradictions. The most perfect,  
yet controversial creature - Sapiens



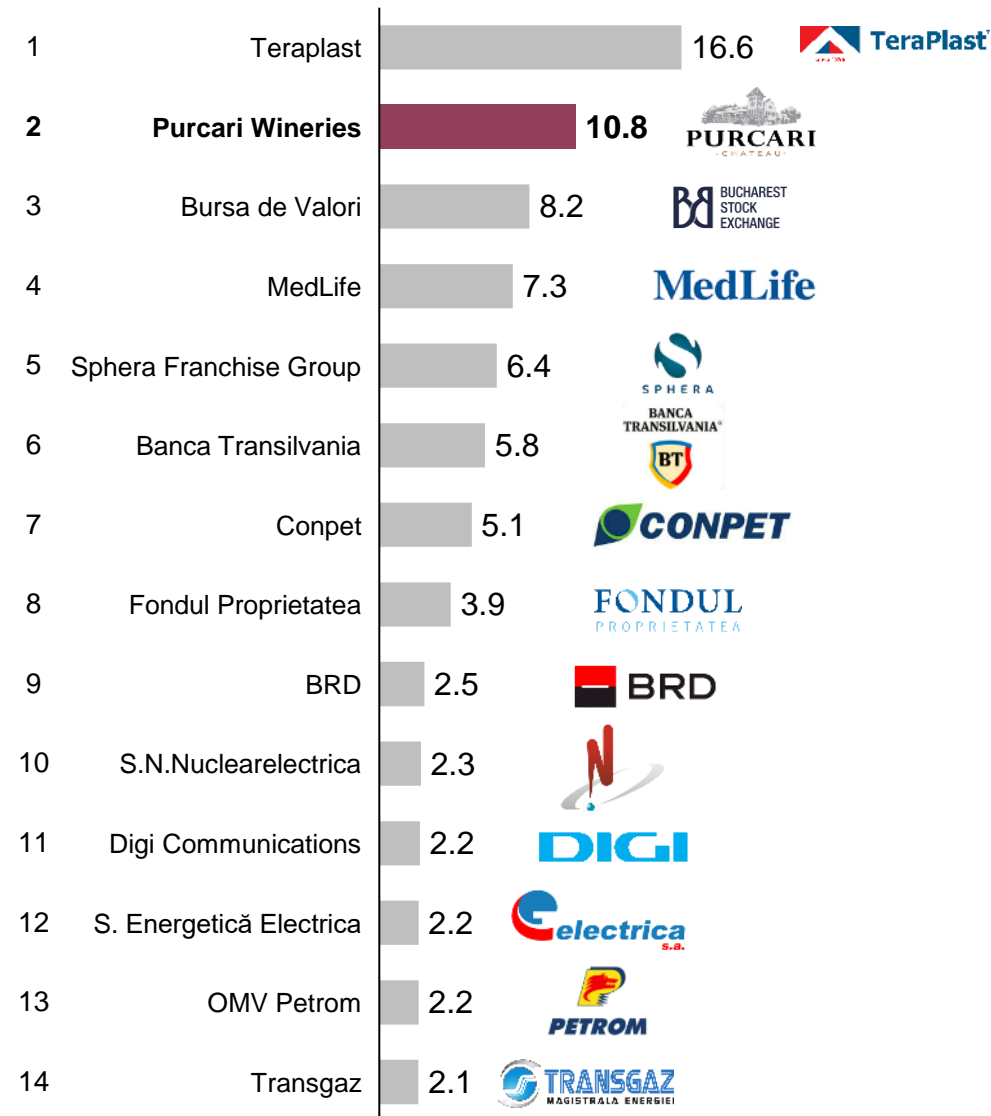
## Rapid rise of stock's liquidity after BRK Financial Group became Market Maker for Purcari shares

Daily volume



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

Ratio of daily trade value to Market Capitalisation, 2021-2022 YTD (March 11<sup>th</sup>) average, bps

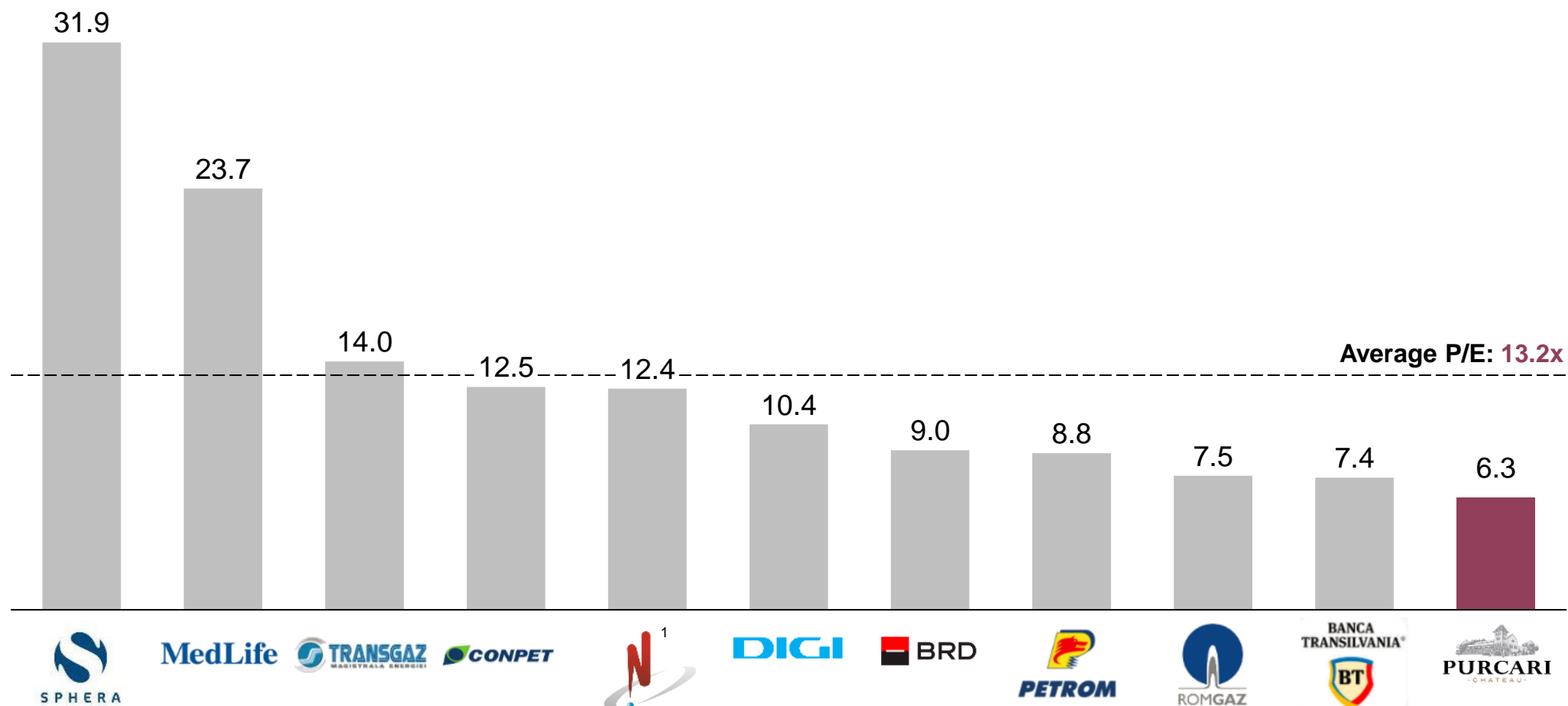




## Low valuation relative to Romanian listed peers

### Purcari vs Selected Romanian public companies

P/E LTM Multiples



Source: Capital IQ, Bucharest Stock Exchange.

Note: Diluted EPS excluding extra items used for P/E multiple; (1) Nuclearelectrica



CRISTINA DANU, DANS ÎN ÎNĂLȚIMI

## FREEDOM BLEND

VIN SEC ROȘU

SAPERAVI · RARĂ NEAGRĂ · BASTARDO



**PURCARI**  
CHATEAU

PRODUS ȘI ÎMBUTELIAT LA ÎM. VINĂRIA PURCARI SRL S. PURCARI  
FĂBRICAT ÎN HOLDOVA  
ALC. 13,5% VOL 0,75 L

Thank  
you.