



ITALIAN WINE BRANDS

Creatori di Eccellenze



ENOITALIA

Italian Wine Brands to acquire 100% of Enoitalia S.p.A.

Investors Presentation

21 June 2021

Agenda

1. Deal highlights
2. Business Overview
3. Strategic Rationale
4. Deal Structure and key financial metrics
5. Conclusion and Q&A



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1. Leading Italian wine producer

The Target

- > An Italian privately owned family company, **Enoitalia S.p.A.** ('Eno') is a **leading wine producer** with a strong **commercial distribution platform** and a **solid sourcing / industrial footprint**
- > With over Eur 200 m of net revenues, **111 million bottles** sold around the world (**export > 80%**), Eno is amongst the first three wine producer in Italy and the second Prosecco producer with more than 40million bottles sold yearly.
- > **Eno operates mainly with its own brands and sells both to the largest international retail chains and to ho.re.ca. sector**

Transaction Structure

- > IWB has reached an agreement with the Pizzolo family, 100% shareholders of Eno, to acquire the entire share capital of the company
- > Pursuant to the terms of the agreements, the Pizzolo family will reinvest in IWB more than 30% of the purchase price in order to fully align its interests to the Group's one and so participate consistently to the value creation of the entire Group
- > Mr. Mutinelli will lead the group as Chairman and Group CEO while, starting from the closing date, Mr. Giorgio Pizzolo will become executive vice-president of IWB. Mr. Strocchi will remain as Vice President of the Group and Pier Paolo Quaranta will maintain its role as Managing Director of the Group.



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2. Company Overview

- > **Founded in 1986 by the Pizzolo family, Eno is an Italian company, focused on production and distribution of branded sparkling wines (mainly Prosecco), and still white, rosè and red wines.**
- > Eno is fully owned by the Pizzolo family and has been developed consistently in the recent years under the leadership of Mr. Giorgio Pizzolo, Chairman and CEO of the company.
- > Headquartered in Calmasino (VR), Eno owns two vinification, bottling and packaging state of the art sites located in Calmasino and Montebello Vicentino (VI).
- > In fiscal year ending December 31, 2020, Eno achieved **annual net revenues of € 200.8 million ⁽¹⁾, a EBITDA of € 17.1 million and a net financial indebtedness of Euro 1.1 million.**
- > **Eno generated approx. 80% of its consolidated finished goods sales outside Italy.** Key markets are UK, Germany, **US**, and **Italy**. Enoitala products are exported to more than 80 countries.
- > Eno is currently **active both on the on-trade segment and in the off-trade segments and maintain close and longstanding relationships with the most important retail chains worldwide.**



3. A Focus on Sparkling Wines

- Eno is the second Italian largest producer of Prosecco with over than 40 million bottles sold per year, also realized with organic raw materials.
- Prosecco consumption has been constantly growing over the last 10 years with a production passed from 141.8 million bottles in 2010 to about 500.0 million bottles in 2020.
- Consumption of Prosecco as well as of other sparkling white and rosè wines is projected to grow further in the coming years.



4. Plant Operations

> The industrial sites in Italy:

- **Calmasino:** the headquarter with vinification and bottling plant, located close to Verona in the heart of Veneto region (sqm. 24.000 out of sqm. 8.000 covered)
- **Montebello Vicentino:** industrial site with vinification, autoclaves and bottling machinery. Fully renowned in 2017-2018 (sqm. 51.000 out of sqm. 25.000 covered).





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1. IWB – Eno: a Perfect Fit

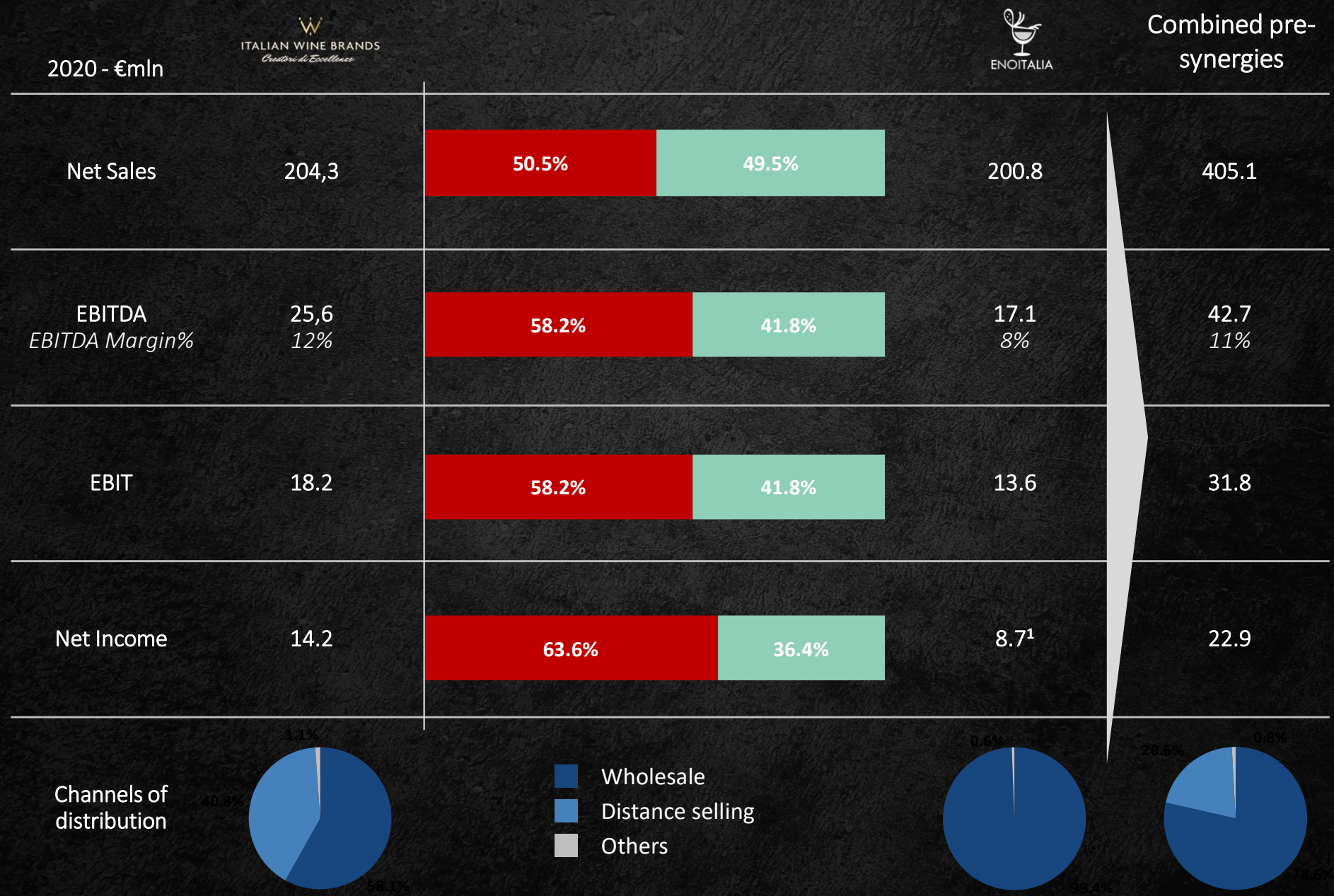
The combination of IWB and Eno will allow to:

- Complete product offering: IWB strong on red wines, Eno leader on Sparkling and white wines; synergies on revenues available
- Diversify geographic penetration with no overlaps: UK and US markets respectively 34% and 8.5% of Eno sales, vs. 12% e 1% of IWB sales; Switzerland market 23,9% of IWB, 0,9% of Eno
- Enrich the customer base: new large retail accounts and new Ho.re.ca. customers
- Strengthen internal vinification and bottling activities with significant synergies available: Eno 100% internal production – 111 bottles; IWB 33% internal production – 65 bottles. Available vinification and bottling capacity in Eno of 35/40 million bottles without significant expansion capex.

IWB Group 2020 pro-forma sales

ENO	31/12/2020	IWB	31/12/2020	IWB+ENO	31/12/2020
UK	68,1	Switzerland	48,8	UK	92,4
Italy	38,3	Germany	42,0	Italy	77,8
Germany	19,3	Italy	39,5	Germany	61,3
USA	16,9	UK	24,3	Switzerland	50,8
poland	7,8	Austria	18,5	Austria	19,3
France	7,7	Belgium	6,6	USA	18,5
Netherlands	5,7	France	5,8	France	13,5
Canada	4,6	Denmark	5,0	Poland	8,9
ireland	3,7	Netherlands	1,7	Belgium	7,8
Czech	3,1	Sweden	1,6	Netherlands	7,4
Switzerland	2,0	USA	1,6	Denmark	6,5
denmark	1,5	Hungary	1,5	Canada	5,5
sweden	1,4	Ireland	1,5	Ireland	5,2
belgium	1,2	Poland	1,1	Czech	3,1
slovakia	1,0	China	0,9	Sweden	3,0
austria	0,8	Canada	0,9	Hungary	1,5
finland	0,8	Others	3,1	slovakia	1,0
Others	16,9	Net Sales	204,3	China	0,9
Net Sales	200,8			Finland	0,8
				Others	20,0
				Net Sales	405,1

1. IWB – Eno: a Perfect Fit



1: Excluding extraordinary write-downs



Barolo
'93

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1. Transaction Structure

- > **IWB will buy 100% of Eno for Eur 150.5 million cash paid at closing**
- > **Gruppo Pizzolo (Pizzolo family holding company) will subscribe at closing a reserved capital increase of 1.400.000 IWB new shares @ Eur 32.5 each, paying Eur 45.5 million (>30% of total price) assuring full alignment and commitment to IWB's interests**
- > Gruppo Pizzolo and Provinco Srl will sign at closing a shareholders' agreement by which, inter alia:
 - > The new 1.4 m shares are subject to a lock-up of 36 months;
 - > Gruppo Pizzolo and any of the family member cannot buy IWB shares on the market for 36 months;
 - > Gruppo Pizzolo has the right to appoint 2 IWB directors, one of which is executive;
 - > IWB has the right to appoint the majority of Enoitalia Board;
 - > Enoitalia will be lead by Mr Giorgio Pizzolo as Chairman and CEO.
- > **Closing date expected by the end of July 21**
- > **IWB shares after closing will be 8.802.077**



2. Key Financial Metrics

Deal Valuation

- Excluding the effects of any potential synergy, **the corresponding implied multiple based on the total Enterprise Value of Eno on 2020 EBITDA of € 17.1 million, would be 8.86 times**

Accretion/(dilution) effect

- **This transaction is expected to have an immediate accretive effect on a pro-forma full year basis**

Deal financing

- The transaction is to **be funded with available cash and net leverage at closing is to be lower than 2.7x**

The background of the image is a repeating pattern of wine bottle caps, viewed from above, creating a textured, grid-like appearance. The caps are metallic and show reflections of light. In the center of the image, there is a stylized logo consisting of three golden, jagged lines forming a 'W' shape. Below this logo, the text 'ITALIAN WINE BRANDS' is written in a clean, white, sans-serif, all-caps font. Underneath that, the phrase 'Creatori di Eccellenze' is written in a white, elegant script font.

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5. Q&A



Thank you for your attention.