



ITALIAN WINE BRANDS



Financial Results - 31 December 2018

Milan, 2 April 2019



RESULTS HEADLINES

	2018	2017	2016	2015	Cagr 15 / 18
Reported Sales	149,9	149,7	145,9	144,8	1,16%
Restated Ebitda	14,6	16,0	11,3	12,1	3,75%
Reported Ebit	9,9	10,8	6,1	7,2	13,59%
Reported Net Profit	6,4	6,7	4,3	3,6	23,75%
Reported NFP	3,4	2,3	10,5	20,1	Reduction of Euro 16,7 m in three years

2018 Main Topics

- Development in international markets able to fully compensate decrease in domestic revenues
- Services, SG&A and personnel cost reduction allowed to compensate the steep raw material cost increase.
Margins are ready to fully benefit from normalization of raw material cost in 2019
- Positive operating cash flows able to finance additional Capex (logistic platform), higher dividends and buyback program
- Restatements reduction at Eur 1,2 million, relating almost completely to personnel redundancy

MARKET CHALLENGE

- Western markets have reached saturation point and consumer behaviour is changing
- Healthy trends may hit alcohol consumption
- The domestic market keeps suffering from a decrease in consumption
- Shift of purchases through channels





OPPORTUNITIES

- Asia and other countries are increasing consumption
- Russia may have a come back
- Trend of premiumisation of the beverage categories
- We only cover a limited number of countries and a limited number of accounts



STRATEGY

- Territorial expansion of sales
- Launch of new brands to target new consumers
- Focus on premiumisation & scale
- New product categories through channels
- M&A

GROWTH



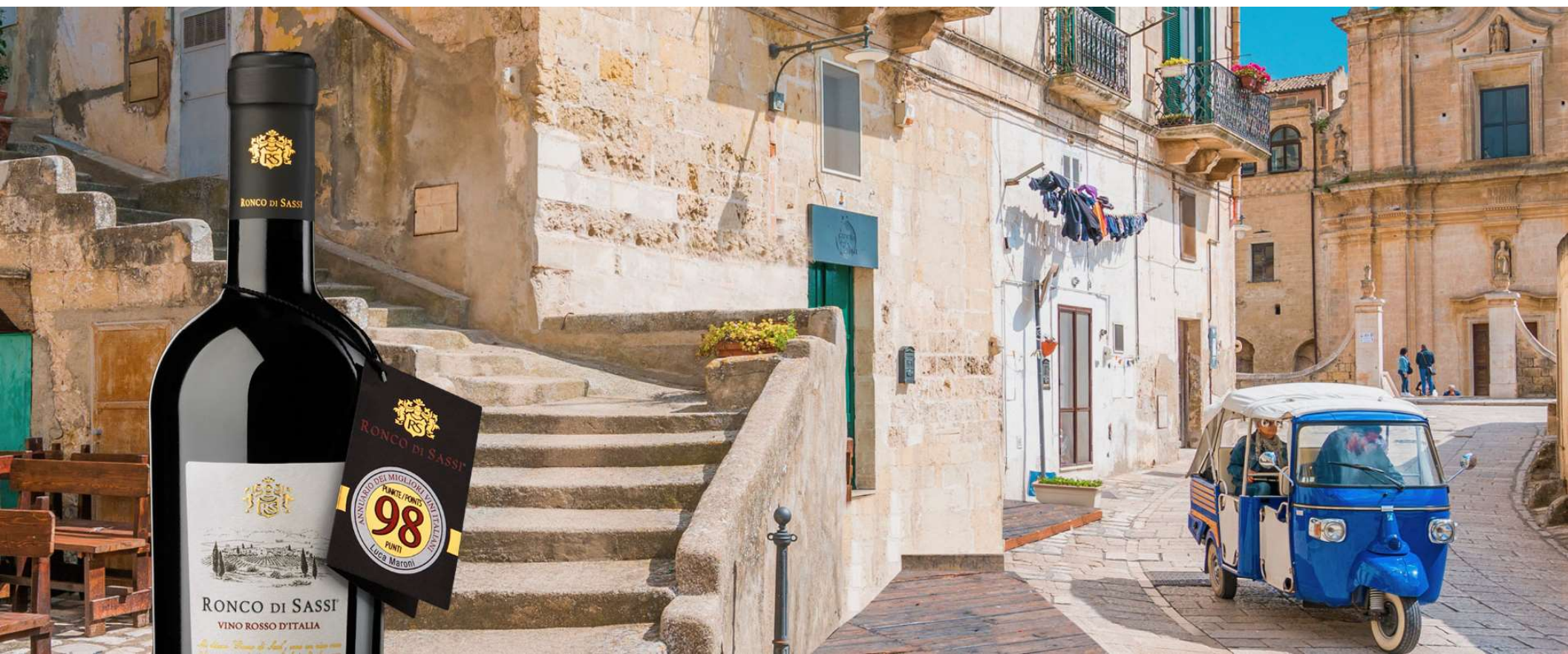
BUILDING
SHAREHOLDER
VALUE



OUR VISION

IWB will be the leading Italian beverage company in the world.





This is what we have to do. This is what we can do. This is what we want to do.





2018 Figures

We deliver solid results thanks to a continuing development of top line combined with operating expenses control.

This action allowed for an almost complete absorption of one-off raw material costs peak and for a structural increase of operating margins going forward.

We strive to improve organic growth through our brands, operating excellence and cash flows generation.





2018 - RESULTS HIGHLIGHTS

• **Net Sales of € 149.9 millions** (+ 0.1% yoy) compared with net sales of € 149,7 million in 2017

- Non domestic revenues 77.4% on total (from 75.1%)
- Wholesale division revenues +11.79% yoy (€ 77.2 million, > 50% on total)
- Distance selling revenues -9,8% yoy (€ 72.0 million)

• **Restated Ebitda at € 14.6 million** (vs. € 16.0 million in 2018) with a margin of 9,7% (vs. 10.4% in 2017)

• **Reported Net Profit at € 6.4 million** (vs. € 6,7 million in 2017)

• **Reported NFI** at € 3.4 million at 31.12.2018 (€ 2.3 million in at 31.12.2017)

1. Financial information in this report is based on reviewed financial statements as at 12.31.2018.

2. All figures and calculations are subject to rounding

3. All Result Highlights metrics disclosed on a reported currency basis

2018 –Profit & Loss



	31.12.2018	31.12.2017	31.12.2016	Δ % 17/18	Cagr 16/18
Total Revenues	150.187	153.416	148.664	(2,10%)	0,51%
Raw Material	(86.082)	(83.219)	(78.527)	3,44%	4,70%
% on Total Revenues	-57,32%	-54,24%	-52,82%		
Services	(41.515)	(45.700)	(46.503)	(9,16%)	(5,52%)
% on Total Revenues	-27,64%	-29,79%	-31,28%		
Personnel	(7.627)	(8.147)	(11.821)	(6,38%)	(19,68%)
% on Total Revenues	-5,08%	-5,31%	-7,95%		
Other	(362)	(319)	(496)	13,48%	(14,57%)
% on Total Revenues	-0,24%	-0,21%	-0,33%		
EBITDA Restated	14.601	16.031	11.317	(8,92%)	13,59%
% on Total Revenues	9,72%	10,45%	7,61%		
D&A	(3.546)	(3.628)	(3.576)	(2,26%)	(0,42%)
% on Total Revenues	-2,36%	-2,36%	-2,41%		
Non recurring Items	(1.179)	(1.873)	(2.207)	(37,05%)	(26,91%)
% on Total Revenues	-0,79%	-1,22%	-1,48%		
EBIT Reported	9.876	10.530	5.534	(6,21%)	33,59%
% on Total Revenues	6,58%	6,86%	3,72%		
Financial Income / (Expenses)	(1.135)	(1.565)	(1.630)	(27,48%)	(16,56%)
% on Total Revenues	-0,76%	-1,02%	-1,10%		
Taxes	(2.391)	(2.498)	(1.246)	(4,28%)	38,53%
% on Total Revenues	-1,59%	-1,63%	-0,84%		
Net Result	6.350	6.734	3.175	(5,70%)	41,42%
% on Total Revenues	4,23%	4,39%	2,14%		

2018 – NET SALES

	31.12.2018	31.12.2017	31.12.2016	% 17/18	Cagr 16/18
Sales - Domestic	33.819	37.303	41.005	-9,34%	-9,18%
Sales - Non domestic	115.346	111.560	104.323	3,39%	5,15%
Germany	34.179	34.358	33.731	-0,52%	0,66%
Switzerland	26.842	26.570	25.701	1,03%	2,20%
Austria	15.399	15.621	15.328	-1,42%	0,23%
UK	13.863	9.691	7.517	43,04%	35,80%
Denmark	5.149	6.352	5.584	-18,94%	-3,97%
France	6.050	6.203	6.030	-2,46%	0,17%
Belgium	3.104	2.993	2.249	3,69%	17,47%
USA	2.533	2.009	1.714	26,07%	21,55%
Netherlands	481	1.007	639	-52,27%	-13,24%
Sweden	1.231	987	786	24,67%	25,10%
Canada	591	928	780	-36,27%	-12,94%
China	937	707	562	32,58%	29,16%
Other	4.988	4.134	3.702	20,63%	16,08%
Other revenues	698	873	609	-20,05%	7,06%
Total Sales	149.863	149.736	145.937	0,08%	1,34%



2018 – NET SALES Wholesale

	31.12.2018	31.12.2017	31.12.2016	Δ % 17/18	Cagr 16/18
Sales wholesale - Domestic	2.455	-	-	N/A	N/A
Sales wholesale - Non Domestic	74.707	69.023	60.330	8,23%	11,28%
Switzerland	23.404	22.595	21.593	3,58%	4,11%
Austria	13.080	13.011	13.153	0,54%	(0,27%)
Germany	9.780	9.488	8.868	3,08%	5,01%
Denmark	5.149	6.352	5.584	(18,94%)	(3,97%)
UK	9.704	5.103	1.074	90,17%	200,61%
Belgium	2.736	2.479	1.749	10,35%	25,09%
USA	2.533	1.992	1.555	27,15%	27,62%
Sweden	1.231	985	763	24,89%	27,02%
Canada	591	928	781	(36,27%)	(12,99%)
China	937	703	562	33,26%	29,16%
France	537	657	695	(18,26%)	(12,09%)
Netherlands	39	596	254	(93,54%)	(61,08%)
Other	4.988	4.134	3.701	20,63%	16,08%
Sales - Wholesale	77.162	69.023	60.330	11,79%	13,09%



2018 – NET SALES Distance Selling

	31.12.2018	31.12.2017	31.12.2016	Δ % 17/18	Cagr 16/18
Sales Distance Selling - Domestic	31.364	37.303	41.005	(15,92%)	(12,54%)
Direct Mailing	14.829	16.323	18.054	(9,15%)	(9,37%)
Teleselling	12.671	17.810	20.551	(28,85%)	(21,48%)
Digital / WEB	3.864	3.170	2.400	21,89%	26,89%
<i>% Direct Mailing sul totale Italia</i>	<i>47,3%</i>	<i>43,8%</i>	<i>44,0%</i>		
<i>%Teleselling sul totale Italia</i>	<i>40,4%</i>	<i>47,7%</i>	<i>50,1%</i>		
<i>% Digital / WEB sul totale Italia</i>	<i>12,3%</i>	<i>8,5%</i>	<i>5,9%</i>		
Sales Distance Selling - Non Domestic	40.639	42.537	43.992	(4,46%)	(3,89%)
Direct Mailing	23.829	25.724	26.462	(7,37%)	(5,11%)
Teleselling	8.725	11.461	12.541	(23,87%)	(16,59%)
Digital / WEB	8.085	5.352	4.989	51,07%	27,30%
<i>% Direct Mailing sul totale Estero</i>	<i>58,6%</i>	<i>60,5%</i>	<i>60,2%</i>		
<i>%Teleselling sul totale Estero</i>	<i>21,5%</i>	<i>26,9%</i>	<i>28,5%</i>		
<i>% Digital / WEB sul totale Estero</i>	<i>19,9%</i>	<i>12,6%</i>	<i>11,3%</i>		
Sales Distance Selling	72.003	79.840	84.997	(9,82%)	(7,96%)





2018 – BALANCE SHEET / CASH FLOWS

	31.12.2018	31.12.2017	31.12.2016	
Net Fixed Assets	91.394	88.390	88.413	Low Capex Requirement
Intangible assets net of deferred taxes	78.385	76.657	75.887	
Tangible assets	14.736	14.232	15.529	
Provisions	-1.071	-1.684	-1.996	
TFR	-656	-815	-1.007	
Net Working Capital	-3.740	-4.460	-1.784	Strong focus on net working capital management
Trade Receivables	20.785	22.220	23.981	
Trade Payables	-44.522	-46.801	-43.889	
Inventory	18.997	20.211	17.712	
Other debt / credit	1.000	-90	412	
Total Uses	87.654	83.930	86.629	
Net Worth	84.282	81.624	76.162	Increased Equity notwithstanding dividend distribution
Net Financial Debt	3.372	2.306	10.467	Net Financial position decreased thanks both to Increased profitability and net working capital management.
Total Sources	87.654	83.930	86.629	