ITALIAN WINE BRANDS

Creatori di Eccellenze

Investors Presentation

17 September 2021


ITALIAN WINE BRANDS
Creatori di Eccellenze

Agenda

1. First half 2021 at a glance
2. Financial Highlights
3. Q&A

Alessandro Mutinelli
Chairman and Group CEO

Pier Paolo Quaranta
Managing Director & IR

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1 Half 2021 at a glance

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First part of 2021 represents a milestone for Italian Wine Brands: **we have become the first Italian non cooperative group** thanks to organic growth and the acquisition of Enoitalia.

We are now **stronger**, in terms of people and brands, more diversified in terms of **revenues streams**, **production footprint** and **product portfolio**. We maintain our cautious, humble and disciplined approach in order to **assure long term growth to our group** combined with a **low financial leverage**.

Our strategy and efforts have been **awarded by the market** that strongly supported us in this journey, both **in term of equity valuation and debt capital raising**.

IWB Stand-Alone results

Eur 99,5 m
NET SALES 1H2021 (+8,0% YOY)

> 80%
SALES ON INTERNATIONAL MARKETS

Eur 11.8 m
Adj. EBITDA 1H2021 (+10,8% YOY)

1,20%
DIVIDEND YIELD FOR SHAREHOLDERS

Eur 6,3 m
NET PROFIT 2021 (+18,6% YOY)

Eur 3.8 m
NET CONSOLIDATED DEBT
Net of Eur 10,0 m of IFRS 16

1 half 2021 – IWB organic business performance

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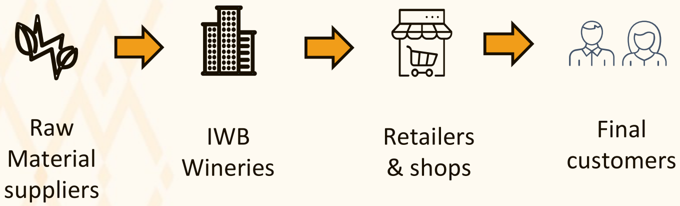
Net Sales – all channels

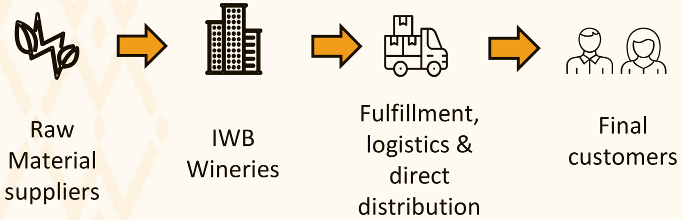
- **1h 2021 sales up to Eur 99.5 m from Eur 92.2 m in 2020 (+8.0% yoy)**
- International Eur 79.9 m, + 9.5% YOY, 80,3% on total
- Domestic Eur 19.6 m, + 1.1 % YOY, 19,7% on total

Wholesale



- **1h 2021 sales up to Eur 56.5 m (+11.7% yoy)**
- Very strong growth January – April (>20%yoy), stable from May up to September
- Contracts with new accounts are underway
- Margins increased thank to "premiumization" of proprietary brands

Distance Selling



- **1h 2021 sales up to Eur 42.5 (+2,8% yoy)**
- Steady revenue growth (Eur in 2020 vs in 2021), very strong momentum January – March 21, -20% April – June, stable compared to 2020 starting from July
- Very good business KPI, aligned with 2020. Strong results from direct mailing (exp. in DACH region)
- New developments: same day delivery, subscriptions, new markets

1 half 2021 – Enoitalia update and M&A activity

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Enoitalia Acquisition

13 May 2021: Issue of the Bond Loan "Italian Wine Brands S.p.A. Euro 130,000,000 2.5% Senior Unsecured Fixed Rate Notes due 13 May 2027"

17 June 2021: Signing of the binding agreements regarding the acquisition of 100% of Enoitalia S.p.A. share capital

27 July 2021: Closing of the acquisition of 100% of share capital Enoitalia S.p.A., new board members are appointed

Enoitalia post acquisition activities

Commercial & Marketing

- Alignment of product portfolio– realized
- Alignment of pricing strategy towards customers - realized
- Reorganization of sales force and streamline of marketing department – estimated within October 21

Operations

- Centralization of wine purchasing – realized
- Centralization of wine quality functions - realized
- Centralization of non-wine purchasing – estimated within December 21
- Centralization of finance activities – estimated within December 21
- Centralization of production planning and relocation - estimated at full regime within March 22
- IT / Erp unique platform – June 22

Specific cost reduction tasks

- Identification of ceasing SG&A – realized
- Optimization of funding cost – estimated October 21

M&A activity

Scouting and analysis of new investment opportunities are strong

Focus on distribution platforms in the US market

1 half 2021 – IWB Group (IWB + ENO) markets

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	IWB Stand Alone		Enoitalia Stand Alone		Aggregated IWB + Eno		Δ %
	30.06.2021	30.06.2020	30.06.2021	30.06.2020	30.06.2021	30.06.2020	20/21
Total Net Sales	**99.501**	**92.158**	**97.644**	**87.941**	**197.145**	**180.099**	***9,5%***
Net Sales Italy	**19.555**	**19.341**	**19.445**	**22.325**	**39.000**	**41.666**	***-6,40%***
Net Sales International	**79.484**	**72.604**	**76.436**	**64.764**	**155.920**	**137.369**	***13,51%***
UK	8.081	9.056	31.991	21.998	40.072	31.054	*29,0%*
Germany	22.456	20.219	9.813	12.884	32.270	33.103	*-2,5%*
Switzerland	23.355	21.172	932	1.213	24.287	22.385	*8,5%*
USA	2.131	836	8.871	8.756	11.002	9.592	*14,7%*
Austria	8.484	8.473	70	145	8.554	8.618	*-0,7%*
France	3.160	2.864	4.280	3.534	7.441	6.397	*16,3%*
Belgium	3.501	1.594	823	674	4.324	2.268	*90,7%*
Denmark	2.583	2.917	1.547	927	4.130	3.844	*7,4%*
Poland	665	555	3.419	3.087	4.084	3.642	*12,1%*
Netherlands	618	912	3.356	2.396	3.974	3.309	*20,1%*
Ireland	941	710	2.442	1.900	3.383	2.610	*29,6%*
Canada	286	540	2.230	2.386	2.516	2.925	*-14,0%*
Sweden	500	828	585	718	1.085	1.546	*-29,8%*
China	542	306	394	36	935	341	*173,9%*
Other countries	2.180	1.624	5.683	4.111	7.863	5.735	*37,1%*
Other Revenues	**462**	**213**	**1.763**	**852**	**2.225**	**1.065**	***108,9%***


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2. Financial Highlights

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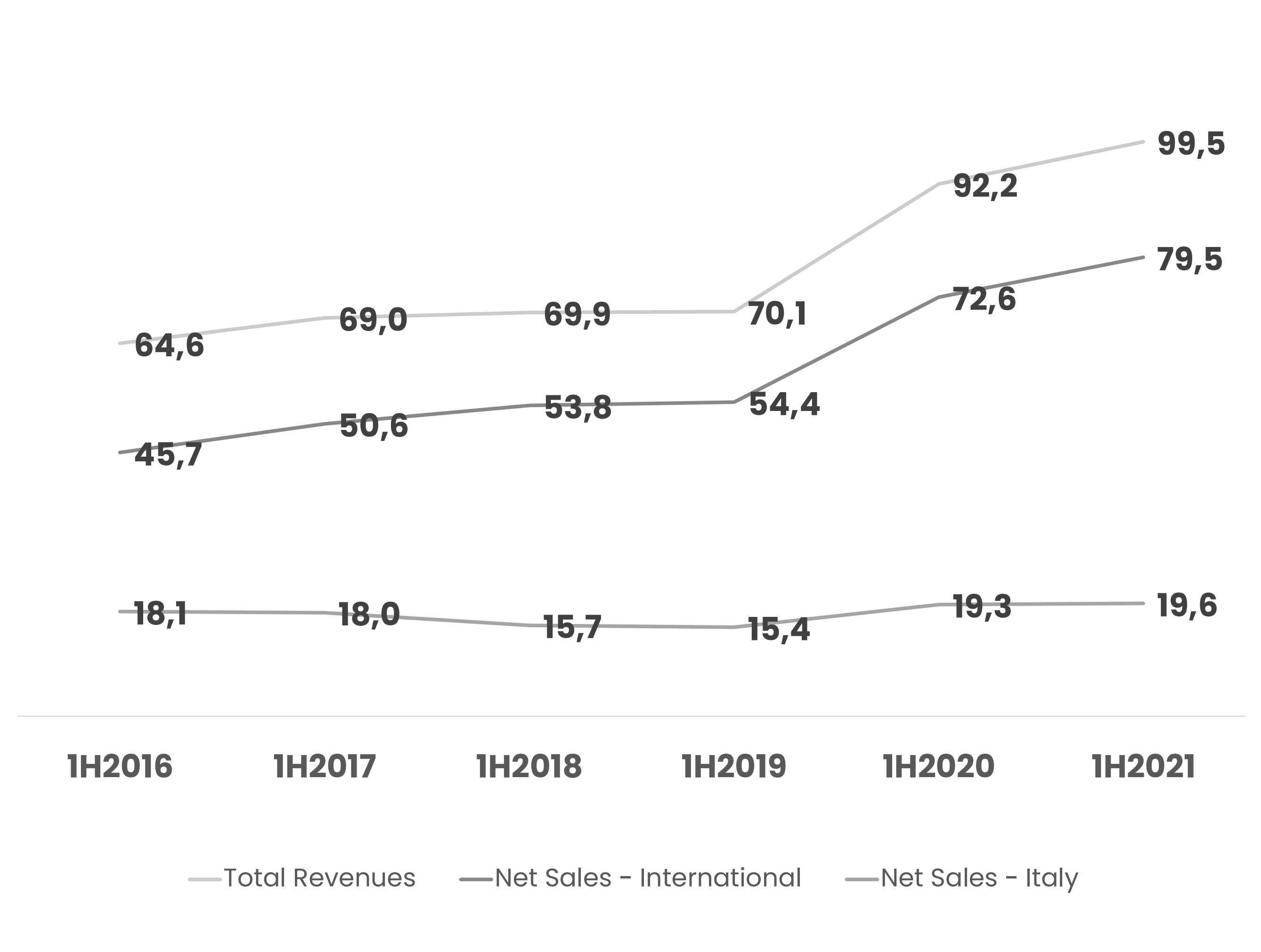
We delivered solid both “stand alone” and aggregated (IWB + Eno) financial results in terms of growth, margins and cash flow generation.

Integration between IWB and Enoitalia is underway as well as M&A activity.

2. Financial Highlights – IWB stand alone



- Growth of Total Net Sales 2016 - 2021 from Eur 64.6 m to 99.5 m with a Cagr of 9,0%, compared to 3/4 % of growth of Italian wines on the same reference markets
- Increased market shares compared to competitors in Switzerland, Germany and BeNeLux.
- Success on the market of high value added branded products, in particular new product lines Elettra®, Ronco di Sassi® extension,
- Continuous product innovation and reinforcement of sales force and market reach

2. Financial Highlights – IWB stand alone

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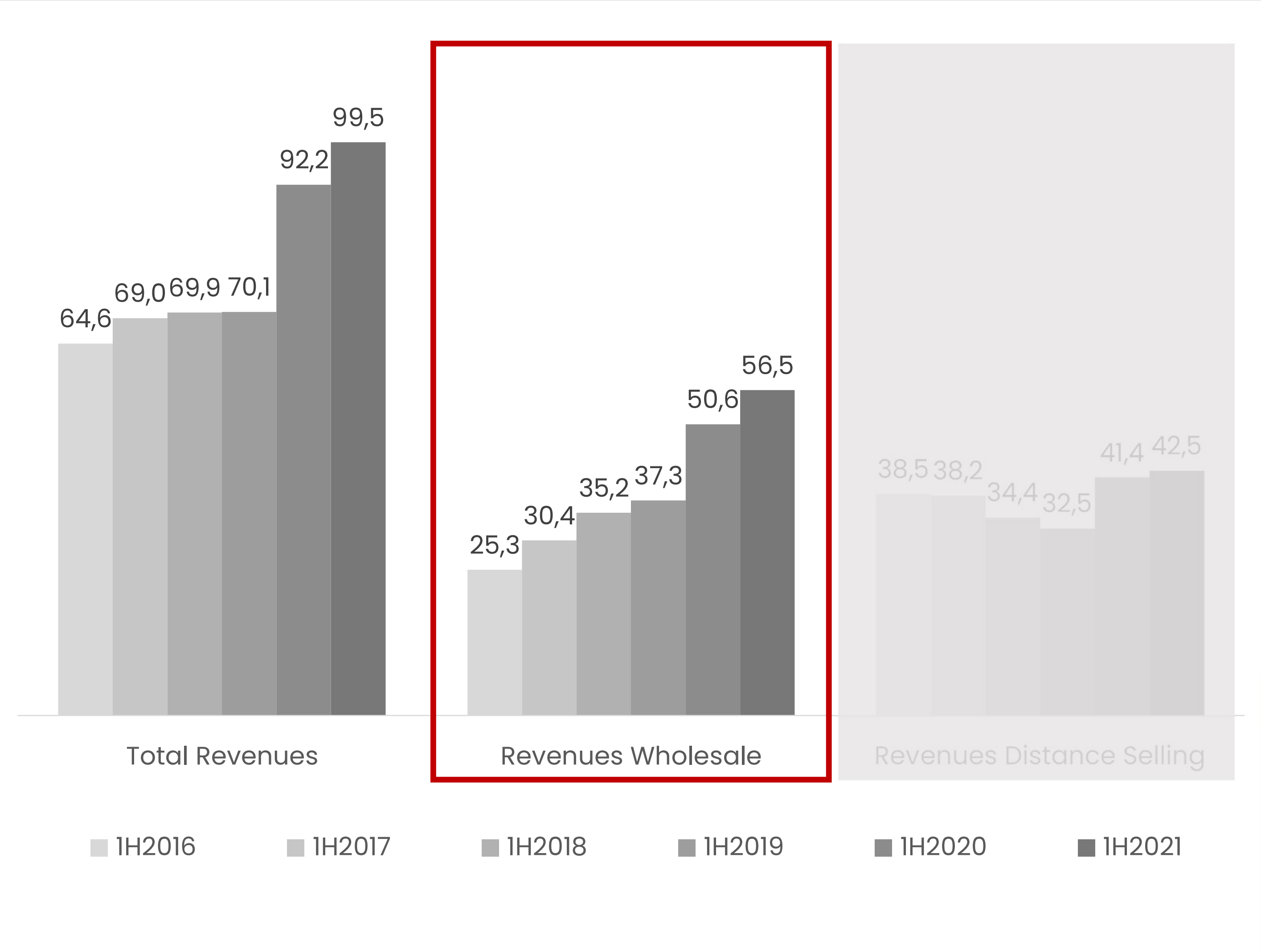
Net Sales organic - Wholesale



- Exceptional growth 2016-2021: wholesale revenues up of 123,2% in five years, +Eur 31,2m in absolute terms
- Strong competitive positioning both in terms of brands and in terms of customers/markets
- Strong increase in Switzerland, Germany, Beglium, USA, China and France markets thanks to continuous product innovation

2. Financial Highlights – IWB stand alone

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Net Sales organic - Wholesale

Eur Millions	1H2016	1H2017	1H2018	1H2019	1H2020	1H2021	Δ % 20/21	Cagr 16/21
Wholesale - Italy	**0,0**	**0,0**	**0,7**	**1,5**	**2,6**	**3,2**	**23,6%**	**N/A**
Wholesale - International	**25,3**	**30,4**	**34,5**	**35,8**	**48,0**	**53,3**	**11,1%**	**16,1%**
Switzerland	8,6	9,2	10,9	11,2	19,2	21,4	11,4%	19,9%
Germany	2,2	2,8	3,1	4,5	6,8	7,3	7,9%	26,9%
Austria	4,7	4,9	5,7	6,0	7,2	7,0	(1,7%)	8,4%
UK	1,4	2,6	3,3	5,4	4,7	4,1	(11,2%)	23,4%
Belgium	0,3	0,4	0,4	0,3	1,3	3,1	150,1%	64,9%
Denmark	2,0	2,7	3,2	2,7	2,9	2,6	(11,5%)	5,2%
USA	1,8	2,0	0,7	1,3	0,8	2,1	155,0%	3,3%
China	0,3	0,4	0,7	0,8	0,3	0,5	77,1%	15,3%
Sweden	0,3	0,4	0,8	0,8	0,8	0,5	(39,6%)	10,8%
Netherlands	0,0	0,0	0,2	0,2	0,6	0,3	(44,5%)	N/A
Canada	0,0	0,0	0,5	0,3	0,5	0,3	(47,0%)	N/A
France	0,0	0,0	0,1	0,0	0,1	0,1	31,2%	N/A
Other	3,7	4,9	4,9	2,3	2,8	3,8	34,3%	0,4%
Total	**25,3**	**30,4**	**35,2**	**37,3**	**50,6**	**56,5**	**11,7%**	**17,4%**

2. Financial Highlights – IWB stand alone

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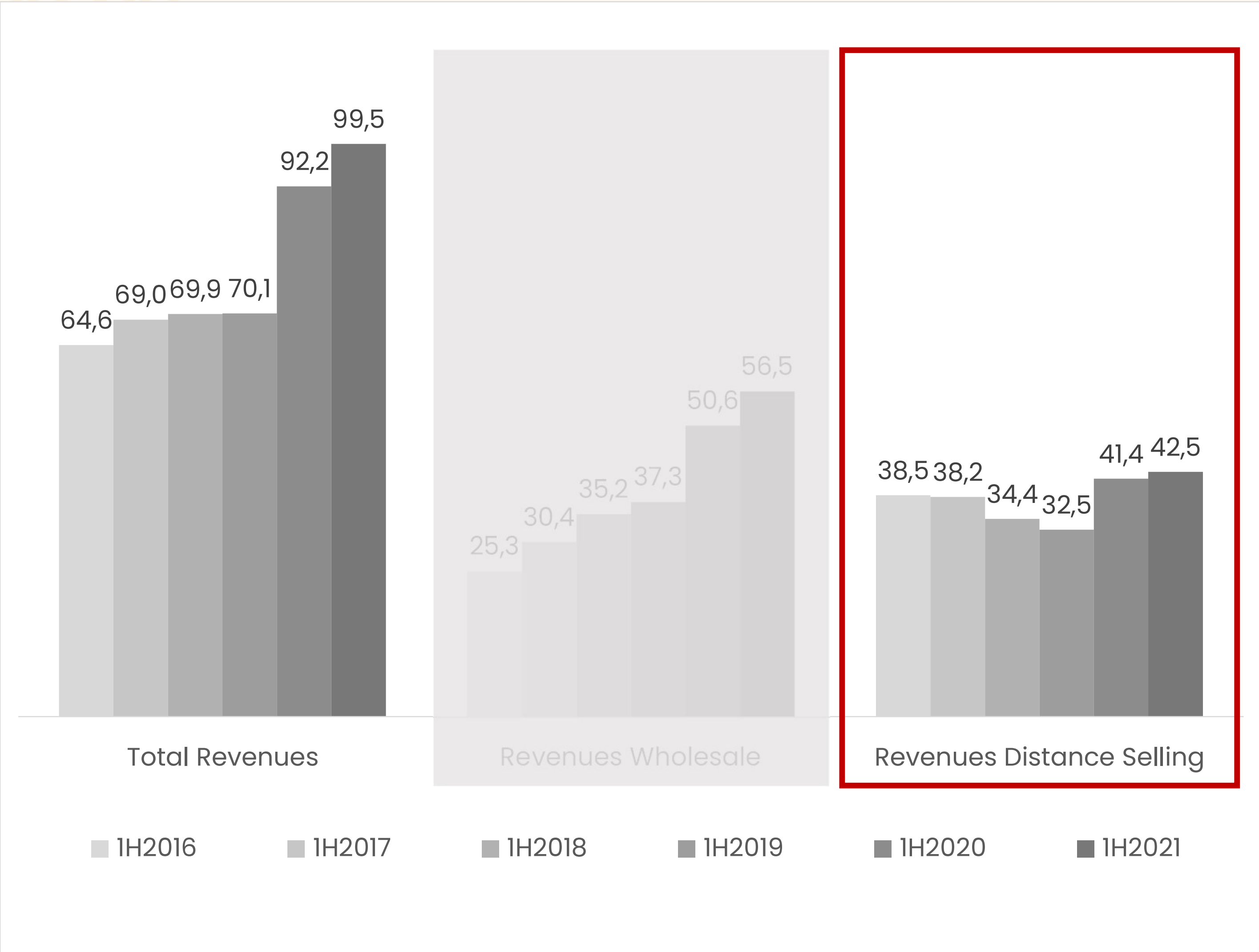
Net Sales organic - Distance Selling



- Distance selling accounts for 42,8% of 1H2021 net sales (45,1% in 1H2020, 46,4% in 1H2019 and 49,2% in 1H2018), further reducing its contribution to the Group revenues
- DS stable in terms of # orders (about 600.000), Italy weaker, solid growth in Germany. Slightly increase of value per order (up from €69.9 in 2020 to €71.4 in 2021)
- Good improvement of business in terms of margins and customer retention

2. Financial Highlights – IWB stand alone

ITALIAN WINE BRANDS
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Net Sales organic - Distance Selling

Eur Millions	1H2017	1H2018	1H2019	1H2020	1H2021	Δ % 20/21	Cagr 17/21
Distance selling Italy	**18,0**	**15,1**	**13,9**	**16,8**	**16,4**	**(2,3%)**	**(2,3%)**
Direct Mailing	7,3	7,0	6,5	7,6	7,6	(0,0%)	0,9%
Teleselling	9,5	6,4	5,6	4,9	5,3	7,9%	(13,8%)
Digital / WEB	1,1	1,7	1,8	4,3	3,5	(18,1%)	34,1%
% Direct Mailing	*40,7%*	*46,4%*	*47,0%*	*45,1%*	*46,2%*		
%Teleselling	*53,2%*	*42,6%*	*40,3%*	*29,2%*	*32,3%*		
% Digital / WEB	*6,1%*	*11,1%*	*12,8%*	*25,7%*	*21,5%*		
Distance selling international	**20,2**	**19,3**	**18,6**	**24,6**	**26,2**	**6,3%**	**6,6%**
Direct Mailing	12,1	11,8	11,2	13,3	14,9	12,2%	5,5%
Teleselling	6,1	4,6	3,6	3,7	3,6	(2,4%)	(12,3%)
Digital / WEB	2,0	2,9	3,8	7,6	7,6	0,4%	39,1%
% Direct Mailing	*59,6%*	*61,3%*	*60,3%*	*54,0%*	*57,0%*		
%Teleselling	*30,4%*	*23,7%*	*19,4%*	*15,2%*	*13,9%*		
% Digital / WEB	*10,0%*	*15,0%*	*20,4%*	*30,8%*	*29,1%*		
Total	**38,2**	**34,4**	**32,5**	**41,4**	**42,5**	**2,8%**	**2,7%**

2. Financial Highlights – IWB stand alone

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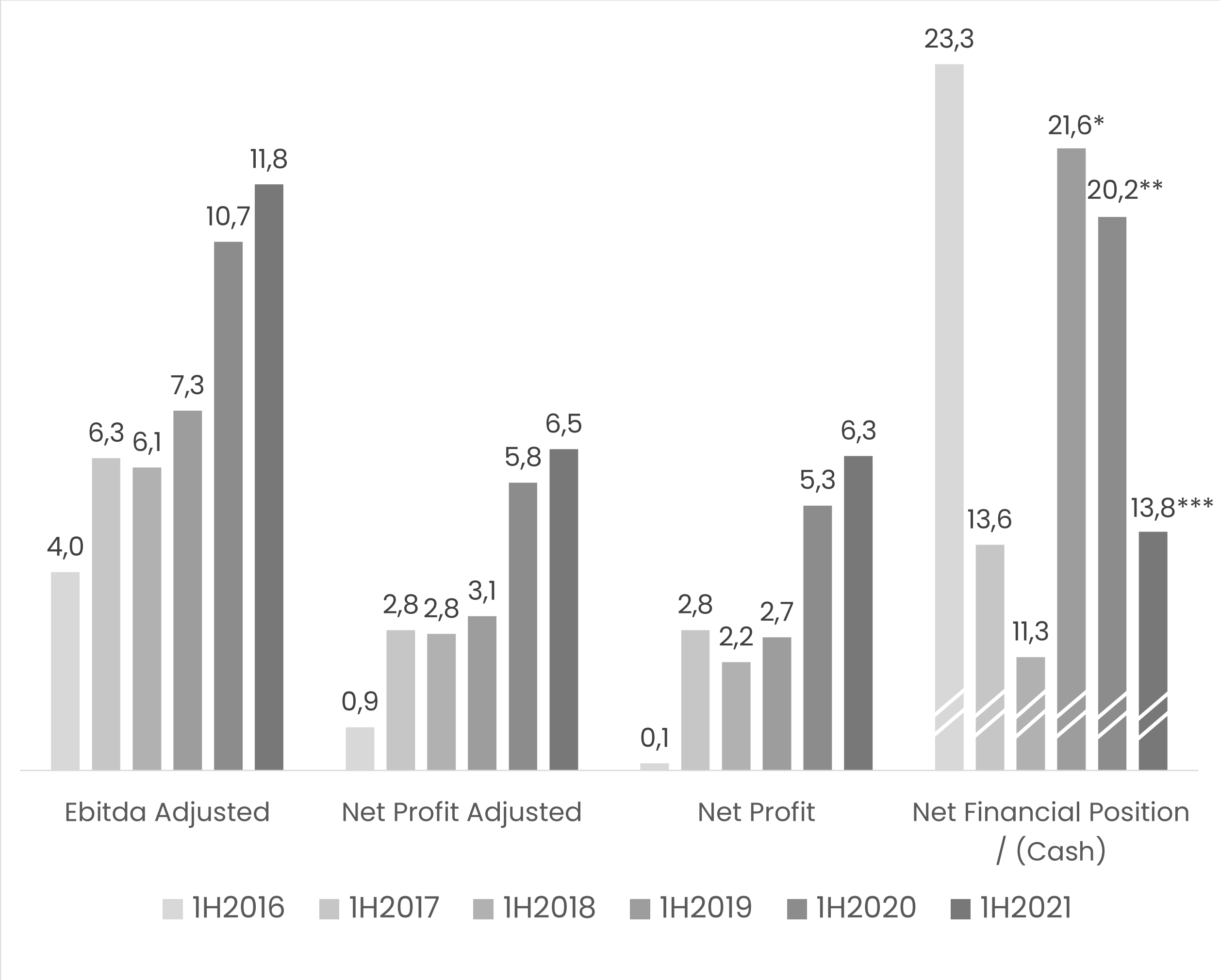
Organic Ebitda, Net Profit, Net Financial Position



*: *Including Eur 11,7 m of liabilities for rights of use (Ex IFRS 16)*

**: *Including Eur 10,7 m of liabilities for rights of use (Ex IFRS 16)*

***: *Including Eur 10,0 m of liabilities for rights of use (Ex IFRS 16)*

Ebitda: almost tripled from Eur 4.0 m in 1H2016 to Eur 11.8 m in 1H2021

- Overall increase over the period of raw material incidence on sales due to change in revenues mix (+wholesale – distance selling)
- OPEX incidence on revenues over the period due higher margins on branded products
- Ebitda margin increased from 6,2% in 1H2016 to 11,7% in 1H2021

Net Profit Adjusted: more than 7x from Eur 0.9 m in 1H2016 to Eur 6.5 m in 1H2021

Limited CAPEX not adding significant D&A

Net financial position:

- Eur 130 m bond issued in May 2021 with 6yrs maturity, bullet repayment; double purpose: refinancing and funding of Enoitalia acquisition
- Strong cash flow generation over the period allowing for shareholding friendly capital deployment: dividend distributions (Eur 4,8 m in 1H2021, Eur 0,7 m in 2020, Eur 2,9 m in 2019, Eur 2,5 m in 2018 and Eur 1,1 m in 2017) and treasury stock purchases (Eur 1,7 m in 2020, Eur 1,2 m in 2019, Eur 1,6 m in 2018 and Eur 0,4 m in 2017)


Barolo '93
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2. Financial Highlights – IWB + ENO

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Aggregated IWB + Eno Revenues, Ebitda, Net Profit, Net Financial Position
1 half 2020 / 1 half 2021

Restated data in Eur/000

	30.06.2021 Enoitalia		30.06.2021 IWB	30.06.2021 Pro-forma Aggregated	30.06.2020 Enoitalia		30.06.2020 IWB	30.06.2020 Pro-forma Aggregated	Δ % 20/21
Net Sales + Other Income	97.644		100.648	**198.292**	87.941		92.648	**180.589**	9,80%
EBITDA Adjusted	7.238	(*)	11.825	**19.063**	7.146	(*)	10.668	**17.814**	7,01%
% on Net Sales + Other Income	*7,41%*		*11,75%*	*9,61%*	*8,13%*		*11,51%*	*9,86%*	
Net Income	3.658	(*)	6.344	**10.002**	3.800	(*)	5.348	**9.148**	9,34%
% on Net Sales + Other Income	*3,75%*		*6,30%*	*5,04%*	*4,32%*		*5,77%*	*5,07%*	
Net Financial Position (**)	10.971		3.797	**14.768**	15.334		9.444	**24.778**	

(*) *Data compliant with OIC accounting standards*

(**) *Data excluding liabilities for rights of use (ex IFRS 16) and the effects due to the payment of Enoitalia acquisition price*

2. Financial Highlights – IWB + ENO

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Aggregated IWB + Eno Revenues, Ebitda, Net Profit, Net Financial Position
Last twelve months 30.6.20/30.6.21

	LTM 30.06.2021 Enoitalia		LTM 30.06.2021 IWB		LTM 30.06.2021 Pro-forma Aggregated
Net Sales + Other Income	211.701		213.849		**425.550**
EBITDA Adjusted	17.237	(*)	26.761		**43.998**
% on Net Sales + Other Income	*8,14%*		*12,51%*		*10,34%*
Net Income	8.527	(*)	12.488	(**)	**21.015**
% on Net Sales + Other Income	*4,03%*		*5,84%*		*4,94%*
Net Financial Position	10.971	(*)	108.797	(***)	**119.768**
Leverage (NFP/EBITDA Adjusted)					***2,72x***

(*) Data compliant with OIC accounting standards
(**) The amount includes financial expenses estimate for 12 months about Eur 130 m bond
(***) The amount inlude the effects due to the payment of Enoitalia acquisition price

2. Historical Financial Highlights 2016-2021

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Extended P&L 2016 - 2021

Eur/000	30.06.2016	30.06.2017	30.06.2018	30.06.2019	30.06.2020	30.06.2021
Net Sales	**64.586**	**68.989**	**69.940**	**70.073**	**92.158**	**99.501**
Change in inventory	1.837	1.045	(315)	3.239	4.255	8.219
Other income	532	492	728	643	490	1.147
Total Revenues	**66.955**	**70.526**	**70.353**	**73.955**	**96.903**	**108.867**
Raw Material	(35.597)	(36.997)	(40.162)	(42.954)	(56.571)	(65.202)
Services	(20.016)	(22.542)	(19.816)	(19.686)	(25.338)	(27.196)
Personnel	(7.173)	(4.524)	(4.132)	(3.706)	(4.029)	(4.330)
Other expenses	(163)	(162)	(126)	(350)	(297)	(314)
Total operating costs	(62.949)	(64.225)	(64.236)	(66.696)	(86.235)	(97.042)
EBITDA Adjusted	**4.006**	**6.301**	**6.117**	**7.259**	**10.668**	**11.825**
Depreciation, Amortization and write-downs	(1.670)	(1.548)	(1.733)	(2.271)	(2.431)	(2.719)
Non-recurring expenses (A)	(1.062)	-	(789)	(589)	(517)	(185)
Provision for risks and charges	(72)	(54)	-	-	-	-
EBIT	**1.202**	**4.699**	**3.595**	**4.399**	**7.720**	**8.921**
Financial Expenses	(900)	(758)	(594)	(671)	(619)	(1.269)
Non-recurring financial expenses (B)	-	-	-	-	(13)	-
EBT	302	3.941	3.001	3.728	7.088	7.652
Taxes	(155)	(1.105)	(813)	(1.040)	(1.741)	(1.308)
Net Income (C)	**147**	**2.836**	**2.188**	**2.688**	**5.347**	**6.344**
Tax effects of non-recurring charges (D)	333	-	220	164	64	44
Net Income Adjusted (E) = (C)-(A)-(B)-(D)	**876**	**2.836**	**2.757**	**3.113**	**5.813**	**6.485**

2. Historical Financial Highlights 2016-2021

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Extended Balance Sheet 2015 - 2020 (end of the year)

Eur/000	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020
Intangibles & Goodwill net of tax reserves	74.721	75.890	76.657	78.385	79.679	94.288
Tangibles	16.954	15.526	14.232	14.736	14.539	15.104
Rights of use (Ex IFRS 16)	-	-	-	-	10.860	9.637
Fixed Assets	**91.675**	**91.416**	**90.889**	**93.121**	**105.078**	**119.029**
Inventory	17.401	17.712	20.211	18.997	20.334	25.490
Trade Receivables	22.759	23.981	22.220	20.785	23.605	30.567
Trade Payables	(35.709)	(43.889)	(46.801)	(44.522)	(45.750)	(56.809)
Other	(378)	412	(90)	1.000	(1.731)	(2.541)
Net Working Capital	**4.073**	**(1.784)**	**(4.460)**	**(3.740)**	**(3.542)**	**(3.293)**
Severance indemnity	(1.724)	(1.007)	(815)	(656)	(651)	(621)
Other long term funds	(1.994)	(1.996)	(1.684)	(1.071)	(994)	(261)
Total Uses	**92.030**	**86.630**	**83.930**	**87.654**	**99.891**	**114.854**
Net Worth	**71.973**	**76.162**	**81.624**	**84.282**	**89.208**	**104.521**
Net Financial Position / (Cash)	**20.057**	**10.467**	**2.306**	**3.372**	**(565)**	**425**
Liabilities for Rights of use (Ex IFRS 16)	**-**	**-**	**-**	**-**	**11.248**	**9.908**
Total sources	**92.030**	**86.630**	**83.930**	**87.654**	**99.891**	**114.854**

2. Historical Financial Highlights 2016-2021

ITALIAN WINE BRANDS
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Extended Balance Sheet 2016 - 2021 (end of June)

Eur/000	30.06.2016	30.06.2017	30.06.2018	30.06.2019	30.06.2020	30.06.2021
Intangibles & Goodwill net of tax reserves	75.081	76.074	78.039	78.765	93.687	95.135
Tangibles	16.076	14.777	15.238	14.331	14.000	15.125
Rights of use (Ex IFRS 16)	-	-	-	11.472	10.248	9.644
Fixed Assets	**91.157**	**90.851**	**93.277**	**104.568**	**117.935**	**119.904**
Inventory	18.591	18.621	20.069	22.236	24.968	33.697
Trade Receivables	17.275	18.034	16.359	19.770	25.725	21.355
Trade Payables	(29.905)	(33.665)	(33.630)	(38.929)	(44.916)	(54.877)
Other	1.561	249	(2.588)	(681)	(6.338)	222
Net Working Capital	**7.522**	**3.239**	**210**	**2.396**	**(561)**	**397**
Severance indemnity	(1.098)	(999)	(851)	(680)	(603)	(605)
Other long term funds	(1.976)	(1.982)	(1.061)	(1.067)	(991)	(240)
Total Uses	**95.605**	**91.109**	**91.575**	**105.217**	**115.780**	**119.456**
Net Worth	**72.353**	**77.556**	**80.284**	**83.661**	**95.611**	**105.637**
Net Financial Position / (Cash)	**23.252**	**13.553**	**11.291**	**9.856**	**9.444**	**3.797**
Liabilities for Rights of use (Ex IFRS 16)	**-**	**-**	**-**	**11.700**	**10.725**	**10.022**
Total sources	**95.605**	**91.109**	**91.575**	**105.217**	**115.780**	**119.456**

2. Historical Financial Highlights 2016-2021

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Extended Cash flow 2016 - 2021

Eur/000	30.06.2016	30.06.2017	30.06.2018	30.06.2019	30.06.2020	30.06.2021
EBITDA	**3.150**	**6.301**	**5.328**	**6.670**	**10.151**	**11.640**
Taxes	(155)	(1.105)	(813)	(1.040)	(1.741)	(1.308)
Net increase / (decrease) in provisions	(526)	(122)	(561)	(55)	(78)	64
Gross Cash Flow	**2.469**	**5.074**	**3.954**	**5.575**	**8.332**	**10.396**
(Increase) / Decrease Net Operating W C	(3.994)	(5.686)	(5.471)	(6.808)	(4.769)	(4.278)
CAPEX	(591)	(273)	(2.884)	(917)	(1.844)	(2.492)
FREE CASH FLOW (FCF)	**(2.116)**	**(885)**	**(4.401)**	**(2.150)**	**1.719**	**3.626**
Financial Expenses	(900)	(758)	(594)	(671)	(619)	(1.269)
Change in Financial Debt	3	871	8.764	(8.459)	(5.345)	104.174
CASH FLOW TO EQUITY	**(3.013)**	**(772)**	**3.769**	**(11.280)**	**(4.245)**	**106.531**
M&A			(462)		(11.642)	
Capital Increase / (Dividends) / (Own Shares Purch.)	233	(1.443)	(3.528)	(3.309)	1.056	(5.228)
CASH BALANCE	**(2.780)**	**(2.215)**	**(221)**	**(14.589)**	**(14.831)**	**101.303**


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