



ITALIAN WINE BRANDS

*Creatori di Eccellenze*

# FY Results 2021

**Investors Presentation**

**23 March 2022**





# Italian Wine Brands Today



Largest Italian wine company with sales in over 70 countries.



Award winning portfolio of proprietary brands



Unique multichannel commercial distribution across the world

Wholesale, Horeca and DTC



State of the art operational facilities in Italy

#2 wineries, #3 bottling plants, #1 logistic platform. >300 employees



Asset light and flexible business model

> No agricultural activity, #300 farmers providing each year IWB with the best quality raw material



# Our journey since IPO – 2015

We changed the game rules in the Italian wine industry

First ever Italian wine company to be listed with the aim of **creating the Italian champion**

**2015**

**2017**

**Continuous development** of brands and distribution. Reshaping of DTC.

Acquisition of the digital platform **«Svinando.com»**

**2018**

**2020**

**Acquisition of Raphael Dal Bo** in the Swiss market.

Acquisition of **Enoitalia S.p.A.**

Acquisition of **Enovation Brands Inc.** in USA

**2021**

**End of 2021**

**Largest Italian player and recognized consolidator**, achievement of initial goal.

# 2021 FY Results at a glance

## VOLUMES

**408.9 €M**



NET SALES\*  
**+100.1% YOY**

## MARGINS

**41.8 €M**



EBITDA Adjusted\*,\*\*  
**+63.4% YOY**

## RESULTS

**20.5 €M**



Adjusted NET  
INCOME\*,\*\*  
**+30.8% YOY**

## RESULTS

**18.3 €M**



NET INCOME\*  
**+28.9% YOY**

## NET FINANCIAL INDEBTEDNESS

**108.0 €M**

NET FINANCIAL  
INDEBTEDNESS  
**2.6X EBITDA**

## DIVIDEND

**0,1 €**  
per share



\*: Pro-forma combined IWB + Enoitalia results as at 12.31.21

\*\*.: Net of Management Adj., see next slides

\*\*\*.: Net of IFRS 16 Effect of Eur 13.3 m



# What's next?

## Short and mid term strategies

SHORT



### **Cope with Inflation and lack of supplies**

Through sharp and diversified strategy across different products, channels, customers

MEDIUM



### **Organic Growth**

Through premiumization of existing brands, creation of new brands, expansion in new channels and new markets



### **Focused M&A**

To empower global distribution platform



### **Premium operation platform**

To fully exploit synergies



# Short term strategy – Cope with Inflation and lack of supplies (1/2)

**Cost increases for the period November 2021 – March 2022 of:**

- Bulk Wine
- Glass
- Caps, Capsules, Labels, packaging

**..... have had a negative effect on P/L of November and December 2021 (0,5% margin on sales) but have been entirely transferred to the sales price list starting from the beginning of 2022.**

**Lack of transportation to UK for the period November 2021 – December 2022 caused a loss in 2021 Net Sales of approximately 10 million. No major turmoils in the first three months of 2022.**





# Short term strategy – Cope with Inflation and lack of supplies (2/2)

**Costs increased strongly following the outbreak of the war in Ukraine and, starting from April 2022, will have the following negative effects:**

- Glass: approximately +3 cents on the cost of a single bottle;
- Electricity and Gas: + Euro 2.0 million overall;
- Transport and packaging: + Euro 3.0 / 3.5 million overall;

**Overall, we estimate a cost increase of approximately 6/7 cents per bottle in the period April – December 2022.**

**IWB group has implemented since the beginning of 2021 a tightening strategy differentiated for each type of customer / product aimed at maintaining market shares and defending profit margins.**

## **Wholesale / Ho.re.ca. Branded Products (55% of net sales)**

- Starting from March it was **possible to reverse price increases** with the aim, at the same time, of **preserving existing and gaining new market shares.**

## **Wholesale Private label products (25% of net sales)**

**Agreements have been defined** or are still being negotiated **with discount chains** with the aim of alternatively:

- **Increasing price lists;**
- **Setting up multi-year agreements;**
- **Setting up cost-plus contracts.**

## **Distance Selling Branded Products (20% of net sales)**

**Storage of raw materials** in second half of 2021

**New price lists** starting from April 2022 **with average increase of 6%**





# Long term strategy – Organic Growth and selective M&A

Italian Wine in the world / IWB

**EXPORTS MARKETS VALUE**  
**~EUR 7.1 BLN**

**DOMESTIC MARKET VALUE**  
**~ EUR 6.0 BLN**

IWB revenues on domestic  
market: Eur 77.8 m

IWB Market share on  
domestic market: 1,3%

**TOTAL MARKET VALUE**  
**~EUR 13.1 BLN**

	Total €M	IWB €M	MS %
<b>USA</b>	1,720.0	18.5	1.1%
<b>DE</b>	1,134.0	61.3	5.4%
<b>UK</b>	743.0	92.4	13.2%
<b>CH</b>	412.0	50.8	11.8%
<b>OTHER</b>	3,100	104.3	4.3%



Data from UN Comtrade as at 2021



# Long term strategy – Organic Growth and selective M&A

Italian Wine in the world / IWB

Italian wines  
growth  
2016/2021



**+32.8%**



**+0.2%**



**+18.6%**



**+12.4%**



**+7,5%**

IWB  
Growth  
2016/2021

From Eur 1.7m  
To Eur 18.5 m

**+988%**

From Eur 7.5m  
To Eur 92.4 m

**+1,132%**

From Eur 25.7m  
To Eur 50.8 m

**+97%**

From Eur 33.7m  
To Eur 61.3 m

**+82%**

From Eur 38.0m  
To Eur 104.3 m

**+174%**

Market data from UN Comtrade as at 2020  
2016 IWB data from official consolidated balance sheet as at 12.31.2017  
2020 IWB data from IWB/Enoitalia aggregated revenues



# Long term strategy – Wholesale / Horeca Consumer focused brand portfolio



**MEET: GRANDE ALBERONE**  
*Our Best Grand Tour.*

*Launched in 2012 as a test  
of 10k bottles.  
>5m bottles sold in 2021*





# Long term strategy – Wholesale / Horeca Consumer focused brand portfolio



**MEET: ELETTRA**  
*Shining Star!*

*Launched in 2021 as a test  
of 10k bottles.  
>200k expected bottles in 2022*





# Long term strategy – Wholesale / Horeca Consumer focused brand portfolio

**MEET: RAPHAEL DAL BO**  
*Our Sparkling Expert*

*Launched in 2010.*  
*2m expected bottles in 2022*





# Long term strategy – Wholesale / Horeca Consumer focused brand portfolio



**MEET: VOGA**  
*Sparkling Must!*

*Launched in 2005 in USA and UK.  
>3m expected bottles in 2022*





# THE BIG PICTURE

## IWB that we pursue in the mid-term

### **PREMIUMIZATION** Value vs Volume

- Growth on high value added bottles

### **NO CAPEX INCREASE**

- Optimization of production capacity
- Synergies

### **CASH GENERATION**

- M&A
- Dividends <<<
- Deleverage

**EBITDA MARGIN  $\cong$  12%**  
**NET LEVERAGE <2.0X**





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# Financial Highlights



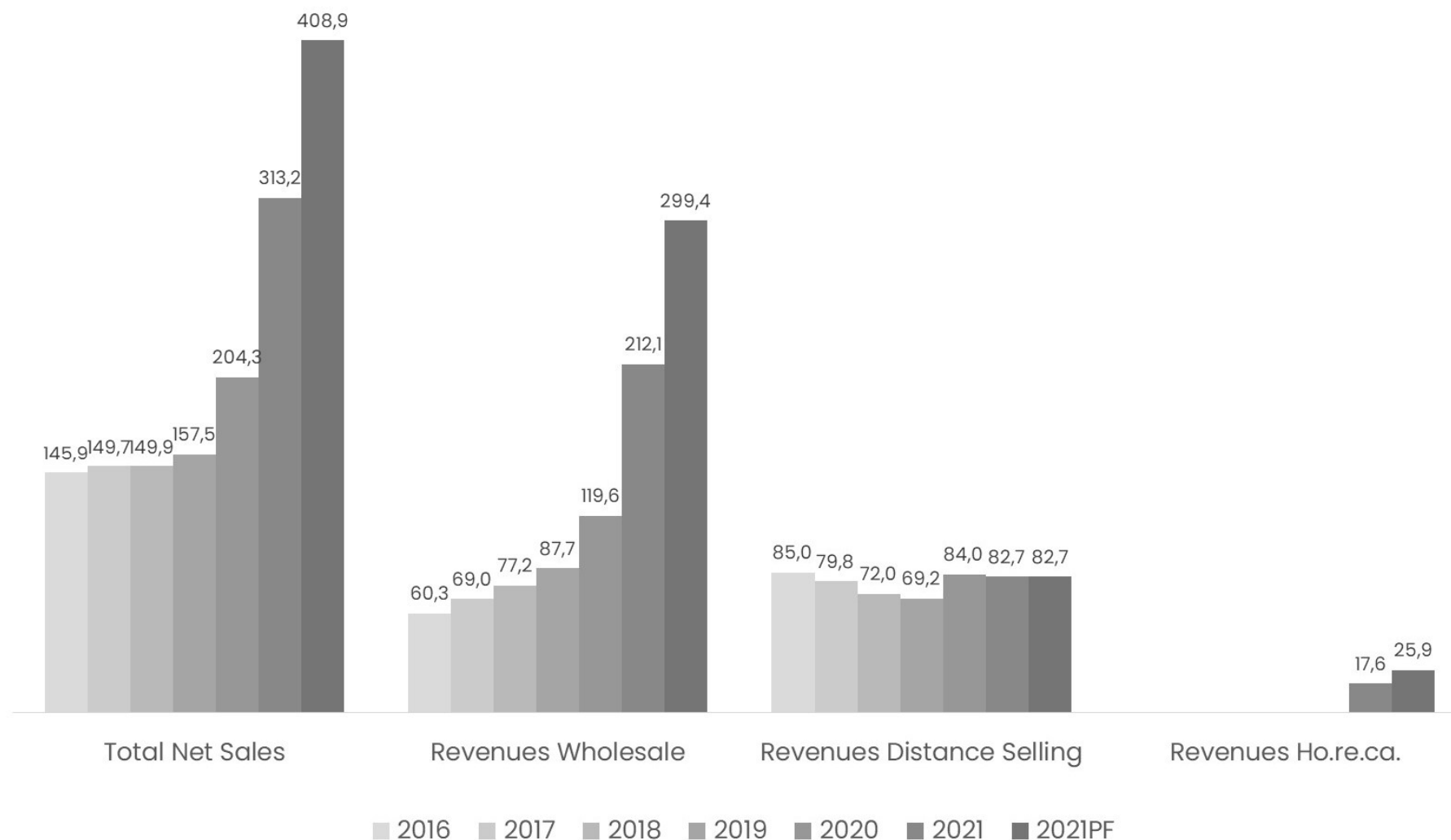
# Financial Highlights



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*Creatori di Eccellenze*

## Net Sales – Overall



\*2021PF: combined net sales IWB + Enoitalia results as at 12.31.21



## 2. Financial Highlights

### Net Sales – Wholesale

Eur Millions

	2016	2017	2018	2019	2020	2021	2021PF	Δ % 20/21	Cagr 18/21
<b>Wholesale - Italy</b>	<b>0,0</b>	<b>0,0</b>	<b>2,5</b>	<b>3,6</b>	<b>5,5</b>	<b>24,7</b>	<b>42,6</b>	<b>346,33%</b>	<b>115,74%</b>
<b>Wholesale - International</b>	<b>69,0</b>	<b>69,0</b>	<b>74,7</b>	<b>84,0</b>	<b>114,1</b>	<b>187,4</b>	<b>256,8</b>	<b>64,26%</b>	<b>35,88%</b>
UK	5,1	5,1	9,7	13,2	14,7	44,6	72,5	203,51%	66,30%
Switzerland	22,6	22,6	23,4	24,3	45,1	44,6	45,5	(1,18%)	23,97%
Germany	9,5	9,5	9,8	11,1	14,8	23,3	32,6	57,31%	33,63%
USA	2,0	2,0	2,5	3,0	1,6	8,6	15,4	452,70%	50,47%
Austria	13,0	13,0	13,1	12,3	15,9	15,1	15,1	(4,88%)	4,86%
Belgium	2,5	2,5	2,7	3,7	6,0	8,6	9,4	42,61%	46,21%
Netherlands	0,6	0,6	0,0	0,5	1,1	5,9	9,2	439,09%	432,61%
Poland	0,0	0,0	0,0	1,0	1,1	5,7	8,8	425,80%	N/A
France	0,7	0,7	0,5	0,1	0,2	3,5	7,7	2048,60%	87,60%
Denmark	6,4	6,4	5,1	5,2	5,0	6,0	7,5	19,42%	5,20%
Ireland	0,0	0,0	0,0	1,0	1,5	4,4	6,7	188,73%	N/A
Canada	0,9	0,9	0,6	0,6	0,9	1,8	3,1	102,33%	44,24%
Sweden	1,0	1,0	1,2	1,3	1,6	1,7	2,2	4,40%	10,39%
Hungary	0,0	0,0	0,0	1,3	1,5	1,7	1,9	7,82%	N/A
China	0,7	0,7	0,9	1,3	0,9	1,2	1,6	34,38%	8,15%
Other	4,1	4,1	5,0	4,0	2,3	10,8	17,6	376,70%	29,45%
<b>Total</b>	<b>69,0</b>	<b>69,0</b>	<b>77,2</b>	<b>87,7</b>	<b>119,6</b>	<b>212,1</b>	<b>299,4</b>	<b>77,28%</b>	<b>40,08%</b>

\*2021PF: combined net sales IWB + Enoitalia results as at 12.31.21

## 2. Financial Highlights

### Net Sales – Distance Selling

<i>Eur Millions</i>	2016	2017	2018	2019	2020	2021	2021PF	Δ % 20/21	Cagr 18/21
<b>Distance selling Italy</b>	<b>37,3</b>	<b>37,3</b>	<b>31,4</b>	<b>29,7</b>	<b>34,0</b>	<b>32,8</b>	<b>32,8</b>	<b>(3,69%)</b>	<b>1,46%</b>
Direct Mailing	16,3	16,3	14,8	14,1	16,1	15,4	15,4	(4,14%)	1,36%
Teleselling	17,8	17,8	12,7	11,3	9,8	10,0	10,0	1,78%	(7,62%)
Digital / WEB	3,2	3,2	3,9	4,3	8,1	7,3	7,4	(9,44%)	23,78%
% Direct Mailing	43,8%	43,8%	47,3%	47,4%	47,4%	47,1%	47,1%		
% Teleselling	47,7%	47,7%	40,4%	38,0%	28,9%	30,5%	30,5%		
% Digital / WEB	8,5%	8,5%	12,3%	14,6%	23,8%	22,4%	22,5%		
<b>Distance selling international</b>	<b>42,5</b>	<b>42,5</b>	<b>40,6</b>	<b>39,5</b>	<b>50,0</b>	<b>49,9</b>	<b>49,9</b>	<b>(0,12%)</b>	<b>7,09%</b>
Direct Mailing	25,7	25,7	23,8	23,3	27,1	28,3	28,3	4,41%	5,85%
Teleselling	11,5	11,5	8,7	7,2	7,7	6,8	6,8	(11,32%)	(7,90%)
Digital / WEB	5,4	5,4	8,1	9,1	15,2	14,8	14,8	(2,53%)	22,43%
% Direct Mailing	60,5%	60,5%	58,6%	59,0%	54,2%	56,6%	56,6%		
% Teleselling	26,9%	26,9%	21,5%	18,1%	15,4%	13,7%	13,7%		
% Digital / WEB	12,6%	12,6%	19,9%	22,9%	30,5%	29,7%	29,7%		
<b>Total</b>	<b>79,8</b>	<b>79,8</b>	<b>72,0</b>	<b>69,2</b>	<b>84,0</b>	<b>82,7</b>	<b>82,7</b>	<b>(1,57%)</b>	<b>4,71%</b>

\*2021PF: combined net sales IWB + Enoitalia results as at 12.31.21



# Financial Highlights

## Ebitda, Net Profit, Net Financial Position

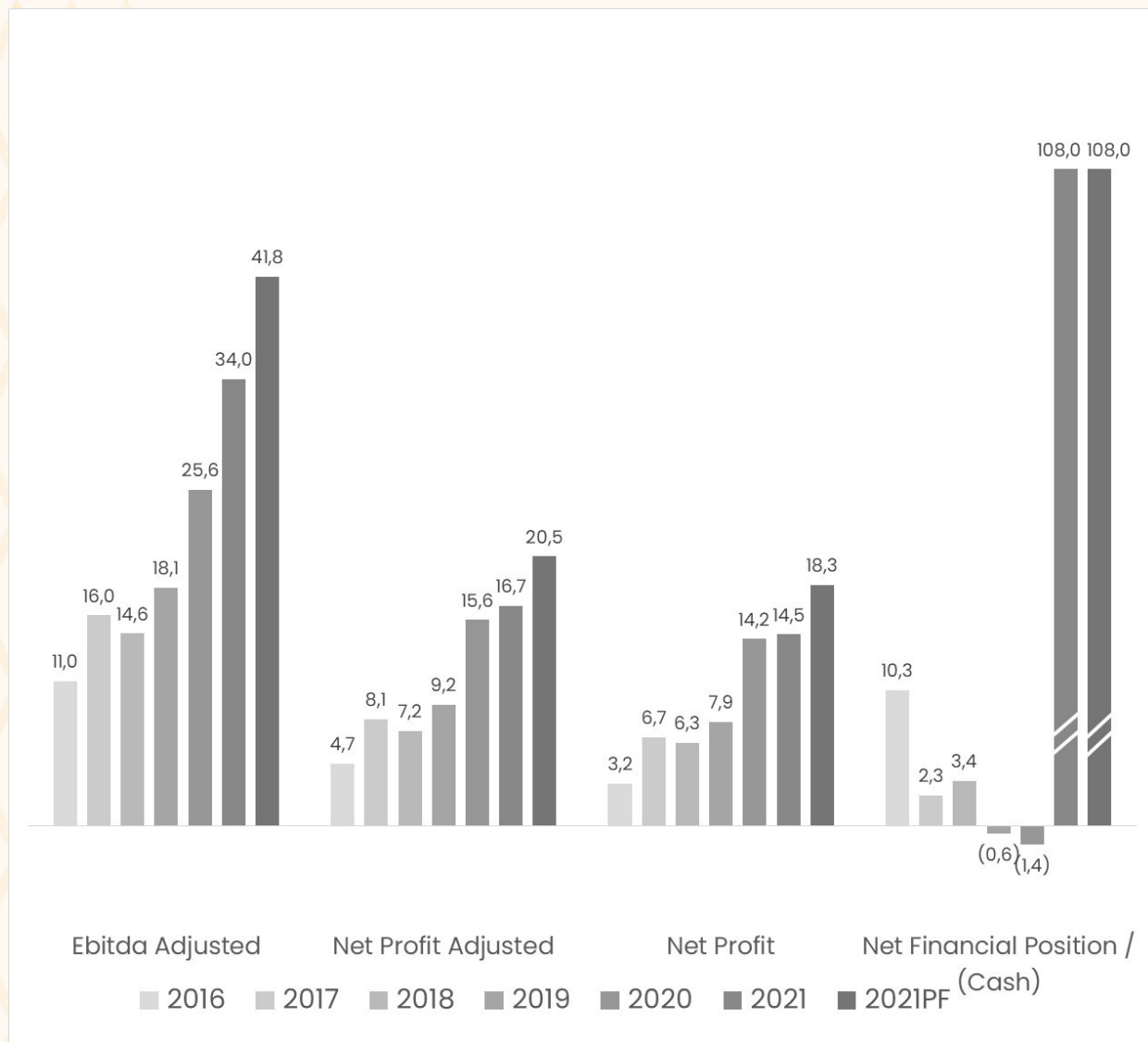


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**Ebitda:** almost 4x from Eur 11.0 m in 2016 to Eur 41.8 m in 2021

- Overall 2016/2021: increase over the 5 year period of raw material incidence on sales and decrease of OPEX due to change in revenues mix (+wholesale – distance selling), strong decrease of personnel costs
  - Overall 2016/2021: Ebitda margin increased from 7,8% in 2016 to 10,2% in 2021
  - 2021/2020 Ebitda margin decreased from 12,5% to 10,2% due to
    - i. lower Ebitda margin of Enoitalia compared to historical IWB perimeter (10–10,5% vs 12–12,5%) and
    - ii. tension on raw materials in November and December not transferred on 2021 price lists.
- Realignment of price lists started from 1st January 2022.**



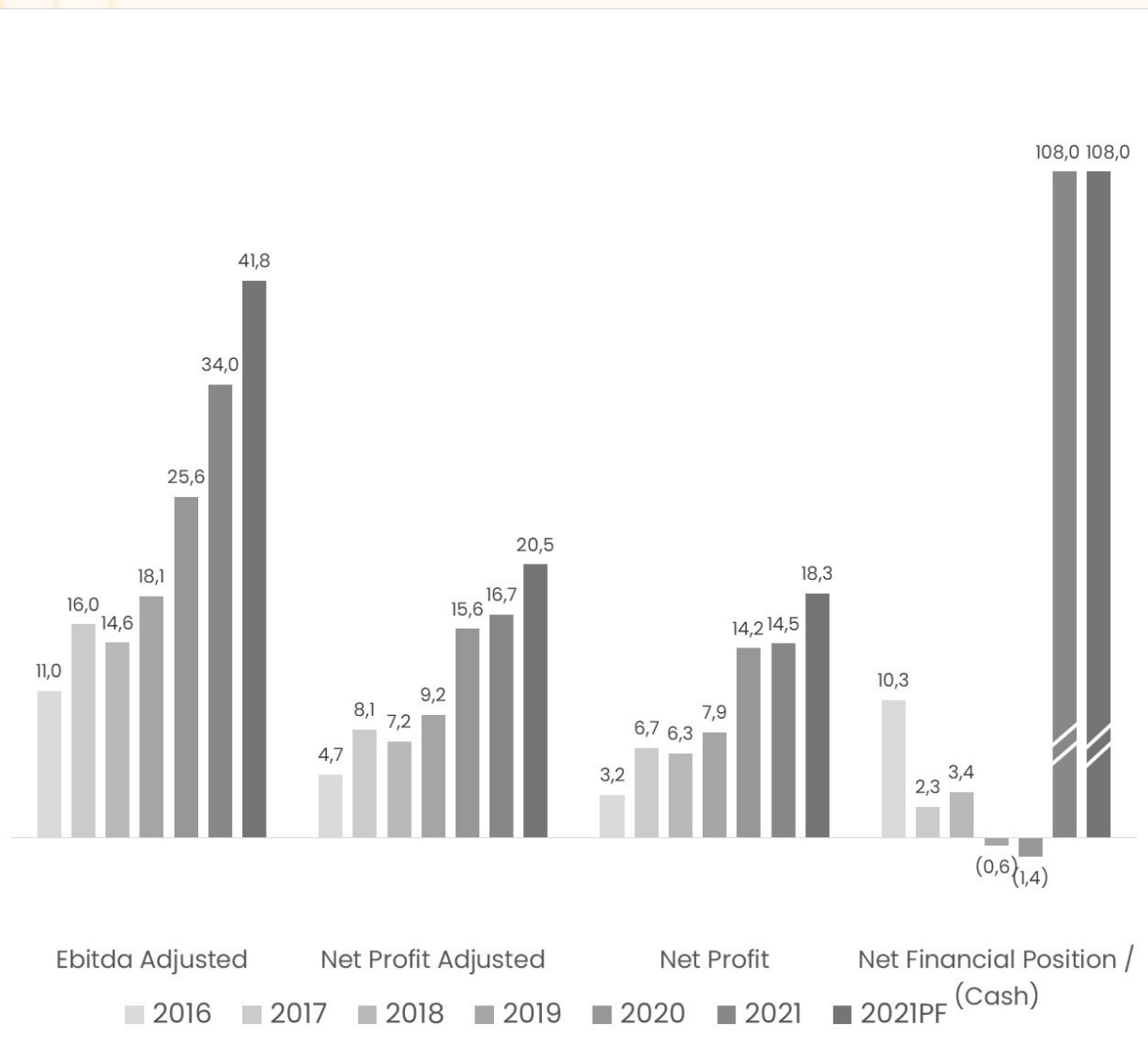
# Financial Highlights

## Ebitda, Net Profit, Net Financial Position



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**Net Profit:** nearly 6x from Eur 3.2 m in 2016 to Eur 18.3 m in 2021.

Main costs below Ebitda Adjusted 2021:

- Net interest of Eur 4.0m due to the bond issue and short term bilateral facilities;
- Depreciation, Amortization and write-downs of Eur 10.5 m;
- Non recurring expenses: Eur 3m (mainly Eur 0.7m related to Enoitalia acquisition, Eur 1.7m related to the LTIP)
- Taxes of Eur 5.7m (23.8% on EBT)

### **Net financial position:**

- Composition of NFP: Eur 130 m bond (6yrs maturity, bullet repayment, 2,5% interest rate) + cash on hands totalling NFP of Eur 108.0 m
- Total net leverage of 2.6x NFP/Ebitda



# Historical Financial Highlights 2016–2021

## Extended P&L 2016 – 2021

	Restated 31.12.2016	Restated 31.12.2017	Restated 31.12.2018	Restated 31.12.2019	Restated 31.12.2020	Restated 31.12.2021	Restated 31.12.2021PF
Eur/000							
<b>Net Sales</b>	<b>145.937</b>	<b>149.736</b>	<b>149.863</b>	<b>157.494</b>	<b>204.311</b>	<b>313.227</b>	<b>408.934</b>
Change in inventory	825	2.402	(1.162)	1.329	4.780	13.333	19.524
Other income	1.901	1.278	1.486	1.220	1.538	2.645	2.953
<b>Total Revenues</b>	<b>148.664</b>	<b>153.416</b>	<b>150.187</b>	<b>160.043</b>	<b>210.629</b>	<b>329.205</b>	<b>431.411</b>
Raw Material	(78.527)	(83.219)	(86.082)	(92.547)	(123.650)	(217.705)	(295.527)
% on Net Sales	-53,8%	-55,6%	-57,4%	-58,8%	-60,5%	-69,5%	-72,3%
Services	(46.503)	(45.700)	(41.515)	(41.486)	(52.159)	(62.009)	(72.362)
% on Net Sales	-31,9%	-30,5%	-27,7%	-26,3%	-25,5%	-19,8%	-17,7%
Personnel	(11.821)	(8.147)	(7.627)	(7.441)	(8.125)	(14.563)	(20.492)
% on Net Sales	-8,1%	-5,4%	-5,1%	-4,7%	-4,0%	-4,6%	-5,0%
Other expenses	(496)	(319)	(362)	(482)	(1.091)	(898)	(1.200)
<b>Total operating costs</b>	<b>(137.347)</b>	<b>(137.385)</b>	<b>(135.586)</b>	<b>(141.956)</b>	<b>(185.025)</b>	<b>(295.175)</b>	<b>(389.581)</b>
<b>EBITDA Adjusted</b>	<b>11.317</b>	<b>16.031</b>	<b>14.601</b>	<b>18.087</b>	<b>25.604</b>	<b>34.030</b>	<b>41.830</b>
% on Net Sales	7,8%	10,7%	9,7%	11,5%	12,5%	10,9%	10,2%
Depreciation, Amortization and write-downs	(2.993)	(3.243)	(3.510)	(4.582)	(5.387)	(8.100)	(10.476)
Non-recurring expenses (A)	(2.207)	(1.873)	(1.179)	(1.783)	(2.000)	(3.021)	(3.021)
Provision for risks and charges	(66)	(118)	(36)	0	0	0	0
<b>EBIT</b>	<b>6.052</b>	<b>10.797</b>	<b>9.876</b>	<b>11.722</b>	<b>18.217</b>	<b>22.909</b>	<b>28.333</b>
Financial Expenses	(1.630)	(1.565)	(1.135)	(1.223)	(1.186)	(3.938)	(4.308)
<b>EBT</b>	<b>4.421</b>	<b>9.232</b>	<b>8.741</b>	<b>10.499</b>	<b>17.031</b>	<b>18.971</b>	<b>24.025</b>
Taxes	(1.246)	(2.499)	(2.391)	(2.600)	(2.839)	(4.433)	(5.739)
<b>Net Income (B)</b>	<b>3.175</b>	<b>6.733</b>	<b>6.350</b>	<b>7.899</b>	<b>14.192</b>	<b>14.538</b>	<b>18.286</b>
Tax effects of non-recurring charges (C)	693	479	329	497	558	843	843
<b>Net Income Adjusted (D) = (B)-(A)-(C)</b>	<b>4.689</b>	<b>8.127</b>	<b>7.236</b>	<b>9.185</b>	<b>15.634</b>	<b>16.716</b>	<b>20.464</b>
% on Net Sales	3,2%	5,4%	4,8%	5,8%	7,7%	5,3%	5,0%

# Historical Financial Highlights 2016–2021

## Management Adj. 2021

	Reported	Management adjustment		Restated
Eur/000	31.12.2021PF	1	2	31.12.2021PF
<b>Net Sales</b>	<b>408.934</b>			<b>408.934</b>
Change in inventory	19.524			19.524
Other income	2.975	(22)		2.953
<b>Total Revenues</b>	<b>431.433</b>	<b>(22)</b>		<b>431.411</b>
Raw Material	(295.527)			(295.527)
Services	(74.562)	917	1.283	(72.362)
Personnel	(21.219)	262	465	(20.492)
Other expenses	(1.316)	116		(1.200)
<b>Total operating costs</b>	<b>(392.624)</b>	<b>1.295</b>	<b>1.748</b>	<b>(389.581)</b>
<b>EBITDA Adjusted</b>	<b>38.809</b>	<b>1.273</b>	<b>1.748</b>	<b>41.830</b>
Depreciation, Amortization and write-downs	(10.476)			(10.476)
Non-recurring expenses		(1.273)	(1.748)	(3.021)
<b>EBIT</b>	<b>28.333</b>	<b>0</b>	<b>0</b>	<b>28.333</b>
Financial Expenses	(4.308)			(4.308)
<b>EBT</b>	<b>24.025</b>	<b>0</b>	<b>0</b>	<b>24.025</b>
Taxes	(5.739)			(5.739)
<b>Net Income</b>	<b>18.286</b>	<b>0</b>	<b>0</b>	<b>18.286</b>

### Management Adjustments

1. Other income: Eur 22k related to legal expenses refund.

Services: Eur 725k related to Enoitalia acquisition (Eur 301k Tobin tax and Eur 424k advisory), Eur 192k legal advisory for ex-employees settlements.

Personnel: Eur 262k related to settlements with a manager and ex-employees.

Other expenses: Eur 116k related to VAT settlement.

2. Services and personnel: respectively Eur 1.283k and Eur 465k related to the accrual and allocation of the second tranche of the 2020–2022 Stock Grant Plan, representing 18,75% of the total value of the plan itself and in line with the achievement of the mean profitability targets (Eur 41.0m Ebitda) and control of the net financial position during the period 2020–2022 (Leverage <3.0x).



# Historical Financial Highlights 2016–2021

## Extended Balance Sheet 2016 – 2021

Eur/000	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021
Intangibles & Goodwill net of tax reserves	75.890	76.656	78.385	79.424	94.288	208.620
Tangibles	15.526	14.232	14.736	14.539	15.104	50.124
Rights of use (Ex IFRS 16)	0	0	0	10.860	9.637	14.042
<b>Fixed Assets</b>	<b>91.416</b>	<b>90.888</b>	<b>93.121</b>	<b>104.823</b>	<b>119.029</b>	<b>272.786</b>
Inventory	17.712	20.211	18.997	20.334	25.490	77.908
Trade Receivables	23.981	22.220	20.785	23.605	30.567	68.144
Trade Payables	(43.889)	(46.801)	(44.522)	(45.750)	(56.809)	(137.367)
Other	412	(90)	1.000	(1.476)	(2.541)	1.286
<b>Net Working Capital</b>	<b>(1.784)</b>	<b>(4.460)</b>	<b>(3.740)</b>	<b>(3.287)</b>	<b>(3.293)</b>	<b>9.971</b>
Severance indemnity	(1.007)	(815)	(656)	(651)	(621)	(1.212)
Other long term funds	(1.996)	(1.684)	(1.071)	(994)	(261)	(334)
<b>Total Uses</b>	<b>86.630</b>	<b>83.930</b>	<b>87.654</b>	<b>99.891</b>	<b>114.854</b>	<b>281.211</b>
<b>Net Worth</b>	<b>76.162</b>	<b>81.624</b>	<b>84.282</b>	<b>89.208</b>	<b>104.521</b>	<b>159.955</b>
<b>Net Financial Position / (Cash)</b>	<b>10.467</b>	<b>2.306</b>	<b>3.372</b>	<b>(565)</b>	<b>(1.437)</b>	<b>107.977</b>
Deferred price acquisition of Raphael Dal Bo AG	-	-	-	-	1.861	-
Liabilities for Rights of use (Ex IFRS 16)	-	-	-	11.248	9.908	13.279
<b>Total sources</b>	<b>86.630</b>	<b>83.930</b>	<b>87.654</b>	<b>99.891</b>	<b>114.854</b>	<b>281.211</b>

# Historical Financial Highlights 2016–2021

## Extended Cash flow 2016 – 2021

Eur/000	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2021PF
<b>Ebitda reported</b>		<b>14.158</b>	<b>13.422</b>	<b>16.304</b>	<b>23.604</b>	<b>31.009</b>	<b>38.809</b>
+(-) changes in NWC		1.206	(2.186)	(1.686)	440	(8.406)	(13.487)
+ (-) Funds		(622)	(808)	(82)	(763)	56	(615)
(-) taxes paid		(2.499)	(2.391)	(3.600)	(5.089)	(4.433)	(5.739)
(-) capex		(1.245)	(3.677)	(2.803)	(3.754)	(6.320)	(8.914)
<b>Free Cash Flow</b>		<b>10.999</b>	<b>4.360</b>	<b>8.133</b>	<b>14.438</b>	<b>11.906</b>	<b>10.054</b>
(-) interest expenses		(1.565)	(1.135)	(1.223)	(1.186)	(3.938)	(4.308)
(-) Dividends and treasury stocks		(1.271)	(3.692)	(2.973)	(740)	(4.604)	(4.258)
(-) M&A		0	(600)	0	(11.640)	(112.778)	(110.902)
<b>Change in cash</b>		<b>8.163</b>	<b>(1.067)</b>	<b>3.937</b>	<b>872</b>	<b>(109.414)</b>	<b>(109.414)</b>
Previous Year cash / (debt)		(10.467)	(2.305)	(3.372)	565	1.437	1.437
<b>Cash / (Debt) at the end of the year</b>	<b>(10.467)</b>	<b>(2.305)</b>	<b>(3.372)</b>	<b>565</b>	<b>1.437</b>	<b>(107.977)</b>	<b>(107.977)</b>





# ITALIAN WINE BRANDS

*Creatori di Eccellenze*

**Q&A Session**

