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ITALIAN WINE BRANDS
Creatori di Eccellenza

Milan, June 28th, 2023



ITALIAN WINE BRANDS

Creatori di Eccellenze

OUR TEAM

presenting today



Alessandro Mutinelli

President & CEO



Gabriella Fabotti

CFO



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◆ This is Italian Wine Brands

We are the **largest private wine producer of Italy**, the first to be listed on the Milan Stock Exchange in 2015. We produce high quality wines in the most prestigious winemaking regions and we distribute them both in the off-and on-trade segment, as well as online (Direct to consumer).

Our journey from 2015:

- I. **5 acquisitions in 7 years**
- II. **Turnover from 140 M € to 430 M € (2022)**
- III. **Market cap from 65 M to 230 M €**



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This is Italian Wine Brands in numbers



Total turnover:
over
430 mln euros

(Year 2022)



Export in the
World:
over **80%**



Business model:
Over 50
Owned Brands,
Private Labels



80/5

Destinations around
the World:
80 countries
5 continents



180

Total bottles sold:
180 mln



200⁺

Award Winning
portfolio:
Over **200 wines**
awarded in 2022

We have a light asset model, not owning the land, but taking care of the key points of the value chain: winemaking, ageing, bottling, distribution and marketing.

We keep flexible to adapt to market trends, understanding and delivering what our customers want.



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IWB M&A journey

Provinco Italia, founded in 1970, is leader in the production and export of wine to international wholesalers

PRÖVINCO ITALIA
GROUP ♦ ITALIAN WINE BRANDS

2015

GIORDANO
REGIONAL WINES. REGIONAL VITIS.

Giordano Vini, founded in 1900, is one of the world's leading companies in direct- to-consumer wine sales

Italian online shop with a selection of quality wines from small wineries

Svinando[®]

2018

RAPHAEL DAL BO
PROSECCO E SPUMANTE

Raphael Dal Bo has been producing Prosecco with great passion since 1999 and is now one of the major producers within the organic Prosecco segment

Enoitalia founded in 1986, is the largest private wine company in Italy in terms of volume

 **ENOITALIA**

2021

EB: ENOVATIONBRANDS

The Enovation Brands is headquartered in Miami, FL. The Enovation Brands team is a group of innovative brand builders

Barbanera is based in Tuscany and has been producing wines since 1938, with passion and constantly evolving its business


BARBANERA

2022

2022

In 7 years we have acquired wineries in the most renowned winemaking regions of Italy, to cover the needs of our International clients.

We go from the Prosecco area, to the super premium regions of Tuscany and Piedmont, going South to the well known region of Apulia.



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Where is IWB?

Wide portfolio of still and sparkling wines from all over Italy.





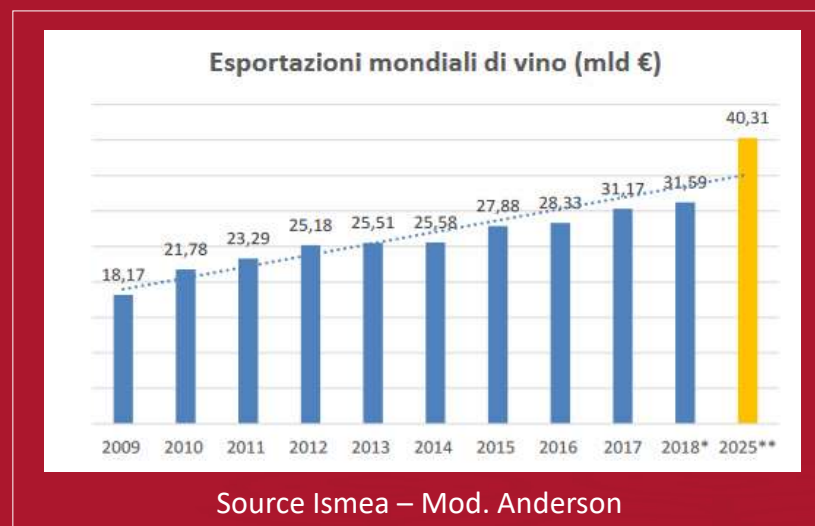
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The global wine market

The value of the International wine trade is **37 B €** (of which France 12 B € and **Italy 7,8 B €**) (source www.oemv.es – period Sept 2021-Sept 2022 – customs declared value)

The Italian domestic market is worth 7 B €, the total value of the Italian wine industry (ex works prices) is therefore 14,8 B €



The value of the International wine trade is expected to reach **40,31 B €** by the end of 2025, with France and Italy sharing the main part of this business.



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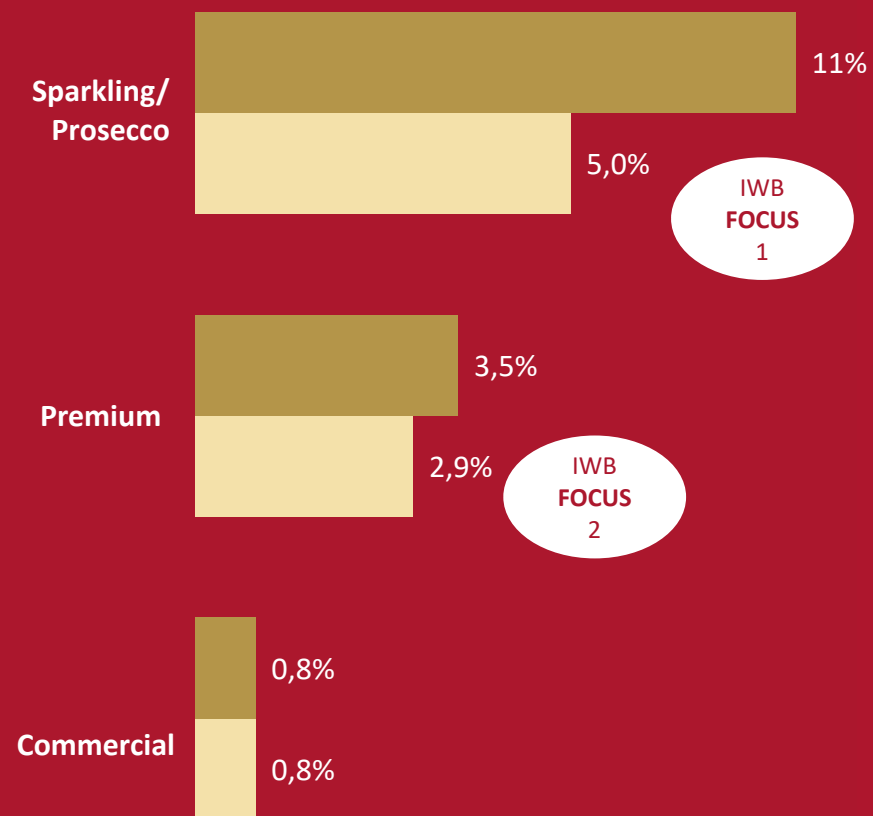
The categories expected to grow more

Sparkling and Premium wine is forecasted to become a >\$100bn market by 2025¹, and we intend to be leaders globally

- Sparkling/Prosecco has been growing consistently in the last ten years (from 142m btg. in 2011 to 627m btg. In 2021) and consumption is expected to grow further in the coming years. IWB production: 60m btg. per year and growing.
- Consumers are trading up, driven by younger age groups and constant growth of “buy better” trend: we will focus on this segment, leveraging our Super Tuscans and wines from Piemonte.

1,2: IWSR 2021, Numbers of wine from, still and sparkling wine only, \$ equivalent, portfolio price points per IWSR segmentation, value growth shown

Global wine category growth trends²



■ Historical growth (CAGR: 2011-2020)
■ Forecast growth (CAGR: 2020-2025)



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What markets matter the most for premium wines¹

A selected number of markets matter most in the premium and luxury segment

- Global premium and luxury wine segment sales totaled \$60bn in 2020, with US being the predominant market
- The top 10 markets represent ~ 80% of global premium and luxury consumption
- The United States is the clear leader, with ~ 30% share of global consumption and strong forecast growth. **IWB is very well positioned thanks to a new agreement with the largest National distributor**
- A number of emerging markets have strong growth potential, particularly those throughout Asia (Vietnam, Malaysia)
- As the Italian leader in sparkling and premium wines, with a 5% share, we have an excellent foundation from which to grow



1: IWSR 2021, still and sparkling wine only, \$ equivalent, portfolio price points per IWSR segmentation, value growth shown. Emerging markets include key markets in Asia, MEA and Latin America



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Next Step: Now phase four

1. Create a single operating company to maximize synergies and to simplify the business
2. Focus on higher value-added red wines and sparkling in line with market demand
3. Focus on cash conversion, reduction of NFP and dividends

Start up of IWB
Internal development
of new brands.
Setting up solid basis
for expansion

Exploiting value, volumes and
margins from the existing
platform.
Continuous improvement of
mix towards branded products

Expansion throughout
M&A with the aim of
creating a unique pure
Italian worldwide
player in the industry

2015-2018

2019 - 2020

2020 - 2022

2023 - 2026

PHASE ONE

PHASE TWO

PHASE THREE

PHASE FOUR

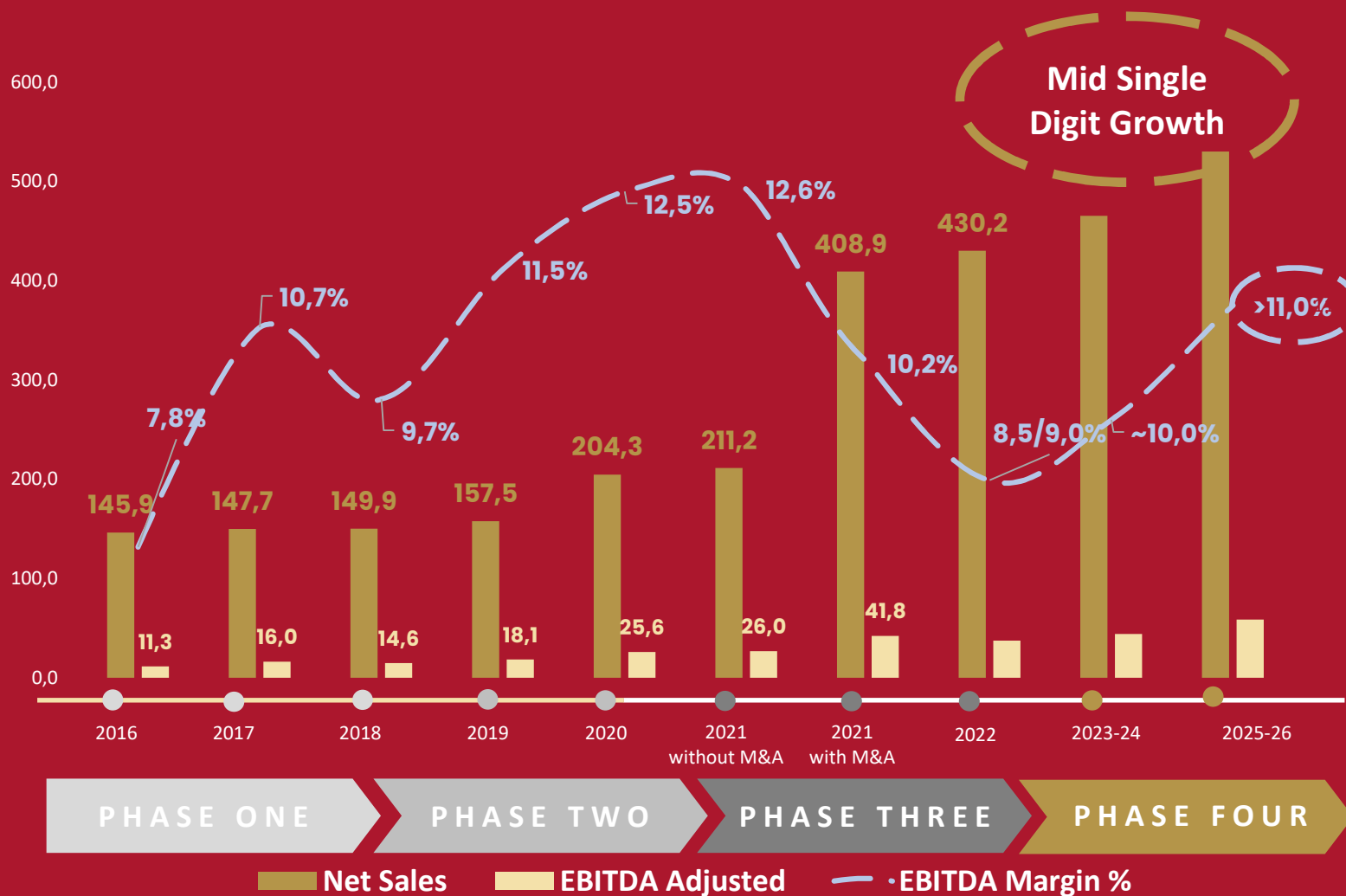


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Our journey in numbers

The actions over timelapse... In numbers





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Leveraging on our strength

The key elements that support our growth and margins through the cycle



We produce what our clients love to have, we are market driven



Expertise in wine branding



Unique worldwide multichannel distribution.

Access to markets is key



Motivated international team



Strong and flexible capital structure



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Targeted investments for growth

Our core enterprise strengths today



Leader Prosecco producer of Italy and key premium regions of Italy: Tuscany, Piedmont, Apulia, Veneto



Scale



Flexibility and innovation

Areas where we are prioritizing further investment

Consumer-led premium and luxury portfolio

- Expand commercial and marketing activities
- Evolve e-commerce and digital models
- Green investment to reduce CO2 footprint

Competitiveness

- Leverage our scale for new customer's acquisition

Keeping a light asset model and simplifying operations

- Keeping a light asset model, to better face market changes



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We have already exceptional brands, and we keep innovating

A deep and diverse portfolio, growing through consumer-led focus and innovation



Grande Alberone: A global premium large scale distributed brand (>4m btg)



Gemma di Luna: US phenomenon, with over 3m btg. sold in F22 and growing



Gigino: Luxury Supertuscan product line made with own vineyards



VOGA: Fast growing (3m btg), top US premium Prosecco in Ho.re.ca (on-trade)



Raphael dal Bo: Organic prosecco with premium distribution in Central UE



Giordano: Unparalleled leader in EU (18m btg), with heart in Langhe and Apulia

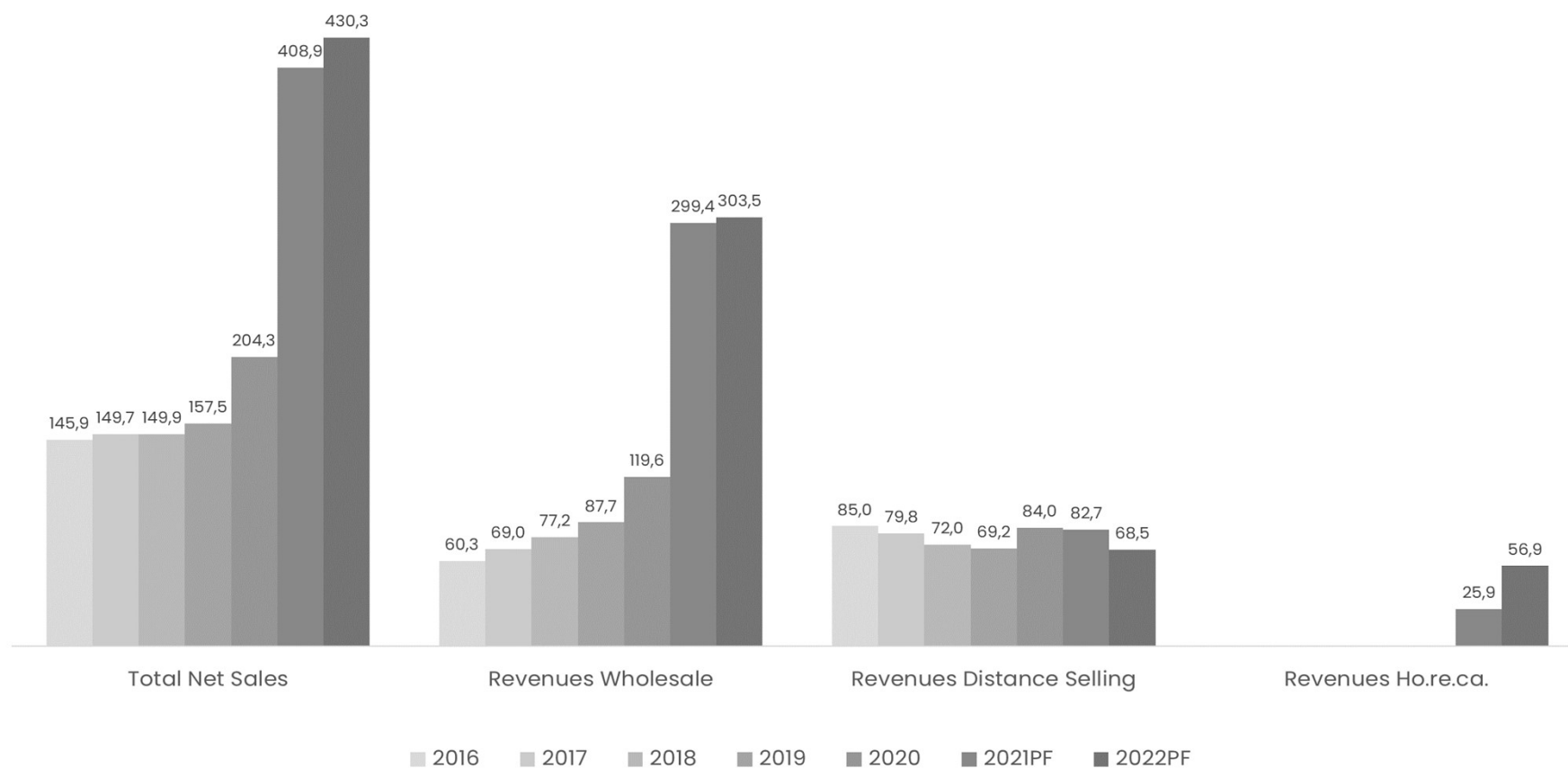


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Financial Highlights

Net Sales





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Financial Highlights

Net Sales – Wholesale

Eur Millions

	2016	2017	2018	2019	2020	2021PF	2022PF	Δ % 21/22	Cagr 18/22
Wholesale - Italy	0,0	0,0	2,5	3,6	5,5	42,6	43,4	1,98%	105,10%
Wholesale - International	60,1	69,0	74,7	84,0	114,1	256,8	260,0	1,27%	36,59%
UK	1,1	5,1	9,7	13,2	14,7	72,5	64,5	(10,99%)	60,57%
Switzerland	21,6	22,6	23,4	24,3	45,1	45,5	40,0	(12,02%)	14,35%
Germany	8,8	9,5	9,8	11,1	14,8	32,6	41,3	26,71%	43,38%
USA	1,6	2,0	2,5	3,0	1,6	15,4	23,3	51,76%	74,23%
Austria	13,2	13,0	13,1	12,3	15,9	15,1	14,2	(6,23%)	2,09%
Belgium	1,7	2,5	2,7	3,7	6,0	9,4	7,6	(19,18%)	28,93%
Netherlands	0,3	0,6	0,0	0,5	1,1	9,2	6,5	(29,20%)	259,26%
Poland	0,0	0,0	0,0	1,0	1,1	8,8	10,3	16,74%	NA
France	0,8	0,7	0,5	0,1	0,2	7,7	9,7	24,58%	105,91%
Denmark	5,1	6,4	5,1	5,2	5,0	7,5	7,3	(2,78%)	9,14%
Ireland	0,0	0,0	0,0	1,0	1,5	6,7	5,7	(14,37%)	NA
Canada	0,8	0,9	0,6	0,6	0,9	3,1	4,2	37,25%	63,58%
Sweden	0,8	1,0	1,2	1,3	1,6	2,2	2,3	2,67%	16,68%
Hungary	0,0	0,0	0,0	1,3	1,5	1,9	1,8	(3,56%)	NA
China	0,6	0,7	0,9	1,3	0,9	1,6	1,2	(22,02%)	6,83%
Other	3,7	4,1	5,0	4,0	2,3	17,6	20,0	13,76%	41,54%
Total	60,1	69,0	77,2	87,7	119,6	299,4	303,5	1,37%	40,82%



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Financial Highlights

Net Sales – Ho.Re.Ca.

<i>Eur Millions</i>	2021PF	2022PF	Δ % 21/22	Cagr 20/22
Ho.re.ca. - Italy	0,3	2,4	753,59%	NA
Ho.re.ca. - International	25,7	54,5	112,29%	NA
UK	16,5	27,4	65,87%	NA
USA	3,9	10,2	163,82%	NA
Germany	1,0	3,3	240,64%	NA
Canada	1,6	2,5	57,02%	NA
Netherlands	0,2	1,6	917,93%	NA
China	0,1	1,3	2554,55%	NA
Denmark	0,0	1,1	5026,03%	NA
Poland	0,6	0,7	21,54%	NA
Sweden	0,0	0,6	1429,69%	NA
France	0,1	0,3	216,05%	NA
Ireland	0,1	0,2	56,55%	NA
Switzerland	0,0	0,2	470,38%	NA
Belgium	0,1	0,1	111,26%	NA
Austria	0,0	0,1	1051,43%	NA
Hungary	0,0	0,0	171,11%	NA
Other countries	1,6	4,9	213,21%	NA
Total	25,9	56,9	119,21%	NA

Financial Highlights

Net Sales – Distance Selling

Eur Millions

	2016	2017	2018	2019	2020	2021PF	2022PF	Δ % 21/22	Cagr 18/22
Distance selling Italy	41,0	37,3	31,4	29,7	34,0	32,8	27,7	(15,59%)	(3,07%)
Direct Mailing	18,1	16,3	14,8	14,1	16,1	15,4	12,3	(20,39%)	(4,58%)
Teleselling	20,6	17,8	12,7	11,3	9,8	10,0	8,4	(16,16%)	(9,83%)
Digital / WEB	2,4	3,2	3,9	4,3	8,1	7,4	7,0	(4,75%)	16,07%
<i>% Direct Mailing</i>	<i>44,0%</i>	<i>43,8%</i>	<i>47,3%</i>	<i>47,4%</i>	<i>47,4%</i>	<i>47,1%</i>	<i>44,4%</i>		
<i>%Teleselling</i>	<i>50,1%</i>	<i>47,7%</i>	<i>40,4%</i>	<i>38,0%</i>	<i>28,9%</i>	<i>30,5%</i>	<i>30,3%</i>		
<i>% Digital / WEB</i>	<i>5,9%</i>	<i>8,5%</i>	<i>12,3%</i>	<i>14,6%</i>	<i>23,8%</i>	<i>22,5%</i>	<i>25,3%</i>		
Distance selling international	44,0	42,5	40,6	39,5	50,0	49,9	40,9	(18,13%)	0,14%
Direct Mailing	26,5	25,7	23,8	23,3	27,1	28,3	22,2	(21,28%)	(1,70%)
Teleselling	12,5	11,5	8,7	7,2	7,7	6,8	5,5	(18,93%)	(10,79%)
Digital / WEB	5,0	5,4	8,1	9,1	15,2	14,8	13,1	(11,76%)	12,80%
<i>% Direct Mailing</i>	<i>60,2%</i>	<i>60,5%</i>	<i>58,6%</i>	<i>59,0%</i>	<i>54,2%</i>	<i>56,6%</i>	<i>54,4%</i>		
<i>%Teleselling</i>	<i>28,5%</i>	<i>26,9%</i>	<i>21,5%</i>	<i>18,1%</i>	<i>15,4%</i>	<i>13,7%</i>	<i>13,5%</i>		
<i>% Digital / WEB</i>	<i>11,3%</i>	<i>12,6%</i>	<i>19,9%</i>	<i>22,9%</i>	<i>30,5%</i>	<i>29,7%</i>	<i>32,0%</i>		
Total	85,0	79,8	72,0	69,2	84,0	82,7	68,5	(17,12%)	(1,22%)

Financial Highlights

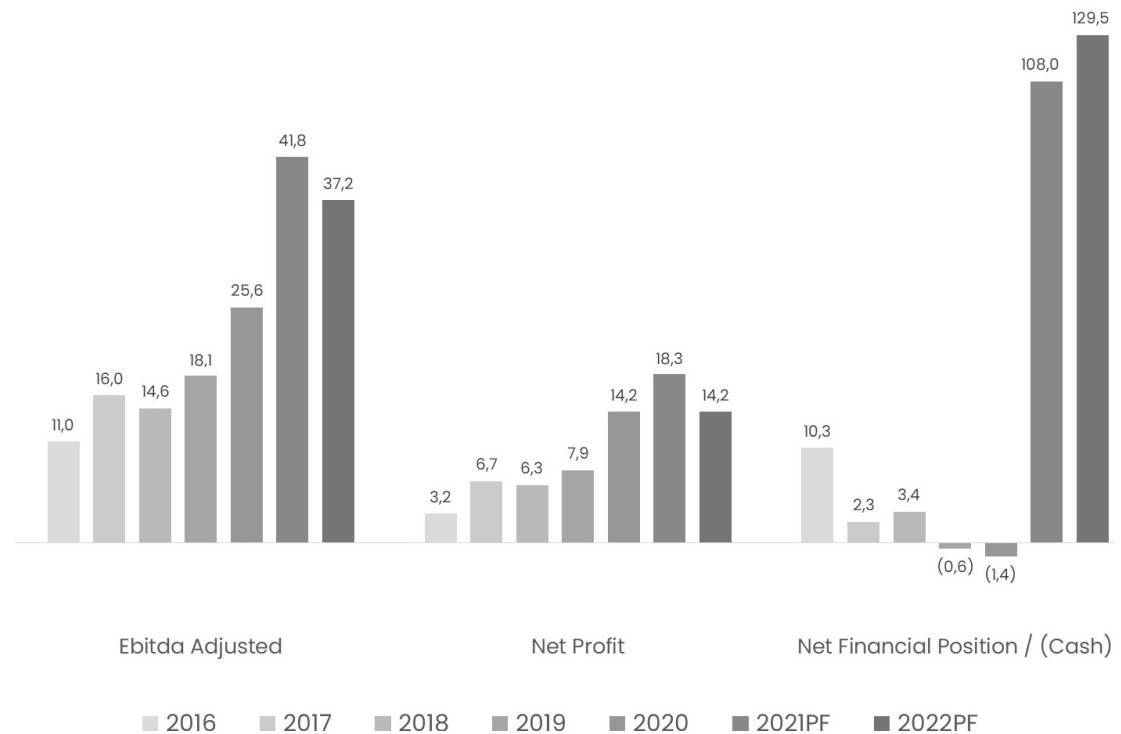
Ebitda, Net Profit, Net Financial Position

Ebitda pro-forma: Decreased from Eur 41.8 m of 2021 to Eur 37.2 m of 2022. In terms of % margin on Net sales, Ebitda pro-forma decreased from 10.2% in 2021 to 8,6% in 2022 for the following reasons:

- Net impact of cost of dry goods increase equal to - 1.0%
- Net impact of cost of prosecco bulk wine equal to 0,2%
- Net impact of spike of utilities costs equal to Eur 3.0 m, to be considered a kind of «one-off» cost

2023 Ebitda margin to be at normal historical level thanks to:

- Realignment of price lists with retailers, keeping in consideration the new scenario of the dry goods
- Realignment of utilities costs and new «solar plant project» (1,5mw)
- Some reduction of grapes / bulk wine costs (also Prosecco)



Financial Highlights

Ebitda, Net Profit, Net Financial Position

Net Profit:

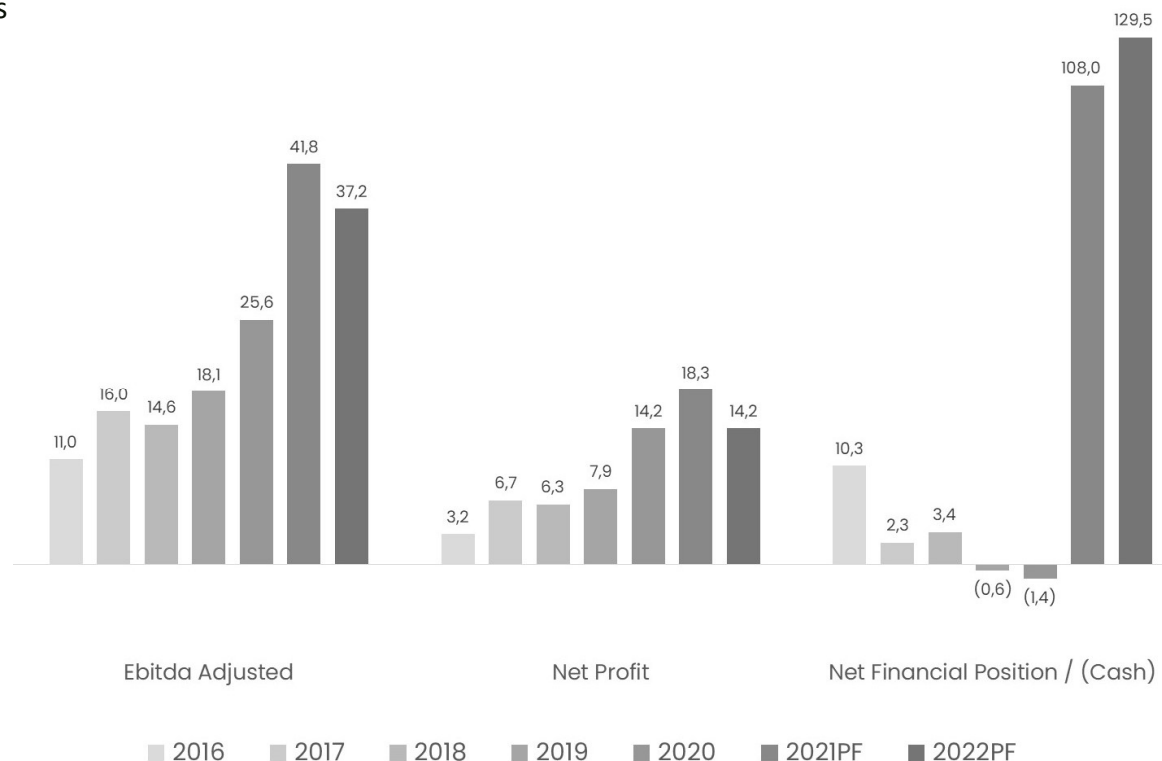
Main costs below Ebitda Adjusted 2022:

- Net interest of Eur 5.6m, of which 12 months interests on bond loan (3,6m), other interests and fx loss (0,3m), short term bilateral facilities and commissions (1.7m);
- Depreciation, Amortization and write-downs of Eur 10.5 m;
- Non recurring expenses of Eur 1.3m (mainly Eur 0.7m related to a fraud occurred in Enovation Inc)
- Taxes of Eur 3.7m (20.5% on EBT)

Net financial position:

Composition of the NFP equal to Eur 129.5 m as at 12.31.22:

- Eur -130.0 m bond loan (6yrs maturity, bullet repayment, 2,5% interest rate), Eur +8.8 cash on hands net of bilateral facilities, Eur -7.6 M&A deferred payments
- Total net leverage of 3.5x NFP/Ebitda
- M&A absorption in 22 Eur 30.4 m, free cash flow equal to Eur 16.9 m (50% Ebitda)



Financial Highlights

Extended BS 2016 - 2022

Eur/000	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021PF	31.12.2022PF
Intangibles & Goodwill net of tax reserves	75.890	76.656	78.385	79.424	94.288	208.620	245.899
Tangibles	15.526	14.232	14.736	14.539	15.104	50.124	52.131
Rights of use (Ex IFRS 16)	0	0	0	10.860	9.637	14.042	17.709
Fixed Assets	91.416	90.888	93.121	104.823	119.029	272.786	315.739
Inventory	17.712	20.211	18.997	20.334	25.490	77.908	102.815
Trade Receivables	23.981	22.220	20.785	23.605	30.567	68.144	61.599
Trade Payables	(43.889)	(46.801)	(44.522)	(45.750)	(56.809)	(137.367)	(136.717)
Other	412	(90)	1.000	(1.476)	(2.541)	1.286	(1.842)
Net Working Capital	(1.784)	(4.460)	(3.740)	(3.287)	(3.293)	9.971	25.855
Severance indemnity	(1.007)	(815)	(656)	(651)	(621)	(1.212)	(1.444)
Other long term funds	(1.996)	(1.684)	(1.071)	(994)	(261)	(334)	(288)
Total Uses	86.630	83.930	87.654	99.891	114.854	281.211	339.862
Net Worth	76.162	81.624	84.282	89.208	104.521	159.955	193.315
Net Financial Position / (Cash)	10.467	2.306	3.372	(565)	(1.437)	107.977	121.877
Deferred price acquisitions	-	-	-	-	1.861	-	7.621
Liabilities for Rights of use (Ex IFRS 16)	-	-	-	11.248	9.908	13.279	17.049
Total sources	86.630	83.930	87.654	99.891	114.854	281.211	339.862


Financial Highlights

Extended PL 2016 - 2022

Eur/000	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021PF	31.12.2022PF
Net Sales	145.937	149.736	149.863	157.494	204.311	408.934	430.312
Change in inventory	825	2.402	(1.162)	1.329	4.780	19.524	3.320
Other income	1.901	1.278	1.486	1.220	1.538	2.953	5.897
Total Revenues	148.664	153.416	150.187	160.043	210.629	431.411	439.529
Raw Material	(78.527)	(83.219)	(86.082)	(92.547)	(123.650)	(295.527)	(298.387)
Services	(46.503)	(45.700)	(41.515)	(41.486)	(52.159)	(72.362)	(78.190)
Personnel	(11.821)	(8.147)	(7.627)	(7.441)	(8.125)	(20.492)	(24.256)
Other expenses	(496)	(319)	(362)	(482)	(1.091)	(1.200)	(1.520)
Total operating costs	(137.347)	(137.385)	(135.586)	(141.956)	(185.025)	(389.581)	(402.352)
EBITDA Adjusted	11.317	16.031	14.601	18.087	25.604	41.830	37.177
Margin on Net Sales	7,8%	10,7%	9,7%	11,5%	12,5%	10,2%	8,6%
Depreciation, Amortization and write-downs	(2.993)	(3.243)	(3.510)	(4.582)	(5.387)	(10.476)	(12.283)
Non-recurring expenses (A)	(2.207)	(1.873)	(1.179)	(1.783)	(2.000)	(3.021)	(1.306)
Provision for risks and charges	(66)	(118)	(36)	0	0	0	(59)
EBIT	6.052	10.797	9.876	11.722	18.217	28.333	23.530
Financial Expenses	(1.630)	(1.565)	(1.135)	(1.223)	(1.186)	(4.308)	(5.645)
EBT	4.421	9.232	8.741	10.499	17.031	24.025	17.885
Taxes	(1.246)	(2.499)	(2.391)	(2.600)	(2.839)	(5.739)	(3.673)
Net Income (B)	3.175	6.733	6.350	7.899	14.192	18.286	14.212
Tax effects of non-recurring charges (C)	693	479	329	497	558	843	364
Net Income Adjusted (D) = (B)-(A)-(C)	4.689	8.127	7.236	9.185	15.634	20.464	15.212
Margin on Net Sales	3,2%	5,4%	4,8%	5,8%	7,7%	5,0%	3,5%

Financial Highlights

Extended Cash Flow 2016 - 2022

Eur/000	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021PF	31.12.2022PF
Ebitda reported		14.158	13.422	16.304	23.604	38.809	35.871
+(-) changes in NWC		1.206	(2.186)	(1.686)	440	(13.487)	(9.096)
+ (-) Funds		(622)	(808)	(82)	(763) 	(615)	127
(-) taxes paid		(2.499)	(2.391)	(3.600)	(5.089)	(5.739)	(3.673)
Operating Cash Flow		12.243	8.037	10.936	18.192	18.968	23.229
(-) capex		(1.245)	(3.677)	(2.803)	(3.754)	(8.914)	(6.298)
Free Cash Flow		10.999	4.360	8.133	14.438	10.054	16.932
(-) interest expenses		(1.565)	(1.135)	(1.223)	(1.186)	(4.308)	(5.645)
(-) Dividends and treasury stocks		(1.271)	(3.692)	(2.973)	(740)	(4.258)	(2.325)
(-) M&A		0	(600)	0	(11.640)	(110.902)	(30.483)
Change in cash		8.163	(1.067)	3.937	872	(109.414)	(21.521)
Previous Year cash / (debt)		(10.467)	(2.305)	(3.372)	565	1.437	(107.977)
Cash / (Debt) at the end of the year		(10.467)	(2.305)	(3.372)	565	(107.977)	(129.498)



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Creatori di Eccellenze

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Conclusion and Q&A

Thank you for your attention!

