

Italy – Food and Beverage

Top-notch profitability coupled with solid CF generation

6th February 2025

FY-24 PRELIMINARY RESULTS

RIC: ITWB.MI
BBG: IWB IM

FY-24 preliminary results show the outstanding path of IWB since its listing in 2015: turnover of over € 400m, a record adjusted EBITDA of € 50m, +70 proprietary brands, ca. 160 million of bottles sold in over 90 countries in 5 continents. In particular, IWB focused on 1) increasing the share of wallet of the group's Top Brands, 2) streamlining the group structure, and 3) improving the procurement process.

Rating:

Buy

Price Target:

€ 37.50 (€ 36.50)

Upside/(Downside): 60.9%

Last Price: € 23.30

Market Cap.: € 219.9m

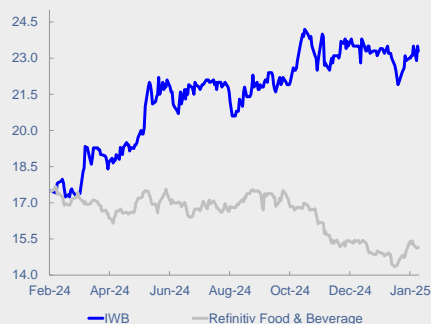
1Y High/Low: € 24.40 / € 16.72

Avg. Daily Turn. (3M, 6M): € 167k, € 147k

Free Float: 76.8%

Major shareholders:

Gruppo Pizzolo (Enoitalia) 14.8%
Provinco 7.1%



Stock price performance

	1M	3M	12M
Absolute	0.4%	2.6%	29.0%
Rel.to FTSE IT Growth	3.0%	2.9%	33.9%
Rel.to EU Sector	-1.6%	6.3%	43.8%

Analysts:

Gianluca Mozzali
+39 02 30343 396
gianluca.mozzali@cfosim.com

Luca Solari
+39 02 30343 397
luca.solari@cfosim.com

Chiara Francomacaro
+39 02 30343 394
chiara.francomacaro@cfosim.com

Estimates updated: new DCF-based PT at € 37.50/s (€ 36.50). Buy reiterated

IWB announced preliminary FY-24 results characterised by a record adj. EBITDA of € 50m, corresponding to a 12.5% margin, coupled with an EBITDA/FCF conversion that was once again between 50% and 55%. The turnover slightly declined due to the largely anticipated retracement of selling prices after a biennium of strong inflation, as well as a still challenging environment for wine consumption. Following the FY-24 preliminary results release, we have fine-tuned our model by factoring in: 1) slightly lower turnover, 2) better-than-expected profitability and 3) the payment of the extraordinary dividend of € 0.50/s in February 2025. The combined result is an average 4.1% decrease in sales in 2024-26 coupled with an average 2.0% and 3.0% increase in adjusted EBITDA and adjusted Net Profit, respectively in the same period. Moreover, CFO has updated the DCF valuation criteria, bringing the Risk-Free Rate up to date and postponed the first valuation projection to 2025. The combined result is a new PT of € 37.50/s (€ 36.50), 60.9% upside. Buy rating is reiterated.

Preliminary sales at € 401.9m, down by 6% YoY

IWB reported preliminary sales of € 401.9m, down by 6.3% YoY and 4.5% lower than our estimate of € 420.7m. Nonetheless, the group's product mix significantly improved with Top Brands soaring by 9.7% in volumes and 9.0% in value. Wholesale totalled € 284.4m, down by 8.8% YoY (€ 311.8m in FY-23), mainly reflecting stable volumes and lower unit selling prices as a consequence of decreasing costs of some raw materials after a biennium of significant inflationary pressures. Distance Selling came in at € 58.1m from € 62.3m reported in FY-23. Noteworthy, revenues from the digital channel grew by 5.4% YoY, totalling € 20.7m (€ 19.7m in 2023). Ho.Re.Ca. rose by 8.3% YoY to € 59.3m (€ 54.8m in FY-23), driven by the higher contribution of top brands and premium products on the total. Foreign revenues were € 328.2m, down by 9.2% YoY, partially offset by the brilliant performance of the domestic market (up by 9.3% YoY to € 73.6m, 18.3% of the total).

Adj. EBITDA has overcome € 50m, ca. 12.5% margin

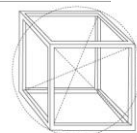
Adj. EBITDA exceeded € 50m, ca. 12.5% margin, approximately 4% higher than our estimate of € 47.9m, primarily reflecting 1) a more lucrative product mix on the back of the strong growth of Top Brands, 2) the tangible results of the effective rightsizing of the group's structure carried out throughout the year, enabling meaningful cost savings as well as, 3) the optimisation of purchasing process.

Adj. EBITDA/FCF conversion of 53%, confirming IWB's ability to generate huge cash

Moreover, cash flow generation was outstanding, reaching € 26.8m (53% of the adj. EBITDA), thus we calculated that NFP should be to the tune of € 89m (vs our estimate of € 90m). Noteworthy, in the last two years, IWB was able to reduce NFP by over € 57m.

IWB, key financials and ratios

€ m	2022	2023	2024e	2025e	2026e
Sales	390.7	429.1	401.9	411.9	417.6
Total Revenues	396.2	433.5	406.0	416.0	421.8
Adjusted EBITDA	31.1	44.3	50.1	51.2	53.4
EBITDA	29.7	41.0	48.1	49.2	51.4
EBIT	19.2	27.4	35.2	36.4	38.6
Net Profit	11.2	16.3	24.5	24.0	25.7
Adjusted Net Profit	12.0	18.9	26.1	25.5	27.2
NFP debt/(cash)	146.5	115.9	89.1	66.4	38.5
EPS adjusted FD	1.27	2.00	2.76	2.70	2.87
EPS adj. FD growth	-28.0%	57.1%	38.1%	-2.2%	6.3%
DPS ord. €/s	0.10	0.50	1.00	0.50	0.50
Dividend yield	0.4%	2.1%	4.3%	2.1%	2.1%
Free Cash Flow Yield	-13.0%	17.4%	14.4%	14.5%	14.8%
PER adj. x	21.9	10.9	8.4	8.6	8.1
PCF x	10.8	4.7	6.0	5.8	5.7
EV/Sales x	1.05	0.75	0.77	0.70	0.62
EV/EBITDA adj. x	13.2	7.3	6.2	5.6	4.8
EV/EBIT x	21.3	11.8	8.8	7.9	6.7



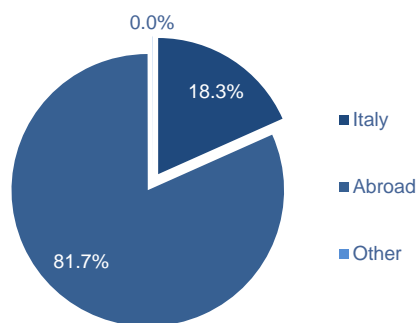
The company at a glance

Italian Wine Brands – IWB is a leading producer and distributor of Italian wines worldwide. IWB is amongst the largest domestic privately-owned wine groups thanks to massive organic growth coupled with several strategic acquisitions since its establishment. The group produces high quality wines in Italy's most prestigious winemaking regions, including Veneto (in particular, the Prosecco area), Tuscany and Piedmont where super-premium wines are produced, as well as Apulia. The group operates through three distribution channels, namely Wholesale, Distance Selling and Ho.Re.Ca., thus covering both the off- and on-trade (B2B) as well as the online (B2C) segments. In detail, IWB distributes approximately 160 million wine bottles per year, both privately labelled and branded (over 70 owned brands), in more than 90 countries in 5 continents.

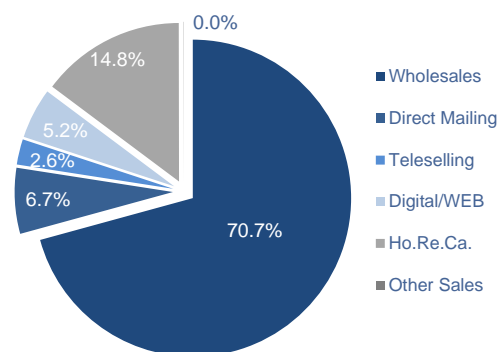
Since the group does not own any vineyards, raw materials (grapes, must and bulk wine) are procured from Italian wine producers and then processed in the group's proprietary wineries. IWB takes care of the key points of the value chain, namely winemaking, ageing, bottling, distribution, and marketing, thus keeping its business model extremely flexible and adaptable to market trends and customer behaviours.

FY-24 preliminary sales were € 401.9m, with adjusted EBITDA over € 50m, 12.5% margin. The Wholesale channel accounted for 71% of total turnover, while Distance Selling for 14% and the Ho.Re.Ca. segment for 15%.

2024 prel. revenues by geography and...



...by channel



Shareholder structure

	%	# m
Gruppo Pizzolo (ENOITALIA)	14.8%	1.40
Provinco	7.1%	0.67
Treasury Shares	1.2%	0.12
Free Float, o/w	76.8%	7.27
Otus Capital Management	5.7%	0.54
Total	100.0%	9.46

Source: Company data

Peer group absolute performance

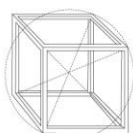
%	1D	1W	1M	3M	6M	YTD
Concha y Toro Winery Inc	0.4	0.8	3.0	1.3	(1.9)	2.7
Lanson BCC SA	(0.6)	(0.6)	3.5	(11.1)	(18.4)	1.1
Laurent Perrier SA	0.0	5.0	4.5	4.5	(10.2)	2.4
Masi Agricola SpA	(0.2)	(1.6)	(2.2)	(3.1)	2.1	(6.0)
Schloss Wachenheim AG	0.7	(1.4)	(2.8)	(6.0)	(11.9)	(0.7)
Treasury Wine Estates Ltd	0.8	(0.4)	(1.9)	(7.4)	(8.8)	(5.3)
Vranken Pommery SA	0.0	0.0	(3.8)	(5.9)	(12.4)	(3.0)
Wine producers median	0.0	(0.4)	(1.9)	(5.9)	(10.2)	(0.7)
Hawesko Holding SE	2.1	(1.2)	(6.2)	4.3	(5.5)	(9.1)
Naked Wines PLC	(1.9)	2.0	15.4	(7.5)	(4.1)	6.4
Wine distributors median	0.1	0.4	4.6	(1.6)	(4.8)	(1.3)
Italian Wine Brands SpA	(0.9)	0.9	0.4	2.6	9.9	(0.4)

Source: Refinitiv Workspace

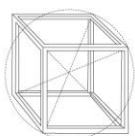
Peer group multiples table

Price & EV multiples x	PER FY1	PER FY2	PER FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3	EBIT FY1	EBIT FY2	EBIT FY3
Concha y Toro Winery Inc	10.3	9.3	9.1	8.9	8.3	7.9	11.7	10.6	10.1
Lanson BCC SA	9.7	8.8	8.0	13.2	11.6	11.2	15.4	13.6	13.0
Laurent Perrier SA	12.3	11.6	11.0	9.4	8.7	8.1	10.8	9.8	9.2
Masi Agricola SpA	352.0	52.1	37.1	22.0	15.9	13.9	52.1	28.9	23.1
Schloss Wachenheim AG	9.7	8.6	9.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Treasury Wine Estates Ltd	17.5	15.1	13.2	10.8	9.6	8.6	13.1	11.5	10.0
Vranken Pommery Monopole SA	32.5	16.2	12.6	14.5	14.0	13.7	19.8	19.1	18.3
Wine producers median	12.3	11.6	11.0	12.0	10.6	9.9	14.2	12.6	11.6
Hawesko Holding SE	13.2	11.7	10.5	6.0	5.6	5.2	10.8	9.7	8.8
Naked Wines PLC	37.9	11.3	5.4	1.6	0.1	n.m.	33.2	0.3	n.m.
Wine distributors median	25.6	11.5	7.9	3.8	2.8	5.2	22.0	5.0	8.8
Italian Wine Brands SpA	8.4	8.6	8.1	6.2	5.6	4.8	8.8	7.9	6.7

Sources: CFO SIM, Refinitiv Workspace



Income statement (€ m)	2022	2023	2024e	2025e	2026e
Sales	390.7	429.1	401.9	411.9	417.6
Total Revenues	396.2	433.5	406.0	416.0	421.8
Purchasing	(271.2)	(291.6)	(261.8)	(268.3)	(271.2)
Services	(71.4)	(73.7)	(65.4)	(66.6)	(67.5)
Personnel	(21.8)	(25.7)	(29.0)	(30.6)	(30.6)
Other income / (expenses)	(2.1)	(1.6)	(1.6)	(1.2)	(1.1)
EBITDA	29.7	41.0	48.1	49.2	51.4
D&A	(10.5)	(13.6)	(12.9)	(12.8)	(12.8)
EBIT	19.2	27.4	35.2	36.4	38.6
Financials	(5.5)	(7.8)	(4.4)	(4.2)	(4.2)
Extraordinary	0.0	0.0	0.0	0.0	0.0
Pre-Tax profit	13.7	19.6	30.8	32.3	34.4
Income taxes	(2.7)	(3.1)	(6.2)	(8.1)	(8.6)
Minorities	0.2	(0.2)	(0.1)	(0.2)	(0.2)
Net Profit	11.2	16.3	24.5	24.0	25.7
Adjusted EBITDA	31.1	44.3	50.1	51.2	53.4
Adjusted EBIT	20.5	30.7	37.2	38.4	40.6
Adjusted Net Profit	12.0	18.9	26.1	25.5	27.2
Balance sheet (€ m)	2022	2023	2024e	2025e	2026e
Net Working Capital	26.1	16.9	17.1	16.4	16.6
Net Fixed Assets	324.8	322.0	314.1	307.3	300.5
Equity Investments	0.0	0.0	0.0	0.0	0.0
Other M/L Term A/L	(11.1)	(13.5)	(12.6)	(13.0)	(13.1)
Net Invested Capital	339.9	325.4	318.5	310.7	303.9
Net Financial Position	146.5	115.9	89.1	66.4	38.5
Minorities	(0.4)	(0.2)	(0.1)	0.1	0.2
Group's Shareholders Equity	193.7	209.7	229.5	244.2	265.2
Financial Liabilities & Equity	339.9	325.4	318.5	310.7	303.9
Cash Flow statement (€ m)	2022	2023	2024e	2025e	2026e
Total net income	11.0	16.5	24.7	24.2	25.8
Depreciation	10.5	13.6	12.9	12.8	12.8
Other non-cash charges	20.3	4.3	(0.8)	0.3	0.2
Cash Flow from Oper. (CFO)	41.8	34.3	36.8	37.3	38.8
Change in NWC	(17.4)	9.2	(0.2)	0.7	(0.2)
FCF from Operations (FCFO)	24.4	43.5	36.6	38.0	38.6
Net Investments (CFI)	(58.8)	(7.6)	(5.0)	(6.0)	(6.0)
Free CF to the Firm (FCFF)	(34.3)	35.9	31.6	32.0	32.6
CF from financials (CFF)	36.3	(26.1)	(14.1)	(18.2)	(13.1)
Free Cash Flow to Equity (FCFE)	1.9	9.9	17.5	13.8	19.5
Financial ratios	2022	2023	2024e	2025e	2026e
Adj. EBITDA margin	7.8%	10.2%	12.3%	12.3%	12.7%
EBIT margin	4.8%	6.3%	8.7%	8.8%	9.1%
Adj. Net profit margin	3.0%	4.4%	6.4%	6.1%	6.4%
Tax rate	19.4%	15.9%	20.0%	25.0%	25.0%
Op NWC/Sales	6.7%	3.9%	4.2%	4.0%	4.0%
Interest coverage x	0.37	0.34	0.19	0.16	0.15
Net Debt/EBITDA x	4.93	2.83	1.85	1.35	0.75
Debt-to-Equity x	0.76	0.55	0.39	0.27	0.15
ROIC	3.6%	4.9%	7.6%	7.6%	8.4%
ROCE	4.7%	6.7%	8.4%	8.6%	8.8%
ROACE	5.0%	6.7%	8.5%	8.7%	9.0%
ROE	6.4%	8.1%	11.2%	10.2%	10.1%
Payout ratio	8.4%	28.8%	38.1%	19.4%	18.2%
Per share figures	2022	2023	2024e	2025e	2026e
Final N. of shares # m	9.46	9.46	9.46	9.46	9.46
Average N. of shares # m	9.46	9.46	9.46	9.46	9.46
Final N. of shares (fully diluted) # m	9.46	9.46	9.46	9.46	9.46
EPS reported €	1.19	1.72	2.59	2.54	2.71
EPS reported FD €	1.19	1.72	2.59	2.54	2.71
EPS adjusted FD €	1.27	2.00	2.76	2.70	2.87
EBITDA FD €	3.14	4.33	5.09	5.21	5.44
EBIT FD €	0.16	0.16	0.23	0.18	0.15
FCFO FD €	2.58	4.60	3.87	4.02	4.08
FCFF FD €	(3.63)	3.80	3.34	3.38	3.45
FCFE FD €	0.21	1.04	1.85	1.46	2.06
Dividend €	0.10	0.50	1.00	0.50	0.50



FY-24 Preliminary Results

IWB announced preliminary FY-24 results characterised by a record adj. EBITDA of € 50m, corresponding to a 12.5% margin, coupled with an EBITDA/FCF conversion that was once again between 50% and 55%. This remarkable result was driven by a better product mix sustained by the increasing weight of Top Brands, accompanied by the successful streamlining of the group's operational structure.

The turnover slightly declined due to the largely anticipated retracement of selling prices after a biennium of strong inflation, as well as a still challenging environment for wine consumption.

Table 1 – IWB, FY-24 preliminary sales

€ m	2024	2023	%YoY	2024e	% Diff.
Wholesale	284.4	311.8	(8.8)	304.0	(6.5)
Distance selling	58.1	62.3	(6.6)	60.5	(3.9)
Direct Mailing	27.0	30.4	(11.4)	28.6	(5.9)
Teleselling	10.4	12.2	(14.2)	11.3	(7.6)
Digital/WEB	20.7	19.7	5.4	20.6	0.8
Ho.Re.Ca.	59.3	54.8	8.3	55.9	6.2
Other Sales	0.1	0.2	(58.3)	0.2	(58.3)
Sales	401.9	429.1	(6.3)	420.7	(4.5)
% on total sales					
Wholesale	70.7	72.7		72.3	
Distance selling	14.5	14.5		14.4	
Ho.Re.Ca.	14.8	12.8		13.3	
Other Sales	0.0	0.1		0.1	
Sales	100.0	100.0		100.0	

Sources: Company data, CFO SIM estimates

In greater detail, **IWB reported preliminary sales of € 401.9m**, down by 6.3% YoY and 4.5% lower than our estimate of € 420.7m. Nonetheless, **the group's product mix significantly improved with Top Brands soaring by 9.7% in volumes and 9.0% in value.**

In terms of sales channels:

- **Wholesale totalled € 284.4m, down by 8.8% YoY** (€ 311.8m in FY-23), mainly reflecting stable volumes and lower unit selling prices as a consequence of decreasing costs of some raw materials after a biennium 2022-23 of significant inflationary pressures.
- **Distance Selling came in at € 58.1m** from € 62.3m reported in FY-23. Noteworthy, revenues from the digital channel grew by 5.4% YoY, totalling € 20.7m (€ 19.7m in 2023).
- **Ho.Re.Ca. rose by 8.3% YoY to € 59.3m** (€ 54.8m in FY-23), driven by the higher contribution of top brands and premium products on the total.

Foreign revenues were € 328.2m, down by 9.2% YoY, partially offset by the brilliant performance of the domestic market, whose sales were up by 9.3% YoY to € 73.6m (18.3% of the total).

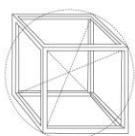


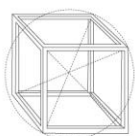
Table 2 – IWB, FY-24 preliminary sales breakdown by geography

€ m	2024	2023	%YoY
Domestic Sales	73.6	67.4	9.3
Foreign Sales	328.2	361.5	(9.2)
Other Sales	0.1	0.2	(58.3)
Sales	401.9	429.1	(6.3)
% on total sales			
Domestic Sales	18.3	15.7	
Foreign Sales	81.7	84.2	
Other Sales	0.0	0.1	
Sales	100.0	100.0	

Sources: Company data

Adj. EBITDA exceeded € 50m, ca. 12.5% margin, approximately 4% higher than our estimate of € 47.9m, primarily reflecting 1) a more lucrative product mix on the back of the strong growth of Top Brands (+9.7% and +9.0% YoY in volumes and value, respectively), 2) the tangible results of the effective rightsizing of the group's structure carried out throughout the year, enabling meaningful cost savings as well as, 3) the optimisation of purchasing processes.

Moreover, **cash flow generation was outstanding, reaching € 26.8m (53% of the adj. EBITDA)**, thus we calculated that NFP should be to the tune of € 89m (vs our estimate of € 90m). Noteworthy, in the last two years, IWB was able to reduce NFP by over € 57m.



Estimates, Valuation & Risks

FY-24 preliminary results show the outstanding path of IWB since its listing in 2015: turnover of over € 400m (€ 145m in 2015), a record adjusted EBITDA of € 50m, more than 70 proprietary brands, ca. 160 million of bottles sold per year (vs. 44 million in 2015) in over 90 countries in 5 continents.

In particular, in 2024, IWB focused on 1) increasing the share of wallet of the group's Top Brands, namely premium wines commanding higher profitability, which grew 9.7% in volume and 9.0% in value, 2) streamlining the group structure, and 3) improving the procurement process.

Following the FY-24 preliminary results release, we **have fine-tuned our model by factoring in:** 1) slightly lower turnover, 2) better-than-expected profitability and 3) the payment of the extraordinary dividend of € 0.50/s in February 2025. **The combined result is an average 4.1% decrease in sales in 2024-26 coupled with an average 2.0% and 3.0% increase in adjusted EBITDA and adjusted Net Profit, respectively in the same period.**

Table 3 – IWB, 2024e new/old estimates

€ m	New	Old	Δ %	Δ € m
Sales	401.9	420.7	(4.5)	(18.7)
Total Revenues	406.0	424.9	(4.5)	(18.9)
Adjusted EBITDA	50.1	47.9	4.6	2.2
% margin	12.3	11.3		
Adjusted EBIT	37.2	35.0	6.4	2.2
% margin	9.2	8.2		
Adjusted Net Profit	26.1	24.3	7.4	1.8
% margin	6.4	5.7		
NFP debt/(cash)	89.1	90.0	(1.0)	(0.9)

Source: CFO SIM

Table 4 – IWB, 2025e new/old estimates

€ m	New	Old	Δ %	Δ € m
Sales	411.9	428.5	(3.9)	(16.7)
Total Revenues	416.0	432.8	(3.9)	(16.8)
Adjusted EBITDA	51.2	50.8	0.9	0.4
% margin	12.3	11.7		
Adjusted EBIT	38.4	38.0	1.2	0.4
% margin	9.2	8.8		
Adjusted Net Profit	25.5	25.2	1.2	0.3
% margin	6.1	5.8		
NFP debt/(cash)	66.4	64.1	3.6	2.3

Source: CFO SIM

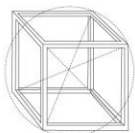
Table 5 – IWB, 2026e new/old estimates

€ m	New	Old	Δ %	Δ € m
Sales	417.6	434.5	(3.9)	(16.9)
Total Revenues	421.8	438.9	(3.9)	(17.1)
Adjusted EBITDA	53.4	53.2	0.3	0.2
% margin	12.7	12.1		
Adjusted EBIT	40.6	40.4	0.5	0.2
% margin	9.6	9.2		
Adjusted Net Profit	27.2	27.0	0.5	0.1
% margin	6.4	6.2		
NFP debt/(cash)	38.5	36.3	5.9	2.2

Source: CFO SIM

Moreover, CFO has updated the DCF valuation criteria, bringing the Risk-Free Rate up to date and postponed the first valuation projection to 2025. The combined result is a **new PT of € 37.50/s (€ 36.50), with an upside of 60.9%** at current prices.

Buy recommendation is reiterated.



DCF

In our DCF-based valuation, we assess explicit estimates until 2029 and assume a long-term growth rate of 1.0%. Cash flows are discounted back at a weighted average cost of capital calculated according to the following parameters:

Table 6 – WACC derived from:

Interest costs, pre-tax	3.0%
Tax rate	25.0%
Int. costs, after taxes	2.3%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200d moving average)	3.65%
Beta levered (x)	1.00
Required ROE	12.6%

Source: CFO SIM

The WACC is calculated by using a 60:40 equity/debt balance-sheet structure.

Table 7 – IWB, DCF model

€ m	2025e	2026e	2027e	2028e	2029e	TV
EBIT	38.4	40.6	41.8	43.8	44.6	
Tax rate	25.0%	25.0%	25.0%	25.0%	25.0%	
Operating profit (NOPAT)	28.8	30.4	31.3	32.9	33.4	
Change working capital	0.7	(0.2)	(0.2)	(0.2)	(0.1)	
Depreciation	12.8	12.8	12.8	9.4	6.0	
Investments	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	
Free Cash Flows	36.4	37.0	37.9	36.1	33.3	450.9
Present value	33.8	31.7	29.9	26.3	22.4	302.8
WACC	8.5%	8.5%	8.5%	8.5%	8.5%	
Long-term growth rate	1.0%					

Source: CFO SIM

Table 8 – IWB, DCF per share derived from:

€ m	
Total EV present value	447.0
	<i>thereof terminal value</i>
	67.7%
NFP FY-24e	(89.1)
Pension provision	(1.7)
Extraordinary dividend paid on 5-Feb-25	(4.7)
Minorities (valued at 8.5x PER)	(1.2)
Equity value € m	350.3
#m shares (excl. treasury shares)	9.34
Equity value €/s	37.50
<i>% upside/(downside)</i>	60.9%

Source: CFO SIM

The outcome of our DCF model generated an equity value of € 350.3m for IWB, which corresponds to € 37.50/s (€ 36.50), with a potential upside of 60.9%.

The following tables illustrate that **sensitivity** 1) compared to changes in the **terminal growth rate** produces an equity value per share of € 33.40 – 42.90 (perpetuity range between 0.00% and 2.00%), while, 2) if compared to changes in the **risk-free rate**, it produces an equity value per share of € 34.70 – 40.70 (free risk range of 4.45% and 2.85%) and, 3) if compared to changes in the **risk premium**, including small size premiums, it results in an equity value per share of € 31.10 – 46.30 (risk premium range of between 11.00% and 7.00%).

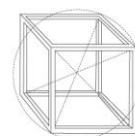


Table 9 – IWB, equity value sensitivity to changes in terminal growth rate

€ m	0.00%	0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%	2.00%
Present value of CF	144.2	144.2	144.2	144.2	144.2	144.2	144.2	144.2	144.2
PV of terminal value	264.4	273.1	282.4	292.3	302.8	314.1	326.1	339.1	353.1
Total value	408.6	417.3	426.6	436.4	447.0	458.2	470.3	483.3	497.2
NFP FY-24e	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)
Pension provision	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
Extraordinary dividend	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)
Minorities (valued at 8.5x PER)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)
Equity value	311.9	320.6	329.9	339.8	350.3	361.6	373.6	386.6	400.6
Equity value/share €	33.40	34.30	35.30	36.40	37.50	38.70	40.00	41.40	42.90

Source: CFO SIM

Table 10 – IWB, equity value sensitivity to changes in risk-free rate

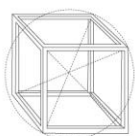
€ m	2.85%	3.05%	3.25%	3.45%	3.65%	3.85%	4.05%	4.25%	4.45%
Present value of CF	145.9	145.5	145.0	144.6	144.2	143.7	143.3	142.9	142.5
PV of terminal value	330.7	323.3	316.3	309.4	302.8	296.4	290.2	284.2	278.4
Total value	476.6	468.8	461.3	454.0	447.0	440.1	433.5	427.1	420.9
NFP FY-24e	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)
Pension provision	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
Extraordinary dividend	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)
Minorities (valued at 8.5x PER)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)
Equity value	380.0	372.2	364.6	357.4	350.3	343.5	336.9	330.5	324.2
Equity value/share €	40.70	39.80	39.00	38.30	37.50	36.80	36.10	35.40	34.70

Source: CFO SIM

Table 11 – IWB, equity value sensitivity to changes in risk premium

€ m	7.00%	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%	11.00%
Present value of CF	148.6	147.5	146.3	145.3	144.2	143.1	142.1	141.0	140.0
PV of terminal value	380.6	358.4	338.2	319.7	302.8	287.2	272.9	259.7	247.4
Total value	529.2	505.8	484.5	465.0	447.0	430.4	415.0	400.7	387.4
NFP FY-24e	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)	(89.1)
Pension provision	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
Extraordinary dividend	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)	(4.7)
Minorities (valued at 8.5x PER)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)	(1.2)
Equity value	432.5	409.2	387.8	368.3	350.3	333.7	318.3	304.0	290.7
Equity value/share €	46.30	43.80	41.50	39.40	37.50	35.70	34.10	32.50	31.10

Source: CFO SIM



Market multiples

In the sample, we have included 9 peers operating in wine production and distribution. What characterises our sample is that turnover almost entirely stems from wine sales. It comprises: **Concha y Toro Winery, Lanson, Laurent Perrier, Masi Agricola (listed on Euronext Growth Milan), Schloss Wachenheim, Treasury Wine Estates, and Vranken Pommery Monopole**. In addition, we have included two players involved purely in wine distribution: **Hawesko and Naked Wine**.

As one can see from these figures, market growth is limited, to the tune of 3.2% for producers, and negative for distributors. IWB is broadly in line with the median in terms of market capitalisation and turnover.

Table 12 – IWB, peer group summary table

€ m	Country	Market Cap	Sales FY1	EBITDA FY1	EBITDA %	Sales CAGR ₂₃₋₂₆	EBITDA CAGR ₂₃₋₂₆	EBIT CAGR ₂₃₋₂₆	EPS CAGR ₂₃₋₂₆	NFP FY1	NFP/EBITDA
Concha y Toro Winery Inc	Chile	818	923	146	15.8%	3.2%	16.9%	25.4%	25.7%	479	3.3
Lanson BCC SA	France	239	255	56	22.0%	1.9%	n.a.	n.a.	n.a.	499	8.9
Laurent Perrier SA	France	626	294	89	30.3%	0.3%	-1.9%	-3.5%	-3.8%	215	2.4
Masi Agricola SpA	Italy	141	66	8	11.7%	3.3%	20.3%	35.9%	80.1%	31	4.0
Schloss Wachenheim AG	Germany	112	467	52	11.1%	4.5%	6.2%	6.1%	-13.1%	n.a.	n.m.
Treasury Wine Estates Ltd	Australia	5,261	1,857	578	31.1%	6.8%	20.2%	25.0%	86.5%	1,006	1.7
Vranken Pommery Monopole SA	France	114	303	51	16.7%	2.0%	n.a.	n.a.	n.a.	619	12.2
Wine producers median		239	303	56	16.7%	3.2%	16.9%	25.0%	25.7%	489	3.6
Hawesko Holding SE	Germany	216	648	56	8.7%	1.1%	4.3%	5.5%	33.0%	124	2.2
Naked Wines PLC	UK	45	299	7	2.4%	-5.8%	37.3%	47.9%	n.m.	(34)	n.m.
Wine distributors median		131	473	32	5.5%	-2.3%	20.8%	26.7%	33.0%	45	2.2
Italian Wine Brands SpA	Italy	220	402	50	12.5%	-0.9%	6.4%	12.1%	12.8%	89	1.8

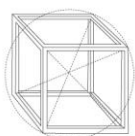
Sources: CFO SIM, Refinitiv Workspace

Table 13 – IWB, peer group multiples table

Price & EV multiples x	PER FY1	PER FY2	PER FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3	EBIT FY1	EBIT FY2	EBIT FY3
Concha y Toro Winery Inc	10.3	9.3	9.1	8.9	8.3	7.9	11.7	10.6	10.1
Lanson BCC SA	9.7	8.8	8.0	13.2	11.6	11.2	15.4	13.6	13.0
Laurent Perrier SA	12.3	11.6	11.0	9.4	8.7	8.1	10.8	9.8	9.2
Masi Agricola SpA	352.0	52.1	37.1	22.0	15.9	13.9	52.1	28.9	23.1
Schloss Wachenheim AG	9.7	8.6	9.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Treasury Wine Estates Ltd	17.5	15.1	13.2	10.8	9.6	8.6	13.1	11.5	10.0
Vranken Pommery Monopole SA	32.5	16.2	12.6	14.5	14.0	13.7	19.8	19.1	18.3
Wine producers median	12.3	11.6	11.0	12.0	10.6	9.9	14.2	12.6	11.6
Hawesko Holding SE	13.2	11.7	10.5	6.0	5.6	5.2	10.8	9.7	8.8
Naked Wines PLC	37.9	11.3	5.4	1.6	0.1	n.m.	33.2	0.3	n.m.
Wine distributors median	25.6	11.5	7.9	3.8	2.8	5.2	22.0	5.0	8.8
Italian Wine Brands SpA	8.4	8.6	8.1	6.2	5.6	4.8	8.8	7.9	6.7
% (Disc.)/Prem. to producers	-31.4%	-25.7%	-26.3%	-48.6%	-47.5%	-51.1%	-38.3%	-37.4%	-42.1%
% (Disc.)/Prem. to distributors	-67.1%	-25.2%	2.1%	60.8%	97.1%	-7.7%	-60.1%	55.8%	-24.2%

Sources: CFO SIM, Refinitiv Workspace

IWB trades at discount vs. wine producers' median in 2024-26 period. This can be partially explained by its smaller size, its trading volumes and its listing on Euronext Growth Milan. However, we believe this is not justified and **the stock has to somehow fill the valuation gap with its peers**.



Stock performance

IWB was listed on **Euronext Growth Milan** on **29-Jan-15** at € 10.00/share, corresponding to a post-money market capitalisation of € 65.7m, through the innovative pre-booking company **IPO Challenger**, whose investors/ex-bondholders were reimbursed in kind with IWB's listed shares and warrants, thus becoming direct shareholders (i.e. the company's free float). The stock reached a 1Y maximum level of € 24.40/s on 4-Nov-24 and a minimum price of € 16.72/s on 14-Mar-24.

Table 14 – IWB, peer group absolute performance

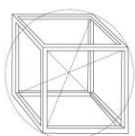
%	1D	1W	1M	3M	6M	YTD	1Y
Concha y Toro Winery Inc	0.4	0.8	3.0	1.3	(1.9)	2.7	15.3
Lanson BCC SA	(0.6)	(0.6)	3.5	(11.1)	(18.4)	1.1	(11.7)
Laurent Perrier SA	0.0	5.0	4.5	4.5	(10.2)	2.4	(14.2)
Masi Agricola SpA	(0.2)	(1.6)	(2.2)	(3.1)	2.1	(6.0)	(11.8)
Schloss Wachenheim AG	0.7	(1.4)	(2.8)	(6.0)	(11.9)	(0.7)	(10.8)
Treasury Wine Estates Ltd	0.8	(0.4)	(1.9)	(7.4)	(8.8)	(5.3)	(2.8)
Vranken Pommery Monopole SA	0.0	0.0	(3.8)	(5.9)	(12.4)	(3.0)	(18.0)
Wine producers median	0.0	(0.4)	(1.9)	(5.9)	(10.2)	(0.7)	(11.7)
Hawesko Holding SE	2.1	(1.2)	(6.2)	4.3	(5.5)	(9.1)	(19.9)
Naked Wines PLC	(1.9)	2.0	15.4	(7.5)	(4.1)	6.4	(24.1)
Wine distributors median	0.1	0.4	4.6	(1.6)	(4.8)	(1.3)	(22.0)
Italian Wine Brands SpA	(0.9)	0.9	0.4	2.6	9.9	(0.4)	29.0

Source: Refinitiv Workspace

Table 15 – IWB, reference sector index and Italian Market performances

%	1D	1W	1M	3M	6M	YTD	1Y
FTSE Italia Growth	(0.2)	0.3	(2.5)	(0.2)	(0.3)	(1.3)	(4.9)
Refinitiv Food & Beverage EU	(0.1)	(1.0)	2.1	(3.7)	(10.2)	1.6	(14.8)
Italian Wine Brands SpA	(0.9)	0.9	0.4	2.6	9.9	(0.4)	29.0

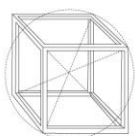
Source: Refinitiv Workspace



Risks

The principal investment **risks** associated with IWB may include:

- impact on the profit and loss account and balance sheet profiles triggered by a **deep decline in local and global economic growth**;
- **competition** by similar initiatives;
- slower than anticipated **integration with recent acquisitions**;
- **changing consumers habits**, slowing demand.



ANALYST CERTIFICATION

This publication was prepared by Corporate Family Office SIM S.p.A. ("CFO SIM"), namely by **GIANLUCA MOZZALI, LUCA SOLARI, and CHIARA FRANCOMACARO** Equity Analysts. This is to certify that the views expressed on the companies mentioned in this document reflect the analysts' personal opinions and no direct or indirect remuneration has been, or will be, received by the analysts further to the views expressed herein.

DISCLAIMER

This document has been drafted by CFO SIM, authorised by the Bank of Italy to provide investment services.

CFO SIM does not have a specific interest in either the issuer, the financial instruments or the transactions covered by the analysis.

The news and data used in this document come from information supplied to the public by the company concerned and/or from other documentation of public domain. CFO SIM is not liable for the accuracy, completeness, exactitude and impartiality of such news and data. This document has been drafted autonomously and independently and without the collaboration of the company analysed or of any company linked to the latter by shareholdings or control. This document has been prepared by the financial analysts of the Equity Research Department of CFO SIM, whose names are indicated therein. Gianluca Mozzali is an ordinary member of the Italian Association of Financial Analysts (AIAF). In no case can the company and the analysts, as authors of this document, be held liable (culpably or otherwise) for any damage resulting from use of the information or opinions set out therein. This document is for information purposes only. It cannot be reproduced directly or indirectly or redistributed to third parties, nor can it be published, either totally or in part, for any reason whatsoever. This document is not an invitation to purchase, nor is it intended to solicit the purchase or sale of the securities in question. The recipients of this document are formally bound to comply with the obligations indicated above.

CFO SIM wishes to provide ongoing coverage of the stocks mentioned in this document, as often as circumstances considered to be important dictate (corporate events, changes in recommendations, etc.). CFO SIM acts as Corporate Broker for IWB stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 12 months.



DATE	TARGET PRICE	RATING
06/02/2025	€37.50	BUY
23/09/2024	€36.50	BUY
20/03/2024	€33.00	BUY
31/01/2024	€33.00	BUY
19/09/2023	€33.00	BUY
30/05/2023	€33.00	BUY

This document is distributed via electronic mail and fax as from the date indicated in the document itself and addressed to some 300 Italian and non-Italian professional investors. The document is available in electronic format on CFO SIM's Internet site, to Italian and non-Italian institutional investors, and/or on Borsa Italiana's Internet site.

RATING SYSTEM

- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/-15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated.

