

# Italian wine producer with its own successful brands



## Company profile & business model

### COMPANY PROFILE

Italian-based wine producer headquartered in Milan with ~79% of sales being exports

Focused on the distribution and bottling of quality wines under their own brands. The capital-intensive cultivation of grapes is outsourced

Distribution via two different channels: Wholesale (supermarkets, discounters) and direct distribution (online, teleselling). Almost no distribution via HoReCa<sup>(1)</sup> segment which has been hit particularly hard by the Corona crisis

With more than 100 years of experience in wine making, IWB was named the best Italian wine producer<sup>(2)</sup> for the fifth consecutive year in 2018

Strong management, with many years of experience, has a substantial stake in the company (~9% of outstanding shares)

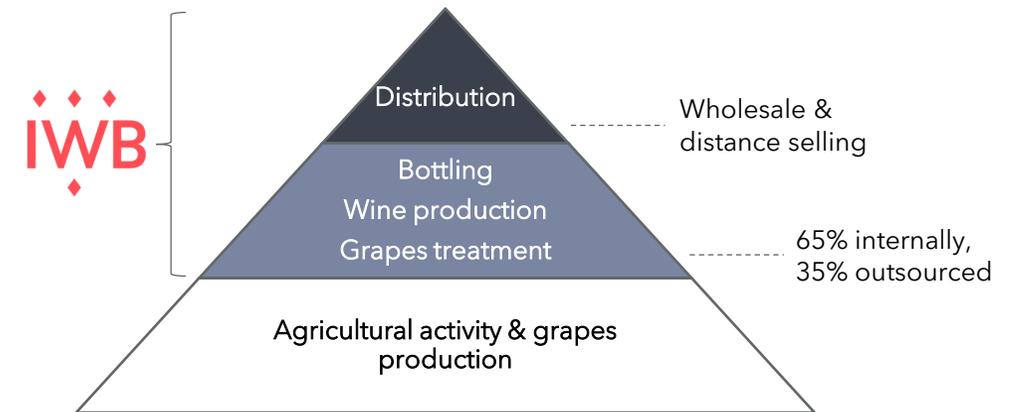
Growth opportunities through acquisitions in a fragmented industry (recently acquired Raphael Dal Bo in February 2020)

Source: Italian Wine Brands.

1. HoReCa stands for hotels, restaurants, catering.

2. Berliner Wein Trophy 2018 ([https://www.giordanoweine.de/blog/berliner\\_wein\\_trophy\\_2018\\_die\\_begehrtesten\\_auszeichnungen\\_sprechen\\_italienisch](https://www.giordanoweine.de/blog/berliner_wein_trophy_2018_die_begehrtesten_auszeichnungen_sprechen_italienisch)).

### ATTRACTIVE BUSINESS MODEL



### PORTFOLIO OF SUCCESSFUL BRANDS

GRANDE  
ALBERONE

GIORDANO  
BUON VINO, BUONA VITA.



RONCO DI SASSI

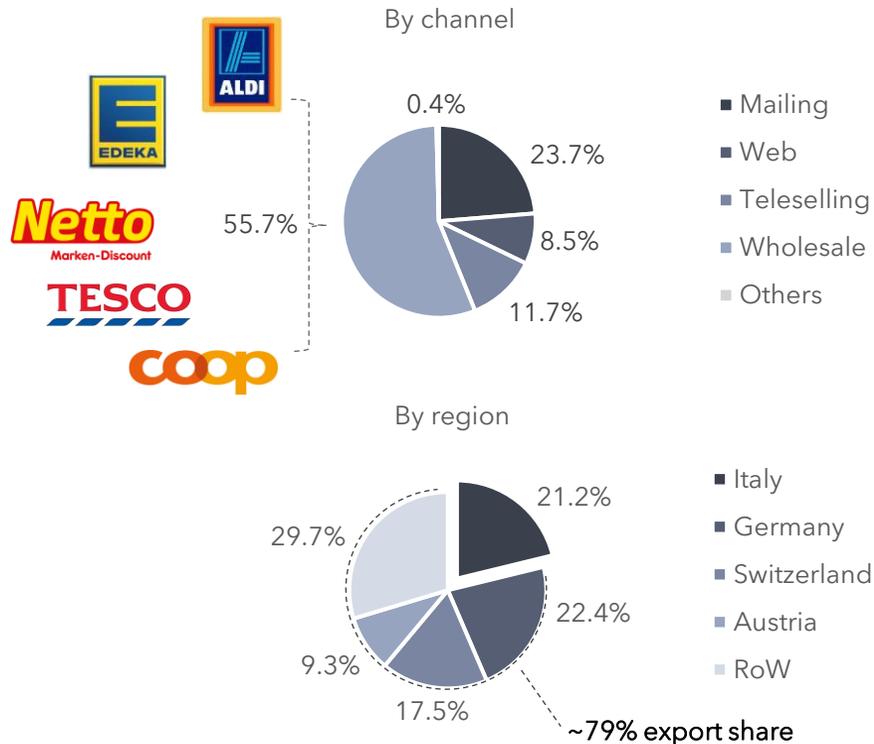


# Ideally positioned for further growth

## Analysis of sales



DISTRIBUTION OF SALES 2019



EVOLUTION OF SEGMENTS

Segment	2015	2016	2017	2018	2019	H1 2020
Wholesale	EUR 53.8m	EUR 60.3m	EUR 69.0m	EUR 77.2m	EUR 87.7m	EUR 50.6m
<i>growth</i>		+12.1%	+11.4%	+11.9%	+13.6%	+35.5%
Distance Selling	EUR 90.1m	EUR 84.0m	EUR 79.8m	EUR 72.0m	EUR 69.2m	EUR 41.4m
<i>growth</i>		-6.8%	-5.0%	-9.8%	-3.9%	+27.3%
Total	EUR 144.8m	EUR 145.9m	EUR 149.7m	EUR 149.9m	EUR 157.5m	EUR 92.2m
<i>growth</i>		+0.8%	+2.6%	+0.1%	+5.1%	+31.5%

Low historical growth at the Group level was driven by declines in the traditional teleselling and direct mailing businesses

However, there is **attractive growth in the wholesale segment** from successful partnerships and winning new customers

Sales in the **distance (direct) sales segment** have **stabilized** after years of negative development. The teleselling business represents an increasingly lower share of total sales. On the other hand, the **online segment** is growing very strongly (+114% in H1 2020)

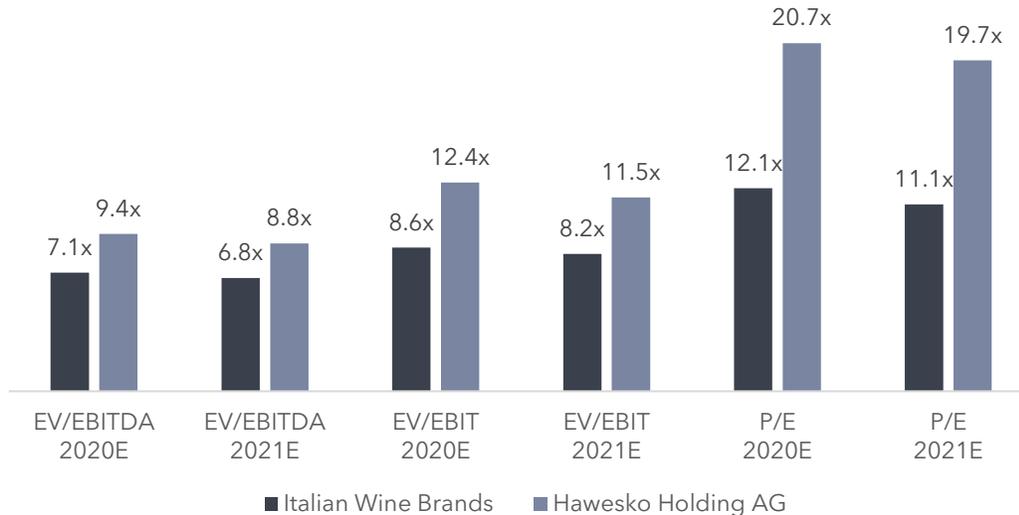
Source: Italian Wine Brands.

# Quality of the business model clearly undervalued

## Comparison with competitors



### CONSIDERABLE DISCOUNT TO PEERS



### IWB IS MORE PROFITABLE WITH SIMILAR GROWTH

IWB	2015	2016	2017	2018	2019
Revenue	EUR 144.8m	EUR 145.9m	EUR 149.7m	EUR 149.9m	EUR 157.5m
<i>growth</i>		+0.8%	+2.6%	+0.1%	+5.1%
EBIT	EUR 10.4m	EUR 8.3m	EUR 10.8m	EUR 9.9m	EUR 11.7m
<i>margin</i>	7.2%	5.7%	7.2%	6.5%	7.4%

Hawesko	2015	2016	2017	2018	2019
Revenue	EUR 476.8m	EUR 480.9m	EUR 507.0m	EUR 524.3m	EUR 556.0m
<i>growth</i>		+0.9%	+5.4%	+3.4%	+6.0%
EBIT	EUR 20.1m	EUR 29.6m	EUR 30.4m	EUR 27.7m	EUR 29.2m
<i>margin</i>	4.2%	6.2%	6.0%	5.3%	5.2%

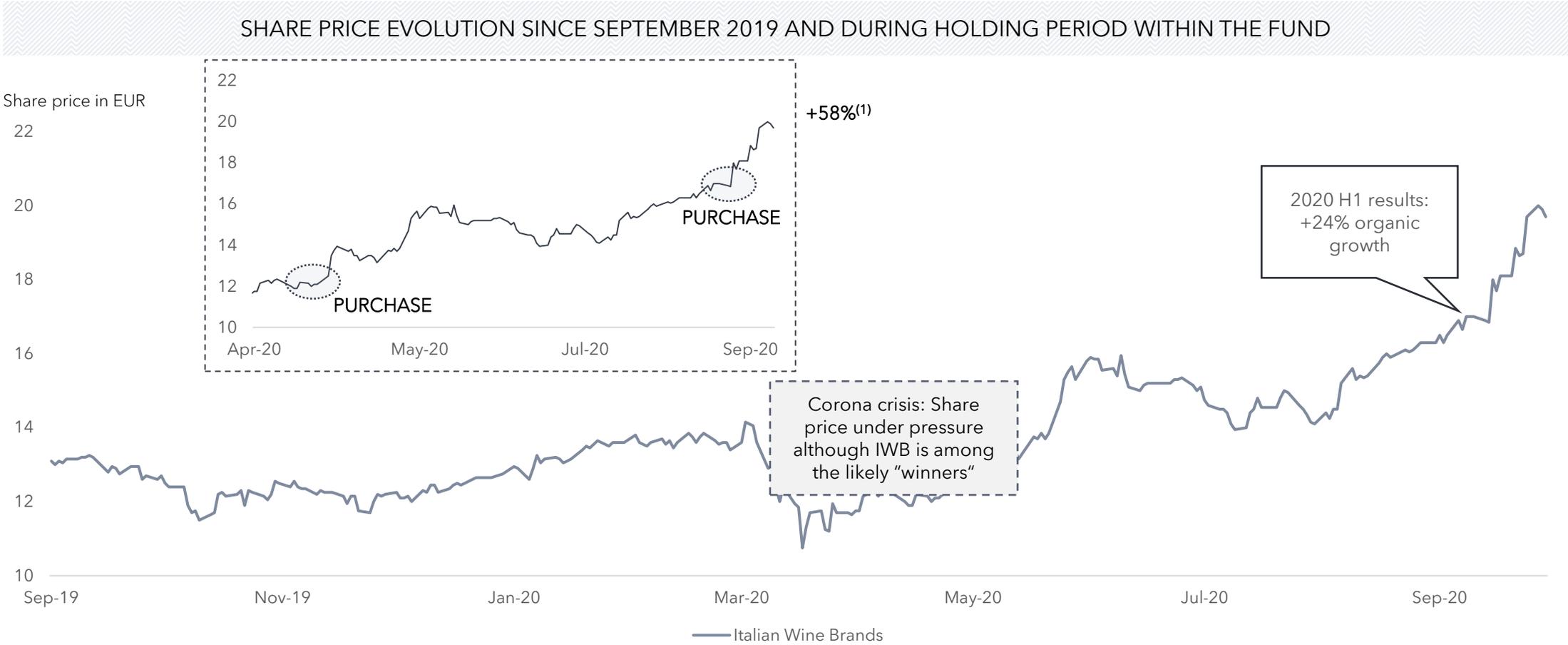
Italian Wine Brands trades at a significant discount to competitors. Furthermore, at the beginning of 2020, the private company Farnese Vini was acquired by Platinum Equity for a valuation of 10x EBIT, which underlines the favorable valuation of IWB

Source: Italian Wine Brands; Hawesko Holding AG; Gehlen Bräutigam Capital; as of 30 September 2020.

# Strong operating performance supports further share price potential



## Share price development



Source: Italian Wine Brands; Yahoo Finance; as of 30 September 2020.  
1. Performance in the fund compared to the average entry price (incl. dividend).

# Disclaimer/Imprint

This document is a customer information ("CI") within the meaning of the German Securities Trading Act, the "CI" is addressed to natural persons and legal entities with their habitual residence or registered office in Germany and is used exclusively for information purposes.

This "CI" cannot replace an individual investment- and investor-friendly advice and does not justify a contract or any other obligation or represents any kind of contractual offer. Furthermore, the contents do not constitute investment advice, an individual investment recommendation, an invitation to subscribe for securities or a declaration of intent or a request to conclude a contract for a transaction in financial instruments. Also, it was not written with the intention of providing legal or tax advice. The tax treatment of transactions depends on the personal circumstances of the respective customer and may be subject to future changes. The individual circumstances of the recipient (including the economic and financial situation) were not taken into account in the preparation of the "CI".

An investment in mentioned financial instruments / investment strategy / financial service involves certain product specific risks - e.g. Market or industry risks and risk in currency, default, liquidity, interest rate and credit - and is not suitable for all investors. Therefore, potential prospects should make an investment decision only after a detailed investment advisory session by a registered investment advisor and after consulting all available sources of information. For further information, please refer to the "Key Investor Information" and the securities prospectus: <https://www.hansainvest.com/deutsch/fondswelt/fondsuebersicht/>

Past performance is not a reliable indicator of future performance. Recommendations and forecasts are non-binding value judgments about future events and may therefore prove to be inaccurate with respect to the future development of a product. The listed information refers exclusively to the time of the creation of this "CI", a guarantee for timeliness and continued correctness cannot be accepted.

The above content reflects only the opinions of the author, a change of opinion is possible at any time, without it being published. The present "AI" is protected by copyright, any duplication and commercial use are not permitted. Date: 18th November 2020.

Editor: Gehlen Bräutigam Capital GmbH, Kurfuerstendamm 11, 10719 Berlin acts as a tied agent (section 2 (10) German Banking Act (KWG)) on behalf, in the name, for account and under the liability of the responsible legal entity BN & Partners Capital AG, Steinstrasse 33, 50374 Erftstadt. BN & Partners Capital AG has a corresponding license from the German Federal Financial Supervisory Authority (BaFin) for the provision of investment advice in accordance with section 1 (1a) No. 1a KWG and the investment brokerage to section 1 (1a) No. 1 KWG.