



IWA IS THE LEADING PROVIDER OF MERGERS & ACQUISITIONS SERVICES TO THE NEW WORLD WINE & LIQUOR INDUSTRY. OVER THE LAST 30 YEARS IWA HAS EITHER REPRESENTED OR SOLD THE COMPANIES & BRANDS BELOW FOR A COMBINED VALUE OF OVER US\$2 BILLION IN TRANSACTIONS CLOSED.



CALERA



Merry Edwards Winery  
RUSSIAN RIVER VALLEY



MAISON FONDÉE EN 1776

LOUIS ROEDERER MAYACAMAS VINEYARDS  
CHAMPAGNE



Stony Hill  
VINEYARD

GERMAIN-ROBIN  
FINE ALAMBIC BRANDY



DIAGEO

THE SEVEN DEADLY ZINS

CHANDON

TALBOTT



VINEYARDS

TREASURY  
WINE ESTATES

CHALONE  
VINEYARD

SAGEMOOR



SIERRA MADRE  
Vineyard



KLIPSUN  
VINEYARDS

DUCKHORN  
WINE COMPANY

PREMIER  
PACIFIC  
VINEYARDS



ST. CLEMENT  
VINEYARDS

ODORNIU  
MÉTODO TRADICIONAL. SINCE 1872.

Constellation



LANCASTER  
Estate

OLSEN  
AGRICULTURE

HOP KILN  
WINERY



Pacific Rim



STRYKER  
SONOMA



BROWN-FORMAN

TERLATO WINES

HANGAR 1 VODKA

Chalone  
Wine Group

PINE RIDGE  
VINEYARDS



SONOMA-CUTRER  
VINEYARDS

Four Graces

GARY FARRELL  
VINEYARDS & WINERY

WILD HORSE  
WINERY & VINEYARDS

CHATEAU  
POTELLE

craft distillers

Buena Vista  
Est. 1857 CARNEROS

Laurel Glen  
VINEYARD

MASI  
AGRICOLA



FETZER  
VINEYARDS

CLINE

EDNA VALLEY  
VINEYARD

Field Stone  
WINERY & VINEYARD

SUTTER  
HOME.

ERRAZURIZ



European Bank  
for Reconstruction and Development

CAMPARI

GEYSER PEAK  
WINERY

FOSTER'S  
GROUP

DAVIS  
BYNUM

RESONANCE  
VINEYARD

COVEY RUN

ATLAS PEAK

YALUMBA  
AUSTRALIA'S OLDEST FAMILY OWNED WINERY

STIMSON LANE  
VINEYARD & ESTATE

SOUTHCORP

ST. GEORGE SPIRITS  
ARTISAN DISTILLERS SINCE 1982



SAUSAL

CANOE RIDGE  
Vineyard



FMG  
RURAL FINANCIAL SERVICES

Charles Krug  
PETER MONDAVI FAMILY



BIG HOUSE

Ste  
CHAPELLE

Banesto

HAVENS



DOMAINE BOYAR

# INTERNATIONAL WINE ASSOCIATES

## CALIFORNIA \* OREGON \* WASHINGTON

### MERGERS & ACQUISITIONS

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**Company Profile:** incorporated in 1990 and headquartered in California, with companies in Oregon and Washington, **INTERNATIONAL WINE ASSOCIATES** is the leader in wine industry mergers and acquisitions. **IWA** provides hands-on corporate finance and transactional strategy services to the leaders of wine and liquor industry clients on a worldwide basis. Over the years IWA has been retained by a number of small family owned companies, leading multinational companies and banks to develop their business. Since 1993 IWA has initiated, advised on and structured various prominent industry transactions in the U.S. and overseas with a combined value of over \$2 billion. Engagements range from only a few months to extensive advisory projects of three years or more. **IWA** is committed to providing strategic solutions and delivering results for our clients. Our integrated approach combines transactional advisory expertise with in-depth industry knowledge and independently recognized excellence in research.

**Industry Experience:** **IWA** works with industry clients in the Americas, Australasia, South Africa and Europe. **IWA** offers a team of experienced business and financial managers and has served companies, banks and investment groups of all sizes in the industry. Robert Nicholson is the Principal of **IWA**. He has held senior positions in U.S. and international companies and has over thirty years of corporate management experience in the wine and liquor industry. Before establishing **IWA**, Mr. Nicholson was Vice President of Christian Brothers in California. He also held positions with Seagram's in the U.S.A. and overseas and with Louis Eschenauer (Lonrho) in Bordeaux. Mr. Nicholson is an active industry commentator at US and international conferences and has long-standing relationships with company owners and senior management throughout the global wine industry.

**Mergers and Acquisitions, Corporate Finance and Strategic Advisory Services:** since 1993 **IWA** has initiated and structured numerous transactions in the industry. **IWA** serves as strategic financial advisors, provides transactional, valuation and due diligence services, represents principals in the sale and acquisition of companies, brands, wineries and vineyards and completes analysis of investments for corporate and private investor clients. **IWA** has a network of contacts throughout the world in the industry and financial community.

**Strategic Planning & General Management:** **IWA** works with clients as strategic and tactical advisors to the Chief Executive and to the board of directors on the start-up and management of new projects, the structuring of joint-ventures, technical and operational issues, on the development of financial plans and on restructuring companies. **IWA** is capable of assuming either functional or general management responsibilities for clients.

# INTERNATIONAL WINE ASSOCIATES

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HEALDSBURG, CALIFORNIA 95448, U.S.A

Incorporated in 1990 and with companies in California, Oregon and Washington, **IWA** has completed transactions valued at over \$2 billion and is the leader in wine industry mergers and acquisitions, with the sale of over 50 businesses, wineries and vineyards completed since 2008. **IWA** provides a team of experienced wine business professionals who work with clients on all aspects of the transaction process from valuations, preparation of offering documents and due diligence materials, selection of and approach to targets, managing the deal process and representing clients in negotiations through to the close of transactions.



**Robert Nicholson** is a Principal of **IWA** and has completed over US \$2 billion in transactions. Before establishing IWA in 1990 Robert was Vice President of Christian Brothers in California and held positions with Seagrams in New York and with Louis Eschenauer (Lonhro) in Bordeaux (when the company owned Chateau Rauzan Segla, Chateau Smith Haut Lafitte and Chateau Olivier, among other leading Bordeaux estates).

At IWA Robert has completed numerous transactions and has represented many family owned wineries, most of the major multinational companies and a number of banks.

Robert was educated in England at Millfield and studied oenology at the University of Bordeaux under Professor Emile Peynaud. Robert is an active industry commentator at U.S. and international conferences and speaks fluent French.



**Josh Grace** is a Managing Director at **IWA** and has over twenty years of financial management, valuation, accounting, mergers and acquisition and corporate advisory experience, with a specialization in the wine and liquor industry.

Before joining IWA in 2002, Josh was a Financial Manager at Robert Mondavi where he worked on California vineyard acquisitions and on financial management of the company's flagship Napa Valley winery. At IWA Josh has managed a number of prominent wine industry transactions with a combined value of over \$1.5 billion.

Josh graduated from California Polytechnic State University, San Luis Obispo, California with a BSc degree in Business Administration with a concentration in Accounting.



**Sally Nicholson** is a Principal of **IWA** and a Licensed Real Estate Broker in California and Oregon specializing in the sale and acquisition of winery and vineyard properties. Under Sally's Real Estate License, IWA has completed wine industry real estate transactions valued at over \$650 million since 2005. Sally has broad professional experience in Australasia, Europe and the United States with a comprehensive knowledge of winery and vineyard business valuations and transactions.

Sally has twenty-five years of international experience in brand development and marketing of luxury goods. She held a number of senior management positions with direct report responsibility to Calvin Klein and Ralph Lauren and was Design Consultant in the development of the Dockers Division at Levi Strauss. Sally graduated with a BS degree in Design from University of California, Davis and attended Harvard Business School Executive Education.



**Katherine Bailon** joins **IWA** in 2018 as a Managing Director. Previously she was an investment analyst responsible for financial modeling and valuation work on public companies in a variety of industries including technology companies in software, services and internet businesses, healthcare technology, automotive technology and green tech. She was also Manager Director of Institutional Sales at Goldman Sachs in New York having shepherded over 100 of the firms prominent IPO transactions in the high technology sector.

Katherine graduated from The Pennsylvania State University Scholars Program with a BS degree in International Business and Management with Honors in Finance. Katherine is also breeder of vineyard sheep and vineyard owner in Alexander Valley.





*Total IWA vineyard transactions completed valued at over  
US \$600 Million including the sale of over 6,250 acres since 2008*

**IWA VINEYARD TRANSACTIONS – 2008 TO 2020**

TRANSACTION DATE	NAME OF PROPERTY/SELLER & AVA	VINEYARD ACRES	TOTAL ACRES	BUYER
March 2020	Diamond Creek Vineyards, Calistoga, Napa Valley	22	80	Louis Roederer Champagne
March 2020	Wallula Gap Vineyards, Horse Heaven Hills, Washington	675	802	Prudential (PGIM)
January 2020	Komes Ranch, Rutherford, Napa Valley	59	280	Chateau Smith Haut Lafitte
June 2019	Wildwood Vineyard, Rutherford, Napa Valley	51	61	Heitz Cellar
February 2019	Merry Edwards Winery, Russian River, Sonoma	41	51	Louis Roederer Champagne
October 2018	Stony Hill Vineyard, Spring Mountain, Napa Valley	34	168	Long Meadow Ranch
May 2018	Sierra Madre Vineyard, Santa Maria Valley, Santa Barbara, California	496	503	Gallo
August 2017	Calera Wine Company, Mount Harlan, California	85	686	Duckhorn Wine Company
April 2017	Beaux Freres Vineyard, Ribbon Ridge, Willamette Valley, Oregon	35	129	Maisons & Domaines Henriot
April 2017	Klipsun Vineyard, Red Mountain, Washington	120	235	Terlato Wine Group
March 2017	Pinnacle Vineyard, San Benito County, California	328	443	The Wine Group
October 2016	Trefethen Vineyards, Oak Knoll, Napa Valley	38	41	Silverado Partners
September 2016	Ladera Vineyards, Howell Mountain, Napa Valley	82	185	The PlumpJack Group
September 2016	Field Stone Winery, Alexander Valley, Sonoma	27	42	Jackson Family Estates
April 2016	Stryker Sonoma, Alexander Valley, Sonoma	25	32	Foley
February 2016	Chalone Vineyard, Chalone, Monterey County	236	754	Foley
January 2016	Hop Kiln Winery, Russian River, Sonoma	95	240	Resnick/Roll
January 2016	Acacia Winery, Napa Carneros	37	99	Peju
September 2015	Talbott Vineyards, Santa Lucia Highlands, Monterey County	523	604	Gallo
July 2015	Treasury's Asti Winery, Alexander Valley, Sonoma	275	535	Gallo
June 2015	Olsen Agriculture, Willamete Valley, Oregon	214	6,335	Farmland
May 2015	Flora Springs, Napa Valley	258	642	Gallo
April 2015	Corby Vineyards, Anderson Valley, Mendocino	70	150	Long Meadow
December 2014	Candlestick Vineyard, (Duckhorn Vineyards), Howell Mtn, Napa Valley	22	81	Robert Craig
December 2014	EPR Vineyards, Alexander Valley, Sonoma	52	71	Foley
November 2014	Gherts Vineyard, Dundee Hills, Oregon	7	18	Louis Jadot
November 2014	LaTour Vineyard, Mount Veeder, Napa Valley	25	37	Gamble
April 2014	Sagemoor Vineyards, Columbia Valley, Washington	883	1355	Allan Bros.
March 2014	The Four Graces, Dundee Hills & Carlton-Yamhill, Oregon	95	198	Foley
December 2013	Alderbrook Winery, Dry Creek Valley, Sonoma	54	73	Orsi
August 2013	Resonance Vineyard, Yamhill-Carlton, Oregon	20	32	Louis Jadot
April 2013	Mayacamas Vineyards, Mount Veeder, Napa Valley	51	465	Schottenstein family & partners
January 2013	Silverado Hill, Napa Valley	25	36	Laird
January 2013	Pine Ridge Vineyard, Rutherford, Napa Valley	9	16	Private buyer
November 2012	Lancaster Estate, Alexander Valley, Sonoma	21	53	Foley
August 2012	Sausal Vineyard, Alexander Valley, Sonoma	72	115	Silver Oak
June 2012	Ridgeline Vineyard, (Codorniu), Alexander Valley	89	409	Duckhorn
June 2012	Moet-Hennessy, Sonoma Coast	76	155	Sangiacommo
March 2011	Laurel Glen, Sonoma Mountain, Sonoma	11	16	Private investors
April 2010	Five Rivers Vineyard (Brown-Forman), Paso Robles	428	639	PPV
June 2008	Buena Vista, Sonoma Carneros	470		EPR
June 2008	Geyser Peak, Alexander Valley, Sonoma	44		EPR
<b>Total Acres</b>		<b>6,280</b>	<b>16,866</b>	



**THE LEADER IN MERGERS & ACQUISITIONS FOR THE GLOBAL WINE INDUSTRY**  
*Total transactions completed valued at over US \$2 Billion*

 <b>LOUIS ROEDERER</b> CHAMPAGNE has acquired a winery and 22 acres of vineyard in Napa Valley  IWA represented Louis Roederer March 2020	<b>WALLULA GAP VINEYARDS</b> a 675 acre vineyard in Horse Heaven Hills AVA, Washington was sold to  <b>PGIM</b> REAL ESTATE FINANCE IWA represented Wallula Gap Vineyards March 2020	<b>CHATEAU SMITH HART LAFITTE</b> GRAND CRU CLASSÉ has acquired a winery and 59 acres of vineyard in Rutherford, Napa Valley from <b>KOMES RANCH</b> IWA represented Komes Ranch January 2020
 <b>TREASURY WINE ESTATES</b> has sold the 51 acre Wildwood Vineyard in Rutherford, Napa Valley to  IWA represented Treasury Wine Estates June 2019	<b>Merry Edwards Winery</b> a Russian River vineyard and winery with 41 planted acres was sold to  <b>LOUIS ROEDERER</b> CHAMPAGNE IWA represented Merry Edwards and initiated this transaction February 2019	 <b>Stony Hill</b> VINEYARD a Napa Valley vineyard and winery with 34 planted acres was sold to <b>LONG MEADOW RANCH</b> IWA represented Stony Hill October 2018
 the #1 selling Zinfandel brand in the U.S. was sold to  <b>THE WINE GROUP</b> IWA represented Seven Deadly Zins October 2018	 <b>SIERRA MADRE</b> Vineyard 496 vineyard acres in Santa Barbara County was acquired by  <b>E&amp;J. Gallo</b> IWA represented Sierra Madre Vineyard May 2018	 <b>CALERA</b> A leading producer of California Pinot Noir with 85 acres of Mount Harlan vineyard has sold to <b>DUCKHORN VINEYARDS</b> IWA represented Calera August 2017
<b>GERMAIN - ROBIN</b> FINE ALAMBIC BRANDY has sold to  <b>E&amp;J. Gallo</b> IWA represented Germain-Robin and initiated this transaction August 2017	<b>Beaux Frères</b> a leading producer of Oregon Pinot Noir with 34 acres Ribbon Ridge vineyard has sold to <b>MAISONS &amp; DOMAINES HENRIOT</b> IWA represented the partners of Beaux Freres and initiated this transaction April 2017	 <b>KLIPSUN VINEYARDS</b> a 120 acre Red Mountain vineyard has been acquired by <b>TERLATO WINES</b> IWA initiated this transaction and represented Klipsun Vineyards April 2017

 <p><b>TREASURY WINE ESTATES</b></p> <p>has sold the Blossom Hill winery in San Benito County to</p> <p><b>DELICATO</b></p> <p><small>H.M. KONUNGSEN &amp; SONS HOFLEVERANTÖR</small></p> <p>IWA initiated this transaction and represented Treasury Wine Estates</p> <p>March 2017</p>	 <p>a 320 acre San Benito vineyard was acquired by</p>  <p><b>THE WINE GROUP</b></p> <p>IWA represented Pinnacle</p> <p>March 2017</p>	 <p>has sold 41 total acres including 38 acres of vineyard and a winery permit in the Oak Knoll AVA, Napa Valley to</p> <p><b>Silverado Partners</b></p> <p>IWA initiated this transaction &amp; represented the Trefethen Family</p> <p>October 2016</p>
 <p><b>TREASURY WINE ESTATES</b></p> <p>has sold the historic winery known as St. Clement Vineyards located in the Napa Valley to</p> <p><b>HUNEEUS VINTNERS</b> [THE WINES OF AGUSTIN HUNEEUS]</p> <p>IWA initiated this transaction &amp; represented Treasury Wine Estates</p> <p>October 2016</p>	<p><i>Field Stone</i></p> <p>With a winery and 27 acres of Alexander Valley vineyard has sold to</p>  <p><b>Jackson FAMILY WINES</b></p> <p>IWA initiated this transaction &amp; represented Field Stone</p> <p>September 2016</p>	 <p><b>PLUMPJACK GROUP</b></p> <p>has acquired a Howell Mountain winery and 185 total acres, including 82 acres of Napa Valley vineyards from</p> <p><b>LADERA</b></p> <p>The Stotesbery Family</p> <p>IWA initiated this transaction &amp; represented the Stotesbery Family</p> <p>September 2016</p>
<p><b>STRYKER SONOMA</b></p> <p>Alexander Valley Winery and 32 total acres has sold to</p>  <p><b>FOLEY FAMILY WINES</b></p> <p>IWA represented Stryker Sonoma as their exclusive advisor</p> <p>April 2016</p>	<p><b>DIAGEO</b></p> <p>has sold the <b>CHALONE VINEYARD</b> with 754 total acres and 236 acres Chalone AVA vineyard to</p>  <p><b>FOLEY FAMILY WINES</b></p> <p>IWA represented DIAGEO as their exclusive advisor</p> <p>February 2016</p>	<p><b>HOP KILN WINERY</b></p> <p>with 240 total acres and 95 acres of Russian River vineyard has sold to a subsidiary of The Wonderful Company (Roll International)</p>  <p><i>Landmark Vineyards</i></p> <p>IWA represented Hop Kiln and was their exclusive M&amp;A advisor</p> <p>January 2016</p>
<p><b>DIAGEO</b></p> <p>has sold the <b>Acacia Winery</b> with 99 total acres and 37 acres of Carneros Napa vineyard to</p> <p><b>PEJU</b></p> <p>IWA represented DIAGEO as their exclusive advisor</p> <p>December 2015</p>	<p><b>TALBOTT VINEYARDS</b></p> <p>and the 525 acre Sleepy Hollow Vineyard have sold to</p>  <p><b>E&amp;J. Gallo</b></p> <p>IWA represented Talbott Vineyards &amp; was their exclusive advisor</p> <p>September 2015</p>	 <p><b>TREASURY WINE ESTATES</b></p> <p>has sold the Asti Winery and 275 acres of Alexander Valley vineyard with the Souverain brand to</p>  <p><b>E&amp;J. Gallo</b></p> <p>IWA represented Treasury and was their exclusive M&amp;A advisor</p> <p>July 2015</p>



sold 6,000 acres of Willamette Valley Ag land  
& vineyard to



IWA initiated this transaction &  
represented Olsen

June 2015

***The Komes and Garvey  
Families of Flora Springs***

sold 600 acres including 258 acres of  
Napa Valley vineyards to



E&J. Gallo

IWA initiated this transaction & represented  
Flora Springs

June 2015

**LONG MEADOW RANCH**

acquired 70 acres of Anderson Valley  
vineyards from

**Corby Vineyards**

IWA initiated this transaction & represented  
the Corby family

May 2015



has sold Candlestick Vineyard  
in the Napa Valley to



IWA represented Duckhorn Wine Company  
in this transaction

January 2015



EPR Properties

sold The Alexander Valley Ascentia Vineyard to



FOLEY FAMILY WINES

IWA represented and served as advisors to  
EPR Properties in this transaction

December 2014



sold 37 total acres and 19 acres of  
Mount Veeder vineyard to



IWA represented and served as exclusive advisors  
to the LaTour family in this transaction

December 2014



has acquired

**Gehrts Vineyard**  
Dundee, Oregon.

IWA represented and served as exclusive  
advisors to Gehrts Vineyard in this transaction

November 2014



has sold over 900 acres of Columbia Valley  
vineyards and 400 acres of orchard to



IWA served as financial advisors and represented  
Sagemoor Vineyards in this transaction

April 2014



Dundee, Oregon

has sold to



FOLEY FAMILY WINES

IWA represented and served as exclusive advisors  
to The Four Graces in this transaction

March 2014



has sold

**Alderbrook Winery**  
Healdsburg, California  
to  
**A Private Investor**

IWA served as exclusive advisors and  
represented Terlato Wines in this transaction

December 2013



has acquired

**RESONANCE**  
VINEYARD  
OREGON

IWA served as exclusive advisors and represented  
Resonance Vineyard in this transaction

August 2013



**MAYACAMAS VINEYARDS**

has sold to

**Schottenstein family & partners**

IWA served as exclusive advisors and represented  
Mayacamas Vineyards in this transaction

April 2013



## Silverado Hill Winery

has sold to



**LAIRD FAMILY ESTATE**

IWA initiated this transaction and represented Silverado Hill Winery

January 2013

## PINE RIDGE VINEYARDS



has sold a Vineyard  
In Rutherford, California  
to a

**Private Investor**

IWA initiated this transaction and served as exclusive advisors to Pine Ridge Vineyards

January 2013



**LANCASTER**

*Estate*

has sold to



**FOLEY FAMILY WINES**

IWA served as exclusive advisors and represented Lancaster

November 2012



**SILVER OAK**

has acquired

**SAUSAL WINERY**

IWA represented Sausal and served as exclusive advisors in this transaction

August 2012

a U.S. subsidiary of  
**CODORNIU**

MÉTODO TRADICIONAL. SINCE 1872.

has sold a vineyard in  
Alexander Valley, California to

**DUCKHORN**  
VINEYARDS

IWA initiated this transaction and served as exclusive advisors to Grupo Codorniu (Artesa Winery)

June 2012

**CHANDON**

has sold a Vineyard in Sonoma Coast, California to

**SANGIACOMO**  
*Family Vineyards*

IWA represented Moët Hennessy (Domaine Chandon) in this transaction

June 2012



has sold

**Blackstone Winery**  
Kenwood, California

to a

**Private Wine Industry Investor**

IWA initiated this transaction and represented Constellation

May 2012

**DIAGEO**

has sold their 50% ownership in

**EDNA VALLEY  
VINEYARD**

to

**E&J. Gallo Winery**

IWA served as exclusive advisors to DIAGEO & initiated this transaction.

July 2011

*Laurel Glen*

has been acquired by

**A Group of Private Investors**

IWA served as exclusive financial advisors & represented Laurel Glen

March 2011

**The Mariani Family  
Banfi Vintners**

has acquired



**Pacific Rim**

IWA initiated this transaction & served as advisors to Pacific Rim

December 2010

**HANGAR 1 VODKA**

Sold the trademark and marketing rights to

**Proximo Spirits, Inc.**

A subsidiary of

**Jose Cuervo**

IWA served as exclusive financial advisors to Hangar One & represented Craft Distillers & St. George Spirits

April 2010



**BROWN-FORMAN**


Sale of Five Rivers Vineyard, Paso Robles to  
**Silverado Premium Properties**

IWA served as advisors to Brown-Forman & initiated the sale of a 427 acre vineyard to SPP

April 2010



 <p>has sold <b>San Mateo Ranch Vineyard Rutherford, California</b> to <b>LONG MEADOW RANCH</b></p> <p>IWA initiated this transaction and represented Yalumba</p> <p>October 2008</p>	 <p>Sold Certain California &amp; Pacific Northwest Wine Brands &amp; Inventory (Geyser Peak, Buena Vista, Gary Farrell, Atlas Peak, XYZin, Columbia Winery, Covey Run &amp; Ste. Chapelle) to <b>Ascentia Wine Estates</b></p> <p>IWA served as advisors &amp; represented Constellation in a \$99 million transaction and managed the due diligence process</p> <p>June 2008</p>	<p>a subsidiary of</p> <p><b>Entertainment Properties Trust EPR Properties</b></p> <p>has acquired various wineries (Geyser Peak, Buena Vista, Gary Farrell &amp; Columbia) and 571 acres of vineyard assets from</p>  <p>IWA served as advisors &amp; represented Constellation in a \$110 million transaction and managed the due diligence process</p> <p>June 2008</p>
<p><b>Demuth Winery &amp; Vineyard Anderson Valley</b></p> <p>has been sold to <b>A Private Investor</b></p> <p>IWA initiated this transaction &amp; served as advisors to Demuth</p> <p>January 2008</p>	<p><b>Klein Family Vintners</b> has acquired</p>  <p><b>A Russian River Wine Brand Healdsburg, California</b></p> <p>IWA initiated &amp; served as strategic advisors to Davis Bynum in this transaction &amp; sold the winery &amp; vineyard assets to a private investor in a separate transaction</p> <p>March 2008</p>	 <p><b>Jackson Family Farms</b> has acquired <b>CHATEAU POTELLE WINERY</b> a Napa Valley Winery</p> <p>IWA initiated this transaction &amp; served as advisors to Chateau Potelle</p> <p>August 2007</p>
<p><b>Leslie Rudd</b> has acquired <b>Hedin Vineyard</b> Healdsburg, California</p> <p>IWA initiated this transaction &amp; served as strategic advisors to Hedin</p> <p>April 2007</p>	<p>a subsidiary of <b>Entertainment Properties Trust EPR Properties</b> has acquired</p>  <p><b>a Napa Valley Winery &amp; Vineyard</b></p> <p>IWA initiated this transaction &amp; served as strategic advisors &amp; broker to Havens</p> <p>December 2006</p>	<p><b>Billington Imports</b> has acquired</p>  <p><b>a Napa Valley Brand from Mobius Partnership</b></p> <p>IWA initiated this transaction &amp; served as advisors &amp; broker to Mobius</p> <p>December 2006</p>
<p><b>The Wine Group</b> has acquired <b>Big House &amp; Cardinal Zin</b> California Wine Brands from</p>  <p>IWA initiated this transaction &amp; served as advisors to Bonny Doon</p> <p>August 2006</p>	 <p>Napa Valley, California has been acquired by <b>A Private Investor</b></p> <p>IWA initiated this transaction, acted as advisors to Koves-Newlan</p> <p>June 2006</p>	<p><b>A Private Investor</b> has acquired the <b>Hillview Vineyard Property</b> Napa Valley, California</p> <p>IWA served as broker &amp; financial advisors to the seller</p> <p>November 2006</p>

<p><b>585 Wine Partners</b> has acquired <b>red truck</b> a California Wine Brand from</p>  <p><b>CLINE</b></p> <p>IWA initiated this transaction &amp; served as advisors to Cline Cellars</p> <p>December 2005</p>	<p>a subsidiary of</p>  <p>has acquired</p>  <p><b>WILD HORSE</b> WINERY &amp; VINEYARDS</p> <p>Templeton, California</p> <p>IWA initiated this transaction &amp; acted as advisors to Wild Horse in this \$34 million sale</p> <p>August 2003</p>	 <p>IWA served as strategic wine industry advisors to Wells Fargo Bank in the DeLoach Vineyard bankruptcy</p> <p>Spring &amp; Summer 2003</p>
 <p>has sold the Carmenet brand to</p> <p><b>Beringer Blass Wine Estates</b></p> <p>IWA initiated this transaction &amp; served as exclusive advisors to Chalone</p> <p>September 2002</p>	<p>a subsidiary of</p> <p><b>Vincor International Inc.</b> has acquired</p>  <p><b>HOGUE</b></p> <p>Prosser, Washington</p> <p>IWA initiated this transaction &amp; served as Exclusive advisors to Hogue</p> <p>September 2001</p>	<p><b>Beckstoffer Vineyards</b> has acquired the Talmadge Vineyard in Mendocino County, California from</p>  <p>IWA initiated this transaction &amp; served as exclusive advisors to Parducci</p> <p>January 2001</p>
 <p>has acquired</p>  <p><b>HEWITT</b> VINEYARD</p> <p>Rutherford, California</p> <p>IWA acted as strategic advisor, represented and provided due diligence services to Chalone in this purchase of this 60 acre vineyard</p> <p>February 2000</p>	<p><b>SONOMA-CUTRER.</b> VINEYARDS</p> <p>has been acquired by</p>  <p><b>BROWN-FORMAN</b></p> <p>IWA served as advisor &amp; provided a Fairness Opinion to Sonoma-Cutrer</p> <p>March 1999</p>	<p><b>Mildara Blass Ltd.</b> has acquired Napa Valley Vineyard development property from</p> <p><b>Juliana Vineyards</b> St. Helena, California</p> <p>IWA acted as advisor to Mildara Blass in the sale of a 100 acre vineyard</p> <p>September 1998</p>
<p>a subsidiary of</p>  <p>has acquired</p>  <p><b>GEYSER PEAK</b> WINERY</p> <p>Geyserville, California</p> <p>IWA acted as strategic advisor and provided due diligence services to Jim Beam in a \$98 million transaction of winery &amp; vineyard assets</p> <p>August 1998</p>	 <p><b>European Bank</b> for Reconstruction and Development</p> <p>has provided debt and equity financing to</p>  <p><b>DOMAINE BOYAR</b></p> <p>Sofia, Bulgaria</p> <p>IWA provided general management &amp; technical due diligence services to EBRD</p> <p>August 1998</p>	 <p><b>FOSTER'S</b> GROUP</p> <p><b>Mildara Blass Ltd.</b> has established winemaking operations in California</p> <p>IWA initiated this transaction &amp; acted as strategic advisor to Mildara Blass Ltd</p> <p>June 1997</p>



**Mildara Blass Ltd.**

*and*

**Vina Santa Carolina S.A.**

have established a joint-venture to produce and market Chilean wines.

IWA initiated this transaction & acted as strategic advisor to Mildara Blass Ltd.

June 1997

**SOUTHCORP**

*and*

**Paragon Vineyard Company**

have established a joint-venture company to produce and market California wines.

IWA represented Paragon and acted as strategic advisor to the joint-venture

August 1996

**Robert Mondavi Corporation**

has acquired an interest in

**CALITERRA**  
QUALITY OF THE LAND

a Chilean Wine Brand  
from

***Viña Errazuriz***

and they have established a joint-venture to produce and market Chilean wines.

IWA acted as strategic advisor to Viña Errazuriz

October 1995



has sold

The Oakville Winery  
Oakville, California  
to

**Pelissa & Hale**

IWA & partners initiated this transaction & represented Heublein Inc.

June 1993



has sold

**The Greystone Building**

St. Helena, California  
to



IWA & partners initiated this transaction & represented Heublein Inc.

January 1993

**SOUTHCORP**

IWA served as  
Financial  
&  
Strategic Advisors  
to Southcorp

IWA provided due diligence and financial analysis of the 25 leading USA winery targets for acquisition by Southcorp

January 1993



## A CONVERSATION WITH

# Robert Nicholson

A prominent deal-maker discusses the mergers and acquisitions climate

By Laurie Daniel

Robert Nicholson is a longtime player in the world of wine industry mergers and acquisitions, but he considers himself “first and foremost, a wine guy.” Nicholson, who grew up southwestern England and studied enology at the University of Bordeaux, got his first wine job in 1972 as assistant to the export director of Louis Eschenauer in Bordeaux, where the company owned Chateau Rauzan-Segla and Chateau Smith Haut Lafitte, among others. From there, he went to work for Seagram’s, then became vice president of Christian Brothers in the Napa Valley. After the winery was sold to Heublein in 1989, Nicholson decided to set up his own business.

Nicholson founded International Wine Associates in 1990 as a wine industry consulting firm. Heublein asked Nicholson to help the company sell some assets in the Napa Valley, including the Greystone building that had been home to Christian Brothers (sold to the Culinary Institute of America) and the Oakville winery that’s now Napa Wine Co. “That’s how we started in M&A,” Nicholson says.

International Wine Associates (IWA) has completed more than \$1.5 billion in transactions to date (more than 60 separate deals, including prominent wine estates and more than 5,000 acres of vineyards) in California, Washington and Oregon. Recently IWA completed the sale of Calera Wine Co. to TSG/Duckhorn and the sale of Germain-Robin luxury California brandy to E. & J. Gallo.

**Q** International Wine Associates mostly represents sellers. Why?

**Robert Nicholson:** That’s simply our preference. This allows our company to work with our clients from the beginning to the end of the transaction process. We take the time to get to know the sellers personally and to understand their businesses and what they want to achieve in a transaction. Our transaction process at IWA is highly personalized and confidential. Some steps we take with all our clients are the same; however, each project is very different.

Generally, this personalized transaction process includes first understanding the business thoroughly, valuing the different components of the business in order to help the sellers with realistic value expectations and help the seller to understand what the buyers are looking for in a transaction and how the process works. We assist our clients and their counsel throughout the process.

Winery valuations are based on brand scale, cash flow and margins, future volume potential, synergies for the buyer in their sales, marketing and production, and product types and origin. Brand strength is a combination of current margins, volume and the potential of the business for the buyer. Synergies are the savings that will accrue to the buyer post-close, giving buyers the option to use their own current resources more effectively in the acquisition of a business.

**Q** What are the reasons individuals or companies decide to sell?

**Nicholson:** As you can imagine, there are lots of different reasons why people and companies decide to sell their businesses.

Take family businesses: Sometimes a founder has developed a business, and then when the founder wants to retire, and other family members are not in a position to or don’t want to continue managing the business. This can be a difficult decision for a small business. It is IWA’s role to understand their objectives and to advise them accordingly. It can be challenging for the owners, as IWA makes them aware of the different steps required to accomplish a smooth transaction at an acceptable market value. Over the years, IWA has represented a number of prestigious family-owned wine estates for sale, including the Ladera Vineyards sale by the Stotesbery family to PlumpJack in 2016, the Talbott Vineyards sale to Gallo for Robb Talbott and his children in 2015, the Klipsun Vineyards sale on Red Mountain in Washington to Terlato in 2017, and the Hogue Cellars sale by Mike Hogue and his family to Canada’s Vincor Group in 2001.

With partnerships, sometimes the partners in a business decide for their own reasons that they want to sell.

This requires sensitive handling of the situation by IWA to achieve the different objectives of all the stakeholders. IWA has worked with a number of partnerships in the sale of their businesses, such as Beaux Freres Vineyard in Oregon, which was owned by Robert Parker and his partners. Beaux Freres was sold to the French group Maisons & Domaines Henriot earlier this year. One of the original partners wanted to stay on with Beaux Freres to manage the business and as a shareholder with Henriot. This worked out well, because Henriot was pleased to have him continue with Beaux Freres.

IWA has also represented a number of the world’s largest listed wine companies in selling various brands, assets and businesses.



These projects typically include assisting the company in the process of how to achieve their objectives at the proposed valuations in the sale of a group of assets. For example, will a sale of the assets bundled together be more interesting to buyers (and to which buyer groups) than selling the assets individually? IWA represented Diageo in the sale of the Greystone Building in St. Helena (Calif.) to the Culinary Institute of America in 1993, the sale of Chalone Vineyards to Foley in 2016, and the sale of Edna Valley Vineyards to Gallo in 2011. We worked with Constellation to sell a group of wineries, brands and vineyards that included Geyser Peak, Buena Vista, Gary Farrell, Atlas Peak, Columbia Winery, Covey Run and Ste. Chapelle to a private equity group in 2008. More recently, we represented Treasury Wine Estates in the sale of the Blossom Hill Winery in San Benito County (Calif.) to Delicato this year.

Sometimes IWA works with privately owned or closely held wine companies in the sale of vineyards, brands and other assets. One example of this was Randall Graham of Bonny Doon Vineyard's sale of the Big House brand to The Wine Group in 2006 and his sale of Pacific Rim Winemakers in Washington state to Banfi in 2010.

**Q** Walk us through the advice and guidance you give to sellers.

**Nicholson:** All transactions are complicated and require integrity, teamwork and planning, finesse, forethought, patience and commitment from all stakeholders.

The process of selling a family-owned or private business can be an emotional and stressful time for the owners. IWA's job is to stand with them throughout the transaction, from start to finish, and where possible to simplify what is a complicated process that inevitably has a number of twists and turns.

At the start, we help our client put together the "deal team." This includes IWA as the "quarterback" to manage the process for the seller. We often suggest that the seller identify someone in senior management who can be brought into the process. We work with that person on the in-house data collection, so we can understand the business. We recommend that the seller engage a transaction lawyer who has experience in the legal aspects of completing the sale of a business. The winery may have worked with a lawyer on regulatory issues, but that person often doesn't have experience with transactions. Generally, our initial preparation work with the seller includes improvement of the data collection, cleaning up the balance sheet, working with the company's CPA on financial statements, dealing with unsalable inventory, making sure all key agreements are in writing, reviewing and confirming trademarks and permits, guiding the seller to an appropriate estate- and tax-planning adviser to manage the proceeds from a transaction,

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reviewing and identifying assets that are to be retained by the seller and discussing the post-close plans for the seller. For example, do they want to remain with the business? The valuation or analysis of the brand and business is one of the first steps we take with our clients, followed by development of the information memorandum and offering documents.

Once IWA has completed the pre-planning, we finalize the target list and initiate blind approaches. IWA is very selective about the number and quality of targets we approach on behalf of our clients in order to maintain confidentiality, which preserves value for our clients. Following receipt of signed non-disclosure agreements from each target buyer, we send out the offering information memorandum. We then work with interested buyers as they develop their non-binding indications of interest, which summarize the details of their offers. We work with the seller to select the target (or targets), and with their legal counsel we work on drafting a letter of intent that commits the seller and the buyer to one another to complete the transaction. IWA manages the due diligence process, and we work with both sides to draft the sale agreement.

IWA works with the seller on preparing for the close of the transaction. This includes, among other things, managing the final

inventory count with the buyer, working with the seller, their employees and the buyer on the transition to new ownership—and all other outstanding items to ensure a smooth transition. Typically, the whole process takes six to 18 months, depending on the complexity of the circumstances.

Teamwork throughout the process is critical to maintaining momentum and avoiding delays, because all deals have a life of their own. It is important to control the issues as they come up and, where possible, to pre-plan the different steps rather than reacting to issues as they come up.

The most fundamental requirement to complete a deal successfully is to maintain integrity and trust with all the stakeholders. Confidentiality is of critical importance to avoid erosion of value for our sellers.

**Q** What's the general state of mergers and acquisitions in the wine industry these days?

**Nicholson:** Generally, the U.S. wine market is strong. Valuations are firm and increasing in certain areas for some assets. Some super- and ultra-premium sub-segments of the market are stronger than other sub-segments, but wine consumption is generally increasing.

Wine companies are investing in vineyards to protect their supply and to maintain margins in a tight grape market. Financial groups are investing in vineyards

## ON THE HORIZON

Robert Nicholson of International Wine Associates can't get into too many specifics about deals he has in the works, but he will say that he's representing "a variety of sellers" along the West Coast.

"We have a number of high-quality, ultra-premium wine estates in the Napa Valley, Sonoma County, Central Coast and Oregon," Nicholson says. He's also representing entities who want to sell vineyards in the Napa Valley, Sonoma County, the Central Coast and Washington, and he's working to sell "some substantial winery assets."

As for vineyards, Nicholson says buyers are particularly interested in Pinot Noir and Cabernet Sauvignon from prestigious AVAs—Russian River, Sonoma Coast, Santa Barbara, Santa Lucia Highlands and Oregon for Pinot; Napa Valley, Alexander Valley and Washington's Red Mountain for Cabernet. They also are looking for Chardonnay from "certain parts of Sonoma and the Central Coast."

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to service the grape needs of wineries. Grape prices are increasing in super- and ultra-premium AVAs, and buyers are looking to protect their long-term supplies for growing brands. Wineries are faced with either buying and owning vineyards or securing supply with long-term contracts. Most wineries decide on a combination of both strategies. This is increasing pressure on land available for vineyards in certain AVAs.

As for wineries, many wine companies are looking to acquire wineries to expand their portfolios and compete more effectively in the market. In order to broaden

values firm and increasing for most assets. For U.S. buyers, acquisitions improve their market leverage and are an opportunity for portfolio expansion into new categories. For international buyers, acquisitions improve their access to U.S. distribution and their asset diversification. All buyer groups are active now.

**Q Who are the buyers?**  
**Nicholson:** IWA represents sellers. However, in order to manage the sale process in a confidential manner for our clients and make highly targeted approaches to select buyers on behalf of our

**We see that public wine companies often prefer to buy brands only and to remain 'asset light,' keeping their assets off their balance sheet to improve ratios.**

their offerings to the market and to improve their leverage with both wholesalers and retailers, many wine companies are now looking to make acquisitions that complement their current offerings.

A shortage of winery production capacity in California's North Coast has resulted in some sizable transactions, such as the Jackson Family 2012 acquisition of Sonoma County's Carneros Hills (formerly Buena Vista Winery) as well as Gallo's acquisition of both Napa County's The Ranch Winery in 2016 and Sonoma County's Asti Winery in 2015. A smaller example is the Huneeus Vintners' acquisition of Sonoma County's VML Winery in 2016.

We see that public wine companies often prefer to buy brands only and to remain "asset light," keeping their assets off their balance sheet to improve ratios. Recent examples would be Constellation's 2016 acquisition of The Prisoner and Treasury's 2016 acquisition of the Diageo wine business, where they inherited a lease with a REIT (real estate investment trust) on most of the assets.

There are few distressed sales now. Since the Great Recession, the real market has returned, with

clients, IWA is continuously in direct contact with all the different buyers to know what they want to acquire (and what they don't want to acquire) and why.

Owners of prominent wine companies and estates in the U.S. constitute one group of buyers. Multi-national companies like Constellation and Treasury are also buying.

There are also financial buyers and equity funds. For example, Farmland is a real estate investment trust that acquired Olsen Agriculture in Oregon. Other recent transactions involving this type of buyer include TSG's acquisition of Duckhorn and GI Partners' purchase of Far Niente.

Luxury goods companies are also buying. Chanel, for example, bought St. Supéry.

Finally, there are the owners of prominent overseas wine estates like Henriot in the Beaux Freres deal. IWA also sold two prominent Oregon vineyards to Louis Jadot, the Burgundy producer. 🍷

A resident of the Santa Cruz Mountains, Laurie Daniel has been a journalist for more than 35 years. She has been writing about wine for publications for more than 21 years and has been a *Wines & Vines* contributor since 2006.

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