

# Q3 2022

VIVA WINE GROUP

## Quarterly Results





# AGENDA

- |   |                                   |       |
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Emil Sallnäs  
CEO



Linn Gäfvert  
CFO

# Viva Wine Group



 **13** | Countries

 **25** | Entrepreneurs

 **10** | Operating companies

**Three strong segments**  
Share of net sales <sup>1)</sup>



**65% Sweden**



**16% Nordics**

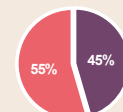


**18% eCOM**

**The Nordic leader in wine, in the stable monopoly markets <sup>2)</sup>**

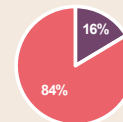


**Strong portfolio of own brands, partner brands and exclusive brands <sup>3)</sup>**



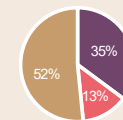
**Sweden**

■ Own Brands  
■ Partner Brands



**Nordic**

■ Own Brands  
■ Partner Brands



**Viva eCOM**

■ Own Brands  
■ Partner Brands  
■ Exclusive Brands

**Pioneer and industry leader in sustainability**

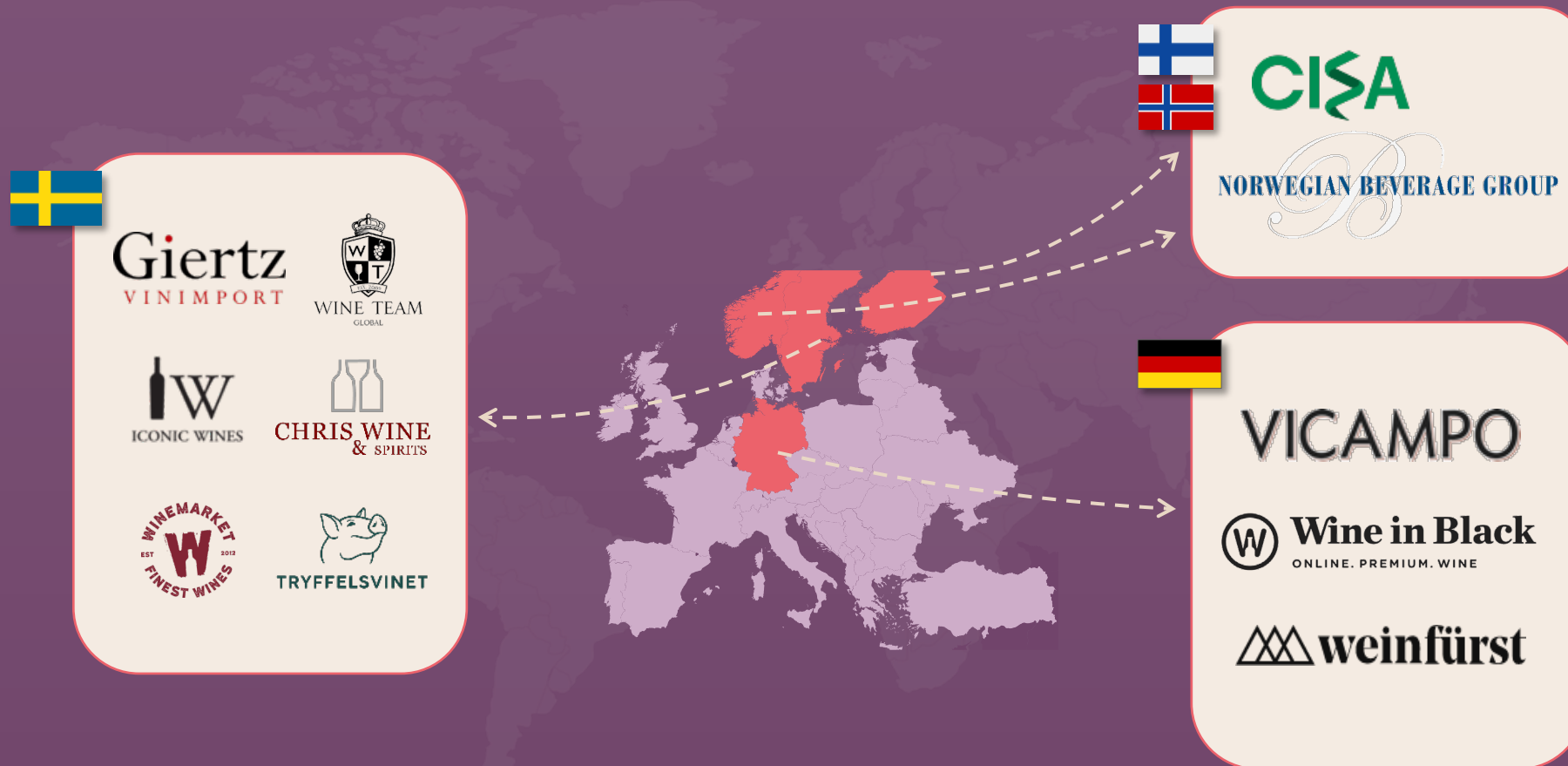
**Member of Amfori BSCI**  
**Climate efficient transports and packaging**

**High share of product portfolio certified organic**

**Externally assured GRI Report**



# Operating Companies



# Quarterly Update



# Increased market share in Nordic region and continued efficiency improvements in Europe

- **Increasing market share in Sweden and the Nordics.** Volumes stronger than underlying market.
- **Operating profit increased by 48% in Q3 to 116 (78) SEKm.** Divestment of German warehouse main effect.
- **Overall market growth slowed down compared to Q3 2021 due to post-pandemic effects and consumer sentiments at record lows**, affecting our organic growth, especially in our eCom business segment.
- **Impact on EBITA-margin** due to negative fx-effects, increased transport and material costs.





# Company News

- **Divestment of warehouse property** in Butzbach, Germany. On 30 September, Viva divested a warehouse property in Germany in a sale-and-leaseback transaction.

An important step in the work to achieve synergies across the e-com business.

The sale price exceeded the book value and had a positive impact on the Group's financial position of SEK 65m.



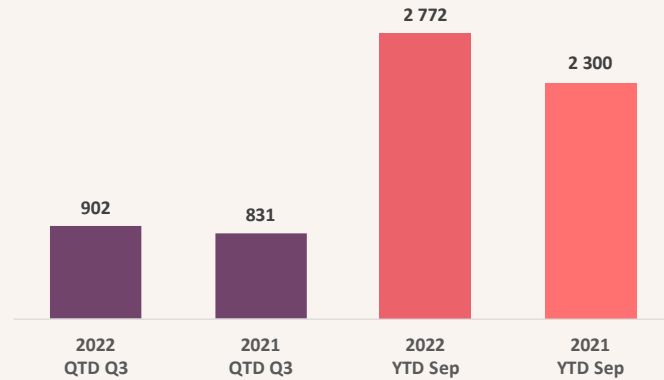


# Financial Overview



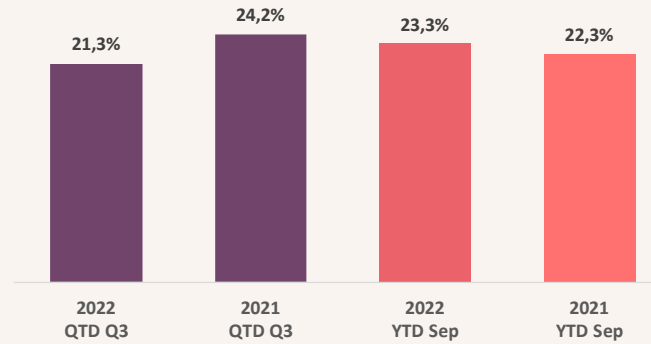
# Growth in net sales - pressure on gross margin and EBITA margin

## Net sales, SEKm



- Increased net sales by 8,5 %, 71 SEKm in Q3 compared to 2021 Q3.
- NBG acquired in Nov 2021 contributed with 66 SEKm in Q3. Viva eCom also made a positive contribution to net sales growth.
- Organic growth –4,9% in Q3. Main factors are a general downturn in the eCom sector in Europe, inflation and lower consumer sentiment.

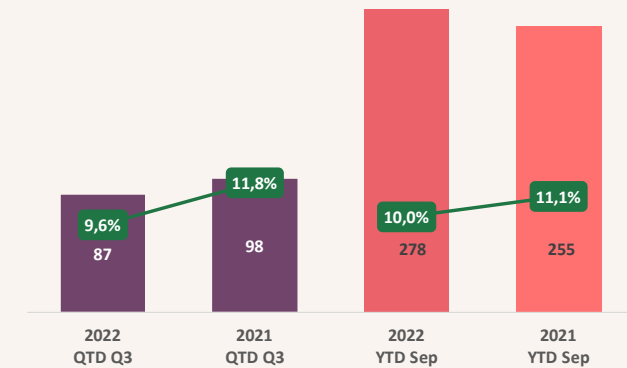
## Gross margin, %



- Pressure on gross margin in Q3 mainly explained by negative fx-effects and increased transport and material costs. Price increases to end customer in the Nordic Monopolies are controlled by the price windows.

## Adjusted EBITA, SEKm

Adjusted EBITA margin

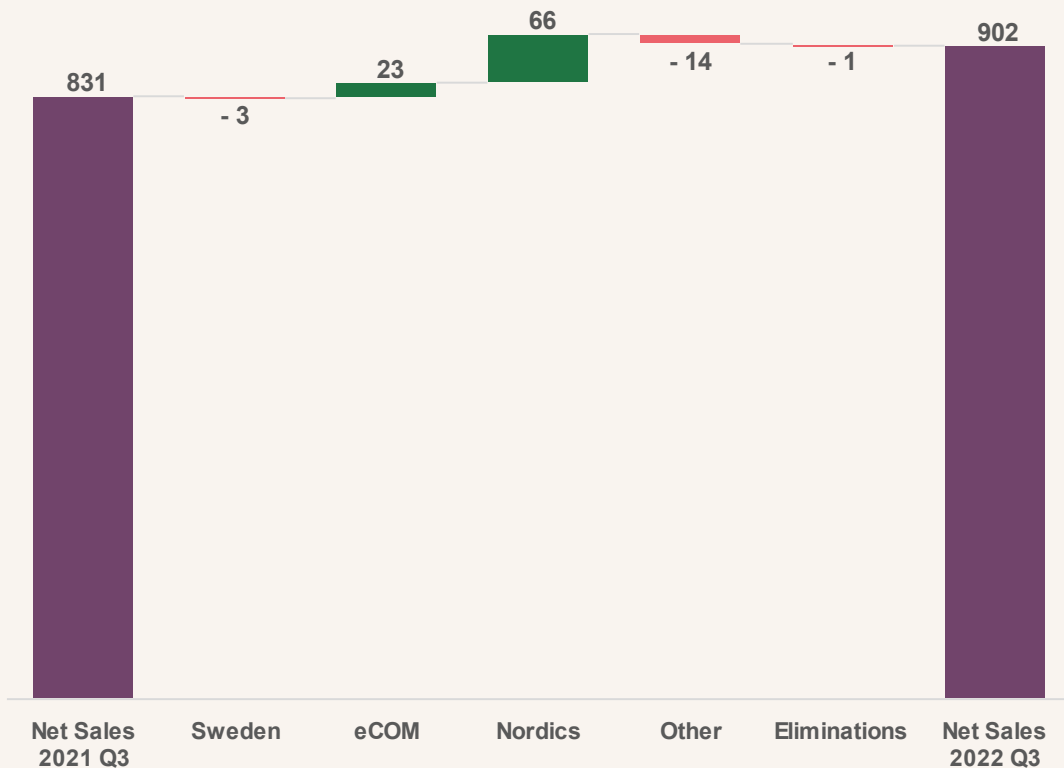


- Adjusted EBITA decreased to 87 SEKm in Q3, mainly driven by negative fx-effects in segment Sweden and increased transport and material costs.
- Viva Wine Group hedge currency and we have substantial positive hedge effects YTD. The hedge effects are accounted for in the financial net, i.e. below the adjusted EBITA level.
- YTD the adjusted EBITA margin is in line with the medium term target level 10-12%.

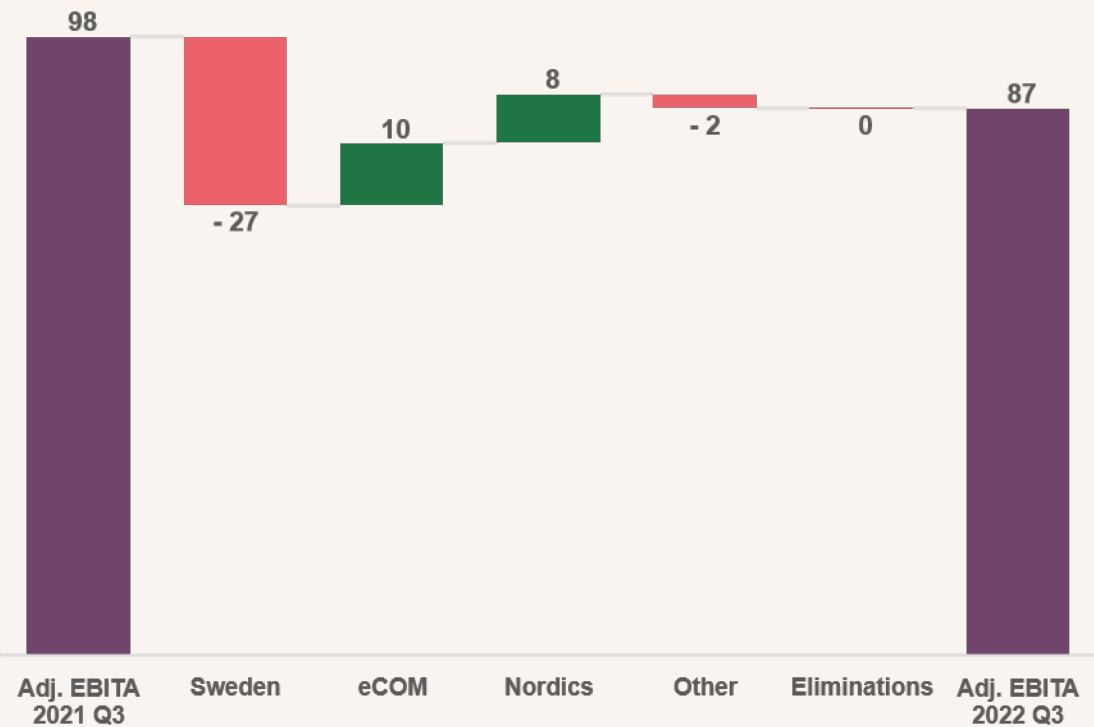


# Growth in net sales - pressure on EBITA

Net Sales per segment 2021 Q3 vs 2022 Q3, SEKm



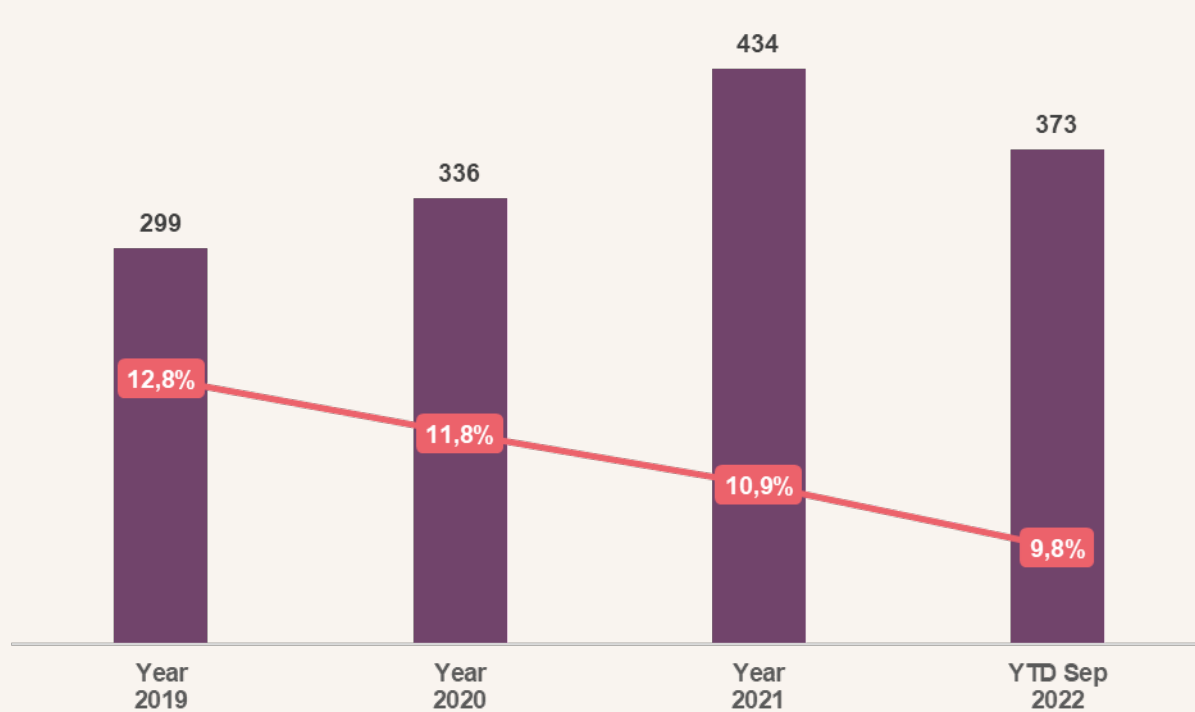
Adjusted EBITA per segment 2021 Q3 vs 2022 Q3, SEKm



# Net working capital - positive trend to Net Sales

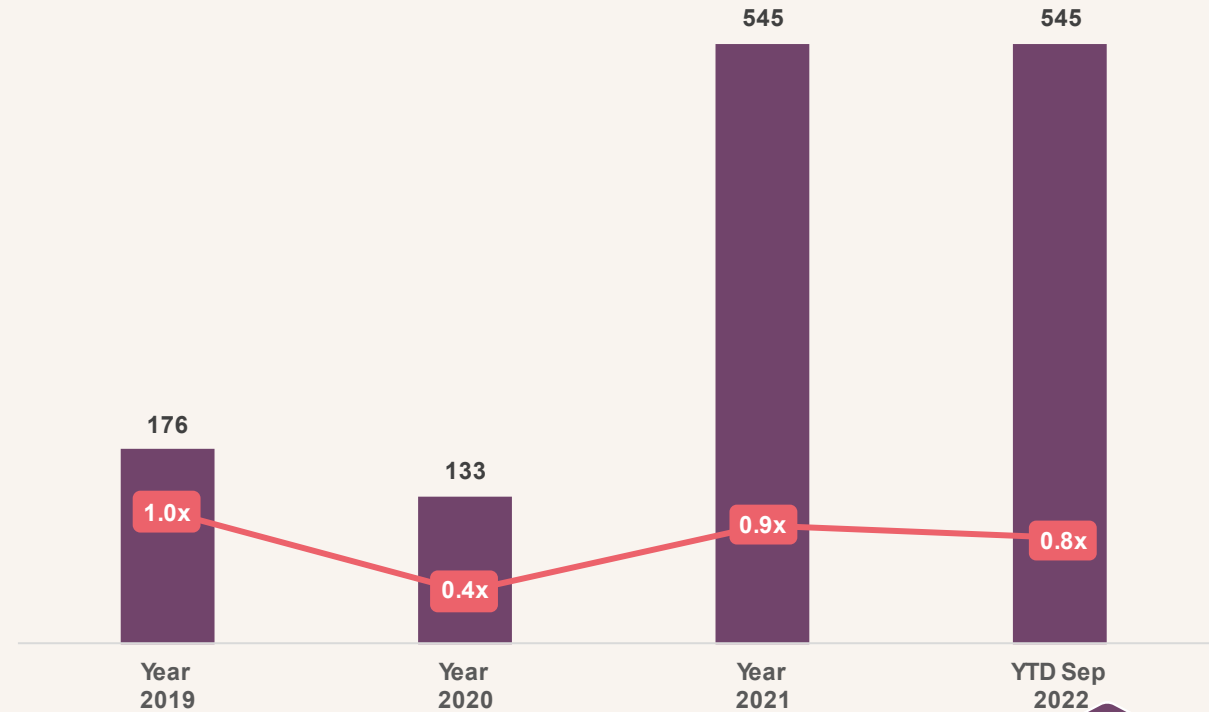
## Net Working Capital, SEKm

- Net Working Capital
- NWC/Net Sales\*



## Net Debt, SEKm

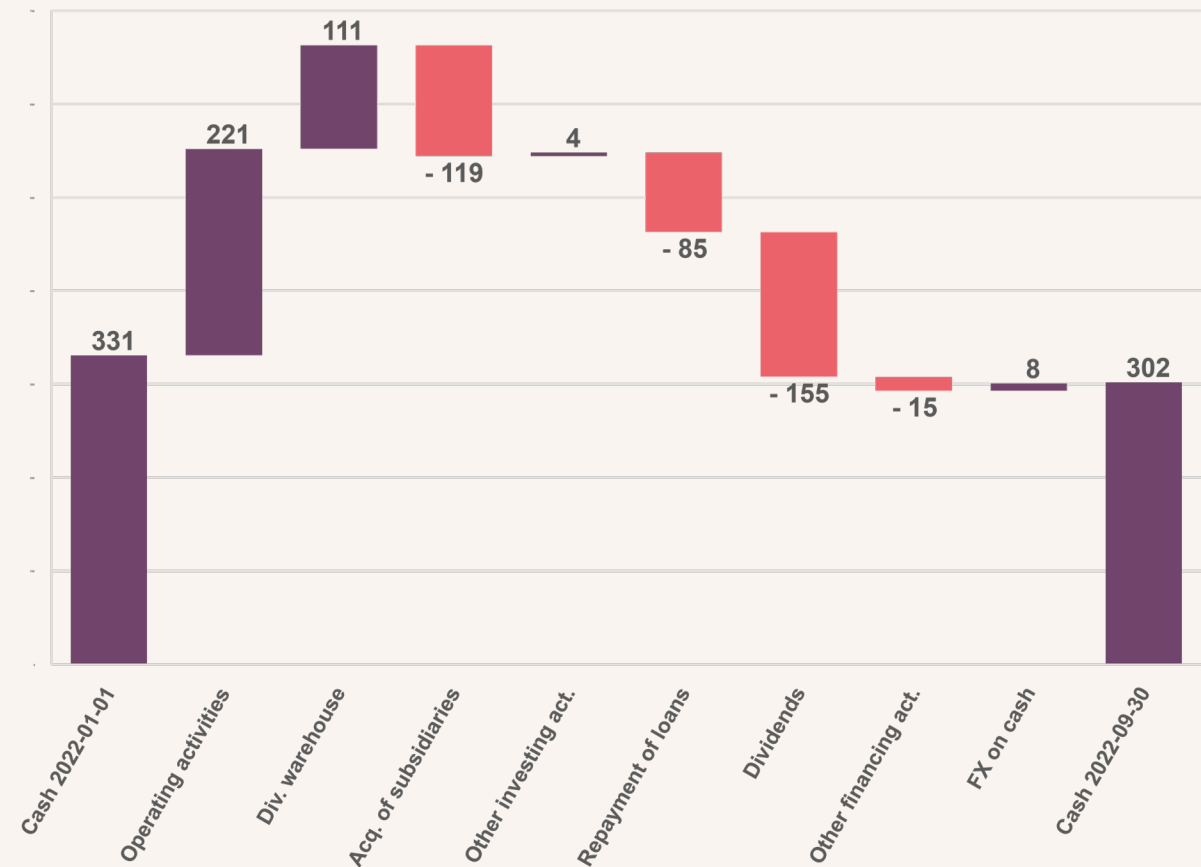
- Net debt
- Net debt to EBITDA R12





# Strong Cash Flow from Operating activities

Cash Flow YTD, SEKm

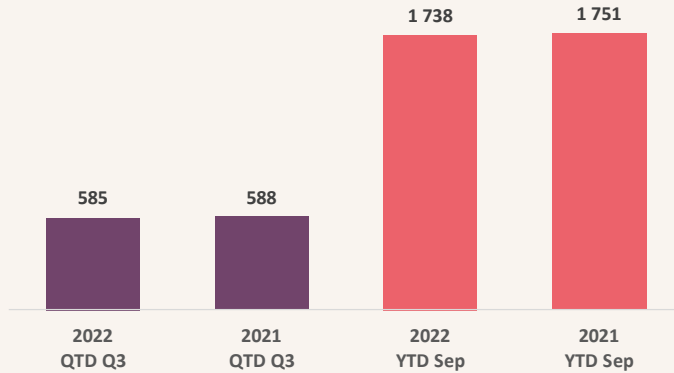


## Comments

- Strong Cash Flow from Operating activities mainly from Profit after financial items.
- Divestment of Warehouse in Butzbach 30 September had a positive cash flow effect of 111 SEKm.
- Vinklubben was acquired in April with a cashflow effect of -119 SEKm.
- Repayment of loans to credit institutions by 85 SEKm effect the cash flow from financing activities. 21 SEKm of that was related to the Warehouse in Butzbach, Germany.
- Dividends of 155 SEKm was paid, of which 133 SEKm to Parent Company shareholders.

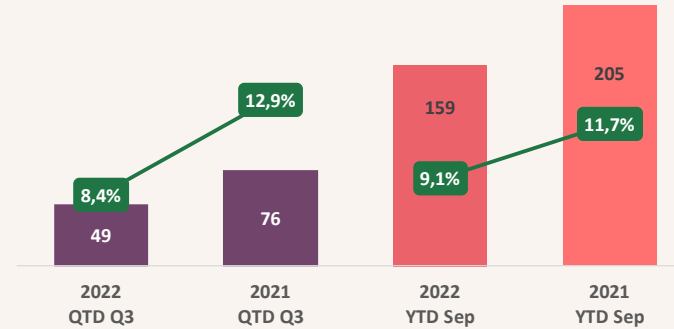
# Segment Sweden

## Net Sales, SEKm



## Adjusted EBITA, SEKm

■ Adjusted EBITA margin



## Selection of key product launches

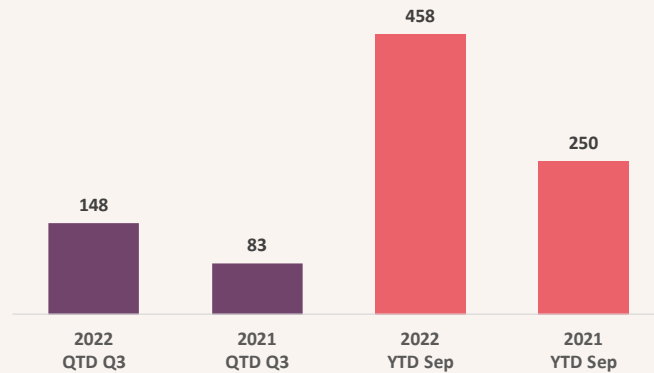


- **Net Sales** in line with previous year in Q3.
- **Volume developed stronger than the market** in Q3 (-1,1% compared to -1,8%).
- **Market share increased** in Q3 25,3% (25,2%).
- **Adjusted EBITA** decreased to 49 SEKm in Q3. The main explanation is the negative fx-effects and higher cost for material and distribution.
- **Adjusted EBITA margin** of 8,4% (12,9%). Price adjustments implemented in September have not yet had full impact on margins.



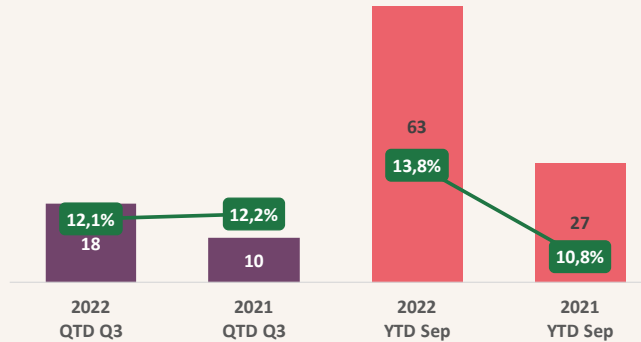
# Segment Nordics

## Net Sales, SEKm



## Adjusted EBITA, SEKm

■ Adjusted EBITA margin



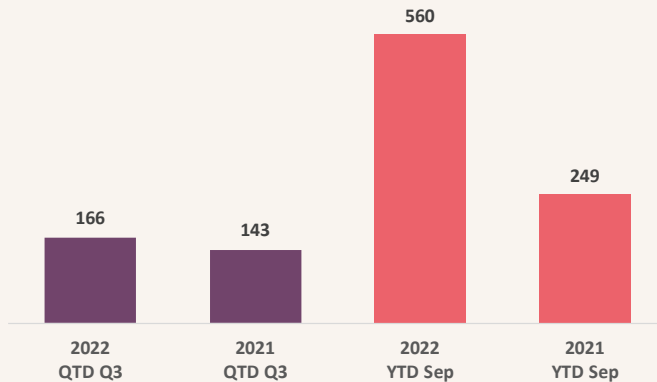
- **Strong increase in Net Sales** reaching 148 SEKm, an increase of 79,9% vs 2021 Q3.
- **Norway improved net sales despite weaker market**, increase in volume 0,9% compared to market -20,4%.
- **Finland outperformed the market**, decline in volume -6,5% while market declined -9,1%.
- **Increased market share**, Finland 15,9% (15,5%) and Norway 5,0% (3,9%) in Q3.
- **Increase in adjusted EBITA** of 18 (10) SEKm, up 77,6% in 2022 Q3 following the aquisition of Norweigan Beverage Group.
- **EBITA margin in line with previous year** 12,1% (12,2%). The price window for Finland and Norway is in October.

## Selection of key product launches



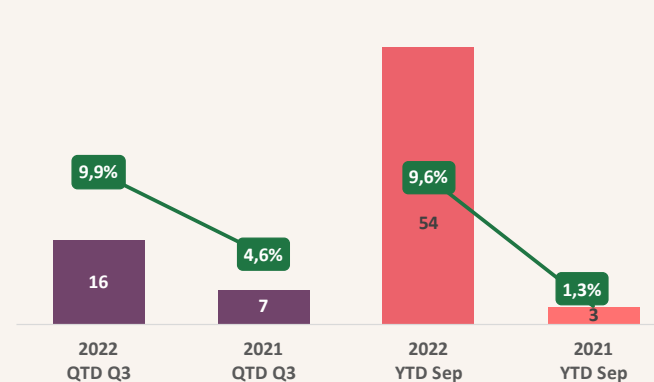
# Segment Viva eCOM

## Net Sales, SEKm



## Adjusted EBITA, SEKm

■ Adjusted EBITA margin



- **Net sales increased to 166 SEKm, an increase of 16,4% vs Q3 2021**, following the acquisition of Vicampo. The market sentiment is all time low due to energy crisis and inflation.
- **Organic growth was negative with –21,2%.** Organic growth includes Vicampo with two months and our historic e-com business which is currently reorganized to gain future synergy effects.
- **Strong gross margins according to plan** despite cost pressure in procurement and logistics through improvement of product mix and pricing strategies.
- **Adjusted EBITA increased** to 16 SEKm Q3 2022 and touches on the medium-term target of 10-12% with an adjusted EBITA margin of 9,9% (4,6%).

## Highlights and KPIs

- **Weinfürst concept developing strongly** thanks to sweet spot position with focus on low price segment.
- **Divestment** of a warehouse property in Germany. In addition to the positive one-off effect of 65 SEKm, the deal is an important step in achieving efficiencies and synergies in Viva eCom.
- **Wine in Black** successfully relocated from Berlin to Mainz and re-platformed to the Vicampo/Weinfürst technology environment.

### Number of orders (1 000)

152	189
Q3 2021	Q3 2022

### Active customers (1 000)

557	466
Q3 2021	Q3 2022

### Net sales from repeat customers

80 %	83 %
Q3 2021	Q3 2022

# Sustainability





# Sustainability update

- Post-covid re-launch of Amfori BSCI multi-tier audits of producers and farms
- Upgrade of software solutions for sustainability data collection
- Finalist to the 2022 Swedish Environmental Strategy Prize for innovative climate solutions
- Finalist to the 2022 Swedish Publishing Prize for best Annual and Sustainability Report in 2021





# Final comments



# Financial targets

## Growth target

- Sweden and the Nordic segment: an average annual organic growth rate at a minimum of 4% in the medium term
- E-commerce segment: an average annual organic growth rate of 10-15% in the medium term
- Viva Wine Group intends to grow through acquisitions

## Profitability target

- An adjusted EBITA margin of 10-12% in the medium term

## Net debt target

- A net debt to EBITDA ratio of no more than 2.5x. An exceeding number will periodically be permitted e.g. in conjunction with acquisitions





## On our agenda

Identifying possibilities in a turbulent market...

- Product development
- Realizing synergies across all Business Segments
- Focus on pricing and margins
- M&A
- Implementation of a shared sustainability platform and sustainability software solution across the Nordic Business Segment.



# Q&A



info@vivagroup.se +46 8 21 83 88 vivagroup.se  
Viva Wine Group | Blasieholmsgatan 4A | Stockholm | Sweden