

# Q4 2022

VIVA WINE GROUP

## Quarterly Results





# AGENDA

- |   |                                   |       |
|---|-----------------------------------|-------|
| 1 | Introduction to Viva Wine Group   | 3-5   |
| 2 | Quarterly Update                  | 6-8   |
| 3 | Financial Overview                | 9-16  |
| 4 | Sustainability Update             | 17-18 |
| 5 | Final Comments & Our Agenda Ahead | 19-21 |
| 6 | Q&A                               | 22    |



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>



**59% Sweden**



**21% Nordics**



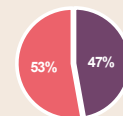
**20% eCOM**

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



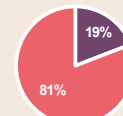
**#1**

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



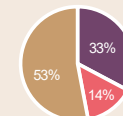
**Sweden**

■ Own Brands  
■ Partner Brands



**Nordic**

■ Own Brands  
■ Partner Brands



**Viva eCOM**

■ Own Brands  
■ Partner Brands  
■ Exclusive Brands

**Pioneer and industry leader in sustainability**

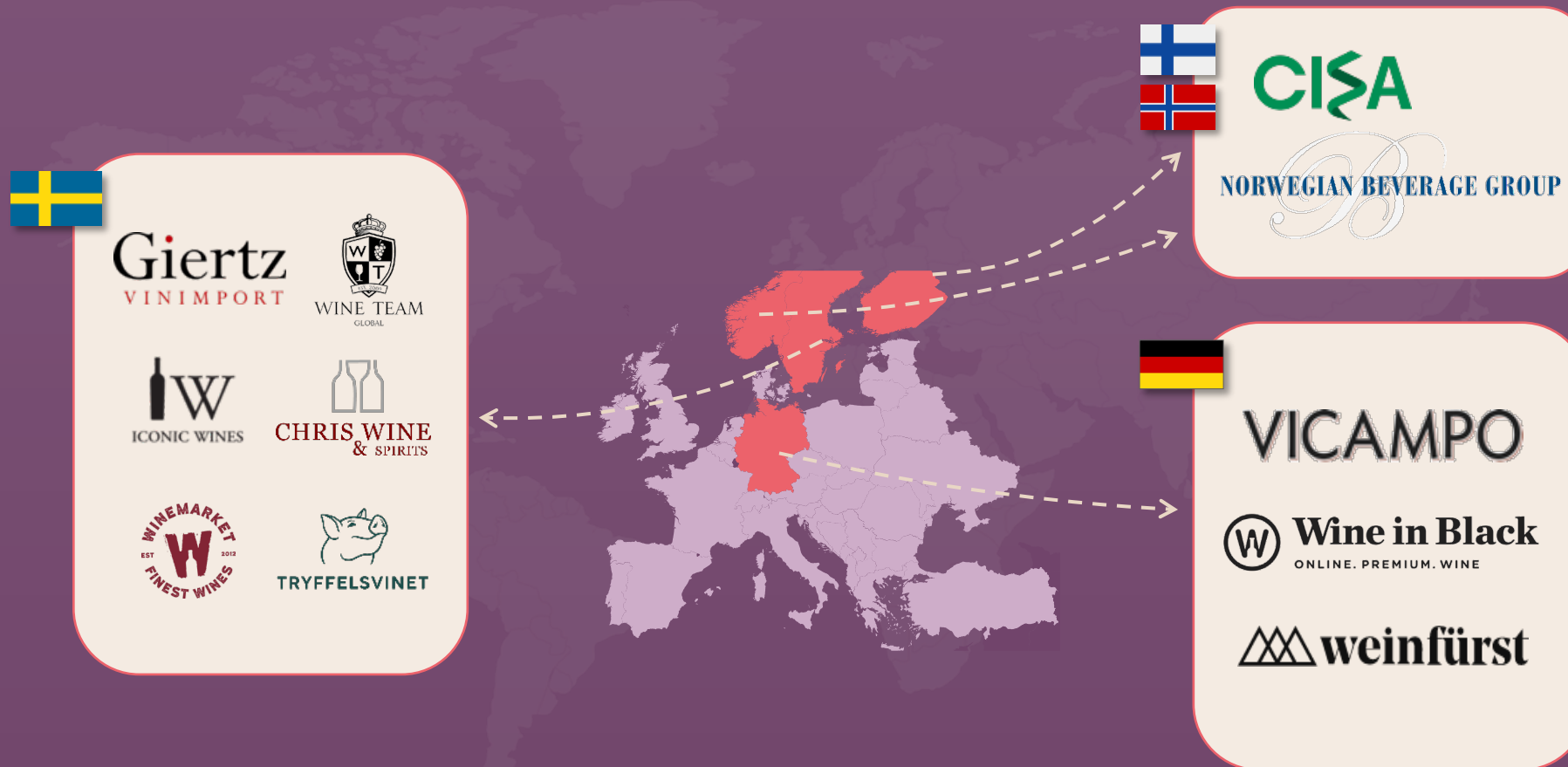
**Member of Amfori BSCI**  
**Climate efficient transports and packaging**

**High share of product portfolio certified organic**

**Externally assured GRI Report**



# Operating Companies



# Quarterly Update



# Record high market shares and stable end to a challenging year

- **Record high market shares in Sweden and the Nordics.** Volumes stronger than underlying market.
- **Net sales increased by 2,1% in Q4 to SEK 1,053 (1,031) million.**
- **Overall market growth slowed down compared to Q4 2021** due to post-pandemic effects and consumer sentiments at record lows. Despite macroeconomic headwind our organic growth is stronger than previous quarters during the year in all segments.
- **Impact on EBITA-margin** due to negative fx-effects and increased freight, distribution and material costs.
- **Proposal to the Annual General Meeting of ordinary dividend of SEK 1.55 (1.50) per share.**



# Strong position for 2023

- **Record high market shares**
- **Lean organisation, strong product pipeline and synergies across Nordics**
- **Cost efficient e-commerce business** with one warehouse and one team serving three platforms
- **Further expansion of Weinfürst D2C concept** into new markets.



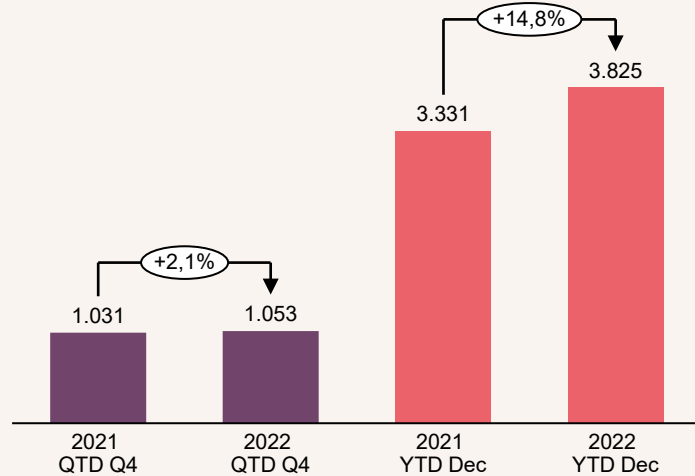


# Financial Overview



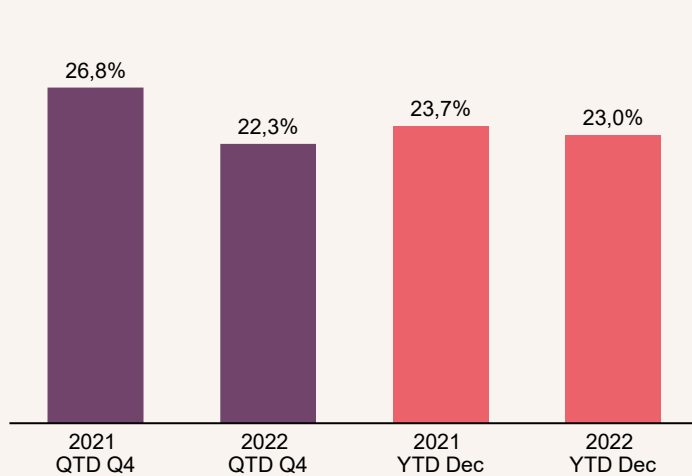
# Growth in net sales - pressure on gross margin and EBITA margin

Net sales, SEKm



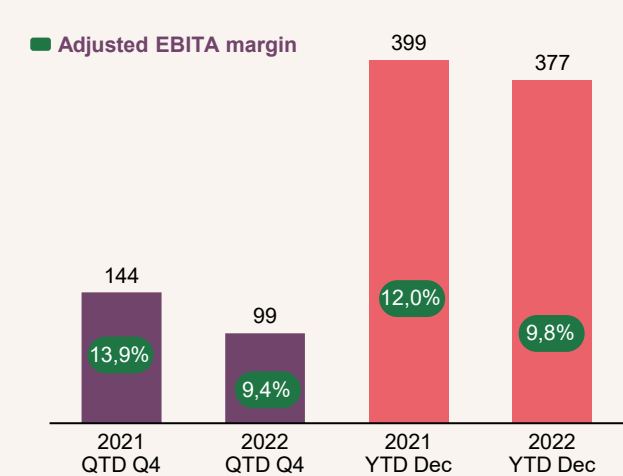
- Increased net sales by 2,1 %, 22 SEKm in Q4 compared to 2021 Q4.
- Segment Sweden and segment Nordic made a positive contribution to net sales growth.
- Organic growth –0,4% in Q4, strongest quarter during the year.

Gross margin, %



- Pressure on gross margin in Q4 mainly explained by negative fx-effects and increased freight, distribution and material costs. Price increases to end customer in the Nordic Monopolies are controlled by the price windows.
- Stronger GM% in the quarter and YTD in segment E-com compared to last year!

Adjusted EBITA, SEKm

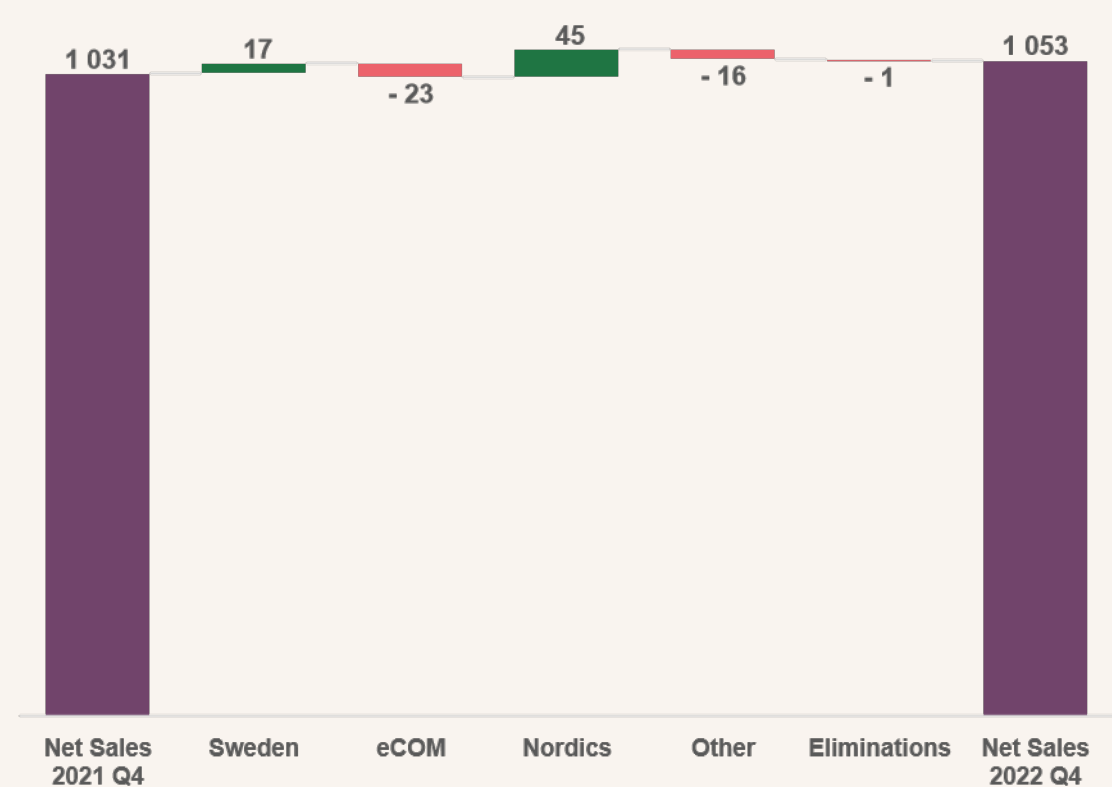


- Adjusted EBITA decreased with -31,2% to 99 SEKm in Q4 compared to 2021 Q4, mainly driven by negative fx-effects in segment Sweden.
- Viva Wine Group hedge currency and we have substantial positive hedge effects in the quarter and YTD. The hedge effects are accounted for in the financial net, i.e. below the adjusted EBITA level.
- YTD the adjusted EBITA margin is slightly below the medium term target level 10-12%.

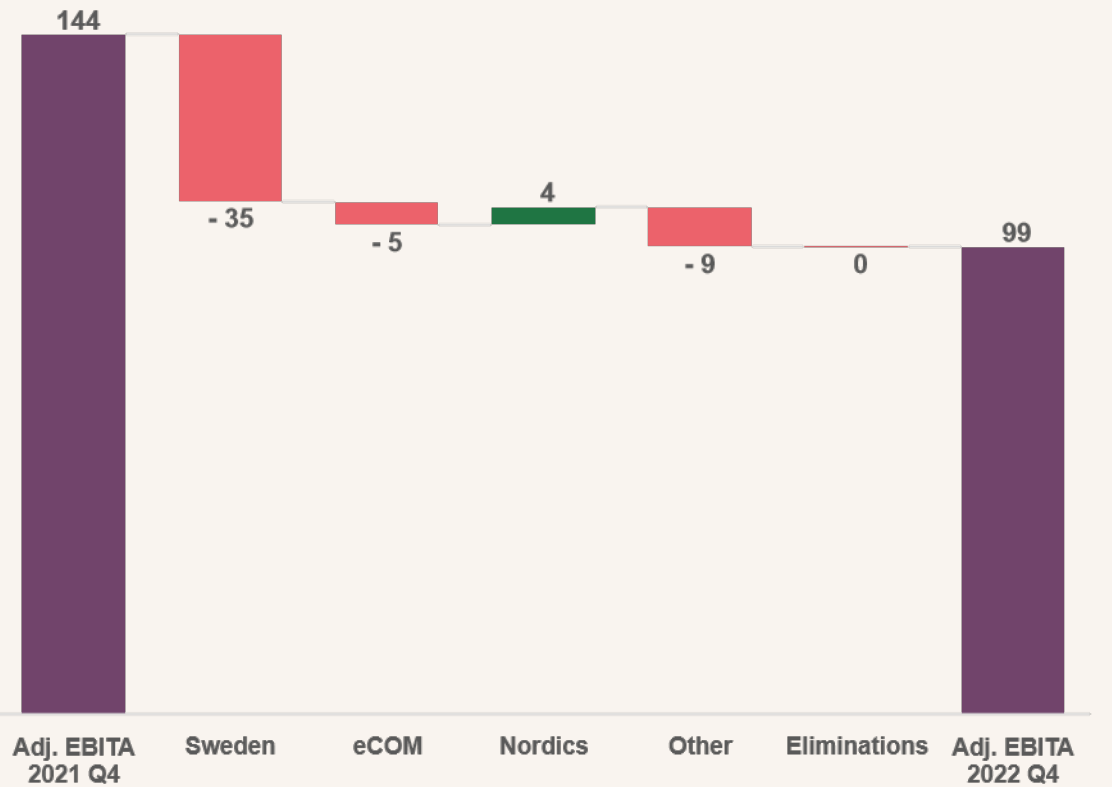


# Growth in net sales - pressure on EBITA

Net Sales per segment 2021 Q4 vs 2022 Q4, SEKm



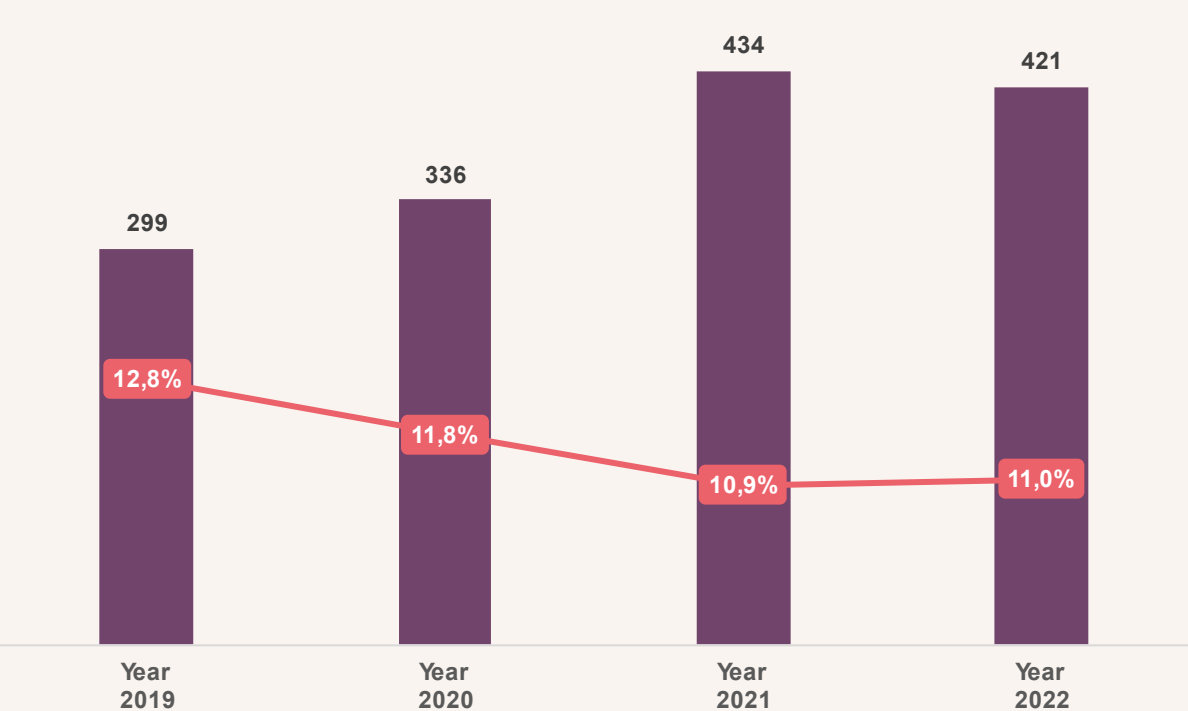
Adjusted EBITA per segment 2021 Q4 vs 2022 Q4, SEKm



# Net working capital – lower than last year, stable to Net Sales

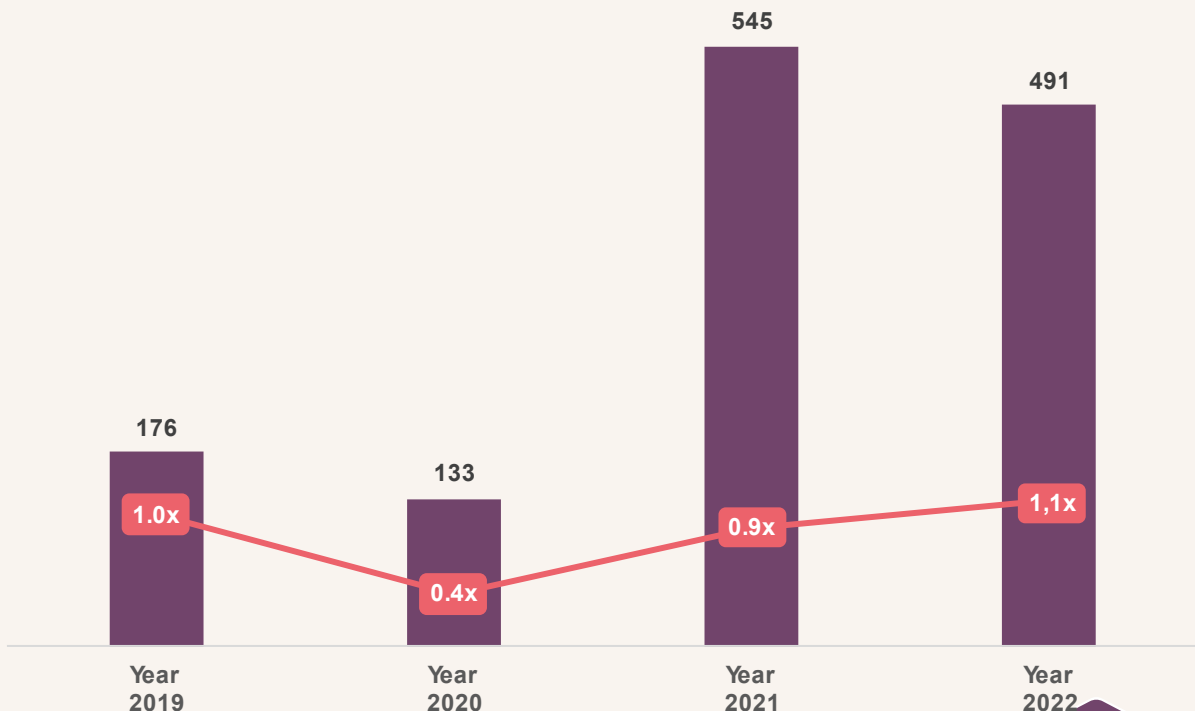
Net Working Capital, SEKm

■ Net Working Capital  
■ NWC/Net Sales



Net Debt, SEKm

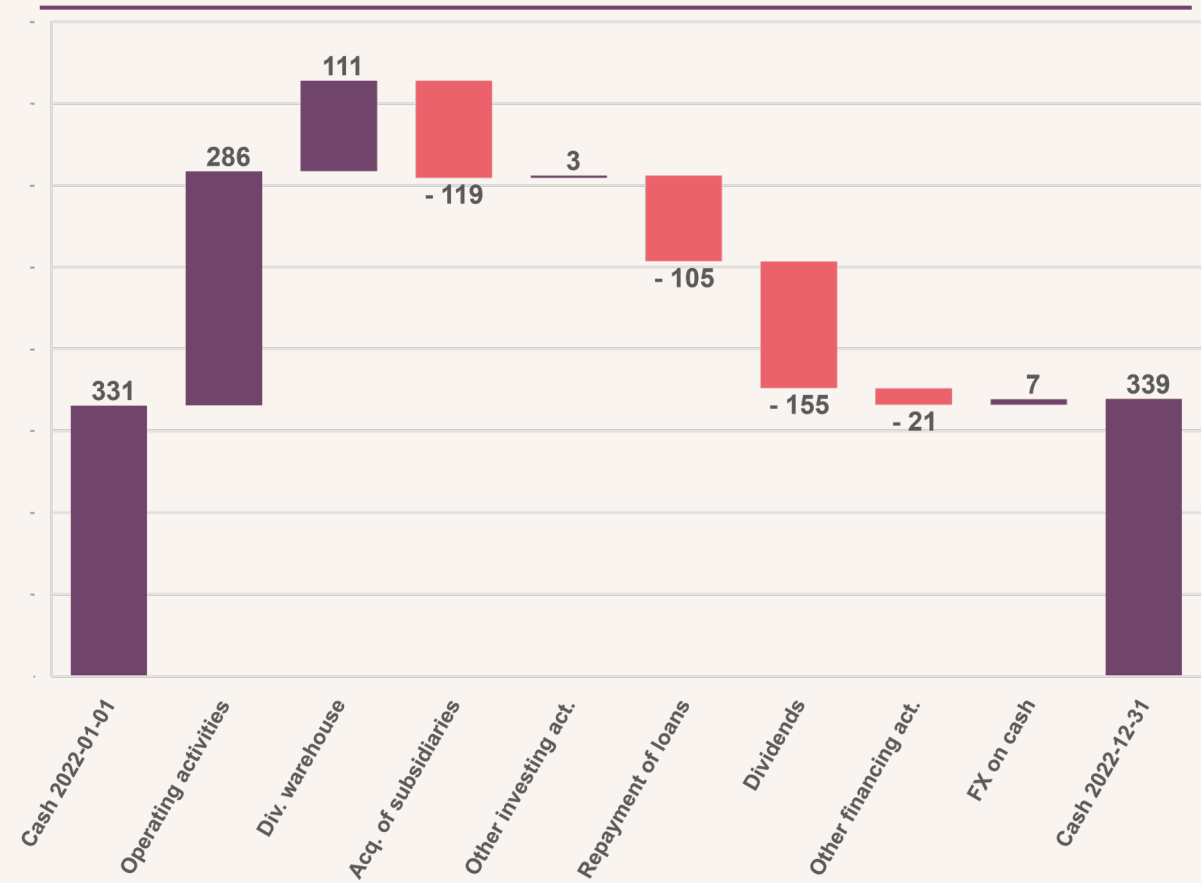
■ Net debt  
■ Net debt to EBITDA R12





# Strong Cash Flow from Operating activities

Cash Flow YTD, SEKm



## Comments

Strong Cash Flow from Operating activities mainly from Profit after financial items.

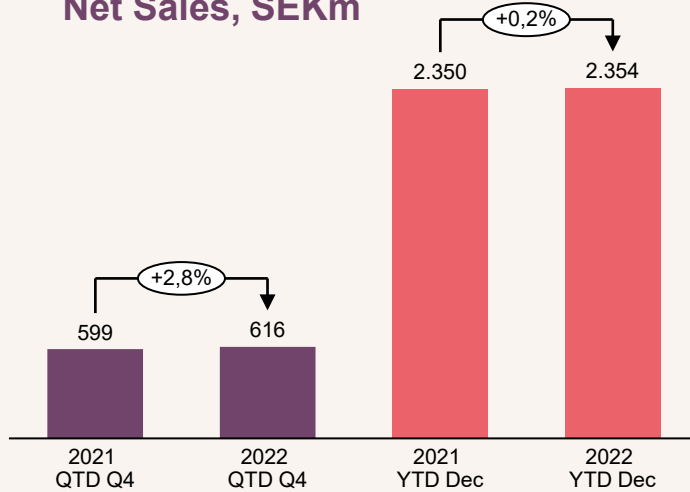
During the year we made strategic divestments and one business combination.

Repayment of loans to credit institutions by 105 SEKm effect the cash flow from financing activities. 21 SEKm of that was related to the divestment of the warehouse in Butzbach.

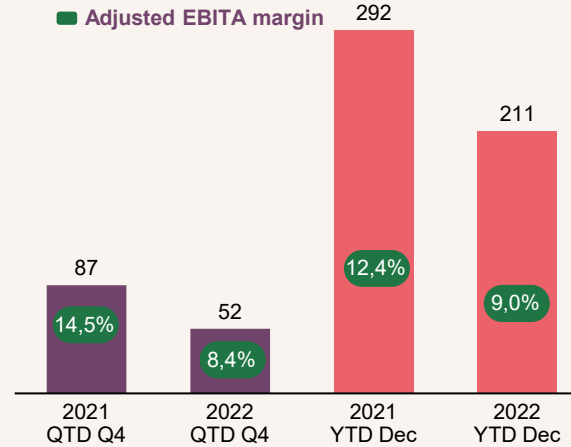
Dividends of 155 SEKm was paid, of which 133 SEKm to Parent Company shareholders.

# Segment Sweden

## Net Sales, SEKm



## Adjusted EBITA, SEKm



## Selection of key product launches

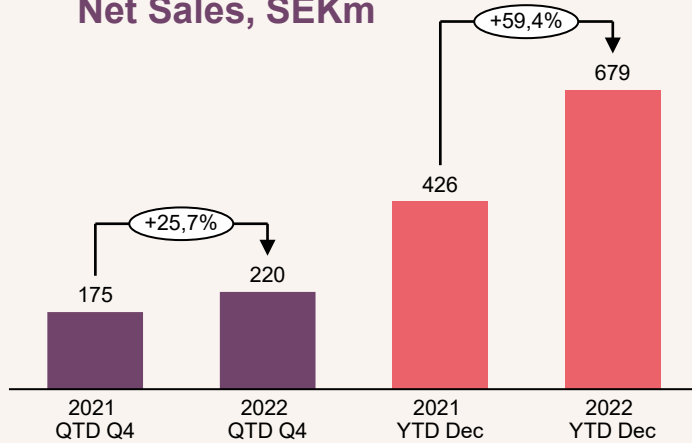


- **Net Sales increased with 2,8% vs Q4 2021**, to 616 SEKm. Succesfull launches and price increases accounted for most of the increase.
- **Volume developed stronger than the market** in Q4, -1,4% compared to markets -2,8%.
- **Market share increased** in Q4 26,0% (25,6%), all-time high market share reaching 26%!
- **Adjusted EBITA** decreased to 52 SEKm in Q4. Lower GM mainly due to negative fx-effects. Lower opex than previous year.
- **Adjusted EBITA margin** of 8,4% (14,5%), we have substantial positive currency hedge effects below adjuste EBITA margin in the financial net.

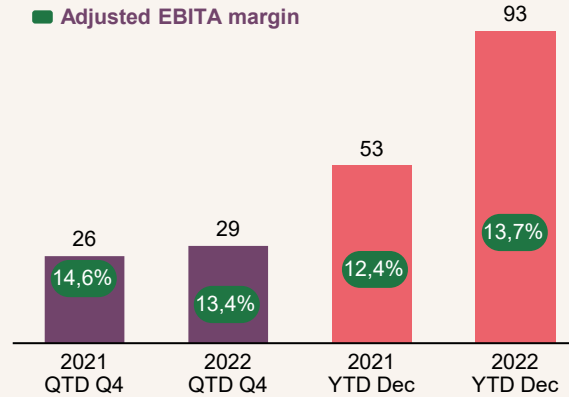


# Segment Nordics

## Net Sales, SEKm



## Adjusted EBITA, SEKm



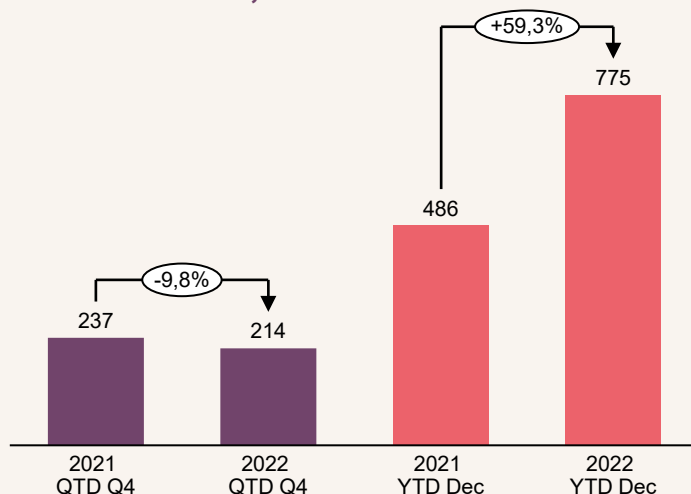
## Selection of key product launches



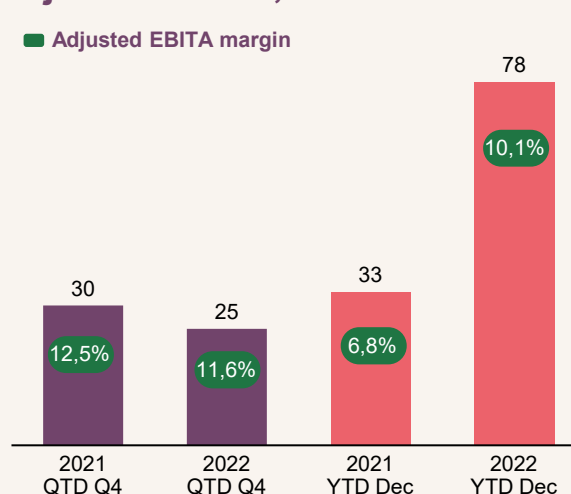
- **Strong increase in Net Sales** reaching 220 SEKm, an increase of 25,7% vs Q4 2021. Norway contribute on more month in Q4 2022.
- **Both Finland and Norway outperformed the market.** Finland increased in volume by 2,4% while market declined -8,6%. Norway's decrease in volume of -10,6% was less than market's decrease of -11,8%, YTD Norway increased in volume with 3,4% while the market decreased with -18,6%.
- **Record high market share,** Finland 18,8% (16,8%) and Norway 5,6% (5,5%) in Q4.
- **Increase in adjusted EBITA** of 29 (26) SEKm, up 14,9% in 2022 Q4 vs 2021 Q4 due to strong EBITA in Norway.
- **Adjusted EBITA margin below previous year** 13,4% (14,6%), due to increased purchase prices and higher costs for freight and distribution. The Norwegian business were also affected by negative fx-effects.

# Segment Viva eCom

Net Sales, SEKm



Adjusted EBITA, SEKm



- **Net sales decreased to 214 SEKm, a decrease of 9,8% vs Q4 2021**, the market sentiment is low due to energy crisis and inflation.
- **Organic growth was negative with -13,9%**, high comparative figures from pandemic year 2021.
- **Strong gross margins according to plan**, despite cost pressure in procurement and logistics, through improvement of product mix and pricing strategies.
- **Adjusted EBITA decreased** to 25 SEKm Q4 2022. Adjusted EBITA margin reached 11,6%, well in line with the medium-term target of 10-12%.

## Highlights and KPIs

- **Strong Gross margins** on all shop platforms.
- **Weinfürst concept developing strongly** thanks to sweet spot position with focus on low price segment. New markets identified for further expansion.
- **Restructuring** proceeding according to plan. We now have the same technology environment on all platforms and the same team. Our one warehouse solution will be finalized during next year.
- **Further improvements in CRM capability**

### Number of orders (1 000)

280	228
Q4 2021	Q4 2022

### Active customers (1 000)

537	451
Q4 2021	Q4 2022

### Net sales from repeat customers

78 %	80 %
Q4 2021	Q4 2022



# Sustainability





# Sustainability update

- **Roll-out initiated of shared sustainability platform** across the Nordic Business Segment.
- **Implementation of upgraded software solution** for efficient CO2 and sustainability data collection.
- **Preparations initiated for CSRD**, the upcoming EU Corporate Social Reporting Directive.
- **Launch of HOPE Mobile Library** a project to improve access to education in Western Cape, South Africa.





# 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

## Dividend policy

- Viva Wine Group intends to distribute surplus capital to its shareholders after taking its long-term financial stability, growth opportunities and strategic initiatives into consideration. Taking these considerations into account, Viva Wine Group intends to distribute 50–70 percent of its net profit for the year attributable to the parent company's shareholders

## On our agenda

### Leveraging a strong position for growth!

- Strong product pipeline catered for current market situation and consumer trends
- Focus on pricing and margins
- One warehouse solution realizing synergies within eCom
- Further expansion of Weinfürst
- M&A



# Q&A





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