



VIVAWINE
GROUP

Viva Wine Group Quarterly Results Q1 2023



VIVA WINE
GROUP

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Q&As



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CEO & Founder



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CFO

Introduction to Viva Wine Group

Three strong, growing
segments, share of net sales

61% Sweden

18% Nordics

21% eCom

The Nordic leader in wine,
in the stable monopoly
markets



Sweden

Finland

Norway

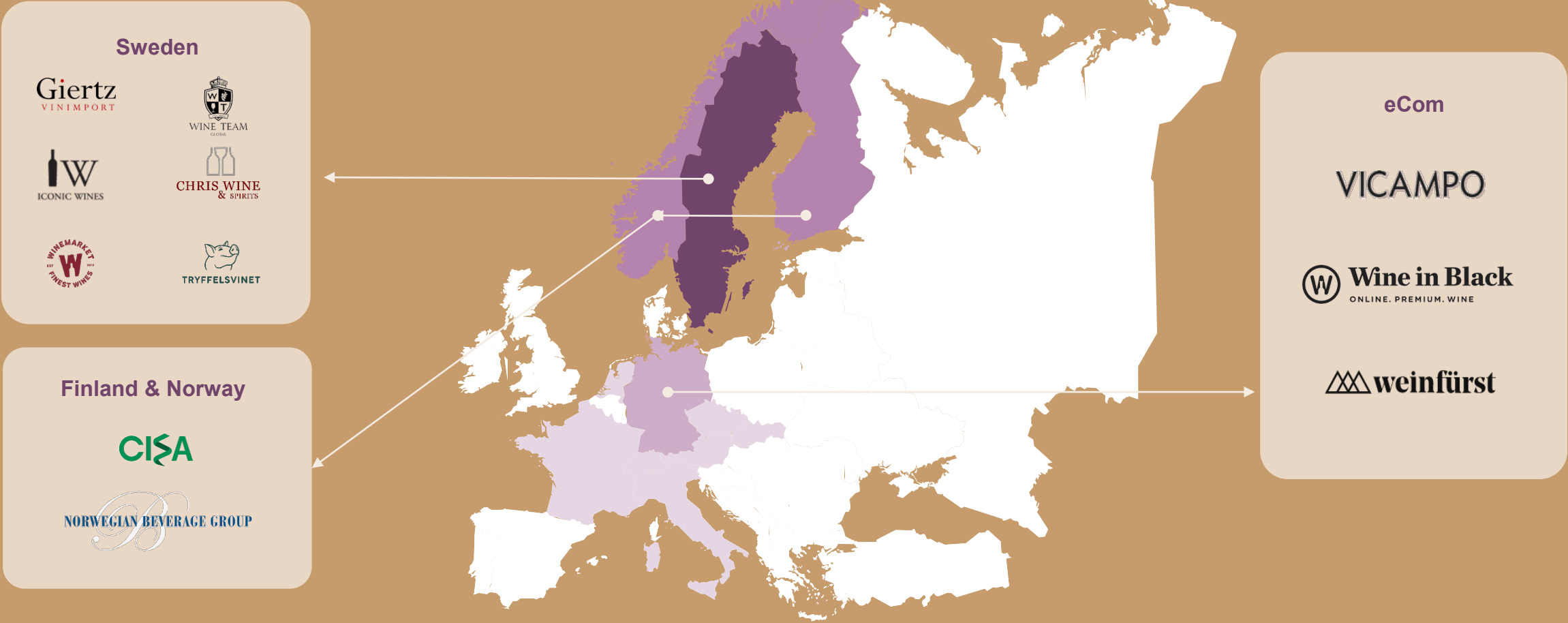
Strong mix of own brands
and partner brands



Pioneer and industry leader
in sustainability



Operating companies



Quarterly Update

Stable but challenging start of the year

- **Record market shares in Sweden and Nordics.** Volumes stronger than underlying market.
- **Net sales increased by 1,3% in Q1 to 883 (871) SEK million** despite overall market growth declined.
- **Adj. EBITA mixed.** Strong margins in eCom. Significant fx-impact in Sweden and Nordics.





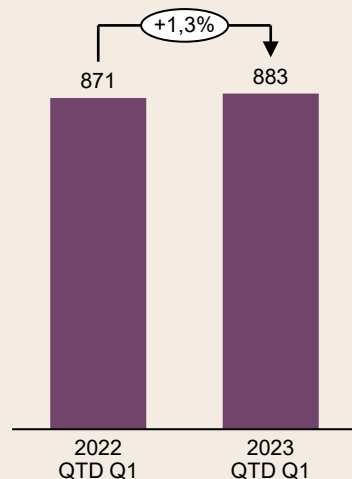
Strong position for growth

- **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

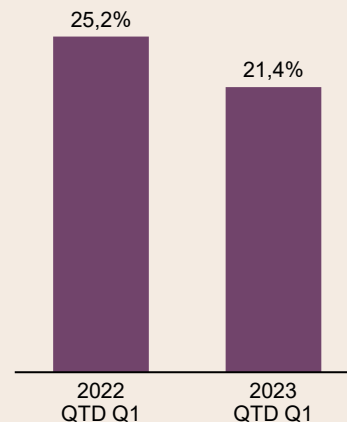
Growth in net sales - pressure on gross margin and EBITA margin

Net sales, SEKm



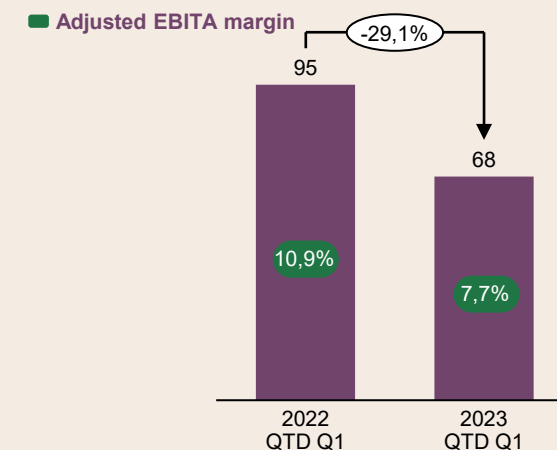
- Increased net sales by 1,3%, 12 SEKm in Q1 compared to 2022 Q1. Some positive effect of earlier Easter sales.
- Both segment Sweden and segment Nordic made a positive contribution to net sales growth.
- Organic growth 1,0% in Q1.

Gross margin, %



- Pressure on gross margin in Q1 mainly explained by negative fx-effects and increased freight and distribution costs. Price increases to end customer in the Nordic Monopolies are controlled by the price windows.
- Continued strong GM% for segment e-Com in the quarter!

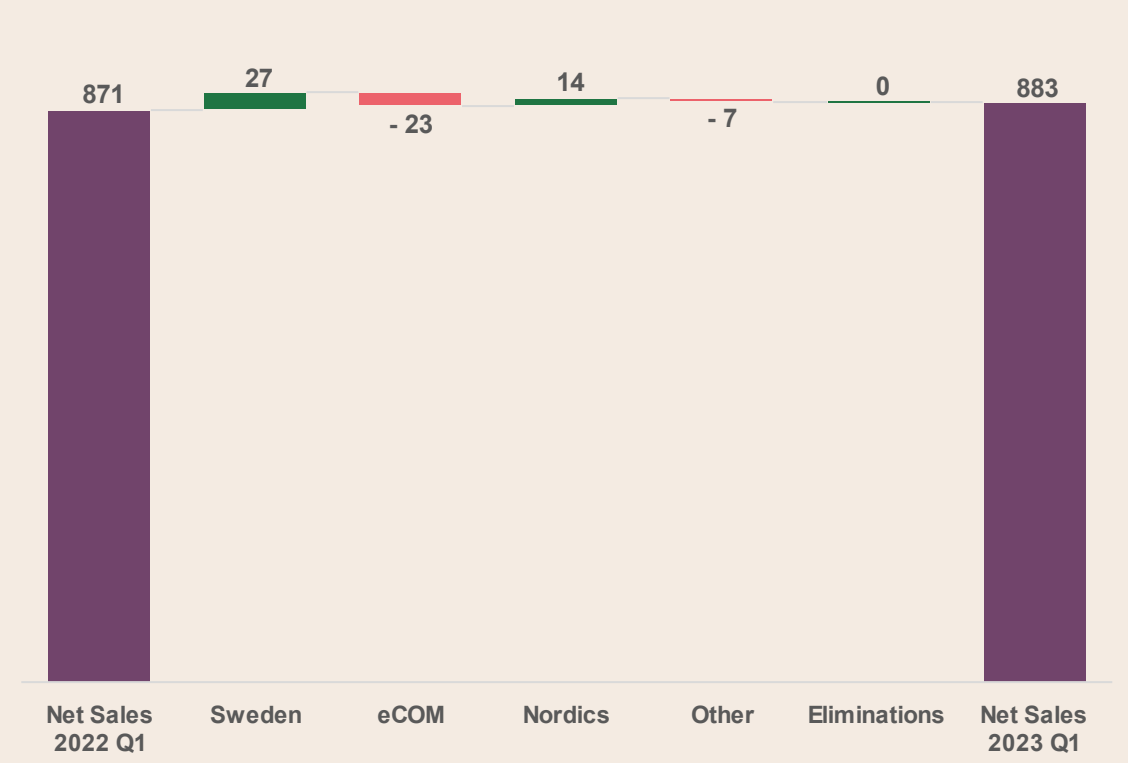
Adjusted EBITA, SEKm



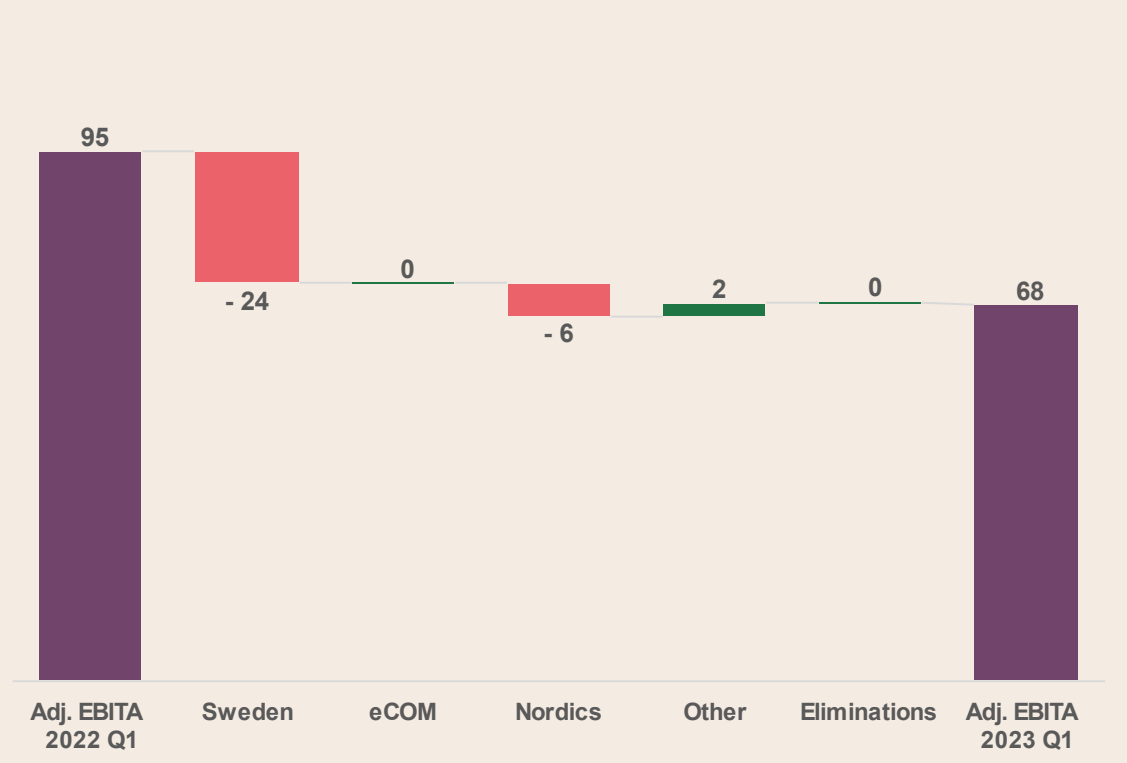
- Adjusted EBITA decreased with -29,1% to 68 SEKm in Q1 compared to 2022 Q1, mainly driven by negative fx-effects in segment Sweden and segment Nordic.

Growth in net sales - pressure on EBITA

Net Sales per segment 2022 Q1 vs 2023 Q1, SEKm



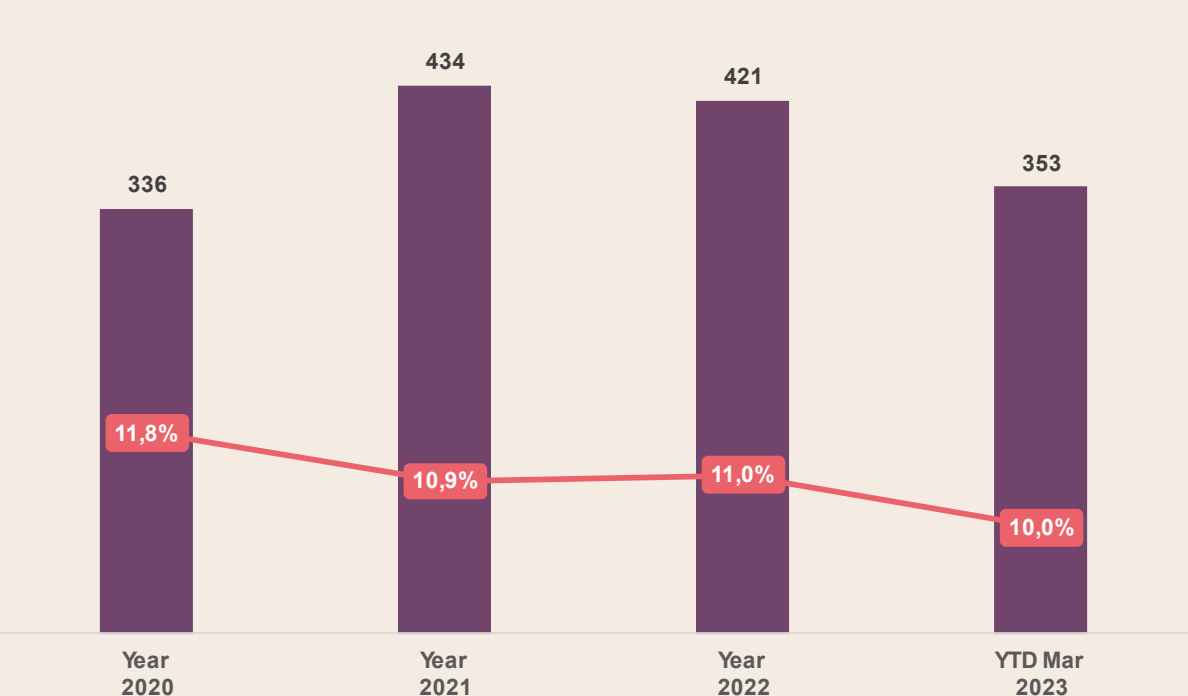
Adjusted EBITA per segment 2022 Q1 vs 2023 Q1, SEKm



Net working capital – lower than last year, positive trend to Net Sales

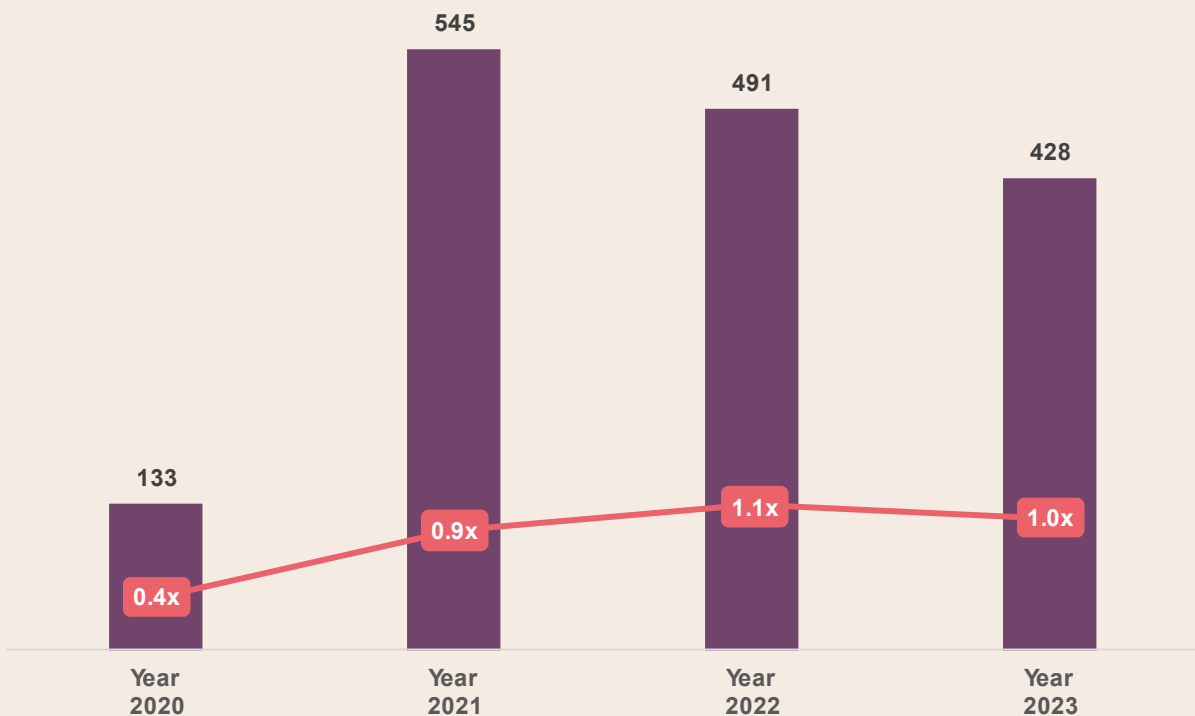
Net Working Capital, SEKm

■ Net Working Capital
■ NWC/Net Sales R12

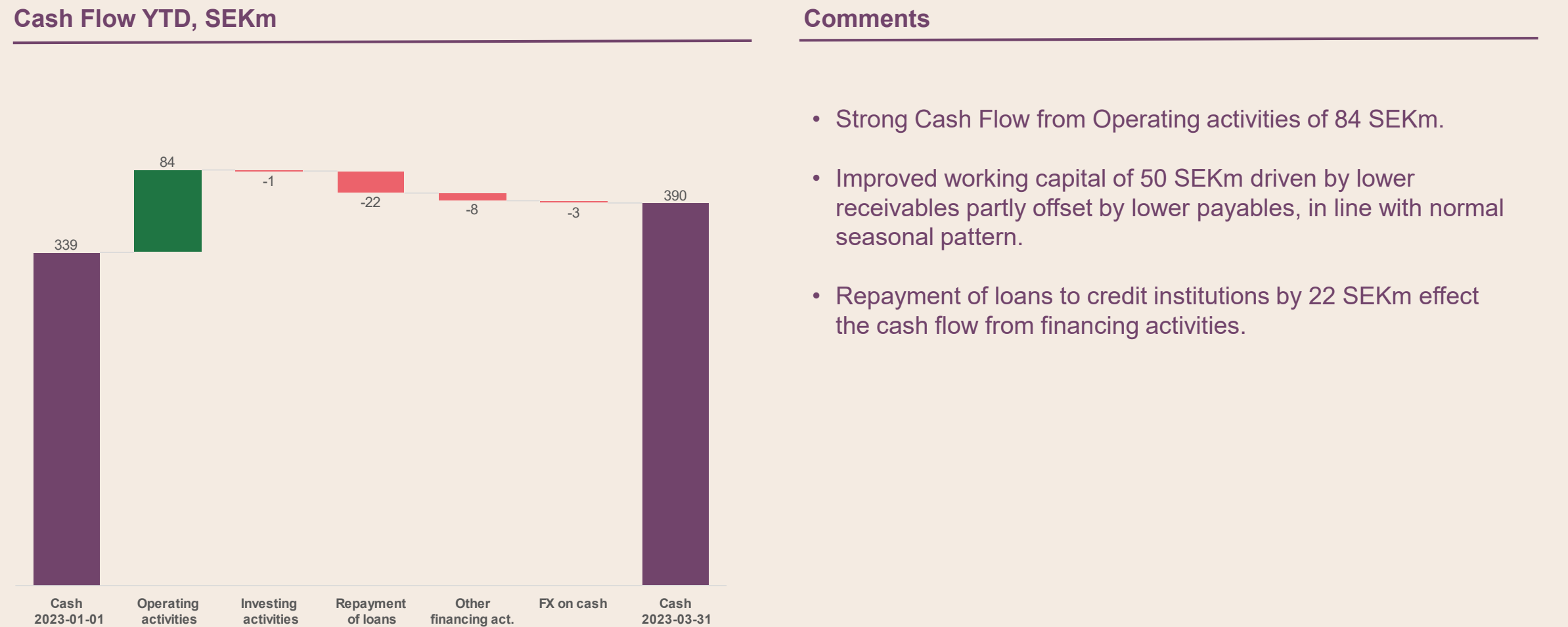


Net Debt, SEKm

■ Net debt
■ Net debt to EBITDA R12

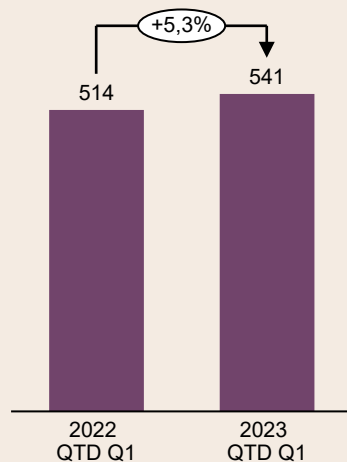


Strong Cash Flow from Operating activities

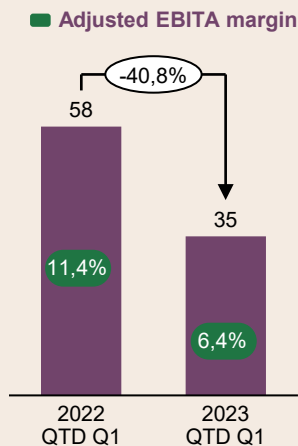


Segment Sweden

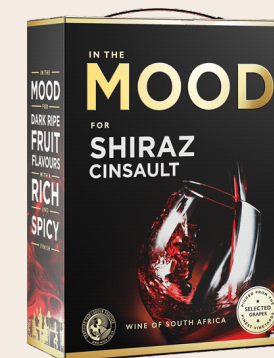
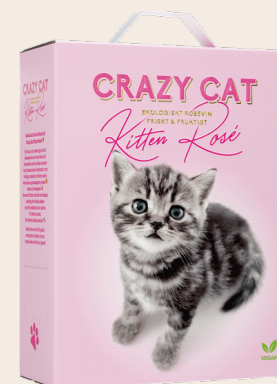
Net Sales, SEKm



Adjusted EBITA, SEKm



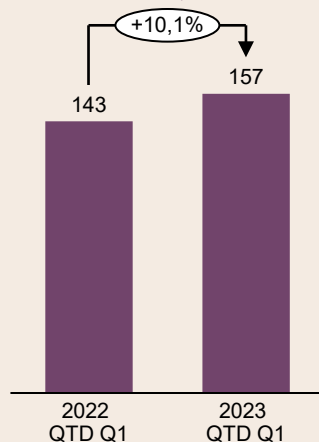
Small selection of key product launches



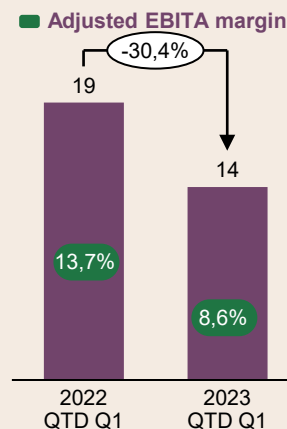
- **Net Sales increased with 5,3% vs Q1 2022**, to 541 SEKm. Successful launches and price increases accounted for most of the increase, also some positive effect of earlier Easter sales.
- **Volume developed stronger than the market** in Q1, 2,1% compared to markets -1,6%.
- **Market share increased** in Q1 26,7% (25,8%), record high market share!
- **Adjusted EBITA** decreased in Q1. Lower GM mainly due to negative fx-effects, inflation also put pressure on distribution and freights.
- **Adjusted EBITA margin** of 6,4% (11,4%).

Segment Nordics

Net Sales, SEKm



Adjusted EBITA, SEKm



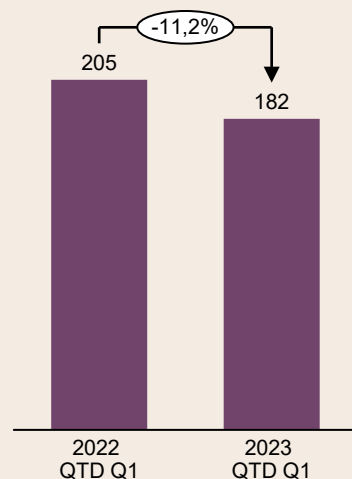
Small selection of key product launches



- **Strong increase in Net Sales** reaching 157 SEKm, an increase of 10,1% vs Q1 2022. Earlier Easter sales give some positive effect on Net Sales in Q1 2023.
- **Both Finland and Norway outperformed the market.** Finland increased in volume by 4,6% while market declined -5,8%. Norway's increased in volume by 7,0% while market declined -1,6%.
- **Record high market share**, Finland 18,8% (16,9%) and Norway 5,9% (5,5%) in Q1.
- **Adjusted EBITA margin below previous year** 8,6% (13,7%), main reason is that the Norwegian business is affected negative by fx-effect. Inflation has also put pressure on purchase prices and higher costs for freight and distribution.

Segment Viva eCom

Net Sales, SEKm



Adjusted EBITA, SEKm



- **Net sales decreased to 182 SEKm, a decrease of 11,2% vs Q1 2022**, the market sentiment is still low.
- **Organic growth was negative with -14,5%**, high comparative figures from 2022 where Q1 still was boosted by Covid 19 pandemic.
- **Strong gross margins according to plan**, despite cost pressure in procurement and logistics, through improvement of product mix and pricing strategies.
- **Adjusted EBITA on same level as Q1 2022**. Adjusted EBITA margin reached 10,7%, well in line with the medium-term target of 10-12%.

Highlights and KPIs

- **Increased Average Order Value** and continued **Strong Gross margins** on all shop platforms.
- **Further geographical expansion** of Weinfürst.
- **Construction of new warehouse & distribution center** according to plan.

Number of orders (1 000)

248	200
Q1 2022	Q1 2023

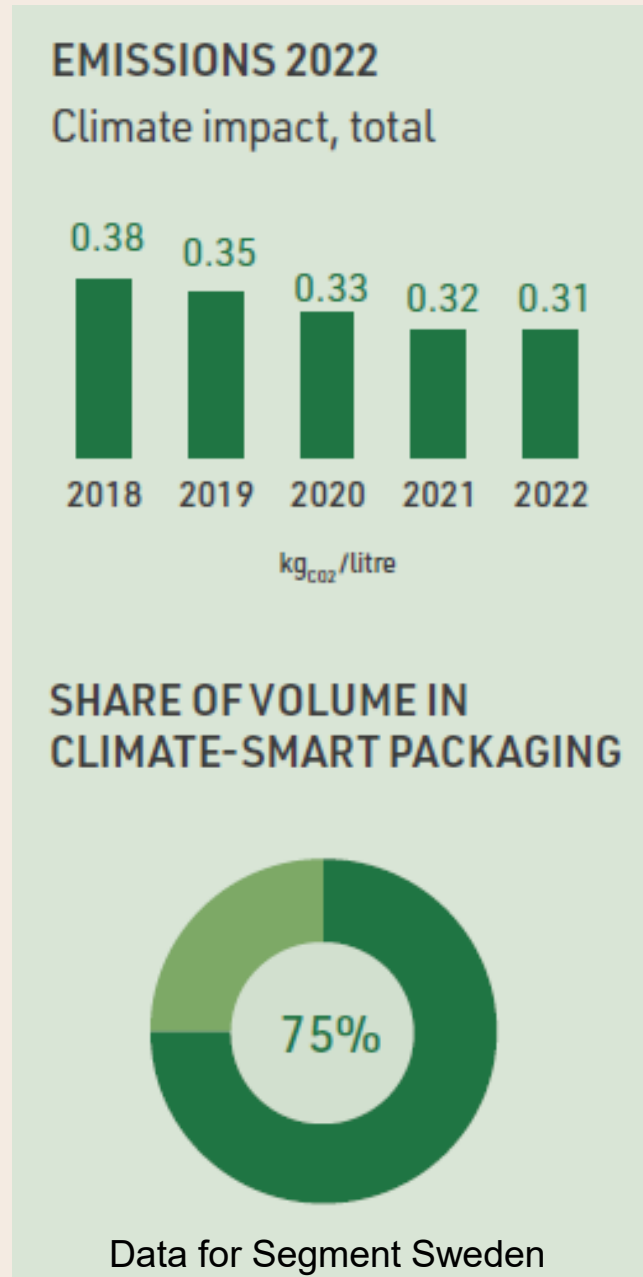
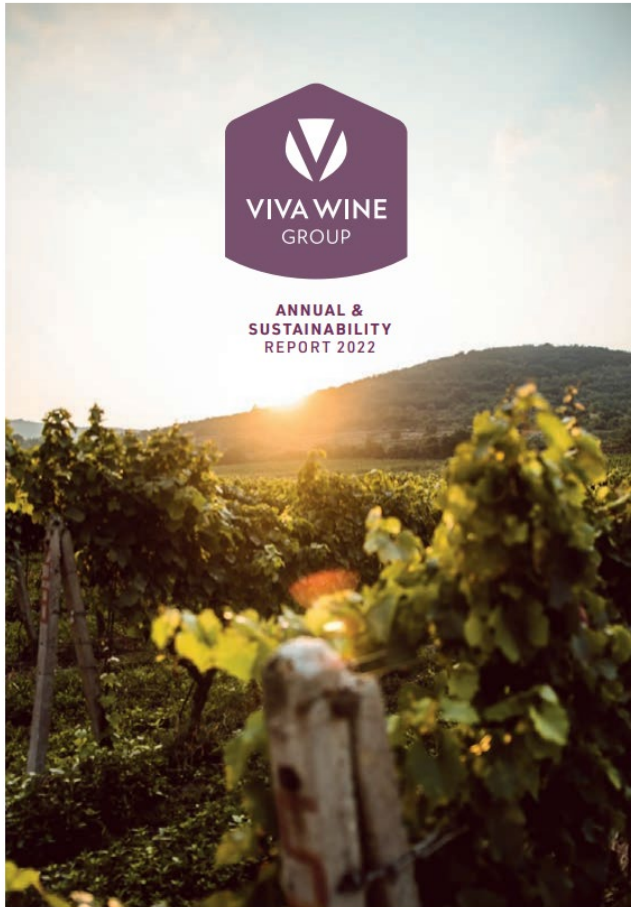
Active customers (1 000)

507	423
Q1 2022	Q1 2023

Net sales from repeat customers

80 %	85 %
Q1 2022	Q1 2023

Sustainability



Sustainability update

- **Presentation of 2022 Annual & Sustainability Report.**
Sustainability Report according to the latest GRI standards, reviewed and assured by EY Sweden.
- **KgCO₂/litre down 1,7%**
- **75% of volume in climate efficient packaging**
- **Several Sustainability KPIs met one year ahead of schedule**
- **Well positioned for CSRD**, the upcoming EU Corporate Sustainability Reporting Directive.

Final Comments

Financial targets

Growth	>4% 10-15% M&A	<ul style="list-style-type: none"> For the Swedish and Nordics segments, average annual organic growth is to total at least 4 percent over the medium term For the E-commerce segment, average annual organic growth is to total at least 10–15 percent over the medium term In addition, Viva Wine Group intends to grow through acquisitions, mainly within E-commerce
Profitability	10-12%	<ul style="list-style-type: none"> The adjusted EBITA margin shall be 10–12 percent in the medium term
Capital structure	<2.5x	<ul style="list-style-type: none"> Net debt in relation to EBITDA is not to exceed a multiple of 2.5. However, net debt in relation to EBITDA may exceed a multiple of 2.5 temporarily, for example in conjunction with acquisitions
Dividend policy	50-70%	<ul style="list-style-type: none"> 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



Final Comments

Turning headwind into tailwind!

- Strong product pipeline well suited for current market situation and consumer trends
- Further streamlining and cross-country coordination in Nordics
- One warehouse solution realizing synergies within eCom
- Further expansion of Weinfürst
- M&As, more promising outlook



Q & A



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