



VIVAWINE  
GROUP





# Viva Wine Group Quarterly Results Q3 2023



# Agenda

Introduction to Viva Wine Group

Quarterly Update

Financial Overview

Sustainability Update

Final Comments

Q&As



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CEO & Founder



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CFO



# Introduction to Viva Wine Group



Two major segments,  
share of net sales LTM

**81%** Nordics

**19%** eCom

The Nordic leader in wine,  
in the stable monopoly  
markets



Sweden

Finland

Norway

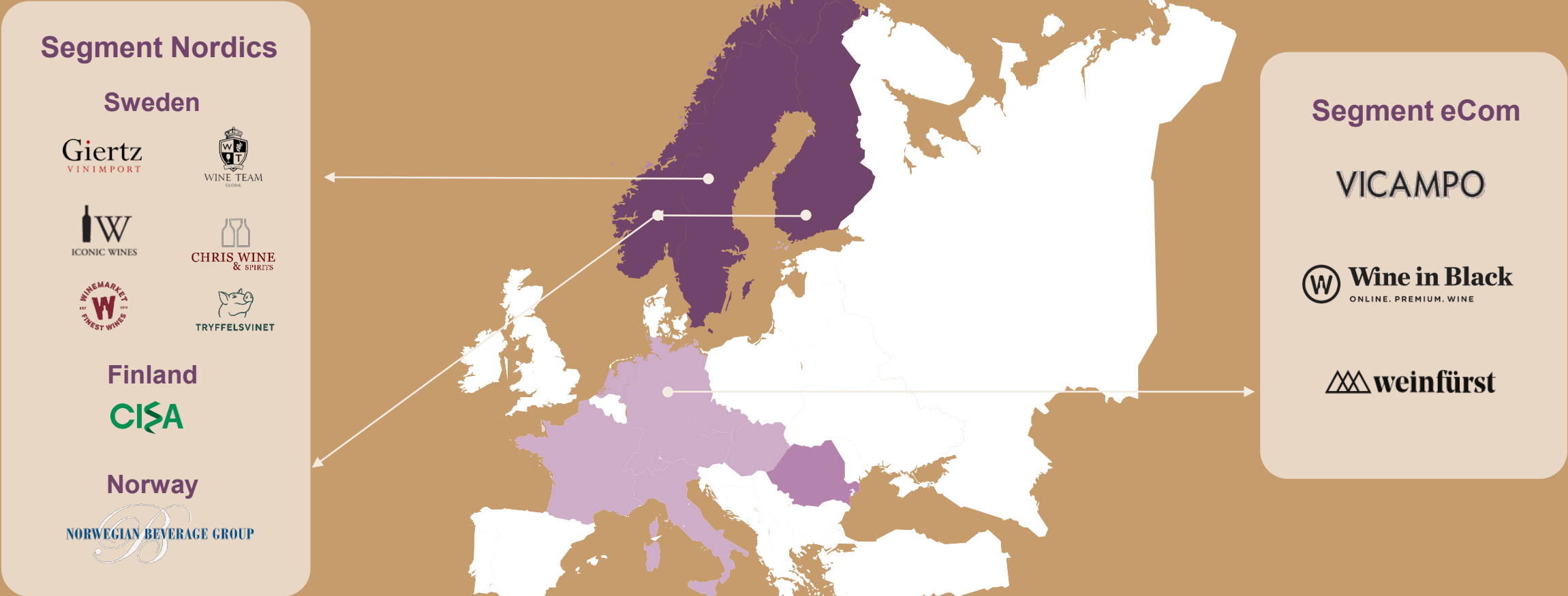
Profitable European  
e-commerce business with  
growth potential



Pioneer and industry leader  
in sustainability



# Operating companies





# Quarterly Update



## Another quarter with increased market shares in the Nordics – strong margin in eCom

- **Increased market shares in the Nordics**, 20.8% in Q3 compared to 19.5% last year. Strong organic growth despite a weak underlying market.
- **Net sales increased by 5.6% in Q3 to 952 (902) SEK million.** Organic growth 4.5% (-4.9).
- **Adj. EBITA margin of 8.1% was down vs LY.** Still at a strong level considering the significant negative fx-impact in the Nordics.





# Refinancing to support our strategic growth agenda

## In the quarter Viva proactively re-negotiated financing

- Former debt held by one bank. For current debt Viva Wine Group established a bank syndicate.
- The term loan was reduced and conditions were renegotiated. Will have positive effects on cash flow going forward.
- A Revolving Credit Facility was established.
- The refinancing creates more headroom for strategic actions.





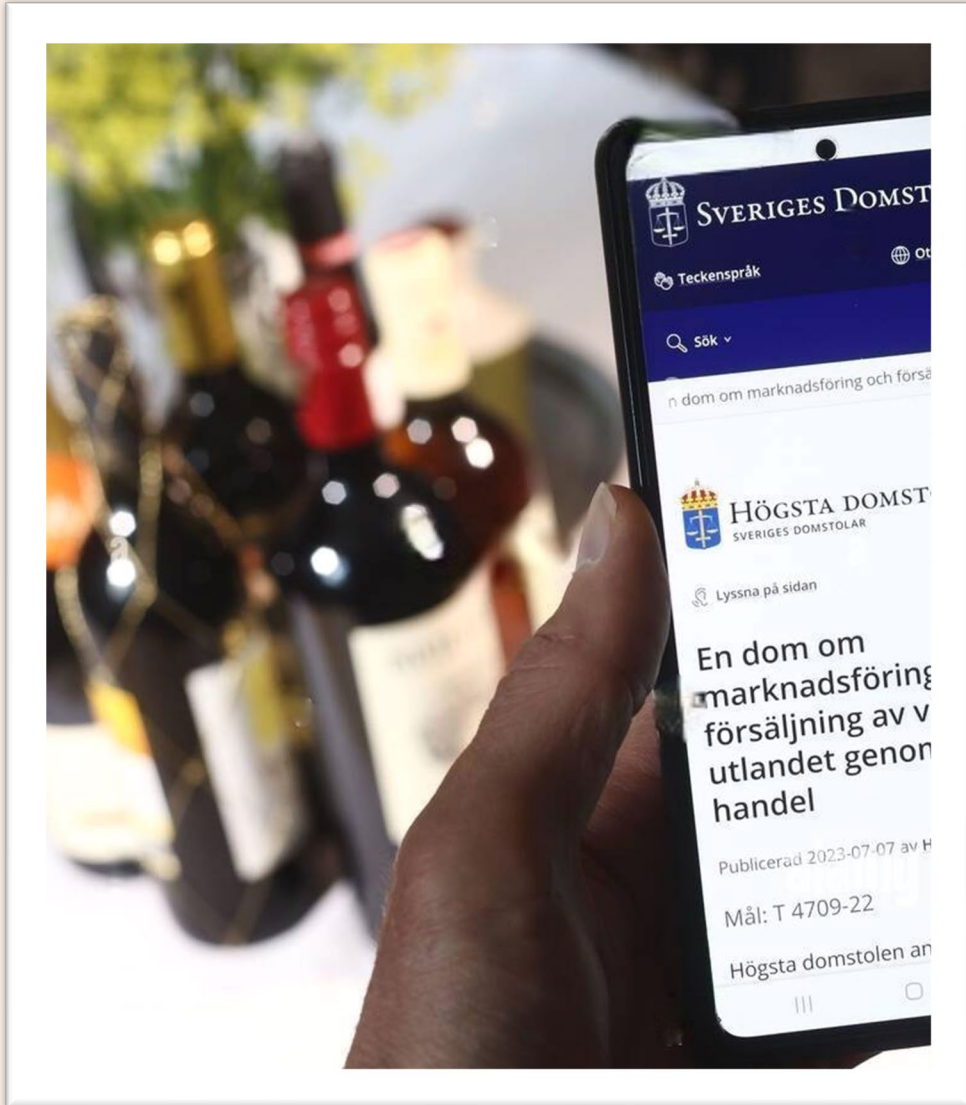
# Winefinder court case

## What has been decided?

- Confirming legality of e-com sales to Sweden from another EU country (not from Swedish warehouse) but paying Swedish alcohol tax.
- Status of retail monopoly (Systembolaget) confirmed.

## Our view

- No changes of current market situation to be expected; e-com sales to Sweden has been a part of the market for the last 5 to 10 years.
- We have evaluated the potential in relation to other markets and choose, at present, to focus our continued e-commerce expansion to Eastern Europe.



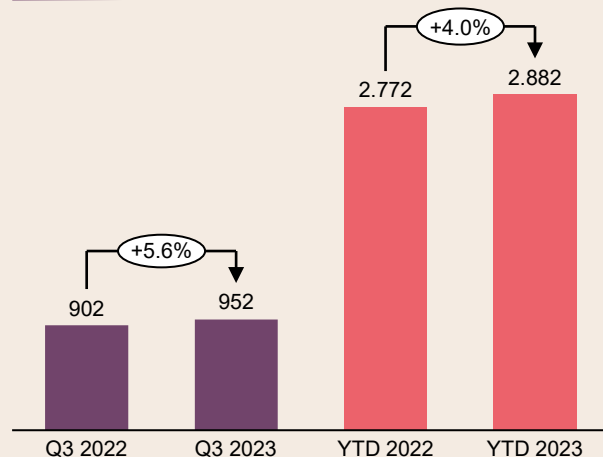


# Financial Overview



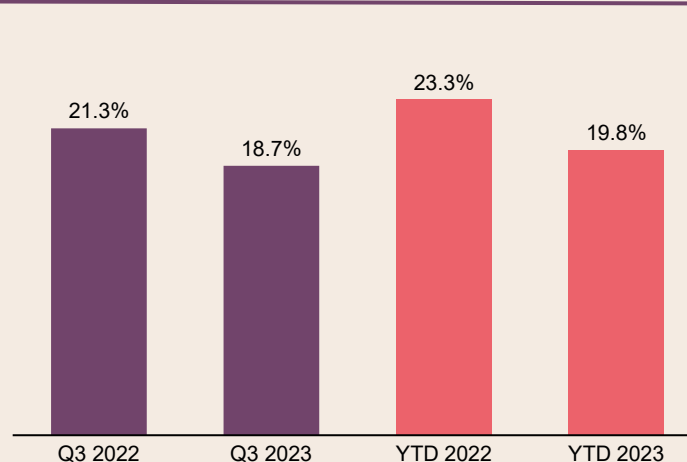
# Growth in net sales - strong Adj EBITA margin despite FX effects

Net sales, SEKm



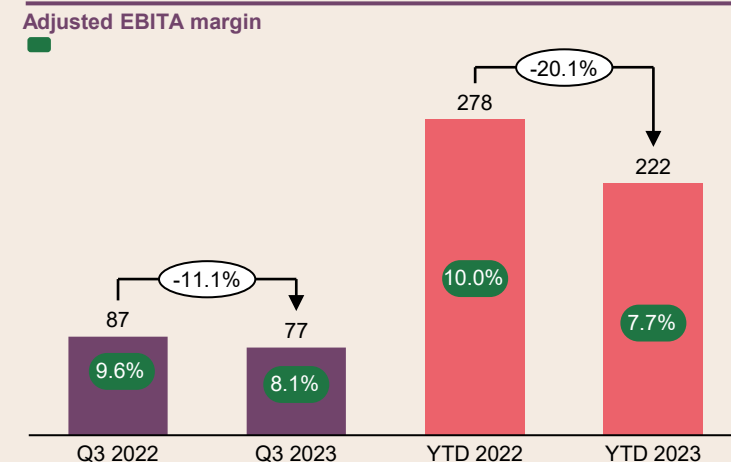
- Increased net sales by 5.6%, 50 SEKm in Q3 compared to Q3 2022.
- Strong growth in the Nordics.
- Organic growth 4.5% (-4.9%) in the quarter.

Gross margin, %



- Continued pressure on gross margin in Q3 mainly explained by negative fx-effects in the Nordics.
- Stronger GM% for segment eCom in the quarter compared to LY.

Adjusted EBITA, SEKm

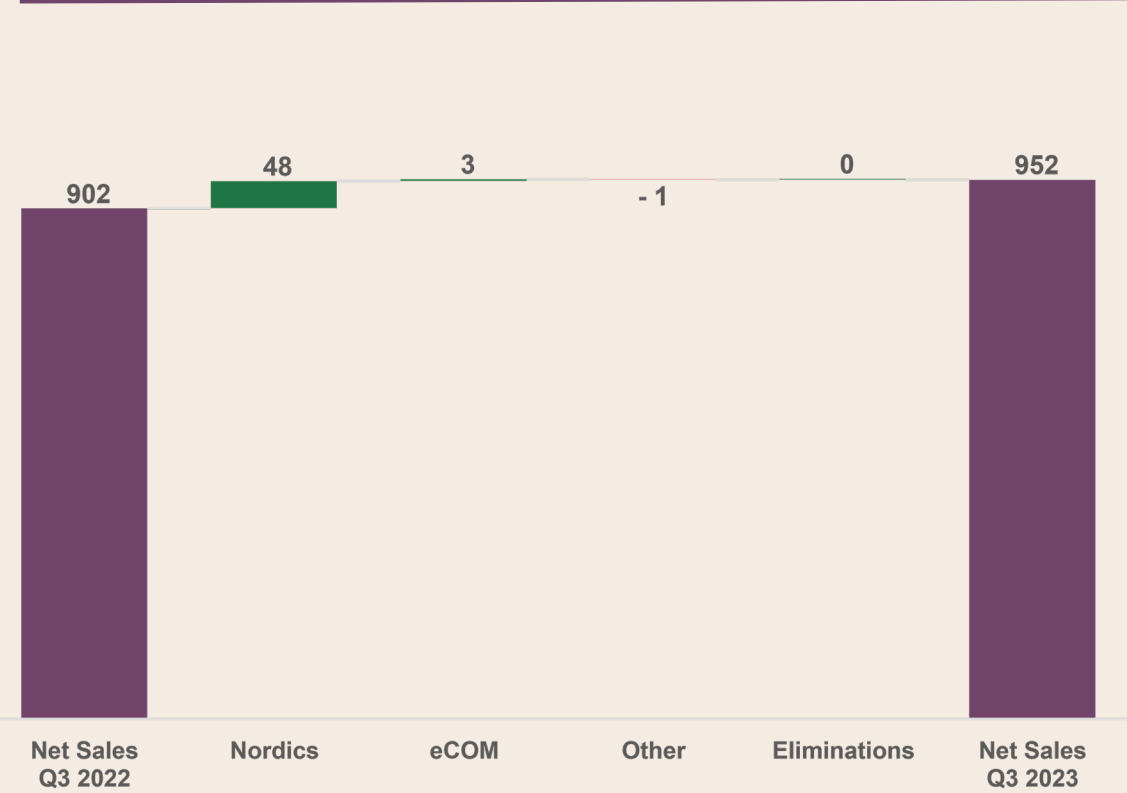


- Adjusted EBITA decreased to 77 SEKm in Q3 compared to Q3 2022, mainly driven by the negative fx-effects in the Nordics.
- Positive contribution from increased volume, price increases and cost control.
- Adjusted EBITA margin decreased vs LY to 8.1% in the quarter.

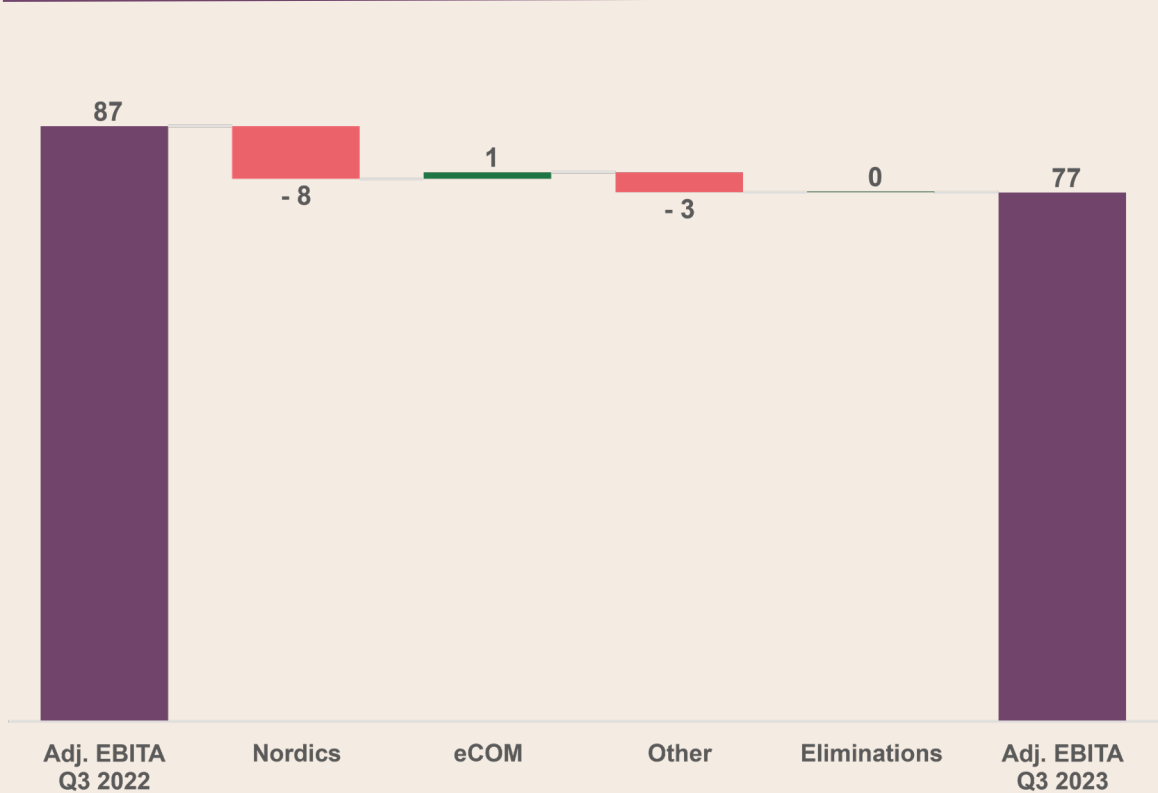


# Growth in net sales – continued pressure on EBITA

Net Sales per segment Q3 2022 vs Q3 2023, SEKm



Adjusted EBITA per segment Q3 2022 vs Q3 2023, SEKm

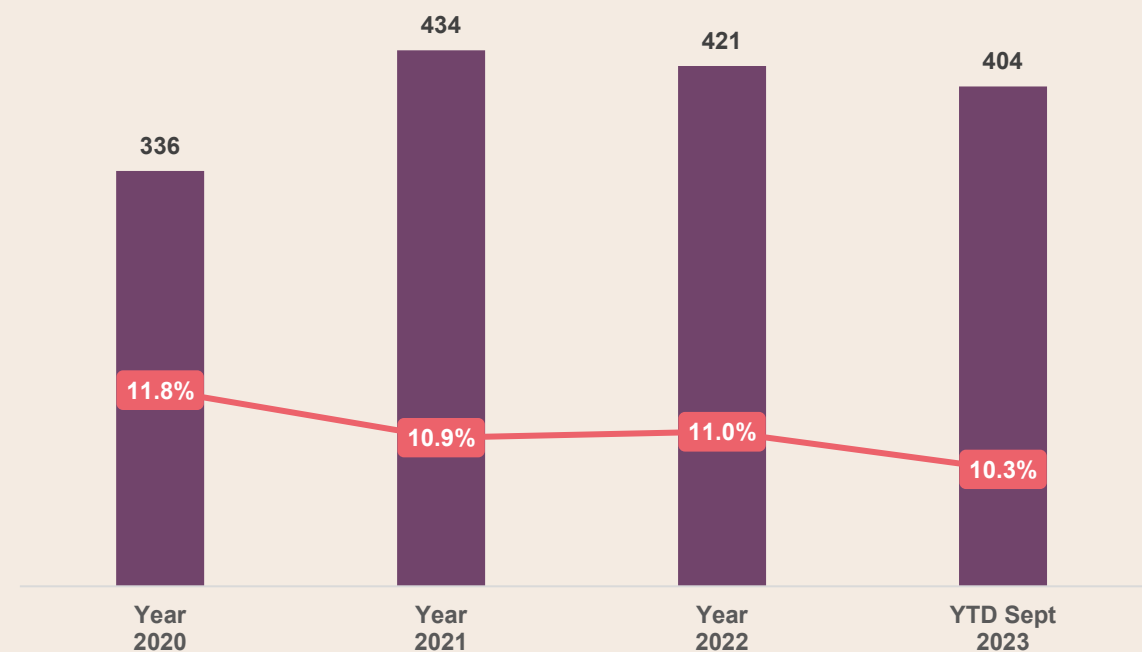




# Net working capital – stable trend to Net Sales

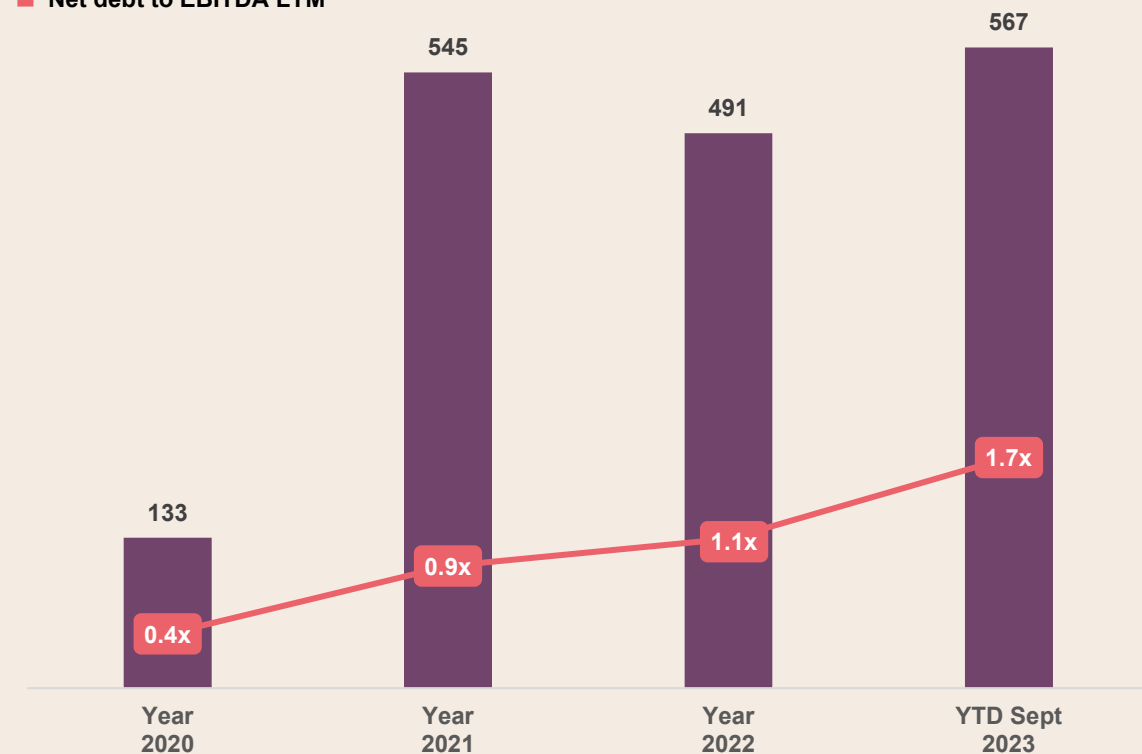
Net Working Capital, SEKm

■ Net Working Capital  
■ NWC/Net Sales LTM

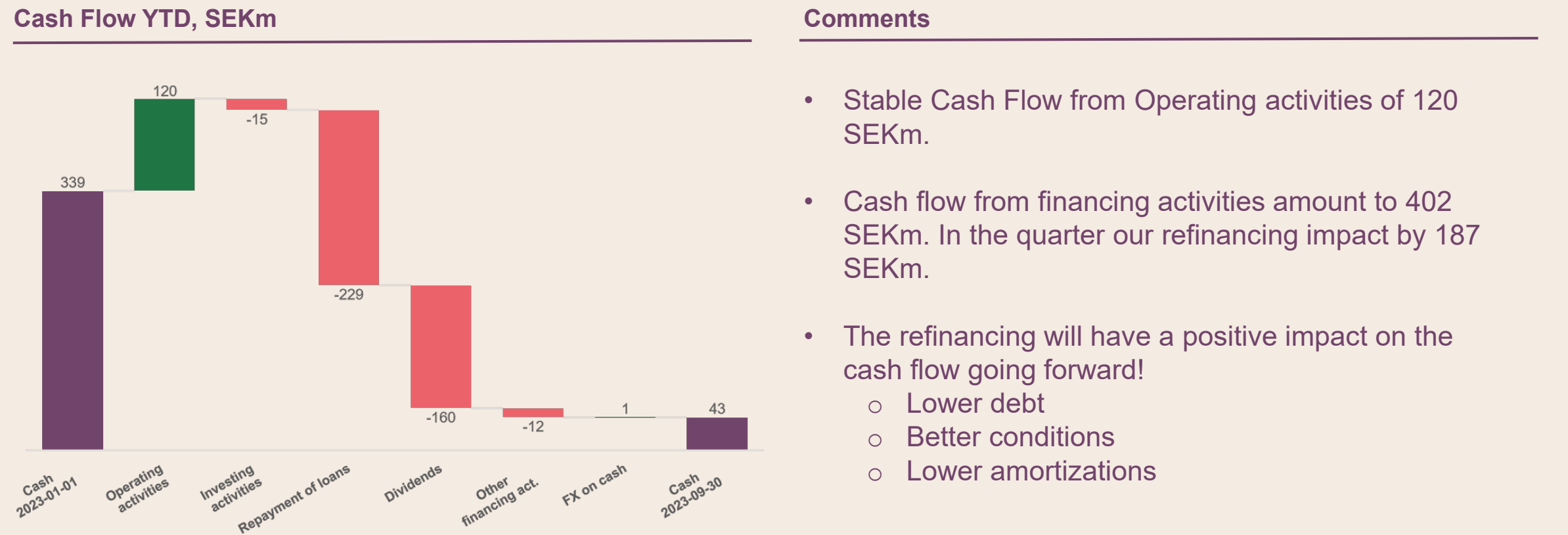


Net Debt, SEKm

■ Net debt  
■ Net debt to EBITDA LTM



# Cash Flow from financing activities impacted by refinancing



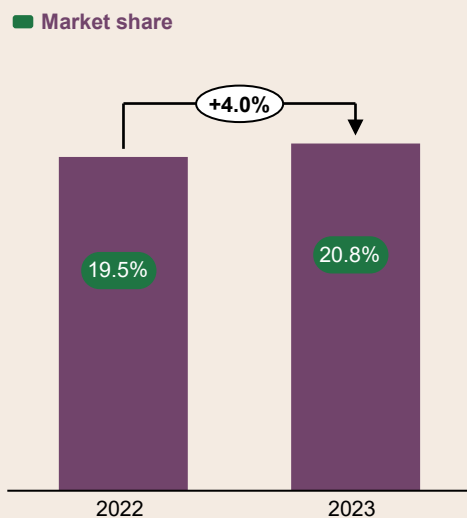


# Performance by segment

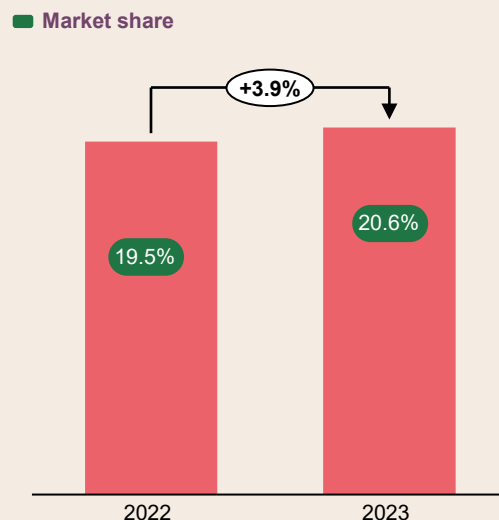
# Segment Nordics

## Volume & Market share

### Volume & Market share Q3 2023



### Volume & Market share YTD 2023



## Comments

- Volume developed stronger than the market in Q3, +4.0% compared to markets -2.3%. Market share increased in Q3, 20.8% (19.5%).
  - **Sweden:** Volume developed stronger than the market, +1.4% compared to market -2.5%. **Market share increased to 26.3% (25.3%).**
  - **Finland:** Record high market shares in the quarter. Volume increased 16.9% compared to market -2.9%. **Market share increased to 19.2% (15.9%).**
  - **Norway:** Strong quarter with volume developed stronger than the market, +15.8% compared to market -1.1%. **Market share increased to 5.8% (5.0%).**



# Segment Nordics

Strong volume growth and increased market shares driven by long-term successful strategy

The increase in volume and market shares in the Nordics comes exclusively from organic growth driven by line extensions, product launches, new formats and tender wins.

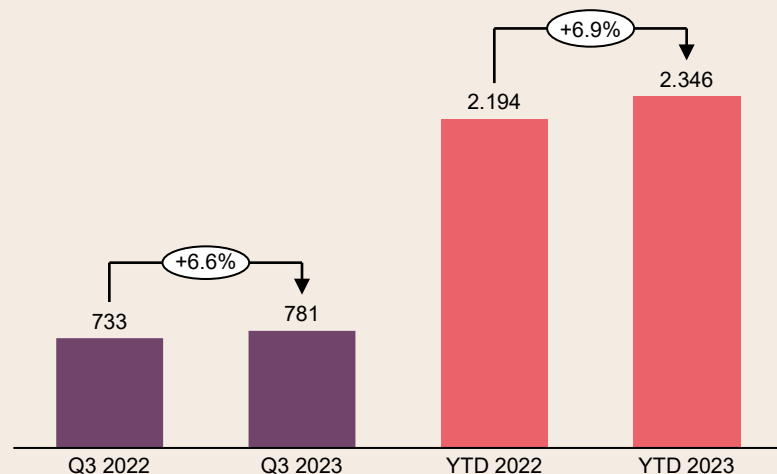
- **Sweden:** The market share growth comes from successful launches mainly in the entry level segments adapting to current market conditions.
- **Finland:** Our long-term product strategy to grow share in white, rosé and sparkling wines has showed result and led to record high market shares in the quarter.
- **Norway:** Strategic product launches are resulting in a broader product mix and increased distribution levels and higher sales .

## Highlights



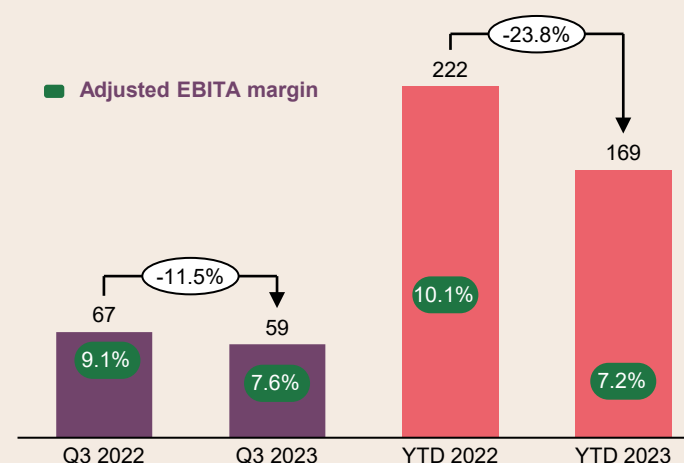
# Segment Nordics

## Net Sales, SEKm



- **Net Sales increased with 6.6% vs Q3 2022**, to 781 SEKm. Driven by volume and price increases.
- Organic growth 5.8% (-1.2%) in the quarter.

## Adjusted EBITA, SEKm



- **Adjusted EBITA decreased in Q3**. Lower GM mainly due to negative fx-effects. Inflation also put pressure on distribution and freights.
- Positive contribution from well balanced price increases and good cost control.
- **Adjusted EBITA margin of 7.6%** (9.1%).



# Segment Viva eCom

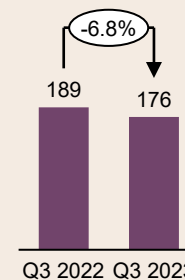
Strong margins. Well positioned for further growth in Europe

- Sales stabilized and we see brighter outlook for our e-commerce business.
- Further internationalization of Weinfürst concept into two new markets, Romania and Switzerland
- New 12,000 sqm centralized fulfillment center opened. This marks the last step in our strategy to combine our platforms into one headquarter, one warehouse and one team.
- Our new centralized e-com logistics hub will support our capacity for organic growth and bolt-on acquisitions.

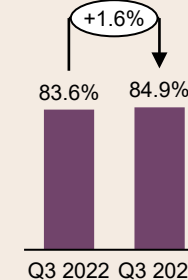
## Highlights & KPIs



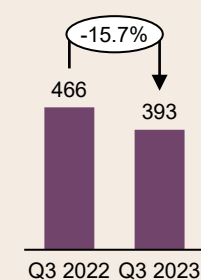
No. of orders (1 000)



Net sales from repeat customers (%)

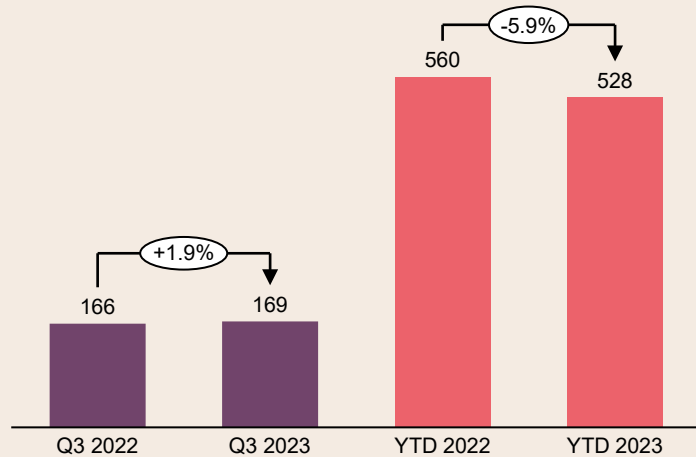


Active customers (1 000)



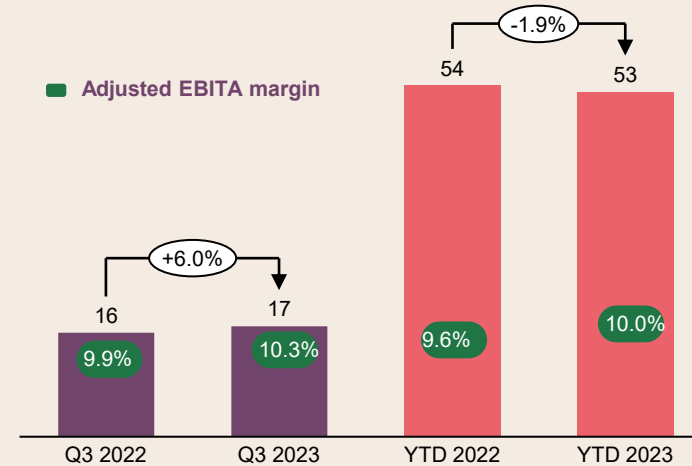
# Segment Viva eCom

## Net Sales, SEKm



- Net sales increased to 169 SEKm, an increase of 1.9% vs Q3 2022.
- Organic growth was slightly negative with -0.4%, an improvement from the same quarter LY (-21.2). Signs of that the market having bottomed out.

## Adjusted EBITA, SEKm



- Strong gross margin, through focus on average order value, product mix and pricing strategies.
- Adjusted EBITA% higher than Q3 2022. Adjusted EBITA margin reached 10.3% (9.9).



# Sustainability





## Sustainability update

- Successful implementation of software solution for climate reporting across Nordic business.
- Low CO2 impact / litre sold compared to peers due to climate efficient transport solutions (rail instead of road) and innovative packaging solutions.
- Remaining CO2 impact from transports mitigated through annual investment in Solvatten water purification and carbon compensation projects.

This is how Solvatten works:



1. Open like a book  
Pour in the dirty water



2. Expose to the sun  
Leave it in the sun 2- 4 hours



3. UV light + heat  
Microbiological contaminants  
such as bacteria, viruses and  
parasites are destroyed.



4. Safe to use  
An indicator shows when  
the water is safe to use

### Solvatten

- Improves health through water purification.
- Reduces CO2 emissions through reduced need for firewood and fuel.
- Contributes to gender equality.



# Final Comments

# Financial targets

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





# Final Comments

## Well positioned for further growth

- Another quarter with solid growth and increasing market shares in the Nordics driven by strong performance for both own brands and partner brands.
- Strengthened margins in eCom with stabilization of sales.
- Our estimate is that we have outperformed the markets both in the Nordics and eCom.
- We are screening the M&A market actively. Market conditions are still volatile but this could also create opportunities.
- We remain very confident in our business model, our understanding of the consumer, and the long term growth and profitability of our business.





# Q & A





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