

# Q2 2024 FINANCIAL RESULTS

**zevia**

# FORWARD-LOOKING STATEMENTS

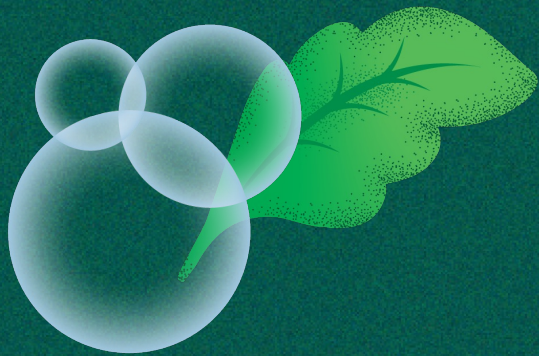
This presentation and the related earnings press release contain “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as “anticipate,” “believe,” “consider,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “on track,” “outlook,” “plan,” “potential,” “predict,” “project,” “pursue,” “seek,” “should,” “target,” “will,” “would,” or the negative of these words or other similar words, terms or expressions with similar meanings. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements contained in this presentation and the related earnings press release relate to, among other things, statements regarding 2024 Guidance, expected benefits of and annualized cost savings from the Productivity Initiative, long-term growth opportunities, future results of operations or financial condition, strategic direction, and plans and objectives of management for future operations, including marketing and product innovation. Forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, the ability to develop and maintain our brand, our ability to successfully execute on our rebranding strategy, cost reduction initiatives, and to compete effectively, our ability to maintain supply chain service levels and any disruption of our supply chain, product demand, changes in the retail landscape or in sales to any key customer, change in consumer preferences, pricing factors, our ability to manage changes in our workforce, future cyber incidents and other disruptions to our information systems, failure to comply with personal data protection and privacy laws, the impact of inflation on our sales growth and cost structure such as increased commodity, packaging, transportation and freight, warehouse, labor and other input costs and other economic conditions, our reliance on contract manufacturers and service providers, competitive and governmental factors outside of our control, such as pandemics or epidemics, adverse global macroeconomic conditions, including relatively high interest rates, instability in financial institutions and a recessionary environment, any potential shutdown of the U.S. government, and geopolitical events or conflicts, including the military conflicts in Ukraine and the Middle East and trade tensions between the U.S. and China, failure to adequately protect our intellectual property rights or infringement on intellectual property rights of others, potential liabilities and costs from litigation, claims, legal or regulatory proceedings, inquiries or investigations, that may cause our business, strategy or actual results to differ materially from the forward-looking statements. We do not intend and undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable law. Investors are referred to our filings with the U.S. Securities and Exchange Commission (“SEC”), for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed or implied in our forward-looking statements. The Company’s SEC filings are available at no charge at [www.sec.gov](http://www.sec.gov) and at the Company’s website at <https://investors.zevia.com/>.

## Non-GAAP Financial Information

We use Adjusted EBITDA, a financial measure in this presentation and the related earnings press release that is not calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company’s management believes that Adjusted EBITDA, when taken together with our financial results presented in accordance with GAAP, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Adjusted EBITDA is helpful to our investors as it is a measure used by management in assessing the health of our business, determining incentive compensation and evaluating our operating performance, as well as for internal planning and forecasting purposes. We calculate Adjusted EBITDA as net income (loss), adjusted to exclude: (1) other income (expense), net, which includes interest (income) expense, foreign currency (gains) losses, and (gains) losses on disposal of fixed assets, (2) provision (benefit) for income taxes, (3) depreciation and amortization, (4) equity-based compensation, and (5) restructuring expenses (for 2024, in light of our Productivity Initiative). Adjusted EBITDA may in the future also be adjusted for amounts impacting net income related to the Tax Receivable Agreement liability and other infrequent and unusual transactions. Adjusted EBITDA is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, our use of Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate Adjusted EBITDA in the same manner, limiting its usefulness as a comparative measure. See slide 10 for a reconciliation to the most directly comparable GAAP measure. For additional information regarding the Company’s use of Adjusted EBITDA, including certain other limitations, see the Company’s related earnings press release and the Company’s website at <https://investors.zevia.com/>.

# ZEVIA IS...

...creating a world of better-for-you flavor,  
better for people and for the planet.



# THE ZEVIA SOLUTION



## GREAT TASTE

Deliciously refreshing with all the flavor you crave.



## ZERO SUGAR

Guilt-free alternative to sugary sodas and beverages.



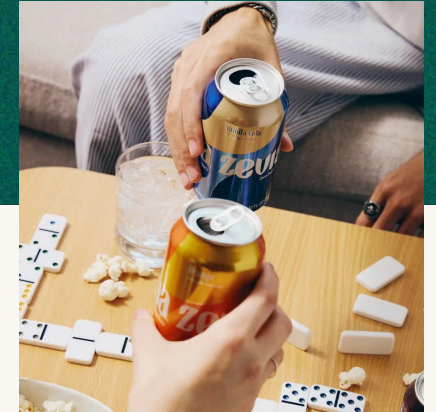
## PLANT-BASED INGREDIENTS

Only a handful of ingredients that shoppers can easily pronounce.



## SUSTAINABLE PACKAGING

Reducing plastic waste by using only aluminum cans.



## DEMOCRATIZING HEALTH

Affordable for a broad range of consumers and perfect for all ages.

# THE #1 NATURAL SODA,\*

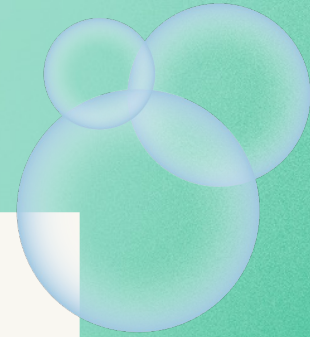
also with Energy Drink  
and Tea options across 33 flavors



\*Spins/Circana data for Equivalized Can Sales for Latest 52 Weeks Ending 7/14/2024



# Q2 2024 FINANCIAL RESULTS



zevia

# EXECUTIVE SUMMARY

- **Net sales performance ahead of previously communicated guidance**

- Net sales decreased 4.3% year-over-year to \$40.4 million, reflecting a mixed recovery in on shelf distribution by channel, including some challenges in the Club channel
- Scan sales grew in dollars spent and units sold for Zevia Soda in the quarter, +6% and +2%, respectively, and accelerating sequentially each month to +10% for dollars and +11% for units for the last 4 weeks, demonstrating increasing consumer pull in key summer weeks<sup>2</sup>
- Q2 margin declined 4.7 percentage points compared to prior year primarily driven by inventory losses as a result of Club channel-specific excess inventory due to lost distribution

## Resetting the Foundation for Growth

- Productivity Initiative now expected to eliminate on the high end of the estimated \$8 million - \$12 million in annualized savings range through SG&A reductions and margin expansion
- Margin expected to return to the mid 40s in Q3 and begin to show incremental improvement for the balance of the year, inclusive of greater promotional activity at retailers to drive velocity
- Launched first phase of regional direct store delivery partnerships in route-to-market evolution
- Launched new digital/omni-channel marketing to increase brand awareness with promising results

**Net Sales**

**\$40.4 Million**

**Gross Margin**

**41.9%**

**Adjusted EBITDA**

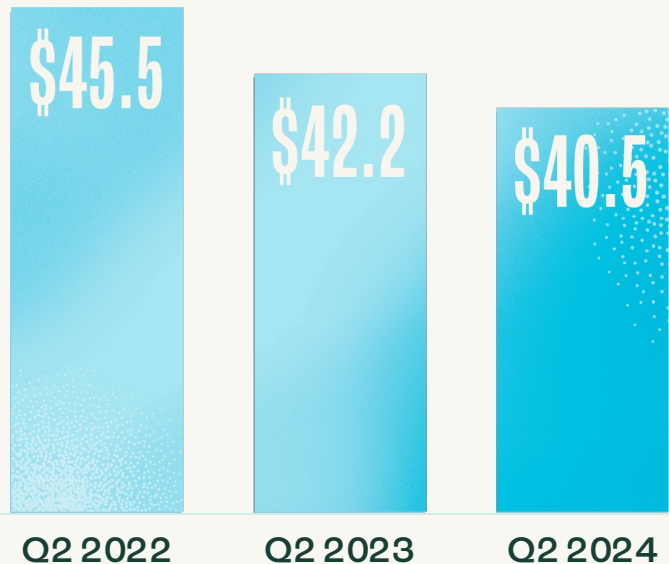
**Loss<sup>1</sup>**

**\$4.4 Million**

# Q2 2024 FINANCIALS OVERVIEW – YEAR OVER YEAR

(\$ in Millions)

## NET SALES



% Growth

33%      -7%      -4%

## GROSS PROFIT



% of Net Sales

42.4%      46.6%      41.9%

## ADJUSTED EBITDA<sup>1</sup>



% of Net Sales

N/A<sup>2</sup>      N/A<sup>2</sup>      N/A<sup>2</sup>



# FIRST HALF 2024 FINANCIALS OVERVIEW – YEAR OVER YEAR

(\$ in Millions)

## NET SALES



YTD 2022    YTD 2023    YTD 2024

% Growth

28%    2%    -7%

## GROSS PROFIT

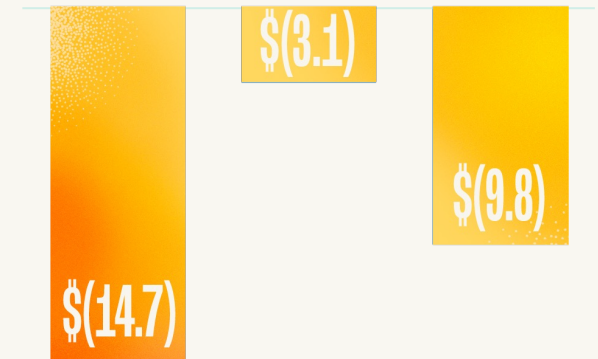


YTD 2022    YTD 2023    YTD 2024

% of Net Sales

42.1%    46.5%    43.7%

## ADJUSTED EBITDA<sup>1</sup>



YTD 2022    YTD 2023    YTD 2024

% of Net Sales

N/A<sup>2</sup>    N/A<sup>2</sup>    N/A<sup>2</sup>

# PROFIT & LOSS AND ADJUSTED EBITDA RECONCILIATION

(\$ IN MILLIONS)

	Q2 2024	Q2 2023	Q2 2022	Q2 2024 YTD	Q2 2023 YTD	Q2 2022 YTD	FY 2023	FY 2022	FY 2021
Net Sales	\$40.4	\$42.2	\$45.5	\$79.2	\$85.5	\$83.6	\$166.4	\$163.2	\$138.2
% Growth	-4.3%	-7.2%	32.6%	-7.4%	2.4%	28.5%	2.0%	18.1%	25.6%
Cost of Good Sold	\$23.5	\$22.5	\$26.2	\$44.6	\$45.7	\$48.4	\$91.7	\$93.2	\$74.2
Gross Profit	\$16.9	\$19.7	\$19.3	\$34.7	\$39.8	\$35.2	\$74.8	\$70.0	\$63.9
Gross Margin	41.9%	46.6%	42.4%	43.7%	46.5%	42.1%	44.9%	42.9%	46.3%
Selling and Marketing	\$13.6	\$16.1	\$15.9	\$28.7	\$28.0	\$29.9	\$62.3	\$52.9	\$45.1
General and Administrative	\$7.7	\$6.2	\$9.8	\$15.8	\$14.9	\$19.9	\$31.5	\$36.8	\$27.5
Equity-based Compensation	\$1.4	\$2.4	\$8.0	\$0.9	\$4.7	\$16.9	\$8.3	\$26.9	\$77.7
Depreciation and Amortization	\$0.4	\$0.4	\$0.3	\$2.9	\$0.8	\$0.7	\$1.6	\$1.3	\$1.0
Restructuring	\$0.9	\$0.0	\$0.0	\$0.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Loss from Operations	(\$7.1)	(\$5.4)	(\$14.7)	(\$14.4)	(\$8.6)	(\$32.3)	(\$28.9)	(\$47.9)	(\$87.4)
Other Income (Expense), Net	\$0.1	\$0.4	(\$0.0)	\$0.2	\$0.7	\$0.0	\$0.7	\$0.3	(\$0.2)
Provision for Income Taxes	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.1)	(\$0.1)	(\$0.0)
Net Loss	(\$7.0)	(\$5.0)	(\$14.8)	(\$14.2)	(\$7.9)	(\$32.3)	(\$28.3)	(\$47.6)	(\$87.7)
<b>Net Loss to Adjusted EBITDA Reconciliation</b>									
Net Loss	(\$7.0)	(\$5.0)	(\$14.8)	(\$14.2)	(\$7.9)	(\$32.3)	(\$28.3)	(\$47.6)	(\$87.7)
Other (Income) Expense, Net <sup>1</sup>	(\$0.1)	(\$0.4)	\$0.0	(\$0.2)	(\$0.7)	(\$0.0)	(\$0.7)	(\$0.3)	\$0.2
Provision for Income Taxes	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.0
Depreciation & Amortization	\$0.4	\$0.4	\$0.3	\$0.7	\$0.8	\$0.7	\$1.6	\$1.3	\$1.0
Equity-based Compensation Expense	\$1.4	\$2.4	\$8.0	\$2.9	\$4.7	\$16.9	\$8.3	\$26.9	\$77.7
Restructuring	\$0.9	\$0.0	\$0.0	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Adjusted EBITDA <sup>2</sup>	(\$4.4)	(\$2.6)	(\$6.4)	(\$9.8)	(\$3.1)	(\$14.7)	(\$19.0)	(\$19.6)	(\$8.7)



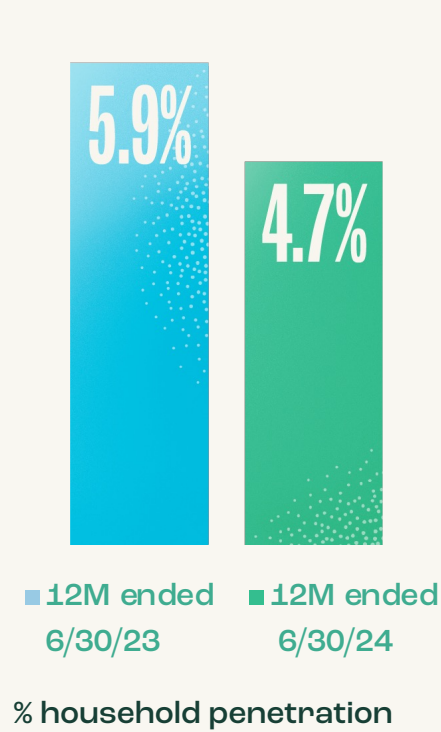
# RECENT DEVELOPMENTS

Syndicated Data & Initiatives



# CONSUMER PANEL METRICS

## HOUSEHOLD PENETRATION



## PURCHASE TRENDS



# ZEVIA BUYERS ARE **HIGHLY ENGAGED:** MORE TRIPS AND HIGHER SPEND THAN AVERAGE SHOPPERS

**+43%**

More spend on  
Total Beverages

Latest 12 Month  
vs. Average Shoppers<sup>1</sup>

**+36%**

More Total  
Beverage Trips

Latest 12 Month  
vs. Average Shoppers<sup>1</sup>

**+60%**

Higher Annual  
Brand Spend

Latest 12 Month  
vs. other "Better-For-You"  
Soda Brand Shoppers



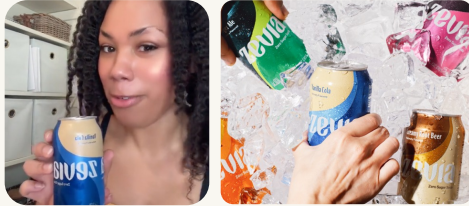
# THE ZE VIA BRAND IS TURNING UP THE HEAT

Zevia's loyal base has delivered strong repeat rates and passionately positive reviews for 10 years! Now we are delivering a more compelling brand to a broader audience.



# 360 MARKETING PLANS ARE PRODUCING RESULTS

## Paid Digital Media



## Influencer Marketing



## Social Media

Organic Impressions  
in Q2 vs. Q1

**+203%**

SUPPORTED MARKETS  
GROWING FASTER BY  
**+300bps**

[% Chg YA vs. control]

## Out of Home Advertising



## Brand Ambassadors

# PRODUCTIVITY INITIATIVE



Focused on building a foundation for growth by driving an estimated \$12M in annualized savings across three pillars:

## EVOLVING OUR ROUTE TO MARKET

Accelerating our adoption of DSD, seeing positive indicators

Investing in digital channels, showing promising improvements in revenues vs. control markets

Increasing the frequency and efficacy of our product innovation pipeline

## MARGIN ENHANCEMENT

Accelerating cost savings including optimizing our contract manufacturing strategies, reducing shipping and logistic and product costs

## OPERATIONAL DISCIPLINE

Building a culture that emphasizes returns across growth drivers, including marketing, trade promotion, and innovation

Managing working capital including the reduction of inventory, reducing inventory by over \$12 million since year-end





# Q2 2024 PROGRESS ON THE MISSION



## Sugar Reduction

Eliminated **2.9K metric tons of sugar** from our consumers' diets in the Q



## Plastic Reduction

Kept **44 million plastic bottles** from littering roadways, waterways and communities in the Q



## Affordability Index

Zevia remains **more affordable than 66%** of all non-alcoholic beverages in North America

