



# Q4 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 “advance,” “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 Guidance, expected benefits of and annualized cost savings from the Productivity Initiative, long-term growth and profitability plans and opportunities, future results of operations or financial condition, strategic direction, and plans and objectives of management for future operations, including marketing, distribution expansion 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 changes in U.S. foreign trade policies or tariffs, geopolitical events or conflicts, including the military conflicts in Ukraine and the Middle East and trade tensions between the U.S. and China, our ability to maintain our listing on the New York Stock Exchange, 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 and foreign currency (gains) losses, (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 18 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/>.



# MISSION...

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



zevia





# WHY ZEVIA?



- A Powerful Brand Platform Built Upon a Core Set of Values
- Zero Sugar, Naturally Sweetened Products that Align with Consumer Shift Toward Healthier Options
- High Repeat Rate Among Customers
- Strong Relationships with Retailers Across Channels
- Asset-Light Business Model

**+32%** More Total Beverage Trips

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

**+37%** More spend on Total Beverages

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

**+44%** More Spend on Better-for-You Soda

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

# ZEVIA FOURTH QUARTER AND FULL YEAR 2024 AT A GLANCE



2024	Net Sales	Gross Margin	Net Loss	Adjusted EBITDA Loss <sup>1</sup>
Q4	<b>\$39.5 million</b> 4.4% growth vs. PY	<b>49.2%</b> +850 basis points vs. PY	<b>-\$6.8 million</b> +\$2.4 million vs. PY	<b>-\$3.9 million</b> +\$3.0 million vs. PY
FULL YEAR	<b>\$155.0 million</b> -6.8% growth vs. PY	<b>46.4%</b> +150 basis points vs. PY	<b>-\$23.8 million</b> +\$4.5 million vs. PY	<b>-\$15.2 million</b> +\$3.8 million vs. PY

# STRATEGIC GROWTH PILLARS



## AMPLIFY MARKETING:

Build brand awareness  
and deepen customer engagement

## DRIVE PRODUCT INNOVATION:

Broaden consumer reach and leverage  
channels to invite trial and increase velocity

## EXPAND DISTRIBUTION:

Broaden consumer reach and  
leverage channels to invite trial  
and increase velocity

## DELIVER PROFITABILITY:

Advance plan to achieve healthy  
operating profit supported by  
productivity initiative and accelerated  
sales growth

# AMPLIFY MARKETING



## “BREAK FROM ARTIFICIAL”

### AdAge

#### **ZEVIA MOCKS COKE'S AI HOLIDAY ADS TO PITCH ITS ALL-NATURAL SODA**

Exaggerated AI imagery anchors an amusing spot that calls for real ingredients—in products and their ads

By Tim Izzard

### facebook

I've never heard of yall before and now I want one

21m · Reply · 25 ❤️



this HAS convinced me to buy one

21m · Reply · 3 ❤️

### TikTok

ima have to start buying!! this is good advertising!

21m · Reply · 2 ❤️

The callout on Coke is crazy, but so good!

21m · Reply · 1 ❤️

You scared me for a second, alright I'll buy it

21m · Reply · 1 ❤️

### Beverage

Zevia releases holiday ad shining light on artificiality

“Breaking for Artificial” features AI parody, awareness for natural, soft drinks

Im gonna go buy a zevia

40m · Reply · 1 ❤️

## HIGHLIGHTS

### Holiday Campaign Goes Viral Shines spotlight on artificiality

- Wide ranging positive press coverage
- **82%** positive social media sentiment
- Clear recall of brand messages in social
- Expansion into linear TV (NCAA, NFL)
- **292M Impressions** with a clear Zevia position



# AMPLIFY MARKETING

## SOCIAL REACH, ENGAGEMENT



**+615%**

Social Views Q4  
TikTok (TT) &  
Instagram (IG)



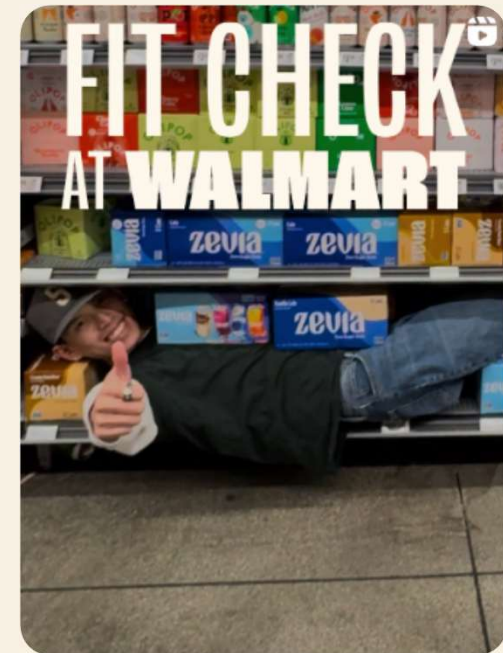
**+586%**

Organic IG  
Impressions Q4



**+151%**

Zevia social Q4  
media mentions



Social Source: Sprout Social Analytics 11/1/24 – 1/31/25 vs 8/1/24 – 10/31/24  
Walmart Source: Walmart Connect attributed sales (in-store and online) to Zevia marketing efforts 11/30/24 – 1/31/25

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# NEW INNOVATION CONTINUED TO OUTPERFORM



New Product Introductions Across Flavors and Packaging Drive Incremental Distribution and Accelerated Velocity

## NEW VARIETY PACK



First-ever retail Variety Pack, driving trial and now #1 Zevia sku at Walmart

## SALTED CARAMEL



Break-through in a more sugar-like taste in new flavors; the limited time offer was the Amazon #1 seller

## CRAN RASPBERRY



2024 new item outperforming average Zevia velocities

## STRAWBERRY LEMON BURST



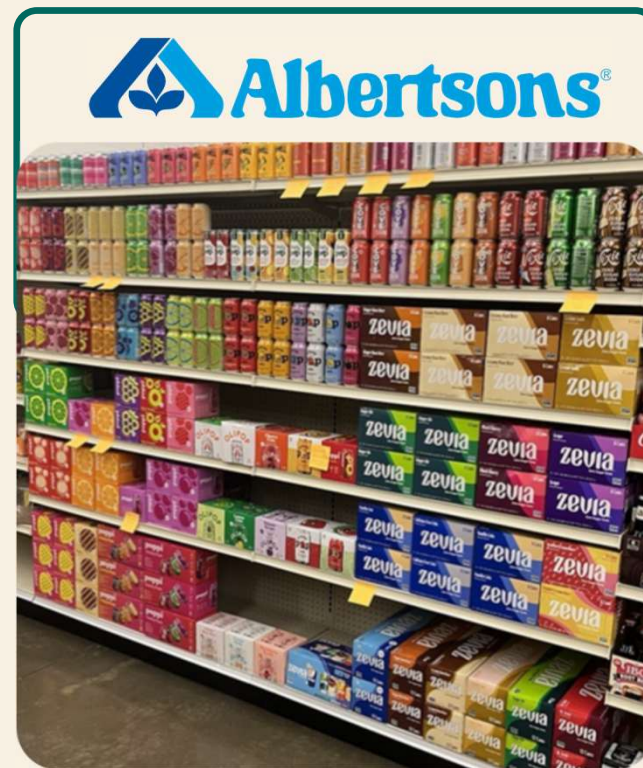
Highly anticipated 2025 national launch, outperforming top Zevia flavors in testing

# EXPANDED DISTRIBUTION AND IN-STORE VISIBILITY

Driving awareness, accessibility, trial and repeat through expanded distribution



Expanded from 800 to more than 4,300 Walmart stores as a part of the new "Modern Soda" set



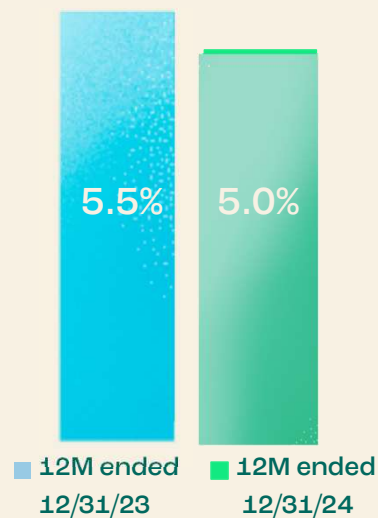
Expanded shelf space and achieved vertical brand block at Albertsons nationwide based on new "Next Gen Bev" better-for-you set



# CONSUMER PANEL METRICS

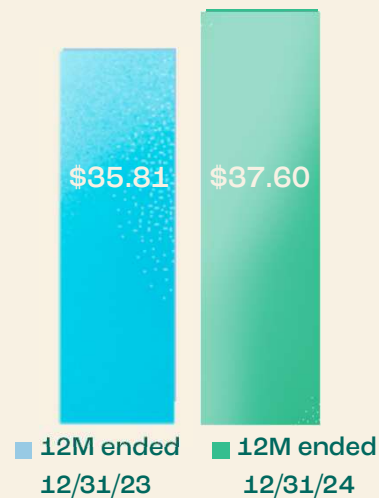


## HOUSEHOLD PENETRATION



% household penetration<sup>1</sup>

## PURCHASE TRENDS



Dollar sales per household



Purchase Frequency



Dollar sales per trip



Source: Numerator Shopper Metrics Report for 12M ending 12/31/2024

<sup>1</sup> Decline is largely driven by distribution losses in our club channel and one customer in our mass channel

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# PRODUCTIVITY INITIATIVE



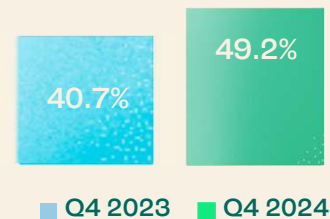
## HIGHLIGHTS

### Enabled Reinvestment and Advanced Plan to Profitability

- Emphasized returns across growth drivers, including marketing, trade promotion, and innovation
- Expected to create \$13 million in annualized savings through reduction in costs across COGS, selling, warehousing and G&A
- Identified additional \$2 million in cost savings related to driving efficiencies in COGS and Selling expenses that we expect to realize in 2025 and into 2026 with portfolio optimization bringing total to \$15 million
- Disciplined management of working capital drove substantial improvement in operating cash flow

## IMPROVEMENTS VS. PY

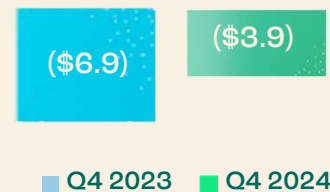
### GROSS MARGIN



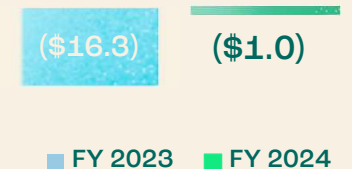
### G&A



### ADJ. EBITDA



### OPERATING CASH FLOWS







# FINANCIAL HIGHLIGHTS



# Q4 FINANCIAL HIGHLIGHTS

- Net sales increased 4.4% year-over-year to \$39.5 million:
  - Led by increased volumes associated with expansion from 800 to 4,300 Walmart doors
  - Equivalized cases grew 11.6%, partially offset by higher promotions
- Gross profit margin was a record 49.2%, +850 basis points year over year
  - Reflects cycling of inventory losses in Q4 of 2023 related to improved inventory management.
  - Benefited from our productivity initiatives resulting in favorable unit costs
  - Partially offset by the aforementioned increase in promotional activities during the period.
- Net loss was \$6.8 million, an improvement of \$2.4 million year-over year
- Adjusted EBITDA loss<sup>1</sup> was \$3.9 million, an improvement of \$3.0 million year over year
  - Improvement driven by significant savings from productivity initiative partially offset by incremental investments into marketing to drive brand awareness

## Net Sales

**\$39.5 Million**

## Gross Margin

**49.2%**

## Adjusted EBITDA

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

**\$3.9 Million**



# FULL YEAR 2024 FINANCIAL HIGHLIGHTS

- Net sales decreased 6.8% year-over-year to \$155.0 million:
  - lost distribution in our club channel and one customer in our mass channel, and to a lesser degree an increase in promotional activity at retailers leading to lower sales, partially offset by expanded distribution at Walmart
- Gross profit margin was 46.4%, +150 basis points year over year
  - Driven primarily by lower inventory losses and favorable product mix, partially offset by higher unit costs and increased spend on promotional activity.
- Net loss was \$23.8 million, an improvement of \$4.5 million year-over year
- Adjusted EBITDA loss<sup>1</sup> was \$15.2 million, an improvement of \$3.8 million year over year
  - Improvement driven by significant savings from productivity initiative partially offset by incremental investments into marketing to drive brand awareness

## Net Sales

**\$155.0 Million**

## Gross Margin

**46.4%**

## Adjusted EBITDA

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

**\$15.2 Million**

# Q4 2024 FINANCIALS OVERVIEW – YEAR OVER YEAR

(\$ in Millions)

## NET SALES



### % Growth

Quarter	% Growth
Q4 2022	4%
Q4 2023	7%
Q4 2024	4%

## GROSS PROFIT



### % of Net Sales

Quarter	% of Net Sales
Q4 2022	44.3%
Q4 2023	40.7%
Q4 2024	49.2%

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



### % of Net Sales

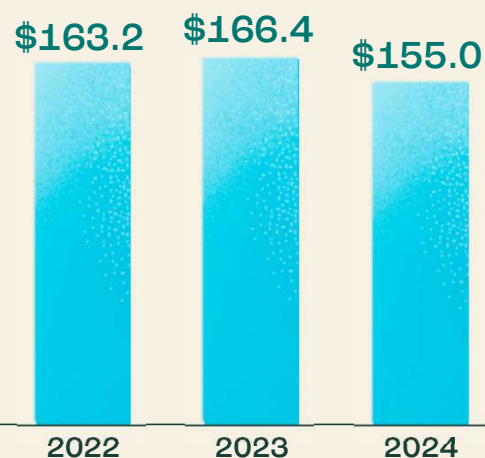
Quarter	% of Net Sales
Q4 2022	N/A <sup>2</sup>
Q4 2023	N/A <sup>2</sup>
Q4 2024	N/A <sup>2</sup>



# FULL YEAR 2024 FINANCIALS OVERVIEW – YEAR OVER YEAR

(\$ in Millions)

## NET SALES



### % Growth

Year	% Growth
2022	18%
2023	2%
2024	-7%

## GROSS PROFIT



### % of Net Sales

Year	% of Net Sales
2022	42.9%
2023	44.9%
2024	46.4%

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



### % of Net Sales

Year	% of Net Sales
2022	N/A <sup>2</sup>
2023	N/A <sup>2</sup>
2024	N/A <sup>2</sup>

# PROFIT & LOSS AND ADJUSTED EBITDA RECONCILIATION

(\$ in Millions)

	Q4 2024	Q4 2023	Q4 2022	FY 2024	FY 2023	FY 2022
Net Sales	\$39.5	\$37.8	\$35.4	\$155.0	\$166.4	\$163.2
% Growth	4.4%	6.9%	3.5%	-6.8%	2.0%	18.1%
Cost of Good Sold	\$20.0	\$22.4	\$19.7	\$83.1	\$91.7	\$93.2
Gross Profit	\$19.4	\$15.4	\$15.7	\$71.9	\$74.8	\$70.0
Gross Margin	49.2%	40.7%	44.3%	46.4%	44.9%	42.9%
Selling and Marketing	\$16.5	\$13.8	\$10.0	\$57.1	\$62.3	\$52.9
General and Administrative	\$6.8	\$8.4	\$8.5	\$30.02	\$31.5	\$36.8
Equity-based Compensation	\$1.0	\$1.7	\$3.1	\$5.0	\$8.3	\$26.9
Depreciation and Amortization	\$0.3	\$0.4	\$0.3	\$1.3	\$1.6	\$1.3
Restructuring	\$1.2	\$0.0	\$0.0	\$2.1	\$0.0	\$0.0
Loss from Operations	(\$6.3)	(\$8.9)	(\$6.3)	(\$23.7)	(\$28.9)	(\$47.9)
Other (Expense) Income, Net	(\$0.4)	(\$0.2)	\$0.2	(\$0.1)	\$0.7	\$0.3
Provision for Income Taxes	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.1)	(\$0.1)	(\$0.1)
Net Loss	(\$6.8)	(\$9.2)	(\$6.2)	(\$23.8)	(\$28.3)	(\$47.6)
<b>Net Loss to Adjusted EBITDA Reconciliation</b>						
Net Loss	(\$6.8)	(\$9.2)	(\$6.2)	(\$23.8)	(\$28.3)	(\$47.6)
Other (Income) Expense, Net <sup>1</sup>	\$0.4	\$0.2	(\$0.2)	\$0.1	(\$0.7)	(\$0.3)
Provision for Income Taxes	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1
Depreciation & Amortization	\$0.3	\$0.4	\$0.3	\$1.3	\$1.6	\$1.3
Equity-based Compensation Expense	\$1.0	\$1.7	\$3.1	\$5.0	\$8.3	\$26.9
Restructuring	\$1.2	\$0.0	\$0.0	\$2.1	\$0.0	\$0.0
Adjusted EBITDA <sup>2</sup>	(\$3.9)	(\$6.9)	(\$2.9)	(\$15.2)	(\$19.0)	(\$19.6)



# Q4 2024 PROGRESS ON THE MISSION



## SUGAR REDUCTION

Eliminated **3.0K metric tons of sugar** from our consumers' diets in the Q



## PLASTIC REDUCTION

Kept **45 million plastic bottles** from littering roadways, waterways and communities in the Q



## AFFORDABILITY INDEX

Zevia remains **more affordable than 67%** of all non-alcoholic beverages in North America

