

Research update: Q1 2024

VIVA WINE GROUP AB

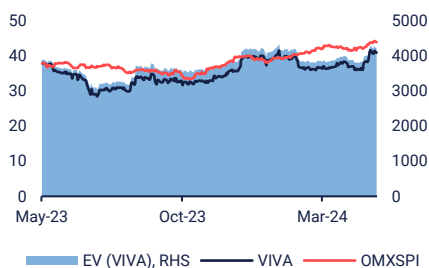
Viva Wine Group's business segment, the Nordics, markets and sells both its own brands and partner brands to the alcohol monopolies in Sweden, Finland, and Norway. Through the Viva eCom segment, the group operates e-commerce for wines across Europe, with Germany being the primary market.

CEO: Emil Sallnäs
CoB: Anders Moberg
investors.vivagroup.se

List: Nasdaq First North Stockholm
Last: SEK 41.0
Market cap: SEK 3,642m
Enterprise value: SEK 4,141m

Bloomberg: VIVA:SS
Refinitiv Eikon: VIVA.ST

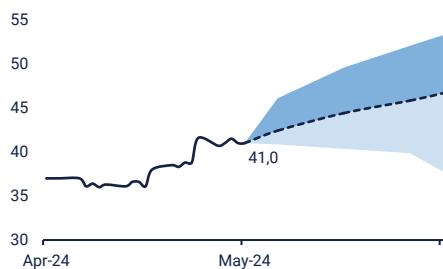
SHARE PRICE DEVELOPMENT



	12M	YTD	6M	1M
Development (%)	8	4	24	11

Source: S&P Capital IQ

VALUATION INTERVAL



	BEAR	BAS	BULL
Fair value (SEK)	37.8	46.7	53.3
Up-/downside (%)	-8	14	30

Source: S&P Capital IQ and Carlsquare estimates

CARLSQUARE EQUITY RESEARCH

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Solid cost control improves long-term outlook

In Q1 2024, the Nordic segment continue to outpace the underlying market. The turnaround for Viva eCom is however taking longer than we had expected and this hampered overall growth. Solid cost control solid cost control resulted in profitability exceeding our expectations. After adjustments, a fair value per share is calculated to 46.7 (45.5).

Sales on the soft side, hampered by the e-commerce business

In Q1 2024, Viva Wine Group (Viva or the company) reported net sales of SEK 904m, reflecting an organic growth of 2.8% year-over-year. This was below our expectations of SEK 936m. Incl. the acquisition of Target Wines in February 2024, the largest business segment, the Nordics, experienced a 6.4% revenue growth and a 5.6% increase organically. Alongside increasing volumes, the segment benefited from the timing of Easter, price hikes, and delivery issues affecting a small portion of the competition. Nevertheless, the Nordics grew somewhat slower than we had anticipated. Viva eCom reported net sales of SEK 161m, representing a decline of 11.8% and an organic decline of 9.0%. We had expected net sales of SEK 179m, equivalent to a negative growth of 1.7%. On a positive note, the company sees improving figures for eCom, supported by underlying macro trends. That while the average order value continues to grow.

Profitability above expectation despite soft top-line

Viva reported a negative gross profit growth of 9.0%, amounting to SEK 172m, with a margin of 19.1%. Our expectations were SEK 180m and a margin of 19.3%, respectively. Despite price hikes, the gross margin for the Nordics is still negatively affected by FX. However, an improvement is expected in Q2 2024. Meanwhile, Viva eCom managed to maintain a solid gross margin, just below 40%. The reported adjusted EBITA for the group of SEK 57m, with a margin of 6.3%, exceeded our expectation of SEK 52m and a margin of 5.6%. The difference can be partly attributed to solid cost control and a reduction in average FTE due to the consolidation of platforms in the eCom segment. The reduction is considered sustainable, thus improving the long-term profitability outlook.

Improved gross margin and turnaround for Viva eCom should lift the share

We have slightly revised our net sales estimates downwards for both segments. For 2024, we anticipate total net sales of SEK 4,132m, representing a growth of 3.8% (previously 5.3%). This growth is primarily driven by the Nordics and, to some extent, by Viva eCom, which we expect to deliver growth in H2 2024. Furthermore, we anticipate a sequential improvement in gross margins for the Nordics of approximately 1.5 percentage points in Q2. For 2024, we project an adjusted EBITA of SEK 346m (previously SEK 340m) due to lower OPEX expectations going forward.

Based on the revised estimates, we calculate a fair value of SEK 46.7 per share (45.5) in the base case. The valuation corresponds to an EV/Sales NTM of 1.1x, an EV/EBIT NTM of 17.5x, and 15.1x in 2025. The valuation multiples in the market have come down. The full reference group trades at an EV/Sales NTM of 0.7x and EV/EBIT NTM of 11.8x. The premium is justified by the margin expansion.

Key figures (SEKm)

	2021	2022	2023	2024E	2025E	2026E
Net sales	3,331	3,825	3,981	4,132	4,348	4,565
Total operating income	3,339	3,905	3,989	4,142	4,356	4,573
Gross profit on net sales	789	880	782	829	921	994
EBITDA	580	454	293	377	442	493
Adj. EBITA	399	377	292	346	411	462
EBIT	521	310	165	245	308	359
EBT	539	359	112	217	270	324
Basic EPS	6.6	2.9	1.2	1.9	2.4	2.8
Growth, net sales	17.1%	14.8%	4.1%	3.8%	5.2%	5.0%
Gross margin	23.7%	23.0%	19.7%	20.1%	21.2%	21.8%
Adj. EBITA margin	12.0%	9.9%	7.3%	8.4%	9.5%	10.1%
EBIT margin	15.6%	8.1%	4.1%	5.9%	7.1%	7.9%
EV/Sales	2.0x	1.2x	1.0x	1.0x	1.0x	0.9x
EV/EBITDA	11.4x	10.1x	14.3x	11.1x	9.5x	8.5x
EV/EBIT	12.7x	14.7x	25.3x	17.0x	13.6x	11.6x
P/E	9.0x	15.5x	33.2x	21.6x	17.3x	14.4x

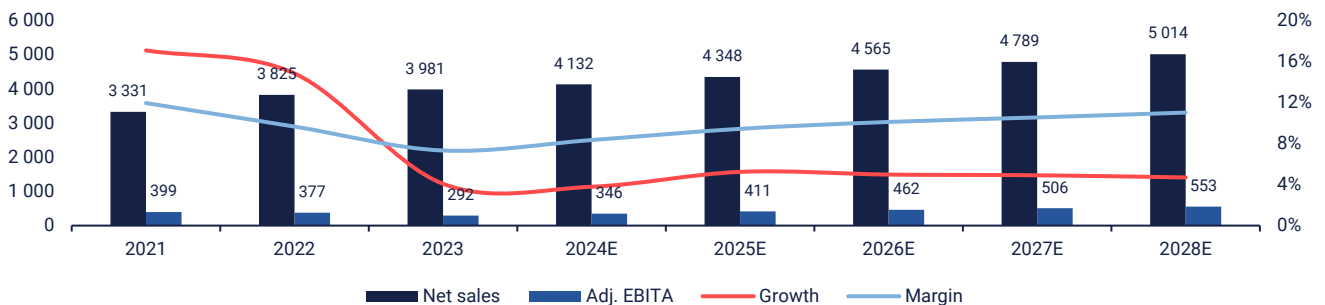
Source: Company information and Carlsquare estimates

Investment case, estimates and valuation

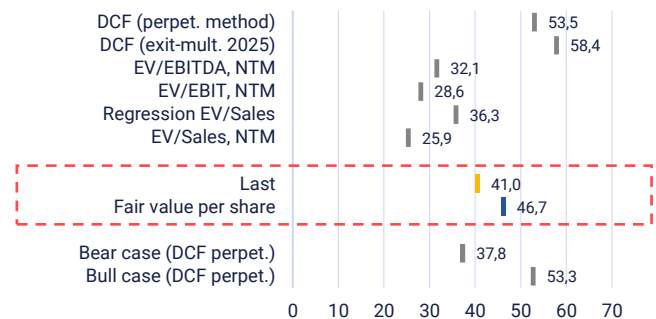
Scalability when the largest grow larger

- **A proven track record.** Viva has demonstrated a strong performance over the past five years, showcasing an average annual growth rate of nearly 15%. Growth has been accompanied by an average EBITA margin of 10.5%. That validates the company's strategy and highlights the competency of its team, including management. Viva's success is further evidenced by its adeptness in navigating challenging markets, particularly in the Nordics, through a demand-driven product development process.
- **Consumer spending** is anticipated to improve in H2 2024. This shift bodes well for the overall outlook of the group but also signals a positive trajectory for Viva eCom to begin reporting growth figures once again. Viva eCom holds the potential to be a key driver of the group's growth in the long term. This potential stems from ongoing geographical expansion and the robust development of the underlying market as more consumers turn to online shopping within the wine and spirits vertical.
- **We expect an improved gross margin** for the Nordics from Q2 2024. The strengthened SEK and NOK against the EUR drive the positive shift. Additionally, as Weinfürst spearheads the geographical expansion for Viva eCom, we foresee further gross margin expansion over time. This expansion is expected as the revenue share from proprietary brands increases, enhancing the profitability outlook.
- **We see economies of scale** materialising as both segments grow simultaneously, enhancing overall profitability. Additionally, the acquisition of Norwegian Beverage Group AS underscores the vitality of the M&A strategy, even in a relatively subdued M&A market environment. It's worth noting that our financial model does not account for additional acquisitions. Therefore, any potential future acquisitions would likely lead to upward adjustments in our estimates, consequently positively impacting our valuation.

Revenue and EBIT (SEKm), base case scenario



- **A fair value of SEK 46.7 per share** is calculated for the upcoming 6-12 months in a base case scenario within the interval of 37.8-53.3. A fair value per share of SEK 46.7 correspond to a potential upside of 14%.
- Fair value corresponds to an EV/Sales NTM at 1.1x.
- Fair value corresponds to an EV/EBIT NTM at 17.5x.
- Peers are trading at a median EV/Sales NTM at 0.7x.
- Peers are trading at a median EV/EBIT NTM at 15.1x.
- The premium is justified by anticipated margin expansion.

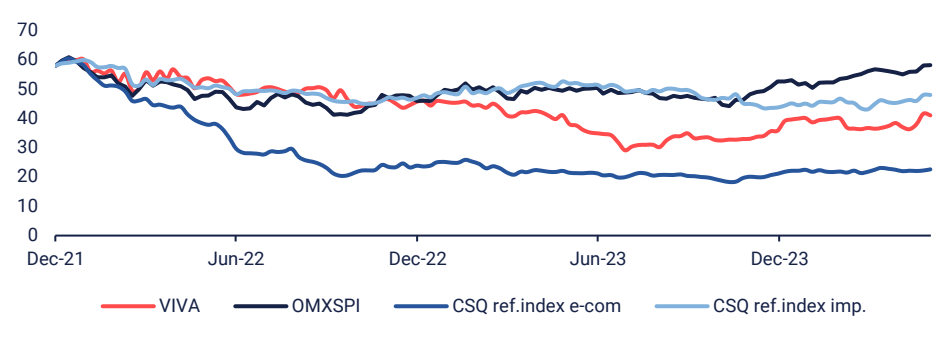


- Discontinued cooperation with key partner producers may result in lost revenue relatively immediately.
- The underlying market is not working in Viva's favour. Global wine consumption has been trending down since 2007.
- Potential changes in regulations of trade and marketing of alcoholic beverages can make conditions better or worse.
- The number of funds and similar that is allowed to invest in businesses that work with alcohol is limited.
- At the end Q1 2024, Viva had non-current interest-bearing liabilities of SEK 636m. The terms are unknown to us.

Share and valuation trends

The chart below illustrates the performance of the Viva share relative to OMXSPI, CSQ reference index importers, and CSQ reference index e-com. Since Dec. 2021, Viva has demonstrated relative weakness compared to OMXSPI and CSQ reference index importers but has exhibited stronger performance compared to CSQ reference index e-com. That may be attributed to the group's structure with two distinct business segments. The dynamics considering the current revenue distribution between the Nordics and Viva eCom could influence the market perception.

Share price development (Index 17 Dec. 2021 = SEK 58.0)



Source: S&P Capital IQ and Carlsquare

Below is the valuation trend for revenue and profitability. Note that the valuation multiples are calculated on a rolling 12-month. As can be seen, Viva is valued at a premium to its peer groups. Thus, growth and margin expansion are, to some extent, already priced in.

EV/Sales LTM



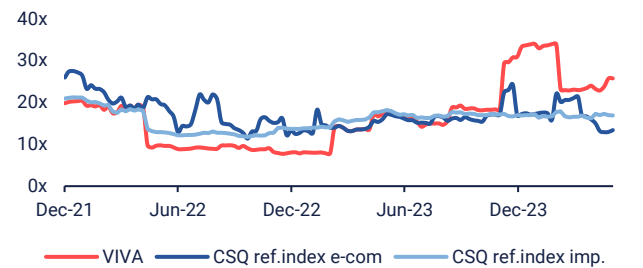
LTM = last twelve months. Source: S&P Capital IQ and Carlsquare

EV/EBITDA LTM



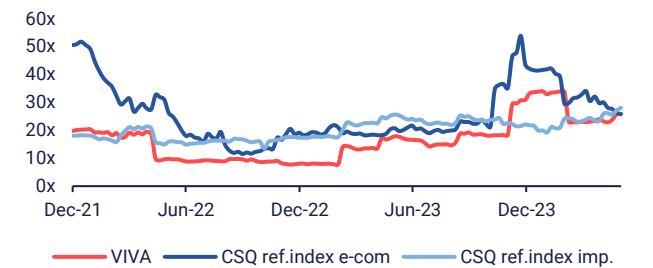
LTM = last twelve months. Source: S&P Capital IQ and Carlsquare

EV/EBIT LTM



LTM = last twelve months. Source: S&P Capital IQ and Carlsquare

P/E LTM



LTM = last twelve months. Source: S&P Capital IQ and Carlsquare

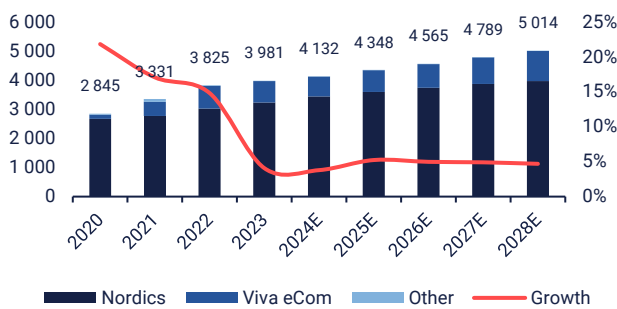
Estimates and revisions

Estimates and revisions (SEKm)

	New			Previous			Revision		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Net sales	4,132	4,348	4,565	4,194	4,419	4,637	-1.5%	-1.6%	-1.6%
Total operating income	4,142	4,356	4,573	4,202	4,427	4,645	-1.4%	-1.6%	-1.6%
Gross profit on net sales	829	921	994	853	942	1,016	-2.8%	-2.3%	-2.2%
EBITDA	377	442	493	368	417	479	2.5%	5.9%	2.9%
Adj. EBITA	346	411	462	338	386	447	2.2%	6.5%	3.4%
EBIT	245	308	359	238	286	346	3.0%	7.6%	3.7%

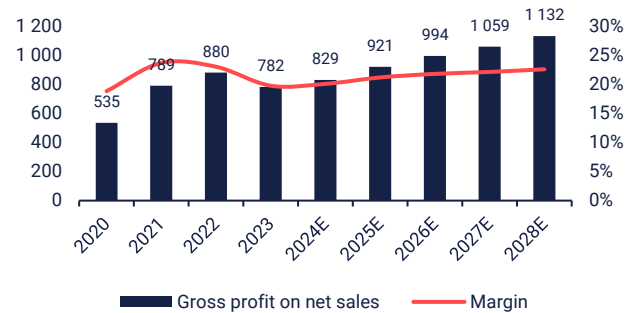
Estimates in SEKm. Source: Carlsquare estimates

Net sales (SEKm) and growth (%)



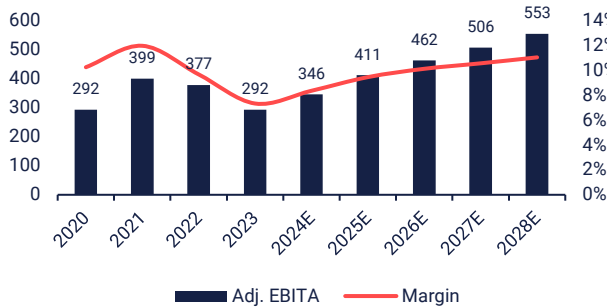
Source: Company information and Carlsquare estimates

Gross profit (SEKm) and margin (%)



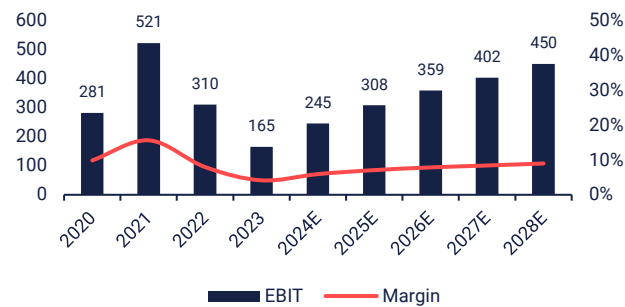
Gross profit = total revenue reduced by the cost of goods sold and distribution costs. Source: company information and Carlsquare forecasts

Adj. EBITA (SEKm) and margin (%)



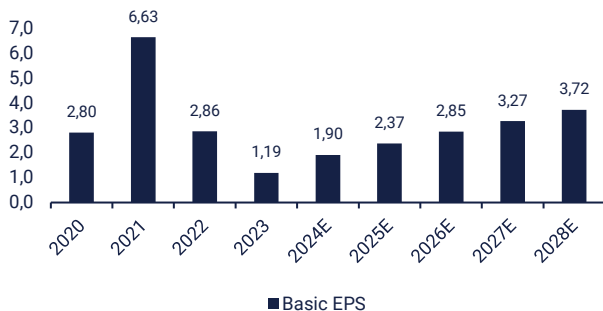
Source: Company information and Carlsquare estimates

EBIT (SEKm) and margin (%)



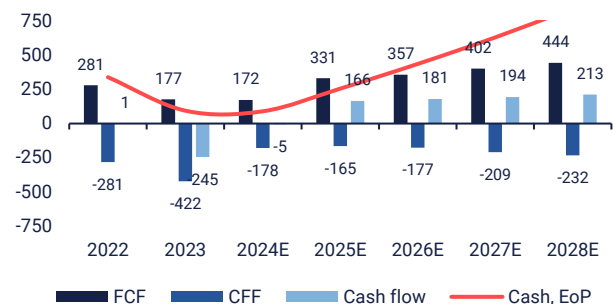
Source: Company information and Carlsquare estimates

EPS (SEK)



Source: Company information and Carlsquare estimates

Cash flow (SEKm)

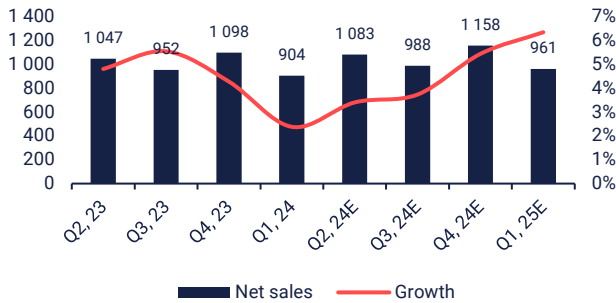


Source: Company information and Carlsquare estimates

The board has suggested a dividend of SEK 1.55 per share.

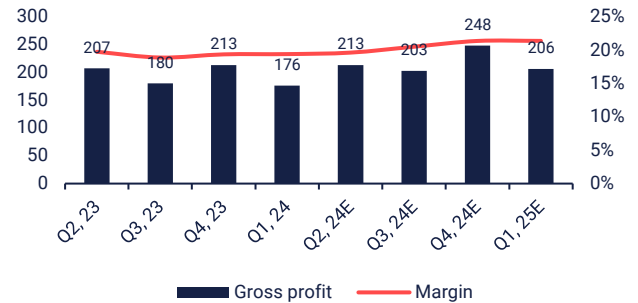
On a quarterly basis

Net sales (SEKm) and growth (%)



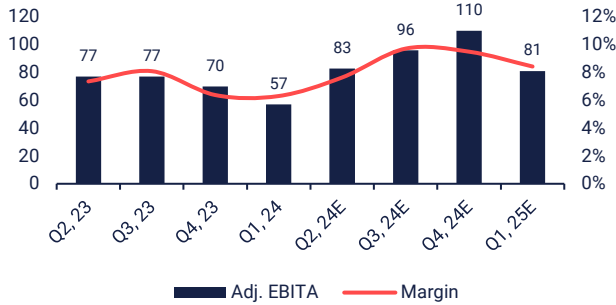
Source: Company information and Carlsquare estimates

Gross profit (SEKm) and margin (%)



Gross profit = total revenue reduced by the cost of goods sold and distribution costs. Source: company information and Carlsquare forecasts

Adj. EBITA (SEKm) och margin (%)



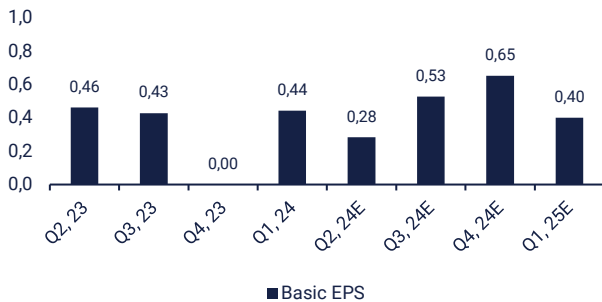
Source: Company information and Carlsquare estimates

EBIT (SEKm) and margin (%)



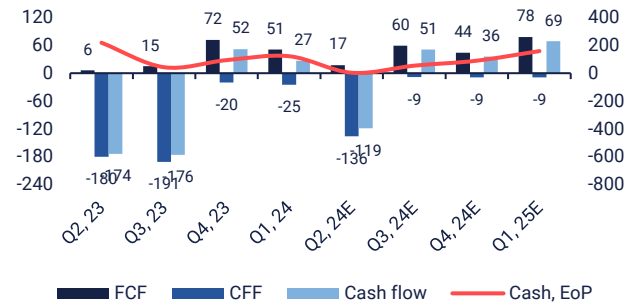
Source: Company information and Carlsquare estimates

EPS (SEK/share)



Source: Company information and Carlsquare estimates

Cash flow and cash position (SEKm)



Source: Company information and Carlsquare estimates

Fair value within a range

Growth and margin expansion motivate upside

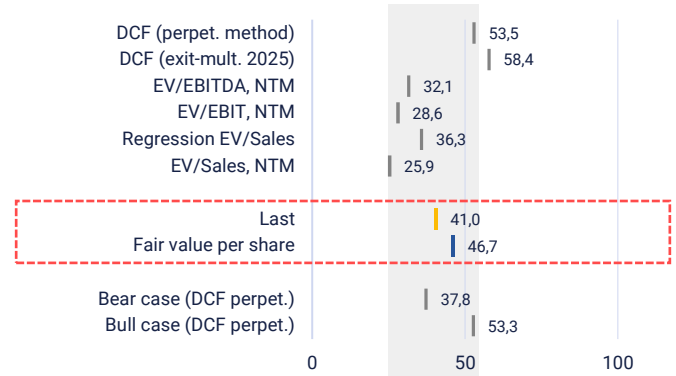
Combining a DCF valuation with a multiple valuation we calculate a fair value of SEK 45.5 per share (46.2) for the next 6-12 months in a base case scenario. That corresponds to an upside potential of approximately 23%. The valuation is predicated on continued strong growth coupled with improved margins.

Fair value (SEK/share), base case

		weight	
Currency, SEK/SEK			1.0
EV/Sales, NTM	SEK	5.0%	25.9
Regression EV/Sales	SEK	10%	36.3
EV/EBIT, NTM	SEK	15%	28.6
DCF valuation	SEK	70%	53.5
Fair value per share	SEK		46.7
Potential up-/downside			14%
Shares outstanding, fully financed	M		88.8
Equity value	SEKm		4,146
Cash (last rep. Q)	SEKm		122.0
Debt (last rep. Q)	SEKm		621
PV cash from equity financing	SEKm		0.0
EV	SEKm		4,645

Source: Carlsquare estimates

Fair value within a range (SEK/share)



Source: Carlsquare estimates

Implicit valuation multiples, base case

	2022	2023	Curr. NTM	NTM	2024E	2025E	2026E	2027E	2028E
EV/Sales	1.2x	1.0x	1.0x	1.1x	1.1x	1.1x	1.0x	1.0x	0.9x
EV/EBITDA	10.1x	14.3x	10.4x	11.6x	12.3x	10.5x	9.4x	8.6x	7.9x
EV/EBIT	14.7x	25.3x	15.6x	17.5x	18.9x	15.1x	12.9x	11.5x	10.3x
P/E	15.5x	33.2x	21.5x	25.1x	24.5x	19.7x	16.4x	14.3x	12.6x

Source: Carlsquare estimates

Evaluation, three scenarios

	BEAR	BASE	BULL
Rev. growth assumptions			
CAGR, 2023-26	4.5%	4.7%	4.9%
CAGR, 2026-29	4.3%	4.6%	5.2%
CAGR, 2023-33	3.8%	4.0%	4.3%
Assumptions, Adj. EBITA margins			
AVG, 2024-26	8.1%	9.3%	10.2%
AVG, 2027-29	8.8%	11.0%	12.0%
AVG, 2024-33	8.9%	10.8%	11.2%
2033	9.6%	11.9%	13.0%
Calculated value per share (SEK)	37.8	46.7	53.3

Source: Carlsquare estimates

DCF evaluation

DCF valuation, base case scenario

DCF valuation					
PV(UFCF)	SEKm	2,705	Disc. rate		
PV(TV)	SEKm	2,632	Risk free rate	2.3%	Tax adjust. r on debt 5.6%
Enterprise value	SEKm	5,337	Market risk premium	6.7%	Leverage 14.8%
Net debt (+), last Q	SEKm	499	Size premium	1.0%	WACC 9.3%
Value, associated comps.	SEKm	0.0	Beta	1.0x	Comp. spec. premium 0.0%
Value, minority interest	SEKm	-84	Req. return on equity	10.0%	Discount rate 9.3%
Shareholder value	SEKm	4,753	Assumptions		
PV(equity financing proceeds)	SEKm	0.0	CAGR, 2023-33E	4.0%	
Shareholder value, after financing	SEKm	4753	EBITDA-margin, 2033E	12.5%	
Current shares outstanding	M	88.8	EBIT-margin, 2033E	10.2%	
New shares	M	0.0	Tax rate	20.6%	
Shares outstanding after financing and dilution	M	88.8	Implied multiples		
Value per share (before financing and dilution)	SEK	53.5	EV/Sales, NTM	1.3x	EV/EBITDA, NTM 13.4x
Value per share (after financing and dilution)	SEK	53.5	EV/Sales, 25E	1.2x	EV/EBITDA, 25E 12.1x
Currency	SEK/SEK	1.0	P/S, NTM	1.1x	EV/EBIT, NTM 20.1x
Value per share (before financing and dilution)	SEK	53.5	P/S, 25E	1.1x	EV/EBIT, 25E 17.3x
Value per share (after financing and dilution)	SEK	53.5	EV/Gross prof., NTM	6.2x	P/E, NTM 28.0x
Potential up-/downside		31%	EV/Gross prof., 25E	5.8x	P/E, 25E 22.0x

Source: Carlsquare estimates

Multiple valuation

Multiple evaluation median EV/Sales NTM, base case scenario

	Median Mcap (SEKm)	Sales CAGR, 2022-25	μEBIT marg, 2023-25	EV/Sales, NTM	EV/Sales, NTM
Ref. group, Median: Distributors	310	3%	10%	0.7x	-
Ref. group, Median: E-com, wine & other SE	62	5%	5%	-	0.7x
				Nordics+Oth.	Viva,eCom
Discount				0.0%	0.0%
Applied multiple				0.7x	0.7x
Net sales, NTM	SEKm			3,489	703
Enterprise value	SEKm			2,367	476
Sum enterprise value	SEKm			2,843	
Net debt (+), last Q	SEKm			499	
Value, associated comps.	SEKm			0.0	
Value, minority interest	SEKm			-45	
PV(equity financing proceeds)	SEKm			0.0	
Shareholder value, after financing	SEKm			2,299	
Current shares outstanding	M			88.8	
New shares	M			0.0	
Shares outstanding after financing and dilution	M			88.8	
Exchange rate	SEK/SEK			1.0	
Fair value per share after financing and dilution	SEK			25.9	

Source: S&P Capital IQ and Carlsquare estimates

Multiple evaluation EV/Sales regression, base case scenario

Slope	6.6		
Intercept	0.1	Net debt (+), last Q	SEKm 499
Rsq	59%	Value, associated comps.	SEKm 0.0
CAGR, 2023-26	4.7%	Value, minority interest	SEKm -60
Avg. EBIT margin, 2023-2025	6.9%	PV(equity financing proceeds)	SEKm 0.0
Growth + margin	12%	Shareholder value, after financing	SEKm 3,225
Implied multiple	0.9x	Current shares outstanding	M 88.8
Rebate	0.0%	New shares	M 0.0
Applied multiple	0.9x	Shares outstanding after financing and dilution	M 88.8
Net sales, NTM	SEKm 4,189	Exchange rate	SEK/SEK 1.0
Fair EV	SEKm 3,784	Fair value per share after financing and dilution	SEK 36.3

EV/Sales NTM and growth plus EBIT margin, NTM. Source: S&P Capital IQ and Carlsquare estimates

Multiple valuation median EV/EBIT NTM, base case scenario

	Median Mcap (SEKm)	Sales CAGR, 2022-25	μEBIT marg. 2023-25	EV/EBIT, NTM
Ref. group, Median	169	4%	9%	11.6x
Ref. group, Average	2,342	5%	12%	14.0x
Discount				0.0%
Applied multiple				11.6x
Adj. EBIT, NTM	SEKm			266
Enterprise value	SEKm			3,088
Net debt (+), last Q	SEKm			499
Value, associated comps.	SEKm			0.0
Value, minority interest	SEKm			-49
PV(equity financing proceeds)	SEKm			0.0
Shareholder value, after financing	SEKm			2,540
Current shares outstanding	M			88.8
New shares	M			0.0
Shares outstanding after financing and dilution	M			88.8
Exchange rate	SEK/SEK			1.0
Fair value per share after financing and dilution	SEK			28.6

Source: S&P Capital IQ and Carlsquare estimates

Risks and Challenges

Discontinued cooperation with key partner producers

The group's portfolio consists of partner brands and their own brands. Historically, partner brands have accounted for 56% of the group's total volume. In the industry, business is done with great emphasis on personal relationships. A lost relationship thus entails the risk that a partner wine disappears from the company's product portfolio and revenue is lost relatively immediately. However, the company has historically had few interrupted partnerships, and as of 2020, 66% of the group's relationships with partner producers were ten years or longer.

Management at subsidiaries with good relationships with producers and other actors in the value chain often have direct shareholdings in their respective subsidiaries. Share ownership is an incentive to drive the business forward but also reduces the risk of losing important relationships with key people.

Changing rules of the game in the Nordic region

The purpose of monopolies is to limit alcohol consumption. There are studies and data that speak for the existence of monopolies, but there are also studies that speak against them. Deregulation in the sense of abolishing the monopolies would significantly change the conditions of the Nordic segment. The risk of such a scenario is currently assessed as low in all markets in the Nordic region.

Falling trend in wine consumption

Since 2000, global wine consumption has been up by 2.6%, but since 2007, the trend has been down. Despite falling consumption, the value of the market has increased with price inflation. However, an underlying demand that decreases is not optimal. At the same time, it should be noted that the Nordic segment increased its sales despite lower consumption in Sweden in terms of volume and revenue between 2018 and 2022. That is a sign of strength.

Household purchasing power linked to wine consumption

The correlation between economic development and wine consumption is low. However, the company's outlook is expected to be affected by a continued weakening of household purchasing power. That would usually be driven by higher unemployment or continued rising interest rates.

Regulations and a limited number of investors

The trade and marketing of alcoholic beverages is regulated in all markets in which the company operates. Regulation changes, including taxation, can change the conditions for the better or worse.

Furthermore, a large proportion of funds and similar are not allowed to invest in businesses that work with alcohol. That limits the number of investors.

Loans

At the end of Q1 2024, Viva had interest-bearing liabilities of SEK 636m. Of this amount, there is a so-called term loan of EUR 50m, the terms of which are unknown to us.

Accounts and key figures

Income statement (SEKm), quarterly basis

	Q2, 23	Q3, 23	Q4, 23	Q1, 24	Q2, 24E	Q3, 24E	Q4, 24E	Q1, 25E
Viva Wine Group								
Net sales*	1 047	952	1 098	904	1 083	988	1 158	961
Total revenue	1 049	954	1 101	908	1 085	990	1 160	963
Gross profit on net sales	205	178	210	172	211	201	246	204
EBITDA	78	78	69	66	90	103	117	89
EBITA	73	73	62	58	83	96	110	81
Adj. EBITA	77	77	70	57	83	96	110	81
EBIT	47	45	35	33	57	70	84	55
EBT	52	26	0	50	32	60	74	45
Net profit/loss	42	43	2	40	26	48	59	36
Basic EPS (SEK)	0,46	0,43	0,00	0,44	0,28	0,53	0,65	0,40
Growth	Q2, 23	Q3, 23	Q4, 23	Q1, 24	Q2, 24E	Q3, 24E	Q4, 24E	Q1, 25E
Net sales*	5%	6%	4%	2%	3%	4%	5%	6%
Total revenue	5%	-2%	4%	3%	3%	4%	5%	6%
Gross profit on net sales	-12%	-32%	-11%	-8%	3%	13%	16%	17%
EBITDA	-20%	-50%	-34%	-4%	16%	32%	70%	34%
EBITA	-31%	-61%	-44%	-13%	21%	56%	140%	66%
EBT	-48%	-79%	0%	40%	-38%	130%	0%	-10%
Net profit/loss	-47%	-54%	-96%	39%	-39%	11%	2868%	-10%
Margins	Q2, 23	Q3, 23	Q4, 23	Q1, 24	Q2, 24E	Q3, 24E	Q4, 24E	Q1, 25E
Gross margin	20%	19%	19%	19%	19%	20%	21%	21%
EBITDA margin	7%	8%	6%	7%	8%	10%	10%	9%
EBITA margin	7%	8%	6%	6%	8%	10%	9%	8%
Adj. EBITA margin	7%	8%	6%	6%	8%	10%	9%	8%
EBIT margin	4%	5%	3%	4%	5%	7%	7%	6%
EBT margin	5%	3%	0%	6%	3%	6%	6%	5%
Profit margin	4%	5%	0%	4%	2%	5%	5%	4%
Nordics								
Net sales	867	781	892	742	923	830	946	783
Gross profit	131	107	124	107	147	136	158	132
EBITDA	63	61	61	50	77	89	93	71
Adj. EBITA	62	59	60	48	75	87	91	69
Growth	Q2, 23	Q3, 23	Q4, 23	Q1, 24	Q2, 24E	Q3, 24E	Q4, 24E	Q1, 25E
Net sales	8%	7%	7%	6%	6%	6%	6%	5%
Gross profit	-15%	-12%	-14%	-5%	12%	27%	27%	23%
EBITDA	-20%	-10%	-27%	2%	22%	46%	52%	42%
Adj. EBITA	-21%	-12%	-26%	0%	21%	48%	51%	43%
Margins	Q2, 23	Q3, 23	Q4, 23	Q1, 24	Q2, 24E	Q3, 24E	Q4, 24E	Q1, 25E
Gross margin	15%	14%	14%	14%	16%	16%	17%	17%
EBITDA margin	7%	8%	7%	7%	8%	11%	10%	9%
Adj. EBITA margin	7%	8%	7%	6%	8%	10%	10%	9%
eCom								
Net sales	176	169	205	161	158	157	211	177
Gross profit	71	69	85	64	63	64	87	71
EBITDA	13	15	16	17	16	19	27	20
Adj. EBITDA	16	17	20	12	13	16	23	17
Growth	Q2, 23	Q3, 23	Q4, 23	Q1, 24	Q2, 24E	Q3, 24E	Q4, 24E	Q1, 25E
No. of orders	-16%	-7%	-1%	-10%	-5%	-3%	2%	7%
Net sales	-7%	2%	-4%	-12%	-10%	-7%	3%	10%
Gross profit	-5%	3%	-2%	-12%	-11%	-7%	2%	11%
EBITDA	-28%	-82%	-43%	0%	21%	25%	66%	18%
Adj. EBITDA	-25%	-84%	-54%	-13%	6%	20%	96%	20%
Margins	Q2, 23	Q3, 23	Q4, 23	Q1, 24	Q2, 24E	Q3, 24E	Q4, 24E	Q1, 25E
Gross margin	40%	41%	42%	40%	40%	41%	41%	40%
EBITDA margin	7%	9%	8%	11%	10%	12%	13%	11%
Adj. EBITA margin	9%	10%	10%	8%	8%	10%	11%	10%

*Incl. Others and after eliminations. Source: Company information and Carlsquare estimates

Income statement (SEKm)

	2022	2023	2024E	2025E	2026E	2027E	2028E
Viva Wine Group							
Net sales	3,825	3,981	4,132	4,348	4,565	4,789	5,014
Total operating income	3,905	3,989	4,142	4,356	4,573	4,797	5,022
Gross profit on net sales	880	782	829	921	994	1,059	1,132
EBITDA	454	293	377	442	493	537	585
EBITA	433	271	347	411	462	506	553
Adj. EBITA	377	292	346	411	462	506	553
EBIT	310	165	245	308	359	402	450
EBT	359	112	217	270	324	371	423
Net profit/loss	278	115	174	216	259	297	339
Tot. comp. PL attributed to parent company	254	106	169	211	253	290	330
Basic EPS	2.86	1.19	1.90	2.37	2.85	3.27	3.72
EPS aft. dilution	2.86	1.19	1.90	2.37	2.85	3.27	3.72
No. of share, EoP	88.8	88.8	88.8	88.8	88.8	88.8	88.8
Avg. no. of shares	88.8	88.8	88.8	88.8	88.8	88.8	88.8
Growth							
Net sales	15%	4%	4%	5%	5%	5%	5%
Total operating income	17%	2%	4%	5%	5%	5%	5%
Gross profit on net sales	12%	-11%	6%	11%	8%	7%	7%
EBITDA	-22%	-35%	29%	17%	12%	9%	9%
EBITA	-23%	-37%	28%	19%	12%	9%	9%
Adj. EBITA	-6%	-23%	18%	19%	12%	9%	9%
EBIT	-40%	-47%	49%	25%	17%	12%	12%
Net profit/loss	-40%	-59%	52%	24%	20%	15%	14%
Basic EPS	-79%	-58%	59%	25%	20%	15%	14%
Margins							
Gross profit on net sales	23%	20%	20%	21%	22%	22%	23%
EBITDA	12%	7%	9%	10%	11%	11%	12%
EBITA	11%	7%	8%	9%	10%	11%	11%
Adj. EBITA	10%	7%	8%	9%	10%	11%	11%
EBIT	8%	4%	6%	7%	8%	8%	9%
Net profit/loss	7%	3%	4%	5%	6%	6%	7%
Nordics							
Net sales	3,029	3,238	3,441	3,596	3,740	3,871	3,974
Gross profit	556	475	548	613	655	679	699
EBITDA	308	235	309	362	395	412	425
Adj. EBITA	304	229	301	354	387	403	416
Growth							
Net sales	NA	7%	6%	5%	4%	3%	3%
Gross profit	NA	-15%	15%	12%	7%	4%	3%
EBITDA	NA	-24%	31%	17%	9%	4%	3%
Adj. EBITA	NA	-25%	31%	18%	9%	4%	3%
Margins							
Gross margin	18%	15%	16%	17%	18%	18%	18%
EBITDA margin	10%	7%	9%	10%	11%	11%	11%
Adj. EBITA margin	10%	7%	9%	10%	10%	10%	10%
eCom							
Net sales	775	732	687	747	820	913	1,034
Gross profit	309	298	278	305	337	378	431
EBITDA	144	61	78	89	103	130	164
Adj. EBITA	78	73	64	76	91	117	151
Growth							
No. of orders	NA	-11%	-4%	8%	9%	10%	12%
Net sales	NA	-6%	-6%	9%	10%	11%	13%
Gross profit	NA	-4%	-7%	10%	10%	12%	14%
EBITDA	NA	-58%	-12%	19%	19%	30%	29%
Adj. EBITA	NA	-6%	-12%	19%	19%	30%	29%
Margins							
Gross margin	40%	41%	41%	41%	41%	41%	42%
EBITDA margin	19%	8%	11%	12%	13%	14%	16%
Adj. EBITA margin	10%	10%	9%	10%	11%	13%	15%

*Incl. Others and after eliminations. Source: Company information and Carlsquare estimates

Balance sheet (SEKm)

	2022	2023	2024E	2025E	2026E	2027E	2028E
Tot. intangible assets	2,137	1,996	1,989	1,886	1,783	1,679	1,576
Tot. tangible assets	10	24	23	21	20	20	19
Tot. other fixed assets	144	176	176	176	176	176	176
Total LT assets	2,290	2,196	2,188	2,083	1,979	1,875	1,771
Inventories	535	516	589	610	634	676	705
Accounts receivables	670	739	620	658	698	722	762
Other current assets	71	91	97	100	105	108	114
Cash & cash eqv.	339	94	90	256	436	630	843
Total current assets	1,616	1,440	1,396	1,624	1,873	2,136	2,424
Total assets	3,906	3,636	3,584	3,707	3,852	4,011	4,196
Total equity	1,865	1,722	1,768	1,847	1,955	2,071	2,205
Provisions	19	0	0	0	0	0	0
LT debt to creditors	689	484	488	488	488	488	488
Other LT liabilities	350	362	369	369	369	369	369
Tot. long-term liabilities	1,038	846	857	857	857	857	857
ST debt to creditors	89	54	60	57	57	57	57
Accounts payable	427	508	463	492	506	529	556
Other current liabilities	468	505	436	455	477	497	521
Tot. short-term debt	984	1,068	959	1,003	1,039	1,083	1,134
Tot. equity and debt	3,906	3,636	3,584	3,707	3,852	4,011	4,196
Liquidity	2022	2023	2024E	2025E	2026E	2027E	2028E
Current ratio	1.6x	1.3x	1.5x	1.6x	1.8x	2.0x	2.1x
Quick ratio	1.0x	0.8x	0.7x	0.9x	1.1x	1.2x	1.4x
CF operations/current liabs.	0.3x	0.2x	0.2x	0.3x	0.3x	0.4x	0.4x
Leverage	2022	2023	2024E	2025E	2026E	2027E	2028E
Net debt(+)/Net cash(-)	492	523	534	365	185	-9	-222
Net debt(+)/Net cash(-), excl. leasing	439	444	458	289	109	-85	-298
Net debt/EBITDA	1.1x	1.8x	1.4x	0.8x	0.4x	0.0x	-0.4x
Tot. debt/Equity	45%	36%	35%	34%	32%	30%	28%
Tot. equity/tot. assets	48%	47%	49%	50%	51%	52%	53%
Efficiency	2022	2023	2024E	2025E	2026E	2027E	2028E
ROA	6%	3%	5%	6%	7%	8%	8%
ROE	12%	7%	10%	12%	13%	14%	15%
ROIC	6%	4%	5%	7%	8%	9%	11%

Source: Company information and Carlsquare estimates

Cash flow (SEKm)

	2022	2023	2024E	2025E	2026E	2027E	2028E
CFO b4 delta WC	363	197	241	365	411	449	492
Delta WC	-75	16	-20	-30	-50	-43	-43
CF operations	286	212	220	335	361	406	449
CF investing	-5	-35	-48	-4	-4	-4	-4
FCF	281	177	172	331	357	402	444
CF financing	-281	-422	-178	-165	-177	-209	-232
Cash flow	1	-245	-5	166	181	194	213
Cash, BoP	331	339	94	90	256	436	630
Cash, EoP	339	94	90	256	436	630	843
Key ratios	2022	2023	2024E	2025E	2026E	2027E	2028E
Delta WC/Total operating income	-2%	0%	0%	-1%	-1%	-1%	-1%
CF operations/Total operating income	7%	5%	5%	8%	8%	8%	9%
CF operations/EBITDA	63%	72%	58%	76%	73%	76%	77%
CF investing/Total operating income	0%	-1%	-1%	0%	0%	0%	0%
FCF/EBITDA	62%	60%	46%	75%	72%	75%	76%

Source: Company information and Carlsquare estimates

Key figures

	2022	2023	2024E	2025E	2026E	2027E	2028E
SEK/SEK	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Share price	44.4	39.6	41.0	41.0	41.0	41.0	41.0
Market cap	3,940	3,518	3,642	3,642	3,642	3,642	3,642
EV	4,568	4,179	4,176	4,141	4,141	4,141	4,141
P/S	1.0x	0.9x	0.9x	0.8x	0.8x	0.8x	0.7x
P/E	15.5x	33.2x	21.6x	17.3x	14.4x	12.6x	11.0x
P/CF operations	13.8x	16.6x	16.5x	10.9x	10.1x	9.0x	8.1x
EV/Sales	1.2x	1.0x	1.0x	1.0x	0.9x	0.9x	0.8x
EV/Gross profit	5.2x	5.3x	5.0x	4.5x	4.2x	3.9x	3.7x
EV/EBITDA	10.1x	14.3x	11.1x	9.4x	8.4x	7.7x	7.1x
EV/EBIT	14.7x	25.3x	17.0x	13.5x	11.5x	10.3x	9.2x
CSQ fair value per share	44.4	39.6	46.7	46.7	46.7	46.7	46.7
CSQ market cap	3,940	3,518	4,146	4,146	4,146	4,146	4,146
CSQ EV	4,568	4,179	4,680	4,511	4,331	4,137	3,924
P/S. CSQ implied	1.0x	0.9x	1.0x	1.0x	0.9x	0.9x	0.8x
P/E. CSQ implied	14.2x	30.6x	23.8x	19.2x	16.0x	13.9x	12.2x
P/CF operations. CSQ implied	13.8x	16.6x	18.8x	12.4x	11.5x	10.2x	9.2x
EV/Sales. CSQ implied	1.2x	1.0x	1.1x	1.0x	0.9x	0.9x	0.8x
EV/Gross profit. CSQ implied	5.2x	5.3x	5.0x	4.5x	4.2x	3.9x	3.7x
EV/EBITDA. CSQ implied	10.1x	14.3x	12.4x	10.2x	8.8x	7.7x	6.7x
EV/EBIT. CSQ implied	14.7x	25.3x	19.1x	14.7x	12.1x	10.3x	8.7x
Shares outstanding (EoP)	88.8	88.8	88.8	88.8	88.8	88.8	88.8
Shares outstanding (Avg.)	60.9	88.8	88.8	88.8	88.8	88.8	88.8
Shares outstanding. fully dil. (Avg.)	60.9	88.8	88.8	88.8	88.8	88.8	88.8
EPS (SEK)	61.3	89.2	89.2	89.2	89.2	89.2	89.2
DPS (SEK)	2.86	1.19	1.90	2.37	2.85	3.27	3.72
BV per share (SEK)	1.50	1.55	1.61	1.55	1.70	2.05	2.30
tBV per share (SEK)	28.5	21.0	19.4	19.9	20.8	22.0	23.3
EV per share (SEK)	0.8	0.1	0.3	0.3	0.2	0.2	0.2
Equity per share	75.0	47.0	47.0	46.6	46.6	46.6	46.6
Dividend yield	30.6	19.4	19.9	20.8	22.0	23.3	24.8
FCF yield	3.4%	3.9%	3.9%	3.8%	4.1%	5.0%	5.6%
FCF yield (unleveraged)	7.1%	5.0%	4.7%	9.1%	9.8%	11.0%	12.2%

Source: Company information and Carlsquare estimates

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