
Zevia®
Q3 2022 FINANCIAL RESULTS
NOVEMBER 10, 2022

SAFE HARBOR STATEMENT

This presentation and the related earnings press release contains “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 “guidance,” “believe,” “anticipate,” “expect,” “estimate,” “intend,” “project,” “plan,” “seek,” “pursue,” “will,” or words or phrases with similar meaning. 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, if at all. Forward-looking statements contained in this presentation and the related earnings press release relate to, among other things, statements regarding our anticipated growth, strategic direction, operating environment, distribution, velocity, pricing, costs and net sales guidance. 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 cost reduction initiatives, change in consumer preferences, pricing factors, 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, competitive and governmental factors outside of our control, such as the impact of the effects of the COVID-19 pandemic and adverse global macroeconomic conditions and geopolitical events or conflicts, 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”), including our Form 10-Q , for additional information regarding the risks and uncertainties that may cause actual results to differ materially from those expressed in any forward-looking statement. The Company’s SEC filings are available at no charge at 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 can assist investors in evaluating the Company’s operational trends, financial performance, and cash generating capacity. Management believes this non-GAAP financial measure allows investors to evaluate the Company’s financial performance using some of the same measures as management. We calculate Adjusted EBITDA as net income (loss), the most comparable GAAP measurement, 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 and (4) equity-based compensation. 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. 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. This non-GAAP financial measure is designed to supplement, and not substitute the Company’s financial information presented in accordance with GAAP. The non-GAAP financial measure as defined by the Company may not be comparable to similar non-GAAP financial measures presented by other companies. Reconciliations of the Company’s non-GAAP financial measures to the most directly comparable GAAP financial metrics are available in the Company’s related earnings press release and on the Company’s website at https://investors.zevia.com/.

WE

ARE

an ESG company addressing global health and sustainability by providing a platform of great-tasting, naturally sweetened, zero-sugar beverages, without selling a single plastic bottle.



WE

BELIEVE

in supporting the health of individuals, of the communities in which we live, and in becoming 1% better every day.

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 ZEVIA
SOLUTION



AUTHENTIC, ESG-FOCUSED Beverage Brand Addressing Global Sugar and Plastic Challenges

Broad **VARIETY OF FLAVORS FOR EVERY FAMILY MEMBER** and Usage Occasion

Made with a Common Set of **PLANT-BASED INGREDIENTS, BUILDING CONSUMER TRUST**

Proven Traction in **KEY RETAIL/ECOMMERCE CHANNELS**, with Significant **US AND GLOBAL WHITESPACE**

by THE

NUMBERS

ZEVIA LEADS THE PACK IN ZERO-CALORIE BRANDS

1 platform brand

#1 CSD brand on Amazon

#1 CSD brand in natural channel



HOUSEHOLD PENETRATION

6.3%

NEW ZEVIA HOUSEHOLDS IN L12M

+1.3M

Source: SPINScan Data through 10/2/2022; 1010data through 9/30/2022; Shopper Metrics Report for 12M ending 9/30/2022

High-Performing, GLOBALLY DISRUPTIVE

BEVERAGE COMPANY



SUPPORTING GLOBAL PUBLIC HEALTH WITH GREAT-TASTING, ZERO SUGAR, PLANT-BASED BEVERAGES



SALES

- Expand Distribution
- Accelerate Velocity
- Leverage Platform Brand
- Expand Market Share



PROFITABILITY

- Optimize Supply Chain
- Leverage Pricing Power



ESG

- Reduce Sugar Consumption
- Eliminate Plastic
- Affordable Better-for-you Beverages

MAXIMIZE SHAREHOLDER VALUE

FINANCIAL RESULTS

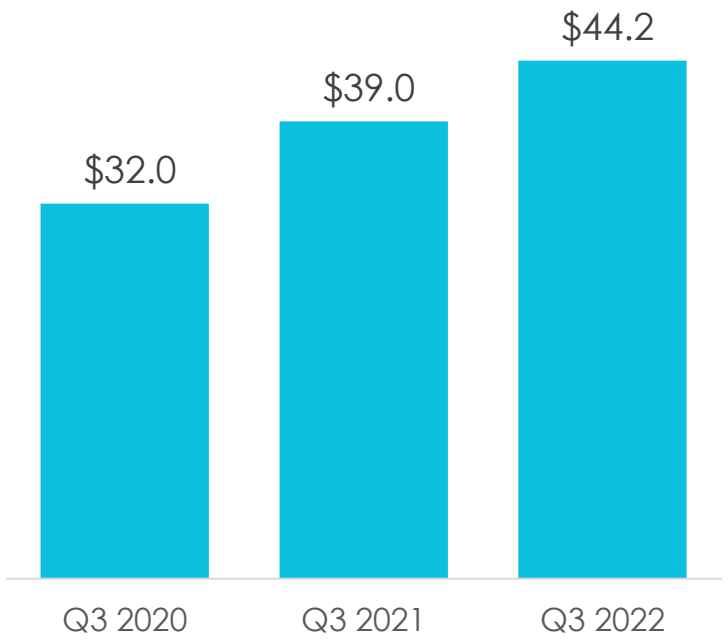


Q3 2022 FINANCIALS OVERVIEW – YEAR OVER YEAR

($ IN MILLIONS)

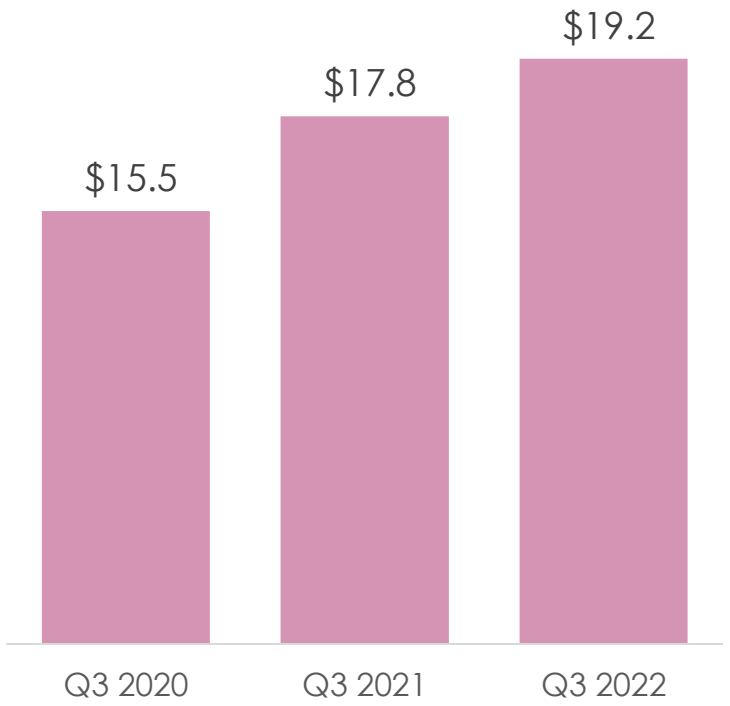
Net Sales

Two Year Growth – 38%



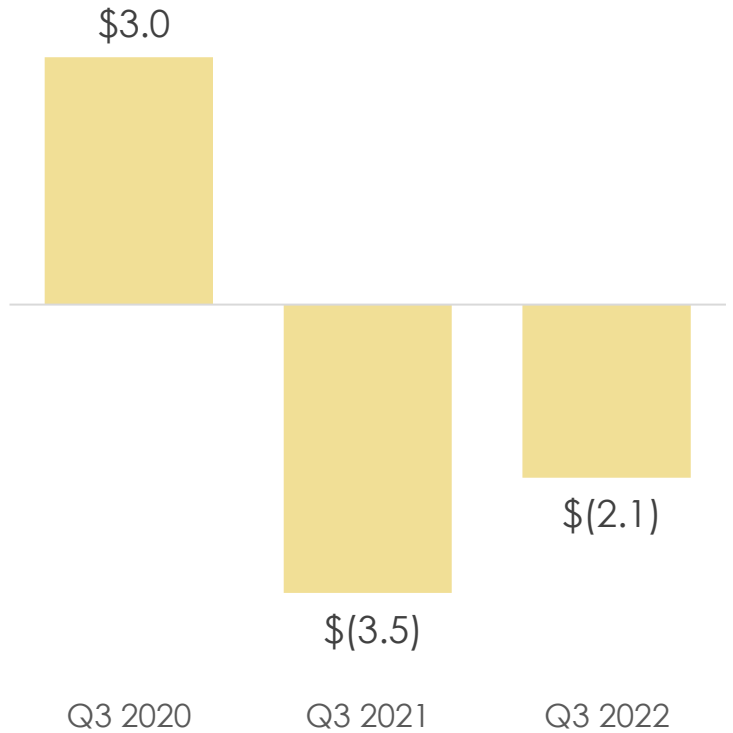
% Growth	
55%	22%

Gross Profit[1]



% of Net Sales		
48%	46%	43%

Adjusted EBITDA[2]



% of Net Sales		
9%	N/A[3]	N/A[3]

[1] *Gross profit for 2020 and 2021 have been adjusted to reflect the reclassification of repackaging and handling costs from cost of goods sold to selling and marketing expenses*

[2] *Adjusted EBITDA is a non-GAAP financial measure that adds back other income (expense), net, provision (benefit) for income taxes, depreciation and amortization, and equity-based compensation. See appendix to this presentation for a discussion of this measure and a reconciliation to the most directly comparable GAAP measure.*

[3] *Q3 2021 and 2022 represents a net loss*

YTD 2022 FINANCIALS OVERVIEW – YEAR OVER YEAR

($ IN MILLIONS)

Net Sales

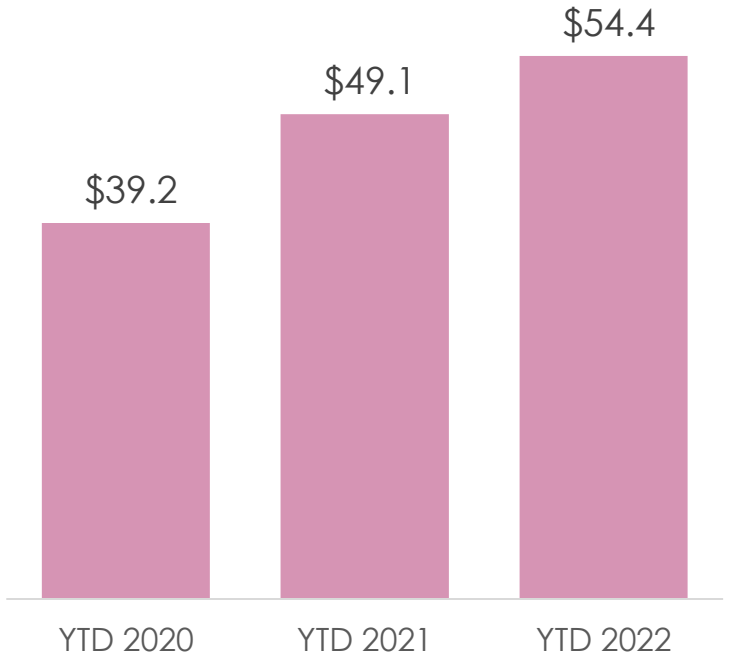
Two Year Growth – 55%



% Growth	
30%	27%

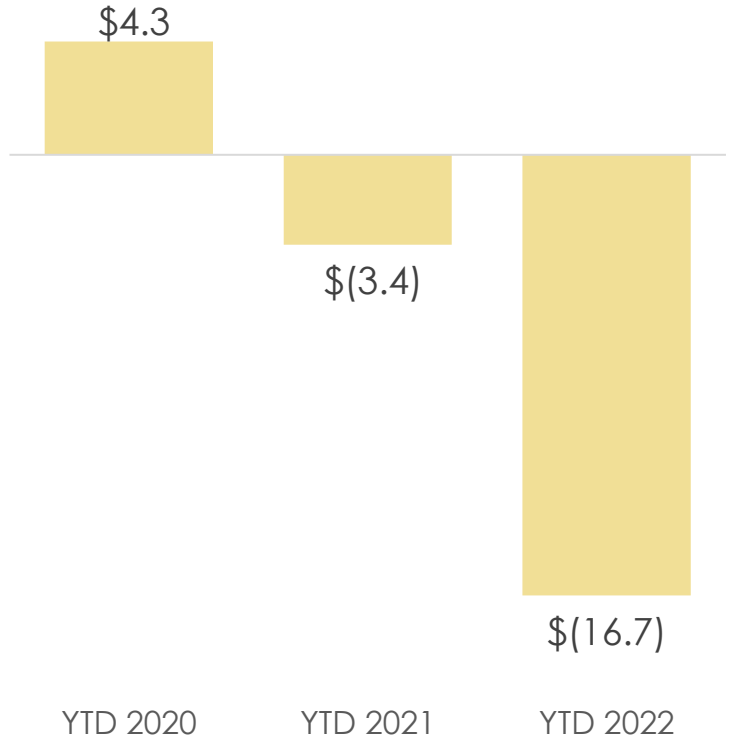
23%		

Gross Profit[1]



% of Net Sales		
48%	47%	43%

Adjusted EBITDA[2]



% of Net Sales		
5%	N/A[3]	N/A[3]

[1] *Gross profit for 2020 and 2021 have been adjusted to reflect the reclassification of repackaging and handling costs from cost of goods sold to selling and marketing expenses*

[2] *Adjusted EBITDA is a non-GAAP financial measure that adds back other income (expense), net, provision (benefit) for income taxes, depreciation and amortization, and equity-based compensation. See appendix to this presentation for a discussion of this measure and a reconciliation to the most directly comparable GAAP measure.*

[3] *YTD 2021 and 2022 represents a net loss*

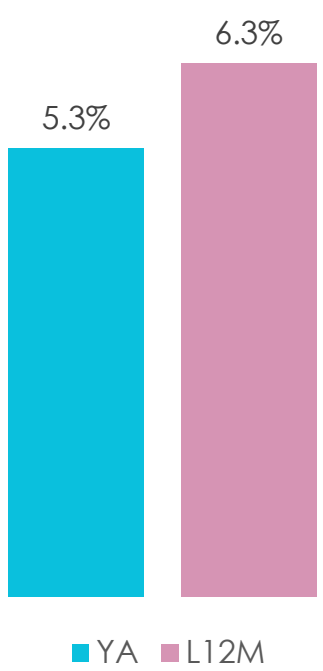
RECENT DEVELOPMENTS

SYNDICATED DATA & COMPANY INITIATIVES



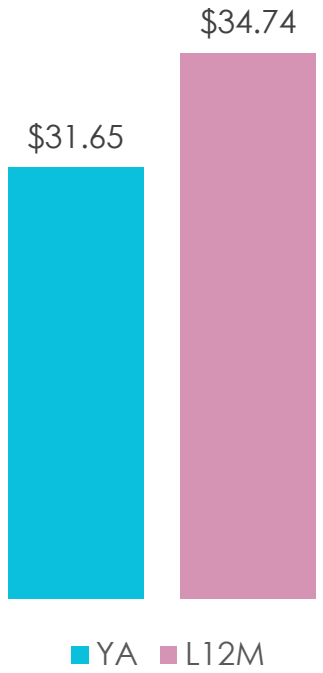
CONSUMER PANEL METRICS

Household Penetration

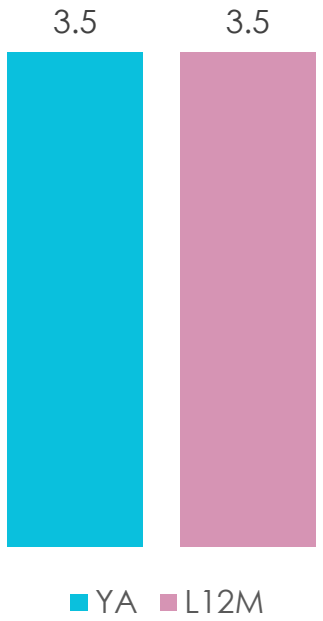


% household penetration

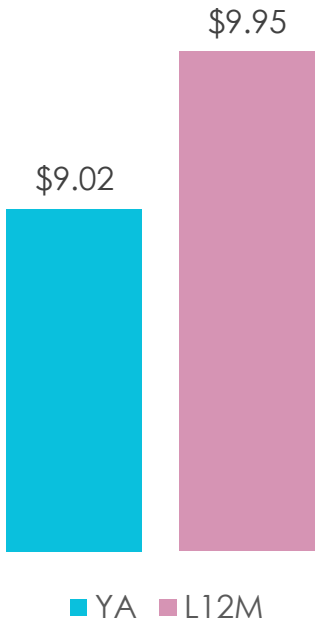
Purchase Trends



Dollar sales per household



Purchase Frequency



Dollar sales per trip

Source: Numerator Shopper Panel Data for 12M ending 9/30/2022 versus Year Ago

ESG METRICS & ACHIEVEMENTS



Sugar Reduction

Eliminated 3.5K metric tons of sugar from our consumers' diets in the Q



Plastic Reduction

Eliminated 52 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**.



Company Culture

Received two more 2022 awards from Comparably, **Best Company Compensation and Best Company Perks & Benefits** among small and mid-sized companies, as measured by anonymous employee surveys

2022 GUIDANCE RESET : $158 - 160M IN NET SALES

14.2 - 15.7% GROWTH vs 2021

- **Consumer metrics** including household penetration, household spending, velocity and distribution are **healthy and lead the category**
- Growth is **driven primarily by volume, price, and product mix**; strong price implementation supports profitable growth, while volume continues to grow in all channels
- **Customer inventory management** at retail and in eCommerce has a **transitory but material impact on shipments** and thus net revenue for Q3 and the balance of year
- Q4 2022 sales will **cycle the Warehouse Club pipeline fill** from Q4 2021, a one-time effect
- We are **focused on quality growth**, thus resetting guidance along the path to profitability and ahead of the 2023 brand refresh

APPENDIX



PROFIT & LOSS AND ADJUSTED EBITDA RECONCILIATION
($ IN MILLIONS)

	Q3 2022	Q3 2021[1]	Q3 2020[1]	Q3 2022 YTD[1]	Q3 2021 YTD[1]	Q3 YTD 2020[1]	YE 2021[1]	YE 2020[1]
Net Sales	**$44.2**	**$39.0**	**$32.0**	**$127.8**	**$104.0**	**$82.2**	**$138.2**	**$110.0**
% Growth	*14%*	*22%*	*55%*	*23%*	*27%*	*30%*	*26%*	*29%*
Cost of Goods Sold	$25.1	$21.2	$16.6	$73.4	$54.9	$43.0	$74.3	$58.7
Gross Profit	**$19.2**	**$17.8**	**$15.5**	**$54.4**	**$49.1**	**$39.2**	**$63.9**	**$51.3**
Gross Margin	*43%*	*46%*	*48%*	*43%*	*47%*	*48%*	*46%*	*47%*
Selling and Marketing	$12.9	$13.6	$7.5	$42.8	$33.2	$21.0	$45.1	$29.1
General and Administrative	$8.3	$7.7	$4.9	$28.3	$19.4	$13.9	$27.5	$18.8
Equity-based Compensation	$6.8	$45.7	$0.0	$23.8	$45.8	$0.1	$77.7	$7.9
Depreciation and Amortization	$0.3	$0.2	$0.3	$1.0	$0.7	$0.7	$1.0	$0.9
Income (Loss) from Operations	**($9.2)**	**($49.5)**	**$2.7**	**($41.5)**	**($50.0)**	**$3.5**	**($87.4)**	**($5.5)**
Other Income (Expense), Net	$0.0	($0.3)	($0.3)	$0.0	($0.3)	($0.5)	($0.2)	($0.6)
Net Income (Loss)	**($9.2)**	**($49.8)**	**$2.5**	**($41.5)**	**($50.3)**	**$3.0**	**($87.7)**	**($6.1)**
Net Income (Loss) to Adjusted EBITDA Reconciliation								
Net Income (Loss)	($9.2)	($49.8)	$2.5	($41.5)	($50.3)	$3.0	($87.7)	($6.1)
Other Expense (Income), Net[2]	$0.0	$0.3	$0.3	$0.0	$0.3	$0.5	$0.2	$0.6
Depreciation & Amortization	$0.3	$0.2	$0.3	$1.0	$0.7	$0.7	$1.0	$0.9
Equity-based Compensation	$6.8	$45.7	$0.0	$23.8	$45.8	$0.1	$77.7	$7.9
Adjusted EBITDA[3]	**($2.1)**	**($3.5)**	**$3.0**	**($16.7)**	**($3.4)**	**$4.3**	**($8.7)**	**$3.3**

[1] The periods in 2020, 2021 and 2022 have been adjusted to reflect the reclassification of repackaging and handling costs from cost of goods sold to selling and marketing expenses [2]Includes interest (income) expense, foreign currency (gains) losses, and (gain) losses on disposal of fixed assets. 3 Represents a non-GAAP financial measure and is presented for supplemental informational purposes only. Summations may not foot due to rounding.