



# THE VITA COCO COMPANY

THE PIONEER IN THE NATURAL  
& PLANT-BASED REVOLUTION  
4<sup>TH</sup> QUARTER & FULL YEAR 2021 RESULTS

# DISCLAIMER

## **Non-GAAP Financial Measures**

In addition to disclosing results determined in accordance with U.S. GAAP, The Vita Coco Company, Inc. (the "Company") also discloses certain non-GAAP results of operations, including, but not limited to, Adjusted EBITDA, that include certain adjustments or exclude certain charges and gains that are described in the reconciliation table of U.S. GAAP to non-GAAP information provided at the end of this release. These non-GAAP measures are a key metric used by management and our board of directors to assess our financial performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance and because we believe it is useful for investors to see the measures that management uses to evaluate the Company. In addition, we believe the presentation of these measures is useful to investors for period-to-period comparisons of results as the items described below in the reconciliation tables do not reflect ongoing operating performance.

These measures are not in accordance with, or an alternative to, U.S. GAAP, and may be different from non-GAAP measures used by other companies. In addition, other companies, including companies in our industry, may calculate such measures differently, which reduces its usefulness as a comparative measure. Investors should not rely on any single financial measure when evaluating our business. This information should be considered as supplemental in nature and is not meant as a substitute for our operating results in accordance with U.S. GAAP. We recommend investors review the U.S. GAAP financial measures included in this earnings release. When viewed in conjunction with our U.S. GAAP results and the accompanying reconciliations, we believe these non-GAAP measures provide greater transparency and a more complete understanding of factors affecting our business than U.S. GAAP measures alone.

## **Forward-Looking Statements**

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements, including but not limited to, statements regarding our future financial and operating performance, including our GAAP and non-GAAP guidance, our strategy, projected costs, prospects, expectations, plans, objectives of management, supply chain predictions and expected net sales and category share growth.

The forward-looking statements in this release are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements involve a number of risks, uncertainties or other factors beyond the Company's control. These factors include, but are not limited to, those discussed under the caption "Risk Factors" in our prospectus pursuant to Rule 424(b) filed with the U.S. Securities and Exchange Commission ("SEC") on October 22, 2021, our Quarterly Report on Form 10-Q for the period ended September 30, 2021 filed with the SEC on November 17, 2021 and our other filings with the SEC as such factors may be updated from time to time and which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and our Investor Relations page at [investors.thevitacocompany.com](http://investors.thevitacocompany.com). Any forward-looking statements contained in this presentation speak only as of the date hereof and accordingly undue reliance should not be placed on such statements. We disclaim any obligation or undertaking to update or revise any forward-looking statements contained in this presentation, whether as a result of new information, future events or otherwise, other than to the extent required by applicable law.

## **Website Disclosure**

The Company intends to use its websites, [vitacoco.com](http://vitacoco.com) and [investors.thevitacocompany.com](http://investors.thevitacocompany.com), as a means for disclosing material non-public information and for complying with SEC Regulation FD and other disclosure obligations.

# FULL YEAR 2021 PERFORMANCE HIGHLIGHTS

## NET SALES % GROWTH VS. PRIOR YEAR (PY)

### Americas



**+23%**

### International



**+17%**

**Vita Coco Coconut Water:**  
**+39%**

## NET SALES:

\$380MM / +22% vs. PY

## ADJUSTED EBITDA\*:

\$37MM / 10% margin

## CASH-ON-HAND:

\$29MM

## DEBT LEVERAGE:

0.0x

- Successful year with IPO completion, and organizational capability that continues to build and deliver
- Strong top line momentum with US Branded business driving Net Sales growth
- Grew IRI MULO-C Vita Coco Coconut Water +35% as of 52 weeks ending Dec 26, 2021
- Transportation cost pressure further increased in Q4 squeezing margins

\*For all non-GAAP information throughout this presentation, the U.S. GAAP to non-GAAP reconciliations may be found in the Appendix.

# BUILDING THE BETTER BEVERAGE PLATFORM OF THE FUTURE

A PUBLIC BENEFIT CORPORATION  
COMMITTED TO GIVING BACK



RESPONSIBLE BUSINESS,  
CULTURE,  
& VALUES



PROVEN INNOVATOR –  
TESTING ISOTONICS AND  
ENERGY<sup>2</sup>

COMMERCIAL AND FINANCIAL CAPABILITY  
TO SUPPORT M&A OF COMPLEMENTARY  
BRANDS

COCONUT BASED FUNCTIONAL BEVERAGES	ISOTONICS DAIRY ALT	NATURAL ENERGY
------------------------------------------	---------------------------	-------------------

FUTURE  
M&A OPPORTUNITIES<sup>3</sup>



AUTHENTIC CORE BRAND &  
MARKET LEADER

Pioneer: #1 Brand in  
Coconut Water Category

~49% Market Share in US  
(+7% vs. PY)<sup>1</sup>

DIFFERENTIATED  
ASSET-LITE  
SUPPLY CHAIN

GLOBAL SUPPLY CHAIN – COCONUT WATER  
AT SOURCE – SUPPORTED BY CO-PACK IN  
MARKET



STRATEGIC &  
FLEXIBLE RTM

OMNICHANNEL BUSINESS WITH BLUE-CHIP  
RETAILERS ACROSS CHANNELS

Amazon	Costco
Target	Walmart
	Instacart

STRONG COMMERCIAL  
CAPABILITIES<sup>4</sup>

N. AMERICA TEAM ~120 FTES INCLUDING

NATIONAL & REGIONAL ACCOUNTS ~ 30 FTES  
DSD MANAGEMENT & FIELD EXECUTION ~ 80 FTES  
SALES SUPPORT ~ 10 FTES

EUROPE (LONDON) ~40 FTES

1. RI USA – 52 weeks ending December 26, 2021 MULO-Conv - Vita Coco share 48.8%

2. Emerging Brands are in test in various channels and markets, to iterate and potentially launch national once proven

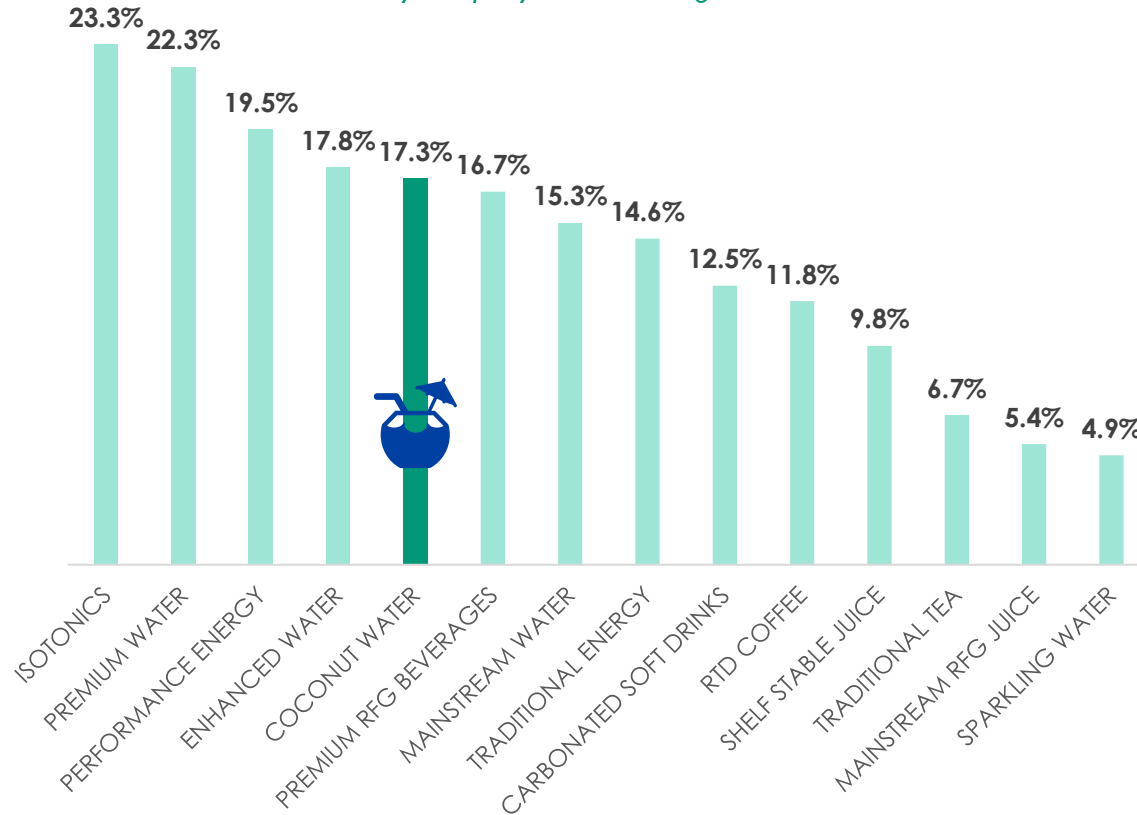
3. Potential Categories of Interest

4. Full Time Employees ("FTEs) are approximate.

# THE COCONUT WATER CATEGORY IS ONE OF THE FASTEST GROWING CATEGORIES AT RETAIL, DRIVEN BY STRONG VELOCITY

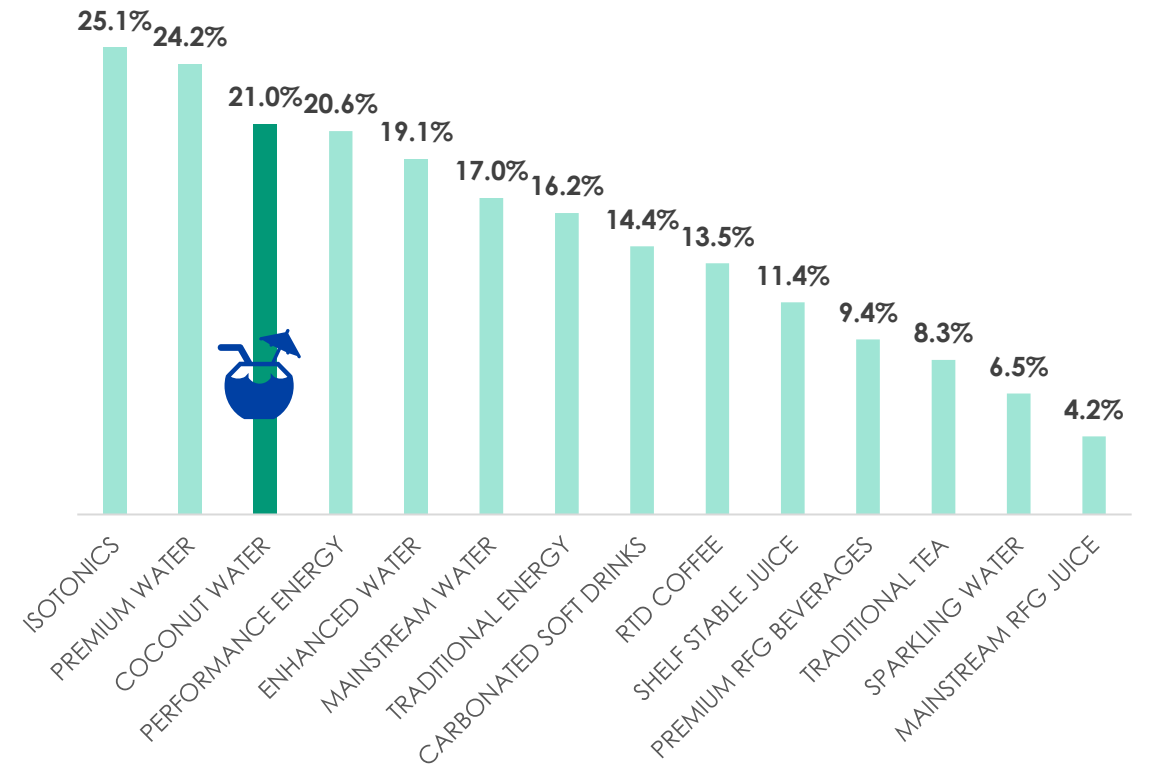
**TOTAL US MULO + C \$ % CHANGE VS PY**

*By company defined categories*



**TOTAL US MULO + C VELOCITY % CHANGE VS PY**

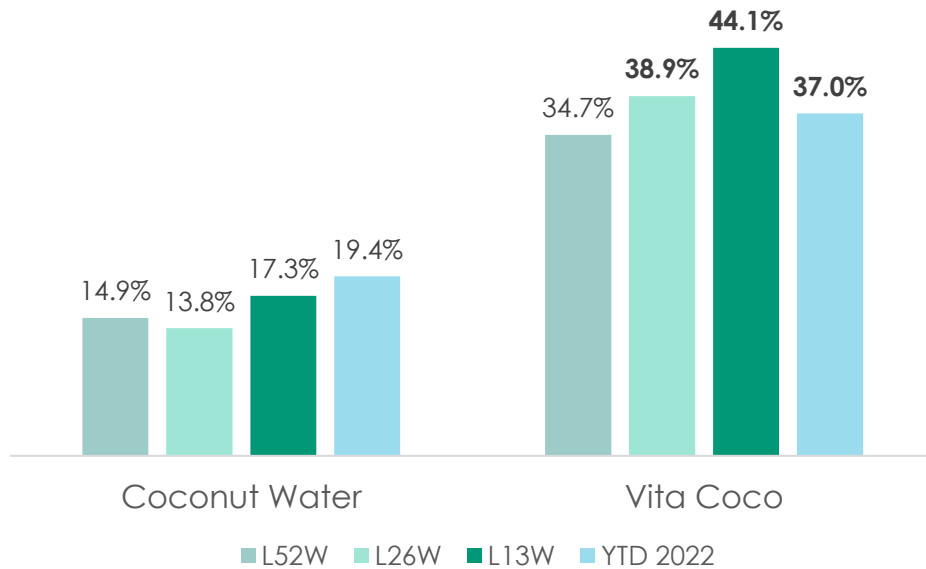
*By company defined categories*



# VITA COCO BRAND GROWTH STRENGTHENED THROUGHOUT THE YEAR

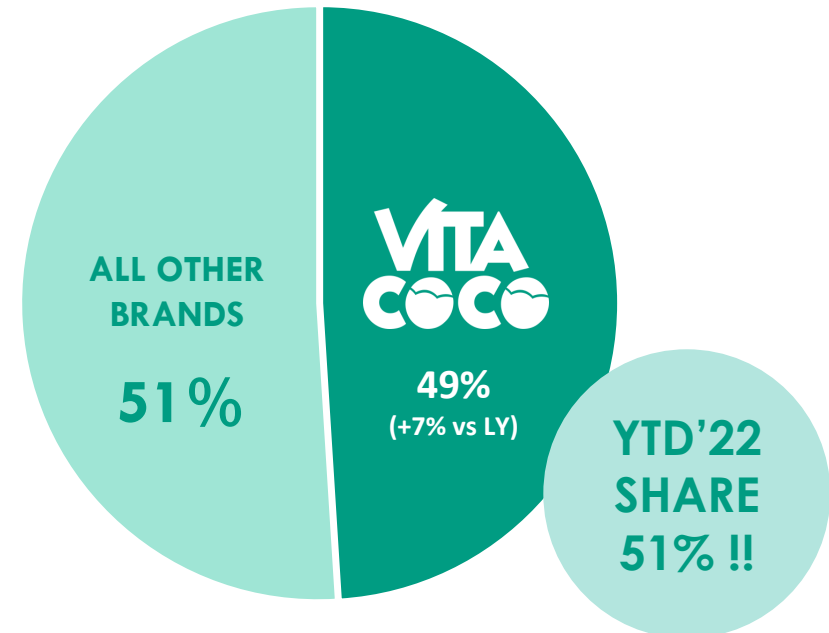
VITA COCO IS DRIVING COCONUT WATER CATEGORY GROWTH ACCELERATION

TOTAL US MULO+C \$ % CHANGE VS PY



VITA COCO GREW SHARE IN 2021 +7% TO ALMOST 50% SHARE

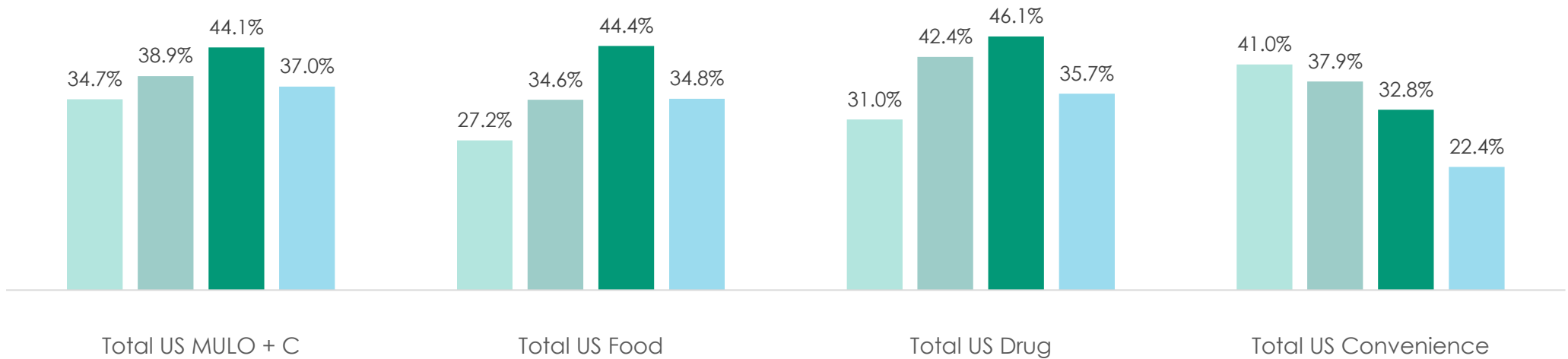
#1 COCONUT WATER BRAND IN THE US!



# 2021 GROWTH CAME FROM ALL CHANNELS DRIVEN BY VELOCITY AND WE ANTICIPATE SIGNIFICANT DISTRIBUTION EXPANSION IN 2022

## VITA COCO \$ % CHANGE VS YA

■ L52W ■ L26W ■ L13W ■ YTD 2022



FY '21 VELOCITY GROWTH

**+22%**

**+21%**

**+24%**

**+28%**

PROJECTED '22  
DISTRIBUTION GROWTH  
(TDPS)

**+8-12%**

**+5-10%**

**+5-10%**

**+15-20%**

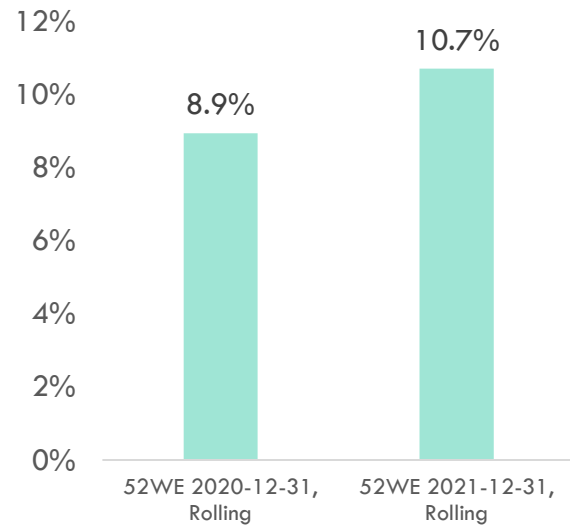
WE BELIEVE WE CAN INCREASE NET NEW POINTS OF DISTRIBUTIONS BY 25K BY END OF 2022 IN IRI MULO-C TRACKED CHANNELS

# VITA COCO HOUSEHOLD PENETRATION AND BUY RATES ARE GROWING SIMULTANEOUSLY

## OUR CONSUMER BASE IS GROWING

...+20% MORE HOUSEHOLDS

VITA COCO % HH PENETRATION



## SHOPPERS BUY US MORE OFTEN

...SHOPPING +11% MORE OFTEN FOR VC

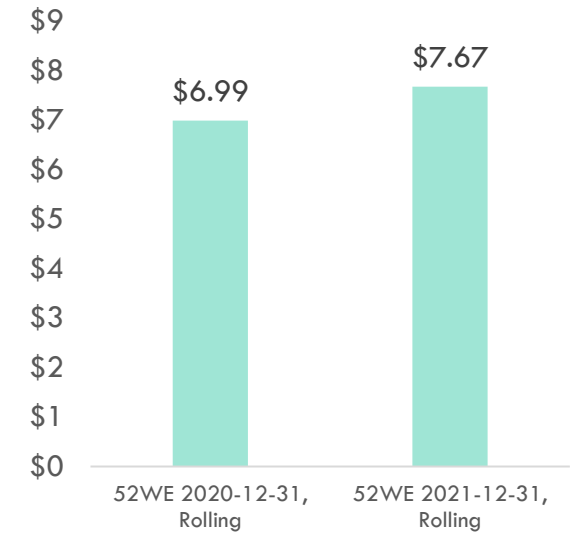
VITA COCO PURCHASE FREQUENCY



## AND SPEND MORE

...SHOPPING +22% MORE PER TRIP

VITA COCO SPEND PER TRIP





# KEY COMMERCIAL INITIATIVES

## AMERICAS

### CORE PORTFOLIO

- ✓ COMMERCIAL EXECUTION TO GAIN SHARE AT RETAIL
- ✓ MULTIPACK TO TRADE CONSUMERS UP AND GAIN SHARE OF SHELF
- ✓ NET PRICING ACTIONS TO COVER COGS PRESSURE
- ✓ SIMPLIFYING PORTFOLIO AND GENERATING COST EFFICIENCIES

### INNOVATION

- ✓ FARMERS ORGANIC – OFFERING SHELF STABLE ORGANIC CW AT A PREMIUM
- ✓ LAUNCHING COCO CANS TO CONVENIENCE CHANNELS IN SOUTH AND EAST
- ✓ TESTING POWDERED HYDRATION ONLINE AND EXPECT RETAIL Q2
- ✓ LAUNCHED PWR LIFT IN TWO TEST MARKETS (AZ, NC)
- ✓ RUNA 16OZ LAUNCHED – AWAITING RETAIL AUTHORIZATIONS
- ✓ SHELF STABLE MILK IN WALMART

## INTERNATIONAL

COMMERCIAL EXECUTION TO GROW THE CATEGORY AT RETAIL

OPEN NEW MARKETS IN THE MIDDLE EAST AND NORDICS

EXPANDING E-COM ACROSS EUROPE

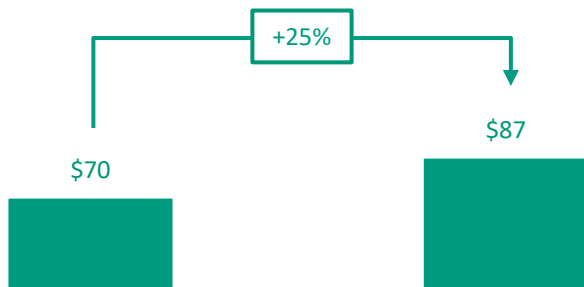
PRICING ACTIONS TO COVER COGS PRESSURE

# Q4 FINANCIAL HIGHLIGHTS

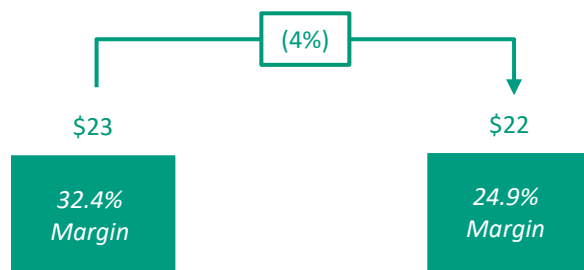
Q4 2020A

Q4 2021A

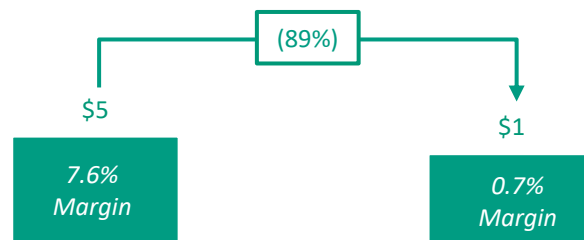
NET REVENUE



GROSS PROFIT



ADJUSTED EBITDA\*



# FULL YEAR FINANCIAL HIGHLIGHTS

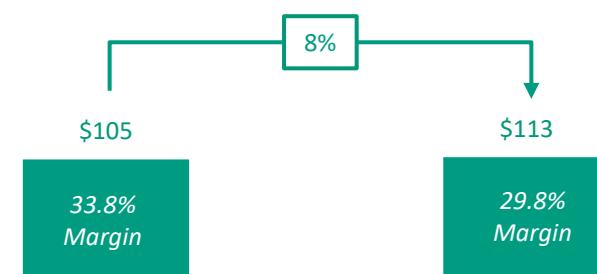
FY 2020A

FY 2021A

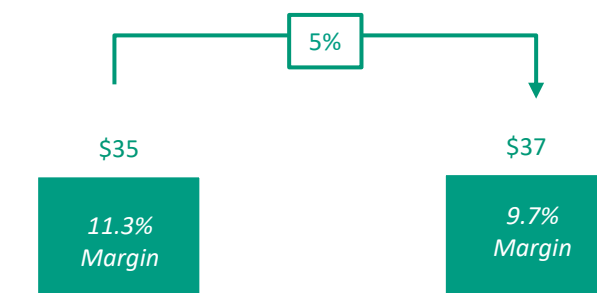
NET REVENUE



GROSS PROFIT



ADJUSTED EBITDA\*

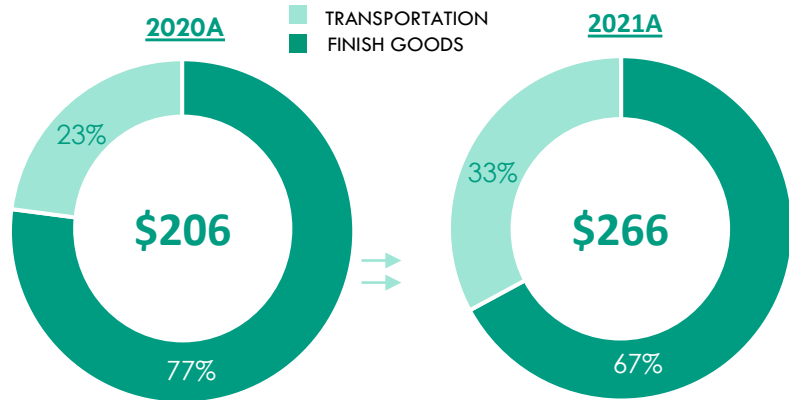


Note: Figures in USD millions

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# WE HAVE EXPERIENCED SIGNIFICANT INFLATION PRESSURE ON OUR COST OF GOODS SOLD DRIVEN BY TRANSPORTATION, WHICH ACCELERATED IN Q4

## COGS BREAKDOWN (\$ USD IN MILLIONS)



TOTAL CE VOLUME (MM)			
	36.3		42.8
COGS \$ / CE			
FINISHED GOODS	\$4.37	(4%)	\$4.18
TRANSPORTATION	\$1.30	+58%	\$2.05
TOTAL COGS	\$5.68	+10%	\$6.23

ESTIMATED YOY RATE IMPACT OF OCEAN FREIGHT & DOMESTIC LOGISTICS:

~\$32MM ON GROSS PROFIT AND  
~840BPS OF GROSS PROFIT MARGIN

## \$ COGS PER CE CHANGE VERSUS PRIOR YEAR

	Change vs. PY	
	\$/CE	%
Q1 2021	+\$0.28	+5%
Q2 2021	+\$0.48	+8%
Q3 2021	+\$0.56	+10%
Q4 2021	+\$0.88	+15%

## 2022 GUIDANCE

**NET SALES**  
**\$MM**

**440 — 455**

**ADJ. EBITDA\***  
**\$MM**

**32 — 36**

### COMMENTARY

- TOP LINE EXPANSION SUPPORTED BY CONTINUED STRONG CASE EQUIVALENT VOLUME GROWTH, COMBINED WITH PRICE/MIX BENEFITS
- ANTICIPATE CONTINUED GROSS PROFIT MARGIN PRESSURE MOSTLY DRIVEN BY TRANSPORTATION, WITH TOTAL COGS PER CE INFLATION EXPECTED TO RUN IN THE MID TO HIGH SINGLE DIGITS VS. FY 2021 AVERAGE
- PLANNING TO IMPLEMENT FURTHER REVENUE MANAGEMENT ACTIONS STARTING TO RAMP-UP IN H1 TO OFFSET INFLATIONARY PRESSURE
- EXPECTING SG&A INCREASE DRIVEN BY NECESSARY INVESTMENTS BEHIND PEOPLE AND OTHER PUBLIC COMPANY COSTS

\*GAAP Net Income 2022 outlook is not provided due to the inherent difficulty in quantifying certain amounts due to a variety of factors including the unpredictability in the movement in foreign currency rates, as well as future charges or reversals outside of the normal course of business.

# LONG-TERM GROWTH ALGORITHM

## LONG-TERM TARGET RANGE<sup>1</sup>

**NET SALES  
GROWTH**

**MID  
TEENS**

**ADJ. EBITDA\*  
MARGIN**

**MID TO HIGH  
TEENS**

## KEY DRIVERS

- FOCUS ON CORE VITA COCO BRAND WITH POTENTIAL UPSIDES FROM BREAKTHROUGH INNOVATIONS AND/OR M&A
- TARGET GROSS MARGIN EXPANSION OVER TIME DRIVEN BY RETURN TO MORE NORMALIZED TRANSPORTATION COSTS LEVELS AND FAVORABLE NET SALES MIX
- OPERATING LEVERAGE GAINS AS WE CONTINUE TO SCALE
- FIXED-ASSET LIGHT MODEL AND STRONG CASH-FLOWS PROVIDE FLEXIBILITY TO INCREASE LEVERAGE FOR ACQUISITIONS AND SUBSEQUENTLY QUICKLY DE-LEVER

Source: The Vita Coco Company.

<sup>1</sup> These are not projections; they are goals/targets and are forward-looking, subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals/targets will be achieved and the Company undertakes no duty to update its goals/targets.

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# APPENDIX

# 2021 P&L SUMMARY

\$ & CE UNITS IN MM	Q4	Vs PY		FY	Vs PY	
		%	\$		%	\$
VOLUME (CE) / % gr.	9.4	21%	1.6	42.8	18%	6.5
NET SALES / % gr.	86.6	25%	17.1	379.5	22%	68.9
GROSS PROFIT / % marg.	21.6/24.9%	-4%	(1.0)	113.1/29.8%	8%	8.3
SG & A	26.7	41%	7.7	88.6	19%	14.2
CONTINGENT LIABILITY	0	100%	16.4	0	100%	16.4
INCOME FROM OPERATIONS	(5.1)	-125%	(25.1)	24.6	-48%	(22.3)
NET INCOME / % marg.	(3.5)/-4%	-120%	(20.5)	19.0/5%	-42%	(13.6)
EPS – DILUTED	(\$0.06)			\$0.35		
<u>NON GAAP MEASURES</u>						
EBITDA	(3.9)/-4.5%	-116%	(27.7)	26.5/7.0%	-42%	(19.6)
ADJUSTMENTS	4.5	-124%	23.1	10.3	-194%	21.4
ADJUSTED EBITDA*	0.6/0.7%	-89%	(4.7)	36.9/9.7%	5%	1.8

# NET INCOME TO EBITDA RECONCILIATION

	THREE MONTHS ENDING DEC 31		FULL YEAR 2021	
	2020	2021	2020	2021
<b>NET INCOME</b>	<b>\$17</b>	<b>(\$3)</b>	<b>\$33</b>	<b>\$19</b>
DEPRECIATION & AMORTIZATION	1	0	2	2
INTEREST INCOME / EXPENSE	0	0	0	0
INCOME TAX EXPENSE	6	(1)	11	5
<b>EBITDA</b>	<b>\$24</b>	<b>(\$4)</b>	<b>\$46</b>	<b>\$27</b>
STOCK-BASED COMPENSATION	0	2	2	3
UNREALIZED LOSS ON DERIVATIVE INSTRUMENT	(2)	(1)	5	(2)
FX GAIN / LOSS	(1)	0	(2)	2
CHANGE IN FAIR VALUE OF CONTINGENT CONSIDERATION	(16)	-	(16)	-
OTHER ADJUSTMENTS	1	4	1	7
<b>ADJUSTED EBITDA</b>	<b>\$5</b>	<b>\$1</b>	<b>\$35</b>	<b>\$37</b>
<b>% MARGIN</b>	<b>7.6%</b>	<b>0.7%</b>	<b>11.3%</b>	<b>9.7%</b>

Source: Company. Note: Figures in USD millions.

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