

Naked Wines PLC - Trading Update

4/20/2022

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Naked Wines PLC

20 April 2022

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Naked Wines plc
("Naked Wines" or "Group")

Performance in-line with expectations driven by Repeat Customer sales, strong retention and demand from existing members

Trading Update for the fiscal year ended 28 March 2022

"We delivered full year results in-line with our expectations highlighted by strong execution, expense control and positive EBIT. Our balance sheet remains sound; after a year of building back our inventory levels globally, we ended our fiscal year with cash of approximately £40M. Overall I'm pleased that Naked delivered growth following our step change in scale in FY21, and we are well positioned to take advantage of our long-term growth opportunity in the USA," said Shawn Tabak, Naked Wines' Chief Financial Officer.

- Group sales increased 5% YoY on a constant currency basis (3% reported)

- On a two-year basis, group sales increased 77% constant currency vs continuing operations in FY20 (72% reported)
- Sales retention was 80% (vs mid 70s guidance)
- Repeat Customer sales increased 13% YoY on a constant currency basis (11% reported)
- Active Angel base increased 9% YoY to 964k in FY22
- Adjusted EBIT was low-single digits
- Year-end cash was approximately £40M
- Year-end inventory approximately £143M, up £66M vs FY21

"Naked has built a platform as the world's #1 DtC wine business, connecting 964k customers to over 225 world class winemakers. Our unique model offers a win for both winemakers and consumers and is backed by attractive and well-proven unit economics. Our results reflect the hard work and high-quality execution of our teams around the globe, and I am especially pleased to see the improvements to our customer experience and product range reflected in sustained retention rates above our expectations. I look forward to further outlining our plans for long-term growth at our full year results presentation in June," Nick Devlin, CEO

FY2022 Results

Full Year results for the 52 weeks ended 28 March 2022 will be announced in June. Webcast and conference call details will follow.

Definitions:

Active Angels: the number of unique Angels, customers, who deposit funds into their Angel account each month to spend on the wines on our website, placing an order in the 12 month period.

Repeat Customer Sales: revenue derived from orders placed by customers meeting our definition of a repeat customer at the time of ordering.

Repeat Customer Sales Retention: the proportion of sales made to customers who met our definition of "Repeat" last year that were realised again this year from the same customers. Using our website data, the population who were subscribers in the prior year are identified and their sales in the current year then assessed. This is done for each month and summed to calculate the full year retention.

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About Naked Wines plc

Naked Wines connects everyday wine drinkers with the world's best independent winemakers.

Why? Because we think it's a better deal for everyone. Talented winemakers get the support, funding and freedom they need to make the best wine they've ever made. The wine drinkers who support them get much better wine at much better prices than traditional retail.

It's a unique business model. Naked Wines customers commit to a fixed prepayment each month which goes towards their next purchase. Naked in turn funds the production costs for winemakers, generating savings that are passed back to its customers. It creates a virtuous circle that benefits both wine drinker and winemaker.

Our mission is to change the way the whole wine industry works for the better. In the last year, we have served more than 850,000 Angel members in the US, UK and Australia, making us a leading player in the fast-growing direct-to-consumer wine market.

Our customers (who we call Angels) have direct access to over 225 of the world's best independent winemakers making over 1,500 quality wines in 19 different countries. We collaborate with some of the world's best independent winemakers like Matt Parish (Beringer, Stags' Leap) and 8-time Winemaker of the Year Daryl Groom (Penfolds Grange).

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