



25 July 2024

**Virgin Wines UK plc
("Virgin Wines", the "Company" or the "Group")**

FY24 Trading Update

Revenue resilient, with EBITDA and PBT ahead of market expectations

Virgin Wines UK plc (AIM: VINO), one of the UK's largest direct-to-consumer online wine retailers, is pleased to announce a trading update for the year ended 30 June 2024 (the "Period").

Revenue was in line with the prior year at £59m (FY23: £59m), while enhanced margins and operational efficiencies, particularly in warehouse fulfilment, drove an improvement in profitability.

EBITDA¹ increased by 260% to £2.8m (FY23: £780k), with Profit/(Loss)¹ before tax expected to be £1.95m (FY23: Loss £430k).

The balance sheet remains strong with net cash at the end of the Period significantly higher at £10.2m (FY23: £5.5m), driven by a strong bottom-line performance and improved inventory management. Gross cash including WineBank customer deposits totaled £18.3m (FY23: £13.5m) and the business remains debt free.

Despite an inflationary environment and ongoing cost pressures the Group increased its gross margins to 31.9% (FY23: 29.6%), driven by the Company's unique sourcing model and strong cost control.

New customer conversion rates on to the Group's subscription schemes increased materially to 55.5% (FY23: 49.2%) and, in a similarly positive vein, cancellation rates on the Company's flagship WineBank membership service improved to 16.1% (FY23: 17.3%).

Although customer acquisition has continued to be challenging, the rate of acquisition increased throughout Q4 whilst the Group maintained its disciplined approach, decreasing the fully costed cost per acquisition to £19.62 (FY23: £19.91).

The Company's new value proposition, Warehouse Wines, that launched pre-Christmas 2023, has started encouragingly with a particularly strong Q4, and an improving rate of customer acquisition. The business intends to make increased levels of investment in this key new initiative over FY25 and beyond.

Share Buyback Programme Update

Further to the Company's announcement on 30 May 2024 detailing a repurchase of shares and the launch of a share buyback programme (the "Programme"), a total of 310,735 ordinary shares in the Company have been repurchased. These shares are now held in treasury in anticipation of the future exercise of share options under the Company's long term incentive plan and the Company has now paused the Programme, with the timing of future potential repurchases remaining under active consideration.

¹ EBITDA and Reported Profit/(Loss) before tax are stated before share based payments. FY24 figures remain subject to audit. FY23 comparatives are post FY23 exceptional costs.

Jay Wright, Chief Executive Officer at Virgin Wines, commented:

"I am pleased to report a full-year performance with resilient sales despite a challenging consumer and inflationary market backdrop. Both EBITDA and PBT were ahead of expectations, being significantly up year-on-year due to expanded gross margins and reduced operating variables.

Demand remains strong for our range of wines and subscription schemes. Our flagship WineBank service was recently recognised as 'Wine Club of the Year' at the prestigious International Wine Challenge awards, and over the past 12 months we have seen it deliver increased new customer conversion rates and decreased cancellation rates. Our B2B sales continue to grow while our newly launched value proposition, Warehouse Wines, has also delivered encouraging initial results.

We enter FY25 with the business performing well, and we remain confident for the future due to the strength of the underlying business model, our disciplined cost control and unique sourcing model."

- Ends -

Enquiries:

Virgin Wines UK plc

Jay Wright, CEO
Graeme Weir, CFO

Via Hudson Sandler

Panmure Liberum Limited

(Nominated Adviser and Sole Broker)

Edward Thomas
Dru Danford
John Fishley

Tel: +44 20 3100 2222

Hudson Sandler

(Public Relations)

Alex Brennan
Dan de Belder
Harry Griffiths
Eloise Fleet

virginwines@hudsonsandler.com

Tel: +44 20 7796 4133

Notes to editors:

About Virgin Wines

Virgin Wines is one of the UK's largest direct-to-consumer online wine retailers. It is an award-winning business which has a reputation for supplying and curating high quality products, excellent levels of customer service and innovative ways of retailing.

The Company was established in 2000 by the Virgin Group and was subsequently acquired by Direct Wines in 2005 before being bought out by the Virgin Wines management team, led by CEO Jay Wright and CFO Graeme Weir, in 2013. It listed on the London Stock Exchange's Alternative Investment Market (AIM) in 2021.

Virgin Wines is headquartered in Norwich, with two fully bonded, national distribution centres in Preston and Bolton. It stocks over 650 wines sourced from more than 40 trusted winemaking partners and suppliers around the world which it sells to a large active customer base, the majority of whom are on one of the Group's subscription schemes.

The Company drives the majority of its revenue through its fast-growing WineBank subscription scheme, using a variety of marketing channels, as well as through its Wine Advisor team, Wine Plan channel and Pay As You Go service.

Along with its extensive range of award-winning products, Virgin Wines was delighted that its flagship WineBank service was awarded 'Wine Club of the Year' at the 2024 IVC Awards, was named Online Drinks Retailer of the Year for 2022 at the Drinks Retailing Awards, as well as receiving the bronze award for Contact Centre of the Year at the 2022 UK National Contact Centre Awards. In addition, in 2023 the Group's Head of Buying, Sophie Lord, was named Buyer of the Year by Decanter magazine.

<https://www.virginwinesplc.co.uk/>

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTPPUWAMUPCGRC