

29 January 2025



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

**Trading Update**

*Strong Christmas trading, increased levels of customer acquisition, further operational efficiencies and a healthy balance sheet signals positive momentum*

Virgin Wines UK plc (AIM: VINO), one of the UK’s largest direct-to-consumer online wine retailers, is pleased to announce its Christmas trading update as well as an update for the six months ended 27 December 2024 (the “Period”).

**Strong Christmas trading:**

- Revenue increased by 6.7% year-on-year during the 6 weeks to 27 December 2024
- Sales up 9% in December 2024 versus December 2023 to the highest level since the Covid-19 lockdowns

We are pleased to have delivered a highly encouraging performance over the key Christmas trading period and generated positive momentum during the 6 weeks to 27 December 2024. This was underpinned by initiatives to grow the customer base and optimise customer acquisition, as well as strategic marketing and focused promotional activity. This resulted in a 25% year-on-year increase in new recruits during December.

**H1 overview:**

- Revenue broadly in line with the same period last year at £34.1 million (H1 2024: £34.3m)
  - Significantly outperformed the online drinks market, which declined by 5%, evidencing encouraging market share gains by the Company\*
- Q2 sales increased by 2.1% year-on-year, despite trading conditions continuing to be subdued following the General Election and Autumn Budget impacting consumer confidence and discretionary spend
- PBT increased by 20% year-on-year during the Period to £1.3m (H1 2024: £1.1m)
- Despite increased investment in customer acquisition and Warehouse Wines during the Period, EBITDA for the Period was unchanged from last year at £1.6m
- The rolling 12-month WineBank cancellation rate fell to an all-time low of just 14.9% (Dec 2023 16.8%, Dec 2022 17.8%) showing the outstanding loyalty of WineBank members
- Strong cash position of £23.7m in gross cash as at 27 December 2024 (H1 2024: £17.4m), with net cash of £17.3m (H1 2024: £11.0m) and customer WineBank deposits of £6.4m. The business remains debt free with customer deposits held in a separate ring-fenced account

The Commercial channel continued to deliver growth, with year-on-year revenue increasing by 17% during the Period and by 32% in December, and the strategic partnership with Ocado which launched in October has delivered positive early results with exciting opportunities in the pipeline with our commercial partners imminent.

We are also encouraged by the performance of the new Warehouse Wines value proposition, which now has 17,600 customers and generated £1m of revenue during the Period, something we expect to grow and will invest in further.

Further operational efficiencies were realised with the cost per case reduced by 10.1% during the half year, and by 5.4% in December, despite considerable cost pressures particularly relating to increases in the National Living Wage.

### **FY25 outlook**

Having delivered an encouraging first half performance, the Board remains confident that the FY25 outturn will be in line with current market expectations and that the Company is well positioned to continue on its growth trajectory and deliver shareholder value. There is also a clear market opportunity to consolidate our position as one of the UK's largest and well capitalised direct-to-consumer online wine retailers. As a result of our clear growth opportunity, the Company will announce its Growth Strategy and new Capital Allocation Policy at the Interim Results in March.

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

*"We are pleased to report an encouraging first-half performance, and particularly strong year-on-year growth of 6.7% over the key six-week Christmas trading period despite the continued sector and macro-economic headwinds. We delivered increased levels of new customers, improved our operating cost per case and continued to drive high growth through our Commercial channel. We continue to increase market share thanks to the loyalty of our customers, our outstanding customer service and the quality of our wines.*

*Our strong balance sheet and healthy cash position gives us the opportunity to invest in growth and I look forward to sharing those exciting plans when we come to announce our interim results in March. In the meantime, we are confident of delivering a strong H2 performance."*

\* Source: IMRG Online Retail Sales Tracker December '24

- Ends -

### **Enquiries:**

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### **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 service, that has over 137k members, using a variety of marketing channels, as well as through its 30 strong Wine Advisor team, its Wine Plan channel and its 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 IWC 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>