



**wines**  
Est. 2000

| FY25 Results



# FY25 overview

<p>Revenue</p> <p><b>£59m</b></p> <hr/> <p>FY24: £59m FY23: £59m</p>	<p>Adjusted EBITDA<sup>1</sup></p> <p><b>£2.3m</b></p> <hr/> <p>FY24: £2.8m FY23: £0.8m</p>	<p>Profit before tax</p> <p><b>£1.6m</b></p> <hr/> <p>FY24: £1.9m FY23: (£0.7m)</p>	<p>Fulfilment cost as % of revenue</p> <p><b>11%</b></p> <hr/> <p>FY24: 11.8% FY23: 14.0%</p>	<p>Increased WineBank membership</p> <p><b>128k</b></p> <hr/> <p>FY24: 126k FY23: 133k</p>
<p>Total customers acquired</p> <p><b>80.3k</b></p> <hr/> <p>FY24: 62.6k FY23: 91.4k</p>	<p>Cost per recruit</p> <p><b>£16.40</b></p> <hr/> <p>FY24: £16.66 FY23: £11.99</p>	<p>Drive commercial revenue</p> <p><b>+24%</b></p> <hr/> <p>FY24: +5.1% FY23: (0.7%)</p>	<p>Warehouse Wines</p> <hr/> <p>Revenue <b>£1.8m</b></p> <p>Customer base <b>21.7k</b></p>	<p>Development of a Mobile App</p> <hr/> <p>Launching <b>Early 2026</b></p>

<sup>1</sup>Adjusted EBITDA is before exceptional items and share-based payments

# The growth opportunity



Drive to premiumisation



Online penetration expected to grow



Huge market with tiny share currently



Strength of balance sheet gives competitive advantage

## Four key growth pillars identified



Increased investment in customer acquisition



Drive growth in commercial partnerships



Utilise technology to enhance customer engagement



Investment in Warehouse Wines

# Signposts to success

## Increased investment in customer acquisition



Total number of recruits	<b>80k</b> FY24: 63k	✓
Increase in WineBank membership	<b>+1.5%</b> FY24: -4.9%	✓
Cost per recruit	<b>£16.40</b> FY24: £16.66	✓
New customer conversion rate >40%	<b>43.2%</b> FY24: 51%	✓

## Drive growth in commercial partnerships



Sales growth	<b>+24%</b> FY24: +5%	✓
New relationships secured/expanded	<b>Yes</b> (see Commercial section)	✓

# Signposts to success

## Investment in Mobile App



Incremental revenue streams

Increased customer engagement

New acquisition channel created

Migrate email sales to push notifications

Mobile App on schedule to launch early 2026

## Investment in Warehouse Wines



Growth in the customer base

**21.5K**  
FY24: 3.6k



Revenue growth

**484%**  
First full year trading



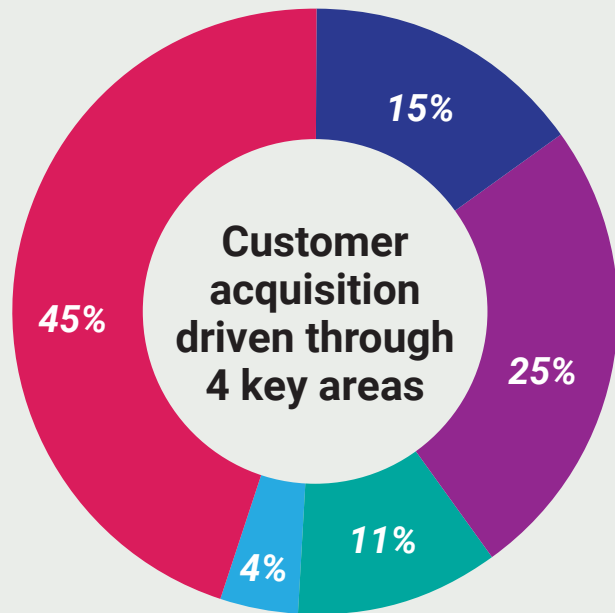
Drive Wine Pass membership

**3.4k**  
FY24: 0.4k



Trading performance

# Customer acquisition



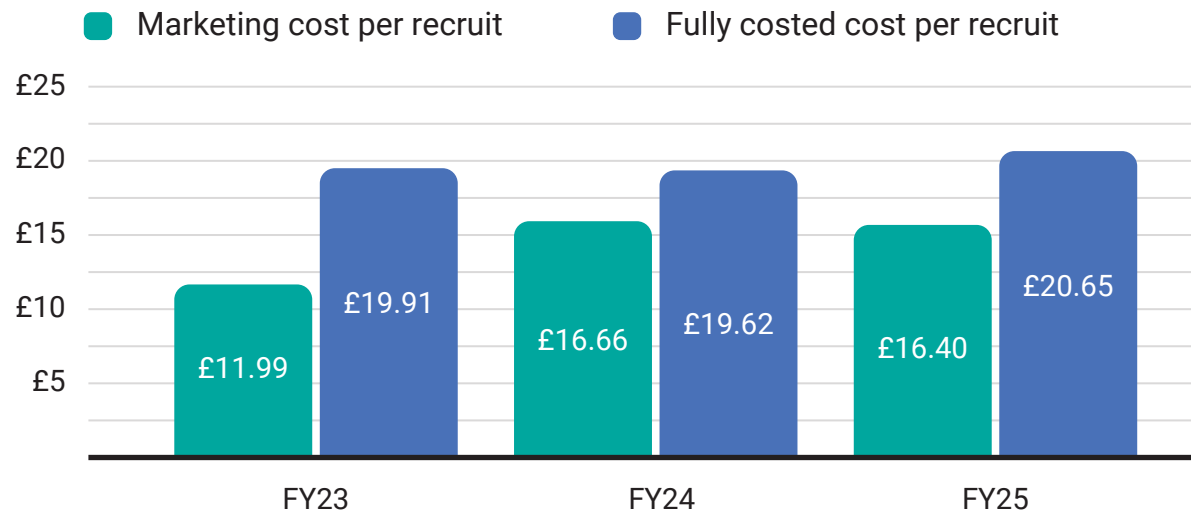
- Partnerships, 45%
- Strategic accounts, 15%
- Digital and social, 25%
- CRM/SMS, 11%
- Walk up/RAF, 4%

**This resulted in:**

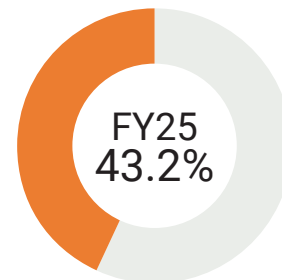
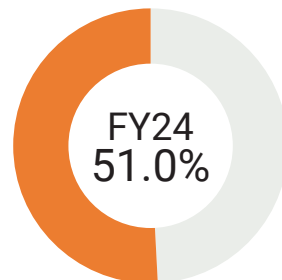
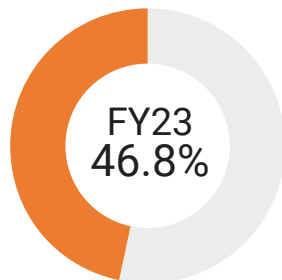
- A 28% uplift in total customers acquired year-on-year
- A 6% increase in marketing investment in customer acquisition
- Over 80k new customers acquired
- Digital channels becoming a more significant part of the marketing mix
- Lower gross margin on acquisition to remain competitive and drive volume

## Trading performance

# Customer acquisition



New customer conversion rate - remains above targeted levels



- Costs well controlled despite the increase in number of customers acquired
- New customer conversion rates reduced but still above budgeted minimum
- Significant uplift in on-site conversion after changes to customer journey
- A range of new offers trialled over the year to test response and conversion

Trading performance

# Multi-channel strategy to maximise retention

Retention and loyalty continues to increase through multi-channel activity and a variety of propositions

## WineBank

Largest channel, monthly deposit model, 20% interest, free express delivery

## Wine Advisors

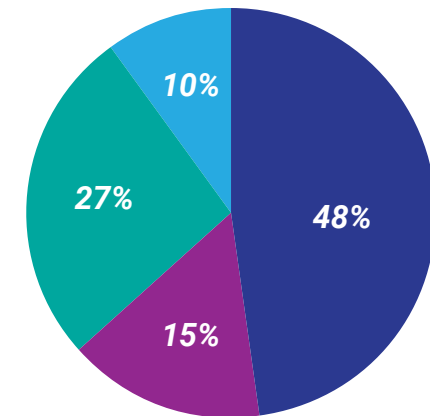
30k+ customers enjoy a personalised premium service

## Discovery Wine Club

Customers receive either a 12-bottle case quarterly, or 4-bottles monthly

## Pay As You Go

No subscription but full access to portfolio



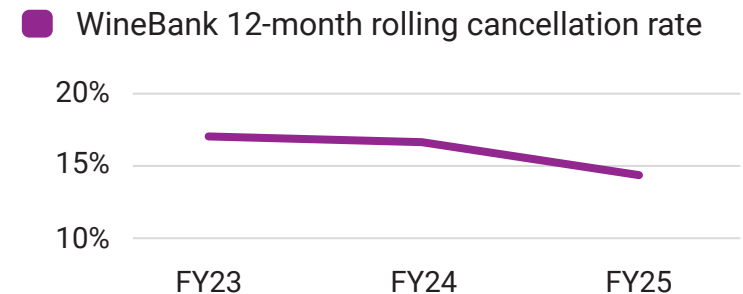
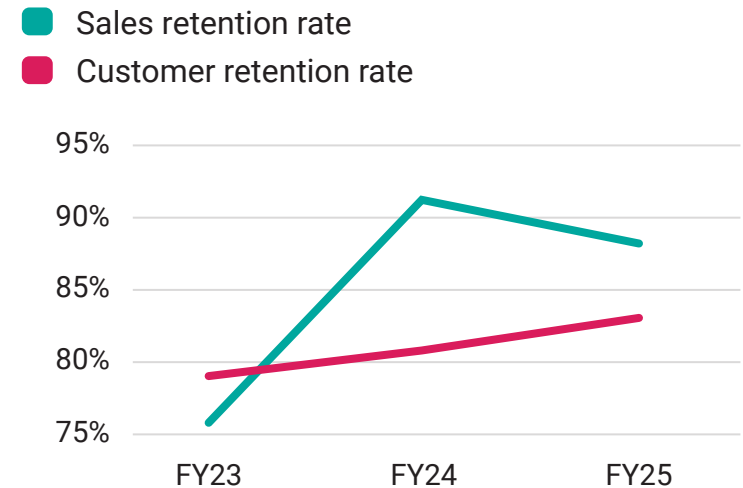
### Key Sales Channels

- Email/SMS, 48%
- Web, 15%
- Wine Advisors, 27%
- Wine Plan, 10%

## Trading performance

# Multi-channel strategy to maximise retention

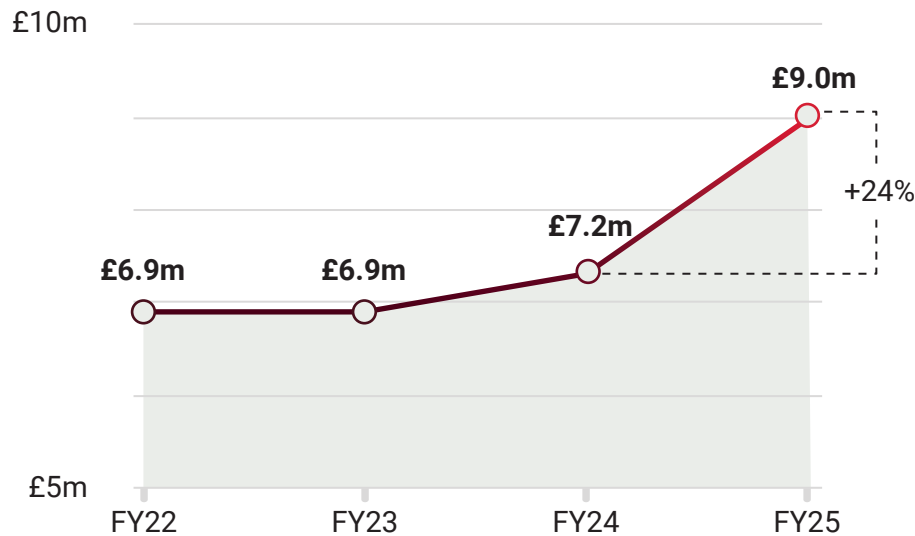
- Loyalty enhanced by customers finding the right option for their own requirements
- WineBank rolling 12-month cancellation rate at all-time low of 14.7%
- WineBank membership in growth +1.5% year-on-year
- Customer retention rate shows improved loyalty whilst sales retention rate shows pressure on average annual spend per customer
- Quality and value of wine range maintained at an average rating of 4.2 out of 5
- Trustpilot rating of 'Excellent' at 4.6 out of 5 (over 25k reviews) is up from 4.5 last year



## Trading performance

# A fast-growing commercial channel

Strong revenue growth through our Commercial channel continues with an outstanding FY25 performance.



Channel works across a number of different verticals



## Trading performance

# A fast-growing commercial channel

Revenue growth provided through existing relationships and new partnerships:



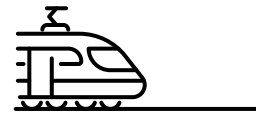
### Moonpig

- Significant growth in H2 following the expansion of the relationship
- Additional volume over February – June with Valentines Day, Mother’s Day and Father’s Day
- We continue to expand the product range and breadth of the partnership, with substantial future growth expected



### Ocado

- A successful launch pre-Christmas has developed into a significant on-going partnership
- Further potential for both range and volume expansion
- Runner up in ‘Best Launch’ category at The Drinks Business Awards 2025



### Travel

- Continued growth in this important sector
- Expanded relationship with WHSmith retail outlets in travel locations
- Extended relationships with LNER, Avanti and GWR



### Loyalty and retail

- Virgin Red continues to be a growing partner with points redeemed against a variety of wine packs
- Newly launched relationship with Next as well as a continued partnership with Very
- A new partnership with Frasers Group also agreed

We continue to see significant opportunities to grow our Commercial trade through existing partners, as well as variety of new opportunities and see it as a major contributor to future growth

## Trading performance

# Technology

Key initiative over 2025 has been the development of a mobile app for launch in early 2026

Benefits expected:

- Increased engagement from existing customers
- Additional route to acquire new customers
- Innovative 'app only' customer proposition to be launched
- The ability to attract a younger demographic profile
- Reduce reliance on email marketing through push notifications
- Ability to couple with new AI recommendation engine
- Increased average order frequency

In addition, we continue to re-design the existing website to increase conversion rates across the site



Trading performance

# Our value proposition: Warehouse Wines



**WAREHOUSE  
WINES**

Drink Better, Spend Less

A unique proposition in the online sector targeting the supermarket buyer to 'Buy better, spend less' with the convenience of home delivery.

Warehouse Wines is designed to attract a different customer to Virgin Wines:

- Excellent progress made in the first full year of trading
- Wines all under £10 a bottle with most £7.99 and below
- No subscription scheme
- Everyday low prices all year round

Progress made over FY25

Revenue

**£1.8m**

revenue generated in the first financial year

Customer base

**21.7k**

total customers acquired to date

Annual delivery option, Wine Pass, delivering conversion rates

**+70%**

Wine Pass base

**3.4k**

customers have chosen the Wine Pass option

Wine range continues to rate in line with Virgin Wines

**4.2 out of 5**

Trustpilot rating

**Excellent**

from over 700 reviews

# FY25 results



## FY25 results

# Financial summary

- Revenue like-for-like with FY24 at £59m
- GP 30.1% compared to 31.9% last year, impacted by sales mix and cost pressures from duty increases and EPR
- PBT £1.6m v £1.7m last year as cost savings and increased interest offset the reduction in GP
- Cash balance of £17.6m following £2.0m share buyback and net of remaining duty prepayment of £1.6m

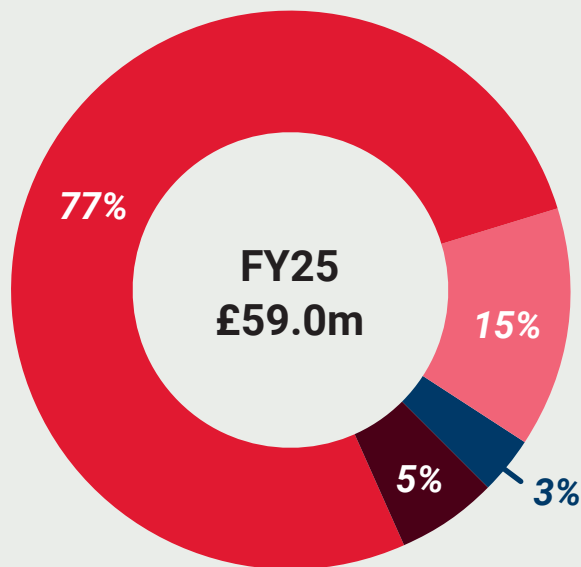
	27 June 2025 £'000s	28 June 2024 £'000s
<b>Revenue</b>	<b>59,021</b>	<b>59,005</b>
Gross profit	17,781	18,805
	30.1%	31.9%
Operating expenses	(15,522)	(15,994)
Underlying EBITDA*	2,259	2,812
PBT	1,592	1,682
Net assets	22,620	23,320
Group cash	17,579	18,370
Net cash	9,297	10,263

\*Underlying figures exclude share based payments

## FY25 results

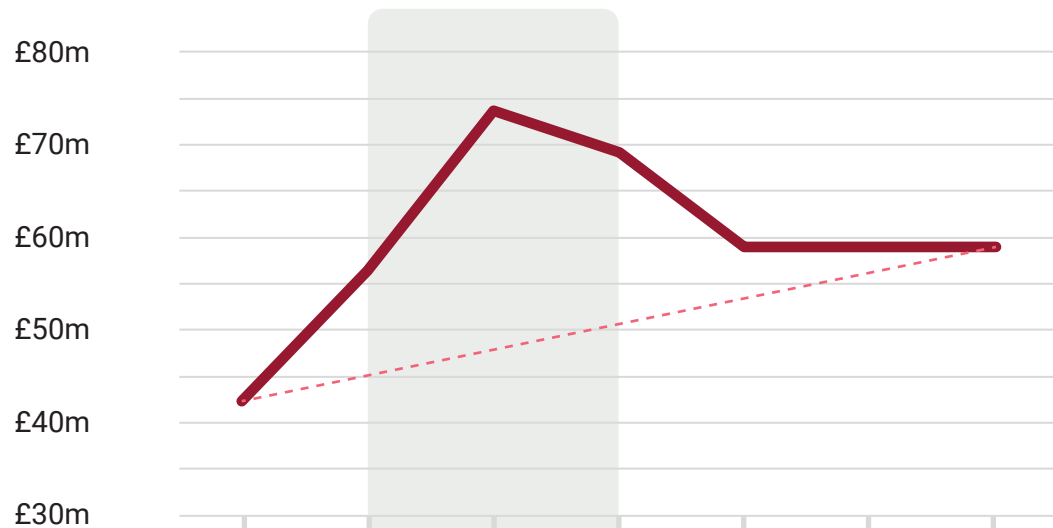
# Revenue

77% of revenue derived from Core Repeat Customer base



- Recruitment, 5%
- Core Virgin Wines customers, 77%
- Commercial, 15%
- Warehouse Wines, 3%

Revenue FY25 **39%** up on pre COVID level



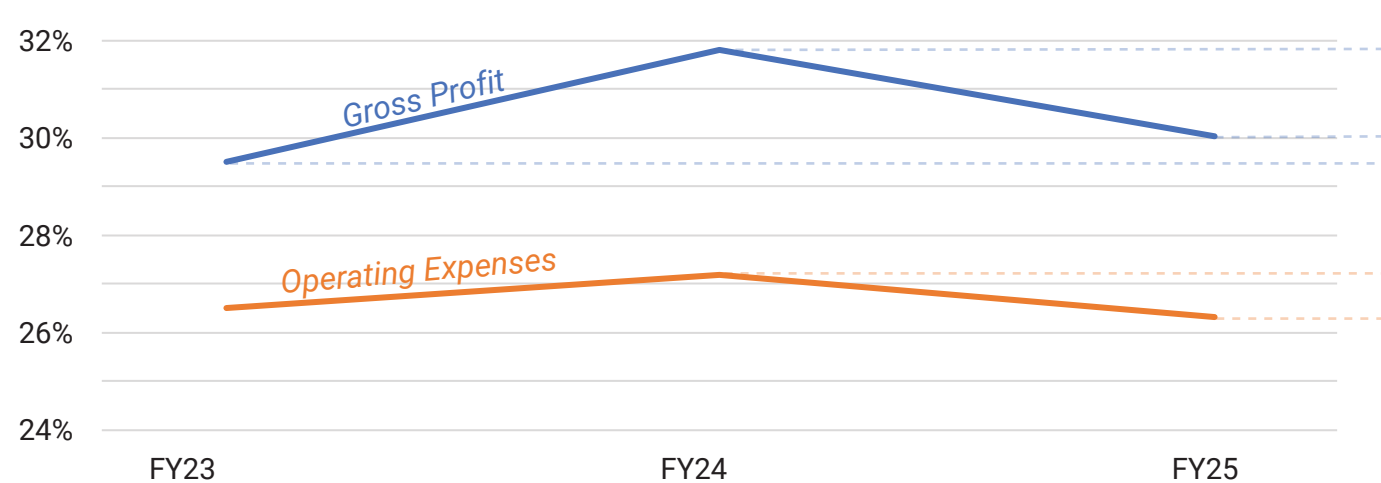
	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Revenue	42.4	56.5	73.6	69.2	59.0	59.0	59.0
Underlying EBITDA*	2.3	4.4	7.0**	6.3	0.8	2.8	2.3
Underlying EBITDA %	5.4%	7.8%	9.5%	9.1%	1.3%	4.8%	3.9%

**Covid Impact**  
 FY20 - 22

\* Underlying EBITDA pre share based payments  
 \*\* FY21 EBITDA is before IPO listing fees

FY25 results

# Margin and cost summary



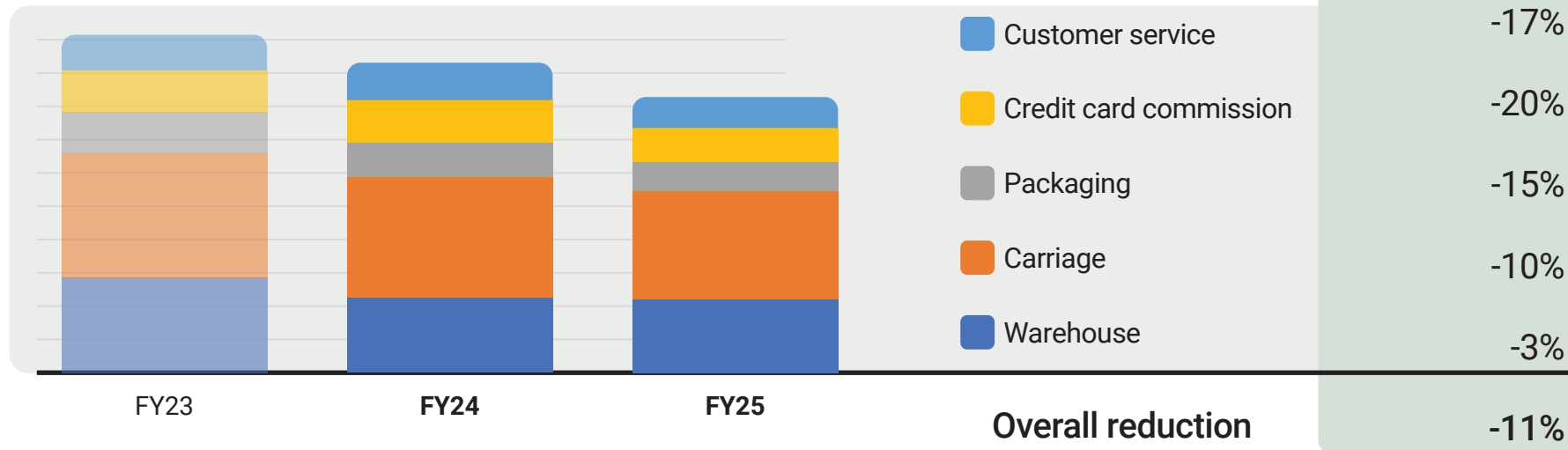
Gross margin declined by 1.8pp to 30.1% down from 31.9% in FY24, but remains 0.5pp higher than FY23 despite significantly increased cost pressures

The margin impact was offset by a 0.8pp drop in operating expenses from 27.1% to 26.3%

- Adoption of a more aggressive pricing policy for new customer acquisition impacted margin but helped deliver an uplift of 28% in the number of new recruits in FY25
- Able to use strong cash position to mitigate the impact of duty increase
- Our flexible open source buying model and own label wines enable the Group to mitigate inflationary pressures and maintain wine quality
- Fulfilment costs per case are down 11% from FY24 despite increases in National Living Wage and NI contributions

FY25 results

# Operational efficiency



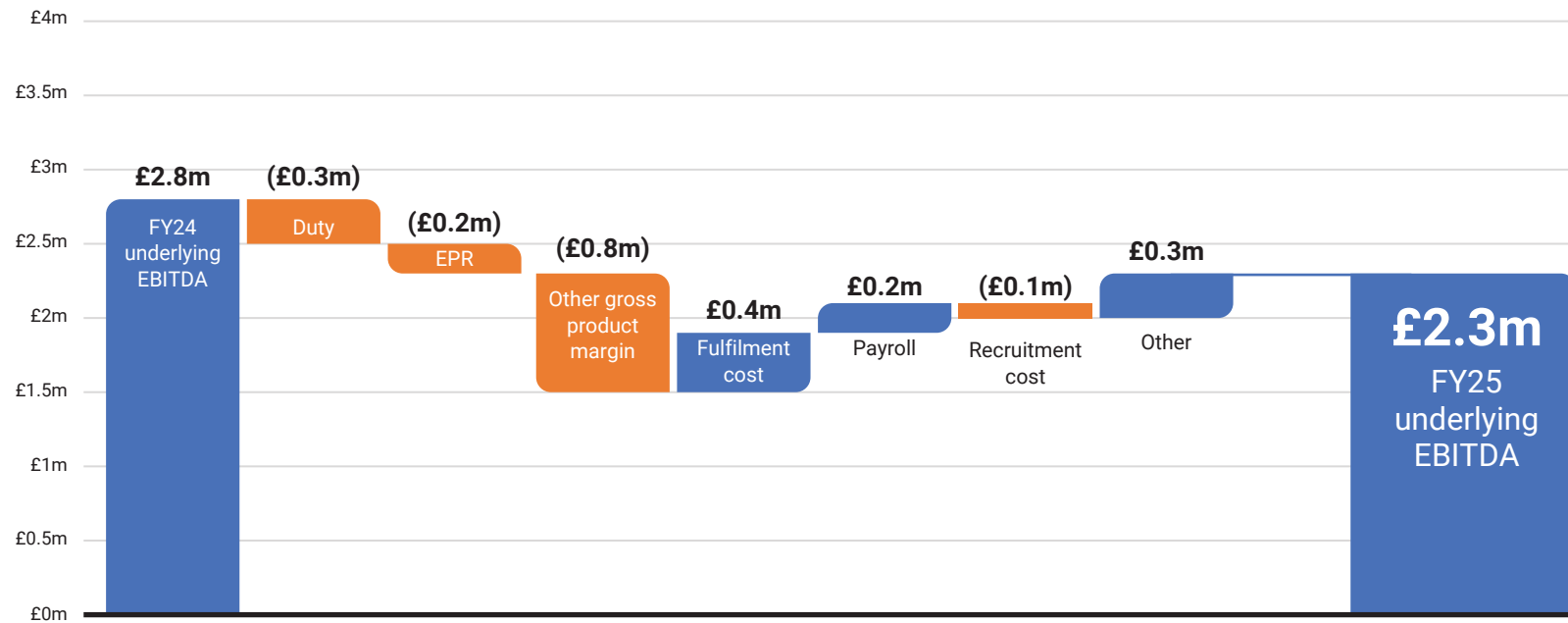
- Total fulfilment costs per case down 11% in FY25, 18% down on FY23
- Warehouse management system continues to deliver efficiencies helping reduce warehouse cost by 3% and customer services by 17%
- Transitioned to single carrier reduced carriage rates and improve service
- Retender of payment provider completed March 2025 delivering substantial annual savings

### No compromise on service or quality

- The total cost of customer returns, refunds and resends remains at historically low levels of 0.8% of revenue
- Trustpilot rating improved to 4.6 out of 5, rated 'Excellent' from over 25,500 reviews

FY25 results

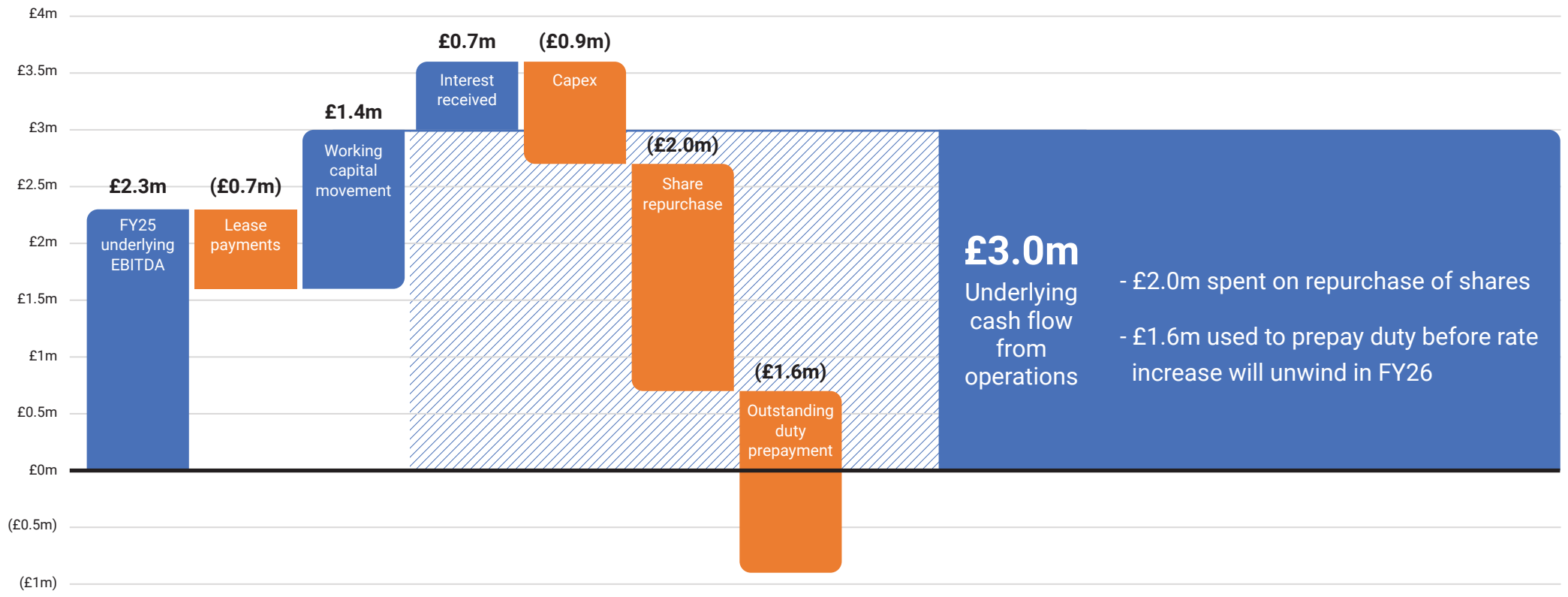
# Year-on-year EBITDA bridge



- With flat YOY revenue, cost increases were offset by operating efficiencies.
- Average headcount reduced from 191 to 166, offsetting NLW and NI increases
- 11% saving on fulfilment cost per case YOY

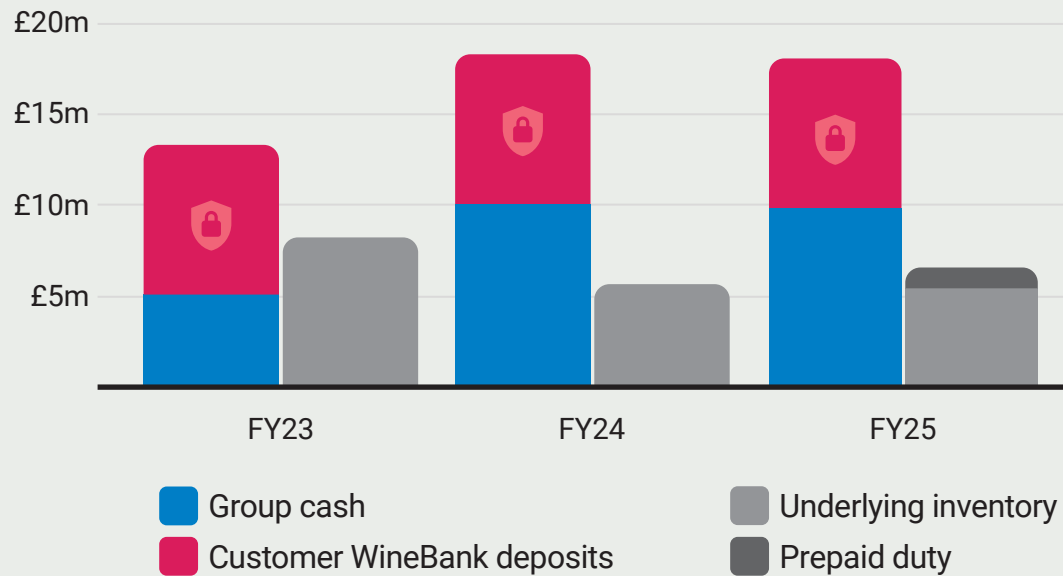
FY25 results

# Working capital and cash generation



FY25 results

# Cash and inventory



- No debt
- Customer deposits ring fenced and not used to fund the operation
- £2.0m returned to shareholders in FY25 through share buy-back
- Strong cash balance used to prepay duty in advance of rate increase, saving £0.6m in costs
- Open source buying model means no commitment to wines not required
- Curating case contents eliminates the risk of slow moving lines

## FY25 results

# Other new initiatives

Whilst our focus has been on the four pillars of the growth plan, there has been much progress in a number of areas across the business.

Increased conversion rate where website is redesigned	Significant savings after change in payment provider	Move to AWS from physical servers	Introduction of AI recommendation engine
Launch of two additional consumer propositions	Overhaul of wine range to maximise margin potential	Complete review of photography utilising AI	25th Anniversary initiatives a great success

★ Trustpilot

# 4.6 out of 5

'Excellent' over 25,500 reviews

“ The wine we have received is top quality. Delivery is always as agreed, in strong cardboard cases, and delivered with courtesy. Being a member of the wine club, you receive information about available wines usually discounted. There is never pressure put on you to buy if you don't wish to purchase any wine. I would thoroughly recommend VIRGIN WINES. ”



FY25 results

# ESG: Environment and sustainability

Our business purpose...

Creating  
**JOY** from  
 grape  
 to glass

...underpins our approach to ESG

## Environment and sustainability

What are we doing?

- Committed to reducing our Scope 1 and Scope 2 GHG emissions by 42% by 2030
- Stepping away from offsetting and carbon neutrality to insetting and delivering meaningful change within our value chain
- Shipping 42% of wine in bulk to be bottled in the UK
- Using Greencroft Bottling, a BRC aa+ rated facility and a pioneer in sustainability
- Committed to the Sustainable Wine Roundtable's Bottle Weight Accord, reducing our bottle weight to 420g by 2026
- Rigorous recycling practices across our sites, with 0% of waste going to landfill
- "Sustainable Credentials" badge created to highlight wines that come from a vineyard with official sustainable certification

**FY25 results**

# ESG: Our people

Our business purpose...

**Creating  
 JOY from  
 grape  
 to glass**

...underpins our approach to ESG

## Our people

Virgin Wines strives to deliver a safe, happy, supportive and inclusive environment, where people are proud to work and can fulfil their professional ambitions

- We continue to support staff with our Employee Assistance Programme that offers free counselling and financial advice amongst many other services
- Recently introduced the Help@hand service for all staff which gives unlimited GP and mental health support as well as physio and personal training
- A flexible hybrid working policy promoting work-life balance
- Long service awards that grant up to 5 extra days holiday each year
- Launched our Community Purpose Programme to support causes that matter to our team
- NED Listening Group sessions introduced

## FY25 results

# Capital allocation strategy

### Priority one: **Organic growth**

Board and Investor preference is always investment in growth via Opex or Capex

### Priority two: **Share buyback**

The strong Balance Sheet and cash position enables the Group to not only invest in growth but also return free cash flow to investors in a manner that will boost earnings per share and support the liquidity of the shares

### Priority three: **Acquisitions**

M&A opportunities - our focus remains organic growth. We will assess good opportunities and if profit accretive, develop an appropriate funding plan

### Priority four: **Dividend**

We remain open to introducing a dividend policy in the future and this remains an ongoing item on the Board's agenda

The Board considers the shares to be currently undervalued given the strong balance sheet, cash position and loyalty of our customer base

- During FY25 the Group spent £2m acquiring 4,112,651 ordinary shares (7.3% of share capital)
- At Year End 4,257,254 (7.6%) shares were held in treasury to satisfy future LTIP commitments
- Authority to repurchase up to 15% of the original issued share equity meaning 7.4% is still available to repurchase at the Boards discretion
- Cavendish managing the share buyback programme outside the MAR regulations to ensure the scheme has the capability to acquire larger volumes
- The Board considers the share buyback programme will benefit both existing and future investors

# Summary and outlook

Trading for Q1 currently in line with market expectations

## Macro conditions

- Continues to be challenging with a subdued consumer environment
- Customers 'waiting' for budget outcome before committing to December spend
- Wine retailers continue to wait to see if the sector gets hit with further duty rises

Shows importance of the growth strategy, diversification of revenue channels and the strength of balance sheet even more



## Customer acquisition

- 29% increase in new customers acquired year on year
- Higher mix of digital acquisition to help drive growth
- Increased investment to help strengthen partnership channel



## Commercial

- In line with growth plan after Q1
- New partnerships agreed including Frasers Group
- Expanding relationship and range with Moonpig continues at pace



## Warehouse Wines

- Revenue up 134% YOY after Q1
- Customer acquisition continues to be highly disciplined
- Key Wine Pass membership growing ahead of expectations



## Mobile app development

- Full App specifications agreed and built
- Testing starts during November '25
- On schedule for launch in early 2026

**Thank You  
Any Questions?**



# Appendix

## Appendix

# Group income statement

	27 June 2025 £'000s	28 June 2024 £'000s
<b>Revenue</b>	<b>59,021</b>	<b>59,005</b>
Cost of sales	(41,240)	(40,200)
<b>Gross profit</b>	<b>17,781</b>	<b>18,805</b>
Operating expenses	(16,785)	(17,572)
<b>Operating profit</b>	<b>996</b>	<b>1,233</b>
Finance income	725	602
Finance costs	(129)	(154)
<b>Profit before taxation</b>	<b>1,592</b>	<b>1,681</b>
Taxation	(290)	(302)
<b>Profit for the financial period and total comprehensive income</b>	<b>1,302</b>	<b>1,379</b>
<b>Basic and diluted earnings per share (pence)</b>	<b>2.4</b>	<b>2.5</b>
<b>Diluted earnings per share (pence)</b>	<b>2.3</b>	<b>2.4</b>

**Appendix**

# Group cash flow

	27 June 2025 £'000s	28 June 2024 £'000s
<b>Cash flows from operating activities</b>		
Profit before taxation	1,592	1,681
Adjustments for:		
Depreciation and amortisation	1,298	1,311
Loss on disposal of intangible asset	-	23
Share-based payment (credit)/expense	(35)	266
Net finance costs	(596)	(448)
Increase in trade and other receivables	(356)	(70)
(Increase)/Decrease in inventories	(1,285)	2,499
Increase in trade and other payables	1,412	257
<b>Net cash generated from operating activities</b>	<b>2,030</b>	<b>5,519</b>
<b>Cash flows from investing activities</b>		
Interest received	725	602
Purchase of intangible and tangible fixed assets	(911)	(443)
<b>Net cash (used in)/generated from investing activities</b>	<b>(186)</b>	<b>159</b>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(539)	(521)
Payment of lease interest	(129)	(154)
Share issue	1	2
Purchase of own shares	(1,968)	(149)
Net cash used in financing activities	(2,635)	(822)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(791)</b>	<b>4,856</b>
Cash and cash equivalents at beginning of period	18,370	13,514
Cash and cash equivalents at end of period	17,579	18,370

**Appendix**

# Group balance sheet

	27 June 2025 £'000s	28 June 2024 £'000s
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	11,357	11,159
Property, plant and equipment	110	202
Right of use assets	1,877	2,370
Deferred tax asset	-	194
<b>Total Non-current assets</b>	<b>13,344</b>	<b>13,925</b>
<b>Current assets</b>		
Inventories	7,153	5,868
Trade and other receivables	3,041	2,684
Cash and cash equivalents	17,579	18,370
<b>Total current assets</b>	<b>27,773</b>	<b>26,922</b>
<b>Total assets</b>	<b>41,117</b>	<b>40,847</b>
<b>Liabilities and equity</b>		
<b>Current liabilities</b>		
Trade and other payables	(15,874)	(14,425)
Derivative financial instruments	(6)	(3)
Lease liability	(554)	(539)
<b>Total current liabilities</b>	<b>(16,434)</b>	<b>(14,967)</b>
<b>Non-current liabilities</b>		
Provisions	(413)	(367)
Lease liability	(1,639)	(2,193)
Deferred tax liability	(11)	-
<b>Total non-current liabilities</b>	<b>(2,063)</b>	<b>(2,560)</b>
<b>Total liabilities</b>	<b>(18,497)</b>	<b>(17,527)</b>
<b>Net assets</b>	<b>22,620</b>	<b>23,320</b>
<b>Equity</b>		
Share capital	560	560
Share premium	11,989	11,989
Own share reserve	(43)	(3)
Merger reserve	65	65
Share based payment reserve	294	552
Retained earnings	9,755	10,157
<b>Total equity</b>	<b>22,620</b>	<b>23,320</b>

# Five-year plan



## Five-year plan

# The UK off-trade wine market

## The UK off trade wine market

- UK is the 6th largest wine market in the world
- 83.7% of wine in the UK by volume is sold through the off trade
- 1% decline in value and 3% decline in volume of wine sold through the Off Trade
- Wine Pricing continues to rise but pressure on volume

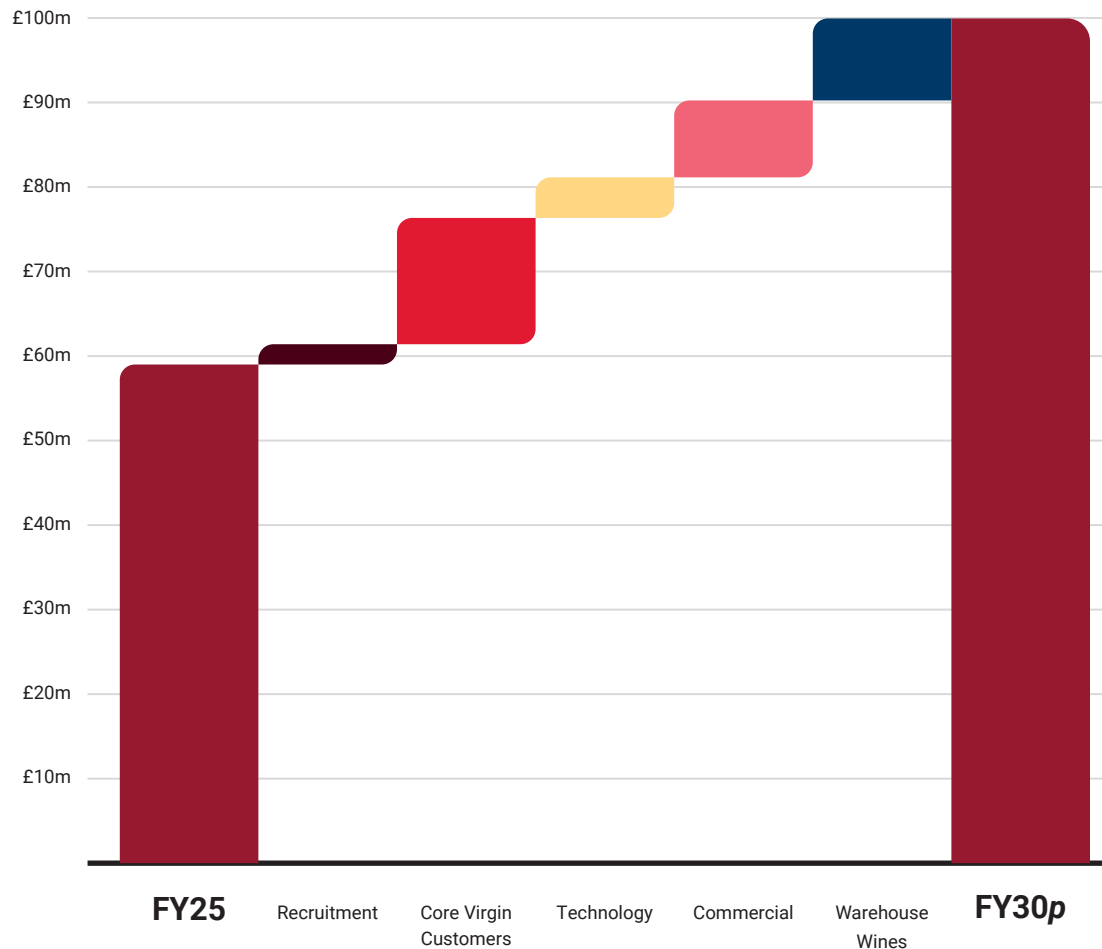
## Continued movement to premiumisation

- Average price of a bottle of wine increased by 3% to £6.75
- Strongest growth in wines priced above £7, largely at the expense of the sub-£5 market
- Plays to the strength of both the Virgin Wines and Warehouse Wines brands

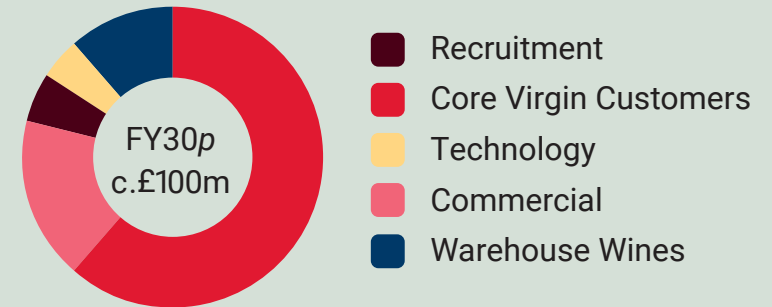
## Wine trends

- Rose the only wine 'colour' in growth over the past year +4%
- Sauvignon Blanc was +2% by value and Tempranillo +6% by value
- France and New Zealand in growth while Australia, Spain and South Africa all saw significant falls in volume

# Five-year plan Organic growth



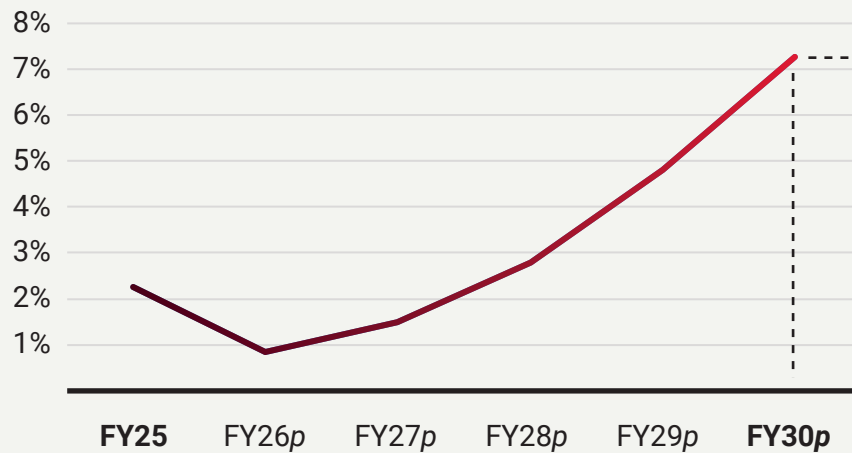
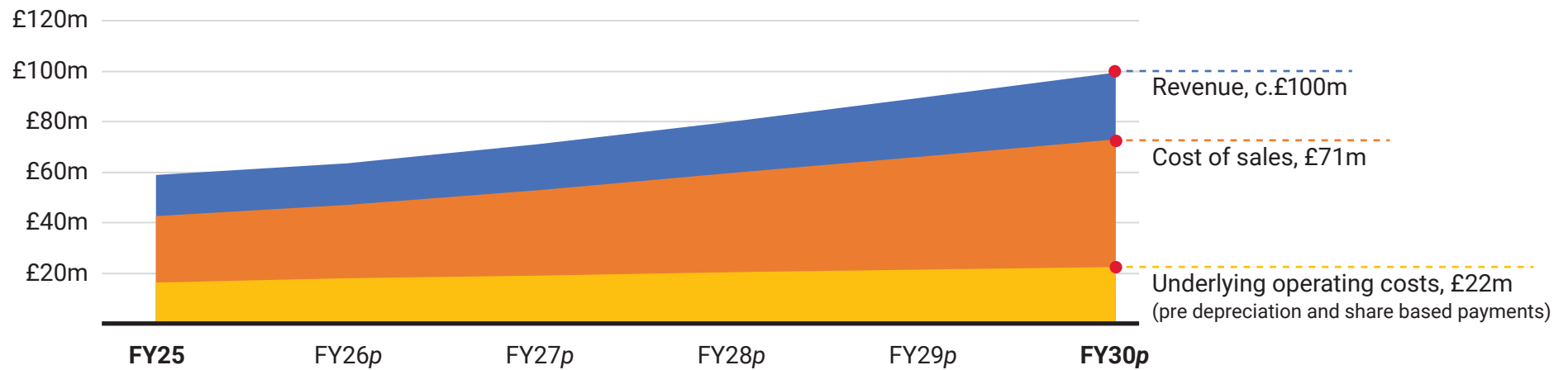
## FY30p revenue by sector



- Growth in core sales through increased recruitment to grow active customer base
- Incremental revenue through new technology to increase customer engagement and retention
- Build on current double digit growth in Commercial through existing partners and new customers
- Continued investment in growing customer base of Warehouse Wines brand

Five-year plan

# Driving operational leverage



Delivering EBITDA margin of **7% in FY30p**

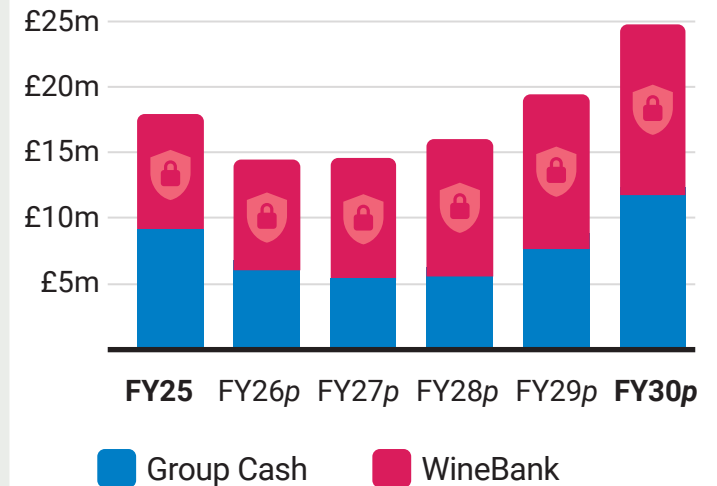
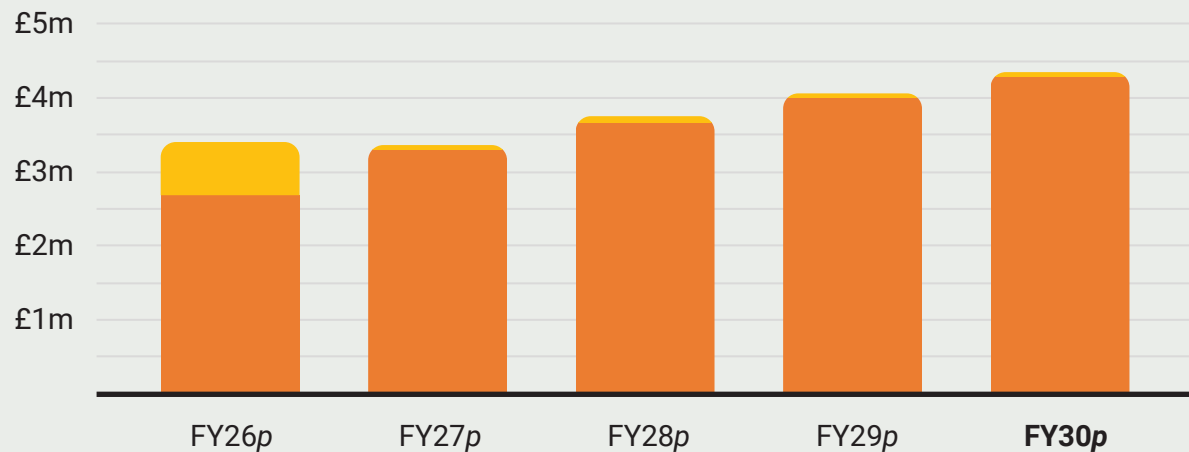
Buying efficiencies reducing product cost

Increased volumes leveraging fixed operating cost more efficiently

## Five-year plan

# Additional investment in organic growth

Strong Balance Sheet and cash position that can fund growth via Opex, Capex and **return cash to shareholders via buybacks**



### Opex Investment

Increased customer acquisition impacts PBT and cash generation in the short term

Growth in Commercial driven by opex spend on additional resource and marketing

### Capex Investment

Development of a Mobile App to improve customer experience, new functionality and slicker navigation

### Cash Balance

Retain a cash buffer to ensure new investments do not negatively impact the normal working capital cycle

Customer deposits are safe. **Investment plans ensure customer funds remain ring fenced**

Cash forecasts reflect a return to shareholders through share buy back in FY25 & FY26