



Q1 Report

**PRESENTATION WILL
BEGIN SHORTLY**





Q1 Report

JAN - MAR 2025

with
Håkan Lagerberg, CEO
Jenny Graflind, CFO
Geoff Granger, CEO NaturVet





Q1 2025 Highlights

Solid quarter, 7% growth (5% org), 19,4% EBITDA and strong cash flow

Tariffs have immaterial impact on Swedencare due to manufacturing and sales on same continent

Launch of NaturVet new brand design at Global pet Expo and Big Box in store launch official

Employee survey with improved results from already high numbers with significantly higher response rate

In-house produced 2024 Annual report

Acquisition of UK Summit Vet & NaturVets Amazon account

Acquisition – UK Summit Vet



SUMMIT

- Animal Health Specials company active in UK with some sales to Hong Kong
- 2024: **7,3 MGBP** Rev and **2,7 MGBP** EBITDA (37%)
- Purchase price 30 MGBP + 2 year earn-out of maximum 15 MGBP
- Customer base of 5 500 veterinary clinics
- Mainly Pet products but looking to expand Equine
- Synergies and opportunities primarily with group companies Vetio (pharma) and Nutravet
- Have already started knowledge transfer and set-up of Vetio's patented Soft Chew process for pharmaceutical products

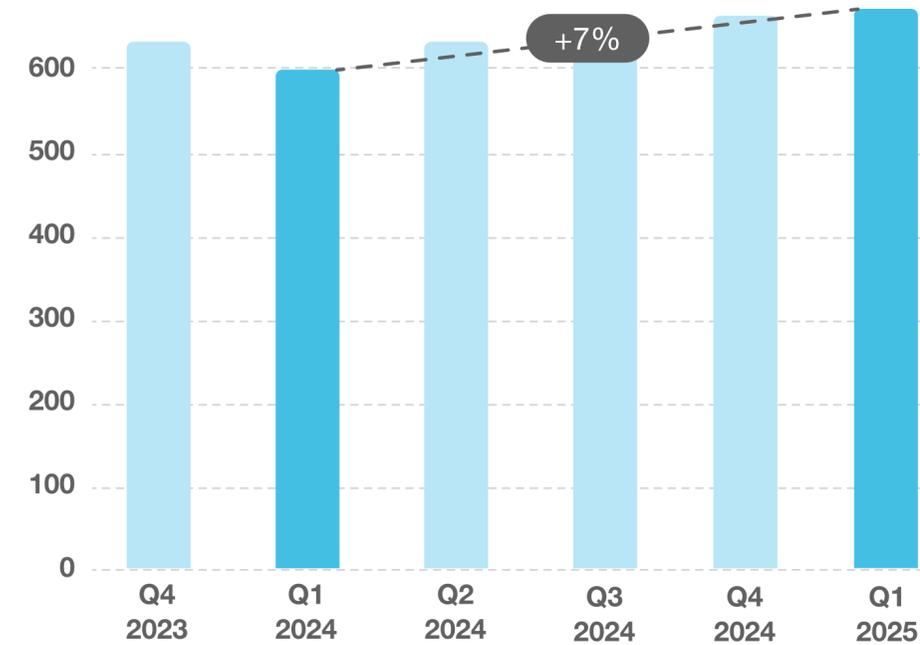


Acquisition – Amazon acct NaturVet

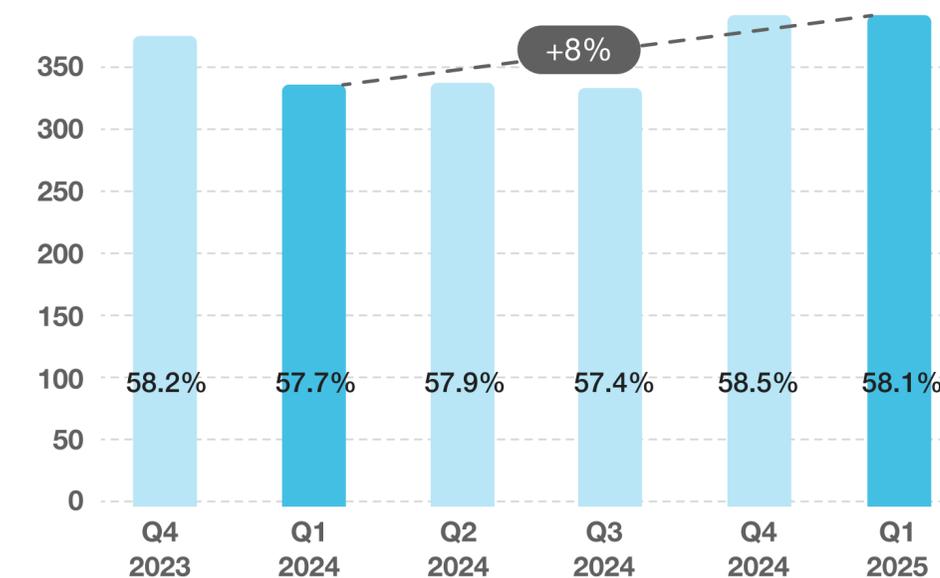
- Original agreement set to expire Dec 31st 2025
- Opportunity to speed up and acquire our partner's legacy account
- Price < annualized additional profit due to the set-up we have with the internal and experienced & competent PetMD team handling many group brands
- Take over of Account and stock as of April 23rd, 2025
- **Advantages with the acquisition**
- Eliminated risk of transfer to new Amazon account
- Lost revenue
- Higher marketing costs
- Positive impact on revenue and profits in 2025

Financial Highlights Q1 2025

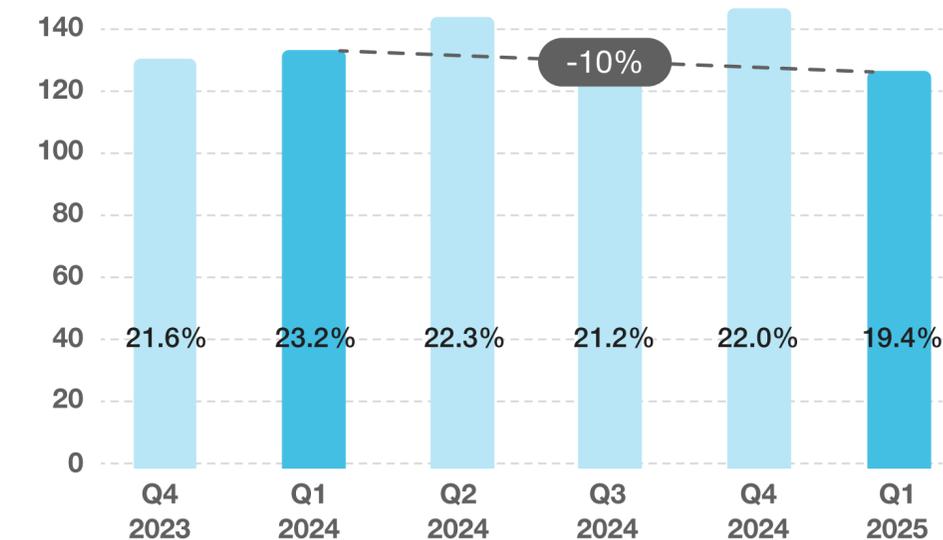
Net Revenue



Operational Gross Margin



Operational EBITDA



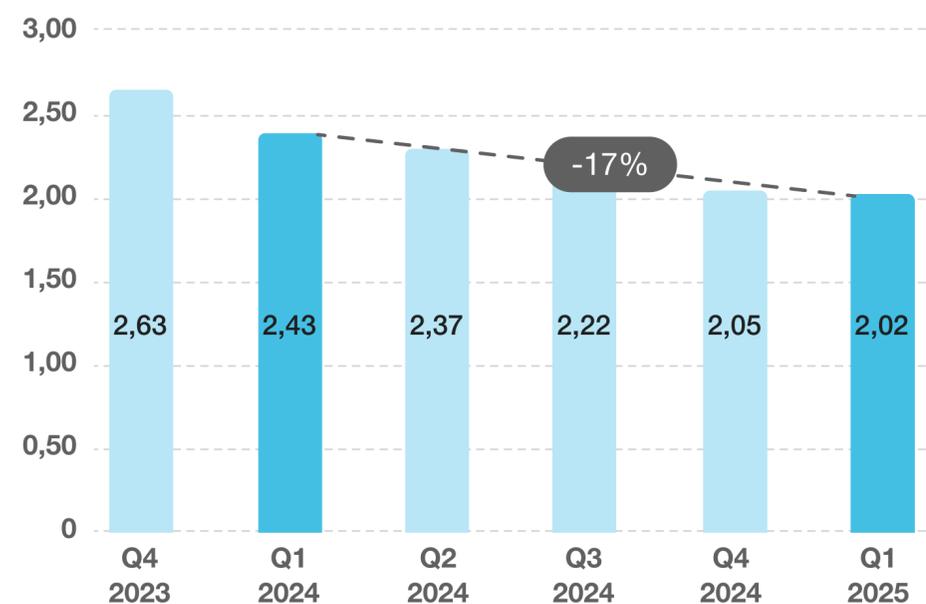
Comments

- Organic growth 5%, currency impact 2%. Acq. rounded down
- Op. Gross Margin 58,1%
- Stabile around 58% (+/- 1%)
- Increased external costs
- Investments in expos (7M vs 3M last year)
- Amazon & marketing
- Increased personnel costs
- More overtime with production and preparation
- Increased payroll taxes and benefit costs in US
- Higher annualize bonus accruals

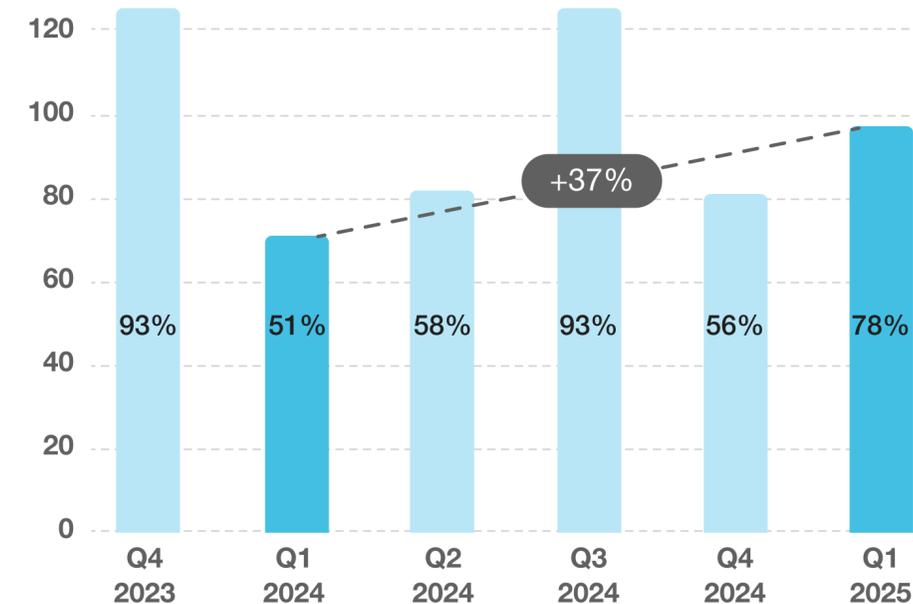
Financial Highlights Q1 2025

Comments

Net Debt / EBITDA



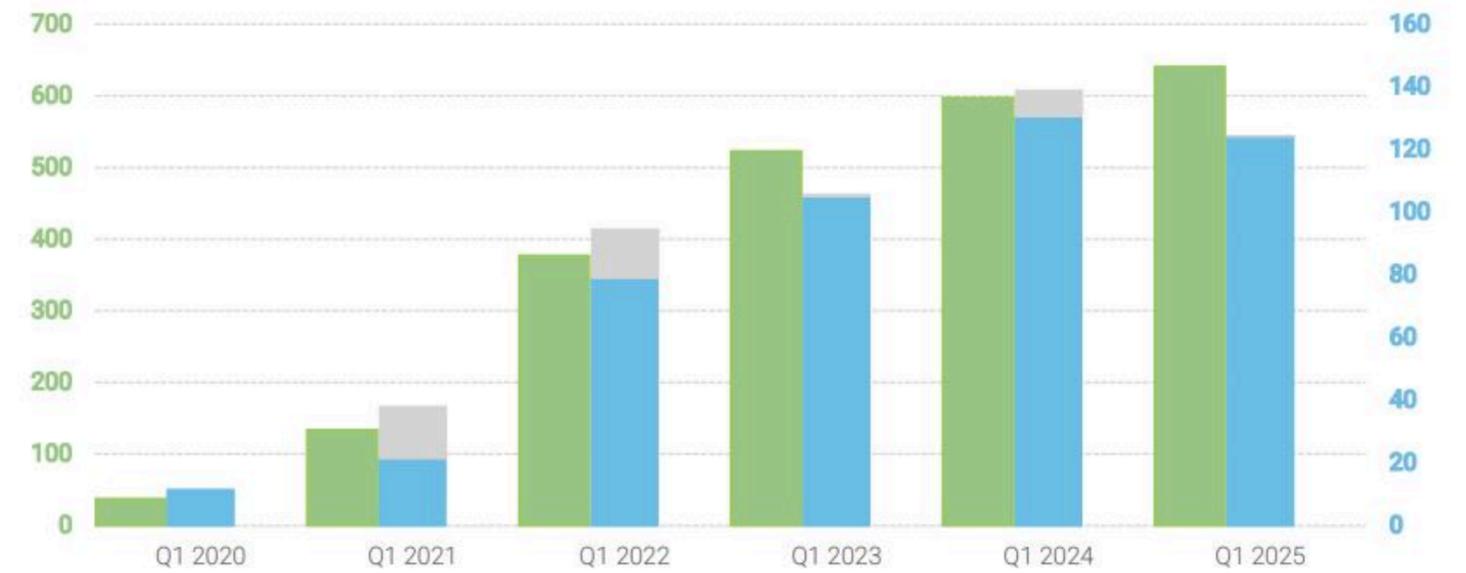
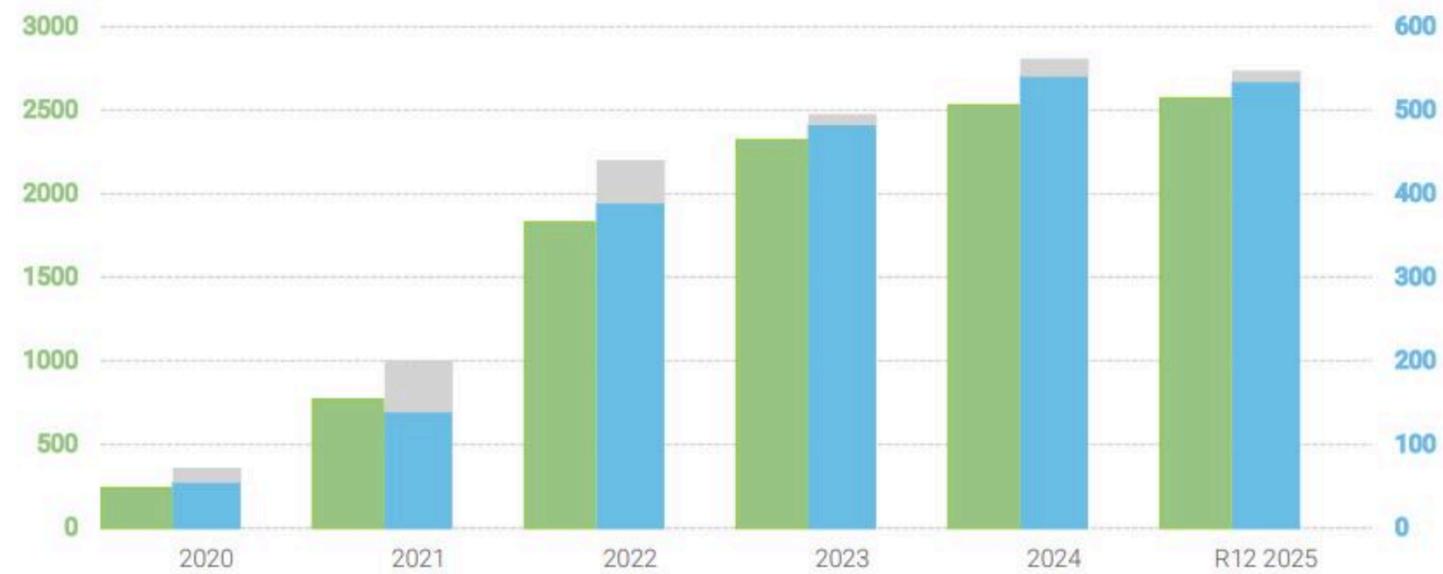
Op. cash flow / Cash conversion



- Acquisition of Pack Approved, 23,8 MSEK in Q1
- Negative -10 MSEK in WC
- Build up of inventory ahead of product launches & higher AR with strong last month
- CapEx <2% of net revenue
- Net Debt/Proforma EBITDA expected to increase to 2,5 with Summit Vet
- Draw 325M on RCF for Summit acquisition April 1st
- High cash level at Q end

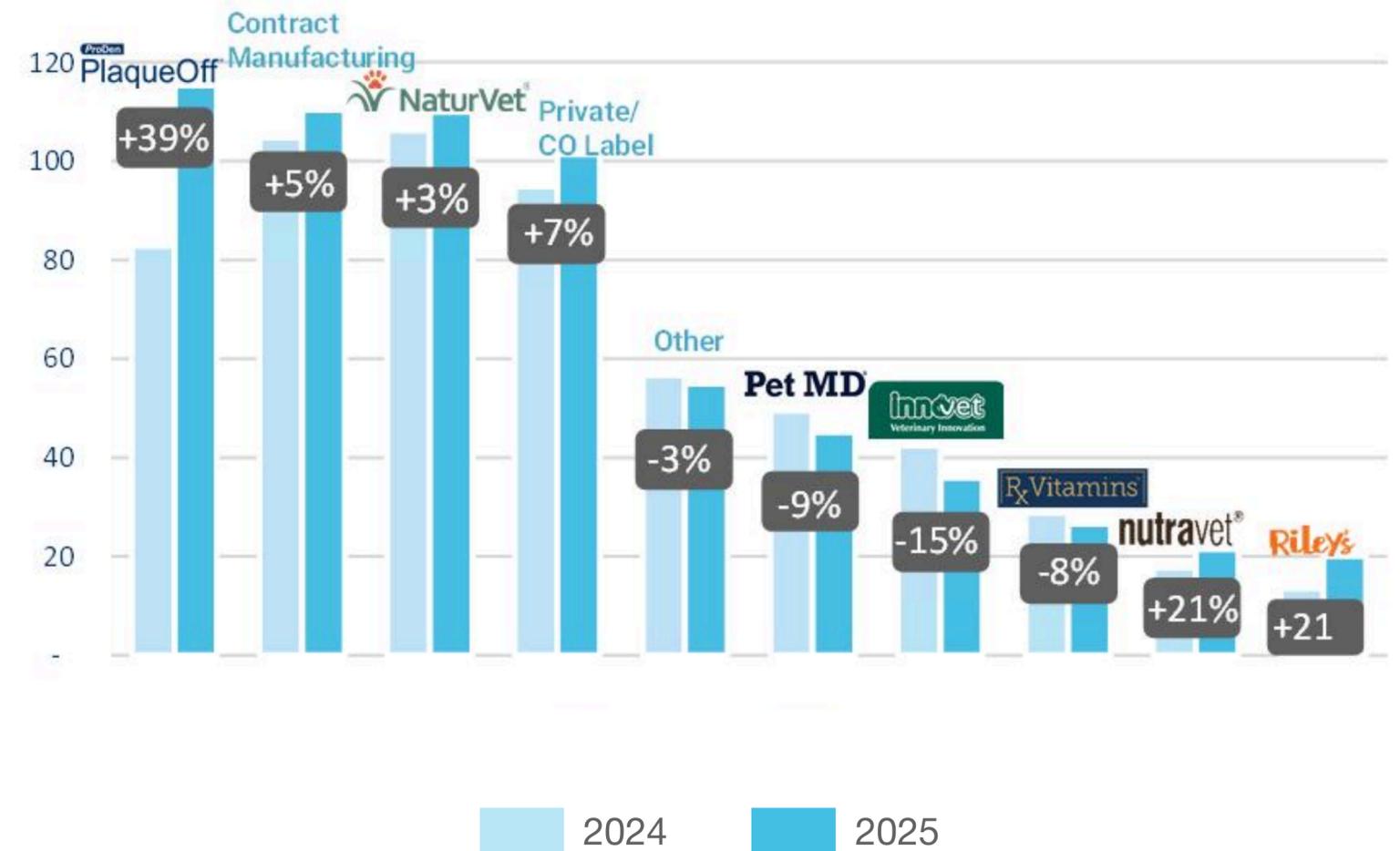
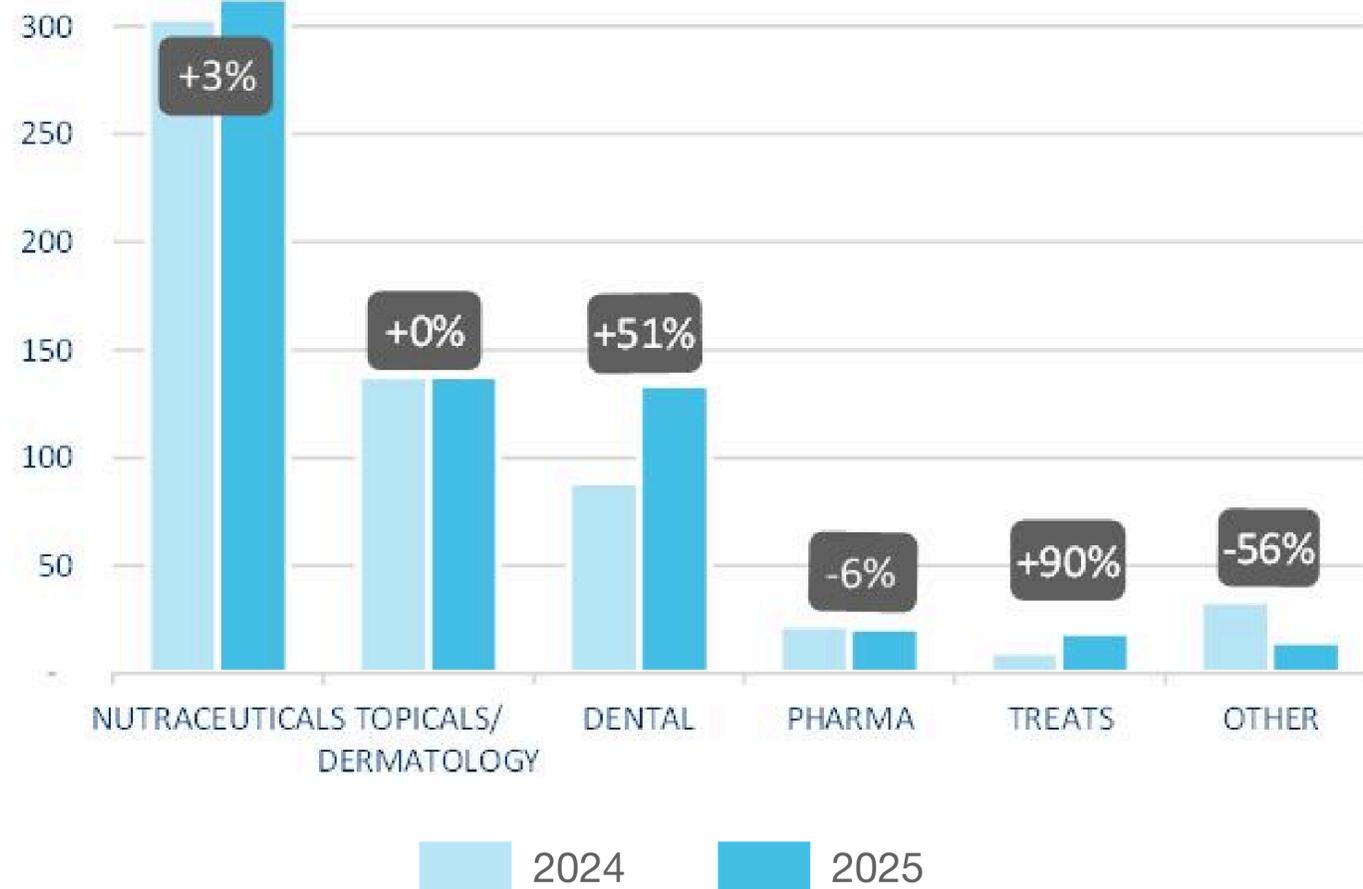
Rolling 4 quarters

Rolling twelve months - net revenue and EBITDA



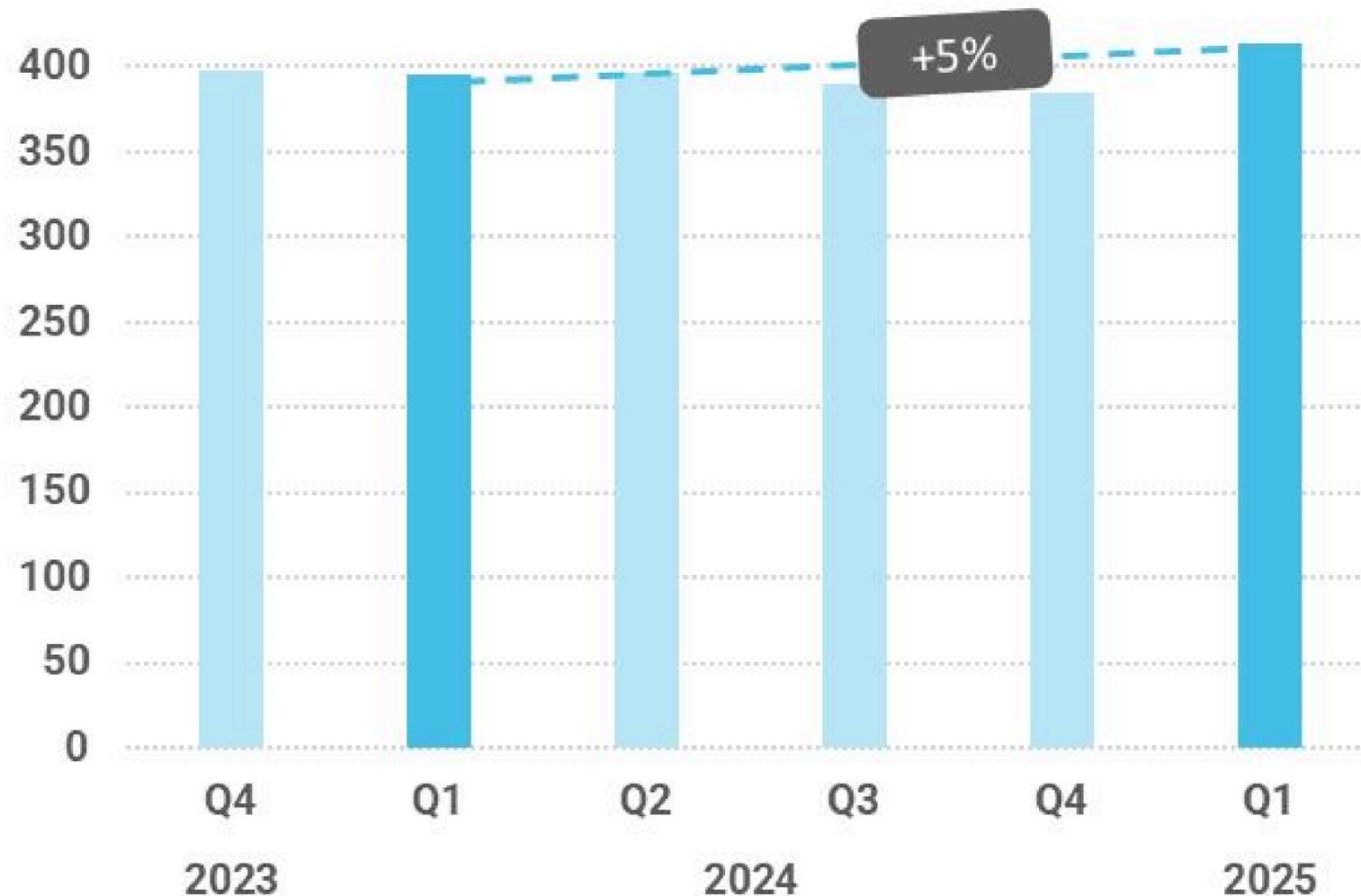
Net revenue EBITDA Operational EBITDA

Product- and brandsplit



Net sales North America 413,8 MSEK, 5% growth

65%
of total net revenue

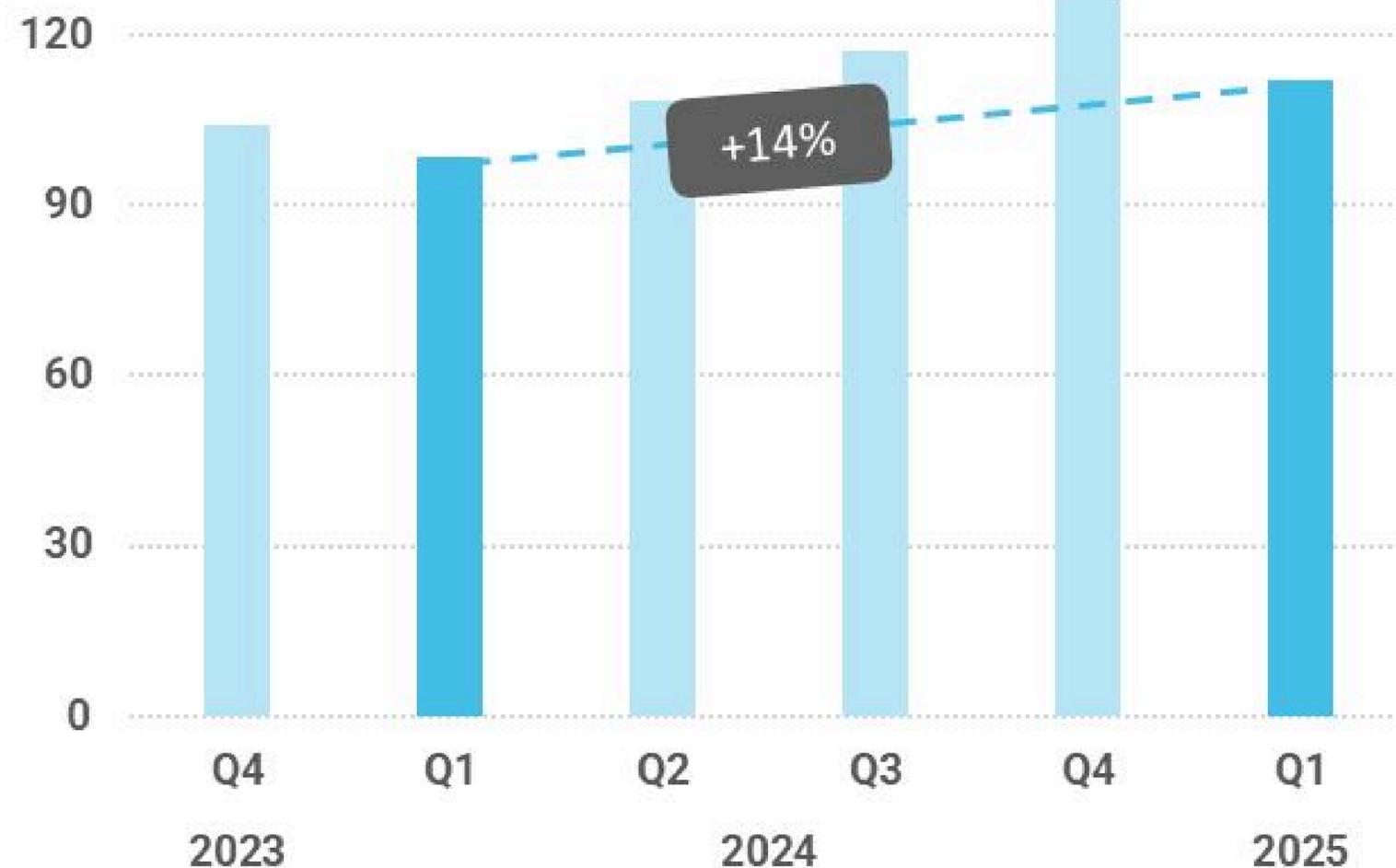


- **Veterinary** - solid growth for all customers except two big dist. involved in renegotiating excl. agreements
- Optimizing project in Tampa
- **Pet retail** - low digit growth except for ProDen PlaqueOff[®], stronger growth expected across the board in Q2
- **Online** - soft start of Q but ending strong.
- Multiple product launches in March, eg Finger wipes with Best seller badge immediately
- Main channels AZN, Chewy & TikTok

Net sales Europe

111,7 MSEK, 14% growth

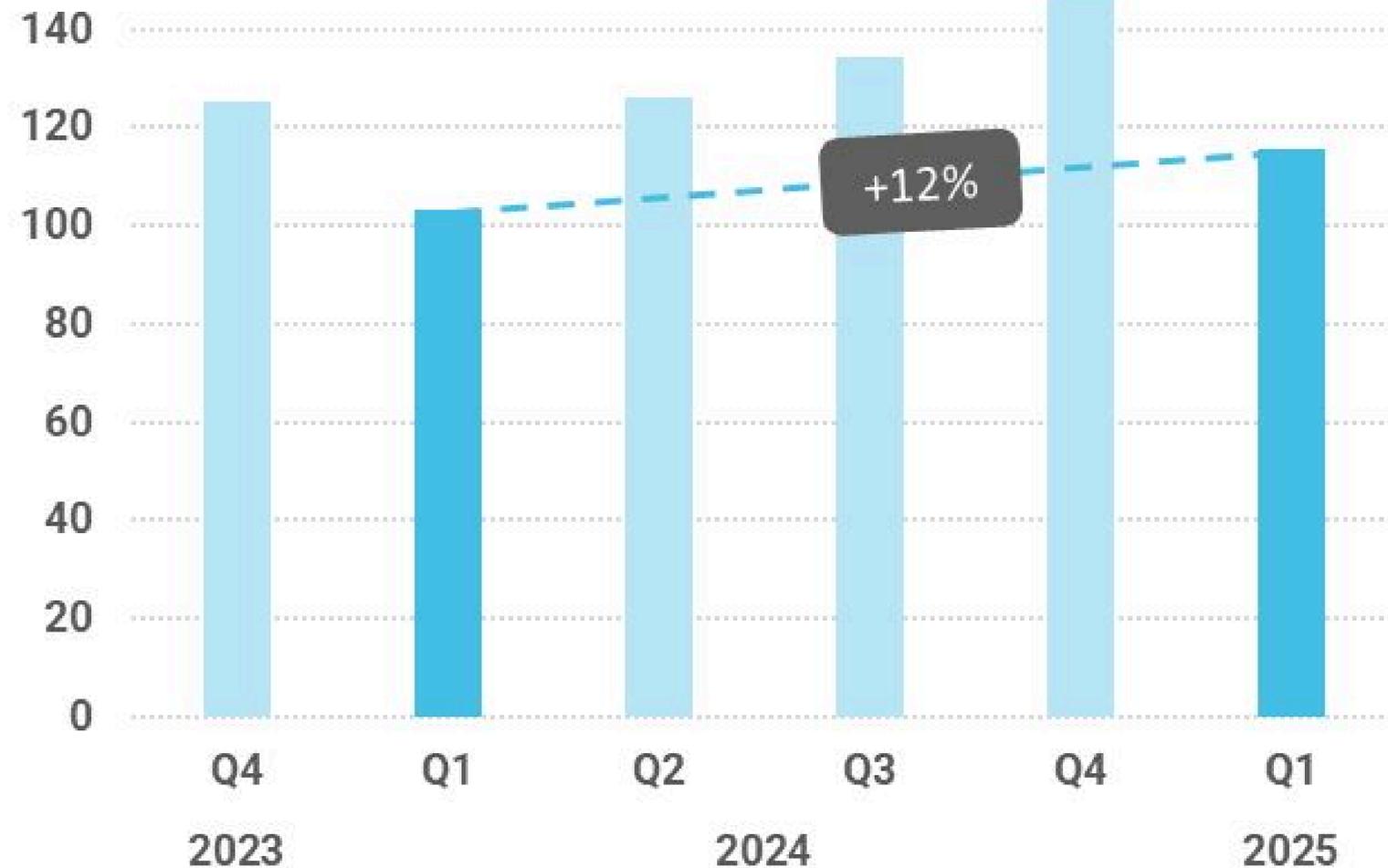
17%
of total net revenue



- Strongest countries UK (Vet and Online) and Nordics (Online and Pet Retail)
- **Veterinary** - soft due to Italy being down for the Q but UK back to DD-growth
- **Pet retail** - new agreement with the biggest chain in Spain
- Successful online campaigns creating sales in Pet Retail
- **Online** –
- Amazon UK strong sales, rest of Europe solid and in process of moving to inhouse handled FBA sales
- Zooplus collaboration with steady growth
- D2C sales in own webshops increase

Net sales Production 15,6 MSEK, 12% growth

18%
of total net revenue



- Increase in customer reaching out and RFPs
- Planned manufacturing stops due to improvements necessary in both Vetio N and S
- Vetio N will expand into sterile liquids
- Continued increased capacity in UK and Ireland due to demand
- Exclusivity agreement for Mesoporosil[®] - a unique silica-based product for bone strength and mobility

Priorities 2025

A woman with long blonde hair, wearing a red jacket and a blue and green backpack, is crouching on a rocky, grassy hillside. She is looking at and petting a brown and white dog. The background is a soft, hazy landscape under a bright sky.

Continue our strong growth trajectory, focusing on present main markets and geographic expansion into Asia and South America

Enhance operational efficiencies, particularly in production and supply chain optimization

Strengthen our online platforms and D2C sales, driving brand loyalty and higher margin sales

Pursue new acquisitions that align with our vision for premium, science-backed pet health products

2024 – Transitional year,
Transformational Change



Transformational Change – 2024 Key Investments

We set the table for revenue & EBITDA growth by investing in ...



Human Capital

✓ *Built best-in-class commercial team with 200+ years of collective experience across some of the world's most recognizable brands ...*



✓ *Transitioned key leadership roles*

✓ *Transformed our culture to attract & retain top talent*

Transformational Change – 2024 Key Investments

We set the table for revenue & EBITDA growth by optimizing ...

Financial Capital

✓ *Implemented new internal + external standards, processes and systems to drive increased efficiency, control and savings*



DecLINK



✓ *Invested in data/insights, mission-critical 3rd party partnerships and social/digital/influencer media*



Transformational Change – 2024 Key Investments

We set the table for revenue & EBITDA growth by investing in ...



Intellectual Capital

✓ *Leveraged exhaustive market data/shopper insights to differentiate ourselves through “thought leadership”*

 Numerator  NielsenIQ

✓ *Established financial and process rigor with our accounts to drive credibility, financial predictability and overall efficiency*

Transformational Change – 2025 Early Successes

We are now seeing positive results from the transformational changes that we made in 2024 ...



Total Q1 2025, a return to growth!



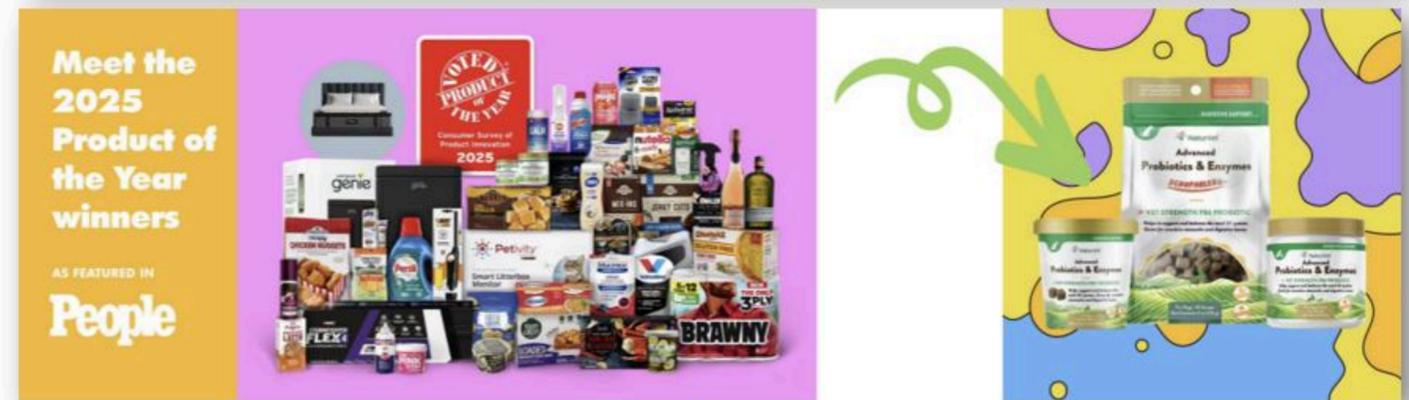
March 2025, highest volume single month ever!



Achieved record employee net promoter score!



2025 industry recognition for product excellence!



2025 – The Transformation Continues



NaturVet Re-Brand – The Mission

To Engage, Inspire, and Delight ...

new-to-category / new-to-brand consumers through re-invention of the NaturVet brand, the packaging and the presence on- and off-shelf . . .

... while continuing to deliver upon the essential attributes NaturVet delivers to current brand loyalists

NaturVet Re-Brand – The Old Look Of NaturVet

Consumer and retailer feedback on the old packaging told us that we needed to ...

- ✓ More prominently callout **NaturVet Branding**
- ✓ Ensure that **product names** correspond to what the product does
- ✓ Clearly call out applicable **species**
- ✓ Add consumer-friendly **product benefit** call outs
- ✓ Feature product **flavor** call outs
- ✓ Create a **consistent architecture** across all category segments



NaturVet Re-Brand – The New Look Of NaturVet



In Stores & Online
Starting in
Q2 2025

NaturVet Re-Brand – Consumer Feedback

All design decisions are rooted in three comprehensive waves of consumer insights



Screening

Objective:

Determine preference of current vs. proposed design

Methodology:

Designalytics online consumer study (n = 200)

Key Learnings:

- ✓ New design preferred (6.3 points)
- ✓ Only 40% of redesigns achieve 4 pts+ score
- ✓ Score of 4 pts+ predicts positive sales outcomes > 90% of the time



Evaluation/Optimization

Objective:

Secure feedback on multiple packaging designs

Methodology:

Current & new-to-category focus groups (N = 35)

Key Learnings:

- ✓ Affirmed package architecture
- ✓ Identified preferred claims
- ✓ Revealed current consumer desired trade-dress
- ✓ Informed direction for lifestyle imagery, product shots and flavor preference



Validation

Objective:

Confirm acceptance of optimized design

Methodology:

Zappi online consumer study (n = 300)

Key Learnings:

- ✓ Current NaturVet consumers scored above the norm for overall appeal, distinctiveness, shelf findability, purchase likelihood
- ✓ New-to-category + new-to-brand consumers outperformed the norm on overall appeal and purchase likelihood, and scored in line with the norm for distinctiveness and shelf findability

NaturVet Re-Brand – Retailer Feedback

Re-branding NaturVet was table stakes for expansion/placement with current/new accounts

“We were concerned that you wouldn’t be willing to make the changes necessary ... this is excellent work, and the last thing we needed to see to make our decisions”



“Very Nicely Done!”



“Fantastic! The blue pops and you can quickly identify the brand and the product! Well Done!”



“You Listened! This change will really improve your appeal and performance with new-to-category”



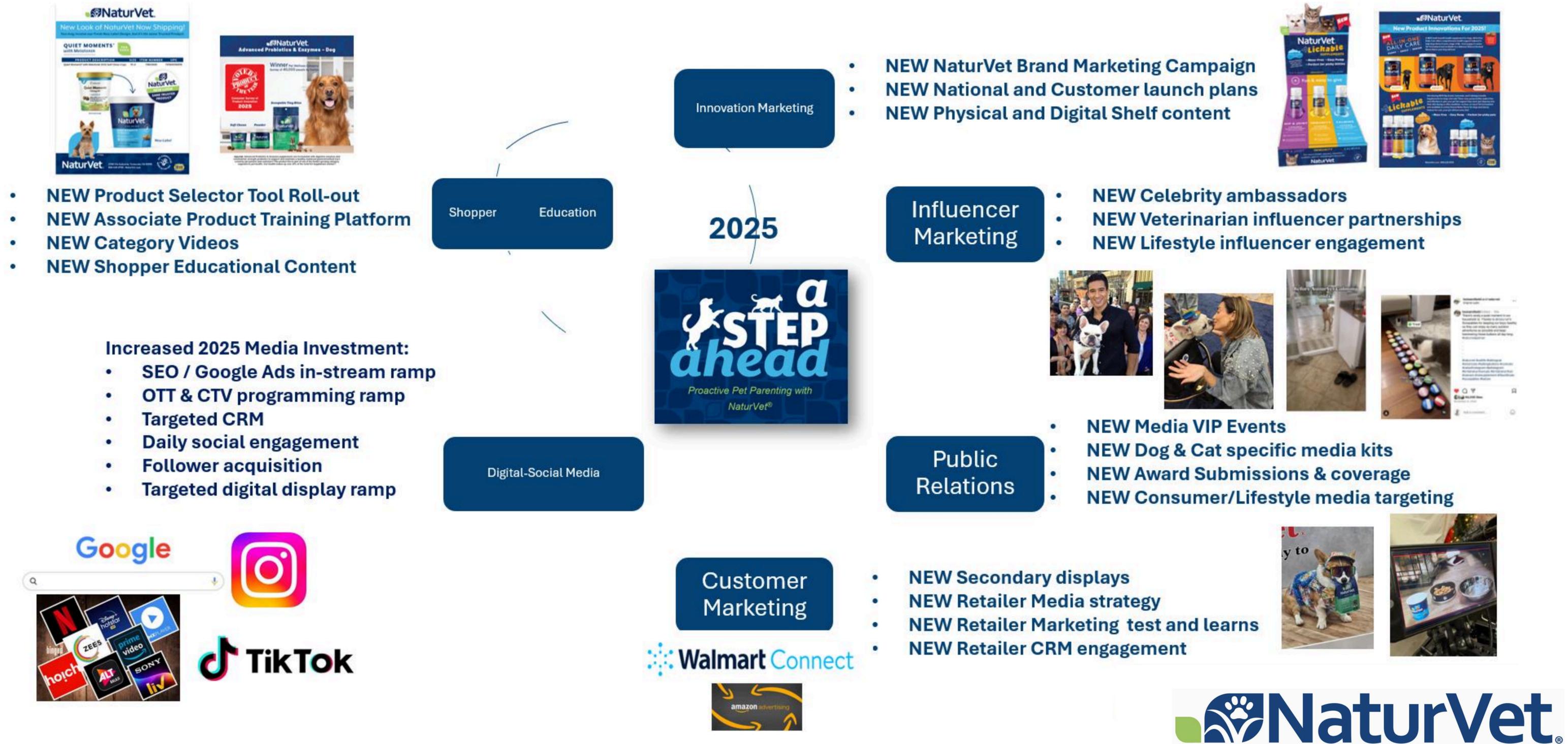
NaturVet Re-Brand – Global Pet Expo

We unveiled our new look at the premier pet industry trade show in March 2025



NaturVet Re-Brand – The Campaign

Get “A Step Ahead”, Empowering pet parents to take a proactive approach to their pet’s health and wellness



Customer Engagement Highlights – Existing Account Expansion



- ✓ **Q1** - First NaturVet in-line placement in ~1,500 stores
- ✓ **Q1** - First NaturVet off-shelf placement in ~1,500 stores
- ✓ **Q3** – Planned in-store NaturVet expansion



- ✓ **Q1** – Launched all new NaturVet innovation in ~1,400 stores
- ✓ **Q2** - Incremental off-shelf displays in ~1,000 stores
- ✓ **Q4** – New private label partnership



- ✓ **Q1** – Significant SKU expansion at annual reset
- ✓ **Q1** – Expansion in priority “Fusion Format” learning lab stores
- ✓ **Q3** – Private label off-shelf expansion in ~2,200 stores

Customer Engagement Highlights – New Account Expansion



- ✓ **Q1** – NaturVet.com expansion
- ✓ **Q1** – First in-store presence w/ NaturVet off-shelf seasonal display
- ✓ **Q2** – Planned in-store NaturVet expansion



- ✓ **Q1** - NaturVet live on .com, prerequisite for current in-club placement discussions

National Drug Store Chain

- ✓ **Q2** – First in-store NaturVet placement

Driving Growth Through Consumer Acquisition

The re-brand, retailer expansion and robust marketing activation are an integral part of our plan to aggressively grow acquisition across new-to-brand and new-to-category consumers

Just 1 share pt of “new-to-brand” consumers =

23 pts of current NV consumers

Just 1 share pt of “new-to-category” consumers =

76 pts of current NV consumers



1 pt NaturVet Consumers



1 pt New to Category Users

Source: American Pet Association, AVMA, US Census Bureau, and Straits Research 7/4/24





Thank you for
participating!

Q&A

