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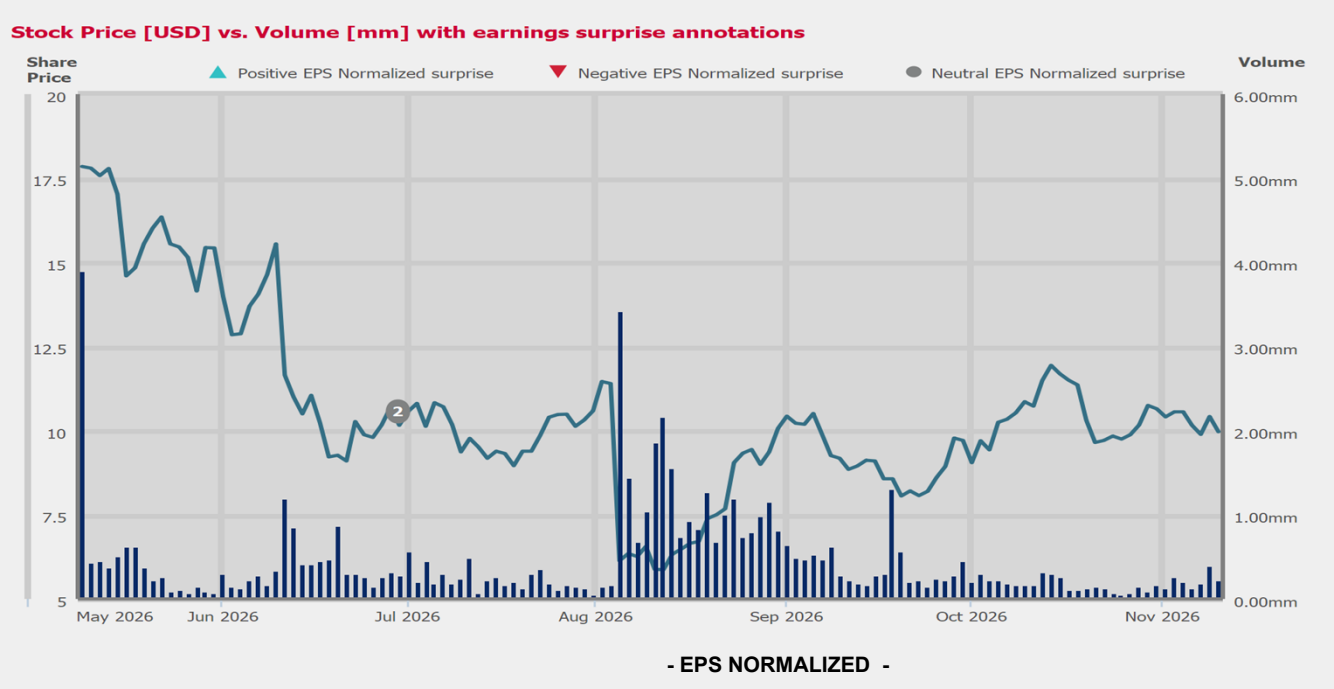
FQ3 2026 Earnings Call Transcripts

Tuesday, November 10, 2026 9:30 PM GMT

S&P Global Market Intelligence Estimates

	-FQ2 2026-			-FQ3 2026-	-FY 2026-	-FY 2027-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	(0.08)	NA	NA	(0.11)	0.26	NA
Revenue (mm)	82.99	NA	NA	71.28	361.67	NA

Currency: USD
Consensus as of Oct-15-2026 11:49 AM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ1 2026	0.20	0.23	1 15.00 %
FQ2 2026	(0.08)	1.05	NM

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Presentation

Operator

Good day, and thank you for standing by. Welcome to the Suja Life Third Quarter 2026 Earnings Conference Call. [Operator Instructions] Please be advised that today's conference is being recorded.

I would now like to hand the conference over to your first speaker today, Mike Mougias, Head of Investor Relations. Please go ahead.

Michael Mougias

Good afternoon, and welcome to Suja Life's Third Quarter 2026 Earnings Call. Joining me today are Maria Stipp, Chief Executive Officer; and Jeff Pedersen, Chief Financial Officer.

Our earnings press release was published this afternoon and can be found on our Investor Relations website. Today's call is being webcast there as well, and a replay will be made available shortly after the call.

Before we begin, a reminder that today's discussion will include forward-looking statements. These statements reflect our current expectations and are covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. They're subject to risks and uncertainties that could cause actual results to differ materially. For more on those risks, please see today's press release and our most recent SEC filings. We assume no obligation to update these statements.

We'll also refer to certain non-GAAP financial measures. You'll find reconciliations to most comparable GAAP measures in today's press release and our SEC filings. We're unable to reconcile forward-looking non-GAAP measures without unreasonable effort.

With that, I'll turn the call over to Maria.

Maria D. Stipp
CEO & Director

Thank you, Mike, and good afternoon, everyone. The third quarter showed what this business can do in an environment where consumers remain under pressure. Net sales grew 3% to $76.4 million, ahead of our outlook we gave you in August. That includes approximately $2 million of shipments that moved from the fourth quarter into the third. Adjusted EBITDA was $10.5 million, a $9.6 million increase versus last year.

Three things stand out to me this quarter. First, consumers are choosing our brands. Suja gained share again this quarter and our newer lines, like our Refreshers, are leading the way. Second, we're winning where shoppers are going with strong growth in club and convenience. And third, we're managing the business for profitability. We expect adjusted EBITDA to grow roughly 70% this year with margin expanding about 7 points to nearly 20%, while investing deliberately behind our brands.

That discipline is especially important given the continued pressure in grocery, which is shaping our near-term expectations. I'll walk through each of these and how we're adapting our plans in response. Jeff will then take you through the numbers and our updated financial outlook.

Let me start with share. In the third quarter, our share of natural healthy beverage rose approximately 30 basis points to just over 9%, according to Nielsen. Year-to-date, we're up more than a full point. And in the quarter, among the category's 5 largest manufacturers, Suja was the only one to gain share.

Those gains came amid increased promotional activity across the category and pressure on household budgets. In grocery, the percentage of natural healthy beverage dollars sold on promotion in the quarter increased more than 6 percentage points versus a year ago. Despite that increase, the added promotion didn't translate into overall category growth.

We chose carefully where to put our promotional dollars. We stepped up support behind our shops and Refreshers, but we didn't chase the deepest discounts in grocery where they weren't paying back. And our share gains show that consumers are still choosing our brands even with more promotion in the market.

Second, shoppers continue to seek better-for-you products. They're buying them in different places, and we're following them. In the third quarter, our Nielsen measured sales in club grew nearly 20%. In convenience, they grew more than 40% from a small base. And in mass, they grew about 6% with more room ahead.

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In August, I told you we'd expand our programs in club and mass. Club is our clearest win so far, driven by incremental programming on Suja Organic green juices and wellness shots. We also said we'd work arm in arm with our retail partners, and we did through top-to-top sessions with several of our largest customers. Those conversations have helped secure meaningful new distribution with more reset meetings still to come. And we keep investing in our brands. Marketing was 10.5% of net sales in the quarter, weighted toward bottom-of-funnel programs that help drive purchases at shelf.

Where we have the most work to do is conventional grocery, our largest channel. Weaker store traffic across the industry continues to weigh on our sales velocities. Despite that headwind, we grew distribution nearly 10% in the quarter, which tells you retailers continue to want our brands on their shelves. But each of those placements is selling less on average than a year ago. Some are newer items that can take time to build and some are core single-serve items in grocery.

Distribution only creates value when it turns. So our focus is on both, continuing to earn new distribution and making every point work harder through better placement, sharper price pack architecture and marketing that converts at the shelf.

When we spoke in August, we expected a stronger fourth quarter driven by new distribution, seasonal programs and our commercial actions. Those actions are in place, and the fourth quarter is historically our strongest season for wellness shots. But the grocery pressure that began in July has intensified. Store traffic is softer. Retailers are cutting prices more deeply and promotions are delivering lower returns.

As a result, we no longer expect the fourth quarter step-up we planned for, and we're lowering our full year outlook, which assumes today's grocery conditions hold through year-end. We will discuss this more in a moment.

Turning to our brands. Suja Organic cold-pressed juice continues to lead our growth, reflecting the work we did in 2023 and 2024 to reposition the brand around functional benefits. Our Refreshers platform grew more than 40% in Nielsen measured dollars in the third quarter, with velocity still rising as we added distribution. Our boosted juice grew more than 18%, and our larger multi-serve formats continue to build in the quarter. Green Juice, the platform that started this brand, softened in grocery in the quarter, even as it helps drive our club growth. Reinvigorating it is a priority.

Wellness shots remain one of the fastest-growing segments in beverage, up double digits this quarter. Our multipacks continue to grow with some consumers shifting from single-serve to multipacks as shots become a part of their daily routines. Our single-serve shots were softer in the quarter.

That brings me to Vive Organic. Vive pioneered this category, and it remains one of our top priorities. Part of running a portfolio of brands is giving each one what it needs at its stage of growth. For Vive, over the coming quarters, that means working on sharper single-serve price pack architecture and promotion, leading with multipacks and exploring innovation built around ingredient forward benefits. It's the same playbook that's driving growth in Suja Organic juice today.

Finally, Slice. Year-to-date, Slice net sales are up 31% and Emerging Brands adjusted EBITDA loss narrowed by $9.1 million versus last year's third quarter. In the quarter, growth slowed to 3% as the better-for-you soda growth moderated and new distribution turned more slowly than expected. We're resetting expectations and looking to concentrate Slice where it's working.

That brings me to the third point, how we're managing the business. Stepping back, this has been a year of real change for Suja. We became a public company, our category tightened, and we've streamlined how we operate. I think about Suja's history in 3 chapters. The first was proving we could build these brands. The second was proving that we could make them last. This next chapter is about scaling with intention, and that means making choices.

We brought our marketing, sales and innovation teams together into one commercial organization so we can plan further ahead, move faster with our retail partners. And we're directing investment into channels and platforms and programs with the clearest returns.

Owning our production gives us more control over our costs and our supply, and that's what creates room to make choices. It doesn't make us immune to inflation, particularly in fuel, packaging and other inputs, but it helps us absorb these pressures and keep investing to grow our brands while expanding profitability this year.

Our priorities ahead are clear. First, building velocities across our portfolio, including in our core green juices, single-serve shots and Vive. As part of that, we expect to launch a new marketing model in the first quarter of 2027. It's full funnel and it's social-first. It puts more of our spend behind what's already working, and it reaches consumers where they spend their time. Most consumers discover us at the shelf or through word of mouth. And so that's where we're focused, the experience at the shelf and what people hear about us from their friends, family and trusted sources. Having marketing sales and innovation in one commercial organization is what makes that possible.

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Second, deepening our penetration in existing accounts and capturing white space in channels where we're underdeveloped. We're in the selling season for 2027 placements, and we're encouraged by the early progress. Third, innovating to capture new consumer opportunities with new formats and adjacent categories that build on our platform.

And throughout, grow profitably through scale. These priorities will take time to show up in our results. So I want to be clear about how we see the next several quarters. We expect net sales to grow by roughly 8% this year, but we'll exit 2026 at a softer run rate. Looking beyond 2026, we expect continued pressure in grocery and difficult comparisons in the first half of 2027, particularly in the first quarter.

Our new programs and innovation are expected to reach shelves over the course of the year with our contribution building progressively. So we expect a slower start to 2027 with top line growth improving as the year progresses. Through this period, we expect to continue gaining share. And when the category picks back up, we believe we'll be in a strong position to benefit.

We'll provide our formal outlook on our fourth quarter call in March. That said, our conviction in the long-term opportunity hasn't changed. We're not just taking share in an existing category. We're helping build a new segment of the beverage aisle. Household penetration rose to 11.2% from 9.6% a year ago and spend per buyer grew 9% to nearly $31. Even so, only about 11% of U.S. households buy our brands today, which leaves substantial room to grow.

Consumers continue to look for beverages that do more for them and taste great, and that's exactly where our brands compete. We have leading brands, a vertically integrated platform built over a decade and retail partners who rely on us to grow the category. Our focus now is on turning those strengths into more consistent, profitable growth. We have work to do, and I'm confident in our ability to deliver.

With that, I'll turn it over to Jeff.

Jeff Pedersen
Chief Financial Officer

Thank you, Maria, and good afternoon, everyone. I'll start with detail on our third quarter results and then walk through our updated outlook for the full year.

Net sales for the third quarter ended September 28, 2026, increased 3.3% to $76.4 million compared to $74 million in the prior year period. As Maria mentioned, that was ahead of the approximately $71 million estimate we shared in August. Growth was primarily driven by volume gains across key products and new distribution, partially offset by higher trade investment in wellness shots, where our cost position allows us to stay competitive in a more promotion-driven environment. Third quarter net sales also benefited from approximately $2 million of shipments that we had expected in the fourth quarter.

Looking at our segments. Suja Core net sales increased 3% to $74.8 million, reflecting 3 dynamics: first, cold-pressed juice continued to grow, led by our Refreshers, the largest contributor to Suja Core's growth year-to-date; second, wellness shot multipacks continued to grow, while single-serve shots were softer; and third, the higher trade investment I mentioned, weighed on net sales growth.

In Emerging Brands, Slice net sales increased 3% to $2.7 million. That said, growth in better-for-you soda has slowed this year and new distribution has built more slowly than we expected. Gross profit was $33.5 million or 43.9% of net sales compared to $34.3 million or 46.3% in the prior year period. That was below the approximately 47.8% we estimated in August. Historically, the third quarter has been our lowest gross margin quarter given a lower mix of wellness shots.

Three factors drove the decline: first, higher promotional investment in a more competitive environment; second, unfavorable fixed cost absorption in our supply chain as category softness reduced production volumes; and third, higher inbound freight and packaging costs, both tied to higher oil prices.

Ongoing efficiency improvements across our operations, along with favorable purchase prices on key produce inputs are partially offsetting these pressures. We expect gross margin to improve sequentially in the fourth quarter as production volumes rise seasonally and these efforts continue.

SG&A expenses were $36.5 million or 47.8% of net sales compared to $41.4 million or 56% in the prior year period. Three items stand out. Marketing was $8 million or 10.5% of net sales compared to $17.1 million or 23.2% last year. The decrease primarily reflects lapping a onetime launch investment behind Slice in the third quarter of 2025.

Freight costs increased driven by higher carrier rates as fuel prices and labor availability pushed transportation costs up. Additionally, we recognized onetime costs, including $1.5 million in organizational restructuring, which are excluded from adjusted EBITDA.

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Net loss was $8.3 million compared to a net loss of $14.6 million in the prior year period. This quarter's net loss included about $6.7 million of onetime items, including a $1.8 million loss on debt extinguishment related to the refinancing and $1.5 million of restructuring costs.

Adjusted EBITDA increased $9.6 million to $10.5 million or 13.8% of net sales compared to $1 million or 1.4% last year. In dollars, this was slightly below what we expected in August. The margin came in below our estimate of approximately 15.2%, reflecting the gross margin pressure I described. The year-over-year increase primarily reflects lower marketing expense as we lapped last year's Slice launch, partially offset by lower gross profit and higher freight costs.

On a segment basis, Suja Core adjusted EBITDA increased 4% to $13 million. Emerging Brands adjusted EBITDA was a loss of $2.4 million, an improvement of $9.1 million compared to the third quarter of 2025.

Now to the balance sheet. In August, we completed the refinancing we mentioned on our last call. It includes a new $165 million term loan that matures in 2031. We also increased our revolving credit facility and our delayed draw term loan to $50 million each. Both remain undrawn. Our effective interest rate is now 5.7% compared to 9.7% at the end of last year. As we said at the time, this was a cost of capital transaction, and we did not add leverage.

Interest expense in the quarter was $3.3 million compared to $7.6 million a year ago. In connection with the refinancing, we recognized a $1.8 million loss on debt extinguishment, which is excluded from adjusted EBITDA.

As of September 28, 2026, we had cash of $15.5 million and total debt of $163 million with $100 million of undrawn capacity under our revolving and delayed draw facilities. Capital expenditures were $18.6 million year-to-date as we continue to expand our capacity, adding our sixth HPP machine in our Oceanside, California campus by year-end.

Turning to our outlook. As Maria noted, we're lowering our full year outlook to reflect continued pressure in grocery. For the full year ending December 28, 2026, we now expect net sales of $351 million to $354 million and adjusted EBITDA of $68 million to $70 million. We continue to expect net interest expense of approximately $18 million, as previously communicated in our August refinancing announcement and a base tax rate of 26.1%. To help with your modeling, our outlook implies fourth quarter net sales of $83.7 million to $86.7 million and adjusted EBITDA of $17.8 million to $19.8 million.

A few things shaped the fourth quarter. About $2 million of shipments moved into the third quarter. We expect trade investment to stay well above last year's level in a highly promotional environment, which weighs on both net sales and gross margin. And our outlook assumes today's grocery conditions hold through year-end against the fourth quarter last year that benefited from stronger velocities.

We also expect marketing to be lower as a percentage of net sales in the fourth quarter as we redeploy upper funnel marketing dollars into trade programs to stay competitive in a heavily promoted category. As we outlined in August, we've been shifting investment from upper funnel marketing into trade. Because trade is recorded as a reduction of net sales, while marketing sits in SG&A, this shift reduces reported net sales and gross margin, but is largely neutral to adjusted EBITDA. Together with cost actions across the company, including freight optimization and tighter management of operating expenses, that supports adjusted EBITDA margin expansion despite lower gross margin.

As Maria mentioned, we'll provide our formal 2027 outlook on our fourth quarter call in March. To help frame how we're thinking about next year, I'd point to a few considerations. First, the first quarter of 2026 benefited from favorable shipment timing and the timing of promotional activity, which we discussed in our first quarter call, so it's a demanding comparison. Second, our planning assumes continued pressure in grocery. Third, the contribution from new innovation and programs will build through the year rather than arrive at the start.

Fourth, we expect promotional intensity to remain elevated, and our planning doesn't assume a near-term recovery. And fifth, we'll be lapping a significant customer program that we don't expect to repeat. Taken together, we expect 2027 to start slower with growth improving as the year progresses and to come in below our long-term algorithm.

In closing, the third quarter showed the strength of our brands and the durability of our business model in a demanding environment. We've lowered our cost of capital. We're managing the business for profitability, and we're focused on the actions Maria described to rebuild velocity and position Suja for consistent long-term top line growth.
With that, I'll turn it over to the operator for Q&A.

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Question and Answer

Operator

[Operator Instructions] Our first question comes from Bonnie Herzog with Goldman Sachs.

Bonnie Lee Herzog
Goldman Sachs Group, Inc., Research Division

So I think I understand the pressure in the grocery channel given the macroenvironment. But I guess I'm trying to understand why you're not seeing enough of your Core customers still purchase your brands even if it's in other channels? I guess have they left the category entirely? Or are you possibly losing share?

Maria, I know you mentioned you're taking share, but I guess I am trying to understand if this is ultimately a channel issue or more of a brand issue? And then in thinking about that, what is your strategy with promotions? I guess, how willing are you to ramp promo spend even further to potentially drive volume?

Maria D. Stipp
CEO & Director

Yes. So great question. First off, I mean, I think let's talk about the channels. We -- in Nielsen for Q3, we were down in the food channel by 1.7%, and we were up significantly in mass club and C-stores, which tells you we are translating our trade support where consumers are going. So I think that's part of your question. And so while we are raising our promo support in grocery to match our competitors, we are also very well aware of the channel shifting that we're seeing as consumers are looking for those promo dollars. And our retailers are telling us that in many cases, consumers are just chasing price. And so we are seeing channel shifting happen, and we are adjusting our plans to go after that business.

Second to that, when you asked about increasing our promo, we definitely have. So we have increased our promo dollars quarter-to-quarter and year-over-year in order to compete. We did make a decision and followed through with it. That moved our higher-level marketing dollars where we were using campaigns as an example, and really went right after price and promotion at retail. And that has worked for us. We've been able to maintain and grow share, albeit 0.9% according to Nielsen in Q3, which one could say is on the lower side. But we're proud of that given that the category is down. So it's a very competitive environment for sure, but we continue to take share. And we're always focused on really grabbing new distribution, growing our innovation and really continuing to fuel that pipeline of growth.

Jeff Pedersen
Chief Financial Officer

I would piggyback on that, Bonnie, and say that the other thing is we're looking at our business and across all of these channels, significant growth is coming for us in our multipacks. And I think that's a good sign of consumers really looking for value as you see some of this channel shifting. But that's also helping to support a lot of the transition to routinization that we're seeing from a lot of our consumers as well.

Bonnie Lee Herzog
Goldman Sachs Group, Inc., Research Division

So maybe just a quick follow-up on that. So you touched on the category is declining. So just trying to understand then where are these consumers that potentially were drinking juice going? Where is the category either losing share, too, which... Maria?

Maria D. Stipp
CEO & Director

Yes. So in the spirit of just understanding the natural healthy beverage category, cold-pressed juice was up 1.5% share, shots were up 1.3%, proteins are up 0.4% and coconut water was up 1.8%. And then there are significant size categories inside of natural healthy beverage that are down. Kombucha is down 1.8%, better-for-you soda down 2.3%, smoothies -- So these are all share losers in the category, smoothies and pasteurized juices. So those categories are large and they drag quite heavily on the category, if that helps frame it.

Operator

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Our next question comes from Kaumil Gajrawala with Jefferies.

Kaumil S. Gajrawala
Jefferies LLC, Research Division

I guess I'm digging into the same sort of line of questions. I guess we want to -- I want to understand a little bit more on the promo side. Is it that the -- there's been increased promo activity to try to address an industry issue that perhaps hasn't been effective? Or I'm just trying to get insight of some of your commentary around, I guess, the impact of the promos are and how you're going to go -- how you're going about things maybe differently in the coming quarters?

Maria D. Stipp
CEO & Director

Yes. So I'll start at a high level, which is what we have feedback from our retail partners. Number one, they need to increase their foot traffic, particularly in grocery, as I was mentioning, you have consumers moving to different channels. So grocery needs to foot traffic and they're willing to really drive value to get that foot traffic. And so they've been very proactive with their partners, and it's not a category-specific conversation. This is going on across the entire store, and you're seeing it in all of the categories. If you listen to Albertsons or any of the earnings calls, I think they explained it very well. So we're not immune to that. We've had, I think, all of a step-up on promo. The entire category, I think, is up almost 6% in promo versus where it was. And so it's a category-wide request to try and drive consumers to the segment and continue to drive foot traffic.

Jeff Pedersen
Chief Financial Officer

Yes. And we started to invest incrementally in promo, again, to match competition. We certainly don't want to dilute the category, Kaumil, but we're also continuing to invest into Q4 and invest in areas where we think we can drive real return. Again, this kind of goes back to what I was mentioning to Bonnie earlier where we see some growth in multipacks, and that's a great sign for consumers and routinization. So we're definitely investing in promotional activity there to help kind of drive the -- to drive the ring as the consumers are maybe making less trips to the store than they were in the past.

Maria D. Stipp
CEO & Director

I think what we've seen, maybe to continue to answer the question is when we run promotions, and I think we've seen the data across the board, it's not that people are not participating. They absolutely are participating in those promos. So that's the good sign. The bad sign is the velocity rates don't match what they used to be in the spirit of the pull off the shelf. And so that really is the trick and our focus into the future, which is not only to drive promos, to drive traffic, but to make it sticky and to drive those velocity rates north of where they are today.

Kaumil S. Gajrawala
Jefferies LLC, Research Division

I got it. Are retailers shifting their focus on the category in any way? Is it getting -- is the category itself getting maybe more shelf space, less shelf space? I understand that the overall impact in grocery...

Maria D. Stipp
CEO & Director

Yes. No, I'd say we continue to hear very good signs. We have conversations with them. It's happening right now, right? We're in the spirit of selling season. Resets happen early next year all the way through springtime. And so we've gotten great indications of continued distribution growth and continued focus on the natural healthy beverage category. So that's been very positive.

Kaumil S. Gajrawala
Jefferies LLC, Research Division

Okay. Got it. And then on gross margins, they came in at least below where I had expected it to be. Is there any big pieces in there that we should be aware of as we're modeling out the year?

Jeff Pedersen
Chief Financial Officer

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Specifically for Q3, Kaumil, I'd say there's kind of 3 elements in there. The first is the shift in incremental promotion. So we redeployed some upper funnel marketing dollars that would show up below gross margin. We redeployed those up into trade, which would be a contra revenue item. So that does drive down your net revenue and your gross margin. It's largely neutral from an EBITDA perspective. That's a part of it.

The other part that we saw was a little bit of negative absorption due to reduced production volumes. So we had some additional costs to deal with there. And then there were also some cost pressures largely tied to oil prices, inbound freight and some of the commodity inputs like our packaging were affected.

As we look to Q4, we do have some initiatives around operational efficiency and freight efficiency to help offset some of this, but we do -- we are expecting continued pressures from commodities like oil, that we will have to continue to deal with.

Operator

Our next question comes from Christian Junquera with Bank of America.

Christian Junquera
BofA Securities, Research Division

It's Christian on for Pete. First question, if I remember correctly, cold flu season and New Year, it's key for your business. So if you guys can talk about how you're preparing for that in terms of your supply chain and marketing? And did you guys see a strong benefit from cold flu season and New Year's last year? And is that also contributing to the tougher setup for 4Q and 1Q of next year? And I have a follow-up after.

Maria D. Stipp
CEO & Director

Yes. So this is the cold and flu season that we're in as of right now. I can't tell you how many people I know that are dealing with it or have just begun. So sadly, that is true. So we build a lot of programs around that, around immunity season, immunity boost. We do a lot of campaigns at store level around that. You'll see a lot of secondary locations of wellness shops in stores starting from now all the way through into the New Year. So that is a tremendous piece of our focus. We are lapping a pretty sizable flu season last year. So that is, for sure, true. And then what was the second part of your question?

Christian Junquera
BofA Securities, Research Division

The second question is, if I understand this correctly, the 4Q sales guidance implies sales down about mid-single digits. And I appreciate the color you guys gave for 2027, especially in terms of the first half. But how -- should we be thinking about applying that exit rate to 1Q and then we assume improvement? Or is that not the right exit rate to use for the first quarter, '27? And that's it.

Maria D. Stipp
CEO & Director

Yes. So we expect '27 to be a growth year. I'll start with that. But the start will be slower given a first quarter comparison that included a heavy flu season, as you just described. And we expect the growth to build each quarter with new distribution and our retailer programs and our innovation that will start coming online in the early spring. So while we're coming in below our growth algorithm, those are some of the main drivers.

Operator

Our next question comes from Sean McGowan with ROTH Capital Partners.

Sean Patrick McGowan
ROTH Capital Partners, LLC, Research Division

First one is, is there a point in -- or what is the point in 2027 at which the year-over-year cost comparisons on freight and packaging kind of get easier because you're lapping that year-over-year comparison?

Jeff Pedersen
Chief Financial Officer

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I would say, Sean, the majority of the pressures that we started to see, came in Q3. There were a little bit of ramping on raw material inputs in the Q1 and Q2, but there was a pretty significant step-up in fuel for both freight in and freight out in Q3 that we expect into Q4. We also saw some -- we saw less labor availability for carriers to be able to carry our product from a freight perspective, and that also contributed to the rate increase. So about halfway through the year, we would expect to see a softer lap next year.

Sean Patrick McGowan
ROTH Capital Partners, LLC, Research Division

Okay. That's helpful. And then a little bit more on Slice, if you don't mind. It sounds like you're kind of dialing back a little bit there because of softness in the category, but does that seem kind of early in its recovery or its reintroduction to be pulling back?

Maria D. Stipp
CEO & Director

Yes. So I wouldn't say we're pulling back. I would say that the category is showing softness. If you look at the data in the NHB section where you have the cold better-for-you soda, but Slice is up 6%, which we're very proud of. And if you look at just natural healthy beverage in the cold set, we are #2 to OLIPOP, while we really have no #3, 4s or 5s in the category. So we feel good about that.

And then also, we have launched our Dirty Soda line, our orange strawberry. We've got a Pina Colada and a Dr. Pepper dirty soda now that we've just released. And we've added quite a bit of distribution. So when you look at our actual TDPs, those are up, and we've been adding distribution on the brand. So I agree with you that it's too early to be doing anything in terms of pulling back. We're just chasing the flavors and the opportunities at retail that suit the brand the best. And so we're really hyper focused on that.

Sean Patrick McGowan
ROTH Capital Partners, LLC, Research Division

Okay. So maybe I misunderstood you. I thought you were saying you're dialing back the marketing. Is that just because you're comping against the launch or relaunch last year, but not -- its lower than you had planned.

Maria D. Stipp
CEO & Director

That's right. Our first year we overspent because we were trying to break into a very busy category. So that was intentional effort on the marketing side in '25. '26 we took a more rightsized approach based on the revenue of the brand and then also really building off of our incredible build of distribution in '25. So really, it became about keeping our distribution and adding to it in '26.

Operator

Our next question comes from Glenn West with William Blair.

Glenn West
William Blair & Company L.L.C., Research Division

This is Glenn on for John Anderson. Just something from my understanding, I know a lot of people watch this, too, like the Nielsen data has been running meaningfully ahead of reported net sales growth. And just looking at the month of October, it's been running pretty strong as well. Can you just help us bridge the gap, like how much is explained by channel mix or trade investment that you guys are leaning into, or like retailer inventories, just to kind of help us moving forward?

Maria D. Stipp
CEO & Director

Yes. So our scan data universe covers roughly about half of our business. And each provider, whether you're looking at Nielsen or Circana, right, do include different types of databases that do make the numbers somewhat different. We certainly are using Nielsen in our talking points, and we have curated a database for natural healthy beverage that we believe is the most accurate way to look at the business. It's very interesting you bring this up because, obviously, we see what analysts and investors look at as well and some of those differences. So we'll do our best to share the data and the Nielsen reports that we have to make sure that we stay on the same page with that.

Jeff Pedersen
Chief Financial Officer

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Yes. And the Nielsen data that we're looking at is largely mirroring the growth that we've reported here. There are some differences, again, just in terms of ranges of growth, but they're all kind of in the mid-single-digit range that we've seen for Q3.

Glenn West
William Blair & Company L.L.C., Research Division

Okay. And then maybe just a quick follow-up, if I can. I think you guys mentioned C-store was kind of -- was a bright spot up like 40% or so. And then you talked about meaningful kind of distribution gains heading into next year. I'm just curious if you guys are going to focus more on the C-store channel? Maybe you could talk about what you're doing there?

Maria D. Stipp
CEO & Director

Yes. So it's -- currently, it's just 3% of our business. So it's small, but it is growing meaningfully. And that is, as you say, on the back of increased distribution on our brands. We have found that our wellness shops work very well in locations like Wawa, where we have continued to see expanded growth. And we are very much about growing that footprint into 2027. So we have concerted effort on that, not only from a team priority, but obviously from an investment as well.

Operator

Our next question comes from Robert Ottenstein with Evercore ISI.

Robert Edward Ottenstein
Evercore ISI Institutional Equities, Research Division

Yes. Two points of just clarification or elaboration. Can you just give us a little bit more detail in terms of what's going on with your shot business? Is it all just tough comps with the flu season? What -- how was your share on both of your brands? That's the first question.

And then the second, I was a little bit unclear. You did mention some impressive distribution gains. Is that all slice? Or are you seeing that broadly in 2027?

Maria D. Stipp
CEO & Director

Yes. So I'll start with distribution. We are adding distribution across the board. Some of the bigger opportunities for us are obviously, our boosted juice line is doing very well. Our refresher line is doing well. We have big plans on our Shots business. So it is across the board in terms of overall distribution gains. So that's that portion of the question.

And then as it relates to our shots business, we saw some disruptor brands in the category go after very deep discounts to the tune of 50% to 60% of their volume being sold on promotion, which is sort of an unheard of percentage. And so we had decided to take an initiative to match their pricing at retail and then really go after and make sure that we're protecting our market share, which is what has happened.

So we were able to protect market share as well as Suja shots for the most part, and we see our trends in the most recent weeks actually turning around as we've done that. So the spend has been a smart move on our part. We met them toe to toe, and we feel like we're in the right trajectory now.

Jeff Pedersen
Chief Financial Officer

And I would also say that it's scaling up, Robert. It does take time to add incremental activity with many of your retail partners. So we saw this starting to come on towards the end of Q3 and expect to have much greater effect throughout Q4 as we've added incremental promotional activity and opportunities.

Maria D. Stipp
CEO & Director

We also, just for -- just added perspective, as we step into '27, going after new distribution as well as some really exciting innovation, I'll be excited to share with you in March.

Operator

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Thank you. I'm showing no further questions at this time. Thank you for your participation in today's conference. This concludes the program. You may now disconnect.

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