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Suja Life, Inc. (SUJA)

Q1 2026 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good day, everyone, and thank you for standing by. Welcome to Suja Life Earnings Conference Call and Webcast. At this time, all participants are in a listen-only mode. After the speakers' presentation, there will be a question-and-answer session. [Operator Instructions] And please be advised that today's conference is being recorded.

Now, it's my pleasure to hand the conference to Anna Kate Heller from Investor Relations. Please proceed.

Anna Kate Heller

Senior Vice President-Investor Relations, ICR

Good afternoon, and welcome to Suja Life's first quarter 2026 earnings conference call, and first as a public company. With us on the call today are Maria Stipp, Chief Executive Officer, and Jeff Pedersen, Chief Financial Officer. By now, everyone should have access to the earnings press release that was issued earlier today and is available on the Investor Relations section of Suja Life's website at ir.sujalife.com. This call is also being webcast and a replay will be available on the site shortly after this call concludes.

Before we begin, please note that today's discussion will include forward-looking statements which are subject to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements reflect the company's expectations and projections with respect to its financial results, opportunities and its perspective of the business and industry environment and are subject to several risks and uncertainties that could cause actual results to differ materially from those described in these forward-looking statements. Please refer to today's earnings press release and the company's most recent filings with the SEC for more detailed discussion of the risk factors that could impact these statements. The company assumes no obligation to update or revise forward-looking statements in the future.

Additionally, during the call, we will reference non-GAAP financial measures. You can find a full reconciliation of these measures to their most closely comparable GAAP measures in our earnings press release and our SEC filings.

With that, I would like to turn the call over to Maria Stipp, Chief Executive Officer of Suja Life.

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.

Thank you, Anna Kate, and good afternoon, everyone. Thank you for joining us on Suja Life's first earnings call as a public company following our successful listing on the Nasdaq in May. This is a momentous occasion for our team and I'm honored to share this milestone with all of you.

Becoming a public company was the natural next step in our evolution. The public markets are expected to provide the resources and opportunity to accelerate our innovation agenda, broaden distribution and execute strategic investments to help further our position as a leader in better-for-you beverages.

On this call, I will walk you through our purpose, our powerful business model, including our competitive moat and many other growth levers that position us well to capture the vast opportunity ahead. I will hand it over to our CFO, Jeff, to detail our strong first quarter results and initial guidance for 2026.

Today, Suja Life stands at the forefront of one of the most powerful consumer transformations of our time, the shift toward functional better-for-you beverages. The average person drinks between 60 and 70 ounces of fluid a day, and increasingly, people want those beverages to do more for them. Across categories, consumers are voting with their wallets for products that are healthier, tastes delicious, deliver functional benefits and have less sugar. They're reading labels, informing themselves on ingredients and are willing to pay for products that align with their goals.

Consumer research from 2025 shows just how clear the shift is. 80% of consumers are constantly seeking beverages that are healthier. 90% want beverages that taste delicious and offer more functional benefits. 82% want beverages with less sugar and 77% will pay more for beverages that are better for them.

As a result, consumers tell us that our brands and products are what they're looking for. 91% of consumers say Suja Life brands are healthy and nutritious, and 88% say we taste great. These consumer tailwinds are reflected in our financial results as well as consumer adoption. Our household penetration has increased from 7.6% to 11.2% from the first quarter of 2024 to the first quarter of 2026. Our spend per buyer has increased from \$24.80 to \$29 over that same time period, indicating that we are not only growing our user base but also increasing the lifetime value of existing buyers.

Our results are powered by this consumer shift and a competitive moat that enables us to turn fresh, organic produce from the farm into delicious juice in as few as eight days. That moat is built on a supply chain with consistent product quality, industry-leading equipment and purpose-driven innovation.

We have rapidly grown into a category-leading natural healthy beverage platform with \$326.6 million in total company net sales in 2025. From 2023 to 2025, we achieved a 21% compounded annual growth rate in net sales while maintaining a healthy adjusted EBITDA margin and strong cash flow generation. That momentum has flowed directly into the first quarter of 2026 where we achieved the top end of our flash preliminary results by

delivering 23% net sales growth and 66% adjusted EBITDA growth year-over-year, and we are just getting started.

Our expanding portfolio is built strategically around three brands, Suja Organic, Vive Organic and Slice, each designed to address distinct consumer needs and goals across the health and wellness spectrum. Suja Organic is our flagship brand and the number one cold-pressed juice brand in retail sales according to SPINS, holding a 47% market share in a category that grew 23% in 2025. This brand spans several core platforms, including wellness shots, which provide concentrated on-the-go formulations to support immunity, digestion and detox in convenient formats. Green juices focused on nutrient-dense, cold-pressed vegetable blends to deliver core wellness and daily nutrition with a full serving of greens in every bottle. Boosted juices, which include functional juices with targeted wellness benefits and fruit-forward flavor profiles designed to support specific health needs. And finally, refreshers that offer superfood-infused approachable blends crafted for broad mainstream retail.

This brand targets people striving for holistic wellness in their everyday routines, consumers who live full lives with jobs, kids and activities throughout the day. They don't have much time to search for the perfect product for every health need. They are looking for solutions that check boxes – multiple boxes at once. Suja Organic delivers that. The nutritional credentials to serve progressive health consumers and the taste profile to make it a part of everyday life.

Vive Organic holds the number one and number two SKU positions in wellness shots according to SPINS for 2025. Together with Suja Organic wellness shots, the two brands command roughly 42% market share in a category that grew more than 28% in 2025. Vive Organic, which we acquired in 2022, pioneered the functional shot category with its doctor-crafted formulations you feel in the moment and targets the most progressive consumers on the wellness spectrum, people hyper-focused on their health that integrate proactive wellness into their daily lives and seek out products that deliver immediate, tangible results. These consumers are incredibly intentional about feeling and performing better and are at the heart of Suja Life's position in a rapidly growing intersection of beverages and supplements. It's important to understand that Vive and Suja shots only overlap 19% of consumer households as of the first quarter of 2026. They have different core target audiences and are very complementary to one another. Combined, Suja Organic and Vive Organic make up our Suja Core segment, which is driving both our growth and the growth of the categories we operate in.

Slice, a trademark we acquired in 2024 and relaunched in 2025, make up our Emerging Brands segment and is our better-for-you soda. Originally introduced in 1984 with real fruit juice, we reimagined Slice for today's wellness-minded consumer. Slice delivers the experience people expect from soda with 5 grams of sugar or less and just 30 to 40 calories a can, with probiotics and postbiotics, reduced sugar and no artificial ingredients. It's the flavor and fizz people love without the trade-offs.

Since relaunching in January of 2025, Slice has built brand awareness and become one of the fastest growing soda brands in the US, and has achieved a net promoter score higher than the better-for-you soda category leaders as of September of 2025. We believe it has the potential to capture meaningful share in the growing functional soda category. Importantly, we are focusing strictly on the natural healthy beverage space with Slice. It travels on the same tracks as our shots and juices, and we are working on capturing share from the legacy products in the space, particularly kombucha drinkers, making for a more straightforward consumer conversion into our functional soda.

Together, these brands position Suja Life to meet consumers where they are and support how they want to live throughout the day. This multi-brand approach creates a powerful platform for growth, truly singular in the space

we operate in, with each brand playing a distinct and complementary role while contributing to Suja Life's purpose.

We are operating at the intersection of health, taste and trust, and the opportunity in front of us is significant. The \$128 billion total beverage market grew only 3% in 2025 while the natural healthy beverage segment grew more than 4 times faster than that at 13%. We are helping spearhead that evolution with our core brands growing 26% in total dollars in 2025. This is a fundamental shift in consumer behavior and it positions Suja Life for continued growth and sustainable long-term success.

What makes this opportunity even more compelling is the whitespace opportunity ahead of us. While we've grown our household penetration 31% over the last year across our core categories, our household penetration is still in the single digits. In 2025, in cold-pressed juice, we had 8% household penetration. In wellness shots, it's 3% for both Suja and Vive. And Slice, our better-for-you soda, is at just 1% household penetration after only one year in market.

When we surveyed consumers in 2025, 44% said they're interested in cold-pressed juice, 31% in wellness shots and 46% in better-for-you soda. That gap between consumer interest and market penetration alone represents significant runway for Suja Life's growth.

Now, let me walk you through why we are better positioned to capitalize on this opportunity than others. First, we have a deeply rooted supply chain advantage that has consistently enabled us to deliver best-in-class growth and margins as we did in the first quarter. We believe we own and operate one of the largest vertically integrated, cold-pressed beverages facilities in North America. A decade of focused investment has created our competitive moat. A fully integrated system at our 270,000 square foot Oceanside, California campus, where we currently produce 100% of our cold-pressed juices and wellness shots in-house, process approximately 1 million pounds of fresh produce weekly and move from farm to bottle in as few as eight days.

We have decades-long relationships with a diverse network of local growers, oftentimes among their largest customers, which has provided us continuous supply and priority access to premium product at scale. Our purpose-built manufacturing facility combines proprietary cold-press and high pressure processing technology, or HPP, led by operators with over 20 years of specialized experience and entirely designed around speed and volume. We have built an end-to-end mastery of the refrigerated supply chain from farm to shelf and have an established coast to coast cold chain distribution network that transport our product nationwide.

This vertically integrated model, spanning ingredient sourcing through distribution, has enabled us to deliver a fill rate of over 99% in 2025, which our retail partners deeply value. It positions us as a low-cost producer and creates a reinforcing flywheel in which operational efficiencies can fund continued platform investment and accelerated distribution expansion.

Our advantage does not lie in the HPP machine. Any well-capitalized competitor can buy the equipment. What is difficult for them to do is replicate the integrated system we have built over a decade to run this business. We have ownership and negotiating power across the contracts related to our input, materials and logistics, which gives us the ability to effectively manage our cost structure and relationships.

Unlike co-packing models, which traditionally pass through increases and input costs, we manufacture in-house across Suja Core business, giving us greater control over our cost structure. This supply chain edge positions us well to meet our growing long-term demand and mitigates cost headwinds, including the many inflationary headwinds that have arisen over the years.

Second, one of our core advantages is our ability to build brands that truly connect with consumers. We approach brand building with discipline, with decisions across consumer insight, clear positioning and focused go-to-market strategy. Ample whitespace exists across our products and categories. Enabled by our operational excellence, we are able to allocate significant resources behind each of our brands in sales and marketing. And over the past couple of years, we have strengthened our infrastructure to launch new brands, reposition legacy ones and scale brands across channels. Our approach is full funnel, from introducing our brands to the consumer, driving initial trial, transitioning them to repeat customers and converting them to loyal fans, and the results of these investments are visible across our portfolio.

In 2025, Suja Organic held one of the highest net promoter scores in premium juice, alongside 70% aided awareness and strong brand loyalty. In wellness shots, Suja Organic and Vive Organic lead the category in both awareness and conversion and hold the top two net promoter scores each rising more than 10 points from 2024 to 2025. And despite being very young, Slice is demonstrating the strength of our playbook with its net promoter score jumping from 39 to 55 in just three months from June to September of 2025.

In 2025, we grew household penetration 31% and dollars per TDP increased by 10% for Suja Life compared to 2024. We saw significant velocity gains at retail, displaying the power of our model and placement within the store with our Suja Core brands seeing 22% velocity growth in 2025.

Third, over the years, we have built a flexible national omni-channel distribution network built on deep strategic relationships with many of the country's leading retailers. In an industry where suppliers typically compete for shelf space, we have been able to design the shelf itself. Our sales are balanced across the grocery, club, natural, specialty and mass channels and we are in more than 37,000 stores nationwide today, with nearly 400,000 points of distribution, and that number continues to grow.

We act as a strategic advisor across our retail partnerships, and for many of our largest partners, we serve as category captains. When we partner with retailers, we think beyond our own brands. We look at the category as a whole to determine how it's performing, how we can serve shoppers and where it can grow. We help retailers drive more shoppers to our category, increase their spend per trip and their purchase frequencies. When we engage as category leaders, we bring insights, innovation and long-term mindset to unlock growth and create a win-win-win for the shopper, the retailer and for Suja Life.

Based on Nielsen data, over the last three years, the number of stores selling our products has increased by 15% and our TDP has grown 31% from 2022 to 2025. One of our largest growth opportunities is deepening our penetration with an existing account. The beverage aisle is evolving away from outdated legacy offerings toward premium functional offerings like our own, and we believe there is a significant opportunity for increased shelf penetration, expanding assortment and secondary placements in alternative locations in the store, all of which can drive incremental visibility and velocity.

We also see significant whitespace to expand in high growth channels like convenience, e-com and the broader away-from-home category. Our functional benefit aligns strongly with on-the-go consumer behaviors and positions us to outperform in these higher frequency, impulse-driven retail environments.

Our deep retail relationships and multi-channel expertise provide a strong foundation for continued distribution growth, and we expect that as consumers increasingly seek out better-for-you beverages, we will continue to work with our retail partners to help ensure we are positioned exactly where they're looking.

Now, I'll speak about innovation, which is core to how we think about growth. Since we initially disrupted the beverage space with cold-pressed juices in 2012, we've created a proven track record of transforming whitespace opportunities into scaled categories that have supported our continued growth. Examples of this include pioneering the wellness shot category, establishing our refreshers and boosted juices, and most recently, relaunching Slice as a better-for-you soda.

We have built an integrated platform that allows us to expand across categories, formats and functional benefits while staying grounded in what consumers want. Our innovation starts with granular category, retailer and consumer data so that we can anticipate market shifts and align products to the fastest growing demand spaces. Our in-house R&D team, with decades of proven success, leverages these insights along with our vertically integrated manufacturing capabilities to execute rapid test and learn launches across formulas, formats and flavors, which has enabled us to bring products from concept to shelf in as few as nine months.

Our innovation pipeline today is robust. We have exciting plans across our price stack architecture, functions and flavors and new formats and we expect innovation to continue being a significant part of our DNA moving forward. For all of the reasons I have walked you through today, we are confident in our ability to execute against the significant whitespace in front of us and drive toward our near- and long-term growth targets.

With our proven platform, innovation engine, competitive moat and sizable addressable market, we've only scratched the surface, and our excellent growth in Q1 demonstrates our position. We are building the leading natural healthy beverage company and we're doing it the right way.

With that, I'll turn it over to Jeff to provide more detail on our first quarter results and our positive outlook for 2026.

Jeff Pedersen

Chief Financial Officer, Suja Life, Inc.

Thank you, Maria, and good afternoon, everyone. First, I'd like to say how excited I am to be here with you on our first earnings call. I am so proud of the work the whole Suja Life team has put into achieving this milestone, and I believe we are very well positioned for this next chapter of our growth story as a public company.

I will start with some additional details on our very strong first quarter results and then walk through our positive outlook for the full year 2026. Net sales for our seasonally strong first quarter ended March 30, 2026 increased 22.5% to \$107.1 million, driven primarily by volume growth across key products and retailers, new product distribution gains, effective promotional execution with key retailers compared to last year, and slightly favorable shipment timing at the end of the quarter.

Now, looking at the first quarter net sales by segment, as Maria discussed, Suja Core represents our wellness shot and cold-pressed juices and reflects the financial results of Suja Organic and Vive Organic operations. Emerging Brands consist of Slice, which is in the very early stages of revenue scale and market development.

Suja Core net sales increased 21.4% to \$104.9 million, driven by strong volume growth across our categories, with balanced strength across our wellness shots and juices. Our multi-pack formats also delivered outsized growth. Emerging Brands net sales increased 40.3% to \$3 million. This is driven by volume growth as we continue to expand distribution and drive trial of Slice in its second year on the shelf.

Gross profit for the first quarter increased 24.3% to \$54.1 million or 50.5% of net sales, an expansion of 70 basis points year-over-year. The gross profit and margin improvement was due to improved absorption from higher production volumes, favorable product mix driven by our higher margin wellness shots and outsized growth from

multi-packs, and improved production efficiencies. I will note that we did benefit from favorable absorption timing as we built finished goods inventory in Q1 to satisfy upcoming Q2 shipment demand. We expect to see offsetting unfavorable absorption in Q2 as we ship this finished goods inventory and return to historical finished goods inventory levels in the second quarter.

Now, moving on to operating expenses. Selling, general and administrative expenses in the first quarter increased 5% to \$37.8 million. As a percentage of net sales, SG&A leveraged 590 basis points year-over-year as we benefited from lapping onetime start-up costs in Emerging Brands and are also achieving increasing returns on our sales and marketing investments. These benefits were partially offset by costs associated with preparing us to become a public company.

Net income for the first quarter was \$7.7 million, a significant increase compared to a loss of \$800,000 in 2025. Following completion of the IPO, we have a fully diluted share count of 38,625,012 shares.

Adjusted EBITDA for the first quarter increased 66.3% to \$25 million, or 23.4% of net sales, an expansion of 610 basis points year-over-year, reflecting a significant flow-through of our strong top line growth.

On a segment level, Suja Core adjusted EBITDA increased 43.4% to \$26.9 million and Emerging Brands adjusted EBITDA was a loss of \$1.9 million, an improvement of \$1.9 million compared to the first quarter of 2025.

I'll now turn to the balance sheet. On May 8, we completed our IPO, resulting in total net proceeds to the company of \$173.6 million after underwriting discounts. We utilized a portion of the net proceeds to reduce borrowings under the term loan to a new balance of \$164.9 million as of the repayment date. Following the successful completion of the IPO and subsequent debt pay-down, we are in a strong liquidity position having materially reduced our debt.

Now, turning our outlook for 2026. On the back of a very strong first quarter, we expect the momentum behind our business and the broader natural healthy beverages category to continue throughout the year. For the full year 2026 ending December 28, 2026, we expect net sales of \$367 million to \$371 million, reflecting an increase of 12.4% to 13.6% year-over-year, driven by continued volume-led growth across our key products and retailers as we drive velocities and distribution expansion, and adjusted EBITDA of \$70 million to \$72 million, reflecting an increase of 72.8% to 77.7% year-over-year.

I'd like to remind you of the long-term algorithm we've shared during the IPO process. Beyond 2026, on an annual basis, we are targeting net sales growth of 13%, gross margins of approximately 50% and adjusted EBITDA margins in the low-20% range. This algorithm is based on volume growth, reflecting a mix of 60% growth from distribution and 40% growth from velocity, and no price actions.

For the year, we also expect an effective tax rate of 27.4% and net interest expense of \$19 million. As it is our first public quarter, I will also provide you some insights as to the seasonality of our business. Net sales for our business are typically weighted heavier in the first and fourth quarters of the fiscal year compared to the second and third quarters. During the cold and flu season, as well as the New Year, New You month to kick off the year, we deliver higher fixed leverage and a higher mix of wellness shots, our highest margin category and the largest portion of our product portfolio. This dynamic was particularly notable in the first quarter of this year.

I will also give you some color as to how we think about growth. In our business, strong velocities earn us distribution expansion. And when we grow shelf space and increase stores, velocities typically moderate in the

near term before rebuilding as awareness and trial develop. This typically creates a virtuous cycle where velocity gains have driven distribution expansion, which then have driven future velocity improvements.

In 2025, we delivered tremendous velocity gains throughout the year, which translated directly to a strong retailer shelf reset season for us this spring. At the conclusion of Q1, our sales performance is tracking in line with our plan for the year and our long-term growth algorithm, with distribution gains leading the way. With our strong liquidity position post-IPO, powerful growth platform and consumer tailwinds behind us, we are confident in our ability to deliver on our 2026 financial outlook and continue driving towards our long-term targets.

We have an incredible team in place, strong and deepening moat, superior supply chain and significant room to grow throughout each of our brands and the categories we play in. We look forward to building on this incredible momentum we have achieved to start the year.

With that, I'll turn it back to Maria to close.

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.

Thank you, Jeff. To wrap up, we are driving the growth in some of the fastest growing categories in the beverage space and we are leading the transformation of what consumers expect from their beverages while proving that wellness and great taste can co-exist. Our number one market position, our vertically integrated platform and many growth drivers give us confidence in the road ahead. But what excites me most is the whitespace, the millions of households we haven't yet reached, the innovation still in our pipeline, and the category leadership we're building for the long term. We're just getting started and we're doing it the right way. And don't forget to drink your shots.

With that, operator, please feel free to open the line for Q&A.

QUESTION AND ANSWER SECTION

Operator: Thank you so much. [Operator Instructions] First question is from Bonnie Herzog with Goldman Sachs. Please proceed.

Bonnie Herzog

Analyst, Goldman Sachs & Co. LLC

Q

All right. Thanks. Hi, everyone. I had a question on your strong and impressive sales this quarter. I guess I was hoping for a little bit more color on the drivers behind this. And if possible, can you give us a sense of the growth between shots versus juices? And then Jeff, you touched on this, but could you maybe talk a little bit more about the distribution and space gains that you've seen so far this year? And then maybe finally, you talked about the favorable shipment timing at the end of the quarter that benefited Q1. So just curious how much of a lift that was to your top line growth. And I assume or should we assume that's already reversed in Q2? Thanks.

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.

A

Hi, Bonnie. This is Maria. I'll take the first portion of the question. I may have you repeat a couple of it so we don't miss some of the latter part of your question. But the first part was what really drove Q1 and what we were most excited about. I will say the sales and marketing organization did a great job with their promo plans and executing at our key retailers. We had some great programming and really I think all of that was executed extremely well. We also saw some great results at the early stages of reset season which drove some key distribution. So when you asked about distribution, that was the largest part of our Q1 growth, was really [ph] seeded (00:41:17) in distribution gains. Slice was up significantly. So we really saw growth across the board for Q1 on all of our brands. And then do want to go on to talk about Q1?

Jeff Pedersen

Chief Financial Officer, Suja Life, Inc.

A

Yeah. So Bonnie, just kind of breaking down Q1, I think Maria mentioned this in a couple of areas here. But in terms of the distribution and velocity growth, we saw significant velocity growth at the end of last year that translated into favorable distribution. So, our distribution actually led a little bit ahead of velocity for the quarter. And if you break down the packages, we've said that shots is typically the growth leader. It continues to be, but we're also very pleased in the quarter for our cold-pressed juice, especially our single-serve juice which performed really, really well across the board. So that was – it was really kind of one-two punch. There wasn't much a difference in growth between our shots and our cold-pressed juice, single-serve. So that was really good.

And then on the shipment timing that you asked about, yeah, I think that's the right way to be thinking about it. So we did have some favorable shipment timing in Q1. And I would just kind of come back to our full year outlook is really unchanged to what we've been thinking about for a while. So we're very focused on our full year and delivering the full year number that we've been working against for some time. So hopefully, that answers your question.

Bonnie Herzog

Analyst, Goldman Sachs & Co. LLC

Q

Yes. I appreciate the color. I'll pass it on.

Operator: Thank you. Our next question comes from the line of Kaumil Gajrawala with Jefferies. Please proceed.

Kaumil Gajrawala

Analyst, Jefferies LLC

Q

Hey, guys. Good afternoon, I suppose, if you're in California, and congratulations on completing this part of the process. I guess a couple of questions. First, especially because many of us are new to your business, if you can just talk about what drives trial, what are the things that you do on your end so you can encourage trial? And after you – somebody has tried the product for the first time, what's the follow-through with the curve that you typically see for your average consumer?

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.

A

Yes. I'll start with the sort of the tactics we use to drive trial with our brands. Number one, I would say is building awareness. It's the number one thing we can do. When we think about household penetration, with being in cold-pressed juice at just 5%, Vive at 3%. We have just incredible amount of headroom to build awareness with our brands and drive trial. So we think about that in terms of digital assets. We think about that with the campaigns that we're running. And then even in the lower portion of the funnel, we talk a lot about sampling at retail. So we try to find ways to work with our retailers to actually have people try the product at the point of purchase, which helps so much. So working in-store and also finally working with influencers. So we have influencers across all three brands that tell their stories on social media, and those stories get amplified and we drive more trial that way as well.

Kaumil Gajrawala

Analyst, Jefferies LLC

Q

Got it. And when you think about your growth, is it – are there share gains from other categories? Maybe we look at things like sort of traditional orange juice or juices, or is it just entirely incremental and that it's not a consumer who's switching for something but rather a consumer who's looking to do something new?

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.

A

Yeah. So, first off, I would say we see two-thirds of our share growth coming from switching brands within the category, and we feel very strongly about what we bring to the customer, right? So, our customers tell us that we're lowering sugar, that we have high nutrition and that we have a taste profile that they're looking for. And so, we do believe that our product delivers what they're being asked for. And so, that to me really is the primary portion of trial.

Kaumil Gajrawala

Analyst, Jefferies LLC

Q

Got it. And then, Jeff, if we can just – obviously, we're going into an environment with a – or very volatile environment as it relates to input costs. Your product is refrigerated shipped all over the country. Just how are you thinking about the outlook of input costs? Any mitigating factors that are available to you? Maybe even, if necessary, a price increase? Can you just talk about how you're thinking through that component, about the margin component of the P&L?

Jeff Pedersen

Chief Financial Officer, Suja Life, Inc.

A

Yeah. Thanks for that question. So, when I look at the business right now, we're very much in an EBITDA growth story. We're obviously growing the top line double digits, but we're taking advantage of this vertical moat that we have, this vertical integration, and we're leveraging it. So, on a yearly basis, we come up with operational efficiencies. It's typically in the \$3 million to \$4 million range and we use those to offset inflationary pressures and ultimately expand our margins so that we're able to grow the bottom line faster than the top line, and you're seeing that in Q1.

But as we look at the inflationary pressures that we have on the horizon, we are estimating them to be far smaller than those operational efficiencies that we have. So, we're very confident in our ability to deliver this growth that we're looking at and continuing to do it in a profitable way, not contemplating price increases immediately right now. We do perform internal price elasticity studies on a regular basis and what it's told us as of late is that we can actually grow our EBITDA faster by growing through volume, which is exactly what we're doing. That's not to say that that we can't take price in the future and can't use that as a lever when we would need to as maybe the price elasticity studies might suggest for us.

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.

A

Yeah. But at this time...

Kaamil Gajrawala

Analyst, Jefferies LLC

Q

Okay, great.

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.

A

...we're focused on our long-term model, which is truly based on volumes, split between distribution and velocities at a 60/40 split. So no price included in the model.

Kaamil Gajrawala

Analyst, Jefferies LLC

Q

Got it. Thank you.

Operator: Thank you. One moment for our next question. It comes from Jon Andersen with William Blair. Please proceed.

Jon Andersen

Analyst, William Blair & Co. LLC

Q

Good afternoon, I should say, Maria and Jeff, and congrats on finishing the IPO. I wanted to start by asking about the full year outlook. And on the topline, obviously, you had a very strong first quarter, north of 20% growth. And if I kind of roll that forward based on the full year outlook, it implies kind of a deceleration from Q2 to Q4. So, is there – can you help us just kind of understand how you're thinking about the building blocks of the growth the rest of the year and if that reflects maybe some promotional changes year-over-year or updated thinking on velocities as you've acquired a lot of new distribution in Q1, which you pointed out? Just trying to kind of balance that against maybe just some inherent conservatism in the forecast.

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.

A

Yes. Well, first of all, our long-term growth plan of 13% is a very high confidence. I'll start with that. Q1 benefited from favorable shipment timing. So, we mentioned that in the call itself, so I just want to make sure we point that out again. But we also have shoulder seasons in our business. So, Q1 and Q4 are typically bigger in the spirit of our overall plan. And so, can't necessarily do a linear perspective looking at Q1 forward. But I'd like for Jeff to take a little bit more detailed explanation of this for the group.

Jeff Pedersen

Chief Financial Officer, Suja Life, Inc.

A

Yeah. So Jon, I think probably the best way to think about this is, as Maria mentioned, there were some unique elements to Q1, partly seasonality, partly timing of promotional activity that we're lapping on a year-on-year basis and partly some of the timing of shipments here. But as we kind of parse through that and look at what the business is doing, the core base business without some of those elements, it's very much in the double digit long-term outlook for growth that we have.

So, we're very much where we would expected we would be at this point. I'm very confident in the ability to deliver for the rest of the year. And so, as we think about that growth algorithm, I just want to kind of reiterate the elements to that is it's really balanced top line growth across all of our channels and packages led by shots, which is our highest margin package, and that's what we saw in Q1. We also are volume-driven, not price-driven but volume-driven growth with about 60% of our mix coming from distribution gains and 40% of our mix coming from velocity gains.

And there's a bit of a virtuous cycle there that distribution – velocity growth begets distribution. And so, we saw significant velocity growth in 2025 that we were able to convert to distribution. But if we look over the longer term there, we're very much in line with what that balance of distribution versus velocity growth would look like for that period.

And as we look at kind of dialing into this from a distribution standpoint, our greatest opportunities for growth, they really lie with existing customers as we work to build out our full brand blocks at retail, which again was one of the big drivers that we had in Q1 for distribution. We also have significant whitespace opportunities particularly around our away-from-home channel. And velocity growth, our upside out of the future is significant. And as was mentioned earlier, our household penetration on our core juice is just 8% and shot is just 3%. So there's tremendous growth opportunity there.

We're also seeing really great benefit from growth particularly in shots around our multi-packs. That is really suggesting consumer routinization is beginning to expand, which is a great little mix pickup that we have out into the future. And so, if we look at all of that, we're seeing that kind of come to fruition in Q1, but there's a little bit of seasonality and timing that we're seeing as well. So, looking out into the future, we still are very confident about our gross margins expanding north of 50%, again, led by this favorable shot mix and leveraging the competitive moat that we have, and then being very thoughtful about our fixed spend.

So we had some great favorable fixed leverage in Q1. We expect fixed leverage maybe not to the same extent for rest of the year. But again, all of this leads to a growth algorithm that's got double digit top line growth, expanding margins and ultimately growing the bottom line faster. So, this has us very excited about how we're looking at both Q1 and the rest of this year.

Jon Andersen

Analyst, William Blair & Co. LLC

Q

That's very helpful. Thanks. I wanted to pivot just to marketing because I love the detail you gave around the growth of the portfolio being driven by both household penetration gains and buy rate or spend per existing household. And I'm just wondering, last year was the kind of launch year or the restage here for Slice and I think you kind of heavied up on marketing in order to get that brand off to the strongest start it could get off to. Where do you see your kind of marketing spend as a company settling out here in 2026 and beyond? I just want to get a comfort level that you're going to maintain a high level of investment to kind of deliver on the top line aspirations.

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.

A

Yeah. So we had a larger than average marketing spend in 2025 to launch the brand in what we would consider to be a very competitive category with a lot of other brands. We wanted to break out and make sure that we hit a lot of our key objectives, not the least of which is well over 70,000 points of distribution in the first year all incremental to our base business. That was our goal, and we achieved that and then some.

But I would also say the marketing gave us a net promoter score of 55, which was also that superseded our overall goal for the brand in its first year as well. So we are already at 5 points of share in the better-for-you natural healthy beverage set for Slice, and I can tell you that now, we can start rightsizing some of the marketing spend and hyper-focus on the elements that we saw last year that worked really, really well for us. So the good news is we got – we use 2025 as a great learning exercise on where we want to go from here and we've got some real key tactics that we're driving in 2026 to continue those great results that will – that are already coming through.

So we're getting our distribution points the way we had hoped. We're getting additional space at retail. The brand blocks are improving and we're really seeing our overall scorecard that we hold internally continue to perform. So with that, I'll say the spend still exists. It's just we're dialing in key things that show very strong rate of return. Some of those things being trials, so cans-in-hand work very well. We have high conversion at the store for that, and we also, as I mentioned earlier, continue to use influencers to tell our story. If you've seen anything on Instagram recently about our recently launched dirty sodas, we have influencers that go to Target and tell that story for us and those get amplified as well.

Jon Andersen

Analyst, William Blair & Co. LLC

Q

Great. And I assume the marketing investment behind Suja Core putting Slice aside is maintained at a very healthy rate throughout 2024, 2025 and then prospectively going forward as well. No major adjustments here.

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.

A

No. No major adjustments. We mentioned before, we're 10% of net revs on our marketing costs and we always dial those in throughout the year. Every quarter, we check to make sure that our rate of return is where we want to be, and we constantly challenge ourselves to get more out of each and every working dollar that we put in the market. But yes, 10% of net revenues is still the same.

Jon Andersen

Analyst, William Blair & Co. LLC

Q

Great. One last one if I may. You're growing rapidly. You own your own manufacturing assets, and I believe you've been making some investments in incremental capacity, new HPP machine, etcetera. Could you bring us just up to speed on where you are in terms of being able to kind of satisfy demand today and being able to satisfy it with high visibility over the next two or three years, just the forecast horizon? Thank you.

Jeff Pedersen

Chief Financial Officer, Suja Life, Inc.

A

Yeah. So basically, you're right, Jon. We did deploy our fifth HPP and our utilization rate now is running around 80%. And as we look at growth out into the future, that's very much where we want to be because we're very mindful of deploying CapEx only when we absolutely need it. So we try to very much stay within that range, and we actually have an additional HPP that we have purchased and we're in the process of installing. We'll have it up and running by the end of this year. So, definitely staying ahead of demand and making sure that we're in that sweet spot at high utilization to drive great return on our incremental CapEx investment.

Operator: Thank you. One moment for our next question. That comes from the line of Greg Porter with Evercore ISI. Please proceed.

Gregory Porter

Analyst, Evercore Group LLC

Q

Hey, guys. Just two for me. The first is just kind of a clarification on the promo plans for 2026. If you could just kind of give anything we should be mindful of in terms of timing, cadence, there are certain quarters where you think there may be more? And then more of like a longer term question in terms of CapEx. Like looking at the levels you guys have spent as a percent of sales and like 2025 and 2024, is that a fair way to think about the needs for the business this year and then kind of in the out years, and then how are you thinking about the longer term CapEx needs? Thank you.

Jeff Pedersen

Chief Financial Officer, Suja Life, Inc.

A

So Greg, the first thing I'd say on the promo plans, referencing back to Q1, we did have some timing of promotional activity that played out in Q1 this year that didn't last year just from a lapping standpoint. And that's kind of normal for our business, we see that. We don't always have the same promotional activity executed exactly the same time. So we do expect to see a little bit of shifting in promotional activity that straddling quarters. So, we expect to see a little bit in Q2, Q3 and then again from Q3 to Q4.

It's difficult to say exactly what that looks like until we actually get the orders in, Greg. So it's going to be – we're all we're all looking to see those come in. But I would expect to see a little bit of that variability for the rest of the year on a quarter by quarter basis, which is again why we're very focused on providing an annual point of view and that's an annual growth that we shared that we're very confident in our ability to deliver.

And then to your question around CapEx, so yes. So, we are investing at a higher rate in CapEx this year than we have historically because of the need for some HPP expansion. And so, we see that this year and next year. And just generally speaking, our CapEx full spend. So it's our fixed – or excuse me, our maintenance plus our growth plus our efficiency CapEx typically runs between \$5 million and \$15 million to \$20 million, depending on. So we would expect to see kind of heightened levels of CapEx investment over the next couple of years. And then from an 80% utilization target basis, there's probably an opportunity to kind of step that down a little bit, but it really just depends on how our growth and how our mix of growth plays in the future. But we are very mindful of staying around that utilization range that I mentioned.

Gregory Porter

Analyst, Evercore Group LLC



Great. Thank you, guys.

Operator: Thank you. And our next question comes from the line of Peter Galbo with Bank of America. Please proceed.

Peter T. Galbo

Analyst, BofA Securities, Inc.



Hey, guys. Good afternoon. Thank you for taking the questions. Maria, I just wanted to clarify a couple of comments that you made in your prepared remarks. I believe you said that two-thirds of where you think the switching or the crossover from other users coming from is the traditional juice channel. I want to make sure I heard that correctly. And if that's specific to any one product in particular, so boosted juices or green juice versus shots would be helpful.

And then I believe you also mentioned something about switching from – seeing a lot of users switch from kombucha. Again, was that a specific to another product or were there kind of a specific subcategory where you're seeing those users come over?

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.



Yeah. So, let me take that in two parts. The first part, when you see switching, that roughly two-thirds of switching going to juices are coming primarily out of the smoothie category if you look at the data, also legacy brands in the natural healthy beverage space, particularly juices that are higher in sugar as an example where people are looking for lower sugar, higher nutrition options.

And then my kombucha comment was very specific around the data that we see around people transitioning from drinking kombucha to better-for-you soda, so looking for gut health, but looking for lower sugar and pre, pro and postbiotic options.

Peter T. Galbo

Analyst, BofA Securities, Inc.



Great. Okay. Thank you for that. Very clear. Jeff, you also made a comment in regard to one of the other questions just around seeing I think you called it routinization of kind of the shot users. Just curious if you have any data that you all have combed through on kind of what percentage of your shot users are using multi-packs just as we kind of think about conversion of what's the trial versus what's kind of becoming habitual. I think that might be helpful just from a longer term perspective. Thanks very much.

Jeff Pedersen

Chief Financial Officer, Suja Life, Inc.



Yeah, Peter. So, the way that we're looking at it is really relative to the growth. So it is the largest portion of our growth coming from our multi-packs relative to our single-serve occasion or single-serve consumption option, which is that's what the comment that I made is rooted in because it's great price pack architecture, a proof point that we've got there that we're continuing to lean in on going forward.

Peter T. Galbo

Analyst, BofA Securities, Inc.

Okay. Thank you.



Operator: Thank you. And this will conclude our Q&A session. And I will pass it back to Maria Stipp for closing comments.

Maria D. Stipp

Chief Executive Officer & Director, Suja Life, Inc.

Well, everyone, thank you for supporting us on our very first earnings call. We are very excited to come back to you in August with more about our story. And with that, don't forget to drink your shots.

Operator: [audio gap] (01:03:07) ...concludes our conference. Thank you for participating, and you may now disconnect.

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