Zevia's IPO Signals The Biggest Day In Its 14-year History; Goldman Sachs, Bank of America Securities and Morgan Stanley were lead underwriters as Zevia Skyrockets to a $854 million market value.



The Zevia Braintrust at the New York Stock Exchange

(L to R) Paddy Spence, CEO; Amy Taylor, President; Robert Gay, Chief Strategy Officer; Hank Margolis, Chief Operation Officer

The per-capita consumption of conventional carbonated soda has dropped to 38.6 gallons in 2019, down 15% from 45.5 gallons in 2010, thanks in part to Zevia, which removes metric tons of sugar from its beverages.

Just minutes after Zevia PBC Chief Executive Paddy Spence and President Amy Taylor rang the bell at the New York Stock Exchange for the company's opening trade, signaling the biggest day in its 14-year history, the celebration began.

"This is the culmination of a journey to change the world with great tasting beverages with no sugar, no plastic packaging and are affordable for all Americans," says Spence, who acquired the company in 2010.

The beverage maker, listed under the symbol "ZVIA," raised $150 million in its July 22 initial public offering. Goldman Sachs & Co. LLC, BofA Securities and Morgan Stanley were lead underwriters,



Paddy Spence, CEO

with Stephens Inc., BMO Capital Markets and Wells Fargo Securities serving as joint bookrunners.

Zevia shares were trading at $13.20 as of press time, just short of its IPO trading price of $14 per share. The company has a market value of about $854 million. The capital infusion and Wall Street coverage will amp up its position on the global equity market and hopefully with consumers. "Our goal," Spence says, "is to really take this brand worldwide."

Much of that work will be overseen by Taylor, who took over the company's president role in June, months after joining its board in March.

The market is huge—Zevia pegs the sale of global beverages at $770 billion annually. The company estimates it had 88% market share of zero-calorie, natural sweetened drinks last year.

"We have a relatively small, deeply loyal consumer base," Taylor says. "Yet at 15% national awareness, there's a ton of upside."

Taylor spent 20 years at Red Bull, ascending to president and chief marketing officer of the Austrian-based global brand and the world's largest energy drink maker.

A global push has been in the pipeline since December, when Zevia secured a $200 million minority investment from Caisse de dépôt et placement du Québec (CDPQ), a pension fund manager in Canada.



As a brand builder and marketer, Taylor relishes the opportunity to bring more consumers under the banner, while removing more metric tons of sugar from the American diet, and ultimately, globally. Research from Statista and Beverage Digest indicate the per-capita consumption of conventional carbonated soda dropped to 38.6 gallons in 2019, down 15% from 45.5 gallons in 2010.

The Encino, Calif.-based company, moved by its mission to combat the challenges of excess sugar consumption, offers a line of six beverages in 37 sugar-free, zero-calorie, naturally sweetened flavors. Its soda, energy drinks, organic teas, mixers, kids beverages and sparkling water are made with plant-based ingredients—including stevia—and are non-GMO verified, gluten-free, Kosher, vegan, sodium-free and without color added.

Zevia products are distributed in over 25,000 locations in the U.S. and Canada through major retailers, grocery stores, pharmacy chains and e-commerce channels. The company has targeted several markets for expansion, including the U.K., Australia. New Zealand and Mexico.

Zevia, founded in 2007, grew sales at a 32% compounded annual growth rate from 2010 to 2020, when it posted $110 million in revenue, according to regulatory filings. Last year sales grew 25% from 2019 as Zevia sold 240 million cans. E-commerce sales comprised 13% of its revenue last year.

“Zevia is the No. 1 brand on the world’s largest marketplace, Amazon.com, and we also have the No. 1 item,” says Spence, who took over the Zevia PBC chair and chief executive position in March after a decade as CEO of Zevia LLC. “We would like a 100% share outside of alcohol, dairy and non-dairy proteins.”

The lofty aspirations will push the brand to develop new flavors and product lines. The added resources from the IPO will fuel hiring.

Zevia, which employs 150 workers in the U.S. and Canada, is both a certified B Corp and a Public Benefit Corporation, validating and recognizing the company’s commitment to social impact.

“We exist to provide shareholder returns but also for the public benefit of health and sustainability,” Spence explains. “Mission is so core to what we do.”

Its tenets rest on reducing sugar consumption, eliminating plastics and making better-for-you beverages affordable. The message resonates with consumers, its workers and potential employees, Taylor says.



"This is an attractive place to recruit and retain top talent," she adds. "It's exciting to think about the impact we can have on public health overall as we grow the brand."

Those campaigns will also resonate in marketing and branding initiatives with an emphasis on reaching families, fitness communities and those with special diets. "Zevia is a solution for all those different consumers," she says.

The company is, of course, targeting younger consumers too, the Generation Zers 18 to 20 years old, a cohort who seriously care about product specifics. "They want to understand information, education and ingredients," Spence says. "More than any other group in history, they are voting with their values for brands that they align with."

This moment isn't lost on Spence, who reveled in the history and influence of the NYSE. The first thing he noticed upon walking in was an original signed letter from the 1880s from Thomas Edison to the exchange, where they will ring the closing bell this afternoon.

"This is a historic place and we are so proud to be here," Spence says. "It's an incredible time to celebrate what we've done so far to plan our steps for the next 10 years." — By Chris Casacchia, California Business Journal

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