UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________

Commission File Number: 001-40950

The Vita Coco Company, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**11-3713156**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
250 Park Avenue South Seventh Floor New York, NY	**10003**
(Address of principal executive offices)	**(Zip Code)**

(212) 206-0763
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, Par Value $0.01 Per Share	**COCO**	**The Nasdaq Stock Market LLC**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 29, 2024, there were 56,731,939 shares of the registrant's common stock, par value $0.01 per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “forecasts,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements regarding our future results of operations and financial position, industry and business trends, equity compensation, business strategy, projected costs, plans, prospects, expectations, market growth, new products, supply chain predictions, and our objectives for future operations.

The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the important factors discussed in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023. The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference herein and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events or otherwise.

As used in this Quarterly Report on Form 10-Q, unless otherwise stated or the context requires otherwise, the terms “Vita Coco,” the “Company,” “we,” “us,” and “our” refer to The Vita Coco Company, Inc. and its consolidated subsidiaries.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(Amounts in thousands, except share data)

	September 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 156,706	$ 132,537
Accounts receivable, net of allowance of $2,257 at September 30, 2024, and $2,486 at December 31, 2023	78,600	50,086
Inventory	64,905	50,757
Supplier advances, current	1,265	1,521
Derivative assets	1,299	3,876
Prepaid expenses and other current assets	27,986	24,160
Total current assets	330,761	262,937
Property and equipment, net	2,440	2,136
Goodwill	7,791	7,791
Supplier advances, long-term	2,732	2,820
Deferred tax assets, net	6,756	6,749
Right-of-use assets, net	648	1,406
Other assets	2,019	1,843
Total assets	$ 353,147	$ 285,682
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 31,253	$ 21,826
Accrued expenses and other current liabilities	64,908	59,533
Notes payable, current	10	13
Derivative liabilities	4,533	1,213
Total current liabilities	100,704	82,585
Notes payable, long-term	5	13
Other long-term liabilities	318	647
Total liabilities	101,027	83,245
Commitments and contingencies (See Note 7)		
Stockholders' equity:		
Common stock, $0.01 par value; 500,000,000 shares authorized; 63,472,285 and 63,135,453 shares issued at September 30, 2024 and December 31, 2023, respectively 56,731,839 and 56,899,253 shares outstanding at September 30, 2024 and December 31, 2023, respectively	635	631
Additional paid-in capital	169,736	161,414
Retained earnings	153,324	100,742
Accumulated other comprehensive loss	156	(649)
Treasury stock, 6,740,446 shares at cost as of September 30, 2024, and 6,236,200 shares at cost as of December 31, 2023.	(71,731)	(59,701)
Total stockholders' equity	252,120	202,437
Total liabilities and stockholders' equity	$ 353,147	$ 285,682

See accompanying notes to the condensed consolidated financial statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Amounts in thousands, except for share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	$ 132,906	$ 138,064	$ 388,720	$ 387,468
Cost of goods sold	81,344	81,893	231,244	246,542
Gross profit	51,562	56,171	157,476	140,926
Operating expenses				
Selling, general and administrative	30,967	32,649	87,941	89,855
Income (Loss) from operations	20,595	23,522	69,535	51,071
Other income (expense)				
Unrealized gain/(loss) on derivative instruments	2,592	(3,959)	(5,896)	(1,758)
Foreign currency gain/(loss)	550	(1,211)	472	(430)
Interest income	1,876	824	5,026	1,105
Interest expense	—	(1)	—	(31)
Total other income (expense)	5,018	(4,347)	(398)	(1,114)
Income before income taxes	25,613	19,175	69,137	49,957
Income tax expense	(6,362)	(4,011)	(16,555)	(10,101)
Net income	$ 19,251	$ 15,164	$ 52,582	$ 39,856
Net income per common share				
Basic	$ 0.34	$ 0.27	$ 0.93	$ 0.71
Diluted	$ 0.32	$ 0.26	$ 0.89	$ 0.68
Weighted-average number of common shares outstanding				
Basic	56,769,410	56,493,757	56,688,362	56,290,195
Diluted	59,314,805	59,271,757	59,099,179	58,494,045

See accompanying notes to the condensed consolidated financial statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(Amounts in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	$ 19,251	$ 15,164	$ 52,582	$ 39,856
Other comprehensive income (loss):				
Foreign currency translation adjustment	784	(426)	805	(317)
Total comprehensive income attributable to The Vita Coco Company, Inc.	$ 20,035	$ 14,738	$ 53,387	$ 39,539

See accompanying notes to the condensed consolidated financial statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(Amounts in thousands, except for shares)

	Common Stock		Common Stock with Exit Warrants		Total Common Stock		Additional Paid-In	Retained Earnings	Accumulated Other Comprehensive Income / (Loss)	Treasury Stock		Total Shareholders' Equity Attributable to The Vita Coco Company, Inc.
	Shares	$ Amount	Shares	$ Amount	Shares	$ Amount	Capital			Shares	Amount	
Balance at December 31, 2022	**54,112,145**	**$ 541**	**8,113,105**	**$ 81**	**62,225,250**	**$ 622**	**$ 145,210**	**$ 55,183**	**$ (994)**	**6,206,200**	**$ (58,928)**	**$ 141,093**
Net income	—	—	—	—	—	—	—	6,705	—	—	—	6,705
Cumulative-effect adjustment related to the adoption of accounting guidance for credit losses	—	—	—	—	—	—	—	(1,070)	—	—	—	(1,070)
Stock-based compensation	—	—	—	—	—	—	2,162	—	—	—	—	2,162
Exercise of stock awards	185,783	2	—	—	185,783	2	601	—	—	—	—	603
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	173	—	—	173
Balance at March 31, 2023	**54,297,928**	**543**	**8,113,105**	**81**	**62,411,033**	**624**	**147,973**	**60,818**	**(821)**	**6,206,200**	**(58,928)**	**149,666**
Net income	—	—	—	—	—	—	—	17,987	—	—	—	17,987
Stock-based compensation	—	—	—	—	—	—	2,102	—	—	—	—	2,102
Exercise of stock awards	230,857	2	—	—	230,857	2	2,112	—	—	—	—	2,114
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(64)	—	—	(64)
Balance at June 30, 2023	**54,528,785**	**$ 545**	**8,113,105**	**$ 81**	**62,641,890**	**$ 626**	**$ 152,187**	**$ 78,805**	**$ (885)**	**6,206,200**	**$ (58,928)**	**$ 171,805**
Net income	—	—	—	—	—	—	—	15,164	—	—	—	15,164
Stock-based compensation expense	—	—	—	—	—	—	2,862	—	—	—	—	2,862
Exercise of stock awards	320,315	3	—	—	320,315	3	3,195	—	—	—	—	3,198
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(426)	—	—	(426)
Balance at September 30, 2023	**54,849,100**	**$ 548**	**8,113,105**	**$ 81**	**62,962,205**	**$ 629**	**$ 158,244**	**$ 93,969**	**$ (1,311)**	**6,206,200**	**$ (58,928)**	**$ 192,603**
Balance at December 31, 2023	**55,022,348**	**$ 550**	**8,113,105**	**$ 81**	**63,135,453**	**$ 631**	**$ 161,414**	**$ 100,742**	**$ (649)**	**6,236,200**	**$ (59,701)**	**$ 202,437**
Net income	—	—	—	—	—	—	—	14,238	—	—	—	14,238
Purchase of Treasury Shares	—	—	—	—	—	—	—	—	—	391,544	(9,235)	(9,235)
Stock-based compensation	—	—	—	—	—	—	2,109	—	—	—	—	2,109
Exercise of stock awards	176,284	2	—	—	176,284	2	151	—	—	—	—	153
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(12)	—	—	(12)
Balance at March 31, 2024	**55,198,632**	**552**	**8,113,105**	**81**	**63,311,737**	**633**	**163,674**	**114,980**	**(661)**	**6,627,744**	**(68,936)**	**209,690**
Net income	—	—	—	—	—	—	—	19,093	—	—	—	19,093
Stock-based compensation	—	—	—	—	—	—	2,399	—	—	—	—	2,399
Exercise of stock awards	91,376	1	—	—	91,376	1	790	—	—	—	—	791
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	33	—	—	33
Balance at June 30. 2024	**55,290,008**	**$ 553**	**8,113,105**	**$ 81**	**63,403,113**	**$ 634**	**$ 166,863**	**$ 134,073**	**$ (628)**	**6,627,744**	**$ (68,936)**	**$ 232,006**
Net income	—	—	—	—	—	—	—	19,251	—	—	—	19,251
Purchase of Treasury Shares	—	—	—	—	—	—	—	—	—	112,702	(2,795)	(2,795)
Stock-based compensation	—	—	—	—	—	—	2,141	—	—	—	—	2,141
Exercise of stock awards	69,172	1	—	—	69,172	1	732	—	—	—	—	733
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	784	—	—	784
Balance at September 30, 2024	**55,359,180**	**$ 554**	**8,113,105**	**$ 81**	**63,472,285**	**$ 635**	**$ 169,736**	**$ 153,324**	**$ 156**	**6,740,446**	**$ (71,731)**	**$ 252,120**

See accompanying notes to the condensed consolidated financial statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Amounts in thousands)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Cash flows from operating activities:		
Net income	$ 52,582	$ 39,856
Adjustments required to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	540	503
(Gain)/loss on disposal of equipment	13	19
Bad debt expense	(665)	255
Unrealized (gain)/loss on derivative instruments	5,896	1,758
Stock-based compensation	6,649	7,126
Impairment loss on assets held for sale	—	363
Noncash lease expense	764	966
Changes in operating assets and liabilities:		
Accounts receivable	(26,910)	(37,234)
Inventory	(13,974)	33,815
Prepaid expenses, net supplier advances, and other assets	(2,585)	5,215
Accounts payable, accrued expenses, and other liabilities	13,667	17,361
Net cash provided by (used in) operating activities	35,977	70,003
Cash flows from investing activities:		
Cash paid for property and equipment	(849)	(533)
Proceeds from sale of property and equipment	—	5
Net cash used in investing activities	(849)	(528)
Cash flows from financing activities:		
Proceeds from exercise of stock awards	1,676	5,915
Cash paid on notes payable	(10)	(18)
Cash paid to acquire treasury stock	(12,030)	—
Net cash provided by (used in) financing activities	(10,364)	5,897
Effects of exchange rate changes on cash and cash equivalents	333	212
Net increase/(decrease) in cash and cash equivalents	25,097	75,584
Cash, cash equivalents and restricted cash at beginning of the period (1)	132,867	19,629
Cash, cash equivalents and restricted cash at end of the period (1)	$ 157,964	$ 95,213

[1]Includes $1,258 and $328 of restricted cash as of September 30, 2024 and 2023, respectively, that were included in other current assets.

See accompanying notes to the condensed consolidated financial statements.

THE VITA COCO COMPANY, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Amounts in thousands, except share and per share amounts)

1. *NATURE OF BUSINESS AND BASIS OF PRESENTATION*

The Vita Coco Company, Inc. and subsidiaries (the "Company") develops, markets, and distributes various coconut water products under the brand name *Vita Coco* and for retailers' own brands, predominantly in the United States. Other products include coconut milk, coconut oil, coconut as a commodity, water (under the brand name *Ever & Ever*), and protein infused fitness drinks (under the brand name *PWR LIFT*). We also offered a natural energy drink (under the brand name *Runa*), which we ceased selling in December 2023.

The Company was incorporated in Delaware as All Market Inc. on January 17, 2007. On September 9, 2021, we changed our name to The Vita Coco Company, Inc. In 2018, the Company purchased certain assets and liabilities of *Runa*, which was marketed and distributed primarily in the United States until the Company ceased selling the brand in December 2023.

We are a public benefit corporation under Section 362 of the Delaware General Corporation Law. As a public benefit corporation, our Board of Directors is required by the Delaware General Corporation Law to manage or direct our business and affairs in a manner that balances the pecuniary interests of our stockholders, the best interests of those materially affected by our conduct and the specific public benefits identified in our certificate of incorporation.

The Company has ten wholly-owned subsidiaries, including four wholly-owned Asian subsidiaries established between fiscal 2012 and 2015, four North American subsidiaries established between 2012 and 2018, All Market Europe, Ltd. ("AME") in the United Kingdom established 2009, and one subsidiary in Germany established during 2024.

Unaudited interim financial information

The Company's condensed consolidated interim financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and Article 10 of Regulation S-X. As permitted under those rules, certain footnotes or other financial information that are normally required by U.S. GAAP can be condensed or omitted. In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the Company's financial information for the interim period presented. These interim results are not necessarily indicative of the results to be expected for the year ending December 31, 2024 or for any other interim period or for any other future year. The condensed consolidated balance sheet as of September 30, 2024 is unaudited and should be read in conjunction with the audited consolidated financial statements and the related notes thereto for the fiscal year ended December 31, 2023.

During the nine months ended September 30, 2024, there were no significant changes to the Company's significant accounting policies as described in the Company's audited consolidated financial statements as of and for the year ended December 31, 2023.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

Basis of Presentation

The accompanying condensed consolidated financial statements are presented in accordance with U.S. GAAP.

Principles of Consolidation

The condensed consolidated financial statements include all the accounts of the wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

Preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management considers many factors in selecting appropriate financial accounting policies and controls in developing the estimates and assumptions that are used in the preparation of these condensed consolidated financial statements. Management must apply significant judgment in this process. In addition, other factors may affect estimates, including expected business and operational changes, sensitivity and volatility associated with the assumptions used in developing estimates, and whether historical trends are expected to be representative of future trends. Additionally, uncertainty in the macroeconomic environment resulting from current geopolitical and economic instability (including the effects of current wars and other international conflicts) and the high interest rate and inflationary cost environment make estimates and assumptions difficult to calculate with precision. The estimation process often may yield a range of reasonable estimates of the ultimate future outcomes, and management must select an amount that falls within that range of reasonable estimates. The most significant estimates in the condensed consolidated financial statements relate to share-based compensation, assessing long-lived assets for impairment, estimating the net realizable value of inventories, determining the accounts receivables reserve, assessing goodwill for impairment, determining the value of trade promotions, and assessing the realizability of deferred income taxes. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company’s cash and accounts receivable are subject to concentrations of credit risk. The Company’s cash balances are primarily on deposit with banks in the U.S. which are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250. At times, such cash may be in excess of the FDIC insurance limit. To minimize the risk, the Company’s policy is to maintain cash balances with high quality institutions, which may include banks, financial institutions and investment firms, and invest daily or reserve operating cash in money market funds, government securities, bank obligations, municipal securities or other investment vehicles with short-term maturities.

Substantially all of the Company’s customers are either wholesalers or retailers of beverages. A material default in payment, a material reduction in purchases from these or any large customers, or the loss of a large customer or customer groups could have a material adverse impact on the Company’s financial condition, results of operations and liquidity. The Company is exposed to concentration of credit risk from its major customers for which two customers in aggregate represented 48% and 51% of total net sales for the nine months ended September 30, 2024 and 2023, respectively. In addition, the two customers in aggregate also accounted for 37% and 43% of total accounts receivable as of September 30, 2024 and December 31, 2023, respectively. The Company has not experienced credit issues with these customers. Refer to Note 7, *Commitments and Contingencies* regarding additional information on our major customers.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). The new accounting standard introduced the current expected credit losses methodology ("CECL") for estimating allowances for credit losses. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized costs, including loans and trade receivables. ASU 2016-13 was effective for the Company for annual and interim reporting periods beginning after December 15, 2022. The Company adopted the standard on January 1, 2023 using the modified retrospective method for all financial assets in scope.

As a part of the adoption, the Company selected to apply roll-rate method to estimate current expected credit losses for its accounts receivable population and weighted average remaining maturity ("WARM") method for supplier advances.

The difference of $1,070 between the incurred credit loss estimate and current expected credit loss estimate was recorded as cumulative effect adjustment to the Company’s opening retained earnings and reflected on the consolidated balance sheet as of January 1, 2023 as a result of the ASC Topic 326, Financial Instruments - Credit Losses ("ASC 326") adoption. The adoption of the standard did not have a material impact on the Company’s consolidated statements of operations, or consolidated statements of cash flows. The following table illustrates the impact of ASC 326.

	As of January 1, 2023		
	As reported under ASC 326	**Pre-ASC 326 adoption**	**Impact of ASC 326 adoption**
Allowance for credit losses on accounts receivables	$ 3,552	$ 2,898	$ 654
Allowance for credit losses on supplier advances	416	—	416
Total	$ 3,968	$ 2,898	$ 1,070

Leases

As of September 30, 2024, the Company signed a lease agreement for a new office in New York, NY. The operating lease will commence in fiscal year 2025, ending in 2034 with an option to extend for an additional two years. Total undiscounted future payments for this new office lease are $15,766. Additionally upon signing the agreement, the Company was required to establish a line of credit of $920 as a security deposit which may be used in case of delinquency. As of September 30, 2024, the Company has established the letter of credit and accounted $920 as restricted cash.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires public entities to disclose information about their reportable segments' significant expenses and other segment items on an interim and annual basis ("ASU 2023-07"). Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC Topic 280, Segment Reporting on an interim and annual basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-07.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities, on an annual basis, to provide disclosure of specific categories in the effective tax rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction ("ASU 2023-09"). ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

3. *REVENUE RECOGNITION*

Revenues are accounted for in accordance with ASC Topic 606, Revenue Recognition ("ASC 606"). The Company disaggregates revenue into the following product categories:

- ***Vita Coco Coconut Water***—This product category consists of all branded coconut water product offerings under the *Vita Coco* labels, where the majority ingredient is coconut water. The Company determined that the sale of the products represents a distinct performance obligation as customers can benefit from purchasing the products on their own or together with other resources that are readily available to the customers. For these products, control is transferred upon customer receipt, at which point the Company recognizes the transaction price for the product as revenue.
- ***Private Label***—This product category consists of all private label product offerings, which includes coconut water and oil. The Company determined the production and distribution of private label products represents a distinct performance obligation. Since there is no alternative use for these products and the Company has the right to payment for performance completed to date, the Company recognizes the revenue for the production of these private label products over time as the production for open purchase orders occurs, which may be prior to any shipment.
- ***Other***—This product category consists of all other products, which included *Runa* (until we ceased selling it in December 2023), and includes *Ever & Ever* and *PWR LIFT* product offerings and *Vita Coco* product extensions beyond coconut water, coconut milk products, and other revenue transactions (e.g., bulk product sales). For these products, control is transferred upon customer receipt, at which point the Company recognizes the transaction price for the product as revenue.

The Company excludes from revenues all taxes assessed by a governmental authority that are imposed on the sale of its products and collected from customers.

The Company provides trade promotions and sales discounts to its customers and distributors. Since these sales promotions and sales discounts do not meet the criteria for a distinct good or service, they are primarily accounted for as a reduction of revenue and include payments to customers and distributors for performing activities on our behalf, such as payments for in-store displays, payments to gain distribution of new products, payments for shelf space and discounts to promote lower retail prices. These condensed consolidated financial statements include accruals for these promotion and discounts. The accruals are made for invoices that have not yet been received as of the end of the reporting period and are recorded as a reduction of sales, and are based on contract terms and our historical experience with similar programs and require management judgment with respect to estimating customer and consumer participation and performance levels.

Disaggregation of Revenue

The following table disaggregates net revenue by product type and reportable segment:

	Three Months Ended September 30, 2024		
	Americas	International	Consolidated
Vita Coco Coconut Water	$ 94,013	$ 14,883	$ 108,896
Private Label	16,489	4,800	21,289
Other	1,744	977	2,721
Total	$ 112,246	$ 20,660	$ 132,906

	Three Months Ended September 30, 2023		
	Americas	International	Consolidated
Vita Coco Coconut Water	$ 89,683	$ 11,350	$ 101,033
Private Label	28,257	5,421	33,678
Other	2,706	647	3,353
Total	$ 120,646	$ 17,418	$ 138,064

	Nine Months Ended September 30, 2024		
	Americas	International	Consolidated
Vita Coco Coconut Water	$ 262,029	$ 38,500	$ 300,529
Private Label	63,897	14,768	78,665
Other	6,913	2,613	9,526
Total	$ 332,839	$ 55,881	$ 388,720

	Nine Months Ended September 30, 2023		
	Americas	International	Consolidated
Vita Coco Coconut Water	$ 253,825	$ 33,628	$ 287,453
Private Label	77,366	13,140	90,506
Other	7,490	2,019	9,509
Total	$ 338,681	$ 48,787	$ 387,468

4. INVENTORY

Inventory consists of the following:

	September 30, 2024	December 31, 2023
Raw materials and packaging	$ 3,753	$ 3,360
Finished goods	61,152	47,397
Inventory	$ 64,905	$ 50,757

5. GOODWILL

Goodwill consists of the following:

	September 30, 2024	December 31, 2023
Goodwill	$ 7,791	$ 7,791

All of the Company’s goodwill is associated with an acquisition, which occurred in June 2018. The goodwill is allocated to the Americas reporting unit and is tax deductible. The Company has not recognized any impairment since acquisition.

6. *DEBT*

The table below details the outstanding balances on the Company’s debt as of September 30, 2024 and December 31, 2023:

	September 30, 2024	December 31, 2023
Notes payable		
Vehicle loans	15	26
	$ 15	$ 26
Current	10	13
Non-current	$ 5	13

Revolving Credit Facility

In May 2020, the Company entered into the five-year credit facility with Wells Fargo Bank, National Association consisting of a revolving line of credit, which currently provides for committed borrowings of $60 million (the "2020 Credit Facility"). The maturity date on the 2020 Credit Facility is May 12, 2026.

Starting in December 2022, borrowings on the 2020 Credit Facility bear interest at rates based on either: 1) a fluctuating rate per annum determined to be the sum of Daily Simple Secured Overnight Financing Rate ("SOFR") plus a spread defined in the credit agreement (the "Spread"); or 2) a fixed rate per annum determined to be the sum of the Term SOFR plus the Spread. The Spread ranges from 1.00% to 1.75%, which is based on the Company’s leverage ratio (as defined in the credit agreement) for the immediately preceding fiscal quarter as defined in the credit agreement. In addition, the Company is currently subject to an unused commitment fee ranging from 0.10% and 0.20% on the unused amount of the line of credit, with the rate being based on the Company’s leverage ratio (as defined in the credit agreement).

As of September 30, 2024 and December 31, 2023, the Company had no outstanding balance and $60 million undrawn and available under its amended 2020 Credit Facility. The Company incurred no interest expense for the 2020 Credit Facility for the nine months ended September 30, 2024 and September 30, 2023, respectively. The unused commitment fee for the 2020 Credit Facility amounted to $15 and $15 for the three months ended September 30, 2024 and September 30, 2023, respectively. The unused commitment fee for the 2020 Credit Facility amounted to $46 and $46 for the nine months ended September 30, 2024 and September 30, 2023, respectively.

The 2020 Credit Facility is collateralized by substantially all of the Company’s assets.

The 2020 Credit Facility contains certain affirmative and negative covenants that, among other things, limit the Company’s ability to, subject to various exceptions and qualifications: (i) incur liens; (ii) incur additional debt; (iii) sell, transfer or dispose of assets; (iv) merge with or acquire other companies, (v) make loans, advances or guarantees; (vi) make investments; (vii) make dividends and distributions on, or repurchases of, equity; and (viii) enter into certain transactions with affiliates. The 2020 Credit Facility also requires the Company to maintain certain financial covenants including a maximum leverage ratio, a minimum fixed charge coverage ratio, and a minimum asset coverage ratio. As of September 30, 2024, the Company was in compliance with all financial covenants.

Vehicle Loans

We periodically enter into vehicle loans. Interest rates on these vehicle loans range from 4.56% to 5.68%. The outstanding balance on the vehicle loans as of September 30, 2024 was less than $0.1 million.

7. *COMMITMENTS AND CONTINGENCIES*

Contingencies:

Litigation—The Company may engage in various litigation matters in the ordinary course of business. The Company intends to vigorously defend itself in such matters, based upon the advice of legal counsel, and is of the opinion that the resolution of these matters will not have a material effect on the condensed consolidated financial statements. The Company records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. The Company also discloses when it is reasonably possible that a material loss may be incurred. As of September 30, 2024 and December 31, 2023, the Company has not recorded any liabilities relating to such legal matters.

Business Risk—The Company imports finished goods predominantly from manufacturers located in South American and Southeast Asian countries. The Company may be subject to certain business risks due to potential instability in these regions.

Major Customers—The Company's customers that accounted for 10% or more of total net sales and total accounts receivable were as follows:

	Net sales		Accounts receivable	
	Nine Months Ended September 30,		September 30, 2024	December 31, 2023
	2024	2023		
Customer A	25 %	29 %	14 %	20 %
Customer B	23 %	22 %	23 %	23 %

One of the customers acquired less than 5% ownership in the Company upon consummation of the Company's initial public offering ("IPO"). As discussed in Note 10, *Stockholders' Equity*, the same customer also was granted 200,000 restricted stock awards at the time of the IPO, of which 100,000 vested on March 31, 2023 and 100,000 vested on March 31, 2024. The customer continues to hold less than 5% ownership in the Company as of September 30, 2024.

In 2023, we agreed to start to discontinue the private label coconut water and coconut oil supply relationship with one of our significant customers as the terms required to retain the business were contrary to our long term margin targets. However, at the request of this customer, we have continued the supply relationship for a significant portion of their private label coconut water needs.

Major Suppliers—The Company's suppliers that accounted for 10% or more of the Company's purchases were as follows:

	Nine Months Ended September 30,	
	2024	2023
Supplier A	19 %	20 %
Supplier B	13 %	14 %

8. *DERIVATIVE INSTRUMENTS*

The Company accounts for derivative instruments in accordance with the ASC Topic 815, Derivatives and Hedging ("ASC 815"). These principles require that all derivative instruments be recognized at fair value on each balance sheet date unless they qualify for a scope exclusion as a normal purchase or sales transaction, which is accounted for under the accrual method of accounting. In addition, these principles permit derivative instruments that qualify for hedge accounting to reflect the changes in the fair value of the derivative instruments through earnings or stockholders' equity as other comprehensive income on a net basis until the hedged item is settled and recognized in earnings, depending on whether the derivative is being used to hedge changes in fair value or cash flows. The ineffective portion of a derivative instrument's change in fair value is immediately recognized in earnings. As of September 30, 2024 and December 31, 2023, the Company did not have any derivative instruments that it had designated as fair value or cash flow hedges.

The Company is subject to the following currency risks:

Inventory Purchases from Brazilian, Malaysian and Thai Manufacturers—In order to mitigate the currency risk on inventory purchases from its Brazilian, Malaysian and Thai manufacturers, which are settled in Brazilian real ("BRL"), Malaysian ringgit ("MYR") and Thai baht ("THB"), the Company's subsidiary, All Market Singapore Pte. Ltd. ("AMS"), enters a series of forward currency swaps to buy BRL, MYR and THB.

Intercompany Transactions Between AME and AMS—In order to mitigate the currency risk on intercompany transactions between AME and AMS, AMS enters into foreign currency swaps to sell British pounds ("GBP").

Intercompany Transactions with Canadian Customer and Vendors—In order to mitigate the currency risk on transactions with Canadian customer and vendors, the Company enters into foreign currency swaps to sell Canadian dollars ("CAD").

The notional amount and fair value of all outstanding derivative instruments in the condensed consolidated balance sheets consist of the following at:

September 30, 2024

Derivatives not designated as hedging instruments under ASC 815-20	Notional Amount	Fair Value	Balance Sheet Location
Assets			
Foreign currency exchange contracts			
Receive THB/sell USD	$ 21,324	$ 1,298	Derivative assets
Receive USD/pay CAD	6,442	1	Derivative assets
Liabilities			
Foreign currency exchange contracts			
Receive BRL/sell USD	$ 42,900	$ (2,999)	Derivative liabilities
Receive USD/pay GBP	22,063	(1,375)	Derivative liabilities
Receive USD/pay EUR	6,691	(159)	Derivative liabilities

December 31, 2023

Derivatives not designated as hedging instruments under ASC 815-20	Notional Amount	Fair Value	Balance Sheet Location
Assets			
Foreign currency exchange contracts			
Receive BRL/sell USD	$ 62,253	$ 3,876	Derivative assets
Liabilities			
Foreign currency exchange contracts			
Receive THB/sell USD	21,971	(285)	Derivative liabilities
Receive USD/pay EUR	5,627	(90)	Derivative liabilities
Receive USD/pay GBP	23,512	(749)	Derivative liabilities
Receive USD/pay CAD	7,666	(89)	Derivative liabilities

The amount and location of realized and unrealized gains and losses of the derivative instruments in the condensed consolidated statements of operations for the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three Months Ended September 30,	
Location	2024	2023
Unrealized gain/(loss) on derivative instruments	$ 2,592	$ (3,959)
Location	Unrealized gain/(loss) on derivative instruments	Unrealized gain/(loss) on derivative instruments
Foreign currency gain / (loss)	$ (610)	$ 1,909
Location	Foreign currency gain/(loss)	Foreign currency gain/(loss)

	Nine Months Ended September 30,	
	2024	2023
Unrealized gain/(loss) on derivative instruments	$ (5,896)	$ (1,758)
Location	Unrealized gain/(loss) on derivative instruments	Unrealized gain/(loss) on derivative instruments
Foreign currency gain / (loss)	$ 185	$ 4,552
Location	Foreign currency gain/(loss)	Foreign currency gain/(loss)

The Company applies recurring fair value measurements to its derivative instruments in accordance with ASC Topic 820, Fair Value Measurements ("ASC 820"). In determining fair value, the Company used a market approach and incorporated the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable internally developed inputs.

9. FAIR VALUE MEASUREMENTS

ASC 820 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. Based upon observability of the inputs used in valuation techniques, the Company’s assets and liabilities are classified as follows:

Level 1—Quoted market prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted market prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes internally developed models and methodologies utilizing significant unobservable inputs.

Forward Currency Swap Contracts—See Note 8, *Derivative Instruments*, for a description of these contracts. The Company’s valuation methodology for forward currency swap contracts is based upon third-party institution data.

The Company’s fair value hierarchy for those assets (liabilities) measured at fair value on a recurring basis at September 30, 2024 and December 31, 2023, is as follows:

	Level 1	Level 2	Level 3	Total
		Forward Currency Swaps/Contracts		
September 30, 2024	$ —	$ (3,234)	$ —	$ (3,234)
December 31, 2023	$ —	$ 2,663	$ —	$ 2,663

There were no transfers between any levels of the fair value hierarchy for any of the Company’s fair value measurements.

10. STOCKHOLDERS’ EQUITY

Common and Treasury Stock—Each share of Common Stock entitles its holder to one vote on matters required to be voted on by the stockholders of the Company and to receive dividends, when and if declared by the Company’s Board of Directors.

As of September 30, 2024 and December 31, 2023, the Company held 6,740,446 and 6,236,200 shares, respectively, in treasury stock. As of September 30, 2024 and December 31, 2023, the Company had 3,257,423 and 3,124,326 shares, respectively, of Common Stock available for issuance upon the conversion of outstanding equity awards under the 2021 Incentive Award Plan ("2021 Plan").

On October 30, 2023, the Company's Board of Directors approved a share repurchase program ("Program") authorizing the Company to repurchase up to $40,000 of Common Stock. Shares of Common Stock may be repurchased under the Program from time to time through open market purchases, block trades, private transactions or accelerated or other structured share repurchase programs. To the extent not retired, shares of Common Stock repurchased under the Program will be placed in the Company's treasury shares. The extent to which the Company repurchases shares of Common Stock, and the timing of such repurchases, will depend upon a variety of factors, including market conditions, regulatory requirements and other corporate considerations, as determined by the Company. The Program has no time limits and may be suspended or discontinued at any time. The Company repurchased 112,702 shares under this Program during the three months ended September 30, 2024. The Company repurchased 504,246 shares under this Program at a cost of $12,030 during the nine months ended September 30, 2024. The Company repurchased 30,000 shares under this Program at a cost of $773 during the year ended December 31, 2023. As of September 30, 2024, the Company had $27,196 remaining under this Program.

On May 23, 2023, the Company entered into an underwriting agreement (the "Underwriting Agreement") with BofA Securities, Inc., Evercore Group L.L.C. and Goldman Sachs & Co. LLC, as the representative of the underwriters named in Schedule I thereto (collectively, the "Underwriters"), and a stockholder of the Company, Verlinvest Beverages SA (the "Selling Stockholder"), relating to an underwritten public offering of 5,000,000 shares (the "Offering") of Common Stock at a price to the public of $23.00 per share, before deducting underwriting discounts. Pursuant to the Underwriting Agreement, all 5,000,000 shares of Common Stock were sold by the Selling Stockholder. Under the terms of the Underwriting Agreement, the Selling Stockholder granted the Underwriters an option exercisable for 30 days to purchase up to an additional 750,000 shares of Common Stock from the Selling Stockholder at the public offering price, less underwriting discounts and commissions, which option was exercised in full prior to the closing of the Offering. The closing of the Offering occurred on May 26, 2023. The Company did not receive any of the proceeds from the sale of the shares. Additionally, the Company incurred $856 of administrative expenses related to the Offering, which were expensed in the nine months ended September 30, 2023.

Stock-based Compensation—The stockholders of the Company approved the adoption of the Company’s 2014 Stock Option and Restricted Stock Plan (the “2014 Plan”). The 2014 Plan allowed for a maximum of 8% of the sum of the Available Equity defined as the sum of: (i) the total then outstanding shares of common shares; and (ii) all available stock options (i.e., granted and outstanding stock options and stock options not yet granted). Under the terms of the 2014 Plan, the Company may grant employees, directors and consultants stock options and restricted stock awards and has the authority to establish the specific terms of each award, including exercise price, expiration and vesting. Currently, only stock options were granted under the 2014 Plan. Generally, stock options issued pursuant to the 2014 Plan contain exercise prices no less than the fair value of Common Stock on the date of grant and have a ten-year contractual term.

Subsequent to September 30, 2021, the stockholders of the Company approved the adoption of the 2021 Plan, which became effective after the closing of the Company's IPO completed in October 2021. On and after closing of the offering and the effectiveness of the 2021 Plan, no further grants have been made under the 2014 Plan. The maximum number of shares of our Common Stock available for issuance under the 2021 Plan is equal to the sum of: (i) 3,431,312 shares of our Common Stock; and (ii) an annual increase on the first day of each year beginning in 2022 and ending in and including 2031, equal to the lesser of (A) two percent (2%) of the outstanding shares of our Common Stock on the last day of the immediately preceding fiscal year; and (B) such lesser amount as determined by our Board of Directors; provided, however, no more than 3,431,312 shares may be issued upon the exercise of incentive stock options ("ISOs"). The 2021 Plan provides for the grant of stock options, including ISOs and nonqualified stock options ("NSOs"), restricted stock, dividend equivalents, stock payments, restricted stock units ("RSUs"), other incentive awards, stock appreciation rights ("SARs"), and cash awards. As of September 30, 2024, only stock options, restricted stock, and RSU's have been granted under the 2021 Plan.

For the three and nine months ended September 30, 2024 and 2023, the Company recorded stock compensation costs totaling:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Reduction in Revenue (1)	$ —	$ 153	$ 151	$ 1,169
Selling, General & Administrative Expenses	$ 2,141	$ 2,709	$ 6,498	$ 5,957
Total Stock Compensation Expense	$ 2,141	$ 2,862	$ 6,649	$ 7,126

[1] The cost recognized as a reduction in revenue is related to the RSUs previously granted to a major customer based on guidance in ASC 606 as stock based sales incentive.

Option Awards with Service-based Vesting Conditions

Most of the stock option awards granted under the 2014 Plan and 2021 Plan vest based on continuous service. The options awarded to the employees have differing vesting schedules as specified in each grant agreement. There were 168,076 new service-based stock option awards granted during the nine months ended September 30, 2024. Exercises of stock options during the three months ended September 30, 2024, and 2023 were 61,763 and 314,210, respectively. Exercises of stock options during the nine months ended September 30, 2024, and 2023 were 148,311 and 583,201, respectively.

Option Awards with Performance and Market-based Vesting Conditions

There are also outstanding stock option awards containing performance-based vesting conditions, subject to achievement of various performance goals by a future period, such as revenue and adjusted EBITDA targets. There were also stock option awards granted in 2019 to the current Chief Executive Officer ("CEO") containing performance and market vesting conditions vesting upon occurrence of an IPO or other qualifying liquidity event and upon achieving a predetermined equity value of the Company, which fully vested as of July 31, 2023.

There were no new stock option awards granted during the nine months ended September 30, 2024 with performance-based vesting conditions.

Service & Performance based Restricted Stock and RSUs

Restricted stock and RSUs were granted under the 2021 Plan and primarily vest based on continuous service. The RSUs with service-based vesting conditions awarded to the employees have differing vesting schedules as specified in each grant agreement. The RSUs granted to non-employee directors vest in full on the earlier of: (i) the day immediately preceding the date of the first Annual Shareholders Meeting following the date of grant; or (ii) the first anniversary of the date of grant. During the nine months ended September 30, 2024 and September 30, 2023, the Company also granted RSUs that contain performance-based vesting conditions, subject to achievement of various performance goals in the future, specifically net sales growth and Adjusted EBITDA targets.

Also included in these awards are shares of restricted Common Stock valued at $3,000 granted at the time of the IPO to entities affiliated with a significant customer, at a price per share granted at the IPO of $15.00, or 200,000 restricted shares, in connection with an amendment to extend the distributor agreement term to June 10, 2026. Since the distribution agreement had not been terminated by either party for cause as of March 31, 2023, 50% of the shares were released on March 31, 2023. The remaining 50% were released on March 31, 2024. The grant was accounted for as a stock-based sales incentive based on guidance in ASC 606 and is reflected as a reduction in the transaction price of revenue on the basis of the grant-date fair-value measure in accordance with the stock compensation guidance in ASC 718.

During the nine months ended September 30, 2024, there were 259,221 service based and 58,365 performance based RSUs granted, which had an aggregate grant date fair value of $8,348. During the three months ended September 30, 2024 and September 30, 2023, awards vested were 7,275 and 6,105, respectively. During the nine months ended September 30, 2024 and September 30, 2023, awards vested were 188,387 and 153,754, respectively, which includes service based RSUs and restricted stock of the major customer.

11. INCOME TAXES

For the three months ended September 30, 2024 and 2023, the Company recorded income tax expense of $6,362 and $4,011, respectively, in its condensed consolidated statements of operations. For the nine months ended September 30, 2024 and 2023, the Company recorded $16,555 and $10,101, respectively, in income tax expense in its condensed consolidated statements of operations.

In assessing the recoverability of its deferred tax assets, the Company continually evaluates all available positive and negative evidence to assess the amount of deferred tax assets for which it is more likely than not to realize a benefit. For any deferred tax asset in excess of the amount for which it is more likely than not that the Company will realize a benefit, the Company establishes a valuation allowance.

As of September 30, 2024 and December 31, 2023, there was a $106 liability for income tax uncertainties recorded in the Company's consolidated balance sheets. The Company’s policy is to record interest and penalties related to income taxes as part of its income tax provision. The Company does not expect its uncertain tax positions to change significantly over the next twelve months. The Company recognized no interest and penalties related to income tax uncertainties in its consolidated balance sheets or consolidated statement of operations for the three and nine months ended September 30, 2024 and 2023. The Company is subject to income tax examinations by the Internal Revenue Service ("IRS") and various state and local jurisdictions for the open tax years between December 31, 2019 and December 31, 2022.

12. EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Numerator:				
Net income	$ 19,251	$ 15,164	$ 52,582	$ 39,856
Denominator:				
Weighted-average number of common shares used in earnings per share—basic	56,769,410	56,493,757	56,688,362	56,290,195
Effect of conversion of stock options	2,545,395	2,778,000	2,410,817	2,203,850
Weighted-average number of common shares used in earnings per share—diluted	59,314,805	59,271,757	59,099,179	58,494,045
Earnings per share—basic	$ 0.34	$ 0.27	$ 0.93	$ 0.71
Earnings per share—diluted	$ 0.32	$ 0.26	$ 0.89	$ 0.68

The following potentially dilutive securities, prior to the use of the treasury stock method, have been excluded from the computation of diluted weighted-average number of common shares outstanding, as they would be anti-dilutive:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Options to purchase common stock and RSUs	203,880	34,178	237,620	385,207

13. SEGMENT REPORTING

The Company has two operating and reportable segments:

- Americas—The Americas segment is comprised primarily of the U.S. and Canada, and derives its revenues from the marketing and distribution of various coconut water and non-coconut water products (e.g., coconut oil and milk). The Company's aluminum bottle canned water (*Ever & Ever*) and protein infused fitness drink (*PWR LIFT*) are marketed only in the Americas segment. The Company also offered guayusa leaf products (*Runa)* in the Americas segment. As of December 2023, we ceased offering the Runa brand.
- International—The International segment is comprised primarily of Europe, Middle East, and Asia Pacific, which includes the Company's procurement arm and derives its revenues from the marketing and distribution of various coconut water and non-coconut water products.

The Company's CEO is the chief operating decision maker and evaluates segment performance primarily based on net sales and gross profit. All intercompany transactions between the segments have been eliminated.

Information about the Company's operations by operating segment as of the three and nine months ended September 30, 2024 and 2023 is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	**$ 132,906**	**$ 138,064**	**$ 388,720**	**$ 387,468**
Americas	112,246	120,646	332,839	338,681
International	20,660	17,418	55,881	48,787
Gross profit	**$ 51,562**	**$ 56,171**	**$ 157,476**	**$ 140,926**
Americas	43,563	50,208	136,643	124,466
International	7,999	5,963	20,833	16,460

	As of September 30,	As of December 31,
	2024	2023
Total segment assets	**$ 353,147**	**$ 285,682**
Americas	235,406	209,984
International	117,741	75,698

Reconciliation	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Total gross profit	$ 51,562	$ 56,171	$ 157,476	$ 140,926
Less:				
Selling, general, and administrative expenses	30,967	32,649	87,941	89,855
Income (loss) from operations	$ 20,595	$ 23,522	$ 69,535	$ 51,071
Less:				
Unrealized gain/(loss) on derivative instruments	2,592	(3,959)	(5,896)	(1,758)
Foreign currency gain/(loss)	550	(1,211)	472	(430)
Interest income	1,876	824	5,026	1,105
Interest expense	—	(1)	—	(31)
Income before income taxes	$ 25,613	$ 19,175	$ 69,137	$ 49,957

Geographic Data:

The following table provides information related to the Company's net sales by country, which is presented on the basis of the location that revenue from customers is recorded:

Nine Months Ended September 30,	2024	2023
United States	$ 311,168	$ 316,923
United Kingdom	40,801	34,223
All other countries(1)	36,751	36,322
Net sales	$ 388,720	$ 387,468

(1) No individual country is greater than 10% of total net sales for the nine months ended September 30, 2024 and 2023.

The following table provides information related to the Company's property and equipment, net by country:

	September 30, 2024	December 31, 2023
United States	$ 806	$ 729
Singapore	1,334	1,081
All other countries(1)	300	326
Property and equipment, net	$ 2,440	$ 2,136

(1) No individual country is greater than 10% of total property and equipment, net as of September 30, 2024 and December 31, 2023.

14. RELATED-PARTY TRANSACTIONS

Director Nominee Agreements - A member of the Board of Directors appointed under the Investor Rights Agreement by Verlinvest Beverages SA ("Verlinvest"), a stockholder of the Company, entered into a nominee agreement on May 24, 2022 instructing the Company to pay all cash and equity compensation earned in connection with his board of director service to Verlinvest. Based on the aforementioned nominee agreement, RSUs granted to this director will be held by him as nominee for Verlinvest and, upon vesting of the RSUs, the shares will be transferred to Verlinvest. The nominee agreements are primarily between the director and Verlinvest. The Company is a party to this arrangement solely to agree to the manner in which it would satisfy the compensation obligations to this director.

Registration Rights and Underwriting Agreements - Under the Registration Rights agreement by and among the Company, Verlinvest and certain other investors, in connection with each demand registration, piggyback or shelf offering, the Company agreed to reimburse the holders of registrable securities for the reasonable fees and disbursements of not more than one law firm. As part of the two secondary offerings during 2023, the Company also entered into underwriting agreements, to which Verlinvest was a party. In connection with the secondary share offering by Verlinvest in May 2023, Verlinvest agreed to waive its right to reimbursement of legal fees for its counsel in the fourth quarter of 2023, and those expenses, in the amount of $140, were not reimbursed by the Company. In connection with the secondary share offering by Verlinvest in November 2023, in April 2024, Verlinvest agreed to waive its right to reimbursement of legal fees for its counsel, and those expenses, in the amount of $324, were not reimbursed by the Company.

15. INVESTMENT IN UNCONSOLIDATED JOINT VENTURE

In accordance with ASC 323, Investments - Equity Method and Joint Ventures, investments in entities over which the Company does not have a controlling financial interest but has significant influence are accounted for using the equity method, with the Company's share of earnings or losses reported in the condensed consolidated statements of operations.

Through one of its subsidiaries, the Company has a 60% joint venture interest in a company, Coco Ventures Limited, which provides for the development, marketing, distribution and branding of coconut water-based products under the Vita Coco brand in the People's Republic of China. It is anticipated that Coco Ventures will initially purchase coconut water products from the Company. The Company acquired this interest on August 2, 2024, the date on which the Company obtained significant influence, for $0.6 million to be paid in cash within one year. The Company will record the initial investment in the joint venture upon cash payment. Since the Company is deemed not to have a controlling interest in Coco Ventures Limited, the Company's investment will be accounted using the equity method of accounting in accordance with ASC 323. As of September 30, 2024, Coco Ventures Limited had not completed any activity and had no operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and filed with the Securities and Exchange Commission ("SEC") on February 29, 2024 (the "Form 10-K"). This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Part I, Item 1A, "Risk Factors" of the Form 10-K and other factors set forth in the Form 10-K and Quarterly Reports on Form 10-Q.

Overview

The Vita Coco Company is a leading platform for brands in the functional beverage category. We pioneered packaged coconut water in 2004 and have extended our business into other categories. Our mission is to deliver great tasting, natural and nutritious products that we believe are better for consumers and better for the world. We are one of the largest brands globally in the coconut and other plant waters category, and a large supplier of private label coconut water.

Our branded portfolio is led by our *Vita Coco* brand, which is the leader in the coconut water category in the United States, and also includes coconut oil, juice, and milk offerings. Our other brands include *Ever & Ever*, a sustainably packaged water, and *PWR LIFT*, a protein-infused fitness drink. We also offered *Runa*, a plant-based energy drink inspired by the guayusa plant native to Ecuador, which we ceased selling in December 2023. We supply private label products to key retailers in both the coconut water and coconut oil categories. Additionally, we generate revenue from bulk product sales to beverage and food companies.

As of September 30, 2024, we source our coconut water from a diversified global network of 15 factories across six countries supported by thousands of coconut farmers. As we do not own any of these factories, our supply chain is a fixed asset-lite model designed to better react to changes in the market or consumer preferences. We also work with co-packers in America and Europe to support local packaging and repacking of our products to better service our customers' needs.

Vita Coco is available in over 30 countries, with our primary markets in North America, the United Kingdom and China. Our primary markets for private label are North America and Europe. Our products are distributed primarily through club, food, drug, mass, convenience, e-commerce and food service channels. We are also available in a variety of on-premise locations such as corporate offices, fitness clubs, airports and educational institutions.

Recent Events

In early October 2024, the east coast ports of America experienced a labor strike that temporarily shut those ports, resulting in some delays even after the ports reopened. The work stoppage was temporarily resolved, but certain matters are still being negotiated, with a deadline for resolving these issues set as January 2025. It is possible that we may experience a port stoppage related to these negotiations in early 2025 if agreement is not reached. Related to the October 2024 work stoppage, some of the ocean freight carriers issued notices of impending surcharges to be applied if the port closures resulted in disruptions. We currently do not expect to pay any of these surcharges, but if further port disruptions occur in early 2025, we may see similar attempts to charge customers disruption-related charges.

Key Factors Affecting Our Performance

We believe that our performance and future success depend on a number of factors that present significant opportunities for us. There have been no material changes to such factors from those described in the Form 10-K under the heading "Key Factors Affecting our Performance" and the changes noted below in "Impact of Global Events Causing Macroeconomic Uncertainty." Those factors also pose risks and challenges, including those discussed in Part I, Item 1A. "Risk Factors" of the Form 10-K.

Impact of Global Events Causing Macroeconomic Uncertainty

Uncertainty in the macroeconomic environment resulting from geopolitical and economic instability (including the effects of current wars and other international conflicts) and variability in interest rates, foreign exchange rates and inflationary cost environments may affect our global supply chain. It is not currently possible to ascertain the overall impact of these macroeconomic uncertainties on the Company's business, results of operations, financial condition or liquidity. Future events and effects related to these macroeconomic uncertainties cannot be determined with precision and actual results could significantly differ from estimates or forecasts. For a further discussion of the risks and challenges posed by these events, please see Part I, Item 1A. "Risk Factors" of the Form 10-K.

Components of Our Results of Operations

Net Sales

We generate revenue through the sale of our *Vita Coco* branded coconut water, private label and Other products in the Americas and International segments. Our sales are predominantly made to distributors or to retailers for final sale to consumers through retail channels, which includes sales to traditional brick and mortar retailers, who may also resell our products through their own online platforms. Our revenue is recognized net of allowances for returns, discounts, credits, and any taxes collected from consumers.

The Company provides trade promotions and sales discounts to its customers and distributors. Since these sales promotions and sales discounts do not meet the criteria for a distinct good or service, they are primarily accounted for as a reduction of revenue and include payments to customers and distributors for performing activities on our behalf, such as payments for in-store displays, payments to gain distribution of new products, payments for shelf space and discounts to promote lower retail prices. These condensed consolidated financial statements include accruals for these promotion and discounts. The accruals are made for invoices that have not yet been received as of the end of the reporting period and are recorded as a reduction of sales, and are based on contract terms and our historical experience with similar programs and require management judgment with respect to estimating customer and consumer participation and performance levels.

Cost of Goods Sold

Cost of goods sold includes the costs of the products sold to customers, inbound and outbound shipping and handling costs, freight and duties, shipping and packaging supplies, and warehouse fulfillment costs.

Gross Profit and Gross Margin

Gross profit is net sales less cost of goods sold, and gross margin is gross profit as a percentage of net sales. Gross profit has been, and will continue to be, affected by various factors, including the mix of products we sell, the channels through which we sell our products, the promotional environment in the marketplace, manufacturing costs, commodity prices, warehouse costs, and transportation rates. We expect that our gross margin will fluctuate from period to period depending on the interplay of these variables.

Management believes gross margin provides investors with useful information related to the profitability of our business prior to considering the operating costs incurred. Management uses gross profit and gross margin as key measures in making financial, operating, and planning decisions and in evaluating our performance.

Operating Expenses

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") include marketing expenses, promotional expenses, and general and administrative expenses. Marketing and promotional expenses consist primarily of costs incurred promoting and marketing our products and are primarily driven by investments to grow our business and retain customers. General and administrative expenses include payroll, employee benefits, stock-based compensation, broker commissions and other headcount-related expenses associated with supply chain & operations, finance, information technology, human resources and other administrative-related personnel, as well as general overhead costs of the business, including research and development for new innovations, rent and related facilities and maintenance costs, depreciation and amortization, and legal, accounting, and professional fees. We expense all SG&A as incurred.

Other Income (Expense), Net

Unrealized Gain/(Loss) on Derivative Instruments

We are subject to foreign currency risks as a result of our inventory purchases and intercompany transactions. In order to mitigate the foreign currency risks, we and our subsidiaries enter into foreign currency exchange contracts which are recorded at fair value. Unrealized gain/(loss) on derivative instruments consists of gains or losses on such foreign currency exchange contracts which are unsettled as of period end. See Part I, Item 3 "Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Exchange Risk*"* for further information.

Foreign Currency Gain/(Loss)

Our reporting currency is the U.S. dollar. We maintain the financial statements of each entity within the group in its local currency, which is also the entity's functional currency. Foreign currency gain/(loss) represents the transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency. See "—Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Exchange Risk*"* for further information.

Interest Income

Interest income consists of interest income earned on our cash and cash equivalents, and money market funds.

Interest Expense

Interest expense consists of interest payable on our credit facilities and vehicle loans.

Income Tax Expense

We are subject to federal and state income taxes in the United States and taxes in foreign jurisdictions in which we operate. We recognize deferred tax assets and liabilities based on temporary differences between the financial reporting and income tax bases of assets and liabilities using statutory rates. We regularly assess the need to record a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Operating Segments

We operate in two reporting segments:

- ***Americas***—The Americas segment is comprised of our operations in the Americas region, primarily in the United States and Canada.
- ***International***—The International segment is comprised of our operations primarily in Europe, the Middle East, and the Asia Pacific regions, which includes the Company's procurement arm.

Each segment derives its revenues from the following product categories:

- ***Vita Coco Coconut Water***—This product category consists of all branded coconut water product offerings under the *Vita Coco* labels, where the majority ingredient is coconut water. For these products, control is transferred upon customer receipt, at which point the Company recognizes the transaction price for the product as revenue.
- ***Private Label*** —This product category consists of all private label product offerings, which includes coconut water and oil. The Company determined the production and distribution of private label products represents a distinct performance obligation. Since there is no alternative use for these products and the Company has the right to payment for performance completed to date, the Company recognizes the revenue for the production of these private label products over time as the production for open purchase orders occurs, which may be prior to any shipment.
- ***Other—***This product category consists of all other products, which includes *Runa* (until we ceased selling it in December 2023)*, Ever & Ever* and *PWR LIFT* product offerings, *Vita Coco* product extensions beyond coconut water, coconut milk products, and other revenue transactions (e.g., bulk product sales). For these products, control is transferred upon customer receipt, at which point the Company recognizes the transaction price for the product as revenue.

Results of Operations

Comparison of the Three and Nine Months Ended September 30, 2024 and 2023

The following table summarizes our results of operations for the three and nine months ended September 30, 2024 and 2023, respectively:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Net sales	$ 132,906	$ 138,064	$ 388,720	$ 387,468
Cost of goods sold	81,344	81,893	231,244	246,542
Gross profit	51,562	56,171	157,476	140,926
Operating expenses				
Selling, general, and administrative	30,967	32,649	87,941	89,855
Income (loss) from operations	20,595	23,522	69,535	51,071
Other income (expense)				
Unrealized gain/(loss) on derivative instrument	2,592	(3,959)	(5,896)	(1,758)
Foreign currency gain/(loss)	550	(1,211)	472	(430)
Interest income	1,876	824	5,026	1,105
Interest expense	—	(1)	—	(31)
Total other income (expense)	5,018	(4,347)	(398)	(1,114)
Income before income taxes	25,613	19,175	69,137	49,957
Income tax expense	(6,362)	(4,011)	(16,555)	(10,101)
Net income	$ 19,251	$ 15,164	$ 52,582	$ 39,856

Net Sales

The following table provides a comparative summary of net sales by operating segment and product category:

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(in thousands)	**2024**	**2023**	**Amount**	**Percentage**	**2024**	**2023**	**Amount**	**Percentage**
Americas segment								
Vita Coco Coconut Water	$ 94,013	$ 89,683	$ 4,330	4.8 %	$ 262,029	$ 253,825	$ 8,204	3.2 %
Private Label	16,489	28,257	(11,768)	(41.6) %	63,897	77,366	(13,469)	(17.4) %
Other	1,744	2,706	(962)	(35.6 %)	6,913	7,490	(577)	(7.7 %)
Subtotal	112,246	120,646	(8,400)	(7.0) %	332,839	338,681	(5,842)	(1.7) %
International segment								
Vita Coco Coconut Water	14,883	11,350	$ 3,533	31.1 %	38,500	33,628	$ 4,872	14.5 %
Private Label	4,800	5,421	(621)	(11.5) %	14,768	13,140	1,628	12.4 %
Other	977	647	330	51.0 %	2,613	2,019	594	29.4 %
Subtotal	$ 20,660	$ 17,418	$ 3,242	18.6 %	$ 55,881	$ 48,787	$ 7,094	14.5 %
Total net sales	$ 132,906	$ 138,064	$ (5,158)	(3.7) %	$ 388,720	$ 387,468	$ 1,252	0.3 %

For the three months ended September 30, 2024, the primary driver of the consolidated net sales decrease of 3.7% was a 36.8% decrease in private label net sales, which was in part due to the transition out of private label coconut oil sales to a key customer, coupled with lower private label coconut water volumes, which were impacted by supply constraints. Vita Coco Coconut Water net sales increased 7.8% with a case equivalents ("CE") volume increase of 6.3%. For the nine months ended September 30, 2024, the net sales increase of 0.3%, was driven by Vita Coco Coconut Water, which had a 4.5% net sales increase, partially offset by private label net sales decrease of 13.1%.

Volume in Case Equivalent

The following table provides a comparative summary of the percentage change in our volume in CE for the three and nine months ended September 30, 2024 compared to the three and nine months ended September 30, 2023, by operating segment and product category:

	Percentage Change - Three Months Ended September 30, 2024 vs. 2023		
	Americas	International	Total
Vita Coco Coconut Water	2.9 %	27.2 %	6.3 %
Private Label	(32.1)%	(4.7)%	(27.0)%
Other	(38.9)%	134.7 %	(32.3)%
Total volume (CE)	(6.8)%	17.4 %	(3.1)%

	Percentage Change - Nine Months Ended September 30, 2024 vs. 2023		
	Americas	International	Total
Vita Coco Coconut Water	0.6 %	8.0 %	1.7 %
Private Label	(7.6)%	18.5 %	(3.1)%
Other	(18.8)%	23.6 %	(16.2)%
Total volume (CE)	(1.7)%	10.9 %	0.2 %

Note: A CE is a standard volume measure used by management, which is defined as a case of 12 bottles of 330ml liquid beverages or the same liter volume of oil.

* International, Other excludes minor volume that is treated as zero CE.

Americas Segment

Americas net sales decreased $8.4 million, or 7.0%, to $112.2 million for the three months ended September 30, 2024 from $120.6 million for the three months ended September 30, 2023. The decrease was primarily driven by CE volume decline in private label due to the transition out of private label oil at a key customer and supply constraints impacting private label coconut water shipments, which was partially offset by Vita Coco Coconut Water CE volume growth of 2.9%. Americas net sales decreased $5.8 million, or 1.7%, to $332.8 million for the nine months ended September 30, 2024 from $338.7 million for the nine months ended September 30, 2023. The decrease was primarily driven by an decrease in CE volume of 1.7%.

Vita Coco Coconut Water net sales increased by $4.3 million, or 4.8%, to $94.0 million for the three months ended September 30, 2024, from $89.7 million for the three months ended September 30, 2023. The increase was the result of CE volume growth of 2.9% coupled with net pricing benefits. Vita Coco Coconut Water net sales increased by $8.2 million, or 3.2%, to $262.0 million for the nine months ended September 30, 2024. The increase was primarily driven by net pricing benefits due to the timing of pricing promotions with a CE volume increase of 0.6%.

Private label net sales decreased by $11.8 million, or 41.6%, to $16.5 million for the three months ended September 30, 2024, from $28.3 million for the three months ended September 30, 2023, due to the expected decrease in the private label oil business and supply constraints driving CE volume decline of 32.1%. Private label net sales decreased by $13.5 million, or 17.4%, to $63.9 million for the nine months ended September 30, 2024, due to the expected private label oil decrease in addition to supply constraints, with a CE volume decline of 7.6%.

Net sales from Other products decreased by $1.0 million, or 35.6%, to $1.7 million for the three months ended September 30, 2024 from $2.7 million for the three months ended September 30, 2023, driven by a CE volume decrease of 38.9% due to lower sales of innovation products and cycling of opportunistic commodity sales. Net sales from Other products decreased by $0.6 million, or 7.7%, to $6.9 million for the nine months ended September 30, 2024.

International Segment

International net sales increased by $3.2 million, or 18.6%, to $20.7 million for the three months ended September 30, 2024, from $17.4 million for the three months ended September 30, 2023. The increase is primarily driven by CE volume growth of 17.4%. International net sales increased by $7.1 million, or 14.5%, to $55.9 million for the nine months ended September 30, 2024, from $48.8 million for the nine months ended September 30, 2023. The increase is primarily driven by CE volume growth of 10.9%.

Vita Coco Coconut Water net sales increased by $3.5 million, or 31.1%, to $14.9 million for the three months ended September 30, 2024, from $11.3 million for the three months ended September 30, 2023. The increase was driven by both Europe and the Asia Pacific region which both had strong net sales and volume performance. Vita Coco Coconut Water net sales increased by $4.9 million, or 14.5%, to $38.5 million for the nine months ended September 30, 2024 from $33.6 million for the nine months ended September 30, 2023. The increase was primarily driven by strong growth in Europe partially offset by lower volumes in the Asia Pacific region.

Private label net sales decreased by $0.6 million, or 11.5%, to $4.8 million for the three months ended September 30, 2024 from $5.4 million for the three months ended September 30, 2023. The decrease was driven primarily by supply constraints along with some impact from the expected decrease in private label coconut oil. Private label net sales increased by $1.6 million, or 12.4%, to $14.8 million for the nine months ended September 30, 2024, from $13.1 million for the nine months ended September 30, 2023. The increase was driven primarily by Europe, which had strong volume driven by new distribution, partially offset by the private label coconut oil decrease.

Net sales from Other products increased 51.0% for the three months ended September 30, 2024 and 29.4% for the nine months ended September 30, 2024 largely due to opportunistic commodity sales.

Gross Profit

	Three Months Ended September 30,		Change		Nine Months Ended September 30,			Change	
(in thousands)	2024	2023	Amount	Percentage	2024		2023	Amount	Percentage
Cost of goods sold									
Americas segment	$ 68,681	$ 70,437	$ (1,756)	(2.5)%	$ 196,195	$196,195	$ 214,214	$ (18,019)	(8.4)%
International segment	12,663	11,456	1,207	10.5 %	35,049		32,328	2,721	8.4 %
Total cost of goods sold	$ 81,344	$ 81,893	$ (549)	(0.7)%	$ 231,244		$ 246,542	$ (15,298)	(6.2)%
Gross profit									
Americas segment	$ 43,563	$ 50,208	$ (6,645)	(13.2)%	$ 136,643		$ 124,466	$ 12,177	9.8 %
International segment	7,999	5,963	2,036	34.1 %	20,833		16,460	4,373	26.6 %
Total gross profit	$ 51,562	$ 56,171	$ (4,609)	(8.2)%	$ 157,476		$ 140,926	$ 16,550	11.7 %
Gross margin									
Americas segment	38.8 %	41.6 %		(2.8)%	41.1 %		36.8 %		4.3 %
International segment	38.7 %	34.2 %		4.5 %	37.3 %		33.7 %		3.6 %
Consolidated	38.8 %	40.7 %		(1.9)%	40.5 %		36.4 %		4.1 %

On a consolidated basis, cost of goods sold decreased by $0.5 million, or 0.7%, to $81.3 million for the three months ended September 30, 2024, from $81.9 million for the three months ended September 30, 2023. On a consolidated and segment basis, the decrease was primarily related to the overall lower CE volume and lower finished goods costs which were partly offset by transportation cost increases. Cost of goods sold decreased by $15.3 million, or 6.2%, to $231.2 million for the nine months ended September 30, 2024. On a consolidated basis, the decrease was primarily related to lower finished goods costs, which were partially offset by volume CE growth and higher transportation costs.

On a consolidated basis, gross profit decreased by $4.6 million, or 8.2%, to $51.6 million for the three months ended September 30, 2024, from $56.2 million for the three months ended September 30, 2023. Gross margin decreased approximately 1.9% percentage points to 38.8% for the three months ended September 30, 2024, as compared to 40.7% for the three months ended September 30, 2023. The decrease in gross profit resulted from the lower CE volume and consequent net sales, along with higher transportation costs, which were partially offset by lower finished goods costs and improved net pricing on Vita Coco Coconut Water. Gross profit increased by $16.6 million, or 11.7%, to $157.5 million for the nine months ended September 30, 2024. The increase resulted from volume CE growth and lower finished goods costs, partly offset by higher transportation costs.

Operating Expenses

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(in thousands)	**2024**	**2023**	**Amount**	**Percentage**	**2024**	**2023**	**Amount**	**Percentage**
Selling, general, and administrative	$ 30,967	$ 32,649	$ (1,682)	(5.2)%	87,941	89,855	(1,914)	(2.1)%

Selling, General and Administrative Expenses

During the three months ended September 30, 2024, SG&A decreased by $1.7 million, or 5.2%, versus the three months ended September 30, 2023. The decrease was primarily driven by reduced marketing expense of $1.8 million due to reduced spending in light of product supply constraints. During the nine months ended September 30, 2024, SG&A decreased by $1.9 million, or 2.1%, versus the nine months ended September 30, 2023. The decrease was primarily driven lower marketing expense of $4.6 million and reduced bad debt expense of $0.9 million, partially offset by increased personnel related expenses of $3.6 million.

Other Income (Expense), Net

	Three Months Ended September 30,		Change	Nine Months Ended September 30,		Change
(in thousands)	**2024**	**2023**	**Amount**	**2024**	**2023**	**Amount**
Unrealized gain/(loss) on derivative instruments	$ 2,592	$ (3,959)	$ 6,551	$ (5,896)	$ (1,758)	$ (4,138)
Foreign currency gain/(loss)	550	(1,211)	1,761	472	(430)	902
Interest income	1,876	824	1,052	5,026	1,105	3,921
Interest expense	—	(1)	1	—	(31)	31
	$ 5,018	$ (4,347)	$ 9,365	$ (398)	$ (1,114)	$ 716

Unrealized Gain/(Loss) on Derivative Instruments

For the three months ended September 30, 2024 and 2023, we recorded gains of $2.6 million and losses of $4.0 million, respectively, for the mark-to-market changes in fair value on the outstanding derivative instruments for forward foreign currency exchange contracts, with the largest gain for the three months ended September 30, 2024 related to the contracts hedging the BRL and THB. For the nine months ended September 30, 2024 and 2023, we recorded losses of $5.9 million and losses of $1.8 million, respectively, for the mark-to-market changes in fair value on the outstanding derivative instruments for forward foreign currency exchange contracts, with the largest loss for the nine months ended September 30, 2024 related to the contracts hedging the BRL, partially offset by gains on THB, GBP, and CAD hedges.

Foreign Currency Gain/(Loss)

For the three months ended September 30, 2024, the change in foreign currency gain was $1.8 million as compared to September 30, 2023. For the nine months ended September 30, 2024, the change in foreign currency gain was $0.9 million as compared to September 30, 2023. The change in all periods was a result of movements in various foreign currency exchange rates related to transactions denominated in currencies other than the functional currency.

Interest Income

For the three months ended September 30, 2024, the increase in interest income was $1.1 million as compared to September 30, 2023. The increase was primarily due to higher levels of cash invested with financial institutions during the third quarter of 2024 compared to the third quarter of 2023. For the nine months ended September 30, 2024, the change in interest income was $3.9 million as compared to the same period ending September 30, 2023. The increase in interest income period over period was due to the cash investment program that began in April 2023, in addition to higher levels of cash invested with financial institutions compared to prior year.

Interest Expense

The change in interest expense is immaterial.

Income Tax Expense

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
(in thousands)	2024	2023	Amount	Percentage	2024	2023	Amount	Percentage
Income tax expense	(6,362)	(4,011)	$ (2,351)	58.6 %	$ (16,555)	$ (10,101)	$ (6,454)	63.9 %
Tax rate	24.8 %	20.9 %			23.9 %	20.2 %		

Our quarterly income tax provision is based on an estimated annual effective tax rate applied to our consolidated year-to-date pre-tax income or loss. The effective income tax rate is based upon the estimated income for the year, the composition of that income in different countries, and adjustments, if any, in the applicable quarterly periods for the potential tax consequences, benefits, resolutions of tax audits or other tax contingencies.

For the nine months ended September 30, 2024 and 2023 our effective tax rate was 23.9% and 20.2%, respectively. The effective tax rate for the current period is higher than the US statutory rate of 21% primarily as a result of state income taxes for the US company and other nondeductible expenses for tax purposes, and is partially offset by lower statutory tax rates in countries outside the US that we operate in. The change in effective tax rates between the periods is primarily driven by the jurisdictional mix of our pre-tax profits and the impact of higher non-deductible expenses this year related to covered employees' compensation in relation to the pre-tax profits.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA are supplemental non-GAAP financial measures that are used by management and external users of our financial statements, such as industry analysts, investors and lenders. These non-GAAP measures should not be considered as alternatives to net income as a measure of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP and should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

These non-GAAP measures are a key metric used by management and our Board of Directors to assess our financial performance. We present these non-GAAP measures because we believe they assist investors in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance and because we believe it is useful for investors to see the measures that management uses to evaluate the Company.

We define EBITDA as net income before interest, taxes, depreciation, and amortization. Adjusted EBITDA is defined as EBITDA with adjustments to eliminate the impact of certain items, including certain non-cash and other items, that we do not consider representative of our ongoing operating performance.

A reconciliation from net income to EBITDA and Adjusted EBITDA is set forth below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Net income	19,251	15,164	52,582	39,856
Depreciation and amortization	196	163	540	503
Interest income	(1,876)	(824)	(5,026)	(1,105)
Interest expense	—	1	—	31
Income tax expense	6,362	4,011	16,555	10,101
EBITDA	23,933	18,515	64,651	49,386
Stock-based compensation (a)	2,141	2,862	6,649	7,126
Unrealized (gain)/loss on derivative instruments (b)	(2,592)	3,959	5,896	1,758
Foreign currency (gain)/loss (b)	(550)	1,211	(472)	430
Secondary Offering Costs (c)	—	—	(324)	856
Other adjustments (d)	—	329	—	329
Adjusted EBITDA	$ 22,932	$ 26,876	76,400	$ 59,885

(a) Non-cash charges related to stock-based compensation, which vary from period to period depending on volume and vesting timing of awards and forfeitures. We adjusted for these charges to facilitate comparison from period to period.

(b) Unrealized gains or losses on derivative instruments and foreign currency gains or losses are not considered in our evaluation of our ongoing performance.

(c) Reflects other non-recurring expenses related to costs associated with two secondary offerings in which Verlinvest Beverages SA sold shares of the Company in an underwritten public offering that closed on May 26, 2023 and a block trade that was executed on November 9, 2023. The amounts for the three and nine months ended September 30, 2023 relate to costs for the May 26, 2023 offering. The amounts for the three and nine months ended September 30, 2024 relate to an expense waiver of certain costs incurred during the November 9, 2023 block trade. The Company did not receive any proceeds from the sale of the shares. For additional information regarding the expense waiver for the three and nine months ended September 30, 2024, see Note 14, *Related Party Transactions*, in our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

(d) Reflects other charges primarily related to the impairment loss of assets held for sale in 2023 and other non-recurring expenses.

Liquidity and Capital Resources

Since our inception, we have financed our operations primarily through cash generated from our business operations and proceeds on borrowings through our credit facilities and term loans. We had $156.7 million and $132.5 million of cash and cash equivalents as of September 30, 2024 and December 31, 2023, respectively. From time to time, we may supplement our liquidity needs with incremental borrowing capacity under the 2020 Credit Facility.

Considering recent market conditions and our business assumptions, we have reevaluated our operating cash flows and cash requirements and believe that current cash, cash equivalents, future cash flows from operating activities and cash available under our 2020 Credit Facility will be sufficient to meet our anticipated cash needs, including working capital needs, capital expenditures and contractual obligations for at least 12 months from the issuance date of the condensed consolidated financial statements included herein and the foreseeable future.

Our future capital requirements will depend on many factors, including our revenue growth rate, our working capital needs primarily for inventory build, our global footprint, the expansion of our marketing activities, the timing and extent of spending to support product development efforts, the introduction of new and enhanced products and the continued market consumption of our products, as well as any shareholder distribution either through equity buybacks or dividends. Our asset-lite operating model has historically provided us with a low cost, nimble, and scalable supply chain, which allows us to adapt to changes in the market or consumer preferences while also efficiently introducing new products across our platform. We may seek additional equity or debt financing in the future in order to acquire or invest in complementary businesses, products and/or new IT infrastructures. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued product innovation, we may not be able to compete successfully, which would harm our business, operations and financial condition.

Cash Flows

The following tables summarize our sources and uses of cash:

	Nine Months Ended September 30,		Change	
	2024	2023	Amount	Percentage
(in thousands)				
Cash flows provided by (used in):				
Operating activities	$ 35,977	$ 70,003	$ (34,026)	48.6 %
Investing activities	(849)	(528)	(321)	(60.8 %)
Financing activities	(10,364)	5,897	(16,261)	n/m
Effects of exchange rate changes on cash and cash equivalents	333	212	121	57.1 %
Net (decrease)/increase in cash and cash equivalents	$ 25,097	$ 75,584	$ (50,487)	66.8 %

Operating Activities

Our main source of operating cash is payments received from our customers. Our primary use of cash in operating activities are for cost of goods sold and SG&A expenses.

During the nine months ended September 30, 2024, cash provided by operating activities decreased $34.0 million compared to the nine months ended September 30, 2023. The decrease in cash provided by operating activities was primarily driven by higher inventory purchases partly offset by increase in net income, net of non-cash adjustments.

Investing Activities

During the nine months ended September 30, 2024, cash used in investing activities was $0.8 million as compared to $0.5 million for the nine months ended September 30, 2023, the increase was due to equipment purchases and higher technology related capital expenditures.

Financing Activities

During the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023, net cash used by financing activities was $16.3 million higher primarily driven by share repurchases that occurred in 2024 and lower proceeds from stock award exercises. See Note 10, *Stockholders' Equity,* for further discussion on share repurchases.

Debt

We had an immaterial amount of debt outstanding as of September 30, 2024 and December 31, 2023, which was related to vehicle loans.

Revolving Credit Facility

In May 2020, the Company entered into the 2020 Credit Facility, which currently provides for committed borrowings of $60 million. The maturity date on the 2020 Credit Facility is May 12, 2026.

Starting in December 2022, borrowings on the 2020 Credit Facility bear interest at rates based on either: 1) a fluctuating rate per annum determined to be the sum of Daily Simple SOFR plus the Spread; or 2) a fixed rate per annum determined to be the sum of the Term SOFR plus the Spread. The Spread ranges from 1.00% to 1.75%, which is based on the Company’s leverage ratio (as defined in the credit agreement) for the immediately preceding fiscal quarter as defined in the credit agreement. In addition, the Company is currently subject to an unused commitment fee ranging from 0.10% and 0.20% on the unused amount of the line of credit, with the rate being based on the Company’s leverage ratio (as defined in the credit agreement).

The outstanding balance on the Revolving Facility was zero as of September 30, 2024 and December 31, 2023, respectively. As of September 30, 2024, we were compliant with all financial covenants.

Vehicle Loans

We periodically enter into vehicle loans. Interest rates on these vehicle loans range from 4.56% to 5.68%. The outstanding balance on the vehicle loans as of September 30, 2024 was less than $0.1 million.

For additional information, see Note 6, *Debt*, in our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Contractual Obligations and Commitments

There have been no material changes to our contractual obligations from those described in the Form 10-K.

Critical Accounting Policies and Significant Judgments and Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses, and the disclosure of contingent assets and liabilities in our consolidated financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Judgments and Estimates" in the Form 10-K and the notes to the unaudited condensed consolidated financial statements appearing in this Quarterly Report on Form 10-Q. During the nine months ended September 30, 2024, there were no material changes to our critical accounting policies from those discussed in the Form 10-K.

Recent Accounting Pronouncements

A description of recently adopted and issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2, *Summary of Significant Accounting Policies*, to our condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities.

As of September 30, 2024 and December 31, 2023, the outstanding amounts related to our 2020 Credit Facility incur interest fees at variable interest rates and are affected by changes in the general level of market interest rates. However, there was zero outstanding balance on the 2020 Credit Facility as of September 30, 2024 and December 31, 2023.

Foreign Currency Exchange Risk

We transact business globally in multiple currencies and hence have foreign currency risks related to our net sales, cost of goods sold and operating expenses. We use derivative financial instruments to reduce our net exposure to foreign currency fluctuations. Our objective in managing exposure to foreign currency fluctuations is to reduce the volatility caused by foreign exchange rate changes on the earnings, cash flows and financial position of our international operations. We generally target to hedge a majority of our forecasted yearly foreign currency exchange exposure through a 24-month rolling layered approach and leave a portion of our currency forecast floating at spot rate. Our currency forecast and hedge positions are reviewed quarterly. The gains and losses on the forward contracts associated with our balance sheet positions are recorded in "Other income (expense), net" in the condensed consolidated statements of operations appearing elsewhere in this Quarterly Report on Form 10-Q.

The total notional values of our forward exchange contracts were $99.4 million and $121.0 million as of September 30, 2024 and December 31, 2023, respectively. The derivatives on the forward exchange contracts resulted in an unrealized loss of $(5.9) million for the nine months ended September 30, 2024, and we estimate that a 10% strengthening or weakening of the U.S. dollar would have resulted in an approximately $0.3 million gain or loss.

A portion of our cash and cash equivalents are denominated in foreign currencies. As of September 30, 2024, a 1% change in the value of the U.S. dollar compared to foreign currencies would have caused our cash and cash equivalents to decrease or increase by $0.1 million. As of December 31, 2023, a 1% change in the value of the U.S. dollar compared to foreign currencies would have caused our cash and cash equivalents to decrease or increase by $0.1 million.

Inflation Risk

Inflation generally affects us by increasing our cost of transportation, labor and manufacturing costs. In recent years, we have seen fluctuating transportation costs caused by global supply chain disruptions or geopolitical instability and general inflation effects, which may cause pressure on our costs and margins. More specifically, we source a large amount of our finished goods from international countries, which exposes us to international supply chain inflation, particularly ocean freight. In the nine months ended September 30, 2024, general inflationary pressures continue to increase the other elements of our cost of goods and operating expenses.

Credit Risk

We are exposed to concentration of credit risk from our major customers. In the nine months ended September 30, 2024, sales to two customers represented approximately 48% of our consolidated net sales. We have not experienced credit issues with these customers. We maintain provisions for potential credit losses and evaluate the solvency of our customers on an ongoing basis to determine if additional allowances for doubtful accounts and customer credits need to be recorded. Significant economic disruptions or a slowdown in the economy could result in significant additional charges.

Item 4. Controls and Procedures.

Limitations on effectiveness of controls and procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of disclosure controls and procedures

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that, as of September 30, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may be involved in various claims and legal proceedings related to claims arising out of our operations. We are not currently a party to any material legal proceedings, including any such proceedings that are pending or threatened, of which we are aware.

Item 1A. Risk Factors.

Please refer to Part I, Item 1A. "Risk Factors" of the Form 10-K for the fiscal year ended December 31, 2023 for a description of certain significant risks and uncertainties to which our business, financial condition and results of operations are subject. There have been no material changes to these risk factors as of September 30, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The Company did not sell any equity securities during the three months ended September 30, 2024 that were not registered under the Securities Act.

The following table provides information regarding repurchases of our Common Stock during the three months ended September 30, 2024:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Approximate Dollar Value of Shares That May be Purchased Under the Plans or Programs
				(In millions)
July 1, 2024 - July 31, 2024	—	$—	—	$—
August 1, 2024 - August 31, 2024	44,504	$24.90	466,048	$28.9
September 1, 2024 - September 30, 2024	68,198	$24.74	534,246	$27.2

(1) On October 30, 2023, the Company's Board of Directors approved a share repurchase program ("Program") authorizing the Company to repurchase up to $40 million of Common Stock. Shares of Common Stock may be repurchased under the Program from time to time through open market purchases, block trades, private transactions or accelerated or other structured share repurchase programs. To the extent not retired, shares of Common Stock repurchased under the Program will be placed in the Company's treasury shares. The extent to which the Company repurchases shares of Common Stock and the timing of such repurchases will depend upon a variety of factors, including market conditions, regulatory requirements and other corporate considerations, as determined by the Company. The Program has no time limits, and may be suspended or discontinued at any time. During the nine months ended September 30, 2024, the Company repurchased 504,246 shares at a cost of $12.0 million under this program.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Plans

In accordance with the disclosure requirements set forth in Item 408(a) of Regulation S-K, the following table discloses any officer (as defined in Rule 16a-1(f) under the Exchange Act), director, or entity controlled by such officer or director who adopted or terminated a contract, instruction, or written plan for the sale of securities of the Company intended to satisfy the affirmative defense of Rule 10b5-1(c) during the quarterly period ended September 30, 2024:

Name	Title	Action Taken	Date of Action	Duration of Trading Arrangement	Aggregate Number of Securities to be Sold
Corey Baker	Chief Financial Officer	Adoption	August 15, 2024	November 13, 2024 to May 30, 2025	Up to 5,172 shares of Common Stock

In addition, the following table discloses an officer (as defined in Rule 16a-1(f) under the Exchange Act), who adopted or terminated a contract, instruction, or written plan for the sale of securities of the Company intended to satisfy the affirmative defense of Rule 10b5-1c) that was not previously disclosed:

Name	Title	Action Taken	Date of Action	Duration of Trading Arrangement	Aggregate Number of Securities to be Sold
Martin Roper	Chief Executive Officer	Adoption	May 9, 2024	September 16, 2024 to September 12, 2025	Up to 144,694 shares of Common Stock, subject to a daily maximum of 5,000 shares
The Christopher G. Roper Exempt Family Trust	A trust for which Mr. Roper's spouse is the trustee	Adoption	May 9, 2024	September 16, 2024 to September 12, 2025	Up to 143,394 shares of common stock, subject to a daily maximum of 5,000 shares
The Peter S. Roper Exempt Family Trust	A trust for which Mr. Roper's spouse is the trustee	Adoption	May 9, 2024	September 16, 2024 to September 12, 2025	Up to 143,394 shares of common stock, subject to a daily maximum of 5,000 shares
The Thomas L. Roper Exempt Family Trust	A trust for which Mr. Roper's spouse is the trustee	Adoption	May 9, 2024	September 16, 2024 to September 12, 2025	Up to 143,394 shares of common stock, subject to a daily maximum of 5,000 shares

Other than as disclosed above, no other officer, director or entity controlled by such officer or director adopted, modified or terminated a contract, instruction or written plan for the purchase or sale of securities of the Company intended to satisfy the affirmative defense of Rule 10b5-1(c) or a non-Rule 10b5-1 trading arrangement.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed / Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Second Amended and Restated Certificate of Incorporation.	8-K	001-40950	3.1	10/25/21	
3.2	Amended and Restated Bylaws.	8-K	001-40950	3.2	10/25/21	
4.1	Specimen Common Stock Certificate of The Vita Coco Company, Inc.	S-1	333-259825	4.1	9/27/21	
4.2+	Registration Rights Agreement, by and among The Vita Coco Company, Inc. and certain security holders of The Vita Coco Company, Inc., dated as of October 20, 2021.	8-K	001-40950	10.1	10/25/21	
4.3+	Investor Rights Agreement, among The Vita Coco Company, Inc., Verlinvest Beverages SA, Michael Kirban and Ira Liran, dated as of October 20, 2021.	8-K	001-40950	10.2	10/25/21	
4.4	Form of Indenture	S-3	333-271583	4.4	5/2/23	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.					**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.					**
101.INS	Inline XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					

* Filed herewith.
** Furnished herewith.
\+ Certain portions of this exhibit (indicated by "####") have been redacted pursuant to Regulation S-K, Item 601(a)(6).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE VITA COCO COMPANY, INC.

Date: October 30, 2024	By:	/s/ Martin Roper
		Martin Roper
		Chief Executive Officer and Director
		(Principal Executive Officer)
Date: October 30, 2024	By:	/s/ Corey Baker
		Corey Baker
		Chief Financial Officer
		(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION

I, Martin Roper, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Vita Coco Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2024

By: /s/ Martin Roper
Martin Roper
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Corey Baker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Vita Coco Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2024

By: /s/ Corey Baker
Corey Baker
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of The Vita Coco Company, Inc. (the “Company”) for the quarter ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Martin Roper, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2024	By: /s/ Martin Roper
	Martin Roper
	Chief Executive Officer
	(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of The Vita Coco Company, Inc. (the “Company”) for the quarter ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Corey Baker, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 30, 2024

By: /s/ Corey Baker
Corey Baker
Chief Financial Officer
(Principal Financial Officer)