



StrongPoint

3rd quarter 2019

CEO Jacob Tveraabak | CFO Hilde Horn Gilen

October 31, 2019

Agenda

- Intro
- Highlights Q3 2019
- Other key financial figures
- Q&A





Mission

“Driving retailers productivity by providing innovative integrated technology solutions”

Strong market fundamentals for retail technology – providing a “double opportunity” for StrongPoint

Retailers’ needs

Opportunity for StrongPoint

E-commerce



1. **In-store:** Pressure on brick & mortar retailers’ margin

Technology solutions in-store to improve retailers’ productivity and hence uphold margins

2. **Incumbents:** Pressure to establish online presence

World-class e-commerce solutions for picking and delivery



StrongPoint

Our Solutions

Retail Technology

In-store

In-Store Productivity

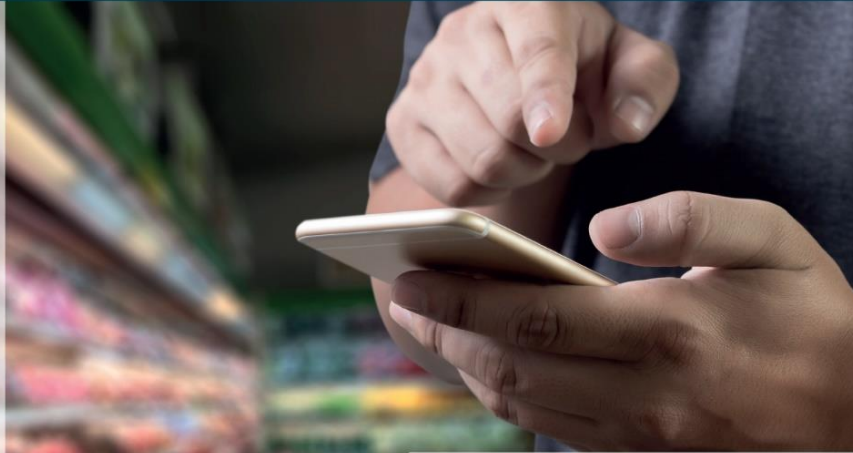
- Loss Prevention
- ShopFlow Logistics
- Electronic Shelf Labels
- Scales & Wrapping Systems
- Task & Labour Management
- Voice Communication System

Payment Solutions

- Cash Management

Check Out Efficiency

- Self-Checkout
- Self-Scanning
- Tobacco Sales Automation



Cash Security



Labels



E-commerce

Picking

- Pick & Collect

Delivery

- QueueManager
- DeliveryManager
- RouteManager
- Click & Collect



Key focus areas

- I. Maintain and grow relevance with retailers in current key Markets (Norway, Sweden, Baltics)*
- II. Significantly grow presence with retailers in Spain to mirror key Markets' penetration*
- III. Grow e-commerce into a substantial portion of StrongPoint's business*

... and be the best owner and employer for all businesses under the StrongPoint-umbrella



Highlights Q3 2019



StrongPoint

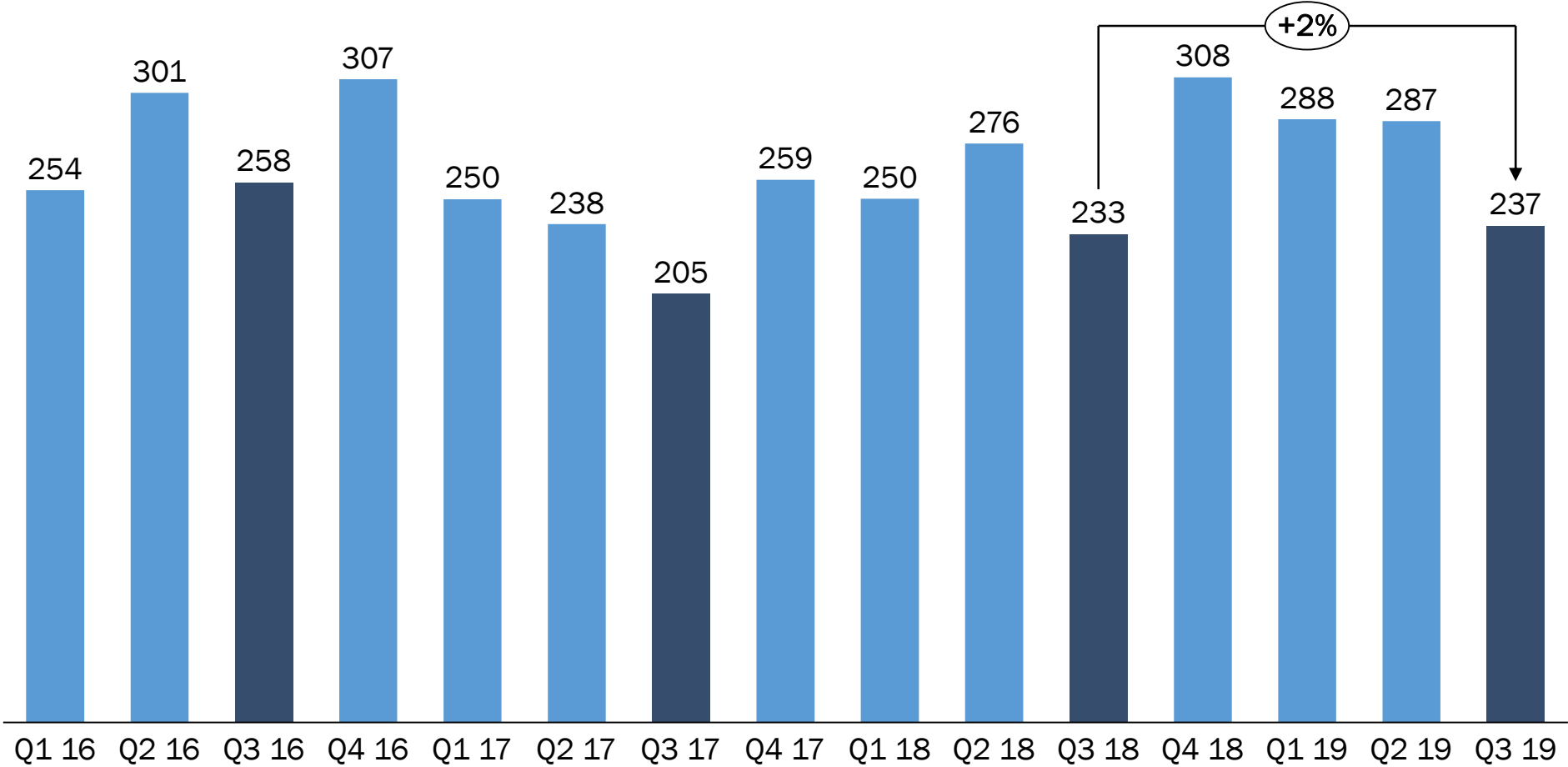
Highlights Q3 2019

- 1 Strong performance in Retail Technology, however overall flat performance
- 2 Several customer breakthroughs and deliveries
- 3 Important milestones for go-to-market model



1 3rd quarter revenue: 2% growth vs. last year

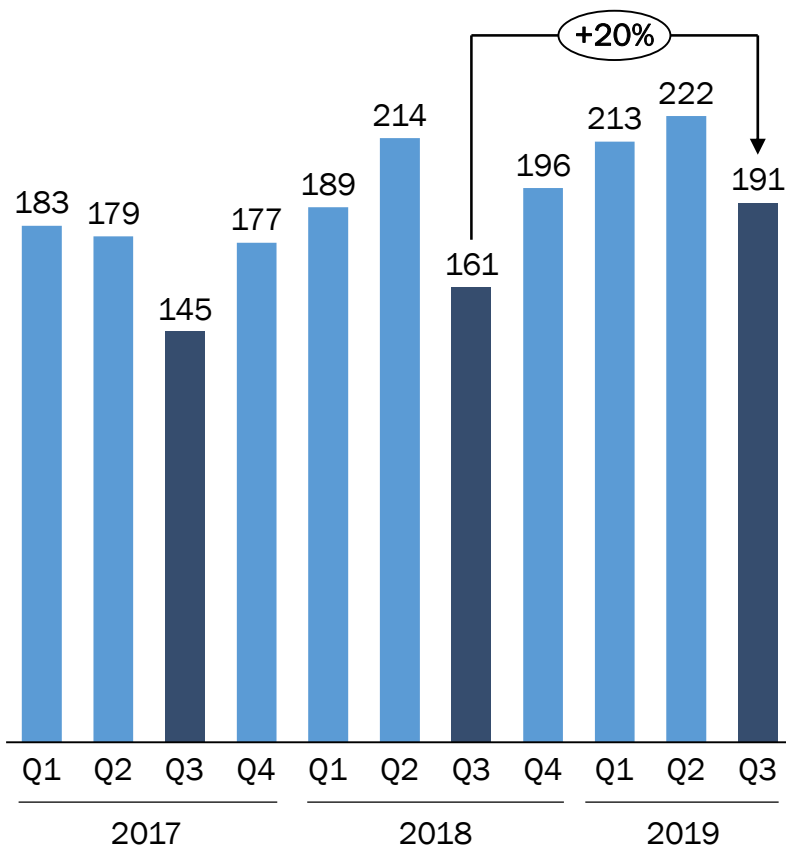
Revenue
MNOK



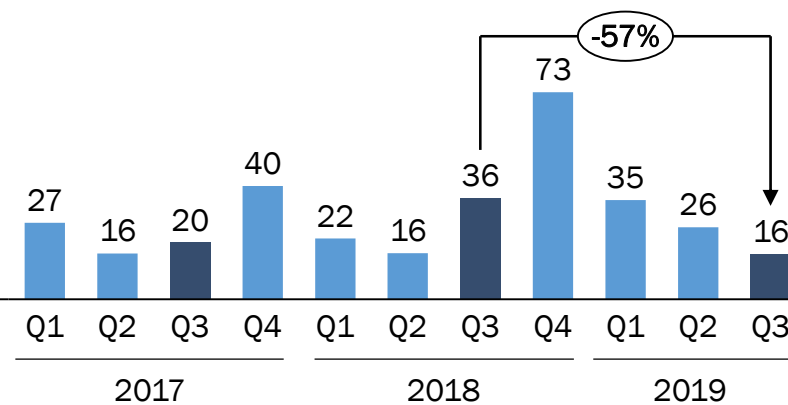
1 3rd quarter revenue in BAs: Strong performance in Retail Technology

Revenue
MNOK

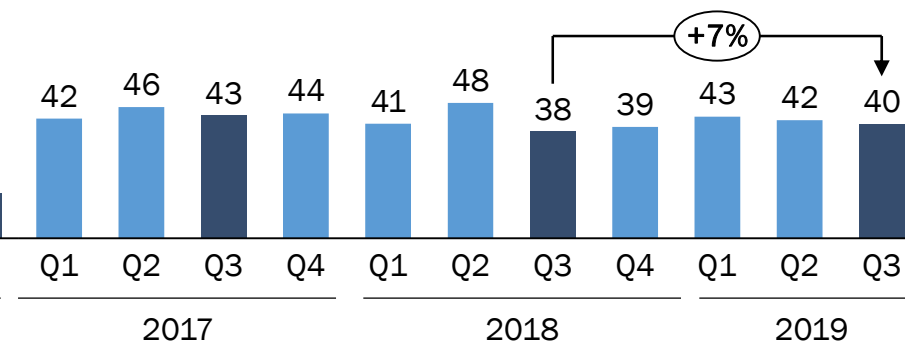
Retail Technology



Cash Security

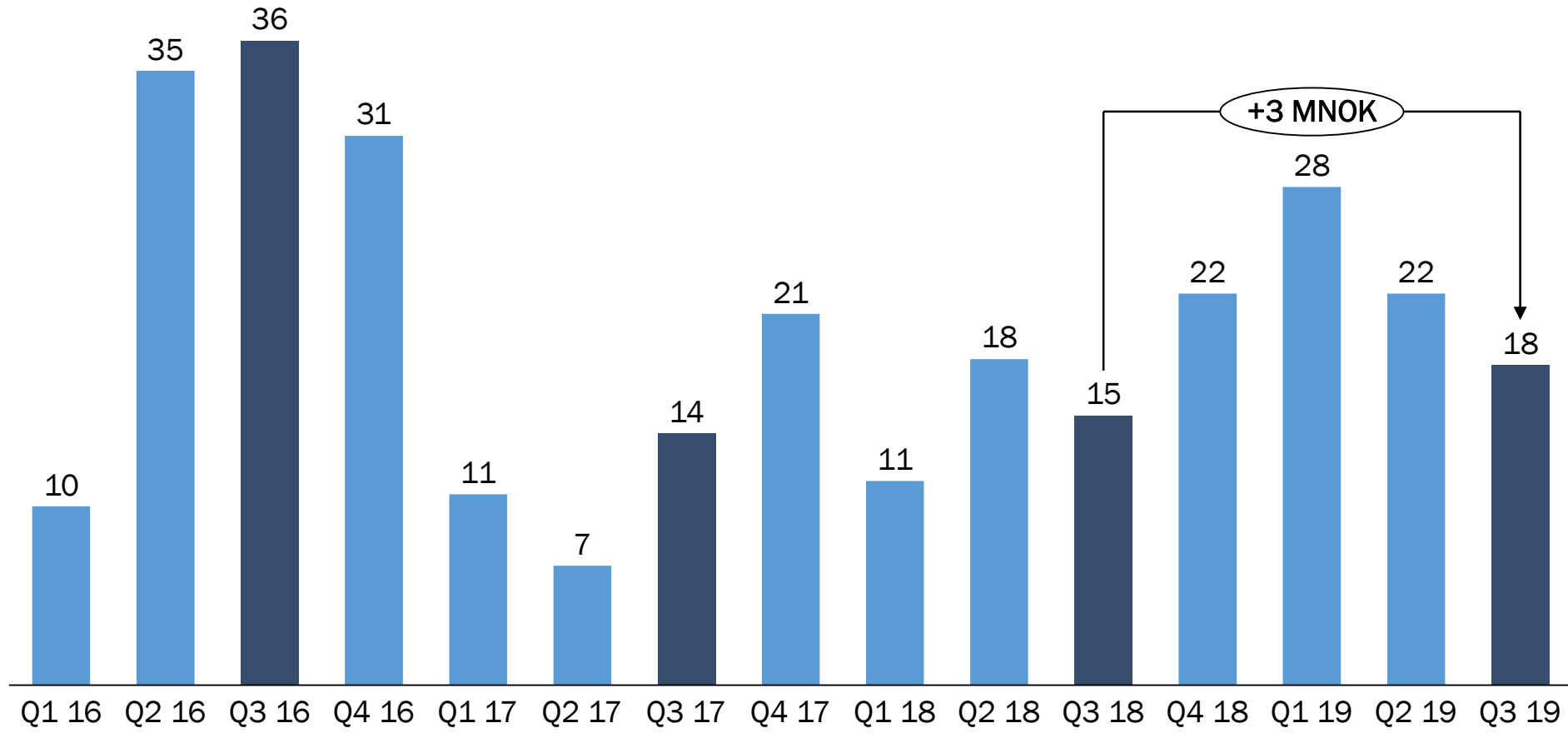


Labels



1 3rd quarter profitability: flat development vs. last year

EBITDA
MNOK



Note: Quarterly figures in 2019 include positive effect of IFRS 16 of MNOK 5.7

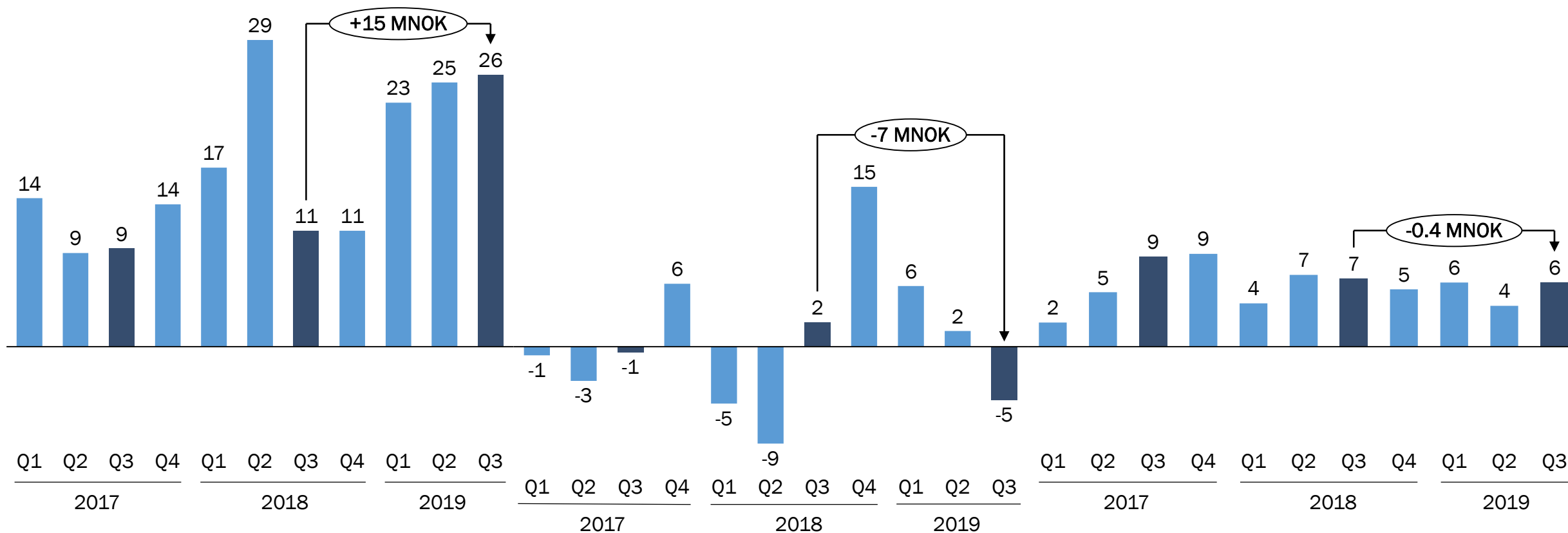
1 3rd quarter profitability in BAs: Strong performance in Retail Technology

EBITDA
MNOK

Retail Technology

Cash Security

Labels



Note: Quarterly figures in 2019 include positive effect of IFRS 16 of MNOK 3.6 for Retail Technology, MNOK 0.8 for Cash Security, and MNOK 1.2 for Labels

2 Several customer break-throughs and deliveries

- ~80% growth in sale of our e-commerce solutions (yet from a small base) with continued deliveries to retailers in primary markets
- Delivered the first integrated automated age verification based on facial recognition into our Self-Checkout and Vensafe solutions in the Baltics
- Completed the first installations of the new Cash Management solutions: Unico and Compact



3 Important milestones for go-to-market model

- ~50% growth in Cash Management solutions through RoadRunners concept in Spain vs. last year, with continued strong interest in rental solutions (same level as Q2)
- Partner agreement with Exclusivas Iglesias for distribution of StrongPoint's solutions in Portugal



Direction and initiatives forward

Focus! On **Retail Technology**; and continued utilization of Partners where that makes sense

- Restructuring our internal partner setup; handling by operational BUs
 - Adjusting our go-to market approach in Germany
-

I. Maintain and grow relevance with retailers in key markets (Norway, Sweden, Baltics):

- Strong expressed interest from customers in Reflexis, WFM & Task management system
- Continuous exploration of 3rd party technology solutions to introduce to our key markets

II. Significantly grow presence with retailers in Spain:

- Continuous recruitment to build organization and presence, primarily in Sales and Marketing
- Operationalizing the improved value proposition for RoadRunners: Unico and Compact added to our Cash Management portfolio
- Building on e-commerce momentum in Spain: significant interest in picking and delivery solutions

III. Grow e-commerce into a substantial portion of StrongPoint's business:

- Investments in E-commerce Logistics Suite ("E20") to improve scalability of solution sales
- Expansion of E-commerce solutions portfolio in the making
- Recruiting Sales personnel for international growth



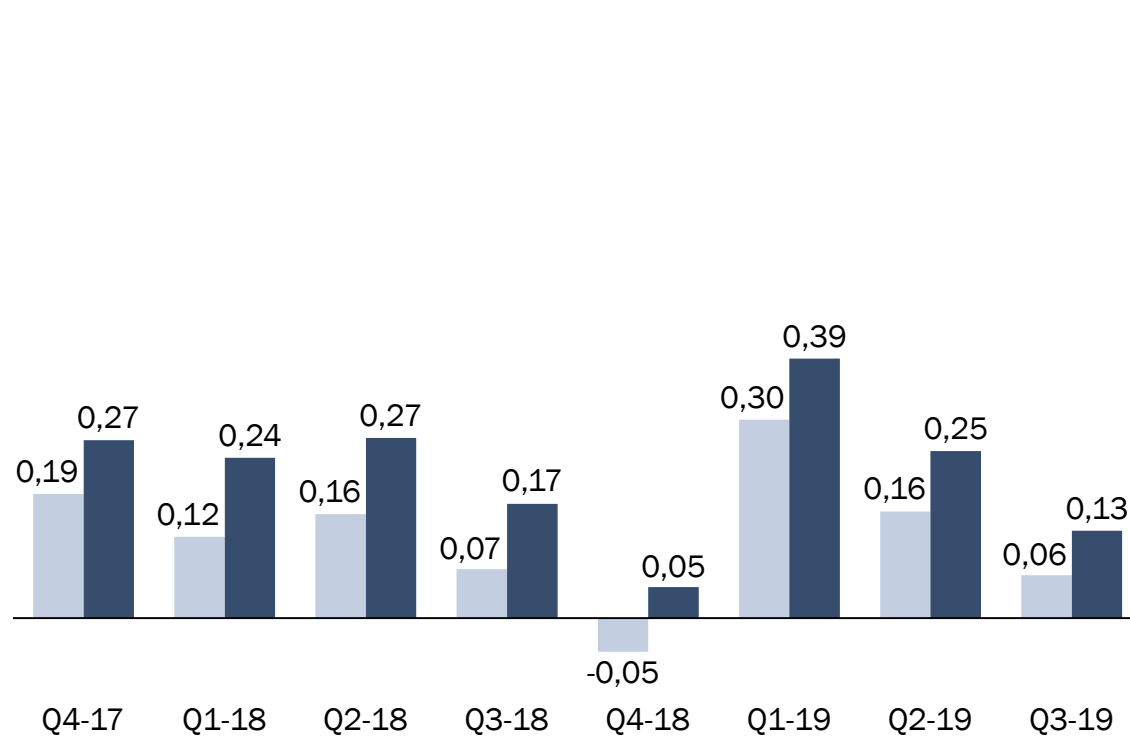
Other key financial figures



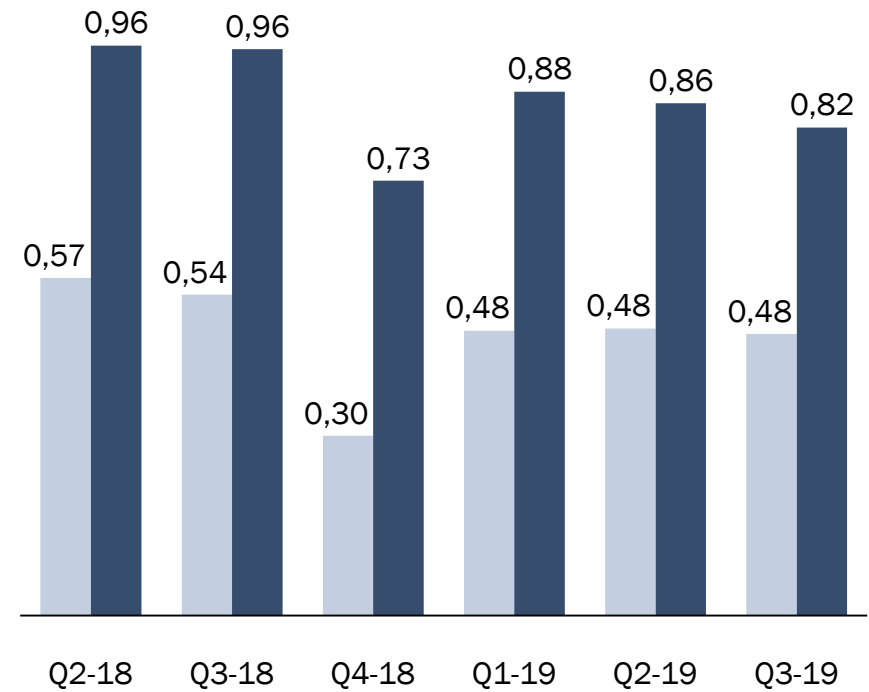
Earnings per share (EPS)

EPS
EPS adjusted*

EPS per quarter



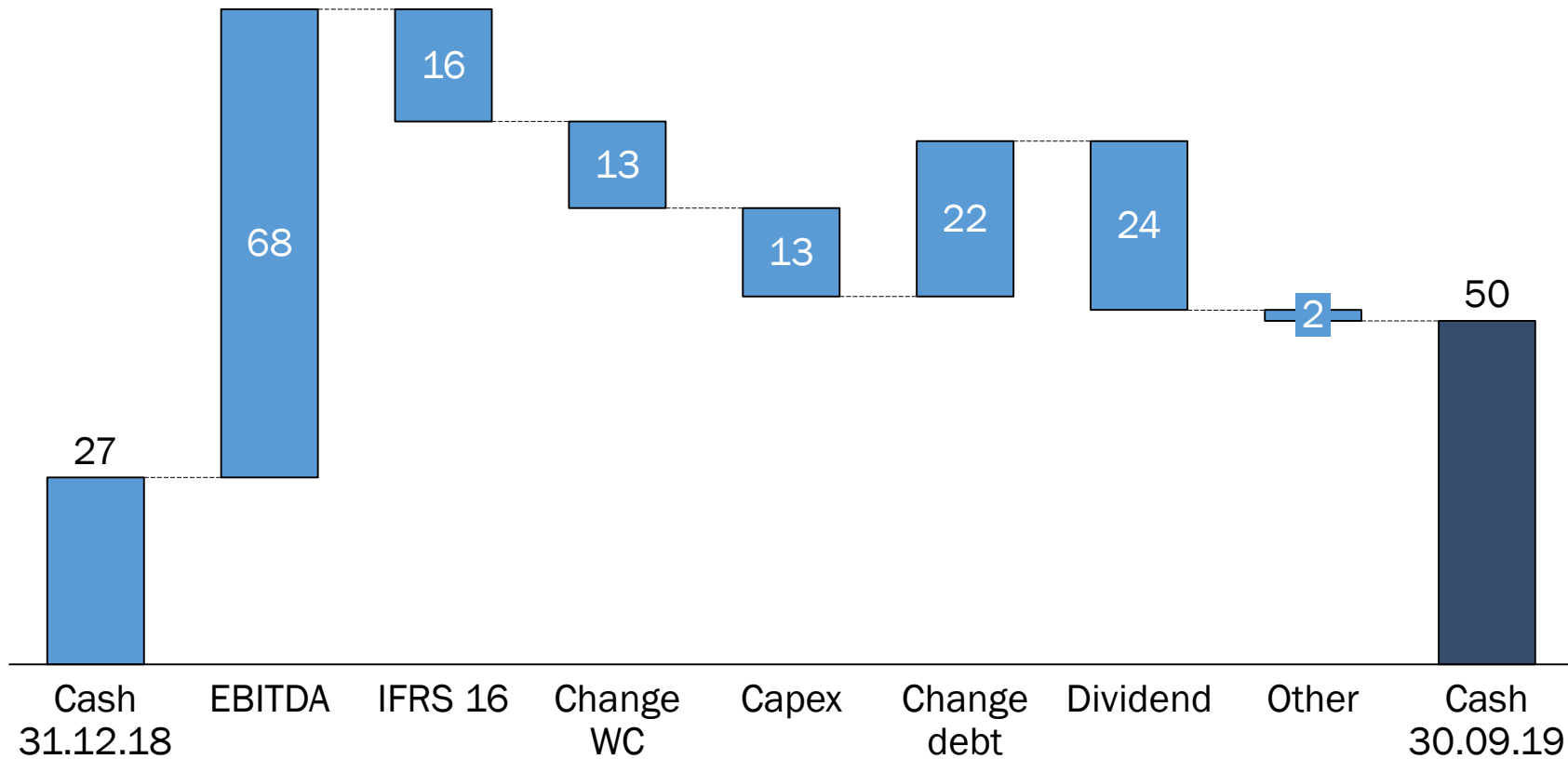
EPS rolling 12 month



* EPS adjusted for amortisation of intangible assets, mainly from M&A

Cash Flow effects in 2019

Cash
MNOK

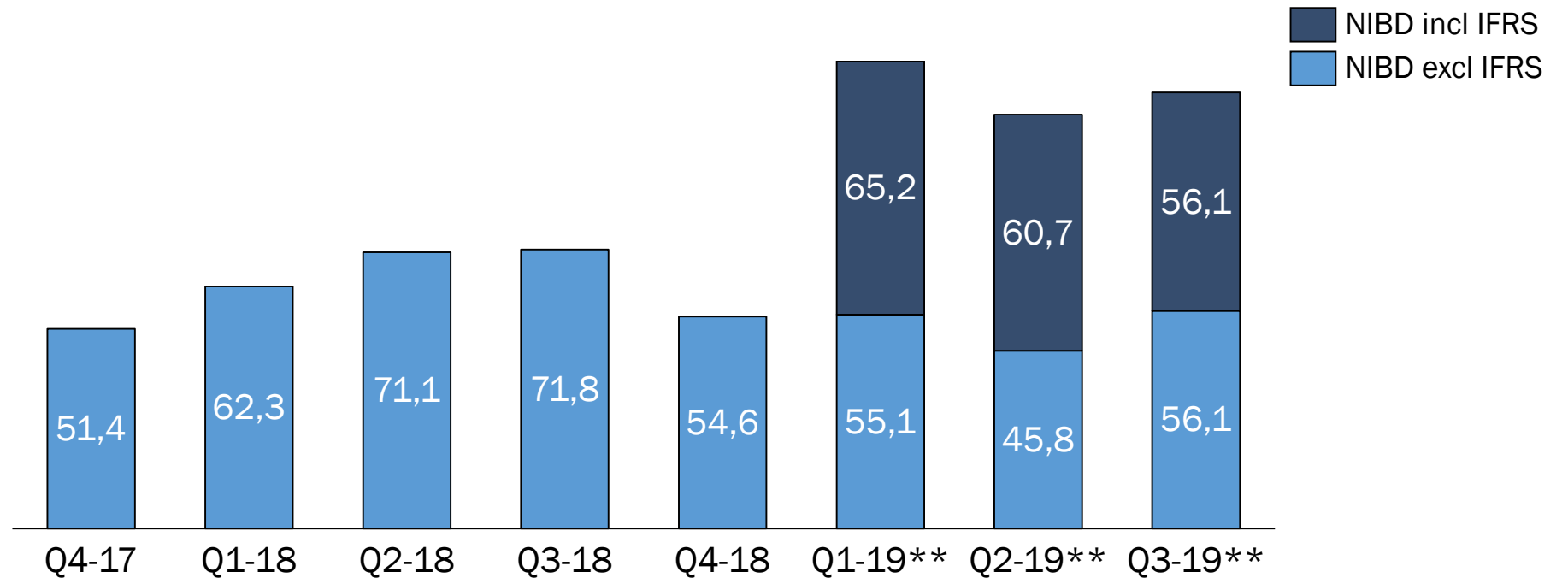


- Working Capital development mainly related to seasonal changes in receivables and prepaid expenses
- Capex and change in debt is influenced by Rental Solution Cash Management Spain

Net leverage of 1.24x rolling 12 months EBITDA

Net Leverage multiples* 0.98 1.17 1.10 1.09 0.81 1.44 1.22 1.24

Net Interest Bearing Debt
MNOK

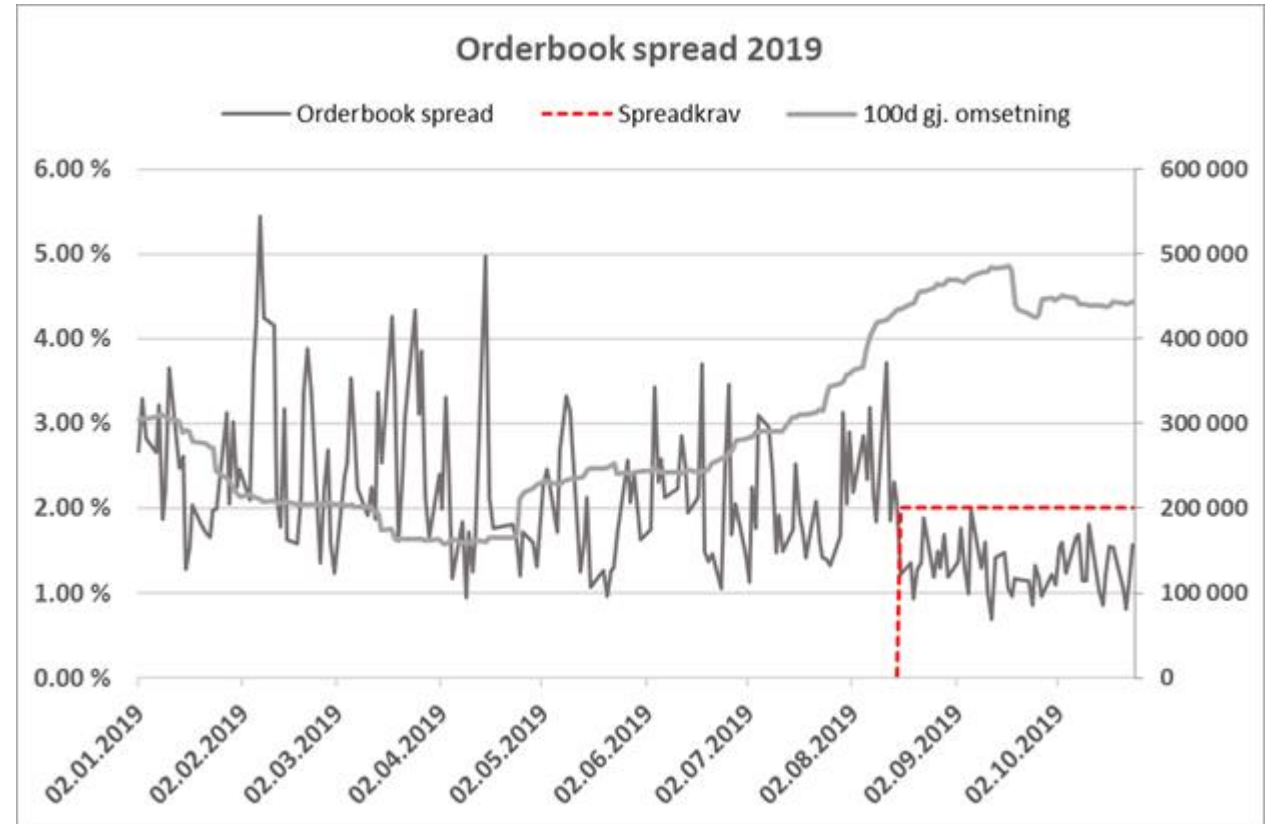


* Net Interest Bearing Debt / Rolling 12 EBITDA

** Including IFRS 16 balance effect

Investor Relations – ambition to increase share liquidity

- Commissioned Research ABGSC
- Meetings held with current and potential investors
- Meetings held with Corporate Finance players
- Increased coverage in media
- Web-page, Social Media, Press Release
- Market Making agreement with Sparebank 1 Markets



Investor Relations

Financial calendar 2020

- Q4 2019 – 12.02 (Strategy Update Session)
- Q1 2020 – 29.04 (General Assembly)
- Q2 2020 – 14.07
- Q3 2020 – 22.10

IR-contact:

CFO Hilde Horn Gilen
hilde.gilen@strongpoint.com
+47 920 60 158



StrongPoint

Q&A



Jacob Tveraabak
CEO



Hilde Horn Gilen
CFO



StrongPoint

Thank you!



StrongPoint