



StrongPoint



Q2 and 1st half 2019

Financial report and status

CEO statement

Continued strong underlying growth and performance.

We continued to deliver a strong underlying growth and performance in Q2 2019. As Alimerka purchased the cash management systems under rental in Q2 last year, this influenced the revenue and EBITDA figures last year with MNOK 36 and MNOK 21, respectively. Adjusting for this, the underlying revenue growth in Q2 was 19 %, whilst the underlying EBITDA improvement was MNOK 25, whereof the IFRS effect was MNOK 5.7.

Revenue growth in Q2 stems from the business areas Retail Technologies and Cash Security. EBITDA is in addition affected by improved margins as well as effects of previously announced MNOK 30 p.a. cost reduction initiatives. We also see that our rental solutions, both for products and software, are being well received by the market.

StrongPoint is actively pursuing strategic partnerships as a tool to strengthening our business model. In Q2 we announced two new exciting partnerships: Firstly, we announced the partnership with Reflexis, the US-based workforce and taskforce management software tool. The partnership provides StrongPoint the opportunity to sell and install the Reflexis solution to customers in the Nordics and the Baltics. Secondly, we announced a partnership with Optical Phusion (OPI), granting OPI the

rights to sell our current E-commerce Logistics Suite to customers in North America.

We continue to invest in e-commerce, where considerable resources are being put into “productification” of our E-commerce Logistics Suite. The project, called E20, will continue through 2020.

Going forward, we will focus on strengthening our Retail Technology business. Firstly, this means further maintaining and strengthening our relevance in Norway, Sweden and the Baltics. Furthermore, we will invest to increase our presence in Spain and Germany. Finally, we will continue to grow our e-commerce business into a significant part of StrongPoint’s business. In this context, we will continue to explore both partnerships and M&A opportunities in the future where benefits and interests are aligned. Beyond that, we will do our utmost to be the best owner and employer for all business under the StrongPoint umbrella.



Jacob Tveraabak
CEO of StrongPoint

Highlights 2nd quarter

Strong 2nd quarter performance

- Operating revenues: +19 %¹⁾ underlying organic revenue growth to MNOK 287.1 (unadjusted growth: +4 %).
- EBITDA: MNOK 22.1¹⁾²⁾ (18.3), a strong underlying improvement of MNOK 25 vs. last year (unadjusted growth: MNOK +3.8).
- Cash flow from operational activities: MNOK 46.5 (6.0).

Several significant customer breakthroughs and deliveries

- New orders for Click & Collect pilots to Coop in Sweden and installation of two pilots in Spain.
- Delivery of the first Click & Collect solution to an ICA store in Sweden.
- Continued delivery of Vensafe and Pricer Electronic Shelf Labels in Norway and Sweden.
- Self-Checkout solutions to “top!” and Mego in the Baltics.

Important milestones for go-to-market model

- Partner agreement with Reflexis Systems for the Nordics and the Baltics, and Optical Phusion (OPI) for e-commerce solutions in North America.
- Own Retail Technology offices in Belgium and France converted to partner offices.
- RoadRunner concept is implemented in Germany, and “Easy Access” rental solution rapidly growing in Spain with three times as many installations in Q2 compared to Q1.

1) Alimerka decided to purchase the rented CashGuards in Q2 2018, which gave a one-off effect of MNOK 36 on revenue and MNOK 21.3 on EBITDA.

2) The transition to IFRS 16 had a positive effect on the EBITDA of MNOK 5.7 in Q2 2019 and MNOK 11.4 YTD 2019.

Financial Calendar 2019

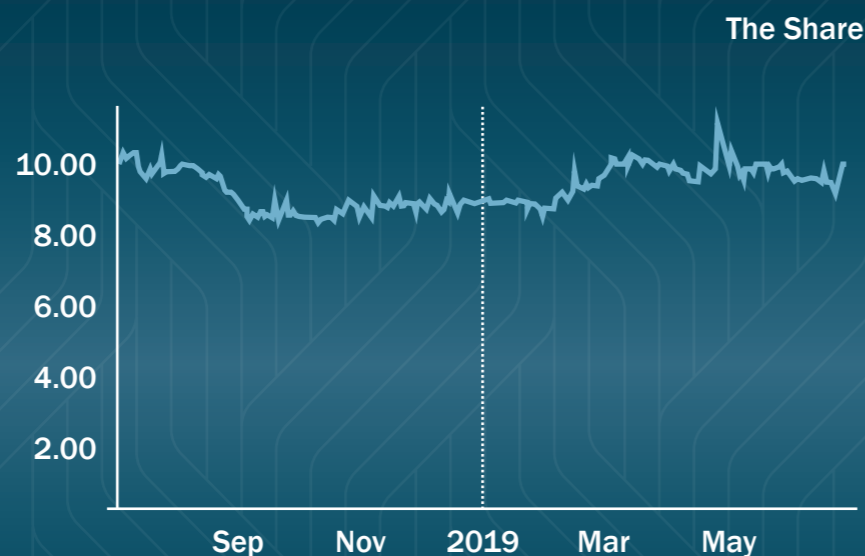
Q3 – 31.10

The presentation will take place at Hotel Continental, Stortingsgaten 24/26 in Oslo.

Webcast will be available at our website strongpoint.com from CET 08.15, the same time as the presentation starts.

For more information:

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Key figures (MNOK)

	Q2 2019	Q2 2018	YTD 2019	YTD 2018	Year 2018
Operating revenue	287.1	276.4	575.4	526.5	1 067.7
EBITDA	22.1*	18.3	49.8*	29.8	67.5
EBITDA margin	7.7 %	6.6 %	8.7 %	5.7 %	6.3 %
Operating profit (EBIT)	8.3	9.0	22.4	10.9	29.9
Ordinary profit before tax (EBT)	8.7	9.4	25.5	15.9	26.0
Cash flow from operational activities	46.5*	6.0	57.2*	-0.3	21.4
Disposable funds	84.0	55.1	84.0	55.1	87.0
Earnings per outstanding shares (NOK)	0.16	0.16	0.46	0.28	0.30

*) The transition to IFRS 16 amounts to MNOK 5.7 in Q2 2019 and MNOK 11.4 YTD 2019.

StrongPoint Group

The business area Retail Technology delivers solutions that streamline store operations, enable e-commerce, and simplify the shopping experience. StrongPoint is represented with its own organization in its primary markets, and a separate partner organization is being built up to accelerate sales in other markets.

The Group also consists of two other business areas: Cash Security, which is a leading supplier of IBNS (Intelligent Banknote Neutralization Systems) in the European market, and Labels, which is a leading supplier of adhesive labels in Norway and Sweden.

Revenue MNOK	Q2		YTD		Year
	2019	2018	2019	2018	2018
Retail	221,7	211,0	434,3	400,4	755,6
Cash Security	25,5	19,3	60,6	40,8	152,0
Labels	41,8	47,9	84,8	88,5	165,6
Elim / ASA	-1,8	-1,8	-4,4	-3,2	-5,5
Total	287,1	276,4	575,4	526,5	1 067,7

EBITDA MNOK	Q2		YTD		Year
	2019	2018	2019	2018	2018
Retail	25,2	29,3	48,5	46,3	68,4
Cash Security	1,5	-9,2	7,3	-14,7	2,9
Labels	3,9	6,8	10,0	11,0	22,9
Elim / ASA	-8,5	-8,5	-16,0	-12,8	-26,8
Total	22,1	18,3	49,8	29,8	67,5

**) The transition to IFRS 16 had a positive effect on EBITDA of MNOK 5.7 in Q2 2019 and MNOK 11.4 YTD 2019.*

Strong 2nd quarter performance

The revenue in Q2 2019 show a total increase of 4 %. The underlying growth reached a level of 19 % due to one-off items in Q2 2018. The sale of the Cash Management as a Service contract to Alimerka resulted in an one-off payment of MNOK 36.0 with an EBITDA effect of MNOK 21.3. The increase in the adjusted revenue stems from higher activity in the Retail division and Cash Security. Retail Norway had high activities related to Vensafe and Pricer Electronic Shelf Labels (ESL) in the period. Retail Baltics had both good progress in deliveries of existing products while simultaneously installing new solutions, such as ESL, Click & Collect and Self-Checkout, to existing customers. Cash Security had higher deliveries in France and Belgium compared to last year.

EBITDA for the group was MNOK 22.1 (18.3) in Q2. Adjusted for the Alimerka agreement in 2018, the EBITDA showed a growth of MNOK 25, whereof the IFRS 16 effect was MNOK 5.7. In addition to revenue growth, the MNOK 30 p.a. cost savings program affects the EBITDA positively.

Restructuring of France and Belgium offices to Partner offices, and investing in the E20-project, influenced the EBITDA negatively by a total of MNOK 4 in the quarter.

Delivery of Cash Management through the rental solution in Spain (Easy Access) affected both revenue and EBITDA in the quarter. Financial figures will continue to be influenced by the mix of paid and rental solutions going forward.

Several significant customer breakthroughs and deliveries

StrongPoint has delivered the first Click & Collect order to an ICA store in Sweden. In addition pilots have been installed to Coop Sweden and to a supermarket chain and a logistics company in Spain. These customers see the benefit of StrongPoint's Click & Collect solution and the pilots will be used to evaluate if this solution will be a part of their future delivery concept.

The high sales of Vensafe continued this quarter. The orders are a result of the successful replacement campaign for Vensafe last year in Norway and Sweden.

StrongPoint has also delivered the first Pricer ESL to Rimi Baltic and Self-Checkout solutions to "top!" and Mego in the Baltics.

Important milestones for go-to-market model

StrongPoint joins forces with Reflexis, the industry leader in real-time store operations and workforce management solutions, to pursue opportunities in the Nordic countries and the Baltics. By partnering with Reflexis in these regions, StrongPoint will expand its product portfolio with best-in-class Real-time Task management and Workforce solutions, which simplify store operations, optimize labor spend, and improve store execution.

A partnership agreement was signed with Optical Phusion, Inc. (OPI), USA to distribute StrongPoint's e-commerce solutions in North America. OPI is a leading enterprise mobility integration provider offering application-based solutions for the retail marketplace.

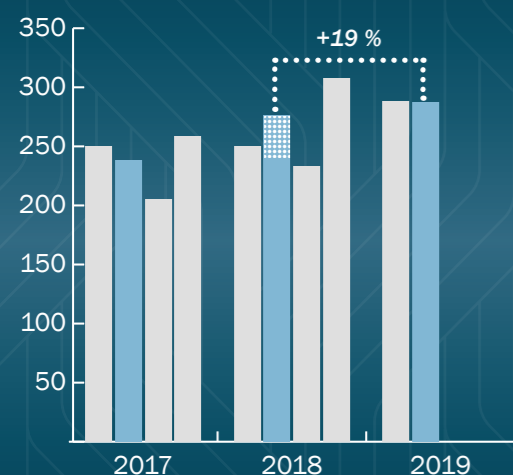
Based on the success of using the RoadRunners sales concept in Spain, StrongPoint will develop this concept further in the Spanish market as well as in Germany. The first orders through our new Road Runners in Germany were delivered in Q2. We are still early in the process, but can already see increased market activity in the country.

Our Retail sales offices in Belgium and France were converted to partner networks in Q2. This is part of a broader effort to focus on primary markets, and the process of building up an efficient and effective partner network. Russia and Malaysia were converted earlier this year.

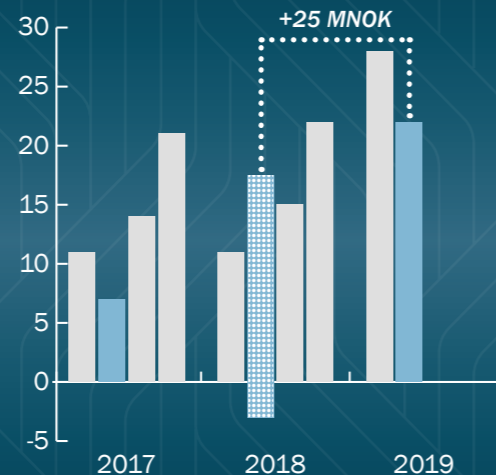
Easy Access, which enables customers to rent Cash Management systems through StrongPoint, is rapidly growing in Spain. There was installed more than 70 systems in Q2, three times as many installations compared to Q1.

StrongPoint Group

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Alimerka decided to purchase the rented CashGuards in Q2 2018, which gave a one-off effect of 36 MNOK on revenue and 21.3 MNOK on EBITDA.

Markets

- Retail - Primary markets
- Retail - Partners in Europe
- Outside Europe:
USA, Canada, APAC, Australia, Israel,
Kuwait and South Africa

- A Cash Security
- B Labels



Business areas

StrongPoint develops and sells technology solutions that streamlines and simplifies e-commerce and store operations. The company is also a leader in IBNS solutions for Cash In Transit (Cash Security), and Labels for customers in Norway and Sweden.

Retail Technology

In-store

In-Store Productivity
Workforce and Task management
Electronic shelf labels
POS and ERP-systems
Scales and wrapping systems

Payment Solutions
Cash Management

Check Out Efficiency
Self-Checkout
Self-Scanning

E-commerce
Picking
Delivery

Cash Security

Labels

Retail Technology

StrongPoint develops and sells technology solutions that streamline store operations, enable e-commerce, and simplify the shopping experience. The Group delivers proprietary solutions within In-store Productivity, E-commerce, Payment Solutions and Check Out Efficiency, as well as tailor-made retail solutions from leading third-party suppliers, including electronic shelf labels (ESL), POS, ERP, consulting services, scales and wrapping machines.

MNOK	Q2		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	148,3	144,1	287,1	261,5	478,6
Service	73,5	66,9	147,2	138,9	277,0
Revenue	221,7	211,0	434,3	400,4	755,6
EBITDA	25,2	29,3	48,5	46,3	68,4
EBITDA-margin	11,4 %	13,9 %	11,2 %	11,6 %	9,1 %
EBT	16,8	22,9	31,9	34,4	64,2

1) Alimerka decided to purchase the rented CashGuards in Q2 2018, which gave a one-off effect of MNOK 36 on revenue and MNOK 21.3 on EBITDA.

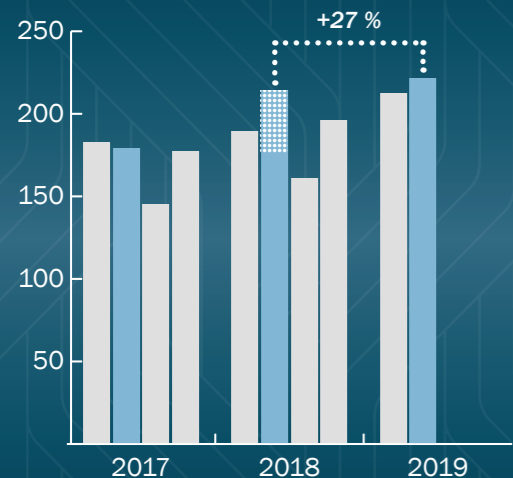
2) The transition to IFRS 16 had a positive effect on the EBITDA of MNOK 3.7 in Q2 2019 and MNOK 7.2 YTD 2019.

Retail Technology had an underlying growth of 27 %, adjusted for the Alimerka one-off in Q2 2018. The strong quarter revenue growth was mainly from Norway and the Baltics, but also Sweden had increased revenue compared to last year. Vensafe replacement project, Pricer ESL installation and Self-Checkout Solutions were the main revenue contributors in the quarter.

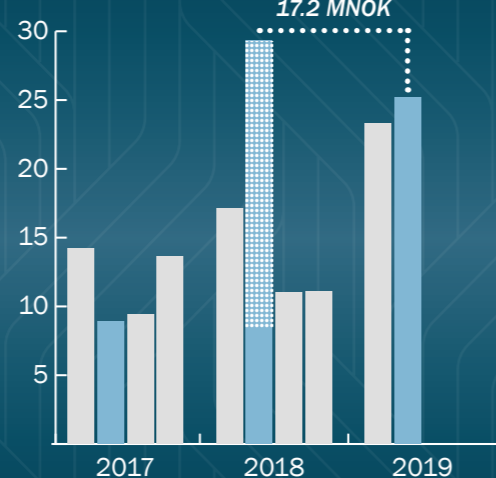
EBITDA in Q2 2018 was affected by the Alimerka deal with MNOK 21.3, and the underlying EBITDA was MNOK 8. Adjusted EBITDA margin last year was 4.5 %. Positive EBITDA improvement in Q2 2019 mainly comes from a combination of higher revenue and the effects of the MNOK 30 p.a. cost saving programme initiated in 2018, as well as the IFRS 16 effect.

Retail Technology

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Alimerka decided to purchase the rented CashGuards in Q2 2018, which gave a one-off effect of 36 MNOK on revenue and 21.3 MNOK on EBITDA.

Norway

MNOK	Q2		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	54,5	29,8	99,7	64,3	133,2
Service	26,3	23,6	52,0	46,8	94,0
Revenue	80,8	53,4	151,8	111,1	227,2

Q2 was a strong quarter for Retail Norway with a growth of 51 %. Main drivers were deliveries of Vensafe and Pricer ESL. Vensafe deliveries are related to a replacement project to two of the largest grocery chains and is expected to be finalised during Q4 2019, with a lower installation rate than first half of 2019.

StrongPoint started delivering Pricer electronic shelf labels to Joker in the first part of the year, and the deliveries is expected to be completed by 2020.

The pilot of Click & Collect at Meny is still being evaluated by the customer.

Sweden

MNOK	Q2		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	41,0	35,6	76,2	77,4	133,0
Service	26,9	24,8	55,3	51,9	108,7
Revenue	68,0	60,4	131,5	129,3	241,7

The operating revenue had a growth of 13 % compared to last year. Increased volume of Pricer ESL, Vensafe and CashGuard, in addition to some hardware deliveries within e-commerce, are the main drivers to the growth.

During the quarter StrongPoint has delivered the first Click & Collect locker to an ICA store. Coop has signed agreement for pilots on Click & Collect.

StrongPoint is investing in “productification” of the E-commerce Logistics Suite. The project, called E20, will continue through 2020, and is estimated to a total cost of MNOK 5 p.a. in 2019 and 2020. This investment will develop our E-commerce Logistics Suite into a fully fledged SaaS solution enabling a global rollout to a larger extent.

Baltics

MNOK	Q2		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	25,2	11,9	54,7	24,6	61,2
Service	14,3	11,8	27,2	23,2	46,5
Revenue	39,5	23,7	81,9	47,9	107,7

The Baltic countries have delivered yet another strong quarter, and are increasing it’s relative share of the

Retail Technology revenue. This is the fourth consecutive quarter with year over year growth in revenue. Good underlying operations and several large deliveries, especially within Self-Checkout efficiency solutions, are contributing to the growth. Major retailers such as Rimi, Maxima, Mego and “top!” Group are choosing the efficiency solutions from StrongPoint like Self-Scanning solutions in collaboration with Datema Retail. There are also ongoing pilots for both Click & Collect and E-commerce Logistics Suite.

EMEA/Partners

MNOK	Q2		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	27,6	66,8	56,5	95,2	151,1
Service	5,8	6,7	12,7	16,9	27,7
Revenue	33,4	73,6	69,2	112,1	178,9

The revenue in Q2 2018 was impacted by the sale of the Cash Management as a Service contract to Alimerka, which resulted in a one-off payment of MNOK 36.0 with an EBITDA effect of MNOK 21.3. The year-to-date figures are also influenced by monthly service fees provided by Alimerka during first four months in 2018 by MNOK 4.

StrongPoint has received the first order on Click & Collect from a Spanish supermarket chain and a logistics company. Both customers see the benefit of StrongPoints Click & Collect solution and the pilots will be used to evaluate if this solution will be a part of their future delivery concept.

Despite the change in delivery from sold to rental solutions of Cash Management, there was an underlying growth in Spain adjusted for the one-off of Alimerka. The rental agreements imply deferred revenue of MNOK 5.5 compared to if the systems were sold.

To further increase sales, the Group uses agents (RoadRunners) in Spain and Germany. The agents are smaller distributors whose main task is to sell CashGuard in their geographical area.

In Germany, the sale in Q2 has been a little lower than Q2 last year. Rental solutions will also be made available for smaller enterprises in Germany.

Belgium and France have been converted to partner markets, and experienced some temporary revenue decline due to the transformation.

Cash Security

Cash Security offers solutions for Cash In Transit (CIT). The business area focuses on innovative IBNS (Intelligent Banknote Neutralisation System) technology, which protects cash without the need for weapons or costly armored vehicles.

MNOK	Q2		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	16,3	9,6	41,7	19,8	105,7
Service	9,2	9,6	18,9	21,0	46,3
Revenue	25,5	19,3	60,6	40,8	152,0
EBITDA	1,5	-9,2	7,3	-14,7	2,9
EBITDA-margin	5,8 %	-48,0 %	12,0 %	-36,0 %	1,9 %
EBT	0,4	-9,6	5,0	-14,9	0,8

*) The transition to IFRS 16 had a positive effect on the EBITDA of MNOK 0.9 in Q2 2019 and MNOK 1.8 YTD 2019.

Cash Security had a very good quarter with a growth of 32 %. Increased revenue from France and Belgium are the main reasons of the growth compared to last year.

The significant EBITDA improvement is reflecting production and deliveries without the quality and warranty problems Cash Security faced last year.

During Q2, Cash Security signed a general agreement for up to 580 CIT cases to Sberbank. Sberbank is the largest bank in Russia with 14 000 branches in 83 regions. The cases are expected to be delivered in second half of 2019. Key account management, deliveries, support and service is handled by StrongPoint's office in Russia.

The Cash Security business will always be affected by few but large orders, which might leads to variations in a year-on-year comparison. A LEAN project has been initiated to better alignment of cost and sales in times with lower delivery rates.

The business area has its own sales and service organization in Sweden, Russia, France, Belgium and Norway, as well as partners in several countries, including Italy, Croatia, Serbia and the UK. The CIT cases have the highest level of security in the market, and regardless of the expertise, time, methods and tools used in a robbery attempt, the contents of the cases will always be permanently stained.

Labels

Labels has leading expertise in the design and production of adhesive labels. The business area is well adapted to today's market situation with efficient work processes, new technology and modern facilities.

MNOK	Q2		YTD		Year
	2019	2018	2019	2018	2018
Revenue	41,8	47,9	84,8	88,5	165,6
EBITDA	3,9	6,8	10,0	11,0	22,9
EBITDA-margin	9,3 %	14,3 %	11,8 %	12,4 %	13,9 %
EBT	-0,6	3,4	0,8	3,9	9,0

*) The transition to IFRS 16 had a positive effect on the EBITDA of MNOK 1.2 in Q2 2019 and MNOK 2.5 YTD 2019.

Operating revenue in Q2 2019 decreased by 13 % compared to last year. Majority of the decline is related to NOK/SEK currency exchange. In addition, high price competition are the main causes for the decline in revenue and margin in the quarter. Actions have been initiated to increase revenue and efficiency in production of labels.

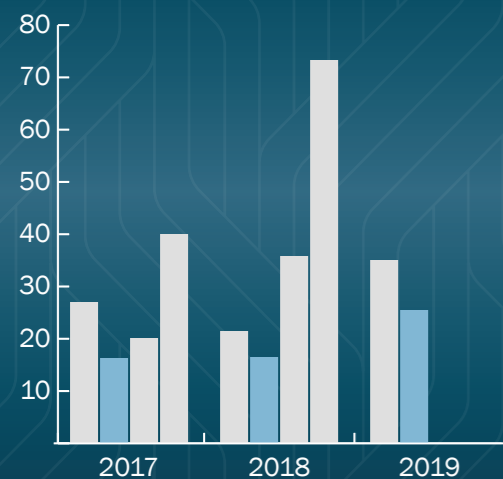
StrongPoint has accepted an offer for compensation from BaneNor of MNOK 55.6 to relocate from its label facility in Norway. The railway construction work is estimated to start 2020/2021, and payment of the compensation fee is estimated to January 2020. The compensation fee and time of payment is subject

to internal confirmation in BaneNor and the finalization of the agreement between the parties.

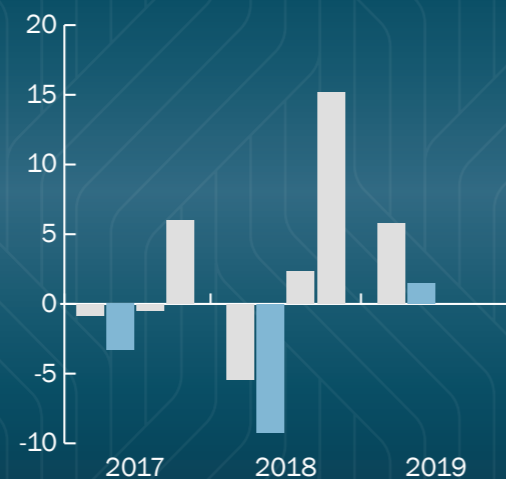
The business area is among the largest suppliers of adhesive labels in the Swedish and Norwegian markets. Labels uses FSC-certified material from EU/EEA/UK in its label production to ensure that the paper is produced in a sustainable manner, and that the production meets the regulations for health and safety in the EU. In the autumn 2019, the Label factory in Sweden will be certified according to ISO 9001 and ISO 14001. In addition there will be focus on further streamlining and digitalization of production and administrative processes.

Cash Security

Operating revenue per quarter (MNOK)

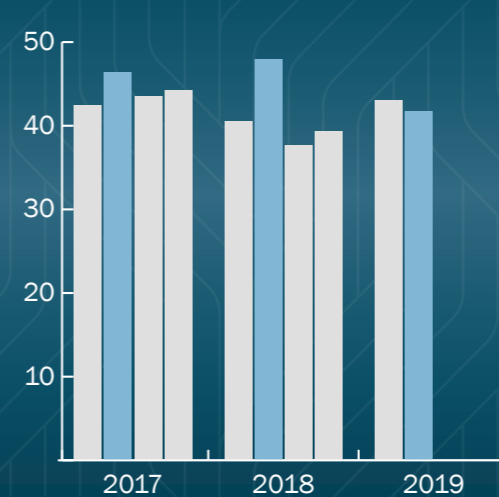


EBITDA per quarter (MNOK)

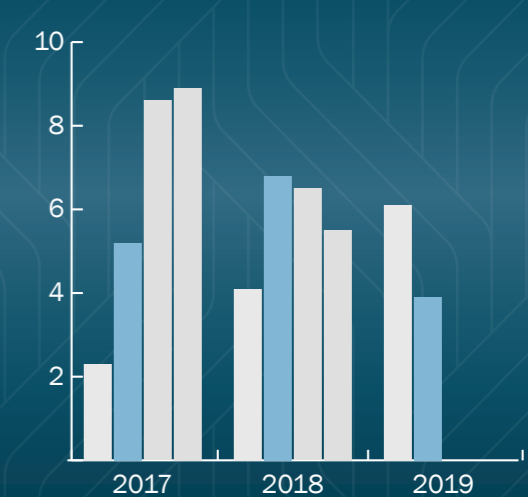


Labels

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Cash flow and equity

Cash flow from operational activities in the second quarter was MNOK 46.5 (6.0). Positive change in working capital is the main reason for the improved cash flow. In the first half cash flow from operational activities was MNOK 57.2 (-0.3). Disposable funds were MNOK 84.0 per June 30, 2019. The net interest-bearing debt decreased by MNOK 13.8 compared with the end of the last quarter and totalled MNOK 106.5, including the effects from IFRS 16. The transition to IFRS 16 increased our debt with MNOK 60.7, see note 5 for more information on IFRS 16. A dividend of NOK 0.55 per share was paid in May 2019. The Groups holding of own shares amounted to 212,108, which represents 0.5 per cent of the outstanding shares. The Group has shareholder programs for the Board of Directors, the Group executive management and the employees. Through these programs a total of 127,238 shares in 2018 and 84,803 shares have been subscribed so far in 2019.

Accounting year	General assembly	Dividend per share
2018	26.04.2019	0,55
2017	24.04.2018	0,50
2016	20.04.2017	0,50
2016	05.01.2017	Extraordinary 1,00
2015	28.04.2016	0,45
2014	30.04.2015	0,35
2013	25.04.2014	0,30
2012	26.04.2013	0,25
2011	08.05.2012	0,25

Statement from the Board

The Board and group CEO have today considered and approved StrongPoint's financial statements for the second quarter and first half 2019, including comparative consolidated figures for the second quarter and first half 2018. This report has been prepared in accordance with IAS 34 on interim financial reporting as determined by the European Union, and with supplementary requirements pursuant to the Norwegian Securities Trading Act. The Board and CEO hereby declare, to the best of their knowledge, that the financial statements for the second quarter and first half 2019 have been prepared in accordance with prevailing accounting principles and that the information in the financial statements gives a true and fair view of the assets, liabilities, financial position and profit of the group taken as a whole at 30 June 2019 and 30 June 2018. To the best of their knowledge, the report gives a true and fair over- view of important events during the accounting period and the impact of these events on the financial statements.

The Board of Directors of StrongPoint ASA

Rælingen 15 July 2019

Morthen Johannessen
Chairman

Klaus de Vibe
Director

Camilla AC Tefers
Director

Inger Johanne Solhaug
Director

Peter Wirén
Director

Jacob Tveraabak
CEO



Consolidated income statement

KNOK	Q2 2019	Q2 2018	Chg. %	YTD 2019	YTD 2018	Chg. %	Year 2018
Operating revenue	287 027	276 372	3,9 %	575 267	526 319	9,3 %	1 067 468
Profit from AC, Service companies	122	29		104	147		215
Cost of goods sold	148 932	131 739	13,1 %	298 881	252 297	18,5 %	534 661
Payroll	87 390	92 565	-5,6 %	170 591	176 482	-3,3 %	331 908
Other operating expenses	28 723	33 771	-14,9 %	56 110	67 881	-17,3 %	133 658
Total operating expenses	265 044	258 075	2,7 %	525 582	496 660	5,8 %	1 000 227
EBITDA	22 105*	18 326	20,6 %	49 789*	29 807	67,0 %	67 457
Depreciation tangible assets	4 346	4 278	1,6 %	8 508	8 532	-0,3 %	18 531
Depreciation leasing IFRS 16	5 410	-	-	10 768	-	-	-
Depreciation intangible assets	4 036	5 082	-20,6 %	8 128	10 371	-21,6 %	19 056
EBIT	8 313	8 965	-7,3 %	22 385	10 903	105,3 %	29 870
Interest expenses	667	770	-13,3 %	1 200	1 283	-6,5 %	3 129
Interest expenses leasing IFRS 16	282	-	-	607	-	-	-
Other financial expenses/ currency differences	-1 325	-1 230	-7,7 %	-4 883	-6 238	21,7 %	724
EBT	8 689	9 425	-7,8 %	25 461	15 859	60,5 %	26 017
Taxes	1 553	2 455	-36,8 %	5 056	3 455	46,4 %	12 570
Profit/loss after tax	7 136	6 970	2,4 %	20 405	12 404	64,5 %	13 447
Earnings per share							
Number of shares outstanding	44 376 040	44 376 040		44 376 040	44 376 040		44 376 040
Av. Number of shares - own shares	44 242 976	44 271 496		44 258 594	44 271 496		44 271 496
Earnings per share	0,16	0,16		0,46	0,28		0,30
Diluted earnings per share	0,16	0,16		0,46	0,28		0,30
EBITDA per share	0,50	0,41		1,12	0,67		1,52
Diluted EBITDA per share	0,50	0,41		1,12	0,67		1,52
Total earnings	Q2 2019	Q2 2018	Chg. %	YTD 2019	YTD 2018	Chg. %	Year 2018
Profit/loss after tax	7 136	6 970	2,4 %	20 405	12 404	64,5 %	13 447
Exchange differences on foreign operations	-3 907	-8 778	55,5 %	-16 788	-28 458	41,0 %	-7 187
Total earnings	3 229	-1 808	-278,6 %	3 617	-16 054	-122,5 %	6 260

*) The transition to IFRS 16 had a positive effect on the EBITDA of MNOK 5,7 in Q2 2019 and MNOK 11.4 YTD 2019.

Consolidated balance sheet

KNOK	30.06.2019	30.06.2018	31.03.2019	01.01.2019	31.12.2018
ASSETS					
Intangible assets	50 745	65 481	55 464	60 280	60 280
Goodwill	134 283	127 605	135 742	141 429	141 429
Tangible assets	56 908	62 969	55 573	58 086	58 086
Tangible assets leasing IFRS 16	60 726	-	65 225	70 584	-
Long term investments	1 106	1 628	984	849	849
Deferred tax	8 596	17 208	10 233	13 601	13 601
Non-current assets	312 364	274 892	323 220	344 829	274 245
Goods	117 124	136 608	127 689	127 897	127 897
Accounts receivable	200 093	167 416	211 587	200 340	200 340
Prepaid expenses	20 270	18 572	19 988	11 641	11 641
Other receivables	6 849	11 764	6 155	14 278	14 278
Bank deposits	23 951	24 255	19 139	26 985	26 985
Current assets	368 288	358 617	384 557	381 141	381 141
TOTAL ASSETS	680 652	633 508	707 777	725 970	655 386
EQUITY AND LIABILITIES					
Share capital	27 513	27 513	27 513	27 513	27 513
Holding of own shares	-132	-65	-59	-65	-65
Other equity	215 966	215 375	238 110	237 689	237 689
Total equity	243 348	242 823	265 564	265 137	265 137
Long term interest bearing liabilities	37 127	43 648	43 340	49 800	49 800
Liabilities leasing IFRS 16	60 726	-	65 225	70 584	-
Other long term liabilities	9 177	23 575	9 289	20 694	20 694
Total long term liabilities	107 030	67 223	117 854	141 078	70 494
Short term interest bearing liabilities	32 625	51 658	30 879	31 789	31 789
Accounts payable	88 358	67 245	83 766	81 326	81 326
Taxes payable	184	970	1 100	2 990	2 990
Other short term liabilities	209 107	203 590	208 613	203 650	203 650
Total short term liabilities	330 274	323 462	324 359	319 755	319 755
TOTAL EQUITY AND LIABILITIES	680 652	633 508	707 777	725 970	655 386

Overview of changes in the equity

KNOK	Share capital	Treasury shares	Other paid-in equity	Translation variances	Other equity	Total equity
Equity 31.12.2017	27 513	-65	351 262	52 316	-150 013	281 013
Sale of own shares	-	-	-	-	-	-
Dividend 2017	-	-	-	-	-22 136	-22 136
Profit this year after tax	-	-	-	-	13 447	13 447
Other comprehensive income and expenses	-	-	-	-7 187	-	-7 187
Equity 31.12.2018	27 513	-65	351 262	45 130	-158 703	265 137
Sale of own shares	-	-67	-	-	-985	-1 052
Dividend 2018	-	-	-	-	-24 355	-24 355
Profit this year after tax	-	-	-	-	20 405	20 405
Other comprehensive income and expenses	-	-	-	-16 788	-	-16 788
Equity 30.06.2019	27 513	-132	351 262	28 342	-163 638	243 348

Statement of cash flow

KNOK	Q2 2019	Q2 2018	YTD 2019	YTD 2018	Year 2018
Ordinary profit before tax	8 689	9 425	25 461	15 859	26 017
Net interest	949	770	1 807	1 283	3 129
Tax paid	-857	-	-2 216	-	2 092
Share of profit, associated companies	-122	-29	-104	-147	-215
Ordinary depreciation	8 382	9 361	16 637	18 903	37 587
Depreciation IFRS 16	5 410	-	10 768	-	-
Profit / loss on sale of fixed assets	-	-395	-	-395	-505
Non-realised loss on financial instruments	-	-	-	-	476
Change in inventories	10 059	-20 960	6 521	-12 908	1 781
Change in receivables	10 600	977	-6 053	-15 474	-41 955
Change in accounts payable	4 999	4 951	9 848	-21 075	-10 424
Change in other accrued items	-1 654	1 884	-5 484	13 629	3 383
Cash flow from operational activities	46 455	5 985	57 184	-324	21 365
Payments for fixed assets	-5 287	-1 732	-8 112	-5 615	-11 070
Payment from sale of fixed assets	-	35 674	-	35 674	38 882
Profit on sale to Alimerka	-	-21 299	-	-21 299	-21 299
Interest income	63	82	105	168	843
Cash flow from investment activities	-5 224	12 725	-8 007	8 928	7 356
Selling of treasury shares	-1 091	-	-1 052	-	-
Change in long-term debt	-4 249	-5 943	-12 115	16 415	29 862
Change in overdraft	-245	1 340	-750	-16 426	-46 830
Interest expenses	-730	-852	-1 305	-1 451	-3 972
Dividend paid	-24 355	-22 136	-24 355	-22 136	-22 136
Payment of leasing commitments IFRS 16	-5 410	-	-10 768	-	-
Interest expenses IFRS 16	-282	-	-607	-	-
Cash flow from financing activities	-36 361	-27 590	-50 951	-23 598	-43 076
Net change in liquid assets	4 870	-8 881	-1 775	-14 994	-14 355
Cash and cash equivalents at the start of the period	19 139	33 911	26 985	41 503	41 503
Effect of foreign exchange rate fluctuations on foreign currency deposits	-57	-775	-1 259	-2 254	-163
Cash and cash equivalents at the end of the period	23 951	24 255	23 951	24 255	26 985

Key figures

KNOK	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	YTD 2019	YTD 2018
Income statement							
Operating revenue	287 149	288 223	307 913	233 304	276 401	575 371	526 467
EBITDA	22 105*	27 685*	22 483	15 167	18 326	49 789*	29 807
Operating revenue EBIT	8 313	14 071	12 326	6 640	8 965	22 385	10 903
Ordinary profit before tax (EBT)	8 689	16 772	5 873	4 285	9 425	25 461	15 859
Profit for the year	7 136	13 269	-2 242	3 285	6 970	20 405	12 404
EBITDA-margin	7,7 %	9,6 %	7,3 %	6,5 %	6,6 %	8,7 %	5,7 %
EBT-margin	3,0 %	5,8 %	1,9 %	1,8 %	3,4 %	4,4 %	3,0 %
Balance sheet							
Non-current assets	312 364*	323 220*	274 245	274 489	274 892	312 364*	274 892
Current assets	368 288	384 557	381 141	365 386	358 617	368 288	358 617
Total assets	680 652	707 777	655 386	639 875	633 508	680 652	633 508
Equity	243 348	265 564	265 137	248 422	242 823	243 348	242 823
Long-term debt	107 030*	117 854	70 494	58 451	67 223	107 030*	67 223
Short-term debt	330 274	324 359	319 755	333 002	323 462	330 274	323 462
Working capital	228 860	255 509	246 911	239 957	236 780	228 860	236 780
Equity ratio	35,8 %	37,5 %	40,5 %	38,8 %	38,3 %	35,8 %	38,3 %
Liquidity ratio	111,5 %	118,6 %	119,2 %	109,7 %	110,9 %	111,5 %	110,9 %
Net interest bearing debt	106 527**	120 306**	54 604	71 819	71 050	106 527**	71 050
Net leverage multiples	1,22	1,44	0,81	1,09	1,10	1,22	1,10
Net leverage multiples, excluding IFRS 16	0,60	0,71	0,81	1,09	1,10	0,60	1,10
Cash Flow							
Cash flow from operational activities	46 455*	10 729	20 512	1 177	5 985	57 184	-324
Share information							
Number of shares	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040
Weighted average shares outstanding	44 242 976	44 274 385	44 271 496	44 271 496	44 271 496	44 258 594	44 271 496
EBT per shares	0,20	0,38	0,13	0,10	0,21	0,58	0,36
Earnings per share	0,16	0,30	-0,05	0,07	0,16	0,46	0,28
Earnings per share, adjusted ***	0,25	0,39	0,05	0,17	0,27	0,64	0,51
Equity per share	5,5	6,0	6,0	5,6	5,5	5,5	5,5
Dividend per share	0,55	-	-	-	0,50	-	0,50
Employees							
Number of employees (end of period)	534	525	538	570	564	534	564
Average number of employees	530	532	554	567	566	531	570

*) The transition to IFRS 16 had a positive effect on EBITDA and cash flow from operational activities with MNOK 5.7 in Q2 2019 and MNOK 11.4 YTD 2019.

Fixed assets and long-term liabilities include MNOK 60.7 regarding IFRS 16.

***) Net interest-bearing debt includes the effect of IFRS 16 with MNOK 60 726 in Q2 2019, and 65 225 in Q1 2019.

***) Earnings per share, adjusted for depreciation of intangible assets, mainly from M&A

Note 1 Confirmation of reporting framework

The condensed and consolidated quarterly financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The quarterly financial statements do not contain all the information required in an annual financial statement and should be read in connection with the Group financial statements for 2018.

Note 2 Key accounting principles

The accounting principles for the report are described in note 2 in the annual financial statements for 2018. The Group financial statements for 2018 were prepared in accordance with the IFRS principles and interpretations thereof, as defined by the EU, as well as other disclosure requirements pursuant to the Norwegian Accounting Act and the Oslo Stock Exchange regulations and rules applicable as at 31.12.2018. The quarterly report and the interim financial statements have not been revised by auditor. StrongPoint has conducted an assessment of IFRS 15, and its implementation will not have any significant impact on the Group. The Group has implemented IFRS 16 Leases beginning 1 January 2019 with a modified retrospective method. The effect of accounting for IFRS 16 is shown as an adjustment of the opening balance on 1 January 2019, without translating comparative figures. See note 5 for further information.

Note 3 Segment information

Business areas

MNOK	Q2 2019			Q2 2018			YTD 2019			YTD 2018			Year 2018		
	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT
Retail	221,7	25,2	16,8	211,0	29,3	22,9	434,3	48,5	31,9	400,4	46,3	34,4	755,6	68,4	64,2
Cash Security	25,5	1,5	0,4	19,3	-9,2	-9,6	60,6	7,3	5,0	40,8	-14,7	-14,9	152,0	2,9	0,8
Labels	41,8	3,9	-0,6	47,9	6,8	3,4	84,8	10,0	0,8	88,5	11,0	3,9	165,6	22,9	9,0
Elim / ASA	-1,8	-8,5	-7,9	-1,8	-8,5	-7,3	-4,4	-16,0	-12,3	-3,2	-12,8	-7,6	-5,5	-26,8	-48,0
Total	287,1	22,1*	8,7	276,4	18,3	9,4	575,4	49,8*	25,5	526,5	29,8	15,9	1 067,7	67,5	26,0

*) The transition to IFRS 16 amounts to MNOK 5.7 in Q2 2019 and MNOK 11.4 YTD 2019.

Operating revenue by geographical market

MNOK	Q2 2019			Q2 2018			YTD 2019			YTD 2018			Year 2018		
	NO	SWE	Other	NO	SWE	Other	NO	SWE	Other	NO	SWE	Other	NO	SWE	Other
Retail	80,8	68,0	72,9	53,4	60,4	97,3	151,8	131,5	151,1	111,1	129,3	160,0	227,2	241,7	286,6
Cash Security	0,5	7,8	17,2	0,8	5,3	13,2	0,6	21,0	39,0	1,1	13,6	26,1	3,3	56,8	91,9
Labels	15,0	26,8	0,0	18,8	29,1	0,0	30,6	54,3	0,0	33,8	54,7	0,0	64,2	101,4	0,0
Elim / ASA	-0,3	-1,5	-0,0	0,0	-1,8	-0,1	-0,7	-3,6	-0,1	0,0	-3,0	-0,2	0,0	-5,2	-0,3
Total	96,0	101,0	90,1	73,0	93,0	110,4	182,2	203,2	190,0	146,1	194,6	185,8	294,8	394,7	378,2

Operating revenue by product and service

MNOK	Q2 2019		Q2 2018		YTD 2019		YTD 2018		Year 2018	
	New sales	Service*	New sales	Service*	New sales	Service*	New sales	Service*	New sales	Service*
Retail	148,3	73,5	144,1	66,9	287,1	147,2	261,5	138,9	478,6	277,0
Cash Security	16,3	9,2	9,6	9,6	41,7	18,9	19,8	21,0	105,7	46,3
Labels	41,8	0,0	47,9	0,0	84,8	0,0	88,5	0,0	165,6	0,0
Elim / ASA	-1,8	0,0	-1,8	0,0	-4,4	0,0	-3,2	0,0	-5,5	0,0
Total	204,5	82,7	199,8	76,6	409,2	166,1	366,6	159,9	744,4	323,3

*) Service and licenses

Note 4 Related parties

No significant transactions between the Group and related parties had taken place as at 30 June 2019.

Note 5 IFRS 16

The Group has implemented IFRS 16 Leases beginning 1 January 2019 with a modified retrospective method. The effect of accounting for IFRS 16 is shown as an adjustment of the opening balance on 1 January 2019, without translating comparative figures. At the transition to IFRS 16, the Group has listed KNOK 70 583.6 as a right of use in the balance sheet as an asset and correspondingly as a debt liability. StrongPoint leases several objects as buildings and cars that are affected by the transition, listed in the table below. Production equipment that is financially leased is not affected by the transition to IFRS 16 as this has already been carried out in accordance with the principles in IFRS 16.

	Retail	Cash Security	Labels	Q2 2019	Retail	Cash Security	Labels	YTD	01.01.19
Rent	-2 725,8	-780,3	-1 001,3	-4 507,5	-5 458,7	-1 622,9	-2 150,4	-9 232,0	
Cars	-964,2	-70,2	-149,4	-1 183,9	-1 700,8	-141,0	-300,8	-2 142,5	
Other	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
EBITDA	3 690,1	850,6	1 150,7	5 691,3	7 159,5	1 763,8	2 451,2	11 374,6	
Depreciations	3 520,1	819,4	1 070,1	5 409,6	6 805,9	1 691,0	2 271,0	10 767,8	
Interest	170,0	31,2	80,6	281,8	353,6	72,8	180,3	606,7	
EBT	-0,0	-0,0	-0,0	-0,0	-0,0	-0,0	-0,0	-0,0	
Tangible assets IFRS 16 Rent								52 941,9	
Tangible assets IFRS 16 Cars								7 784,5	
Total tangible assets IFRS 16								60 726,4	70 583,6
Leasing commitments ex. interest								60 726,4	70 583,6

Note 6 Top 20 shareholders as at 30 June 2019

No.	Name	No. of shares	
1	STRØMSTANGEN AS	3 933 092	8,9 %
2	HOLMEN SPESIALFOND	3 650 000	8,2 %
3	AVANZA BANK AB	1 990 389	4,5 %
4	HSBC TTEE MARLB EUROPEAN TRUST	1 976 000	4,5 %
5	PROBITAS HOLDING AS	1 788 276	4,0 %
6	ZETTERBERG, GEORG (incl. fully owned companies)	1 640 000	3,7 %
7	NORDNET BANK AB	1 512 940	3,4 %
8	NORDNET LIVSFORSIKRING AS	1 505 946	3,4 %
9	V. EIENDOM HOLDING AS	1 500 578	3,4 %
10	VERDADERO AS	1 137 781	2,6 %
11	WAALER, JØRGEN (incl. fully owned companies)	1 000 000	2,3 %
12	GLAAMENE INDUSTRIER AS	873 549	2,0 %
13	RING, JAN	869 372	2,0 %
14	MP PENSJON PK	777 402	1,8 %
15	GRESSLIEN, ODD ROAR	640 000	1,4 %
16	SKANDINAVISKA ENSKILDA BANKEN AB	533 755	1,2 %
17	JOHANSEN, STEIN	500 000	1,1 %
18	EVENSEN, TOR COLKA	435 000	1,0 %
19	JACOBSEN, SVEIN (incl. fully owned companies)	400 000	0,9 %
20	FLASKAMP INVEST S.A.	378 219	0,9 %
	Sum 20 largest shareholders	27 042 299	60,9 %
	Sum 1 564 other shareholders	17 333 741	39,1 %
	Sum all 1 584 shareholders	44 376 040	100,0 %

Definitions

Working capital

Equity per share

Operating revenue

Operating revenue per employee

Operating cost per employee

EBT

EBT-margin

EBIT

EBITDA

EBITDA-margin

Equity ratio

Weighted average basic shares

Liquidity ratio

Earnings per share

Inventories + accounts receivables – accounts payable

Book value equity / number of shares

Sales revenue and profit from AC, Service companies

Operating revenue / average number of employees

Operating cost / average number of employees

Profit before tax

EBT / operating revenue

Operating profit

Operating profit + depreciation fixed assets and tangible assets

EBITDA / operating revenue

Book value equity / total assets

Issued shares adjusted for own shares on average for the year

Current assets / short term debt

Paid dividend per share throughout the year



ICA Supermarket

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alla dagar 8-21**



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1	5	9	13	16	19	22	25	28	31	34	37
2	6	10	14	17	20	23	26	29	32	35	38
3	7	11	15	18	21	24	27	30	33	36	39
4	8	12									



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