



StrongPoint

Q2 2020

CEO Jacob Tveraabak | CFO Hilde Horn Gilen
July 14, 2020

Agenda

- Intro
- Highlights Q2 2020
- Other key financial figures



Intro

Amplified market fundamentals for StrongPoint from COVID-19, providing additional boost to “the double opportunity”

E-commerce

Retailers' needs

1. **In-store:** Pressure on brick & mortar retailers' margin
2. **Incumbents:** Pressure to establish online presence



Opportunity for StrongPoint

Technology solutions in-store to improve retailers' productivity, provide safe shopping and hence uphold margins

World-class e-commerce solutions for picking and delivery

In-store: Well positioned to provide technology solutions

Self checkout*

ESL

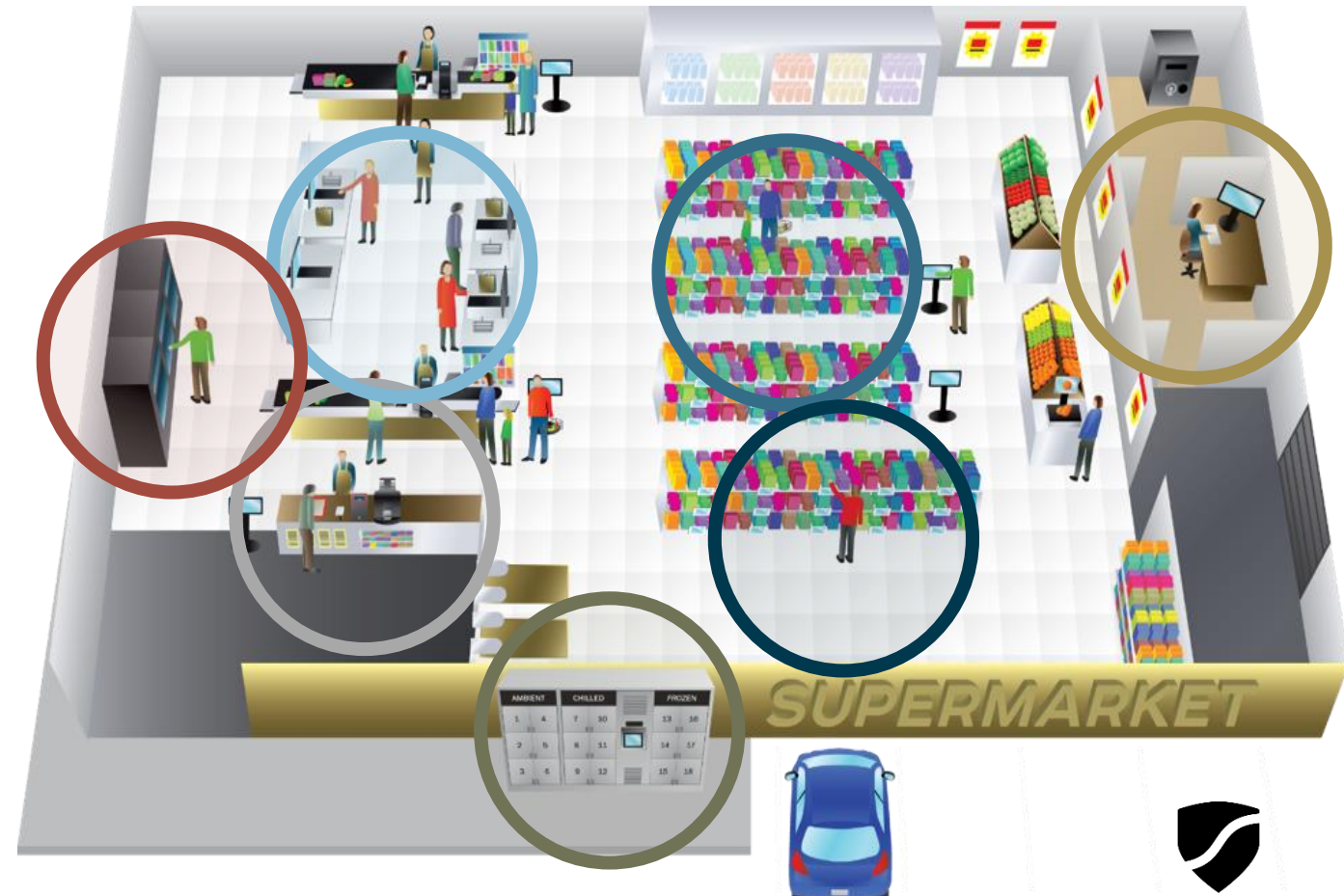
Vensafe*

Workforce management systems

Cash management*

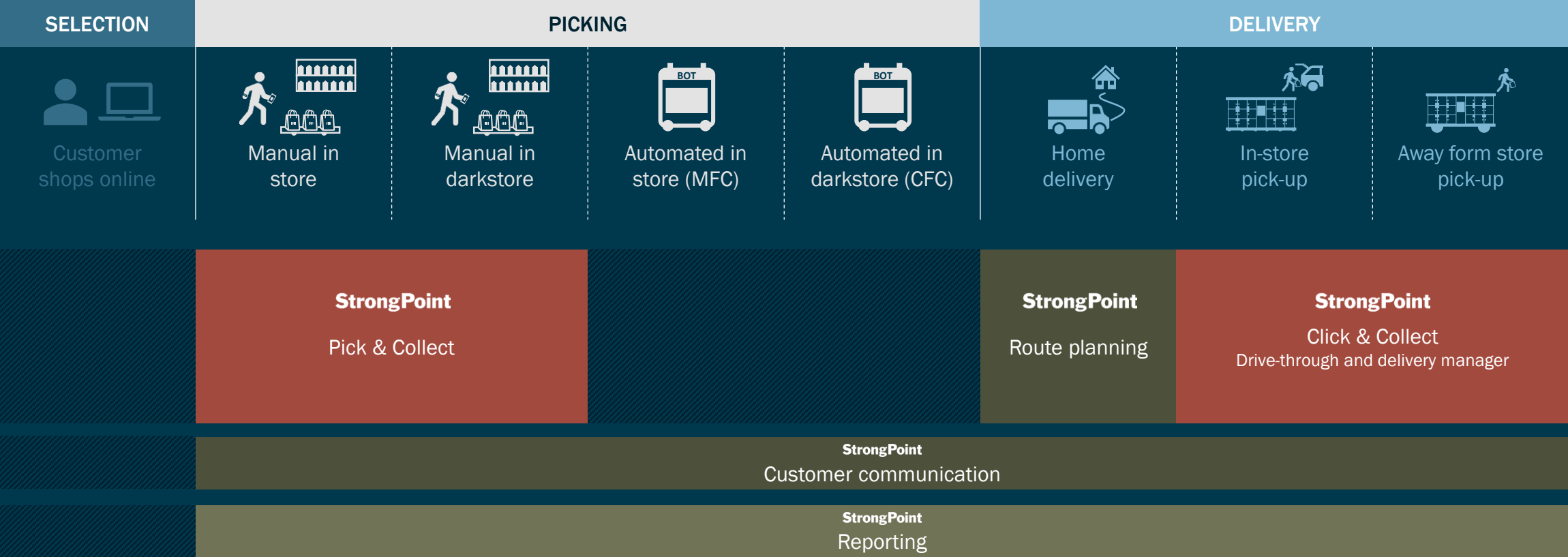
Pick & Collect*

Click & Collect lockers*



*StrongPoint's proprietary technologies

E-commerce: StrongPoint's e-commerce logistics solutions serves the full logistics value chain





NorgesGruppen



WILLY:S



Norge

Bergendahls



Axfood

ICA

coop

ALIMERKA



Matkroken

BARBORA



REMA 1000



MAXIMA



Obs



Hemköp

BUNNPRIS

coop



StrongPoint

Highlights

Q2 2020



Highlights Q2 2020

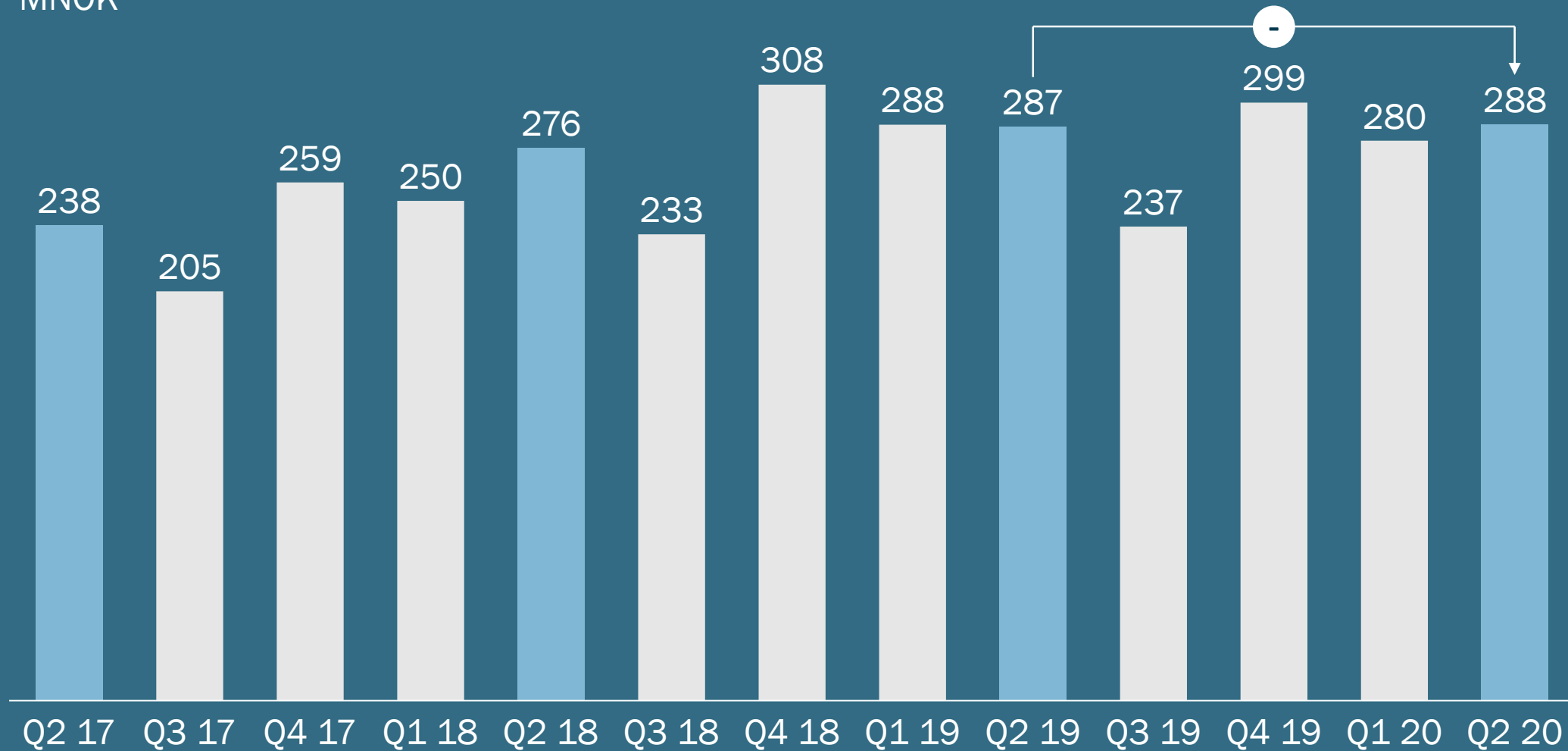
- 1** Robust financial development in light of COVID-19
- 2** Very strong development within E-commerce logistics
- 3** Other important customer and partner contracts signed



2nd quarter revenue: overall relatively stable top line despite COVID-19

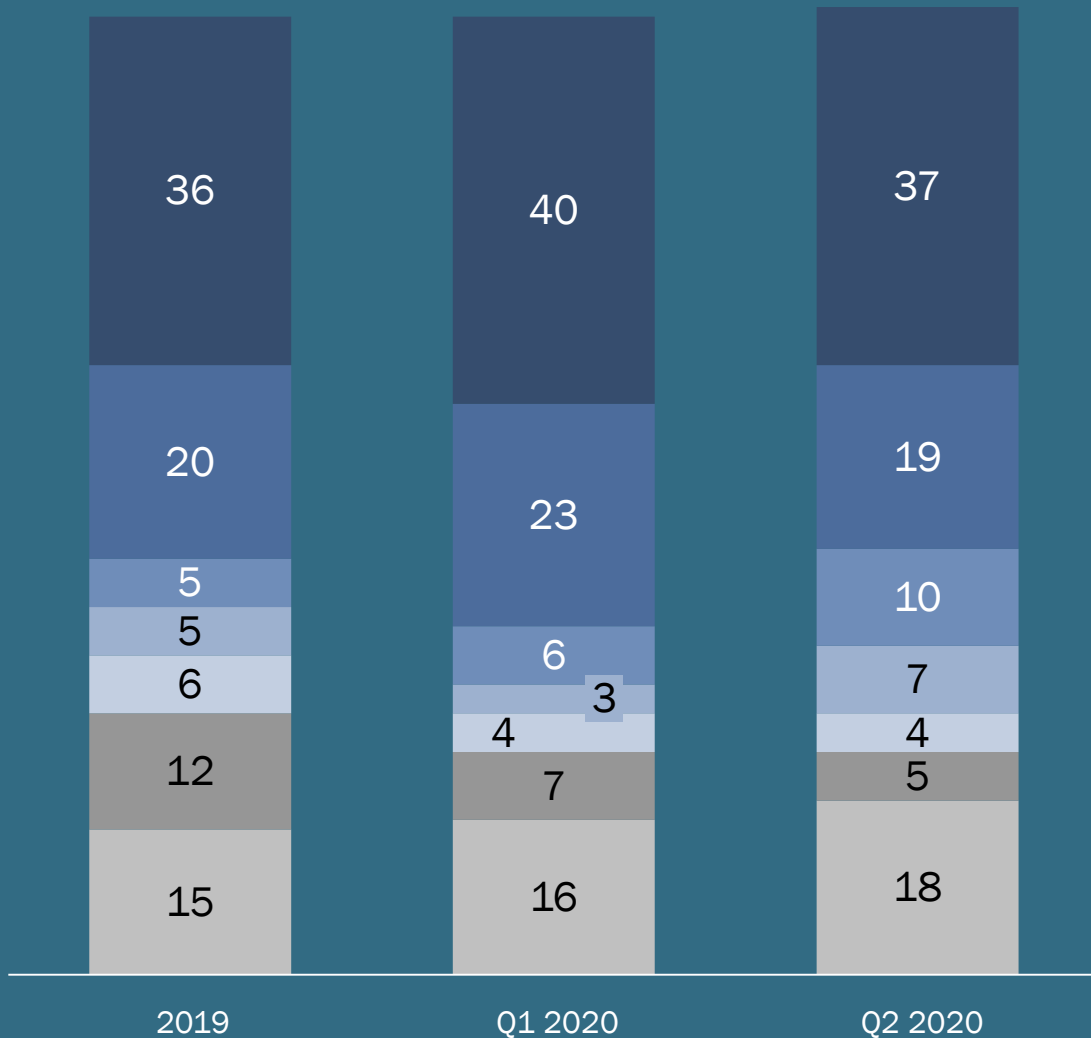
1

Revenue
MNOK



E-commerce and Check-out efficiency growing as revenue share

Relative share of revenue per segment
Percent



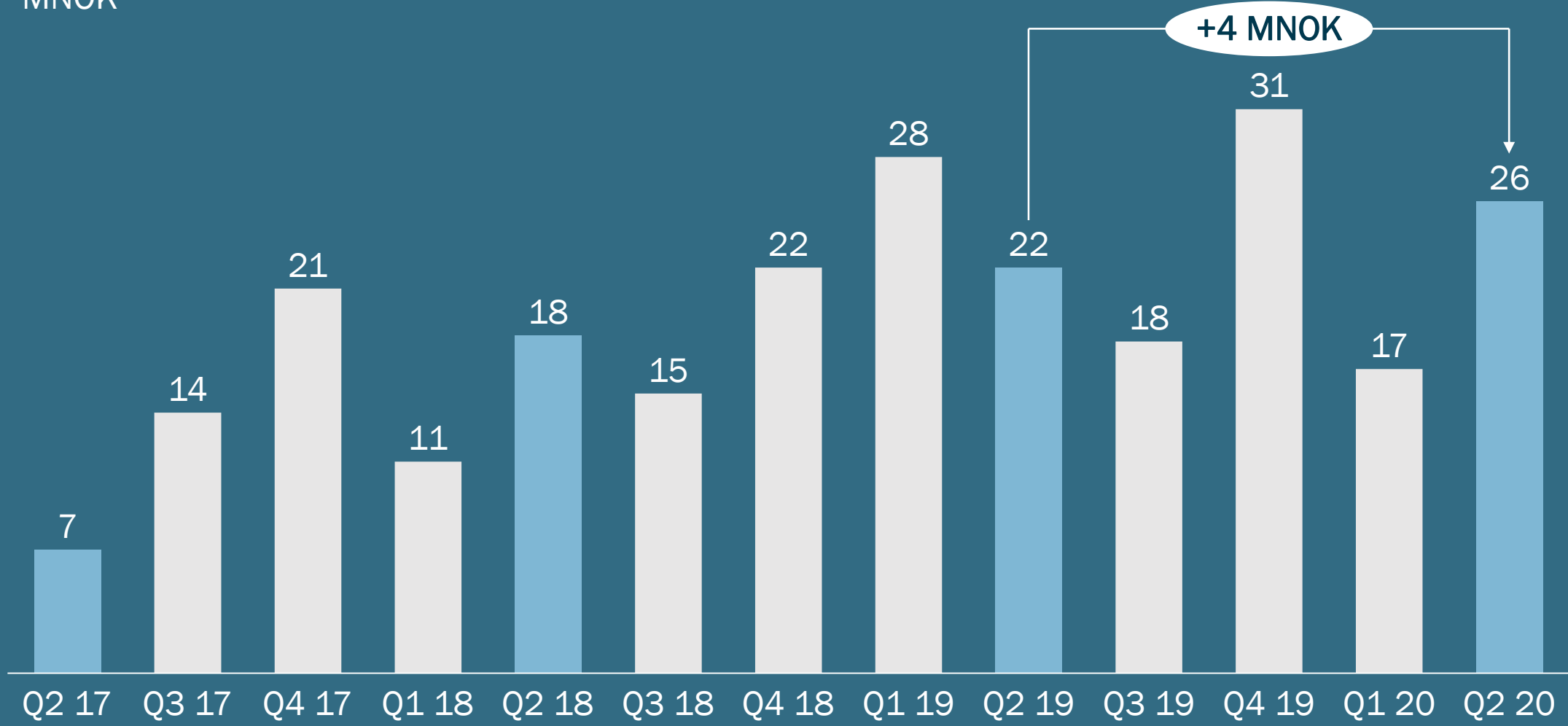
Retail Technology

- In-store productivity
- Payment Solutions
- E-commerce Logistics
- Check Out Efficiency
- Other retail technology
- Cash Security
- Labels



2nd quarter profitability: improved profitability

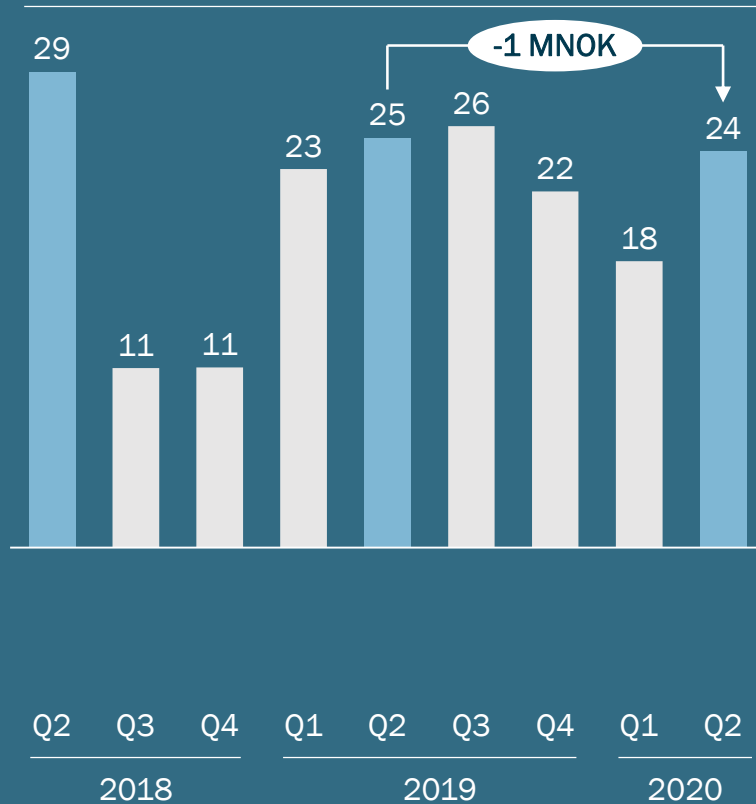
EBITDA
MNOK



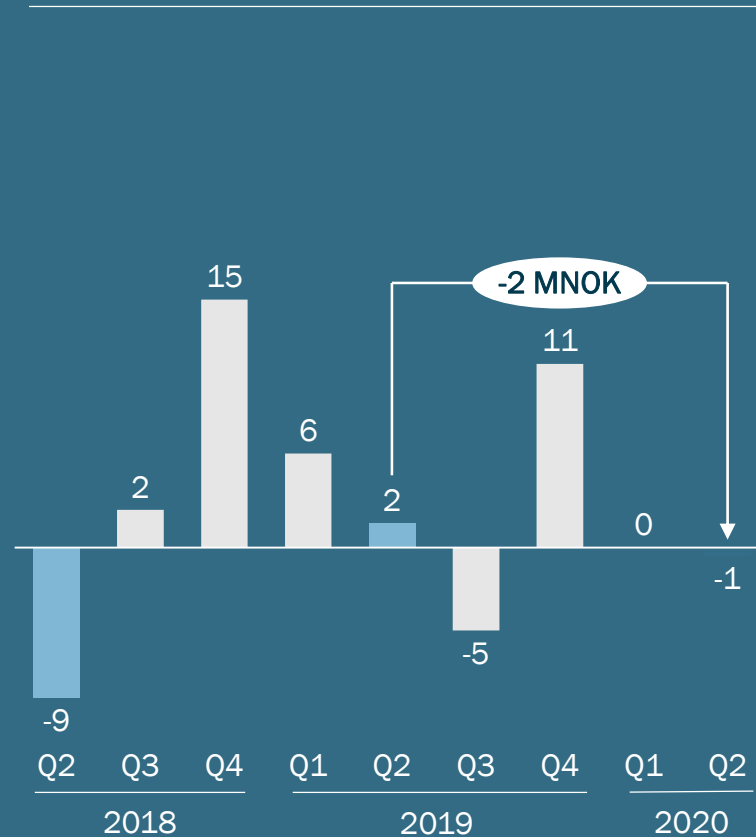
2nd quarter profitability in BAs: Maintained profitability in Retail Technology, and Labels with very strong performance

EBITDA
MNOK

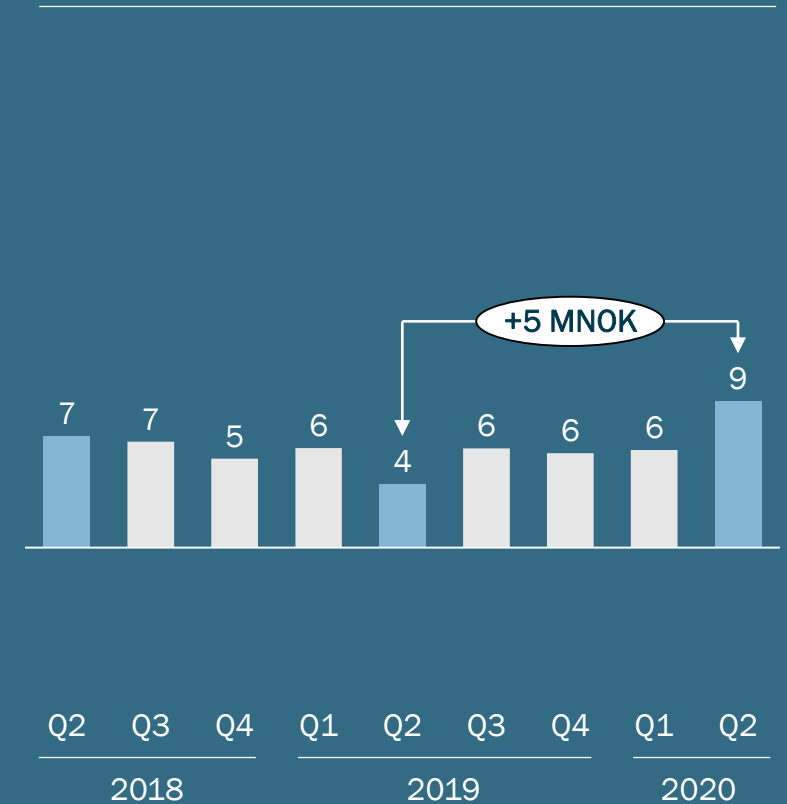
Retail Technology



Cash Security



Labels



Very strong development within E-commerce logistics

- >70 % growth in E-commerce logistics revenue
- E-commerce logistics growth both from new customers and deepened relationship with existing customers
- Unprecedented interest in our E-commerce logistics solutions from grocery retail chains across the globe



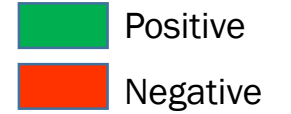
Other important customer and partner contracts signed

- Signed sales and service partner agreement for Germany with PartnerTech Europe
- Large scale Self-Checkout rollout to Polish grocery retail chain through our partner PartnerTech Europe
- Signed a new General Agreement for up to 357 Cash-In-Transit cases (CIT) with Sberbank



Illustrative impact of COVID-19 on business areas

Immediate business impact for StrongPoint*



	Norway	Sweden	The Baltics	Spain	Elsewhere	
Cash Security	Negative	Negative	N/A	N/A	Negative	
Retail Technology	HORECA	N/A	N/A	Diagonal (Green/Red)	Diagonal (Green/Red)	
	Non-grocery retail	Green	Diagonal (Green/Red)	Diagonal (Green/Red)	Diagonal (Green/Red)	
	Grocery – in-store	Green	Green	Green	Green	Green
	Grocery – e-commerce	Green	Green	Green	Green	Green
	Labels	Green	Green	N/A	N/A	N/A

*As per July 14, 2020



Helping retailers to stand out, sustain growth and spur productivity

- leveraging the arising opportunities within e-commerce and in-store technology

2025 ambitions

YEAR

2025

BNNOK

2.5¹

REVENUES

EBITDA%

13-15%

I



Strong local expertise and presence in key markets²

II



Roll-out of proprietary technology in selected markets³

III



Market access platform for global technology providers in key markets⁴

IV



Best-in-class sales, service and support

V



Profitable growth, cost control and a solid balance sheet

¹Organic growth ambition

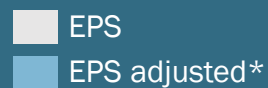
²Norway, Sweden, the Baltics and Spain

³Cash Management solutions in e.g., Italy and Greece, and E-commerce solutions globally

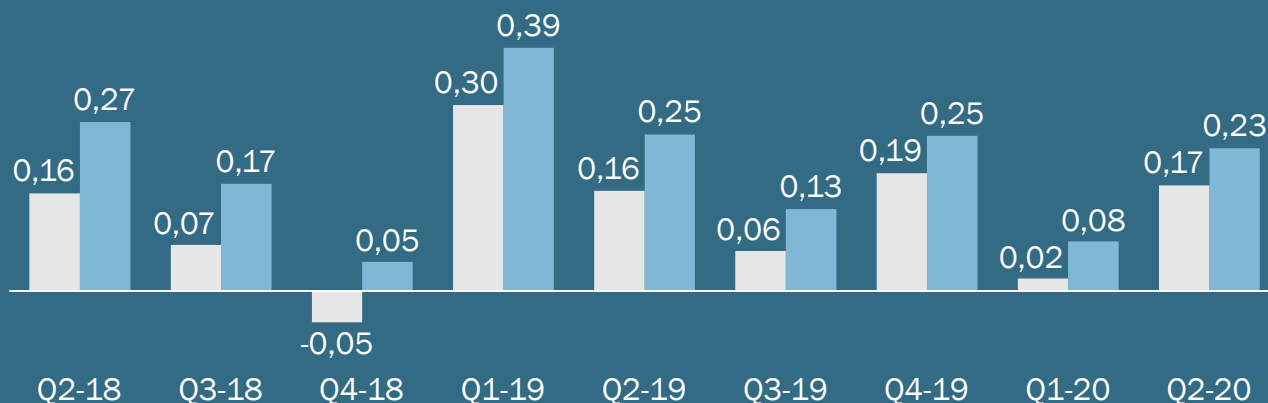
⁴The Nordics and the Baltics

Other key financial figures

Earnings per share (EPS) on same level as Q2 last year



EPS per quarter NOK per share



EPS rolling 12 month NOK per share

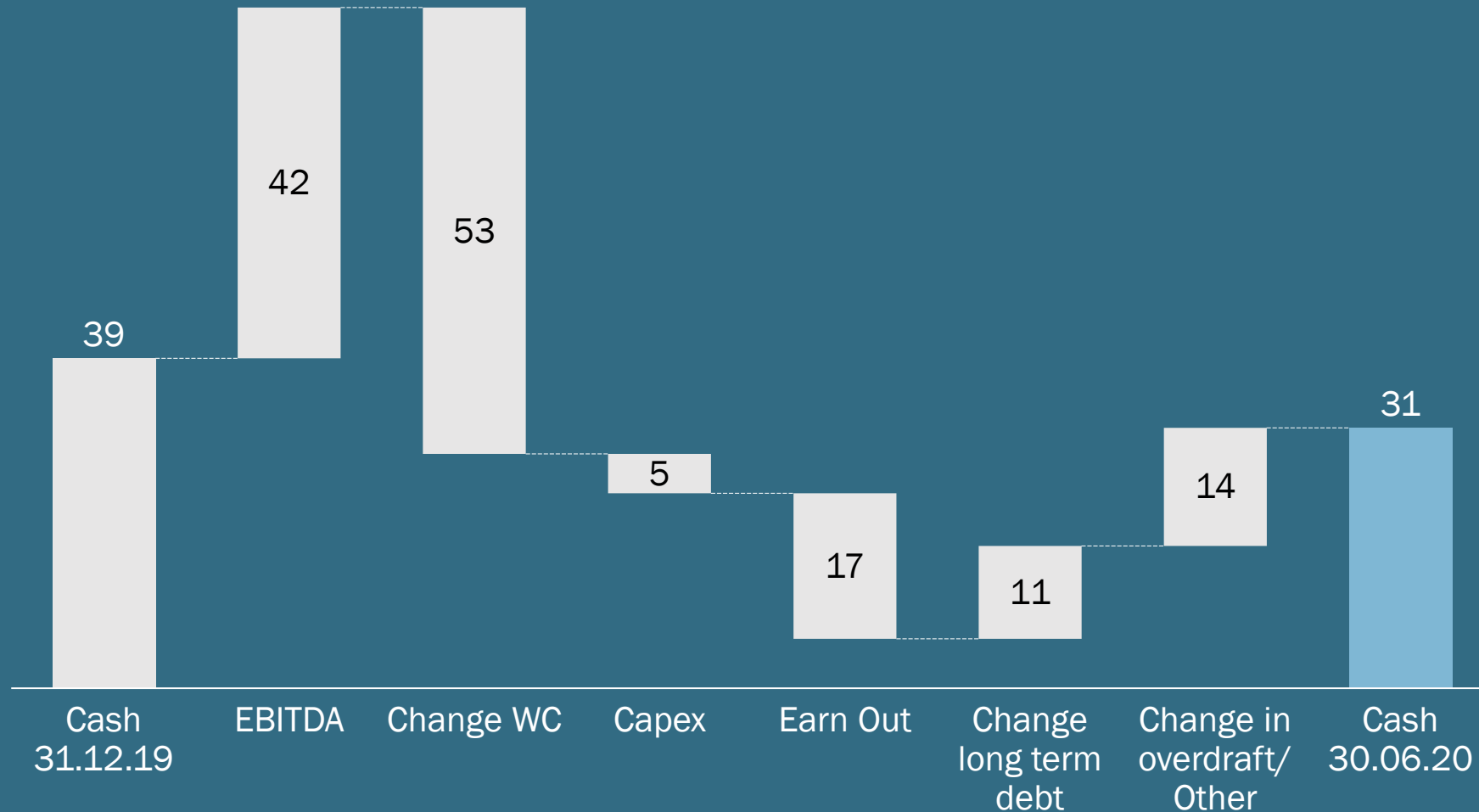


* EPS adjusted for amortisation of intangible assets, mainly from M&A



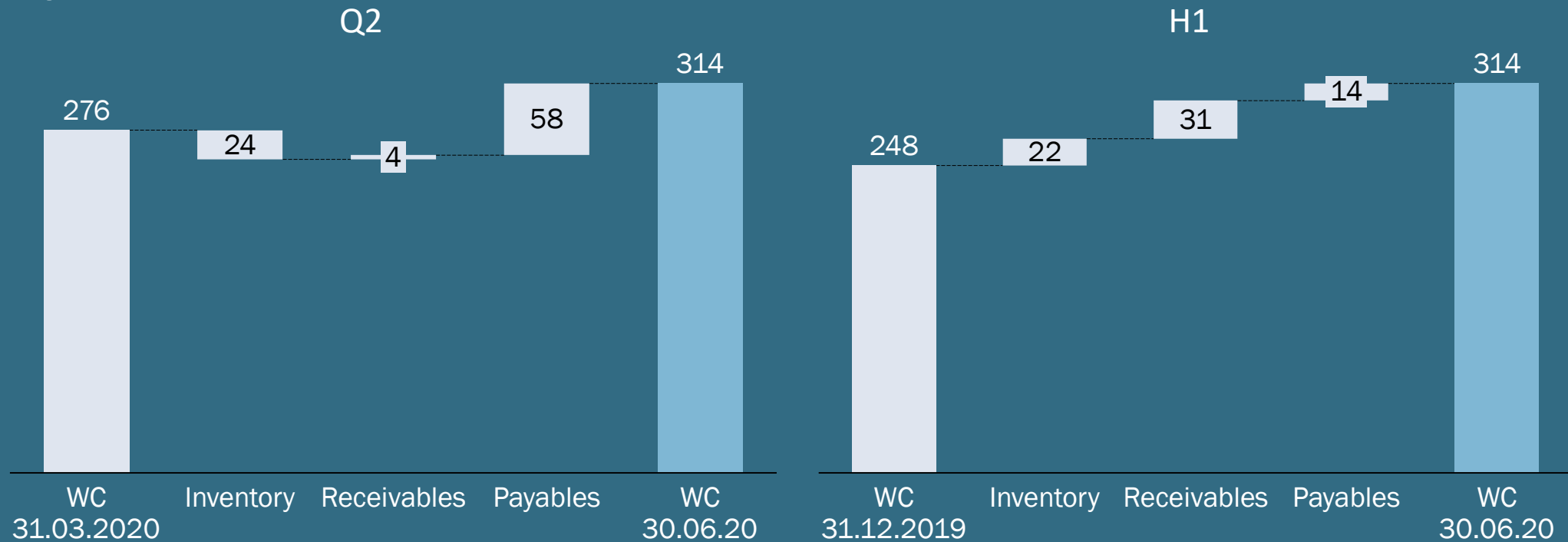
Cash Flow effects first half 2020

Cash
MNOK



Main elements in working capital: Changes COVID-19 related

MNOK

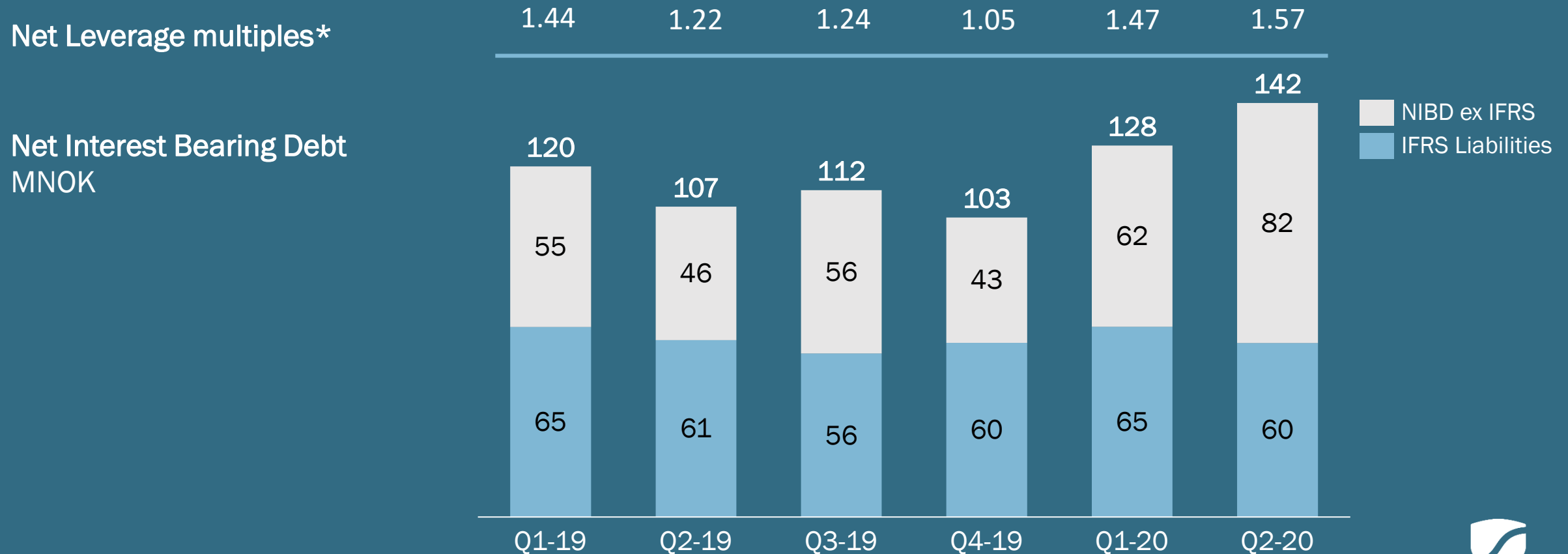


- Inventory Q1 increased within Cash Management (production) and ESL (delivery safety), both reduced in Q2
- Receivables are healthy, majority of the receivables stems from large grocery retail customers in Norway, Sweden and Baltics.
- Negotiated new payment terms Q1 on rent and large suppliers. All due payments done end of Q2.



Increase in Net leverage to 1.57x rolling 12 months EBITDA

Still solid financial position, although influenced by COVID-19



* Net Interest Bearing Debt / Rolling 12 EBITDA



Financial calendar 2020

Q3 2020 – 22.10

IR-contact:

CFO Hilde Horn Gilen

hilde.gilen@strongpoint.com

+47 920 60 158



StrongPoint

Thank you!