

PSI Group ASA

1st Quarter 2014 presentation, April 25th 2014 – 8:15am

Jørgen Waaler, CEO



Agenda

- New mission statement & New segments
- Highlights 1st quarter
- Group P/L, Group BS & Group CF
- Segment P/L & Segment market update
- Vensafe acquisition
- Q & A



PSI Group mission

“Driving Retailers’ profitability by providing innovative integrated in store Technology Solutions - enabling storeowners to perform to their full potential”



New Segments



Highlights 1st quarter 2014

Operating revenues: MNOK 173,2 (MNOK 186,8).

A decrease of 7.3 per cent for the Group.

1.2 per cent decrease for **PSI Technology** to MNOK 89.8 (MNOK 90.9). CashGuard has increased the revenues with 42.4 per cent, while SQS Security has a decrease in turnover of 52 per cent.

34.1 per cent decrease for **PSI Retail** to MNOK 50.2 (MNOK 76.2). The decline is related to the roll out of electronic shelf labels to Rema 1000 which was completed in summer 2013.

132.7 per cent increase for **PSI Labels** to MNOK 41.9 (MNOK 18.0). The increase comes from both the acquisition of businesses and organic growth.

EBITDA: MNOK 10.0 (MNOK 13.1)

MNOK 0.4 reduced EBITDA for PSI Technology to MNOK 6.1 (MNOK 6.5).

MNOK 4.7 reduced EBITDA for PSI Retail to MNOK 4.6 (MNOK 9.3).

MNOK 2.7 increased EBITDA for PSI Labels to MNOK 2.6 (MNOK -0.1).

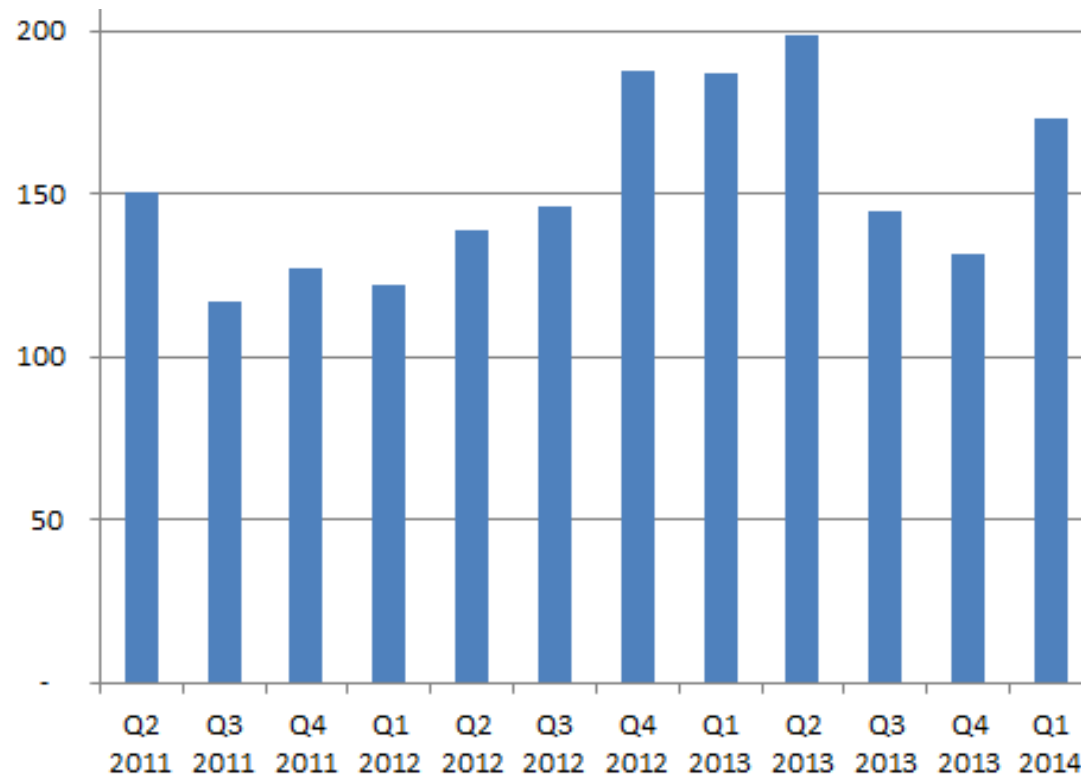
Cash flow from operational activities: MNOK -8.3 (MNOK 1.0)

high turnover in March

PSI Group ASA acquired 8 April 2014 100 per cent of Vensafe AS.

PSI Retail has signed a new ESL framework agreement grocery chain in Norway.

Sales last 12 quarters



Group financials – P&L statement

KNOK	Q1 2014	Q1 2013	Chg. %	2013
Sales revenues	173 188	186 213	-7,0 %	716 506
Profit from AC, Service companies	-	563		2 367
Cost of goods sold	82 997	99 920	-16,9 %	378 473
Payroll	56 519	52 124	8,4 %	196 806
Other operating expenses	23 634	21 652	9,2 %	89 438
Total operating expenses	163 151	173 696	-6,1 %	664 718
EBITDA	10 038	13 080	-23,3 %	54 155
Depreciation tangible assets	2 914	2 431	19,9 %	10 573
Depreciation intangible assets	4 367	3 269	33,6 %	15 299
Write down intangible assets	-	-	-	-
Write down goodwill	-	-	-	-
EBIT	2 757	7 380	-62,6 %	28 283
Interest	-798	-1 462	45,4 %	-4 314
Other financial income	133	-802	116,5 %	32 414
EBT ¹⁾	2 091	5 115	-59,1 %	56 383

¹⁾ Year 2013 includes a profit of MNOK 32.5 related to the sale of InStore IT companies.

Group balance sheet - Total assets

- A/R up by MNOK 13,5 compared to Q4
- Inventory down by MNOK 9,2 compared to Q4

KNOK	31.03.2014	31.12.2013	31.03.2013
ASSETS			
Intangible assets	106 674	113 747	98 995
Goodwill	108 038	110 779	84 354
Tangible assets	41 265	36 445	24 519
Long term investments	481	481	12 329
Deferred tax	17 082	18 084	29 465
Non-current assets	273 539	279 535	249 661
Financial investments	25	26	23
Goods	76 596	85 787	76 121
Accounts receivable	111 688	98 156	117 563
Prepaid expenses	12 084	13 899	9 780
Other receivables	6 880	8 285	8 808
Bank deposits	11 211	8 554	4 110
Current assets	218 486	214 706	216 404
TOTAL ASSETS	492 025	494 241	466 065

Group balance sheet – Total equity & liabilities

- A/P down MNOK 10,8
- Total net interest bearing debt MNOK 58,0 – up from 44,3 end Q4
- Disposable liquidity MNOK 47
- 660 253 own shares, representing 1.5 per cent

KNOK	31.03.2014	31.12.2013	31.03.2013
EQUITY AND LIABILITIES			
Share capital	27 513	27 513	27 513
Holding of own shares	-409	-409	-365
Other equity	219 418	223 694	174 526
Total equity	246 522	250 798	201 674
Long term interest bearing liabilities	40 072	43 603	41 919
Other long term liabilities	-	9 764	6 199
Total long term liabilities	40 072	53 367	48 117
Short term interest bearing liabilities	29 129	9 271	56 213
Accounts payable	60 437	71 163	65 464
Taxes payable	-229	207	210
Other short term liabilities	116 094	109 435	94 386
Total short term liabilities	205 431	190 076	216 274
TOTAL EQUITY AND LIABILITIES	492 025	494 241	466 065

Financials – Cash flow statement

NOK thousand	Q1 2014	Q1 2013	2013
Net cash flow from operation	-8 284	986	66 159
Net cash flow from investment	-5 869	-8	16 887
Net cash flow from financing	17 020	-648	-78 416
Net change in cash	2 868	329	4 630
Effect of foreign exchange rate fluctuations on foreign currency deposits	-211	110	254
Cash and cash equivalents at the start of the period	8 554	3 670	3 670
Cash and cash equivalents at the end of the period	11 211	4 110	8 554

- Working capital increased by NOK 15,1 million during 1st quarter

Operations – Business segments

MNOK	Q1 2014			Q1 2013			Year 2013		
	Revenues	EBITDA	EBT	Revenues	EBITDA	EBT	Revenues	EBITDA	EBT
PSI Technology	89,8	6,1	2,2	90,9	6,5	-1,0	345,8	20,7	-3,1
PSI Retail ¹⁾	50,2	4,6	4,1	76,2	9,3	8,1	272,9	34,1	32,1
PSI Label	41,9	2,6	-0,1	18,0	-0,1	-1,1	101,8	5,5	-2,6
Group	0,1	-3,1	-3,9	0,1	-2,5	0,5	5,1	-6,6	78,2
Eliminations	-8,9	-0,2	-0,2	1,5	-0,1	-1,4	-6,8	0,4	-48,2
Total	173,2	10,0	2,1	186,8	13,1	5,1	718,9	54,2	56,4

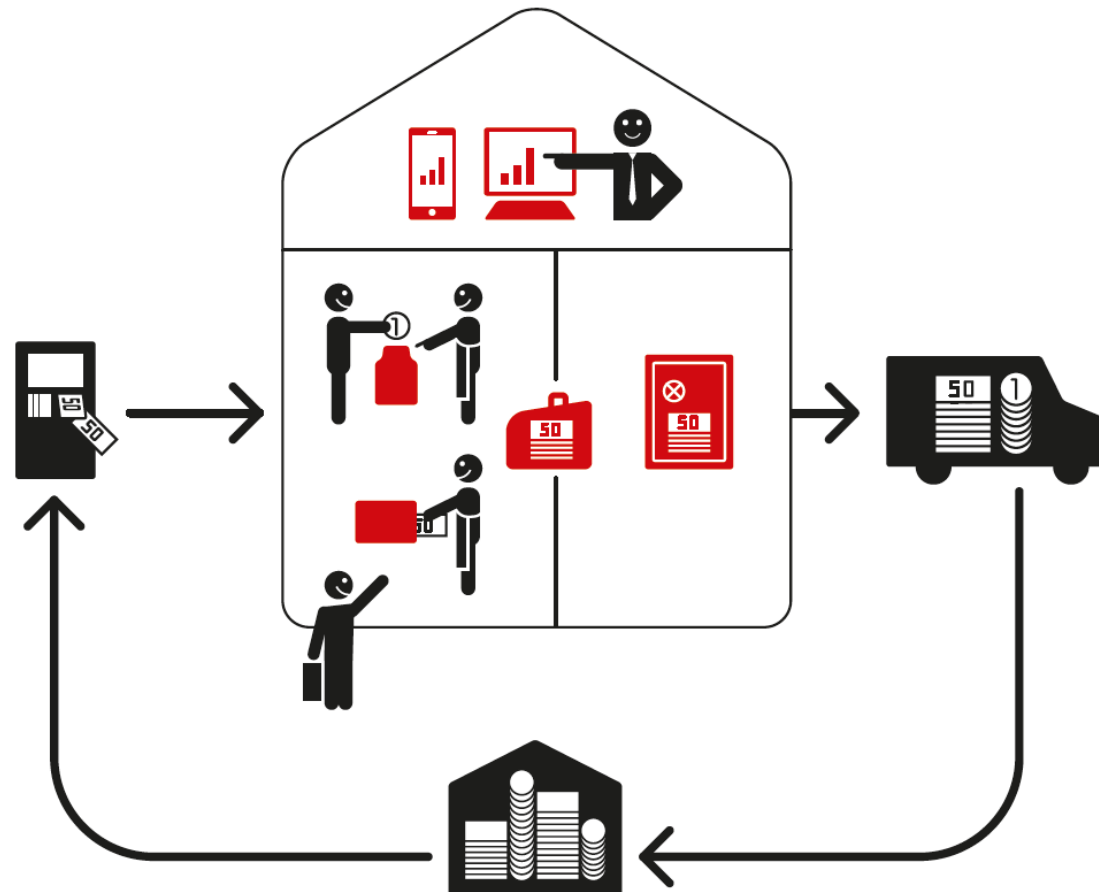
¹⁾ Year 2013 includes a profit of MNOK 33 related to the sale of InStore IT companies.



“Creating a world class point of sale experience by making cash payments competitive”

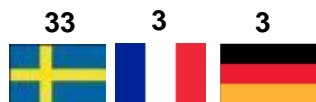
- Develops & markets the most reliable cash handling solutions for retailers.
- Continued significant levels of cash & cash transactions – even in Norway & Sweden
- Retailers ROI:

No overtime day-end counting
Always correct change
No stealing/pilfering
Eliminate robberies
Cash back & logistics



1st quarter 2014 - highlights

- 42 % increase in turnover
- 43 % increase in EBITDA
- 190 system delivered internationally (217)
- 452 system delivered in home markets (330)



1st quarter 2014 - key figures

MNOK	Q1		2013
	2014	2013	
Product Sales	47,9	30,5	133,0
Service	21,8	18,4	78,9
Revenue	69,7	48,9	211,9
EBITDA	9,9	6,9	27,7
EBITDA-margin	14,2 %	14,1 %	13,1 %
EBT	8,6	2,5	15,5

Key International Partners



Key International Customers



EuroShop

The World's Leading Retail Trade Fair

16 – 20 February 2014

Düsseldorf • Germany

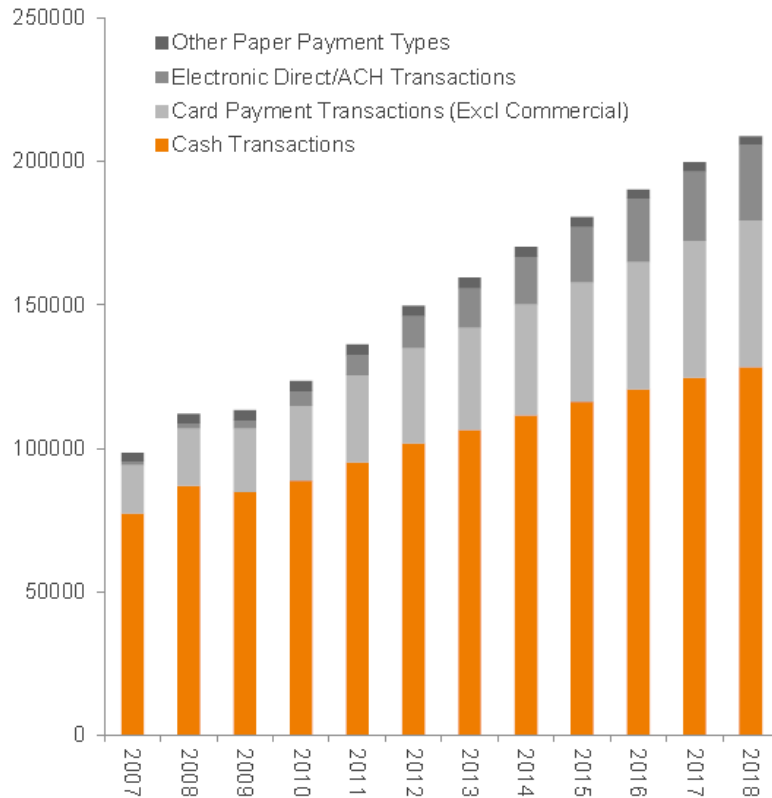
CASHGUARD ØKTE MED 37 % I 2013 | PSI-DATTER ÅPNER KONTOR I SØRØST-ASIA

Til Asia etter



CONSUMER PAYMENT TRANSACTIONS

RETAIL VALUE RSP*, US\$ MN, CURRENT PRICES



BUSINESS MONITOR INTERNATIONAL & EUROMONITOR INTERNATIONAL



MALAYSIA IS CASH DOMINANT

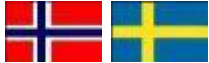
THE SWEDISH TRADE & INVEST COUNCIL



“Driving store owner’s profitability by increasing store employees efficiency ”

54

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- **In Store Retail Technology Solutions**
 - System integrator of leading Retail technologies
 - Complex integration knowledge
 - Significant recurring revenues
- **Presence in Norway and Sweden**
 - Dominating position in both countries
 - Independent supplier to retail stores
 - Country-wide service organizations



1st quarter 2014 - highlights

- Systems integration & service third party technologies
- CashGuard end user sales & service removed
- 34 % decrease in turnover
- 1st quarter last year; full rollout ESL Pricer REMA1000
- New frame agreement ESL grocery Norway

1st quarter 2014 - key figures

	Q1		
	2014	2013	2013
MNOK			
Product Sales	35,0	53,8	196,1
Service	15,2	22,4	76,9
Revenue	50,2	76,2	272,9
EBITDA	4,6	9,3	34,1
EBITDA-margin	9,2 %	12,3 %	12,5 %
EBT	4,1	8,1	32,1

Grocery

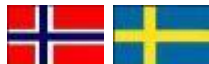


1st quarter 2014 - highlights

- 133 % increase in turnover
- Significantly improvement of EBITDA
- Continued integration in Sweden
- New press in Norway

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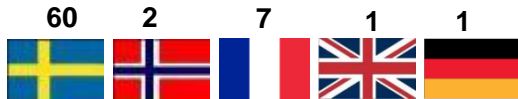
1st quarter 2014 - key figures

	Q1		
	2014	2013	2013
MNOK			
Product Sales	41,9	18,0	101,8
Service	-	-	-
Revenue	41,9	18,0	101,8
EBITDA	2,6	-0,1	5,5
EBITDA-margin	6,2 %	-0,7 %	5,4 %
EBT	-0,1	-1,1	-2,6



“Zero losses wherever money moves”

- Providing proprietary closed cash handling solutions to ATM & CIT market segments
- Market leader – most secure, advanced and most valuable products
- In-house final assembly



1st quarter 2014 - highlights

- 52 % decrease in turnover
- Quality issues solved and controlled - client confidence improving
- New VP sales & marketing search initiated
- New image and marketing program initiated

Key International Partners



1st quarter 2014 - key figures

	Q1		
MNOK	2014	2013	2013
Product Sales	11,6	34,4	101,6
Service	8,6	7,6	32,3
Revenue	20,2	42,0	133,9
EBITDA	-3,7	-0,4	-7,0
EBITDA-margin	-18,5 %	-1,0 %	-5,2 %
EBT	-6,4	-3,5	-18,5

Key International Customers



- Challenging P/L history
- We believe in vending & shopping automation for several market segments
- All old share eliminated
- New share capital MNOK 1
- Net debt MNOK 15 – including NIBD 10
- Invested more than MNOK 100 in R&D, S&M
- Utilizing PSI Retail infrastructure locally
- Cooperation with CashGuard internationally
- R&D - and international S&M resources remains in Moss
- No walk in the park

Top 50 shareholders per March 31st 2014

No.	Name	No. of shares	%			
1	PINNÅS, ERIK (incl. fully owned companies) ¹	4 932 276	11,1 %	27	ANDERSEN, BØRGE	220 000 0,5 %
2	GLAAMENE INDUSTRIER AS	4 176 417	9,4 %	28	ISAKSEN, NILS-OLAV	202 981 0,5 %
3	STRØMSTANGEN AS	3 933 092	8,9 %	29	PRIMA HOLDING AS	200 000 0,5 %
4	SKAGEN VEKST	3 796 612	8,6 %	30	BERNTSEN, HARALD	200 000 0,5 %
5	HOLMEN SPESIALFOND	2 300 000	5,2 %	31	PARTREDERIET MAST ANS	192 750 0,4 %
6	AVANZA BANK AB	1 926 992	4,3 %	32	SVENSKA HANDELSBANKEN AB	186 960 0,4 %
7	NORDNET BANK AB	1 650 177	3,7 %	33	JOHANNESSEN, JAN TOMMY	181 000 0,4 %
8	ZETTERBERG, GEORG (incl. fully owned companies)	1 530 404	3,4 %	34	KARLSSON, HENRIK	176 158 0,4 %
9	SKANDINAVISKA ENSKILDA BANKEN	1 337 909	3,0 %	35	HAGEN, JOSTEIN MAGNUS	165 000 0,4 %
10	WAALER, JØRGEN (incl. fully owned companies) ¹	1 030 000	2,3 %	36	EVENSEN, TOR COLKA	155 000 0,3 %
11	GRESSLIN, ODD ROAR	920 000	2,1 %	37	GRANBERG, KARL TRYGVE	152 000 0,3 %
12	V. EIENDOM AS	740 000	1,7 %	38	WEIBULL, JOAQUIM (incl. fully owned companies)	152 000 0,3 %
13	MP PENSJON FK	699 806	1,6 %	39	BJØRNSTAD, DANIEL	151 800 0,3 %
14	PSI GROUP ASA	660 253	1,5 %	40	KAWA INVEST AS	151 000 0,3 %
15	RING, JAN	645 322	1,5 %	41	HEIMDAL, MORTEN	150 000 0,3 %
16	DELTA INVEST AS	462 019	1,0 %	42	GEHRKEN INVEST AS	140 627 0,3 %
17	JACOBSEN, SVEIN (incl. fully owned companies) ¹	450 000	1,0 %	43	GAMMELSRØD, GUNNAR	140 277 0,3 %
18	SAXO PRIVATBANK A/S	413 000	0,9 %	44	POLAR RESERVOIR CONSULTANTS	138 500 0,3 %
19	SWEDBANK AB (PUBL)	385 488	0,9 %	45	CK HOLDING AS	123 604 0,3 %
20	NISTAD GRUPPEN AS	338 300	0,8 %	46	SHB INVESTERING AS	120 000 0,3 %
21	FRANKMO, ÅGE	320 383	0,7 %	47	UGELSTAD, PER EINAR	113 524 0,3 %
22	KONGSRUD, RUNE JACOB	300 213	0,7 %	48	BAKKEN, VIDAR	100 079 0,2 %
23	DYVI INVEST AS	285 013	0,6 %	49	OPERA FINANS AS	100 000 0,2 %
24	FANA ELEKTRIKEREN AS	250 000	0,6 %	50	RUUD, CHRISTIAN	100 000 0,2 %
25	ROMULD, ARVE	250 000	0,6 %		Sum 50 largest shareholders	37 696 936 84,9 %
26	JOHANSEN, STEIN	250 000	0,6 %		Sum 1 685 other shareholders	6 679 104 15,1 %
					Sum all 1 735 shareholders	44 376 040 100 %



Up from 1711 shareholders per 4th quarter

Questions?

