



# PSI Group ASA

3<sup>rd</sup> Quarter 2014 presentation, October 24<sup>th</sup> 2014 – 8:15am

Jørgen Waaler, CEO





# PSI Group mission

***“Driving Retailers’ productivity by providing innovative integrated Technology Solutions”***



# Agenda

- Highlights 3<sup>rd</sup> quarter
- Group P/L, Group BS & Group CF
- Segment P/L & Segment market update
- New Vision acquisition
- PSI Group strategy going forward
- Capital Markets day December 4<sup>th</sup>
- Received questions from shareholders - general Q & A



# Highlights 3<sup>rd</sup> quarter 2014

## Group operating revenues: MNOK 206,3 (MNOK 144,9)

An increase of 42 per cent.

## Group EBITDA: MNOK 14.1 (MNOK 10.1)

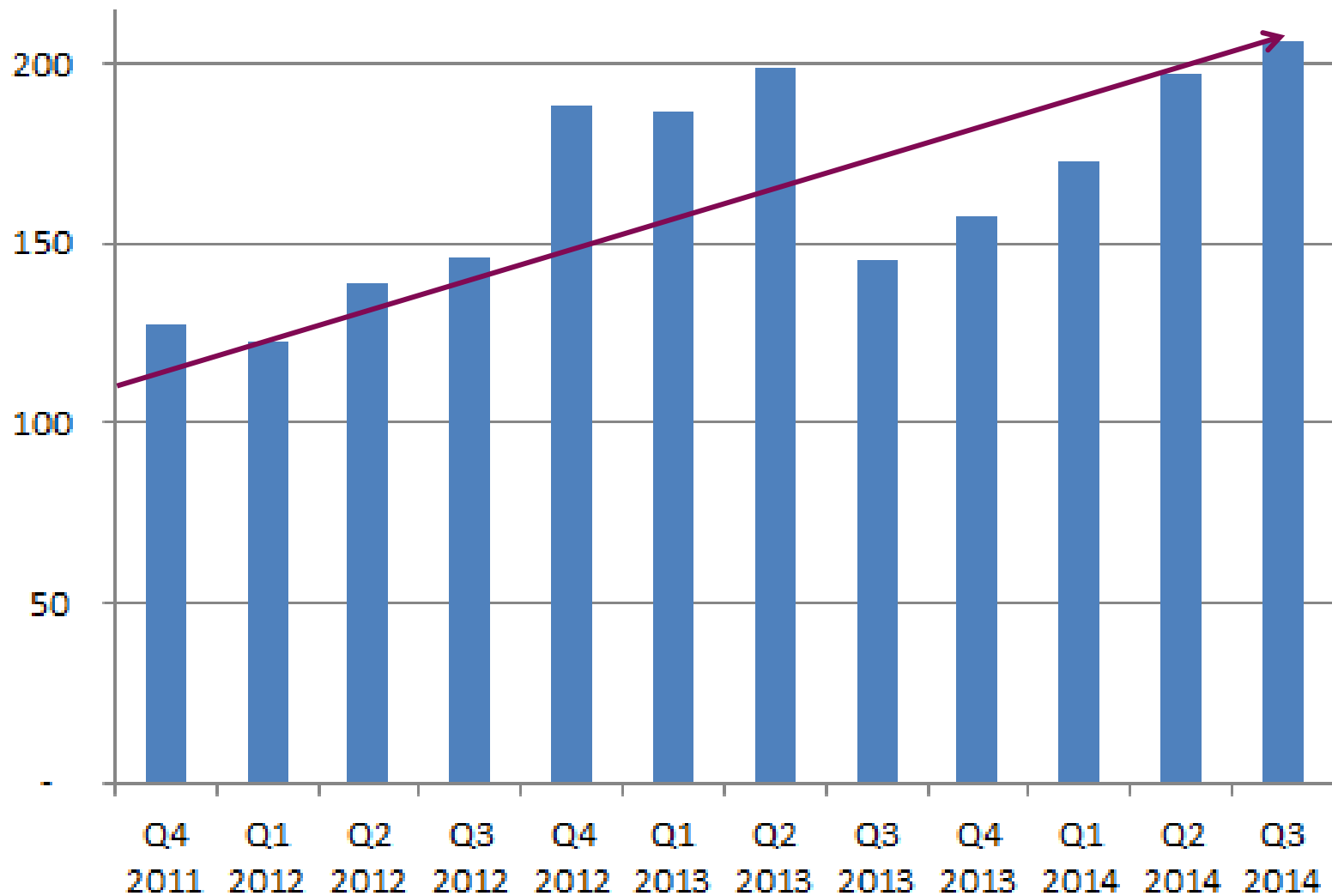
An increase of 40 per cent

MNOK	Q3 2014		Q3 2013	
	Revenues	EBITDA	Revenues	EBITDA
PSI Technology	123,6	11,6	76,9	5,7
PSI Retail	51,7	2,7	43,9	6,0
PSI Label	39,0	3,6	26,1	0,9
Group	0,1	-3,9	0,1	-2,8
Eliminations	-8,1	0,0	-2,1	0,3
<b>Total</b>	<b>206,3</b>	<b>14,1</b>	<b>144,9</b>	<b>10,1</b>

## Significant acquisition of New Vision Baltic July 2014

Strategic milestone for PSI Group – geographically & Retail software solutions

# Sales last 12 quarters



# Group P&L statement

KNOK	Q3 2014	Q3 2013	YTD 2014	YTD 2013	2013
Sales revenues	206 315	144 937	576 351	527 960	716 506
Profit from AC, Service companies	-	-	-	2 367	2 367
Cost of goods sold	107 259	75 115	287 490	285 533	378 473
Payroll	58 291	40 114	177 998	141 575	196 806
Other operating expenses	26 696	19 638	76 689	64 569	89 438
Total operating expenses	192 246	134 867	542 177	491 678	664 718
EBITDA	14 069	10 071	34 173	38 649	54 155
Depreciation tangible assets	2 974	2 767	8 786	7 263	10 573
Depreciation intangible assets	5 853	3 810	14 514	10 400	15 299
EBIT	5 242	3 493	10 874	20 987	28 283
Interest	-1 262	-523	-2 985	-3 421	-4 314
Other financial income	795	32 166	1 418	31 740	32 414
EBT	4 775	35 137	9 307	49 306	56 383



# Group balance sheet - Total assets

- A/R up by MNOK 14.3 compared to Q2
- Inventory up by MNOK 16,2 compared to Q2

KNOK	30.09.2014	30.09.2013	30.06.2014	31.12.2013
<b>ASSETS</b>				
Intangible assets	114 132	116 076	100 418	113 747
Goodwill	128 274	110 607	107 295	110 779
Tangible assets	42 349	37 430	42 174	36 445
Long term investments	480	481	481	481
Deferred tax	26 668	16 971	34 578	18 084
<b>Non-current assets</b>	<b>311 903</b>	<b>281 564</b>	<b>284 946</b>	<b>279 535</b>
Financial investments	1 673	25	51	26
Goods	108 641	81 255	92 421	85 787
Accounts receivable	154 313	120 864	140 007	98 156
Prepaid expenses	11 665	10 488	13 190	13 899
Other receivables	10 207	12 577	7 092	8 285
Bank deposits	18 635	9 997	14 874	8 554
<b>Current assets</b>	<b>305 134</b>	<b>235 206</b>	<b>267 635</b>	<b>214 706</b>
<b>TOTAL ASSETS</b>	<b>617 037</b>	<b>516 769</b>	<b>552 581</b>	<b>494 241</b>

# Group balance sheet – Total equity & liabilities

- A/P up MNOK 15.4 compared to Q2
- Total net interest bearing debt MNOK 121.2 – up from 82.5 end Q2
- Disposable liquidity MNOK 25
- 104 544 own shares, representing 0.2 per cent

KNOK	30.09.2014	30.09.2013	30.06.2014	31.12.2013
<b>EQUITY AND LIABILITIES</b>				
Share capital	27 513	27 513	27 513	27 513
Holding of own shares	-65	-409	-409	-409
Other equity	202 171	214 114	204 053	223 694
<b>Total equity</b>	<b>229 619</b>	<b>241 218</b>	<b>231 157</b>	<b>250 798</b>
Long term interest bearing	46 998	45 875	37 230	43 603
Other long term liabilities	25 778	15 196	-	9 764
<b>Total long term liabilities</b>	<b>72 776</b>	<b>61 071</b>	<b>37 230</b>	<b>53 367</b>
Short term interest bearing	92 867	37 678	60 179	9 271
Accounts payable	106 210	83 641	90 835	71 163
Taxes payable	-	618	-60	207
Other short term liabilities	115 565	92 544	133 239	109 435
<b>Total short term liabilities</b>	<b>314 642</b>	<b>214 481</b>	<b>284 193</b>	<b>190 076</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>617 037</b>	<b>516 769</b>	<b>552 581</b>	<b>494 241</b>



# Financials – Cash flow statement

NOK thousand	Q3 2014	Q3 2013	YTD 2014	YTD 2013	2013
Cash flow from operation	-9 371	8 323	-16 428	31 251	66 159
Cash flow from investment	-20 558	25 447	-27 930	18 425	16 887
Cash flow from financing	34 015	-31 498	55 007	-43 573	-78 416
<b>Net change in cash</b>	<b>4 086</b>	<b>2 273</b>	<b>10 650</b>	<b>6 103</b>	<b>4 630</b>
Effect of foreign exchange rate fluctuations on foreign currency deposits	-325	104	-569	225	254
Cash and cash equivalents at the start of the period	14 874	7 621	8 554	3 670	3 670
<b>Cash and cash equivalents at the end of the period</b>	<b>18 635</b>	<b>9 997</b>	<b>18 635</b>	<b>9 997</b>	<b>8 554</b>

- Cash flow from operational activities: MNOK - 9.4 (MNOK 8.3)
- Working capital increased by MNOK 15.2 during 3rd quarter
- Working capital increased by MNOK 44.0 during the first three quarters
- Very seasonal – we expect good cash flow in Q4

# Business segments – Geographical markets

MNOK	Q3 2014			Q3 2013		
	Norway	Sweden	Other markets	Norway	Sweden	Other markets
PSI Technology	35,7	57,4	30,4	34,0	25,0	17,8
PSI Retail	10,2	20,0	21,5	18,0	25,7	0,1
PSI Label	14,0	24,1	0,8	10,2	16,0	0,0
Group	0,1	0,0	0,0	0,1	0,0	0,0
Eliminations	-0,8	-7,7	0,5	-0,7	-0,6	-0,8
Total	59,3	93,8	53,2	61,7	66,1	17,2

# Business segments - Type of sales

MNOK	Q3 2014		Q3 2013	
	New sales	Service	New sales	Service
PSI Technology	77,6	46,0	48,2	28,7
PSI Retail	37,6	14,1	30,4	13,6
PSI Label	39,0	0,0	26,1	0,0
Group	0,1	0,0	0,1	0,0
Eliminations	-8,1	0,0	-2,1	0,0
<b>Total</b>	<b>146,2</b>	<b>60,1</b>	<b>102,7</b>	<b>42,2</b>

## 3<sup>rd</sup> quarter 2014 - highlights

- 65 per cent increase in turnover
- 165 per cent increase in EBITDA
- Pilot installation in KL, Malaysia, running well
- Pilot installation in Singapore planned in November

## 3<sup>rd</sup> quarter 2014 - key figures

MNOK	Q3		YTD		2013
	2014	2013	2014	2013	
Product Sales	41,4	23,6	126,1	88,9	133,7
Service	32,0	20,9	81,3	63,9	88,2
Revenue	73,4	44,5	207,5	152,8	221,8
EBITDA	10,0	3,8	26,1	18,9	30,5
EBITDA-margin	13,6 %	8,4 %	12,6 %	12,4 %	13,8 %
EBT	8,7	0,4	22,0	9,0	18,4

## Key International Partners



## Key International Customers



## 3<sup>rd</sup> quarter 2014 - highlights

- Started pilot with Kaiser Tängelman & preparation for the pilot with a large Italian supermarket chain.
- Negotiations with a large supermarket in Belgium
- All sales & service activities in Norway moved to PSI

## 3<sup>rd</sup> quarter 2014 - key figures

	Q3	YTD
MNOK	2014	2014
Product Sales	8,2	20,9
Service	8,4	16,5
Revenue	16,6	37,4
EBITDA	-0,5	-0,9
EBITDA-margin	-3,3 %	-2,3 %
EBT	-0,7	-1,7

YTD for the period April - September

## Key International Partners

**WINCOR  
NIXDORF**

**tobaccoland**

**Southern  
Imperial, Inc.**  
An Employee Owned Company

## Key International Customers



## 3<sup>rd</sup> quarter 2014 - highlights

- 3 % increase in turnover
- Quality issues solved and controlled - client confidence improving
- Looking for new partners in Russia
- New VP sales started August 1<sup>st</sup>
- New VP Business Development started August 1<sup>st</sup>

## 3<sup>rd</sup> quarter 2014 - key figures

MNOK	Q3		YTD		2013
	2014	2013	2014	2013	
Product Sales	28,0	24,6	65,5	82,5	101,6
Service	5,5	7,8	22,2	22,7	32,3
Revenue	33,5	32,4	87,6	105,2	133,9
EBITDA	2,2	2,0	1,4	-0,5	-5,8
EBITDA-margin	6,6 %	6,1 %	1,6 %	-0,5 %	-4,4 %
EBT	-0,3	-0,7	-5,7	-8,7	-17,4

## Key International Partners



## Key International Customers





## 3<sup>rd</sup> quarter 2014 - highlights

- Systems integration & service of third party technologies
- 18 % increase in turnover
- New Vision revenue 3<sup>rd</sup> quarter MNOK 21,5

## 3<sup>rd</sup> quarter 2014 - key figures

MNOK	Q3		YTD		2013
	2014	2013	2014	2013	
Product Sales	37,6	30,4	103,0	155,7	195,4
Service	14,1	13,6	37,7	53,5	67,6
<b>Revenue</b>	<b>51,7</b>	<b>43,9</b>	<b>140,7</b>	<b>209,2</b>	<b>263,0</b>
<b>EBITDA</b>	<b>2,7</b>	<b>6,0</b>	<b>8,4</b>	<b>27,0</b>	<b>35,7</b>
EBITDA-margin	5,2 %	13,6 %	6,0 %	12,9 %	13,6 %
EBT <sup>1)</sup>	0,3	38,0	5,3	57,0	66,2

<sup>1)</sup> Q3 2013, YTD 2013 and Year 2013: Included a profit of MNOK 33 related to the sale of InStore IT companies.



## 3<sup>rd</sup> quarter 2014 - highlights

- 49 % increase in turnover
- Significantly improvement of EBITDA
- Continued integration in Sweden
- New VP PSI Labels – Leif Persson

## 3<sup>rd</sup> quarter 2014 - key figures

MNOK	Q3		YTD		2013
	2014	2013	2014	2013	
Product Sales	39,0	26,1	124,4	65,0	101,8
Revenue	39,0	26,1	124,4	65,0	101,8
EBITDA	3,6	0,9	8,6	0,9	4,5
EBITDA-margin	9,3 %	3,4 %	6,9 %	1,4 %	4,4 %
EBT	0,2	-1,5	-0,6	-3,3	-3,2



# Why New Vision acquisition?



- **Baltic market leader within Retail Solutions**
- **New geographical footprint for CashGuard & Vensafe**
- **Advanced software solutions and software development competence and business consultancy**
- **New geographical footprint for New Vision applications in Norway and Sweden**
- **Highly valued by customers within Retail technology, Retail equipment field service, Self checkout competence and a skilled consulting organization**



LS Retail  
Partner of the Year 2014  
Europe

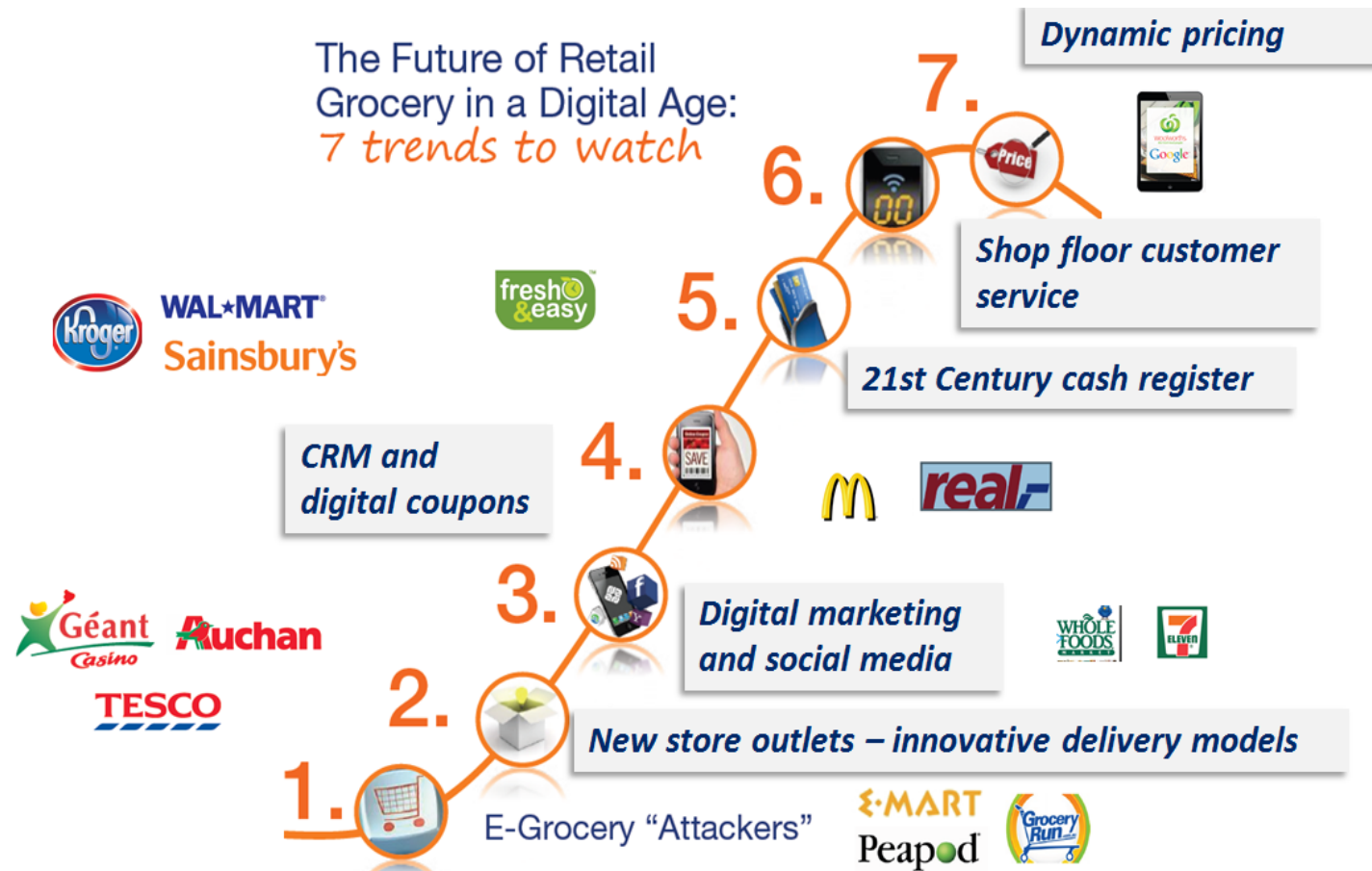
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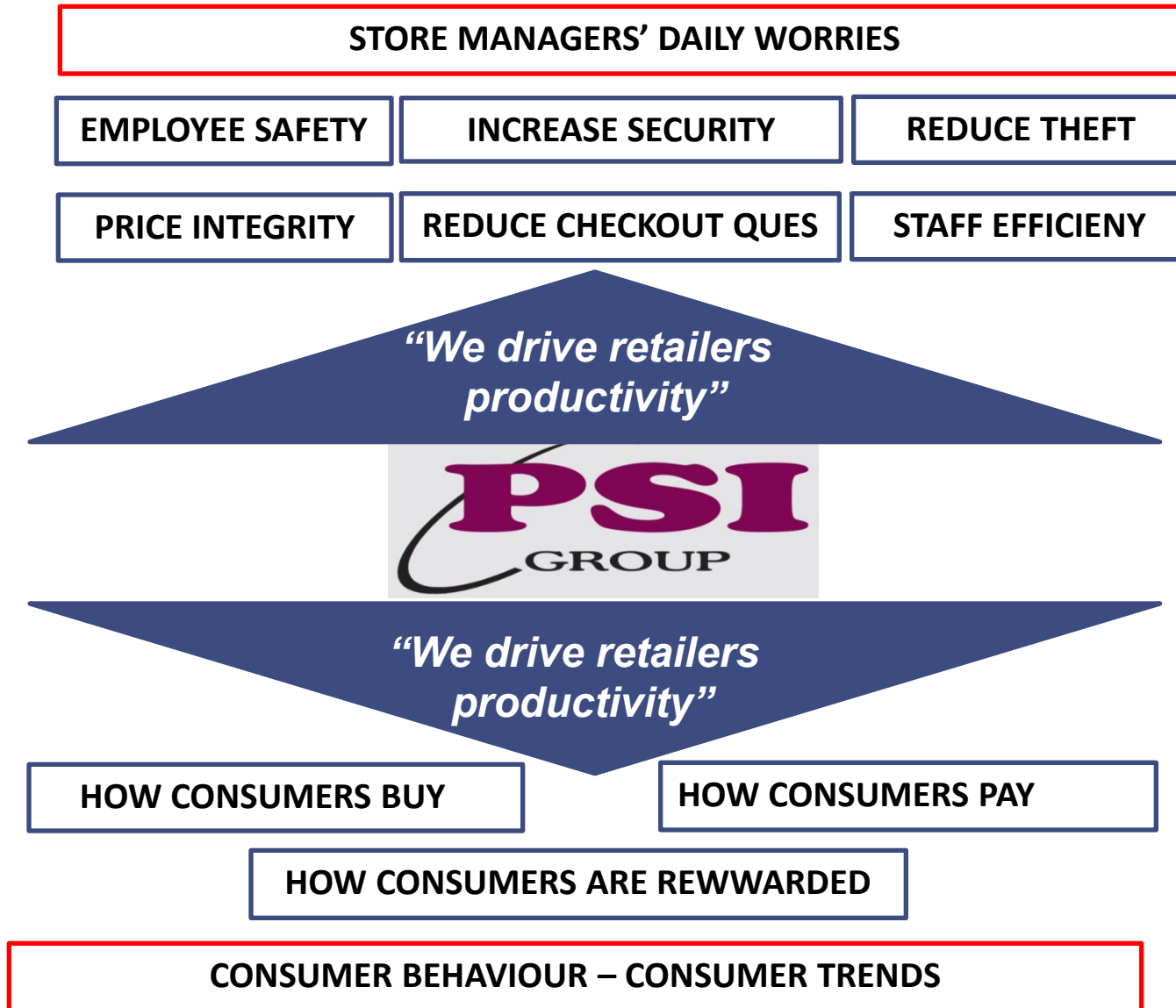


# PSI Group going forward – The future of retail

- Watch Disruptive technologies
- Cannot afford the burn rate of being first mover
- We care about timing & feasible technologies



# PSI Group – The Retail Solutions experts



# Capital Market day – December 4<sup>th</sup> 9:00-12:00

## Key preliminary topics

- Strategy – where is PSI Group in 2020? – And How?
- New Vision – retail concepts & driving force within PSI Group strategy
- CashGuard in new markets & retail payment solutions





# Top 50 shareholders per September 30<sup>st</sup> 2014

No.	Name	No. of shares	%			
1	PINNÅS, ERIK (incl. fully owned companies) <sup>1</sup>	4 932 276	11,1 %	27	FANA ELEKTRIKEREN AS	238 000 0,5 %
2	GLAAMENE INDUSTRIER AS	4 131 077	9,3 %	28	DELTA INVEST AS	205 287 0,5 %
3	STRØMSTANGEN AS	3 933 092	8,9 %	29	ISAKSEN DØDSBO, NILS-OLAV	202 981 0,5 %
4	SKAGEN VEKST	3 796 612	8,6 %	30	PRIMA HOLDING AS	200 000 0,5 %
5	HOLMEN SPESIALFOND	2 500 000	5,6 %	31	BERNTSEN, HARALD	200 000 0,5 %
6	AVANZA BANK AB	1 800 810	4,1 %	32	JOHANNESSEN, JAN TOMMY	200 000 0,5 %
7	NORDNET BANK AB	1 689 941	3,8 %	33	PARTREDERIET MAST ANS	192 750 0,4 %
8	ZETTERBERG, GEORG (incl. fully owned companies)	1 530 404	3,4 %	34	SVENSKA HANDELSBANKEN AB	178 402 0,4 %
9	SKANDINAVISKA ENSKILDA BANKEN	1 408 021	3,2 %	35	KARLSSON, HENRIK	176 158 0,4 %
10	WAALER, JØRGEN (incl. fully owned companies) <sup>1</sup>	1 050 000	2,4 %	36	UGELSTAD, PER EINAR	171 100 0,4 %
11	GRESSLIEN, ODD ROAR	965 000	2,2 %	37	GAMMELSRØD, GUNNAR	165 318 0,4 %
12	V. EIENDOM AS	880 000	2,0 %	38	HAGEN, JOSTEIN MAGNUS	164 000 0,4 %
13	RING, JAN	704 222	1,6 %	39	GRANBERG, KARL TRYGVE	163 000 0,4 %
14	MP PENSJON PK	699 806	1,6 %	40	WEIBULL, JOAQUIM (incl. fully owned companies)	152 000 0,3 %
15	BUDVILAITIS, EVALDAS (incl. controlled companies) <sup>1</sup>	555 709	1,3 %	41	KAWA INVEST AS	151 000 0,3 %
16	ROMULD, ARVE	500 000	1,1 %	42	HEIMDAL, MORTEN	150 000 0,3 %
17	JACOBSEN, SVEIN (incl. fully owned companies) <sup>1</sup>	450 000	1,0 %	43	GEHRKEN INVEST AS	144 627 0,3 %
18	SAXO PRIVATBANK A/S	408 650	0,9 %	44	CK HOLDING AS	123 604 0,3 %
19	SWEDBANK AB (PUBL)	351 482	0,8 %	45	SHB INVESTERING AS	120 000 0,3 %
20	NISTAD GRUPPEN AS	338 300	0,8 %	46	BAKKEN, VIDAR	115 079 0,3 %
21	FRANKMO, ÅGE	320 383	0,7 %	47	STOCK PROPERTY INVEST AS	106 500 0,2 %
22	BJØRNSTAD, DANIEL	301 772	0,7 %	48	PSI GROUP ASA	104 544 0,2 %
23	KONGSRUD, RUNE JACOB	280 213	0,6 %	49	OPERA FINANS AS	100 000 0,2 %
24	ANDERSEN, BØRGE	254 995	0,6 %	50	SKASLIEN, KNUIT ARNE	98 500 0,2 %
25	EVENSEN, TOR COLKA	250 000	0,6 %		Sum 50 largest shareholders	38 105 615 85,9 %
26	JOHANSEN, STEIN	250 000	0,6 %		Sum 1 598 other shareholders	6 270 425 14,1 %
					<b>Sum all 1 648 shareholders</b>	<b>44 376 040 100 %</b>

# Questions from shareholders

- **IR policy – how and when should we release more information?**
- **How about guiding next quarter(s)?**
- **Do we see any advantages with New Vision with regard to sales of SQS products in Russia?**
- **Technical/quality challenges in SQS Russia solved? Other banks in Russia?**
- **How does the EU vs. Russia conflict affects our business in Russia?**
- **How have we succeeded with direct sales strategy - approaching top level management? Specifically for CashGuard?**
- **What is the status of the Monero solution line from CashGuard?**
- **Are we able to carry-forward Vensafe accumulated losses of MNOK 100?**

# Questions?

