



**StrongPoint**

# Third quarter 2018

CEO Jacob Tveraabak

CFO Anders Nilsen

October 19, 2018

# Agenda

- Intro
- Highlights Q3 2018
- Key figures
- Q&A







## Mission

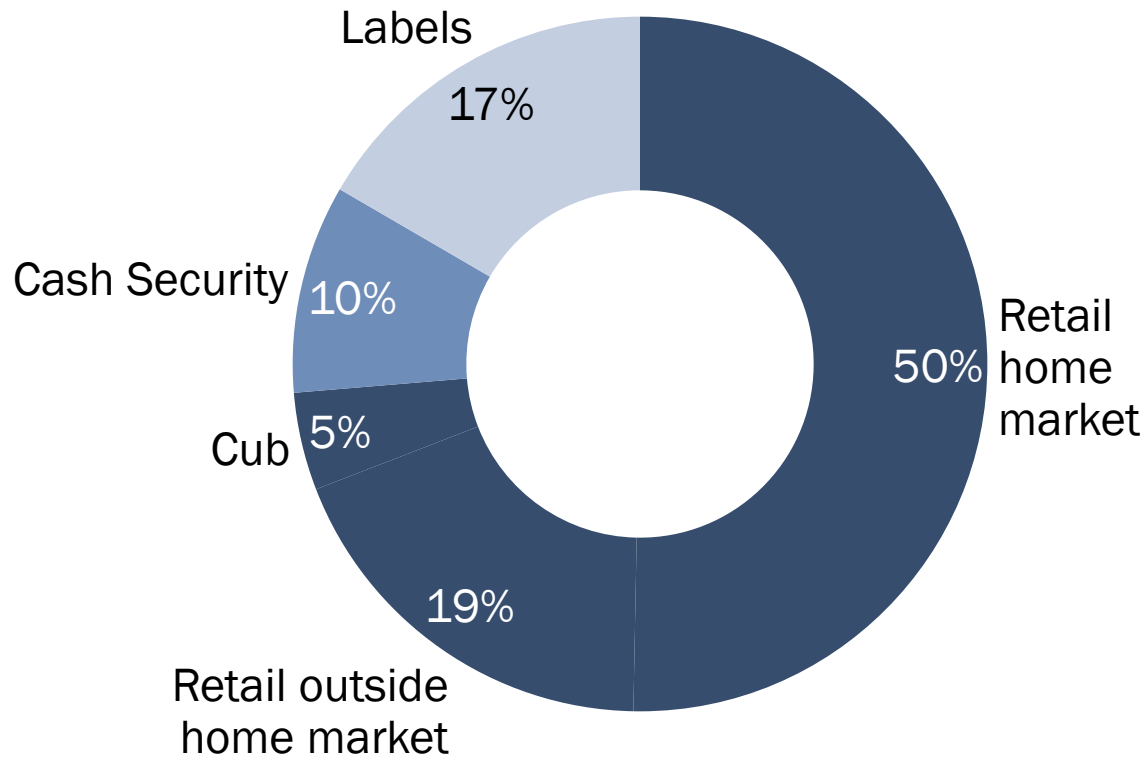
“Driving retailers productivity by providing innovative integrated technology solutions”



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# StrongPoint – a Retail Technology provider

Revenue YTD Q3  
100% = 760 MNOK



## Retail Technology

- Strong base of proprietary products for in-store productivity improvements
- Excellent starting point for further E-commerce growth
- Unique position with 3rd party solution partners, in particular with Pricer



# Own Technologies

## Retail Technology



### E-Commerce Logistics Suite

E-Commerce Logistics Suite handles and optimizes the entire work flow of web orders - from planning, picking to delivery of goods. The solution is easy to integrate with existing systems.



### ShopFlow Logistics

ShopFlow linked to mobile devices simplifies your in-store routines while also making them more efficient. Minimize the time put into stocktaking, take control of shipping, prices, orders and loss of goods.



### Click & Collect

Click & Collect makes it possible to shop online and pick up groceries without having to deal with the shop opening hours.



### Select & Collect

Select & Collect (Vensafe) stores and ensures high-value products in store. Our customers reduce waste and inventory management becomes even more efficient.



### Self-checkout

Self-checkout is especially suitable for retailers with a high number of transactions and having customers with small and medium-sized shopping carts. Our customers improve customer experience and reduce queues in the cashier area.

## IBNS Technology



### CIT-cases

CIT-cases based on IBNS (Intelligent Banknote Neutralisation System) technology which ensures cash during transportation.



### Cash Management

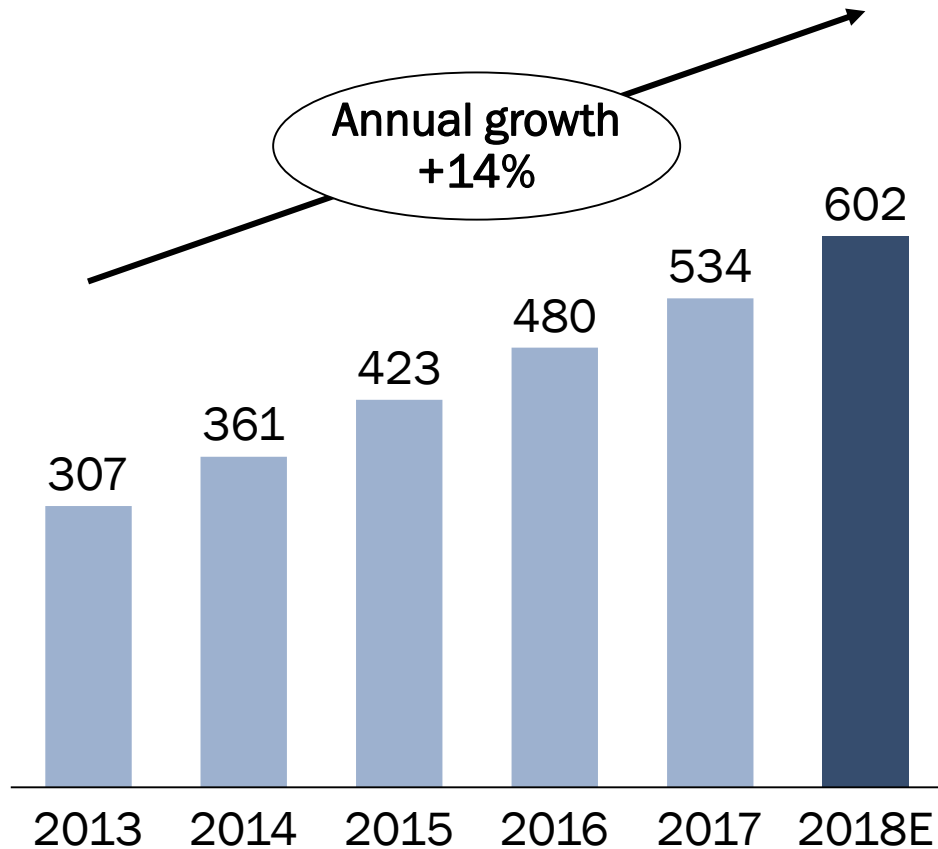
Closed cash handling automates, seals and secures the cash at the cash point and in the Back Office. Our customers reduce costs and achieve increased flexibility, security and customer service.



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# Strong market fundamentals for retail technology

## B2C e-commerce sales in Europe EUR bn



Source: E-commerce Europe

## Double opportunity for StrongPoint

1. **E-commerce:** most of our clients *want* to grow within e-commerce
2. **In-store:** all of our clients *need* to improve store operations productivity

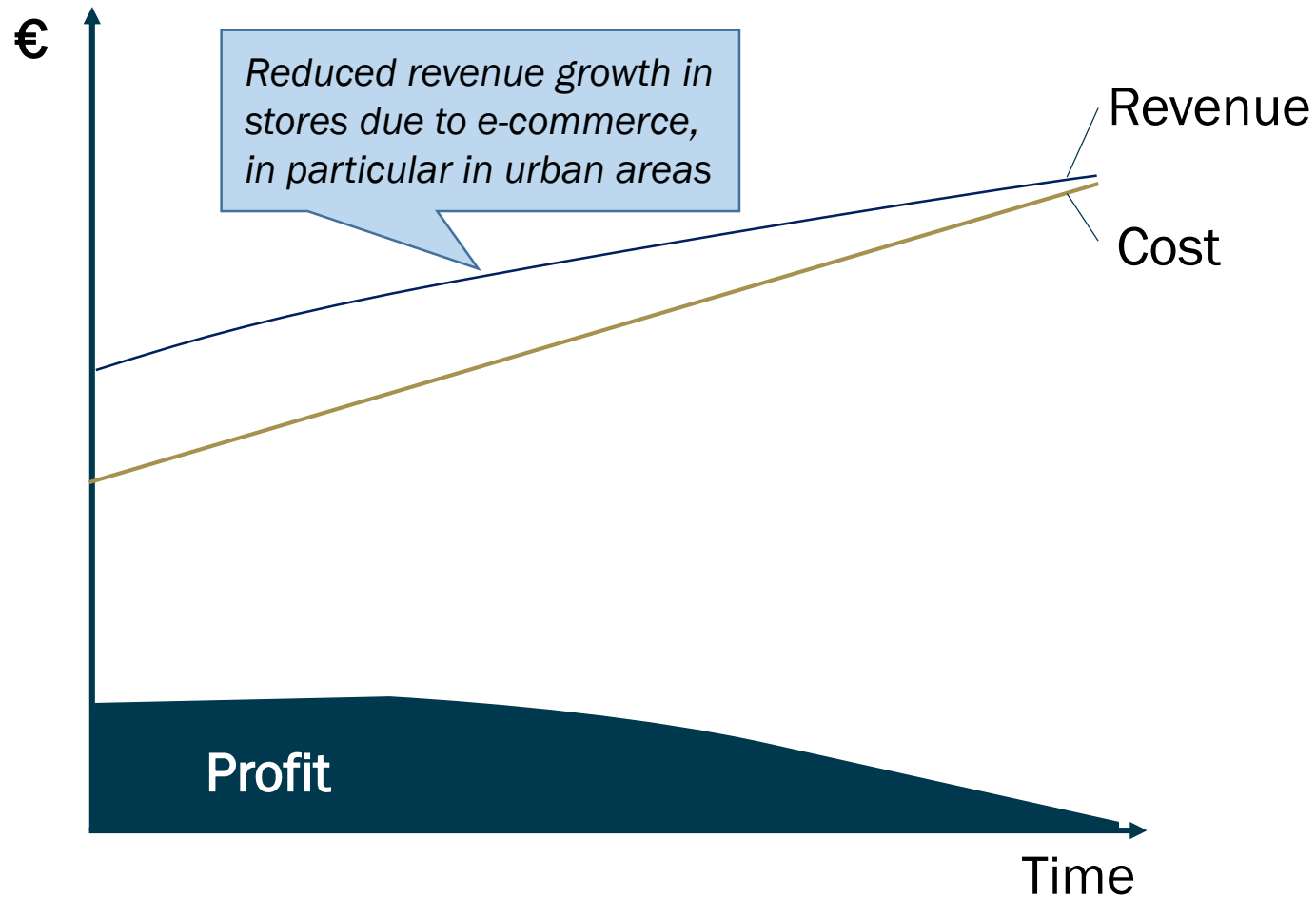


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# Regardless of our clients' own view on e-commerce, the impact on the industry follows

ILLUSTRATIVE

## Retail in-store economics



Increasing pressure to improve in-store productivity – Retail Technology is a vital part of the solution for retail companies



# Highlights



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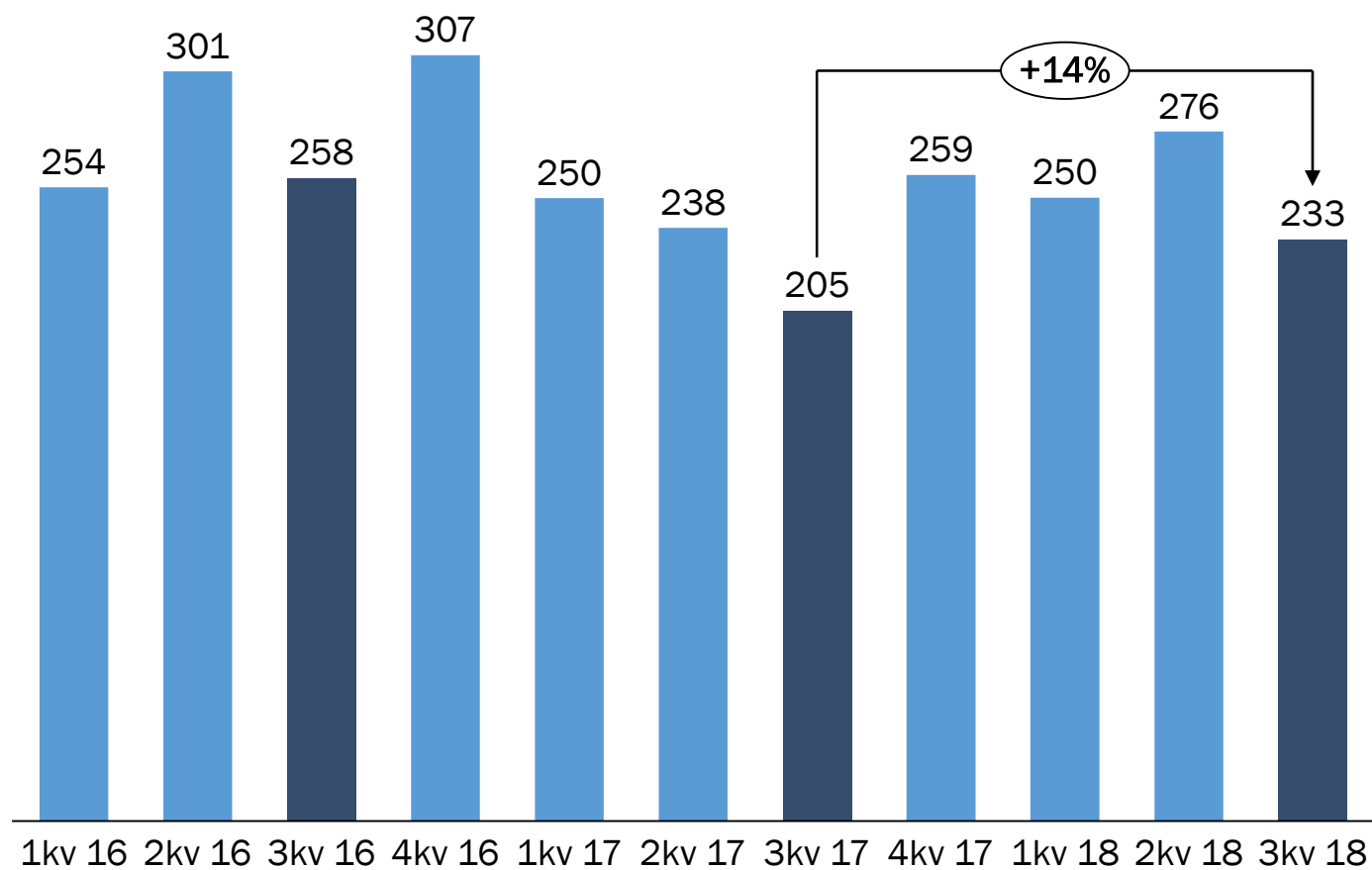
# Highlights

- 1 Solid quarterly financials
- 2 Significant customer wins
- 3 Strengthening the organization
- 4 Optimizing costs and focusing efforts



# 1 Solid quarterly financials: 14% revenue growth vs. last quarter

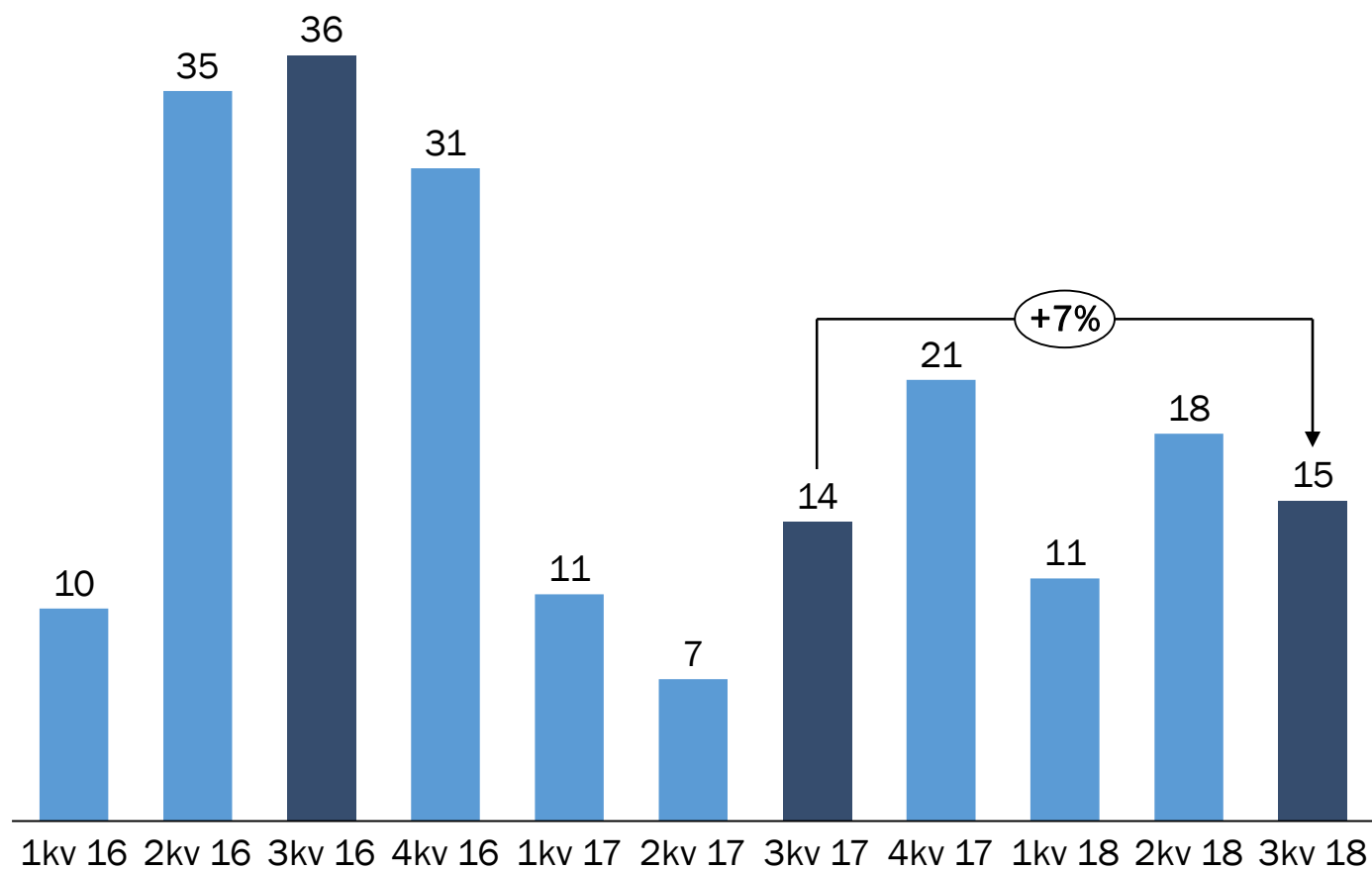
Revenue  
MNOK



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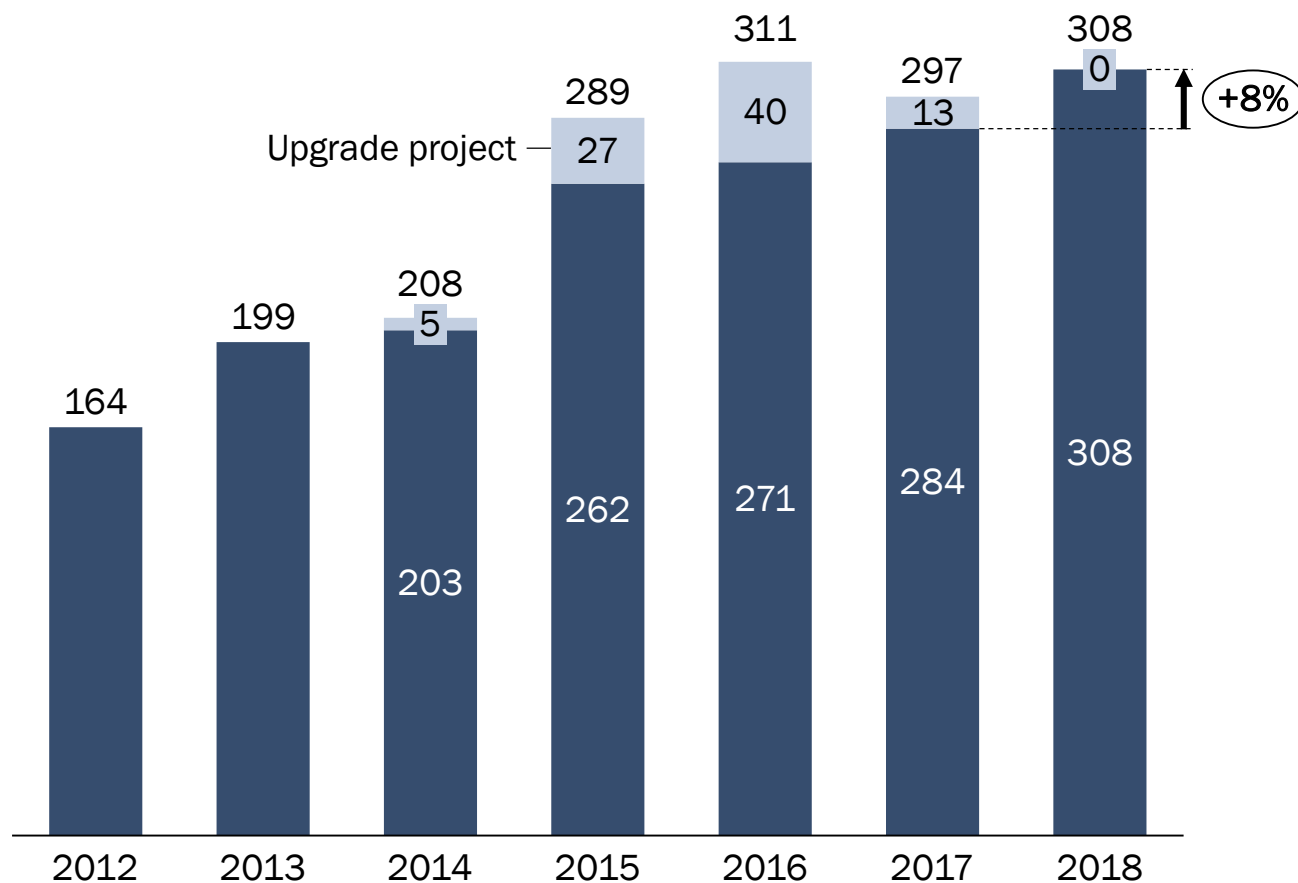
# 1 Solid quarterly financials: slight growth in EBITDA vs. last quarter

EBITDA  
MNOK



# 1 Solid quarterly financials: 8% growth in recurring revenue

Aftermarket revenue, 12 trailing months\*  
MNOK



\* Aftermarket revenue consists of service revenue and license fees, and installation income. 12 trailing month recurring, ending q3 every year



## 2 Significant customer wins in Q3

- Break-through with StrongPoint CUB's e-commerce solution to major Danish retail chain
- 85 Self Check-Out HW & SW orders roll-out in H2 in “Home”
- Cash Management solution to Airport Rail Link provider in Southeast Asia
- Pricer ESL in ~350 *Joker* stores in Norway
- Pricer installation of up to MNOK 50 at Scandinavian DIY chain
- Order for close to 960 CIT cases to *Sberbank*

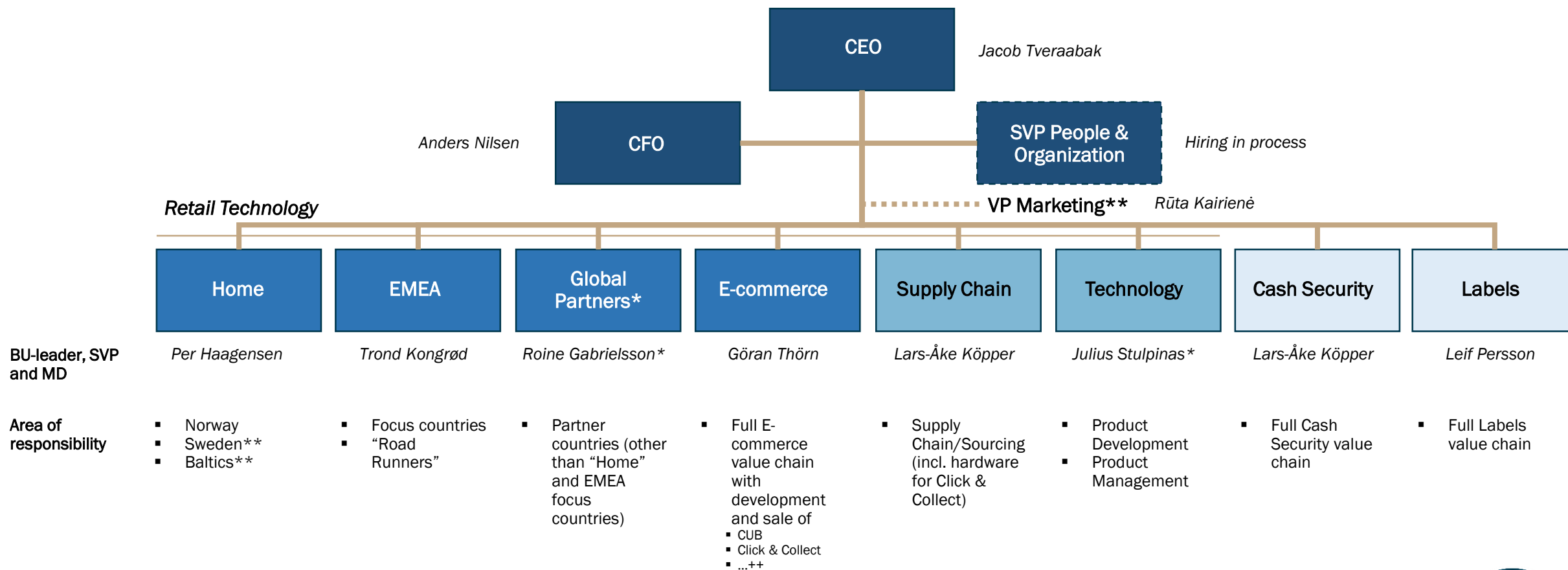


# 3 Strengthening the organization

- **Enhancing our sales efforts**
  - Establishing E-commerce unit, being led by Göran Thörn (CUB)
  - Putting more emphasis on partner sales of our proprietary solutions with the hiring of Roine Gabrielsson as SVP Global Partners
  - Re-establishing Cash Security as a separate business unit, being led by Lars-Åke Köpper
- **Re-organizing product development**
  - Elevating Julius Stulpinas to SVP Technology
  - Establishing “Retail Technology Product Board” led by Lars-Åke Köpper
  - Dedicated team for E-Commerce product line led by Göran Thörn



# 3 StrongPoint's Executive Management Team\*



\* As of January 1, 2019

\*\* Part of extended Executive Management Team (EMT). Sven Calissendorf in Sweden, and Rimantas Mažulis in the Baltics

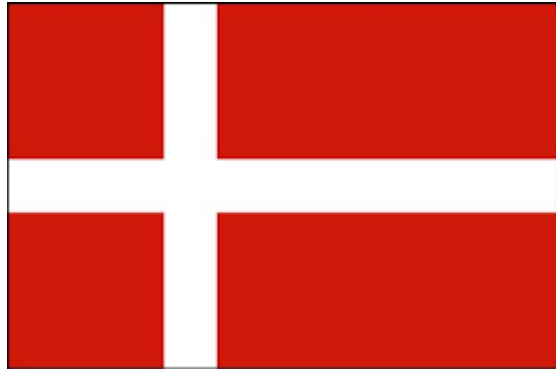
## 4 Optimizing costs and focusing efforts – summary

- Result of cost optimization of 30\* MNOK p.a. effect with no negative effect on operations
  - Product finalization and better role alignment
  - Synergies in establishing E-commerce unit
  - SG&A cost reduction
- Enhancing our sales efforts further
  - Commercializing E-commerce (Cub) outside Sweden
  - Stepping up “RoadRunner” concept (small, selected agents) in key EMEA markets
  - Expecting growth in sale of proprietary solutions through Partners
- Focus on M&A and Strategic Partnerships



## 4

## Enhancing sales efforts: Commercializing E-commerce (Cub) outside Sweden



Proof of commercialization outside Sweden: Major danish grocery chain chooses our E-commerce Logistics Suite



CUB-integration with Pricer: allows for “pick by light”, increasing productivity in picking of goods



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## 4

# Enhancing sales efforts: Stepping up “RoadRunner” concept

## “RoadRunners”

- Small, selected agents focused on selling CashGuard to small businesses, and the HORECA segment
- ~40 agents with more about 200 sales people covering Iberia



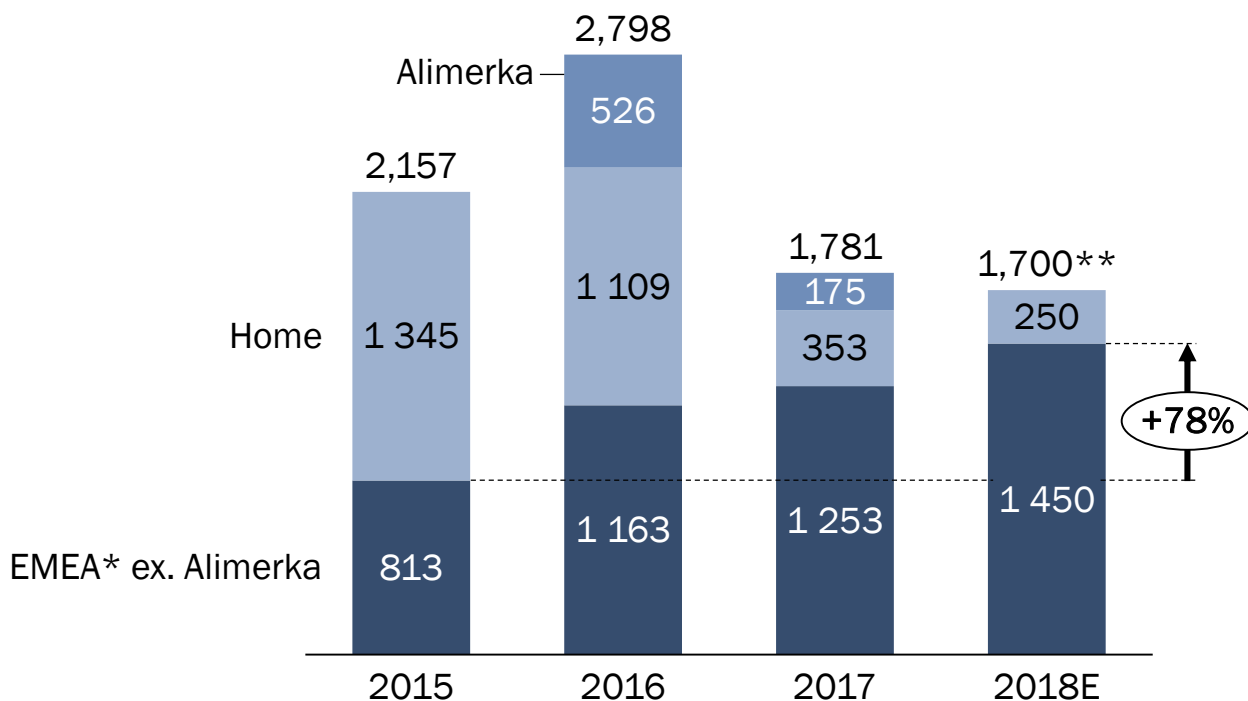
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## 4

# Capturing window of opportunity for CashGuard in Europe

## Number of invoiced CashGuards

### Number of CashGuards



Cash is still king in parts of Continental Europe

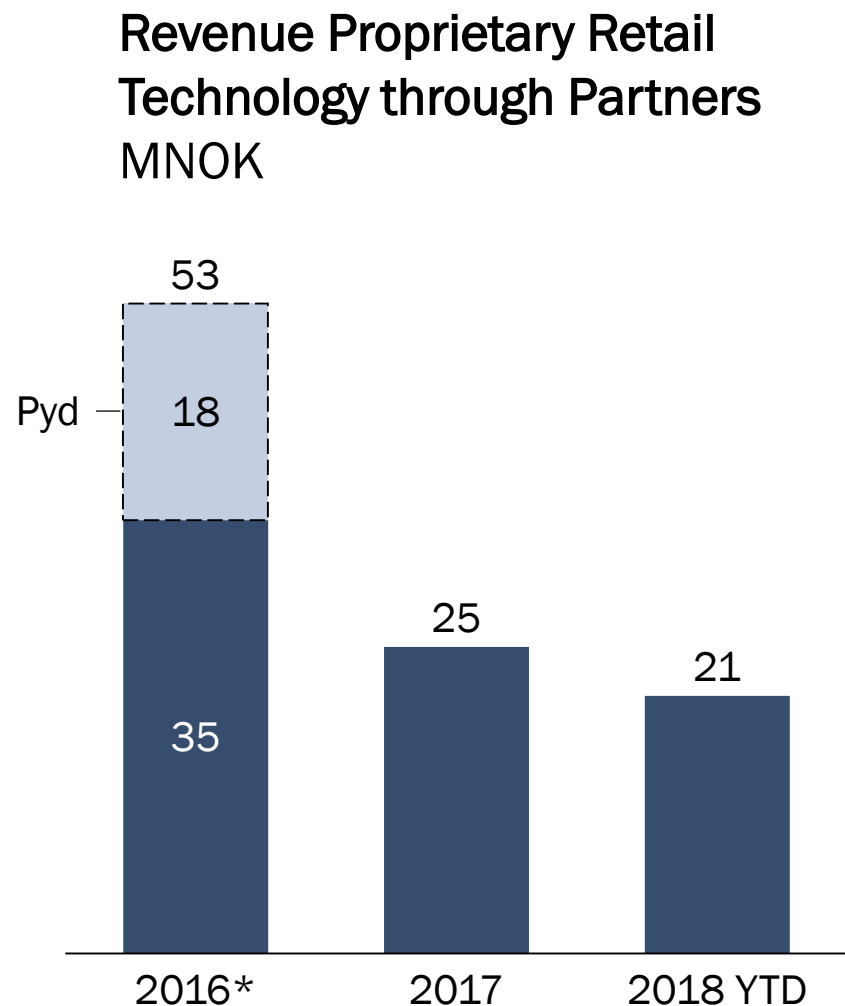
Large window of opportunity for CashGuard sale

StrongPoint innovating its sales model, adding in “Road Runners” and exploring “cash-management-as-a-service” in addition to traditional sale

\* Incl. APAC

\*\* Invoiced number of CashGuards per Q3 is 1,480

## 4 Focusing our efforts: Partners



Partner sale only ~10% of all sale  
of Proprietary Retail Technology  
(excluding service income)

Should be significant opportunity  
to grow partner sales, which also  
have attractive margins throughout  
StrongPoint's value chain

\* Split between Pvd and other Partners is estimate



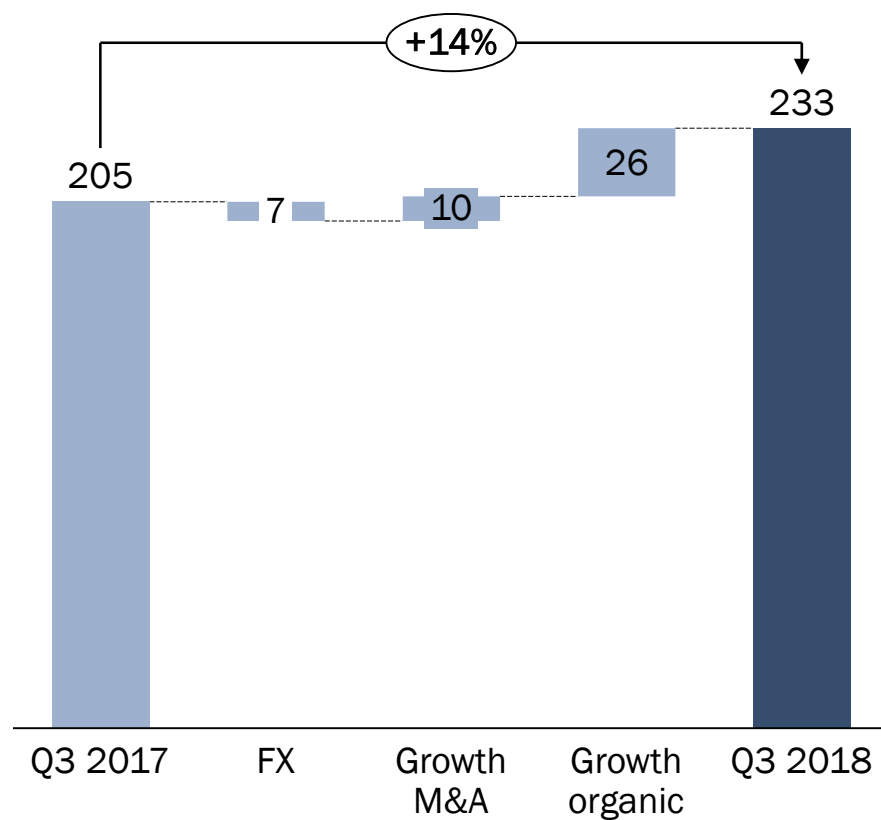
# Key Figures



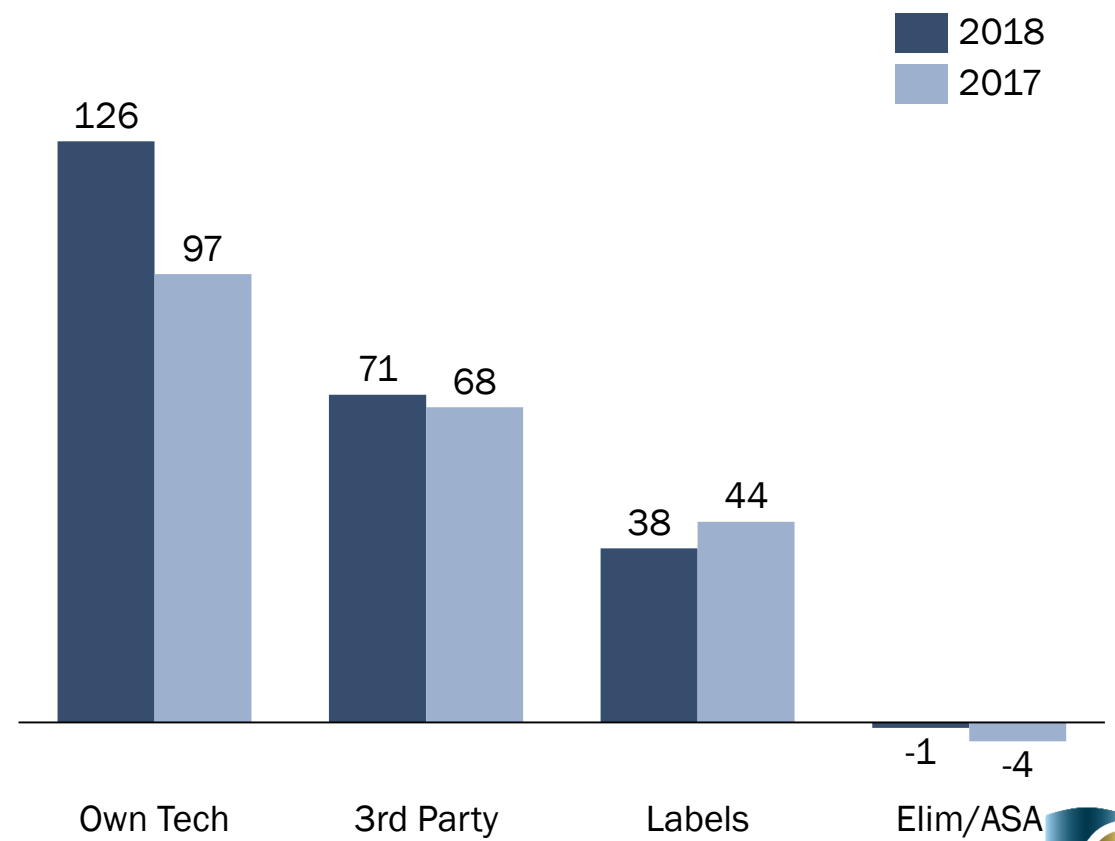
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# Revenue Q3

Revenue Q3 2017-2018  
MNOK

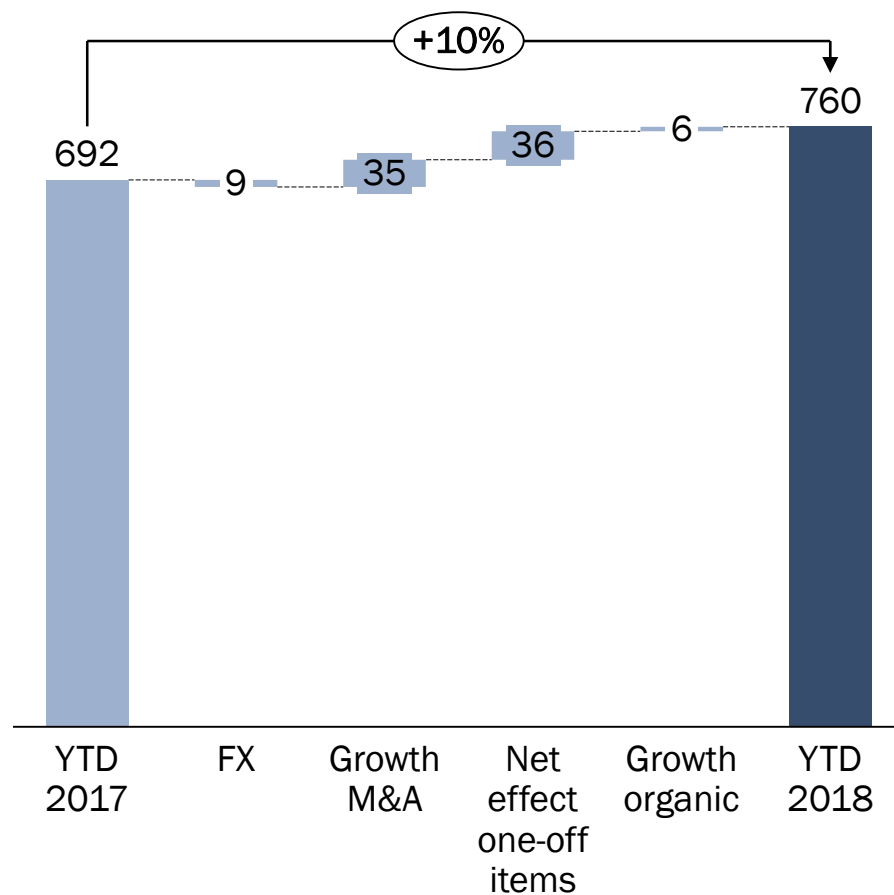


Revenue Q3 2017-2018  
MNOK

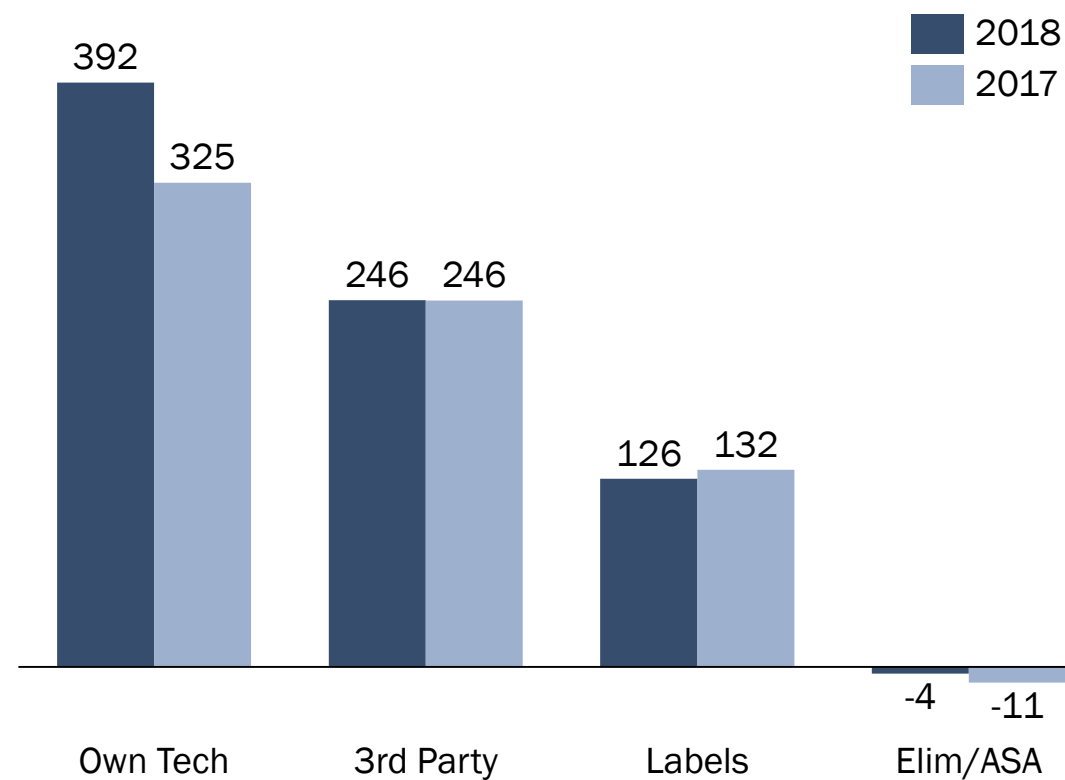


# Revenue YTD

Revenue YTD 2017-2018  
MNOK



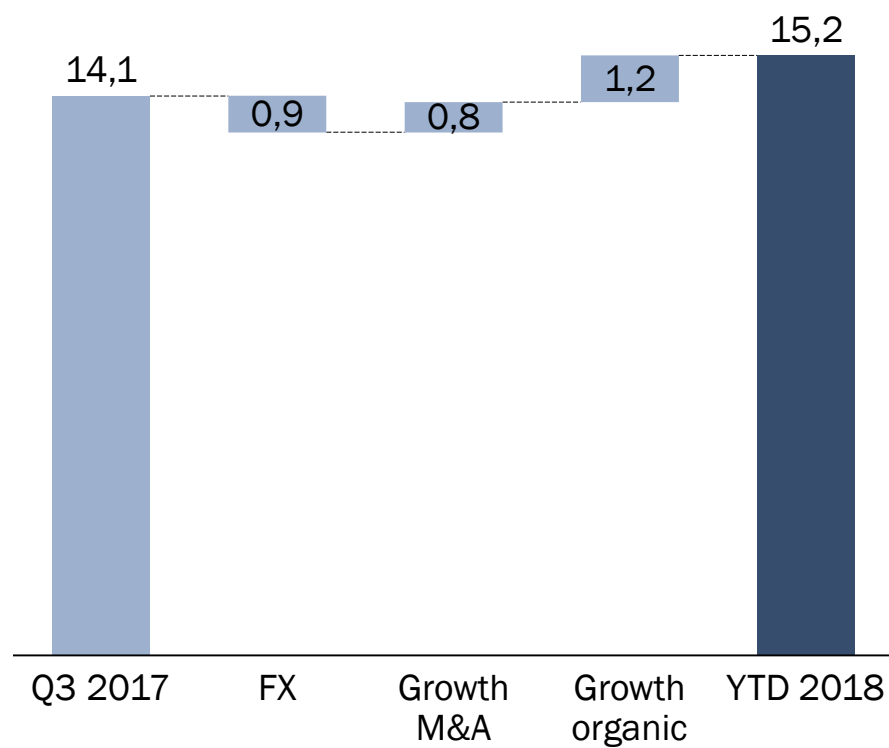
Revenue YTD 2017-2018  
MNOK



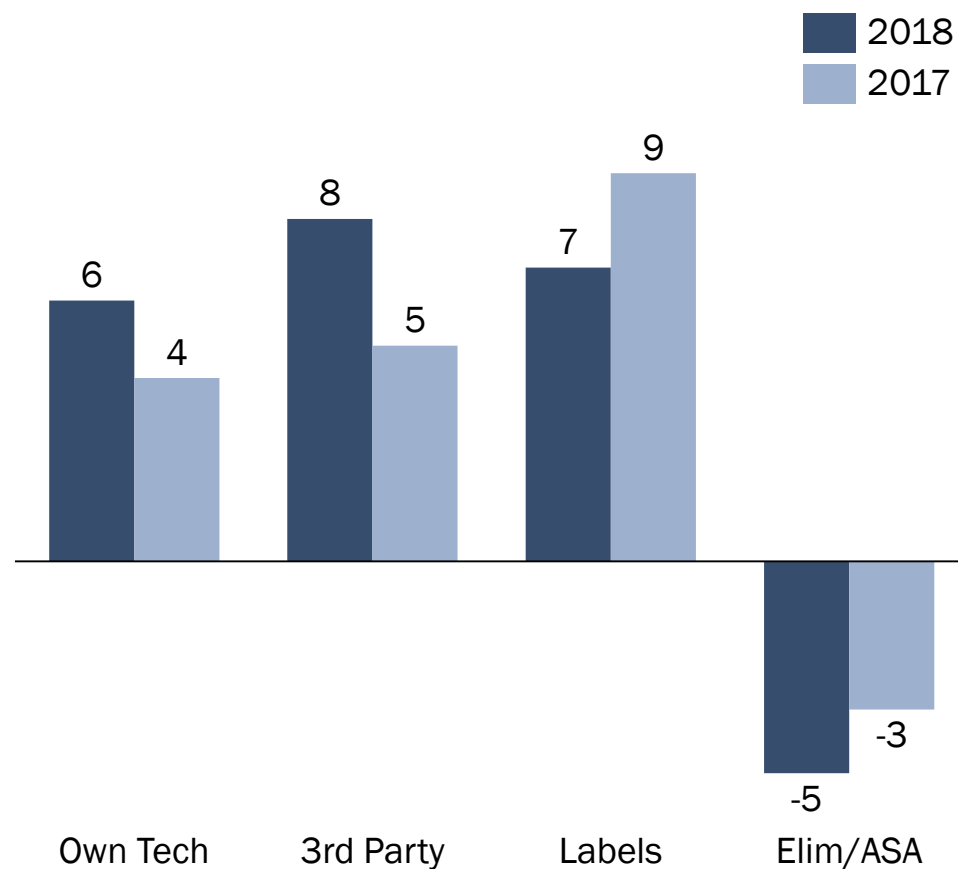
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# EBITDA Q3

EBITDA Q3 2017-2018  
MNOK



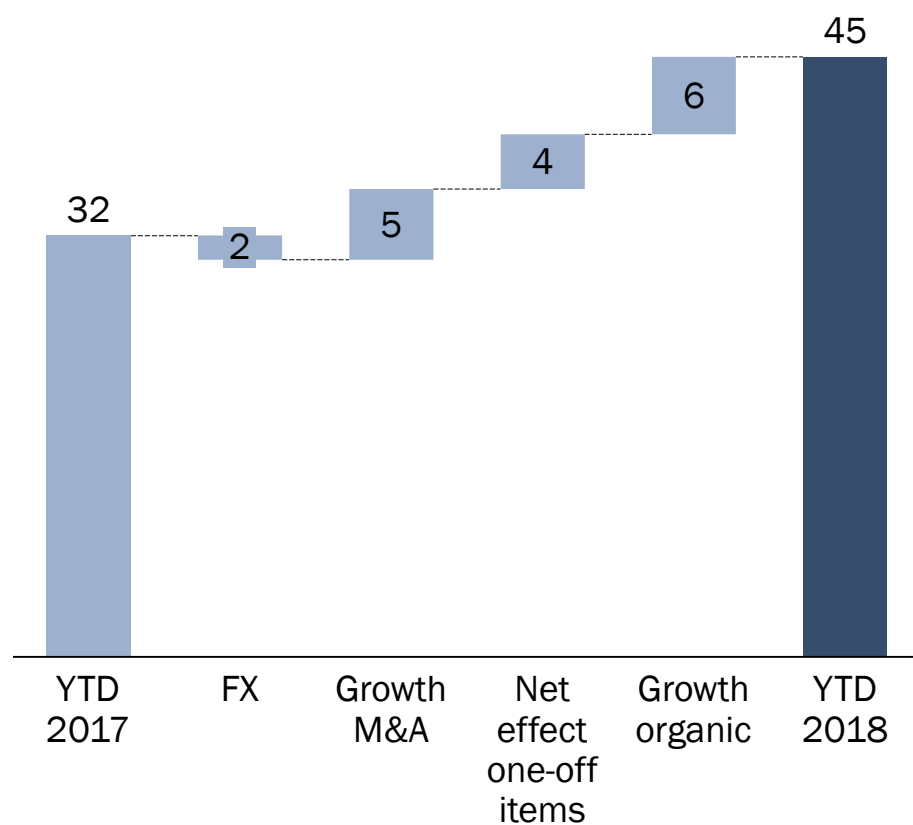
EBITDA Q3 2017-2018  
MNOK



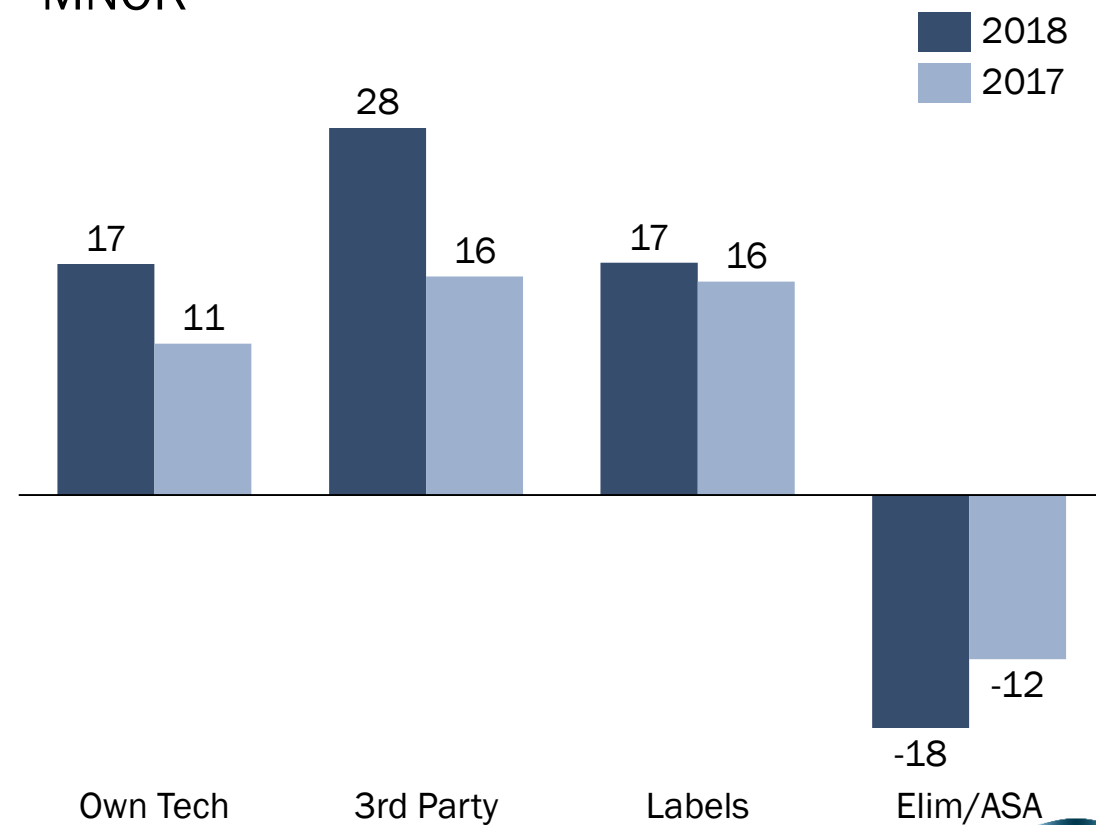


# EBITDA YTD

EBITDA YTD 2017-2018  
MNOK

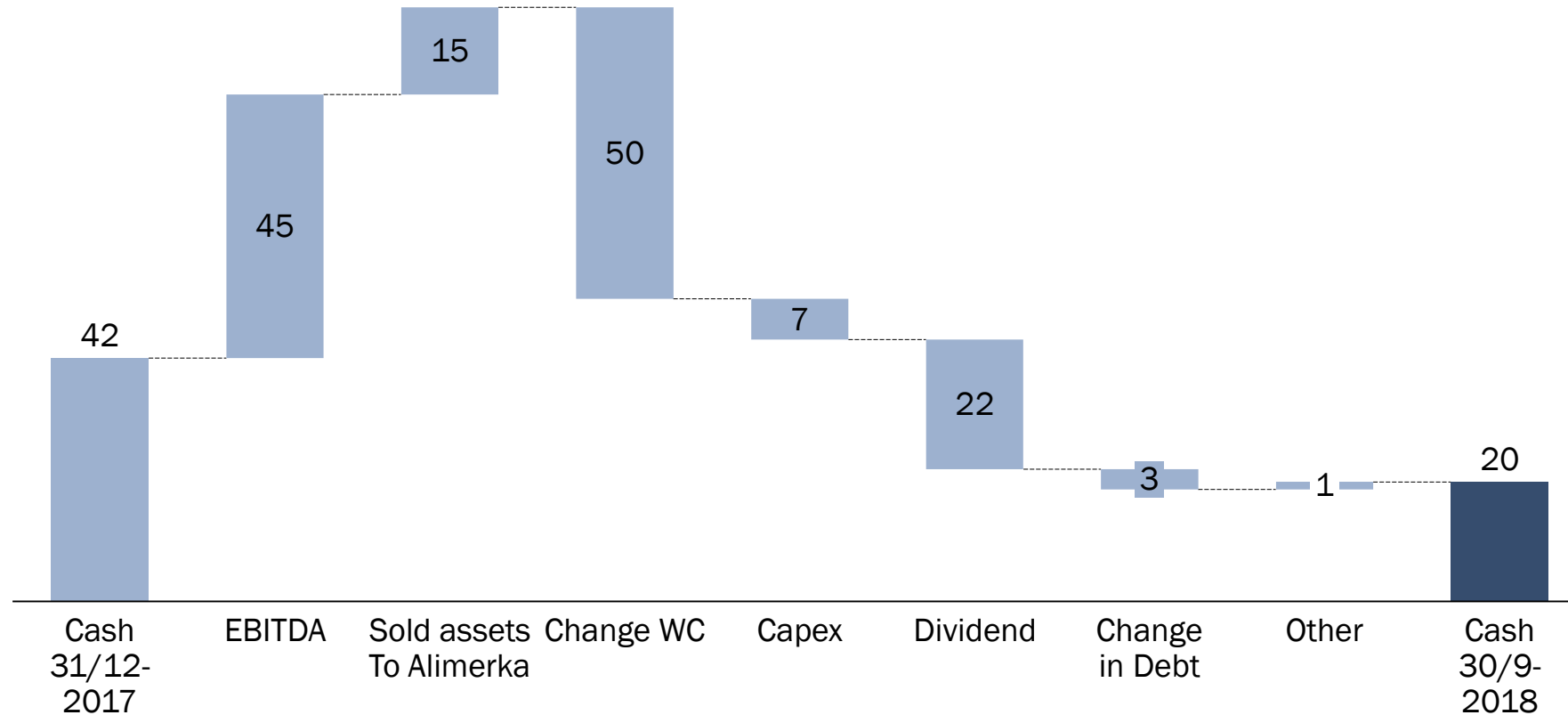


EBITDA YTD 2017-2018  
MNOK



# Balance Sheet

## CashFlow YTD 2018 MNOK



# Investor Relations

## Main communication channels

- Reports, webcasts, etc. under “Investor” tab
- News articles under “News” tab
- Newsletters and Social Media

## Financial calendar 2019

- 2018 Q4 presentation on February 28, 2019

IR-contact: CFO Anders Nilsen



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# Q&A



Jacob Tveraabak  
CEO



Anders Nilsen  
CFO



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**Thank you!**



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