

PRICER

BRINGING TRUST TO RETAIL



Pricer AB (publ)

Fourth quarter and full year 2018

Helena Holmgren, CEO

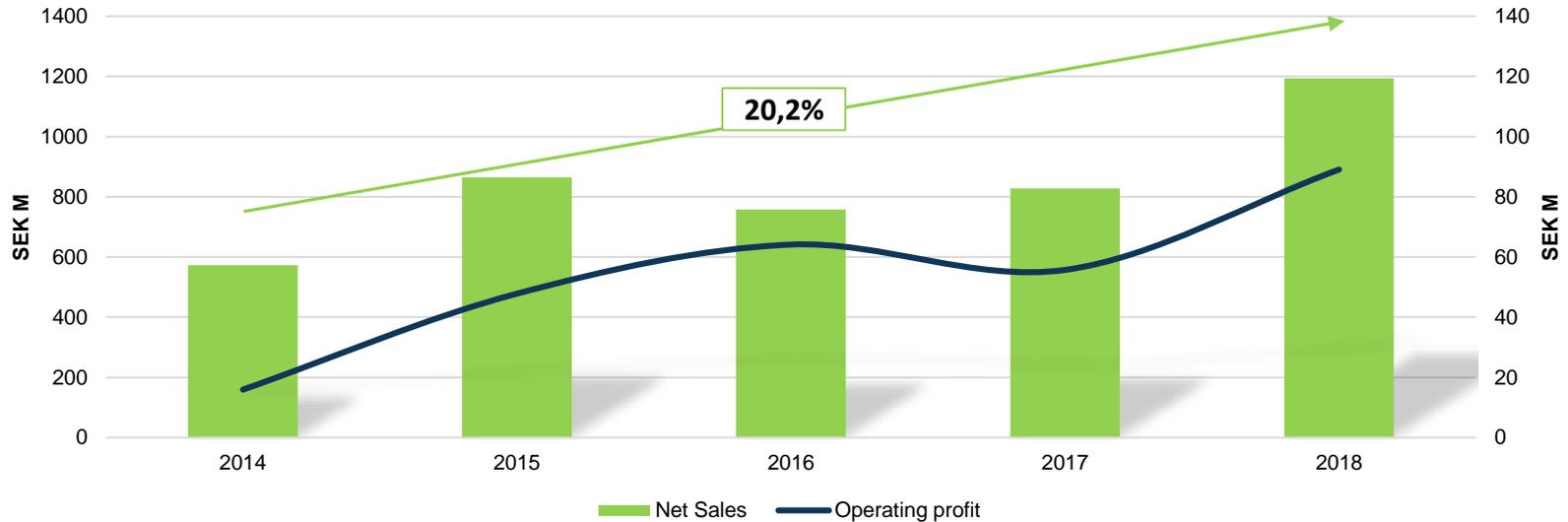
Stockholm, February 14, 2019

2018 – a record year for Pricer

- Surpassed the billion barrier
- Many new additions to customer base
- Breakthrough in North America after intensified marketing activities
- Offering remains unique → Reliable, fast, energy-efficient & scalable
- Strong innovative power
- Long experience of complex systems solutions for retail sector
- Strengthened presence in many key markets

Progress over the past 5 years

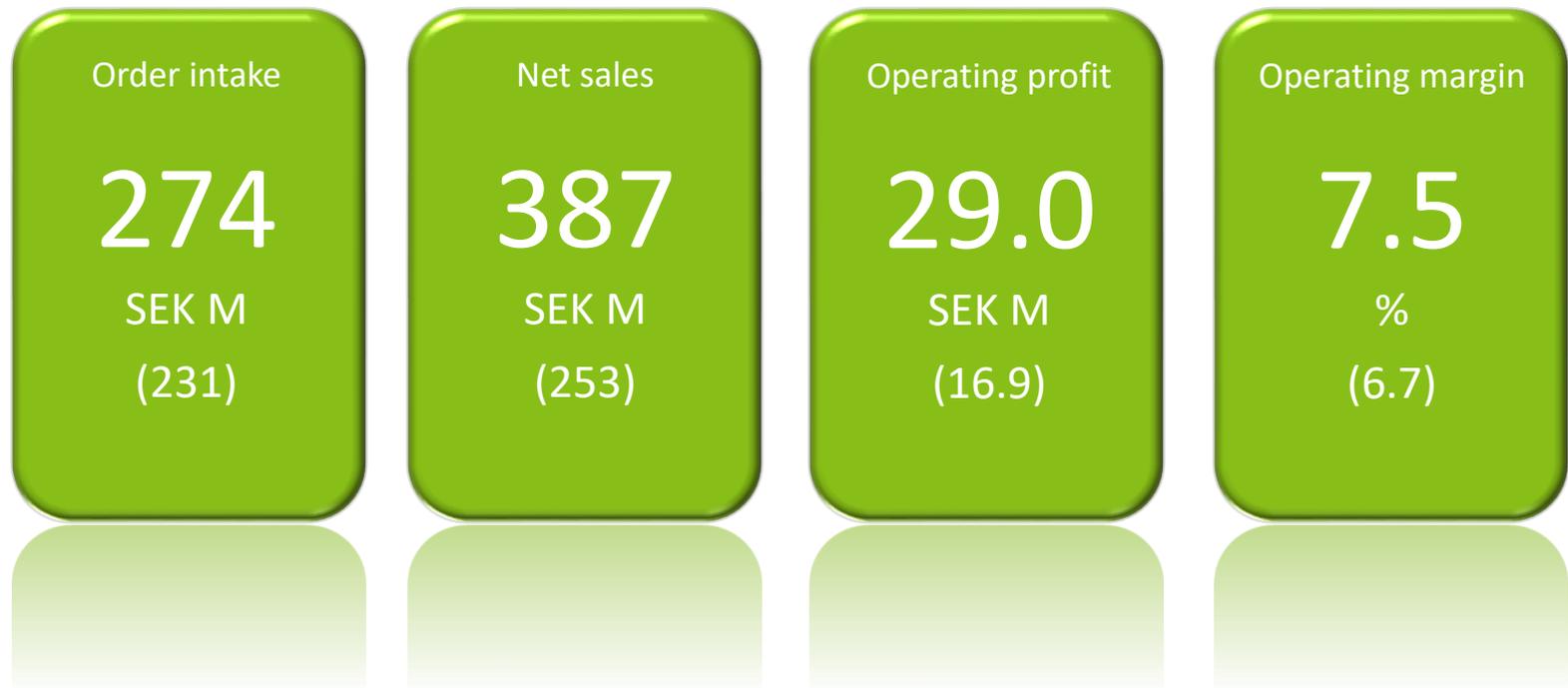
Net sales and operating profit¹⁾



¹⁾ excl. one-off costs in 2014 of SEK 69 M

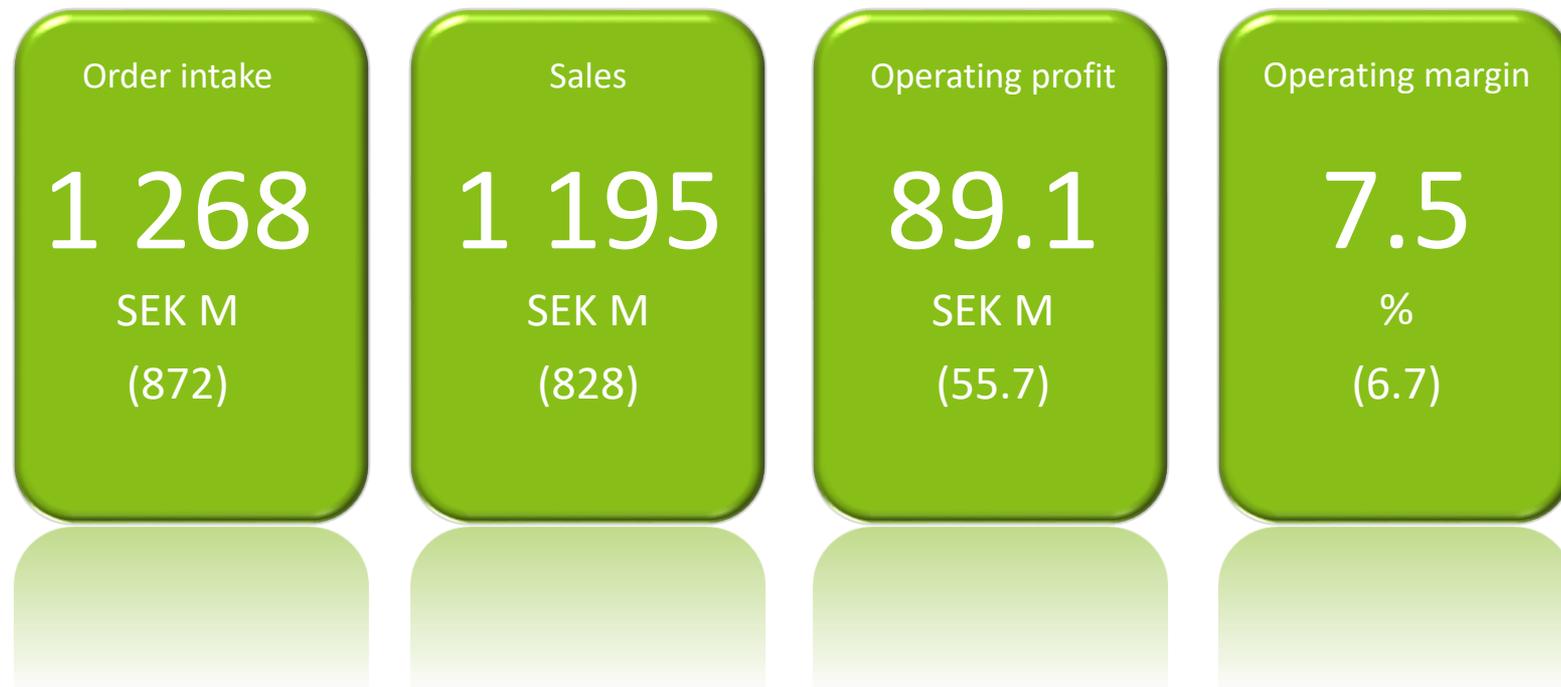
Fourth quarter 2018;

Continued strong order intake and record sales for a fourth quarter

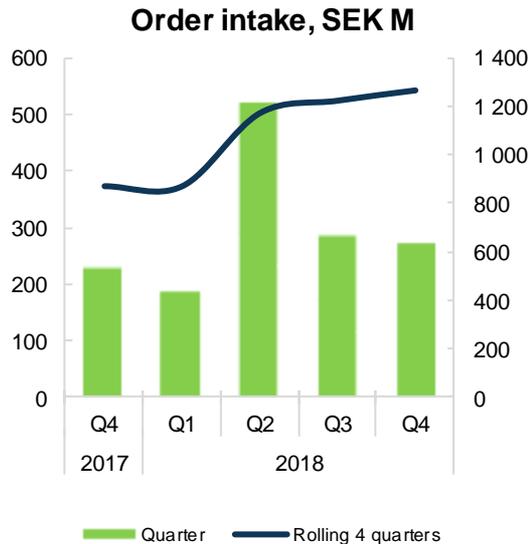


Full year 2018:

Record-high growth generates record-high profitability



Continued strong demand and high level of activity in several geographical markets



- Continued high market activity in fourth quarter primarily in France, Belgium and Norway
- Breakthrough in North American market lifts trend curve to new record levels
- Large number of ongoing pilot projects in several countries
- Record-high order backlog of SEK 224 M, divided among a large number of customers and geographical markets

Increased willingness to invest in digital solutions generates record sales



- Dependence on a few major customers in the French market continues to fall as new markets contribute to growth. USA market accounts for largest growth
- Final delivery and installation of major ongoing North American customer project in fourth quarter
- Proportion of graphic labels continues to rise in the product mix

Product and contract mix together with high component prices put pressure on gross margin



Record-high sales generate record-high profitability for the full year

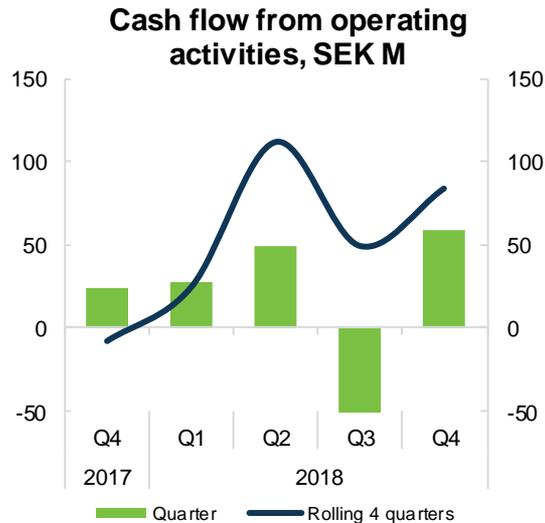
Operating profit, SEK M



Operating margin, %



Strong cash flow → increased dividend proposal



- Positive cash flow from operating activities of SEK 59 M for the quarter and SEK 84 M for the full year
- Continued good control of working capital and cash flow
- High delivery activity ties up capital in inventories and trade receivables – cash flow should be viewed over time
- The Board proposes a dividend of 60 öre SEK per share (50 öre) to the AGM

Summary

- Market growth: major interest in Pricer's solutions
- Continued high production and delivery activity
- Larger customer base spread over several geographical markets → increased stability of underlying revenue streams but continued volatility in major customer projects
- Several new customers choose label solutions based on graphic ePaper
- Pricer's product positioning solutions combined with the label's flash capability activated by several major retail chains
- Competitive scenario remains tough for solutions that automate price updates. Pricer's strength is to offer more advanced functionality
- Executive Management strengthened
 - Magnus Larsson, Vice President Customer Operations
 - Johan Kronlöf, Head of Quality & Sustainability
 - Susanne Andersson, CFO - took up post in January 2019

Why invest in Pricer?

- Strong underlying market growth; digitization of physical retail considered necessary for retaining competitiveness
- Unique and hard to copy technical solution; based on reliable, scalable, energy-efficient and interference-free communication
- Strong balance sheet → continued innovative strength
- Global presence with large installed base
- Long experience of developing solutions that work well in retail
- Flash capability in the labels combined with dynamic positioning of products in the store enables cost reductions as well as increased sales and improved customer satisfaction

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