

Q1

January – March 2024

PRICER

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*Vision:
Retail's first choice in
in-store automation
and communication*

PRICER

Pricer in brief

310+ Million

Labels Deployed

200

Employees

40 Million

Labels Yearly

70+

Countries

25000+

Stores

11

Office Locations

3000+

Stores on Plaza

25+ Million

Labels on Plaza



Business outlook

1

The interest in an alternative to radio-based ESL solutions is tangible as retailers across many markets plan to modernize their current ESL installation and realize that they require better reliability and performance to manage store operations

2

The digitalization of the physical store is becoming a reality with several retailers starting projects to improve efficiency and enhance their shopper experience, making the UK to one of the hottest markets in Europe

3

Market growth is spreading over several geographies. Many retailers have budget and staff in place to start larger-scale store digitalization projects, and customers with an existing ESL system are investing in system modernization

4

With more than 85% of all ESLs ordered in the quarter on the UK, Pacific and Swedish markets, the shift to four color labels and displays is tangible, improving customers' ability to run promotions and express their brand

5

Supporting retailers with solutions that minimize environmental impact and support their sustainability strategy is becoming a competitive and, in some markets, legal requirement requiring suppliers to investigate new ways of working and producing products and solutions

Financial targets


Operating Margin

EBIT >8%

Annual sales growth


Should be in line with market or ≥15%

New agreements



East of England Co-op has ordered a full-chain installation in all 120+ of its food stores with the cloud-based platform Pricer Plaza and digital labels.

Value 50 MSEK



Italian retail group Maxi Di and Pricer signs framework agreement.

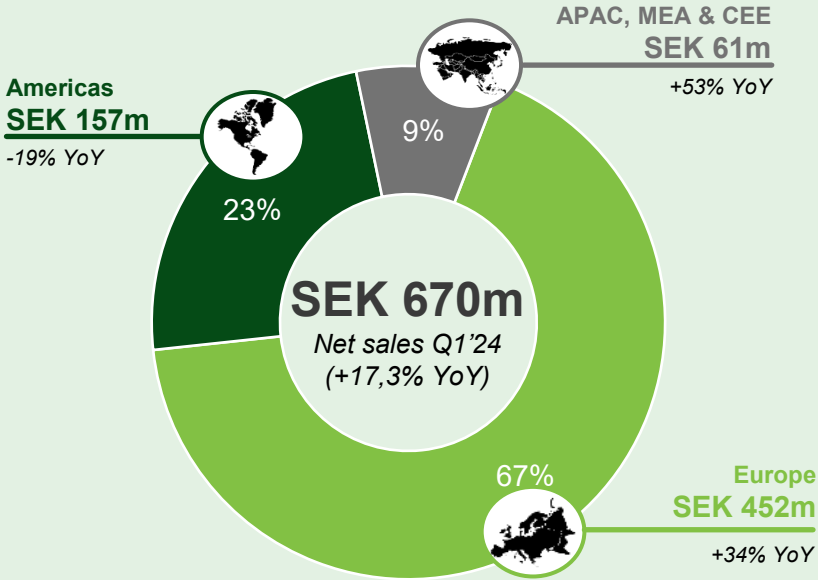


The upmarket Italian delicatessen brand, Prezzemolo & Vitale, rolls out Pricer's in-store automation solution to its London stores.

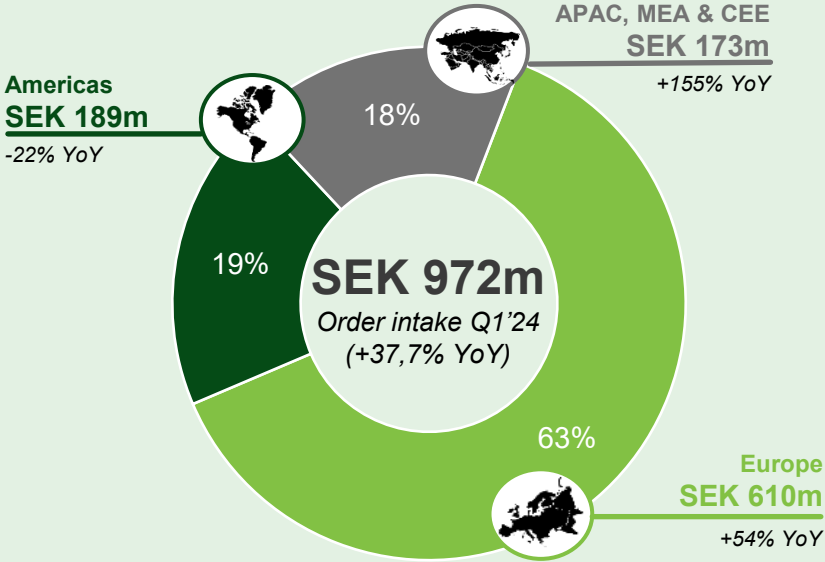


Market development

Net Sales Q1'24



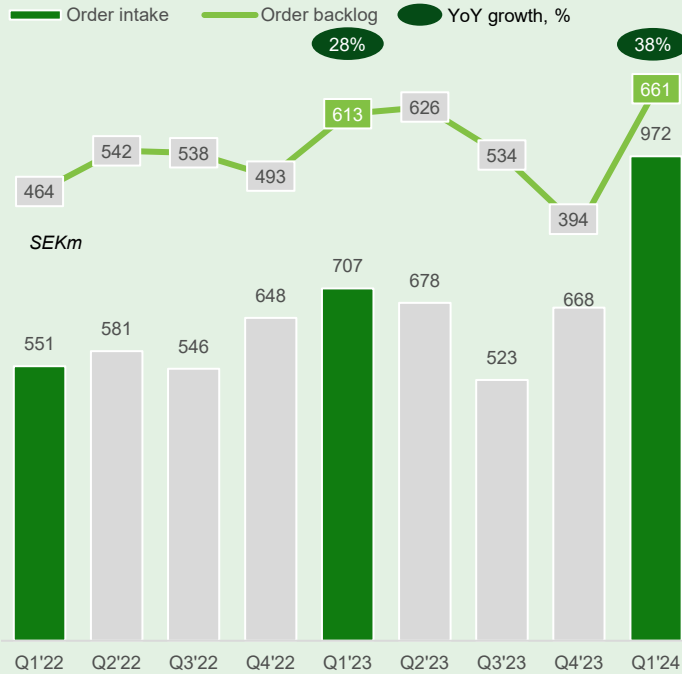
Order intake Q1'24



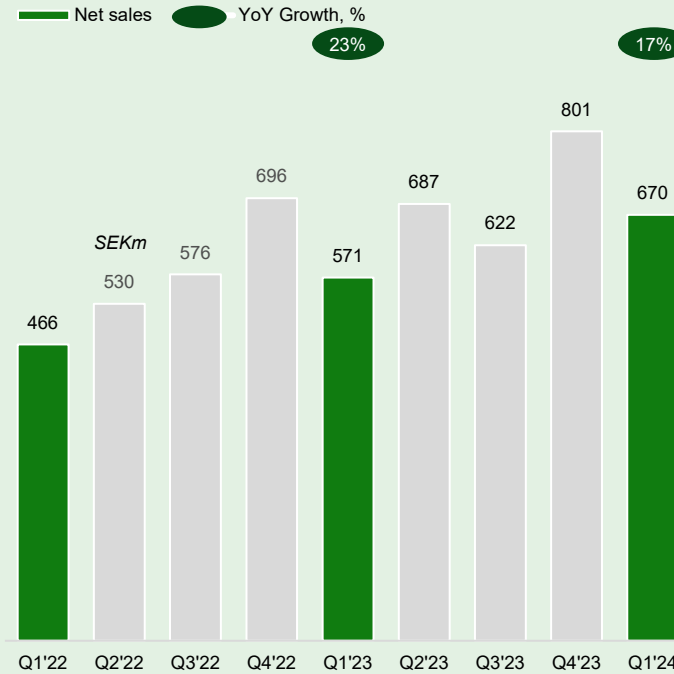
- Strong growth in Europe, driven by SOK deployment in Finland and strong developments in UK and Italy
- Americas still seeing slowdown in Canadian deployments versus last year, however significant market activity
- Exceptional order growth in APAC, MEA & CEE driven by Pacific and Middle East

Q1 2024 financial development

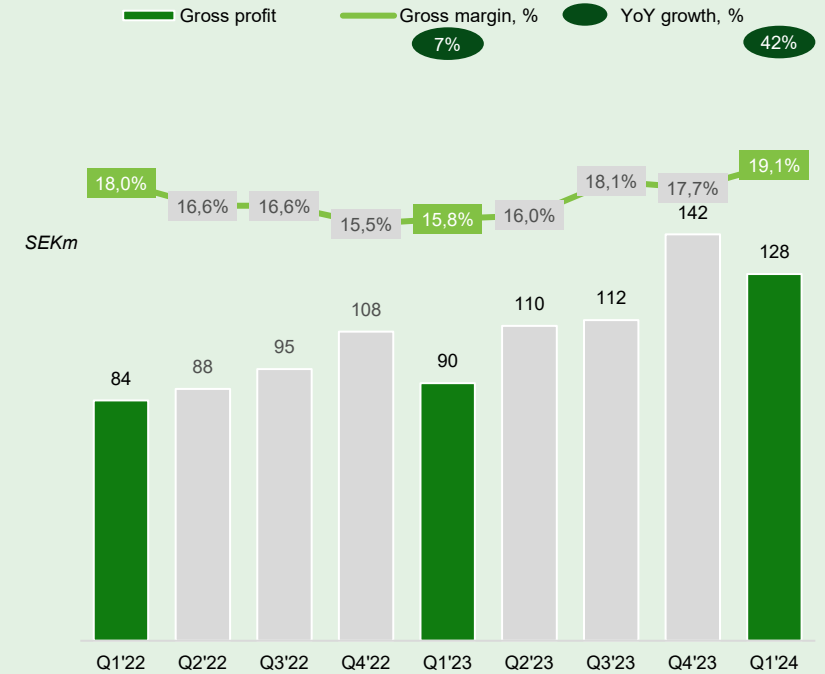
Order intake



Net Sales



Gross Profit



- Order growth of 38% YoY, strongest order intake ever
- Wide range of markets contributing, most notably Finland
- Limited currency impact on the order intake

- Net sales growth of 17% YoY – best Q1 ever
- Growth due to immediate deliveries on Q1 order intake
- Limited currency impact on the net sales

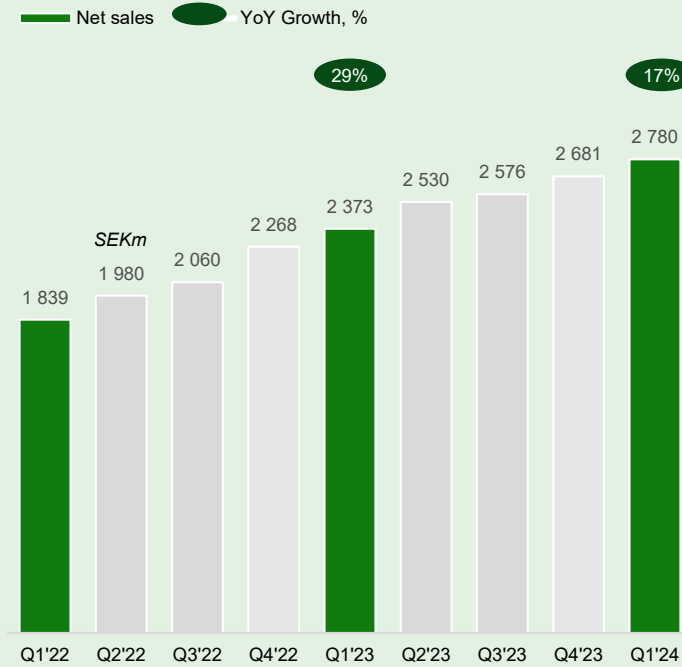
- Increase in gross margin YoY, due to cost reductions on ESLs and lower component costs
- Higher utilization of sea freight impacting positively
- Gross profit growth of 42% YoY

R12 financial development

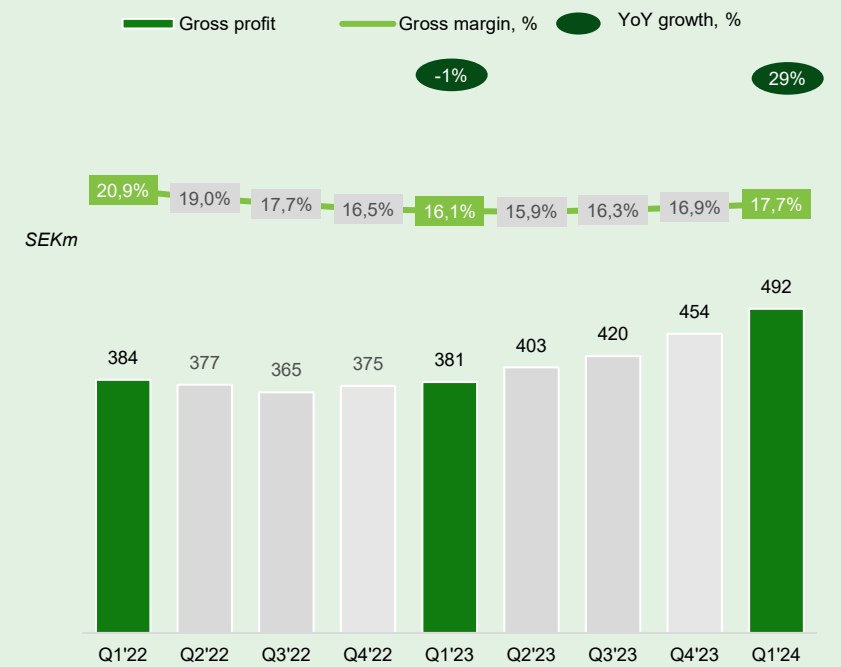
Order intake



Net Sales



Gross Profit

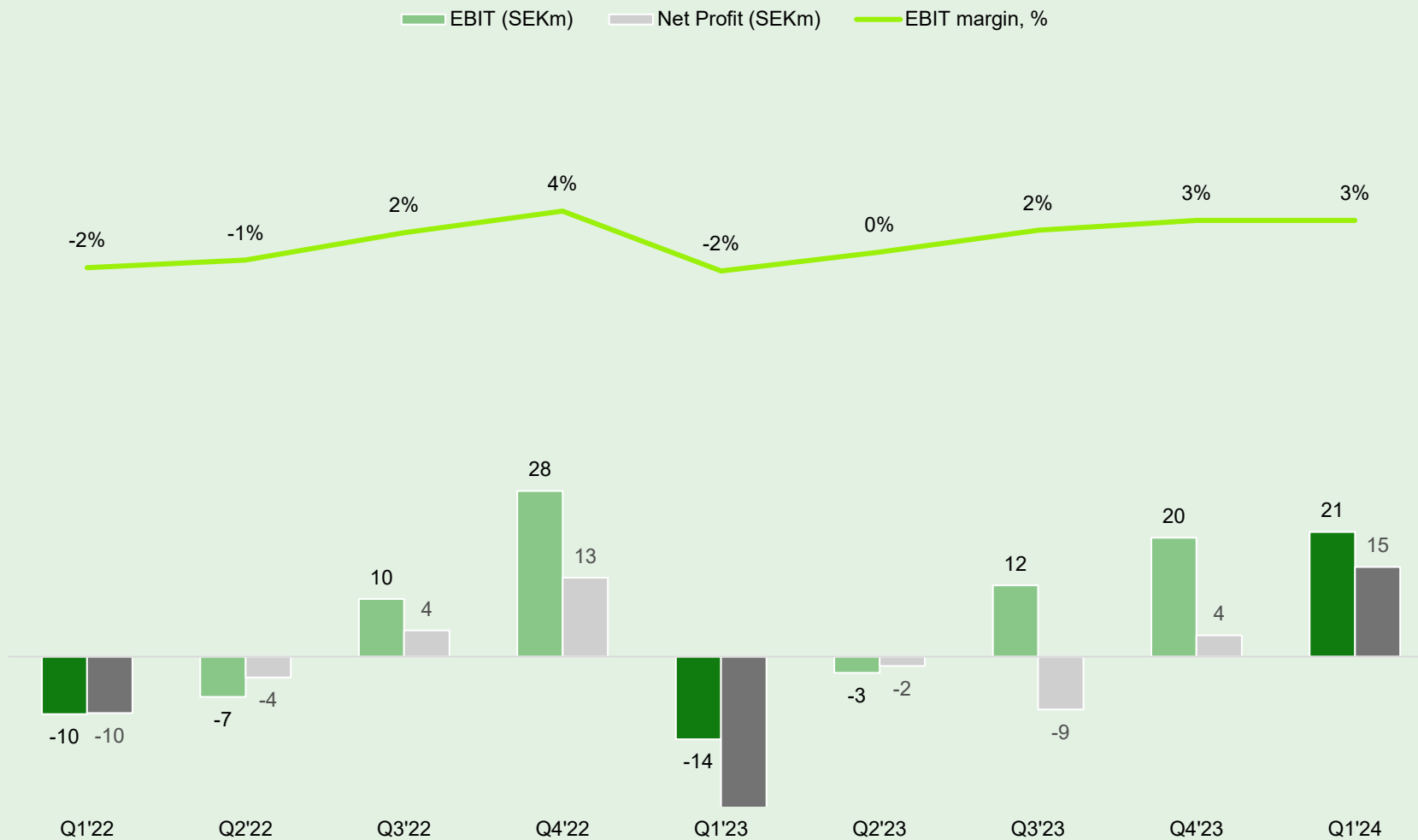


- Pick-up in R12 order intake following slight slow-down in orders towards end of '23, largely due to slowdown in Americas

- Consistent R12 net sales growth since Q4 '21 driven by increased focus on sales

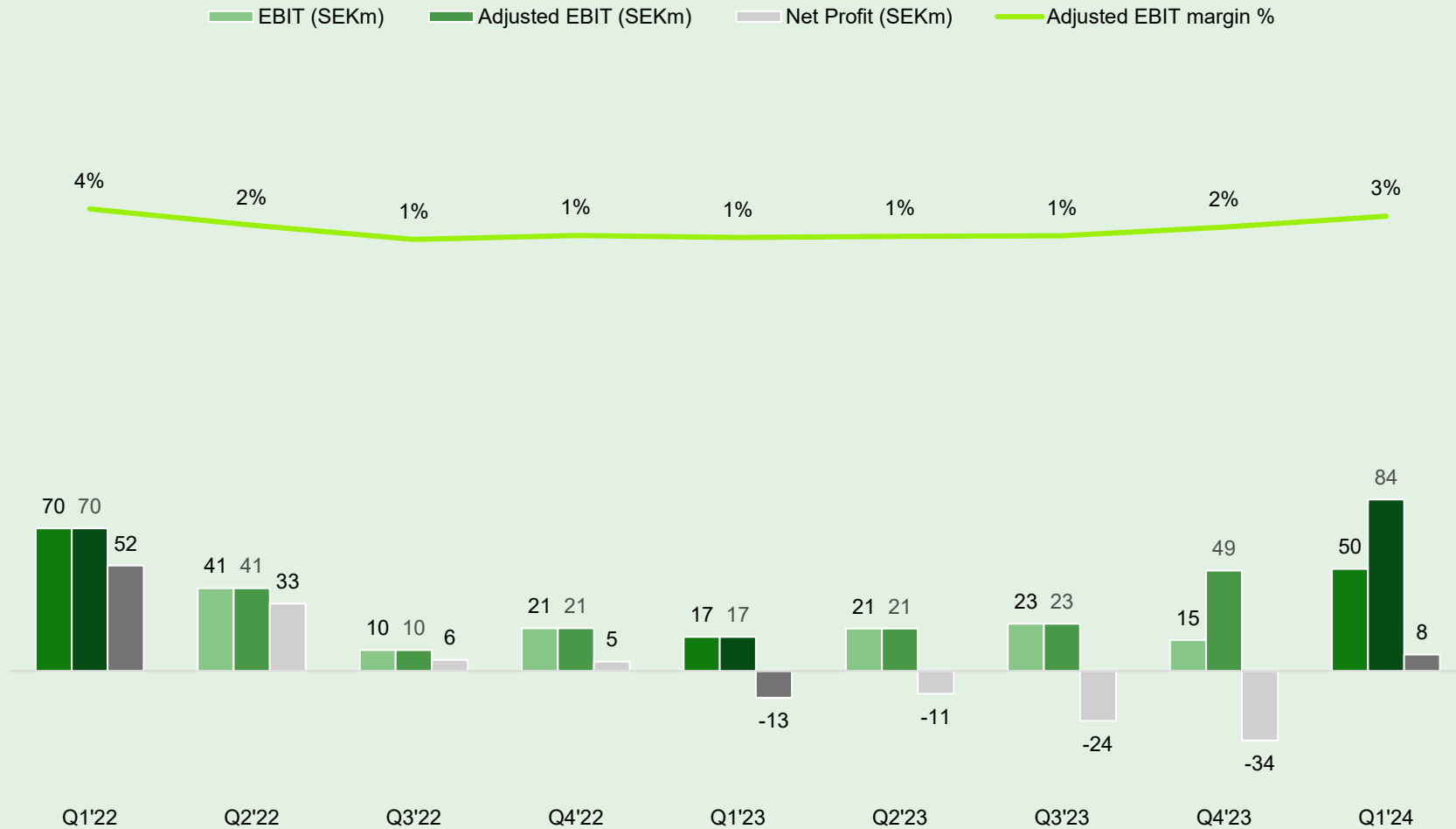
- Strong R12 gross profit development last quarters, beating previous years due to gross margin recovery and strong sales growth

EBIT & Net profit development



- Net sales growth, gross margin and operating cost reduction increased EBIT vs last year
- EBIT of 21.4 MSEK and EBIT margin of 3.2%
- FX impacting EBIT negatively by -11.6 MSEK in the quarter, positive impact on net financials from FX with 7.3 MSEK

R12 EBIT & Net profit development



- Strong EBIT improvement in R12
- During Q4 2023 we had comparability impaired cost of 34.1 MSEK related to the restructuring program and impairment of capitalized development projects.

Detailed P&L Q1 2024

Profit & Loss (MSEK)	Q1 2024	Q1 2023	12 month	FY 2023
Net sales	670.3	571.4	2,780.0	2,681.2
COGS	-542.0	-481.4	-2,287.2	-2,226.5
Gross Profit	128.2	90.0	492.8	454.6
<i>Gross margin</i>	<i>19.1%</i>	<i>15.8%</i>	<i>17.7%</i>	<i>17.0%</i>
Selling expenses	-53.1	-44.6	-225.4	-216.9
Administrative expenses	-32.5	-49.3	-145.7	-162.4
Research and development costs	-9.5	-12.8	-62.2	-65.5
Other income and expenses	-11.6	2.7	-8.7	5.6
EBIT	21.4	-14.0	50.8	15.4
<i>EBIT margin</i>	<i>3%</i>	<i>-2%</i>	<i>2%</i>	<i>1%</i>
Depreciation & Amortization	16.2	14.8	62.6	61.3
EBITDA	37.6	0.9	113.4	76.6
<i>EBITDA margin</i>	<i>6%</i>	<i>0%</i>	<i>4%</i>	<i>3%</i>
Items affecting comparability	0.0	0.0	34.1	34.1
Adjusted EBIT	21.4	-14.0	84.9	49.5
Financial income	7.3	-0.6	5.8	-2.1
Financial expense	-12.5	-11.5	-55.2	-54.1
EBT	16.2	-26.0	1.4	-40.8
Tax	-1.1	-1.2	-7.4	-7.5
Net profit	15.1	-27.2	-5.9	-48.3

- Other income and expenses impacted negatively due to stronger USD in Q1 2024 with -11.6 MSEK.
- FX impact on Net financial income by +7.3 MSEK in Q1 2024.

Balance Sheet Q1 2024

Balance sheet (MSEK)	Q1 2024	Q1 2023	Q4 2023
Intangible assets	414.0	405.4	398.3
Property, plant and equipment	87.8	62.9	90.6
Right-of-use assets	15.3	23.3	18.1
Deferred tax assets	71.5	67.7	67.0
Total fixed asset	588.7	559.3	574.0
Inventories	571.6	613.5	653.6
Trade receivables	395.3	254.6	287.3
Other current assets	266.2	280.3	225.5
Cash and cash equivalents	198.1	96.7	255.6
Total current asset	1,431.2	1,245.0	1,421.9
TOTAL ASSET	2,019.9	1,804.4	1,995.9
Equity	993.0	708.9	957.2
Interest bearing liabilities	250.4	249.2	250.0
Trade payables	492.2	607.5	588.2
Advances from customer	31.3	19.2	7.7
Other liabilities	252.9	219.5	192.8
Non-interest bearing liabilities	776.4	846.2	788.8
TOTAL EQUITY AND LIABILITIES	2,019.9	1,804.4	1,995.9

- Inventory at 572 MSEK vs 654 MSEK 31 December '23. High deliveries end of quarter reducing inventory levels.
- Cash flow from operations -40 MSEK, due to high payment of accounts payable in the first quarter.
- Increased accounts receivable vs year-end due to high sales end of quarter.

New financial targets as of March 2024

Operating Margin

EBIT >8%

**Annual sales
growth**

**Should be in line
with market or
≥15%**

Capturing the market 2024



Sales and delivery

Build presence and capture market share on strategic markets such as US, UK, Spain, Germany, Pacific and Japan

Maintain or grow market share on established markets with focus on Plaza migration, up sale and store modernization



Commercial proposition

Revamp commercial packaging and market communication to simplify sales and position Pricer as retail's first choice



Supply leadership

Minimize cost, lead times and carbon footprint, and improve quality through continuous development of regional and automated manufacturing with focus on efficiency improvements



Cloud Tech

Deploy a 'SaaS First' strategy focusing on simplicity, application, and stellar customer experience for all customer stakeholders



Summarizing Q1 2024

1

Highest Order Intake in Pricer history at 972 MSEK with seven different sales areas contributing to this quarter's customer top-10 list.

2

Continuous actions to improve gross margin resulted in a 19.1% gross margin for Q1 at a net sales of 670 MSEK.

3

The cost savings program announced in December is progressing well with full effect of actions expected end of Q2 or early Q3, and the transformational program has started to generate positive results.

4

Pricer reached an important milestone in March with the announcement of new long term financial targets on sales growth and profitability.

5

Pricer continues the growth on the UK market and will equip over 200 stores with Price Plaza and four-color labels at East of England Co-op, O&CC and Prezzemolo & Vitale over the coming year.

19.1%
Gross margin

+38%
Order intake growth YoY

SEK 972M
Order intake

Q&A



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