

# Q2

January – June 2024

**PRICER**

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President and CEO

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Stockholm, Sweden, July 18, 2024

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

The PRICER logo is displayed in a bold, green, sans-serif font within a white circle. This circle is centered within a series of three concentric, light gray circles. The background of the entire slide is a blurred image of a retail store interior, showing shelves and products.

**PRICER**

# Pricer in brief

**310+ Million**

Labels Deployed

**200**

Employees

**40 Million**

Labels Yearly

**70+**

Countries

**25000+**

Stores

**11**

Office Locations

**3500+**

Stores on Plaza

**25+ Million**

Labels on Plaza



# Market development

1

The North American market is making rapid strides as leading retailers move from planning to investing

2

Many major UK retailers, across segments, have started the strategic work to evaluate, plan and budget for store digitalization

3

Retailers with many stores on ESL are taking steps towards full chain deployments to get all benefits out of the digitalization across a format or full chain

4

Grocery retailers on several markets face increased competition from hard discounters and spend money on lowering prices affecting planned investments

5

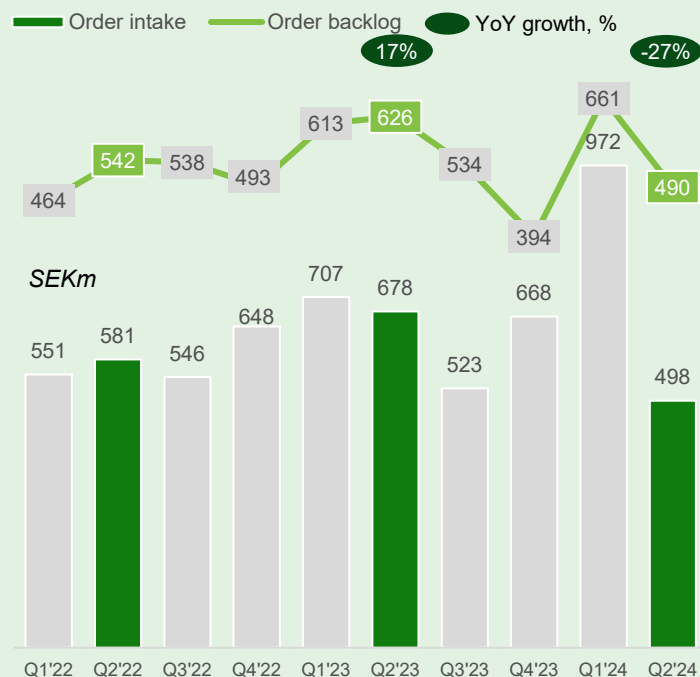
Meeting the growing need for four colour labels, we will add capacity as we also start production in Germany in Q4-24



**Q2 2024**

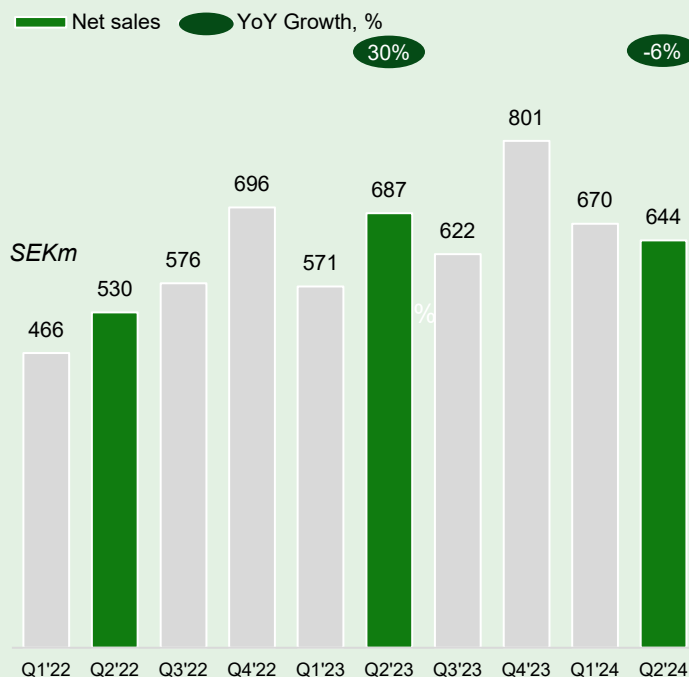
# Q2 2024 financial development

## Order intake



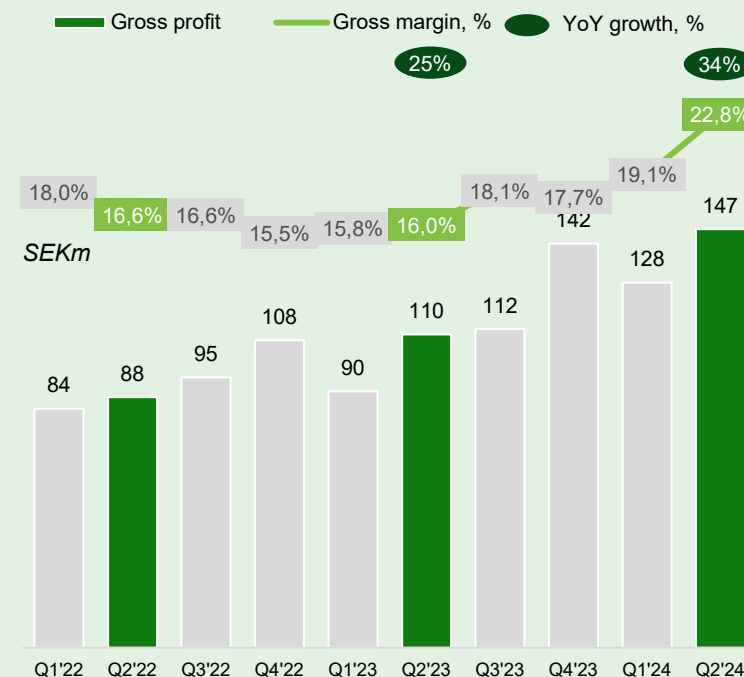
- Orders down 27% YoY
- Investment pauses and delays on major customer projects impacting
- Order intake can vary considerably from quarter to quarter

## Net Sales



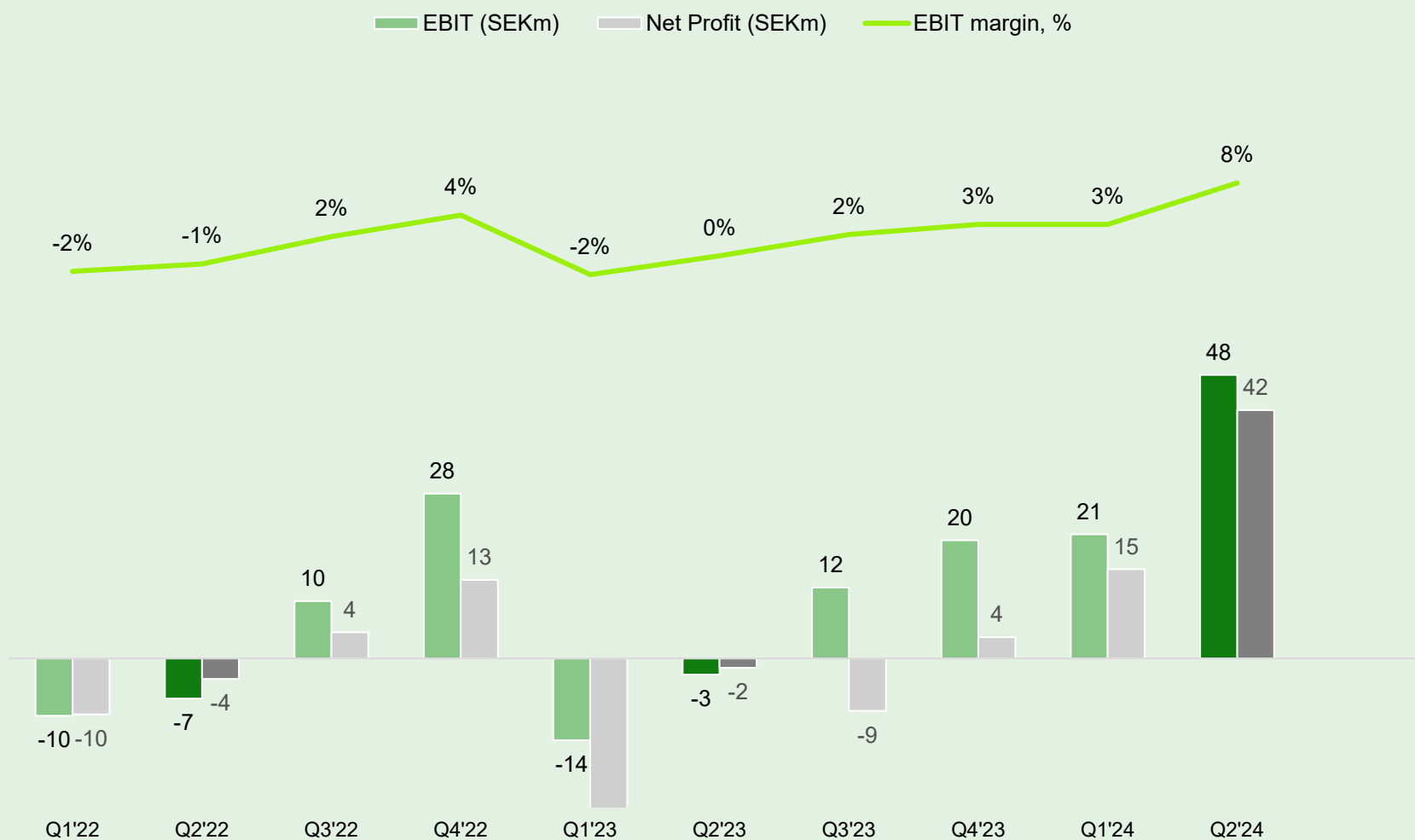
- Net sales decline of 6% YoY
- Net sales impacted by investment pauses
- Limited currency impact on the net sales

## Gross Profit



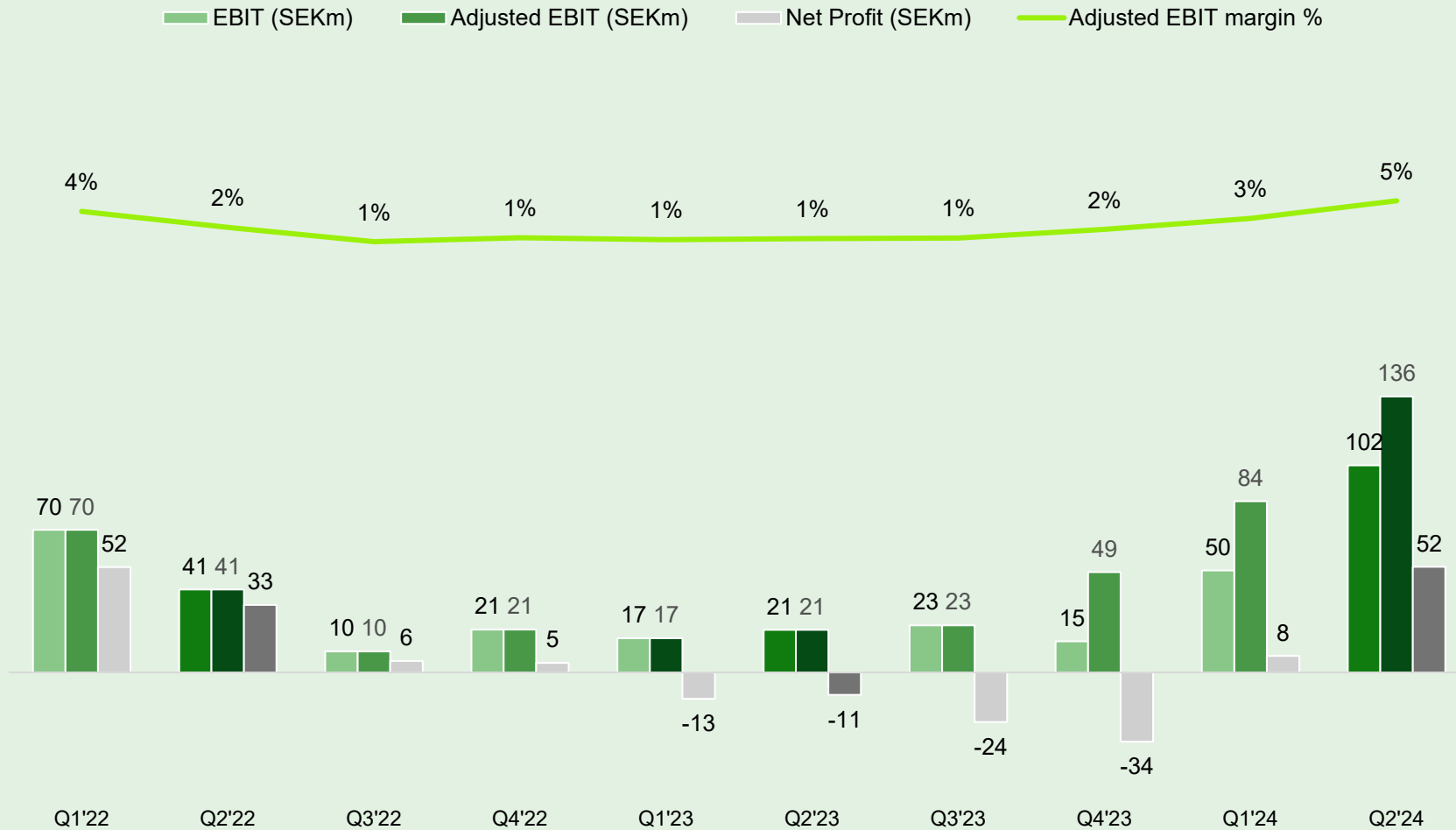
- Increase in gross margin YoY, driven by cost reduction efforts initiated in '22
- Product mix impacting positively
- Gross profit growth of 34% YoY

# EBIT & Net profit development



- Gross margin improvement and operating cost reduction significantly increased EBIT vs last year
- EBIT of 48.5 MSEK and EBIT margin of 7.5%
- FX impacting EBIT negatively by -3.9 MSEK in the quarter

# R12 EBIT & Net profit development



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

# P&L 2024

	Q2	Q2	6 mos.	6 mos	Rolling	FY
Amount in SEK M	2024	2023	2024	2023	12 mos	2023
Net sales	644,0	687,2	1 314,2	1 258,7	2 736,7	2 681,2
Cost of goods sold	-496,8	-577,0	-1 038,9	-1 058,4	-2 207,0	-2 226,5
<b>Gross profit</b>	<b>147,1</b>	<b>110,2</b>	<b>275,3</b>	<b>200,3</b>	<b>529,7</b>	<b>454,6</b>
Selling expenses	-54,1	-54,5	-107,2	-114,2	-209,9	-216,9
Administrative expenses	-32,1	-39,3	-64,7	-73,7	-153,4	-162,4
Research and development costs	-8,5	-14,4	-18,0	-27,2	-56,3	-65,5
Other income and expenses	-3,9	-4,8	-8,2	-1,8	-8,1	5,6
<b>Operating profit/loss</b>	<b>48,5</b>	<b>-2,7</b>	<b>77,2</b>	<b>-16,7</b>	<b>102,0</b>	<b>15,4</b>
Finance items	-4,9	-11,2	-17,4	-23,3	-43,0	-56,2
<b>Profit/loss before tax</b>	<b>43,6</b>	<b>-14,0</b>	<b>59,8</b>	<b>-40,0</b>	<b>59,0</b>	<b>-40,8</b>
Income tax	-1,3	-1,8	-2,4	-3,0	-6,9	-7,5
<b>Profit/loss for the period</b>	<b>42,3</b>	<b>-15,8</b>	<b>57,4</b>	<b>-43,0</b>	<b>52,1</b>	<b>-48,3</b>

- New accounting policy related to currency gives a positive effect of 12,1 MSEK on other operating cost and EBIT in the quarter. but no effect on net profit
- Opex down with 18,8 MSEK H1 2024 compared to H1 2023.

# Condensed consolidated cash flow

Amounts in SEK M	Jun 30 2024	Jun 30 2023	Dec 31 2023
<b>OPERATING ACTIVITIES</b>			
Operating profit/loss	77,2	-14,8	9,8
Adjustments for non-cash items	45,5	48,0	77,6
Interest received	4,3	0,0	3,5
Interest paid	0,3	-18,8	-1,8
Income tax paid	-4,3	-3,6	-8,4
<b>Cash flow from operating activities before changes in working capital</b>	<b>123,1</b>	<b>10,8</b>	<b>84,2</b>
<i>Cash flow from changes in working capital</i>			
Increase(-)/decrease(+) inventories	-29,2	134,3	9,6
Increase(-)/decrease(+) trade receivables	-14,5	4,7	4,8
Increase(-)/decrease(+) other receivables	-70,8	-92,9	68,2
Increase(+)/decrease(-) trade payables	13,8	-150,5	-241,1
Increase(+)/decrease(-) other current liabilities	29,2	15,6	-2,4
<b>Cash flow from changes in working capital</b>	<b>-71,5</b>	<b>-88,8</b>	<b>-160,4</b>
<b>Cash flow from operating activities</b>	<b>51,6</b>	<b>-78,0</b>	<b>-76,1</b>

# Summarizing Q2 2024

1

Long-term cost-down efforts on our products, and a favourable product mix, contributed to the improved gross margin in the quarter

2

Effective cost control coupled with gross margin improvements resulted in the third highest EBIT and Net Profit in Pricer history

3

Order intake in the quarter affected by expected orders from a few large customers being postponed and delayed until after summer

4

Corporate transformation is progressing well, with a reorganization in the quarter to ensure clear roles, responsibilities and mandates

5

Strategic Pricer Plaza and four-color label order for an initial 50 stores at a North American retailer with 1500 stores, which will be the largest deployment of four-color labels in North America to-date

**22.8%**  
*Gross margin*

**7.5%**  
*EBIT margin*

**SEK 42M**  
*Net Profit*

# Q&A



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