

# PRICER

## Second quarter of 2021 Financial results Jan – Jun 2021

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Helena Holmgren

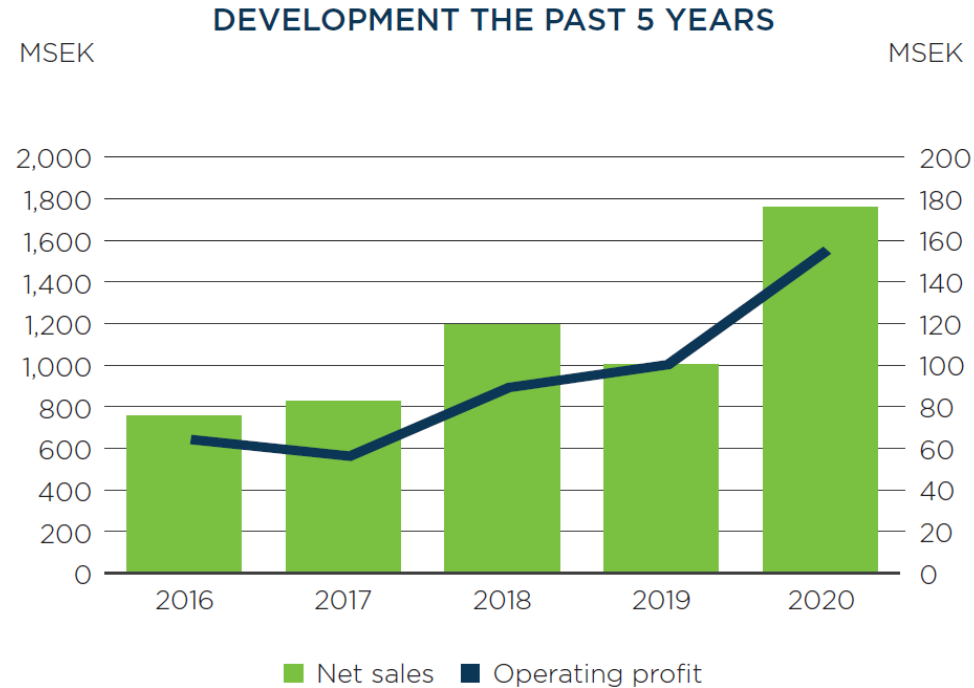
President & CEO

Stockholm, Sweden, July 20, 2021

# PRICER

Founded in 1991 – listed on Nasdaq Stockholm since 1996

Headquartered in Stockholm, Sweden



**200+ Million**

Labels Deployed

**170+**

Employees

**20 Million**

Labels Yearly

**60+**

Countries

**17000+**

Stores

**9**

Office Locations

**5**

Continents

**3**

Decades

# Global macro trends in retail

1

E-Commerce continues to grow  
- Q1 2021 +38% YoY (Forbes)

2

Changed consumer shopping behavior patterns  
- e.g. 71% of consumers say cross channel inconsistency frustrates them & 60% would shop less at retailers that have pricing inconsistencies (Pricer Consumer Insight Survey <sup>1</sup>)

3

Sustainability: waste reduction, local sourcing  
- EU WFD mandates 50% waste reduction by 2030

4

Profitability concerns drive efficiency across all processes  
- Real-time analytics from shelf edge becoming key focus

5

Key Retailers continue to be aggressive in digitalization  
- Carrefour, Tesco and others published strategy and key metrics in 2021



**In-store digitalization is critical to driving profitability and consumer loyalty**

<sup>1</sup> Pricer Consumer Insight Survey conducted during Q1 2021 across 6000 consumers in UK, France and Germany

# What drives the use of Pricer's technology in-store?

Key use cases demonstrate a strong fit with key retailer strategic priorities

**Pricer ESL solutions** are deployed with major retailers who want to:

- Improve customer satisfaction, increase productivity, and reduce costs
- Automate critical, but unpopular, routines for store staff
- Improve the accuracy of shelf price and stock data and accelerate re-ordering
- Speed up online order picking and reduce the volume of 'product not found' / 'substitution' problems
- Engage consumers by providing additional information and payment solutions at the shelf edge

## Key Use Cases

- **Guided replenishment (put-to-light)** – ensuring fast, accurate shelf replenishment
- **Pick-to-light** – saving between 5 and 15 seconds per pick for click and collect (BOPIS) services
- **Automatic Price Changes** and omni-channel price synchronization
- **Waste Management** – price changes based on expiration dates to drive down waste
- **Inventory Management** – showing inventory at shelf and flash to alert for anomalies
- **Merchandising Management** – ensures that campaigns and offers are carried out correctly
- **Dynamic Pricing** – enabling improved margins

# Why Pricer: Proven, robust, innovative & sustainable technology

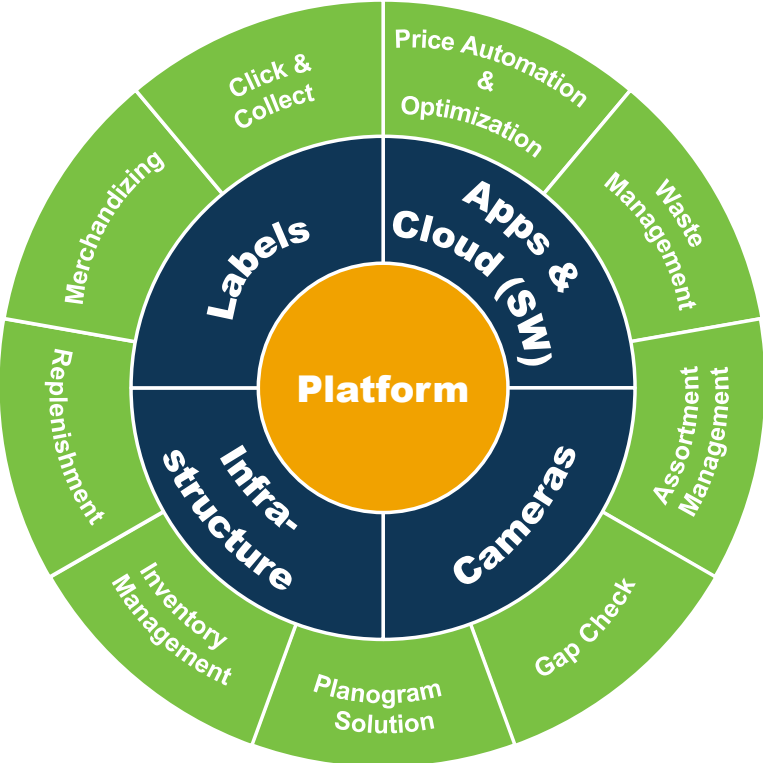
Delivering benefits to shoppers, staff and the business of retail



**Shoppers** love the bright clear labelling presenting them with the right information and product location, every time!



**Staff** trust the clear and reliable ESL's, with Pricer Automated Product Positioning and InstantFlash helping them do their jobs right, first-time!

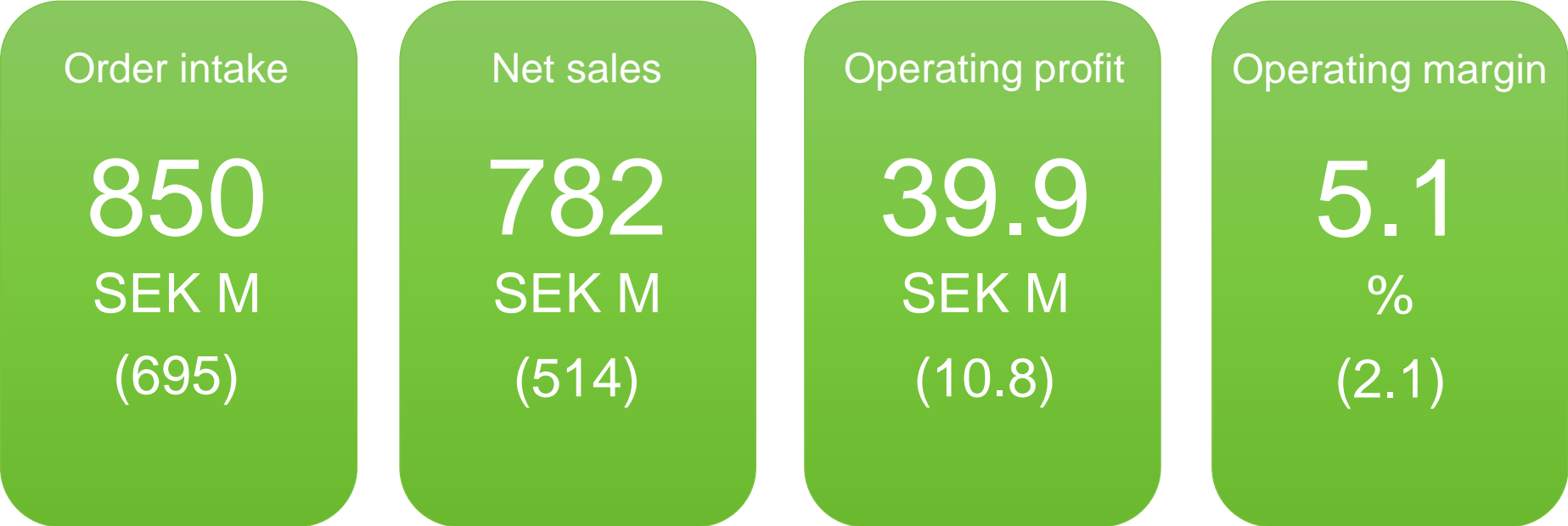


**Retailer's business** benefits with scalable routes to deliver greater productivity benefits and consumer engagement and loyalty.



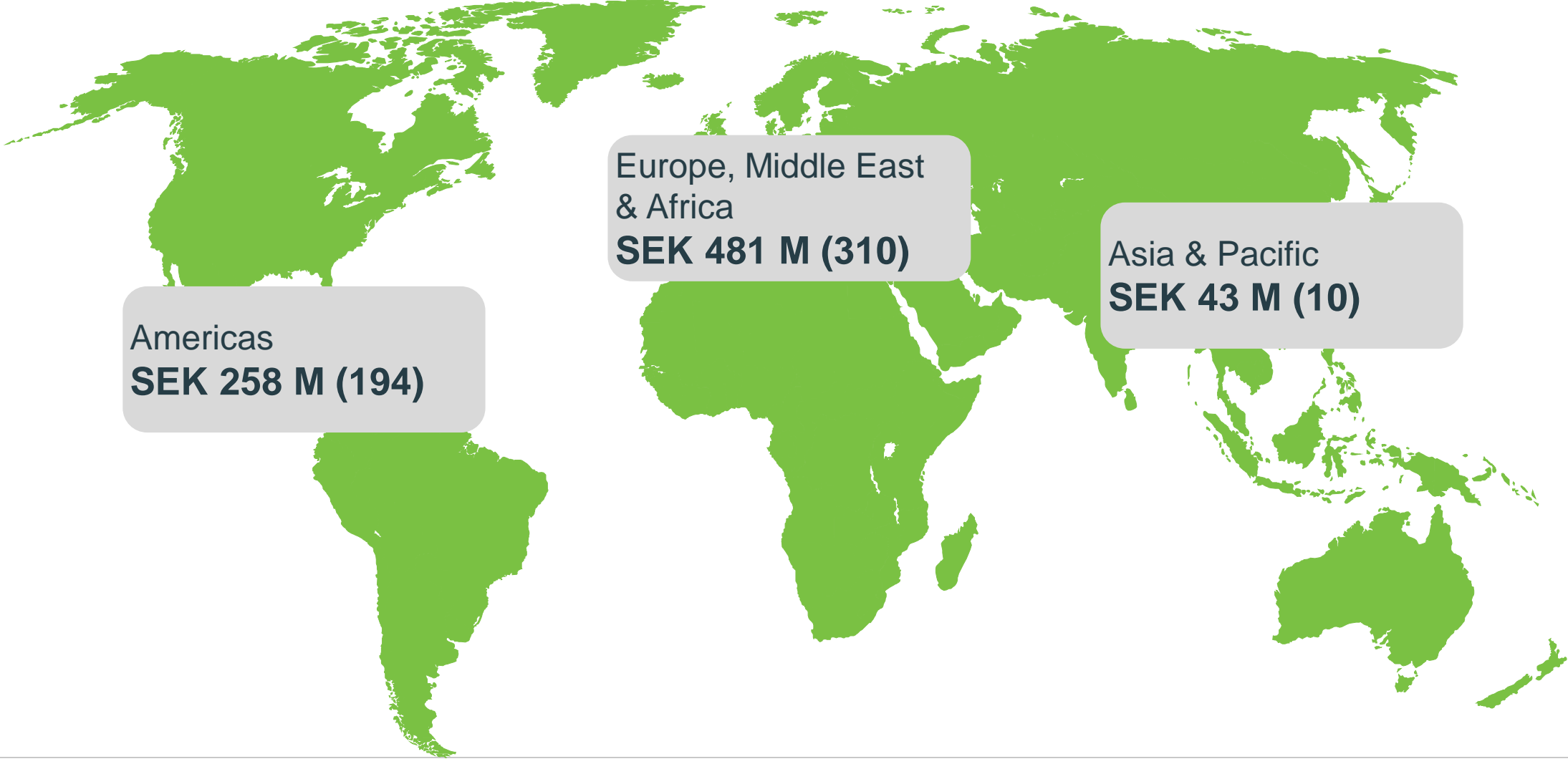
# January – June 2021

Net Sales growth of 52% and improved profitability with continued favorable macro trends



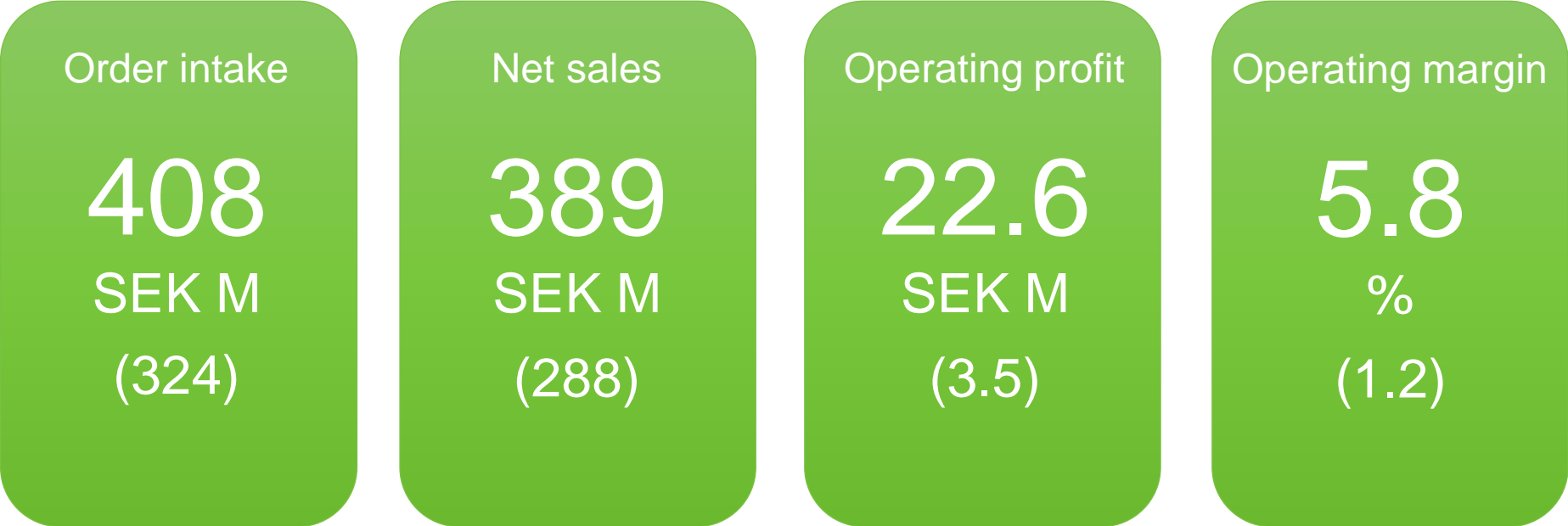
# January – June 2021

## Distribution of Net Sales by geographical region



# Second quarter 2021

Underlying demand more stable and at higher levels than before the pandemic





# Second quarter financials;

Net sales distributed over many customers and continued high activity in several markets



- Net sales of 389 MSEK
- +35% compared with Q2 of 2020
- Top 3 contributors;
  - Canada
  - France
  - Norway
- Longer lead-times than normal due to challenging situation regarding component supply and long transportation time

# Second quarter financials;

## Stable order intake as a result of several parallel framework agreements

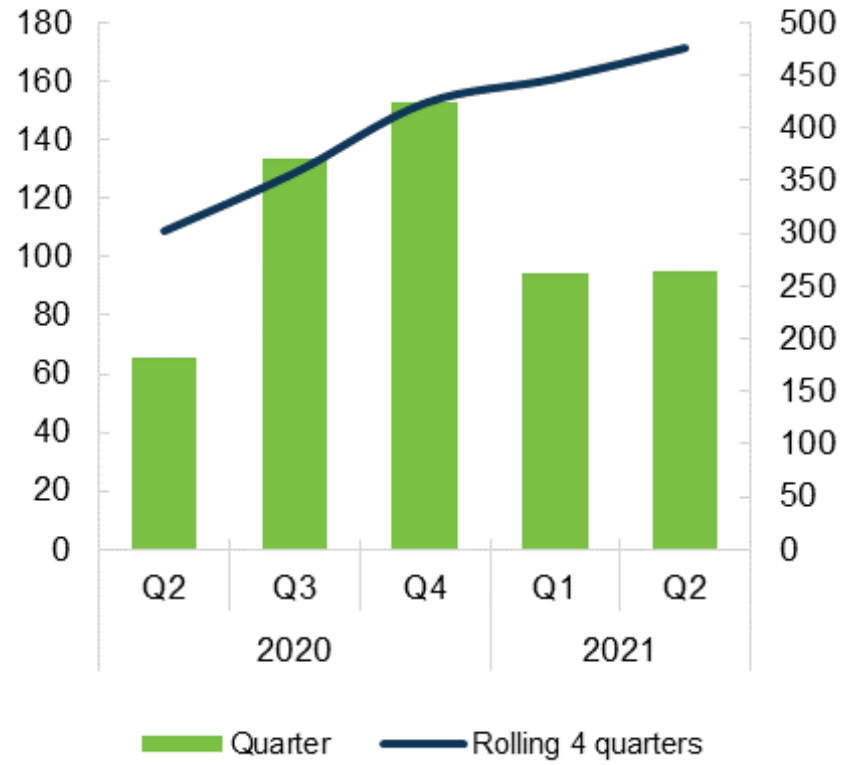
- Order intake of 408 MSEK
- +26% compared with Q2 of 2020
- Stable inflow of small and medium-size orders in addition to call-offs from framework agreements
- Large geographic spread
  
- Order backlog of 563 MSEK at the end of June 2021



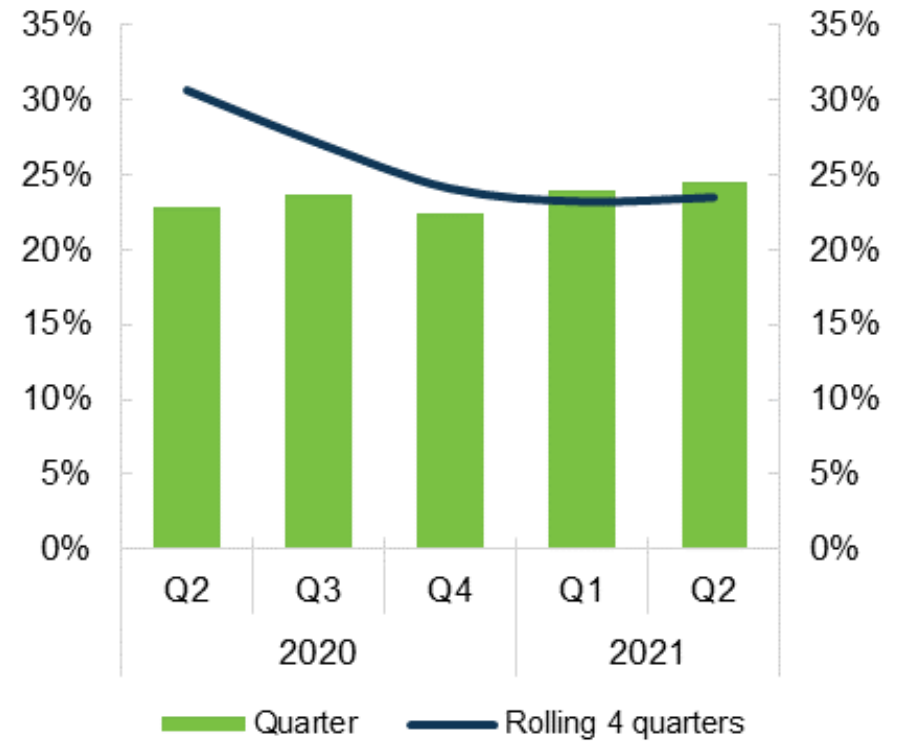
# Second quarter financials;

Stable gross margin development despite high component and freight prices

### Gross profit, SEK M

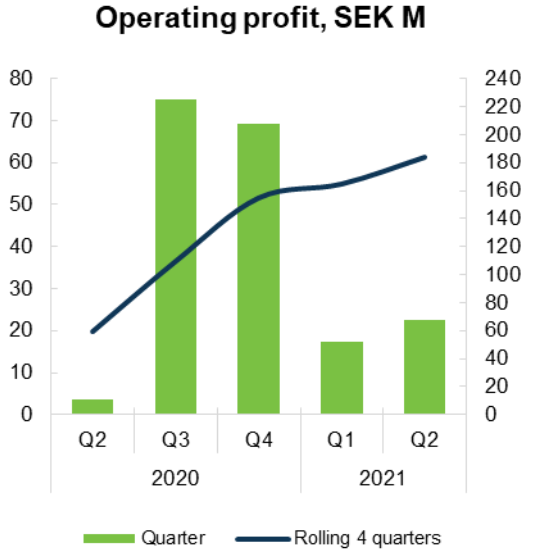


### Gross Margin, %



# Second quarter financials;

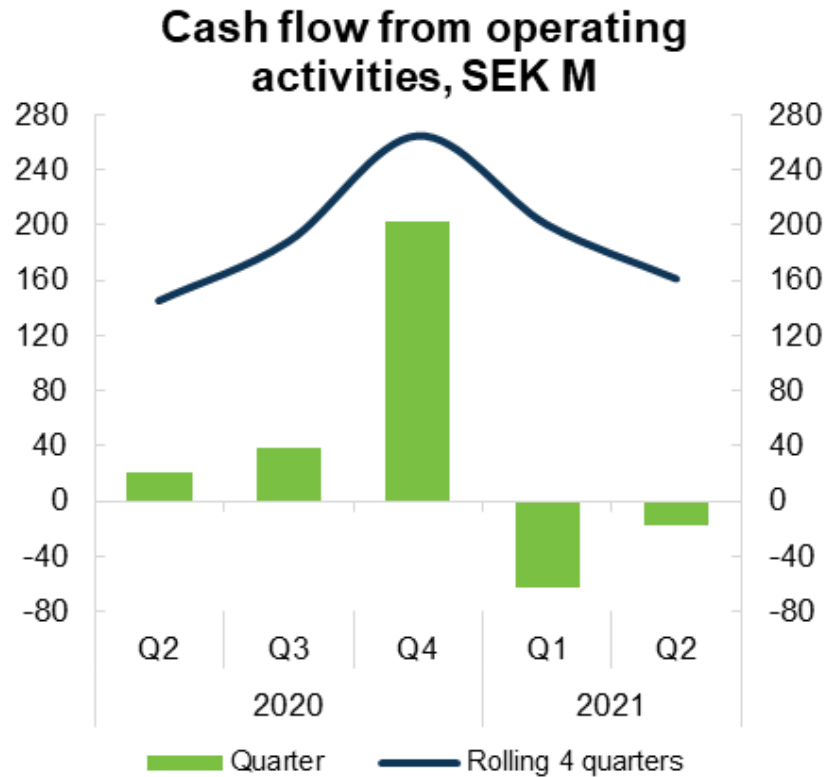
## Growth driving increased profitability compared with last year



- Operating profit of 23 MSEK, equal to operating margin of 5.8%
- Investments in increased market presence and broadened service offering combined with high innovation in product development increase the operating expenses

# Second quarter financials;

## Cash flow impacted by timing of incoming and outgoing payment flows



- Timing effects related to incoming and outgoing payments impacting cash flow
- High rate of production and delivery combined with longer transport times increase capital tie-up in the quarter
- Cash position of 86 MSEK at end of June 2021

# Summary – 2<sup>nd</sup> Quarter 2021

1

Continued high activity with growth in several geographical markets

2

Canada, Norway, Italy and France largest overall contributors to growth

3

Framework agreements and improved market presence creating stability in order flow

4

Increased capital tie-up following high production and delivery pace in combination with longer lead-times for transportation

5

Initiated investments into more scalable production solutions to meet increased demand on the market



**High market demand with steady inflow of customer orders**



# Why invest in Pricer?

- Strong underlying growth on the market with low rate of penetration of ESL-systems.
- Digitalization of physical retail considered necessary for maintaining competitiveness
- Best system on the market. Unique and hard to copy technical solution; based on reliable, scalable, energy-efficient and interference-free communication
- 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
- Long experience of developing solutions that work well in retail industry
- Strong balance sheet enabling continued innovative strength
- Global presence with large, diverse installed base and very strong customer loyalty



**Innovative,  
Leading  
Provider in a  
High Growth  
Market**