

NASDAQ
FIRST NORTH
GM

Verkkokauppa.com

- Finland's most popular webstore

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Content

- Verkkokauppa.com in brief
- Operating environment
- Values and strategy
- Financial highlights
- Q&A



Finnish webstore pioneer since 1992

- Finland's best known and most visited webstore
- Four megastores in Finland
- Founded by Mr. Samuli Seppälä in his parent's garage in 1992
- **"Probably always cheaper"** customer promise
- 65,000 products in 26 main product categories
- 57 million visits in Verkkokauppa.com webstore in 2018
- Listed on Nasdaq First North in Helsinki, Finland since 2014
- EUR 143 million market cap (Nov. 4, 2019)

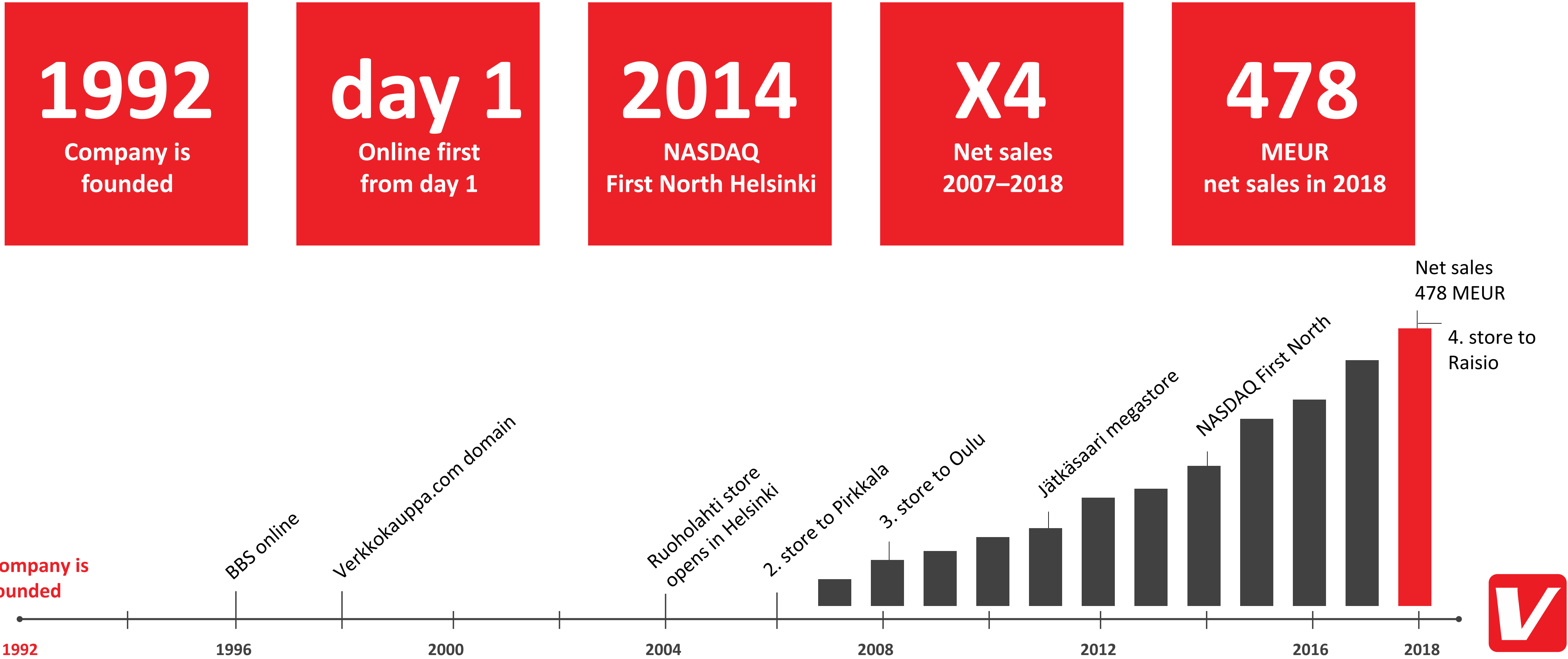
478
million
Revenue 2018, EUR

11%
Revenue growth
in 2018

13.3
million
Operating profit
in 2018, EUR



Our journey to the most popular webstore in Finland



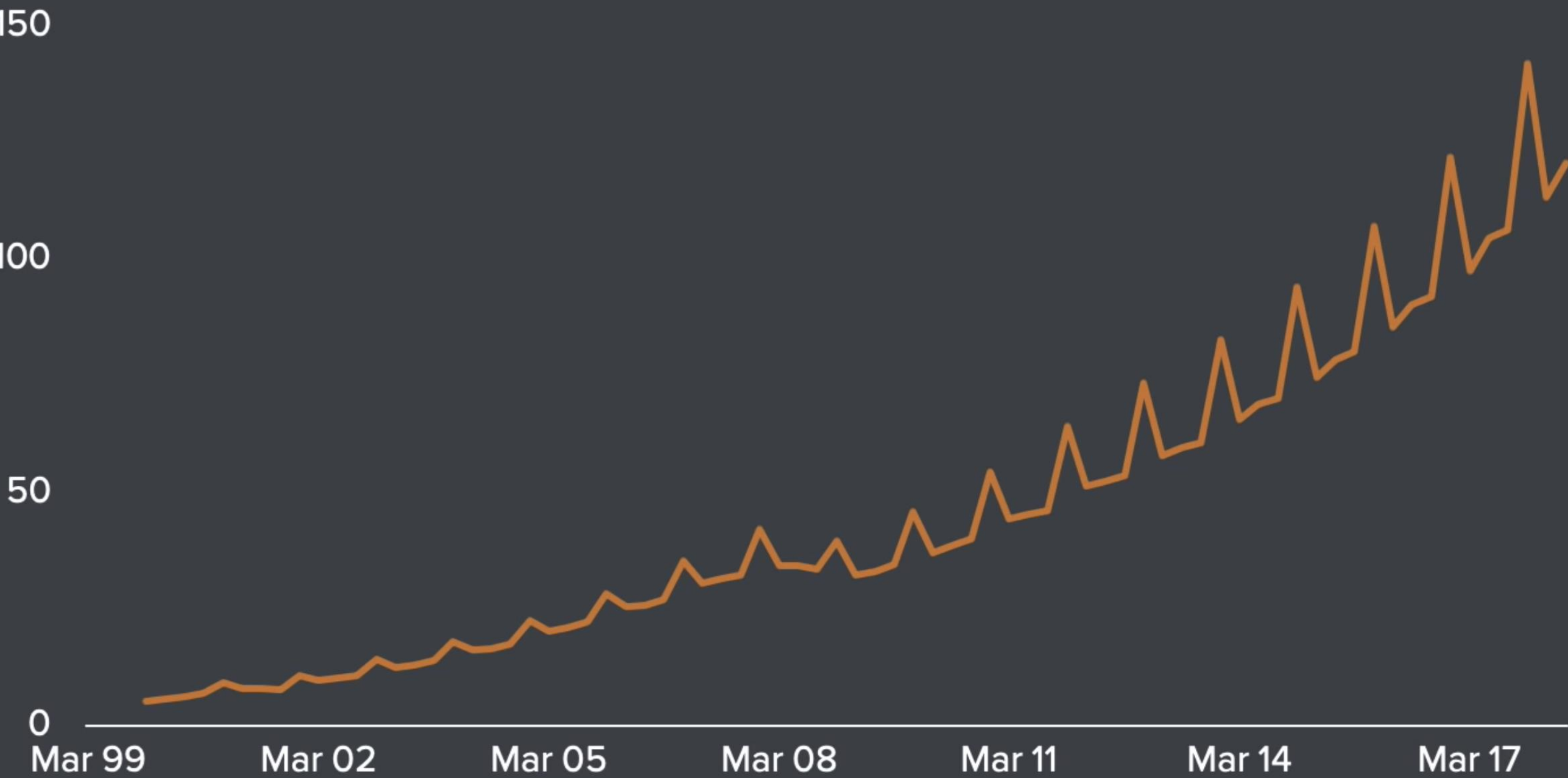
OPERATING ENVIRONMENT



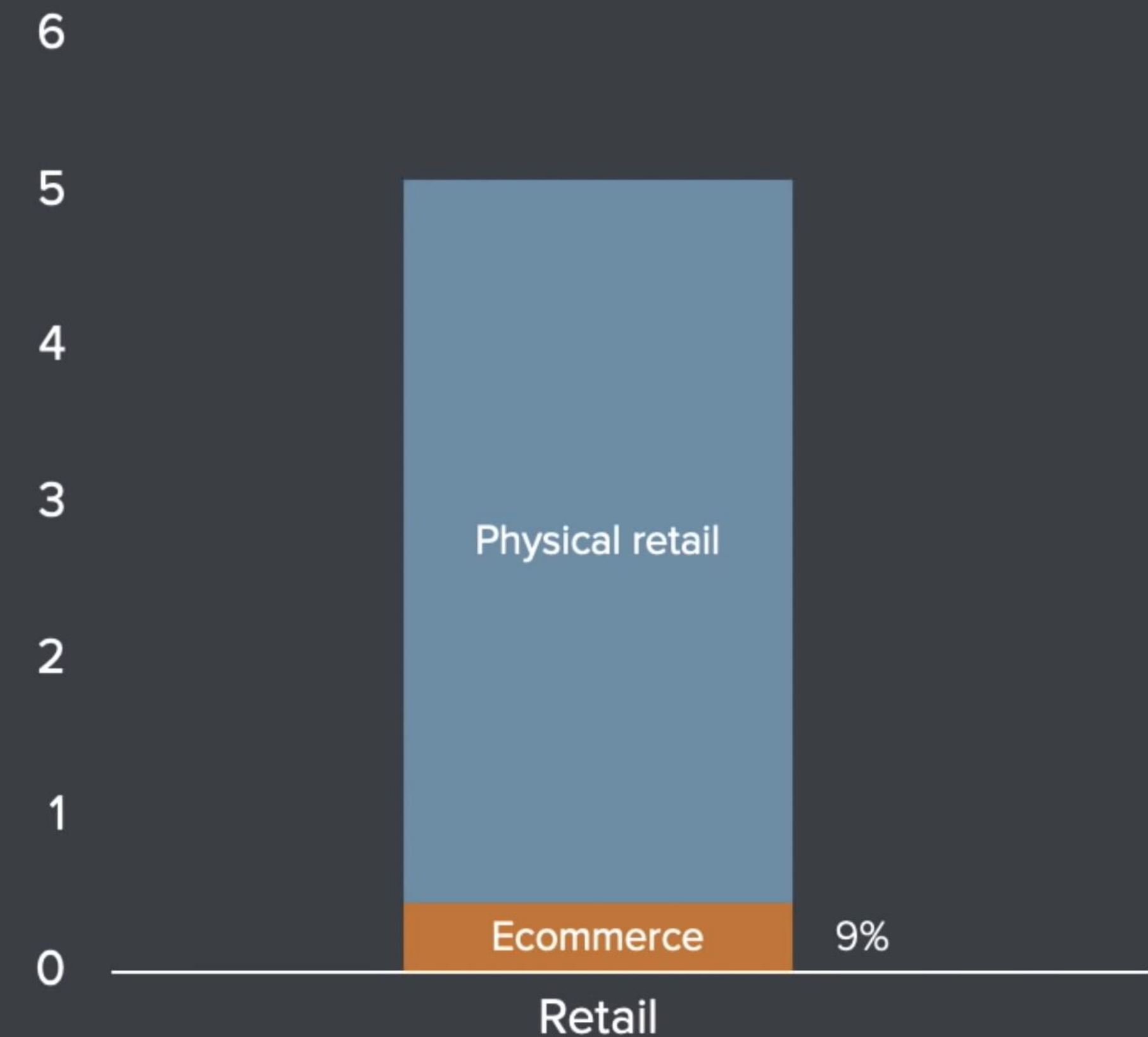
Emerging consumer trends

Ecommerce is big in dollar terms

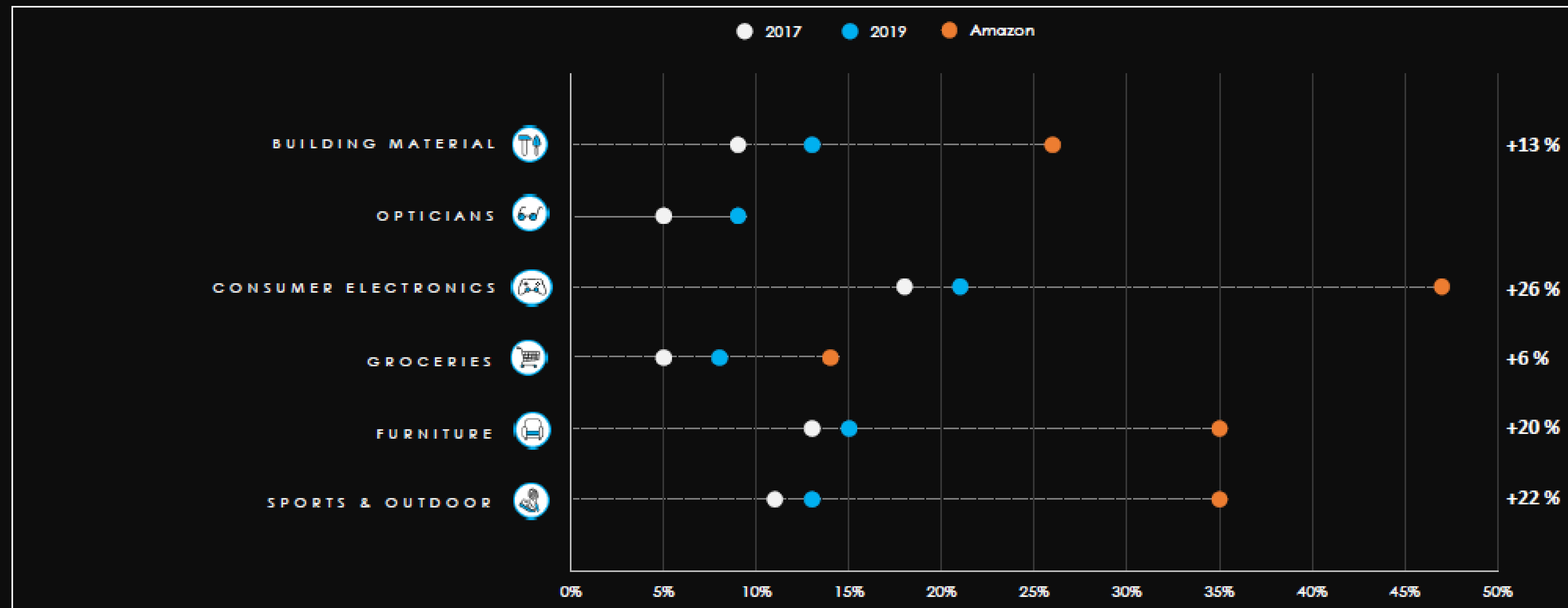
Quarterly US ecommerce revenue (\$bn)



US retail spending, 2017 (\$tr)



Amazon speeds up online growth



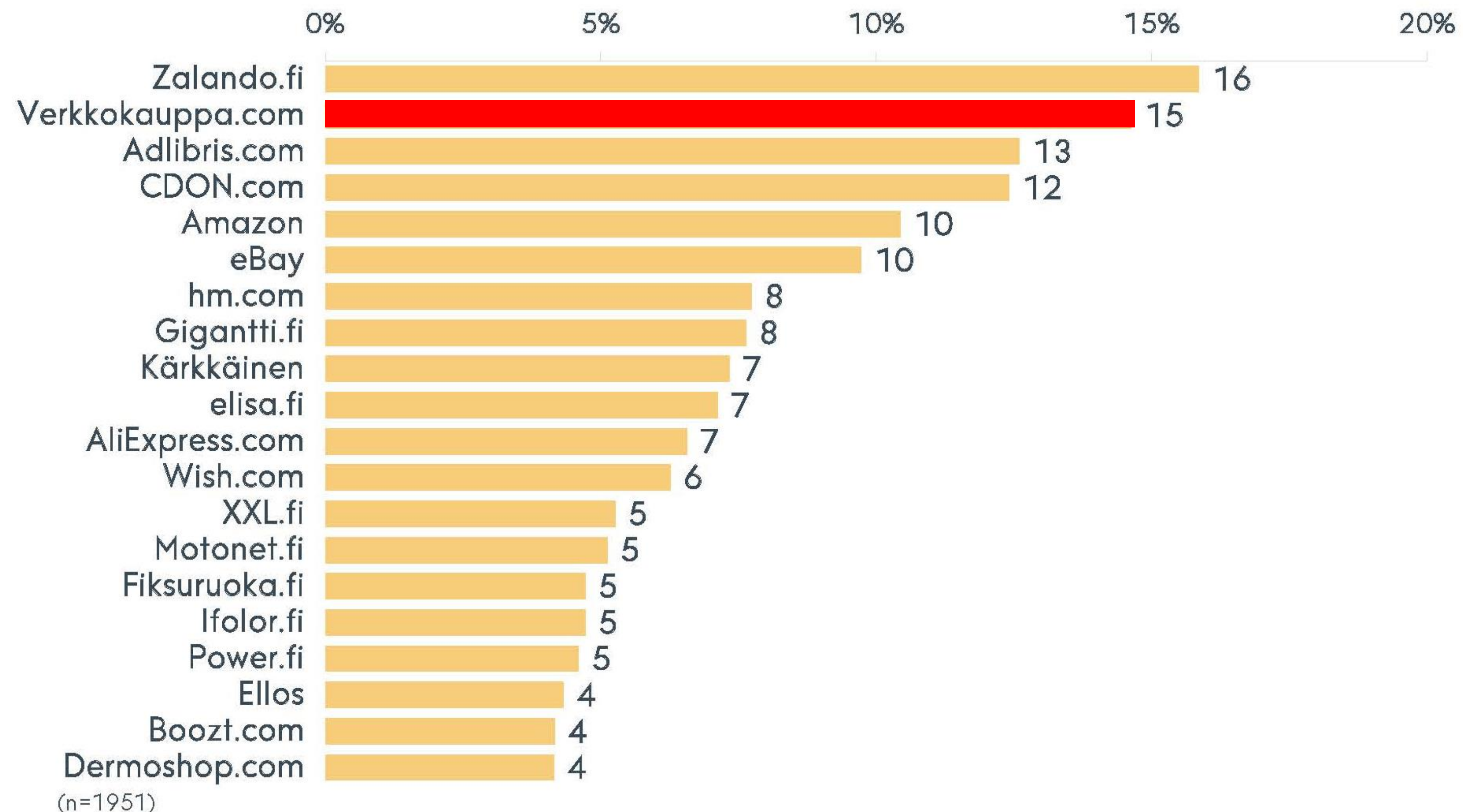
These categories were the same in 2017 and 2019

Development in online purchase preference, Finland 2017-2019 vs. Amazon countries

Source: Kuulas Helsinki/IPG Mediabrands

Finnish eCommerce landscape

Which webstores have Finnish people bought goods from during the last 6 months:



Source: Kantar TNS Internet panels June-July 2019



Finnish eCommerce landscape

Chosen by consumers as Finland's best domestic online store*

- Brand, quality, price and assortment
- Customer experience
- Combining e-commerce and stores to serve our customers in the most efficient way

"Nevertheless we pursue to be the best"

- Launched a new cloud-based search engine to continually personalize search experience
- Customer journey as the main focus in development

*) Kantar TNS's Suuri verkkokauppa 2019 online store survey (n=1951) commissioned by Posti.



VALUES AND STRATEGY



Vision



Verkkokauppa.com's vision is to be
a Nordic leader in retail through
cost-efficiency, brand image, own
ecosystem and scalable business model



Focus areas

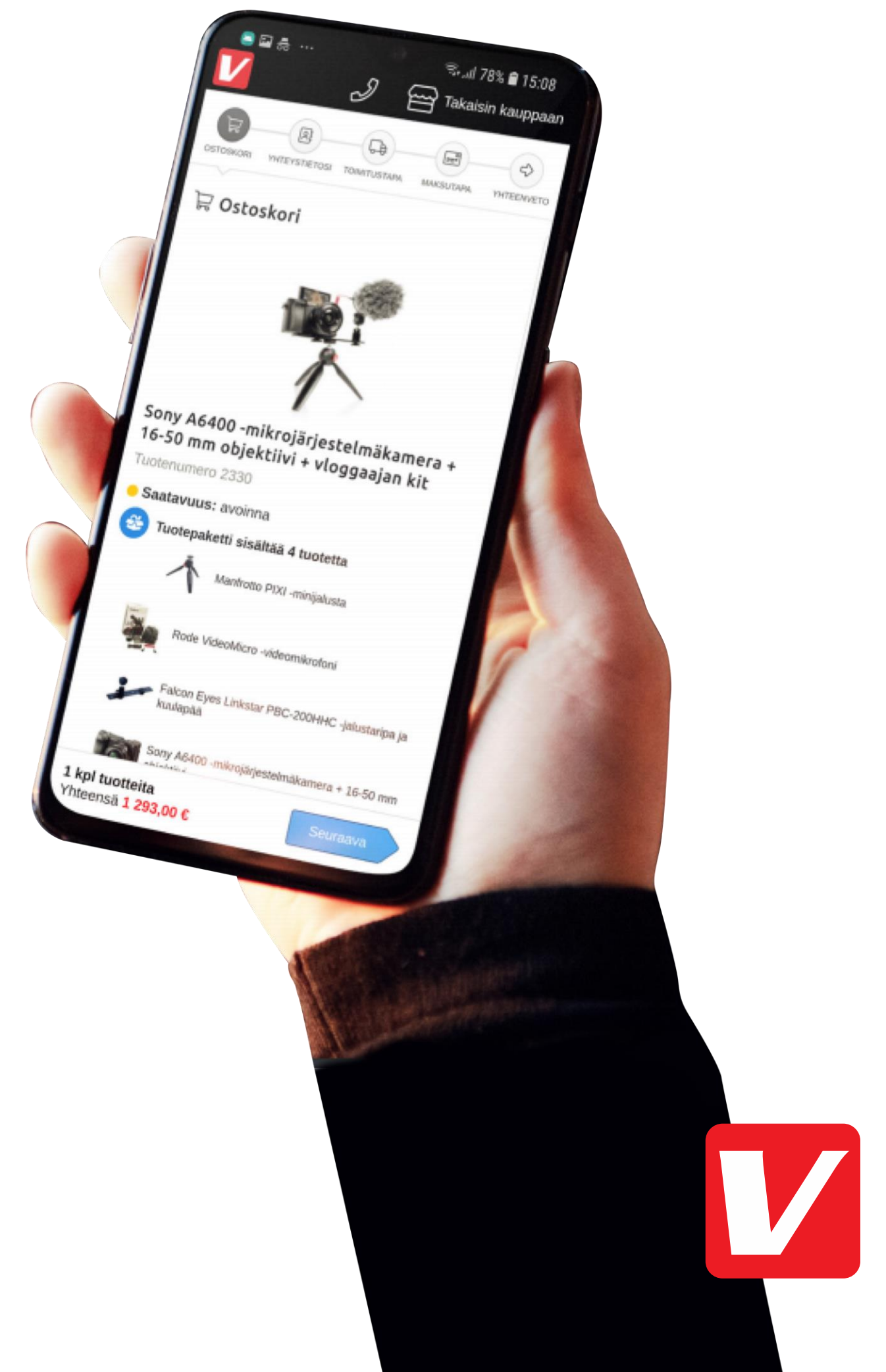
“

Continued investments in the brick-and-mortar store experience, the website and cost-saving technologies



Target to be leading retailer in the Nordics

- Continuous develop the wide and attractive assortment
 - Increase the share of Private Label in product assortment to secure better profitability
 - Keep the customer promise “Probably always cheaper” in all major categories
- Continuously improve customer experience and increase the loyalty
 - Proven business model to support future growth, i.e. strong focus on e-commerce
 - Actively seek the best delivery and logistical solutions for the customers



FINANCIAL HIGHLIGHTS



Key figures

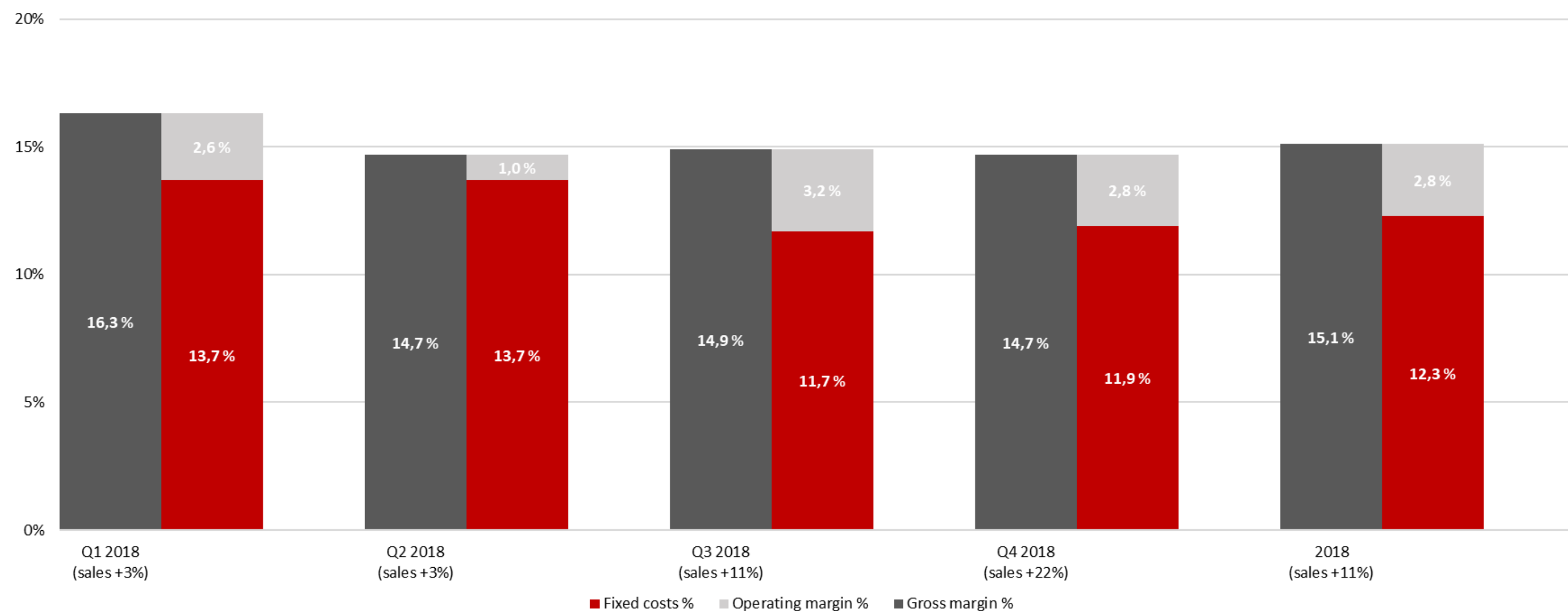
EUR million	1-9/2019	1-9/2018	Change, %	1-12/2018
Revenue	344.2	322.0	7%	477.8
Gross profit	51.7	49.1	5%	72.0
Gross margin	15.0%	15.2%	-2%	15.1%
Operating profit	6.8	7.4	-8%	13.3
Operating margin	2.0%	2.3%	-13%	2.8%
Net profit	4.6	4.9	-6%	9.3
Cash flow from operating activities	-2.0	-15.4		8.9
Equity ratio	25.6%	27.8%		23.0%
Cash	34.4	26.0		46.7

“
Verkkokauppa.com's
year-on-year quarterly
revenue has been
growing for 23
quarters.”



Fixed costs as competitive advantage

- Very low and scalable cost structure enables profitable growth and probably always cheaper prices vs. competitors



2019 guidance

Revenue

€500m - €525m

(2018 €478m)

Operating profit

€11 - €15m

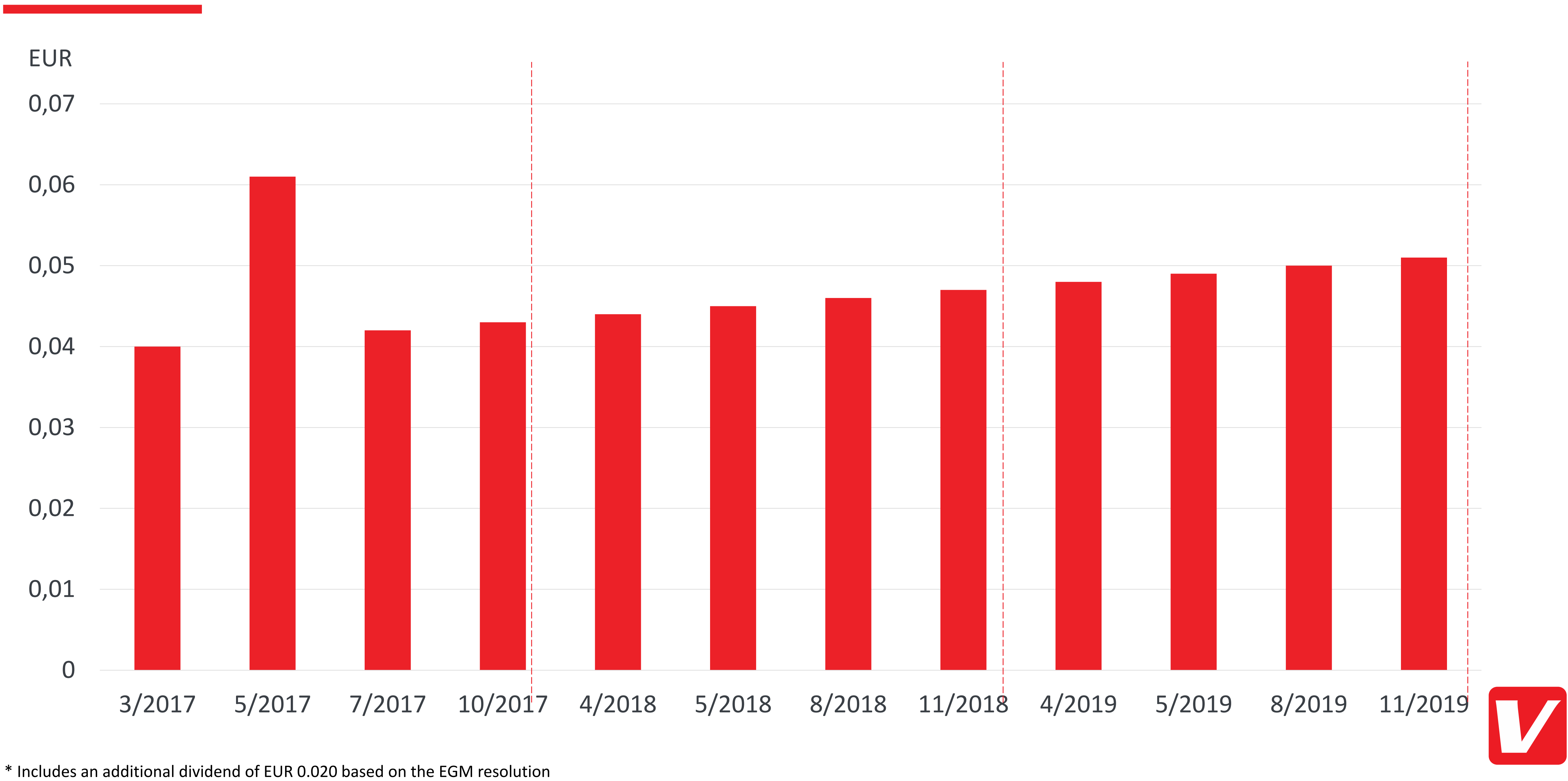
(2018 €13.3 m)

Medium-term targets: Sales growth 10 - 20% per year, growing operating profit and operating margin of 2.5 - 4.5%

Policy of paying out growing quarterly dividend



Steadily increasing quarterly dividend



Investment highlights

- Finland's best known and most visited webstore
- Gaining market share despite a very competitive market (1-9/2019 +7%)
- Record profitability in Q3 due to sales mix, better conditions and healthy stock
- Good financials (no debt and healthy cash position)
- Steadily increasing dividends



GAMEON
PALLOILUUN

THANK YOU!
Time for questions

Verkkokauppa.com
TODENNÄKÖISESTI AINA HALVEMPI

Ma-la 9-
Su 11-

24 h kioski aina



More information

Upcoming events in 2020:

Q4/2019, Friday 14 February 2020

Links:

Investors site

www.verkinvest.com

Company Releases mailing list

www.joinverk.com

Company Investor Webcasts

www.verklive.com

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Shareholder base

	Shareholder	Shares	%
1	Samuli Seppälä	22,290,096	49.56
2	Rite Ventures Finland Ab	2,172,576	4.82
3	Keva	2,171,000	4.82
4	Varma Mutual Pension Insurance Company	2,065,932	4.58
5	Nordea Nordic Small Cap (fund)	1,690,607	3.75
6	Ilmarinen Mutual Pension Insurance Company	1,067,723	2.27
7	Evli Suomi Pienyhtiöt (fund)	700,000	1.55
8	Ville Skogberg	634,266	1.41
9	Danske Invest Suomen Pienyhtiöt (fund)	467,380	1.04
10	Aktia Nordic Micro Cap (fund)	450,000	0.99
Total		33,709,580	74.80

Shareholders as of October 31, 2019, excluding nominee registered shareholders.



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