

Strategy execution – where to win

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Verkkokauppa.com Capital Markets Day 2021
29 September 2021

Agenda

1. Our growth targets towards 2025
2. To double our B2B business
3. M&A and new business opportunities
4. Speed & flexibility
5. Key takeaways & Q&A





BOSE

Bose Headphones 700
Kuule ja tule kuulluksi
aivan uudella tavalla.



**GRILLIKAUSI
AVATTU**

Verkkokauppa myymälän
3. kerroksessa



TELEVISIOT • TIETOKONEET • TABLETIT • KAMERA
3
vuoden
takuu

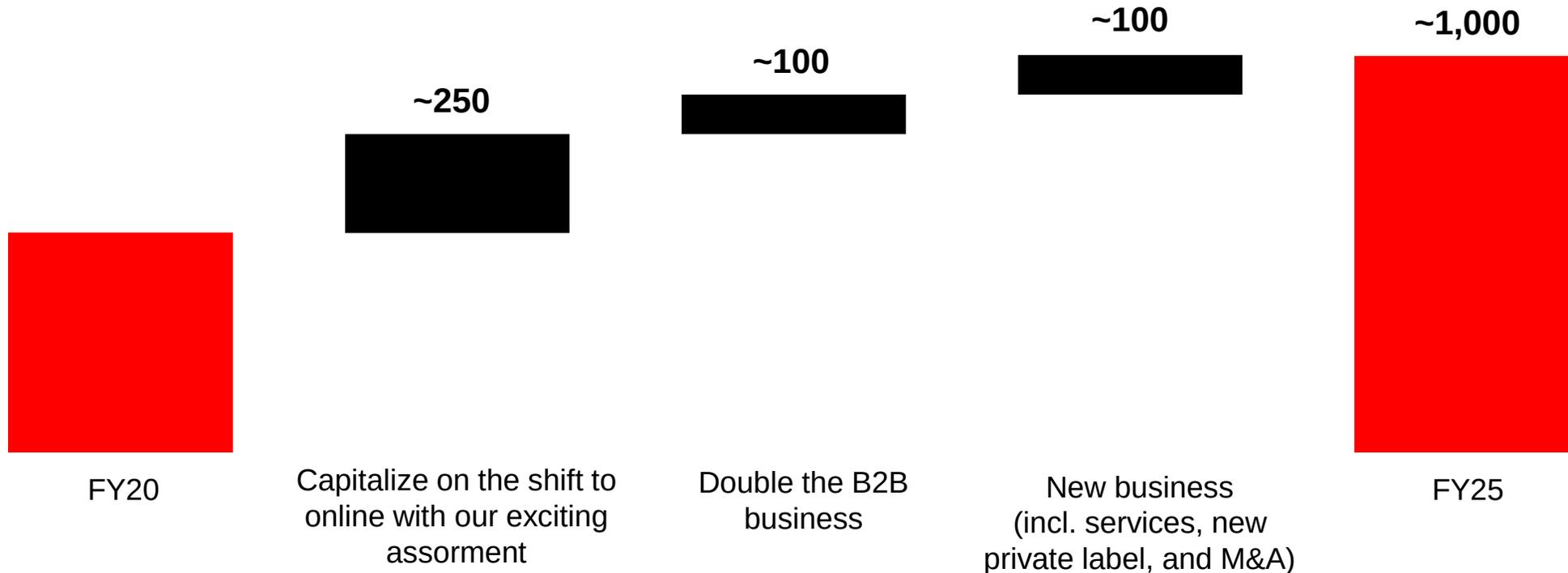
Our growth targets towards 2025

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By capitalizing on the online shift and leveraging our superior platform – we are on a road towards a billion

Verkkokauppa.com revenue development, 2020-25E, €m



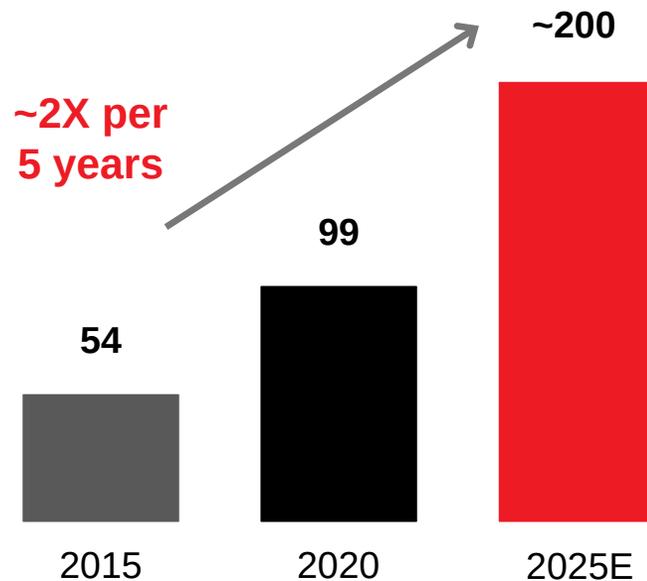
To double our B2B business

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There is room to again double the business in B2B through superior CX

Position as the total solutions provider for SMEs and the best second supplier for enterprise & public customers

Verkkokauppa.com has doubled the business in B2B during past five years
2015-2025, EUR million



We believe we can meet the ambitious targets as...

We have strong competitive advantages

- Broad offering with competitive prices combined with prompt availability and delivery
- Consumer-like online experience with the best self-service

Broad customer base and strong track-record already

- Already large customer base with +40,000 annually purchasing accounts yet national penetration still below 15%
- Already broad partnership network that can be further activated and turned into jointly designed supplementary offering

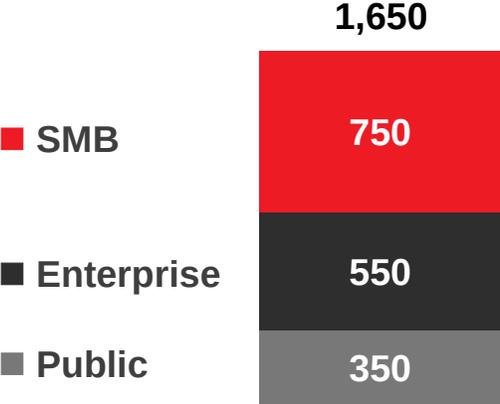
B2B purchasing habits are changing

- B2B online purchasing is growing and Verkkokauppa.com with clear competitive edge
- Mid, large and public purchasing process shifting towards more agile and flexible purchasing

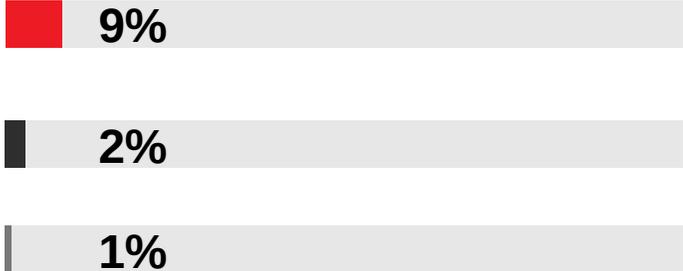


We will capture fair share of the market through our superior platform that meets customer needs

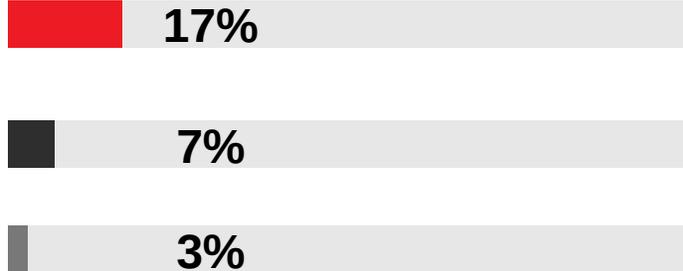
Total addressable market size per B2B segment 2020, EUR million



Verkkokauppa.com Market share, 2020



Verkkokauppa.com Market share goal, 2025



M&A and new business opportunities

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We are actively evaluating new business and M&A opportunities to fuel growth close to our core

We are targeting local complementary acquisitions with...

Geography



Technology competence

Size

...towards 3 potential outcomes

Accelerate out platform

Serve new customers with our portfolio and platform

Extend our brand

Offer a new product or service to our existing customer base

Reinventing ourself

Complement our core with new business models and technology capabilities

M&A activities can be evaluated as it is enabled by our low leverage and high cash position



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Speed & Flexibility

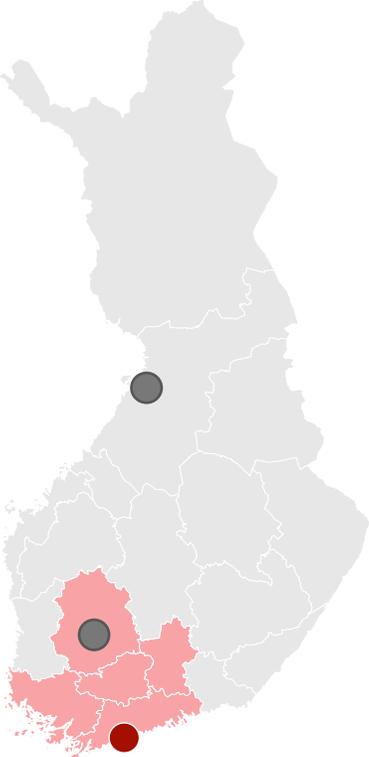
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Over the past years we have established superior delivery performance and have room to push further as customer needs evolve

■ >2 day delivery ■ Within next day ■ Same day delivery ● Store ● Logistics center ● Logistics hub & store combination

We used to be more reliant on third-party logistics efficiency

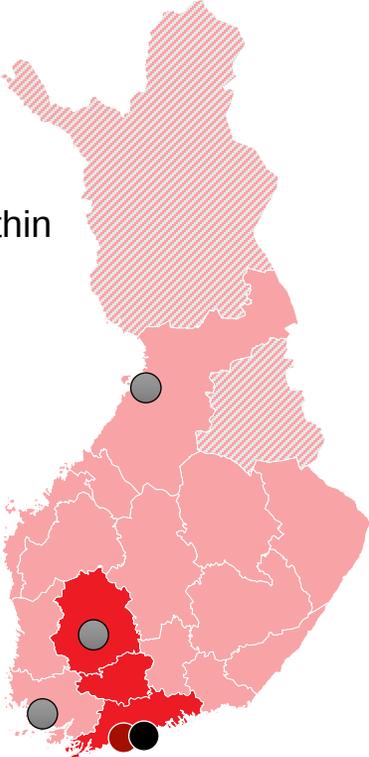
2017



Our network covers majority of households within next day

2020

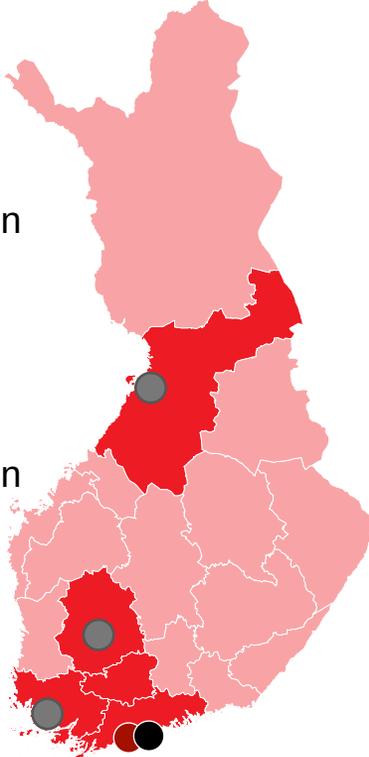
~70% of population covered within next day



As customer needs evolve, we are ready to utilize stores as logistic hubs

FUTURE

>90% of population covered within next day and >50% of population covered within same day



Delivery experience - Jätkäsaari warehouse becomes a world class automated microfulfilment center

- AutoStore® consists of 36 robots
- The system can pick up and deliver even 1,000 articles per hour
- Total capacity as much as 25,000 articles
- Autostore solution is flexible and modular system
- The estimated value of the capital expenditure is approx. EUR 4 million

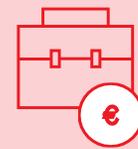
- The investment program was commenced this summer and the construction is well underway; the 1st phase of investment is fully automated AutoStore® small item warehouse
- Investment ensure increased productivity, future growth, cost savings and improved customer experience through wider assortment, better product availability and faster deliveries in the center of Helsinki
- In the next phases of the investment will be build a new packaging automation system
- The investment is expected to be completed by the end of 2022



The road towards a billion – our financial targets for five years -> 2025



Revenue
EUR 1,000 million
>10% growth YOY



EBIT
EUR 50 million
>5% EBIT-margin



Fixed costs <10%
From 11.5% (FY20)



**Quarterly growing
dividend for shareholders**



Key takeaways



Our strong B2B standing gives us good opportunity for future growth



M&A in the toolbox to fuel inorganic growth



Investments into technologies to boost growth and maintain leadership in e-commerce



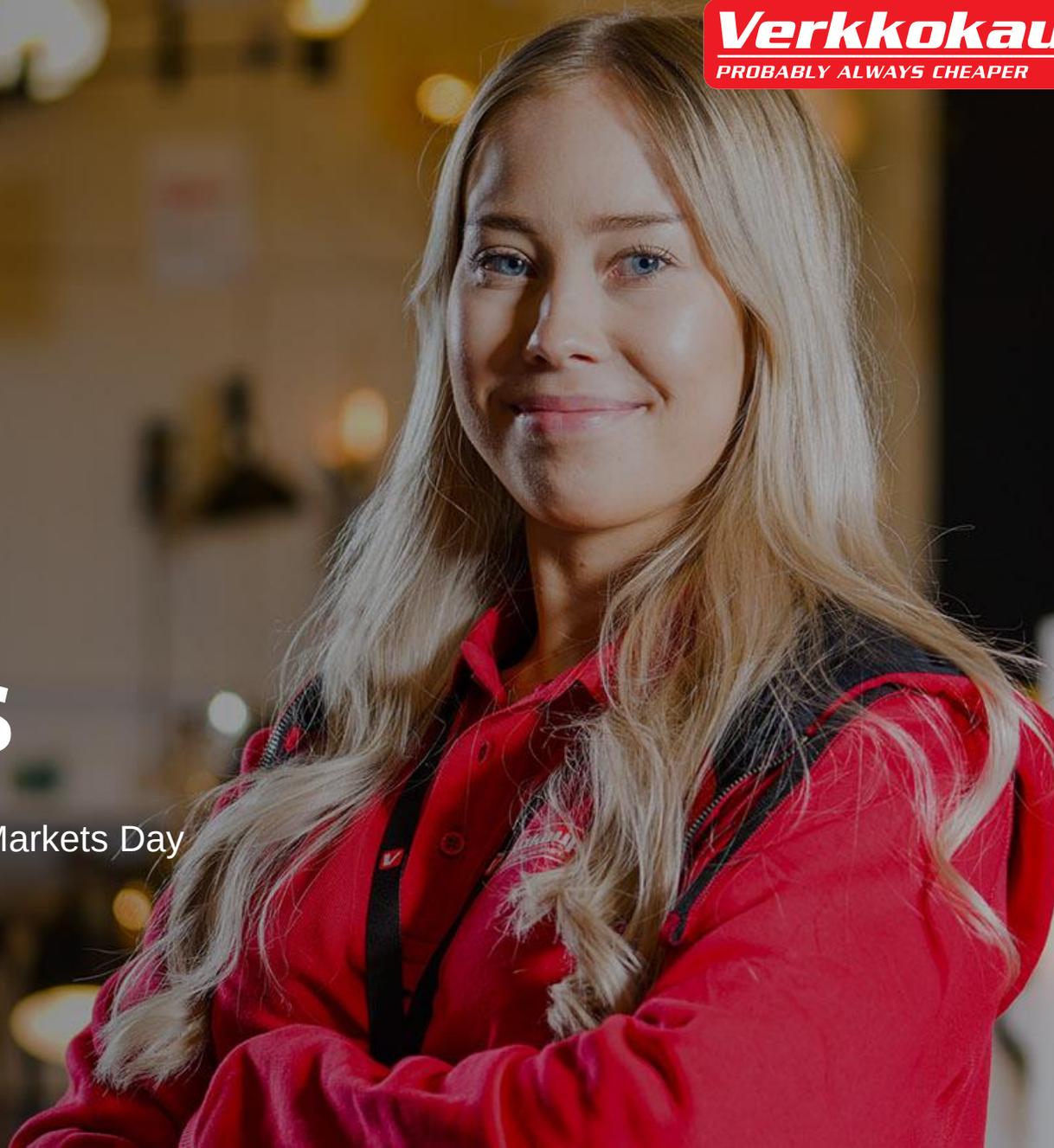
Q & A





Closing remarks

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2021-2025

Our Strategy

Remaining
A PIONEER
OF COMMERCE
THROUGH INNO-
VATION AND
DEVELOPMENT

THE ROAD
towards
A BILLION!

- NPS! Excellent
- CUSTOMER EXPERIENCE & STRONG BRAND
- EFFICIENT FULFILMENT
- SUPERIOR TECHNOLOGY BACKBONE
- TRUST!
- EXTENSIVE ASSORTMENT
- HOW EASY!
- COST COMPETITIVENESS
- LOVE IT!



100% RECOMMENDS

Our values: COURAGE, TRANSPARENCY, AGILITY, COMMUNITY



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