

Elektroimportøren

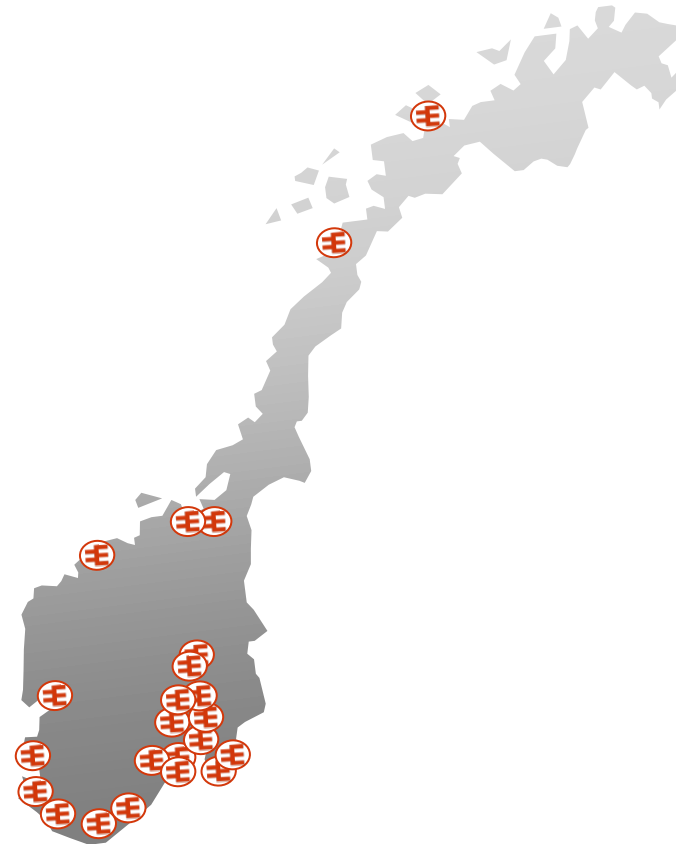
Andreas Niss CEO and Petter Bjørnstad CFO

An introduction to Elektroimportøren

Elektroimportøren in brief

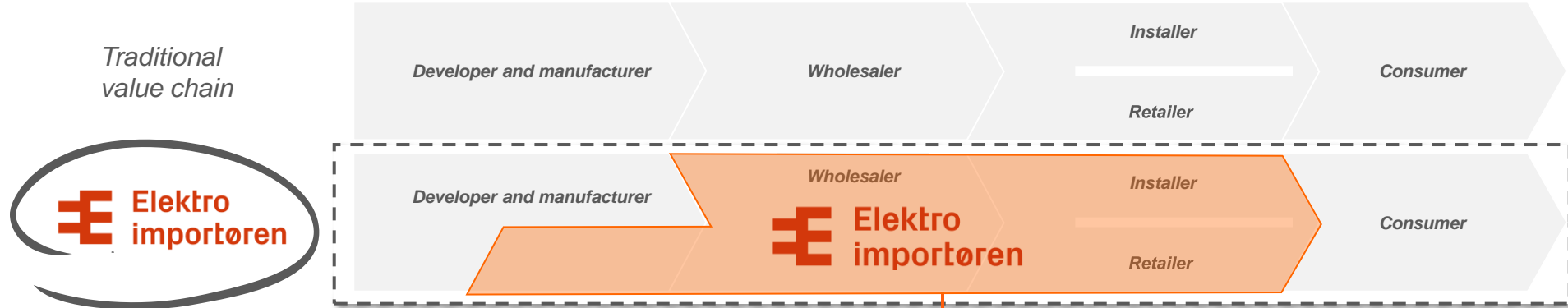
- Full-range provider of electrical equipment to **professionals (~45%)** and consumers (~55%)
- **Dedicated sales force to the B2B market**
- Disrupts the traditional value chain and ***distributes directly to end-customers***
- ***Integrated value chain*** and direct sourcing catering for ***successful own brand Namron***
- ***Proven concept with 23 stores and pick-up locations in Norway***
- Norway's ***leading online store*** for electrical equipment with large potential and high growth
- ***Unique service offering through SpotOn*** which connects private customers and installers
- ***Substantial LFL growth opportunities from further penetrating the B2B market***

Nationwide network of stores and pick-up points










Note: 1) Shows B2B sales through wholesalers only – the market would be somewhat higher if the total 'mark-up' towards end-consumers would be included

Disruption through transparency and availability



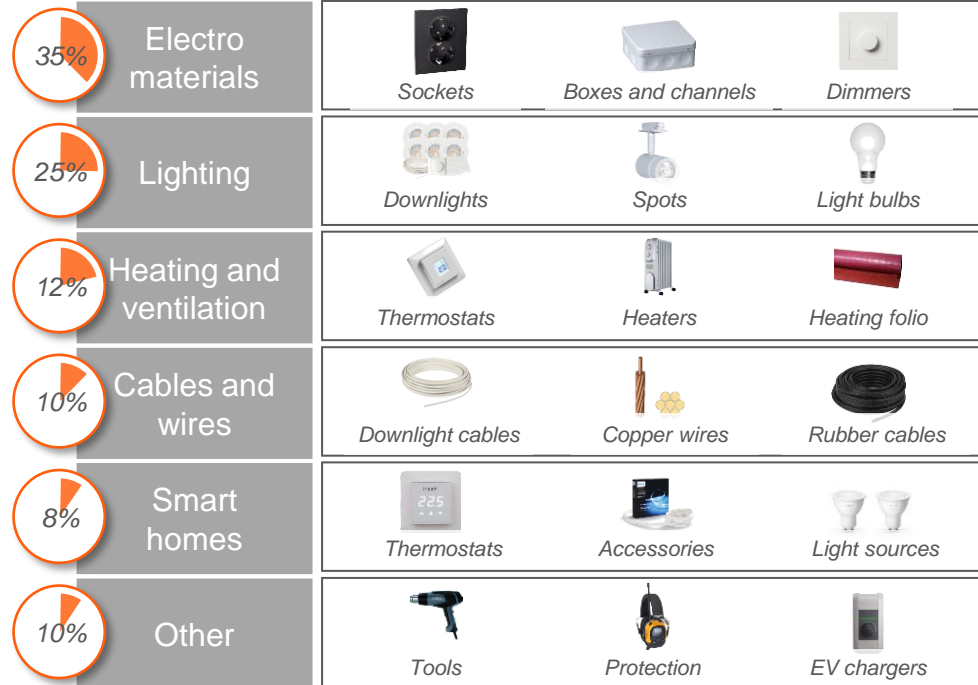
Business model

- 
Few layers from manufacturer to end-customer
- 
Focus on *in-store knowledge* and competence
- 
Highly efficient and scalable logistics / warehouse operations
- 
Direct B2B sales to professional installers
- 
Nationwide store network and online sales platform
- 
Direct partnership agreements with installers
- 
Long-standing relations with manufactures

- ✓ True omnichannel strategy
- ✓ In-store customer experience
- ✓ Successful own product brand Namron
- ✓ Complete service offering which efficiently connects installers and consumers

Product and customer share of business

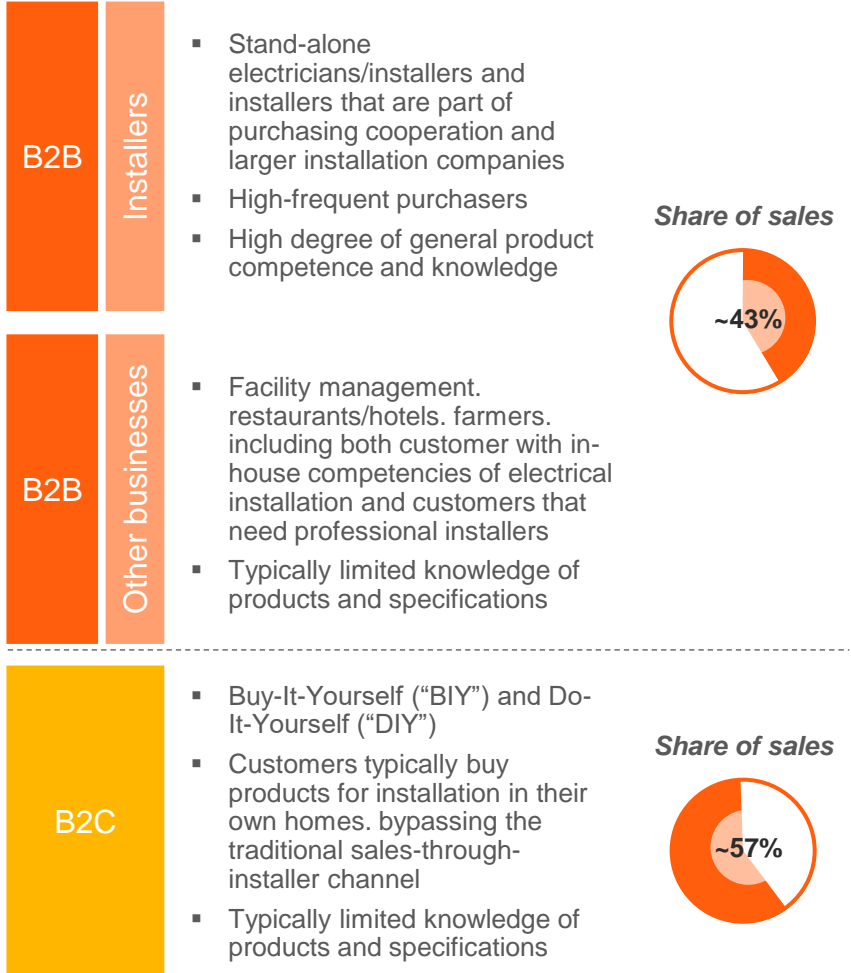
Elektroimportøren has a product mix of ~6.000 SKUs...



Full product suite of high quality brands – selected examples



...and is the only player targeting B2B and B2C



% shows share of business full year 2020

A strong value proposition to B2B and B2C markets

Value proposition to installers

- ✓ High convenience and true omnichannel: immediate access to products from stores with long opening hours and all SKUs in store
 - On-site delivery
- ✓ Highly dedicated B2B support and best in class ‘on-the-ground’ customer support and in-store competence
- ✓ Competitive prices
- ✓ Large relevant product assortment and access to Namron (Elektroimportøren’s own brand)
- ✓ Access to customers and limited administrator workload
- ✓ Efficient purchase and payment solution through mobile application system

Value proposition to private customers

- ✓ Competitive and transparent prices in an otherwise non-transparent industry
- ✓ Best in class and “on-the-ground” customer support and in-store competence
- ✓ Full product portfolio of quality brands – “One-stop shop”
- ✓ High convenience and true omnichannel
 - Products available online or immediately at the nearest store. Returns can be sent via mail or to any store
 - Pre-priced packages including installation through SpotOn and ‘turnkey product bundles’
 - Mobile application for efficient in store customer experience

Competitor space

Traditional wholesalers

- Typically focusing on large customers and installer purchasing chains – smaller customers face higher prices
- Limited opening hours and el.specific competence in stores



DIY retailers

- Limited product assortment and no in-store competence
- High prices



Competitor space

DIY retailers

- Limited product assortment and no in-store competence
- High prices

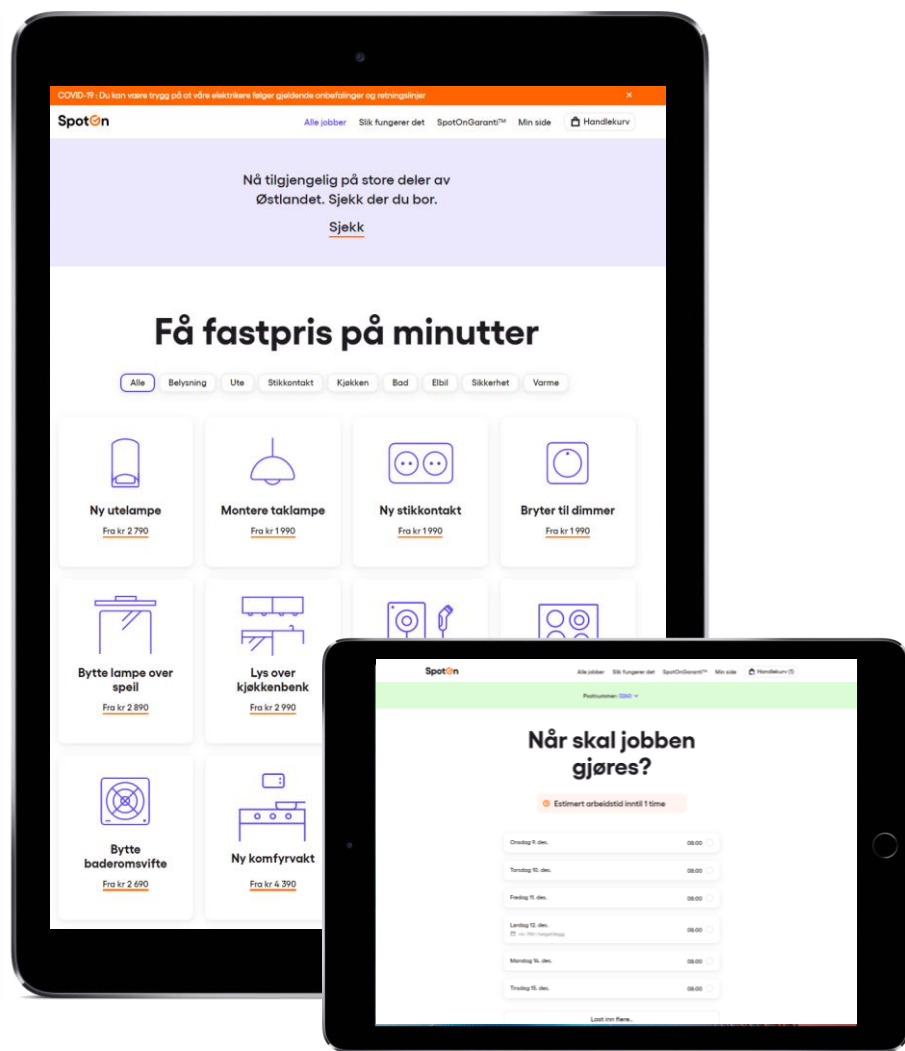


Pure online

- No customer service or product advisory
- Limited volumes and unfavourable procurement terms



SpotOn – Electrical installation made easy



- ✓ SpotOn meets client demand for a complete and transparent product and service offering at a fixed price
- ✓ Enables Elektroimportøren to capitalise on its core competence and customer base
- ✓ Customer friendly offering and installation at the customer's convenience

Private customers

- SpotOn is a unique portal for private customers to efficiently buy and arrange for installation of electrical equipment
- Easy-to-use service – just a few clicks from start to order confirmation
- Highly transparent with price and time for installation known before submitting an order
- SpotOn increases the addressable market – significantly lowering the bar for private consumers to buy electrical equipment

Professional installers

- Unique opportunity for installers to generate new business without acquisition cost and necessary administration
- Increased efficiency – more time spent on installing electrical equipment – Elektroimportøren handles everything else

4th quarter presentation

Elektroimportøren AS 11 February 2021

Andreas Niss CEO, Petter Bjørnstad CFO

Key financials Q4 - 2020

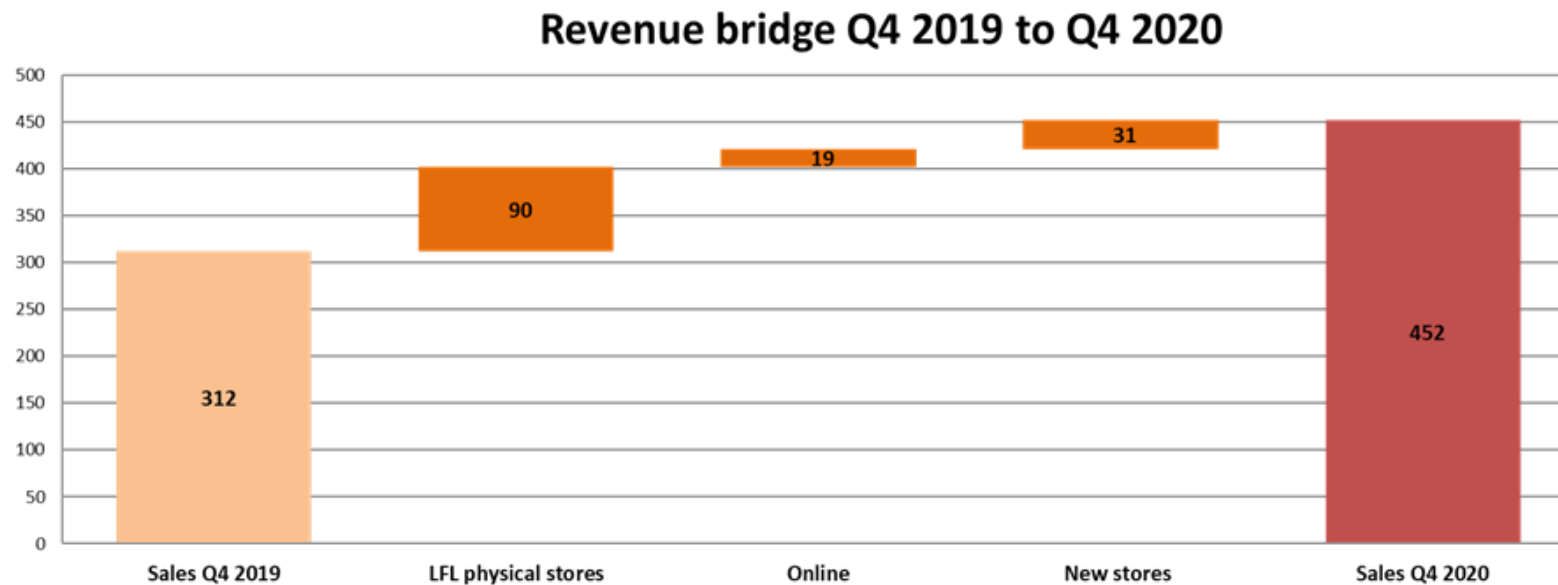
- ⚡ Revenue of 451.7 MNOK (311.8 MNOK) up 44.9 %.
- ⚡ Total like for like growth of 38.0 % driven by 37.1 % in physical stores and 42.9 % online.
- ⚡ Online share of business 13.7 % (13.9 %). Pick up in store is calculated as store sales.
- ⚡ B2C share of business 58.2 % (59.5 %) B2B share of business 41.8 % (40.5 %).
- ⚡ Gross Margin ended up at 39.6 % which is a significant improvement from last year (37.3 %). This is mainly driven by better campaign and pricing management and increased Namron SOB.
- ⚡ Increase in operational efficiency OPEX to sales ratio at 24.6 % (26.4 %).
- ⚡ Adjusted EBITDA of 67.7 MNOK (34.1 MNOK). Significant increase in adjusted EBITDA margin 15.0 % (10.9 %).
- ⚡ Strong financial position at year end with 94.1 MNOK in positive cash and revolving credit facility of 120 MNOK (unused).
- ⚡ The board of Elektroimportøren will propose an ordinary dividend of NOK 2.41 per share for 2020 to the general meeting (with payments in August and December)

Summary of Q4 - Operations

- ⚡ We have had a positive development in all product categories with extraordinary growth within EV (Electrical Vehicle) chargers.
- ⚡ Week 48, the week finishing off with Black Friday weekend, had a great development this year with total sales growing with 45 % both online and in stores.
- ⚡ Number of customers visiting our stores increased with 24 % versus Q4 2019 and together with an uplift on average basket and slightly increased conversion rate this enabled a good LFL growth in our stores. Online customer visits increased with 49.7 %.
- ⚡ In November we opened Elektroimportøren store number 23 at Jærhagen shoppingcenter in Klepp. During December we relocated our store at Lade in Trondheim.
- ⚡ Doubling our AutoStore solution capacity at our central warehouse.
- ⚡ In October we launched an application for contactless purchase to enable business and consumer customers to conduct their purchases digitally while getting advise and help from in-store personnel.
- ⚡ We launched new delivery methods in southern Norway enabling home deliveries within 2 hours from purchase.
- ⚡ Spoton, Elektroimportørens digital turnkey solution for installation, was launched in 9 stores, now available in 13 stores.
- ⚡ Brand awareness increased from 64 % in Q4 2019 to 75 % in Q4 2020.

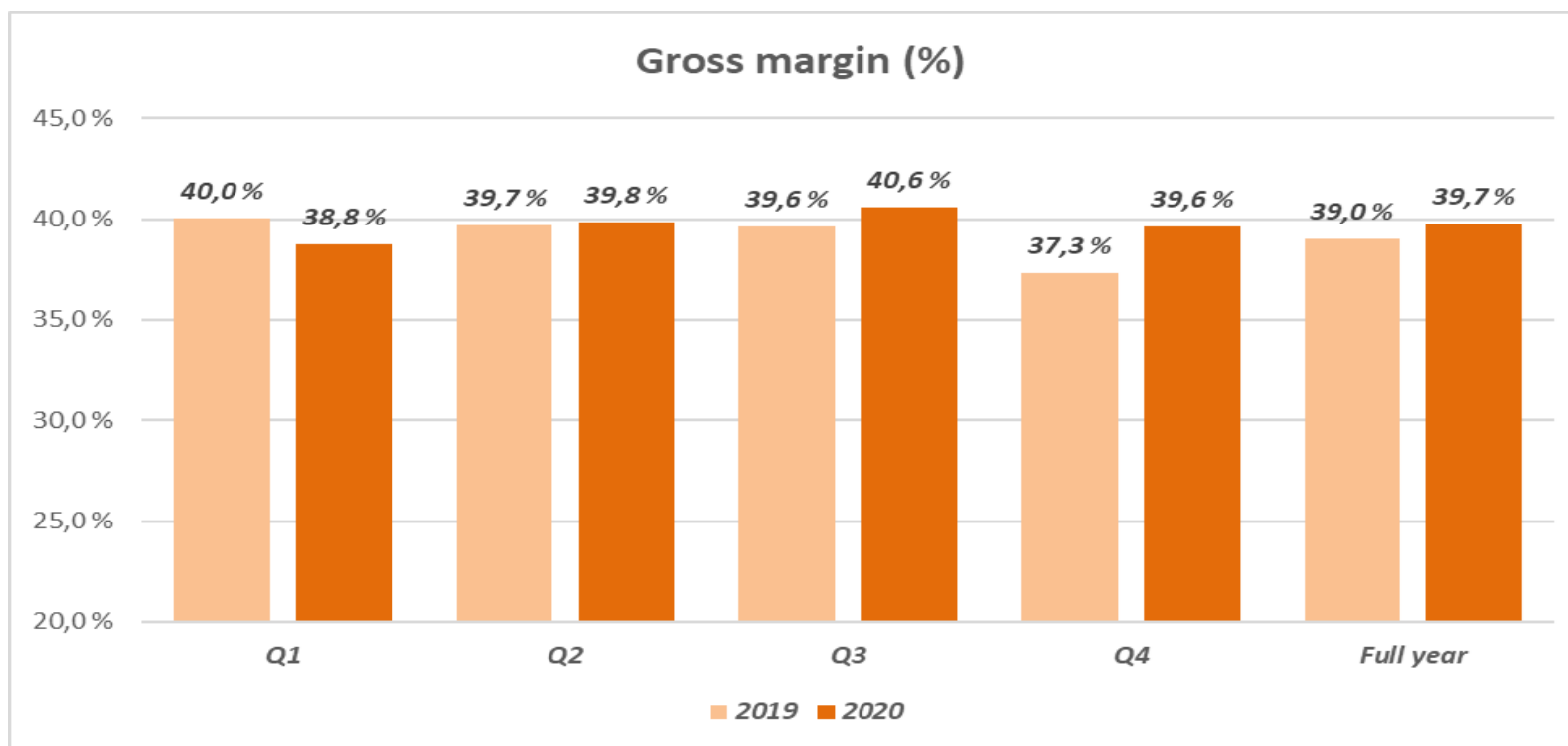
Revenues

Total revenue for Q4 was 451.7 MNOK (311.8 MNOK), 44.9% growth. All growth is organic. Like for like growth in physical stores was 32.9% while growth in Online sales channel was 38.1% (collect in store is reported as part of sales in physical stores). We had a positive development in both B2B and B2C customer segments.



Gross margin

Gross margin for Q4 was 39.6%, a significant improvement compared to Q4 2019 (+2.3% point). The positive development compared to last year is driven mainly by improved campaign planning, price management and increased Namron share of business.



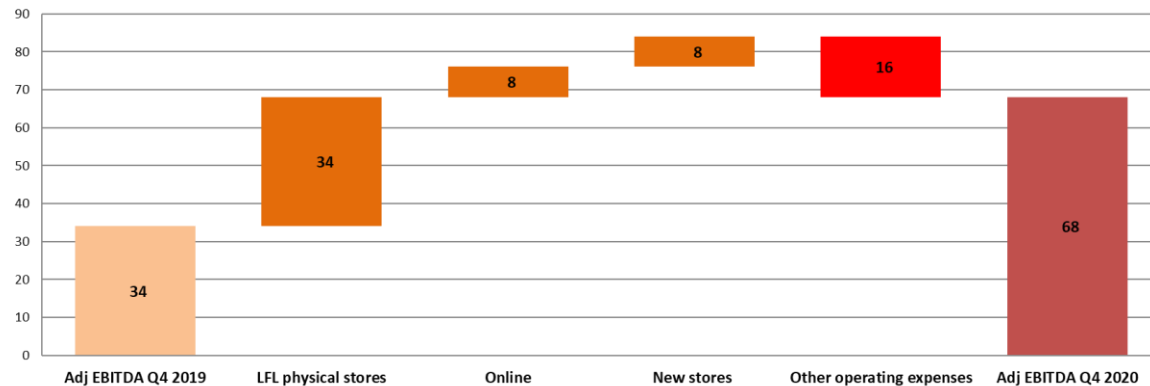
OPEX

- ⚡ We have an increased cost efficiency with 24.6% in OPEX to sales margin (26.4%).
- ⚡ This is mainly driven by significant like-for-like sales growth in physical stores and our online store, without adding significant additional costs.
- ⚡ Due to exceptional good results for 2020 compared to last year and expectations going into the year, cost for year-end bonuses are at a significantly higher level than an average year.

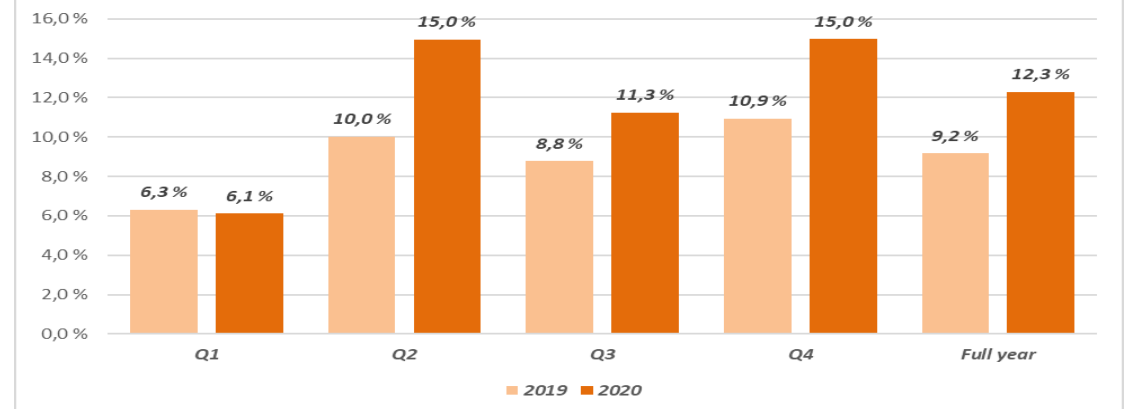
Adj. EBITDA

Adjusted EBITDA for Q4 was 67.7 MNOK increasing from 34.1 MNOK in 2019. Main drivers for this positive development a significant increase in revenue, improvement in gross margin. and good cost control.

Adjusted EBITDA bridge Q4 2019 to Q4 2020



Adjusted EBITDA margin (%)



Alternative Performance Measures

(Amounts in NOK million)	Q4 2020	Q4 2019	2020	2019
Revenue	451,7	311,8	1 314,9	964,1
COGS	-272,76	-195,5	-792,4	-588,2
Gross Profit	179,0	116,4	522,6	375,9
Gross margin (%)	39,6 %	37,3 %	39,7 %	39,0 %
Operating expenses in sales channels	-63,9	-54,5	-225,9	-190,4
Other operating expenses	-47,4	-27,8	-134,9	-97,0
OPEX	-111,3	-82,3	-360,8	-287,5
OPEX to sales margin	-24,6 %	-26,4 %	-27,4 %	-29,8 %
Adjusted EBITDA	67,7	34,1	161,8	88,2
Adjusted EBITDA margin (%)	15,0 %	10,9 %	12,3 %	9,1 %
Adjustments	-7,0	-4,3	-7,0	-11,3
EBITDA reported	60,7	29,9	154,8	76,9
EBITDA reported margin (%)	13,4 %	9,6 %	11,8 %	8,0 %
Depreciation	-7,1	-2,5	-23,3	-19,0
Adjusted EBIT	60,6	31,6	138,5	69,1
Adjusted EBIT margin (%)	13,4 %	10,1 %	10,5 %	7,2 %
Adjustments	-7,0	-4,3	-7,0	-11,3
Amortisation intangible assets	-2,5	-2,5	-9,8	-9,8
EBIT reported	51,1	24,9	121,7	48,1
EBIT reported margin (%)	11,3 %	8,0 %	9,3 %	5,0 %
Net financial expenses	-3,4	-2,7	-14,4	-14,9
Profit before tax	47,8	22,2	107,3	33,1
Net Income	36,8	16,7	81,6	23,5
Liabilities to financial institutions	- 205,0	-205,0	-205,0	-205,0
Leasing liabilities (Autostore)	- 20,6	-11,5	-20,6	-11,5
Cash	94,1	-31,3	94,1	-31,3
Net interest bearing debt	- 131,6	-247,8	-131,6	-247,8

Consolidated statement of profit and loss

<i>Amounts in nok 1000</i>	<i>Note</i>	Q4 2020	Q4 2019	2020	2019
		Unaudited	Unaudited	Unaudited	Audited
Revenue		451,734	311,844	1,314,938	964,160
Cost of goods sold		-278,759	-196,875	-798,357	-589,669
Employee benefits expenses		-70,811	-52,195	-218,910	-176,144
Depreciation and amortisation expenses		-9,549	-4,975	-33,118	-28,843
Other operating expenses		-41,467	-32,874	-142,837	-121,108
Total operating expenses		-400,587	-286,920	-1,193,221	-915,764
Operating profit		51,147	24,924	121,717	48,396
Net financial income (+)/expenses (-)		-3,362	-2,668	-14,446	-14,926
Profit before tax		47,785	22,257	107,271	33,470
Income tax expense		-10,958	-5,549	-25,666	-9,628
Net profit (loss) for the period		36,828	16,708	81,605	23,842
Earning per share (EPS)		1.78	0.81	3.94	1.15

Consolidated statement of financial position

<i>Amounts in nok 1000</i>	Note	Q4 2020	Q4 2019	2020	2019
		Unaudited	Audited	Unaudited	Audited
Total intangible assets		129 961	139 770	129 961	139 770
Fixtures and fittings, office machinery and equipment		142 808	124 519	142 808	124 519
Inventory		207 047	204 555	207 047	204 555
Trade receivables		50 974	40 572	50 974	40 572
Other receivables		21 408	21 922	21 408	21 922
Cash and bank deposits		94 050	895	94 050	895
Total current assets		373 479	267 944	373 479	267 944
Total assets		646 248	532 233	646 248	532 233
Total Equity		125 881	94 276	125 881	94 276
Deferred tax		676	676	676	676
Lease liabilities (Autostore)		20 625	9 469	20 625	9 469
Other long term liabilities		0	30 000	0	30 000
Liabilities to financial institutions		185 000	185 455	185 000	185 455
Total long term liabilities		206 301	225 600	206 301	225 600
Liabilities to financial institutions		20 000	52 202	20 000	52 202
Trade payable		111 298	90 948	111 298	90 948
Tax payable		25 666	7 990	25 666	7 990
Dividends payable		50 000	0	50 000	0
Public duties payable		43 404	30 455	43 404	30 455
Other short term liabilities		63 698	30 762	63 698	30 762
Total short term liabilities		314 066	212 357	314 066	212 357
Total Equity and Liabilities		646 248	532 233	646 248	532 233

Consolidated statement of cash flows

Amounts in nok 1000

Note	Q4 2020 Unaudited	Q4 2019 Unaudited	2020 Unaudited	2019 Audited
Cash flow from operations				
Profit before income taxes	47 785	22 257	107 271	33 470
Taxes paid	-1 974	778	-7 990	-8 933
Depreciation and amortisation	9 549	4 975	33 118	28 573
Change in inventory	6 204	-3 372	-2 471	-27 209
Change in trade debtors	10 881	7 183	-13 545	-12 919
Change in trade creditors	-19 498	5 186	24 472	-9 352
Change in other provisions and receivables	13 909	3 513	45 494	39 016
Net cash flow from operations	66 856	40 521	186 349	42 646
Cash flow from investments				
Net capital expenditures	-22 412	-17 558	-41 570	-46 634
Net cash flow from investments	-22 412	-17 558	-41 570	-46 634
Cash flow from financing				
Repayment of shareholder debt	-30 000	0	-30 000	0
Repayment of revolving credit facility	0	-2 069	-32 202	0
Repayment of term loans	0	-20 000	0	-20 000
Leasing autostore	10 579		10 579	0
Net cash flow from financing	-19 421	-22 069	-51 623	-20 000
Cash and cash equivalents at the beginning of the period	69 027		894	24 882
Net change in cash and cash equivalents	25 023	894	93 156	-23 988
Cash and cash equivalents at the end of the period	94 050	894	94 050	894

Events after the period and outlook

- ⚡ A good start of 2021
- ⚡ Covid-19 restrictions have so far had a minor impact
- ⚡ We expect higher growth in Q1 than Q2-Q4
- ⚡ Still lots of uncertainty connected to the ongoing pandemic
- ⚡ EV chargers to continue its good development
- ⚡ 1 store opening (expected in Q3)
- ⚡ Looking for 1-2 additional new stores

Q&A