

Verkkokauppa.com Q2/2017,
14.7.2017, Samuli Seppälä, CEO

TODAY'S STOREFRONT

RETAIL IS GOING ONLINE. COME ALONG.

Verkkokauppa
PROBABLY ALWAYS CHEAPER **.com**



**NASDAQ
FIRST NORTH**

Questions during or after the presentation - investors@verkkokauppa.com

Verkkokauppa.com Q2/2017

**Strong 24% revenue growth (€99m),
EBITDA* +103% (€2.6m)**

**Market share gains
in most categories**

**Q2 dividend €0.042
(previous Q €0.041)**

Verkkokauppa.com Q2/2017 Income Statement

	Q2/2017	Q2/2016	Ch%
Revenue, € million	99.0	80.1	+24%
Gross profit	14.5	12.3	+18%
Gross margin	14.6%	15.3%	
Personnel expenses*	-6.0	-6.3	-6%
Other opex	-5.8	-4.7	+25%
EBITDA*	2.7	1.3	+103%
EBITDA margin*	2.7%	1.6%	
Depreciation and amortiz.	-0.3	-0.3	+6%
EBIT*	2.3	1.0	+133%
Net profit*	1.9	0.8	+133%

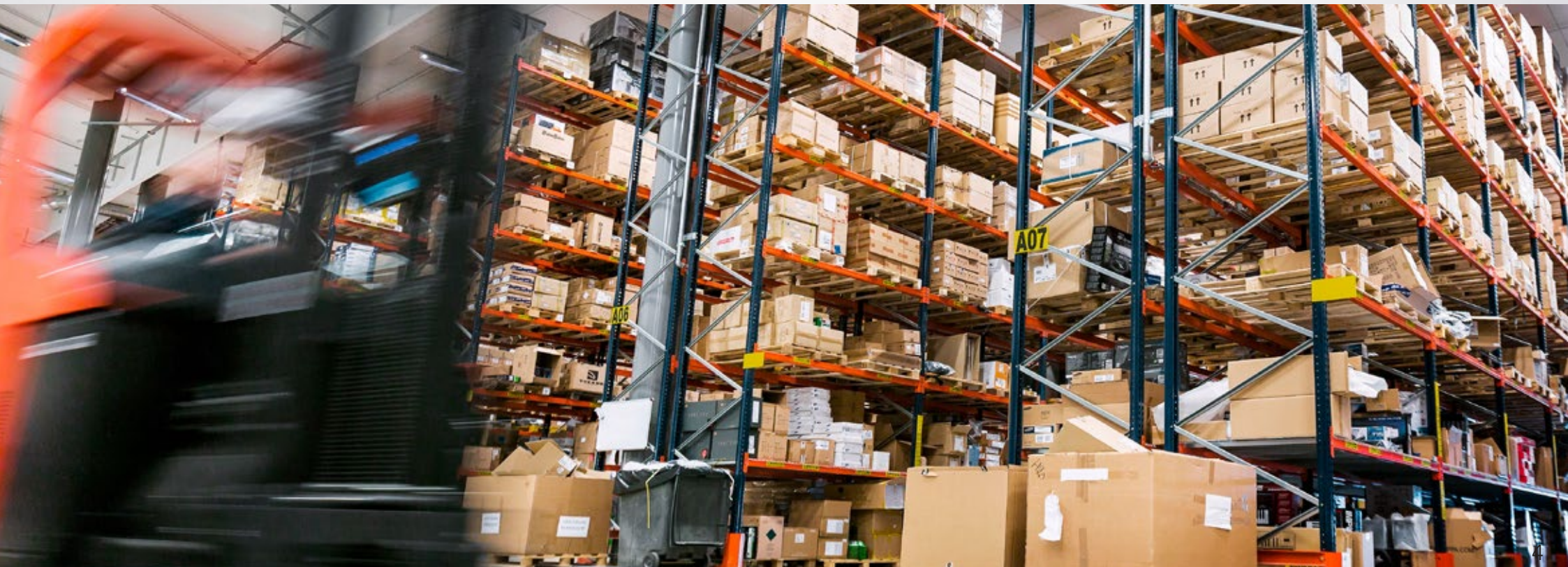
*) Comparable

"Verkkokauppa.com's revenue growth was boosted by an updated, more aggressive growth strategy for 2017"



Verkkokauppa.com Q2/2017 Balance Sheet

- Inventory 47.7 (41.0) million euros on 30/6/17, change +16%.
- Cash flow from operating activities -14.2 (-2.9) million euros.
- Capex 1-6/2017 was -1.0 (-0.5) million euros .
- Equity ratio 45.0% (44.2%)
- Cash 21.9 (20.5) million euros, change +7%; no interest bearing debt.
- 15 million euro revolving credit facility - not being utilized.



Verkkokauppa.com

**Verkkokauppa.com
is Finland's largest,
best known and
most visited
online retailer.**

**2016
revenue
€371m**

**49m
online
visits
(2016)**

**Three
mega-
stores**

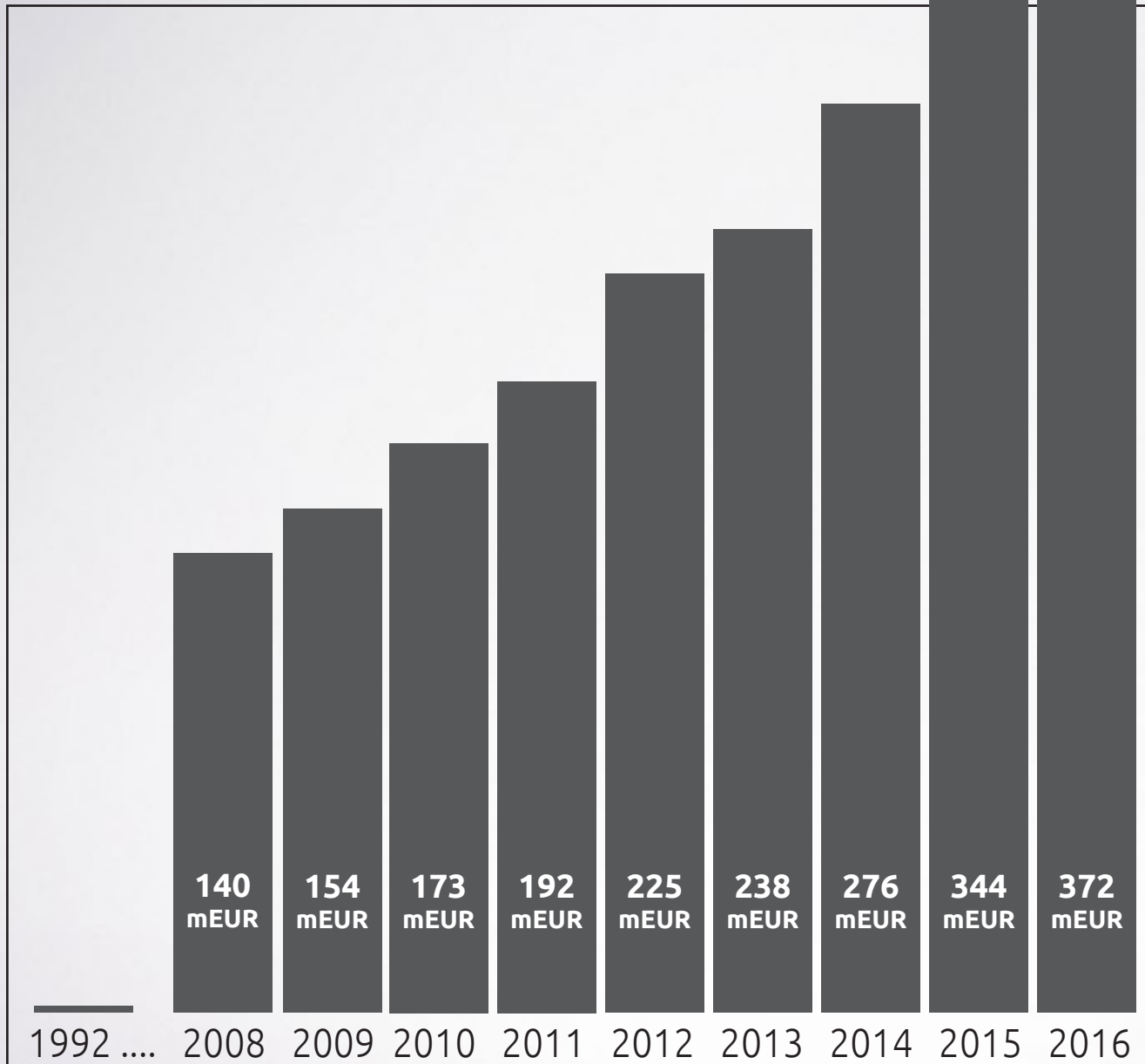
**Over
550
employees**

**Own
consumer
financing**

**Low-
cost online
focus**

**Growth
since 1992**

Verkkokauppa.com - growth since 1992



2016 revenue
€371m

2016 EBITDA
€14m*

31 Dec 16 cash
€42m

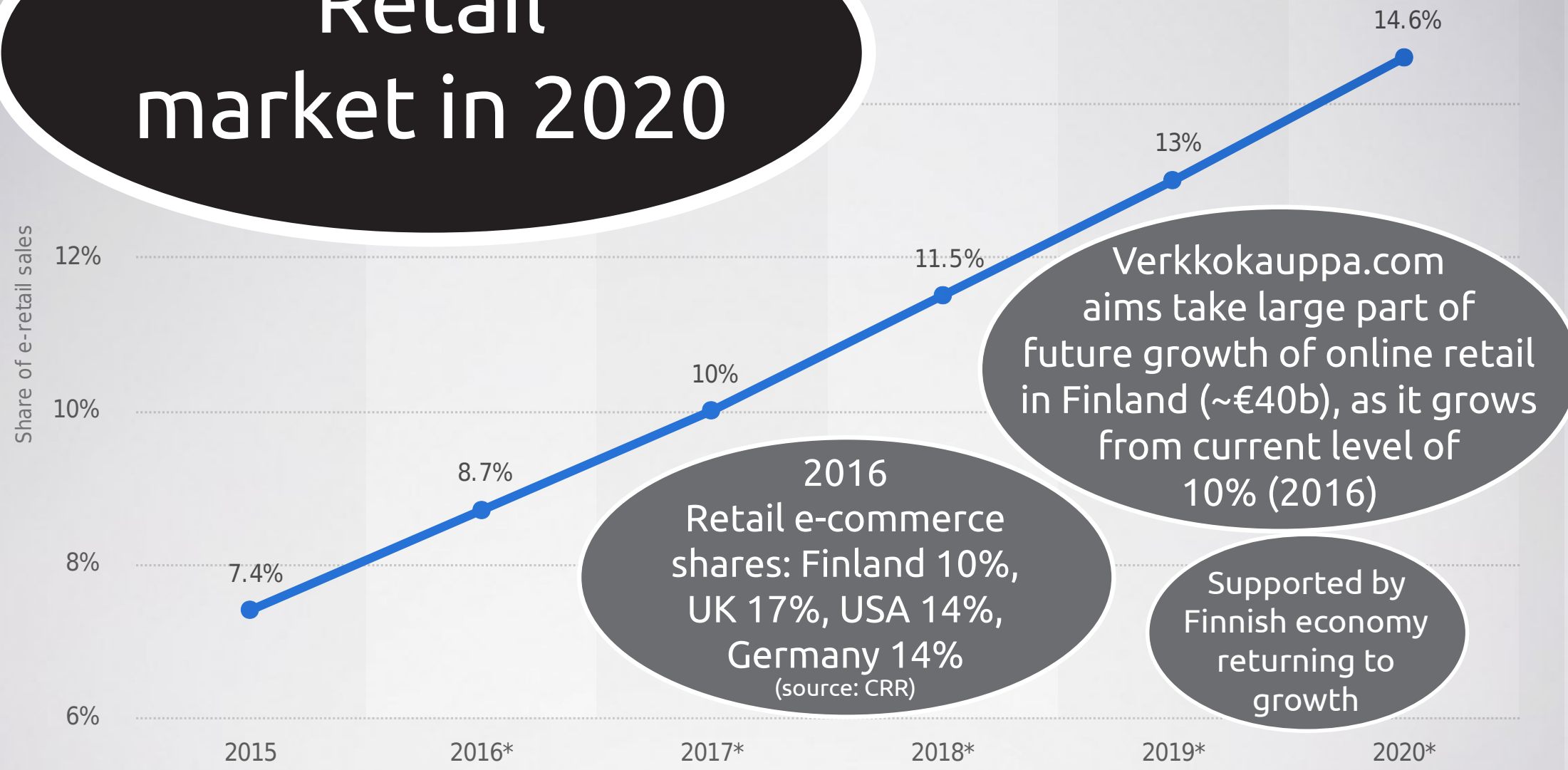
31 Dec 16 debt
€0

2017/Q2 dividend
€0.041

*) EBITDA excluding non-recurring items

Global online share forecast 2015-2020*

Retail market in 2020



Source:
eMarketer
© Statista 2016

Additional Information:
Worldwide; eMarketer; 2015 to 2016

* Forecast. Includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets.

Prefer to buy In-Store vs Online

Categories for which US and Finnish shoppers prefer to buy In-Store/Online.

	In-Store USA	FIN	Online USA	FIN
Major appliances	85%	88%	15%	12%
Tools/hardware	77%	89%	23%	11%
Electronics	69%	79%	31%	21%
Apparel/footwear	68%	87%	32%	13%
Kitchenware	68%	85%	32%	15%
Small appliances	66%	80%	34%	20%
Office/stationary	64%	58%	36%	42%
Tablets/smartphones	61%	78%	39%	22%
Computers	60%	78%	40%	22%
Cameras/accessories	57%	76%	43%	24%
Books	38%	66%	62%	34%

In-Store/online total (2016)	86%	90%	14%	10%
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"An estimated 1% or 400 million euros, of retail sales move online every year in Finland, from the current estimated level of 10% or €4b."

Apuraha XXL

Get a bigger screen with
a smaller monthly payment.



1599,00

42,00 / mo (60 mo)

LG 65UH770V
65" Smart 4K Ultra
HD LED television.

The new Apuraha XXL gives 60 month payment
period for all purchases over 1 500 €.

Verkkokauppa
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Kassa
Cashier Area

Verkkokauppa
Online Store

555
14

Verkkokauppa 15

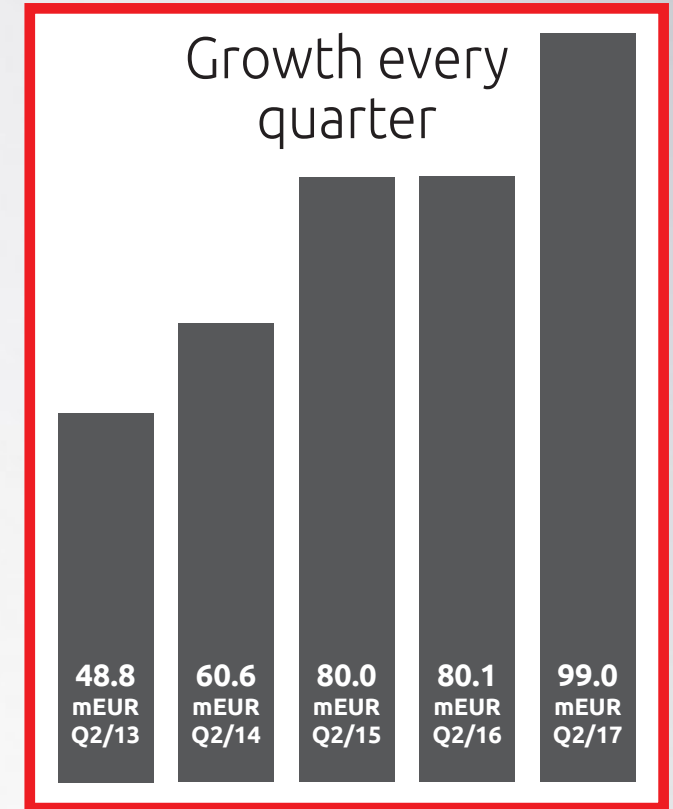
Verkkokauppa 14

Verkkokauppa.com Q2/2017 sales growth drivers

- Retail continues going online
- CE market* development +7% (4-5/17)
- Updated aggressive strategy
- Market share gains in most categories
- Finnish economy returning to growth
- Verkkokauppa.com's trusted concept

Additional future growth drivers:

- Increasing market shares in existing categories
- Launching new main product categories
- One or two completely new stores planned after 2017
- Updated B2B business strategy
- Price competition eventually eases
- Struggling pure brick and mortar business

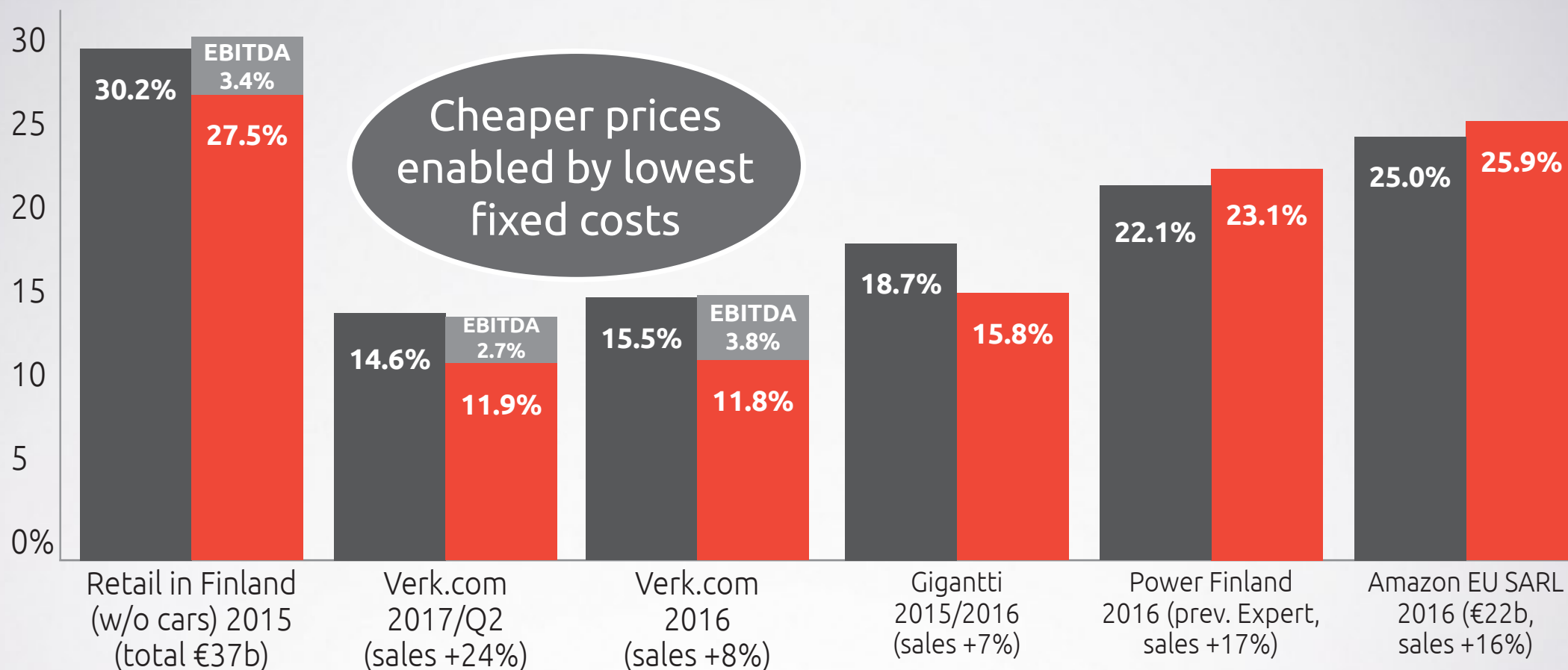


*) Source: GfK



Verkkokauppa.com's gross margin and fixed costs

■ Gross margin %
■ Fixed costs % of sales



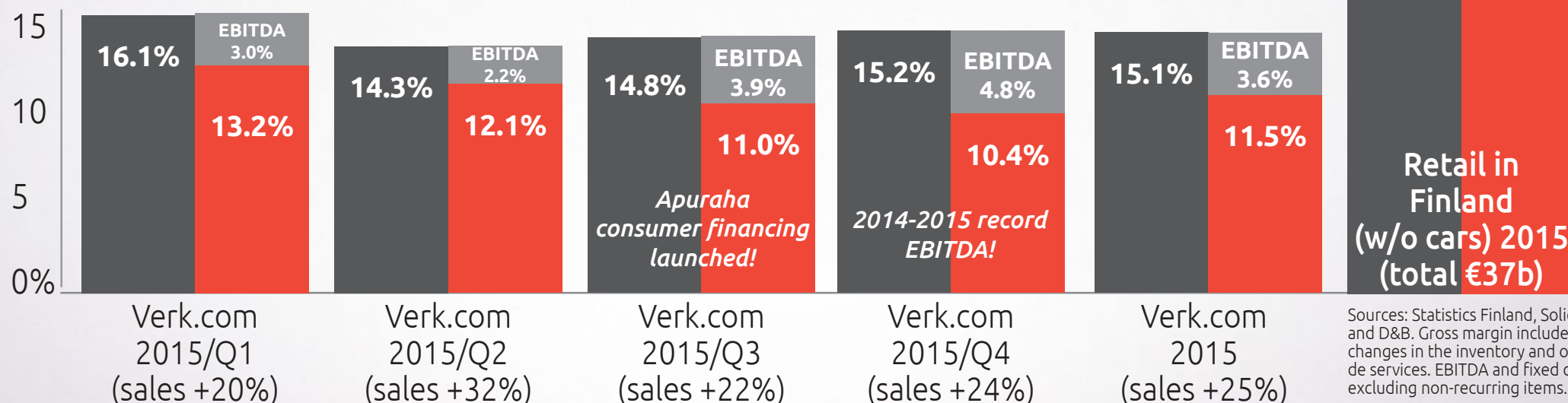
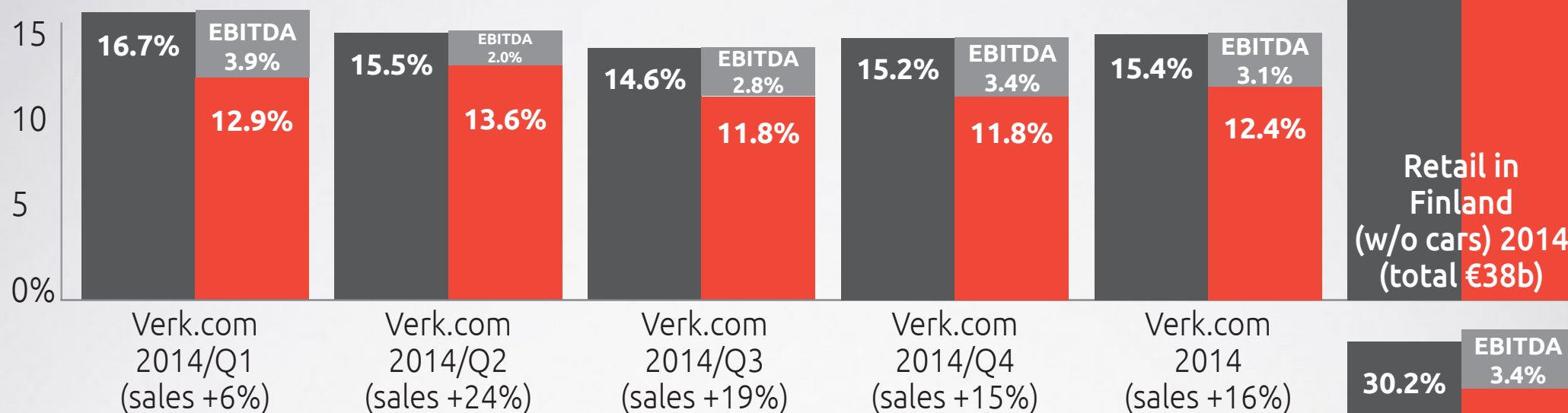
"The company aims to improve its EBITDA margin in the medium term by increasing share of higher margin categories and private labels in the sales mix and the increasing the share of the Apuraha consumer financing services."

Sources: Statistics Finland, Soliditet and D&B. Gross margin includes changes in the inventory and outside services. EBITDA excluding non-recurring items.



Verkkokauppa.com's gross margin and fixed costs

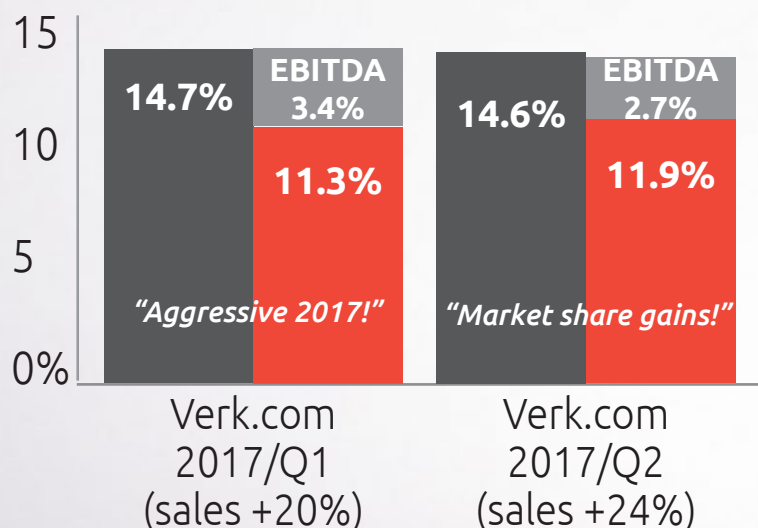
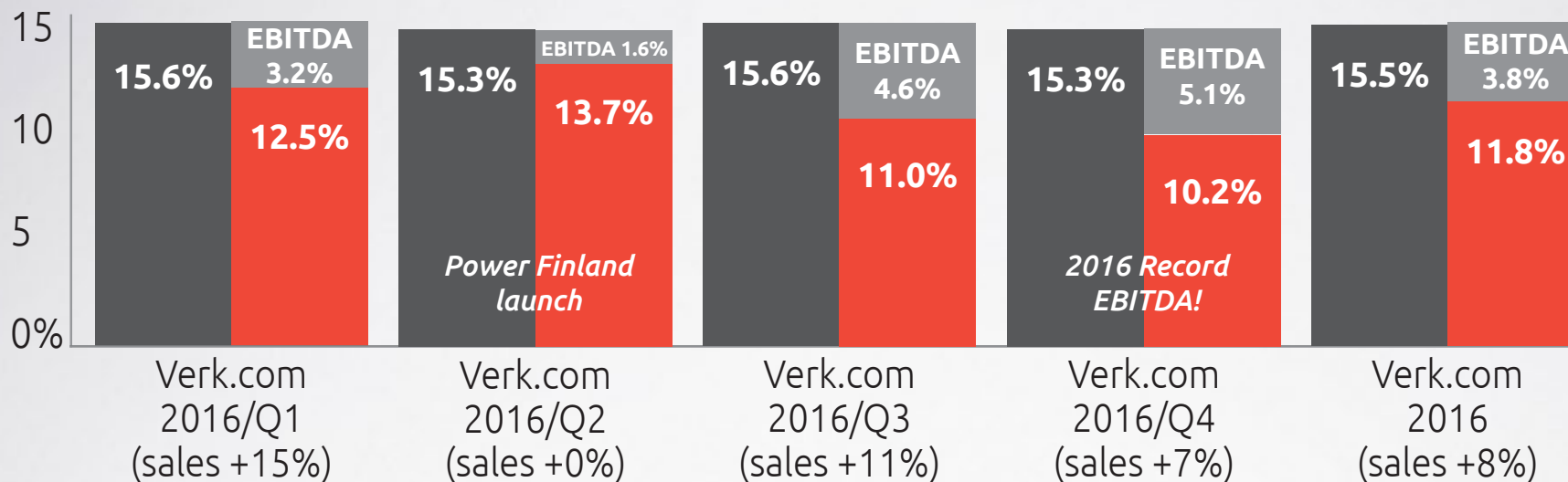
■ Gross margin %
■ Fixed costs % of sales



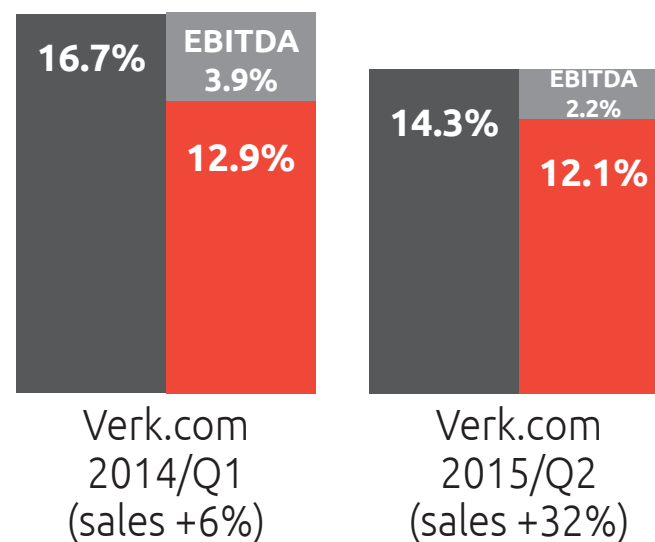
Sources: Statistics Finland, Soliditet and D&B. Gross margin includes changes in the inventory and outside services. EBITDA and fixed costs excluding non-recurring items.

Verkkokauppa.com's gross margin and fixed costs

■ Gross margin %
■ Fixed costs % of sales



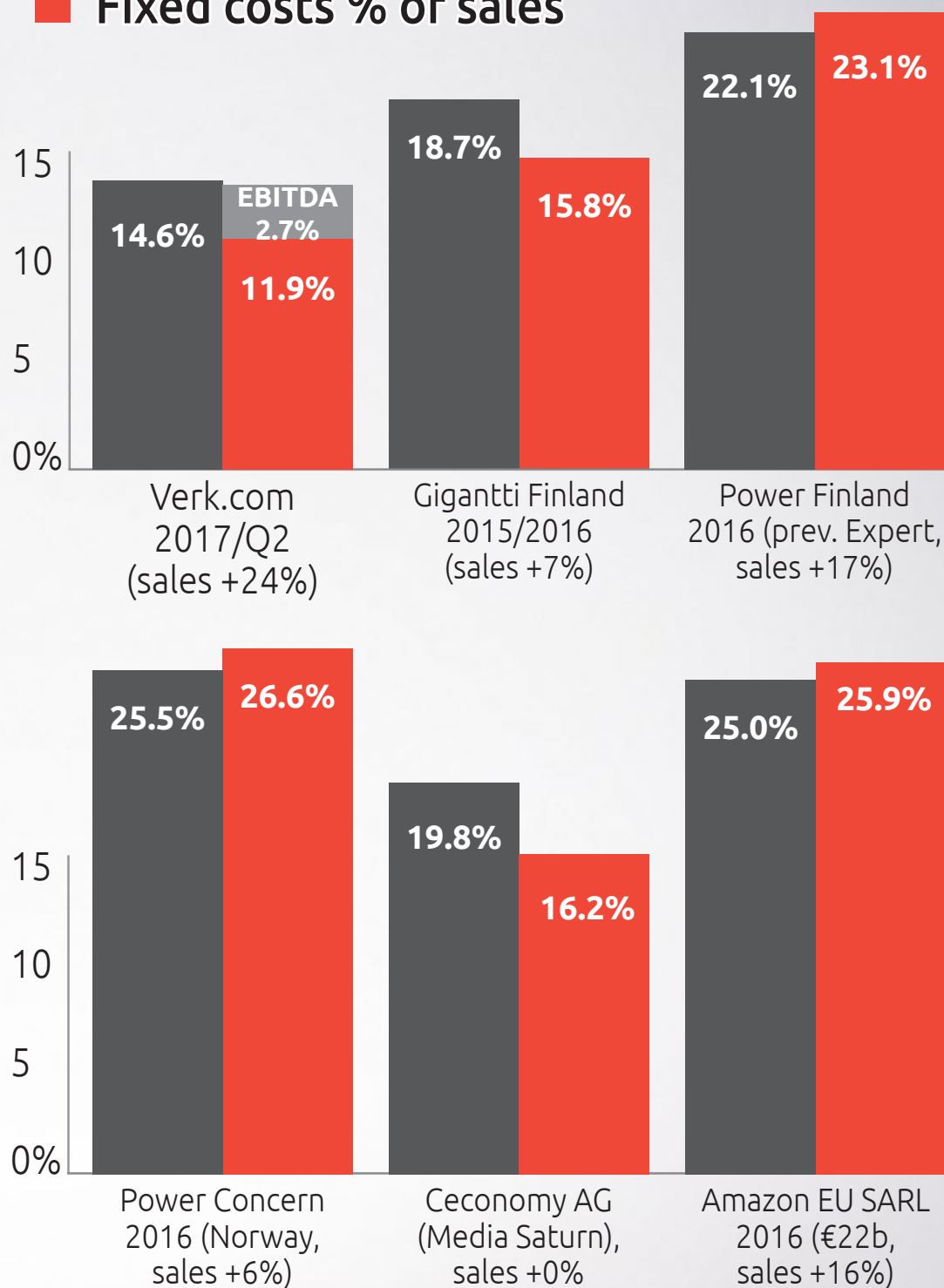
Highest margin vs highest growth quarter



Low margin electronics retailer comparison

- | | Margin avg. |
|------------------------|-------------|
| • Mobile phones | <5% |
| • Computers or Tablets | 10-15% |
| • Components | 10-15% |
| • Gaming consoles | 10-15% |
| • Televisions | 15-20% |
| • Cameras | 20-25% |
| • Small Appliances | 20-25% |
| • Domestic Appliances | 20-25% |
| • Domestic Appliances | 20-25% |
| • Accessories | >40% |
| • Private Label Cables | >50% |
| • Services | >50% |

■ Gross margin %
■ Fixed costs % of sales



Sources: Statistics Finland, Soliditet and D&B. Gross margin includes changes in the inventory and outside services. EBITDA excluding non-recurring items.

Total Visits ⓘ
Jan 2016 - Jun 2017, 🌐 WorldWide



Traffic Share ⓘ
Jan 2016 - Jun 2017, 🌐 WorldWide

**) Visits from Finland, estimate*

Domain	%	#
gigantti.fi	<div style="width: 42.6%;"></div>	42.6M
power.fi	<div style="width: 11.7%;"></div>	11.7M
verkkokauppa.com	<div style="width: 67.3%;"></div>	67.3M

Domain	Desktop	Mobile
gigantti.fi	56.79% <div style="width: 56.79%;"></div>	43.21% <div style="width: 43.21%;"></div>
power.fi	62.64% <div style="width: 62.64%;"></div>	37.36% <div style="width: 37.36%;"></div>
verkkokauppa.com	64.01% <div style="width: 64.01%;"></div>	35.99% <div style="width: 35.99%;"></div>

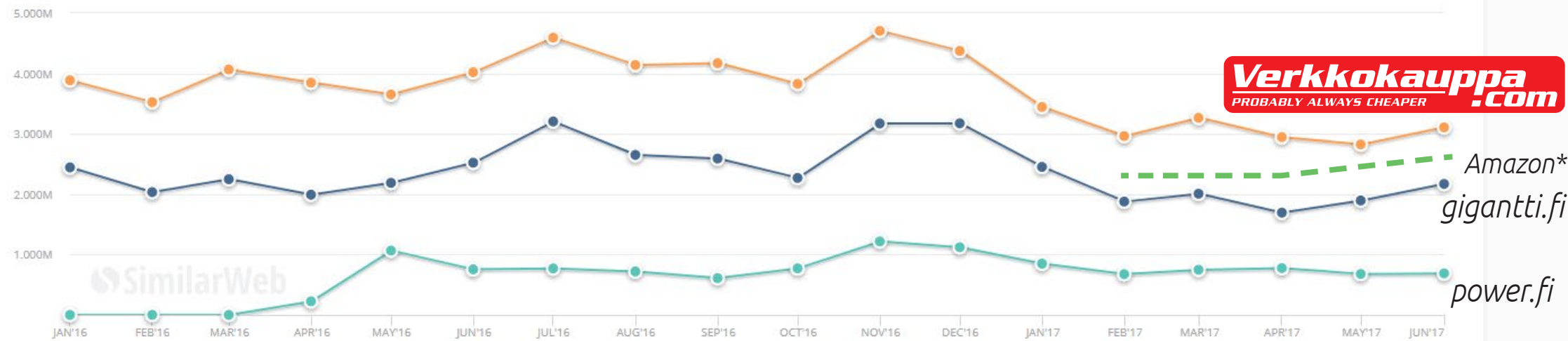
Web visits last 18 months

Engagement ⓘ
Jan 2016 - Jun 2017, 🌐 WorldWide

Domain	Monthly Visits	Unique Visitors	Visits / Unique Visitors	Avg. Visit Duration	Pages/Visit	Bounce Rate
gigantti.fi	2.365M	700,382	3.377	00:04:32	4.53	34.32%
power.fi	648,330	262,155	2.473	00:04:05	4.16	37.25%
verkkokauppa.com	🏆 3.740M	🏆 907,178	🏆 4.124	🏆 00:05:38	🏆 7.49	🏆 26.12%

Visits over time Last 18 Months | All Traffic ⊕

42.6M ● gigantti.fi 11.7M ● power.fi 67.3M ● verkkokauppa.com



Medium-term targets and dividend policy

- The company strives to grow faster than its operating market and targets an annual revenue growth of over 10 per cent in the medium term.
- The company's objective is to improve its EBITDA margin in the medium term when compared to the level of 2013.
- The company strives to secure a sufficient equity ratio to finance the growth of its business and aims to maintain an equity ratio of over 25 per cent taking into consideration the nature and seasonality of the company's business.
- Goal of paying out an increasing dividend. Dividend is paid quarterly.

Business outlook and financial guidance

Verkkokauppa.com Oyj's business operations are estimated to develop positively within a medium-term time frame. In 2017 the company revenue and comparable operating profit are expected to exceed the level of 2016.

Largest owners on 3 Jul 2017

		Shares	%
1	Seppälä Sipi Samuli	22 487 496	49.9
2	Keskinäinen Eläkevakuutusyhtiö Ilmarinen	2 419 451	5.369
3	Keva	2 171 000	4.817
4	Keskinäinen Työeläkevakuutusyhtiö Varma	2 065 932	4.584
5	Rite Ventures Finland Ab	1 967 576	4.366
6	Op-Delta -Sijoitusrahasto	999 378	2.218
7	Fondita Nordic Micro Cap Placeringsf	950 000	2.108
8	Evli Suomi Pienyhtiöt	798 129	1.771
9	Sr Danske Invest Suomen Pienyhtiöt	661 500	1.468
10	Skogberg Ville Johannes	634 266	1.407
11	Sr Danske Invest Suomi Yhteisöosake	349 068	0.775

Largest nominee registered:

1	Nordea Bank Ab (Publ), Suomen Sivuliike	3 271 312	7.259
2	Skandinaviska Enskilda Banken Ab (Publ) H.	1 895 168	4.205

Source: www.verkkokauppa.com/en/investors/shareholders

PRICE (EUR)

TODAY'S CHANGE

SHARES TRADED

1 YEAR CHANGE

BETA

8.57

↑ 0.08 / 0.94%

3.14k

↑ 23.49%

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Data delayed at least 15 minutes, as of Jul 12 2017 16:29 BST.

Summary

Charts

Profile

Directors & dealings

Financials

Forecasts

Historical prices

1D

3D

1W

1M

6M

1Y

3Y

5Y

Comparisons >

Share development last 12 months (13 Jul 2017)



Q&A

Upcoming events:

- Q3/2017, Friday 20 October 2017

Quick links:

- Investors site - www.verkinvest.com
- Company Releases mailing list - www.joinverk.com
- Company Investor Webcasts - www.verklive.com

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- investors@verkkokauppa.com



THANK YOU!

Get
the big
picture...

probably
always
cheaper*



LG 55LF592V 55" Smart Full HD LED televisio

Hinta

599,90 €

tai Apurahalla **33,00 €/kk** (24 kk)

% sis 24 % alv.

Verkkokauppa
PROBABLY ALWAYS CHEAPER **.com**

*verk.com/hintapuntari

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