

Verkkokauppa.com Oyj  
Q2/2014 - 8.8.2014

Samuli Seppälä, CEO

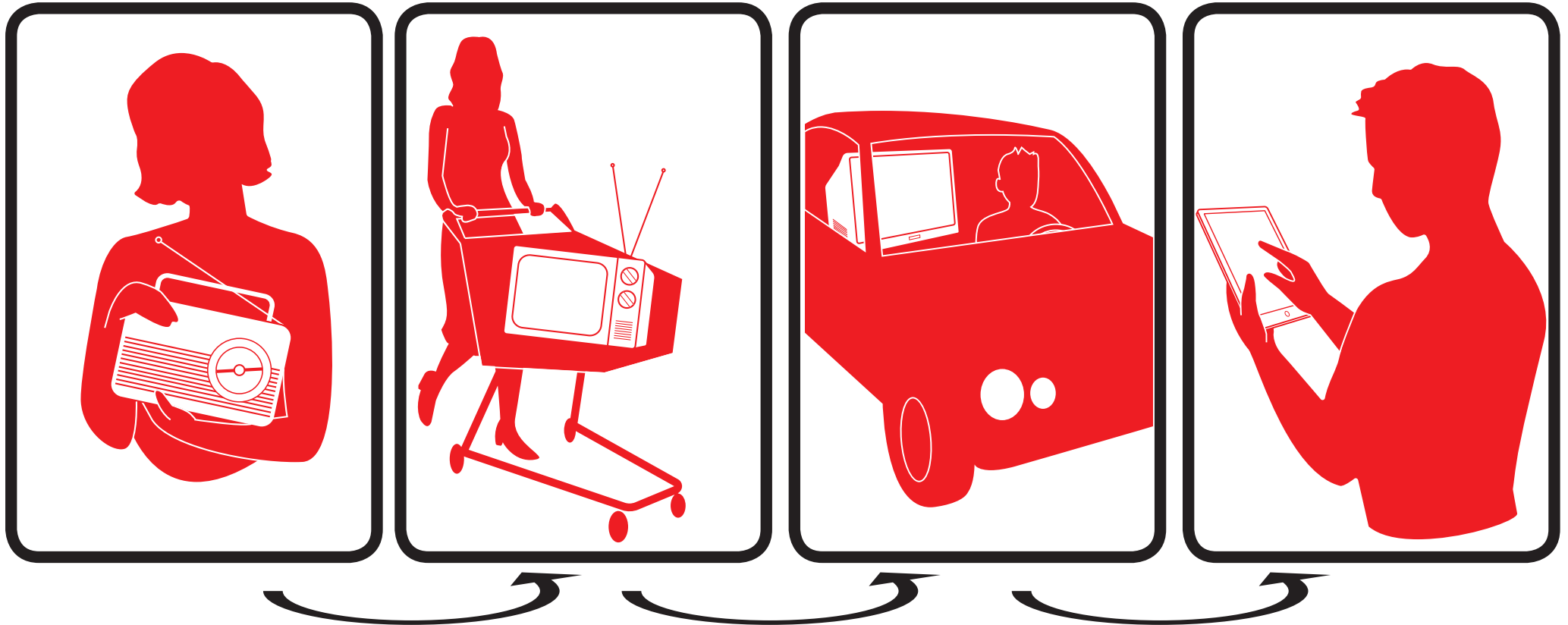


Oho!  
What a  
price!

**Verkkokauppa**  
*PROBABLY ALWAYS CHEAPER* **.com**

VERK  
**NASDAQ OMX**  
FIRST NORTH LISTED

# Uniquely Positioned for Consumer Channel Shift



*Verkkokauppa.com believes that its lower cost structure compared to other traditional retailers, inexpensive prices, position as the best-known Finnish online retail brand\* and own IT-system are strengths that secure the Company's position as a winner while retail evolution continues.*

*\*) Taloustutkimus 2013*

# Verkkokauppa.com's customer promise

Capital efficiency  
enabled by the leanest  
operating model

**LOW PRICES**

"Probably always cheaper"

Price according with  
slogan - regardless  
of sales channel

**WIDEST  
ASSORTMENT**

**Verkkokauppa**  
*PROBABLY ALWAYS CHEAPER* **.com**

**BEST 24 H  
AVAILABILITY**

Finland's best source for  
product information,  
including 100 000 reviews

**TRANSPARENT AND  
CUSTOMER CENTRIC**

Customer lifetime value  
maximisation - a happy  
customer will return

# Everyday Online Retail Company

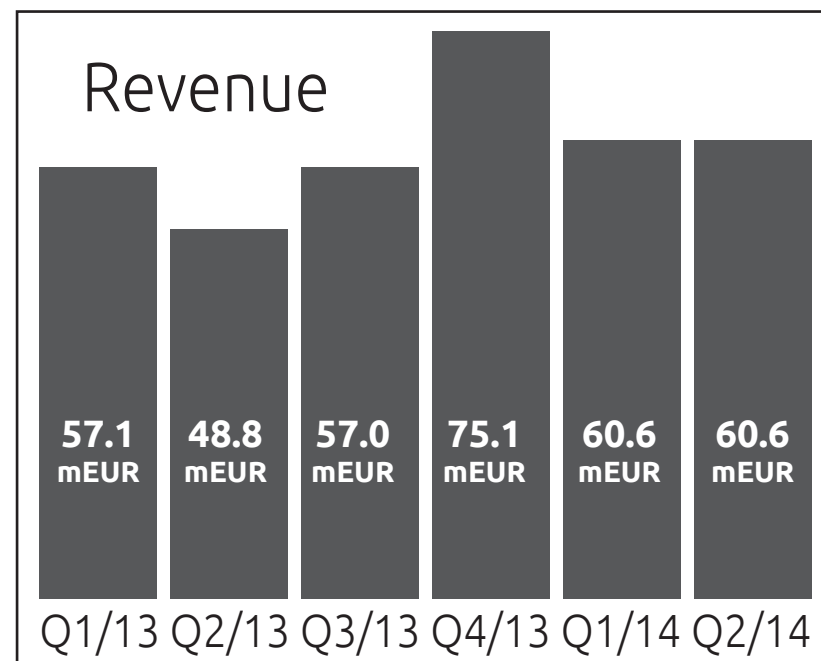


- We want to be with the consumer - *every day*.
- We must give more reasons to consumers to visit us - *every day*.
- Company plans to establish food & drink purchasing team during fall.
- Company sees that instead of opening new stores, there is more need for new types of flexible logistics services, customer financing and other *every day* consumer services.
- Our own IT-system and IT-development department are in a key role when developing new consumer services.
- New recruitments to be done also in IT-department.

## Verkkokauppa.com Q2 main growth drivers

- "Probably always cheaper prices"
- Digitalization / retail going online
- 22 years of experience
  
- First North IPO -publicity in April
- Windows XP -support ended in April
- Launch of PINS-loyalty card in May
- Football FIFA World Cup in June/July
- Brand marketing increased

# +24.2%



= nearly all main categories had sales increase during Q2,  
without any new main categories being launched during this quarter.

# PINS

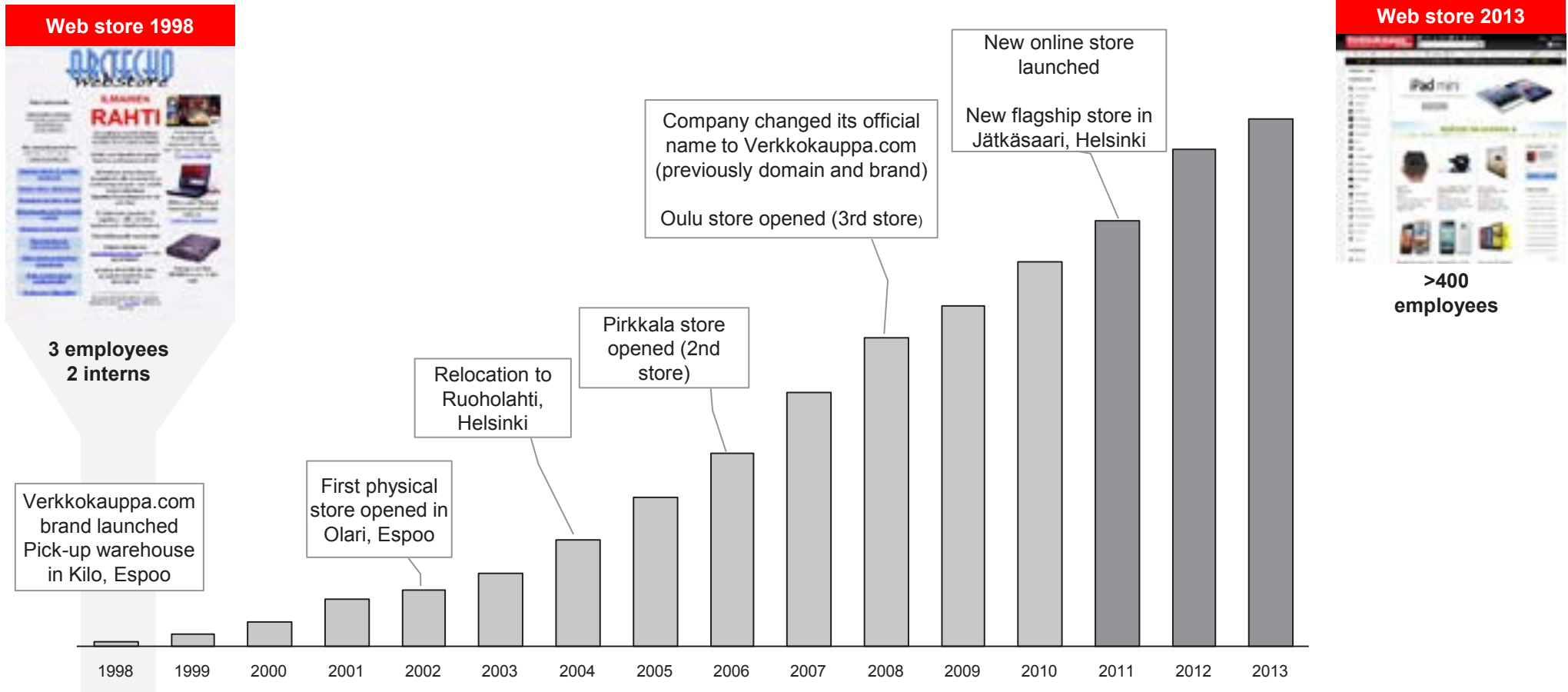


Almost one million PINS-card holders.  
(activated cards)

# Verkkokauppa.com's revenue

Continuous growth has enabled Verkkokauppa.com to evolve into a powerhouse in Finnish consumer electronics retailing

Net sales, EURm



# Verkkokauppa.com's Q2/2014

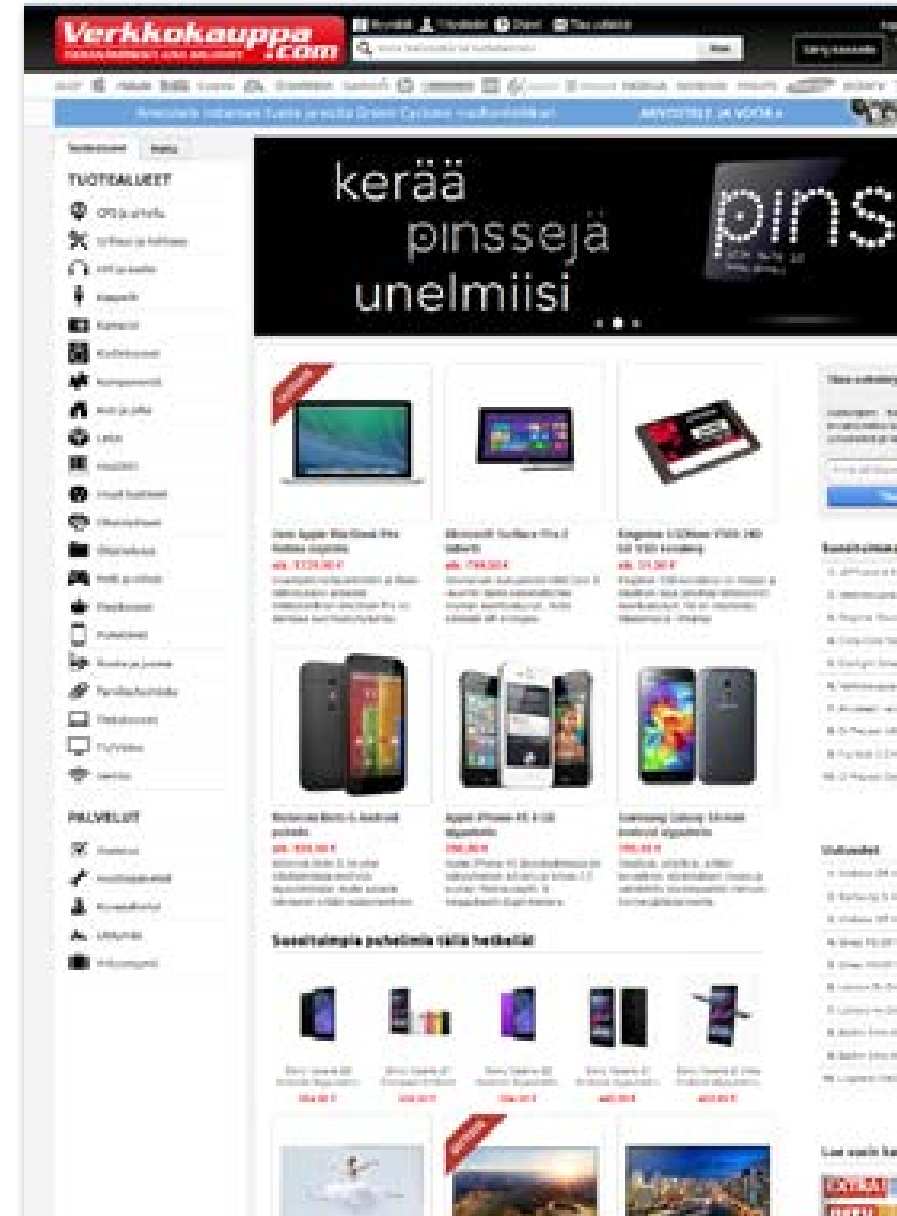
- Verkkokauppa.com revenue grew by 24.2%.
- Verkkokauppa.com's revenue and profitability developed very well during the second quarter due to inexpensive prices, digitalization and retail business moving online.
- The Company also increased significantly its brand marketing.
- Verkkokauppa.com's primary target is profitable growth and to increase its market share vs traditional retailers.





# Verkkokauppa.com's Q2/2014

- At the same time the Company's typical challenges are in managing growth and ensuring efficient logistics and a good product availability and a good customer experience.
- The Company is also concerned about current developments in the retail business in Finland and the stagnation in demand which also affect online retail.
- The Company has a positive sentiment towards year-end.



# Verkkokauppa.com's Q2/2014

- Revenue was 60.6 (48.8) million euros, growth 24.2%
- Operating profit was 1.0 (0.3) million euros, growth 222.9%
- Operating profit was 1.6% of net sales (0.6%)
- Net profit (loss) was -0.4 (0.1) million euros
- Earnings per share were -0.05 (0.02) euros
  
- Operating profit in Q1/2014 was 2.1 million
- Non-recurring items relating to the IPO decreased net profit by 1.5 million euros.
  
- Trading in the shares of Verkkokauppa.com Oyj commenced on the NASDAQ OMX First North Finland marketplace on 4 April 2014.



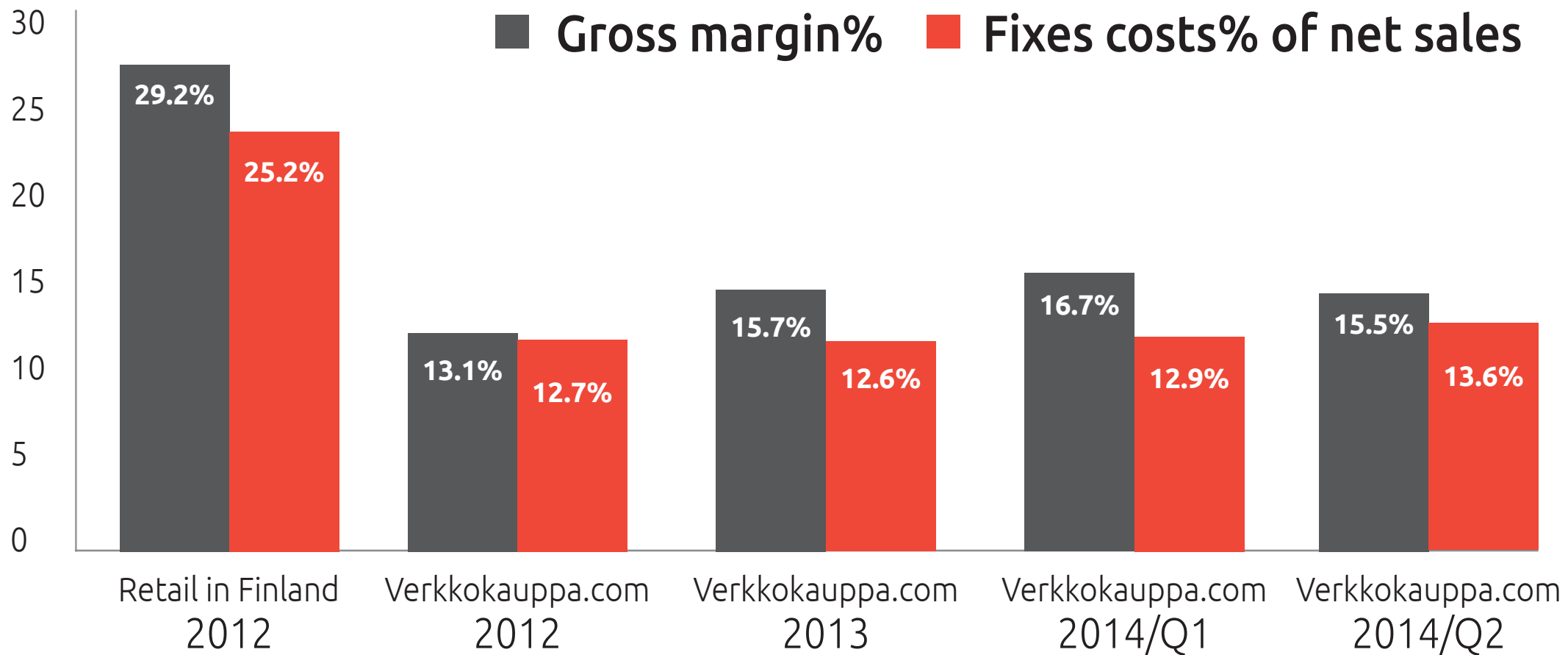
# Verkkokauppa.com's Q2/2014

Key ratios	4-6/2014	4-6/2013	1-6/2014	1-6/2013	1-12/2013
Net sales, € thousands	60,620	48,807	121,178	105,860	238,013
EBITDA, € thousands	1,219	523	3,555	2,060	7,526
EBITDA, %	2.0%	1.1%	2.9%	1.9%	3.2%
Operating profit, € thousands	982	304	3,092	1,615	6,640
Operating profit,% of net sales	1.6%	0.6%	2.6%	1.5%	2.8%
Net profit, € thousands	-350	100	993	1,122	4,204
Equity ratio, %	52.5%	12.4%	52.5%	12.4%	14.6%
Equity ratio, % (including subordinate debt)	52.5%	23.4%	52.5%	23.4%	22.5%
Return on investment, %					
12 months rolling	34.2%	31.7%	34.2%	31.7%	48.3%
Net gearing, %	-71.8%	45.2%	-71.8%	45.2%	-196.9%
Earnings per share (EPS) revised by share split, euros	-0.05	0.02	0.15	0.21	0.80
Earnings per share (EPS) revised by share split (diluted)	-0.05	0.01	0.14	0.17	0.65
Number of personnel* at end of period	474	418	474	418	446

\*The number of personnel includes both full and part time employees

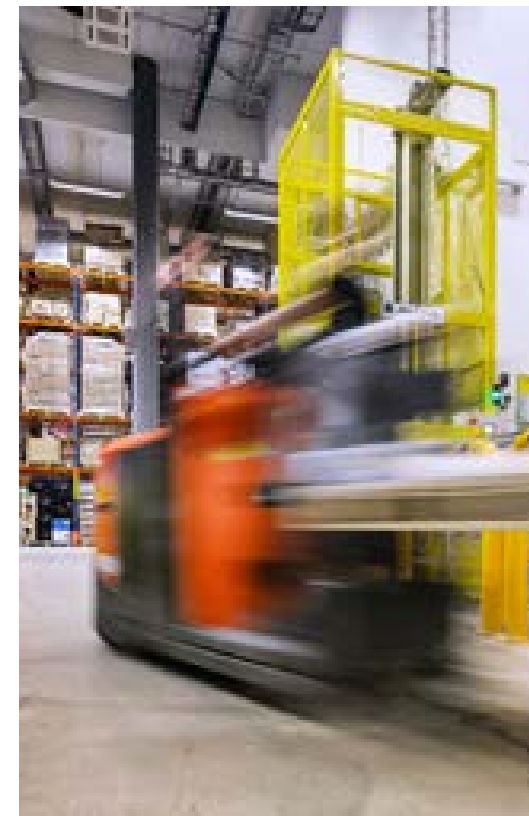
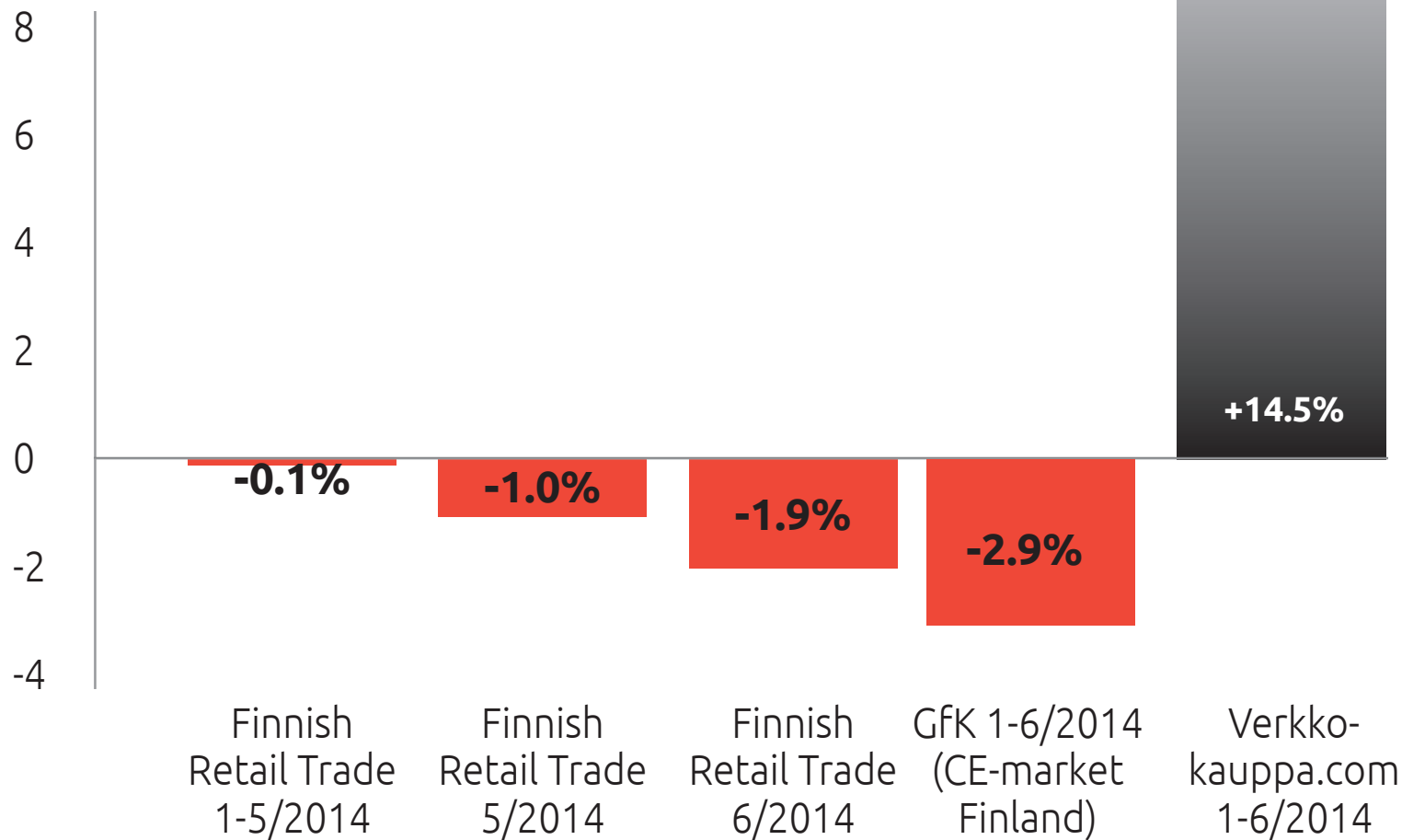



# Verkkokauppa.com's gross margin and fixed costs



Sources: Statistics Finland, retail's annual statements statistics 2012. Numbers are presented as percentages of the total revenue (including turnover and other revenue). Sales margin includes changes in the inventory and outside services.

# Retail trade sales in Finland 1-6/2014



Sources:  
 Statistics Finland



## Near future projects

- Company plans to establish new customer financing team. The larger supply and wider use of customer financing services in particular may increase sales margins in the future. First results might be expected in 2015.
- Company has currently open position for purchasing manager in DIY-categories (current home & garden and other new DIY-categories).
- Company is currently negotiating purchasing co-operation with several possible candidates
- Lot of pending projects and not all our projects will be a success.

VERKKOKAUPPA.COM OYJ

ISIN FI4000049812

Closed

13:50:21 CET

24.00  
0.00 (0.00%)

Currency in EUR

Today	24.00 - 24.00	Shares	7,510,855	Week	0.42
52 Week	20.10 - 24.99	Mkt Cap	180,260,520	Month	-1.23
Year	20.10 - 24.99	LP	N	3 month	6.76
Opening price	24.00	Market Name		6 month	0.00
Vol.	85	ICB Code	5300	Year Change	1.10
No. of trades	2	Sector	Retail	Year start change	1.10
www	www.verkkokauppa.com		Segment		
Note					

VERK  
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Show more

# NASDAQ:VERK

Show intraday

Zoom:

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# Medium-term targets

The company retains its existing targets:

- The company strives to grow faster than its operating market and targets an annual net turnover growth of over 10 per cent in the medium-term.
- The company's objective is to improve its EBITDA margin in the medium-term compared to the level in 2013.
- The company strives to secure a sufficient equity ratio to finance growth of its business and targets to maintain an equity ratio of over 25 per cent taking into consideration the nature and seasonality of the company's business.





# Q & A

# Thank you!

- Quarterly report 1–9/2014 (Q3 2014) on Friday 24 October 2014
- Financial year 2014 release on Friday 13 February 2015

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VERK  
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PlayStation 4

429,90

Xbox One

499,90



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