



**StrongPoint**

# Retail technology in every shopping experience for a smarter and better life

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**Strategy Update Session**

**15 February 2022**

# Today's presenters



**Jacob Tveraabak**

Chief Executive Officer



**Hilde Horn Gilen**

Chief Financial Officer



**Chris Mackie**

SVP E-commerce & UK Managing Director

# About StrongPoint

# StrongPoint is a **grocery retail technology** company



Focus on grocery retail technology



E-commerce logistics and in-store solutions



Efficiency is our obsession as every second counts in high volume, low margin industry

# Grocery retailers are pouring billions into technology



Aldi could be considering online grocery launch amid £1.3 bn digitalisation project

ECOMMERCE INDUSTRY 12th February 2021 Ben Stevens



✉️ 🌐 🐦 in

Aldi is rolling out a £1.3 billion digitalisation initiative across its vast international store estate as it enters the online grocery space.

Aldi is rolling out a £1.3 billion digitalisation initiative across its vast international store estate as it continues to push into the online grocery space.

## Digital Retail: Carrefour aims to become a global leader

Investments of over 3 billion

Share Tweet in S



value creation. The announcement came during its Digital Days in Paris, where the company announced the objectives it expects to achieve by 2026, thanks to a digital strategy built on a "data-centric, digital first" approach, and implemented based on four key drivers:

This reportedly includes a globally standardised approach to digitalisation, despite huge demand for the service.

While Aldi UK and Aldi US have long been successful, Aldi's headquarters have fought back.

However, with the two national Aldi brands, Aldi is competing with Instacart, the discounter could now be

The Ratings Game

## Walmart to invest nearly \$14 billion in automation and other business areas in fiscal 2022

Last Updated: Feb. 22, 2021 at 8:05 a.m. ET  
First Published: Feb. 19, 2021 at 11:39 a.m. ET

By Tonya Garcia

Walmart says the investment in automation will put them in a position for long-term sales growth

Walmart Inc. **WMT, -1.18%** announced plans to spend nearly \$14 billion on capital investments, including enhancements to the supply chain, increased automation and other areas of the business that executives say will drive long-term sales growth.



Walmart will focus its capital expenditures on delivery as well as other areas of the business WALMART



Carrefour



# The StrongPoint **double** opportunity: providing grocery retailers in-store and e-commerce technology

## E-COMMERCE

### Retailers' needs

1. **In-store:** Pressure on brick & mortar retailers' margin



### Opportunity for StrongPoint

*Technology solutions in-store to improve retailers' productivity, provide safe shopping and hence uphold margins*

2. **E-commerce:** Pressure to develop online presence



*World-class e-commerce solutions for picking and delivery*

# About StrongPoint



**35+**  
years experience

Oldest and largest retail technology company in the Nordics – founded in 1985



**400+**  
employees

Over 400 full-time employees globally including support staff in multiple countries



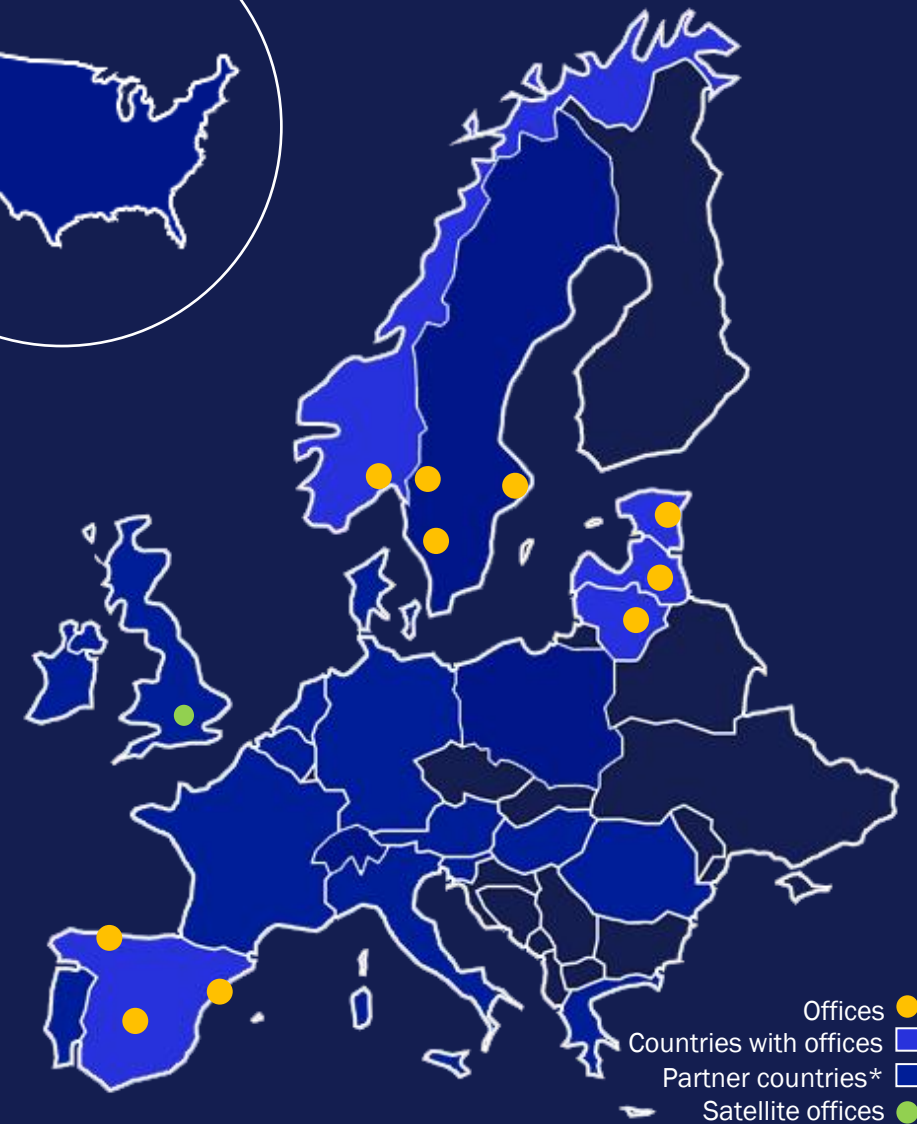
**20+**  
countries

Provide retail technology solutions to grocery companies for over 20 years



**1Bn**  
market cap

Listed on the Oslo Stock Exchange in 2003



# A strong portfolio of in-store and e-grocery solutions\*

## In-store solutions



**Self-Checkout**



**Electronic Shelf Labels**



**In-store product collection (Vensafe)**



**Task & Workforce Management**



**Cash Management (CashGuard)**



**Humanoid Grocery Robot**

## E-commerce solutions



**Home Delivery**



**Grocery Lockers**



**Order Picking**



**In-store Pickup**



**Automated Fulfilment**



**Drive-thru Curbside Pickup**



# In-store and e-grocery solutions



Halodi Robot



Task & Workforce Management



Vensafe



Electronic Shelf Labels



Self Checkout



Cash Management

# In-store and e-grocery solutions



Halodi Robot



Mobile Grocery Locker



Online Order Picking Solution



Task & Workforce Management



Vensafe



Fixed Grocery Lockers



Electronic Shelf Labels



Self Checkout



Cash Management

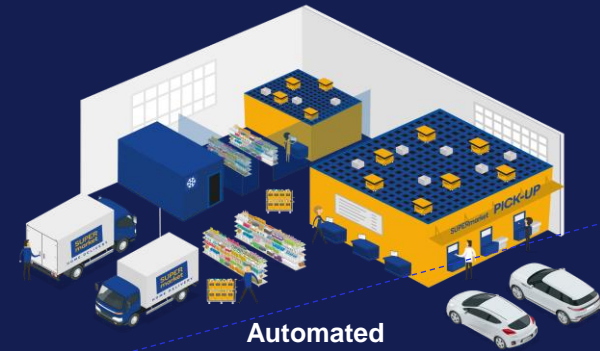
# In-store and e-grocery solutions



Halodi Robot



Mobile Grocery Locker



Automated Fulfillment (AutoStore)



Online Order Picking Solution



Task & Workforce Management



Electronic Shelf Labels



Vensafe



Self Checkout



Fixed Grocery Lockers



Cash Management

Courier Home Delivery

Home Delivery

Drive-thru

In-store pickup

# Trusted by leading grocery retailers

Glovo?

fetex

plusfrésc:  
de Lleida

coop

coop  
Norge

coop.dk

  
NorgesGruppen

SPAR 

joker

axfood Snabbgross

 EXTRA

Grupo  
MAS

Axfood

WILLY:S

BERGENDAHL'S  
food

REMA 1000

iki

ALIMERKA

ICA

BARBORA

KIWI mini  
pris

MAXIMA

MENY

Matkroken

coop  
mega

coop  
marked

coop  
prix

Rimi

obs

Hemköp

BUNNPRIS

coop

# National media covering how our solutions help leading grocery retailer profit from e-commerce

Translation:  
“How online groceries  
became profitable”

“The automated lockers has been a prerequisite for Willys to achieve profitability within click and collect. Home deliveries are still not profitable for Willys and [we] see automation as an important tool to reach profitability there as well.”

Thomas Evertsson,  
CEO Willys AB



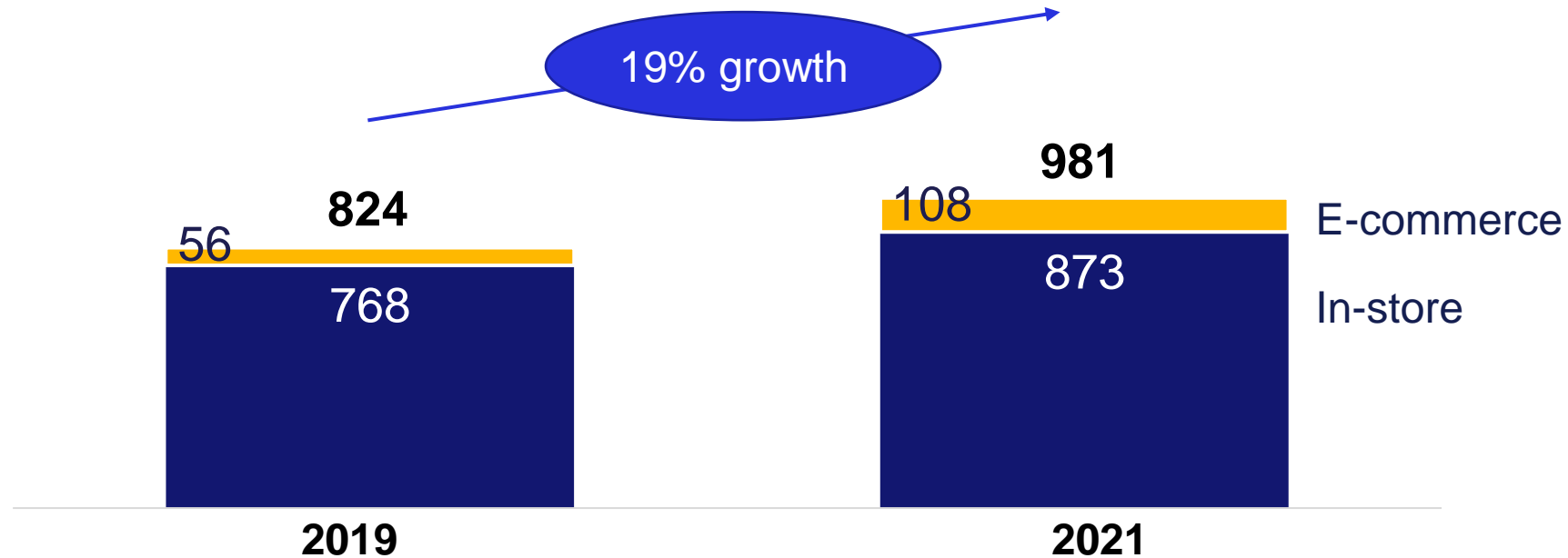
Swedish business  
daily newspaper

Grocery lockers  
from StrongPoint

Dagens Industri, January 10, 2022

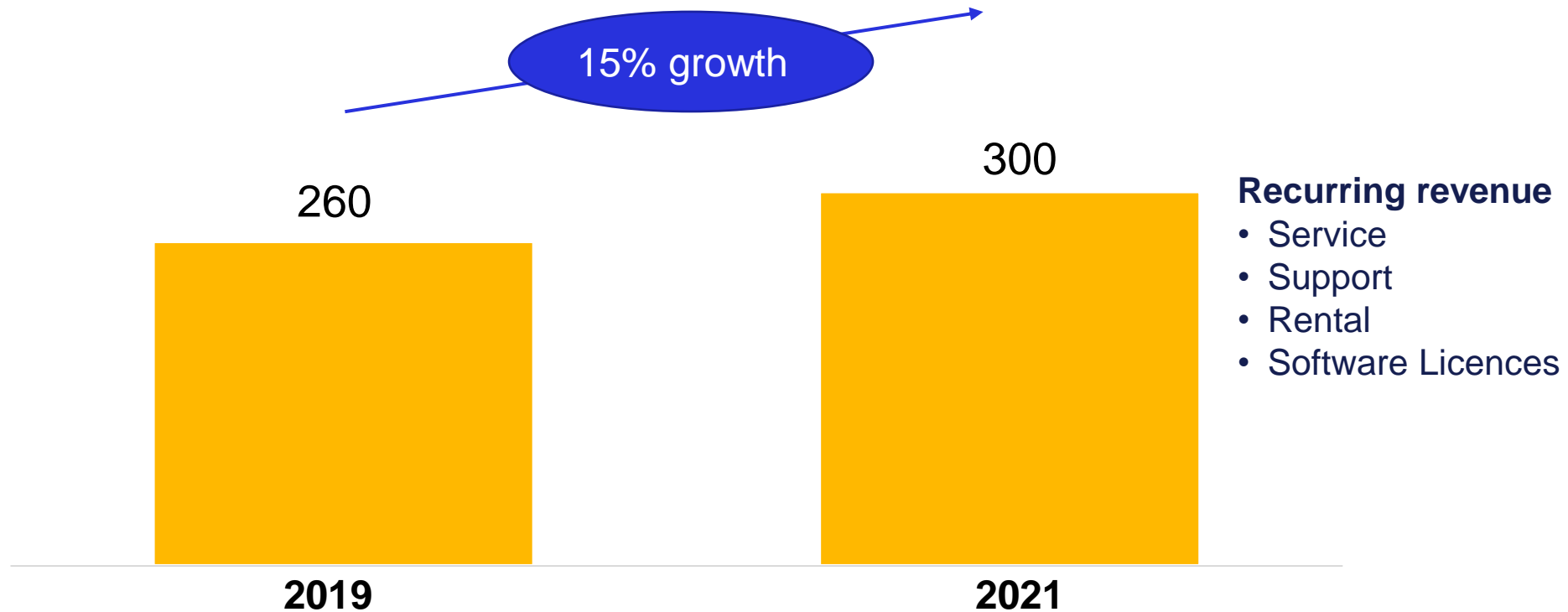
# Solid growth for both in-store and e-commerce solutions

**Revenue**  
MNOK



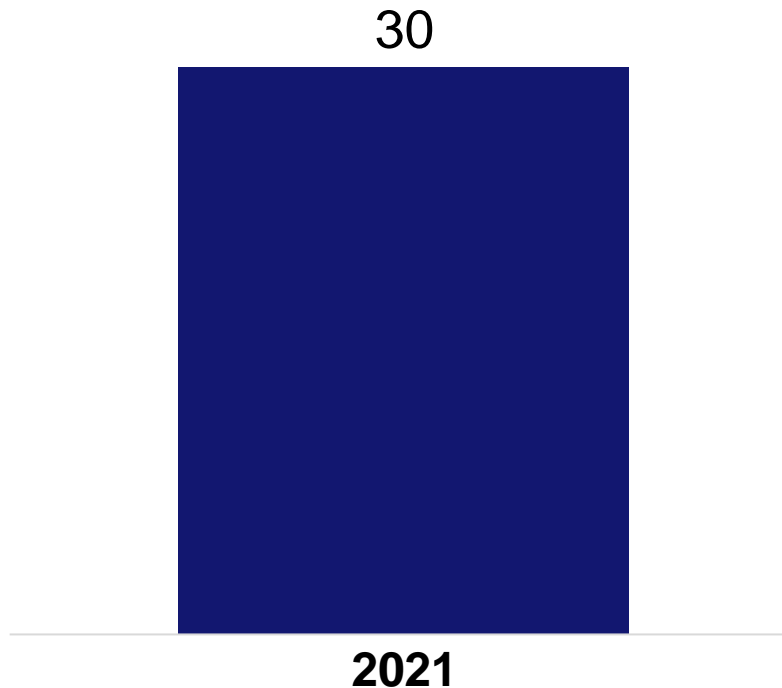
# Developing a strong base of recurring revenue

**Revenue**  
MNOK



# Recurring SaaS revenue from e-commerce: a key indicator

**Revenue**  
MNOK



## Recurring SaaS revenue

- Only from e-commerce
- 100% customer retention on Order Picking



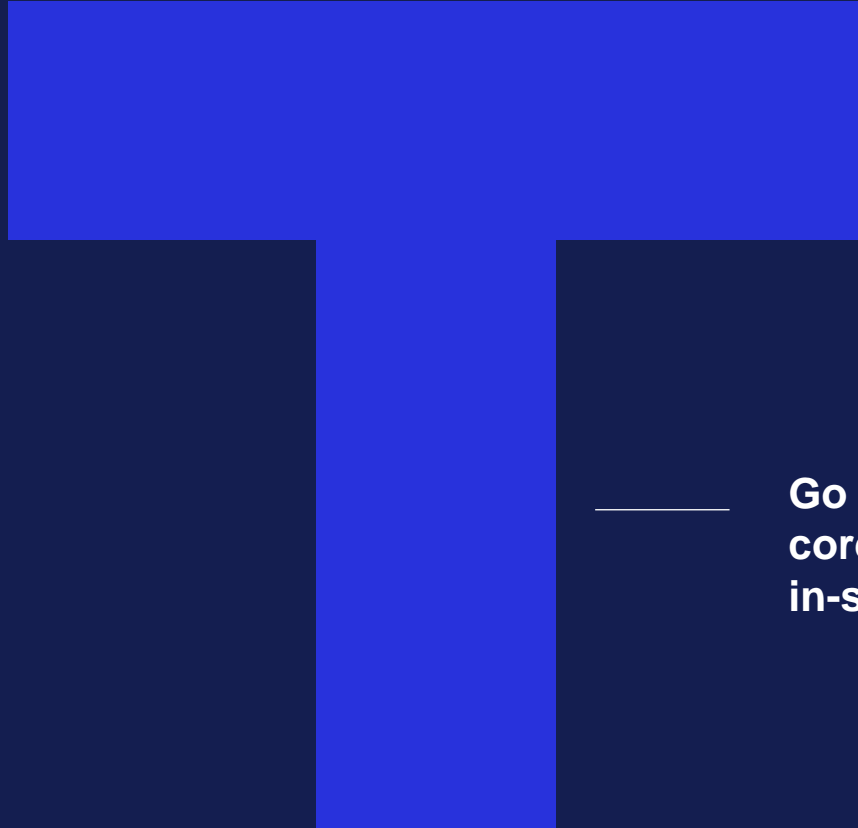
# 2025 Strategy

# StrongPoint's financial ambitions for growth

**NOK** **2.5** **bn** **in 2025**

**EBITDA** **13-15%**

# T-Shaped Strategy



**Go wide** with  
four world-class solutions to selected markets

- E-Commerce Order Fulfillment platform
  - Order Picking
  - Micro fulfillment centers
  - Last Mile Solutions
- Self Checkout
- Cash Management
- Halodi Humanoid Robot

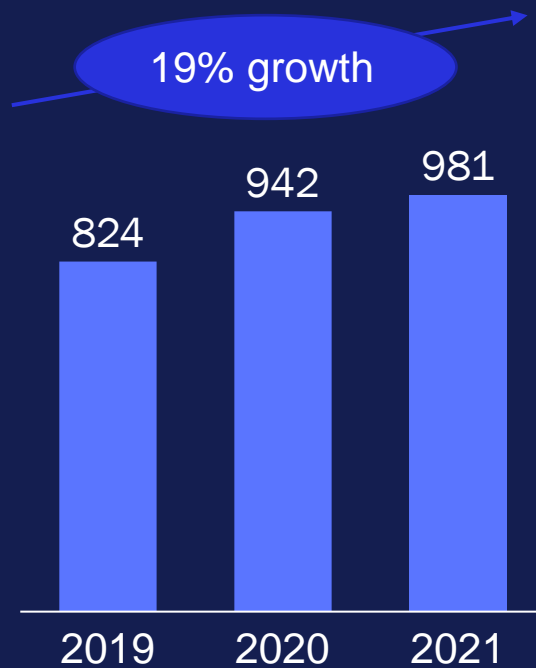
**Go deep** in  
core markets with solutions that cover  
in-store and e-commerce solutions

- Norway
- Sweden
- Baltics
- Spain

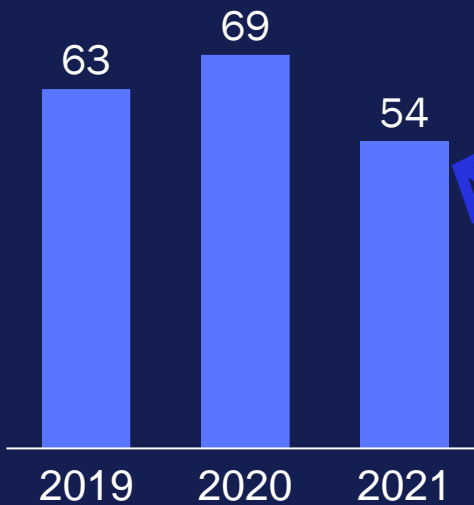
*Now includes AutoStore  
grocery micro-fulfillment*

# Investing for the future

## Revenue MNOK



## EBITDA

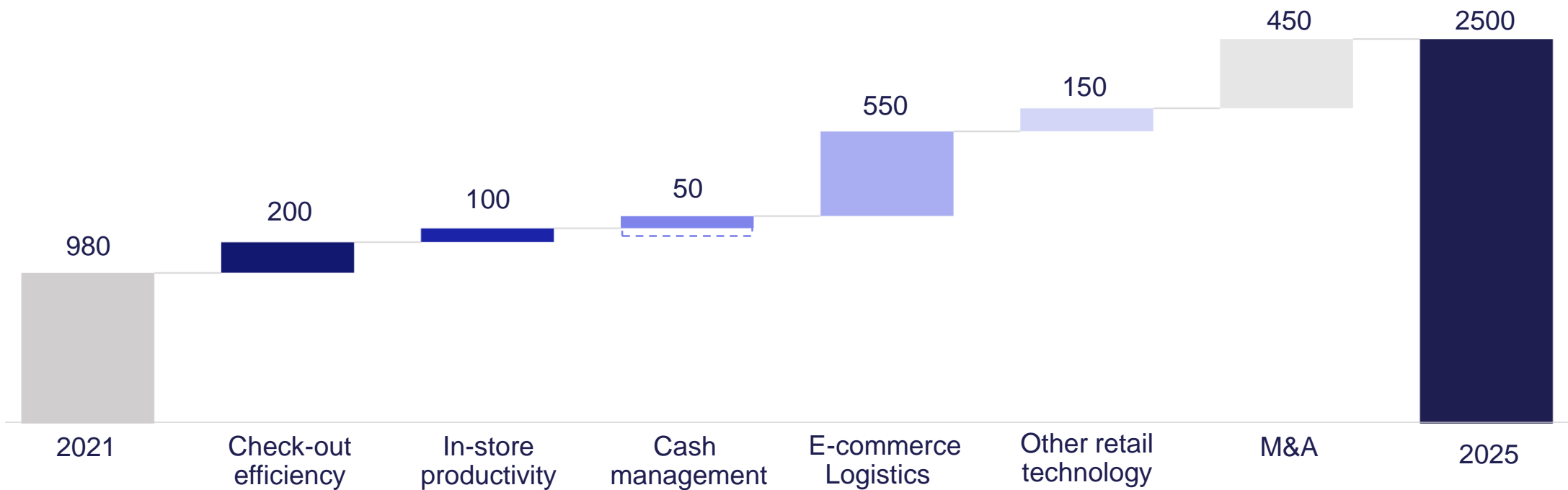


## List of investments

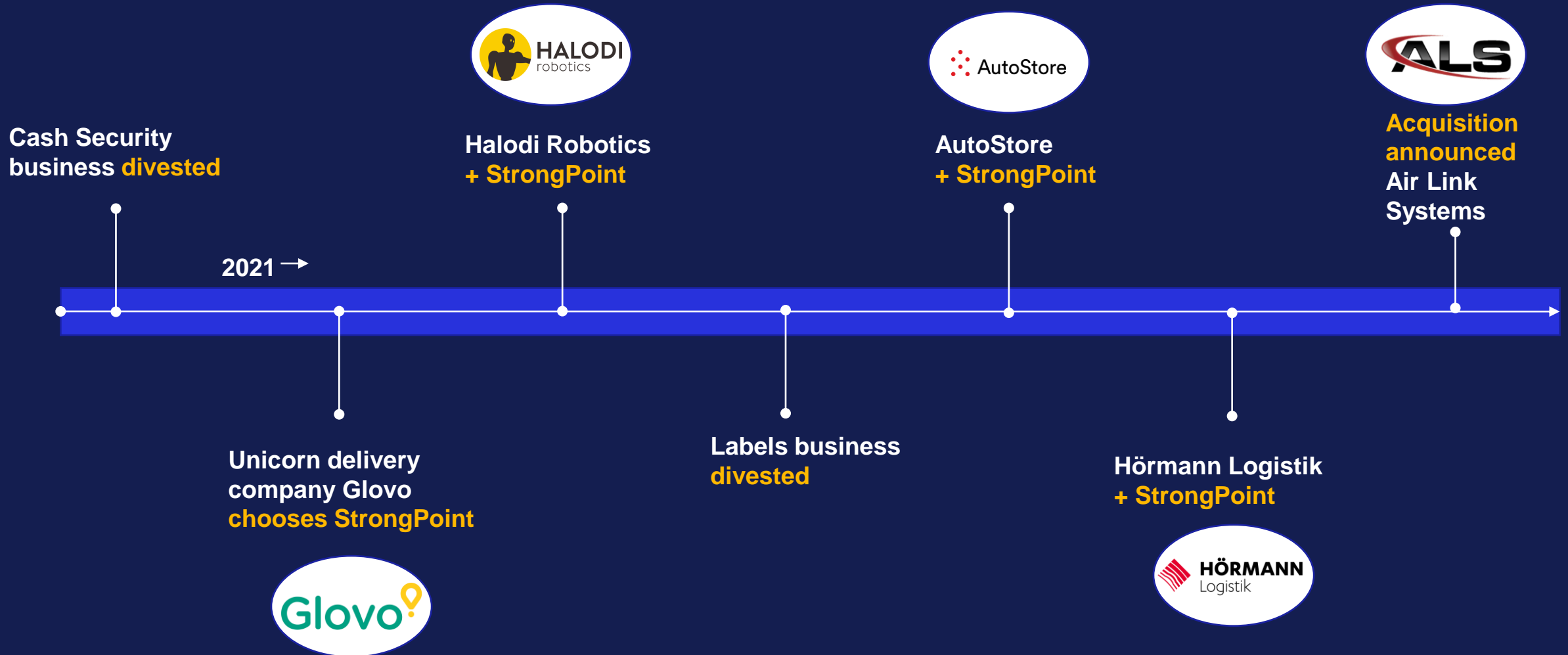
- Product development
- Sales & marketing
- Software developers

# 2025 revenue ambition: a **pure** retail technology company

Revenue  
MNOK



# Delivering on our strategy, building the retail technology growth platform



# About Air Link Systems Ltd (ALS) – our first acquisition\*



## Strong presence in UK & Ireland

- Priority market as outlined in 2025 strategy
- Additional satellite offices in Europe



## Supply and install grocery retail technology

- Temperature-controlled grocery lockers
- Self-check-out solutions
- Vending solutions



## Worked with leading grocery retailers in UK and abroad

- Tesco
- Asda
- Sainsbury's
- Carrefour

# Priorities to achieve 2025 revenue ambition



Leverage on  
e-commerce  
market opportunity



Execute in-store  
strategy



Building momentum  
in M&A activities



# Market Trends

# The three dominating grocery retail e-commerce trends

**#1**

Focus on operational efficiency & profitability



**#2**

Quick commerce continues to grow



**#3**

Sustainability in the last mile



# Trend #1 – A focus on operational efficiency and profitability



Consumers demand faster delivery when they "need it now"



# Trend #2 – Quick Commerce continues to grow



# Trend #3 – Sustainability in the last mile

## Challenge / Opportunity

- Grocery retailers are under pressure to reduce their environmental impact
- A need to align with more environmentally conscious consumers

## Recommended Strategies

- Localise
- Incentivise
- Delivery Methods
- Share
- Test

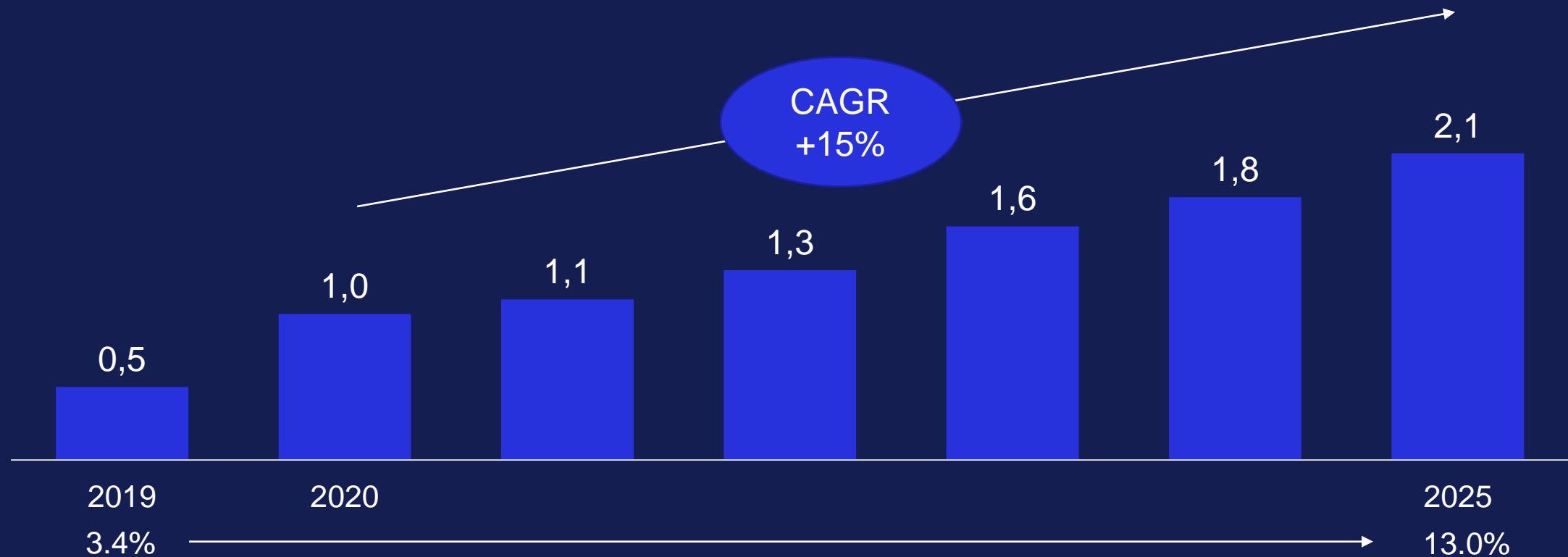
## StrongPoint's Value



# Online grocery retail is growing fast

## Online grocery sales estimates in target markets<sup>1</sup>

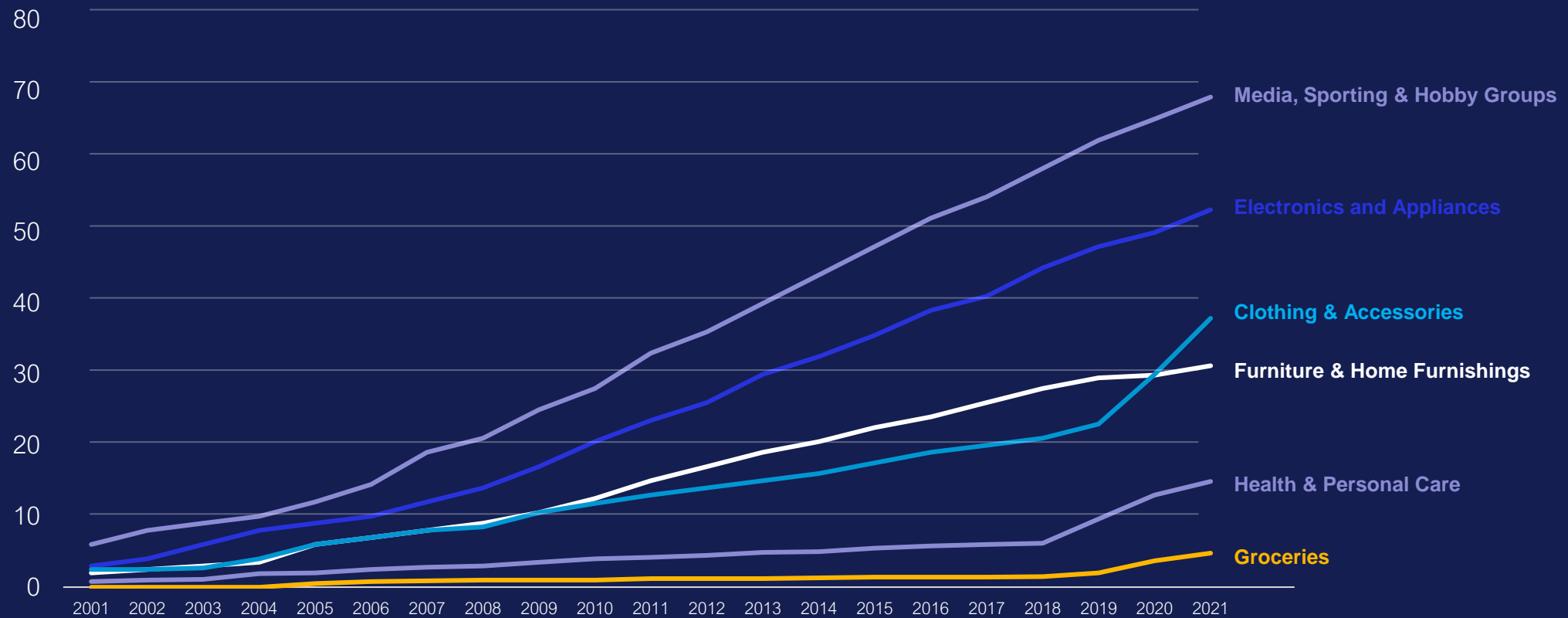
NOK trillion



Online grocery penetration

# Future of grocery e-commerce – the only way is up

Online penetration in selected US retail segments  
Percent



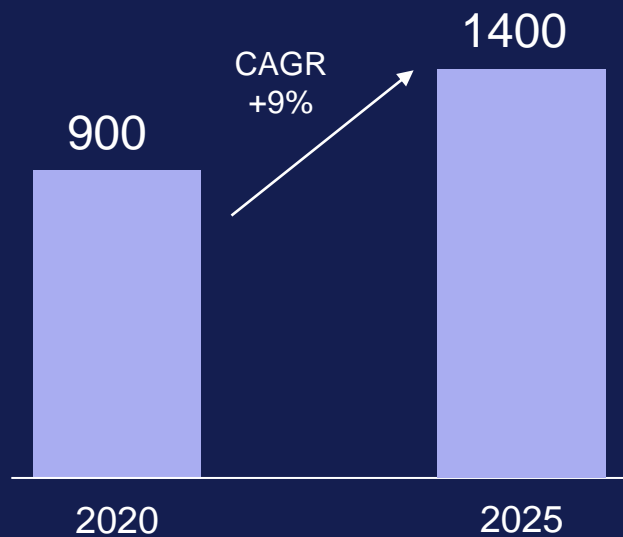


# Key fulfilment/delivery methods in e-grocery

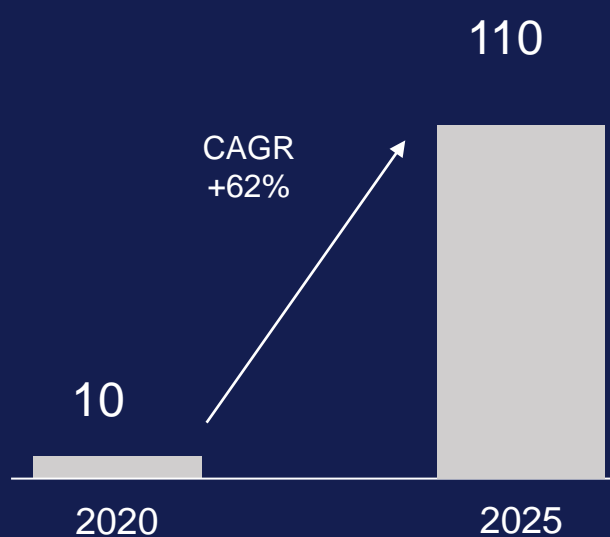
## Addressable market for key solutions

Number of million online orders per year\*

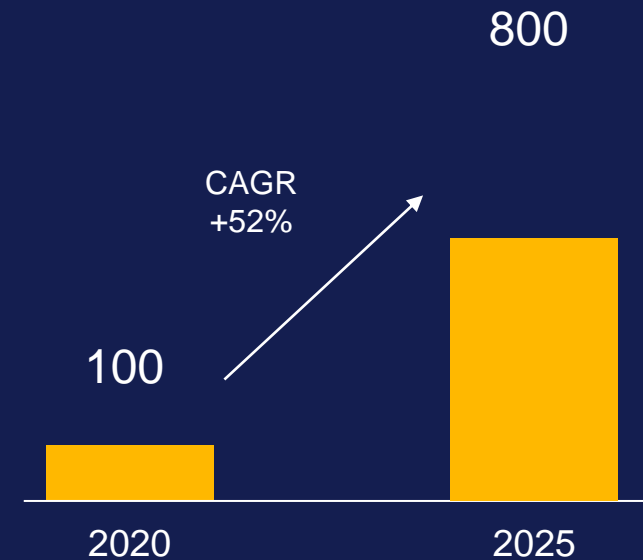
Picking solutions\*\*



Click & Collect lockers



MFC (Micro Fulfillment Centers)



Source: IGD, StrongPoint analysis

\*Norway, Sweden, Baltics, Spain, Denmark, Finland, Italy, UK, Benelux, France, Germany, US

\*\*Instore and darkstore picking

# StrongPoint Solutions

# Built and deployed the world's most efficient picking solution for in-store and dark store manual picking



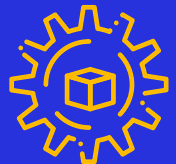
World leading



Customers average 240 items p/hr in-store picking with many achieving far higher rates



99.99% accuracy – on par with automated fulfilment solutions



Can be used in stores, in dark stores, in combination with micro-fulfilment or for quick-commerce orders



# Extensive installed base of temperature-controlled grocery lockers



App-based pickup and loading for customers and staff



Mobile temperature-controlled grocery lockers can be placed almost anywhere



Age control can be done manually or with AI-powered age-verification technology\*

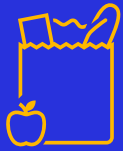


# Rapidly growing footprint of our Picking Solution and Click & Collect lockers

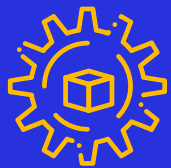
Number of Click & Collect lockers delivered



# A trusted partner to leading robotics technology providers



AutoStore's first and *only* grocery retail-specialised partner



StrongPoint has developed a unique grocery micro-fulfillment solution with AutoStore's solution



Partner with Germany-based Hörmann Logistik to provide grocery micro-fulfillment in Nordics, Baltics and DACH region



"AutoStore is delighted to partner with StrongPoint, who so clearly sees the potential in micro fulfillment. Together, we are well positioned to deliver on the ongoing transformative phase"

*Karl Johan Lier, CEO of AutoStore\**

# Customers segments for e-commerce technology



**Grocery retailers**  
Established in e-commerce



**Grocery retailers**  
Newcomers in e-commerce



**Pure online players**



**Platform/online delivery**

**MFC (AutoStore Micro-Fulfillment)**



**In-store picking solutions**



**Last mile delivery**



Applicable



Potentially applicable

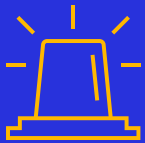
# StrongPoint Self-Checkout delivering outstanding customer experiences with minimal staff interventions



AI-powered item recognition creates unbeatable speed of purchasing\*



Automated age-control with AI-powered age-verification technology\*\*



Fewer staff interventions without sacrificing security and accuracy powered by proprietary self-learning system





# Investing in in-store grocery robot of the future



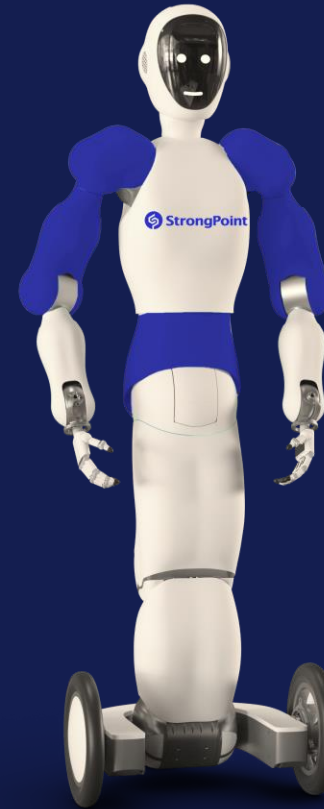
Entered into a strategic partnership with Halodi Robotics to design & distribute grocery robot



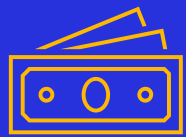
Can take over repetitive processes and free human labour to focus on more challenging tasks



Can be used for stock replenishment in-store, especially useful at night time



# StrongPoint's CashGuard still in high demand even in countries with little cash in use



Although Norway is almost cash-free, still high demand for StrongPoint's CashGuard



Demand even greater in southern European countries and growing post-pandemic



# Mergers & Acquisitions

# StrongPoint is continuously evaluating emerging M&A opportunities



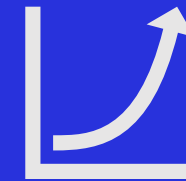
## Geographic expansion (to markets with good product/market fit)

- UK
- Denmark
- Finland
- USA



## Technology additions\*

- E-commerce
- Check-out efficiency



## Strengthening of core markets

- Spain
- Norway
- Sweden
- Baltics

M&A

# Building momentum in M&A activities



Made first acquisition\* of Air Link after valuated ~60 companies



Divested Labels and Cash Security business to focus only on retail technology



Monitoring and explore grocery retail technology market trends



# Financial impact of ALS acquisition\* on StrongPoint



Will add NOK 240 million revenue with 10% EBITDA based on 2021 performance



Fair enterprise value for a service and installation company



Purchase price to be paid in a combination of cash and shares in StrongPoint

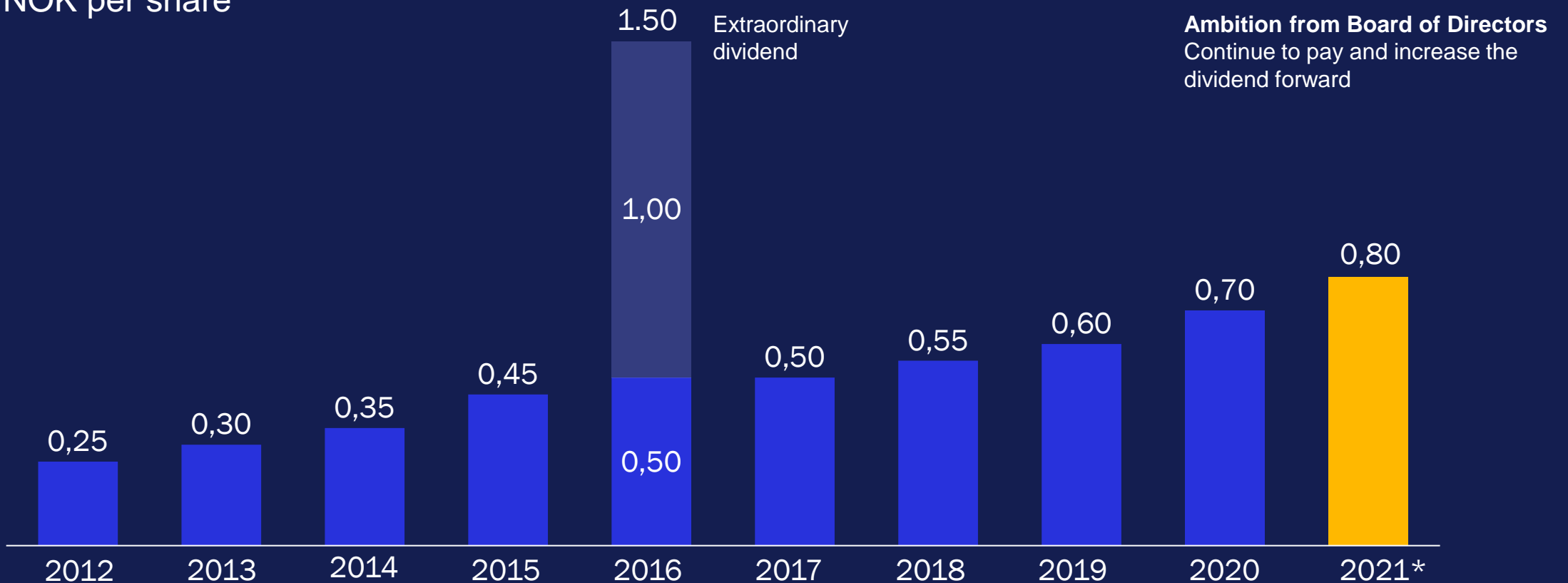


Exclusivity period until 30.04.2022. StrongPoint expects to complete Due Diligence and final purchase agreement within this date

# Dividend

# Ambition to gradually increase dividends

**Dividend**  
NOK per share





# Outlook & Priorities

# Creating a NOK 2.5 billion retail technology company

	2021	2025
Revenue*	NOK 1 bn	NOK 2.5 bn
E-commerce share	11%	25%
EBITDA margin*	5.5%	13-15%

# Q&A



**StrongPoint**

# Retail technology in every shopping experience for a smarter and better life

