

# TODAY'S STORE FRONT

RETAIL IS GOING ONLINE. COME ALONG.



Verkkokauppa.com Oyj  
Q2/2014 - 8.9.2014

Samuli Seppälä, CEO

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



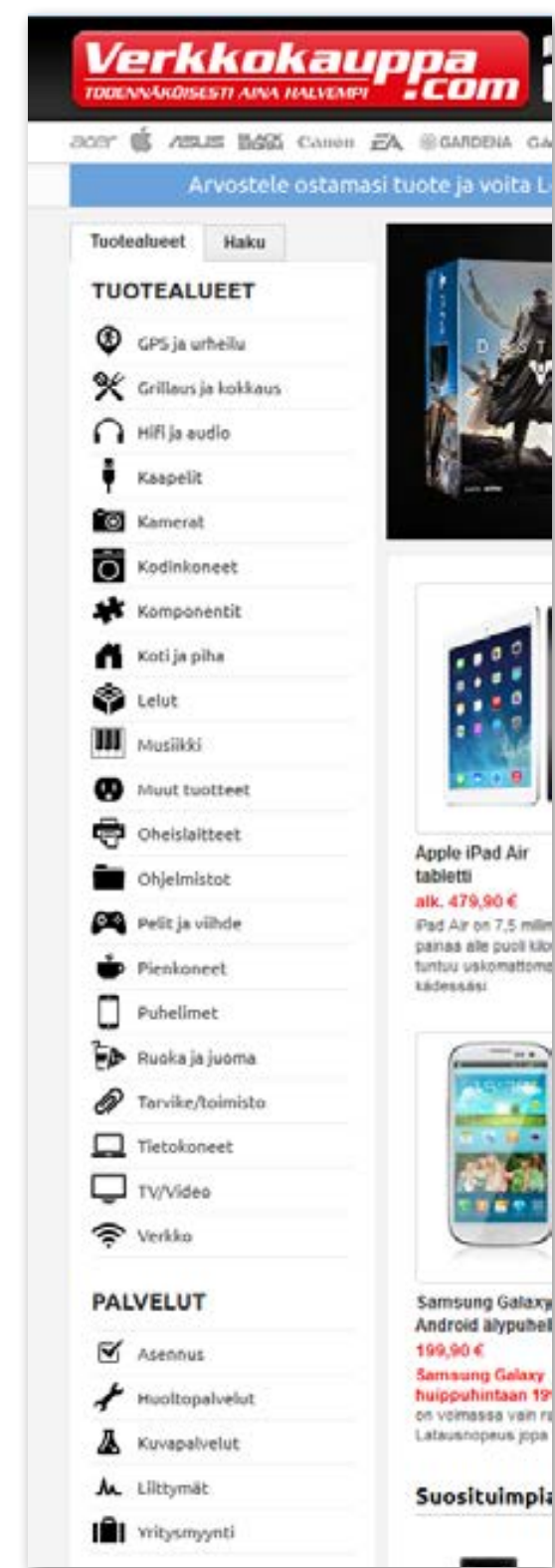
Oho!  
What a  
price!

***Verkkokauppa***  
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# Verkkokauppa.com

- Verkkokauppa.com Oyj (NASDAQ:VERK) is Finland's largest, most known and most visited online retailer that offers over 49 000 different items from 22 main categories at probably always cheaper prices.
- Company sells its products through its three megastores and over 2500 pickup locations in Finland, and also home delivered and installed.
- Company's history dates to 1992 and it has over 400 employees in three locations.

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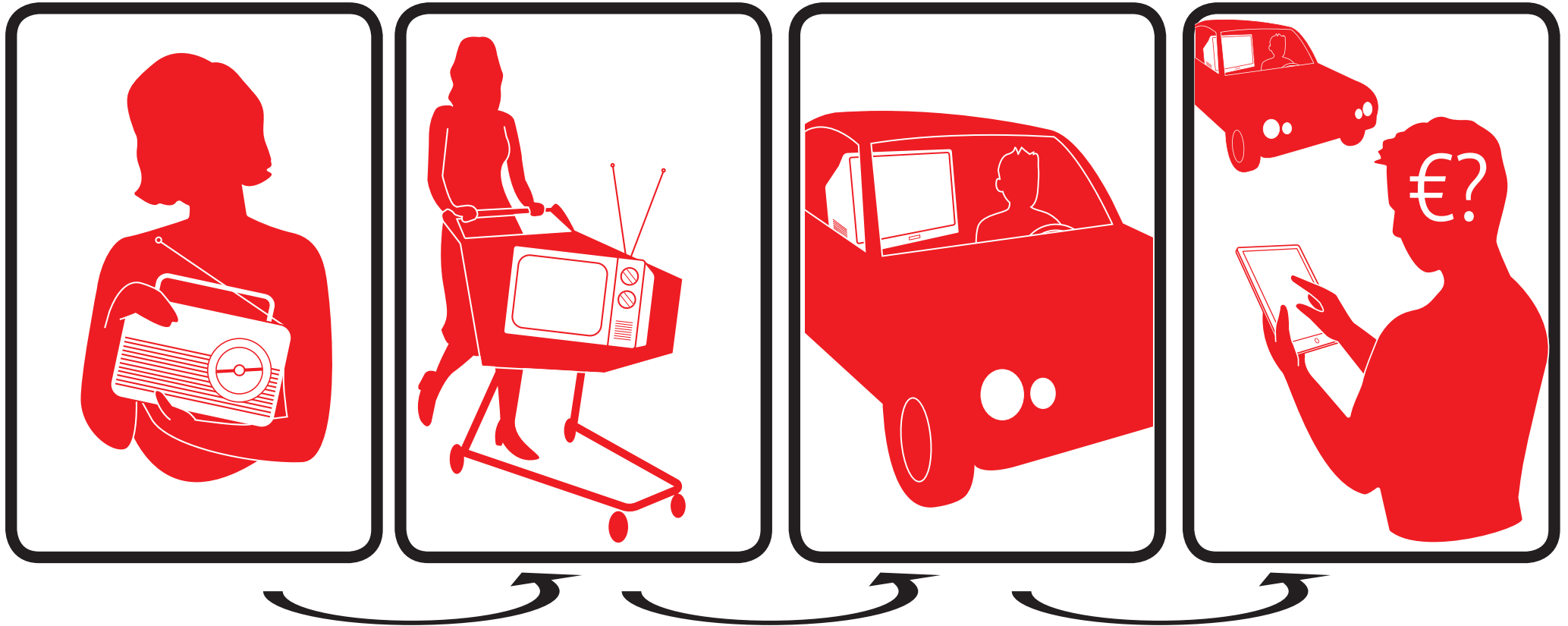


# Everyday Online Retail Company



- 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.

# 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***  
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**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

# Verkkokauppa.com's Q2/2014

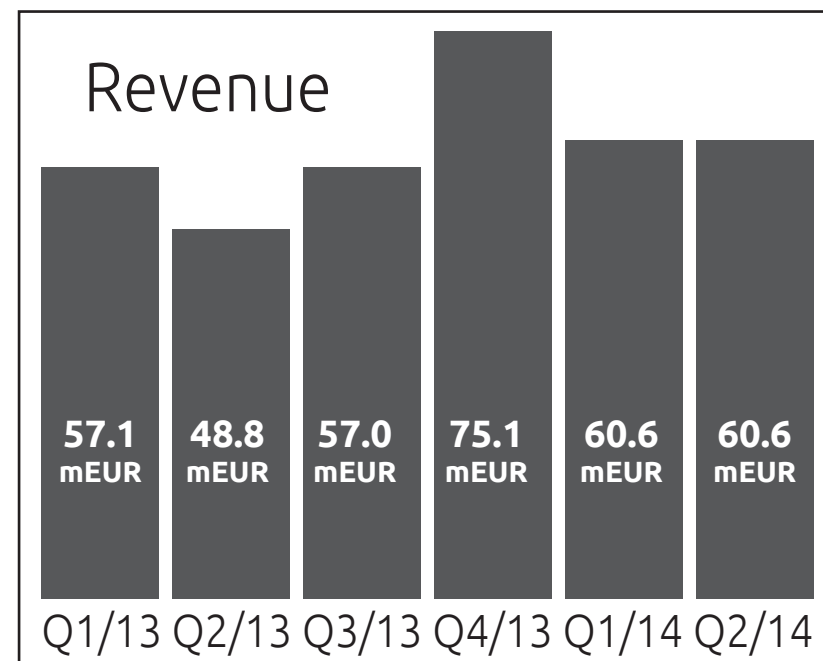
- Revenue was 60.6 (48.8) million euros, growth 24.2%
- Operating profit was 1.0 (0.3) million euros, growth 222.9%
- Operating profit was 1.6% of net sales (0.6%)
- Net profit (loss) was -0.4 (0.1) million euros
- Earnings per share were -0.05 (0.02) euros
- Operating profit in Q1/2014 was 2.1 million
- 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 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

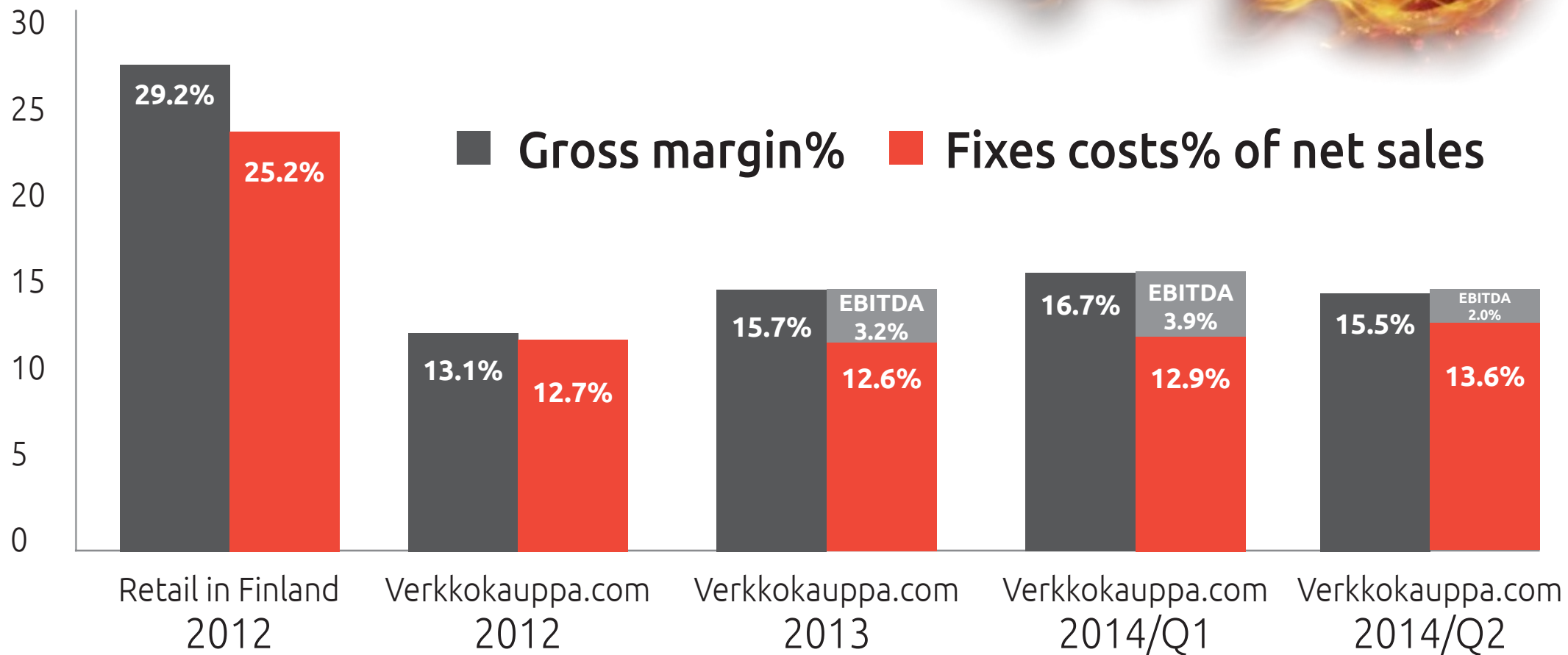
# +24.2%



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

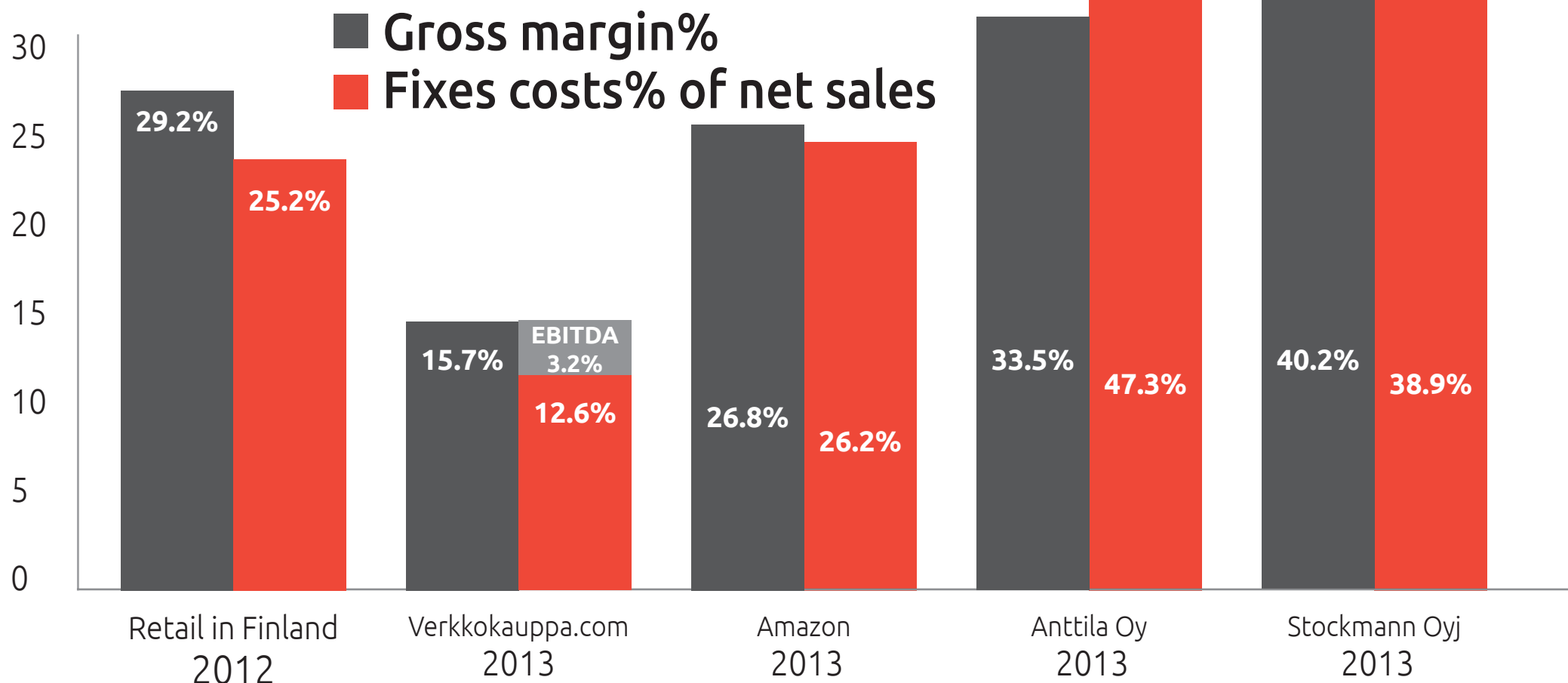


# Verkkokauppa.com's gross margin and fixed costs



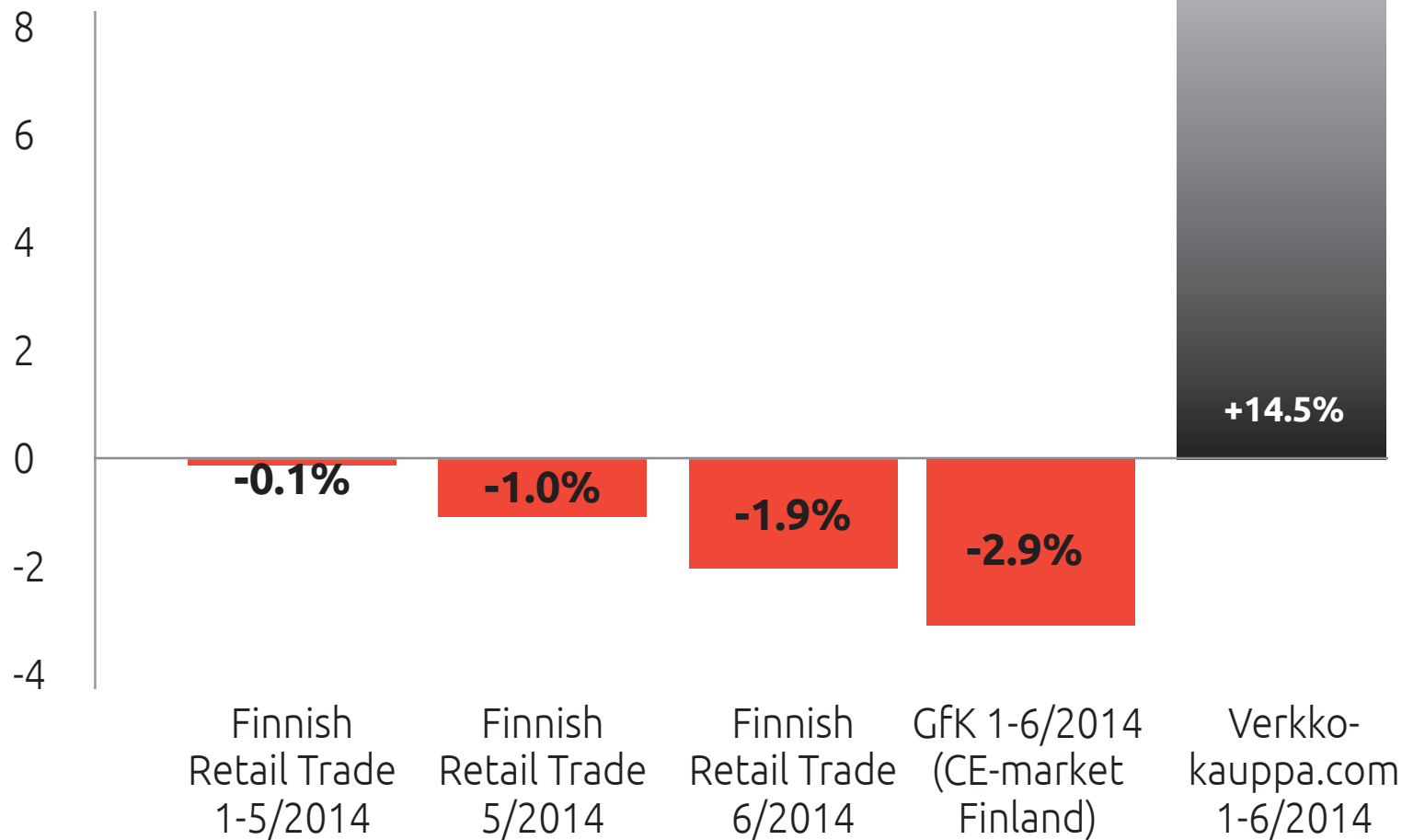
Sources: Statistics Finland, retail's annual statements statistics 2012. Numbers are presented as percentages of the total revenue (including turnover and other revenue). Sales margin includes changes in the inventory and outside services.

# Gross margin and fixed costs comparison



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



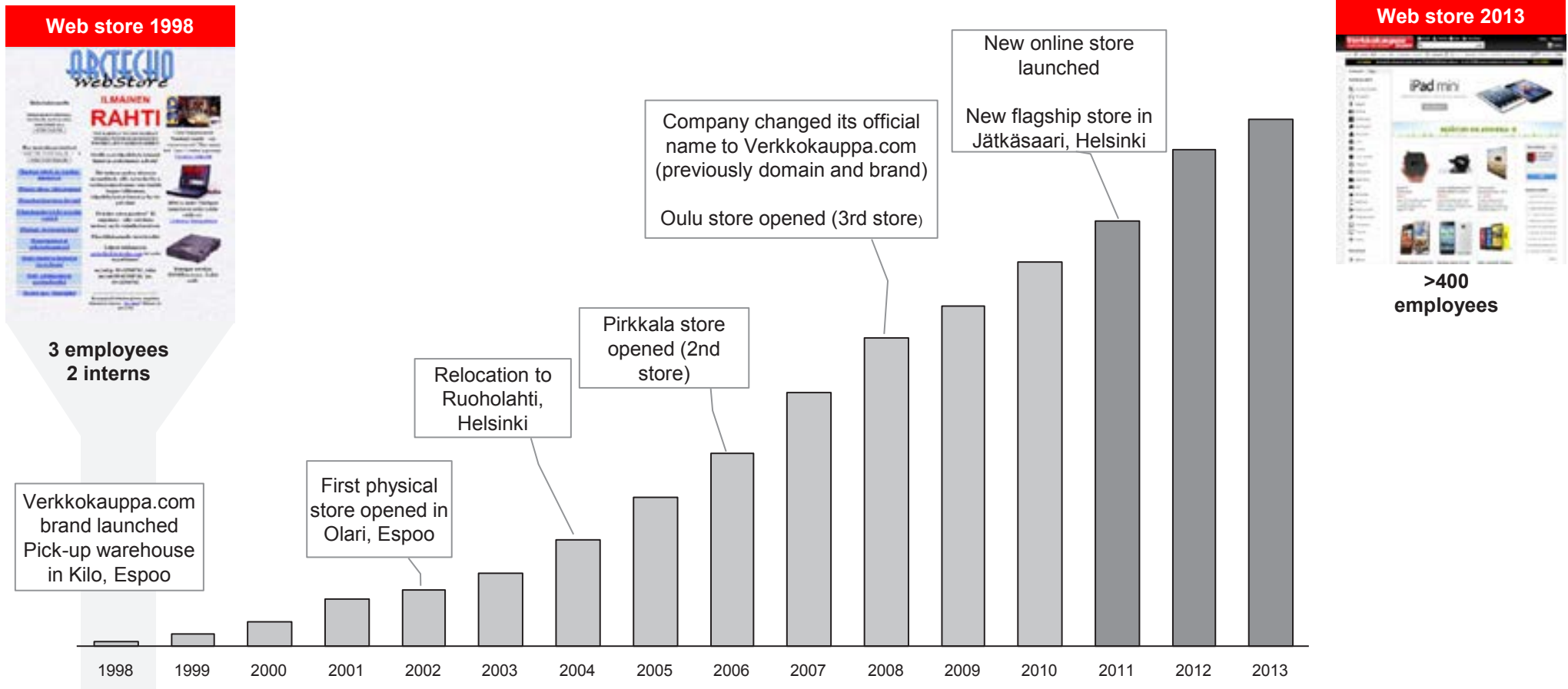
Sources:



# Verkkokauppa.com's revenue

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

Net sales, EURm



## 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.



Samuli Seppälä's ownership

49.9%

VERK, VERKKOKAUPPA.COM OYJ, (FI4000049812)

VERKKOKAUPPA.COM OYJ | ISIN FI4000049812 | Closed | 14:14:40 CET

30.20  
0.00 (0.00%)

Currency in EUR

Today	30.20 - 30.50	Shares	7,510,855	Week	0.67
52 Week	20.1 - 31.7	Mkt Cap	226,827,821	Month	25.83
Year	20.1 - 31.7	Liquidity Provider	No	3 month	26.94
Opening price	30.50	Market Name		6 month	0.0
Vol.	370	ICB Code	5300	Year Change	27.21
No. of trades	5	Sector	Retail	Year start change	27.21
www	www.verkkokauppa.com				
Note	Segment				

VERK  
NASDAQ OMX  
FIRST NORTH LISTED

Show more

NASDAQ:VERK

Show intraday

Zoom:

- 1m
- 3m
- 6m
- 1y
- YTD

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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.



# Why invest to Verkkokauppa.com?

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# Q&A

- 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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Jussi Tallgren, CFO, [jussi.tallgren@verkkokauppa.com](mailto:jussi.tallgren@verkkokauppa.com)





# Thank you!

PlayStation 4

429,90•

Xbox One

499,90•

iPhone 6

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