



Kamux – Quarterly Results Presentation January–March 2020

May 15, 2020

CEO Juha Kalliokoski

Group Controller Milla Kärpänen



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Interim Report Presentation Q1 2020



Q1 in Brief



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Summary



Kamux Vision

#1 used car retailer
in **Europe**

Kamux Q1 2020 in Brief

1.

Revenue increased by **17.0%** to EUR 167.4 million (143.0)

3.

Adjusted operating profit declined by **-15.2 %** to EUR 4.0 million (4.7)

5.

Internationalization proceeded strongly. Total revenue increased in Sweden by **34.1%** to EUR 44.8 million and in Germany by **41.3%** to EUR 15.2 million

2.

Gross profit increased by **10.0%** to EUR 18.3 million (16.6)

4.




Like-for-like showroom revenue growth was **1.0%** (-4.4 %)

6.

We opened a new car showroom in **Niittykumpu in Espoo**



Kamux Grew Faster than the Market during Q1

Market	Market size (2019)	Kamux's market share	Market development during Q1	Kamux's position and development during Q1
Finland 	~0.5 million cars	~8.0% #1	We estimate that the used car market increased compared to the previous year.	Kamux maintained its market leader position.
Sweden 	~1.2 million cars	~0.5% Top 10	We estimate that the used car market increased compared to the previous year.	Kamux's position is among the ten largest used car dealers.
Germany 	~7.2 million cars	~0.0%	We estimate that the used car market declined from the previous year.	Kamux grew its market share.

- The corona pandemic and measures related to it affected people's mobility, behaviour and purchase power.
- New passenger car registrations in European Union declined by -25.6% (Q1).
- In used car sales, the volume effects varied by operator.





The Used Car Market is Large and Fragmented


Finland, Sweden and Germany:
EUR 100 BILLION


Key measures during corona pandemic


- Ensuring the safety of customers in showrooms
- Ensuring the health of employees with work arrangements, open communication
- Contingency plans for different scenarios, taking into account the spread of the pandemic and possible restrictions related to it in different markets
- Balancing supply and demand by managing closely purchases and managing supply chain
- Efficiency of digital services
- Adjustments of marketing, customer relationship communication
- Cutting costs
- Re-evaluating and postponing development projects
- Securing cash reserves and ensuring a good financial position
- No lay-offs, special lockdown arrangements in Germany


The Role of Digital was Highlighted in Q1 / 2020


 Kamux Rovaniemi 

 **Soittopyyntö**

 Lähetä WhatsApp -viesti

 **Sovi auton videoesittely**

 **Pyydä tarjous**

 Soita myymälään: 010
778 5578

Numeroon soittaminen maksaa 8,4snt/min



KAMUX 

Haluatko lisätietoja tästä autosta?

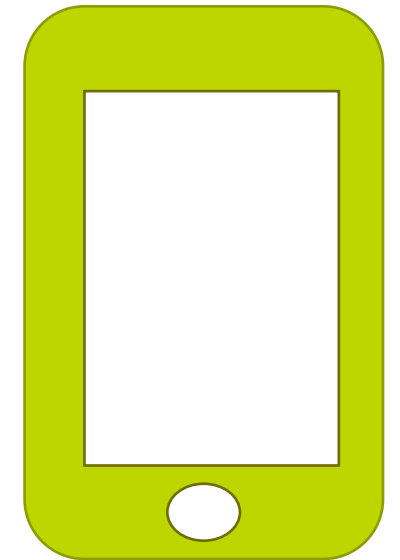
Jätä numerosi niin myyjämme ovat sinuun yhteydessä mahdollisimman pian.

 Puhelinnumero

Lähetä

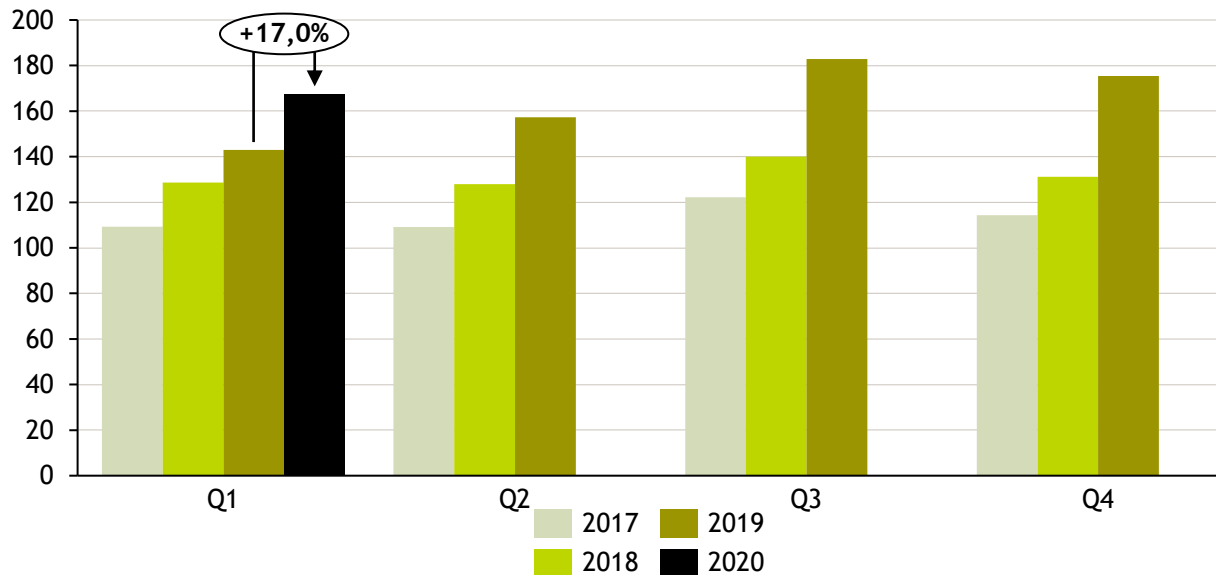
Myös chat-palvelumme on nyt auki:

Aloita chat



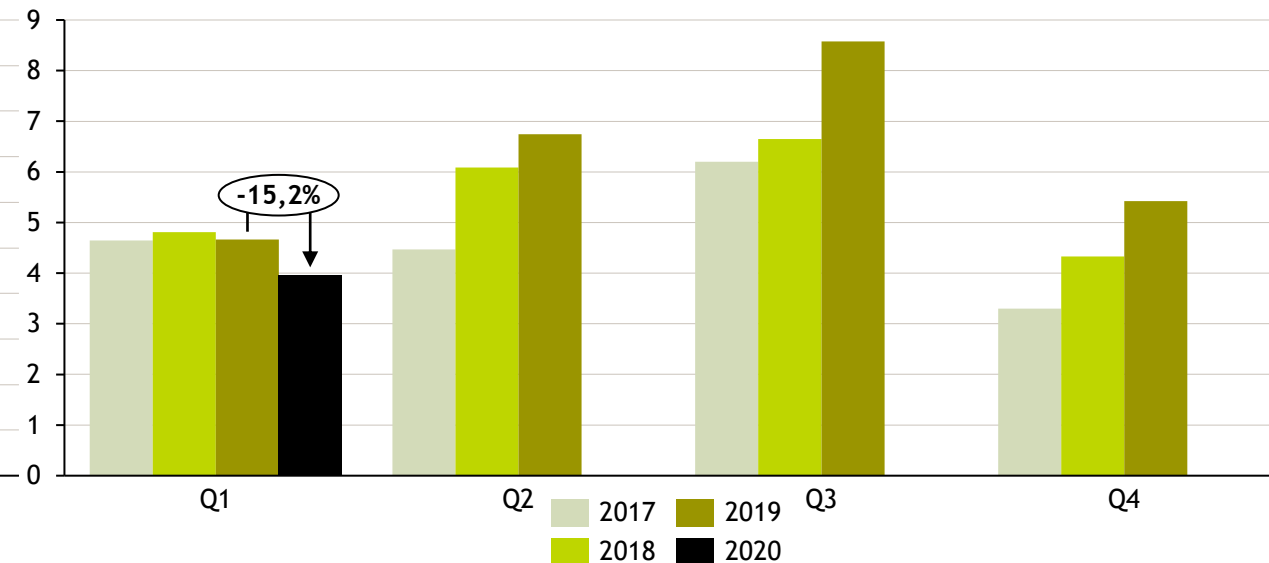
Kamux Q1 2020 – Strong Revenue Growth 17.0%

Revenue (EUR million)



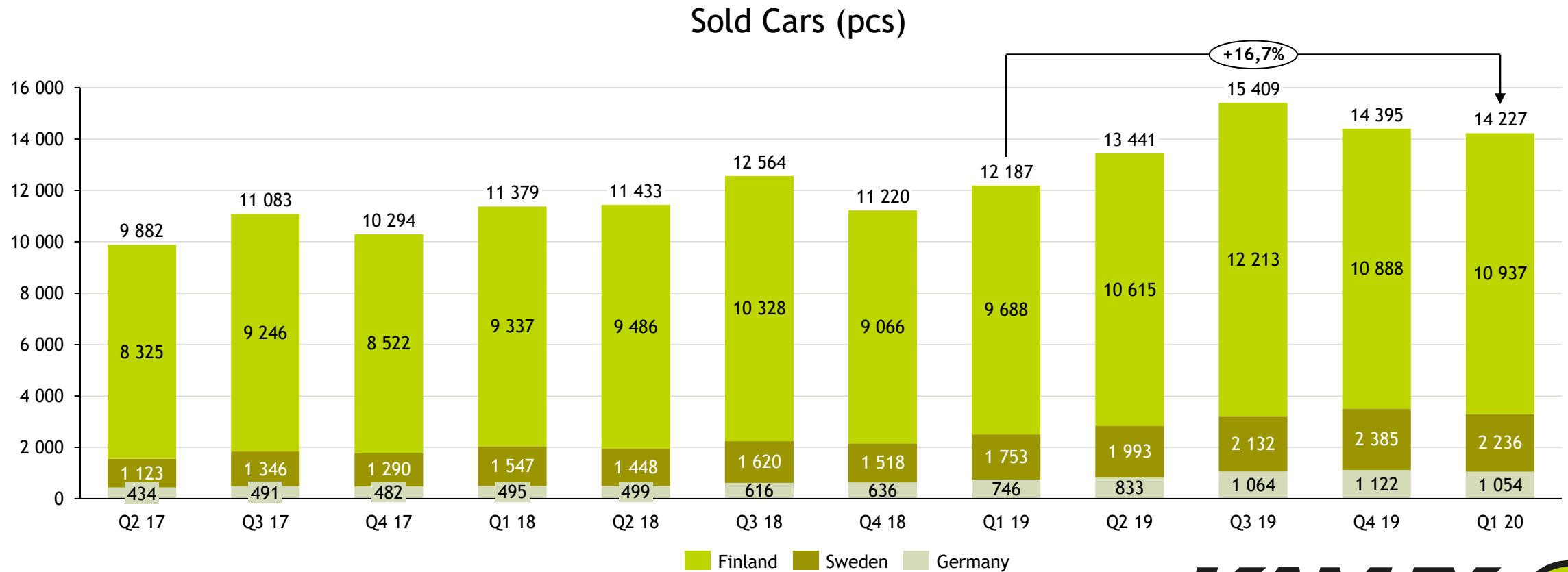
- The growth was based on the sales of new showrooms, Autosilta acquisition and like-for-like showrooms.

Adjusted Operating Profit (EUR million)

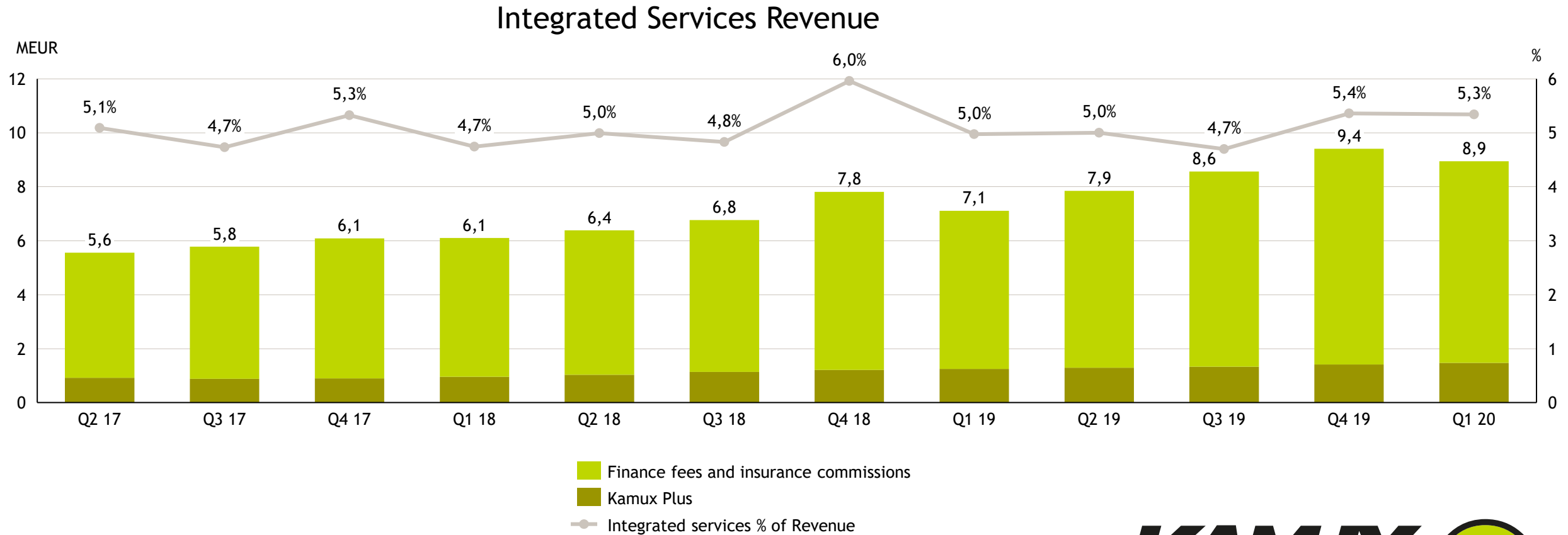


- Adjusted operating profit (EBIT) Q1 2020 decreased by -15.2 % and it was EUR 4.0 million (4.7).
- The gross profit and operating profit was impacted by an exceptionally large write-down of inventory related to market situation caused by corona pandemic, profit impact of EUR 1.6 million.

Number of Cars Sold Grew by 16.7% during Q1 2020



Integrated Services Revenue Grew Q1 2020



Showrooms on May 15, 2020

2020	FINLAND	SWEDEN	GERMANY	OPENINGS 2020
Q1	Espoo Niittykumpu			1
Openings by country after the reporting period	Tornio	<i>Stockholm</i>	Kaltenkirchen	3
Showrooms totally, 15 May 2020	50	18	7	75
Openings published		<i>Göteborg >> Sundsvall Värmdö</i>	<i>Lübeck</i>	3



Financial Development

Milla Kärpänen, Group Controller



Financial position and cash reserves in the exceptional operating environment

- Improved cost and inventory management
- In March, the five-year credit facility agreement of EUR 40 million was renewed
- EUR 10.0 million of RCF in use in March
- Despite RCF, the equity ratio remained strong and was 44.9%
- Return on equity improved compared to the previous year and it was 23.6 %
- The first instalment of the dividend EUR 0.12 was paid on 30 April 2020

Several measures to secure result and cash reserves



Key Figures

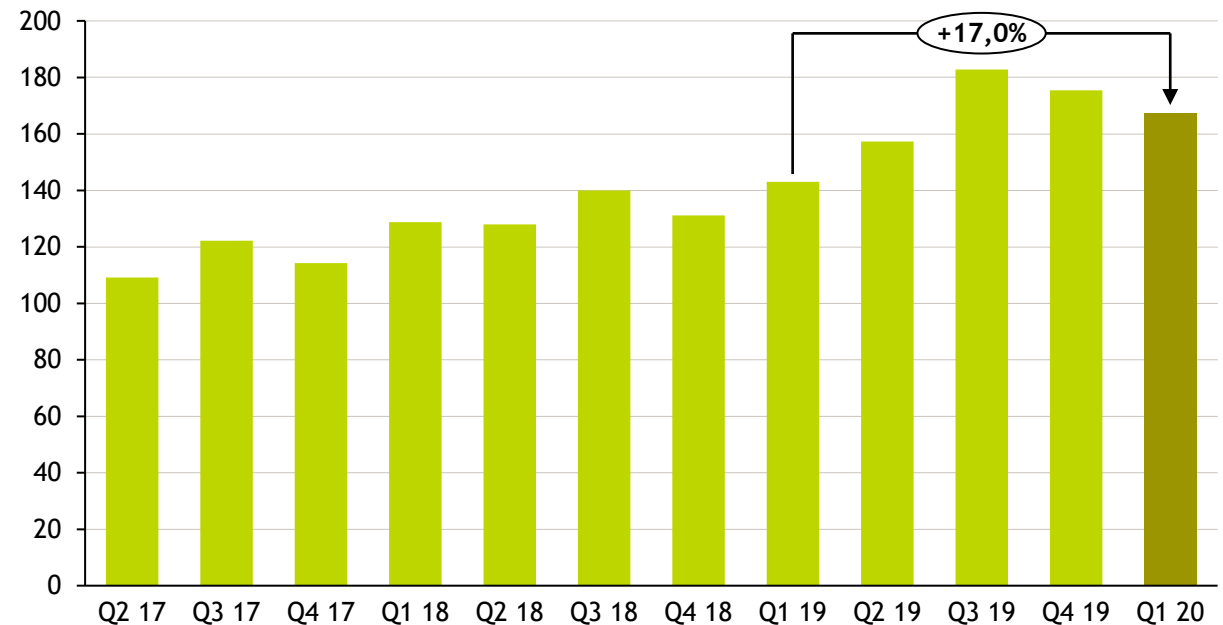
(MEUR)	1-3/ 2020	1-3/ 2019	Change, %	1-12/ 2019
Revenue	167.4	143.0	17.0 %	658.5
Gross profit	18.3	16.6	10.0 %	79.6
as percentage of revenue, %	10.9 %	11.6 %		12.1%
Operating profit (EBIT)	4.0	4.6	-14.7 %	25.3
as percentage of revenue, %	2.4 %	3.2 %		3.8%
Adjusted operating profit	4.0	4.7	-15.2 %	25.4
as percentage of revenue, %	2.4 %	3.3 %		3.9%
Revenue from integrated services	8.9	7.1	25.8 %	32.9
as percentage of revenue, %	5.3 %	5.0 %		5.0%
Sales growth of like-for-like showrooms, %	1.0 %	-4.4 %		6.3%
Inventory turnover, days	44.8	48.6	-7.8 %	44.5
Return on equity (ROE), %	23.6 %	22.0 %		25.3%
Return on capital employed (ROI), %	13.2 %	12.9 %		16.7%
Equity ratio, %	44.9 %	45.6 %		45.1%



Strong Revenue Growth Q1 2020

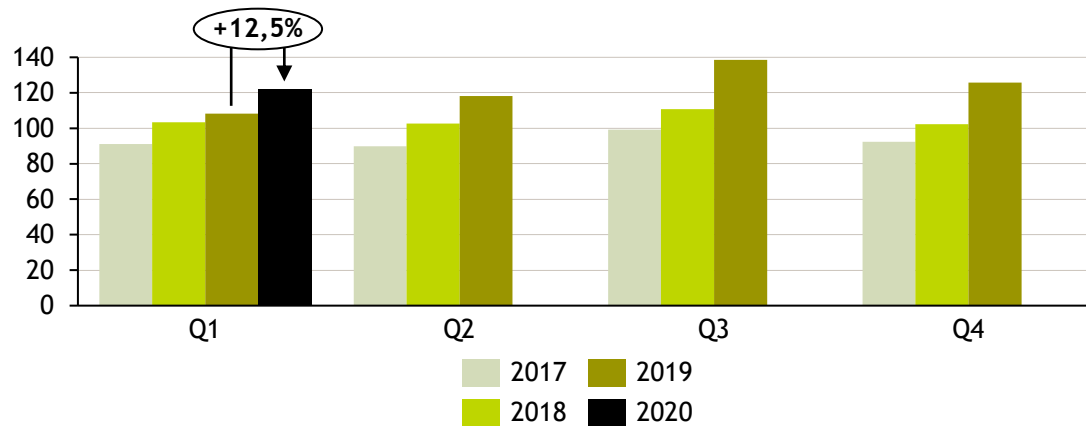
- The number of used cars sold by Kamux in the first quarter grew by 16.7% and totaled 14,227 cars (12,187).
- Kamux's revenue grew by 17.0% in Q1 2020.
- The increase in revenue was driven by new showrooms, business acquisition and like-for-like showrooms.
- Like-for-like sales growth in Q1 was 1.0% (-4.4%).

Revenue (EUR million)

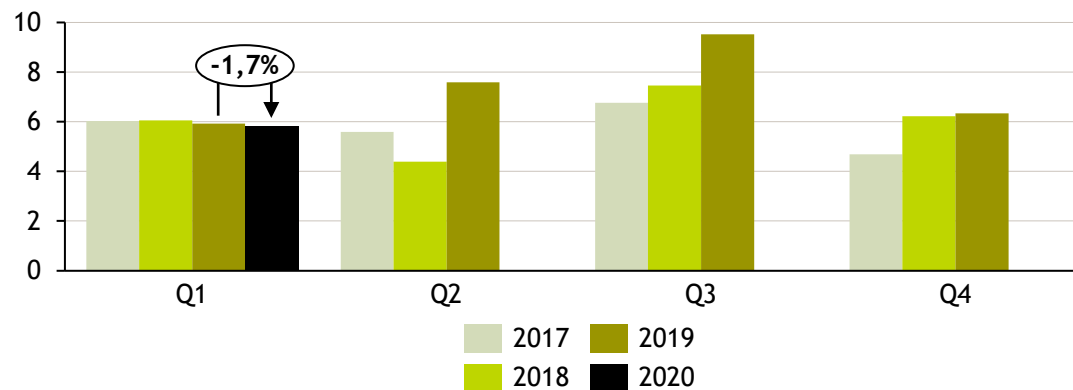


Kamux Finland – Strong Revenue Growth in Q1 2020

Revenue (EUR million)



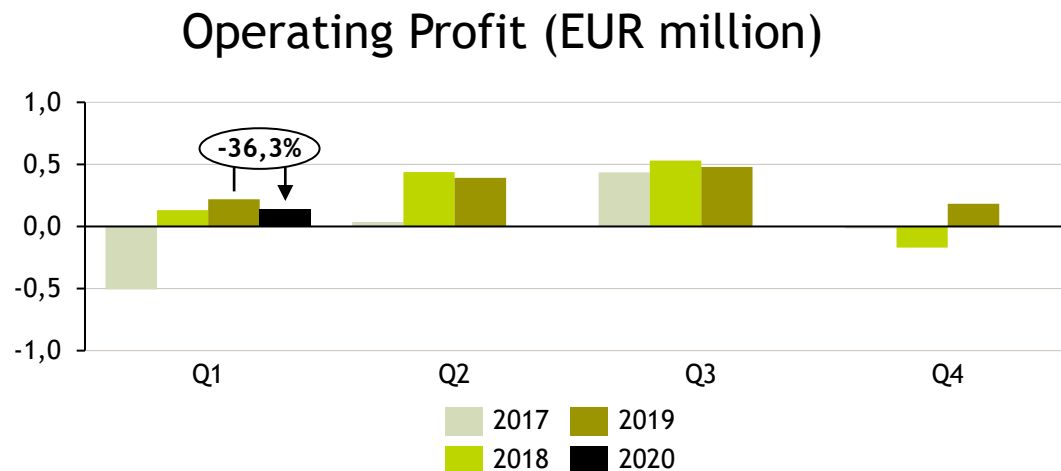
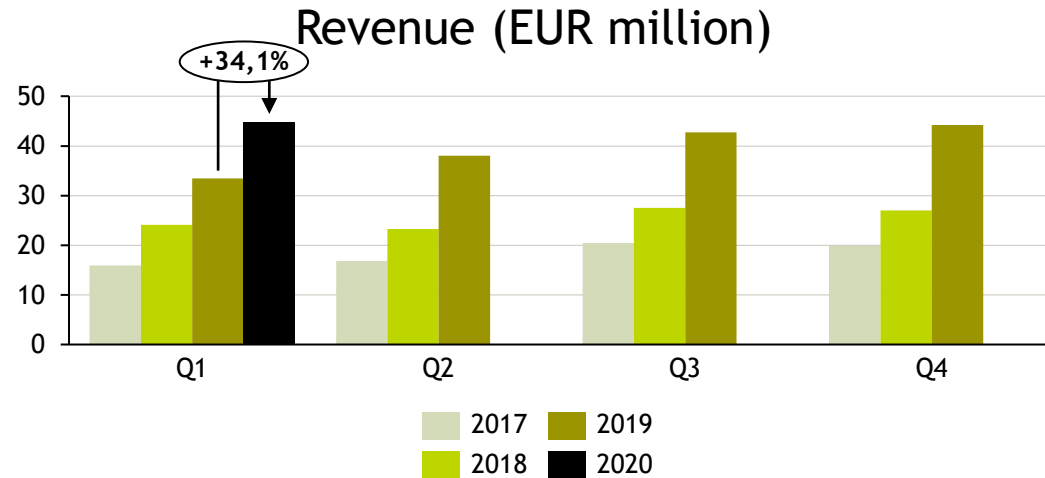
Operating Profit (EUR million)



- Revenue grew by 12.5% compared to the previous year and was EUR 121.9 million (108.3).
- Gross margin increased to EUR 14.5 million (13.5). or 11.9 % (12.5%) of revenue.
- Operating profit declined by -1.7% compared to previous year and was EUR 5.8 million (5.9), or 4.8% (5.5) of revenue.
- Integrated services revenue increased to EUR 7.7 million (6.3), or 6.3% (5.8) of revenue.
- Like-for-like showroom sales remained at previous year's level.
- The showroom in Niittykumpu in Espoo was opened.



Kamux Sweden – Very Strong Revenue Growth Continued Q1 2020

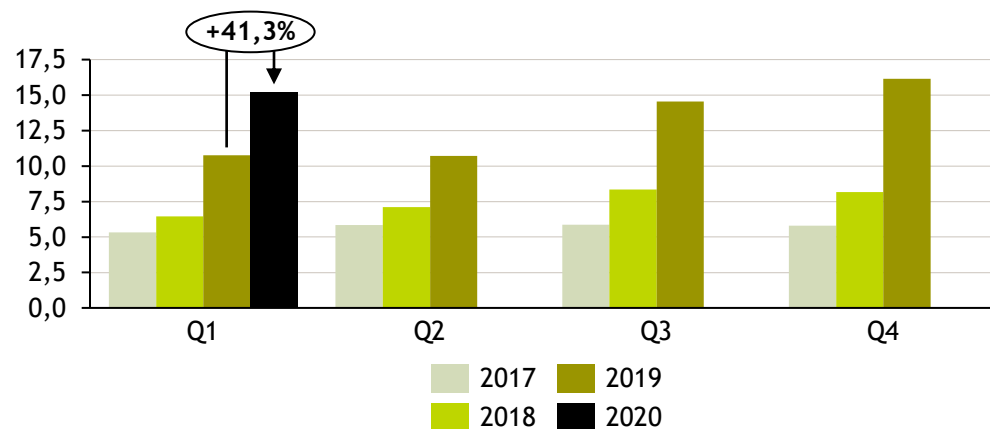


- Total revenue grew 34.1% compared to the previous year and was EUR 44.8 million (33.4).
- Operating profit decreased compared to the previous year and was EUR 0.1 million (0.2) and 0.3% (0.7) of total revenue.
- Revenue of the integrated services increased to EUR 0.8 million (0.6), or 2.6% (2.4) of external revenue.
- Like-for-like showroom sales remained at previous year's level.

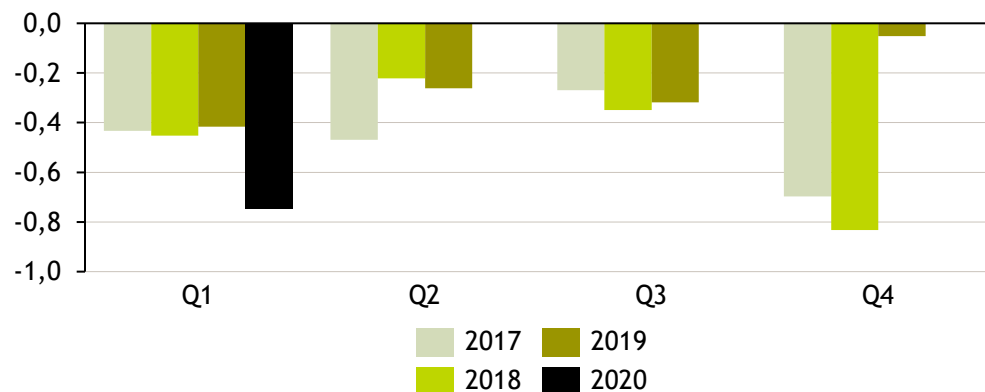


Kamux Germany – Very Strong Revenue Growth Continued Q1 2020

Revenue (EUR million)



Operating Income (EUR million)

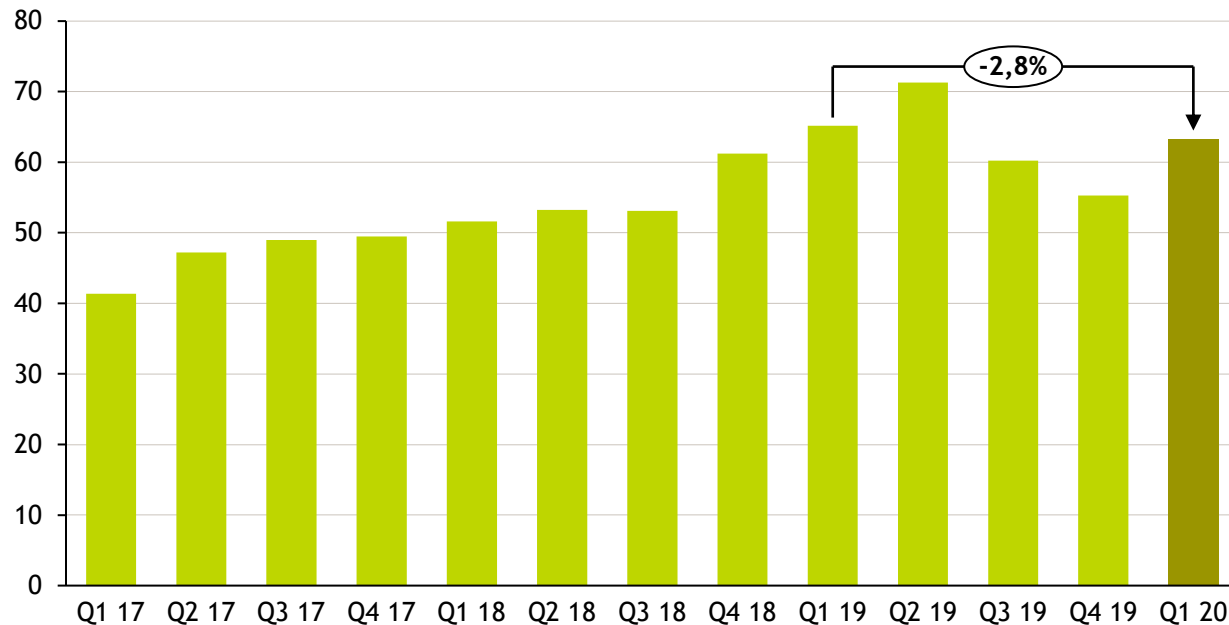


- Total revenue grew by 41.3% compared to the previous year and was EUR 15.2 million (10.8).
- Operating loss increased compared to the previous year and was EUR -0.7 million (-0.4), or -4.9 % (-3.9) of total revenue.
- Integrated services revenue increased to EUR 0.4 million (0.2), or 2.9% (2.4) of external revenue.
- Like-for-like showroom sales increased.

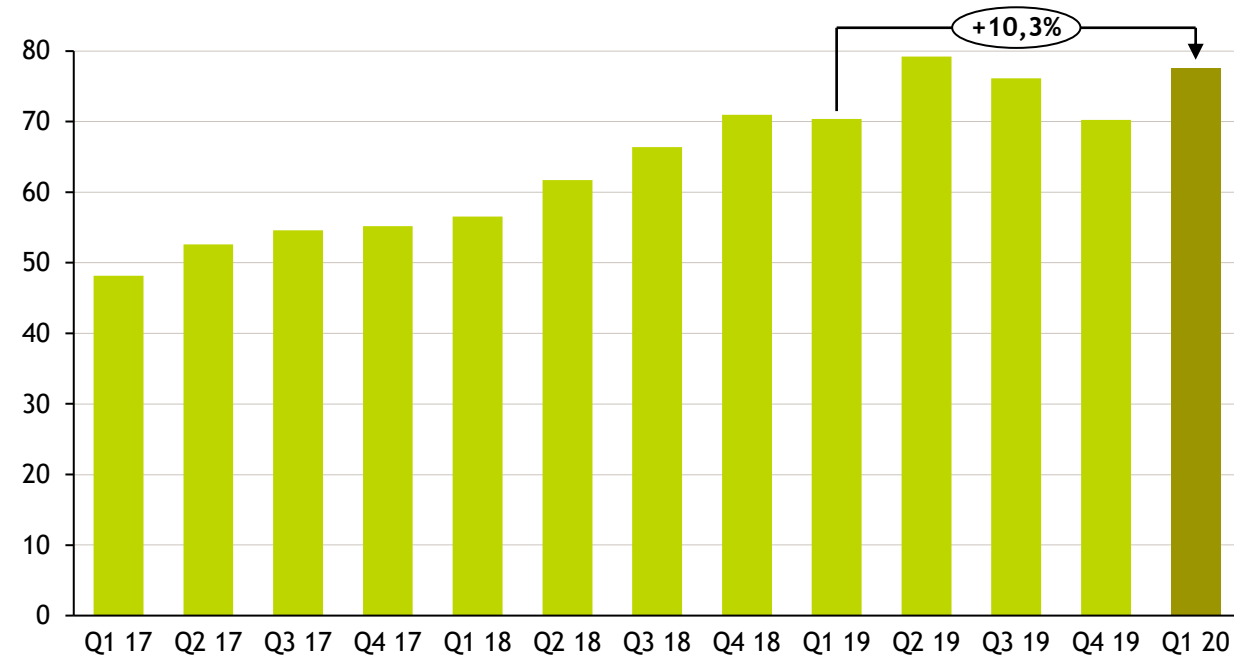


Net Working Capital Decreased and Inventories Increased with the Number of Stores

Net Working Capital (EUR million)

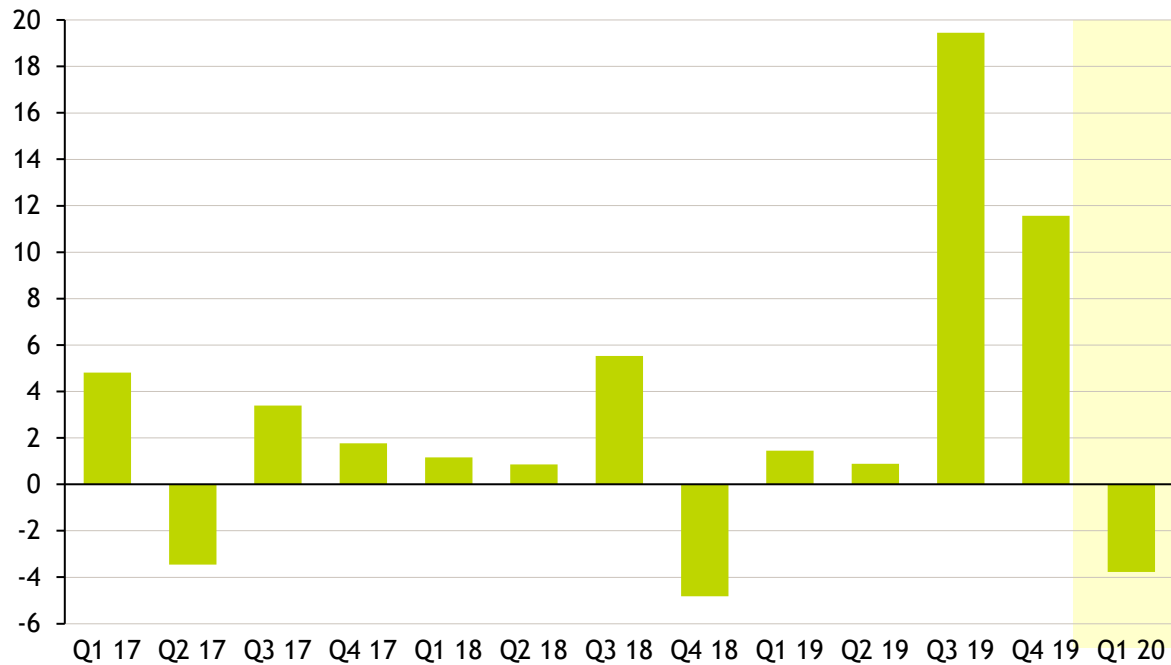


Inventories (EUR million)

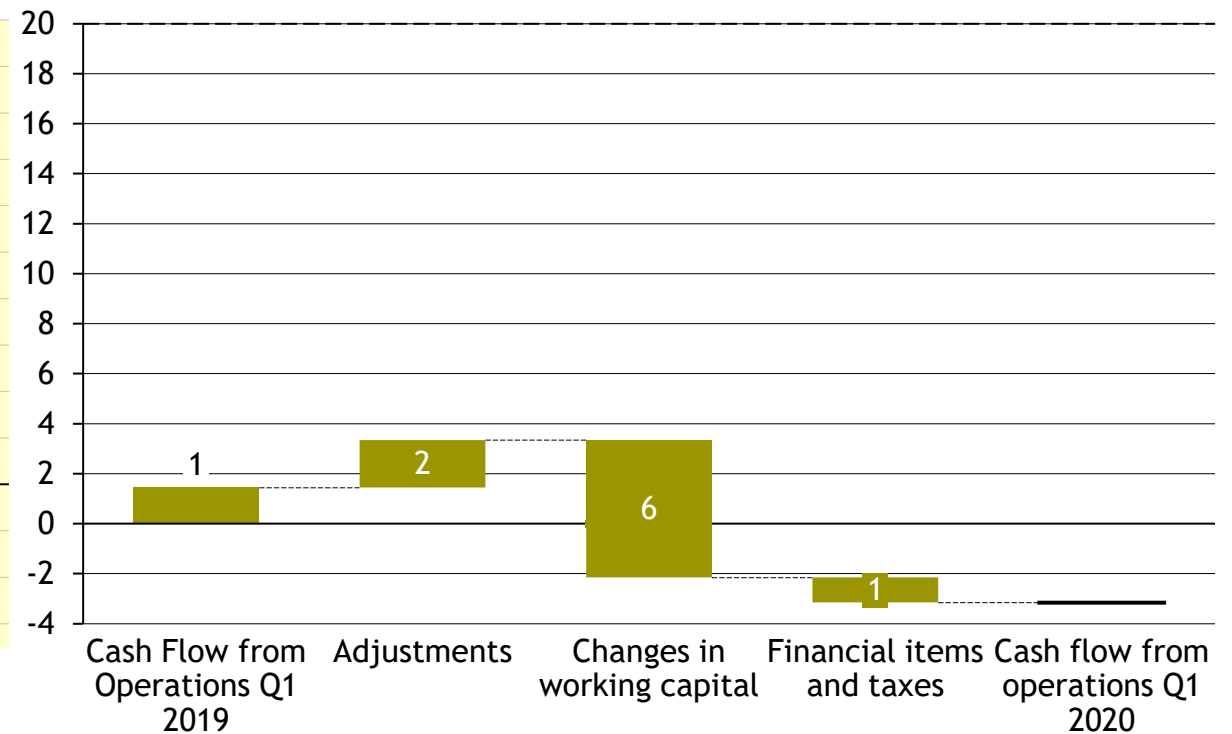


Cash Flow from Operations Decreased

Cash Flow from Operations (EUR million)

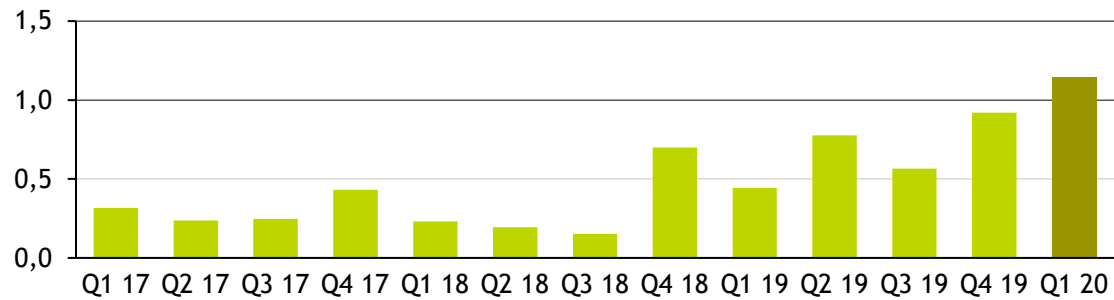


Change (EUR million) to Comparison Period

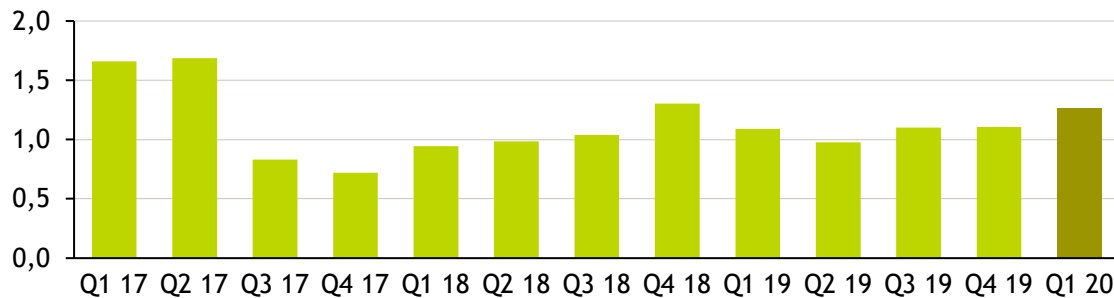


Investments in Knowledge Management Continued

Investments (EUR million)



Group Functions (EUR million)



- In line with our strategy, we have systematically invested in growth.
- Kamux seeks to gain a significant competitive advantage by investing in leading with knowledge as well as digital customer and business processes.
- Investments were directed as follows:
 - Digital functions: developing the CRM-ERP system, analytics, data management and financial management systems
 - Autosilta acquisition
 - Personnel: recruitment and training
 - Internationalization: investments in international growth





Outlook and Financial Targets

Outlook and Financial Targets



Revenue growth of over 10% annually 2019-2022

Revenue



EBIT margin of at least 4% in 2019-2022

Profitability



Distribute dividends of at least 30% of net profits

Dividend Policy



Kamux does not publish a short-term outlook

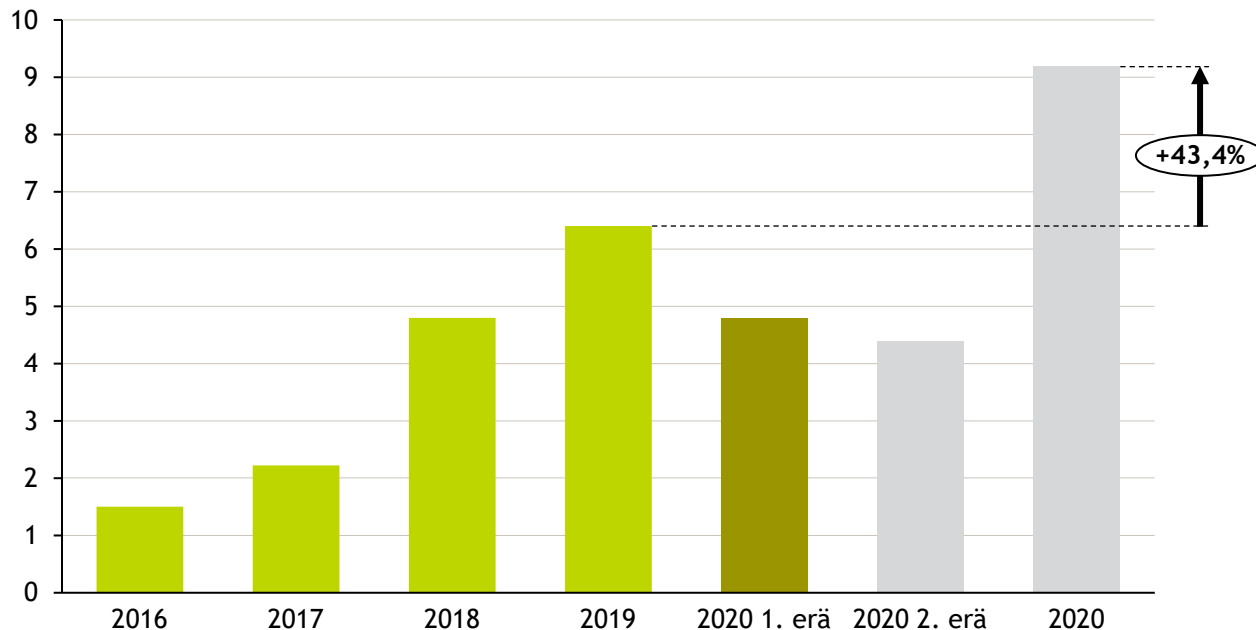
Outlook

The global corona pandemic and the restrictions and regulations related to it have caused significant changes to Kamux's operating environment, leading to the company publishing a stock exchange release on March 20, 2020, informing that it is not likely that Kamux will reach its medium-term targets in 2020. No changes have been made to the medium-term targets set by the Board of Directors because of the situation.



Dividend Development

Paid dividends (EUR millions)



- The AGM approved Board of Directors' proposal for a dividend of EUR 0.23 per share payable in two instalments in April (EUR 0.12) and in October
- The AGM authorized the Board of Directors to decide on the payment or the cancellation of the payment of the second dividend instalment
 - In connection with the decision making of the payment of the second dividend instalment, the Board shall evaluate among others the impacts of the corona pandemic on the Company's solvency, cash flow and the development of the capital adequacy.
- Dividend was 48% of the net profit (44%)



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Green

Summary

Summary Q1 / 2020

Revenue increased by **17.0 %**
to EUR 167.4 million
(143.0)



Adjusted operating profit
declined by **-15.2 %**
to EUR 4.0 million
(4.7)

Gross profit increased
by **10.0 %**
to EUR 18.3 million
(16.6)



Very strong
international
growth continued





Questions?

Disclaimer

It should be noted that Kamux and its business are exposed to various risks and uncertainties, and certain statements herein which are not historical facts, including without limitation, those regarding expectations for market growth and developments; expectations for growth and profitability; and statements preceded by “believes”, “expects”, “anticipates”, “foresees”, or similar expressions, are forward-looking statements.

Since these statements are based on current plans, estimates and projections, they involve risks and uncertainties that may cause actual results to materially differ from those expressed in such forward-looking statements. All statements are based on the management’s best assumptions and beliefs in light of the information currently available to it and Kamux assumes no obligation to publicly update or revise any forward-looking statement except to the extent legally required.

