

Year-end Report 2020 – Pricer AB (publ)

Record-setting net sales growth of 75 percent for full-year 2020

The Board of Directors proposes 25 percent increase in dividend to SEK 1.00 per share evenly split between two payment dates.

Fourth quarter 2020

- Net sales amounted to SEK 680.3 M (237.8), an increase of 186 percent compared to the same period last year.
- Operating profit amounted to SEK 69.3 M (24.0), which corresponds to an operating margin of 10.2 percent (10.1).
- Order intake was SEK 454 M (843), a decrease of 46 percent compared to the same period last year.
- Order backlog amounted to SEK 495 M (731), of which the majority is expected to be delivered in the first half of 2021.
- Profit for the period was SEK 50.2 M (19.2).
- Earnings per share (basic) were SEK 0.46 (0.17). Earnings per share (diluted) were SEK 0.45 (0.17)
- Cash flow from operating activities was SEK 203.1 M (125.9).

Full year 2020

- Net sales amounted to SEK 1,759.5 M (1,002.9), an increase of 75 percent compared to the same period last year.
- Operating profit amounted to SEK 155.2 M (100.4), which corresponds to an operating margin of 8.8 percent (10.0).
- Order intake was SEK 1,588 M (1,504), an increase of 5 percent compared to the same period last year.
- Profit for the period was SEK 127.5 M (97.7).
- Earnings per share (basic) were SEK 1.16 (0.89). Earnings per share (diluted) were SEK 1.15 (0.88).
- Cash flow from operating activities was SEK 264.9 M (145.3).
- The Board of Directors proposes a dividend of SEK 1.00 (0.80) per share.
- The Board has decided to revise the previous dividend policy. Pricer's new dividend policy implies an annual dividend of at least 50 percent of the company's profit after tax. The annual dividend level must be adapted to the company's strategy and financial position, combined with investment needs and risks that the Board deems relevant.

Comments from CEO Helena Holmgren

Delivery activity in the fourth quarter was in line with expectations and continued to be high. Once again, we can celebrate a new record-high for net sales in a single quarter. Net sales in the fourth quarter amounted to SEK 680 M, which corresponds to an increase of 186 percent compared to the same period last year. Order intake remained high at SEK 454 M.

In summary, we can declare 2020 a successful year for Pricer. Growth in net sales for the full-year 2020 amounted to 75 percent compared to 2019, and thus reached a new record for net sales of SEK 1,760 M. Operating profit increased by SEK 55 M to a total of SEK 155 M for full-year 2020. Our continuous work to improve our tied up working capital combined with successful negotiations related to large customer projects improved cash flow for the operating activities for the full year and amounted to SEK 265 M. However, I would like to emphasize that the cash flow from the operating activities should be analyzed over time.

There is no missing the fact that this is an exciting time for the ESL (Electronic Shelf Label) market in general and for Pricer in particular. Systems for automation and digitalization are highly relevant, and the ongoing pandemic has accelerated the need for a transition within retail. This development is why independent analytical institutions are predicting continued strong market growth for many years. Pricer is participating in ongoing discussions and system evaluations with a number of large customers, but it is important to remember that new, large customer projects often have long sales cycles. For existing customers, the sales cycles are significantly shorter, and it is primarily in this category that the acceleration in demand has been noticeable in order intake in the short term.

In order to meet the high level of activity on the market, we established our own presence in several countries during the year, most recently in the United Kingdom. The need for more personnel resources and improved tools and processes to support scalability and growth are a natural part of the company's development. For example, in 2020 we invested in different system solutions to support a digital customer dialogue and strengthen our service offer.

Pricer Plaza, our cloud-based platform, to which around 400 stores were connected at the end of the year, is an important part of the shift in the company's position. By offering turnkey solutions that include both products and services, we are taking yet another step away from the role as a product supplier toward instead becoming a strategic partner for store digitalization. In dialogue with our customers, many exciting ideas are generated regarding the continued development of our solution offering.

In the fourth quarter, Pricer signed a global framework agreement with Carrefour to be its preferred supplier for both new ESL installations and upgrades of its installed base. Carrefour has worked with different ESL systems for a long time, and we are incredibly pleased and proud of the extended confidence to include all countries and store formats in the new agreement. In addition to the unique benefits of our system, such as reliability, scalability, speed and battery life, Pricer Plaza was a meaningful component in this highly competitive assessment.

2020 was in many ways a challenging year due to the pandemic that spread around the world. Our strong financial position has, despite the uncertainty that the pandemic initially brought, enabled us to continue to recruit and build on for increased competitiveness. With great creativity and problem-solving ability, the Pricer team in 2020 has taken on several of the challenges that have come our way and turned these into new opportunities and worked out solutions that will benefit us for many years to come. We have held together as a team and been proactive when required.

I want to take this opportunity to thank all the fantastic employees for the great work that is done every day and that makes us the successful company we are. Many thanks!

Helena Holmgren
President and CEO

For further information, please contact:

Helena Holmgren, President and CEO, +46 (0)702 870 068
ir@pricer.com

This information is information that Pricer AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out above, at 08:30 CET on February 11, 2021.

Every care has been taken in the translation of this document. In the event of discrepancies, the Swedish original will supersede the English translation.

About Pricer

Pricer AB is a global leader in providing in-store digital shelf-edge solutions that enhance both store performance and the shopping experience. The increasingly feature-rich Pricer platform is fast, robust, interconnectable and scalable. Pricer was founded in Sweden in 1991 and is listed on NASDAQ Stockholm. For further information, please visit www.pricer.com