



**SONO**  
GROUP

**Company presentation**

**January 2020**

# Agenda

**Key highlights Q3 2019**

**Main focus areas 2020 - 2022**

**Vision and business areas**

**Budget targets and KPIs**

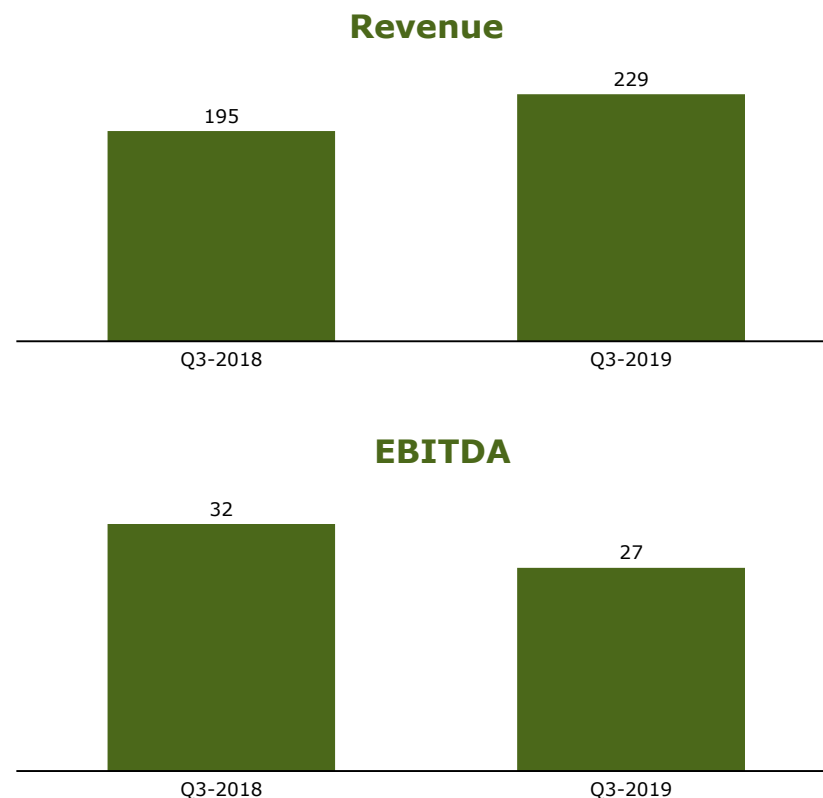
**Sales channels**

**Products**



# Key highlights – Q3 2019

- Group revenue of SEK 229m during the quarter comprising growth of 17.2% (+0.1% proforma 2018 incl Sørлие), despite a more challenging Swedish macroeconomic environment
- EBITDA of SEK 26.5m (SEK 32.2m)
- Unrealized foreign exchange loss YTD in 2019 of SEK 9.9m (SEK 1.4m gain in 2018)
- New strategy to gain synergies in the market
- Cost reduction program for 2020 initiated
- Order backlog of SEK 97.1m per Q3 2019 (SEK 97.6m Q3 2018)



# Key consolidated figures

SEKm (unless stated)	Q3 2019 <sup>1</sup>	Q3 2018 <sup>1</sup>	YTD 2019 <sup>1</sup>	YTD 2018 <sup>1</sup>
Revenue	229.0	195.3	693.2	557.6
Gross profit	83.9	75.2	260.8	216.8
<i>Gross profit margin</i>	<i>37.0%</i>	<i>38.8%</i>	<i>38.1%</i>	<i>39.7%</i>
EBITDA	26.5	32.2	64.3	71.3
<i>EBITDA margin</i>	<i>11.7%</i>	<i>16.6%</i>	<i>9.4%</i>	<i>13.1%</i>
EBIT	14.7	21.5	33.0	38.9
<b>Net profit</b>	<b>2.6</b>	<b>18.9</b>	<b>-1.3</b>	<b>21.6</b>
Cash flow from operations	14.5	21.0	-4.8	18.7
No of outstanding shares	759 201	725 344	759 201	725 344
Net earnings per share (SEK)	3.39	26.02	-1.70	29.76
Net debt / EBITDA <sup>2</sup>	2.89x	2.34x <sup>3</sup>	n.a	n.a
ICR <sup>2</sup>	2.0x	2.3x	n.a	n.a

- 1) Unaudited  
 2) Last 12 months  
 3) Including liabilities to shareholders

# Main focus areas 2020-2022

- ✓ Develop Sono Group to a unified group with strong sales focus towards B2B and reseller channel
- ✓ Simplify processes, improve digitalization and realize synergies
- ✓ Strengthen interaction between subsidiaries, departments and cross border
- ✓ Create long-term profitability
- ✓ Focus on the development of the Group's product brands with clear responsibility for product management
- ✓ Develop a strong company culture for the group with a vision and value as common foundation

# Vision and business areas

## Building lifetime furniture

Sono Group's core competence and competitive advantage are development and sourcing of products from an extensive network of several hundred qualified manufacturers in Europe and Asia

## Price, quality and delivery

Sono offers total solutions adapted to the needs of our customers in terms of price, quality and delivery, and are independent of geographic market, product or technology

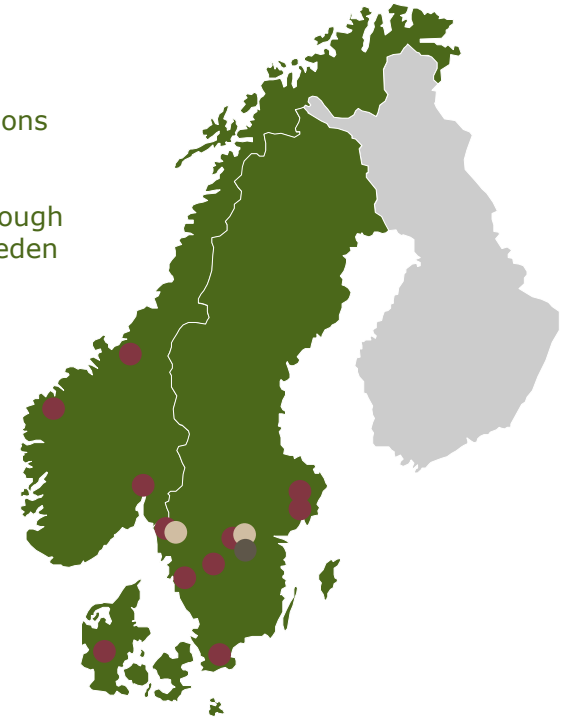
## Sono Group's business areas

Our business areas are:

- wardrobes
- office and school furniture
- racks/shelves for work stations
- warehouse fittings

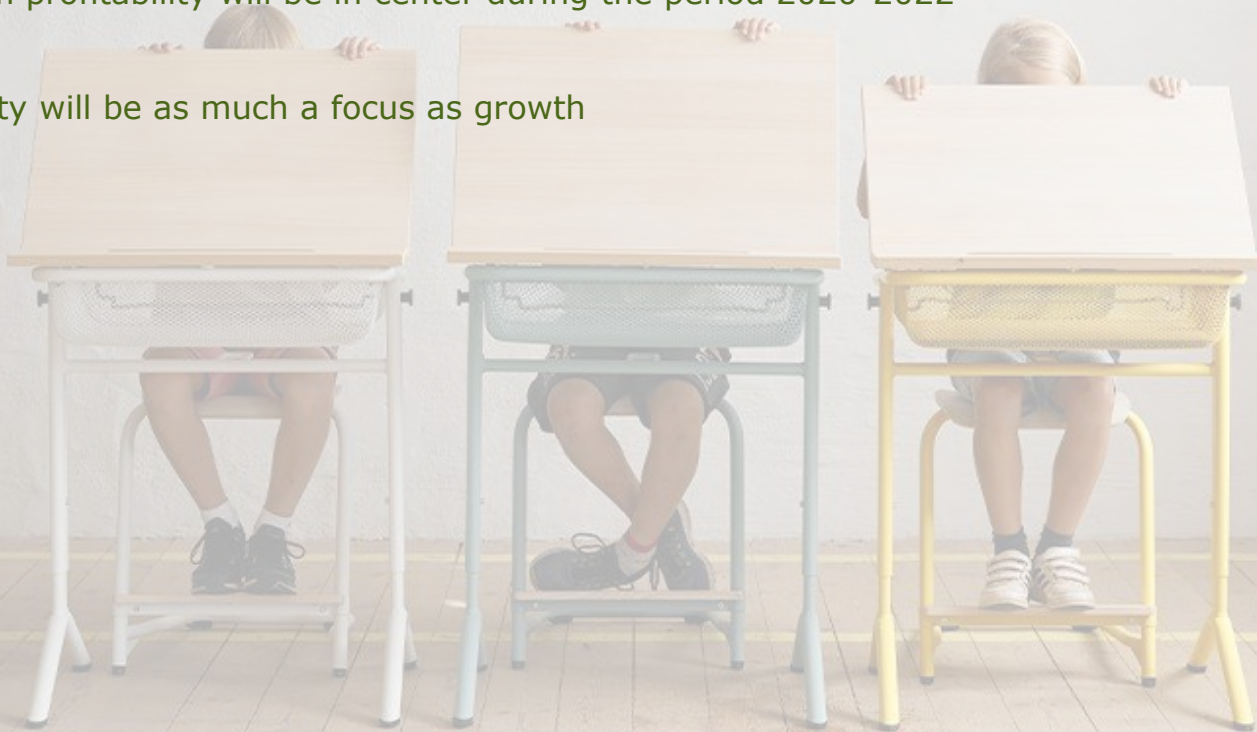
The products are available through our companies in Norway, Sweden and Denmark

- 11 sales offices in Scandinavia
- Warehouse in Sarpsborg and Tranås
- Production facility for school furniture



# Profitability

- Long-term profitability will be in center during the period 2020-2022
- Profitability will be as much a focus as growth



# Financial forecast

SEKm	2020	2021	2022
Net sales	938	1 009	1 084
Other operating income	8	9	10
<b>Total sales</b>	<b>947</b>	<b>1020</b>	<b>1096</b>
Direct costs	-572	-615	-661
Fixed costs	0	0	0
<b>Gross profit</b>	<b>366</b>	<b>394</b>	<b>423</b>
<i>Gross profit margin</i>	39%	39%	39%
Personnel expense OPEX	-176	-176	-176
SG&A	-92	-94	-96
Depreciation OPEX	-46	-46	-46
Goodwill / depreciation	0	0	0
Other operating expenses	0	0	0
Items affecting comparability	-1	0	0
<b>Operating profit</b>	<b>61</b>	<b>87</b>	<b>115</b>
<b>EBITDA</b>	<b>106</b>	<b>133</b>	<b>161</b>
<i>EBITDA margin</i>	11%	13%	15%
<i>EBIT margin</i>	6%	9%	11%



# Our offering – sales channels



## **Retailers/Resellers**

Sales to dealers who mainly sell the Group's brands to public and private companies



## **B2B**

Direct sales to public- and private sector

# Product management

Direct sales (NO/SE/DK)

Product advise

Sales through resellers (NO/SE)

Party products on stock  
(other manufacturers)

Party products on request  
(not stocked)



GBP

ALNÄS

SARPSBORG  
METALL

SONESSON  
INREDNINGAR

## School/Kindergarten

## Workshop/Industry

## Offices

## Building/Furnishing

- Market strategy
- PIM/basic data
- Product development
- Product documentation
- Purchasing/contracts

- Market strategy
- PIM/basic data
- Product development
- Product documentation
- Purchasing/contracts

- Market strategy
- PIM/basic data
- Product development
- Product documentation
- Purchasing/contracts

- Market strategy
- PIM/basic data
- Product development
- Product documentation
- Purchasing/contracts

# Sourcing strategy



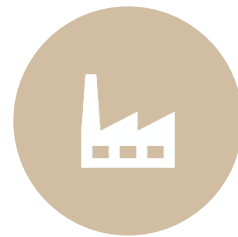
## PRODUCT DEVELOPMENT

In-house design and product development of all proprietary brands



## SOURCING

Sourcing of suppliers from low-cost regions



## MANUFACTURING

Outsourced manufacturing



## WAREHOUSE & LOGISTICS

Central warehouses in Sarpsborg and Tranås



## SALES CHANNELS

Broad multichannel distribution