

STRONG PERFORMANCE IN A CAUTIOUSLY RECOVERING MARKET

Verkkokauppa.com Oyj – January-June 2025 half-year report

17 July 2025 | Panu Porkka, CEO | Verkkokauppa.com Oyj



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Q2 2025 RESULTS

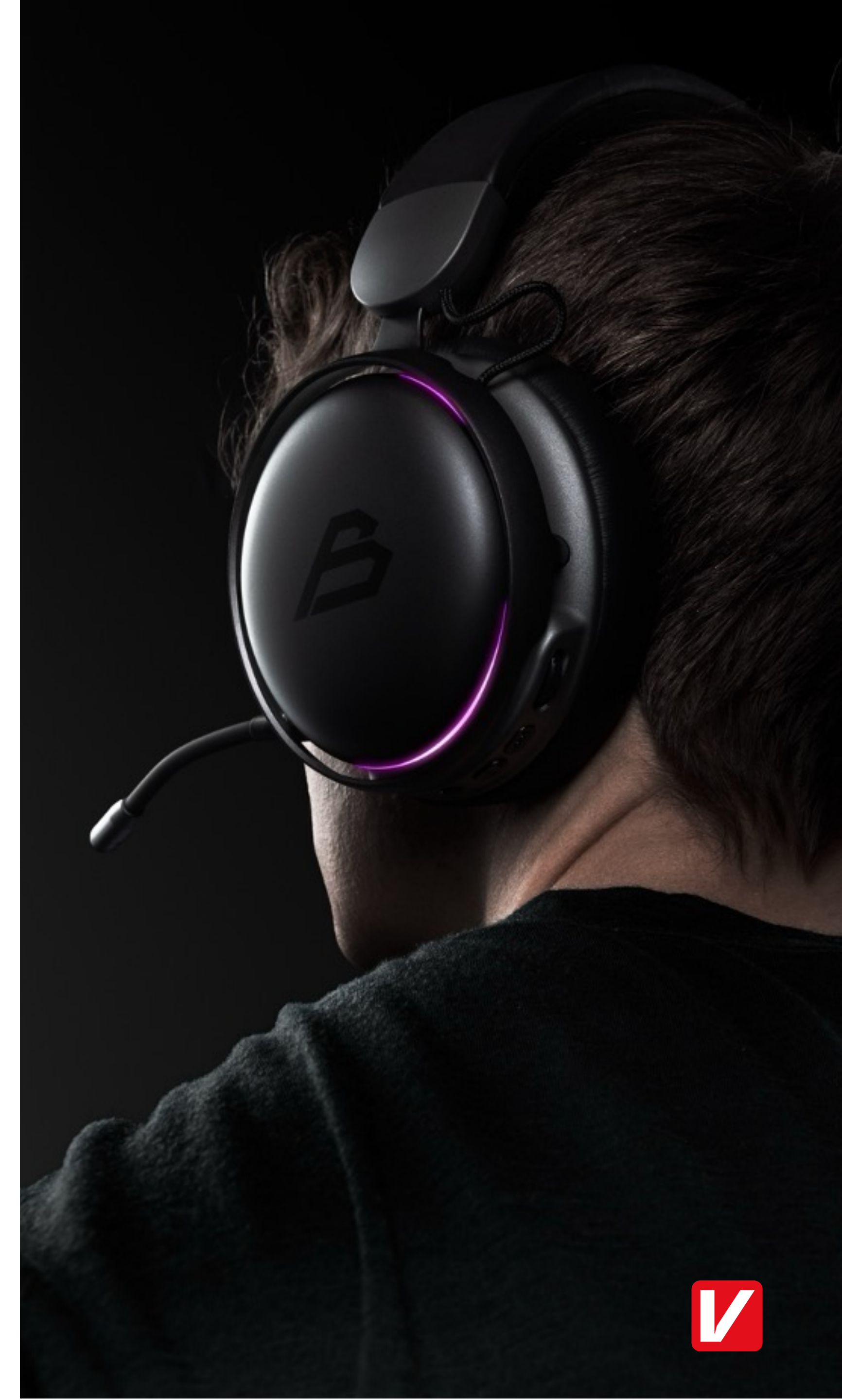
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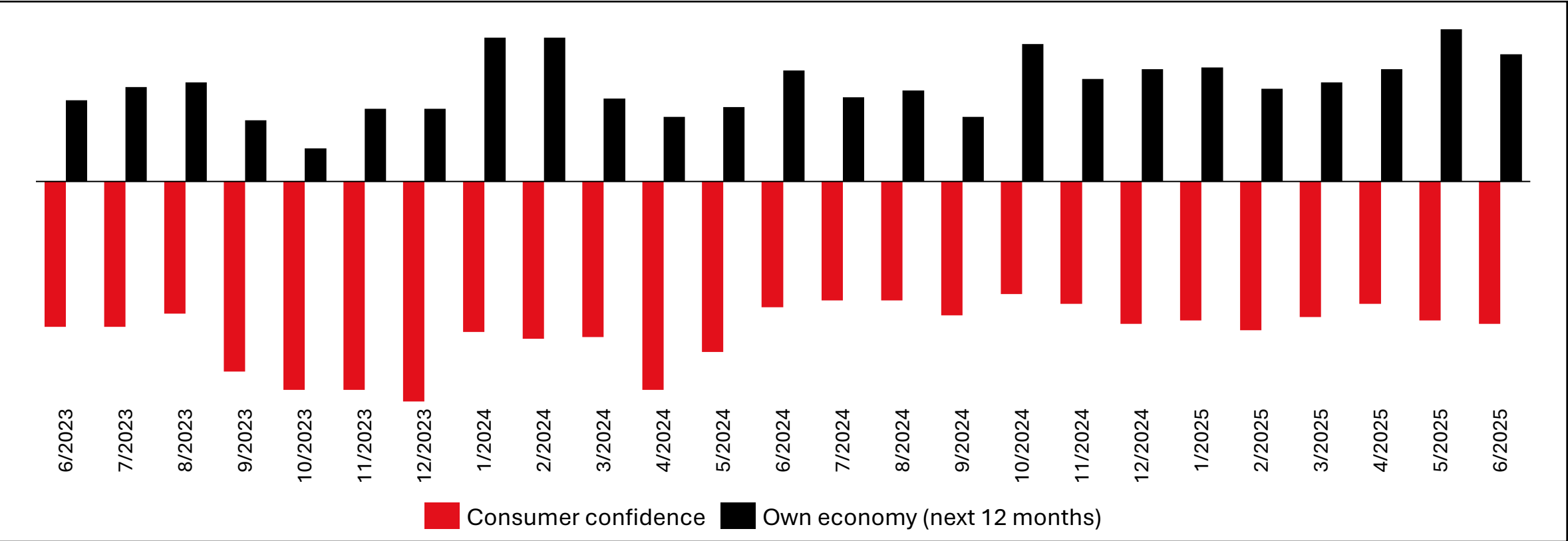




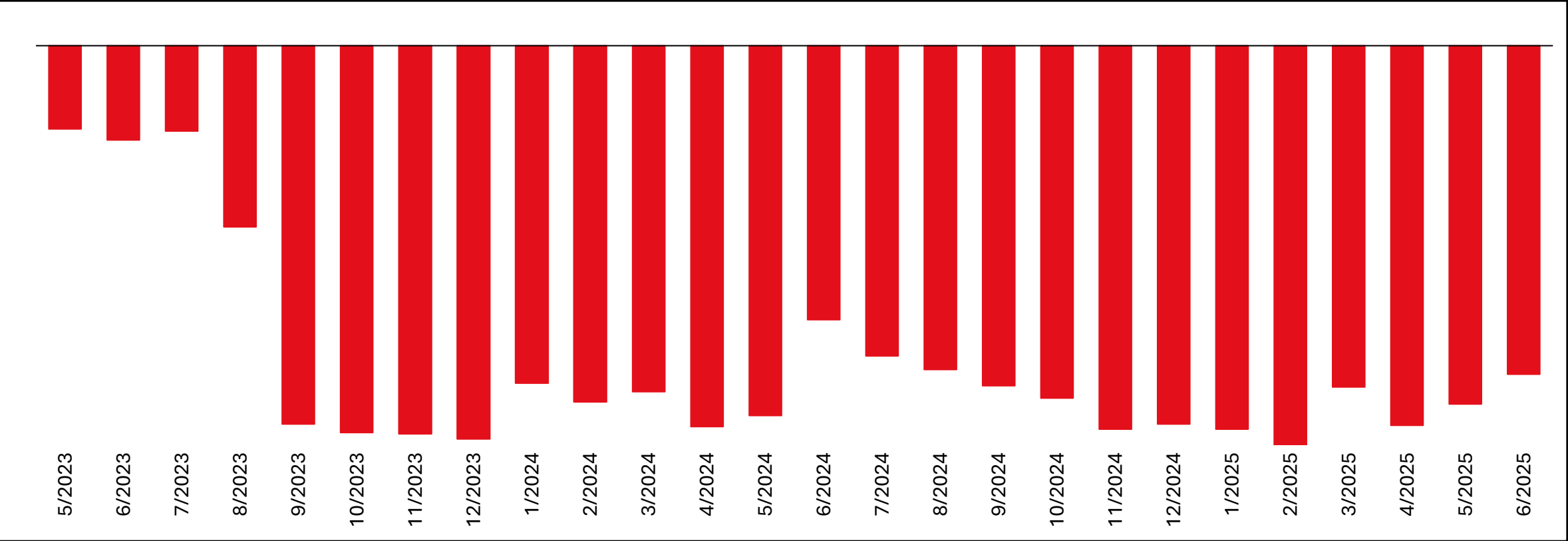
MARKET DEVELOPMENT

INDICATORS OF RECOVERY IN THE CONSUMER ELECTRONICS RETAIL DURING Q2 2025

Consumer confidence in Finland



Consumers' expectation of unemployment development over the next 12 months



Source: Statistics Finland

Q2/2025 development

- Consumer confidence along with expectations on unemployment remained negative overall, although expectations for their own financial situation 12 months ahead improved compared to earlier in the year. The perceived timing for purchasing durable goods remained negative during Q2.
- Economic forecasts (GDP) have been revised downward, but purchasing power is expected to improve followed by key interest rate cut and general wage increases in mid Q2 2025.
- Specialty retail has shown signs of recovery with Q1 +2.4% growth and full year expected to grow +2.1%*.
- The operating environment showed cautious signs of recovery, and the electronics market grew in the second quarter.
- The market was supported by increased television sales driven by the transition to high-definition broadcasts, as well as a start to replacement cycle in the IT category.
- Verkkokauppa.com led the market with strong performance and increased its market share compared to last year during this period.**

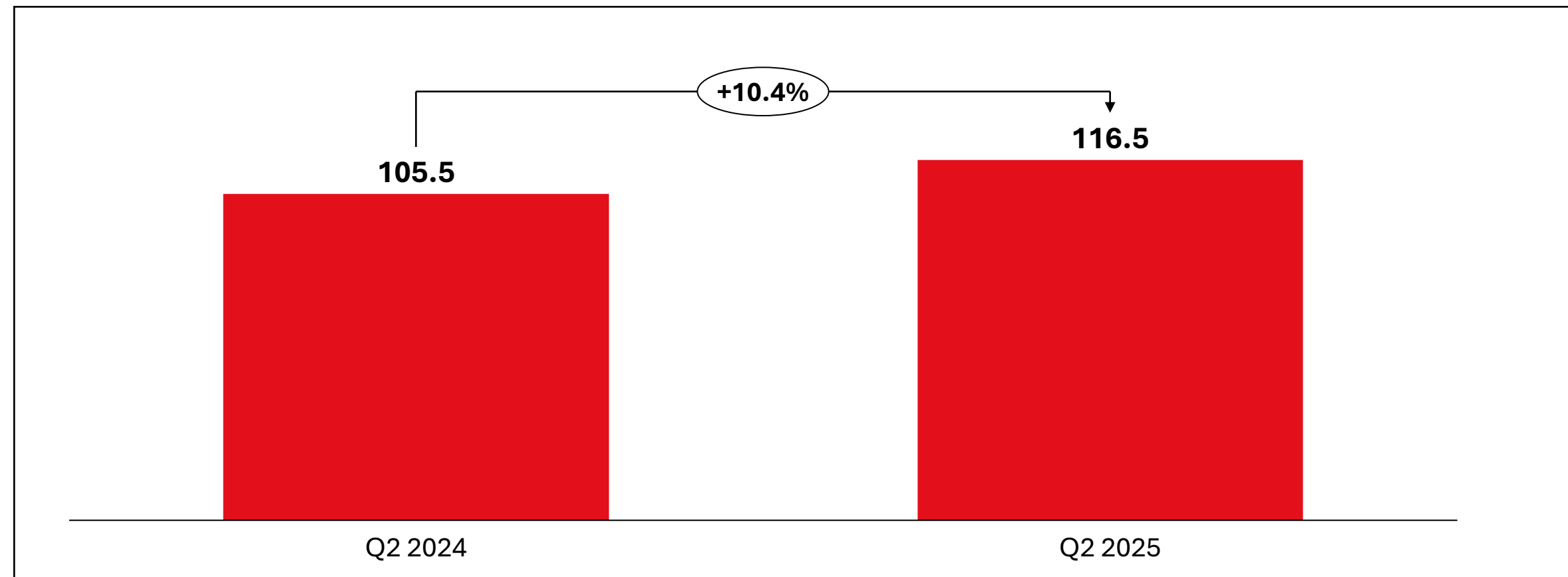
Source: *Statistics Finland, Erikoiskaupan Liitto ry **GfK, Consumer electronics in Finland Q2 (April-May) 2025 vs Q1 (April-May) 2024, excl. TV category



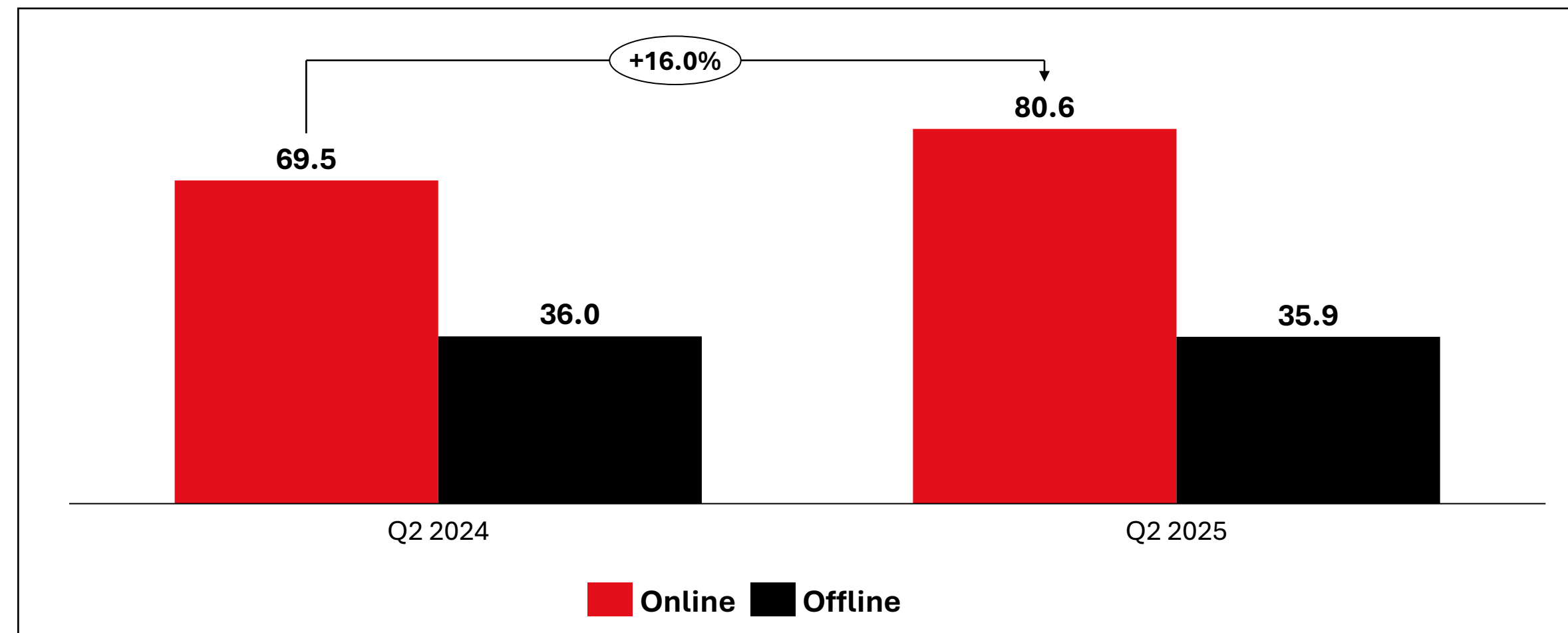
Q2 PERFORMANCE

STRONG REVENUE GROWTH IN THE SECOND QUARTER

Quarterly revenue (MEUR)



Channel development (MEUR)

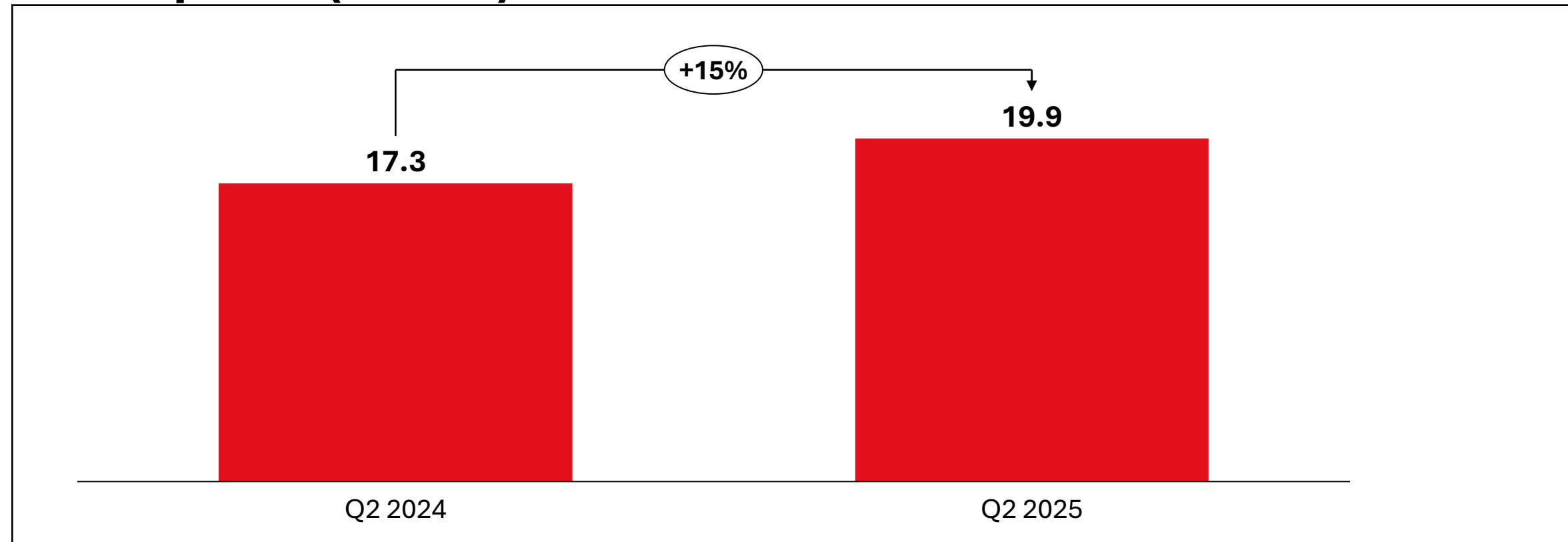


Q2/2025 development

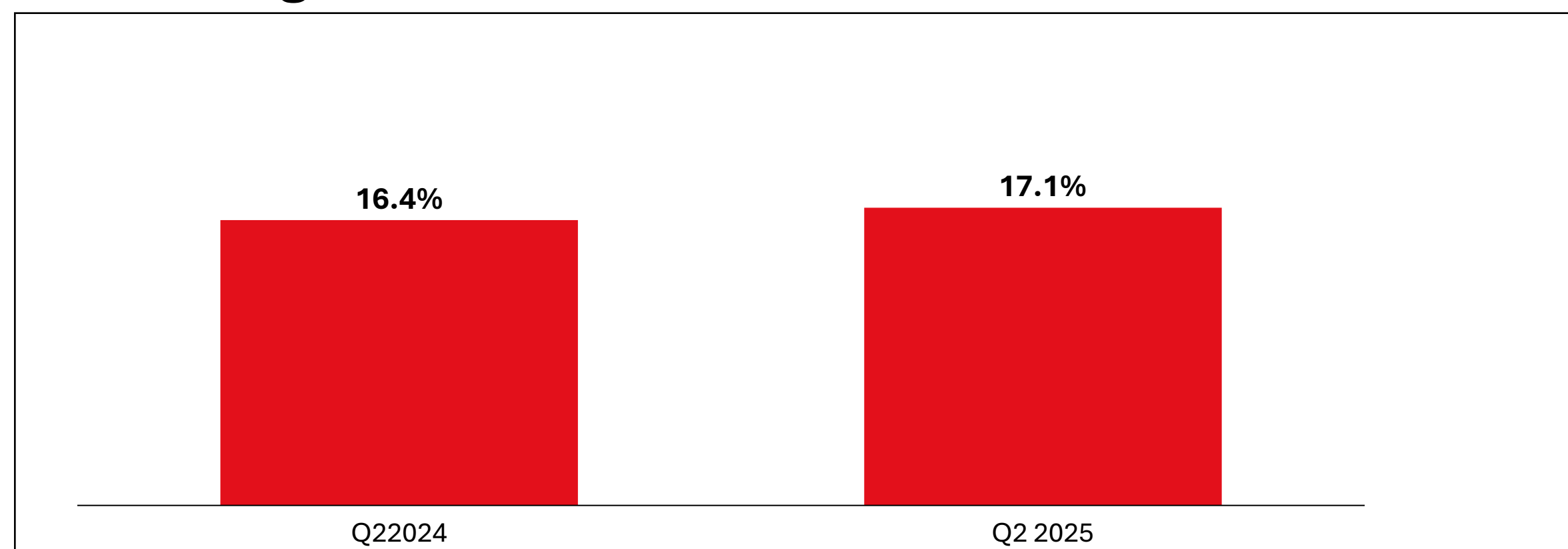
- The second quarter of the year continued strong with revenue reaching 116.5 MEUR (105.5) marking a 10.4% YoY topline increase
- Revenue grew particularly in the company's strategic focus areas in online channel and new markets. Key drivers of this growth included:
 - Positive trend in online visitors, which increased by +8,9%
 - Online sales grew by 16.0% YoY, accounting 69.2% (65.9%) of revenue
 - Consumer sales grew by 10.6% and B2B sales showed a 10.0% increase YoY
 - New markets sales increased by 40.5%
 - Positive development in most categories, especially strong in entertainment and IT categories, driven by successful commercial actions and the transition to high-definition broadcasts in Finland, which further boosted TV sales
 - Sales of own brands increased by 21.8%, driven by TV, household appliances and IT accessories

MARGIN IMPROVEMENT FOR THIRD CONSECUTIVE QUARTER

Gross profit (MEUR)



Gross margin %



Q2/2025 development

- Continuation of clear improvement in gross profit for third consecutive quarter
- Gross profit was 19.9 MEUR (17.3) and increased by 2.6 MEUR compared to previous year
- Gross margin improved to 17.1% (16.4%)

The gross margin strengthened by

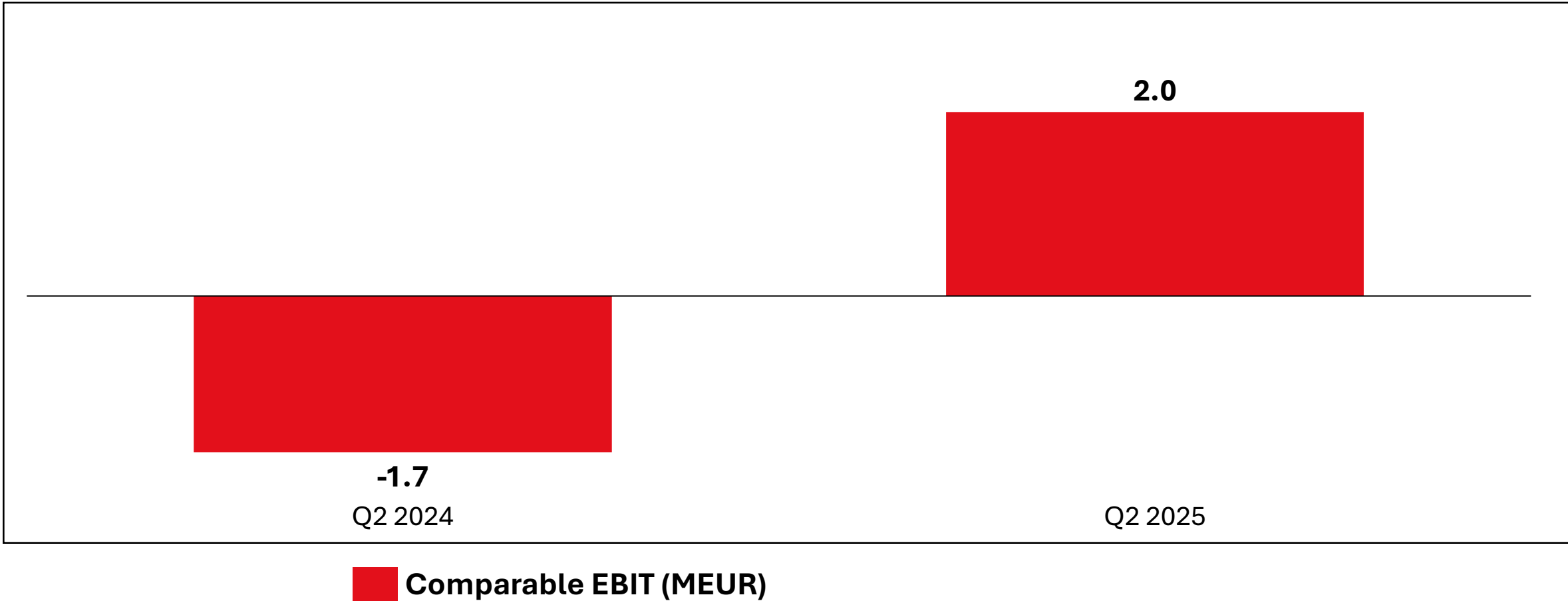
- Continuation of systematic improvements of operational activities
- Efficient inventory turnover
- Improved commercial terms
- Successful category management

PROFITABILITY CONTINUED TO IMPROVE

Key figures

EUR million	Q2/2025	Q2/2024	Change
Revenue	116.5	105.5	+10,4%
Gross profit	19.9	17.3	+2.6 meur
Personnel expenses	8.5	9.3	-8,4%
Other operating expenses	8.2	8.2	-1.0%
Operating result	1.8	-2.0	+3.7 meur
Comparable operating result	2.0	-1.7	+3.7 meur
Result for the period	1.0	-2.1	+3.0 meur

Comparable operating result (MEUR)

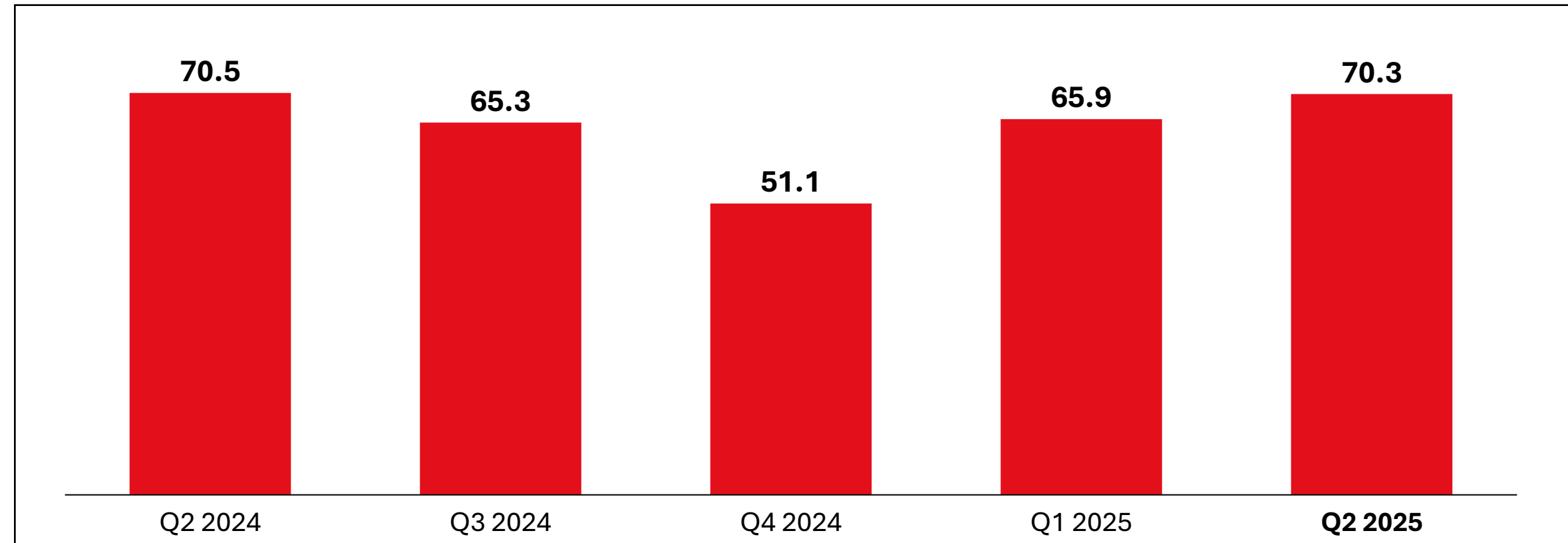


Q2/2025 development

- Profitability improvement driven by sales increase, solid margin and cost efficiency
- Personnel expenses decreased by -8.4 percent from the previous year
- Other operating expenses decreased by -1.0 percent from the previous year
- Operating result (EBIT) increased to 1.8 (-2.0) MEUR or 1,5% (-1.9%) of revenue
- Comparable operating result (EBIT) increased to 2.0 (-1.7) MEUR or 1.7% (-1.6%) of revenue

HEALTHY INVENTORY TURN

Inventory (MEUR)



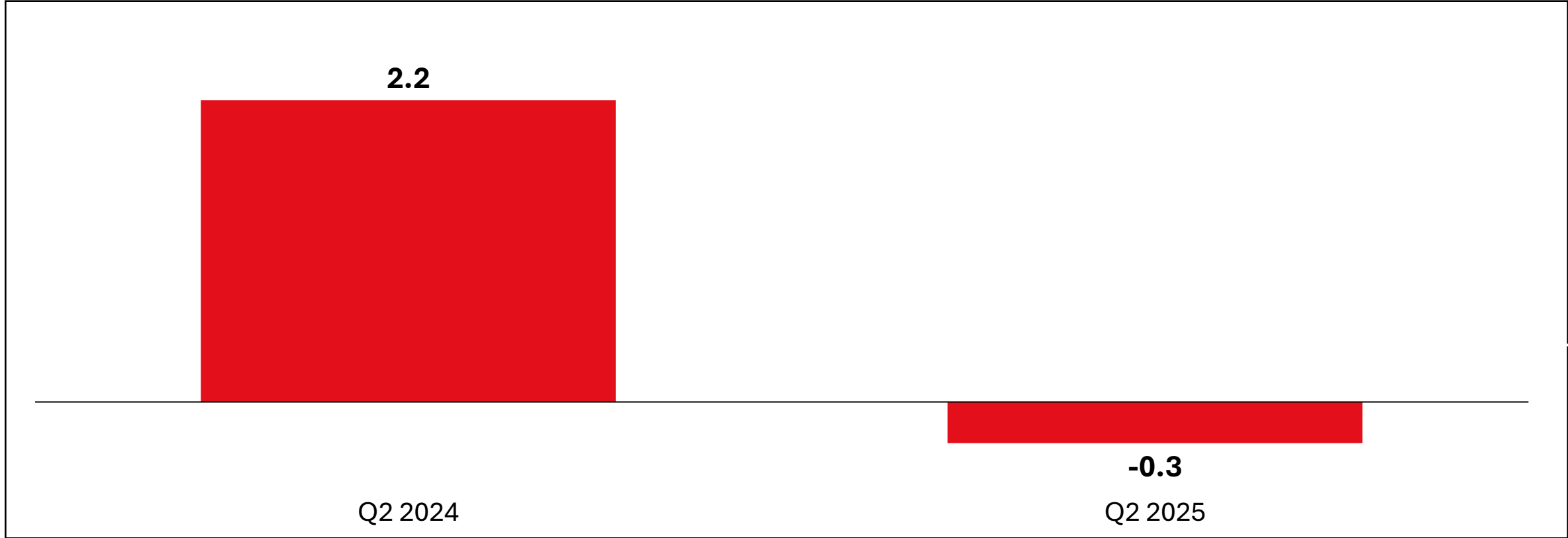
Q2/2025 development

- Inventory was on last year's level at 70.3 MEUR (70.5)
- Inventory is on a healthy level, preparations started for upcoming season

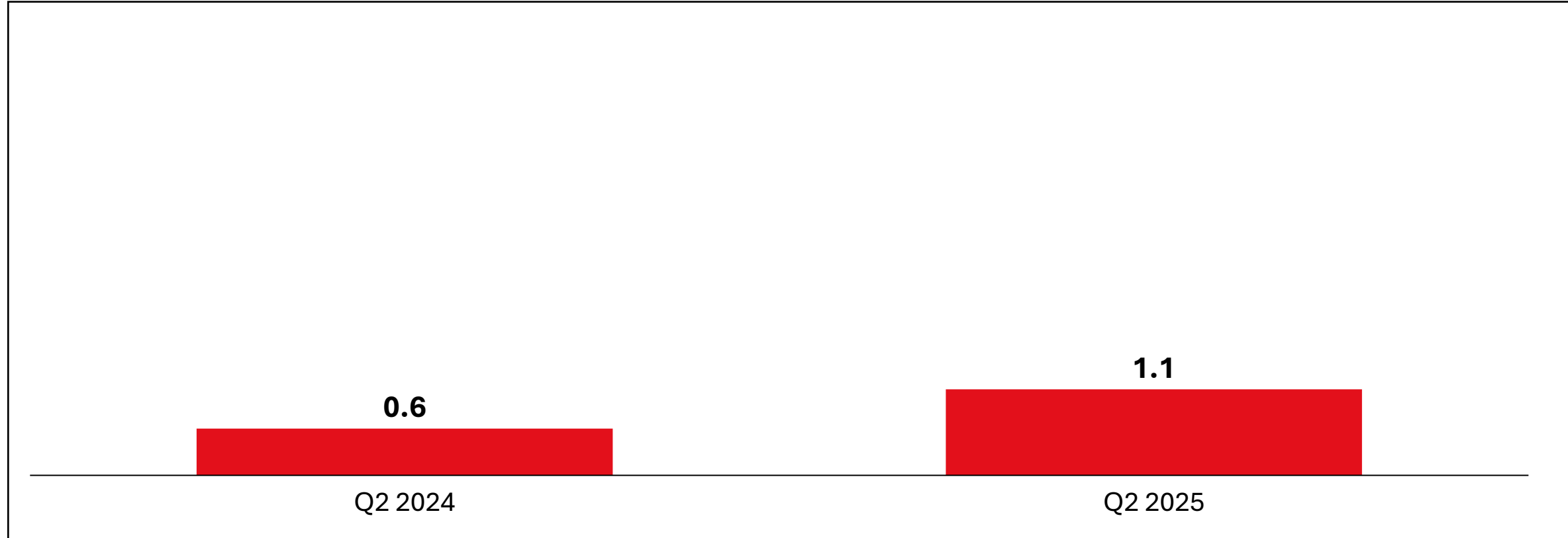


CONTINUED SOLID FINANCIAL POSITION

Cash flow from operations (MEUR)



Investments (MEUR)



Q2/2025 development

- The cash flow from operations totaled -0.3 MEUR (2.2)
- Equity ratio improved to 18.3 percent (15.7%)
- Cash at hand was 16.1 MEUR (16.3) at the end of June 2025
- Investments amounted to 1.1 MEUR (0.6), were mainly related to IT infrastructure updates, improvement of operational efficiency and enhancing fast delivery capabilities

CONSUMER FINANCE TO WALLEY, STRENGTHENS BALANCE SHEET AND SUPPORTS LONG-TERM GOALS

- We have signed an agreement to sell our consumer financing business to Norion Bank AB and its payment solutions business unit Walley
- The preliminary purchase price is approx. EUR 34 million, the final purchase price determined based on the loan portfolio value at closing
- The transaction will result in a non-recurring gain of about EUR 3 million and will significantly improve the company's balance sheet structure
- Expected to be completed during the second half of 2025
- We have signed a long-term partnership agreement with Walley for providing consumer finance and payment solutions to our customers
- The arrangement supports Verkkokauppa.com's growth and long-term goals

walley



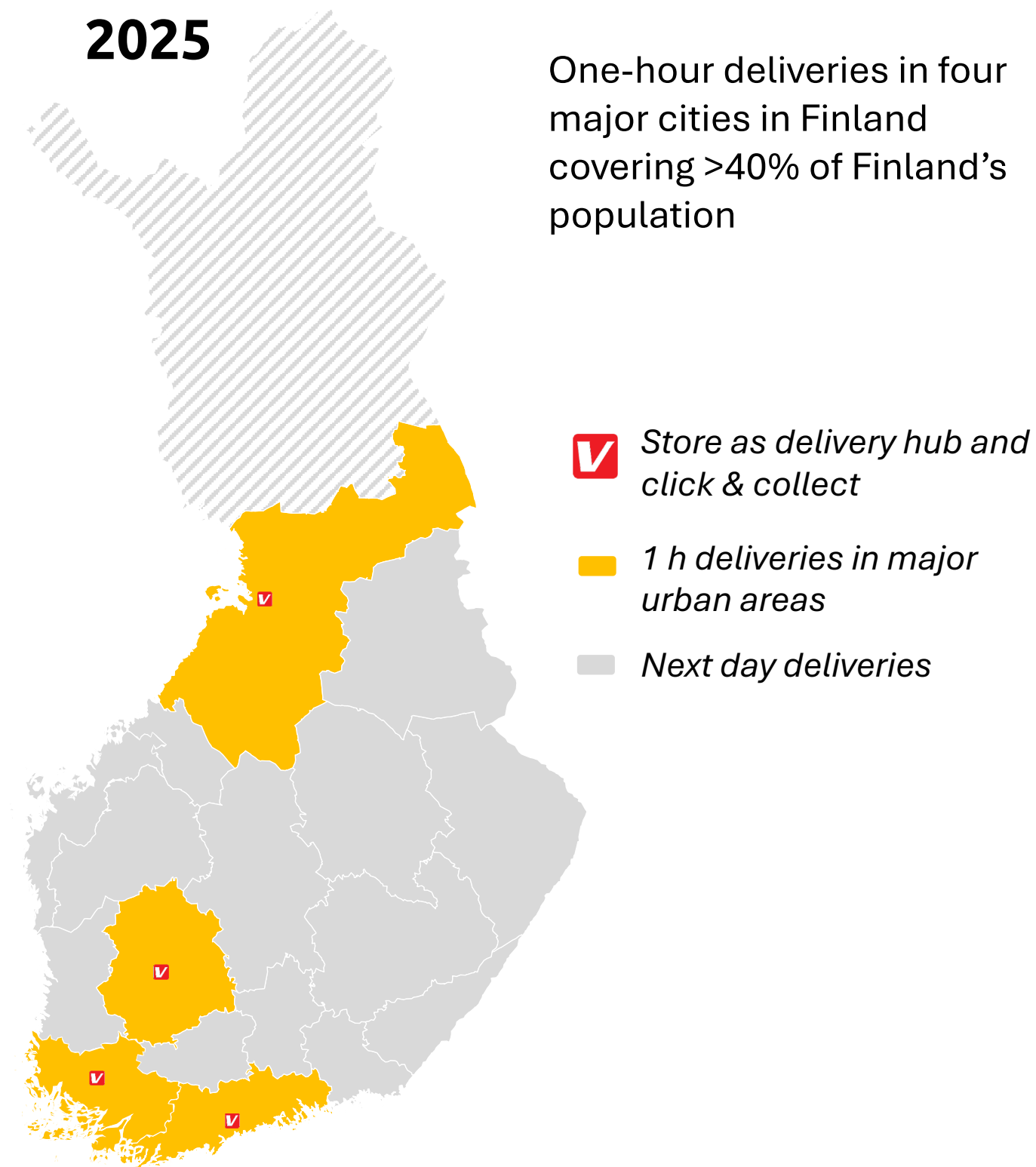
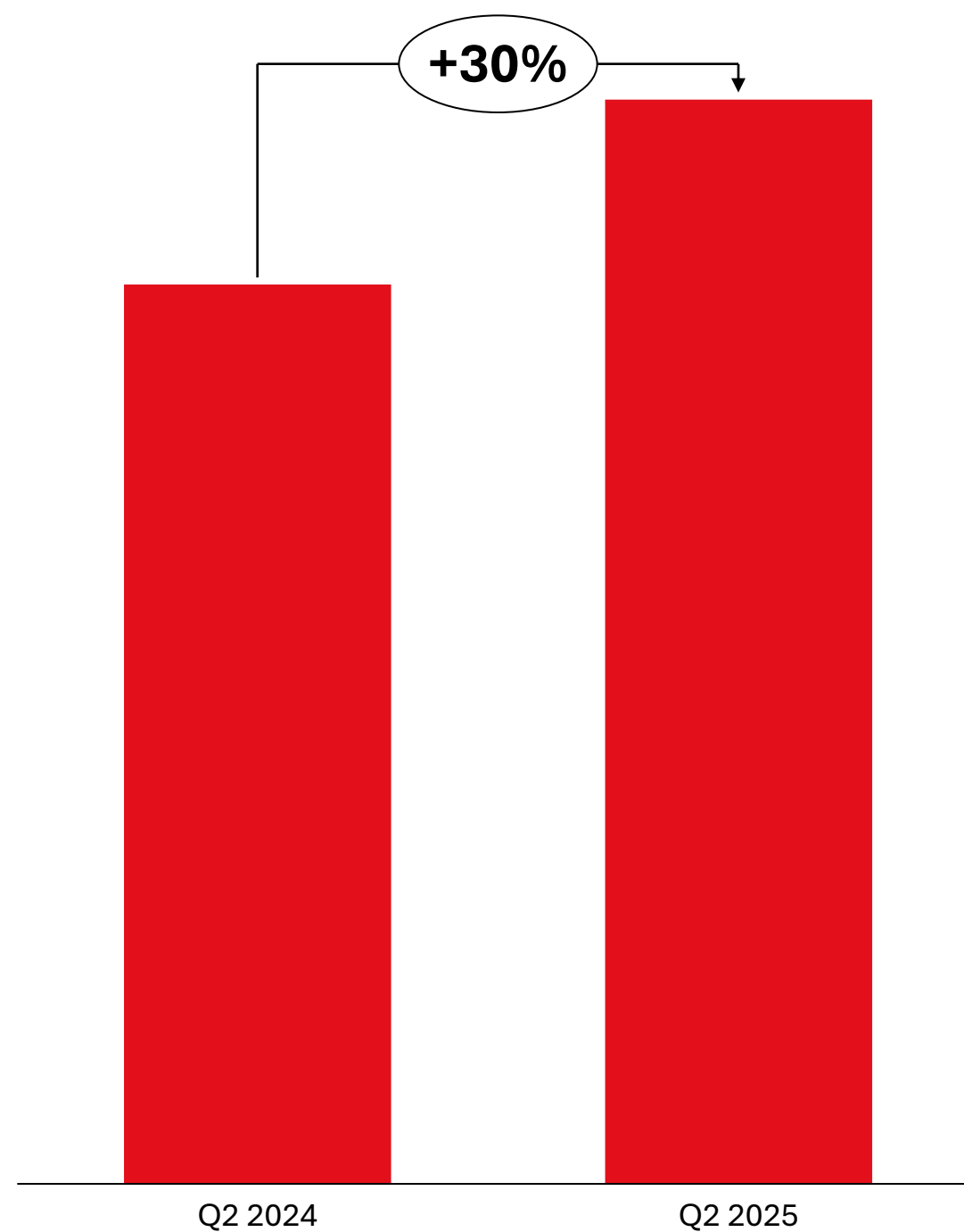
STRATEGY EXECUTION



FAST DELIVERIES INCREASING, FURTHER FACILITATING THE SHIFT TO ONLINE WITH GREAT CUSTOMER EXPERIENCE

To revolutionize retail, we will set new standards on delivery speed and effortless shopping experience

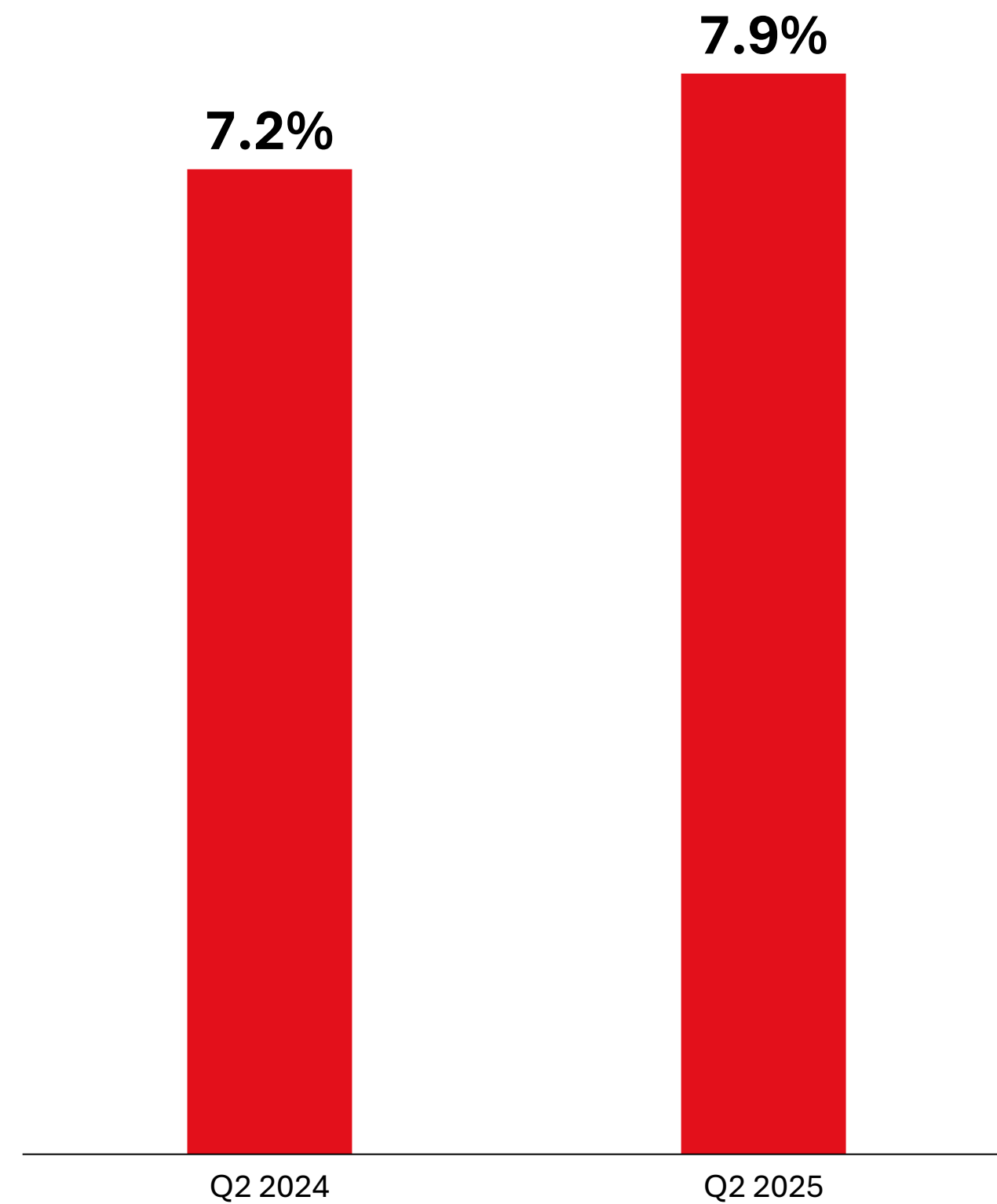
Quarterly volume of one-hour deliveries



- One-hour deliveries continued to grow and were up by +30% YoY. We have now delivered more than 100 000 1-hour deliveries
- All orders delivered the same day grew by over 60% YoY
- NPS for 1-hour deliveries customers continued to be strong 80
- With parcel lockers now in every store, we're making shopping even faster and more convenient for our customers
- The share of fast deliveries in all online orders grew to 21.4% in Q2 2025 (15.0% in Q2 2024)

GROWTH IN THE SALES OF OWN BRANDS CONTINUES

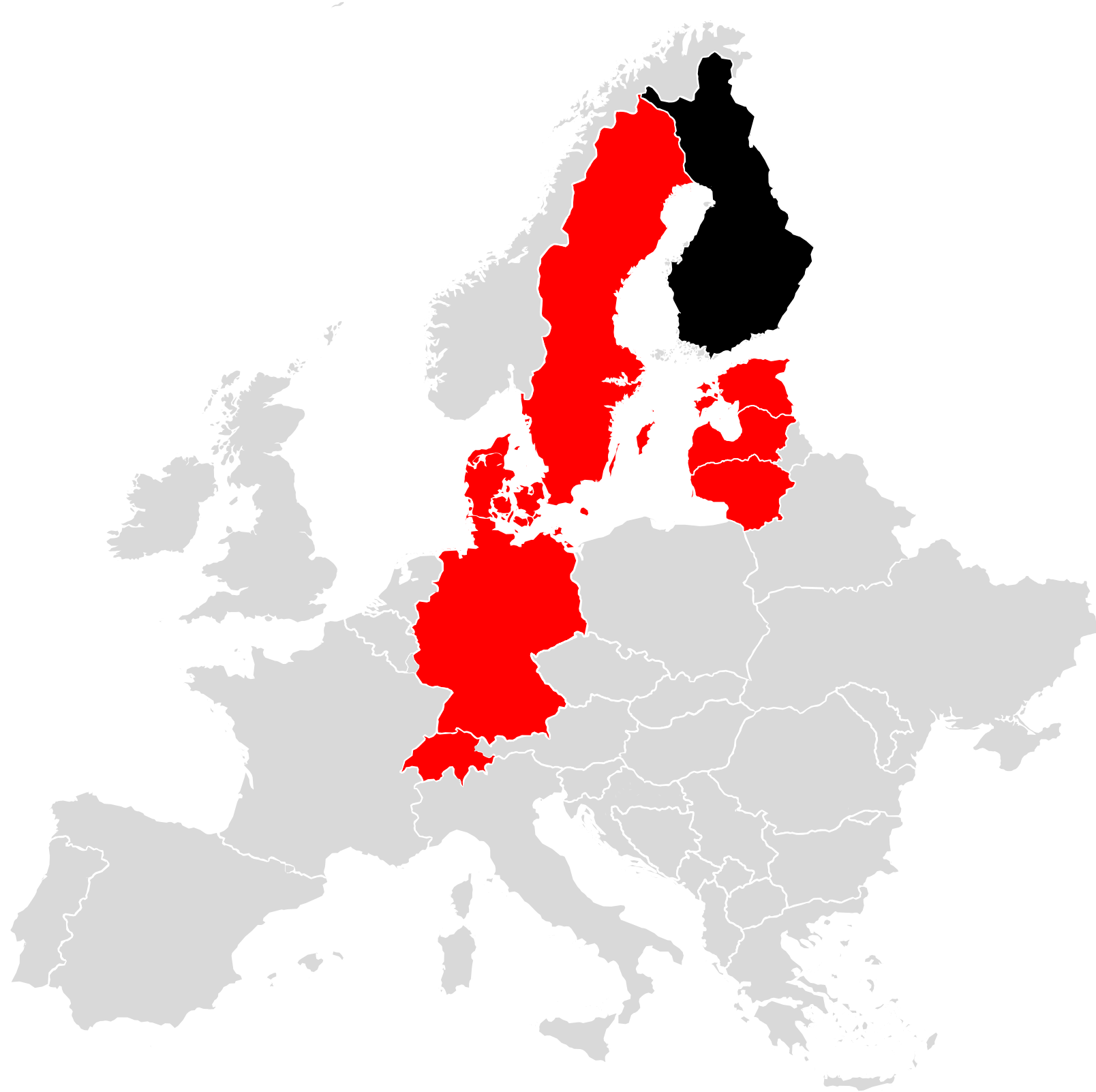
Own brand share of sales Q2 2025



- In line with our strategy, we aim to grow in our own brands and aiming to increase overall gross margin
- Our goal during the strategy period is to increase the share of own brands in revenue to 10 percent by end of 2028
- Own brands sales grew by +21.8%
- The share of own brands was 7.9% (7.2%) of revenue during the second quarter
- The increase was especially driven by TV, home appliances and IT accessories. Most categories grew during the quarter, indicating our overall solid execution



NEW MARKETS GROWTH CONTINUED



Q2/2025 development

- International sales grew by +40.5% YoY
- Strong continuation of sales through European partners, contributing significantly to international growth. Overall good momentum in Nordics sales.
- Amazon Sweden sales opened in the later part of Q2 while still in ramp-up phase.

Long-term strategy

- The company's international expansion is based on growing with existing partnerships while creating new opportunities across Europe. With our current partner-focused strategy, we can leverage our existing investments and balance sheet without significant upfront investments to international expansion.

A close-up photograph of a hand holding a spiral-bound notebook. The notebook's spiral binding is illuminated with a bright red light, creating a series of glowing loops. The entire scene is bathed in a deep red light, with the background being solid black. The text 'MARKET OUTLOOK AND GUIDANCE' is centered over the image in a bold, white, sans-serif font.

MARKET OUTLOOK AND GUIDANCE



MARKET OUTLOOK

- The general market demand is expected to remain cautious during the second half of the year due to uncertainties impacting the consumer confidence
- Despite uncertainties, the private consumption is forecasted to recover as purchasing power strengthens. Purchasing power is supported by rising income levels, slowing inflation, and lower interest rates.
- In general, competition is expected to remain tight and geopolitical environment to stay uncertain

The company believes that:

- it will be able to take advantage of the online shift of commerce and improve its market position in its chosen product categories
- the customer shift to online business will be permanent, and continuously more deliveries are made as fast deliveries

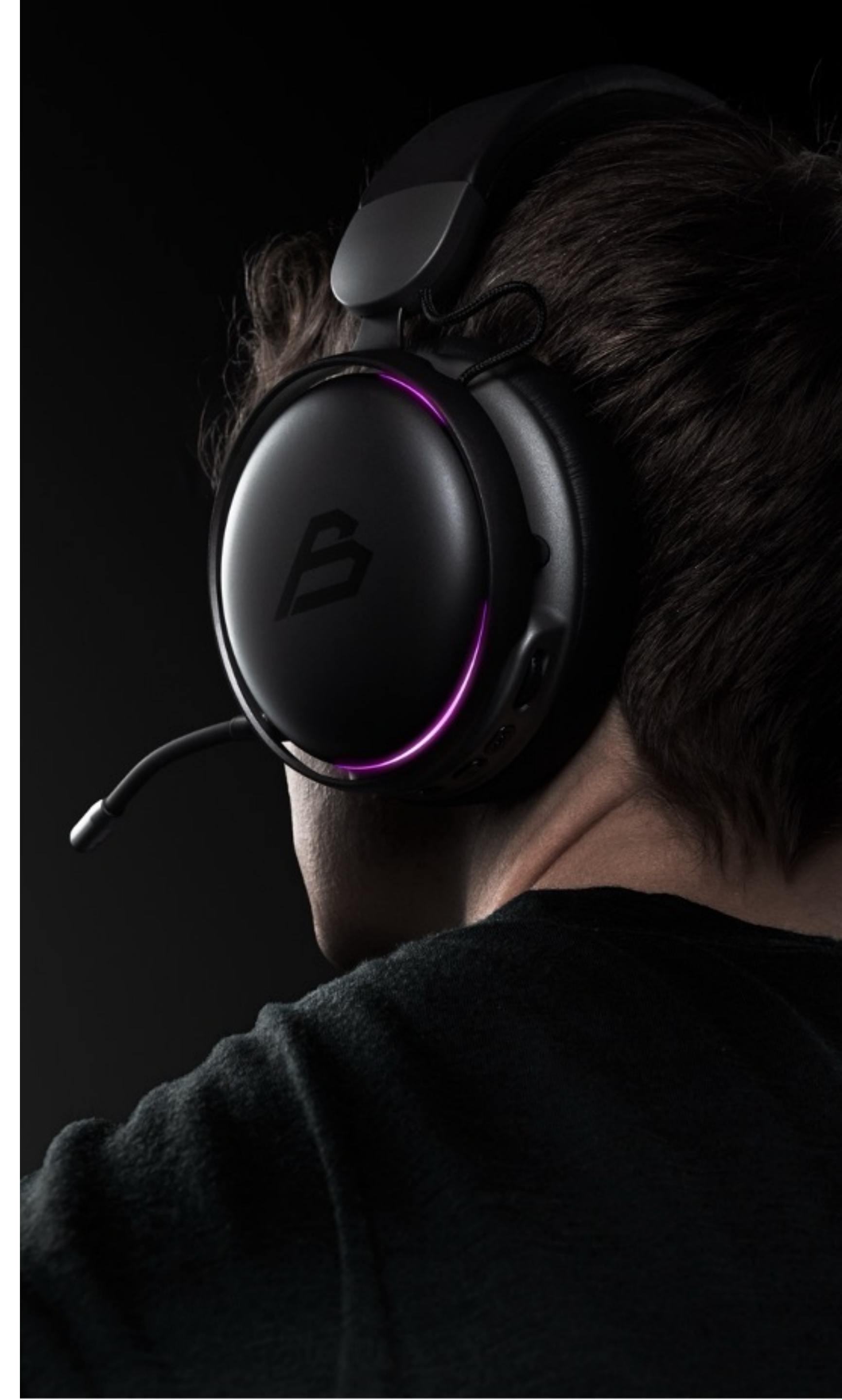
GUIDANCE FOR 2025 - UNCHANGED

Verkkokauppa.com expects its revenue and comparable operating result for 2025 to increase. In 2024, the company's revenue was EUR 467.8 million and comparable operating result was EUR 1.8 million.

Guidance includes uncertainties related to changes in purchasing power and consumer behavior. Verkkokauppa.com's business is seasonal and the company's revenue and operating profit depend largely on the sales in the fourth quarter.

KEY TAKEAWAYS Q2 2025

- Solid continuations of operational and strategic performance in a cautiously recovering market
- Strong topline growth and market share gains
- Significant profitability improvement continued for third consecutive quarter
- Strategy execution proceeded as planned, fast deliveries growing consistently, increase in both own brand sales and new markets revenue
- The planned sale of own financing portfolio to Norion Bank strengthening even further the company's financial position
- Strong H1 overall





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QUARTERLY KEY FIGURES

	2025			2024				
	Q1	Q2	Q1-Q2/ 2025	Q1	Q2	Q3	Q4	Q1-Q4/ 2024
Revenue, eur million	110.5	116.5	227.0	108.0	105.5	114.2	140.2	467.8
Gross profit, eur million	20.8	19.9	40.7	18.7	17.3	16.6	23.3	75.8
Gross margin-%	18.8%	17.1%	17.9%	17.3%	16.4%	14.5%	16.6%	16.2%
EBITDA, eur million	4.9	3.4	8.3	1.3	-0.2	1.8	4.7	7.5
EBITDA-%	4.4%	3.0%	3.7%	1.2%	-0.2%	1.6%	3.3%	1.6%
Operating result, eur million	3.2	1.8	5.0	-0.4	-2.0	0.1	3.0	0.6
Operating margin-%	2.9%	1.5%	2.2%	-0.4%	-1.9%	0.1%	2.1%	0.1%
Comparable operating result, eur million	3.2	2.0	5.2	0.5	-1.7	-0.7	3.8	1.8
Comparable operating margin-%	2.9%	1.7%	2.3%	0.5%	-1.6%	-0.7%	2.7%	0.4%
Net result, eur million	2.0	1.0	3.0	-1.0	-2.1	-0.3	2.6	-0.8
Revenue distribution by customer segment:								
Consumers eur million	73.3	79.7	152.9	73.1	72.1	81.4	99.3	325.9
B2B (incl. Wholesale), eur million	37.3	36.8	74.1	34.8	33.4	32.8	40.9	142.0
Interest-bearing net debt, eur million	24.7	26.6	26.6	20.1	18.5	16.3	9.8	9.8
Investments, eur million	0.3	1.1	1.4	0.3	0.6	0.4	0.4	1.8
Equity ratio, %	17.9%	18.3%	18.3%	16.7%	15.7%	16.3%	16.0%	16.0%
Gearing, %	82.5%	86.1%	86.1%	72.7%	72.2%	64.6%	35.2%	35.2%
Personnel at the end of period*	595	625	625	644	694	622	615	615
Basic earnings per share, euros	0.04	0.02	0.07	-0.02	-0.05	-0.01	0.06	-0.02
Diluted earnings per share, euros	0.04	0.02	0.07	-0.02	-0.05	-0.01	0.06	-0.02
Number of issued shares, 1,000 pcs	45,355	45,355	45,355	45,355	45,355	45,355	45,355	45,355
Number of treasury shares, 1,000 pcs	86	86	86	133	119	104	86	86
Weighted average number of shares outstanding, 1,000 pcs	45,268	45,268	45,268	45,222	45,235	45,250	45,244	45,244
Diluted weighted average number of shares outstanding, 1,000 pcs	45,374	45,360	45,360	45,372	45,386	45,401	45,287	45,287

*The number of personnel includes both full- and part-time employees.

MORE INFORMATION

Upcoming Financial events

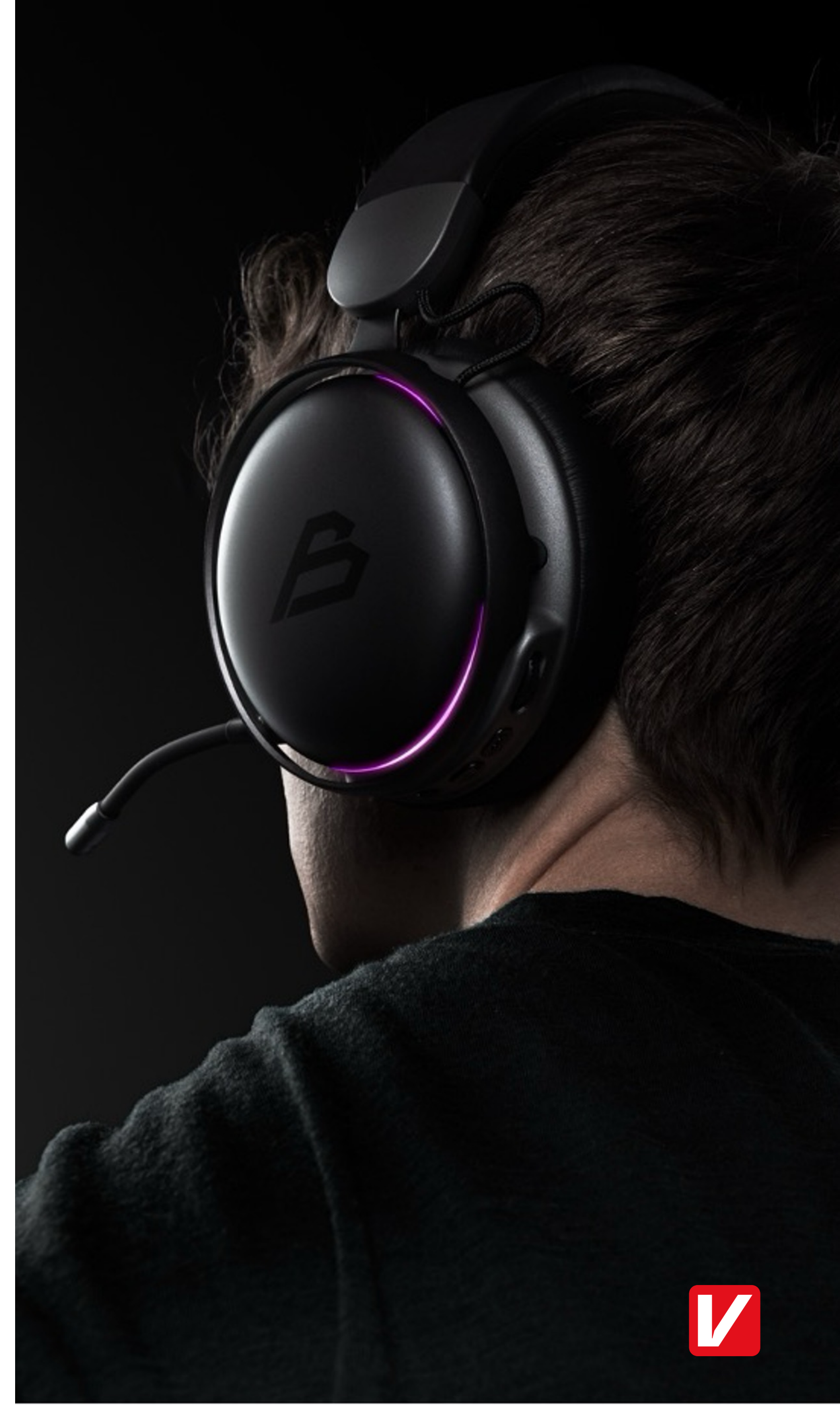
- 23 October 2025: Interim report for January – September 2025
- 12 February 2026: Financial statements bulletin for the year 2025

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