

Kamux Half Year Report January-June 2022

CEO Juha Kalliokoski
CFO Marko Lehtonen



Table of Contents

Half Year Report January-June 2022

Q2 in brief

**Financial
development**

**Strategy,
outlook and
financial
targets**

Summary



Kamux Vision

#1 used car retailer in Europe

Among dealers focusing purely on used cars, Kamux holds the 3rd place

Largest used car dealers in Europe in 2021	Home country	Operating countries	Pcs in 2021 - Kamux estimate
Constellation Group	UK	AT, BE, CZ, DK, FI, FR, DE, GR, HU, IE, IT, LU, NL, NO, PL, PT, RO, SL, SE, CH, TK, UK	80,000 - 100,000
Aures Holding	Czech Republic	CZ, PL, SL, DE	80,000 - 100,000
Kamux	Finland	FI, SE, DE	68,429
Aramis	France	FR, BE, UK, ES	50,000 - 60,000
Autohero	Germany	AT, BE, FR, DE, IT, NL, PL, ES, SE	Over 40,000

Kamux Q2 2022 in brief

1.

Revenue increased by 7.9% to EUR 246.8 million (228.8)

3.

Adjusted operating profit decreased and was EUR 4.5 million (6.8), or 1.8% (3.0) of revenue

5.

International operations grew - external revenue in Sweden increased by 6.1% to EUR 66.4 million and in Germany by 1.4% to EUR 24.2 million*

2.

Gross profit increased by 19.2% to EUR 24.5 million (20.5)

4.

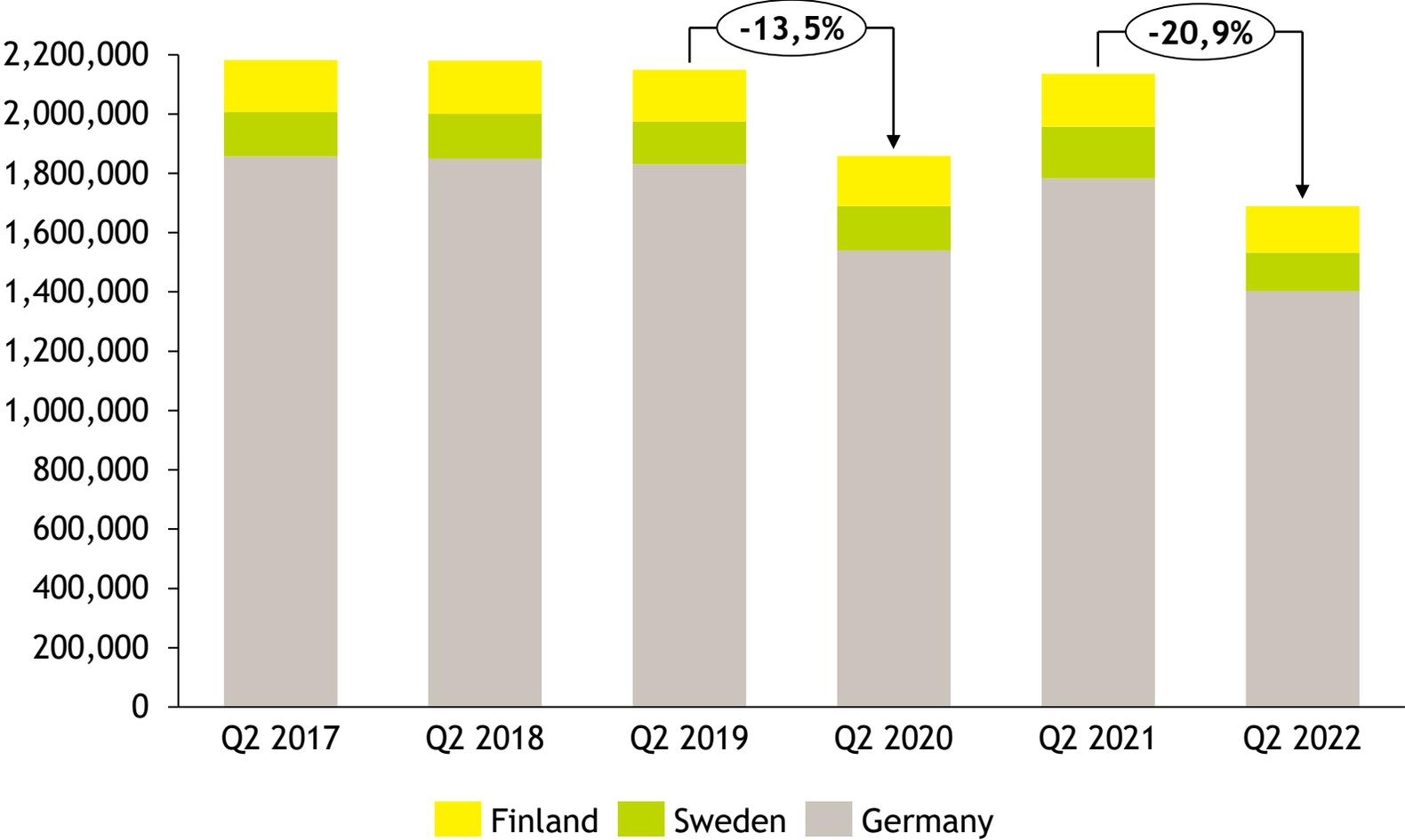
Like-for-like showroom revenue grew by 5.5% (37.9)

6.

The war in Ukraine has had a significant impact on demand

The market for used cars contracted strongly in all operating countries during Q2/2022

- The market decline in Q2/2022 was even stronger than the COVID-19 impact in Q2/2020
- Q2/2022 vs. Q2/2021
 - Finland -12%
 - Sweden -25%
 - Germany -21%



Kamux strengthened its positions in all operating countries

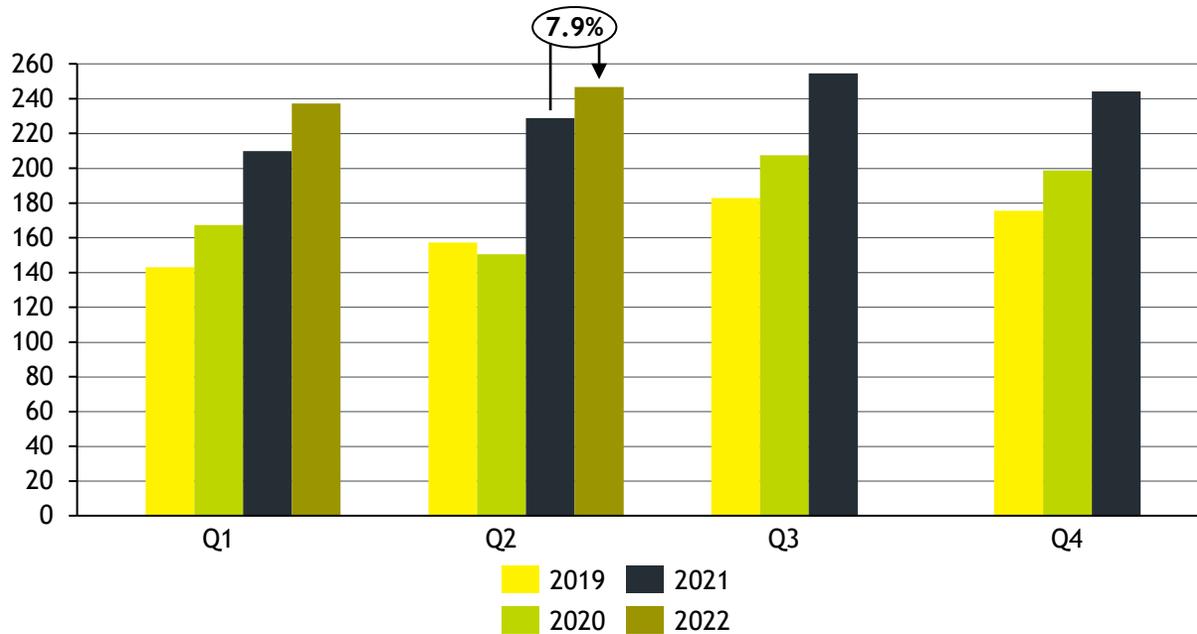
Market	Market size (2021)	Kamux market share	Market development in Q2 2022	Kamux position and development in Q2 2022
Suomi 	~0.6 million cars	~8.0% #1	We estimate that the market for used cars has contracted compared to previous year	Kamux maintained its position as #1
Ruotsi 	~1.3 million cars	~1.0% Top 5	We estimate that the market for used cars has contracted compared to previous year	Kamux is among the top 5 used car dealers in Sweden
Saksa 	~6.7 million cars	~0.0%	We estimate that the market for used cars has contracted compared to previous year	Kamux's market share grew

Consolidation in the industry continued during Q2/2022

New passenger car registrations across the EU fell by 14.0% vs. H1/21 (ACEA)

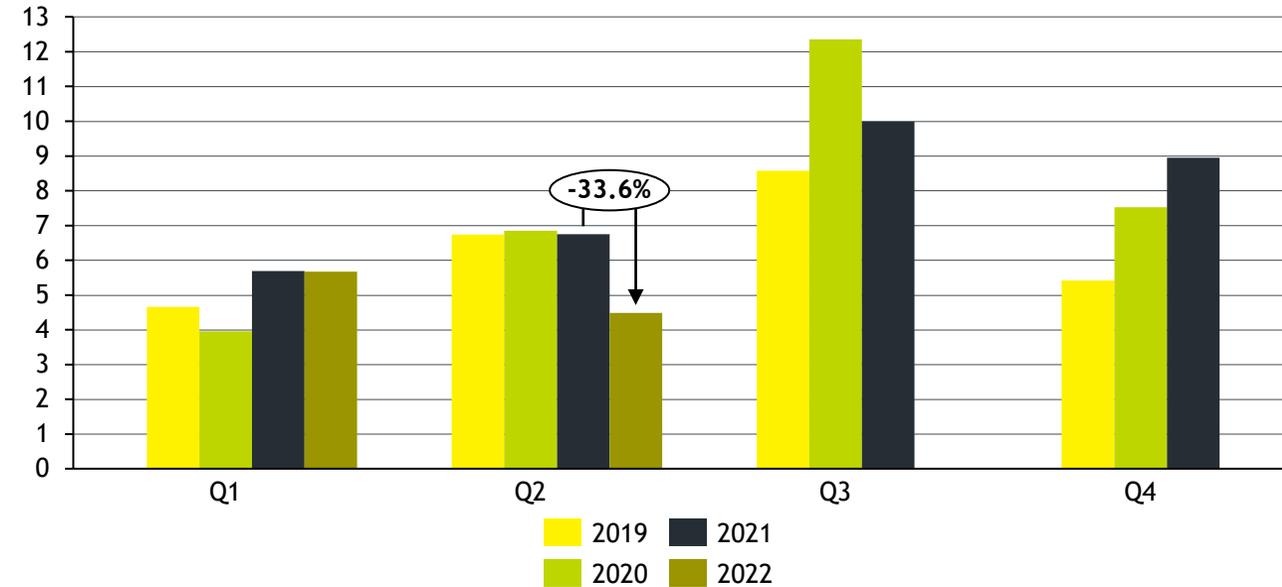
Kamux Q2 2022 – revenue increase driven by higher average prices, integrated services grew significantly

Revenue (EUR million)



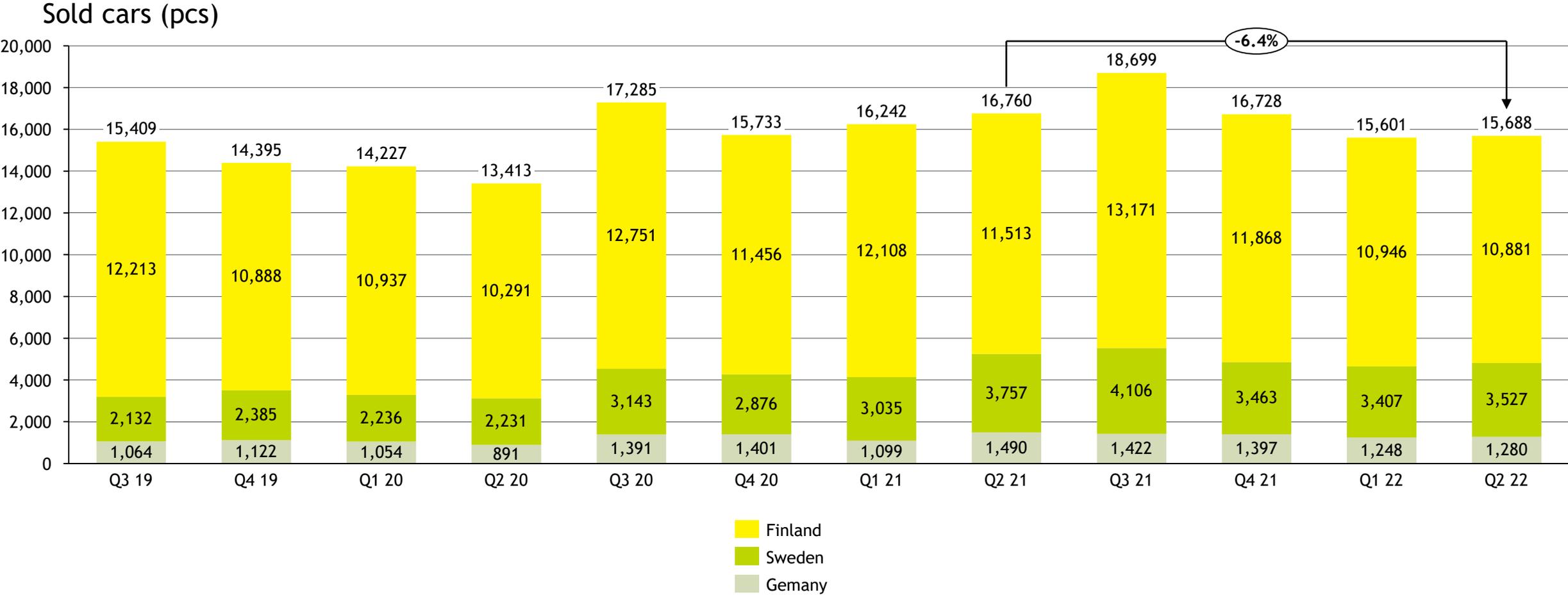
The revenue increased by 7.9% and was EUR 246.8 million (228.8)

Adjusted Operating Profit (EUR million)



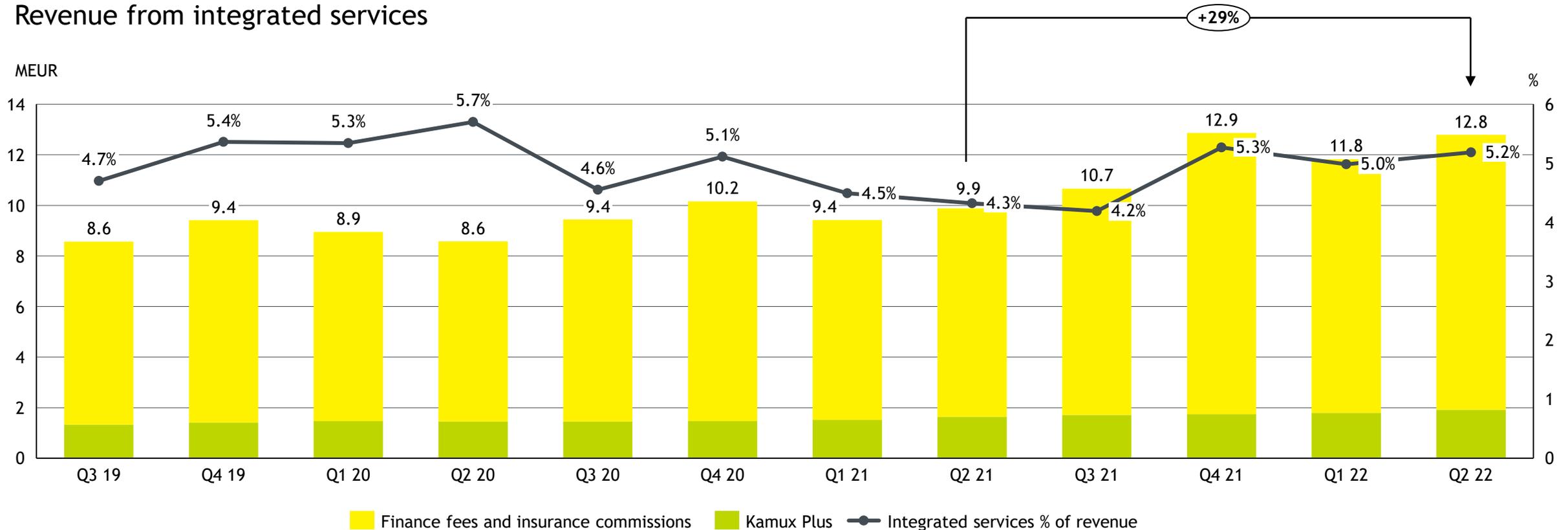
Adjusted operating profit (EBIT) decreased to EUR 4.5 million (6.8), or 1.8% (3.0) of revenue

Number of sold cars decreased in Q2 2022 as the market contracted in all operating countries



Revenue from integrated services grew very strongly in Q2 2022

Revenue from integrated services

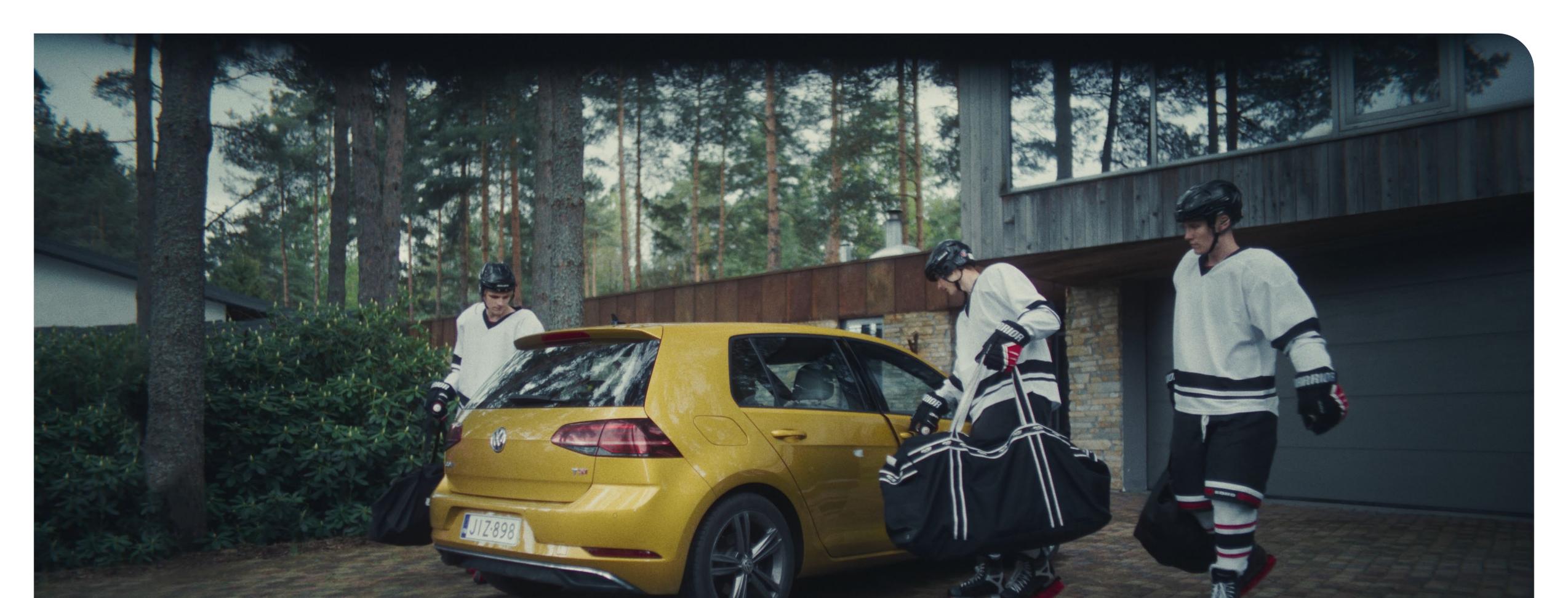


New openings and showrooms on August 12, 2022

2022	FINLAND	SWEDEN	GERMANY	TOTAL
Q1	Oulu	—	—	1
Q2	—	Malmö	—	1
Announced openings	—	Nyköping Kalmar	—	2
Announced showroom expansions	Petikko, Vantaa Pori	—	—	2

2022	FINLAND	SWEDEN	GERMANY	TOTAL
Total showrooms on August 12, 2022	48*	22	8	78

* Kamux transferred the business of the Varkaus showroom to stores in neighboring areas at the beginning of 2022. The new processing center and showroom in Oulu combines the two former Oulu stores into one large store



Financial development

Revenue grew in a challenging market environment

- The war in Ukraine and increasing inflation, particularly the higher fuel and energy prices, have had a significant impact on consumer behavior
- Revenue from integrated services grew 29.4%, clearly faster than revenue
- Operating profit (EBIT) in comparison period Q2/2021 was burdened by an exceptional cost item of EUR 3.9 million related to purchases in Germany
- Return on equity (ROE) was 22.2%, improving from the previous year
- Equity ratio was 44.5%, improving from the previous year
- Earnings per share, basic, was EUR 0.07, an increase of 96.2% from the previous year

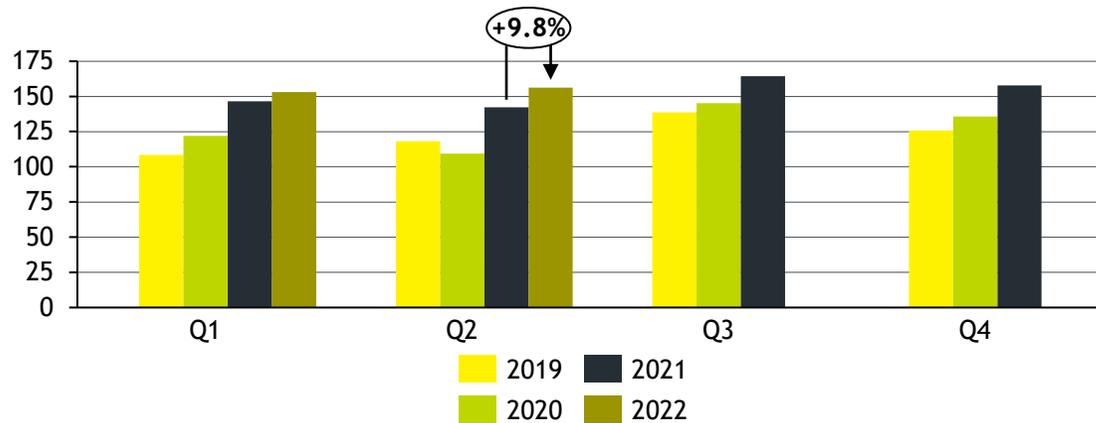
Strong balance sheet is the backbone of the growth strategy

Key figures

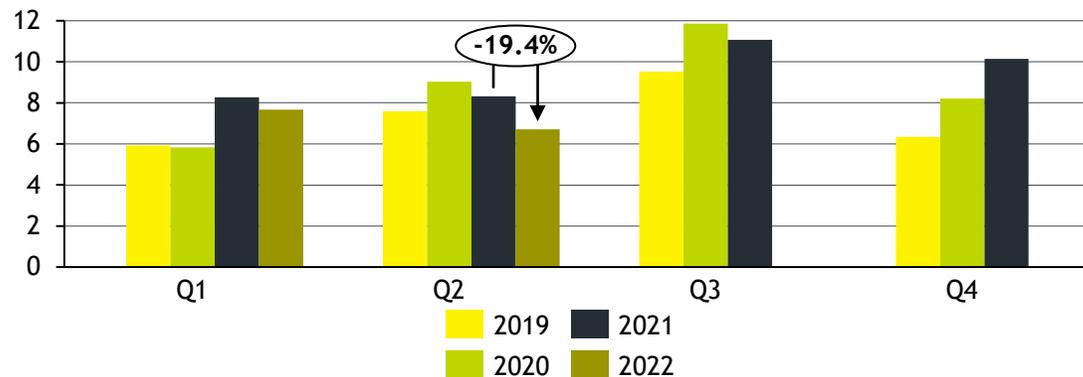
(MEUR)	4-6/2022	4-6/2021	Change, %	1-6/2022	1-6/2021	Change, %	1-12/2021
Revenue	246.8	228.8	7.9%	484.1	438.6	10.4%	937.4
Gross profit	24.5	20.5	19.2%	48.7	43.7	11.5%	101.3
as percentage of revenue, %	9.9%	9.0%		10.1%	10.0%		10.8%
Operating profit (EBIT)	4.5	2.8	59.8%	10.2	8.5	19.6%	28.0
as percentage of revenue, %	1.8%	1.2%		2.1%	1.9%		3.0%
Adjusted operating profit	4.5	6.8	-33.6%	10.2	12.4	-18.4%	31.4
as percentage of revenue, %	1.8%	3.0%		2.1%	2.8%		3.3%
Revenue from integrated services	12.8	9.9	29.4%	24.6	19.3	27.5%	42.8
as percentage of revenue, %	5.2%	4.3%		5.1%	4.4%		4.6%
Sales growth of like-for-like showrooms, %	5.5%	37.9%		7.0%	24.5%		19.1%
Inventory turnover, days				55.4	46.5	19.1%	49.3
Return on equity (ROE), %				22.2%	22.0%		19.5%
Return on capital employed (ROI), %				12.6%	13.6%		12.5%
Equity ratio, %				44.5%	39.3%		47.3%

Kamux Finland – Revenue growth continued in Q2 2022

Revenue (EUR million)



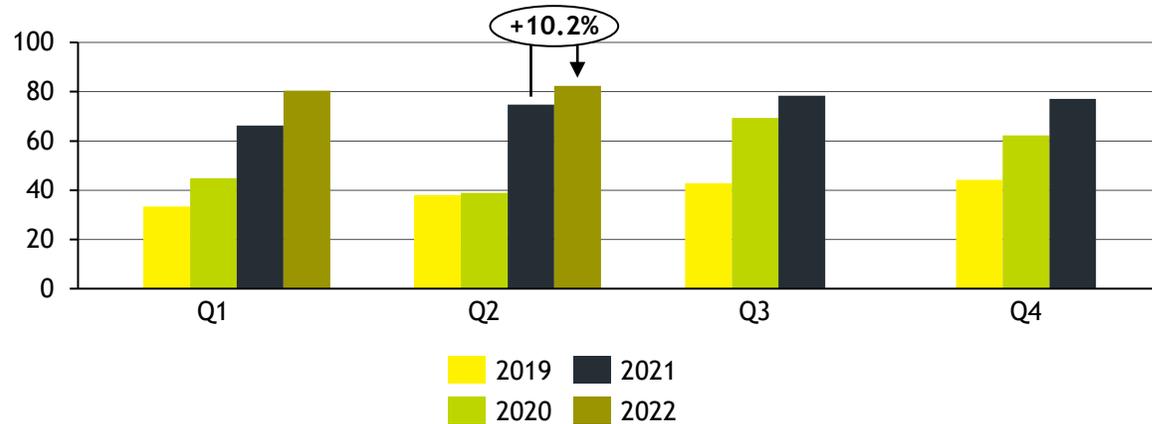
Operating Profit (EUR million)



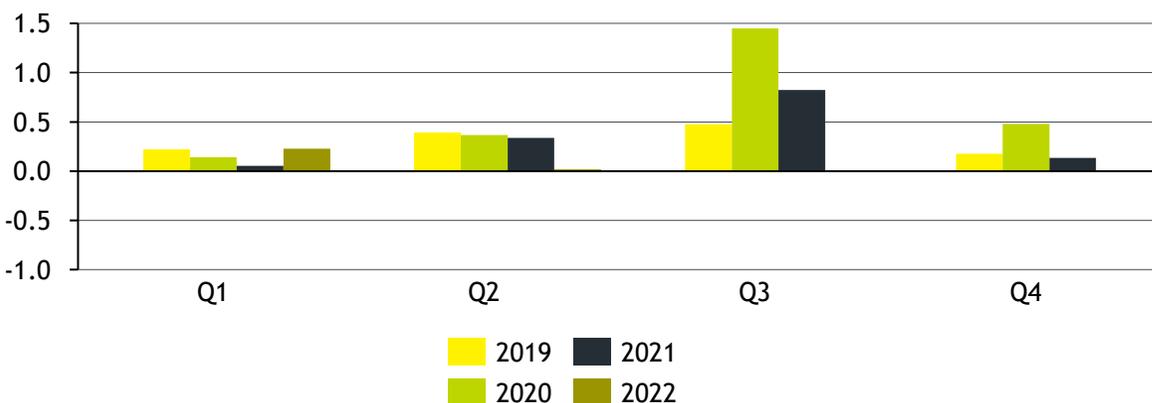
- Revenue increased by 9.8% compared to the previous year and was EUR 156.2 million (142.3).
- Gross margin decreased to EUR 17.3 million (18.0), or 11.1% (12.7) of revenue.
- Operating profit decreased by -19.4% compared to the previous year and was EUR 6.7 million (8.3), or 4.3% (5.8) of revenue.
- Revenue from integrated services increased to EUR 10.5 million (8.3), or 6.7% (5.9) of revenue.
- Revenue growth was driven by higher average prices for sold cars, opening of new showrooms and sales growth of like-for-like showrooms.

Kamux Sweden – Strong revenue growth in Q2 2022

Revenue (EUR million)



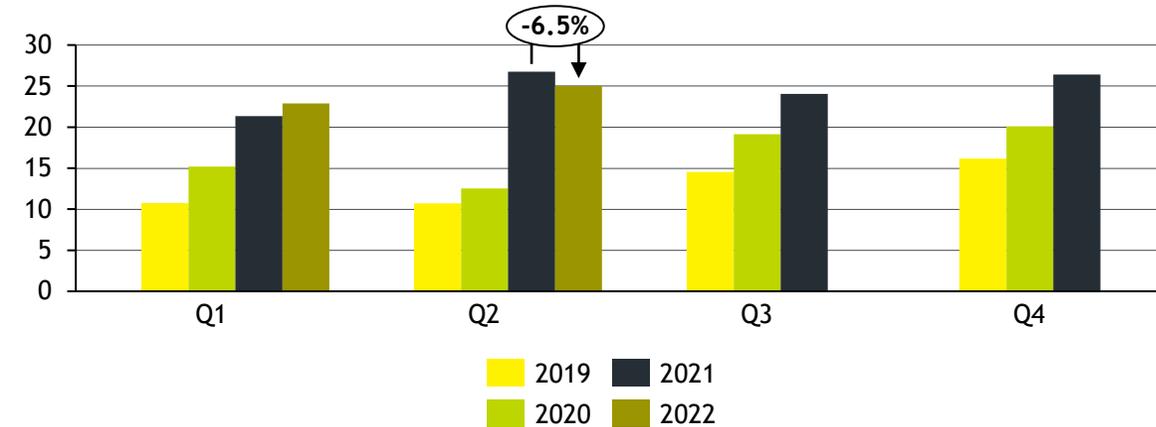
Operating Profit (EUR million)



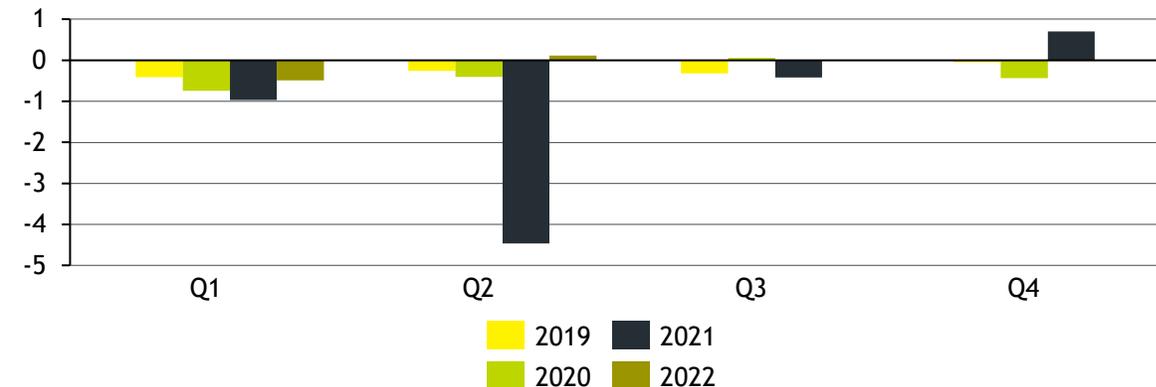
- Total revenue increased by 10.2% compared to the previous year and was EUR 82.4 million (74.8).
- Gross margin was at the previous year's level at EUR 4.9 million (4.9), or 5.9% (6.5) of revenue.
- Operating profit decreased compared to the previous year and was EUR 0.0 million (0.3), or 0.0% (0.4) of total revenue.
- Revenue from integrated services increased to EUR 1.4 million (1.1), or 2.2% (1.8) of external revenue.
- Revenue growth was driven by higher average prices for sold cars, opening of new showrooms and sales growth of like-for-like showrooms.

Kamux Germany – External revenue grew in a difficult market environment

Revenue (EUR million)



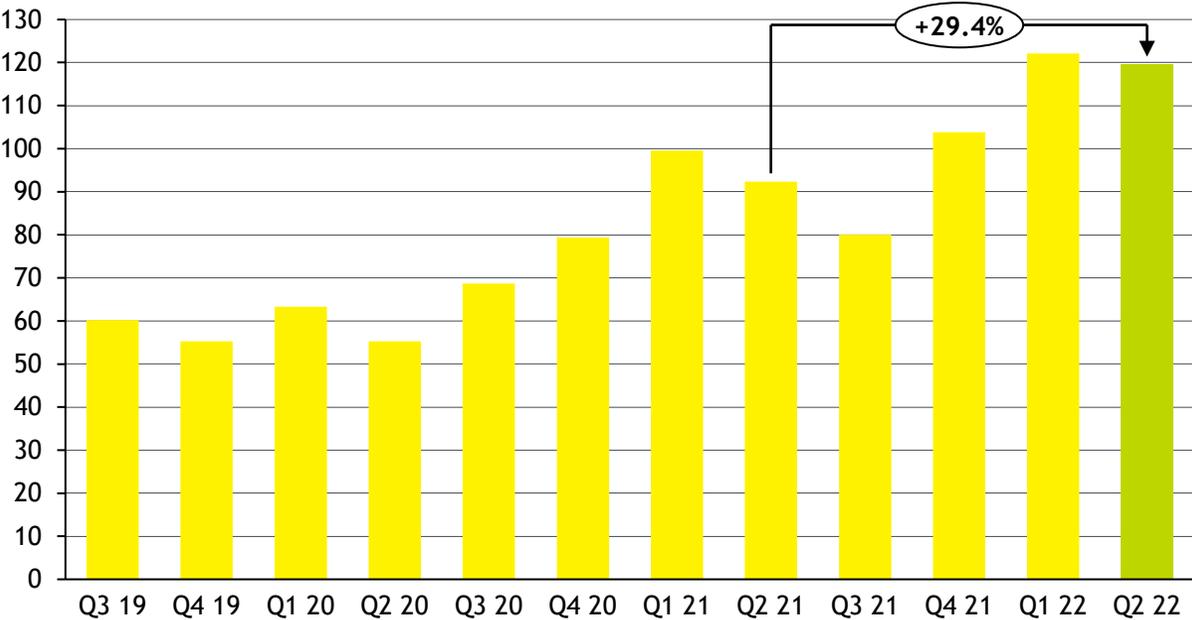
Operating Profit (EUR million)



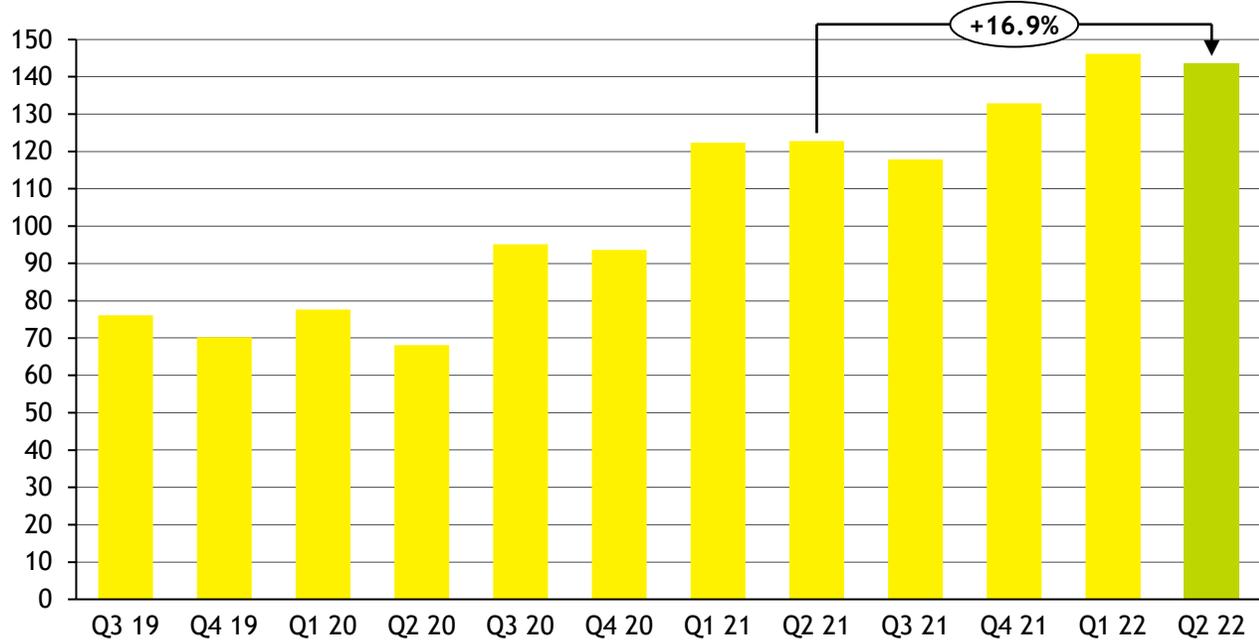
- Exceptionally high internal sales to other operating countries in the comparison period and thus total revenue decreased by -6.5% compared to the previous year and was EUR 25.0 million (26.7). External revenue increased by 1.4%.
- Gross margin increased to EUR 2.3 million (-2.4), or 9.0% (-8.9) of revenue, mainly as result of a an exceptional non-recurring cost in comparison period.
- Operating income turned positive compared to the previous year and was EUR 0.1 million (-4.5), or 0.5% (-16.7%) of total revenue.
- Sales of financing service developed very well and revenue from integrated services increased to EUR 0.9 million (0.4), or 3.7% (1.7) of external revenue.

Net working capital and inventories remained high against the summer period

Net Working Capital (EUR million)

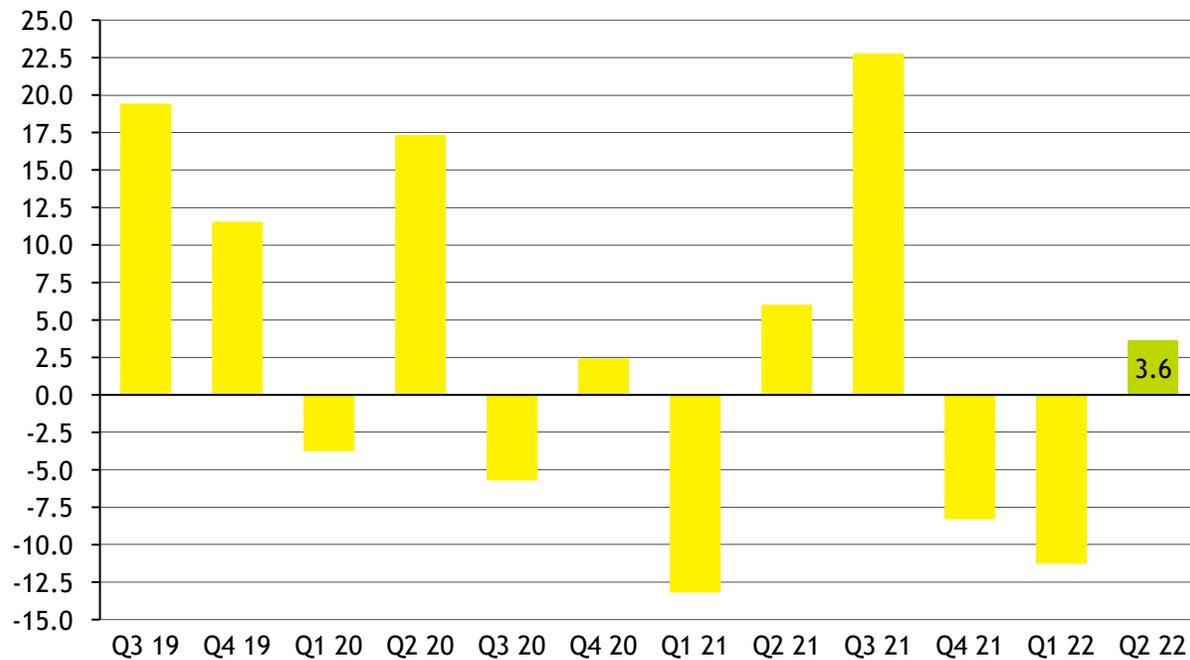


Inventories (EUR million)

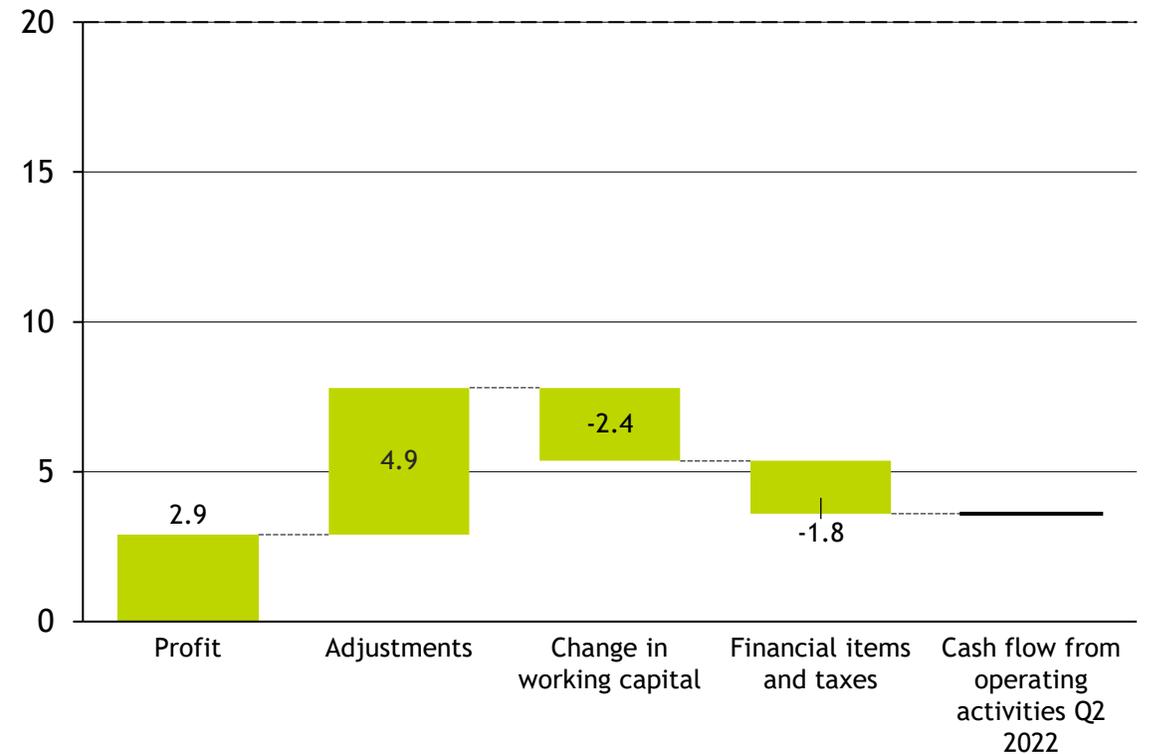


Challenging market environment reflected in net cash flow

Cash Flow from Operating Activities
(EUR million)

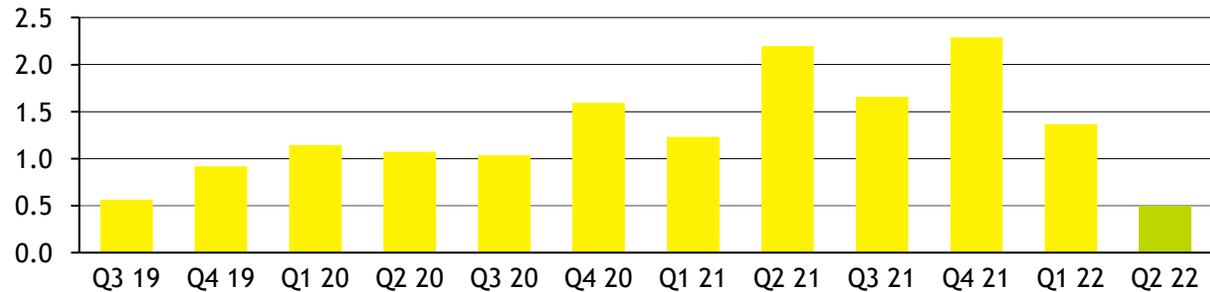


Components of Cash Flow from Operating Activities
Q2 2022 (EUR million)

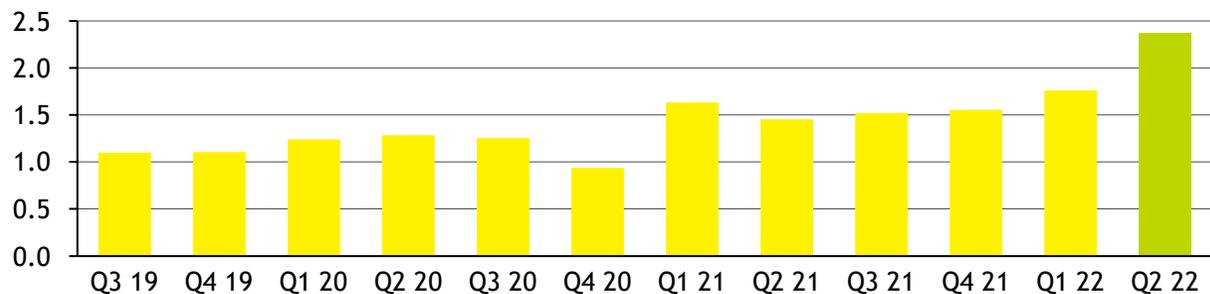


Investments in leading with knowledge and growth were continued

Investments (EUR million)



Group Functions (EUR million)

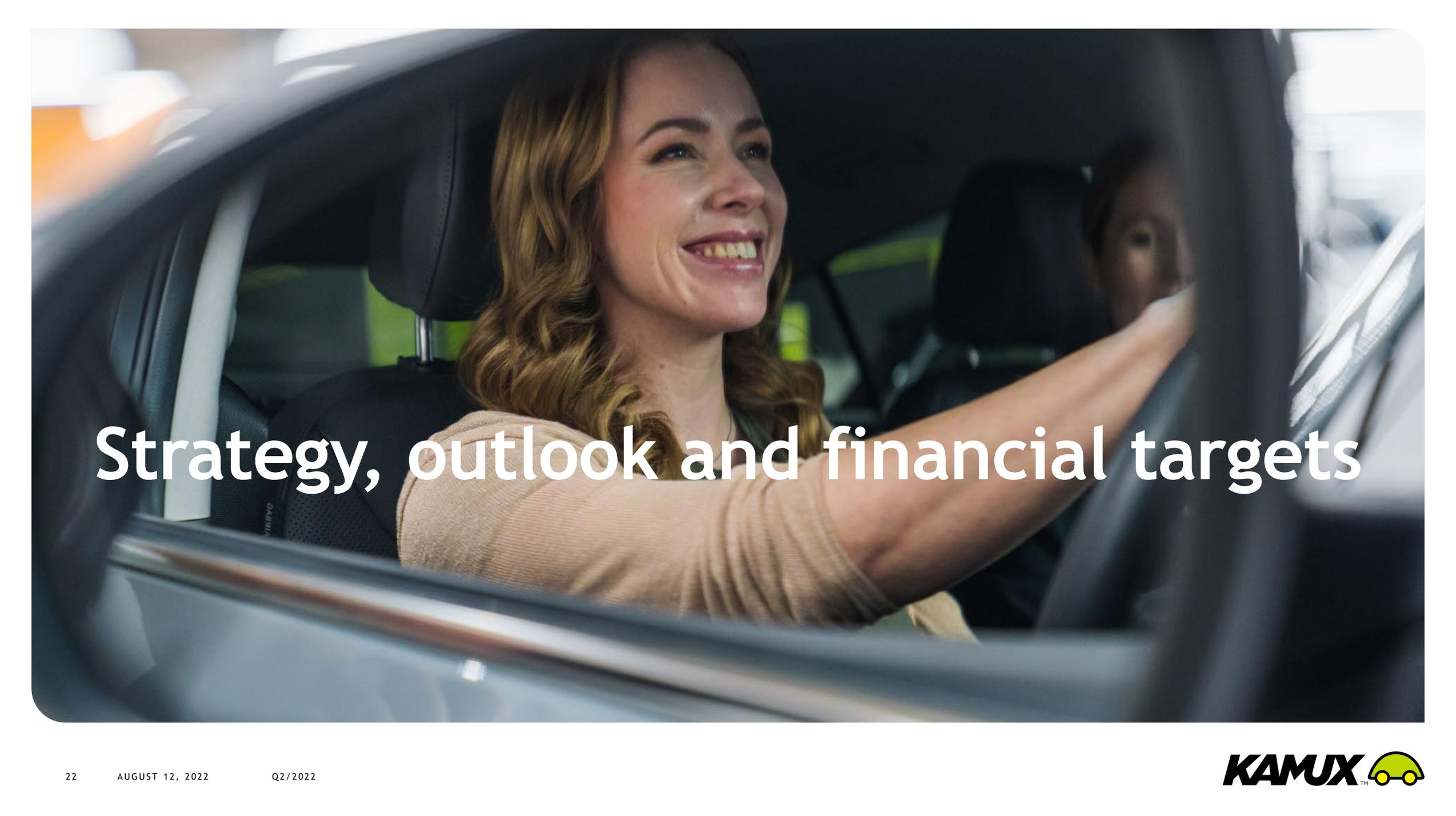


- In line with our strategy, we have systematically invested in growth
- Kamux seeks to gain a significant competitive advantage by investing in leading with knowledge and making strategic real estate investments
- Investments were directed as follows:
 - Digital functions: developing KMS, our CRM-ERP system, analytics, data management and financial management systems
 - Processing center and showroom in Oulu
 - Personnel: recruitment and training
 - Internationalization: investments in international growth

Dividend from 2021

- AGM decided that a dividend of EUR 0.20 per share (EUR 0.24 per share) be paid
- Earnings per share were EUR 0.49 (EUR 0.58)
- Payout ratio is 41% (41%)
- Dividend paid in two instalments
 - EUR 0.08 was paid on April 29, 2022
 - EUR 0.12 will be paid on Oct 28, 2022



A woman with long, wavy brown hair is smiling broadly while driving a car. She is wearing a light-colored, long-sleeved top. The car's interior, including the steering wheel and dashboard, is visible. The background is slightly blurred, showing what appears to be a parking garage or a similar indoor setting.

Strategy, outlook and financial targets



Kamux seizes the huge market opportunity as a strongly digital and international retail chain and

Strategy period
2021–2023

accelerates growth

Profitability development is built on business growth and scalability during the strategy period

Seamless Omni-Channel Customer Experience

RESEARCH



- The role of the seller is also key in digital transactions:
- Creating customer and service experience
 - Supporting the purchasing process: chat, phone, video

95% of customers spend over 4hrs online to refine choices

1,000,000 visits at kamux.fi/se/de in 2021

COMPARISON AND CONSIDERATION

PURCHASE DECISION



PROCESS DEVELOPMENT

Kamux Way to Accelerate Growth

Seamless omni-channel customer experience and services



Utilizing data and leading with knowledge



Efficient processes, scalability and store strategy



Developing capabilities and continuous learning



Financial targets 2021-2023

- Revenue growth of over 20% annually
- Annually increasing adjusted EBIT and adjusted EBIT margin over 3.5%
- Return on equity (ROE) over 25%
- Target to distribute dividends of at least 25% of net profits.*

*) The Board of Directors of the Company estimates annually the balance between dividends to be distributed and funds to be used for Kamux's growth and based on this assessment, makes a proposal on the amount of dividends to be distributed, which may for any single year differ significantly from the target level set in the dividend policy.

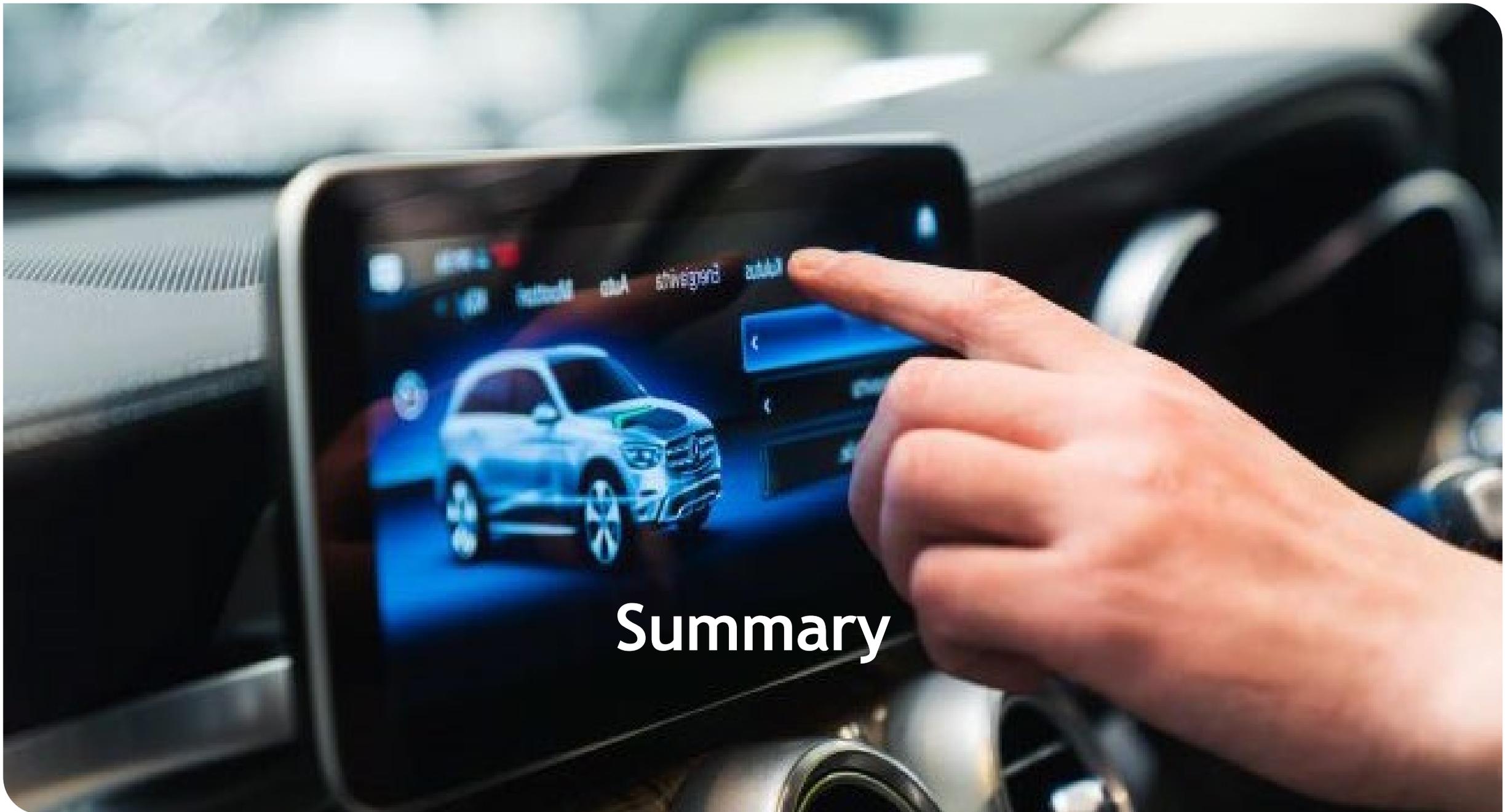
Indicator	Target (from Feb 26, 2021)	Actual 1-6/2022
Revenue growth annually	Over 20%	10.4%
Adjusted operating profit	Annually increasing	EUR 10.2 million (1-6/2021: 12.4)
Adjusted operating profit (EBIT) margin	Over 3.5%	2.1%
Return on equity (ROE)	Over 25%	22.2%
Dividend	At least 25% of net profits	Dividend for the year 2021 41%

The background of the slide is a photograph of a car's interior, showing a steering wheel with a logo, a digital instrument cluster, and a central infotainment screen. The lighting is dim, with some blue ambient lighting visible.

Outlook for 2022, updated on August 11, 2022

In 2022, Kamux expects its revenue to be over EUR 1,000 million. The company expects its adjusted operating profit to be approximately EUR 23-30 million.

Although Kamux's business is not exposed to immediate Russia-related risks, the war in Ukraine and its effects have weakened consumer confidence. This has led to a strong contraction in the demand for used cars in all Kamux's operating countries from March 2022 onwards. The weakened demand and the measures taken to address the inventory to match the current demand have also had a negative impact on Kamux's profitability.



Summary

Summary Q2 2022

1.

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Adjusted operating profit decreased and was EUR 4.5 million (6.8), or 1.8% (3.0) of revenue

5.

International operations grew - external revenue in Sweden increased by 6.1% to EUR 66.4 million and in Germany by 1.4% to EUR 24.2 million*

2.

Gross profit increased by 19.2% to EUR 24.5 million (20.5)

4.

Like-for-like showroom revenue grew by 5.5% (37.9)

6.

The war in Ukraine has had a significant impact on demand



Thank you!

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.