



REPORT TO ASSOCIATES

—
2023



*We are Locally Rooted,
with a Global Reach.*

Welcome

The only way to do great work **is to love what you do.**

Our commitment to excellence is clear in every interaction and service we provide to customers. This includes consistency in our core offering; the picking, packing, and delivery of product; the insights gained in interactions between all associates and customers; and the differentiation provided by our services and solutions.



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VIKING ELECTRIC AT A GLANCE

22 Locations
3 States
2 Regions

The 2023 Executive Leadership Team

The Viking Electric Executive Leadership Team's purpose is to develop, communicate, lead, evaluate and adjust Viking Electric's business strategies while adhering to our values and Sonepar's mission. The Executive Leadership Team communicates our business strategies so associates understand how they directly (or indirectly) impact results.



From left: Scott Miesen, VP of Marketing & Materials; Dean Dobitz, VP of Industrial Sales; Stacy Stanslaski, President; Steve Sass, Director of Sales Operations; Brett Wilson, VP of Contractor Sales; Birgitte Noble, VP of Finance; Sarah Murray, VP of Human Resources; Jay Paradies, VP of Operations

VISION, MISSION, VALUES



OUR VISION

Be the indispensable electrical supply chain partner central to our customers' success.

OUR MISSION

Use our knowledge, skills and passion to craft and deliver exceptional services and logistical solutions for our customers.

OUR VALUES

Our shared values drive our daily decisions and define how we interact with each other, our customers, suppliers and communities.



INTEGRITY

Behave in a respectful, straightforward and ethical manner.



EXCELLENCE

Deliver great experiences throughout our entire business.



INNOVATION

Take the initiative to drive positive change.



COMMITMENT

Bring passion, creativity and knowledge to all that we do.



COLLABORATION

Enable shared success through teamwork.

President's Message



Stacy Stanslaski
President, Viking Electric

"Our customers' success is our success, and we provided an unparalleled level of service to them. We kicked off 2023 with a Sales Evolution following many months of work and design."

~ Stacy Stanslaski

Thank you for your passion and your commitment to Viking Electric. Viking Electric is successful because of you, our dedicated associates. Innovation is on our minds. Our story is a bold one.

Sales revenue for 2023 was flat as compared to 2022; remember, we had record-setting sales in both 2021 and 2022. As a family-owned business, we are not limited by a need for short-term results. We live out our vision to be the electrical supply chain partner, central to our customers' success and we build what lasts.

Our customers' success is our success, and we provided an unparalleled level of service to them. We kicked off 2023 with a Sales Evolution following many months of work and design. New sales roles were launched in January to better align with how customers want to do business with Viking Electric. We are leveraging our new Commodities Specialist and Solar Specialist roles. As a company we are taking a proactive approach to sales and customer experience.

Evolution also happened in Operations as we started transitioning to a structure where branch Operations Managers report to Regional Operations Managers rather than local General Managers. This change was implemented to drive consistency in operational processes and to allow sales leaders to focus on market development.

We invested in digital tools and training for associates and customers. Together we exceeded our goal of 29% of all sales coming through digital channels. Well done! We are privileged to be a part of Sonepar – a parent company that is committed to helping us provide a best-in-class, omnichannel experience for our associates and our customers.

Viking Electric/Sonepar acquired Sunrise Electrical Supply, Inc. in the fourth quarter of 2023. Sunrise is in Addison, Illinois, near the existing Viking Electric branch. I am excited to welcome the Sunrise associates to our organization. We will leverage the skills and knowledge of the Sunrise team as together we create and implement an integration plan in the future.

I know many teams and departments were stretched and challenged in 2023. You worked extremely hard and pulled together towards our long-term vision of growth; we have a goal to be a \$1+ billion company. It takes determination to meet this big goal. You will read about our progress in this *2023 Report to Associates*. Look for information about sustainability, customer events, community engagement, and associate growth.

Viking Electric is boldly pushing limits. We keep moving! We are shaping the industry. We have a remarkable story to tell. We will write new chapters together.





Leading the way - Viking Electric is powered by difference! We strive for excellence in everything we do, and continuously challenge ourselves to innovate and improve. We set the example and keep on daring - every day.

Making an Impact

Viking Electric is committed to be a market leader in the support and solutions provided to our customers, and in our sustainability initiatives. This is important internally and in partnership with our customers and suppliers, and in the support and growth of our associates.

A Strategic Foundation

Acting with integrity, while making quality decisions, builds effective relationships and drives our performance.



PEOPLE

Sustainable workforce of knowledgeable, passionate, high-performing associates.



CUSTOMER

Customer-centric organization that delivers exceptional service and solutions.



PLANET

Sustainable strategies that define how we interact with people, communities, and planet.



PERFORMANCE

Profitable growth through commitment to innovation, and excellence.

COMPLIANCE

Viking Electric is connected to our communities and continues to act for our planet and its future. We recognize the commitment and dedication of our associates, and their willingness to be daring. We value diversity and inclusion.

At Viking Electric, we are part of a family-owned, global business. We have strong financial support to invest in the future and evolve our organization for long-term sustainable success.

In partnership with our customers, we are committed to evolving our business to serve their changing needs and demands. It is our ambition to be a \$1 billion company by 2026.



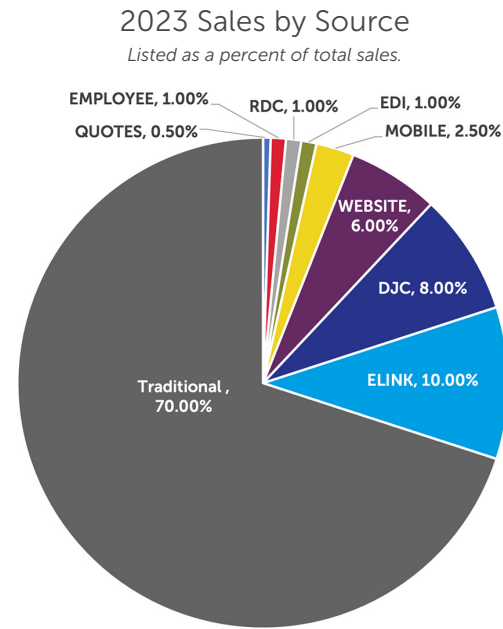


Digital Initiatives



The Digital and Tool Specialists team up for valuable face-to-face interactions with customers and associates.

Viking Electric's suite of digital solutions provide customers with an outstanding omnichannel experience. Solutions including the Digital Job Center and delivery notifications were enhanced in 2023.



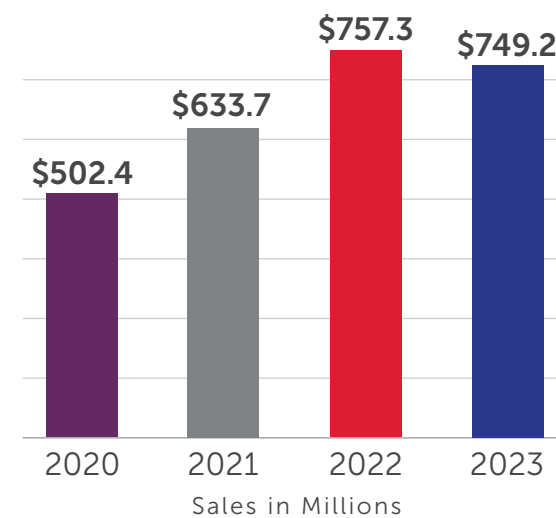
DIGITAL RESULTS

\$227.2M Sales thru Digital Channels
30.36% Percent of Total Sales thru Digital

Financial Milestones



TOTAL SALES
\$749.2M



FINANCIAL PERFORMANCE

\$569.7M
Contractor

\$89M
Industrial/OEM

\$58.8M
Industrial/MRO

\$31.7M
Other

New Acquisitions

We have tripled our business in the Chicago market after purchasing Sunrise Electric. Sunrise has one branch location in Addison, IL and 80 plus associates. Sunrise has a strong reputation in the Chicago market as the premier distributor of switchgear and related products. The leadership and team at Sunrise have a passion for customer service and a positive energy around the opportunities with this acquisition.



From left: Andy Waring, Central Region President Sonepar; Roy Landgren, Sunrise Electric; Don Chriske, Sunrise Electric; Stacy Stanslaski, President Viking Electric; Jeff Byrd, Sunrise Electric; Brett Wilson, VP of Contractor Sales Viking Electric



Operations Overview

A quality-focused business keeps customers at the center of decisions and helps to achieve the Viking Electric Vision.

↑ Overall Lines Picked
4,129,704
~99,000 more than 2022

↓ Cross Dock Lines Picked
594,061
Down from previous year which put less of a burden on the transfer system

↑ Total Wire Cuts
272,775
~9,000 more than 2022

↓ Delivery Stops
472,525
1,862 fewer than 2022

↑ PO Lines Received
663,120
~59,000 more than 2022

↑ Will Call Lines
1,061,929
~38,226 lines from 2022

Safety Milestones

We made great progress in 2023. Taking care of ourselves and each other better than ever before.

We experienced great safety partnership at all levels of the organization, and we experienced extremely high levels of safety engagement from our associates.



OSHA INJURY REPORTING

Viking Electric outperformed the industry average in ALL three injury categories for the first time on record!

Overall Reportable Cases

Industry average: 2.4
Viking Electric: 2.0
SUSA average: 1.86

2023 BY THE NUMBERS

16

Total OSHA Recordable Injuries
27% reduction compared to 2022

6

Restricted Duty Injuries
40% reduction compared to 2022

4

Days Away From Work Injuries
33% reduction compared to 2022

2023 SAFETY HIGHLIGHTS

- 90 "Good Catch" Safety Recognition award winners
- 1,714 Safety Focus quizzes completed
- 220 Safety topic team meetings
- 34 Safety committee meetings
- 10 Facility fire drills conducted





Sales Evolution

A BENEFIT TO CUSTOMERS AND SALES ASSOCIATES



Sales Evolution was the dynamic process undertaken to identify a new structure for the sales team at Viking Electric. Benefits to the customer include; improved customer experience, matching resources to customer type, and an increased focus on profitably selling solutions/services.



CUSTOMER PERSONAS

During the Sales Evolution process, Viking Electric identified unique customer personas.



CONVENIENCE

- Heavy reliance on counter, inventory and some delivery
- Minimal pricing support



TRANSACTIONAL

- Like convenience but higher volume
- Additional pricing/quotation support needed
- Utilizes product specialists



SOLUTIONS

- Heavy project emphasis
- Layered sales coverage necessary
- Extensive product specialist utilization



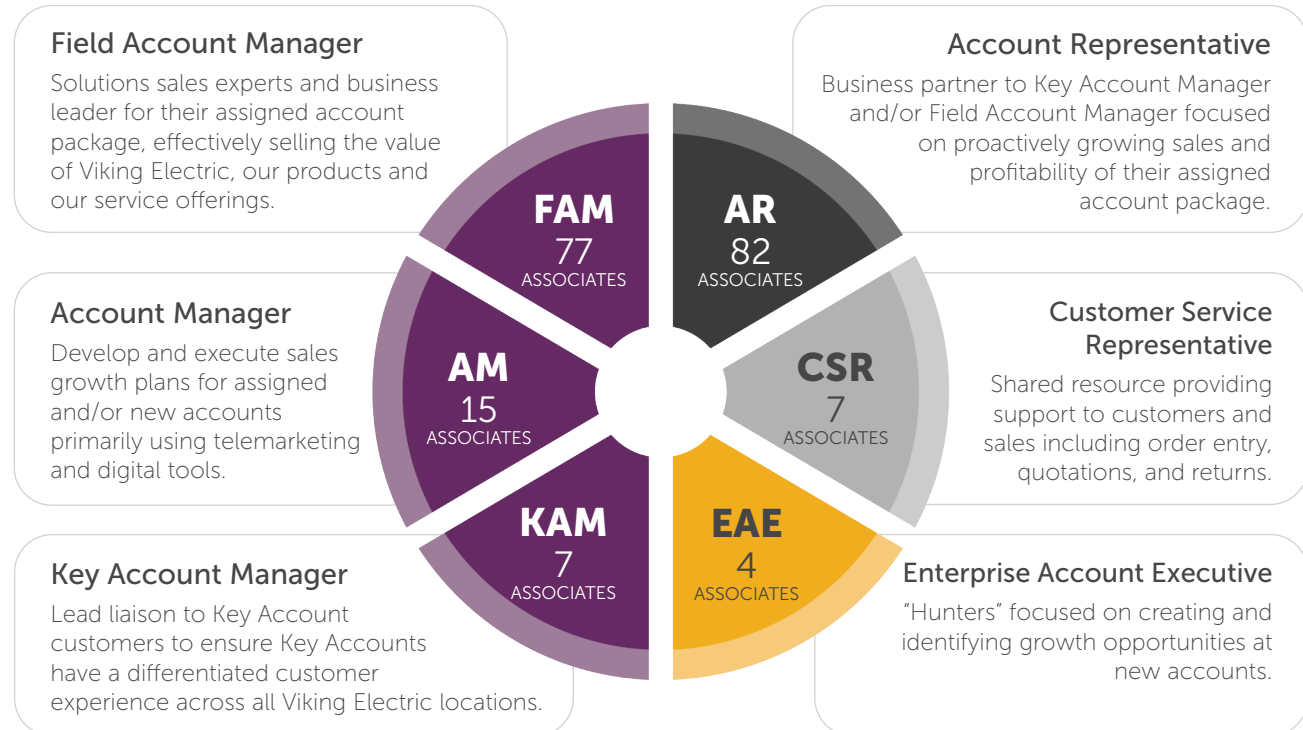
KEY

- Often has multiple locations across Viking Electric geography
- High volume/high impact to our business
- Layered sales coverage necessary

Omnichannel digital solutions are integral for all customer personas.

NEW SALES ASSOCIATE ROLES DEFINED

New Sales Associate roles were defined to align sales associate skill sets to match customer needs and expectations.





ORGANIZATIONAL CHANGES



Gin De Vries
Commodities Sales Specialist

NEW ROLE: COMMODITIES SALES SPECIALIST

As a dedicated commodities project leader, Gin works closely with the sales teams to identify, quote, close, and manage large-scale commodity (pipe/wire/etc.) opportunities.

To better align with growth ambitions and strategic initiatives, our sales structure was reorganized. We are focused on two dominant customer segments: Contractor and Industrial.

EXECUTIVE SALES LEADERSHIP



Brett Wilson
Vice President of Contractor Sales

Brett is responsible for growing Viking Electric's contractor business across our entire geography.



Dean Dobitz
Vice President of Industrial Sales

Dean is responsible for leading our industrial growth strategic initiative and help the organization define how to better serve our industrial customer segment.



NET PROMOTER SCORE

A new way to capture the voice of our customers was embedded on our website. Customers can now give us feedback as they interact daily. Based on their responses, customers are grouped into Promoters, Passives and Detractors, with NPS being the difference between the percentage of Promoters and Detractors.



NET PROMOTER SCORE METRICS



72

Viking Electric's Overall Score



499

Total Responses



100

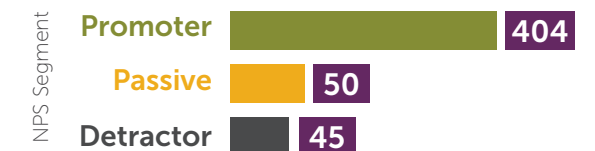
Duluth, LaCrosse, and Sheboygan location's NPS Score

Timeframe: May 20, 2023 through December 31, 2023

"Sonepar USA's average score in 2023 was 75. For context; anything over 55 in North America is considered a very good score. This validates the strength of customer relations of our OpCos and the excellent service they provide."

~ Gaurav Sharma, VP Customer Experience and Business Transformation, Sonepar

Responses by NPS Segment



Ease of ordering=
#1 reason for being a Promoter
Finding products/search=
#1 reason for being a Detractor
Top scoring branch overall=
Viking Electric-Duluth



Customer Focus

OPEN HOUSE EVENTS, CUSTOMER TRAINING & VENDOR SHOWCASES

- 1. Addison, IL "Open House"** 130+ customers and supplier reps gathered to meet our pros, tour the Viking Electric-Addison warehouse, and enjoy complimentary food and beverages. Customers had the opportunity to enter many drawings for a chance to win Milwaukee power tools, a Pit Boss Smoker/Grill, and a Sony TV!
- 2. Eau Claire, WI "3rd Annual Lunch in the Lot & Tradeshow"** Great customer turnout, and a successful event that included dinner, prize drawings, vendor showcases, and Viking Electric Specialists on hand for educational opportunities.
- 3. Eau Claire, WI "All-Pro-Palooza"** Event hosted at the St. Croix Casino in Turtle Lake, WI. Customers enjoyed a prime rib dinner buffet, entered prize drawings, special show pricing and got to meet Viking Electric's specialists.
- 4. Madison, WI "Tool-A-Palooza"** Included a BBQ dinner, facility tour, great deals on tool products, prize drawings, and a Viking Electric Tool & eBusiness specialist meet-and-greet.



Our People



WOMEN IN BUSINESS AWARD



Congratulations to our President, Stacy Stanslaski, on receiving a 2023 Women in Business Award from the Minneapolis/St. Paul Business Journal!

Every year, the Business Journal hosts an event that recognizes the Twin Cities' most influential women in the business world. The award ceremony was held at the Renaissance Minneapolis Hotel, The Depot.

VE SPEAKS



In 2023, Viking Electric successfully chartered its own Toastmasters Club called **VE Speaks**. On average, the club meets twice per month and is open to all Viking Electric associates who are interested in improving their public speaking, communication, and leadership skills in a safe and fun environment.

EMPLOYEE RESOURCE GROUPS

Employee Resource Groups, or ERGs, are voluntary, employee-led groups made up of individuals who join together based on common interests, backgrounds or demographic factors. ERGs give associates opportunities to be heard and valued by their peers and executive leadership. They support professional development, and strengthen our business impact both internally and externally.

Viking Electric ERG Chapter Activities



CONNECT hosted informative sessions with a focus on professional and personal development for emerging professionals.

Viking Electric's CONNECT board members



Women in Industry Forum: NAED hosted conference for women in the electrical industry.

Keynote Speakers:

- Amy Lindgren - "Leveling Up in the New Year"
- Brave New Outpost - "Getting Comfortable Being Uncomfortable" with John Sweeney and Margi Simmons

Community Involvement: WATT donated \$1,000* to the below organizations:

- Boys and Girls Clubs of the Twin Cities
- Neuro Hospitality House
- The Chicagoland Electric Association Education Foundation (CEAEF)

*One organization per state.

- Community Meetings:
 - 62 registered WATT members at Viking Electric
 - 10 community meetings
- Guest Speakers:
 - Mollie Elkman - Author of *The House That She Built*
 - Mindy Reid - *Finances, Part II*

ASSOCIATE OVERVIEW



265
Total Associates Onboarded



195
Total Job Changes



Two associates, Couper Fosvik and Emma Robeck, were honored as rising stars in the electrical industry by tED Magazine.

tED Magazine 30 UNDER 35



Couper Fosvik
Field Account Manager,
Eau Claire

Couper started his career at Viking Electric as an intern in 2021. After graduation he accepted a full-time Electrical Distribution Trainee position and was quickly promoted to account representative. After a year and a half as an AR, he was promoted to his current role of field account manager.

Couper completed 48 hours of product and services training with our vendor partners and Viking Electric specialists. He is also a founding member and sitting board member of Viking Electric's Connect ERG.



Emma Robeck
Promotions Specialist,
Minneapolis

Emma started her career at Viking Electric in 2018 as a corporate support specialist. After earning a graphics design certificate, she joined the marketing team in her current role in 2020.

Emma has a B.A. from the University of Minnesota and an associate's degree from Sessions College for Professional Design. She recently participated in an industry mentorship program (as a mentee); is a founding member of Viking Electric's Women Advocating Today for Tomorrow (WATT) ERG, where she remains on the board as communication leader; and is a member of the company's Sustainability Leadership Committee.



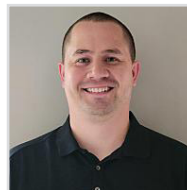
Sonepar Lighting Academy

“As a mentor, I had the privilege of connecting with my mentee on a regular basis to help identify areas of growth in his lighting knowledge and how to apply it to his current role.” ~ Jen Pytleski

PROGRAM DESCRIPTION

The Sonepar Lighting Academy (SLA) is a dynamic and intensive program designed to educate, train, and develop core skills needed for a successful career in energy sustainability. Applicants gain hands-on experience in every aspect of our industry through vigorous on-the-job, e-learning, and subject matter expert training. This nine-month rotational program includes exposure to an array of customer segments, site and corporate operations, sales strategies, processes, procurement, project management, e-commerce, and business philosophy.

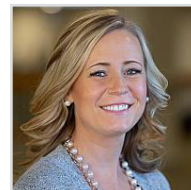
Participated Lighting Academy Module II



Jered McGill
Project Sales I,
Rochester

“I learned a lot of valuable information and networked with people I would have never had an opportunity to otherwise. It also gave me some insights about the processes and partners in a project sales market. The Sonepar Lighting Academy

provided me skills for my role in project sales, which should ultimately lead to more business and a professional reputation within the market.”



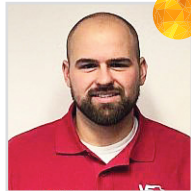
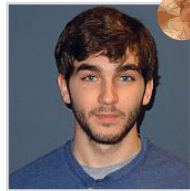




Jen Pytleski
Enterprise Account
Executive, Minneapolis

“The Sonepar Lighting Academy Module II included weekly, virtual group sessions with instructors providing in-depth education. Focusing on lighting quality, lighting economics, sales process, products, and market participants.

In addition, participants were assigned weekly homework in preparation for their unit exams. As a mentor, I had the privilege of connecting with my mentee on a regular basis to help identify areas of growth in his lighting knowledge and how to apply it to his current role. I was thrilled to see how quickly my mentee focused his dedication to this program, in addition to his daily responsibilities. I look forward to future mentorship opportunities, to continue to grow our team’s knowledge in lighting and sales.”



2023 EPEC GRADUATES

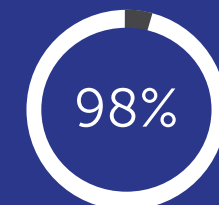
					
Spencer Ross Account Manager, Sturgeon Bay	Cole Bixby Account Representative, Oshkosh	Rylley Clark Account Representative, Duluth	Josh Jungwirth Account Representative, Oshkosh	Maxwell Meyer Counter Sales, Sheboygan	Anthony Wallace Project Manager, Oshkosh

NAED’s Electrical Products Education Course (EPEC) offers three, tiered levels of recognition – Bronze, Silver, and Gold. More information can be found at: naed.org/epec-overview



COMPLIANCE COURSES

As a Sonepar business, Viking Electric is committed to a high level of ethics. As such, specific standards are set out in a dedicated Supplier Code of Conduct and Sonepar has deployed procedures and tools to assess the integrity of its Business Partners.



Average
Completion Rate

8

Compliance
Courses Assigned

5

Courses with a 100%
Completion Rate





Sustainability

Viking Electric's sustainable strategy includes energy and emissions reduction while increasing operational efficiencies that improve the customer experience.



ELECTRIC VEHICLES (EV)

- eTransit Van began in-town deliveries from the St. Cloud branch
- Two EV chargers installed at Minneapolis branch



RECYCLING

- Efforts to increase recycling and diversion rates
- Added *Do Your Part* recycling program in several branches
- Recycling Streams:
 - Cardboard
 - Electronics
 - Paper
 - Regulated waste
 - Shrink wrap
 - Single Sort
 - Wire and metal scrap
 - Wood reels and pallets



SUSTAINABILITY LEADERSHIP COMMITTEE

- Added two members, for a total of 9 members
- Held monthly meetings for brainstorming, planning, and updates
- Members attended Sonepar USA's virtual Sustainability Summit

Our Sustainability Mission

At Viking Electric, we are committed to a sustainable future. Our vision is to leverage our position as a market leader in electrical distribution to accelerate adoption of clean energy, champion innovation with our suppliers and customers, and promote services that protect and preserve our planet.



Randy Moberg
Solar Sales Specialist

Randy Moberg has joined Viking Electric as its new Solar Sales Specialist.

Randy brings 32 years of industry experience to Viking Electric, including 15 years of dedicated service to the solar industry. In his new role, Randy will work closely with the company's sales team to drive the growth of the solar business at Viking Electric.



Newly installed EV charger at the Viking Electric Minneapolis branch



EV Delivery Van included in fleet



Community Involvement

Viking Electric associates contributed to a variety of charities and special causes throughout the year.



MILWAUKEE - Habitat for Humanity

Viking Electric Milwaukee Industrial Sales Associates participated in a Habitat For Humanity build alongside one of our customers, Komatsu. The build took place in Milwaukee, WI. Our main task during the build was to install the vinyl siding.

Viking Electric also participates in Komatsu's Habitat for Humanity Golf Outing on an annual basis.



TWIN CITIES - Power Girls

Members of WATT, our Women's Employee Resource Group (ERG), had the opportunity to help out with this year's Power Girl activities. Viking Electric is a proud sponsor of Girl Scouts River Valleys – Power Girls Camp.



TWIN CITIES - Hearts & Hammers

Hearts & Hammers is on a mission to keep people in the homes they love. RAB, Rouzer, and Viking Electric associates acted on this mission in mid-September to help improve a home in a Twin Cities, MN community.



EAU CLAIRE - Alan Prueher Memorial Ride

Stacy Stanslaski presented Viking Electric-Eau Claire Account Representative, Scott "Smokey" Prueher with a check. The money was donated by Smokey's fellow Eau Claire associates, along with a donation from Viking Electric.

Smokey and his wife Cindy started the memorial ride in 2019, in memory of their son Alan who passed away unexpectedly. The money will be used to sponsor various sportsman programs for children with advanced needs and terminal illness.



TWIN CITIES - The Salvation Army

Viking Electric-Minneapolis Purchasing team rang bells at Lunds & Byerly's to raise money for the Salvation Army in December.



TWIN CITIES - Feed My Starving Children

Viking Electric's Human Resources team volunteered at Feed My Starving Children, a 501(c)(3) charitable nonprofit organization. Volunteers hand-pack the meals. Meals are donated to FMSC food partners around the world, where kids are fed and lives are saved!



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**AVAILABLE IN
ESPAÑOL**

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VIKING
electric

A Sonepar Company

Viking Electric is a M/F/Disabled and Vet EEO/AA employer.