

Interim report Q1

January-March 2022

“Continued strong growth
in ARPL as a result of
increased demand for
value-added services and
price adjustments”

Net sales growth, %

26.0%

ARPL (average revenue per listing) growth, %

41.3%

Adjusted EBITDA-margin, %

47.6%



Summary for the period January-March 2022

- ▶ **Net sales** increased 26.0 percent to SEK 179.6m (142.5)
- ▶ **Adjusted EBITDA** increased 49.5 percent to SEK 85.5m (57.2)
- ▶ **Operating profit** increased 398.5 percent to SEK 67.8m (13.6)
- ▶ **ARPL, average revenue per listing**, increased 41.3 percent to SEK 2,681 (1,898)

(SEK million, unless stated otherwise)	Jan-Mar			Last twelve months	FY
	2022	2021	Change	ending Mar 2022	2021
Net sales	179.6	142.5	26.0%	765.2	728.1
Adjusted EBITDA*	85.5	57.2	49.5%	383.3	355.0
Adjusted EBITDA-margin*, %	47.6%	40.1%	7.5 pp	50.1%	48.8%
Operating profit*	67.8	13.6	398.5%	278.1	223.9
Earnings per share, basic, SEK¹	0.52	0.07	642.9%	2.00	1.55
Earnings per share, diluted, SEK¹	0.52	0.07	642.9%	2.00	1.55
Cash flow from operating activities	72.7	11.8	516.1%	295.9	235.0

* Alternative Performance Measure, see pages 14-16 for derivation and definitions.

¹The calculation of dilution of shares is made based on the number of days that the warrant programmes that have been active during each respective period. As no market price is available to set against the exercise price and the number of warrants is limited in relation to the number of ordinary shares, the dilution effect for periods before Hemnets IPO on 27 April, 2021, has been calculated based on the maximum theoretical dilution. For periods beginning after 27 April, 2021, the calculation of dilution is made based on the average share price during each respective period.

Chief Executive's Comments

Operational highlights

- **Strong growth in average revenue per listing (ARPL)**, which increased 41.3 percent to SEK 2 681 (1 898).
- **Number of published listings increased by 3.9 percent** compared to the same period last year, and a record for the number of published listings in March.
- **Launch of a new section that highlights real estate agents in an area**, creating new opportunities for home sellers and real estate agents to connect on Hemnet.

Comments

Hemnet's net sales for the first quarter of 2022 increased by 26.0 percent to SEK 179.6m (142.5) and adjusted EBITDA increased by 49.5 percent to SEK 85.5m (57.2).

Revenues from property sellers grew by 47.1 percent, as more and more property sellers chose to maximize their properties' exposure on Hemnet. This increased demand is also driven by our product improvements that make services such as Hemnet Plus and Hemnet Premium increasingly valuable, in combination with a growing proportion of real estate agents actively recommending the services through the purchase flow on Hemnet. Together with our continuous focus on pricing this leads to strong growth in ARPL.

Revenue also increased because of a higher number of published listings during the quarter. The housing market continues to be very active, with a record number of published listings for March, including a record for both apartments and houses, while at the same time asking prices are at record highs. While there is currently some uncertainty around

macroeconomic factors, Sweden's property market is highly efficient and transparent, and has proven to be relatively stable over time.

Revenues from other customers decreased by 2.6 percent in the quarter. This was mainly due to a decline in traffic compared to a very strong 2021. At the same time, revenue from our most important customer group, real estate agents, is increasing, which is clear evidence that Hemnet continues to be the key partner for the real estate industry.

In terms of our product development, a new section was launched where local real estate agents are listed, based on the last reported final price. This list is making it easier for our visitors to connect with a real estate agent, while also creating another relevant place for agents to build their brand on Hemnet. We will continue to expand this area throughout the year. During the quarter we also worked to improve and clarify our offering for property developers, where we will soon be launching a number of new features. Our product focus on business customers will remain in 2022 and we will continue to expand our range of services that create new business opportunities for our customers.

Finally, I look forward to celebrating all the great achievements within the property industry in May, when Hemnet once again will be hosting Guldhemmet, Sweden's largest real-estate awards ceremony.

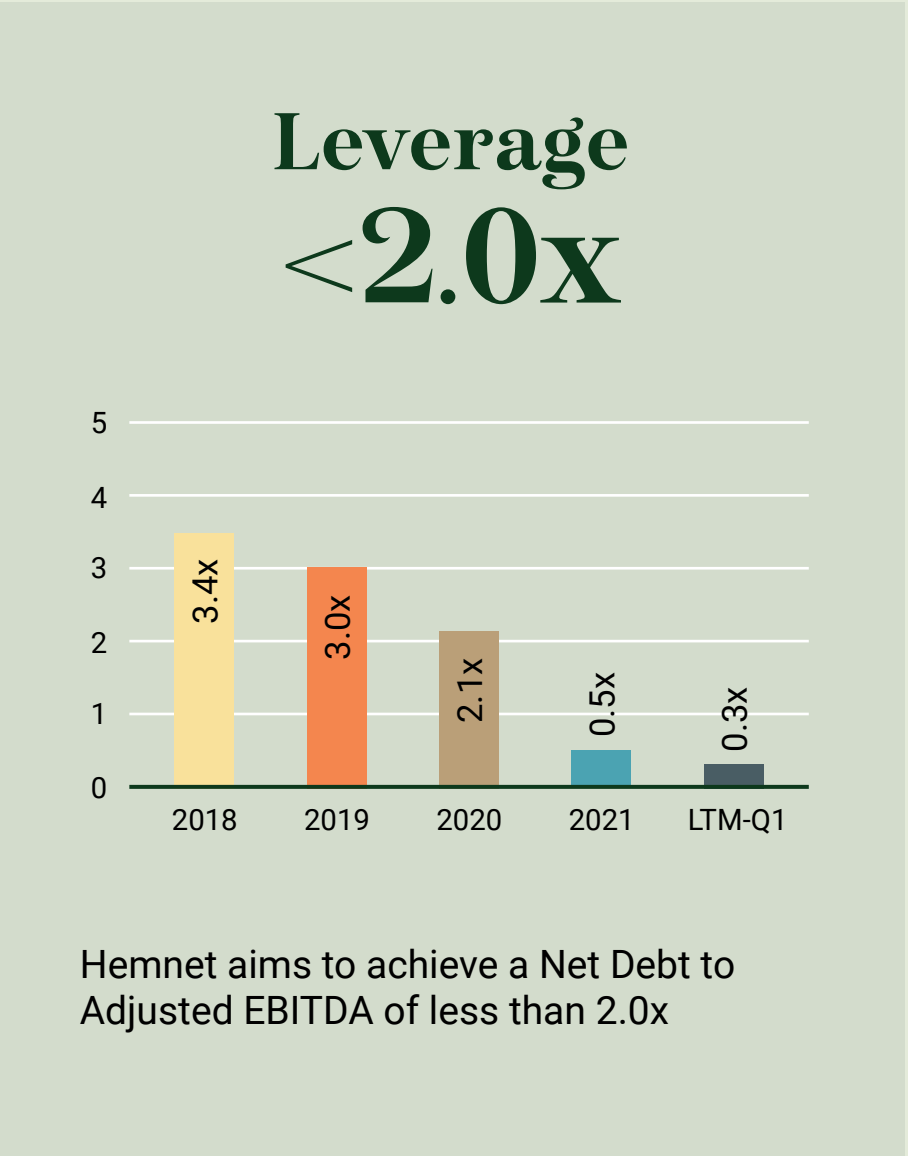
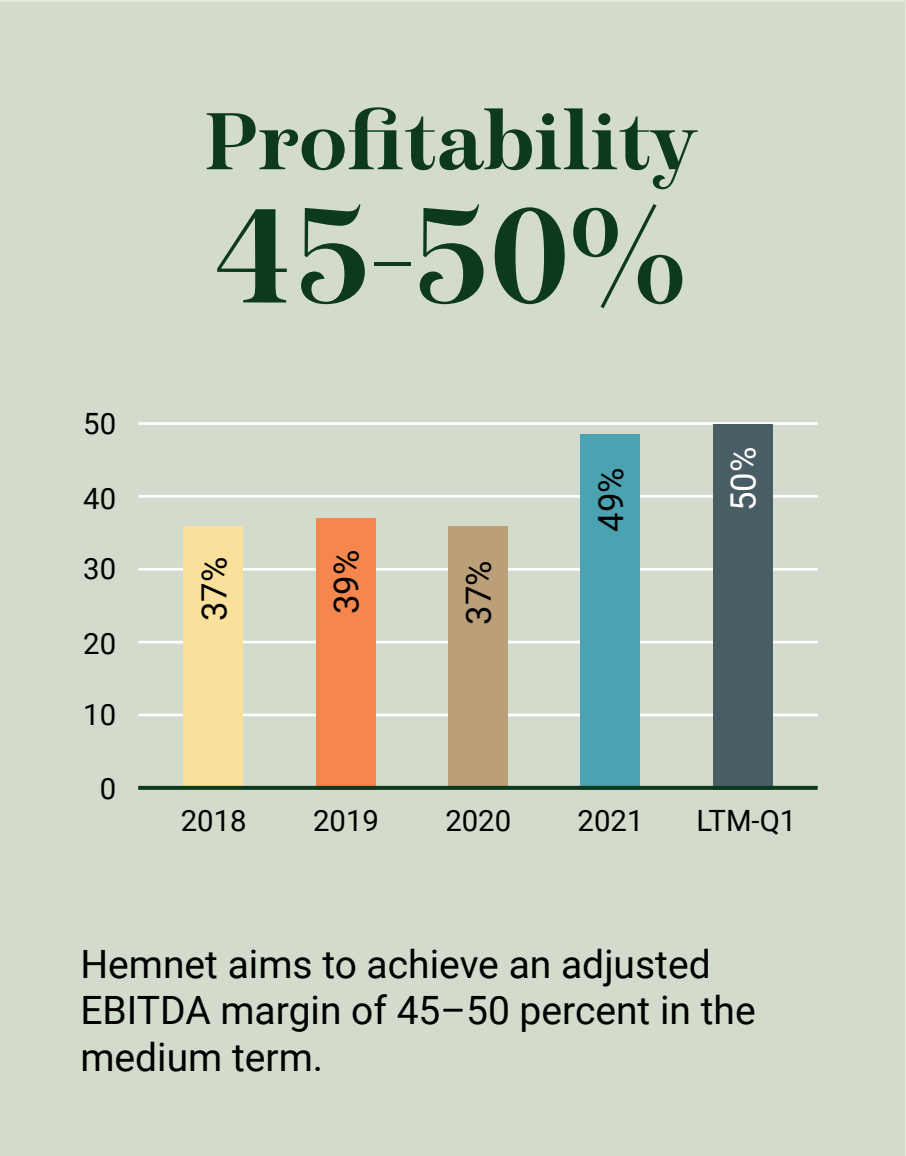
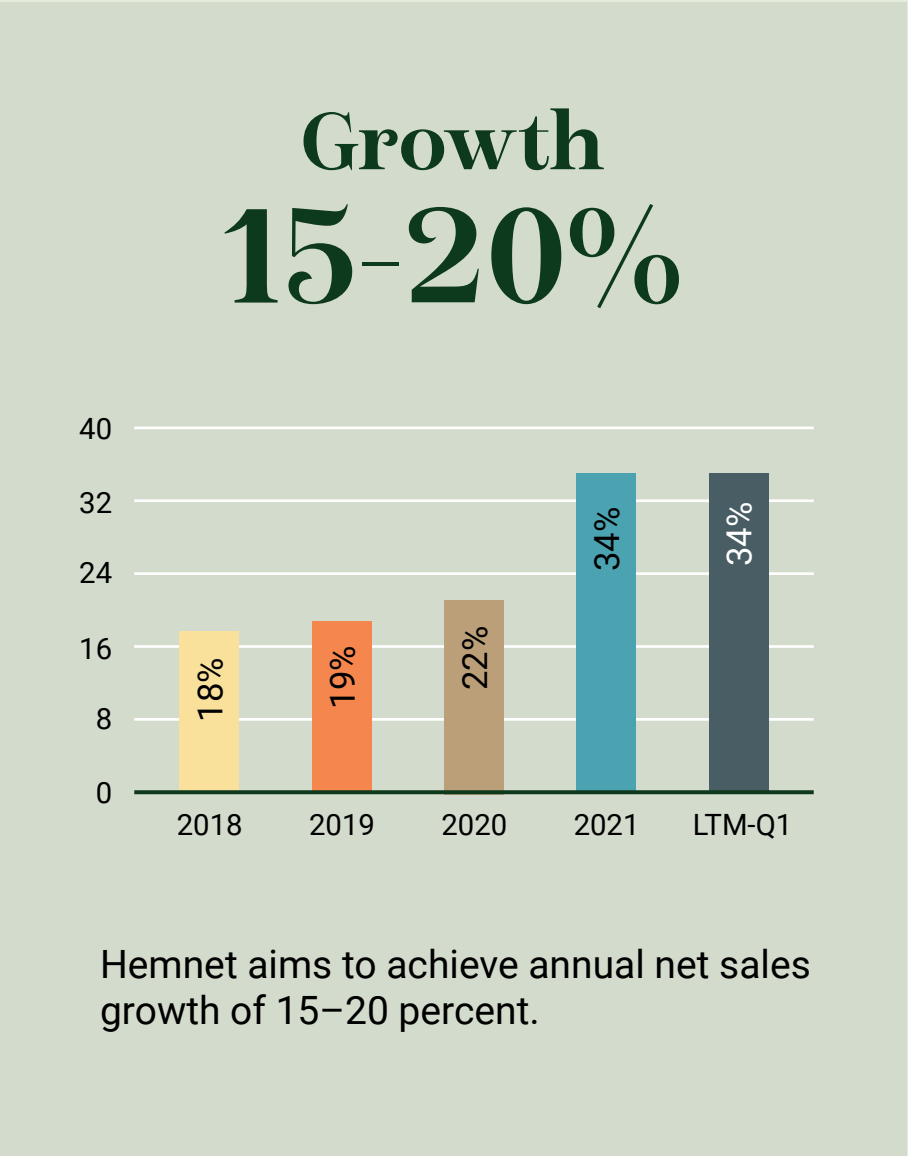
Cecilia Beck-Friis, CEO
April 2022



Operational indicators

	Jan-Mar			Last twelve months	FY
	2022	2021	Change	ending Mar 2022	2021
ARPL (average revenue per published listing), SEK	2 681	1 898	41.3%	2 641	2 467
Number of published listings, thousand	45.7	44.0	3.9%	200.1	198.4

Financial targets



About Hemnet

Hemnet operates the leading property platform in Sweden. The Company emerged as an industry initiative in 1998 and has since transformed into a “win-win” value proposition for the housing market. By offering a unique combination of relevant products, insights and inspiration, Hemnet has built lasting relationships with buyers, sellers, and agents for more than 20 years. Hemnet shares a mutual passion for homes with its stakeholders and is driven by being an independent go-to-place for people to turn to for the various housing needs that arise through life. This is mirrored in the Company’s vision to be the key to your property journey, supplying products and services to improve efficiency, transparency and mobility on the housing market.

The key to your property journey

We increase efficiency, transparency and mobility on the housing market.

Financial summary, January–March 2021

Continued strong growth in net sales, as a result of increasing average revenue per listing (ARPL) driven by a strong development in sales of value-added services for sellers and price adjustments. Adjusted EBITDA increased 49.5 percent to SEK 85.5m (57.2).

Net sales and profit

Net sales increased by 26.0 percent to SEK 179.6m (142.5).

Revenue from property sellers increased by 47.1 percent to SEK 120.8 (82.1). The sales of value-added services for sellers - Hemnet Plus, Hemnet Premium, Raketen, Förnya annons (Renew ad) - continued to increase, which in combination with price adjustments across all products led to ARPL growing by 41.3 percent to SEK 2,681 (1,898). The number of published listings increased by 3.9 percent.

Net sales from other customers decreased by 2.6 percent to SEK 58.8m (60.4). Previous year included items affecting comparability of SEK 2.0m related to marketing activities carried out with Mäklarsamfundet (for further information on campaigns with Mäklarsamfundet, see Note K28 Related Party Transactions in the Annual and sustainability report for 2021). The remaining part of net sales from other customers increased by 0.7 percent to SEK 58.8 (58.4). Display revenue from real estate agents and banks increased while the corresponding revenue from property developers and other customers decreased. Revenue from value-added services for real estate agents increased.

Capitalised development was SEK 2.5m (2.6m) and related to

investments in new products for property sellers and buyers, as well as new products for property developers and real estate agents.

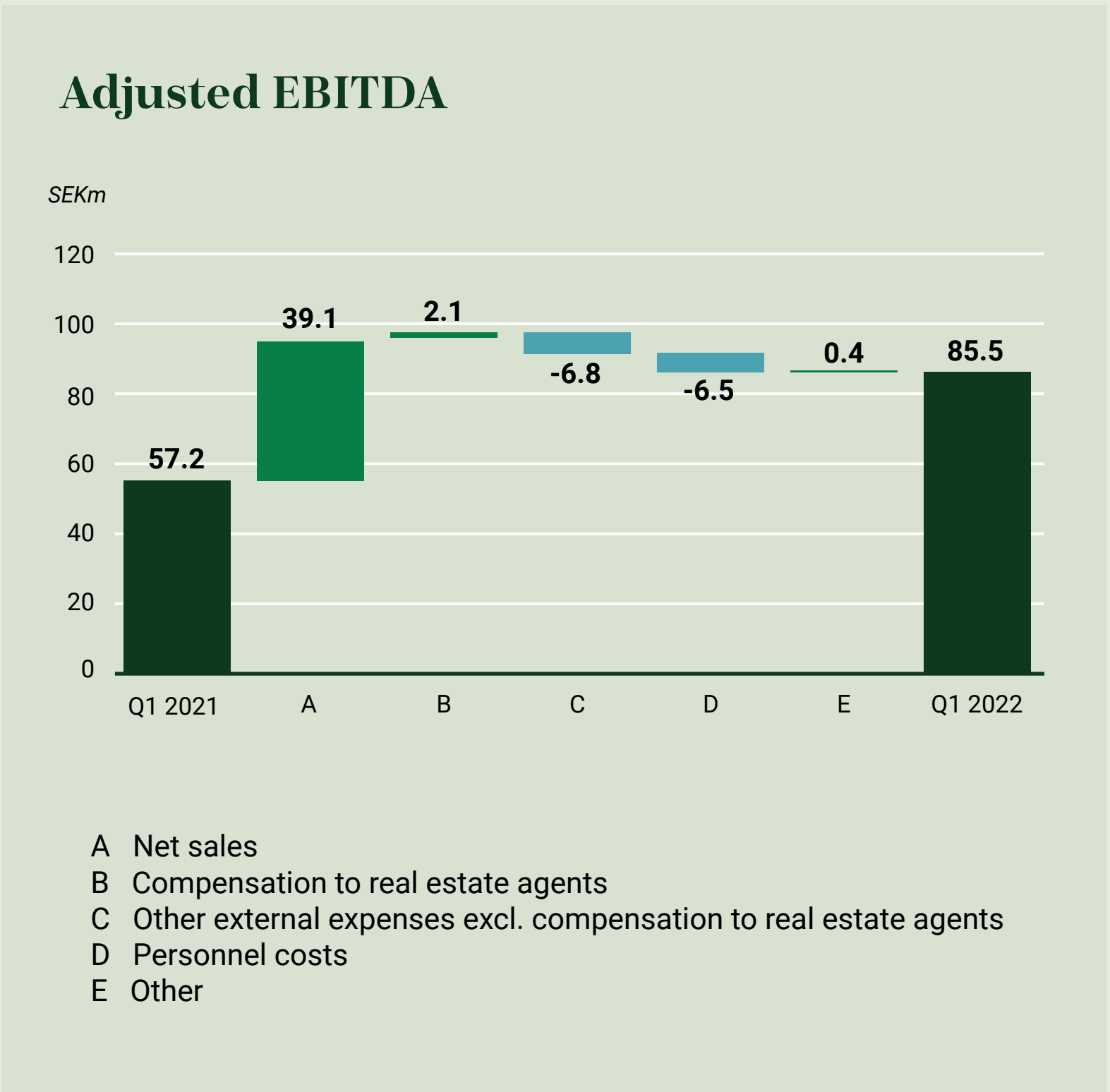
Other external expenses decreased by 26.5 percent to SEK 59.0m (80.3). However, the first quarter 2021 included items affecting comparability of SEK 26.0m, consisting of SEK 23.4m related to IPO-preparations and SEK 2.6m for marketing campaigns carried out together with Mäklarsamfundet.

Other external expenses, excluding items affecting comparability, increased by 8.7 percent to SEK 59.0m (54.3). The majority of these expenses was SEK 34.9m (31.5) administration and commission expenses to real estate agents, which increased by 10.8 percent. The remaining part increased by 5.7 percent to SEK 24.1m (22.8), mainly related to higher consultancy costs due to the continued focus on product development.

Personnel costs increased by 20.8 percent to SEK 37.8m (31.3), as the company continued to invest in new personnel.

Adjusted EBITDA increased 49.5 percent to SEK 85.5m (57.2) and the adjusted EBITDA-margin was 47.6 percent (40.1).

EBITDA increased 157.5 percent to SEK 85.5m (33.2), corresponding to an EBITDA-margin of 47.6 (23.3) percent.



Depreciation & amortisation amounted to SEK 17.7m (19.6), whereof amortisation of intangible assets, mainly from the acquisition of Hemnet, amounted to SEK 15.5m (17.5) and depreciation of right-to-use assets amounted to SEK 1.9m (1.8).

Operating profit increased 398.5 percent to SEK 67.8m (13.6), corresponding to an operating margin of 37.8 (9.5) percent. The increase in operating margin is due to both the fact that the first quarter of 2021 included SEK 24.0m of items affecting comparability, as well as increasing net sales and the effect of the new compensation model for real estate agents that was launched 1 March 2021.

Financial items - net, improved from negative SEK 5.2m to negative SEK 1.6m, mainly due to lower interest costs on bank loans following both lower borrowing and lower interest rate on bank loans. Interest cost on bank loans was SEK 1.2m (3.9m).

Tax expenses amounted to SEK 13.7m (1.7), corresponding to an effective tax rate of 20.7 (20.5) percent.

Net profit for the period increased by SEK 45.8m and amounted to SEK 52.5m (6.7).

Cash flow and financial position

Cash flow from operating activities increased by SEK 60.9m and amounted to SEK 72.7m (11.8). The increase is mainly driven by the increased operating profit, with some positive effects also from lower interest payments, but was partly offset by mainly higher tax payments following the higher profit in 2022. The change in working capital was positive SEK 15.3m (-2.0). Taxes paid during the quarter amounted to SEK -26.9m (-14.3).

The cash flow from investing activities was SEK -4.0m (+20.7). Investments in intangible and tangible fixed assets were in

total SEK -4.0m (-4.0) and almost entirely related to capitalised development expenses, SEK -3.3m (-3.8). During the same period last year, all interest-bearing securities were divested, which lead to a positive cash flow of SEK 24.7m.

Cash flow from financing activities amounted SEK -66.9m (-7.0), mainly following voluntary repayments of bank loans of SEK -65.0m. Amortisation of lease liabilities resulted in a cash flow of SEK -1.9m. During the same period last year, the financing activities resulted in a cash flow of SEK -7.0m which included instalment payments for bank loans of SEK -5.1m and amortisation of leasing liabilities of SEK -1.9m.

Cash and cash equivalents amounted to SEK 96.3m (272.6) and total interest-bearing liabilities amounted to SEK 217.8m (680.1). Net debt thereby amounted to SEK 121.5m (407.5) which correspond to 0.3 (1.9) times adjusted EBITDA for the last twelve months.

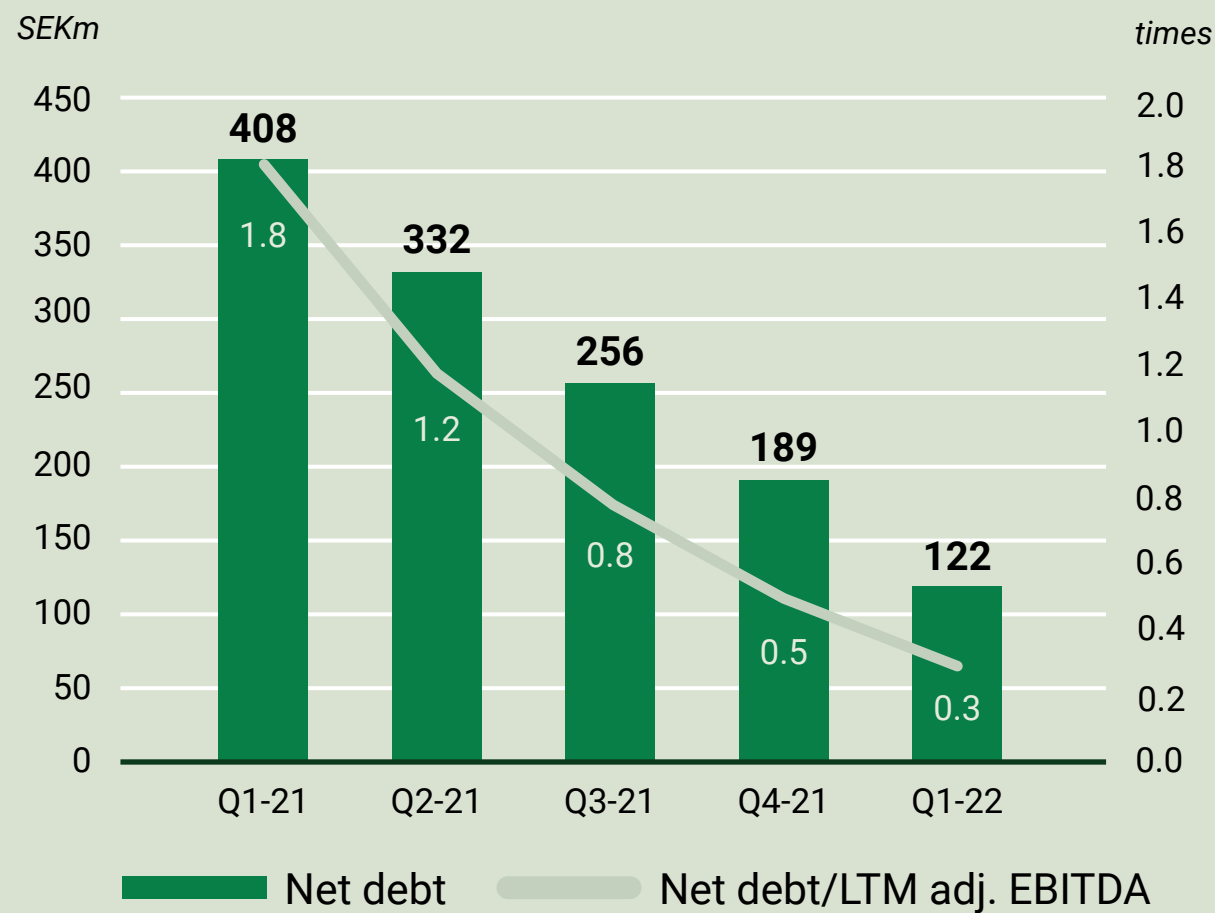
Total shareholders' equity was SEK 1,569.4m (1,356.3), which is equivalent to an equity-to-assets ratio of 73.8 percent (56.7).

Parent company, financial development January-March

Net sales for the Parent company was SEK 3.0m (2.3). All revenue refers to services to other Group companies. Operating profit/loss was SEK -0.9m (-22.4), where last year's result included expenses related to IPO-preparations of SEK 23.0m that was classified as items affecting comparability.

The Parent company's assets essentially consist of participations in Group companies and Group receivables. Operations are financed by equity, bank loans and Group liabilities. Equity in the Parent company at period end was SEK 994.4m (1,166.4) and the equity ratio was 62.6 percent (97.8).

Financial position



Historical development of the Group's net debt and net debt in relation to rolling twelve months adjusted EBITDA.

Other information

Covid-19 effects and the war in Ukraine

The Covid-19 pandemic have had a major impact on society but has not had any significant negative impact on Hemnet’s financial results. The number of visits to Hemnet increased during the beginning of the pandemic and during the first half of 2021, after which the number of visits now has returned to more normal levels. During the period, the number of published listings increased as well as ARPL (average revenue per listing). Overall increased remote working during the pandemic has likely benefitted the interest in Hemnet, as the home and living environment became an even more important part of people’s everyday life.

The war in Ukraine may have had a negative impact on traffic to Hemnet during a period of time. However, the company’s assessment is that this has not had any material financial impact.

Employees

The number of employees at the end of the period was 121 compared to 112 at the end of December 2021. The increase is primarily in the area of product development.

Seasonality

Hemnet’s sales and earnings are partly affected by seasonal fluctuations, mainly linked to vacation seasons and major holidays, as the number of listings and activity on Hemnets platforms tend to be lower during these periods than during

other periods of the year. Seen over a financial year, the year begins with low volumes that gradually increase until the summer months where volumes decrease to lower levels and then increase again after the summer holiday period, before they decrease again ahead of the Christmas holidays.

Overall, the first quarter in particular tends to be weaker seasonally, both in terms of sales and earnings, while the second quarter tends to be the strongest.

Average revenue per published listing, ARPL, is affected by certain seasonal effects. Listing revenue and revenue from listing related value-added services is, in accordance with IFRS, recognised over the average duration of a listing on Hemnet. The effect is that quarters that are preceded by a month with a high volume of listings and value-added services benefit. Historically, March and September have been such months with high volume of listings, giving a positive contribution to revenue and ARPL in the following month and therefore the second and the fourth quarter respectively.

Risks and uncertainties

Hemnet is through its operations exposed to risks and uncertainties.

The income from listing fees is a significant part of sales. Hemnet’s operations are therefore dependent on an efficient, well-functioning housing market with high mobility. Hemnet’s advertising business has continued to develop positively, and we offer advertising both through direct sales and through programmatic trading. The development and trends for

advertising purchases in the market can affect Hemnet’s revenue both positively and negatively. For Hemnet, it is of great importance to have a good relationship with the real estate agents and to have a substantial range of listings. Hemnet’s future business may be threatened if a deteriorating agent relationship would result in a reduction in the number of listings.

In addition to its own funds, the Group’s operations are also financed through borrowing. As a result, the business is exposed to financing risks and interest rate risk. The Group’s overall risk management policy focuses on the unpredictability of the financial markets and strives to minimise potential adverse effects on the Group’s financial results.

For a detailed description of the risk factors and how they are managed, please refer to Hemnet’s Annual Report 2021, pages 57-58. Hemnet’s assessment is that no other significant risks or uncertainties have arisen during the period.

This report has not been subject to a review by Hemnet’s auditor.

Stockholm, 28 April, 2022
Hemnet Group AB (publ)

Håkan Erixon
Chair

Cecilia Beck-Friis
CEO

Christopher Caulkin
Member of the board

Anders Edmark
Member of the board

Tracey Fellows
Member of the board

Kerstin Lindberg Göransson
Member of the board

Håkan Hellström
Member of the board

Nick McKittrick
Member of the board

Pierre Siri
Member of the board

Condensed consolidated income statement

(SEK million)		Jan-Mar		Last twelve months	FY
		2022	2021	ending Mar 2022	2021
Net sales	2	179.6	142.5	765.2	728.1
Other operating income		0.5	0.3	2.0	1.8
Total revenue		180.1	142.8	767.2	729.9
Capitalised development		2.5	2.6	4.5	4.6
Other external expenses	3	-59.0	-80.3	-278.6	-299.9
Personnel costs		-37.8	-31.3	-136.5	-130.0
Depreciation & amortisation		-17.7	-19.6	-77.1	-79.0
Other operating costs		-0.3	-0.6	-1.4	-1.7
Total operating expenses		-114.8	-131.8	-493.6	-510.6
Operating profit		67.8	13.6	278.1	223.9
Net financial items		-1.6	-5.2	-22.2	-25.8
Profit before taxes		66.2	8.4	255.9	198.1
Income tax		-13.7	-1.7	-53.6	-41.6
Net profit for the period		52.5	6.7	202.3	156.5
Net profit attributable to controlling interest		52.5	6.7	202.3	156.5
Other comprehensive income		-	-	-	-
Total comprehensive income		52.5	6.7	202.3	156.5
Earnings per share ¹					
before dilution, SEK		0.52	0.07	2.00	1.55
after dilution, SEK		0.52	0.07	2.00	1.55
Number of shares					
Average before dilution		101 131 478	100 719 421	101 100 997	100 999 394
Average after dilution		101 131 478	101 131 478	101 178 352	101 165 871
At period end		101 131 478	100 719 421	101 131 478	101 131 478

Condensed consolidated statement of financial position

(SEK million)	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Intangible assets	1 959.4	2 022.1	1 971.6
Other non-current assets	8.1	12.7	8.3
Total non-current assets	1 967.5	2 034.8	1 979.9
Current receivables	61.5	84.9	59.1
Cash and cash equivalents	96.3	272.6	94.5
Total current assets	157.8	357.5	153.6
TOTAL ASSETS	2 125.3	2 392.3	2 133.5
EQUITY AND LIABILITIES			
Total equity (attributable to controlling interest)	1 569.4	1 356.3	1 516.9
Non-current interest-bearing liabilities	213.3	667.4	277.9
Deferred tax liabilities	217.7	231.2	220.1
Total non-current liabilities	431.0	898.6	498.0
Current interest-bearing liabilities	4.5	12.7	5.2
Current non-interest-bearing liabilities	120.4	124.7	113.4
Total current liabilities	124.9	137.4	118.6
Total liabilities	555.9	1 036.0	616.6
TOTAL EQUITY AND LIABILITIES	2 125.3	2 392.3	2 133.5

¹The calculation of dilution of shares is made based on the number of days that the warrant programmes that have been active during each respective period. As no market price is available to set against the exercise price and the number of warrants is limited in relation to the number of ordinary shares, the dilution effect for periods before Hemnets IPO on 27 April, 2021, has been calculated based on the maximum theoretical dilution. For periods beginning after 27 April, 2021, the calculation of dilution is made based on the average share price during each respective period.

Condensed consolidated statement of changes in equity

(SEK million)	Jan-Mar		FY
	2022	2021	2021
Equity, opening balance	1 516.9	1 349.6	1 349.6
Net profit for the period	52.5	6.7	156.5
Other comprehensive income	-	-	-
Total comprehensive income	52.5	6.7	156.5
Share and warrant issues	-	-	16.8
Share redemption	-	-	-5.0
Issue expenses	-	-	-1.0
Total transactions with shareholders	-	-	10.8
Equity, closing balance	1 569.4	1 356.3	1 516.9

Condensed consolidated statement of cash flow

(SEK million)	Jan-Mar		FY
	2022	2021	2021
Operating activities			
Operating profit	67.8	13.6	223.9
Adjustments for non-cash items	17.7	19.5	79.0
Interest paid and received	-1.2	-5.0	-15.0
Paid income tax	-26.9	-14.3	-49.6
Cash flow from operating activities before changes in working capital	57.4	13.8	238.3
Changes in working capital, net	15.3	-2.0	-3.3
Cash flow from operating activities	72.7	11.8	235.0
Investing activities			
Investments in intangible assets, net	-3.3	-3.8	-6.5
Investments in tangible assets, net	-0.7	-0.2	-0.5
Divestment of interest-bearing securities	-	24.7	24.7
Cash flow from investing activities	-4.0	20.7	17.7
Financing activities			
Borrowings	-	-	500.0
Repayment of loans	-65.0	-5.1	-908.6
Amortisation of lease liabilities	-1.9	-1.9	-7.5
Issue of shares and warrants	-	-	11.8
Issue expenses	-	-	-1.0
Cash flow from financing activities	-66.9	-7.0	-405.3
Net change in cash and cash equivalents	1.8	25.5	-152.6
Cash and cash equivalents, beginning of period	94.5	247.1	247.1
Cash and cash equivalents, end of period	96.3	272.6	94.5

Condensed parent company income statement

(SEK million)	Jan-Mar		FY
	2022	2021	2021
Net sales	3.0	2.3	5.6
Total revenue	3.0	2.3	5.6
Other external costs	-2.9	-23.5	-53.4
Personnel costs	-1.0	-1.0	-5.7
Other operating costs	-	-0.2	-0.2
Total operating expenses	-3.9	-24.7	-59.3
Operating profit/loss	-0.9	-22.4	-53.7
Net financial items	-1.6	-	-5.5
Profit before taxes	-2.5	-22.4	-59.2
Allocations - Group contributions	-	-	286.2
Income tax	-	-	-46.8
Net income (loss)	-2.5	-22.4	180.2

Parent company statement of comprehensive

(SEK million)	Jan-Mar		FY
	2022	2021	2021
Net income (loss)	-2.5	-22.4	180.2
Other comprehensive income	-	-	-
Total comprehensive income for the period	-2.5	-22.4	180.2

Condensed parent company balance sheet

(SEK million)	2022-03-31	2021-03-31	2021-12-31
ASSETS			
Non-current assets	1 578.0	1 141.6	1 660.0
Current assets	11.6	51.1	21.6
TOTAL ASSETS	1 589.6	1 192.7	1 681.6
EQUITY AND LIABILITIES			
Equity			
Restricted equity	77.4	68.4	77.4
Non-restricted equity	917.0	1 098.0	919.5
Total equity	994.4	1 166.4	996.9
Non-current liabilities	213.3	-	277.9
Current liabilities	381.9	26.3	406.8
Total liabilities	595.2	26.3	684.7
TOTAL EQUITY AND LIABILITIES	1 589.6	1 192.7	1 681.6

Notes

Note 1 Accounting principles

This report has been prepared in accordance with IAS 34, Interim Financial Reporting, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Interpretation Statements of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. The Group applies the same accounting principles as described in Note 1 in the annual report for 2021 and no new or IFRS or IFRIC interpretations that have not yet come into force are expected to have a material impact on the Group.

The Parent company, Hemnet Group AB (publ), applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation (RFR 2), accounting for legal entities. The accounting principles are consistent with those of the previous year and, where applicable, with the Group's accounting principles.

Amounts are expressed in SEK million unless stated otherwise. Amounts and figures in brackets refer to comparative figures for the corresponding period last year. In some cases, roundings have been made, which means that tables and calculations do not always sum up exactly.

Note 2 Net sales

Net sales from external customers by customer category and service category:

Net sales by customer category (SEK million)	Jan-Mar		Last twelve months	FY
	2022	2021	ending Mar 2022	2021
Property sellers	120.8	82.1	521.0	482.3
Real estate agents	26.7	23.3	98.8	95.4
Real estate developers	11.8	14.6	51.6	54.4
Advertisers	20.3	22.5	93.8	96.0
Total net sales	179.6	142.5	765.2	728.1

Net sales by service category (SEK million)	Jan-Mar		Last twelve months	FY
	2022	2021	ending Mar 2022	2021
Listing services	127.0	87.9	547.4	508.3
Other services	52.6	54.6	217.8	219.8
Total net sales	179.6	142.5	765.2	728.1

Revenues are in their entirety attributable to services rendered to private individuals and companies. Property sellers revenue consists of sales to consumers, while Real estate agents, Real estate developers and Advertisers represent sales to business customers. Revenue is recognized over time as performance obligations are fulfilled. The revenues are almost entirely attributable to Swedish customers.

The categorising per service has been updated from this report and now consists of Listings services and Other services. The new category Listing services consists of (i) what in previous reports was called Listing fees, as well as (ii) the part of the previous category Value-added services that related to publishing of listings (Hemnet Plus, Hemnet Premium, Raketen, Förnya annons). The new category Other services consists of (i) what in previous reports was called Advertising and other, as well as (ii) the remaining part of the previuos category Value-added services.

Note 3 Other external expenses

	Jan-Mar		Last twelve months	FY
(SEK million)	2022	2021	ending Mar 2022	2021
Administration and commission compensation	-34.9	-31.5	-153.5	-150.1
Other	-24.1	-48.8	-125.1	-149.8
Total other external expenses	-59.0	-80.3	-278.6	-299.9

Administration and commission compensation refers to compensation to real estate agent offices regarding administration of property listings on Hemnet’s platform and, for real estate agent offices having entered into a commission agreement regarding sale of Hemnet’s value-added services, commission.

Note 4 Financial instruments

Hemnet’s financial instruments consist mainly of accounts receivables, other current receivables, liabilities to credit institutions, accounts payable and accrued expenses.

Liabilities to credit institutions carries a floating interest that is estimated in all material respects to correspond to current market rate, whereby fair value is deemed to approximately correspond to booked value adjusted for accrued borrowing costs (level 2). For other financial assets and liabilities, their book values are an approximation of fair value, why these items are not split according to the fair value hierarchy.

Note 5 Related party transactions

Transactions with related parties and management incentive program are described in notes G28 and G8 in the annual report for 2021.

Agreement with Svensk Fastighetsförmedling AB (“Svensk Fastighetsförmedling”) regarding mediation of Hemnets advertising services

Hemnet has entered into an agreement with Svensk Fastighetsförmedling regarding mediation and coordination of display and native campaigns.

In other respects, the scope and focus of these transactions did not change significantly during the period.

Note 6 Significant events after the end of the period

No material events have occurred after the reporting period which have had a material impact on the operation or assumptions and assessments used in preparation of this report.

Group key ratios

	Jan-Mar		Last twelve months	FY
(SEK million, unless stated otherwise)	2022	2021	ending Mar 2022	2021
EBITDA	85.5	33.2	355.2	302.9
EBITDA margin, %	47.6%	23.3%	46.4%	41.6%
Adjusted EBITDA	85.5	57.2	383.3	355.0
Adjusted EBITDA margin, %	47.6%	40.1%	50.1%	48.8%
Operating profit	67.8	13,6	278.1	223.9
Operating margin, %	37.8%	9.5%	36.3%	30.8%
Net profit for the period	52.5	6.7	202.3	156.5
Profit margin %	29.2%	4.7%	26.4%	21.5%
Earnings per share, basic, SEK	0.52	0.07	2.00	1.55
Earnings per share, diluted, SEK	0.52	0.07	2.00	1.55
ARPL (average revenue per published listing), SEK	2 681	1 898	2 641	2 467
Net debt	121.5	407.5	121.5	188.6
Net debt/EBITDA (LTM), times	0.3	2.2	0.3	0.6
Net debt/Adjusted EBITDA (LTM), times	0.3	1.9	0.3	0.5
Debt/Equity ratio, times	0.1	0.5	0.1	0.2
Equity/Assets ratio, %	73.8%	56.7%	73.8%	71.1%
Cash conversion, %	101.8%	107.3%	101.8%	97.1%
Number of published listings during the period, thousand	45.7	44.0	200.1	198.4
Number of employees at period end	121	111	121	112

* See pages 14-16 for derivation and definitions.

Derivation of alternative performance measures

Certain statements and analyses presented in this interim report include alternative performance measures (AMPs) that are not defined by IFRS. The company believes that this information, together with comparable defined IFRS metrics, are useful to investors as they provide a basis for measuring operating profit and ability to repay debt and invest in operations. Corporate management use these financial measurements, along with the most directly comparable financial metrics under IFRS, to evaluate operational results and value added. The APMs should not be assessed in isolation from, or as a substitute for, financial information presented in the financial statements in accordance with IFRS. The APMs reported need not necessarily be comparable to similar metrics presented by other companies. The reconciliations are presented in the tables below.

	Jan-Mar		Last twelve months	FY
(SEK million, unless stated otherwise)	2022	2021	ending Mar 2022	2021
Operating profit	67.8	13.6	278.1	223.9
Depreciation & amortisation	17.7	19.6	77.1	79.0
EBITDA	85.5	33.2	355.2	302.9
Net sales	179.6	142.5	765.2	728.1
EBITDA margin, %	47.6%	23.3%	46.4%	41.6%
EBITDA	85.5	33.2	355.2	302.9
Items affecting comparability:				
Advertising revenue	-	-2.0	-3.7	-5.7
Marketing costs	-	2.6	6.5	9.1
Consultant costs	-	23.4	25.3	48.7
Adjusted EBITDA	85.5	57.2	383.3	355.0
Net sales	179.6	142.5	765.2	728.1
Adjusted EBITDA margin, %	47.6%	40.1%	50.1%	48.8%
Operating profit	67.8	13.6	278.1	223.9
Net sales	179.6	142.5	765.2	728.1
Operating margin, %	37.8%	9.5%	36.3%	30.8%

	Jan-Mar		Last twelve months	FY
(SEK million, unless stated otherwise)	2022	2021	ending Mar 2022	2021
Net sales	179.6	142.5	765.2	728.1
Revenue not arising from published listings	-57.1	-59.0	-236.9	-238.8
Revenue from published listings	122.5	83.5	528.3	489.3
Number of published listings, thousands	45.7	44.0	200.1	198.4
ARPL, SEK	2 681	1 898	2 641	2 467
Non-current interest-bearing liabilities	213.3	667.4	213.3	277.9
Current interest-bearing liabilities	4.5	12.7	4.5	5.2
Cash and cash equivalents, including current interest-bearing securities	96.3	272.6	96.3	94.5
Net debt	121.5	407.5	121.5	188.6
EBITDA, LTM	355.2	188.1	355.2	302.9
Net debt/LTM EBITDA, times	0.3	2.2	0.3	0.6
Net debt	121.5	407.5	121.5	188.6
Adjusted EBITDA, LTM	383.3	212.1	383.3	355.0
Net debt/LTM adjusted EBITDA, times	0.3	1.9	0.3	0.5
Equity	1 569.4	1 356.3	1 569.4	1 516.9
Total assets	2 125.3	2 392.3	2 125.3	2 133.5
Equity/Assets ratio, %	73.8%	56.7%	73.8%	71.1%
Non-current interest-bearing liabilities	213.3	667.4	213.3	277.9
Current interest-bearing liabilities	4.5	12.7	4.5	5.2
Total interest-bearing liabilities	217.8	680.1	217.8	283.1
Equity	1 569.4	1 356.3	1 569.4	1 516.9
Debt/Equity ratio, times	0.1	0.5	0.1	0.2
Adjusted EBITDA, LTM	383.3	212.1	383.3	355.0
Decrease / (Increase) in net working capital, LTM	14.0	23.9	14.0	-3.3
Capital expenditures, LTM	-7.0	-8.5	-7.0	-7.0
Free cash flow, LTM	390.3	227.5	390.3	344.7
Adjusted EBITDA, LTM	383.3	212.1	383.3	355.0
Cash conversion, %	101.8%	107.3%	101.8%	97.1%

Definitions

Alternative Performance Measures (APMs) are financial measures of historical or future financial performance, financial position or cash flows that are not defined in applicable accounting regulations (IFRS). These measures are not directly comparable to similar key ratios presented by other companies.

Alternative key ratio	Definition
ARPL (Average revenue per listing)	<p>Average revenue per published listing, calculated as revenue from home sellers published listings including related value-added products during the period, in relation to the number of published listings during the period.</p> <p>It is a measure that shows the company’s earning capacity per published listing.</p>
Adjusted EBITDA	<p>EBITDA adjusted for items affecting comparability.</p> <p>This measure enables comparison of profitability over time, regardless of depreciation of tangible and right-of-use assets as well as amortisation of intangible assets, and independent of taxes and the company’s financing structure. The measure is also adjusted for the impact of items affecting comparability to increase comparability over time.</p>
Adjusted EBITDA-margin	<p>Adjusted EBITDA in relation to net sales.</p> <p>The measure reflects the business’s operating profitability before depreciation of tangible and right-of-use assets as well as amortisation of intangible assets. The measure is an important component, together with net sales growth, to follow the company’s value creation. The measure is also adjusted for the impact of items affecting comparability to increase comparability over time.</p>
Cash conversion	<p>Free cash flow in relation to adjusted EBITDA. Free cash flow is defined as adjusted EBITDA, adjusted for changes in working capital and reduced with investments in tangible and intangible assets. The measure is always calculated for the last twelve month period.</p> <p>This measure shows the percentage of profit that is converted into cash flow. The purpose is to analyse what percentage of earnings can be converted into cash and cash equivalents and, in the longer term, the opportunity for investments, acquisitions and dividends, with the exception of interest-related cash flows.</p>
Debt/Equity ratio	<p>Interest-bearing liabilities in relation to total equity.</p> <p>The measure shows the relation between the Company’s two forms of financing. The measure shows how large a share the debt financing has in relation to the owners’ invested capital. The measure reflects the financial strength, but also the leverage effect of the debt. A higher debt/equity ratio means a higher financial risk and a higher financial leverage on invested capital.</p>
EBITDA (earnings before interest, taxes, depreciation and amortisation)	<p>Operating profit plus depreciation of tangible and right-of-use assets as well as amortisation of intangible assets.</p> <p>The measure enables comparison of profitability over time, regardless of depreciation of tangible and right-of-use assets as well as amortisation of intangible assets, as well as independent of taxes and the company’s financing structure.</p>

Alternative key ratio	Definition
EBITDA-margin	<p>EBITDA in relation to net sales.</p> <p>The measure reflects the business’s operating profitability before depreciation of tangible and right-of-use assets as well as amortisation of intangible assets. The measure is an important component, together with net sales growth, to follow the company’s value creation.</p>
Equity/Assets ratio	<p>Total equity in relation to total assets.</p> <p>The measure reflects the Company’s financial position. A high equity/assets ratio provides a readiness to be able to handle periods of weak economic growth. At the same time, a higher equity/assets ratio creates a lower financial leverage.</p>
Interest-bearing liabilities	<p>Interest-bearing liabilities consists of debt to credit institutions and leasing debt.</p>
Items affecting comparability	<p>Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities.</p> <p>A separate disclosure of items affecting comparability clarifies the development of the underlying business.</p>
Net financial items	<p>Financial income less financial expenses.</p> <p>The measure reflects the company’s financial activities.</p>
Net debt	<p>Interest-bearing liabilities less cash and cash equivalents and current interest-bearing securities.</p> <p>Net debt is a measure used to follow the development of debt and the size of the refinancing need. Since cash and cash equivalents can be used to pay off debt at short notice, net debt is used instead of gross debt as a measure of the total loan financing.</p>
Net debt/EBITDA Net debt/adjusted EBITDA	<p>Interest-bearing liabilities less cash and cash equivalents and current interest-bearing securities in relation to EBITDA or adjusted EBITDA.</p> <p>The measure is a debt ratio that shows how many years it would take to pay off the company’s debt, provided that its net debt and EBITDA or adjusted EBITDA are constant and without taking into account the cash flows regarding interest, taxes and investments.</p>
Operating margin	<p>Operating profit/loss in relation to net sales.</p> <p>The measure reflects the operational profitability of the business. The measure is an important component, together with net sales growth, to follow the company’s value creation.</p>
Operating profit/loss	<p>Total revenue less total operating expenses.</p> <p>The measure indicates the company’s operation profit/loss before financing and taxes and is used to measure the profit generated by operating activities.</p>
Profit margin	<p>Net profit in relation to net sales.</p> <p>The measure indicates the company’s profit after financing and taxes and is used to measure the profit generated by operating activities.</p>

Consolidated quarterly financial information

The table below presents the Group’s condensed financial performance for the last nine quarters.

	2020				2021				2022
(SEK million)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	115.3	144.2	141.9	142.7	142.5	212.5	195.8	177.3	179.6
Other operating income	0.5	0.3	0.2	0.7	0.3	0.3	0.7	0.5	0.5
Total revenue	115.8	144.5	142.1	143.4	142.8	212.8	196.5	177.8	180.1
Capitalised development	1.1	0.5	0.9	1.4	2.6	1.2	0.3	0.5	2.5
Other external costs	-56.1	-67.9	-57.2	-64.1	-80.3	-96.9	-62.0	-60.7	-59.0
Personnel costs	-27.4	-27.1	-23.4	-36.9	-31.3	-33.6	-32.2	-32.9	-37.8
Other operating expenses	-0.4	-0.3	-0.3	-0.7	-0.6	-0.3	-0.5	-0.3	-0.3
EBITDA	33.0	49.7	62.1	43.1	33.2	83.2	102.1	84.4	85.5
Depreciation & amortisation	-18.9	-19.5	-19.4	-19.6	-19.6	-20.3	-19.4	-19.7	-17.7
Operating profit	14.1	30.2	42.7	23.5	13.6	62.9	82.7	64.7	67.8
Net financial items	-6.1	-6.0	-6.1	-5.5	-5.2	-16.8	-2.2	-1.6	-1.6
Profit before taxes	8.0	24.2	36.6	18.0	8.4	46.1	80.5	63.1	66.2
Taxes	-1.7	-5.2	-8.1	-4.1	-1.7	-10.0	-16.8	-13.1	-13.7
Net profit for the period	6.3	19.0	28.5	13.9	6.7	36.1	63.7	50.0	52.5
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	6.3	19.0	28.5	13.9	6.7	36.1	63.7	50.0	52.5

Group key ratios by quarter

(SEK million, unless stated otherwise)	2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	115.3	144.2	141.9	142.7	142.5	212.5	195.8	177.3	179.6
Net sales growth, %	22.1%	17.9%	27.4%	22.7%	23.6%	47.4%	38.0%	24.2%	26.0%
EBITDA	33.0	49.7	62.1	43.1	33.2	83.2	102.1	84.4	85.5
EBITDA margin, %	28.6%	34.5%	43.8%	30.2%	23.3%	39.2%	52.1%	47.6%	47.6%
Adjusted EBITDA	36.4	54.4	63.3	48.0	57.2	110.9	102.3	84.6	85.5
Adjusted EBITDA margin, %	31.6%	37.7%	44.6%	33.6%	40.1%	52.2%	52.2%	47.7%	47.6%
Operating profit	14.1	30.2	42.7	23.5	13.6	62.9	82.7	64.7	67.8
Operating margin, %	12.2%	20.9%	30.1%	16.5%	9.5%	29.6%	42.2%	36.5%	37.8%
Net profit for the period	6.3	19.0	28.5	13.9	6.7	36.1	63.7	50.0	52.5
Profit margin, %	5.5%	13.2%	20.1%	9.7%	4.7%	17.0%	32.5%	28.2%	29.2%
ARPL (average revenue per published listing), SEK	1 501	1 775	1 719	2 089	1,898	2,363	2,642	3,029	2,681
Net debt	558.2	496.7	465.4	415.1	407.5	332.1	255.7	188.6	121.5
Net debt/EBITDA LTM, times	3.3	2.9	2.5	2.2	2.2	1.5	1.0	0.6	0.3
Net debt/adjusted EBITDA (LTM), times	3.2	2.8	2.4	2.1	1.8	1.2	0.8	0.5	0.3
Debt/Equity ratio, times	0.5	0.5	0.5	0.5	0.5	0.3	0.3	0.2	0.1
Equity/Assets ratio, %	55.1%	55.4%	56.4%	56.9%	56.7%	62.8%	66.4%	71.1%	73.8%
Cash conversion, %	82.2%	91.1%	90.8%	97.2%	107.3%	96.9%	98.7%	97.1%	101.8%
Number of published listings during the period, thousand	46.8	52.6	49.5	40.4	44.0	62.5	52.1	39.8	45.7
Number of employees at period end	100	102	104	108	111	115	113	112	121

Presentation of the interim report

Hemnet invites analysts, investors and media to participate in the results presentation of the first quarter on 28 April, 2022 at 10:00 CET. The results will be presented by CEO Cecilia Beck-Friis and CFO Carl Johan Åkesson. The presentation will be held in English, followed by a Q&A session. Participants are welcome to join via the link or phone, see details below.

Dial-in numbers:

Sweden: +46 8 5055 83 59

UK: +44 33 33 00 92 66

US: +1 63 19 13 14 22

Webcast link:

<https://tv.streamfabriken.com/hemnet-q1-2022>

For further information, please contact:

CFO Carl Johan Åkesson
Phone: +46 708 30 70 57
E mail: cj.akesson@hemnet.se

IR Manager Nick Lundvall
Phone: +46 761 45 21 78
E mail: nick.lundvall@hemnet.se

Address

Klarabergsgatan 60
111 21 Stockholm

Contact

Phone: +46 (0)8-509 068 00
E mail: ir@hemnet.se
<https://www.hemnetgroup.se>

Financial calendar

29 April, 2022	Annual general meeting 2022
21 July, 2022	Interim report, Q2 2022
20 October, 2022	Interim report, Q3 2022

Publication

This is information that Hemnet Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 28 April, 2022 at 08:00 CET.