

Interim report Q1

January-March 2023

“Strong development for value-added services drives ARPL and revenue growth in challenging market conditions”

Net sales growth, %

5.8%

ARPL (average revenue per published listing) growth, %

38.2%

Adjusted EBITDA-margin, %

45.9%



Summary for the period January-March 2023

- ▶ **Net sales** increased by 5.8 percent to SEK 190.1m (179.6)
- ▶ **Adjusted EBITDA** increased 2.0 percent to SEK 87.2m (85.5)
- ▶ **Operating profit** increased 0.4 percent to SEK 68.1m (67.8)
- ▶ **ARPL, average revenue per published listing**, increased 38.2 percent to SEK 3,706 (2,681)
- ▶ **As previously announced, Anders Örnulf will take over as the new CFO.**
His starting date is now set for 2 May, 2023

(SEK million, unless stated otherwise)	Jan-Mar			Last twelve months	FY
	2023	2022	Change	ending Mar 2023	2022
Net sales	190.1	179.6	5.8%	899.7	889.2
Adjusted EBITDA*	87.2	85.5	2.0%	449.8	448.1
Adjusted EBITDA-margin*, %	45.9%	47.6%	-1.7 pp	50.0%	50.4%
Operating profit*	68.1	67.8	0.4%	377.8	377.5
Net profit for the period	50.7	52.5	-3.4%	292.0	293.8
Earnings per share, basic, SEK	0.51	0.49	-1.9%	2.93	2.93
Earnings per share, diluted, SEK ¹	0.51	0.49	-1.9%	2.93	2.93
Cash flow from operating activities	73.7	72.7	1.4%	357.0	356.0

* Alternative Performance Measure. see pages 15-17 for derivation and definitions.

¹ The 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.

Chief Executive's comments

Operational highlights

- **Revenues from property sellers increased** 11.7 percent despite a sharp 19.3 percent decline in newly published listings due to macroeconomic factors.
- **Average revenue per published listing (ARPL) increased** 38.2 percent to SEK 3,706 (2,681), primarily driven by continued growth in demand for value-added services.
- **Adjusted EBITDA increased** by 2.0 percent to SEK 87.2 (85.5) million, resulting in an adjusted EBITDA margin of 45.9 percent (47.6). The lower growth rate is mainly explained by fewer listings combined with continued investments in product development.

Comments

Hemnet continues to grow and increased net sales by 5.8 percent in the first quarter of the year in a very challenging market. During the quarter, 19.3 percent fewer listings were published than in 2022, which was a period where we saw high activity on the market. Normally, the Swedish housing market is very stable in terms of volumes, however, this drop is the largest year over year volume loss throughout the period where Hemnet has had continuous data. This is due to the widespread concern and uncertainty about interest rate developments, as well as the general household cost increases, which are causing some customers to hold off on selling and buying a home.

Despite current market conditions and lower listing volumes, our revenues from property sellers increased 11.7 percent in

the quarter. We continue to grow the average revenue for each listing published on Hemnet and ARPL grew 38.2 percent in the quarter. This is a result of increased sales of our larger packages and of the value-added service "Renewal", as well as continued work on pricing. This shows that our investments in product development are creating the desired demand and added value for our customers. For example, the increased sales of "Renewal" are a direct result of the changes we made to make restarting the listing on Hemnet faster and easier.

Sales to other customers decreased 6.1 percent in the quarter. As Sweden's fifth largest web platform in terms of reach and with high relevance and affinity, we are well positioned as the best option for companies looking to reach audiences interested in the housing market. However, our advertising revenues continue to be affected by market factors, with a decline in revenues from property developers in particular. In contrast, we see an increase in revenue from banks and from value-added services for real estate agents, not least from products that help agents find sellers.

We have great confidence in our strategy and business model, which has proven to be stable and able to deliver growth also in difficult market conditions. Through our continued investments, particularly in product development, we are ready when the market turns to create more and new business opportunities for the various players in the housing market with an even stronger offering.

Cecilia Beck-Friis, CEO
April 2023

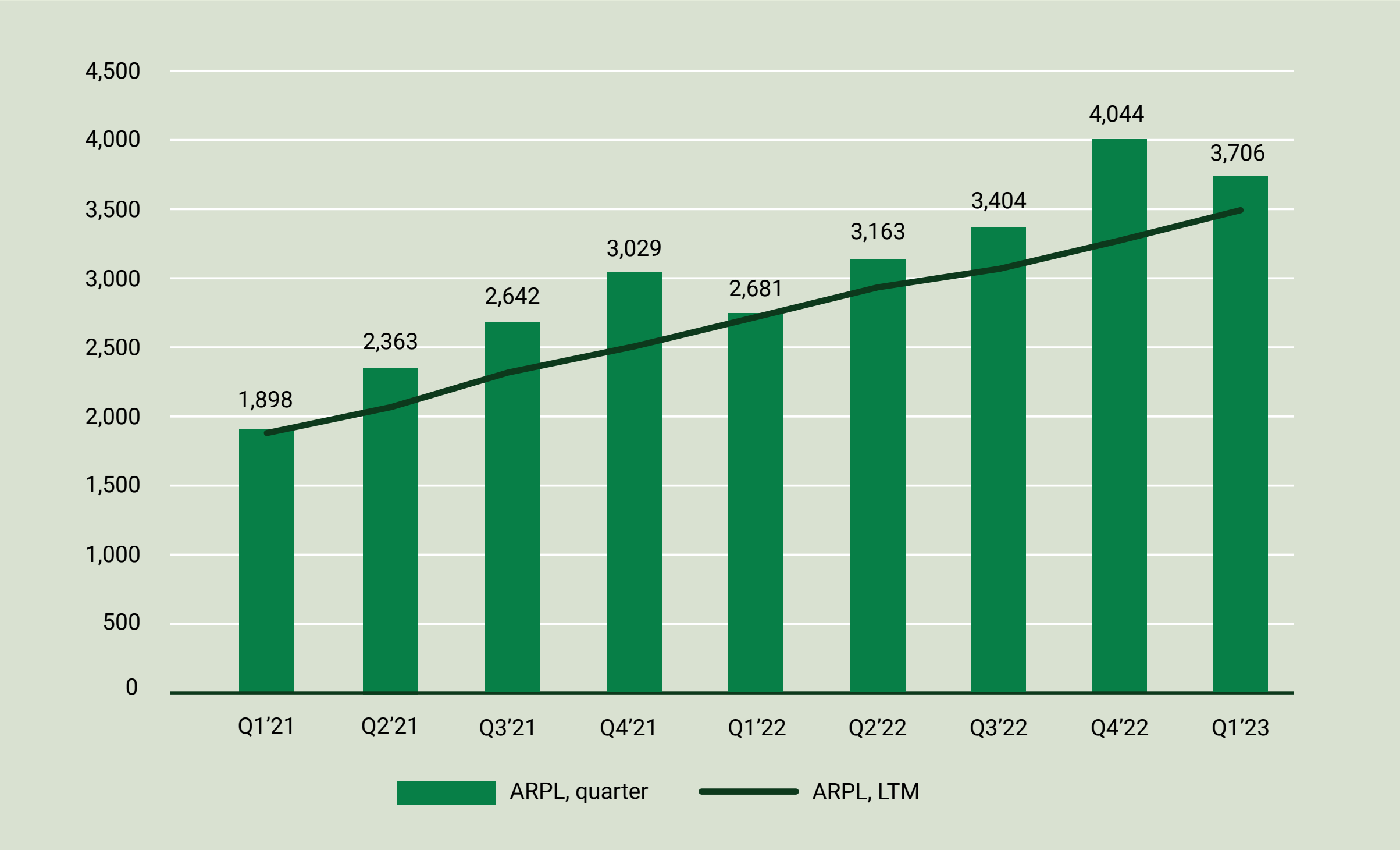


Operational indicators

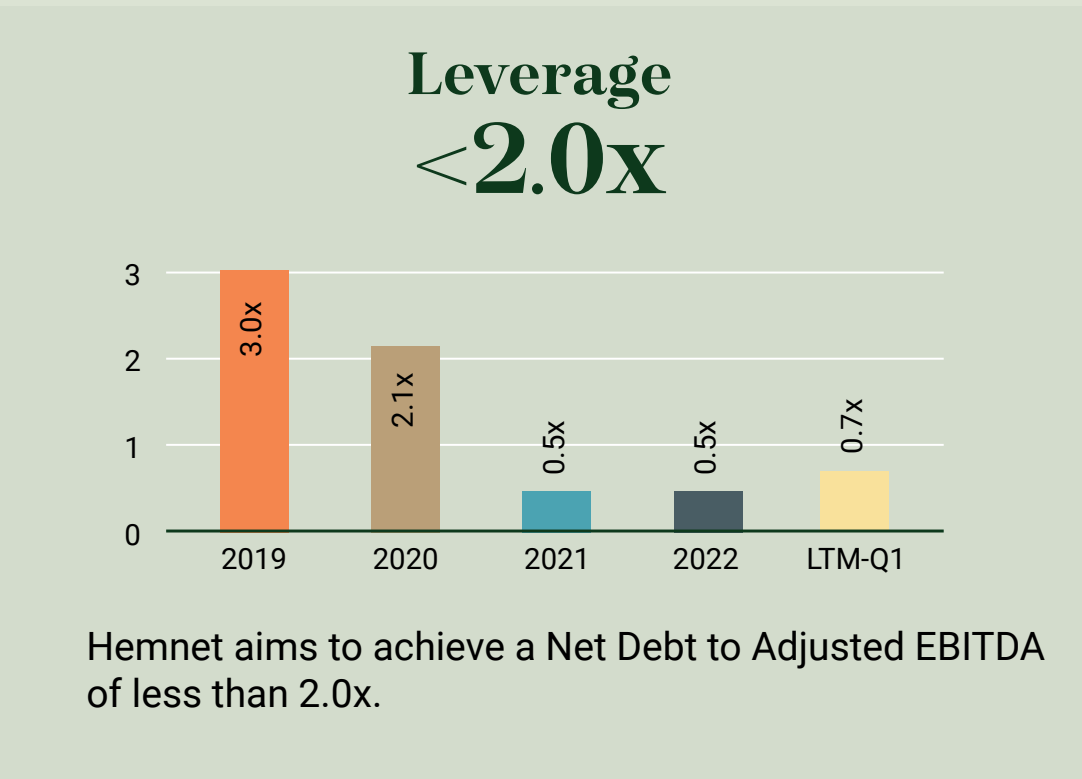
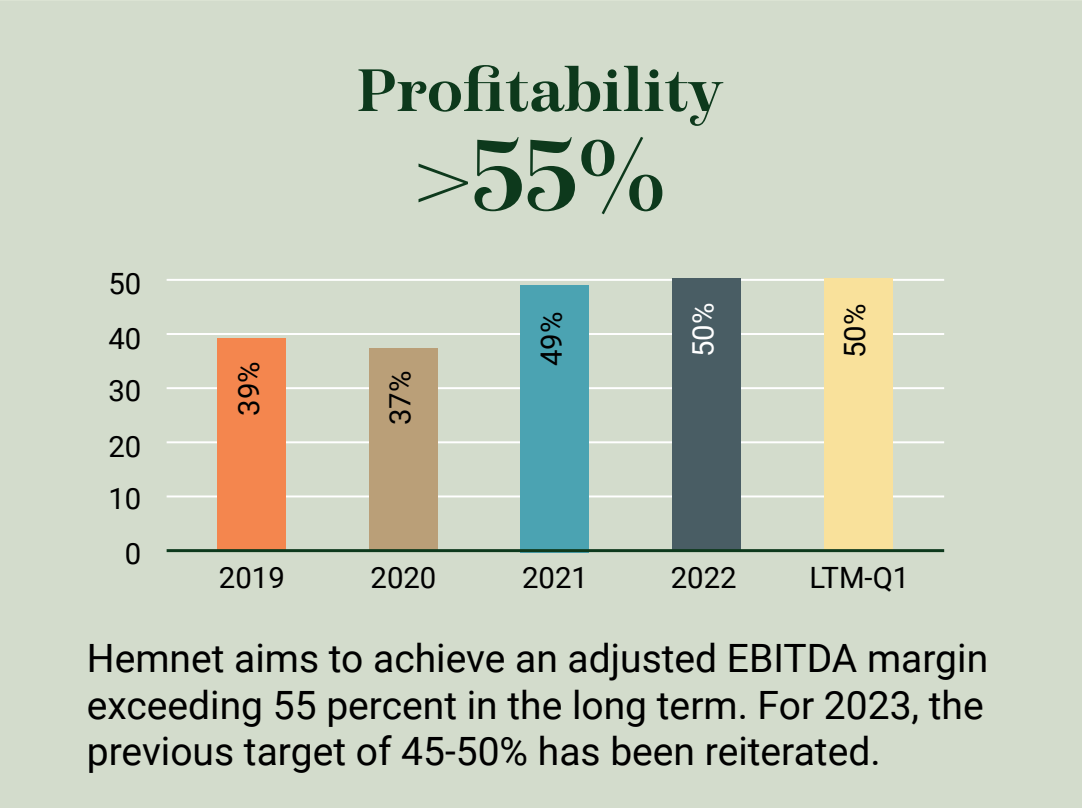
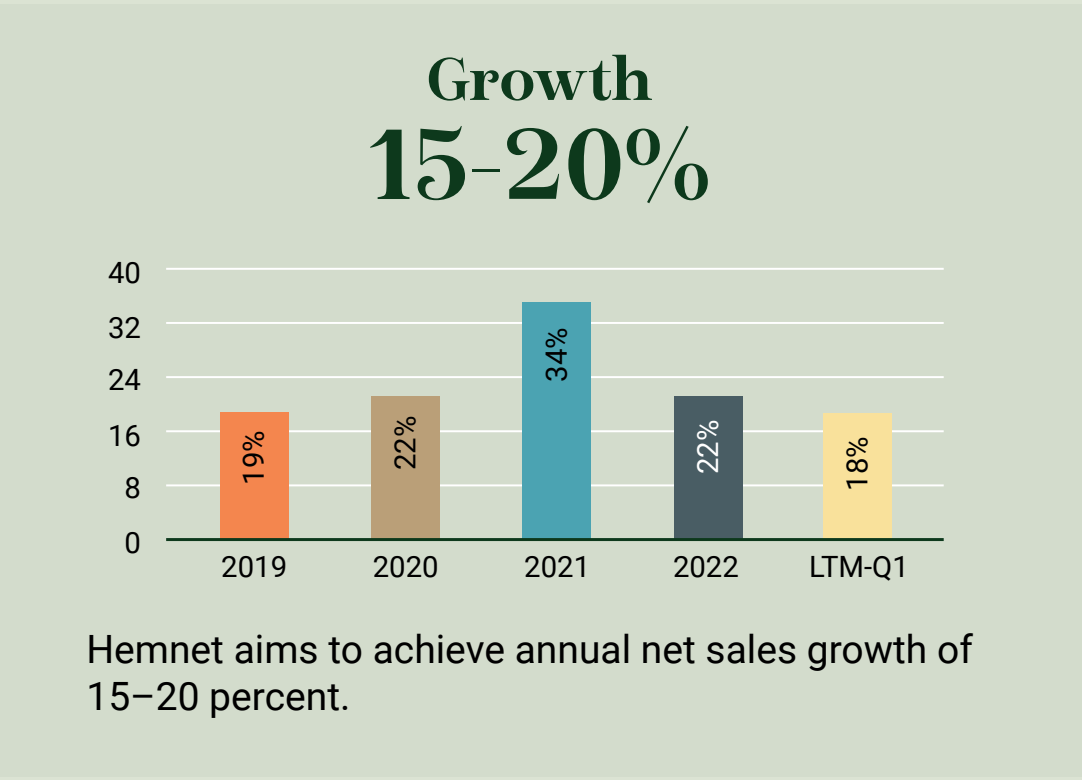
	Jan-Mar			Last twelve months	FY
	2023	2022	Change	ending Mar 2023	2022
ARPL (average revenue per published listing), SEK	3,706	2,681	38.2%	3,502	3,275
Number of published listings, thousand	36.9	45.7	-19.3%	189.4	198.3

ARPL

The below graph shows Hemnets ARPL development during the last nine quarters, both as isolated quarters and on LTM basis.



Financial targets



Financial summary, January–March 2023

Net sales increased despite a large decrease of number of published listings compared to the same period last year (-19.3%). Continued strong increase in average revenue per published listing (ARPL). Adjusted EBITDA increased 2.0 percent to SEK 87.2m (85.5).

Net sales and profit

Net sales increased by 5.8 percent to SEK 190.1m (179.6).

Revenue from property sellers increased by 11.7 percent to SEK 134.9 (120.8). The number of published listings decreased by 19.3 percent compared to the same quarter last year. This is the largest decrease, from one year to another as far back in time that Hemnet has historical data. The sales of value-added services for property sellers, Hemnet Plus, Hemnet Premium, Raketen and Förnya annons (Renew ad) - continued to increase which in combination with price adjustments across all products led to ARPL growing by 38.2 percent to SEK 3,706 (2,681).

Net sales from other customers decreased by 6.1 percent to SEK 55.2m (58.8). Display revenue decreased, with decreased display revenue from property developers as one of the major driver. Revenue from bank integrations continued to increase along with revenue from value-added services to real estate agents, that had a growth from our new products to help agents find sellers.

Capitalised development of employees was SEK 3.4m (2.5) and related to our continued investments in product development. Investments were made in new products for property sellers and buyers, as well as new products for property developers

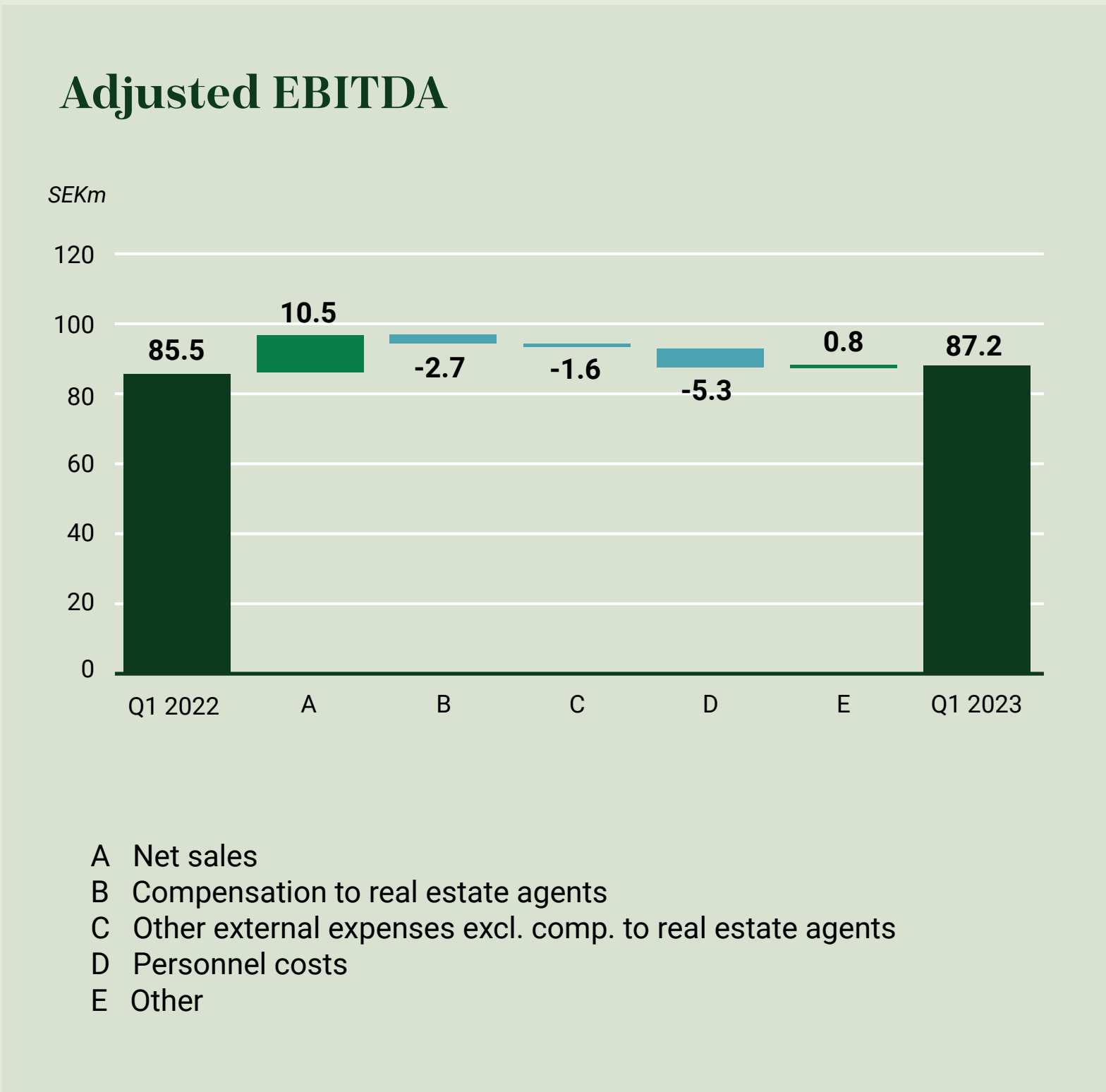
and real estate agents. A total of SEK 8.6m (3.3) was capitalised during the quarter, the underlying reason for the increase is partly due to a modernization of Hemnet’s technical platform.

Other external expenses increased by 7.1 percent to SEK 63.2m (59.0). SEK 37.6m (34.9) of other external expenses were administration and commission expenses to real estate agents, which increased by 7.7 percent because of the increasing revenue from listing related services. The remaining part increased by 6.2 percent to SEK 25.6m (24.1) mainly related to higher costs for rent due to the new office as well as a minor increase in other opex.

Personnel costs increased by 14.0 percent to SEK 43.1m (37.8), as the company continued to invest in product development for future growth.

Adjusted EBITDA increased 2.0 percent to SEK 87.2m (85.5) and the adjusted EBITDA-margin was 45.9 (47.6) percent.

EBITDA increased 2.0 percent to SEK 87.2m (85.5), corresponding to an EBITDA-margin of 45.9 (47.6) percent.



Depreciation & amortisation amounted to SEK 19.1m (17.7), whereof amortisation of intangible assets, mainly from the acquisition of Hemnet, amounted to SEK 15.3m (15.5) and depreciation of right-of-use assets amounted to SEK 3.5m (1.9).

Operating profit increased 0.4 percent to SEK 68.1m (67.8), corresponding to an operating margin of 35.8 (37.8) percent.

Financial items – net, deteriorated from negative SEK 1.6m to negative SEK 4.1m. This mainly due to higher interest costs on bank loans because of higher market rates and increased borrowing. Interest costs on bank loans amounted to SEK 3.4m (1.2).

Tax expense amounted to SEK 13.3m (13.7), corresponding to an effective tax rate of 20.9 (20.7) percent.

Net profit for the period decreased by SEK 1.8m and amounted to SEK 50.7m (52.5).

Cash flow and financial position

Cash flow from operating activities increased by SEK 1.0m and amounted to SEK 73.7m (72.7). The change in working capital was positive at SEK 23.1m (15.3). Taxes paid during the quarter amounted to SEK -32.8m (-26.9).

Cash flow from investing activities amounted to SEK -15.0m (-4.0). Investments in intangible and tangible fixed assets totalled SEK -15.0m (-4.0) and related to capitalised development expenses of SEK -8.6m (-3.3) as well as SEK -6.4m (-0.7) in investment in tangible assets related mainly to the new office.

Cash flow from financing activities totalled SEK -79.3m (-66.9), mainly as a result of share buybacks of SEK -94.5m, partly financed through an increased borrowing of SEK 20.0m.

Amortisation of lease liabilities resulted in a cash flow of SEK -4.8m. During the same period last year, financing activities resulted in a cash flow of SEK -66.9m, mainly consisting of voluntary repayments on the credit facility of SEK -65.0m as well as amortisation of leasing liabilities of SEK -1.9m.

Cash and cash equivalents amounted to SEK 79.8m (100.4) and total interest-bearing liabilities amounted to SEK 400.5m (328.5). Net debt thus amounted to SEK 320.7m (228.1), which corresponds to 0.7 (0.5) times adjusted EBITDA for the last twelve months.

The company has entered into an agreement for a new premises for the head office in Stockholm from 1 January 2023. This increases the right-to-use assets and leasing liabilities by SEK 56.5m as per 1 January, 2023.

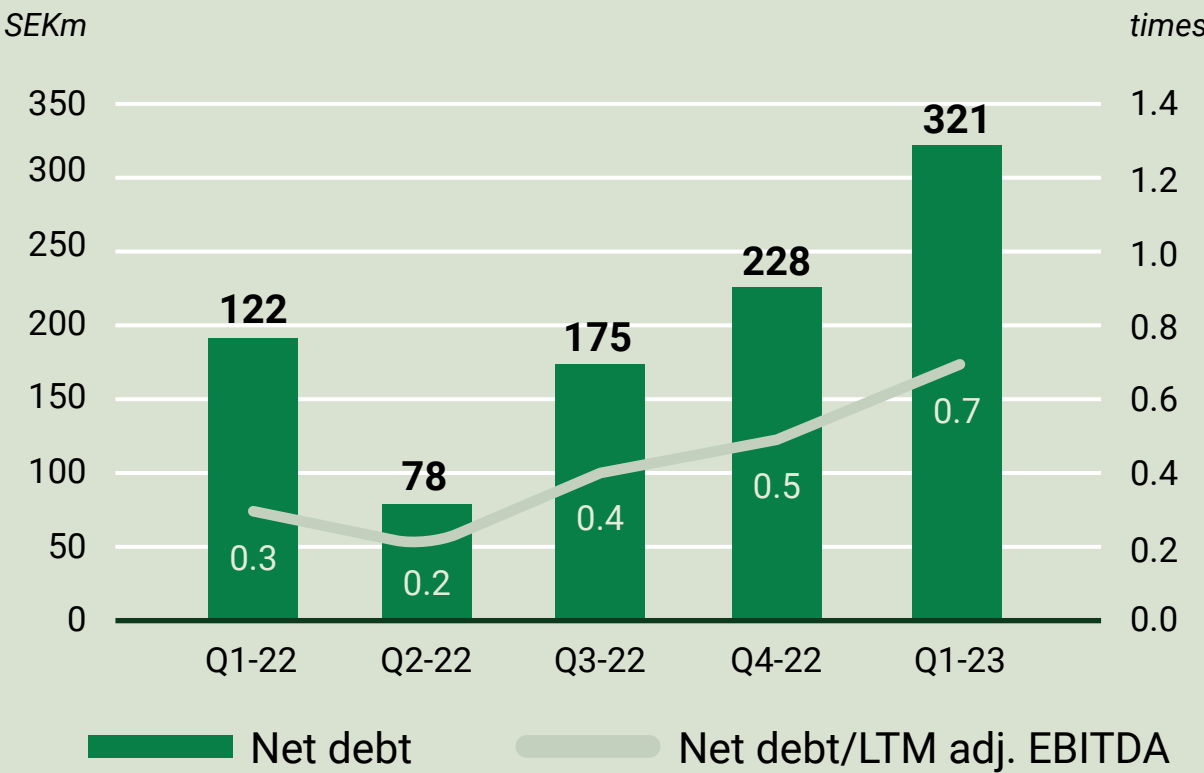
Total shareholders’ equity amounted to SEK 1,388.9m (1,432.7), corresponding to an equity-to-assets ratio of 65.4 (68.4) percent.

Parent company, financial development January-March

Net sales of the Parent company amounted to SEK 3.7m (3.0). All revenue refers to services to other Group companies. Operating profit/loss was SEK -1.9m (-0.9).

The assets of the Parent company consist mainly of investments in Group companies and Group receivables. The operations are financed by equity, bank loans and Group liabilities. The Parent company equity at the end of the period amounted to SEK 849.7 (949.9) and the equity ratio was 54.0 (56.5) percent.

Financial position



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

Other information

Current macro environment

There are a number of macro factors that can have an impact on Hemnet’s financial results. During the period there is a war in Ukraine, as well as high inflation leading to higher interest rates that mainly affect property owners. The market uncertainty and slower market affects property transactions with a shift from a seller’s market to more of a buyers’ market. This also affects Hemnets B2B customers who are reviewing their cost spend, not least the property developers who are making significant cost reductions.

Employees

The number of employees at the end of the period was 141 compared to 135 at the end of December 2022. The increase is primarily in the area of product development.

Repurchase and holding of treasury shares

The Annual General Meeting 2022 authorized the Board of Directors to, on one or more occasions during the period until the next Annual General Meeting, decide on the repurchase of own shares to such an extent that the Company holds no more than ten (10) percent of all shares in the Company at any time after the acquisition. The maximum amount for repurchases during the period shall be SEK 450 million. Acquisitions shall be made on Nasdaq Stockholm at a price per share within the price interval registered at any given time. The purpose of the authorization is to adjust the Company’s capital structure by

reducing the share capital. The Board of Directors therefore intends to propose to the Annual General Meeting 2023 that the repurchased shares be cancelled.

In addition to the decision to launch the share repurchase program. Hemnet’s Board of Directors has decided to use the authorization of the Annual General Meeting 2022 to resolve the acquisition of a maximum of 57,200 ordinary shares to ensure the delivery of shares to the participants of the 2022/2025 Share Savings Program. Acquisitions shall take place on Nasdaq Stockholm at a price per share within the price interval registered at any given time.

The repurchase program is implemented in accordance with the Market Abuse Regulation (EU) No 596/2014 (“MAR”) and Commission Delegated Regulation (EU) No 2016/1052 (the “Safe Harbour Regulation”). The repurchase program is managed by Carnegie Investment Bank AB (publ). which makes its trading decisions regarding the timing of the repurchases of Hemnet shares independently of Hemnet.

See further information in note 4.

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 2022, pages 62-63. Hemnet’s assessment is that no other significant risks or uncertainties have arisen during the period.

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.



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

Stockholm, 26 April, 2023
Hemnet Group AB (publ)

Christopher Caulkin
Chair

Cecilia Beck-Friis
CEO

Anders Edmark
Member of the board

Tracey Fellows
Member of the board

Håkan Hellström
Member of the board

Nick McKittrick
Member of the board

Maria Redin
Member of the board

Pierre Siri
Member of the board

Condensed consolidated income statement					
		Jan-Mar		Last twelve months	FY
(SEK million)		2023	2022	ending Mar 2023	2022
Net sales	2	190.1	179.6	899.7	889.2
Other operating income		0.4	0.5	2.5	2.6
Total revenue		190.5	180.1	902.2	891.8
Capitalised development		3.4	2.5	10.9	10.0
Other external expenses	3	-63.2	-59.0	-303.2	-299.0
Personnel costs		-43.1	-37.8	-158.5	-153.2
Depreciation & amortisation		-19.1	-17.7	-72.0	-70.6
Other operating costs		-0.4	-0.3	-1.6	-1.5
Total operating expenses		-125.8	-114.8	-535.3	-524.3
Operating profit		68.1	67.8	377.8	377.5
Financial Items - net		-4.1	-1.6	-9.3	-6.8
Profit before taxes		64.0	66.2	368.5	370.7
Income tax		-13.3	-13.7	-76.5	-76.9
Net profit for the period		50.7	52.5	292.0	293.8
Net profit attributable to controlling interest		50.7	52.5	292.0	293.8
Other comprehensive income		-	-	-	-
Total comprehensive income		50.7	52.5	292.0	156.5
Earnings per share ¹					
before dilution, SEK		0.51	0.52	2.93	2.93
after dilution, SEK		0.51	0.52	2.93	2.93
Number of shares					
Average before dilution		98,578,024	101,131,478	99,716,363	100,345,982
Average after dilution		98,589,031	101,131,478	99,716,468	100,345,997
At period end		98,236,929	101,131,478	98,236,929	98,838,795

Condensed consolidated statement of financial position				
(SEK million)		2023-03-31	2022-03-31	2022-12-31
ASSETS				
Goodwill		902.8	902.8	902.8
Customer relationships		745.5	800.9	759.3
Right-of-use assets		53.7	6.3	0.6
Other non-current assets		276.7	257.5	263.3
Total non-current assets		1,978.6	1,967.5	1,926.0
Accounts receivables		35.0	38.2	31.5
Other current assets		29.1	23.3	36.7
Cash and cash equivalents		79.8	96.3	100.4
Total current assets		143.9	157.8	168.6
TOTAL ASSETS		2,122.5	2,125.3	2,094.6
EQUITY AND LIABILITIES				
Total equity (attributable to controlling interest)	4	1,388.9	1,569.4	1,432.7
Liabilities to credit institutions		348.8	213.3	328.5
Lease liabilities		43.9	-	-
Deferred tax liabilities		208.8	217.7	210.2
Total non-current liabilities		601.5	431.0	538.7
Lease liabilities		7.8	4.5	-
Accrued expenses and deferred income		96.7	77.7	81.1
Other current liabilities		27.6	42.7	42.1
Total current liabilities		132.1	124.9	123.2
Total liabilities		733.6	555.9	661.9
TOTAL EQUITY AND LIABILITIES		2,122.5	2,125.3	2,094.6

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.

Condensed consolidated statement of changes in equity

(SEK million)	Jan-Mar		FY
	2023	2022	2022
Equity, opening balance	1,432.7	1,516.9	1,516.9
Net profit for the period	50.7	52.5	293.8
Other comprehensive income	-	-	-
Total comprehensive income	50.7	52.5	293.8
Dividend distribution	-	-	-55.6
Repurchase of shares4	-94.5	-	-326.1
Warrant issues	-	-	4.7
Warrant redemption	-	-	-0.8
Issue expenses	-	-	-0.2
Total transactions with shareholders	-94.5	-	-378.0
Equity, closing balance	1,388.9	1,569.4	1,432.7

Condensed consolidated statement of cash flow

(SEK million)	Jan-Mar		FY
	2023	2022	2022
Operating activities			
Operating profit	68.1	67.8	377.5
Adjustments for non-cash items	19.1	17.7	70.6
Interest paid and received	-3.8	-1.2	-6.1
Paid income tax	-32.8	-26.9	-94.2
Cash flow from operating activities before changes in working capital	50.6	57.4	347.8
Changes in working capital, net	23.1	15.3	8.2
Cash flow from operating activities	73.7	72.7	356.0
Investing activities			
Investments in intangible assets, net	-8.6	-3.3	-13.7
Investments in tangible assets, net	-6.4	-0.7	-1.8
Cash flow from investing activities	-15.0	-4.0	-15.5
Financing activities			
Borrowings	35.0	-	115.0
Repayment of loans	-15.0	-65.0	-65.0
Amortisation of lease liabilities	-4.8	-1.9	-6.5
Issue of warrants	-	-	4.6
Issue expenses	-	-	-0.2
Warrant redemption	-	-	-0.8
Repurchase of shares4	-94.5	-	-326.1
Paid dividend	-	-	-55.6
Cash flow from financing activities	-79.3	-66.9	-334.6
Net change in cash and cash equivalents	-20.6	1.8	5.9
Cash and cash equivalents, beginning of period	100.4	94.5	94.5
Cash and cash equivalents, end of period	79.8	96.3	100.4

Condensed parent company income statement

(SEK million)	Jan-Mar		FY
	2023	2022	2022
Net sales	3.7	3.0	9.2
Total revenue	3.7	3.0	9.2
Other external costs	-1.9	-2.9	-11.3
Personnel costs	-3.7	-1.0	-8.8
Total operating expenses	-5.6	-3.9	-20.1
Operating profit/loss	-1.9	-0.9	-10.9
Net financial items	-3.7	-1.6	-7.3
Profit before taxes	-5.6	-2.5	-18.2
Allocations - Group contributions	-	-	435.0
Income tax	-	-	-85.8
Net income (loss)	-5.6	-2.5	331.0

Parent company statement of comprehensive

(SEK million)	Jan-Mar		FY
	2023	2022	2022
Net income (loss)	-5.6	-2.5	331.0
Other comprehensive income	-	-	-
Total comprehensive income for the period	-5.6	-2.5	331.0

Condensed parent company balance sheet

(SEK million)	2023-03-31	2022-03-31	2022-12-31
ASSETS			
Non-current assets	1,526.4	1,578.0	1,644.5
Current assets	46.3	11.6	38.0
TOTAL ASSETS	1,572.7	1,589.6	1,682.5
EQUITY AND LIABILITIES			
Equity	4		
Restricted equity	77.4	77.4	77.4
Non-restricted equity	772.3	917.0	872.5
Total equity	849.7	994.4	949.9
Non-current liabilities	348.8	213.3	328.5
Current liabilities	374.2	381.9	404.1
Total liabilities	723.0	595.2	732.6
TOTAL EQUITY AND LIABILITIES	1,572.7	1,589.6	1,682.5

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 2022 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 month	FY
	2023	2022	ending Mar 2023	2022
Property sellers	134.9	120.8	653.7	639.6
Real estate agents	27.5	26.7	114.0	113.2
Real estate developers	9.7	11.8	46.2	48.3
Advertisers	18.0	20.3	85.8	88.1
Total net sales	190.1	179.6	899.7	889.2

Net sales by service category (SEK million)	Jan-Mar		Last twelve month	FY
	2023	2022	ending Mar 2023	2022
Listing services	142.0	127.0	683.4	668.4
Other services	48.1	52.6	216.3	220.8
Total net sales	190.1	179.6	899.7	889.2

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.

Note 3 Other external expenses

(SEK million)	Jan-Mar		Last twelve month	FY
	2023	2022	ending Mar 2023	2022
Administration and commission compensation	-37.6	-34.9	-187.0	-184.3
Other external expenses	-25.6	-24.1	-116.2	-114.7
Total	-63.2	-59.0	-303.2	-299.0

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 Repurchase program

During the quarter 601,866 shares were repurchased for a total of SEK 94.5m under the share repurchase program of SEK 450 million. During the full length of the program a total of 2,837,549 shares have been repurchased for a total amount of SEK 412.8m. In addition, 57,000 shares were repurchased during 2022 as part of the company’s commitment under the 2022/2025 Share Savings Program. The total number of treasury shares at the end of the quarter thus amounts to 2,894,549. The number of shares outstanding, excluding treasury shares, as of March 31, 2023, is 98,236,929. The total number of shares in the Company is 101,131,478.

Note 5 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 6 Related party transactions

Transactions with related parties and management incentive program are described in notes G28 and G8 in the annual report for 2022.

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

Note 7 Significant events after the end of the period

Anders Örnulf has been appointed CFO to succeed Jens Melin, who has been interim CFO since August 2022. Anders start date has changed from the previously announced June 8 to May 2.

Group key ratios

(SEK million, unless stated otherwise)	Jan-Mar		Last twelve months	FY
	2023	2022	ending Mar 2023	2022
EBITDA	87.2	85.5	449.8	448.1
EBITDA margin, %	45.9%	47.6%	50.0%	50.4%
Adjusted EBITDA	87.2	85.5	449.8	448.1
Adjusted EBITDA margin, %	45.9%	47.6%	50.0%	50.4%
Operating profit	68.1	67.8	377.8	377.5
Operating margin, %	35.8%	37.8%	42.0%	42.5%
Net profit for the period	50.7	52.5	292.0	293.8
Profit margin, %	26.7%	29.2%	32.5%	33.0%
Earnings per share, basic, SEK	0.51	0.52	2.93	2.93
Earnings per share, diluted, SEK	0.51	0.52	2.93	2.93
ARPL (average revenue per published listing), SEK	3,706	2,681	3,502	3,275
Net debt	320.7	121.5	320.7	228.1
Net debt/EBITDA (LTM), times	0.7	0.3	0.7	0.5
Net debt/Adjusted EBITDA (LTM), times	0.7	0.3	0.7	0.5
Debt/Equity ratio, times	0.3	0.1	0.3	0.2
Equity/Assets ratio, %	65.4%	73.8%	65.4%	68.4%
Cash conversion, %	97.7%	101.8%	97.7%	98.4%
Number of published listings during the period, thousand	36.9	45.7	189.4	198.3
Number of employees at period end	141	112	141	135

* See pages 15-17 for derivation and definitions.

Derivation of alternative performance measures

Certain statements and analyses presented in this interim report include alternative performance measures (APMs) 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)	2023	2022	ending Mar 2023	2022
Operating profit	68.1	67.8	377.8	377.5
Depreciation & amortisation	19.1	17.7	72.0	70.6
EBITDA	87.2	85.5	449.8	448.1
Net sales	190.1	179.6	899.7	889.2
EBITDA margin, %	45.9%	47.6%	50.0%	50.4%
EBITDA	87.2	85.5	449.8	448.1
Items affecting comparability:				
Advertising revenue	-	-	-	-
Marketing costs	-	-	-	-
Consultant costs	-	-	-	-
Adjusted EBITDA	87.2	85.5	449.8	448.1
Net sales	190.1	179.6	899.7	889.2
Adjusted EBITDA margin, %	45.9%	47.6%	50.0%	50.4%
Operating profit	68.1	67.8	377.8	377.5
Net sales	190.1	179.6	899.7	889.2
Operating margin, %	35.8%	37.8%	42.0%	42.5%

	Jan-Mar		Last twelve months	FY
(SEK million, unless stated otherwise)	2023	2022	ending Mar 2023	2022
Net sales	190.1	179.6	899.7	889.2
Revenue not arising from published listings	-53.4	-57.1	-236.3	-240.0
Revenue from published listings	136.7	122.5	663.4	649.2
Number of published listings, thousands	36.9	45.7	189.4	198.3
ARPL, SEK	3,706	2,681	3,502	3,275
Non-current interest-bearing liabilities	392.7	213.3	392.7	328.5
Current interest-bearing liabilities	7.8	4.5	7.8	-
Cash and cash equivalents, including current interest-bearing securities	79.8	96.3	79.8	100.4
Net debt	320.7	121.5	320.7	228.1
EBITDA, LTM	449.8	355.2	449.8	448.1
Net debt/ LTM EBITDA, times	0.7	0.3	0.7	0.5
Net debt	320.7	121.5	320.7	228.1
Adjusted EBITDA, LTM	449.8	383.3	449.8	448.1
Net debt/ LTM adjusted EBITDA, times	0.7	0.3	0.7	0.5
Equity	1,388.9	1,569.4	1,388.9	1,432.7
Total assets	2,122.5	2,125.3	2,122.5	2,094.6
Equity/Assets ratio, %	65.4%	73.8%	65.4%	68.4%
Non-current interest-bearing liabilities	392.7	213.3	392.7	328.5
Current interest-bearing liabilities	7.8	4.5	7.8	-
Total interest-bearing liabilities	400.5	217.8	400.5	328.5
Equity	1,388.9	1,569.4	1,388.9	1,432.7
Debt/Equity ratio, times	0.3	0.1	0.3	0.2
Adjusted EBITDA, LTM	449.8	383.3	449.8	448.1
Decrease / (Increase) in net working capital, LTM	16.0	14.0	16.0	8.2
Capital expenditures, LTM	-26.5	-7.0	-26.5	-15.5
Free cash flow, LTM	439.3	390.3	439.3	440.8
Adjusted EBITDA, LTM	449.8	383.3	449.8	448.1
Cash conversion, %	97.7%	101.8%	97.7%	98.4%

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 published 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.

	2021				2022				2023
(SEK million)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	142.5	212.5	195.8	177.3	179.6	269.7	238.9	201.0	190.1
Other operating income	0.3	0.3	0.7	0.5	0.5	0.8	0.7	0.6	0.4
Total revenue	142.8	212.8	196.5	177.8	180.1	270.5	239.6	201.6	190.5
Capitalised development	2.6	1.2	0.3	0.5	2.5	2.9	1.3	3.3	3.4
Other external costs	-80.3	-96.9	-62.0	-60.7	-59.0	-86.8	-79.2	-74.0	-63.2
Personnel costs	-31.3	-33.6	-32.2	-32.9	-37.8	-41.0	-32.7	-41.7	-43.1
Other operating expenses	-0.6	-0.3	-0.5	-0.3	-0.3	-0.3	-0.5	-0.4	-0.4
EBITDA	33.2	83.2	102.1	84.4	85.5	145.3	128.5	88.8	87.2
Depreciation & amortisation	-19.6	-20.3	-19.4	-19.7	-17.7	-17.8	-17.6	-17.5	-19.1
Operating profit	13.6	62.9	82.7	64.7	67.8	127.5	110.9	71.3	68.1
Net financial items	-5.2	-16.8	-2.2	-1.6	-1.6	-1.2	-1.4	-2.6	-4.1
Profit before taxes	8.4	46.1	80.5	63.1	66.2	126.3	109.5	68.7	64.0
Taxes	-1.7	-10.0	-16.8	-13.1	-13.7	-26.3	-22.7	-14.2	-13.3
Net profit for the period	6.7	36.1	63.7	50.0	52.5	100.0	86.8	54.5	50.7
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	6.7	36.1	63.7	50.0	52.5	100.0	86.8	54.5	50.7

Group key ratios by quarter

(SEK million, unless stated otherwise)	2021				2022				2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales	142.5	212.5	195.8	177.3	179.6	269.7	238.9	201.0	190.1
Net sales growth YoY, %	23.6%	47.4%	38.0%	24.2%	26.0%	26.9%	22.0%	13.4%	5.8%
EBITDA	33.2	83.2	102.1	84.4	85.5	145.3	128.5	88.8	87.2
EBITDA margin, %	23.3%	39.2%	52.1%	47.6%	47.6%	53.9%	53.8%	44.2%	45.9%
Adjusted EBITDA	57.2	110.9	102.3	84.6	85.5	145.3	128.5	88.8	87.2
Adjusted EBITDA margin, %	40.1%	52.2%	52.2%	47.7%	47.6%	53.9%	53.8%	44.2%	45.9%
Adjusted EBITDA-growth	57.1%	103.9%	61.6%	76.3%	49.5%	31.0%	25.6%	5.0%	2.0%
Operating profit	13.6	62.9	82.7	64.7	67.8	127.5	110.9	71.3	68.1
Operating margin, %	9.5%	29.6%	42.2%	36.5%	37.8%	47.3%	46.4%	35.5%	35.8%
Net profit for the period	6.7	36.1	63.7	50.0	52.5	100.0	86.8	54.5	50.7
Profit margin, %	4.7%	17.0%	32.5%	28.2%	29.2%	37.1%	36.3%	27.1%	26.7%
Earnings per share, basic, SEK	0.07	0.36	0.63	0.49	0.52	0.99	0.87	0.55	0.51
Earnings per share, diluted, SEK	0.07	0.36	0.63	0.49	0.52	0.99	0.87	0.55	0.51
ARPL (average revenue per published listing), SEK	1,898	2,363	2,642	3,029	2,681	3,163	3,404	4,044	3,706
Net debt	407.5	332.1	255.7	188.6	121.5	77.9	175.1	228.1	320.7
Net debt/EBITDA LTM, times	2.2	1.5	1.0	0.6	0.3	0.2	0.4	0.5	0.7
Net debt/ Adjusted EBITDA (LTM), times	1.8	1.2	0.8	0.5	0.3	0.2	0.4	0.5	0.7
Debt/Equity ratio, times	0.5	0.3	0.3	0.2	0.1	0.1	0.2	0.2	0.3
Equity/Assets ratio, %	56.7%	62.8%	66.4%	71.1%	73.8%	72.5%	67.7%	68.4%	65.4%
Cash conversion, %	106.9%	96.9%	98.7%	97.1%	101.8%	102.5%	103.8%	98.8%	97.7%
Number of published listings during the period, thousand	44.0	62.5	52.1	39.8	45.7	64.5	52.2	35.8	36.9
Number of employees at period end	111	115	113	112	121	121	124	135	141

Presentation of the interim report

Hemnet invites analysts, investors and media to participate in the results presentation of the fourth quarter on 26 April, 2023 at 10:00 CET. The results will be presented by CEO Cecilia Beck-Friis and interim CFO Jens Melin. 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.

If you wish to participate via webcast please use the link below. Via the webcast you are able to ask written questions.

<https://ir.financialhearings.com/hemnet-group-q1-2023>

If you wish to participate via teleconference please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

<https://conference.financialhearings.com/teleconference/?id=200646>

For further information, please contact:

Interim CFO Jens Melin
Phone: +46 709 99 33 59
Email: jens.melin@hemnet.se

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

Address

Sveavägen 9
111 57 Stockholm

Contact

Phone: +46 8 509 068 00
Email: ir@hemnet.se
<https://www.hemnetgroup.se>

Financial calendar

27 April, 2023	Annual general meeting 2023
19 July, 2023	Interim report, Q2 2023
25 October, 2023	Interim report, Q3 2023

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 26 April, 2023 at 08:00 CET.