

Welcome to the **Hemnet Group AB (publ)** **Annual General Meeting**

27 April 2023

Cecilia Beck-Friis

CEO



Hemnet is Sweden's #1 destination for housing



c.90%

Share of sold properties listed on Hemnet

Source: Hemnet, SCB (2021)

- 1 Google
- 2 Spotify
- 3 YouTube
- 4 NETFLIX
- 5 Hemnet

#5

Strongest media brand image in Sweden

Source: Yougov (2022)

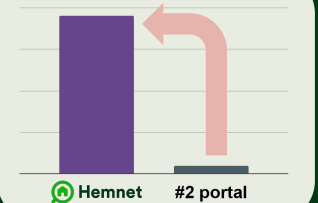


0:30

30_{min}

Time that each Swede spends on Hemnet monthly

Source: Hemnet, SCB (2021)



19_x

More clicks on listings than #2 portal

Source: Company data



Our vision is to be...

The **key** to your property journey.
We increase **efficiency transparency**
and **mobility** on the housing market

By becoming...

The **destination** for **all things** related
to homes

Our future growth is supported by a three-year strategy, consisting of three pillars



Engage consumers

Increase engagement and strengthen loyalty across the property journey



Grow sellers

Optimize seller revenues through a balance of product, packaging and price



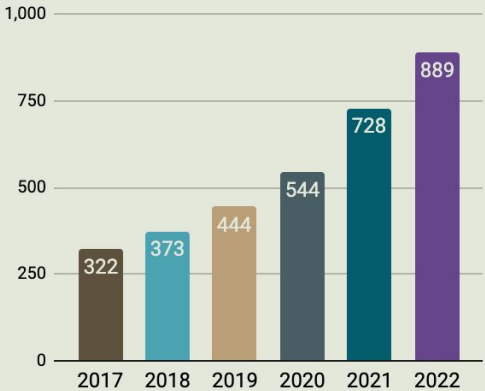
Transform B2B

Broaden our portfolio and shift growth to Hemnet-unique advertising offerings

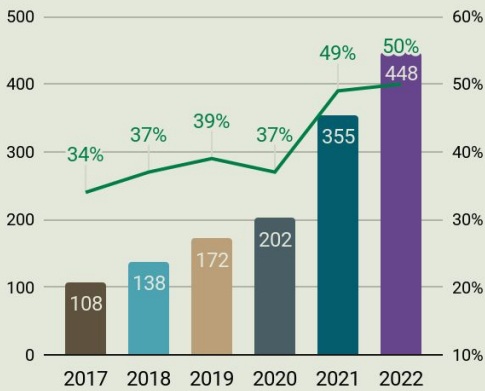
Summary of 2022 results



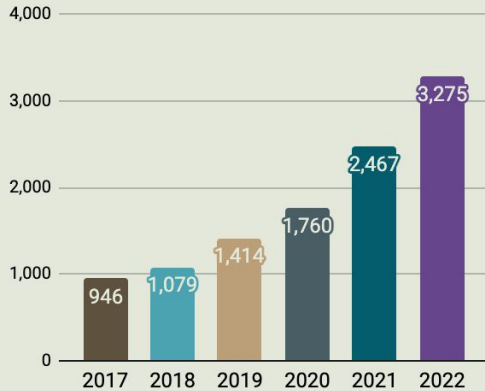
Continued execution on strategy despite challenging market in second half of 2022



Target: Hemnet aims to achieve annual net sales growth of 15-20 percent

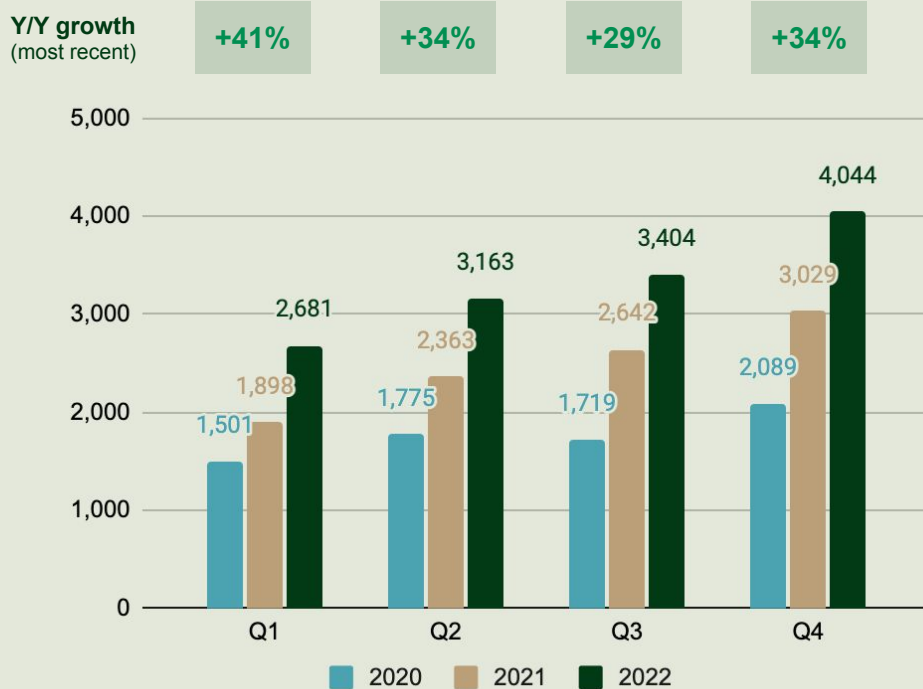


Target: Hemnet aims to achieve an adjusted EBITDA margin of 45-50 percent in the medium term, and a long term target of >55 percent



No target for ARPL

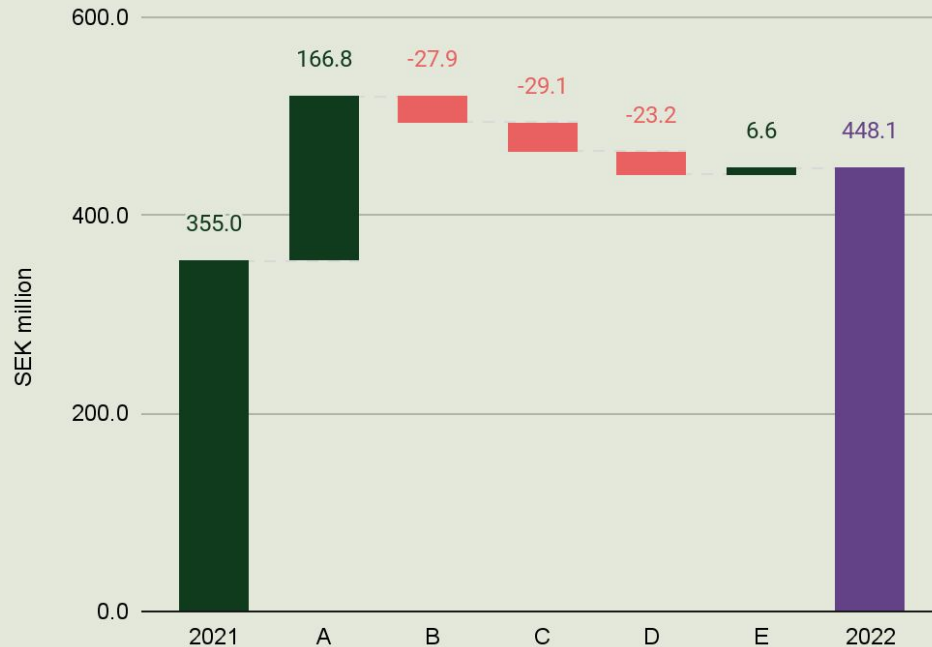
2022 ARPL growth of 33% as we continue to execute on our strategy for property sellers



ARPL growth driven by increasing demand and pricing

- **Product:** Inclusion of renewal in Premium yielding results. Ongoing improvements in packaging and payment flow.
- **Upgrades:** More and more consumers select a larger package for better exposure
- **Pricing:** Our pricing team regularly optimise the right balance in pricing our seller product portfolio

26% growth in adj. EBITDA as we continue investing in the business while enjoying operating leverage



- Administration and commission expenses to real estate agents increased in line with increasing revenue from listing related services
- Other external expenses increase mainly driven by higher consultant costs, somewhat mitigated by limited marketing spend during 2H
- Personnel costs increased by 17.8%, as the company continued to invest in product development for future growth (+22 employees q/q: 135)

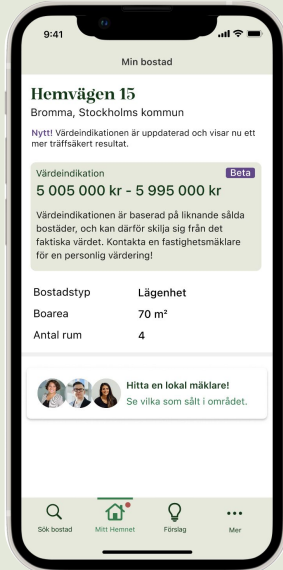
Chart legend

- A Net sales
- B Compensation to real estate agents
- C Other external expenses
- D Personnel costs
- E Other

Our growth is supported by product development - key product launches for 2022

Consumers

Launched property valuation and
“My Home”



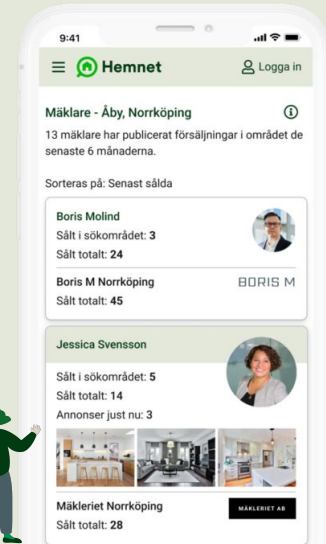
Property sellers

Renewal included in Hemnet
Premium



Real estate agents

Launched broker search flow and
first commercialisation product



We continue to take steps within in our sustainability framework



Being one of Sweden's best workplaces

- **Excellent NPS of 55**
- Even gender distribution
- **AllBright** prize for diversity and inclusion in 2022, and recognized by Universum as **one of the best employers in Sweden** in 2022



Combating climate change

- Joined the **Science Based Target Initiative** in 2022 and committed to reducing absolute scope 1 and scope 2 GHG emissions 42% by 2030.
- Aim to review and set a long-term target for reducing emissions within scope 3 during 2023



Living by strong ethical principles

- Increased training in our **Code of Conduct**, the foundation for our ethical framework, with 98 % of Hemnet employees passing our new digital e-learning
- Continued work around **rights to privacy** and safeguarding personal information



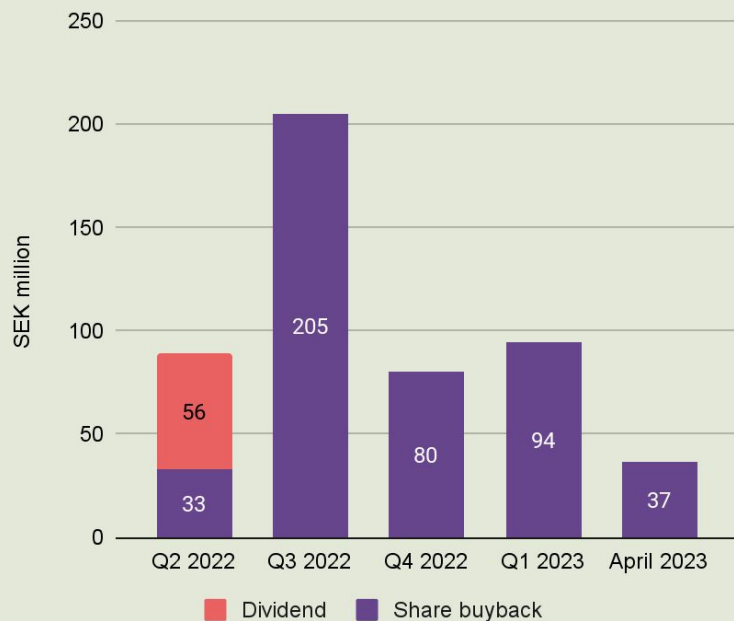
Creating positive social impact

- Continued support of and involvement in organisations that actively advocate for the right of all people to have a place to call their own home (**Stockholm City Mission** and Sweden for **UNHCR**)

Capital return & Financial targets



A total of SEK 449m returned through buybacks, and SEK 56m through dividends in 2022/2023



- A total of 3,057,549 shares were repurchased
- Average price per share for the buybacks was SEK 146.9
- SEK 449.2m spent under the buyback program ahead of the AGM in 2023
- A total of 2,780,428 shares will be redeemed at the 2023 AGM (the number of shares bought back at the time of the preparation of AGM materials, 15 March 2023). The remaining repurchased shares will be eligible for redemption at the 2024 AGM

In Q4 2022 we introduced a new long-term profitability target, reiterated other targets

Net sales	Profitability	Leverage	Dividend	
15-20%	45-50%	>55%	<2.0X	1/3
Annual growth	Reiterated target for 2023 adj. EBITDA margin	Long-term adj. EBITDA margin	Net debt to adj. EBITDA	Minimum dividend as portion of net income*

Q1 Summary

Cecilia Beck-Friis, CEO



Q1 2023 Summary

Key financials

Net sales growth

5.8%

(SEK 190.1m)

Adj. EBITDA-margin

45.9%

(SEK 87.2m)

ARPL growth

38.2%

(SEK 3,706)

Highlights

- Revenues from property sellers increased 11.7% despite a sharp 19.3% decline in newly published listings due to macroeconomic factors
- ARPL increased 38.2 % to SEK 3,706 (2,681), primarily driven by continued growth in demand for value-added services.
- Adjusted EBITDA increased by 2.0% 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.



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

Interest rates & cost of living create uncertainty and hesitance in buyers and sellers

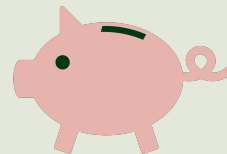
Interest rates

- Where will rates peak, and when will they stabilize?



Affordability

- When do I know how much price increases will affect my cost of living
- How will that affect my affordability?



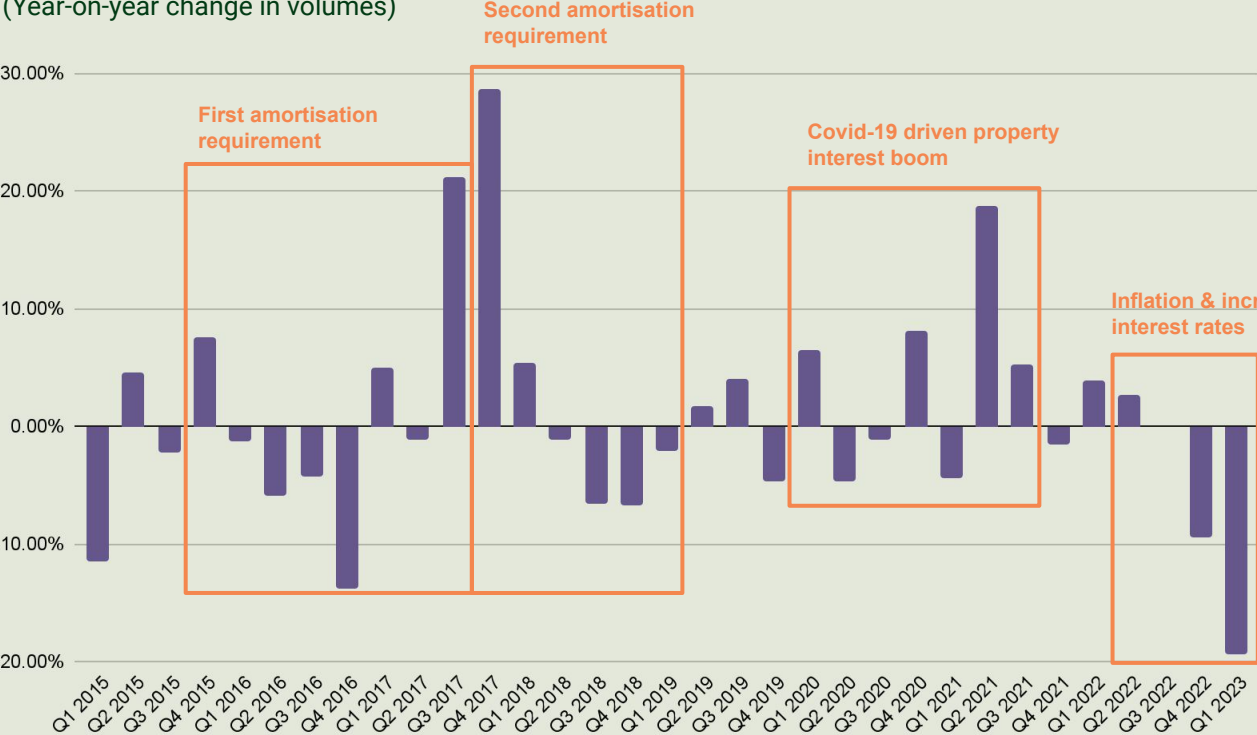
Buyers &
Sellers



Listings and transactions
are happening, but at
lower volumes

Despite quarterly fluctuations, the need to live means listing volumes are stable on annual basis

Published listings
(Year-on-year change in volumes)



Published listings
(Annual)



18 Note: orange boxes highlighting the impact of various events on listing volumes are management estimates

We see a number of potential catalysts that could impact the market going forward

Factor

Financials institutions expecting **rates to peak during 2023**

Significant number of **fixed mortgages up for refinancing during 2023**

Asking prices and sale prices are converging, listing durations are going down

Hemnet buyer's barometer showing the most **positive price expectations** since May 2022

Potential impact

Decreased uncertainty around affordability and higher willingness to transact

An increased number of homeowners having to **relocate to manage costs**

Closer alignment on price expectations may lead to **more transactions**



Through investments in product development and growth, we are ready when the market turns

Consumers



- Maintaining Hemnet's position as the go to property portal
- Securing listing content

Property sellers



- Product updates and pricing adjustments carry over into a normalised market

Real estate agents



- Improving the agent search flow launched in 2022
- Continuing commercialisation of agent search flow

Thank you!



Financial calendar

19 Jul 2023

Interim report Q2 2023

25 Oct 2023

Interim report Q3 2023

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