

Hemnet Group's presentation of the Q1 interim report

31 May 2021

Operational Highlights



Q1 Highlights



Strong financial performance with revenue and margin growth



New compensation model & segmented pricing on Hemnet Bas launched



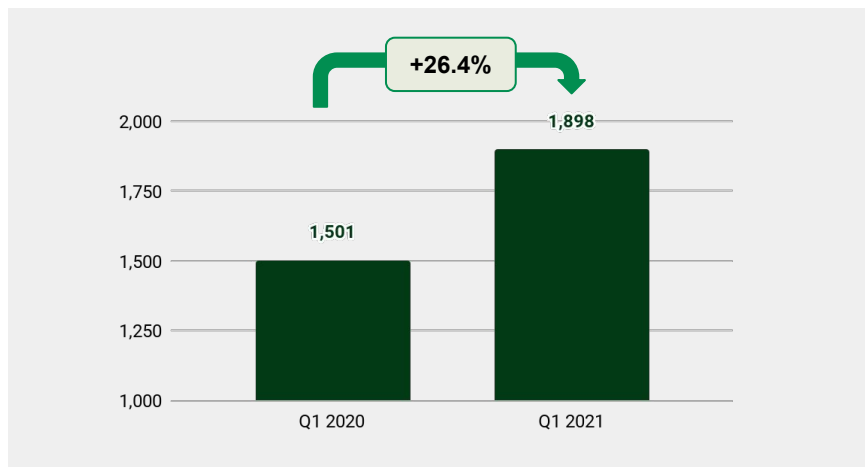
Consistent growth in conversion to Hemnet Plus & Premium and total ARPL



Continued strong development in our B2B-offering

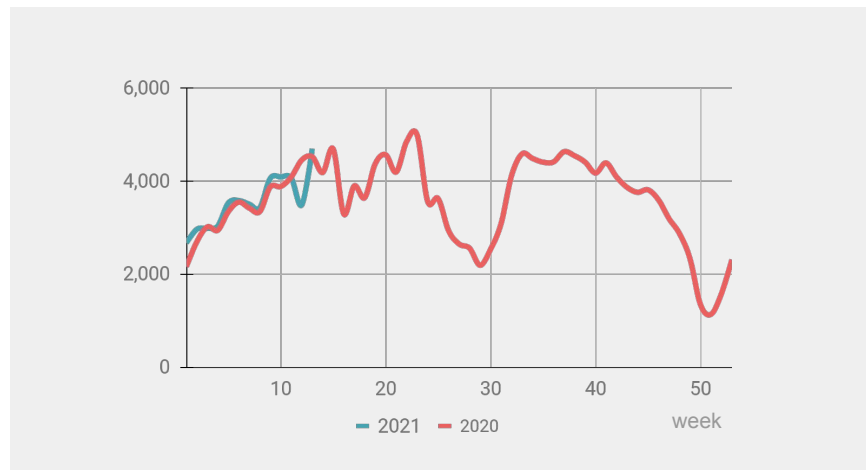
Strong growth in ARPL despite slight decline in published listing volumes

Total ARPL (SEK)



ARPL growth driven by strongly increasing uptake of seller's products and price adjustments

Published listings



Number of listings decreased 6.0 percent in Q1 2021 compared to Q1 2020 as March 2020 was particularly busy before the onset of the COVID-19 pandemic

26.4% Q1 ARPL growth driven by a number of factors



Recommendations from real estate agents

Every agent now has the opportunity to recommend Hemnet Plus or Premium to their seller



Purchase flow

Process to purchase value-added services has been reviewed to make it easier for property sellers to purchase these



Product improvements

We continuously monitor delivered value from our Hemnet Plus and Premium package to ensure satisfactory ROI

Product updates

New compensation model

	Previous model Until 28 Feb 2021	Transition period until 31 Dec 2021	Current model 2022 and forward
Admin-fee	50%	30%	30%
Commission	20%	30/40/50% <small>Up to SEK 15m training costs</small>	20/30/40%

New compensation model was launched on 1st March 2021 to align incentives between Hemnet and real estate brokers.

Segmented pricing for Hemnet Bas

Prices


The cost of advertising on Hemnet varies, use the calculator to find your price.

Calculate your price

Street or municipality

Starting price for the home

 kr
☐ The home has no starting price
Calculate the price



Similar to Hemnet Plus and Premium, the cost for Hemnet Bas is now dependent on more factors than the property asking price

People, culture and sustainability



Headcount

At the end of Q1, Hemnet had 111 (100) employees - with increases primarily in product development



Employee Satisfaction

Positive trends in employee satisfaction, culture and engagement across the firm



Values, Mission and Vision

Revisited and updated company values, mission and vision



Work Environment

Continued work from home with a focus on creating a sustainable work environment, attractive to both existing and prospective employees



Strategic goals update

	Customer group	Strategic goal	Update
	Consumers	Grow loyalty beyond the buy-sell moment	Organisational changes to increase focus on improving the consumer experience
	Sellers	Make upgraded listings the obvious choice	Focus on making it easier to buy Hemnet's value-adding services for sellers
	Agents & Business Partners	Create unrivalled products to meet agent and partner needs	Business partners investing increasingly more into Hemnet as traffic and engagement grows

Financial Highlights



Financial highlights



Net Sales & EBITDA

Strong Net sales growth of 23.6% and Adjusted EBITDA growth of 57.1%



Adjusted EBITDA %

Adjusted EBITDA margin up 8.5 p.p to 40.1%



ARPL

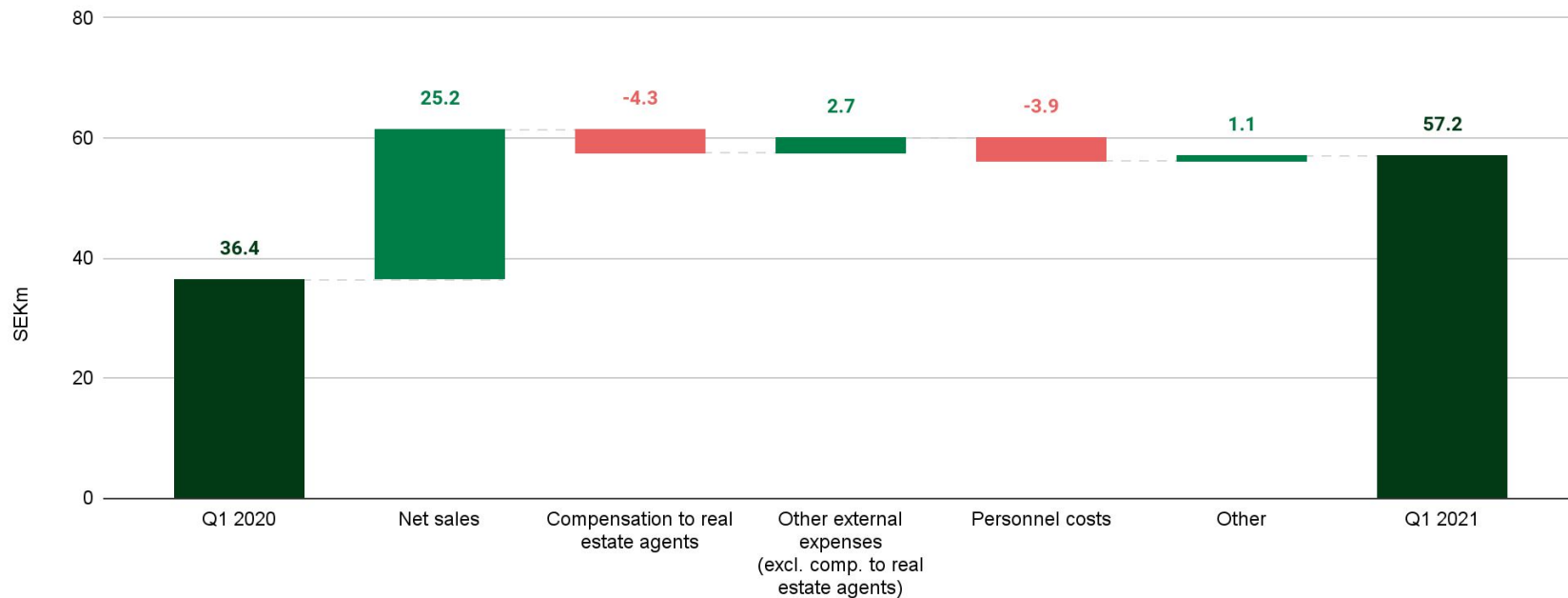
ARLP growth of 26.4% driven by both pricing and conversion



Leverage

1.8x Net debt / LTM Adjusted EBITDA

Changes in adjusted EBITDA



Cash flow and leverage

Cash flow

SEKm	Q1'21	Q1'20	FY20	FY19
Cash flow from operations b/f wc	13.8	3.1	125.6	134.9
Change in working capital	-2.0	-24.5	1.4	3.9
Operating cash flow	11.8	-21.4	127.0	138.8
Cash flow from investing	20.7	-2.5	-7.0	-10.8
Cash flow from financing	-7.0	-82.7	-92.3	-219.2
Cash flow for the period	25.5	-106.6	27.7	-91.3

Cash flow from investing Q1'21 included SEK +24.7m from sale of current interest-bearing securities, after which no such items are held by the company

Leverage

SEKm	Q1'21	Q1'20
LTM adjusted EBITDA	226.3	174.7
Net debt	407.5	558.0
Net debt / LTM adjusted EBITDA	1.8x	3.2x

Financial targets

Growth
15-20%

Annual net
sales growth

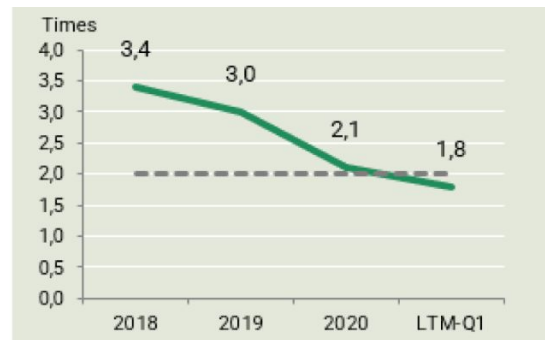
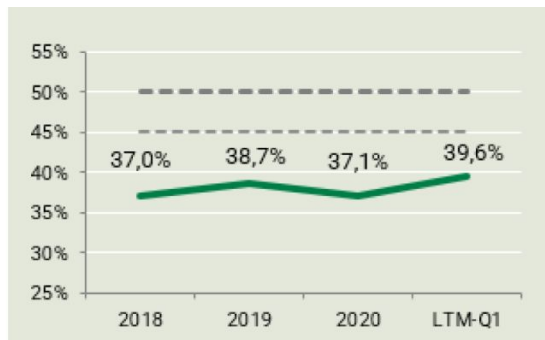
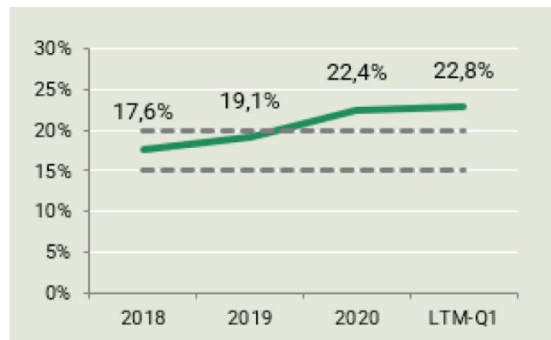
Profitability
45-50%

A medium term Adjusted
EBITDA margin

Leverage
<2.0x

Net Debt to Adjusted
EBITDA

Accumulated 12 months (2018-LTM Q1 2021)



Summary



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Q&A



Financial Calendar

August 20, 2021 Interim report, Q2

November 4, 2021 Interim report, Q3

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