

Hemnet Group's presentation of the Q4 interim report

1 February 2022

Presenting today



Cecilia Beck-Friis
CEO



Carl Johan Åkesson
CFO

Please submit any questions to: IR@hemnet.se

Highlights

Cecilia Beck-Friis, CEO



Strong growth in net sales and adjusted EBITDA

Q4 Highlights:



Net sales increased 24.2 percent to SEK 177.3m (142.7)



Adjusted EBITDA increased 76.3 percent to SEK 84.6m (48.0), corresponding to a margin of 47.7% (14.1 p.p)



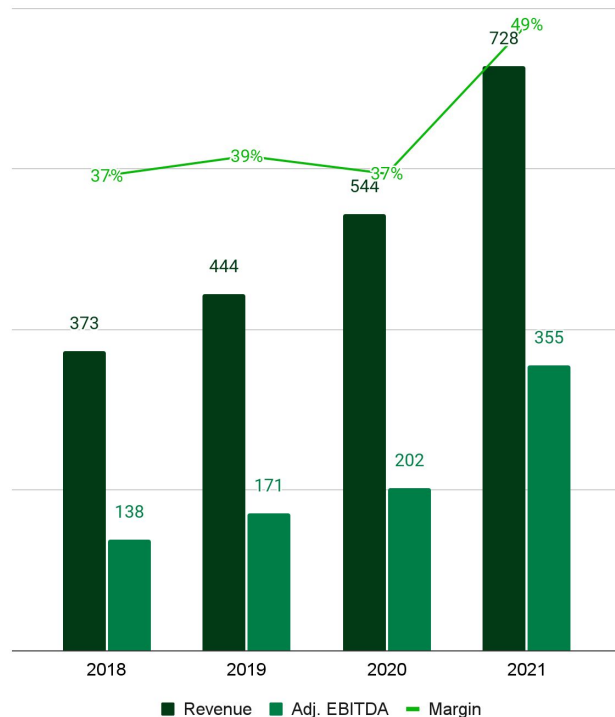
Continued operating excellence, leveraging changes to the business model and the continued development of our products and pricing implemented throughout the year



Proposal for dividend (SEK 0.55 per share) and share buy-back program of up to 10% of total shares outstanding up until the next AGM

Annual results exceeding financial targets, driven by strong customer demand and product changes

- Annual revenue growth of 34% greatly exceeds financial target of 15-20%. Adj. EBITDA margin of 49% in line with medium term margin goal of 45-50%
- Strong demand for seller and B2B products had a positive impact on results. Conversion to packages is consistently growing
- Successful implementation of segmented pricing and updated broker compensation model remain the largest contributor to results and will also be an enabler for continued growth
- Number of listings a contributor for exceptional performance (4.8% more listings in 2021) - but this is not a volume growth story
- Strong momentum in product development and customer demand as we look ahead to 2022

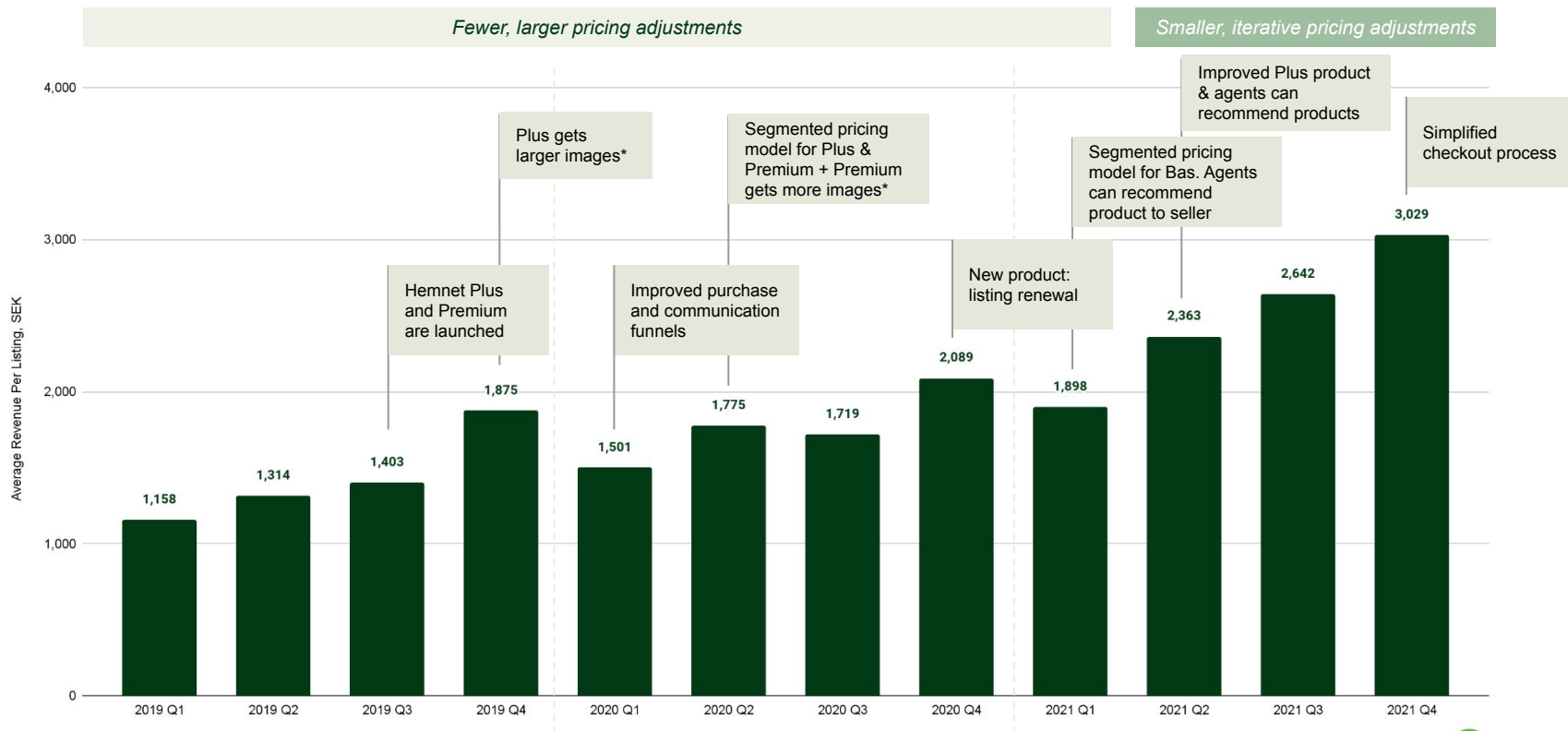


33.8%
Revenue growth
2021 FY

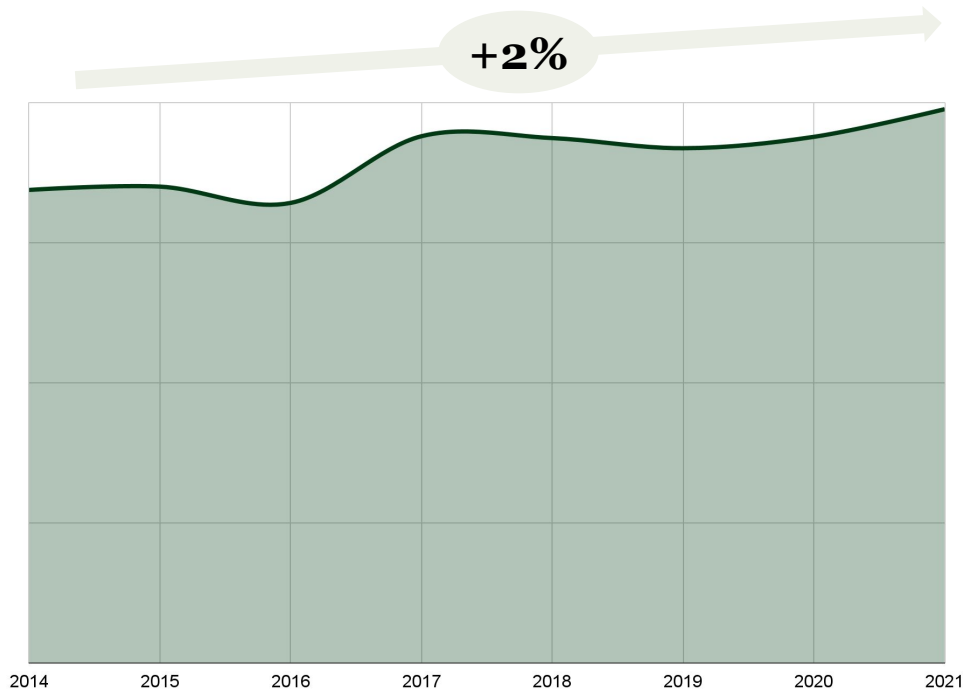
75.7%
Adj. EBITDA growth
2021 FY

11.7 p.p
Margin increase
2021 FY

We use product improvements, pricing adjustments and purchase funnel updates to drive ARPL growth



Listing volumes in 2021 driven by exceptional property market



- The number of listings volumes has historically been stable, growing at a CAGR of c. 2%
- 2021 listing volumes are the highest recorded in Hemnet's history - driven by exceptional interest in the property market
- Our growth strategy is based on our ability to increase the customer value and the ARPL for our listing products, as well as increasing the number of dedicated products for our B2B-partners

Business Update

Cecilia Beck-Friis, CEO



Several product updates in Q4 with focus on all three strategic customer groups



Consumers

- Increased stickiness by improving recommendations based on previous searches



Home sellers

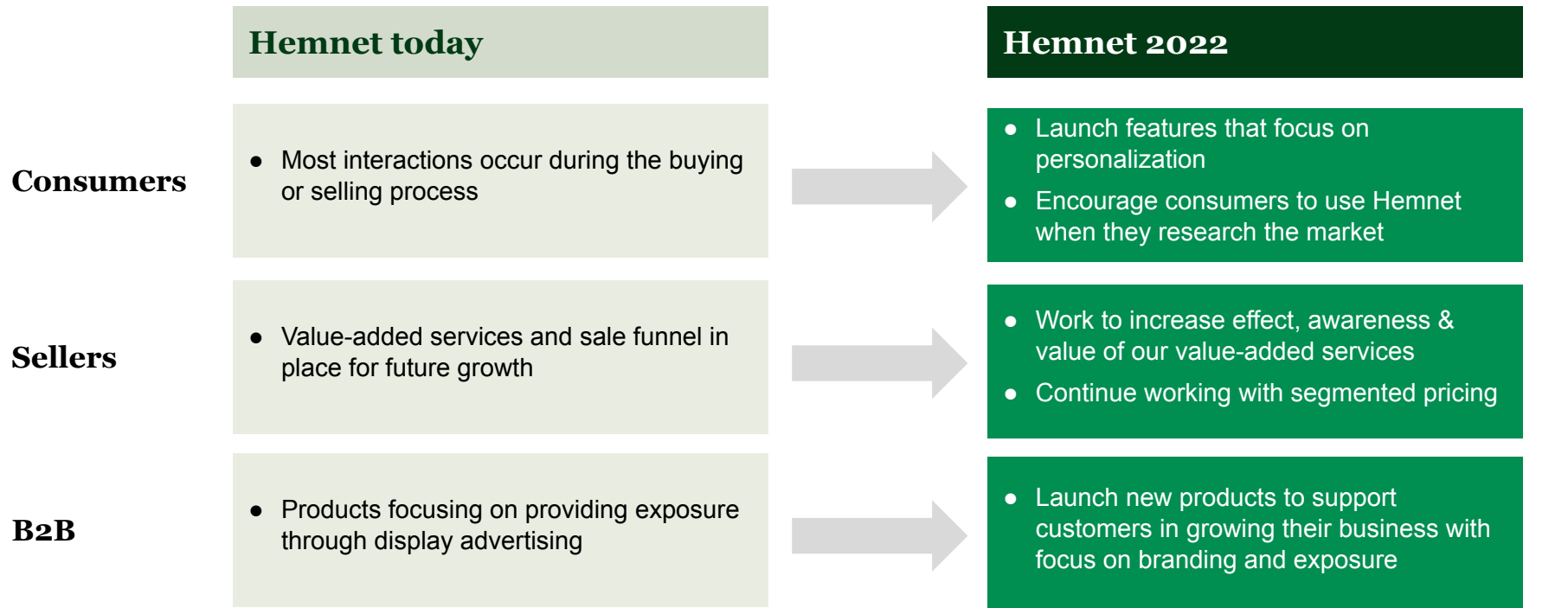
- Made it easier for sellers to buy Hemnet products through new payment methods
- Changed Hemnet Premium to focus on exposure on Hemnet, rather than on social media



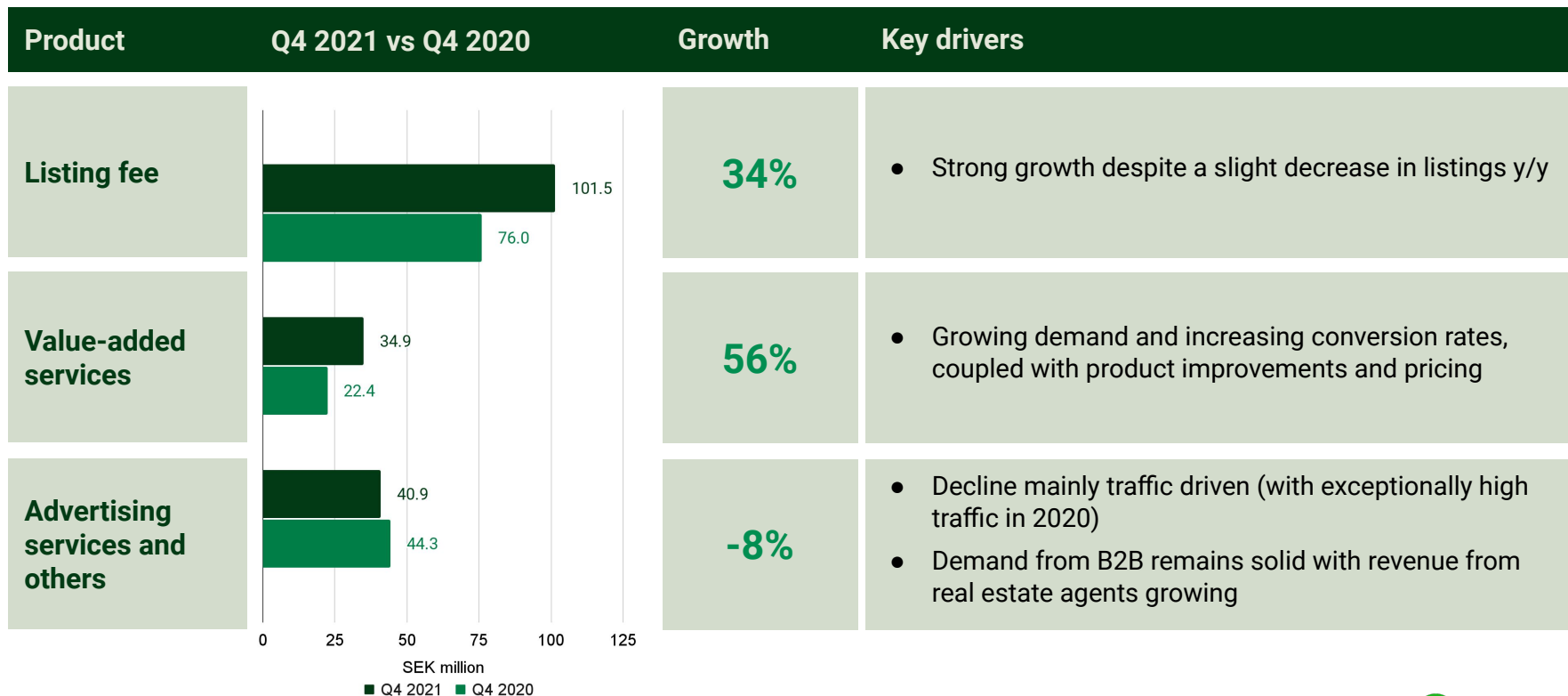
Agents and business partners

- Hemnet Business product and pricing update
- Testing new property development product
- Improved mortgage calculator

Product journey looking ahead



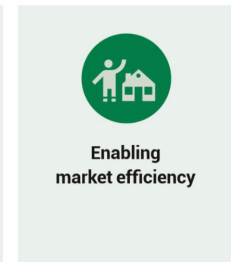
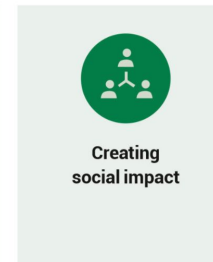
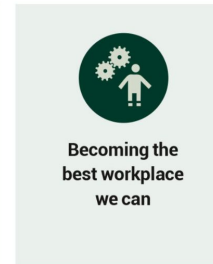
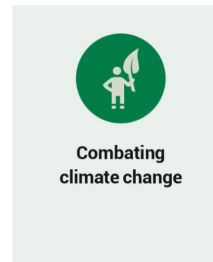
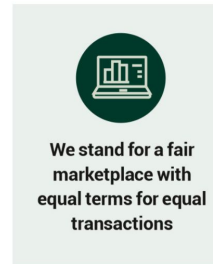
Net sales by service category



Updated framework for sustainability to be included in next Annual & Sustainability report

- As Hemnet grows, sustainability issues are becoming an increasingly important part of our business.
- In 2021 we advanced our sustainability work through a full review of the existing framework
- The result is a more transparent framework with clear focus areas and performance indicators, a risk analysis and an analysis of how Hemnet contributes to the UN Sustainable Development Goals
- Most importantly, the new framework includes quantitative goals, enabling consistent tracking of our progress

Our sustainability efforts should support our business as well as be a force for good in society:



Financial Update

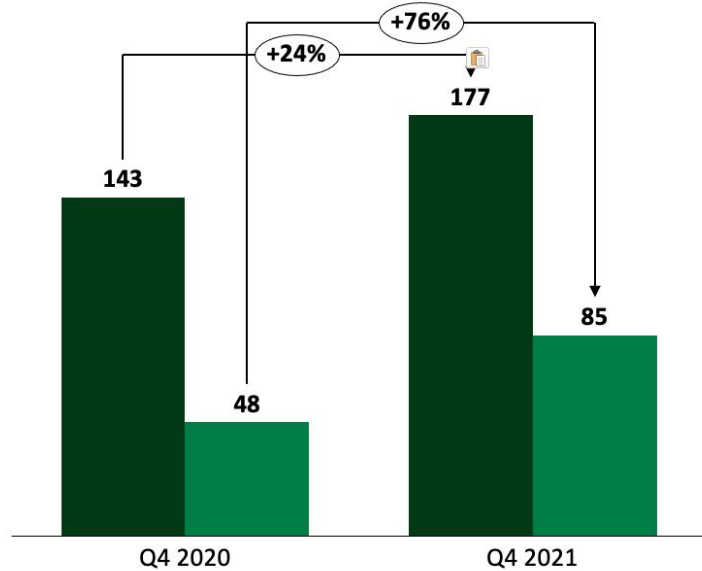
Carl Johan Åkesson, CFO



Annual revenue growth of 34% and Adj. EBITDA growth of 76%, with margin of 48.8%

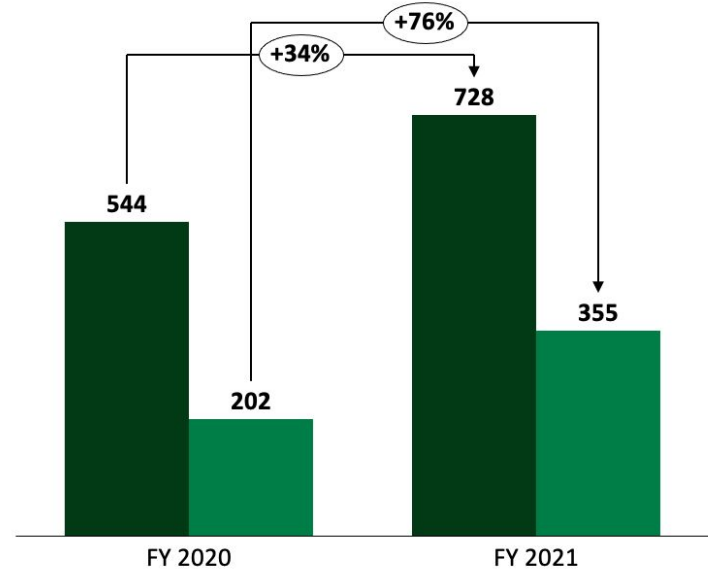
Q4 2021 (SEKm)

Adj. EBITDA%: 34% → 48%



Full Year 2021 (SEKm)

Adj. EBITDA%: 37% → 49%



Revenue

Adj. EBITDA

Financial highlights Q4

+24%

Net Sales
SEK 177.3m

+14pp

Adj. EBITDA margin
47.7%

+76%

Adj. EBITDA
SEK 84.6m

61.6_{Mkr}

Operating cash flow
SEK 94.5m cash & cash eqv.

+45%

ARPL
SEK 3,029

-0.3x
(vs Q3-21)

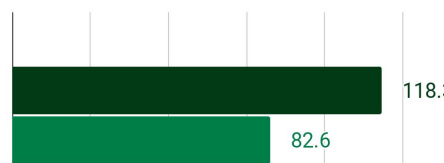
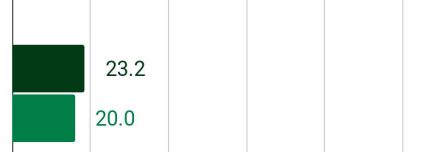
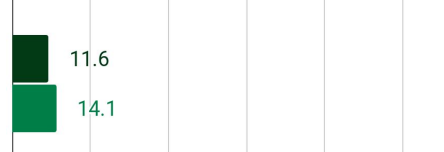
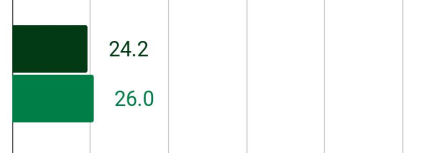
Leverage
0.5x

Full year adjusted EBITDA growth demonstrates Hemnet's operating leverage



- Hemnet demonstrates strong operating leverage with 24% revenue growth generating 76% growth in adjusted EBITDA
- Revenue growth primarily driven by listing revenue and revenue from value-added services
- Compensation to real estate agents increased with SEK 5.2m, including SEK 6.3m of broker education expense as part of the roll-out of the new compensation model in 2021
- The increase in other external expenses includes social media for Hemnet Premium
- Rising personnel costs as we continue to investments in our teams, something that is set to continue in 2022

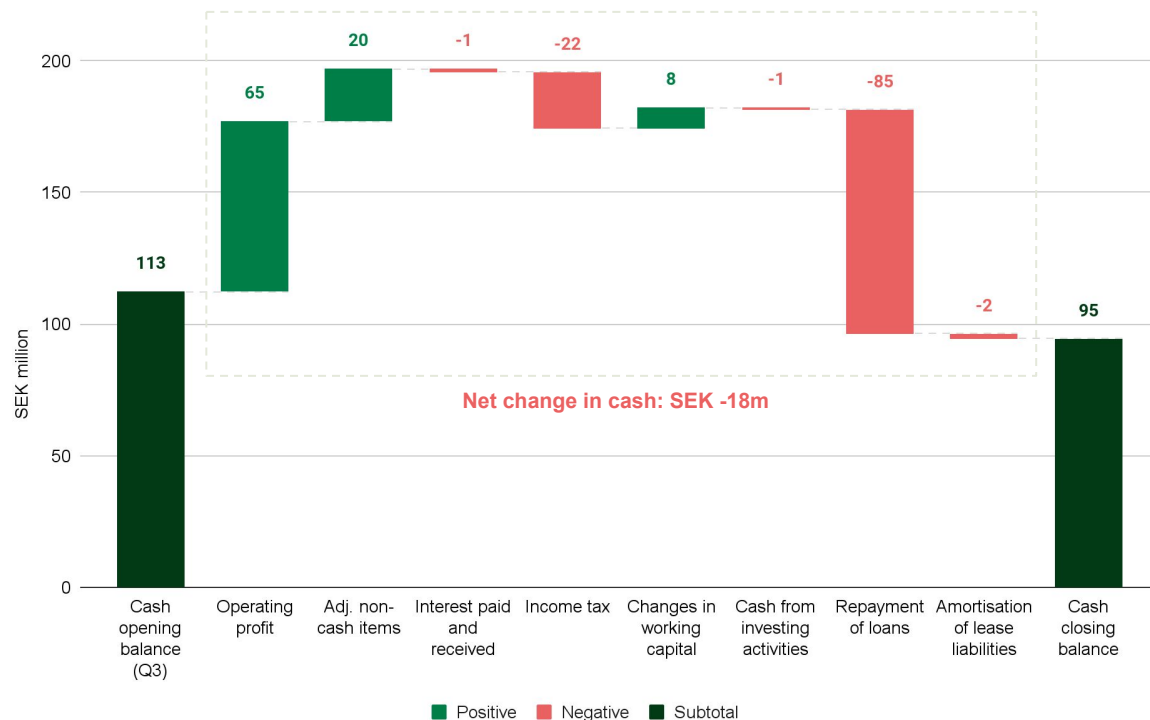
Net sales by customer category

Product	Q4 2021 vs Q4 2020	Growth	Key drivers
Property sellers	 <p>118.3</p> <p>82.6</p>	43%	<ul style="list-style-type: none"> Growth in conversion and positive pricing impact, despite a decline in listings y/y
Real estate agents	 <p>23.2</p> <p>20.0</p>	16%	<ul style="list-style-type: none"> Continued high demand for products and display Hemnet Business product and pricing update done at the end of Q4
Real estate developers	 <p>11.6</p> <p>14.1</p>	-18%	<ul style="list-style-type: none"> More cyclical investments Supply rather than demand challenge
Advertisers	 <p>24.2</p> <p>26.0</p>	-7%	<ul style="list-style-type: none"> Decline primarily traffic driven, from high levels, which affects programmatic revenue

SEK million

■ Q4 2021 ■ Q4 2020

We continue to decrease leverage



- Reduced draw-down on the revolving credit facility of SEK 85m is the most substantial driver for cash
- Income taxes follows growth in profit before tax
- The change in working capital was positive SEK 8.3m (15.8), which is a normal seasonal variation, as revenue and therefore accounts receivable are generally lower in December than in September
- Net debt of SEK 188.6m, corresponding to a **leverage multiple of 0.5x adjusted LTM EBITDA** (down from 0.8x Q3 2021)

Proposal for dividend and share buy-backs to be presented at annual general meeting

Dividend

- Financial target to distribute a minimum of 1/3 of net income
- Board to propose dividend of **SEK 0.55 per share** to AGM

Share buy-back scheme

- Seeking mandate for **up to 10% of outstanding shares** to be repurchased up until the next AGM



Financial targets

Growth

15-20%

Annual Net sales growth

Profitability

45-50%

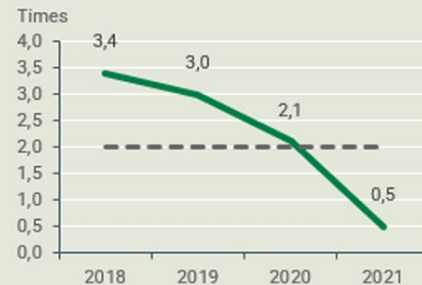
Medium term Adjusted EBITDA
margin

Leverage

<2.0x

Net Debt to Adjusted EBITDA

Accumulated 12 months (2018-2021)



Summary

Cecilia Beck-Friis, CEO



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Q&A



Financial Calendar

25 March 2022	Annual report 2021
28 April 2022	Interim financial report Q1 2022
29 April 2022	Annual General Meeting 2022
21 July 2022	Interim financial report Q2 2022
20 October 2022	Interim financial report Q3 2022

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