

# Q1 2022

## Presentation of the interim report

Hemnet Group AB | 28 April 2022

# Presenting today



**Cecilia Beck-Friis**  
CEO



**Carl Johan Åkesson**  
CFO

*Please submit any questions to: [ir@hemnet.se](mailto:ir@hemnet.se)*

**1 year  
as a listed  
company!**

NASDAQ STOCKHOLM

WELCOMES

HEMNET



ACADEMY AWARD  
NOMINATIONS  
BEST PICTURE  
BEST SUPPORTING ACTRESS SARAH CAHILL  
FACTORS AWARD WINNER OUTSTANDING CAST

NEVER BEEN ON  
trial FOR MY  
RIGHTS BEFORE."



You are the Plastic Ono Band.

# Highlights

## Cecilia Beck-Friis, CEO





# Quarterly highlights - Q1 2022

## Key financials

### Net sales growth

**+26.0%**  
(SEK 179.6m)

### ARPL growth

**+41.3%**  
(SEK 2 681)

### Adj. EBITDA-margin

**+47.6%**

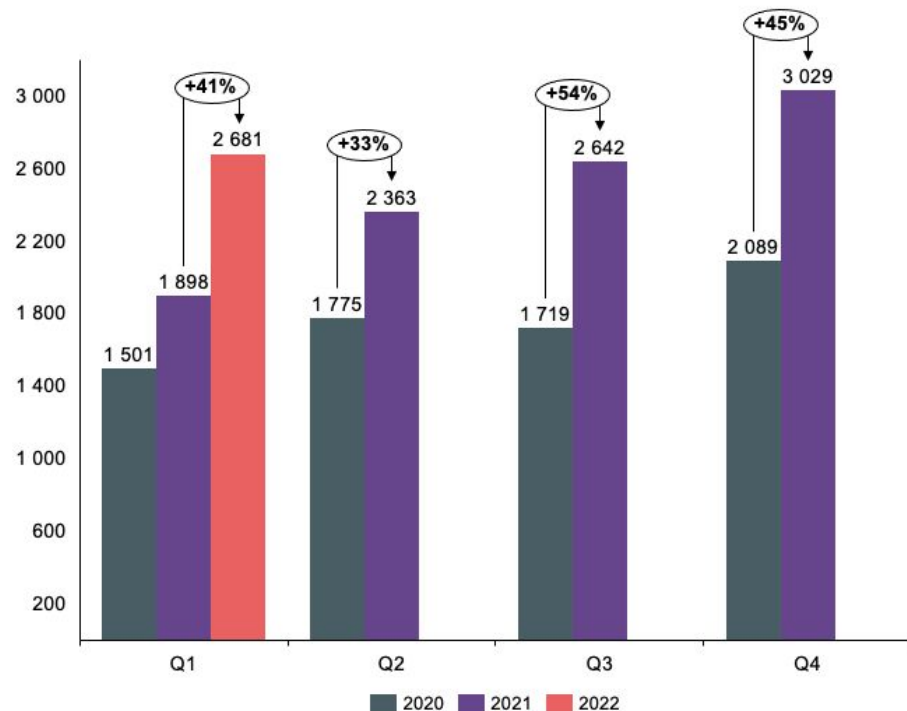
## Highlights

- Stable property market, with number of listings up 3.9% in Q1
- Adjusted EBITDA-margin increased 7.5 p.p to 47.6%
- High profitability and cash generation, with cash conversion (LTM) of 102% and leverage of 0.3x
- Dividend and buyback presented at AGM
- Accelerated focus on B2B product development, with new section on Hemnet that connects potential property sellers with real estate agents, as well as new Hemnet Business Pro product for Banks

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



# Q1 2022 ARPL up 41.3%



- Continued ARPL growth driven by a mix of increased conversion to value-added services and pricing
- **Product:** We are still early in the product and pricing journey, with continued focus on improving the value and effect of seller products to property sellers
- **Conversion:** Real estate agents increasingly recommend sellers to upgrade their listing to Plus or Premium
- **Pricing:** New pricing model for Hemnet Bas was launched on 1st March 2021 - last quarter with base comparison that includes revenue from previous pricing model

# Hemnet is the #1 property portal in Sweden

97%

Awareness among home sellers

Virtually every property seller in Sweden knows of Hemnet

The vast majority (84%) of sellers prefer Hemnet as their portal of choice. #2, with 14% of votes is Blocket Bostad, which no longer has brokered listings

Source: NEPA

#5

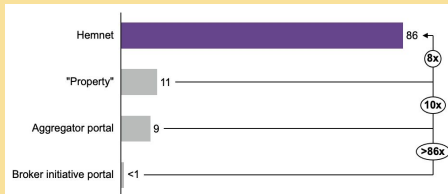
Strongest brands in the Swedish media industry

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

Source: YouGov brand report 2021

8x

Hemnet is searched for 8x more frequently than the Swedish word for “property” on Google



Source: Google trends, Q1 2022. Graph shows interest over time on Google search. Property = "bostad"

90%

Of all properties sold in Sweden are listed on Hemnet every year



When comparing data between Statistics Sweden\* and Hemnet, we see a c. 90% overlap. This number has remained steady over time with no major fluctuations

# Business Update

## Cecilia Beck-Friis, CEO





# We continue to execute on our company strategy, aimed at our three key customer groups

## 2022 Focus



### Consumers

- Launch features that focus on personalization to create a stronger relationship with the consumer
- Encourage consumers to use Hemnet when they research the market



### Sellers

- Leverage the strong platform built in the past two years to grow through a combination of product development, conversion and price



### Agents & B2B

- Meet high demand from B2B customers, with a broader and more integrated product offering

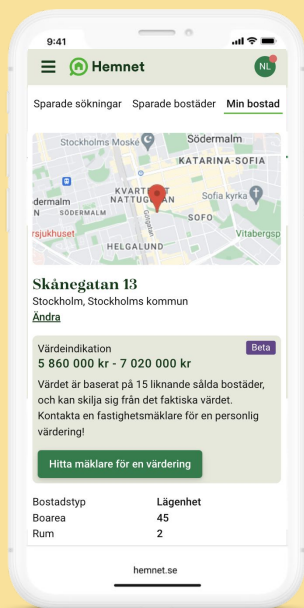
# In 2022 we have accelerate product development in the B2B category

- Launch of a **new section that highlights real estate agents in an area, creating new opportunities for home sellers and real estate agents to find each other on Hemnet**
- We want to be one of the **most important business partners to the broker industry**
- The pain point which we can best address is **helping agents find new sellers**
- In doing so, we can increase market mobility and make it even easier to do a property transaction in Sweden
- 25% of our users expect to be able to find a real estate agent on Hemnet - yet no effective product for this previously existed

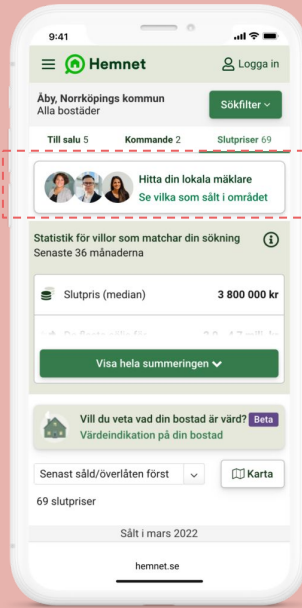


# Recent product launches focused on making Hemnet a greater part of the property journey

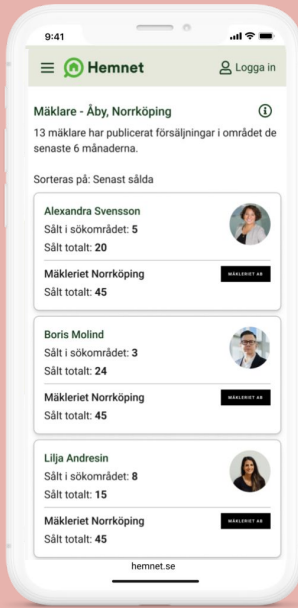
## Research & decision



## Find broker

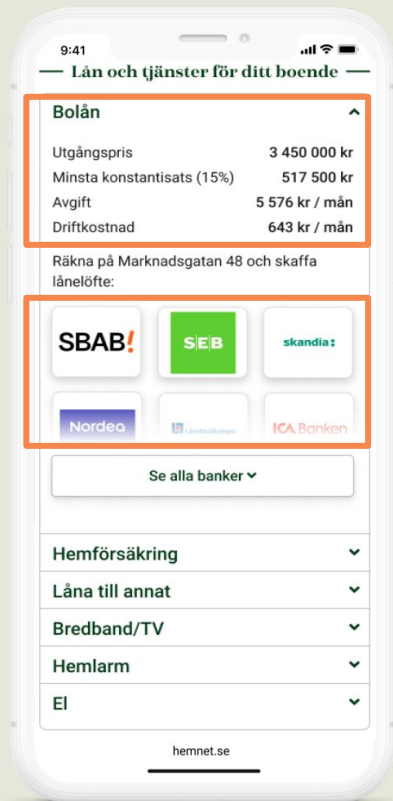


## Prepare the property for sale



## Promote the property

# Hemnet Business Pro for Banks was launched in Q1 to give paying banks better exposure



## New features

Improved overview of housing costs

Subscribing banks have extra exposure

**Banks is a key strategic customer group for Hemnet.**

**Hemnet remains the only Swedish portal where consumers can compare mortgages from all major banks.**

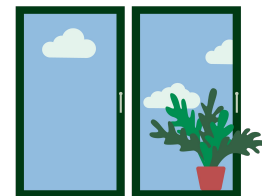
# Recruitment and marketing update

## Recruitment

- Recruitment, especially development roles, is a key focus area for delivering on our growth plan
- Competition for talent is high, somewhat mitigated by our active approach and attraction as one of Sweden's best employers
- Headcount was 121 FTE at the end of Q1 2022, up from 112 FTE at the end of 2021
- Most new additions are in product development

## Marketing

- New marketing concept to be launched during the year to reinforce Hemnet's market position
- Guldhemmet gala in May





# Financial Update

Carl Johan Åkesson, CFO



# Financial highlights Q1 2022

**+26%**

**Net Sales**  
SEK 179.6m

**+7.5pp**

**Adj. EBITDA margin**  
47.6%

**+49%**

**Adj. EBITDA**  
SEK 85.5m

**102%**

**Cash conversion**  
FCF/Adj. EBITDA

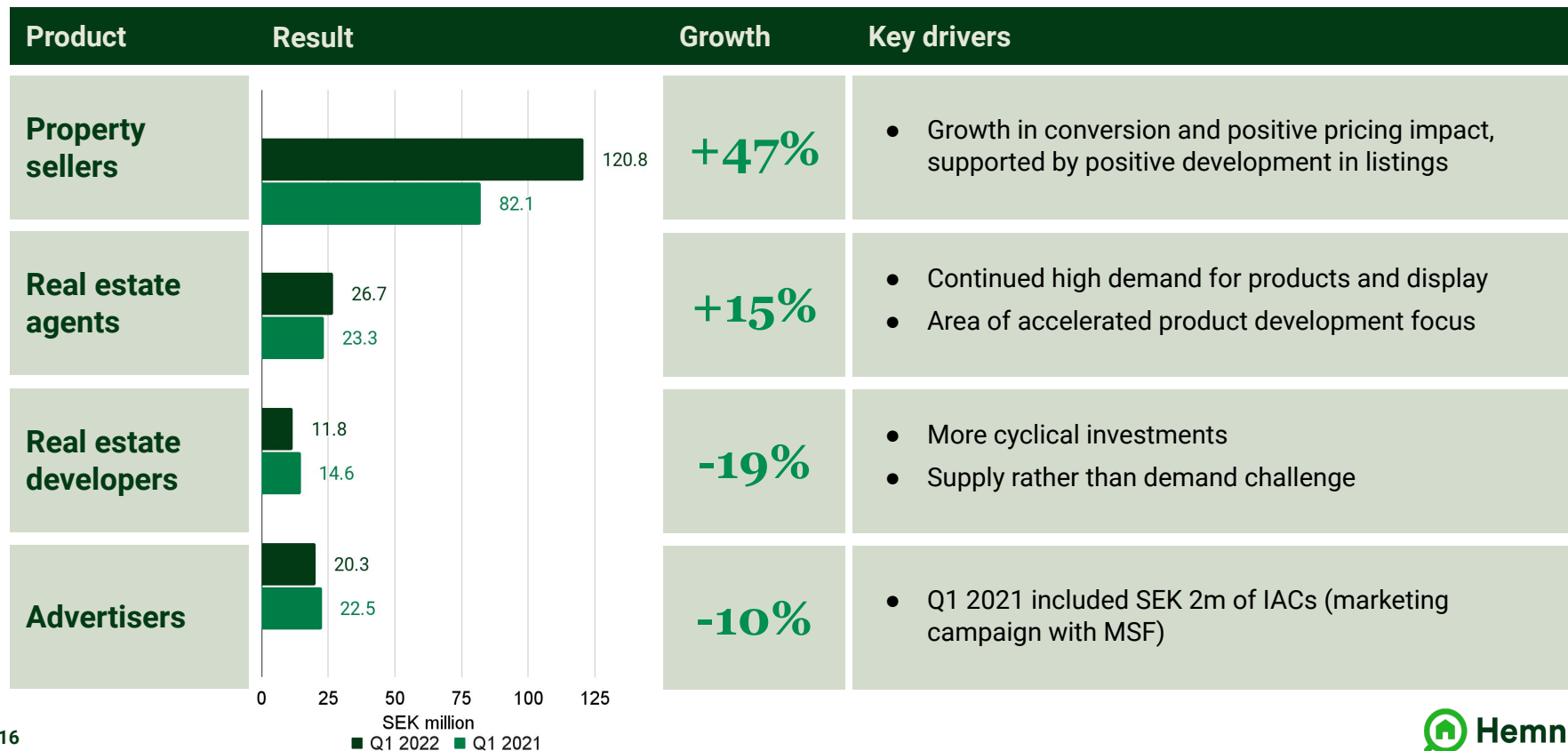
**+41%**

**ARPL**  
SEK 2 681

**0.3x**

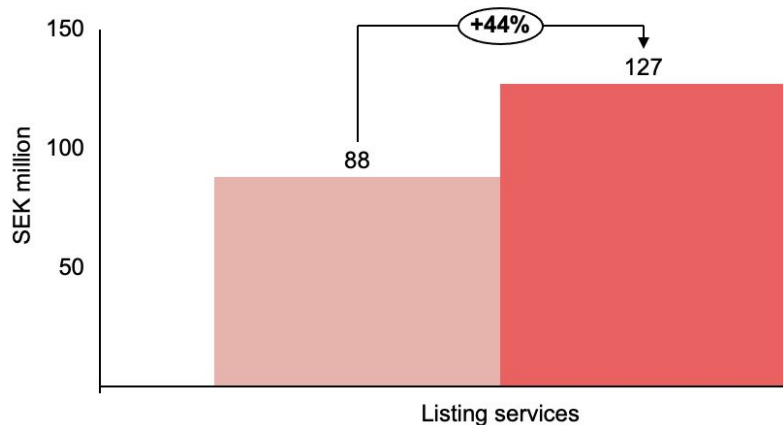
**Leverage**  
Net debt/Adj. EBITDA

# Net sales by customer category



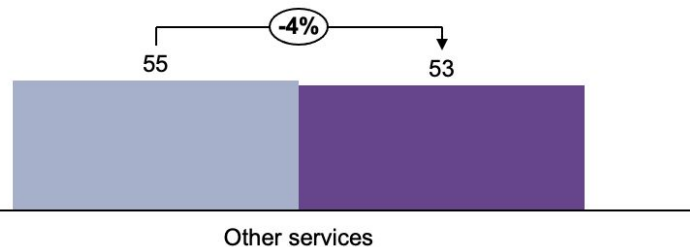
# Net sales per service type now two instead of three categories to clarify the building blocks

Listing services revenue (Q1 2021 vs Q1 2022)



- Revenue from listings and value-added services related to the listing
- Bas, Plus, Premium, Raketen, Förnya annons (Renew ad)

Other services revenue (Q1 2021 vs Q1 2022)

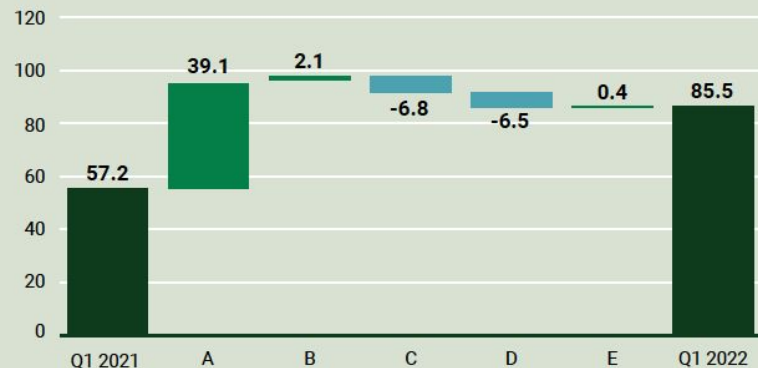


- All other revenue
- Includes value-added services for business customers (Hemnet Business and Mäklartipset)

# 49.5% growth in Adj. EBITDA driven by consistent growth in ARPL and operating leverage

## Adjusted EBITDA

SEKm



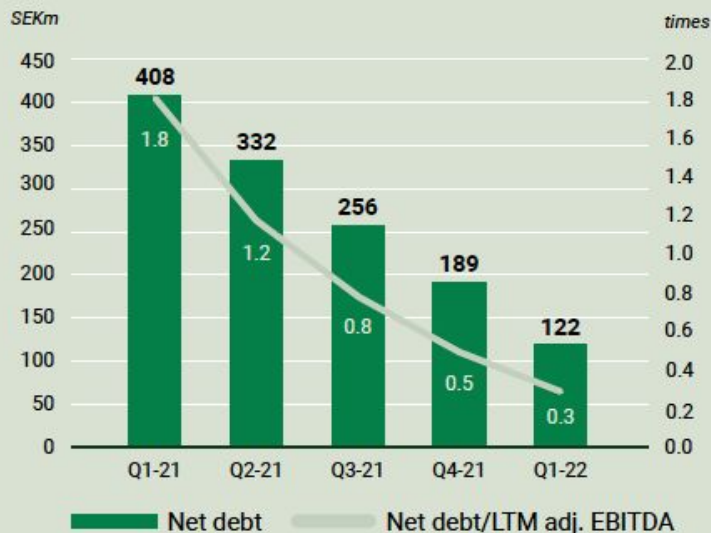
- A Net sales
- B Compensation to real estate agents
- C Other external expenses excl. compensation to real estate agents
- D Personnel costs
- E Other

- Continued strong growth in net sales, as a result of increasing average revenue per listing (ARPL) driven by strong growth in the sale of value-added services for seller's and price adjustments
- Small reduction in compensation to real estate agents - last quarter where we compare to the old compensation model
- Other external expenses growing mainly due to consultants within product and development
- Personnel costs continue to grow as Hemnet invests in new personnel



# We continue to decrease leverage

## Financial position



- Strong cash conversion of 102%
- Cash flow from operating activities of SEK 72.7m
- Voluntary repayments of bank loans of SEK 65m
- SEK 96.3m cash on the balance sheet

*Chart shows historical development of the Group's net debt and net debt in relation to rolling twelve months adjusted EBITDA.*

# Hemnet will distribute excess cash to shareholders

**102%+**

**Cash conversion,  
measured as  
FCF / EBITDA**  
*(cash conversion LTM)*

**0.55kr**

**Proposed ordinary  
dividend per share**  
*(in line with dividend target)*

**10%**

**Proposed share buyback  
using excess cash and  
balance sheet**

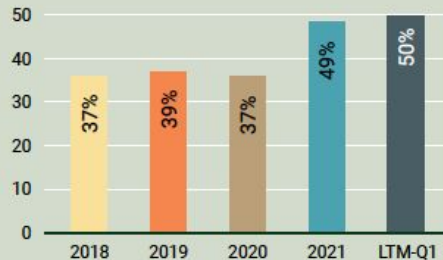
# Financial targets

## Growth 15-20%



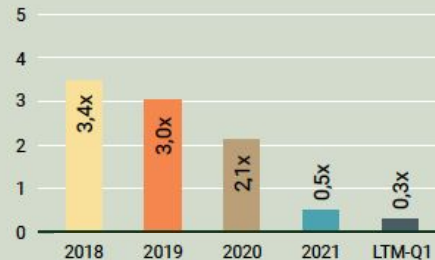
Hemnet aims to achieve annual net sales growth of 15-20 percent.

## Profitability 45-50%



Hemnet aims to achieve an adjusted EBITDA margin of 45-50 percent in the medium term.

## Leverage <2.0x



Hemnet aims to achieve a Net Debt to Adjusted EBITDA of less than 2.0x



# Summary

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# Q&A



# Financial Calendar

**21 July 2022**

Interim financial report  
Q2 2022

**20 October 2022**

Interim financial report  
Q3 2022

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