

Q2 2023

Presentation of the interim report

Hemnet Group | 19 July 2023



Hemnet Group AB (publ) | Sveavägen 9 | 111 57 | Stockholm | Sweden



Quarterly summary

Cecilia Beck-Friis, CEO



Q2 2023 Summary

Key financials

Net sales growth

-0.8%

(SEK 267.6m)

ARPL growth

30.8%

(SEK 4,138)

EBITDA-margin

52.6%

(SEK 140.7m)

Highlights

- Average revenue per listing (ARPL) increased 30.8%, driven by continued increased demand for value-added services.
- Revenues from property sellers increased by 3.9% despite a continued challenging housing market with 21.6% fewer published listings
- Hemnet has become the first and only property platform to display Images on sold properties - highly requested feature by our users
- The recruitment of a COO is a strategic step to enhance our core business, strengthen our customer focus, and explore new growth areas



“Hemnet delivers +31 percent ARPL growth - continued increased demand for value added services from property sellers”

New statistics reconfirm Hemnet's market share - 9/10 properties sold are listed on Hemnet

9 in 10 properties sold in Sweden are listed on Hemnet...



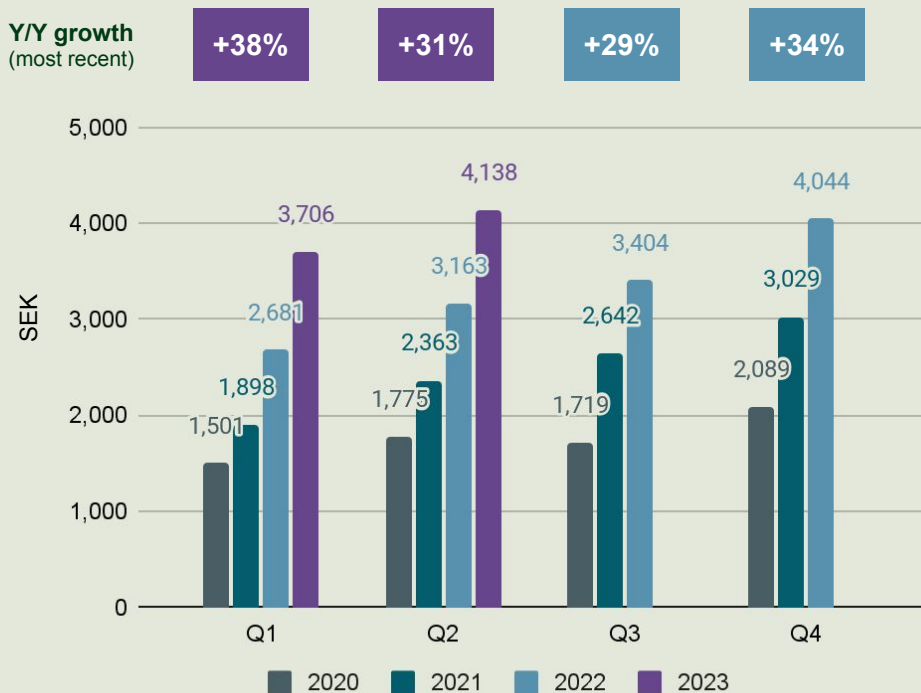
...just 1 in 10 is not on Hemnet



107,248 apartments and 65,546 detached houses were sold in Sweden during 2022.

Concurrently, 150,968 properties were sold through Hemnet, **representing 87.4% of the properties sold**, in line with the previous year (87.6%).

Q2 ARPL growth of 31% driven by increased demand for value-added services and pricing



Strong growth in revenue from VAS driven by product and pricing

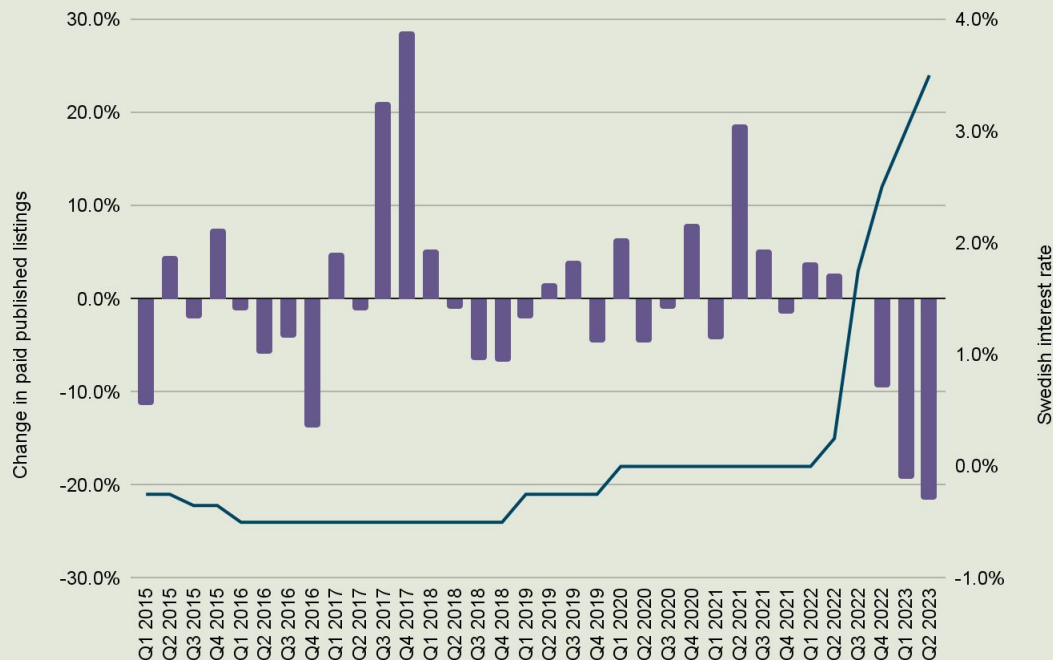
- **Product:**

- Changes to Hemnet Premium and update to Renewal model yielding results, with Renewal revenue twice as high as last year
- If no package recommendation is given by the agent, Hemnet will now recommend “Premium” to the seller

- **Pricing:** pricing team regularly review demand and product launches to find the right price levels for our seller product portfolio

2023 YTD volumes remain weak as Swedish Central Bank continues to increase rates

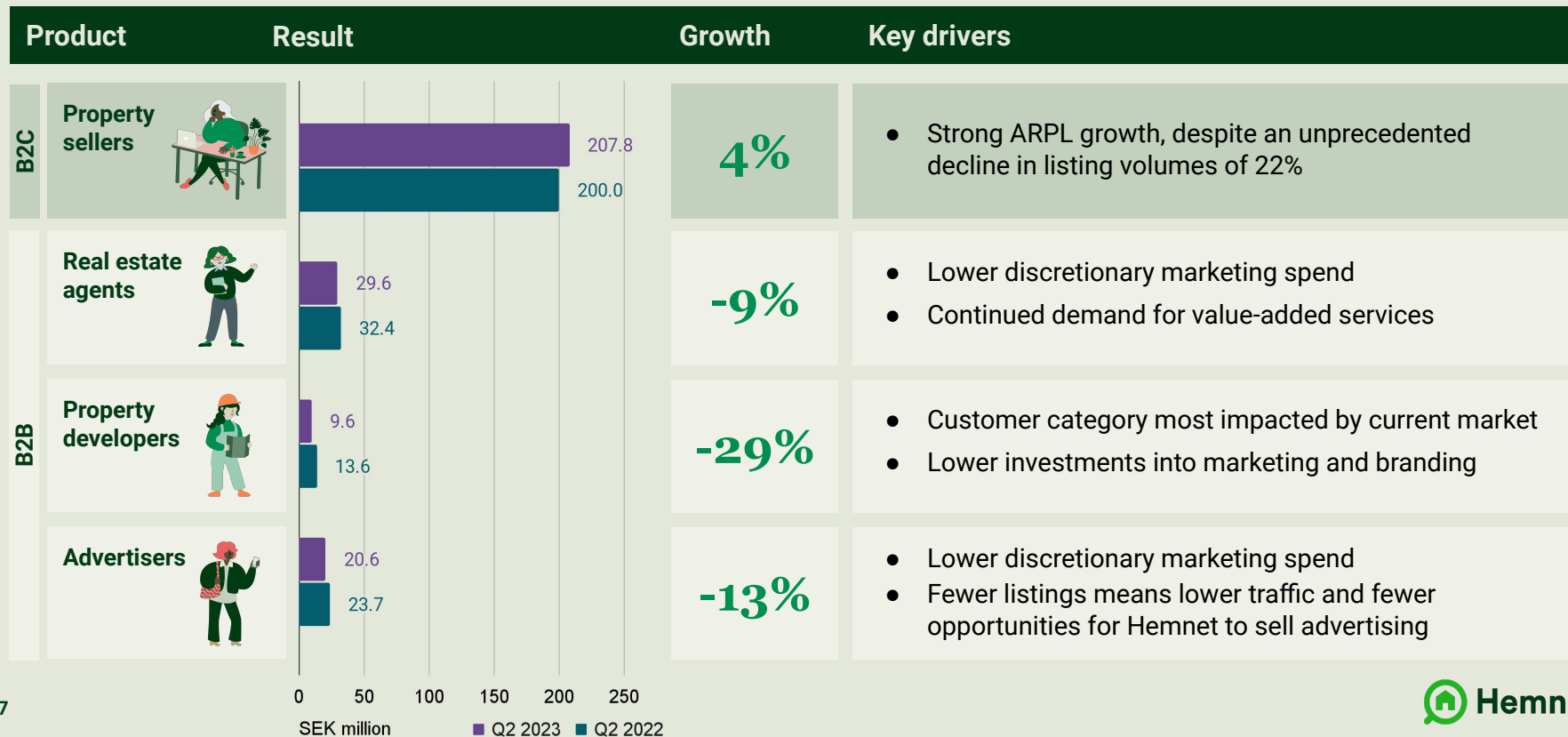
Published listings and Swedish interest rate
(Year-on-year change in volumes, base interest rate)



What we are seeing in the property market

- **Lower volumes:** unprecedented decline of 22% as market continues to be hesitant
- **Fewer transactions:** -19% vs LY
- **Prices stabilizing:** +2% for April - June compared to January - March 2023 according to Svensk Mäklarstatistik
- **Price expectations are increasing:** Hemnet's buyer's barometer is showing the highest level of price expectations since May 2022.

0.8% decline in net sales driven by weaker demand for B2B products



We continue investing in talent and optimising our organisation

7 employees added by end of Q2

Lisa Farrar appointed as Chief Operating Officer (*new role*)

Hemnet recognized for employer branding efforts by Universum

Number of employees
(At period end)



7 Employees added, mostly in iOS development and UX

Hemnet is in a unique position to recruit exceptional talent while other Stockholm based tech companies are downsizing



New role that will consolidate responsibility for commercial operations

Lisa has extensive experience in digital product development and will help strengthen our core product offering, customer relationships and focus on new growth areas



Product update

Cecilia Beck-Friis, CEO



Executing on the strategy: 2023 Product roadmap



Engage consumers

Secure listing content

Content Discovery

Deeper personalised experience



Grow sellers

Grow ARPL through product & pricing

Leverage agents VAS recommendations



Transform B2B

Helping agents find sellers

VAS for property developers

Pay-later test appears promising from user satisfaction and revenue perspective

Rationale behind pay-later test

1

Securing content by decreasing threshold to list on Hemnet

2

Using pay-later as tool in long-term pricing journey

3

Increases customer satisfaction across all groups

Lidingövägen 23, Lidingö



2

3

2. Välj när du vill betala

Du kan välja mellan att betala direkt eller skjuta på betalningen till att din mäklare tar bort annonsen t.ex. när bostaden har sålts.

Betala direkt

- ☒ • Få 10% rabatt på annonsen.

Hemnet Premium för 12 024 kr

Betala när annonsen tas bort

- ☐ • Fakturan skickas när din mäklare tar bort annonsen från Hemnet.
• Senast 4 månader från publicering skickas fakturan även om annonsen fortfarande är publicerad.

Hemnet Premium för 13 360 kr

Föregående

Nästa

What do we test and evaluate?

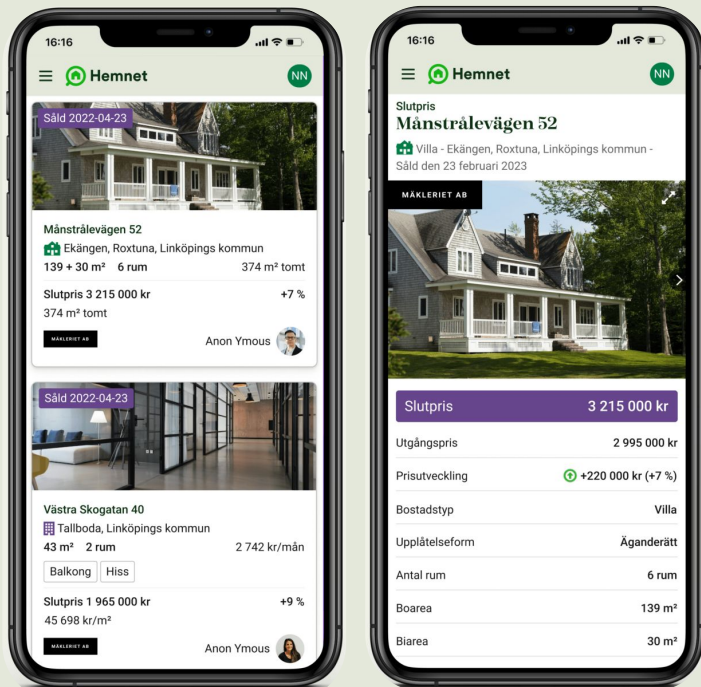
Customer satisfaction

Impact on conversion

Pricing

Financial considerations

Images on sold properties enable consumer engagement & marketing for agents



Consumers



- Better understanding
- Save, share and compare
- More engaging content

Agencies & Agents



- New marketing opportunity
- Possibility to differentiate based on sales success

Photo agencies & Photographers



- Visibility on Hemnet
- Showcase their work and find new customers

New sticky bar on mobile platforms makes it easier for users to contact a real estate agent

Sticky bar is a great example of a win-win product, with low required investments



Consumers

- Easier to contact agent
- Better understanding of who is selling



Agencies & Agents

- New marketing opportunity
- Potential to generate more leads
- Available to all agents and free to use
- Positive impact on customer relationship



My Home is a long-term bet, with iterative improvements in user experience and valuation



Purpose:

Offer a personalized Hemnet experience to increase consumer stickiness and engagement

Ongoing improvements

Personalisation: enriching content and increasing relevance

Quality: presentation of data and accuracy of valuation algorithm

Financial Update

Anders Örnulf, CFO



Financial highlights Q2 2023

-1%

Net Sales
SEK 267.6m

+31%

ARPL
SEK 4,138

-3%

EBITDA
SEK 140.7m

99%

Cash conversion
FCF/Adj. EBITDA

-1.3pp

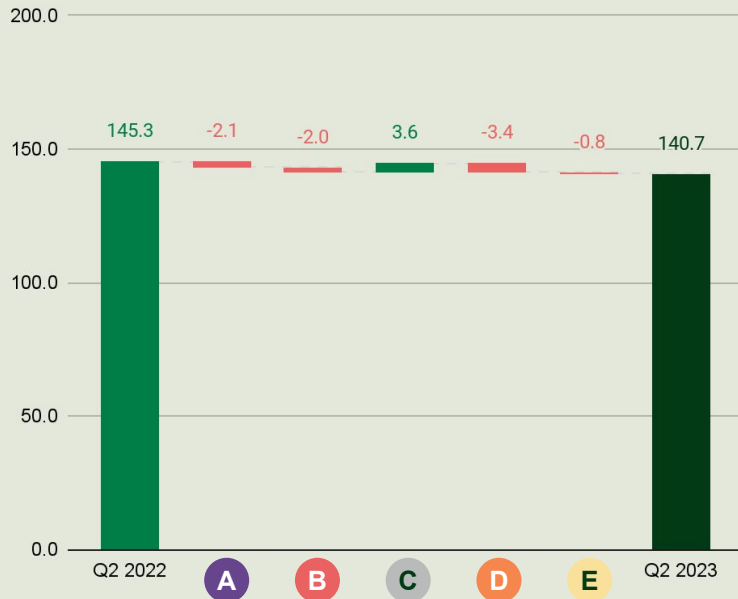
EBITDA margin
52.6%

0.9x

Leverage
Net debt/Adj. EBITDA

3% decline in EBITDA driven by listing volumes and continued investments in product development

EBITDA bridge
SEK million



Commentary

A

Net sales

Primarily driven by ARPL that balances listing volume decline

B

Compensation to real estate agents

Grows in line with seller revenue (29% effective compensation)

C

Other external expenses

Paused marketing spend and reduced consultant costs

D

Personnel costs

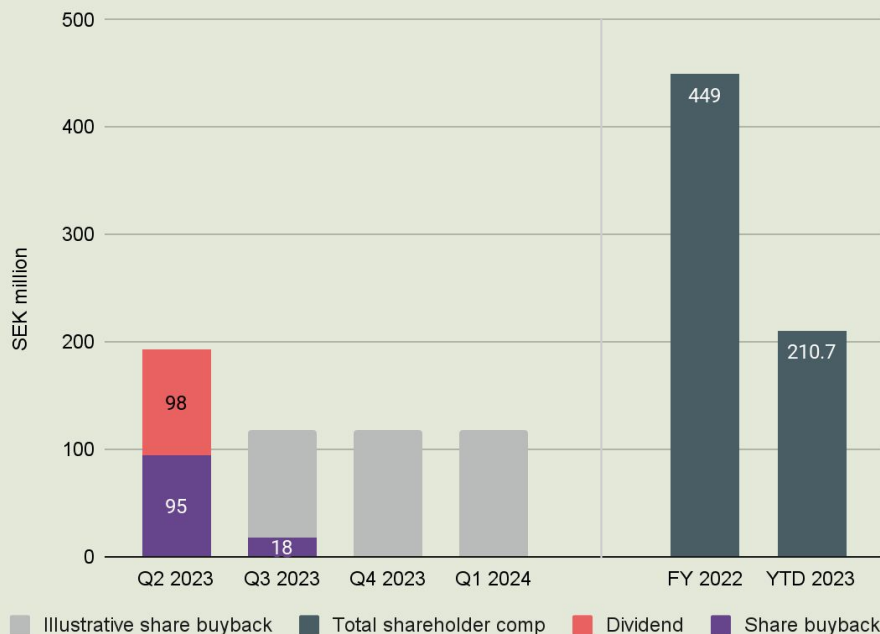
+27 employees compared with Q2 2022
- most hired in late 2022 / early 2023

E

Other

Primarily late payment fees for listings paid through invoice

3.5% of shares outstanding have been repurchased since buybacks started



Summary of buyback programs (AGM 2022-2023 & AGM 2023-2024 YTD)

Starting total number of shares outstanding	101 131 478
---	-------------

Shares redeemed at 2022 AGM	- 2 780 428
-----------------------------	-------------

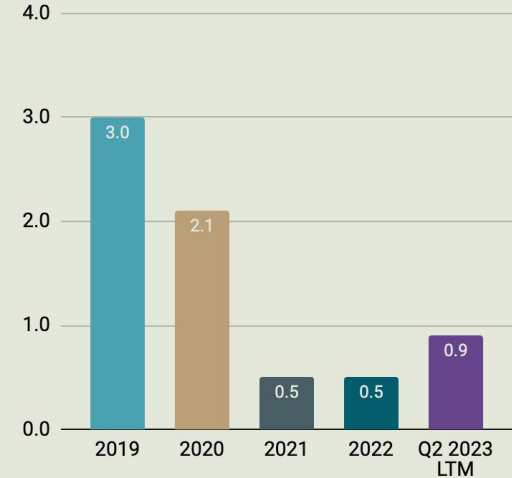
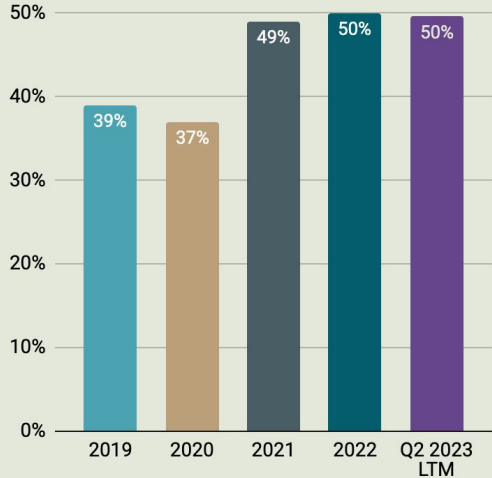
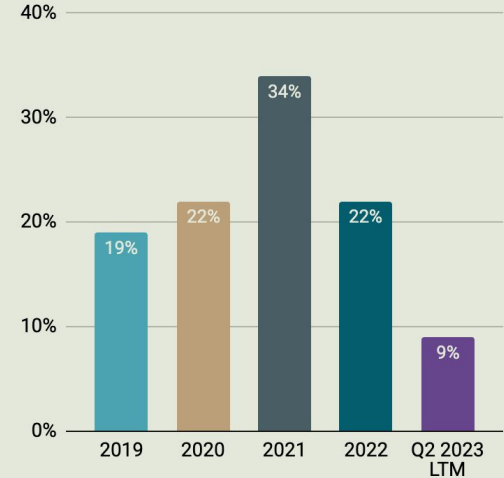
Shares bought in 2022 to be redeemed at 2023 AGM	- 334 121
--	-----------

Shares bought during 2023-2024 buyback program	- 445 937
--	-----------

Net number of shares outstanding (As of 17 July 2023)	= 97 570 992
--	--------------

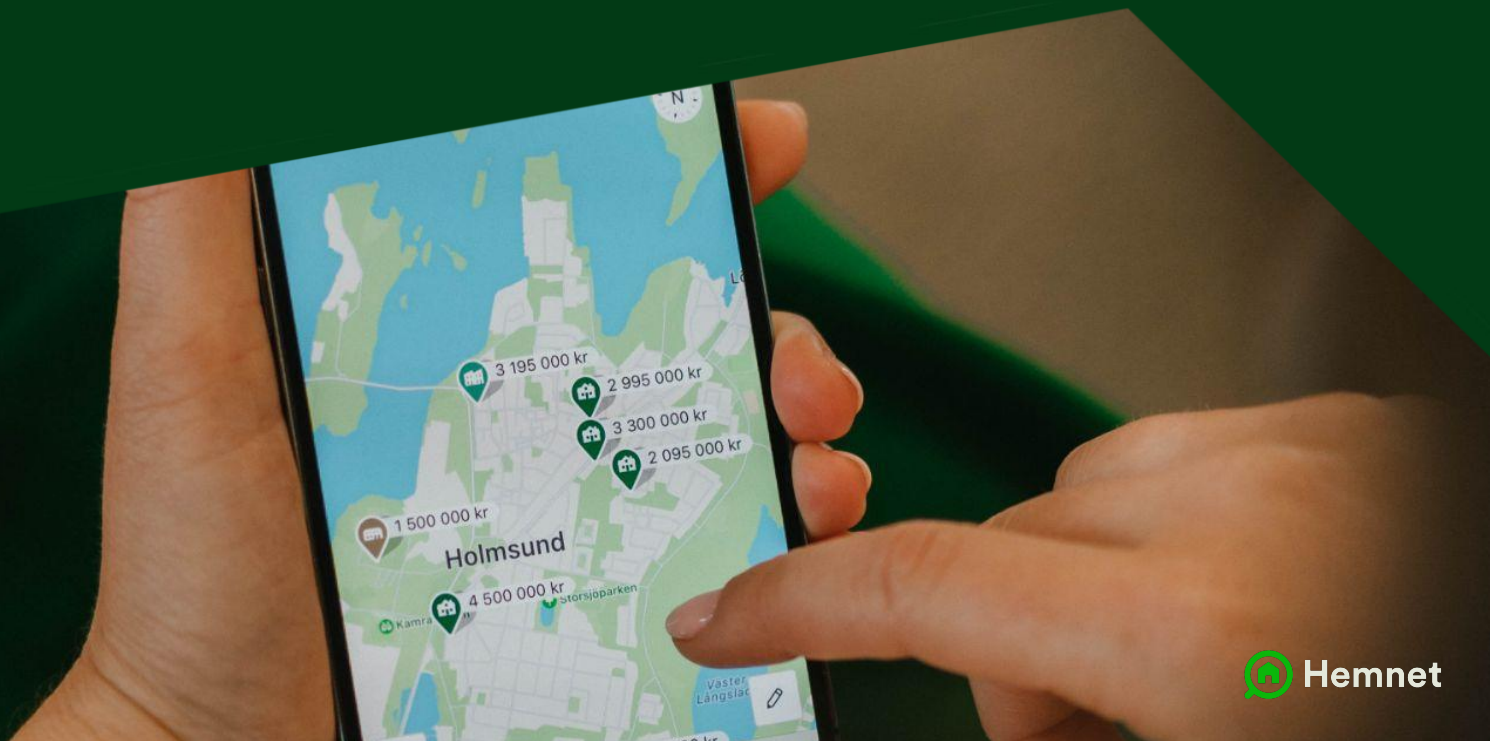
% change in shares outstanding from buyback programs	-3.5%
---	-------

Listing volume decline has had a significant impact on net sales growth rate, despite some offset from ARPL



Summary

Cecilia Beck-Friis, CEO



Q2 2023 Summary

Key financials

Net sales growth

-0.8%

(SEK 267.6m)

ARPL growth

30.8%

(SEK 4,138)

EBITDA-margin

52.6%

(SEK 140.7m)

Highlights

- Average revenue per listing (ARPL) increased 30.8%, driven by continued increased demand for value-added services.
- Revenues from property sellers increased by 3.9% despite a continued challenging housing market with 21.6% fewer published listings
- Hemnet has become the first and only property platform to display Images on sold properties - highly requested feature by our users
- The recruitment of a COO is a strategic step to enhance our core business, strengthen our customer focus, and explore new growth areas



“Hemnet delivers +31 percent ARPL growth - continued increased demand for value added services from property sellers”

Q&A



Dial-in instructions

Hemnet invites analysts, investors and media to participate in the results presentation of the first quarter on 19 July 2023 at 10:00 CET. The results will be presented by CEO Cecilia Beck-Friis and CFO Anders Örnulf. The presentation will be held in English, followed by a Q&A session. Participants are welcome to join via the below link or by phone.

Webcast and teleconference info:
<https://financialhearings.com/event/46450>

Financial calendar

25 Oct 2023	Interim report Q3 2023
31 Jan 2024	Year-end report 2023
23 Apr 2024	Interim report Q1 2024
25 Apr 2024	Annual general meeting

IR Contacts



Anders Örnulf

CFO
+46 727 32 10 12
anders.ornulf@hemnet.se



Nick Lundvall

IR Manager
+46 761 45 21 78
nick.lundvall@hemnet.se



Disclaimer

This presentation may contain forward-looking information and statements with respect to the financial condition, results of operation and business of Hemnet Group AB (publ) (the "Company"). Such forward-looking information and statements are based on current expectations, estimates and projections of the Company or assumptions based on information available to the Company. Although the Company believes that its expectations reflected in any such forward-looking information and statements are based upon reasonable assumptions, the Company can give no assurance that those expectations will be achieved. Several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by information and statements in this presentation. Any forward-looking statements made during this presentation speak only as of the date of this presentation and the Company undertakes no obligation, other than as required by applicable law, to update any of them in light of new information or future events.