



Q4 2022

Presentation of the year-end report & strategic update

Hemnet Group AB | 27 January 2023

Present today



Cecilia Beck-Friis
Chief Executive Officer



Jens Melin
Interim Chief Financial Officer



Francesca Cortesi
Chief Product Officer



Nick Lundvall
IR Manager & Head of
Corporate Development

Agenda

10:00 CET START

Year-end report 2022

Q4 highlights

Strategy and 2023 product roadmap

Financial targets

Q&A

Submit your questions via the webcast:

<https://ir.financialhearings.com/hemnet-q4-2022>

11:00 CET END

Year-end report 2022

Cecilia Beck-Friis, CEO



2022 Year-end summary

Key financials

Net sales growth

+22.1%
(SEK 889.2m)

Adj. EBITDA-margin

50.4%
(SEK 448.1m)

ARPL growth

+32.8%
(SEK 3,275)

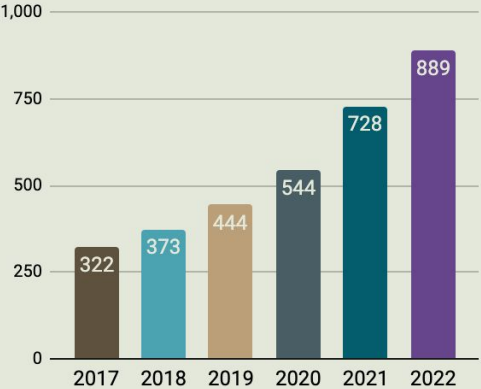
Highlights

- All financial targets exceed for the full year
- Revenue from property sellers up 32.6% as more sellers chose to upgrade their listing, despite listing volumes in line with LY
- Accelerated pace of B2B product launches including a new agent search section and consumer product launches, including "Mitt Hemnet"
- Strong demand for B2B products somewhat offset by lower traffic
- A total of SEK 374 million returned to investors throughout 2022
- Proposed dividend of SEK 1.00 per share (up 82% from LY)

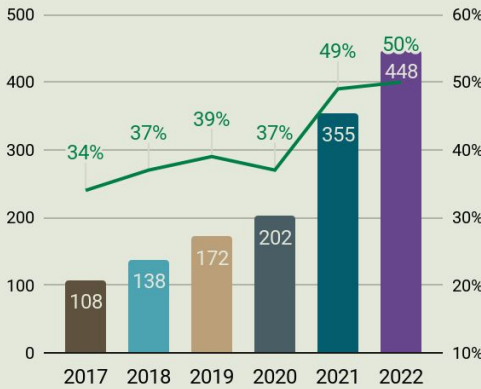


“Net sales growing 22.1% for the year driven by value-added services, strong demand from real estate agents and high listing volumes”

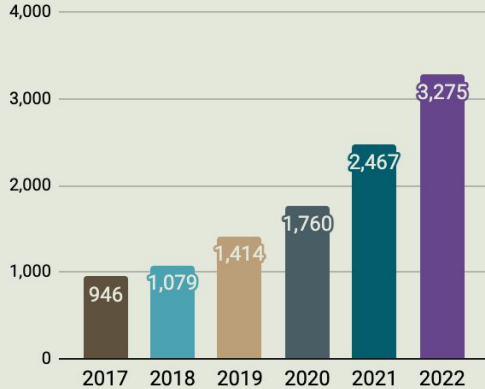
Consistent top-line growth with high operating leverage with results exceeding financial targets



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



No target for ARPL

We have enriched our offering in line with our strategy to increase consumer value

Enriching consumers experience of the marketplace

Register your property

Follow the value and contact an agent

Search for an agent/agency

One of Sweden's largest audience of prospective sellers

Sell your property

Increase value of VAS

Recommendations

Drive views/session through discovery

Create an account

Increase loyalty



Connecting agents & sellers

Search for an agent/agency

Evaluate an agent/agency

Contact an agent/agency



Continued focus on Hemnet products that connect agents and sellers - a SEK 1bn market

We work with both new and existing agent products to invest in future revenue growth

Agent search

- One of the largest in Sweden, only months after launch
- Added agency search improved office profiles
- Agents can add individual biography to their profile
- More comprehensive statistics on past sold objects

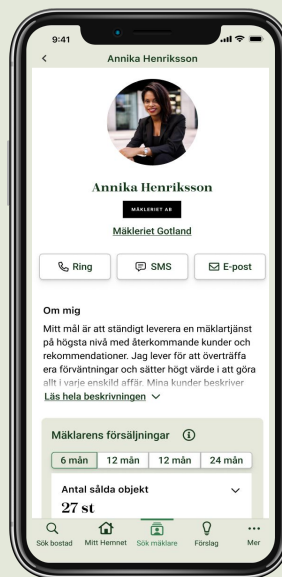
SMFS

- Working with campaigns to raise awareness
- Delivering clear and measurable value to agents

Hemnet Business

- 90% of listings on Hemnet come from Hemnet Business
- Annual price adjustment communicated for 1 Feb 2023

NEW: Agent profile

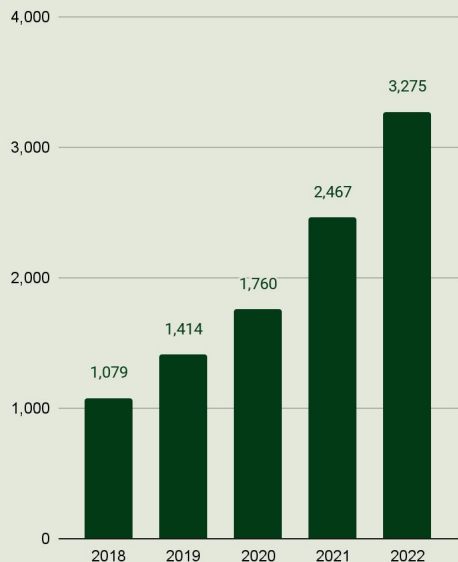


Agents can write a short bio about themselves

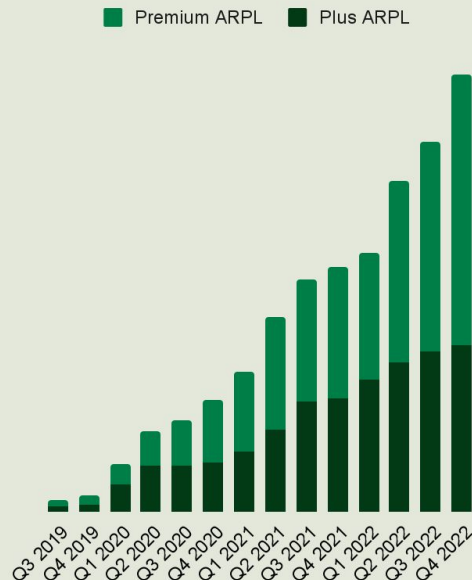
Summarized statistics on agents and office profiles

2022 ARPL up 33% despite challenging market, driven by strong demand for Plus and Premium

Total ARPL
SEK, annual



ARPL from Plus & Premium
SEK, quarterly

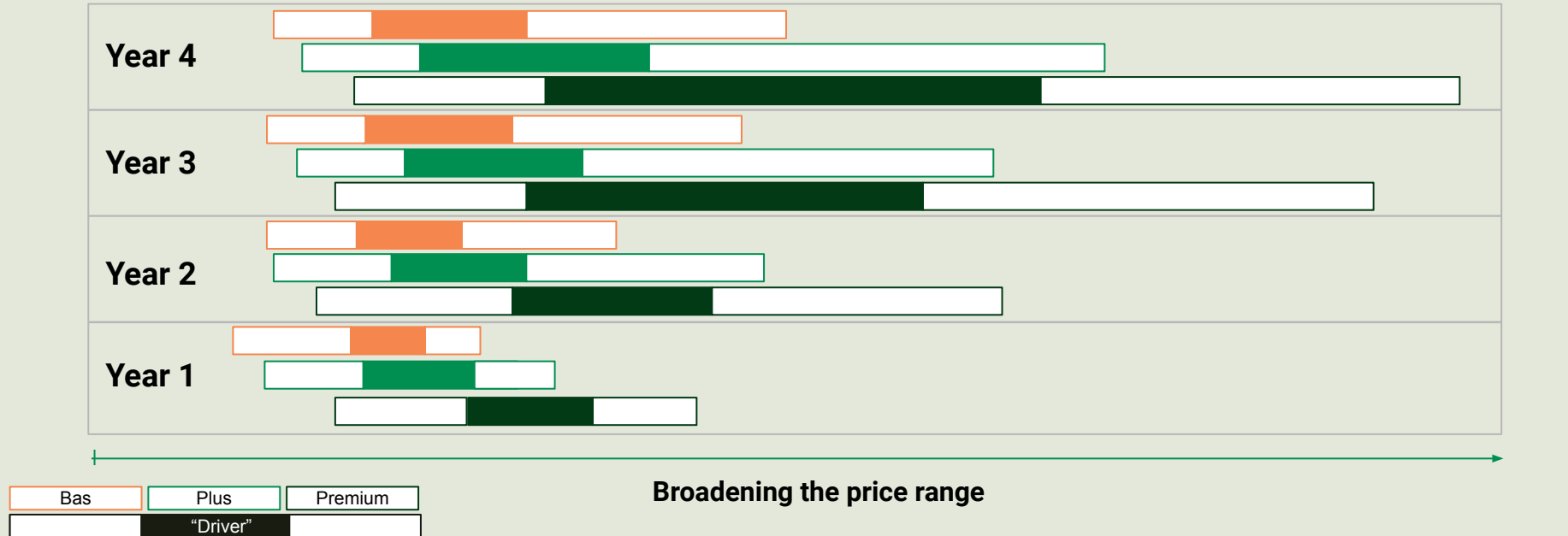


- Steady conversion and ARPL growth since launch of packages
- Hemnet Premium performing above expectations
- We optimise for ARPL growth over conversion growth
- High conversion may not always be desirable as it could decrease the effect of a product



A key ARPL driver is adding the number of price points for each product

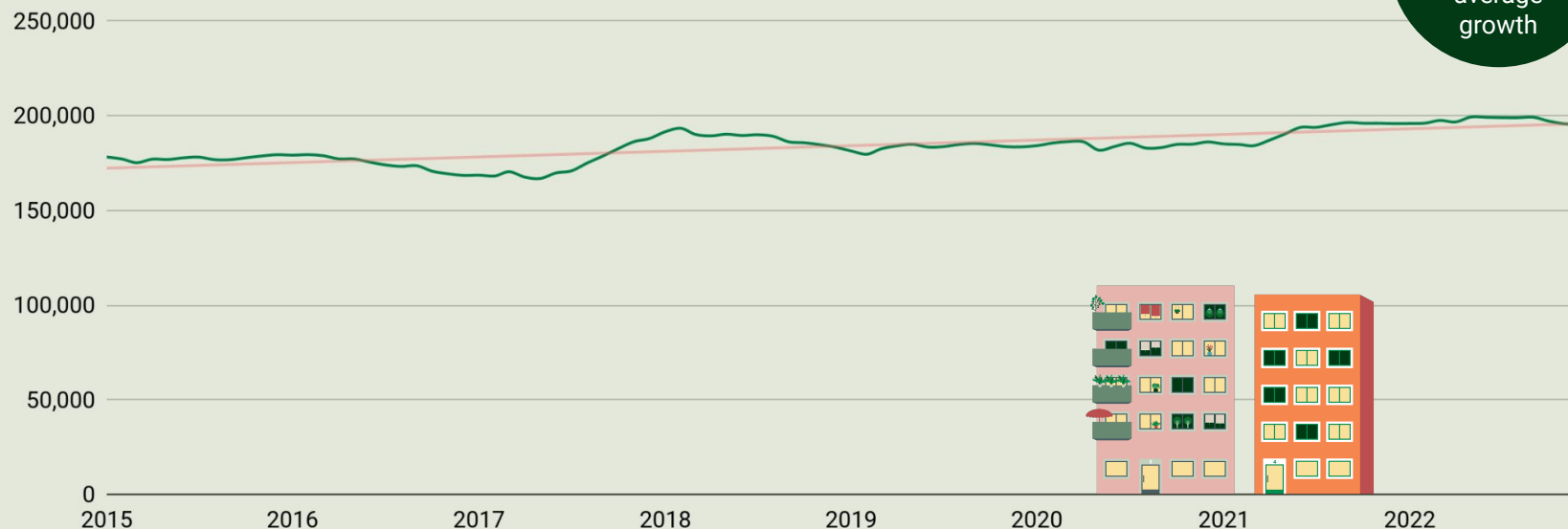
Illustrative example



Despite current market uncertainty, the Swedish housing market has historically been stable

Published listings

(Country, 12 month moving sum - including trendline)

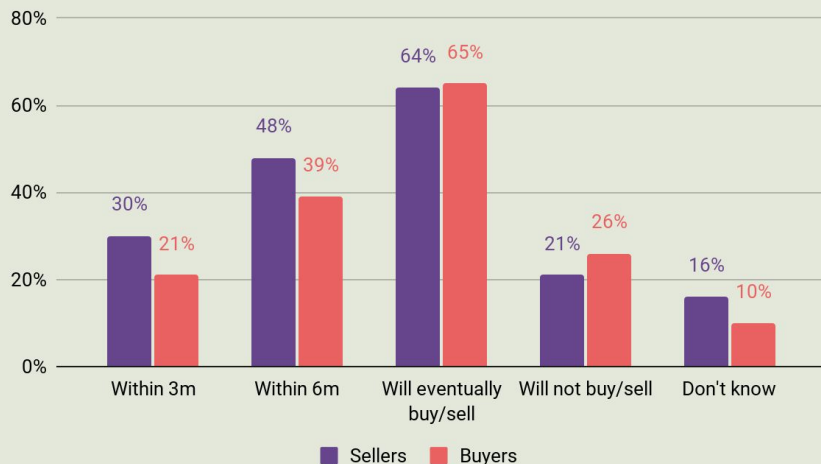


Strong organic demand for housing means sellers and buyers will eventually have to transact

2/3

Buyers and sellers will eventually have to transact regardless of the market

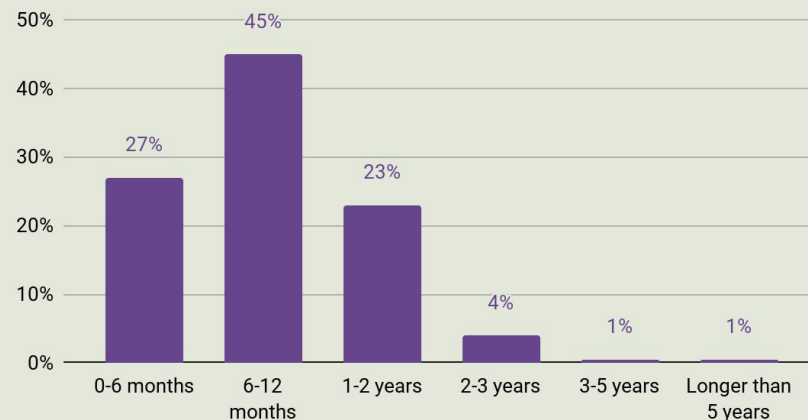
To buyers and sellers: how long can you postpone your transaction before you have to transact?



72%

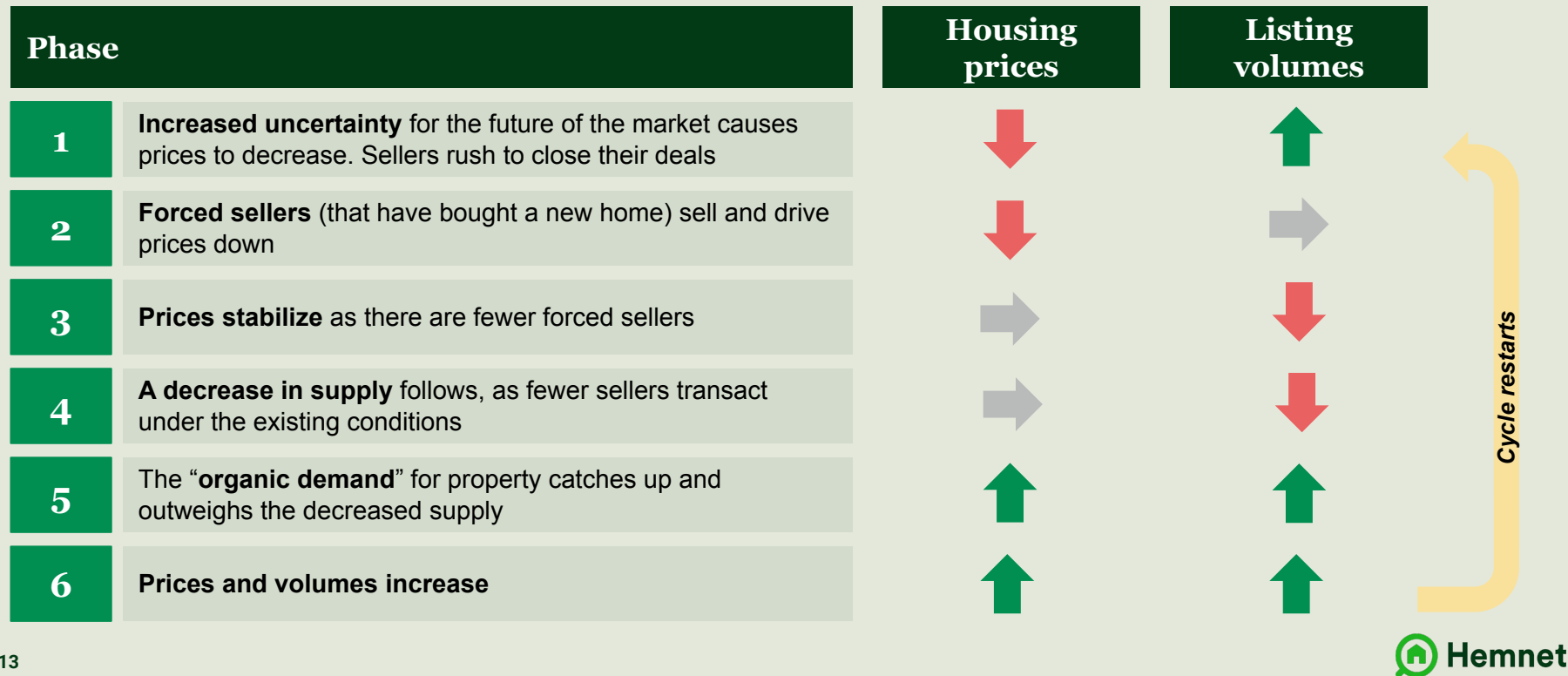
Majority of real estate agents expect that the property market will turn within 12 months

To agents: how long do you think the current market situation will last?

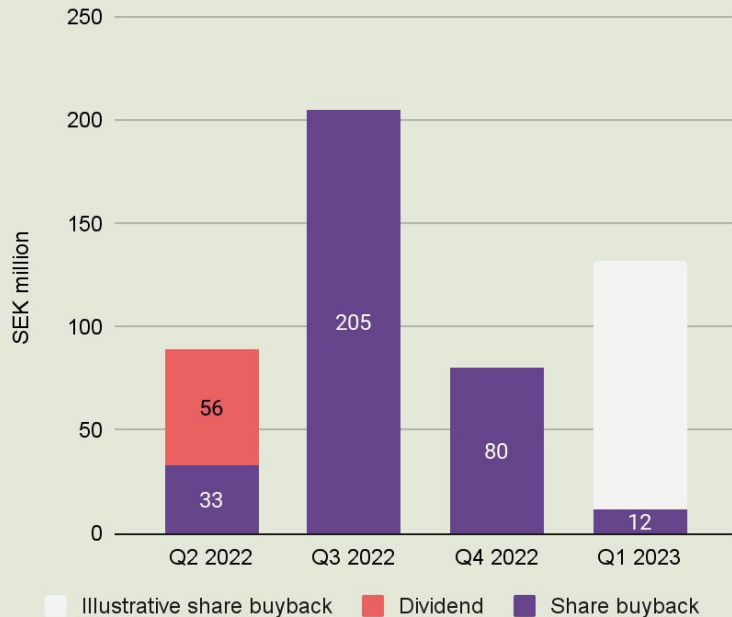


The housing market has historically followed a predictable pattern

Illustrative analysis based on past data



A total of SEK 506 million will be returned to shareholders by the next AGM



Capital return summary

Total program size	SEK 450m
Buybacks to date	SEK 330m
Remaining planned buybacks	SEK 120m
Total issued shares	101.1m
Total shares bought back for redemption	2.3m
Total shares outstanding post redemption	98.8m
Dividend proposal for 2022 AGM	SEK 1.00 per share

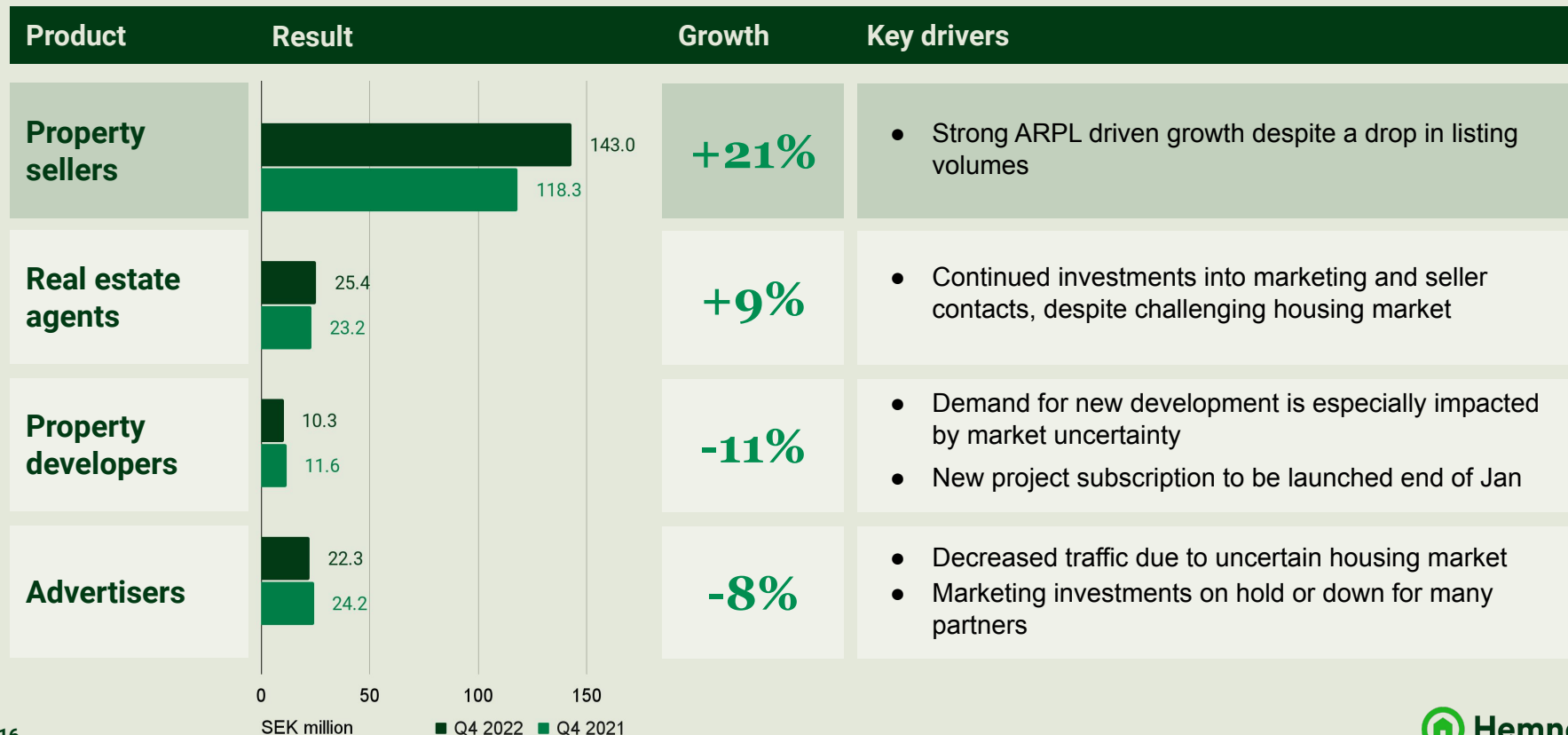
Share buybacks shown exclude 57,000 shares earmarked for the 2022/2025 Share Savings Program. All current values shown as per 19 Jan 2023

Q4 Highlights

Cecilia Beck-Friis, CEO



Net sales by customer category



Q4 ARPL growth of 34% partially offsets decline in listing volumes

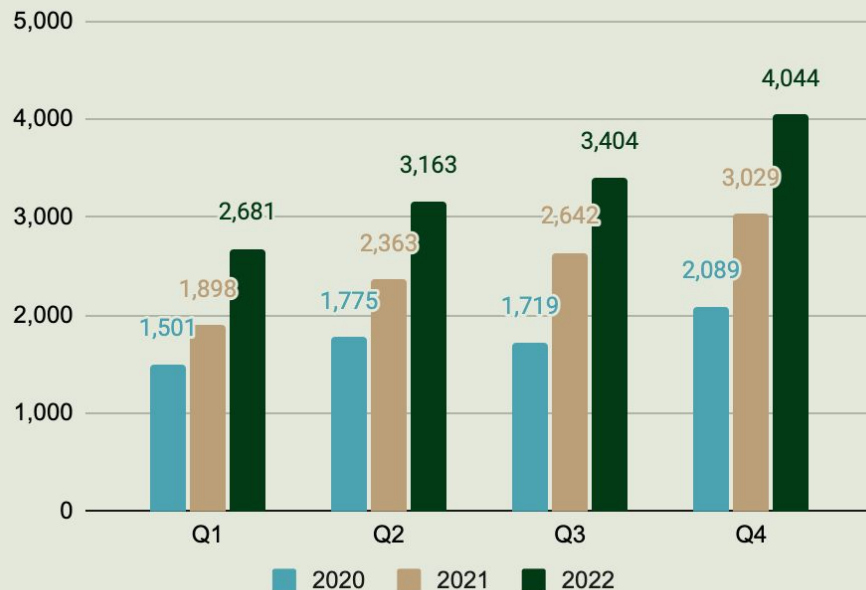
Q/Q growth
(most recent)

+41%

+34%

+29%

+34%



ARPL growth driven by increasing demand and pricing

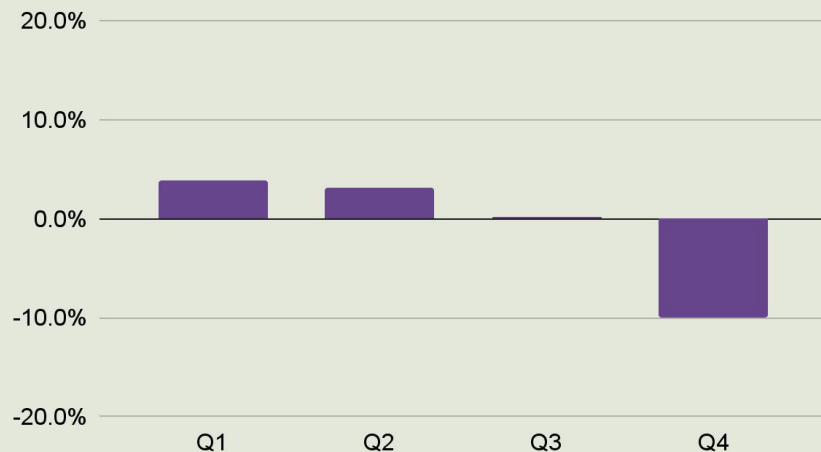
- **Product:** Inclusion of renewal in Premium yielding results. Other improvements planned
- **Upgrades:** More and more consumers select a larger package for better exposure
- **Pricing:** Our pricing team regularly optimise the right balance in pricing our seller product portfolio

Volumes in Q4 down 10%, resulting in annual listing listing volumes in line with last year

Q4 listings down 10% year on year...

Published listings

(Paid published listings, year-on-year change)



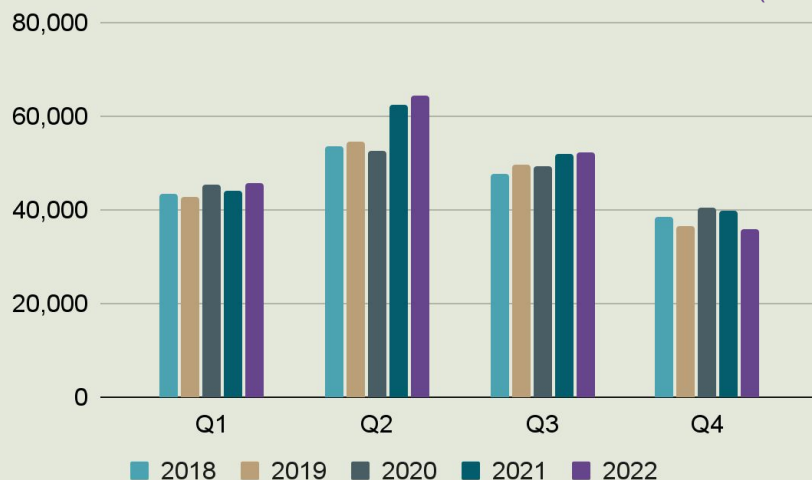
...but full year volumes on par with 2021

Published listings

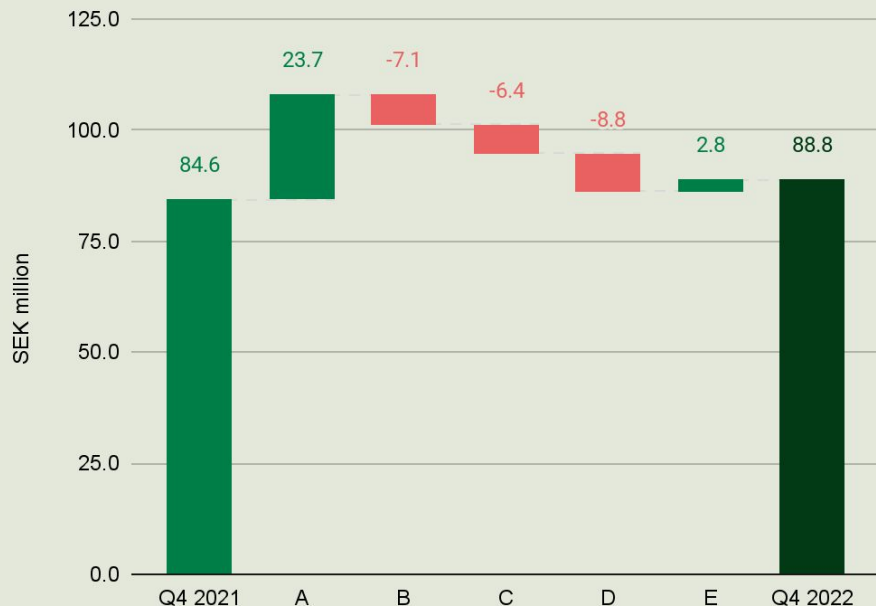
(Paid published listings on Hemnet)

Annual volumes

2021: 198.4
2022: 198.3 (-0.1%)



5% growth in Adj. EBITDA as we continue investing in the business during quarter with lowest activity

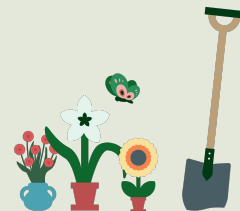
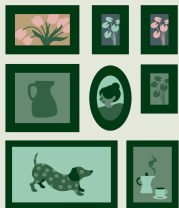


- Administration and commission expenses to real estate agents increased 13.8% in line with increasing revenue from listing related services
- Other external expenses increased by 33.9% to SEK 32.8m (24.5), mainly related to higher consultant costs, following the continued focus on product development, and marketing costs
- Personnel costs increased by 26.7% to SEK 41.7m (32.9), as the company continued to invest in product development for future growth (+11 employees q/q: 135)

Chart legend

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

In Q4 we reviewed our investment pace and priorities for the following year due to the market development



External marketing and media investments

- Marketing campaign and media investments on hold

Talent investments

- All recruitments except business critical postponed
- New consultant engagement kept to minimum

Cost smart

- An overall mindful cost approach cross-company

An award winning workplace where colleagues thrive



Hemnet has been awarded the AllBright prize given to public companies with a clear agenda for diversity, inclusion and gender equality.

October 2022



Hemnet is recognised as one of Sweden's best employers by Universum, coming in third place amongst middle-sized companies.

November 2022

We continue to take important steps within ESG, and have joined the Science Based Target initiative

- In October 2022, Hemnet filed an application for the Science Based Targets initiative (“SBTi”) and committed to the initiative’s near-term science-based emissions reduction target for small and medium enterprises and by that, to reduce CO2 emissions by 42% by 2030
- Our near-term target was approved by the SBTi in January 2023
- In this first step, Hemnet has committed to reducing emissions within scope 1 and 2, in which our emissions are limited and mainly connected to office energy consumption
- We aim to review and set a long-term target for reducing emissions also within scope 3 during 2023



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Chair and CFO roles have been filled for 2023



Anders Nilsson

Nominated Chair of the Board

- The Nomination Committee of Hemnet has unanimously decided to propose the AGM on 27 April 2023 to elect Anders Nilsson as new Chair of the Board of Directors of Hemnet.

Previous assignments:



Anders Örnulf

Chief Financial Officer

- Hemnet has appointed Anders Örnulf as CFO of the company effective from June 2023. He thereby replaces Jens Melin, who has served as interim CFO since August 2022 and will return to his regular role as Head of Group Accounting and Control.

Previous assignments:



Strategy and 2023 Product roadmap

Cecilia Beck-Friis, CEO

Francesca Cortesi, CPO



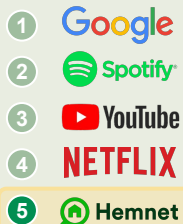
Hemnet is Sweden's #1 destination for housing



c.90%

Share of sold properties listed on Hemnet

Source: Hemnet, SCB (2021)



#5

Strongest media brand image in Sweden

Source: Yougov (2022)

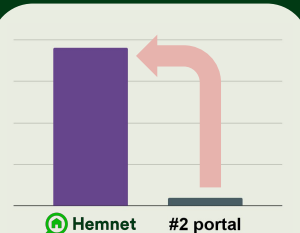


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30_{min}

Time that each Swede spends on Hemnet monthly

Source: Hemnet, SCB (2021)



19_x

More clicks on listings than #2 portal

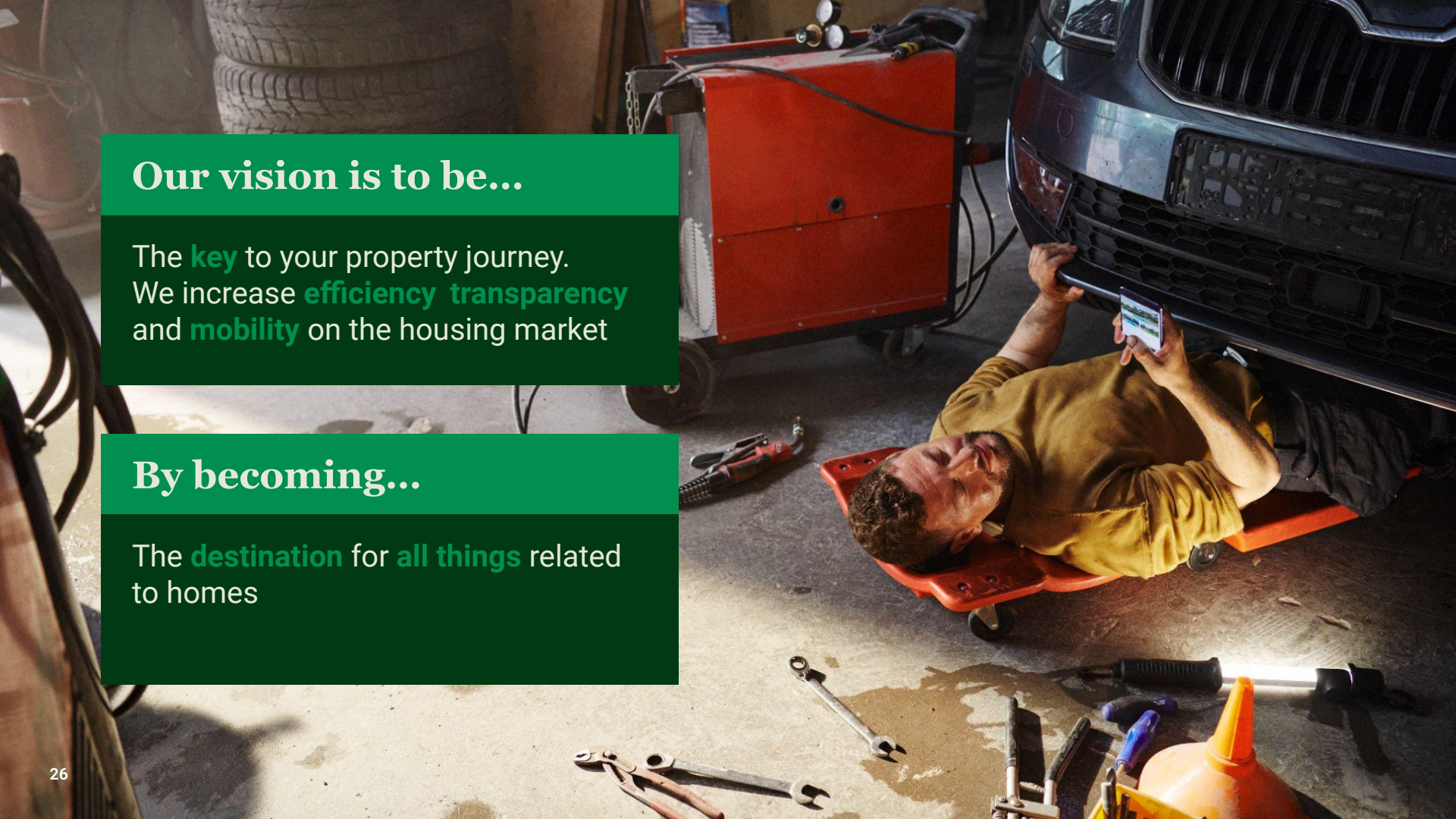
Source: Company data

Our vision is to be...

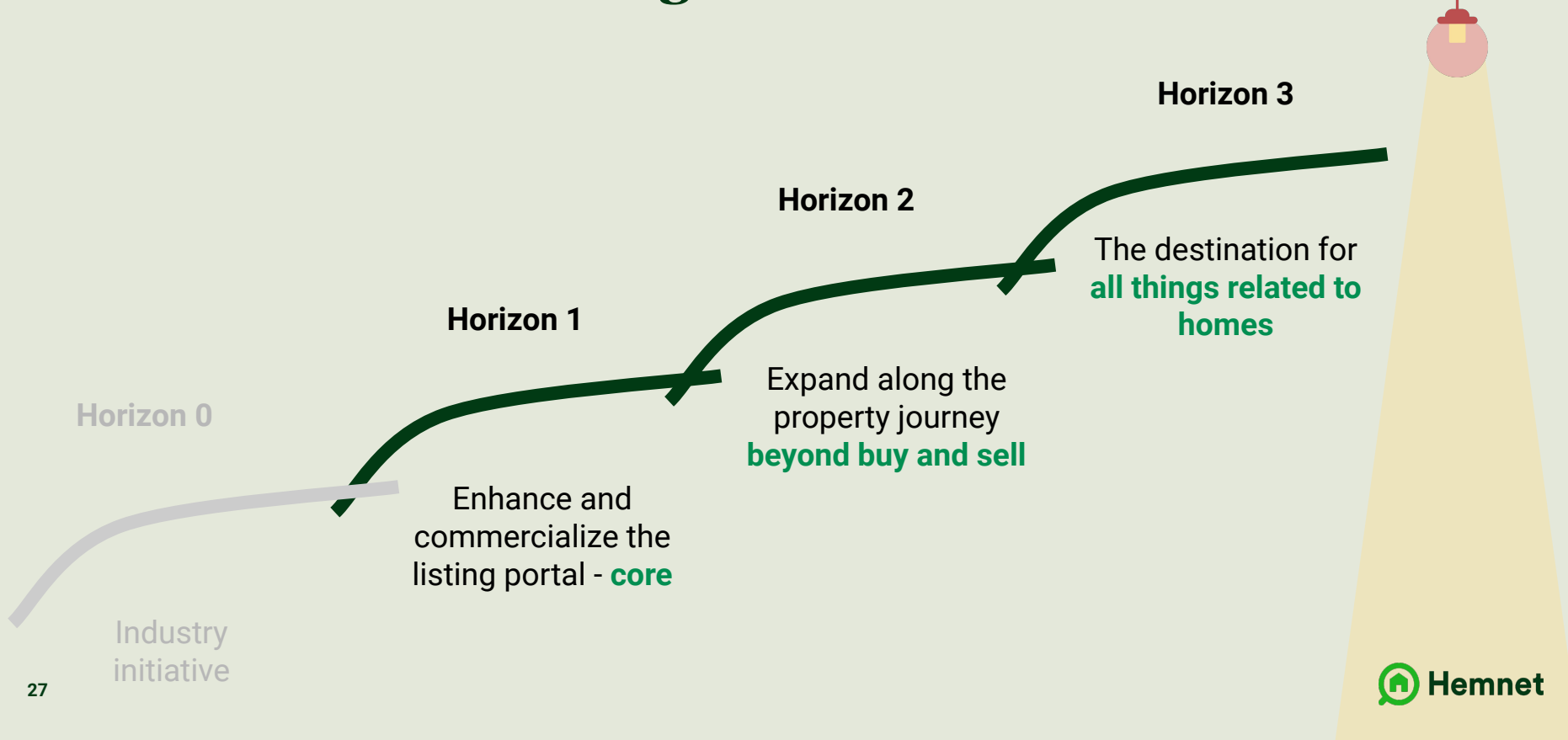
The **key** to your property journey.
We increase **efficiency** **transparency**
and **mobility** on the housing market

By becoming...

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



A growth journey from an industry initiative to 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

Executing on the strategy: 2023 Product roadmaps



Engage consumers

Secure listing content

Content Discovery

Deeper personalised experience



Grow sellers

Grow ARPL through product and pricing

Leverage agents VAS recommendations



Transform B2B

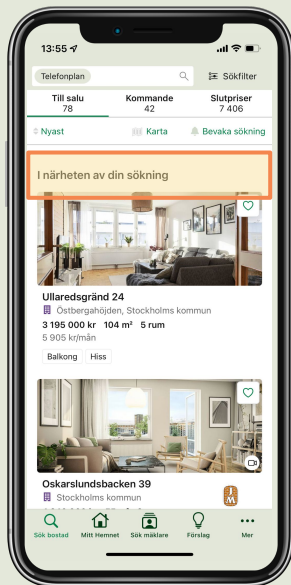
Helping agents find sellers

VAS for property developers



Developing our #1 position in Sweden is key for consumer and customer growth

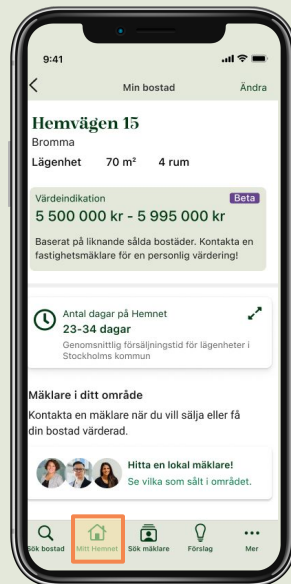
Consumer engagement:
The heart of our network effect



Securing listing early
and throughout their
lifecycle

Recommendations

My Hemnet:
A personalized experience for future growth



Unique information
about the consumer

My Home: expanding
beyond the buy-sell
moment

Deeper segmentation
and targeting



Optimizing current portfolio and working with agents to drive revenue from sellers

The levers for 2023 ARPL growth

Optimize and improve feature bundling

Getting more agents to recommend

Segmented pricing

Listings with agent recommendations



Sellers that upgrade after recommendations



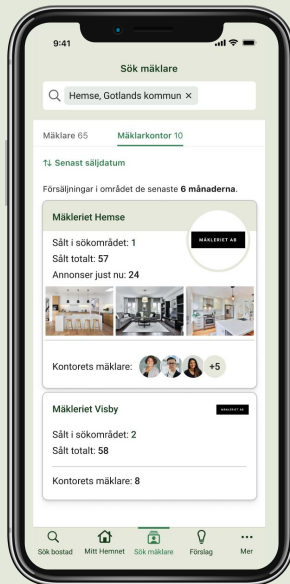


Agent search: matching agents and sellers to create new B2B growth

In 2023 we will continue developing on, and launching new products connected with agent search

Agent/Agency search visits
70k /week

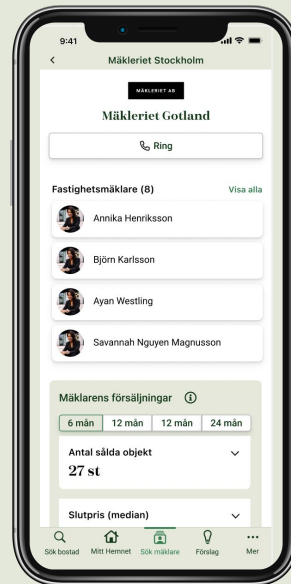
Extra clicks to Syns mer för säljare
+25%



Agent /
Office search



Agent profile



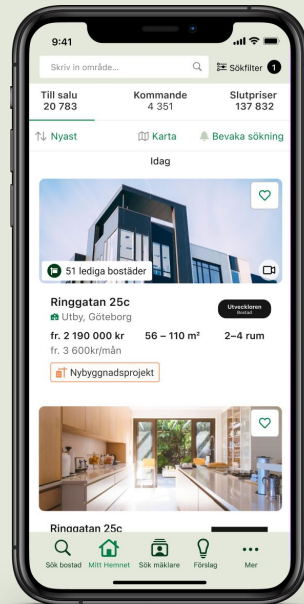
Office profile



Property developers: introducing value added services to capture customer spend

We laid the foundation of our listing offering

- **Projects**
Access to all Hemnet consumers throughout sale cycle
- **Project units**
Visibility to a single property
- **All inclusive**
Unlimited projects and units



We will now capture growth by introducing VAS

Evaluation based on market developments

Extra marketing possibilities for units and/or projects

Help property developers understand the interest for a project early

2023 roadmap consists of concrete product initiatives targeted at our main customer groups



Engage consumers

...By strengthening our network effects and expanding the user experience:

- Content
- My Hemnet



Grow sellers

...By driving growth from our current portfolio:

- Optimize product and pricing
- More agents recommend



Transform B2B

...By building and capitalizing on our investments:

- Agent/ Agency search
- VAS for property developers



Financial targets

Cecilia Beck-Friis, CEO

Financial targets

	Growth	Profitability	Leverage	Dividend
Current targets	15-20%	45-50%	<2.0x	1/3
	Annual revenue growth	Medium-term adj. EBITDA margin	Net debt to adj. EBITDA	Minimum dividend at portion of net income*

Introducing a new long-term profitability target

Financial targets for growth, leverage and dividend reiterated

	Growth	Profitability	Leverage	Dividend
Current targets	15-20%	45-50%	<2.0x	1/3
	Annual revenue growth	Medium-term adj. EBITDA margin	Net debt to adj. EBITDA	Minimum dividend at portion of net income*
Updated targets	15-20%	45-50% NEW! >55%	<2.0x	1/3
	Annual revenue growth	Reiterated target for 2023 adj. EBITDA margin	Long-term adj. EBITDA margin	Minimum dividend as portion of net income*

Q&A



Dial-in instructions

Hemnet invites analysts, investors and media to participate in the results presentation of the fourth quarter on 27 January 2023 at 10:00 CET. The results will be presented by CEO Cecilia Beck-Friis and Interim CFO Jens Melin. The presentation will be held in English, followed by a Q&A session. Participants are welcome to join via the link or phone, see details below.

Webcast and teleconference info:
<https://financialhearings.com/event/46342>

Financial calendar

26 Apr 2023	Interim report Q1 2023
27 Apr 2023	Annual general meeting
19 July 2023	Interim report Q2 2023

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