

Hemnet Group's presentation of the Q2 interim report

20 August 2021

Operational Highlights



Q2 Highlights



Net sales increased 47.4% to SEK 212.5m



Adjusted EBITDA increased 103.9% to SEK 110.9m



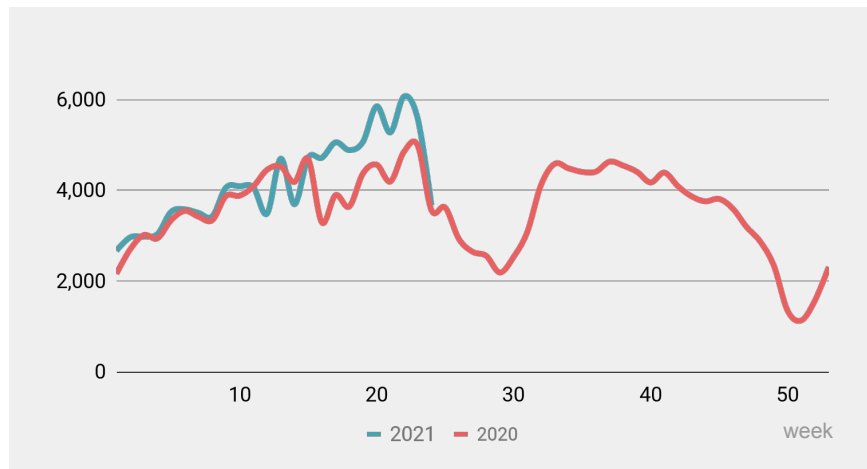
First full quarter with new price and agent compensation models



Continued increased demand for B2B offering

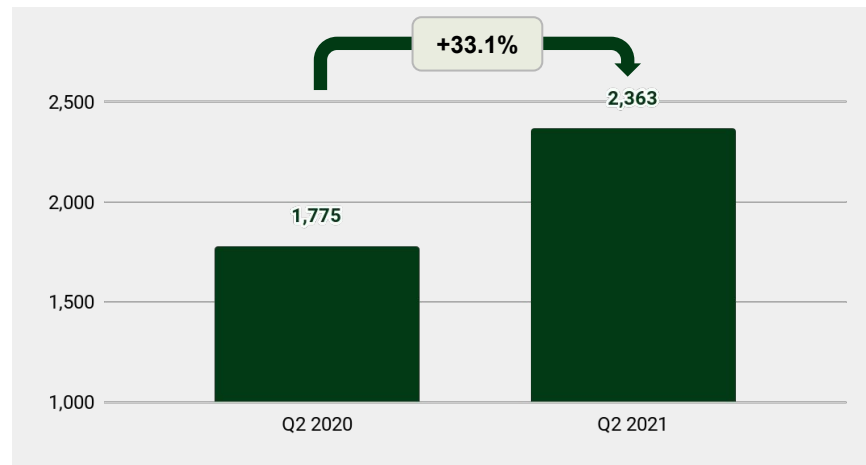
Growth in ARPL and published listings

Published listings



Listing volumes up 18.8% from Q2 2020, driven both by an active market in 2021 and a muted market in 2020 due to Covid-19

Total ARPL (SEK)



ARPL growth driven by strongly increasing uptake of seller's products and implementation of new price model

Q2 product updates pave way for future growth



Consumers

Helping consumers understand the market

- More comprehensive sale price overview including data and amenities

Help consumers follow their property market

- Improving the log-in experience
- Making it simpler to save searches
- Improved notifications and graphic profile

Grow loyalty beyond the buy-sell moment



Property sellers

Changing the way we present packages

- Making Plus the natural package choice

Improving Plus features

- Plus ranked higher than Bas listings starting day 2

Make upgraded listings the obvious choice



Agents & Business Partners

Increase agent's happiness

- Agents can recommend value-added products to sellers
- Agent profile pages
- Visualising verified bidding

Improve new development offering

- New construction tab
- Hemnet Business Pro (beta)

Create unrivalled products to meet agent and partner needs

Revenue by product group

	Q2 2021	Q2 2020	Change	LTM (Jun 2021)
Listing fees	124.4	87.5	+42.2%	352.0
Value-added services	39.3	20.4	+92.6%	108.0
Advertising services and other	48.8	36.3	+34.4%	179.6
Total net sales	212.5	144.2	+47.4%	639.6

People, culture and sustainability



Headcount

At the end of Q2, Hemnet had 115 (111 in Q1) employees - with increases primarily in product development



Gradual return to the office

A need for us to meet physically as a company. Most teams to increase time spent in the office. We continue to monitor the situation and latest guidelines



Work Environment

Testing new model for post-Covid work life that revolves around flexibility and trust, and includes both a home and office work component



Financial Highlights



Financial highlights



Net Sales & Adjusted EBITDA

Strong net sales growth of 47.4% and Adjusted EBITDA growth of 103.9%



Adjusted EBITDA %

Up 14.5 p.p to 52.2%



ARPL

Growth of 33.1% driven by both pricing and conversion



Leverage

Decreased to 1.2x Net debt / LTM Adjusted EBITDA

A number of factors support the very strong performance in Q2 2021

1

Published listings

Published listings grew 18.8 percent in Q2 2021, due to (i) the Swedish property market continued to be active, and (ii) favourable comparables, as Q2 2020 saw muted listing volumes at the onset of the pandemic

2

Plus & Premium conversion growth

Sizeable uplift in the conversion rates for value-added services for property sellers compared to Q2 2020. These products gained momentum when the market recouped lost volumes in 2H 2020, and we have continued to build from there.

3

New agent incentive & Hemnet Bas pricing models

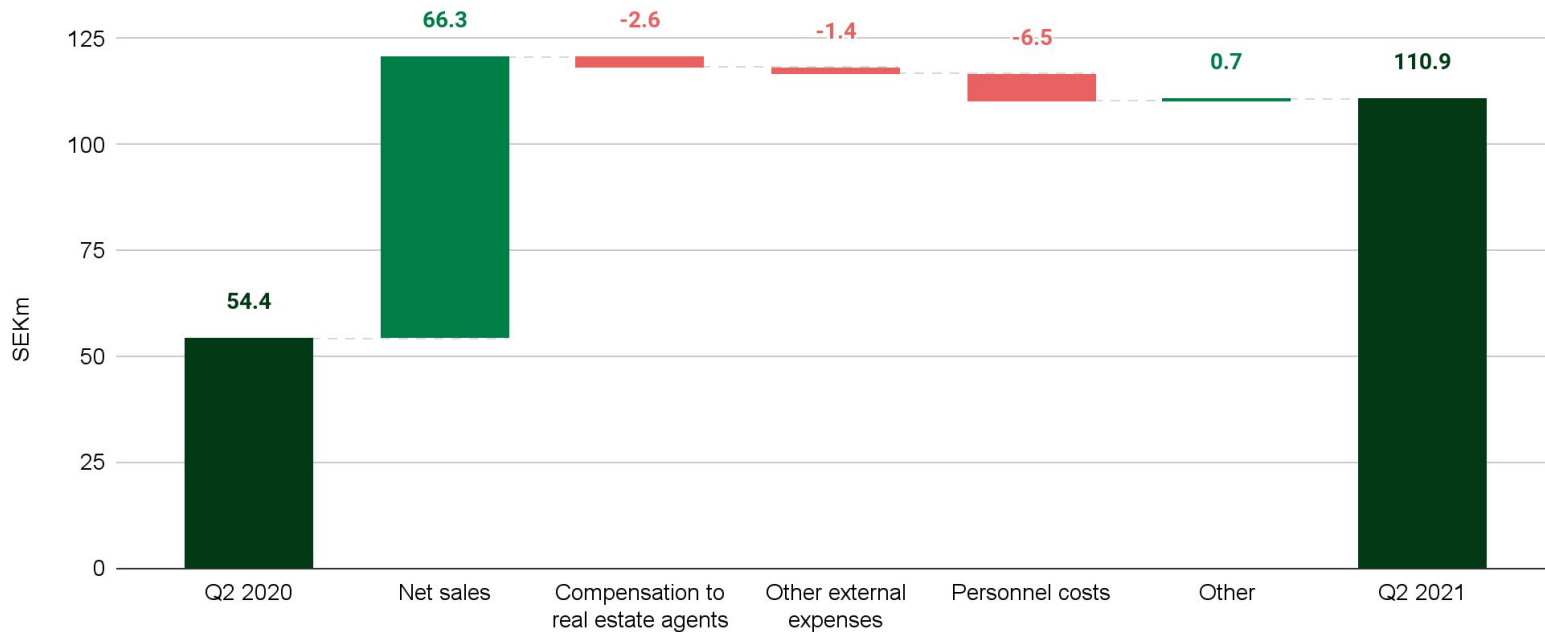
Q2 2021 is the first full quarter with both new models, after they were introduced in Q1 2021

4

Revenue from real estate agents, property developers and advertisers (B2B)

B2B-revenue grew 27.5 percent in Q2 2021, driven by content-close advertisers that continue to see the ROI when advertising on Hemnet, as well as from Hemnet's subscription-products

Changes in Adjusted EBITDA



Net sales by customer category

	Q2 2021	Q2 2020	Change	LTM (Jun 2021)
Property sellers	145.7	91.8	+58.7%	394.2
Real estate agents	24.8	19.8	+25.3%	88.4
Real estate developers	15.5	14.1	+9.9%	59.0
Advertisers	26.5	18.5	+43.2%	98.0
Total net sales	212.5	144.2	+47.4%	639.6

Cash flow and leverage

Cash flow

SEKm	Q2'21	Q2'20	FY20	FY19
Cash flow from operations b/f wc	72.9	37.4	125.6	134.9
Change in working capital	3.3	26.8	1.4	3.9
Operating cash flow	76.2	64.2	127.0	138.8
Cash flow from investing	-1.5	-1.0	-7.0	-10.8
Cash flow from financing	-224.5	-1.5	-92.3	-219.2
Cash flow for the period	-149.8	61.7	27.7	-91.3

- Cash flow from financing Q2'21 includes SEK -233.5m from repayments of loans.
- Cash and cash equivalents of SEK 122.8m at the end of the period

Leverage

SEKm	Q2'21	Q2'20
LTM adjusted EBITDA	279.4	178.9
Net debt	332.1	496.7
Net debt / LTM adjusted EBITDA	1.2x	2.8x

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

Targets vs. outcome



Summary



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First full quarter with new price and agent compensation models



Continued increased demand for B2B offering

Q&A



Financial Calendar

4 November 2021 Interim report, Q3

1 February 2022 Year-end report, Q4

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