Kid ASA

09 May 2018

Q1 2018

Presentation available
at investor.kid.no

Highlights Q1 2018

- Revenues increased by 8.3% compared to Q1 2017
- Gross margin of 58.4% (59.9%)
- EBITDA of MNOK 9.9 (MNOK 7.2), representing an EBITDA margin of 3.6% (2.9%)
- Two store relocations and one store closing
- NIBD/EBITDA of 1.7 (1.5)

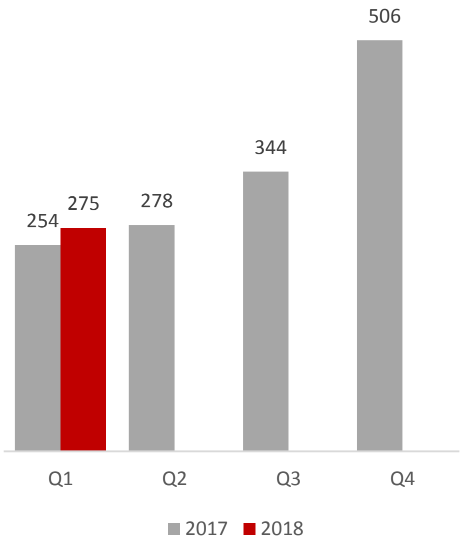
Kid INTERIØR

Revenues and market share

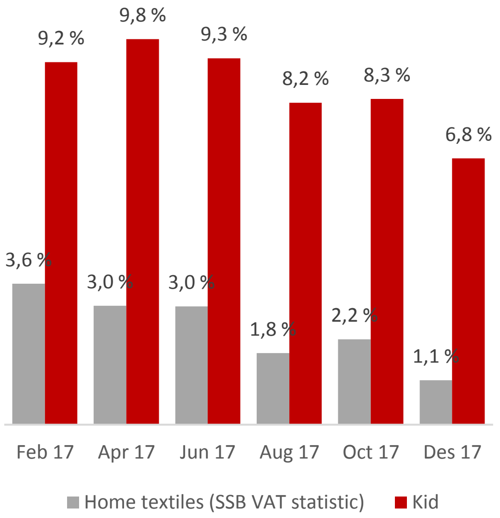
Q1 revenues increased by 8.3% (10.1%)

- Like-for-like growth of 3.3% (7.6%) including online sales
- Online sales growth of 54.1% (27.7%)
- Two store relocations and one store closing in the quarter
- Kid outperformed the home textile market for the twelve months ending 31.12.2017. Home textile market (1.1%) performed below broader retail benchmark (2.5%) for the same period.

Revenue



Market growth (LTM)



Kid INTERIØR

Revenues as of April

As of April revenues are up 6.6% YTD compared to 2017

- Due to the revenue effect following the timing of Easter, Kid ASA has decided to announce the revenues per April in the Q1 report
- There was the same number of shopping days in April as there was in the same period in 2017
- Total revenue growth was 6.6% YTD (7.7%)
- Like-for-like growth was 1.7% YTD (5.3%)
- Online sales growth was 66.6% YTD (26.5%)
- We remain optimistic about the execution of our growth initiatives and the sales development in the second quarter

Kid INTERIØR

Store portfolio

Store portfolio development in Q1:

- The stores at Liertoppen Senter (Lier) and Dikeveien (Fredrikstad) were refurbished
- The store at Straen Senter (Stavanger) was closed
- 139 (134) physical stores at the end of the quarter.

Kid INTERIØR

Operational focus

Operational focus and sustainability:

- “Made to measure sun screening” successfully launched as an online offering during Q1 with positive impact on online revenue growth
- The online logistics were improved during the quarter to ensure one day order handling
- Marketing expenses were reduced by MNOK 1.3 in Q1 by removing TV commercials for 6 weeks while increasing online and customer club advertising
- Accord on Fire and Building Safety in Bangladesh signed
- Open supplier list published
- Proactively collecting acceptances for customer club members to ensure compliance with new GDPR regulations effective from July 2018.

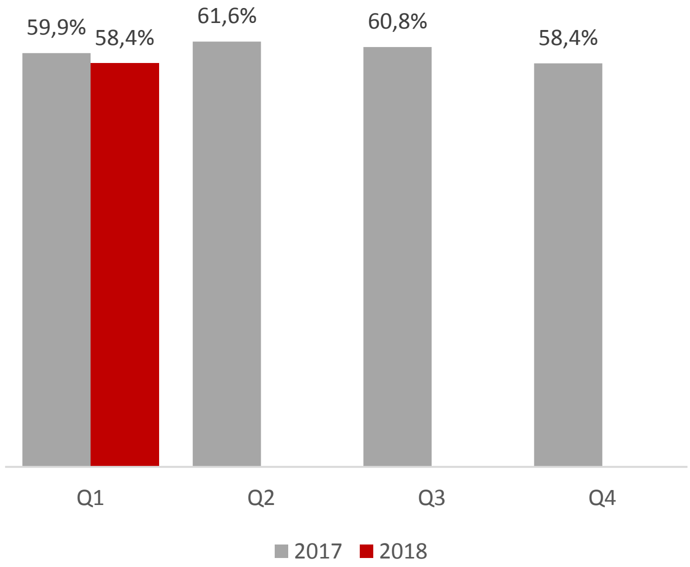
Kid INTERIØR

Gross margin

Gross margin reduction of 1.5 pp in Q1 (IFRS9)

- Gross margin was 58.4% for the quarter, a reduction of 1.5 pp from Q1 2017
- Gross margin impacted by a change in the campaign plan and availability of campaign items

Gross margins in 2017 and 2018



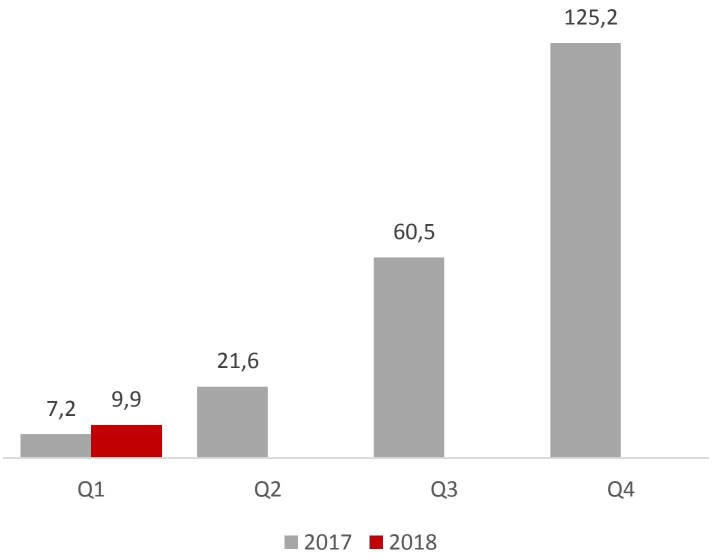
Kid INTERIØR

EBITDA

EBITDA margin of 3.6% (2.9%) in Q1

- Employee benefits-related expenses increased by 2.4% in Q1 2018
  - 2.9 pp due to net new stores
  - -0.5 pp due to general salary inflation and decreased staffing level in stores driven by store closures during Easter
- Other OPEX increased by 4.8% in Q1 2018
  - 3.7 pp related to retail space rental costs for net new stores
  - 2.3 pp related to other store and HQ rental costs driven by inflation and relocation of stores
  - -1.8 pp related to decrease in marketing expenses
  - 0.6 pp related to other OPEX
- OPEX to sales ratio for Q1 of 54.8% (57.3%)

EBITDA 2017 and 2018



Kid INTERIØR

Income statement

Net profit margin of -0.6% (-1.2%) in Q1

- Depreciation increased due to last year's CAPEX levels
- Corporate tax rate of 23% in 2018 (24% in 2017)
- Adjusted* EPS increased to NOK -0.04 (NOK -0.07) in Q1 2018, and increased to NOK 3.15 (NOK 3.05) for last twelve months

Income statement

Amounts in MNOK	Q1 2018	Q1 2017	FY 2017
Revenue	274,9	253,9	1 381,7
COGS	-114,3	-101,9	-547,6
Gross profit	**160,6**	**152,0**	**834,0**
Gross margin (%)	58,4 %	59,9 %	60,4 %
Other operating income	0,0	0,6	0,7
OPEX	-150,6	-145,4	-620,2
EBITDA	**9,9**	**7,2**	**214,5**
EBITDA margin (%)	3,6 %	2,9 %	15,5 %
Depreciation and amortisation	-9,3	-8,0	-34,8
EBIT	**0,7**	**-0,8**	**179,7**
EBIT margin (%)	0,3 %	-0,3 %	13,0 %
Net finance	-3,0	-3,2	-12,7
Profit before tax	**-2,3**	**-4,0**	**167,0**
Adj. Net profit	**-1,8**	**-3,0**	**126,7**

**Net profit is adjusted in Q4-2017 for a change in deferred tax related to the trademark caused by reduced tax rate from 24% to 23% with effect from 1.1.2018*

Kid INTERIØR

Cash flow

NIBD/EBITDA of 1.7 (1.5) per 31.03.2018

- Inventory build-up significantly reduced compared to last year in accordance with plan. Inventory expected to normalise during Q3 2018.
- The cash flow effect from 'change in other provisions' was positively impacted last year due to a change in the Norwegian import VAT declaration from 1.1.2017
- NIBD/EBITDA of 1.7 (based on EBITDA for the last twelve months), compared to 1.5 as of 31.03.2017.

Cash flow

Amounts in MNOK	Q1 2018	Q1 2017	FY 2017
Net cash flow from operations	-61,9	-64,0	118,1
Net cash flow from investments	-5,1	-6,4	-47,1
Net cash flow from financing	-3,4	-3,4	-233,6
Net change in cash and cash equivalents	**-70,4**	**-73,8**	**-162,5**
Cash and cash equivalents at the beginning of the period	130,1	291,9	291,9
Exchange gains / (losses) on cash and cash equivalents	-2,4	-0,0	0,7
Cash and cash equivalents at the end of the period	**57,3**	**218,1**	**130,1**

Working capital

Amounts in MNOK	Q1 2018	Q1 2017	FY 2017
Change in inventory	-4,3	-30,5	-79,8
Change in trade debtors	0,4	0,6	-1,0
Change in trade creditors	-6,1	-4,4	4,5
Change in other provisions	-42,7	-26,9	19,6
Change in working capital	**-52,8**	**-61,2**	**-56,6**

**Change in other provisions includes other receivables, public duties payable and other short-term liabilities.*

Operational initiatives

Mid-term objectives unchanged

- Well prepared summer assortment and campaigns ready to launch
- USDNOK hedged for the period April– October 2018 with weighted exchange rate of 7.76 (8.34)
- Expected maintenance CAPEX increased to MNOK 30 for 2018 to speed up successful refurbishment program

Kid INTERIØR

Events after the report period

Kjersti Hobøl, CEO of Kid

- On May 4th 2018, Kjersti Hobøl decided to pursue opportunities outside the company after 8 years as CEO in Kid
- The process was not initiated by the board
- The board will immediately initiate a recruiting process of a new CEO
- Kjersti Hobøl will continue with her responsibilities during the transition period until new leadership is in place to ensure an efficient on-boarding process

Kid INTERIØR

Q&A

Kid INTERIØR