



Kid ASA 26 February 2020
Q4 2019

Presentation available at investor.kid.no

Highlights Q4 2019

- Revenues increased by 82.5% (7.2%) compared to Q4 2018
 - Kid Interior revenue growth of 11.0% (like-for-like growth of 8.8%)
 - Hemtex revenue growth of 19.6% (like-for-like growth* of 22.0%)
- Adjusted EBITDA excl. IFRS 16 of MNOK 229.3 (MNOK 141.3)
 - Kid Interior EBITDA ex. IFRS 16 effects of MNOK 166.2 (MNOK 141.3)
 - Hemtex EBITDA ex. IFRS 16 effects of MNOK 70.3
- Adjusted EPS excl. IFRS 16 effects increased to NOK 5.76 (3.79) for the last twelve months
- NIBD excl. IFRS 16 of MNOK 335.3 (185.7)
- The Board of Directors will propose a half-year dividend of NOK 2.40 per share in May 2020



Operational focus in Q4

Operational focus for the Kid Group:

- Growth across all categories in Kid Interior
- Successful launch of “Moments”, a new concept for candles and napkins
- The planned increase in inventory prior to Q4 has reduced out-of-stock situations and positively impacted growth
- Strong operational performance with several new sales records, including Black Week
- Kid Interior contributed with MNOK 1.3 to the Pink Ribbon campaign



Hemtex integration according to plan

Early growth initiatives implemented in 2019:

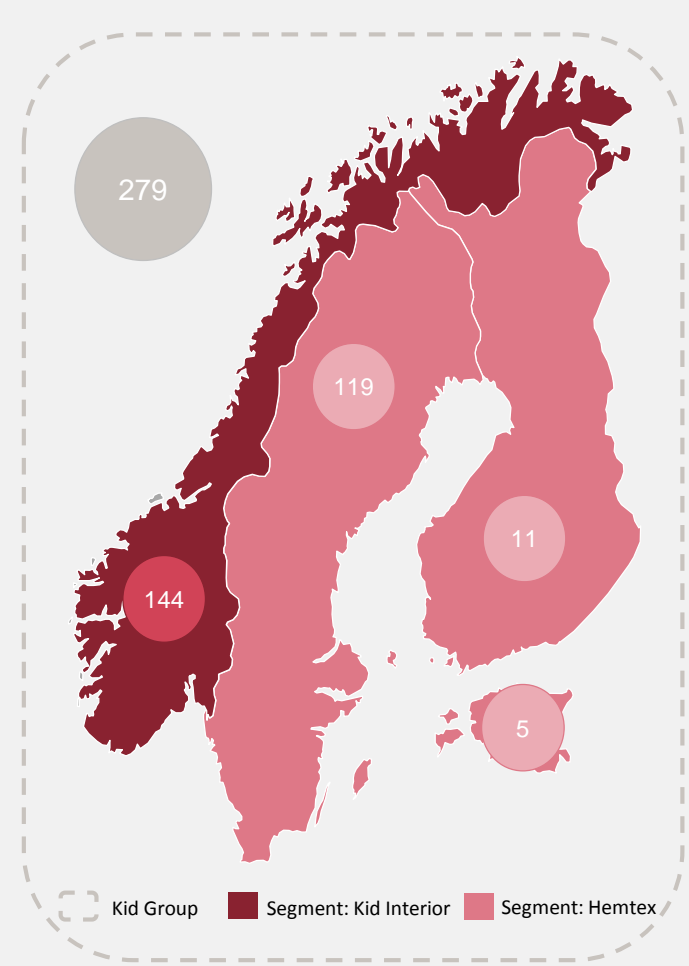
- A selection of Kid products were tested in Hemtex during the quarter with convincing results. Common assortment will be phased in from Q3-2020.
- Kid's marketing principles and channels successfully adapted
- Kid's store concept successfully rolled out in five stores in Sweden
- New strategy for development of the store portfolio under implementation (new, close, refurbishment, relocation)



Pan-Nordic presence

Store information Q4

- Kid Interior (144 stores):
 - Refurbishments: Strømmen
 - Store openings: Bogstadveien Oslo and Kilden Hillevåg Stavanger
 - Store closings: Ski
- Hemtex (135 stores, incl. 12 franchise stores):
 - Refurbishments: Farsta, Linköping Ikano, Mobilia, Sickla and Uppsala Boländerna (Sweden)
 - Relocations: Jönköping and Farsta (Sweden)
 - Store closures: Puuvilla Pori (Finland)
 - Store openings: None

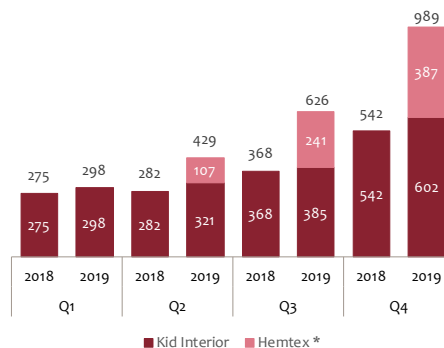


Revenues and market share

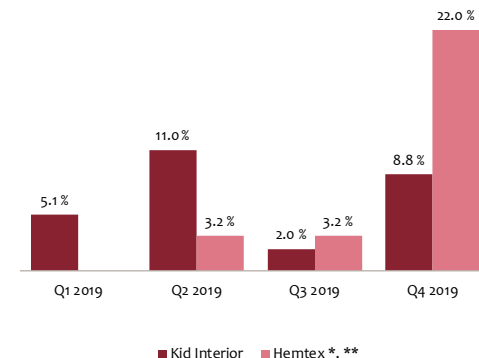
Kid ASA Q4 revenues increased by 82.5 % (7.2 %)

- Kid Interior revenue growth of 11.0% (7.2%) in Q4
 - Like-for-like growth of 8.8% (5.3%) including online sales
 - Online sales growth of 21.1 % (30.0 %)
 - The index for sale of home textiles in specialised stores in Norway decreased by 1.0% in Q4 2019.
- Hemtex revenue growth of 19.6% in Q4
 - Like-for-like growth of 22.0% including online sales
 - The index for sale of home textiles in specialised stores in Sweden increased by 4.9% in Q4 2019

Revenue (MNOK)



Like-for-like growth (%)

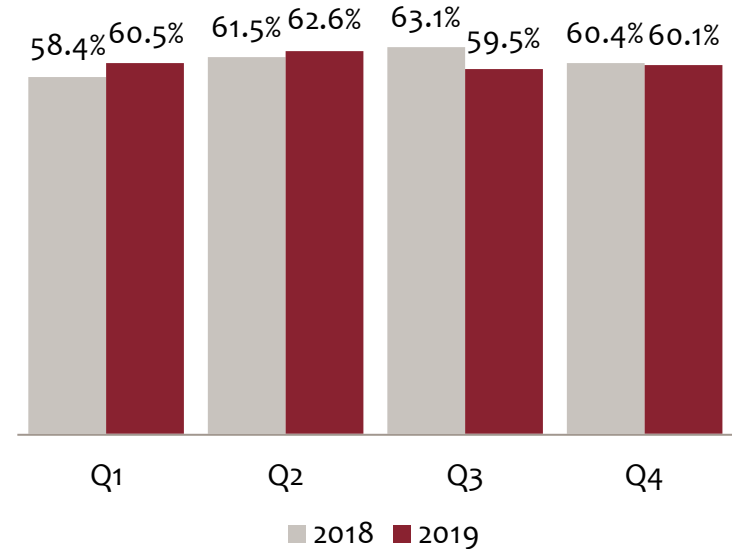


Gross margin

Kid ASA gross margin of 60.1% in Q4

- Gross margin was 60.1 % for the quarter, down by 0.3 pp from Q4 2018
- Gross margin for the group negatively impacted by new derivatives contracts entered into ultimo May due to the acquisition of Hemtex, offset by realised currency gain at the time of the transaction
- Kid Interior had a gross margin of 61.2% (60.4%) in the quarter. The gross margin was positively impacted by freight costs and a change in product mix
- Hemtex had a gross margin of 60.3% in the quarter. Implementation of Kid's campaign model, product mix and unfavourable USDSEK development negatively impacted gross margin

Kid ASA gross margins in 2018 and 2019*

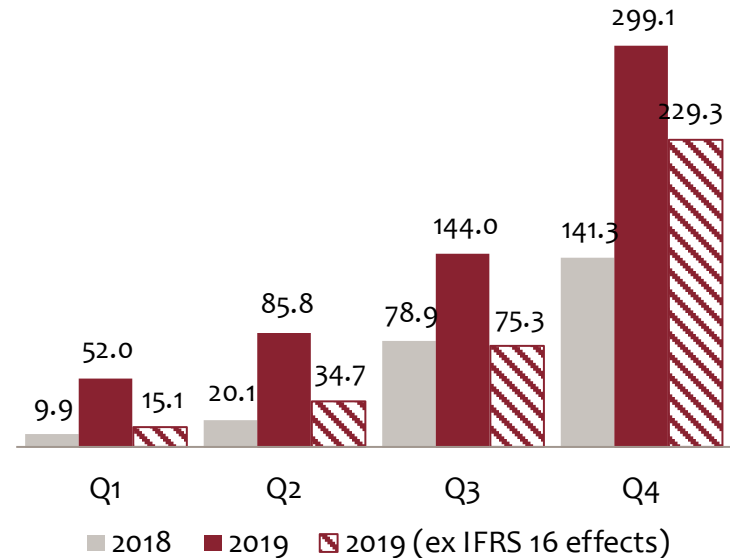


EBITDA

Adj. EBITDA margin excl. IFRS 16 effects of 23.2% (26.0 %) in Q4

- Adj. EBITDA excl. IFRS16 effects of MNOK 229.3 (141.3) for the group in Q4 2019
- EBITDA is adjusted for MNOK 1.6 related to integration costs for the group. Integration costs are not included in Kid Interior and Hemtex segments
- Opex development in Q4 as expected, both in store and at HQ
- Kid Interior EBITDA excl. IFRS16 effects of MNOK 166.2 (141.3)
 - Employee benefits-related expenses increased by 15.2%, primarily driven by increased bonus for stores and HQ
 - Other OPEX excl. IFRS 16 increased by 1.8% in Q4 2019
 - OPEX to sales ratio, excl. IFRS 16 effects, of 33.6 % (34.4 %)
- Hemtex EBITDA excl. IFRS16 effects of MNOK 70.3
 - Ongoing initiatives to reduce cost base
 - OPEX to sales ratio, excl. IFRS 16 effects, of 42.2 %

Adjusted EBITDA 2018 and 2019*



Income statement

(Amounts in NOK thousand)	Q4 2019	Q4 2018	*FY 2019	FY 2018
	excl. IFRS 16	IAS 17	excl. IFRS 16	IAS 17
Revenue	989.5	542.2	2,342.2	1,466.7
COGS	-394.5	-214.6	-925.7	-573.2
Gross profit	595.0	327.6	1,416.5	893.5
Gross margin (%)	60.1 %	60.4 %	60.5 %	60.9 %
Other operating revenue	0.1	0.3	2.1	0.3
OPEX	-367.3	-186.6	-1,078.3	-643.6
EBITDA	227.8	141.3	340.3	250.2
EBITDA margin (%)	23.0 %	26.0 %	14.5 %	17.1 %
Adj. EBITDA	229.3	141.3	354.4	250.2
Adj. EBITDA margin (%)	23.2 %	26.0 %	15.1 %	17.1 %
Depreciation and amortisation	-14.7	-9.3	-50.5	-37.1
EBIT	213.1	132.0	289.8	213.1
EBIT margin (%)	21.5 %	24.3 %	12.4 %	14.5 %
Net finance	-0.8	-2.7	-11.3	-12.8
Profit before tax	212.3	129.4	278.5	200.3
Net profit	173.3	114.2	221.6	168.7
Adj. Net profit	174.5	99.6	234.1	154.1

Adj Net profit margin of 18.3% (18.4 %) in Q4

- Depreciation increased due to inclusion of Hemtex
- Increased interest cost largely offset by foreign exchange gains impacting net finance
- Adjusted EPS, excl. IFRS 16 effects, of 4.29 (2.45) in Q4
- EBITDA adjusted for transaction and integration costs of MNOK 1.6 in Q4 and MNOK 14.1 year to date

*Hemtex AB figures are included in the group accounts from 15 May 2019.

Cash flow

(Amounts in MNOK)	Q4 2019 IAS 17	Q4 2018 IAS 17	*FY 2019 IAS 17	FY 2018 IAS 17
Net cash flow from operations	387.0	256.7	278.5	265.2
Net Cash flow from investments	-46.9	-13.4	-92.9	-37.3
Net cash flow from financing	-53.5	-102.0	-87.9	-115.8
Net change in cash and cash equivalents	286.6	141.3	97.7	112.1
Cash and cash equivalents at the beginning of the period	52.7	99.7	242.2	130.1
Exchange gains / (losses) on cash and cash equivalents	0.0	1.1	-0.6	0.0
Cash and cash equivalents at the end of the period***	339.2	242.2	339.2	242.2

(Amounts in MNOK)	Q4 2019 IAS 17	Q4 2018 IAS 17	* FY 2019 IAS 17	FY 2018 IAS 17
Change in inventory	111.6	75.6	-94.1	48.8
Change in trade debtors	-1.8	0.7	-15.7	0.5
Change intrade creditors	-25.6	-4.3	65.6	-7.5
Change in other provisions **	72.6	44.2	74.3	11.6
Change in working capital	156.8	116.2	30.1	53.5

NIBD/adj EBITDA excl. IFRS 16 of 1.5 (1.3)

- Cash flow from operations positively affected by increased profit and reduced inventory
- Increase in investment impacted by Autostore investment of MNOK 17.2 in Q4. Remaining investments mainly related to physical stores
- Increased interest payments reflecting new financial structure after the Hemtex acquisition
- NIBD excl. IFRS 16 of MNOK 335.3 (185.7).

Segment: Kid Interior

(Amounts in NOK millions)	Q4 2019 excl. IFRS 16	Q4 2018	FY 2019 excl. IFRS 16	FY 2018
Revenue	602.0	542.2	1,606.3	1,466.7
Revenue growth	11.0 %	7.2 %	9.5 %	6.2 %
LFL growth including online sales	8.8 %	5.3 %	6.8 %	3.1 %
COGS	-233.4	-214.6	-622.6	-573.2
Gross profit	368.5	327.6	983.7	893.5
Gross margin (%)	61.2 %	60.4 %	61.2 %	60.9 %
Other operating revenue	0.0	0.3	0.2	0.3
Employee benefits expense	-106.2	-92.2	-349.1	-310.9
Other operating expense	-96.1	-94.4	-351.4	-332.7
EBITDA	166.2	141.3	283.4	250.2
EBITDA margin (%)	27.6 %	26.0 %	17.6 %	17.1 %
EBIT	155.9	132.0	244.4	213.1
EBIT margin (%)	25.9 %	24.3 %	15.2 %	14.5 %
No. of shopping days	77	77	303	303
No. of physical stores at period end	144	143	144	143



Segment: Hemtex *

(Amounts in NOK millions)	*Q4 2019 excl. IFRS 16	Q4 2018	*FY 2019 excl. IFRS 16	FY 2018
Revenue	387.5	-	735.9	-
Revenue growth **	19.6 %	-	13.1 %	-
LFL growth including online sales **	22.0 %	-	12.5 %	-
COGS	-153.9	-	-290.5	-
Gross profit	233.6	-	445.4	-
Gross margin (%)	60.3 %	-	60.5 %	-
Other operating revenue	0.1	-	1.9	-
Employee benefits expense	-67.4	-	-154.4	-
Other operating expense	-96.0	-	-209.3	-
EBITDA	70.3	-	83.6	-
EBITDA margin (%)	18.1 %	-	11.3 %	-
EBIT	65.9	-	72.0	-
EBIT margin (%)	17.0 %	-	9.8 %	-
No. of shopping days	91	-	91	-
No. of physical stores at period end (excl. franchise)	123	-	123	-



Half-year dividend

Dividend of NOK 2.4 per share

- The Board of Directors will propose a half-year dividend of NOK 2.40 per share for 2019, corresponding to 41.7% of adjusted net income* for last twelve months
- The dividend is in line with the current dividend policy, targeting 60-80% of annual adjusted net profit as dividend
- The proposed payout details are:
 - Last day including right: 3rd of June 2020
 - Ex-date: 4th of June 2020
 - Record date: 5th of June 2020
 - Payment date: 15th of June 2020
 - Date of approval: 27th of May 2020
- At the Annual General Meeting, the board of directors will propose that the board can distribute a half-year dividend by proxy in November 2020

**Please see adjustments in appendix*



Operational initiatives

Mid-term objectives unchanged

- Increased confidence in Hemtex target of EBITDA MNOK 100 in 2021
- The transition to a common assortment in Q3-2020 is on track
- Store refurbishment program in Hemtex on track for 2020
- The new Autostore in Lier, Norway fully operational in July 2020
- Hemtex have decided to change third party logistics provider, and the transition to a new warehouse has started
- Maintenance CAPEX of MNOK 75 in 2020, with an additional average CAPEX of MNOK 1.8 per new store opening





Q&A

Kid INTERIØR

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Income statement

(Amounts in MNOK)	* Q4 2019 IFRS 16	IFRS 16 Effects	Q4 2019 IAS 17	Q4 2018 IAS 17	*FY 2019 IFRS 16	IFRS 16 Effects	FY 2019 IAS 17	FY 2018 IAS 17
Revenue	989.5	0	989.5	542.2	2,342.2	0.0	2,342.2	1,466.7
COGS	-394.5	0.0	-394.5	-214.6	-925.7	0.0	-925.7	-573.2
Gross profit	595.0	0.0	595.0	327.6	1,416.5	0.0	1,416.5	893.5
Gross margin (%)	60.1%		60.1%	60.4%	60.5%		60.5%	60.9%
Other operating revenue	0.1	0.0	0.1	0.3	2.1	0.0	2.1	0.3
OPEX	-297.5	-69.8	-367.3	-186.6	-851.6	-226.6	-1,078.3	-643.6
EBITDA	297.6	-69.8	227.8	141.3	566.9	-226.6	340.3	250.2
EBITDA margin (%)	30.1%		23.0%	26.0%	24.2%		14.5%	17.1%
Depreciation and amortisation	-80.6	65.9	-14.7	-9.3	-265.0	214.4	-50.5	-37.1
EBIT	217.0	-3.9	213.1	132.0	302.0	-12.2	289.8	213.1
EBIT margin (%)	21.9%		21.5%	24.3%	12.9%		12.4%	14.5%
Net finance	-8.4	7.5	-0.8	-2.7	-40.9	29.7	-11.3	-12.8
Profit before tax	208.6	3.7	212.3	129.4	261.0	17.5	278.5	200.3
Net profit	170.4	2.9	173.3	114.2	207.9	13.7	221.6	168.7

*The group implemented IFRS 16 from 1 January 2019 by applying the modified retrospective approach.
Hemtex AB figures are included in the group accounts from 15 May 2019.

Cash flow

(Amounts in MNOK)	Q4 2019 IFRS 16	IFRS 16 Effects	Q4 2019 IAS 17	Q4 2018 IAS 17	FY 2019 IFRS 16	IFRS 16 Effects	FY 2019 IAS 17	FY 2018 IAS 17
Net cash flow from operations	449.2	62.3	387.0	256.7	523.6	245.1	278.5	265.2
Net Cash flow from investments	-46.9	0.0	-46.9	-13.4	-92.9	0.0	-92.9	-37.3
Net cash flow from financing	-115.8	-62.3	-53.5	-102.0	-333.0	-245.1	-87.9	-115.8
Net change in cash and cash equivalents	286.6	0.0	286.6	141.3	97.7	0.0	97.7	112.1
Cash and cash equivalents at the beginning of the period	52.7	0.0	52.7	99.7	242.2	0.0	242.2	130.1
Exchange gains / (losses) on cash and cash equivalents	0.0	0.0	0.0	1.1	-0.6	0.0	-0.6	0.0
Cash and cash equivalents at the end of the period	339.2	0.0	339.2	242.2	339.2	0.0	339.2	242.2

Working Capital

(Amounts in MNOK)	Q4 2019 IFRS 16	IFRS 16 Effects	Q4 2019 IAS 17	Q4 2018 IAS 17	FY 2019 IFRS 16	IFRS 16 Effects	FY 2019 IAS 17	FY 2018 IAS 17
Change in inventory	111.6		111.6	75.6	-94.1		-94.1	48.8
Change in trade debtors	-1.8		-1.8	0.7	-15.7		-15.7	0.5
Change intrade creditors	-25.6		-25.6	-4.3	65.6		65.6	-7.5
Change in other provisions **	72.6		72.6	44.2	74.3		74.3	11.6
Change in working capital	156.8		156.8	116.2	30.1		30.1	53.5

Segment: Kid Interior

(Amounts in NOK millions)	* Q4 2019	Q4 2019 excl. IFRS 16	Q4 2018	* FY 2019	FY 2019 excl. IFRS 16	FY 2018
Revenue	602.0	602.0	542.2	1,606.3	1,606.3	1,466.7
Revenue growth	11.0 %	11.0 %	7.2 %	9.5 %	9.5 %	6.2 %
LFL growth including online sales	8.8 %	8.8 %	5.3 %	6.8 %	6.8 %	3.1 %
COGS	-233.4	-233.4	-214.6	-622.6	-622.6	-573.2
Gross profit	368.5	368.5	327.6	983.7	983.7	893.5
Gross margin (%)	61.2 %	61.2 %	60.4 %	61.2 %	61.2 %	60.9 %
Other operating revenue	0.0	0.0	0.3	0.2	0.2	0.3
Employee benefits expense	-106.2	-106.2	-92.2	-349.1	-349.1	-310.9
Other operating expense	-59.0	-96.1	-94.4	-203.1	-351.4	-332.7
EBITDA	203.3	166.2	141.3	431.7	283.4	250.2
EBITDA margin (%)	33.8 %	27.6 %	26.0 %	26.9 %	17.6 %	17.1 %
EBIT	159.2	155.9	132.0	259.5	244.4	213.1
EBIT margin (%)	26.5 %	25.9 %	24.3 %	16.2 %	15.2 %	14.5 %
No. of shopping days	77	77	77	303	303	303
No. of physical stores at period end	144	144	143	144	144	143

*The group implemented IFRS 16 from 1 January 2019 by applying the modified retrospective approach.

Segment: Hemtex

(Amounts in NOK millions)	* Q4 2019	* Q4 2019 excl. IFRS 16	Q4 2018	* FY 2019	* FY 2019 excl. IFRS 16	FY 2018
Revenue	387.5	387.5	-	735.9	735.9	-
Revenue growth **	19.6 %	19.6 %	-	13.1 %	13.1 %	-
LFL growth including online sales **	22.0 %	22.0 %	-	12.5 %	12.5 %	-
COGS	-153.9	-153.9	-	-290.5	-290.5	-
Gross profit	233.6	233.6	-	445.4	445.4	-
Gross margin (%)	60.3 %	60.3 %	-	60.5 %	60.5 %	-
Other operating revenue	0.1	0.1	-	1.9	1.9	-
Employee benefits expense	-67.4	-67.4	-	-154.4	-154.4	-
Other operating expense	-63.3	-96.0	-	-131.0	-209.3	-
EBITDA	103.0	70.3	-	161.9	83.6	-
EBITDA margin (%)	26.6 %	18.1 %	-	21.9 %	11.3 %	-
EBIT	66.5	65.9	-	69.2	72.0	-
EBIT margin (%)	17.2 %	17.0 %	-	9.4 %	9.8 %	-
No. of shopping days	91	91	-	91	91	-
No. of physical stores at period end (excl. franchise)	123	123	-	123	123	-

* Hemtex AB figures are included in the group accounts from 15 May 2019

** Hemtex like-for-like revenue is derived from Hemtex management information (not audited by Kid ASA).
Calculated in constant currency

Adjusted EBITDA

Adjustments overview (MNOK)	Q4 2019	Q4 2018	FY 2019	FY 2018
Transaction cost related to Hemtex acquisition*	0.0		8.8	
Intergration cost related to Hemtex acquisition	1.6		5.3	
EBITDA and EBIT adjustments	1.6		14.1	
Profit adjustments before tax	1.6		14.1	
Tax effects on adjustments (22%)	-0.3		-1.6	
Adj. for change in deferred tax caused by lower tax rate in 2018		-14.6		-14.6
Net income adjustments	1.2	-14.6	12.4	-14.6

* MNOK 6.7 of total MNOK 8.8 in transaction cost are not tax deductible