

A modern interior scene featuring a round white table in the foreground with a bowl of fruit and glasses. In the background, a window with horizontal blinds is partially covered by a large black circle containing text. To the right, a dark wall is decorated with wooden cutting boards, a yellow towel, and a woven basket hanging from a rack. A wooden shelf below holds various kitchen items like jars and a small plant.

Kid ASA

19 May 2020

Q1 2020

Presentation available
at investor.kid.no

Financial first quarter in brief

- Revenues were negatively impacted by the outbreak of COVID-19. Group revenue¹ growth of +0.7% with LFL growth of +0,9%
 - Kid Interior revenue growth of -3.6% (LFL growth of -4.0%)
 - Hemtex revenue¹ growth of 6.6% (LFL growth of +7.9%)
- Gross margin decreased by 0.4 pp due to favourable FX position last year
- Stringent cost control
- Adjusted EBITDA exclusive of IFRS16 effects reduced by MNOK 22.7 compared to Q1 2019 due to the pandemic-related revenue drop in March and the consolidation effects of including Hemtex
- LTM gearing ratio excluding IFRS16 effects was 1.7 at the end of the quarter



Operational focus in Q1

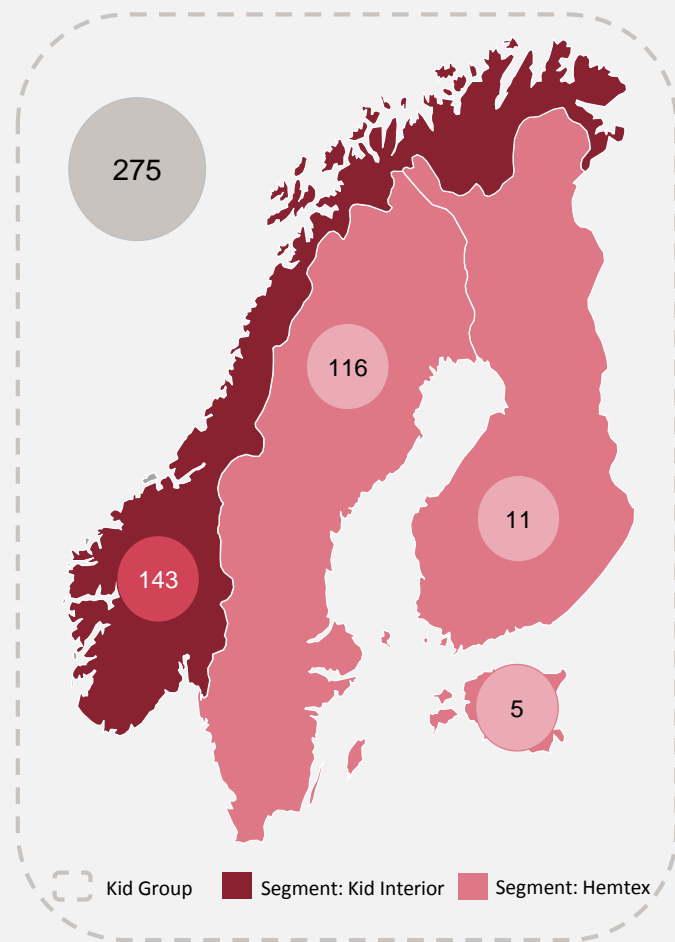
- Focus on safeguarding employees and customers' health, whilst securing stable and predictable operational continuity
- Maintained a strong financial position by taking prompt measures such as temporary staff layoffs, postponed investment decisions, postponed instalment and reduced dividend
- Completed transition to a new third party logistics partner in Sweden without negative effects on operations
- Increased storage capacity in Kid Interior with a buffer storage facility in Drammen
- Stores with Kid store concept in Hemtex show higher sales growth compared to other stores
- Dekosol program (technical sun screening) successfully launched as a new category by Hemtex in the end of March



Pan-Nordic presence

Store information Q1

- Kid Interior (143 stores):
 - Refurbishments: Årnes and Hamar
 - No stores opened in Q1
 - Store closings: Hillevåg Stavanger
- Hemtex (132 stores, incl. 12 franchise stores):
 - Refurbishments: Norrköping Ingelsta, Örebro Krämmaren and Upplands Väsby (Sweden)
 - Store closings: Kristianstad, Eskilstuna and Bålsta (Sweden)
 - No stores opened in Q1

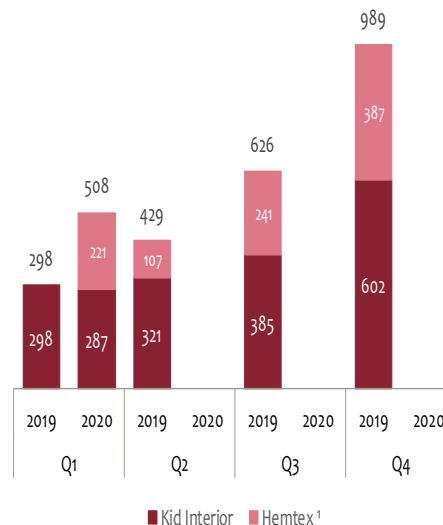


Revenues and market share

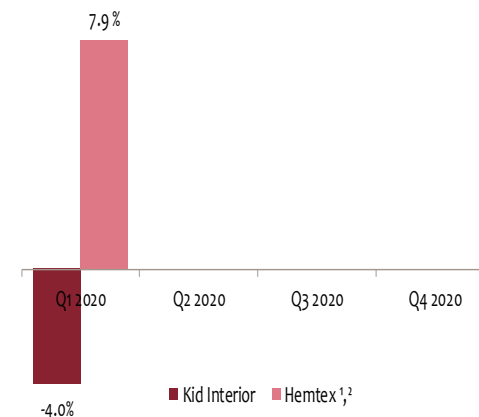
Group revenues increased by 0.7%¹

- Group like-for-like of 0.9%¹ including online sales
- Kid Interior revenue growth of -3.6% (8.4%)
 - Like-for-like growth of -4.0% (5.1%) including online sales
 - Online sales growth of 31.7 % (22.6%)
 - The index for sale of home textiles in specialised stores in Norway decreased by -4.5%
- Hemtex revenue growth of 6.6%¹
 - Like-for-like growth of 7.9%¹ including online sales
 - Online sales growth of 38%¹
 - The index for sale of home textiles in specialised stores in Sweden increased by 6.2%

Revenue (MNOK)



Like-for-like growth (%)



Revenues as of April

As of April revenues are up 2.7% YTD compared to 2019

- **Group revenues¹**
 - April: 9.3% total growth and 10.5% like-for-like growth
 - YTD: 2.7% total growth and 3.2% like-for-like growth
- **Kid Interior**
 - April: 16.0% total growth and 15.2% like-for-like growth
 - YTD: 1.1% total growth and 0.6% like-for-like growth
- **Hemtex**
 - April: -0.2% total growth and 2.0% like-for-like growth
 - YTD: 5.1% total growth and 6.6% like-for-like growth

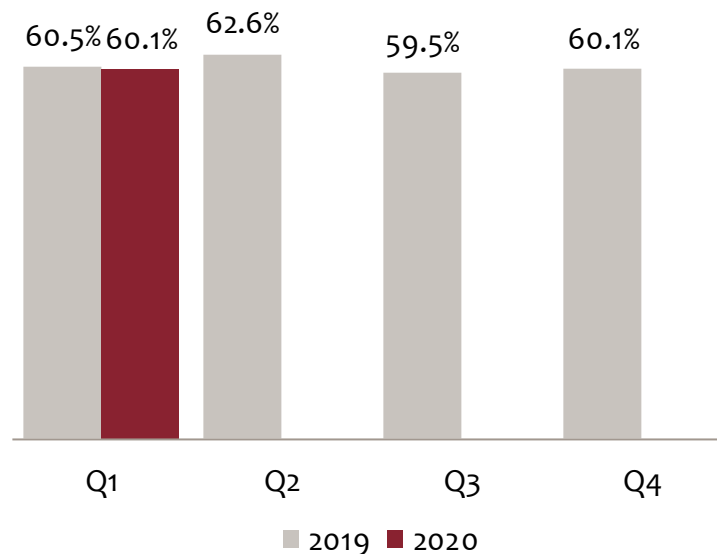


Gross margin

Group gross margin of 60.1% in Q4

- Gross margin was 60.1 % for the quarter, down by 0.4 pp. First quarter last year was positively influenced by favorable FX-rates
- Gross margin for the group was 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 gross margin reduced from 60.5% to 59.0%. The margin last year was positively affected by a favorable FX rate position
- Hemtex had a gross margin was 63.4% in the quarter. The increase in margin compared to 2019 was due to reduced rebate levels during January sales and a one-off effect of freight costs adjustments of MNOK 4

Group gross margins in 2019 and 2020¹

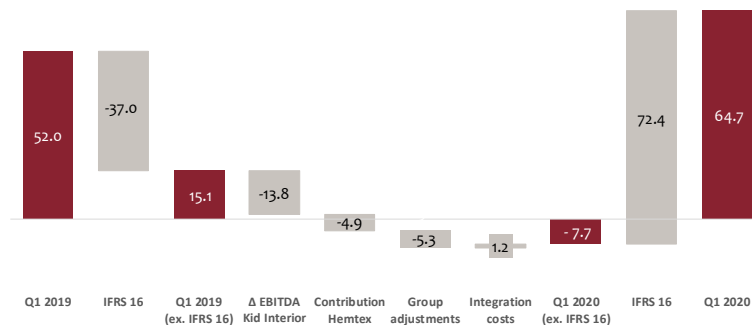


EBITDA

Adjusted¹ EBITDA of 64.7 (52.0) in Q1

- Adjusted EBITDA excl. IFRS16 of MNOK -7.7 (15.1) for Q1
- Kid Interior EBITDA excl. IFRS16 of MNOK 1.3 (15.0)
 - Reduced EBITDA mainly as a consequence of lower sales (MNOK 6.5) and a reduced Gross Margin (MNOK 4.3)
 - Increased marketing cost in Q1 of MNOK 2.0, but maintaining year-total spending as percentage of sales
- Hemtex EBITDA excl. IFRS16 of MNOK -4.9
 - One-off costs related to new third party logistics provider of MNOK 2.6
 - Temporarily use of external personnel of MNOK 1.8.

Adjusted EBITDA Q1 2020 versus Q1 2019



Cash flow

Cash Flow

| (Amounts in MNOK) | Q1 2020 | Q1 2019 | FY 2019 ¹ |
|---|---------------|--------------|----------------------|
| Net cash flow from operations | -175.2 | -46.6 | 523.6 |
| Net Cash flow from investments | -8.3 | -12.7 | -92.9 |
| Net cash flow from financing | -99.0 | -40.5 | -333.0 |
| Net change in cash and cash equivalents | -282.5 | -99.8 | 97.7 |
| Cash and cash equivalents at the beginning of the period | 339.2 | 242.2 | 242.2 |
| Exchange gains / (losses) on cash and cash equivalents | 13.2 | -0.4 | -0.6 |
| Cash and cash equivalents at the end of the period | 70.0 | 141.9 | 339.2 |

Working Capital

| (Amounts in MNOK) | Q1 2020 | Q1 2019 | FY 2019 ¹ |
|---|---------------|--------------|----------------------|
| Change in inventory | -66.1 | -19.7 | -77.2 |
| Change in trade debtors | 18.2 | -0.8 | -15.7 |
| Change intrade creditors | -47.1 | 10.6 | 65.6 |
| Change in other provisions ² | -107.5 | -40.0 | 74.3 |
| Change in working capital | -202.4 | -50.0 | 47.1 |

Solid financial position

- Cash flow from operations negatively affected by decreased profit and increased working capital due to the inclusion of Hemtex from May 2019
- Cash flow from financing impacted by instalment on RCF of MNOK 80 and proceeds from new financing of MNOK 25
- Gearing ratio, exclusive of IFRS16 effects, of 1.7
- Net interest-bearing debt excluding IFRS16 leasing liabilities of MNOK 549.2
- Cash and available credit facilities of MNOK 397 at the end of the quarter

¹ Hemtex AB figures are included in the group accounts from 15 May 2019.

² Change in other provisions includes other receivables, public duties payable and short-term liabilities

Segment: Kid Interior

| (Amounts in NOK millions) | Q1 2020 | Q1 2019 | FY 2019 |
|--------------------------------------|--------------|--------------|----------------|
| Revenue | 287.1 | 298.0 | 1,606.3 |
| Revenue growth | -3.6% | 8.4 % | 9.5 % |
| LFL growth including online sales | -4.0% | 5.1 % | 6.8 % |
| COGS | -117.7 | -117.7 | -622.6 |
| Gross profit | 169.5 | 180.3 | 983.7 |
| Gross margin (%) | 59.0 % | 60.5 % | 61.2 % |
| Other operating revenue | 0.1 | 0.0 | 0.2 |
| Employee benefits expense | -82.8 | -82.7 | -349.1 |
| Other operating expense | -46.8 | -45.6 | -203.1 |
| EBITDA | 40.0 | 52.0 | 431.7 |
| EBITDA margin (%) | 13.9 % | 17.5 % | 26.9 % |
| EBIT | -4.3 | 9.4 | 259.5 |
| EBIT margin (%) | -1.5% | 3.1 % | 16.2 % |
| No. of shopping days | 77 | 76 | 303 |
| No. of physical stores at period end | 143 | 142 | 144 |



Segment: Hemtex

| (Amounts in NOK millions) | Q1 2020 | Q1 2019 ¹ | FY 2019 |
|--|--------------|----------------------|--------------|
| Revenue | 220.9 | - | 735.9 |
| Revenue growth ² | 6.6 % | - | 13.1 % |
| LFL growth including online sales ² | 7.9 % | - | 12.5 % |
| COGS | -81.0 | - | -290.5 |
| Gross profit | 139.9 | - | 445.4 |
| Gross margin (%) | 63.4 % | - | 60.5 % |
| Other operating revenue | 0.2 | - | 1.9 |
| Employee benefits expense | -58.1 | - | -154.4 |
| Other operating expense | -53.3 | - | -131.0 |
| EBITDA | 28.8 | - | 161.9 |
| EBITDA margin (%) | 13.0 % | - | 21.9 % |
| EBIT | -10.4 | - | 69.2 |
| EBIT margin (%) | -4.7% | - | 9.4 % |
| No. of shopping days | 91 | - | 91 |
| No. of physical stores at period end (excl. franchise) | 120 | - | 123 |



Half-year dividend

Dividend of NOK 1.2 per share

- The Board of Directors has proposed a half year dividend of NOK 1.20 per share for 2019 (44% of adjusted net income for last twelve months)
- The board of directors will also propose to the annual general meeting that the board is given the authority to distribute an additional half-year dividend in November 2020 in accordance with the current dividend policy and also in light of the third quarter 2020 results.
- The proposed pay-out details are:
 - Last day including right: 27 May 2020
 - Ex-date: 28 May 2020
 - Record date: 29 May 2020
 - Payment date: 9 June 2020
 - Date of approval: 27th of May 2020 at Annual General Meeting



Operational initiatives

Mid-term objectives unchanged

- Working closely with our suppliers to secure deliveries during COVID-19. We expect only minor delays during 2020
- Autostore in the central warehouse in Norway under assembly. Will further improve delivery efficiency from Q3 for both online customers and physical stores.
- Integration of Hemtex remains a high priority. Common assortment to be implemented in Hemtex stores during fall and winter 2020.
- After the recent reopening of the five Estonian stores in May, all stores in all markets are open





Q&A

Kid

Income statement

| (Amounts in NOK thousand) | Q1 2020 | Q1 2019 | FY 2019 ¹ |
|-------------------------------|--------------|--------------|----------------------|
| Revenue | 508.0 | 298.0 | 2,342.2 |
| COGS | -202.7 | -117.7 | -925.7 |
| Gross profit | 305.3 | 180.3 | 1,416.5 |
| Gross margin (%) | 60.1 % | 60.5 % | 60.5 % |
| Other operating revenue | 0.3 | 0.0 | 2.1 |
| OPEX | -242.2 | -128.3 | -851.6 |
| EBITDA | 63.5 | 52.0 | 566.9 |
| EBITDA margin (%) | 12.5 % | 17.5 % | 24.2 % |
| Adj. EBITDA | 64.7 | 52.0 | 581.0 |
| Adj. EBITDA margin (%) | 12.7 % | 17.5 % | 24.8 % |
| Depreciation and amortisation | -83.5 | -42.7 | -265.0 |
| EBIT | -20.0 | 9.4 | 302.0 |
| EBIT margin (%) | -3.9 % | 3.1 % | 12.9 % |
| Net finance | 6.9 | -10.0 | -40.9 |
| Profit before tax | -13.1 | -0.6 | 261.0 |
| Net profit | -10.3 | -0.5 | 207.9 |
| Adj. Net profit | -9.4 | -0.5 | 220.4 |

¹ Hemtex AB figures are included in the group accounts from 15 May 2019.