

Kid ASA

12 May 2021

Q1 2021

Presentation available
at investor.kid.no



Financial first quarter in brief

- Best Q1 performance ever, driven by continued high revenue growth combined with increased gross margin and stringent cost control
- Successfully adapted to Covid-19 restrictions by utilizing the omni channel platform
- LFL group revenues increased by 9.3%¹
 - LFL growth of 10.3% in Kid Interior
 - LFL growth of 7.8% in Hemtex
- Online growth of 84.3% and 106.2% in Kid Interior and Hemtex, respectively
- Gross margin increased by 0.9 pp due to improved purchasing terms and a more favorable product mix
- Adj. EBITDA exclusive of IFRS16 effects increased by MNOK 47.2 to MNOK 39.5 from MNOK -7.7
- Renewed five-year loan agreement with Nordea



Operational focus in Q1

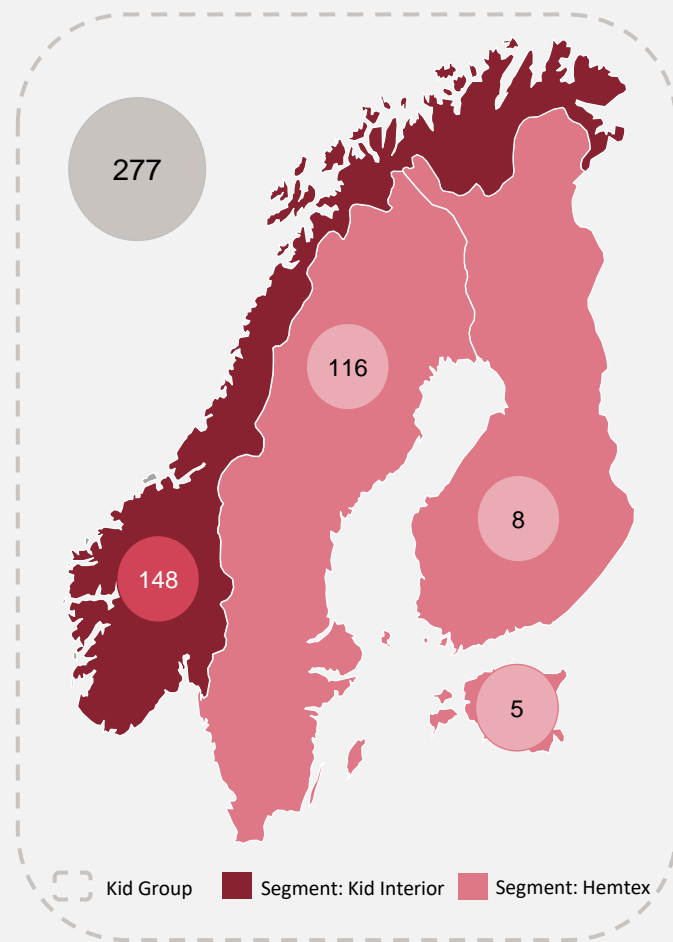
- Adapting operations to rapidly changing governmental restrictions
 - 39 of 148 stores closed on average during the quarter in Norway
 - Strict containment restrictions in Sweden and Finland. All five stores were closed in Estonia from 11 March
- Focus on initiatives to compensate for reduced store footfall with “Click and collect” and “Shop via chat”
- Successfully shifted marketing towards digital channels
- “Instore online orders” launched in Norway to widen product offering and reduce impact of out of stock situations in stores
- Notice of temporally layoffs kept at a minimum by generating omni channel sales from closed stores
- Strong performance in Hemtex 24H



Pan-Nordic presence

Store information Q1

- Kid Interior (148 stores)
 - One new store was opened in Holmestrand
 - Stjørdal and Lillemarkens (Kristiansand) were refurbished
 - Three stores were relocated in Gjøvik, Raglamyr and Elverum
 - No permanently closed stores
- Hemtex (129 stores, incl. 12 franchise stores)
 - No new stores
 - Three stores were refurbished in Karlstad, Bäckebo and Tyresö (Sweden)
 - No stores were relocated
 - Two permanently closed stores in Växjö (SE) and Skanssi (FI)

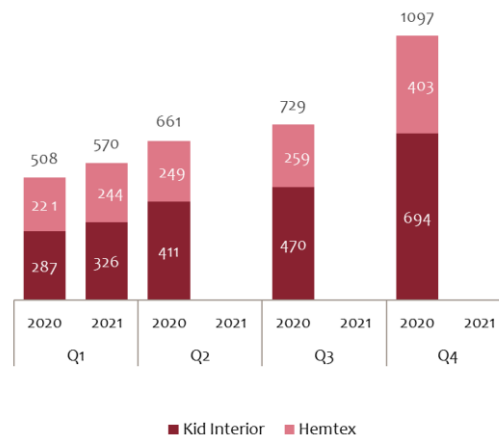


Revenues

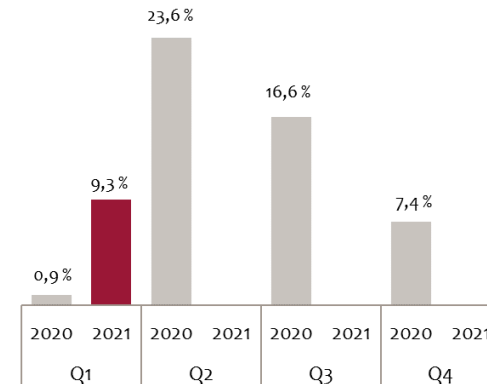
Group revenues increased by 10.4%¹

- Group like-for-like of 9.3% including online sales
- Kid Interior revenue growth of 13.6% (-3.6%)
 - Like-for-like growth of 10.3% (-4.0%) including online sales
 - Online sales growth of 84.3% to MNOK 31.8 (MNOK 17.2)
- Hemtex revenue increased by 6.4% (6.6%) in local currency
 - Reported revenues including FX-effects increased by 10.3%
 - Like-for-like growth of 7.8% (+7.9%) including online sales
 - Online sales growth of 106.2% to MSEK 46.3 (MSEK 22.4).

Revenue (MNOK)



Group Like-for-like growth (%)

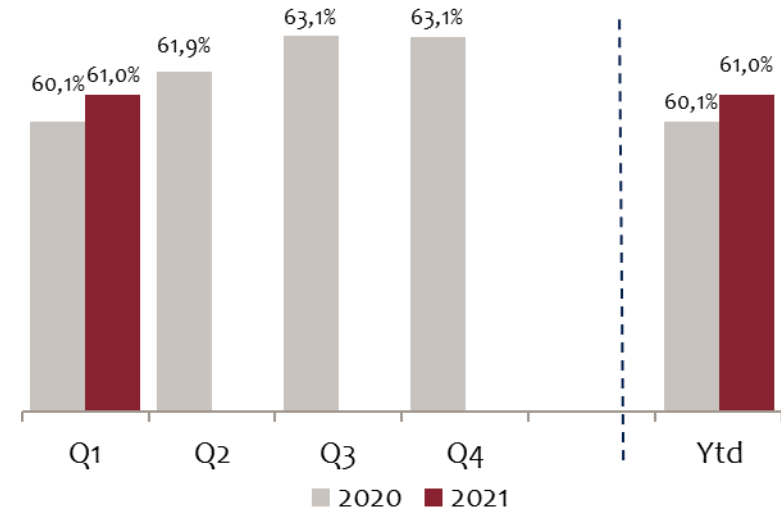


Gross margin

Group gross margin of 61.0% in Q1

- Group gross margin was 61.0 % for the quarter, up by 0.9 pp
- Kid Interior increased gross margin by 2.1 pp to 61.1% (59.0 %) due to higher purchasing volumes enabling improved purchasing terms with suppliers and a more favourable product mix
- Hemtex decreased gross margin by -2.4 pp to 61.0% (63.4%). Adjusted for one-off freight cost of MNOK 4.0 last year and increased sales from Hemtex24H, the comparable gross margin for Q1 2021 was 62.6% versus 62.7% in Q1 2020.

Group gross margins in 2020 and 2021

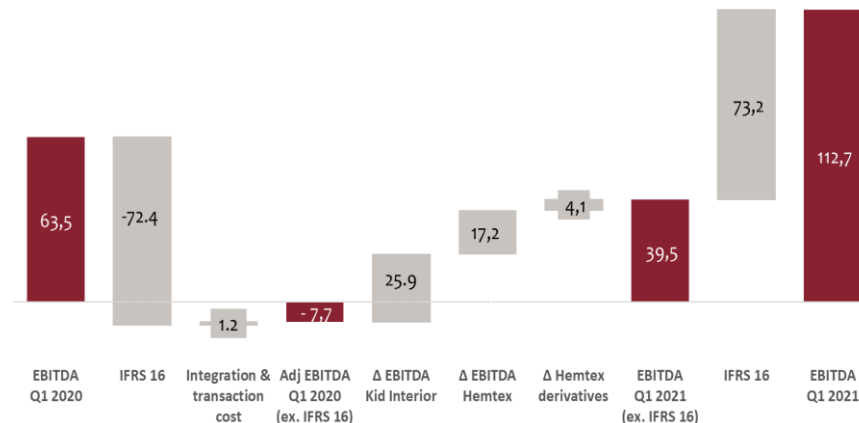


EBITDA

Adjusted EBITDA of 112.7 (63.5) in Q1

- Adjusted EBITDA excl. IFRS16 of MNOK 39.5 (MNOK -7.7) for Q1
- Kid Interior EBITDA excl. IFRS16 of MNOK 29.6 (MNOK 3.7)
 - Increased EBITDA of MNOK 25.9 mainly due to increased revenues, improved gross margin and stringent cost control
 - Estimated COVID-19 cost saving effects of MNOK 4.7 (MNOK 0) and reversed bonus provision of MNOK 5.4 (MNOK 3.3)
- Hemtex EBITDA excl. IFRS16 of MNOK 9.9 (MNOK -7.3)
 - Increased EBITDA of MNOK 17.2 due to revenue growth and reduced costs
 - Decreasing cost base in local currency following integration initiatives
 - Estimated COVID-19 cost saving effects of MNOK 2.5 (MNOK 0) and one-off effect of MNOK -1.4 related to the warehouse relocation and freight cost reversal in Q1 2020
- EBITDA was adjusted for transaction cost of MNOK 1.2 in Q1 2020¹. No adjustments have been made in Q1 2021

Adjusted¹ EBITDA Q1 2021 versus Q1 2020



Cash flow

(Amounts in NOK million)	Q1 2021	Q1 2020	FY 2020
Net cash flow from operations	-105,8	-175,2	749,2
Net Cash flow from investments	-13,6	-8,3	-65,4
Net cash flow from financing	-84,9	-99,0	-725,4
Net change in cash and cash equivalents	-204,4	-282,5	-41,5
Cash and cash equivalents at the beginning of the period	301,3	339,2	339,2
Exchange gains / (losses) on cash and cash equivalents	-5,5	13,2	3,6
Cash and cash equivalents at the end of the period	91,4	70,0	301,3

Working Capital

(Amounts in NOK million)	Q1 2021	Q1 2020	FY 2020
Change in inventory	-64,3	-66,1	22,8
Change in trade debtors	8,6	18,2	8,7
Change in trade creditors	10,5	-47,1	-61,3
Change in other provisions ¹	-128,2	-107,5	57,2
Change in working capital	-173,5	-202,4	27,3

Solid financial position and liquidity

- Cash flow from operations positively affected by increased profit and improved cash flow from Trade creditors (last year included payment of Autostore MNOK 21) partly offset by increased Other provisions due to increased bonus payments
- CAPEX reflects increased investments in stores and the new online platform
- Cash flow from financing reflects no major change to credit facilities in Q1 2021 compared to an net instalment last year partly offset by increased IFRS16 lease payments
- Gearing ratio, exclusive of IFRS16 effects, of 0.75 (1.7)
- Net interest-bearing debt excluding IFRS16 leasing liabilities of MNOK 422.2 (MNOK 549.2)
- Cash and available credit facilities of MNOK 468.4 at the end of the quarter

Segment: Kid Interior

(Amounts in NOK millions)	Q1 2021	Q1 2020 ¹	FY 2020
Revenue	326,1	287,1	1 862,8
Revenue growth	13,6 %	-3,6%	16,0 %
LFL growth including online sales	10,3 %	-4,0%	14,8 %
COGS	-126,9	-117,7	-703,1
Gross profit	199,2	169,5	1 159,7
Gross margin (%)	61,1 %	59,0 %	62,3 %
Other operating revenue	0,5	0,1	0,2
Employee benefits expense	-80,8	-80,5	-376,5
Other operating expense	-89,3	-85,4	-366,7
Other operating expense - IFRS 16 effect	40,3	38,7	150,9
EBITDA	69,9	42,4	567,7
EBITDA margin (%)	21,4 %	14,8 %	30,5 %
No. of shopping days	77	77	308
No. of physical stores at period end	148	143	147



Segment: Hemtex

(Amounts in NOK millions)	Q1 2021	Q1 2020 ¹	FY 2020
Revenue	243,7	220,9	1 131,8
Revenue growth ²	6,4 %	6,6 %	1,1 %
LFL growth including online sales ²	7,8 %	7,9 %	6,7 %
COGS	-95,2	-81,0	-420,7
Gross profit	148,6	139,9	711,1
Gross margin (%)	61,0 %	63,4 %	62,8 %
Other operating revenue	0,8	0,2	1,4
Employee benefits expense	-59,2	-60,4	-229,7
Other operating expense	-80,3	-87,1	-359,6
Other operating expense - IFRS 16 effect	32,9	33,7	138,7
EBITDA	42,8	26,4	261,9
EBITDA margin (%)	17,5 %	11,9 %	23,1 %
No. of shopping days	89	91	91
No. of physical stores at period end (excl. franchise)	117	120	119



Finance Update

Renewed loan agreement with Nordea

- Five-year term loan structure of MNOK 612, of which MNOK 100 can be drawn in two tranches within two years
- MNOK 30 repayment annually in semi-annual installments
- MNOK 115 swapped into a fixed NOKSEK and interest contract
- Interest margin on term loan in line with previous agreement
- Other credit facilities unchanged
 - MNOK 130 revolving credit facility
 - MNOK 247 overdraft facility
 - Additional finance facilities to ensure FX and other operational guarantees
- Covenants
 - Leverage NIBD/EBITDA¹ (ex IFRS) <2.25 (2.25)
 - LTM EBITDA¹ > MNOK 175 (150)



Sustainability report

Based on the GRI¹ standard

- 93% of cotton from Kid assortment in 2020 came from more sustainable sources
- Sourcing of Better Cotton saved an estimated 2.1 billion liters of water and added more profitability to local farmers
- Compensated 2,300 tons carbon dioxide in Scope 1 and 2
- Aiming at a further reduction in greenhouse gas emissions of 50% by 2030 according to Scope 3
- Full report available at <http://investor.kid.no>



Outlook

- Several opportunities for re-negotiations, relocation, and new stores
- New store openings in Sweden, in Karlskrona in Q2 and central Malmö in Q3. In total, 5 new stores are currently expected to open in 2021
- Continued focus on profitable refurbishments and expansions
- Extended assortment for outdoor furniture, pots and lighting to be launched in the second quarter
- The Board of Directors has proposed a half-year dividend of NOK 4.40 per share to be paid 9 June 2021
- Group revenues year-to-date per April were up by 8.8% compared with last year
- All stores in all our markets were open from 6 May 2021





Q&A

Kid

Financial Objectives

The objectives for Kid ASA in the medium-term are

- A continued strong financial performance driven by like-for-like growth of 3-4 percent in a normalised market, stable gross margins in line with the past 10 years, and operating expenses relative to sales below 45 percent.
- An optimized store portfolio of approximately 300 fully owned stores.
- Capital expenditures related to maintenance is expected to run at a normalised annual level of MNOK 80-90, with an additional MNOK 2.0 per new store opening.
- To maintain moderate leverage and an efficient balance sheet.
- A target of 80-100 percent dividend pay-out ratio of adjusted net profit with semi-annual payments. The distribution policy is dynamic, and any excess capital will be returned to shareholders.



Income statement

(Amounts in NOK thousand)	Q1 2021	Q1 2020	FY 2020
Revenue	569,8	508,0	2 994,7
COGS	-222,0	-202,7	-1 128,7
Gross profit	347,8	305,3	1 866,0
Gross margin (%)	61,0 %	60,1 %	62,3 %
Other operating revenue	1,3	0,3	1,7
OPEX	-236,4	-242,2	-1 044,1
EBITDA	112,7	63,5	823,6
EBITDA margin (%)	19,7 %	12,5 %	27,5 %
Adj. EBITDA	112,7	64,7	824,8
Adj. EBITDA margin (%)	19,7 %	12,7 %	27,5 %
Depreciation and amortisation	-83,0	-83,5	-340,8
EBIT	29,7	-20,0	482,7
EBIT margin (%)	5,2 %	-3,9 %	16,1 %
Net finance	-24,3	6,9	-28,4
Profit before tax	5,3	-13,1	454,3
Net profit	3,8	-10,3	356,1
Adj. Net profit	3,8	-9,4	357,0

Statement of financial position

(Amounts in NOK thousand)

	Note	31.03.2021 Unaudited	31.03.2020 Unaudited	31.12.2020 Audited
Assets				
Goodwill	9	67 626	72 079	72 280
Trademark	9	1 511 885	1 515 330	1 515 485
Other intangible assets	9	6 662	10 023	5 623
Deferred tax asset		7 656	26 274	15 810
Total intangible assets		1 593 830	1 623 705	1 609 197
Right of use asset	9	743 412	842 394	821 683
Fixtures and fittings, tools, office machinery and equipment	9	199 170	178 065	199 512
Total tangible assets		942 582	1 020 460	1 021 195
Total fixed assets		2 536 411	2 644 165	2 630 392
Inventories		531 425	567 516	482 161
Trade receivables		9 148	6 035	18 381
Other receivables		51 339	13 390	32 725
Derivatives		2 091	20 651	0
Total receivables		62 579	40 076	51 106
Cash and bank deposits		91 441	69 965	301 276
Total currents assets		685 445	677 558	834 542
Total assets		3 221 856	3 321 723	3 464 935

(Amounts in NOK thousand)

	Note	31.03.2021 Unaudited	31.03.2020 Unaudited	31.12.2020 Audited
Equity and liabilities				
Share capital		48 770	48 774	48 770
Share premium		321 050	321 049	321 050
Other paid-in-equity		64 617	64 617	64 617
Total paid-in-equity		434 440	434 440	434 437
Other equity		785 527	723 481	750 164
Total equity		1 219 967	1 157 921	1 184 601
Deferred tax		316 777	323 917	315 336
Total provisions		316 777	323 917	315 336
Lease liabilities		511 601	596 210	585 131
Liabilities to financial institutions	6	453 467	511 152	461 480
Total long-term liabilities		965 068	1 107 362	1 046 612
Lease liabilities		249 333	228 384	234 113
Liabilities to financial institutions	6	60 170	108 000	60 297
Trade payable		100 025	107 034	92 316
Tax payable		61 262	29 092	87 011
Public duties payable		102 842	79 215	167 402
Other short-term liabilities		119 034	147 185	198 883
Derivatives		27 378	33 616	78 364
Total short-term liabilities		720 043	732 526	918 385
Total liabilities		2 001 888	2 163 805	2 280 333
Total equity and liabilities		3 221 856	3 321 725	3 464 934

Sales days and stores

Kid

Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2020	77	72	79	80	308
2021	77				77

Number of store projects

2020	Q1	Q2	Q3	Q4	Total
New stores	0	0	0	4	4
Closed stores	1	0	0	0	1
Relocated stores	0	0	0	1	1
Refurbished stores	2	2	2	2	8

Total number of stores 143 143 143 147

2021	Q1	Q2	Q3	Q4	Total
New stores	1				1
Closed stores	0				0
Relocated stores	3				3
Refurbished stores	2				2

Total number of stores 148
Total number of LFL stores 143

Hemtex

Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2020	90	90	92	91	363
2021	89				89

Number of store projects

2020	Q1	Q2	Q3	Q4	Total
New stores	0	0	1	1	2
Closed stores	3	0	3	0	6
Relocated stores	0	0	1	1	2
Refurbished stores	3	0	2	3	8

Total number of stores* 132 132 130 131

2021	Q1	Q2	Q3	Q4	Total
New stores	0				0
Closed stores	2				2
Relocated stores	0				0
Refurbished stores	3				3

Total number of stores* 129
Total number of LFL stores* 127

*incl franchise stores

Allocated segment costs

(MNOK)	Q1 2021	Q1 2020	Q2 2021	Q2 2020	Q3 2021	Q3 2020	Q4 2021	Q4 2020	Total year 2021	Total year 2020
Kid ASA and Kid Interior										
Segment allocated employee benefits expense	0,8	2,3		2,4		3,2		2,1	0,8	10,0
Segment allocated other operating expense	1,7	0,1		0,3		0,3		1,0	1,7	1,7
Hemtex										
Segment allocated employee benefits expense	-0,8	-2,3		-2,4		-3,2		-2,1	-0,8	-10,0
Segment allocated other operating expense	-1,7	-0,1		-0,3		-0,3		-1,0	-1,7	-1,7

Quarterly revenue growth

Kid				
Total growth				
Year	Q1	Q2	Q3	Q4
2019	8,4 %	14,2 %	4,6 %	11,0 %
2020	-3,6 %	28,0 %	22,1 %	15,3 %
2021	13,6 %			
Like-for-like growth				
Year	Q1	Q2	Q3	Q4
2019	5,1 %	11,0 %	2,0 %	8,8 %
2020	-4,0 %	27,1 %	20,9 %	13,6 %
2021	10,3 %			

Hemtex				
Total growth				
Year	Q1	Q2	Q3	Q4
2019		-1,8 %	11,1 %	19,6 %
2020	6,6 %	14,7 %	-3,7 %	-5,7 %
2021	6,4 %			
Like-for-like growth				
Year	Q1	Q2	Q3	Q4
2019		3,2 %	3,2 %	22,0 %
2020	7,9 %	18,0 %	9,2 %	-1,9 %
2021	7,8 %			