



Kid ASA
20 August 2021

Q2 2021

Presentation available
at investor.kid.no

Kid HEMTEX

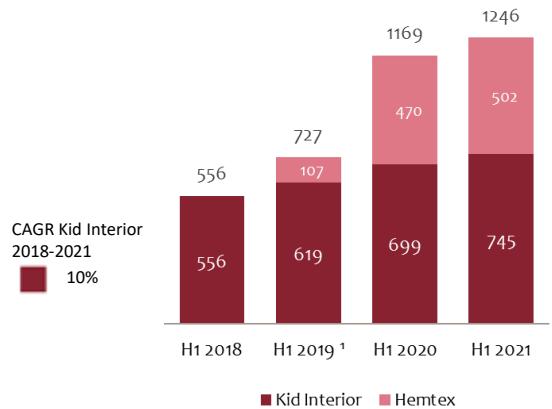
Financial second quarter in brief

- Positive revenue development on top of last year's extraordinary growth, despite negative impact from governmental Covid-19 restrictions, including store closures in Norway and Estonia during April
- LFL group revenues increased by 2.9%¹ (23.6%¹)
 - Negative LFL growth of -0.9% (27.1%) in Kid Interior
 - Positive LFL growth of 9.8% (18.0%) in Hemtex
- Online growth of 23.2% (67.7%) and 5.7% (103.0%) in Kid Interior and Hemtex respectively
- Gross margin increased by 1.8 pp mainly due to increased effect of joint sourcing for Kid and Hemtex
- Adj. EBITDA exclusive of IFRS16 effects decreased by MNOK 2.4 to MNOK 102.2

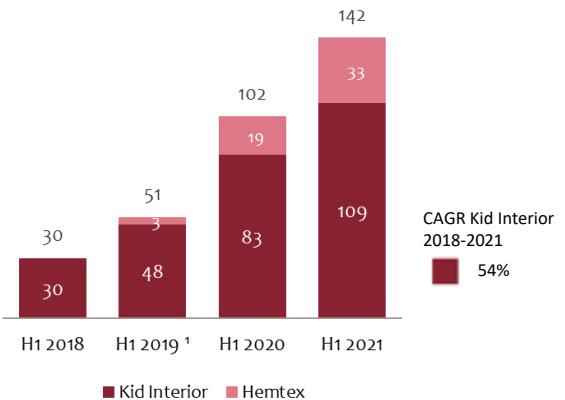


H1 2018-2021

Revenue¹



EBITDA ex IFRS16¹



CAGR Group revenue 31%¹
CAGR Like-for-like growth 2018-2021 of 8.0%²

CAGR Group EBITDA 68%¹

Figures in MNOK

3 Kid ASA Q2 2021

1) Hemtex figures are included from acquisition date 15 May 2019

2) Proforma revenues based on Hemtex management accounts pre-acquisition



Kid HEMTEX

Operational focus in Q2

- Integration of Hemtex continues according to our plan
 - Reorganised and centralised the marketing function for Kid Interior and Hemtex to realise cost synergies and achieve a more integrated and common market approach
 - Kitchen department in Hemtex stores have been upgraded based on the Kid Interior concept
- Adapting operations to rapidly changing governmental Covid-19 restrictions
 - 48 of 149 stores closed on average during April in Norway
 - Still certain containment restrictions in Sweden and Finland during the quarter
 - All five stores were closed in Estonia in April and early May
- Temporally layoffs kept at a minimum by generating omni channel sales and other innovative sales initiatives

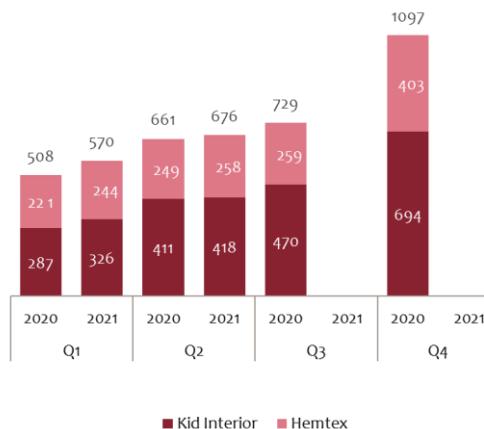


Revenues

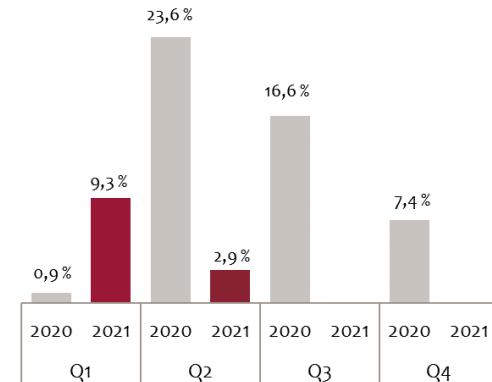
Group revenues increased by 3.9%¹ (22.8%¹)

- Group like-for-like increased by 2.9% (23.6%) including online sales
- Kid Interior revenue growth of 1.7% (28.0)
 - Like-for-like growth of -0.9% (27.1%) including online sales
 - Online sales growth of 23.2% to MNOK 38.3 (MNOK 31.1)
- Hemtex revenue increased by 7.7% (14.7%) in local currency
 - Reported revenues including FX-effects increased by 3.6%
 - Like-for-like growth of 9.8% (+18.0%) including online sales
 - Online sales growth of 5.7% to MSEK 36.5 (MSEK 34.6).

Revenue (MNOK)



Group Like-for-like growth (%)

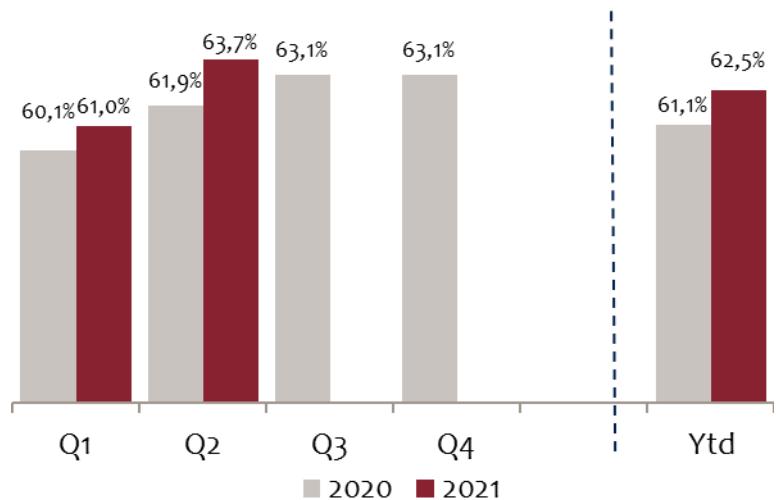


Gross margin

Group gross margin of 63.7% in Q2

- Group gross margin was 63.7 % for the quarter, up by 1.8 pp
- Kid Interior increased gross margin by 1.9 pp to 63.5% (61.6%) due to the effect of last year's price adjustments, less rebating due to strong demand, improved purchasing terms because of joint sourcing with Hemtex and favourable changes in product mix
- Hemtex increased gross margin by 1.5 pp to 64.1% (62.6%). due to joint sourcing with Kid Interior and favourable changes to product mix

Group gross margins in 2020 and 2021

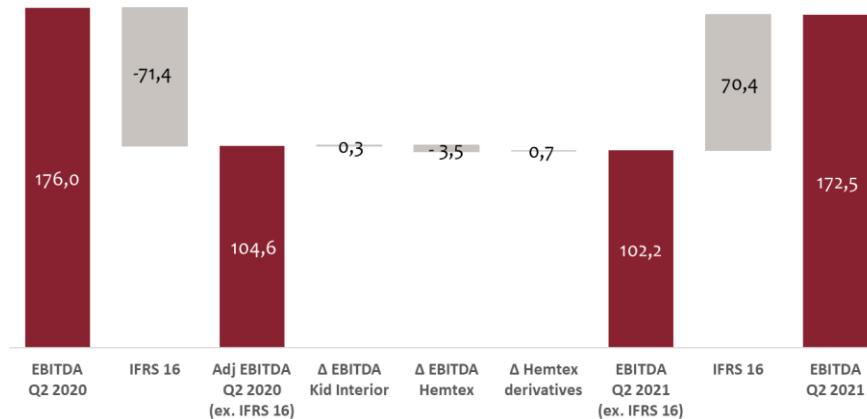


EBITDA

EBITDA of 172.5 (176.0) in Q2

- EBITDA excl IFRS16 of MNOK 102.2 (MNOK 104.6)
- Kid Interior EBITDA excl. IFRS16 of MNOK 79.2 (MNOK 78.8)
 - OPEX increased due to higher IT-costs, volume-driven online distribution cost and warehouse costs due to COVID-19 regulations
 - Estimated COVID-19 cost saving effects of MNOK 3.7 (MNOK 12.0) and bonus provision of MNOK 2.7 (MNOK 18.2)
- Hemtex EBITDA excl. IFRS16 of MNOK 23.0 (MNOK 26.4)
 - OPEX increased because of more Group services provided by, and allocated from, HQ in Norway
 - Estimated COVID-19 cost saving effects of MNOK 0.5 (MNOK 11.5) and bonus provision of MNOK 0 (MNOK 1.1)

EBITDA Q2 2021 versus Q2 2020



Cash flow

(Amounts in NOK million)	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Net cash flow from operations	112,6	256,1	6,8	80,9	749,2
Net Cash flow from investments	-23,0	-16,8	-36,6	-25,0	-65,4
Net cash flow from financing	-123,6	-128,1	-208,5	-227,1	-725,4
Net change in cash and cash equivalents	-34,0	111,2	-238,4	-171,3	-41,5
Cash and cash equivalents at the beginning of the period	91,4	70,0	301,3	339,2	339,2
Exchange gains / (losses) on cash and cash equivalents	3,3	-4,3	-2,2	8,9	3,6
Cash and cash equivalents at the end of the period	60,7	176,8	60,7	176,8	301,3

Working Capital

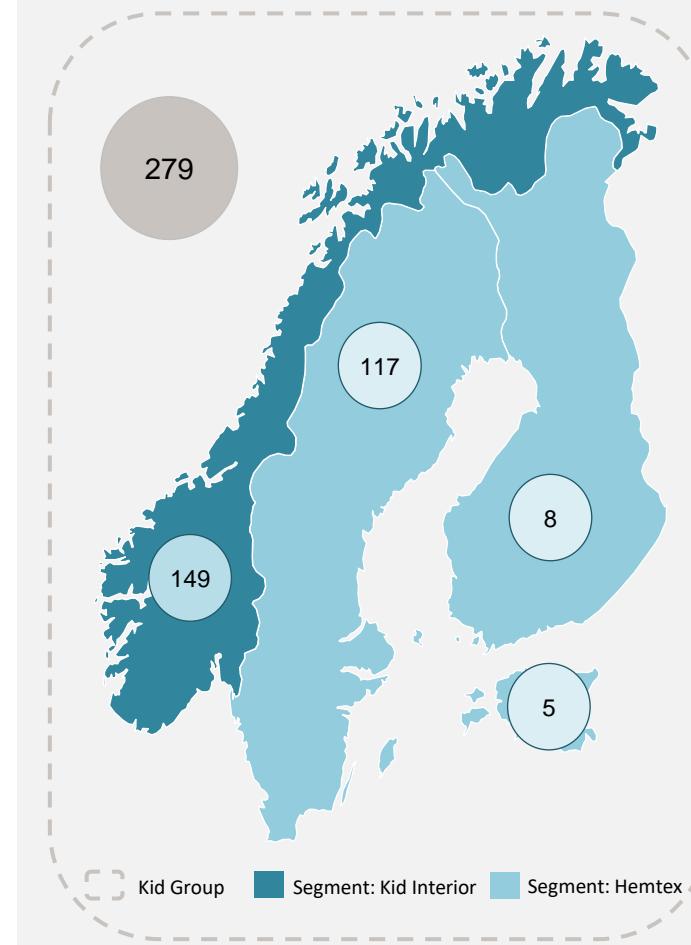
(Amounts in NOK million)	Q2 2021	Q2 2020	H1 2021	H1 2020	FY 2020
Change in inventory	-16,0	95,5	-80,4	29,5	22,8
Change in trade debtors	-3,8	-1,8	4,8	16,4	8,7
Change in trade creditors	-19,5	-32,4	-9,0	-79,5	-61,3
Change in other provisions ¹	16,9	31,4	-111,2	-76,0	57,2
Change in working capital	-22,3	92,7	-195,8	-109,6	27,3

Solid financial position and liquidity

- Cash flow from operations reduced by MNOK 143.5 compared to Q2 2020
 - Inventory level last year affected by unexpected high sales combined with reduced sourcing during first phase of Covid-19
 - Higher tax payments this period due to postponed payments last year following Covid-19 governmental temporary reliefs
- Cash flow from investments reflects increased CAPEX in stores and the new online platform
- Cash flow from financing includes increased dividend payment offset by increased short-term debt
- Gearing ratio, exclusive of IFRS16 effects, of 1.0 (1.1)
- Net interest-bearing debt excluding IFRS16 leasing liabilities of MNOK 582.9 (MNOK 422.2)
- Cash and available credit facilities of MNOK 407.7 (MNOK 503.8) at the end of the quarter

Increased store portfolio activity

	Completed year to date	Signed, but not yet completed
New stores	NO: Holmestrand (Q1 21) NO: Digerneset (Q2 21) SE: Amiralen, Karlskrona (Q2 21)	NO: Rortunet (Q4 21) NO: Mosjøen (Q4 21) NO: Storgata, Oslo (Q4 21) NO: Skøyen (Q2 22) NO: Grünerløkka (Q4 23) NO: Fredrikstad (Q4 23) SE: Gustav Adolfs Torg, Malmö (Q3 21) SE: Folkesta, Eskilstuna (Q3 21)
Closures	SE: 1 closed store FI: 1 closed store	
Relocations	NO: 4 stores SE: 1 store	NO: 1 store SE: 2 stores
Refurbishment	NO: 6 stores SE: 5 stores EE: 1 store	NO: 4 stores



Outlook

- 5 new stores are currently expected to open in 2021
- Extended assortment for outdoor furniture proven successful in Norway and following a recent pilot test in Sweden, we intend to launch this category in Hemtex next year
- Ongoing development of the new online platform for the group to go live in all markets before the Christmas season this year
- Closely monitoring the unstable, global ocean freight situation with increased spot rates and risk of delays, as well as increased cost of raw materials





Q&A

Kid



Segment: Kid Interior

(Amounts in NOK millions)	Q2 2021	Q2 2020 ¹	H1 2021	H1 2020 ¹	FY 2020 ¹
Revenue	418,4	411,5	744,5	698,6	1862,8
Revenue growth	1,7 %	28,0 %	6,6 %	12,8 %	16,0 %
LFL growth including online sales	-0,9%	27,1 %	3,7 %	12,1 %	14,8 %
COGS	-152,9	-157,9	-279,7	-275,6	-703,1
Gross profit	265,5	253,5	464,7	423,0	1159,7
Gross margin (%)	63,5 %	61,6 %	62,4 %	60,6 %	62,3 %
Other operating revenue	-0,0		0,5	0,1	0,2
Employee benefits expense	-86,1	-86,4	-166,9	-167,0	-374,1
Other operating expense	-100,2	-88,2	-189,5	-173,6	-366,4
Other operating expense - IFRS 16 effect	39,3	37,1	79,7	75,8	150,9
EBITDA	118,5	115,9	188,4	158,3	570,4
EBITDA margin (%)	28,3 %	28,2 %	25,3 %	22,7 %	30,6 %
No. of shopping days	71	72	148	149	308
No. of physical stores at period end	149	143	149	143	147



Segment: Hemtex

(Amounts in NOK millions)	Q2 2021	Q2 2020 ¹	H1 2021	H1 2020 ¹	FY 2020 ¹
Revenue	257,9	249,0	501,7	469,9	1 131,8
Revenue growth ²	7,7 %	14,7 %	7,1 %	10,7 %	1,1 %
LFL growth including online sales ²	9,8 %	18,0 %	8,8 %	13,0 %	6,7 %
COGS	-92,7	-93,2	-187,9	-174,1	-420,7
Gross profit	165,2	155,9	313,8	295,8	711,1
Gross margin (%)	64,1 %	62,6 %	62,6 %	62,9 %	62,8 %
Other operating revenue	1,5	0,0	2,3	0,3	1,4
Employee benefits expense	-63,3	-53,7	-122,5	-114,1	-232,1
Other operating expense	-80,4	-75,8	-160,8	-162,8	-359,9
Other operating expense - IFRS 16 effect	31,1	34,3	64,0	68,0	138,7
EBITDA	54,0	60,8	96,8	87,2	259,2
EBITDA margin (%)	20,8 %	24,4 %	19,2 %	18,5 %	22,9 %
No. of shopping days	90	90	90	90	91
No. of physical stores at period end (excl. franchise)	118	120	118	120	119

¹For reason of comparison, 2020 have been restated with Segment Allocated Costs. Refer attachment for details.

²Calculated in local currency



Income statement

(Amounts in NOK thousand)	Q2 2021	Q2 2020	H1 2021	H1 2020
Revenue	676,3	660,5	1 246,1	1 168,5
COGS	-245,5	-251,8	-467,6	-454,5
Gross profit	430,8	408,7	778,5	714,0
Gross margin (%)	63,7 %	61,9 %	62,5 %	61,1 %
Other operating revenue	1,4	0,0	2,7	0,4
OPEX	-259,7	-232,7	-496,0	-474,9
EBITDA	172,5	176,0	285,3	239,5
EBITDA margin (%)	25,5 %	26,6 %	22,8 %	20,5 %
Adj. EBITDA	172,5	176,0	285,3	240,7
Adj. EBITDA margin (%)	25,5 %	26,6 %	22,8 %	20,6 %
Depreciation and amortisation	-83,0	-85,8	-166,0	-169,3
EBIT	89,6	90,2	119,2	70,1
EBIT margin (%)	13,2 %	13,7 %	9,5 %	6,0 %
Net finance	-9,1	-11,8	-33,4	-4,9
Profit before tax	80,5	78,3	85,8	65,2
Net profit	63,8	62,0	67,5	51,7
Adj. Net profit	63,8	62,0	67,5	52,6

Statement of financial position

(Amounts in NOK thousand)	Note	30.06.2021 Unaudited	30.06.2020 Unaudited	31.12.2020 Audited	(Amounts in NOK thousand)	Note	30.06.2021 Unaudited	30.06.2020 Unaudited	31.12.2020 Audited
Assets					Equity and liabilities				
Goodwill	9	69 684	72 024	72 280	Share capital		48 770	48 770	48 770
Trademark	9	1 513 476	1 515 287	1 515 485	Share premium		321 050	321 050	321 050
Other intangible assets	9	10 900	9 485	5 623	Other paid-in-equity		64 617	64 617	64 617
Deferred tax asset		0	24 125	15 810	Total paid-in-equity		434 440	434 437	434 437
Total intangible assets		1 594 060	1 620 920	1 609 197	Other equity		676 194	707 837	750 164
Right of use asset	9	719 396	797 719	821 683	Total equity		1 110 634	1 142 274	1 184 601
Fixtures and fittings, tools, office machinery and equipment	9	205 027	180 202	199 512	Deferred tax		316 205	318 112	315 336
Total tangible assets		924 423	977 921	1 021 195	Total provisions		316 205	318 112	315 336
Total fixed assets		2 518 483	2 598 841	2 630 392	Lease liabilities		491 056	560 721	585 131
Inventories		554 258	474 023	482 161	Liabilities to financial institutions	6	601 700	510 553	461 480
Trade receivables		13 188	7 766	18 381	Total long-term liabilities		1 092 756	1 071 274	1 046 612
Other receivables		29 068	15 162	32 725	Lease liabilities		243 937	224 900	234 113
Derivatives		2 270	0	0	Liabilities to financial institutions	6	41 993	108 333	60 297
Total receivables		44 526	22 928	51 106	Trade payable		56 608	74 163	92 316
Cash and bank deposits		60 716	176 815	301 276	Tax payable		46 172	43 553	87 011
Total currents assets		659 500	673 766	834 542	Public duties payable		101 962	90 850	167 402
Total assets		3 177 983	3 272 607	3 464 935	Other short-term liabilities		141 248	149 609	198 883
					Derivatives		26 468	49 538	78 364
					Total short-term liabilities		658 388	740 946	918 385
					Total liabilities		2 067 349	2 130 332	2 280 333
					Total equity and liabilities		3 177 983	3 272 607	3 464 934

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	5,2	2,4		3,2		2,1	5,9	10,0
Segment allocated other operating expense	1,7	0,1	1,0	0,3		0,3		1,0	2,7	1,7
Hemtex										
Segment allocated employee benefits expense	-0,8	-2,3	-5,2	-2,4		-3,2		-2,1	-5,9	-10,0
Segment allocated other operating expense	-1,7	-0,1	-1,0	-0,3		-0,3		-1,0	-2,7	-1,7

Quarterly revenue growth

Kid Interior

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 %	1,7 %		

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 %	-0,9 %		

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 %	7,7 %		

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 %	9,8 %		

Sales days and stores

Kid Interior

Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2020	77	72	79	80	308
2021	77	71			148

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	
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2021	Q1	Q2	Q3	Q4	Total
New stores	1	1			2
Closed stores	0	0			0
Relocated stores	3	1			4
Refurbished stores	2	4			6

Total number of stores	148	149			
Total number of LFL stores	143	143			

Hemtex

Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2020	90	90	92	91	363
2021	89	90			179

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	
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2021	Q1	Q2	Q3	Q4	Total
New stores	0	1			1
Closed stores	2	0			2
Relocated stores	0	0			0
Refurbished stores	3	4			7

Total number of stores*	129	130			
Total number of LFL stores*	127	127			

*incl franchise stores

Financial Objectives

Financial performance

Sales	<ul style="list-style-type: none">Like-for-Like growth of 3 – 4% in a normalised market
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Gross profit	<ul style="list-style-type: none">Stable gross margins in line with the past 10 years
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OPEX	<ul style="list-style-type: none">OPEX relative to sales below 45 %
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Store portfolio

Stores	<ul style="list-style-type: none">An optimized portfolio of approximately 300 fully owned stores
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CAPEX	<ul style="list-style-type: none">Kid group targets annual maintenance CAPEX of MNOK 80-90 (incl. relocations and refurbishments)Capex for a new store opening in the range of MNOK 2
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Dividend Policy & capital structure

Dividend	<ul style="list-style-type: none">Kid target a pay-out ratio of 80-100% of adjusted net profitSemi-annual dividend paymentsThe company will deploy a dynamic distribution policy, and any excess capital will be returned to shareholders
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Balance sheet	<ul style="list-style-type: none">The company's leverage policy is to run the business with moderate leverage and maintain an efficient balance sheet
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