



Kid ASA

4 November 2021

Q3 2021

Presentation available
at investor.kid.no

Financial third quarter in brief

- 6th consecutive quarter with year-on-year increased Earnings Per Share
- Group revenues were positive following a strong quarter in Hemtex. Last year's extraordinary growth in Norway proved to be a challenge to exceed
- LFL group revenues increased by 0.1%¹ (16.6%¹)
 - Negative LFL growth of -7.1% (20.9%) in Kid Interior
 - Positive LFL growth of 14.6% (9.2%) in Hemtex
- Online growth of 7.2% (18.6%) and 18.4% (45.8%) in Kid Interior and Hemtex, respectively
- Gross margin decreased by -1.7 pp due to increased rebates and increased B2B sales in Hemtex, as well as increased freight costs (in both segments)
- EBITDA exclusive of IFRS16 effects increased by MNOK 8.6 to MNOK 147.5
- Semi-annual dividend payment of NOK 4.60 per share



Operational focus in Q3

- Integration of Hemtex continues according to our plan
 - Introducing more Kid Interior products and product categories
 - Refurbishing and upgrading the store portfolio is driving growth
 - Upgraded stores generated 13% higher growth than the rest of the store portfolio
- New ecommerce platform has been launched in Norway, Sweden and Finland. Estonia to follow in November
- Revised and renewed customer club functionality and offerings
- Hemtex24H has signed Danish hypermarket Bilka (Salling Group)
- The unstable global freight situation has required attention on a running basis to ensure on-time deliveries ahead of the holiday season
- Establishing a new warehouse outside of Borås, Sweden, taking the logistics inhouse in the same way as Kid Interior in Norway

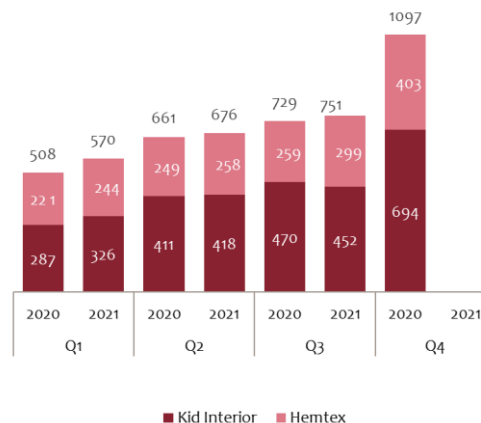


Revenues

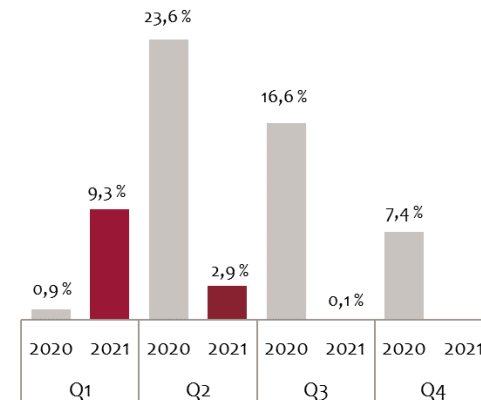
Group revenues increased by 3.6%¹ (11.5%¹)

- Group like-for-like increased by 0.1% (16.6%) including online sales
- Kid Interior revenue decline of -3.9% (22.1%)
 - Like-for-like decline of -7.1% (20.9%) including online sales
 - Online sales growth of 7.2% to MNOK 25.5 (MNOK 23.8)
- Hemtex revenue increased by 17.4% (-3.7%) in local currency
 - Reported revenues including FX-effects increased by 15.5%
 - Like-for-like growth of 14.6% (+9.2%) including online sales
 - Online sales growth of 18.4% to MSEK 30.0 (MSEK 25.3).

Revenue (MNOK)



Group Like-for-like growth (%)

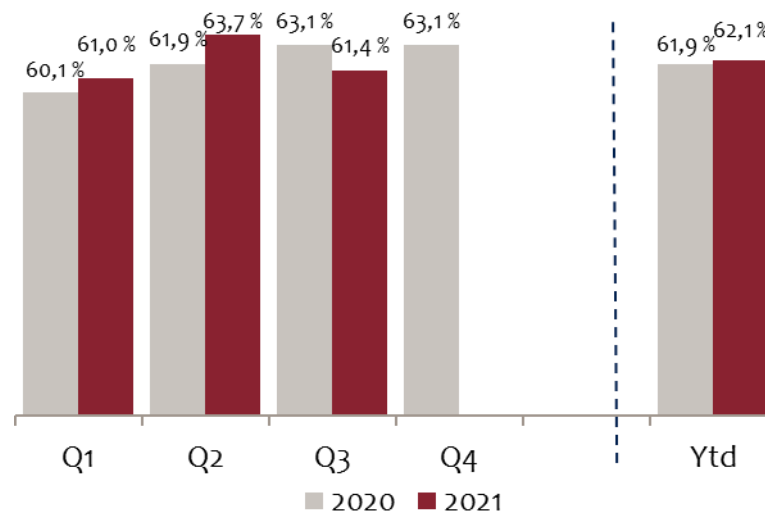


Gross margin

Group gross margin of 61.4% in Q3

- Group gross margin was 61.4 % for the quarter, down by 1.7 pp compared to Q3 2020
- Kid Interior decreased gross margin by -1.0 pp to 62.2% (63.2%) due to increased freight costs
- Hemtex decreased gross margin by -2.6 pp to 60.3% (62.9%) due to increased summer campaign rebating, increased Hemtex24H sales and increased freight costs

Group gross margins in 2020 and 2021

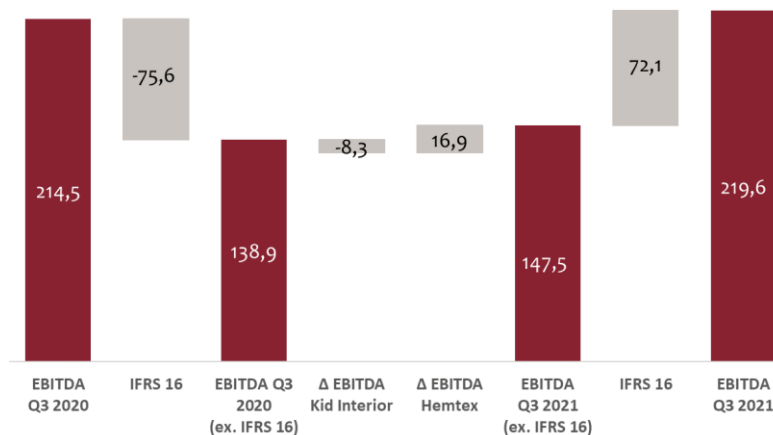


EBITDA

EBITDA of 219.6 (214.5) in Q3

- EBITDA excl IFRS16 of MNOK 147.5 (MNOK 138.9)
- Kid Interior EBITDA excl. IFRS16 of MNOK 106.8 (MNOK 115.1)
 - The reduction in EBITDA of MNOK 8.3 was mainly caused by reduced revenues, partly offset by lower employee bonus provisions
 - Estimated COVID-19 cost saving effects of MNOK 1.2 (MNOK 1.7) and bonus provision of MNOK 3.5 (MNOK 14.8)
- Hemtex EBITDA excl. IFRS16 of MNOK 40.7 (MNOK 23.8)
 - The increased EBITDA of MNOK 17.0 was mainly caused by increased revenues
 - Estimated COVID-19 cost saving effects of MNOK 0.2 (MNOK 0.8) and bonus provision of MNOK 0.7 (MNOK 0.6)

EBITDA Q3 2021 versus Q3 2020



Cash flow

(Amounts in NOK million)	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	FY 2020
Net cash flow from operations	189,5	144,4	196,3	225,3	749,2
Net Cash flow from investments	-19,0	-13,1	-55,7	-38,2	-65,4
Net cash flow from financing	-141,9	-132,7	-350,4	-359,9	-725,4
Net change in cash and cash equivalents	28,6	-1,4	-209,8	-172,7	-41,5
Cash and cash equivalents at the beginning of the period	60,7	176,8	301,3	339,2	339,2
Exchange gains / (losses) on cash and cash equivalents	3,7	-1,7	1,5	7,2	3,6
Cash and cash equivalents at the end of the period	93,0	173,7	93,0	173,7	301,3

Working Capital

(Amounts in NOK million)	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020	FY 2020
Change in inventory	-33,4	-83,2	-113,8	-53,7	22,8
Change in trade debtors	-1,9	3,1	2,9	19,6	8,7
Change in trade creditors	23,6	-19,1	14,5	-98,6	-61,3
Change in other provisions ¹	-1,0	63,0	-112,3	-13,0	57,2
Change in working capital	-12,8	-36,1	-208,6	-145,7	27,3

Solid financial position and liquidity

- Cash flow from operations increased by MNOK 45.1 compared to Q3 2020
 - Inventory level last year was affected by unusually high sales combined with reduced sourcing
 - Change in other provisions relates to postponed payments of other public duties following Covid-19 governmental temporary reliefs as well as higher bonus provisions in Q3 20
- Cash flow from investments reflects increased CAPEX in stores and new online platform
- Cash flow from financing includes partial repayment of RCF
- Gearing ratio, exclusive of IFRS16 effects, of 0.83x (0.85x)
- Net interest-bearing debt excluding IFRS16 leasing liabilities of MNOK 485.5 (MNOK 397.2)
- Cash and available credit facilities of MNOK 505.0 (MNOK 500.7) at the end of the quarter

Semi-annual dividend

Dividend of NOK 4.60 per share

- The Board of Directors has decided to pay a half-year dividend of NOK 4.60 per share as a prepayment on the fiscal year 2021, representing 50% of adjusted net income for the last twelve months
- Following the Q4 2021 results, the board of directors will propose the next half-year dividend to the annual general meeting in May 2022
- The proposed pay-out details are:
 - Last day including right: 9 November 2021
 - Ex-date: 10 November 2021
 - Record date: 11 November 2021
 - Payment date: 23 November 2021
 - Date of approval: 4 November 2021 (Board Resolution according to proxy approved at the Annual General Meeting)



Outlook

- Well prepared for the Christmas shopping season
- 5 new stores to open in Q4 2021 of which 4 are in Norway and 1 in Sweden
- Unstable, global freight situation, especially regarding shipments from China, with increased spot rates
 - 7-9x higher rates than seen before the pandemic
 - Freight costs in the Kid Group have historically been 5-7% of cost of goods sold
 - Increased cost have materialised in September 2021 and is expected to affect Q4 2021 and most likely also into 2022
 - We are prepared and remain confident with regards to our Financial Objectives



New warehouse in Borås, Sweden

- The warehouse will enable the Kid Group to operate more cost efficiently, reduce operational risk and support further growth
- A 50/50 Joint Venture (JV) controlled by Kid ASA and Fabritius AS to purchase a plot (of land) of 45,000 square meters at Viared, Borås municipality (Sweden)
 - Agreement expected to be completed by end of January 2022
 - Includes an option to purchase two adjacent plots for future warehouse extensions
 - Subject to approval in Borås municipality
- Construction of the warehouse and offices of approximately 25,000 square meters is expected to start early Q2 2022 and be finalized summer of 2023
- Kid's investment in the Joint Venture will be financed from existing bank facilities. The project will be financed on a stand-alone basis through bank borrowings with an estimated gearing ratio of 80%
- Further details is provided in yesterday's stock announcement



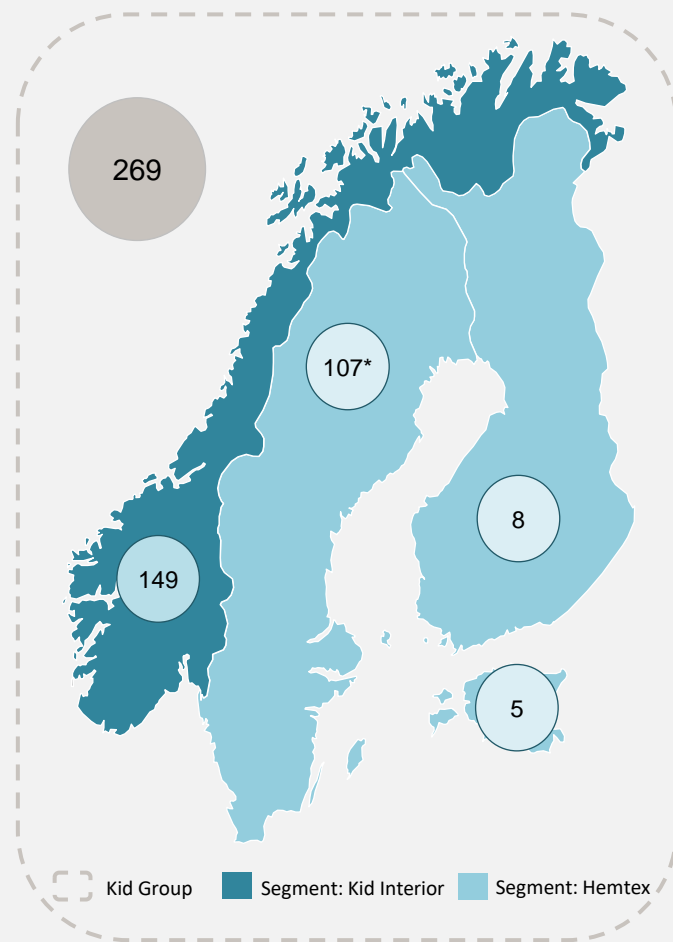
Q&A

Kid



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) SE: Gustav Adolfs Torg, Malmö (Q3 21) SE: Folkesta, Eskilstuna (Q3 21)	NO: Rortunet (Q4 21) NO: Mosjøen (Q4 21) NO: Storgata, Oslo (Q4 21) NO: Holmlia (Q4 21) NO: Skøyen (Q2 22) NO: Grünerløkka (Q4 23) NO: Fredrikstad (Q4 23) SE: Drottninggatan (Q4 21)
Closures	SE: 1 closed store FI: 1 closed store	
Relocations	NO: 5 stores SE: 2 store	NO: 1 store SE: 1 store
Refurbishment	NO: 9 stores SE: 6 stores EE: 1 store	NO: 3 stores SE: 2 stores



Segment: Kid Interior

(Amounts in NOK millions)	Q3 2021	Q3 2020 ¹	Q1-Q3 2021	Q1-Q3 2020 ¹	FY 2020 ¹
Revenue	451,7	470,1	1 196,1	1 168,7	1 862,8
Revenue growth	-3,9%	22,1 %	2,3 %	16,4 %	16,0 %
LFL growth including online sales	-7,1%	20,9 %	-0,6%	15,5 %	14,8 %
COGS	-170,7	-173,0	-450,4	-448,6	-703,1
Gross profit	281,0	297,1	745,7	720,1	1 159,7
Gross margin (%)	62,2 %	63,2 %	62,3 %	61,6 %	62,3 %
Other operating revenue	0,0	0,1	0,5	0,2	0,2
Employee benefits expense	-83,6	-92,6	-250,5	-259,5	-370,9
Other operating expense	-90,6	-89,4	-280,1	-263,0	-366,1
Other operating expense - IFRS 16 effect	40,3	38,4	119,9	114,1	150,9
EBITDA	147,1	153,5	335,5	311,9	573,9
EBITDA margin (%)	32,6 %	32,7 %	28,0 %	26,7 %	30,8 %
No. of shopping days	79	79	227	228	308
No. of physical stores at period end	149	143	149	143	147



Segment: Hemtex

(Amounts in NOK millions)	Q3 2021	Q3 2020 ¹	Q1-Q3 2021	Q1-Q3 2020 ¹	FY 2020 ¹
Revenue	298,9	258,8	800,6	728,8	1 131,8
Revenue growth ²	17,4 %	-3,7%	10,7 %	5,2 %	1,1 %
LFL growth including online sales ²	14,6 %	9,2 %	10,9 %	11,9 %	6,7 %
COGS	-118,8	-95,9	-306,6	-270,1	-420,7
Gross profit	180,2	162,9	494,0	458,7	711,1
Gross margin (%)	60,3 %	62,9 %	61,7 %	62,9 %	62,8 %
Other operating revenue	1,0	0,3	3,3	0,6	1,4
Employee benefits expense	-58,2	-58,0	-180,7	-172,1	-235,3
Other operating expense	-82,3	-81,5	-243,1	-244,3	-360,2
Other operating expense - IFRS 16 effect	31,9	37,2	95,9	105,3	138,7
EBITDA	72,6	61,0	169,4	148,2	255,7
EBITDA margin (%)	24,2 %	23,5 %	21,1 %	20,3 %	22,6 %
No. of shopping days	92	92	271	272	363
No. of physical stores at period end (excl. franchise)	120	118	120	118	119



Income statement

(Amounts in NOK thousand)	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Revenue	750,6	728,9	1 996,7	1 897,5
COGS	-289,4	-269,0	-757,0	-723,5
Gross profit	461,2	460,0	1 239,7	1 174,0
Gross margin (%)	61,4 %	63,1 %	62,1 %	61,9 %
Other operating revenue	1,0	0,4	3,8	0,7
OPEX	-242,6	-245,8	-738,6	-720,7
EBITDA	219,6	214,5	504,9	454,0
EBITDA margin (%)	29,2 %	29,4 %	25,2 %	23,9 %
Depreciation and amortisation	-84,8	-84,7	-250,8	-254,1
EBIT	134,9	129,8	254,1	199,9
EBIT margin (%)	17,9 %	17,8 %	12,7 %	10,5 %
Net finance	-10,9	-9,7	-44,3	-14,6
Profit before tax	124,0	120,1	209,8	185,4
Net profit	97,8	94,7	165,3	146,4

Statement of financial position

(Amounts in NOK thousand)	Note	30.09.2021	30.09.2020	31.12.2020
		Unaudited	Unaudited	Audited
Assets				
Goodwill	9	69 247	72 737	72 280
Trademark	9	1 513 138	1 515 838	1 515 485
Other intangible assets	9	15 130	9 265	5 623
Deferred tax asset		0	15 593	15 810
Total intangible assets		1 597 515	1 613 434	1 609 197
Right of use asset	9	709 525	778 579	821 683
Fixtures and fittings, tools, office machinery and equipment	9	201 176	181 460	199 512
Total tangible assets		910 701	960 039	1 021 195
Total fixed assets		2 508 216	2 573 473	2 630 392
Inventories		586 215	560 005	482 161
Trade receivables		14 955	4 620	18 381
Other receivables		24 972	15 333	32 725
Derivatives		8 390	8 074	0
Total receivables		48 317	28 027	51 106
Cash and bank deposits		93 031	173 749	301 276
Total currents assets		727 563	761 781	834 542
Total assets		3 235 779	3 335 254	3 464 935

(Amounts in NOK thousand)	Note	30.09.2021	30.09.2020	31.12.2020
		Unaudited	Unaudited	Audited
Equity and liabilities				
Share capital		48 770	48 770	48 770
Share premium		321 050	321 050	321 050
Other paid-in-equity		64 617	64 617	64 617
Total paid-in-equity		434 440	434 437	434 437
Other equity		789 334	809 108	750 164
Total equity		1 223 774	1 243 545	1 184 601
Deferred tax		327 381	315 488	315 336
Total provisions		327 381	315 488	315 336
Lease liabilities		477 095	546 512	585 131
Liabilities to financial institutions	6	536 600	460 403	461 480
Total long-term liabilities		1 013 695	1 006 915	1 046 612
Lease liabilities		239 733	221 817	234 113
Liabilities to financial institutions	6	41 980	110 547	60 297
Trade payable		79 821	55 319	92 316
Tax payable		57 448	42 365	87 011
Public duties payable		115 690	130 433	167 402
Other short-term liabilities		127 634	163 732	198 883
Derivatives		8 624	45 094	78 364
Total short-term liabilities		670 930	769 306	918 385
Total liabilities		2 012 006	2 091 710	2 280 333
Total equity and liabilities		3 235 779	3 335 254	3 464 935

Allocated segment costs

Segment allocated 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	3,6	3,2		2,1	9,5	10,0
Segment allocated other operating expense	1,7	0,1	1,0	0,3	1,3	0,3		1,0	4,0	1,7
Hemtex										
Segment allocated employee benefits expense	-0,8	-2,3	-5,2	-2,4	-3,6	-3,2		-2,1	-9,5	-10,0
Segment allocated other operating expense	-1,7	-0,1	-1,0	-0,3	-1,3	-0,3		-1,0	-4,0	-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 %	-3,9 %	
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 %	-7,1 %	

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 %	17,4 %	
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 %	9,8 %	14,6 %	

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	79		227

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	0		2
Closed stores	0	0	0		0
Relocated stores	3	1	1		5
Refurbished stores	2	4	2		8

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

Hemtex

Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2020	90	90	92	91	363
2021	89	90	92		271

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	2		3
Closed stores	2	0	0		2
Relocated stores	0	0	1		1
Refurbished stores	3	4	0		7

Total number of stores*	129	130	132
Total number of LFL stores*	127	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
Gross profit	<ul style="list-style-type: none">Stable gross margins in line with the past 10 years
OPEX	<ul style="list-style-type: none">OPEX relative to sales below 45 %

Store portfolio

Stores	<ul style="list-style-type: none">An optimized portfolio of approximately 300 fully owned stores
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

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
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