



Kid ASA

19 May 2022

Q1 2022

Presentation available
at investor.kid.no

First quarter in brief

- Group revenues¹ increased by 9.3% (10.4%) and LFL¹ by 7.3% (9.3%)
- Gross margin increased by 0.2 percentage points despite increased freight costs and increased costs of raw materials
- EBITDA decreased by MNOK 2.3 to MNOK 110.4, mainly due to one-off Covid-19 cost reduction effects last year
- 8th consecutive quarter with year-on-year increased Earnings Per Share
- Group revenues¹ were up by 14.4% in April and by 10.6% year-to-date per April compared to the same period last year



Operational focus in Q1

- Earlier deliveries of goods to mitigate risk of delays
- Maintained focus on deliveries going forward, with earlier delivery schedules on autumn collections now expected to arrive in July (normally August)
- Signed agreement with Element Logic to install Autostore inventory automation in the new warehouse in Sweden
- 52% (40%) of our assortment in 2021 was labelled “act with the heart” which contributes to a positive impact on both people and planet
- Kid will set Science Based Targets to reduce climate emissions according to the Paris Agreement

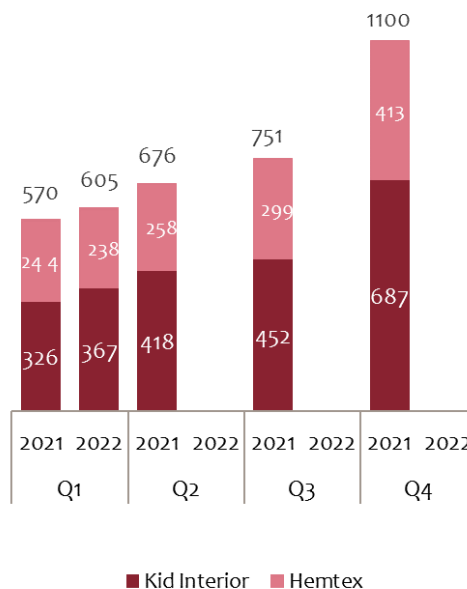


Revenues Q1 2022

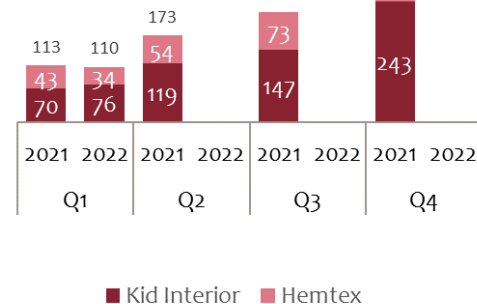
Group revenues increased by 9.3%¹ (10.4%¹)

- Group like-for-like revenues increased by 7.3% (9.3%) including online sales
- Last year's COVID-19 restrictions with temporary store closures, as well as the timing of Easter, make comparison against last year challenging
- Kid Interior revenue growth of 12.5% (13.6%)
 - Like-for-like growth of 10.7% (10.3%) including online sales
 - Online sales decline of -0.3% to MNOK 31.7 (MNOK 31.8)
- Hemtex revenues increased by 4.8% (6.4%) in local currency
 - Reported revenues including FX-effects decreased by -2.4%
 - Like-for-like growth of 2.0% (7.8%) including online sales
 - Online sales decline of -16.4% to MSEK 38.7 (MSEK 46.3).

Revenues (MNOK)



Group like-for-like growth (%)

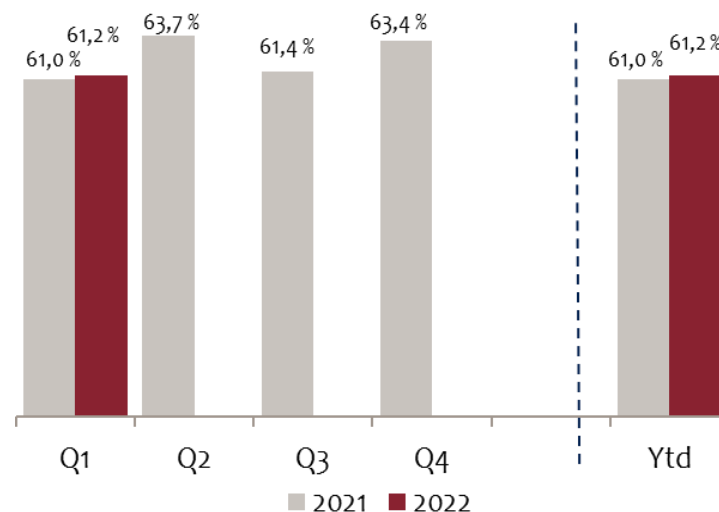


Gross margin

Increased gross margin in Q1

- Group gross margin was 61.2 % for the quarter, up by 0.2 pp compared to Q1 2021 despite increased freight costs and increased costs of raw materials
- Kid Interior increased gross margin by 0.3 pp to 61.4% (61.1%)
- Hemtex had a stable gross margin of 61.0% (61.0%)

Group gross margins

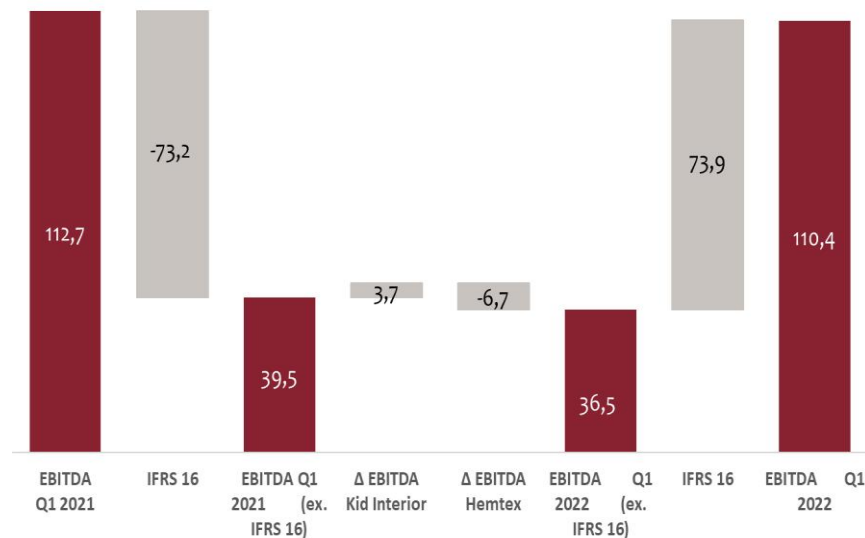


EBITDA

EBITDA of 110.4 (112.7) in Q1

- EBITDA decreased by MNOK 2.3 to MNOK 110.4
 - Cost increase of MNOK 9.7 related to bonus provision reversal of MNOK 1.6 (MNOK 5.4) and less Covid-19 related cost reduction effects of MNOK 1.3 (MNOK 7.2)
 - Increased OPEX due to planned marketing increase, logistics activity, HQ salaries and general costs increases from electricity and IT-costs
 - OPEX-to-sales of 55.5% (55.6%) when adding back Covid-19 related cost reduction effects
- Kid Interior EBITDA of MNOK 75.9 (MNOK 69.9)
 - Increased OPEX related to logistics activity, planned marketing and IT
 - Cost increase of MNOK 8.5 related to bonus provision reversal of MNOK 1.6 (MNOK 5.4) and estimated COVID-19 cost saving effects of MNOK 0 (MNOK 4.7)
- Hemtex EBITDA of MNOK 34.5 (MNOK 42.8)
 - Increased OPEX related to logistics activity and planned marketing
 - Cost increase of MNOK 1.2 because of a reduction in estimated COVID-19 cost saving effects of MNOK 1.3 (MNOK 2.5)
 - Hemtex EBITDA reduced by MNOK 2.2 compared with Q1 last year because of FX

EBITDA Q1 2022 vs. 2021



Cash flow

(Amounts in NOK million)	Q1 2022	Q1 2021	FY 2021
Net cash flow from operations	-191,6	-105,8	673,7
Net Cash flow from investments	-38,1	-13,6	-92,6
Net cash flow from financing	-5,5	-84,9	-643,7
Net change in cash and cash equivalents	-235,3	-204,4	-62,6
Cash and cash equivalents at the beginning of the period	239,3	301,3	301,3
Exchange gains / (losses) on cash and cash equivalents	-4,1	-5,5	0,7
Cash and cash equivalents at the end of the period	0,0	91,4	239,3

Working Capital

(Amounts in NOK million)	Q1 2022	Q1 2021	FY 2021
Change in inventory	-84,2	-64,3	-180,3
Change in trade debtors	5,3	8,6	-4,4
Change in trade creditors	-28,8	10,5	71,2
Change in other provisions ¹	-135,4	-128,2	54,8
Change in working capital	-243,0	-173,5	-58,7

Solid financial position and liquidity

- Cash flow from operations decreased by MNOK 85.8 compared to Q1 2022
 - Negative cash effect from increased tax payments of MNOK 13
 - Negative cash effect from increased inventory of MNOK 20 as a result of earlier deliveries, increased number of stores and product categories expansion.
 - Negative cash effect from decreased Trade Creditors of MNOK 38 mainly caused by delayed rental and supplier payments in Hemtex at year-end due technical issues at Nordea Sweden
- Cash flow from investments reflects CAPEX in stores and new online platform, and MNOK 22.5 in new warehouse Sweden
- Cash flow from financing includes repayment of RCF of MNOK 65.1 and use of overdraft facility of MNOK 138.3
- Gearing ratio, excl. IFRS16 effects, of 1.06x (0.75x)
- Net interest-bearing debt excl. IFRS16 leasing liabilities of MNOK 620.0 (MNOK 422.2)
- Cash and available credit facilities of MNOK 338.7 (MNOK 468.4) by the end of the quarter

Growth strategy



LIKE-FOR-LIKE

Category development and expansion

Development of store concept

Increased service level in stores

Development of Hemtex24H



OMNICHANNEL

New joint online platform launched in 2021

Improve utilization of customer club and insights

New multi channel sales initiatives



STORE NETWORK

Maintain an optimized store portfolio of up to 320 stores

Expansion plan for Finland and Estonia

COST EFFICIENCY:

Cost and working capital control
Continued integration and realisation of synergies

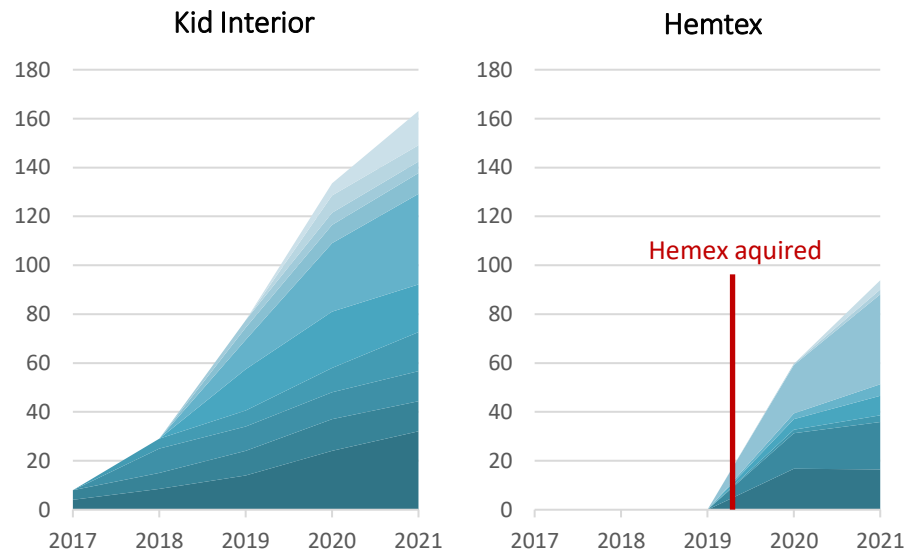
Category development and expansion

Category expansion is driving growth

- Categories launched since 2017 added 257 MNOK in revenues during 2021
- These categories include kitchen accessories, lamps, lightning and outdoor furniture
- Kid increased the staffing of the category development department in 2018 and in 2021 to fuel this growth
- A selection of furniture and large carpets launched in Q1-2022
- Some new categories are currently available only online and in selected stores due to lack of space

Revenue from new categories (MNOK)

SEKNOK=1



Category development and expansion

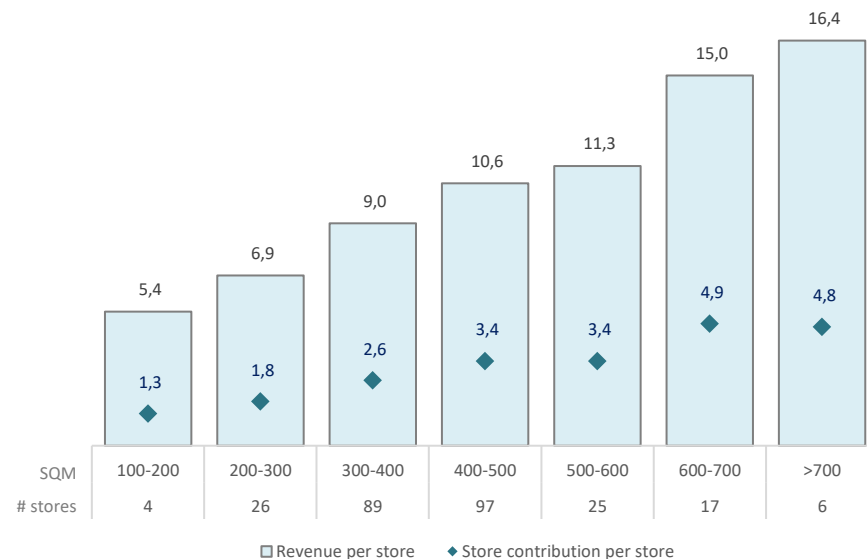


Store portfolio optimization

Expanding store size

- Current categories and products needs at least 600 sqm to be displayed in physical stores.
- The store size of the current store portfolio is based on historical categories and concepts
- After expanding the assortment in recent years, Kid will target an increased store size going forward by expand and/or relocate current stores in all markets

2021 revenue and contribution per store size*



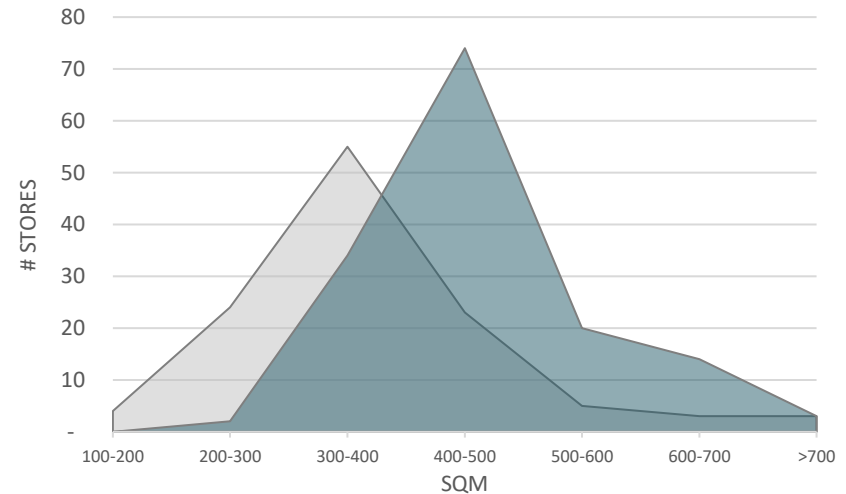
Store portfolio optimization

Alignment of concepts based on Kid Interior

- Hemtex was acquired in May 2019, and had a smaller store concept and assortment compared to Kid Interior
- Introduction of new categories from Kid Interior have proven successful in Hemtex. Further category expansion is limited due to lack of available store space
- New warehouse in Sweden is expected to open Q2-23 and will enable equal assortment availability
- Kid ASA will target an equal assortment and store size in all markets to streamline the concept and drive further growth

Store size per segment*

	# stores	Avg. SQM	Sales/store (MNOK)	Sales/SQM (NOK)
■ Hemtex	117	367	8.2	23.300
■ Kid Interiør	147	458	11.6	25.700

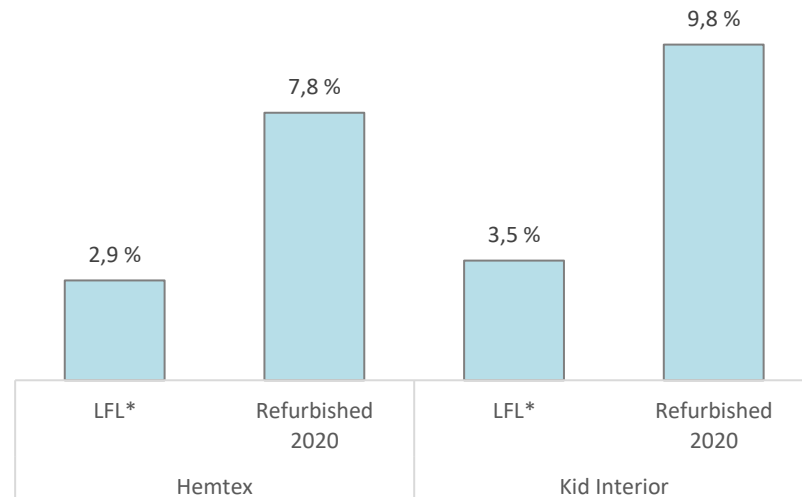


Store portfolio optimization

Refurbishment of stores

- 8 Hemtex stores and 6 Kid Interior stores were refurbished with our newest store concept in 2020 and outperformed the remaining store portfolio (see figure)
- 26 Hemtex stores has been upgraded to Kid store concept as per 31.12.2021. Compounded annual growth from 2019 to 2021 was 7.9 % for these stores compared to 3.4 % for remaining like-for-like stores
- Kid ASA will ramp up the store investment program going forward and increase the CAPEX to MNOK 100 on an annual basis to support expansion, refurbishment and relocation of stores

Compounded annual growth, 2019-2021

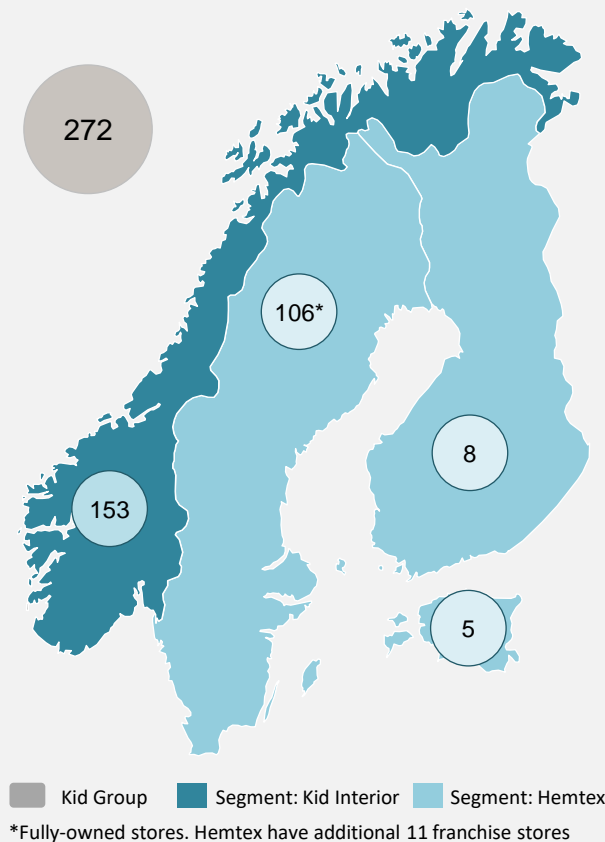


Store portfolio expansion

Store expansion plan

- Current store portfolio consist of 272 fully owned stores across the Nordics
- Payback time* including CAPEX and inventory build-up for the 10 stores opened in 2019 and 2020 was approximately 17 months
- Potential to expand the store portfolio further in all markets with a target of 320 stores
- Capex for a new store opening in the range of MNOK 2

Number of stores per quarter end



Financial Objectives

FINANCIAL PERFORMANCE (FULL YEAR BASIS)

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 (excluding IFRS 16) relative to sales below 45 %

STORE PORTFOLIO

Stores	<ul style="list-style-type: none">An optimized portfolio of approximately 320 fully owned stores
CAPEX	<ul style="list-style-type: none">Kid group targets annual maintenance CAPEX of up to MNOK 100 (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



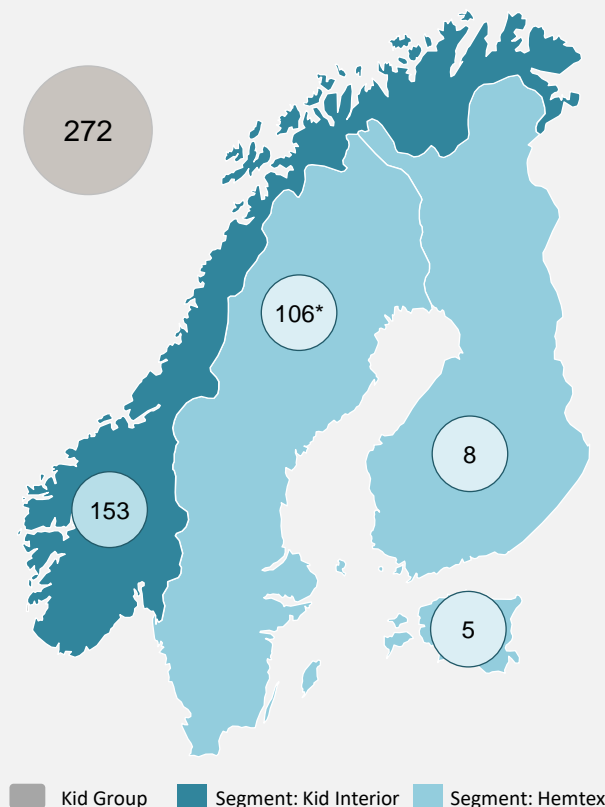
Q&A

Kid

Store portfolio activity

	Completed year to date	Signed, but not yet completed
New stores	NO: Skøyen (5 May 2022)	NO: Kolbotn (Q2 22) NO: Ullevål (Q4 22) NO: Grünerløkka (Q4 23) NO: Fredrikstad (Q4 23)
Closures	SE: 2 stores	SE: 1 store
Relocations	SE: 3 stores	NO: 7 stores SE: 4 stores
Refurbishment	NO: 5 stores SE: 1 store	NO: 5 stores SE: 3 stores

Number of stores per quarter end



*Fully-owned stores. Hemtex has additional 11 franchise stores

Segment: Kid Interior

(Amounts in NOK millions)	Q1 2022	Q1 2021	FY 2021
Revenue	366,8	326,1	1 883,5
Revenue growth	12,5 %	13,6 %	1,1 %
LFL growth including online sales	10,7 %	10,3 %	-1,8%
COGS	-141,7	-126,9	-702,3
Gross profit	225,0	199,2	1 181,2
Gross margin (%)	61,4 %	61,1 %	62,7 %
Other operating revenue	0,1	0,5	0,5
Employee benefits expense	-94,2	-80,8	-367,2
Other operating expense	-97,6	-89,3	-395,9
Other operating expense - IFRS 16 effect	42,6	40,3	159,8
EBITDA	75,9	69,9	578,5
EBITDA margin (%)	20,7 %	21,4 %	30,7 %
No. of shopping days	76	77	308
No. of physical stores at period end	153	148	153



Segment: Hemtex

(Amounts in NOK millions)

	Q1 2022	Q1 2021	FY 2021
Revenue	237,8	243,7	1 213,6
Revenue growth ¹	4,8 %	6,4 %	10,1 %
LFL growth including online sales ¹	2,0 %	7,8 %	9,8 %
COGS	-92,8	-95,2	-457,2
Gross profit	145,1	148,6	756,4
Gross margin (%)	61,0 %	61,0 %	62,3 %
Other operating revenue	0,7	0,8	9,5
Employee benefits expense	-59,0	-59,2	-250,0
Other operating expense	-83,6	-80,3	-343,9
Other operating expense - IFRS 16 effect	31,3	32,9	127,2
EBITDA	34,5	42,8	299,1
EBITDA margin (%)	14,5 %	17,5 %	24,5 %
No. of shopping days	89	89	363
No. of physical stores at period end (excl. franchise)	119	117	121



Income statement

(Amounts in NOK thousand)	Q1 2022	Q1 2021	FY 2021
Revenue	604,6	569,8	3 097,1
COGS	-234,5	-222,0	-1 159,5
Gross profit	370,1	347,8	1 937,6
Gross margin (%)	61,2 %	61,0 %	62,6 %
Other operating revenue	0,7	1,3	10,0
OPEX	-260,4	-236,4	-1 070,0
EBITDA	110,4	112,7	877,6
EBITDA margin (%)	18,2 %	19,7 %	28,2 %
Depreciation and amortisation	-86,7	-83,0	-336,4
EBIT	23,7	29,7	541,2
EBIT margin (%)	3,9 %	5,2 %	17,4 %
Net finance	-11,6	-24,3	-56,0
Share of result from joint ventures	-0,7	0,0	0,0
Profit before tax	11,5	5,3	485,2
Net profit	8,7	3,8	384,4



Statement of financial position

(Amounts in NOK thousand)

	Note	31.03.2022	31.03.2021	31.12.2021
Assets		Unaudited	Unaudited	Audited
Goodwill	9	65 070	67 626	70 286
Trademark	9	1 509 908	1 511 885	1 511 788
Other intangible assets	9	20 696	6 662	19 096
Deferred tax asset		9 650	7 656	22 968
Total intangible assets		1 605 324	1 593 830	1 624 140
Right of use asset	9	737 738	743 412	756 941
Fixtures and fittings, tools, office machinery and equipment	9	194 299	199 170	203 158
Total tangible assets		932 037	942 582	960 099
Investments in associated companies and joint ventures	10	0	0	30
Loans to associated companies and joint ventures	10	22 500	0	0
Total financial fixed assets		22 500	0	30
Total fixed assets		2 559 860	2 536 411	2 584 268
Inventories		722 188	531 425	646 764
Trade receivables		16 196	9 148	21 999
Other receivables		35 372	51 336	25 020
Derivatives		37 529	2 091	17 439
Total receivables		89 097	62 576	64 458
Cash and bank deposits		0	91 441	239 331
Total currents assets		811 285	685 442	950 553
Total assets		3 371 145	3 221 853	3 534 821

(Amounts in NOK thousand)

	Note	31.03.2022	31.03.2021	31.12.2021
Equity and liabilities		Unaudited	Unaudited	Audited
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		833 403	785 527	828 223
Total equity		1 267 843	1 219 964	1 262 660
Deferred tax		322 554	316 777	332 280
Total provisions		322 554	316 777	332 280
Lease liabilities		500 315	511 601	517 550
Liabilities to financial institutions	6	451 633	453 467	451 628
Total long-term liabilities		951 948	965 068	969 177
Lease liabilities		248 612	249 333	249 737
Liabilities to financial institutions	6	168 331	60 170	95 000
Trade payable		127 589	100 025	159 751
Tax payable		45 992	61 262	90 335
Public duties payable		96 383	102 842	172 851
Other short-term liabilities		131 874	119 034	197 865
Derivatives		10 019	27 378	5 166
Total short-term liabilities		828 801	720 043	970 705
Total liabilities		2 103 303	2 001 888	2 272 162
Total equity and liabilities		3 371 145	3 221 853	3 534 821

Allocated segment costs

Segment allocated costs

(MNOK)	Q1 2022	Q1 2021	Q2 2022	Q2 2021	Q3 2022	Q3 2021	Q4 2022	Q4 2021	Total year 2022	Total year 2021
Kid ASA and Kid Interior										
Segment allocated employee benefits expense	3,3	0,8		5,2		3,6		6,1	3,3	15,6
Segment allocated other operating expense	0,6	1,7		1,0		1,3		2,6	0,6	6,5
Hemtex										
Segment allocated employee benefits expense	-3,3	-0,8		-5,2		-3,6		-6,1	-3,3	-15,6
Segment allocated other operating expense	-0,6	-1,7		-1,0		-1,3		-2,6	-0,6	-6,5

Quarterly revenue growth

Kid Interior				
Total growth				
Year	Q1	Q2	Q3	Q4
2020	-3,6 %	28,0 %	22,1 %	15,3 %
2021	13,6 %	1,7 %	-3,9 %	-1,0 %
2022	12,5 %			
Like-for-like growth				
Year	Q1	Q2	Q3	Q4
2020	-4,0 %	27,1 %	20,9 %	13,6 %
2021	10,3 %	-0,9 %	-7,1 %	-3,8 %
2022	10,7 %			

Hemtex				
Total growth				
Year	Q1	Q2	Q3	Q4
2020	6,6 %	14,7 %	-3,7 %	-5,7 %
2021	6,4 %	7,7 %	17,4 %	9,0 %
2022	4,8 %			
Like-for-like growth				
Year	Q1	Q2	Q3	Q4
2020	7,9 %	18,0 %	9,2 %	-1,9 %
2021	7,8 %	9,8 %	14,6 %	7,8 %
2022	2,0 %			

Sales days and stores

Kid Interior

Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2021	76	71	79	81	307
2022	76				76

Number of store projects

2021	Q1	Q2	Q3	Q4	Total
New stores	1	1	0	4	6
Closed stores	0	0	0	0	0
Relocated stores	3	1	1	0	5
Refurbished stores	2	4	2	3	11

Total number of stores 148 149 149 153

2022	Q1	Q2	Q3	Q4	Total
New stores	0				0
Closed stores	0				0
Relocated stores	0				0
Refurbished stores	5				5

Total number of stores 153

Total number of LFL stores 147

Hemtex

Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2021	89	90	92	91	362
2022	89				89

Number of store projects

2021	Q1	Q2	Q3	Q4	Total
New stores	0	1	2	1	4
Closed stores	2	0	0	0	2
Relocated stores	0	0	1	1	2
Refurbished stores	3	4	0	2	9

Total number of stores* 129 130 132 133

2022	Q1	Q2	Q3	Q4	Total
New stores	0				0
Closed stores	2				2
Relocated stores	3				3
Refurbished stores	1				1

Total number of stores* 130

Total number of LFL stores* 126

*incl franchise stores