

**Kid** ASA  
Q4 2023 presentation



# Financial summary

## Fourth quarter in brief

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- All-time high revenues and EBITDA in Q4
- Group revenues increased by 13.0% (+0.7%). In constant currency:
  - Group revenues increased by 10.2% (+2.1%)
  - LFL revenues increased by 9.3% (+1.8%)
  - Online revenues increased by 26.6% (+18.2%)
- Gross margin increased by 6.5 percentage points
- EBITDA increased by MNOK 123.1 to MNOK 419.9
- EPS of NOK 5.74 (NOK 3.91)
- Record high cash flow
- Half-year dividend payment of NOK 3.50 per share, payable in May 2024



# Operational focus

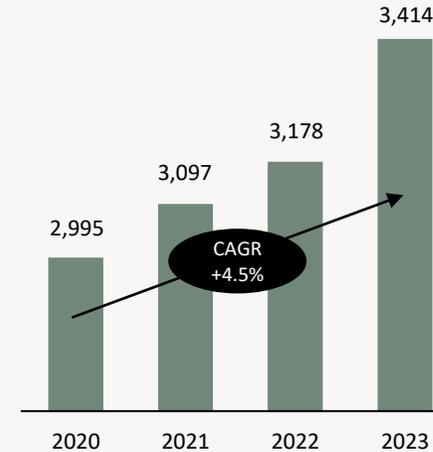
- Another strong quarter with double-digit revenue growth
- Omnichannel and category development initiatives accelerate growth
- Extended continue to drive growth with revenues of MNOK 14.6 (MNOK 0.0) in Q4-23
- Strong development in our customer loyalty program, with more than 3 million members
- First live shopping event successfully completed
- Completed transition from SAP in Hemtex to common ERP and Point of Sale (POS) systems in the Group
- Warehouse project in Sweden on schedule



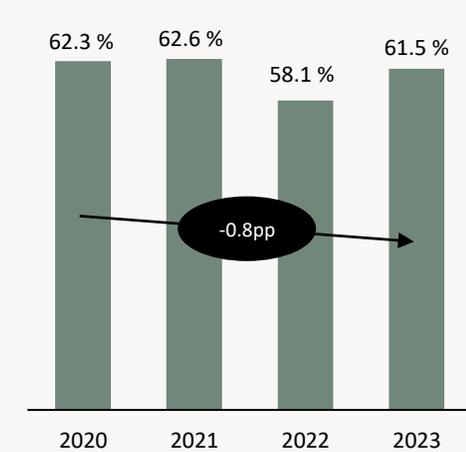
# Full-year financial summary

- Strong revenue development despite a challenging market
  - Group revenue growth of 7.4% (2.6%)
  - Like for like growth of 7.3% (3.1%)
  - Online growth of 20.4% (12.1%), representing 12.2% (10.9%) of total revenues
- Online revenues of MNOK 416.1 (MNOK 353.8)
  - Revenues including Click & Collect of MNOK 595.3 (MNOK 524.8)
- Increased gross margin of 3.4pp compared to previous year due to freight rates and price adjustments implemented during Q1-23
- OPEX (excl. IFRS 16) to sales ratio of 45.7% (44.9%)
- EBITDA (excl. IFRS 16) increased by MNOK 118.7
- Proposed full-year dividend of NOK 6.25 per share (incl. pre-payment of NOK 2.75 in November 2023), representing a pay-out ratio of 81%

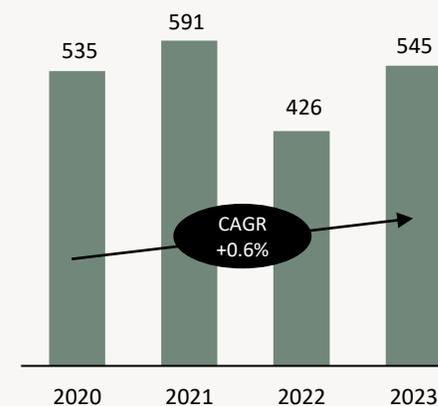
**GROUP REVENUES**  
MNOK



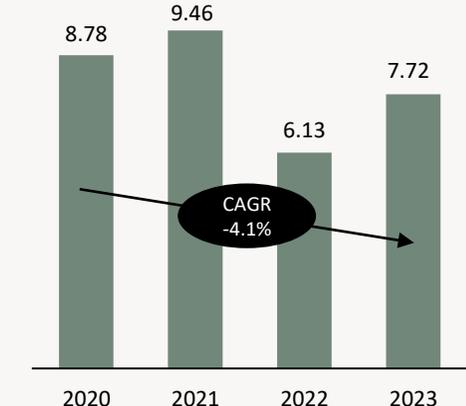
**GROSS MARGIN**  
%



**EBITDA (excl. IFRS16)**  
MNOK



**ADJ. EPS**  
NOK



# Full-year operational summary

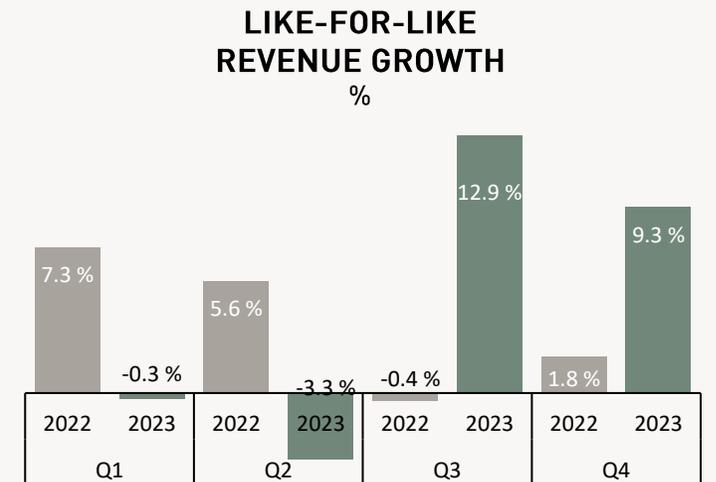
- 2023 has been another record year for development and innovation at Kid Group
- 2023 has been a year of strong category development contributing to growth, with Extended concept being a major initiative. This has opened the door to a significantly larger market for Kid Interior and Hemtex
- Made-to-measure module launched in Q2-23, enabling physical stores to sell technical sun screening products, contributed to strong growth
- The launch and opening of our new warehouse in Sweden, along with the decision to co-locate in 2025, lays a solid foundation for further growth
- Significant progression in the backend integration project with Hemtex, including the switch of Point of Sale (POS) and exit from SAP
- There has been significant project activity in our store portfolio across all markets
- Hemtex celebrated its 50th anniversary with a successful campaign, marking a significant milestone in our journey



# Revenues

## Group revenues Q4 increased by 13.0% (+0.7%)

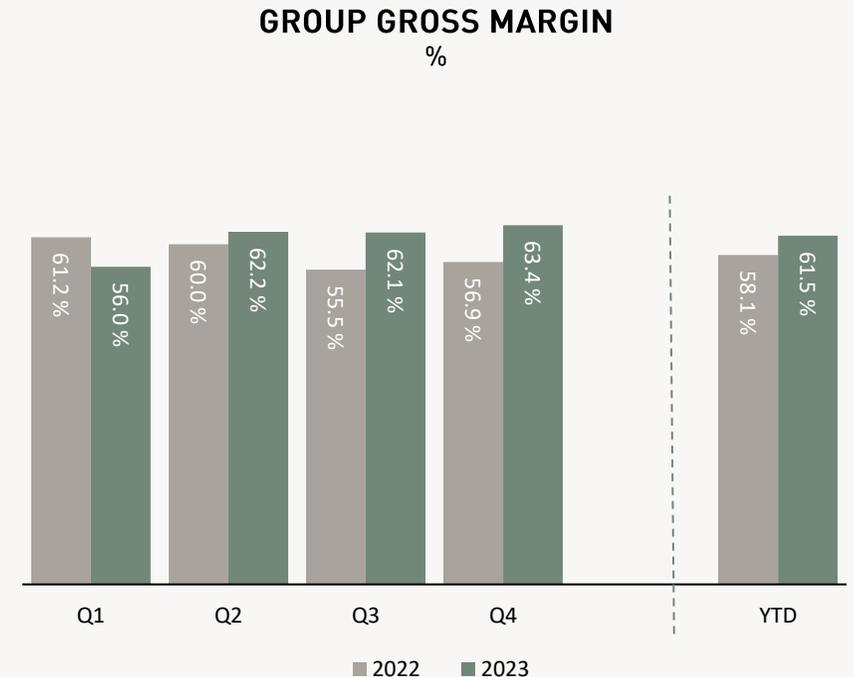
- In constant currency:
  - Group revenues increase of 10.2% (+2.1%)
  - Group like-for-like revenues increase of 9.3% (+1.8%) including online sales
  - Online growth of 26.6% (+18.2%), equivalent to an online share of 12.8%. Including click-and-collect, the online share was 18.5%
- Kid Interior revenues growth of 9.3% (+2.3%)
  - Positive contribution from Extended assortment of MNOK 14.6 (MNOK 0)
  - Like-for-like growth of 8.5% (+0.9%) including online sales
  - Online sales increase of 28.4% (+23.9%)
- Hemtex revenues growth of 19.6% (-1.9%). In constant currency:
  - Revenues growth of 11.9% (+1.7%)
  - Like-for-like growth of 10.7% (+3.5%) including online sales
  - Online sales increase of 24.8% (+12.6%)



# Gross margin

## Strong gross margin development

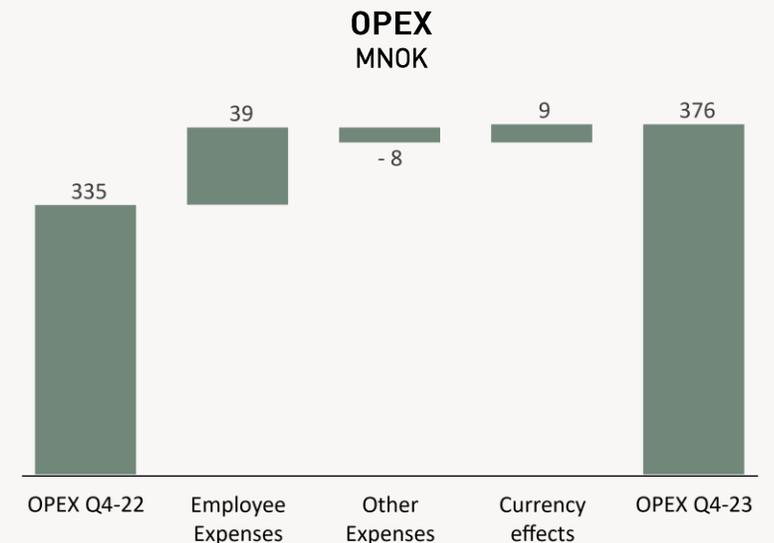
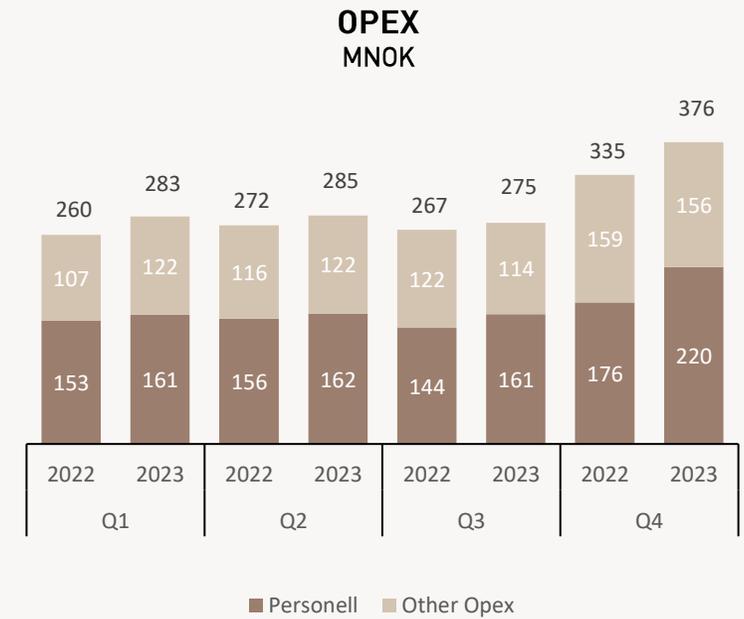
- Group gross margin was 63.4% for the quarter, up by 6.5pp compared to Q4-22
  - Kid Interior gross margin increased by 7.4pp to 65.5% (58.1%)
  - Hemtex gross margin increased by 5.3pp to 60.0% (54.7%)
- Gross margin has improved as freight rates are back on historical levels, in combination with price adjustments implemented in Q1-23
- Gross margin in Q3-22, Q4-22 and Q1-23 was unusually low as the high freight rates in 2022 were not sufficiently incorporated in our price calculation models



# OPEX

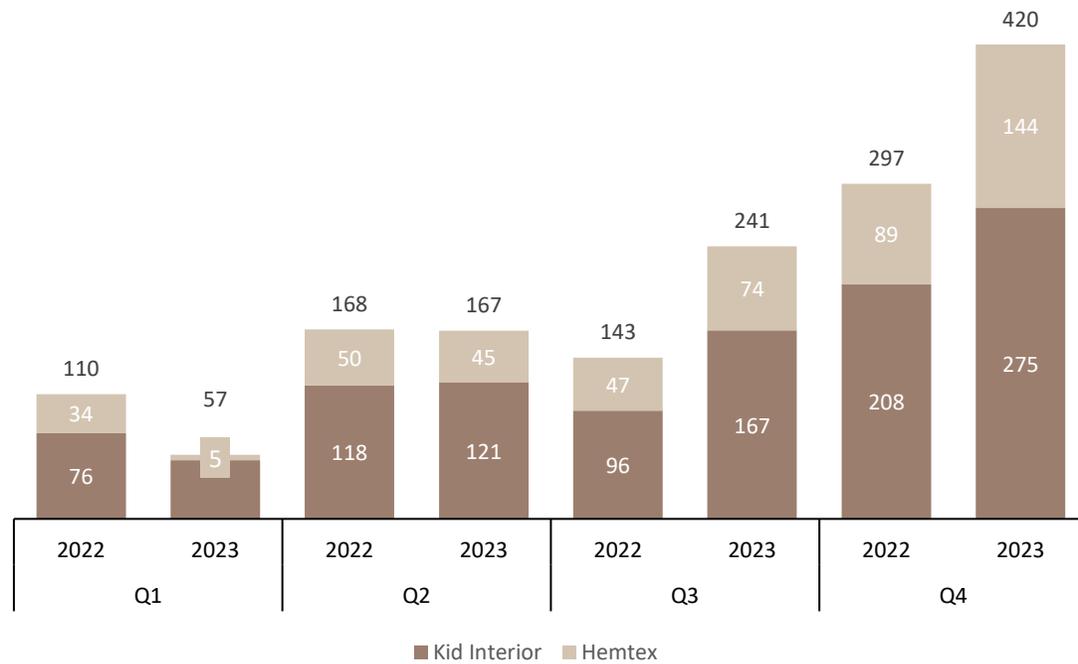
OPEX-TO-SALES (excl. IFRS 16) of 36.7% (36.7%)

- Employee benefit expenses increased by MNOK 43.6
  - Increased bonus expenses and general salary increase
  - Increased logistics due to own employees in new Swedish warehouse
  - Tight cost control in like-for-like stores regarding working hours
  - MNOK 4.2 increase due to changes in SEK/NOK exchange rate
- Other operating expenses decreased by MNOK -2.7
  - Increased marketing cost
  - Reduced electricity costs in Norway
  - Reduced logistics costs due to shift between other OPEX and employee expenses for the logistics operation in Sweden
  - MNOK 5.0 increase due to changes in SEK/NOK exchange rate



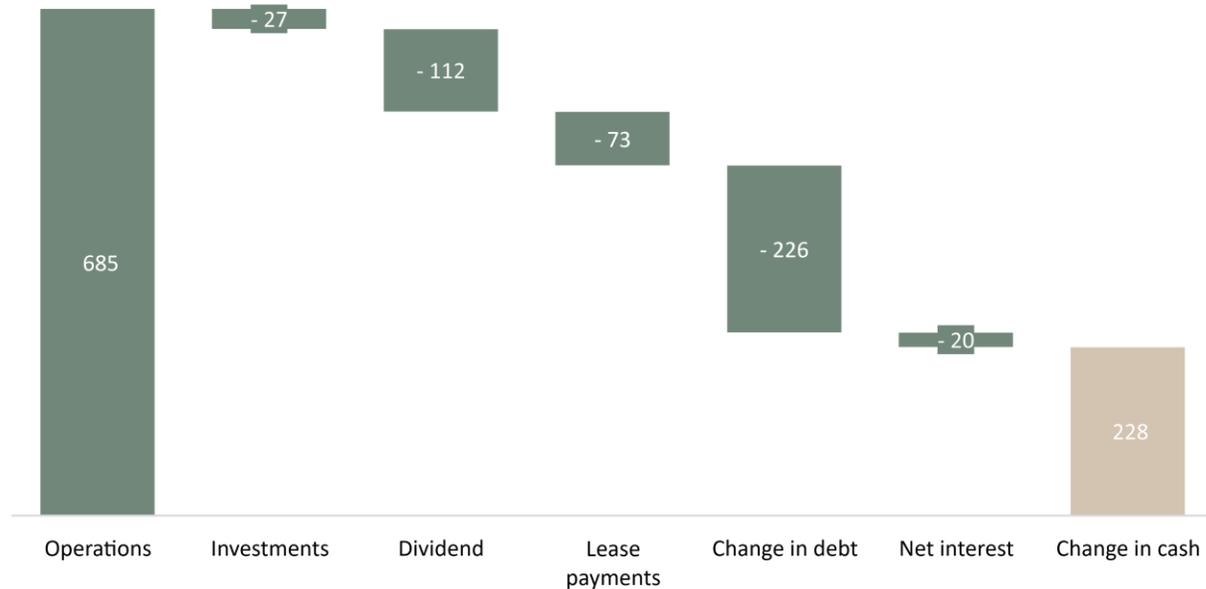
# EBITDA

MNOK



# Cash flow

MNOK



## Robust financial position

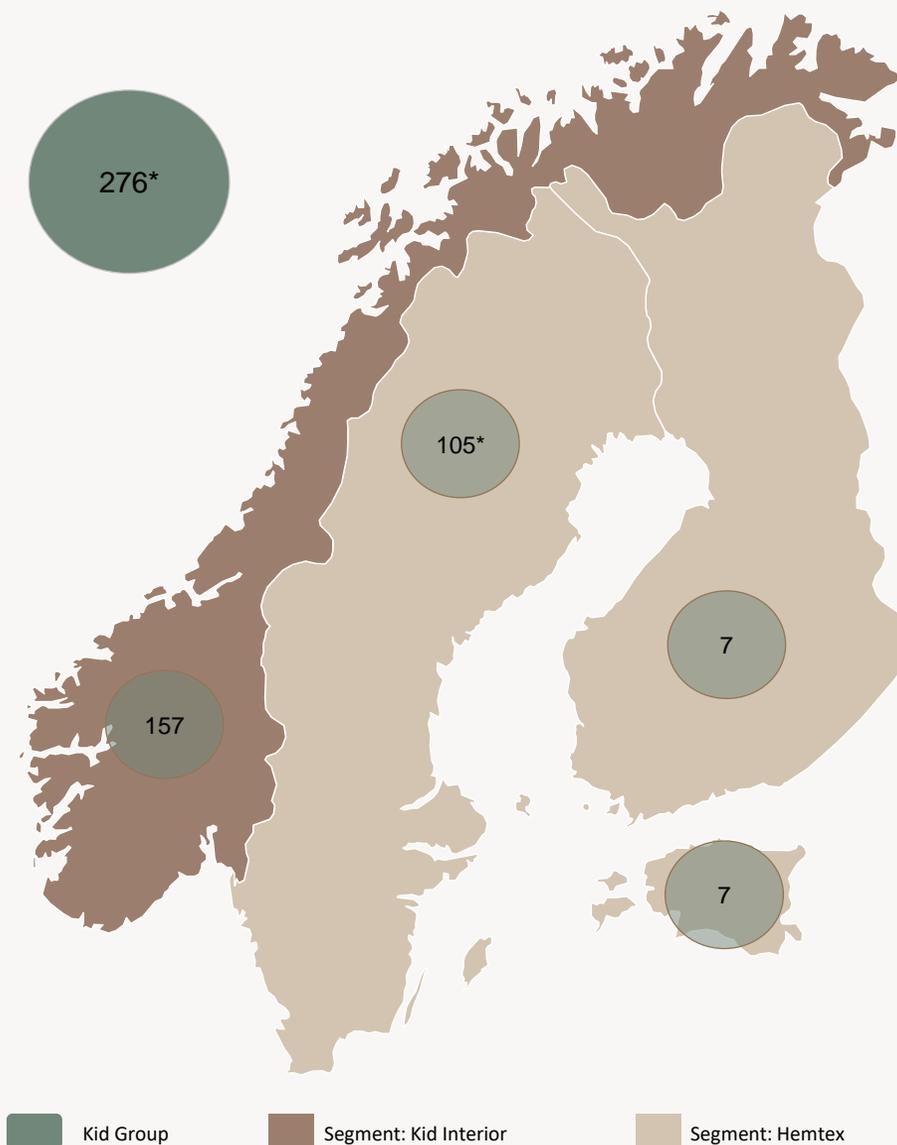
- Record levels of cash flow from operations were achieved during the fourth quarter, driven by increased profit and historically low net working capital (NWC)
- Cash flow from investments reflects mainly CAPEX relating to store openings and projects
- Cash flow from financing affected by dividend pay-out, repayment of revolving credit and overdraft facility, and increased interest expenses
- Net interest-bearing debt excl. IFRS 16 leasing liabilities of MNOK 296.6 (MNOK 475.9)
- Cash and available credit facilities of MNOK 827.1 (MNOK 552.7)
- Gearing ratio, excl. IFRS 16 effects, of 0.54x (1.12x)

# Store portfolio activity

Per quarter-end

	Completed 2023	Signed, but not yet completed
<b>New stores</b>	NO: Trondheim Torg NO: Rørvik SE: Burlöv FI: Lippulaiva, Espoo EST: Nautica Tallinn	NO: Oslo City (Q1-24) NO: Egersund (Q2-24) NO: Fredrikstad (Q4-24) NO: Grünerløkka (Q2-25) SE: Vetlanda (Q2-24) SE: Ringen, Stockholm (Q2-24)
<b>Closures</b>	NO: 1 store SE: 1 store FI: 2 stores	NO: 2 stores SE: 1 store
<b>Relocations</b>	NO: 3 stores SE: 10 stores	NO: 7 stores SE: 4 stores
<b>Refurbishment/ expansion</b>	NO: 9 stores SE: 2 stores FI: 1 store	NO: 3 stores SE: 2 stores
<b>Extended</b>	NO: Sørlandssenteret, Kristiansand NO: Ski NO: Forus NO: Dikeveien, Fredrikstad	NO: Kilen, Tønsberg (Q3-24) NO: Ålesund (Q4-24) NO: City Nord (Q2-25)

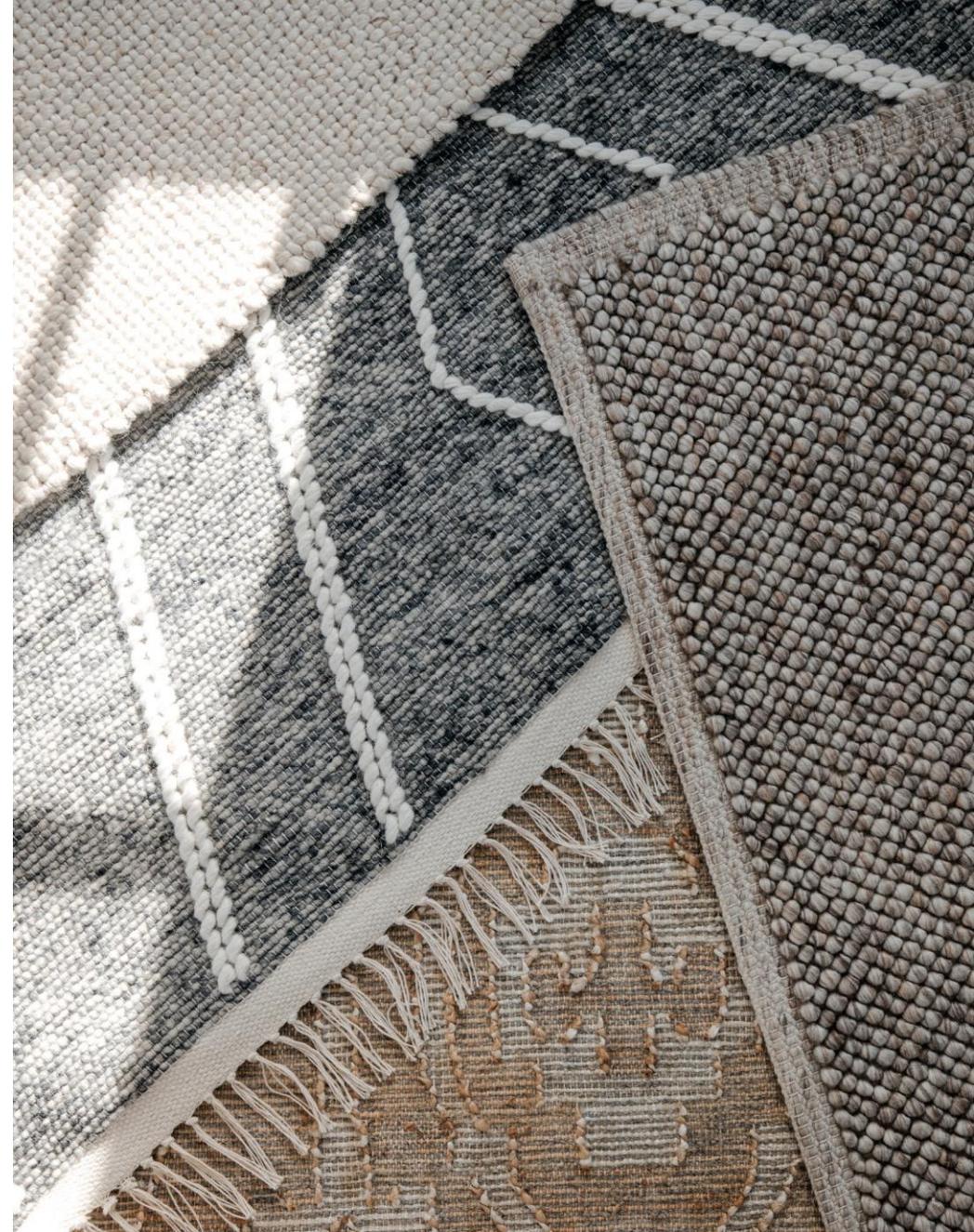
## NUMBER OF STORES PER QUARTER-END



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

# Outlook

- We remain optimistic of our market position and growth initiatives going forward. However, we expect continued high cost inflation in 2024.
- Due to unusually high inflation experienced across all our markets during 2023 rent index regulation for 2024 will be in the range of 5-7%, with other operating expenses being adjusted in accordance with inflation
- In H1-24, we have 9 store projects in Kid Interior and 4 in Hemtex. These projects include a combination of refurbishment, enlargement and relocations
- We will launch the Extended assortment online and in selected larger stores (+600 sqm.) in Hemtex during Q1-24
- Made-to-measure technical sun screening to be launched in Hemtex, both in physical stores and online, during Q2-24
- Continued focus on strengthening our market position in a challenging macro environment



# Dividend

## Dividend of NOK 3.50 per share and pay-out ratio of 81%

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- The Board of Directors will propose to the Annual General Meeting a dividend of NOK 3.50 per share to be paid 29 May 2024
- Including dividend pre-payment of NOK 2.75 in November 2023, the ordinary dividends for 2023 is NOK 6.25, representing a nominal increase in terms of value and pay-out ratio of 81%
- The proposed pay-out details are:
  - Last day including right: 14 May 2024
  - Ex-date: 15 May 2024
  - Record date: 16 May 2024
  - Payment date: 29 May 2024
  - Date of approval: 14 May 2024 (Annual General Meeting)



# Q&A



# Segment: Kid Interior

## KID Interior

(Amounts in NOK millions)

	Q4 2023	Q4 2022	FY 2023	FY 2022
<b>Revenue</b>	<b>768.5</b>	<b>703.4</b>	<b>2,122.9</b>	<b>1,983.6</b>
Revenue growth	9.3 %	2.3 %	7.0 %	5.3 %
LFL growth including online sales	8.5 %	0.9 %	6.1 %	3.2 %
COGS	-265.2	-294.7	-796.2	-828.0
<b>Gross profit</b>	<b>503.3</b>	<b>408.7</b>	<b>1,326.7</b>	<b>1,155.6</b>
Gross margin (%)	65.5 %	58.1 %	62.5 %	58.3 %
Other operating revenue	0.0	0.0	0.1	0.1
Employee benefits expense	-140.7	-114.8	-436.5	-392.2
Other operating expense	-133.4	-127.2	-463.9	-434.4
Other operating expense - IFRS 16 effect	46.2	41.3	189.2	168.7
<b>EBITDA</b>	<b>275.4</b>	<b>208.0</b>	<b>615.5</b>	<b>497.9</b>
EBITDA margin (%)	35.8 %	29.6 %	29.0 %	25.1 %
No. of shopping days	79	81	306	308
No. of physical stores at period end	157	156	157	156



# Segment: Hemtex

## Hemtex

(Amounts in NOK millions)

	Q4 2023	Q4 2022	FY 2023	FY 2022
<b>Revenue</b>	<b>484.7</b>	<b>405.2</b>	<b>1,290.7</b>	<b>1,194.4</b>
Revenue growth <sup>1</sup>	11.9 %	1.7 %	3.2 %	3.2 %
LFL growth including online sales <sup>1</sup>	10.7 %	3.5 %	4.4 %	2.8 %
COGS	-193.9	-183.4	-518.0	-503.6
<b>Gross profit</b>	<b>290.8</b>	<b>221.8</b>	<b>772.6</b>	<b>690.8</b>
Gross margin (%)	60.0 %	54.7 %	59.9 %	57.8 %
Other operating revenue	1.7	1.2	4.2	5.1
Employee benefits expense	-79.4	-61.6	-268.2	-237.6
Other operating expense	-107.0	-103.3	-390.0	-361.3
Other operating expense - IFRS 16 effect	38.4	30.7	150.4	122.6
<b>EBITDA</b>	<b>144.5</b>	<b>88.8</b>	<b>269.0</b>	<b>219.7</b>
EBITDA margin (%)	29.7 %	21.8 %	20.8 %	18.3 %
No. of shopping days	91	91	362	362
No. of physical stores at period end (excl. franchise)	119	119	119	119

<sup>1</sup>Calculated in local currency



# Income statement

(Amounts in NOK thousand)	Q4 2023	Q4 2022	FY 2023	FY 2022
Revenue	1,253.2	1,108.6	3,413.6	3,178.0
COGS	-459.1	-478.1	-1,314.3	-1,331.6
<b>Gross profit</b>	<b>794.1</b>	<b>630.4</b>	<b>2,099.3</b>	<b>1,846.4</b>
Gross margin (%)	63.4 %	56.9 %	61.5 %	58.1 %
Other operating revenue	1.7	1.2	4.3	5.2
OPEX	-375.8	-334.9	-1,219.1	-1,134.1
<b>EBITDA</b>	<b>419.9</b>	<b>296.8</b>	<b>884.5</b>	<b>717.5</b>
EBITDA margin (%)	33.5 %	26.7 %	25.9 %	22.5 %
Depreciation and amortisation	-105.7	-87.4	-404.1	-348.3
<b>EBIT</b>	<b>314.2</b>	<b>209.4</b>	<b>480.4</b>	<b>369.2</b>
EBIT margin (%)	25.0 %	18.9 %	14.1 %	11.6 %
Net finance	-18.0	-12.8	-76.6	-47.5
Share of result from joint ventures	0.4	1.6	-1.2	-2.8
<b>Profit before tax</b>	<b>296.6</b>	<b>198.2</b>	<b>402.5</b>	<b>318.9</b>
<b>Net profit</b>	<b>233.4</b>	<b>159.0</b>	<b>313.8</b>	<b>249.2</b>



# Statement of financial position

(Amounts in NOK thousand)	Note	31.12.2023	31.12.2022
Assets		Unaudited	Audited
Goodwill	9	70,169	65,479
Trademark	9	1,513,851	1,510,224
Other intangible assets	9	46,699	35,326
Deferred tax asset		6,593	1,859
<b>Total intangible assets</b>		<b>1,637,312</b>	<b>1,612,888</b>
Right of use asset	9	1,050,028	760,734
Fixtures and fittings, tools, office machinery and equipment	9	303,178	237,245
<b>Total tangible assets</b>		<b>1,353,206</b>	<b>997,979</b>
Investments in associated companies and joint ventures	10	1,013	0
Loans to associated companies and joint ventures	8	50,702	23,795
<b>Total financial fixed assets</b>		<b>51,716</b>	<b>23,795</b>
<b>Total fixed assets</b>		<b>3,042,234</b>	<b>2,634,663</b>
Inventories		576,279	668,753
Trade receivables		32,640	12,094
Other receivables		43,031	35,241
Derivatives		29,337	59,449
<b>Total receivables</b>		<b>105,009</b>	<b>106,784</b>
Cash and bank deposits		225,065	75,721
<b>Total currents assets</b>		<b>906,353</b>	<b>851,259</b>
<b>Total assets</b>		<b>3,948,587</b>	<b>3,485,922</b>

(Amounts in NOK thousand)	Note	31.12.2023	31.12.2022
Equity and liabilities		Unaudited	Audited
Share capital		48,770	48,770
Share premium		321,050	321,050
Other paid-in-equity		64,617	64,617
<b>Total paid-in-equity</b>		<b>434,440</b>	<b>434,440</b>
Other equity		880,840	838,940
<b>Total equity</b>		<b>1,315,280</b>	<b>1,273,380</b>
Deferred tax		312,218	322,723
<b>Total provisions</b>		<b>312,218</b>	<b>322,723</b>
Lease liabilities		779,287	523,528
Liabilities to financial institutions	6	491,661	521,646
<b>Total long-term liabilities</b>		<b>1,270,947</b>	<b>1,045,175</b>
Lease liabilities		305,640	258,257
Liabilities to financial institutions	6	30,000	30,000
Trade payable		203,375	122,459
Tax payable		55,813	57,745
Public duties payable		209,941	167,139
Other short-term liabilities		191,626	201,815
Derivatives		53,748	7,229
<b>Total short-term liabilities</b>		<b>1,050,144</b>	<b>844,644</b>
<b>Total liabilities</b>		<b>2,633,310</b>	<b>2,212,542</b>
<b>Total equity and liabilities</b>		<b>3,948,587</b>	<b>3,485,922</b>

# Allocated segment costs

(MNOK)	Q1 2023	Q1 2022	Q2 2023	Q2 2022	Q3 2023	Q3 2022	Q4 2023	Q4 2022	Total year 2023	Total year 2022
<b>Kid ASA and Kid Interior</b>										
Segment allocated employee benefits expense	4.2	3.3	4.0	4.0	4.0	4.0	6.6	3.9	18.9	15.2
Segment allocated other operating expense	0.5	0.6	0.5	0.6	0.5	0.5	1.3	0.5	2.6	2.1
<b>Hemtex</b>										
Segment allocated employee benefits expense	-4.2	-3.3	-4.0	-4.0	-4.0	-4.0	-6.6	-3.9	-18.9	-15.2
Segment allocated other operating expense	-0.5	-0.6	-0.5	-0.6	-0.5	-0.5	-1.3	-0.5	-2.6	-2.1

# Quarterly revenue growth

<b>Group</b>				
<b>Total growth</b>				
<b>Year</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
2021	10.4 %	3.9 %	3.6 %	2.5 %
2022	9.3 %	8.8 %	0.5 %	2.1 %
2023	-1.3 %	-2.5 %	12.1 %	10.2 %
<b>Like-for-like growth</b>				
<b>Year</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
2021	9.3 %	2.9 %	0.1 %	0.2 %
2022	7.3 %	5.6 %	-0.4 %	1.8 %
2023	-0.3 %	-3.3 %	12.9 %	9.3 %

<b>Kid Interior</b>				
<b>Total growth</b>				
<b>Year</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
2020	-3.6 %	28.0 %	22.1 %	15.3 %
2021	13.6 %	1.7 %	-3.9 %	-1.0 %
2022	12.5 %	8.9 %	1.4 %	2.3 %
2023	5.2 %	-1.1 %	13.1 %	9.3 %
<b>Like-for-like growth</b>				
<b>Year</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
2020	-4.0 %	27.1 %	20.9 %	13.6 %
2021	10.3 %	-0.9 %	-7.1 %	-3.8 %
2022	10.7 %	5.8 %	-1.0 %	0.9 %
2023	3.5 %	-2.0 %	12.7 %	8.5 %

<b>Hemtex</b>				
<b>Total growth</b>				
<b>Year</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
2020	6.6 %	14.7 %	-3.7 %	-5.7 %
2021	6.4 %	7.7 %	17.4 %	9.0 %
2022	4.8 %	8.8 %	-1.0 %	1.7 %
2023	-10.9 %	-4.8 %	10.5 %	11.9 %
<b>Like-for-like growth</b>				
<b>Year</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
2020	7.9 %	18.0 %	9.2 %	-1.9 %
2021	7.8 %	9.8 %	14.6 %	7.8 %
2022	2.0 %	5.2 %	0.8 %	3.5 %
2023	-6.5 %	-5.4 %	13.3 %	10.7 %

# Sales days and stores

## Kid Interior

### Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2022	76	72	79	81	308
2023	77	71	79	79	306

### Number of store projects

2022	Q1	Q2	Q3	Q4	Total
New stores	0	2	0	1	3
Closed stores	0	0	0	0	0
Relocated stores	0	1	2	3	6
Refurbished stores	5	3	0	1	9

Total number of stores 153 155 155 156

2023	Q1	Q2	Q3	Q4	Total
New stores	0	1	0	1	2
Closed stores	1	0	0	0	1
Relocated stores	4	1	0	1	6
Refurbished stores	3	3	1	3	10

Total number of stores 155 156 156 157  
Total number of LFL stores 152 152 152 152

## Hemtex

### Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2022	89	90	92	91	362
2023	89	90	92	91	362

### Number of store projects

2022	Q1	Q2	Q3	Q4	Total
New stores	0	0	0	2	2
Closed stores	2	1	1	0	4
Relocated stores	3	1	2	2	8
Refurbished stores	1	2	1	6	10

Total number of stores\* 130 129 128 130

2023	Q1	Q2	Q3	Q4	Total
New stores	1	0	0	2	3
Closed stores	2	1	0	0	3
Relocated stores	1	3	3	3	10
Refurbished stores	1	0	1	1	3

Total number of stores\* 129 128 128 130  
Total number of LFL stores\* 122 121 121 121

\*incl franchise stores

# Logistic costs – Sweden

## Logistic costs - Sweden

(MSEK)	Q1 2023	Q1 2022	Q2 2023	Q2 2022	Q3 2023	Q3 2022	Q4 2023	Q4 2022	Total year 2023	Total year 2022
Employee benefits expense			2.2		4.4		5.2		11.7	
Third-party logistics expense	12.1	10.5	1.7	10.9		12.4		15.4	13.9	49.1
Central warehouse expenses*	2.0	1.7	9.9	2.0	8.3	1.6	7.6	2.3	27.8	7.5
<b>Total incl. non-recurring items</b>	<b>14.2</b>	<b>12.1</b>	<b>13.7</b>	<b>12.8</b>	<b>12.7</b>	<b>14.0</b>	<b>12.8</b>	<b>17.7</b>	<b>53.4</b>	<b>56.6</b>
<b>Non-recurring items</b>										
Employee benefits expense	-0.8		-0.6						-1.4	
Third-party logistics expense	-2.2		-1.7		0.4				-3.5	
Central warehouse expenses	-0.5								-0.5	
<b>Total excl. non-recurring items</b>	<b>10.7</b>	<b>12.1</b>	<b>11.4</b>	<b>12.8</b>	<b>13.1</b>	<b>14.0</b>	<b>12.8</b>	<b>17.7</b>	<b>48.0</b>	<b>56.6</b>

\*Excluding IFRS 16. Please note that we in 2023 have lower rental costs due to agreed discount in the lease agreement.