

# Kid ASA

Q3 2023 presentation



# Financial summary

## Third quarter in brief

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- A strong quarter in terms of footfall and basket size, resulted in double-digit growth and all-time high EBITDA for the Group in Q3
- Group revenues increased by 13.1% (-2.1%). In constant currency:
  - Group revenues increased by 12.1% (+0.5%)
  - LFL revenues increased by 12.9% (-0.4%)
  - Online revenues increased by 26.8% (+39.4%)
- Gross margin increased by 6.6 percentage points
- EBITDA increased by MNOK 98.6 to MNOK 241.4
  - Strong cost control
- EPS of NOK 2.23 (0.73)
- Strong cash flow
- Dividend payment of NOK 2.75 per share



# Operational focus

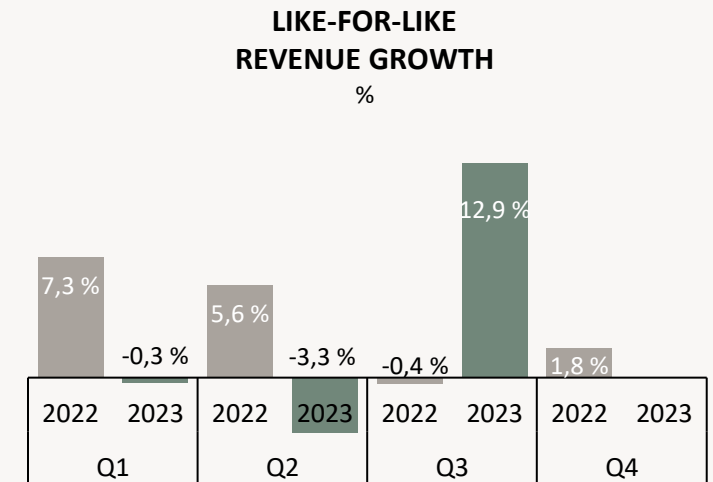
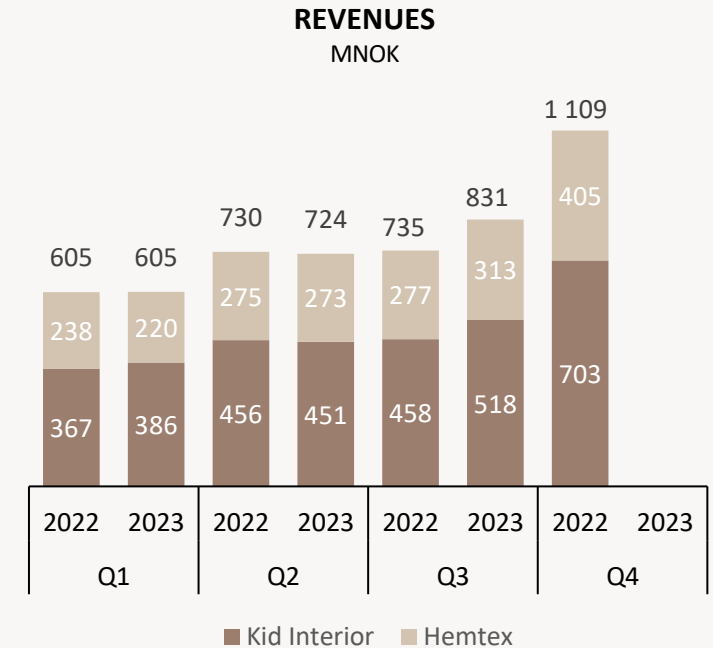
- Impactful “Hemtex 50 Years” campaign driving substantial customer traffic and revenues
- Strong growth in established product categories as a result of product- and assortment development
- “Atelier” by Camilla Pihl was successfully launched in May and contributed with revenues of ~MNOK 10 in Q3
- Extended continue to drive profitable growth and will be expanded
  - Currently available online, in 5 pilot stores and in select larger stores in Norway
  - Revenues from the Extended assortment of MNOK 16.6 in Q3
  - Launch 3 new Extended stores in Sweden
  - Increase from 5 to 10 Extended stores in Norway
  - Extended assortment will be launched online and in selected larger stores in Hemtex during H1-24



# Revenues

## Group revenues Q3 increased by 13.1% (-2.1%)

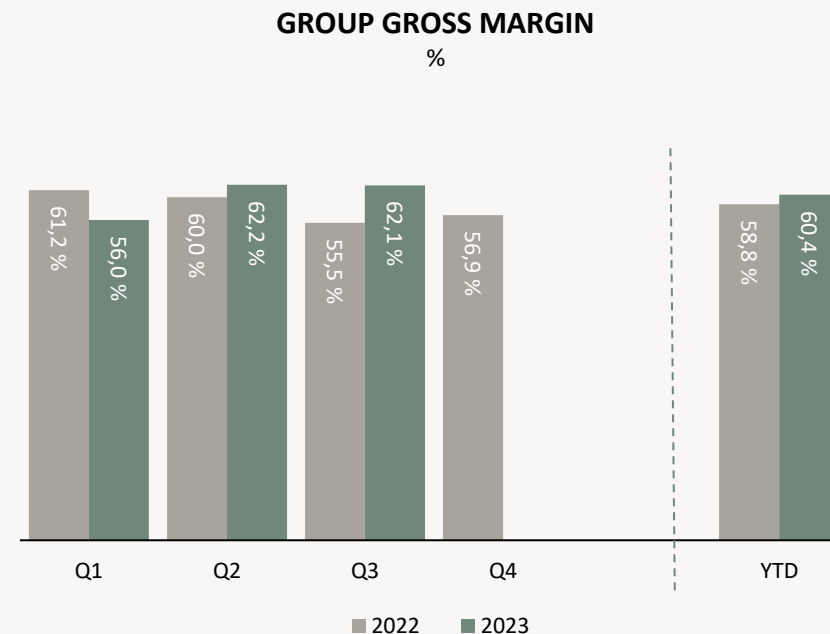
- In constant currency:
  - Group revenues increase of 12.1% (+0.5%)
  - Group like-for-like revenues increase of 12.9% (-0.4%) including online sales
  - Online growth of 26.8% (+39.4%), equivalent to an online share of 11.7%. Including click-and-collect, the online share was 16.5%
- Kid Interior revenues growth of 13.1% (+1.4%)
  - Positive contribution from Extended assortment of MNOK 16.6 (MNOK 0)
  - Like-for-like growth of 12.7% (-1.0%) including online sales
  - Online sales increase of 45.5% (+37.0%)
- Hemtex revenues growth of 13.1% (-7.4%). In constant currency:
  - Revenues growth of 10.5% (-1.0%)
  - Like-for-like growth of 13.3% (+0.8%) including online sales
  - Online sales increase of 11.2% (+41.7%)



# Gross margin

## Strong gross margin development

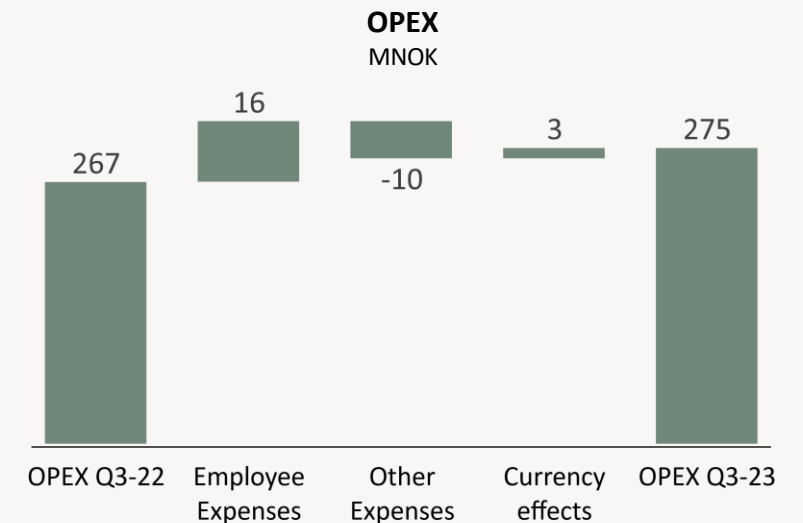
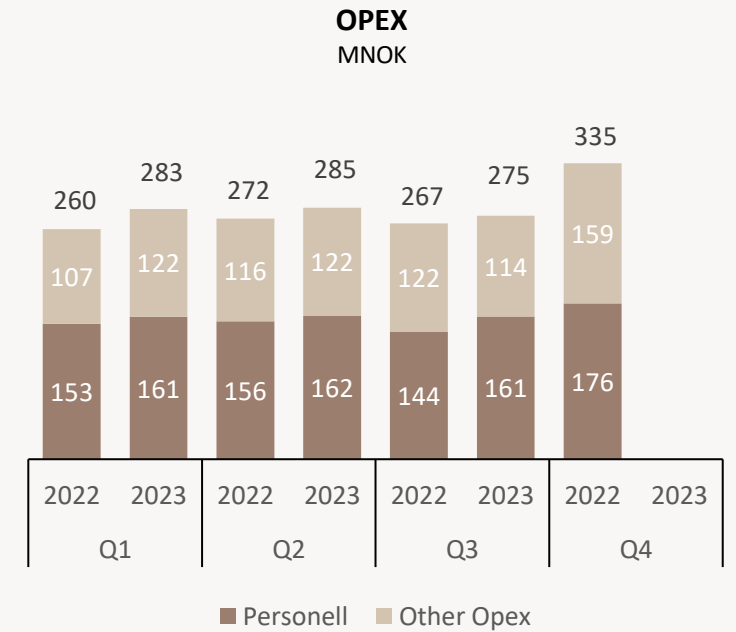
- Group gross margin was 62.1% for the quarter, up by 6.6 pp compared to Q3-22
  - Kid Interior gross margin increased by 8.5 pp to 62.8% (54.3%)
  - Hemtex gross margin increased by 3.3 pp to 60.8% (57.5%)
- Freight rates back to pre-Covid level during 2023, and combined with price adjustments implemented during Q1, we now see a gross margin in line with historical levels
- 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

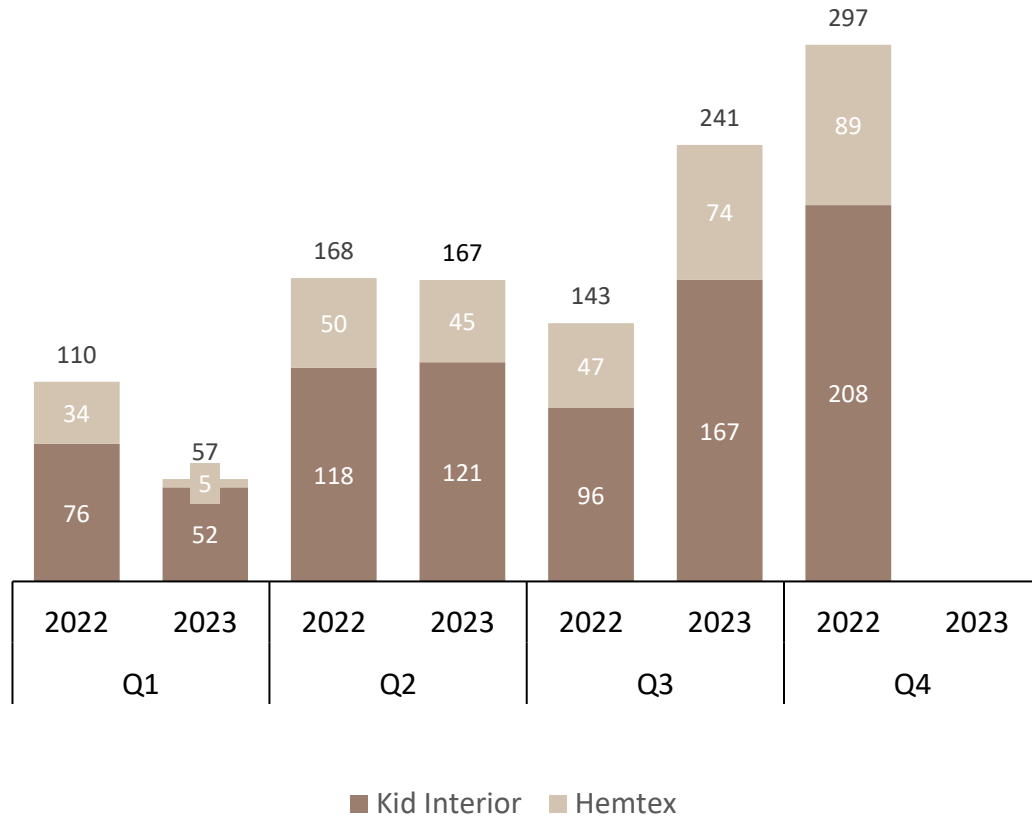
## OPEX-TO-SALES (excl. IFRS 16) of 43.6% (46.1%)

- Employee benefit expenses increased by MNOK 17.0
  - Increased bonus provisions and general salary increase
  - Increased Logistics due to own employees in new Swedish warehouse of MNOK 4.2
  - Tight cost control in like-for-like stores
  - MNOK 1.3 due to changes in SEK/NOK exchange rate
- Other operating expenses decreased by MNOK -8.2
  - Reduced electricity costs by MNOK -2.8
  - Reduced logistics costs by MNOK -4.8 due to shift between other OPEX and employee expenses for the logistics operation in Sweden
  - MNOK 1.4 due to changes in SEK/NOK exchange rate



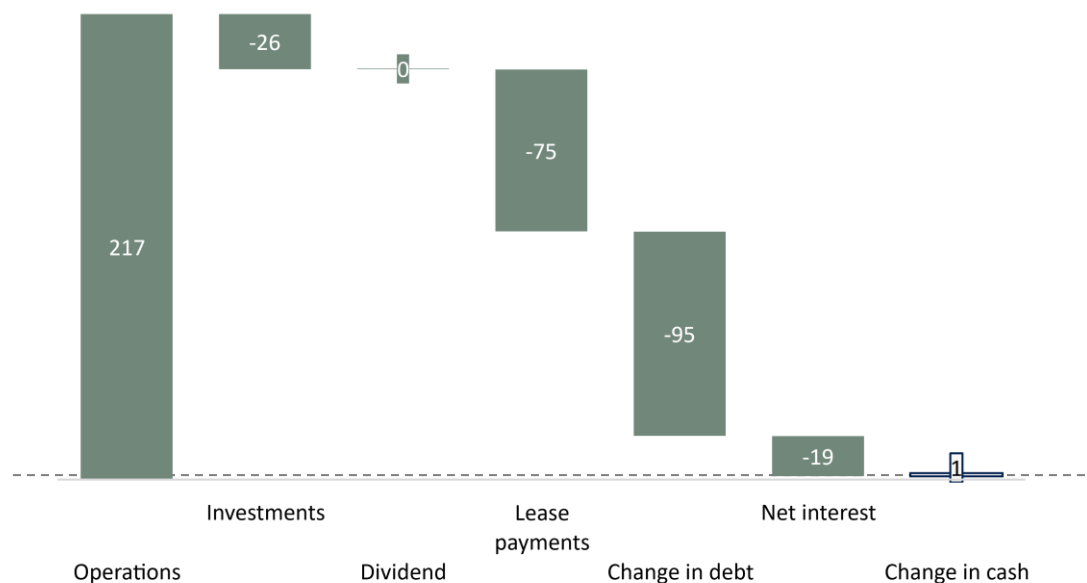
# EBITDA

MNOK



# Cash flow

MNOK



## Satisfactory financial position and liquidity

- Record high cash flow from operations in third quarter, due to increased profit and a constant working capital
- Cash flow from investments reflects CAPEX in stores and online platform of MNOK 23.6, and investment in the new warehouse in Sweden of MNOK 2.2
- Cash flow from financing influenced by reduction in overdraft facility and increased interest expenses
- New RCF agreement signed with updated EBITDA covenants to include IFRS 16. No change to the definition of NIBD
- Gearing ratio, excl. IFRS 16 effects, of 1.72x (1.62x)
- Net interest-bearing debt excl. IFRS 16 leasing liabilities of MNOK 747.5 (MNOK 815.9)
- Cash and available credit facilities of MNOK 271.1 (MNOK 132.8)



# Store portfolio activity

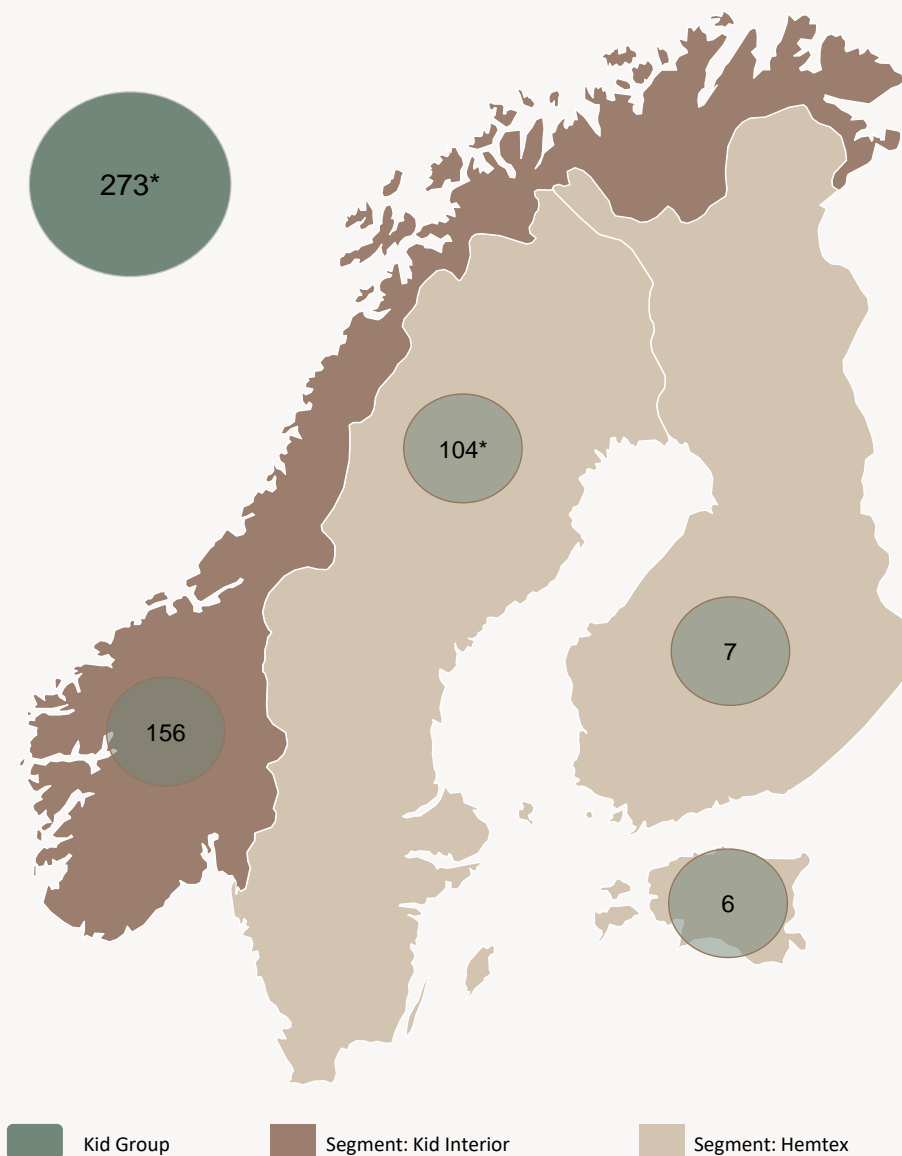
Per quarter end

	Completed 2023	Signed, but not yet completed
<b>New stores</b>	NO: Trondheim Torg FI: Lippulaiva, Espoo	NO: Rørvik (Q4-23) NO: Oslo City (Q1-24) NO: Grünerløkka (Q2-25) NO: Fredrikstad (Q4-24) SE: Burlöv (Q4-23) EST: Nautica Tallinn (Q4-23)
<b>Closures</b>	NO: 1 store SE: 1 store FI: 2 stores	NO: 2 stores
<b>Relocations</b>	NO: 5 stores <sup>1</sup> SE: 7 stores	NO: 7 stores SE: 4 stores
<b>Refurbishment/ expansion</b>	NO: 7 stores <sup>2</sup> SE: 2 store	NO: 3 stores EST: 1 store FI: 1 store

<sup>1</sup>of which three stores are Kid Extended

<sup>2</sup>of which one store is Kid Extended

## NUMBER OF STORES PER QUARTER END



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

# Outlook

- In Q4-23, a total of 3 stores will open in Norway, Sweden and Estonia. 1 store has opened (Rørvik), and the remaining 2 are scheduled to open at the end of November (Burlöv and Tallinn).
- Additional 8 store projects will be carried out in Q4-23, with 4 projects in Kid Interior and 4 in Hemtex. All the projects involve refurbishment and enlargement, with a mix of relocation and others remaining in their current locations.
- The launch of the Extended concept stores is considered successful. Based on this, we have decided to increase the number of Extended stores from the current 5 pilot stores to a total of 10 stores in Norway, and to open 3 new Extended stores in Sweden.
- Well prepared for the Christmas shopping season.



# Semi-annual dividend

## Dividend of NOK 2.75 per share

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- The Board of Directors has decided to pay a half-year dividend of NOK 2.75 per share as a prepayment on the fiscal year 2023
- Following the Q4 2023 results, the Board of Directors will propose the next half-year dividend to the annual general meeting in May 2024
- The proposed pay-out details are:
  - Last day including right: 15 November 2023
  - Ex-date: 16 November 2023
  - Record date: 17 November 2023
  - Payment date: 29 November 2023
  - Date of approval: 8 November 2023 (Board Resolution according to proxy approved at the Annual General Meeting)



Q&A



# Segment: Kid Interior

## KID Interior

(Amounts in NOK millions)

	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
<b>Revenue</b>	<b>517,8</b>	<b>457,9</b>	<b>1 354,4</b>	<b>1 280,2</b>	<b>1 983,6</b>
Revenue growth	13,1 %	1,4 %	5,8 %	7,0 %	5,3 %
LFL growth including online sales	12,7 %	-1,0%	4,8 %	4,6 %	3,2 %
COGS	-192,5	-209,3	-531,0	-533,3	-828,0
<b>Gross profit</b>	<b>325,3</b>	<b>248,6</b>	<b>823,4</b>	<b>747,0</b>	<b>1 155,6</b>
Gross margin (%)	62,8 %	54,3 %	60,8 %	58,3 %	58,3 %
Other operating revenue	0,0	0,0	0,1	0,1	0,1
Employee benefits expense	-98,2	-89,2	-295,9	-277,4	-392,2
Other operating expense	-109,9	-106,6	-330,5	-307,1	-434,4
Other operating expense - IFRS 16 effect	49,7	43,0	143,0	127,4	168,7
<b>EBITDA</b>	<b>166,9</b>	<b>95,8</b>	<b>340,1</b>	<b>289,9</b>	<b>497,9</b>
EBITDA margin (%)	32,2 %	20,9 %	25,1 %	22,6 %	25,1 %
No. of shopping days	79	79	227	227	308
No. of physical stores at period end	156	155	156	155	156



# Segment: Hemtex

## Hemtex

(Amounts in NOK millions)	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022	FY 2022
<b>Revenue</b>	<b>313,1</b>	<b>276,8</b>	<b>806,0</b>	<b>789,2</b>	<b>1 194,4</b>
Revenue growth <sup>1</sup>	10,5 %	-1,0%	-1,3%	3,9 %	3,2 %
LFL growth including online sales <sup>1</sup>	13,3 %	0,8 %	1,0 %	2,7 %	2,8 %
COGS	-122,7	-117,6	-324,1	-320,2	-503,6
<b>Gross profit</b>	<b>190,4</b>	<b>159,2</b>	<b>481,9</b>	<b>469,0</b>	<b>690,8</b>
Gross margin (%)	60,8 %	57,5 %	59,8 %	59,4 %	57,8 %
Other operating revenue	1,0	1,5	2,5	3,9	5,1
Employee benefits expense	-63,3	-55,2	-188,8	-175,9	-237,6
Other operating expense	-90,6	-87,7	-283,0	-258,0	-361,3
Other operating expense - IFRS 16 effect	36,9	29,0	112,0	91,9	122,6
<b>EBITDA</b>	<b>74,5</b>	<b>46,9</b>	<b>124,5</b>	<b>130,9</b>	<b>219,7</b>
EBITDA margin (%)	23,7 %	16,8 %	15,4 %	16,5 %	18,3 %
No. of shopping days	92	92	271	271	362
No. of physical stores at period end (excl. franchise)	117	117	117	117	119

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



# Income statement

(Amounts in NOK thousand)	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022
Revenue	830,9	734,7	2 160,4	2 069,4
COGS	-315,1	-326,9	-855,2	-853,5
<b>Gross profit</b>	<b>515,8</b>	<b>407,8</b>	<b>1 305,3</b>	<b>1 215,9</b>
Gross margin (%)	62,1 %	55,5 %	60,4 %	58,8 %
Other operating revenue	1,0	1,5	2,6	4,0
OPEX	-275,4	-266,6	-843,2	-799,2
<b>EBITDA</b>	<b>241,4</b>	<b>142,7</b>	<b>464,6</b>	<b>420,8</b>
EBITDA margin (%)	29,0 %	19,4 %	21,5 %	20,3 %
Depreciation and amortisation	-101,8	-86,4	-298,4	-260,9
<b>EBIT</b>	<b>139,6</b>	<b>56,3</b>	<b>166,2</b>	<b>159,9</b>
EBIT margin (%)	16,8 %	7,6 %	7,7 %	7,7 %
Net finance	-20,2	-12,4	-58,7	-34,7
Share of result from joint ventures	-1,3	-2,5	-1,6	-4,4
<b>Profit before tax</b>	<b>118,0</b>	<b>41,3</b>	<b>105,9</b>	<b>120,7</b>
<b>Net profit</b>	<b>90,6</b>	<b>29,5</b>	<b>80,4</b>	<b>90,2</b>



# Statement of financial position

(Amounts in NOK thousand)	Note	30.09.2023	30.09.2022	31.12.2022
Assets		Unaudited	Unaudited	Audited
Goodwill	9	67 581	67 266	65 479
Trademark	9	1 511 858	1 511 606	1 510 224
Other intangible assets	9	42 635	24 518	35 326
Deferred tax asset		0	0	1 859
<b>Total intangible assets</b>		<b>1 622 075</b>	<b>1 603 391</b>	<b>1 612 888</b>
Right of use asset	9	1 039 539	795 465	760 734
Fixtures and fittings, tools, office machinery and equipment	9	299 657	202 190	237 245
<b>Total tangible assets</b>		<b>1 339 196</b>	<b>997 655</b>	<b>997 979</b>
Investments in associated companies and joint ventures	10	0	0	0
Loans to associated companies and joint ventures	8	37 591	23 158	23 795
<b>Total financial fixed assets</b>		<b>37 591</b>	<b>23 158</b>	<b>23 795</b>
<b>Total fixed assets</b>		<b>2 998 862</b>	<b>2 624 204</b>	<b>2 634 663</b>
Inventories		728 704	876 556	668 753
Trade receivables		10 135	16 153	12 094
Other receivables		27 013	32 963	35 241
Derivatives		61 783	148 448	59 449
<b>Total receivables</b>		<b>98 931</b>	<b>197 564</b>	<b>106 784</b>
Cash and bank deposits		0	6 482	75 721
<b>Total currents assets</b>		<b>827 635</b>	<b>1 080 602</b>	<b>851 259</b>
<b>Total assets</b>		<b>3 826 500</b>	<b>3 704 809</b>	<b>3 485 922</b>

(Amounts in NOK thousand)	Note	30.09.2023	30.09.2022	31.12.2022
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
<b>Total paid-in-equity</b>		<b>434 440</b>	<b>434 440</b>	<b>434 440</b>
Other equity		812 384	860 279	838 940
<b>Total equity</b>		<b>1 246 824</b>	<b>1 294 719</b>	<b>1 273 380</b>
Deferred tax		322 902	346 100	322 723
<b>Total provisions</b>		<b>322 902</b>	<b>346 100</b>	<b>322 723</b>
Lease liabilities		767 079	553 919	523 528
Liabilities to financial institutions	6	671 658	621 642	521 646
<b>Total long-term liabilities</b>		<b>1 438 737</b>	<b>1 175 561</b>	<b>1 045 175</b>
Lease liabilities		302 320	259 201	258 257
Liabilities to financial institutions	6	75 853	200 695	30 000
Trade payable		152 038	113 496	122 459
Tax payable		0	14 314	57 745
Public duties payable		129 098	119 087	167 139
Other short-term liabilities		155 305	181 588	201 815
Derivatives		3 424	50	7 229
<b>Total short-term liabilities</b>		<b>818 038</b>	<b>888 430</b>	<b>844 644</b>
<b>Total liabilities</b>		<b>2 579 676</b>	<b>2 410 091</b>	<b>2 212 542</b>
<b>Total equity and liabilities</b>		<b>3 826 500</b>	<b>3 704 809</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		3,9	12,3	15,2
Segment allocated other operating expense	0,5	0,6	0,5	0,6	0,5	0,5		0,5	1,4	2,1
<b>Hemtex</b>										
Segment allocated employee benefits expense	-4,2	-3,3	-4,0	-4,0	-4,0	-4,0		-3,9	-12,3	-15,2
Segment allocated other operating expense	-0,5	-0,6	-0,5	-0,6	-0,5	-0,5		-0,5	-1,4	-2,1

# Quarterly revenue growth

Group				
Total growth				
Year	Q1	Q2	Q3	Q4
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 %	
Like-for-like growth				
Year	Q1	Q2	Q3	Q4
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 %	

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 %	8,9 %	1,4 %	2,3 %
2023	5,2 %	-1,1 %	13,1 %	
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 %	5,8 %	-1,0 %	0,9 %
2023	3,5 %	-2,0 %	12,7 %	

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 %	8,8 %	-1,0 %	1,7 %
2023	-10,9 %	-4,8 %	10,5 %	
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 %	5,2 %	0,8 %	3,5 %
2023	-6,5 %	-5,4 %	13,3 %	

# 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		227

### 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
Closed stores	1	0	0		1
Relocated stores	2	1	0		3
Refurbished stores	5	3	1		9

Total number of stores 155 156 156

Total number of LFL stores 152 152 152

## Hemtex

### Number of sales days

Year	Q1	Q2	Q3	Q4	Total
2022	89	90	92	91	362
2023	89	90	92		271

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

Total number of stores\* 129 128 128

Total number of LFL stores\* 122 121 121

\*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				6.5	
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		2.3	20.2	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>0.0</b>	<b>17.7</b>	<b>40.6</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>0.0</b>	<b>17.7</b>	<b>35.2</b>	<b>56.6</b>