

Q1 2024

Presentation of the year-end report

Hemnet Group | 23 Apr 2024



Q1 2024 Summary

Key financials

Net sales

+33.3%
(SEK 253.4m)

ARPL

+32.5%
(SEK 4,911)

EBITDA

+37.3%
(SEK 119.7m)

EBITDA margin

47.2%

Highlights

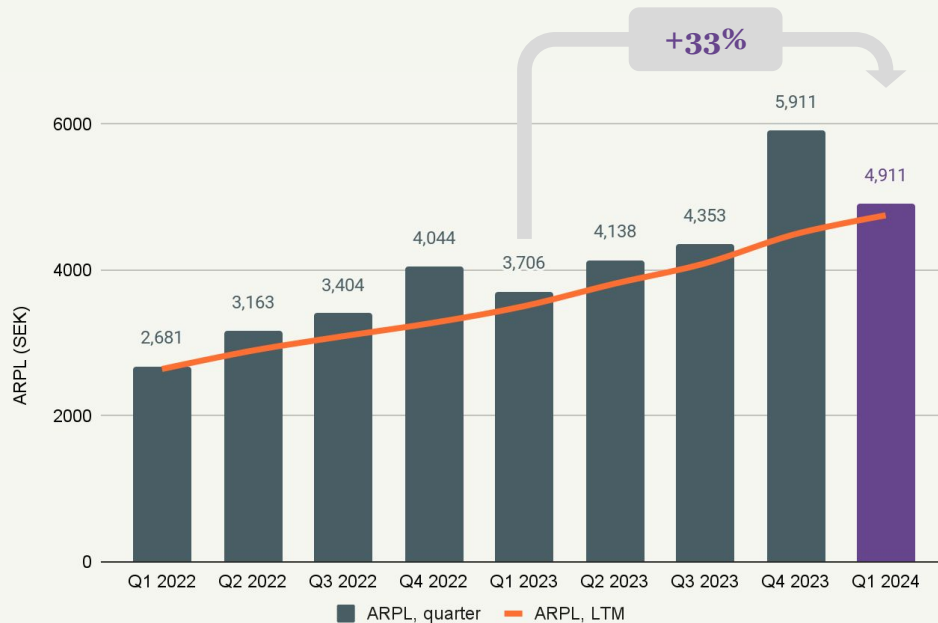
- Revenue from property sellers increased by 49.1% and ARPL increased by 32.5%
- Demand for Hemnet Premium continued to increase, leading to more than doubled conversion compared to same period last year
- Number of published listings grew 11.4% - market sentiment improving, with more transactions, higher prices and highest price increase expectations since September 2020
- Partial roll out of full digital publication flow began in Q1
- Continuing to execute on strategy of improving the consumer experience on Hemnet, including by enhancing our maps, updating app navigation and adding property energy classification



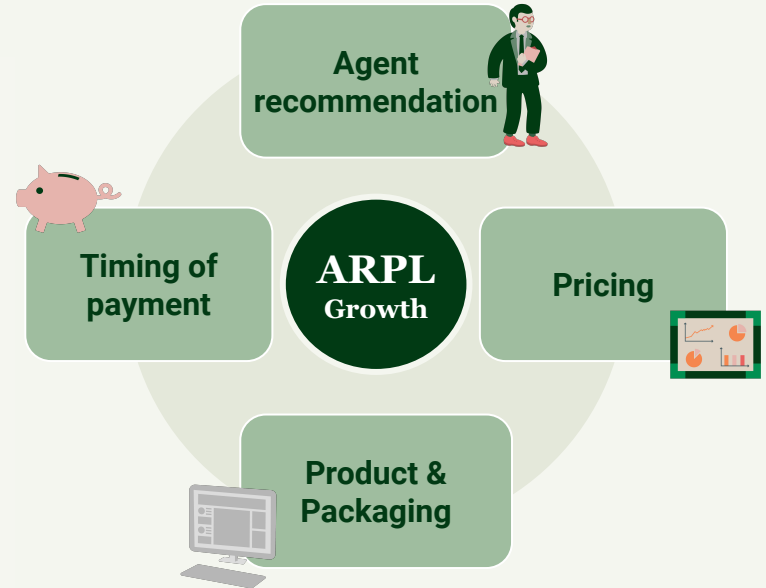
“Strong first quarter results with 33% net sales growth and 37% growth in EBITDA, driven by increased demand for value-added-services.”

Q1 ARPL growth of 33% as contribution from Premium more than doubled from LY

Average revenue per listing (ARPL), quarterly and LTM

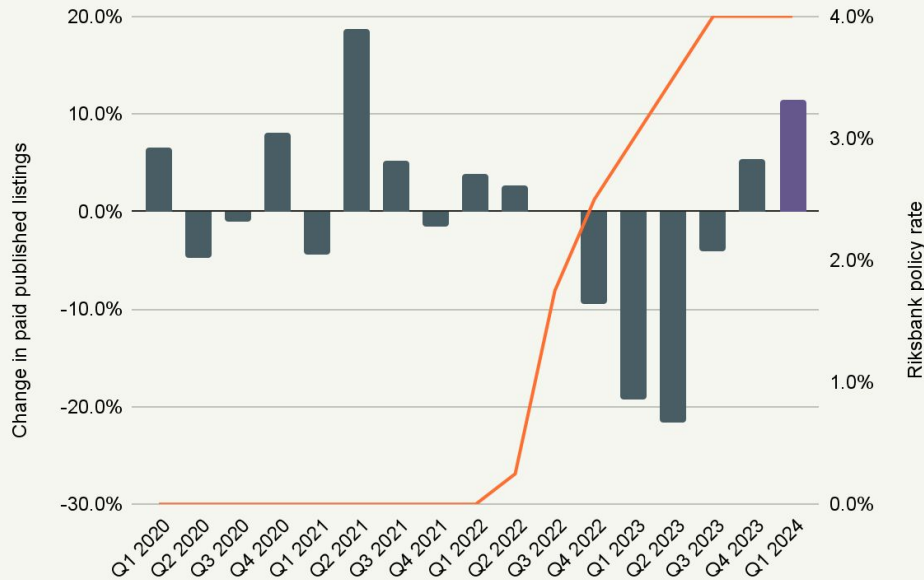


ARPL growth drivers



Positive market momentum as paid published listings increased 11.4%

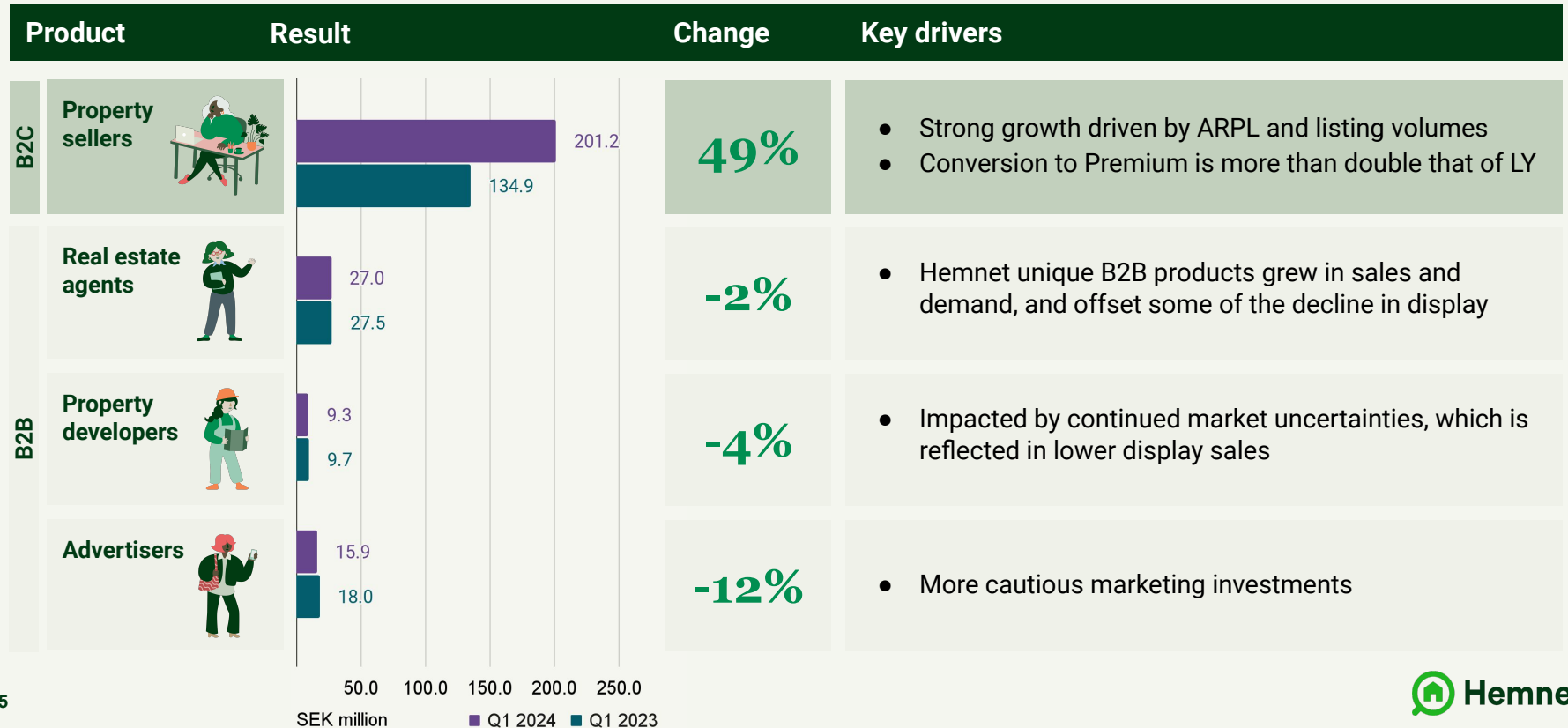
Paid published listings per month (Y/Y change)



Commentary

- 8% more transactions in Q1 2024 vs LY
- Price expectations at the highest level since September 2020, with half of Stockholm-based respondents expecting prices to increase (45% nationwide) - only 13% expect declining prices
- Most recent inflation data (March 2024) came in below expectations (2.2% vs 2.5% for KPIF)

Net sales from property sellers remain strong amid cautious marketing investments from B2B



We have developed several levers to drive sustainable ARPL growth

ARPL Growth Levers

Product
(Features & value)



- Product and package features
- Clarifying value
- Strong network effects

Recommendations
(Increasing no. of recommending agents)



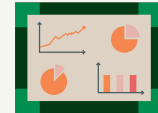
- Increasing % of agents recommending VAS
- Finding the right incentives
- Win-win solutions

Timing of payment
(Pay when listing is removed)



- Connecting payment of listing to receipt of funds
- Decreasing the barrier to list on Hemnet

Pricing
(Finding the right price)

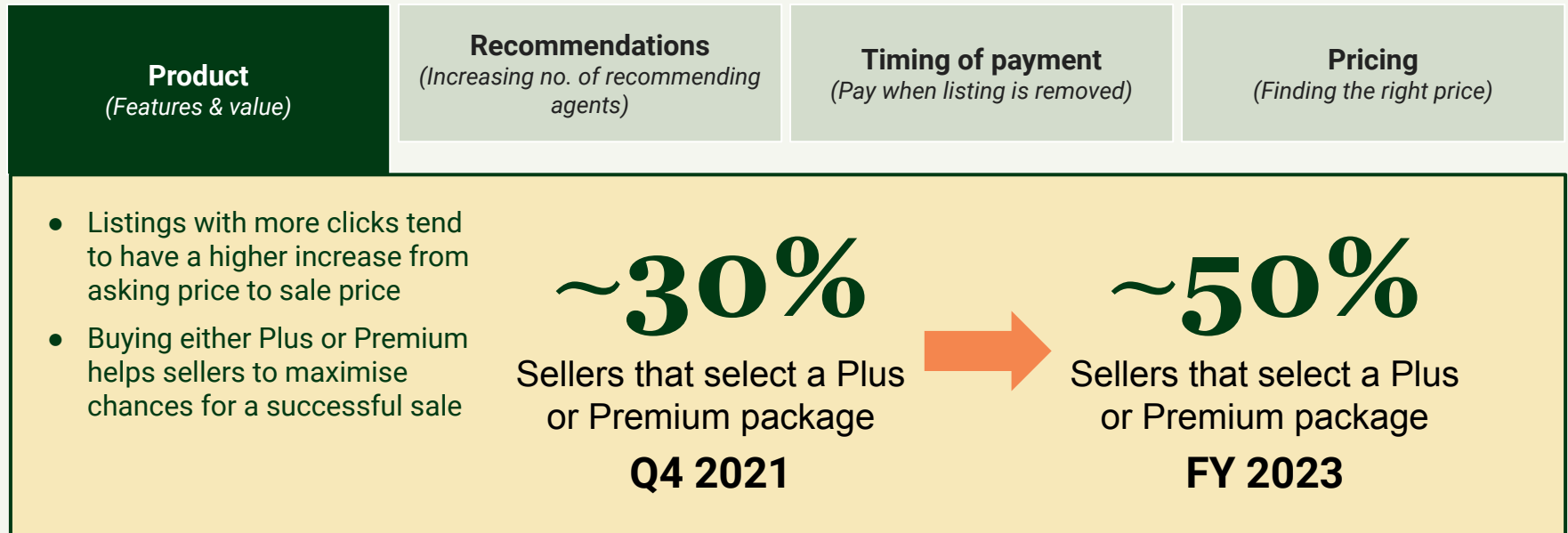


- A dynamic price list to find “the correct price” for each listing
- Segmenting listing price based on a number of attributes

We have developed several levers to drive sustainable ARPL growth



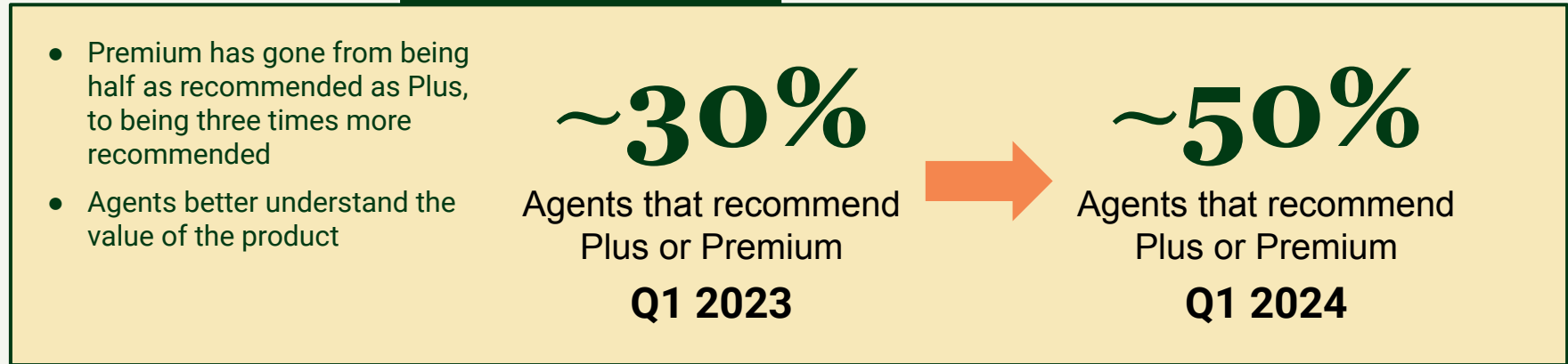
ARPL Growth Levers



We have developed several levers to drive sustainable ARPL growth



ARPL Growth Levers



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ARPL Growth Levers

Product

(Features & value)

Recommendations

(Increasing no. of recommending agents)

Timing of payment

(Pay when listing is removed)

Pricing

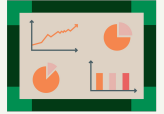
(Finding the right price)

- Appreciated by agents and sellers alike
- All prices shown to consumers are the “pay when listing is removed price”
- Consumers selecting “pay now” are incentivised with a discount

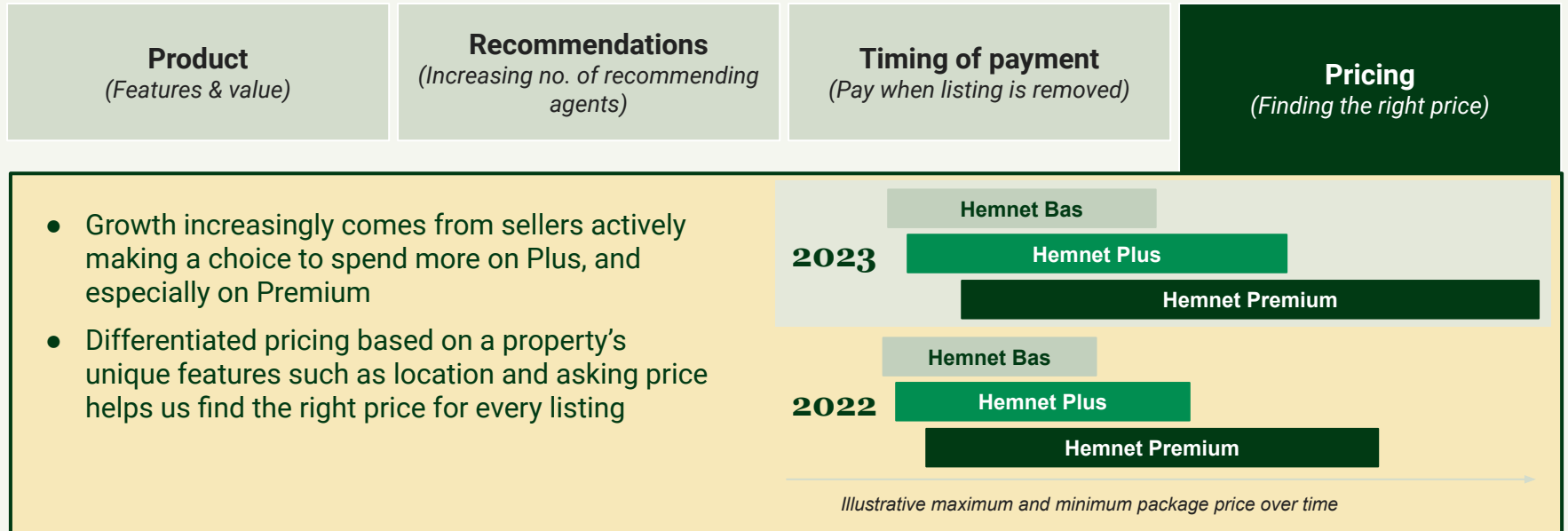
~40-50%

Sellers that select “pay when listing is removed” since launch

We have developed several levers to drive sustainable ARPL growth



ARPL Growth Levers



Gradual roll out fully digital flow to simplify and streamline the listing process has begun

Agents can recommend package and select timing for publication

Progress: 1 (checked), 2, 3, 4, 5

2. Annonsen

Annonsen

Rekommendation

Hemnet Premium* Agents can provide a package recommendation to their seller

Hemnet Plus

Jag vill inte rekommendera säljaren Hemnet Plus eller Premium

*Förnya annons ingår kostnadsfritt med Premium

Så ser säljaren din rekommendation

Priser för annonsen		
Bas	Plus	Premium
3 099 kr	3 399 kr	5 099 kr

Läs mer om vad som ingår i annonspaketen [↗](#)

Föregående Nästa

Progress: 1 (checked), 2 (checked), 3, 4, 5 (New!)

3. Publicering

Publicering

Välj hur och när annonsen ska publiceras

Annonsen publiceras automatiskt så fort säljaren har slutfört köpet

Jag publicerar manuellt i Kundportalen när säljaren har slutfört köpet

Schemalägg när annonsen ska publiceras

2023-12-24 15:00-15:30

⚠ Vad ska hända om säljaren inte har slutfört köpet innan vald tid?

Annonsen publiceras automatiskt så fort säljaren har slutfört köpet

Jag publicerar manuellt i Kundportalen när säljaren har slutfört köpet

Betalningsalternativ

- Betala direkt, med faktura eller delbetalning via Klarna
- Swish via Klarna
- Kortbetalning utanför Klarna

Föregående Nästa

Sellers going through FDF will have to make a package recommendation

Progress: 1 (checked), 2, 3, 4

2. Välj ditt annonspaket

Din mäklare Anders Persson rekommenderar **Hemnet Premium** för din annons.

Premium	Plus	Bas
13 360 kr	6 592 kr	5 360 kr

Premium - Bäst synlighet på Hemnet

Package recommendation shown to seller, including photo of agent

Ongoing initiatives to ensure smooth transition to new compensation model on July 1st

Updating the compensation model to drive simplicity and the right incentives

- The updated model better rewards agencies that recommend Plus and Premium
- The objective is to provide attractive incentives to agents that actively work with and promote Hemnet's products
- Main development and communication focus internally has been on the launch of the new compensation model
- Ongoing meetings with office managers regarding the updated compensation model. Focus on educational meetings will continue throughout spring

Key changes in new compensation model

Announced during Q4 2023 results

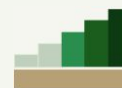
Both a purchase of a value added services, and a recommendation needs to take place for commission to be paid



Admin fee becomes **fixed**



An agent recommendation is required to qualify for commission



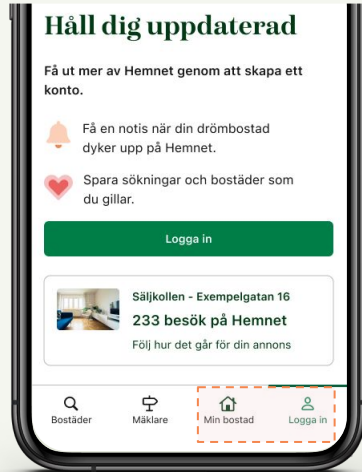
Changing the commission levels and adding more tiers



Commission is calculated on the **total revenue from all sold products**

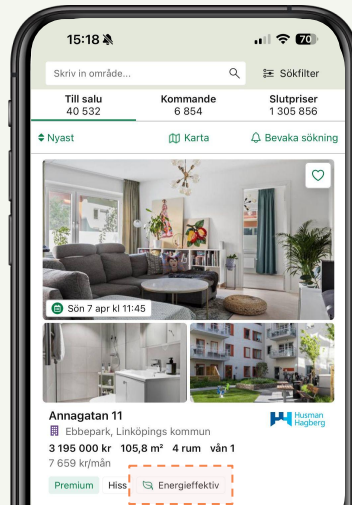
Improving the customer experience and encouraging users to log in

Driving log-in and a more personalised user behaviour



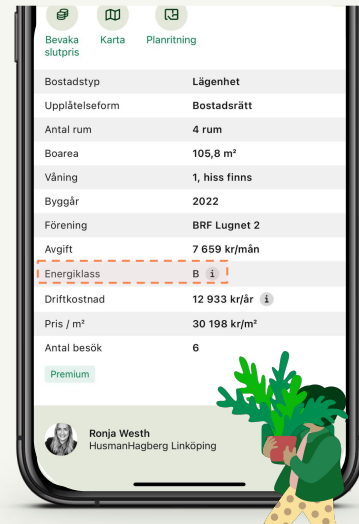
“My property” and “log in” now default navigation tabs

Added energy classification to properties



Energy effective properties tagged in search result list

Energy classification part of listing details



Gradually improving map search experience



Improving, and adding more features to map search

Financial Highlights

Anders Örnulf, CFO



Q1 2024 Financial summary

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SEK 253.4m

ARPL

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SEK 4,911

EBITDA

47.2%

SEK 119.7m

Key Financials

Published listings

+11.4%

41.1 thousand

Cash conversion (LTM)

89.2%

FCF SEK 497.6m

Leverage (LTM)

0.8x

Same as last quarter

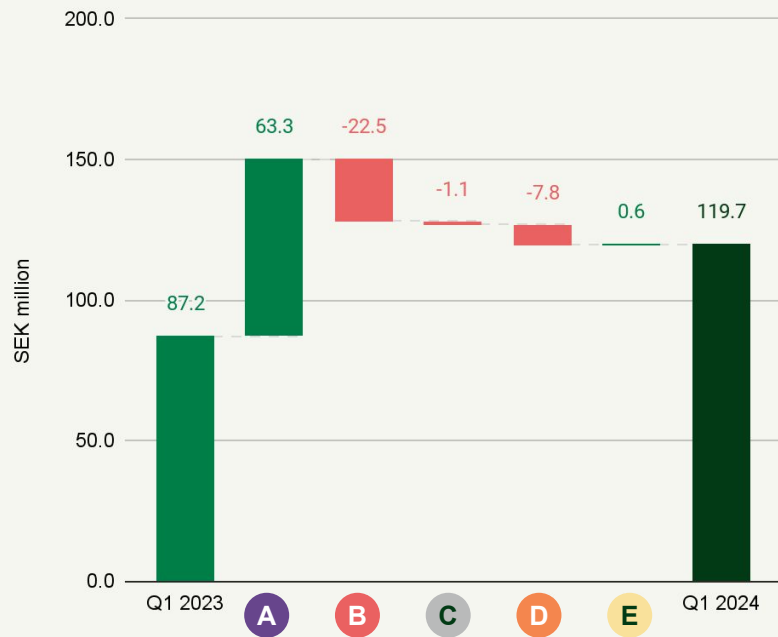
Headcount

155

+1 vs Q4 23 / +14 vs Q1 23

37% growth in EBITDA in Q1 2024

EBITDA bridge (SEK million, Y/Y change)

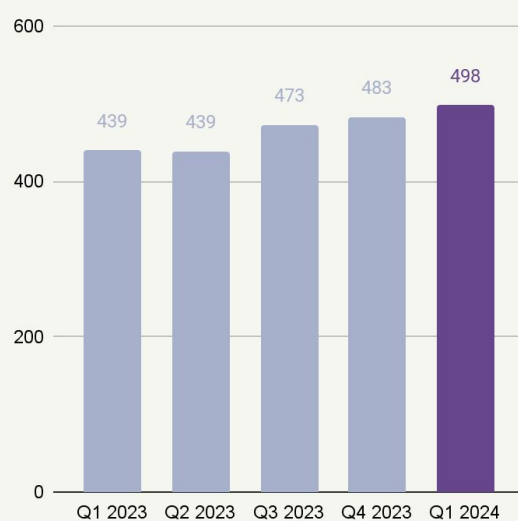


Key drivers

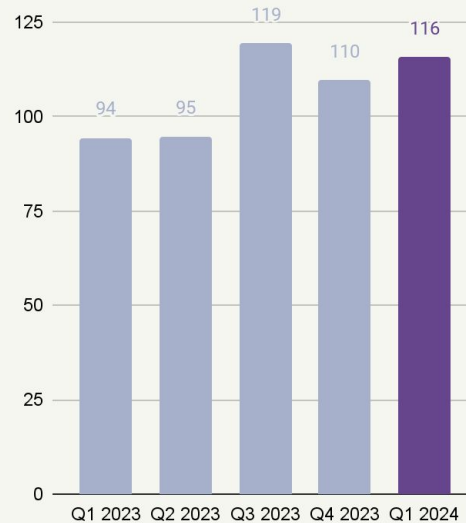
- | | | |
|----------|---|--|
| A | Net sales | 49% growth in net sales from property sellers |
| B | Compensation to real estate agents | Grows in line with seller revenue and conversion |
| C | Other external expenses | Gradually scaling up marketing efforts |
| D | Personnel costs | Increased headcount by 14 since Q1 2023 |
| E | Other | - |

LTM cash flow grows and is used for investments & share buybacks - leverage remains stable

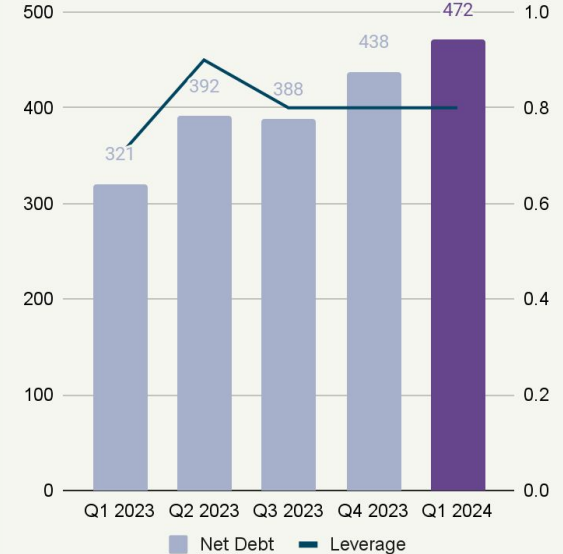
LTM Free cash flow
SEK million



Share buybacks
SEK million



Net debt and leverage
SEK million, leverage



Summary

Cecilia Beck-Friis, CEO



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“Strong first quarter results with 33% net sales growth and 37% growth in EBITDA, driven by increased demand for value-added-services.”

A close-up photograph of two hands. The hand on the left is wearing a silver watch and a ring. The hand on the right is wearing a patterned sleeve. They are holding a small green plant in a wooden pot. The text 'Q&A' is overlaid in the center.

Q&A

Dial-in instructions

Hemnet invites analysts, investors and media to participate in the results presentation on 23rd April 2024 at 10:00 CET. The results will be presented by CEO Cecilia Beck-Friis and CFO Anders Örnulf.

The presentation will be held in English, followed by a Q&A session. Participants are welcome to join via the below link or by phone.

Webcast and teleconference info:

<https://ir.financialhearings.com/hemnet-q1-report-2024/>

Financial calendar

25 Apr 2024	Annual general meeting
18 Jul 2024	Interim report Q2 2024
24 Oct 2024	Interim report Q3 2024

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