

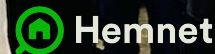
# Q3 2024

## Presentation of the interim report

Hemnet Group | 24 October 2024



Hemnet Group AB (publ) | Sveavägen 9 | 111 57 | Stockholm | Sweden



# Q3 2024 Summary

## Key financials

### Net sales

**+36.8%**  
(SEK 372.1m)

### ARPL

**+42.0%**  
(SEK 6,183)

### EBITDA

**+33.1%**  
(SEK 207.6m)

### EBITDA margin

**55.8%**

## Highlights

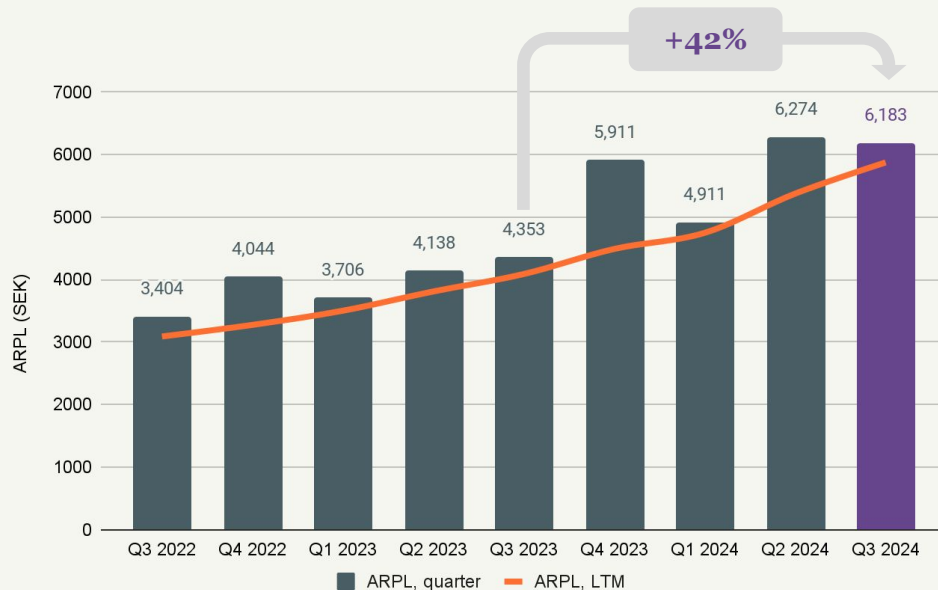
- Continued high demand for Hemnet Plus and Premium drives strong top line growth, with ARPL contribution from Hemnet Premium doubled compared to last year
- Successful roll-out of new compensation model and a clear step-change in conversion as a result of more active recommendations
- We continue to invest in future growth, with increased investments in team, product and marketing. Costs are up from 2023, which was a year with limited new investments
- Positive signs in the property market with growth in listings and sale prices. There remains a lag in sentiment due to continued high supply and long listing duration
- Strong demand for our top-tier packages gives us confidence that there is room to expand our offering for property sellers in the coming year



**“ARPL and net sales continue to grow, driven by strong demand for value added services.”**

# Q3 ARPL growth of 42% as contribution from Premium more than doubled from LY

## Average revenue per listing (ARPL), quarterly and LTM



## ARPL growth drivers

- Premium contribution to ARPL is up 2x from LY
- Clear step-change in conversion to Plus and Premium as brokers have embraced the new compensation model and are more actively recommending upgraded packages
- ARPL fluctuates due to quarterly seasonality and is therefore best monitored on an LTM basis

# Sellers recognise the value of our Plus and Premium, leading to higher conversion

2 in 3 sellers upgrade to Plus or Premium

Hemnet Hemnet  
Plus Premium



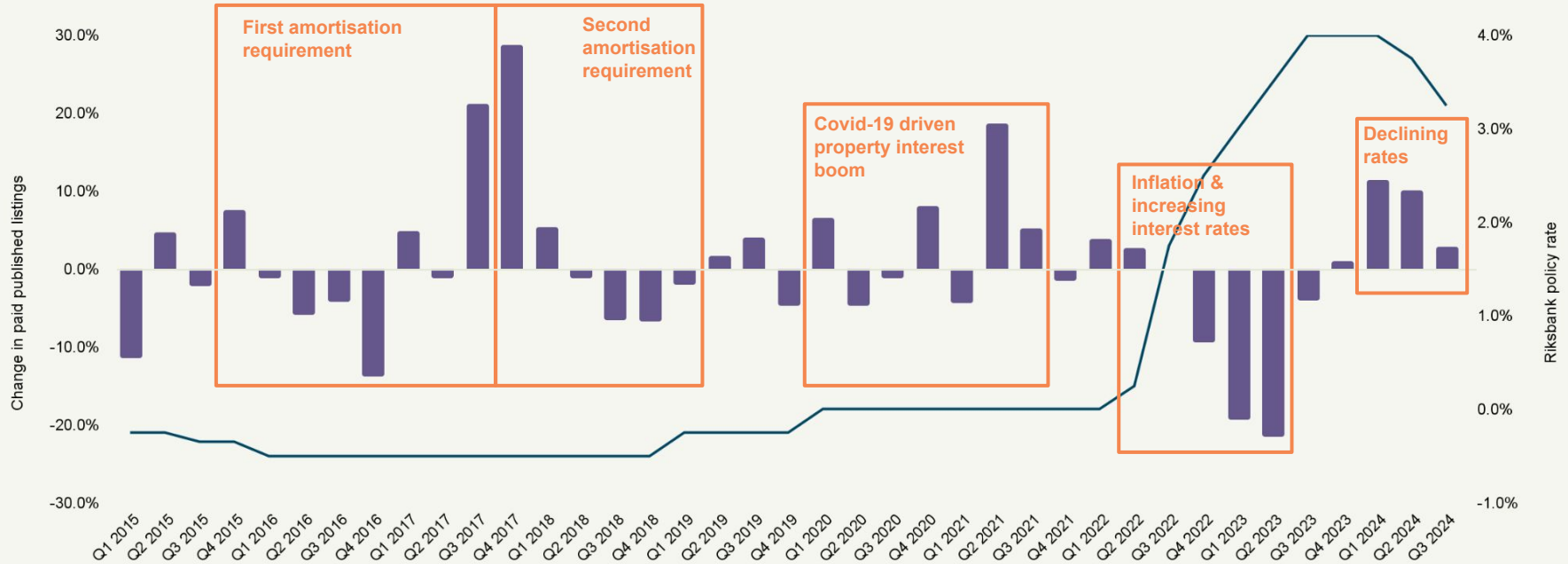
*Approximate conversion figures representing the portion of sellers that upgraded their listing, divided by the total number of paid listings*

Paving way for future ARPL growth

- Successful roll out of new compensation model leading to step-change in recommendation levels
- New model sets the foundation for clear alignment in future partnership with agents
- High willingness from sellers to invest in Hemnet Plus and Premium, to improve chances of a successful sale on Hemnet
- Product improvements that increase ARPL include “Pay when listing is removed” (Q4 2023) and Full Digital Publishing Flow (Q2 2024)

# Listing levels are close to record year 2022, following a reduction in the policy rate

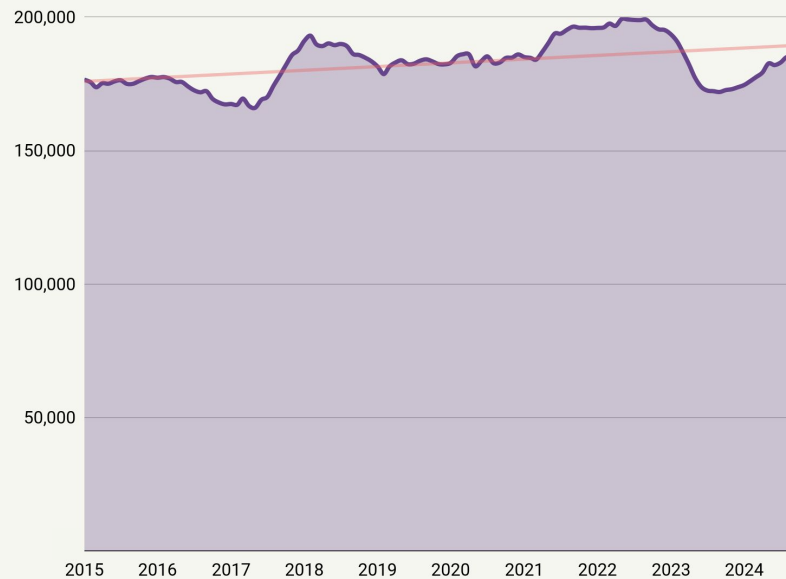
Published listings and Riskbank policy rate  
(Year-on-year change in volumes)



# Our thesis is unchanged - the Swedish property market is stable over time

## Published listings

(Country, 12 month moving sum - including trendline)

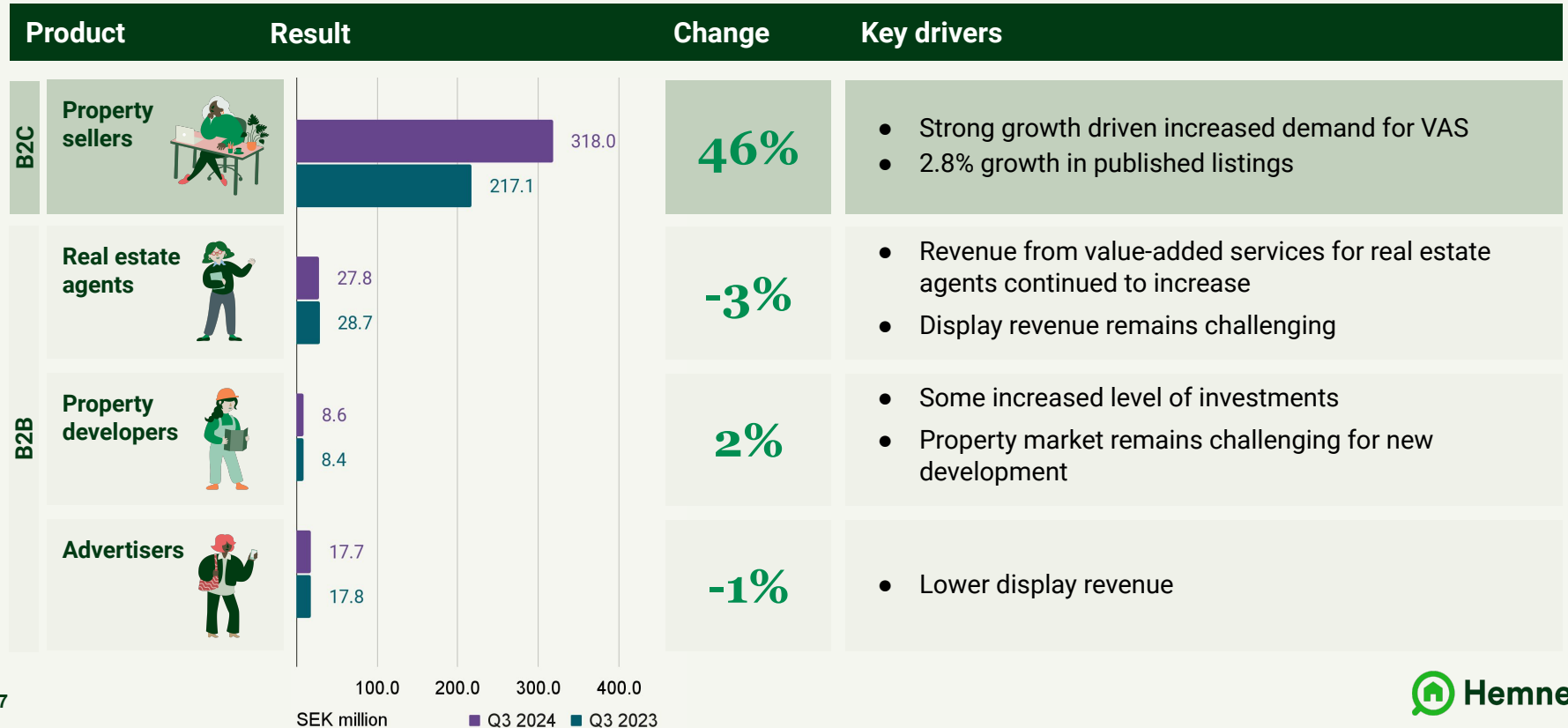


## Market stability drivers

- ✓ Market driven by organic demand (“buy to live”)
- ✓ Dysfunctional rental market
- ✓ Limited buy-to-let
- ✓ Easy and cheap to transact
- ✓ Professional and regulated real estate agents
- ✓ High home ownership

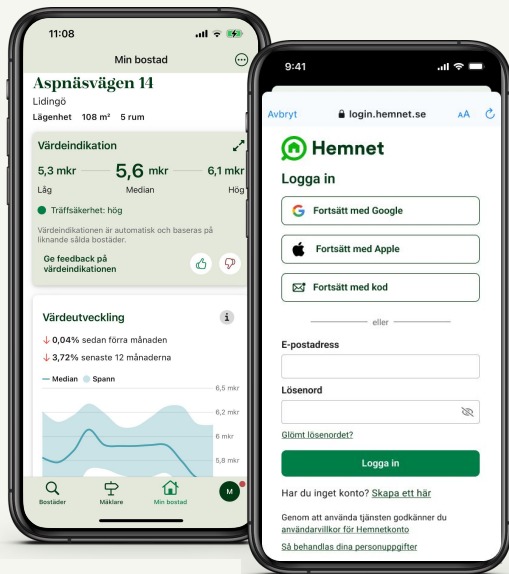


# Net sales from property sellers remain strong amid cautious marketing investments from B2B



# We continue investing in a more personalised experience in an effort to increase engagement

Investments in a more personalised experience...



Historical valuations added to My Home

One-tap login currently under development

...Yield higher engagement from our consumers

Registrations to My Home

~**3x** vs. last year

Logged in users

+**60%** vs. last year

Logged in time spent

+**40%** vs. not logged in

Logged in engagement

~**4x** more buyer actions<sup>1</sup>



# We continue to make iterative improvements to our seller products

## *Implemented during the quarter*

## *Next year*

### Improvements to upcoming listings

### Säljkollen & upgrading listing anytime

### Renewal always included

### Expanding the product offering for sellers

- **What?** Clarified that an upcoming listing is included in all our packages
- **Why?** By using upcoming listings in combination with for sale listings, sellers can increase their chances of driving relevant traffic to their listing

- **What?** Improving the way that sellers track their sale, and adding the ability to upgrade the listing at any time
- **Why?** Clarifying ROI of Hemnet and giving sellers more control

- **What?** Including listing renewal always when a package is upgraded to Premium
- **Why?** Previously, a package had to be upgraded within a certain number of days to include renewal

- **What?** Reviewing and amending our packages to sellers
- **Why?** Strong demand for top package means that there is room to expand our offering for property sellers in the coming year

# Continued focus on marketing to solidify Hemnet's strong brand and trust

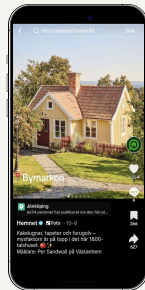
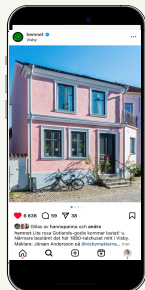
## Brand investments

Our outdoor campaign, highlighting our unmatched audience and market position, continued in August/September.



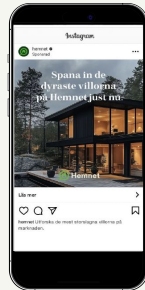
## Social media

Growing interactions on Instagram and TikTok, showcasing the high engagement in Hemnet's content



## Digital marketing

New paid campaigns on Meta and TikTok complementing SEM and app store marketing



## Agent relations

New initiative: digital diplomas for top-selling agents to share in their own channels.

Nomination period open for the Guldhemmet gala



# We continue to invest in our organisation

## Scaling and maturing the business

- In sales, we are moving the organisation to the next level by engaging in a more holistic approach towards real estate agents which covers all Hemnet products (both B2B and B2C)
- Change to domain structure increases collaboration and development pace across the organisation
- We continue investing in improving our app experience, where users spend the majority of their time
- CEO transition ongoing

## Recent group leadership hires



**Hanna Lindqvist** | CTO

Formerly EVP Technology at Schibsted Marketplaces



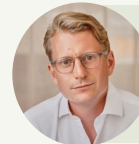
**Johan Mohlin** | Product Director

Formerly CPO at Epidemic Sound



**Marcus Westerlund** | Sales Director

Formerly Chief Sales Officer at Prisjakt



**Ludvig Segelmark** | Head of IR

Formerly Head of Investor Relations at Stillfront

# Financial Highlights

## Anders Örnulf, CFO



# Q3 2024 Financial summary

## Net sales growth & net sales

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SEK 372.1m

## ARPL growth & ARPL

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SEK 6,183

## EBITDA margin & EBITDA

**55.8%**

SEK 207.6m

## Key Financials

### Published listings

**+2.8%**

51.5 thousand

### Cash conversion (LTM)

**87.0%**

FCF LTM SEK 596.0m

### Leverage (LTM)

**0.6x**

-0.1x vs. last quarter

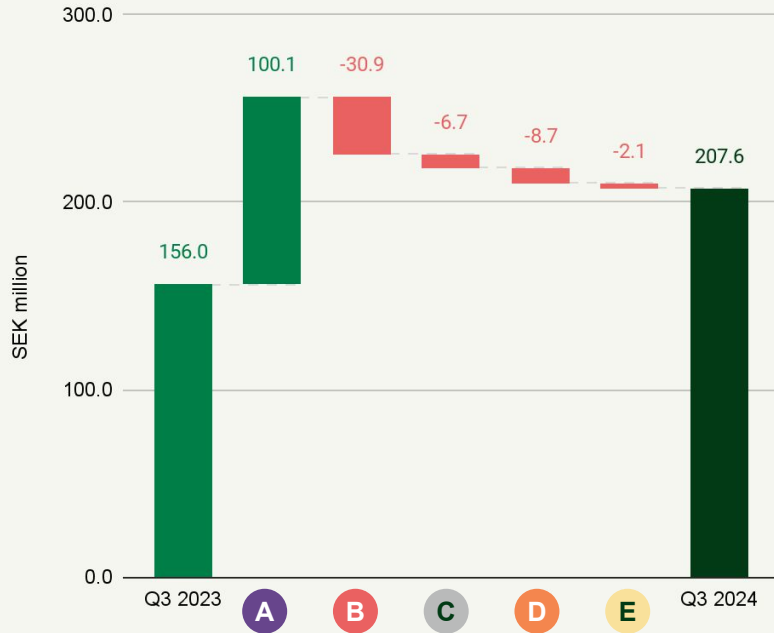
### Headcount

**152**

- vs Q2 24 / -2 vs Q3 23

# 33% EBITDA growth in Q3 2024

## EBITDA bridge (SEK million, Y/Y change)

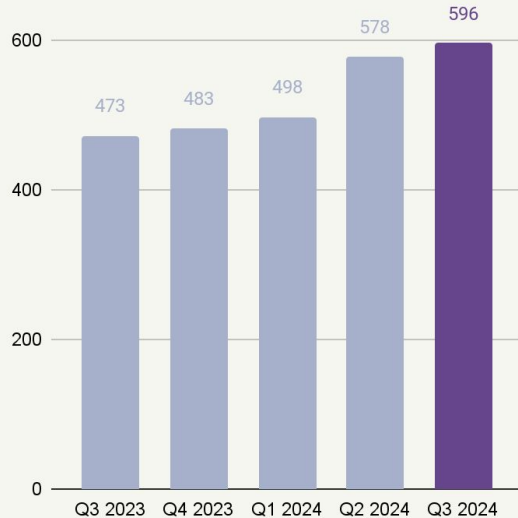


## Key drivers

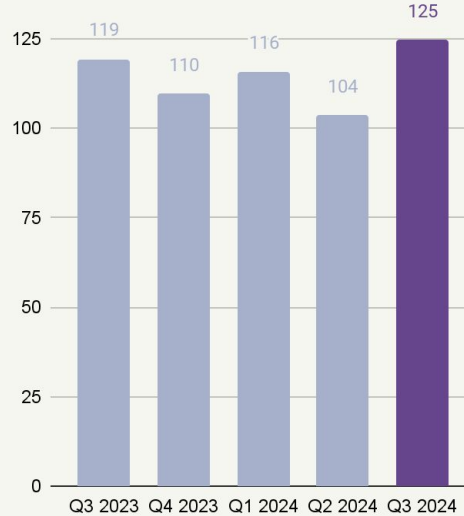
- |          |   |   |
|----------|---|---|
| <b>A</b> | <b>Net sales</b>                          | 47% growth in net sales from property sellers supported by step-change in recommendation and conversion             |
| <b>B</b> | <b>Compensation to real estate agents</b> | Agents embracing new compensation model - higher conversion and recommendations                                     |
| <b>C</b> | <b>Other external expenses</b>            | Increased marketing and consultant spend  |
| <b>D</b> | <b>Personnel costs</b>                    | A consequence of an increase in FTE's, lower number of employees on parental leave during 2024 and salary inflation |
| <b>E</b> | <b>Other</b>                              | -   |

# LTM cash flow grows and is used for investments & share buybacks - leverage ratio is decreasing

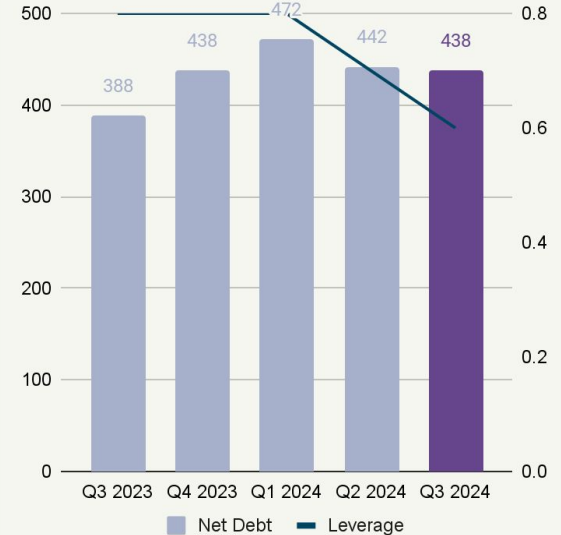
**LTM Free cash flow**  
SEK million



**Share buybacks**  
SEK million



**Net debt and leverage**  
SEK million, leverage



# Summary

Cecilia Beck-Friis, CEO





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**“ARPL and net sales continue to grow, driven by strong 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 the palm of the right hand. 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 24th October 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-q3-report-2024>

## Financial calendar

31 Jan 2025

Interim report Q4 & year end report 2024

## IR Contacts



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