



Q1 2022 Earnings Call

May 12, 2022, 09:00 CEST

Good profitability despite challenging market conditions

Turbulent macroenvironment

Net revenue of MSEK 186 representing a -9.1% decline. Organic growth -12.3%. Consumer demand negatively affected by turbulent macroenvironment.

Good profitability despite challenges

11.6% EBIT margin (22 MSEK) despite lower gross margin (category mix effects) and unusually high marketing investments (continued high advertising intensity).

2-year growth and profitability development still outstanding

Comparables vs Q1 '21 challenging, but net revenue +74.3%, orders +101.9%, and EBIT +22.2% vs Q1 '20. All values underlining strong mid-term trajectory.

All-time high NPS value

Continued investments in developing consumer proposition and ensuring high satisfaction levels paying off as evident by all-time high NPS value of 68.

Progress on strategic initiatives

RugVista Essentials representing increasing share of sales. Next iteration of web-shop planned to be released by summer in one more market.

Business Update



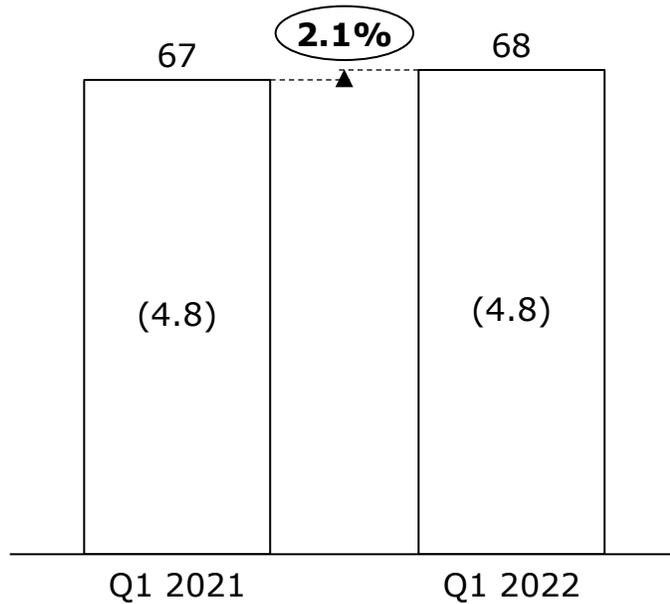
All-time high NPS rating; challenging quarter due to macroeconomic climate for growth related KPIs

Maintain outstanding customer satisfaction levels

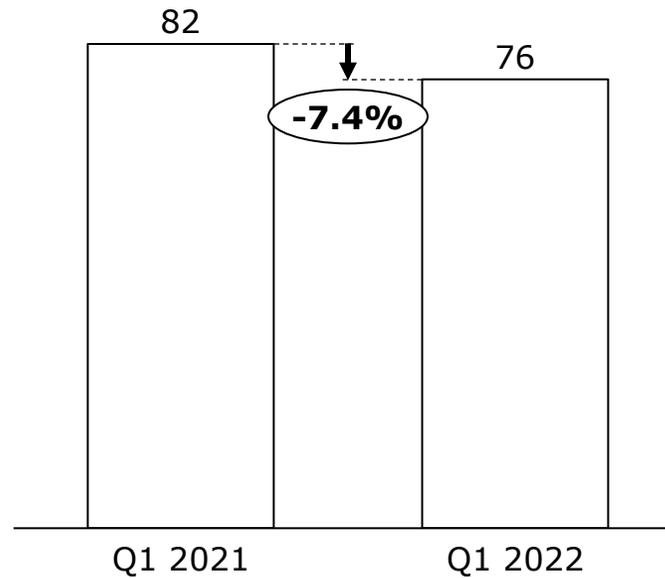
Increase market penetration

Attract new customers

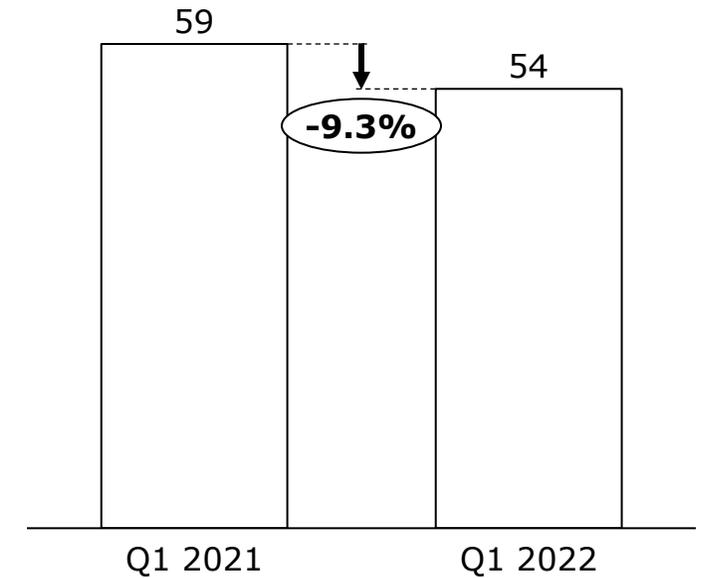
Net Promotor Score (NPS) rating
(TrustPilot rating)



of orders (thousand)

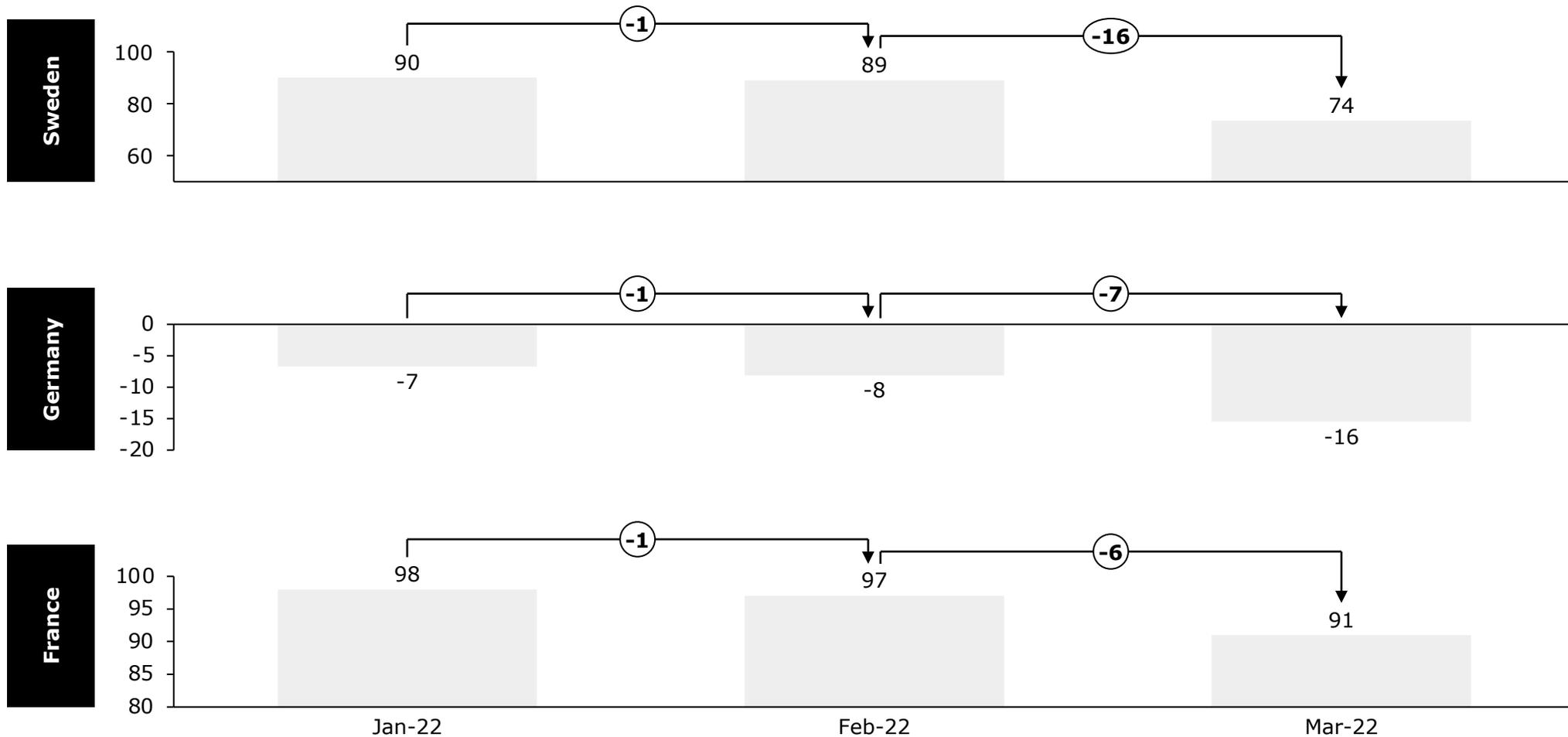


of new customers (thousand)

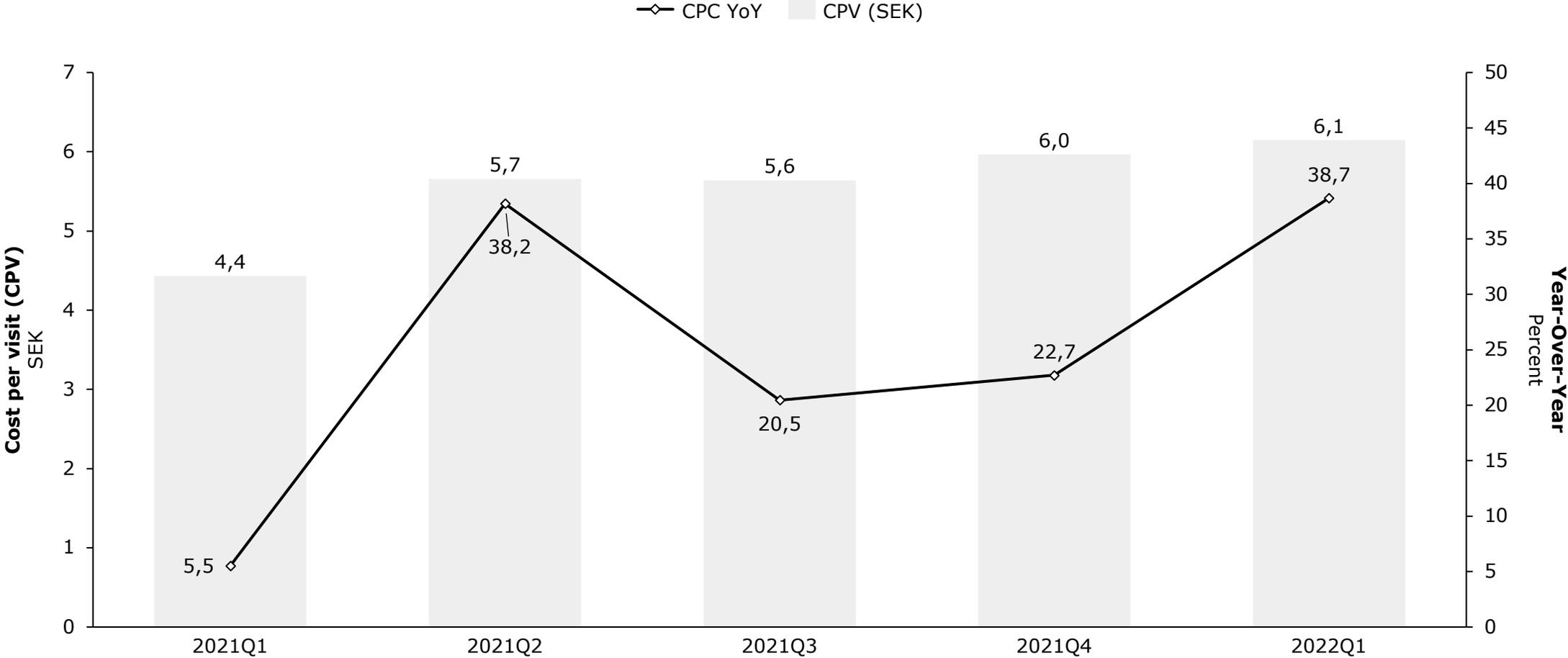


Significant decrease in consumer sentiment across key markets during Q1

Consumer confidence index across selected key markets



Traffic costs spiked during Q1 driven by continued high advertising intensity and lower consumer demand



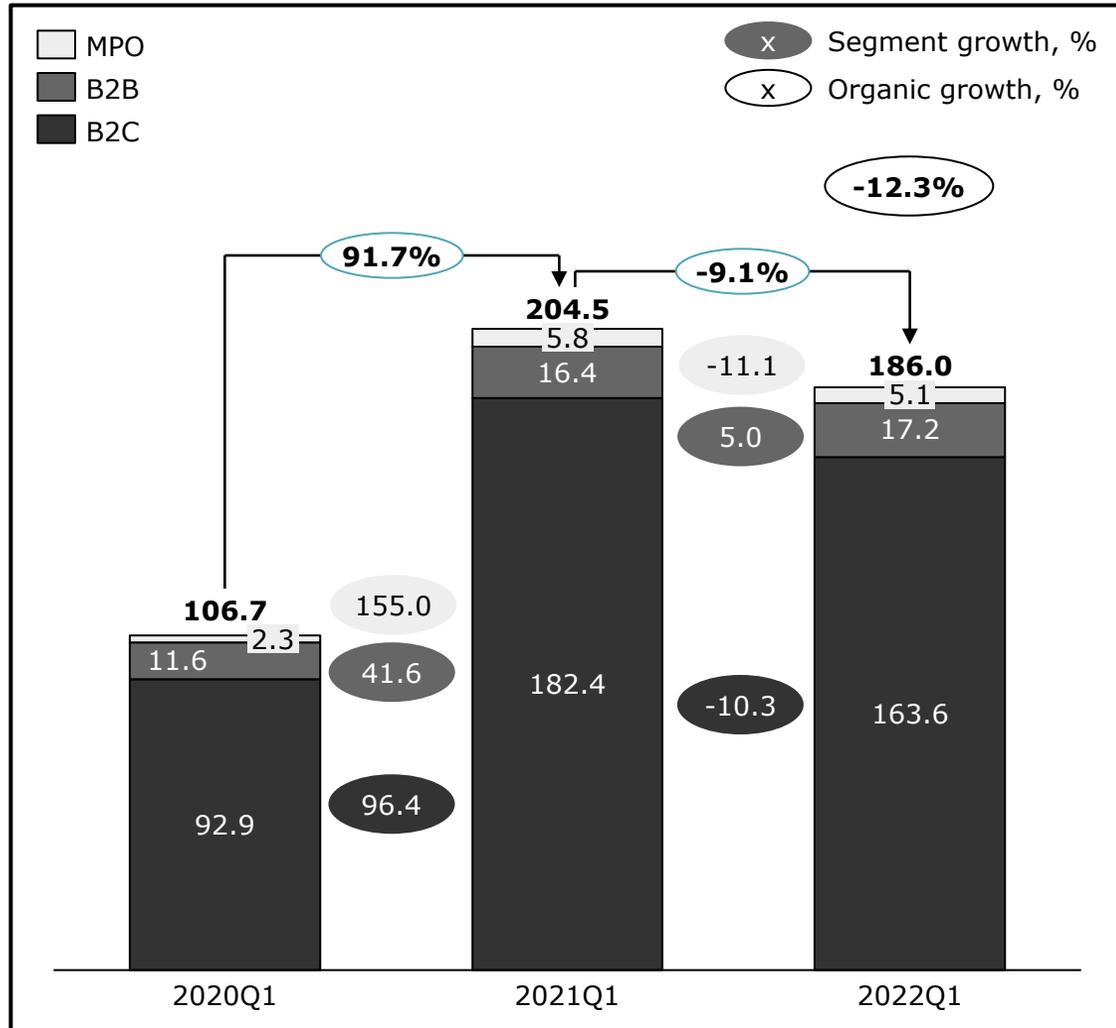
Financial Update



Reduced consumer purchasing power and confidence and tough comparable resulting in negative growth in Q1 2022

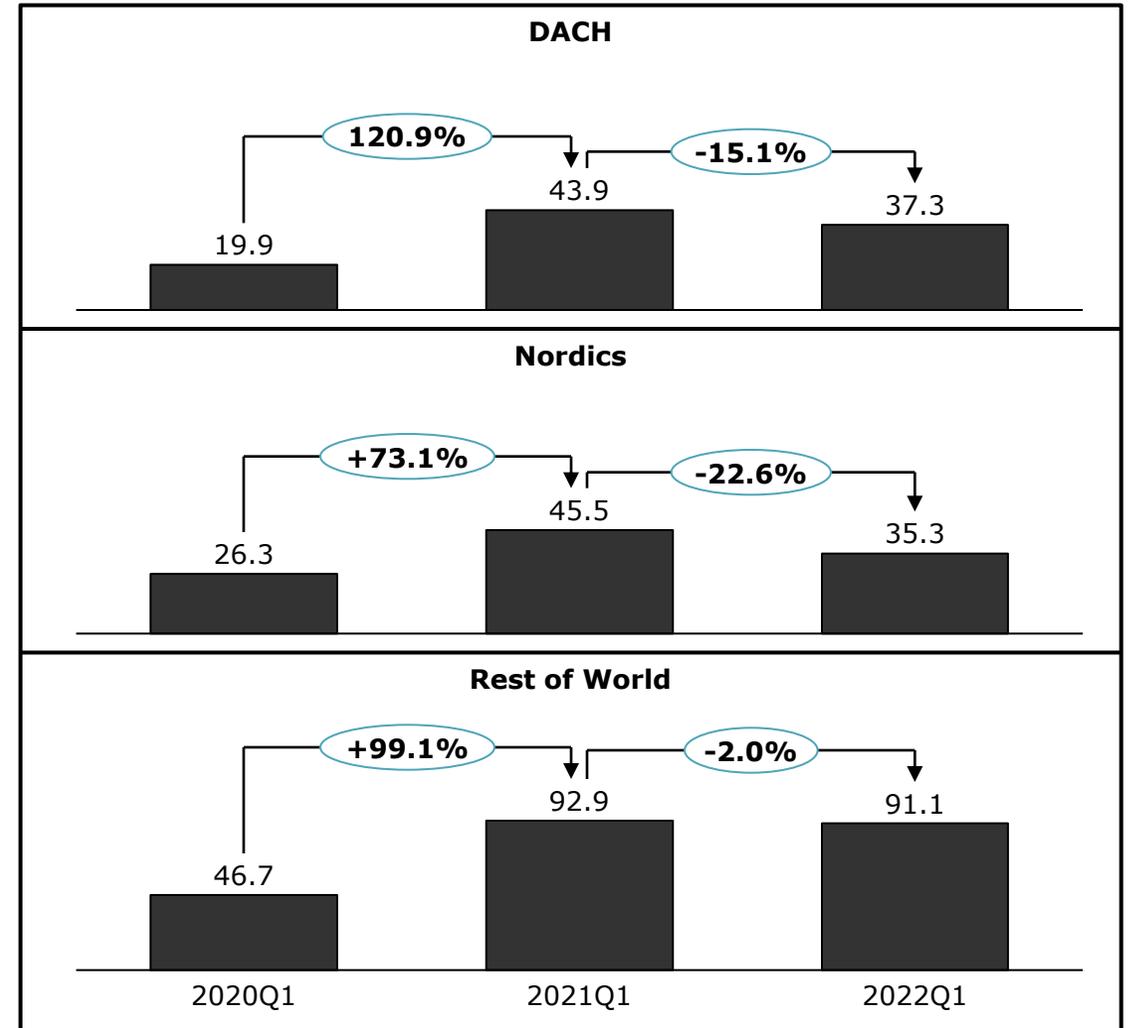
Net revenue – Group (Q1)¹

SEK million



Net revenue – B2C by Region (Q1)

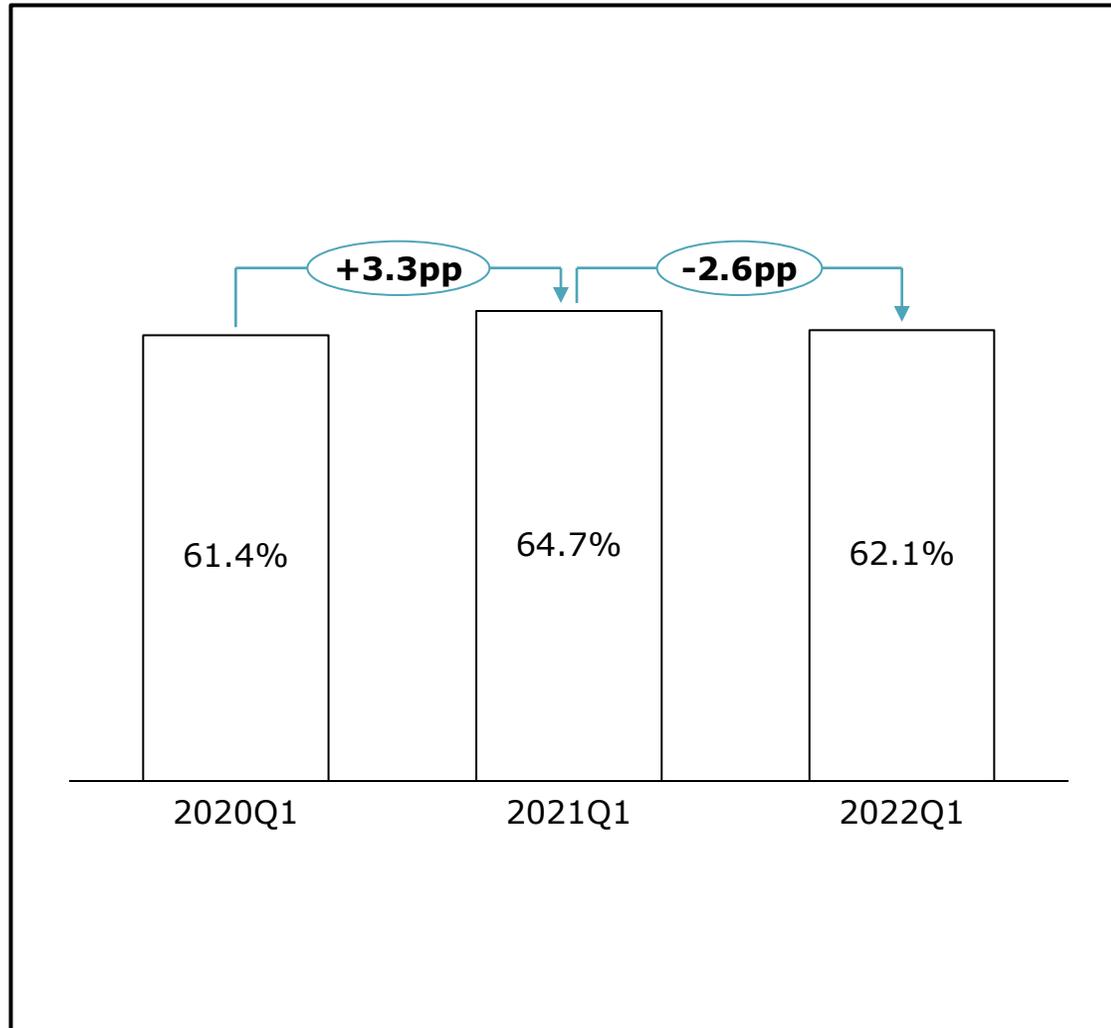
SEK million



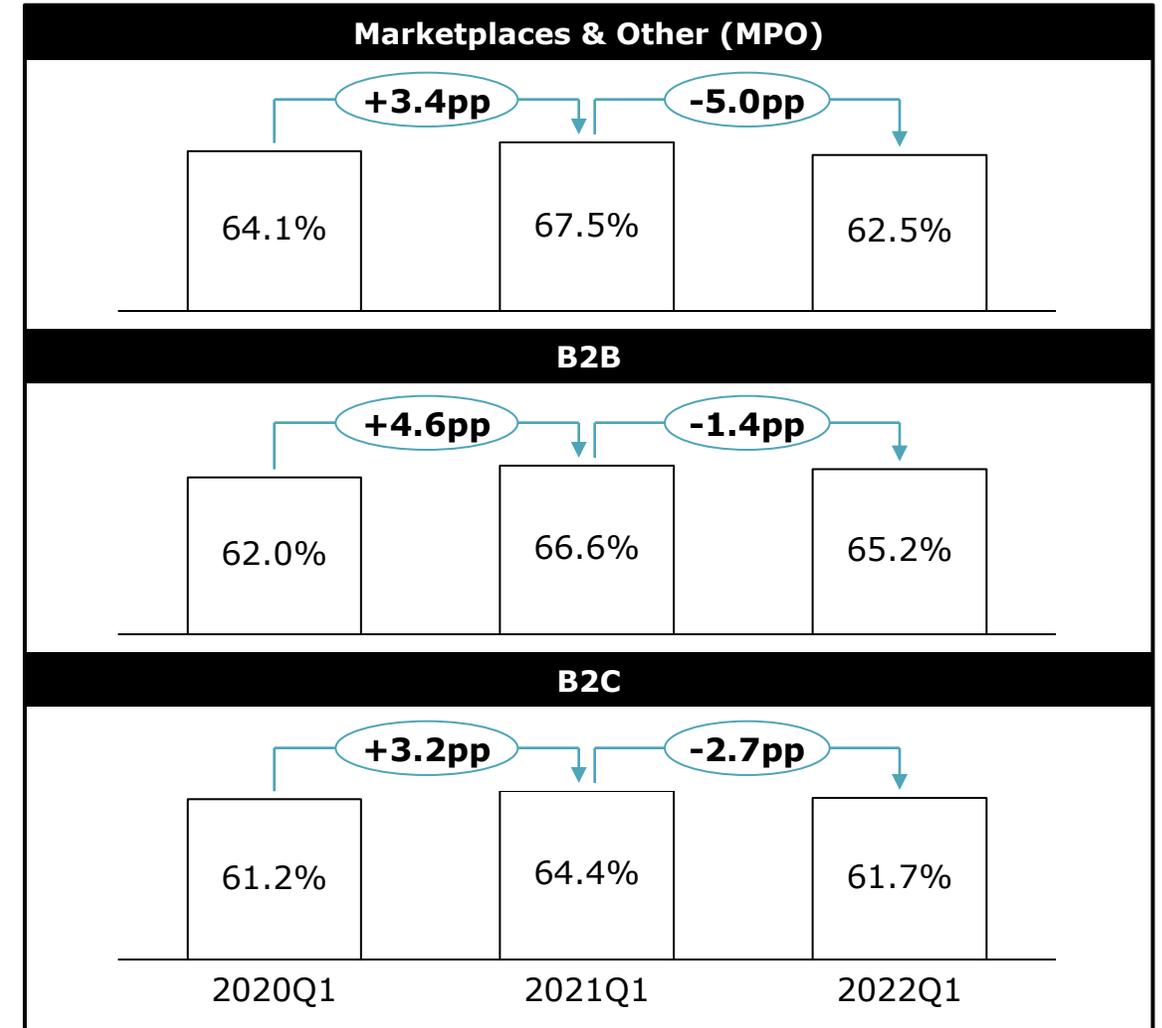
Note 1: Excluding divested operations
 Note: Reported net revenue not including other income
 Note: Rounding differences may occur

Decreased gross margin driven by category mix and higher shipping costs due to carrier mix and fuel charges

Gross margin – Group
% of net revenue



Gross Margin – Segments (Q4)
% of net revenue



Note: Rounding differences may occur
Note: Excluding divested operations and other income

Reduced operating margin primarily driven by lower gross margin and higher marketing investments

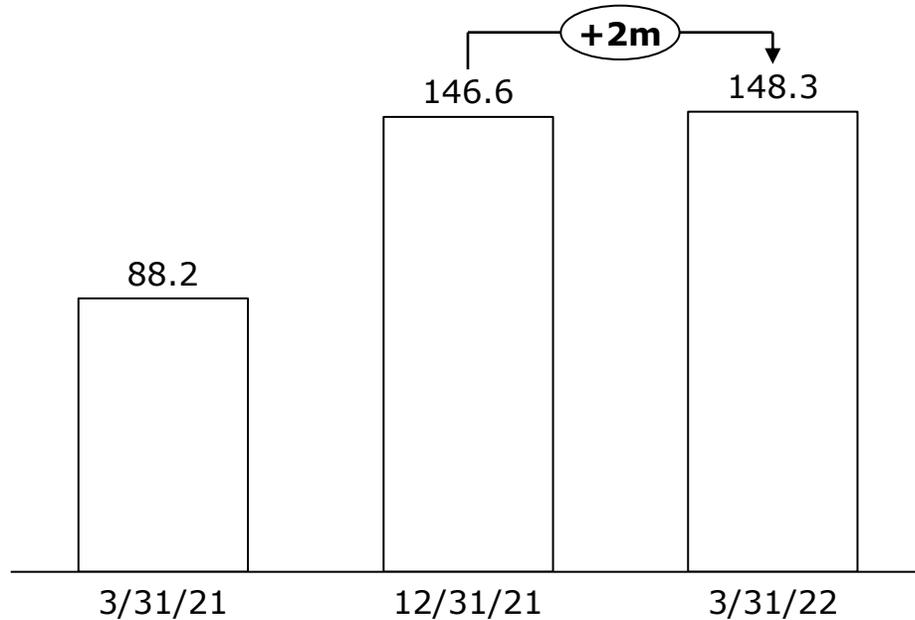
Cost ratios & margins Percent of net revenue	Q1				
	2020	2021	2022	Δ '22 vs '21	
Goods for resale	-39.7%	-35.3%	-37.9%	-2.6pp	Category mix effects and increased shipping expenses
Other external expenses	-35.1%	-36.6%	-39.2%	-2.6pp	Increase mainly driven by marketing investments
Personnel expenses	-9.8%	-8.0%	-9.1%	-1.2pp	Increase driven by negative scale effect and planned recruitments
Other operating expenses	1.8%	0.0%	-0.9%	-0.9pp	Increase driven by the depreciation of the SEK against most other currencies during Q1 2022
Depreciation & Amortization	-1.8%	-1.0%	-1.5%	-0.6pp	
EBIT	15.9%	19.4%	11.6%	-7.8pp	
Adjusted EBIT¹	15.9%	24.2%	11.6%	-12.7pp	



Note: Rounding differences may occur
¹ Excluding costs related to the IPO in Q1 2021

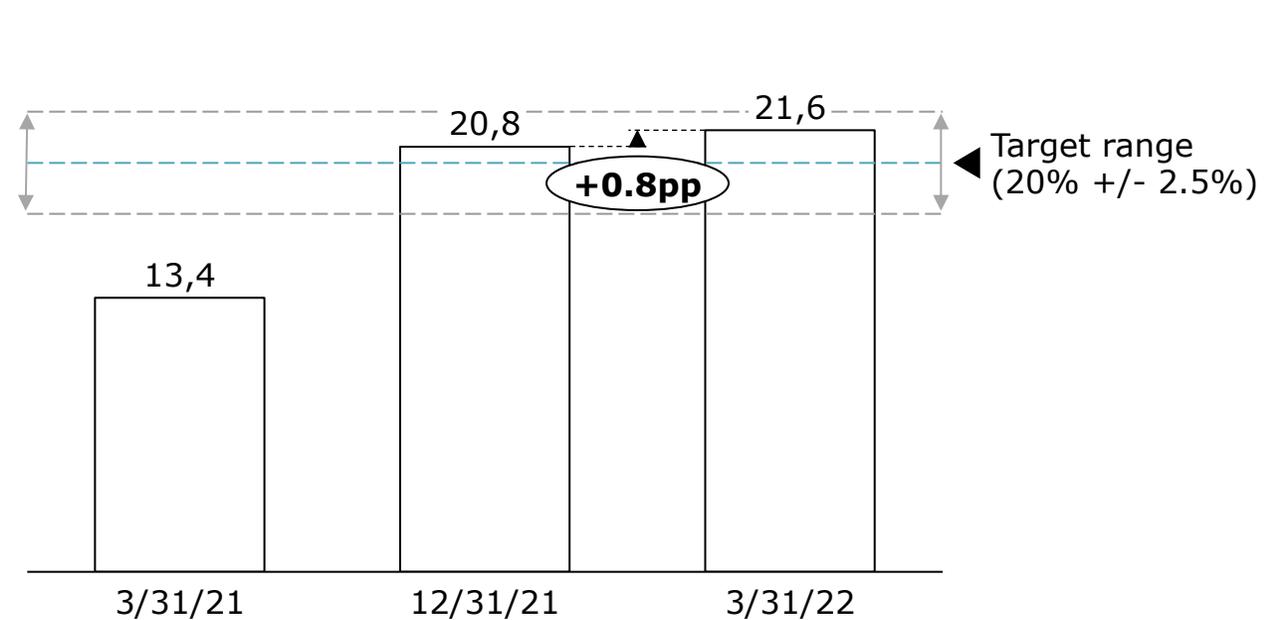
Limited investments in inventory during Q1 2022 – LTM ratio remains within the target range

Inventory value
SEK million



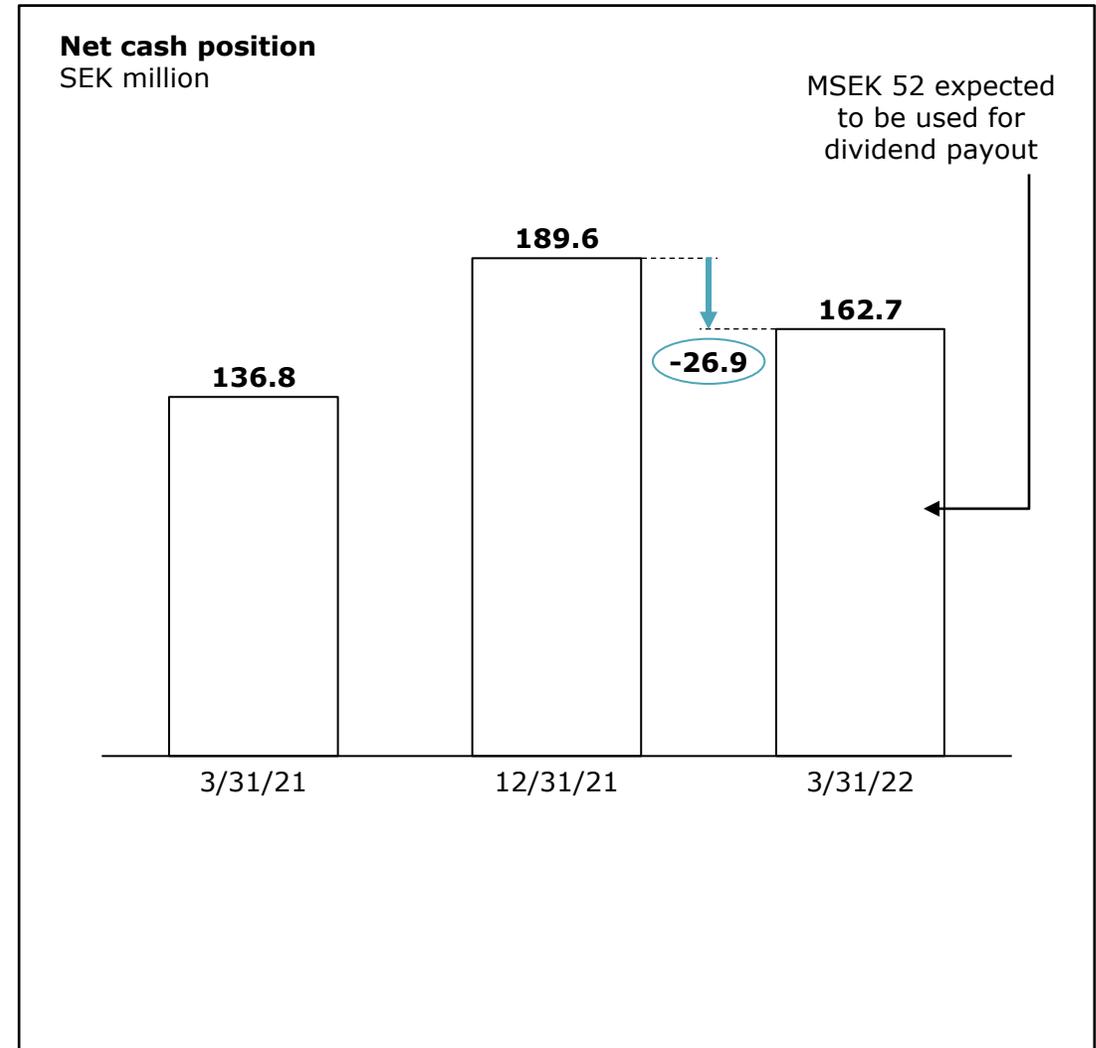
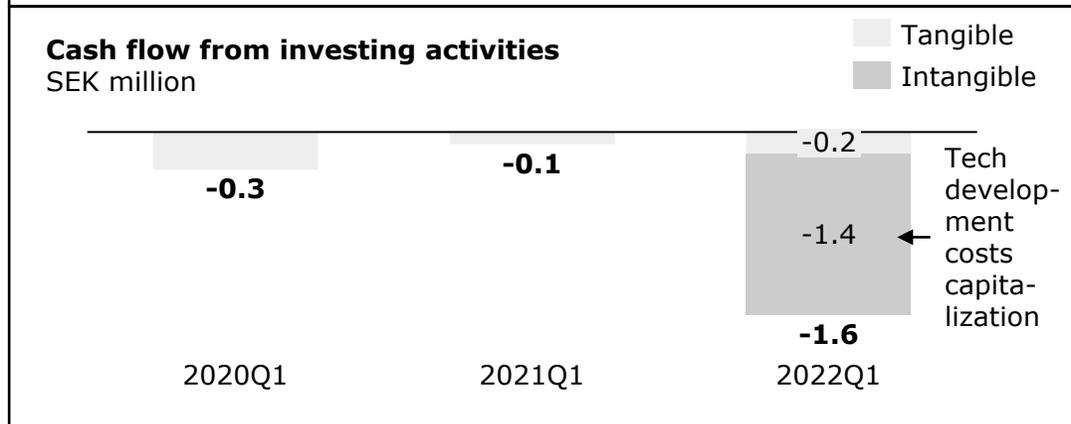
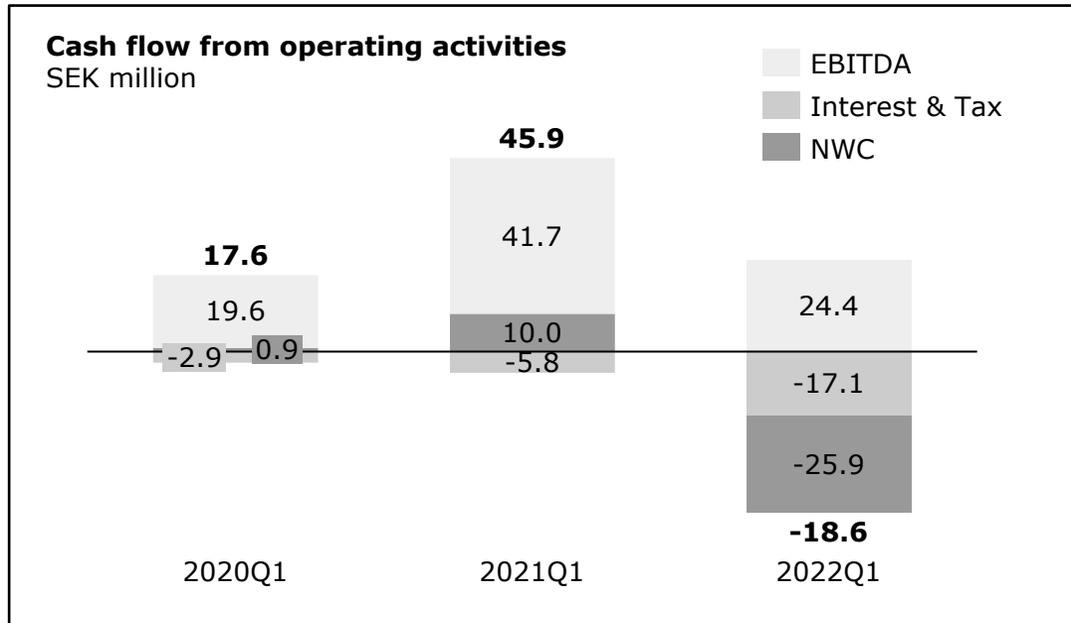
SEK 2 million increase in stock value during Q1 2022

Inventory as share of LTM¹ net revenue
Percent



Inventory level remains in-line with target range

Cash flow adversely impacted by lower operating profit, higher tax and increased NWC – capitalization of development costs initiated



Tough macroenvironment

- Consumer demand negatively affected by turbulent macroenvironment
 - Net revenue growth was -9.1% (MSEK 186)
 - Organic growth was -12.3% with SEK depreciation vs EUR primary driver
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Good profitability and strong balance sheet

- EBIT was MSEK 22 representing a 11.6% EBIT margin with decline driven by lower gross margin and unusually high marketing investments
 - Net cash position MSEK 162.7 highlighting continued strong balance sheet
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2-year growth and profitability development still outstanding

- Comparables vs Q1 '21 challenging
 - Net revenue +74.3%, orders +101.9%, and EBIT +22.2% vs Q1 '20
 - 2-year development emphasizing strong mid- to long-term trajectory
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Progress on strategic initiatives

- RugVista Essentials representing increasing share of sales
 - Next iteration of web-shop planned to be released by summer in one more market
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Short-term uncertain – confidence in long-term ambition remains

- Near-term macroeconomic climate uncertain and outlook difficult to predict
- Confidence that efforts will position us well to achieve financial targets and vision *to be center of gravity for the European rug industry*



Q&A



Additional information



Financial calendar

Event	Date	Report release	Earnings call
○ Annual General Meeting 2022 (Malmö, Sweden)	May 20, 2022	-	-
○ Interim report January – June 2022 (Q2 2022)	August 18, 2022	07:30 CEST	09:00-10:00 CEST
○ Interim report January – September 2022 (Q3 2022)	November 10, 2022	07:30 CET	09:00-10:00 CET
○ Capital Markets Day	December 8, 2022 ¹	-	-
○ Interim report January – December 2022 (Q4 2022)	February 9, 2022	07:30 CET	09:00-10:00 CET

¹ New date

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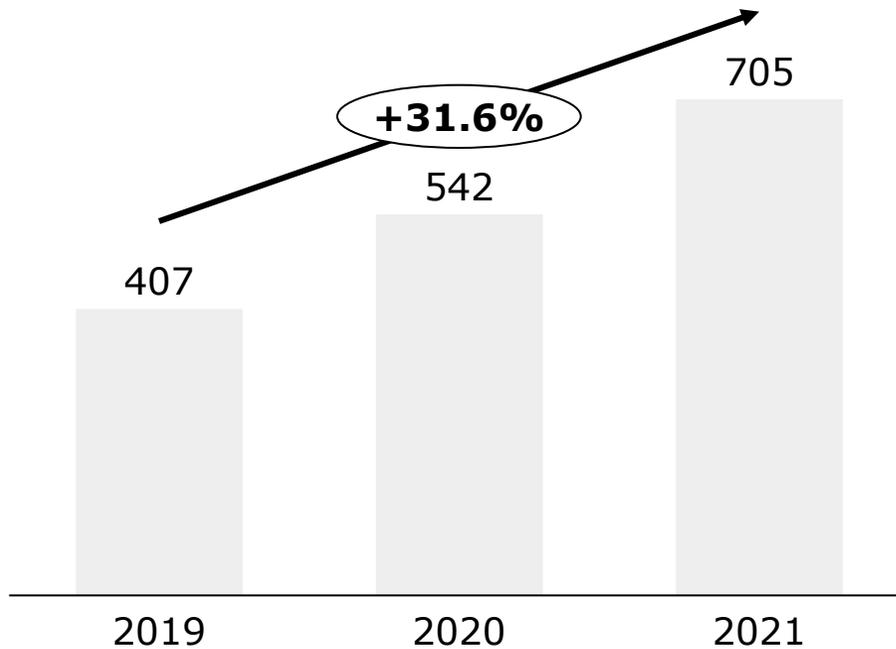
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FNCA Sweden AB

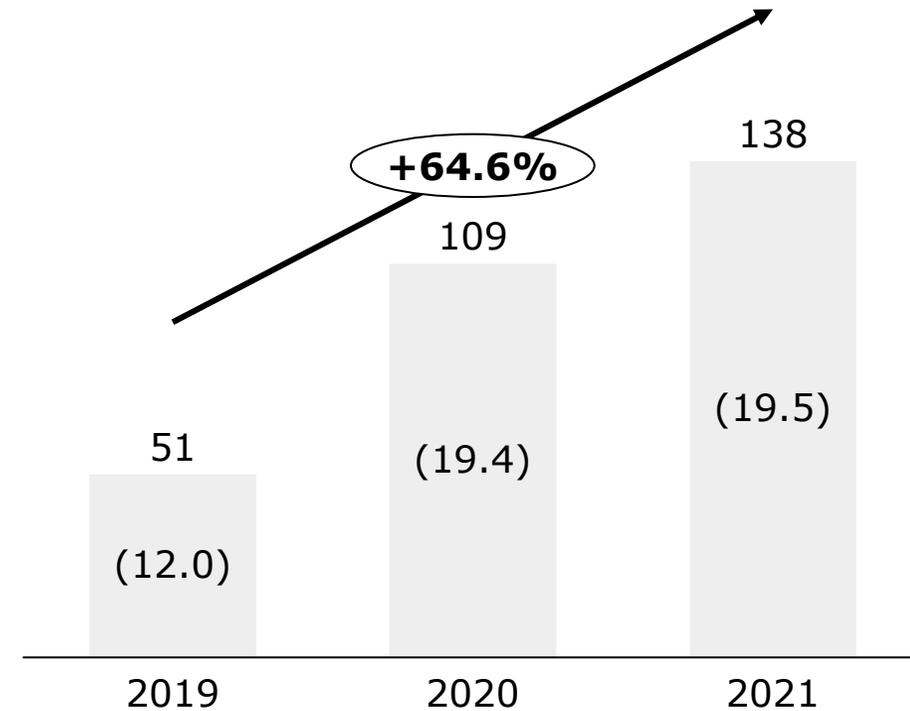
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2019 – 2021 net revenue & adjusted EBIT CAGR

Ongoing net revenue¹
MSEK



Adjusted EBIT
MSEK (adjusted EBIT %)

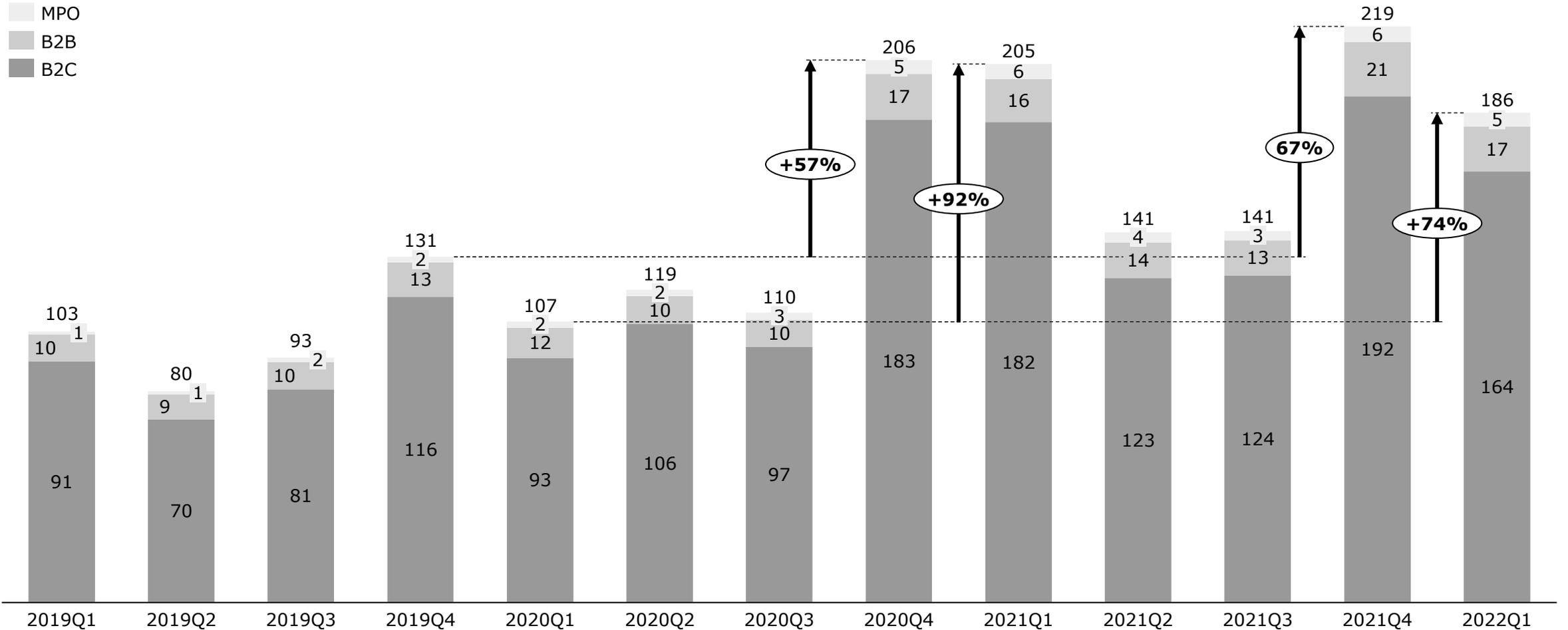


¹ Excludes divested operations, i.e., Artglass i Malmö

Historical quarterly information

Quarterly net revenue by segment

SEK million



Note: Above graph excludes divested operations

About RugVista Group (publ)

Introduction

RugVista Group is one of the leading European direct-to-consumer online platforms within carpet and rug sales through its online stores, available in 20 different languages, using the RugVista and CarpetVista brands.

The company was founded in 2005 and offers a broad and relevant range of quality design and traditional carpets and rugs. RugVista Group offers its EU based customers free deliveries and returns free of charge.

The Group's operations are divided into three segments: B2C, B2B, and Marketplaces & Other (MPO). The B2C segment represents the consumer market and is the Company's core segment.

Purpose and vision

RugVista Group's purpose is ***to help people to a home they love.***

RugVista Group has defined three visions, each of which has a clear ambition.

- *Business*
To be the center of gravity for the European rug industry.
- *Sustainability*
To lead the rug industry towards a socially and environmentally sustainable future.
- *People*
To attract, motivate, and retain extraordinary people.

Strengths and competitive advantages

RugVista Group considers itself having several strengths and competitive advantages which contributes to the Group's ability to realize strategic objectives and reaching financial targets.

- Large European rug market with strong momentum for online sales.
- Attractive position on a market in which size is important.
- Large and growing customer base in Europe.
- Product expertise and assortment.
- Data-driven operational platform.
- Financial profile combining growth and profitability.
- A well-qualified Board of Directors and management team with extensive and relevant experience.

Financial targets

The Board of Directors has adopted the following financial targets for the medium to long term:

- RugVista Group targets to organically grow net revenues by approximately 20 percent per year.
- RugVista Group targets to maintain an EBIT margin of at least 15 percent.
- RugVista Group targets to invest resources into growth and developing the business. In addition, RugVista Group aims to pay out up to 50 percent of annual net profits in dividends to shareholders.

Introduction to what we are aiming to achieve

Strategic initiatives

Win the key European markets,

e.g., enhanced localization and invest into building a known and preferred brand over time.

Showcase our assortment,

e.g., emphasize our exclusive products, more inspirational & informative content, and improve website usability.

Be world-class in everything we do,

e.g., more tools & processes to steer and optimize commercial as well as operational performance.

Capture selected marketplace opportunities,

e.g., scale Amazon business through assortment optimization and leveraging available tools.

Vision

**To become the
Center of Gravity
for the European rug
industry**

Continue to ensure high customer satisfaction ratings and leverage data & technology to fuel the initiatives