



Q3 2021 Earnings Call

November 11, 2021, 08:30 CET

Continued strong profitable growth

Accelerated growth rate

Growth rate accelerated compared to Q2 in core B2C and B2B segments. Country specific differences in total market growth rates observed.

EBIT margin down, but remains healthy

Gross margin continues to improve. EBIT down YoY driven by growth investments and unusually large positive FX effect from last year not replicated this year.

Further re-stocking progress

Continued increase in inventory (SEK ~15 million) on-hand ahead of important peak-season despite continued challenges in Indian supply chain especially.

Continued outstanding customer satisfaction

Outstanding and stable customer feedback despite some challenges in carrier network.

Continued progress on strategic initiatives

DACH-region overall growth engine and driving B2C growth. Value proposition enhancements introduced, e.g., evening deliveries in additional markets

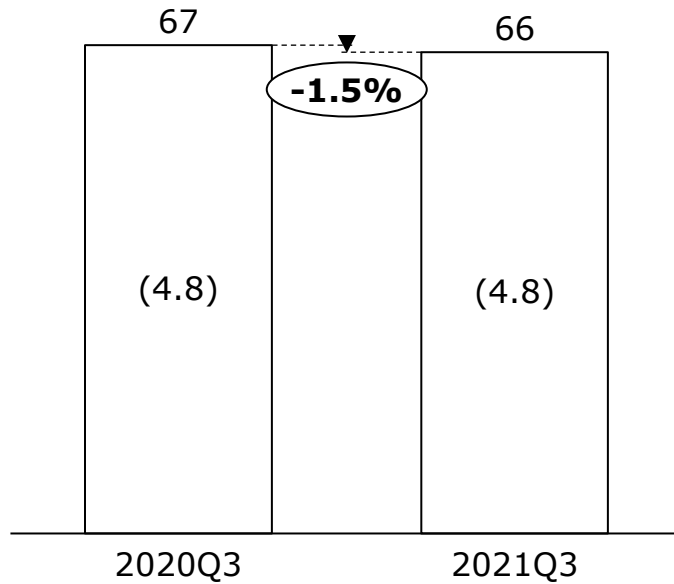
Business Update



Center of Gravity vision KPIs continues to develop strongly

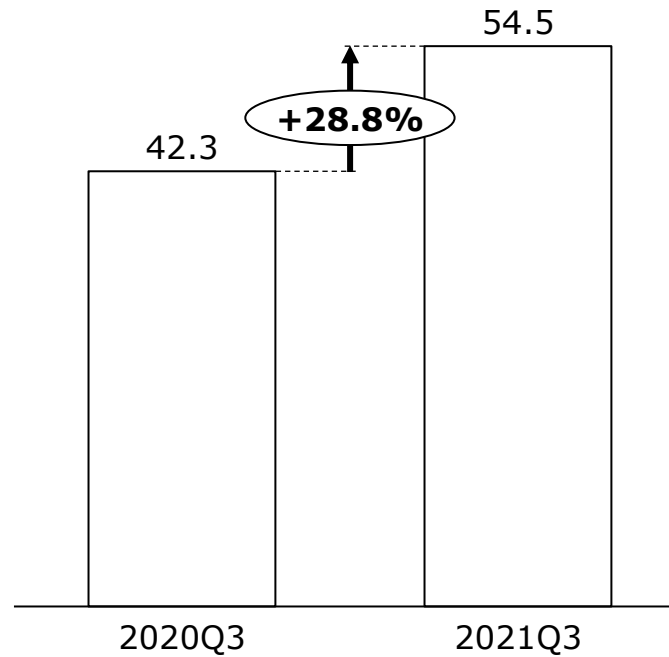
Maintain outstanding customer satisfaction levels

Net Promotor Score (NPS) rating
(TrustPilot rating)



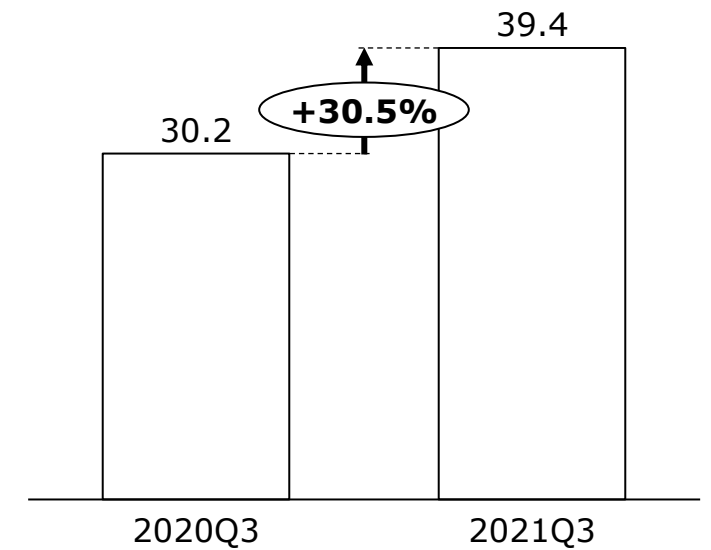
Increase market penetration

of orders (thousand)



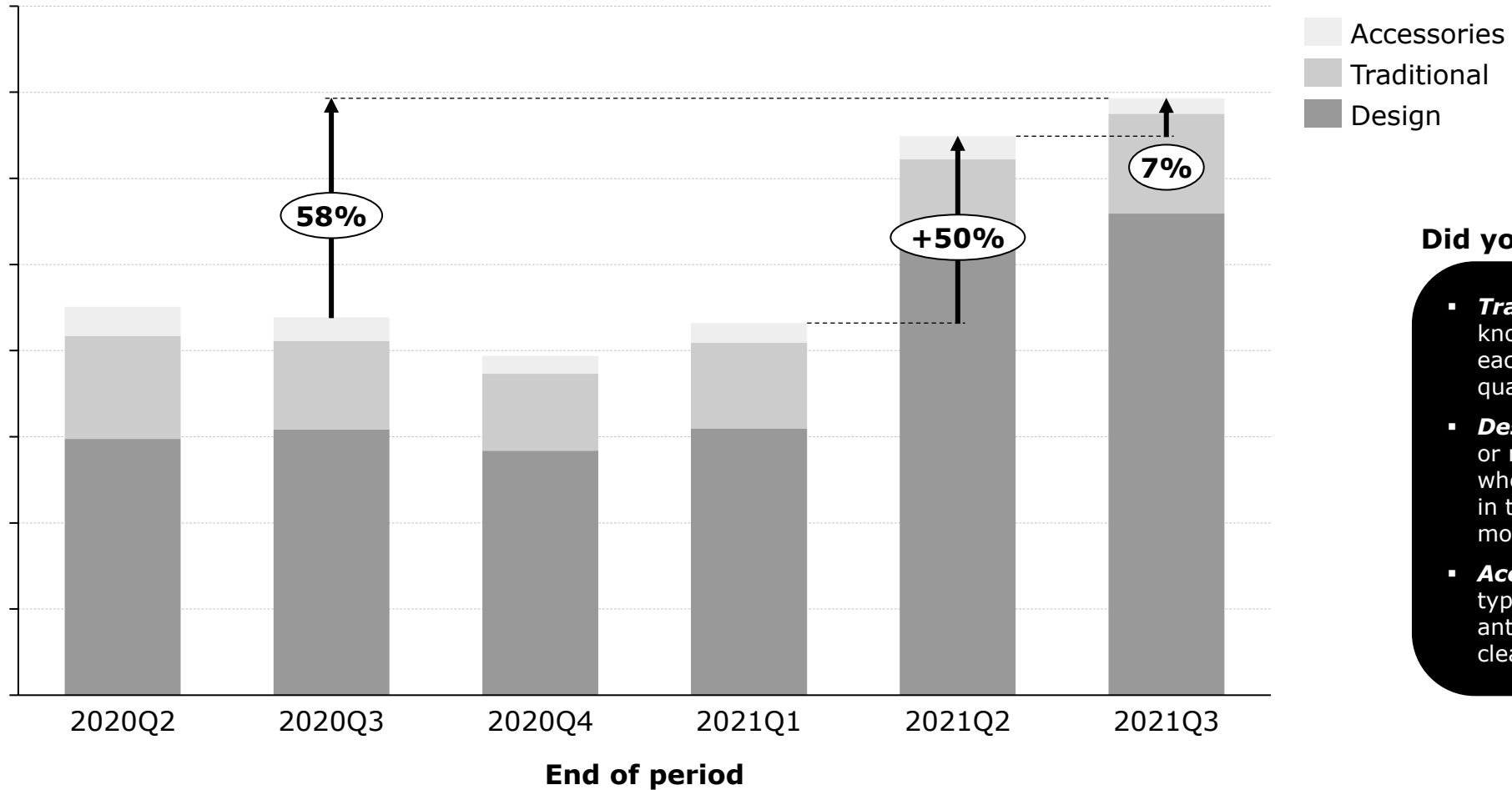
Attract new customers

of new customers (thousand)



Continued successful build-up of inventory

of items on hand
Thousand

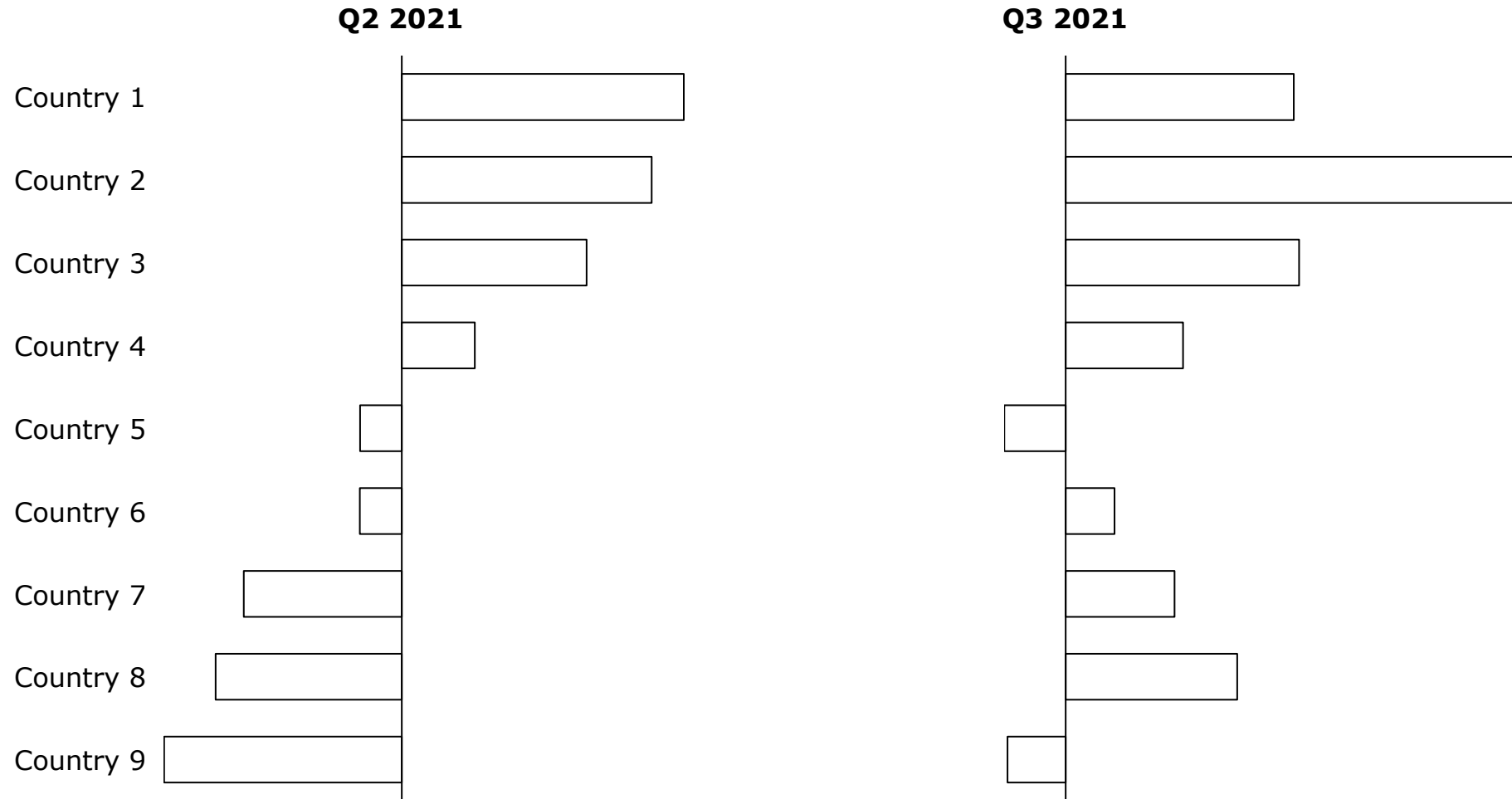


Did you know?

- **Traditional** = Hand-knotted rugs where each SKU exists in the quantity of only one (1)
- **Design** = Hand-made or machine-made rugs where each SKU exists in the quantities of more than one (>1)
- **Accessories** = Other types of articles, e.g., anti-slip underlays, cleaners, etc.

Large country differences in website visits growth rates observed during the past two quarters

Quarterly visit count development; Percent vs last year



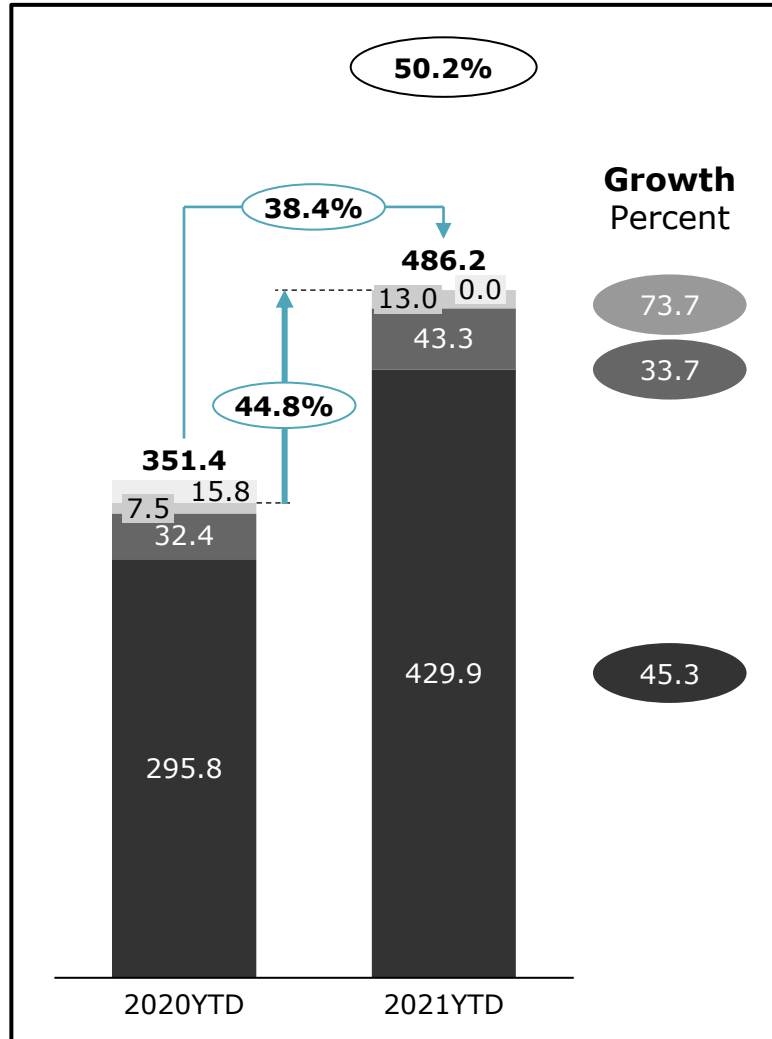
Source: Internal tracking data

Financial Update

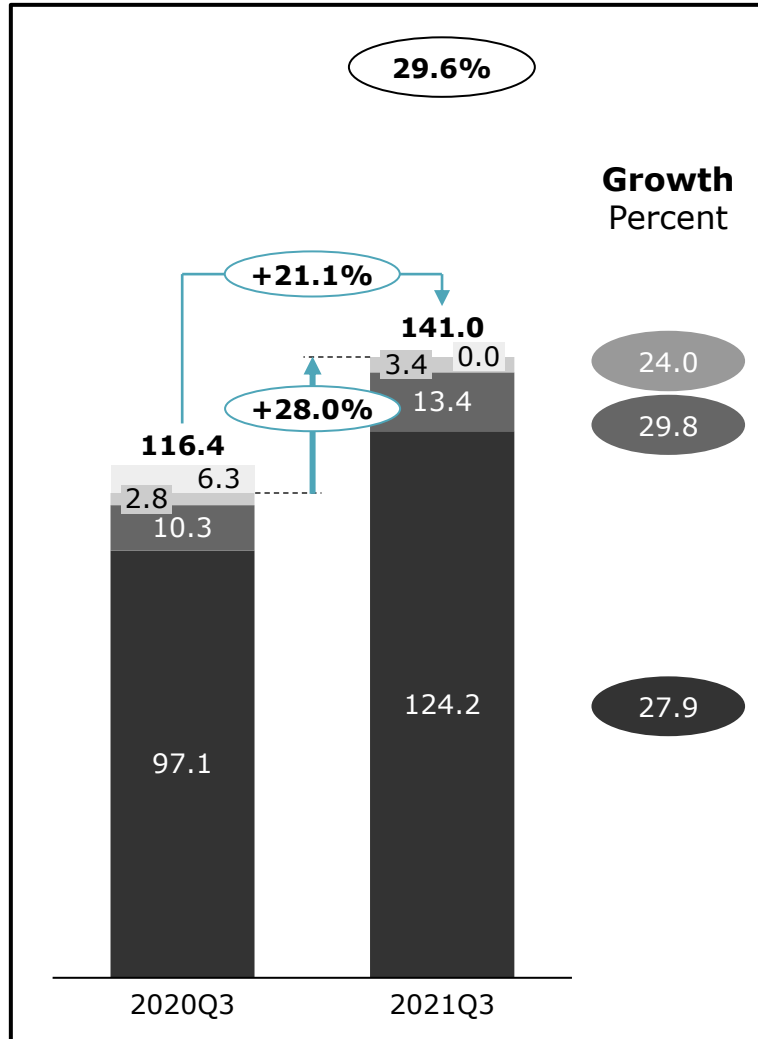


Solid growth in Q3 where DACH continued to be fastest growing region

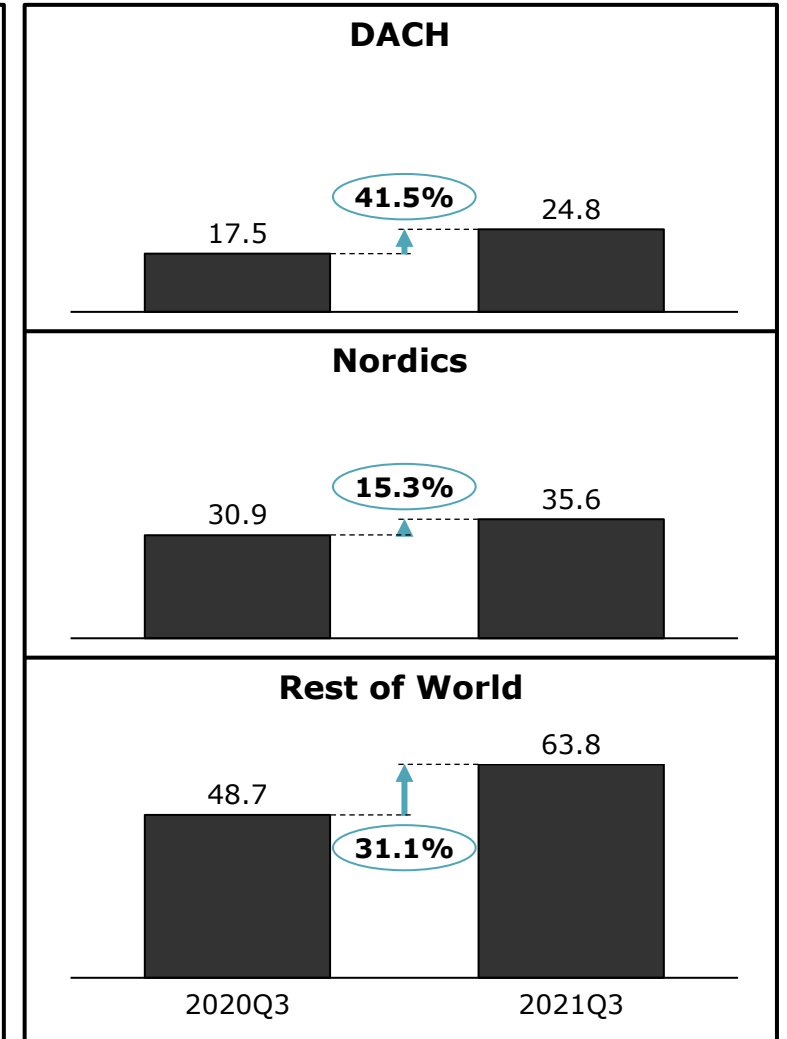
Net revenue – Group (YTD)
SEK million



Net revenue – Group (Q3)
SEK million



Net revenue – B2C by Region (Q3)
SEK million

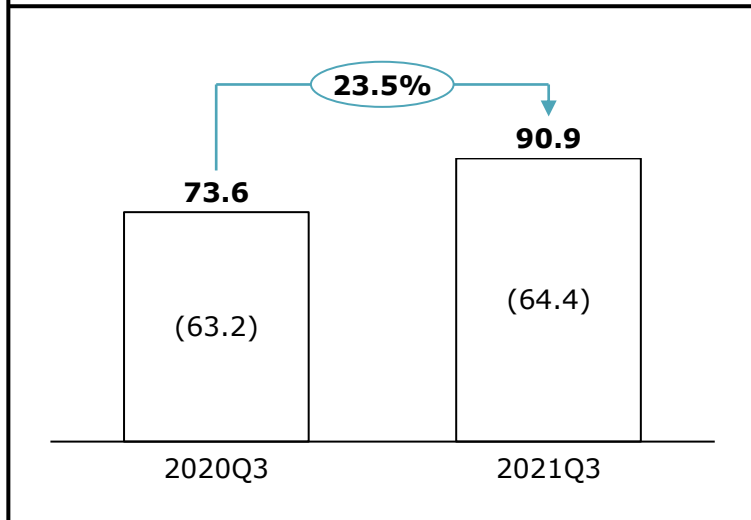
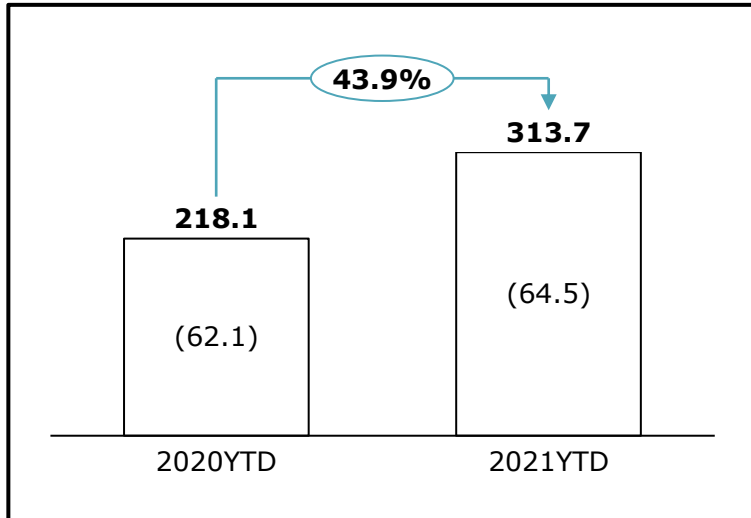


Note: Reported net revenue not including other income
Note: Rounding differences may occur

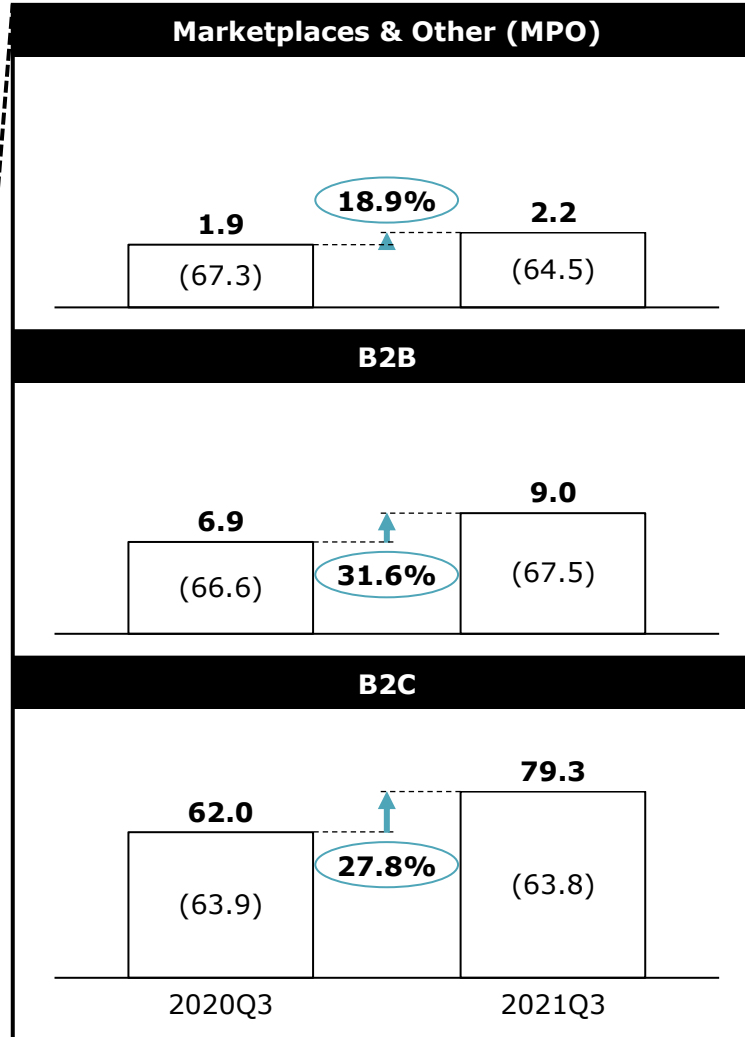
Divested
 MPO
 B2B
 B2C
 x Organic growth, %

Improvement in the gross margin; adjusted EBIT margin continues to be above long-term target

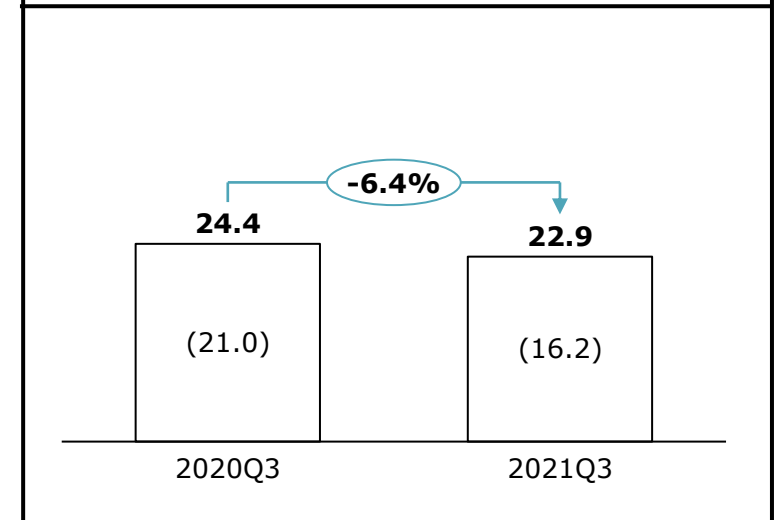
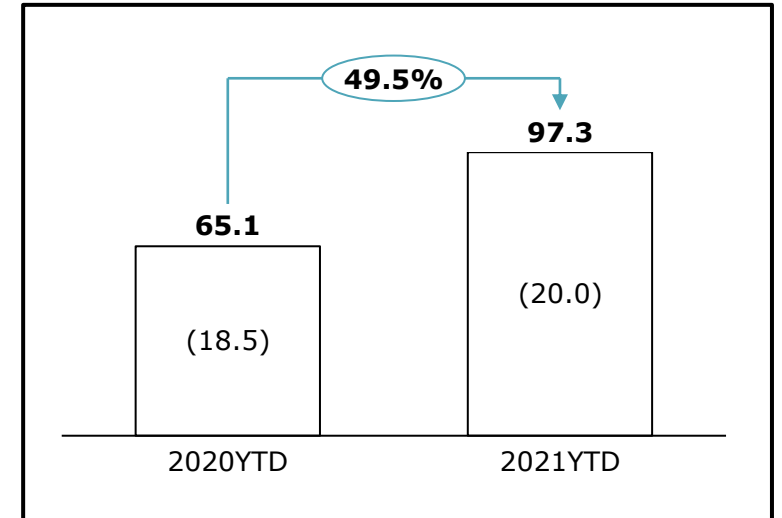
Gross profit & margin – Group
SEK million (% of net revenue)



Gross Profit & margin – Segments (Q3)
SEK million (% of net revenue)



Adj¹ EBIT & Adj¹ EBIT margin – Group
SEK million (% of net revenue)



1 Adj = Adjusted, i.e. excluding costs related to the IPO in Q1 2021
Note: Rounding differences may occur

Decreased operating margin in Q3 2021 driven by marketing investments and positive FX effect on last year's result

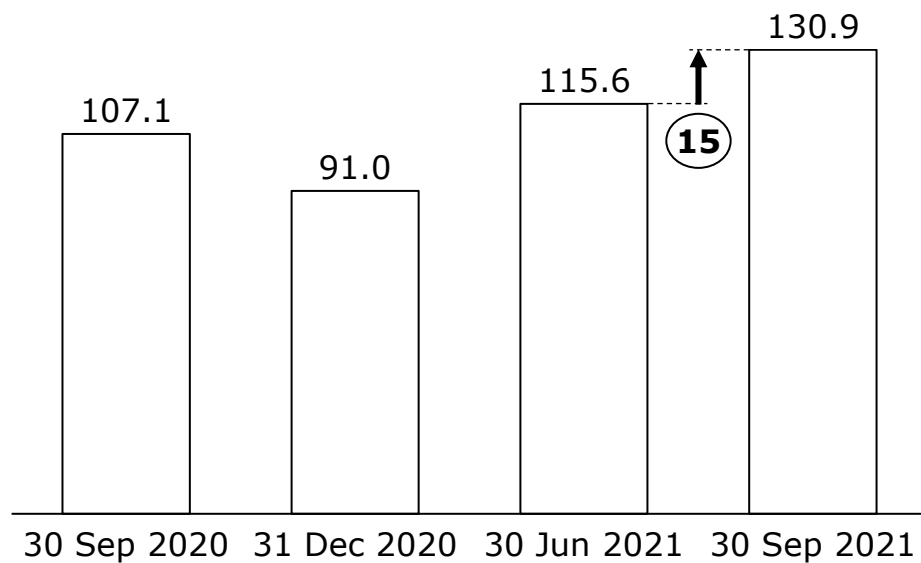
| Cost ratios & margins Percent of net revenue | YTD | | | Q3 | | | |
|---|--------|--------|--------|--------|--------|--------|---|
| | 2020 | 2021 | Δ | 2020 | 2021 | Δ | |
| Goods for resale | -38.4% | -35.7% | 2.7pp | -37.3% | -35.8% | 1.5pp | Category mix effects & reduced discount rates |
| Other external expenses | -33.0% | -35.7% | -2.8pp | -32.8% | -36.5% | -3.6pp | Q2 and Q3 increase driven by growth investments and higher input prices |
| Personnel expenses | -9.2% | -9.2% | 0.0pp | -8.9% | -9.3% | -0.5pp | Q3 increase driven by planned recruitments |
| Other operating expenses | 0.3% | -0.3% | -0.6pp | 1.1% | -0.9% | -2.0pp | Positive net effect from FX fluctuations on transactions last year due to temporary, sudden SEK depreciation end of Q3 2020 |
| Depreciation & Amortization | -1.7% | -1.3% | 0.4pp | -1.7% | -1.5% | 0.1pp | |
| EBIT | 18.5% | 18.0% | -0.5pp | 21.0% | 16.2% | -4.8pp | |
| Adjusted EBIT¹ | 18.5% | 20.0% | 1.5pp | 21.0% | 16.2% | -4.8pp | |



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

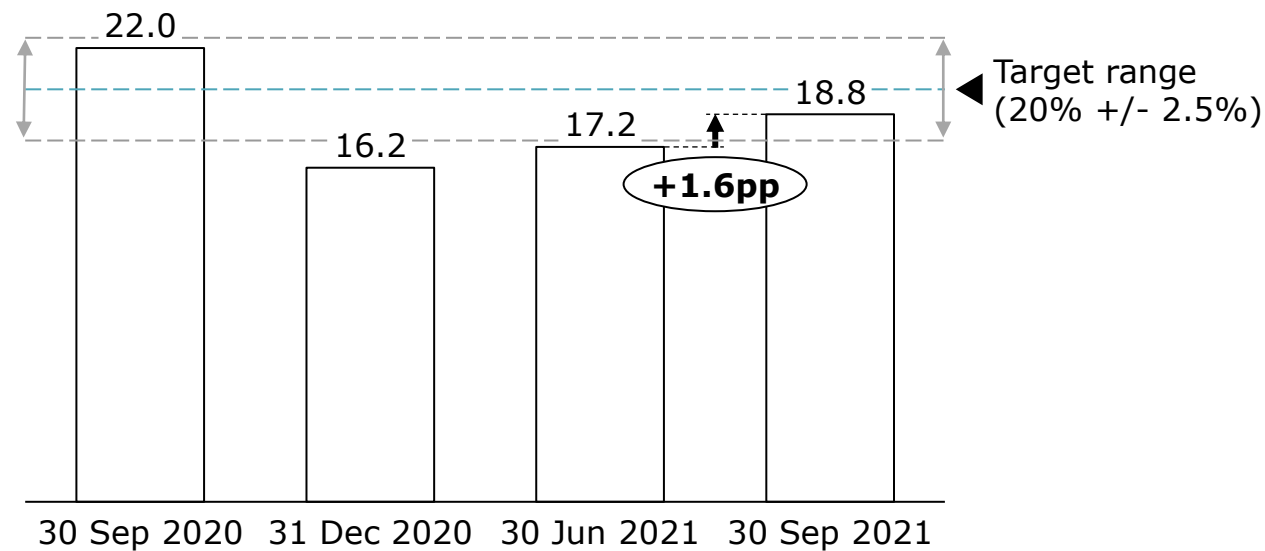
Continued investment in inventory during Q3 to prepare for upcoming peak-season with LTM ratio well in-line with target

Inventory value
SEK million



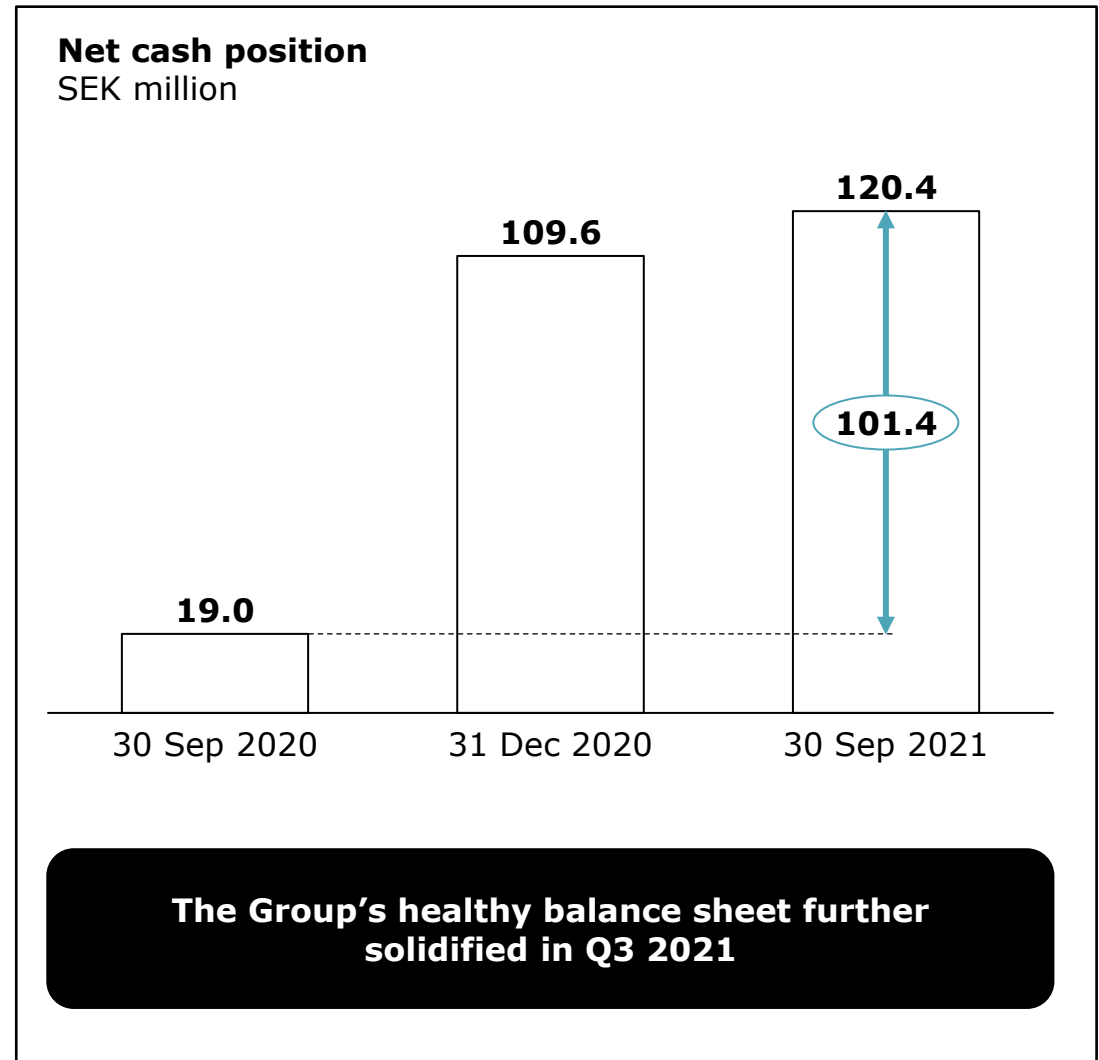
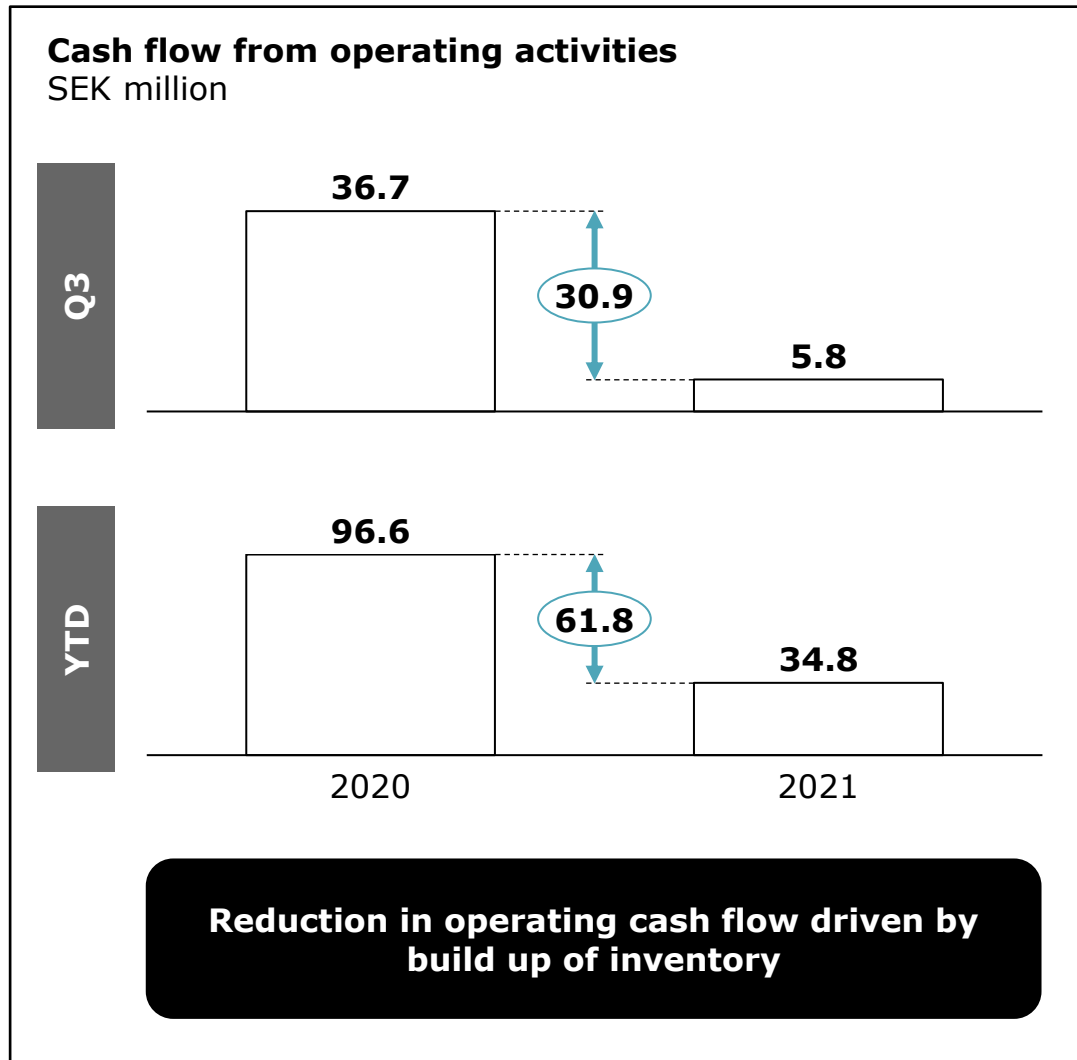
SEK 15 million increase in stock value during Q3 2021

Inventory as share of LTM¹ net revenue
Percent



Inventory level now more or less in-line with target range

Inventory build-up resulting in decreased cash flow during Q3, but balance sheet remains healthy



Continued strong profitable growth

- Strong organic net revenue growth of 29.6% in Q3 representing an acceleration compared to Q2
 - Continued improvement in gross margin during the quarter driven by category mix effects and lower average discount rate
 - ~5%pts EBIT margin decrease driven equally by continued growth investments and unusually large positive FX effect from last year
-

Re-stocking progress continued

- Re-stocking efforts initiated during 2nd half of 2020 continued to materialize during the quarter, i.e., inventory value on hand increased by SEK ~15 million
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Prepared ahead of tough Q4 comparable

- Underlying market growth continues, but country specific differences observed during the past quarters
- Facing strong Q4 2020 comparable, which was partly influenced by Covid-19 restrictions
- Organization well prepared to execute commercial plan during important Q4 period in order to finish year strong



Q&A



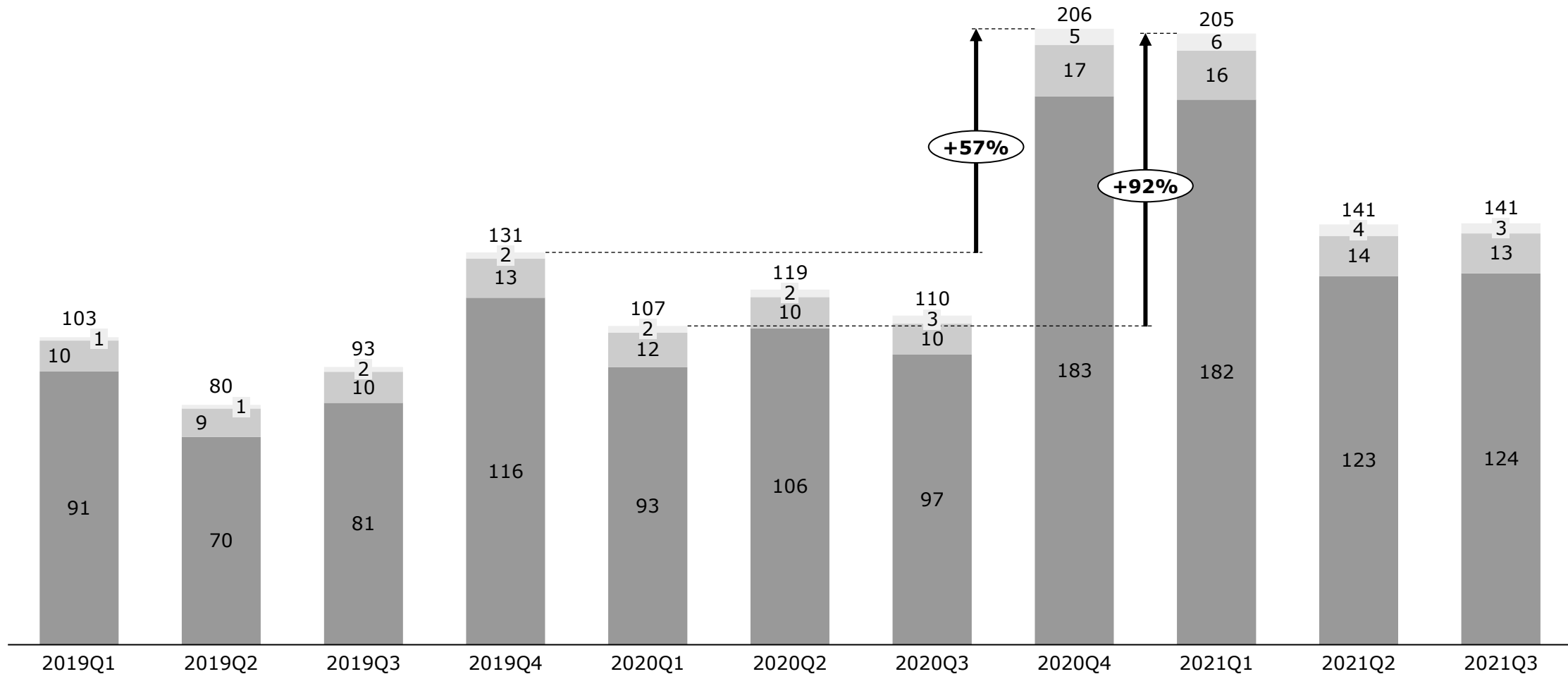
Additional information



Historical quarterly information

Quarterly net revenue by segment
SEK million

MPO
B2B
B2C



Note: Above graph excludes divested operations

Financial calendar

| Event | Date | Report release | Earnings call |
|---|-------------------|----------------|------------------|
| ○ Interim report January – December 2021 (Q4 2022) | February 17, 2022 | 07:30 CET | 09:00-10:00 CET |
| ○ Interim report January – March 2022 (Q1 2022) | May 12, 2022 | 07:30 CEST | 09:00-10:00 CEST |
| ○ 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 |
| ○ Interim report January – December 2022 (Q4 2022) | February 9, 2022 | 07:30 CET | 09:00-10:00 CET |

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Introduction to what we are aiming to achieve

Strategic initiatives

Penetrate core markets further,

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.

Complete journey from “Good-to-Great”,

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

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.

RugVista 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:** *Be the center of gravity for the European rug industry.*
- **Sustainability:** *Lead the rug industry towards a sustainable future.*
- **People:** *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.