



RUG
VISTA

Digitally native vertical rug expert

December 2, 2021

www.rugvista.se & www.rugvistagroup.com

Agenda

Introduction

Company highlights

Questions



Today's presenter



Henrik Bo Joergensen
CFO

SELECTED EXPERIENCE

RUG
VISTA

BCG

IC GROUP





What we do



Founded in 2005 and offering a broad and relevant range of quality design and traditional carpets and rugs



One of the leading European direct-to-consumer (D2C) online platforms and stores within the product vertical



Listed on Nasdaq First North Premier Growth on 18 March 2021. Market cap of approximately SEK 2.6bn



Operations divided into three segments: B2C, B2B, and Marketplaces & Other (MPO)



Company highlights

- 1 Attractive market & product niche transitioning online**
- 2 Category killer with deep industry expertise and exclusive assortment**
- 3 Clear vision and initiatives to drive long-term profitable growth**
- 4 Positioned to continue long-term profitable growth trajectory**

- Long term online growth
- One of the European segment leaders
 - D2C business model
 - High profitability



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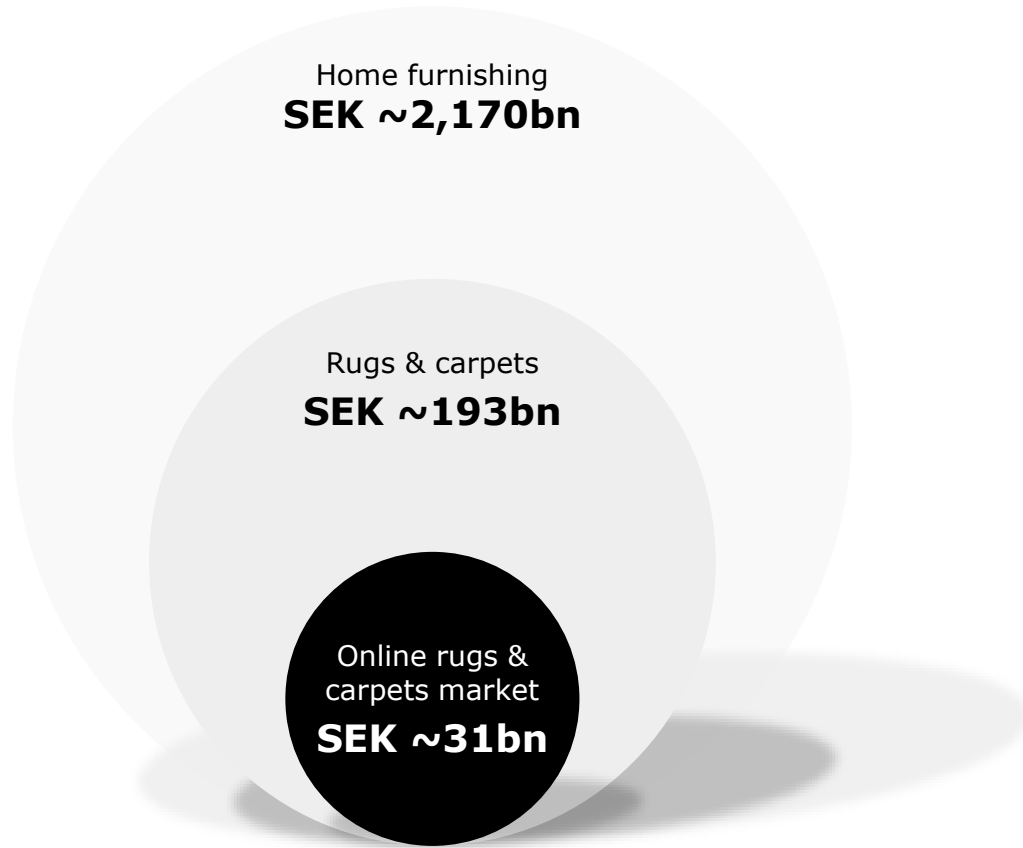
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Large market transitioning online...

NB! Pre-pandemic estimate

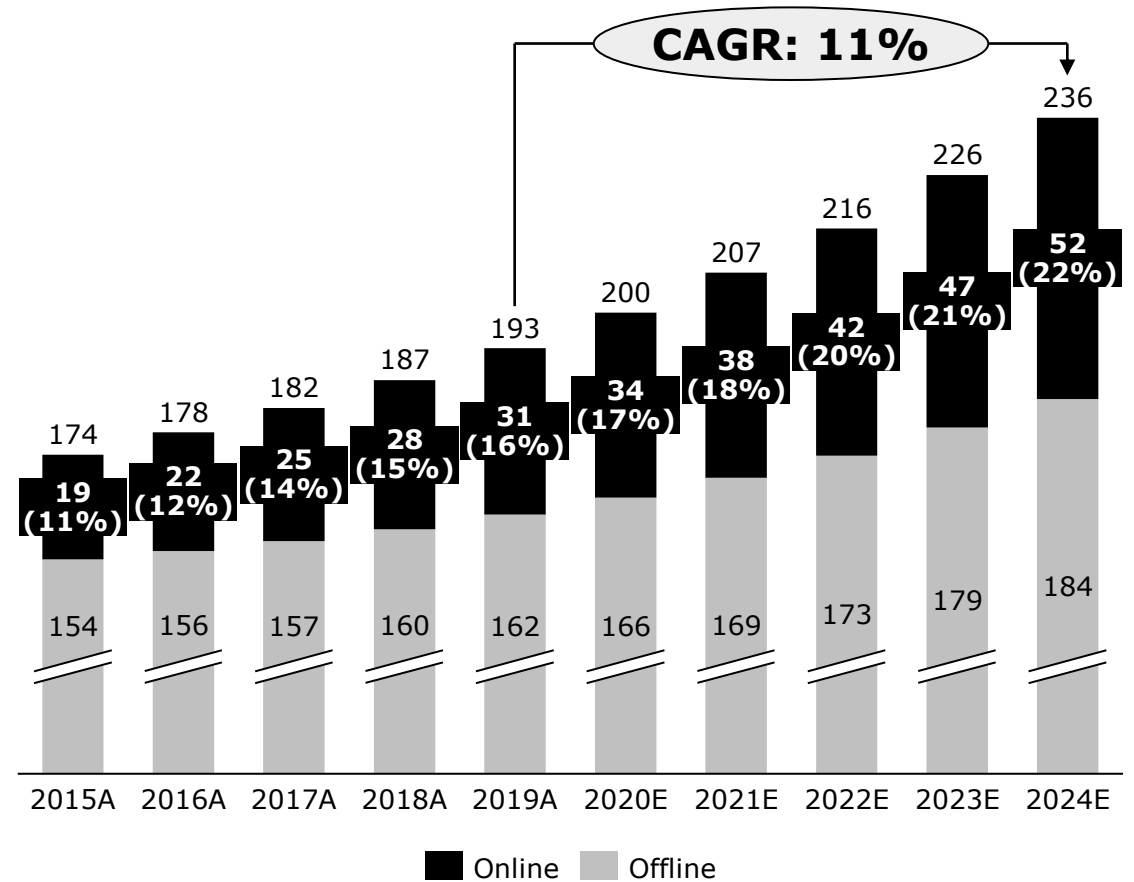
Huge vertical transitioning online...

European home furnishing 2019 market size¹











...online migration boosted by Covid-19 pandemic

European rug & carpet market¹, SEK billion (online share & CAGR)



... with fragmented competitive landscape currently dominated by traditional retailers ...

Approx. 80%
market share today































Traditional retailers	<ul style="list-style-type: none"> ▪ Department stores or small local shops ▪ Limited assortment depth ▪ Focusing on offline sales, typically with limited offering 	 
Multichannel home interior retailers	<ul style="list-style-type: none"> ▪ Sizeable presence both offline and online, but focus on the offline segment ▪ Carpets and rugs small part of total offering 	 
Online-based warehouses	<ul style="list-style-type: none"> ▪ Operate across a broad range of categories, incl. carpets and rugs ▪ Europe and rugs low priority 	 
Online-based carpet and rug retailers	<ul style="list-style-type: none"> ▪ Focusing on online ▪ Few players of substantial size in the European region 	 

...and attractive product category suitable for online distribution

Limited presence of brand names in rug niche



Category well suited for online sales with attractive unit economics

	 RUGS	 APPAREL	 CONSUMER ELECTRONICS	 TOYS AND GAMES	 BEAUTY
HIGH AOV¹					
LONG PRODUCT LIFE CYCLES					
FRAGMENTED OFFLINE COMPETITION					
LIMITED INVENTORY RISK					
LOW RETURN RATES					

1. Average Order Value = Basket size



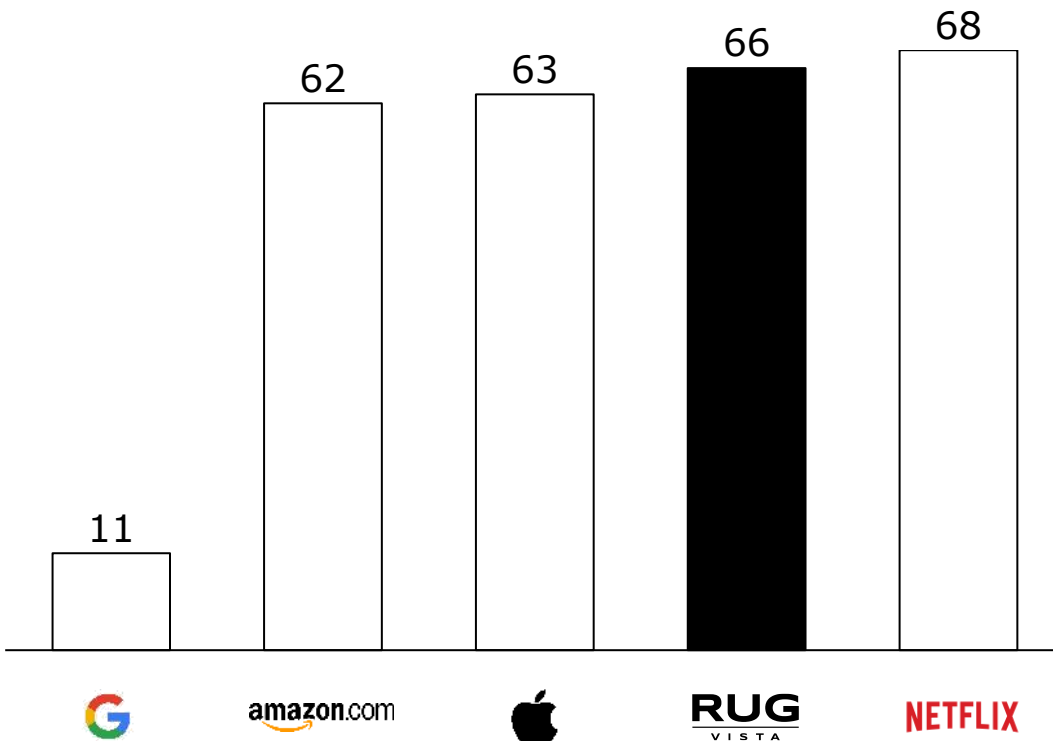
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Obsessed with delivering customer value proven by our KPIs

World-class Net Promotor Score (NPS)¹



Trustpilot score of 4.8 with ~85 thousand reviews²



"Really happy with my rug which actually it is **better than I expected** and It has arrived before the scheduled date which is such a bonus. Definitely I will be purchasing in the future!"



"Fast, efficient service at a great price. My rug was **exactly as pictured** and arrived in really good condition thank you. It is perfect for the space and I love it."



"Five stars ☆ it **could have been ten!** So easy from ordering to arriving at my house, the description of my order was very good and the purchase went smoothly, on arrival the item was very well packaged would definitely recommend this company."



"Amazing company to deal with. Best tracking system and communication I've come across in the age of online shopping. A credit to the company. Great quality. **Really recommended them.**"

84,995 reviews  4.8 of 5



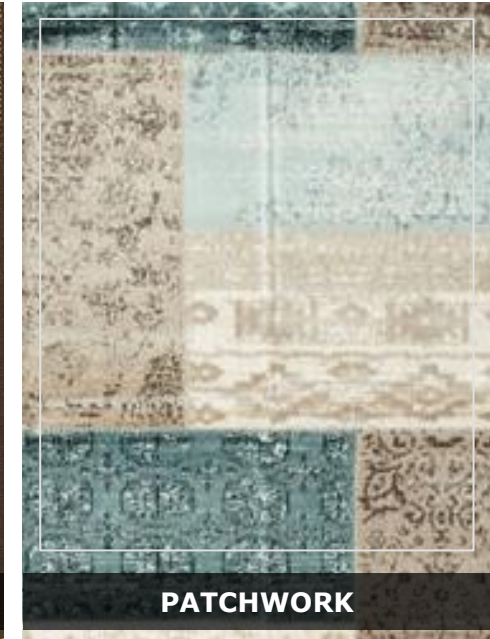
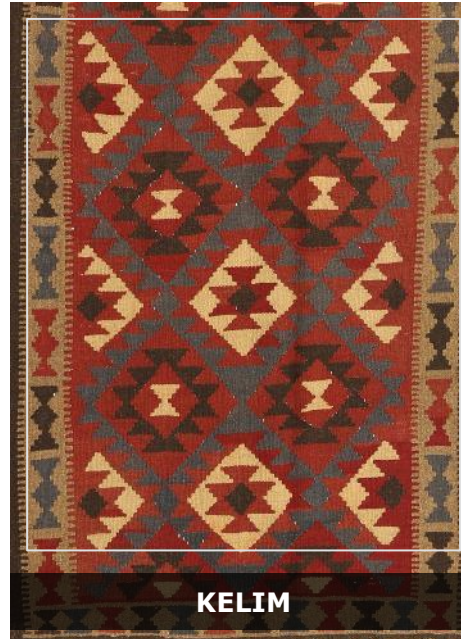
¹ Company survey (RugVista), Retently (Netflix, Apple and Amazon), Customer.Guru (Google)
² Per Sep 6, 2021

Comprehensive assortment offering outstanding value for money

Design rugs



Traditional rugs



Broad and exclusive assortment (~30,000 SKUs) with both design and traditional rugs



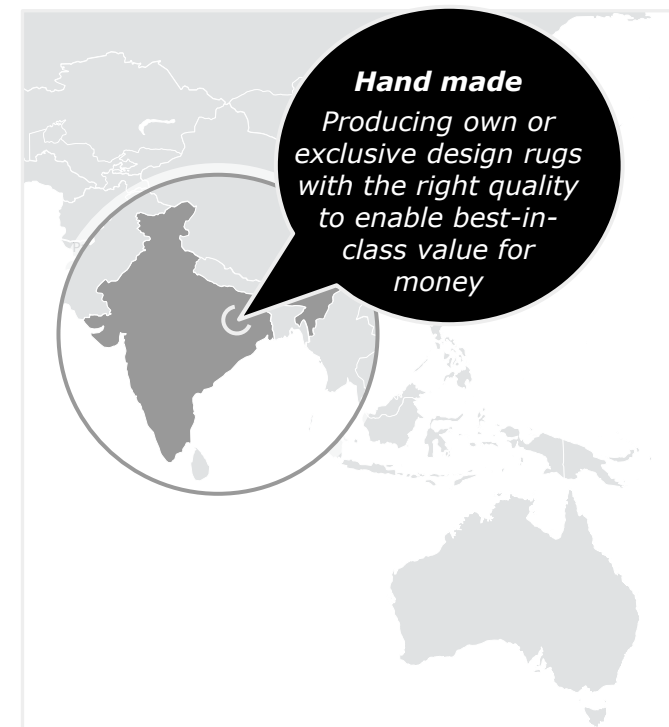
Outstanding quality at value-for-money pricing

Strong in-house operational capabilities from sourcing and product development to fulfillment and customer service



KEY SUCCESS FACTORS

- Control of all key processes
- Longstanding relationships w. suppliers
- Economies of scale
- Relentless focus on customer satisfaction



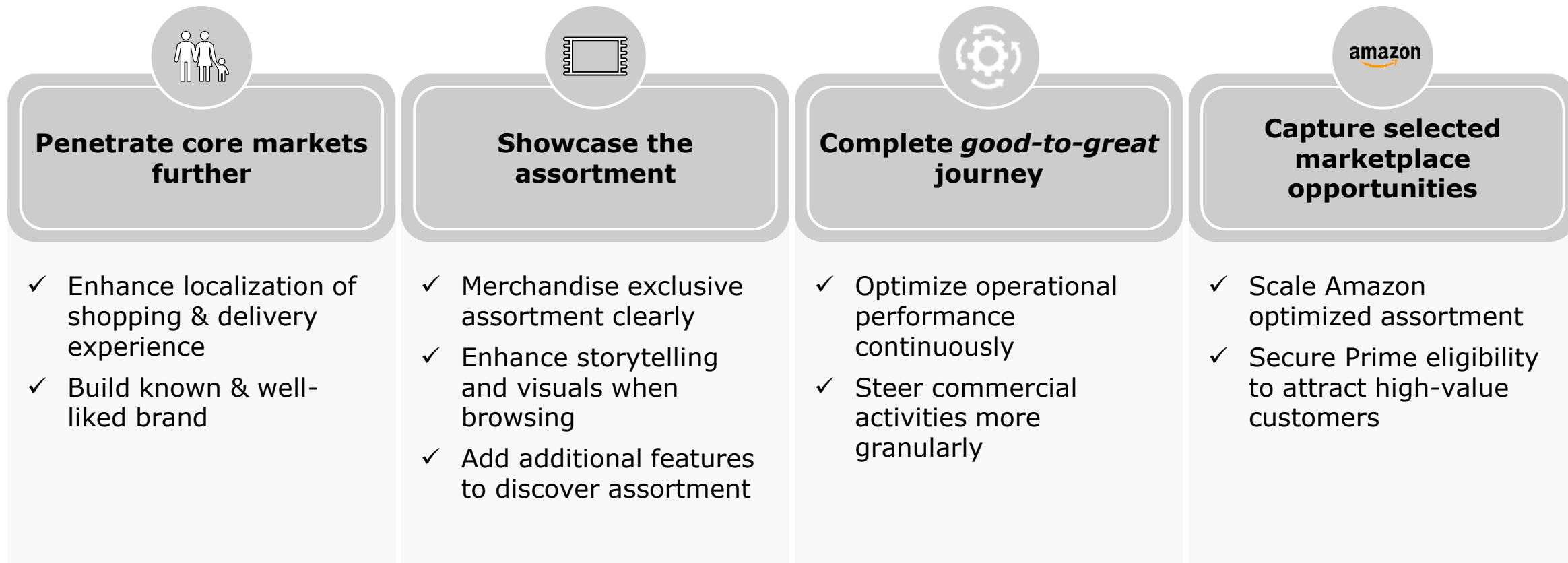


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Clear strategic priorities to drive future profitable growth



Leverage data and technology to fuel the growth

LEAD.CHANGE – Our 2030 sustainability strategy

Focus areas

PLANET

Develop a circular business model
&
Reduce our environmental impact

PEOPLE

Promote inclusion
&
Social responsibility

BUSINESS

Maintain good governance
&
Fair business practices

Change levers



Our team



Our customers



Our business partners



Our business practices



Our communication

Approach

Drive sustainability into everything we do

Engage and inspire customers to consume more sustainably and circular

Support all our business partners to develop sustainable business practices

Maintain functioning and efficient governance through our standards, policies, and Code of Conduct

Be transparent about our current progress, ambition, and challenges





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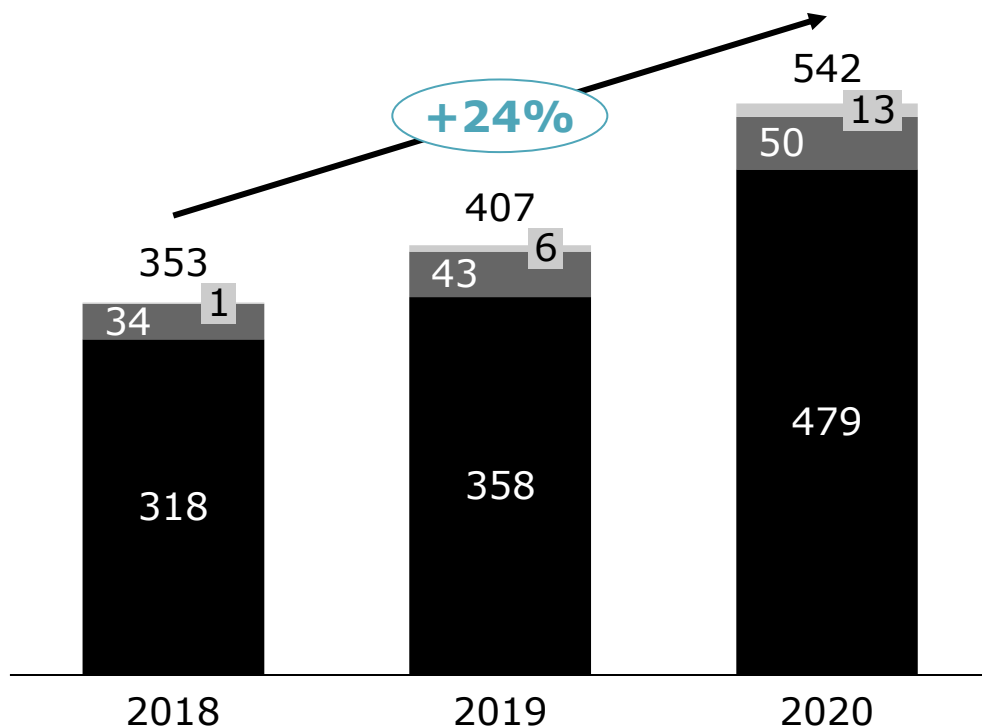
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Strong development in topline growth across all segments

Solid growth historically ...

Ongoing net revenue¹
SEK million

CAGR
Percent



221

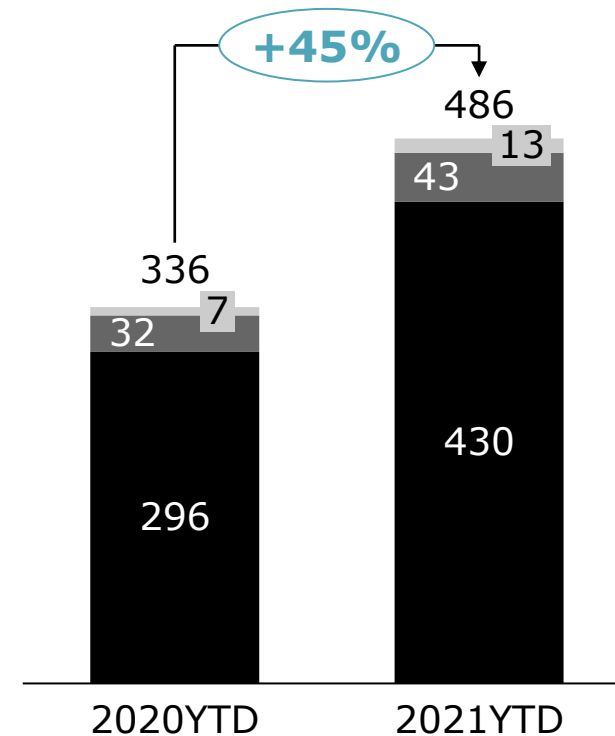
22

23

... has continued this year

Ongoing net revenue – Jan-Oct¹
SEK million

CAGR
Percent



+45%

74

34

45

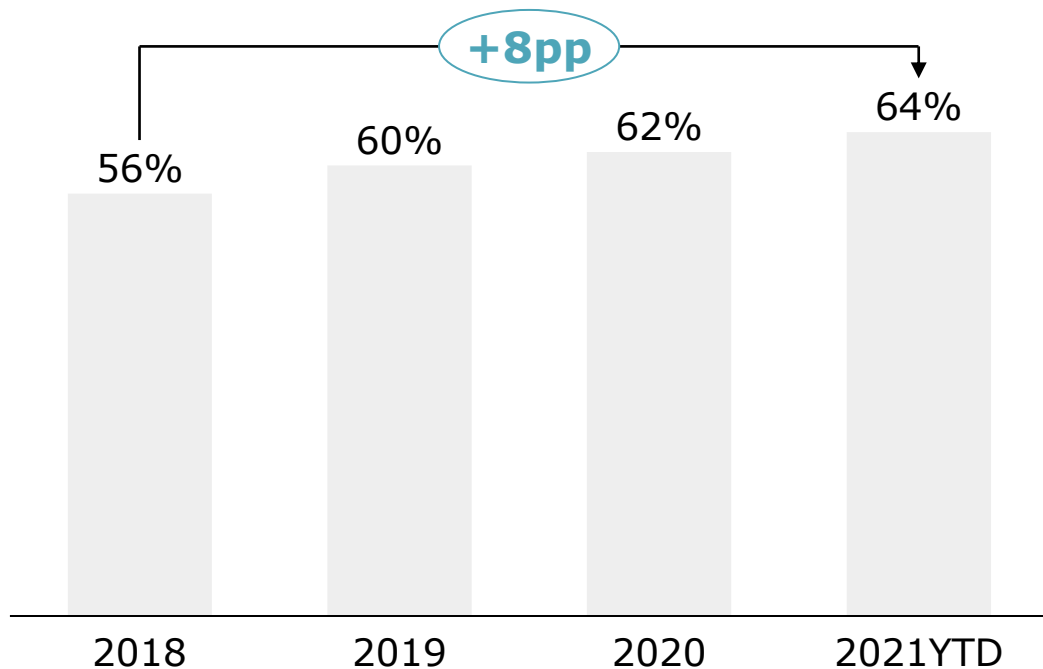
■ MPO ■ B2B ■ B2C

Source: Management accounts
1 Excluding divested operations

Similarly, gross and operating margins have also developed favorably

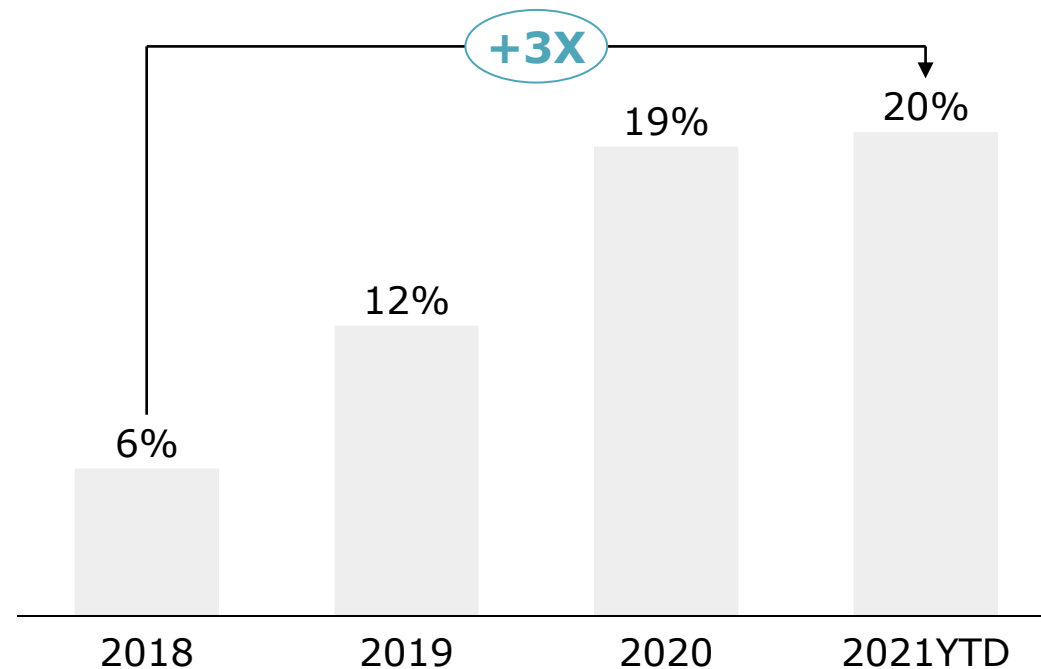
Significant gross margin improvement from pricing optimization and category mix effect

Gross margin
SEK million



Operational leverage effect and cost control has resulted in more than tripling of EBIT margin

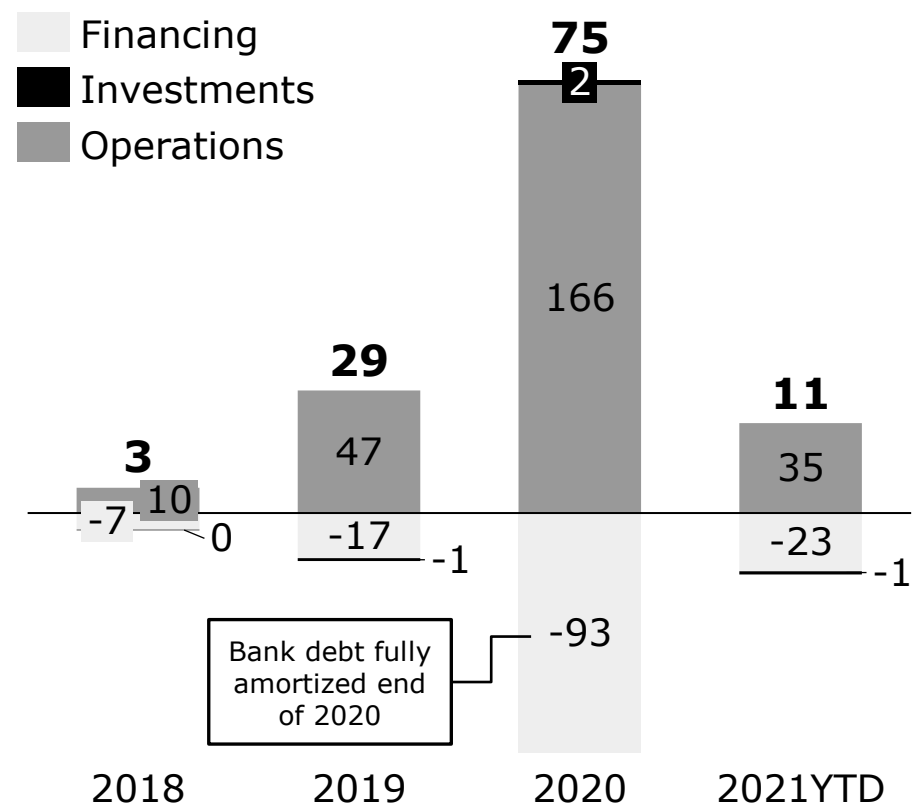
Adj. EBIT margin¹
SEK million



Asset-light business model coupled with high operating profitability results in healthy cash flows

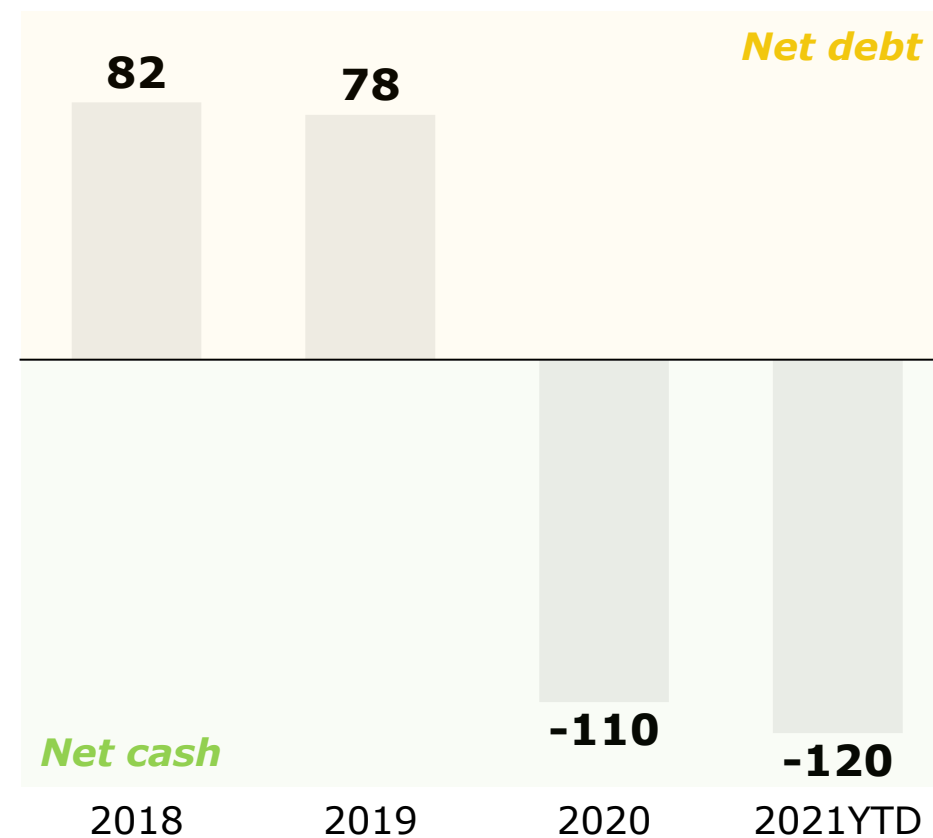
Cash flow

SEK million



Net financial indebtedness / net cash

SEK million



Mid-term to long-term financial targets

~20%
Growth

RugVista Group targets to organically grow net revenues by approximately 20 percent per year

>15%
EBIT margin

RugVista Group targets to maintain an EBIT margin of at least 15 percent

<50%
Dividend payout

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



Recap

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