

# KEY TO



# Q2

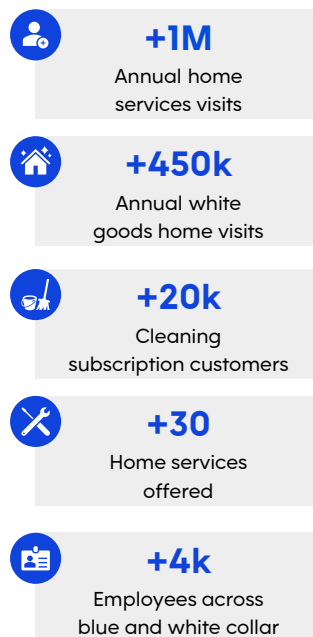
## Interim Report April – June 2024

KEYTO Group AB (publ)

# ABOUT KEYTO

- KEYTO aims to be the leading tech-enabled, one-stop destination for professional home services. Established in 2021 following Fidelio Capital's acquisition of Hemfrid, the leading home cleaning services provider in Sweden, KEYTO has rapidly expanded to become the country's top home services provider. Since formation, the group has completed 18 strategic acquisitions, including both large-scale transformative acquisitions and smaller add-ons, significantly broadening its geographical reach and service offering.
- KEYTO now employs over 4,000 people and operates nationwide across Sweden, providing a wide range of home-related services, such as recurring cleaning, home appliance maintenance and installation, gardening, moving, and handyman work.

## KEYTO in numbers



**WE ARE KEYTO.** WE UNLOCK PEOPLE'S QUALITY OF LIFE BY PROMISING EASY ACCESS TO FIRST-CLASS SERVICES FOR HOMES AND BUSINESSES. OUR VISION IS TO CREATE THE LEADING, TECH-ENABLED ONE-STOP DESTINATION FOR HOME-RELATED SERVICES REQUESTED BY OUR CUSTOMERS, INCLUDING INSTALLATION AND MAINTENANCE OF APPLIANCES, CLEANING, GARDENING, AND MANY MORE. **WE ARE THE KEY TO GETTING THINGS DONE.**

### RECURRING HOME CLEANING

Services include home cleaning, window cleaning, move-out cleaning and moving assistance.

The services are provided as subscriptions or one-time services to residential households (B2C) as well as smaller offices and condominium associations (B2B).

### WHITE APPLIANCES

Services include installation and service of white goods and household appliances such as washing machines, dishwashers, fridges, heat pumps and robotic lawnmowers.

Operates as Sweden's only national independent provider to household residents, OEMs, real estate owners or co-ops.

### FLEX WORK

Services include gardening, cleaning, snow shoveling, carpentry, handyman, office admin and facility management.

Specialized on hiring pensioners/seniors for providing services to both B2C and B2B customers.

# Q2 HIGHLIGHTS

## GROUP FINANCIAL HIGHLIGHTS

- YTD net sales amounted to SEK 983 million, in line with the corresponding period the previous year (980). Adjusted EBITDA saw a growth of 16%, reaching SEK 72 million (62). Excluding acquisitions, the organic growth of adjusted EBITDA corresponded to 24%.
- Q2 2024 net sales remained stable compared to the previous year, amounting to SEK 509 million (512), with the cleaning segment contributing SEK 323 million.
- Q2 Adjusted EBITDA amounted to SEK 34 million (38). Seasonal slowdown and recruitment investments in white appliances has impacted profitability.

## SIGNIFICANT EVENTS DURING THE QUARTER

- KEYTO expanded the group by concluding two add-on acquisitions during Q2. Financials for these two acquisitions are included in the pro forma financials.
- The parent company launched “KEYTO” as the group’s umbrella brand and changed its name from Heart Bidco AB (publ) to KEYTO Group AB (publ).

<b>Pro forma</b> SEKm	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Full year 2023
Net sales	509	512	983	980	1,955	1,952
Adjusted EBITDA	34	38	72	62	157	147
Adjusted EBITDA margin %	6.7%	7.5%	7.4%	6.4%	8.1%	7.6%

# CEO COMMENTS

## WORD FROM THE CEO

I am pleased to present our interim report for the second quarter of 2024, a period marked by launching the next chapter in the group's growth journey as well as the launch of our umbrella brand.

In the first half year of 2024, net sales<sup>1</sup> remained stable at SEK 983 million (980), Consistent customer demand and strategic collaboration between segments contributed to maintaining sales at a similar level to the previous year. Adjusted EBITDA<sup>1</sup> increased by 16% compared to YTD 2023, equivalent to an organic growth of 24%, driven primarily by enhanced operational efficiency, particularly within the Recurring home cleaning segment. This improvement reflects our continued focus on optimizing processes and delivering value across our operations.

Net sales<sup>1</sup> in Q2 remained stable at SEK 509 million (512) with an Adjusted EBITDA<sup>1</sup> of SEK 34 million (38).

Despite macroeconomic challenges, our Recurring home cleaning and Flex work segments, accounting for 64% and 11% of group sales, demonstrated resilience and contributed to our growth, underscoring the essential nature of our services.

We also made two acquisitions during Q2, which meant geographical expansion as well as enhanced offering and growth of our customer base.

Looking ahead, improving macroeconomic factors indicate positive development. We are confident that our strategic initiatives and the favorable market conditions will drive continued growth and increase profitability.

In May 2024, we issued a SEK 900 million bond to support our growth strategy through acquisitions. The bond was listed on Nasdaq Stockholm First North Transfer Market on June 14, 2024.

Furthermore, we are excited to announce the launch of our umbrella brand, KEYTO. The launch of KEYTO is an important step towards our vision of a one stop destination that maximizes consumer convenience for home related services. In conjunction with the launch, the parent company changed name from Heart BidCo AB (publ) to KEYTO Group AB (publ). The current brands will maintain their individual brands, ensuring specialized services for our customers.

### Conclusion and Outlook

In Q2 2024, KEYTO Group made significant progress, and our focus moving forward will be on driving profitable organic growth, strengthening our service offerings and geographical footprint, enhancing operational efficiency, and delivering first-class services to create long-term value.

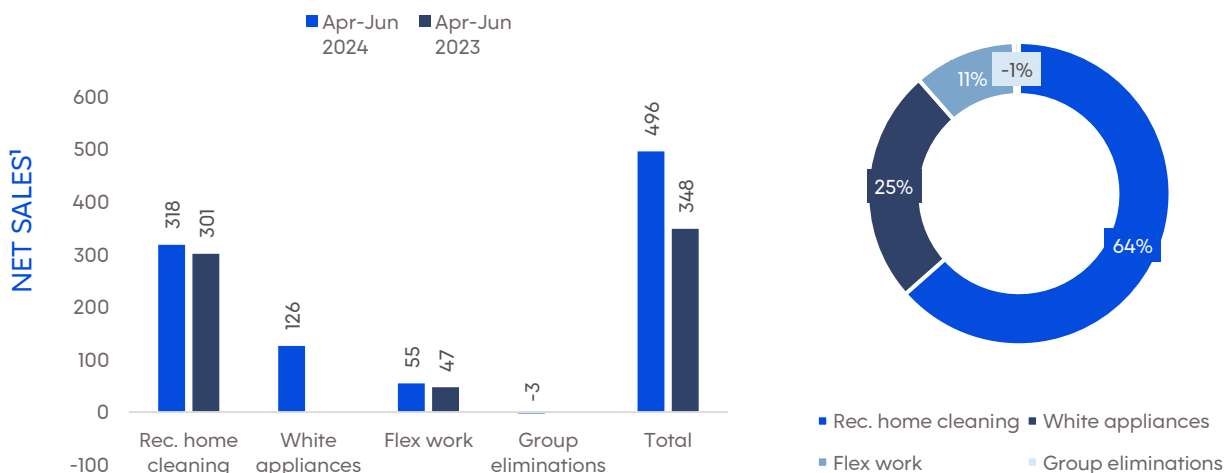
Cecilia Tosting  
**CEO, KEYTO Group**

<sup>1</sup>Pro forma financials

# INTERIM OVERVIEW

## FINANCIAL DEVELOPMENT<sup>1</sup>

- YTD net sales for the group amounted to 939 (649), corresponding a growth of 45% with a reported EBITDA growth of 89%. Q2 net sales for the group amounted to 496 (348), corresponding a growth of 42%, with a reported EBITDA growth of 22%. The growth in net sales and reported EBITDA for group is driven by acquisitions, mainly by Servly Group.
  - RECURRING HOME CLEANING:** YTD sales grew by 7% compared to the corresponding period 2023, with Q2 net sales grew by 6%. Growth was driven by one-time cleaning services and stable recurring customer numbers. Increased profitability primarily due to operational efficiency and cost-cutting measures.
  - WHITE APPLIANCES<sup>2</sup>:** Q2 net sales were adversely affected by seasonal slowdown and macroeconomic factors delaying investments in professional laundry equipment and heat pumps. However, several new framework agreements are expected to boost revenues in the second half of the year. Recruitment investment has been made in preparation of this, temporarily impacting profitability.
  - FLEX WORK:** YTD net sales grew by 11% with a 16% increase in Q2. Strong profitability improvement by successful service packaging and implementation of a new pricing strategy.



<sup>1</sup>Legal consolidation

<sup>2</sup>Financials for White appliances included from Q3 2023

# OTHER INFORMATION

## SEASONALITY

- Seasonal trends in revenue and earnings vary across KEYTO Group's three business segments.
- The Recurring home cleaning and White appliances segments typically experience a stronger second half of the year, with autumn historically being a particularly strong period for sales. In contrast, the Flex Work segment, which provides handyman services and gardening shows growth during the January to June period, driven by consumer demand for gardening services.

## SUSTAINABILITY

- Sustainability drives our decision-making, fostering ethical standards and responsible business practices.
- We aim to lead in sustainability, viewing it as both essential and a competitive advantage. In our acquisition-driven growth, we ensure that acquired companies share our sustainability values.
- As a UN Global Compact signatory, we adhere to its ten principles, guiding our policies and practices.
- In 2024, we are focused on refining sustainability processes, improving target setting, and enhancing reporting to meet new regulations and maintain stakeholder trust.

# FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT<sup>1</sup>

	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun-24	FY 2023
<i>MSEK</i>						
<b>Net sales</b>	<b>496</b>	<b>348</b>	<b>939</b>	<b>649</b>	<b>1,806</b>	<b>1,516</b>
Other income	2	2	5	5	15	15
<b>Total income</b>	<b>498</b>	<b>351</b>	<b>944</b>	<b>653</b>	<b>1,821</b>	<b>1,531</b>
Cost of production	(354)	(241)	(666)	(451)	(1,271)	(1,056)
<b>Gross profit</b>	<b>145</b>	<b>110</b>	<b>278</b>	<b>202</b>	<b>550</b>	<b>475</b>
Total OPEX	(118)	(88)	(223)	(173)	(437)	(388)
<b>EBITDA (reported)</b>	<b>26</b>	<b>22</b>	<b>55</b>	<b>29</b>	<b>113</b>	<b>87</b>
Depreciation	(1)	(1)	(2)	(2)	(5)	(5)
Depreciation leasing	(5)	(4)	(11)	(6)	(20)	(16)
Amortizations	(2)	(2)	(1)	(5)	(10)	(9)
<b>EBITA</b>	<b>18</b>	<b>15</b>	<b>41</b>	<b>16</b>	<b>78</b>	<b>57</b>
Amortizations Group Intangibles (incl. GW)	(62)	(54)	(128)	(107)	(252)	(235)
<b>EBIT</b>	<b>(44)</b>	<b>(39)</b>	<b>(87)</b>	<b>(91)</b>	<b>(174)</b>	<b>(178)</b>
Financial income	6	0	6	0	7	1
Financial expenses	(13)	(10)	(24)	(19)	(46)	(41)
<b>EBT</b>	<b>(50)</b>	<b>(50)</b>	<b>(104)</b>	<b>(110)</b>	<b>(212)</b>	<b>(218)</b>
Tax	(0)	(1)	(2)	0	(3)	(1)
<b>Earnings after tax</b>	<b>(51)</b>	<b>(51)</b>	<b>(106)</b>	<b>(110)</b>	<b>(214)</b>	<b>(219)</b>

<sup>1</sup>Legal consolidation

# FINANCIAL STATEMENTS

## CONSOLIDATED BALANCE SHEET

<b>Assets</b>			
<i>MSEK</i>	<b>Jun-24</b>	<b>Jun-23</b>	<b>Dec-23</b>
Total intangible fixed assets	1,977	2,072	2,019
Total tangible fixed assets	108	75	90
Total financial fixed assets	11	8	9
<b>Total fixed assets</b>	<b>2,096</b>	<b>2,155</b>	<b>2,118</b>
Inventory	32	17	20
Accounts receivables	166	130	144
Other current assets	325	299	304
Cash and Bank	253	104	48
<b>Total current assets</b>	<b>777</b>	<b>403</b>	<b>351</b>
<b>TOTAL ASSETS</b>	<b>2,873</b>	<b>2,558</b>	<b>2,469</b>
<b>Equity and Liabilities</b>			
<i>MSEK</i>	<b>Jun-24</b>	<b>Jun-23</b>	<b>Dec-23</b>
<b>Total equity</b>	<b>1,190</b>	<b>1,202</b>	<b>1,272</b>
Earn-out provisions	77	60	66
Other provisions	48	57	53
Bond and debenture loans	900	-	-
Bond - investment	(90)	-	-
Other LT Liabilities	0	0	0
<b>Total provisions and L-T liabilities</b>	<b>936</b>	<b>117</b>	<b>118</b>
Reinvestment loans	3	6	4
Vendor loans	22	313	164
<b>Total sellers' financing</b>	<b>25</b>	<b>319</b>	<b>168</b>
Leasing debt	96	63	78
Other financial liabilities	(10)	3	1
<b>Financial loans</b>	<b>86</b>	<b>525</b>	<b>506</b>
Accounts payable	75	37	64
Other current liabilities	528	341	323
Other accrued expenses and deferred income	34	16	17
<b>Total current liabilities</b>	<b>637</b>	<b>394</b>	<b>404</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,873</b>	<b>2,558</b>	<b>2,469</b>

*Note: The balance sheet of the two acquisitions carried out in Q2 have been consolidated per 30th June 2024.*



# FINANCIAL STATEMENTS

## CONSOLIDATED CASH FLOW STATEMENT

### Cash flow statement

<i>MSEK</i>	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023	LTM Jun 2024	Full year 2023
EBITDA (reported), before leasing adjustment	21	19	43	23	91	71
Non-cash items	(1)	0	0	0	1	1
Change from working capital	18	6	6	5	14	12
Taxes paid	(3)	(4)	(8)	(16)	(7)	(15)
<b>Cash flow from operating activities</b>	<b>35</b>	<b>21</b>	<b>42</b>	<b>12</b>	<b>98</b>	<b>69</b>
Capex intangibles (net)	(5)	(7)	(12)	(14)	(28)	(30)
Capex tangibles (net)	(2)	(2)	(3)	(3)	(6)	(6)
<b>Cash flow after investing activities, excl. M&amp;A</b>	<b>(7)</b>	<b>(9)</b>	<b>(14)</b>	<b>(18)</b>	<b>(33)</b>	<b>(37)</b>
<b>Cash flow from financing and M&amp;A</b>	<b>198</b>	<b>36</b>	<b>178</b>	<b>19</b>	<b>84</b>	<b>(74)</b>
<b>Cash flow for the period</b>	<b>227</b>	<b>49</b>	<b>206</b>	<b>14</b>	<b>149</b>	<b>(43)</b>

# NOTES

## NOTE 1. Accounting principles

- KEYTO follows the Annual Accounts Act and BFNAR 2012:1 (K3) for its financial statements. The interim report is prepared accordingly. The same accounting policies and methods are used in the interim financial statements as in the latest Annual Financial Statements. There have been no changes since the KEYTO Group Annual Report 2023.

## NOTE 2. Net debt calculation

### Net Interest-Bearing Debt

<i>MSEK</i>	<b>Jun-24</b>
<b>Interest-bearing Financial Indebtedness</b>	
Bond and debenture loans	810
Accrued interest payable - bond	12
Leasing debt	96
Vendor loans	22
Other financial liabilities	1
<b>Less Cash and Cash Equivalents</b>	
Cash and Bank <sup>1</sup>	(257)
Operating cash readily available within 30 days	(169)
<b>Net Interest-Bearing Debt (Bonds T&amp;C definition)</b>	<b>515</b>

<sup>1</sup>Including tax account

# DEFINITIONS

<b>Adjusted EBITDA</b>	EBITDA adjusted for non-recurring items
<b>Adjusted EBITDA margin</b>	Adjusted EBITDA as a percentage of net sales
<b>Capex</b>	Capital expenditures in tangible and intangible assets
<b>EBITDA</b>	Earnings before Interest, Tax, Depreciation & Amortization
<b>EBITDA margin</b>	EBITDA as a percentage of net sales
<b>LTM</b>	Last twelve months
<b>Net Interest-Bearing Debt</b>	Interest bearing Financial Indebtedness less Cash and Cash Equivalents
<b>Operating cash flow</b>	Cash flow from operating activities including changes in net working capital
<b>YTD</b>	Year to date

# KEY TO

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