A bedroom interior featuring a bed with a white patterned duvet and dark blue pillows, a white ceramic fireplace with a gold frame, and a large white star decoration on the wall. A black circular overlay is centered on the image, containing text.

Kid ASA

11 February 2016

Q4 2015

Presentation available at investor.kid.no

Kid INTERIØR

Highlights Q4 2015

- Revenue growth of 8.5%
- Opened two new stores
- Gross margin of 60.3% (62.9% LY)
 - Gross margin on full price products in line with target
 - Gross margin on discounted goods reduced to maintain strategic price points
 - Discounted goods share of total sales increased
- Adjusted EBITDA of 99.6 MNOK (95.2 MNOK LY)
- IPO completed at NOK 31 per share in November 2015
- Sound investment plan for stores in H1-2016
- The Board of Directors proposes a dividend of NOK 1.50 per share for 2015

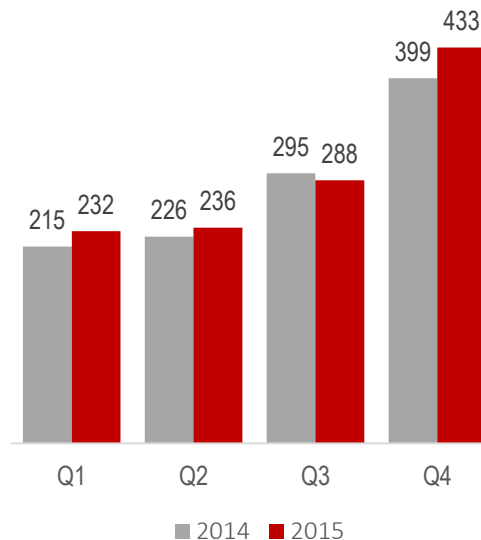


Continuing to gain market share

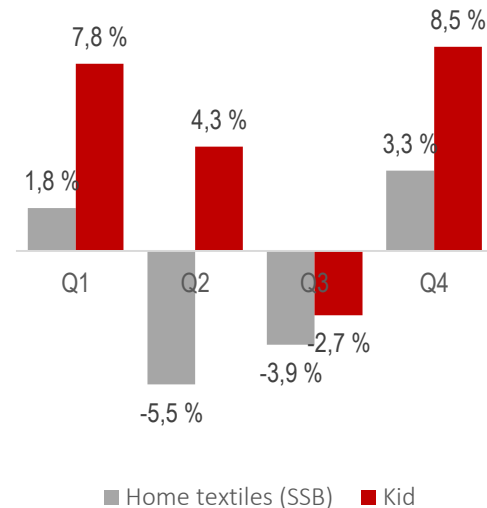
Q4 revenue growth of 8.5%

- Total growth of 8.5% in the quarter
 - Like-for-like growth of 3.2%
 - Increase of 6 new stores (Time weighted)
 - Online growth of 53.6%
- The order and content of campaigns were changed from previous year with positive results for the Christmas campaigns
- Home textile market performed above broader retail benchmark in Q4
- Kid outperformed market by 5.2 percentage points in the fourth quarter

Revenue



Market



Operational focus

It's Christmas every year – main focus in Q4:

- Distributing high volumes of goods to stores and online customers from the central warehouse in the peak season
- Two new stores opened in October 2015, bringing the total number of stores to 130. Three stores relocated and one store expanded
- New series of ecological creams and soaps launched in Q4 under the sub brand “Gren”
- Continued focus on our customer loyalty program. The program was launched in June 2015 and by the end of Q4 we had 260,000 members
- Launched improvement project on goods distribution from central warehouse to stores.

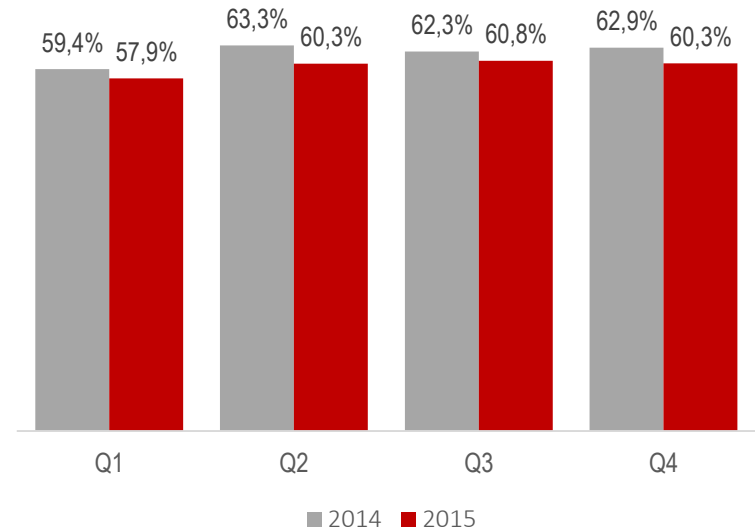


Gross margin

Q4 gross margin of 60.3%

- Gross margin after realized currency effects was 60.3% for the quarter, down -2.2% percentage points from Q4-2014
 - Achieved the targeted gross margin on products sold at full price (prices fully reflect the increased USDNOK level)
 - Selected strategic price points on campaign products were unchanged from the previous year to ensure customer traffic, thus reducing the gross margin
 - Higher share of campaign goods sold compared to last year
- We are proud to deliver a gross margin of 60% for the full year despite a USDNOK increase of 28% from 2014 to 2015

Gross margin in 2014 and 2015

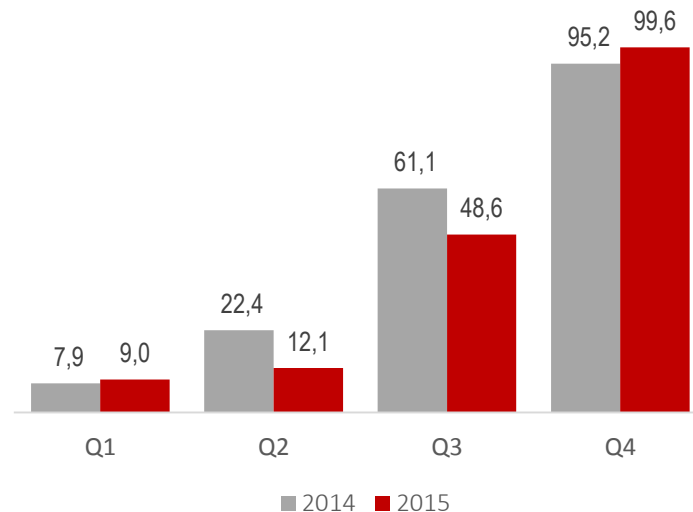


Adjusted EBITDA*

Adjusted EBITDA increased by 4.7% in Q4-2015

- Employee benefits expense increased by 4.3%
 - 2.8% of the increase was due to provisions for the management incentive program (terminated 31.12.2015)
 - 1.5% of the increase was due to new stores and general salary increase
- Other OPEX increased by 2.9% due to new stores and inflation
- Adjustment made for costs related to IPO of 2.1 MNOK in the quarter. The total costs related to the IPO was 11.4 MNOK in 2015 (estimated 9 MNOK in the Prospectus).
 - 5.6 MNOK recognized as a reduction of share premium
 - 5.8 MNOK is recognized as an one-off operating expense.

Adjusted EBITDA 2014 and 2015



Income statement*

Q4 adjusted net profit of 64.7

- Depreciation increased due to last years CAPEX levels
- Financial expenses reduced due to lower interest rate on long term debt, and debt instalments of
 - 25MNOK in December 2014
 - 75 MNOK in November 2015
- Net profit is adjusted for change in deferred tax related to the trademark caused by a reduced tax rate from 27% to 25% with effect from 1.1.2016.

Income statement

Amounts in MNOK

	Q4 2015	Q4 2014	FY 2015	FY 2014
Revenue	433,1	399,3	1 188,4	1 135,9
COGS including realized FX-effects	-171,8	-148,1	-475,9	-429,8
Gross profit	261,3	251,2	712,6	706,1
Gross margin (%)	60,3 %	62,9 %	60,0 %	62,2 %
Other operating income	0,1	0,1	1,3	0,2
OPEX	-161,8	-156,1	-544,6	-519,6
Adj. EBITDA	99,6	95,2	169,3	186,7
EBITDA margin (%)	23,0 %	23,8 %	14,2 %	16,4 %
Depreciation and amortisation	-7,5	-5,9	-24,4	-19,8
Adj. EBIT	92,2	89,3	144,9	166,8
EBIT margin (%)	21,3 %	22,4 %	12,2 %	14,7 %
Net finance	-4,1	-6,1	-18,4	-25,7
Adj. Profit before tax	88,1	83,1	126,5	141,1
Adj. Net profit	64,7	60,7	92,8	103,0

Cash flow

NIBD/EBITDA OF 1.7 PER 31.12.2015

- Working Capital positively affected by pro active inventory management
- CAPEX in line with our indication for 2015
- Primary issue of 175 MNOK in Q4-2015
- Instalment of 75 MNOK paid in November 2015
- SWAP terminated in November at a cost of 20.4 MNOK
- NIBD/EBITDA of 1.7

Cash flow

<i>Amounts in MNOK</i>	Q4 2015	Q4 2014	FY 2015	FY 2014
Net cash flow from operations	231,6	170,5	128,6	120,5
Net cash flow from investments	-9,3	-12,0	-40,6	-39,0
Net cash flow from financing	-3,1	-101,4	44,1	-60,4
Net change in cash and cash equivalents	219,2	57,1	132,1	21,0
Cash and cash equivalents at the beginning of period	11,3	41,6	99,1	77,7
Exchange gains (losses) on cash and cash equivalents	-0,1	0,4	-0,8	0,4
Cash and cash equivalents at the end of the period	230,4	99,1	230,4	99,1

Working capital

<i>Amounts in MNOK</i>	Q4 2015	Q4 2014	FY 2015	FY 2014
Change in inventory	89,7	62,5	-23,3	-49,6
Change in trade debtors	-1,1	1,5	-1,2	0,2
Change in trade creditors	8,9	-7,4	25,7	6,2
Change in other provisions	45,0	39,5	-6,2	6,3
Change in working capital	142,6	96,1	-5,0	-36,9

Dividend 2015

PROPOSED DIVIDEND OF NOK 1.5 PER SHARE FOR 2015

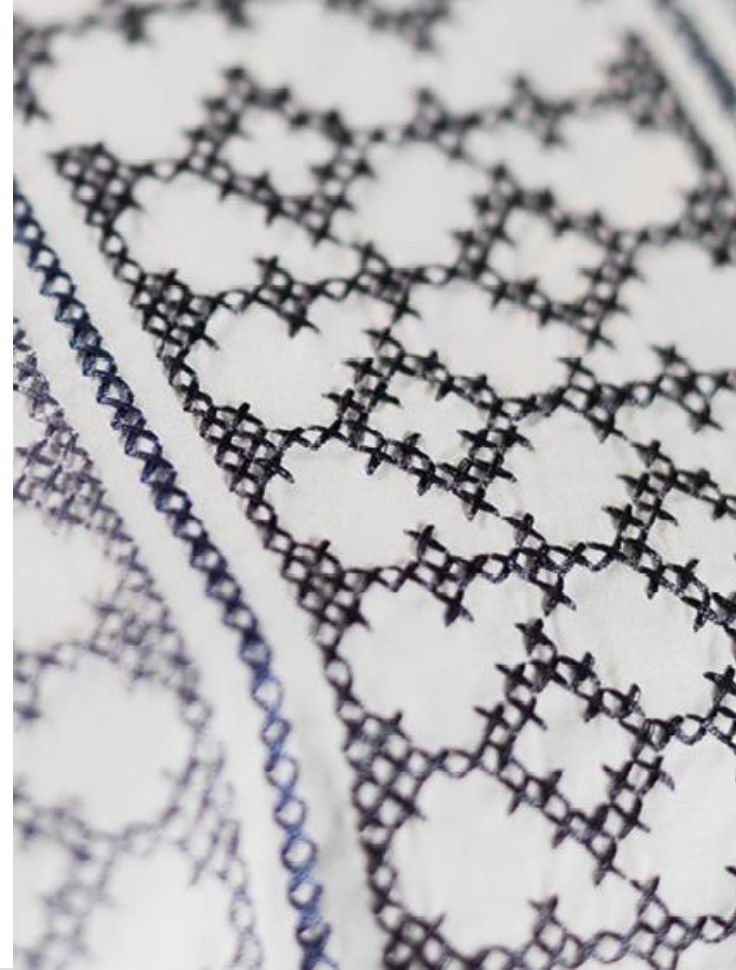
- The Board of Directors proposes a dividend of NOK 1.50 per share for 2015 (66% of adjusted net income* for 2015)
- The proposed pay-out details are:
 - Last day including right: 11th of May 2016
 - Ex-date: 12th of May 2016
 - Record date: 13th of May 2016
 - Payment date: 24th of May 2016
 - Date of approval: 11th of May 2016 (Annual General Meeting)



Operational initiatives

Mid-term objectives unchanged

- Full focus on core business
- Current plan for store investments in H1-2016
 - New stores at Trekanten (Asker/Oslo) and Mortensrud (Oslo)
 - Relocation of stores in DownTown (Porsgrunn), Alnabru (Oslo) and Stovner (Oslo)
 - Refurbishing stores at Lambertseter (Oslo), Tiller (Trondheim) and Moa (Ålesund)
- Increased focus on store level service. Attensi selected as provider of simulation based training.
- New responsive online store in final test phase. Expected to be launched in late March or early April.





APPENDIX

Adjustments overview

Adjustments overview (MNOK)	Q4 2015	Q4 2014	FY 2015	FY 2014
1 Adj: Cost of relocation to new warehouse			3,7	
2 Adj: Cost related to IPO	2,1		5,8	
3 Other Unrealized losses/gains	0,1	2,0	-14,2	2,6
EBITDA adjustments	2,2	2,0	-4,7	2,6
3 Other Unrealized losses/gains	0,1	2,0	-14,2	2,6
4 Changes in fair value of financial current assets	-0,8	7,4	-5,5	10,8
5 Interest expenses on SWAP	1,0	1,8	7,4	6,8
Profit adjustments before tax	2,4	11,2	-2,9	20,3
6 Adj: Deferred tax effect of lower tax rate	-29,2		-29,2	
7 Adj: Tax effect of adjustments (1-5)	-0,6	-3,0	0,8	-5,5
Net profit (loss) adjustments	-27,5	8,1	-31,3	14,8

Comments

1. Kid relocated to a new warehouse in June 2015 and considers costs related to this as one-off
2. Costs related to the IPO in 2015 is considered one-off
3. Unrealized losses/gains is related to open USDNOK forward contracts at the end of the quarter. Kid does not consider unrealized FX contracts as a part of the adjusted net income. Realized losses/gains is considered to be a part of COGS.
4. Changes in fair value of financial current assets is related to a SWAP agreement that was terminated in connection with the IPO.
5. Same as #4
6. Change in deferred tax related to the trademark caused by a reduced tax rate from 27% to 25% with effect from 1.1.2016.
7. The tax effect for adjustment 1-5 is calculated using a corporate tax rate of 27%