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# Haypp Group AB (HAYPP.SE)

Q1 2022 Earnings Call

### **CORPORATE PARTICIPANTS**

#### Gavin O'Dowd

Chief Executive Officer, Haypp Group AB

#### **Svante Andersson**

Chief Financial Officer, Haypp Group AB

### OTHER PARTICIPANTS

#### Niklas Ekman

Analyst, Carnegie Investment Bank AB

#### Andreas Lundberg

Analyst, Skandinaviska Enskilda Banken AB

### MANAGEMENT DISCUSSION SECTION

**Operator:** Welcome to the Haypp Group Audiocast with Teleconference Q1 2022. For the first part of this call, all participants will be in a listen-only mode, and afterwards, there will be a question-and-answer session.

Today, I am pleased to present CEO, Gavin O'Dowd; and CFO, Svante Andersson. Please begin your call.

#### Gavin O'Dowd

Chief Executive Officer, Haypp Group AB

Good morning, everybody. Welcome to our Q1 interim report. Today, I'm going to do a quick recap of some of the underlying slides within our – underlying messages within our business, and then I'm going to move on in a little bit more detail into the Q1 performance.

If I start off, first of all, with slide 3 in the accompanying deck, I would like to remind everybody on what our higher purpose is, why we exist. So, our role is to inspire healthier enjoyment to millions. A Few years ago, this was about moving people from cigarettes to snus, but in recent years this has been much more about moving people to nicotine pouches, which has been very successful at reducing smoking rates across many markets.

If I move along to slide 4, you can see the spectrum which we operate within where we are only prepared to operate with products which are sub-5% the harm of a pack of cigarettes, and we are the only sizable retailer which sells nicotine products in Scandinavia which operates in this category alone.

Moving along to slide 5, regarding the impact which this category can have across markets, the slide (sic) [chart] on the left shows where smoking rates are within Sweden and Norway relative to the rest of the European markets.

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And I think we're happy to continue to say that smoking rates continue to decline quite rapidly in both of these markets, and it's particularly positive to see the impact that nicotine pouches is having across younger females which are smoking – or would have otherwise been smoking. Moving along from slide 5 to slide 6, I would like to do a quick recap on our overall market potential here. So between 2020 and 2025, we envisage that the global market for nicotine pouches and snus will lift from SEK 27 billion to SEK 60 billion. All of this growth is expected to manifest in the form of incremental growth in nicotine pouches, which we expect to grow by more than 30% per annum.

You will see later on how our performance in nicotine pouches is going, but we're happy to say that we are currently growing by more than 50% per annum in this space. Moving along, we believe that given the nature of this category and the harm-reduced elements within it, because of the low taxes around the products, the profit pool is quite significant relative to that of any other nicotine category. So there is a substantial profit pool to be shared here between both the manufacturers and the retailers.

Moving along now to slide 7, taking a look at what is the key driving factors for this category. The most fundamental aspect for this is very much the consumer demand for harm-reduced products, and we see this continuing to expand across new geographies and continuing to get traction within the existing geographies that we operate within.

We continue to see strong positive legislation from regulators around this category, where the principle of harm reduction is anchoring much of the legislation, which is coming through. And we continue to see strong investment from all of the large tobacco players, global players, and also from many small emerging players around this category, which is further accelerating innovation and driving the category forward.

The chart to the right here on slide 7 shows our estimates for what the market will look like between now and 2025 between nicotine pouches and snus for the countries which we are currently in, plus a few more European markets. What you will see here is the performance is very much driven by nicotine pouches, and this part of the reason why we are dedicating a lot of our KPIs towards our performance within nicotine pouches throughout the rest of our messaging.

Moving along to slide 8. This is a quick snapshot of our competitor landscape online. Nothing much has changed here in recent years, so this is relatively consistent over the last number of years.

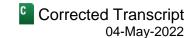
I'm moving along quickly to slide 9. This looks at our share of both the total market and our share of the online space. Again, there hasn't been significant change here in the last couple of years. Probably the one space where we think there may be a bit of an update versus here is where we probably have a significantly larger share of the nicotine pouch market in Europe, as we've been performing there quite well over the last 6 to 12 months.

And lastly, when it comes to our logistics space, here on slide 10, you will see an overview of our warehouse infrastructure. And in addition to opening our new warehouse in Oslo in Q4, which is more than meeting our expectations regarding lead times across Norway, we've also opened a 3PL center in Denver, Colorado. This warehouse has already significantly reduced lead times in the western states of the USA.

You will also see here that our inventories turnover, circa 18 times per annum, which is an important element in our strong cash conversion, which Svante which touch upon later.

Moving along to the operational highlights for Q1 on slide 12. The growth in consumer demand for significantly less harmful nicotine products remains unabated and continues to gain support from regulators. As I touched

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upon in the earlier slides, effectively all growth for the combined nicotine pouch and snus category will come from nicotine pouches. With this in mind, nicotine pouches, nicotine and consumers – nicotine pouch consumers and nicotine pouch volume are the primary measures of growth.

And as you can see in the chart below, we have experienced robust growth in nicotine pouch sales for many years. And during Q1, we grew more than 50% year-on-year. This brings nicotine pouches to almost 40% of our global volumes.

You can also see that while we did experience a lift in sales in Q2 2020 due to 2019, it is insignificant compared to the overall growth which is driven by consumer demand for healthier products.

Moving along to slide 13. During Q1, we adapted our organization to reflect that each of our four geographic business units are now at critical mass, and we have given the local teams clear mandates to manage the market in ways which reflect its specific level of consumer understanding around the category for that market.

We continue to underpin this with an exceptionally strong central organization, which develops the global technical infrastructure and the data management, creating strong synergies across the markets.

We continue to develop our warehouse footprint to meet the current and future demands. And in addition to our new warehouses in Oslo and Colorado, which I touched upon earlier, we have successfully increased the size of our Stockholm warehouse to provide the capacity to meet our forecasts for Sweden and the Growth markets in Europe. We intend to announce further expansions on our warehouse footprint through the year with an emphasis on Growth markets.

Regarding regulation, we continue to see governments adapt harm reduction as a core pillar of their strategy. Within Sweden, the new law comes in line with the principle of harm reduction and a principle which has been upheld in numerous parliamentary votes in the past.

While this regulation is not expected to be finalized prior to the summer, our initial indications suggest that new legislation will be directionally similar to the regulations on snus, albeit slightly more liberal.

It will restrict the out-of-store marketing, but, obviously, since we are a store, we will continue to have the ability to communicate and launch products and brands. Our ability to communicate with consumers would be largely unaltered as we don't engage with social media marketing at the moment. In addition, the legislation paves the way for product standards and nicotine caps. This is another area where we have self-regulated for a number of years as we currently send all of our products away for independent testing before we offer them to our consumers.

But I think what's probably most important about the proposed legislation is the precedent that it will set for EU – for the EU with the TPD3 legislation which we expect in 2024. We need to bear in mind that Sweden is still the largest nicotine pouch market in Europe and hence it has a significant influence on EU-wide regulation. Moving along to the financials and I would pass over to Svante.

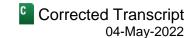
#### Svante Andersson

Chief Financial Officer, Haypp Group AB

Thank you, Gavin. Right, starting off on page 14 and a financial overview for the group, I'd like to start off here by stating that the underlying growth across all our segments with the exception of Norway remained strong during the first quarter. We're reporting a net sales increase of 16% to SEK 640 million for the first quarter, and



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organically, when we exclude acquisitions in Sweden and exclude the markets in Europe and the rest of the world that we exited, our sales growth was 6%. However, if you also exclude Norway, the organic growth rate for the remaining segment is 32% combined.

Looking at our gross margin, the gross margin for the quarter amounted to 11.7%, which is marginally lower than the same period of last year but a continued improvement sequentially quarter-on-quarter. The sequential improvement is driven by a stronger gross margin in our Core markets. Adjusted EBIT for the quarter increased to SEK 14.1 million, corresponding to an adjusted EBIT margin of 2.2%, which is up from 1.9% in the first quarter last year. The key driver behind the margin uplift is higher volume and efficiency from leverage on our operating expenses.

We recognized a smaller restructuring charge of SEK 3.6 million during the quarter related to the decision to adopt our operational structure, as Gavin described earlier. Now turning to page 15 and our Core markets, here, net sales increased by 11% and amounted to SEK 541 million for the first quarter. Our nicotine pouch volume grew substantially more at 43% where growth in Sweden was even higher. In Sweden, net sales for the quarter increased by 50%, driven by a continued strong organic performance, which is coupled with the acquisitions of Nettotobak and Snusnetto that contributed with a SEK 58 million to net sales.

And in Norway, year-on-year growth was still negative during the quarter at negative 21% as we faced challenging comparable figures from the first quarter of 2021, which was a record quarter for our Norwegian business with growth rates of close to 150% versus 2020. However, during the first quarter of 2022, we did see a return to sequential quarter-on-quarter growth in Norway.

In terms of profitability for our Core markets, we're pleased to see that the profitability is strong and already close to levels where we're expecting the overall group to be in the medium to long term. Our EBITDA for the business unit amounted to SEK 41 million versus SEK 20 million – SEK 27 million, sorry, in the same period of last year. The EBITDA margin increased by 2 percentage points to 7.6%, mainly attributable to the higher gross margin and leverage on operating expenses from higher sales volume.

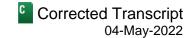
Turning to page 16 now and the Core (sic) [Growth] markets. We recorded a net sales increase here of 55% and net sales amounted to SEK 99 million for the first quarter on the back of strong performance across both the US and Europe, with Germany standing out, in particular. Nicotine pouches grew even more at 78% in volume during the quarter. Our comparable net sales, so when we adjust for the markets that were exited in the first quarter of 2021, was 62% for the segment.

In terms of profitability, we continue to invest behind the growth. Our EBITDA amounted to negative SEK 18 million versus negative SEK 11 million during the same period of last year as a result of continued investments for growth, which are mainly impacting our gross margin negatively in the segment versus the same period of last year.

And on my final page here, page 17, we're presenting a selection of our KPIs. We're noting that our number of customers continue to increase by circa 25% year-on-year during the quarter, and our average order value increased marginally.

When it comes to our balance sheet and our financial position, it remains strong. We had a net working capital of SEK 30 million as per end of the quarter, down from SEK 70 million at the year end. And the first quarter of the year is normally a strong quarter for cash generation as we're settling certain supplier compensations for prior year and, to a certain extent, get prepaid for current year agreements.

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The inventory levels that we noted at year-end remained in line with levels at the end of the quarter as we, during the quarter, continued to seize opportunities to load certain products at favorable commercial terms to generate benefits that we ultimately can pass on to our customers. As per the end of the quarter, we recorded a net cash position of SEK 90 million on the back of strong cash generation.

With that, I'll hand the word back to Gavin.

### Gavin O'Dowd

Chief Executive Officer, Haypp Group AB

Thank you. Moving along to slide 19 regarding our financial targets. We reiterate our long-term target of SEK 5 billion in revenue by 2025, predominantly through organic growth. We also reiterate our profit target of high-single digit adjusted EBIT over the medium term. And as you've heard from Svante's material, we are rapidly closing on this target in our Core markets already.

Due to the growth potential of the category, the board does not intend to issue any dividend for the foreseeable future and instead utilize our strong cash generation and robust balance sheet to accelerate growth.

In slide 20, we highlight the potential that we see for the overall category growth and also the potential for online to take a larger share of the category, given how suitable the characteristics of this category is for online. We also reiterate our market-leading position in all of our key markets.

Moving along to slide 21, touching upon our current trading. We continue to see growth in nicotine pouches driven by consumer demand and regulatory support. We continue to see intense competition from all of the global manufacturers and many credible small manufacturers due to the potential of the category. And this has led to the launches of new and exciting brands and strong consumer-relevant innovations.

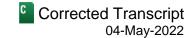
So far, we have no direct or indirect exposure to the war in the Ukraine. However, we do see ourselves very well-positioned for uncertain times. In previous cycles of contraction in consumer spending, nicotine consumption has remained resilient. However, consumers have been known to down-trade to less expensive nicotine categories. And nicotine pouches are well-positioned for this, because due to the harm-reduced nature of this category, there is little or no punitive taxes on the category, which means that they are sold to the consumer at a fraction of the price of a packet of cigarettes.

We also believe that in the event of a contraction in consumer spending, consumers will become more aware of the price advantages of buying nicotine pouches online. Regarding inflation, so far, we have not seen any abnormal price increases from our product suppliers. This may be due to a combination of a nature of the component costs going into the products not being that subject to inflation, but also the relatively high product margins which are available to the manufacturers.

However, we have seen an increase in some of our fulfillment costs, particularly within shipping, but these costs relate to significantly less than 10% of our overall revenue and any extra costs that we experienced will be passed on to consumers.

We continue to see strong performance in our nicotine pouch growth. In Sweden, our share of nicotine pouches continues to grow. In Norway, the activities which we initiated in the latter part of 2021 are gaining traction. And we see strong, consistent growth in the US, Germany and the UK.

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We will continue with our existing proposition to consumers hinged around a broad assortment, convenient delivery and good prices. Our platforms continue to play a pivotal role in the launch of new brands, with almost one-third of our current sales of nicotine pouches coming from products which were not on the market one year ago.

We will continue to enhance our digital infrastructure, including our storefronts, our age verification, consumer insights and machine learning. This not only enables us to sustain our growth, but also to further release benefits of scale.

As I wrap up, I would like to guide you to slide 22 and just sort of a recap on our overall business here. One, there is over 1 billion smokers in the world, many of whom are looking for a safer alternative, and nicotine pouches is the fastest-growing category within this space. There are many dynamics around this category which makes it perfect for online, including it being not particularly heavy or bulky, having a high repeat purchase pattern and extremely low return levels.

We are the undisputed global online market leader where we are roughly 10 times the size, maybe a little bit more, of the second largest player. Our symbiotic relationship with suppliers, in addition to being the partner for choice for new launches, we are also the largest provider of consumer insights to them. We continue to welcome the proposal of the regulation, and as we touched upon within Sweden, we often benefit from this regulation.

Our unit economics continue to improve as we scale, and this is already evident within our Core markets, and we have a highly-engaged management team and core competencies across both the nicotine industry and ecommerce. So with that, I would like to pass back over to the operator for any questions.

### QUESTION AND ANSWER SECTION

**Operator**: Thank you. [Operator Instructions] Our first question comes from Niklas Ekman from Carnegie. Please go ahead, your line is now open.

#### Niklas Ekman

Analyst, Carnegie Investment Bank AB

Thank you. Yes, I have a couple of questions. Firstly, on Norway, are you seeing any signs of price competition easing in that market? And you mentioned here that you have a couple of initiatives here that have started to show, but are you expecting headwinds throughout 2022? And I'm thinking particularly here about the borders having reopened, do you see any chance of growth being restored sometime in 2022 in Norway?

#### Gavin O'Dowd

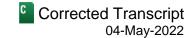
Chief Executive Officer, Haypp Group AB

Yeah. Hi, Niklas, good morning. So regarding Norway, what we can see is that we have – actually have returned to growth. So Q1 is showing strong – is showing growth versus Q4 and reasonable growth versus Q4 within Norway. What we can see is that Norway's a – the dynamics within Norway have altered radically within Q1 with, as you say, the borders reopening, but also the duty free from the airports starting to become a much larger share of the market, returning back towards their previous trends where it was a significant share of the market as well.

We're really happy to have been able to grow Q1 versus Q4 bearing in mind that domestic sales within Norway has contracted significantly during the quarter because of those two factors. So we consider ourselves to be quite



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well positioned within it. Regarding competitor pricing, we have seen a marginal easing of that, but it's very difficult to predict. It's still very much in its infancy, it's very difficult to predict how the pricing landscape within Norway will manifest over the coming quarters.

But we are very happy with having turned the corner during Q1 and seeing sequential growth coming through in, like I say, what has been a difficult environment for all nicotine pouch and snus retailers in Norway, either brick-and-mortar or online.

Niklas Ekman

Analyst, Carnegie Investment Bank AB

Thank you. That's very clear. And a second question, you reversed to net cash in this quarter. Do you see this as a temporary factor related to these working capital changes or do you see this as a permanent stage? And if so, what do you expect to use your balance sheet for? You mentioned no plans of dividends any time soon, so what is the M&A agenda like, what kind of targets are you looking for?

**Svante Andersson** 

Chief Financial Officer, Haypp Group AB

Good morning, Niklas, this is Svante speaking. I mean as I have a little bit alluded to in my section, there is the Q – the first quarter of any year is normally a little bit stronger in terms of cash conversion, hence there's a little bit of a – I mean it's slightly, I would say, maybe slightly inflated for the first quarter. And – but we – I mean with that said, I think we, I mean our balance sheet remains very strong with no sort of structural debt on there. And in terms of I think your sort of – what yourself said here, I mean we are planning to keep that sort of dry powder for any sort of M&A opportunities that we sort of come across out there.

Niklas Ekman

Analyst, Carnegie Investment Bank AB

Okay. And is there a significant M&A opportunity and is that – are you looking at the Nordics or are you looking mainly at new Growth markets for M&A?

Gavin O'Dowd

Chief Executive Officer, Haypp Group AB

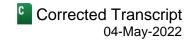
Yeah. So, when it comes to M&A, we have a history, I think we've done four M&As before where we've acquired businesses which are very similar to ourselves either in existing geographies or as a access point to new geographies. At this point in time, we are leaning much more towards new geographies, but again looking for similar models as regards to seeing if there's anything of – anything which we can build in. When it comes to significance, no, there's nothing significant on our radar. I think it's going to be more incremental and an opportunity to create a base to grow in the future in those spaces rather than individual M&As which will change the landscape.

Niklas Ekman

Analyst, Carnegie Investment Bank AB

That's very clear. Thank you. My third question here is regarding the margins here. They finally reversed now after three quarters of margin contraction. Was this, you would say, due to temporary factors or do you expect a continued positive margin trend throughout 2022?

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#### Svante Andersson

Chief Financial Officer, Haypp Group AB

Yeah. I mean I think we – this is very much driven by sort of the gross margin, for instance. The gross margin uplift is very much driven by the fact that we are able to increase our share of nicotine pouches as a share of the total volume of the group, that really – we really have a stronger share of the value chain for that category. Hence, that drives margin for us. And, I mean, assuming that we continue to make progress there, I think you should expect sort of a gradual margin uplift from here as well.

Niklas Ekman

Analyst, Carnegie Investment Bank AB

Very good. Thanks. And finally, just a question on the regulators here. Just an update. You mentioned a positive view on harm reduction. Which market, in particular, are you seeing amicable regulation and where are you seeing the most pushback on the regulatory front towards nicotine pouches?

Gavin O'Dowd

Chief Executive Officer, Haypp Group AB

I think from we caught up last, Niklas, probably the space where we're seeing most clarity manifesting is actually in our home market here in Sweden, where we expect some regulation to be coming out in the coming months. And that regulation is going to be touching – it's bringing the base principle of harm reduction to the core of the regulation.

The regulation itself is going to touch on three specific areas. The first area is going to be the ability to market these products, where the products are going to become – just bear in mind – we need to bear in mind here that nicotine pouches in Sweden today are completely unregulated. So it will introduce a degree of marketing restrictions, not quite as tight as snus, but quite similar to it. So there would be much more restrictions regarding what people can do around social media, for example.

We welcome this. We haven't used social media as a marketing tool anyway because we've always struggled with the ability to guarantee that it was always adults that we're reaching out to.

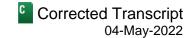
So we welcome this in and we also recognize that this also has a strong economic benefit to us, where the value of our marketing capabilities and our platforms becomes even more important in a market where there's less marketing opportunities in other channels.

And the second piece becoming true, which is really strong in Sweden as well is they're introducing strong age verification requirements. Now, we've always ran with robust age verification, irrespective of whether people were buying snus or nicotine pouches. So this is something which we had implemented from the outset.

And the last piece which is coming in on this regulation as well is that it paves the way for product standards and nicotine caps. And again, we've always sustained product standards and nicotine caps, particularly on nicotine pouches, from the outset. And we send all of our products off to be independently tested before we will offer them to our consumers to ensure that they are safe. So, again, this space is something which we've already self-imposed. So regulation like this is bringing the rest of the market up to our level.

And I think where the big thing coming out of this one for Sweden, what's the real positive out of it is the precedent that it sets for TPD3 in the EU. And I think Sweden being the largest nicotine pouch producer or the largest nicotine pouch consumer market so far in Europe, I think it creates very strong precedent at an EU level

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and the industry, in general, are extremely happy with this balanced approach that the regulators are taking and keeping that principle of harm reduction.

Niklas Ekman

Analyst, Carnegie Investment Bank AB

Thank you for a long and good answer. Those were all my questions. Thank you so much.

Gavin O'Dowd

Chief Executive Officer, Haypp Group AB

Thank you, Niklas.

**Operator**: Thank you. [Operator Instructions] Our next question comes from Andreas Lundberg from SEB. Please go ahead. Your line is open.

**Andreas Lundberg** 

Analyst, Skandinaviska Enskilda Banken AB

Thank you and good morning, guys. Starting with your Growth markets where you invest, I think you touched upon, that's more on the gross margin level versus the OpEx side. Could you maybe give more color on that, is it your pricing or what is it?

Svante Andersson

Chief Financial Officer, Haypp Group AB

Yeah. Good morning, Andreas. This is Svante. And I think you're right. The gross margin was lower in our Growth markets versus last year, and that's pretty much various types of offers, campaign investments that we do in order to acquire customers, so within these markets. And we're still very much in a growth stage here and we're trying out a lot of different things, and pretty much prioritizing growth here over profitability. And hence why gross margin is down.

Andreas Lundberg

Analyst, Skandinaviska Enskilda Banken AB

Is it more to retain customers or attract completely new ones or is it...

**Svante Andersson** 

Chief Financial Officer, Haypp Group AB

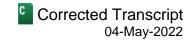
So we invest in both. I mean when it comes to sort of – we do commercial offers to attract new customers. But unless, I mean that we also have communicated here earlier, we're setting up new warehouses in order to improve on convenience, which tends to drive higher retention. So we're investing on both sort of the retention space and the acquisition of new customers space.

Gavin O'Dowd

Chief Executive Officer, Haypp Group AB

And around that one, Andreas, the setting up of the new warehouses means that the economies of scale within the warehouses do reduce until we reach new levels of our volume. And I think that's one of the large investments you can see coming through here and that's very much hinged around continuing to increase our retention rates.

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### Andreas Lundberg

Analyst, Skandinaviska Enskilda Banken AB

Right, thank you. And your overall gross margin, on group gross margin, I think you talked about higher share in nicotine pouches as the key driver of the sequential improvement. Was that the case or was there anything else?

#### Svante Andersson

Chief Financial Officer, Haypp Group AB

Yeah. No, I think – I mean the key driver of the improvement is, first of all, mostly coming from the – and then I talked about the improvement versus Q4 that's coming from our Core markets. And I mean what we're seeing is that within nicotine pouches, we are – we have generally higher margins and that's, of course, driven by the fact that manufacturers are more willing to invest and sponsor different types of initiatives around those – that category. So within – over time, with an increasing nicotine pouch share of volume, we expect gross margin to lift as well.

### Andreas Lundberg

Analyst, Skandinaviska Enskilda Banken AB

Thank you. And then on the outlook or the more uncertain times you touched upon, Gavin, will you do anything extra to support your own selling? You said you will pass on potentially higher shipping costs. The risk there is your current price advantages could disappear.

#### Gavin O'Dowd

Chief Executive Officer, Haypp Group AB

No, [indiscernible] (00:30:56). It's more about setting a principle that if any costs come in, we will pass them on. However, we haven't seen any material costs so far. I talked about shipping but, of course, shipping is a very small percentage of our total cost base. So I don't envisage actually that we're facing – that we have – that in the foreseeable future we will struggle to keep our current price gaps and price positioning within the market. I think that's going to be very sustainable, and we're seeing – we've been seeing no challenges around that during Q1 nor do we see any challenges of it to-date going into Q2 either or any indications of it.

#### Andreas Lundberg

Analyst, Skandinaviska Enskilda Banken AB

Okay. Thank you. And a last one, a follow-up on the cash flow or working capital, the difference versus last year, that's my question. You said you see that we'll have some positives in the first quarter. What's the difference versus last year in Q1? Thank you.

### **Svante Andersson**

Chief Financial Officer, Haypp Group AB

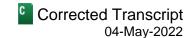
Yeah. It's actually a Q – sort of the period around year end, so around December, January, and to a certain extent, February perhaps which are the periods when those sort of supplier agreements and compensations are settled. And I think between years then there could be sort of timing issues if some sort of settlement land in December and others in January, February. So I think last year, it was more – or sort of if you go to – back to 2020, I think the cash outflow was very strong in Q4 rather than in Q1 2021. So that was just a case of payment landing sort of on the – on one side of the year end rather than the other.

### **Andreas Lundberg**

Analyst, Skandinaviska Enskilda Banken AB



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Okay. Got it. Thank you so much.

#### **Svante Andersson**

Chief Financial Officer, Haypp Group AB

Thank you, Andreas.

Thank you, Andreas.

**Operator**: Thank you. There appear to be no further questions. I'll return the conference back to you, speakers.

### Gavin O'Dowd

Chief Executive Officer, Haypp Group AB

Thank you all very much. I look forward to catching you all for our Q2 update during the summer. Thank you.

### **Svante Andersson**

Chief Financial Officer, Haypp Group AB

Thank you.

### Gavin O'Dowd

Chief Executive Officer, Haypp Group AB

Have a great day.

**Operator**: Thank you. This does conclude today's conference call. Thank you, all, for attending. You may now disconnect your lines.

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