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01 April 2022



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PRESENTATION

00:02 Operator

Dear ladies and gentlemen, welcome to the conference call of HomeToGo SE. At our customer's request, this conference will be recorded. As a reminder, all participants will be in a listen-only mode. After the presentation, there will be an opportunity to ask questions. If any participant has difficulties during the conference, please press * followed by 0 on your telephone for operator assistance. May I now hand you over to Patrick Andrae, who will lead you through this conference? Please go ahead, sir.

00:35 Patrick Andrae

Thank you, and welcome. And thank you all for joining our call today. Before we start, let me first address two very important points. First, obviously, it's difficult to announce such business updates when war continues to ravish the Ukraine. We reiterate that we stand in solidarity with the people of Ukraine, and hope, obviously, for a resolution as soon as possible there. Secondly, I also want to point out, to thank all our teams for the great passion and dedication they have put into their work over the last year, especially to make our public listing in September 2021 such a success.

Looking back at 2021, we are particularly pleased to report that we were able to combine significant progress on our strategic agenda with strong financial results. Our business model has again demonstrated its resilience in a year characterized by industry-wide challenges as a result of lockdown measures, particularly in the first half of 2021. I would like to call out some of the highlights for you now that we encountered in 2021. 2021 marks an outstanding you know history. Not only were we the first European tech company to successfully list on the Frankfurt Stock Exchange in September, but we also delivered on our strategy. We remained focused on our goal of connecting travelers and supply partners around the world to make incredible homes easily accessible to everyone. This is reflected in the around 50 million visits in peak months across our domains to access the more than 15 million listings of more than 31,000 trusted partners on our marketplace.

In 2021, we were also able to significantly increase the share of our onsite business to 44% of our booking revenues, which represents a year-over-year increase of almost 50%. If just looking at quarter four last year alone, our onsite booking revenues increased more than threefold. And through this, we have also proven that we can grow despite a challenging year for the travel industry. Booking revenues grew by 41%. IFRS revenues advance by 44% year over year, especially remarkable, as we were very stable in 2020-2019, in particular compared to the negative effects we've seen throughout the rest of the travel industry. And 2021 has been very successful overall, delivering ahead of our initial guidance from €88 million IFRS revenues by almost 20%. So we were able to deliver exceptionally strong finish to the year, growing booking revenues in quarter four even by 111% or IFRS revenues by 142% year over year.

Also, the bottom line was a success. While we doubled down on customer acquisition and retention, we were able to deliver profitability ahead of our expectations. During this year, we also further strengthened our balance sheet, successfully raising the €250 million in capital through our SPAC IPO and PIPE financing. Going forward, this will allow us to further accelerate our strategy and to invest in both new technologies and strategic growth. Last but not least, you might have already read it this morning in the news, we were able to strengthen our ecosystem through today's announcement that we have acquired e-domizil GmbH, which will be highly accretive to our marketplace business model. Specifically, if you look into terms of our onsite growth goals, as the inventory is 100% onsite and they are profitable business.

Coming to our business and strategy updates, let me remind you quickly of our vision. We aim to make incredible homes easily accessible to everyone. What does it mean? As an outcome, the idea is simple and can be seen as two key goals in terms of how we think about our customers – on one side, the traveler; on the other side, our supply partners. For travelers, we want to create an incredible experience, be the go-to, the first destination they think of whenever they want



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to book a vacation rental. For our partners, we are focused on advancing new technology solutions around our marketplace. to become the industry's operating system and to enable growth for the entire alternative accommodation industry.

And what does this alternative accommodation market look like in terms of the opportunity? At our analysts' day back in October and during our PIPE IPO roadshow, we talked about the immense market opportunity ahead of us. The market for accommodation is forecasted to grow to €1.7 trillion in the next decade. This underlines how much growth leeway we have ahead of us. Since the onset of the pandemic in March 2020, the past two years have shown us two important insights. First, the COVID pandemic was an acceleration of a long-term trend. As alternative accommodation vacation rentals were, already prior to COVID-19, the fastest growing vertical in travel, now it has been established as a new [guidance?]. Lockdowns and restrictions, more and more travelers opting to socially distance themselves, new use case of remote workers taking vacations in sunny villages to escape the winter months... And this altogether was just the start because we expect these structural shifts are here to stay as more and more of these travelers get educated or got educated about these advantages and different use cases of alternative accommodation and vacation rentals.

Secondly, our HomeToGo platform was exactly the right move to anticipate this. Our platform is equipped to play an important role in the entire alternative accommodation market. And that's for both sides of the market: the travelers and the supply part, especially as we are accelerating and enabling OTAs, property managers, and other partners to connect with travelers on our marketplace and profit from our broadening technology solutions in our platform. So we have proven that we are resilient We can execute on our targets, we can scale our business and technology infrastructure, and we have the right strategy that is directly aligned with the future of the industry.

So this makes us aim high. Our goal is to scale our business to more than €1 billion in booking revenues by 2028–2029, growing HomeToGo almost tenfold versus 2021 levels. This means we will grow our business at a CAGR of 30% to 35% between 2021 and 2028–2029. This would also be the equivalent to GDV at this time of around €8 billion to 10 billion, or a market share of around 0.5% of the overall accommodation market. To enable this ambitious growth trajectory, we aim for several goals. First, we want to grow multiple times faster than the overall market for alternative accommodation in our core markets, and therefore, we continue to invest into our onsite business, which drives high take rates and more loyal customers with higher customer lifetime value to HomeToGo. These higher take rates and higher repeat business will enable us to invest even more into marketing, while improving our profitability.

Secondly, we will manage our US business more actively in the future, especially in regards to supply. For the sake of long-term growth opportunity in the US, we are now willing to invest. What does that mean? We are realistic that growth and profitability might not move drastically in the short term in the US, but we are now laying the foundation for faster and more efficient scaling of our US business in the years beyond, targeting onsite growth with successful learnings from Europe.

Third, we will focus on strategic M&A to enhance and accelerate our global growth and strategy. And fourth, we will also scale our subscription services and business, leveraging new technology solutions for the alternative accommodation system. So, to us, the growth outlook is very exciting for the whole team at HomeToGo, and it underlines we are just getting started.

In the last 12 months, we have delivered towards our ambition and our targets. So we have grown our site traffic, delivering towards becoming the go-to destination for vacation rentals. Visits grew by almost 20% in a single year. We have also achieved our financial growth targets: more than 50% in booking revenue growth, to €124 million year over year, and reflecting these is €40 million in booking revenues, which is by far the highest absolute growth in any year thus far. App and mobile booking revenues grew 60% year over year to €50 million, now accountable for around 40% of our booking revenues. So we are really proud of these results and of our entire team.

In order to progress towards our vision, we are focusing on three key strategic areas. Our first key lever: our travelers. We want to create an unparalleled experience to drive return demand. How do we do that? We are building an even more



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attractive customer experience for our strongest customer relationships. And we will measure that by health of our cohorts [?], share of wallet, or basket size, and the resulting customer lifetime value. Our second key lever: our supply partners. We will fully utilize the potential of our existing supply of significantly more than 50 million offers. We will also continue to grow separate footprint and scale our diversified supply. And this is done through both our business development initiatives with our current partners but as well through targeted M&A.

Our third strategic key lever are our technology solutions. So we will keep developing new solutions to enable growth of or partners and the entire alternative accommodation industry, to become the industry's operating system, while at the same time, we will further roll out and monetize our existing solutions that we have already on the market. These three priorities are meant to speed up our strategic, highly scalable flywheel.

So let me dive a bit more in these three areas in the next slides. Our ambition is to become the brand that consumers naturally gravitate to for all of their vacation rental planning. So we aim to be the go-to, trusted app and website to find and book the perfect rental for any trip. And basically, if you ask how do we want to get there and claim this position, it's simple. First, we aim to have the most extensive and curated inventory of vacation rentals. As most of you know, already today we have the largest collection of vacation rentals. But ultimately travelers need to think, when a vacation rental is not available on HomeToGo, it probably does not exist. No point in looking somewhere else. Secondly, the experience is tailored exactly to you, the traveler. So we have filters, features to make it exactly what you want, whether you're traveling with pets searching for villa in a faraway tropical escape, or seeking a remote getaway nearby. It is your personal gateway to the entire most comprehensive world of vacation rentals. Your HomeToGo... relax, spend time with your family, adventure, work from [anywhere], and so on, basically accomplishing whatever your use case is. And last but not least, we are aiming to be the most convenient way to book vacation rentals, with trusted checkout and payment options and more innovations to come.

And we already see it happening. Our customers enjoy the world's largest collection of vacation rentals, with more than 50 million offers. But even more importantly, travelers know us and visit us more frequently. Already today, we have around 50 million monthly visits in our peak months. In order to make it even more valuable for our travelers to visit HomeToGo and its brands, we continuously drive innovations to make the experience smart and even more personalized. By way of example, we run more than 100 AV tests simultaneously to improve the user experience along every stage of our travelers' booking journey, and new features due to that are being rolled out basically every week. These figures clearly demonstrate the progress in our multi-year growth journey.

Our second strategic initiative is our supply. Here, the goal is to make more of our business directly onsite on our platform, where the traveler searches, books, and pays for a rental entirely on HomeToGo, without clicking onto a partner. This is our onsite business. And this is a journey that we have been on for several years. And last year, we were able to significantly accelerate our progress here. In 2021, more than 44% of our booking revenues, excluding subscription and service revenues, were generated from partner listings directly onsite on our platform. That means share of onsite grew by 13%, from 31% in 2020. In absolute terms, onsite booking revenues increased by 116% year over year, and even 2.5 times versus 2019.

We saw this tremendous progress across two dimensions, basically. First of all, onsite. And that is a success story since we first started it. So we are continuously driving uptake rates and customer attention. And it now forms the basis for increasing share of repeat customers, which has a 5X higher profitability, and therefore a high customer lifetime value. Due to that, we are now investing further into onsite. While the US business still has a ways to go, our start of focusing on the US onsite led to tripling the onsite share in the past 12 months, which helps advance our overall onsite share as well. And, as mentioned previously, seeing the first positive results in the US market, combined with the success of our investments in the DACH and European region brought last year, we are willing to invest in our US business to sustainably and rapidly scale our business and enjoy the connected benefits down the road.



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The second dimension is a constant enhancement to our digital experience, to invite even more partners to list the office directly onsite, enjoying improved conversion and growth, like we showed you also in the last year, with partners having 60 times their revenues after a few years from joining our onsite business. As a result, we saw that 100% of the last 259 newly signed partners signed to join our platform onsite, with an average take rate of 13.9%. At the same time, we retained 100% of our top 50 onsite partners. I think this clearly demonstrates the success of our platform and the onsite business.

The third strategic initiative I would like to highlight are our tech solutions for our ecosystem. The alternative accommodation market is a large and highly fragmented market with a strong desire for advanced capabilities. With our subscription and services, we are developing tools that can be a great help for suppliers to tackle the challenges and scale their own business. Firstly, with our marketplace, we give access to a huge market and demand. Second, we observe that our partners are more and more looking for capabilities around text data marketing, and even supply, to complement their business. Therefore we offer a wealth of features in infrastructure. And specifically for homeowners, we already provide a Shopify-like, convenient, all-in-one solution with the possibility to manage listings, and syncing them, especially around availabilities and prices, over multiple rental platforms. And this is a service that also helps the partners in rental platforms like Airbnb, booking.com, or VRBO, amongst others, to get more accurate availability and prices, as well as easier access to supply. Looking ahead, we aim to allow more of our technology solutions to be accessible even outside of our marketplace, as a service for third parties. And this, highly adaptable and flexible, meaning we will be able to tailor the solution depending on each partner's specific strategy. Once this scales, we aim to be the industry's operating system with a marketplace in its center, fueling growth for the entire alternative accommodation ecosystem. And what does it mean financially? In 2021, revenues from subscription services represented 9% of our IFRS revenues.

So we have a strong balance sheet, and we are in a great position to invest, to drive €1 billion in booking revenues by 2028–2029. Our advantages are unique and highly scalable. On the traveler side, we have a strong reach as a frequently visited platform. And we will further invest into acquiring more travelers as customers and building deeper relationships with them through investments in our proposition. On the supply partner side, we have an unmatched access to vacation rentals from OTAs, property managers, and other partners. This choice is ultimately built on our trust-based relationships, and we will continue to invest here. The base of our platform is scaling our underlying tech abilities and infrastructure. 50% of our team works across product and technology and is narrowly focused on driving new tech innovations with data to solve the current challenges in alternative accommodation. And they are manifold, as elaborated on the previous slides. If you sum it up, our competitive advantages are powerful, highly scalable, and we have a great track record of further investing into these assets, and while we focus on organic investments we seek to support through targeted M&As.

Regarding M&A, I'm pleased to announce the acquisition of e-domizil GmbH. e-domizil has already been one of our core and trusted partners for a long time. This includes the vacation rental brands e-domizil, tourist-online.de, BELLEVUE Ferienhaus, and atraveo, which also runs TUI Villas. As such, e-domizil has a leading presence in Europe, Germany, and Switzerland, as well as attractive holiday hotspots, combined with a wealth of history and experience of working directly with property managers, actually for more than 20 years.

We are convinced that e-domizil, with more than 370,000 offers and localized domains in 14 countries, will be highly accretive to HomeToGo. e-domizil has a sizeable scale, with €200 million in GBV in 2021, and generated more than €20 million IFRS revenues in this year. With a strong financial performance, we believe it has the potential to sustain this performance beyond 2022. More importantly, the acquisition resonates very well with our own strategy, as e-domizil runs an entirely onsite business, and operating at above HomeToGo's average take rate while being profitable. Therefore, it strongly contributes to our path to break even within the next two years. The team at e-domizil has more than 20 years' experience, especially of working directly with property managers, who will now be able to benefit, along our journey together, from our global reach and technology services. So, to sum it up, we are very, very excited to welcome the e-domizil team to the HomeToGo group, to drive innovation and form new synergies together. And this concludes our strategy and business update. And I would now hand over to our CFO, Steffen. He will guide you through our financial performance updates. Thank you.



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23:00 Steffen Schneider

Thank you, Patrick. And welcome, everybody. Very happy to be here. Also, as I will now go through the numbers, just to let you know, we will upload the presentation after this call. So in case you're missing something, don't you worry about it. Looking back at 2021, we are particularly pleased to report that we were able to combine significant progress on our strategic agenda with strong financial results. It was a remarkable year. And with consumers increasingly choosing alternative accommodation of other options, our business model has proven again to be highly resilient, like we already did in 2020, resulting in strong growth despite an overall challenging year for the traditional travel industry. Demand for alternative accommodation remained strong throughout 2021, and this mirrors well in our financials. But let's have a deeper look at our top line.

Group top line growth was strong, with gross booking value or GDV growing by 15% in 2021 to more than €1.4 billion. Going forward, we will split total GBV in GBV from CPA, both onsite and offsite, where we know exactly the GBV, and GBV from others, mainly CPC or cost per click, where we continue to estimate the gross booking value, like we did for many years. So we are not changing anything. This distinction, however, is important when we talk about the take rate in the next few slides. Looking at GBV from CPA, I would like to emphasize that we were able to grow it faster by 29% year over year, exceeding the €1 billion mark for the first time, and reaching more than €1.1 billion. Going forward, we will move away from providing guidance on GBV. However, we will regularly update on the achieved actions.

Looking closer at Q4 in particular, we see an exceptionally strong development of more than 53% GBV growth overall, when compared to 2020. The average basket size continued to increase year over year as people were upgrading their holidays due to lack of travel, or taking vacations, and therefore positively contributed to gross booking value growth. The increase in basket size is particularly driven by an increase in length of stay compared to 2020 of around 8%, as travelers tend to take longer holidays to do vacations, as well as an average daily rate, or ADR, growth of 15% year over year as a result of general increases in prices as well as the destination mix effect, due to the relatively high share of missed bookings. As you know, US customers are the ones with the highest basket size. In line with this development, take rates continued on its positive trend, reaching 8.4% in 2021, significantly ahead of our guidance, which was more than 7.2%. And this increased onsite business and increased cost per click.

As described when we looked at estimated GBV from others, mainly cost per click, the flip side of a relatively low GBV is a high take rate, as can be seen in the second half of 2021. That take rate from others is the dotted purple line. And as you can see, it's above 10% and is more in line with our onsite take rate. Looking at it from a different point of view, so for example, applying a take rate of 5% on all these cost-per-click revenues, which we will compare to a 6.25% CPA offsite take rate, which is around in the middle of the offsite take rate – due to the lack of cancellation risk, which you don't have with CPC – we would have an additional gross booking value of €200 million, and the overall take rate would still be 7.4%, so still ahead of guidance. And this would fully reflect the higher shift towards onsite. For 2022 we expect the positive take rate trend to continue, really driven by onsite, and as already mentioned before, the last 250 partners who signed up to our onsite platform have an average take rate of 13.9%. So we're making huge progress on this one.

So as said, booking revenues in 2021 amounted to €124 million, representing an increase of 51%. This growth was primarily driven by our strong onsite business. Onsite generated, for the first time ever, more booking revenues than our offsite business. This is an achievement we are all very proud of. Subscription and services also grew very strongly, increasing by 60% year over year. In Q4, we were able to continue on this positive way, with booking revenues amounting to more than €23 million, which is more than 100% growth year over year. In addition, I would like to emphasize that we were able to accelerate our growth in the final quarter of the year when compared on a two-year basis to Q4 2019, which was, as you know, the last real quarter before COVID hit us.



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Since we already mentioned that we are progressing very well on all core growth dimensions, I will keep it very short at this point. Onsite share is increasing both in Europe as well as North America. In 2021, onsite bookings almost doubled. And in the US, while still we have a long way to go, we are well on track, and it's one of our key initiatives for 2022.

Looking at IFRS revenues, the strong performance in 2021 is also reflected in the IFRS revenues, which amounted to €95 million – well above our initial guidance of €80 million year over year during our PIPE roadshow as well as the revised guidance of €85 million to €90 million. Similar to booking revenues, IFRS revenues advanced by far its largest ever absolute year-on-year increase. Looking at the performance of Q4 '21, we had a strong finish, and IFRS revenues amounted to more than €21 million, with a growth of more than 140%.

Let's now take a look at our profitability. We ended the year at negative -€21 million in terms of adjusted EBITDA. This represents a decrease of roughly €20 million year on year, as we deliberately ramped up our marketing investments to capture the full demand protection. As you know from our earlier calls, in particular, we spent more than €11 million to attract onsite customers that we can move easily, convert into our app and CRM, and therefore have higher customer lifetime values. As Patrick has shown in this part earlier on, the app is an important tool for all our bookings. These investments already paid off in 2021, with higher take rates and booking revenues, and it will continue to pay off over the next few years, as these onsite customers are significantly more efficient to retarget, and repeat customers are significantly more profitable. We will continue to invest in 2022, and I will come to that later in the outlook. While profitability for the full year was below the prior year, it came in ahead of expectations on the back of a better than anticipated top line development. Looking at Q4, it should be noted that our profit margin Q4 actually improved compared to prior year levels, despite these additional investments.

Let me now give you a little bit more color on our top line development, the gross group level profitability. Gross margin decreased marginally by 0.4% year on year due to higher expenses for hosting and higher amortization of self-developed software, partly also arising from the additional amortization of the fair value step-up from the acquisition of Smoobu, which is our SaaS business. Secondly, our sales and marketing cost ratio increased by 22% year on year, as we stepped up our customer acquisition and engagement investments, supported by our ROI-based marketing approach, to capture the full demand opportunity. Please also note that we have an all-time low in marketing cost ratio recorded in 2020 as a result of our initial crisis response. And that's very important for us to stress that point: we can act very fast. When we need to cut costs, we can do that really fast. When comparing our marketing cost ratio versus 2019, we were able to improve. Looking at the product development operating cost, it continued to improve year over year as a result of operating leverage and scale effects. Last but not least, admin decreased marginally as a result of a hiring push, growing our team to over 400 employees globally.

When looking at Q4, we saw a complete reversal of the heavily impacted Q4 '20 performance, which is well reflected in the positive cost line development. Before we move on, let me briefly use the opportunity to comment on the development of our net income as well. In 2021, the group incurred a consolidated net loss of -€167 million, compared to -€24 million in 2020. The decrease compared to the previous period is largely related to the listing service expense of €70 million in non-recurring consulting expenses that were occurred as part of the business combination with Lakestar SPAC I in 2021 of around €12 million, as well as share-based compensation of €32 million.

As we conclude this section on our annual and quarterly financial status, take a look at the development of our liquidity position. During Q4, we reported a negative free cash flow of €47 million, mainly due to an outflow of taxes and social contributions from the old HomeToGo virtual share program, which became due to the completion of the business combination. Thanks to the cash injection from the DE-SPAC and PIPE financing of €250 million, our cash balance at the end of 2021 amounted to €153 million. In addition, €100 million has been parked in a money market fund to avoid negative interest rates. Although the money is accessible within two days, it is shown on the 'Other Financial Assets' in the balance sheet, as well as 'Investments' in the cash flow statement. So if you might wonder where's all the money, it's the way we have to present it in our balance sheet and cash flow statement, but it's liquid and we can get it very fast. We are truly thankful to all our investors who have backed this transaction and have thereby helped to make it a success.



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Let us now turn and look at our outlook. 2022, we expect positive tailwinds to continue, with conditional consumer demand for travel and preference for vacation rental to persist, as pandemic-related restrictions continue to lift. While we stay committed to maintain our strong growth trajectory and to unlock the full value of our marketplace model, and turn profitable in the next few years, we see a big opportunity in 2022 to strengthen our efforts to drive our US onsite business and supply growth. We all have seen this potential for success play out in our European business, where benefits from more direct access to inventory is evidenced by a higher take rate and increased share of repeat customers in particular in the DACH region. In fact, the profitability of a repeat customer is five times higher than that of a new customer. Consequently, we are willing to sacrifice short-term growth and profitability for the sake of our long-term and more quantitative growth opportunity by building out our US onsite business to scale this market faster and more efficiently. Please note that the guidance in the annual report and what you can see here on the slide is before any positive consolidation effect from the acquisition of e-domizil, as outlined by Patrick – the reason being very simple, that the audit was completed yesterday on March 30, and the transaction today on March 31. And therefore, we had to show it on a standalone basis. To specify how this will translate into our financial performance, IFRS revenues on a standalone basis are expected to grow at a rate of 27% to 32%, to more than €120 million. Revenues are forecast to grow at a faster pace than booking revenues during 2022, as a consequence of the mentioned €19 million bookings backlog we have from 2021, which will only be recognized as IFRS revenues in 2022. For profitability, we expect an adjusted EBITDA margin of -29% to -20%, which translates in -35% to -25% in absolute terms.

To put the revenue guidance and the EBITDA guidance into perspective, I'll give you some additional color. The impact of the investment in our onsite business in the US is in the order of magnitude – and I'm talking IFRS revenues here – of €10–15 million, which would have come on top of the guidance you see on the slide. The impact of EBITDA is roughly €10 million. So this is a very conscious decision on our side to make this investment in 2022, as the European markets are very strong. Investing in our DACH market in the same order of magnitude like we did in 2021 in onsite is therefore also to target more repeat customers, as I mentioned, as they are five times more profitable than targeting new customers. Again, a very conscious decision on our side. And we are monitoring both measures and both investments very closely, and their respective returns, as they are key to reach our profitability on a standalone basis. We will update our guidance for the impact of e-domizil in due course. However, you can expect a positive impact on top of what we show there in the low to mid-teens in terms of IFRS revenues, and positive EBITDA.

Before we go into Q&A, let me briefly comment on the current trading for Q1. As you know, it's the last day of the quarter. We have seen a strong start to the year, as consumers want to travel again. In regards to addressing current geopolitical factors, when the war in Ukraine started, we saw a dip in bookings for the first weekend before it returned back to normal levels. But we do not expect to have a big direct impact from the war, as both Ukraine and Russia are not important markets to us in a business sense. It might have an indirect impact in the case of higher energy costs and inflation. We will continue to monitor developments to understand and prepare for possible consequences. And, as shown in 2020 when COVID hit, we can react very quickly and reduce costs to a minimum if necessary. But at this point in time, we look very positively into the future because the trend we see in Q1 so far is this growth is driven by Europe, in particular the DACH and the Dutch market. As such, Q1 will close with the highest booking revenues on record ever, even beating Q2 '21, which was our best quarter ever, based on a very strong onsite business, and to deliver a year-on-year growth of around 35%. Looking at IFRS revenues, we expect a growth of even more than 75% year on year.

In general, we expect to return to more traditional seasonal patterns in terms of booking behavior, with Europeans booking in particular summer holidays earlier, while US customers typically book their holidays later. However, what we also see is that particularly Europeans are already booking for spring holidays, be it Easter holidays, be it the Pentecost holidays. And that, again, gives us a lot of confidence that this will be a very good year for us. Please note again that all members and guidance are excluding any impact from e-domizil. We will update our guidance in due course. That concludes our presentation, and let's go into Q&A.



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Q&A

41:07 Operator

Thank you. Now we will begin our question-and-answer session. If you have a question for our speakers, please dial 0 and 1 on your telephone keypad now to enter the queue. Once your name has been announced, you can ask the question. If you find your question is answered before it is your turn to speak, you can dial 0 and 2 to cancel your question. If you are using speaker equipment today, please lift the handset before making your selection. One moment, please, for the first question.

The first question is from Silvia Cuneo, of Deutsche Bank. Your line is now open.

41:47 Silvia Cuneo

Thank you. Good afternoon, everyone. My first question is about the guidance. Although you are moving on from providing detailed guidance on all metrics, can you please talk a little bit more about the building blocks of the 2022 in your range, in terms of basket, number of bookings, and take rates? Just wondering, what assumptions could bring you closer to the higher end of the range?

Then, second question about the marketing costs. In 2021, you decreased the share of traffic from paid marketing, and that resulted in a lowest cost basis. But overall marketing costs are presented as revenue increase, like you discussed. So can you talk about when to expect key benefits to come through from performance marketing? And what proportion of these each are now coming from the app?

And then finally, just on your supply partners, you talked about the latest partners you added were mostly onsite. Just wondering if you can share a little bit more as to whether these were mostly OTAs, online property managers, or homeowners? And how should the number of partners evolve as you push further in the US? Thank you.

43:14 Steffen Schneider

Hi, Silvia. Thank you. A lot of questions. So let me start, and if I miss anything, I'm not skipping it; I maybe just didn't catch it. So let's start with the guidance. The guidance, the biggest building block will be our onsite business because, as already mentioned, we will see a relatively higher share of our European business. And within the European business, we see a higher share of our DACH business. And as you know, the DACH business is where we have made the biggest progress in terms of onsite. And therefore, our onsite business will, like last year, be the biggest part but we are even increasing that part significantly. The offsite will continue in Europe on a similar level. In the US, it was maybe a little bit go down due to our investment into onsite. So, there, we are expecting a strong growth in the onsite share of the US business, but it will come at an expense of the mentioned €10–15 million revenues from the offsite. Looking at our CPC business, we are expecting that to be again relatively strong. So based on the first month of this year, it continues to be on a very strong growth trajectory. And then the subscription and services business will also continue to grow on a similar level like last year. And this brings you to the full year guidance.

In terms of marketing, we continue to spend on a regular basis, but in particular, there we have, again, the investment into our onsite business, where we will have quite a lot of traffic in order to support our onsite partners and to give them a really good start into working together. That is already working out really well. It is an investment, as we have mentioned. And we also will continue to invest in getting the people into our onsite app and our CRM system. There, you can again, similar to last year, expect that we are spending around €10 million on this one.



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46:06 Patrick Andrae

Then the next question was the partners, I think, that we added. So hi, Silvia. It's Patrick. So the partners that we added. If I understood your question right – please correct me if I'm wrong – you're asking what kind of type we are speaking of, these 250 partners that we added there. And there we are speaking of mainly smaller property managers that we added.

46:42 Operator

The next question is from Volker Bosse of Baader Bank. Your line is now open.

46:30 Volker Bosse

Gentlemen, thanks for taking my question and thanks for providing all the detailed information so far. I would have three questions, starting with your acquisition of e-domizil. Congratulations, good timing to have it ready for today's presentation. However, just for understanding and background, has the inventory of e-domizil already been on HomeToGo? Or is it purely incremental supply which you received here from e-domizil? Or was it partly already included in HomeToGo? To get a feeling here, how does it affect your number of properties on your website?

Second question is regarding your midterm guidance. 2028–2029 €1 billion booking revenue. You did not mention it in the presentation. For any reason? And why did you decide to put out 2028–2029 targets? Today, it's so far away and the world is so full of uncertainties, giving the war, etc. Just curious to get your idea and rationale of doing so. And why did you guide on booking revenues? You are priced on the IFRS revenues and the bookings, but to clarify here would be helpful.

And finally, the third question is, any update on your business relationship to Airbnb? Thank you.

48:30 Steffen Schneider

Hi, Volker. Thank you for your questions. The question around e-domizil. So e-domizil is one of our longest partners that we have on the platform. So the inventory was already active on HomeToGo prior because we partner with them as a partner for a long time. But what is obviously an advantage is that they have relationships with certain partners that we don't have directly or didn't have directly prior. So there will be some incrementality coming from that. And, on top of that, for sure, they will benefit a lot from our technology platform that we will also be using to help bolstering the individual business going forward. But the question in regards to the inventory, it was already prior on HomeToGo, but for sure not all the bookings were delivered by HomeToGo for this inventory.

And your question on why we have put out basically the €1 billion goal for booking revenues by 2028 and 2029 is a very easy one: because we saw from what we have created so far with the company that we have the chance to get there by 2028 and 2029. And we wanted to make sure that, internally and externally, people are focused on this goal. So you might have seen it also in the past with other companies – like Zalando was pulling that out for their overall target. And you see that also, what comes with a booking revenues of €1 billion is roughly a GVV of €8 to €10 billion and a market share of the overall accommodation market of 0.5%. So this is why we think it's important to know, for the market, where we are going and where we are aiming, not only quarter over quarter or year over year, but as a mid- to long-term trajectory.



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50:59 Patrick Andrae

And, to your last question around the business relationship to Airbnb, obviously, we cannot comment on these things at this point in time. But as you see, currently, there's no Airbnb inventory on our platform that is delivered from Airbnb to us. And on the other side, Airbnb is a demand channel partner of our Shopify-like solution for homeowners. So inventory and up to date data, besides the supply, is being channeled to Airbnb on a more or less B2B relationship there, with our software services. But on the consumer platform, Airbnb inventory is currently not to be found.

51:52 Steffen Schneider

Your last question or the third question on the booking revenues, that is, we are expecting booking revenues in the order of €145 million to €150 million in 2022. And the reason why we have only guided officially for IFRS and adjusted EBITDA is that, since we knew that we were expecting to have the acquisition announced today, we wanted to limit the amount of guidance to the necessary amount, and then we'll come back with a revised guidance once we have a better view on e-domizil and the impact for the remaining of this year.

52:42 Volker Bosse

Understood. Got it. Thank you very much. All the best. Thank you.

52:47 Operator

Thank you. The next question is from Wolfgang Specht of Berenberg. Your line is now open.

52:54 Wolfgang Specht

Hello, good afternoon. Three additional ones from my side. First on your cancellation rate, you showed around 20% for the full year, which has gone down to around 16% for Q4. This is more a seasonal pattern, or do you expect the cancellation rate to moderate also in 2022?

Next question is on the inventory, which was around €15 million for October in your report. Can you give us an idea how the year end figure was? And do you expect, let's say, a sizeable decline based on your onsite push in the US market, which maybe scares away some of your offsite partners?

And the last question is on your cash balance of €163 million, and also the €100 million parked in money funds. And I also find €17 million loans. Are there any other sizeable debt provisions I've also got to take in consideration for looking at your net cash balance, or is that?

54:14 Steffen Schneider

Hi Wolfgang. It's Stephen. So on your first question on the cancellation rate, yes, in Q4 the cancellation rate developed really nicely. And that's because also, as you recall, we were very conservative when we provided our initial numbers on January 12. And then, once the check-ins were all processed etc., we could see that the cancellation rate actually improved significantly. We also see this this year. So exactly what we were expecting: that, over time, people get used to COVID



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and the cancellation rate will go back to normal levels. We are still not there on pre-COVID levels, but it's moving into the right direction.

Second question on the inventory, this number is constantly going up and down. As mentioned before, we always keep ourselves a buffer so that we don't have to adjust the inventory number on a constant basis. But the number we had by the end of the year was significantly higher than the €15 million. And even today, we are significantly higher than the €15 million. And we don't expect any issues from our offsite partners. We will continue to deliver them good traffic, as you can also see in terms of our CPC business. So they highly value that. And when we say we invest more towards onsite, then it is really that we could make more immediate revenues if we would shift more towards offsite. However, as we have seen in the DACH region, as we have seen in the rest of Europe, the algorithm always needs to learn a little bit. And this comes with some, I would call it, inefficiencies. Our ranking team would call the differently. And that's why we say we do this investment.

The last question, looking at the cash balance, I assume that you were in the wrong column because the €70 million, the old convertible loans, all have been converted as part of the business combination. So as of now, we only have very limited financial debt on our balance sheet, which is mainly one KfW loan we took out in 2020 and took the money in early 2021, which is still around €8.5 million. Then there's an old loan by Deutsche Bank by €3 million. And then a few more loans, credit lines in our sovereign European brands. But that's all the financial debt we have at the moment, and all the convertibles have been converted to equity as part of the business combination.

57:52 Operator

As a reminder, if you would like to ask a question, please press 0 and 1. As there are no further questions, I hand back to the speakers.

58:07 Patrick Andrae

We are concluding. Thank you everyone for joining our call for the full year. And thank you for all the questions. Happy to see you next time in our quarter one numbers call. Thank you. Have a good day.

58:29 Steffen Schneider

Thank you. Bye.

58:31 Operator

Ladies and gentlemen, thank you for your attendance. This call has been concluded. You may disconnect now.