

A man in a blue suit and light blue tie is standing in a library, looking down at an open book he is holding. He is positioned in front of a tall bookshelf filled with many books. The background is slightly blurred, emphasizing the man and the book.

# Aktiespararna

## *Undiscovered high performers*

Flemming Breinholt, CEO

Dora Brink Clausen, CFO

10 March 2021



---

## Flemming Breinholt

### Group CEO

- Appointed in September 2014
- Previously with InterMail and XPonCard Group with over 20 years experience as a CEO, CEO of listed companies for 12 years



---

## Dora Brink Clausen

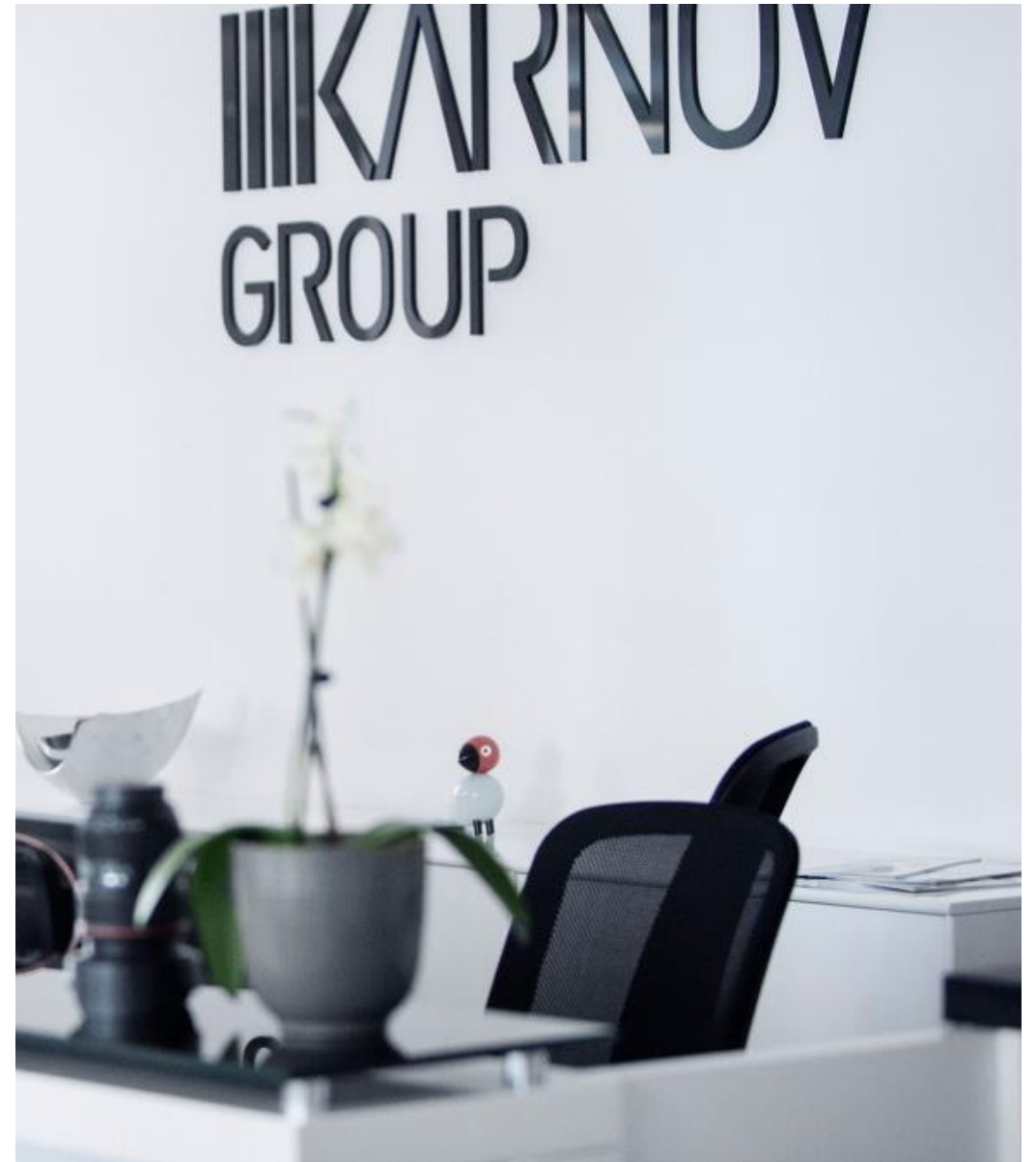
### Group CFO

- Appointed in January 2014
- Previously CFO of Coor Denmark with over 20 years experience in accounting and finance functions

# Agenda

---

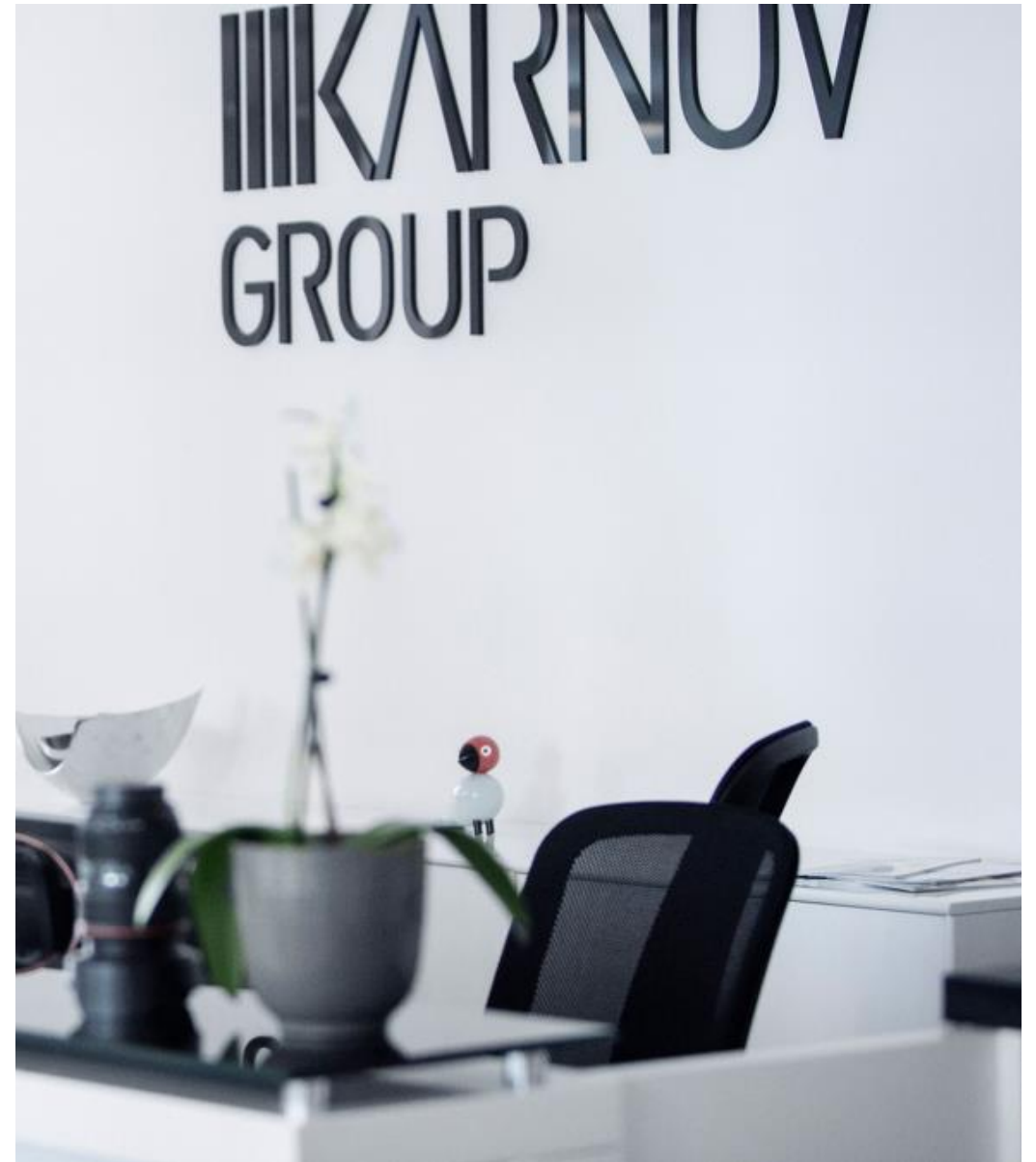
- Business information
  - Growth strategy
    - Financials
    - ESG rating
    - Q&A



# Business information

---

- Leading B2B platform in legal information
  - History of Karnov Group
    - Market size
  - Competitive advantages



# Karnov – The leading B2B platform

For legal and tax professionals in Denmark and Sweden – entering Norway

## PUBLIC CONTENT SOURCES



## PROPRIETARY CONTENT

- >1,500 expert authors
- ~80 in-house editorial staff

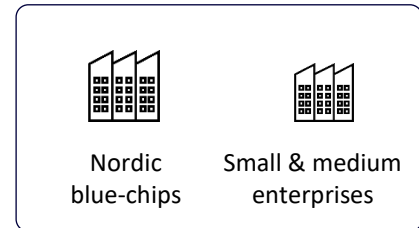
*Enabling users to make better decisions, faster – every day*



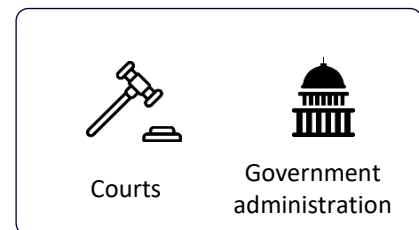
## PRACTITIONERS



## CORPORATE



## PUBLIC

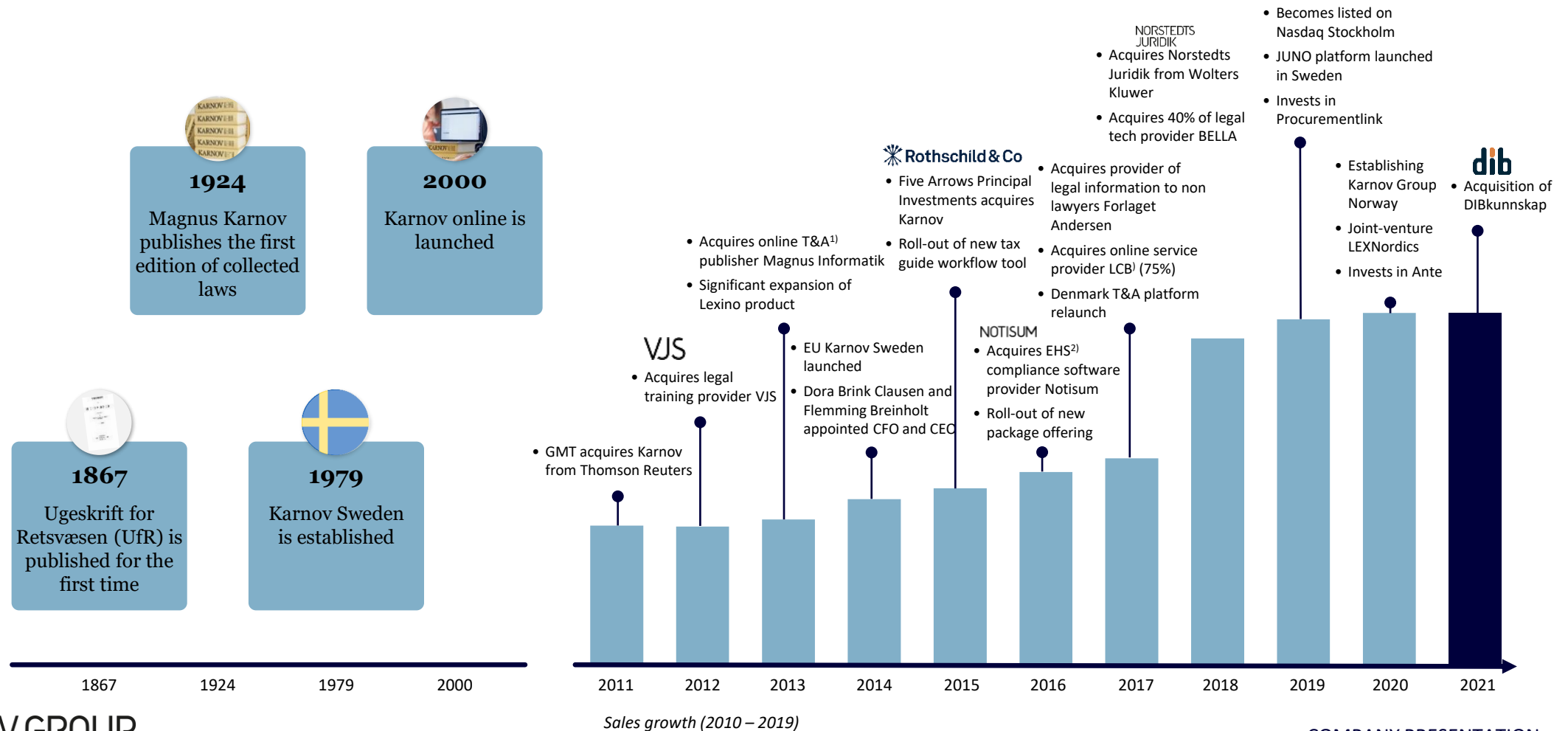




# Karnov milestones – dating back to 1867

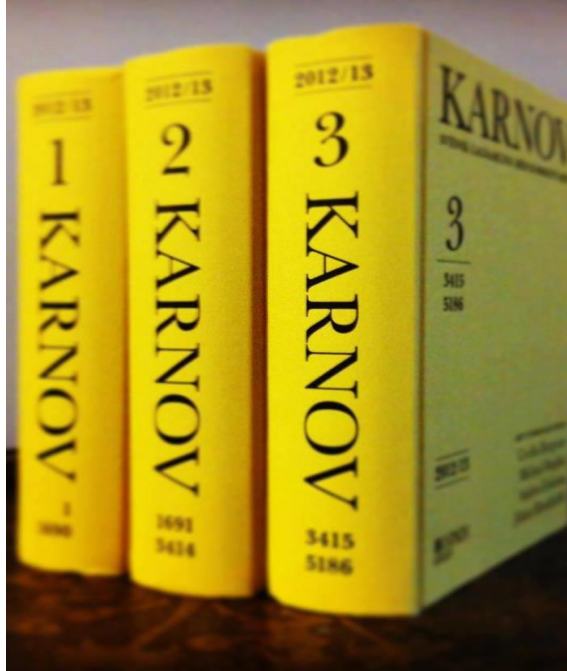
Legacy dating back to 1867

Creating a Scandinavian market champion



# Resilient business with high visibility provided by must-have nature

## Competitive advantages



**Mission critical service**

**Strong integration**

into core value-generating workflows for legal and tax professionals

**High NPS score**

Net Promoter Score of 54 for Karnov DK

**Low annual churn**

on online products (3% in 2020)

**Yearly value creation**

Key user  
benefits

✓  
*Find what  
you need*

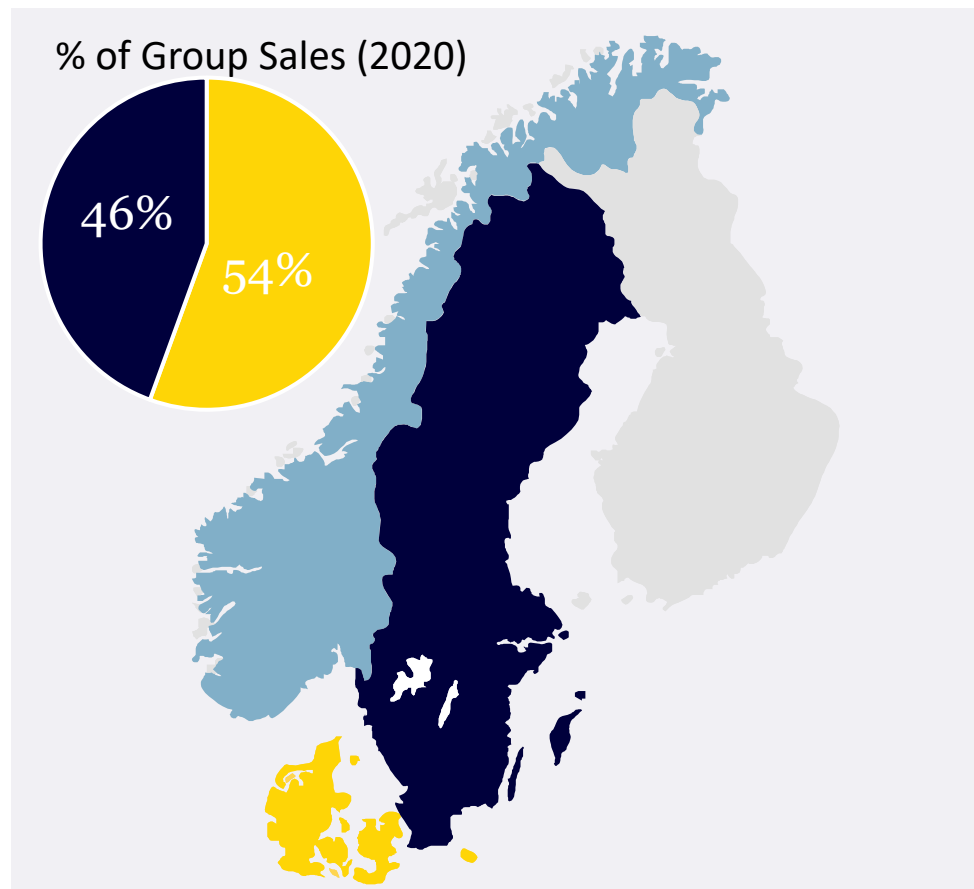
✓  
*Trust what  
you find*

✓  
*Do it  
quickly*

***Better decisions,  
faster***

# Market leading position in Denmark and Sweden

## Market overview



Total addressable market  
SEK 1,500m

Market growth  
(2018E-21E)  
2.4%

Market leader in Denmark and  
Sweden.

### CUSTOMERS



Law firms



Corporates



Gov. admin



Courts



T&A firms

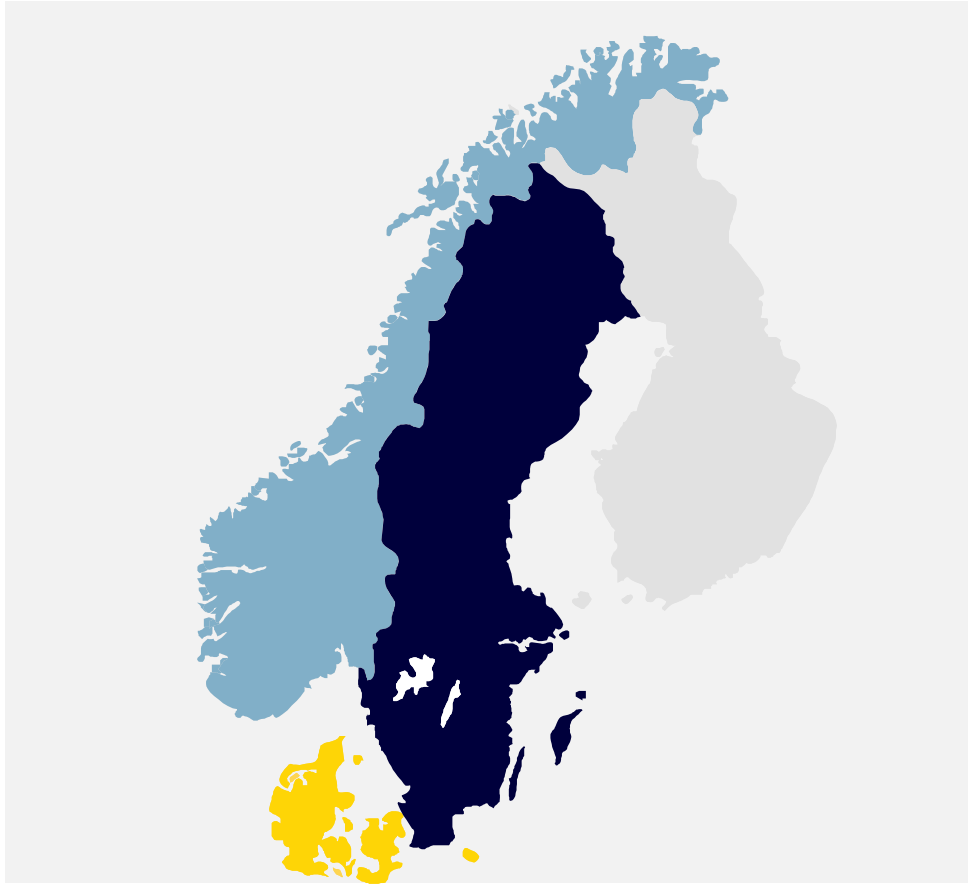


Municipalities



# Norway our third home market

## Market overview



Market size\*  
SEK 650m

DIBkunnskap market leading  
provider of digital work flow  
tools for T&A

Karnov Group Norway will  
launch legal information  
solution in 2021

### POTENTIAL CUSTOMERS



Law firms



Corporates



Gov. admin



Courts



T&A firms

# Growth strategy

---

- Total addressable market is expected to grow
- Strategy to capitalise on this and capture the market potential



# New market opportunities

3

- Karnov is well positioned to expand into adjacent markets such as Norway (2020), Finland and as well as the Baltics

2

- Launch of new offline capabilities (e.g. legal process outsourcing, outsourced library management)
- Could be developed organically or acquisitively and could be complemented by online tools

1

- Develop or acquire e.g. workflow tools
- Karnov developing products in-line with the US & UK markets (which typically are ~5 years ahead in terms of technological adoption)

3

## International expansion potential

2

Develop/acquire support services: + SEK 200m

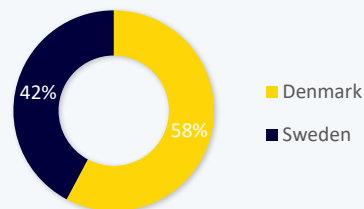
1

New online products: + SEK 600-750m

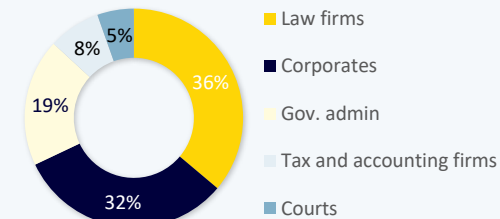
### Total addressable market based on current product set

	S E K	
2.4%	44%	1.5bn
Market growth (2018-21E)	Market share (2017)	Market size (2017)

Geographic breakdown (2017)



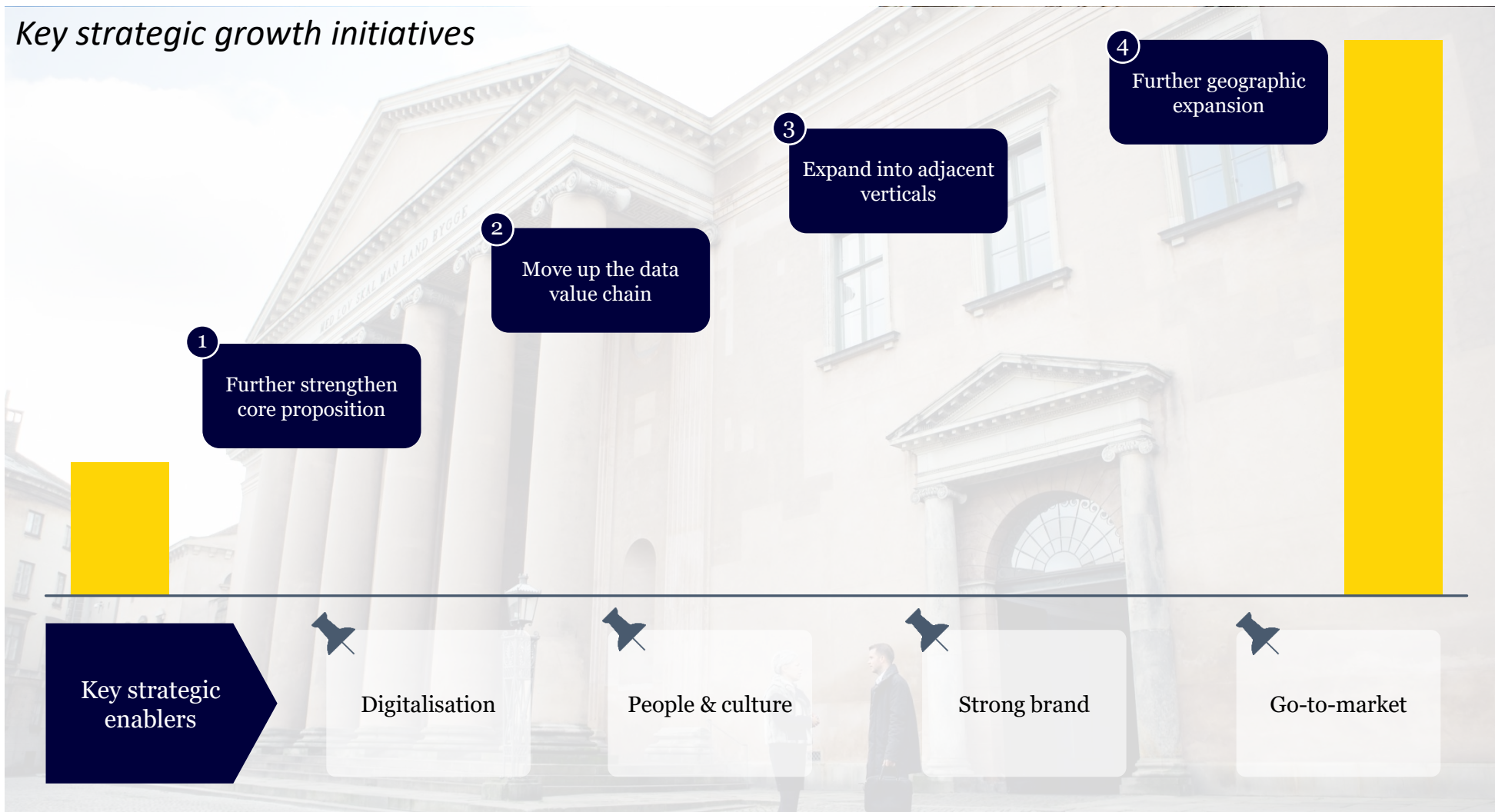
Customer type breakdown (online only, 2017)



Karnov's total addressable market consists of the total potential for Karnov's current products in Denmark and Sweden

# Well positioned for future growth and margin expansion

## Key strategic growth initiatives



# Financials

---

## Three medium-term financial targets

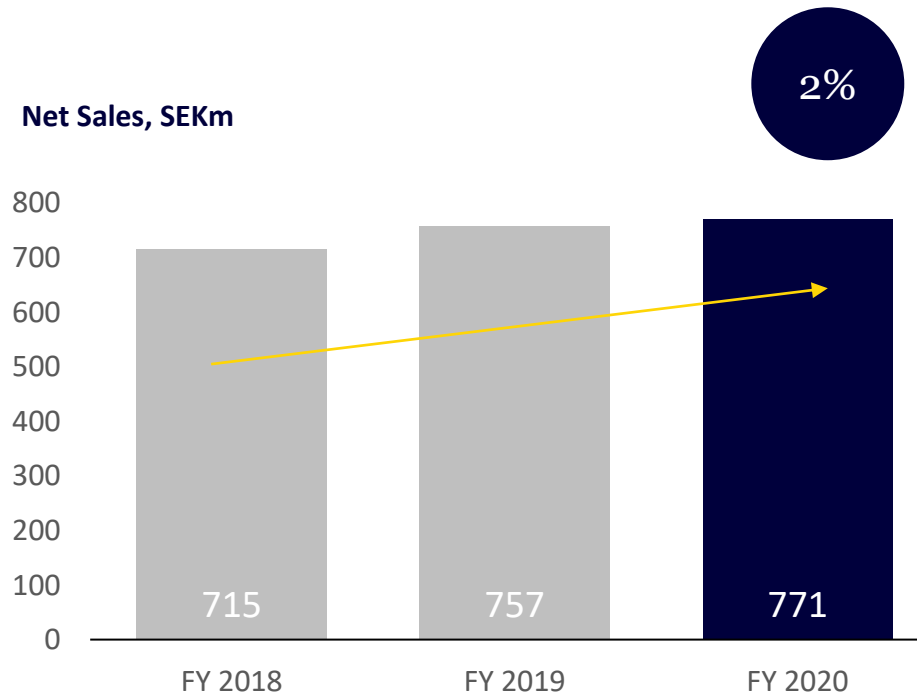
- *Annual organic growth rate of 3-5 percent*
  - *Increase our adjusted EBITA margin*
- *Net debt ratio to adjusted EBITDA LTM below 3.0 times*



# A solid year with good growth

.... Covid-19 impacted negatively with 1-2 percentage points

## GROUP



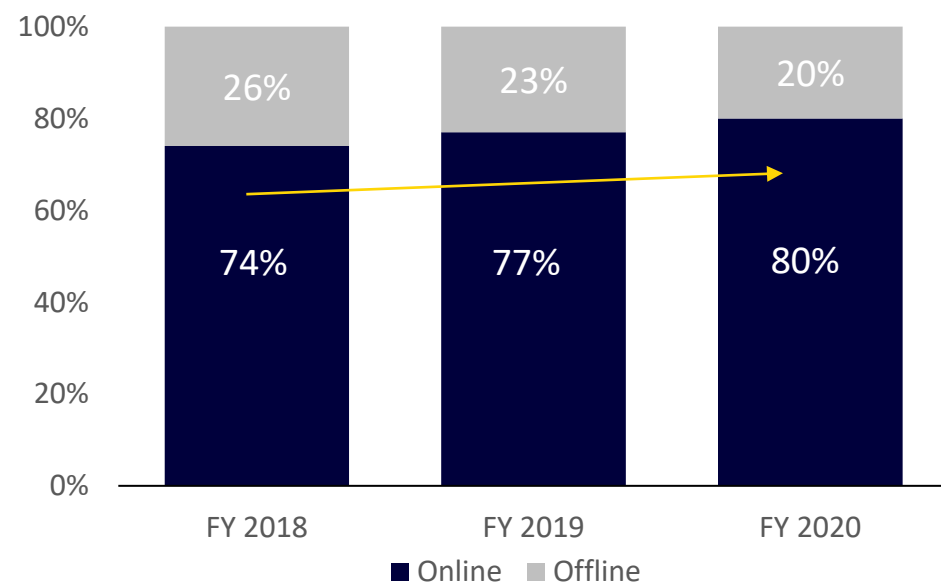


# 86% of sales from subscriptions paid in advance

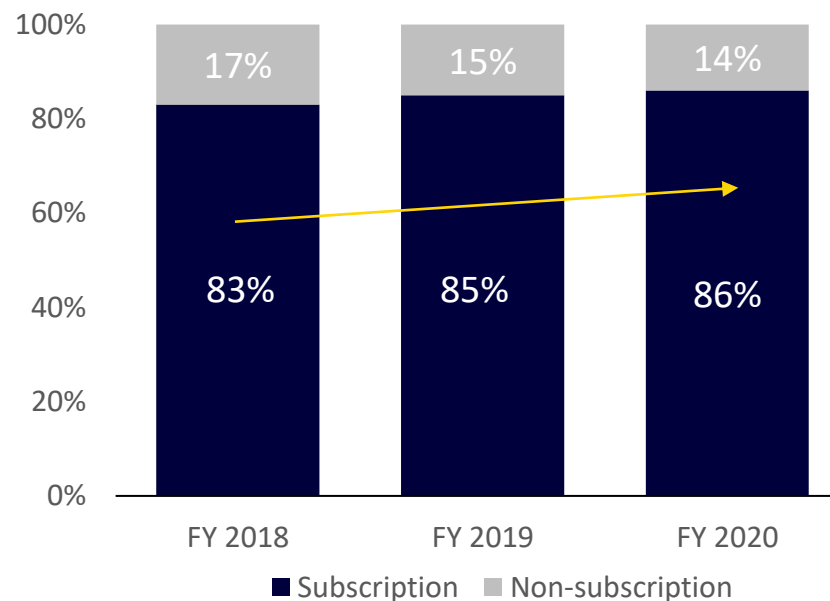
Online & subscriptions growing

## SALES SPLIT

Sales split online/offline, %



Sales split subscription/non-subscription, %

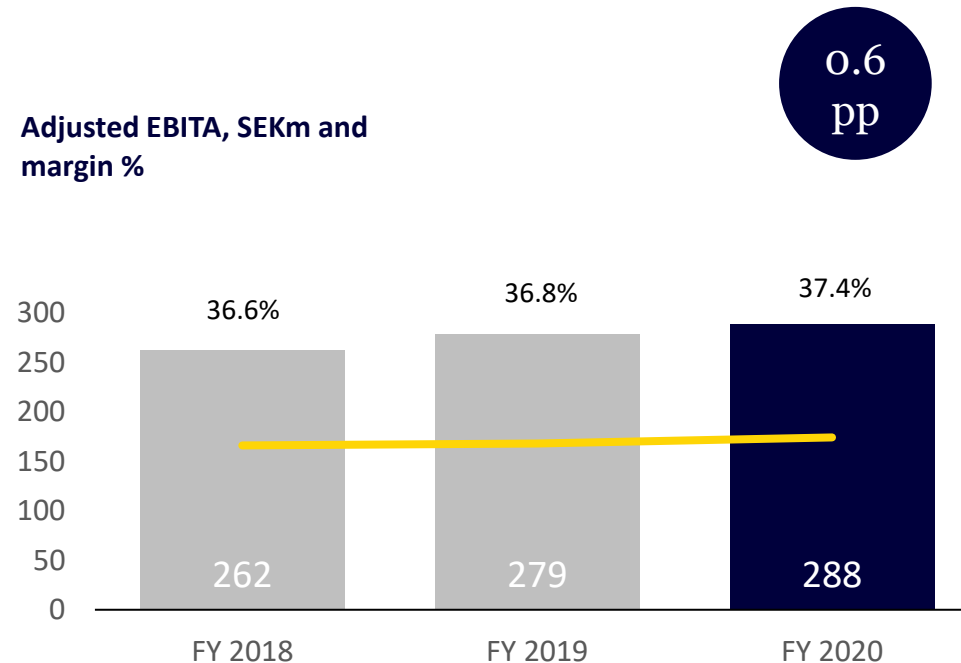


# Improved margins in line with financial target

.... full-year improved by 60 basis points

## GROUP

Adjusted EBITA, SEKm and  
margin %

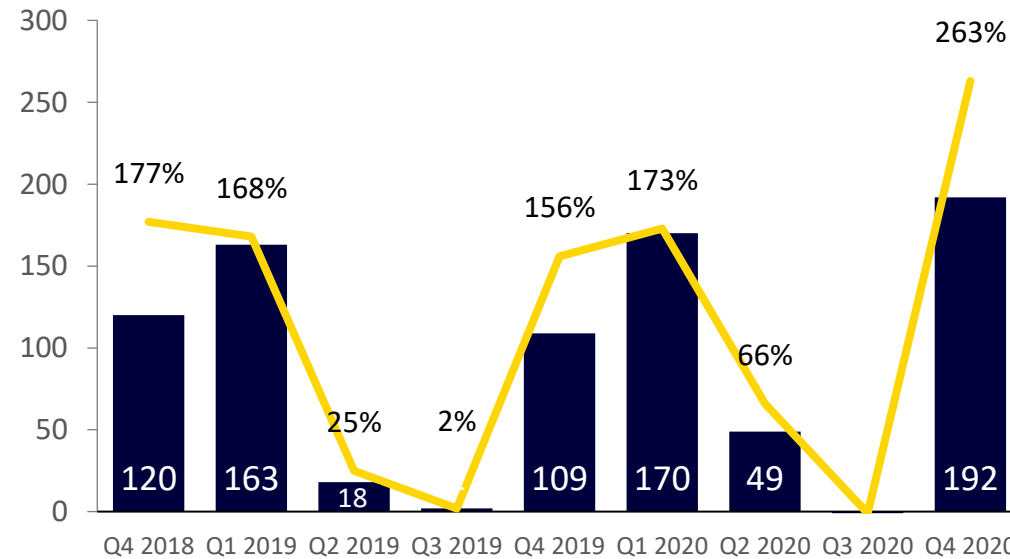


# Highly cash generating company

Strong cash flow in Q1 and Q4 due to invoicing season

## GROUP

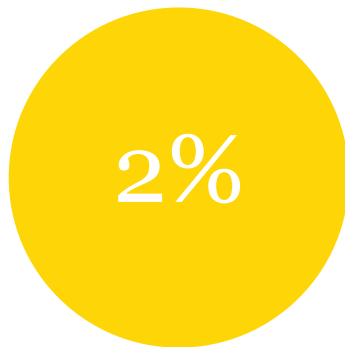
Adj. operating cash flow, SEKm  
and cash conversion, %



# Strong financial performance in 2020

## Growth

Annual organic net sales growth of 3-5% in the medium term, supplemented by selective acquisitions.



## Profitability

A higher adjusted EBITA margin in the medium term.



## Capital structure

Net debt to adjusted EBITDA of no more than 3.0. This level may temporarily be exceeded, for example as a result of acquisitions.



Dividend of SEK 1.00 per share proposed for the AGM in May 2021

# High ESG rating

One of the top companies on the Allbright list in 2020



## Key comments

- A front-runner in social and governance
  - Employees from over 20 countries
  - Close to 50/50 % in genders, also in management and Board
- One of the top companies on the Allbright list in 2020
- Low environmental impact
  - Actively encouraging initiatives from local management groups
    - Electric cars and green pension funds in Sweden
    - Green energy in Copenhagen

# Summary

1

## Strong results in global pandemic

- Organic growth 2%
- Adjusted EBITA margin 37.4%
- Leverage well below 3x

2

## Four new investments in 2020

- Ante ApS, technology bolt-on
- LEXNordics AB, new vertical
- Karnov Group Norway AS, geographical expansion
- DIBkunnskap AS, new vertical in Norway

3

Solid base to execute our growth strategy with Norway as our third home-market

4

Board proposes an increased dividend of SEK 1.00 per share



# Q&A

---

## Better decisions, faster

Find what you need, trust what you find and do it quickly.

For more information visit  
[www.karnovgroup.com/en/section/investors/](http://www.karnovgroup.com/en/section/investors/)





# Appendix

---

# Company video





# Important information

The following applies to this document, the oral presentation of the information in this document by Karnov or any person on behalf of Karnov, and any question-and-answer session that follows the oral presentation.

This presentation may contain forward-looking statements that reflect Karnov's current views with respect to future events as well as potential financial results and operational performance. Forward-looking statements, as a general manner, are all statements other than statements as to historical facts or present facts or circumstances as well as other statements regarding present facts or circumstances. The words "believe", "expect", "mean to", "intend", "estimate", "anticipate", "assume", "predict", "can", "will", "shall", "should", "consider", "may", "might", "plan to", "aim", "potential", "calculate", "as far as is known", or in each case, their negative, or similar expressions, identify certain of these forward-looking statements. Other forward-looking statements can be identified by the context in which they are used. Although Karnov believes that the expectations reflected in such forward-looking statements are reasonable, Karnov can give no assurances that the forward-looking statements will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including factors outside Karnov's control. Any forward-looking statements included in this presentation speak only as at the date of this presentation. Information in this presentation may be changed, added to or corrected without advance notification but Karnov undertakes no obligation to publicly update or revise any information, including any forward-looking statements, whether as a result of new information, future events or otherwise.