

Press Release – 28 November 2019

# Karnov Group reports third quarter results

## Good offline sales & JUNO roll-out on track

### THIRD QUARTER SUMMARY

- Net sales up 8% to SEK 190 m (176), organic growth was 6%.
- EBITA increased to SEK 69 m (60) with EBITA margin of 36.5% (34.2%).
- Adjusted EBITA increased by 5.9% to SEK 74 m (70) but adjusted EBITA margin declined by 0.6 percentage points to 38.9% (39.5).
- Operating profit (EBIT) increased to SEK 38 m (30).
- Earnings per share after dilution amounted to SEK 0.33 (0.12).
- Adjusted operating cash flow amounted to SEK 2 m (-12).
- Continued roll-out of JUNO, a new joint offering from Norstedts Juridik and Karnov.

### EVENTS AFTER THE END OF THE QUARTER

- The new JUNO platform for the Swedish market has been well received by users. Therefore, the commercial launch of JUNO began on 1<sup>st</sup> of November where new users and customers are getting access only to the new platform.
- The Nomination Committee for the 2020 Annual Meeting of Shareholders (AGM) has been appointed.

### CEO FLEMMING BREINHOLT COMMENTS ON THE QUARTER:

During the third quarter, Karnov's operations continued to deliver good results and the roll-out of our new joint platform in Sweden went as planned.

Net sales grew organically by 6 percent. The growth was generated by a continued strong sales performance by our online business. In addition, the growth in the third quarter was also influenced by a growth in the offline sales. Offline sales are normally good in the third quarter, due to the start of the academic year in the universities. This year offline sales in the quarter also included sales postponed from the second quarter, but year to date, offline sale has declined by 2.6 percent in line with the overall trends and expectations.

Adjusted EBITA margin declined slightly by 0.6 percentage points to 38.9 percent. This was also an effect of the strong sales of textbooks and other offline products, where our margins are lower than on online services. Looking instead at the year-to-date period, which is more relevant, adjusted EBITA margin improved by 1.1 percentage points to 38.6 percent.

The third quarter has always produced the weakest cash generation given timing of subscription invoicing. This year was no exception in that pattern, but we managed to improve cash flow from last year's third quarter and generated a SEK 2 million positive adjusted operating cash flow.

### Continued roll-out of new joint platform in Sweden

The roll-out in Sweden of JUNO has continued during the quarter, and per today 98 percent of all users have been onboarded to this new online platform. There are still areas of improvements and this job will continue over coming months, but the overall acceptance of the new platform has been good. Therefore, we have already been able to close down Karnov's old online platform in Sweden, and we will soon be able to do the same with Norstedts Juridik's platform. As a result of these close downs and the successful transition to the JUNO platform, we were able to begin the commercial launch of JUNO on 1<sup>st</sup> of November where new users and customers only are getting access to the new platform.

As part of our aim of being a thought leader in our industry, we have conducted a “Future Lawyer” survey among more than 3,500 lawyers and legal educated persons in Denmark and Sweden. The survey was published in Affärsvärlden and other media and presented at a legal-tech event in Stockholm on the 17<sup>th</sup> of October.

## CONFERENCE CALL ON 28 NOVEMBER

A webcasted telephone conference will be held at 9.00 a.m. today, where CEO Flemming Breinholt and CFO Dora Brink Clausen will present the report and answer questions.

You can follow the presentation and the telephone conference on the following page:

<https://tv.streamfabriken.com/karnov-group-q3-2019>

To participate in the conference, and thereby be able to ask questions, please dial in on any number below a couple of minutes before the start of the conference:

SE: +46 8 505 583 69

DK: +45 7 815 0109

UK: +44 333 300 92 62

US: +1 833 526 8381

The presentation material will be available before the conference starts at [www.karnovgroup.com](http://www.karnovgroup.com). An on-demand version of the conference will also be available after the presentation. The presentation will also be available on [www.financialhearings.com](http://www.financialhearings.com)

## For more information, please contact:

Flemming Breinholt, President and CEO

Telephone: + 45 3374 1202

Email: [flemming.breinholt@karnovgroup.com](mailto:flemming.breinholt@karnovgroup.com)

Dora Brink Clausen, CFO

Telephone: + 45 3374 1248

Email: [dora.brink.clausen@karnovgroup.com](mailto:dora.brink.clausen@karnovgroup.com)

Mats Ödman, Head of Investor Relations

Telephone: +46 708 320933

Email: [mats.odman@karnovgroup.com](mailto:mats.odman@karnovgroup.com)

*This press release contains inside information that Karnov Group AB (publ) is required to make public pursuant to the EU Market Abuse Regulation and information that Karnov Group AB (publ) is required to make public pursuant to the Swedish Securities Market Act. The information was submitted for publication by the above contact person on 28 November 2019 at 8.00 a.m. CEST.*

**Karnov Group** is a leading provider of mission critical information in the areas of legal, tax and accounting, and environmental, health and safety in Denmark and Sweden. With brands such as Karnov, Norstedts Juridik, VJS, Notisum, Change Board Member/Legal Cross Boarder, and Forlaget Andersen, Karnov Group delivers knowledge and insights, enabling more than 60,000 users to make better decisions, faster – every day. With offices in Copenhagen, Stockholm, and Malmö, Karnov Group employs around 240 people. Net sales in 2018 amounted to SEK 715 M. The Karnov share is listed on Nasdaq Stockholm, Mid Cap segment under the ticker “KAR”. For more information, please visit [www.karnovgroup.com](http://www.karnovgroup.com).