

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 tall bookshelves filled with many books. The scene is dimly lit, with a warm light source from the left creating a soft glow.

Third quarter 2019

Q3

Flemming Breinholt, CEO and Dora Brink Clausen, CFO | 28 November 2019

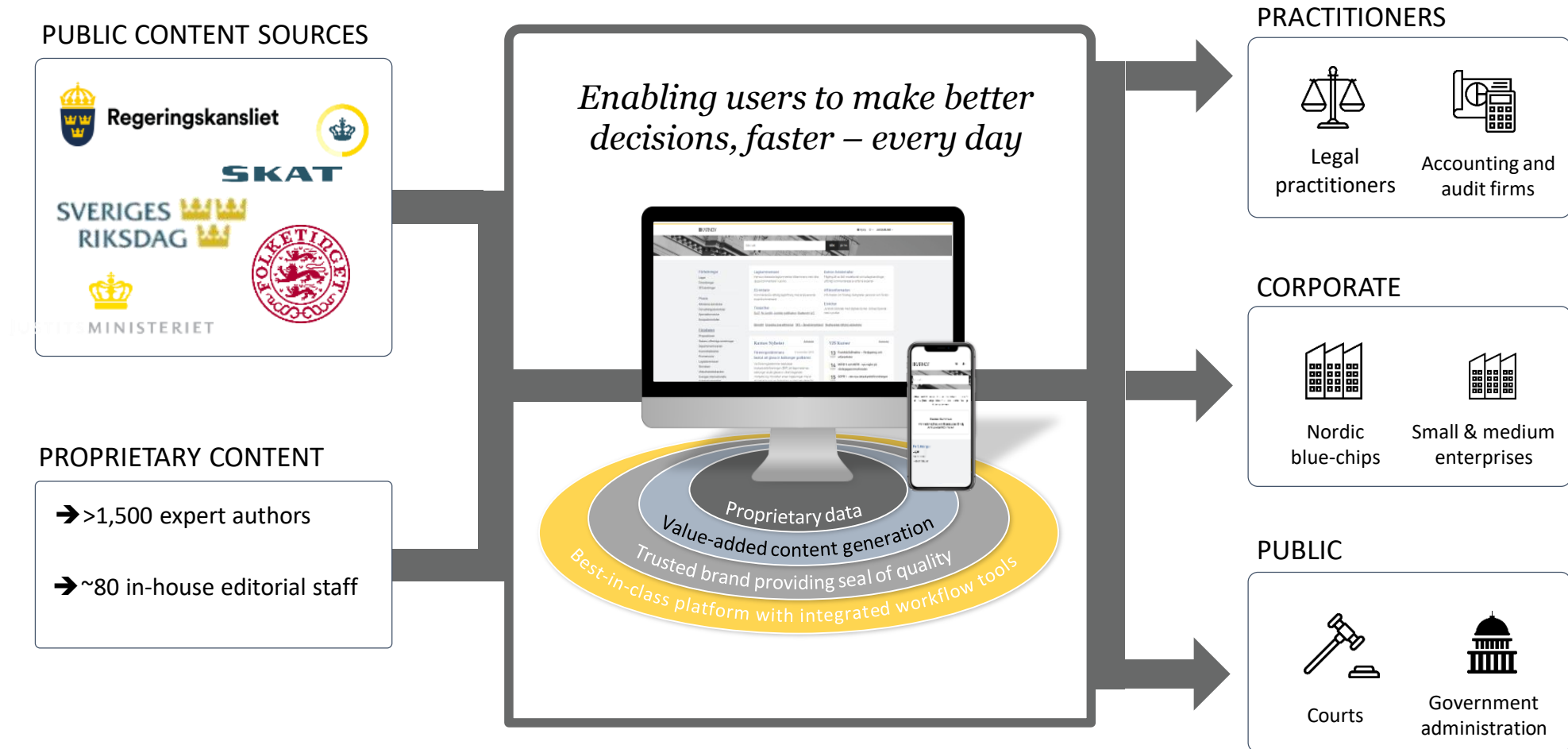
A portrait of Flemming Breinholt, a middle-aged man with grey hair, wearing a dark blue suit jacket over a light blue button-down shirt. He is standing in front of a brick wall with an arched doorway in the background. The background is slightly blurred, showing a courtyard area with other people and buildings.

Q3 highlights and operational update

Flemming Breinholt

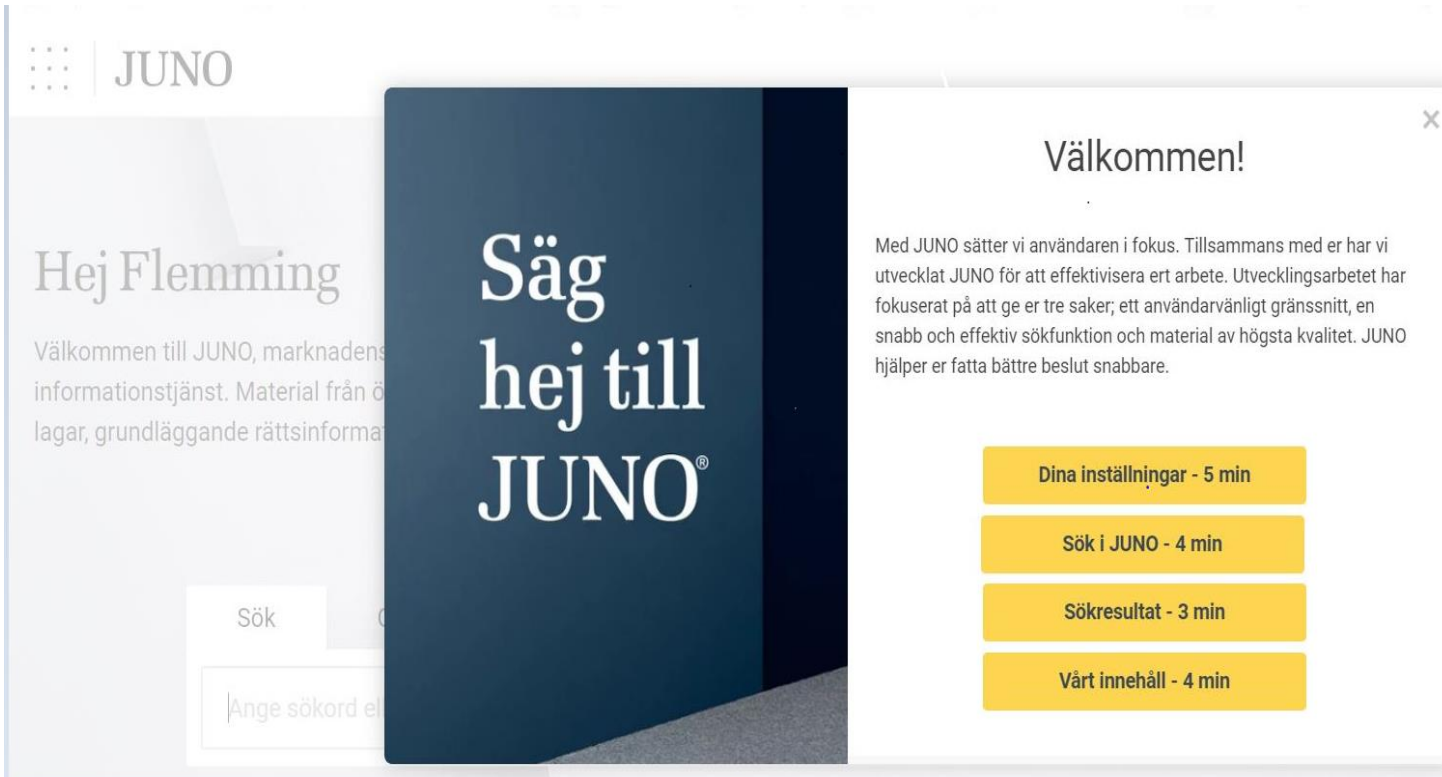
Karnov – The leading B2B platform

For legal and tax professionals in Denmark and Sweden



Operational highlights

Successful roll-out of JUNO



Key comments

- Continued roll-out of new joint platform JUNO
- Now 98% of 35.000+ users are onboarded
- Commercial launch has begun on November 1st.
- Karnov's old platform already closed and the Zeteo platform from Norstedts Juridik to be closed down soon.

Operational highlight

Future Lawyer Survey



Key comments

- › Enquiry among lawyers and others in the legal industry in Denmark and Sweden
- › 3.500 respondents
- › Significant customer interest
- › Significant media coverage

Financial highlights year to date

Steady growth with higher margin

+6%

Net sales

+4%

Organic growth

+1.1 pp

Adjusted EBITA
margin

2.8

Leverage

Continued good performance in Denmark



Key comments to Q3

- 5% net sales growth
- Sales driven by upselling to existing customers
- Unchanged adjusted EBITA
- Lower adjusted EBITA margin due to lower capitalization rate
- New tax magazine launched in collaboration with Danish auditor association, FSR.

Sales in Sweden boosted by offline increase



Key comments to Q3

- 11% net sales growth
- 15% increase in adjusted EBITA
- Sales driven by both online and offline impacted by timing effects in offline
- Positive market response to the new JUNO platform



Financial development

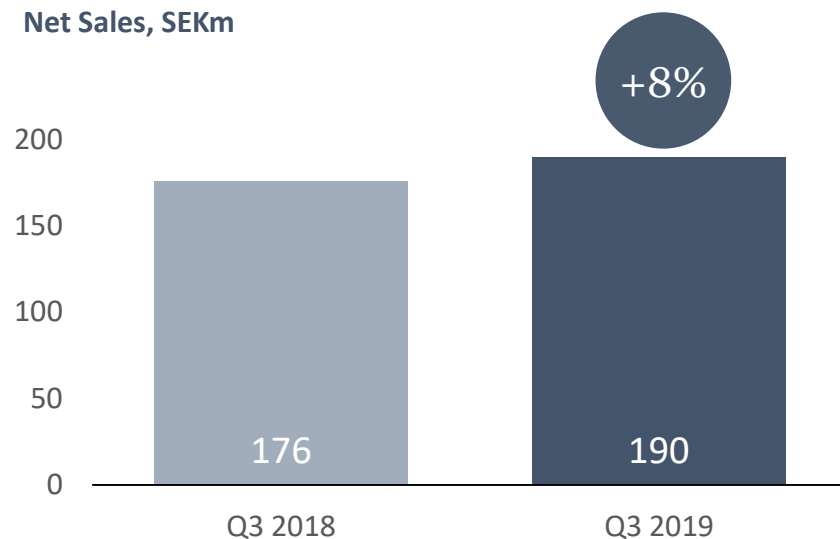
Dora Brink Clausen

Offline increase, improved sales and EBITA

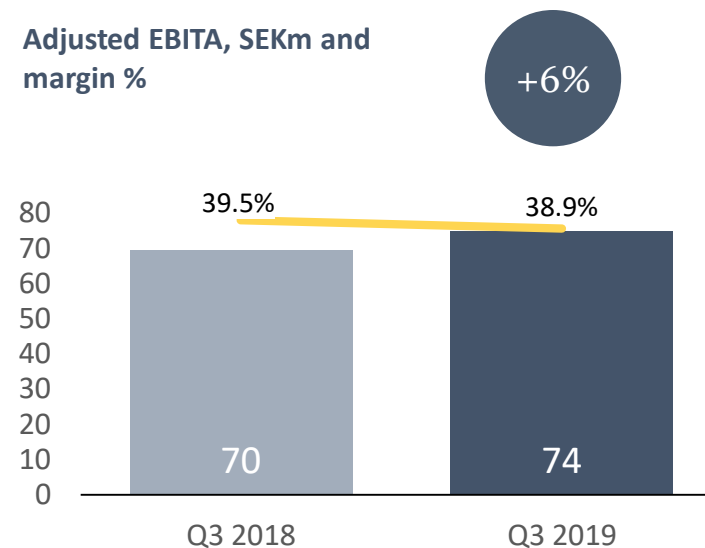
...but diluted margins slightly

GROUP

Net Sales, SEKm



Adjusted EBITA, SEKm and margin %

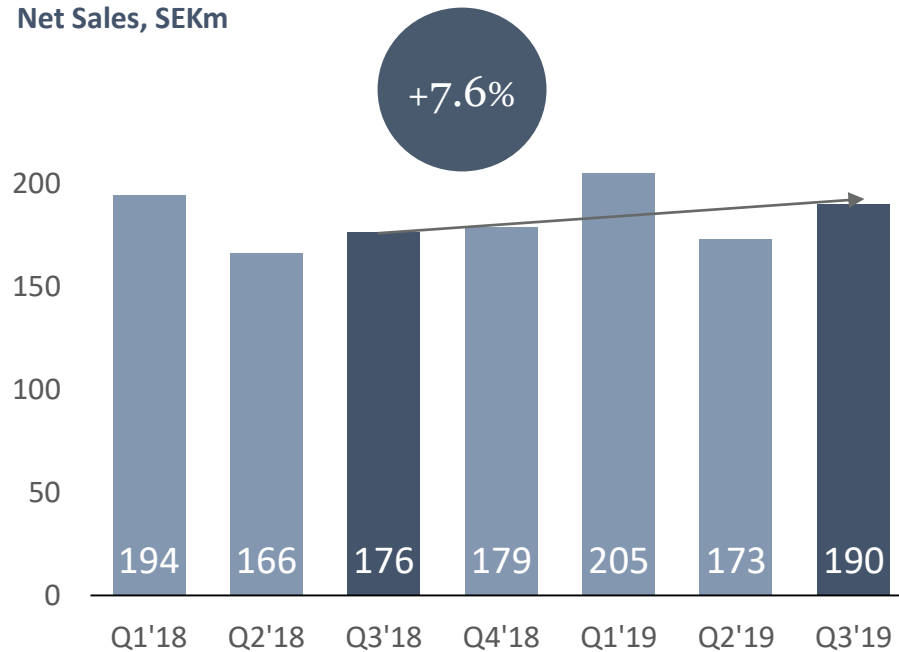


Continued steady sales growth

... due to strong online trend and offline timing effects

GROUP

Net Sales, SEKm



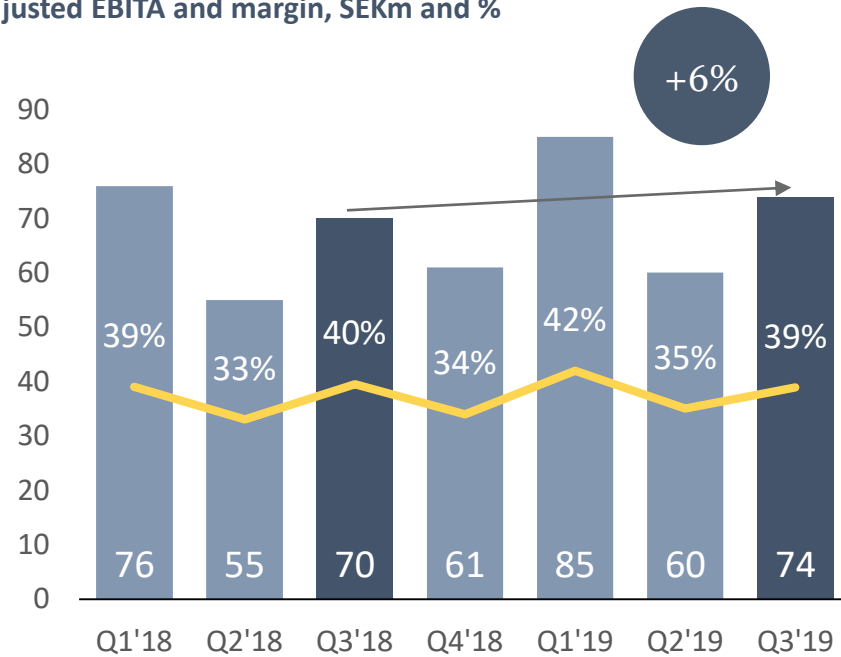
Key comments

- Net sales growth of 7.6%
- Organic growth of 5.8% and currency effects of 1.8%.
- Online sales steady growth
- Sales boosted by timing effects on offline products
- Both DK and SE contributed to higher sales

Continued profit improvement

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Adjusted EBITA and margin, SEKm and %

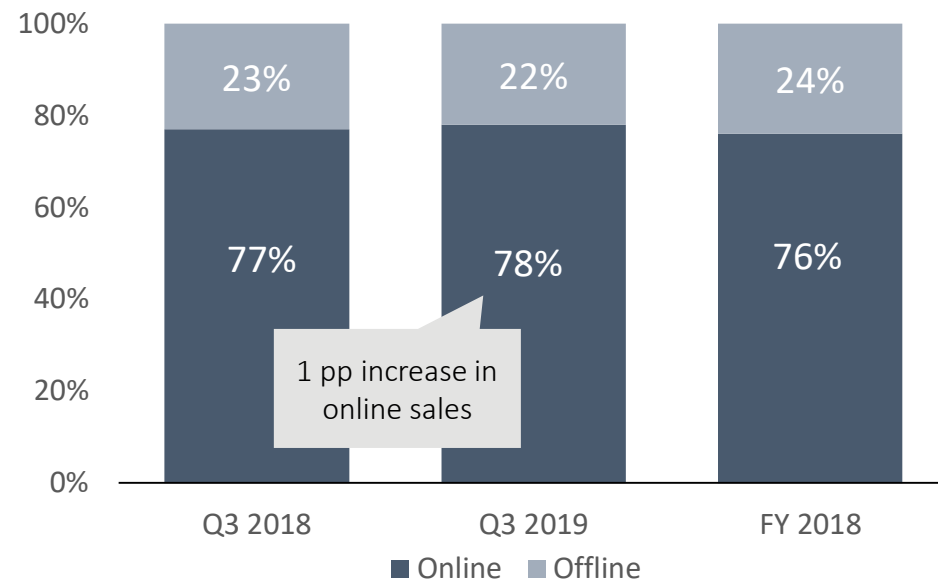


Key comments

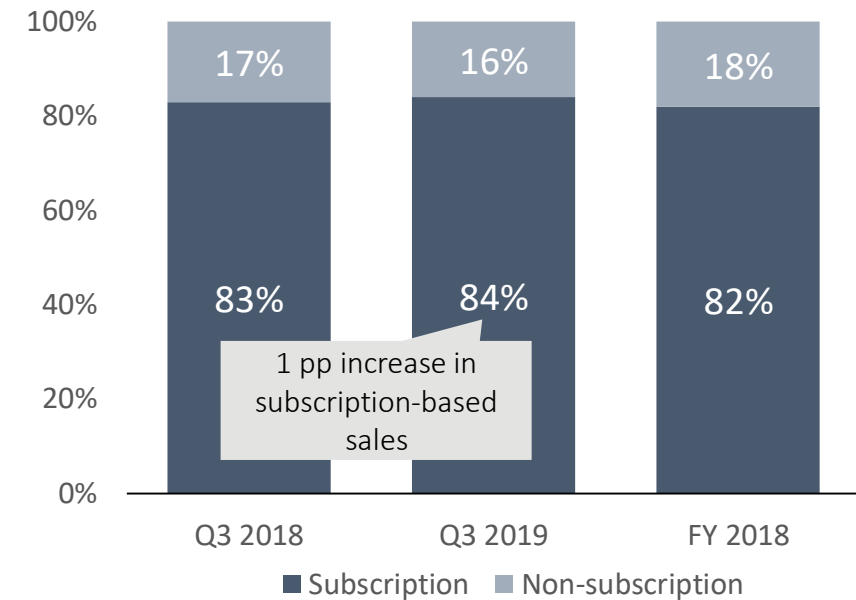
- Continued year-over-year improvement in adjusted EBITA
- Improvements due to higher sales and good cost control
- Adjusted EBITA margin declined 0.6 pp due to product mix and SEK 4 m higher amortisation.

Continued trend to online and subscriptions

Sales split online/offline, %



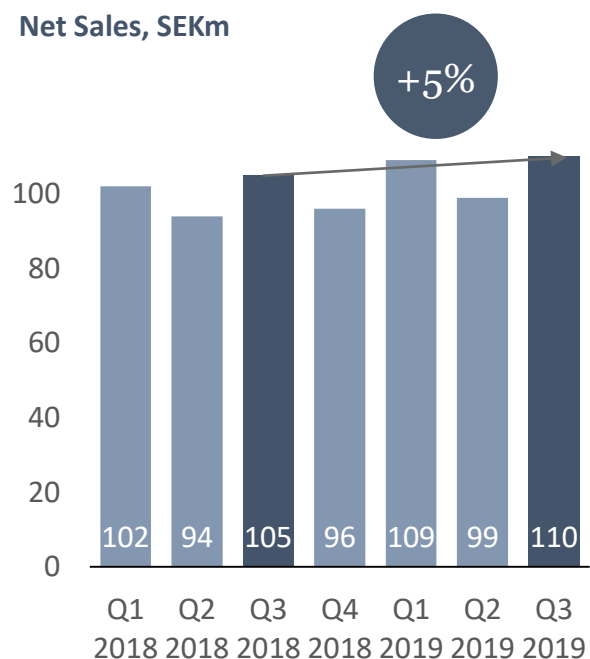
Sales split subscription/non-subscription, %



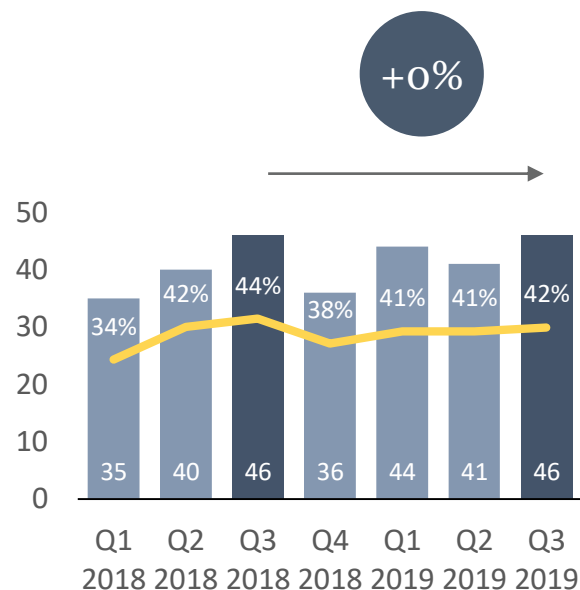
Continued good performance in Denmark

DENMARK

Net Sales, SEKm



Adjusted EBITA, SEKm and %



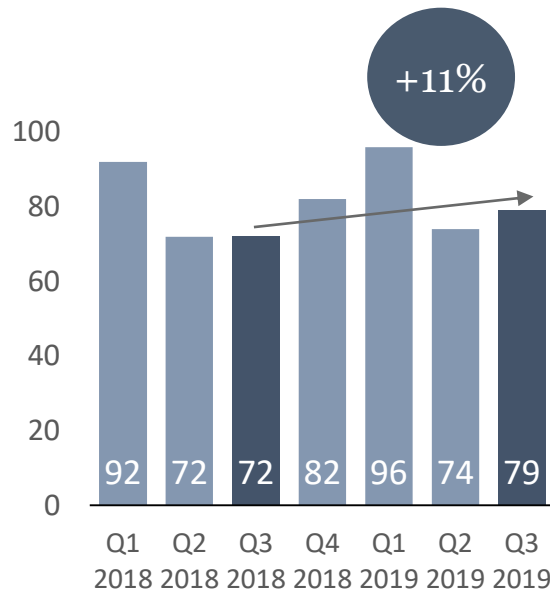
Key comments

- 5% net sales growth
- 2% organic growth in line with expectations
- Currency effect added 3%
- Sales driven by upselling to existing customers
- Unchanged adjusted EBITA
- Lower adjusted EBITA margin due to lower capitalization rate

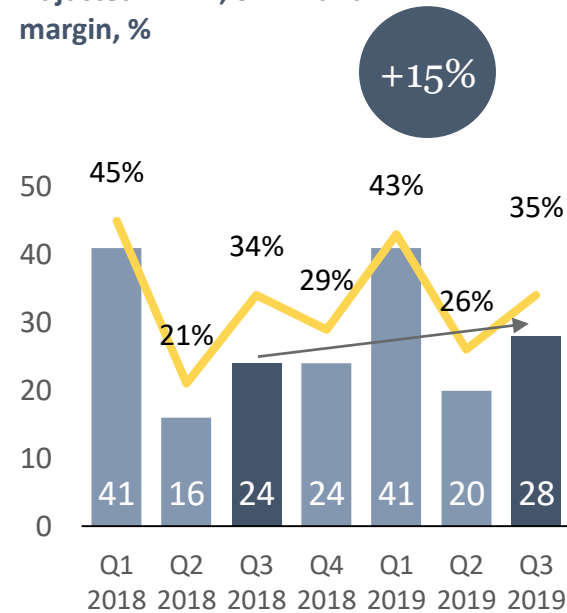
Offline sales increased in Sweden

SWEDEN

Net Sales, SEKm



Adjusted EBITA, SEKm and margin, %



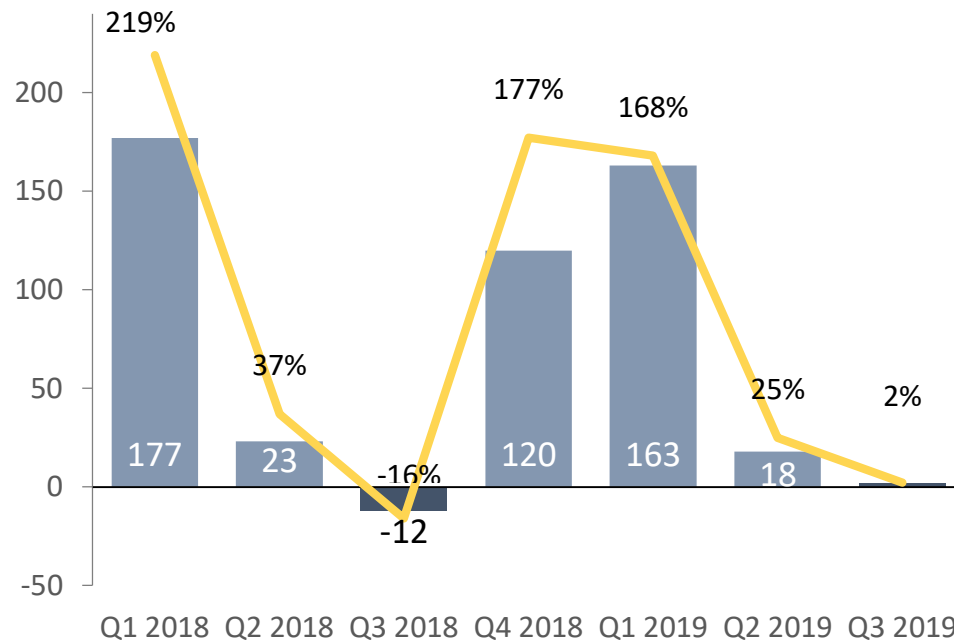
Key comments

- Net sales grew by 11%
- Continued steady growth in online
- Sales boosted by timing effects in offline
- Adjusted EBITA improved by 15% or SEK 4 m despite SEK 6 m higher D&A
- Adjusted EBITA margin up 1 pp due to net sales growth and good cost control

Expected weak seasonal cash flow improved

GROUP

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



Key comments

- Adjusted operation cash flow improved by SEK 14 m to SEK 2 m due to better EBITDA and working capital
- Cash conversion rate positive also in Q3
- Leverage at 2.8 vs 2.7 in June

Performing in line with financial targets

Year-to-date performance

Growth

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

4%

Profitability

A higher adjusted EBITA margin in the medium term.

+1.1 pp

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.

2.8x

Summary of first nine months

1 YTD as communicated at listing

- Organic growth of 4%
- Adjusted EBITA margin up 1.1 pp
- Leverage below 3x

2

JUNO rollout progressing well

3

Solid capital structure created

4

Solid base to grow business further

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/





Appendix

Key ratios per quarter

Key ratios per quarter

	Q3	Q2	Q1	Q4	Q3
TSEK	2019	2019	2019	2018	2018
Net sales	189.533	173.440	204.931	178.817	176.175
Organic growth, %	5,8%	3,0%	3,2%	0,8%	4,8%
EBITA	69.106	30.458	67.501	36.529	60.194
EBITA margin, %	36,5%	17,6%	32,9%	20,4%	34,2%
Adjusted EBITA	73.756	60.123	85.331	60.642	69.631
Adjusted EBITA margin, %	38,9%	34,7%	41,6%	33,9%	39,5%
Net result	32.093	-44.303	7.852	-15.261	6.540
Adjusted cash flow from operating activities	1.936	18.097	163.384	120.314	-12.119

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