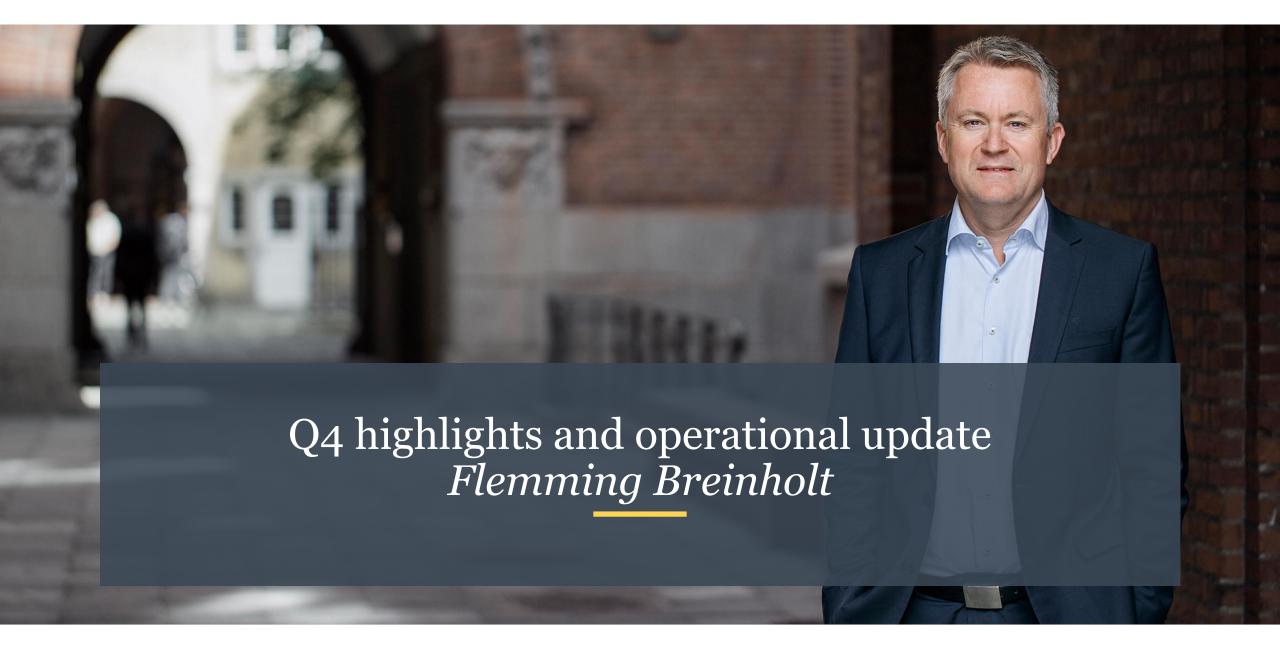




## Fourth quarter 2019

**Q**4

Flemming Breinholt, CEO and Dora Brink Clausen, CFO | 21 February 2020



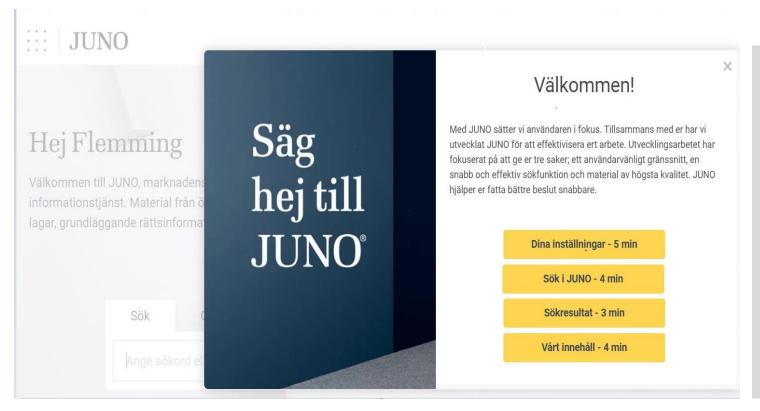
## Financial highlights

In line with medium-term financial targets



### Operational highlights

### Completed roll-out of JUNO



- All users are onboarded
- Old platforms are closed down
- Based on user feedback still deploying enhancements during 1H 2020
- JUNO platform to be used to upgrade the Danish offering

### Market offensive initiated in Denmark



#### Key comments to Q4 and FY

- 3% organic growth in Q4 and FY according to expectations
- Focus on renewal of customer contracts with normal good outcome
- Market offensives started including:
  - Upgrade of Danish offering
  - Collaboration with law firm in promoting e-courses
  - > Investment in Procurementlink
  - Negotiations on collaboration with Ante associated investment closed in January 2020

### Strong performance in Sweden



#### Key comments to Q4 and FY

- > 5% organic growth in Q4 and 6% for the FY according to expectations
- > JUNO roll-out completed
- User feedback on JUNO deploying enhancements for 1H 2020
- AI-based recommendation function released in the end of Q4 for Notisum

#### Key comment after Q4

New CEO recruited for Norstedts Juridik

### Focus onwards

### Adding more value for our customers

Knowledge/information

Adding even more value gives our users certainty and more efficiency.

Process/services

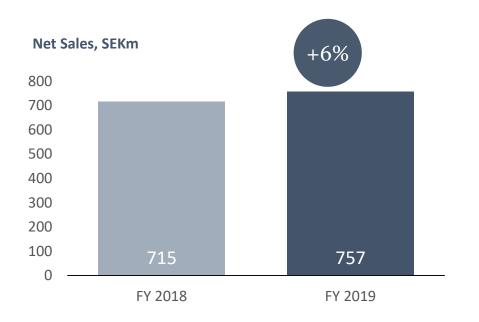
- Strong performance in online
- Online growth more than offset the offline decline as expected
- Investments in two start-up companies
- Focus on adding more value in 2020



### Increased net sales and organic growth

...FY and Q4 growth met expectations

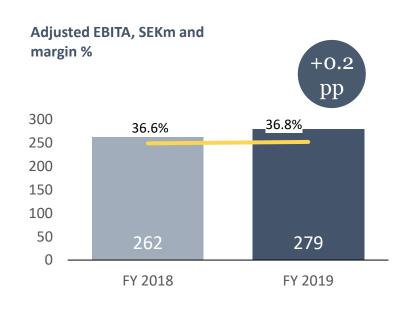
#### **GROUP**





## Improved adj. EBITA profit & margin for FY

#### **GROUP**



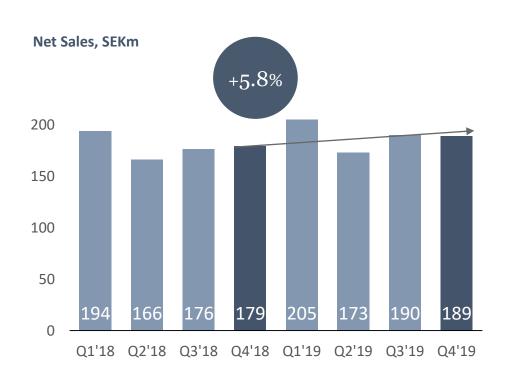




### Continued steady sales growth

### ... due to strong online performance

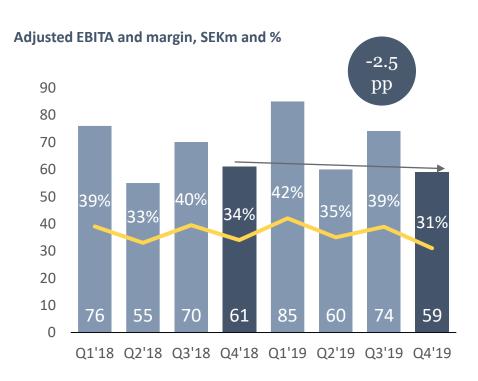
#### **GROUP**



- Net sales growth of 5.8%
- > Organic growth of 4.1% and currency effects of 1.7%.
- Online sales steady growth
- > Offset the declining offline market
- > Both DK and SE contributed to higher sales

### Flat adj. EBITA – due to market investments

#### **GROUP**

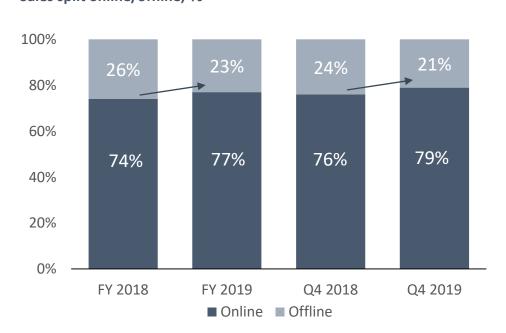


- > Adjusted EBITA 59 MSEK vs. 61 MSEK
- Adjusted EBITA margin declined 2.5 pp due to our active decision to take costs to prepare our new market offensive in Denmark
- Significant one-off trade in Q4 2018 affected comparability

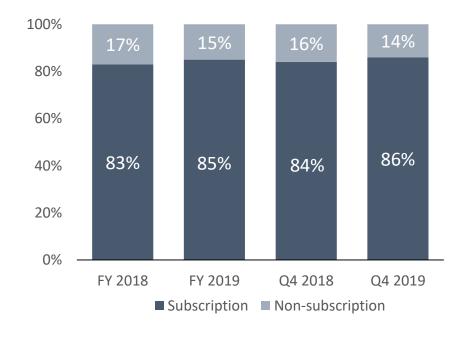
## Online sales growing according to expectations

#### **SALES SPLIT**

#### Sales split online/offline, %

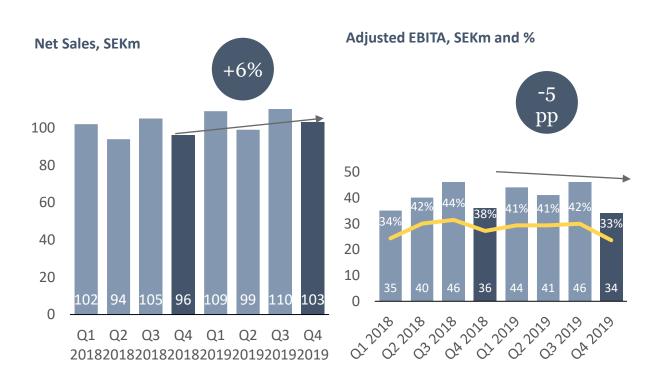


#### Sales split subscription/non-subscription, %



### Stable growth in Denmark

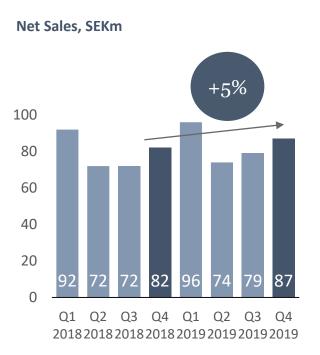
#### **DENMARK**



- > 6% net sales growth
- > 3% organic growth in line with expectations
- Currency effect added 3%
- Decline in adjusted EBITA margin due to active investments to prepare our new market offensive in Denmark
  - > Includes development resources to prepare this

### Continued strong performance in Sweden

#### **SWEDEN**

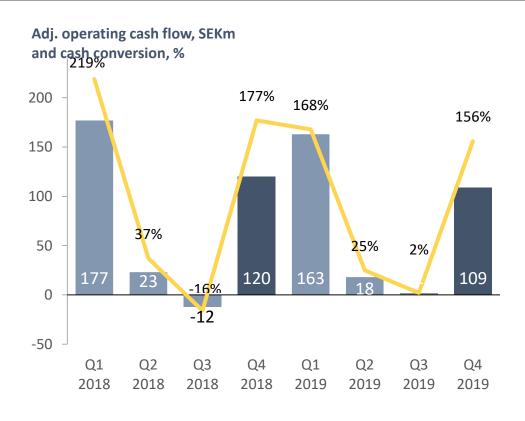




- > 5% net sales growth
- Continued steady growth in online
- Offline sales declined both due to long-term trend and a one-off trade in Q4 2018
- Adjusted EBITA up 5% or SEK 1 m despite SEK 7 m higher D&A
- Adjusted EBITA margin in line with Q4 2018

### Robust cash conversion in Q4

#### **GROUP**



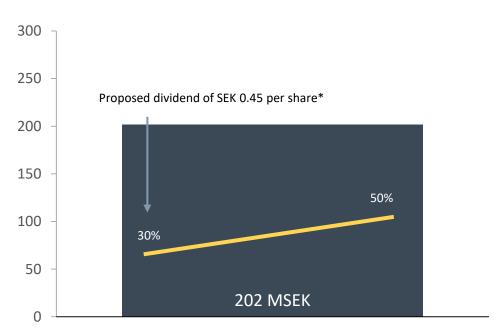
- Adjusted operating cash flow FY 2019 of over SEK 250 million, enabling dividend proposal
- Cash conversion rate 89 % for FY
- Leverage at 2.7 below financial target

### Dividend proposal

### Board proposes SEK 0.45 per share to be paid on May 12

#### **DIVIDEND**

#### **Dividend level**

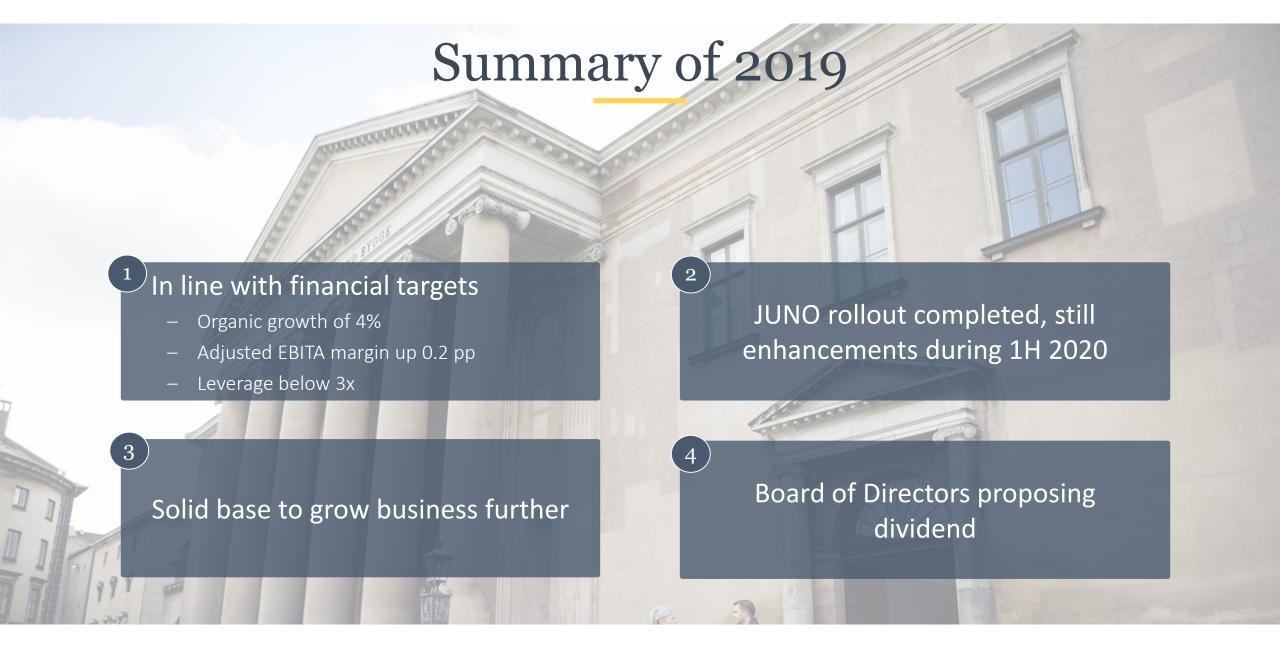


PPA + adjusted net profit

- Karnov's objective is to distribute 30–50 per cent of the purchase price allocation (PPA) adjusted net profit
- Proposed dividend corresponds to approx. 30 per cent of PPA + adjusted net profit since listing
- When proposing the dividend, the Board has taken not only Karnov's cash generation capabilities and unutilised credit lines into account but also the stated objective to do additional investments and acquisitions

<sup>\*</sup>Dividend level is 30 % since listing or 22.5 % based on 12 months.



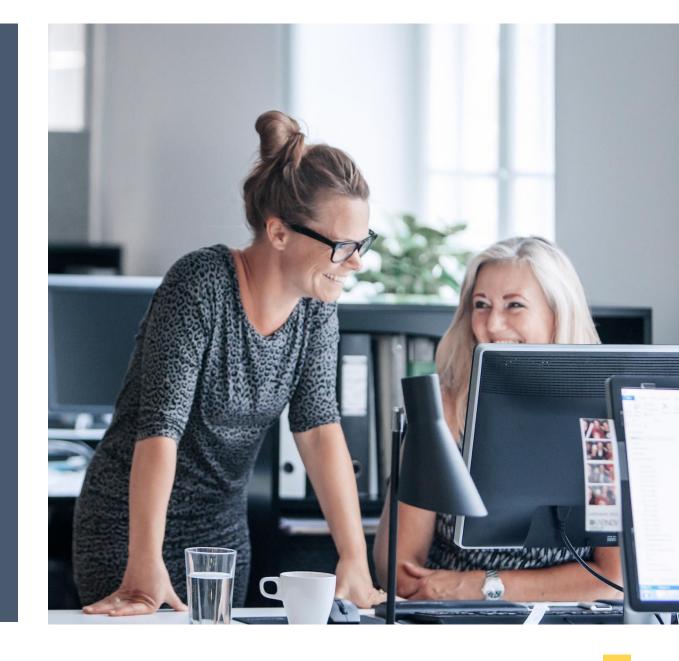


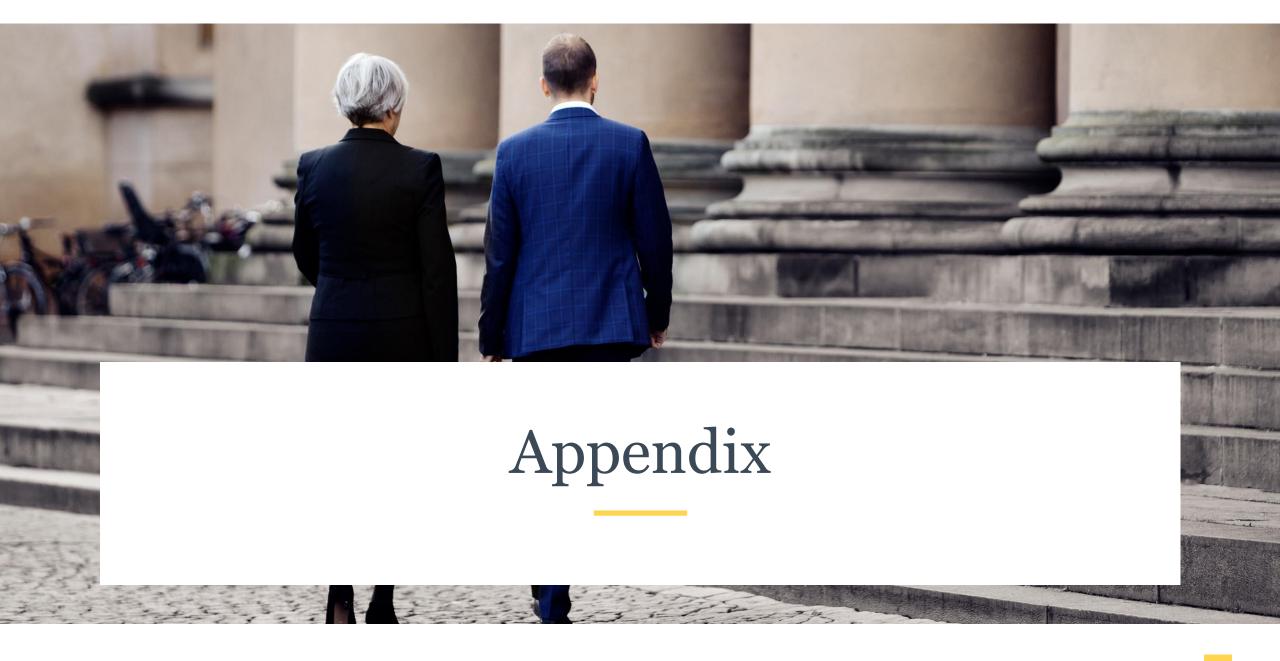
# Q&A

### Better decisions, faster

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

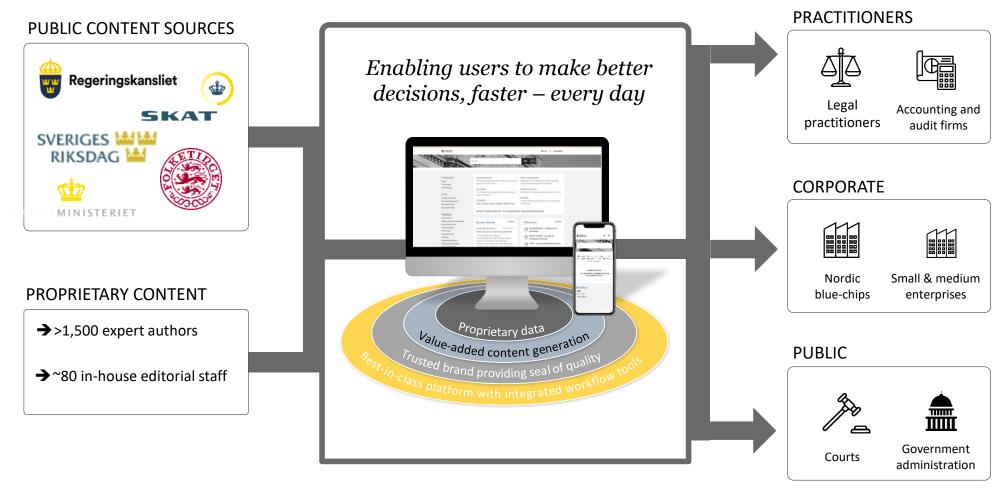
For more information visit www.karnovgroup.com/en/section/investors/





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For legal and tax professionals in Denmark and Sweden



## Key ratios per quarter

#### Key ratios per quarter

	Q4	Q3	Q2	Q1	Q4
TSEK	2019	2019	2019	2019	2018
Net sales	189.183	189.533	173.440	204.931	178.817
Organic growth, %	4,1%	5,8%	3,0%	3,2%	0,8%
EBITA	38.912	69.106	30.458	67.501	36.529
EBITA margin, %	20,6%	36,5%	17,6%	32,9%	20,4%
Adjusted EBITA	59.422	73.756	60.123	85.331	60.642
Adjusted EBITA margin, %	31,4%	38 <b>,</b> 9%	34,7%	41,6%	33,9%
Net result	7.838	32.093	-44.303	7.852	-15.261
Adjusted cash flow from operating activities	109.459	1.936	18.097	163.384	120.314



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