

Second quarter 2020

Q2

Flemming Breinholt, CEO and Dora Brink Clausen, CFO | 26 August 2020

A portrait of Flemming Breinholt, a middle-aged man with grey hair, wearing a dark suit jacket over a light blue 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.

Q2 highlights and operational update

Flemming Breinholt

Financial highlights

Another solid quarter - impact from Covid-19 on offline

+3%

Net sales

+2%

Organic growth

35.5 %

Adjusted EBITA
margin

2.4

Leverage

Operational highlights

Continued development of our online offering



Key comments

- New local CEOs have been onboarded
- JUNO enhancements deployed and new products launched in Denmark
- Karnov Group has shown relevance in the Covid-19 pandemic with high activity on its platform

Development focus back to normal in Denmark



Key comments to Q2

- Decrease in growth following decrease in offline, demand from SME market due to Covid-19 and delay in new business
- Intensified work on providing new solutions to support future growth – two new products launched in second quarter
 - New case-preparation tool now up and running with a growing number of active users
- Danish platform will be updated later this year

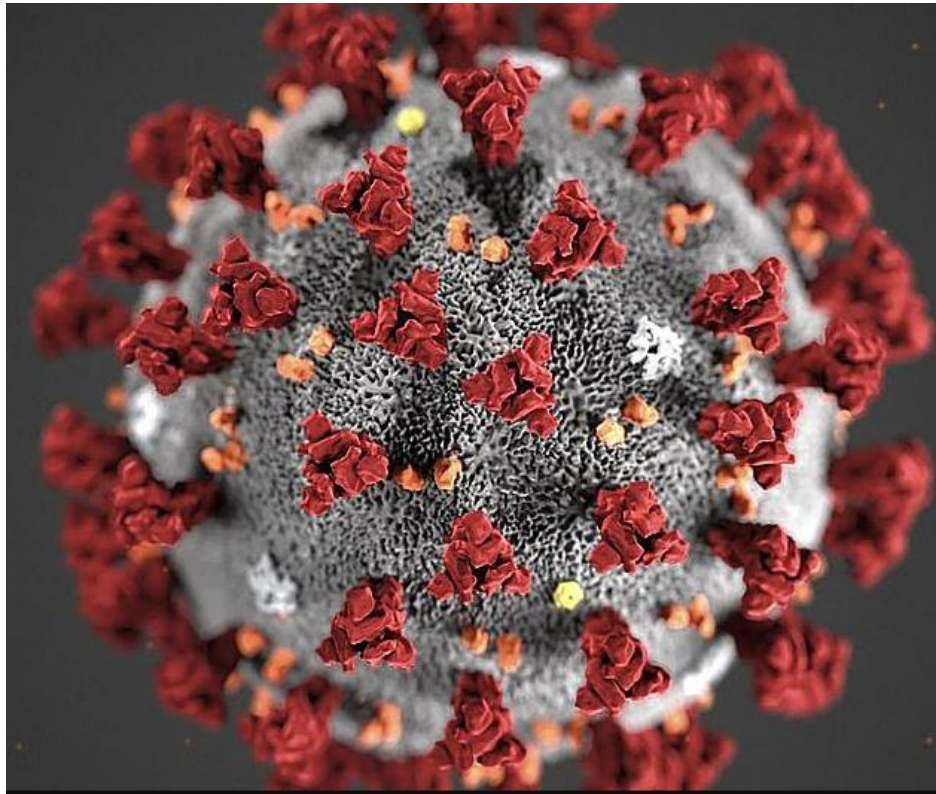
Solid growth in Sweden



Key comments to Q2

- 6% organic growth driven by good online sales, upselling to existing customers and sales of new products
- Continued integrating enhancements to JUNO based on feedback from users
- Virtual classroom courses with positive feedback
- Good performance in the EHS field

Covid-19



Key comments on the Covid-19 pandemic

- Continue to follow regulations and recommendations
- High activity on our special Covid-19 information section
- The prolonged pandemic impacts offline sales and also delays in new business
- Latest assessment is that this will continue through the year

Future Lawyer Survey 2020

Largest report of its kind in Scandinavia



Key comments

- › Purpose to drive the legal sector in Sweden and Denmark forward
- › Focuses on three areas: Transformation, Innovation and Motivation
- › Over 3,500 respondents making the report the largest of its kind in Scandinavia
- › [Swedish report](#)
- › [Danish report](#)



Financial development

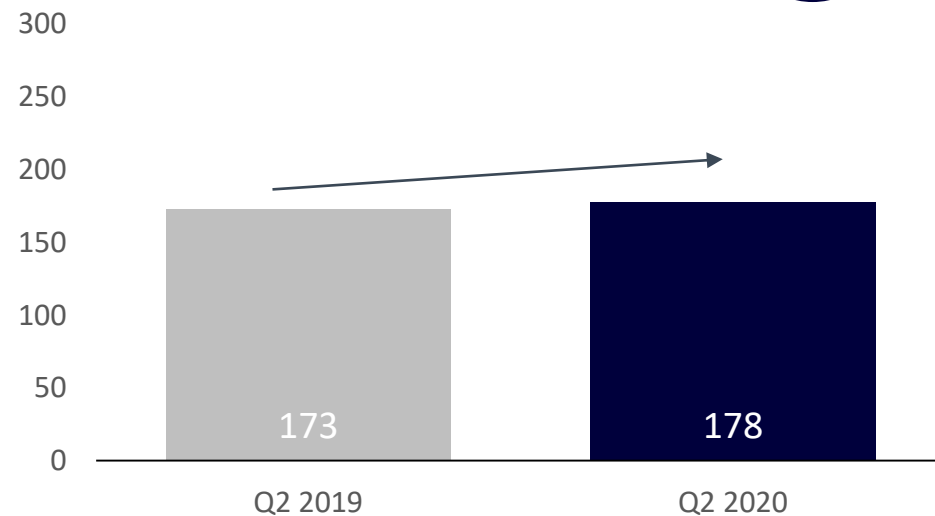
Dora Brink Clausen

Quarter in line with expectation

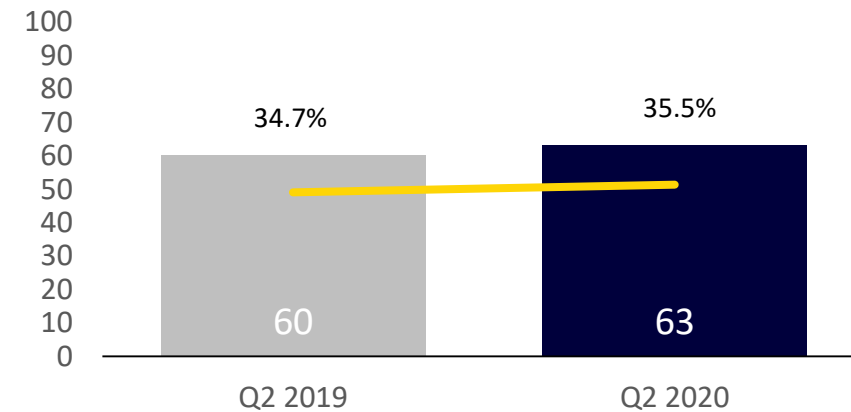
.... with improved, high margin

GROUP

Net Sales, SEKm



Adjusted EBITA, SEKm and margin %

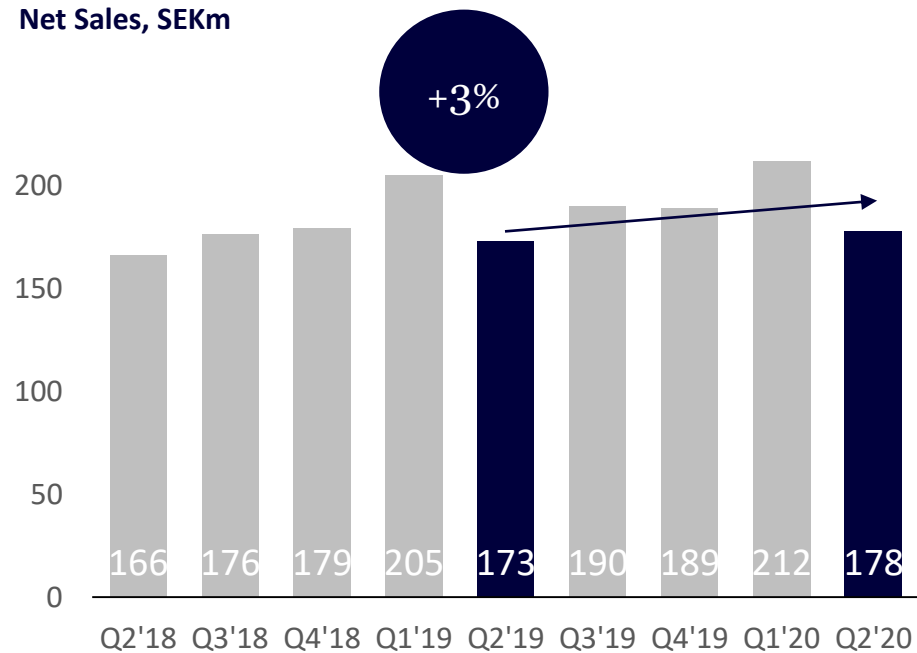


Continued sales growth

... due to solid online performance

GROUP

Net Sales, SEKm



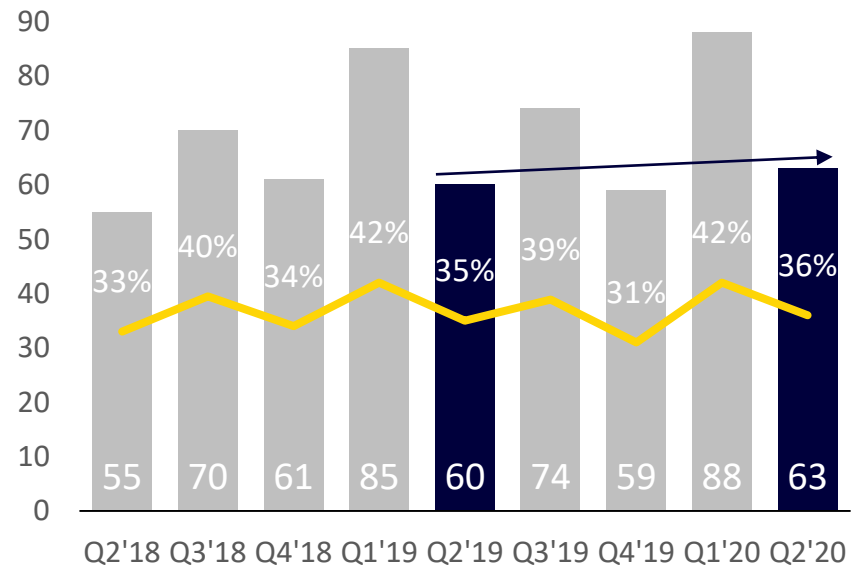
Key comments

- Net sales growth of 2.6% of which organic growth was 2.1%, currency effects was 0.3% and acquired growth was 0.2%
- Covid-19 impact estimated to >1 % on overall sales
- Online sales steady growth primarily due to upselling to existing customers and new business

High stable margin

GROUP

Adjusted EBITA and margin, SEKm and %



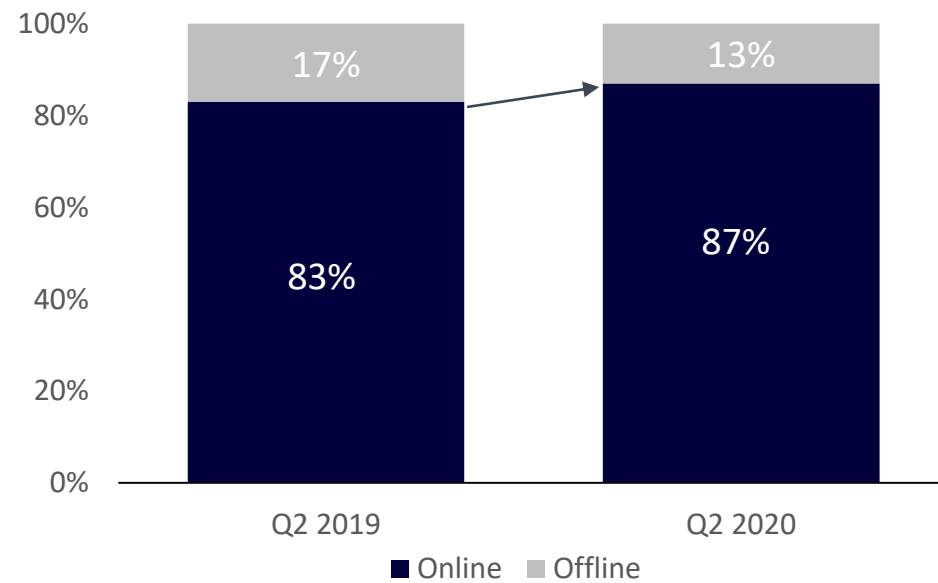
Key comments

- Adjusted EBITA improved by 5 % to SEK 63 m (60)
- Adjusted EBITA margin improved to 35.5 % (34.7), due to higher sales, good cost control and despite personnel expenses back to normal level of split between maintenance and capitalisation

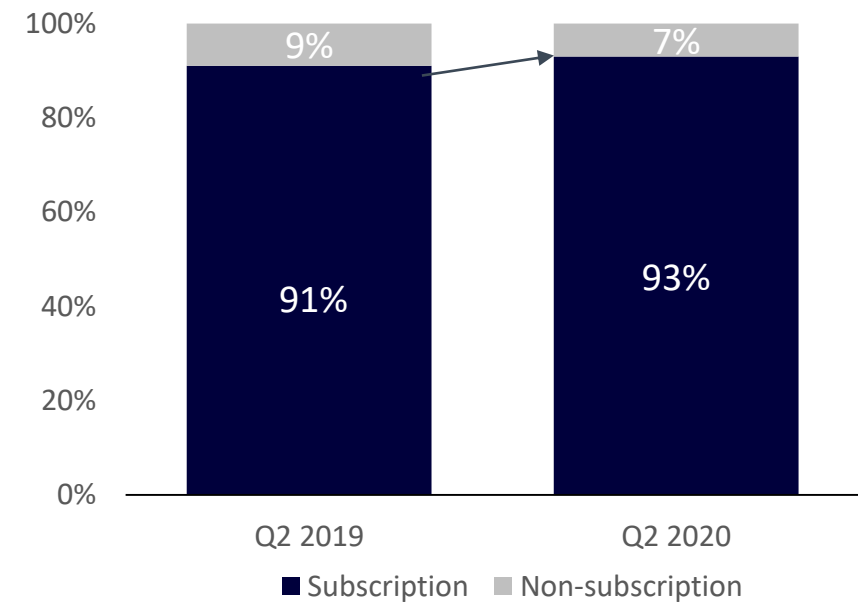
Online & subscriptions growing

SALES SPLIT

Sales split online/offline, %



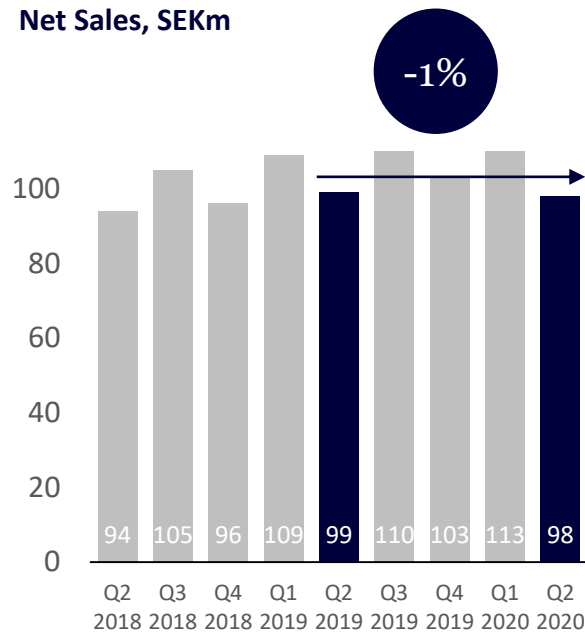
Sales split subscription/non-subscription, %



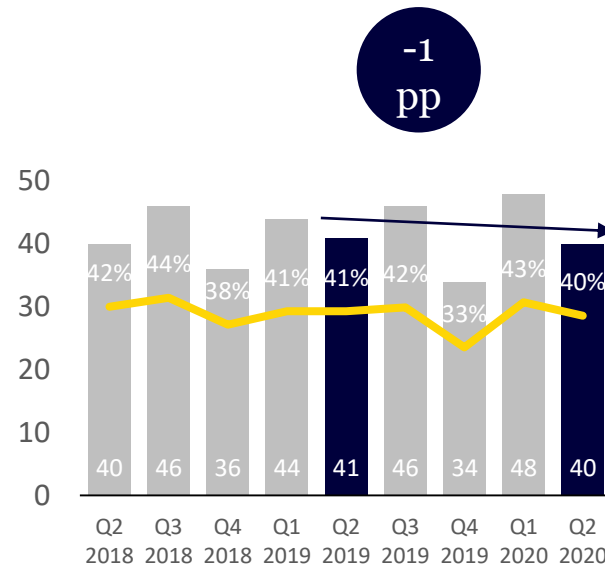
Good margin in Denmark

DENMARK

Net Sales, SEKm



Adjusted EBITA, SEKm and %



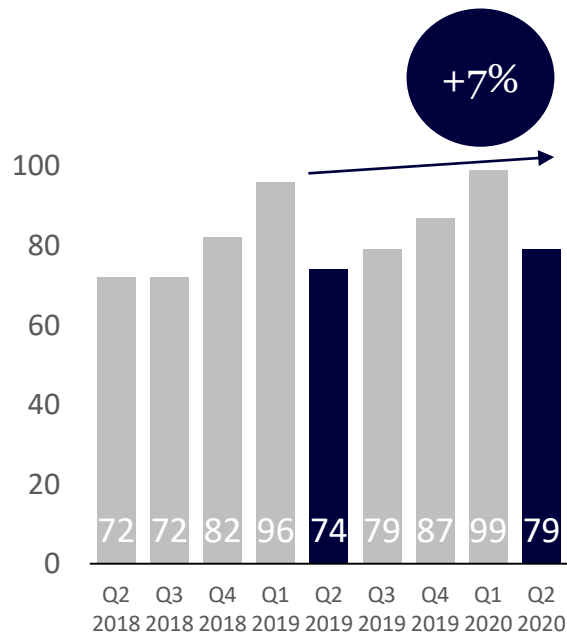
Key comments

- Good margin in Denmark
- Sales decrease following Covid-19 which impacts offline sales and delays new business
 - SME market also impacted
- Back to normal levels of capitalisation with more resources working on new solutions on the Danish market

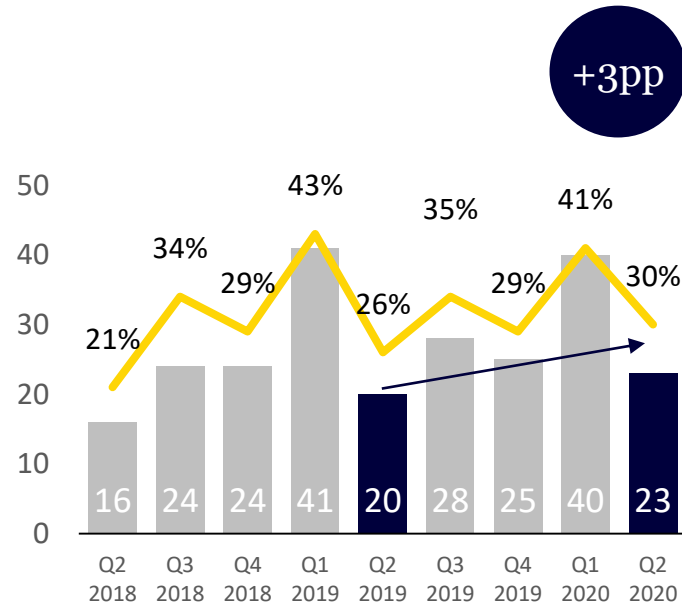
Good performance in Sweden

SWEDEN

Net Sales, SEKm



Adjusted EBITA, SEKm and margin, %



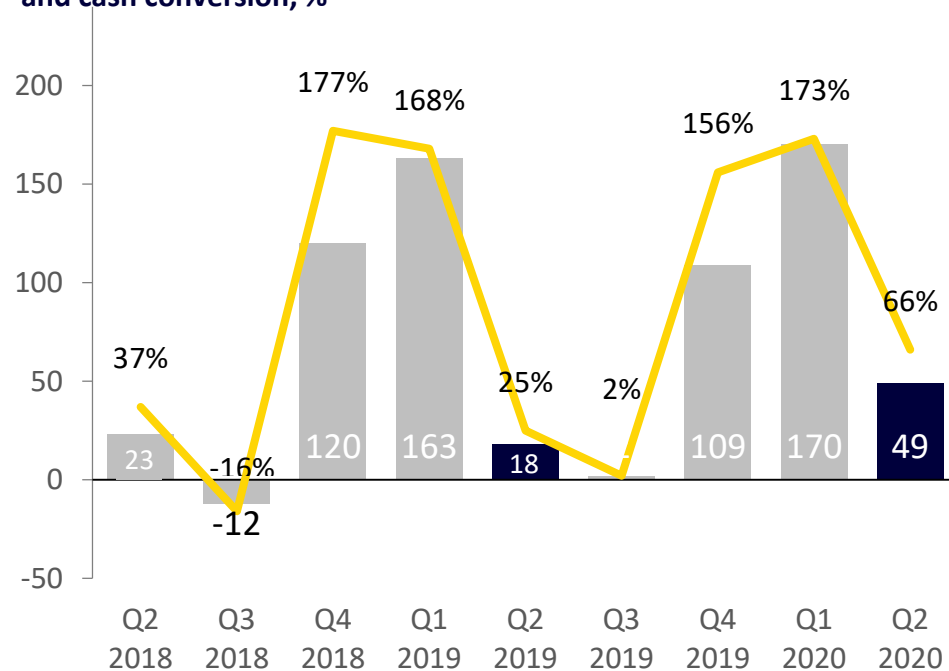
Key comments

- 6% organic growth driven by good online sales, upselling to existing customers and sales of new products
- Offline sales declined both due to long-term trend and Covid-19
- Good development in the EHS field
- Adjusted EBITA & margin improved due to higher net sales, good product mix and good cost control.

Strong cash conversion

GROUP

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



Key comments

- Adjusted operating cash flow improved due to improved operating profit and improved working capital
- Cash conversion rate up to 66% from 25% in Q2'19
- Leverage at 2.4, in line with financial target
- First dividend paid in Q2'20

Q&A

Better decisions, faster

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

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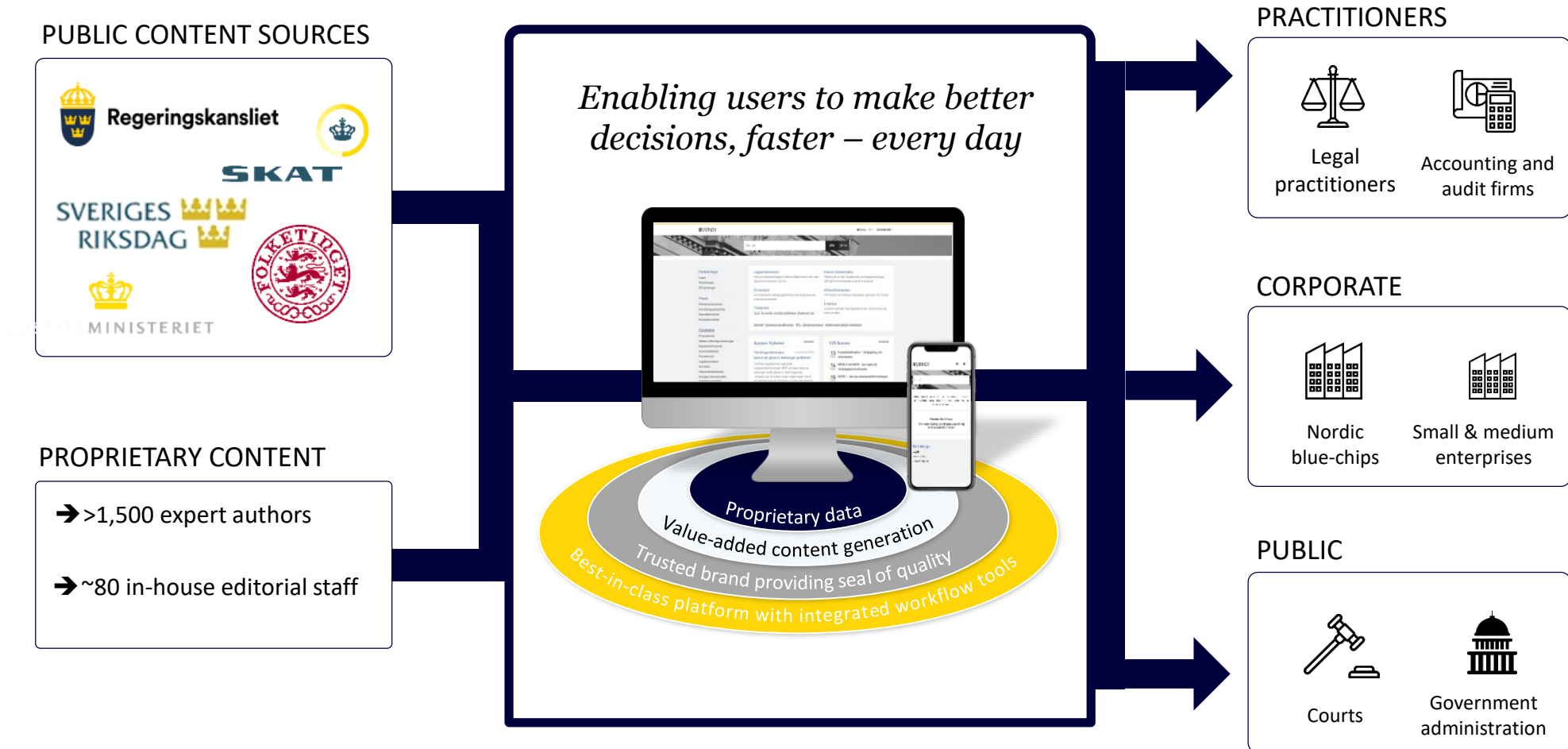




Appendix

Karnov – The leading B2B platform

For legal and tax professionals in Denmark and Sweden



Key ratios per quarter

Key ratios per quarter

	Q2	Q1	Q4	Q3	Q2
TSEK	2020	2020	2019	2019	2019
Net sales	177.958	211.961	189.183	189.533	173.440
Organic growth, %	2,1%	2,3%	4,1%	5,8%	3,0%
EBITA	63.259	88.218	38.912	69.106	30.458
EBITA margin, %	35,5%	41,6%	20,6%	36,5%	17,6%
Adjusted EBITA	63.259	88.218	59.422	73.756	60.123
Adjusted EBITA margin, %	35,5%	41,6%	31,4%	38,9%	34,7%
Net result	26.858	29.084	7.838	32.093	-44.303
Adjusted cash flow from operating activities	48.976	170.348	109.459	1.936	18.097

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