

Press Release – 26 August 2020

# Karnov reports second quarter results 2020

## Another solid quarter

### FINANCIAL HIGHLIGHTS SECOND QUARTER

- Net sales up 3% to SEK 178 m (173), organic growth was 2%.
- EBITA amounted to SEK 63 m (30) with EBITA margin of 35.5% (17.6%).
- Adjusted EBITA increased by 5% to SEK 63 m (60) and adjusted EBITA margin was 35.5% (34.7%).
- Net result amounted to SEK 27 m (-44).
- Earnings per share after dilution amounted to SEK 0.27 (-0.45).
- Adjusted operating cash flow improved by 171% to SEK 49 m (18).

### CEO FLEMMING BREINHOLT COMMENTS ON THE QUARTER:

During the second quarter, Karnov Group continued to grow with solid results in our subscription based online offerings. We have also onboarded new local CEOs in Sweden and Denmark.

#### Continued development of our offering

We have succeeded in upholding our online growth during the quarter, and especially our Swedish segment influenced positively. LEXNordics' performance is fully consolidated in the Group's results in the quarter. During the quarter we have deployed our planned enhancements to the JUNO platform, and continued preparing our upgrade on our Danish platform. We have launched two new products, called Karnov's Materialesamling, in Denmark which will help customers; our new material collection tool and our new preparatory work tool.

The new local CEOs of Karnov Group Denmark A/S and Norstedts Juridik AB assumed their positions in April and May respectively. The onboarding has been successful and they are fully operational. This will enable us to focus even more on our future growth.

#### Financial results in line with expectation

Our organic growth in the second quarter was 2.1 percent, with a temporary dip due to a negative influence from the Covid-19 pandemic.

The adjusted EBITA margin was 35.5 percent which is an improvement compared to previous years. The good performance in the second quarter on the Swedish market strongly influenced.

#### Update on the Covid-19 pandemic

The Covid-19 pandemic unfortunately still has a significant impact on global society and therefore also on our company. We continue to follow the regulations and recommendations from the authorities.

During the pandemic, our offering has shown its relevance with high activity on our Covid-19 specific sections in Sweden and Denmark providing direct and easy access to relevant content. The renewals of our subscription-based contracts are progressing according to expectations with very low churn. However, we can see a delay in new business due to longer or postponed decision processes due to the uncertainties of the global impact of the pandemic.

Our non-subscription part of the offline business, mainly books, public trades and sales of legal training courses, have been impacted also in the second quarter. Currently, we expect this to continue during the rest of the year along with the delay in new business. The Covid-19 pandemic has hence accelerated the expected transition from offline to online. Post the pandemic, we do however still believe in the offline market.

We have managed to continue our business without the use of governmental support packages in both Denmark and Sweden and at the same time we have been able to uphold our workforce.

## CONFERENCE CALL ON 26 AUGUST

A webcasted telephone conference will be held at 10.00 a.m. CEST today, where CEO Flemming Breinholt and CFO Dora Brink Clausen will present the report and answer questions.

You can follow the presentation via webcast and ask questions in written form on the following page:

<https://tv.streamfabriken.com/karnov-group-q2-2020>

The presentation will also be available on [www.financialhearings.com](http://www.financialhearings.com).

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

SE: +46 8 566 426 95

DK: +45 7 872 3250

UK: +44 333 300 90 32

US: +1 833 526 8383

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

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