

A man in a blue suit and light blue tie is standing in a library, reading a large open book. He is positioned in front of tall bookshelves filled with many books. The scene is softly lit, with a warm glow from the left.

Third quarter 2020

Q3

Flemming Breinholt, CEO and Dora Brink Clausen, CFO | 5 November 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.

Q3 highlights and operational update *Flemming Breinholt*

Financial highlights

A solid quarter with high margins and seasonal less Covid-19 effect

+2%

Net sales

+3%

Organic growth

39.9 %

Adjusted EBITA
margin

2.4

Leverage

Operational highlight

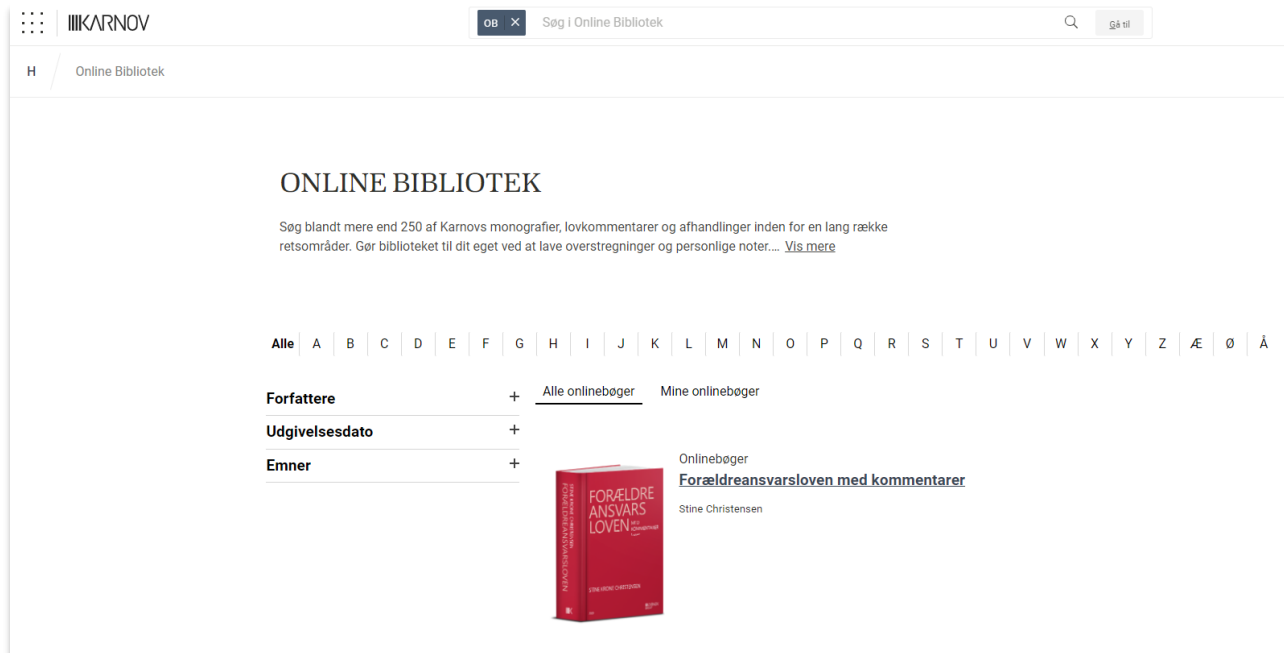
Future Lawyer Survey - largest report of its kind in Scandinavia



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
- › Good media coverage and well received interest from stakeholders
- › [Swedish report](#)
- › [Danish report](#)

New features launched in Denmark



Key comments to Q3

- Growth according to expectations and high adjusted EBITA margin
- Improved preparatory work with direct links and upgraded online library
 - Improved efficiency and certainty for users
- Kaius – a new platform for law students
- New collaboration with Lexoforms, well-functioning GDPR solutions
- Danish platform upgrade will be soft launched later this year

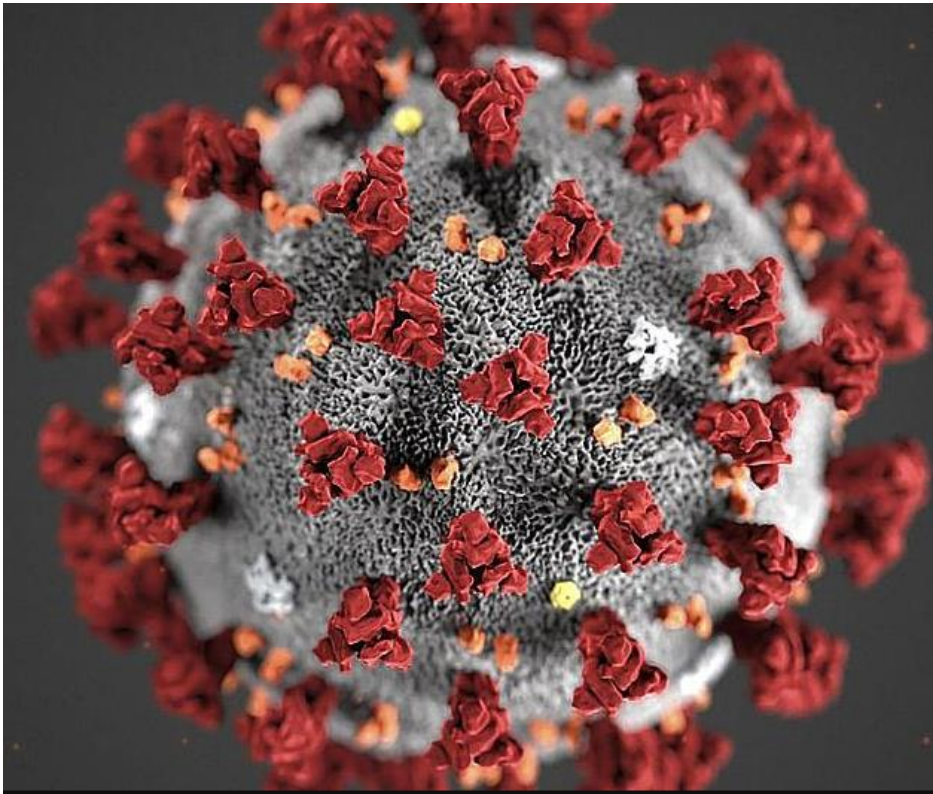
Solid performance in Sweden



Key comments to Q3

- 6% organic growth driven by good online sales, upselling to existing customers and sales to new customers
- Continued enhancements to JUNO
- Strengthened customer centricity with improved customer service
- Classroom training still held virtually
- EHS solution still strong growth

Covid-19



Key comments on the Covid-19 pandemic

- Continue to follow regulations and recommendations
- High activity on our special Covid-19 information sections
- The prolonged pandemic impacts offline sales, SME market demand and also delay decision-making on new business
- Seasonality in Covid-19 impact
 - The third quarter less impacted
 - Estimated negative impact approximately 2 pp on full-year growth



Financial development

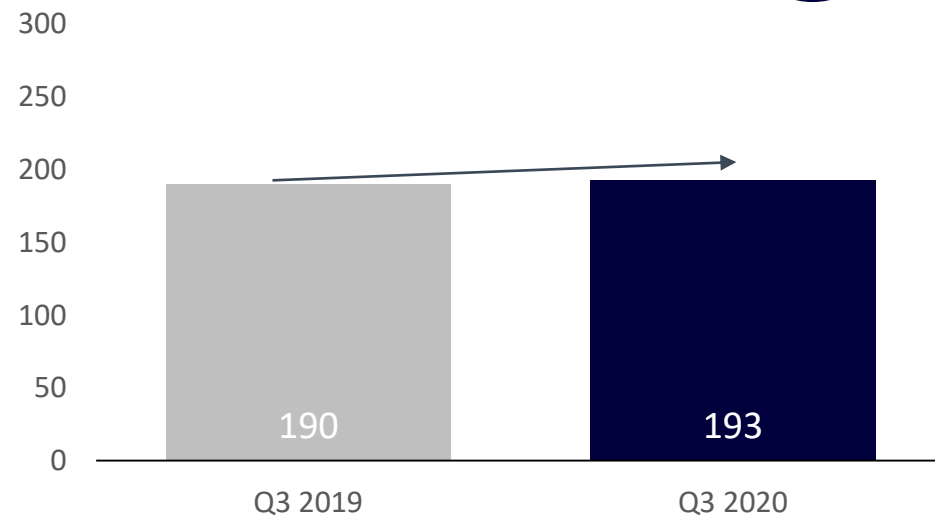
Dora Brink Clausen

Another solid quarter

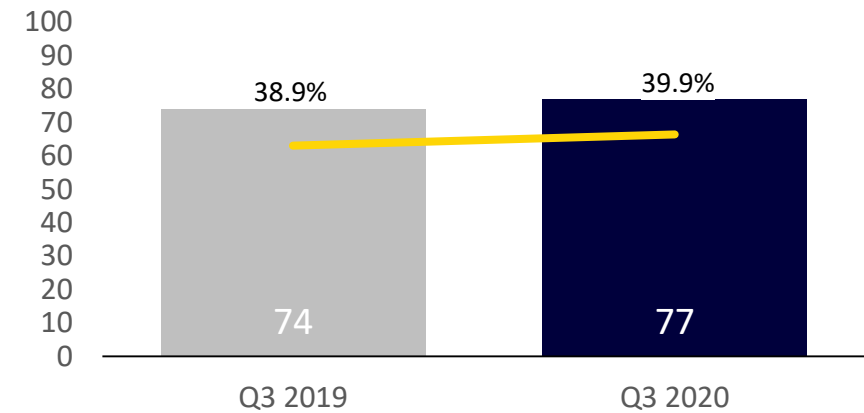
.... with improved, high margin

GROUP

Net Sales, SEKm



Adjusted EBITA, SEKm and margin %

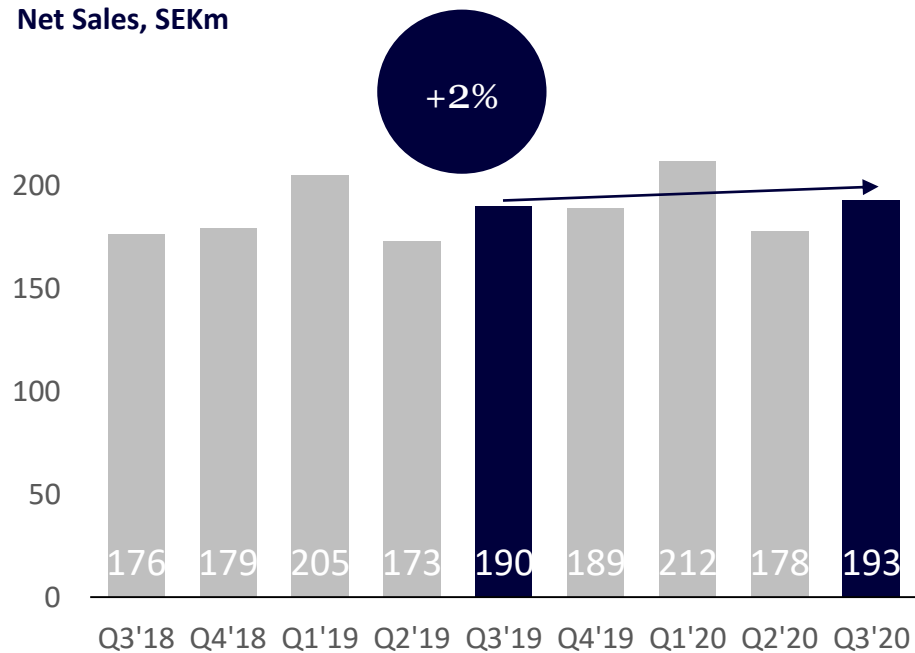


Continued sales growth

... due to solid online performance and less Covid-19 effect

GROUP

Net Sales, SEKm



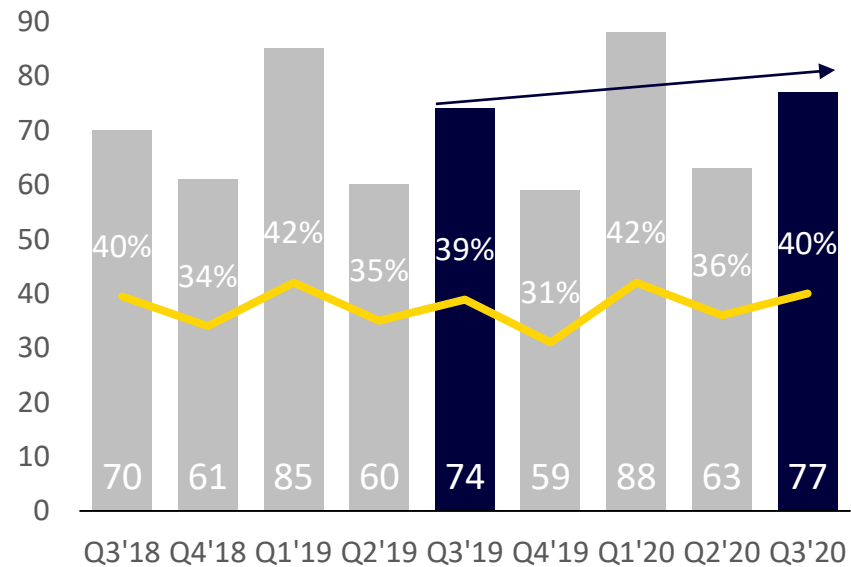
Key comments

- Net sales growth of 1.7% of which organic growth was 3.0%, currency effects was -1.6% and acquired growth was 0.3%
- Covid-19 impact estimated to <1 % on overall sales, estimated negative impact approximately 2 pp on full-year growth
- Online sales steady growth primarily due to upselling to existing customers and new business

High stable margin

GROUP

Adjusted EBITA and margin, SEKm and %



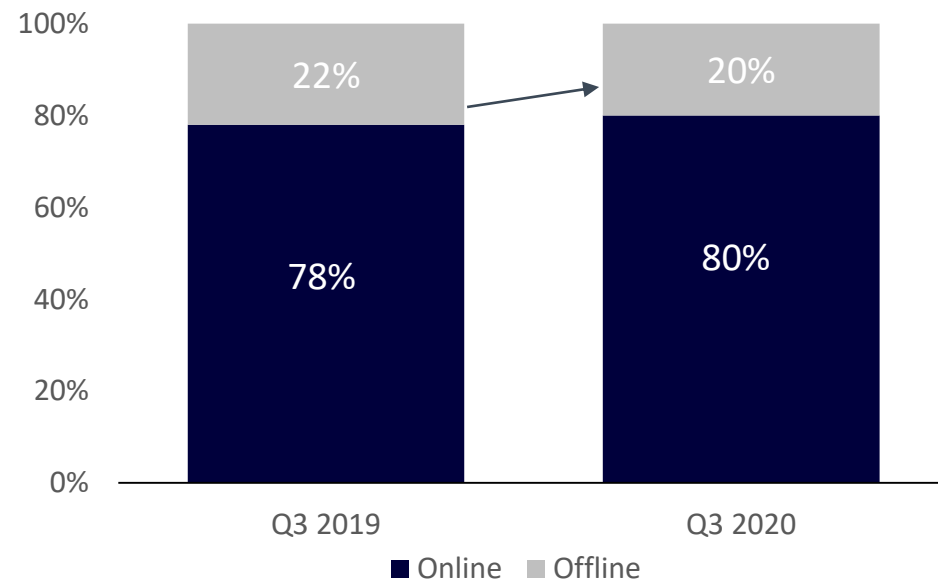
Key comments

- Adjusted EBITA improved by 4 % to SEK 77 m (74)
- Adjusted EBITA margin improved to 39.9 % (38.9), due to higher sales and process optimisation
- As a consequence of Covid-19 also lower cost

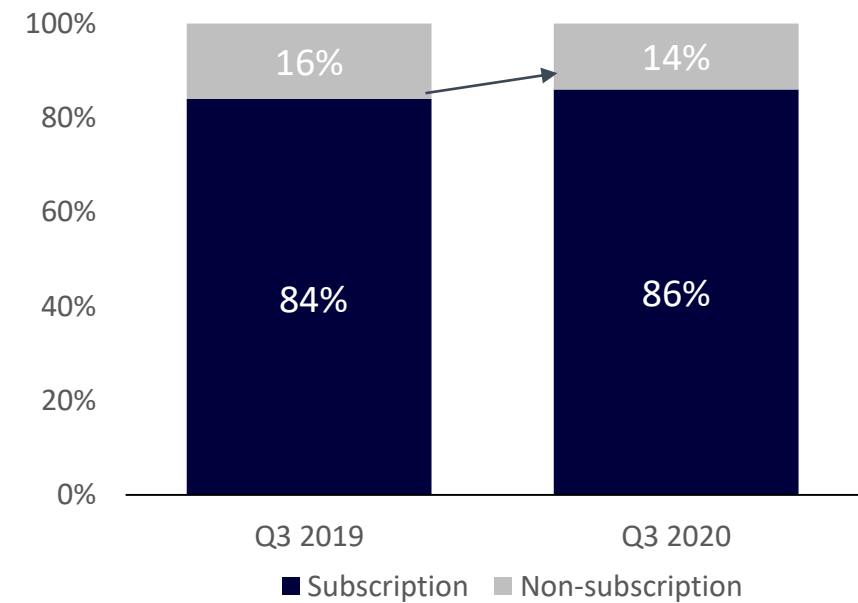
Online & subscriptions growing

SALES SPLIT

Sales split online/offline, %



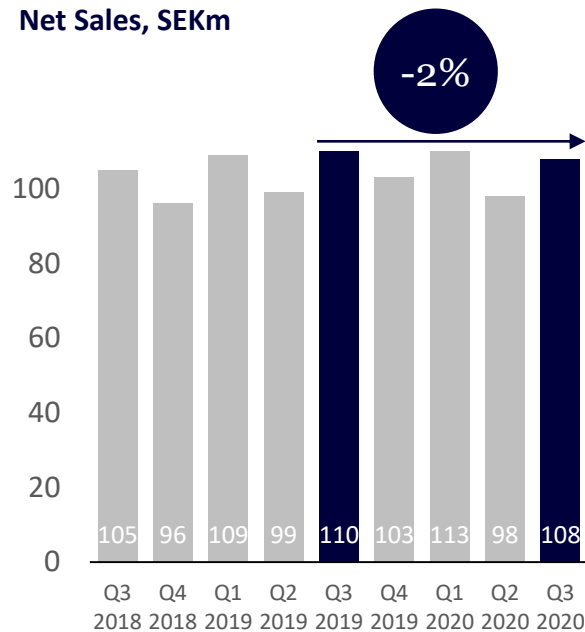
Sales split subscription/non-subscription, %



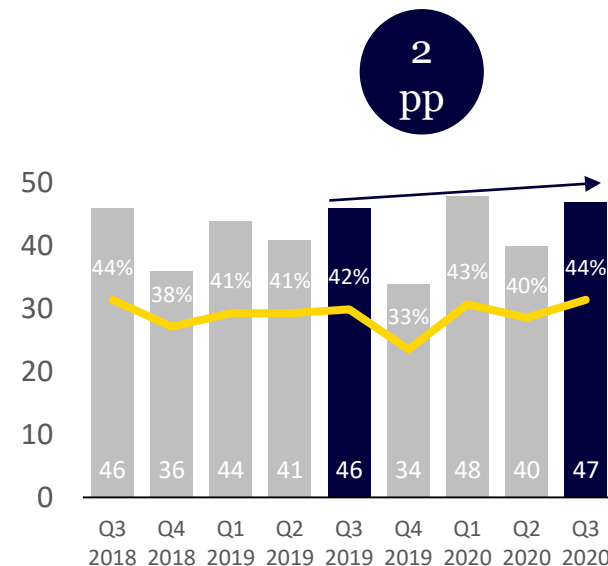
Strong results in Denmark

DENMARK

Net Sales, SEKm



Adjusted EBITA, SEKm and %



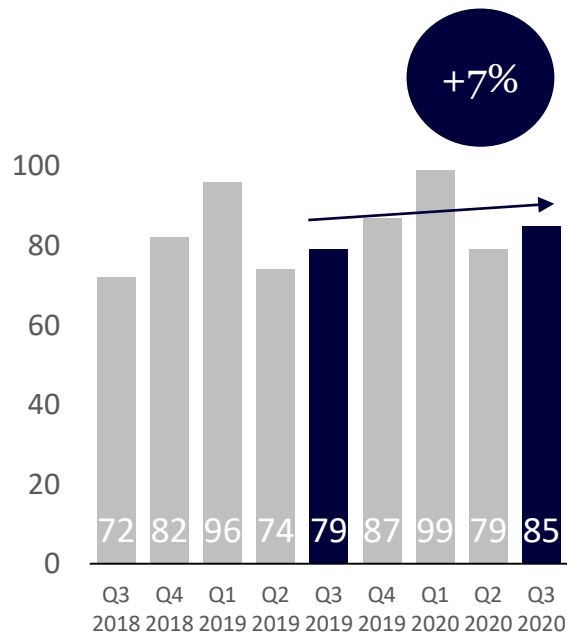
Key comments

- Organic growth was 1%, however currency effects impacts with -3%
- Covid-19 continues to impact offline sales, SME market demand and delays on decision-making in new business
- Adjusted EBITA increased 2%
 - Optimised processes driver for margin improvement
 - Higher level of capitalisation

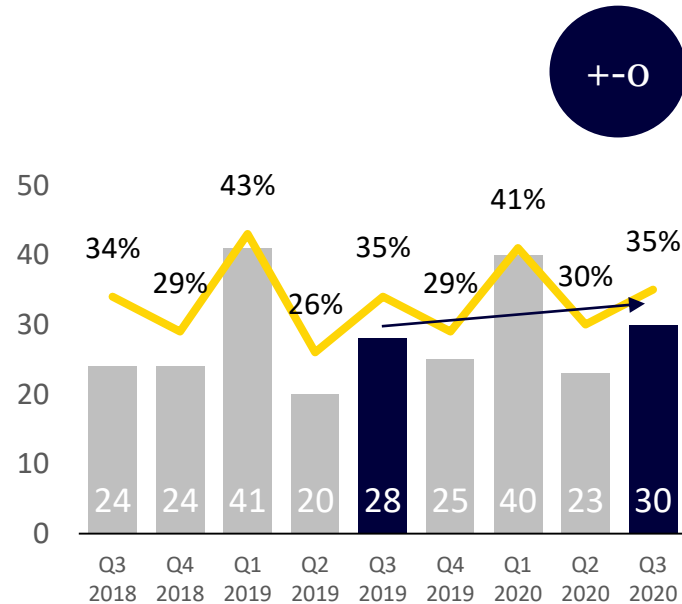
Continued good performance in Sweden

SWEDEN

Net Sales, SEKm



Adjusted EBITA, SEKm and margin, %



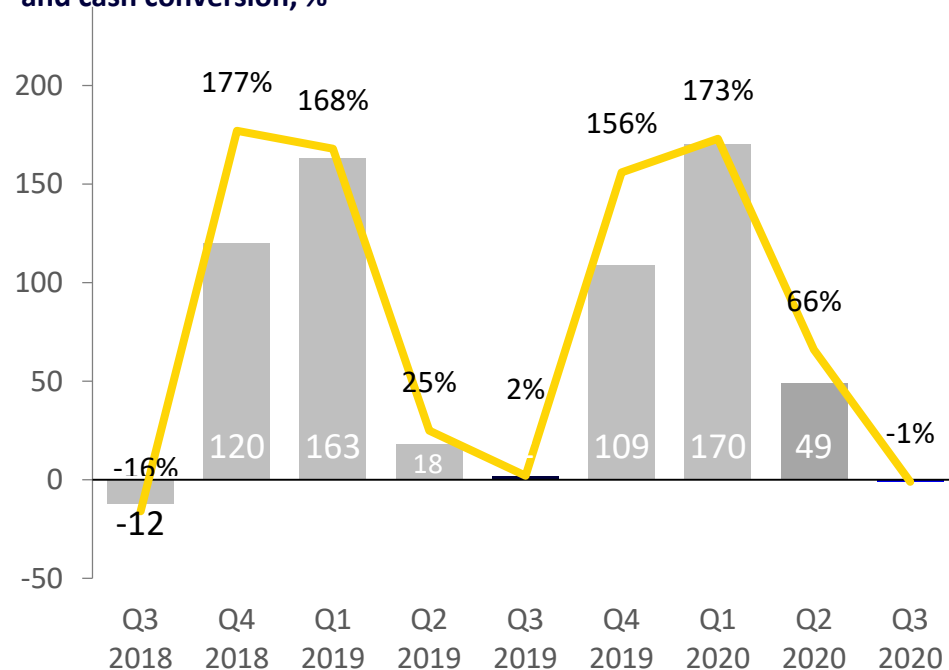
Key comments

- 6% organic growth driven by good online sales, upselling to existing customers and sales to new customers
- Good performance in EHS solution
- Adjusted EBITA margin on same level as previous year as split between maintenance and capitalisation is back on normal level

Leverage well below financial target

GROUP

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



Key comments

- Adjusted operating cash flow low as expected due to seasonality
 - Adjusted operating cash flow YTD is up SEK 35 m
- Cash flow impacted negatively by strong timing effects in Q2 compared to last year
- Leverage at 2.4, in line with financial target

Summary of the third quarter

1

Strong results, less Covid-19 effect

- Organic growth 3%
- Adjusted EBITA margin 39.9%
- Leverage well below 3x

2

New launches in Denmark

3

Full year negative impact of Covid-19 effect on top-line growth is estimated to approximately 2 pp

Q&A

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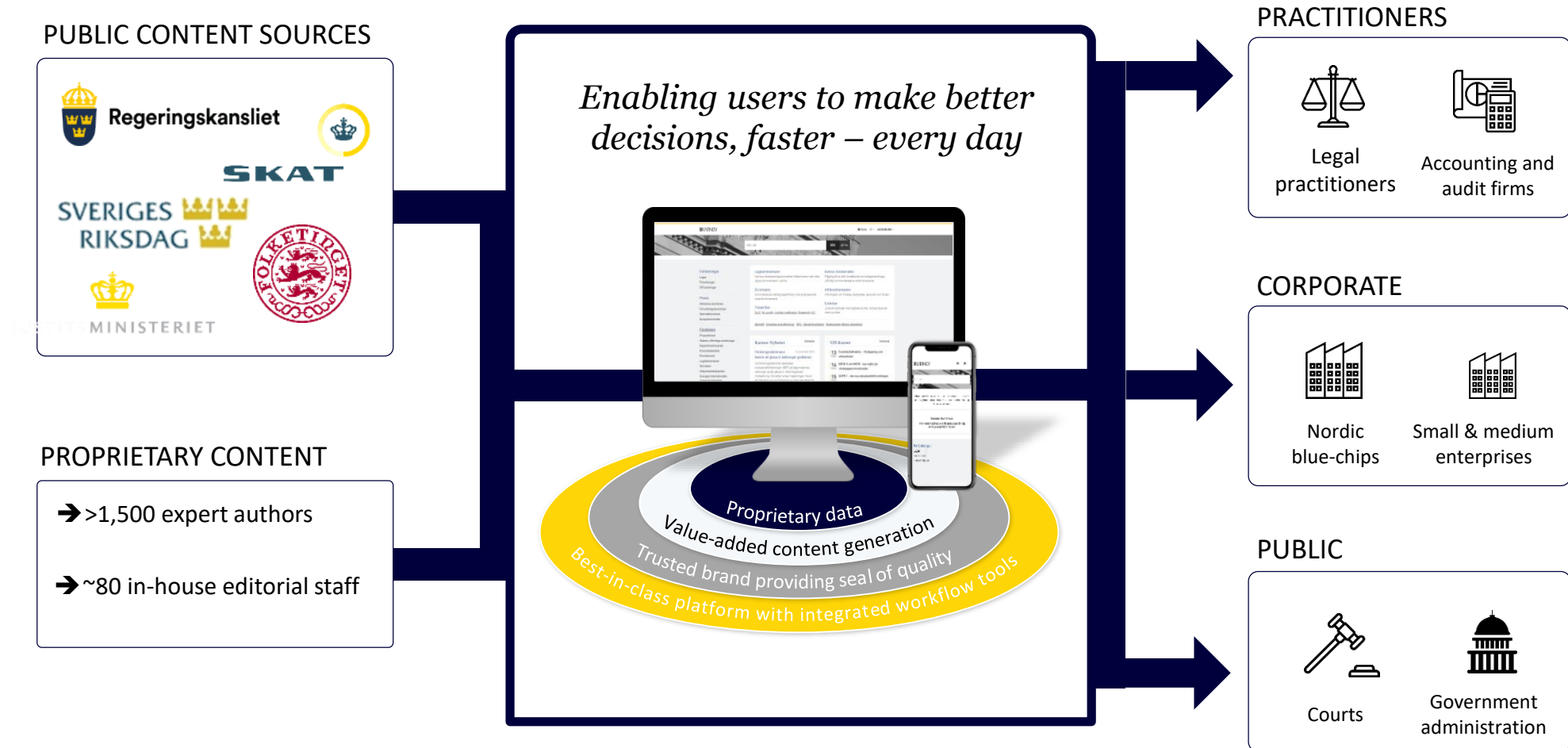




Appendix

Karnov – The leading B2B platform

For legal and tax professionals in Denmark and Sweden



Key ratios per quarter

	Q3	Q2	Q1	Q4	Q3
TSEK	2020	2020	2020	2019	2019
Net sales	192.755	177.958	211.961	189.183	189.533
Organic growth, %	3,0%	2,1%	2,3%	4,1%	5,8%
EBITA	76.899	63.259	88.218	38.912	69.106
EBITA margin, %	39,9%	35,5%	41,6%	20,6%	36,5%
Adjusted EBITA	76.899	63.259	88.218	59.422	73.756
Adjusted EBITA margin, %	39,9%	35,5%	41,6%	31,4%	38,9%
Net result	27.953	26.858	29.084	7.838	32.094
Adjusted cash flow from operating activities	-580	48.976	170.348	109.459	1.936

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