

# Fourth quarter 2020

# Q4

Flemming Breinholt, CEO and Dora Brink Clausen, CFO | 25 February 2021

A man with short grey hair, wearing a dark blue suit jacket over a light blue button-down shirt, stands in front of a brick building with arches. The background is slightly blurred, showing a courtyard area with a white door and some greenery. A dark blue semi-transparent banner is overlaid on the lower half of the image, containing white text.

# Q4 highlights and operational update

## *Flemming Breinholt*



# Financial highlights

Ending the year on a positive note

**+2%**

Net sales

**+2%**

Organic growth

**+60 bp**

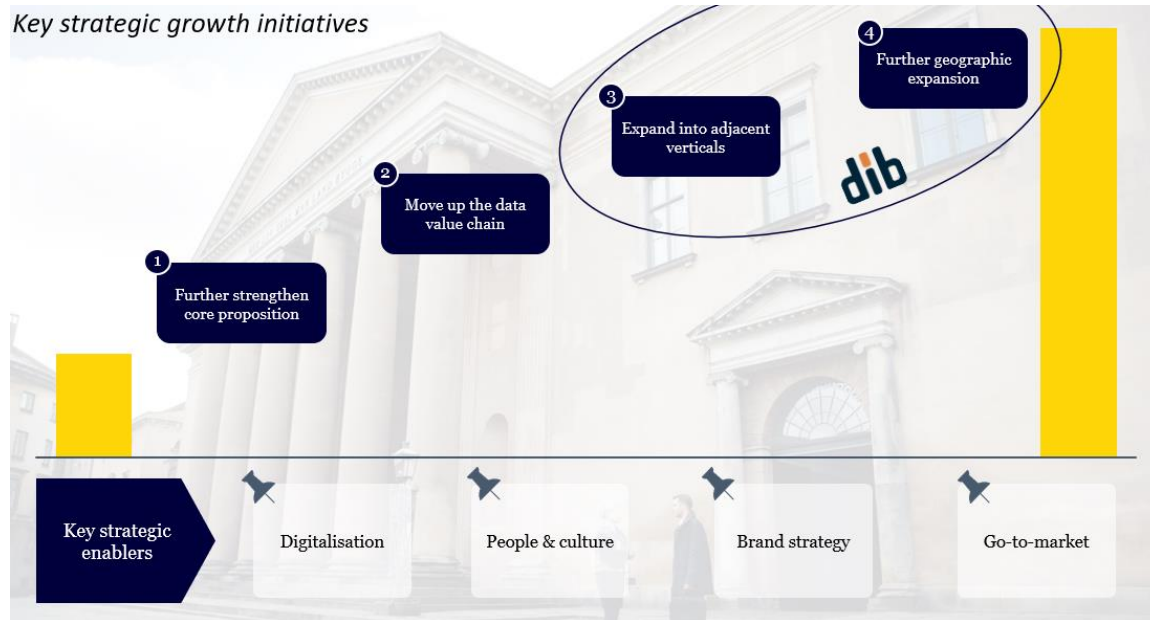
Adjusted EBITA  
margin

**1.9**

Leverage

# Operational highlight

## Acquisition of DIBkunnskap AS – to strengthen our footprint in Norway

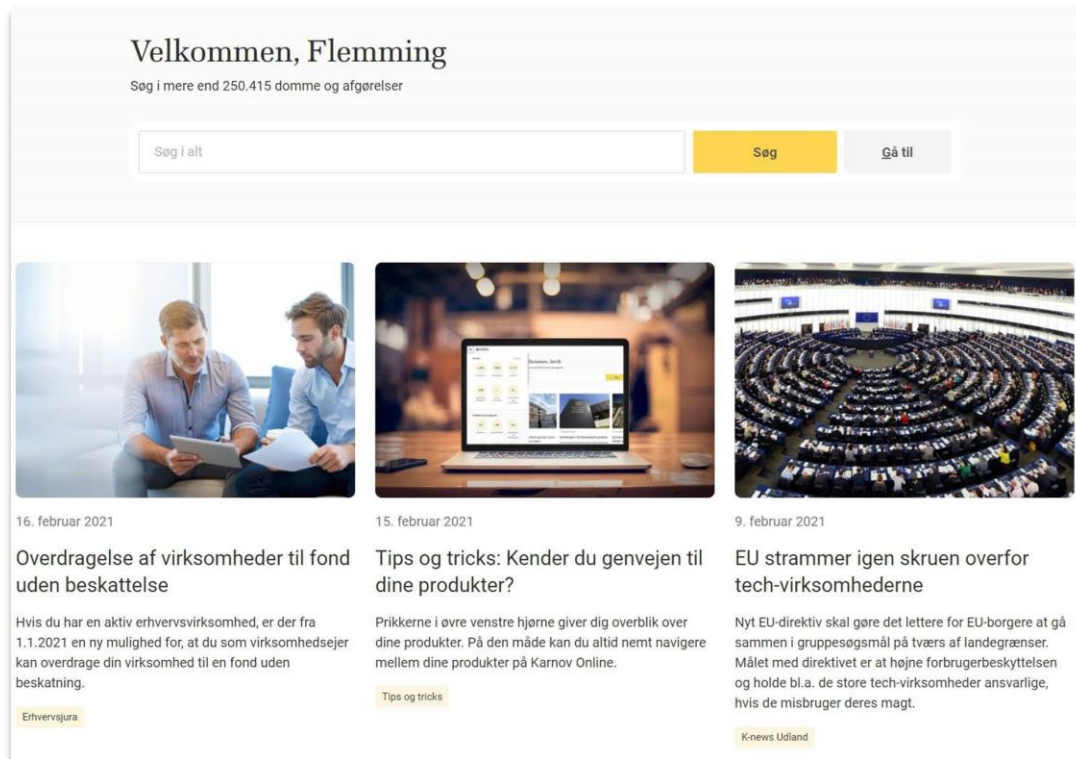


### Key comments

- Fits well into overall strategy
- DIB improves workflow and efficiency
- Market leader in Norway and will continue to grow while expand internationally
- Has historically been successful in launching new products and will do so also going forward
- Consolidated in our financials from Q1 2021

# High margins in Denmark

New platform soft launched with more than 10,000 users onboarded



Velkommen, Flemming  
Søg i mere end 250.415 domme og afgørelser

Søg i alt Søg Gå til

16. februar 2021  
Overdragelse af virksomheder til fond uden beskattelse  
Hvis du har en aktiv erhvervsvirksomhed, er der fra 1.1.2021 en ny mulighed for, at du som virksomhedsejer kan overdrage din virksomhed til en fond uden beskatning.  
Erhvervsjura

15. februar 2021  
Tips og tricks: Kender du genvejen til dine produkter?  
Prikkerne i øvre venstre hjørne giver dig overblik over dine produkter. På den måde kan du altid nemt navigere mellem dine produkter på Karnov Online.  
Tips og tricks

9. februar 2021  
EU strammer igen skruen overfor tech-virksomhederne  
Nyt EU-direktiv skal gøre det lettere for EU-borgere at gå sammen i gruppesøgsmål på tværs af landegrænser. Målet med direktivet er at højne forbrugerbeskyttelsen og holde bl.a. de store tech-virksomheder ansvarlige, hvis de misbruger deres magt.  
Knews Udland

## Key comments to Q4

- New platform soft launched in Q4
  - Users can easily change between old and new for a period of time
  - Along with other newly launched products we have formed a good basis for growth
- Adjusted EBITA margin 40 % in full-year 2020
- Kaius (our platform for law students) continues to develop well with growing number of students using the platform

# A good year in Sweden

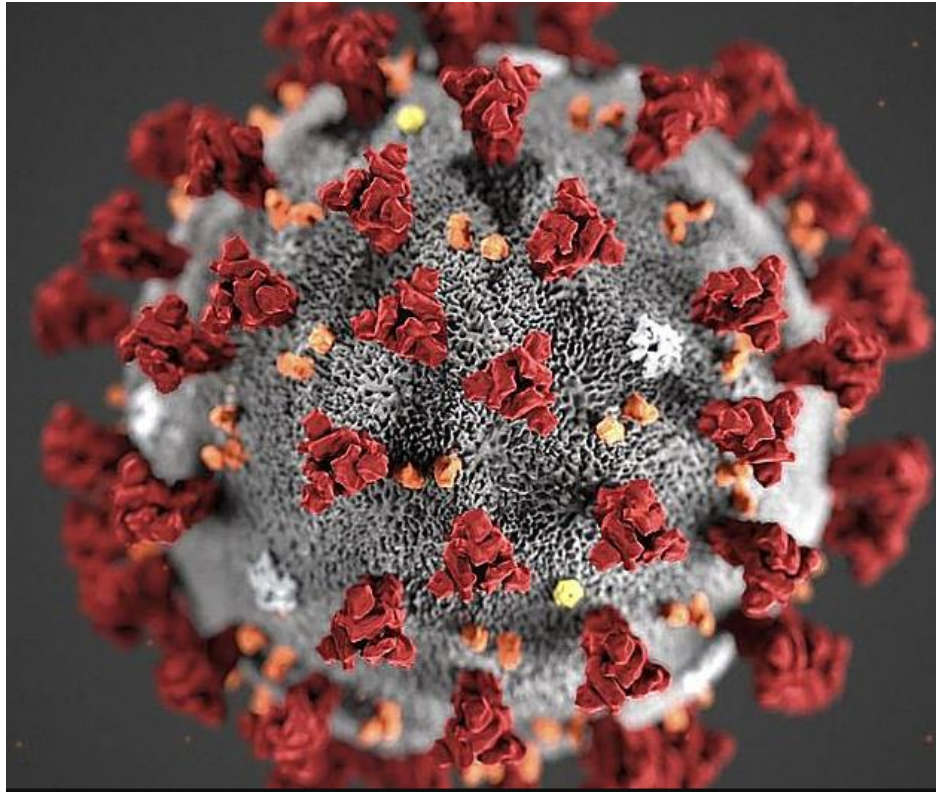


## Key comments to Q4

- 2% organic growth driven by good online sales, upselling to existing customers and sales to new customers
- Initiatives to strengthen our customer centricity have been successfully received in the market
- Strong quarter for virtual legal training courses
- Market demand for our EHS solution has been strong through-out the year



# Covid-19



## Key comments on the Covid-19 pandemic

- Continue to follow regulations and recommendations
- Still high activity on our special Covid-19 information sections, showing relevance
- The pandemic impacts offline sales, SME market demand and also delay decision-making on new business
- Estimated negative impact approximately 1-2 pp on full-year growth 2020



Financial development  
*Dora Brink Clausen*

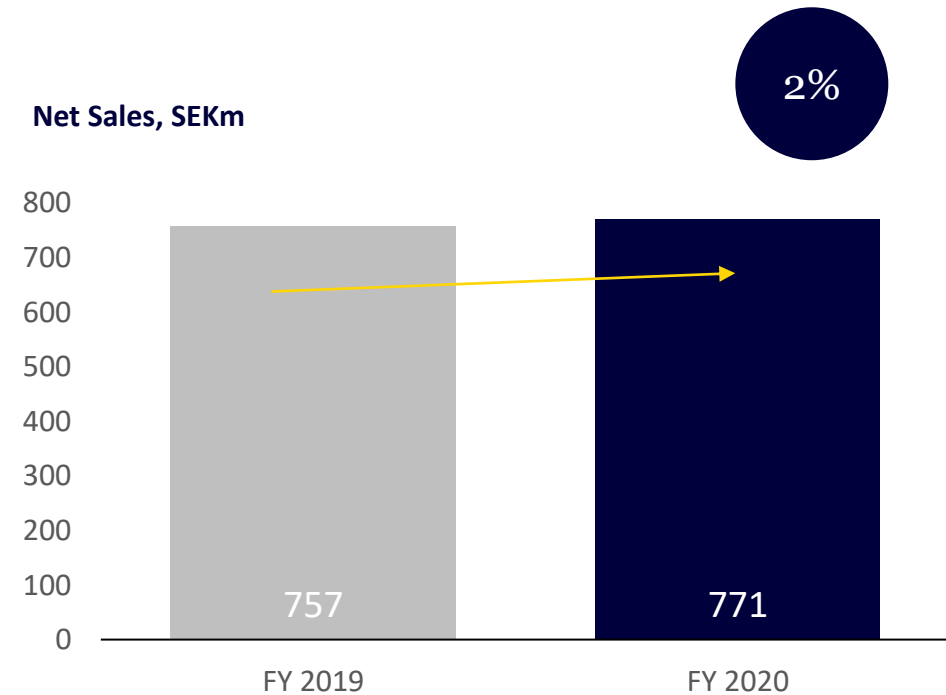
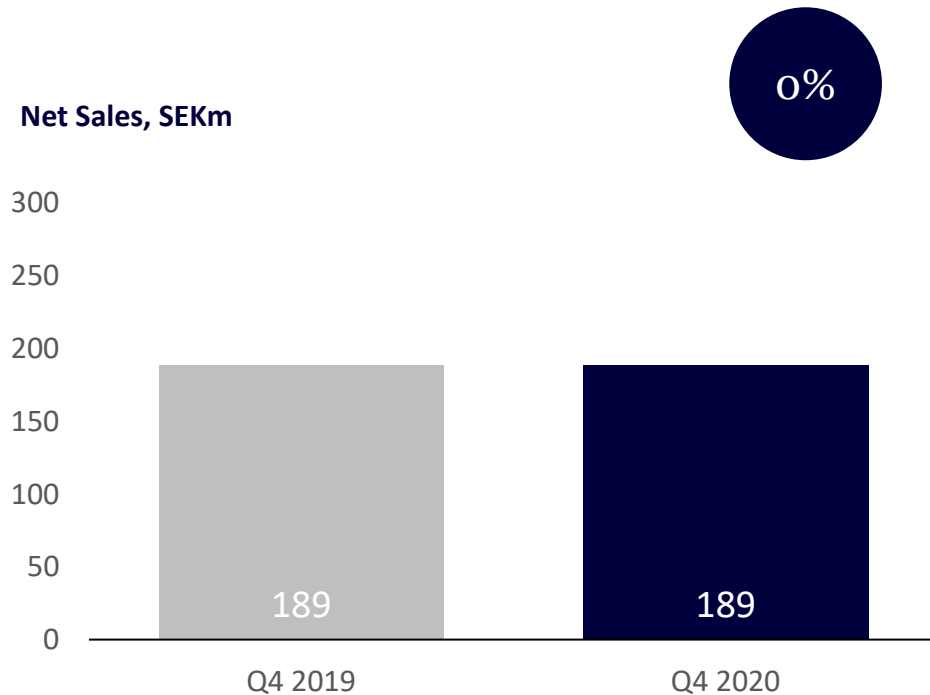
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# A solid year with good growth

.... Covid-19 impacted negatively with 1-2 percentage points

## GROUP



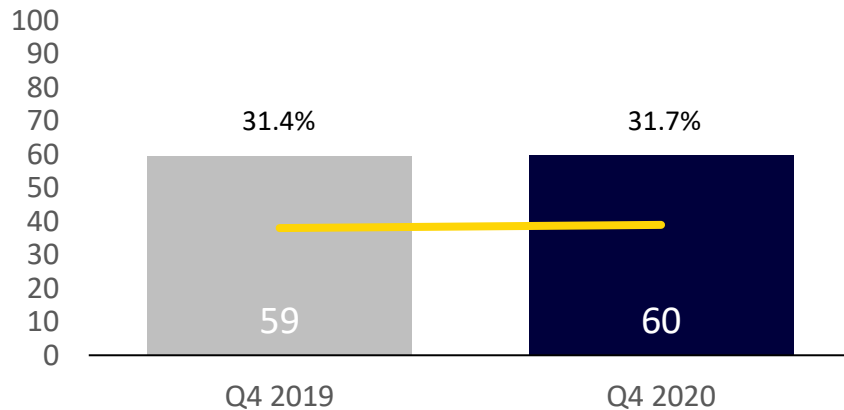
# Improved margins in line with financial target

.... full-year improved by 60 basis points

## GROUP

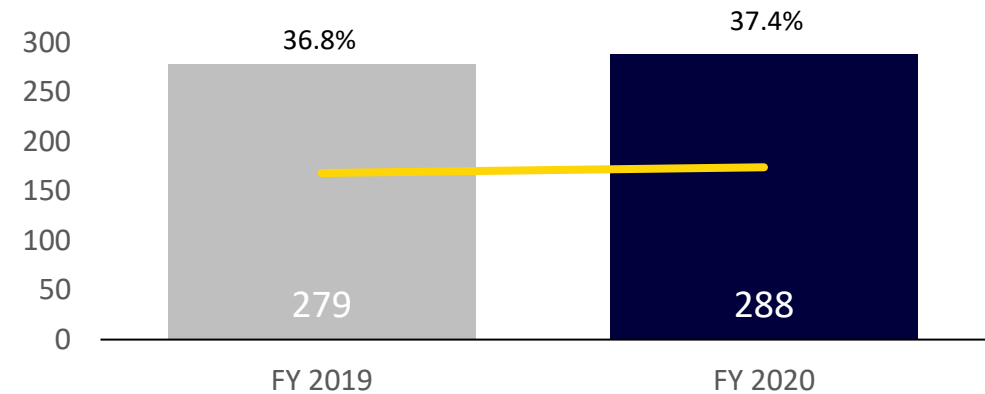
Adjusted EBITA, SEKm and margin %

0.3  
pp



Adjusted EBITA, SEKm and margin %

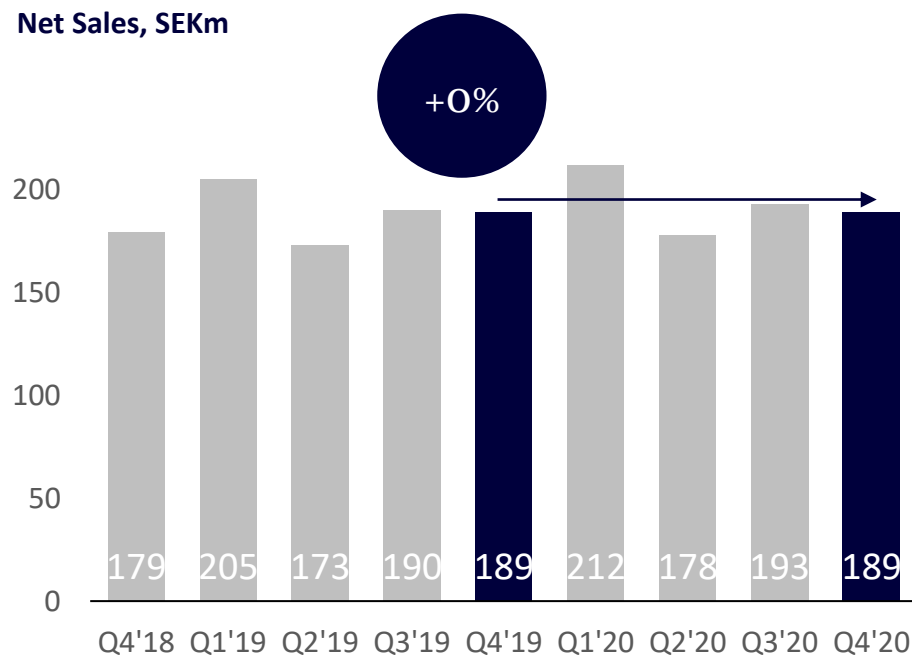
0.6  
pp



# Equally high sales numbers as last year

... solid performance with FX effects and Covid-19 impacting negatively

## GROUP



### Key comments

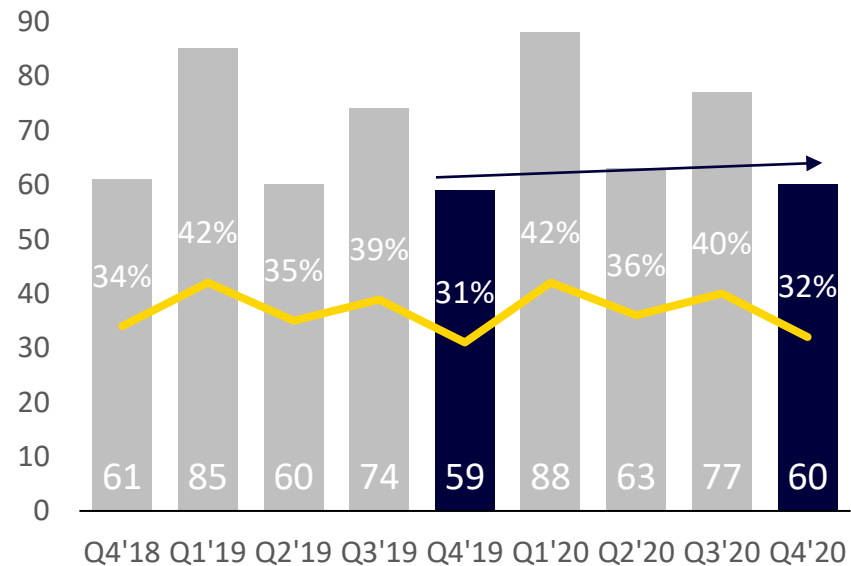
- Net sales growth of -0.2% of which organic growth was 1.2%, currency effects was -1.7% and acquired growth was 0.3%
- Online sales continued to be a growth driver
- Covid-19 had larger impact as we typically have higher portion offline sales in the fourth quarter



# Improved margin compared to last year

## GROUP

Adjusted EBITA and margin, SEKm and %



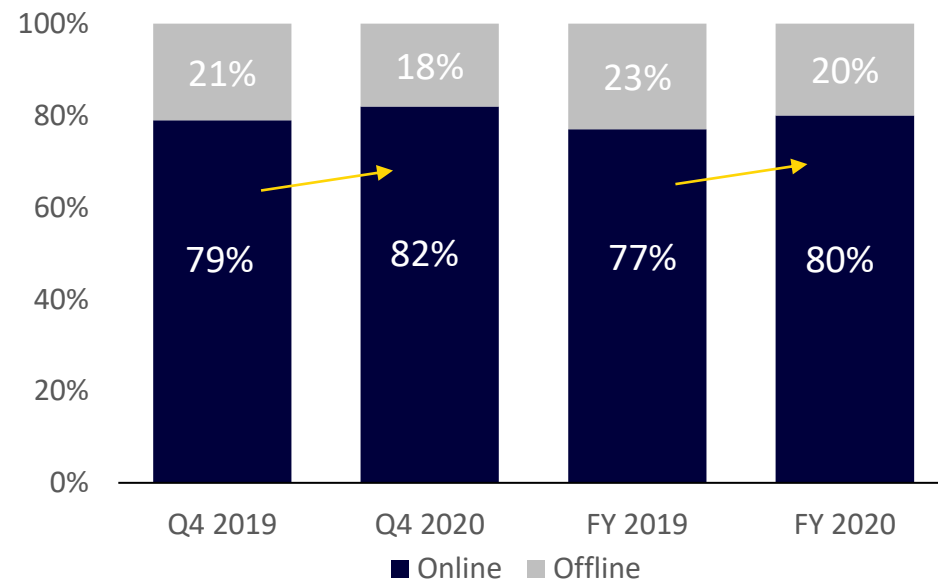
### Key comments

- Adjusted EBITA improved by 1 % to SEK 60 m (59)
- Adjusted EBITA margin improved to 31.7 % (31.4), due to us optimising processes and preparing our organisation for new initiatives
- As a consequence of Covid-19 also lower cost

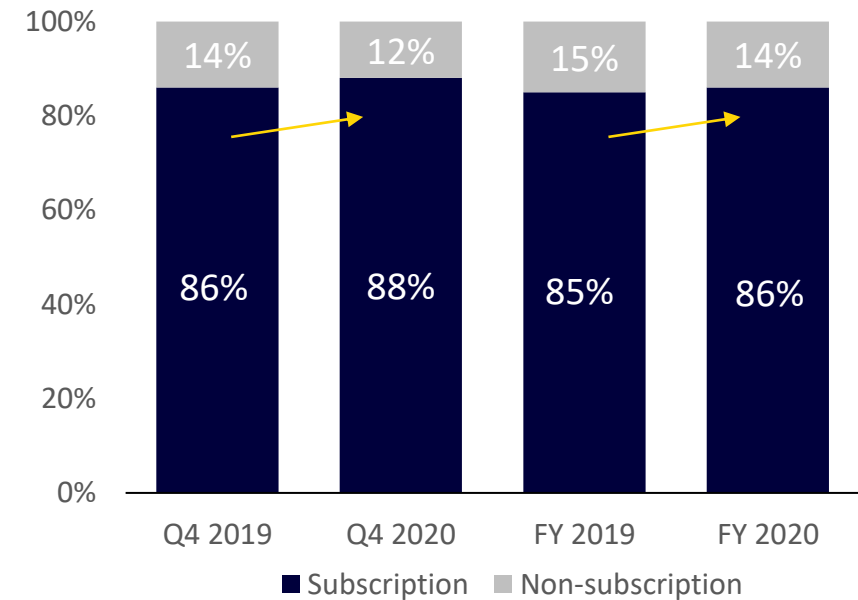
# Online & subscriptions growing

## SALES SPLIT

Sales split online/offline, %



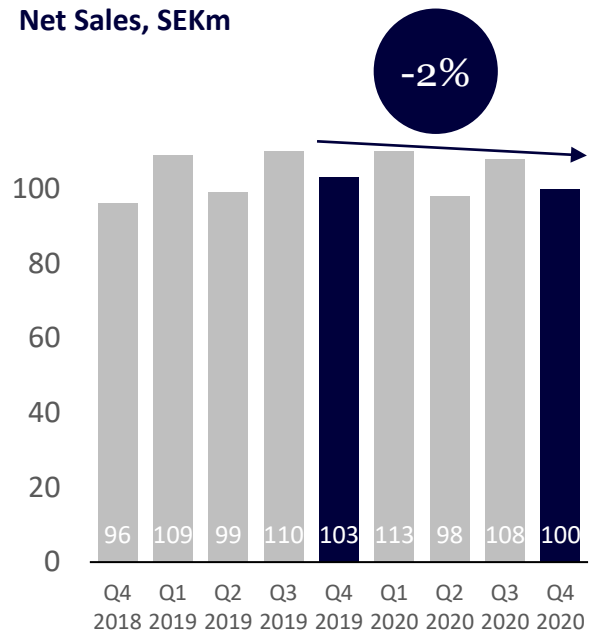
Sales split subscription/non-subscription, %



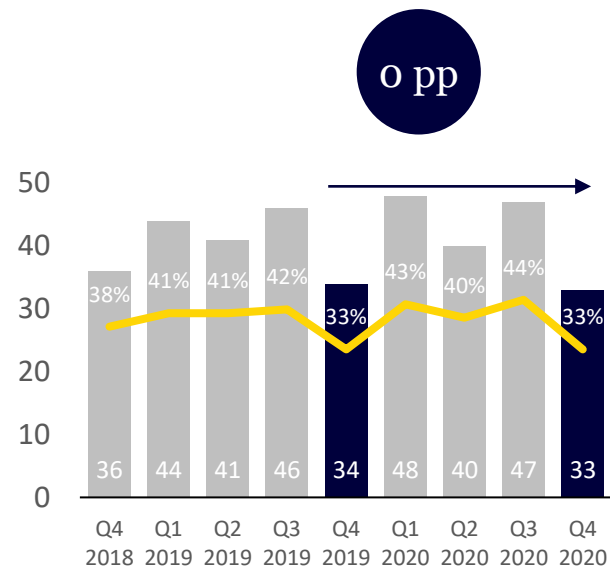
# Staying strong in Denmark

## DENMARK

Net Sales, SEKm



Adjusted EBITA, SEKm and %



### Key comments

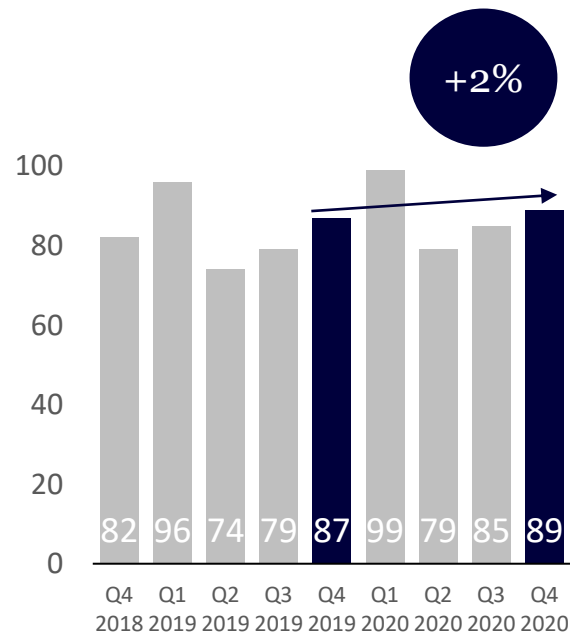
- Organic growth was 1%, however currency effects impacts with -3%
- New products launched in second half 2020 form basis for growth
- Covid-19 continues to impact offline sales, SME market demand and delays on decision-making in new business
- Adjusted EBITA flat on a high level



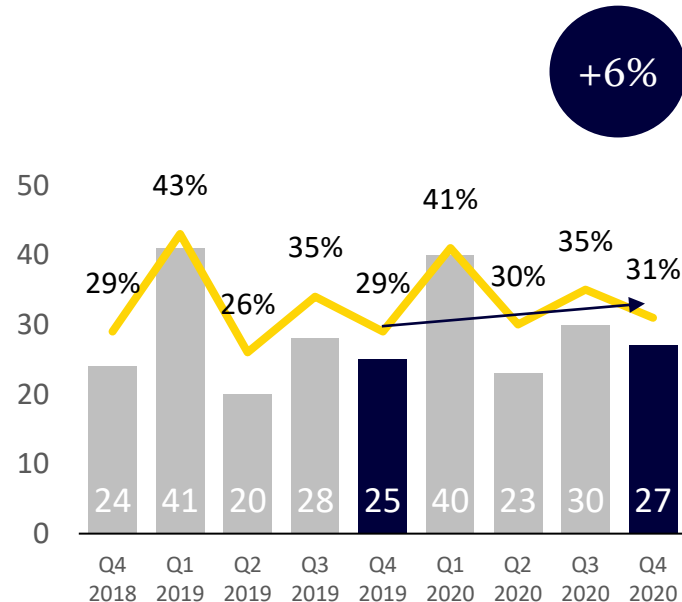
# A good year in Sweden

## SWEDEN

Net Sales, SEKm



Adjusted EBITA, SEKm and margin, %



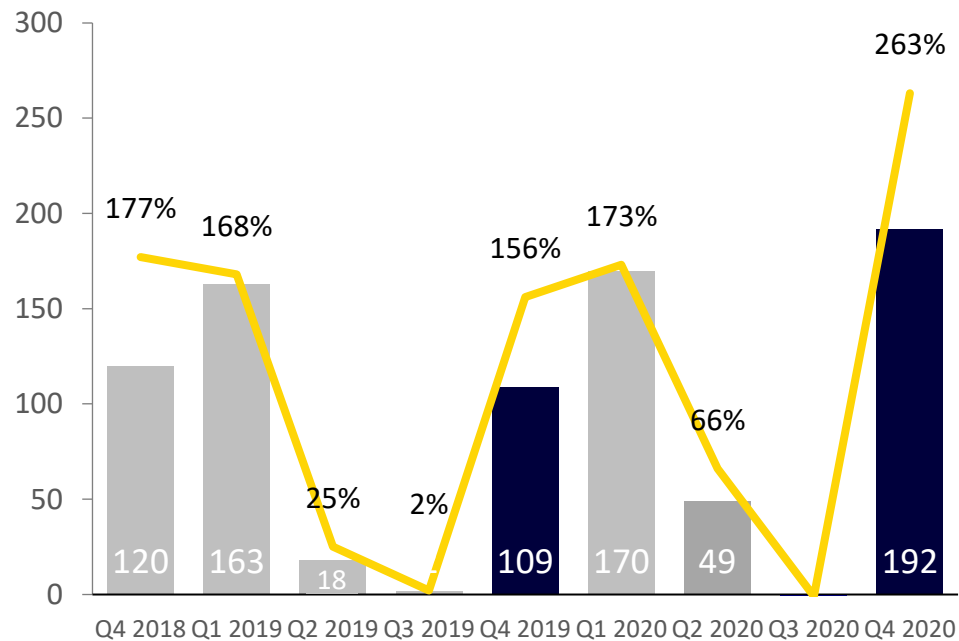
### Key comments

- 4% organic growth for 2020 driven by good online sales, upselling to existing customers and sales to new customers
- Good performance in EHS solution
- Adjusted EBITA margin improved by 2 percentage points due to our continued focus on net sales growth in combination with customer centricity and operational excellence

# Strong financial position

## GROUP

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



### Key comments

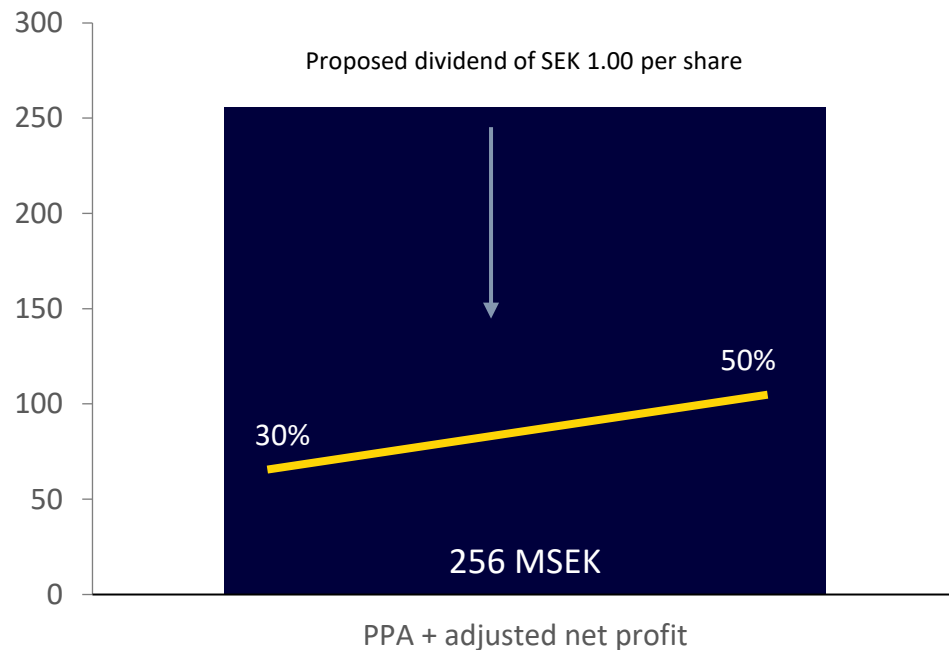
- › Adjusted operating cash flow for the full-year close to SEK 500 m, enabling dividend proposal
- › SEK 300 m paid-out in January 2021 for acquisition of DIBkunnskap AS
- › Cash flow very strong due to timing effects
- › The timing effect will also have an impact on Q1 cash flow
- › Leverage at 1.9, in line with financial target

# Dividend proposal

Board proposes SEK 1.00 per share to be paid on May 12

## DIVIDEND

### Dividend level



### Key comments

- Karnov's objective is to distribute 30–50 per cent of the purchase price allocation (PPA) adjusted net profit
- Proposed dividend corresponds to approx. 40 per cent of PPA + adjusted net profit
- 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



# Summary of the year

1

## Strong results in global pandemic

- Organic growth 2%
- Adjusted EBITA margin 37.4%
- Leverage well below 3x

2

## Four new investments in 2020

- Ante ApS, technology bolt-on
- LEXNordics AB, new vertical
- Karnov Group Norway AS, geographical expansion
- DIBkunnskap AS, new vertical in Norway

3

Solid base to execute our growth strategy with Norway as our third home-market

4

Board proposes an increased dividend of SEK 1.00 per share

# New President and CEO from 10 May

Pontus Bodelsson is an experienced business leader



## Key comments

- Over 20 years experience as CEO
  - Including digital knowledge company NE/Nationalencyklopedin and the media group Sydsvenskan/HD
- Strong leadership experience as well as experience in digital transformation
- Joins on 1 April and assumes position 10 May

# Q&A

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## 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/](http://www.karnovgroup.com/en/section/investors/)







# Appendix

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# Karnov – The leading B2B platform

For legal and tax professionals in Denmark and Sweden

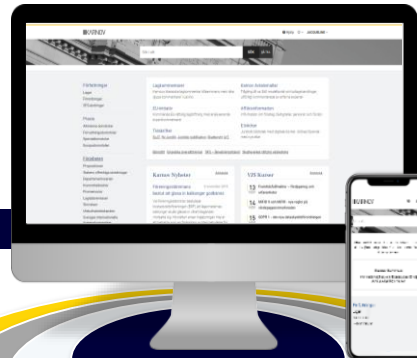
## PUBLIC CONTENT SOURCES



## PROPRIETARY CONTENT

- >1,500 expert authors
- ~80 in-house editorial staff

*Enabling users to make better decisions, faster – every day*

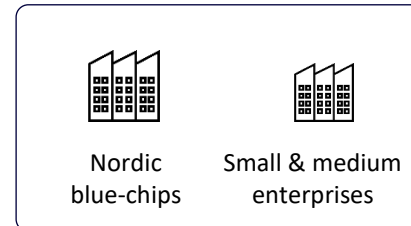


Proprietary data  
Value-added content generation  
Trusted brand providing seal of quality  
Best-in-class platform with integrated workflow tools

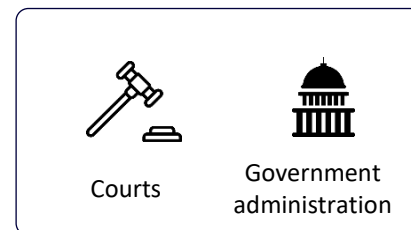
## PRACTITIONERS



## CORPORATE



## PUBLIC





# Key ratios per quarter

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
TSEK					
Net sales	188.742	192.755	177.958	211.961	189.183
Organic growth, %	1,2%	3,0%	2,1%	2,3%	4,1%
EBITA	47.581	76.899	63.259	88.218	38.912
EBITA margin, %	25,2%	39,9%	35,5%	41,6%	20,6%
Adjusted EBITA	59.784	76.899	63.259	88.218	59.422
Adjusted EBITA margin, %	31,7%	39,9%	35,5%	41,6%	31,4%
Net result	7.182	27.953	26.858	29.084	7.838
Adjusted cash flow from operating activities	191.810	-580	48.976	170.348	109.459

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