

Press Release – 10 May 2022

# Karnov Group reports first quarter results 2022

## Strong growth and good cash flow

### FINANCIAL HIGHLIGHTS FIRST QUARTER

- Net sales increased by 9.2% to SEK 255 m (234), organic growth was 4.8% and acquired growth accounted for 2.1%. Currency effect was 2.3%.
- EBITA amounted to SEK 85 m (95) with EBITA margin of 33.5% (40.7%). Items affecting comparability amounted to SEK 19 m (0).
- Adjusted EBITA amounted to SEK 104 m (95) with adjusted EBITA margin of 40.8% (40.7%).
- Net result amounted to SEK 24 m (40), impacted by items affecting comparability of SEK 19 m (0).
- Earnings per share amounted to SEK 0.23 (0.41). Earnings per share after dilution amounted to SEK 0.22 (0.40).
- Adjusted operating cash flow amounted to SEK 157 m (104).

### CEO PONTUS BODELSSON COMMENTS ON THE QUARTER:

I am pleased with the outcome of the first quarter 2022, as we have grown our business organically on both our segments with solid margins. We have also progressed in our preparations for the announced acquisitions of legal information-based businesses in Spain and France.

#### Good start to the year

In the first quarter, our net sales growth was 9%. We still see similar trends as the previous year, with both our segments being successful in growing the business. Our verticals, municipalities and EHS are growth drivers. We also perform well in new sales and upselling to existing customers within our legal core. Further, we can see that we sell more user licenses also to non-core legal users. Online sales increased, while offline sales declined, both in line with expectations.

The adjusted EBITA margin was 40.8% in the first quarter, in line with the corresponding period the previous year.

The cash flow generation was positive in the first quarter, and we have a strong financial position as we prepare for the contemplated acquisitions in Spain and France. At the end of March, our leverage was at the low level of 0.8x.

#### Growing cross-border

Our operations are based on customer centricity and our acquisitions of stand-alone entities the last years have been made to strengthen our offerings and create growth opportunities cross-border.

DIBkunnskap launched their IFRS service on the Swedish market at the end of last year and have now their first customers onboarded. Further, DIBkunnskap has now launched the new document management solution 'dflow'.

The EHS businesses grow on new geographical markets with increased market demand.

The new municipality solution in Denmark, which shares the same technology platform as our appreciated solution in Sweden, has got the first customers.

We will continue creating opportunities in all our markets and stay close to our customers. We are pleased to see the increasing cross-border sales and how innovations in one market can benefit customers in many. It is all about presenting solutions to the customers' challenges of today and creating possibilities for tomorrow.

#### Preparing for future growth

We are currently preparing the contemplated acquisitions of carved out legal information-based businesses in Spain and France.

The transaction process is proceeding according to plan. Since the announcement in December, we have been working on a merger plan with relevant workstreams, ensuring a successful integration.

In February, we completed the consultation with the French and European works councils and subsequently signed the share purchase agreement with the sellers. Closing of the transaction is subject to clearance by the Spanish Antitrust Authority and we expect that the clearance will be given during 2022.

## CONFERENCE CALL ON 10 MAY

A webcasted telephone conference will be held at 09.00 a.m. CEST today, where CEO Pontus Bodelsson and CFO Jonas Olin 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-q1-2022>

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 8 505 58 356

DK: +45 7 815 01 08

NO: +47 2 396 39 38

UK: +44 333 300 92 72

US: +1 646 722 49 02

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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