

# ABG Small & Mid Cap Seminar 25 September 2019

WE PROVIDE  
CUSTOMERS  
TO OUR  
CUSTOMERS

# Agenda

1. Business model and activities
2. Key figures
3. Business segments
4. Expectations for 2019
5. Dividend and capital policy
6. Market trends
7. Value creation
8. Q&A



Mads Dahl Møberg Andersen  
Chairman

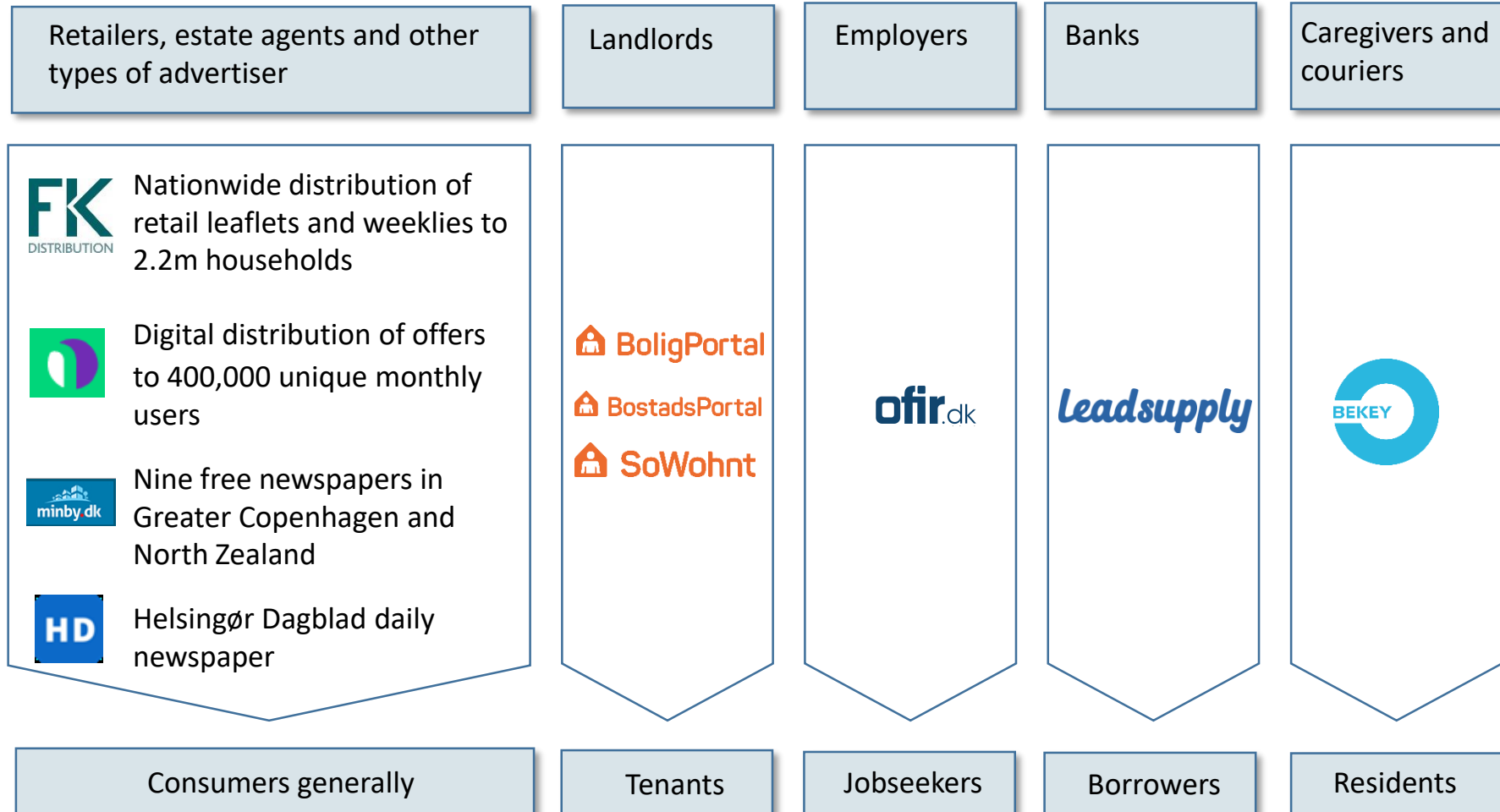


Kåre Stausø Wigh  
Group Executive Director  
& CFO

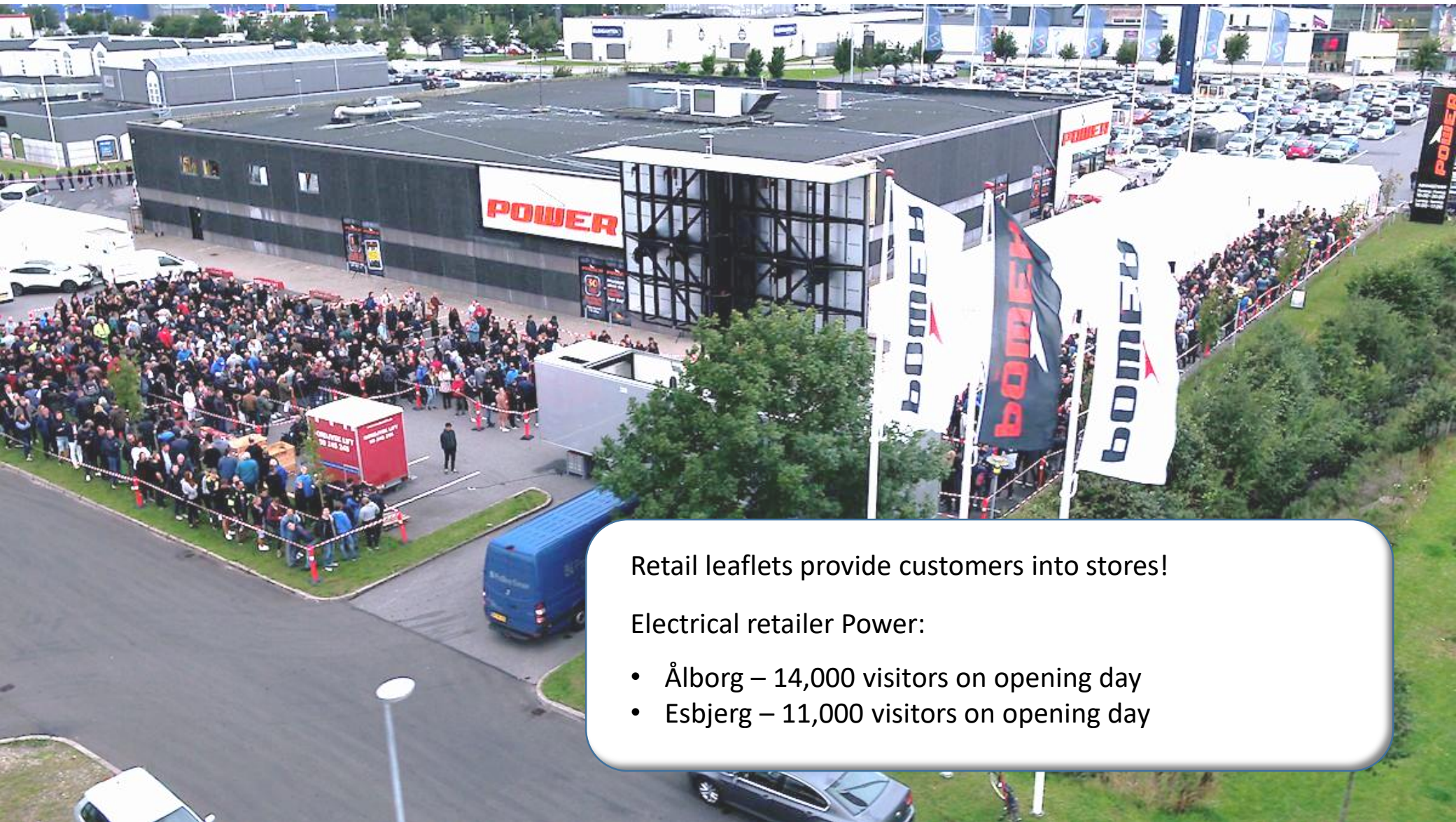
## **Forward-looking statements**

*This presentation contains statements about the future, including expectations for 2019, which are inherently subject to risks and uncertainties that could cause actual results to differ materially from those expected. Please see the section on risks and risk management on pages 45-48 of the 2018 annual report.*

# We bring businesses and consumers together







Retail leaflets provide customers into stores!

Electrical retailer Power:

- Ålborg – 14,000 visitors on opening day
- Esbjerg – 11,000 visitors on opening day

# Creating even more value

Focus on profitability and growth in our four core businesses



- Focus on earnings
- Further optimisation of physical distribution
- Tap potential for digital distribution



- Focus on earnings
- Editorial synergies between weeklies, digital media
- Capitalise on position in Greater Copenhagen



- Focus on earnings
- Explore potential to scale housing, job and loan portals



- Focus on earnings
- Expand position in home care in Denmark and Norway
- Tap potential for stairwell market

# Key figures

Income statement (DKKm)	Q2 2019	Q2 2018	H1 2019	H1 2018
Revenue	288.9	291.4	552.8	569.6
<b>EBITDA</b>	<b>47.9</b>	<b>27.9</b>	<b>80.8</b>	<b>64.1</b>
Depreciation/amortisation	7.6	7.0	15.2	13.6
EBIT before special items	40.3	20.9	65.6	50.5
Special items, net	0.0	-9.3	2.8	-13.5
<b>EBIT</b>	<b>40.3</b>	<b>11.6</b>	<b>68.4</b>	<b>37.0</b>
Return on securities	19.0	16.3	76.7	31.6
Net financials	-1.5	-1.8	-1.0	-3.4
<b>Profit for the period</b>	<b>44.9</b>	<b>20.0</b>	<b>112.2</b>	<b>50.2</b>
<b>Cash flow (DKKm)</b>				
Operating activities	34.1	38.4	72.2	60.4
Investing activities	-28.1	-24.9	-25.0	-31.3
Financing activities	-58.8	-30.2	-79.7	-29.7
Net cash flow	-52.8	-16.7	-32.5	-0.6

**11.9%**  
OPERATING  
MARGIN (8.9%)

**29.8%**  
INVESTMENT  
RETURN (13.6%)

**20.1%**  
RETURN ON  
EQUITY  
(9.8%)

**DKK 74.8m**  
DIVIDENDS  
AND BUY-BACKS  
(26.2)



# FK Distribution



**Largest** distributor of retail leaflets and local newspapers in Denmark

Digital opt-in solutions via app and website with **direct access** to webshops

Reaching **2.2m households**, including 0.6m in mail preference scheme **NejTak+**

Optimisations and price rises **boost earnings** in H1 2019

Dwindling market for **physical distribution**

Increased focus on **individually tailored** offers on demand

Further **development** of digital distribution and **stronger bridging** between digital and physical distribution



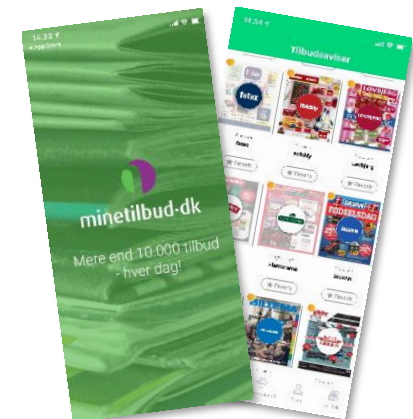
## Results H1 2019

(DKKm)	H1 2019	H1 2018	FY 2018
Revenue	453	465	933
EBIT before special items	74	68	139

## Expectations for 2019

Revenue  
**DKK 910-940m**

EBIT before special items  
**DKK 135-145m**



# North Media Aviser



**Local newspapers** in Greater Copenhagen and North Zealand, traditional daily Helsingør Dagblad, special editions and **digital** publications

Distribution to households and local **businesses**

Total weekly circulation 300,000+, with 550,000 unique monthly users

**Efficiency gains** and higher prices counter expected effect of lower revenue in H1 2019

Development of new **special media**, e.g. for SME segment

Digital solutions in **sympiosis** with print media



## Results H1 2019

(DKKm)	H1 2019	H1 2018	FY 2018
Revenue	47	55	107
EBIT before special items	-3	-7	-9

## Expectations for 2019

Revenue  
**DKK 90-100m**

EBIT before special items  
**DKK -5m to DKK -2m**





# North Media Online



Portals for **rental housing, jobs and loans** primarily in Denmark, Sweden and Germany

Based on **scalable, internationally** oriented digital platforms with huge potential

Boligportal.dk is Denmark's largest platform for matching landlords and tenants

**Growth** in housing segment and **cost focus** boost earnings in H1 2019

Further streamlining of business models and **economies of scale**

Both housing and job portals expected to show earnings growth in **H2 2019**

 **BoligPortal**

 **BostadsPortal**

 **SoWohnt**

**ofir.dk**

**Leadsupply**\*)

## Results H1 2019

(DKK m)	H1 2019	H1 2018	FY 2018
Revenue	42	40	81
EBIT before special items	3	-4	-4

## Expectations for 2019

Revenue  
**DKK 85-90m**

EBIT before special items  
**DKK 4-7m**

*\* North Media A/S holds 50% of Lead Supply A/S, a fintech company that matches borrowers and lenders in a variety of countries*

# BEKEY



**Cloud-based** access solutions  
for stairwells and homes

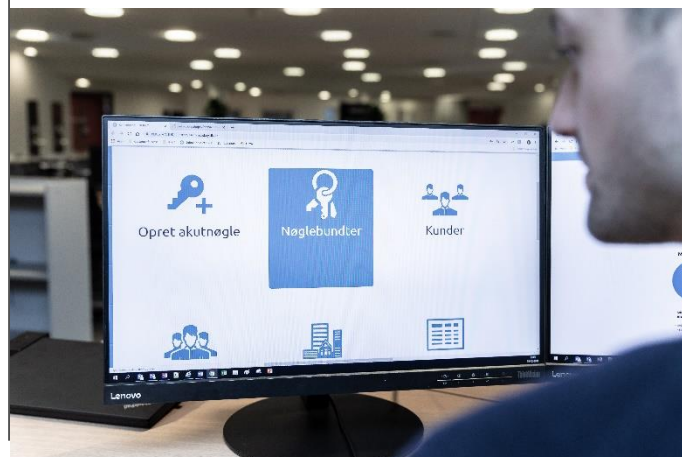
Customer agreements with 45  
municipalities in Denmark (24)  
and in Norway (21), mainly in  
**home care**

Fitted to **40,000** stairwells in  
Copenhagen, opening for more  
than **6.5m** accesses in 2018

**Focus** on fewer customer types  
and geographies hit revenue in  
H1 2019

Municipal core business  
expected to **grow** more than  
35% in 2019

Considerable potential to  
realise **economies of scale**



## Results H1 2019

(DKKm)	H1 2019	H1 2018	FY 2018
Revenue	11	10	24
EBIT before special items	-5	-6	-10

## Expectations for 2019

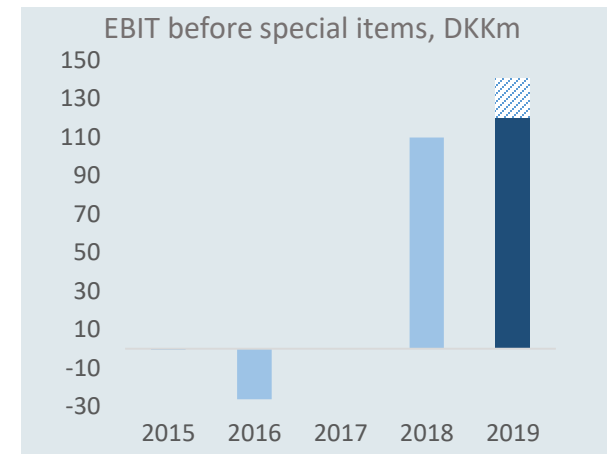
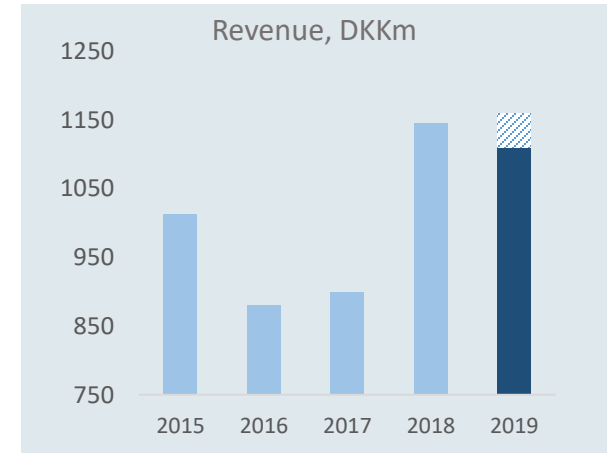
Revenue  
**DKK 25-30m**

EBIT before special items  
**DKK -10m to DKK -8m**

# Expectations for 2019

(DKKkm)	25 Jun 2019	2 May 2019	7 Feb 2019	2018
Revenue	<b>1,110-1,160</b>	1,110-1,160	1,100-1,160	1,145
EBIT before special items	<b>120-140</b>	105-125	95-125	110

- Upward revision driven by larger volumes and cost savings at FK Distribution and generally better results in other activities
- EBIT before special items expected to be in line with 2018 at FK Distribution, and higher for the group as a whole
- Optimisations through economies of scale, cost adjustments and customer segmentation
- Continue identification of potential in areas such as digital distribution of offers and other platforms



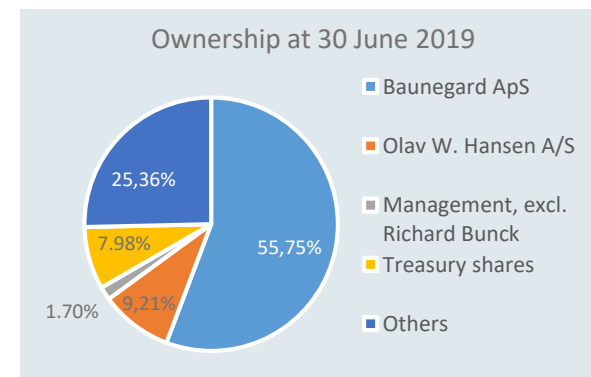
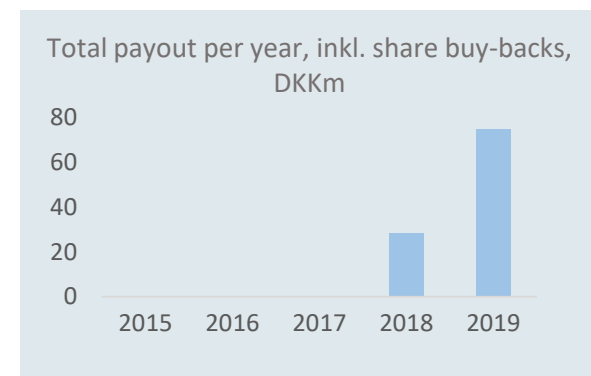
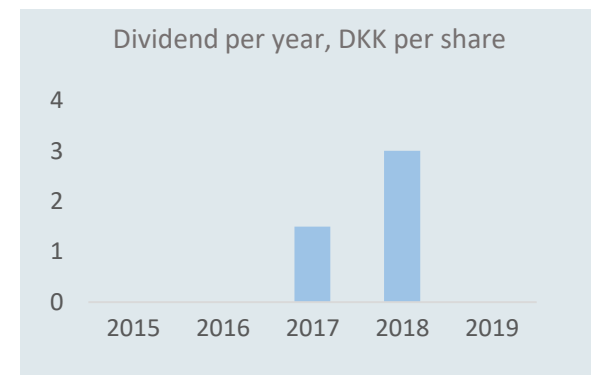
# Goal: An attractive return

## Dividend and capital policy

- Attractive return through dividends and periodic share buy-backs
- The aim is to pay an attractive dividend each year, taking account of the company's earnings and investment plans
- Maintain strong capital resources to develop the business
- Liquid resources of DKK 393m in H1 2019: cash, highly liquid shares, equity mutual funds
- North Media do not wish to be dependent on bank debt

## Share buy-backs and dividend payments in 2019

- Dividend payments of DKK 55.4m (DKK 3 per share)
- Buybacks of DKK 19.4m (500,000 shares)







### Why invest in North Media?

- Market leader in distribution of printed matter
- Solid earnings with scope for further optimisation
- Digital activities with potential
- Attractive return to shareholders





Thank you for  
your time!

### **Financial calendar**

7 November 2019: Interim report Q3 2019  
February 2020: Annual report 2019

### **Investor relations contact**

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