2020

Aktieinfo Seminar, 26 May 2020

Agenda

Group profile

Q1 2020

- Highlights
- COVID-19 update
- Financial highlights

Business areas

- Q1 financial results
- 2020 targets

Guidance for 2020

Q&As

Kåre Stausø Wigh
Group Executive Director & CFO

Forward-looking statement
This presentation contains statements about the future, including expectations for 2020, 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 46-47 of our 2019 Annual Report.

The Investorpræsentation has been prepared in Danish and English. The Danish text shall be the govering text for all purposes, and in case of any discrepancy the Danish wording shall be applicable.

Connecting the business community and consumers

WE PROVIDE CUSTOMERS TO OUR CUSTOMERS

Retailers, estate agents and other types of advertiser	Landlords	Employers	Banks	Distributors, home care workers
FK DISTRIBUTION Nationwide distribution of leaflets, local newspapers etc. to 2.3 million households. Leaflets distributed to ~70% Digital advertising platform	Portals for rental housing BoligPortal BostadsPortal	Job portal ofir.dk gør jobbet	Portal for bank loans Leadsupply	Digital access solutions BEKEY
Consumers in general	Tenants	Jobseekers	Borrowers	Households

Market-leading high-volume business

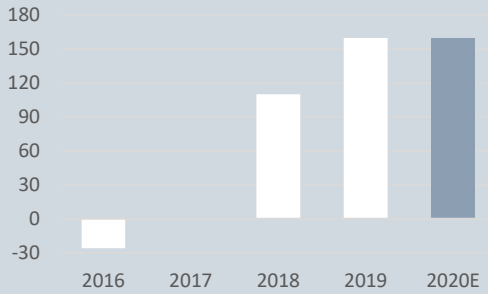
WE HANDLE LARGE VOLUMES IN QUICK, UNIFORM AND SAFE OPERATIONS AT LOW UNIT COST

Retailers, estate agents and other types of advertiser	Landlords	Employers	Banks	Distributors, home care workers
25 million+ Leaflets distributed each week **450,000+** Users on minetilbud.dk	**~ 100,000** Lettings of rented homes arranged in 2019	**~ 30,000** Job placements in 2019	**~ 30,000** Loans arranged in 2019	**~8million** Doors opened in 2019 - 33,000 users
Consumers in general	Tenants	Jobseekers	Borrowers	Households

Focus on long-term value creation

Improved earnings

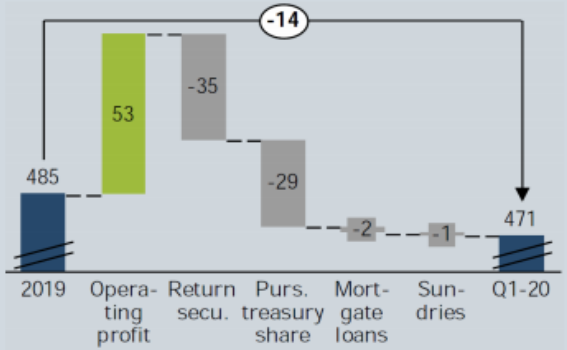
EBIT before special items, DKKm



- COVID-19 continues to halt earnings growth
- Focus on earnings and optimisation in all activities

Strong capital resources

Development in Q1 2020, DKK million

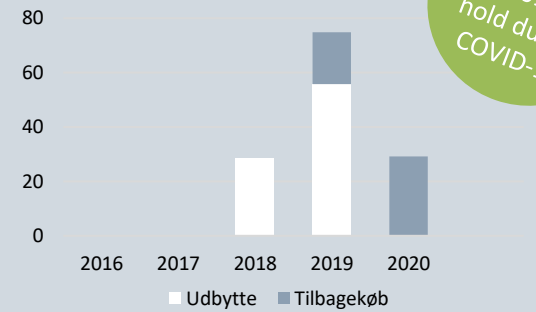


- Target: ~DKK 550m
- Develop current operations – acquire adjoining activities
- Dividends and share buybacks

Dividends and share buybacks

DKKm

Dividend for 2019 on hold due to COVID-19



- Decision on extraordinary dividend to be made later in 2020
- Target: Pay constant and attractive cash dividend

2020 highlights so far

Q1 results better than expected

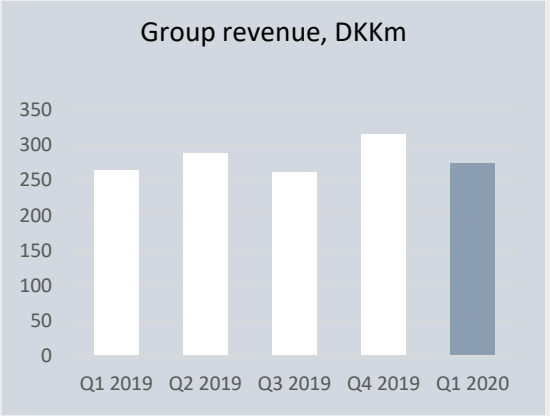
- 4% growth overall – 5% growth in continuing operations
- EBIT of DKK 63m – up by about DKK 38m
- Certain negative impact from COVID-19 as from mid-March

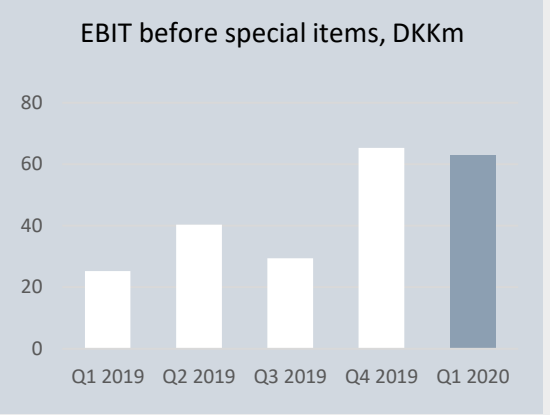
North Media Aviser divested effective from 1 May

- Impacting operating profit by DKK -3 million in first quarter
- Recognised under discontinued operations effective from the second quarter
- Total profit 2020 DKK 5-6 million

Guidance for 2020 updated

- EBIT in line with 2019-figure





Operations stable during COVID-19 crisis

- Largely normal operations at distribution terminals, distribution not affected
- Most white-collar staff working from home
- Gradual, controlled re-opening of offices from 10 May
- No redundancies in continuing operations

COVID-19 impacts

Slightly positive impact

BoligPortal

Generally neutral impact

BEKEY

Slightly negative impact

leadsupply

FK DISTRIBUTION

Relatively large negative impact

ofir.dk gør jobbet

Financial highlights

Financial results (DKKm)	Q1 2020	Q1 2019	2019
Revenue	274.7	263.9	1,130.0
EBITDA	**70.7**	**32.9**	**190.6**
Depreciation	7.7	7.6	30.3
EBIT before special items	**63.0**	**25.3**	**160.3**
Special items, net	-0.9	2.8	1.7
Operating profit (EBIT)	**62.1**	**28.1**	**162.0**
Return on securities	-44.8	57.7	122.1
Financial items, net	-1.3	0.5	-11.6
Profit for the period	**12.4**	**67.3**	**205.3**

Other key figures and financial ratios			
Gross Margin (%)	61.3	49.7	52.1
Return on capital employed (ROIC)	19.2	7.5	47.7
Earnings per share, (DKK)	0.7	3.5	11.0

Revenue growth
4%
Q1 2019 -5%)

Profit margin
22.9%
Q1 2019 9.6%)

Return on securities
-11.2%
(Q1 2019 : 22.4%)

Return on equity
1.9%
(Q1 2019 : 11.9%)

FK Distribution

Q1 2020 results

- 4% growth due to timing differences
- COVID-19 impacted volumes from mid-March
- Earnings up thanks to efficiency-improvements, transition to one weekly distribution round
- Test packing for Deutsche Post

Objectives for 2020

- Change from two to one weekly distribution rounds
- Sales of new products, e.g. journals and direct mail
- Ongoing optimisation of production process
- Connecting physical and digital services

Financial highlights

(DKKm)	Q1 2020	Q1 2019	2019
Revenue	223.1	214.5	926
EBIT bsi	64.0	29.8	172

North Media Online

NORTH MEDIA A/S ONLINE
BoligPortal
BostadsPortal
ofir.dk gør jobbet
Leadsupply

Q1 2020 results

- Revenue up 14%, EBIT trebled
- Boligportal: 18% growth, launch of digital showings of apartments
- Ofir: Revenue flat despite drop in private-sector advertising from mid-March
- 50%-owned Lead Supply: SEO traffic improved. Reduced activity in loan portal

Financial highlights

(DKKm)	Q1 2020	Q1 2019	2019
Revenue	23.8	20.8	86
EBIT bsi	4.3	1.2	7

Objectives for 2020

- Boligportal: New services, improve use of data, partnerships
- Ofir: Focus more on SoMe, improve infrastructure
- Lead Supply: Consolidate position in principal markets, increase traffic

Boligportal

Rising demand despite COVID-19 crisis

Number of rental units listed in Q1 2020

+25% growth

(over Q1-19)

Number of visitors to site in Q1 2020

+26% growth

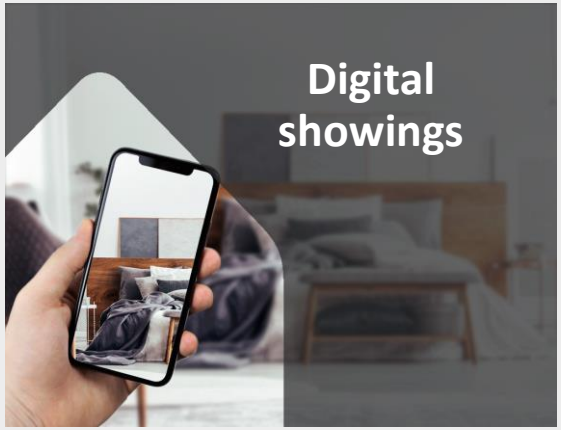
(over Q1-19)

- April 2020: 12% increase in listed units and 35% more visitors
- Volatility in owner-occupied housing market drives demand for rental units
- Ongoing development of new services to both landlords and tenants
- Digital showings launched in March 2020

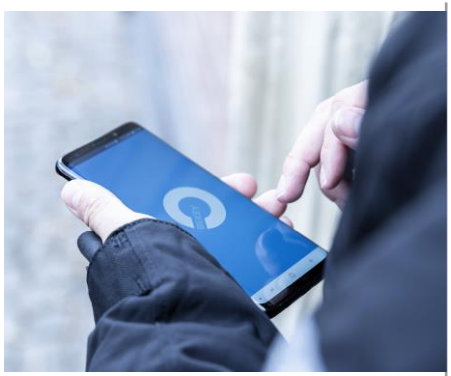
8,521 new rental units
listed in last 30 days

13,528 users
found their new home
in last two months*

*at 5 May 2020



BEKEY



Q1 2020 results

- Revenue up 21%
- Home care segment profitable: 67 municipal clients in DK and NO
- SmartRelays in about 23,000 stairwells in Greater Copenhagen = >50% coverage
- COVID-19 delaying onboarding of certain municipalities and SmartRelays roll-out

Financial highlights

(DKKm)	Q1 2020	Q1 2019	2019
Revenue	8.0	6.6	24
EBIT bsi	-1.4	-1.8	-10

Objectives for 2020

- Extend market coverage in Greater Copenhagen from about 50% to at least 70% of stairwells
- Establish cooperation with selected distribution companies – COVID-19 accelerating home delivery services
- Further develop products and systems
- Conclude more agreements with municipal authorities

Group outlook for 2020

COVID-19 causing great uncertainty: Subject to gradual reopening of society without COVID-19 fall-back

6 February 2020

Revenue, DKKm
1,075-1,125
(2019: 1.130)

EBIT before special items, DKKm
160-190
(2019: 160)

Capital resources (DKKm)
~ 540
(2019: 485)

18 March 2020

Guidance
suspended
due to COVID-19 crisis

Revenue and earnings
lower
than originally expected

7 May 2020

EBIT before special items, DKKm
in line with 2019-figure
(2019: 160)

Creating even more value

- Solid earnings and continuing optimisation in all businesses
- Digital businesses showing growth potential at various stages of development
- Solid capital resources supporting long-term performance and shareholder returns

Q&A – Thank you!

Investor relations contact

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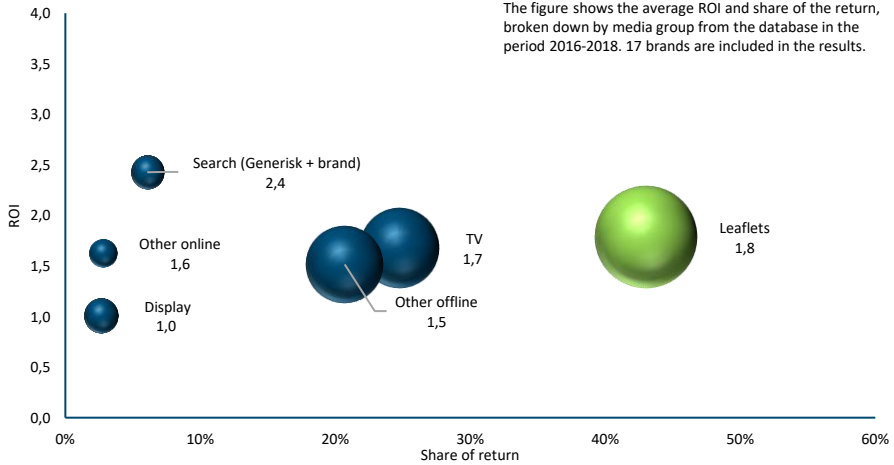
The leaflet is a powerful tool for retailers

- Retailers have a high return (ROI) from leaflets
- Results for advertisers using leaflets

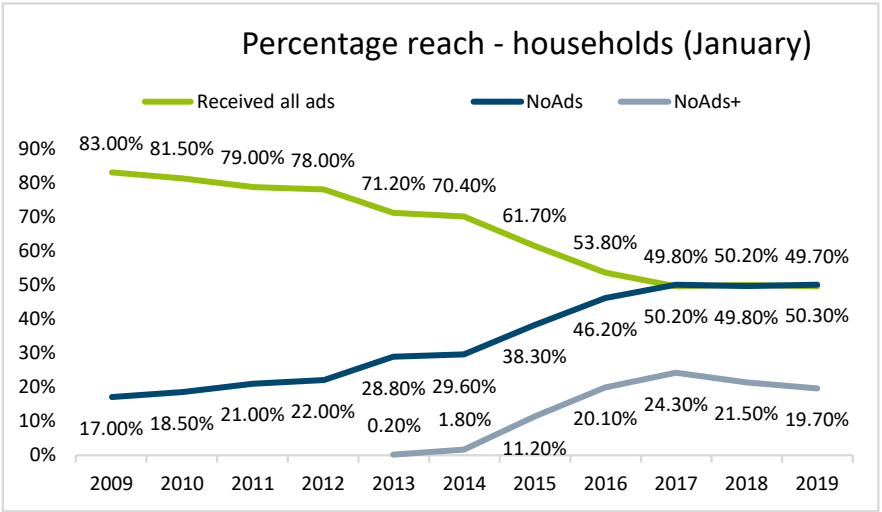


Definitions and notes:
- ROI: Return on (media) Investment.
- Share of return: percentage share of media-driven sales attributable to each media channel. Example: Leaflets account for an average of 43% of media-driven sales across all advertisers using the channel.
- Blob size illustrates average media budget.

Source: Data Intelligence, 2019

~ 70% of households receive leaflets

~ 20% of households make their own choice via NoAds+



Source: PDK and FK