

# North Media A/S

## Investor Presentation

# Agenda

North Media in brief  
Shareholder value creation  
Group highlights Q2 2021  
Business review by segment  
Financial highlights H1 2021  
Strategy 2021-23  
Full-year guidance  
Q&A



**Kåre Stausø Wigh**  
Group Executive Director & CFO  
North Media A/S



**Henrik Løvig**  
CEO, North Media Online A/S

#### **Forward-looking statements**

This presentation contains statements about the future, including expectations for 2021, which are inherently subject to risks and uncertainties that could cause actual results to differ materially from those expected. Please see the section on risk and risk management on pages 44-45 of our 2020 Annual Report.

# A focused value and growth company

## Last Mile

- Market leading position
- Attractive, predictable earnings



**Retail, other advertisers  
and local newspapers**

Nationwide distribution of  
**~1.3 billion**  
leaflets, local newspapers  
and direct mail

Digital platform with  
**>100 million**  
views of leaflets and catalogs



**Consumers in a broad sense**

## Digital Services

- Annual revenue growth  $\geq 20\%$
- Increasing earnings
- Scalability



**Letting agents  
and landlords**

Mediation of  
**>100,000**  
rented housing



**Home seekers**



**Employers**

Dissemination of  
**>33,000**  
job postings



**Job seekers**



**Distributors  
and homecare**

Digital access solutions  
**>10 million**  
number of doors  
opened annually



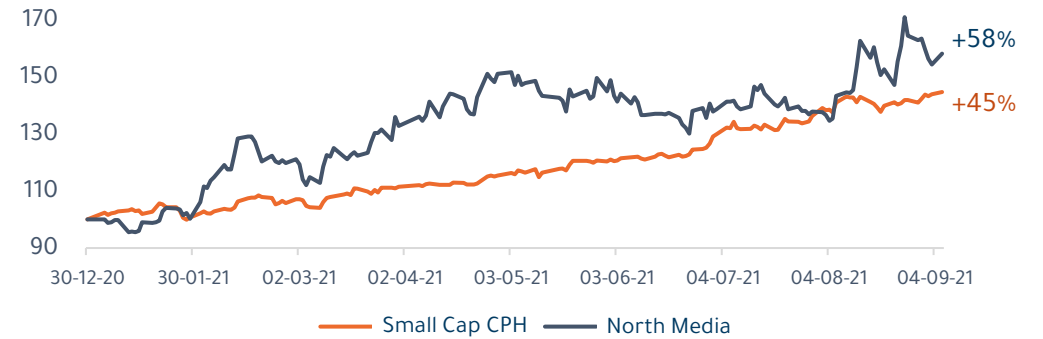
**Households**

# Shareholder value creation

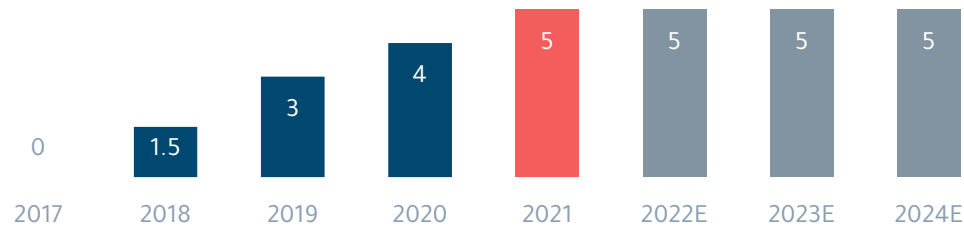
## Capital resources (DKKm)



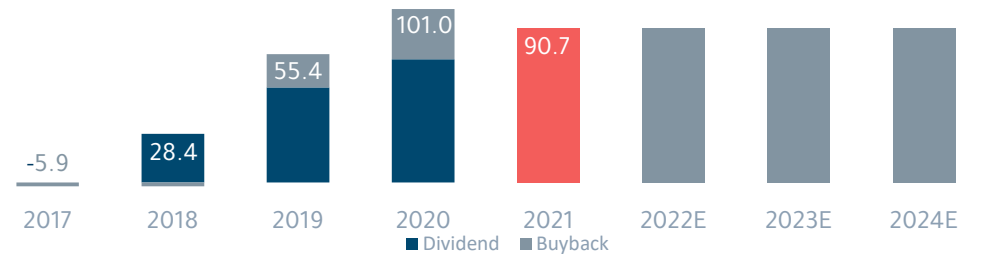
## Share price performance YTD (indexed)



## Dividend per share (DKK, payout year)



## Total payout to shareholders (DKKm)



# Q2 Group highlights

**Overall results as expected - guidance upgraded**

## DKK 259m revenue

- Up 2% following markets have normalised after COVID-19 lockdowns

## DKK 68m EBIT

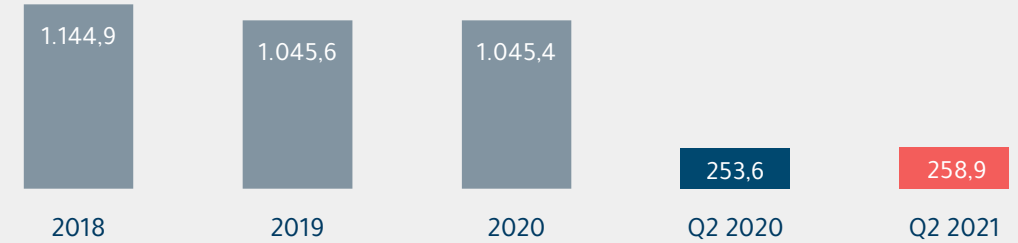
- Margin up 4pp to 26.1%, progress in both business areas

## DKK 51m net profit, excl. return on securities

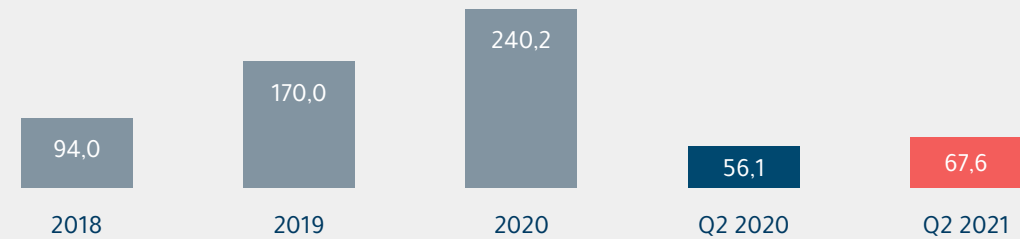
- Up 9%, mainly due to higher operating earnings

## Strategic priorities progressing well

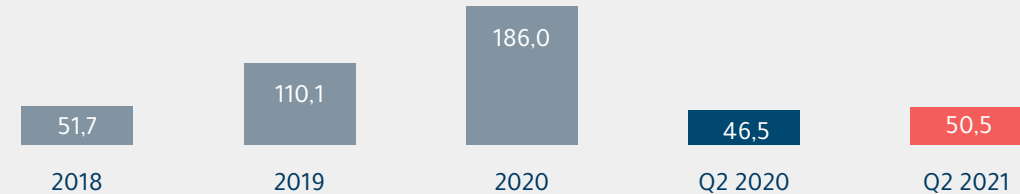
### Group revenue (DKKm)



### EBIT (DKKm)



### Net profit excl. return on securities (DKKm)



2019 figures restated to reflect effect of discontinued operations

# FK Distribution



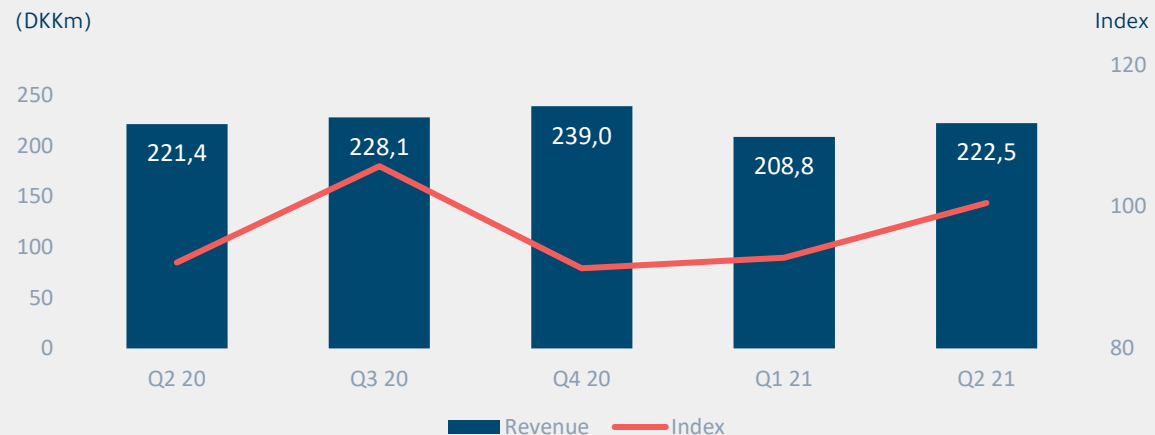
Household distribution of retail leaflets and local newspapers in Denmark. Digital offer platform.

## Highlights

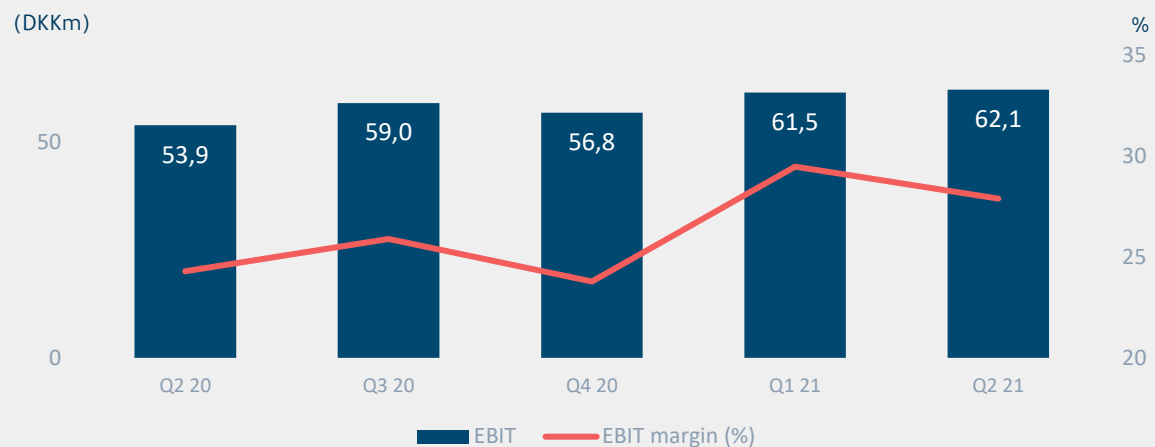
- Revenue up 1%, primarily due to quarterly timing
- Volumes on par with Q2 2020; modest price increases
- Cost savings and ongoing optimisations
- Expansion of contract with Deutsche Post

(DKKm)	H1 2021	H1 2020
Revenue	431.3	446.5
EBIT	123.6	117.9

## Quarterly revenue and growth (index)



## Quarterly EBIT and EBIT margin

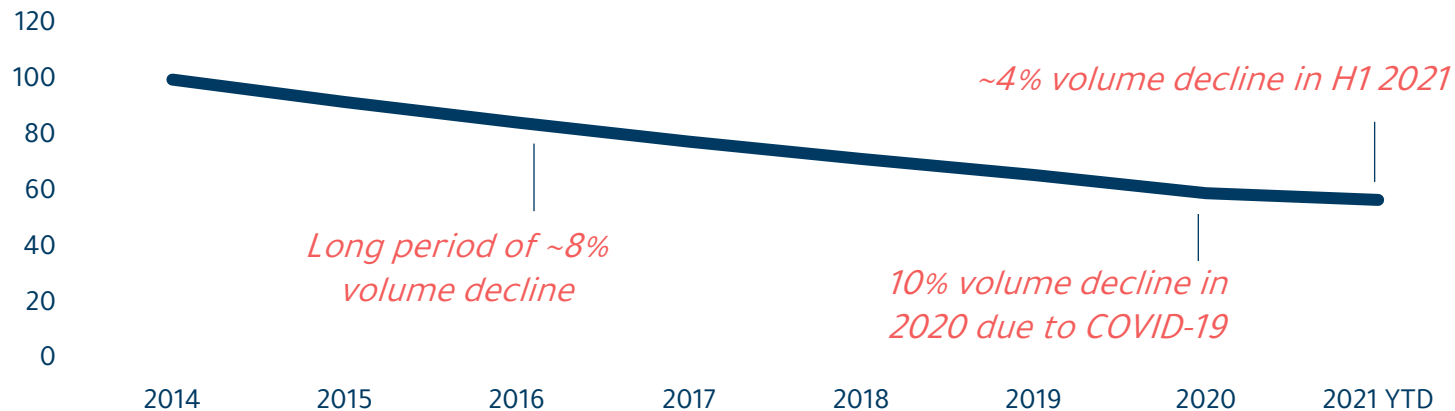


# FK Distribution

## Market for leaflets is stabilising

- Volumes down 4% in the first half-year
- Large retailers continue to rely on leaflets to drive customers into stores
- Smaller customers reduce volume
- Existing agreement with Salling Group extended through 2024

## Leaflet market development (index)



## Guidance 2021 FK Distribution

Revenue (DKKm)

**865 - 880**

Interim Report Q1 2021	850 - 870
Realised 2020	913.6

EBIT (DKKm)

**235 - 245**

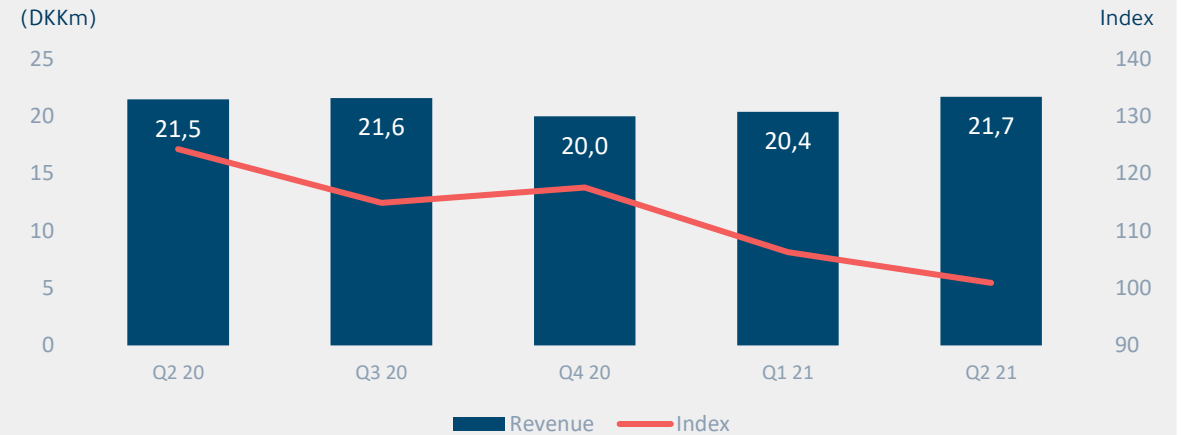
Interim Report Q1 2021	215 - 230
Realised 2020	233.7

## Highlights

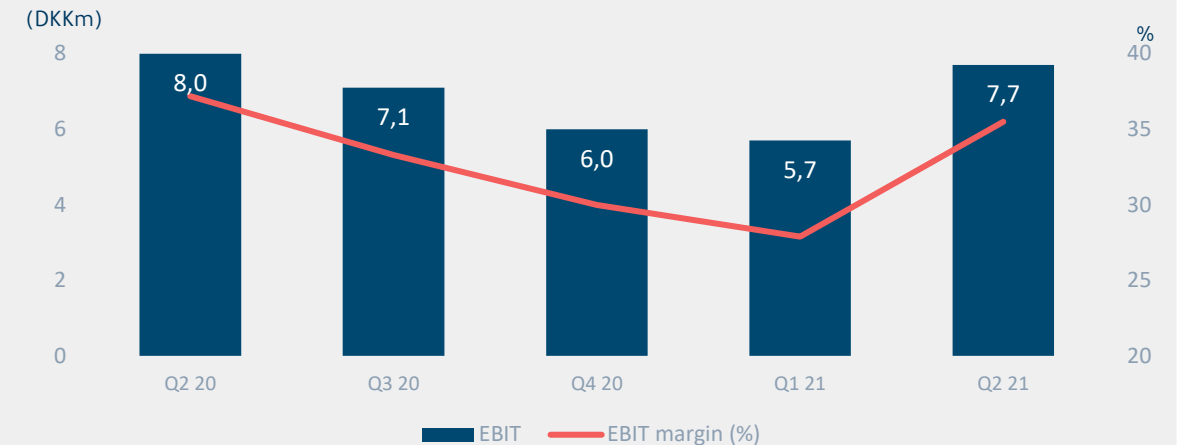
- Introduction of subscription-based solutions and new freemium platform
- Revenue growth temporarily slowed to 1% in Q2
- Solid margins, despite changes to business

(DKKm)	H1 2021	H1 2020
Revenue	42.1	40.7
EBIT	13.4	14.1

## Quarterly revenue and growth (index)



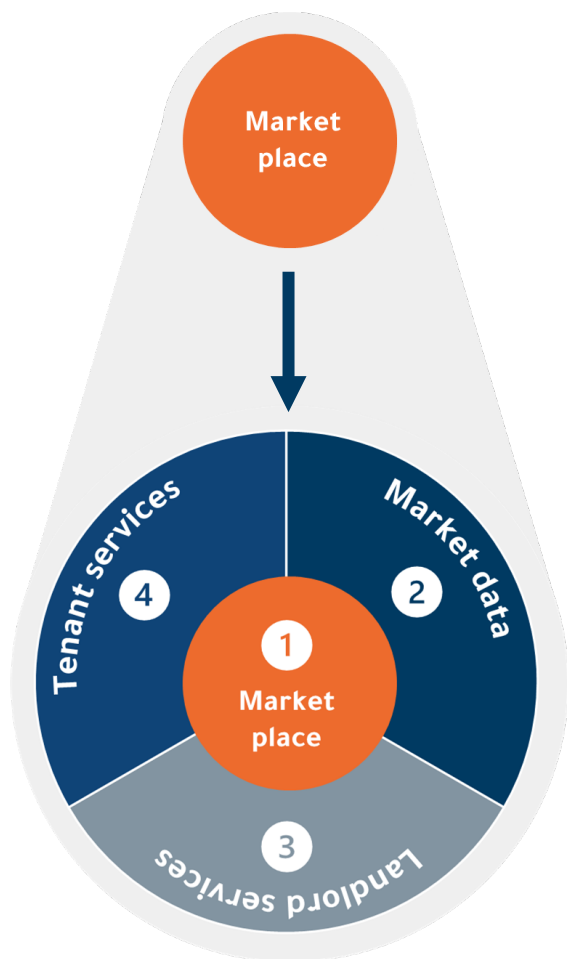
## Quarterly EBIT and EBIT margin





# BoligPortal

## - from market place to SaaS business



### Four revenue streams

- 1 Advertisement fees from tenants, private and professional landlords
- 2 Offering of unique, local market data on supply and demand, pricing sensitivity and tenant profiles. Subscription-based
- 3 Subscription-based services for administration of real estate portfolio
- 4 Reference fees from service providers when offering services to tenants through BoligPortal platform, e.g., electricity, internet, insurance

### Guidance 2021 BoligPortal

Revenue (DKKm)

**90 - 94**

Interim Report Q1 2021  
Realised 2020

93 - 97  
82.3

EBIT (DKKm)

**29 - 31**

Interim Report Q1 2021  
Realised 2020

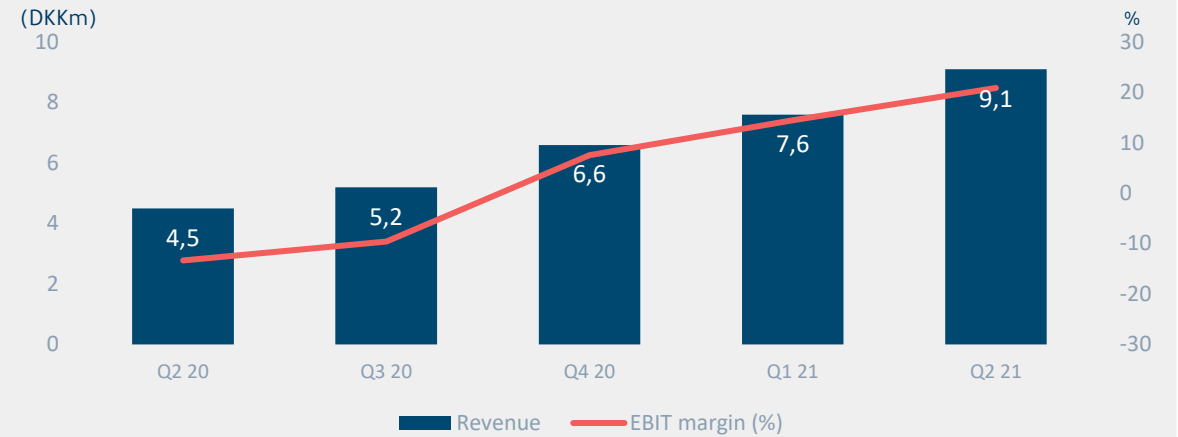
31 - 33  
27.2

## Solid backbone for long-term development

- Focus on private employers paying off
- 180% growth in private job advertisements since January 2020
- Investments in infrastructure, data platform, and jobs universe
- Financial guidance upgraded due to better-than-expected growth in private job postings and pricing

(DKKm)	H1 2021	H1 2020
Net revenue	16.7	9.1
EBIT	3.0	-2.0

## Quarterly revenue and EBIT margin



## Guidance at Q2 2021

Revenue (DKKm)	31 - 34
Interim Report Q1 2021	24 - 27
Realised 2020	20.9
EBIT (DKKm)	3 - 5
Interim Report Q1 2021	1 - 2
Realised 2020	-1.9

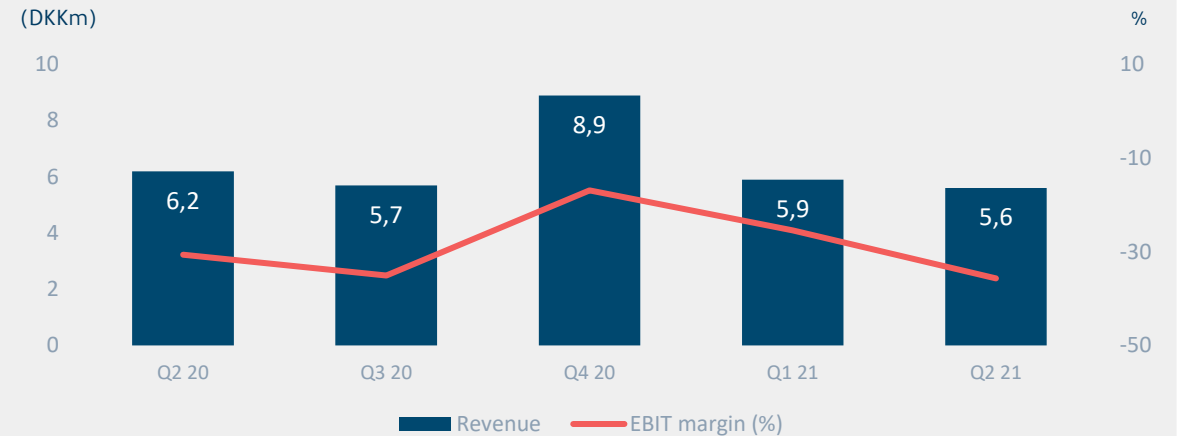


## 2021 focus areas

- Commercial traction in Stairwells segment - implementing agreement with nemlig.com
- Focus on additional agreements with large property managers in Greater Copenhagen
- Target of 70% stairwells coverage in 2021 changed to 60% in 2021

(DKKm)	H1 2021	H1 2020
Net revenue	11.5	14.0
EBIT	-3.5	-3.3

## Quarterly revenue and EBIT margin



## Guidance at Q2 2021

Revenue (DKKm)	26 - 30
Interim Report Q1 2021	28 - 31
Realised 2020	28.6
EBIT (DKKm)	-7 to -6
Interim Report Q1 2021	-7 to -5
Realised 2020	-6.8

# Update on Strategy 2021-23

## Value creation by investing in digital transformation and profitable growth

### Development of Last Mile

Optimizations, new products, packaging for adjacent markets

### Status Q2 2021

#### FK Distribution

- Expansion of relationship with Deutsche Post
- Exploring potential for packing for up to 2 million households in Germany

### Digital Services growth and acquisitions

Scaling and acquisition of commercially validated activities

### Status Q2 2021

#### BoligPortal

- Roll-out of new SaaS based platform with additional revenue streams

#### Ofir

- Solid growth in job ads from private employers
- Strengthening of data and research capabilities

#### Bekey

- Agreements to help build critical mass in the stairwells segment

## North Media A/S ambitions

### Revenue

- ~3% annual organic growth rate
- Stable revenue in Last Mile
- ~20% annual growth in Digital Services

### EBIT margin

- ~24% by 2023 (excl. acquisitions)

### Investments/acquisitions

- Up to DKK 200m

### Dividend

- Ambition to pay DKK 5 per share for each financial year 2021-2023

# Financial guidance 2021

## Last Mile (DKKm)

### Interim Report Q2 2021 (updated)

Revenue:	865 - 880
EBIT:	235 - 245

### Interim Report Q1 2021

Revenue:	850 - 870
EBIT:	215 - 230

### Annual Report 2020

Revenue:	840 - 870
EBIT:	210 - 230

### Realised 2020

Revenue:	913.6
EBIT:	233.7

## Digital Services (DKKm)

### Interim Report Q2 2021 (updated)

Revenue:	147 - 158
EBIT:	25 - 30

### Interim Report Q1 2021

Revenue:	145 - 155
EBIT:	25 - 30

### Annual Report 2020

Revenue:	145 - 155
EBIT:	25 - 30

### Realised 2020

Revenue:	131.8
EBIT:	18.5

## Guidance 2021 for the Group

Revenue (DKKm)

# 1,015 - 1,035

Interim Report Q1 2021	995-1,025
Annual Report 2020	985-1,025
Realised 2020	1,045

EBIT (DKKm)

# 250 - 265

Interim Report Q1 2021	235 - 255
Annual Report 2020	230 - 255
Realised 2020	240

# Investment highlights

**\*NORTH MEDIA A/S**

**FK**  
DISTRIBUTION



**ofir.dk**  
gør jobbet

Solid revenue development in H1 and > DKK 1 billion expected for the full year

On track to deliver all time high full year EBIT > DKK 250 million

Last Mile - Predictable earnings and market stabilization

Digital Services - growth and improving earnings

Good strategic progress towards financial ambitions for 2022-2023

H1 cash position of DKK ~800 million provides flexibility

Attractive shareholder returns - dividend of DKK 5 per share

# Questions?

## Thank you for your attention

### IR contact:

CEO Kåre Stausø Wigh  
E: kw@northmedia.dk

T: (+45) 3957 7000  
M: (+45) 2565 2145