

# North Media A/S

## Interim Report Q3 2021

# Agenda

Q3 highlights

Segment results

- FK Distribution
- BoligPortal
- Ofir
- Bekey

9M Group financials

Full-year guidance

Strategic progress

Q&A



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**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 North Media's 2020 Annual Report.

# Q3 Group highlights

## Overall results as expected - guidance upgraded

### Revenue down 5% to DKK 246m

- Q3-20: One extra distribution week in FK; businesses benefited from reopening after COVID-19 lock-downs

### DKK 56m EBIT

- All businesses, except Bekey, were profitable

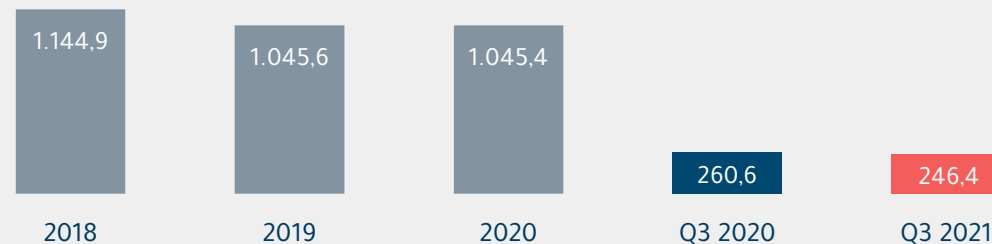
### DKK 44m net profit, excl. return on securities

- Q3-20: DKK 48m

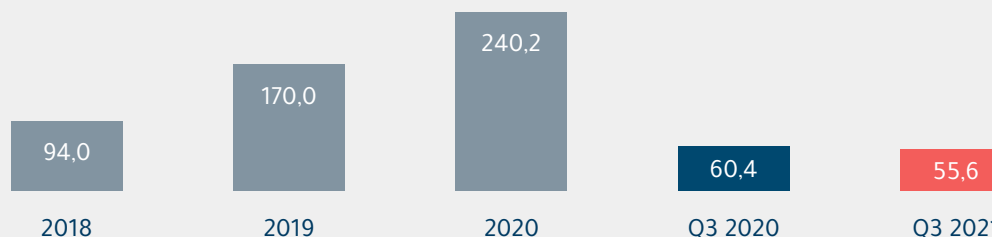
### DKK 60m cash flows from operations

- Q3-20: DKK 41m; working capital normalized

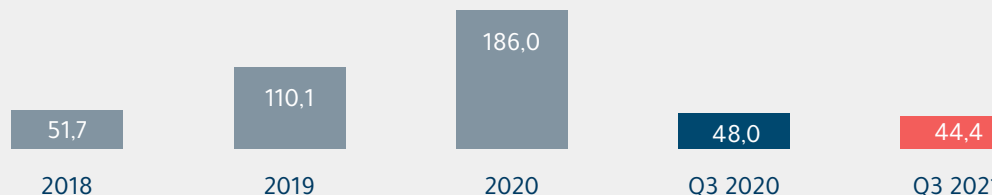
#### Group revenue (DKKm)



#### EBIT (DKKm)



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



2019 figures restated to reflect effect of discontinued operations

# FK Distribution



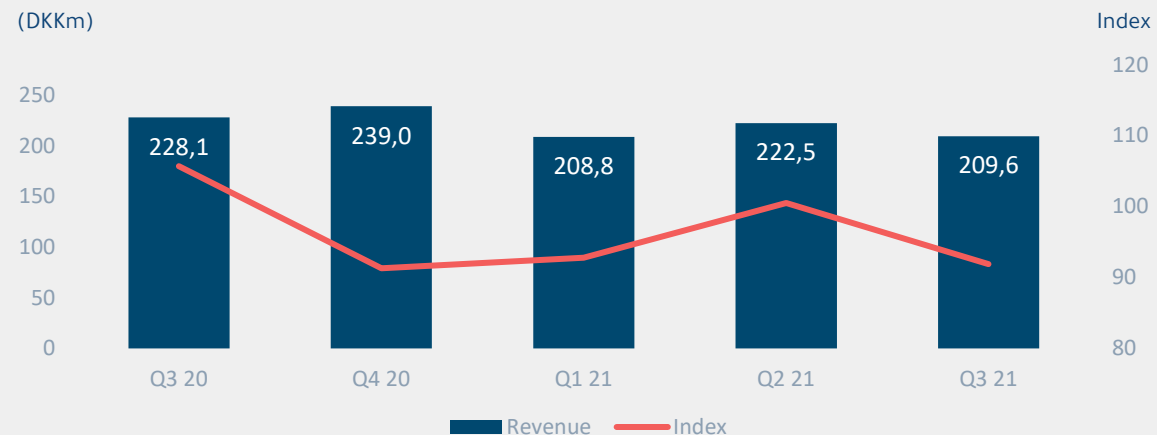
Household distribution of retail leaflets and local newspapers in Denmark. Digital offer platform.

## Highlights

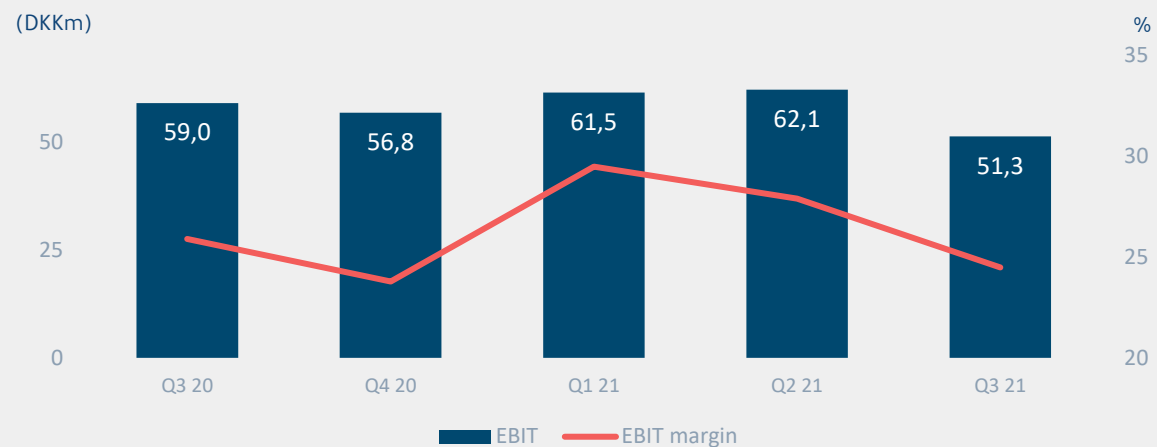
- Revenue down 5% YTD on lower volumes, aggravated by one distribution week less in 2021
- Full-year volumes projected to decline ~4% like-for-like
- Large Danish retailers continue to rely on leaflets: Contract extensions progress as planned
- Expansion of Deutsche Post agreement from July
- EBIT outlook narrowed to DKK 240-245m; revenue outlook raised to DKK 875-885m

(DKKm)	9M 2021	9M 2020	Q3 2021	Q3 2020
Revenue	640.9	674.6	209.6	228.1
EBIT	174.9	176.9	51.3	59.0

## Quarterly revenue and growth



## Quarterly EBIT and EBIT margin

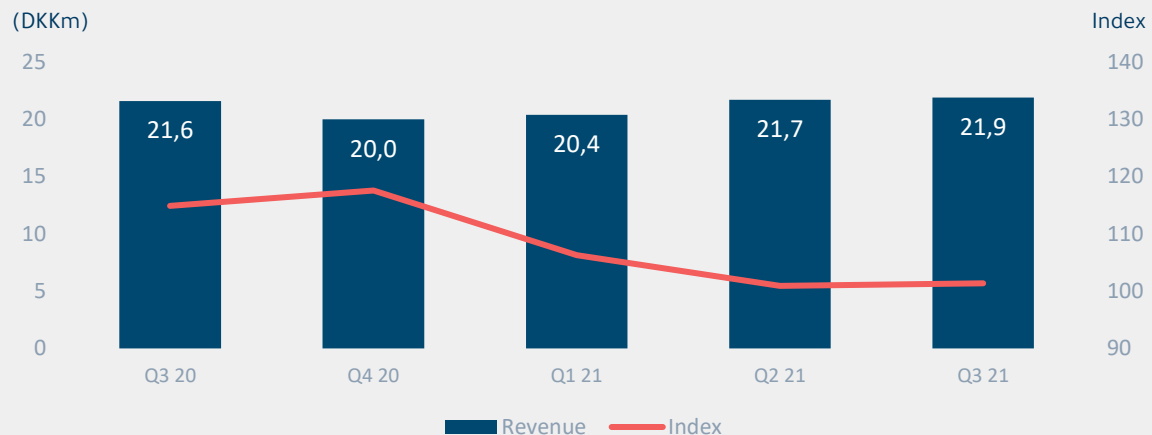


## Highlights

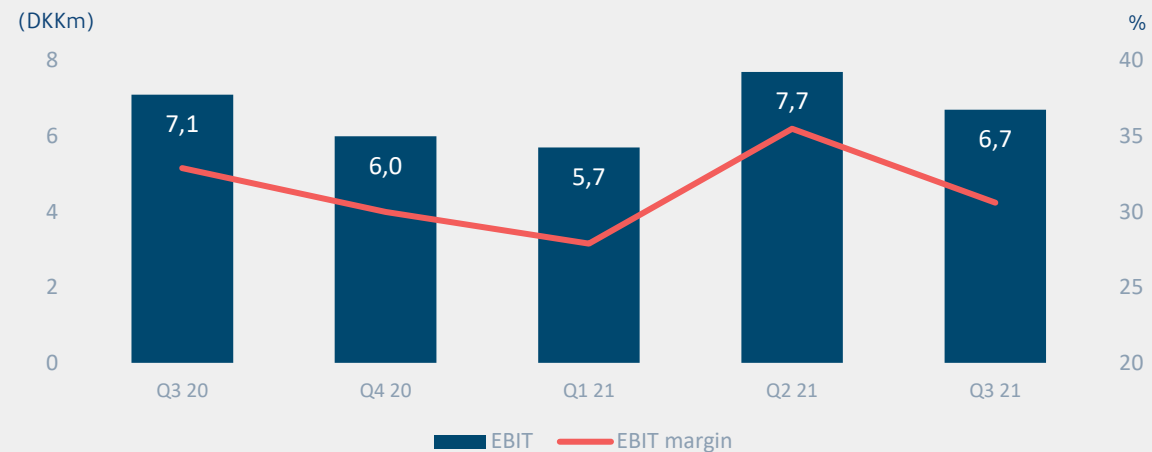
- 3% growth year-to-date; 1% growth in Q3
- New, freemium products launched
- Roll-out of subscription-based SaaS solutions and products slightly behind schedule
- Big drop in supply in home rental market
- Solid margins, despite adverse conditions
- 2021 outlook lowered: EBIT result on par with 2020

(DKKm)	9M 2021	9M 2020	Q3 2021	Q3 2020
Revenue	64.0	62.3	21.9	21.6
EBIT	20.1	21.2	6.7	7.1

## Quarterly revenue and growth

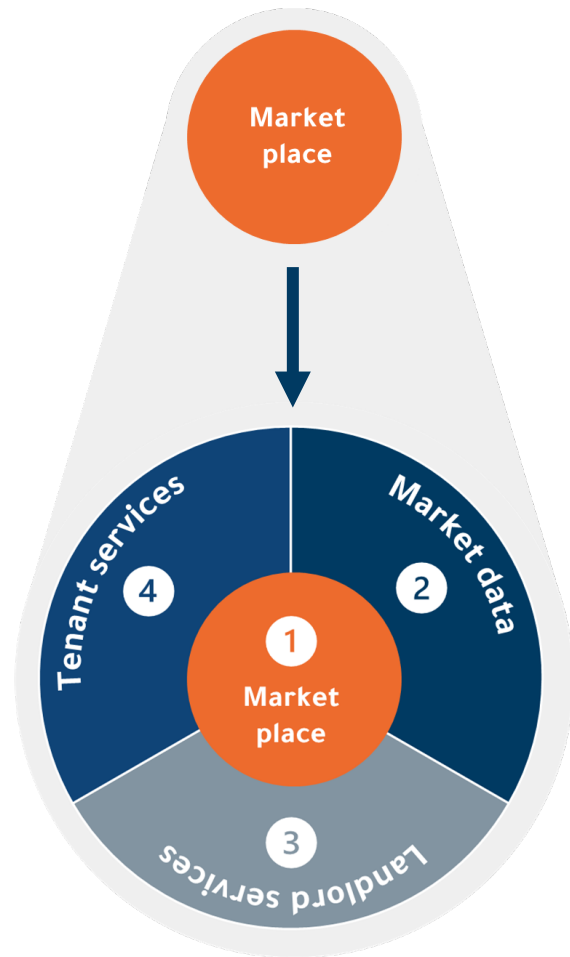


## Quarterly EBIT and EBIT margin



# BoligPortal

## - from market place to SaaS business



### Status on the changes to platform

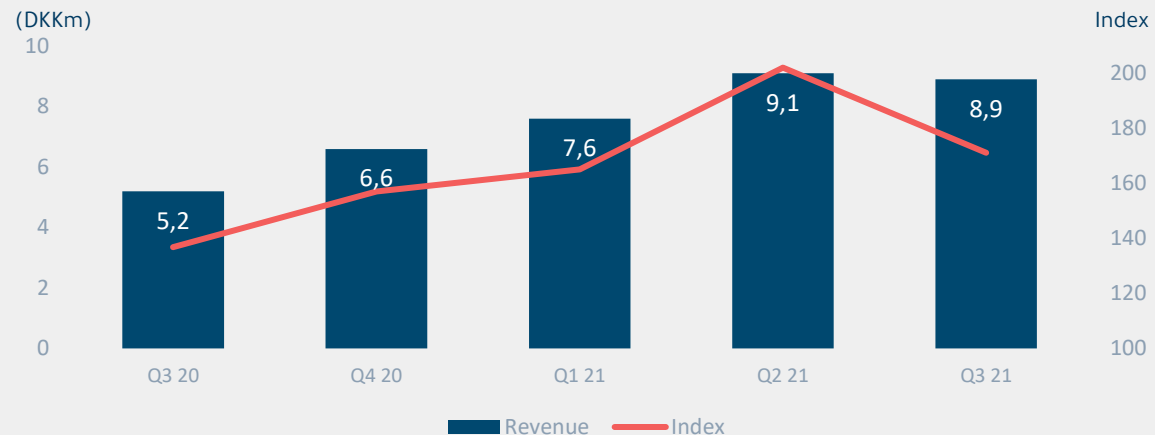
- 1 **Market place:** New data platform (Q1-21)
- 2 **Market data:** Data Insights (Q3-21), customer-specific virtual reports for landlords launched (Q3-21) - two property developers subscribed to the new SaaS data platform
- 3 **Landlord services:** Digital rental contract (Q2-21), digital moving inspection report and tool (Q3-21), first part of portfolio management tool (Q3-21)
- 4 **Tenant Services:** Services launched for electricity (Q1-21), insurance and broadband (Q3-21)

## Highlights

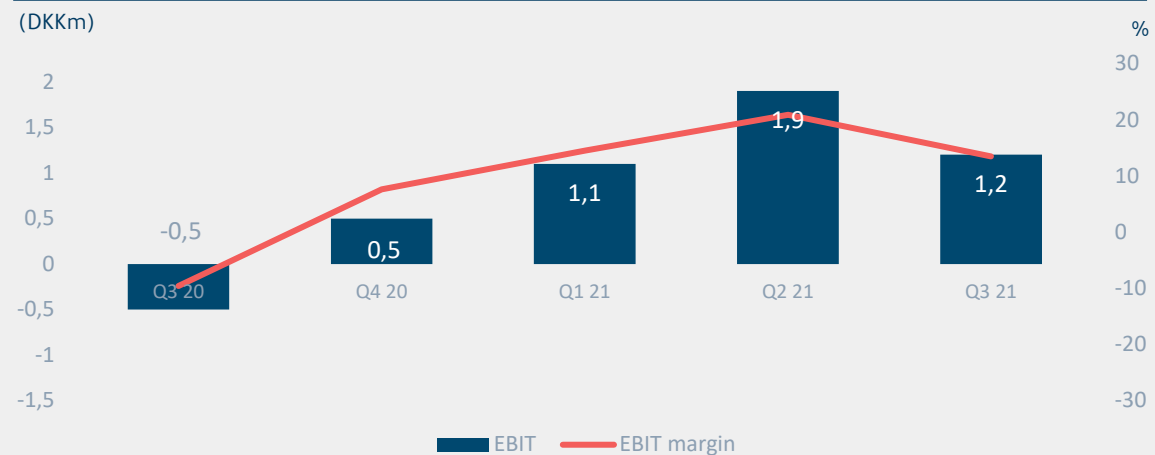
- Revenue and earnings better than expected
- Q3 revenue up 71%, driven by job more job postings, better prices and larger advertising packages
- Strong progress among private employers
- Full-year target of ~42,000 job postings
- Investments in future growth capabilities
- Full-year outlook upgraded

(DKKm)	9M 2021	9M 2020	Q3 2021	Q3 2020
Revenue	25.6	14.3	8.9	5.2
EBIT	4.2	-2.5	1.2	-0.5

## Quarterly revenue and growth



## Quarterly EBIT and EBIT margin



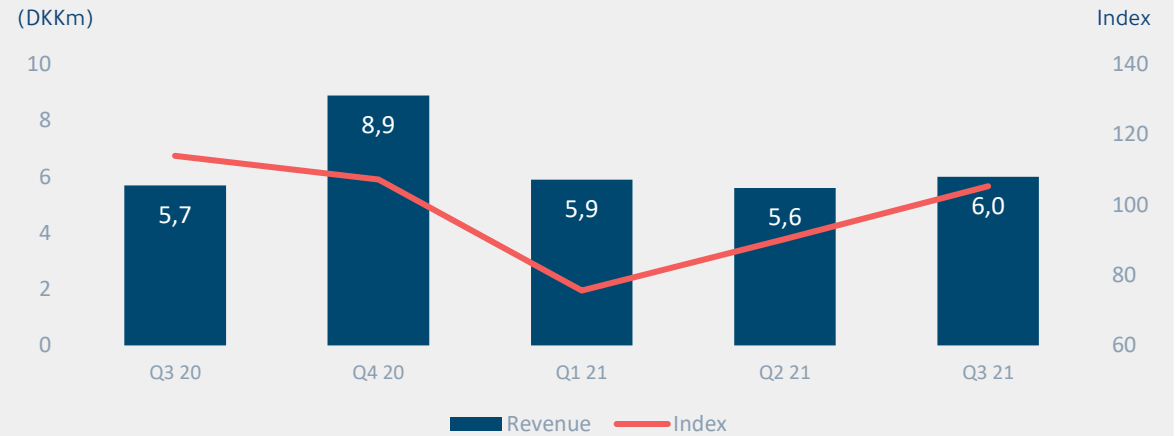


## Highlights

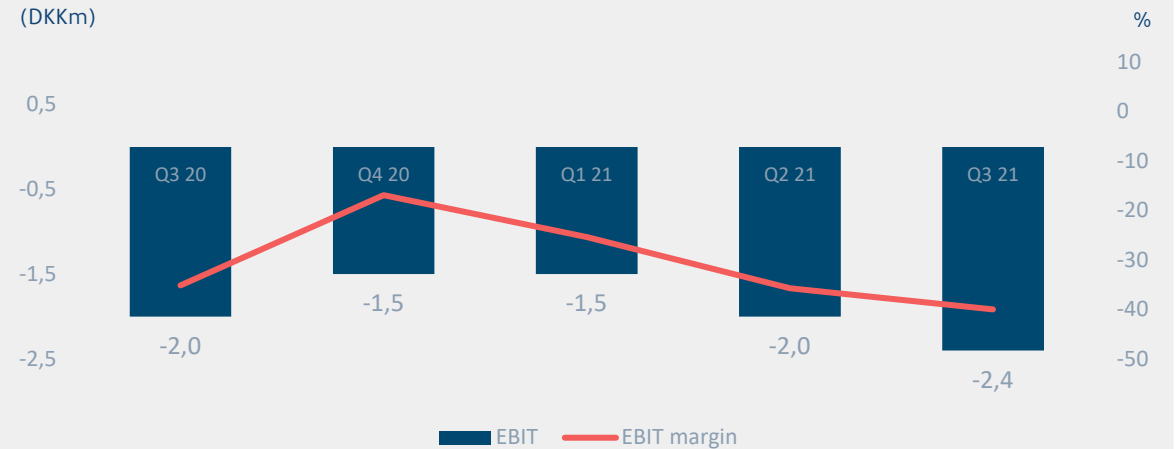
- Recurring license and service business stable YTD; recurring revenue grew by 20% in Q3
- Overall revenue YTD impacted by 24% drop in one-off hardware income due to postponed installations
- Commercial traction in new market segments - 2 new customers added in Q3
- EBIT outlook lowered: Result on par with 2020

(DKKm)	9M 2021	9M 2020	Q3 2021	Q3 2020
Revenue	17.5	19.7	6.0	5.7
EBIT	-5.9	-5.3	-2.4	-2.0

## Quarterly revenue and growth (index)



## Quarterly EBIT and EBIT margin





# Group financial highlights 9M 2021

## Financial results (DKKm)

	9M 2021	9M 2020
<b>Revenue</b>	<b>748.0</b>	<b>770.9</b>
- Last Mile	640.9	674.6
- Digital Services	107.1	96.3
<b>Operating profit (EBIT)</b>	<b>187.4</b>	<b>182.3</b>
- Last Mile	174.9	176.9
- Digital Services	18.4	13.4
Unallocated costs	-5.9	-8.0
<b>Share of profit/loss in associates</b>	<b>2.6</b>	<b>-0.1</b>
<b>Net profit for the period</b>	<b>207.1</b>	<b>218.5</b>
<b>Net profit excl. return on securities</b>	<b>147.2</b>	<b>141.7</b>
Return on securities	76.8	98.4
Cash flows from operations	126.5	220.7
Capital resources	840.3	696.2

Revenue growth

**-3%** (+2%)

EBIT margin

**25.1%** (23.6%)

Return on equity

**29.2%** (39.9%)

EPS\*

DKK **8.1** (7.8)

\* Excluding return on securities.

# Financial guidance 2021

## Last Mile (DKKm)

(DKKm)	Q3 2021 (updated)	Interim Report Q2 2021	Interim Report Q1 2021	Annual Report 2020	Realised 2020
Revenue	<b>875 - 885</b>	865 - 880	850 - 870	840 - 870	913.6
EBIT	<b>240 - 245</b>	235 - 245	215 - 230	210 - 230	233.7

## Digital Services

(DKKm)	Q3 2021 (updated)	Interim Report Q2 2021	Interim Report Q1 2021	Annual Report 2020	Realised 2020
Revenue	<b>145 - 150</b>	147 - 158	145 - 155	145 - 155	131.8
EBIT	<b>23 - 27</b>	25 - 30	25 - 30	25 - 30	18.5

## Group guidance

### Revenue (DKKm)

**1,020 - 1,035**

Interim Report Q2 2021:	1,015 - 1,035
Interim Report Q1 2021:	995 - 1,025
Annual Report 2020:	985 - 1,025
Realised 2020:	1,045

### EBIT (DKKm)

**255 - 265**

Interim Report Q2 2021:	250 - 265
Interim Report Q1 2021:	235 - 255
Annual Report 2020:	230 - 255
Realised 2020:	240

# Update on strategy 2022-23

## FK Distribution

- Contract extensions with major Danish retailers
- Extended relation with Deutsche Post could be steppingstone for additional international business

## BoligPortal

- Roll-out of new platform with additional revenue streams
- Potential for double-digit growth in subscription-based SaaS products/services

## Ofir

- Solid growth in job ads from private employers
- Strengthening of data/research capabilities and sales & marketing team

## Bekey

- Recurring license and service business is growing
- New customers required to build critical mass

## North Media A/S ambitions

### Revenue

- ~3% annual organic growth
- 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

# Questions?

## Thank you for your attention

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