



Q3

Interim Report

Pontus Bodelsson, President and CEO

Magnus Hansson, Group CFO

November 6th, 2024



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Q3 highlights and operational outlook

Pontus Bodelsson, President and CEO





Highlights Q3

Margin expansion, new AI solutions and launching next phase of the integration in Spain

648

Net sales
(SEKm)

(619)

Net sales
(2023)

22%

Adjusted
EBITA margin

(19%)

Adjusted EBITA margin
(2023)

3.1x

Leverage

(3.2x)

Leverage
(2023)

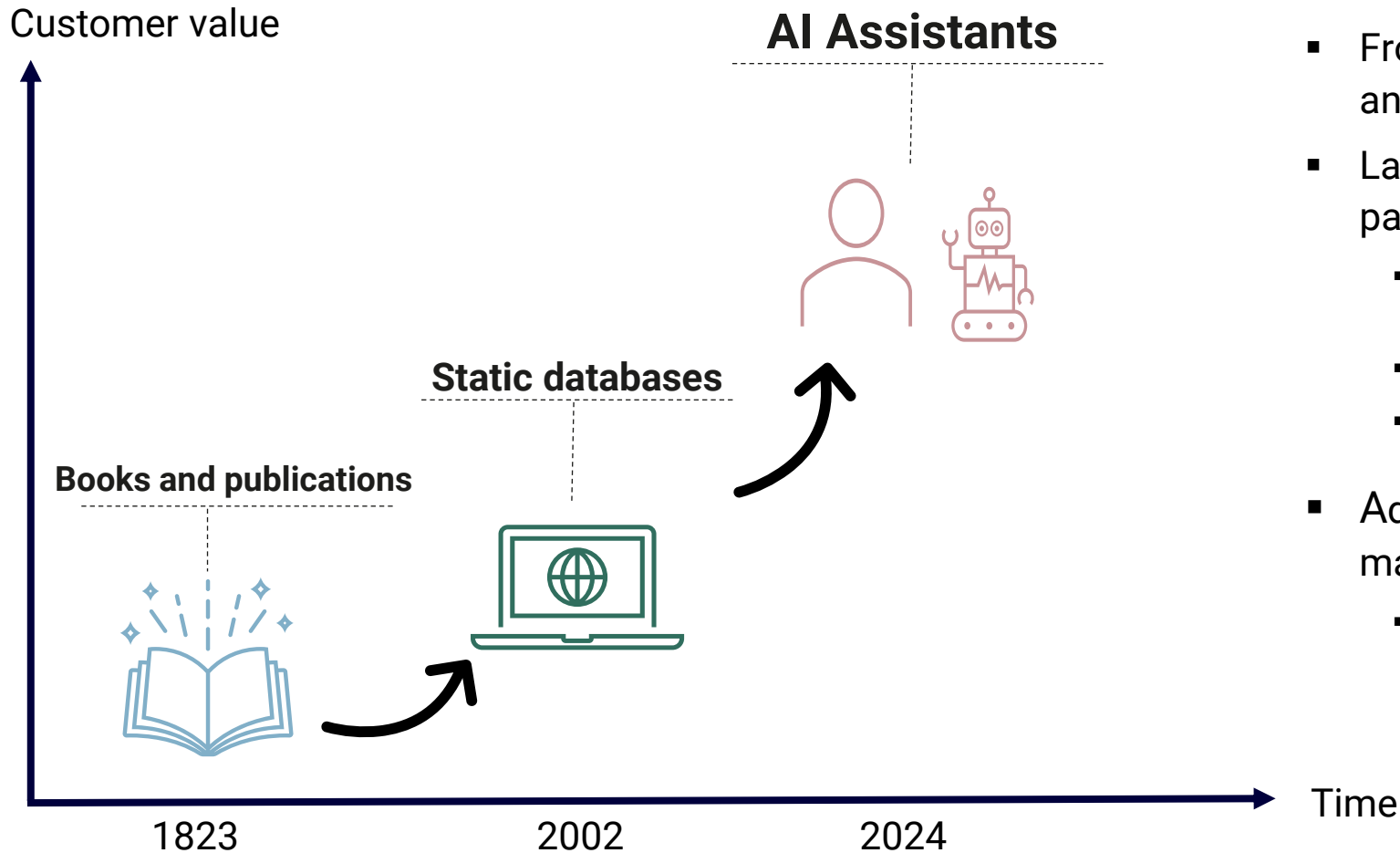
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Group highlights

- Margin expansion as synergies come through
 - Delivering on synergies from both initiatives
 - Optimisation of organisation and business portfolio
- Tech carve-out completed – launching next phase
 - No tech integration risk remaining
 - Launching next phase to deliver profitable growth
 - Alexandra Åquist new Country Manager in Spain
- Enhanced customer value with new AI solutions
 - Co-creation with selected customers
 - Launched in new top-tier AI package in Region North
 - Sold as value-enhancing add-on in Region South



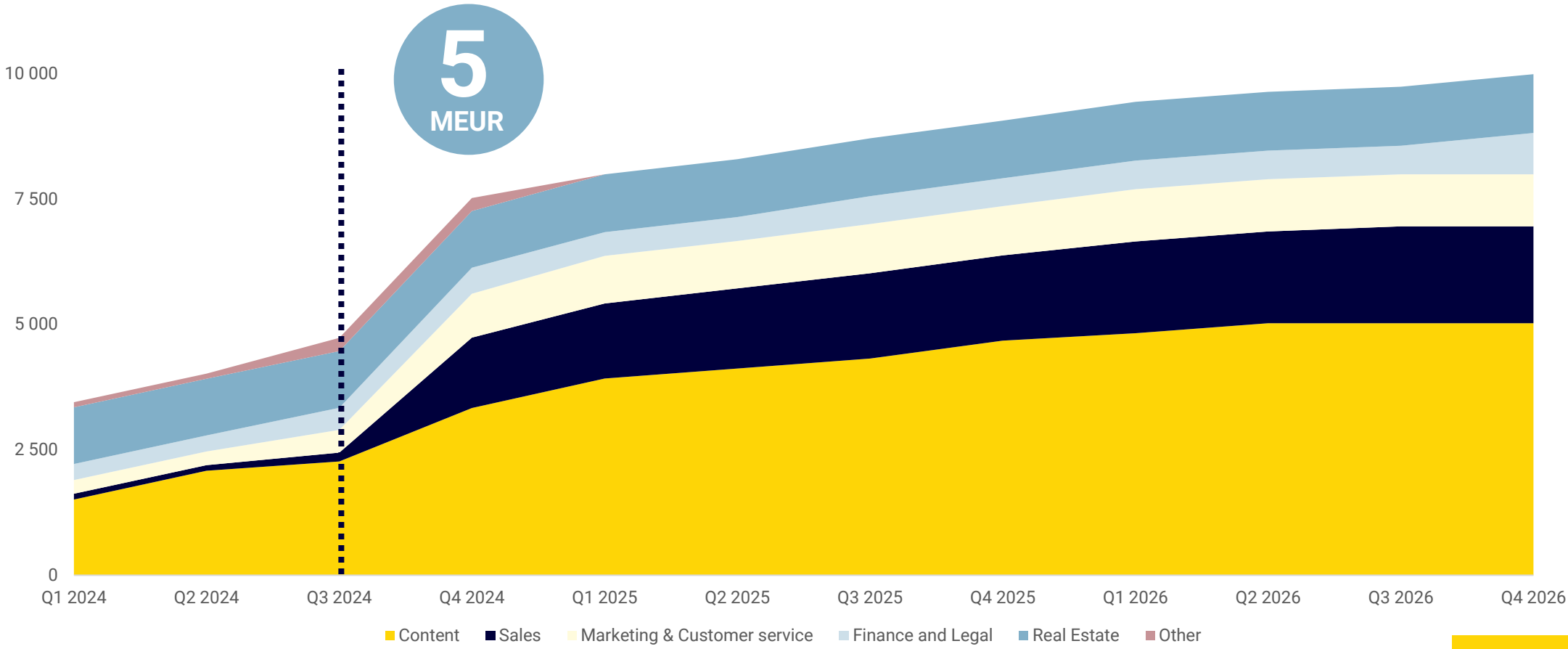
Transforming the legal path to justice



- From books and libraries to static databases and now to interactive AI assistants
- Launched in Region North in a new top-tier package
 - 87% assess our AI make their work significantly more efficient
 - 70% assess our AI make their work easier
 - Bruun & Hjejle (top 3 law firm) in Denmark has bought the solution for all its lawyers
- Add-on in Region South in line with local market practices
 - Positive feedback on newly launched AI solutions in Region South, including Lamyligne and Lamy Notaire in France and Aranzadi Digital in Spain

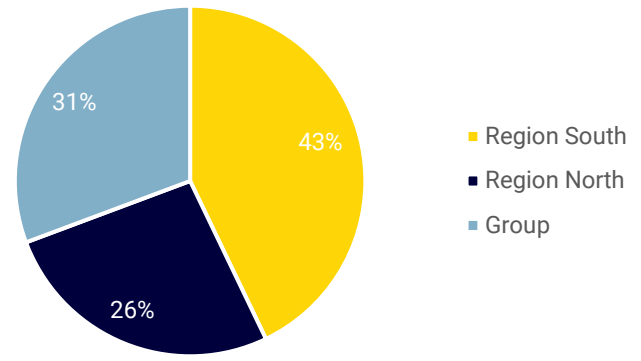
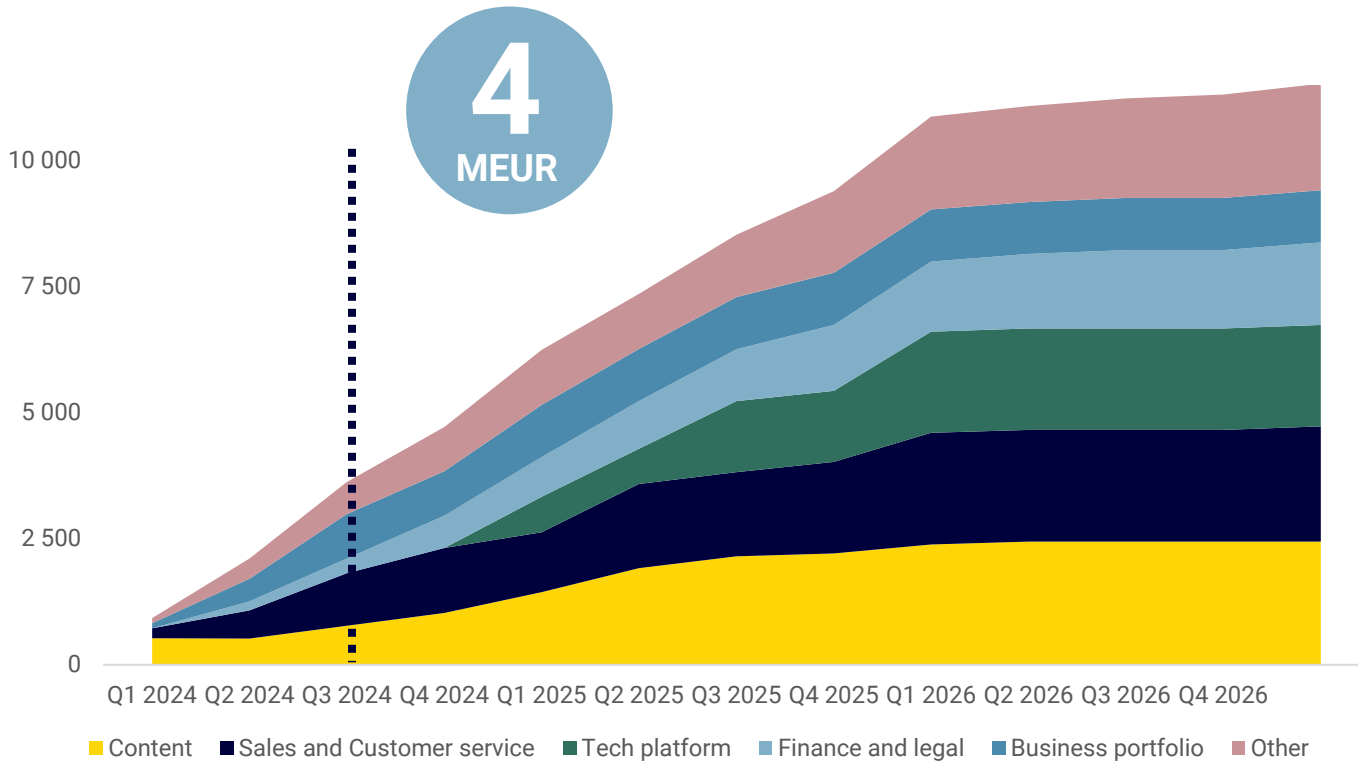
Region South cost-synergies effects

Yearly run-rate by category



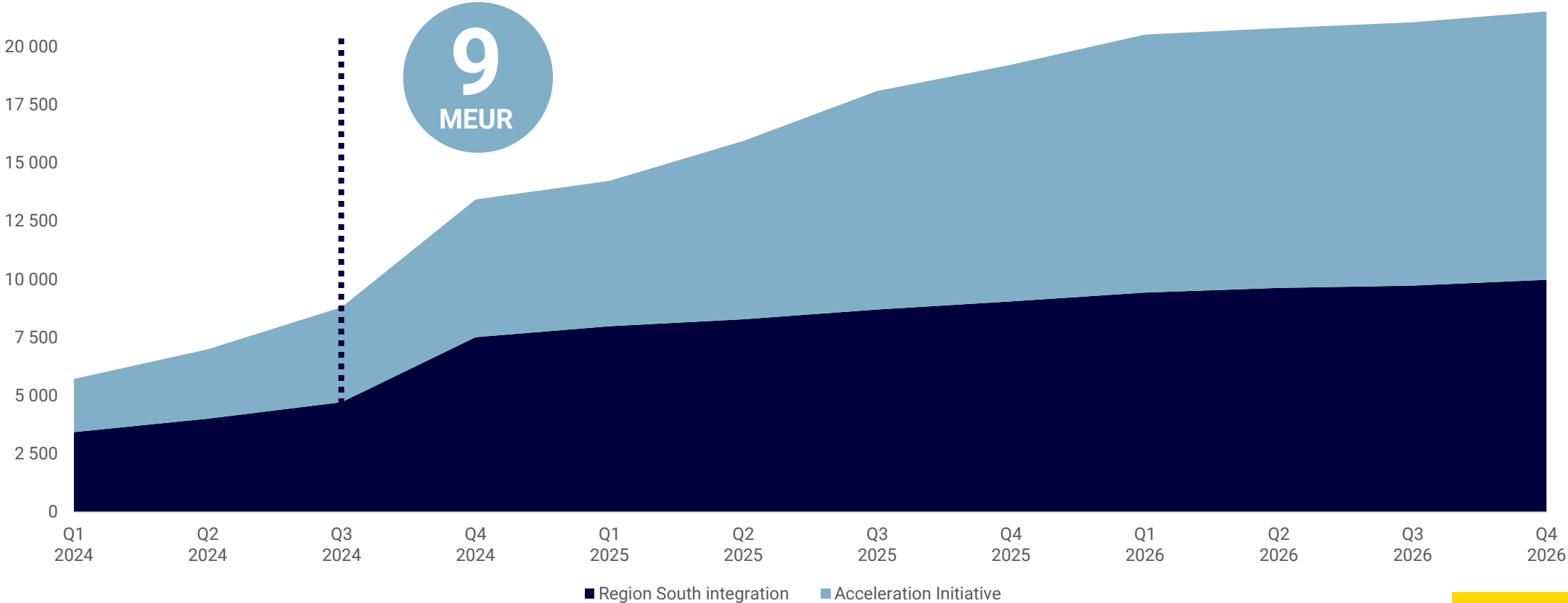
Acceleration Initiative cost-synergies effects

Yearly run-rate by category and split between segments



Initiatives cost-synergies effect

The total cost-synergies of EUR 20 m will come progressively over the period



Region South highlights

- Stable net sales with France growing and Spain being reshaped following product rationalisations and optimisation of the sales force
- Tech carve-out completed – launching new phase of the integration
 - No risks remaining from a technical stand-point
 - Prioritised high speed in integration over sales focus
- New Country Manager in Spain – Alexandra Åquist
 - Customer centric leader with proven growth track-record and experience from operating cross-border
 - In addition to her current role as CEO Region North





Region North highlights

- Strong online sales growth and margin expansion
 - Growth driver is the public sector in Sweden
 - Schultz acquisition contributed with SEK 24 m
- Acceleration Initiative synergies coming through
- Integration of carved-out Schultz business
 - Based on the Karnov playbook
 - Adding municipality customers



Q3 financials

Magnus Hansson, CFO

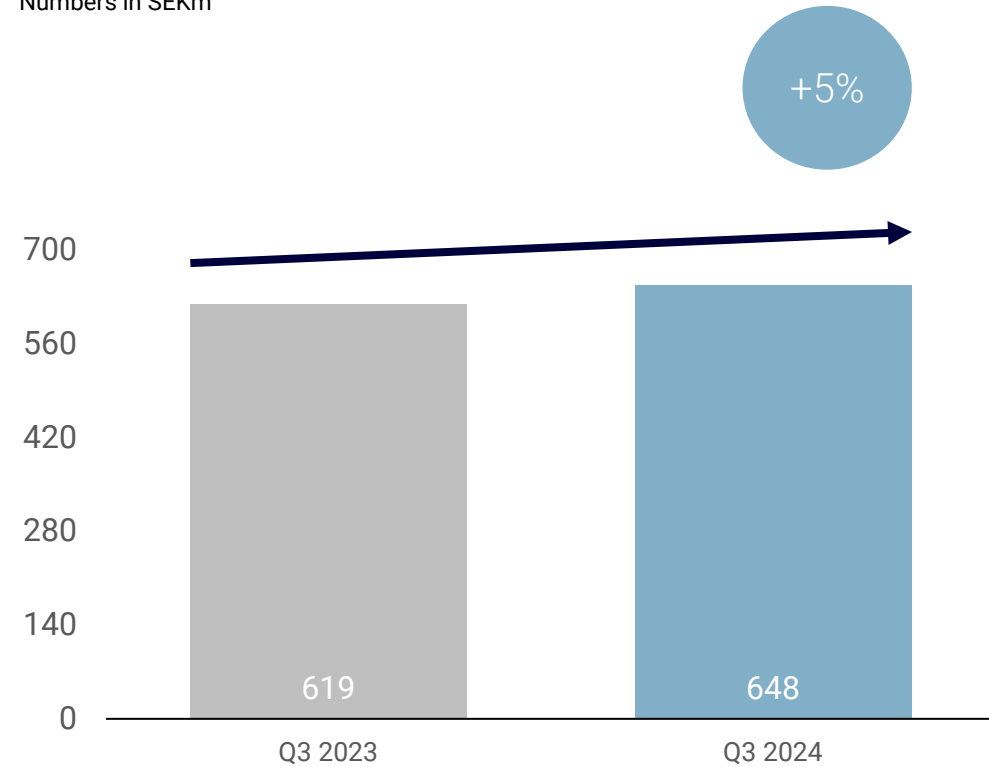
Net sales

Growth driven by online sales

- Net sales growth of 5% in the quarter
 - Driven mainly by new customers
 - FX impacted growth negatively with -2.4% (SEK -15 m)
- New customers from Schultz acquisition
 - Net sales contribution of SEK 24 m
- Strong performance within EHS across the Group
 - Successful with new sales and low churn

GROUP NET SALES

Numbers in SEKm



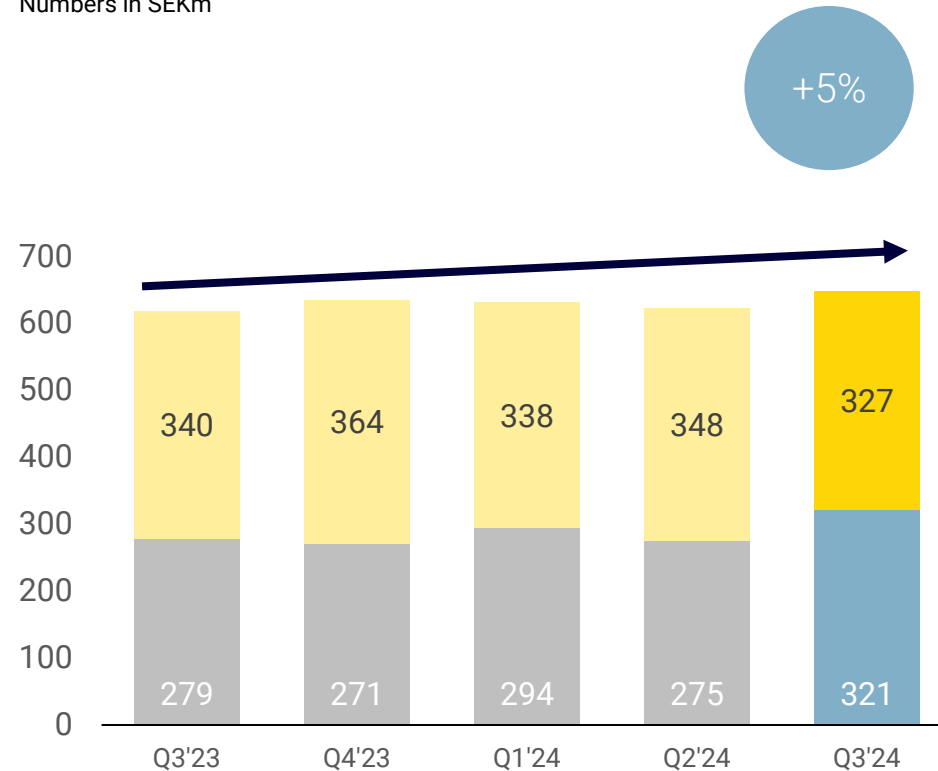
Net sales per segment

Strong growth in Region North

- Group net sales were SEK 648 m (619)
 - Organic growth (constant currency) was 2.4% and the FX effect was -2.4%
 - Organic growth in Region North was 7.4%
- Organic growth driven by online sales within public sector and supported by EHS and T&A
- Stable sales in Region South adjusted for FX
 - FX impact was SEK -9 m
 - France growing and Spain reshaping following product rationalisation and optimised sales force

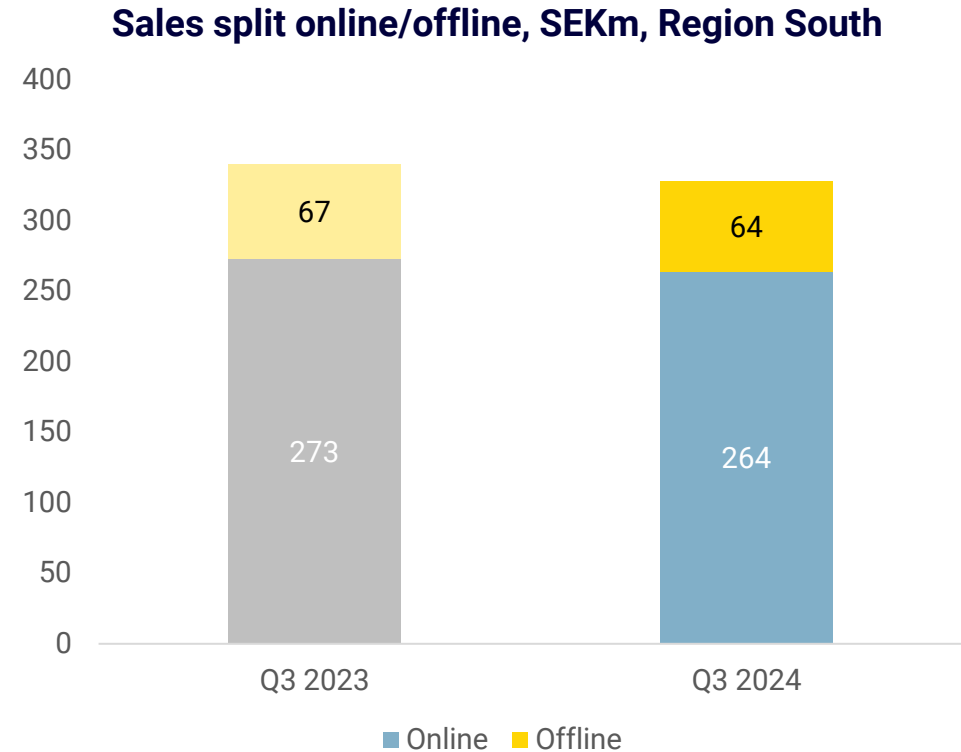
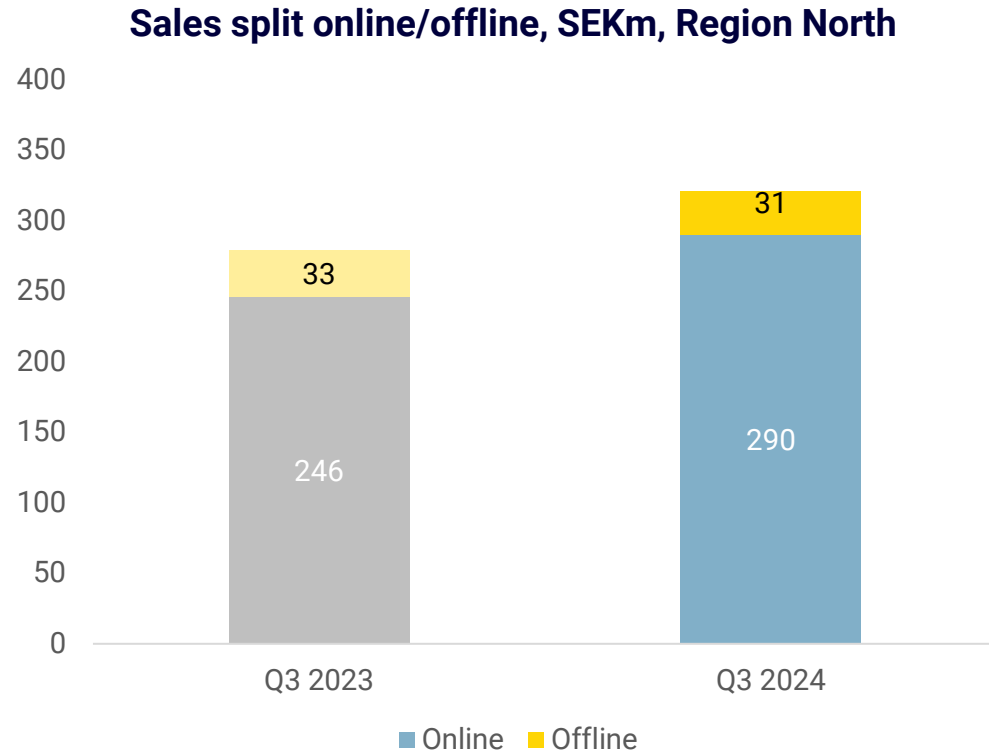
GROUP NET SALES

Numbers in SEKm



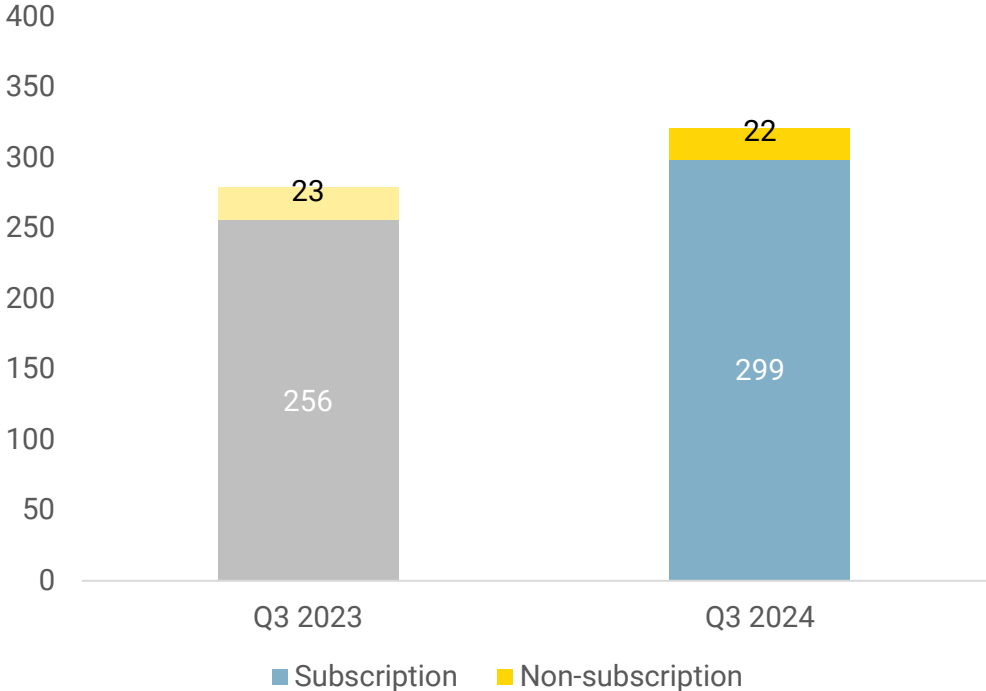
Strong development in online sales

Strong growth in online sales in Region North supported by stable sales in Region South

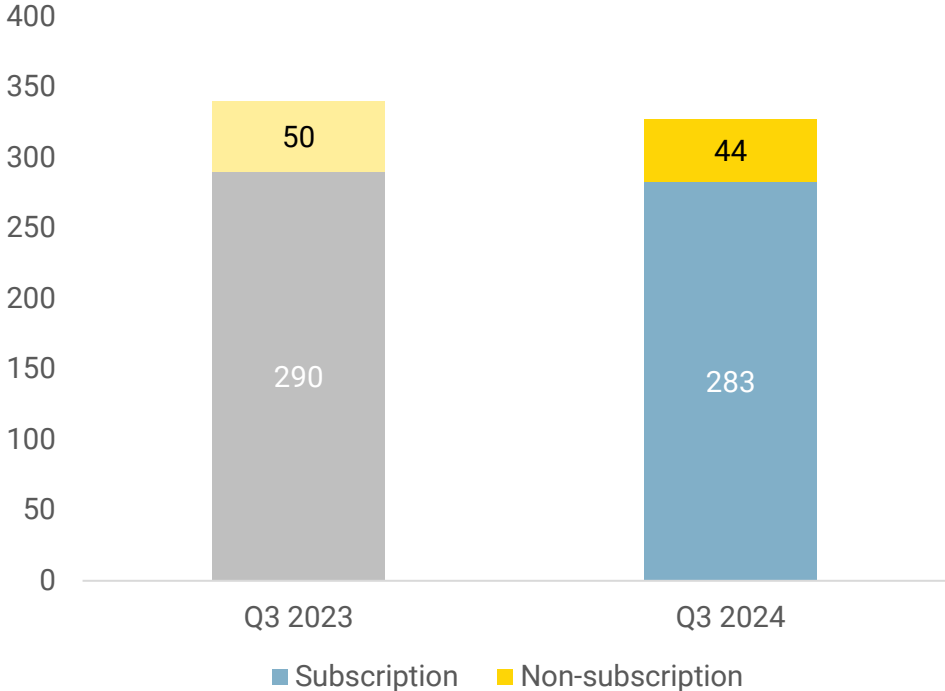


High portion of subscriptions paid in advance

Sales split sub/non-sub, SEKm, Region North



Sales split sub/non-sub, SEKm, Region South



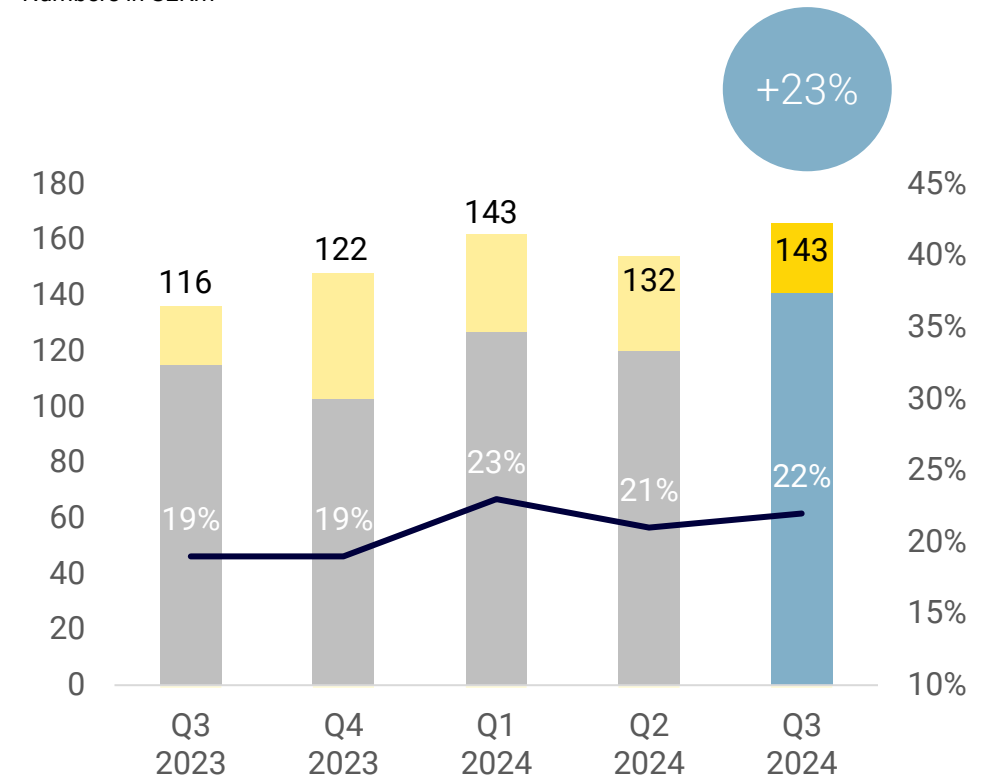
Adjusted EBITA

Margins improvement from synergies

- Adjusted EBITA amounted to SEK 143 m (116)
- Group adjusted EBITA margin was 22.1% (18.7)
- Synergies coming through as expected
 - Synergies effect in Q3 was EUR 1.9 m
 - Realised annual run-rate synergies from our initiatives amounted to EUR 9 m
 - Divestment of Ante, LCB and Procurementlink
- Strong cost control
 - Lower COGS due to product mix

GROUP ADJUSTED EBITA

Numbers in SEKm

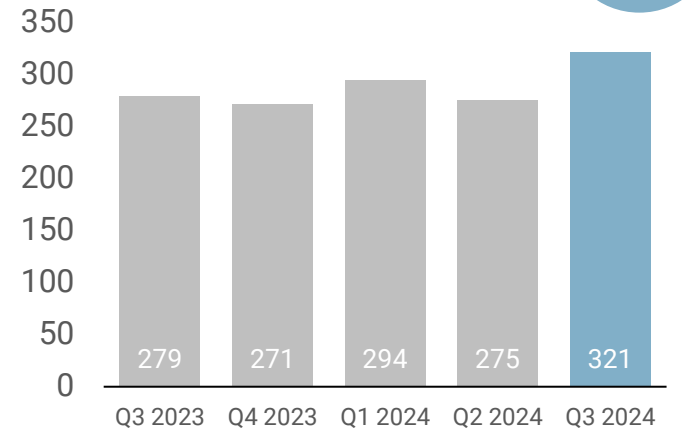


Region North

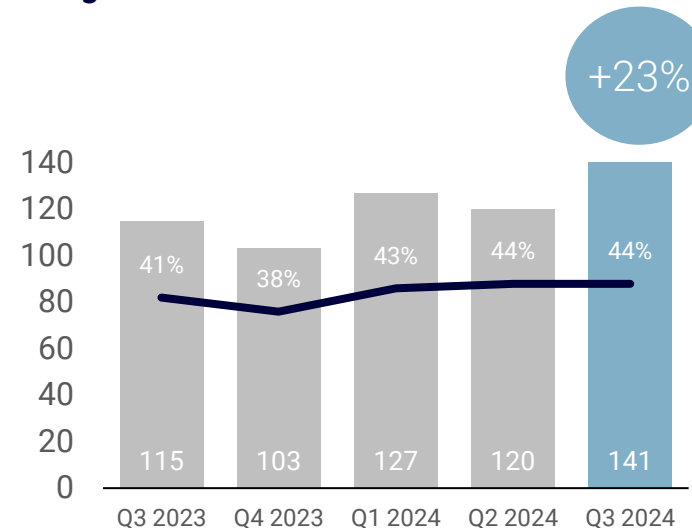
Strong growth and margin expansion

- Organic growth (constant currency) was 7.4%
 - Growth driven by online sales of legal information solutions, mainly in the public sector in Sweden
- Carved-out Schultz business contributed with SEK 24 m in net sales and SEK 6 m in adjusted EBITA
- Continuous tailwind within EHS and T&A markets
 - EHS businesses and DIBkunnskap continue to perform well
- Adjusted EBITA margin 44.1% (41.4)
 - Margin improvement due to synergies from the Acceleration Initiative as well as product mix and good cost control
 - Effect from the Acceleration Initiative was EUR 0.8 m in Q3

Net Sales, SEKm



Adjusted EBITA, SEKm and margin %

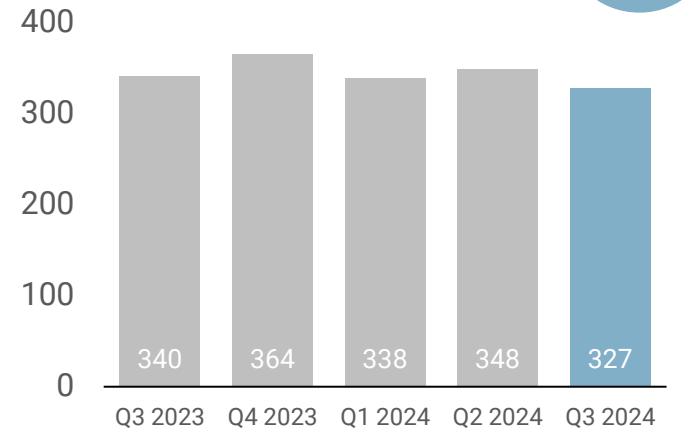


Region South

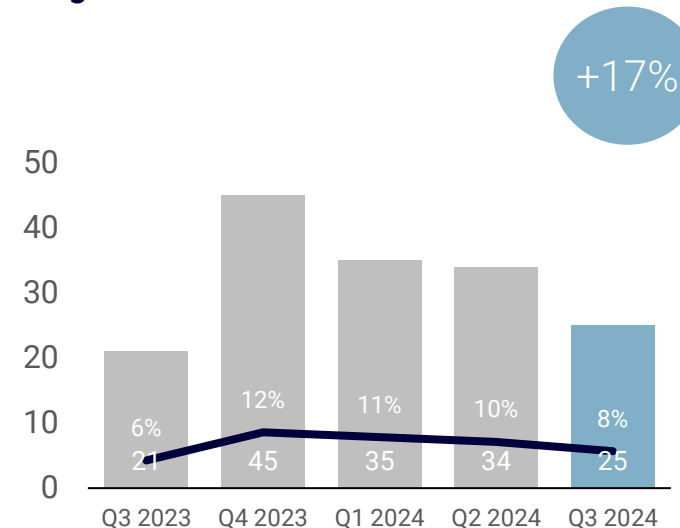
Synergies coming through as expected

- Organic growth -1.6%
 - Growing in France due legal training and increased commercial focus
 - Product rationalisation and optimised sales force has a short-term impact on sales in Spain
- Adjusted EBITA margin 7.5% (6.2)
 - Synergies coming through according to plan and amount to 1.1 MEUR in the quarter
 - Launching next phase of integration
- Annual run-rate synergies of EUR 4.9 m from the integration

Net Sales, SEKm



Adjusted EBITA, SEKm and margin %

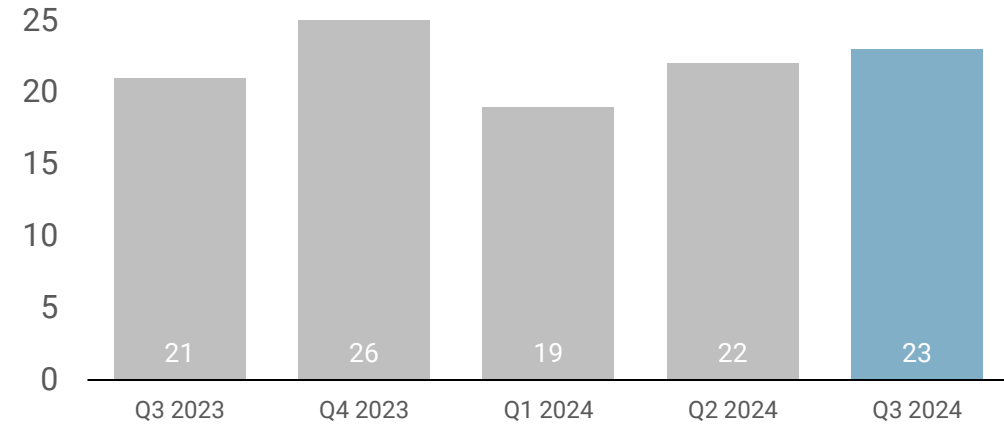


Group functions

Units managing Group wide tasks

The Group functions cover the Group wide tasks such as Group Management, Information Security, Compliance, HR, Investor Relations and Group Finance.

Adjusted EBITA, SEKm and margin, %

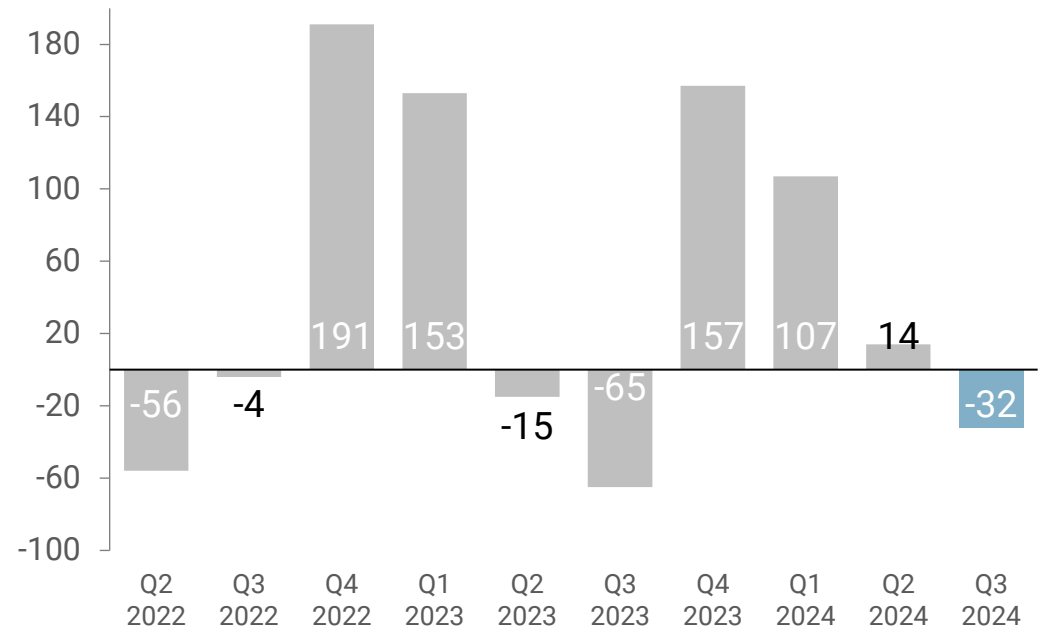


Cash flow and leverage

Robust capital capacity from free cash flow

- Adjusted free cash flow amounted to SEK -32 m (-65)
 - Flat Q-o-Q excluding IAC with timing of leasing payments the main deviation
- Leverage of 3.1x due to negative FX
 - Karnov Group invest in the cost-efficiency initiatives for improved profitability while improving leverage

Adj. free cash flow, SEKm



Summary of Q3

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Thank you

Q&A



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