

Q2 2020 Results

17 July 2020

Kristin Skogen Lund, CEO

Ragnar Kårhus, CFO

Christian Printzell Halvorsen,
EVP Nordic Marketplaces and
CEO of FINN.no

Schibsted



Disclaimer

This presentation (hereinafter referred to as the "presentation") has been prepared by Schibsted ASA ("Schibsted" or the "Company") exclusively for information purposes and does not constitute an offer to sell or the solicitation of an offer to buy any financial instruments.

Reasonable care has been taken to ensure that the information and facts stated herein are accurate and that the opinions contained herein are fair and reasonable, however no representation or warranty, express or implied, is given by or on behalf of the Company, any of its directors, or any other person as to the accuracy or completeness of the information or opinions contained in this document and no liability is accepted for any such information or opinions.

This presentation includes and is based on, among other things, forward-looking information and statements. Such forward-looking information and statements are based on the current expectations, estimates and projections of the Company or assumptions based on information available to the Company. Such forward-looking information and statements reflect current views with respect to future events and are subject to risks, uncertainties and assumptions. The Company cannot give any assurance as to the correctness of such information and statements. Several factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this presentation.

There may have been changes in matters which affect the Company subsequent to the date of this presentation. Neither the issue nor delivery of this presentation shall under any circumstance create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that the affairs of the Company have not since changed.

The Company does not intend, and does not assume any obligation, to update or correct any information included in this presentation.

Alternative performance measures (APM) used in this presentation are described and presented in the section Definitions and reconciliations in the quarterly report.

Highlights Q2 2020



Safeguarding our employees and deliver fully functional services



Solid financial results in an extraordinary quarter



Acquisition of online marketplace Oikotie in Finland announced on 16 July 2020



We empower circular and sustainable consumption

Focus on cost savings while KPIs and revenues have improved throughout Q2

Nordic Marketplaces

Listing volumes have improved throughout the quarter, accelerated traffic growth

Temporary cost savings leading to EBITDA margin of 52% in Finn and 42% in Blocket

News Media

Good trend for Subscription revenue continues

Advertising down 23% while trends have improved

EBITDA margin 8% due to cost savings

Financial Services

Underlying revenue decline in Lendo in all markets except Denmark due to COVID-19

Marketing spend reduced

Schibsted Growth

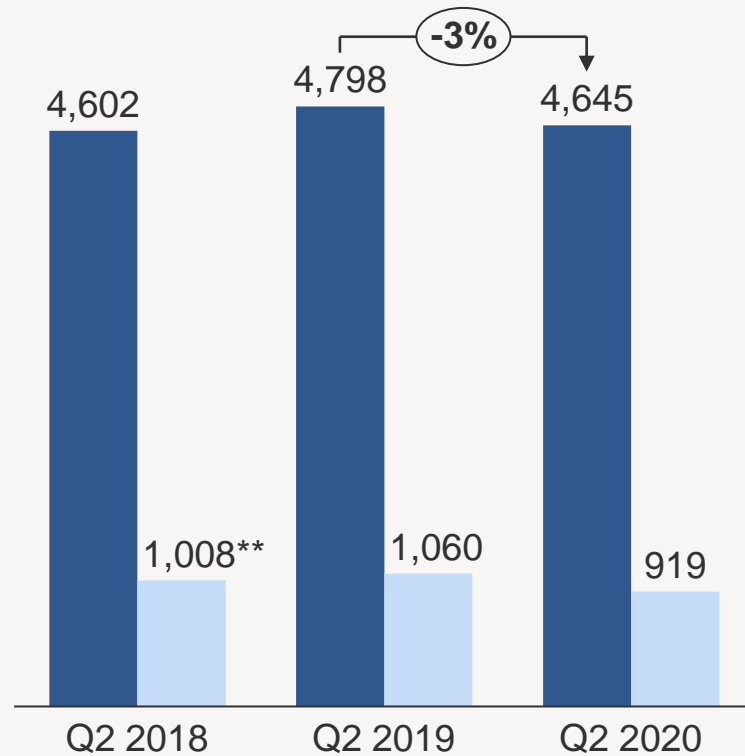
Good revenue growth driven by Distribution and Prisjakt

EBITDA improvement QoQ due to higher revenues and cost savings

Strong EBITDA, increasing QoQ

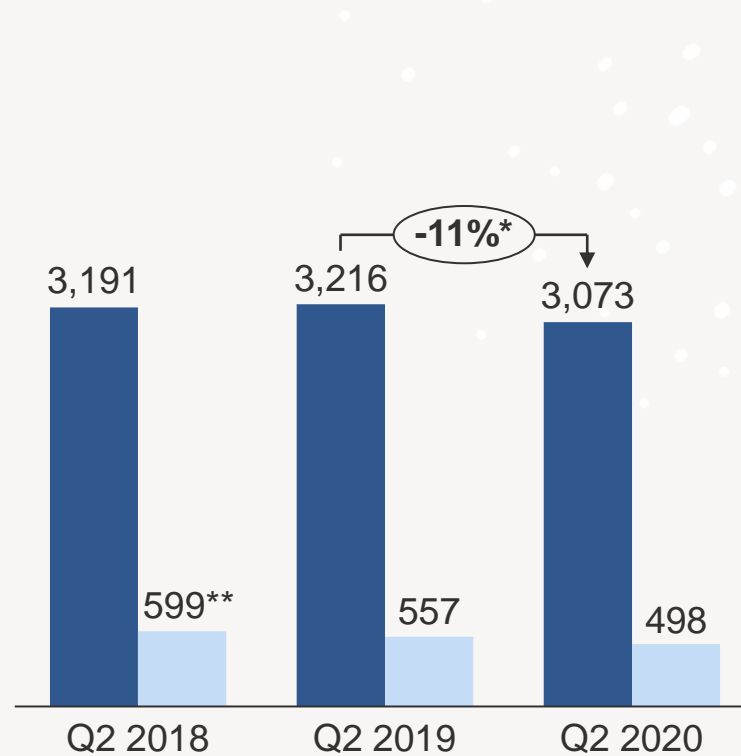
Schibsted Group

Revenues, EBITDA (NOKm)



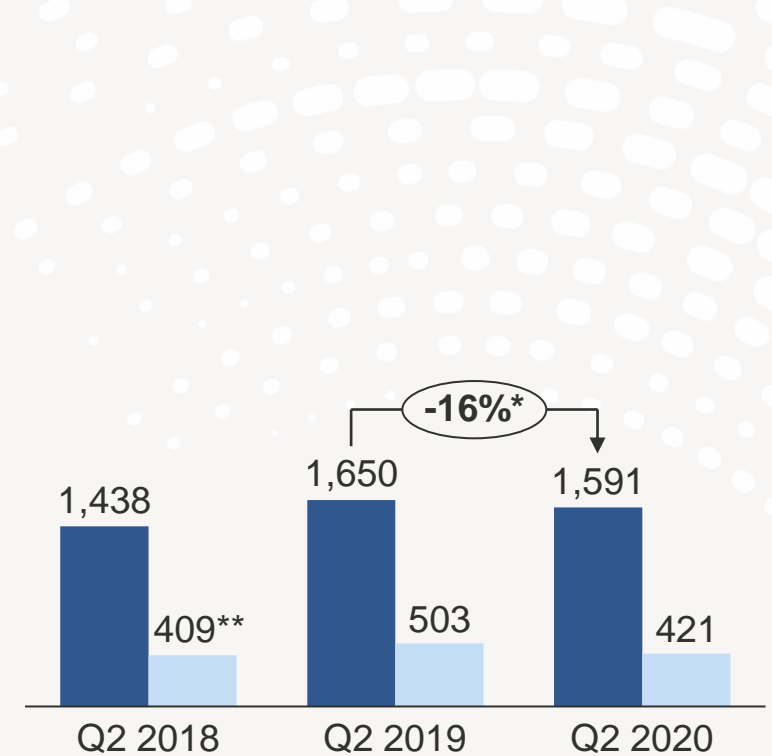
Schibsted excl. Adevinta

Revenues, EBITDA (NOKm)



Adevinta

Revenues, EBITDA (NOKm)



* Schibsted excl. Adevinta revenue growth on a foreign exchange neutral basis; Adevinta revenue growth in EUR on a proportionate basis including JVs, for more details: adevinta.com/ir/

** EBITDA including IFRS 16 effect estimate

The acquisition of Oikotie will strengthen our position in Jobs and Real estate in Finland

Two strong brands

Oikotie: Multi-vertical marketplace with leading position in Jobs and strong market share in Real estate

Tori: Horizontal marketplace with leading position as Generalist and in traffic

Strategic rationale

Highly complementary marketplaces: Using traffic position from Generalist to strengthen position in verticals

Further grow verticals driven by improved innovation and product development

Strengthened position for further growth potential (organically and structural)

Structure

Acquisition of 100% ownership of Oikotie by Schibsted

Closing: 16 July 2020

The two brands will operate side by side

One combined organization supported by Schibsted's broad capabilities and experience in marketplaces

Financing

Acquisition price of EUR 185 million

Financed through current financing/cash

NIBD/EBITDA expected to increase to around 2.5x in Q3 due to transaction (within target range)

We empower circular and sustainable consumption



In 2019 our users potentially saved:



million tonnes greenhouse gas

= 50% of Norway's annual emissions



Nordic Marketplaces



blocket

tori

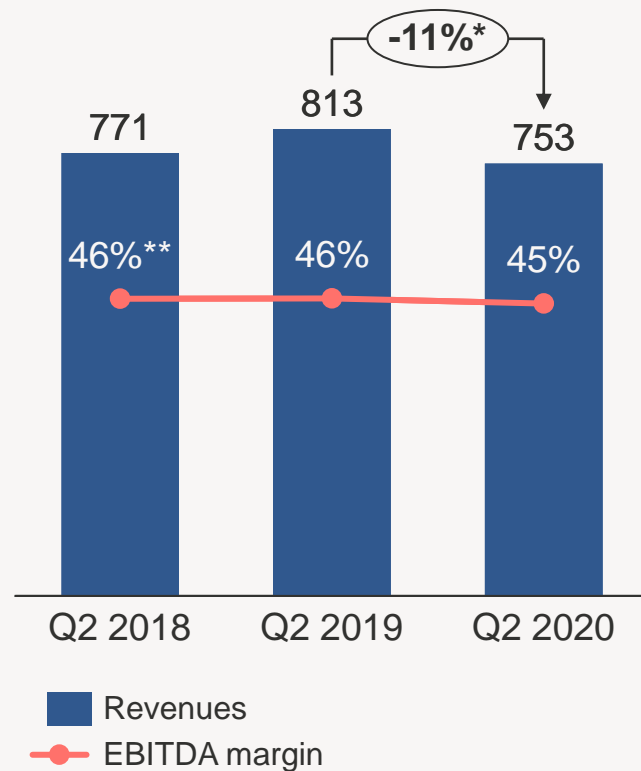


Schibsted

Revenue decline driven by Jobs, Travel and advertising, Motor rather resilient; sustained good EBITDA margin

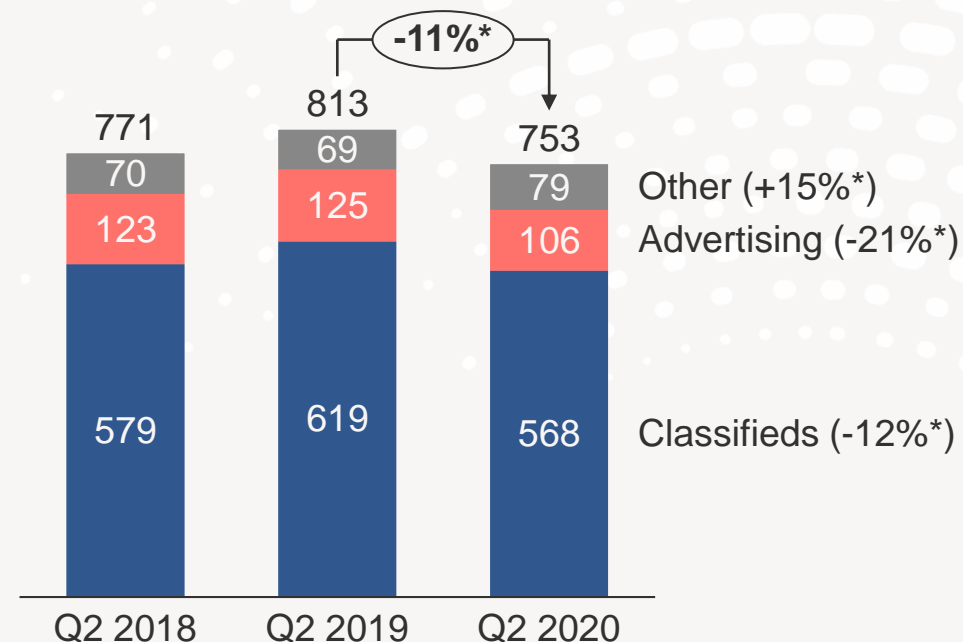
Nordic Marketplaces

Revenues (NOKm), EBITDA margin (%)



Revenue split

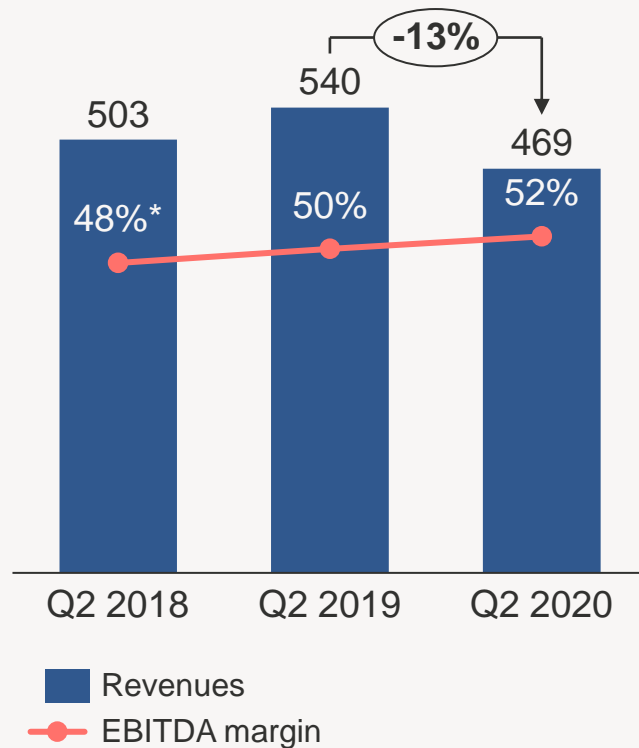
Revenue split (NOKm), Revenue growth YoY (%)



Jobs, Travel and advertising significantly affected, Motor and Real estate revenues up YoY in June; EBITDA margin up YoY

FINN Marketplaces Norway

Revenues (NOKm), EBITDA margin (%)



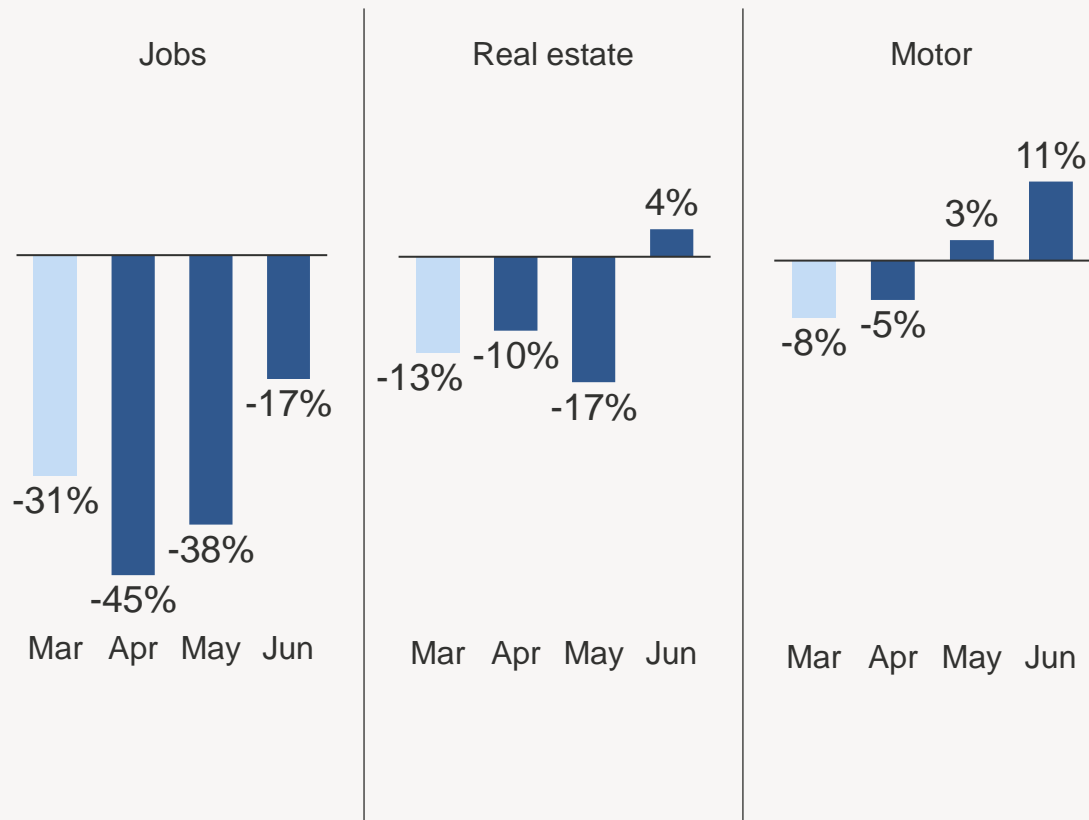
Highlights Q2 2020

- Classifieds and advertising revenues decline YoY due to COVID-19, improved trend during the quarter
- Motor and Real estate revenues recovering, growing YoY in June while Jobs and Travel still negative
- Visits and volumes with good growth, both reaching 18% YoY in June
- Cost measures and temporary savings leading to EBITDA margin of 52%

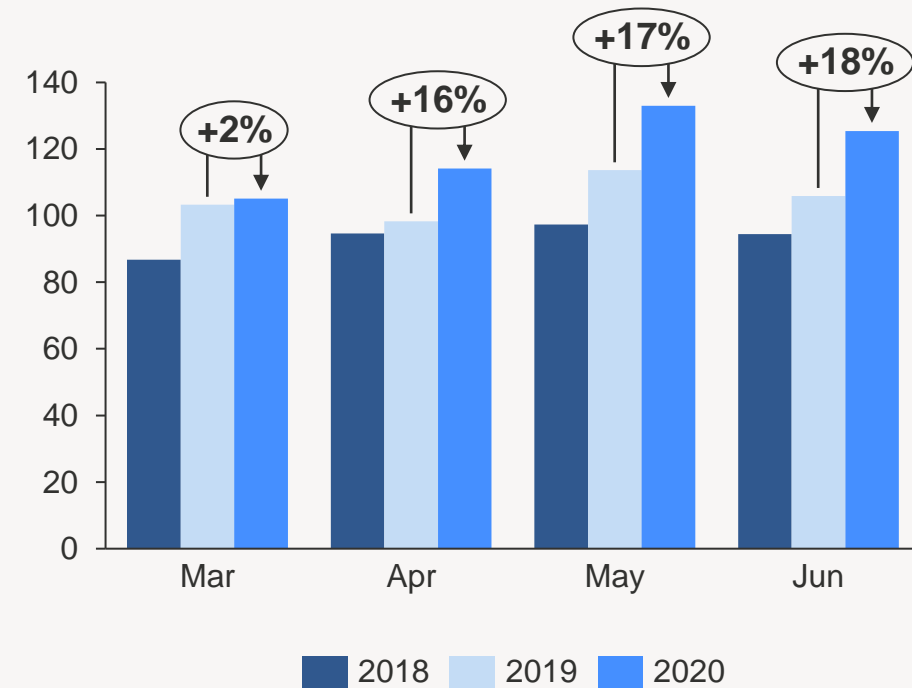
Real estate and Motor more resilient while Jobs lagging due to macro environment; accelerated traffic growth

FINN Marketplaces Norway

New approved ads in main verticals, monthly growth YoY



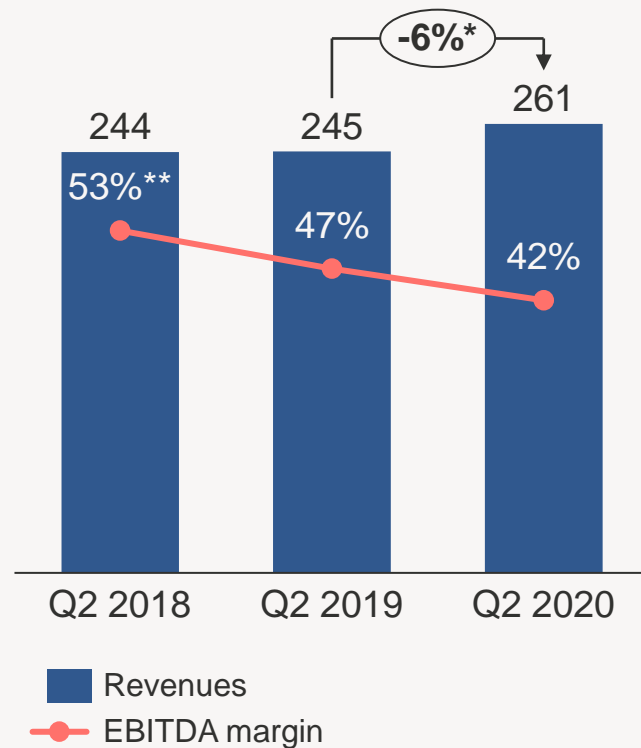
Monthly visits growing 18% in June YoY (million)



Motor growing YoY in Q2; EBITDA margin stable QoQ

blocket Marketplaces Sweden

Revenues (NOKm), EBITDA margin (%)



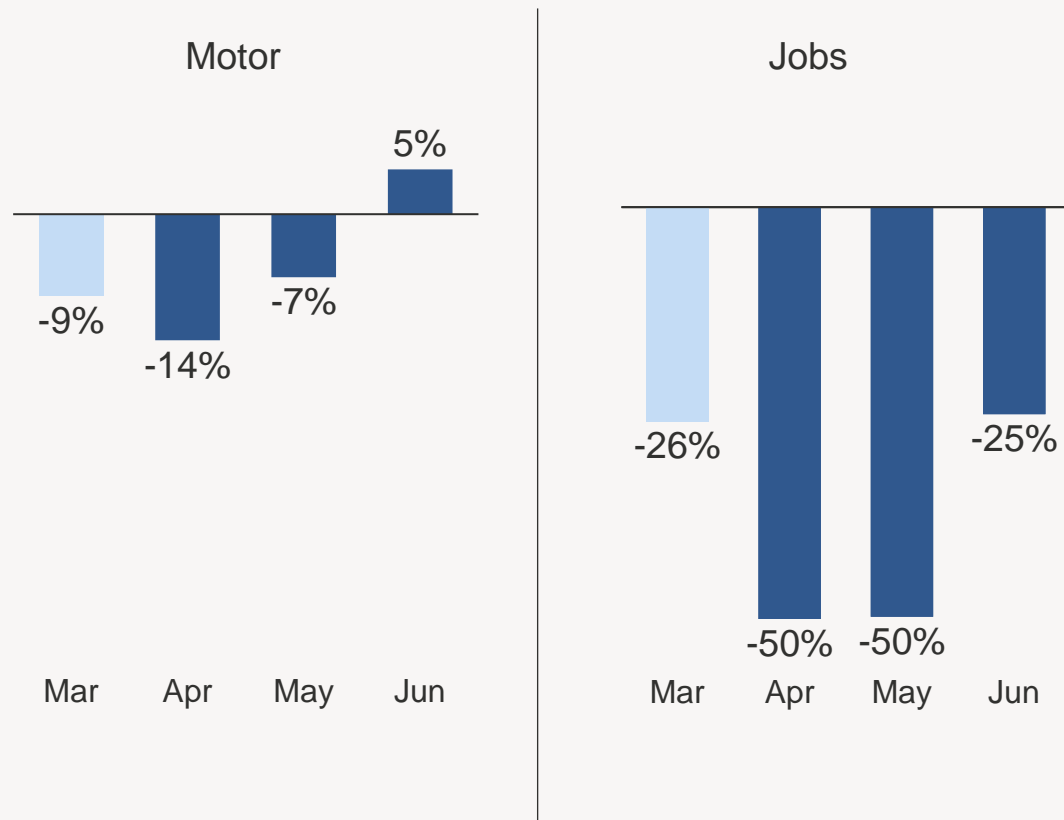
Highlights Q2 2020

- Motor revenues growing 11%* despite COVID-19 relief packages for professional car dealers in April
- Jobs decline driven by volumes while decline in Generalist due to free edits and extra images to improve product offering
- Soft decline in classifieds by 2%*, advertising down 23%* driven by COVID-19
- KPIs recovering throughout Q2 both looking at listings and traffic
- Temporary measures have dampened cost increase compared to previous quarters

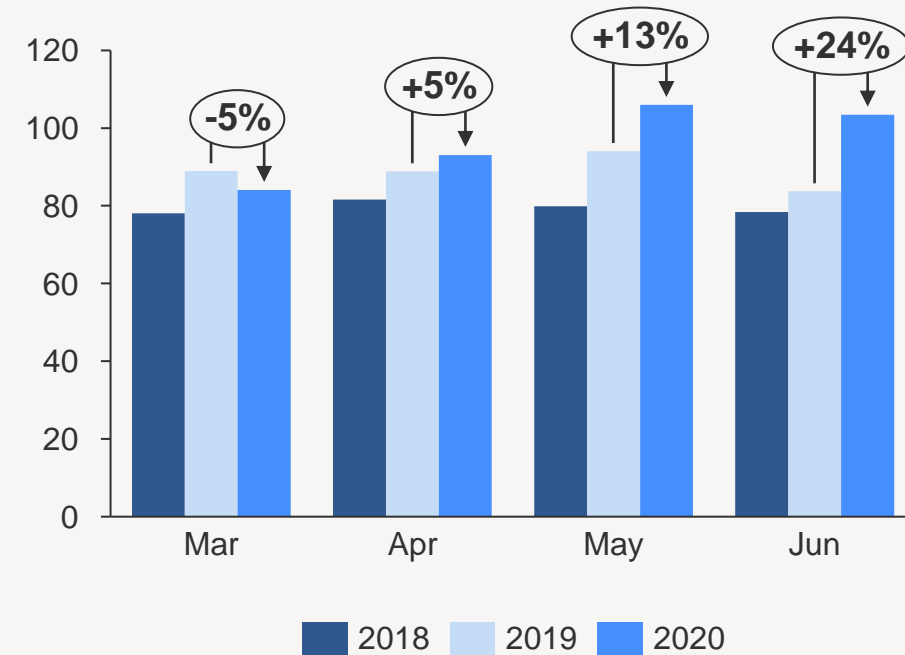
Motor listings turning to growth in June; May with highest traffic level since 2013

blocket Marketplaces Sweden

New approved ads in Motor and Jobs vertical, monthly growth YoY

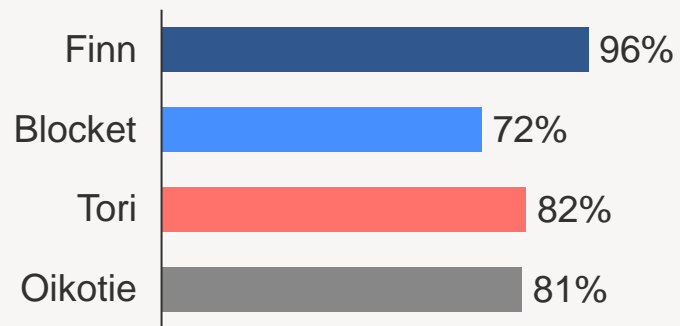


Monthly visits growing 24% in June YoY (million)

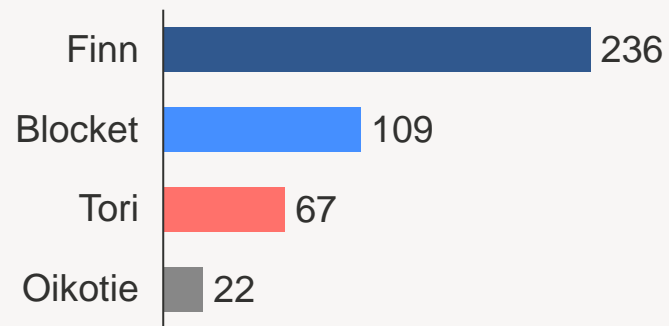


Strong household brands and high traffic, well positioned for further growth

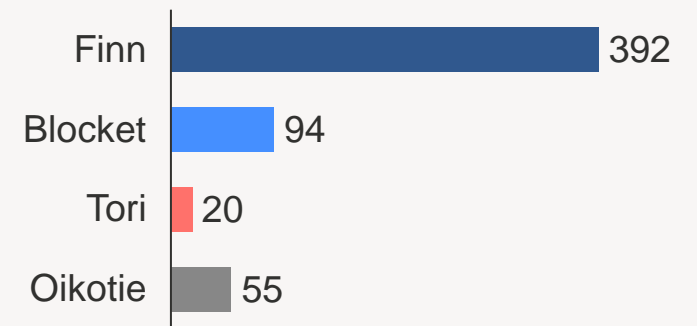
Unaided brand awareness



Yearly visits per internet capita



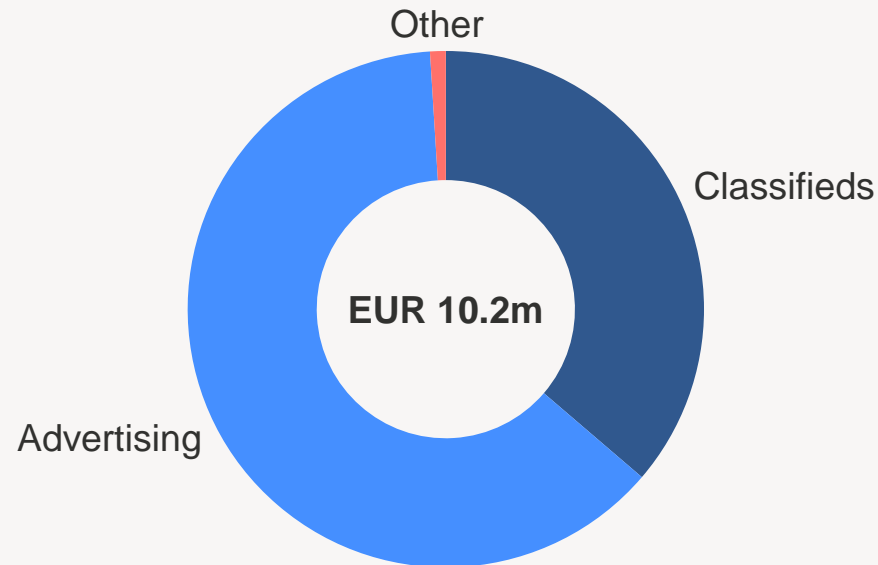
Yearly revenue per internet capita



Both Tori and Oikotie have big potential for further vertical penetration leading to higher profitability in the mid-term

Tori

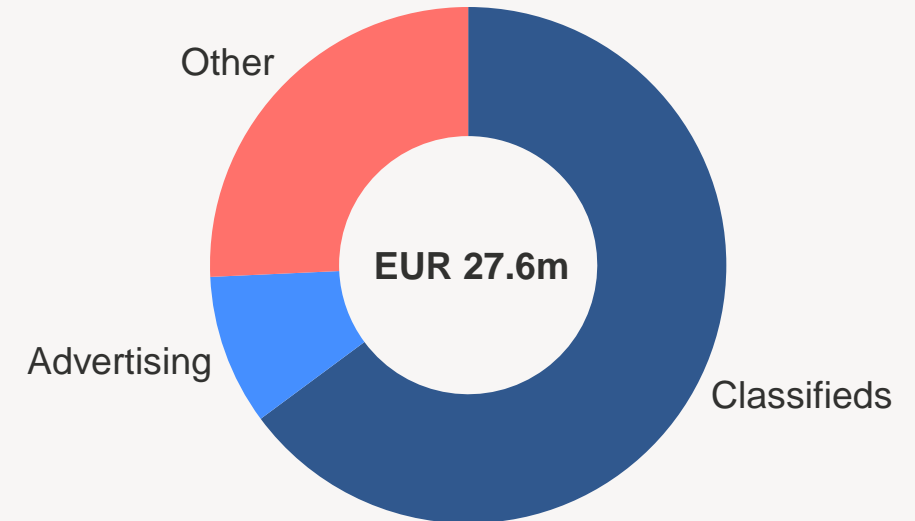
Revenue split (%) and total revenues (EURm) FY 2019



EBITDA 2019: EUR 0.8m
EBITDA margin: 8%



Oikotie

Revenue split (%) and total revenues (EURm) FY 2019*



EBITDA 2019*: EUR 9.4m
EBITDA margin*: 34%

We have strengthened our leadership positions in the Nordics

	Norway	Sweden	Finland
 Generalist	#1	#1	#1
 Motor	#1	#1	#2
 Jobs	#1	#1	#1
 Real estate	#1	#2*	#2

News Media

VG

AFTONBLADET

Bergens  Tidende

SVENSKA DAGBLADET

Stavanger Aftenblad

Aftenposten

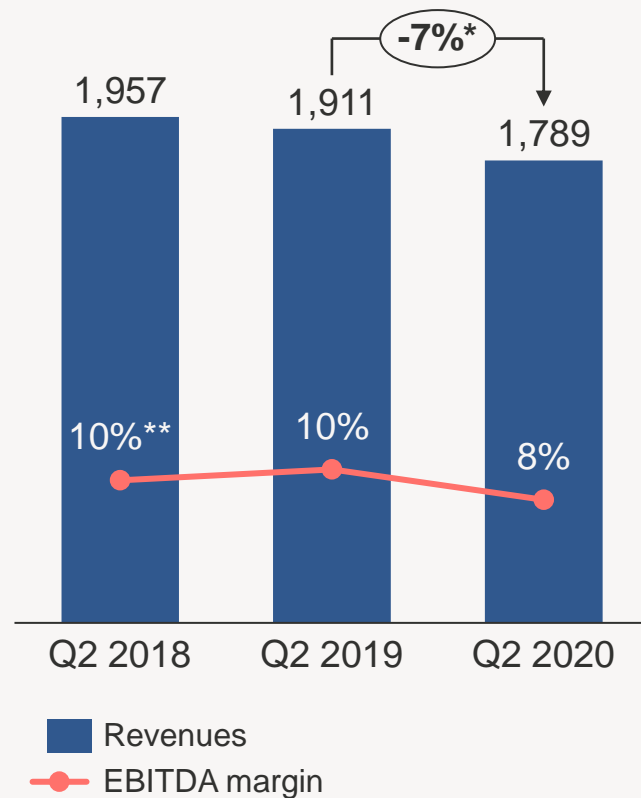


Schibsted

Subscription revenues curbing decline from advertising; Margin 8% due to cost savings

News Media

Revenues (NOKm), EBITDA margin (%)

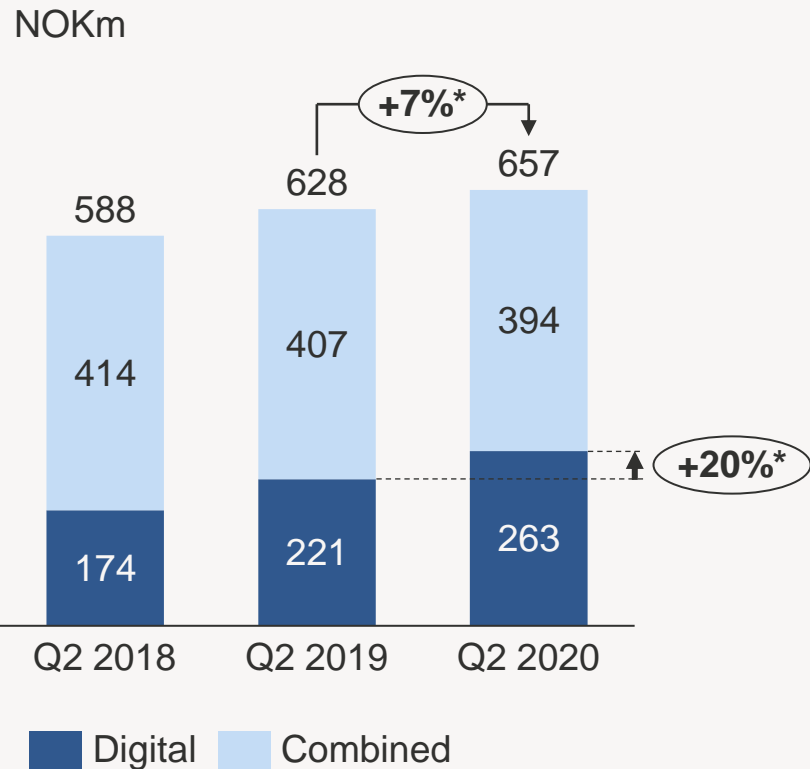


Highlights Q2 2020

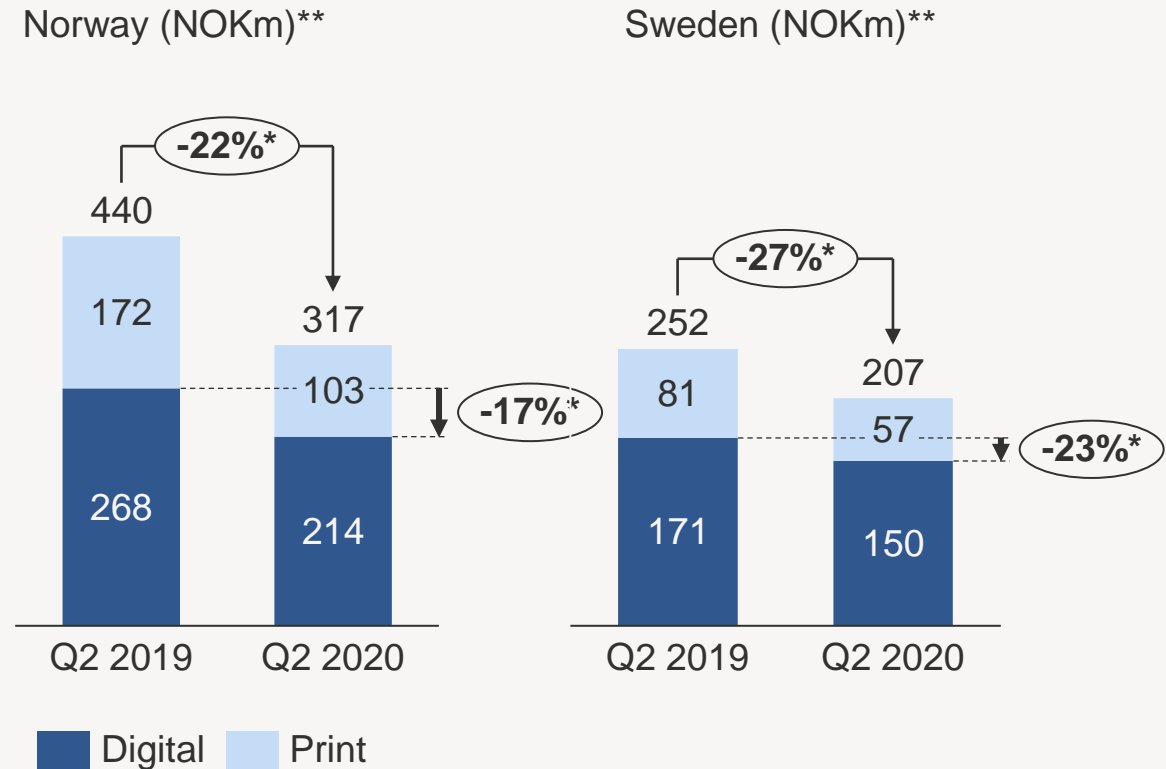
- Continued positive development in digital subscriptions
- Advertising revenues declined driven by COVID-19, trend improving throughout the quarter
- Cost reduction program of NOK 500m by 2021 on track; some savings starting to show in Q2 in addition to lower cost due to reduced activity

Subscription revenues driven by both ARPU and volume; advertising revenues decline driven by COVID-19

Continued growth in digital subscription revenues



Advertising revenues negatively affected by COVID-19 and gaming regulation



19 * Foreign exchange neutral basis and adjusted for sale of certain regional and local newspapers (Subscription revenue effect NOK 37m, whereof Digital NOK 10m, and Advertising revenue effect NOK 34m, whereof NOK 23m Print and NOK 11m Digital in Q2 2019)
 ** Norway and Sweden not including eliminations

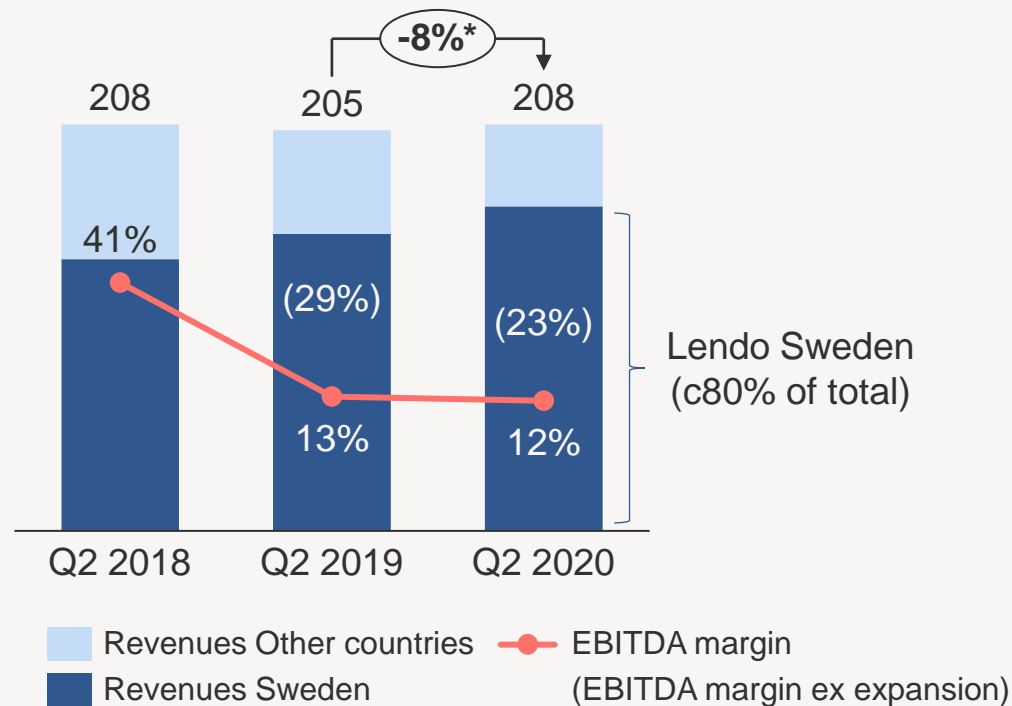
Next

Financial Services & Growth



Q2 negatively impacted by COVID-19, improving trends in June

Lendo Lendo Group
Revenues (NOKm), EBITDA margin (%)



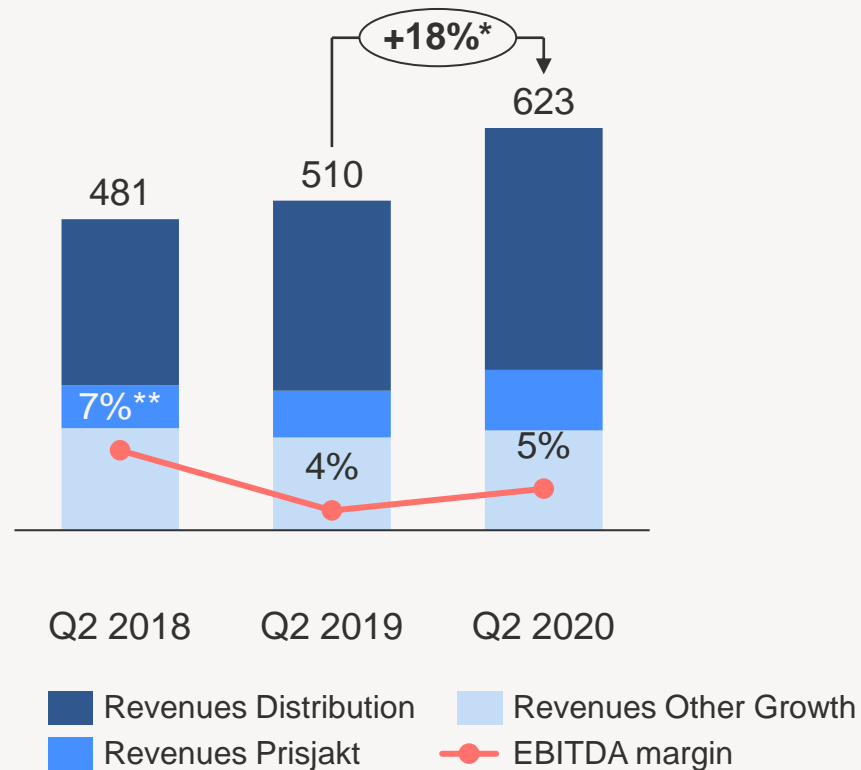
Highlights Q2 2020

- Negative revenue growth in all Established markets due to COVID-19, while KPIs and financials improved in June
- Reduced marketing spend across markets to curb EBITDA decline
- Denmark continues positive development
- License under PSD2 granted in June, enabling expanded service and product offering
- Maintaining EBITDA investment target for expansion at NOK 60-70m for 2020

Distribution and Prisjakt benefiting from COVID-19; EBITDA improving QoQ due to higher revenues and cost savings

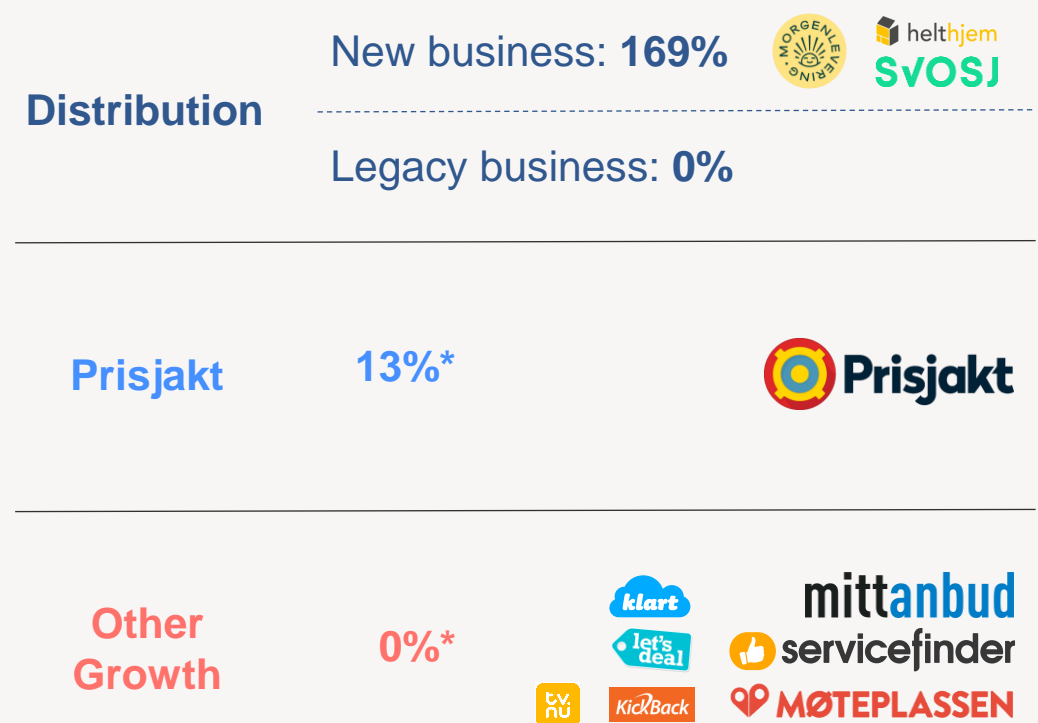
Schibsted Growth

Revenues (NOKm), EBITDA margin (%)



Increased demand in main services

Revenue growth Q2 2020 YoY (%)



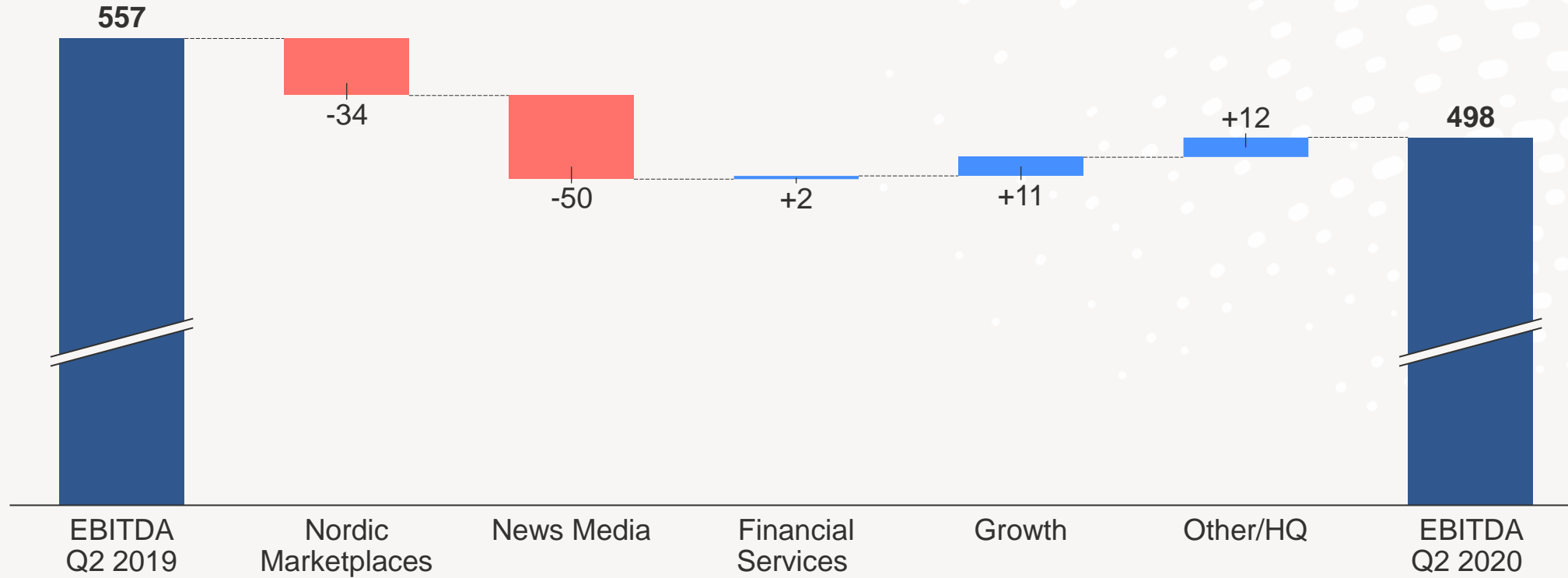
22 * Foreign exchange neutral basis
 ** EBITDA including IFRS 16 effect estimate

Finance



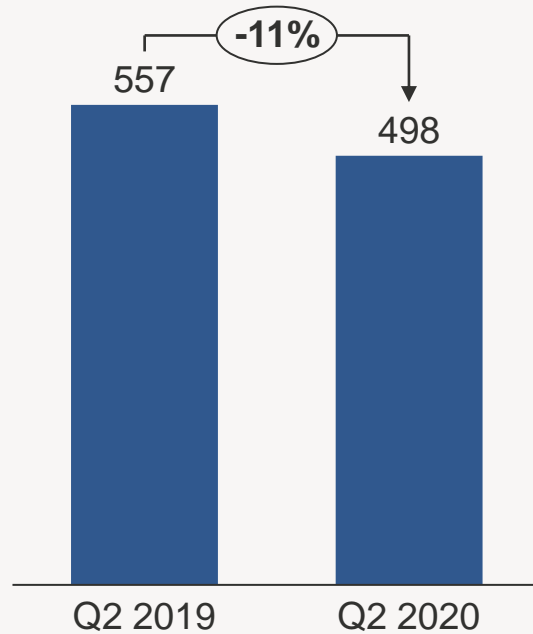
Schibsted

EBITDA development (NOKm)

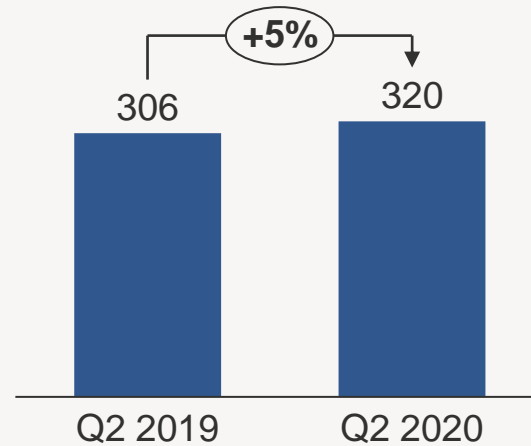


Q2 EBITDA, operating cash flow and capex

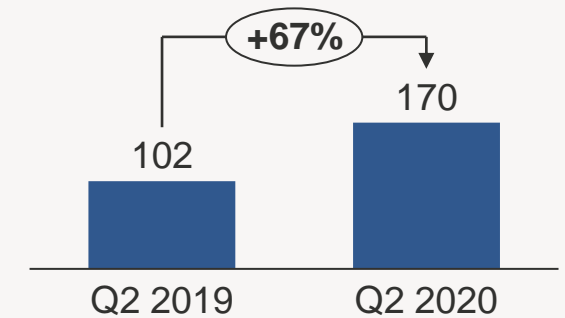
EBITDA
(NOKm)



Operating cash flow
(NOKm)



Capex
(NOKm)



Q2 income statement Schibsted

Income statement (NOK million)	Second Quarter	
	2019	2020
Operating revenues	3,216	3,073
Operating expenses	(2,659)	(2,575)
Gross operating profit (loss) - EBITDA	557	498
Depreciation and amortisation	(208)	(199)
Share of profit (loss) of joint ventures and associates	(18)	(4)
Impairment loss	(0)	(13)
Other income and expenses	(38)	4
Operating profit (loss) EBIT	293	285
Net financial items	(27)	(46)
Profit (loss) before tax	266	239
Taxes	(86)	264
Net profit/loss	180	503

Mainly explained by increased net interest expenses

NOK 320 million in recognition of deferred tax assets

Underlying tax rate

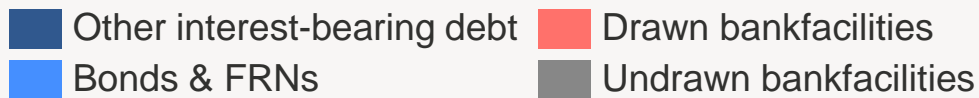
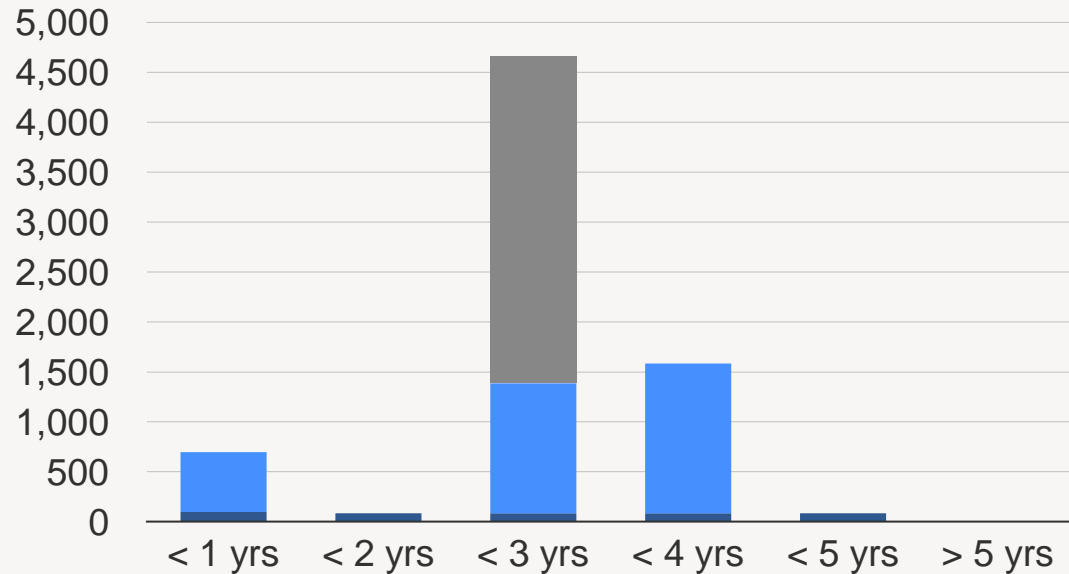
- The underlying tax rate, excluding Adevinta, is 22.4%
- Taxes were positively affected by NOK 320 million from recognition of deferred tax assets

Underlying tax rate - Schibsted excl. Adevinta	Q2
(NOK million)	2020
Reported profit (loss) before taxes	239
Share of profit (loss) of joint ventures and associates	4
Basis for changes in unrecognised deferred taxes assets	53
Gain on sale of subsidiaries, joint ventures and associates and investment property	(51)
Impairment losses	7
Adjusted tax base	253
Taxes	(264)
Reassessment of unrecognised deferred tax assets	320
Adjusted taxes	57
Underlying tax rate	22.4%

NIBD/EBITDA expected to increase to around 2.5x in Q3 due to Oikotie acquisition

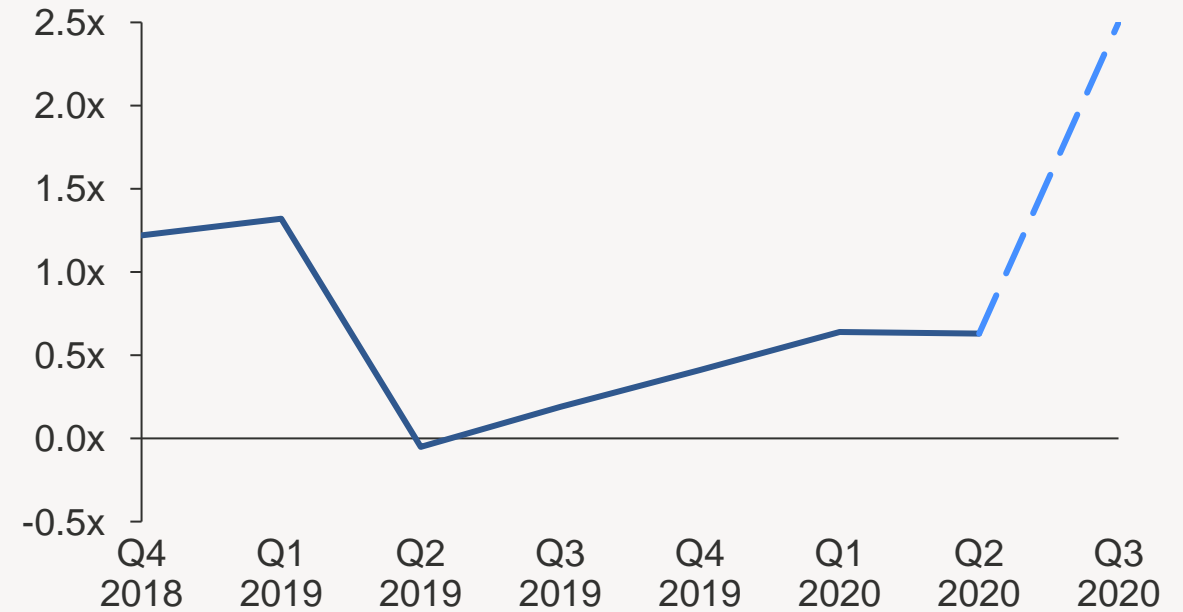
Diversified debt maturity profile*

(NOKm)



Financial gearing in 1-3x target range from Q3

(NIBD/EBITDA according to bank definition)



— NIBD/EBITDA

Financial targets and policies

Nordic Marketplaces

Nordic Marketplaces revenues

Targeting revenue growth of 8-12% for the segment in the medium- to long-term

News Media

News Media EBITDA margin

Recovery to 6-8% EBITDA margin in the medium-term

Capital allocation

M&A

M&A activities targeted primarily to strengthen market positions and bolt-on adjacent businesses

Dividend policy

Stable to increasing dividend over time

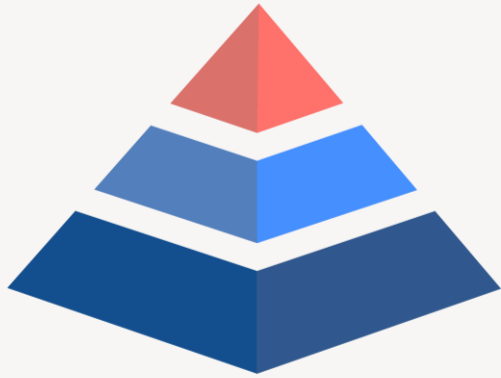
Capitalization

Leverage policy

Target NIBD/EBITDA in the range of 1-3x, making it possible to lever up if a particularly attractive investment becomes available

Any over-capitalization to be addressed through (extraordinary) dividend or share buyback

Key takeaways Q2 2020



Executing on our strategy

We create significant value to our shareholders, but we also create significant value to society by reducing CO2 emissions, empowering users and providing quality journalism

“We go for growth” by utilizing our strong brands and positions – both organically and through targeted investments and M&A

We leverage our unique capabilities across Schibsted

Weathering the storm

Safeguarding our employees and deliver fully functional services

KPIs and revenues in all business areas have improved throughout Q2 while uncertainty for development in 2H remains and needs to be monitored

Finn and Blocket with accelerated traffic growth and volumes are improving, particularly in Motor

Cost savings across the Group, 16% EBITDA margin for Schibsted excluding Adevinta

Well positioned for the future

Unrivaled Nordic Marketplaces leadership expanded with acquisition of multi-vertical online marketplace Oikotie from Sanoma in Finland

Cost reduction program of NOK 500m in News Media on track, focusing on transition towards fully digital business

Appendices

Spreadsheet containing detailed Q2 2020
and historical information can be downloaded at
schibsted.com/ir

Key operations [1/2]

News Media (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
Advertising revenues	525	683	-23%	1,054	1,331	-21%
-of which digital	366	432	-15%	714	843	-15%
Subscription revenues	657	628	5%	1,289	1,254	3%
-of which digital	263	221	19%	505	424	19%
Casual sales	315	340	-7%	621	673	-8%
Other revenues	292	260	13%	582	508	15%
Operating revenues	1,789	1,911	-6%	3,546	3,766	-6%
Personnel expenses	(630)	(664)	-5%	(1,280)	(1,349)	-5%
Other expenses	(1,010)	(1,049)	-4%	(2,078)	(2,099)	-1%
Operating expenses	(1,640)	(1,713)	-4%	(3,358)	(3,448)	-3%
EBITDA	149	198	-25%	188	318	-41%
EBITDA margin	8%	10%		5%	8%	

Split revenue per brand (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
VG	424	468	-9%	831	898	-7%
Aftonbladet	359	367	-2%	699	746	-6%
Subscription newspapers	770	892	-14%	1,550	1,754	-12%
Other	236	184	29%	466	369	26%
Operating revenues	1,789	1,911	-6%	3,546	3,766	-6%

Nordic Marketplaces (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
Classifieds revenues	568	619	-8%	1,142	1,178	-3%
Advertising revenues	106	125	-16%	207	225	-8%
Other revenues	79	69	14%	147	131	12%
Operating revenues	753	813	-7%	1,496	1,535	-3%
EBITDA	341	374	-9%	639	681	-6%
EBITDA margin	45%	46%		43%	44%	

Marketplaces Norway (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
Classifieds revenues	346	419	-18%	711	797	-11%
Advertising revenues	49	55	-11%	99	98	1%
Other revenues	75	66	13%	139	126	11%
Operating revenues	469	540	-13%	949	1,020	-7%
EBITDA	244	271	-10%	455	493	-8%
EBITDA margin	52%	50%		48%	48%	

Marketplaces Sweden (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
Classifieds revenues	212	191	11%	409	365	12%
Advertising revenues	44	51	-13%	83	93	-11%
Other revenues	5	3	64%	8	5	57%
Operating revenues	261	245	7%	500	462	8%
EBITDA	110	115	-5%	210	216	-3%
EBITDA margin	42%	47%		42%	47%	

Key operations [2/2]

Financial Services (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
Operating revenues	252	245	3%	545	519	5%
EBITDA	31	29	6%	69	86	-20%
EBITDA margin	12%	12%		13%	17%	

Lendo Group (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
Operating revenues	208	205	1%	458	434	5%
EBITDA	25	26	-4%	68	77	-12%
EBITDA margin	12%	13%		15%	18%	

Lendo established (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
Operating revenues	196	201	-3%	436	429	2%
EBITDA	45	59	-24%	116	131	-12%
EBITDA margin	23%	29%		27%	31%	

Adevinta (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
Operating revenues	1,591	1,650	-4%	3,411	3,196	7%
EBITDA	421	503	-16%	837	941	-11%
EBITDA margin	26%	30%		25%	29%	

Growth (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
Operating revenues	623	510	22%	1,185	1,013	17%
EBITDA	32	21	53%	11	27	-59%
EBITDA margin	5%	4%		1%	3%	

Distribution (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
Operating revenues	374	294	27%	720	586	23%
EBITDA	6	8	-24%	6	13	-56%
EBITDA margin	2%	3%		1%	2%	

Prisjakt (NOK million)	Second quarter			Year to date		YoY
	2020	2019	Change	2020	2019	Δ %
Operating revenues	94	72	29%	168	145	16%
EBITDA	36	19	88%	48	38	26%
EBITDA margin	38%	26%		28%	26%	

Q2 cash flow

Cash flow - Schibsted excl. Adevinta

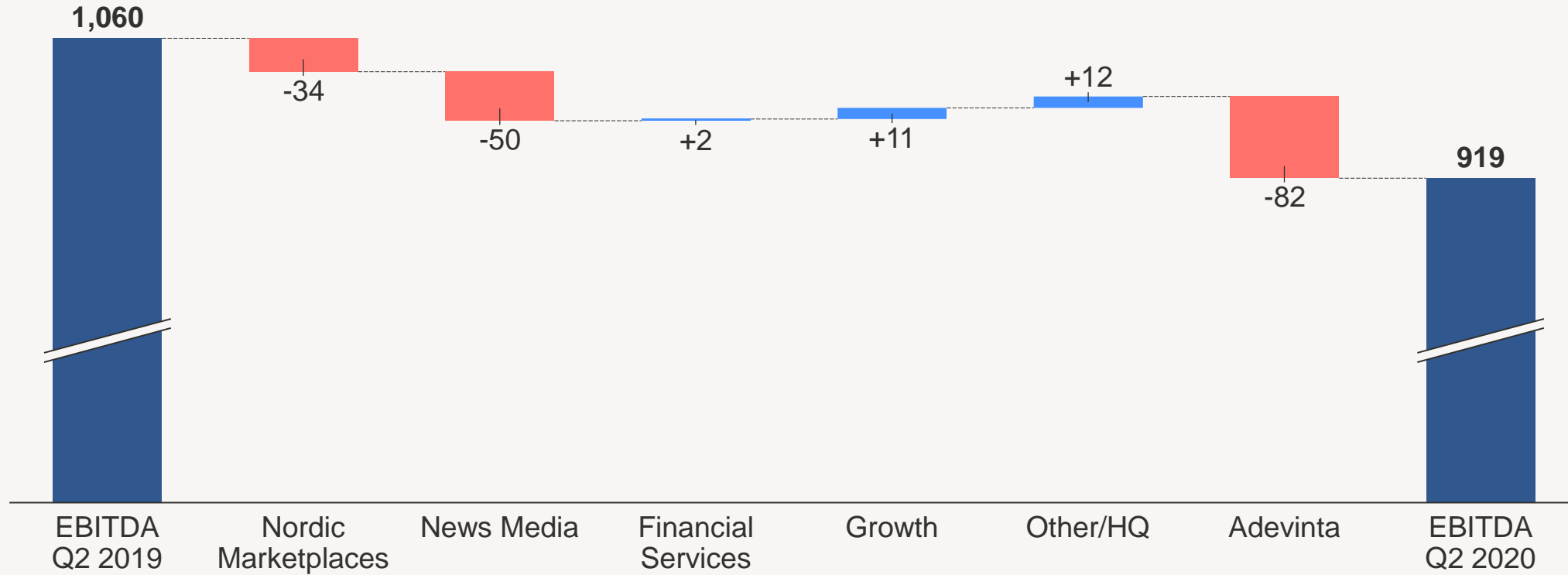
(NOK million)

	Second Quarter	
	2019	2020
Profit (loss) before taxes	266	239
Depreciation, amortisation and impairment losses	209	213
Net effect pension liabilities	5	(0)
Share of loss (profit) of joint ventures and associates, net of dividends received	46	4
Taxes paid	(140)	(32)
Sales losses (gains) non-current assets and other non-cash losses (gains)	1	(50)
Non-cash items and change in working capital and provisions	(81)	(54)
Net cash flow from operating activities	306	320
Development and purchase of intangible assets, and property, plant and equipment	(102)	(170)
Acquisition of subsidiaries, net of cash acquired	(2)	-
Proceeds from sale of intangible assets, and property, plant and equipment	2	115
Proceeds from sale of subsidiaries, net of cash sold	-	12
Net sale of (investment in) other shares	(53)	(29)
Net change in other investments	14	(111)
Net cash flow from investing activities	(141)	(183)
Net cash flow from financing activities	3,571	(164)
Effects of exchange rate changes on cash and cash equivalents	-	(2)
Net increase (decrease) in cash and cash equivalents	3,735	(29)

Reduction primarily due to temporary postponement of payments resulting from governmental financial measures implemented to mitigate effects of the COVID-19 pandemic

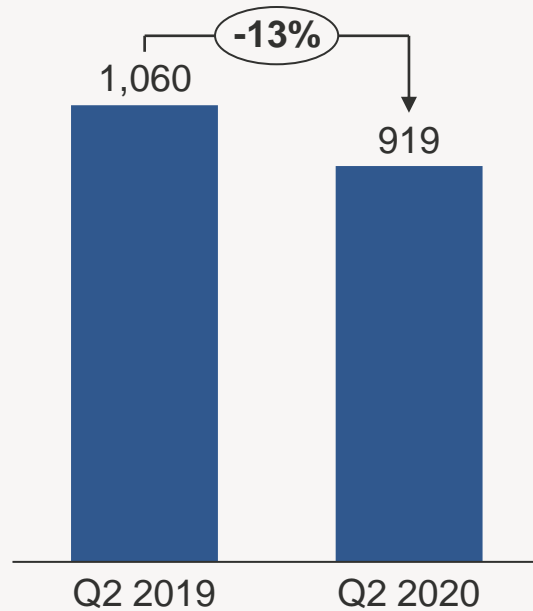
Mainly explained by sale of investment property in Stavanger

Group EBITDA waterfall (NOKm)

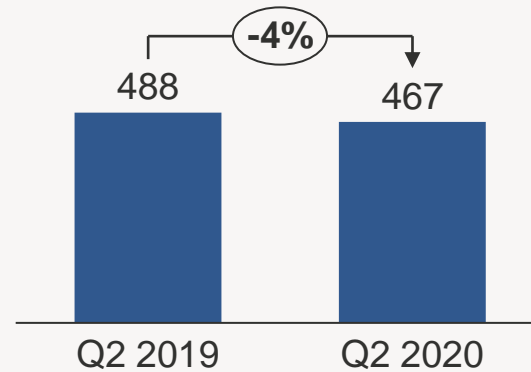


Q2 EBITDA, operating cash flow and capex

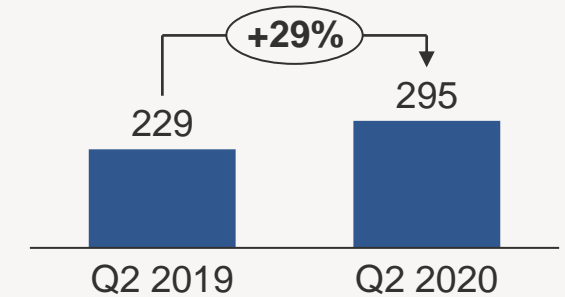
EBITDA
(NOKm)



Operating cash flow
(NOKm)



Capex
(NOKm)



Q2 income statement Schibsted Group

Income statement (NOK million)	Second Quarter	
	2019	2020
Operating revenues	4,798	4,645
Operating expenses	(3,738)	(3,726)
Gross operating profit (loss) - EBITDA	1,060	919
Depreciation and amortisation	(308)	(361)
Share of profit (loss) of joint ventures and associates	(55)	18
Impairment loss	0	(13)
Other income and expenses	(95)	(28)
Operating profit (loss)	603	534
Net financial items	(35)	(234)
Profit (loss) before taxes	568	300
Taxes	(214)	169
Profit (loss)	353	469
Non-controlling interests	83	(1)
Owners of the parent	271	471
Earnings per share (NOK)		
EPS - basic (NOK)	1.14	2.01
EPS - basic adjusted (NOK)	1.40	2.03

Mainly explained by improved share of profit from OLX Brazil

Mainly explained by expenses related to headcount reductions in News Media and continued transition costs related to the separation of Adevinta from Schibsted, partly offset by gain on sale of investment property in Stavanger.

Loss mainly related to change in fair value of derivatives instruments in Adevinta used to hedge the foreign currency exposure of the firm commitment of the Grupo Zap acquisition in Brazil

NOK 320 million in recognition of deferred tax assets

Q2 cash flow Schibsted Group

Cash flow - Consolidated (NOK million)	Second Quarter	
	2019	2020
Profit (loss) before taxes	568	300
Depreciation, amortisation and impairment losses	308	374
Net effect pension liabilities	15	4
Share of loss (profit) of joint ventures and associates, net of dividends received	83	(18)
Taxes paid	(296)	(174)
Sales losses (gains) non-current assets and other non-cash losses (gains)	1	(58)
Non-cash items and change in working capital and provisions	(191)	39
Net cash flow from operating activities	488	467
Net cash flow from investing activities	(376)	(342)
Net cash flow from financing activities	3,739	2,322
Effects of exchange rate changes on cash and cash equivalents	0	(142)
Net increase (decrease) in cash and cash equivalents	3,850	2,305
Cash and cash equivalents at start of period	727	3,977
Cash and cash equivalents at end of period	4,578	6,282

Underlying tax rate Schibsted Group

- The underlying tax rate is 29.4%
- Taxes were positively affected by NOK 320 million from recognition of deferred tax assets

Underlying tax rate - Consolidated	Q2
(NOK million)	2020
Profit (loss) before taxes	300
Share of profit (loss) of joint ventures and associates	(18)
Basis for changes in unrecognised deferred taxes assets	345
Gain on sale and remeasurement of subsidiaries, joint ventures and associates	(122)
Impairment losses	7
Adjusted tax base	512
Taxes	(169)
Reassessment of unrecognised deferred tax assets	320
Adjusted taxes	151
Underlying tax rate	29.4%

Investor contact

Visit Schibsted's web site
schibsted.com

E-mail: ir@schibsted.com

Jann-Boje Meinecke

VP, Head of IR
+47 941 00 835

Malin Langtvet

IR Officer
+47 916 86 710

Schibsted ASA
Akersgata 55 / P.O. Box 490 Sentrum
NO-0105 Oslo

Schibsted

