

# 2019

North Media A/S · Q2 Interim Report

WE PROVIDE  
CUSTOMERS  
TO OUR  
CUSTOMERS

★ **NORTH MEDIA**<sub>A/S</sub>

The Interim Report Q2-2019 has been prepared in Danish and English. The Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable

CVR-no. 66 59 01 19

# H1 2019 developments

## Financial performance

Total revenue of the North Media Group amounted to DKK 552.8 million in H1 2019. This is 3% down on H1 2018. As expected, the revenue reduction is primarily caused by a decline in the revenue of FK Distribution and North Media Aviser due to a decline in volume which is partly offset by price increases.

Group EBIT before special items came to DKK 65.6 million in H1 2019, which is DKK 15.1 million up on the same period last year. North Media Online realised a profit of DKK 2.5 million in H1 2019, which is DKK 6.4 million up on H1 2018.

## Return on securities

The return on the Group's securities amounted to DKK 76.7 million corresponding to a return of 29.8% for H1 2019.

## Capital resources

The Group's net interest-bearing cash position came to DKK 247 million at 30 June 2019, which is DKK 51 million up on the amount at 31 December 2018. The amount has increased despite the implementation of IFRS 16, under which the interest-bearing debt has increased by DKK 18 million, and the purchase of treasury shares as well as payment of dividend totalling DKK 75 million.

## Outlook for 2019

The expectations for EBIT for the year were adjusted upwards on 25 June in company announcement No 12-19; thus, the Group's revenue is expected to range from DKK 1,110 million to DKK 1,160 million (unchanged), and EBIT before special items is now expected to range from DKK 120 million to DKK 140 million (previously: DKK 105 million to DKK 125 million).

## Contact

For further information, please contact Kåre Wigh, Group Executive Officer & CFO, mobile +45 25 65 21 45.

## Group financial highlights for H1 2019 (H1 2018), DKKm

Revenue	EBIT before special items*	EBIT
<b>552.8</b>	<b>65.6</b>	<b>68.4</b>
(569.6)	(50.5)	(37.0)

### Better than expected

- The decrease in volume was less and the cost development better than expected in FK Distribution resulting in growth in earnings.
- Reduction of costs in North Media Online. Both Lejebolig and Job improve EBIT above expectations.

### As expected

- Revenue and EBIT development of North Media Aviser and BEKEY.
- Development of digital products in Lejebolig to service lessees and lessors. Migration of Bostadsportal.se to new software platform.
- At 30 June 2019, BEKEY provides services to 45 Danish and Norwegian municipalities and has also won tenders and extended agreements with five municipalities in H1 2019.

### Not as expected

- Optimisation and development of commercial sales activities in North Media Aviser.

For a definition of "EBIT before special items", please see note 3 to the Annual Report for 2018

# Development in the Group's business segments and group profit (Q2)

## FK Distribution

- Continuous optimisation of the distribution business improves earnings.
- Decline in both revenue and earnings in Q1 turned into an increase in Q2 due to, among other things, Easter which came in Q2 in 2019 and in Q1 in 2018.
- Optimisation of the user experience on minetilbud.dk and continuous development of digital distribution of retail leaflets.

Q2 2019 (Q2 2018) DKKm

Revenue	238
	(238)
EBIT before special items	44
	(29)

## North Media Aviser

- Also in Q2, the revenue development is affected by the fact that only mid-week papers are published in Q2 2019 (in Q2 2018 both mid-week and weekend).
- The general election in Denmark has had a positive impact on revenue and earnings, whereas the reduction of the volume of advertisements by real estate agents has had a negative effect.

Revenue	25
	(28)
EBIT before special items	-0
	(-3)

## North Media Online

- Lejebolig has seen revenue growth of 9% in Q2 and 10% growth year-to-date compared to the same period in 2018. Revenue growth and unchanged costs resulted in an increase in earnings.
- At Job, revenue declined by 2% in Q2 and remains unchanged year-to-date compared to the same period in 2018. The reduction of costs has led to an increase in earnings.

Revenue	22
	(21)
EBIT before special items	1
	(-1)

## BEKEY

- Phase 1 of the agreement with the City of Copenhagen's Home Care Service has been implemented, and it has been agreed to implement phase 2 in Q4 2019.
- The flat revenue development is due to the close-down of minor niche segments, "Nødkald" and "Construction", and high revenue in Norway in Q2 2018.
- Sales to home care services in Denmark increased by 29% in Q2 2019.

Revenue	5
	(5)
EBIT before special items	-4
	(-4)

## Return on securities

- The return on the securities portfolio in Q2 amounts to DKK 19.0 million (Q2 2018: DKK 16.3 million).
- The risk on the securities portfolio has been calculated at 13.0%, whereas "value at risk" is DKK 38.0 million (end Q2 2018: DKK 35.9 million). See definition on page 6.
- The return in July is DKK 4.1 million corresponding to 1.2%.

## Net profit for the period

- Net profit for Q2 2019 amounts to DKK 44.9 million (Q2 2018: DKK 20.0 million).

## Earnings per share

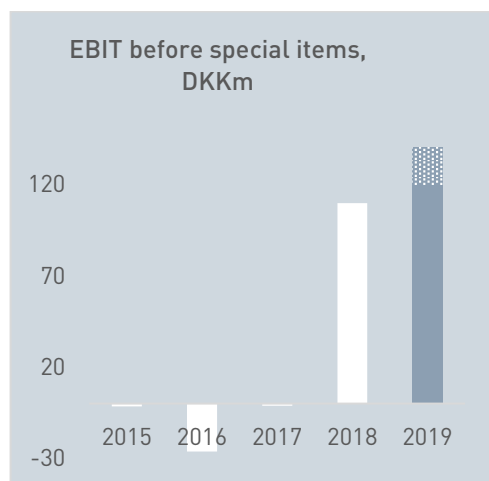
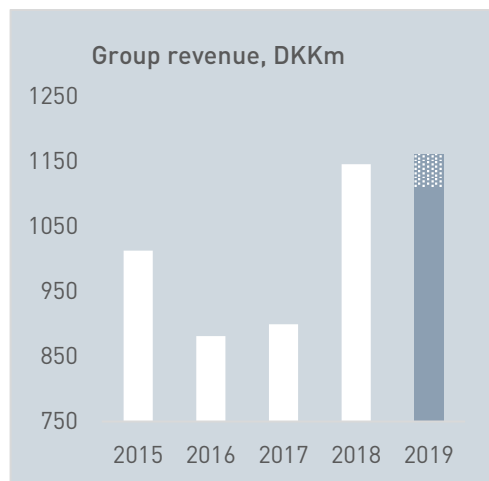
- Earnings per share (diluted) amount to DKK 2.4 for Q2 2019 (Q2 2018: DKK 1.0).
- Earnings per share year-to-date is DKK 6.0 (2018: DKK 2.6).
- For the full year 2018, earnings per share amounted to DKK 3.0.

## Other matters

- At 30 June, cash resources amount to DKK 392.9 million (30 June 2018: DKK 319.7 million).
- The share buy-back programme was completed on 3 April 2019. At 30 June, the holding of treasury shares is 1,600,000.
- In 2019, DKK 55.4 million has been paid as dividends to shareholders (net), and buy-back of shares has amounted to DKK 19.4 million.
- As of 1 May 2019, Steen Gede resigned from the Board of Directors of North Media A/S and joined the Executive Board of North Media A/S.

# Group outlook for 2019

For 2019, a flat development in revenue is expected for the North Media Group, whereas earnings are expected to improve. FK Distribution will continue to generate the main part of the profit. In 2019, also North Media Online is expected to generate positive earnings from operations.



## Expected group financial highlights for 2019, DKKm

Revenue  
**1,110-1,160**

Outlook in the Annual Report: 1,100-1,160  
2018: 1,144.9

EBIT before special items  
**120-140**

Outlook in the Annual Report 2018: 95-125  
2018: 109.7

### FK Distribution

- FK Distribution is expected to generate largely unchanged revenue from 2018 to 2019 when price rises are expected to compensate to some extent for the decrease in volume.
- Resources are still being allocated to the development of digital distribution of retail leaflets.
- Outlook for 2019 in:
  - Interim Report Q2: Revenue: DKK 910-940 million EBIT\*:DKK 135 to 145 million
  - Annual Report 2018: Revenue: DKK 900-940 million EBIT\*:DKK 110 to 125 million

### North Media Aviser

- An unchanged decline in revenue is expected. More efficient operating procedures and higher prices are expected to result in a slightly improved earnings level.
- Outlook for 2019 in:
  - Interim Report Q2: Revenue: DKK 90-100 million EBIT\*:DKK -5 to -2 million
  - Annual Report 2018: Revenue: DKK 90-100 million EBIT\*:DKK -8 to -3 million

### North Media Online

- Increase in revenue in primarily Lejebolig. Major growth in earnings for both Lejebolig and Job.
- Outlook for 2019 in:
  - Interim Report Q2: Revenue: DKK 85-90 million EBIT\*: DKK 4 to 7 million
  - Annual Report 2018: Revenue: DKK 85-90 million EBIT\*: DKK 0 to 5 million

### BEKEY

- The municipal home care services are the primary customers of BEKEY. Revenue in this segment is still expected to increase by more than 35%.
- Outlook for 2019 in:
  - Interim Report Q2: Revenue: DKK 25-30 million EBIT\*:DKK -10 to -8 million
  - Annual Report 2018: Revenue: DKK 25-30 million EBIT\*:DKK -10 to -6 million

\*EBIT before special items

# Group financial highlights (DKKm)

Income statements	Q2		H1		full year
	2019	2018	2019	2018	2018
Revenue	288.9	291.4	552.8	569.6	1,144.9
Gross profit	150.9	139.3	282.1	273.7	552.5
EBITDA before special items	47.9	27.9	80.8	64.1	137.2
Amortisation and depreciation	7.6	7.0	15.2	13.6	27.5
EBIT before special items	40.3	20.9	65.6	50.5	109.7
Special items, net	0.0	-9.3	2.8	-13.5	-15.7
EBIT	40.3	11.6	68.4	37.0	94.0
Return on securities	19.0	16.3	76.7	31.6	5.2
Financials, net	-1.5	-1.8	-1.0	-3.4	-27.0
Profit/loss before tax (EBT)	57.6	25.9	144.0	64.9	73.1
Tax for the period	12.7	5.9	31.8	14.7	17.3
Net profit for the period	44.9	20.0	112.2	50.2	55.8
Comprehensive income	44.9	21.1	112.2	51.2	66.1
<b>Balance sheet, end period</b>					
Total assets	-	-	901.9	828.5	825.4
Shareholders' equity incl. minorities	-	-	577.1	522.7	538.7
Net interest-bearing cash position	-	-	247.1	178.9	196.1
Net working capital (NWC)	-	-	-31.5	-48.1	-39.3
Invested capital	-	-	330.0	343.8	342.6
Investments in property, plant and equipment	-	-	4.8	14.4	26.1
Free cash flow before special items	-	-	67.8	64.9	108.3

Cash flow statement	Q2		H1		full year
	2019	2018	2019	2018	2018
Cash flows from operating activities	34.1	38.4	72.2	60.4	104.7
Cash flows from investing activities	-28.1	-24.9	-25.0	-31.3	-44.1
Cash flows from financing activities	-58.8	-30.2	-79.7	-29.7	-30.2
Total cash flows for the year	-52.8	-16.7	-32.5	-0.6	30.4
<b>Other information</b>					
Average number of employees	-	-	534	579	575
Number of shares at end period, in thousand in denominations of DKK5	-	-	20,055	20,055	20,055
Treasury shares	-	-	1,600	1,100	1,100
Share price at year-end, DKK	-	-	35.1	38.0	33.5
<b>Ratios</b>					
Gross margin	52.2%	47.8%	51.0%	48.1%	48.3%
Profit margin (EBIT before special items)	13.9%	7.2%	11.9%	8.9%	9.6%
Equity ratio	-	-	64.0%	63.1%	65.3%
Return on equity (ROE)	-	-	20.1%	9.8%	10.8%
Return on capital employed before special items (ROIC)	-	-	19.5%	14.2%	30.8%
Earnings per share (EPS)	2.4	1.0	6.0	2.6	3.0
Diluted earnings per share (EPS-D)	2.4	1.0	6.0	2.6	3.0
Price/Earnings (P/E)	-	-	5.9	14.6	11.2
Price/Book Value (P/BV)	-	-	1.2	1.5	1.2
Cash flow per share (CFPS)	1.8	2.0	3.9	3.2	5.5

The ratios have been prepared in accordance with CFA Society Denmark's online version of "Recommendations & Ratios", with the following exceptions:

- Free cash flow is calculated before special items and tax
- Ratios which include equity are all calculated inclusive of minority interests

# Selected balance sheet items and capital resources

## Return on securities

In H1 2019, the Group realised a positive net return on securities of DKK 76.7 million, equivalent to 29.8%, whereas the return for H1 2018 was DKK 31.6 million, or 13.6%.

Quarterly returns are shown in the following chart:



## Capital resources

The Group's capital resources remain strong. At 30 June 2019, the Group's net interest-bearing cash position was DKK 247.1 million. This is DKK 51 million above the amount at 31 December 2018 despite the implementation of IFRS 16, under which the debt at the beginning of 2019 has increased by DKK 18.1 million, and payment of dividend as well as the purchase of treasury shares totalling DKK 75 million. The net interest-bearing cash position comprises cash holdings of DKK 38.2 million and shares of DKK 354.7 million as

well as mortgage debt and debt to leasing companies totalling DKK 145.8 million.

At 30 June 2019, the Group's cash resources amounted to DKK 392.9 million, an increase of DKK 66 million since December 2018 when the amount was DKK 327.2 million.

At 30 June 2019, the Group has invested a large portion of its cash resources in 15 different shares and share-based investment funds. The portfolio consists of listed shares with high transferability such as C25 shares or shares in similar international indexes. At 30 June 2019, the portfolio consisted of the following shares with related market values (DKKkm):

Amazon	49.4
SimCorp	31.8
DSV	32.2
MasterCard	32.8
Vestas	26.6
Ørsted	28.4
Netflix	24.1
Genmab	24.8
Facebook	23.0
Paypal	22.5
5 other shares	59.1
<b>Total</b>	<b>354.7</b>

At 31 December 2018, the Group's portfolio of shares totalled DKK 256.5 million.

Risk has been calculated at 13.0% at 30 June 2019. Risk has been calculated as the annualised standard deviation measured over the past 90 days of trading. "Value at risk", which reflects the maximum loss over a three-month period with a probability of 95%, was DKK 38.0 million.

The value of the portfolio of shares was DKK 358.8 million at 31 July 2019, and returns for July were DKK 4.1 million, or 1.2%.

## Properties and mortgaging

The Group owns a number of properties that are leased out to group enterprises and/or external lessees on an arm's-length basis. The operating profit from the property portfolio is included in the item "Non-allocated income/expenses". This item also includes group-related functions that are not passed on to the operating companies, such as Group directors' remuneration and parts of the group functions. The Group's properties at 30 June 2019 (DKKkm):

	Carrying amount	Mortgaging
Gladsaxe Møllevej, Gladsaxe	98.8	64.4
Bredbjergvej, Taastrup	82.8	35.8
Blomstervej, Tilst	58.8	28.6
Klostermosevej, Helsingør	18.0	0.0
Energivej, Esbjerg	2.7	0.0
<b>Total</b>	<b>261.1</b>	<b>128.8</b>

Besides the value of the Group's properties, tenancy agreements totalling DKK 12.8 million have been capitalised under IFRS 16.

## Equity and portfolio of treasury shares

At 30 June 2019, the Group's equity was DKK 577.1 million, which is DKK 38.4 million up on equity at year-end 2018. The increase in equity is attributable to the profit for the period, which is reduced by the purchase of treasury shares and payment of dividends totalling 74.9 million.

At 30 June 2019, the Group's holding of treasury shares is 1,600,000, corresponding to 7.98% of the share capital of North Media A/S.

## QUARTERLY HIGHLIGHTS

DKKm	Revenue											
	H1 2019	H1 2018	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
<b>FK Distribution</b>	<b>452.5</b>	<b>464.9</b>	<b>238.0</b>	<b>214.5</b>	<b>253.8</b>	<b>214.7</b>	<b>237.9</b>	<b>227.0</b>	<b>207.0</b>	<b>153.5</b>	<b>164.1</b>	<b>145.9</b>
<i>Index cp. same period last year</i>	97.3	150.0	100.0	94.5	122.6	139.9	145.0	155.6	118.7	108.3	119.6	106.3
<b>North Media Aviser</b>	<b>46.7</b>	<b>54.6</b>	<b>24.7</b>	<b>22.0</b>	<b>29.0</b>	<b>23.2</b>	<b>27.9</b>	<b>26.7</b>	<b>34.2</b>	<b>26.8</b>	<b>31.5</b>	<b>32.3</b>
<i>Index cp. same period last year</i>	85.5	85.6	88.5	82.4	84.8	86.6	88.6	82.7	84.9	73.0	65.5	65.3
<b>North Media Online</b>	<b>42.4</b>	<b>39.8</b>	<b>21.6</b>	<b>20.8</b>	<b>19.8</b>	<b>21.5</b>	<b>20.7</b>	<b>19.1</b>	<b>17.9</b>	<b>23.6</b>	<b>22.3</b>	<b>21.2</b>
<i>Index cp. same period last year</i>	106.5	91.5	104.3	108.9	110.6	91.1	92.8	90.1	79.9	92.9	92.9	87.6
<b>BEKEY</b>	<b>11.2</b>	<b>10.3</b>	<b>4.6</b>	<b>6.6</b>	<b>5.2</b>	<b>8.2</b>	<b>4.9</b>	<b>5.4</b>	<b>4.4</b>	<b>4.7</b>	<b>4.2</b>	<b>5.8</b>
<i>Index cp. same period last year</i>	108.7	103.0	93.9	122.2	118.2	174.5	116.7	93.1	86.3	111.9	79.2	109.4
<b>Group revenue</b>	<b>552.8</b>	<b>569.6</b>	<b>288.9</b>	<b>263.9</b>	<b>307.8</b>	<b>267.6</b>	<b>291.4</b>	<b>278.2</b>	<b>263.5</b>	<b>208.6</b>	<b>222.1</b>	<b>205.2</b>
<i>Index cp. same period last year</i>	97.1	133.3	99.1	94.9	116.8	128.3	131.2	135.6	108.8	100.3	103.5	94.9
	<b>EBIT</b>											
<b>FK Distribution</b>	<b>73.6</b>	<b>67.7</b>	<b>43.8</b>	<b>29.8</b>	<b>50.3</b>	<b>20.8</b>	<b>29.2</b>	<b>38.5</b>	<b>24.3</b>	<b>-1.5</b>	<b>8.9</b>	<b>5.0</b>
<i>Profit margin</i>	16.3%	14.6%	18.4%	13.9%	19.8%	9.7%	12.3%	17.0%	11.7%	-1.0%	5.4%	3.4%
<b>North Media Aviser</b>	<b>-3.1</b>	<b>-6.9</b>	<b>-0.3</b>	<b>-2.8</b>	<b>-0.3</b>	<b>-1.5</b>	<b>-3.1</b>	<b>-3.8</b>	<b>0.8</b>	<b>-4.3</b>	<b>-3.2</b>	<b>-2.2</b>
<i>Profit margin</i>	-6.6%	-12.6%	-1.2%	-12.7%	-1.0%	-6.5%	-11.1%	-14.2%	2.3%	-16.0%	-10.2%	-6.8%
<b>North Media Online</b>	<b>2.5</b>	<b>-3.9</b>	<b>1.3</b>	<b>1.2</b>	<b>-0.4</b>	<b>0.2</b>	<b>-1.0</b>	<b>-2.9</b>	<b>-2.4</b>	<b>-2.2</b>	<b>-4.5</b>	<b>-4.2</b>
<i>Profit margin</i>	5.9%	-9.8%	6.0%	5.8%	-2.0%	0.9%	-4.8%	-15.2%	-13.4%	-9.3%	-20.2%	-19.8%
<b>BEKEY</b>	<b>-5.4</b>	<b>-5.6</b>	<b>-3.6</b>	<b>-1.8</b>	<b>-3.5</b>	<b>-1.1</b>	<b>-3.6</b>	<b>-2.0</b>	<b>-5.2</b>	<b>-3.8</b>	<b>-4.7</b>	<b>-2.9</b>
<i>Profit margin</i>	-48.2%	-54.4%	-78.3%	-27.3%	-67.3%	-13.4%	-73.5%	-37.0%	-118.2%	-80.9%	-111.9%	-50.0%
<b>Unallocated income/cost</b>	<b>-2.0</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-2.7</b>	<b>-2.5</b>	<b>-0.6</b>	<b>-0.2</b>	<b>1.1</b>	<b>-0.7</b>	<b>1.4</b>	<b>0.2</b>
<b>Group EBIT before special items</b>	<b>65.6</b>	<b>50.5</b>	<b>40.3</b>	<b>25.3</b>	<b>43.4</b>	<b>15.9</b>	<b>20.9</b>	<b>29.6</b>	<b>18.6</b>	<b>-12.5</b>	<b>-2.1</b>	<b>-4.1</b>
<i>Profit margin</i>	11.9%	8.9%	13.9%	9.6%	14.1%	5.9%	7.2%	10.6%	7.1%	-6.0%	-0.9%	-2.0%
<b>Special items</b>	<b>2.8</b>	<b>-13.5</b>	<b>0.0</b>	<b>2.8</b>	<b>-2.2</b>	<b>0.0</b>	<b>-9.3</b>	<b>-4.2</b>	<b>4.9</b>	<b>0.0</b>	<b>-0.2</b>	<b>-5.1</b>
<b>Group EBIT</b>	<b>68.4</b>	<b>37.0</b>	<b>40.3</b>	<b>28.1</b>	<b>41.2</b>	<b>15.9</b>	<b>11.6</b>	<b>25.4</b>	<b>23.5</b>	<b>-12.5</b>	<b>-2.3</b>	<b>-9.2</b>

# Management's statement

The Board of Directors and the Executive Board have today considered and approved the Consolidated Interim Report of North Media A/S for the period 1 January to 30 June 2019.

The Consolidated Interim Report, which has not been audited or reviewed by the auditors of the Company, was prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the Consolidated Interim Report gives a true and fair view of the Group's financial position at 30 June 2019 and of its financial performance and cash flows for the period 1 January to 30 June 2019.

Moreover, in our opinion, the management commentary includes a true and fair account of the development in the operations and financial circumstances of the Group, of the results for the period and of the financial position. Except for the matters described in the management commentary of the Interim Report, there have been no significant changes to the Group's risks and elements of uncertainty compared to the description in the Annual Report for 2018.

Søborg, 15 August 2019

## Executive Board

Kåre Stausø Wigh  
Group Executive Director & CFO

Lasse Ingemann Brodt  
CEO, Forbruger-Kontakt A/S

Steen Gede  
CEO, North Media Aviser A/S

Henrik Løvig Jensen  
CEO, North Media Online A/S

Jannik Bray Christensen  
CEO, BEKEY A/S

## Board of Directors

Mads Dahl Møberg Andersen  
Chairman

Richard Gustav Bunck  
Vice-Chairman

Peter Rasztar

Ulrik Holsted-Sandgreen



# Consolidated statement of comprehensive income

DKKm	Q2		H1		full year
	2019	2018	2019	2018	2018
<b>Revenue</b>	<b>288.9</b>	<b>291.4</b>	<b>552.8</b>	<b>569.6</b>	<b>1,144.9</b>
Direct expenses	75.3	85.0	148.9	164.4	331.3
Direct staff costs	62.7	67.1	121.8	131.5	261.1
<b>Gross margin</b>	<b>150.9</b>	<b>139.3</b>	<b>282.1</b>	<b>273.7</b>	<b>552.5</b>
Staff costs	70.7	69.0	134.5	136.7	269.6
Other expenses	34.0	43.7	70.2	75.4	151.2
Amortisation and depreciation	7.6	7.0	15.2	13.6	27.5
Other operating income	1.7	1.3	3.4	2.5	5.5
<b>EBIT before special items</b>	<b>40.3</b>	<b>20.9</b>	<b>65.6</b>	<b>50.5</b>	<b>109.7</b>
Special items, net	0.0	-9.3	2.8	-13.5	-15.7
<b>EBIT</b>	<b>40.3</b>	<b>11.6</b>	<b>68.4</b>	<b>37.0</b>	<b>94.0</b>
Share of profit/loss in associates	-0.2	-0.2	-0.1	-0.3	0.9
Return on securities	19.0	16.3	76.7	31.6	5.2
Financial income	0.0	0.0	1.3	0.0	0.1
Financial expenses	-1.5	-1.8	-2.3	-3.4	-27.1
<b>Profit before tax</b>	<b>57.6</b>	<b>25.9</b>	<b>144.0</b>	<b>64.9</b>	<b>73.1</b>
Tax for the period	12.7	5.9	31.8	14.7	17.3
<b>Net profit for the period</b>	<b>44.9</b>	<b>20.0</b>	<b>112.2</b>	<b>50.2</b>	<b>55.8</b>

DKKm	Q2		H1		full year
	2019	2018	2019	2018	2018
<b>Net profit for the period</b>	<b>44.9</b>	<b>20.0</b>	<b>112.2</b>	<b>50.2</b>	<b>55.8</b>
<i>Financial statement items that may later be reclassified to the income statement:</i>					
Translation adjustments, foreign companies	0.0	0.1	0.0	0.0	0.1
Fair value adjustment of hedging instruments	0.0	1.4	0.0	1.4	1.0
Tax, other comprehensive income	0.0	-0.4	0.0	-0.4	-0.2
Interest rate swap settled, recycled to profit or loss	0.0	0.0	0.0	0.0	12.1
Tax on interest rate swap	0.0	0.0	0.0	0.0	-2.7
<b>Other comprehensive income</b>	<b>0.0</b>	<b>1.1</b>	<b>0.0</b>	<b>1.0</b>	<b>10.3</b>
<b>Comprehensive income</b>	<b>44.9</b>	<b>21.1</b>	<b>112.2</b>	<b>51.2</b>	<b>66.1</b>
<b>Attributable, net profit/loss</b>					
Shareholders in North Media A/S	44.9	20.2	112.2	50.7	56.4
Minority interests	0.0	-0.2	0.0	-0.5	-0.6
	<b>44.9</b>	<b>20.0</b>	<b>112.2</b>	<b>50.2</b>	<b>55.8</b>
<b>Attributable, comprehensive income</b>					
Shareholders in North Media A/S	44.9	21.3	112.2	51.7	66.7
Minority interests	0.0	-0.2	0.0	-0.5	-0.6
	<b>44.9</b>	<b>21.1</b>	<b>112.2</b>	<b>51.2</b>	<b>66.1</b>
<b>Earnings per share, in DKK</b>					
Earnings per share (EPS) - total	2.4	1.0	6.0	2.6	3.0
Diluted earnings per share (EPS-D) - total	2.4	1.0	6.0	2.6	3.0

# Consolidated balance sheet

## Assets

DKKm	30 June 2019	30 June 2018	31 Dec. 2018
Goodwill	39.1	39.1	39.1
Other intangible assets	11.8	14.3	12.4
Completed development projects, software	2.0	0.3	1.5
<b>Intangible assets</b>	<b>52.9</b>	<b>53.7</b>	<b>53.0</b>
Land and buildings	255.9	258.2	247.2
Investment property	18.0	0.0	16.6
Plant and machinery	47.2	57.2	51.2
Operating equipment, fixtures and fittings	11.5	8.8	7.4
<b>Property, plant and equipment</b>	<b>332.6</b>	<b>324.2</b>	<b>322.4</b>
Investments in associates	12.5	11.4	12.5
Other securities and investments	9.2	10.7	5.7
Deferred tax asset	0.0	1.4	0.0
Other receivables	1.9	2.3	1.9
<b>Other non-current assets</b>	<b>23.6</b>	<b>25.8</b>	<b>20.1</b>
<b>Total non-current assets</b>	<b>409.1</b>	<b>403.7</b>	<b>395.5</b>
Inventories	5.6	4.2	3.6
Trade receivables	73.8	81.4	83.0
Other receivables	1.2	2.1	1.9
Prepayments	19.3	17.4	14.2
Securities	354.7	280.0	256.5
Cash	38.2	39.7	70.7
<b>Total current assets</b>	<b>492.8</b>	<b>424.8</b>	<b>429.9</b>
<b>Total assets</b>	<b>901.9</b>	<b>828.5</b>	<b>825.4</b>

## Liabilities

DKKm	30 June 2019	30 June 2018	31 Dec. 2018
Share capital	100.3	100.3	100.3
Treasury shares	-52.5	-33.1	-33.1
Hedging reserves	0.0	-9.2	0.0
Reserve, translation adjustments	-2.7	-2.8	-2.7
Retained earnings	532.0	467.7	474.2
<b>Parent's share of shareholders' equity</b>	<b>577.1</b>	<b>522.9</b>	<b>538.7</b>
Minority interests	0.0	-0.2	0.0
<b>Total equity</b>	<b>577.1</b>	<b>522.7</b>	<b>538.7</b>
Deferred tax	4.7	0.0	4.7
Financial institutions	124.3	121.7	126.6
Lease debt	11.2	0.0	0.0
<b>Total non-current liabilities</b>	<b>140.2</b>	<b>121.7</b>	<b>131.3</b>
Financial institutions	4.5	6.9	4.5
Lease debt	5.8	0.0	0.0
Trade payables	35.7	45.4	44.0
Fair value, interest-rate swap	0.0	12.2	0.0
Income tax payable	41.0	9.5	7.0
Contract liabilities	11.9	10.4	10.1
Other payables	85.7	99.7	89.8
<b>Total current liabilities</b>	<b>184.6</b>	<b>184.1</b>	<b>155.4</b>
<b>Total liabilities</b>	<b>324.8</b>	<b>305.8</b>	<b>286.7</b>
<b>Total equity and liabilities</b>	<b>901.9</b>	<b>828.5</b>	<b>825.4</b>

# Consolidated statement of changes in equity

DKKm	Share capital	Treasury shares	Hedging reserves	Reserve, translation adjustments	Retained earnings	Parent's share of shareholders' equity	Minority interests	Total equity
<b>Equity 1 January 2018</b>	100.3	-35.3	-10.2	-2.8	445.4	497.4	0.3	497.7
<b>Change in equity for the period</b>								
Net profit for the period	0.0	0.0	0.0	0.0	50.7	50.7	-0.5	50.2
Fair value adjustment of hedging instruments	0.0	0.0	1.4	0.0	0.0	1.4	0.0	1.4
Tax, other comprehensive income	0.0	0.0	-0.4	0.0	0.0	-0.4	0.0	-0.4
<b>Other comprehensive income after tax</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>1.0</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>	<b>0.0</b>	<b>50.7</b>	<b>51.7</b>	<b>-0.5</b>	<b>51.2</b>
Sale of treasury shares	0.0	2.2	0.0	0.0	0.0	2.2	0.0	2.2
Dividend paid	0.0	0.0	0.0	0.0	-30.1	-30.1	0.0	-30.1
Dividend on treasury shares	0.0	0.0	0.0	0.0	1.7	1.7	0.0	1.7
<b>Total changes in equity for the period</b>	<b>0.0</b>	<b>2.2</b>	<b>1.0</b>	<b>0.0</b>	<b>22.3</b>	<b>25.5</b>	<b>-0.5</b>	<b>25.0</b>
<b>Equity at 30 June 2018</b>	<b>100.3</b>	<b>-33.1</b>	<b>-9.2</b>	<b>-2.8</b>	<b>467.7</b>	<b>522.9</b>	<b>-0.2</b>	<b>522.7</b>
<b>Equity at 1 January 2019</b>	<b>100.3</b>	<b>-33.1</b>	<b>0.0</b>	<b>-2.7</b>	<b>474.2</b>	<b>538.7</b>	<b>0.0</b>	<b>538.7</b>
<b>Change in equity for the period</b>								
Net profit for the period	0.0	0.0	0.0	0.0	112.2	112.2	0.0	112.2
<b>Other comprehensive income after tax</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>112.2</b>	<b>112.2</b>	<b>0.0</b>	<b>112.2</b>
Purchase of treasury shares	0.0	-19.4	0.0	0.0	0.0	-19.4	0.0	-19.4
Share-based payment	0.0	0.0	0.0	0.0	1.1	1.1	0.0	1.1
Dividend paid	0.0	0.0	0.0	0.0	-60.2	-60.2	0.0	-60.2
Dividend on treasury shares	0.0	0.0	0.0	0.0	4.7	4.7	0.0	4.7
<b>Total changes in equity for the period</b>	<b>0.0</b>	<b>-19.4</b>	<b>0.0</b>	<b>0.0</b>	<b>57.8</b>	<b>38.4</b>	<b>0.0</b>	<b>38.4</b>
<b>Equity at 30 June 2019</b>	<b>100.3</b>	<b>-52.5</b>	<b>0.0</b>	<b>-2.7</b>	<b>532.0</b>	<b>577.1</b>	<b>0.0</b>	<b>577.1</b>

# Consolidated cash flow statement

DKKm	Q2		H1		full year
	2019	2018	2019	2018	2018
<b>Net profit</b>	<b>44.9</b>	<b>20.0</b>	<b>112.2</b>	<b>50.2</b>	<b>55.8</b>
Adjustments	3.4	0.0	-31.7	2.0	66.5
Changes in working capital	-15.4	21.2	-8.2	14.2	5.2
<b>Cash flow from operating activities before net financials</b>	<b>32.9</b>	<b>41.2</b>	<b>72.3</b>	<b>66.4</b>	<b>127.5</b>
Interest received	0.0	0.0	0.1	0.0	0.1
Interest paid	-1.3	-1.7	-2.4	-3.4	-18.8
<b>Cash flow from ordinary activities before tax</b>	<b>31.6</b>	<b>39.5</b>	<b>70.0</b>	<b>63.0</b>	<b>108.8</b>
Income tax paid	2.5	-1.1	2.2	-2.6	-4.1
<b>Cash flow from operating activities, total</b>	<b>34.1</b>	<b>38.4</b>	<b>72.2</b>	<b>60.4</b>	<b>104.7</b>
Investments in software, property, plant and equipment	-2.6	-5.2	-5.6	-14.6	-26.1
Disposals of PP&E	-0.1	0.5	0.5	0.5	0.4
Investment in securities, net	-23.8	-21.0	-23.6	-13.5	-15.5
Dividend from securities	0.8	0.6	2.0	4.8	5.1
Investment/sale and return from other non-current assets	-2.4	0.2	1.7	0.6	1.1
Acquisition of companies including deferred payments	0.0	0.0	0.0	-7.6	-7.6
Investment in associates	0.0	0.0	0.0	-1.5	-1.5
<b>Cash flow from investing activities, total</b>	<b>-28.1</b>	<b>-24.9</b>	<b>-25.0</b>	<b>-31.3</b>	<b>-44.1</b>
Repayment of non-current liabilities	-2.5	-1.8	-4.9	-3.5	-4.0
Purchase/sale, treasury shares	-0.9	0.0	-19.4	2.2	2.2
Dividend paid	-55.4	-28.4	-55.4	-28.4	-28.4
<b>Cash flow from financing activities, total</b>	<b>-58.8</b>	<b>-30.2</b>	<b>-79.7</b>	<b>-29.7</b>	<b>-30.2</b>
<b>Total cash flows' for the period</b>	<b>-52.8</b>	<b>-16.7</b>	<b>-32.5</b>	<b>-0.6</b>	<b>30.4</b>
<b>Cash at 1 January</b>	<b>91.0</b>	<b>56.4</b>	<b>70.7</b>	<b>40.3</b>	<b>40.3</b>
<b>Cash at 30 June</b>	<b>38.2</b>	<b>39.7</b>	<b>38.2</b>	<b>39.7</b>	<b>70.7</b>

# Notes

## 1 Accounting policies

The Consolidated Interim Financial Statements include a summary of the Consolidated Financial Statements of North Media A/S for the period 1 January to 30 June 2019. The Consolidated Interim Financial Statements are presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

As mentioned in connection with the publication of the Interim Report for Q1 2019, North Media A/S has implemented IFRS 16, Leases, with effect as from 1 January 2019. We refer to the description of the effect of this in notes 1 and 5 to the Interim Report for Q1 2019.

Furthermore, the Group has implemented those other standards and revised standards that are effective as from 1 January 2019. These have no significant effect on recognition and measurement or disclosure.

In the Consolidated Interim Financial Statements, income tax on profit or loss before tax is charged at a rate of 22%.

Apart from this, the Consolidated Interim Financial Statements have been prepared under the same accounting policies as the Annual Report for 2018.

## 2 Return on securities

	Q2		H1		full year
	2019	2018	2019	2018	2018
Dividend	0.9	0.5	2.0	4.8	5.1
Net capital gains on shares	18.1	15.8	74.7	26.8	0.1
<b>Total return on securities</b>	<b>19.0</b>	<b>16.3</b>	<b>76.7</b>	<b>31.6</b>	<b>5.2</b>

All securities have been stated at market capitalisation at the end of the quarter (level 1).

## 3 Special items

DKKm	Q2		H1		full year
	2019	2018	2019	2018	2018
Gain on sale of shares in Emply ApS	0.0	0.0	-4.1	0.0	0.0
Termination benefit cost related to changes in the Executive Board of North Media Aviser	0.0	0.0	1.3	0.0	0.0
Termination benefit costs related to organisational change in North Media Aviser	0.0	7.9	0.0	7.9	10.5
Termination benefit cost related to changes in the Executive Board of FK Distribution	0.0	0.0	0.0	4.2	4.2
Termination benefit cost related to changes in the Executive Board of BEKEY	0.0	1.4	0.0	1.4	1.0
<b>Total special items, net</b>	<b>0.0</b>	<b>9.3</b>	<b>-2.8</b>	<b>13.5</b>	<b>15.7</b>

There are no special items in Q2 2019.

Special items for H1 include severance costs in connection with changes to the Executive Board of North Media Aviser as well as gain from the sale of North Media Online's shares in Emply ApS.

In Q2 2018, the main part of special items related to severance costs in North Media Aviser in connection with the dismissal of a large number of employees, whereas a minor share constituted severance costs in connection with changes to the Executive Board of BEKEY.

## 4 Segment information

Q2

DKKm	FK Distribution		North Media Aviser		North Media Online		BEKEY		Unallocated costs/ elimi.*)		Total	
	Q2-19	Q2-18	Q2-19	Q2-18	Q2-19	Q2-18	Q2-19	Q2-18	Q2-19	Q2-18	Q2-19	Q2-18
Segment revenue	240.5	241.4	24.7	27.9	21.6	20.8	5.2	5.5	0.0	0.0	292.0	295.6
Internal revenue	-2.5	-3.5	0.0	0.0	0.0	-0.1	-0.6	-0.6	-	-	-3.1	-4.2
<b>External revenue</b>	<b>238.0</b>	<b>237.9</b>	<b>24.7</b>	<b>27.9</b>	<b>21.6</b>	<b>20.7</b>	<b>4.6</b>	<b>4.9</b>	<b>0.0</b>	<b>0.0</b>	<b>288.9</b>	<b>291.4</b>
<b>Revenue recognition</b>												
immediately	238.0	237.9	20.9	24.1	4.3	4.7	3.1	4.1	-	-	266.3	270.8
over time	-	-	3.8	3.8	17.3	16.0	1.5	0.8	-	-	22.6	20.6
<b>External revenue</b>	<b>238.0</b>	<b>237.9</b>	<b>24.7</b>	<b>27.9</b>	<b>21.6</b>	<b>20.7</b>	<b>4.6</b>	<b>4.9</b>	<b>0.0</b>	<b>0.0</b>	<b>288.9</b>	<b>291.4</b>
<b>Gross profit</b>	<b>110.2</b>	<b>99.6</b>	<b>17.9</b>	<b>18.3</b>	<b>20.9</b>	<b>20.0</b>	<b>3.9</b>	<b>3.3</b>	<b>-2.0</b>	<b>-1.9</b>	<b>150.9</b>	<b>139.3</b>
Amortisation and depreciation	3.8	3.8	0.8	0.7	0.7	0.3	0.1	0.1	2.2	2.1	7.6	7.0
EBITDA	47.6	33.0	0.5	-2.4	2.0	-0.7	-3.5	-3.5	1.3	1.5	47.9	27.9
<b>EBIT, before special items</b>	<b>43.8</b>	<b>29.2</b>	<b>-0.3</b>	<b>-3.1</b>	<b>1.3</b>	<b>-1.0</b>	<b>-3.6</b>	<b>-3.6</b>	<b>-0.9</b>	<b>-0.6</b>	<b>40.3</b>	<b>20.9</b>
Special items, net	0.0	0.0	0.0	-7.9	0.0	0.0	0.0	-1.4	0.0	0.0	0.0	-9.3
<b>EBIT</b>	<b>43.8</b>	<b>29.2</b>	<b>-0.3</b>	<b>-11.0</b>	<b>1.3</b>	<b>-1.0</b>	<b>-3.6</b>	<b>-5.0</b>	<b>-0.9</b>	<b>-0.6</b>	<b>40.3</b>	<b>11.6</b>
Non-current assets	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Current assets, excl cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	0.0	0.0
<b>Segment assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Non-current liabilities	-	-	-	-	-	-	-	-	-	-	0.0	0.0
Current liabilities	-	-	-	-	-	-	-	-	-	-	0.0	0.0
<b>Segment liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Gross margin	46.3%	41.9%	72.5%	65.6%	96.8%	96.6%	84.8%	67.3%	-	-	52.2%	47.8%
Profit margin (EBIT)	18.4%	12.3%	-1.2%	-11.1%	6.0%	-4.8%	-78.3%	-73.5%	-	-	13.9%	7.2%

## 4 Segment information, continued

H1

DKKm	FK Distribution		North Media Aviser		North Media Online		BEKEY		Unallocated costs/ elimi.*)		Total	
	H1-19	H1-18	H1-19	H1-18	H1-19	H1-18	H1-19	H1-18	H1-19	H1-18	H1-19	H1-18
Segment revenue	457.1	472.0	46.7	54.6	42.5	39.9	12.6	11.6	0.0	0.0	558.9	578.1
Internal revenue	-4.6	-7.1	0.0	0.0	-0.1	-0.1	-1.4	-1.3	-	-	-6.1	-8.5
<b>External revenue</b>	<b>452.5</b>	<b>464.9</b>	<b>46.7</b>	<b>54.6</b>	<b>42.4</b>	<b>39.8</b>	<b>11.2</b>	<b>10.3</b>	<b>0.0</b>	<b>0.0</b>	<b>552.8</b>	<b>569.6</b>
<b>Revenue recognition</b>												
immediately	452.5	464.9	38.9	46.8	8.8	9.3	8.4	8.8	-	-	508.6	529.8
over time	-	-	7.8	7.8	33.6	30.5	2.8	1.5	-	-	44.2	39.8
<b>External revenue</b>	<b>452.5</b>	<b>464.9</b>	<b>46.7</b>	<b>54.6</b>	<b>42.4</b>	<b>39.8</b>	<b>11.2</b>	<b>10.3</b>	<b>0.0</b>	<b>0.0</b>	<b>552.8</b>	<b>569.6</b>
<b>Gross profit</b>	<b>203.2</b>	<b>195.8</b>	<b>33.0</b>	<b>35.7</b>	<b>41.0</b>	<b>38.5</b>	<b>8.9</b>	<b>7.4</b>	<b>-4.0</b>	<b>-3.7</b>	<b>282.1</b>	<b>273.7</b>
Amortisation and depreciation	7.7	7.4	1.5	1.3	1.4	0.6	0.2	0.1	4.4	4.2	15.2	13.6
EBITDA	81.3	75.1	-1.6	-5.6	3.9	-3.3	-5.2	-5.5	2.4	3.4	80.8	64.1
<b>EBIT, before special items</b>	<b>73.6</b>	<b>67.7</b>	<b>-3.1</b>	<b>-6.9</b>	<b>2.5</b>	<b>-3.9</b>	<b>-5.4</b>	<b>-5.6</b>	<b>-2.0</b>	<b>-0.8</b>	<b>65.6</b>	<b>50.5</b>
Special items, net	0.0	-4.2	-1.3	-7.9	4.1	0.0	0.0	-1.4	0.0	0.0	2.8	-13.5
<b>EBIT</b>	<b>73.6</b>	<b>63.5</b>	<b>-4.4</b>	<b>-14.8</b>	<b>6.6</b>	<b>-3.9</b>	<b>-5.4</b>	<b>-7.0</b>	<b>-2.0</b>	<b>-0.8</b>	<b>68.4</b>	<b>37.0</b>
Non-current assets	90.2	103.4	8.1	4.0	56.7	50.9	2.4	0.2	251.7	245.2	409.1	403.7
Current assets, excl cash and cash equivalents	69.6	69.5	13.4	19.0	4.8	5.9	8.1	7.1	4.0	3.6	99.9	105.1
<b>Segment assets</b>	<b>159.8</b>	<b>172.9</b>	<b>21.5</b>	<b>23.0</b>	<b>61.5</b>	<b>56.8</b>	<b>10.5</b>	<b>7.3</b>	<b>255.7</b>	<b>248.8</b>	<b>509.0</b>	<b>508.8</b>
Non-current liabilities	1.9	0.0	2.3	0.0	5.8	0.0	0.8	0.0	129.4	121.7	140.2	121.7
Current liabilities	87.3	97.9	21.2	29.6	17.7	17.0	4.8	4.9	53.6	34.7	184.6	184.1
<b>Segment liabilities</b>	<b>89.2</b>	<b>97.9</b>	<b>23.5</b>	<b>29.6</b>	<b>23.5</b>	<b>17.0</b>	<b>5.6</b>	<b>4.9</b>	<b>183.0</b>	<b>156.4</b>	<b>324.8</b>	<b>305.8</b>
Gross margin	44.9%	42.1%	70.7%	65.4%	96.7%	96.7%	79.5%	71.8%	-	-	51.0%	48.1%
Profit margin (EBIT)	16.3%	14.6%	-6.6%	-12.6%	5.9%	-9.8%	-48.2%	-54.4%	-	-	11.9%	8.9%

## 5 Adjustments for non-cash operating items

DKKm	Q2		H1		full year
	2019	2018	2019	2018	2018
Share of profit/loss in associates	0.1	0.1	0.1	0.3	-0.9
Tax on profit for the period	12.7	5.9	31.8	14.7	17.3
Amortisation and depreciation of assets	7.7	6.9	15.2	13.5	27.4
Gain/loss on disposals of assets	-0.1	0.1	0.0	0.1	0.1
Share-based payment	0.5	0.0	1.1	0.0	0.8
Special items, reversal	0.0	9.3	-2.8	13.5	15.7
Special items, cash flow effect	0.0	-9.3	-1.3	-13.5	-15.7
Net financials	1.5	1.8	1.0	3.4	27.0
Value adjustments, securities	-19.0	-14.8	-76.8	-30.0	-5.2
<b>Total adjustments</b>	<b>3.4</b>	<b>0.0</b>	<b>-31.7</b>	<b>2.0</b>	<b>66.5</b>

## 6 Special risks and elements of uncertainty for the rest of 2019

The Group's activities are distinct high-volume enterprises subject to high start-up costs and subsequent low unit costs, for which reason revenue growth would support a profit margin increase. Conversely, a decline in revenue would have a negative effect on the profit margin as it is only possible to slightly reduce costs in the short run. Also, operations are conducted in markets characterised by massive structural changes, which contributes to increasing the uncertainty.

## 7 Related parties

Apart from remuneration of Management, including severance pay, there have been no transactions with members of the Executive Board or the Board of Directors. By virtue of his holding company, Baunegård ApS, Richard Bunck is the Company's principal shareholder and is thus subject to the disclosure requirement applicable to related parties. No transactions were carried out with Richard Bunck in the period except for directors' remuneration. Transactions with associates consisted of ordinary sales and purchase transactions only.

## 8 Contingent liabilities and assets

No material changes occurred in H1 2019 concerning the Group's contingent liabilities and assets.

## 9 Subsequent events

The Board of Directors and the Executive Board are not aware of any significant events having occurred since 30 June 2019 which would have a material impact on the financial position of the Group.



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