



# Q2 2018



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17 July 2018



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# Q2 2018 – Continuing our steady growth

- **Marketplaces: Revenues continue to grow, and profits increase**
  - Revenues up 16%\*; EBITDA margin up 5%-points to 35%\*
  - France, Spain, Norway and Brazil all showing strong development in Q2
  - Lower margin in France due to acquisitions and increased marketing – Leboncoin.fr EBITDA margin 58 percent
  - Investment phase losses are declining
- **Publishing: Digital continues to grow**
  - Stable revenue development with solid digital growth and 8% EBITDA margin
- **Schibsted Growth: Continues to expand**
  - Revenues up 12% to NOK 455m. EBITDA margin increased to 26%.
  - Lendo is growing well, looking into new market opportunities

\*) Including proportionate share of JVs, adjusted for currency effects.



# AGENDA

- Marketplaces
- Publishing
- Growth
- Finance
- Summary

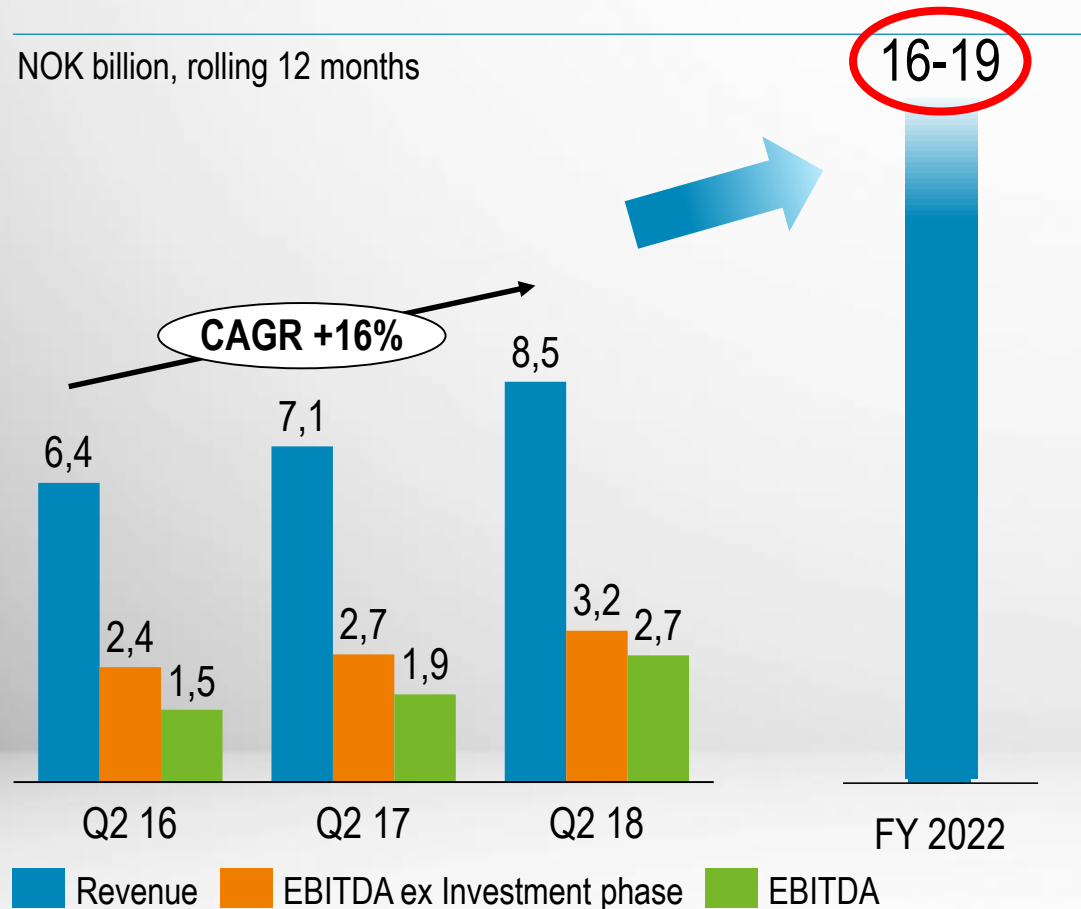


# MARKETPLACES

# We maintain our 15-20% annual growth target

## Focus on cash flow and profitability improvement

NOK billion, rolling 12 months



Pro forma, including contribution from joint ventures and associates as if we had consolidated the companies proportionately

Focus on improved cash flow and profitability

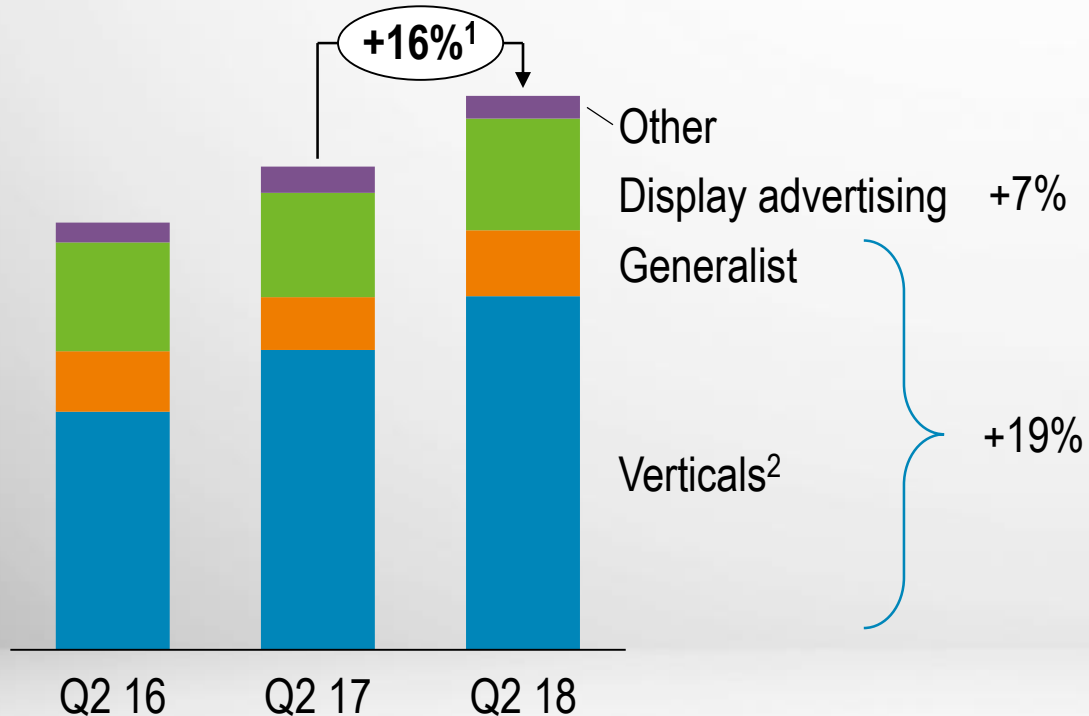
Strengthening verticals in existing markets

15-20% medium to long term growth outlook in France

Significant potential in profitable OLX Brazil

# Verticals are driving solid revenue growth

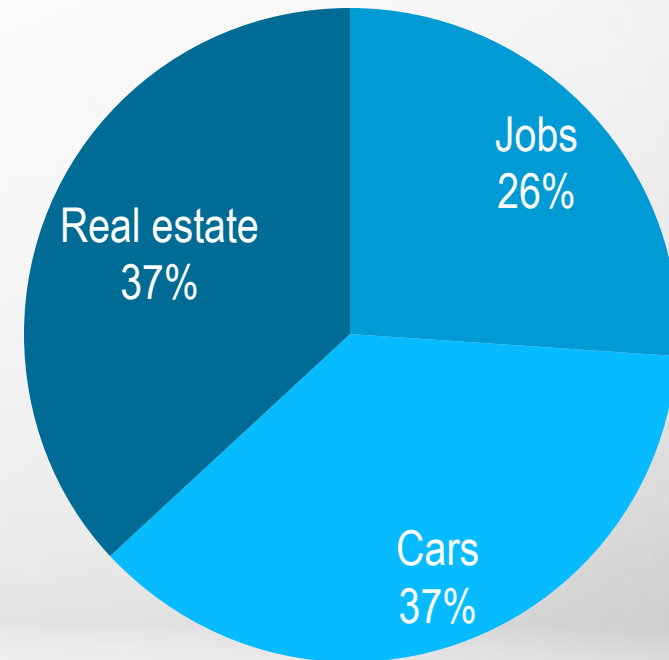
## Revenue growth driven by verticals....



1) Pro forma, including contribution from joint ventures and associates as if we had consolidated the companies proportionately, adjusted for currency

2) Verticals = Car, real estate, jobs

## ... of which real estate and cars are most important

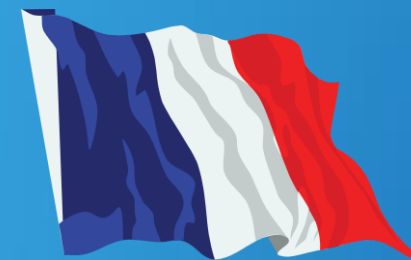


Split of vertical revenues Q2 2018





# FÉLICITATIONS FRANCE!





# In France, we saw continued growth in revenues and traffic – EBITDA margin 58% for Leboncoin.fr isolated

France<sup>1</sup>

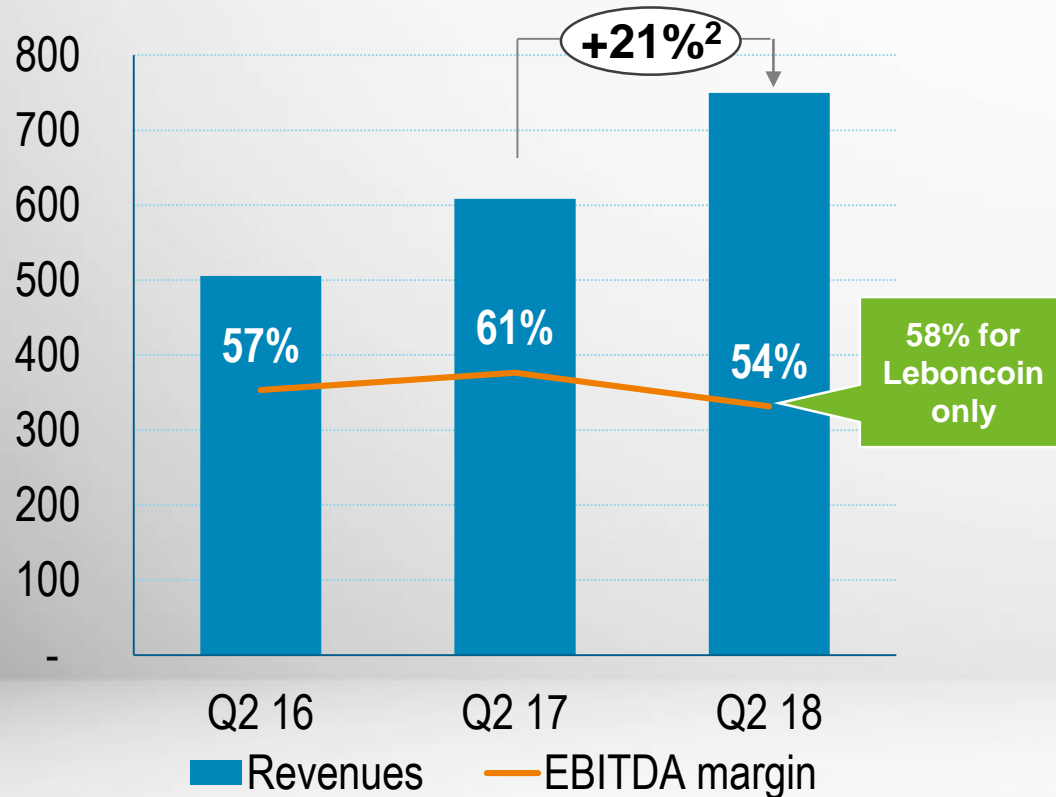
Revenues (NOK million) and EBITDA margin

leboncoin

avendre  
alouer.fr

MB  
DIFFUSION

K



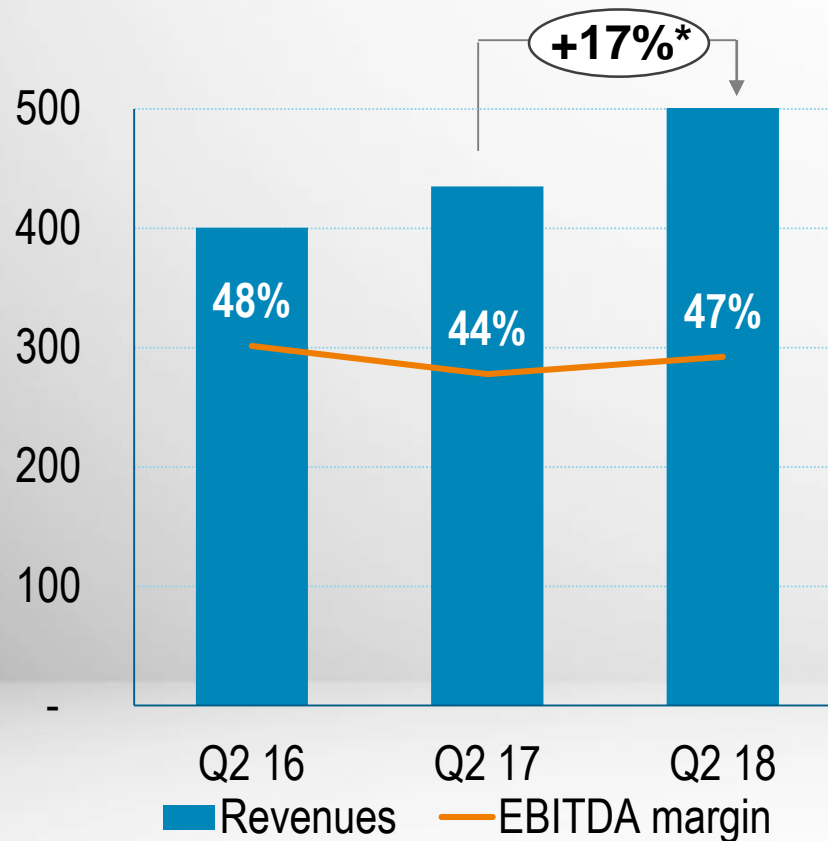
- Fast growing revenues in verticals
  - Price optimization supported by product enhancements
  - Ramping up in jobs
  - Newly acquired A Vendre A Louer yields good results in real estate
- Traffic growing by 12% Y/Y – driven by product enhancements and marketing
- EBITDA margin decline in Q2 as a result of
  - Increased marketing spending (3-4pp)
  - Acquired assets (3-4pp)
- Leboncoin.fr “isolated” margin of 58%

<sup>1</sup>) Including Leboncoin, MB Diffusion, Avendre A Louer and Kudoz <sup>2</sup>) No effect from IFRS 15 in Q2

# In Norway, strong growth was driven by volumes and new products

## Norway

Revenues (NOK million) and EBITDA margin



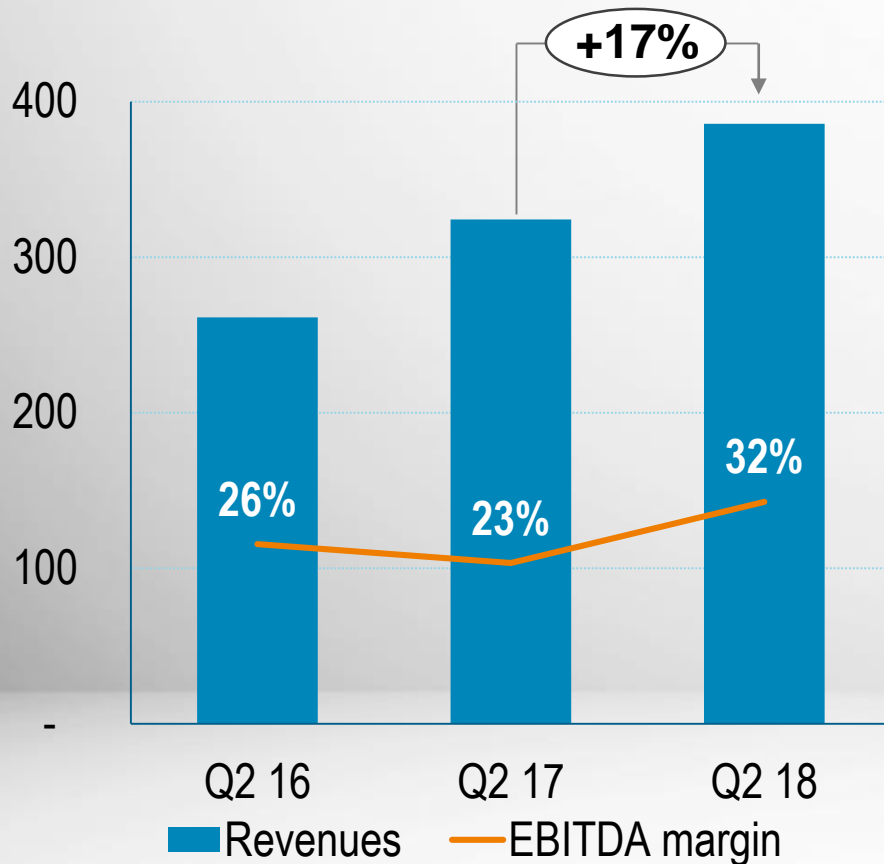
\*) Comparable figures excluding effect from IFRS 15.

- Volume increase and price optimization supported by product enhancements in jobs and real estate and cars
- Continued good performance by “Blink” targeted distribution of real estate and jobs classifieds
- Q2 positively affected by the recovery of the negative Easter effect from March

# In Spain, we saw solid performance in jobs and cars – acceleration in real estate

## Spain

Revenues (NOK million) and EBITDA margin



- Good performance in jobs and cars in Q2
- Improving trend in real estate with accelerating revenue growth
- Margin affected positively by reduced marketing spend Y/Y

**coches**.net

**InfoJobs**  
*Let's work!*

**fotocasa**

**habitaclia**

**milanuncios**



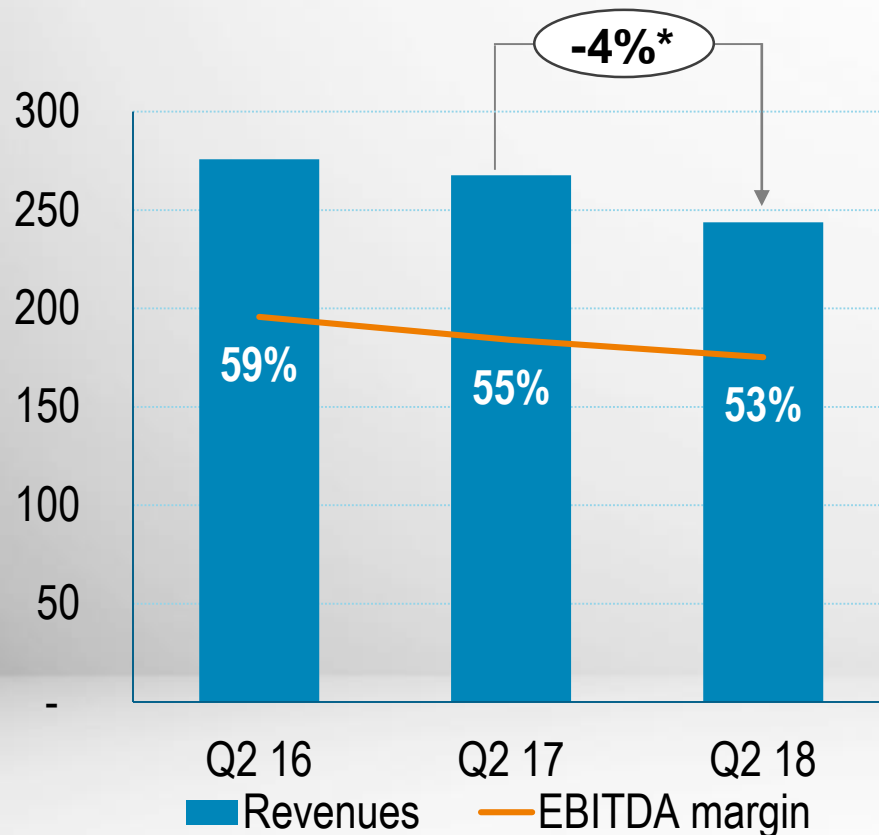


# In Sweden, we saw revenue decline in display advertising

## Sweden



Revenues (NOK million) and EBITDA margin\*

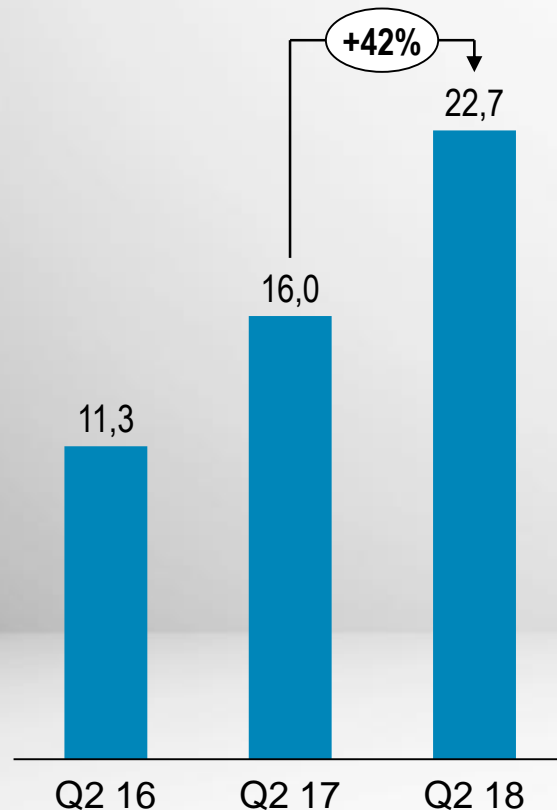


\*) Comparable figures excluding effect from IFRS 15.

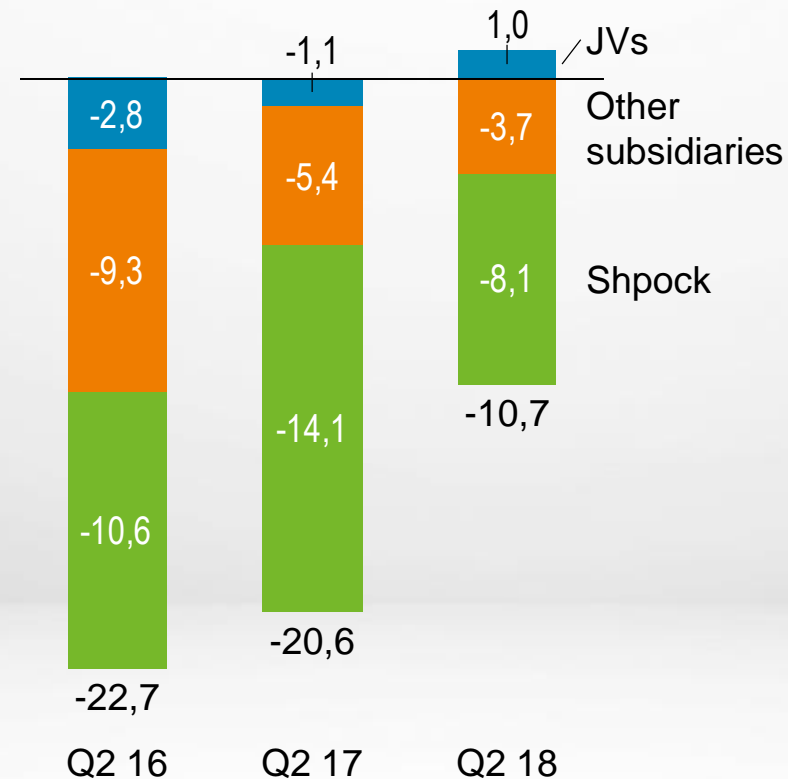
- Jobs continue with solid growth
- Stable revenue in cars
  - Accelerated product development
  - Blocket continues to deliver strongly on leads to car dealers driven by wide traffic leadership
- Revenue decline in display advertising
- Increased marketing spend Y/Y

# We are on track to achieve reduced Investment phase losses of EUR 40-50 million in 2018

## Total Investment phase revenue (EUR million including our proportionate share of JVs)



## Total Investment phase EBITDA (EUR million including our proportionate share of JVs)



## Positive development for Shpock – focus on UK



- Focus on traffic and monetization growth in UK
- 3.3 million monthly app users in UK
- >2 million new listings per month
- Introduced in-app transactions
- Commercializing features for verticals – focus on cars



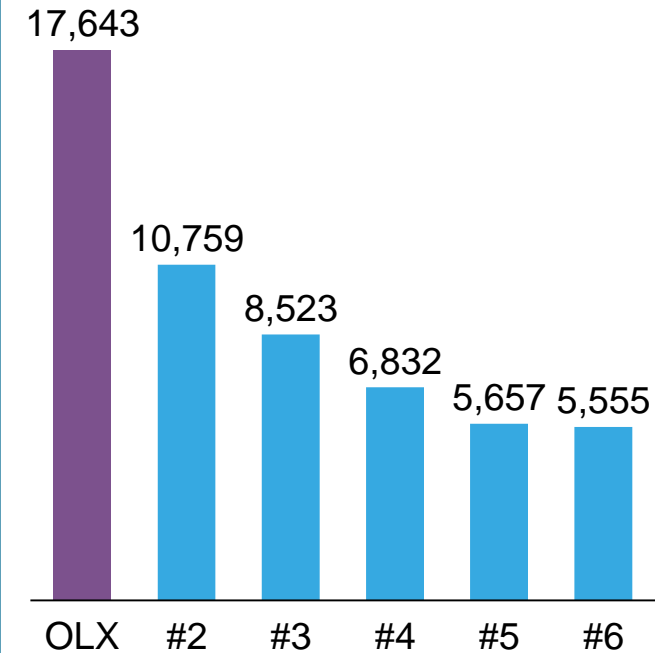
# In Brazil, revenue growth accelerated in Q2

## Clear classifieds leader

- 6.5 million daily active users in Q2
- >80% of traffic is mobile
- #1 by traffic in Online classifieds
- Top of mind brand in general classifieds
- 15<sup>th</sup> largest online site in Brazil

## Clear leader in cars

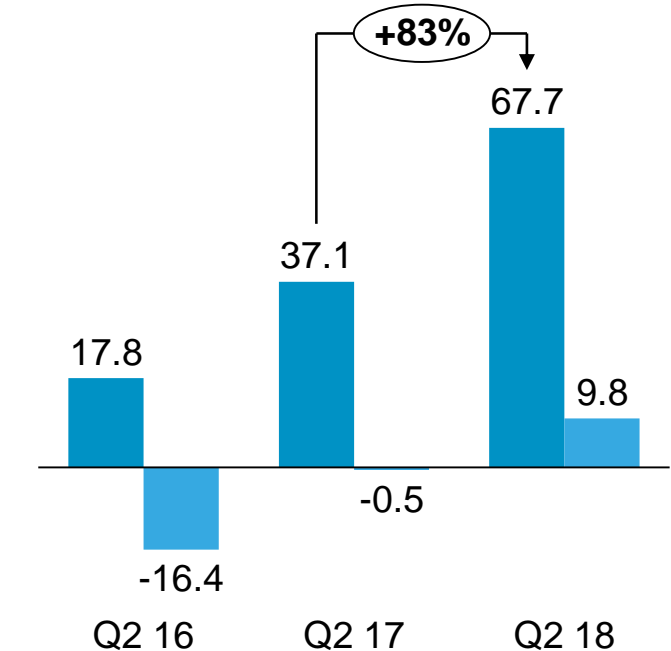
Number of car dealers



Source: Autobiz

We have grown revenue by 83% through verticals and display ads...

Million BRL (100%). Schibsted owns 50%



Revenue EBITDA



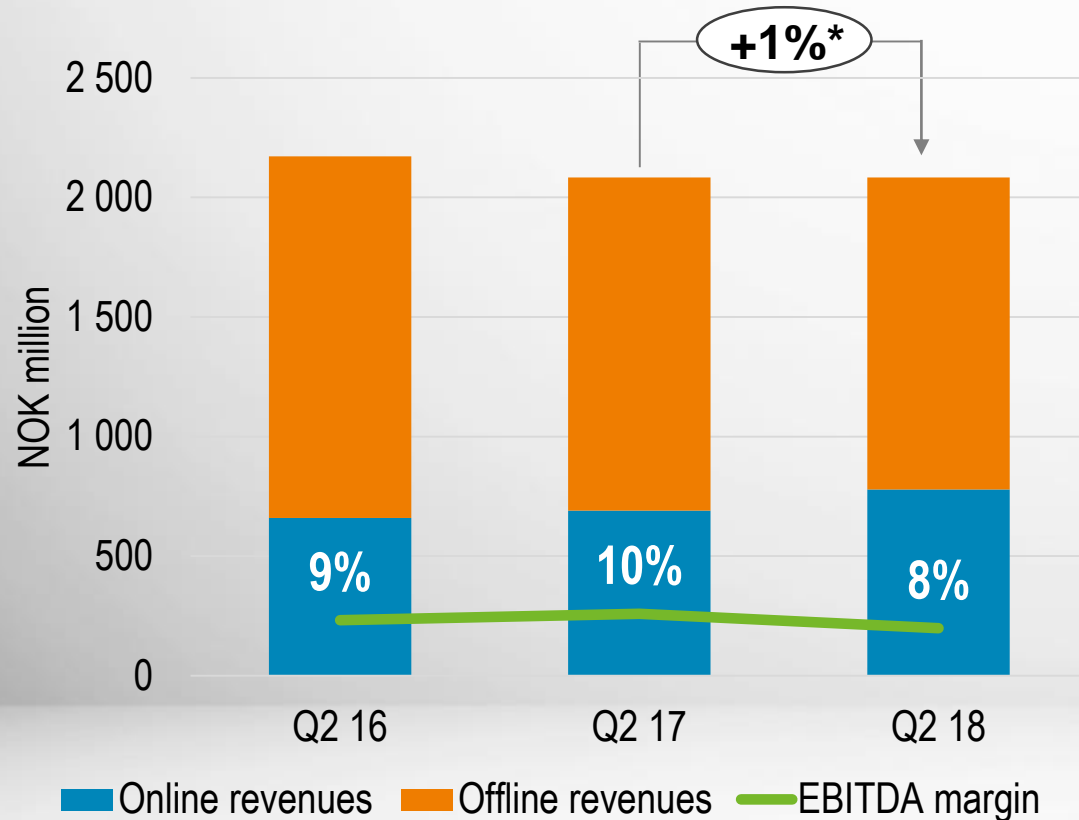


# PUBLISHING

# While digital is growing, we are managing the decline in print

## Publishing operations Scandinavia

Revenues and EBITDA-margin (NOK million)



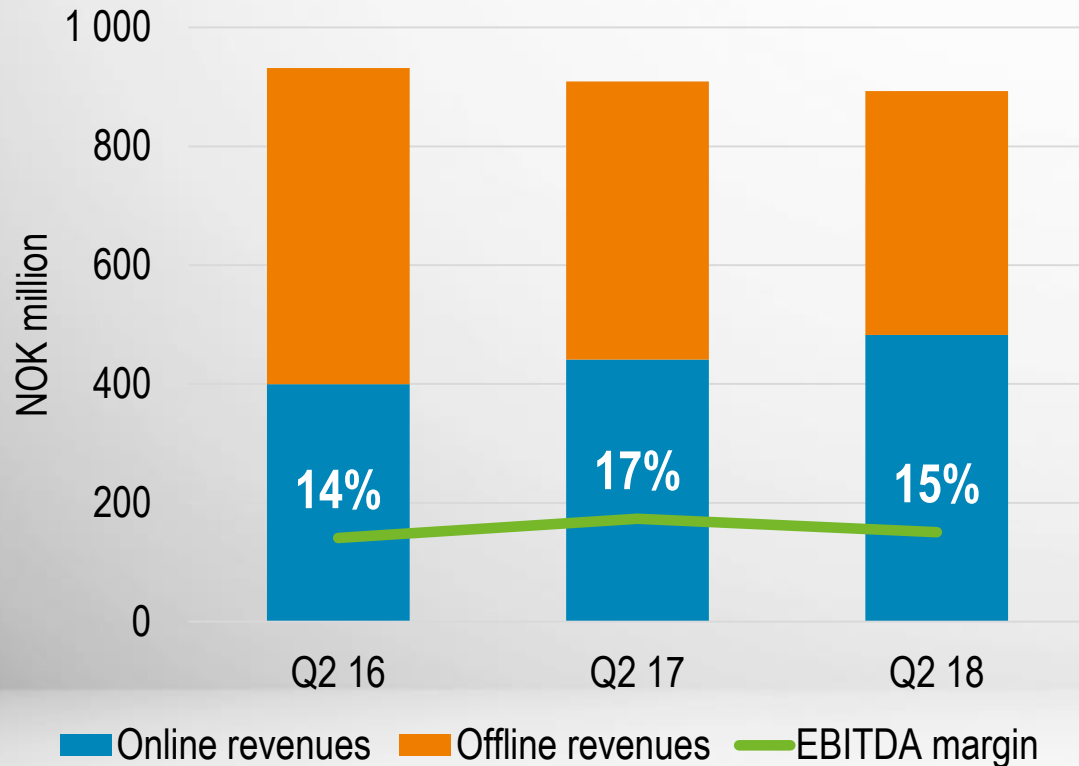
\* Currency adjusted



# VG and Aftonbladet delivered digital growth and solid margins

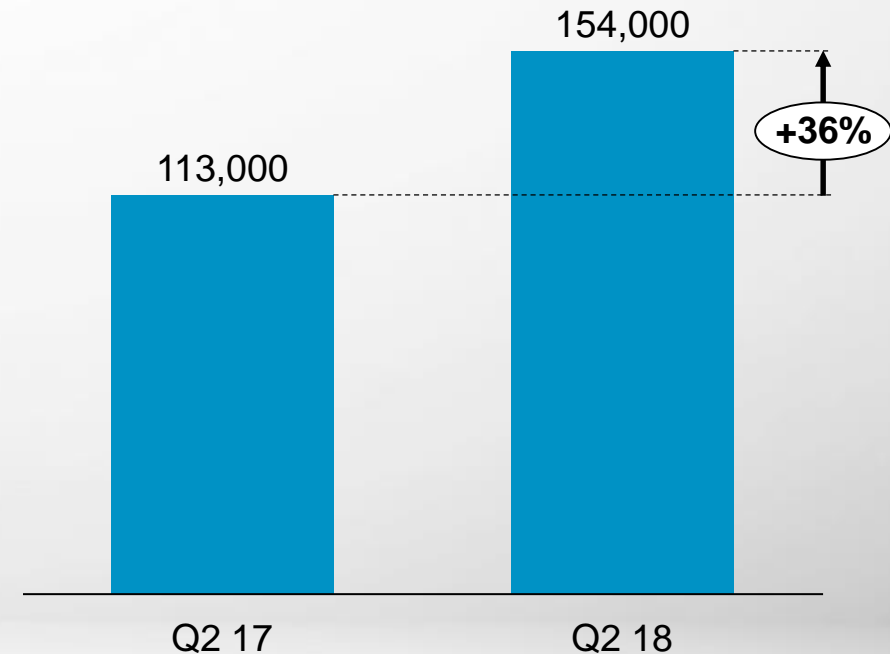
## VG and Aftonbladet

Revenues and EBITDA-margin (NOK million)



## Strong growth in digital subscriptions in VG

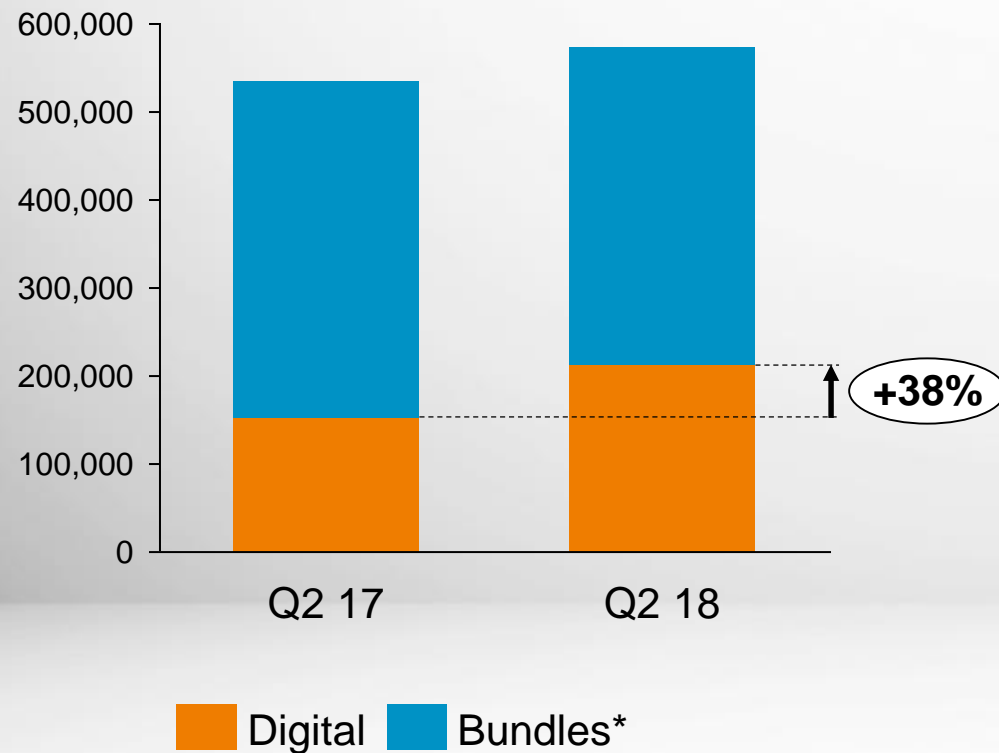
Subscribers to VG+





# In morning newspapers, we have grown digital subscriber numbers

Number of subscribers



\*) "Complete" + weekend only



# Creative coverage of football world cup drives user engagement



- Strong traffic figures in connection with football world cup in June and July
- Demonstrating VG and Aftenbladet's positions as key news destinations in Norway and Sweden
- 13 million visits to the "World cup twin" service – from across the globe



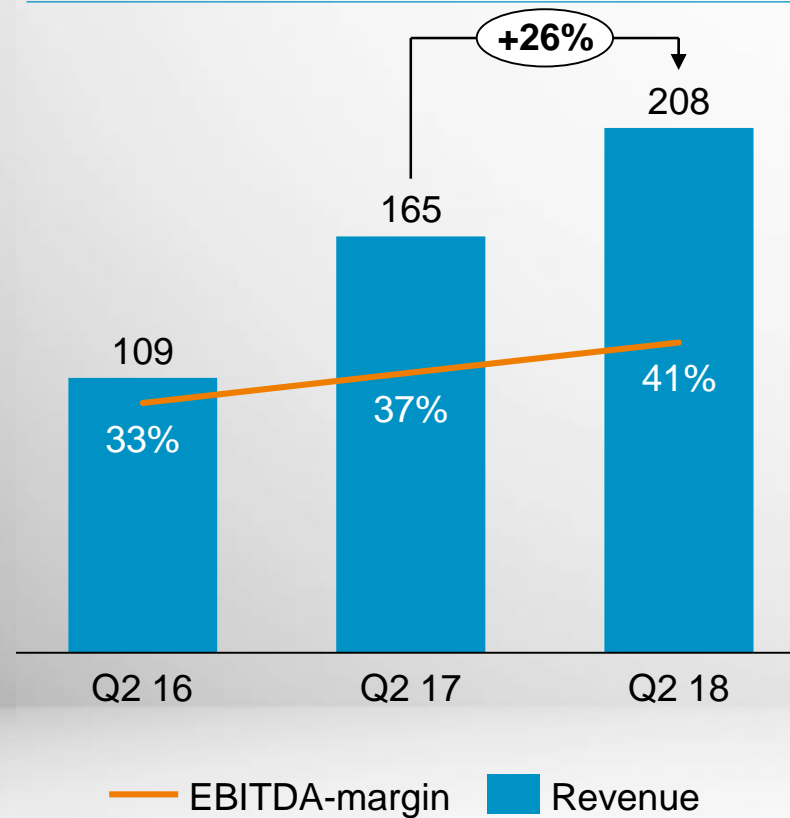
# SCHIBSTED GROWTH



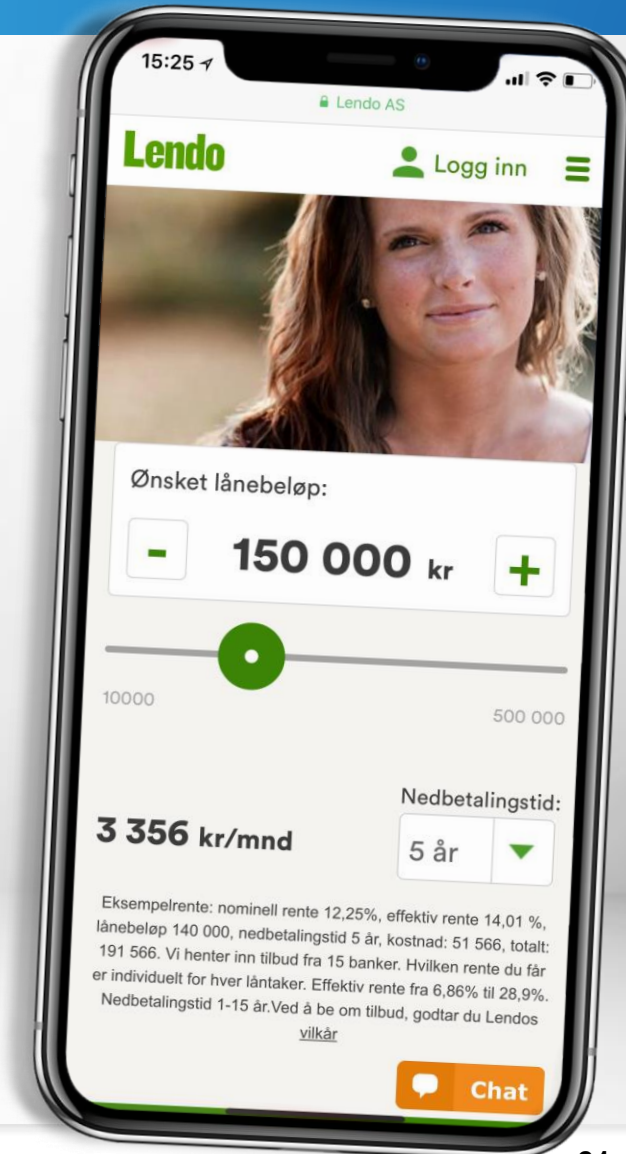
# Lendo – strong growth in a fast developing consumer finance market

## Lendo

Revenues (NOK million) and EBITDA-margin



- Continued strong growth in volume and revenues in Sweden and Finland
- Slight slowdown in volume growth in Norway
- Looking into new market opportunities for Lendo
- Strategic review to be announced during Q3 18

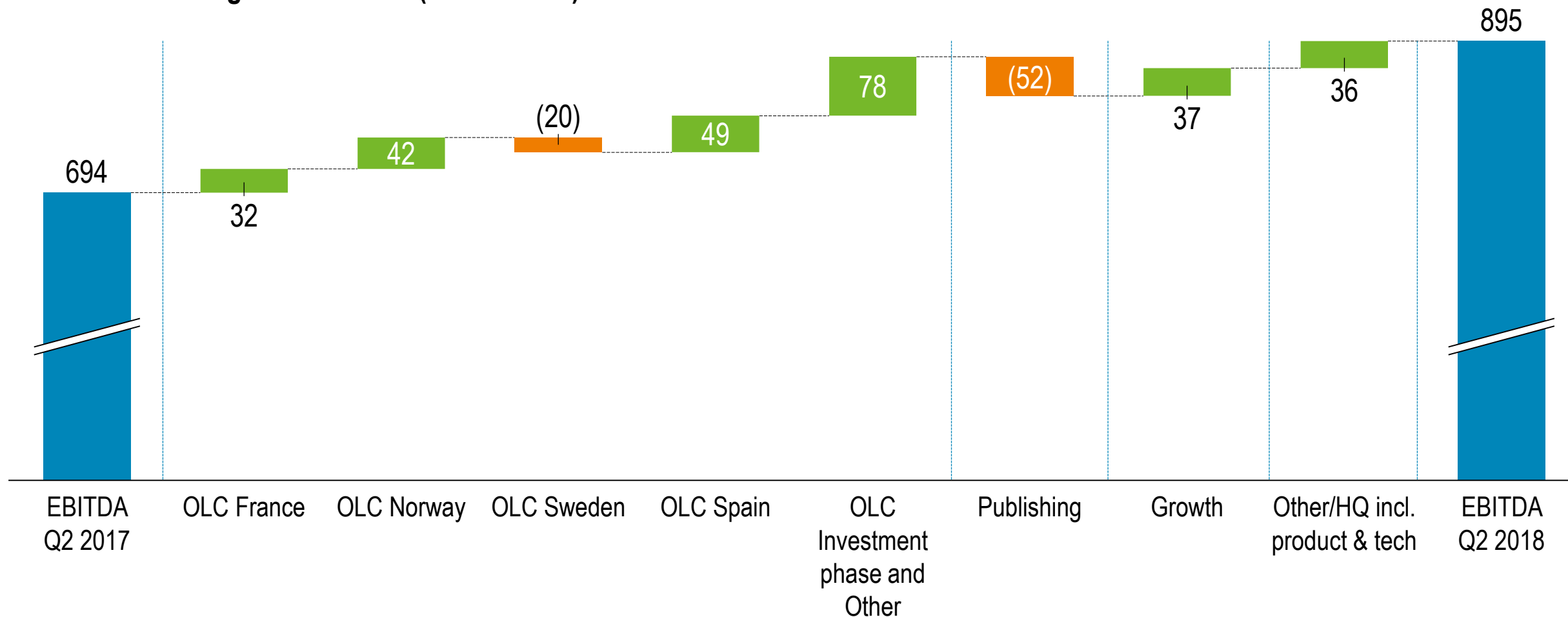




# FINANCE

# Record high EBITDA in Q2 – margin increase from 16% to 19% Y/Y

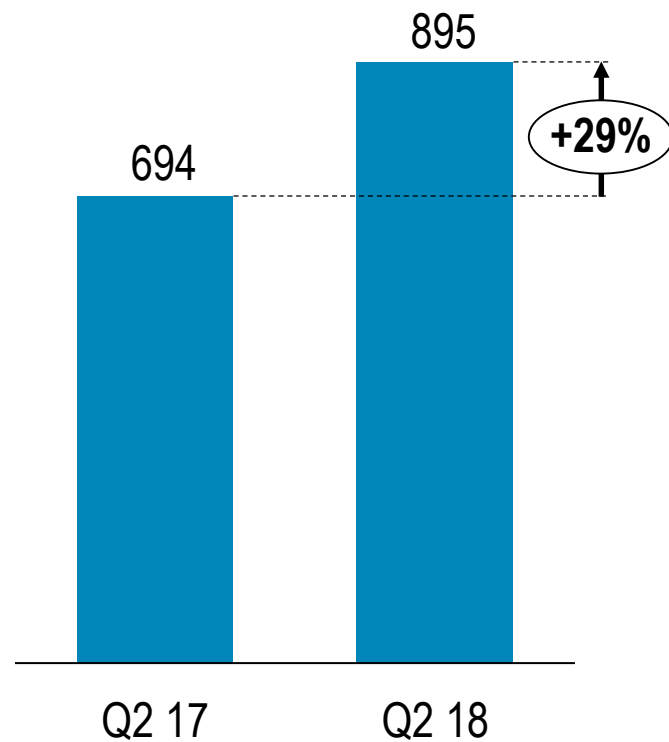
EBITDA change Q2 17-Q2 18 (NOK million)



# We have improved our EBITDA, increased our operating cash flow, and reduced our CAPEX

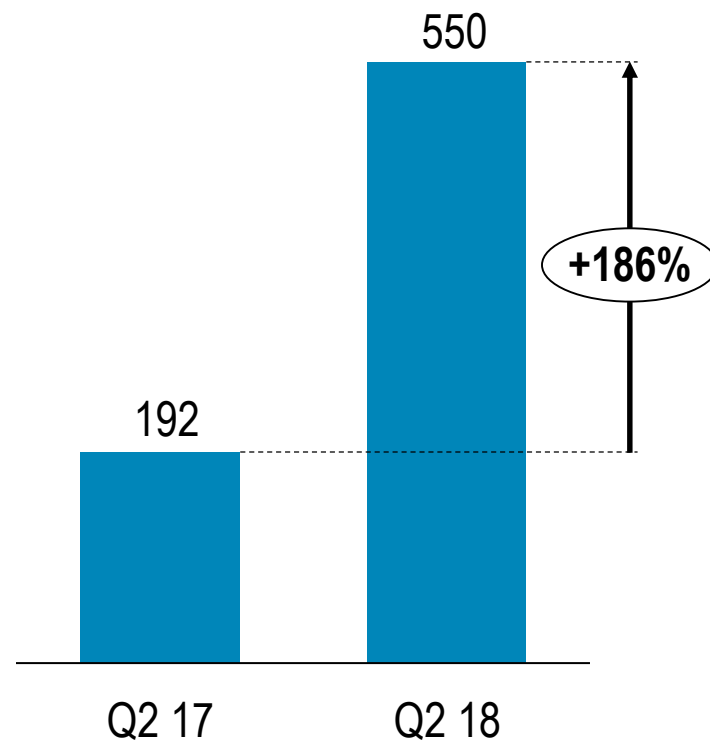
## EBITDA

NOK million



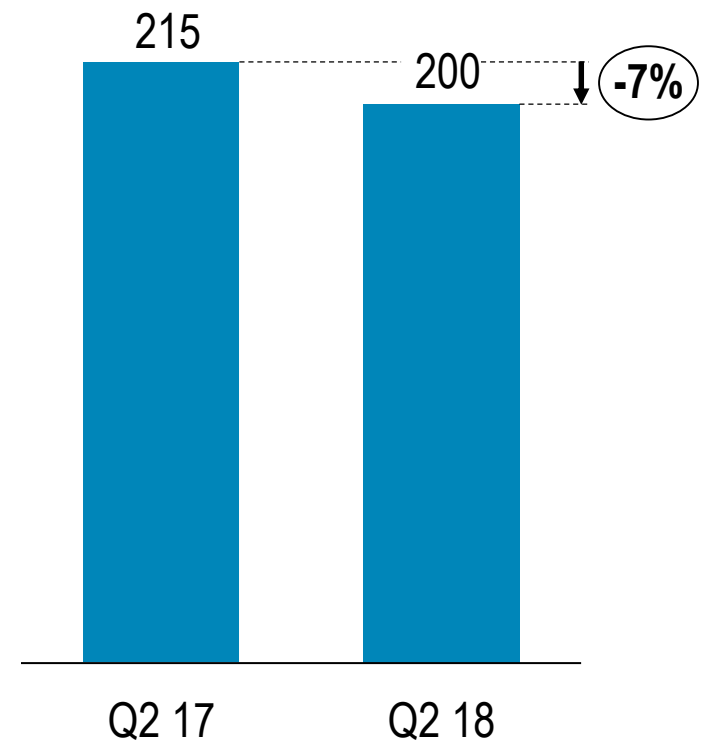
## Operating cash flow

NOK million



## CAPEX

NOK million





# Q2 income statement Schibsted Group

(NOK million)	Q2 2018	Q2 2017
<b>Operating revenues</b>	<b>4,602</b>	<b>4,327</b>
Operating expenses	(3,707)	(3,633)
<b>Gross operating profit (EBITDA) ex Investment phase</b>	<b>1,008</b>	<b>877</b>
Gross operating profit (EBITDA)	895	694
Depreciation and amortization	(175)	(156)
Share of profit (loss) of JVs and associates	30	(11)
Impairment loss	(125)	(9)
Other income and expenses	(2)	1,286
<b>Operating profit (loss)</b>	<b>623</b>	<b>1,805</b>
Net financial items	(30)	(70)
<b>Profit (loss) before taxes</b>	<b>593</b>	<b>1,735</b>
Taxes	(277)	(352)
<b>Profit (loss)</b>	<b>315</b>	<b>1,383</b>
EPS (NOK)	1.24	6.07
EPS - adjusted (NOK)	1.76	0.96

Strategic review of the product portfolio result in impairment of NOK 125 million in Q2

- Related to closure of the joint generalist platform project (Rocket) and certain other projects

Positively affected by one-off in relation to the acquisition of Telenor's online classifieds assets in LatAm and the sale of Asian assets to Telenor

# We plan to reduce investments, while growing revenue

UN-  
CHANGED

**15-20 percent Online classifieds revenue growth next 3-5 years target maintained;**  
focus on cash flow and profitability improvement in 2018 and beyond

UN-  
CHANGED

**Online classifieds investment phase:**  
Losses reduced to EUR 40-50 million in 2018 (from 78 million in 2017)

UPDATED

**Publishing**  
EBITDA 2H 2018 in the same range as 1H in NOK

UN-  
CHANGED

**HQ/Other**  
EBITDA losses unchanged or slightly reduced compared to 2017

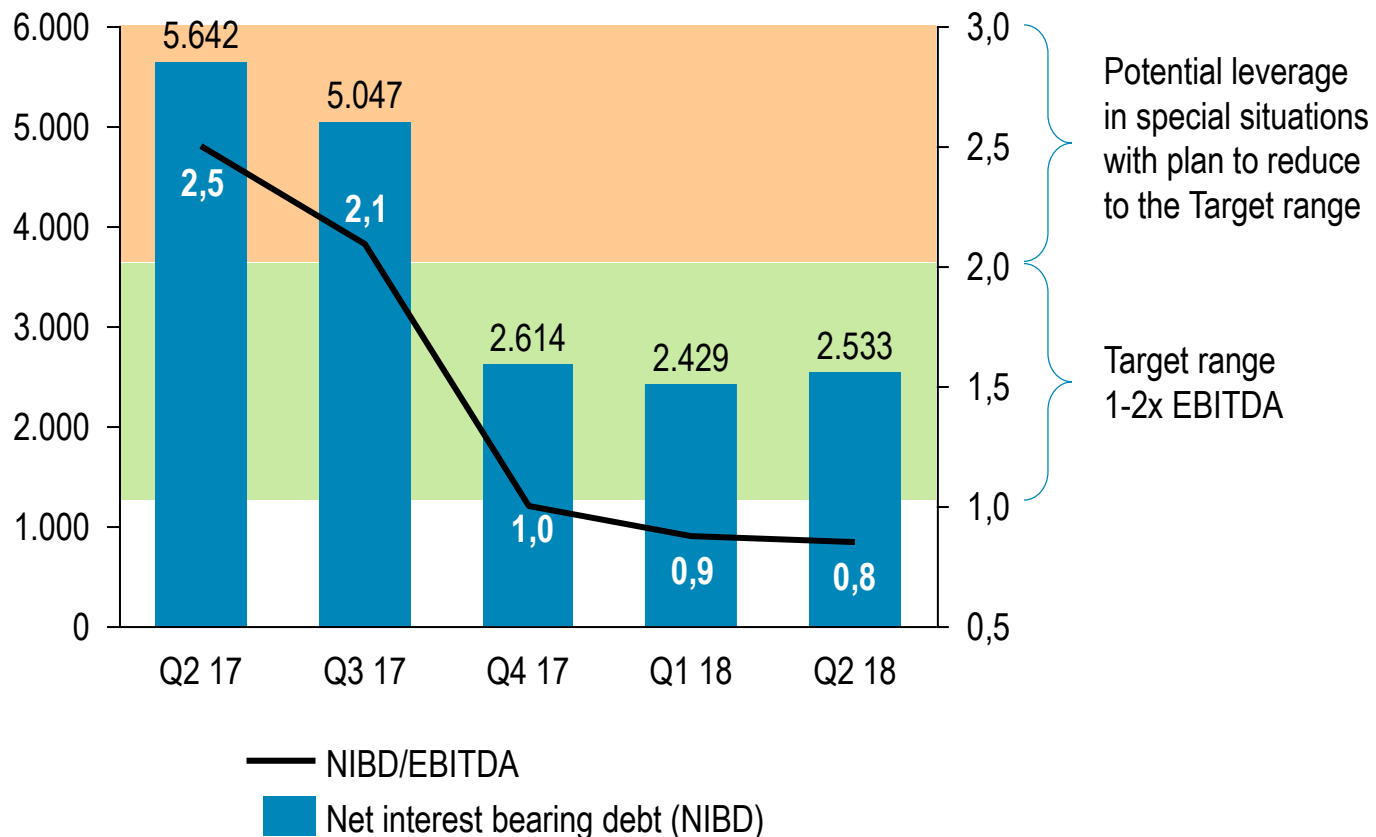
UN-  
CHANGED

**CAPEX**  
Unchanged or slightly reduced compared to 2017

# We are targeting bolt-on acquisitions and consolidation in online classifieds – using our strong financial base

## Net interest bearing debt currently below target range

NIBD (NOK million) and NIBD/EBITDA



## M&A track record with strong results



Brazil  
2017



Mexico 2015



France  
2016



Spain 2015



France  
2017



Spain 2017

- Bolt-on acquisitions and consolidation are highly attractive in online classifieds
- Current financial leverage allows significant M&A activity
- We will continue to be slightly under levered according to our target range in the short-medium term, while pursuing M&A strategy

# Q2 2018 – Continuing our steady growth

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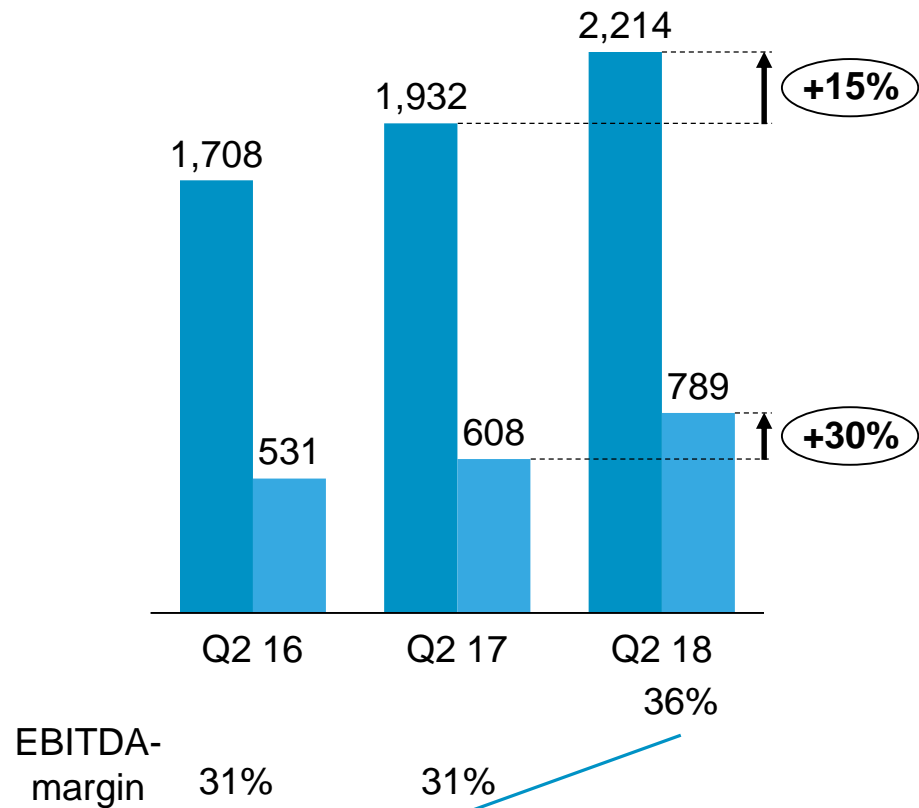
A person is seen from the back, looking out over a city street at sunset. They are holding a white coffee cup in their right hand and a wooden skateboard under their left arm. The scene is bathed in the warm, golden light of the setting sun, which is visible as a bright, glowing orb in the upper right. The background shows the silhouettes of buildings and streetlights, creating a bokeh effect.

# APPENDICES

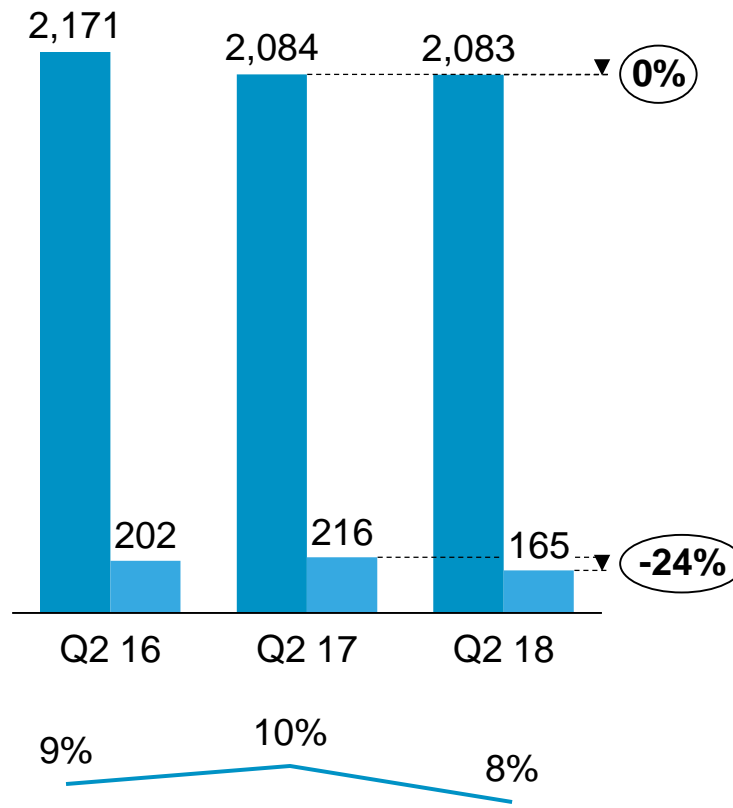
Spreadsheet containing detailed Q2 2018 and Historical and analytical Information can be downloaded from [www.schibsted.com/ir](http://www.schibsted.com/ir)

# We continue to deliver profit improvement

## Marketplaces



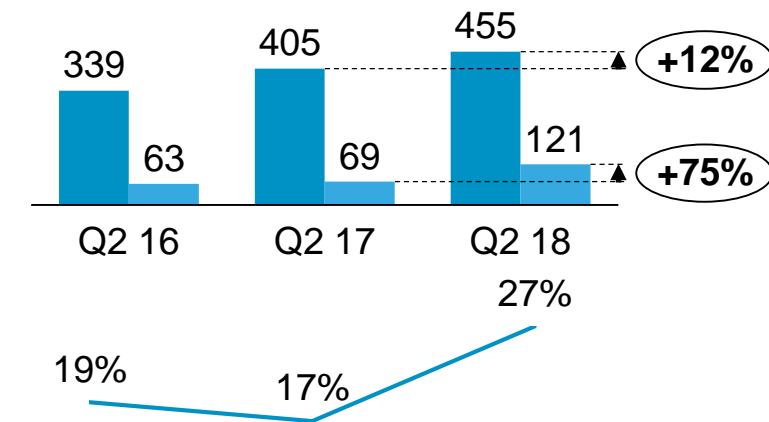
## Publishing



## Schibsted Growth

excl. Hitta.se (divested Q3 2017)

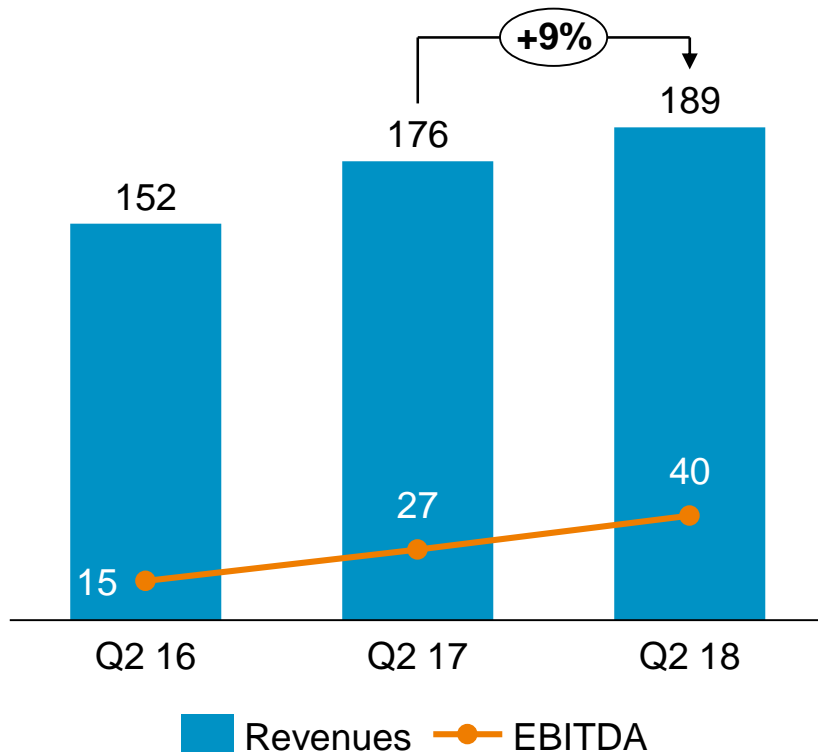
■ Revenue ■ EBITDA



# Continued revenue growth in Italy and Ireland, limited cost increase

## Other Developed markets

Revenues and EBITDA-margin (NOK million)



- Continued solid revenue growth in verticals in all geographies
- Lower growth rate in display advertising
- Improved EBITDA margin as a result of tight cost control



Italy



ADVERTS.ie

Ireland



Colombia



Hungary

# Key operations – Marketplaces

Second quarter (NOK million)			First half year		Year
yoy %	2017	2018	Norway developed phase	2018	2017
16 %	435	503	Operating revenues	911	827
11 %	242	268	Operating expenses	504	479
21 %	193	235	EBITDA	407	347
44 %	47 %		EBITDA-margin	45 %	42 %

Second quarter (EUR million)			First half year		Year
yoy %	2017	2018	France developed phase	2018	2017
21 %	65	78	Operating revenues	152	127
44 %	25	36	Operating expenses	68	49
6 %	40	42	EBITDA	83	77
61 %	54 %		EBITDA-margin	55 %	61 %

Second quarter (EUR million)			First half year		Year
yoy %	2017	2018	Spain developed phase	2018	2017
17 %	35	40	Operating revenues	78	67
3 %	27	27	Operating expenses	56	54
61 %	8	13	EBITDA	22	13
23 %	32 %		EBITDA-margin	29 %	19 %

Second quarter (SEK million)			First half year		Year
yoy %	2017	2018	Sweden developed phase	2018	2017
-5 %	277	264	Operating revenues	492	519
1 %	124	125	Operating expenses	249	235
-9 %	153	139	EBITDA	244	283
55 %	53 %		EBITDA-margin	49 %	55 %



# Key operations – Publishing and Growth

## Publishing

Second quarter (NOK million)			First half year			Year
yoy %	2017	2018	VG (Verdens Gang)	2018	2017	2017
5 %	439	459	Operating revenues	902	870	1,746
18 %	216	255	- online	490	420	863
-9 %	224	204	- offline	413	450	882
7 %	352	377	Operating expenses	740	695	1,407
-6 %	87	82	EBITDA	162	176	339
20 %	18 %		EBITDA-margin	18 %	20 %	19 %

Second quarter (NOK million)			First half year			Year
yoy %	2017	2018	Aftenbladet	2018	2017	2017
-8 %	470	434	Operating revenues	848	889	1,830
1 %	226	228	- online	443	415	887
-15 %	244	206	- offline	405	474	943
-5 %	400	381	Operating expenses	760	787	1,568
-25 %	70	53	EBITDA	88	102	262
15 %	12 %		EBITDA-margin	10 %	12 %	14 %

Second quarter (NOK million)			First half year			Year
yoy %	2017	2018	Subscription based newspapers	2018	2017	2017
-2 %	902	886	Operating revenues	1,745	1,769	3,525
9 %	211	230	- online	448	411	840
-5 %	691	656	- offline	1,297	1,358	2,685
1 %	819	825	Operating expenses	1,654	1,645	3,272
-27 %	83	61	EBITDA	91	124	253
9 %	7 %		EBITDA-margin	5 %	7 %	7 %

## Growth

Second quarter (NOK million)			First half year			Year
yoy %	2017	2018	Lendo Group	2018	2017	2017
26 %	165	208	Operating revenues	423	312	704
18 %	104	124	Operating expenses	244	197	411
40 %	60	84	EBITDA	179	115	293
37 %	41 %		EBITDA-margin	42 %	37 %	42 %

# IFRS 15 and IFRS 16 impact

## IFRS 15 – New revenue recognition standard

- Implemented in Schibsted as of Q1 2018
- Negative effect on revenue and EBITDA of around NOK 8 million in Q2 2018. NOK 30 million YTD.
- Certain classifieds revenues being recognized over a longer period than previously
- The effect in Q3 to Q4 is expected to be minor
- No impact in Publishing nor Growth

## IFRS 16 – New financial reporting standard for leasing

- IFRS 16 for leases will be implemented Q1 2019
- Current lease expenses indicate that this will have a positive impact of EBITDA in the magnitude of NOK 500 million

# Underlying tax rate stable around 30%

- Reported tax rate may deviate significantly from the nominal tax rates in our markets. The main reasons are:
  1. Share of profit (loss) of joint ventures and associates being reported net of tax
  2. Unrecognised tax benefits from tax losses in Online Classifieds Investment phase operations and product & tech development
  3. Non-deductible expenses or non-taxable gains
- With reduced investments, the reported tax rate will in the future converge towards the Underlying tax rate
- Underlying tax rate broadly represents a weighted average of the tax rates in the countries Schibsted is in tax position. Any reduction in corporate tax rates in countries like France would reduce this rate

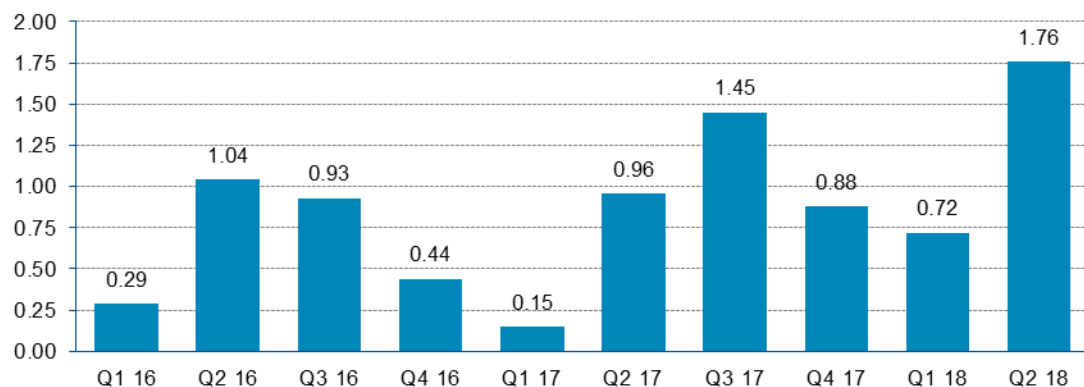
	First half year 2018
Reported profit (loss) before taxes	982
Share of profit (loss) of joint ventures and associates	-24
Other losses for which no deferred tax benefit is recognised	644
Gain on sale of subsidiaries, joint ventures and associates	-
Impairment losses	130
"Adjusted" tax base	1,732
Taxes	497
Adjusted "Underlying" effective tax rate	28.7%

- Investment phase losses  
- Negative result from product & tech losses in the "Other & headquarter" segment

Weighted average of the tax rates in the countries Schibsted is in tax position

# Key financial figures

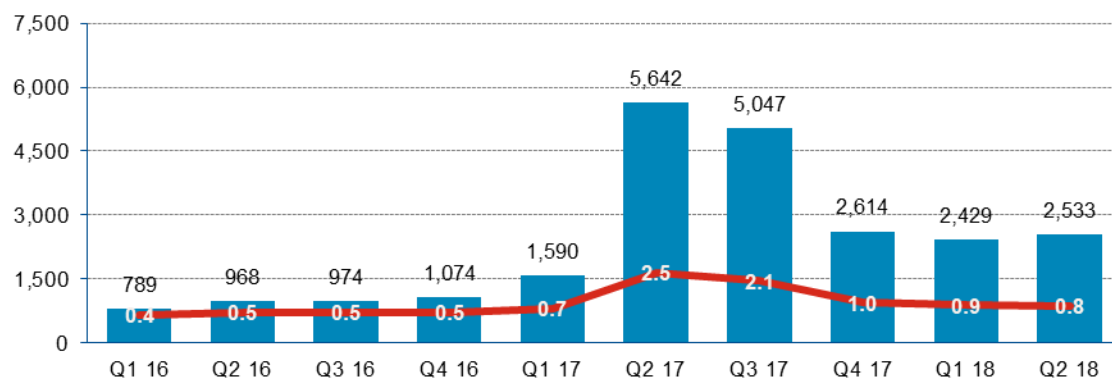
## Earnings per share - adjusted NOK



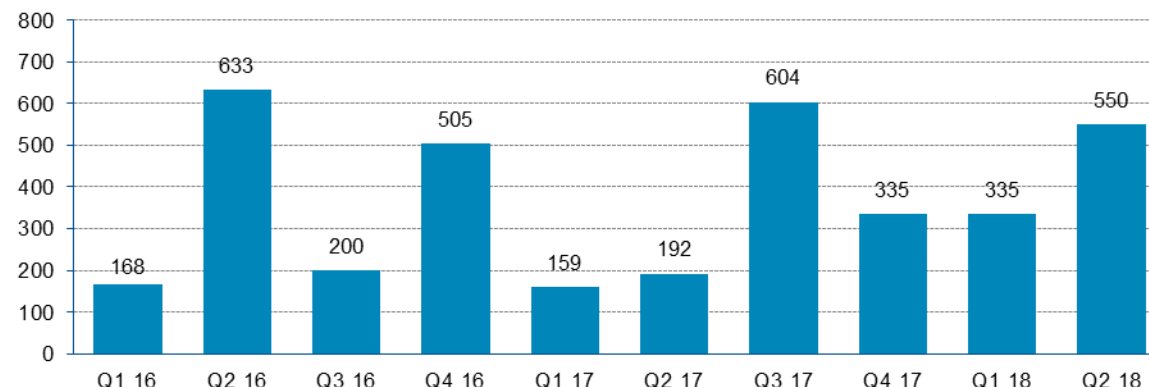
## Net interest bearing debt

Net interest bearing debt (NOK) and  
Ratio of Net interest bearing debt/LTM EBITDA

Note: NIBD/EBITDA  
according to bank  
definition.

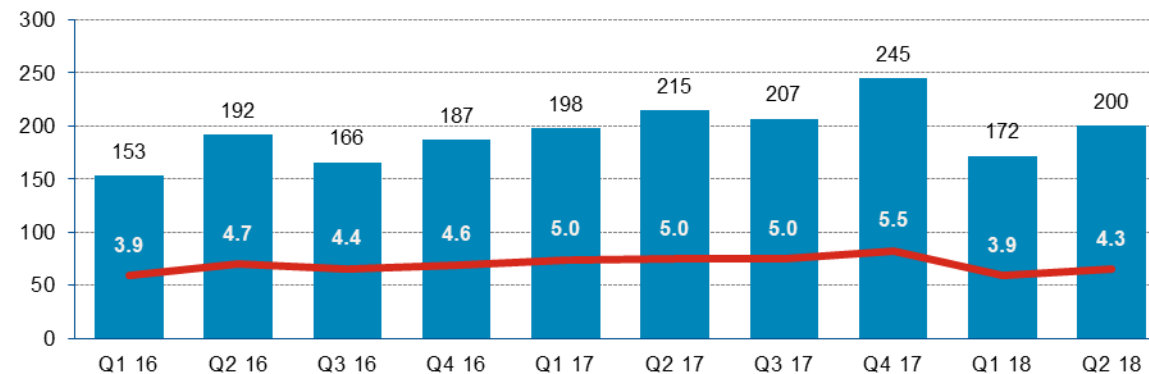


## Net cash flow from operating activities NOK million



## CAPEX

CAPEX (NOK million) and CAPEX/Sales (%)





# Cash flow

(NOK million)	Second quarter	
	2017	2018
Profit (loss) before taxes	1,735	593
Depreciation, amortisation and impairment losses	165	300
Net effect pension liabilities	13	4
Share of loss (profit) of joint ventures and associates, net of dividends received	30	(5)
Taxes paid	(347)	(217)
Sales losses (gains) non-current assets and other non-cash losses (gains)	(1,310)	-
Change in working capital and provisions	(94)	(123)
<b>Net cash flow from operating activities</b>	<b>192</b>	<b>550</b>
Net cash flow from investing activities	(3,486)	(212)
Net cash flow before financing activities	(3,295)	338
Net cash flow from financing activities	3,024	(451)
Effect of exchange rate changes on cash and cash equivalents	15	(5)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(256)</b>	<b>(118)</b>
Cash and cash equivalents at start of period	751	1,805
<b>Cash and cash equivalents at end of period</b>	<b>495</b>	<b>1,688</b>

# Basic information

	A-share	B-share
<b>Ticker</b>		
<i>Oslo Stock Exchange:</i>	SCHA	SCHB
<i>Reuters:</i>	SBSTA.OL	SBSTB.OL
<i>Bloomberg:</i>	SCHA:NO	SCHB:NO
<b>Number of shares (13 July 2018)</b>	108,003,615	130,684,373
<b>Treasury shares (13 July 2018)</b>	256,227	49,335
<b>Number of shares outstanding</b>	107,747,388	130,635,038
<b>Free float*</b>	74%	78%
<b>Share price (13 July 2018)</b>	NOK 266.00	NOK 244.00
<b>Average daily trading volume (shares)**</b>	244,000	126,000
<b>Market Cap total (13 July 2018)</b>	NOK 60.6 bn., EUR 6.4 bn., GBP 5.6 bn., USD 7.5 bn.	



\*) Total number of shares excluding treasury shares and shares owned by Blommenholm Industrier AS.

\*\*) Since 1 January 2018

# Shareholder analysis

Rank	Name	A-Shares	B-shares	Total	% of vote
1	Blommenholm Industrier AS	28,188,589	28,598,589	56,787,178	25.6 %
2	Baillie Gifford & Co.	7,786,624	6,382,839	14,169,463	7.0 %
3	Folketrygdfondet	6,905,910	11,159,950	18,065,860	6.6 %
4	Adelphi Capital LLP	4,642,988	3,824,533	8,467,521	4.2 %
5	NWT Media AS	4,274,300	4,100,000	8,374,300	3.9 %
6	Platinum Investment Management Ltd.	3,943,173	3,415,801	7,358,974	3.5 %
7	Fidelity Management & Research Company	3,741,171	2,562,369	6,303,540	3.3 %
8	Alecta pensionsförsäkring, ömsesidigt	3,464,000	3,633,600	7,097,600	3.2 %
9	Luxor Capital Group, L.P.	2,003,131	5,168,589	7,171,720	2.1 %
10	The Vanguard Group, Inc.	2,144,688	2,367,639	4,512,327	2.0 %
11	Echinus Capital, LLC	2,159,781	771,870	2,931,651	1.8 %
12	Marathon Asset Management LLP	1,886,399	1,570,062	3,456,461	1.7 %
13	DNB Asset Management AS	1,508,440	4,631,223	6,139,663	1.6 %
14	Fidelity International	1,740,844	1,501,994	3,242,838	1.6 %
15	Echinus Partners LP	1,511,730	1,470,643	2,982,373	1.4 %
16	Storebrand Kapitalforvaltning AS	1,424,018	1,558,420	2,982,438	1.3 %
17	Nordea Funds Oy	1,225,414	1,678,926	2,904,340	1.2 %
18	Metzler Asset Management GmbH	1,331,714	0	1,331,714	1.1 %
19	Antipodes Partners Limited	1,064,619	0	1,064,619	0.9 %
20	Tw eedy, Brow ne Company LLC	900,000	900,000	1,800,000	0.8 %

Source: Nasdaq OMX. Data as of 18 June 2018.

Shareholders	SCHA	SCHB
% of foreign shareholders**	59.3 %	57.1 %
Number of shareholders	4,039	4,251
Number of shares	108,003,615	130,684,373
Shares ow ned by Schibsted	256,227	49,335

## Largest country of ownership A+B (VPS)

Norw ay**	41.9 %
U.S.A.	25.5 %
U.K.	9.3 %
Sw eden**	8.9 %
Ireland	2.4 %
Luxembourg	2.3 %

\*\* ) NWT Media AS is counted as a Sw edish shareholder.

Updated information and VPS register at:

[www.schibsted.com/en/ir/Share/Shareholder-new](http://www.schibsted.com/en/ir/Share/Shareholder-new)

*The shareholder ID data are provided by Nasdaq OMX. The data are obtained through the analysis of beneficial ownership and fund manager information provided in replies to disclosure of ownership notices issued to all custodians on the Schibsted share register. Whilst every reasonable effort is made to verify all data, neither Nasdaq OMX or Schibsted can guarantee the accuracy of the analysis.*

# INVESTOR INFORMATION

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