

Bonnier AB to Sell Bonnier Broadcasting to Telia

TRANSITION. Bonnier AB to divest Bonnier Broadcasting, with brands TV4, C More and Finnish MTV, to Telia Company for SEK 9.2 billion.



IN ORDER TO create the best possible foundation and maneuverability for the future of its business, Bonnier AB is selling its business area Bonnier Broadcasting to Telia Company, pending approval from competition authorities.

BONNIER BROADCASTING'S Swedish operations include TV4 and C More. Included in TV4 are the various channels of the network, the streaming service TV4 Play as well as other advertising-based services, such as soccer site Fotbollskanalen and food site Köket.se. Sweden's fastest growing streaming service, C More, in-

cludes a range of pay TV channels. In Finland, MTV is the country's oldest and leading commercial TV network offering free programming in a number of advertising-based channels, as well as a pay TV service under the C More brand.

"WE ARE CONVINCED that this is a really good deal for Bonnier and for our companies. As a family-owned business, Bonnier has a clear long-term perspective and this divestment gives our remaining businesses a stronger financial foundation with the best possible conditions for the future," says Carl Johan Bonnier, Chairman of the Board for Bonnier AB.

"AS OWNERS, we are very proud of the development of our TV operations during the years Bonnier has served as owner. With Telia Company as owner, Bonnier Broadcasting's leading quality content will be combined with cutting-edge knowledge within technology and distribution, which means an excellent foundation for future development of TV4, MTV and C More. For us, it's also been critical that TV4, MTV and C More have a new owner who sees the value in maintaining and ensuring the key principle of editorial independence."



Carl-Johan Bonnier,
Chairman of the Board,
Bonnier AB

PHOTO: PETER JONSSON

In July, one of the biggest business deals in Bonnier's history was announced: the sale of the Broadcasting operations – including C More and TV4 as well as MTV in Finland – to Telia Company. The sale amounts to SEK 9.2 billion, with potentially an additional SEK 1 billion, based on future revenue and EBITA.

THIS DEAL not only provides a good home for the companies within Broadcasting, it also ensures Bonnier's financial stability and the long-term future of the company, as well as provides resources for investing in growth and growing our digital user revenues. The sale is expected to be completed in mid-2019.

FOLLOWING ON the heels of this divestment, a major reorganization of the governance structure for Bonnier was announced, wherein the current business areas will become independent companies with strategic governance driven by the board of directors for each respective company, starting Jan. 1, 2019. The companies will report to a holding company formed by a merger of Bonnier AB with Bonnier Holding, which will be headed by Erik Haegerstrand, current CEO for Bonnier Holding.

AFTER I FINISH as CEO of Bonnier AB, I will move on to serve as board chair for Bonnier News, the Adlibris Group and Bonnier Broadcasting while the latter remains a part of Bonnier, a new role that I look forward to carrying out.



Tomas Franzén,
CEO, Bonnier AB

PHOTO: PETER JONSSON

Bonnier Changes Organizational Structure

GOVERNANCE. Business Areas to Become Independent Companies.

UNDER A NEW restructuring of the business, Bonnier's business areas will become independent companies. The strategic governance will be driven via the board of directors for each respective company, instead of by the parent company Bonnier AB as they are today. The change will be complete as of Jan. 1, 2019.

AS PART OF the change, Bonnier AB and its parent company Bonnier Holding will be combined into a smaller company that functions purely as a holding company. Tomas Franzén will lead the work with these changes during the fall. After finishing in his role as CEO and group head for Bonnier AB, Franzén will serve as board chair for News, Broadcasting and the Adlibris Group.

"In July, we signed an agreement for the sale of Bonnier Broadcasting to Telia," says Chairman of the Board Carl Johan Bonnier. "The deal

strengthens Broadcasting as well as our other companies, and provides Bonnier with more financial power and maneuverability for the future. While we become a smaller group, at the same time we also gain room to be more aggressive in both our investments and acquisitions.

"WITH THIS IN mind, we are taking a next step and changing the corporate governance by turning Bonnier AB's business areas into independent companies. This gives a clearer mandate to each CEO and board for each respective company, with the possibility for the board to work more quickly and provide more value, closer to the business. In conjunction with this, we are changing the superstructure of the group by combining Bonnier AB and Bonnier Holding to a smaller holding company, with Erik Haegerstrand as CEO."

Weldon Owen to Insight Editions

BOOKS. U.S. book publisher sold.

BONNIER PUBLISHING USA has announced that its subsidiary book publisher Weldon Owen has been acquired by publisher Insight Editions based near San Francisco, California.

THE BUSINESS will continue to operate as Weldon Owen International, a newly formed subsidiary of Insight Editions.



Weldon Owen specializes in cookbooks, lifestyle, children's reference and educational titles.



Bonnier News Grows

GOVERNANCE. Bonnier Magazines & Brands and Bonnier Business to Business to become part of Bonnier News.

FOLLOWING AN announcement of plans for a major change in governance structure, Bonnier has made a decision to consolidate several of its businesses within Bonnier News as of the beginning of 2018. Under the consolidation, Swedish magazine publisher Bonnier Magazines & Brands will merge with Bonnier News Lifestyle to become one orga-

nization that will be a part of Bonnier News.

IN ADDITION, the business area Business to Business – which includes business media and niche knowledge and information services in the Nordic region, Germany and Eastern Europe – will become part of Bonnier News.

Bonnier Joins Pamono Investment Round

FUNDING. Berlin-based vintage and contemporary design marketplace Pamono gets EUR 7.5 million.

BONNIER VENTURES has joined current backers, the investment firms DN Capital, HV Holtzbrinck Ventures, and Atlantic Labs in funding support to further the five-year-old startup's plans to take things to the next level of expansion, brand-building and sales in Europe, the U.S.

and beyond.

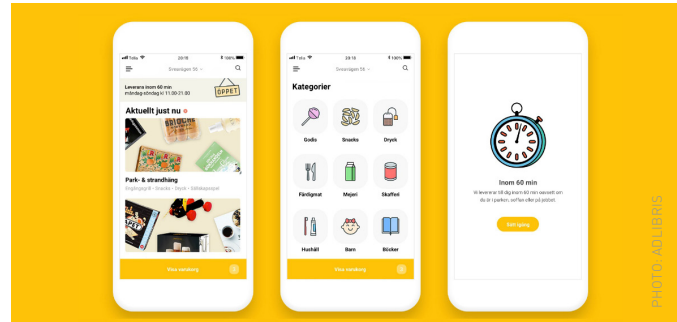
Bonnier Ventures' investment in Pamono follows in the footsteps of prior investment programs with the venture arms of media houses Ringier (Switzerland), Gruner + Jahr (Germany), and Lagardère (France).

Adlibris Go Launches

E-COMMERCE. Deliveries available in 60 minutes for Stockholm customers with new service from Nordic e-retailer Adlibris.

ON JULY 2, Adlibris Go opened, a local store located wherever you happen to be – at home, at work, in a park or at the beach. A selection of available products that you might need at the drop of a hat – food, presents or toiletries – are delivered within 60 minutes to your doorstep. The service is available within Stockholm city.

“The last mile is important for us in order to compete with brick & mortar stores,” says Maral Shadloo, head of the business area for Adlibris Go. “Delivery times under an hour make e-commerce possible as a comfortable alternative to running out to a store in town at the last minute for a



present for a child's birthday party or snacks for the football game, for example.”

ADLIBRIS GO is based at the Adlibris bookstore in central Stockholm, with a stock room from where all the logistics are carried out. The delivery area is within Stockholm city limits. The supplier partner is Airmee and the cost for deliv-

ery within 60 minutes is SEK 49 per order.

THE AVAILABLE assortment is mostly what can be found at a well-stocked local market, with everything from dairy products, dry goods, toiletries, candy and snacks, drinks to pre-prepared food. Adlibris Go also offers presents such as books and toys.



Permindar Mann to Head Up Bonnier Books UK

BOOKS. Bonnier Publishing UK rebrands as Bonnier Books UK.

BONNIER Publishing UK has announced that it will be re-branding as Bonnier Books UK, as part of a new strategy to align the company more closely with parent company Bonnier Books.

The planned changes will see Bonnier Publishing UK under the leadership of Permindar Mann. The business will report directly to Bonnier

Books, headquartered in Sweden.

Jim Zetterlund, Interim Group CEO for the business, will become chairman of the board of directors. “Permindar has led the UK business with impressive skill and dedication over the past year and I am confident she is the right candidate to lead the company,” says Zetterlund.”

Bonnier Sole Owner of Clio Online

Jesper Eiby Christoffersen named new CEO.

BONNIER BUSINESS to Business has fully acquired the successful Danish tech company Clio Online, market leader for digital teaching materials, which are used by ninety percent of Danish primary and lower secondary schools.

Since 2015, Bonnier has been majority owner but has now bought out the three founders – Lasse Guldsgborg, Janus Benn Sørensen and Louise Herping Ellegaard – who will depart the company. Google's former Head of SMB Marketing for Northern Europe, Jesper Eiby Christoffersen, has been chosen as new CEO.

Lotta Edling



→ Lotta Edling to head journalism development for Bonnier News, Peter Fellman steps in to return as editor-in-chief for *Dagens industri*

Peter Fellman



→ Bonnierförlagen starts **Fenix**, new imprint for children's books in Arabic for the 70,000 Arabic speaking children in Sweden

DAGENS MEDIA
Medie
världen

→ Bonnier Business Media acquires media news outlets *Dagens Media/ Medievärlden*

→ Bonnier Magazines starts up a new concept and content agency

Eight Month Report

EBITA amounted to SEK 79 million, which was SEK 279 million better than previous year. The positive deviation derived predominantly from Broadcasting, but also Ventures and Film Studios performed stronger than last year. Organic growth in total revenues was +0.7 %. Growth in revenues from Sweden was strong (+5.8 %), however we saw a negative contribution in revenues from the U.S., the Nordic countries (except Sweden) and the U.K.

EARNINGS before tax (EBT) were SEK -31 million, which was SEK 286 million better than previous year.

NET DEBT was SEK 9.6 billion, which was SEK 0.9 billion higher compared to end of August 2017. Net debt growth was mainly driven by negative translation differences and OCI effects, but also by negative net cash flow from acquisitions/divestments. The gearing ratio was 2.53 (1.48), which was negatively affected by equity effects from asset write-downs but also by increased net debt. Included in net debt are pension liabilities of SEK 2.7 billion, which were SEK 0.2 billion higher compared to end of August 2017.

CASH FLOW before dividends and acquisitions was SEK -660 million, which was SEK 714 million better than previous year, primarily driven by recovery in working capital but also by lower restructuring costs.

CASH and unutilized committed credit facilities were SEK 6.2 billion, which was SEK 0.5 billion lower than at the end of August 2017.

EARNINGS		JAN-AUG		LTM		
SEK M	2018	2017	AUG 18	AUG 17	2017	2016
Net Sales	16 073	15 542	26 271	25 593	25 740	25 492
EBITA	79	-199	904	747	625	731
Operating Profit	103	-199	-1 121	627*	-1 423	630*
Net Financial Items	-133	-117	-228	-210	-212	-239
Profit/loss before tax	-31	-317	-1 349	416*	-1 635	391*
Profit/loss for the year	-68	-217	-2 090	268*	-2 239	276*

NET SALES BY BUSINESS AREA		JAN-AUG		LTM		
SEK M	2018	2017	AUG 18	AUG 17	2017	2016
Books	3 636	3 475	6 436	6 287	6 274	6 064
E-Commerce	1 294	1 145	2 151	1 961	2 002	1 775
Broadcasting	5 078	4 653	7 922	7 418	7 497	7 397
Film Studios	722	825	1 285	1 322	1 389	1 334
Ventures	225	229	398	370	402	457
Magazines	1 955	2 269	3 141	3 663	3 455	3 799
Business to Business	753	704	1 179	1 124	1 130	1 111
News	3 190	3 003	5 076	4 683	4 890	4 679
Other/elim/divested	-781	-762	-1 318	-1 235	-1 299	-1 124
Bonnier AB total	16 073	15 542	26 271	25 593	25 740	25 492

EBITA BY BUSINESS AREA		JAN-AUG		LTM		
SEK M	2018	2017	AUG 18	AUG 17	2017	2016
Books	-214	-186*	47*	294*	74*	380
E-Commerce	-77	-8	-38	44	31	47
Broadcasting	684	135	972	437	423	373
Film Studios	-18	-46	14	-58	-14	-29
Ventures	-17	-87	-23	-133	-93	-175
Magazines	14	87	96	248	168	265
Business to Business	60	73	118	141	131	164
News	13	117	200	299	303	294
Other	-366	-283*	-480*	-526*	-397*	-589
Bonnier AB total	79	-199	904	747	625	731

EBITA MARGIN BY BUSINESS AREA		JAN-AUG		LTM		
%	2018	2017	AUG 18	AUG 17	2017	2016
Books	-5.9 %	-5.4 %*	0.7 %*	4.7 %*	1.2 %*	6.3 %
E-Commerce	-6.0 %	-0.7 %	-1.8 %	2.3 %	1.6 %	2.7 %
Broadcasting	13.5 %	2.9 %	12.3 %	5.9 %	5.6 %	5.0 %
Film Studios	-2.4 %	-5.6 %	1.1 %	-4.4 %	-1.0 %	-2.2 %
Ventures	-7.7 %	-38.0 %	-5.9 %	-35.8 %	-23.2 %	-38.2 %
Magazines	0.7 %	3.8 %	3.0 %	6.8 %	4.9 %	7.0 %
Business to Business	7.9 %	10.3 %	10.0 %	12.5 %	11.6 %	14.8 %
News	0.4 %	3.9 %	3.9 %	6.4 %	6.2 %	6.3 %
Other	n/a	n/a*	n/a*	n/a*	n/a*	n/a
Bonnier AB total	0.5 %	-1.3 %	3.4 %	2.9 %	2.4 %	2.9 %

NET SALES BY COUNTRY		JAN-AUG		LTM		
SEK M	2018	2017	AUG 18	AUG 17	2017	2016
Sweden	9 502	8 959	15 473	14 582	14 930	14 418
Finland	1 804	1 738	2 987	2 933	2 921	3 048
Norway	661	726	1 037	1 139	1 102	1 137
Denmark	878	952	1 371	1 538	1 446	1 536
USA	730	962	1 272	1 615	1 504	1 750
Germany	1 408	1 121	2 308	1 976	2 020	1 918
Other markets	1 090	1 084	1 824	1 809	1 818	1 684
Bonnier AB total	16 073	15 542	26 271	25 593	25 740	25 492

CASH FLOW		JAN-AUG		LTM		
SEK M	2018	2017	AUG 18	AUG 17	2017	2016
Internally generated funds	2 338	2 064*	4 427*	4 198*	4 153*	4 231*
Change in working capital	-26	-529	-263	-377*	-767	-64*
	2 312	1 535*	4 164*	3 821*	3 387	4 168
Net investments in operations	-2 972	-2 909*	-4 190*	-4 423*	-4 127	-4 522
Free cash flow	-660	-1 374	-26	-602	-740	-354
Net acquisitions/divestments, shareholdings and participations	122	166	-159	287	-116	128
Cash flow after acquisitions and divestments	-538	-1 208	-186	-314	-856	-226
Dividends, group/shareholders contribution, etc.	-54	-379	-54	-380	-380	-286
Revaluation derivatives	-14	19	-17	24	16	0
Adj. other comprehensive income	-113	-53	-169	-48	-109	-34
Translation difference etc.	-305	288	-441	2	152	-218
Change in net debt	-1 024	-1 334	-867	-716	-1 177	-763

Operating capital, SEK M		18-08-31	17-08-31	2017	2016
Property, plant and equipment and intangible assets excl. goodwill		4 386	4 221*	4 002*	3 879*
Working capital, incl. taxes		120	723*	-97*	-103*
Other financial assets		1 020	732	889	688
Goodwill		7 842	8 912	7 680	8 828
Operating capital		13 368	14 588*	12 474*	13 292*
Net debt		9 577	8 710	8 553	7 376
Equity including non-controlling interests		3 791	5 878*	3 921*	5 916*
Financing of operating capital		13 368	14 588*	12 474*	13 292*
Gearing, net debt/equity ratio		2.53	1.48*	2.18*	1.25*
Cash and unutilized committed credit facilities		6 202	6 715	6 955	6 745

* The comparative figures have been adjusted due to a reevaluation of the group's accounting of intangible assets and inventory relating to development costs and publishing rights, and correction of errors.