

Münchner Verlagsgruppe Joins Up With Bonnier

ACQUISITION. Bonnier Media Deutschland acquires German book publisher Münchner Verlagsgruppe.



Christian Jund,
Münchner
Verlagsgruppe



Christian Schumacher-
Gebler, Bonnier Media
Deutschland

PHOTOS: MÜNCHNER VERLAGSGRUPPE & PETER VON FELBERT

THE GERMAN BOOK publishing group Bonnier Media Deutschland has added a new publisher to its stable: Münchner Verlagsgruppe, with its imprints riva, mvg, FinanzBuch, Redline and Lago. Christian Jund, former owner and founder of the group and the entire publishing house, including managing directors Oliver Kuhn and Matthias Setzler, will remain on board.

Münchner Verlagsgruppe is known for an innovative and successful data-based publishing strategy used for some of its imprints, analyzing the most frequent

search terms entered into search engines such as Amazon and Google and producing books that fit those needs and then using alternative techniques to market the books.

“WE ARE EXPANDING our publishing spectrum with an innovative and highly successful publishing group with impressive growth,” says Christian Schumacher-Gebler, CEO of Bonnier Media Deutschland. “I am pleased to welcome our new colleagues and that they have chosen to join together with Bonnier.”

Shift for Magazines

MAGAZINES. Bonnier Tidskrifter Becomes Bonnier Magazines & Brands.

BONNIER TIDSKRIFTER has changed its name to Bonnier Magazines & Brands. The name change is in conjunction with the company’s moving from its previous location at Sveavägen 53 in Stockholm to



the Bonnier Building at Torsgatan 21.

“The Swedish word tidskrifter, with its close connotation to print, has worked well to describe what we do, but today we do so much more than just print magazines,” says Lars Dahmén, CEO for Bonnier Magazines & Brands and head of Bonnier’s business area Magazines. “The new name reflects our work so much better, it shows that magazines are still central, at the same time it brings out that we do so much more around our strong brands.”

For Bonnier, the second four months of 2017 have been marked by investments and acquisitions, reorganization and digital steps forward for several of our valued brands.

THE BIGGEST INVESTMENT was in German book publisher Münchner Verlagsgruppe, which publishes books on topics using an innovative and partly data-based approach. A smaller investment was made in Sweden, where Bonnier Business Media acquired majority shares in healthcare communications hub Svenska Patientpoolen. In the U.S., Bonnier Growth Media has invested in digital startup platform Betaworks.

ON THE ORGANIZATION front, Swedish magazine publisher Bonnier Tidskrifter has not only moved its offices to the Bonnier Building on Torsgatan in Stockholm, it’s changed name to Bonnier Magazines & Brands to more accurately reflect the business. In southern Sweden, newspaper group HD-Sydsvenskan is now being integrated into the rest of the daily papers within Bonnier News.

FINALLY, OUR DIGITAL transformation continues with some notable successes and new opportunities. Digital-first media channel KIT is now marketing its innovative content platform Story Engine to other media companies. And Swedish news daily *Dagens Nyheter* is having great success with new digital subscribers, which now number 113,000.



Tomas Franzen
CEO, Bonnier AB

PHOTO: PETER JÖNSSON

Growth Media Teams With Betaworks

STARTUPS. Investment gives Bonnier a foot in the door with interesting digital media startups in the U.S.



BONNIER GROWTH Media has invested in startup platform Betaworks. New York-based Betaworks is a highly respected investor in early stage digital media startups and works with a number of exciting companies, such as GIPHY, Bitly, Blend, Medium and Gimlet, among many others.

“We are working at establishing ourselves as an invest-

or in early stage startups around the world, and several of our portfolio companies are present in the U.S.,” says Ulrika Saxon, CEO for Bonnier Growth Media. “Through this investment, we get the chance to team up with a well-established partner known for its digital media startups.

Allt om Vin to Bonnier News Lifestyle

MAGAZINES. Swedish wine enthusiast magazine moves from Bonnier Magazines & Brands to Bonnier News Lifestyle.

BONNIER NEWS Lifestyle, which includes a number of lifestyle brands within the Bonnier News business area, has taken over *Allt om Vin*.

“We’ve identified wine as an important topic that we can develop new digital business around,” says Anna-Clara Welander, head of Bonnier News Lifestyle. “*Allt om Vin* is a strong brand with high consumer awareness and credibility, it will be an important piece of the puzzle from here on out.”

BONNIER NEWS Lifestyle’s strategy is to focus on new digital business, including e-commerce and services.

“Wine will continue to be an important focus for Bonnier Magazines & Brands, primarily with brands such as *Allt om Mat* and *Lantliv Mat & Vin*. But *Allt om Vin* fits better with what Bonnier News Lifestyle is doing, so the move makes a lot of sense,” says Lars Dahmén, CEO for Bonnier Magazines & Brands.

BBM Buys Shares in Svenska Patientpoolen

INVESTMENT. Communications hub for patients added to roster of health media and services.

BONNIER BUSINESS Media has acquired majority shares in Svenska Patientpoolen AB. Startup company Svenska Patientpoolen, using the brand LyfePond, aims to be a communications hub between patients and the pharmaceutical and healthcare industries as well as other stakeholders within the world of life sciences.

“Svenska Patientpoolen

has developed a very exciting concept that we aim to strengthen within our strong brands and extensive reach within the patient segment,” says Fredrik Andersson, responsible for new growth business within Bonnier Business Media. “We can provide the entrepreneurs with an environment and tools to help realize LyfePond’s full potential.”



KIT’s Story Engine Available for Partners

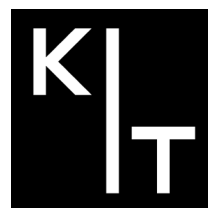
DATA-DRIVEN PUBLISHING. Platform for creating the most effective content in social media.

ONE OF THE KEY factors behind the success of Sweden’s award-winning KIT, a digital-first media company, is Story Engine, its platform for creating content. And now KIT is marketing the tool to other companies. Its first announced partner is the Amazing Society.

“STORY ENGINE can forecast with great accuracy, giving users clear recommendations for how each story should be told in social media.

It’s exciting to see how the combination of the system’s

insights together with the high creative level and analytical skills of our staff can improve the efficiency of and further enhance our clients’ communication,” said Tobias Franzén, CEO for the Amazing Society, in an interview in *Resumé*.



DN Digital Success

NEWS DAILIES. Digital subscribers continue to increase at Dagens Nyheter.

JUST A FEW years ago, Swedish top news daily *Dagens Nyheter* had virtually no digital subscribers. Today, the paper has 108,000 and that number continues to climb, thanks to a decision for an all-out push for new digital subscribers.

WITH A PAYWALL for content and one-click payment in a partnership with e-commerce payment giant Klarna, the initiative has been hugely successful for the paper. Plus a digital content strategy focuses on quality and the kind of journalism that users are willing to pay for. And the news daily is using machine learning to dramatically decrease the number of digital



subscribers who later unsubscribe.

"THE MAJORITY of our purely digital subscribers are new and often young," says Peter Wolodarski, editor-in-chief.

"Growth isn't coming at the cost of the print paper, we're continuing our focus there as well."

HD-Sydsvenskan Integrated into Bonnier News

REORGANIZATION. Southern Swedish newspaper group HD-Sydsvenskan will be integrated further with the Bonnier News organization.

AS THINGS GO well for HD-Sydsvenskan, a deeper integration with Bonnier News is underway.

HD-Sydsvenskan will become a part of Bonnier News just like fellow Stockholm-based dailies *Dagens Nyheter*, *Expressen* and *Dagens industri*. In conjunction with the integration, ad sales will become part of Bonnier News Sales.

Under the changes, Anders

Eriksson has become the new CEO for HD-Sydsvenskan. Eriksson is the Bonnier News business area head as well as CEO for the other dailies in the business area. The new chairman of the board will be Bonnier AB's CEO Tomas Franzén.

"INTEGRATION with Bonnier News gives us further opportunities for long-term development and profitability by

allowing us to mobilize more resources within, for example, digital product development," says Eriksson.

"In an extremely tough market, HD-Sydsvenskan has succeeded in developing its journalistic products and creating a willingness to pay, even for digital content. Its unique local journalism will continue to be crucial for HD-Sydsvenskan."

HD-SYDSVENSKAN



Matti Zemack

PHOTO: ELIN ERIKSSON

→ **Matti Zemack** named new CTO for Bonnier AB.



Åsa Barsness

PHOTO: TV4 GROUP

→ **Åsa Barsness** named new Director of Communications and HR for Bonnier Broadcasting business area.



Perminder Mann

PHOTO: BONNIER PUBLISHING

→ **Perminder Mann** to head UK divisions of book publishing group Bonnier Publishing in UK under new consolidation.



→ Swedish homeowner stalwart **Vi i Villa** strengthens brand with launch of member club.

→ **Tom Hanks** to play title role and co-produce in SF Studios' U.S. version of *A Man Called Ove*.

→ Finnish medical journal **Mediutiset** sold to Alma Media.

Eight Month Report

EBITA amounted to SEK -199 million, which was SEK 16 million better than for the previous year. Broadcasting is clearly better than the previous year. Business to Business is the business area that has had it toughest in comparison with the previous year. The other business areas are more or less on the same level as last year. Things continue to go well for TV4, and Adlibris showed strong growth during the first eight months of this year. We continue to invest in our digital transformation, which in turn affects profit levels. Organically, revenues decreased by 0.9 percent, and we saw continued modest growth in the Swedish market, of 1 percent.

EARNINGS before tax were SEK -317 million, which was SEK 87 million lower than the previous year. Last year, we had capital gains on divestments of subsidiaries of SEK 163 million, while capital gains this year have been SEK 17 million.

NET DEBT was SEK 8.7 billion, which was SEK 0.7 billion higher compared with the end of August 2016. The gearing ratio was 1.38 (1.33). Included in net debt are pension liabilities of SEK 2.4 billion, which was SEK 0.1 billion higher compared to end of August 2016.

CASH FLOW before dividends and acquisitions was SEK -1,374 million, which was SEK 247 million lower than the previous year, primarily driven by increased working capital.

CASH and unutilized committed credit facilitated was SEK 6.7 billion, which was SEK 0.7 billion lower than at the end of August 2016. In connection with receiving a long-term loan from the European Investment Bank in September for EUR 100 million, we chose to reduce the group's syndicated credit facility by SEK 1 billion.

The Bonnier Eight Month Report is published by Bonnier AB
Göran Öhrn, CFO & David Salsbäck,
Director of Communications

EARNINGS	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2017	2016	AUG 17	AUG 16	2016	2015
SEK M						
Net Sales	15 542	15 441	25 593	25 460	25 492	25 906
EBITA	-199	-216	747	838	731	1 008
Operating Profit	-199	-85	682	920	796	939
Net Financial Items	-117	-145	-210	-414	-239	-230
Profit/loss before tax	-317	-230	471	506	558	709
Profit/loss for the year	-217	-97	324	-30	444	43

NET SALES BY BUSINESS AREA	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2017	2016	AUG 17	AUG 16	2016	2015
SEK M						
Books	4 536	4 144	8 082	7 211	7 690	6 969
Broadcasting	4 653	4 632	7 418	7 450	7 397	7 738
Growth Media	1 064	1 165	1 705	2 059	1 806	2 159
Magazines	2 260	2 393	3 649	3 824	3 782	4 045
Business to Business*	704	691	1 124	1 136	1 111	1 141
News*	3 003	2 999	4 683	4 747	4 679	4 856
Other/elim/divested*	-679	-583	-1 068	-967	-973	-1 002
Bonnier AB total	15 542	15 441	25 593	25 460	25 492	25 906

EBITA BY BUSINESS AREA	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2017	2016	AUG 17	AUG 16	2016	2015
SEK M						
Books	-109	-105	423	339	427	422
Broadcasting	135	71	437	475	373	417
Growth Media	-134	-146	-193	-214	-205	-127
Magazines	88	104	250	248	267	250
Business to Business*	73	96	141	173	164	165
News*	117	112	299	323	294	369
Other	-368	-347	-611	-506	-589	-488
Bonnier AB total	-199	-216	747	838	731	1 008

EBITA MARGIN BY BUSINESS AREA	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2017	2016	AUG 17	AUG 16	2016	2015
%						
Books	-2.4 %	-2.5 %	5.2 %	4.7 %	5.6 %	6.1 %
Broadcasting	2.9 %	1.5 %	5.9 %	6.4 %	5.0 %	5.4 %
Growth Media	-12.6 %	-12.6 %	-11.3 %	-10.4 %	-11.4 %	-5.9 %
Magazines	3.9 %	4.3 %	6.9 %	6.5 %	7.0 %	6.2 %
Business to Business*	10.3 %	13.9 %	12.5 %	15.3 %	14.8 %	14.5 %
News*	3.9 %	3.7 %	6.4 %	6.8 %	6.3 %	7.6 %
Other	n/a	n/a	n/a	n/a	n/a	n/a
Bonnier AB total	-1.3 %	-1.4 %	2.9 %	3.3 %	2.9 %	3.9 %

* The comparative figures have been adjusted for a transfer of business from Business to Business to News.

NET SALES BY COUNTRY	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2017	2016	AUG 17	AUG 16	2016	2015
SEK M						
Sweden	8 959	8 794	14 582	14 517	14 418	14 521
Finland	1 738	1 853	2 933	3 090	3 048	3 155
Norway	726	723	1 139	1 116	1 137	1 209
Denmark	952	951	1 538	1 565	1 536	1 778
USA	962	1 097	1 615	1 732	1 750	1 762
Germany	1 121	1 062	1 976	1 813	1 918	1 800
Other markets	1 084	960	1 809	1 626	1 684	1 680
Bonnier AB total	15 542	15 441	25 593	25 460	25 492	25 906

CASH FLOW	JAN-AUG		MOVING ANNUAL		JAN-DEC	
	2017	2016	AUG 17	AUG 16	2016	2015
SEK M						
Internally generated funds	1 995	2 146	4 145	4 452	4 296	4 631
Change in working capital	-529	-332	-427	-411	-229	-112
	1 466	1 814	3 719	4 041	4 067	4 519
Net investments in operations	-2 840	-2 940	-4 320	-4 415	-4 420	-4 432
Free cash flow	-1 374	-1 126	-602	-374	-354	87
Net acquisitions/divestments, shareholdings and participations	166	6	287	-81	128	-615
Cash flow after acquisitions and divestments	-1 208	-1 120	-314	-455	-226	-528
Dividends, group/shareholders contribution, etc.	-379	-286	-380	-286	-286	-608
Adj. other comprehensive income	-53	-40	-48	-121	-34	34
Translation difference, revaluation derivatives, etc.	307	67	22	57	-218	-116
Change in net debt	-1 334	-1 378	-719	-805	-763	-1 218

Operating capital, SEK M	17-08-31	16-08-31	2016	2015
	Property, plant and equipment and intangible assets excl. goodwill	4 147	3 866	3 798
Working capital, incl. taxes	1 248	918	477	369
Other financial assets	732	630	688	579
Goodwill	8 912	8 591	8 828	8 245
Operating capital	15 039	14 004	13 791	12 924
Net debt	8 710	7 991	7 376	6 613
Equity including non-controlling interests	6 329	6 013	6 415	6 311
Financing of operating capital	15 039	14 004	13 791	12 924
Gearing, net debt/equity ratio	1.38	1.33	1.15	1.05
Cash and unutilized committed credit facilities	6 715	7 403	6 745	8 078