



# Eniro Journey of Change

---

eniro

Örjan Frid, CEO  
2017-05-09

# Disclaimer

**THE INFORMATION CONTAINED IN THIS PRESENTATION IS CONFIDENTIAL INFORMATION. ACCORDINGLY, THE INFORMATION INCLUDED HEREIN MAY NOT BE REFERRED TO, QUOTED OR OTHERWISE DIRECTLY DISCLOSED BY YOU. BY REVIEWING THIS INFORMATION, YOU ARE ACKNOWLEDGING THE CONFIDENTIAL NATURE OF THIS INFORMATION AND ARE AGREEING TO ABIDE BY THE TERMS OF THIS DISCLAIMER. THIS CONFIDENTIAL INFORMATION IS BEING MADE AVAILABLE TO EACH RECIPIENT SOLELY FOR ITS INFORMATION AND IS SUBJECT TO AMENDMENT.**

This presentation has been prepared solely for informational purposes. You should not rely upon it or use it to form the definitive basis for any decision, contract, commitment or action whatsoever, with respect to any proposed transaction or otherwise. This presentation was prepared and the analysis contained in it are based on certain assumptions made by and information obtained from Eniro AB (publ) (the "Company"), its directors, officers, employees, agents, affiliates and/or from other sources. The use of such assumptions and information does not imply that Pareto Securities AB (the "Manager") has independently verified or necessarily agree with any of such assumptions or information, and the Manager has assumed and relied upon the accuracy and completeness of such assumptions and information for the purposes of this presentation.

Neither the Company, the Manager nor any of their respective affiliates, or their respective officers, employees or agents, make any representation or warranty, express or implied, in relation to the accuracy or completeness of the information contained in this presentation or any oral information provided in connection herewith, or any data it generates and accept no responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) in relation to any of such information. The Company, the Manager and their respective affiliates and their respective officers, employees and agents expressly disclaim any and all liability which may be based on this presentation and any errors therein or omissions therefrom. Neither the Company, the Manager nor any of their respective affiliates, or their respective officers, employees or agents, makes any representation or warranty, express or implied, that any transaction has been or may be effected on the terms or in the manner stated in this presentation, or as to the achievement or reasonableness of future projections, management targets, estimates, prospects or returns, if any.

This presentation does not purport to be all-inclusive or to contain all the information that you may desire in analyzing the Company or otherwise. This presentation and the information contained herein do not constitute an offer to sell or the solicitation of an offer to buy any securities, commodity or instrument or related derivative, nor do they constitute an offer or commitment to lend, syndicate or arrange a financing, underwrite or purchase or act as an agent or advisor or in any other capacity with respect to any transaction, or commit capital, or to participate in any trading strategies, and do not constitute legal, regulatory, accounting or tax advice to the recipient. We recommend that the recipient seeks independent third party legal, regulatory, accounting and tax advice regarding the contents of this presentation. This presentation does not constitute and should not be considered as any form of financial opinion or recommendation by the Manager or any of its affiliates. This presentation is not a research report and was not prepared by the research departments of the Manager or any of its affiliates.

This presentation and any materials distributed in connection with this presentation are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would

require any registration or licensing within such jurisdiction. This presentation does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in the United States. The securities described herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in or into the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Within the European Economic Area, this presentation is being made, and is directed only, to persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive 2003/71/EC and amendments thereto, including Directive 2010/77/EU, as implemented in member states of the European Economic Area ("Qualified Investors"). These materials do not constitute a prospectus within the meaning of the Swedish Financial Instruments Trading Act (in Swedish: lagen (1991:980) om handel med finansiella instrument) and do not constitute an offer to acquire securities.

This presentation is for information purposes only and does not constitute an offering document or an offer of securities to the public in the United Kingdom to which section 85 of the Financial Services and Markets Act 2000 of the United Kingdom (as amended by the Financial Services Act 2012 of the United Kingdom) applies. It is not intended to provide the basis for any evaluation of any securities and should not be considered as a recommendation that any person should subscribe for or purchase any securities. In the United Kingdom, this presentation is being made, and is directed only, to persons who are both: (a) Qualified Investors, and either (b) persons falling within the definition of Investment Professionals (contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order")) or other persons to whom it may lawfully be communicated in accordance with the Order or (c) high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). Any investment or investment activity to which this presentation relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This presentation as well as all other information provided by the Manager or the Company shall be governed by and construed in accordance with Swedish law. Any dispute or claim arising in relation to thereto shall be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.

## Forward-looking statements

Statements in this presentation, including those regarding any possible future transaction, the possible or assumed future or other performance of the Company or its industry or other trend projections, constitute forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will or may occur in the future whether or not outside the control of the Company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance is given that such forward-looking statements will prove to have been correct. You should not place undue reliance on forward-looking statements. They speak only as at the date of this presentation and neither the Company nor the Manager undertakes any obligation to update these forward-looking statements. Past performance does not guarantee or predict future performance. Moreover, the Company, the Manager and their respective affiliates and their respective officers, employees and agents do not undertake any obligation to review, update or confirm expectations or estimates or to release any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this presentation.

# Table of Contents

## 1. Q1 financial update

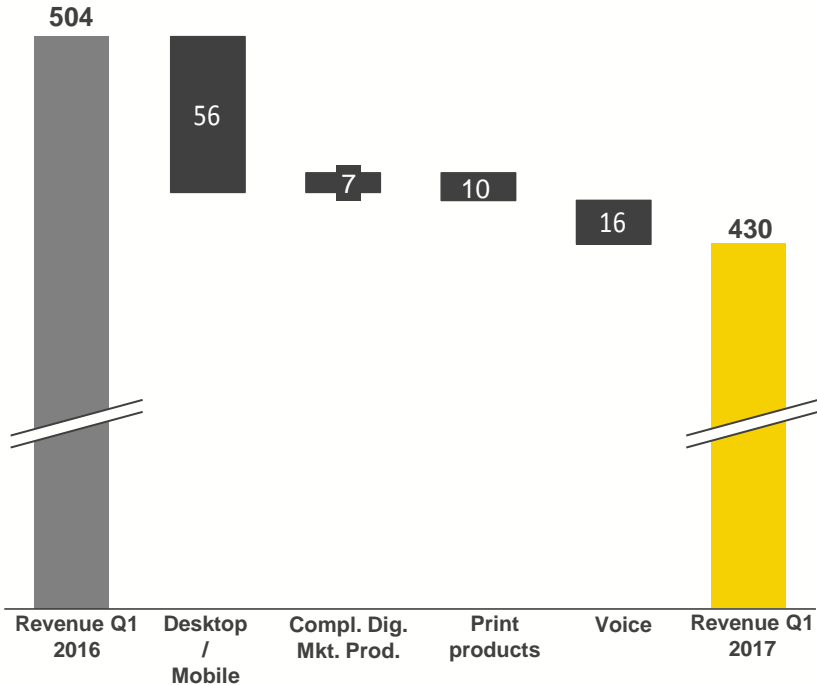
2. Business Introduction
3. Natural Digital Marketing Partner
4. Local Guide for People and Business
5. Future opportunities & KPIs
6. Summary of recapitalisation plan



# Highlights in Q1

- ARPA (average revenue per customer) is relatively constant
- Stabilizing customer base
- Continued cost control
- EBITDA Q1, 55 MSEK, in line with the Group's expectations

# Revenue bridge Q1 2017 vs Q1 2016

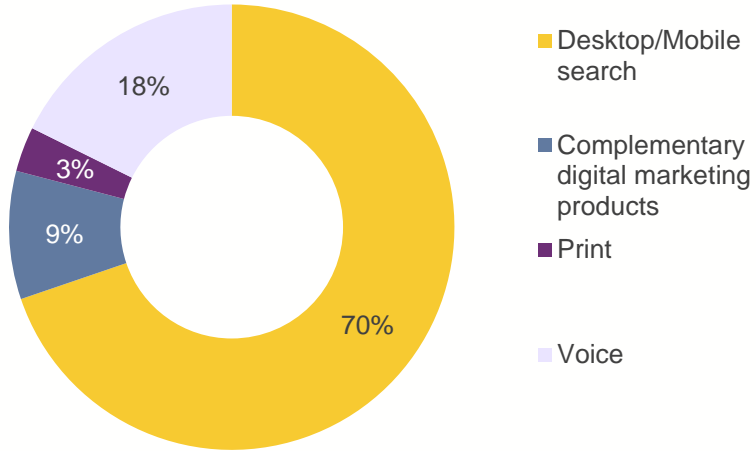


## COMMENTS

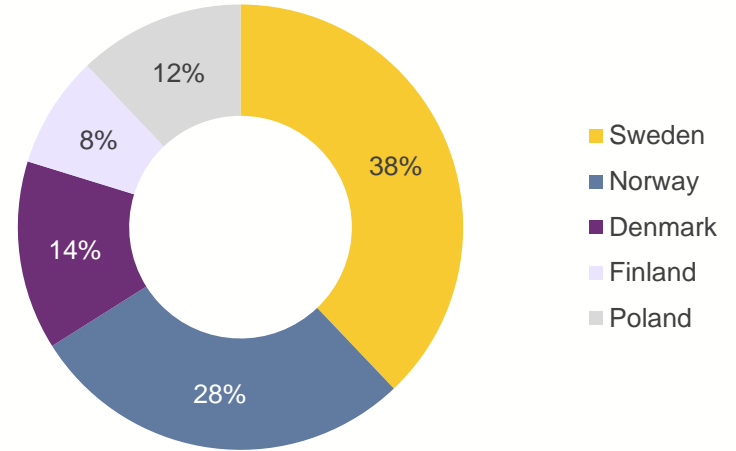
- Revenues are down with 74 MSEK (-15%) to 430 MSEK
  - Continued structural decline for Voice and Print of ~26 MSEK
  - Less sales and prepaid revenues in 2016 compared to 2015, lead to lower revenues in Q1 2017 of 15 MSEK
  - Currency effect of +12 MSEK
  - Remaining reduction is mainly an effect of lower sales in local search
- Complimentary Digital Marketing Products has increased due to a broader focus on sales of 3<sup>rd</sup> party products compared to previous year

# Revenue breakdown Q1 2017

## BREAKDOWN BY CATEGORY



## BREAKDOWN BY COUNTRY



# Key financials Q1 2017 (MSEK)

## REVENUE AND RESULT

| <b>SEK M</b>   | <b>Jan-Mar<br/>2017</b> | <b>Jan-Mar<br/>2016</b> | <b>Apr-Mar<br/>2016/17</b> | <b>Jan-Dec<br/>2016</b> |
|--|-------------------------|-------------------------|----------------------------|-------------------------|
| Operating revenue  | 430                     | 504                     | 1 893                      | 1 967                   |
| EBITDA   | 55                      | 136                     | 347                        | 428                     |
| Adjusted EBITDA  | 56                      | 119                     | 377                        | 440                     |
| Operating income   | -45                     | 81                      | -790                       | -664                    |
| Net income   | -60                     | -2                      | -920                       | -862                    |
| Cash flow from operating activities  | 10                      | 65                      | 162                        | 217                     |
| Interest-bearing net debt excluding convertible bond and pension obligations | -1 228                  | -1 211                  | -1 228                     | -1 217                  |

## COMMENTS

- Revenue down -74 MSEK QoQ with EBITDA decreasing -81 MSEK vs. prior year
- Like for like, cost is reduced with 31 MSEK compared to 2016, driven by
  - Positive one-time effect of net 19 MSEK due to recalculation of pension debt in Q1-16
  - Conservative application regarding capitalisation of development cost of 10 MSEK
  - Headcount reduction

# EBITDA margins declining

## EBITDA BREAKDOWN

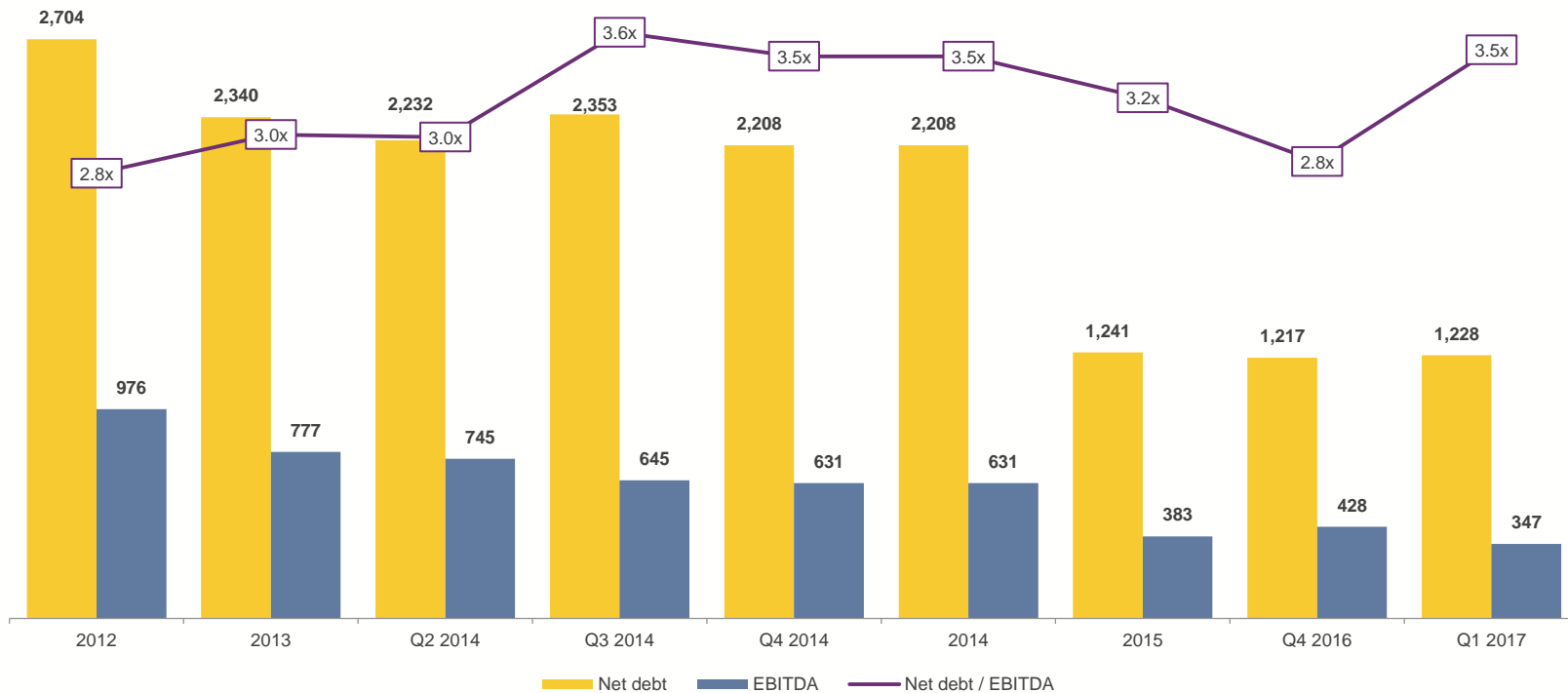
| SEK M                                | Jan-Mar<br>2017 | Jan-Mar<br>2016 | %          | Apr-Mar<br>2016/17 | Jan-Dec<br>2016 |
|--------------------------------------|-----------------|-----------------|------------|--------------------|-----------------|
| <b>Operating income</b>              | -45             | 81              | -156       | -790               | -664            |
| Depreciation/amortization            | 47              | 55              |            | 211                | 219             |
| Impairment losses                    | 53              | -               |            | 926                | 873             |
| <b>Total EBITDA</b>                  | <b>55</b>       | <b>136</b>      | <b>-60</b> | <b>347</b>         | <b>428</b>      |
| Whereof Local search                 | 55              | 114             | -52        | 311                | 370             |
| Whereof Voice                        | 15              | 28              | -46        | 104                | 117             |
| Whereof Other                        | -15             | -6              | -150       | -68                | -59             |
| <b>EBITDA margin %</b>               | <b>12,8</b>     | <b>27,0</b>     |            | <b>18,3</b>        | <b>21,8</b>     |
| <b>Items affecting comparability</b> |                 |                 |            |                    |                 |
| Restructuring costs                  | 1               | 2               |            | 11                 | 12              |
| Other items affecting comparability  | -               | -19             |            | 19                 | 0               |
| <b>Total adjusted EBITDA</b>         | <b>56</b>       | <b>119</b>      | <b>-53</b> | <b>377</b>         | <b>440</b>      |
| <b>Adjusted EBITDA margin %</b>      | <b>13,0</b>     | <b>23,6</b>     |            | <b>19,9</b>        | <b>22,4</b>     |

## COMMENTS

- EBITDA down -81 MSEK vs. prior year
- Lower EBITDA margins due to:
  - Decline in Voice business
  - Turnaround efforts to stop sales decline
  - Implementation of new IT systems delays larger cost reductions until 2018
  - Less positive effects from prepaid revenues compared to Q1 2016 (~15 MSEK)



# Development net debt/EBITDA R12



# Cash flow Q1 2017

## CASH BALANCE PER MAR 31ST 2017

| mSEK  | Jan-Mar<br>2017 | Jan-Mar<br>2016 | Jan-Dec<br>2016 |
|---|-----------------|-----------------|-----------------|
| <b>EBITDA Jan-Mar (Reported)</b>                      | 55              | 136             | 428             |
| Other Non-Cash Items                                  | -8              | -45             | -71             |
| Income Taxes Paid                                     | -7              | -11             | -14             |
| Change in WC  | -10             | 5               | -25             |
| <b>Op. Cash Flow (Ex. Net Interest Expense)</b>       | <b>30</b>       | <b>85</b>       | <b>318</b>      |
| Acquisition / Divestment of Group Companies           | 0               | 1               | 1               |
| Investment in Non-Current Assets                      | -8              | -17             | -93             |
| <b>Investing Activities (Disposals / Capex)</b>       | <b>-8</b>       | <b>-16</b>      | <b>-92</b>      |
| Dividend on preference shares                         | -12             | -12             | -48             |
| Net financial items                                   | -20             | -20             | -80             |
| Interest convertible bond (Coupon)                    | 0               | 0               | -21             |
| Change in borrowings                                  | 25              | 0               | 24              |
| Debt Amortization (Scheduled)                         | 0               | 0               | -85             |
| Dividend non controlling interests                    | 0               | 0               | -8              |
| Other (Long term investments)                         | -11             | 0               | -56             |
| <b>Financing Activities</b>                           | <b>-18</b>      | <b>-32</b>      | <b>-274</b>     |
| <b>Cash Flow for Jan-Mar 2017</b>                     | <b>4</b>        | <b>37</b>       | <b>-48</b>      |
| Exchange rate difference in Cash and Cash Equivalents | -1              | 2               | 5               |
| <b>Cash Balance (EOP)</b>                             | <b>51</b>       | <b>130</b>      | <b>48</b>       |

## COMMENTS

- Positive cash flow in Q1:
  - Cash flow during Q1 was +4 MSEK (37 MSEK)
  - Available cash Mar 31st 2017 was 51 MSEK
  - Payments after 31st March:
    - 7th Apr – Dividend Non controlling interest -3,6 MSEK
    - 12th Apr – Bond coupon -7,6 MSEK
- Other -11 MSEK (Payment to pledged bank funds for future obligations (PRI))

# Highlights from sales

- Customer base in core business is down with 4% in Q1 2017 compared to 10% in Q1 2016 (effect of lower churn and improved prospect sales)
- Denmark is showing a net increase of customers
- Digital revenues Q/Q down with 1% (Q1 2017 vs Q4 2016)
- Desktop/Mobile revenues Q/Q at par with previous quarter (Q1 2017 vs Q4 2016)

# Table of Contents

1. Q1 financial update

## 2. Business introduction

3. Natural Digital Marketing Partner

4. Local Guide for People and Business

5. Future opportunities & KPIs

6. Summary of recapitalisation plan

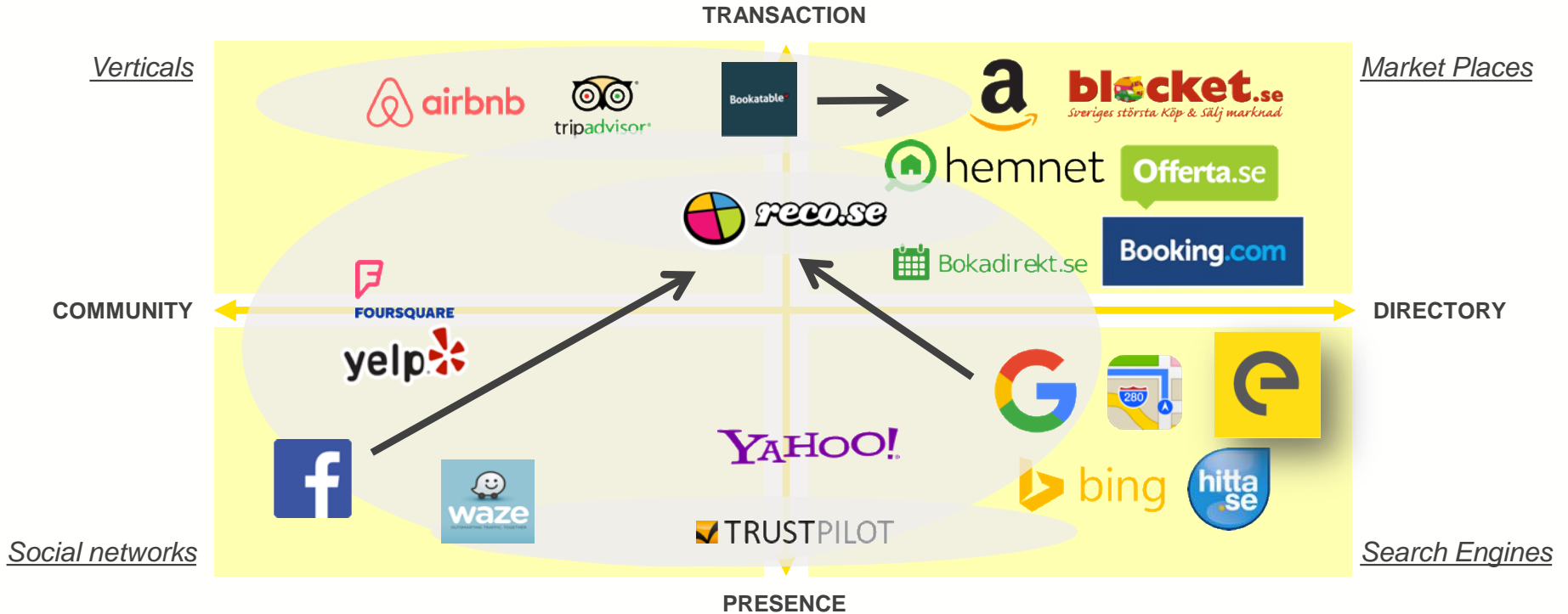


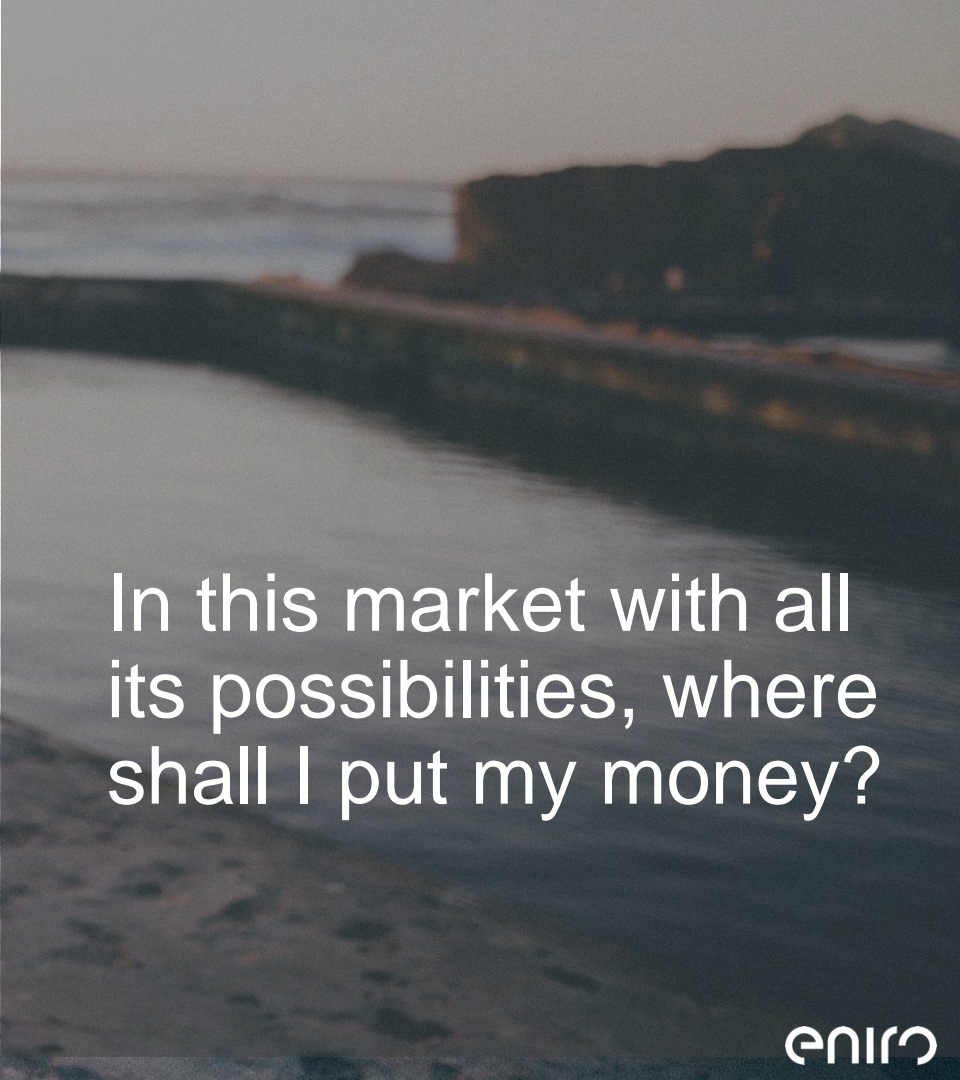


## Mission

To digitize 200.000 SME's  
in the Nordics

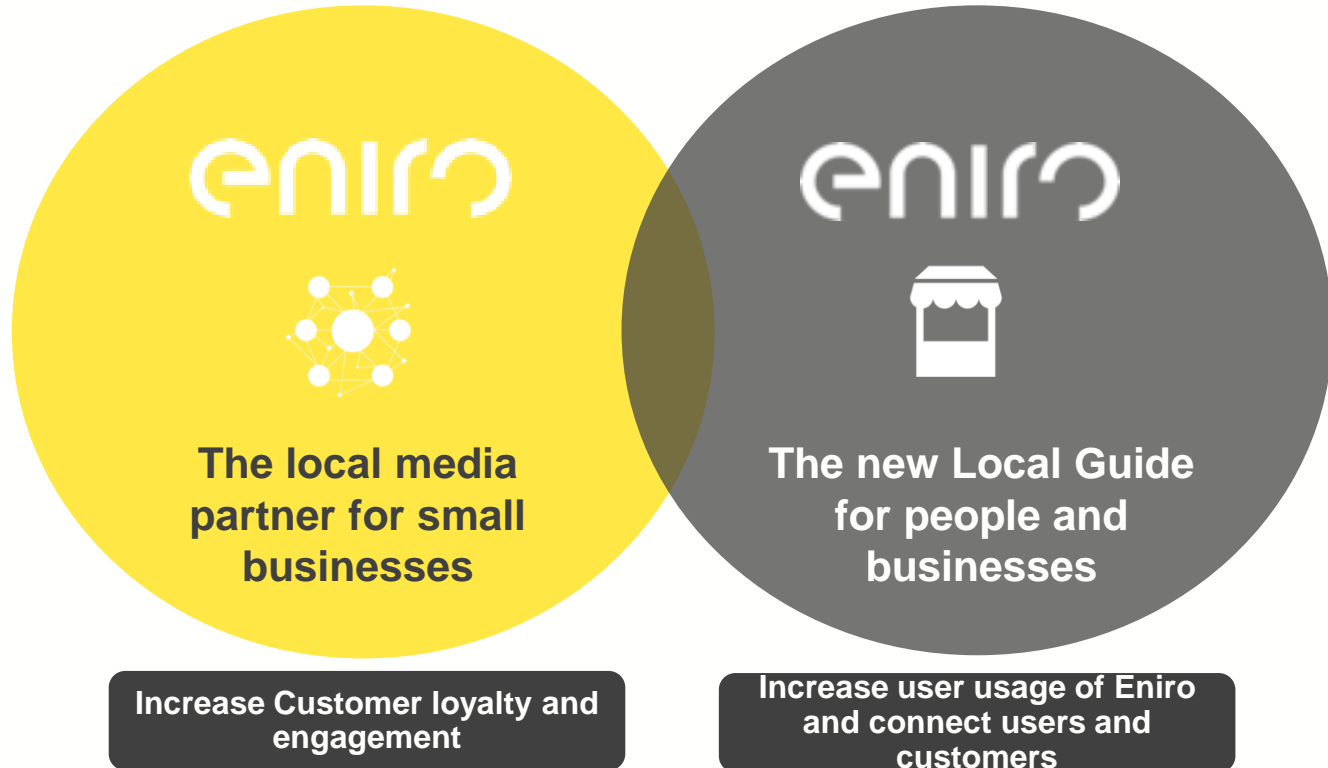
Our market has become very **fragmented** - with an increasing amount of competitors – and **growing fast**





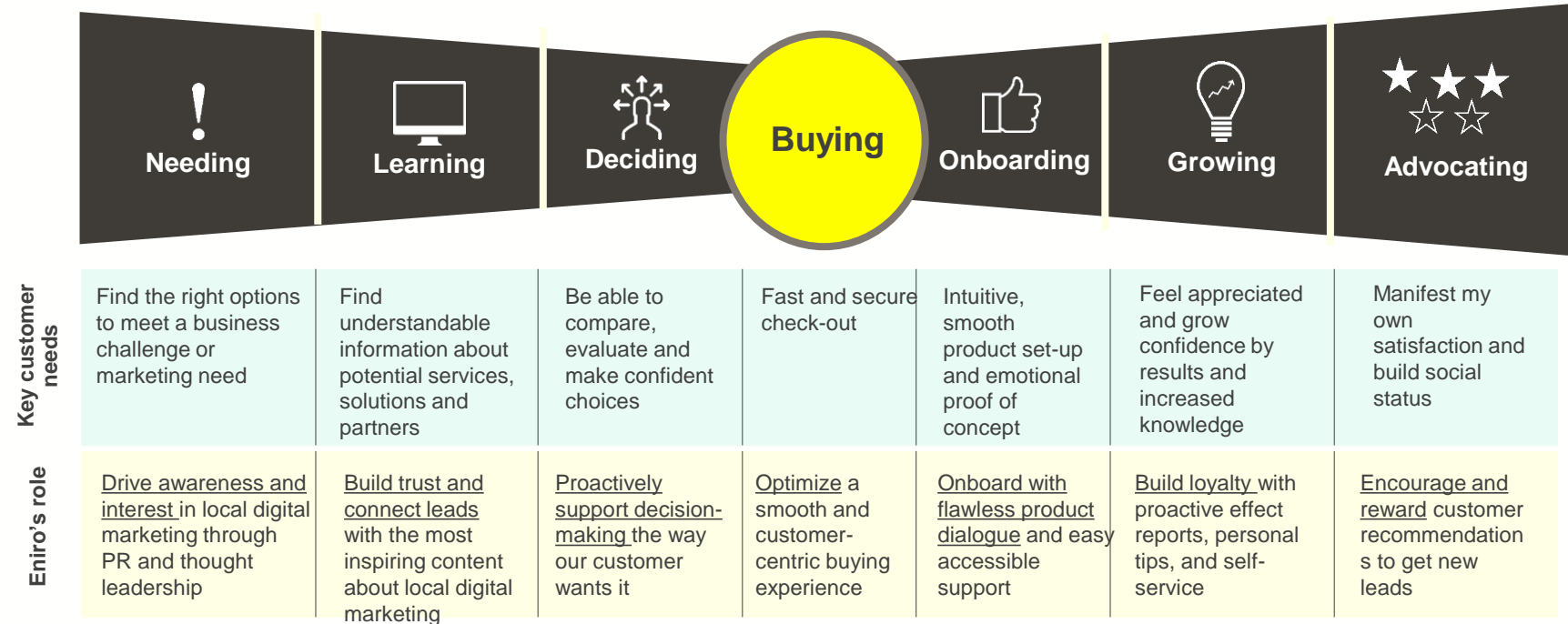
In this market with all its possibilities, where shall I put my money?

# Introducing two new concepts to increase the value for customers and users





# Customer Journey : Key customer needs and our role in each stage



# Table of Contents

1. Q1 financial update
2. Business introduction
- 3. Natural Digital Marketing Partner**
4. Local Guide for People and Business
5. Future opportunities & KPIs
6. Summary of recapitalisation plan



WE EXIST FOR AN IMPORTANT REASON:  
**WE HELP LOCAL  
COMMUNITIES THRIVE**

This is where we see our relevance and future profitability.  
But, in order to achieve this, we must provide more attractive  
services for both our customers and users.

CUSTOMERS

# WE WILL BE THE NATURAL DIGITAL MARKETING PARTNER

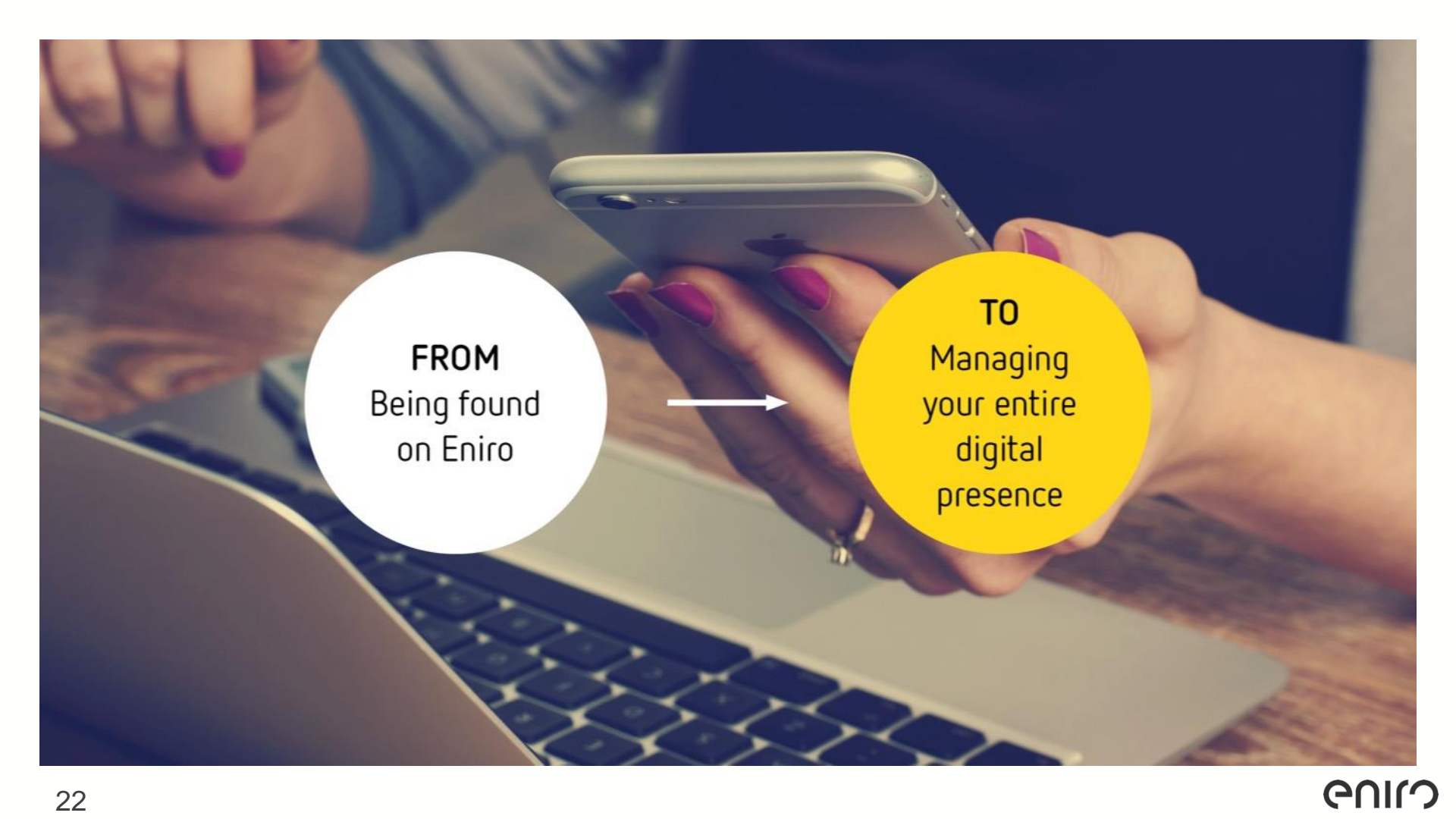
FOR COMPANIES IN THE NORDICS



OUR CUSTOMER PROMISE:

# WE MAKE IT EASIER TO SUCCEED IN DIGITAL MARKETING

Eniro is the most natural digital marketing partner in the Nordics. With the best local knowledge, we help every customer reach the right people, at the right place, and at the right time. And we make it easy for them to track results and optimize their products.



**FROM**  
Being found  
on Eniro

**TO**  
Managing  
your entire  
digital  
presence

# ENIRO NEW DIGITAL MARKETING SALES PACKAGES



FINNAS



SYNAS



MÄRKAS



AVANCERA



MAXIMERA

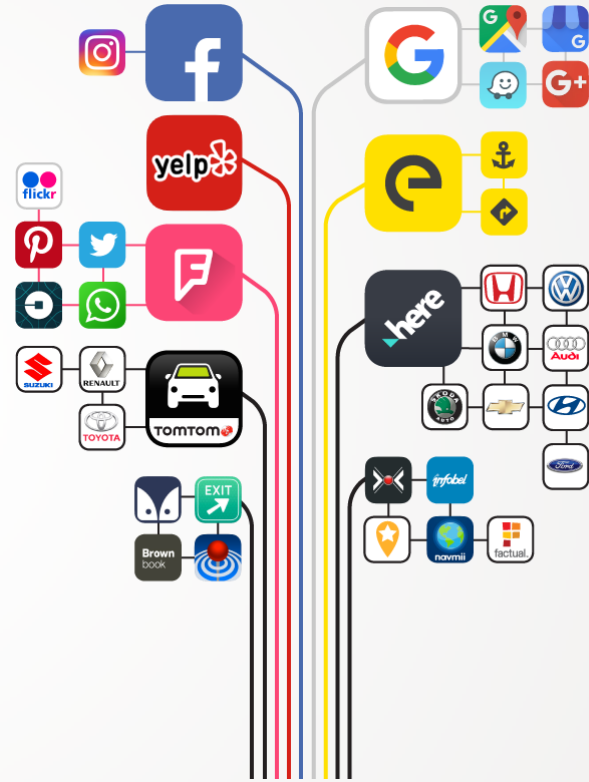
ENIRO BASE 



NETCHECK      

ADDONS  RANKING  KEYWORDS      

*Eniro will bundle and sell packages of other sites, such as Google and Facebook, adapted for the specific customer in an automated process*





# Roadmap Digital Products Nordics

## All launches include SE / NO / DK

- Partnership Yext

**yext**

- Launch POC Marketing partner approach

- New value based offer

- Launched Netcheck

- Launch Discover Apps

- Online sales channel



- Add on sales teams that sales the new offering

- Partnership Google



- Selected Bing Partner



- Launch Homepage



- Offers supported by Marketing Automation &

**EniroGenio**

- Nordic Display network

- Facebook & Instagram Ads



- Full Online sales channel

- Transaction based offers

- Add on offerings and functions like, bookings, email marketing, bots, video, AR etc. etc



## Target





# New Customer Dashboard


## Local Search


## Yext







## SEM


**eniro**  Mitt Eniro Effektrapport MENU

 Ricardo Cámara ricardo.camara@eniro.com

 Hej Ricardo,  
Här är din effektrapport. Vänligen kontakta mig om du har några frågor.  
Med vänlig hälsning

**Johanna Johansson**, Key Account Manager - Eniro Sverige AB  
[johanna.johansson@eniro.com](mailto:johanna.johansson@eniro.com)  0770 77 97 97

|  Dina annonser  | Annonsvisningar  | Klick  |  |
|---|--|---|--|
|  Totalt för dina annonser<br>Volvo Construction Equipment  | 5.635  | 858   | <a href="#">Se din effektrapport &gt;</a>              |
| Munkteilmuseet<br>Annons ID 14839493  | 1.468  | 250   | <a href="#">Se din effektrapport &gt;</a>              |
| Volvo Construction Equipment AB<br>Annons ID 14325981   | 595  | 242   | <a href="#">Se din effektrapport &gt;</a>              |
| <b>Eniro</b><br>Närvarokoll   | Eniro Närvarokoll är det enkla sättet att få full koll på din närvaro på hela Internet.            |   | <a href="#">Uppdatera din företagsinformation &gt;</a> |
|  <b>Google</b><br>AdWords  | Överblicka din sökordskampanj med Google AdWords and Bing här.                                     |   | <a href="#">Dina kampanjer &gt;</a>                    |



**VISSTE DU ATT VI KAN KÖRA DIN ADWORDS-KAMPANJ?**

[Jag vill veta mer](#)

# New business model

1

**Recurring revenues,  
subscription based  
offering**

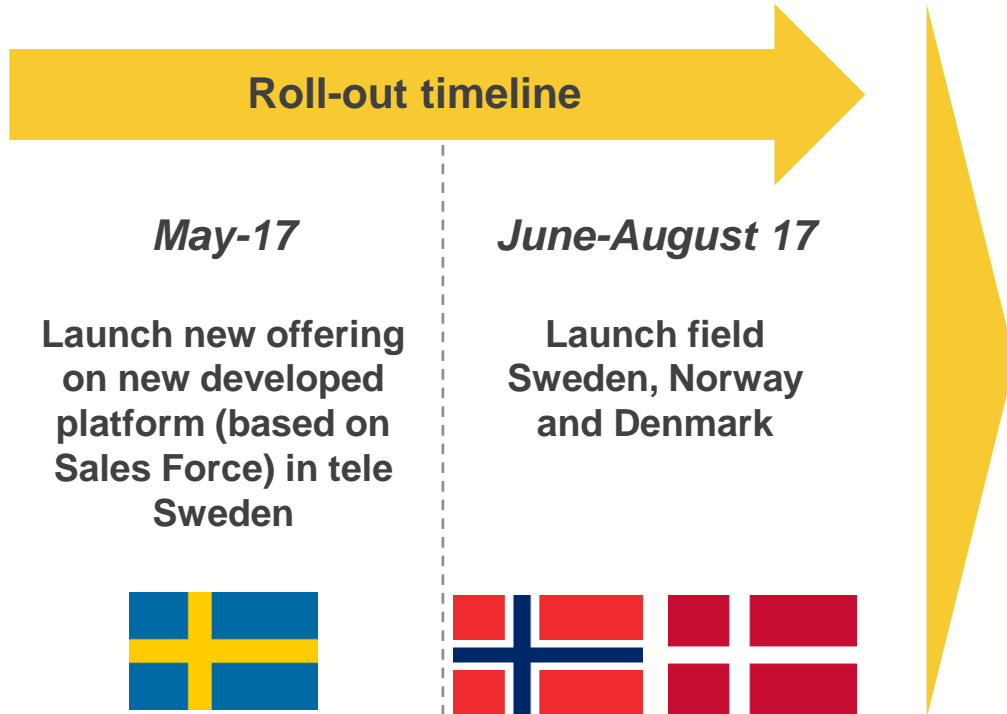
2

**Level of  
engagement,  
dialogue and help  
more than hard sell  
towards Customers**

3

**Driving towards  
"Pay for  
performance", like  
bookings**

# Roll-out of new business model



- Drive leads and conversion on new channel "On-line sales"
- Change Sales Pitch from "Advertise on Eniro" to "Get Customer Leads/Sales from Eniro's marketing ecosystem"
- Change culture to be more conversion driven (convert inbound traffic to customer leads) and Data driven (take decisions based on data instead of guesstimates)

# Table of Contents

1. Q1 financial update
2. Business introduction
3. Natural Digital Marketing Partner
- 4. Local Guide for People and Business**
5. Future opportunities & KPIs
6. Summary of recapitalisation plan



USERS

# WE WILL BE THE BEST LOCAL GUIDE

WHEN YOU ARE EXPLORING YOUR SURROUNDINGS



OUR USER PROMISE:

# THE BEST LOCAL DISCOVERIES, AT YOUR FINGERTIPS

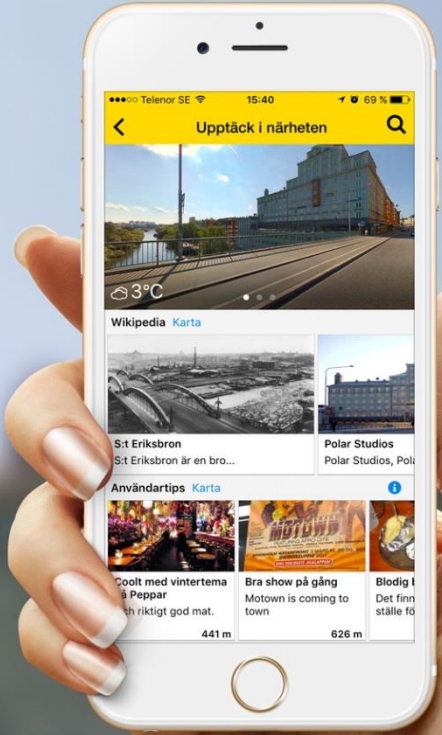
We want our users to feel as if they're always at the centre of things. Eniro will enable them to gain access to almost everything that's worth knowing about in an area – at their fingertips within a few seconds: promotions, tips from other users, current events and interesting details about the surroundings. Simply put, they get the full picture.



**FROM**  
Local search

**TO**  
Local discoveries

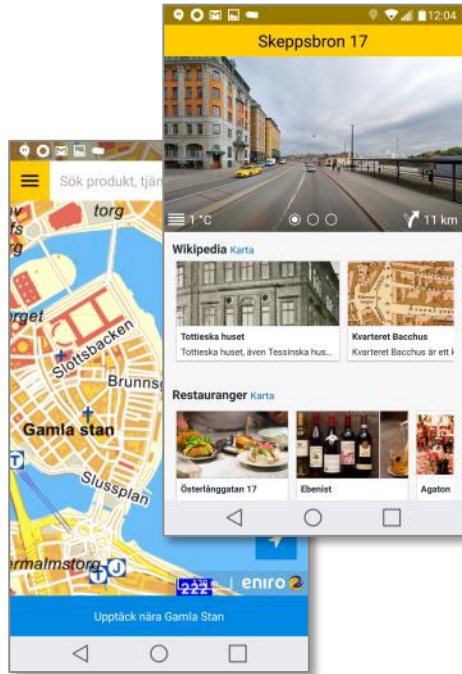




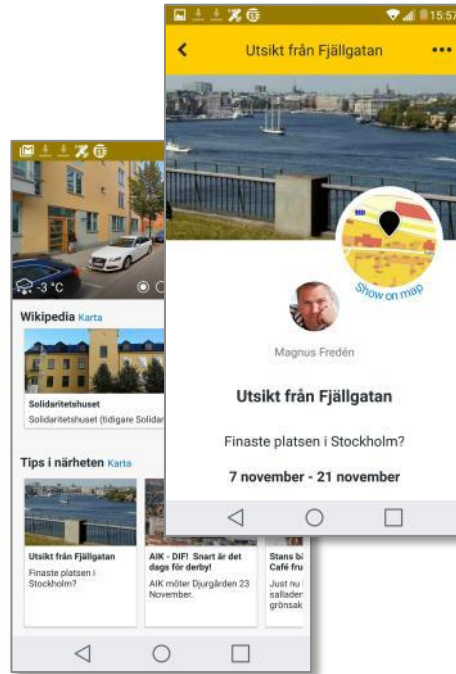
# Eniro Apps

Local discoveries at your fingertips

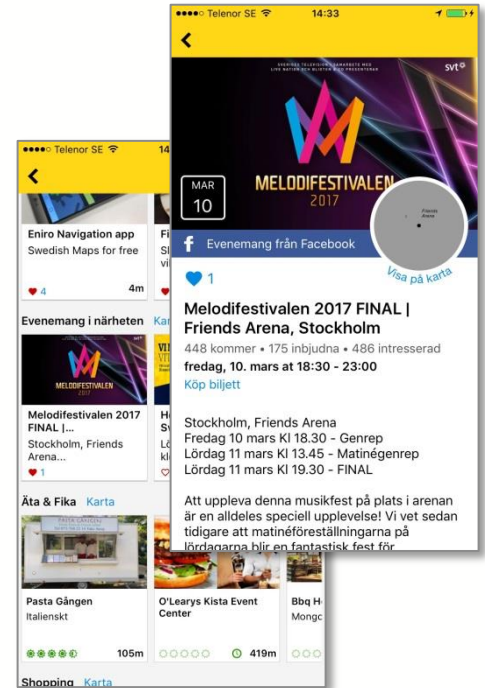
# Eniro app achievements: Step by step towards full discovery...



September: **Discover nearby**



November: **User tip**



March: **Events**

# Local Deals



# Target nearby users



# Table of Contents

1. Q1 financial update
2. Business introduction
3. Natural Digital Marketing Partner
4. Local Guide for People and Business
- 5. Future opportunities & KPIs**
6. Summary of recapitalisation plan





# EniroGenio™

Enables Eniro to monetise our Big Data

Our knowledge of the user base will be used to make better services, provide rich customer experience and find new business revenues

# Road to monetising Big Data

1



**Collecting  
& Sharing**



Gathering  
data on user &  
customers



Age, Gender, Locations,  
Search Intent, Clicks, etc

2



**Enabling**



Building Eniro Genio Platform for Eniro Group & Commercial offerings including partners



**Driving**

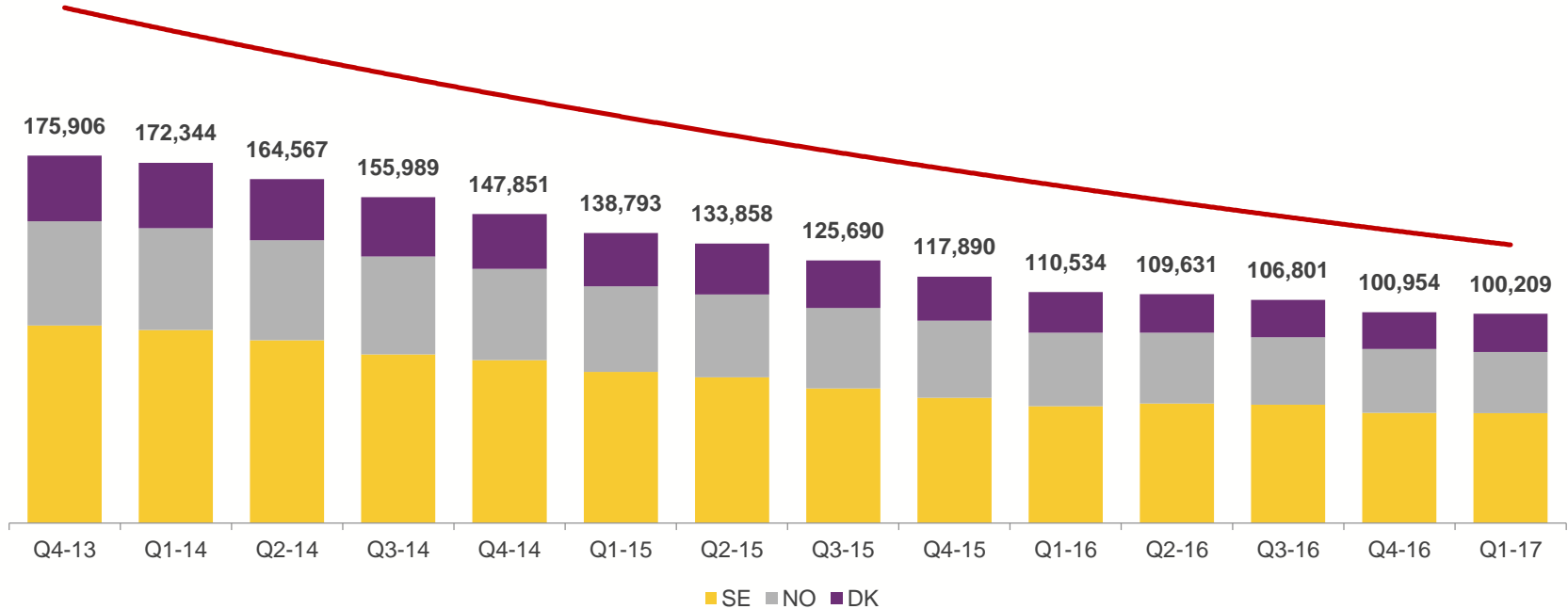


Revenue  
Conversions  
Users



Smart local data enabling exact  
targeting and personalized  
marketing, benefitting both users  
and customers

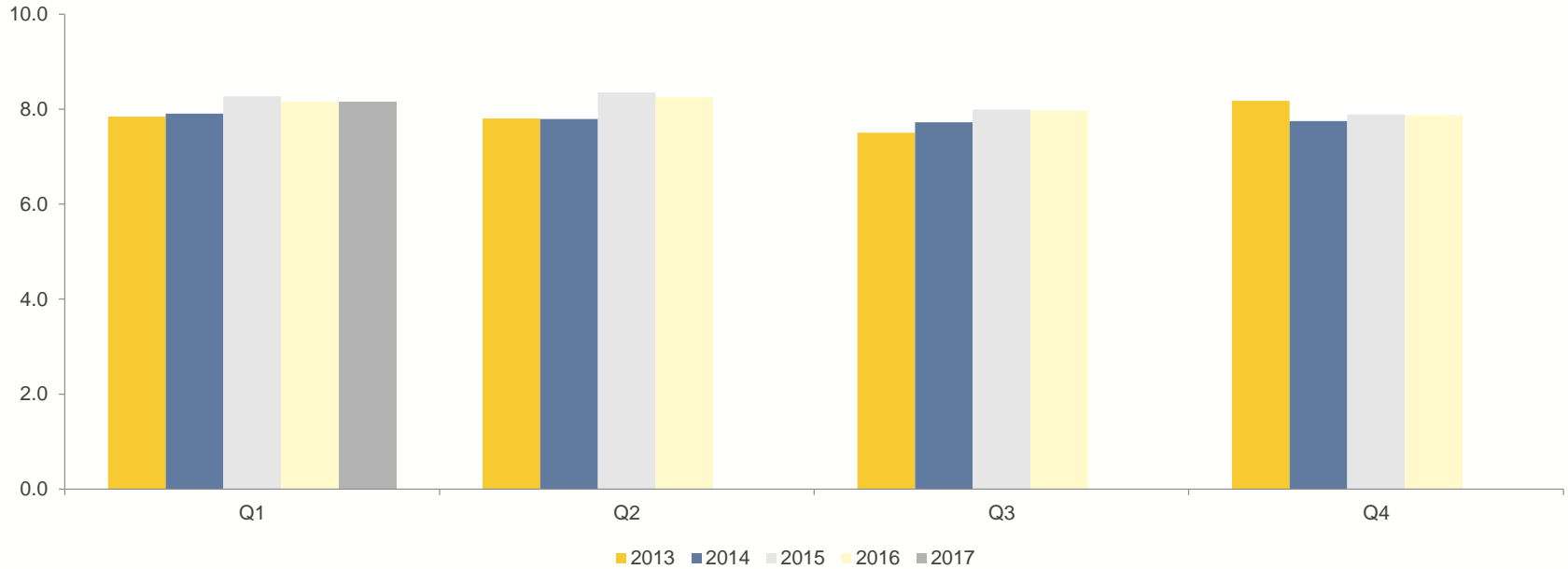
# Customer base development – online services



**A growing customer base is the strongest indicator of a recovery of the business. Leading up to Q1-17 it seems like the customer churn has flattened out**

*Note: Customers are counted on org. no. level for SE and account level for NO and DK*

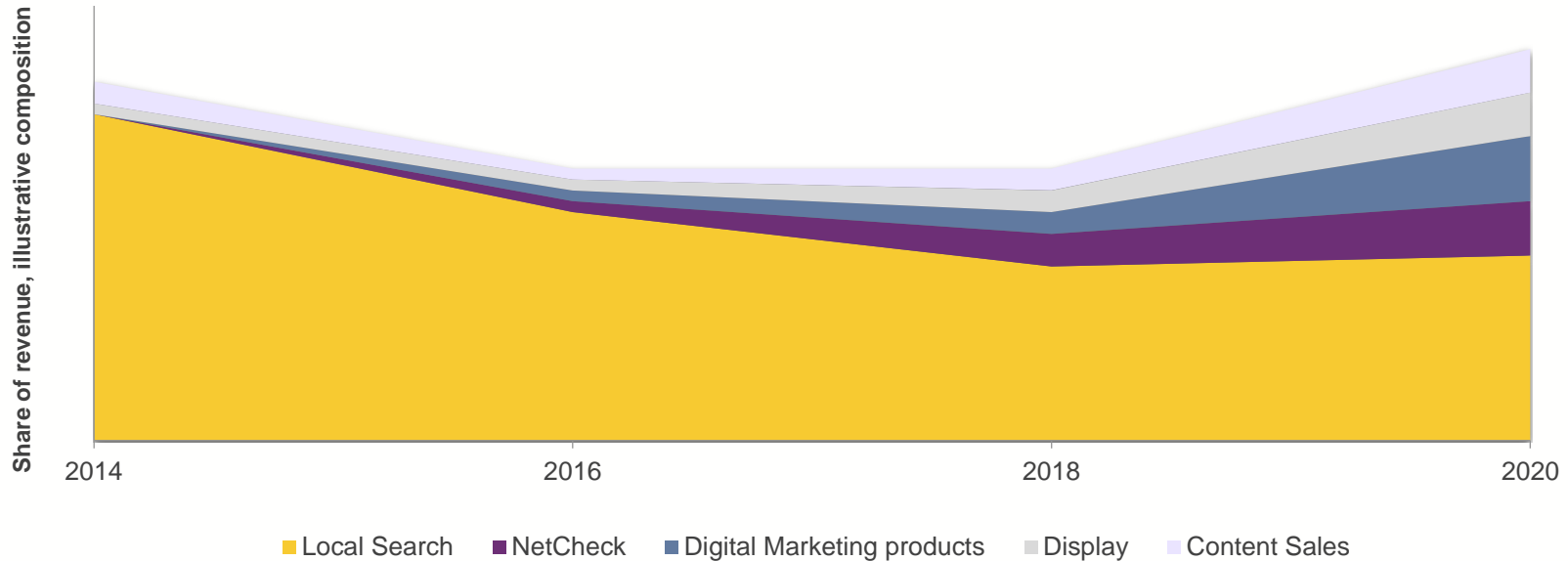
# Group unique browsers / week (millions)



Stable user base with around 8 million unique browsers per week



# Illustrative revenue composition



**Going forward, the bulk of revenues will no longer come from local search, but instead stem from Eniro's new product portfolio, including display, content sales etc.**

# Table of Contents

1. Q1 financial update
2. Business introduction
3. Natural Digital Marketing Partner
4. Local Guide for People and Business
5. Future opportunities & KPIs

## 6. Summary of recapitalisation plan



# Background on the recapitalisation plan

- In the last few years, the Group has faced challenging business environment with declining demand for its products and services
- In combination with a large debt burden, the Group's performance has not been satisfactory
  - All excess cash have gone to service debt instead of investing in the business
  - The Group has in total amortised SEK 8.5bn and paid SEK 1.15bn in interest and fees to its lending banks over the last 10 years
- In light of the structural change in market dynamics, the Group has repositioned itself and its service offering
- Eniro's current capital structure is detrimental to the company's long-term survival, hence a "full-fix" is needed

# Transaction step-plan dependent on successful exchange offerings

1 Offer to holders of preference shares and convertible bonds to exchange for common equity

Contingent on step 1

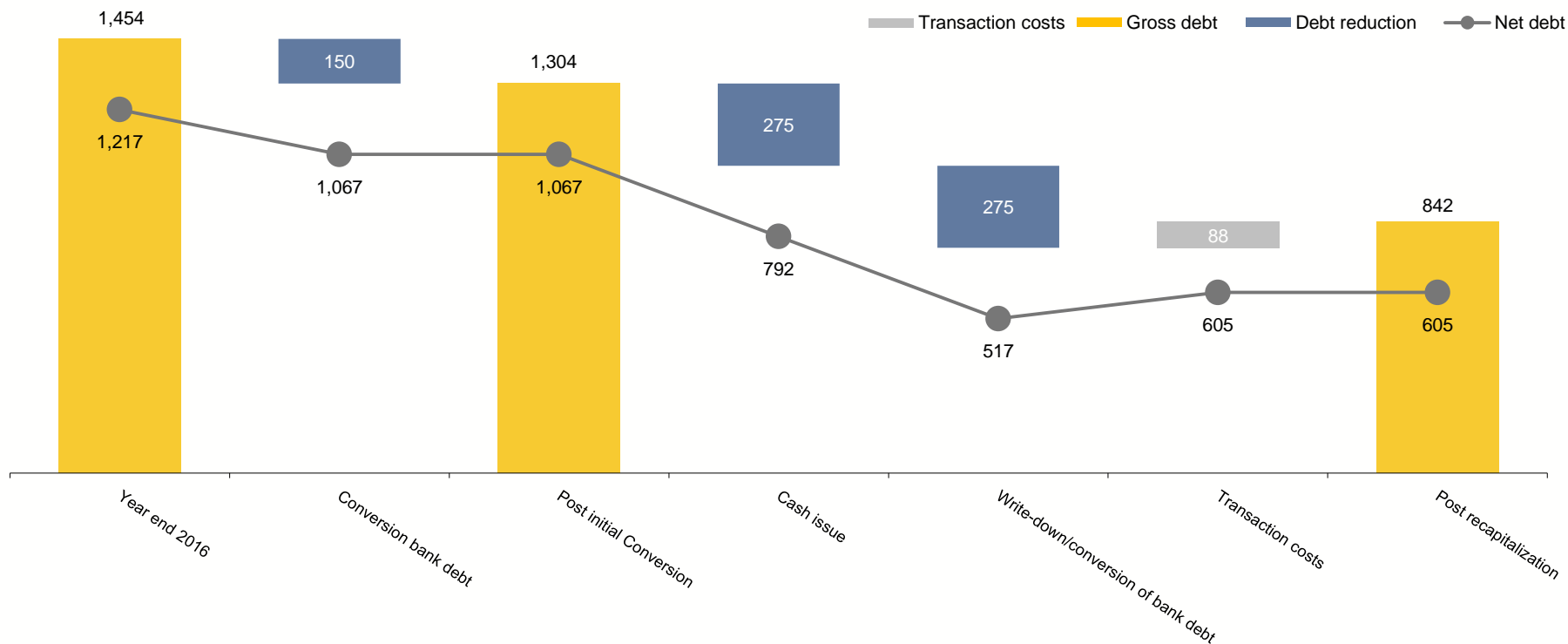
2 Existing Bank Lenders exchange debt for equity in an amount of SEK 150 million

3 Cash issue of common equity of up to SEK 275 million to holders of existing common equity and others

4 Proceeds from cash issue used to amortize bank debt at a 50% discount.  
- Banks committed to subscribe for any equity amount not covered by existing/new shareholders and reduce debt claim by way of equity conversion<sup>1</sup>

Note: 1) In the event the cash issue is in any part subscribed for by the Banks, the Banks have committed to swap additional debt for equity in a supplementary rights issue to the extent required for debt to be reduced by SEK 550 million

# Illustrative transaction impact (SEKm)



# Post transaction ownership and balance sheet

## POST TRANSACTION OWNERSHIP<sup>1,2</sup>

### Cash issue subscribed by current common shareholders in full

| Stakeholder                  | # of shares  | Ownership (%) |             |
|------------------------------|--------------|---------------|-------------|
|                              |              | Capital       | Votes       |
| Existing common shareholders | 2,120        | 46%           | 50%         |
| Preference shareholders      | 1,290        | 28%           | 31%         |
| Convertible bondholders      | 758          | 16%           | 18%         |
| Bank Lenders                 | 484          | 10%           | 1%          |
| <b>Total</b>                 | <b>4,652</b> | <b>100%</b>   | <b>100%</b> |

### Cash issue subscribed by Banks only

| Stakeholder                  | # of shares  | Ownership (%) |             |
|------------------------------|--------------|---------------|-------------|
|                              |              | Capital       | Votes       |
| Existing common shareholders | 530          | 9%            | 18%         |
| Preference shareholders      | 1,290        | 22%           | 45%         |
| Convertible bondholders      | 758          | 13%           | 26%         |
| Bank Lenders                 | 3,174        | 55%           | 11%         |
| <b>Total</b>                 | <b>5,752</b> | <b>100%</b>   | <b>100%</b> |

## POST TRANSACTION CAPITAL STRUCTURE

| SEKm                                   | Dec-16       | Adjustments | Pf Dec-16  |
|--|--------------|-------------|------------|
| Interest bearing debt                  | 1,454        | -612        | 842        |
| Long-term interest bearing receivables | 189          |             | 189        |
| Cash and cash equivalents              | 48           |             | 48         |
| <b>Net debt</b>                        | <b>1,217</b> | <b>-612</b> | <b>605</b> |

# Indicative timeline

- **7 June:** AGM
- **8 June:** Publication of prospectus for exchange offer
- **13 June – 4 July:** Acceptance period for exchange offer

- **6 July:** Outcome of exchange offers
- **20 July:** Publication of the terms of the Cash Issue
- **27 July:** Publication of prospectus for the Cash Issue
- **28 July:** Record date for participation in Cash issue

- **1 Aug – 29 Aug:** Subscription period for Cash issue

- Possible supplementary issue to the Lending Banks to compensate for the portion of the cash issue not subscribed for

June

July

August

September

Post recapitalisation, the Group will have **lowered its total debt with SEK 612 million**

New loan agreement entailing **lower amortization and interest rate** and adapted financial covenants  
For **more detailed information** regarding the transaction, please refer to the **press release published on 3 April**

eniro