



# B-SHARES PROPOSAL

## EQUIPPING SCHIBSTED FOR THE FUTURE

INVESTOR PRESENTATION  
April 2015



**SCHIBSTED**  
MEDIA GROUP



# SCHIBSTED HAS A LONG HISTORY OF INNOVATIVE DIGITAL GROWTH

1839

Schibsted Publishing House established



Christian Schibsted with Family



1966

Schibsted acquires Verdens Gang



1996

Schibsted acquires Aftenbladet



2003

Schibsted acquires Blocket

## VARIOUS INVESTMENTS BY SCHIBSTED

2005 2006 2007 2009



## INTERNATIONAL EXPANSION OF ONLINE

2006-



1839

2000

1860

Aftenposten is founded



1995

Schibsted Nett founded



1992

Schibsted Listed on Oslo Stock Exchange

1996

Tinius Trust established



Tinius Nagell-Erichsen, the great-grandson of founder Christian Schibsted, established the Tinius Trust as the main shareholder in Schibsted (26.1%).

2000

Finn.no launched



2006

Schibsted acquires majority in Spanish online classifieds Anuntis and jobs site Infojobs

InfoJobs

2008

Schibsted Classified Media Founded



2009

Schibsted Growth Established



2013

JV with Telenor established



2014

Schibsted acquires Milanuncios, Avito in Morocco, establishes a JV with Naspers



2015

Schibsted acquires Naspers operations in Hungary and sells Romanian and Portugal operations



175 YEARS

Schibsted is the innovation-driven, consumer-centric media company which entered the emerging online classified space 15+ years ago, well before competitors, and established itself to become the global market leader

# CONTINUED DIGITAL GROWTH AND INCREASING FINANCIAL FLEXIBILITY

## Strategy

- Our strategy remains focused on becoming number one in online marketplaces (“OLC”) and on building world-class digital media houses
- Our OLC segment is positioned to deliver 15-20% growth in the medium and long term
- M&A is an important part of OLC strategy to drive consolidation and increase scale

## Recurring financial considerations

- Schibsted currently faces certain structural and financial restrictions which limits the company to fully execute on future value creating opportunities
- Schibsted wants a higher degree of financial flexibility to be able to capitalize on rapid digital growth initiatives and increased consolidation opportunities in the OLC sector

## Means to increase financial flexibility

- Schibsted wants to increase financial flexibility by introducing a low-voting (or “B-share”) equity class which can be used as a vehicle for growth and as currency in potential transactions
- The Tinius Trust and Blommenholm Industrier have actively supported the development of Schibsted into the company it is today. Introduction of a B-share will allow for continued support of the company in realizing its future ambitions
- If approved, each current shareholder will receive 1 new low-voting B-share per A-share owned with equal economic rights as the A-share. The A-shares will receive 10 voting rights per share, whereas the new low-voting B-share entitle the owner to 1 vote per share
- AGM vote scheduled for 8 May and if successfully approved, the share split will become effective on 1 June

A photograph of two young men in a city street. The man on the left, with curly hair and a beard, is wearing a blue denim shirt and looking at a tablet held by the man on the right. The man on the right, with a beard and a red tank top, is smiling and looking towards the camera. He has a tattoo on his left arm and is holding a yellow skateboard. The background shows a city street with buildings, trees, and a sign that says "PASTO".

**GLOBAL LEADER IN ONLINE MARKETPLACES AND BUILDING  
WORLD-CLASS MEDIA HOUSES**

# PURSuing DIGITAL GROWTH ACROSS THE GROUP

## A GLOBAL LEADER IN ONLINE CLASSIFIEDS



## SMART SERVICES FOR EVERYDAY LIVING



## WORLD CLASS DIGITAL MEDIA HOUSES



### Our Objectives

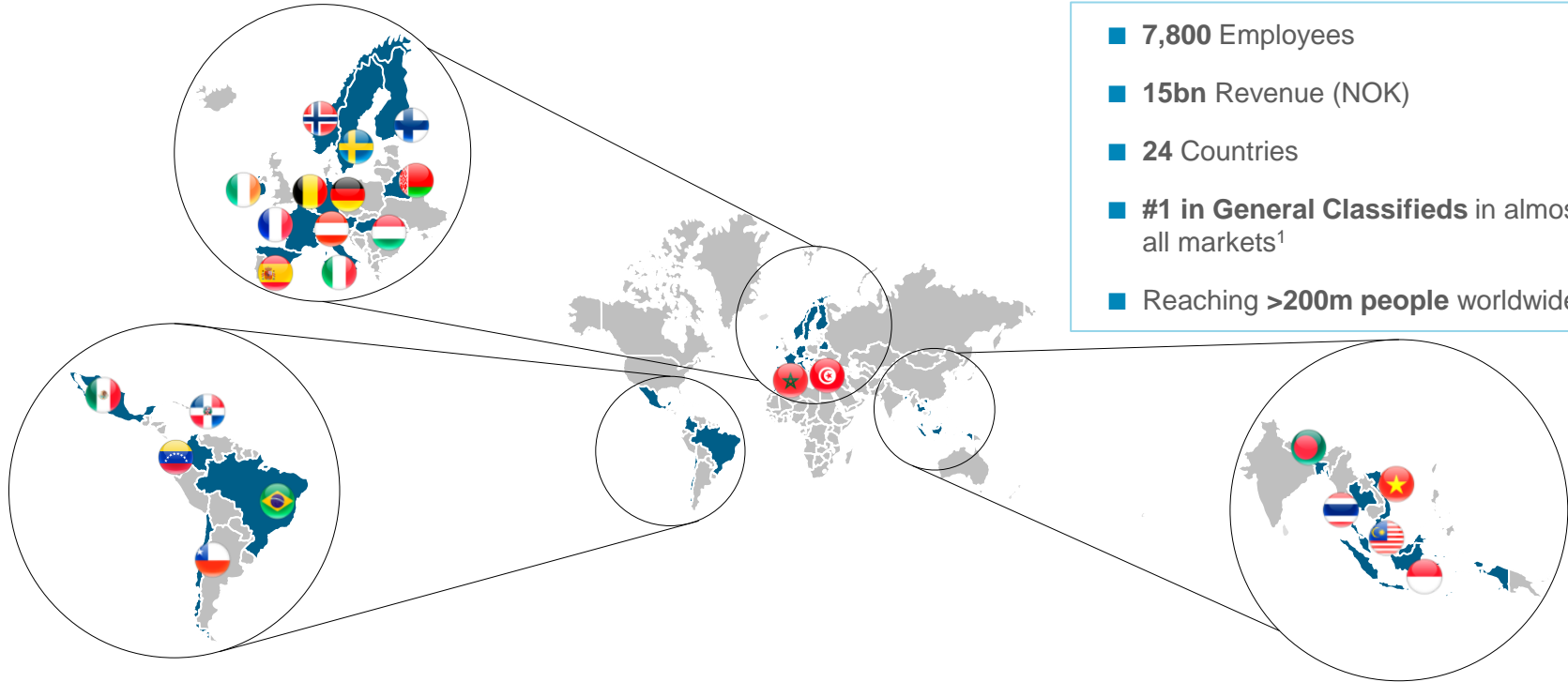
- Participate in consolidating efforts
- Expand into additional verticals
- Enter new markets
- Capture growth in emerging markets

- Tap opportunities in adjacent business areas
- Focus primarily on personal finance
- Use Nordic countries as testing ground for global concepts

- Offer digital products and services with strong editorial content and consumer insight
- Implement new technological platform and tools

# A GLOBAL LEADER IN ONLINE MARKETPLACES...

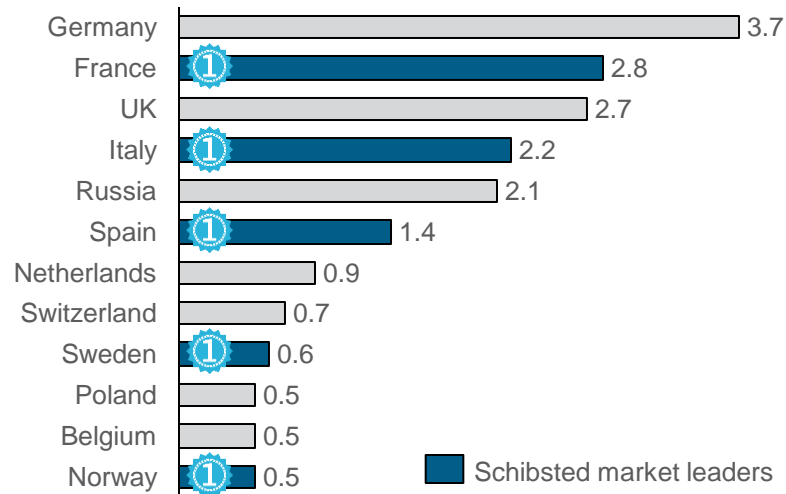
- 7,800 Employees
- 15bn Revenue (NOK)
- 24 Countries
- #1 in General Classifieds in almost all markets<sup>1</sup>
- Reaching >200m people worldwide



# ...IN SOME OF THE LARGEST COUNTRIES IN THE WORLD

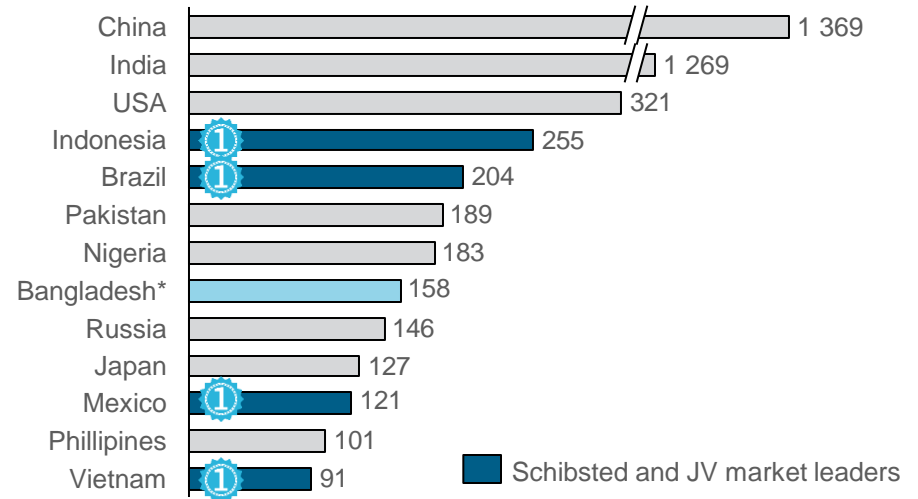
## Market leading positions in the largest European economies..

GDP 2013 (USDtrn) per country



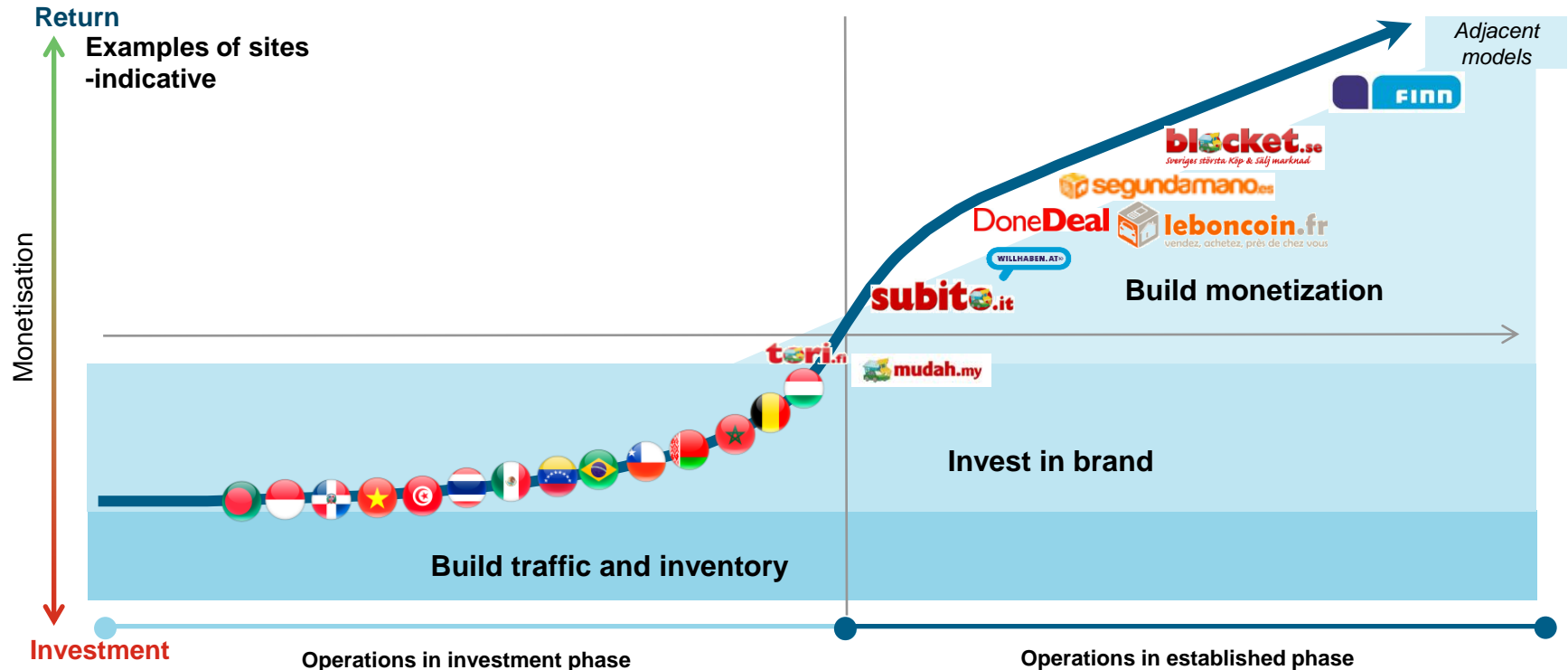
## ..and in some of the largest countries in the world

Population (million) per country



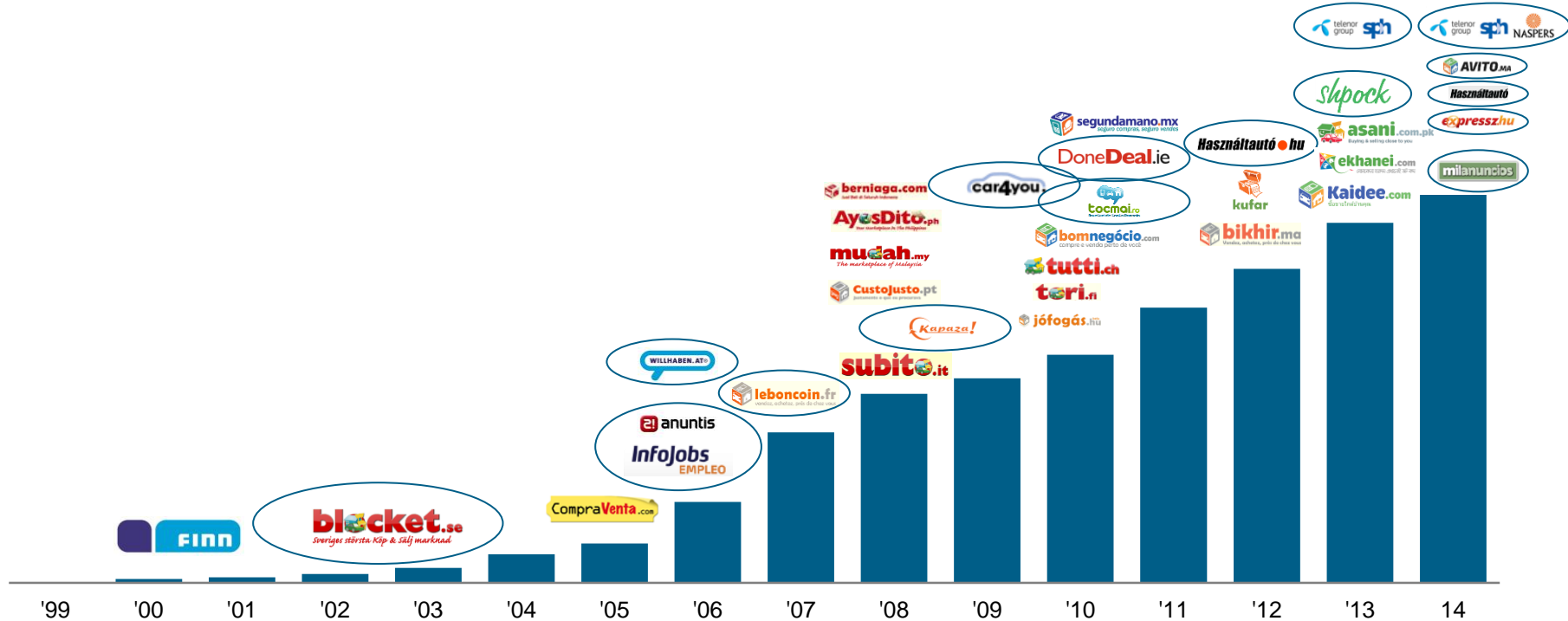
Source: Worldbank  
 \*Schibsted JV holds number two position in Bangladesh

# A BALANCED OLC PORTFOLIO WITH ASSETS IN DIFFERENT MATURITY STAGES





# STRONG TRACK-RECORD OF ACTIVELY USING M&A AND PARTNERSHIPS TO CREATE VALUE



# SUCCESSFULLY PARTICIPATED IN CONSOLIDATION TO ESTABLISH MARKET LEADING POSITIONS



July 2014

- Schibsted's site Bikhir.ma merged with the competitor Avito.ma in Morocco
- Schibsted has 52% ownership in the JV
- Blocket platform used as a base for the new website launched in July 2014
- Significant uplift in user engagement and doubling of traffic since the merger

Merger



November 2014

- JVs established to develop OLC in Brazil, Indonesia, Thailand and Bangladesh
- Blocket platform retained as a base\*
- Asset swaps in Philippines, Colombia, Vietnam and Mexico
- The agreement established clear market leading positions in the JV markets
- Reduced costs and developed more liquid market places
- Positive signals from business integrations so far

Joint Venture



February 2015

- Schibsted agreed with Naspers to acquire their OLX-operation in Hungary
- Schibsted sold its operations in Romania and Portugal to Naspers
- Strengthening of the market position in Hungary and reduction in spending

Asset Swap



**GROWTH OPPORTUNITIES GOING FORWARD**

# CONTINUE TO PURSUE GROWTH OPPORTUNITIES WITHIN OLC - BOTH ORGANICALLY AND THROUGH ACQUISITIONS

## PURSUE CONSOLIDATION



Recent case examples



## ENTER NEW MARKETS



Recent case examples



## EXPAND VERTICALS



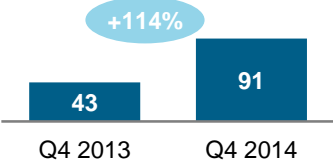
Recent case examples



## CAPTURE GROWTH IN EMERGING MARKETS



Recent case examples – Ads per day in Brazil ('000)



# LEADING THE DIGITAL TRANSFORMATION IN MEDIA

## Mobile and Tablet



## Web TV



## Reader Involvement



## Digital Subscription



Capturing and utilizing user data

# LEVERAGE DIGITAL ECOSYSTEMS TO ACCELERATE ADJACENT GROWTH MODELS

- **Schibsted Growth is already a NOK 1 billion business**
  - Market leader in personal finance in Sweden and Norway
  - Fuelled from large traffic pools in online media and classifieds
  - Major potential to be exploited with deeper, data-driven consumer insights
- **Opportunities in Norway, France and other markets**
  - E.g. investment in Prêt d'Union (leader in P2P lending in the Eurozone)



# BUILDING TECHNOLOGY TO LEVERAGE THE FULL SYNERGY POTENTIAL ACROSS ALL BUSINESS AREAS

## Advertising Platform

- Data Driven effective advertising based on rich targeting, e.g. demographics, purchasing intent
- Efficient and easy to use multi-channel interface focused on quickly creating and launching campaigns
- Safe and trusted brands that provide a selection of environments for advertising

## Payments

- Single-sign-on and payment solution for the Schibsted companies
- SPiD - primary product of Schibsted Payment delivering an easy and secure way to log in and pay across many services
- The goal is to make digital identification and payment safe and easy for users and service/content providers

## Identity

### Differentiating Identity data

- Local content
- Shopping intent
- Personal finance
- Unlocking local market synergies using data linked to identity to compete with global players such as Google & Facebook

## Analytics

- Data sciences & analytics to enhance user targeting & profiling
- Analytics infrastructure to help with targeted, performance based & multi-channel advertising platform

**High-frequency visiting nature of media and online classified service brings unique datasets for building personalized products and services**



# INTRODUCTION OF B-SHARES



# SCHIBSTED SHOULD HAVE THE FINANCIAL FLEXIBILITY AND ACQUISITION CURRENCY TO CAPITALIZE ON OPPORTUNITIES

- Schibsted is facing opportunities to grow organically and via consolidation in the sector
- Schibsted should be able to act on potential value accretive acquisition opportunities that might emerge
- Schibsted does not have the necessary financial tools in place to fully execute on the current strategy

**Schibsted requires financial flexibility and an acquisition currency to capitalize on opportunities**

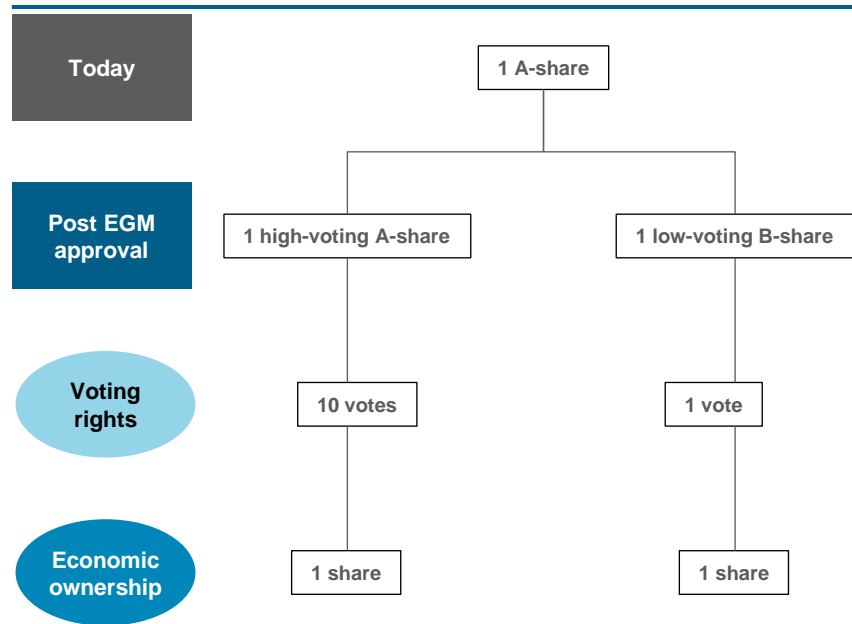
- Introduce a low voting B-share to mitigate current structural limitations
- The Board also asks authorization of AGM to issue new B-shares for up to 5% of total share capital (10% of B-share capital)

# INTRODUCING LOW-VOTING B-SHARE CLASS

## Key terms

Entitlement	Economic rights	<ul style="list-style-type: none"> <li>Same economic rights as high-voting A-shares</li> </ul>
	Voting rights	<ul style="list-style-type: none"> <li>High-voting class (A) to obtain 10 votes per share, low-voting class (B) to receive 1 of a vote per share</li> </ul>
Liquidity	Exchangeability between classes	<ul style="list-style-type: none"> <li>Shares of different classes cannot be exchanged one for another</li> </ul>
Blommenholm Industrier	Lock-up / standstill	<ul style="list-style-type: none"> <li>Lock-up on low-voting B-shares for 3 months post issue</li> <li>Stand-still on high-voting A-shares for 3 months post issue, but no lock-up</li> </ul>
		<ul style="list-style-type: none"> <li>Lock-up on low-voting B-shares for 3 months post issue</li> </ul>
Schibsted	Lock-up	<ul style="list-style-type: none"> <li>Lock-up on low-voting B-shares for 3 months post issue</li> </ul>

## How does the split work?



# KEY BENEFITS OF THE NEW B-SHARE CLASS

## Key benefits

## Comments

**Allows for straight equity issuance, free from balance sheet and structural constraints**

- No balance sheet constraints – straight equity for accounting / rating purposes
- The Tinius Trust and Blommenholm Industrier have actively supported the development of Schibsted into the company it is today. Introduction of a B-share will allow for continued support of the company in realizing its future ambitions

**Permanent structural feature**

- Provides financial flexibility in the long run

**Can be used as acquisition currency**

- Gives flexibility to pay for future acquisitions in shares

**Exposure to stock price upside**

- Provides shareholder with exposure to the stock price upside, unlike e.g. a bond

**Market standard with visible precedents in the sector**

- Recent IPOs with a dual share class structure in the tech sector: Alibaba, Google, GoPro, Groupon, GrubHub, King.com, Lending Club, Yelp, Zynga

# TIMING AND PROCESS

## 2015 Corporate Calendar

08-May: Q1 Results

08-May: AGM

17-Jul: Q2 Results

30-Oct: Q3 Results

## Timing

17-April-2015

- Share capital split announcement
- AGM notice

08-May-2015

- AGM

08-May-2015

- Q1 2015 results release

29-May-2015

- Approval of the listing prospectus by the Financial Supervisory Authority of Norway (expected)

01-Jun-2015

- Listing of the B-shares (expected)

## Key Events

# KEY TAKE-AWAYS

- Unchanged strategy - to become a global leader within online classifieds and to build world-class digital media houses
- Seeking further organic and inorganic growth within online classifieds
  - Participating in consolidating efforts
  - Expanding into additional verticals
  - Entering new markets
- Taking steps to ensure flexibility to participate in future value creating growth opportunities





# APPENDIX

# SCHIBSTED'S SHAREHOLDING STRUCTURE: KEY FACTS

## Key areas

## Comments

### Blommenholm Industrier

- Blommenholm Industrier AS, the company's largest shareholder, owns 28,188,589 shares, representing 26.1% of the shares in Schibsted ASA
- Blommenholm Industrier is controlled by the Tinius Trust, created by Schibsted's former – and largest – owner, Tinius Nagell-Erichsen

### The purpose of Tinius Trust

- Tinius wanted to use his influence to protect Schibsted as a group with free and independent editors, characterised by trustworthiness and quality in conjunction with a long-term and healthy financial development

### Voting rights

- Changes to Schibsted's Articles of Association require more than  $\frac{3}{4}$  of the share capital represented at the relevant AGM/EGM. The company's statutes also provide that no shareholder may own or vote in respect of more than 30 per cent of the shares
- Schibsted's Articles of Association also ensure that important decisions by the group's subsidiaries require more than  $\frac{3}{4}$  of the share capital represented at the relevant AGM/EGM