

Lumi Gruppen

Presentation Q1 2022, May 10 2022

CEO Erik Brandt and CFO Martin Prytz

Q1

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The leading private education provider in Norway

Attractive market position and financial characteristics

Sonans — market leader within private candidate exams

#1

Oslo Nye Høyskole — National Student Survey: overall student satisfaction (2021)

Top 3

Oslo Nye Høyskole — National Student Survey: Online educational offer (2021)

Top 1

Revenue 2021 (NOK million)

532

Adj. EBIT 2021 (NOK million)

133

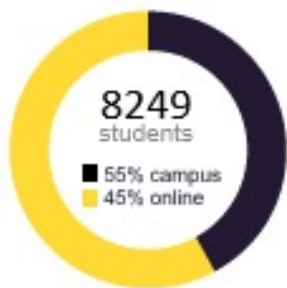
Adj. EBIT% 2021

25%

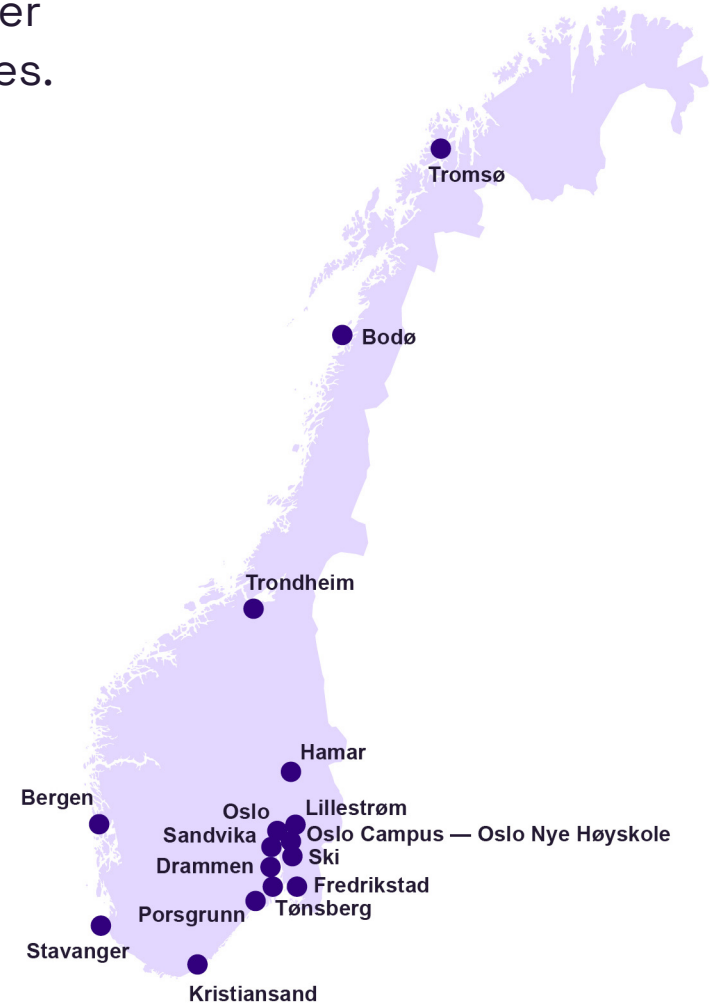
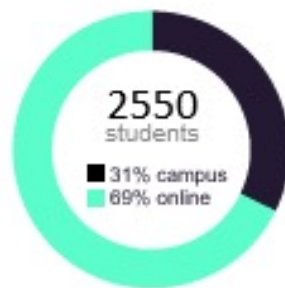
The group consists of two main operating segments: Sonans and Oslo Nye Høyskole (ONH). Sonans is Norway’s market leader within high school private candidate exam preparation courses. ONH is a private university college, with a campus in central Oslo, and a strong online offering.



High school private candidate exam preparation courses in Norway.



Private university college with strong online offering and campus in Oslo.



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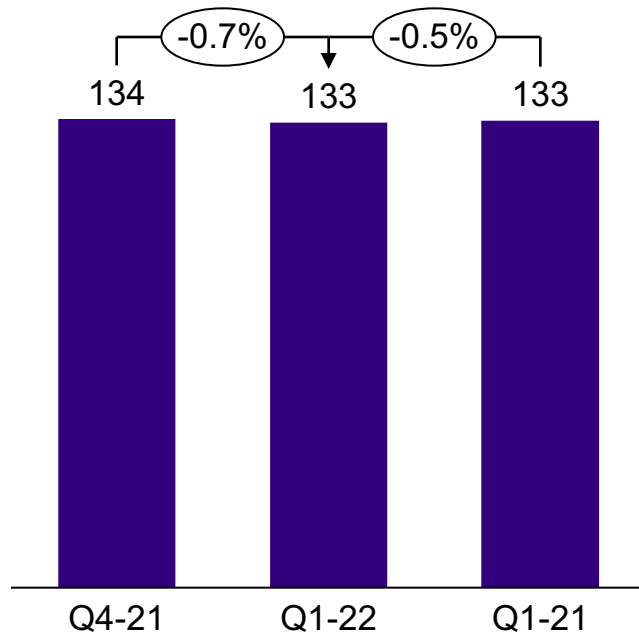
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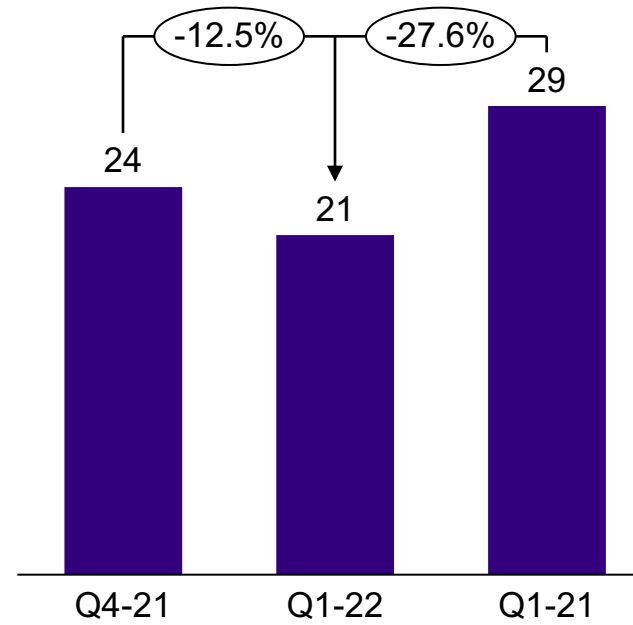
Oslo Nye Høyskole growth strategy on plan, Sonans adapted to online shift

- ✳ Revenue at NOK 133 million for the first quarter (-0.5%)
- ✳ EBIT at NOK 21 million for the first quarter (-30.0%)
- ✳ Cost measures totalling NOK 10-12 million implemented to reflect online shift
- ✳ New digital campus offering in Sonans named Live, well received by students and full launch autumn 2022
- ✳ Oslo Nye Høyskole well positioned and strong start for the autumn student intake

Revenue Q1 (NOKm)



Adj. EBIT Q1 (NOKm)



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New board members in Lumi Gruppen

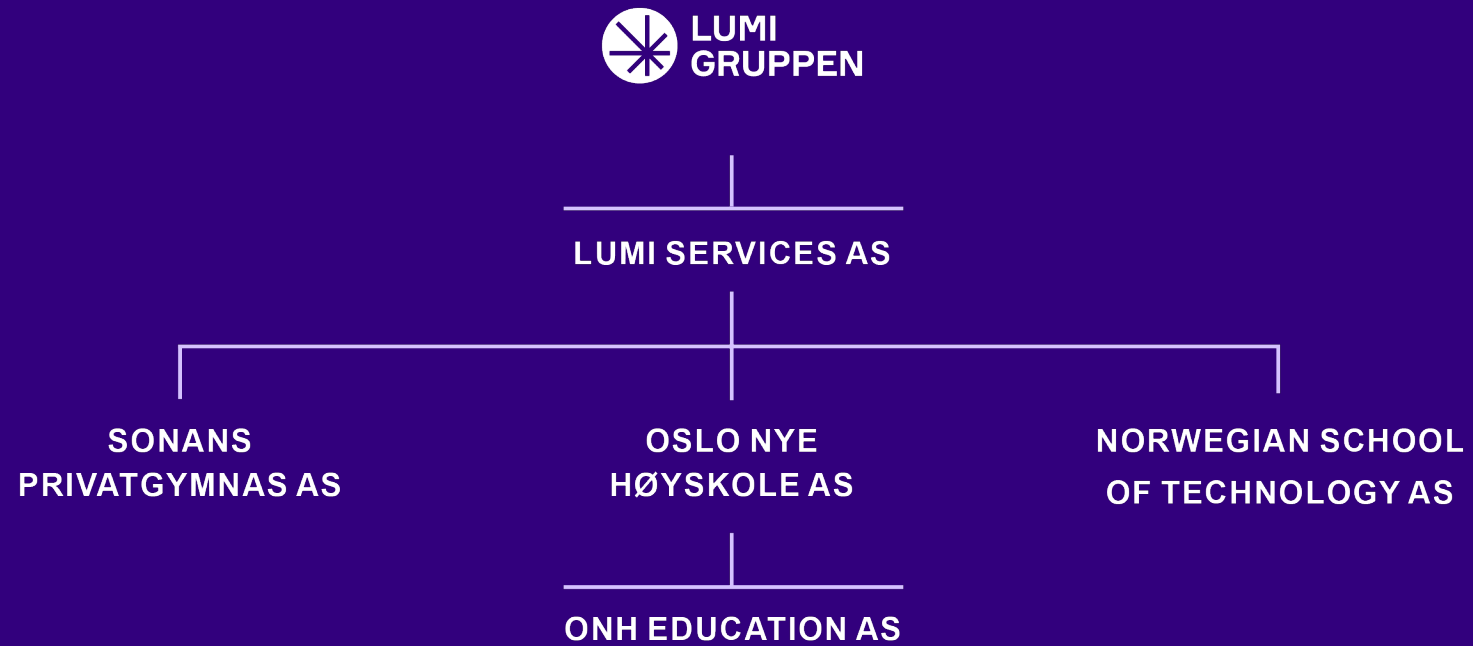
The annual general meeting resolved to elect Harald Arnet and Frode Eilertsen as members to the board of directors in Lumi Gruppen.

Harald Arnet

Harald Arnet is the CEO and partner in Datum Group, a private investment company. He has more than 30 years' experience in national and international finance, industrial and financial investments. He holds several board positions in listed and non-listed companies.

Frode Eilertsen

Frode Eilertsen is a senior high tech business executive with unique and extensive experience from almost two decades of leadership in telecom, Internet and digital media, as CEO, EVP, CPO, investor, entrepreneur, and management consultant in both young, rapidly growing organizations and publicly traded multinational corporations. Eilertsen is currently an investor in and advisor to numerous technology start-ups, in both in Norway and internationally.



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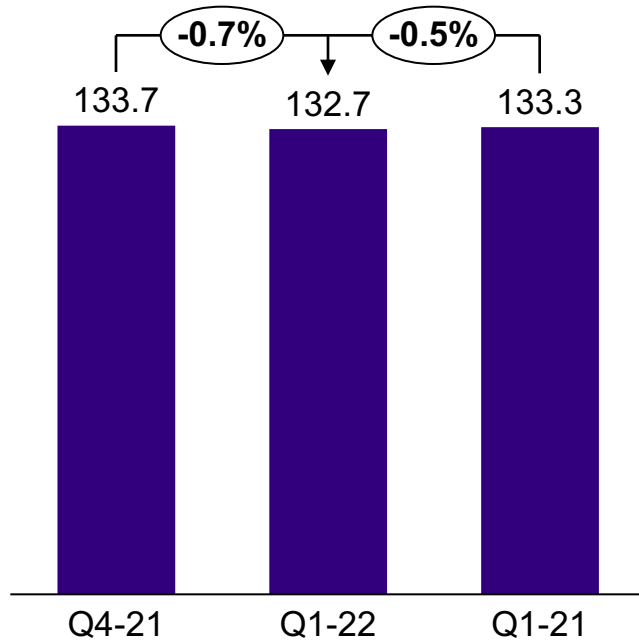
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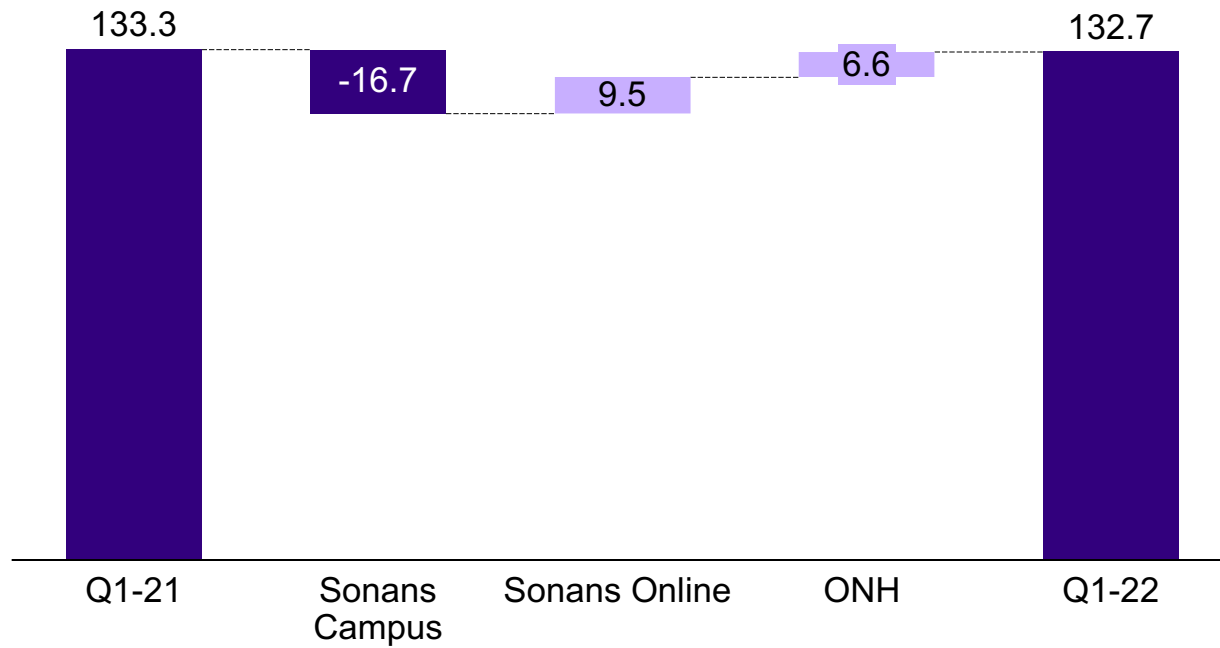
Higher online revenue for Sonans and continued growth for Oslo Nye Høyskole

- ✳ Revenues ended at NOK 132.7 for Q1'22, down by 0.5% compared to Q1'21
- ✳ Sonans online revenue grew by 47.8% and ONH revenue grew by 17.2%. Campus revenue continued to decline in line with the development from 2H 2021 (down ~20% compared to 1H 2021)
- ✳ Price increases for both online (10%) and campus (3.5%) courses implemented and will have full effect from the school year '22/'23 and from 2H 2022 on revenues in the P&L

Revenues (NOKm)



Development in revenue Q on Q (NOKm)



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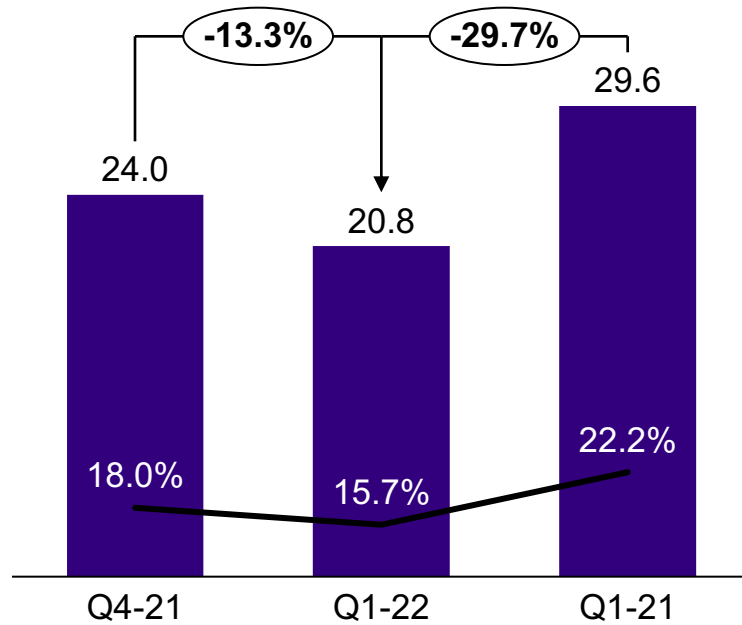
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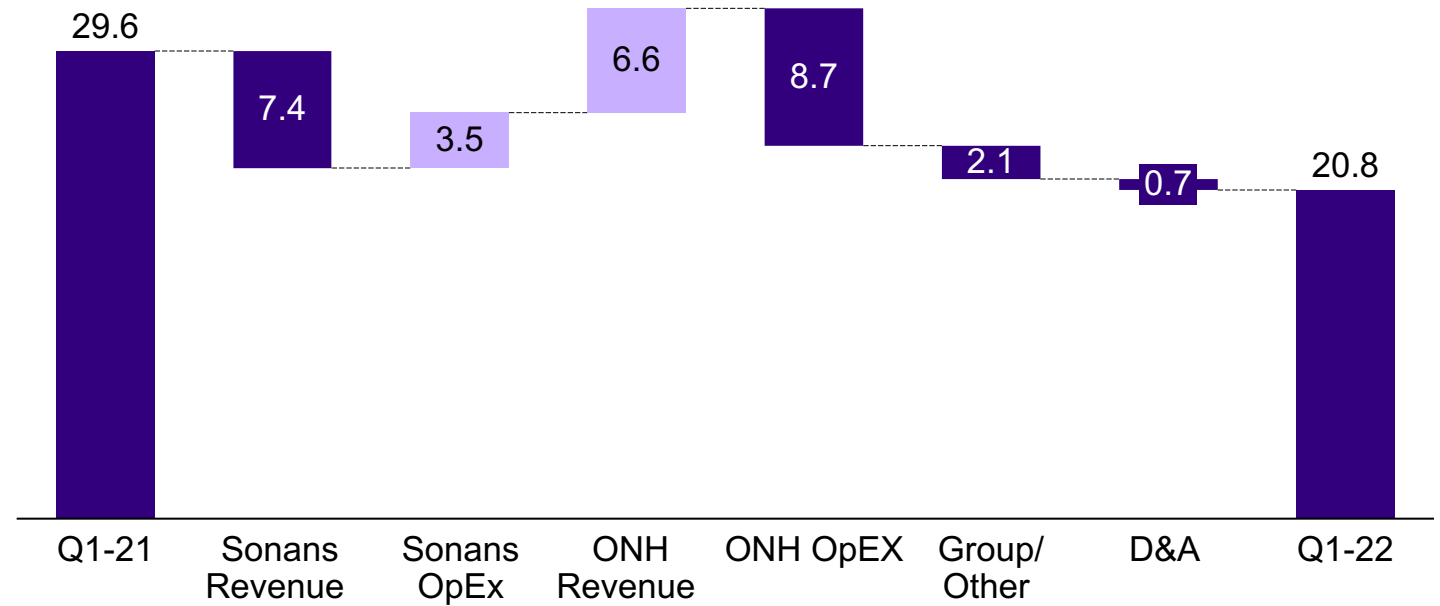
Full year effect of ramp-up costs for Oslo Nye Høyskole affects profitability in Q1'22

- ✳️ Adj. EBIT ended at NOK 21 million for Q1'22, down by 29.7% compared to Q1'21 and 13.3% compared to Q4'21
- ✳️ ONH OpEx increased by NOK 8.7 million in the quarter compared to last year, while revenues grew by NOK 6.6 million. Approximate 40% of revenue is distributed in 1H and 60% in 2H and margin will therefore improve in 2H'22
- ✳️ Cost measures implemented for Sonans and reported savings was NOK 3.5 million for this quarter. Price increases implemented and contribute to higher margin from 2H 2022

Adj. EBIT (NOKm) and Adj. EBIT%



Development in Adj. EBIT Q on Q (NOKm)



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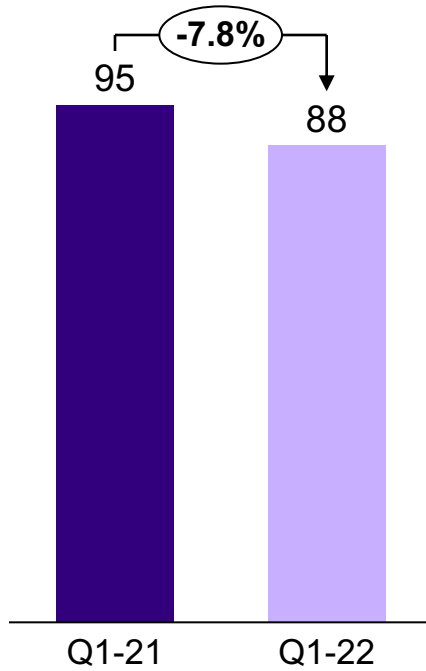
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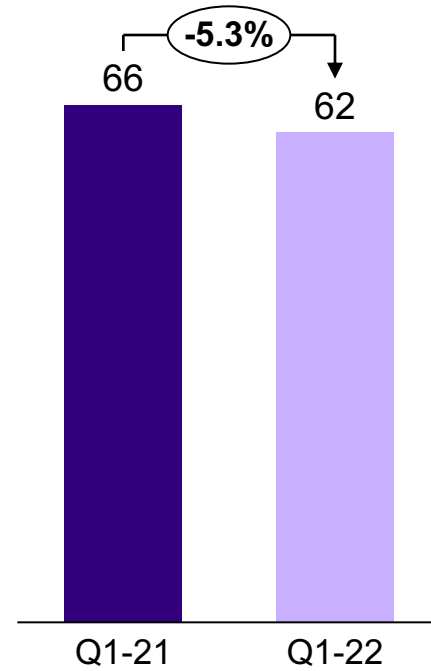
Sonans online revenue growth and OpEx savings reported, continued soft campus market

- ✧ Total revenues ended at NOK 87.6 million in the first quarter, down by 8% compared to Q1'21
- ✧ The growth for online is driven by higher volumes (i.e., online shift) and the effect of changes in commercial terms for online courses
- ✧ Operating expenses decreased by NOK 3.5 million in Q1'22 compared to the same period last year, a result of the cost measures implemented
- ✧ Savings in Q1'22 NOK 1 million higher when adjusted for an additional bad debt accrual due higher share of collection cases. Measures taken to monitor the development and reduce credit risk going forward

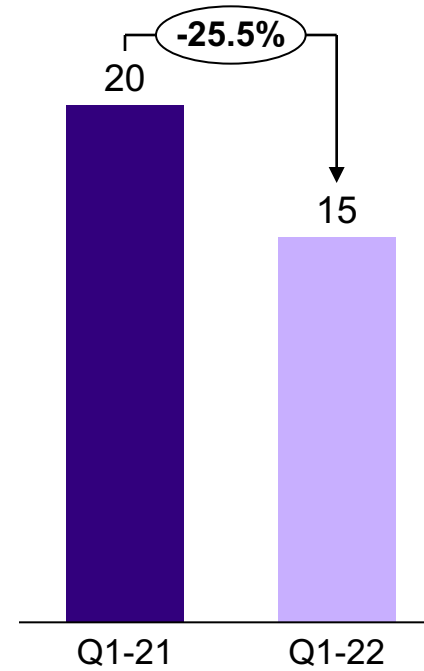
Revenue (NOKm)



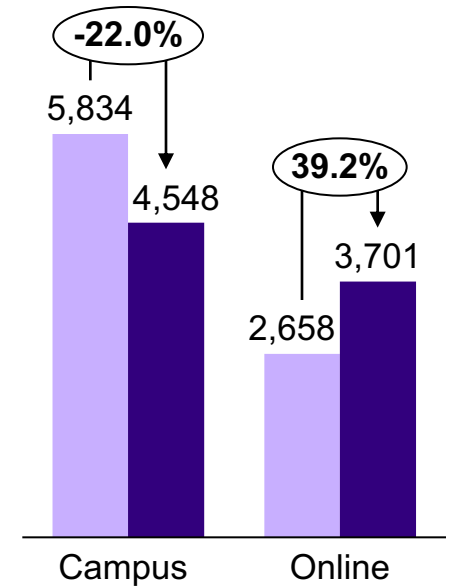
Adj. OpEx (NOKm)



Adj. EBIT (NOKm)



Active students



■ Q1-21
■ Q1-22

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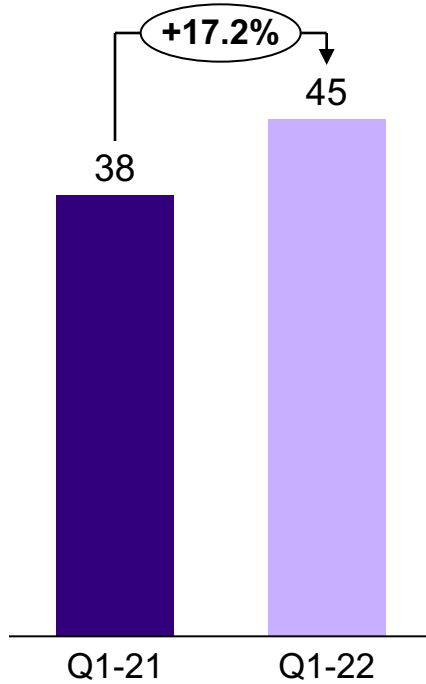
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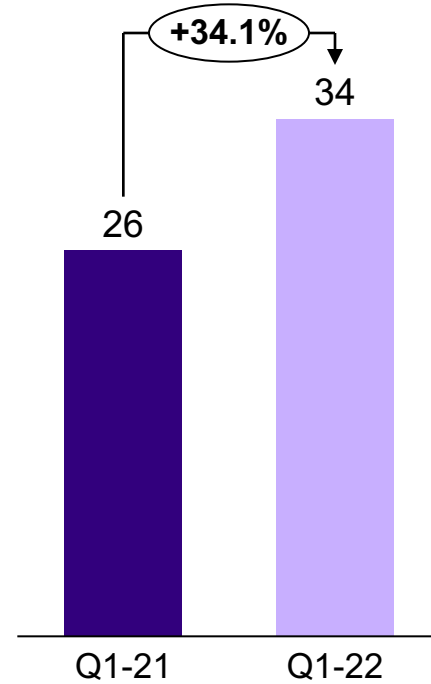
Oslo Nye Høyskole with solid revenue growth, but lower margin due to ramp-up costs

- ✳ Total revenues ended at NOK 44.9 million in Q1'22, up by 17.2 per cent compared Q1'21
- ✳ The growth is driven by the new programmes in combination with a higher share of recurring revenues from the multi year programmes
- ✳ Operating expenses at Oslo Nye Høyskole increased by NOK 8.7 million in Q1'22, representing the quarterly share of the full year ramp-up costs
- ✳ Higher marketing costs in the quarter to support a solid spring intake

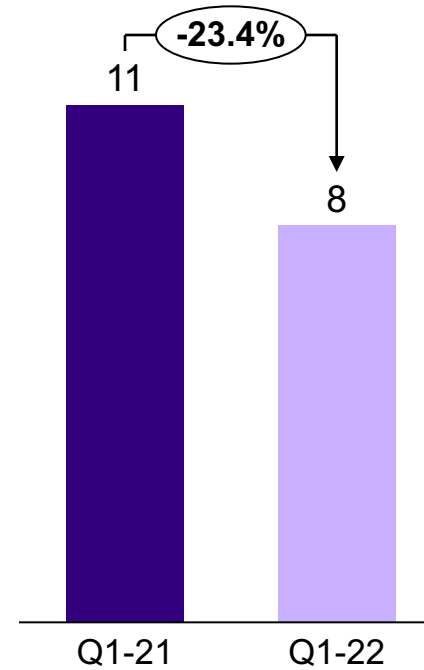
Revenue (NOKm)



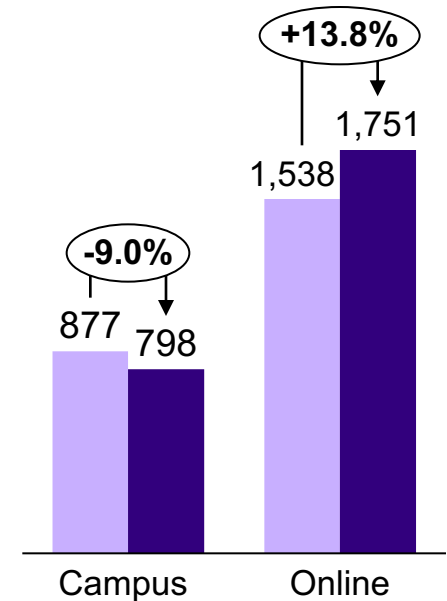
Adj. OpEx (NOKm)



Adj. EBIT (NOKm)



Active students



■ Q1-21
■ Q1-22

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Financial Focus

Sonans

Execute on the cost reduction plan to protect profit and identify additional measures to further protect impact from variances in student volumes

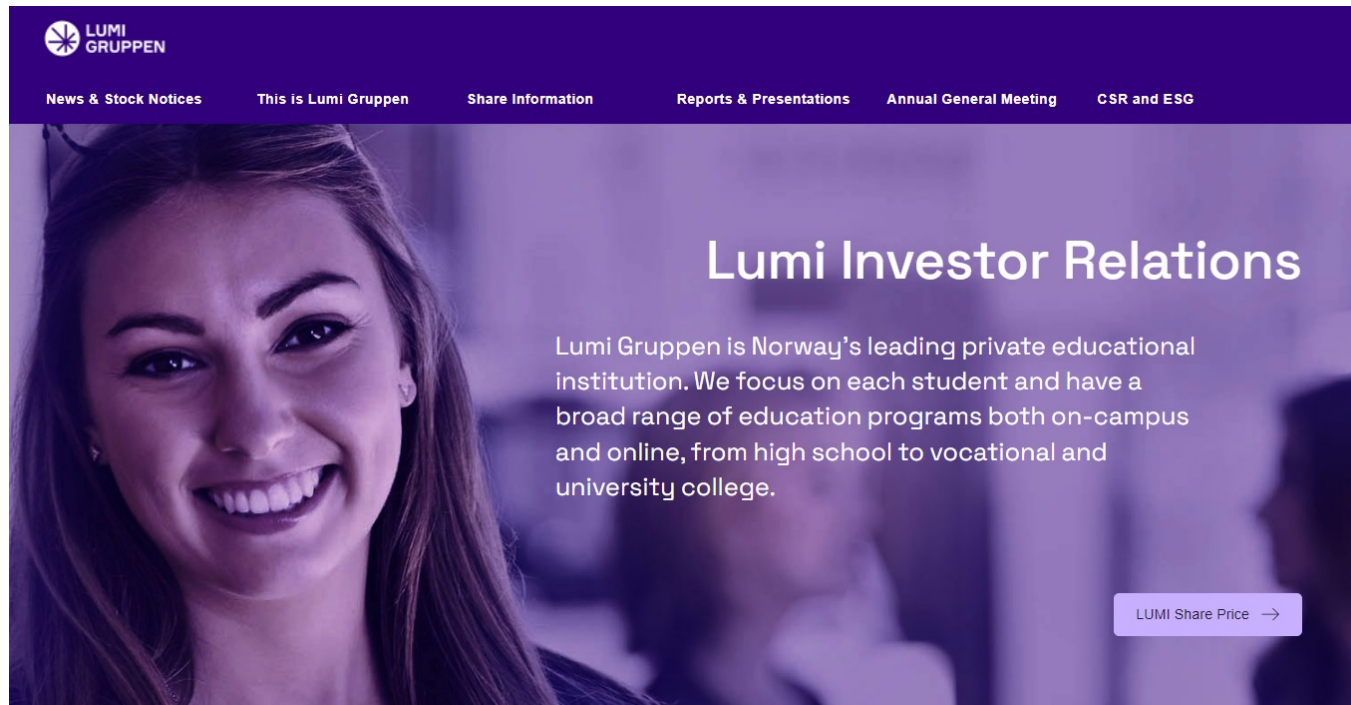
ONH

Margin expansion for higher volumes in new programmes

Group

Facilitate shared services and reduce costs through joint operations across operating segments

New investor web ready to be launched soon:




Documents



[More Reports & Presentations ->](#)

Financial Calendar

	Q2 22 25 AUGUST 2022
	Q3 22 04 NOVEMBER 2022
	Q4 22 18 FEBRUARY 2023

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ONH growth strategy on plan, Sonans adapted to the online shift

Sonans

- Successful pilot testing of Live – full launch autumn 2022

- New optimized digital marketing to improve reach and conversion

Oslo Nye Høyskole

- Market winner in student applications for autumn 2022*

- Higher student volumes a key priority

* Source: NUCAS (Norwegian Universities and College Admission Service) – “Samordna opptak”

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Sonans – Digital transformation progressing on plan, pilot testing of Live have been a success

- ✦ Teaching live, in a digital classroom, for students who want flexibility and structure
- ✦ Digital interaction between teachers and students well received
- ✦ Stronger competitive edge in the market for private candidates

Sonans exam preparation courses in 3 different channels



Campus

Fysisk undervisning i noen av Norges største byer.

Bestill rådgivning

- Teaching at set times
- Get to know the classroom environment
- Work concentrated over time
- Socially Group discussions
- Access to digital study material and other aids at ALF



Live

Digital klasseroms-undervisning til faste tider der du er.

Bestill rådgivning

- Teaching at set times
- Flexible where you study from
- Get to know the classroom environment
- Work concentrated over time
- Socially
- Group discussions
- Access to digital study material and other aids at ALF



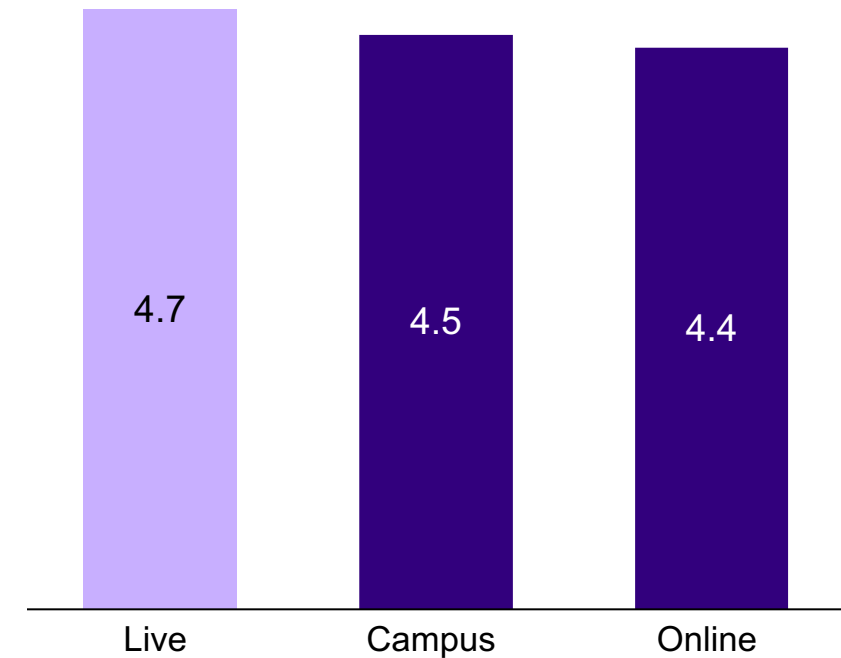
Online

Studer når du vil, hvor du vil.

Bestill rådgivning

- Flexible time and place
- Require more self motivation
- One talking at a time
- Opportunity to collect large amounts of data on behavior

Student satisfaction per channel (1-5)*



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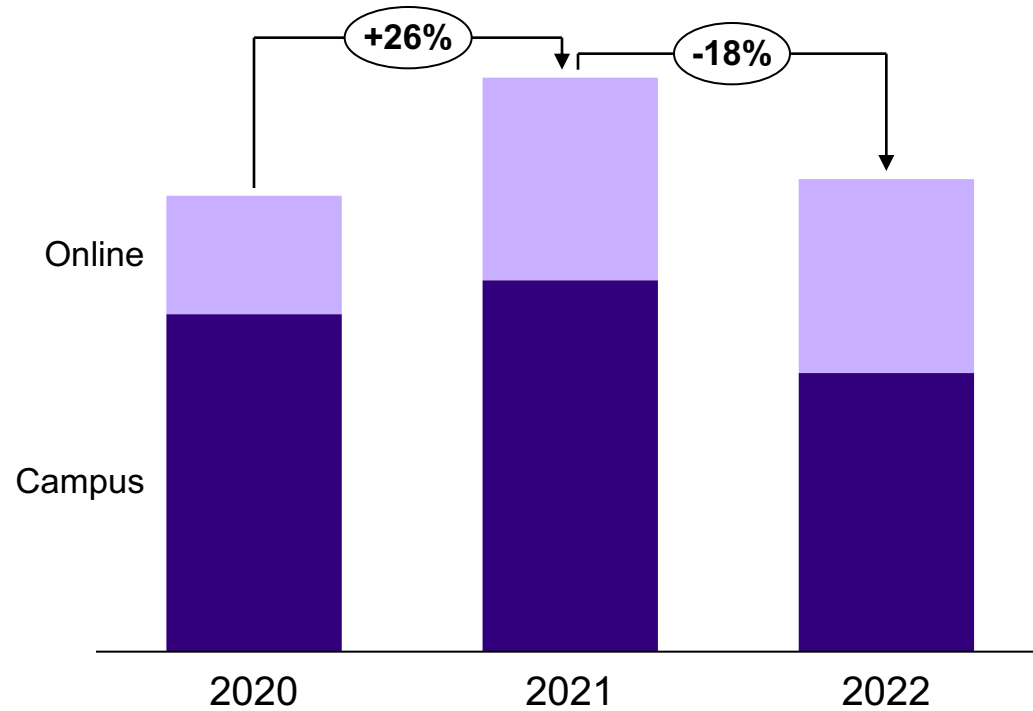
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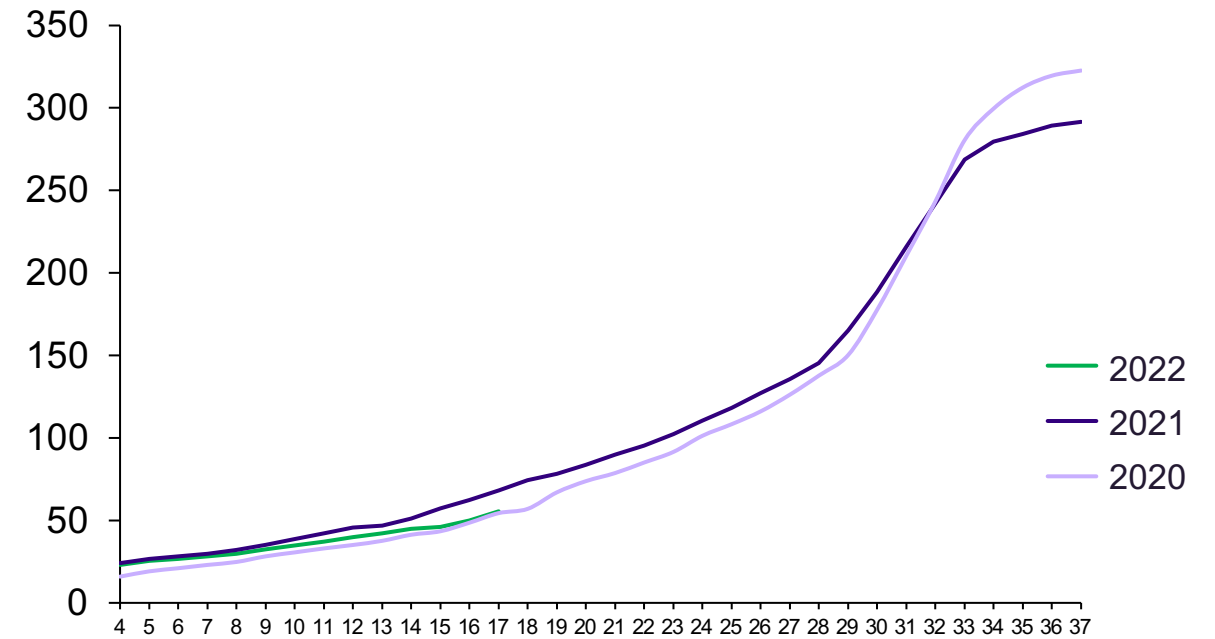
Sonans — Autumn sales on par with '20

- ✳ Early stage in the student intake cycle
 - Less than 20% of sales completed, 50% of sales takes place in July and August
- ✳ Cancelled high school exams three years in a row
 - Likely that more students receives their diploma
- ✳ A strong labour market in Norway post Covid-19
 - Decline in number of applicants to higher education

Accumulated sales per week 17



Sales development per week in 2020, 2021 and 2022



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Sonans – New and optimized marketing campaign to support autumn intake

- ✳ Targeted campaign for the new Live offering (digital campus)
- ✳ Testing/launch of digital marketing campaigns in areas w/o any campuses
- ✳ Stand out as the premium brand in the market with the strongest multi channel offering



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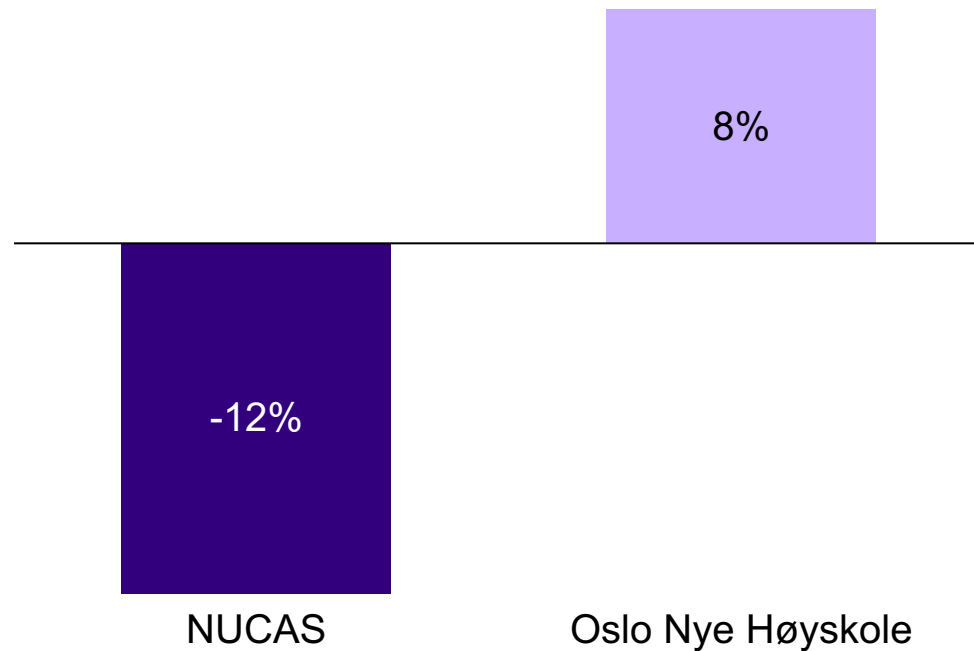
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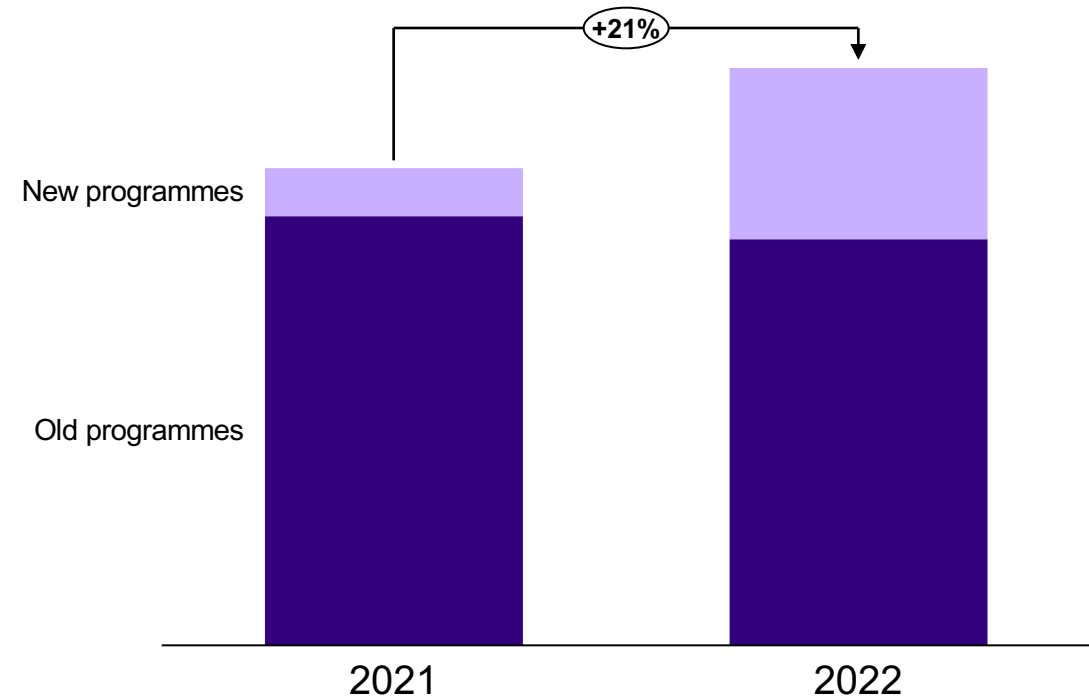
Oslo Nye Høyskole – A market winner by number of applications

- ✦ Successful expansion with new study programmes
- ✦ 5 programmes launched autumn 2021
- ✦ Focus on growing the business further
 - Key priority to increase number of students in the new programmes

Total applicants* for higher education in Norway vs ONH



Solid growth in applications for bachelor programmes



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Oslo Nye Høyskole – Student intake completed by mid-September

- ✳ Important sales period from 20th of July to mid-September
 - Around 50% of sales completed, remaining sales takes place from July to September
- ✳ Students not admitted to public universities will look for other options
- ✳ Marketing efforts will continue



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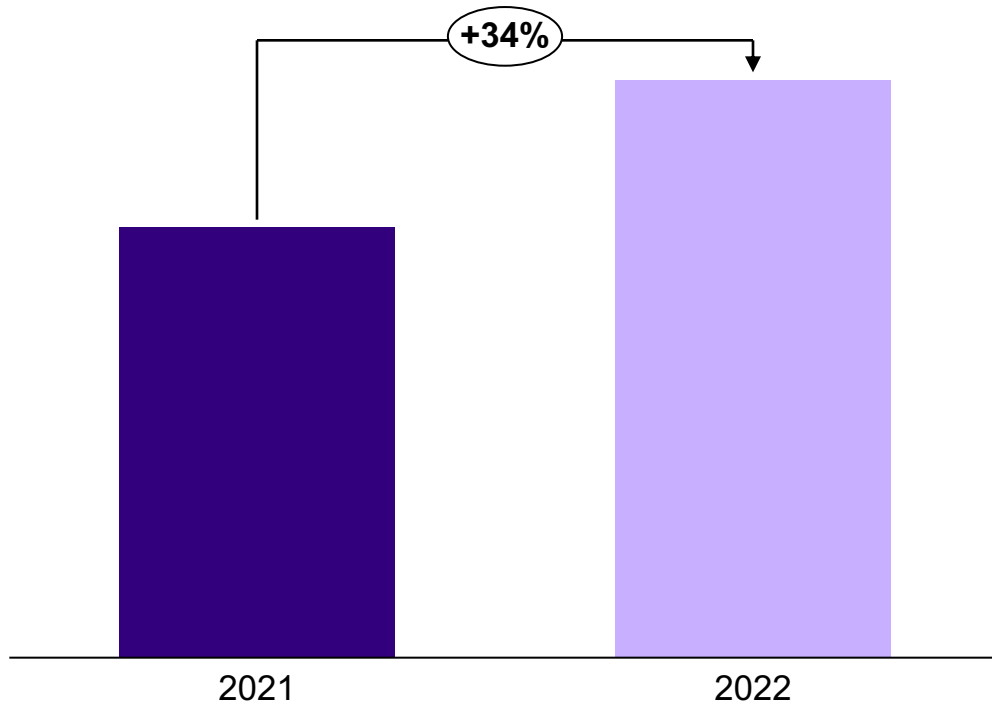
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Oslo Nye Høyskole – Online programmes increasingly important

- ✦ Strong online offering increasingly important
- ✦ ONH a leading provider of online education
 - Rated as #1 on technical solution for online teaching*
- ✦ Clear strategy to strengthen online offering further
 - Online the main channel for new programmes

Total applicants* for online programmes autumn 2022



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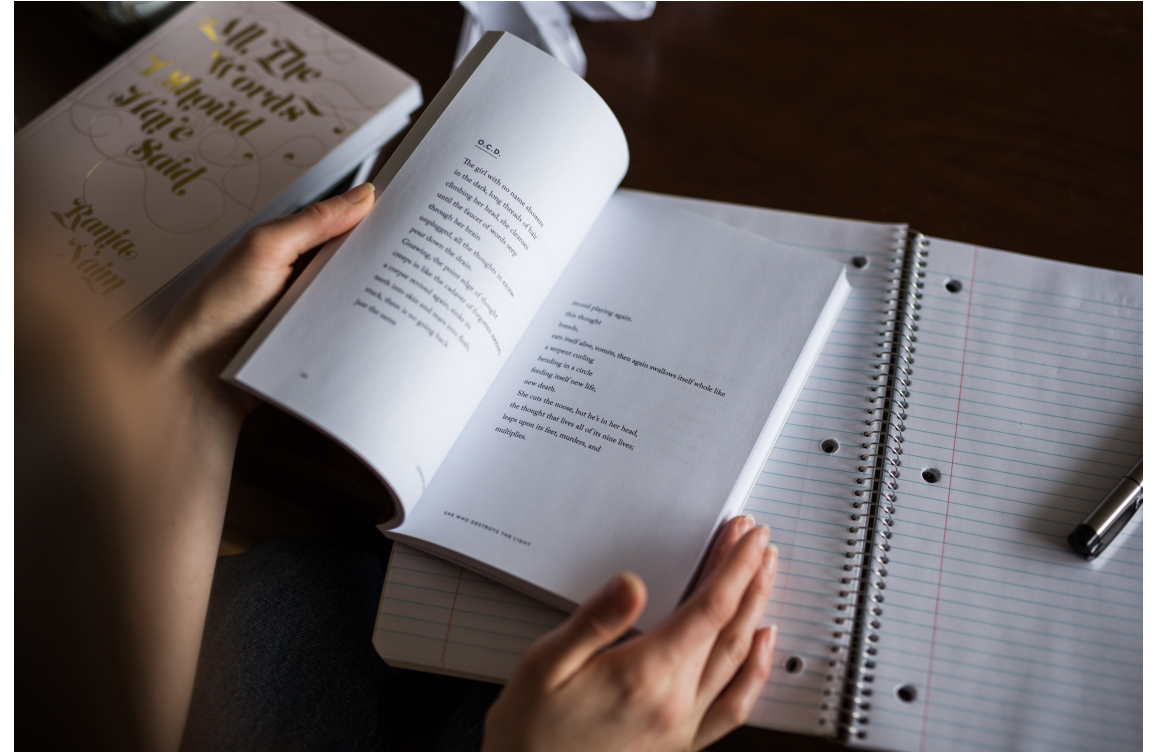
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Lumi Gruppen – Solid market for higher education in Norway

- ✦ Still twice as many applicants for higher education than admission places
- ✦ **Sonans**
 - Launch of Live
 - Improved marketing campaign
- ✦ **ONH**
 - Strong momentum after 20th of April
 - Higher volumes a key priority
- ✦ **NTech**
 - Capacity constraints at NOKUT with 2/3 of all applications postponed
 - Market is still solid and will focus on developing online solutions further



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Outlook Lumi Gruppen

- ✳ EBIT margin for 2022 is expected to be on par with 2021 with improved profitability materialising in the second half of 2022
- ✳ The Group have already implemented cost saving measures and adjusted prices to reflect the online shift for Sonans and balance out inflation in the cost base. Further, launched a new digital offering named Live with attractive financials metrics that will reduce the impact of the online shift going forward. However, higher student volumes is still needed to improve the profitability for the Group
- ✳ ONH is currently on plan so far, while Sonans is lagging slightly behind. But, still in the early stage of the sales cycle for both ONH and Sonans

Disclaimer

This presentation includes forward-looking statements which are based on our current expectations and projections about future events. Statements herein, other than statements of historical facts, regarding future events or prospects, are forward-looking statements. All such statements are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements. As a result, you should not place undue reliance on these forward-looking statements.

The Group reports its financial results in accordance with accounting principles IFRS. However, management believes that certain alternative performance measures (APMs) provide management and other users with additional meaningful financial information that should be considered when assessing the Group's ongoing performance. These APMs are non-IFRS financial measures, and should not be viewed as a substitute for any IFRS financial measure. Management, the board of directors and the long term lenders regularly uses supplemental APMs to understand, manage and evaluate the business and its operations. These APMs are among the factors used in planning for and forecasting future periods, including assessment of financial covenants compliance.

