

# Interim presentation First quarter 2019

---

Sverre Hurum, CEO

Erik Stubø, CFO

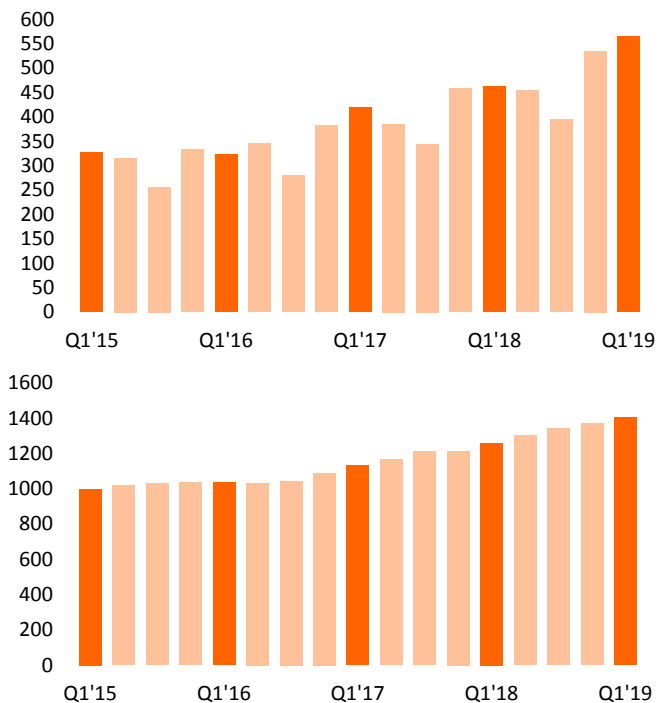
15 May 2019

# Highlights in the quarter

- Revenue and EBIT
  - Operating revenues increased by 22.1 percent to NOK 564.3 million (y-o-y)
  - EBIT increased by 36.2 percent to NOK 68.8 million (y-o-y)
- 1 405 employees
  - Up 36 from Q4'18
  - An increase of 145 in the past 12 months
- Still strong market

## Revenue and number of employees

MNOK and number

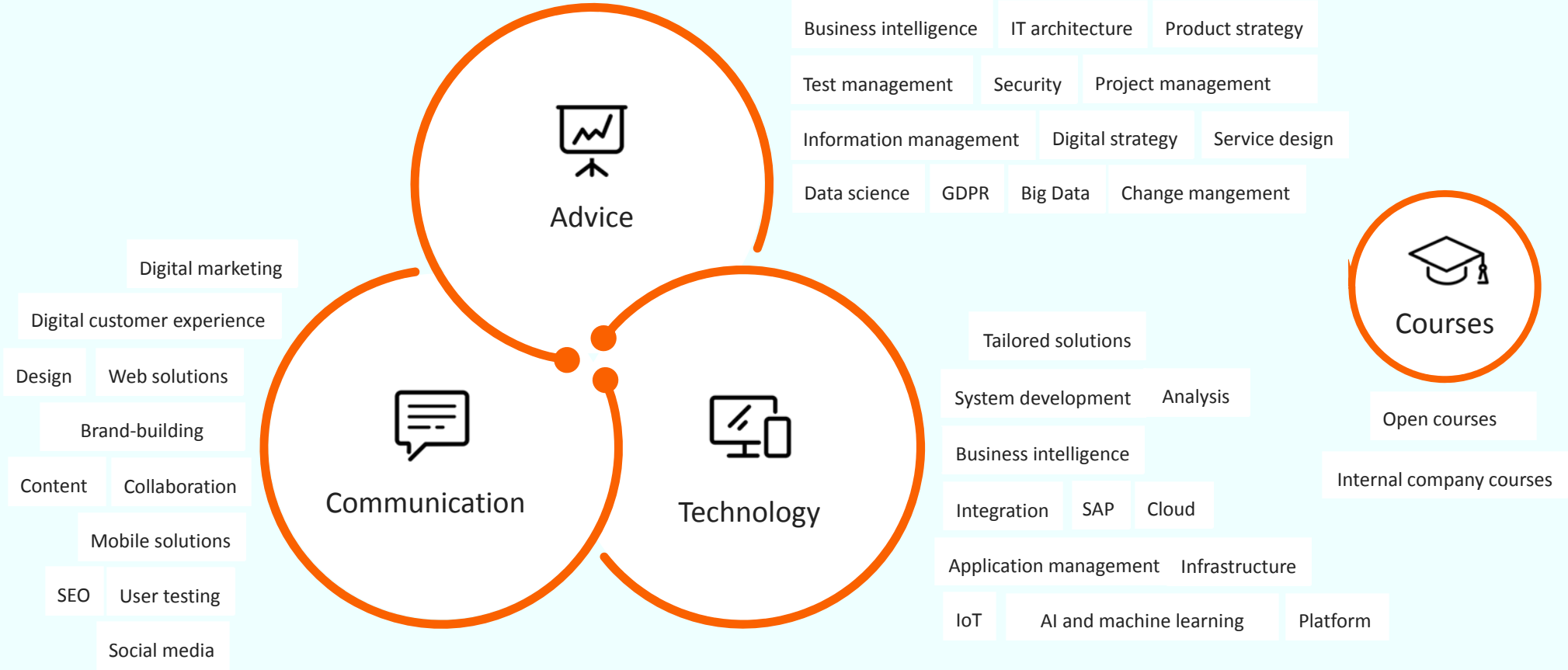




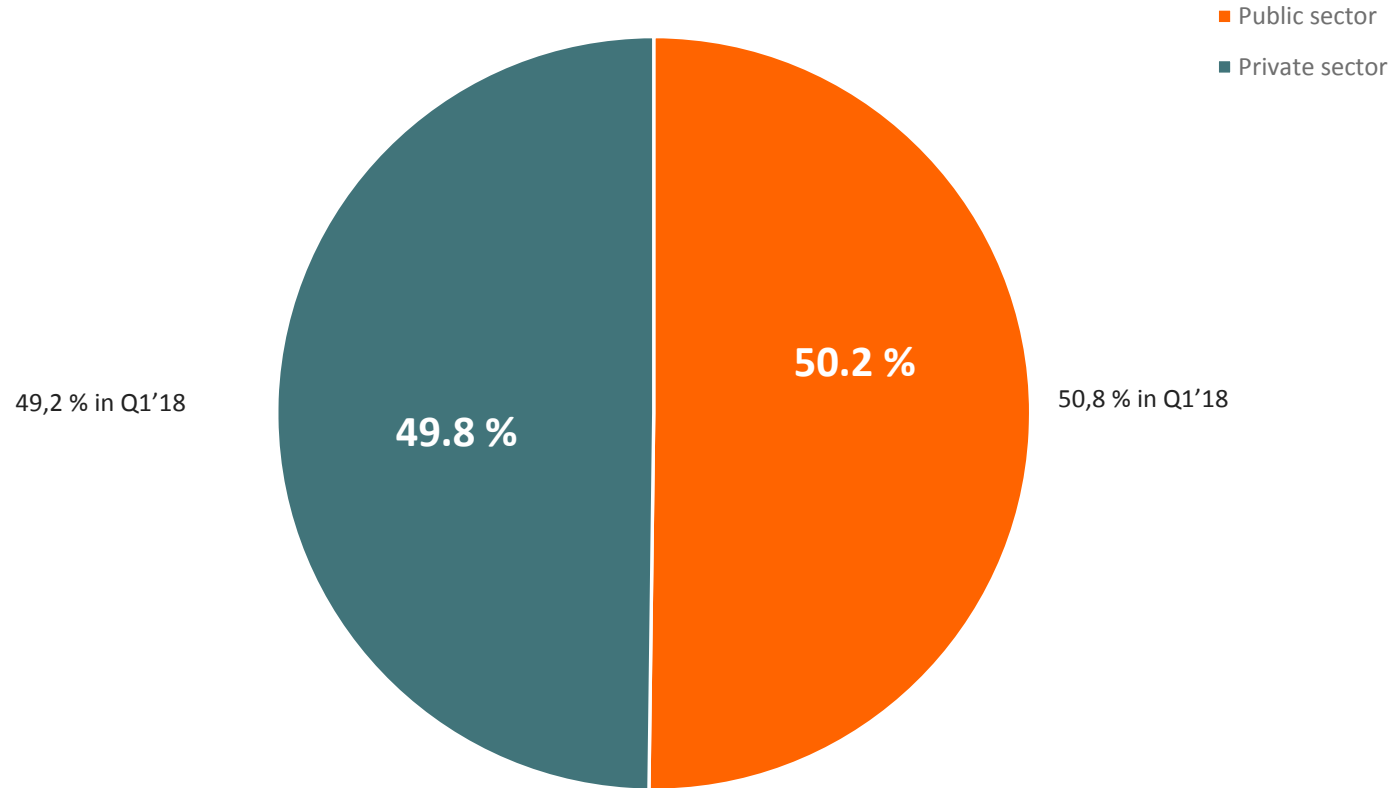
# Operational Review

---

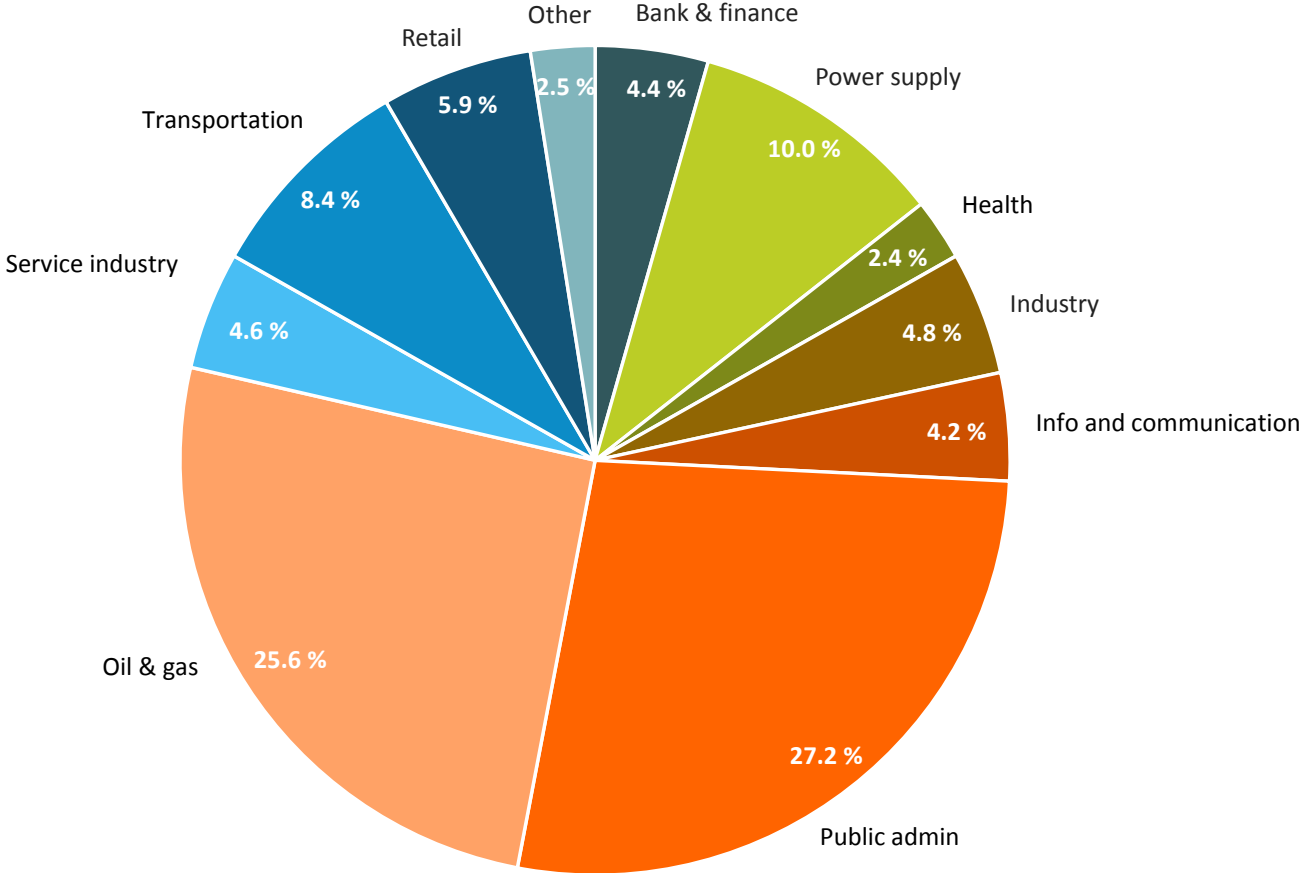
# Our services



# Public and private sector



# Business sectors Q1 2019



# Sectors with high increase in revenue

## Oil & gas

- Increased by 38.8 percent (y-o-y)
- Represents 25.6 percent of total revenues in Q1'19

## Power supply

- Increased by 37.4 percent (y-o-y)
- Represents 10.0 percent of total revenues in Q1'19

## Industry

- Increased by 44.5 percent (y-o-y)
- Represents 4.8 percent of total revenues in Q1'19

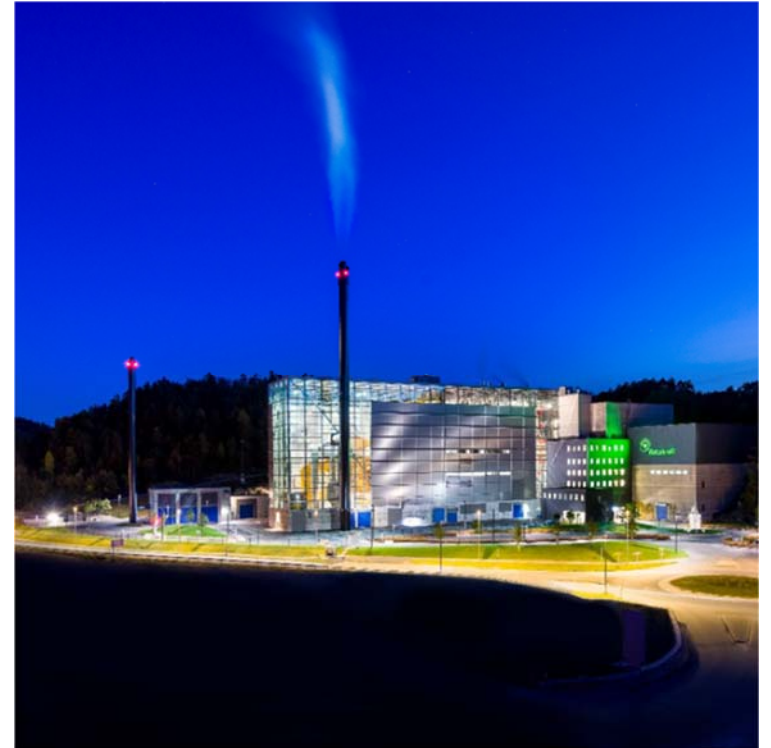
## Bank & finance

- Increased by 39.9 percent (y-o-y)
- Represents 4.5 percent of total revenues in Q1'19



# Returkraft – transforming garbage into energy

- Mapping and assessment of today's IT operations, organization and infrastructure
- Establishing a future-oriented and functional IT and operations strategy
- Bouvet provides a team of advisors in 2019





# Partner for digital transformation with DEA Norge AS

- Bouvet is selected as the exclusive partner to help develop their strategic digitalisation roadmap.



# City of Oslo - Service design

- Assists the City of Oslo acquiring and implementing welfare technology within its municipal healthcare services
- Developing a modern IoT and SaaS service management model
- Based on Service design methodology and principles
- Duration 3+ years, ongoing

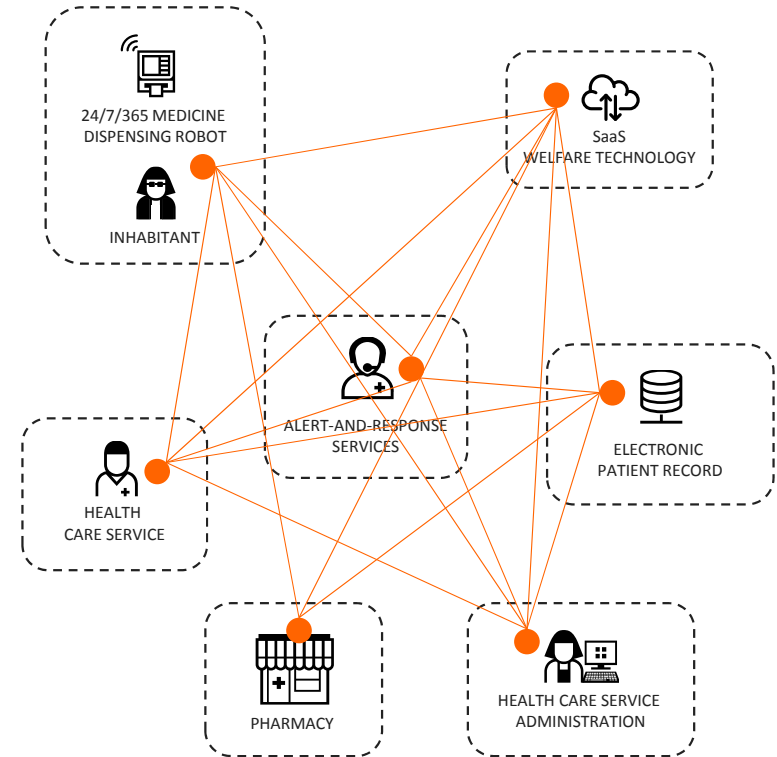
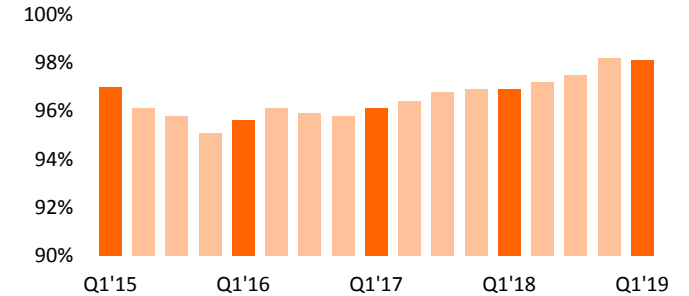


Figure: A typical Welfare technology service design ecosystem

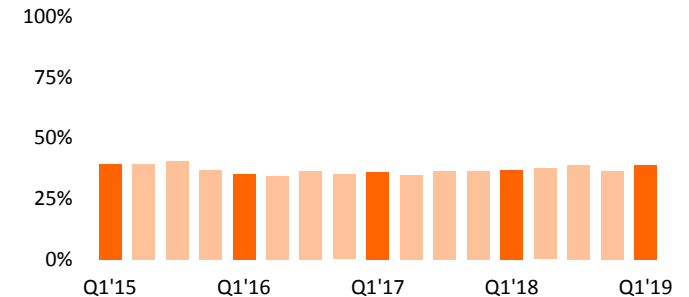
# Customer and project mix

- Project mix
  - Variable contracts account for 98.1 percent of total revenues
- Customer portfolio
  - The 10 largest customers represent 39.0 percent of total revenues – up from 36.9 percent in Q1'18
  - The 20 largest customers represent 50.5 percent of total revenues – up from 49.4 percent in Q1'18

**Variably priced contracts share of revenues**  
Percentage



**10 largest customers share of revenues**  
Percentage



# Customer development

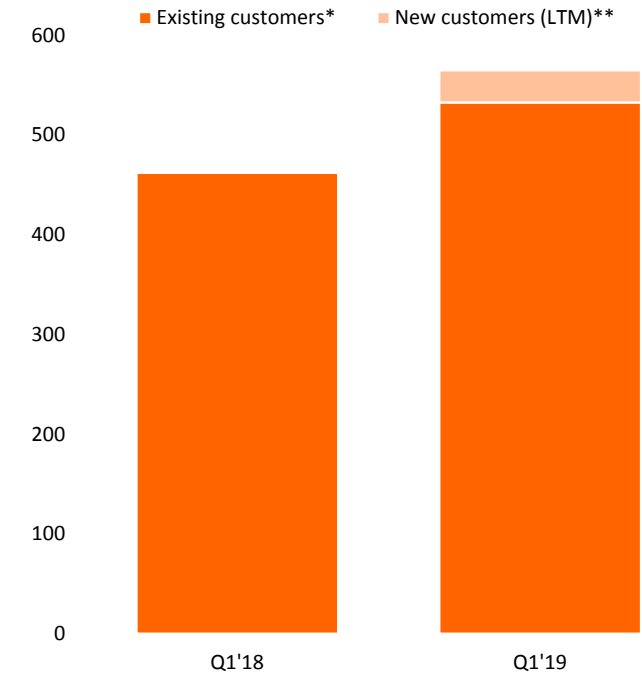
- Existing customers\*
  - Accounted for 94.3 percent of revenues in Q1'19
- New customers\*\*
  - Customers won over the past year generated revenues of NOK 32.1 million in Q1'19

\* Existing customers defined as customers that were invoiced in the corresponding quarter last year

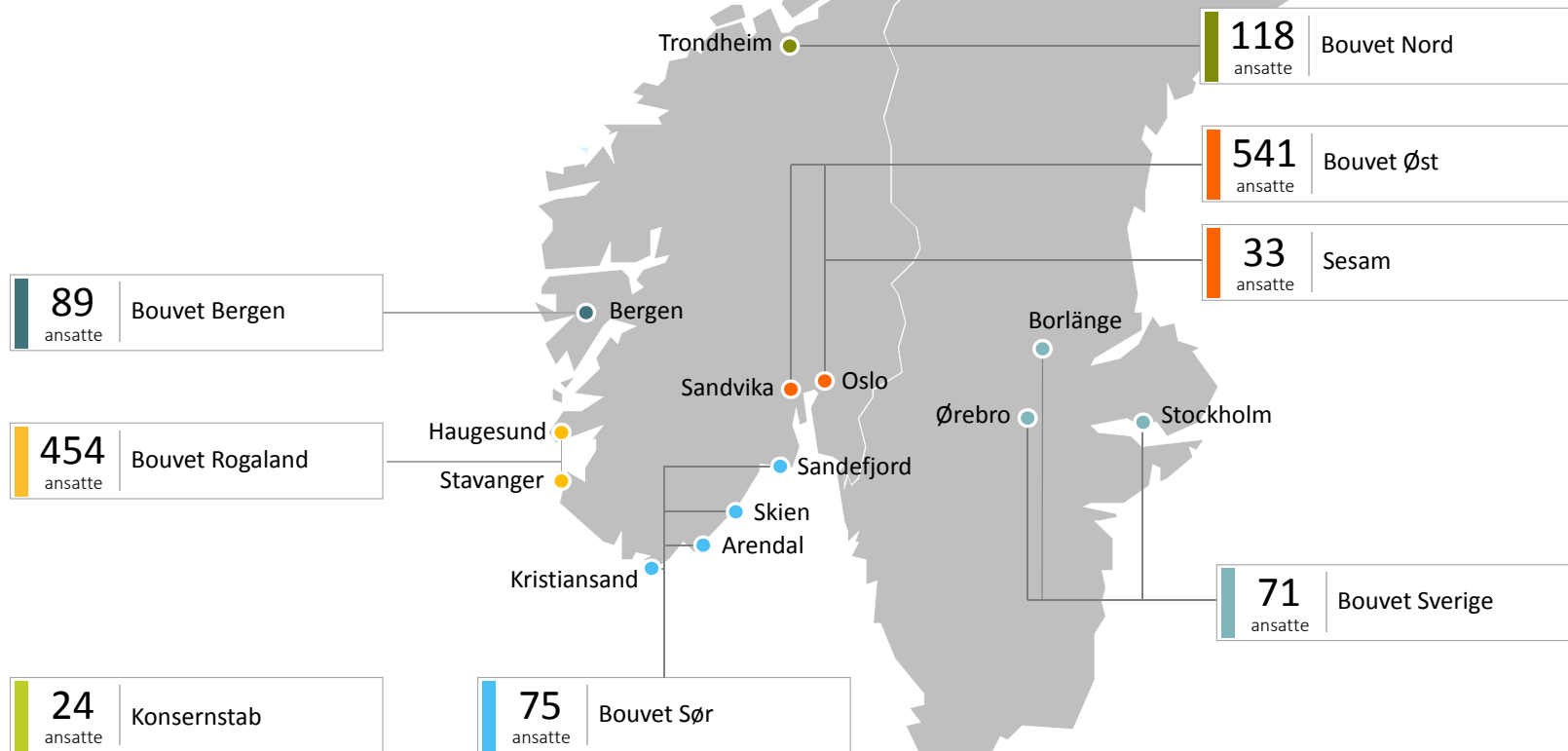
\*\* New customers defined as customers won since end of corresponding quarter last year

## Revenue customer split

MNOK



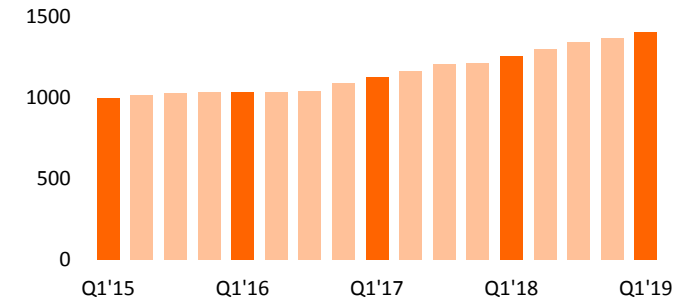
# Regional organisation



# Enthusiastic and competent employees

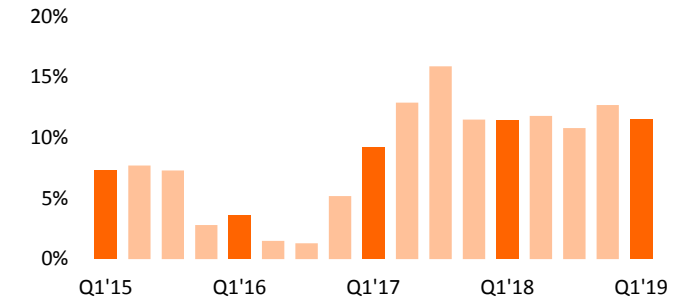
- 1 405 employees at the end of the quarter
  - Up 36 from Q4'18
  - 145 more employees in the past 12 months
  - Average number of employees in the quarter up 12.1 percent from Q1'18

**Number of employees end of quarter**

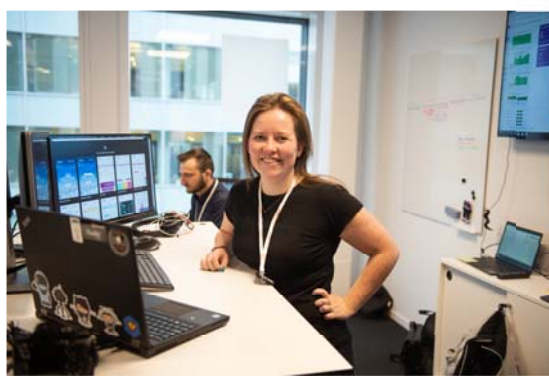
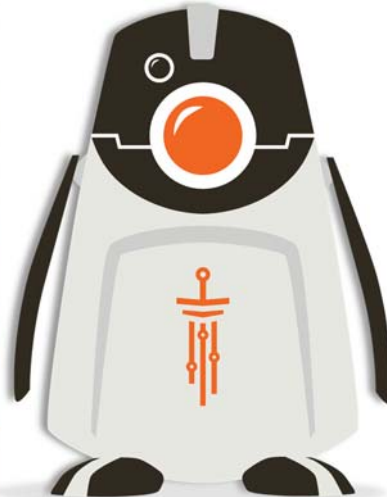


**Annual growth in number of employees**

Percentage









# Financial Review

---



# Key figures

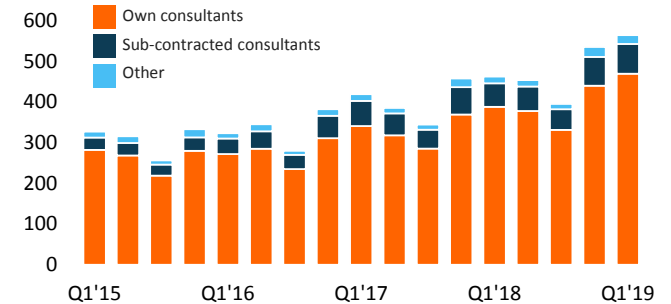
MNOK	Three months ending			Twelve months ending		
	31.03.2019	31.03.2018	Change	31.03.2019	31.03.2018	Change
Operating revenue	564.3	462.3	22.1 %	1 948.8	1 650.6	18.1 %
Operating profit (EBIT)	68.8	50.5	36.2 %	209.9	153.5	36.7 %
EBIT margin	12.2 %	10.9 %		10.8 %	9.3 %	
Ordinary profit before tax	68.5	49.7	37.8 %	210.4	154.1	36.5 %
<b>Profit for the period</b>	53.4	38.6	38.4 %	165.3	119.1	38.7 %
EPS (fully diluted)	5.16	3.76	37.4 %	16.07	11.62	38.3 %
Net cash flow operations	4.3	-14.6	N/A	237.8	147.7	61.0 %
Equity ratio	29.2 %	35.1 %		29.2 %	35.1 %	
Cash and cash equivalents	267.1	159.0	67.9 %	267.1	159.0	67.9 %
Number of employees (end of period)	1 405	1 260	11.5 %	1 405	1 260	11.5 %
Number of employees (average)	1 398	1 247	12.1 %	1 344	1 205	11.5 %

# Revenue

- Revenues increased by 22.1 percent y-o-y
  - Revenues from own consultants increased by 21.0 percent to NOK 469.6 million
  - Revenues from sub-contracted consultants increased by 26.2 percent to NOK 73.3 million
  - Other revenues increased by 32.3 percent to NOK 21.5 million

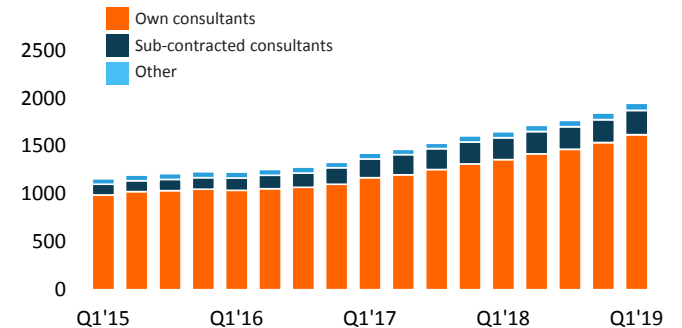
Revenue split (quarterly figures)

MNOK



Revenue split (12 months rolling average)

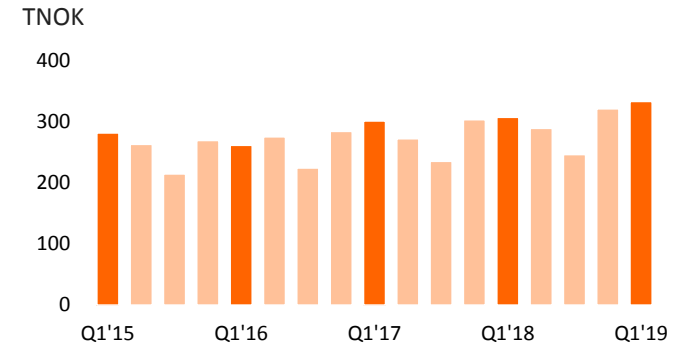
MNOK



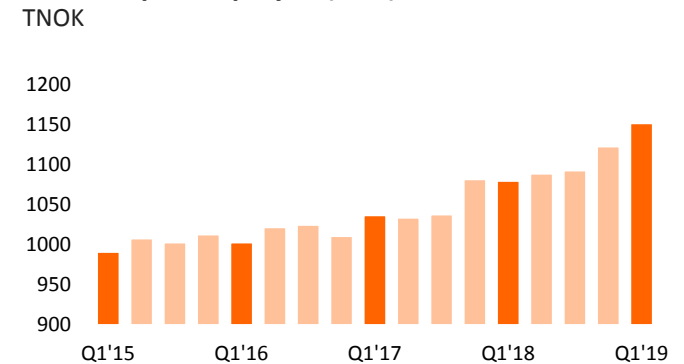
# Revenues from own consultants

- Increased 21.0 percent y-o-y
  - Positive impact from 12.1 percent increase in average number of employees
  - Positive impact from 3.3 percent increase in prices for group hourly services
  - Positive impact from increase in billing ratio by 0.1 percentage points
  - 63 workdays in Q1'19 – one more than Q1'18

Revenue per employee (quarterly figures)

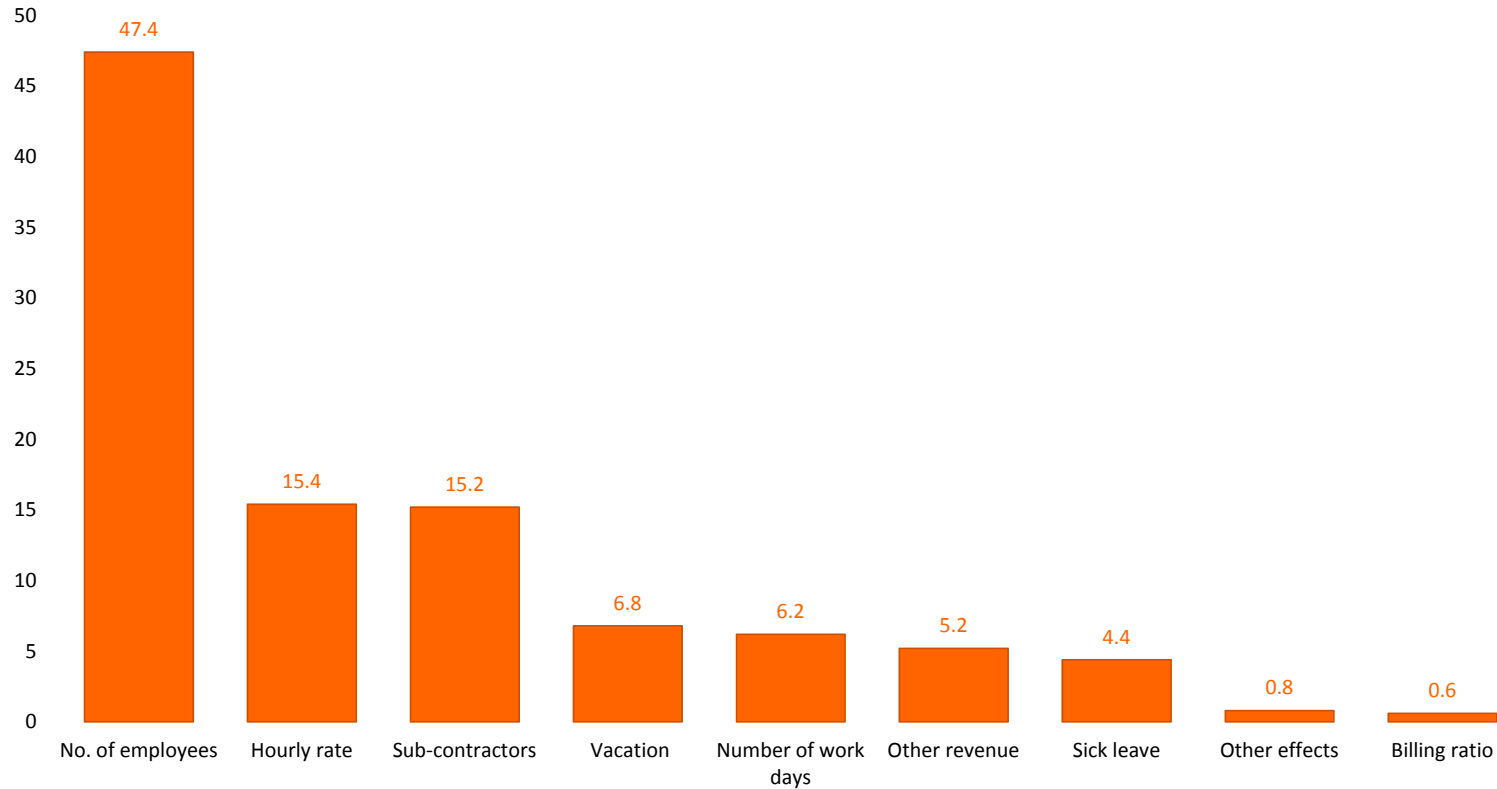


Revenue per employee (LTM)



# Analysis of change in revenues y-o-y

Revenue  
MNOK

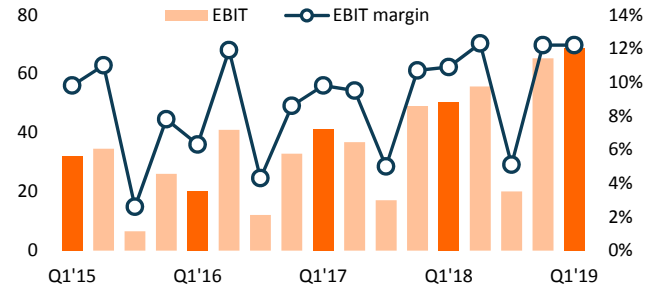


# Earnings

- Operating profit (EBIT) increased by 36.2 percent to NOK 68.8 million
- EBIT margin of 12.2 percent compared to 10.9 percent in Q1'18
- Operating expenses increased by 20.3 percent y-o-y
- General growth in pay rate 1.5 percent y-o-y
- Other operating expenses decreased 8.6 percent y-o-y, due to IFRS 16

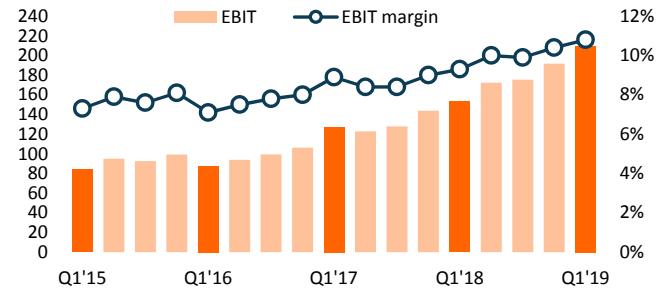
## EBIT and EBIT margin

MNOK and Percent



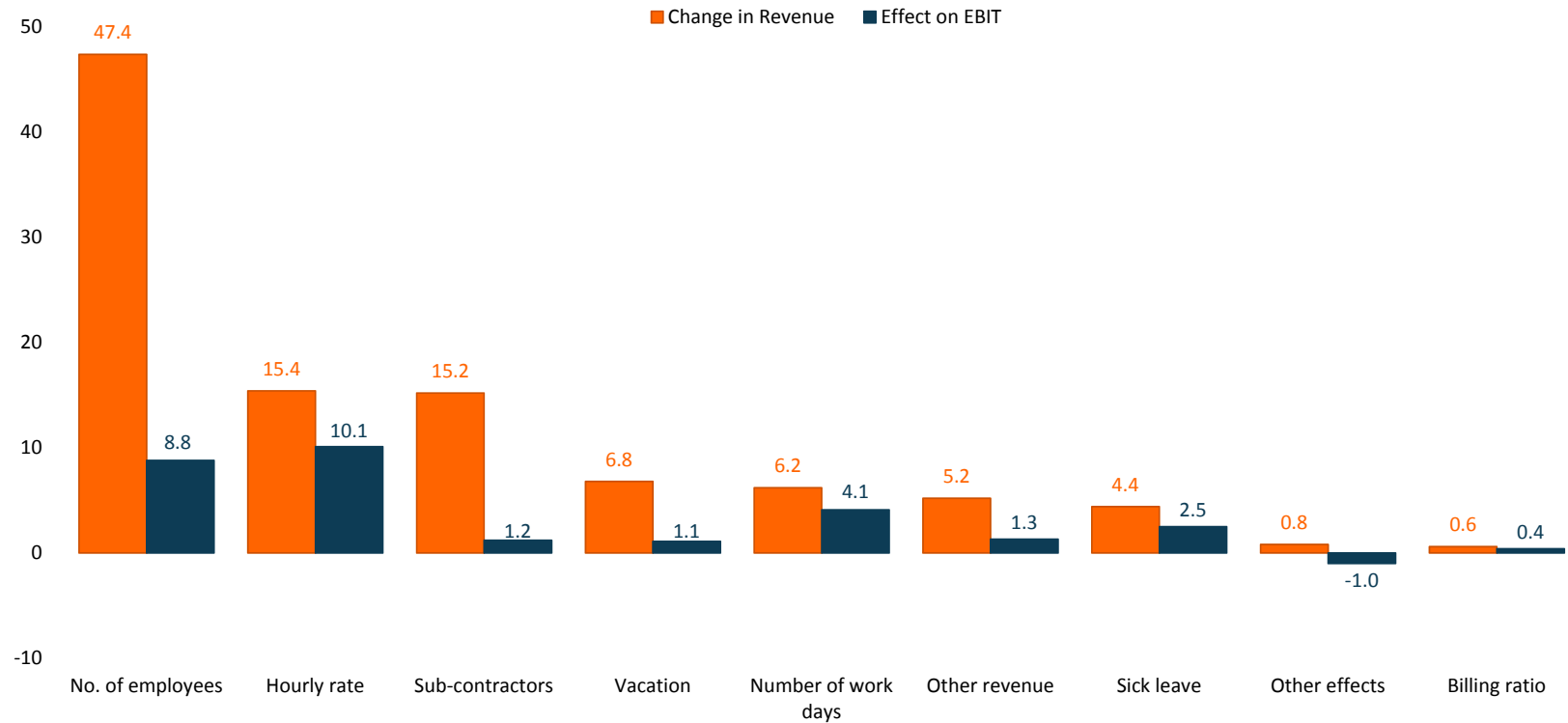
## EBIT and EBIT margin (LTM)

MNOK and Percent



# Change in revenues – effect on EBIT

Revenue  
MNOK

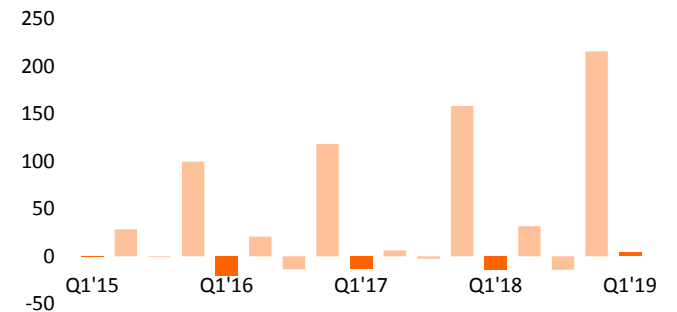


# Cash flow

- Cash flow from operations
  - NOK 4.3 million in Q1'19 compared to negative NOK 14.6 million in Q1'18
- Last 12 months
  - Operational cash flow over the last 12 months was NOK 237.8 million
- Cash flow from investing activities
  - Negative NOK 6.1 million compared to negative NOK 21.1 million in Q1'18

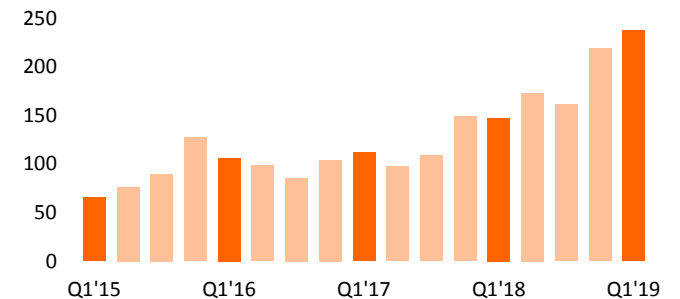
**Cash flow from operations (per quarter)**

MNOK



**Cash flow from operations (LTM)**

MNOK





# Outlook





# Outlook

- High demand
- Increased demand for cross-functional teams
- Increased demand for continuous development, from project to product development
- Increased demand for platform, IoT, security and cloud competence



# Shareholders as of 15.05.2019

Shareholders	Number of shares	% of total
VARNER KAPITAL AS	1 070 000	10,44 %
Virtus KAR International Small-Cap	917 870	8,95 %
STENSHAGEN INVEST AS	736 699	7,19 %
VERDIPAPIRFONDET NORDEA AVKASTNING	618 583	6,03 %
SVERRE HURUM	503 779	4,91 %
VEVLEN GÅRD AS	453 502	4,42 %
MP PENSJON PK	444 082	4,33 %
ERIK STUBØ	238 279	2,32 %
UBS Switzerland AG	203 700	1,99 %
SIX SIS AG	202 841	1,98 %
VERDIPAPIRFONDET NORDEA KAPITAL	169 284	1,65 %
STOREBRAND NORGE I VERDIPAPIRFOND	162 929	1,59 %
TELENOR PENSJONSKASSE	154 141	1,50 %
State Street Bank and Trust Comp	136 006	1,33 %
ANDERS VOLLE	116 151	1,13 %
DYVI INVEST AS	100 000	0,98 %
VERDIPAPIRFONDET NORDEA NORGE PLUS	83 243	0,81 %
NILS-HÅKAN RADIG	75 172	0,73 %
EMPLOYEES RETIR SYSTEM OF TEXAS	72 400	0,71 %
STOREBRAND VEKST VERDIPAPIRFOND	71 940	0,70 %
<b>Number of shares held by the 20 largest shareholders</b>	<b>6 530 601</b>	<b>63,71 %</b>