

Interim presentation Second quarter 2019

Sverre Hurum, CEO

Erik Stubø, CFO

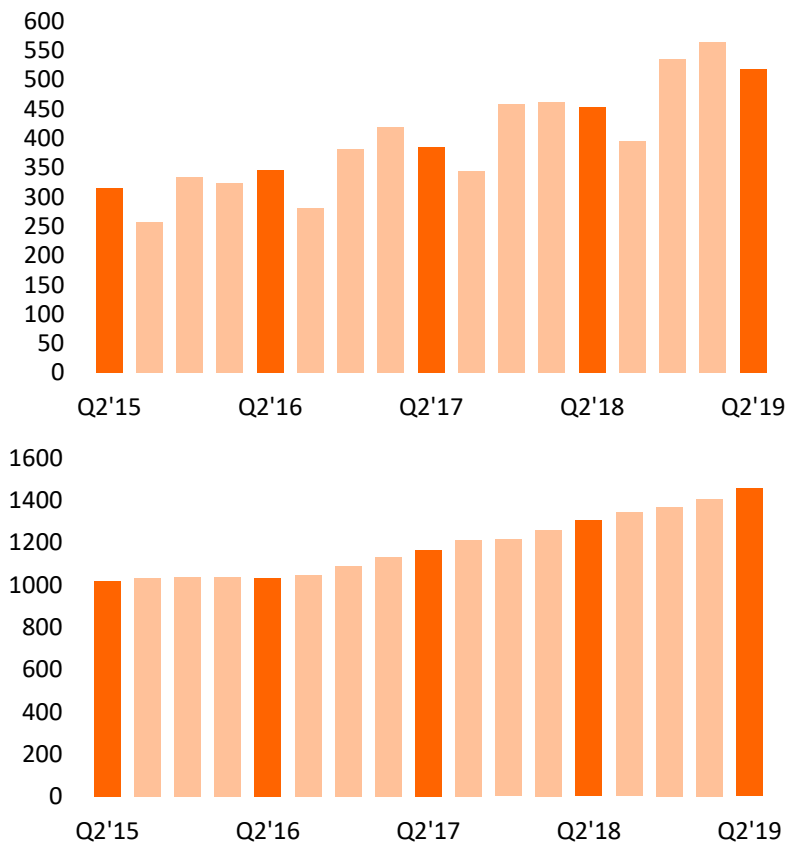
22 August 2019

Highlights in the quarter

- Revenue and EBIT
 - Operating revenues increased by 14.3 percent to NOK 518.4 million (y-o-y)
 - EBIT increased by 6.3 percent to NOK 59.3 million (y-o-y)
- 1 455 employees
 - Up 50 from Q1'19
 - An increase of 151 in the past 12 months
- Still strong market

Revenue and number of employees

MNOK and number

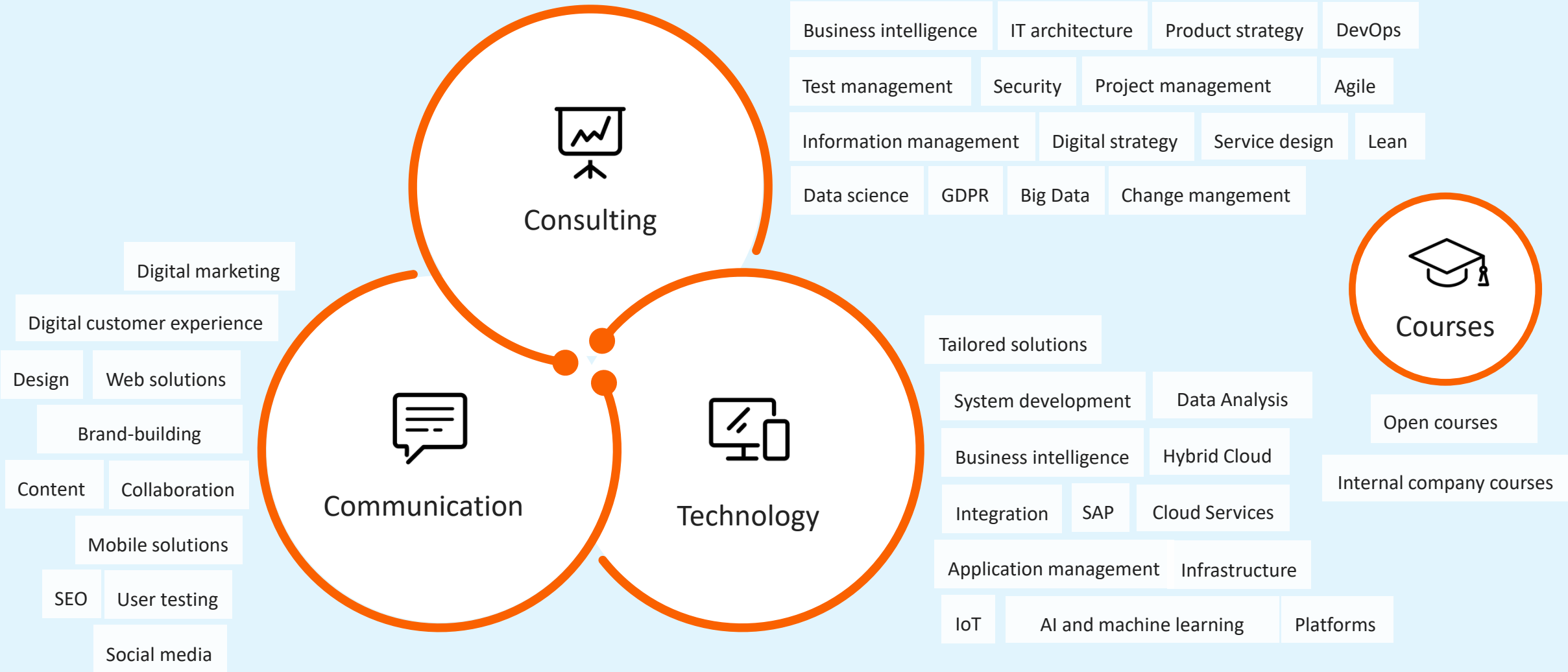




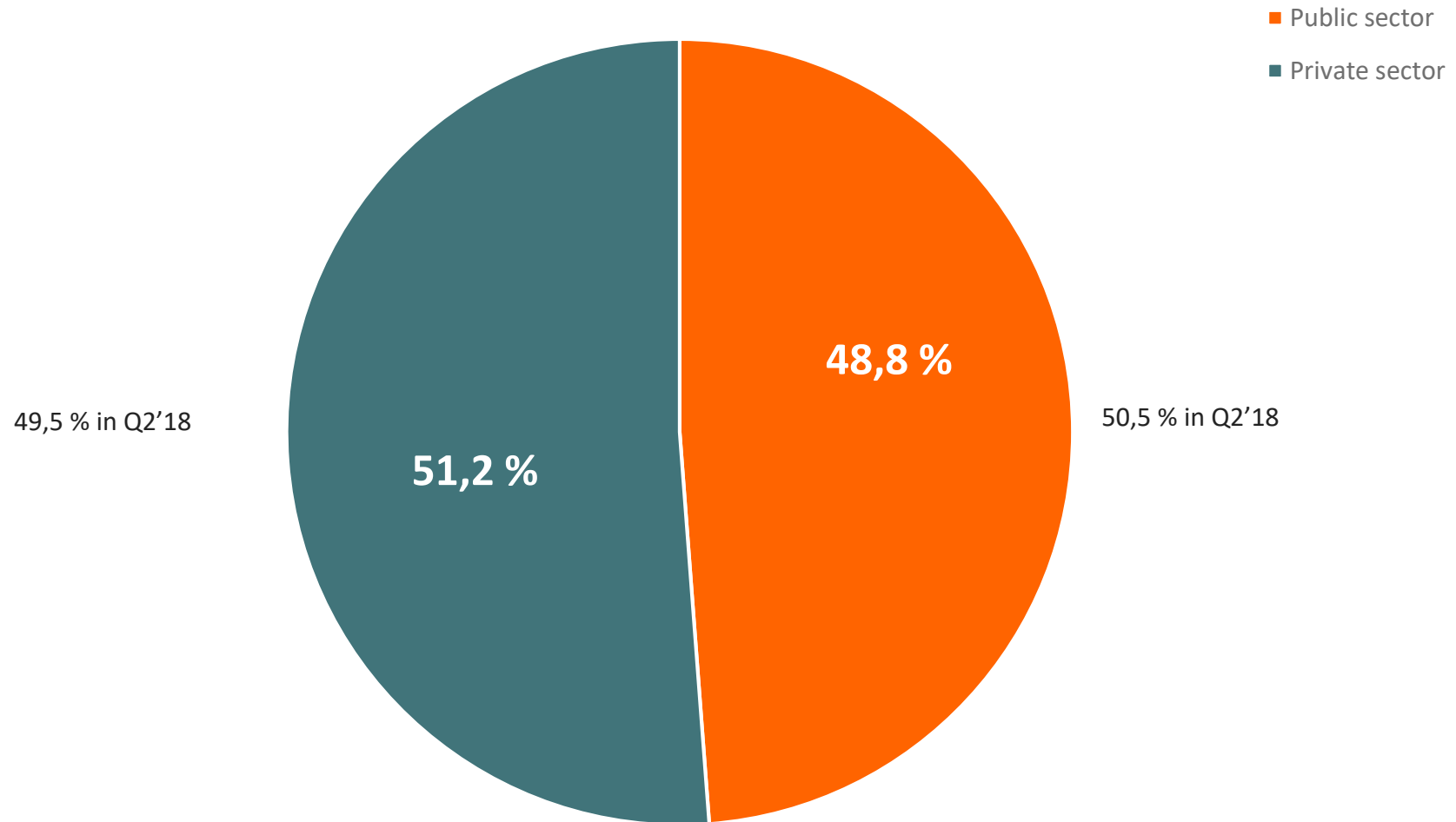
Operational Review



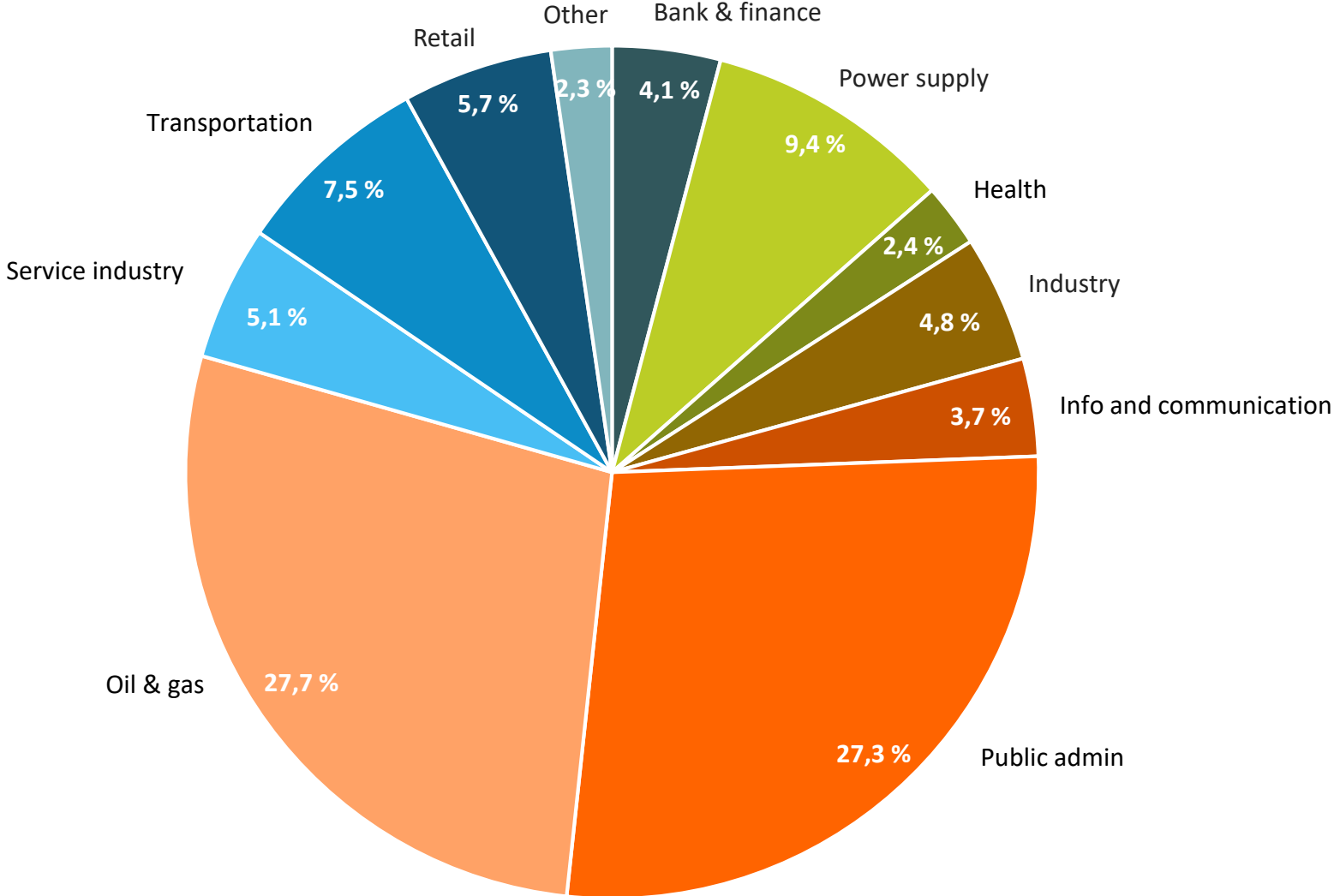
Our services



Public and private sector



Business sectors Q2 2019



Sectors with high increase in revenue

○ Oil & gas

- Increased by 25.4 percent (y-o-y)
- Represents 27.7 percent of total revenues in Q2'19

○ Public admin

- Increased by 18.1 percent (y-o-y)
- Represents 27.3 percent of total revenues in Q2'19

○ Industry

- Increased by 37.2 percent (y-o-y)
- Represents 4.8 percent of total revenues in Q2'19

○ Bank & finance

- Increased by 13.8 percent (y-o-y)
- Represents 4.1 percent of total revenues in Q2'19



New information and arrival center at Oslo Airport

- Developed in partnership with several cross-functional organizations
- The initial delivery is foundation for further enhancements and development, based on knowledge and data
- Bouvet's deliveries:
 - Software architecture
 - Multi lingual self service information kiosks
 - Service design and user experience



Statnett has signed an agreement with Bouvet

- Statnett has signed an agreement with Bouvet on the development and governance of IT-solutions
- The duration of the agreement is up to 6 years
- Estimated value between 1200 and 1500 million NOK



Foto: Statnett.no



Foto: Statnett.no

Signed new agreement with Swedish Medical Products Agency

- Swedish Medical Products Agency has trusted Bouvet and Sesam to develop management system for side effects and signals for human and veterinary medicine
- The project has a value of approximately 21 MSEK and application management of 4 years will be added
- Duration up to 6 years including project and application management



Some of Bouvet's consulting services

○ Strategic level

- Digital leadership, roadmap and strategy
- Innovation services
- Organizational change
- Service design
- Sustainability

○ Operational level

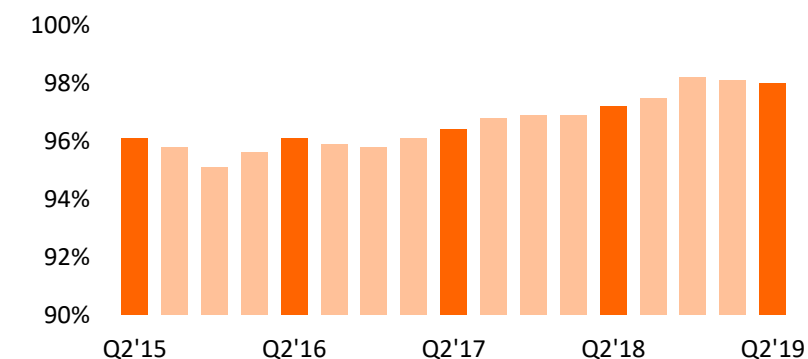
- Enterprise, information and functional architecture
- Program, project, product and change management
- Agile Coaching
- QA lead
- Business Intelligence

Customer and project mix

- Project mix
 - Variable contracts account for 98.0 percent of total revenues
- Customer portfolio
 - The 10 largest customers represent 39.2 percent of total revenues – up from 37.4 percent in Q2'18
 - The 20 largest customers represent 50.3 percent of total revenues – up from 49.6 percent in Q2'18

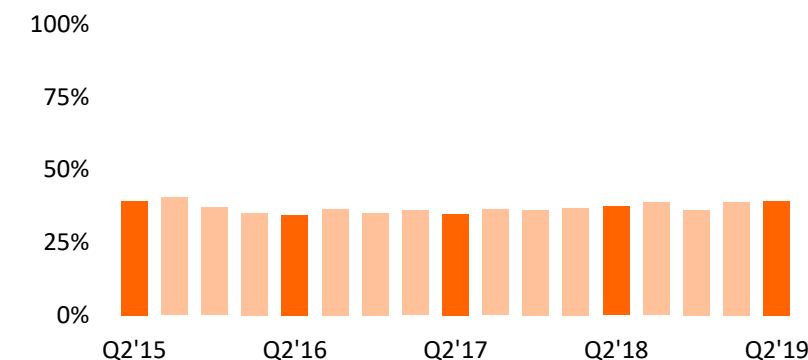
Variably priced contracts share of revenues

Percentage



10 largest customers share of revenues

Percentage



Customer development

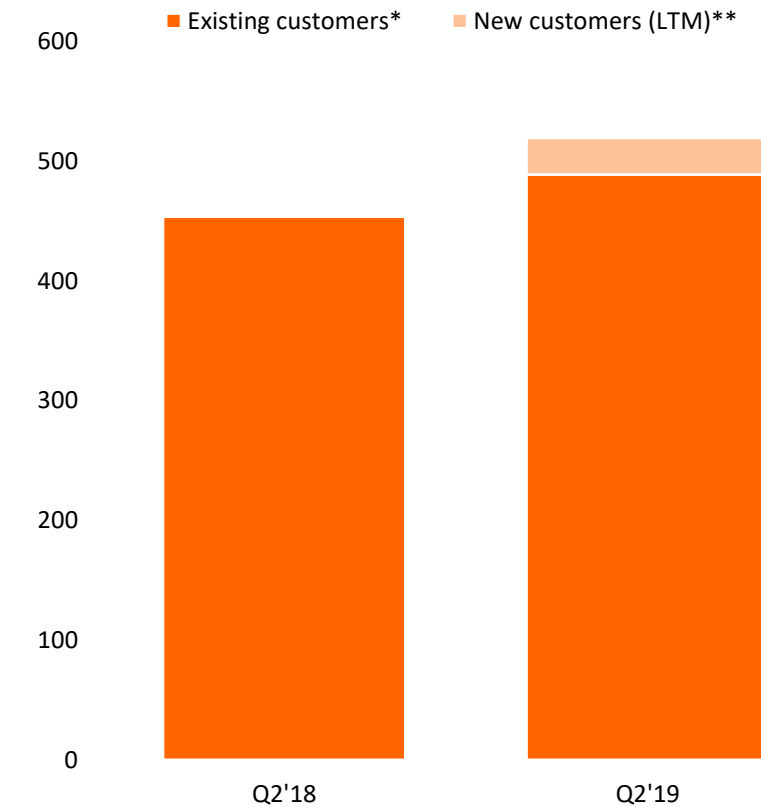
- Existing customers*
 - Accounted for 94.1 percent of revenues in Q2'19
- New customers**
 - Customers won over the past year generated revenues of NOK 30.6 million in Q2'19

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

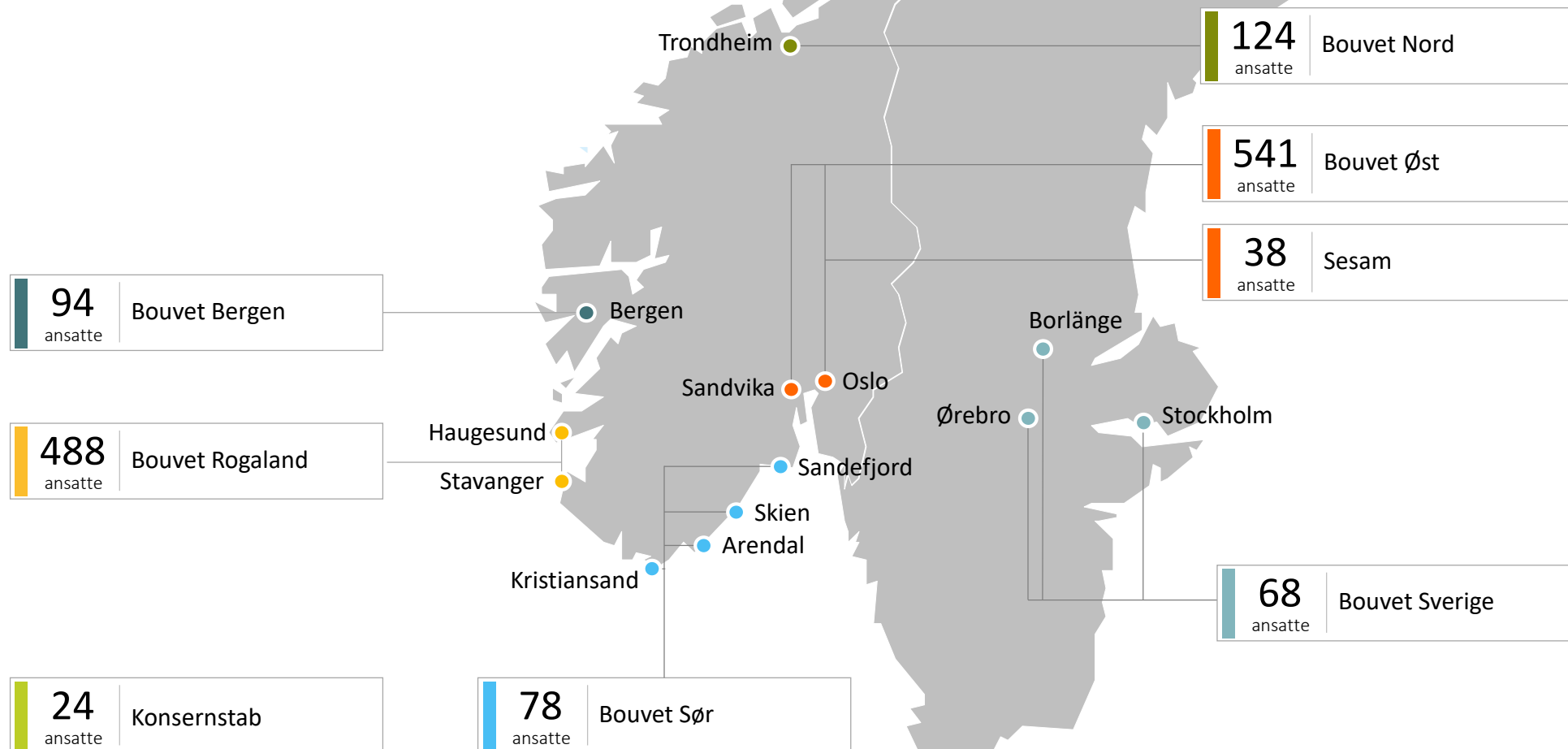
** New customers defined as customers won since end of corresponding quarter last year

Revenue customer split

MNOK



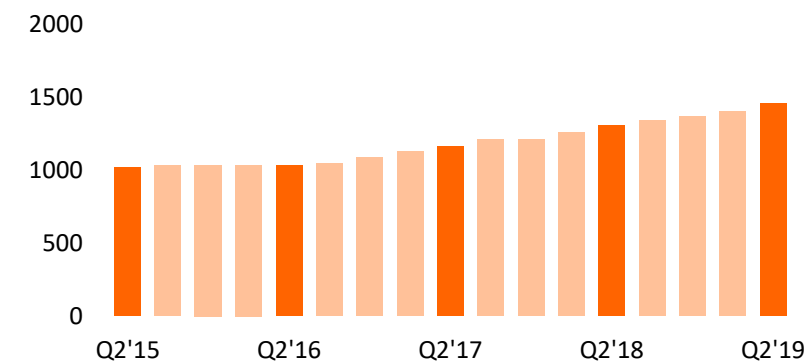
Regional organisation



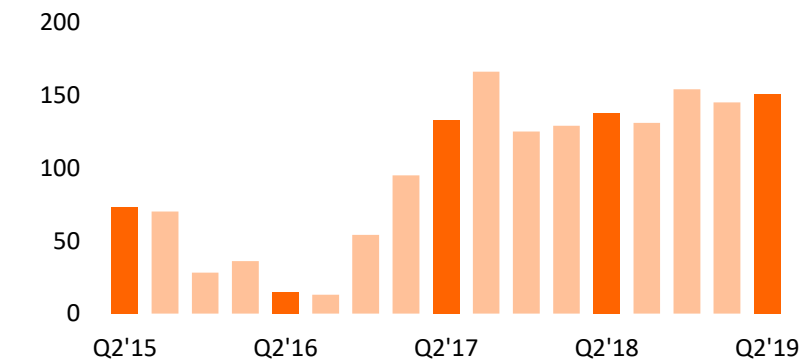
Enthusiastic and competent employees

- 1 455 employees at the end of the quarter
 - Up 50 from Q1'19
 - 151 more employees in the past 12 months
 - Average number of employees in the quarter up 11.5 percent from Q2'18

Number of employees end of quarter



Annual growth in number of employees



Magnet award 2019

NM – employer branding

- «24 hours hackathon»
 - Gold - Open category
 - Bronze – Best campaign





Financial Review



Key figures

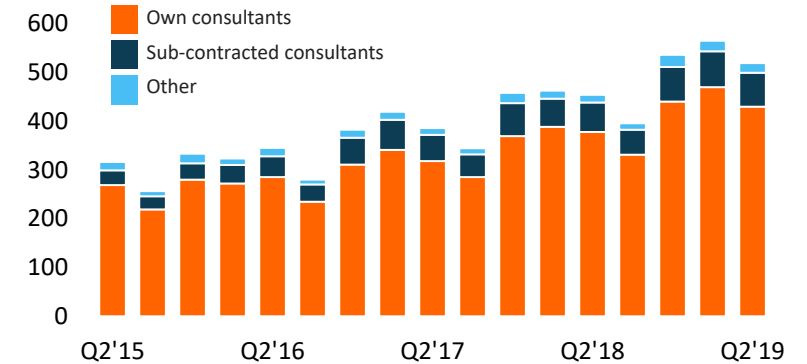
MNOK	Three months ending			Six months ending			Twelve months ending		
	30.06.2019	30.06.2018	Change	30.06.2019	30.06.2018	Change	30.06.2019	30.06.2018	Change
Operating revenue	518.4	453.7	14.3 %	1 082.7	915.9	18.2 %	2 013.4	1 718.6	17.2 %
Operating profit (EBIT)	59.3	55.7	6.3 %	128.1	106.3	20.5 %	213.4	172.4	23.8 %
EBIT margin	11.4 %	12.3 %		11.8 %	11.6 %		10.6 %	10.0 %	
Ordinary profit before tax	59.3	55.3	7.2 %	127.9	105.1	21.7 %	214.4	171.9	24.7 %
Profit for the period	46.4	42.9	8.1 %	99.8	81.5	22.4 %	168.8	133.7	26.2 %
EPS (fully diluted)	4.49	4.19	7.1 %	9.65	7.94	21.5 %	16.37	13.05	25.5 %
Net cash flow operations	32.2	31.8	1.5 %	36.5	17.2	112.7 %	238.3	173.3	37.5 %
Equity ratio	23.4 %	31.9 %		23.4 %	31.9 %		23.4 %	31.9 %	
Cash and cash equivalents	138.8	87.7	58.3 %	138.8	87.7	58.3 %	138.8	87.7	58.3 %
Number of employees (end of period)	1 455	1 304	11.6 %	1 455	1 304	11.6 %	1 455	1 304	11.6 %
Number of employees (average)	1 435	1 287	11.5 %	1 416	1 268	11.7 %	1 381	1 237	11.6 %

Revenue

- Revenues increased by 14.3 percent y-o-y
 - Revenues from own consultants increased by 13.7 percent to NOK 429.5 million
 - Revenues from sub-contracted consultants increased by 16.0 percent to NOK 69.5 million
 - Other revenues increased by 22.1 percent to NOK 19.3 million

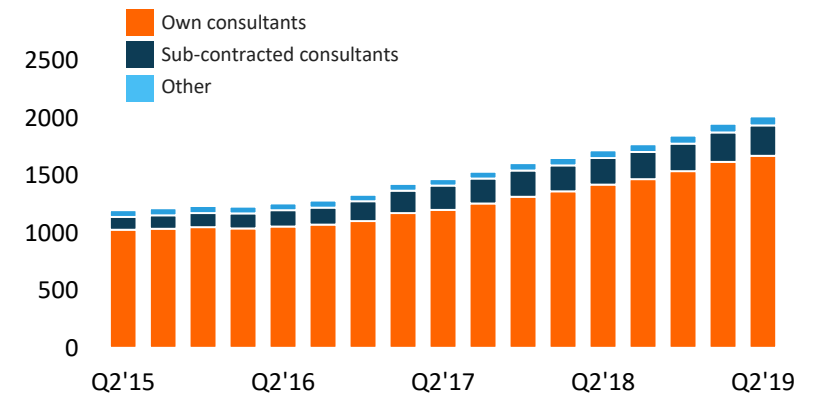
Revenue split (quarterly figures)

MNOK



Revenue split (12 months rolling average)

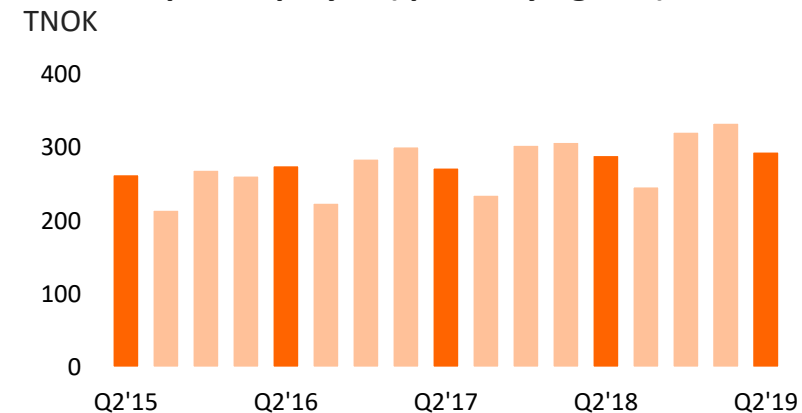
MNOK



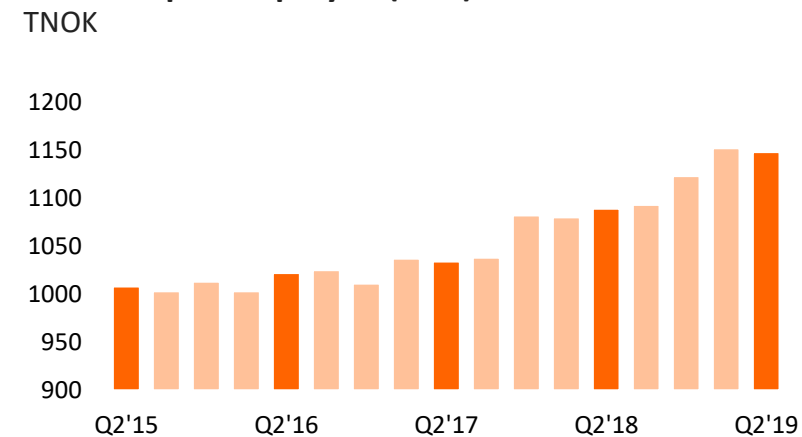
Revenues from own consultants

- Increased 13.7 percent y-o-y
 - Positive impact from 11.5 percent increase in average number of employees
 - Positive impact from 4.2 percent increase in prices for group hourly services
 - Positive impact from increase in billing ratio by 0.7 percentage points
 - 58 workdays in Q2'19 – two less than Q2'18

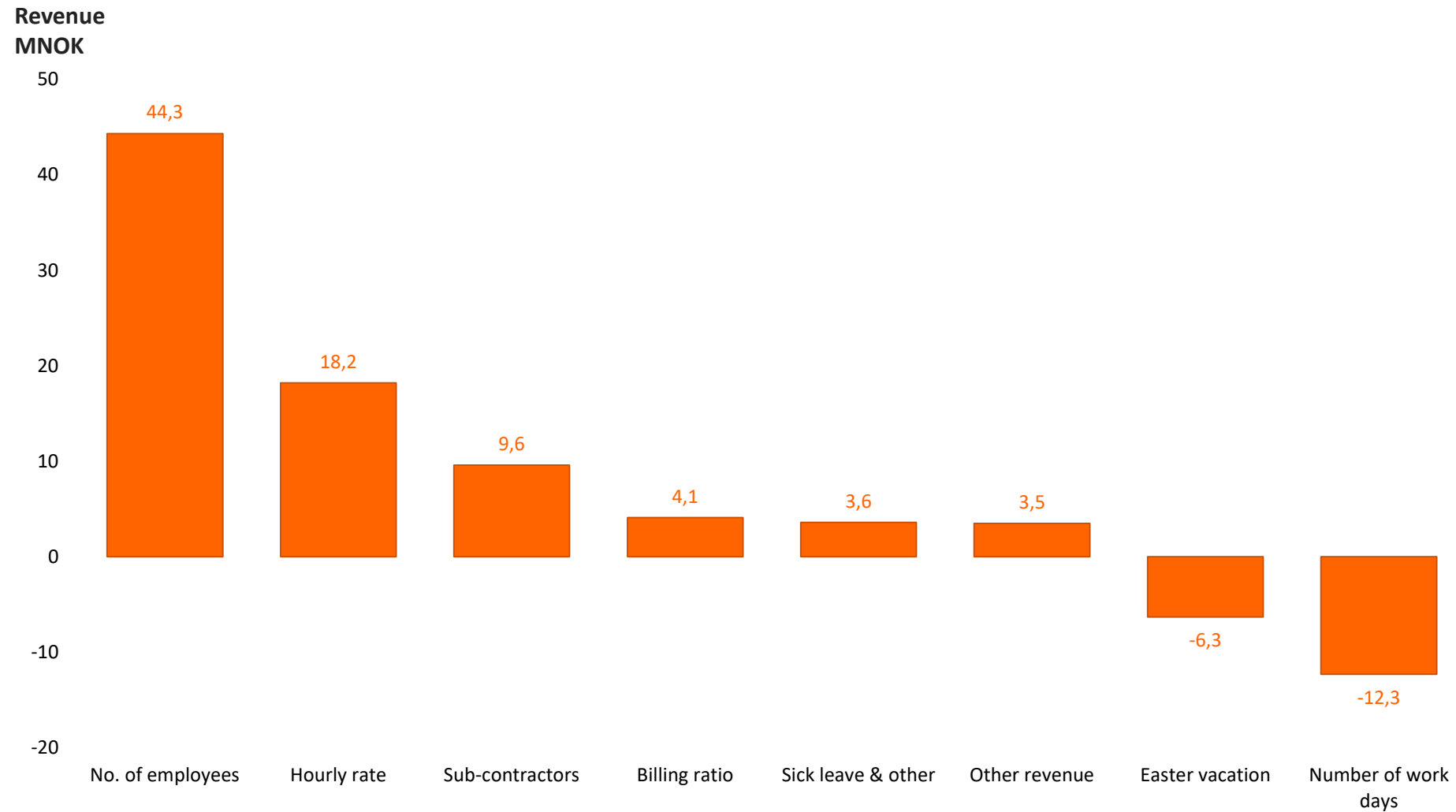
Revenue per employee (quarterly figures)



Revenue per employee (LTM)



Analysis of change in revenues y-o-y

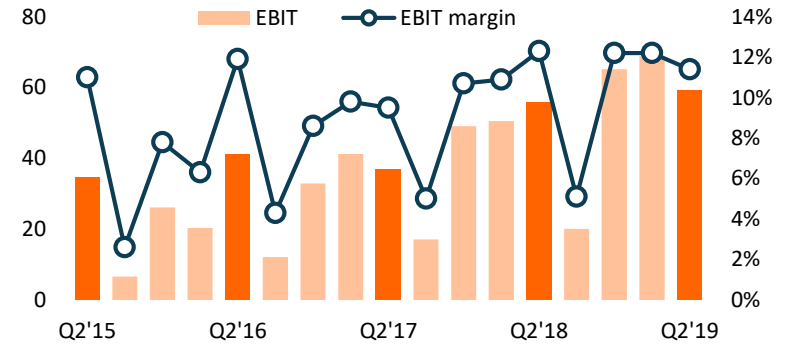


Earnings

- Operating profit (EBIT) increased by 6.3 percent to NOK 59.3 million
- EBIT margin of 11.4 percent compared to 12.3 percent in Q2'18
- Operating expenses increased by 15.4 percent y-o-y
- General growth in pay rate 2.4 percent y-o-y
- Other operating expenses decreased 4.9 percent y-o-y, due to IFRS 16

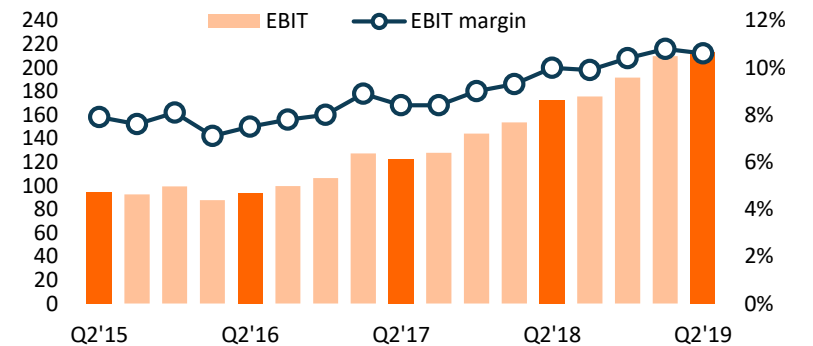
EBIT and EBIT margin

MNOK and Percent



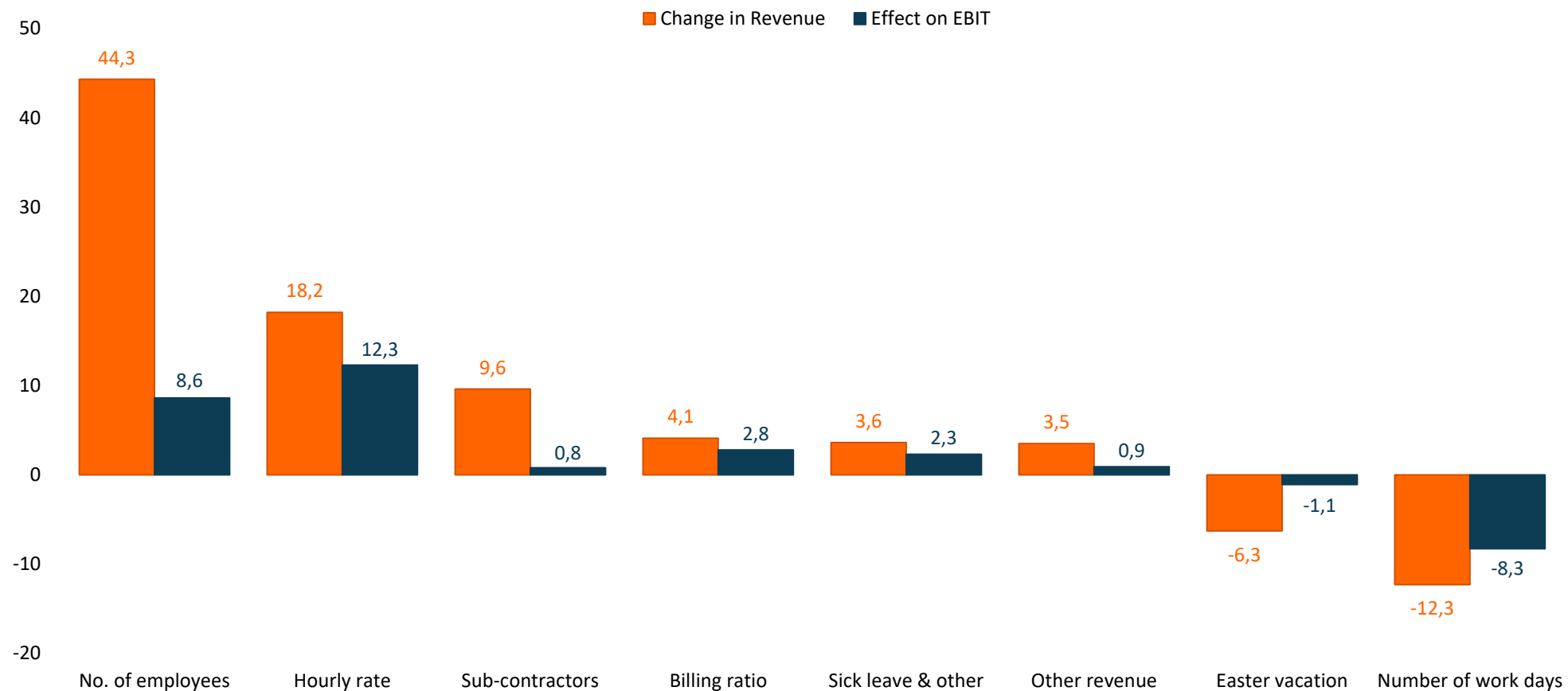
EBIT and EBIT margin (LTM)

MNOK and Percent



Change in revenues – effect on EBIT

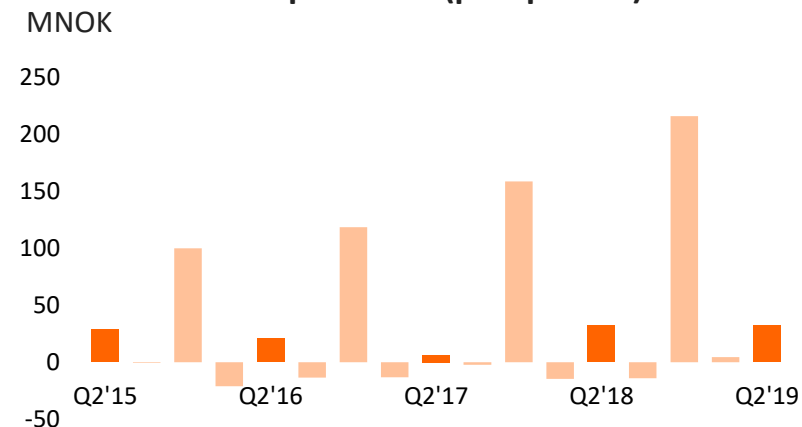
Revenue
MNOK



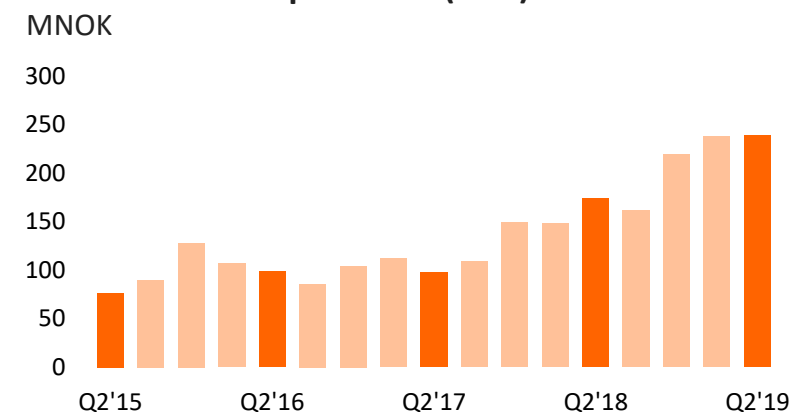
Cash flow

- Cash flow from operations
 - NOK 32.2 million in Q2'19 compared to NOK 31.8 million in Q2'18
- Last 12 months
 - Operational cash flow over the last 12 months was NOK 238.3 million
- Cash flow from investing activities
 - Negative NOK 6.5 million compared to negative NOK 16.0 million in Q2'18

Cash flow from operations (per quarter)



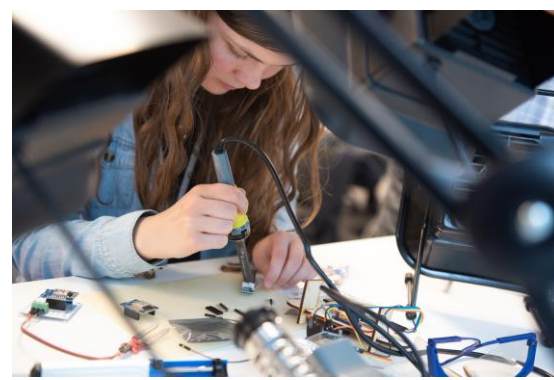
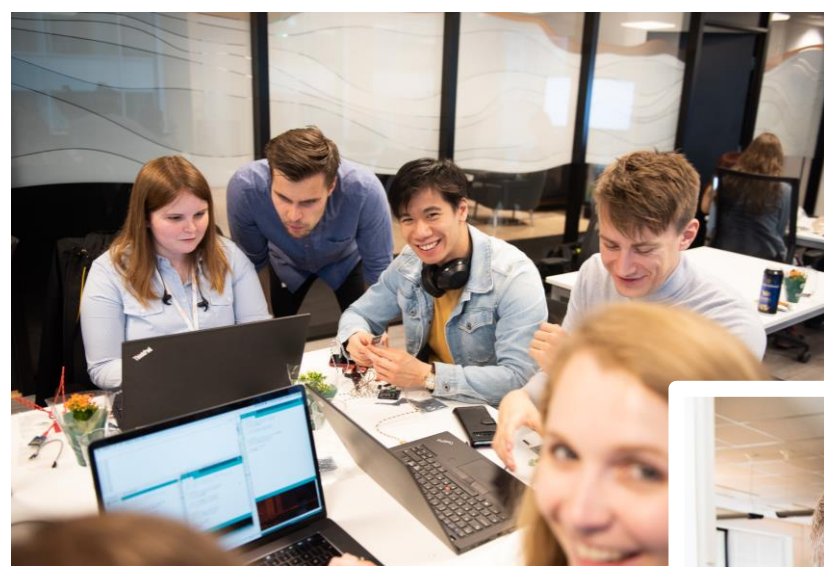
Cash flow from operations (LTM)





Outlook





bouvet



Outlook

- High demand
- Increased demand for cross-functional teams
- Increased demand for platform, IoT, security and cloud competence
- Challenging recruitment
- Many newly graduated to be onboarded in Q3



Shareholders as of 22.08.2019

Shareholders	Number of shares	% of total
VARNER KAPITAL AS	1 070 000	10,44 %
Virtus KAR International Small-Cap	922 781	9,00 %
STENSHAGEN INVEST AS	736 699	7,19 %
VERDIPAPIRFONDET NORDEA AVKASTNING	618 583	6,03 %
SVERRE HURUM	491 779	4,80 %
VEVLEN GÅRD AS	453 502	4,42 %
MP PENSJON PK	440 082	4,29 %
ERIK STUBØ	238 279	2,32 %
UBS Switzerland AG	203 700	1,99 %
VERDIPAPIRFONDET NORDEA KAPITAL	169 284	1,65 %
STOREBRAND NORGE I VERDIPAPIRFOND	161 326	1,57 %
TELENOR PENSJONSKASSE	140 000	1,37 %
State Street Bank and Trust Comp	136 006	1,33 %
SIX SIS AG	134 582	1,31 %
ANDERS VOLLE	116 151	1,13 %
DYVI INVEST AS	99 787	0,97 %
VERDIPAPIRFONDET NORDEA NORGE PLUS	83 243	0,81 %
NILS-HÅKAN RADIG	75 172	0,73 %
EMPLOYEES RETIR SYSTEM OF TEXAS	72 400	0,71 %
PAUL HALLAN SVENDSEN	69 620	0,68 %
Number of shares held by the 20 largest shareholders	6 432 976	62,74 %