

Q1

We lead the way and build  
tomorrow's **society**

# Key figures

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MILLIONS NOK	JAN-MAR 2020	JAN-MAR 2019	CHANGE %	YEAR 2019
Revenue	641.2	564.3	13.6 %	2 132.1
Operating profit (EBIT)	82.6	68.8	20.0 %	232.1
Ordinary profit before tax	83.2	68.5	21.4 %	228.2
Profit for the period	64.7	53.4	21.0 %	180.1
Net cash flow operations	47.1	4.3	N/A	277.1
Liquid assets	372.0	267.1	39.3 %	344.7
Number of employees (end of period)	1 575	1 405	12.1 %	1 557
Number of employees (average)	1 569	1 398	12.3 %	1 474
Earnings per share	6.31	5.21	21.0 %	17.61
Diluted earnings per share	6.24	5.16	20.8 %	17.44
EBIT-margin	12.9 %	12.2 %		10.9 %
Equity ratio	31.1 %	29.2 %		29.4 %

## Bouvet in brief

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We are a Scandinavian consultancy in the field of IT and digital communication. We support both private- and public-sector players with digitalisation, and help them to meet the challenges and exploit the opportunities presented by digital technology.

We have long-term client relationships and are a strategic partner for many enterprises. We work with these on innovation, development and implementation of solutions. Our understanding of client activities and our broad range of services in information technology, communication and enterprise management mean we are often chosen as a turnkey supplier.

Our clients are important societal players and we contribute through our collaboration with them to the development of society. That is in line with our vision.

A close relationship with clients is possible because we pursue our assignments with a high level of integrity. In addition to our standards for delivering good solutions, we set strict

requirements for ethics, avoiding conflicts of interest, security, openness and trustworthiness.

Digital developments create continuous change. To be able to handle this and to seize the opportunities which arise, we devote particular attention to the job satisfaction and expertise of our employees, continuous service development and our credibility as a long-term partner.

With a regional model where each office and organisational unit has considerable freedom, we have reduced bureaucracy and shortened decision paths. That gives us an adaptability which is essential for the ability to create good, flexible and durable solutions.

At 31 March 2020, we had 1 575 employees at 10 offices in Norway and three in Sweden.

# Highlights of the first quarter

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- Breakfast seminar on change management staged with more than 800 participants

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- Conducted webinar on how to work from home with Teams, attracting over 6 000 participants

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- Won tenders from the hospital procurement agency covering all Norway's regional health authorities

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- The workforce quickly amended collaboration, communication and work processes as a result of Covid-19

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- Operating revenues up by 13.6 per cent from NOK 564.3 million in the first quarter of 2019 to NOK 641.2 million

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- Operating profit (EBIT) rose by 20 per cent from NOK 68.8 million in the same period of last year to NOK 82.6 million

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- EBIT margin of 12.9 per cent, compared with 12.2 per cent in the first quarter of 2019

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- Cash flow from operations came to NOK 47.1 million, compared with NOK 4.3 million in the first quarter of 2019

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- Employees rose by 18 people from the previous quarter to 1 575, and by 170 over the past 12 months



## CEO'S COMMENTS

# A collective effort gives results

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The year 2019 was one when virtually everything went our way. We secured a number of new colleagues, won countless contracts and had outstanding results. We sailed into 2020 full of optimism, with clients who needed our help to develop their future enterprise-critical solutions. Up to 12 March, we continued to experience good growth, normal operation and progress. Covid-19 meant we had to adjust to a completely new position after that date. The seriousness of what became a global crisis called for a resolute reorientation both in-house and at our clients. We experienced increased collaboration over sales, extensive help and cooperation in projects, and sharing of specialisms and expertise across our group. Although some clients unfortunately had to reduce our involvement, we nevertheless managed to maintain profitability after 12 March. We quite simply strengthened our community spirit in the following weeks, and will carry this experience with us. Results from the first quarter were very good.

As optimists, we are already thinking of all the opportunities we will gain as society gradually opens up. With our culture, our values, our expertise and all we have learnt during the crisis, we are well equipped in these uncertain times. Our vision that “we lead the way and build tomorrow’s society”, conceived at a time when all the curves were rising, has conveyed an even deeper and more important message in recent weeks. It will be interesting and exciting to participate in building the “new” and more sustainable society.

The first quarter of 2020 ended with good results, thanks to the efforts of our employees. Turnover and profit were better than in 2019. In the time to come, however, we will experience greater uncertainty and more challenging everyday conditions. That affects the whole of society. Fortunately, we found in the first quarter that most of our clients continued their collaboration with us without reducing the scope of their assignments. We hope this will continue, but must be prepared for the eventuality that clients may find the times difficult and that this will affect us. During the quarter, we worked on expertise development and have also expanded our range of services.

The pace of this work increased after 12 March, when our collaboration with clients became wholly digital. Working from home and without our accustomed meeting places, it became necessary to change the way we collaborate. This meant we had to rethink interaction, communication and development. Our advisers and consultants for service design established new digital arenas at record speed to hold workshops, which were rapidly implemented.

Immediately before the crisis hit, we staged a breakfast seminar for more than 800 people where we presented our range of services and expertise in change management. That became even more relevant after 12 March. Covid-19 has also led us to restructure our programme of courses, so that they can be conducted digitally. We now offer courses which explain what is required for remote working and how virtually normal operation can be maintained with the aid of digital interaction and communication.

Our long-term client relationships mean we have a balanced and solid client portfolio which places us in a relatively



**“I have been able to observe with deep respect a Bouvet community which delivers when it really matters.”**

favourable position. During the quarter, we continued to develop socially-critical solutions for the public sector. We also contributed to the digitalisation of the core systems at large companies in such sectors as transport and energy. In addition, demand grew for good e-commerce solutions, and several of our clients used us during the quarter as their provider of such products. Unfortunately, we found that some clients were hard-hit by the crisis and therefore had to halt, reduce or postpone our assignments. On the positive side, we have clients – particularly in the public sector – which maintained their assignments and also initiated new ones. All in all, demand for our expertise and services was good.

During the quarter, we experienced a society which suffered brutal change after the coronavirus invaded. This period has been and remains very unusual, and there is presumably nobody who knows how long it will last. Since 12 March, all our employees have maintained a high level of activity, dialogue with clients has progressed well, the mood has been good, creativity has flourished and new ways of interacting have been tested. I have been able to observe with deep respect a Bouvet community which delivers when it really matters. It has been impressive to experience the spirit of mutual assistance and good humour everyone has displayed, and which led to virtually everyone quickly establishing a home office and being able to

interact with colleagues and clients. The latter were also very positive and made provision for continued collaboration.

Working conditions after 12 March have been different for everyone and demanding for some. During this period, we have maintained a continuous dialogue with our employees to ensure that the new approach of working from home has been able to function satisfactorily. We find that employees are making use of many tools in an impressive way to stay in touch with colleagues, both to collaborate and to maintain team spirit.

Society still requires – and will have a growing need for – people with good IT expertise and knowledge of sustainability and sustainable business models. In that context, we play an important societal role and will, with our corporate culture, our values, our expertise and everything we have learnt during the crisis, be a driving force in the work of building the “new” and more sustainable society.

Sverre Hurum  
President and CEO



# Financial results

## Operating revenues

Bouvet had operating revenues of NOK 641.2 million for the first quarter, compared with NOK 564.3 million in the same period of 2019. That represented a rise of 13.6 per cent. Fee income generated by the group's own consultants increased by NOK 75.0 million or 16 per cent from the first quarter of 2019. Fee income generated by sub-contractors grew by NOK 5 million or 6.8 per cent from the same period of last year. Other revenues came to NOK 18.3 million, compared with NOK 21.5 million in the first quarter of 2019.

The first quarter had one working day more than the same period of 2019. That had a positive effect of NOK 7.5 million on fee income generated by the group's own employees. Furthermore, an increase of 12.3 per cent in the average number of employees over the quarter had a positive effect of NOK 57.7 million on fee income generated by the group's own workforce. A 3.8 per cent rise in rates for the group's hourly based services compared with the first quarter of 2019 increased fee income by NOK 21.9 million. A 1 percentage-point reduction in the billing ratio for the group's consultants from the first quarter of 2019 had a negative effect of NOK 7 million on fee income generated by the group's own workforce. Other factors, such as vacation, leave of absence and sickness absence had a negative effect of NOK 5.1 million on fee income. All told, these factors had a positive effect of NOK 75.0 million on fee income generated by the group's own workforce in the first quarter.

Sales to existing clients made good progress overall during the quarter. Clients who also used the group in the first quarter of

2019 accounted for 95.7 per cent of operating revenues. In addition, clients acquired since 31 March 2019 contributed a total of NOK 27.4 million to first-quarter operating revenues.

Bouvet's strategy is to use services from sub-contractors when it lacks the capacity to meet demand with its own personnel or when clients require leading-edge expertise outside the group's priority areas. The sub-contractor share of total revenues was 12.2 per cent in the first quarter, compared with 13 per cent in the same period of 2019.

## Operating costs

Bouvet's operating costs, including depreciation and amortisation, totalled NOK 558.6 million for the first quarter, up from NOK 495.5 million in the same period of 2019. That represented a rise of 12.7 per cent. Payroll costs grew as a result of an increased average number of employees in addition to the general growth in pay rates. The group experienced a general rise in pay of 2.6 per cent over the past 12 months. The cost of sales was NOK 84 million, compared with NOK 78.1 million in the first quarter of 2019, and primarily comprised procurement of sub-contractor services, hire of course instructors and purchases of software for onward sale. The first of these items accounted for the bulk of the increase. Other operating expenses rose by 5.8 per cent from the first quarter of 2019 and amounted to NOK 40.3 million in the quarter. This rise largely reflected increased costs for premises and ICT. Depreciation and amortisation came to NOK 16 million, compared with NOK 14.6 million in the first quarter of 2019.

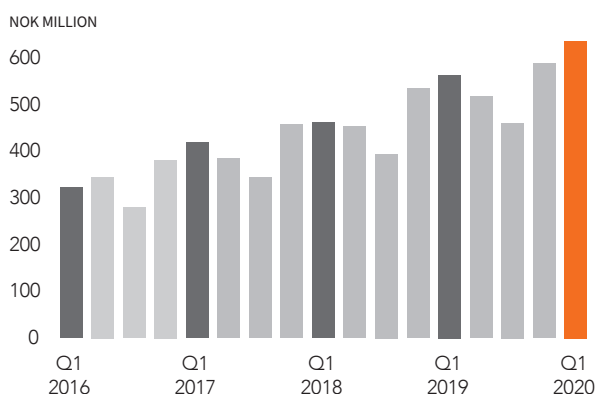
## Profit

Operating profit (EBIT) for the first quarter came to NOK 82.6 million, compared with NOK 68.8 million in the same period of 2019. That represents an increase of 20 per cent. The EBIT margin increased to 12.9 per cent, compared with 12.2 per cent in the first quarter of 2019. Net profit came to NOK 64.7 million, down from NOK 53.4 million in the same period of the year before. Diluted earnings per share were NOK 6.24 for the quarter, compared with NOK 5.16 in the same period of 2019.

## Cash flow, liquidity and capital adequacy

Consolidated cash flow from operations was NOK 47.1 million for the first quarter, compared with NOK 4.3 million in the same period of 2019. Cash flow for the quarter was affected negatively by an increase of NOK 139 million from the fourth quarter of 2019 in working capital related to direct and indirect taxes payable and other current receivables.

## Operating revenue



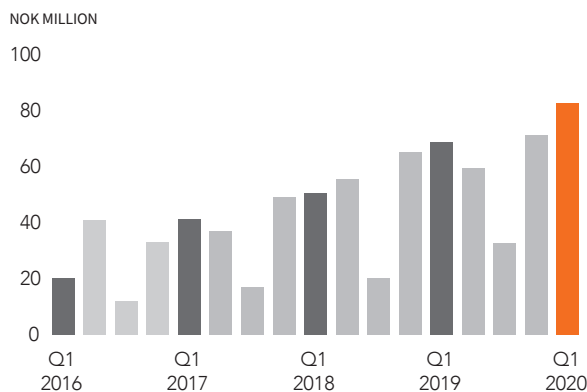
Furthermore, an increase of NOK 24.3 million in other current liabilities from the fourth quarter of 2019 had a positive effect. Accounts payable and other current liabilities rose by NOK 78.9 million and had a positive effect on cash flow. Consolidated cash flow from operations over the past 12 months was NOK 319.9 million, while net profit for the same period came to NOK 191.4 million.

Capital spending in the quarter totalled NOK 10 million, including NOK 7.6 million for the acquisition of new operating assets and NOK 2.6 million for investment in intangible assets. In the first quarter of 2019, capital spending totalled NOK 6.1 million, including NOK 3.2 million for acquiring new operating assets and NOK 2.9 million invested in intangible assets.

The group's client portfolio consists mainly of large, solid listed companies and public enterprises. No bad debts were suffered during the quarter, and the group has good oversight and control of its receivables.

The group has no interest-bearing debt. Bank deposits at 31 March totalled NOK 372 million, compared with NOK 267.1 million a year earlier. Of bank deposits at 31 March, the account for employee tax deductions totalled NOK 39.8 million. The group had an undrawn overdraft facility of NOK 100 million at 31 March. Bouvet held 467 of its own shares at 31 March. Equity at 31 March totalled NOK 386.5 million, representing an equity

### Operating profit (EBIT)



ratio of 31.1 per cent. The corresponding figures for 31 March 2019 were an equity of NOK 332.4 million and an equity ratio of 29.2 per cent.

### Segment reporting

The group does not report internally by separate business areas. Its business is homogenous and pursued within the Scandinavian market for IT consultancy services. Risk and return are followed up for the business as a whole, with shared markets, on a project basis and per consultant. On that basis, the group has one reportable segment.

### Revenue public/private



- Revenue from customer  
100 % public owned: 50.9 %
- Revenue from customer wholly or partially private owned: 49.1 %

### Revenue per business



■ Oil & gas	27.9 %
■ Public admin	27.2 %
■ Power supply	12.9 %
■ Transportation	5.7 %
■ Info and communication	5.0 %
■ Retail	5.0 %
■ Industry	4.5 %
■ Service industry	4.4 %
■ Bank & finance	3.4 %
■ Health	2.1 %
■ Other	1.9 %



# Progress and market

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The market for Bouvet's services was good in the first quarter. Its clients needed continuity and the group's leading-edge expertise to secure the desired effects from their programmes. That yielded good results for Bouvet.

Digitalisation is a natural part of business development for the group's clients in the encounter with changes related to globalisation, demographics, user behaviour, technology and now recently in responding to the Covid-19 pandemic. Complexity has created unpredictability, and a number of enterprises are converting to more flexible forms of working. Bouvet has contributed to this work through development teams which, together with the client, have established product-oriented development methodologies and utilised cloud solutions. This has influenced Bouvet's delivery and collaboration mode and created increased demand for consultancy expertise in agile coaching.

New ways of working and the need for greater adaptability at clients meant that Bouvet experienced growing demand for consultancy up to the Covid-19 outbreak. In partnership with clients, it has contributed both strategically and operationally to realising effects from ongoing digitalisation initiatives. In order to get client employees on board for the change journey, increasing attention has been paid to the human factors, organisational culture and user behaviour in the individual enterprise. As a result, great interest in and demand for advice on change management has been seen.

A number of clients are looking for expertise and new work modes in order to understand user behaviour, the customer journey and requirements in their own organisation. During the quarter, Bouvet experienced good demand for communication and design up to the virus outbreak. The group has contributed multidisciplinary teams in order for its clients to deliver on their own enterprise targets. These groups have expertise on and experience with strategy, development of business-critical user interfaces and digital brands, communication and technology expertise.

During the quarter, Bouvet found that transitioning from project to product and new modes of working has been part of measures taken by its clients to increase their own innovativeness. The group contributed an integrated understanding of business, technology, design and communication. Its efforts during the quarter included further development of business-critical applications which have contributed to renewal and improvement at clients.

A number of Bouvet's clients are shifting towards becoming data-driven operations. That makes it possible to introduce new business applications, deliver results from innovation initiatives and be responsive to rapid change. During the quarter, the group experienced growing demand for data platforms, cloud technology and associated services from the public sector as well as the energy and petroleum industries. That has allowed the client to deliver statistical analyses and new forms of enterprise reporting to its own business, and permitted predictive maintenance which provides big commercial benefits.

Bouvet is experiencing a continued rise of interest in the breadth of its services. Demand for its expertise and experience with system development was again high during the quarter. Given its broad range of services and integrated perspective, Bouvet has been an important digitalisation partner for a number of its clients. The group worked during the period on varied types of projects and technologies, such as the development of digital twins, retail solutions based on block chain technology, and solutions for augmented/virtual reality. In addition came security assignments, an area where demand is rising.

As part of the current digitalisation journey, requirements are growing for seamless communication and interaction across new roles and functions, regardless of where the individual employee sits. This has created a need to introduce new digital collaboration and communication platforms. Bouvet has experienced an increased volume of assignments in consultancy and the implementation of Microsoft Office 365.

The group has experienced a growing interest in expertise development following the introduction of new technology as enterprises digitalise. Its course department is very well visited and sees a big demand for company-tailored programmes. Many enterprises are in the middle of major change processes. That led in the quarter to the staging of several breakfast seminars with very high participation. One on "From project to product" attracted substantial attendance, and "Change management – on leading people in digital restructuring processes" had no less than 800 participants.

Clients who awarded highly interesting assignments to Bouvet during the quarter included the Swedish Medical Products Agency, the Swedish Public Health Authority, the Swedish Transport Administration, the Swedish Association of Local Authorities and Regions, the Bergen Light Rail, Fjordkraft, Equinor, the City of Bergen, Handelsbanken, Nordland county



council, the Norwegian University of Science and Technology (NTNU), the Norwegian Public Roads Administration, Aker BP, the Petroleum Safety Authority Norway, Lyse, ConocoPhillips, the Norwegian Agency for Public and Financial Management, Delta and Parat, the Archive Foundation and Falstad Centre, the Norwegian Tax Administration, the South-East Regional Health Authority, the City of Oslo, Kommunalbanken, Gjensidige, Viking Redningstjeneste, Entur and Statnett.

Sesam, a Bouvet subsidiary, helps clients move quickly and cost-effectively to becoming data-driven enterprises. That is accomplished by extending the useful life of existing support and technical systems while shifting data to the cloud with the aid of the Sesam Datahub integration platform. This product gives users access to high-quality data in a way which allows them to be used for realising new and existing enterprise goals. With its own partner network, Sesam provides advice and implementation.

During the quarter, it secured four new clients and now has 28 of these.

Sesam has clients in Norway, Sweden and Germany. Among those choosing the group in the quarter were Ikomm AS to integrate and automate internal enterprise information, a leading German drug company to automate the process and ensure compliance with its suppliers and partners, Backe – where Sesam has established a proof of concept for a fully digital construction process – and oil service company M H Wirth, where it is replacing two existing integration platforms.

### **Effects of Covid-19**

Far-reaching measures were initiated towards the end of the quarter in Norway and much of the rest of the world to reduce the spread of Covid-19, a previously unknown coronavirus. This outbreak had a moderate effect on the group's turnover and profit in the first quarter.

The impact on clients in the various sectors has differed. Bouvet worked continuously with them to assess the position and to see how it could find good solutions tailored to the client's circumstances. Projects in the public sector were continued in the quarter, with some scaled up and others initiated earlier than originally planned. Bouvet's assignments included developing reports on the coronavirus position for the crisis management staff at the City of Bergen.

As clients became accustomed to new modes of working, devoted attention to cost reductions and reduced their investment capability, new projects were postponed towards the end of the quarter. Bouvet experienced reduced demand, particularly in consultancy, project management and service design. That resulted in increased competition over the assignments which have been initiated.

The group was compelled to restructure its course programme as a result of Covid-19. It implemented webinars on such topics as how to work from home with Teams, attracting more than 6 000 participants. The course department also established a crash course on Office 365, so that clients could adopt digital collaboration tools to maintain productivity and team spirit in their organisation. The remaining courses have been adapted to the new digital format and today's market requirements.



# Employees

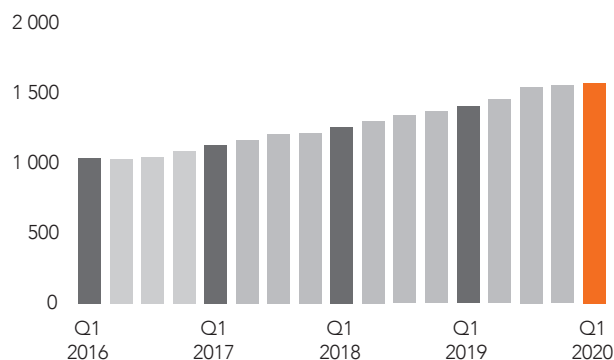
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Bouvet had 1 575 employees at 31 March – up by 13 from 31 December 2019 and 170 from a year earlier.

Bouvet's ambition is to be the consultancy with the most content employees. Satisfied personnel contribute to the quality of deliveries, satisfied clients and lower staff turnover. The group works continuously to create professional challenges, job satisfaction, social cohesion and team spirit at its 13 offices in Norway and Sweden. A good composition of ages, nationalities, experience and expertise creates an inclusive and diversified working environment with good conditions for a sense of security and learning.

As a result of the Covid-19 outbreak towards the end of the quarter, most employees have worked from home. Experience shows that productivity was maintained. Bouvet has been hands-on with its personnel to facilitate good working conditions. It has been very important to secure good solutions for home offices and to facilitate flexible working hours as a result of school and day-care nursery closures.

Number of employees (end of quarter)



All employees in Bouvet have worked to take care of each other and to create the best possible balance between private and working lives. The group had several new recruits during the quarter who have been welcomed and included from home.



# Risk

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The risk picture is affected at the moment by the Covid-19 pandemic. For the time being, its impact has been limited but the general economic spin-offs are expected to be substantial. That could reduce demand for Bouvet's services, with consequential pressure on prices and tougher competition. The extraordinary measures introduced by the government also affect both Bouvet and its clients. Action taken in the future will depend on the continued development of the pandemic, and is therefore uncertain.

Generally speaking, the group is exposed at any given time to various forms of operational, market and financial risk. The board and executive management work continuously on risk management and control. This is described in more detail on pages 10-11 and note 23 in the annual report for 2019. See also section 10 in the corporate governance presentation.



# Outlook

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Bouvet's clients encounter an unpredictable market characterised by rapid changes, where digitalisation is central to the development of a sustainable society. Establishing platforms, for example, and using the internet of things, artificial intelligence and machine learning will have a big impact on the organisation, business models, services and deliveries of enterprises. Information technology and business will be more closely integrated.

A combination of deep client and business understanding, creativity and technical knowledge, and cross-disciplinary consultancy expertise will be needed to handle complexity throughout the value chain.

Market growth is expected to be lower as a result of Covid-19. Bouvet's three biggest markets are the public sector, petroleum and energy. Developments for these are uncertain as a result of reduced predictability. Competition over the assignments being awarded is expected to increase. The oil and gas sector has also been hit by lower crude prices, which could be a further factor in reducing new assignments and postponing those currently under way.

The crisis has led to a rapid change in digital maturity and amendments in user behaviour, and has altered the general attitude to technology in society. It is therefore expected to open new opportunities in the work of digitalisation and organisational development, which demands increased innovation.

The impact on Bouvet's order position is expected to vary between its various service areas. Those where demand declines could find this downturn persisting until conditions return to normal. The company has therefore reduced recruitment and is awaiting developments, while simultaneously strengthening its internal networks for deliveries and sharing expertise across regions.

Satisfied employees and laying the basis for cross-disciplinary collaboration, openness and knowledge-sharing have demonstrated that Bouvet is able to sustain an organisation with the right expertise and personality to pursue continuous service development. The group thereby remains well positioned to deliver to its clients and to contribute to social development.

## Contacts

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President and CEO

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CFO

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# Declaration by the board and CEO

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We hereby confirm to the best of our knowledge that the interim financial statements for the first quarter of 2019 have been prepared in accordance with IAS 34, and that the information in the financial statements provides a true and fair picture of the overall assets, liabilities, financial position and overall financial results of the Bouvet ASA group. We also confirm to the best of our knowledge that the interim report provides a true and fair view of important events in the accounting period and their influence on the interim financial statements, the most important risk and uncertainty factors facing the business in the next accounting period, and significant transactions with close associates.

Oslo, 19 May 2020  
The board of directors of Bouvet ASA



Pål Egil Rønn  
Chair of the board



Tove Raanes  
Deputy chair



Grethe Høiland  
Director



Ingeborg Steen Jensen  
Director



Egil Christen Dahl  
Director



Sverre Hurum  
President and CEO



# Consolidated income statement

NOK 1 000	NOTE	UNAUDITED JAN-MAR 2020	UNAUDITED JAN-MAR 2019	CHANGE	CHANGE %	YEAR 2019
<b>Revenue</b>	2	641 221	564 316	76 905	13.6 %	2 132 052
<b>Operating expenses</b>						
Cost of sales		83 971	78 097	5 874	7.5 %	286 639
Personell expenses		418 382	364 704	53 678	14.7 %	1 377 938
Depreciation fixed assets	4	13 942	13 013	929	7.1 %	53 851
Amortisation intangible assets	3	2 015	1 546	469	30.3 %	6 826
Other operating expenses		40 311	38 114	2 197	5.8 %	174 747
<b>Total operating expenses</b>		<b>558 621</b>	<b>495 474</b>	<b>63 147</b>	<b>12.7 %</b>	<b>1 900 001</b>
<b>Operating profit</b>		<b>82 600</b>	<b>68 842</b>	<b>13 758</b>	<b>20.0 %</b>	<b>232 051</b>
<b>Financial items</b>						
Interest income		1 057	637	420	65.9 %	3 245
Financial income		945	13	932	N/A	316
Interest expense		-1 154	-195	-959	N/A	-5 206
Finance expense		-277	-767	490	-63.9 %	-2 192
<b>Net financial items</b>		<b>571</b>	<b>-312</b>	<b>883</b>	<b>N/A</b>	<b>-3 837</b>
<b>Ordinary profit before tax</b>		<b>83 171</b>	<b>68 530</b>	<b>14 641</b>	<b>21.4 %</b>	<b>228 214</b>
<b>Income tax expense</b>						
Tax expense on ordinary profit		18 494	15 088	3 406	22.6 %	48 081
<b>Total tax expense</b>		<b>18 494</b>	<b>15 088</b>	<b>3 406</b>	<b>22.6 %</b>	<b>48 081</b>
<b>Profit for the period</b>		<b>64 677</b>	<b>53 442</b>	<b>11 235</b>	<b>21.0 %</b>	<b>180 133</b>
Assigned to:						
Shareholders in parent company		64 671	53 442			180 149
Non-controlling interests		6	0			-16
Diluted earnings per share		6.24	5.16	1.07	20.8 %	17.44
Earnings per share		6.31	5.21	1.10	21.0 %	17.61

# Consolidated statement of other income and costs

NOK 1 000	NOTE	UNAUDITED JAN-MAR 2020	UNAUDITED JAN-MAR 2019	CHANGE	CHANGE %	YEAR 2019
Profit for the period		64 677	53 442	11 235	21.0 %	180 133
<b>Items that may be reclassified through profit or loss in subsequent periods</b>						
Currency translation differences		1322	-516	1 838	N/A	-304
Sum other income and costs		1 322	-516	1 838	N/A	-304
<b>Total comprehensive income</b>		<b>65 999</b>	<b>52 926</b>	<b>13 073</b>	<b>24.7 %</b>	<b>179 829</b>
Assigned to:						
Shareholders in parent company		65 993	52 926			179 845
Non-controlling interests		6	0			-16

# Consolidated balance sheet

NOK 1 000	NOTE	UNAUDITED 31.3.2020	UNAUDITED 31.3.2019	CHANGE	CHANGE %	31.12.2019
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
<b>Intangible assets</b>						
Deferred tax asset		1 853	0	1 853	N/A	1 133
Goodwill	3	33 548	32 591	957	2.9 %	32 722
Other intangible assets	3	36 671	35 288	1 383	3.9 %	35 932
<b>Total intangible assets</b>		<b>72 072</b>	<b>67 879</b>	<b>4 193</b>	<b>6.2 %</b>	<b>69 787</b>
<b>Fixed assets</b>						
Office equipment		24 990	25 002	-12	0.0 %	24 868
Office machines and vehicles		5 489	5 543	-54	-1.0 %	4 865
IT equipment		21 889	19 580	2 309	11.8 %	19 510
Right-of-use assets	4	223 570	254 624	-31 054	-12.2 %	232 611
<b>Total fixed assets</b>		<b>275 938</b>	<b>304 749</b>	<b>-28 811</b>	<b>-9.5 %</b>	<b>281 854</b>
<b>Financial non-current assets</b>						
Other financial assets		10	11	-1	-9.1 %	10
Other long-term receivables		2 027	1 889	138	7.3 %	1 927
<b>Total financial non-current assets</b>		<b>2 037</b>	<b>1 900</b>	<b>137</b>	<b>7.2 %</b>	<b>1 937</b>
<b>Total non-current assets</b>		<b>350 047</b>	<b>374 528</b>	<b>-24 481</b>	<b>-6.5 %</b>	<b>353 578</b>
<b>CURRENT ASSETS</b>						
Work in progress	2	59 281	87 685	-28 404	-32.4 %	67 842
Trade accounts receivable		404 621	361 573	43 048	11.9 %	276 167
Other short-term receivables		56 204	48 731	7 473	15.3 %	37 142
Liquid assets		371 994	267 094	104 900	39.3 %	344 725
<b>Total current assets</b>		<b>892 100</b>	<b>765 083</b>	<b>127 017</b>	<b>16.6 %</b>	<b>725 876</b>
<b>TOTAL ASSETS</b>		<b>1 242 147</b>	<b>1 139 611</b>	<b>102 536</b>	<b>9.0 %</b>	<b>1 079 454</b>



# Consolidated balance sheet

NOK 1 000	NOTE	UNAUDITED 31.3.2020	UNAUDITED 31.3.2019	CHANGE	CHANGE %	31.12.2019
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
<b>Paid-in capital</b>						
Share capital	5	10 250	10 250	0	0.0 %	10 250
Own shares - nominal value	5	0	-1	1	-100.0 %	0
Share premium fund		10 000	10 000	0	0.0 %	10 000
<b>Total paid-in capital</b>		<b>20 250</b>	<b>20 249</b>	<b>1</b>	<b>0.0 %</b>	<b>20 250</b>
<b>Earned equity</b>						
Other equity		365 456	312 142	53 314	17.1 %	296 706
<b>Total earned equity</b>		<b>365 456</b>	<b>312 142</b>	<b>53 314</b>	<b>17.1 %</b>	<b>296 706</b>
Non-controlling interests		801	0	801	N/A	795
<b>Total equity</b>		<b>386 507</b>	<b>332 391</b>	<b>54 116</b>	<b>16.3 %</b>	<b>317 751</b>
<b>DEBT</b>						
<b>Long-term debt</b>						
Lease liabilities	4	193 081	217 184	-24 103	-11.1 %	201 352
Deferred tax		0	82	-82	-100.0 %	0
<b>Total long-term debt</b>		<b>193 081</b>	<b>217 266</b>	<b>-24 185</b>	<b>-11.1 %</b>	<b>201 352</b>
<b>Short-term debt</b>						
Current lease liabilities	4	33 214	36 839	-3 625	-9.8 %	33 520
Trade accounts payable		63 824	70 565	-6 741	-9.6 %	51 661
Income tax payable		45 181	39 161	6 020	15.4 %	46 434
Public duties payable		207 403	167 471	39 932	23.8 %	181 807
Deferred revenue	2	10 521	11 183	-662	-5.9 %	11 268
Other short-term debt		302 416	264 735	37 681	14.2 %	235 661
<b>Total short-term debt</b>		<b>662 559</b>	<b>589 954</b>	<b>72 605</b>	<b>12.3 %</b>	<b>560 351</b>
<b>Total liabilities</b>		<b>855 640</b>	<b>807 220</b>	<b>48 420</b>	<b>6.0 %</b>	<b>761 703</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 242 147</b>	<b>1 139 611</b>	<b>102 536</b>	<b>9.0 %</b>	<b>1 079 454</b>

# Consolidated statement of cash flows

NOK 1 000	NOTE	UNAUDITED JAN-MAR 2020	UNAUDITED JAN-MAR 2019	YEAR 2019
<b>Cash flow from operating activities</b>				
Ordinary profit before tax		83 171	68 530	228 214
Paid tax		-19 798	-17 250	-44 732
(Gain)/loss on sale of fixed assets		-175	-10	-168
Ordinary depreciation		13 942	13 013	53 851
Amortisation intangible assets	3	2 015	1 546	6 826
Share based payments		2 205	1 983	8 044
Changes in work in progress, accounts receivable and accounts payable		-107 730	-111 467	-25 121
Changes in other accruals		73 487	47 913	50 142
Net cash flow from operating activities		47 118	4 259	277 054
<b>Cash flows from investing activities</b>				
Sale of fixed assets		201	32	568
Purchase of fixed assets		-7 599	-3 217	-16 433
Purchase of intangible assets	3	-2 590	-2 866	-8 921
Investment in subsidiaries - net cash		0	0	812
Net cash flow from investing activities		-9 988	-6 052	-23 973
<b>Cash flows from financing activities</b>				
Purchase of own shares		0	0	-35 991
Sales of own shares		0	0	21 152
Payments on lease liabilities	4	-9 861	-9 501	-38 655
Dividend payments		0	0	-133 250
Net cash flow from financing activities		-9 861	-9 501	-186 744
Net changes in liquid assets		27 269	-11 294	66 337
Liquid assets at the beginning of the period		344 725	278 388	278 388
Liquid assets at the end of the period		371 994	267 094	344 725

# Consolidated statement of changes in equity

NOK 1 000	SHARE CAPITAL	OWN SHARES	SHARE PREMIUM	TOTAL PAID-IN EQUITY	OTHER EQUITY	TRANSLATION DIFFERENCES	TOTAL OTHER EQUITY	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
Equity at 01.01.2019	10 250	-1	10 000	20 249	257 244	-500	256 744	0	276 993
Profit for the period					53 442		53 442		53 442
Other income and costs						-516	-516		-516
Employee share scheme					2 472		2 472		2 472
Equity at 31.03.2019 (Unaudited)	10 250	-1	10 000	20 249	313 158	-1 016	312 142	0	332 391
Equity at 01.01.2020	10 250	0	10 000	20 250	297 509	-804	296 706	795	317 751
Profit for the period					64 671		64 671	6	64 677
Other income and costs						1 322	1 322		1 322
Employee share scheme					2 757		2 757		2 757
Equity at 31.03.2020 (Unaudited)	10 250	0	10 000	20 250	364 937	518	365 456	801	386 507

# Notes

## Note 1: Accounting principles

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This interim report is presented in accordance with the International Financial Reporting Standards (IFRS) and interpretations determined by the European Union, and have been prepared in accordance with IAS 34. The interim financial statements have not been audited, do not include all the information required in annual financial statements and should be viewed in conjunction with the group's annual report for 2019. The accounting policies applied are consistent with those applied in previous financial year.

## Note 2: Revenue from contracts with customers

The Group is primarily delivering its services based on time and material used and has in most cases legal rights for payment for services delivered at date. In cases where the Group has income from projects with predefined results at a fixed price or which has elements causing the income per hour

to be unknown before completion of the project, the income is recorded in correlation with the degree of completion. Progress is measured as incurred hours in relation to totally estimated hours. For these projects the customer controls the asset being made or improved.

### Specification revenue:

NOK 1 000	JAN-MAR 2020	JAN-MAR 2019
<b>Contract category</b>		
Fixed- and target price	6 529	9 068
Variable contracts	634 692	555 248
<b>Total revenue</b>	<b>641 221</b>	<b>564 316</b>
<b>Business sector</b>		
Bank & finance	21 833	25 161
Power supply	82 630	56 660
Health	13 616	13 446
Industry	28 703	26 943
Info and communication	32 098	23 808
Public admin	174 096	153 583
Oil & gas	178 869	144 571
Service industry	28 205	25 772
Transportation	36 692	47 335
Retail	32 308	33 116
Other	12 173	13 922
<b>Total revenue</b>	<b>641 221</b>	<b>564 316</b>
<b>Public/privat sector</b>		
Public sector (100% owned)	326 106	283 268
Privat sector	315 115	281 048
<b>Total revenue</b>	<b>641 221</b>	<b>564 316</b>
Work in progress	59 281	87 685
Deferred revenue	10 521	11 183

At the balance sheet date, processed but not billed services amounted to NOK 59.28 million (2019.03.31: NOK 87.69 million). This is mainly services delivered on running account, invoiced to customers at the beginning of the next month.

## Note 3: Intangible assets

Intangible assets and goodwill are related to added value from the acquisitions of subsidiaries, businesses, and costs related to development of software and internally developed internet homepage.

NOK 1 000				JAN-DES 2019				JAN-DES 2018
	SOFTWARE	OTHER INTANGIBLE ASSETS	GOODWILL		SOFTWARE	OTHER INTANGIBLE ASSETS	GOODWILL	
Book value 1 January	30 989	4 943	32 722	68 654	27 906	6 165	32 944	67 015
Additions of the period	0	0	0	0	0	0	0	0
Self-developed software	2 590	0	0	2 590	2 866	0	0	2 866
Amortisation	-1 681	-334	0	-2 015	-1 290	-256	0	-1 546
Exchange rate variances	0	164	826	990	0	-102	-353	-455
Book value end of period	31 898	4 773	33 548	70 219	29 482	5 807	32 591	67 879
Amortisation rate	20 %	10-20 %	N/A		20 %	10-20 %	N/A	
Economic life	5 years	5-10 years	not decided		5 years	5-10 years	not decided	
Amortisation method	linear	linear	N/A		linear	linear	N/A	

The group is developing a software for sale, Sesam, that works as a search engine for enterprise data. Sesam can collect all type of information, tie it together and make use of the compound information in a range of valuable services. Version 3 of Sesam was completed September 2016 with investment costs of NOK 10 783 thousand. Version 4 of Sesam was completed December 2017 with investment costs of NOK 12 250 thousand. Version 5 is under development and consists of several modules. Module GDPR was completed in June 2018 and module Swarm was completed June 2019. The rest has an expected completion during second quarter of 2020. So far, the investment costs is NOK 25 211 thousand. All versions have an economic life of 5 years.

## Note 4: Leases

### Right-of-use-assets

NOK 1 000			JAN-MAR 2020
	PREMISES	OTHER LEASES	
Book value 1 January	232 606	5	232 611
Additions of the period	0	0	0
Depreciation	-9 489	-5	-9 494
Exchange rate variances	453		453
Book value end of period	223 570	0	223 570
Economic life	1-9 years	1-2 years	
Depreciation method	linear	linear	

### Lease liabilities

NOK 1 000	FUTURE LEASE PAYMENTS	FUTURE LEASE PAYMENTS PER YEAR					> 2024
		2020	2021	2022	2023	2024	
Undiscounted lease liabilities 31.03.2020	242 582	28 157	36 499	35 070	34 455	33 978	74 422

## Note 5: Share capital and dividend

SHARES IN THOUSANDS	31.03.2020	31.03.2019
Ordinary shares, nominal value NOK 1	10 250	10 250
Total number of shares	10 250	10 250

The nominal value of the share is NOK 1. All shares in the company have equal voting rights and are equally entitled to dividend. Proposed dividend to be approved at the annual general meeting May 2020 amounts to NOK 8.25 per share.

### Changes in share capital and premium

NOK 1 000	NO. OF SHARES		SHARE CAPITAL	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Ordinary shares issued and fully paid at 31.12.	10 250	10 250	10 250	10 250
Own shares at nominal value	0	-1	0	-1

In the period, Bouvet ASA, has not acquired any own shares. The company owns 467 own shares at the end of the period.

## Note 6: Transactions with related parties

### Shares in the company directly or indirectly owned by the board and management

NAME	ROLE	NO. OF SHARES			31.03.2020
		31.12.2019	BUY	SALE	
Pål Egil Rønn	Chairman of the Board	5 000			5 000
Tove Raanes	Vice-chairman of the Board	895			895
Grethe Høiland	Board member	0			0
Ingebrigt Steen Jensen	Board member	1 640			1 640
Egil Christen Dahl	Board member	453 502			453 502
Sverre F. Hurum	CEO	462 068			462 068
Erik Stubø	CFO	238 568			238 568
Total		1 161 673	0	0	1 161 673

## Note 7: Events after the balance sheet date

There have been no events after the balance sheet date significantly affecting the Group's financial position.

# Alternative Performance Measures

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The European Securities and Markets Authority (“ESMA”) issued guidelines on Alternative Performance Measures (“APMs”) that came into force on July 3, 2016. Bouvet discloses APMs that are frequently used by investors, analysts, and other interested parties. The management believes that the disclosed APMs provide improved insight into the operations, financing, and prospects of Bouvet. Bouvet has defined the following APMs:

**EBITDA** is short for earnings before interest, taxes, depreciation, and amortization. EBITDA is calculated as profit for the period before tax expense, financial items, depreciation, and amortization.

**EBIT** is short for earnings before interest and taxes. EBIT corresponds to operating profit in the consolidated income statement.

**Net free cash flow** is calculated as net cash flow from operations plus net cash flow from investing activities.

**EBITDA-margin** is calculated as EBITDA divided by revenue.

**EBIT-margin** is calculated as EBIT divided by revenue.

**Cash flow margin** is calculated as Net cash flow from operations divided by revenue.

**Equity ratio** is calculated as total equity divided by total assets.

**Liquidity ratio** is calculated as current assets divided by short-term debt.



# Key figures Group

NOK 1 000	JAN-MAR 2020	JAN-MAR 2019	CHANGE %	YEAR 2019
<b>INCOME STATEMENT</b>				
Operating revenue	641 221	564 316	13.6 %	2 132 052
EBITDA	98 557	83 401	18.2 %	292 728
Operating profit (EBIT)	82 600	68 842	20.0 %	232 051
Ordinary profit before tax	83 171	68 530	21.4 %	228 214
Profit for the period	64 677	53 442	21.0 %	180 133
EBITDA-margin	15.4 %	14.8 %	4.0 %	13.7 %
EBIT-margin	12.9 %	12.2 %	5.6 %	10.9 %
<b>BALANCE SHEET</b>				
Non-current assets	350 047	374 528	-6.5 %	353 578
Current assets	892 100	765 083	16.6 %	725 876
Total assets	1 242 147	1 139 611	9.0 %	1 079 454
Equity	386 507	332 391	16.3 %	317 751
Long-term debt	193 081	217 266	-11.1 %	201 352
Short-term debt	662 559	589 954	12.3 %	560 352
Equity ratio	31.1 %	29.2 %	6.7 %	29.4 %
Liquidity ratio	1.35	1.30	3.8 %	1.30
<b>CASH FLOW</b>				
Net cash flow operations	47 118	4 259	N/A	277 054
Net free cash flow	37 130	-1 793	N/A	253 081
Net cash flow	27 269	-11 294	N/A	66 337
Cash flow margin	7.3 %	0.8 %	N/A	13.0 %
<b>SHARE INFORMATION</b>				
Number of shares	10 250 000	10 250 000	0.0 %	10 250 000
Weighted average basic shares outstanding	10 249 533	10 248 736	0.0 %	10 228 839
Weighted average diluted shares outstanding	10 370 258	10 351 368	0.2 %	10 332 463
EBIT per share	8.06	6.72	20.0 %	22.69
Diluted EBIT per share	7.96	6.65	19.8 %	22.46
Earnings per share	6.31	5.21	21.0 %	17.61
Diluted earnings per share	6.24	5.16	20.8 %	17.44
Equity per share	37.71	32.43	16.3 %	31.00
Dividend per share	0.00	0.00	N/A	13.00
<b>EMPLOYEES</b>				
Number of employees (year end)	1 575	1 405	12.1 %	1 557
Average number of employees	1 569	1 398	12.3 %	1 474
Operating revenue per employee	409	404	1.2 %	1 447
Operating cost per employee	356	354	0.7 %	1 289
EBIT per employee	53	49	6.9 %	157

# Definitions

Cash flow margin	Net cash flow operations / Operating revenue
Diluted earnings per share	Profit for the period assigned to shareholders in parent company / weighted average diluted shares outstanding
Diluted EBIT per share	EBIT assigned to shareholders in parent company / weighted average diluted shares outstanding
Dividend per share	Paid dividend per share throughout the year
Earnings per share	Profit for the period assigned to shareholders in parent company / weighted average basic shares outstanding
EBIT	Operating profit
EBIT per employee	EBIT / average number of employees
EBIT per share	EBIT assigned to shareholders in parent company / weighted average basic shares outstanding
EBITDA	Operating profit + depreciation fixed assets and intangible assets
EBITDA-margin	EBITDA / operating revenue
EBIT-margin	EBIT / operating revenue
Equity per share	Equity / number of shares
Equity ratio	Equity / total assets
Liquidity ratio	Current assets / Short-term debt
Net free cash flow	Net cash flow operations - Net cash flow investments
Number of shares	Number of issued shares at the end of the year
Operating cost per employee	Operating cost / average number of employees
Operating revenue per employee	Operating revenue / average number of employees
Weighted average basic shares outstanding	Issued shares adjusted for own shares on average for the year
Weighted average diluted shares outstanding	Issued shares adjusted for own shares and share scheme on average for the year



# Our regions and offices

The Group has 13 offices in Norway and Sweden. Our philosophy is that competence should be utilized across the company, while projects are attached locally.

## OSLO

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## STOCKHOLM

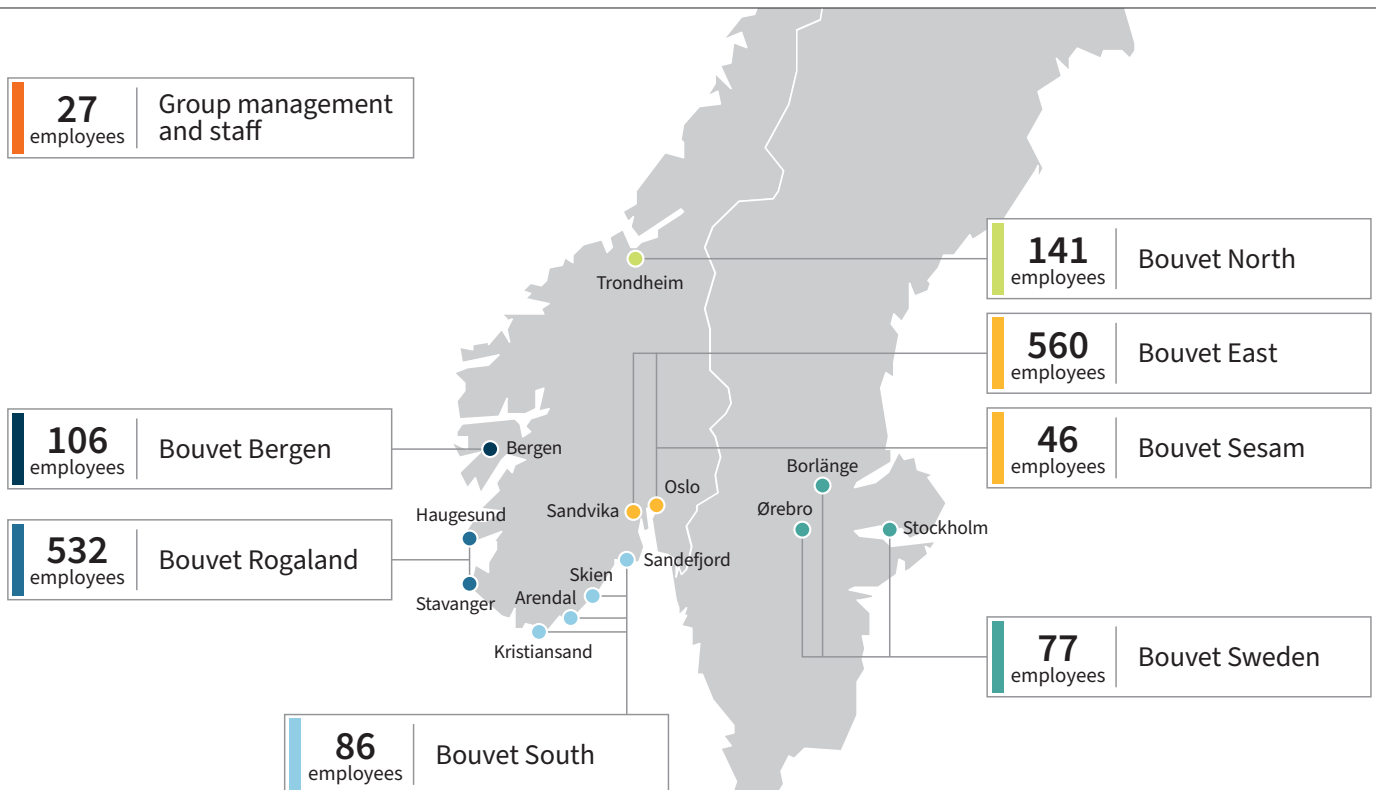
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## BORLÄNGE

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## ÖREBRO

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This quarter, we have changed,  
renewed and improved:

- Digitalising and modernising Norwegian industry
- Improving digital collaboration internationally
- Helping clients to understand, adopt and improve the efficiency of cloud services
- Simplifying the working day for administrators with digitalisation and automation
- Contributing training services for health personnel
- Digital twins for a VR experience of the world's longest and deepest undersea road tunnel
- Optimising user experiences with new websites
- Supporting clients during their change journey
- Change management when introducing welfare technology
- Helping you to get going quickly with online sales
- Helping you to work from home with Microsoft Teams
- Facilitating digital work meetings with clients
- Supporting the City of Oslo with a recruitment base for volunteer health personnel
- Omnichannel strategies for integrated customer experiences across channels and contact points

**bouvet**

en.bouvet.no