

BOUVET PRESENTS

Quarterly  
report

Q3 2017

bouvet

# Key figures

NOK MILLION	JUL-SEP 2017	JUL-SEP 2016	CHANGE %	JAN-SEP 2017	JAN-SEP 2016	CHANGE %	YEAR 2016
Revenue	344.2	280.4	22.8 %	1 149.0	948.6	21.1 %	1 330.8
Operating profit (EBIT)	17.1	12.1	41.0 %	95.0	73.4	29.5 %	106.3
Ordinary profit before tax	17.0	11.4	48.9 %	96.1	72.8	31.9 %	106.0
Profit for the period	12.5	8.2	52.8 %	72.4	53.6	35.1 %	79.9
Net cash flow operations	-2.5	-13.7	N/A	-9.5	-5.8	N/A	113.5
Cash and cash equivalents	41.6	62.1	-33.1 %	41.6	62.1	-33.1 %	161.7
Number of employees (end of period)	1 211	1 045	15.9 %	1 211	1 045	15.9 %	1 090
Number of employees (average)	1 193	1 038	15.0 %	1 157	1 036	11.7 %	1 050
Earnings per share	1.23	0.81	52.6 %	7.05	5.19	35.8 %	7.76
Diluted earnings per share	1.22	0.80	52.9 %	6.97	5.12	36.0 %	7.66
EBIT-margin	5.0 %	4.3 %		8.3 %	7.7 %		8.0 %
Equity ratio	34.2 %	34.0 %		34.2 %	34.0 %		32.9 %



## Bouvet in brief

Bouvet is a consultancy delivering digital services. At 30 September, it had 1 211 employees at 15 offices in Norway and Sweden.

The group is a strategic partner for a number of enterprises, and helps them to design digital solutions which create new business opportunities and provide the desired effects. Clients value Bouvet's good understanding of their business and the fact that its broad range of services allows it to act as a turnkey provider. The group is concerned to maintain long-term client relationships.

Bouvet's regional model with local offices provides clear benefits for marketing and competitiveness. Many enterprises

regard it as important that their provider of business-critical systems has local entrenchment and expertise. In addition, this model makes it easier to establish long-term relationships and thereby become acquainted with the client's business and systems.

As a result of the clear attention it pays to principles for managing the business, Bouvet comes across as a solid, well-run and well-regarded group. Its standards for delivering good solutions are supplemented by strict requirements on ethics, conflicts of interest, security, openness and accountability. Close relations with clients are achieved because the group and its employees implement their assignments with a high degree of integrity.

# Highlights of the third quarter

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*Important delivery to Statnett and Svenska Kraftnät*

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*Signed important frame agreement with Norwegian Tax Administration*

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*Signed important frame agreement with City of Oslo*

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*Increase in number of assignment for the oil and gas sector*

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*Operating revenues up by NOK 63.9 million or 22.8 per cent from the third quarter of 2016 to NOK 344.2 million*

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*Operating profit (EBIT) up by 41 per cent to NOK 17.1 million from the same period of last year*

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*Employees up by 45 from 31 March and by 166 over the past 12 months*



## CEO's comments

# Profitable growth in a good market

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We have delivered a good interim result. Digitalisation is continuing, and major projects are being implemented in both public and private sectors. The assignments and projects won during the quarter reveal increasing demand for our services and expertise among clients. We jointly develop new solutions which help to change, renew and improve their operations. With the aid of new technology, clients are enabled to change their business models, develop new services and become more efficient.

Demand is good in every region and in all the sectors we work in. After a couple of years with declining demand from the oil industry, we are seeing a growing commitment to developing and implementing new technology in this sector. We have secured a number of new assignments from such companies as Statoil. Our big industrial clients are adopting machine learning and artificial intelligence, and we are able to participate in exciting projects. Machine learning and artificial intelligence are now being utilised more and more in every sector, and our national commitment earned us more assignments during the quarter. Work on digitalisation is continuing in the public sector, and we are involved in a number of digitalisation projects at central and local government levels. We also won a number of new frame agreements during the quarter.

Our customer satisfaction survey during the quarter showed that we have satisfied customers who are committed to us as a long-term partner. That reflects our continuous development of services, our sharing culture and our approach to collaboration. We have conducted an employee survey which once again shows that our people thrive fantastically well. This poll identifies the professional environment, client assignments and our corporate culture as the most

important reasons why personnel work and thrive in our group. We have acquired a number of new colleagues over the past year and during the third quarter. More of these than before are new graduates who contribute positively to our development. The attention we are paying to recruitment from higher education institutions has allowed us to climb Universum's lists of attractive employers for new graduates and young professionals.

The future looks bright for us. We are continuing to make rapid progress, and clients will need our support for a long time to come. Sticking to our ambition of being the most credible company with the most satisfied employees and clients thereby remains important. We achieve this through close collaboration with our clients, through the development of new services and expertise, and not least through communicating and continuing to develop our corporate culture. The good results will then also continue.

Sverre Hurum  
President and CEO



“ Digitalisation is continuing, and assignments during the quarter reveal increasing demand for our services from clients. ”



# Financial results

## Operating revenues

Bouvet had operating revenues of NOK 344.2 million for the third quarter, compared with NOK 280.4 million in the same period of 2016. That represented a rise of 22.8 per cent. Fee income generated by the group's own consultants increased by NOK 50.5 million or 21.5 per cent from the third quarter of last year. Fee income generated by sub-contractors rose by NOK 11.4 million or 32.2 per cent from the same period of 2016. Other revenues rose by NOK 2 million from the third quarter of last year to NOK 12.4 million.

The third quarter of 2017 had one fewer working days than the same period of last year. That had a negative effect of NOK 3.5 million on operating revenues generated by Bouvet's own employees. Increased holidays and sickness absence had a further negative effect of NOK 1.8 million. Overall, these factors had a negative effect of NOK 5.3 million on operating revenues generated by the group's own employees compared with the third quarter of 2016.

Operating revenues generated by own employees benefited by NOK 6.2 million through an increase of two percentage points in the billing ratio for the group's consultants compared with the third quarter of 2016. They were also boosted by NOK 35.4 million through a 15 per cent rise in the average number of employees. Rates for the group's hourly based services rose by 2.1 per cent compared with the same period of last year, which increased operating revenues by NOK 4.7 million. In addition, improved progress in fixed-price projects compared with the third quarter of 2016 made a positive contribution of NOK 6.7 million. Fewer employees on paternity leave during the quarter added NOK 2.8 million to revenues. The overall positive effect of these factors on operating revenues was NOK 55.8 million.

Sales to existing clients made good progress during the quarter. Clients who also used the group in the third quarter of 2016 accounted for 92 per cent of operating revenues. In addition, clients acquired since 30 September 2016 contributed a total of NOK 27.9 million to third-quarter operating revenues.

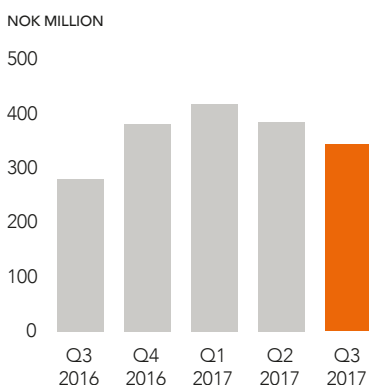
Bouvet's strategy is to use services from sub-contractors when it lacks the capacity to meet demand with its own personnel or when clients require leading-edge expertise outside the group's priority areas. The sub-contractor share of total revenues was 13.5 per cent in the third quarter, compared with 12.6 per cent in the same period of 2016.

Where the first nine months are concerned, operating revenues amounted to NOK 1 149 million compared with NOK 948.6 million for the same period of 2016. That represented a rise of 21.1 per cent. Fee income generated by the group's own consultants increased by NOK 148.3 million or 18.6 per cent from the first nine months of last year. This primarily reflected an 11.7 per cent expansion in the average number of employees, a growth of 2.6 percentage points in the billing ratio for the group's employees, and a 2.1 per cent rise in rates for its hourly based services. In addition, revenues generated by sub-contractors rose by NOK 50.7 million from the same period of 2016.

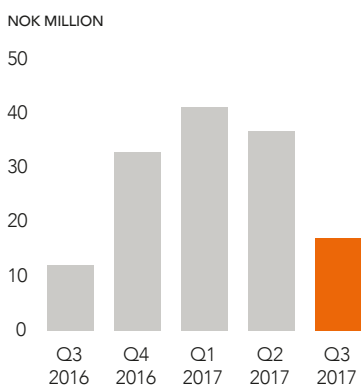
## Operating costs

Bouvet's operating costs, including depreciation and amortisation, were NOK 327.2 million for the third quarter, up from NOK 268.3 million in the same period of 2016. That represented an increase of 22 per cent. Payroll costs increased because the average number of employees rose, in addition to the general growth in pay rates. The group

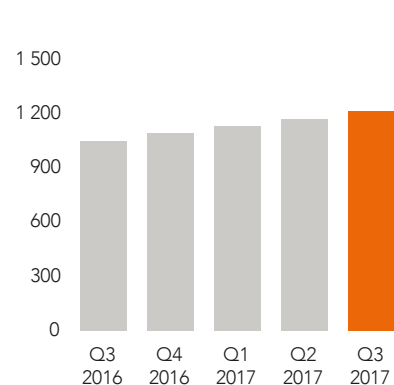
### Operating revenue



### Operating profit (EBIT)



### Number of employees (end of quarter)





experienced a general rise in pay of 0.6 per cent over the past 12 months. The cost of sales was NOK 50.4 million, compared with NOK 36 million for the third quarter of 2016, and primarily comprised procurement of sub-contractor services and software as well as the hire of course instructors. Other operating expenses grew by 27.3 per cent from the same period of 2016 to NOK 42.6 million. This rise primarily reflected greater social security costs, higher costs for renting and operating premises, and increased ICT expenses.

Where the first nine months were concerned, overall operating costs rose by 20.4 per cent from the same period of 2016 to NOK 1 053.9 million. The cost of sales increased by 41.3 per cent to NOK 174.7 million, primarily because greater use was made of sub-contractors. Payroll costs rose by 14.7 per cent from the first nine months of last year to NOK 746.2 million. Other operating expenses came to NOK 117.4 million in the first nine months. This rise of NOK 27 million from the same period of 2016 primarily reflected higher costs for recruitment, social events, office premises and ICT.

### Profit

Operating profit (EBIT) for the third quarter came to NOK 17.1 million, compared with NOK 12.1 million in the same period of 2016. The EBIT margin was thereby five per cent, compared with 4.3 per cent in the third quarter of last year. Net profit came to NOK 12.5 million, up from NOK 8.2 million in the same period of 2016. Diluted earnings per share were NOK 1.22, compared with NOK 0.80 in the third quarter of last year.

Cumulative operating profit for the first nine months came to NOK 95 million, up by 29.5 per cent from NOK 73.4 million in the same period of 2016. The EBIT margin was thereby 8.3 per cent, compared with 7.7 per cent in the first nine months of last year. Net profit came to NOK 72.4 million, up from NOK 53.6 million in the same period of 2016. Diluted earnings per share were NOK 6.97, compared with NOK 5.12 in the first nine months of last year.

### Cash flow, liquidity and capital adequacy

Consolidated cash flow from operations was negative at NOK 2.5 million for the third quarter, compared with a negative NOK 13.7 million in the same period of 2016. Cash flow for the quarter was affected negatively by an increase of NOK 7.8

million from the second quarter of 2017 in working capital related to client receivables, work in progress and other current receivables. A reduction of NOK 14.1 million in current liabilities from the second quarter of this year also had a negative impact on cash flow. Consolidated cash flow from operations for the first nine months was negative at NOK 9.5 million, compared with a negative NOK 5.8 million for the first nine months of last year. Consolidated cash flow from operations over the past 12 months came to NOK 108.9 million, while net profit for the same period was NOK 98.7 million.

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

The group has no interest-bearing debt. Bank deposits at 30 September totalled NOK 41.6 million, compared with NOK 62.1 million a year earlier. The group had an undrawn overdraft facility of NOK 50 million at 30 September. Bouvet held 168 682 of its own shares at 30 September. Equity at 30 September totalled NOK 170.8 million, representing an equity ratio of 34.2 per cent. The corresponding figures for 30 September 2016 were an equity of NOK 141.1 million and an equity ratio of 34 per cent. Bouvet's long-term target is to maintain an equity ratio in excess of 30 per cent.

### Segment reporting

The group does not report internally by business areas or segments in an accounting sense. Its business is homogenous and pursued within the Nordic market for IT consultancy services. Risk and return are followed up at departmental level within homogenous consultancy departments with shared markets, on a project basis and per consultant. This does not provide a basis for segment reporting, which is accordingly not presented. Should changes be made to the group's business, the possibility that these changes might provide a basis for segment reporting will be assessed.

Turnover public/private

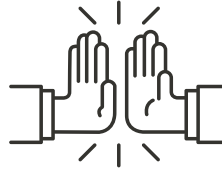


- Turnover from customer 100 % public owned: 48.7 %
- Turnover from customer wholly or partially private owned: 51.3 %

Turnover per business



Public admin	26.2 %
Oil & gas	22.1 %
Transportation	10.2 %
Power supply	9.0 %
Service industry	6.4 %
Retail	6.3 %
Info and communication	5.7 %
Industry	5.1 %
Bank & finance	4.1 %
Health	2.6 %
Other	2.4 %



# Developments and market

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A continued commitment to digitalisation and digital transformation generated a high level of demand for Bouvet's services and expertise during the quarter. A new agreement was signed, for example, with the Norwegian Metrology Service for developing its administrative procedures, and Bouvet was also chosen by the National Library of Norway to develop an e-reader for mobile units and a prisoner register for the Falstad Centre.

Bouvet's ability to deliver, expertise, corporate culture and understanding of client issues and needs create confidence among new and existing clients. Those renewing frame agreements during the quarter included Bane NOR, the City of Oslo, the Norwegian Tax Administration, the City of Trondheim and the Norwegian Environment Agency.

Bouvet works closely with the business side in many sectors. Its clients are user-centred, which increases demand for Bouvet's expertise on innovation and service design. The City of Bergen has given Bouvet the opportunity to help develop services for the disabled. Furthermore, Sweden's Financial Supervisory Authority has hired the group in connection with a new intranet.

Service design has also become important in the oil and gas industry. Generally speaking, Bouvet is experiencing growth in this sector, and it entered into a contract with Statoil on collaboration over an internet of things (IoT) project which will allow more jobs to be done from land.

Bouvet's consultancy expertise on implementing digital transformations also expanded during the quarter. Services in demand are enterprise architecture for securing delivery and restructuring abilities at clients, digital strategy, business development and change management. Bouvet was hired to provide consultancy and project management by Swedish local authorities and county councils as well as by the Norwegian Directorate for Children, Youth and Family Affairs.

Consultancy support is provided to Sykhuspartner, the Norwegian Government Security and Service Organisation (DSS) and the health agency of the City of Oslo. The attention paid by clients to security and testing meant a high level of demand for this expertise from Bouvet. The City of Trondheim and Sør-Trøndelag county council have sought this expertise. Implementing technology trends is enhancing the need for information security, and Bouvet has again been chosen as a partner in this area for a number of clients.

During the quarter, Bouvet delivered a report on behalf of the Norwegian Consumer Council which looked at consumer and personal safeguards in blood pressure monitors.

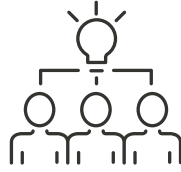
Bouvet secured a number of assignments for process management and Lean in the quarter, and Agile teams from Bouvet were in demand in Sweden from such clients as the Swedish Migration Agency and the Swedish Public Employment Service.

To prepare its clients for the EU's general data protection regulation (GDPR) during the quarter, Bouvet held breakfast and company-specific seminars and was present in the media and at conferences. This consciousness-raising increased demand for GDPR expertise. Sesam, Bouvet's data integration product, has been positioned as an important player in the introduction of the regulation.

Bouvet is involved in a number of projects which utilise artificial intelligence and machine learning. It is contributing at Kinect Energy to a project on better wind forecasts for wind farms, and is involved in highly interesting projects with the Norwegian Public Roads Administration and Statoil. Bouvet's expertise with software robots has resulted in new assignments for example at Sør-Trøndelag county council.

Bouvet had a presence in the media 44 times during the quarter.





# Employees

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A good corporate culture and a high level of job satisfaction among employees combined with Bouvet's regional model to give good organic growth during the quarter. Personnel increased by 45 from the previous three-month period. At 30 September, Bouvet had 1 211 employees – up by 166 from a year earlier.

Client demand for Bouvet's expertise in all service areas has prompted continuous attention to recruitment in order to increase the group's delivery capacity and to build new expertise. The recruitment market is tough and challenging, but Bouvet is able to attract relevant candidates in all age segments and service areas. It is succeeding with its presence in higher education institutions and has recruited many new graduates. Directed at this group, Bouvet's Innafor onboarding programme was launched during the quarter. It ensures that participants quickly become part of the Bouvet culture. In Sweden, recruitment is being pursued in the health sector to increase expertise in an area where demand is high.

As a knowledge-based group, Bouvet devotes attention to expertise development. Important arenas include internal schools for professional enhancement and certification as well as inspiration for further development. A joint conference on AI was staged during the quarter with participants from all the regions.

Bouvet's relevant expertise and topical projects help to enhance its visibility in the media. Employees were represented with expert statements on such issues as GDPR and security. In addition, deliveries from Bouvet have occupied a key place in public debates.

The decision was taken during the quarter to close the business in Malmö, affecting 16 employees. The closure will be implemented in the fourth quarter.

# Risk

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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 under

corporate governance in the annual report for 2016 (section 10: risk management and internal control). In the board's view, no significant changes occurred over the past three months in the various risks to which the group is exposed.

# Prospects

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The attention given by Bouvet's clients to service development, cost-effective deliveries and automation will mean continued high investment in digitalisation. New technology and project execution lay the basis for customer- and market-centred developments with a high pace of innovation. Technology is being applied to a greater extent in developing good user experiences, with the user no longer needing to be involved but getting the service delivered on the basis of data. A key role in future development will be played by data in relation to artificial intelligence and machine learning.

This development will mean continued high demand for technology expertise. Bouvet's range of services, long-term

client relations and an organisational structure with a rapid response to changes have proven valuable for clients. The high level of demand calls for continued recruitment in strong competition with other players.

The GDPR comes into force in May 2018. Sesam, Bouvet's data integration product, has strengthened its market position in this area.

Bouvet is well positioned for continued growth.

## Contacts

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**Erik Stubø**  
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 third quarter of 2017 and the preliminary accounts for 1 January-30 September 2017 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 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, 9 November 2017  
The board of directors of Bouvet ASA



**Pål Egil Rønn**  
Chair of the board



**Tove Raanes**  
Deputy chair



**Grethe Høiland**  
Director



**Ingebrigt Steen Jensen**  
Director



**Egil Christen Dahl**  
Director



**Sverre Hurum**  
President and CEO

# Consolidated income statement

NOK 1 000	UNAUDITED JUL-SEP 2017	UNAUDITED JUL-SEP 2016	CHANGE	CHANGE %	UNAUDITED JAN-SEP 2017	UNAUDITED JAN-SEP 2016	CHANGE	CHANGE %	YEAR 2016
Revenue	344 240	280 375	63 865	22.8 %	1 148 954	948 550	200 404	21.1 %	1 330 811
<b>Operating expenses</b>									
Cost of sales	50 412	35 970	14 442	40.2 %	174 665	123 627	51 038	41.3 %	183 002
Personell expenses	228 884	195 338	33 546	17.2 %	746 219	650 683	95 536	14.7 %	897 355
Depreciation fixed assets	3 277	2 523	754	29.9 %	9 397	7 491	1 906	25.4 %	10 001
Amortisation intangible assets	2 023	992	1 031	103.9 %	6 268	2 971	3 297	111.0 %	4 588
Other operating expenses	42 575	33 450	9 125	27.3 %	117 381	90 391	26 990	29.9 %	129 567
Total operating expenses	327 171	268 273	58 898	22.0 %	1 053 930	875 163	178 767	20.4 %	1 224 513
Operating profit	17 069	12 102	4 967	41.0 %	95 024	73 387	21 637	29.5 %	106 298
<b>Financial items</b>									
Interest income	396	321	75	23.4 %	986	1 147	-161	-14.0 %	1 315
Financial income	106	98	8	8.2 %	994	281	713	253.7 %	553
Interest expense	-72	-79	7	-8.9 %	-113	-183	70	-38.3 %	-265
Finance expense	-506	-1 030	524	-50.9 %	-800	-1 783	983	-55.1 %	-1 852
Net financial items	-76	-690	614	-89.0 %	1 067	-538	1 605	-298.3 %	-249
Ordinary profit before tax	16 993	11 412	5 581	48.9 %	96 091	72 849	23 242	31.9 %	106 049
<b>Income tax expense</b>									
Tax expense on ordinary profit	4 458	3 207	1 251	39.0 %	23 739	19 278	4 461	23.1 %	26 164
Total tax expense	4 458	3 207	1 251	39.0 %	23 739	19 278	4 461	23.1 %	26 124
Profit for the period	12 535	8 205	4 330	52.8 %	72 352	53 571	18 781	35.1 %	79 885
Assigned to:									
Shareholders in parent company	12 413	8 155			71 439	52 961			78 887
Non-controlling interests	122	50			913	610			998
Diluted earnings per share	1.22	0.80	0.42	52.9 %	6.97	5.12	1.85	36.0 %	7.66
Earnings per share	1.23	0.81	0.43	52.6 %	7.05	5.19	1.86	35.8 %	7.76

# Consolidated statement of other income and costs

NOK 1 000	UNAUDITED JUL-SEP 2017	UNAUDITED JUL-SEP 2016	CHANGE	CHANGE %	UNAUDITED JAN-SEP 2017	UNAUDITED JAN-SEP 2016	CHANGE	CHANGE %	YEAR 2016
Profit for the period	12 535	8 205	4 330	52.8 %	72 352	53 571	18 781	35.1 %	79 885
Items that may be reclassified through profit or loss in subsequent periods									
Currency translation differences	-67	-136	68	N/A	57	-446	503	N/A	-346
Sum other income and costs	-67	-136	68	N/A	57	-446	503	N/A	-346
Total comprehensive income	12 468	8 069	4 398	54.5 %	72 409	53 125	19 284	36.3 %	79 539
Assigned to:									
Shareholders in parent company	12 346	8 019			71 496	52 516			78 542
Non-controlling interests	122	50			913	610			998

# Consolidated balance sheet

NOK 1 000	UNAUDITED 30.09.2017	UNAUDITED 30.09.2016	CHANGE	CHANGE %	31.12.2016
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
<b>Intangible assets</b>					
Deferred tax asset	152	1 332	-1 180	-88.6 %	0
Goodwill	33 247	27 554	5 693	20.7 %	32 782
Other intangible assets	28 242	21 937	6 305	28.7 %	25 032
<b>Total intangible assets</b>	<b>61 641</b>	<b>50 823</b>	<b>10 818</b>	<b>21.3 %</b>	<b>57 814</b>
<b>Fixed assets</b>					
Office equipment	17 738	8 050	9 688	120.3 %	13 430
Office machines and vehicles	3 694	2 491	1 203	48.3 %	3 283
IT equipment	17 393	10 171	7 222	71.0 %	14 949
<b>Total fixed assets</b>	<b>38 825</b>	<b>20 712</b>	<b>18 113</b>	<b>87.5 %</b>	<b>31 662</b>
<b>Financial non-current assets</b>					
Other financial assets	116	11	105	954.5 %	11
Other long-term receivables	1 932	859	1 073	124.9 %	859
<b>Total financial non-current assets</b>	<b>2 048</b>	<b>870</b>	<b>1 178</b>	<b>135.4 %</b>	<b>870</b>
<b>Total non-current assets</b>	<b>102 514</b>	<b>72 405</b>	<b>30 109</b>	<b>41.6 %</b>	<b>90 346</b>
<b>CURRENT ASSETS</b>					
Work in progress	148 448	123 328	25 120	20.4 %	97 728
Trade accounts receivable	183 719	137 380	46 339	33.7 %	159 133
Other short-term receivables	23 034	19 535	3 499	17.9 %	26 990
Cash and cash equivalents	41 595	62 139	-20 544	-33.1 %	161 719
<b>Total current assets</b>	<b>396 796</b>	<b>342 382</b>	<b>54 414</b>	<b>15.9 %</b>	<b>445 570</b>
<b>TOTAL ASSETS</b>	<b>499 310</b>	<b>414 787</b>	<b>84 523</b>	<b>20.4 %</b>	<b>535 916</b>



# Consolidated balance sheet

NOK 1 000	UNAUDITED 30.09.2017	UNAUDITED 30.09.2016	CHANGE	CHANGE %	31.12.2016
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
<b>Paid-in capital</b>					
Share capital	10 250	10 250	0	0.0 %	10 250
Own shares - nominal value	-169	-241	72	N/A	-99
Share premium fund	10 000	10 000	0	0.0 %	10 000
<b>Total paid-in capital</b>	<b>20 081</b>	<b>20 009</b>	<b>72</b>	<b>0.4 %</b>	<b>20 151</b>
<b>Earned equity</b>					
Other equity	148 130	117 805	30 325	25.7 %	152 378
<b>Total earned equity</b>	<b>148 130</b>	<b>117 805</b>	<b>30 325</b>	<b>25.7 %</b>	<b>152 378</b>
Non-controlling interests	2 542	3 241	-699	-21.6 %	3 629
<b>Total equity</b>	<b>170 753</b>	<b>141 055</b>	<b>29 698</b>	<b>21.1 %</b>	<b>176 158</b>
<b>DEBT</b>					
<b>Long-term debt</b>					
Other provisions for obligations	0	114	-114	-100.0 %	57
<b>Total long-term debt</b>	<b>0</b>	<b>114</b>	<b>-114</b>	<b>-100.0 %</b>	<b>1 578</b>
<b>Short-term debt</b>					
Trade accounts payable	55 552	35 149	20 403	58.0 %	61 128
Income tax payable	19 512	21 938	-2 426	-11.1 %	21 944
Public duties payable	111 386	94 068	17 318	18.4 %	126 258
Other short-term debt	142 107	122 463	19 644	16.0 %	148 850
<b>Total short-term debt</b>	<b>328 557</b>	<b>273 618</b>	<b>54 939</b>	<b>20.1 %</b>	<b>358 180</b>
<b>Total liabilities</b>	<b>328 557</b>	<b>273 732</b>	<b>54 825</b>	<b>20.0 %</b>	<b>359 758</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>499 310</b>	<b>414 787</b>	<b>84 523</b>	<b>20.4 %</b>	<b>535 916</b>

# Consolidated statement of cash flows

NOK 1 000	UNAUDITED JUL-SEP 2017	UNAUDITED JUL-SEP 2016	UNAUDITED JAN-SEP 2017	UNAUDITED JAN-SEP 2016	YEAR 2016
<b>Cash flow from operating activities</b>					
Ordinary profit before tax	16 994	11 412	96 091	72 849	106 049
Paid tax	-5	-2	-26 552	-24 250	-27 016
(Gain)/loss on sale of fixed assets	-3	-2	-161	-4	1 257
Ordinary depreciation	3 278	2 523	9 397	7 491	10 001
Amortisation intangible assets	2 023	992	6 268	2 971	4 588
Share based payments	1 596	1 452	4 787	4 355	5 826
Changes in work in progress, accounts receivable and accounts payable	-9 518	-2 742	-80 882	-35 546	-5 720
Changes in other accruals	-16 824	-27 326	-18 472	-33 690	18 476
<b>Net cash flow from operating activities</b>	<b>-2 460</b>	<b>-13 693</b>	<b>-9 523</b>	<b>-5 824</b>	<b>113 462</b>
<b>Cash flows from investing activities</b>					
Sale of fixed assets	100	7	955	129	405
Purchase of fixed assets	-4 101	-2 222	-17 353	-6 700	-21 696
Purchase of intangible assets	-3 098	-2 568	-9 263	-7 276	-9 191
Purchase of business	0	0	0	0	-7 343
<b>Net cash flow from investing activities</b>	<b>-7 099</b>	<b>-4 782</b>	<b>-25 661</b>	<b>-13 847</b>	<b>-37 826</b>
<b>Cash flows from financing activities</b>					
Purchase of own shares	-4 890	-25 095	-11 190	-25 095	-25 095
Sales of own shares	0	0	0	0	8 436
Dividend payments	0	-385	-73 750	-67 395	-67 395
<b>Net cash flow from financing activities</b>	<b>-4 890</b>	<b>-25 480</b>	<b>-84 940</b>	<b>-92 490</b>	<b>-84 054</b>
<b>Net changes in cash and cash equivalents</b>	<b>-14 449</b>	<b>-43 955</b>	<b>-120 124</b>	<b>-112 161</b>	<b>-8 419</b>
Cash and cash equivalents at the beginning of the period	56 044	106 094	161 719	174 300	170 138
Cash and cash equivalents at the end of the period	41 595	62 139	41 595	62 139	161 719

# 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 01.01.2016	10 250	-31	10 000	20 219	151 295	-297	150 998	3 401	174 618
Profit for the period				0	52 961		52 961	610	53 571
Other income and costs				0		-446	-446		-446
Purchase/sale of own shares (net)		-210		-210	-24 885		-24 885		-25 095
Employee share scheme				0	5 801		5 801		5 801
Dividend				0	-66 625		-66 625	-770	-67 395
Equity at 30.09.2016 (Unaudited)	10 250	-241	10 000	20 009	118 547	-743	117 805	3 241	141 055
Equity at 01.01.2017	10 250	-99	10 000	20 151	153 021	-643	152 378	3 629	176 158
Profit for the period				0	71 439		71 439	913	72 352
Other income and costs				0		57	57		57
Purchase/sale of own shares (net)		-70		-70	-11 120		-11 120		-11 190
Employee share scheme				0	7 126		7 126		7 126
Dividend				0	-71 750		-71 750	-2 000	-73 750
Equity at 30.09.2017 (Unaudited)	10 250	-169	10 000	20 081	148 716	-586	148 130	2 543	170 753

# Notes

## Note 1: Accounting principles

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The group made no changes to the accounting principles applied in 2017. 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 2016.

# Key figures Group

NOK 1 000	JUL-SEP 2017	JUL-SEP 2016	CHANGE %	JAN-SEP 2017	JAN-SEP 2016	CHANGE %	YEAR 2016
<b>INCOME STATEMENT</b>							
Operating revenue	344 240	280 375	22.8 %	1 148 954	948 550	21.1 %	1 330 811
EBITDA	22 369	15 617	43.2 %	110 689	83 849	32.0 %	120 887
Operating profit (EBIT)	17 069	12 102	41.0 %	95 024	73 387	29.5 %	106 298
Ordinary profit before tax	16 993	11 412	48.9 %	96 091	72 849	31.9 %	106 049
Profit for the period	12 535	8 205	52.8 %	72 352	53 571	35.1 %	79 885
EBITDA-margin	6.5 %	5.6 %	16.7 %	9.6 %	8.8 %	9.0 %	9.1 %
EBIT-margin	5.0 %	4.3 %	14.9 %	8.3 %	7.7 %	6.9 %	8.0 %
<b>BALANCE SHEET</b>							
Non-current assets	102 514	72 405	41.6 %	102 514	72 405	41.6 %	90 346
Current assets	396 796	342 382	15.9 %	396 796	342 382	15.9 %	445 570
Total assets	499 310	414 787	20.4 %	499 310	414 787	20.4 %	535 916
Equity	170 753	141 055	21.1 %	170 753	141 055	21.1 %	176 158
Long-term debt	0	114	-100.0 %	0	114	-100.0 %	1 578
Short-term debt	328 557	273 618	20.1 %	328 557	273 618	20.1 %	358 180
Equity ratio	34.2 %	34.0 %	0.6 %	34.2 %	34.0 %	0.6 %	32.9 %
Liquidity ratio	1.21	1.25	-3.5 %	1.21	1.25	-3.5 %	1.24
<b>CASH FLOW</b>							
Net cash flow operations	-2 460	-13 693	N/A	-9 523	-5 824	N/A	113 462
Net free cash flow	-9 559	-18 475	N/A	-35 184	-19 671	N/A	75 636
Net cash flow	-14 449	-43 955	N/A	-120 124	-112 161	N/A	-8 419
Cash flow margin	-0.7 %	-4.9 %	N/A	-0.8 %	-0.6 %	N/A	8.5 %
<b>SHARE INFORMATION</b>							
Number of shares	10 250 000	10 250 000	0.0 %	10 250 000	10 250 000	0.0 %	10 250 000
Weighted average basic shares outstanding	10 105 448	10 162 922	-0.6 %	10 130 292	10 199 960	-0.7 %	10 171 365
Weighted average diluted shares outstanding	10 222 674	10 298 046	-0.7 %	10 247 518	10 335 084	-0.8 %	10 304 661
EBIT per share	1.67	1.18	41.3 %	9.26	7.11	30.2 %	10.32
Diluted EBIT per share	1.65	1.17	41.5 %	9.15	7.02	30.4 %	10.19
Earnings per share	1.23	0.81	52.6 %	7.05	5.19	35.8 %	7.76
Diluted earnings per share	1.22	0.80	52.9 %	6.97	5.12	36.0 %	7.66
Equity per share	16.66	13.76	21.1 %	16.66	13.76	21.1 %	17.19
Dividend per share	0.00	0.00	N/A	7.00	6.50	7.7 %	6.50
<b>EMPLOYEES</b>							
Number of employees (year end)	1 211	1 045	15.9 %	1 211	1 045	15.9 %	1 090
Average number of employees	1 193	1 038	15.0 %	1 157	1 036	11.7 %	1 050
Operating revenue per employee	288	270	6.8 %	993	915	8.6 %	1 267
Operating cost per employee	274	258	6.1 %	911	844	7.9 %	1 166
EBIT per employee	14	12	22.7 %	82	71	15.9 %	101

# Definitions

Cash flow margin	$\text{Net cash flow operations} / \text{Operating revenue}$
Diluted earnings per share	$\text{Profit for the period assigned to shareholders in parent company} / \text{weighted average diluted shares outstanding}$
Diluted EBIT per share	$\text{EBIT assigned to shareholders in parent company} / \text{weighted average diluted shares outstanding}$
Dividend per share	$\text{Paid dividend per share throughout the year}$
Earnings per share	$\text{Profit for the period assigned to shareholders in parent company} / \text{weighted average basic shares outstanding}$
EBIT	Operating profit
EBIT per employee	$\text{EBIT} / \text{average number of employees}$
EBIT per share	$\text{EBIT assigned to shareholders in parent company} / \text{weighted average basic shares outstanding}$
EBITDA	$\text{Operating profit} + \text{depreciation fixed assets and intangible assets}$
EBITDA-margin	$\text{EBITDA} / \text{operating revenue}$
EBIT-margin	$\text{EBIT} / \text{operating revenue}$
Equity per share	$\text{Equity} / \text{number of shares}$
Equity ratio	$\text{Equity} / \text{total assets}$
Liquidity ratio	$\text{Current assets} / \text{Short-term debt}$
Net free cash flow	$\text{Net cash flow operations} - \text{Net cash flow investments}$
Number of shares	Number of issued shares at the end of the year
Operating cost per employee	$\text{Operating cost} / \text{average number of employees}$
Operating revenue per employee	$\text{Operating revenue} / \text{average number of employees}$
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 15 offices in Norway and Sweden. Our philosophy is that competence should be utilized across the company, while projects are attached locally.

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