

BOUVET PRESENTS

Quarterly  
report

Q4 2017

bouvet

# Key figures

NOK MILLION	OCT-DEC 2017	OCT-DEC 2016	CHANGE %	JAN-DEC 2017	JAN-DEC 2016	CHANGE %
Revenue	458.4	382.3	19.9 %	1 607.4	1 330.8	20.8 %
Operating profit (EBIT)	49.1	32.9	49.2 %	144.1	106.3	35.6 %
Ordinary profit before tax	49.8	33.2	50.1 %	145.9	106.0	37.6 %
Profit for the period	39.7	26.3	50.8 %	112.0	79.9	40.2 %
Net cash flow operations	158.6	118.4	33.9 %	149.0	113.5	31.4 %
Cash and cash equivalents	205.4	161.7	27.0 %	205.4	161.7	27.0 %
Number of employees (end of period)	1 215	1 090	11.5 %	1 215	1 090	11.5 %
Number of employees (average)	1 221	1 087	12.3 %	1 171	1 050	11.5 %
Earnings per share	3.86	2.57	50.3 %	10.92	7.76	40.8 %
Diluted earnings per share	3.82	2.54	50.6 %	10.79	7.66	41.0 %
EBIT-margin	10.7 %	8.6 %		9.0 %	8.0 %	
Equity ratio	34.2 %	32.9 %		34.2 %	32.9 %	



## Bouvet in brief

Bouvet is a consultancy delivering digital services. At 31 December, it had 1 215 employees at 14 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 fourth quarter

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*Two important long-term agreements with Statoil were extended by up to six and 10 years respectively*

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*Important frame agreement with the Norwegian Directorate of Immigration*

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*Vinmonopolet named Norway's best webshop by Bearingpoint*

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*Operating revenues up by 19.9 per cent from the fourth quarter of 2016 to NOK 458.4 million*

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*Operating profit (EBIT) up by 49.2 per cent to NOK 49.1 million from the same period of the year before*

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*Cash flow from operations came to NOK 158.6 million, compared with NOK 118.4 million in the fourth quarter of 2016*

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*Board proposes a dividend of NOK 8.50 per share for 2017*

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*Employees up by four from 30 September and by 125 over the past 12 months*





“ We will maintain our work on sharing knowledge internally and externally, and our recruitment of the right people to continue our progress. ”



# Financial results

## Operating revenues

Bouvet had operating revenues of NOK 458.4 million for the fourth quarter, compared with NOK 382.3 million in the same period of 2016. That represented a rise of 19.9 per cent. Fee income generated by the group's own consultants increased by NOK 58.4 million or 18.8 per cent from the fourth quarter of the year before. Fee income generated by sub-contractors rose by NOK 11.9 million or 21.4 per cent from the same period of 2016. Other revenues rose by NOK 5.8 million from the fourth quarter of the year before to NOK 21.6 million.

The fourth quarter of 2017 had one fewer working days than the same period of the year before. That had a negative effect of NOK 4.8 million on fee income generated by Bouvet's own employees.

Fee income generated by the group's own employees benefited by NOK 13.0 million from an increase of 3.2 percentage points in the billing ratio for the group's consultants compared with the fourth quarter of 2016. They were also boosted by NOK 38.9 million through a 12.3 per cent rise in the average number of employees. Rates for the group's hourly based services rose by 2.5 per cent compared with the same period of the year before, which increased fee income by NOK 8.0 million. Other factors, such as lower holiday and parental leave taken, boosted fee income by NOK 3.3 million overall. The positive effect of these factors on fee income generated by the group's own employees totalled NOK 63.2 million.

Sales to existing clients made good progress during the quarter. Clients who also used the group in the fourth quarter of 2016 accounted for 91.8 per cent of operating revenues. In addition, clients acquired since 31 December

2016 contributed a total of NOK 37.6 million to fourth-quarter operating revenues.

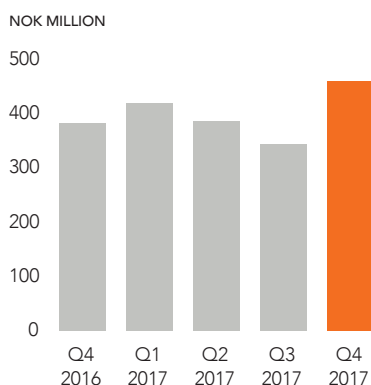
Bouvet's strategy is to use services from sub-contractors when it lacks the capacity to meet demand with its own personnel or when clients require leading-edge expertise outside the group's priority areas. The sub-contractor share of total revenues was 14.7 per cent in the fourth quarter, compared with 14.5 per cent in the same period of 2016.

Where the full year is concerned, operating revenues amounted to NOK 1 607.4 million compared with NOK 1 330.8 million for 2016. That represented a rise of 20.8 per cent. Fee income generated by the group's own consultants increased by NOK 209.5 million or 18.9 per cent from the year before. This primarily reflected an 11.5 per cent expansion in the average number of employees, a growth of 2.8 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, operating revenues generated by sub-contractors rose by NOK 59.9 million from 2016.

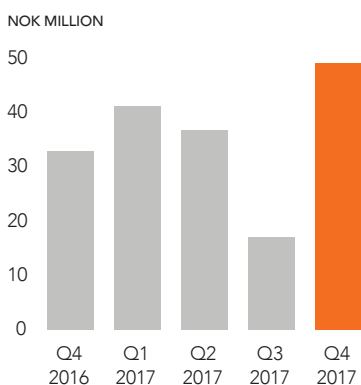
## Operating costs

Bouvet's operating costs, including depreciation and amortisation, were NOK 409.3 million for the fourth quarter, up from NOK 349.4 million in the same period of 2016. That represented an increase of 17.2 per cent. Payroll costs increased because the average number of employees rose by 12.3 per cent, in addition to the general growth in pay rates. The group experienced a general rise in pay of 1.1 per cent over the past 12 months. The cost of sales rose to NOK 72.7 million, compared with NOK 59.4 million for the fourth quarter of 2016, and primarily comprised procurement of sub-contractor services and software as well as the hire of course instructors. The rise in the cost of sales primarily

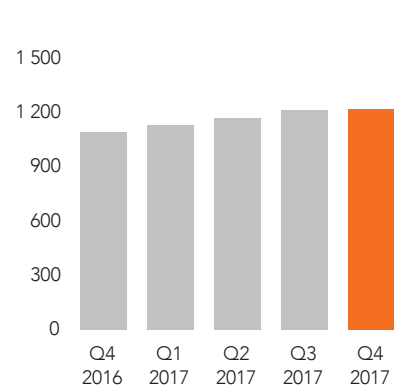
### Operating revenue



### Operating profit (EBIT)



### Number of employees (end of quarter)



related to the procurement of sub-contractor services. Other operating expenses grew by eight per cent from the same period of 2016 to NOK 42.3 million. This rise primarily reflected higher costs for renting and operating premises.

Where the full year is concerned, operating costs rose by 19.5 per cent from 2016. Higher payroll costs as a consequence of increased staffing were again the main reason for the rise in operating costs. Payroll costs rose by NOK 137.7 million or 15.3 per cent from the year before while the average number of employees was up 11.5 per cent. The cost of sales also increased for the full year, by NOK 64.3 million or 35.2 per cent, again because of the procurement of sub-contractor services. Other operating expenses rose by NOK 30.1 million or 23.2 per cent to NOK 159.7 million for the full year. This rise primarily reflected higher costs for renting and operating premises and increased social benefits. The group also experienced some increase in costs related to cloud services.

### Profit

Operating profit (EBIT) for the fourth quarter came to NOK 49.1 million, compared with NOK 32.9 million in the same period of 2016. That represented an increase of 49.2 per cent. The EBIT margin thereby rose to 10.7 per cent, compared with 8.6 per cent in the fourth quarter of the year before. Net profit came to NOK 39.7 million, compared with NOK 26.3 million in the same period of 2016. Diluted earnings per share were NOK 3.82, compared with NOK 2.54 in the fourth quarter of the year before.

Cumulative operating profit for the full year came to NOK 144.1 million, compared with NOK 106.3 million in 2016. That represented an increase of 35.6 per cent. The EBIT margin was thereby nine per cent, compared with eight per cent the year before. Net profit for 2017 came to NOK 112 million, giving diluted earnings per share were NOK 10.79. That was up from the year before, when net profit was NOK 79.9 million and diluted earnings per share were NOK 7.66.

### Cash flow, liquidity and capital adequacy

Consolidated cash flow from operations was NOK 158.6 million for the fourth quarter, compared with NOK 118.4 million in the same period of 2016. Cash flow for the quarter

was affected positively by a reduction of NOK 18 million in current receivables from the third quarter of 2017. Current liabilities increased by NOK 94.9 million from third quarter and also had a positive effect on cash flow.

Consolidated cash flow from operations for the full year was NOK 149 million, compared with NOK 113.5 million for 2016. Cash flow for the full year was affected positively by an increase of NOK 65.3 million in current liabilities from the year before. A rise of NOK 52.6 million in working capital related to client receivables and work in progress from 2016 had a negative effect on cash flow.

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

The group has no interest-bearing debt. Bank deposits at 31 December totalled NOK 205.4 million, compared with NOK 161.7 million a year earlier. The group had an undrawn overdraft facility of NOK 50 million at 31 December. Bouvet held 47 053 of its own shares at 31 December. Equity at 31 December totalled NOK 220.4 million, representing an equity ratio of 34.2 per cent. The corresponding figures for 31 December 2016 were an equity of NOK 176.2 million and an equity ratio of 32.9 per cent. Bouvet's long-term target is to maintain an equity ratio in excess of 30 per cent.

The board proposes that a dividend of NOK 87.1 million, corresponding to NOK 8.50 per share, be paid for 2017.

### Segment reporting

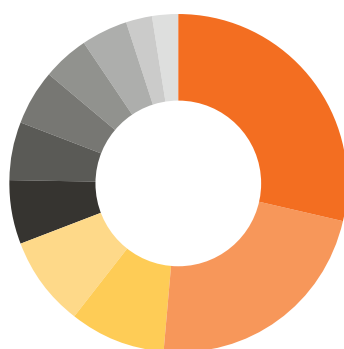
The group does not report internally by business areas or segments in an accounting sense. Its business is homogenous and pursued within the Nordic market for IT consultancy services. Risk and return are followed up at departmental level within homogenous consultancy departments with shared markets, 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

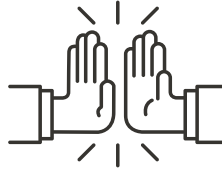


■ Turnover from customer 100 % public owned: 50.5 %  
 ■ Turnover from customer wholly or partially private owned: 49.5 %

Turnover per business



Public admin	28.7 %
Oil & gas	22.9 %
Transportation	9.2 %
Power supply	8.6 %
Info and communication	6.0 %
Service industry	5.6 %
Retail	5.4 %
Industry	4.5 %
Bank & finance	4.2 %
Health	2.5 %
Other	2.5 %



# Developments and market

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Technology as an instrument for enhancing efficiency, developing services and solving social problems led to a high level of demand for Bouvet's services and expertise during the quarter. The group's concentration on long-term client relationships confers trust and continuity. Existing clients extend assignments and employ the breadth of Bouvet's range of services. BarentsWatch selected the group to develop its overarching architecture up to 2023, and Agder Energi Nett has extended the use of key resources from Bouvet in its automated metering system (AMS) programme.

Norway is a leader for digitalisation in the public sector. Bouvet is contributing to this development, and won a number of assignments in the quarter. The Norwegian Directorate of Immigration signed a new frame agreement during the period which makes Bouvet one of three suppliers to support development of its solutions for administrative procedures. The city treasurer's department in Bergen selected the group to develop e-solutions for legal registration of property transactions. Using software robots, Bouvet will be automating sick leave reports to the Labour and Welfare Service (NAV) for the City of Bergen.

The health sector has a growing need for development and services related to user experience, for instance. Examples of clients include the Central Norwegian Regional Health Authority (Hemitt), the Western Norway Regional Health Authority ICT, and the Norwegian Institute of Public Health.

Requirements for efficiency enhancements and cost savings in the oil sector are generating a growing number of assignments. New operators, such as Point Resources and Aker BP, are employing Bouvet to an ever greater extent. Statoil extended two important long-term agreements with a duration of up to 10 and six years respectively during the quarter.

Among other contracts Bouvet signed during the quarter, mention can be made of the digitalisation of customer communication and processes for Volmax, support in developing solutions for monitoring and dosing of chemicals in drainage systems for Yara Industrial, and a new frame agreement on IT consultancy services with Sparebanken Vest.

Demand for system development is high, and deliveries in this area are being integrated to a greater extent with services in artificial intelligence and machine learning. Concentration on the user and user insight, combined with expertise in data-driven development and business understanding, are success criteria for achieving gains in

commercial and public services. This has led to increased demand for Bouvet's expertise on customer and user experiences. The group is, for example, developing the concept and design for socialstyrelsen.se and contributing to the development of a register of infectious diseases for the Swedish Public Health Agency. The Norwegian police force has extended its assignment for interaction and graphic design, while the Norwegian Directorate for Education and Training has employed Bouvet on service design. Olavstoppen, the group's subsidiary in Rogaland county, has secured a number of nationally and internationally high-profile assignments and, along with Bouvet itself, ranks as the region's leading centre of expertise in developing digital solutions.

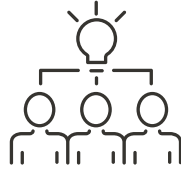
Bouvet is contributing to the digitalisation of core operations and to digital transformations which demand expertise in digitalisation, digital business development and digital leadership. The group has been chosen by Apotek1 as a proactive advisory partner and by Avinor as its strategic partner for developing the IT function. Anti Doping Norge, the Norwegian Tax Administration and Norway's State Agency for the Recovery of Fines, Damages and Costs are examples of clients who have employed Bouvet to provide strategic advice and project management.

The EU's general data protection regulation (GDPR) comes into force in May, generating increased demand for Bouvet's expertise in this field. Its Sesam product for data integration has been further developed to prepare for and implement the introduction of the GDPR. This solution attracted interest at breakfast seminars and conferences during the quarter. Generally speaking, too, interest has been good in Bouvet's breakfast seminars and courses – both open and internally in companies. During the quarter, the course department developed its programmes in line with the increased need for digital leadership in and expertise on machine learning.

Bouvet is employed by clients like Statoil R&D, Sporveien and Telia in such service areas as data science, the cloud, Big Data and the internet of things (IoT). To meet growing demand in these areas of expertise, the group established new services during the quarter.

Bouvet is experiencing increased visibility in the media, and accumulated about 70 cuttings during the quarter. These articles covered professional statements, deliveries, agreements and group information.





# Employees

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A culture-driven organisation and a high level of job satisfaction among employees combined with Bouvet's regional model to give organic growth during the quarter. Personnel increased by 4 from the previous three-month period. At 31 December, Bouvet had 1 215 employees – up by 125 from a year earlier.

The growing need for Bouvet's expertise by clients 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. Although the sector in general has little capacity, Bouvet is able to attract relevant candidates in all age groups and service areas. It is succeeding with its presence in higher education institutions and has recruited many new graduates who make a positive contribution through new expertise at clients and in the group's internal sharing arenas.

As a knowledge-based group, Bouvet devotes attention to expertise development and has a strong culture for professional sharing across disciplines and regions. New graduates participate in projects with senior consultants to develop them in their consultant role and to provide

professional support. Other important arenas are internal schools for continuing education and certification. Bouvet's own courses are open to its consultants.

Conducted during the quarter by the Great Place to Work, the group's employee survey yielded very good results. Ninety-two per cent of respondents stated that, all in all, Bouvet is a great place to work.

Bouvet's relevant expertise and topical projects help to enhance its visibility in the media. Deliveries from the group have formed the basis for political debates on merging local authority IT departments. Bouvet is present in the debate on the importance of including coding in the school curriculum, and contributes leading-edge expertise in various disciplines to conferences. Enthusiastic and knowledgeable consultants in Bergen have taken the initiative on the Nerd School, which aims to help increase the number of able personnel in the IT sector. This has also become an important recruitment arena for the region.

Bouvet wound up its business in Malmö during the 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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Industry sectors are in various phases of the digital transformation. Emerging technologies such as artificial intelligence (AI) and machine learning (ML), virtual reality (VR) and augmented reality (AR), sensors and robots create unpredictable competitive conditions as well as opportunities for innovation and efficiency improvements. The whole organisation is affected by this exponential development. It yields increased technological understanding across organisations and technology becomes a natural part of business development.

This will mean a continued high level of demand for technological expertise and digital leadership, as well as arenas for

expertise sharing. Bouvet's range of services, culture, long-term client relations and organisational structure have proven valuable for clients. The high level of demand calls for continued recruitment in strong competition with other players in a labour market where the supply of new expertise is a limiting factor.

Bouvet is well positioned for continued growth.

## Contacts

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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 fourth quarter of 2017 and the preliminary accounts for 1 January-31 December 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, 16 February 2018  
The board of directors of Bouvet ASA



**Pål Egil Rønn**  
Chair of the board



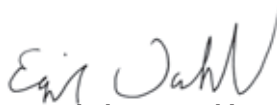
**Tove Raanes**  
Deputy chair



**Grethe Høiland**  
Director



**Ingebrigt Steen Jensen**  
Director



**Egil Christen Dahl**  
Director



**Sverre Hurum**  
President and CEO

# Consolidated income statement

NOK 1 000	UNAUDITED OCT-DEC 2017	UNAUDITED OCT-DEC 2016	CHANGE	CHANGE %	UNAUDITED JAN-DEC 2017	JAN-DEC 2016	CHANGE	CHANGE %
Revenue	458 399	382 261	76 138	19.9 %	1 607 353	1 330 811	276 542	20.8 %
<b>Operating expenses</b>								
Cost of sales	72 681	59 375	13 306	22.4 %	247 346	183 002	64 344	35.2 %
Personell expenses	288 824	246 672	42 152	17.1 %	1 035 043	897 355	137 688	15.3 %
Depreciation fixed assets	3 597	2 510	1 087	43.3 %	12 994	10 001	2 993	29.9 %
Amortisation intangible assets	1 881	1 617	264	16.3 %	8 149	4 588	3 561	77.6 %
Other operating expenses	42 303	39 176	3 127	8.0 %	159 684	129 567	30 117	23.2 %
Total operating expenses	409 286	349 350	59 936	17.2 %	1 463 216	1 224 513	238 703	19.5 %
Operating profit	49 113	32 911	16 202	49.2 %	144 137	106 298	37 839	35.6 %
<b>Financial items</b>								
Interest income	305	168	137	81.5 %	1 291	1 315	-24	-1.8 %
Financial income	503	272	231	84.9 %	1 497	553	944	170.7 %
Interest expense	-24	-82	58	-70.7 %	-137	-265	128	-48.3 %
Finance expense	-52	-69	17	-24.6 %	-852	-1 852	1 000	-54.0 %
Net financial items	732	289	443	153.3 %	1 799	-249	2 048	-822.5 %
Ordinary profit before tax	49 845	33 200	16 645	50.1 %	145 936	106 049	39 887	37.6 %
<b>Income tax expense</b>								
Tax expense on ordinary profit	10 175	6 886	3 289	47.8 %	33 914	26 164	7 750	29.6 %
Total tax expense	10 175	6 886	3 289	47.8 %	33 914	26 164	7 750	29.6 %
Profit for the period	39 670	26 314	13 356	50.8 %	112 022	79 885	32 137	40.2 %
Assigned to:								
Shareholders in parent company	39 193	25 926			110 632	78 887		
Non-controlling interests	477	388			1 390	998		
Diluted earnings per share	3.82	2.54	1.28	50.5 %	10.79	7.66	3.14	41.0 %
Earnings per share	3.87	2.57	1.30	50.4 %	10.92	7.76	3.16	40.8 %

# Consolidated statement of other income and costs

NOK 1 000	UNAUDITED OCT-DEC 2017	UNAUDITED OCT-DEC 2016	CHANGE	CHANGE %	UNAUDITED JAN-DEC 2017	JAN-DEC 2016	CHANGE	CHANGE %
Profit for the period	39 670	26 314	13 356	50.8 %	112 022	79 885	32 137	40.2 %
Items that may be reclassified through profit or loss in subsequent periods								
Currency translation differences	114	100	14	13.9 %	171	-346	517	N/A
Sum other income and costs	114	100	14	13.9 %	171	-346	517	N/A
Total comprehensive income	39 784	26 414	13 370	50.6 %	112 193	79 539	32 654	41.1 %
Assigned to:								
Shareholders in parent company	39 308	26 026			110 803	78 542		
Non-controlling interests	477	388			1 390	998		

# Consolidated balance sheet

NOK 1 000	UNAUDITED 31.12.2017	31.12.2016	CHANGE	CHANGE %
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>Intangible assets</b>				
Goodwill	33 460	32 782	678	2.1 %
Other intangible assets	27 764	25 032	2 732	10.9 %
<b>Total intangible assets</b>	<b>61 224</b>	<b>57 814</b>	<b>3 410</b>	<b>5.9 %</b>
<b>Fixed assets</b>				
Office equipment	16 973	13 430	3 543	26.4 %
Office machines and vehicles	3 425	3 283	142	4.3 %
IT equipment	17 755	14 949	2 806	18.8 %
<b>Total fixed assets</b>	<b>38 153</b>	<b>31 662</b>	<b>6 491</b>	<b>20.5 %</b>
<b>Financial non-current assets</b>				
Other financial assets	116	11	105	954.5 %
Other long-term receivables	2 009	859	1 150	133.9 %
<b>Total financial non-current assets</b>	<b>2 125</b>	<b>870</b>	<b>1 255</b>	<b>144.3 %</b>
<b>Total non-current assets</b>	<b>101 502</b>	<b>90 346</b>	<b>11 156</b>	<b>12.3 %</b>
<b>CURRENT ASSETS</b>				
Work in progress	84 787	97 728	-12 941	-13.2 %
Trade accounts receivable	224 645	159 133	65 512	41.2 %
Other short-term receivables	27 783	26 990	793	2.9 %
Cash and cash equivalents	205 371	161 719	43 652	27.0 %
<b>Total current assets</b>	<b>542 586</b>	<b>445 570</b>	<b>97 016</b>	<b>21.8 %</b>
<b>TOTAL ASSETS</b>	<b>644 088</b>	<b>535 916</b>	<b>108 172</b>	<b>20.2 %</b>

# Consolidated balance sheet

NOK 1 000	UNAUDITED 31.12.2017	31.12.2016	CHANGE	CHANGE %
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
<b>Paid-in capital</b>				
Share capital	10 250	10 250	0	0.0 %
Own shares - nominal value	-47	-99	52	-52.5 %
Share premium fund	10 000	10 000	0	0.0 %
<b>Total paid-in capital</b>	<b>20 203</b>	<b>20 151</b>	<b>52</b>	<b>0.3 %</b>
<b>Earned equity</b>				
Other equity	197 186	152 378	44 808	29.4 %
<b>Total earned equity</b>	<b>197 186</b>	<b>152 378</b>	<b>44 808</b>	<b>29.4 %</b>
Non-controlling interests	3 019	3 629	-610	-16.8 %
<b>Total equity</b>	<b>220 408</b>	<b>176 158</b>	<b>44 250</b>	<b>25.1 %</b>
<b>DEBT</b>				
<b>Long-term debt</b>				
Deferred tax	218	1 521	-1 303	-85.7 %
Other provisions for obligations	0	57	-57	-100.0 %
<b>Total long-term debt</b>	<b>218</b>	<b>1 578</b>	<b>-1 360</b>	<b>-86.2 %</b>
<b>Short-term debt</b>				
Trade accounts payable	56 865	61 128	-4 263	-7.0 %
Income tax payable	31 593	21 944	9 649	44.0 %
Public duties payable	158 026	126 258	31 768	25.2 %
Other short-term debt	176 978	148 850	28 128	18.9 %
<b>Total short-term debt</b>	<b>423 462</b>	<b>358 180</b>	<b>65 282</b>	<b>18.2 %</b>
<b>Total liabilities</b>	<b>423 680</b>	<b>359 758</b>	<b>63 922</b>	<b>17.8 %</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>644 088</b>	<b>535 916</b>	<b>108 172</b>	<b>20.2 %</b>

# Consolidated statement of cash flows

NOK 1 000	UNAUDITED OCT-DEC 2017	UNAUDITED OCT-DEC 2016	UNAUDITED JAN-DEC 2017	JAN-DEC 2016
<b>Cash flow from operating activities</b>				
Ordinary profit before tax	49 845	33 200	145 936	106 049
Paid tax	971	-2 766	-25 582	-27 016
(Gain)/loss on sale of fixed assets	63	1 261	-98	1 257
Ordinary depreciation	3 597	2 510	12 994	10 001
Amortisation intangible assets	1 881	1 617	8 149	4 588
Share based payments	1 661	1 472	6 449	5 826
Changes in work in progress, accounts receivable and accounts payable	24 048	29 826	-56 834	-5 720
Changes in other accruals	76 491	51 307	58 020	18 476
<b>Net cash flow from operating activities</b>	<b>158 558</b>	<b>118 427</b>	<b>149 035</b>	<b>113 462</b>
<b>Cash flows from investing activities</b>				
Sale of fixed assets	16	275	971	405
Purchase of fixed assets	-3 004	-14 996	-20 358	-21 696
Purchase of intangible assets	-1 278	-1 915	-10 540	-9 191
Purchase of business	0	-7 343	0	-7 343
<b>Net cash flow from investing activities</b>	<b>-4 266</b>	<b>-23 980</b>	<b>-29 927</b>	<b>-37 826</b>
<b>Cash flows from financing activities</b>				
Purchase of own shares	0	0	-11 190	-25 095
Sales of own shares	9 484	8 436	9 484	8 436
Dividend payments	0	0	-73 750	-67 395
<b>Net cash flow from financing activities</b>	<b>9 484</b>	<b>8 436</b>	<b>-75 456</b>	<b>-84 054</b>
<b>Net changes in cash and cash equivalents</b>	<b>163 776</b>	<b>102 883</b>	<b>43 652</b>	<b>-8 419</b>
Cash and cash equivalents at the beginning of the period	41 595	58 836	161 719	170 138
Cash and cash equivalents at the end of the period	205 371	161 719	205 371	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	151 000	3 401	174 618
Profit for the period				0	78 887		78 887	998	79 885
Other income and costs				0		-346	-346		-346
Purchase/sale of own shares (net)		-68		-68	-16 592		-16 592		-16 660
Employee share scheme				0	6 055		6 055		6 055
Dividend				0	-66 625		-66 625	-770	-67 395
Equity at 31.12.2016	10 250	-99	10 000	20 151	153 021	-643	152 378	3 629	176 158
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	110 632		110 632	1 390	112 022
Other income and costs				0		171	171		171
Purchase/sale of own shares (net)		52		52	-1 758		-1 758		-1 706
Employee share scheme				0	7 514		7 514		7 514
Dividend				0	-71 750		-71 750	-2 000	-73 750
Equity at 31.12.2017 (Unaudited)	10 250	-47	10 000	20 203	197 659	-472	197 186	3 019	220 408

# 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.

## Note 2: 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	OCT-DEC 2017	OCT-DEC 2016	CHANGE %	JAN-DEC 2017	JAN-DEC 2016	CHANGE %
<b>INCOME STATEMENT</b>						
Operating revenue	458 399	382 261	19.9 %	1 607 353	1 330 811	20.8 %
EBITDA	54 591	37 038	47.4 %	165 280	120 887	36.7 %
Operating profit (EBIT)	49 113	32 911	49.2 %	144 137	106 298	35.6 %
Ordinary profit before tax	49 845	33 200	50.1 %	145 936	106 049	37.6 %
Profit for the period	39 670	26 314	50.8 %	112 022	79 885	40.2 %
EBITDA-margin	11.9 %	9.7 %	22.9 %	10.3 %	9.1 %	13.2 %
EBIT-margin	10.7 %	8.6 %	24.4 %	9.0 %	8.0 %	12.3 %
<b>BALANCE SHEET</b>						
Non-current assets	101 502	90 346	12.3 %	101 502	90 346	12.3 %
Current assets	542 586	445 570	21.8 %	542 586	445 570	21.8 %
Total assets	644 088	535 916	20.2 %	644 088	535 916	20.2 %
Equity	220 408	176 158	25.1 %	220 408	176 158	25.1 %
Long-term debt	218	1 578	-86.2 %	218	1 578	-86.2 %
Short-term debt	423 462	358 180	18.2 %	423 462	358 180	18.2 %
Equity ratio	34.2 %	32.9 %	4.1 %	34.2 %	32.9 %	4.1 %
Liquidity ratio	1.28	1.24	3.0 %	1.28	1.24	3.0 %
<b>CASH FLOW</b>						
Net cash flow operations	158 558	118 427	33.9 %	149 035	113 462	31.4 %
Net free cash flow	154 292	94 447	63.4 %	119 108	75 635	57.5 %
Net cash flow	163 776	102 883	59.2 %	43 652	-8 419	-618.5 %
Cash flow margin	34.6 %	31.0 %	11.6 %	9.3 %	8.5 %	8.8 %
<b>SHARE INFORMATION</b>						
Number of shares	10 250 000	10 250 000	0.0 %	10 250 000	10 250 000	0.0 %
Weighted average basic shares outstanding	10 144 777	10 086 202	0.6 %	10 133 943	10 171 365	-0.4 %
Weighted average diluted shares outstanding	10 252 237	10 211 599	0.4 %	10 248 708	10 304 044	-0.5 %
EBIT per share	4.78	3.22	48.7 %	14.04	10.32	36.0 %
Diluted EBIT per share	4.73	3.18	49.0 %	13.89	10.19	36.3 %
Earnings per share	3.86	2.57	50.3 %	10.92	7.76	40.8 %
Diluted earnings per share	3.82	2.54	50.6 %	10.79	7.66	41.0 %
Equity per share	21.50	17.19	25.1 %	21.50	17.19	25.1 %
Dividend per share	0.00	0.00	N/A	7.00	6.50	7.7 %
<b>EMPLOYEES</b>						
Number of employees (year end)	1 215	1 090	11.5 %	1 215	1 090	11.5 %
Average number of employees	1 221	1 087	12.3 %	1 171	1 050	11.5 %
Operating revenue per employee	376	352	6.8 %	1 373	1 267	8.3 %
Operating cost per employee	335	321	4.3 %	1 250	1 166	7.1 %
EBIT per employee	40	30	32.9 %	123	101	21.6 %

# 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	Operating profit + 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 14 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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