



Interim presentation Fourth quarter 2019

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25 February 2020



#bouvettdelel





Breakfast seminars





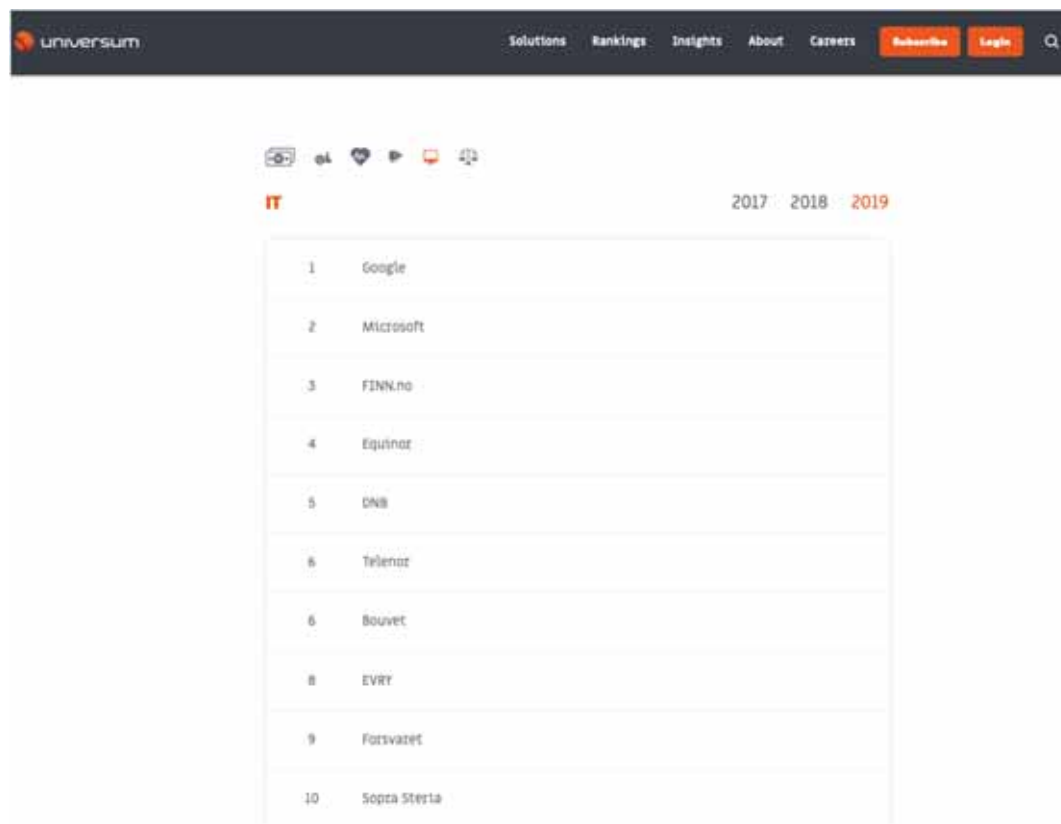
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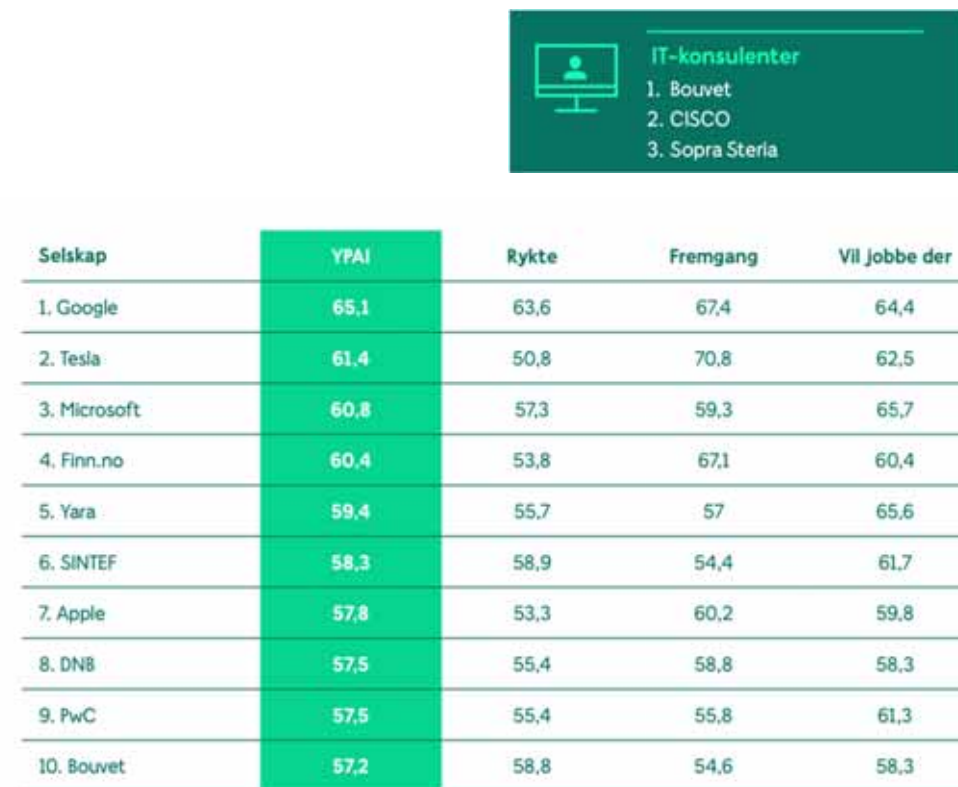
BouvetOne



Universum Professional Survey and YPAI 2019



Source: <https://universumglobal.com/rankings/norway/2019/>



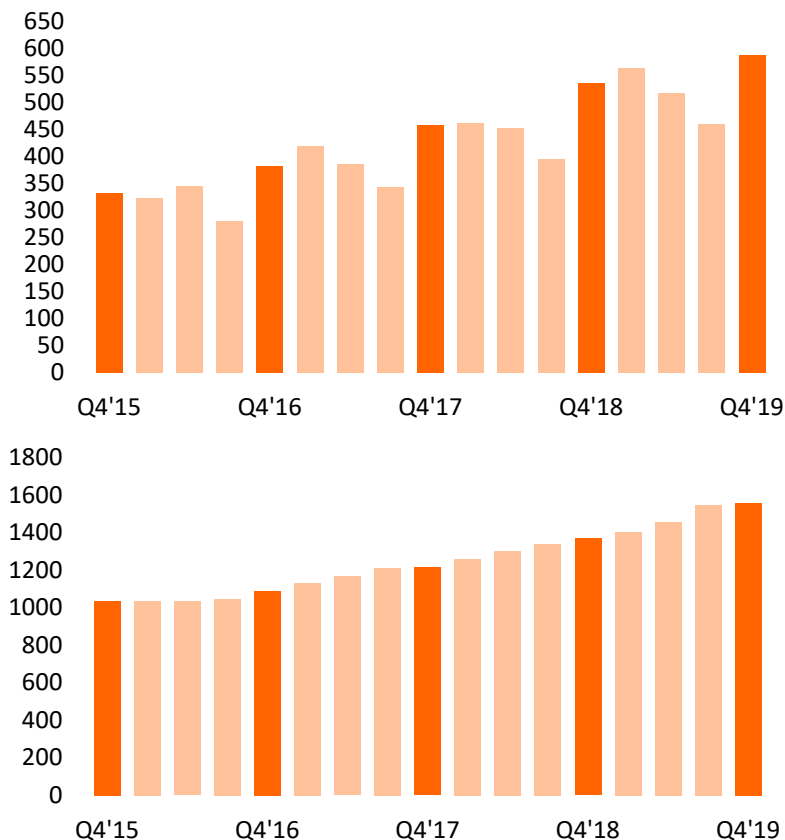
Source: Young Professional Attraction Index 2019, Academic work

Highlights in the quarter

- Revenue and EBIT
 - Operating revenues increased by 9.9 percent to NOK 588.5 million (y-o-y)
 - EBIT increased by 9.5 percent to NOK 71.4 million (y-o-y)
- 1 557 employees
 - Up 12 from Q3'19
 - An increase of 188 in the past 12 months
- Dividend NOK 16.50 per share

Revenue and number of employees

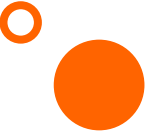
MNOK and number





Bouvet's vision

We lead the way and
build tomorrow's society



A decorative graphic consisting of several orange circles and lines. A vertical line with a dot at the bottom is centered at the top. To the right, there are three circles of varying sizes and a small circle below them. In the bottom left corner, there are two circles, one larger than the other.

Bouvet's ambition

We will be the most credible consultancy with
the most satisfied employees and clients

Long-term goals



Best workplace



Client-oriented and
long-term relations



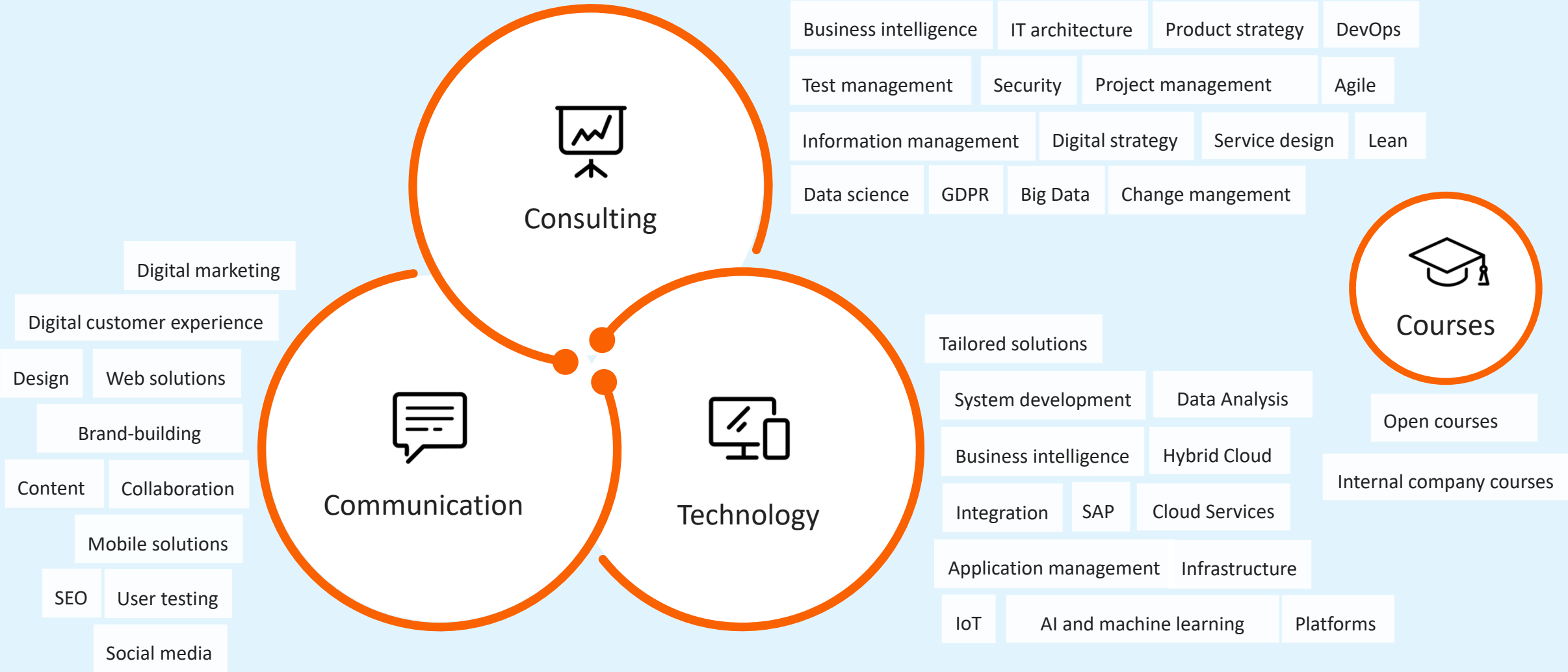
Successful business



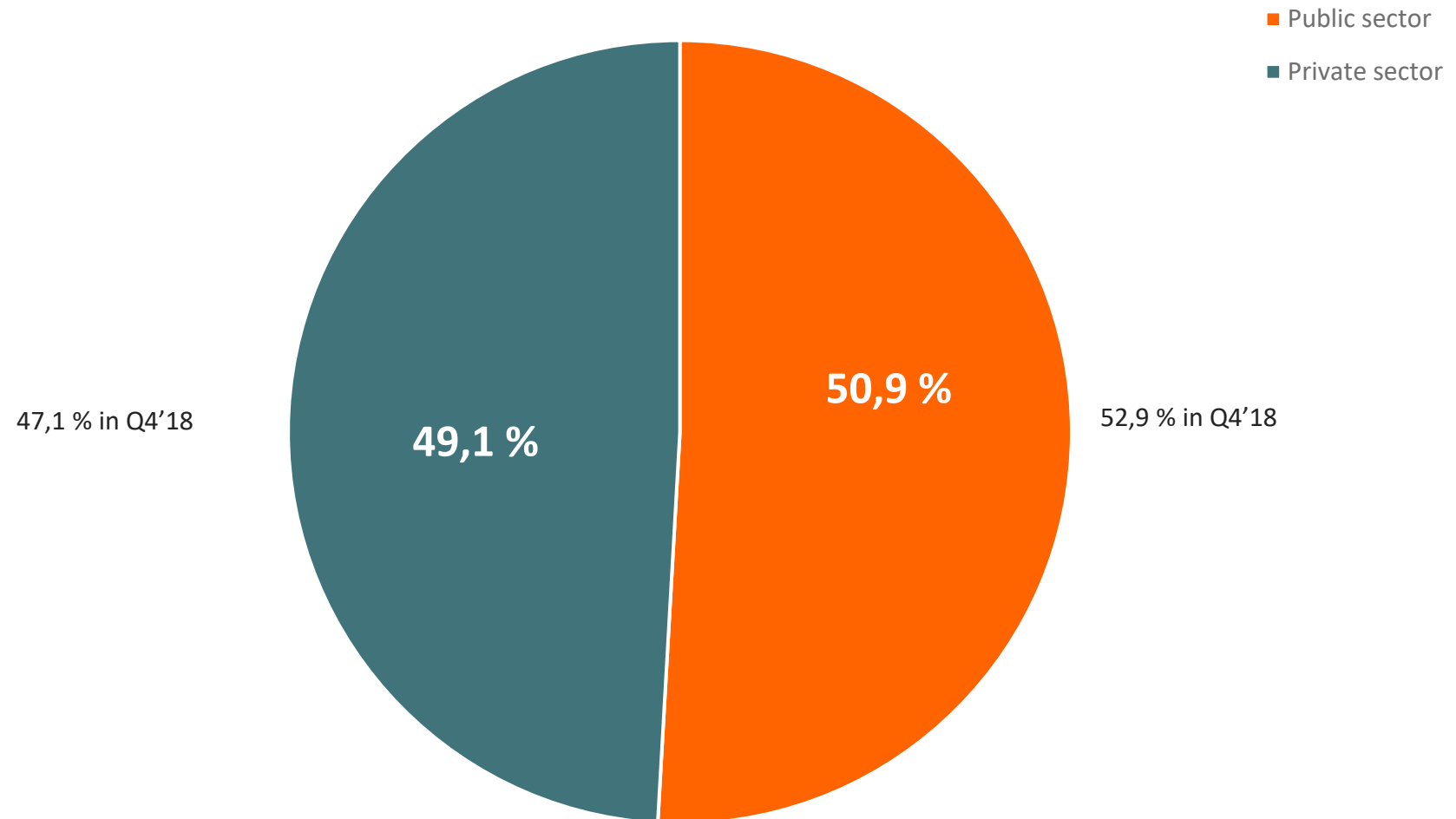
Operational Review



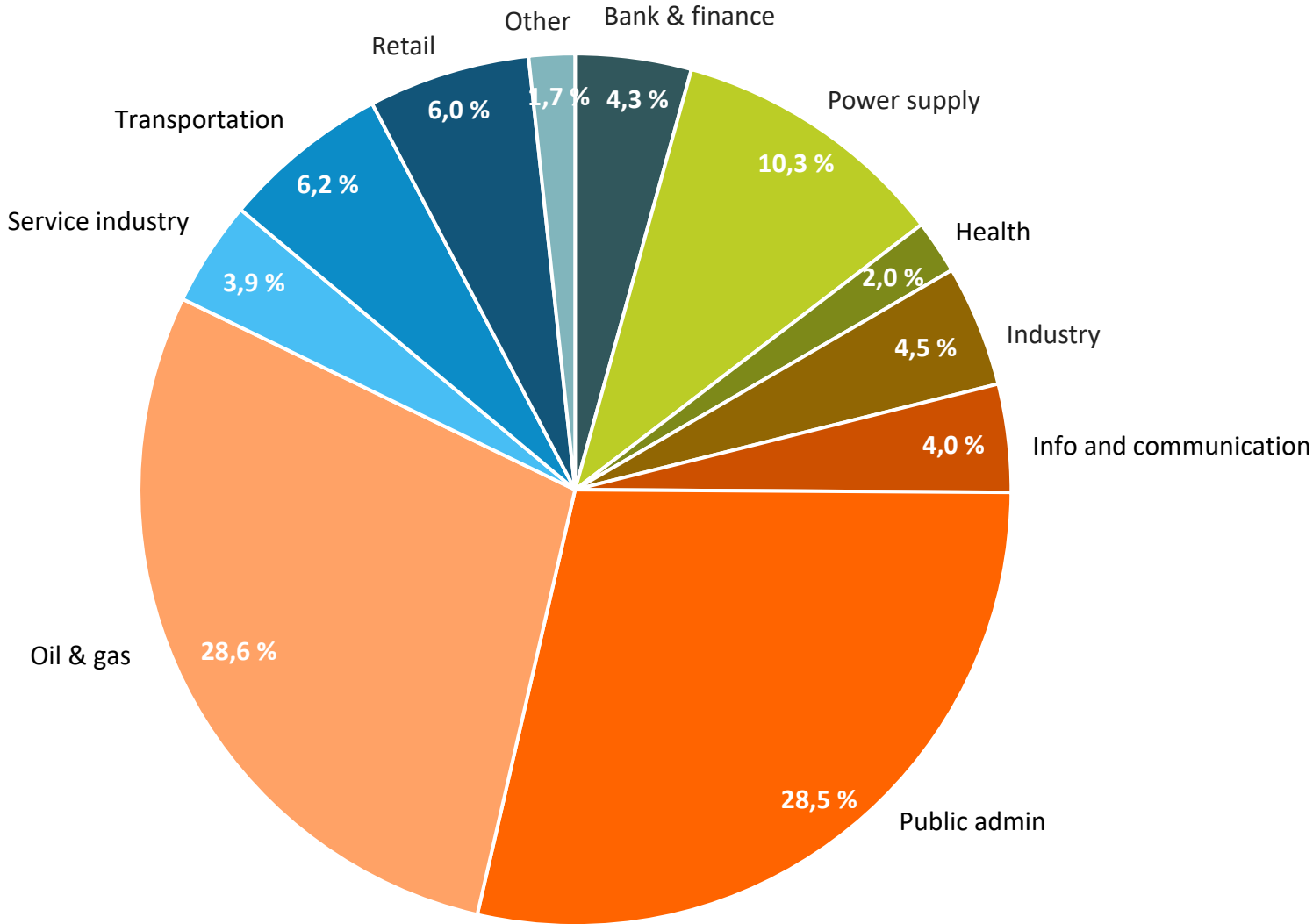
Our services



Public and private sector



Business sectors Q4 2019



Sectors with high increase in revenue

○ Oil & gas

- Increased by 24.9 percent (y-o-y)
- Represents 28.6 percent of total revenues in Q4'19

○ Retail

- Increased by 17.3 percent (y-o-y)
- Represents 6 percent of total revenues in Q4'19

○ Industry

- Increased by 26.6 percent (y-o-y)
- Represents 4.5 percent of total revenues in Q4'19

○ Info and communication

- Increased by 23.1 percent (y-o-y)
- Represents 4 percent of total revenues in Q4'19



New agreement with Svenska Kraftnät and Fifty

- Svenska Kraftnät has trusted Bouvet to strengthen deliveries within:
 - Project management
 - Enterprise architecture (EA)
 - Solution architecture
- The contract has a value of approximately 6,2 MNOK and extends throughout 2019



BKK has signed an analytics agreement with Bouvet

- BKK have decided to build a company wide analytics platform to enable analytics to drive innovation in the entire BKK group
- Bouvet is chosen to be their analytics partner
- The duration of the agreement is up to 4 years
- Bouvet provide resources to help:
 - Build an analytics platform in Azure
 - Build capabilities to enable the foundations of machine learning and artificial intelligence



Photo:pxhere.com



Bouvet training 2019

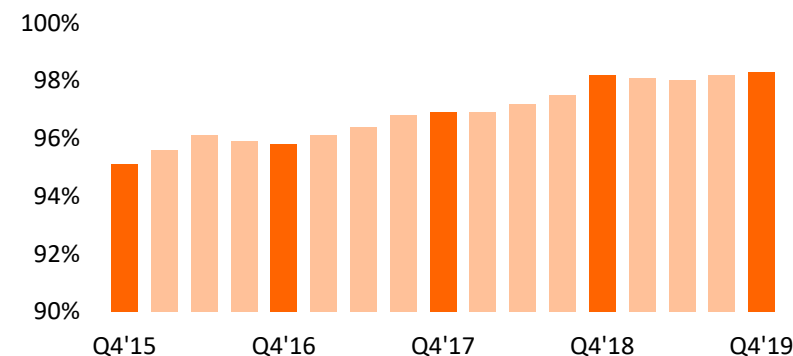
- More than 5 500 participants attended 420 courses (1 - 5 days each)
- 40% of revenue was customer specific training
- 15 breakfast seminars with over 1300 participants in total



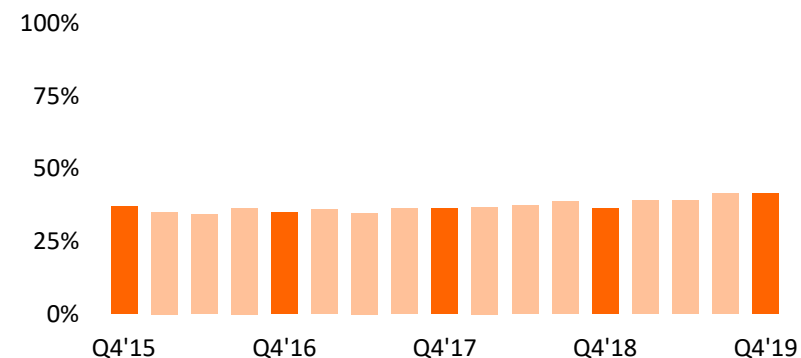
Customer and project mix

- Project mix
 - Variable contracts account for 98.3 percent of total revenues
- Customer portfolio
 - The 10 largest customers represent 41.5 percent of total revenues – up from 36.3 percent in Q4'18
 - The 20 largest customers represent 51.7 percent of total revenues – up from 49.3 percent in Q4'18

Variably priced contracts share of revenues
Percentage



10 largest customers share of revenues
Percentage



Customer development

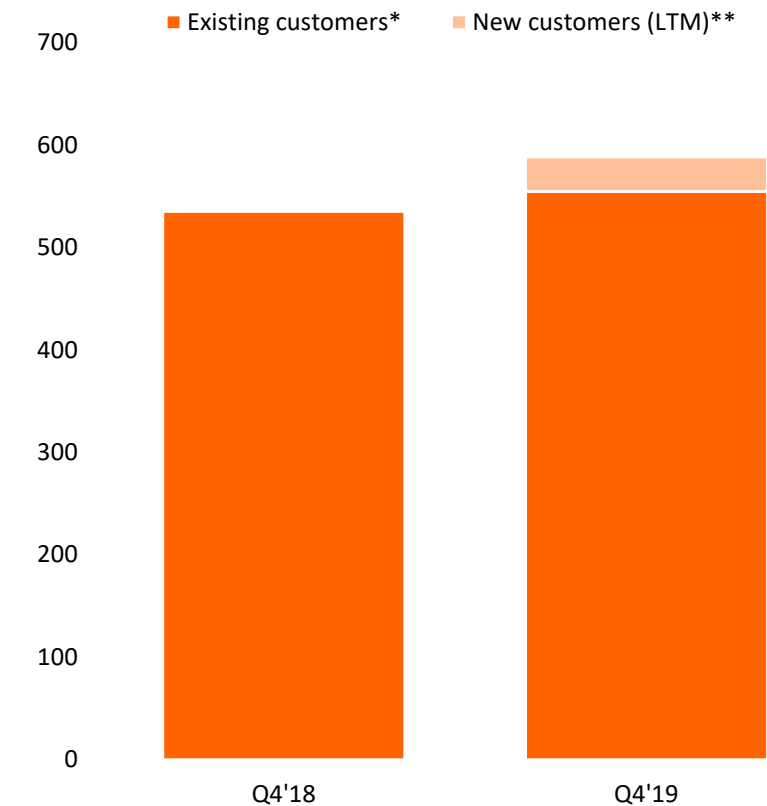
- Existing customers*
 - Accounted for 94.3 percent of revenues in Q4'19
- New customers**
 - Customers won over the past year generated revenues of NOK 33.7 million in Q4'19

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

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

Revenue customer split

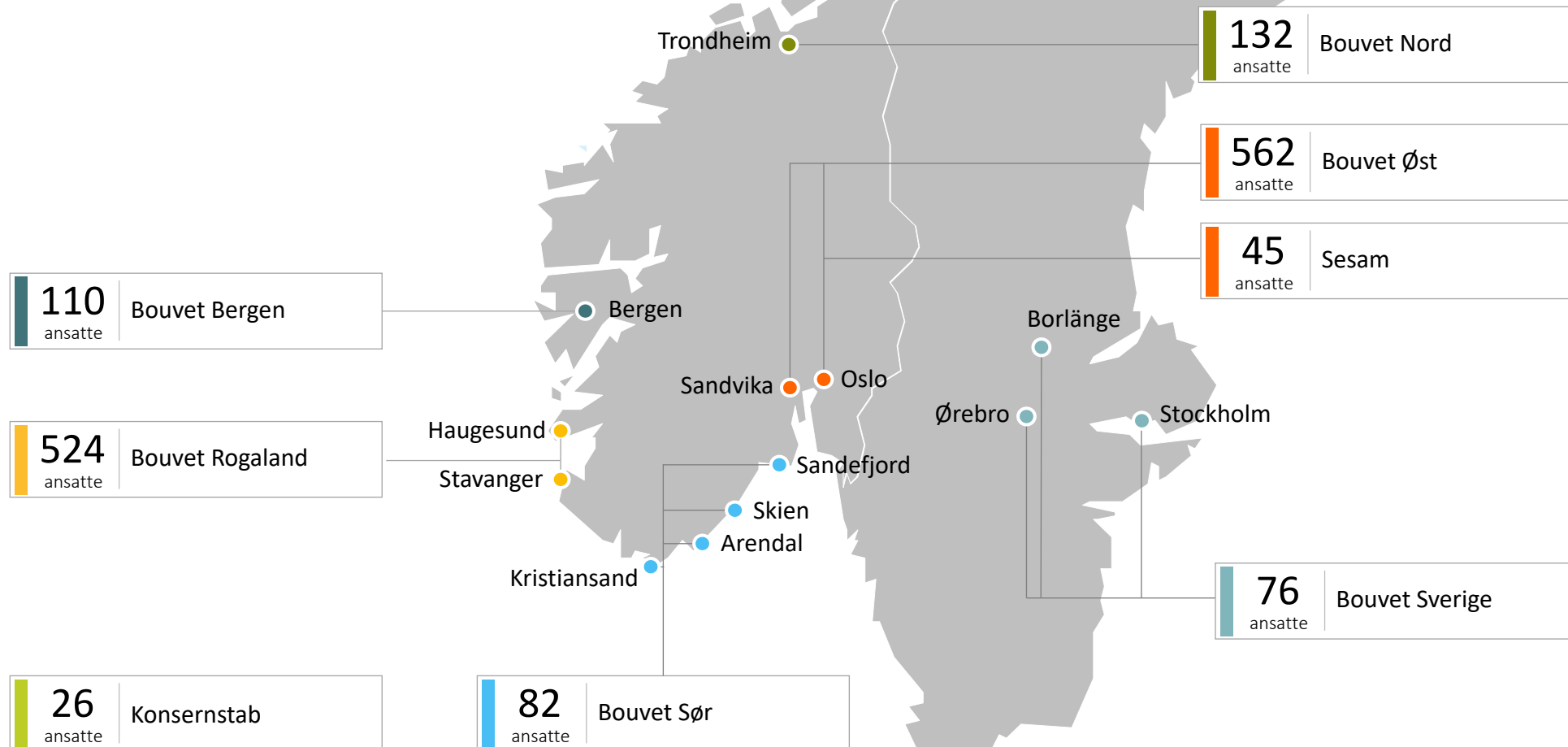
MNOK



Five largest clients per region



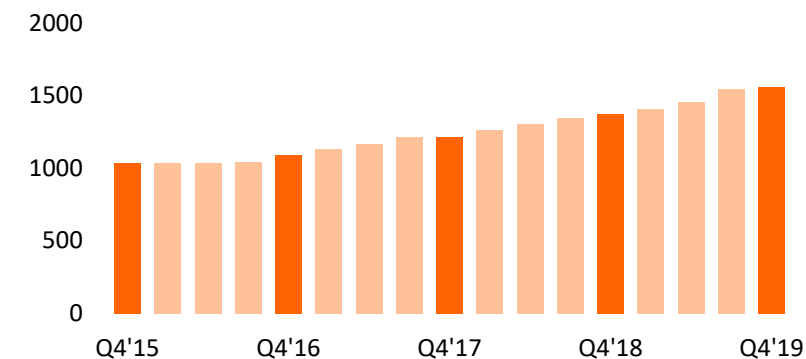
Regional organisation



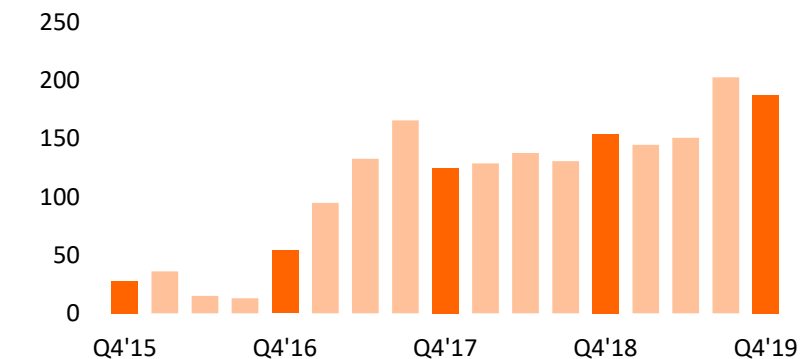
Enthusiastic and competent employees

- 1 557 employees at the end of the quarter
 - Up 12 from Q3'19
 - 188 more employees in the past 12 months
 - Average number of employees in the quarter up 13.7 percent from Q4'18

Number of employees end of quarter



Annual growth in number of employees





Financial Review

Key figures

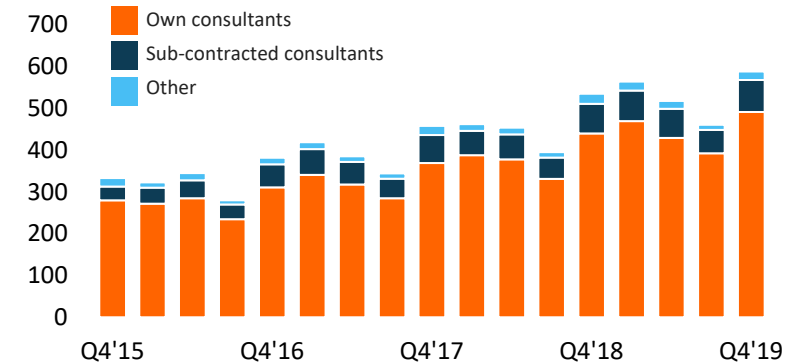
MNOK	Three months ending			Twelve months ending		
	31.12.2019	31.12.2018	Change	31.12.2019	31.12.2018	Change
Operating revenue	588.5	535.4	9.9 %	2 132.1	1 846.7	15.5 %
Operating profit (EBIT)	71.4	65.2	9.5 %	232.1	191.6	21.1 %
EBIT margin	12.1 %	12.2 %		10.9 %	10.4 %	
Ordinary profit before tax	67.3	66.3	1.5 %	228.2	191.6	19.1 %
Profit for the period	54.6	53.5	2.0 %	180.1	150.5	19.7 %
EPS (fully diluted)	5.29	5.21	1.5 %	17.44	14.66	19.0 %
Net cash flow operations	229.8	215.9	6.4 %	277.1	219.0	26.5 %
Equity ratio	29.4 %	36.6 %		29.4 %	36.6 %	
Cash and cash equivalents	344.7	278.4	23.8 %	344.7	278.4	23.8 %
Number of employees (end of period)	1 557	1 369	13.7 %	1 557	1 369	13.7 %
Number of employees (average)	1 549	1 362	13.7 %	1 474	1 305	12.9 %

Revenue

- Revenues increased by 9.9 percent y-o-y
 - Revenues from own consultants increased by 11.6 percent to NOK 491.4 million
 - Revenues from sub-contracted consultants increased by 9 percent to NOK 76.9 million
 - Other revenues decreased by 17.7 percent to NOK 20.2 million

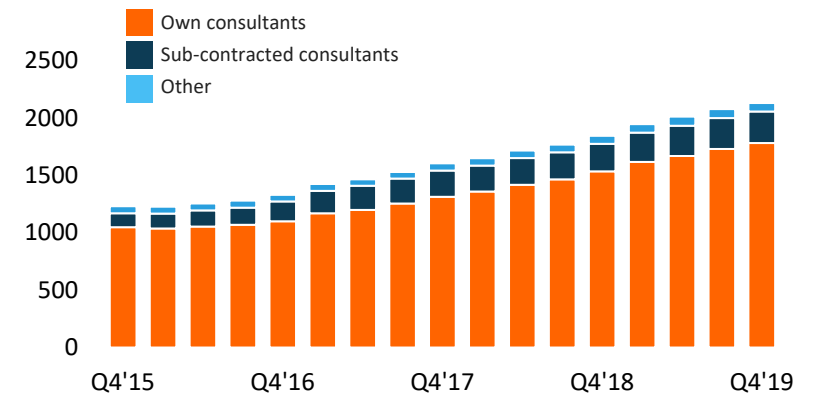
Revenue split (quarterly figures)

MNOK



Revenue split (12 months rolling average)

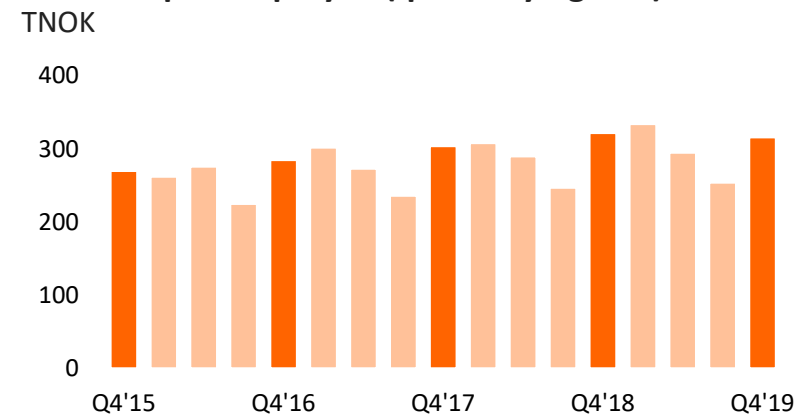
MNOK



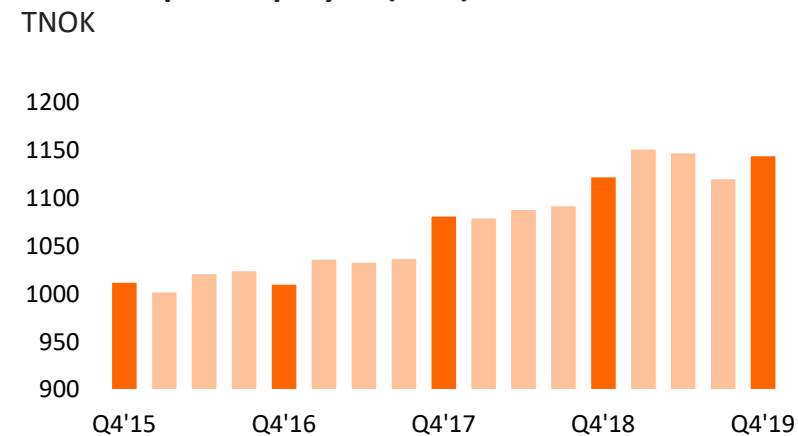
Revenues from own consultants

- Increased 11.6 percent y-o-y
 - Positive impact from 13.7 percent increase in average number of employees
 - Positive impact from 5.1 percent increase in prices for group hourly services
 - Negative impact from decrease in billing ratio by 3.5 percentage points
 - 62 workdays in Q4'19 – equal to Q4'18

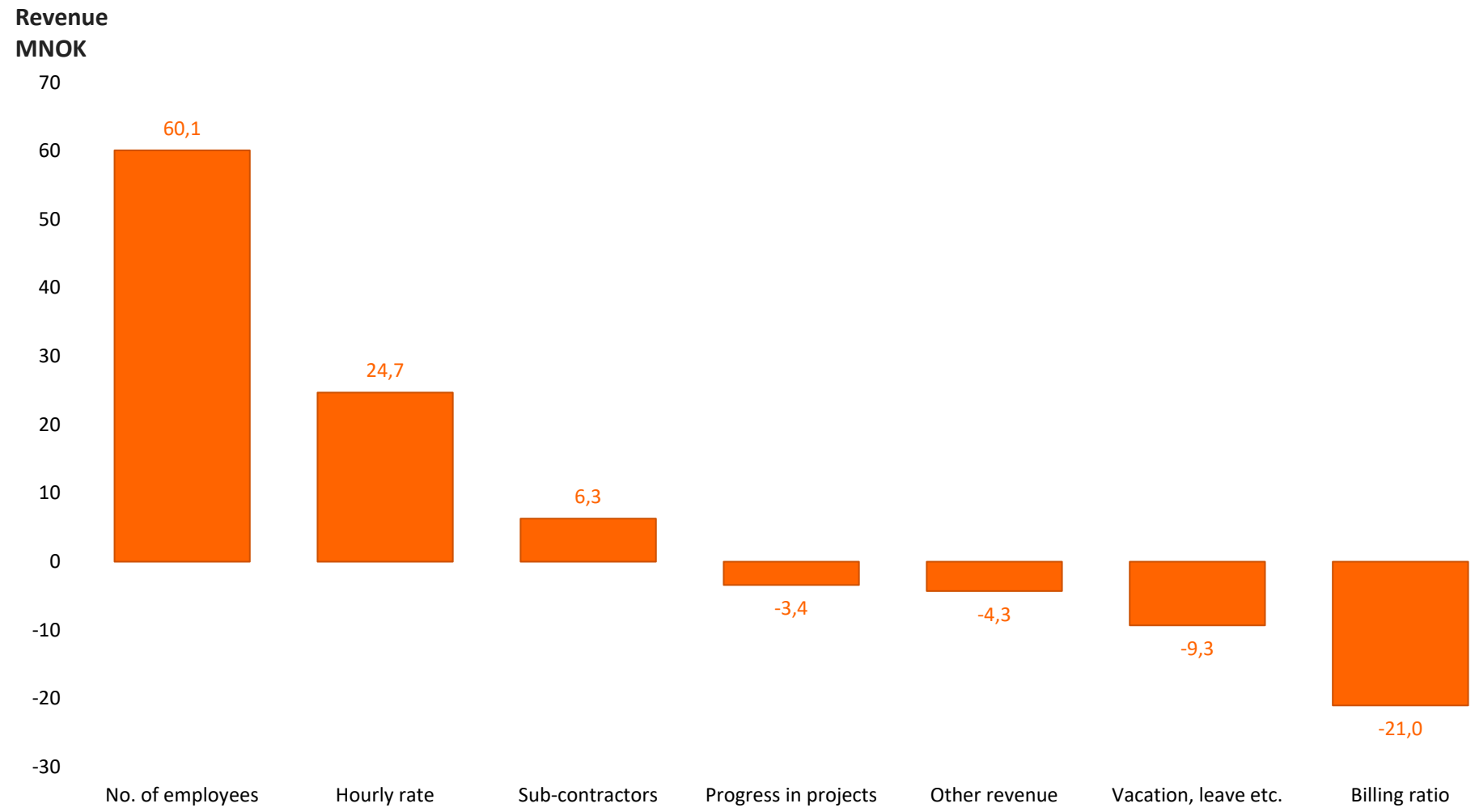
Revenue per employee (quarterly figures)



Revenue per employee (LTM)



Analysis of change in revenues y-o-y

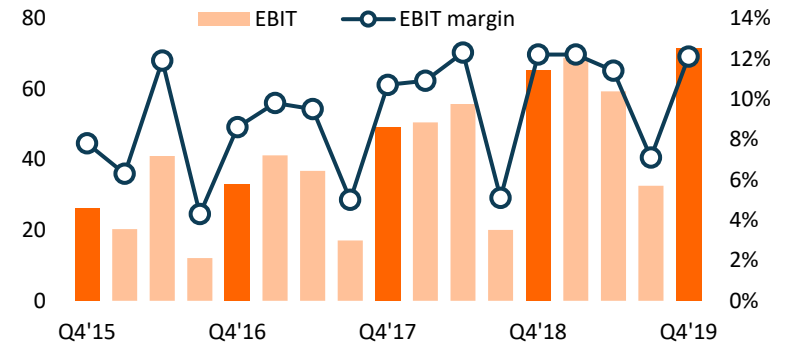


Earnings

- Operating profit (EBIT) increased by 9.5 percent to NOK 71.4 million
- EBIT margin of 12.1 percent compared to 12.2 percent in Q4'18
- Operating expenses increased by 10 percent y-o-y
- General growth in pay rate 1.8 percent y-o-y

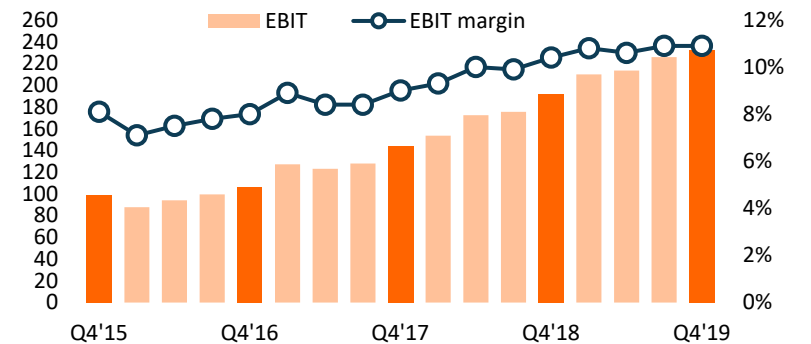
EBIT and EBIT margin

MNOK and Percent



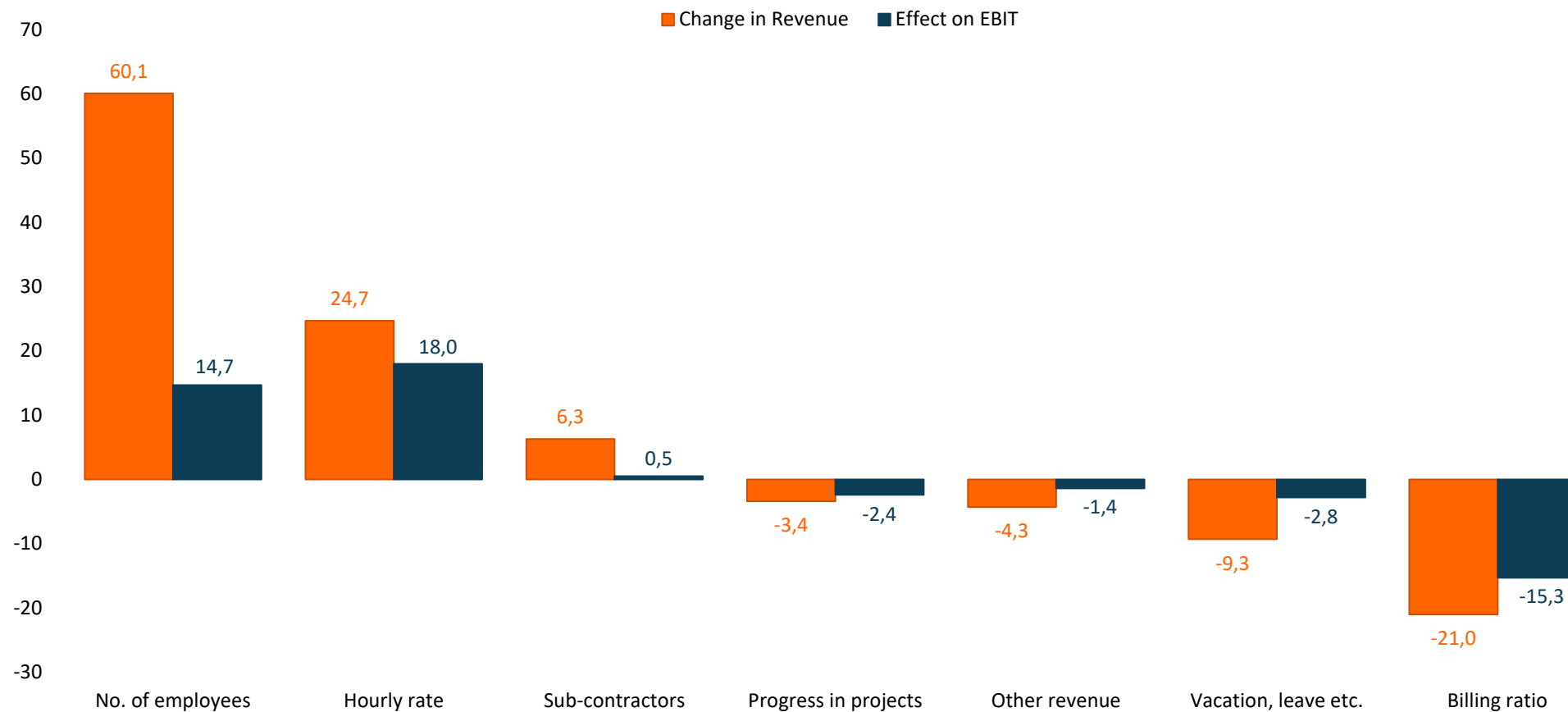
EBIT and EBIT margin (LTM)

MNOK and Percent



Change in revenues – effect on EBIT

Revenue
MNOK

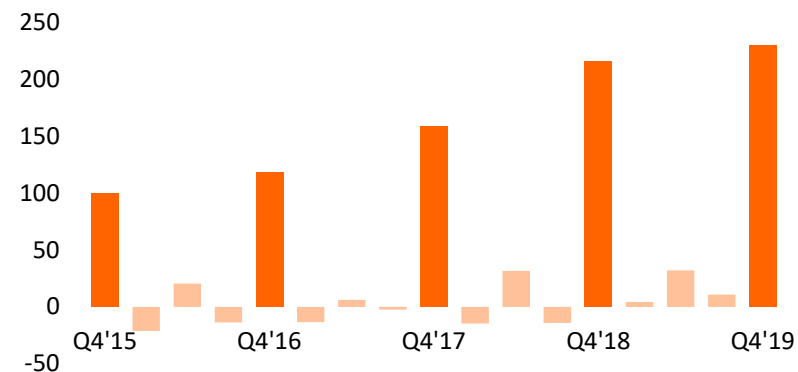


Cash flow

- Cash flow from operations
 - NOK 229.8 million in Q4'19 compared to NOK 215.9 million in Q4'18
- Last 12 months
 - Operational cash flow over the last 12 months was NOK 277.1 million
- Cash flow from investing activities
 - Negative NOK 4.9 million compared to negative NOK 9.9 million in Q4'18

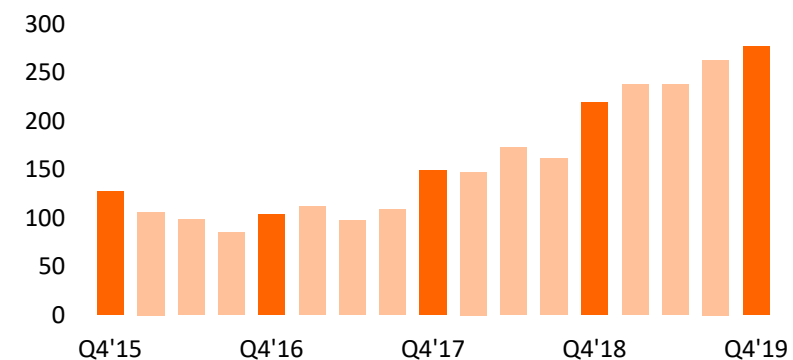
Cash flow from operations (per quarter)

MNOK



Cash flow from operations (LTM)

MNOK





Outlook



Outlook

- Global uncertainty
- Rapid change in society and customer behaviour
- High demand for system development
- Moving from projects to products
- Increased demand for platform, cloud, AI/ML and security
- Increased demand for service design and change management
- Sustainability will have an increasing impact



Shareholders as of 25.02.2020

Shareholders	Number of shares	% of total
VARNER KAPITAL AS	1 070 000	10,44 %
Virtus KAR International Small-Cap	1 048 427	10,23 %
STENSHAGEN INVEST AS	586 699	5,72 %
SVERRE HURUM	462 068	4,51 %
VEVLEN GÅRD AS	453 502	4,42 %
VERDIPAPIRFONDET NORDEA AVKASTNING	370 005	3,61 %
MP PENSJON PK	270 082	2,63 %
VERDIPAPIRFOND ODIN NORDEN	242 068	2,36 %
ERIK STUBØ	238 568	2,33 %
UBS Switzerland AG	203 903	1,99 %
VERDIPAPIRFONDET NORDEA KAPITAL	166 340	1,62 %
State Street Bank and Trust Comp	155 879	1,52 %
STOREBRAND NORGE I VERDIPAPIRFOND	147 012	1,43 %
TELENOR PENSJONSKASSE	130 000	1,27 %
VERDIPAPIRFOND ODIN NORGE	117 932	1,15 %
ANDERS ERIKSEN-VOLLE	116 440	1,14 %
VERDIPAPIRFONDET DNB SMB	90 663	0,88 %
VERDIPAPIRFONDET NORDEA NORGE PLUS	88 643	0,86 %
EMPLOYEES RETIR SYSTEM OF TEXAS	82 400	0,80 %
NILS-HÅKAN RADIG	75 261	0,73 %
Number of shares held by the 20 largest shareholders	6 115 892	59,67 %