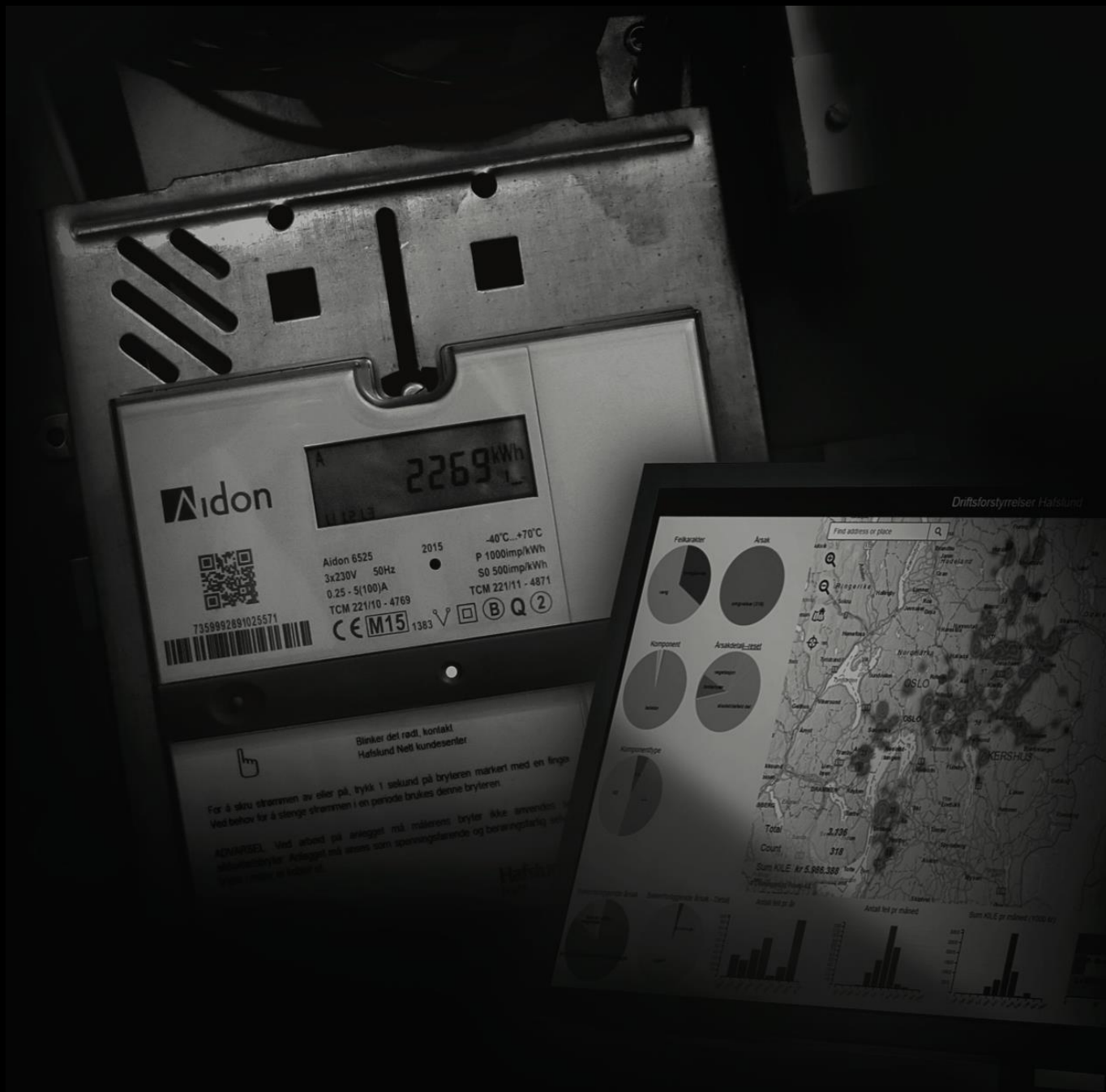


# Interim presentation

# Second quarter 2016

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*Sverre Hurum. CEO*  
*Erik Stubø. CFO*  
*25 August 2016*



Aidon

A 2269 kWh



7359992891025571

Aidon 6525 2015 -40°C...+70°C  
3x230V 50Hz P 1000imp/kWh  
0.25 - 5(100)A S0 500imp/kWh  
TCM 221/10 - 4769 TCM 221/11 - 4871  
CE M15 1383 B Q 2

Blinker det rødt, kontakt  
Hafslund Nett kundesenter

For å sikre strømmen av eller på, trykk 1 sekund på bryteren markert med en finger.  
Ved behov for å stenge strømmen i en periode brukes denne bryteren.

**ADVARSEL:** Ved arbeid på utvekslet målerens bryter ikke anvendes  
sikringsbryter. Anlegget må stanses som spenningsfjerende og berøringsfarlig ved  
arbeid på meteret og kabinett.

Driftsforstyrrelser Hafslund





**Rune Bjerke, konsernsjef i DNB**

*“Our customers have become digital significantly faster than we predicted”*



**Elisabeth Birkeland Kvalheim, teknologidirektør i Statoil**

*“Technology like automatisisation, remote operations and 4D technology are essentially to be efficient, profitable and sustainable”*



**Svein Richard Brandtzæg, konsernsjef i Hydro**

*“We have to collaborate considerably closer with our customers in order to develop products that the end consumer demand”*

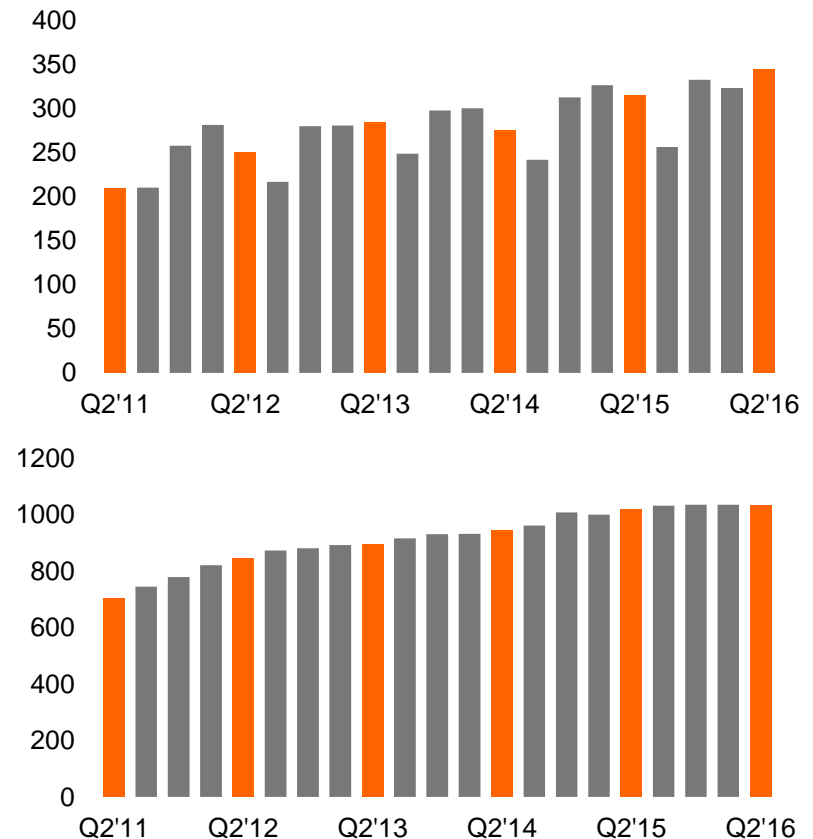
Aftenposten 19.08.2016

# Highlights in the quarter

- Revenue and EBIT
  - Operating revenues increased by 9.4 percent to NOK 345.3 million (y-o-y)
  - EBIT increased by 18.4 percent to NOK 41.0 million (y-o-y)
- 1033 employees
  - Down 3 from Q1'16
  - An increase of 15 in the past 12 months
- Strong growth in demand for system development as the pace of digital transformation is accelerating

## Revenue and number of employees

MNOK and number

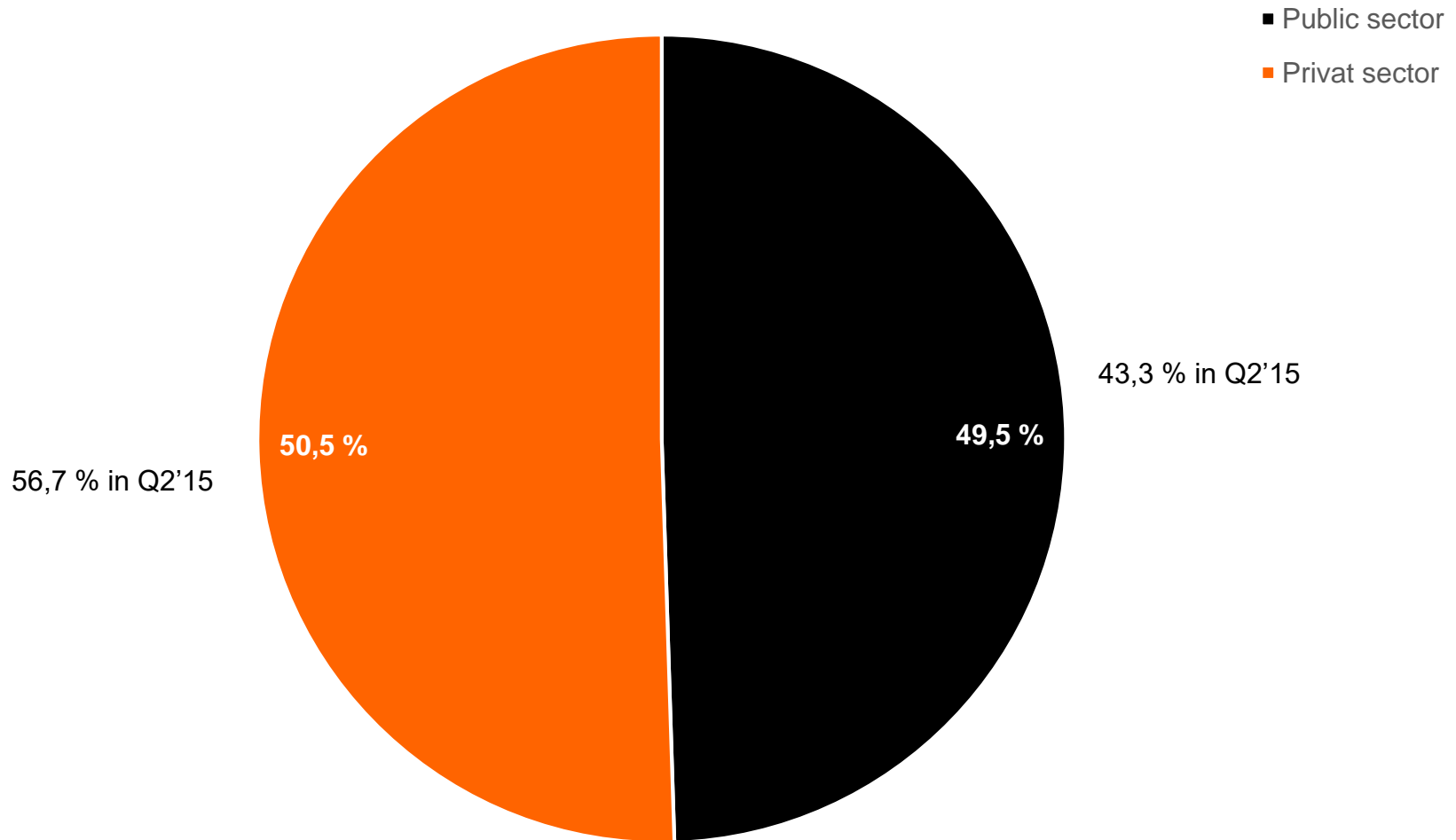


# Operational Review

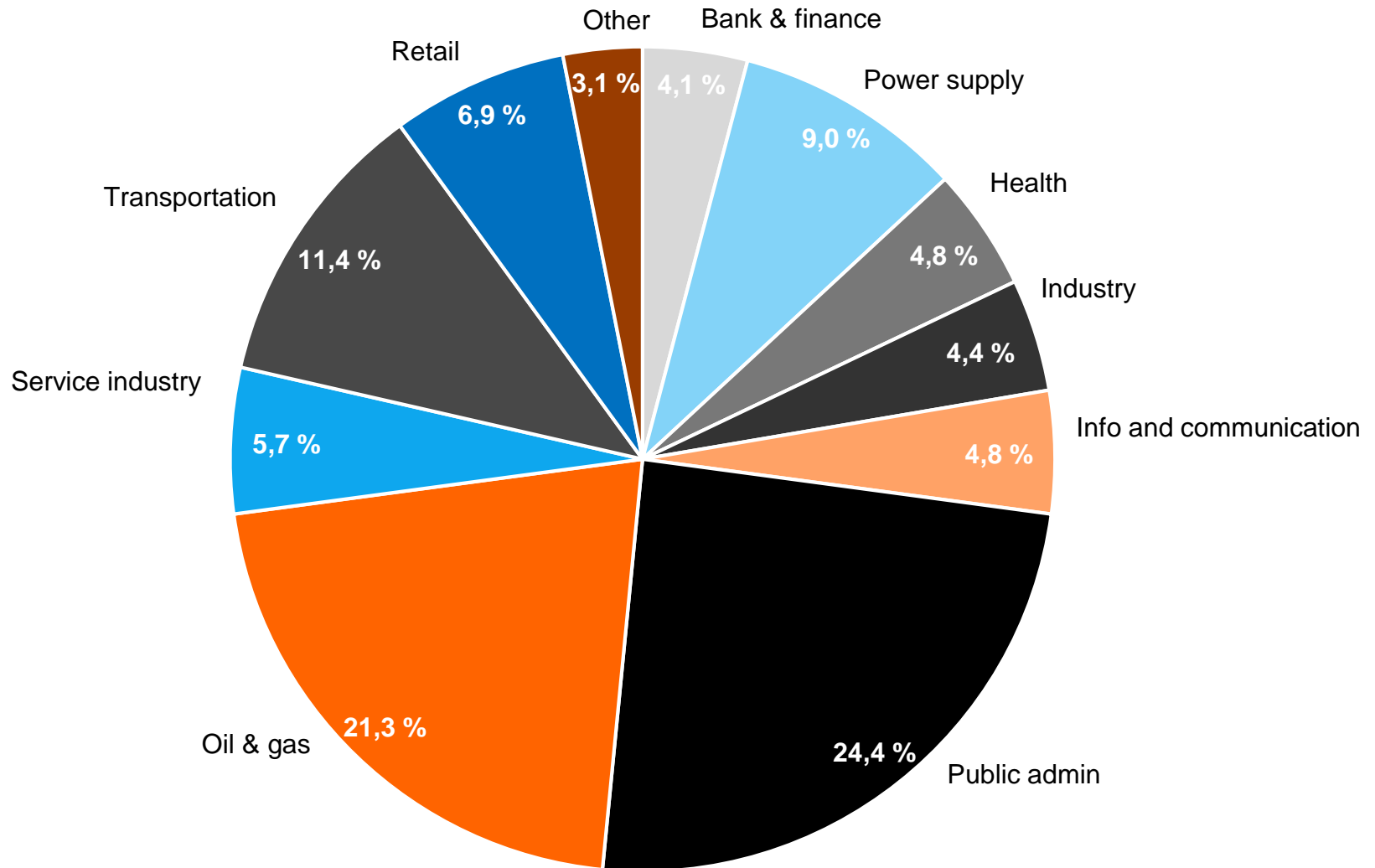
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# Increase in public sector



# Business sectors Q2 2016



# Sectors with high increase in revenue

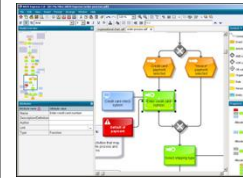
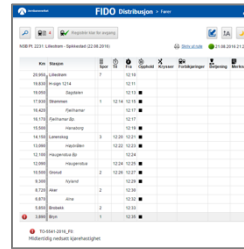
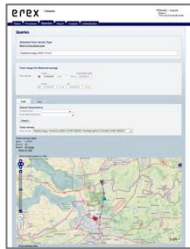
- **Public admin**
  - Increased by 40.8 percent (y-o-y)
  - Represents 24.4 percent of total revenues in Q2'16
- **Transportation**
  - Increased by 33.1 percent (y-o-y)
  - Represents 11.4 percent of total revenues in Q2'16
- **Health**
  - Increased by 7.9 percent (y-o-y)
  - Represents 4.8 percent of total revenues in Q2'16
- **Bank and finance**
  - Increased by 32.5 percent (y-o-y)
  - Represents 4.1 percent of total revenues in Q2'16





# Long-term client relation leads to partnership

- Digitalised The Norwegian National Rail Administration over a period of 12 years
- Delivered more than 200 000 hours since 2004



**2004**  
**EREX**

**2010**  
**BEST Short time**

**2012**  
**Frame agreement**

**FIDO**

**2013**  
**ARIS**

**2014**  
**SESAM**

**2016**  
**BEST Long time** **SESAM**

Energy metering for train operating in one or more countries. Used for accurately billing

Ordering system for train and rail track maintenance

System development, Project management, Infrastructure, Consulting, Security

Distribution of announcements to train conductors, train companies, etc.

Process and modelling system for business processes

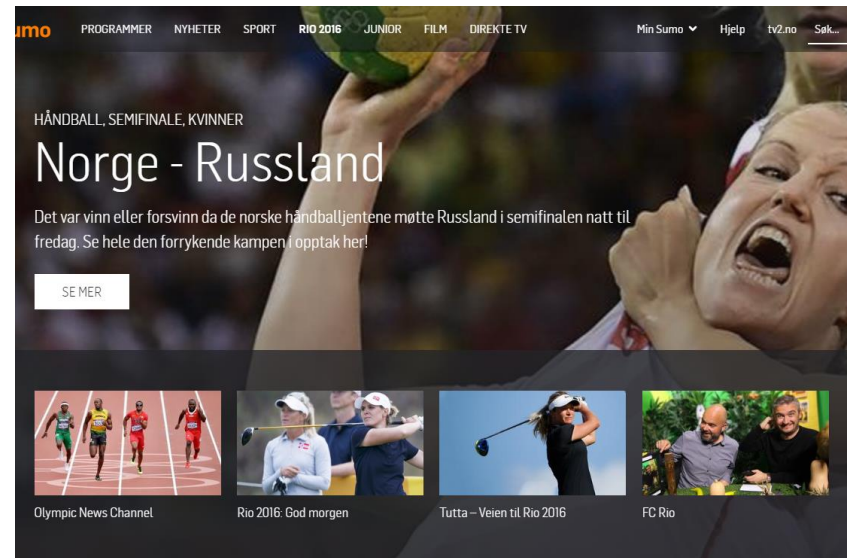
Piloting as datahub to exchange and synchronize data

Ordering system for train and rail track maintenance

Chosen as preferred datahub

# Live streaming from Rio 2016 on TV2

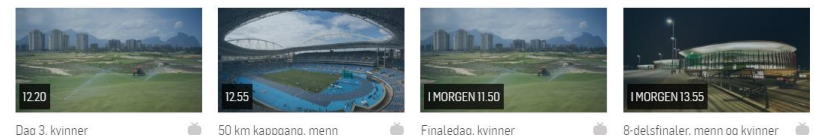
- Implemented the video player at TV2.no and SUMO, and made the events at Rio 2016 available 24/7 on all platforms
- 2,8 million video streams the first weekend of OL
- Between 900k and 1100k unique viewers daily



## Rio 2016



## Nordmenn i aksjon >



# Robots reduce costs by digitalisation

- Robotic Process automation to digitalise letters to the citizens of Bergen municipality
- Reducing cost by 12-13 million NOK
- Increased efficiency. A “digital employer” handles 720 letters in one day



BERGEN  
KOMMUNE



# User-focused digitalisation and mobility

- Bouvet's mobile solutions for time, travel, expenses and workflow for public employees give high return on low investment
- Statoil has signed a contract for use of the apps

Han påpeker at dette er små, billige og raskt gjennomførte prosjekter med stor gevinst for mange statsansatte.

Dette er en billig-app som fjerner noe av skjermaveldet og sparer tid for inntil 80.000 statsansatte. Vinn-vinn.

Kostnaden er lav, men gleden over å kunne levere reiseregninger på mobiltelefonen desto større.

**TIDSTYVER**  
**Billig-app kan spare staten for 200 årsverk**

Duser til "lønningekontoret".

– Dyrt har dette ikke vært. I hvert fall ikke hvis du sammenligner med alternative måter å få til kraftig forbedret brukervennlighet, sier direktør Øystein Børner i Direktoratet for økonomistyring (DFØ) til digi.no.

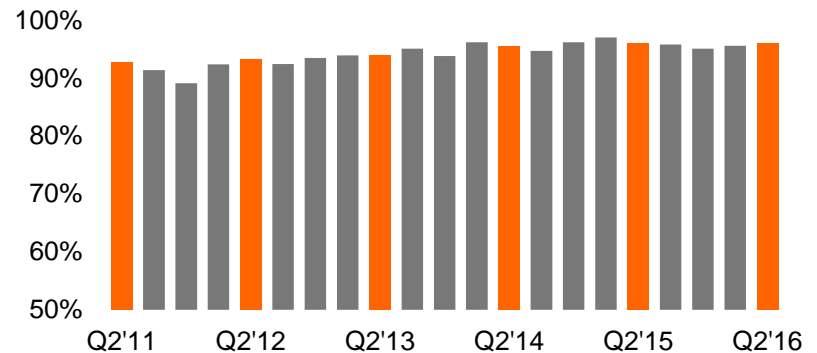
– Det er cirka 540.000 innleverte reiseregninger i året. Appen gir en mer effektiv innlogging og registrering av data. Du kan generere reiseregninger mens du reiser og ta bilde av kvitteringer og laste det opp som vedlegg i appen. Hvis vi leker oss med tall og sier ett minutt spart per reiseregning gir det 540.000 minutter spart for statsforvaltningen. Investeringen er da tjent inn i løper av uker og måneder. Det er bra lønnsomhet, mener DFØ-direktøren.



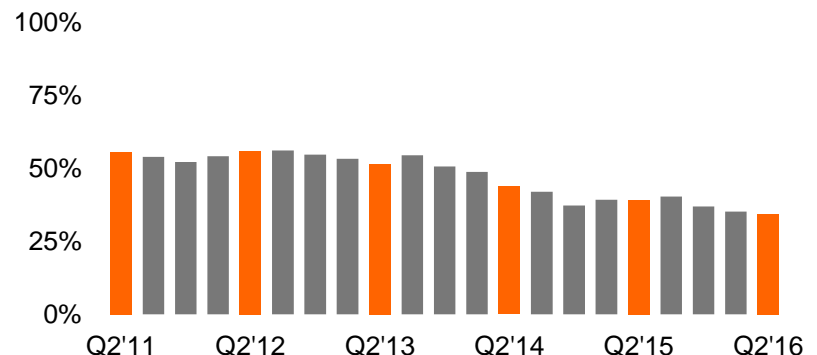
# Customer and project mix

- Project mix
  - Variable contracts account for 96.1 percent of total revenues
- Client portfolio
  - The 10 largest customers represent 34.4 percent of total revenues – down from 39.3 percent in Q2'15
  - The 20 largest customers represent 47.1 percent of total revenues – down from 52.5 percent in Q2'15

**Variably priced contracts share of revenues**  
Percentage



**10 largest customers share of revenues**  
Percentage



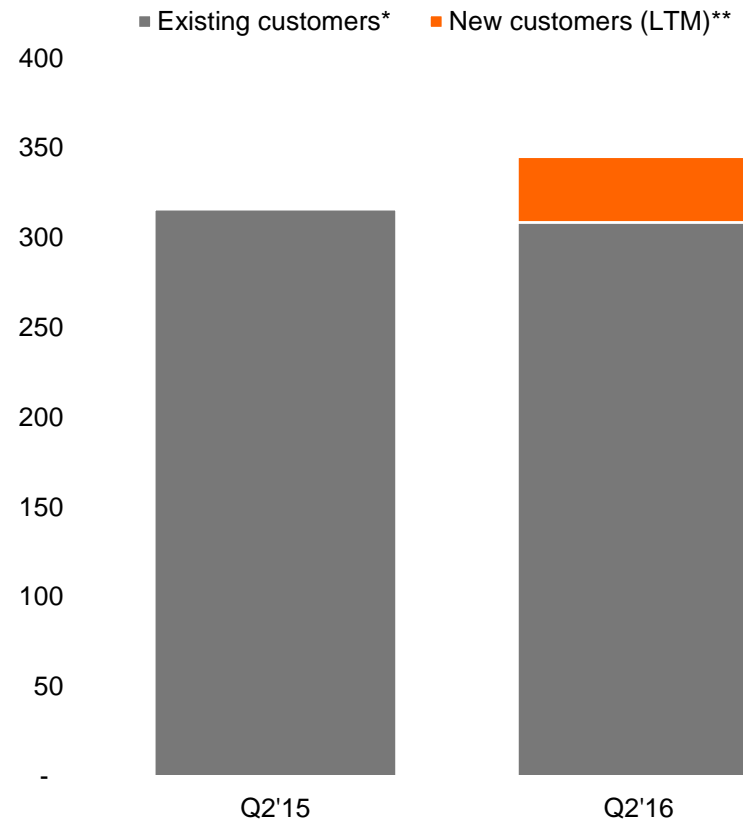
# Client development

- Existing clients\*
  - Accounted for 89.4 percent of revenues in Q2'16
- New customers\*\*
  - Customer won over the past year generated revenues of NOK 36.6 million in Q2'16

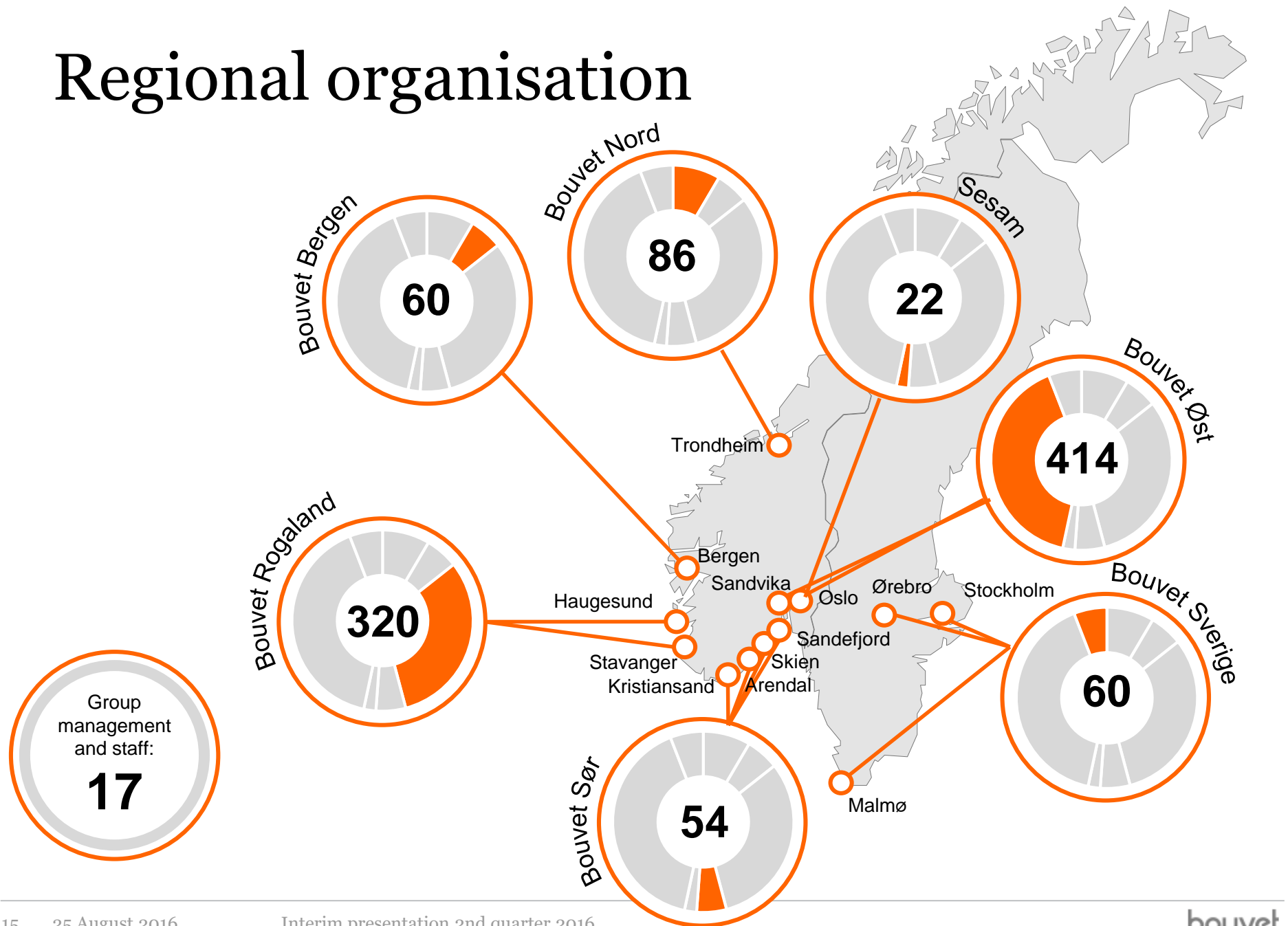
\* Existing customers defined as customers that were invoiced in the corresponding quarter last year

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

Revenue customer split  
MNOK



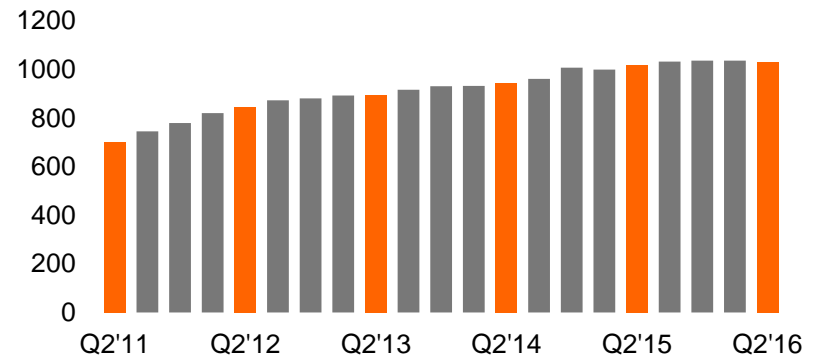
# Regional organisation



# Enthusiastic and competent employees

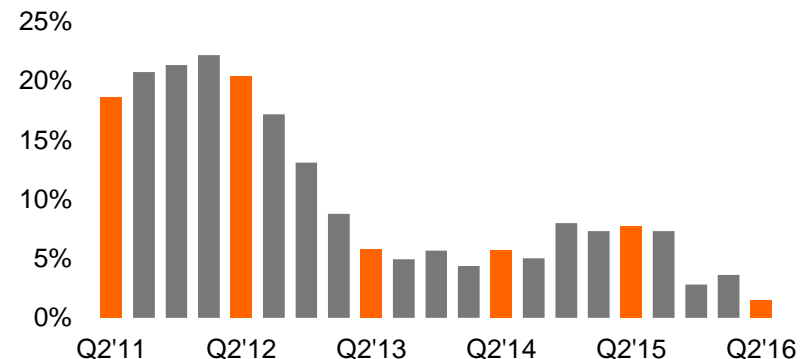
- 1 033 employees at the end of the first quarter
  - Down 3 from Q1'16
  - 15 more employees in the past 12 months
  - Average number of employees in the quarter up 2.7 percent from Q2'15

Number of employees end of quarter



Annual growth in number of employees

Percentage





# Financial Review

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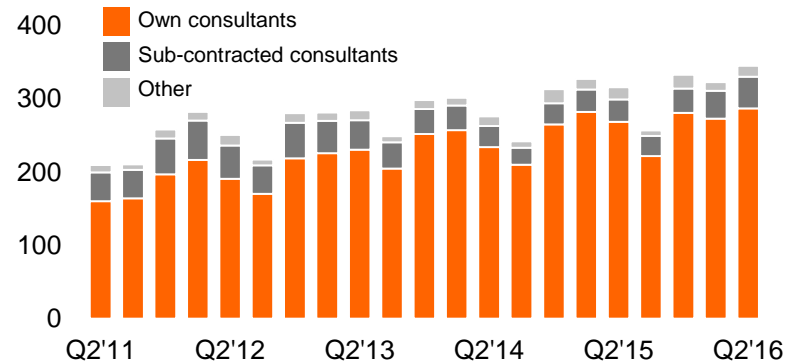
# Key figures

MNOK	Three months ending			Twelve months ending		
	30.06.2016	30.06.2015	Change	30.06.2016	30.06.2015	Change
<b>Operating revenue</b>	345.3	315.7	9.4 %	1 258.0	1 198.2	5.0 %
Operating profit (EBIT)	41.0	34.6	18.4 %	94.0	95.1	-1.1 %
EBIT margin	11.9 %	11.0 %		7.5 %	7.9 %	
Ordinary profit before tax	41.0	35.4	15.6 %	95.2	97.5	-2.4 %
<b>Profit for the period</b>	30.9	25.4	21.5 %	69.7	70.0	-0.5 %
EPS (fully diluted)	2.94	2.41	22.0 %	6.74	6.77	-0.4 %
Net cash flow operations	24.8	28.6	-13.2 %	106.8	76.5	39.7 %
Equity ratio	34.4 %	35.8 %		34.4 %	35.8 %	
Cash and cash equivalents	106.1	89.7	18.3 %	106.1	89.7	18.3 %
Number of employees (end of period)	1 033	1 018	1.5 %	1 033	1 018	1.5 %
Number of employees (average)	1 037	1 010	2.7 %	1 031	991	4.1 %

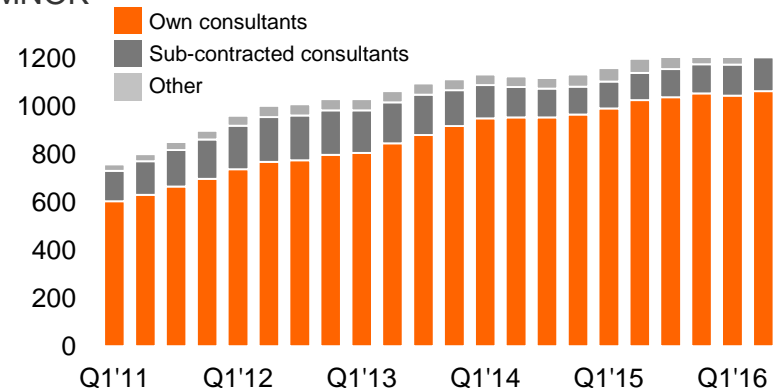
# Revenue

- Revenues increased by 9.4 percent y-o-y
  - Revenues from own consultants increased by 6.8 percent to NOK 286.8 million
  - Revenues from sub-contracted consultants increased by 41.4 percent to NOK 43.0 million
  - Other revenues declined by 7.1 percent to NOK 15.5 million

**Revenue split (quarterly figures)**  
MNOK



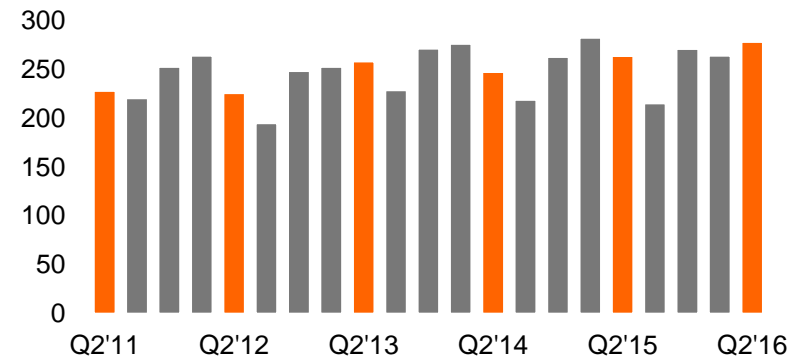
**Revenue split (12 months rolling average)**  
MNOK



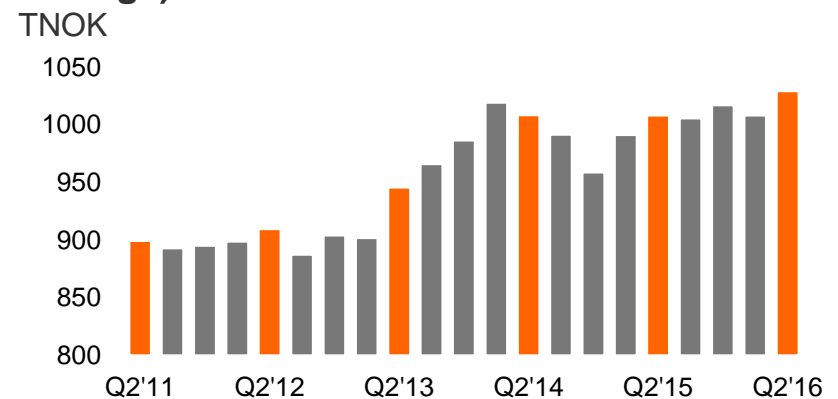
# Revenues from own consultants

- Increased 6.8 percent y-o-y
  - 62 workdays in Q2'16 – three more than Q2'15
  - Negative impact from decline in billing ratio by 1.8 percentage points
  - Positive impact from 2.7 percent increase in average number of employees
  - Positive impact from 0.4 percent increase in prices for group hourly services

Revenue per employee (quarterly figures)  
TNOK

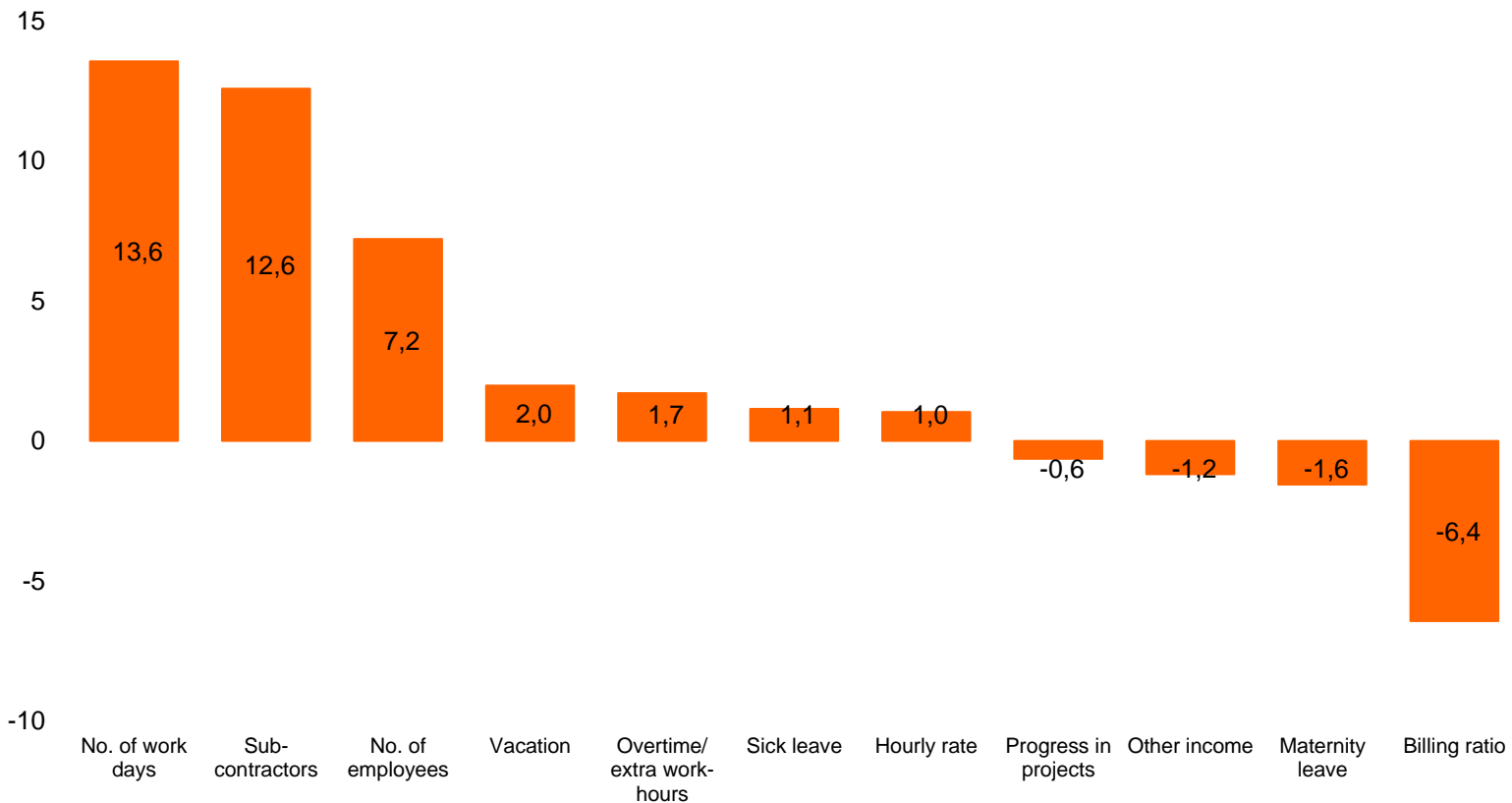


Revenue per employee (12 months rolling average)  
TNOK



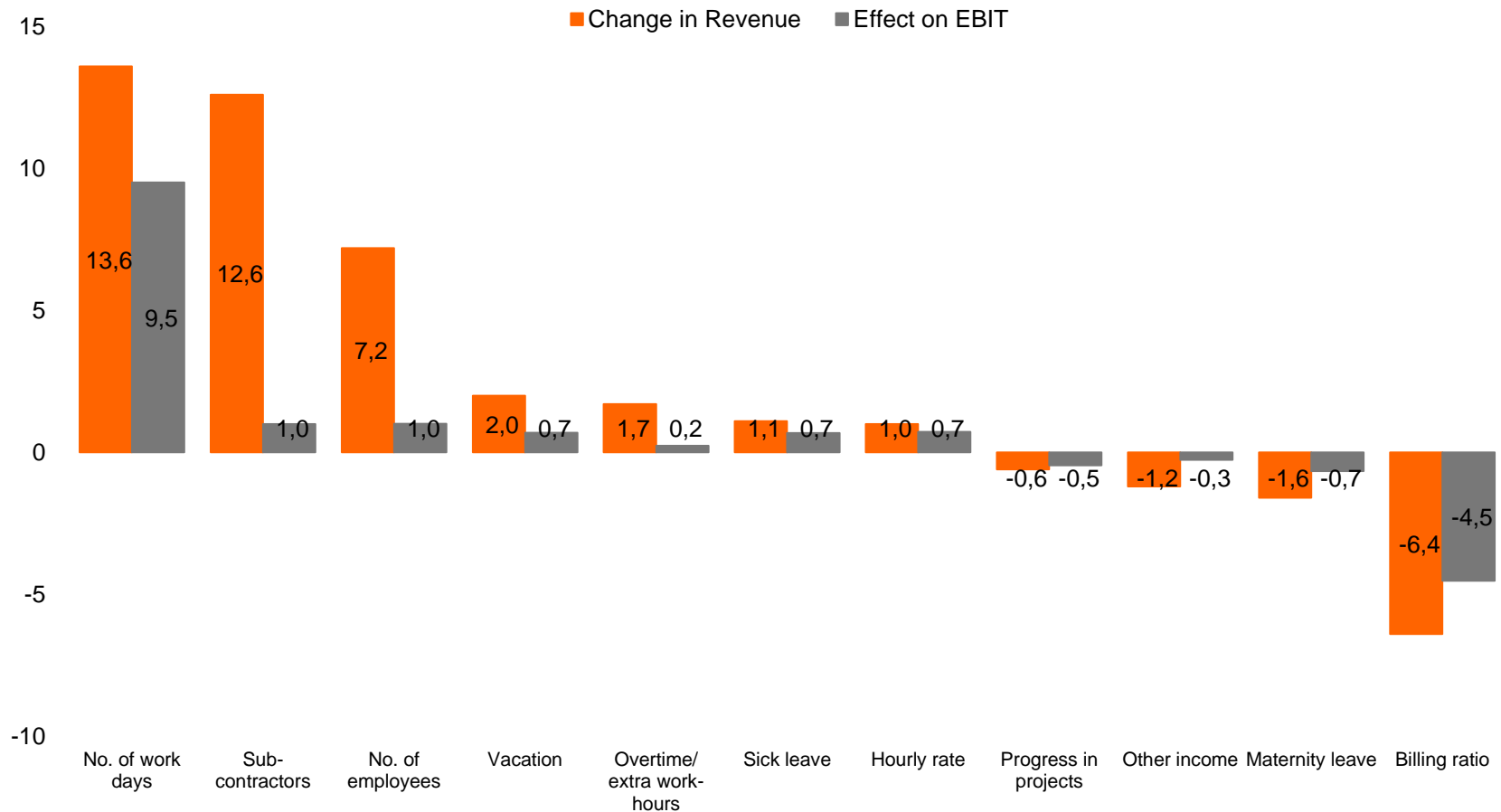
# Analysis of change in revenues y-o-y

Revenue  
MNOK



# Change in revenues – effect on EBIT

Revenue  
MNOK

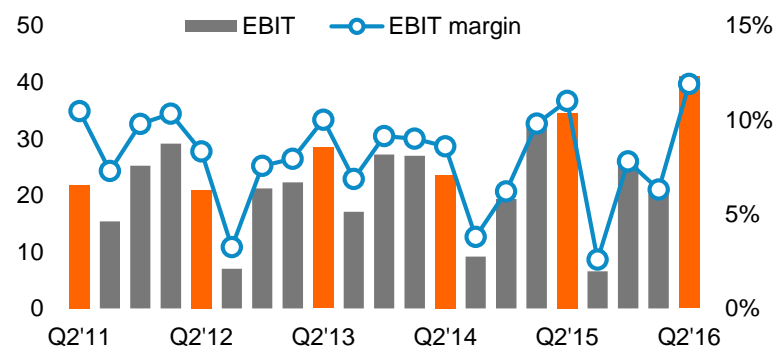


# Earnings

- Operating profit increased y-o-y in Q2'16
  - EBIT margin of 11.9 percent compared to 11.0 percent in Q2'15
- Operating expenses increased by 8.2 percent compared to Q2'15
- General growth in pay rate 1.4 percent y-o-y
- Other operating expenses increased 2.4 percent

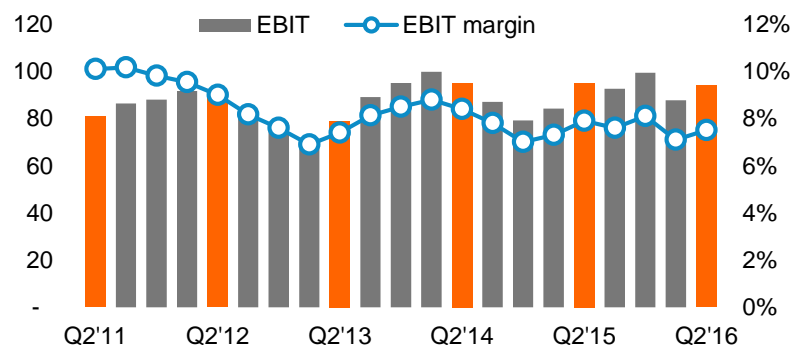
## EBIT and EBIT margin

MNOK and Percent



## EBIT and EBIT margin (12 months rolling)

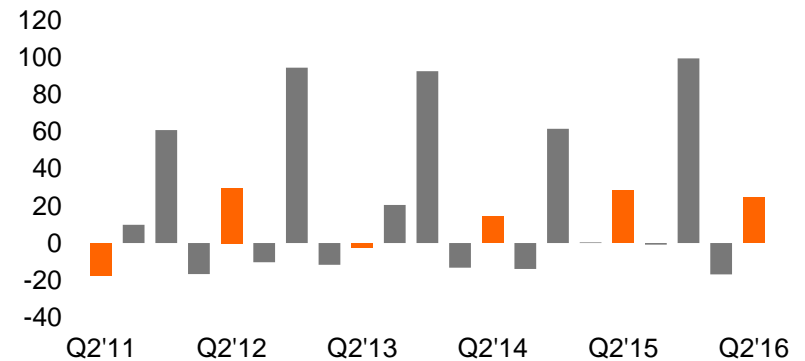
MNOK and Percent



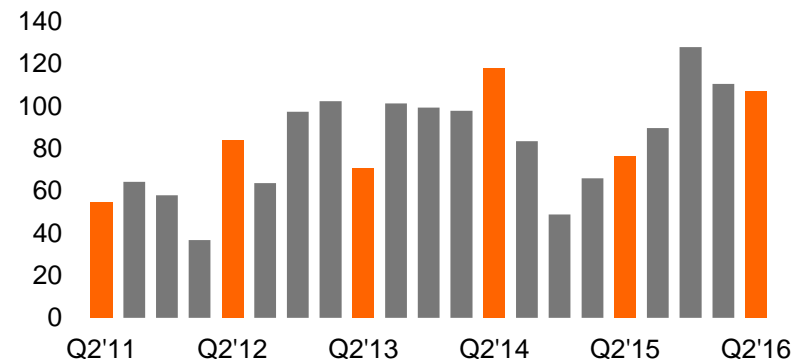
# Cash flow

- Cash flow from operations
  - NOK 24.8 million in Q2'16 compared to NOK 28.6 million in Q2'15
- Rolling 12 months
  - Operational cash flow over the last 12 months was NOK 106.8 million
- Cash flow from investing activities
  - Negative NOK 4.2 million compared to negative NOK 3.4 million in Q2'15

**Cash flow from operations (per quarter)**  
MNOK



**Cash flow from operations (LTM)**  
MNOK





# Outlook

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# Outlook

- The pace of digital transformation is accelerating
- Sharing between industries and countries accelerate innovation
- Robot technology opens for more companies to move their production back to Norway
- Local authorities are not up to speed on digitalisation
- Increase of customised solution to meet the market demand
- Need for recruitment



***"We will develop complex steering systems that requires great developers and in-depth energy system understanding. Bouvet was best to substantiate how to ensure efficient development and governance of Fifty over time.***

*Beate Sander Krogstad, Project Director, Statnett*

# Shareholders as of 24.08.2016

Investor	Number of shares	% of total
STENSHAGEN INVEST AS	1 108 402	10,81 %
VARNER KAPITAL AS	1 070 000	10,44 %
PROTECTOR FORSIKRING ASA	700 000	6,83 %
VPF NORDEA AVKASTNING	676 120	6,60 %
MP PENSJON PK	569 904	5,56 %
HURUM SVERRE FINN	507 252	4,95 %
VEVLEN GÅRD AS	420 000	4,10 %
SIX SIS AG	400 000	3,90 %
STUBØ ERIK	236 752	2,31 %
STOREBRAND VEKST	217 620	2,12 %
STOREBRAND NORGE I	211 289	2,06 %
DYVI INVEST AS	200 000	1,95 %
TELENOR PENSJONSKASSE	186 800	1,82 %
VERDIPAPIRFONDET STOREBRAND OPTIMA	142 541	1,39 %
VOLLE ANDERS	121 076	1,18 %
AAT INVEST AS	100 000	0,98 %
VERDIPAPIRFONDET KLP AKSJENORGE	98 624	0,96 %
J.P. MORGAN CHASE BANK N.A. LONDON	80 245	0,78 %
RADIG NILS-HÅKAN	79 599	0,78 %
SVENDSEN PAUL HALLAN	74 213	0,72 %
<b>Number of shares held by the 20 largest shareholders</b>	<b>7 200 437</b>	<b>70,25 %</b>