



bouvet





# Interim presentation Second quarter 2020

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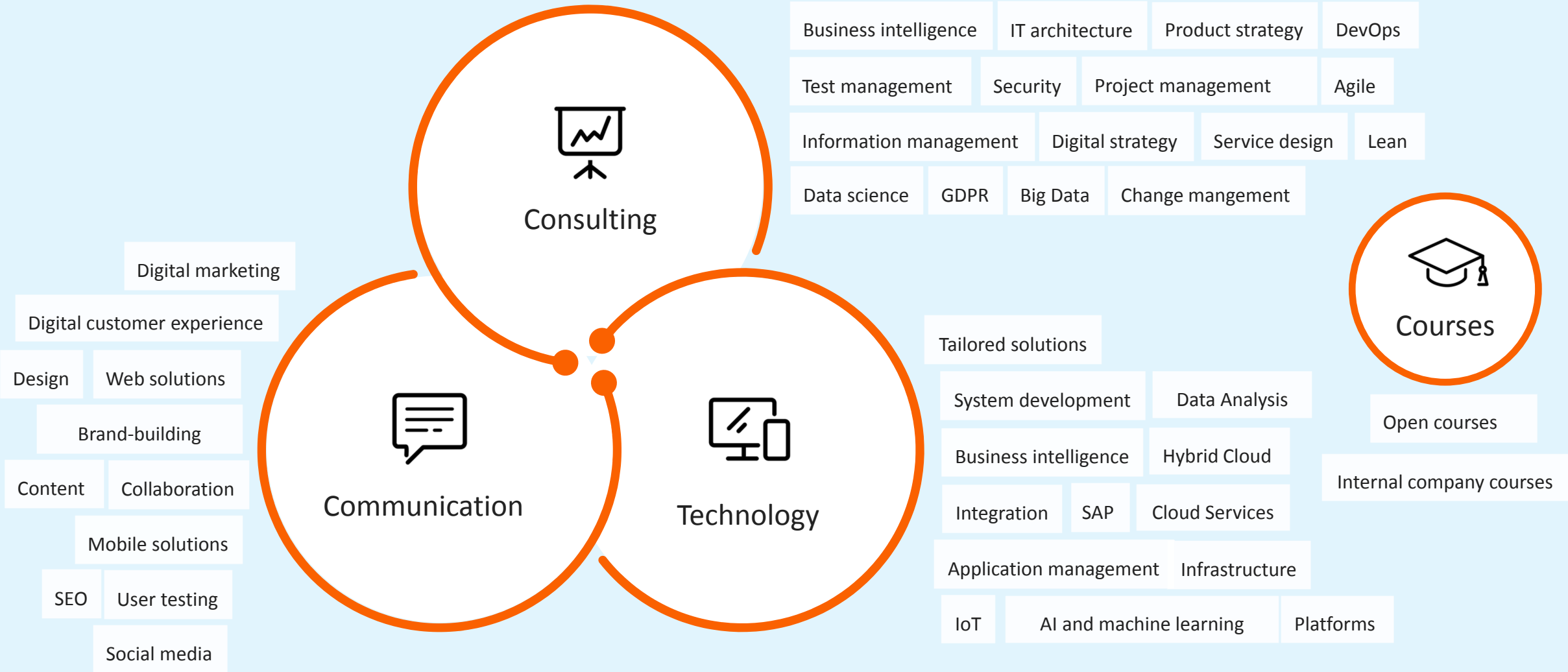
25 August 2020

Sverre Hurum, CEO

Erik Stubø, CFO



# Our services



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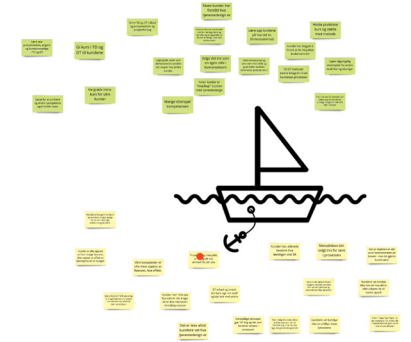
*47% of managers see the need of enhancing digital skills in their organisation*

Source: Survey Bouvet spring 2020



# Course in agile methodology for Helse Vest IKT's employees

- Helse Vest IKT arranged an online course for 100 employees
- The aim was to learn more about agile methodology and how this approach can contribute to more interdisciplinary innovation when working remote
- Bouvet facilitated the course using design thinking and digital tools for collaboration

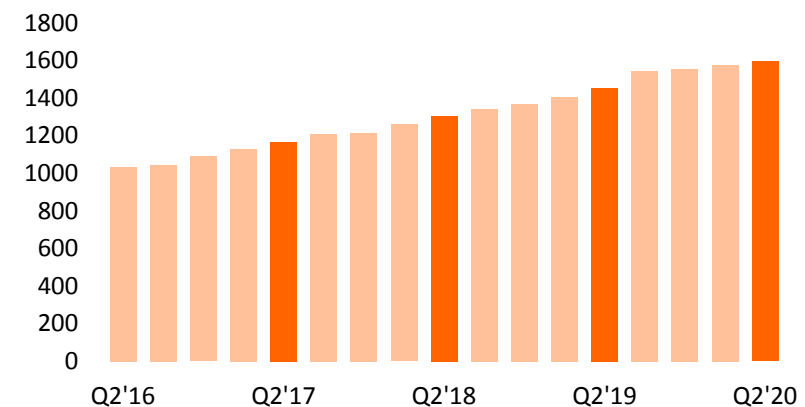
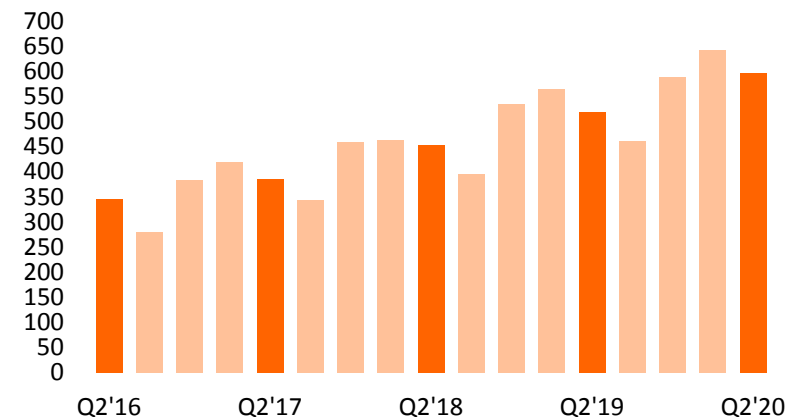


# Highlights in the quarter

- Revenue and EBIT
  - Operating revenues increased by 15 percent to NOK 596.1 million (y-o-y)
  - EBIT increased by 43.7 percent to NOK 85.2 million (y-o-y)
  
- 1 594 employees
  - Up 19 from Q1'20
  - An increase of 139 in the past 12 months

## Revenue and number of employees

MNOK and number

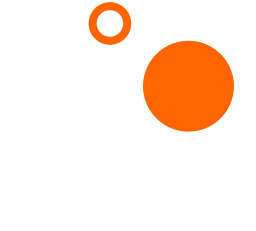




## Bouvet's vision

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We lead the way and  
build tomorrow's society



A decorative graphic consisting of several orange circles of various sizes and a vertical orange line with a dot at the bottom, positioned at the top of the slide.

## Bouvet's ambition

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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

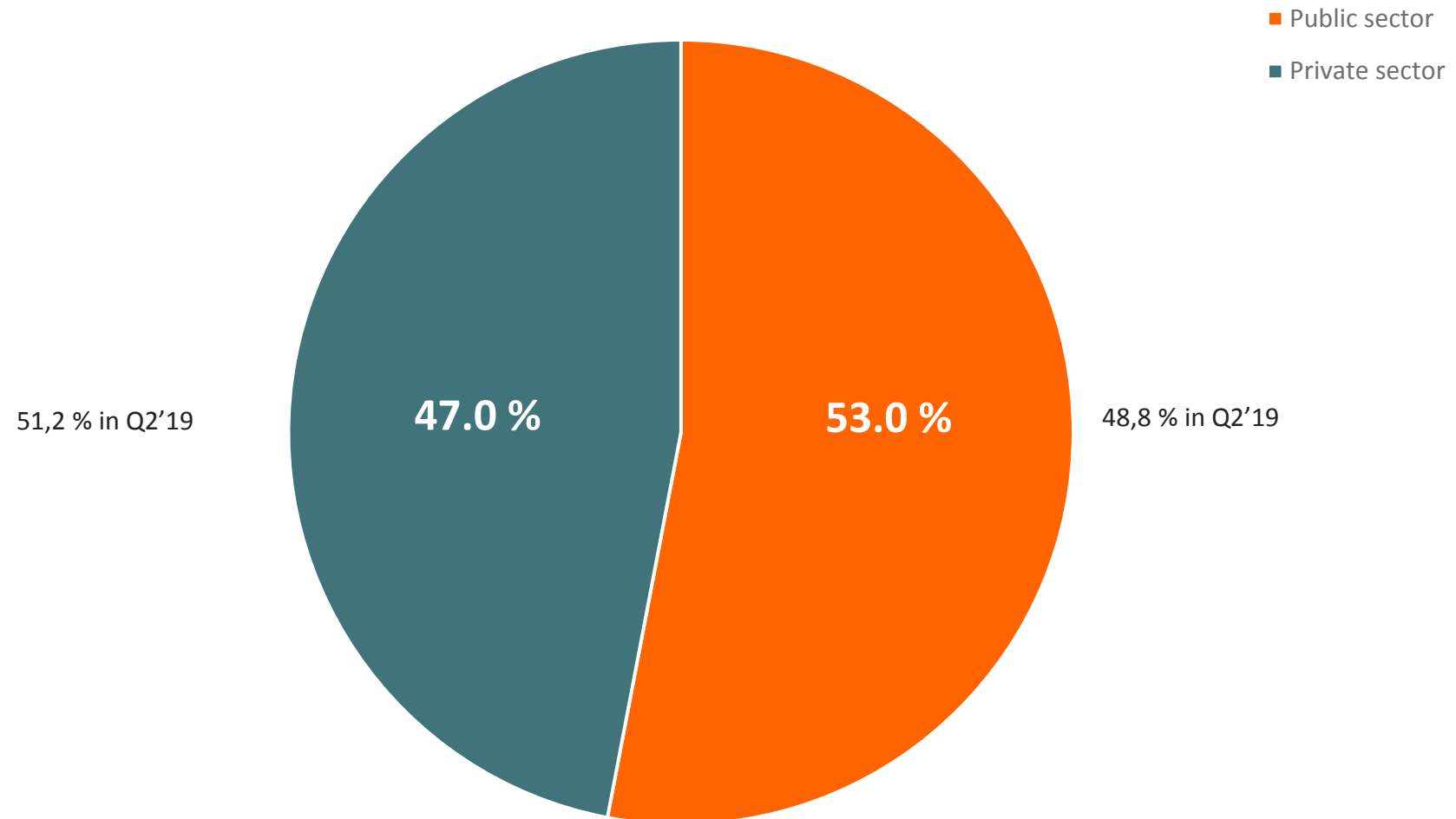




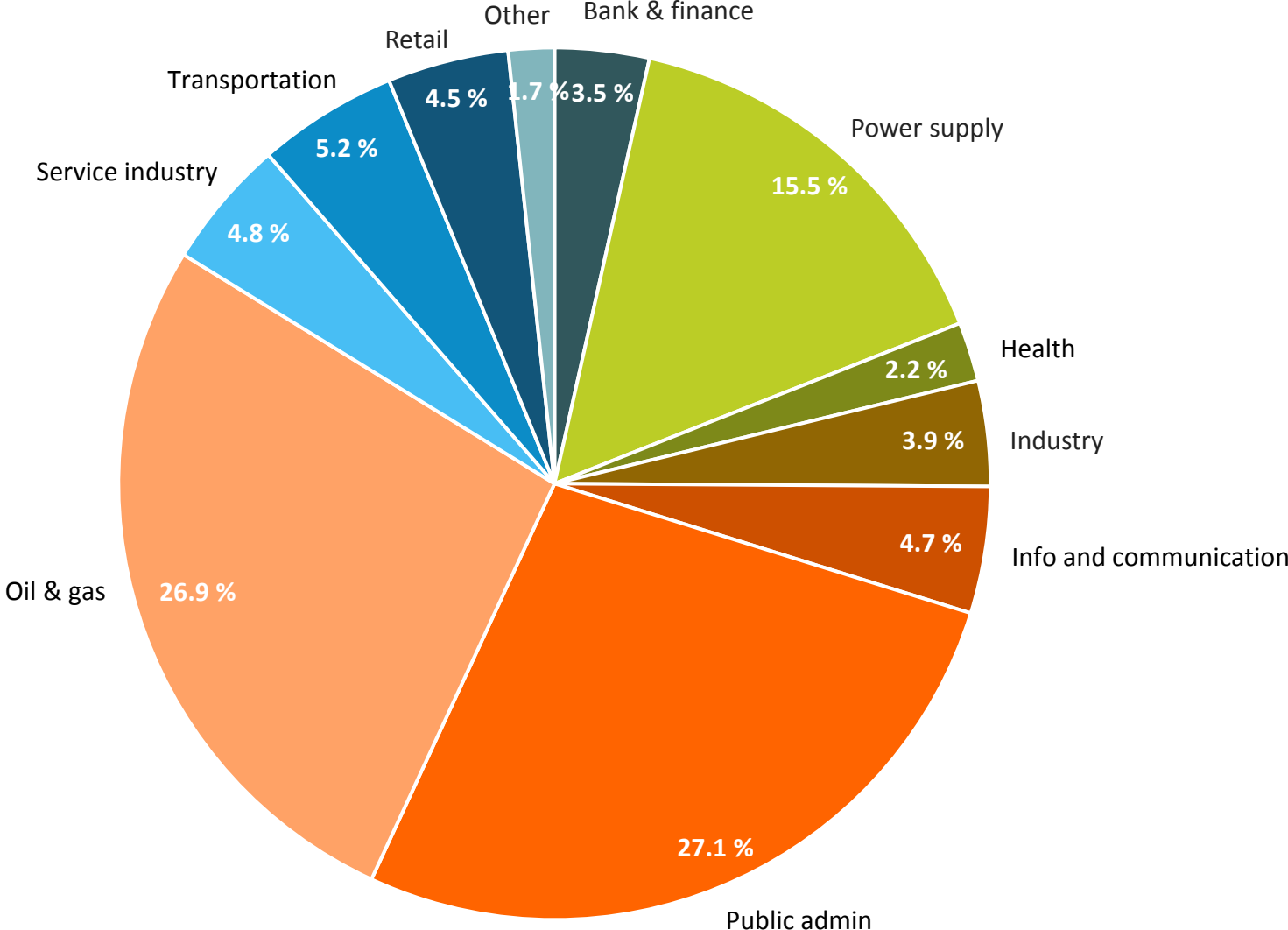
# Operational Review

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# Public and private sector



# Business sectors Q2 2020



# The four largest sectors

## ○ Public admin

- Increased by 14.8 percent (y-o-y)
- Represents 27.1 percent of total revenues in Q2'20

## ○ Oil & gas

- Increased by 13.3 percent (y-o-y)
- Represents 26.9 percent of total revenues in Q2'20

## ○ Power supply

- Increased by 91.8 percent (y-o-y)
- Represents 15.5 percent of total revenues in Q2'20

## ○ Transportation

- Decreased by 18.5 percent (y-o-y)
- Represents 5.2 percent of total revenues in Q2'20



# Lerøy Seafood Group has signed an analytics agreement with Bouvet

- Lerøy Seafood Group is a world-leading seafood corporation. The Group's core business is:
  - Production of salmon and trout, catches of whitefish, processing, product development, marketing, sale and distribution of seafood.
- Bouvet is chosen to be an analytics partner and provides a data science team for statistical analysis on biological data



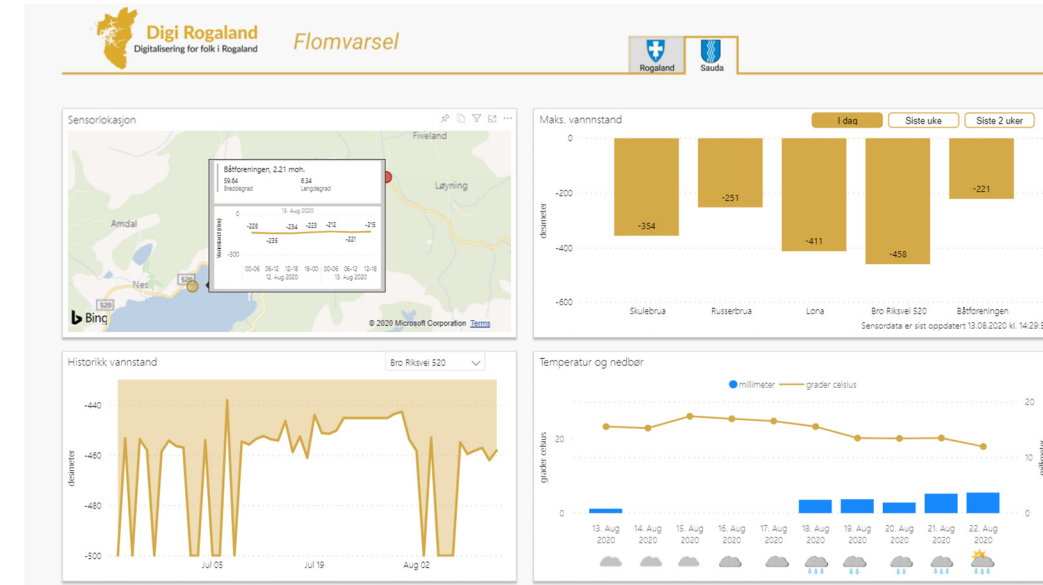
# Statnett has signed digital strategy agreement with Bouvet

- Statnett is to assess the international vendor market for platform services and components, in order to evaluate their technological maturity and conformance with Statnett's business and security needs.
- The work will serve as a foundation for the future platform strategy in Statnett
- Bouvet is chosen as partner and project manager for this work
- Bouvet provide resources to help:
  - Assess the international vendor market
  - Develop and assess platform architectures
  - Develop future platform strategy

The logo for Statnett, featuring the word "Stat" in a dark grey sans-serif font and "nett" in a bold red sans-serif font.

# Flood warning for Sauda

- In 10 days, Bouvet delivered a data platform that visualised this year's flood for Sauda
- Data is collected from NVE, weather services and five IoT sensors placed strategically in Saudafaldene
- The client was DigiRogaland including collaboration with Sauda, Stavanger and Gjesdal Municipality



# The City of Oslo has signed another agreement with Bouvet

- The City of Oslo has several IT solutions regarding public housing
- Bouvet has been chosen to maintain and further develop the system portfolio
- The duration of the agreement is up to 5 years
- Estimated value between NOK 20 and 60 million



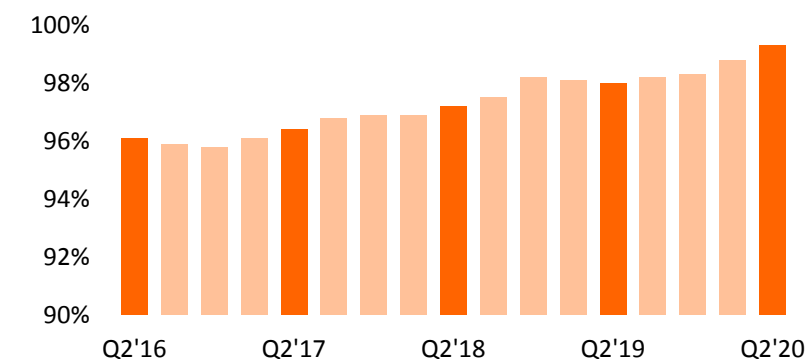


# Customer and project mix

- Project mix
  - Variable contracts account for 99.3 percent of total revenues
  
- Customer portfolio
  - The 10 largest customers represent 45 percent of total revenues – up from 39.2 percent in Q2'19
  - The 20 largest customers represent 55.6 percent of total revenues – up from 50.3 percent in Q2'19

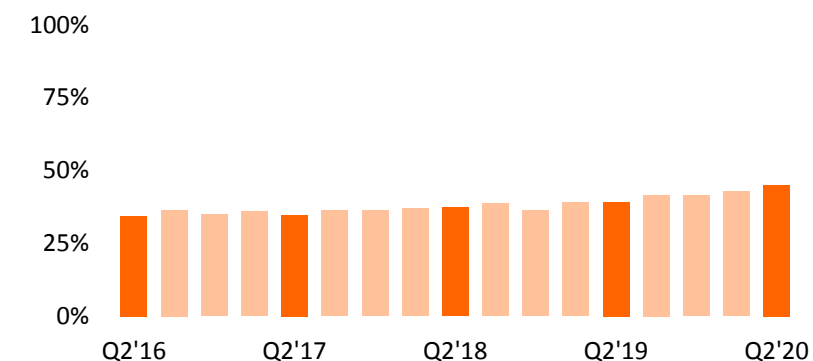
**Variably priced contracts share of revenues**

Percentage



**10 largest customers share of revenues**

Percentage



# Customer development

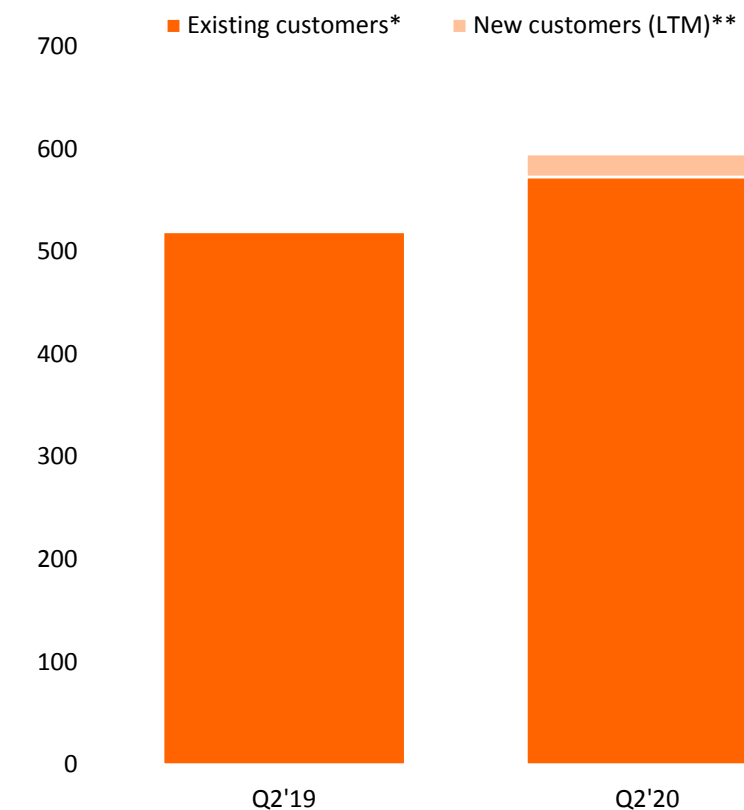
- Existing customers\*
  - Accounted for 96.2 percent of revenues in Q2'20
- New customers\*\*
  - Customers won over the past year generated revenues of NOK 22.3 million in Q2'20

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

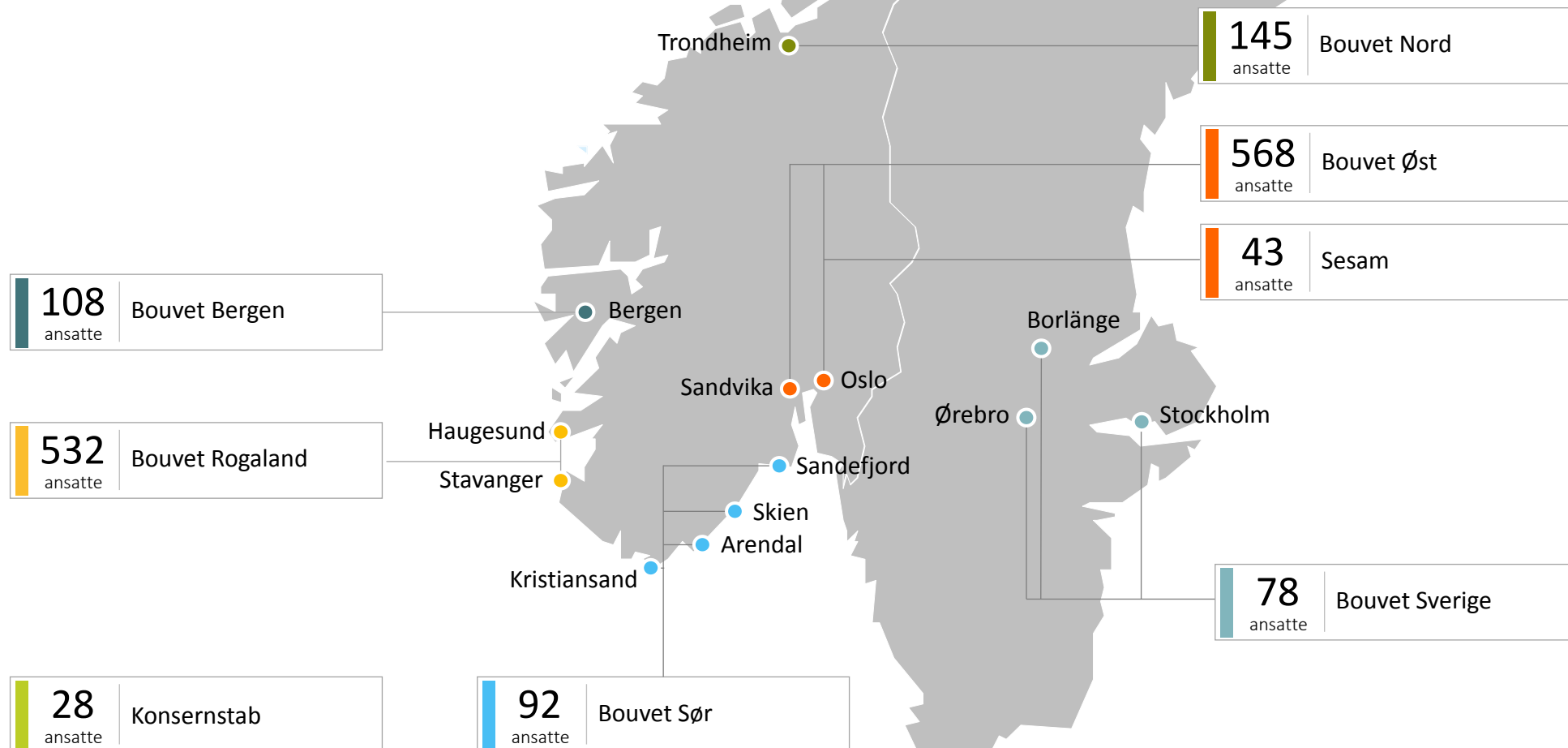
\*\* New customers defined as customers won since end of corresponding quarter last year

## Revenue customer split

MNOK



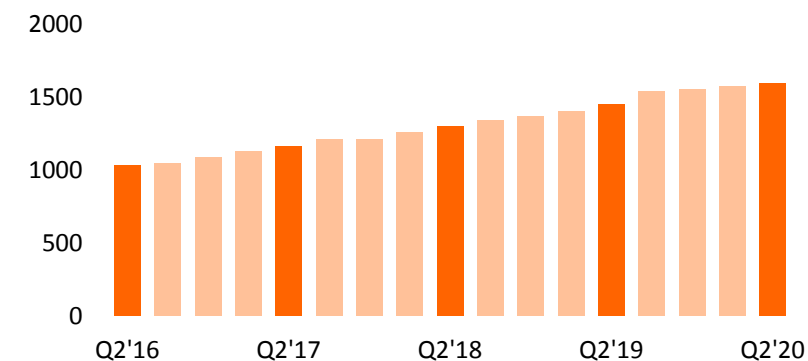
# Regional organisation



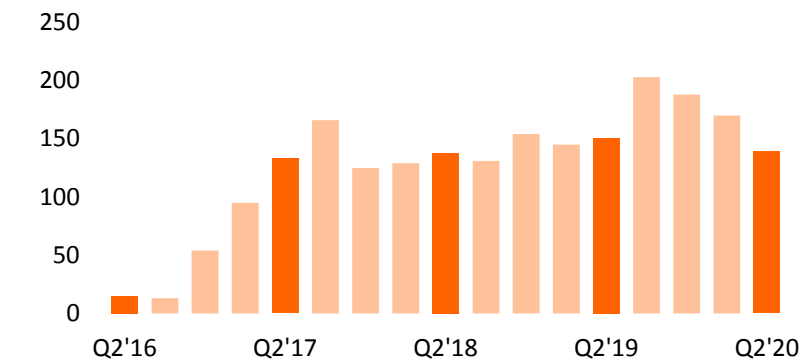
# Enthusiastic and competent employees

- 1 594 employees at the end of the quarter
  - Up 19 from Q1'20
  - 139 more employees in the past 12 months
  - Average number of employees in the quarter up 10.5 percent from Q2'19

Number of employees end of quarter



Annual growth in number of employees





# Financial Review

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# Key figures

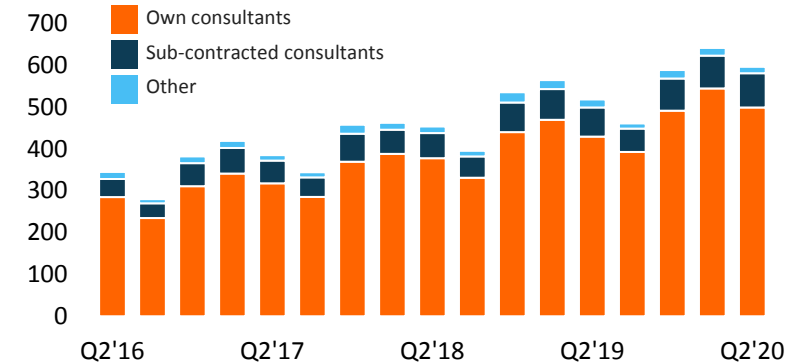
MNOK	Three months ending			Six months ending			Twelve months ending		
	30.06.2020	30.06.2019	Change	30.06.2020	30.06.2019	Change	30.06.2020	30.06.2019	Change
<b>Operating revenue</b>	596.1	518.4	15.0 %	1 237.3	1 082.7	14.3 %	2 286.7	2 013.4	13.6 %
Operating profit (EBIT)	85.2	59.3	43.7 %	167.8	128.1	31.0 %	271.7	213.4	27.3 %
EBIT margin	14.3 %	11.4 %		13.6 %	11.8 %		11.9 %	10.6 %	
Ordinary profit before tax	84.0	59.3	41.5 %	167.1	127.9	30.7 %	267.5	214.4	24.8 %
<b>Profit for the period</b>	65.5	46.4	41.3 %	130.2	99.8	30.5 %	210.5	168.8	24.7 %
EPS (fully diluted)	6.33	4.50	40.7 %	12.56	9.65	30.2 %	20.36	16.37	24.3 %
Net cash flow operations	163.8	32.2	408.2 %	210.9	36.5	478.0 %	451.5	238.3	89.5 %
Equity ratio	30.1 %	23.4 %		30.1 %	23.4 %		30.1 %	23.4 %	
Liquid assets	436.3	138.8	214.4 %	436.3	138.8	214.4 %	436.3	138.8	214.4 %
Number of employees (end of period)	1 594	1 455	9.6 %	1 594	1 455	9.6 %	1 594	1 455	9.6 %
Number of employees (average)	1 585	1 435	10.5 %	1 577	1 416	11.4 %	1 554	1 381	12.5 %

# Revenue

- Revenues increased by 15 percent y-o-y
  - Revenues from own consultants increased by 16.2 percent to NOK 499.1 million
  - Revenues from sub-contracted consultants increased by 17.6 percent to NOK 81.8 million
  - Other revenues decreased by 21.3 percent to NOK 15.2 million

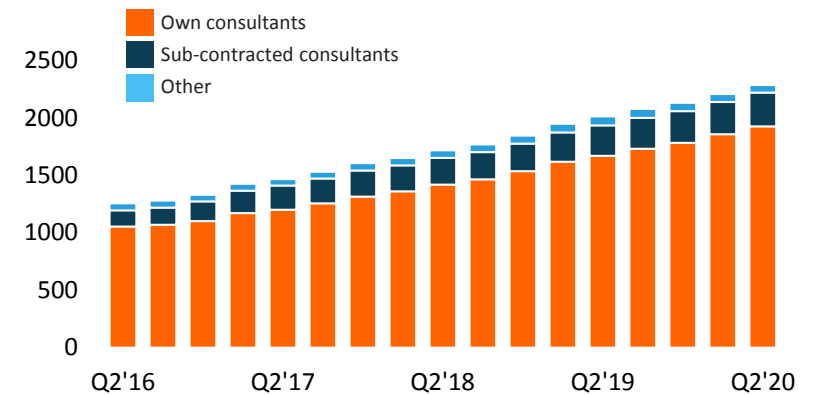
Revenue split (quarterly figures)

MNOK



Revenue split (12 months rolling average)

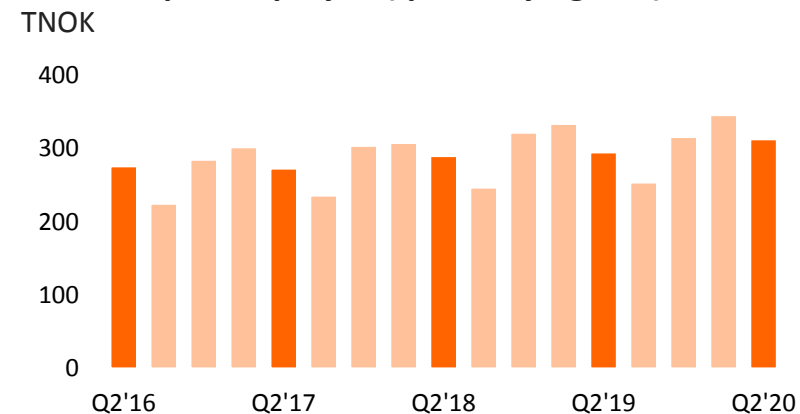
MNOK



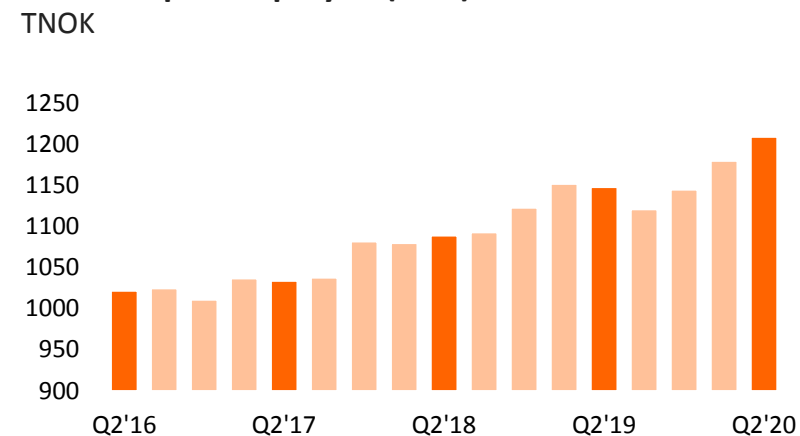
# Revenues from own consultants

- Increased 16.2 percent y-o-y
  - Positive impact from 10.5 percent increase in average number of employees
  - Positive impact from 2.3 percent increase in prices for group hourly services
  - Negative impact from decrease in billing ratio by 0.3 percentage points
  - 55 workdays in Q2'20 – one more than Q2'19

Revenue per employee (quarterly figures)



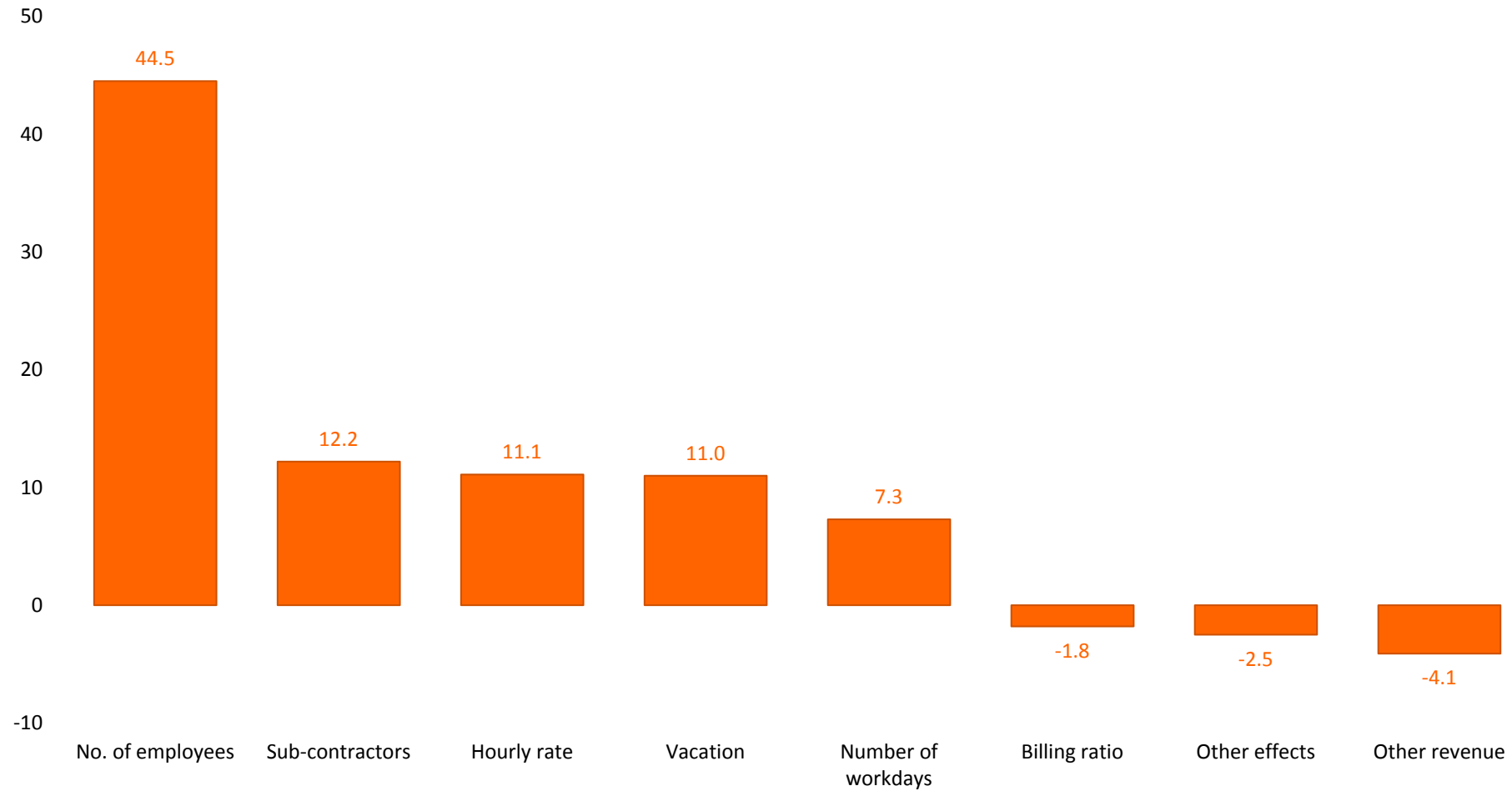
Revenue per employee (LTM)





# Analysis of change in revenues y-o-y

Revenue  
MNOK

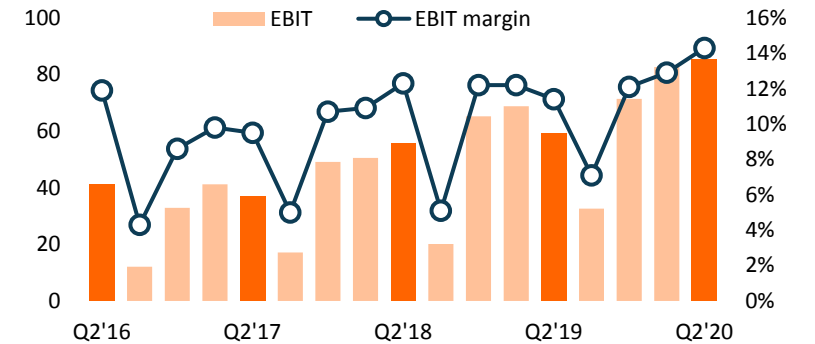


# Earnings

- Operating profit (EBIT) increased by 43.7 percent to NOK 85.2 million
- EBIT margin of 14.3 percent compared to 11.4 percent in Q2'19
- Operating expenses increased by 11.3 percent y-o-y
- General growth in pay rate 2.8 percent y-o-y
- Covid-19 effects
  - Positiv impact from reduced rate of payroll tax with 4 percentage points - NOK 7 million
  - Positiv impact from reduced costs related to travel, courses, conferences, social events and recruitment - NOK 16.9 million

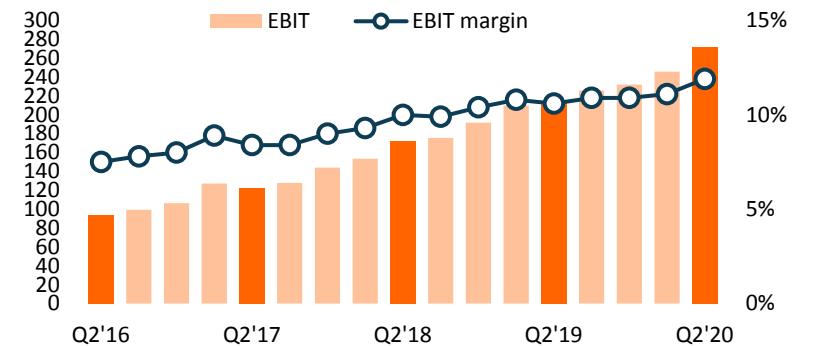
## EBIT and EBIT margin

MNOK and Percent



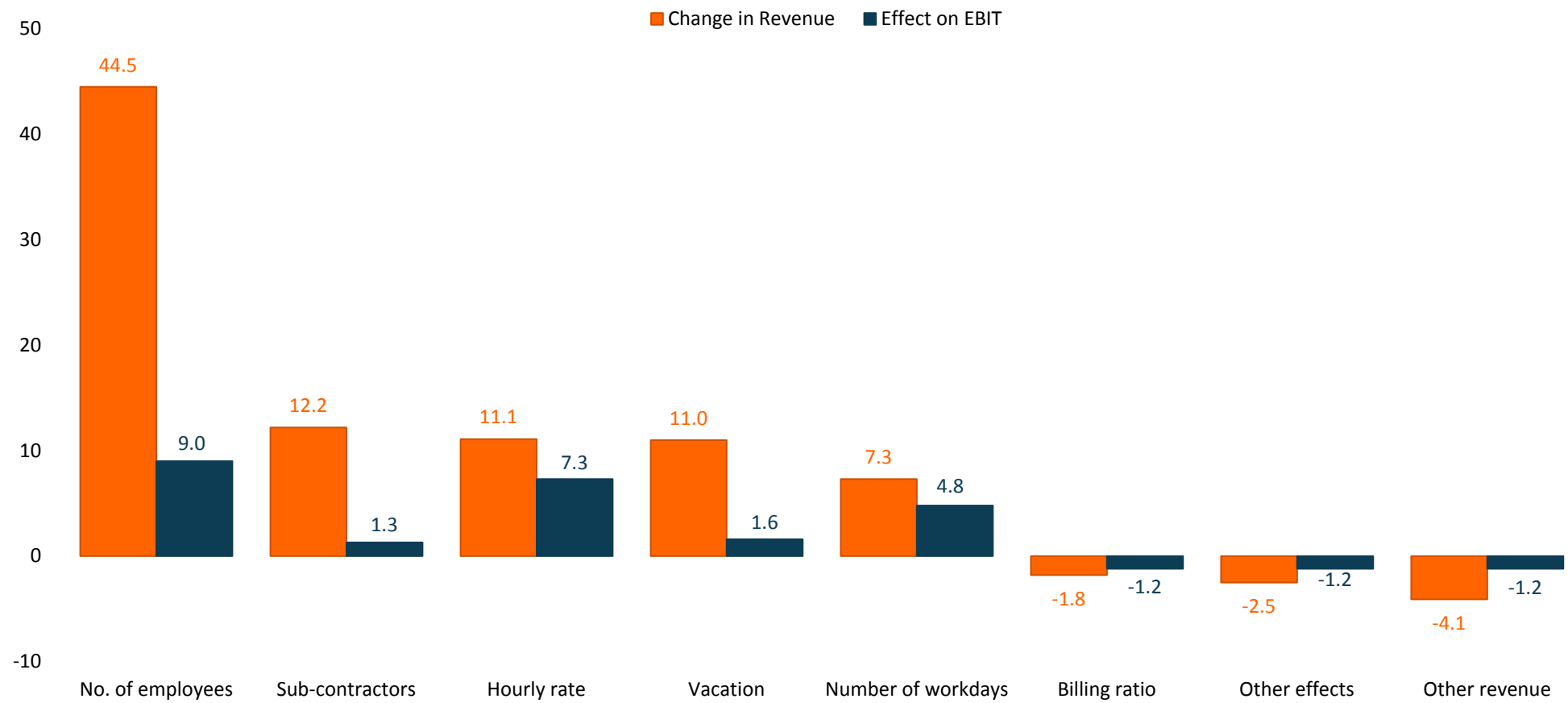
## EBIT and EBIT margin (LTM)

MNOK and Percent



# Change in revenues – effect on EBIT

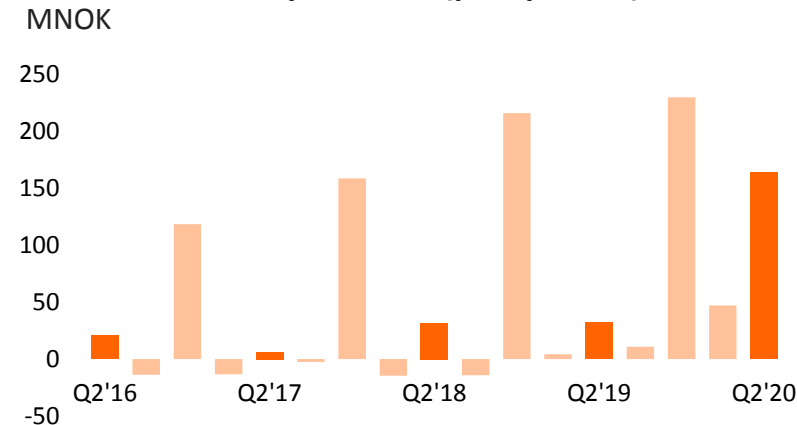
Revenue  
MNOK



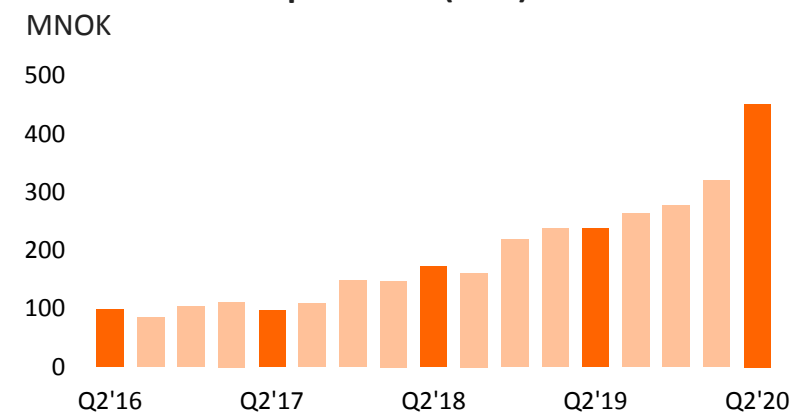
# Cash flow

- Cash flow from operations
  - NOK 163.8 million in Q2'20 compared to NOK 32.2 million in Q2'19
  - Reduced trade accounts receivable from NOK 393.2 million in Q2'19 to NOK 292.9 in Q2'20
- Cash flow from investing activities
  - Negative NOK 4.5 million compared to negative NOK 6.5 million in Q2'19
- Covid-19 effects
  - Positive impact in postponed payment of payroll tax and company tax - NOK 43.4 million

Cash flow from operations (per quarter)



Cash flow from operations (LTM)





# Outlook



# Outlook summary

- High global uncertainty due to Covid-19
- Increased competition
- Rapid change in society, customer behaviour and business models
- High demand for system development
- Improved demand for service design and advisory as change management
- Increased demand for cloud services
- Increased demand for knowledge sharing and collaboration

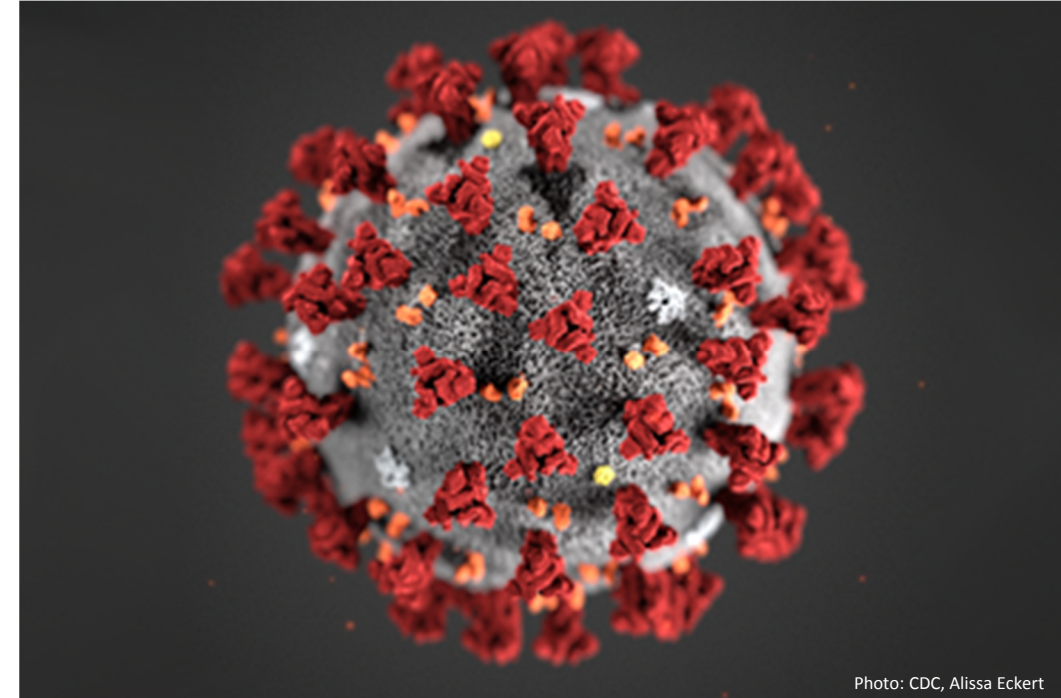


Photo: CDC, Alissa Eckert



# Appendix



# Shareholders as of 25.08.2020

Shareholders	Number of shares	% of total
VARNER KAPITAL AS	818 000	7,98 %
Virtus KAR International Small-Cap	750 682	7,32 %
FOLKETRYGDFONDET	708 990	6,92 %
STENSHAGEN INVEST AS	586 699	5,72 %
VERDIPAPIRFOND ODIN NORDEN	451 215	4,40 %
SVERRE FINN HURUM	387 068	3,78 %
VERDIPAPIRFONDET NORDEA AVKASTNING	299 370	2,92 %
MP PENSJON PK	290 082	2,83 %
ERIK STUBØ	205 235	2,00 %
VEVLEN GÅRD AS	203 502	1,99 %
VERDIPAPIRFONDET NORDEA KAPITAL	200 695	1,96 %
UBS Switzerland AG	179 418	1,75 %
State Street Bank and Trust Comp	135 992	1,33 %
VERDIPAPIRFOND ODIN NORGE	127 057	1,24 %
STOREBRAND NORGE I VERDIPAPIRFOND	114 322	1,12 %
ANDERS ERIKSEN-VOLLE	99 773	0,97 %
KLP AKSJENORGE INDEKS	98 905	0,96 %
VERDIPAPIRFONDET NORDEA NORGE PLUS	95 920	0,94 %
TELENOR PENSJONSKASSE	90 000	0,88 %
NILS-HÅKAN RADIG	75 261	0,73 %
<b>Number of shares held by the 20 largest shareholders</b>	<b>5 918 186</b>	<b>57,74 %</b>