

# Interim presentation Second quarter 2018

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Sverre Hurum, CEO

Erik Stubø, CFO

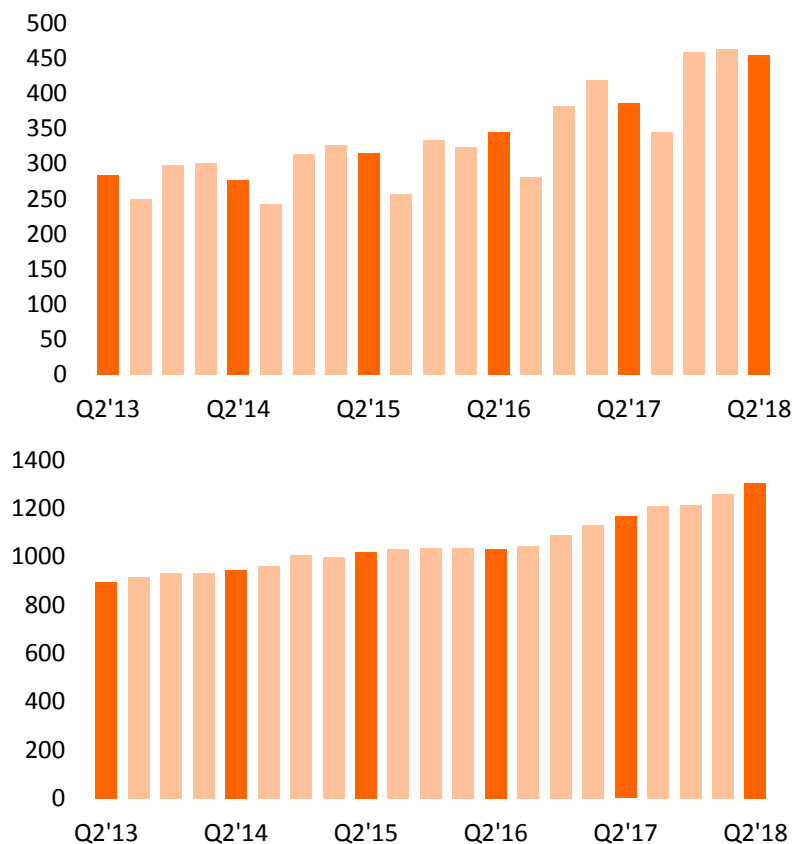
24 August 2018

# Highlights in the quarter

- Revenue and EBIT
  - Operating revenues increased by 17.6 percent to NOK 453.7 million (y-o-y)
  - EBIT increased by 51.5 percent to NOK 55.7 million (y-o-y)
- 1 304 employees
  - Up 44 from Q1'18
  - An increase of 138 in the past 12 months
- Strong market

**Revenue and number of employees**

MNOK and number

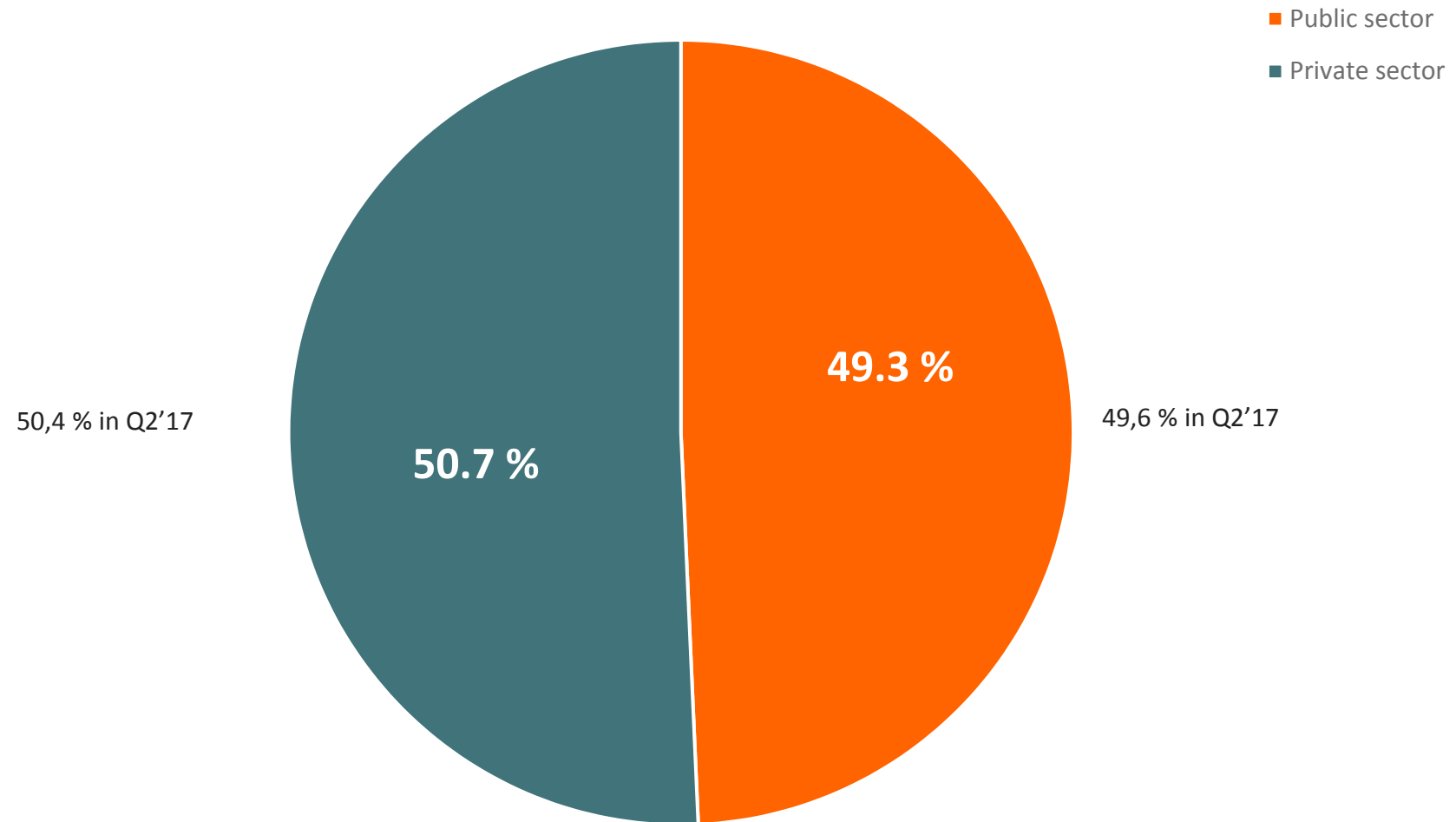




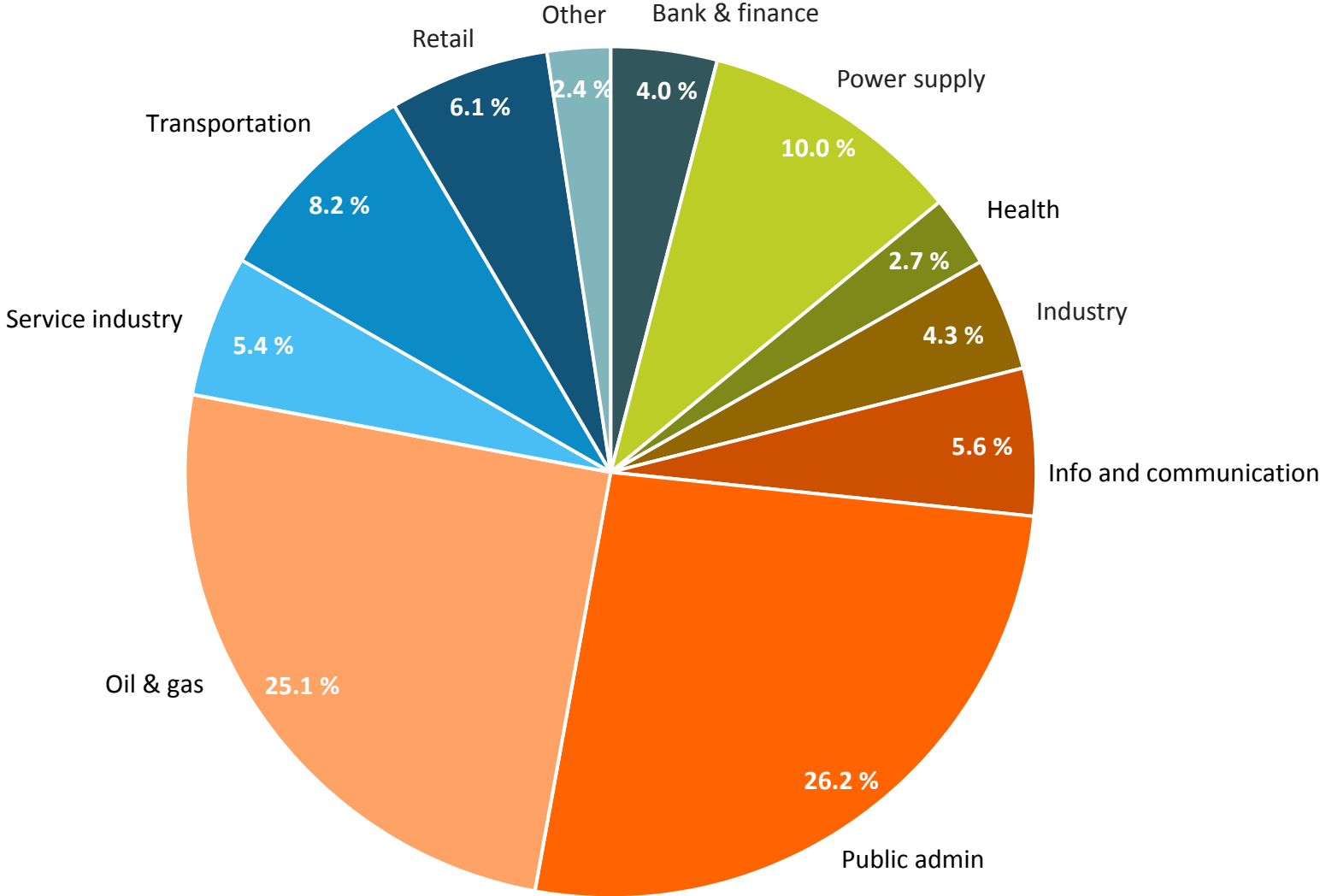
# Operational Review



# Public and private sector



# Business sectors Q2 2018



# Sectors with high increase in revenue

## ○ Public admin

- Increased by 9.4 percent (y-o-y)
- Represents 26.2 percent of total revenues in Q2'18

## ○ Oil & gas

- Increased by 40.3 percent (y-o-y)
- Represents 25.1 percent of total revenues in Q2'18

## ○ Power supply

- Increased by 27.0 percent (y-o-y)
- Represents 10.0 percent of total revenues in Q2'18

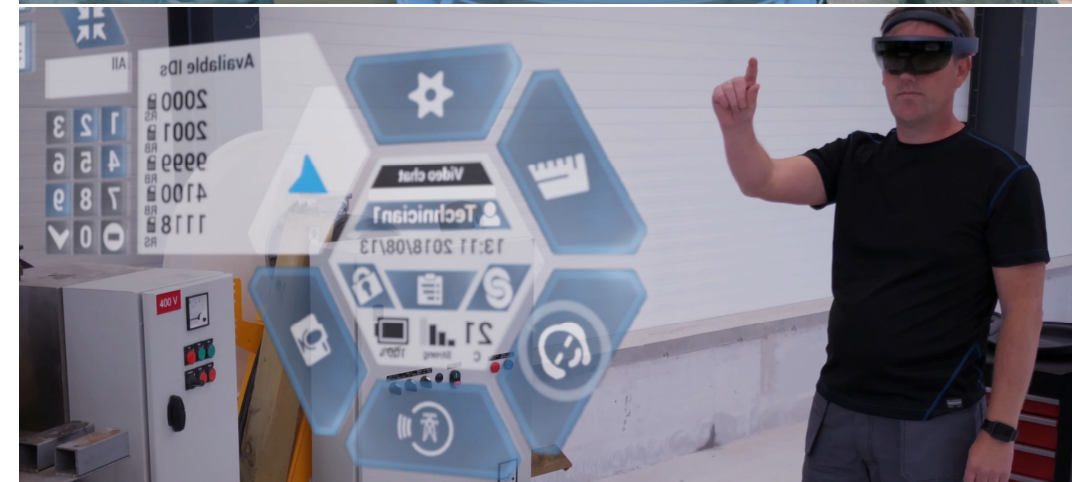
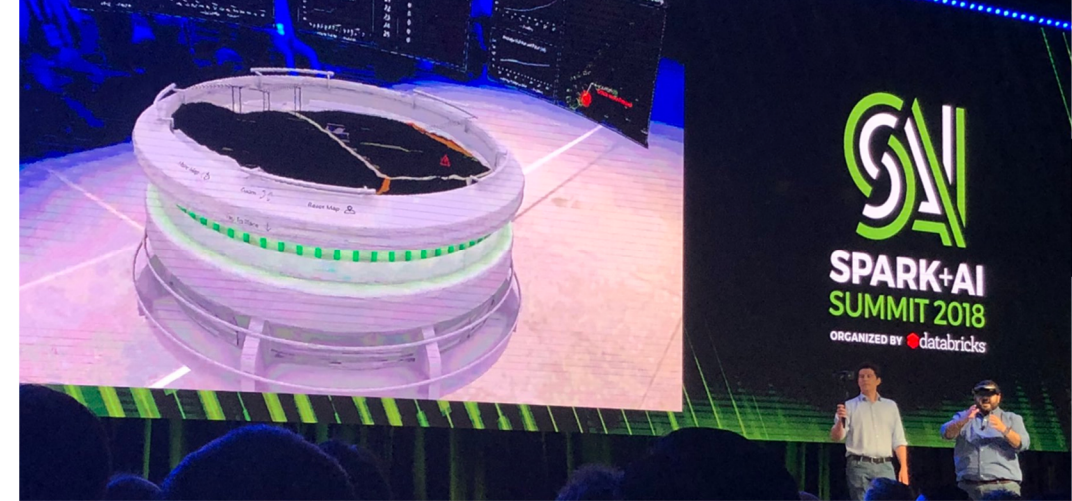
## ○ Info and communication

- Increased by 17.8 percent (y-o-y)
- Represents 5.6 percent of total revenues in Q2'18



# HoloLens app developed for eSmart Systems

- Connected drone mission analysis PoC
  - Part of eSmart's Connected Drone Program
  - Rich data visualisation of AI findings
  - Workflow for resolving issues and creating work orders
- Fully developed in-house by Bouvet's HoloLens team





## First Norwegian Mixed Reality Partner

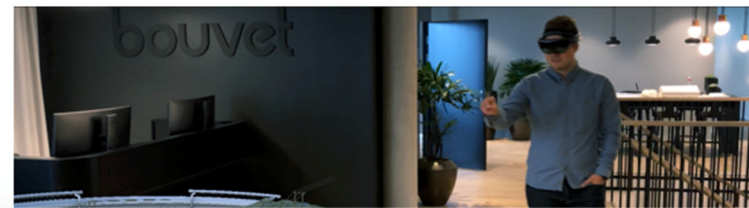
Matt Groom

16. aug. 2018

**Just before the Summer, Bouvet became the first Norwegian company to be accepted into the Microsoft Mixed Reality Partner Program.**

Today, we're delighted to announce that Bouvet has been accredited as a Microsoft Mixed Reality Partner. The Mixed Reality Partner Program is designed to enable and support partners that are committed to building transformative mixed reality solutions for their clients.

We live in a time where there is an incredible pace of technological change and enterprises everywhere are more focused than ever on digitilisation transformation. The companies that are at the forefront of embracing new technology paradigms, holistically throughout their organization, will be the ones that are competitively positioned for the future. Bouvet is at the leading edge of helping companies do this.







GAMING: Kjell Inge Skjønberg bygger et team av gamere og andre spesialister. (Eirik Helland Urke)

EQUINOR

## Equinor ansetter gamere til å ferdigstille oljeplattformer

Kan spare store kostnader.



AV: EIRIK HELLAND URKE | OLJE OG GASS | PUBLISERT: 17. JULI 2018 - 10:53



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Hvis du kan utvikle dataspill, åpner det seg nå nye karrieremuligheter i Norges største energiselskap. Vi har besøkt spesialteamet som utforsker helt nye arbeidsmetoder for industrien.



Da Equinor (den gang Statoil) bestemte seg for å satse friske milliarder på digitalisering i 2016, ble de ansatte utfordret på hva det skulle innebære.

Kjell Inge Skjønberg ved utviklingskontoret i Trondheim hadde i høyeste grad en digital jobb



Equinors Forskningscenter på Rotvoll i Trondheim. (Foto: Eirik Helland Urke)



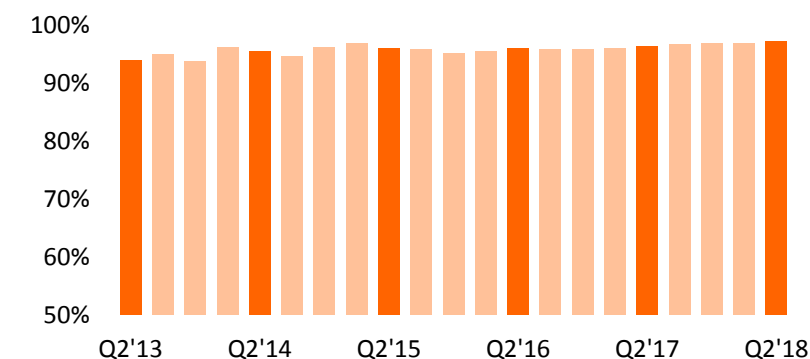
Marianne Slørdahl i Bouvet jobber som QA og testansvarlig i VR/AR-teamet. (Foto: Eirik Helland Urke)

# Customer and project mix

- Project mix
  - Variable contracts account for 97.2 percent of total revenues
- Customer portfolio
  - The 10 largest customers represent 37.4 percent of total revenues – up from 34.8 percent in Q2'17
  - The 20 largest customers represent 49.6 percent of total revenues – up from 47.4 percent in Q2'17

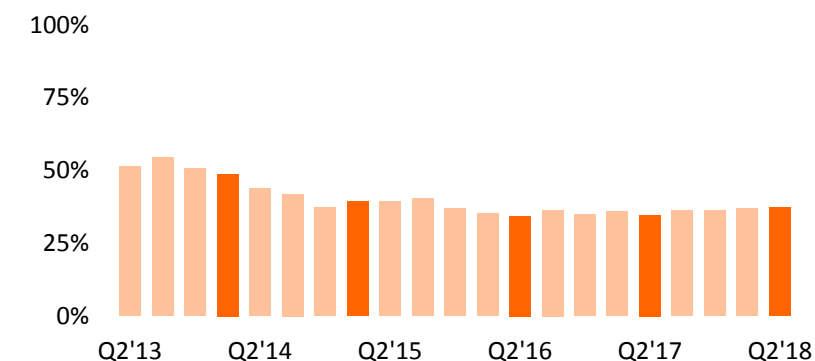
**Variably priced contracts share of revenues**

Percentage



**10 largest customers share of revenues**

Percentage



# Customer development

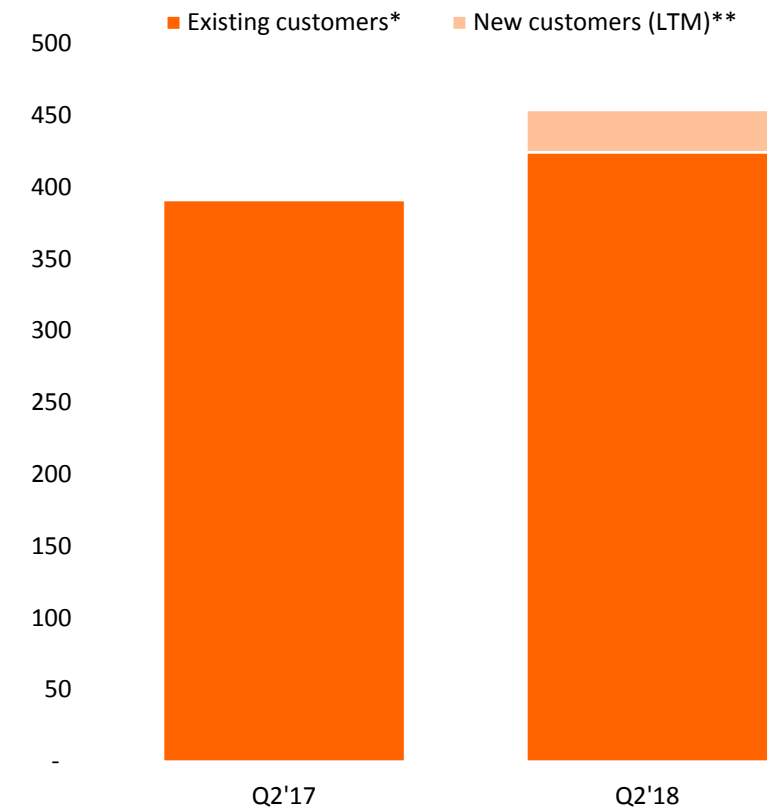
- Existing customers\*
  - Accounted for 93.5 percent of revenues in Q2'18
- New customers\*\*
  - Customers won over the past year generated revenues of NOK 29.3 million in Q2'18

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

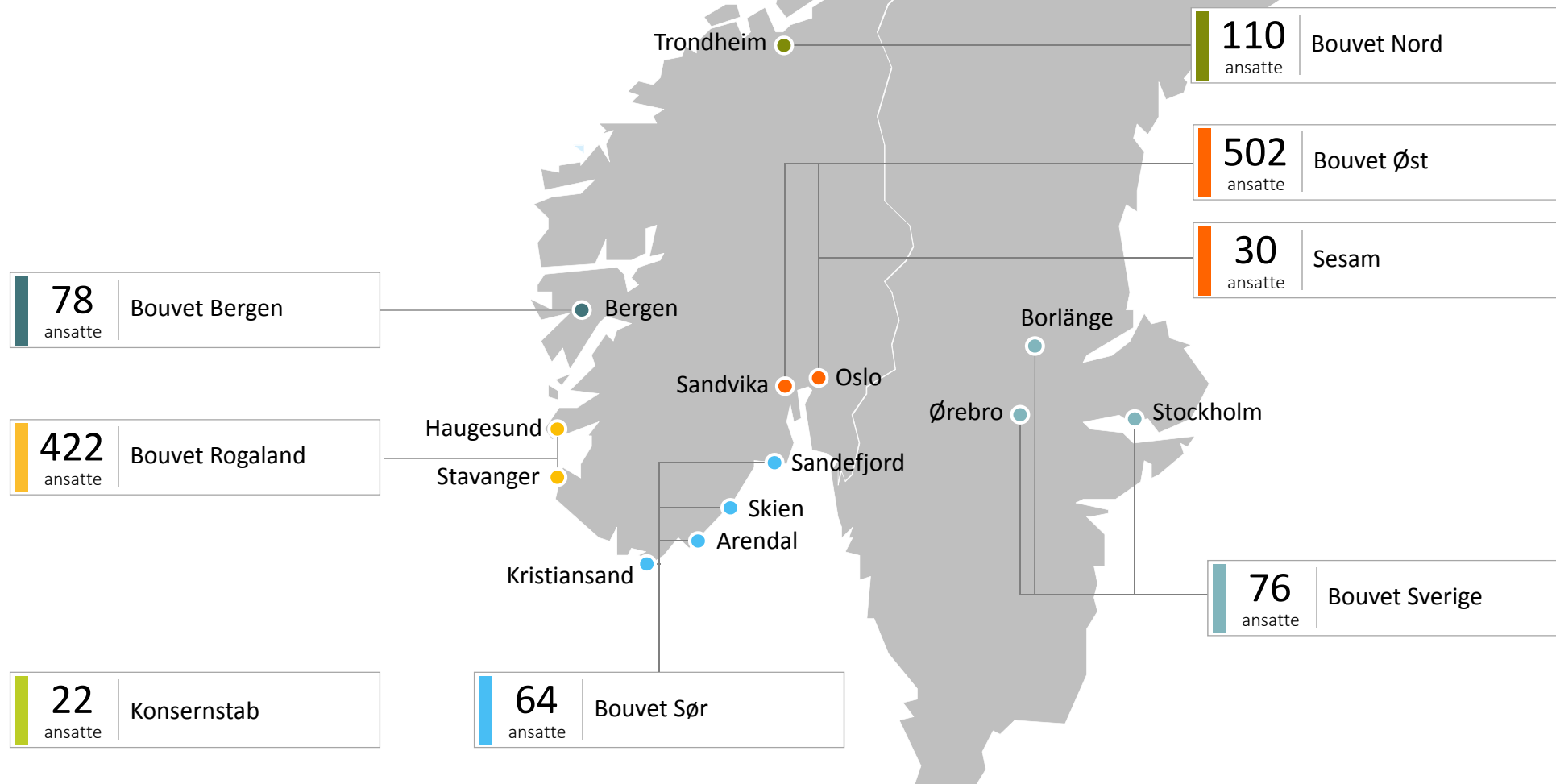
\*\* New customers defined as customers won since end of corresponding quarter last year

## Revenue customer split

MNOK



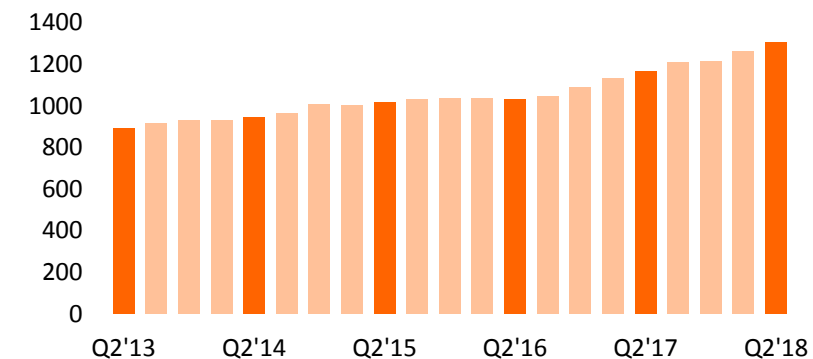
# Regional organisation



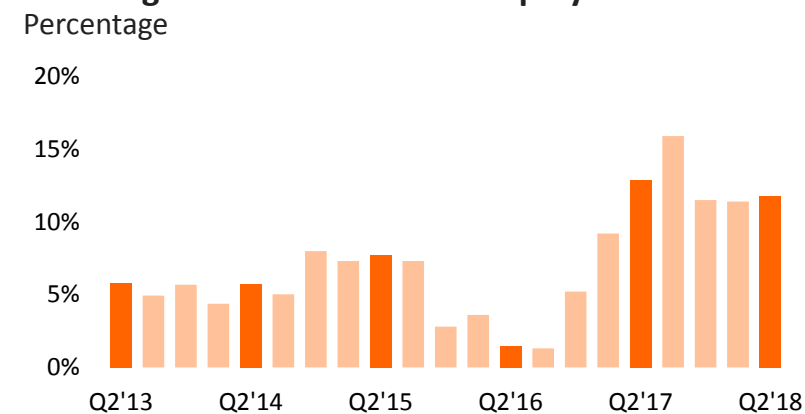
# Enthusiastic and competent employees

- 1 304 employees at the end of the quarter
  - Up 44 from Q1'18
  - 138 more employees in the past 12 months
  - Average number of employees in the quarter up 11.2 percent from Q2'17

**Number of employees end of quarter**



**Annual growth in number of employees**



# Enthusiastic employees



## Bouvetjentene stakk av med den gjeveste prisen!

Regine Sagstad Berg

4. juni 2018

Camilla, Britt Marie og Catriona var deltakere i ett av to bouvetlag som var påmeldt årets Hackathon under Festspillene i Bergen. Målet var å bygge en tidlig utgave av en digital delingsplattform for det som skjer innen kunst og kultur i Bergen, og laget bouvetjentene stakk til slutt av med prisen for Beste konsept (20.000 kr).

- Vi lager denne løsningen for at folk skal ha lyst til å bruke ideen vår. Da må vi høre med publikum om dette er noe som er interessant, sa Camilla Knutsen i et intervju med Bergen kommune. Laget hennes hadde vandret rundt på Festplassen i Bergen for å snakke med tilfeldige bergensere om konseptet de hadde kommet opp med.



## Hacket seg til toppen i Paranoia Challenge 2018!

Ylva Seiff Berge

23. aug. 2018

Deltakere fra IT-bedrifter i hele landet konkurrerte om å være Norges beste hacker i Paranoia Challenge 2018. Eivind fra Bouvet kom på tredjeplass i finalen.

- Det var veldig overraskende for meg å komme så høyt opp på lista. Jeg har alltid vært interessert i cybersikkerhet og hacking og den slags. Men det har alltid vært litt vanskelig å vite hvor man skal begynne. Å komme så høyt opp på første forsøk hadde jeg aldri trodd, sier Eivind Andreas Arvesen som ved en tilfeldighet ble med på Paranoia Challenge 2018.

### The Challenge

Paranoia Challenge 2018 er en konkurranse i cybersikkerhet. Der deltakere fra en rekke norske virksomheter, som til daglig jobber med IT eller sikkerhet, møtes til en uhøytidelig kamp som utfordret både kunnskaper og evne til å løse offensive og defensive oppgaver.



## Vant pris for masteroppgave om treningsspill

7. juni 2018

Jonas André Dalseth vant Norsk Regnesentrals pris for beste masteroppgave innen matematikk og IKT delt ut ved NTNU med oppgaven "Fitogotchi - An Exergame Designed to Change People's Everyday Physical Activity Habits".

- Denne prisen kom helt uventet. Det føles helt fantastisk å få prisen for en oppgave jeg har jobbet så mye med og brent så mye for, det er en kjempe- anerkjennelse, sier Jonas André Dalseth i Bouvet.

### Treningsspill for gamere

Masteroppgaven «Fitogotchi - An Exergame Designed to Change People's Everyday Physical Activity Habits» gikk ut på å designe et spillkonsept som skulle motivere til fysisk aktivitet hos gamere. Målet var å se på hvordan et spill kan påvirke folks hverdagsaktivitet, og se på hvordan man kan motivere en gruppe mennesker til å bli mer fysisk aktive igjennom et spill.



# Financial Review

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# Key figures

MNOK	Three months ending			Twelve months ending		
	30.06.2018	30.06.2017	Change	30.06.2018	30.06.2017	Change
<b>Operating revenue</b>	453.7	385.7	17.6 %	1 718.6	1 467.4	17.1 %
Operating profit (EBIT)	55.7	36.8	51.5 %	172.4	123.0	40.2 %
EBIT margin	12.3 %	9.5 %		10.0 %	8.4 %	
Ordinary profit before tax	55.3	37.6	47.2 %	171.9	123.7	39.0 %
<b>Profit for the period</b>	42.9	28.3	51.5 %	133.7	94.3	41.8 %
EPS (fully diluted)	4.19	2.72	54.2 %	13.05	9.20	41.9 %
Net cash flow operations	31.8	6.2	412.5 %	173.3	97.7	77.4 %
Equity ratio	31.9 %	32.0 %		31.9 %	32.0 %	
Cash and cash equivalents	87.7	56.0	56.4 %	87.7	56.0	56.4 %
Number of employees (end of period)	1 304	1 166	11.8 %	1 304	1 166	11.8 %
Number of employees (average)	1 287	1 156	11.2 %	1 237	1 100	12.5 %

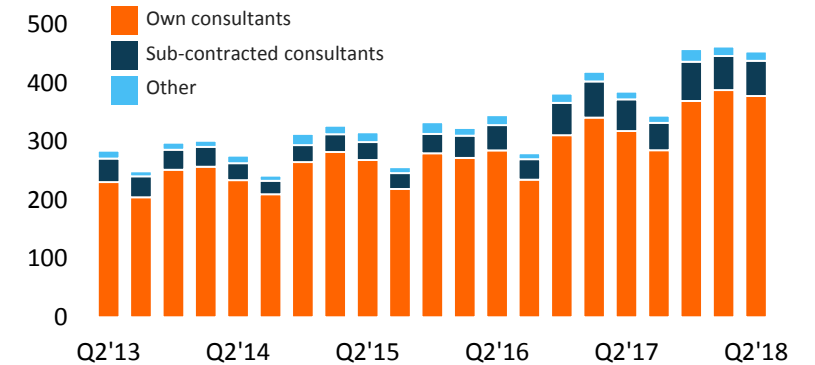


# Revenue

- Revenues increased by 17.6 percent y-o-y
  - Revenues from own consultants increased by 18.7 percent to NOK 377.9 million
  - Revenues from sub-contracted consultants increased by 10.8 percent to NOK 60.0 million
  - Other revenues increased by 19.9 percent to NOK 15.8 million

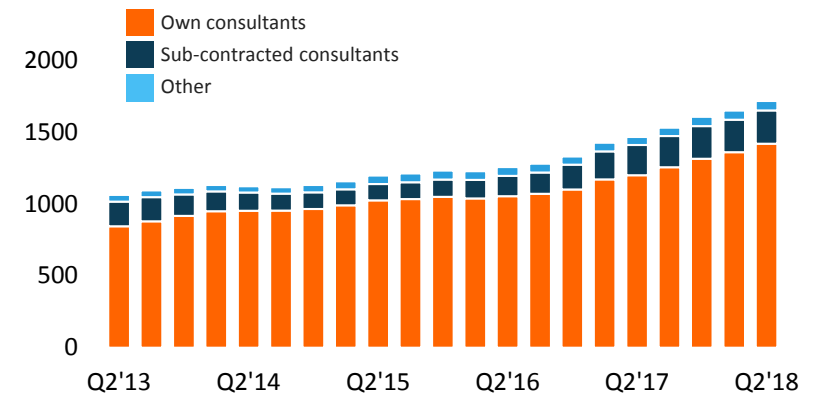
Revenue split (quarterly figures)

MNOK



Revenue split (12 months rolling average)

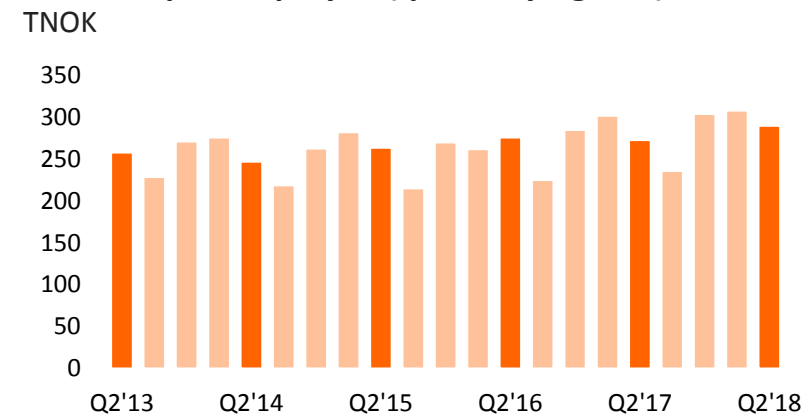
MNOK



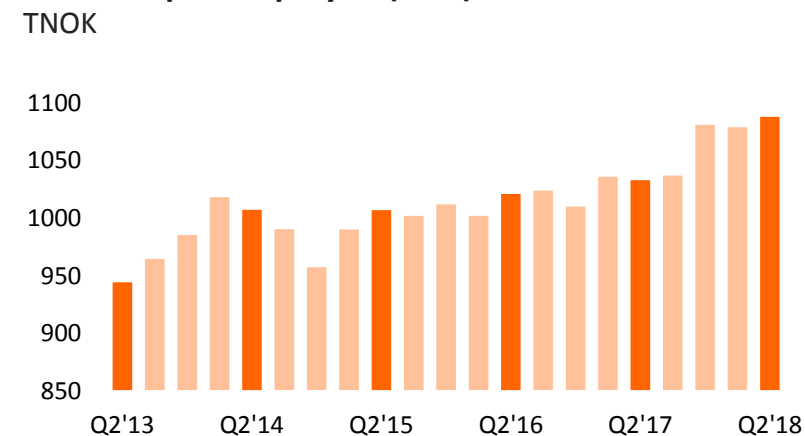
# Revenues from own consultants

- Increased 18.7 percent y-o-y
  - Positive impact from increase in billing ratio by 0.7 percentage points
  - Positive impact from 11.2 percent increase in average number of employees
  - Positive impact from 3.5 percent increase in prices for group hourly services
  - 60 workdays in Q2'18– two more than Q2'17

**Revenue per employee (quarterly figures)**

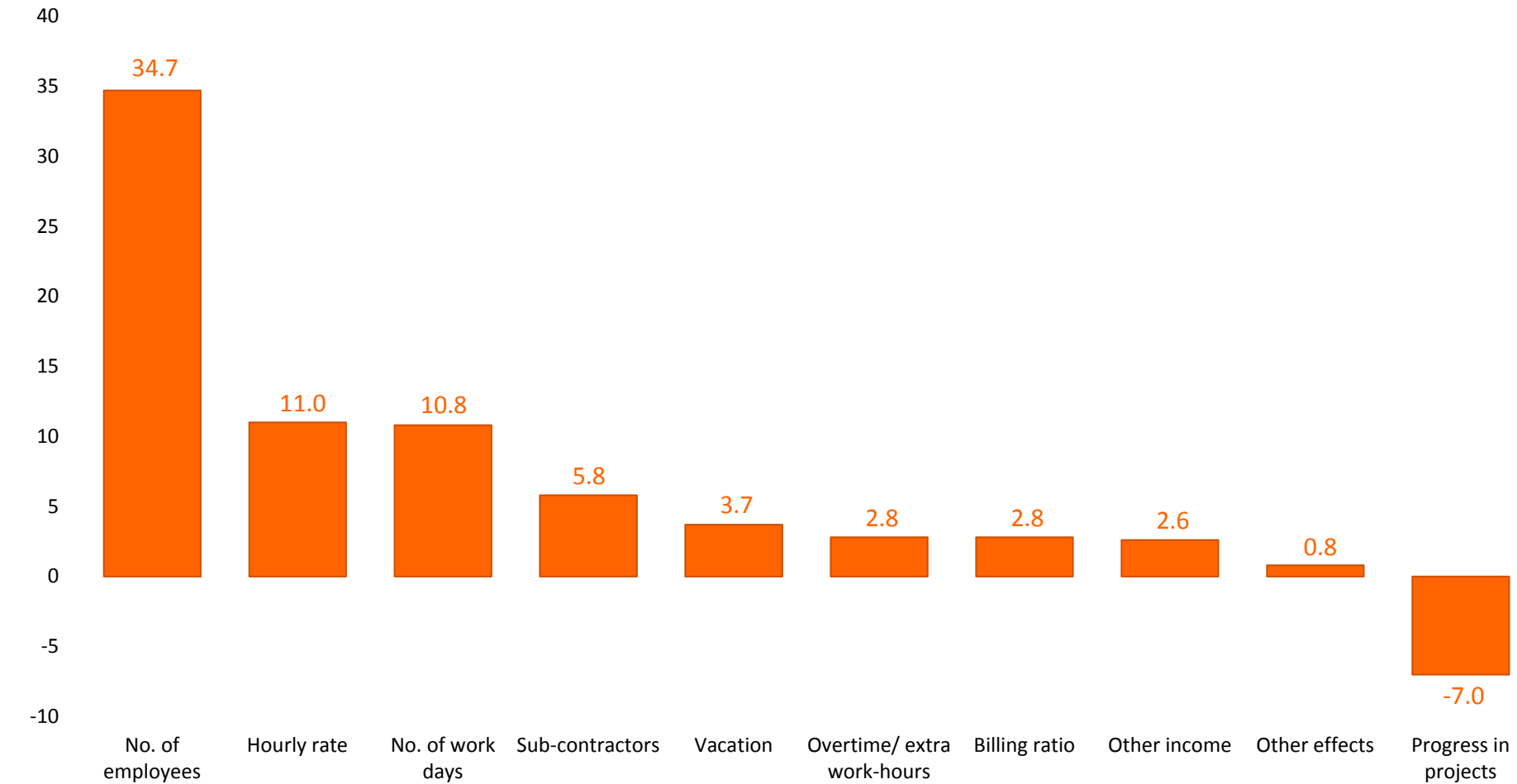


**Revenue per employee (LTM)**



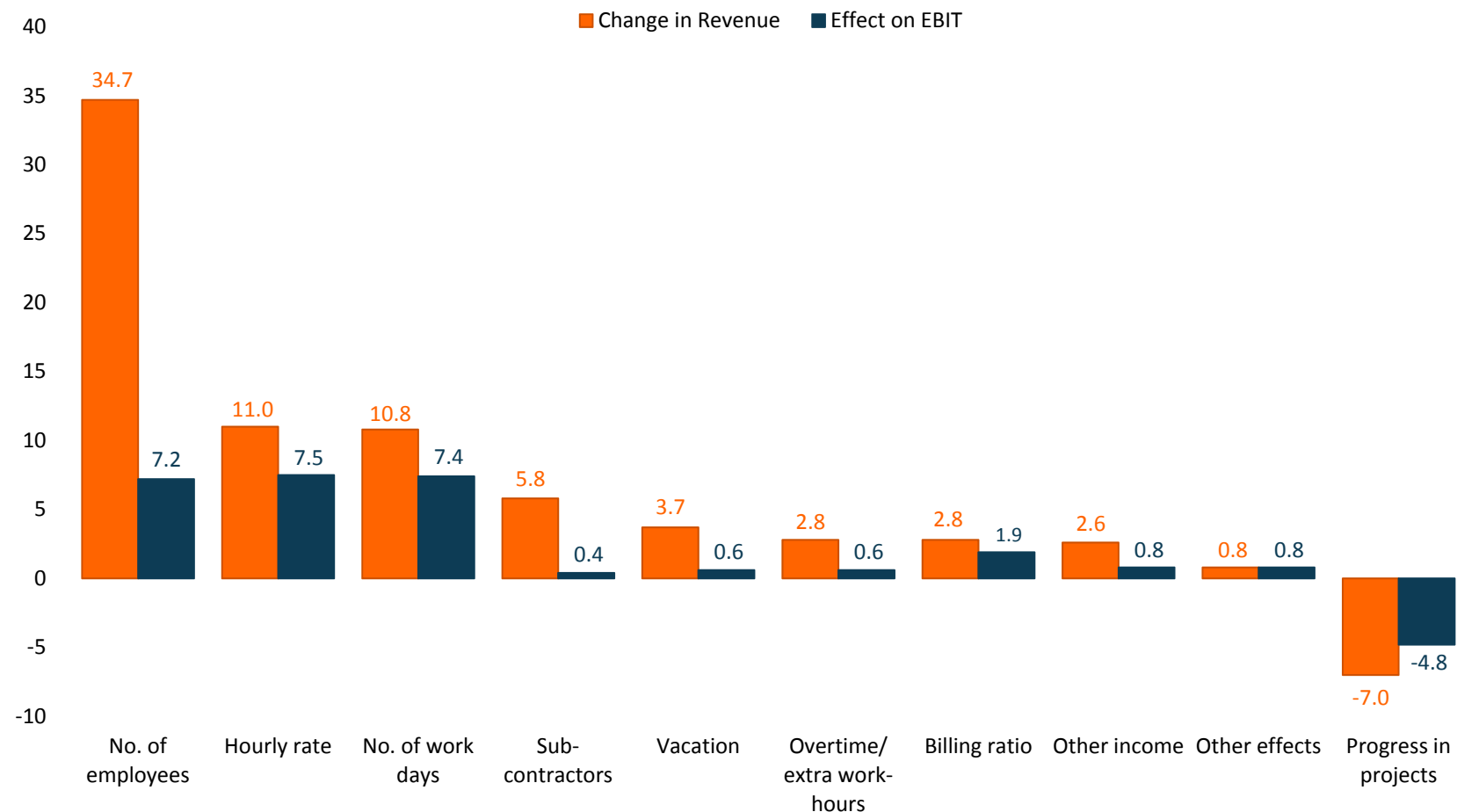
# Analysis of change in revenues y-o-y

Revenue  
MNOK



# Change in revenues – effect on EBIT

Revenue  
MNOK

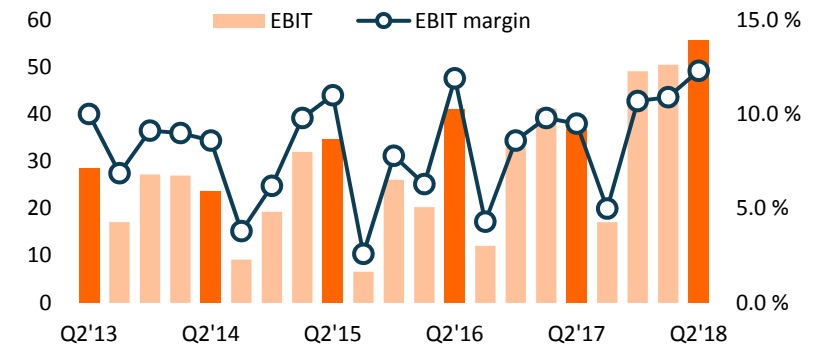


# Earnings

- Operating profit (EBIT) up by 51.5 percent to NOK 55.7 million
- EBIT margin of 12.3 percent compared to 9.5 percent in Q2'17
- Operating expenses increased by 14.1 percent compared to Q2'17
- General growth in pay rate 1.7 percent y-o-y
- Other operating expenses increased 24.0 percent

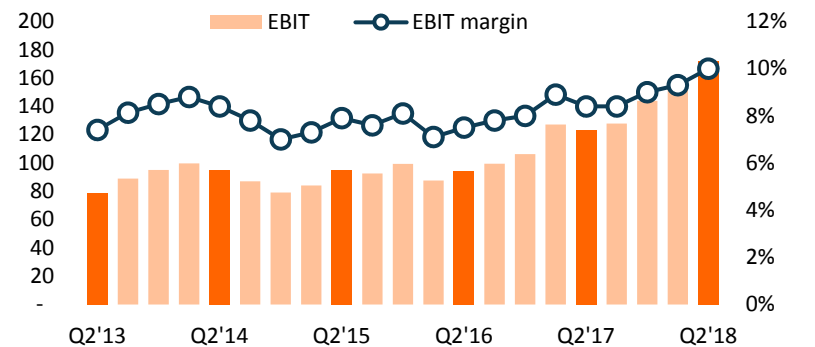
## EBIT and EBIT margin

MNOK and Percent



## EBIT and EBIT margin (LTM)

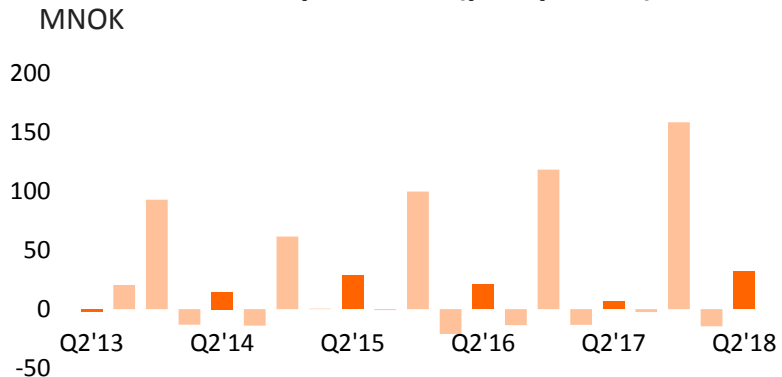
MNOK and Percent



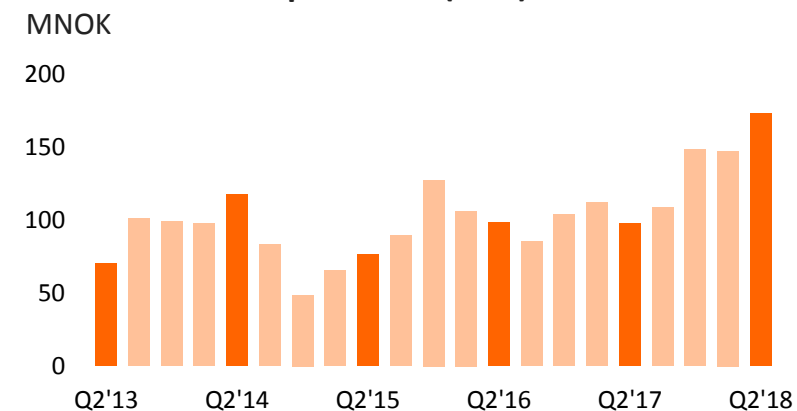
# Cash flow

- Cash flow from operations
  - NOK 31.8 million in Q2'18 compared to NOK 6.2 million in Q2'17
- Last 12 months
  - Operational cash flow over the last 12 months was NOK 173.3 million
- Cash flow from investing activities
  - Negative NOK 16.0 million compared to negative NOK 6.5 million in Q2'17

Cash flow from operations (per quarter)



Cash flow from operations (LTM)



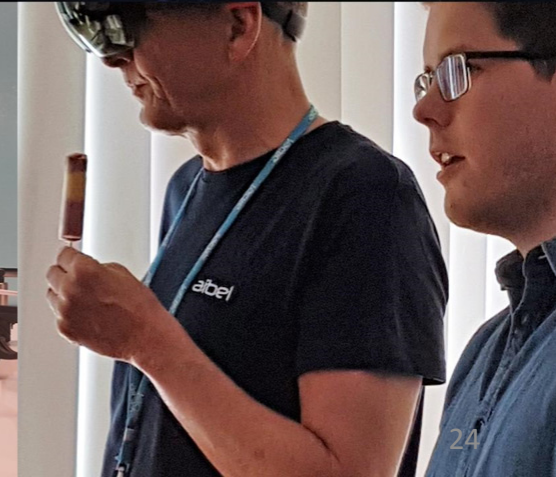
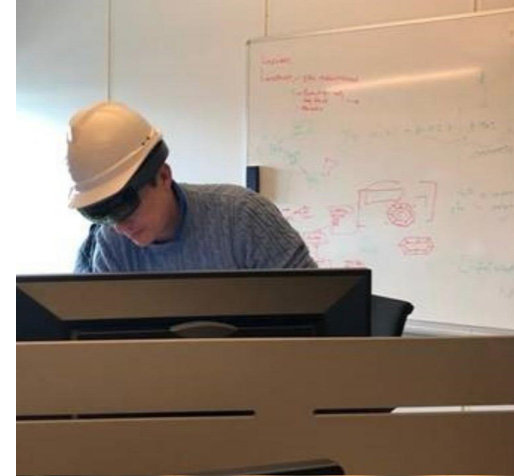


# Outlook



# Outlook

- High demand
- Increased demand for platform, IoT and cloud competence
- Increased use of virtual reality, augmented reality and mixed reality
- Too low delivery capacity in the IT consultancy sector





# Shareholders as of 24.08.2018

Shareholders	Number of shares	% of total
VARNER KAPITAL AS	1 070 000	10,44 %
VPF NORDEA AVKASTNING	985 331	9,61 %
STENSHAGEN INVEST AS	736 699	7,19 %
MP PENSJON PK	523 904	5,11 %
HURUM SVERRE FINN	508 366	4,96 %
VEVLEN GÅRD AS	453 502	4,42 %
VIRTUS KAR INTERNATIONAL	431 745	4,21 %
PROTECTOR FORSIKRING ASA	369 218	3,60 %
STUBØ ERIK	237 866	2,32 %
UBS SWITZERLAND AG	204 030	1,99 %
SIX SIS AG	200 000	1,95 %
STOREBRAND NORGE I VERDIPAPIRFOND	174 929	1,71 %
TELENOR PENSJONSKASSE	154 141	1,50 %
VPF NORDEA KAPITAL	125 000	1,22 %
VOLLE ANDERS	120 083	1,17 %
DYVI INVEST AS	120 000	1,17 %
STATE STREET BANK AND TRUST COMP	100 972	0,99 %
BOUVET ASA	97 053	0,95 %
STOREBRAND VEKST VERDIPAPIRFOND	82 586	0,81 %
RADIG NILS-HÅKAN	75 043	0,73 %
<b>Number of shares held by the 20 largest shareholders</b>	<b>6 770 468</b>	<b>66,05 %</b>