



bouvet

# Interim presentation First quarter 2020

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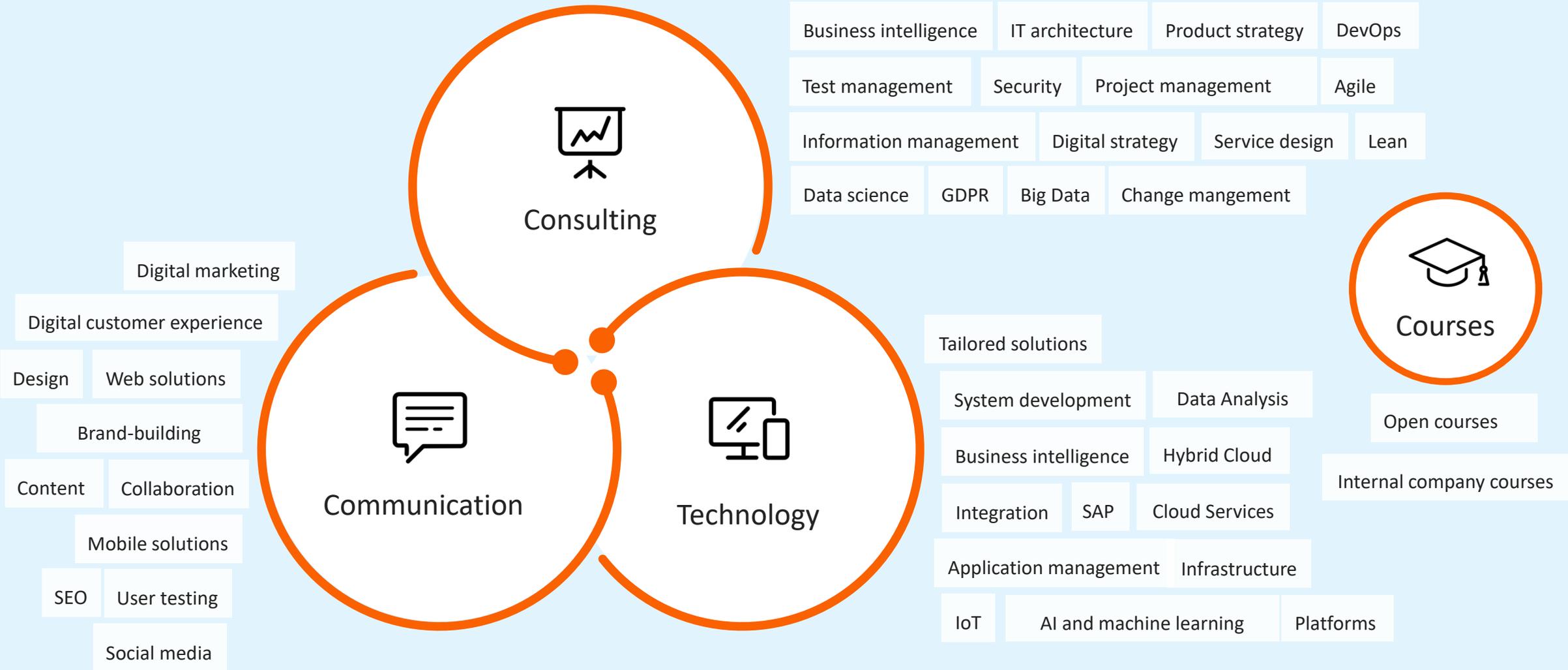
19. May 2020

Sverre Hurum, CEO

Erik Stubø, CFO

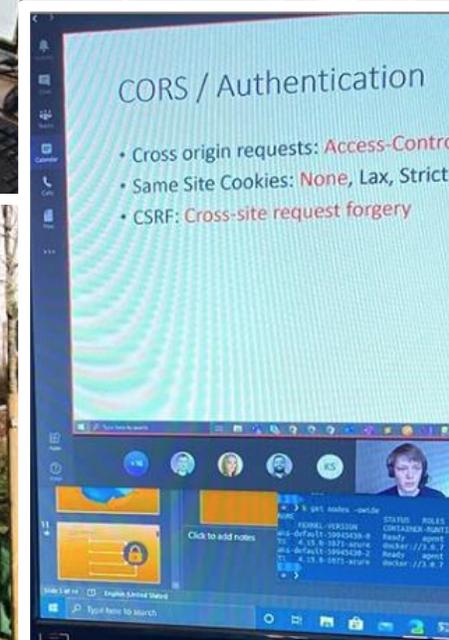
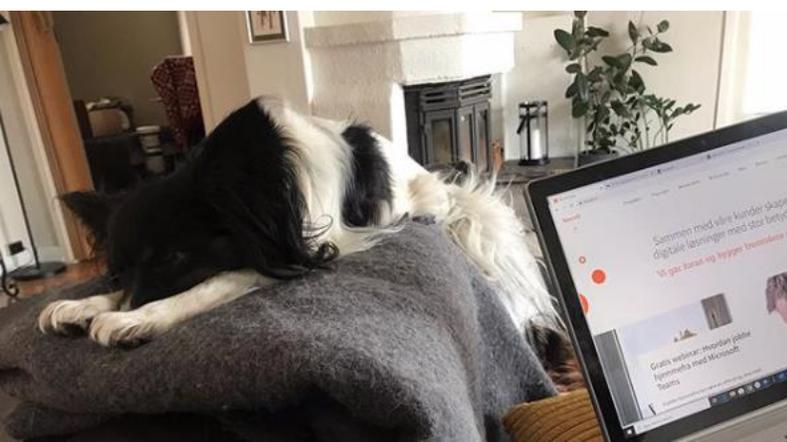


# Our services





# Remote work





# Breakfast seminars and courses



## Kommunikasjon og ledelse

Online kurs: Effektiv budskapsformidling hjemmefra

Online kurs: Virtuell ledelse (3 moduler)

Online kurs: Det virtuelle teammøtet

Online kurs: Virtuell coaching

Jobb effektivt på hjemmekontoret

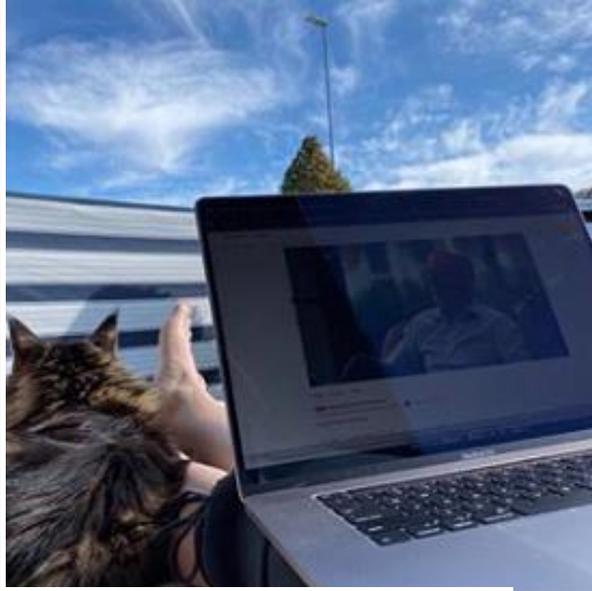
bouvet \*\*\*

## Power Platform for the enterprise

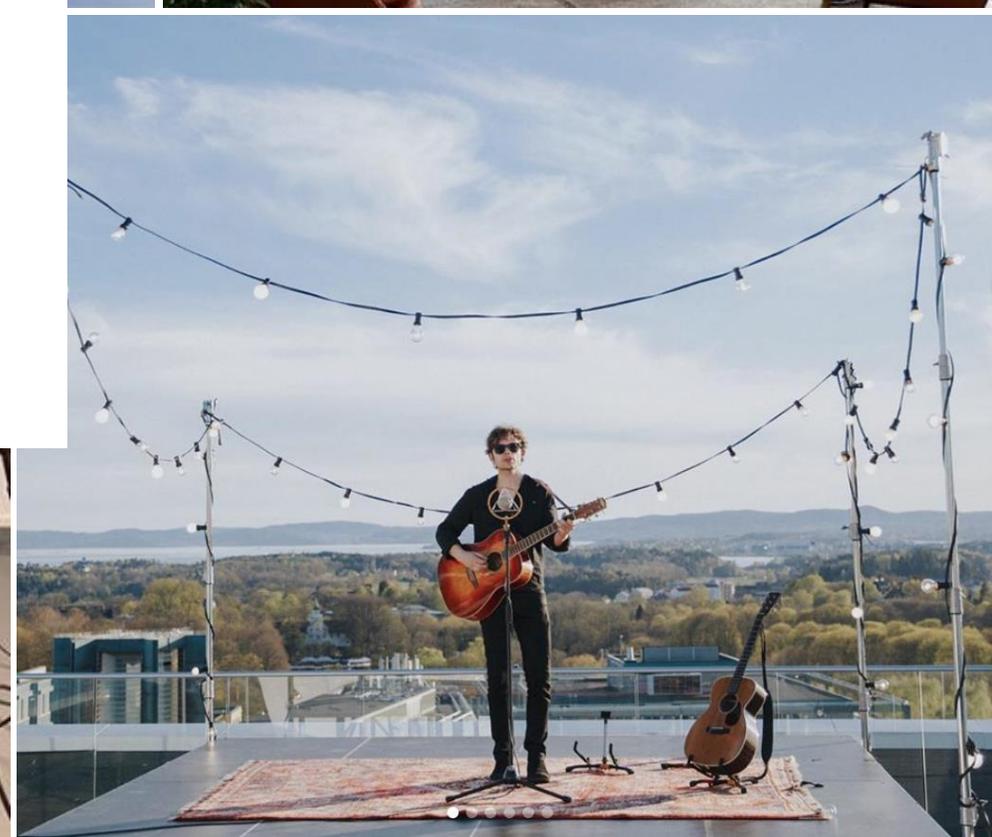
23.04.2020  
18:00

Arild Aarnes

Enhetsleder – Bouvet Rogaland



# BouvetOne

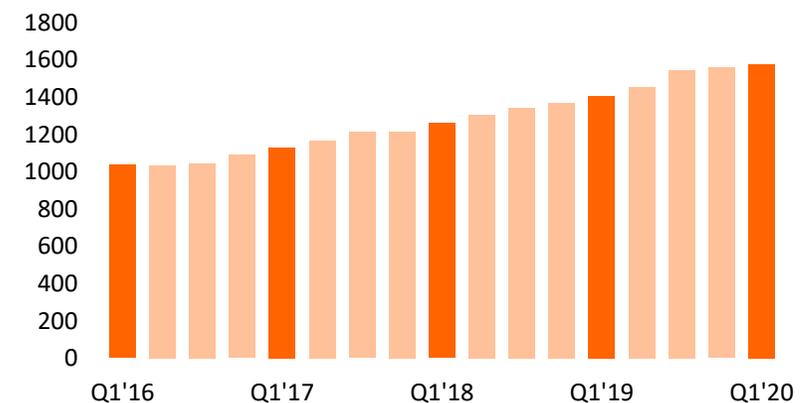
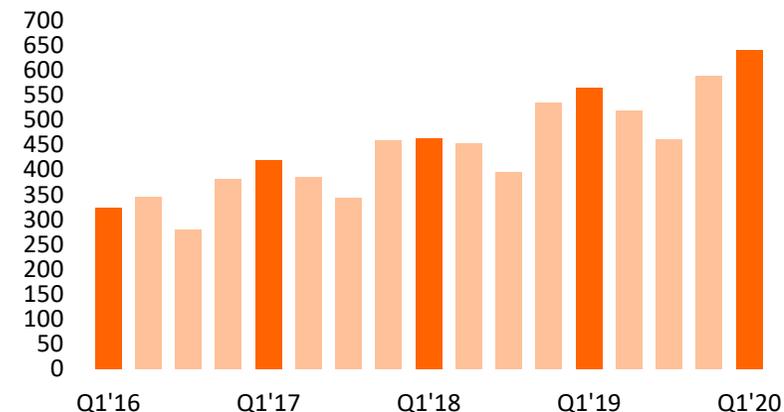


# Highlights in the quarter

- Revenue and EBIT
  - Operating revenues increased by 13.6 percent to NOK 641.2 million (y-o-y)
  - EBIT increased by 20.0 percent to NOK 82.6 million (y-o-y)
- 1 575 employees
  - Up 18 from Q4'19
  - An increase of 170 in the past 12 months
- Dividend NOK 8.25 per share

## Revenue and number of employees

MNOK and number

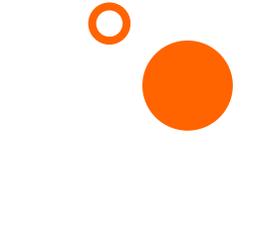


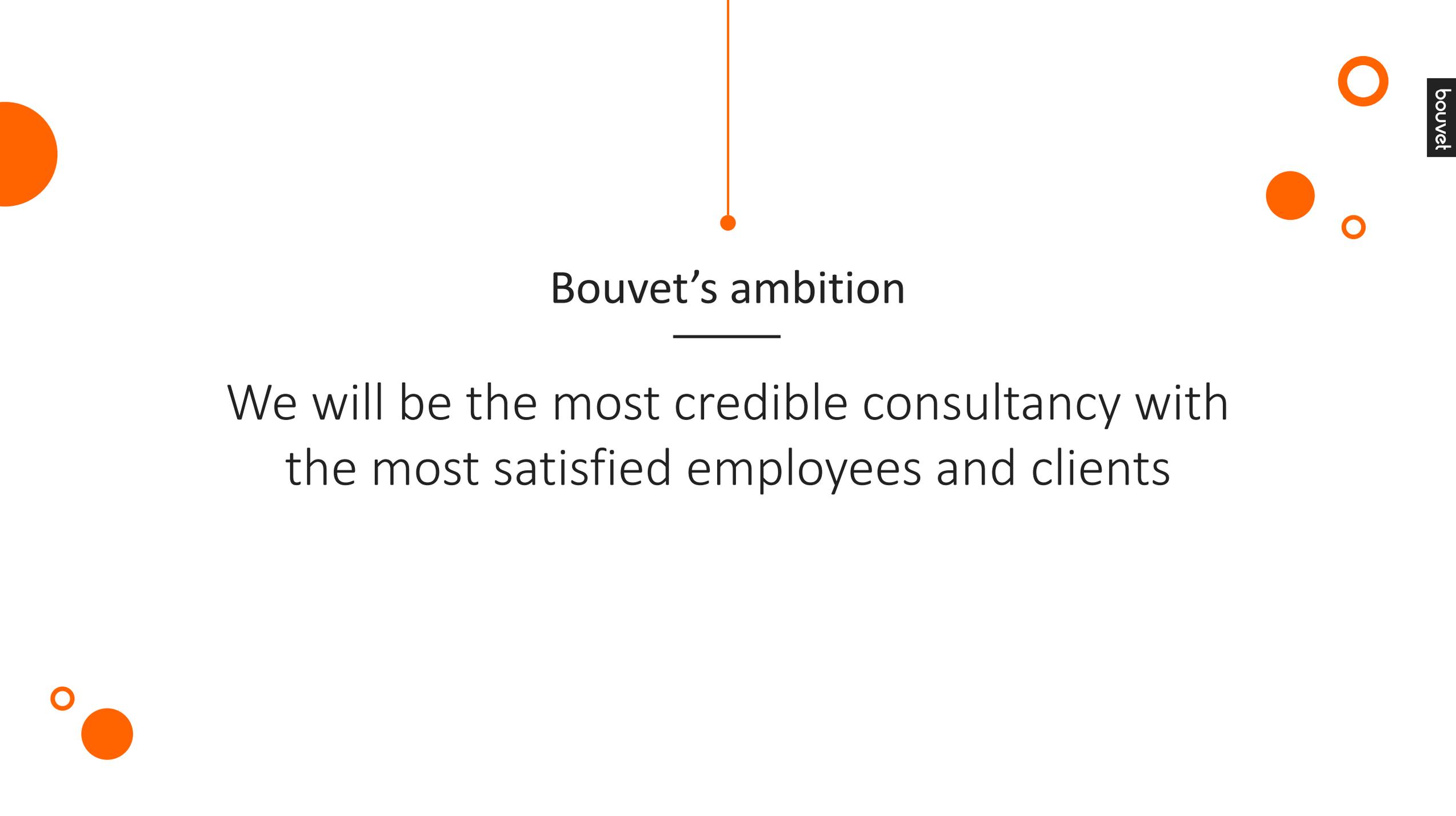


## Bouvet's vision

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We lead the way and  
build tomorrow's society



A vertical orange line with a solid orange dot at the bottom, extending from the top edge of the slide. Several orange circles of various sizes are scattered around the slide: a large solid circle on the left edge, a medium solid circle and a small hollow circle on the right edge, and a small hollow circle and a medium solid circle in the bottom-left corner.

## 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



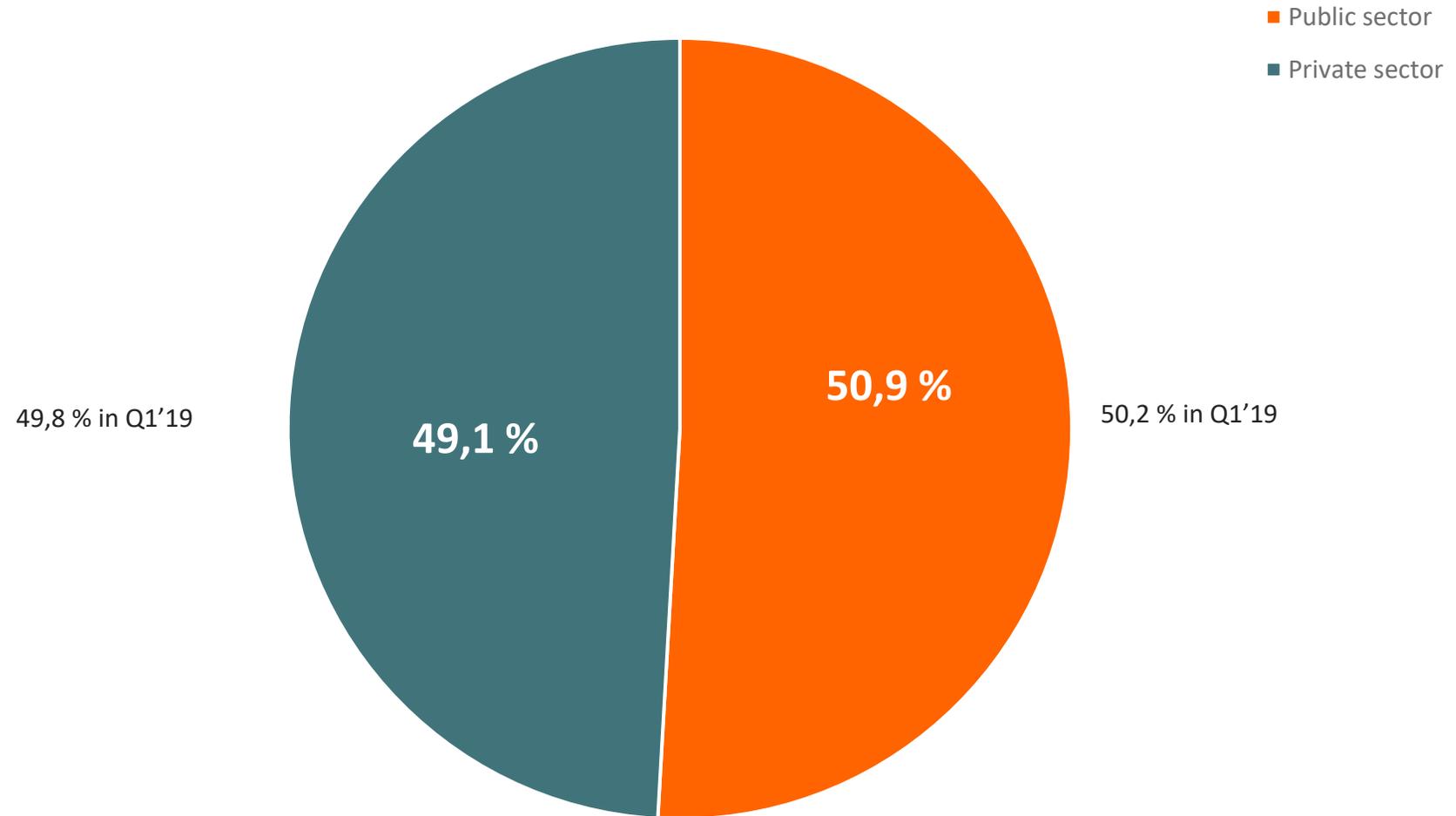
Successful business



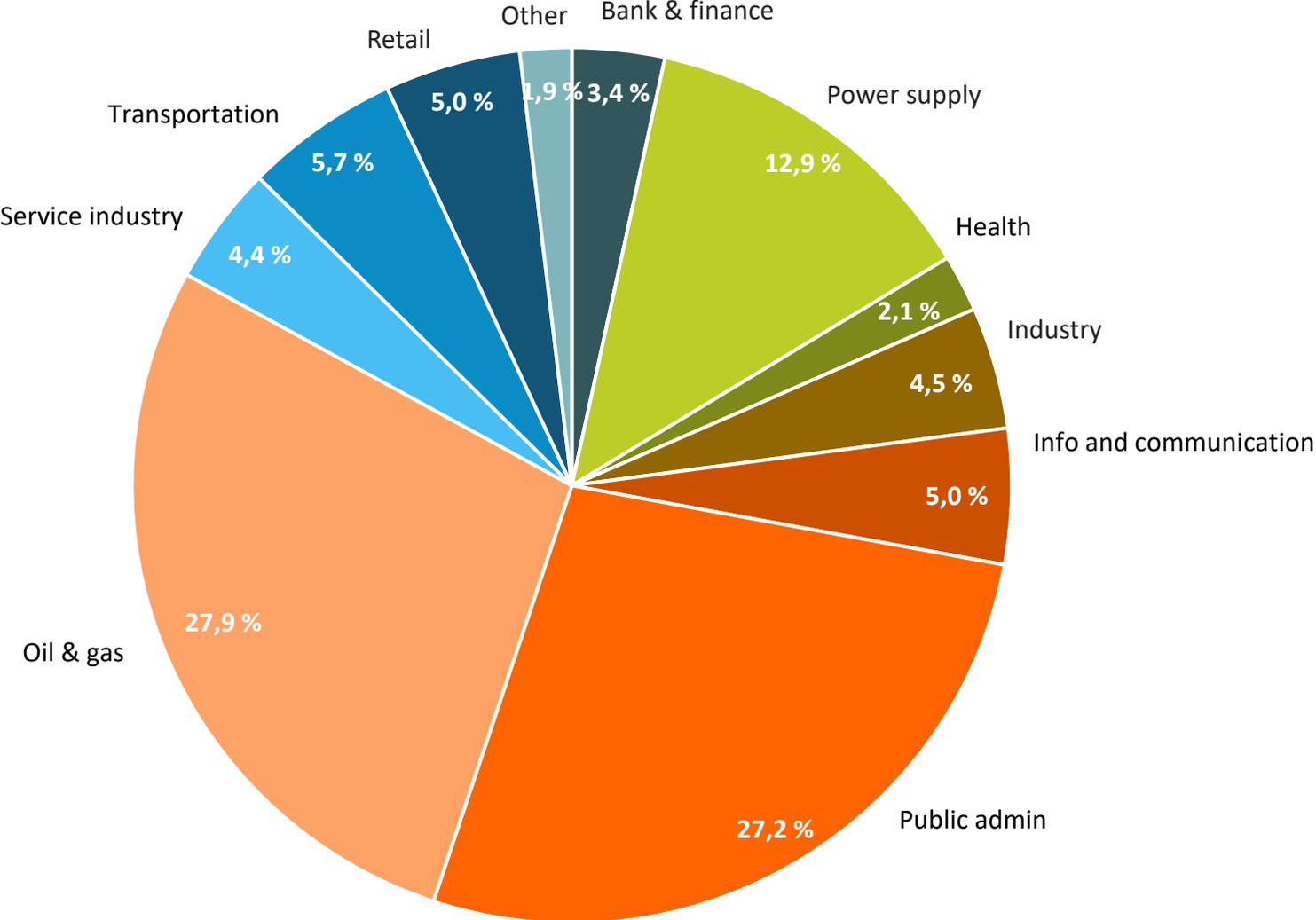
# Operational Review

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# Public and private sector



# Business sectors Q1 2020



# The four largest sectors

## ○ Oil & gas

- Increased by 22.5 percent (y-o-y)
- Represents 27.9 percent of total revenues in Q1'20

## ○ Public admin

- Increased by 12.8 percent (y-o-y)
- Represents 27.2 percent of total revenues in Q1'20

## ○ Power supply

- Increased by 46.1 percent (y-o-y)
- Represents 12.9 percent of total revenues in Q1'20

## ○ Transportation

- Decreased by 22.4 percent (y-o-y)
- Represents 5.7 percent of total revenues in Q1'20



# Bouvet's contribution to the Covid-19 situation

- City of Bergen
  - New reports for the crisis management team
- Norwegian Tax Administration
  - Application form for business compensation scheme
- Norwegian Institute of Public Health
  - Safety assessment of the “Stop Infection” application
  - Self-reporting system to monitor the pandemic
- Public Health Agency of Sweden
  - “SmiNet” infection tracker
- Bergen Light Rail (Bybanen)
  - Reports which monitor the number of travellers on the Bergen Light Rail system to avoid crowded carriages
- Laerdal
  - Solution for health workers to train on patients infected with Covid-19



- Central Norway Regional Health Authority's IT department (HEMIT)
  - Pandemic register
- City of Oslo
  - Residents app for infection follow-up
  - Patient journeys
  - Recruitment base for volunteer health personnel
- Bouvet's lab
  - Participated in national voluntary work making face shields for infection control

# Unique digital collaboration

- AltInn Digital supports user-friendly communication and collaboration between the public and private sectors and with individuals
  - Supports development of digital forms and mails
  - Offers APIs which make it possible to develop and deliver new digital services with unique user experiences
- Bouvet's deliveries
  - User experience
  - Communication
  - System development

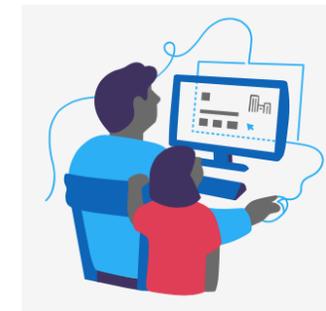
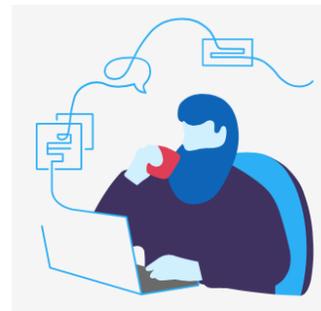
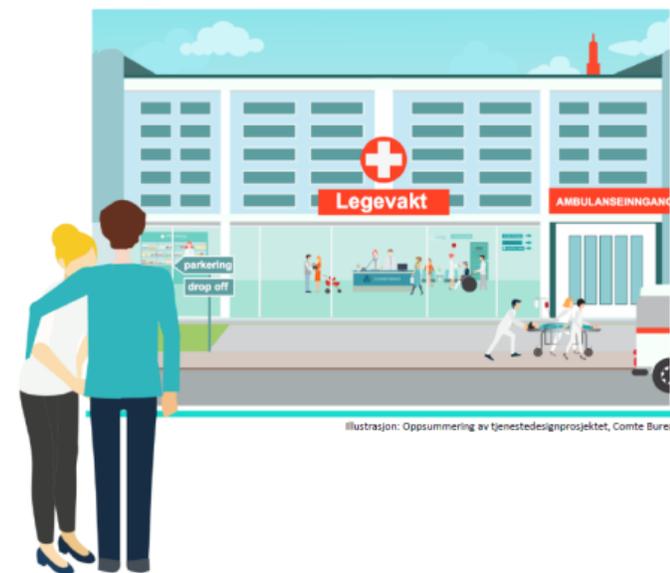


Illustration: Sandra Blikås, Byhands

# Enhanced information flow

- The City of Oslo is building a new emergency ward. Its IT challenges are:
  - Emergency care functions need better and more holistic IT support
  - The flow of information is often disrupted
  - Information is locked down in silo systems
- Results
  - Information flow throughout the patient journey
  - A platform-based approach to enhance collaboration between health services
  - Flexible IT architecture to facilitate rapid change
- Bouvet's deliveries
  - Information architecture
  - Enterprise architecture



# Customer and project mix

- Project mix
  - Variable contracts account for 98.8 percent of total revenues
- Customer portfolio
  - The 10 largest customers represent 42.8 percent of total revenues – up from 39.0 percent in Q1'19
  - The 20 largest customers represent 53.6 percent of total revenues – up from 50.5 percent in Q1'19

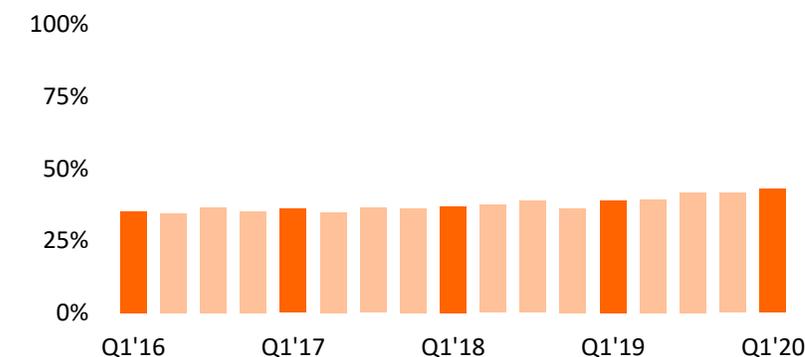
**Variably priced contracts share of revenues**

Percentage



**10 largest customers share of revenues**

Percentage



# Customer development

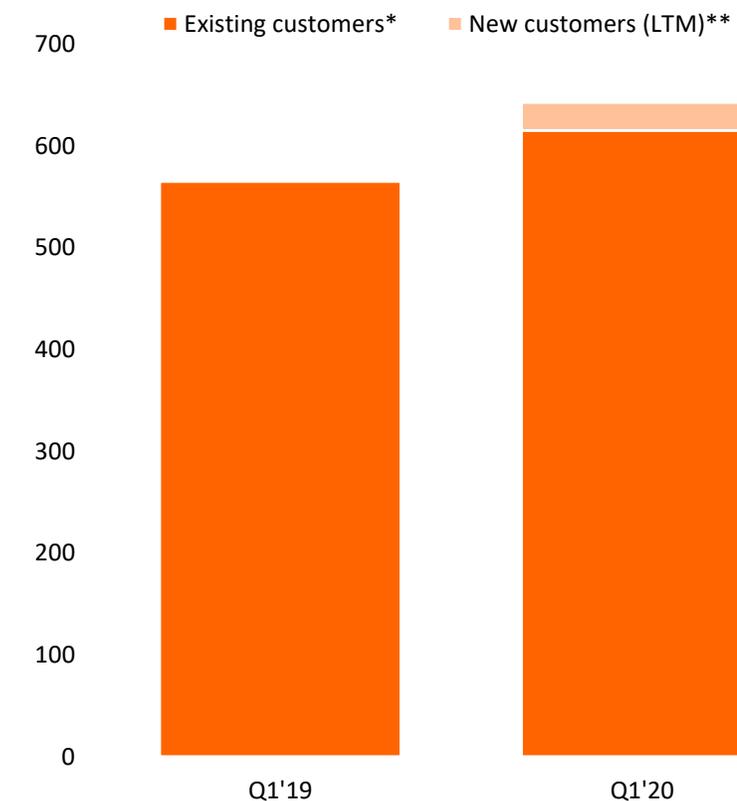
- Existing customers\*
  - Accounted for 95.7 percent of revenues in Q1'20
- New customers\*\*
  - Customers won over the past year generated revenues of NOK 27.4 million in Q1'20

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

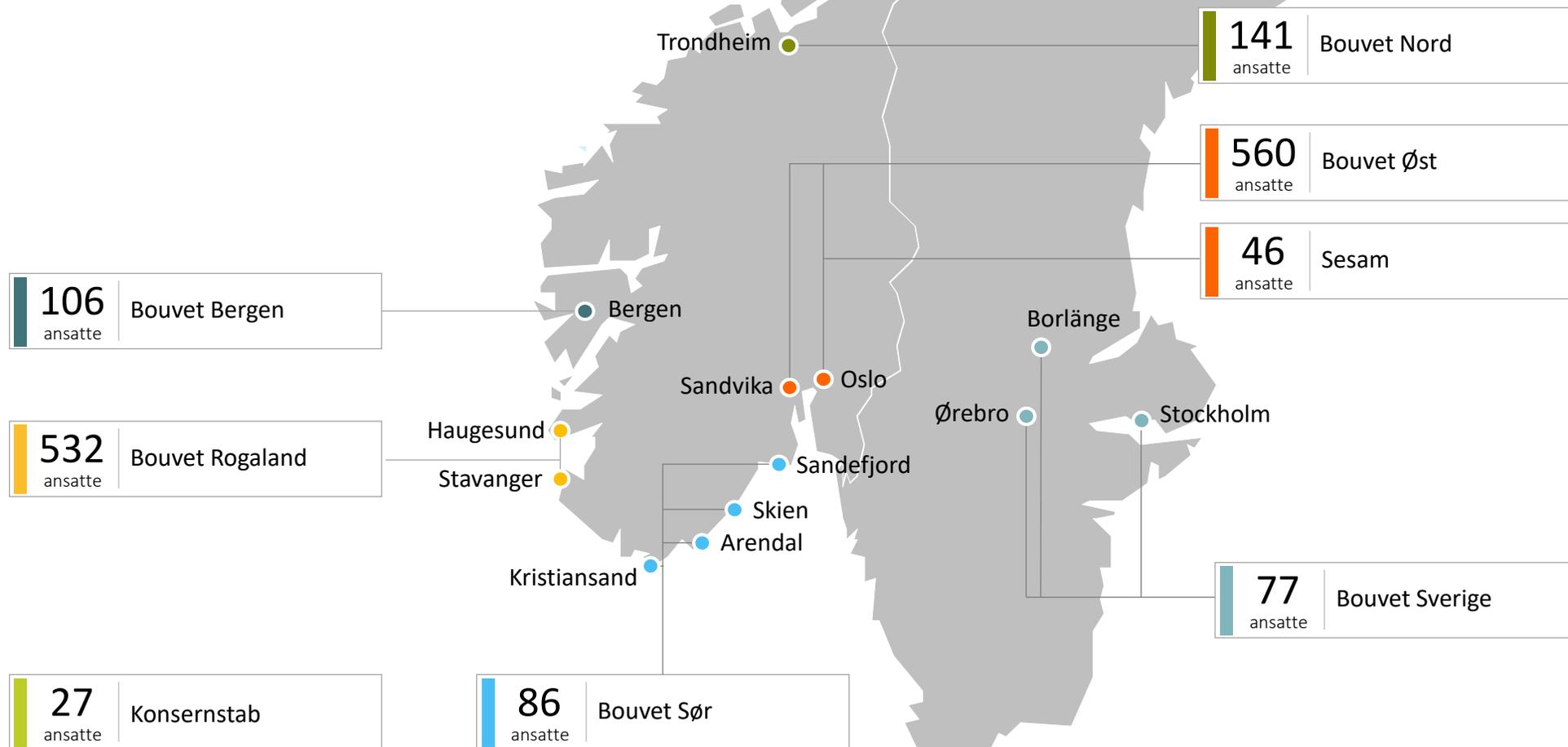
\*\* New customers defined as customers won since end of corresponding quarter last year

Revenue customer split

MNOK



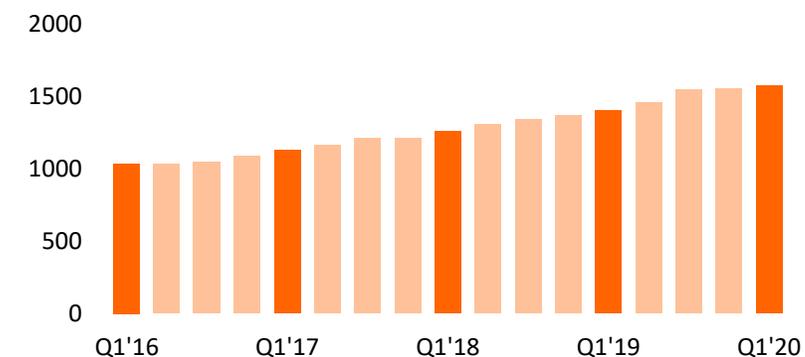
# Regional organisation



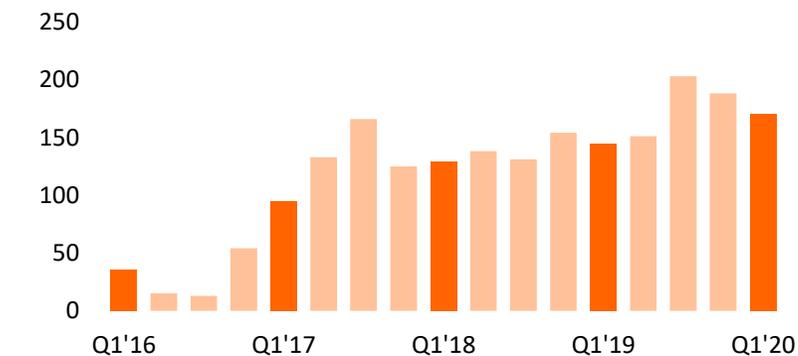
# Enthusiastic and competent employees

- 1 575 employees at the end of the quarter
  - Up 18 from Q4'19
  - 170 more employees in the past 12 months
  - Average number of employees in the quarter up 12.3 percent from Q1'19

Number of employees end of quarter



Annual growth in number of employees





# Financial Review



# Key figures

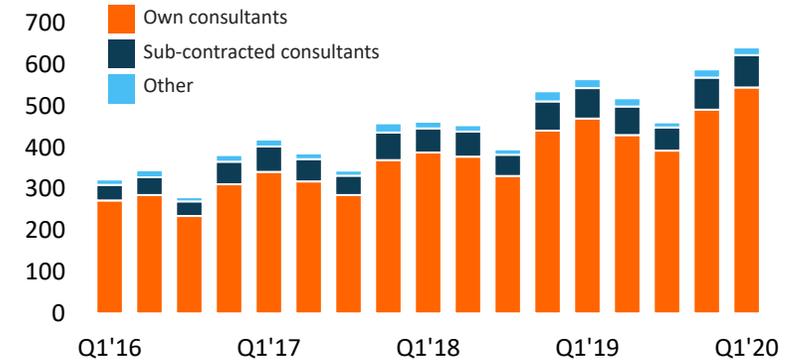
MNOK	Three months ending			Twelve months ending		
	31.03.2020	31.03.2019	Change	31.03.2020	31.03.2019	Change
<b>Operating revenue</b>	641.2	564.3	13.6 %	2 209.0	1 948.8	13.4 %
Operating profit (EBIT)	82.6	68.8	20.0 %	245.8	209.9	17.1 %
EBIT margin	12.9 %	12.2 %		11.1 %	10.8 %	
Ordinary profit before tax	83.2	68.5	21.4 %	242.9	210.4	15.4 %
<b>Profit for the period</b>	64.7	53.4	21.0 %	191.4	165.3	15.8 %
EPS (fully diluted)	6.24	5.16	20.8 %	18.51	16.07	15.2 %
Net cash flow operations	47.1	4.3	N/A	319.9	237.8	34.5 %
Equity ratio	31.1 %	29.2 %		31.1 %	29.2 %	
Liquid assets	372.0	267.1	39.3 %	372.0	267.1	39.3 %
Number of employees (end of period)	1 575	1 405	12.1 %	1 575	1 405	12.1 %
Number of employees (average)	1 569	1 398	12.3 %	1 517	1 344	12.9 %

# Revenue

- Revenues increased by 13.6 percent y-o-y
  - Revenues from own consultants increased by 16 percent to NOK 544.6 million
  - Revenues from sub-contracted consultants increased by 6.8 percent to NOK 78.3 million
  - Other revenues decreased by 14.6 percent to NOK 18.3 million

**Revenue split (quarterly figures)**

MNOK



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

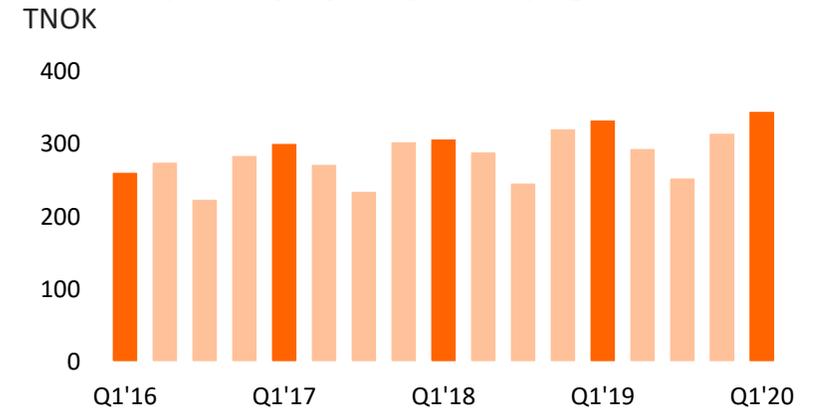
MNOK



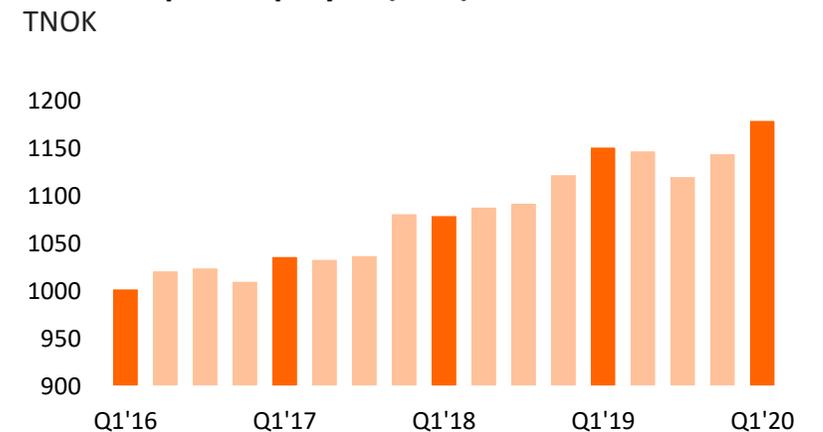
# Revenues from own consultants

- Increased 16 percent y-o-y
  - Positive impact from 12.3 percent increase in average number of employees
  - Positive impact from 3.8 percent increase in prices for group hourly services
  - Negative impact from decrease in billing ratio by 1 percentage points
  - 64 workdays in Q1'20 – one more than Q1'19

Revenue per employee (quarterly figures)

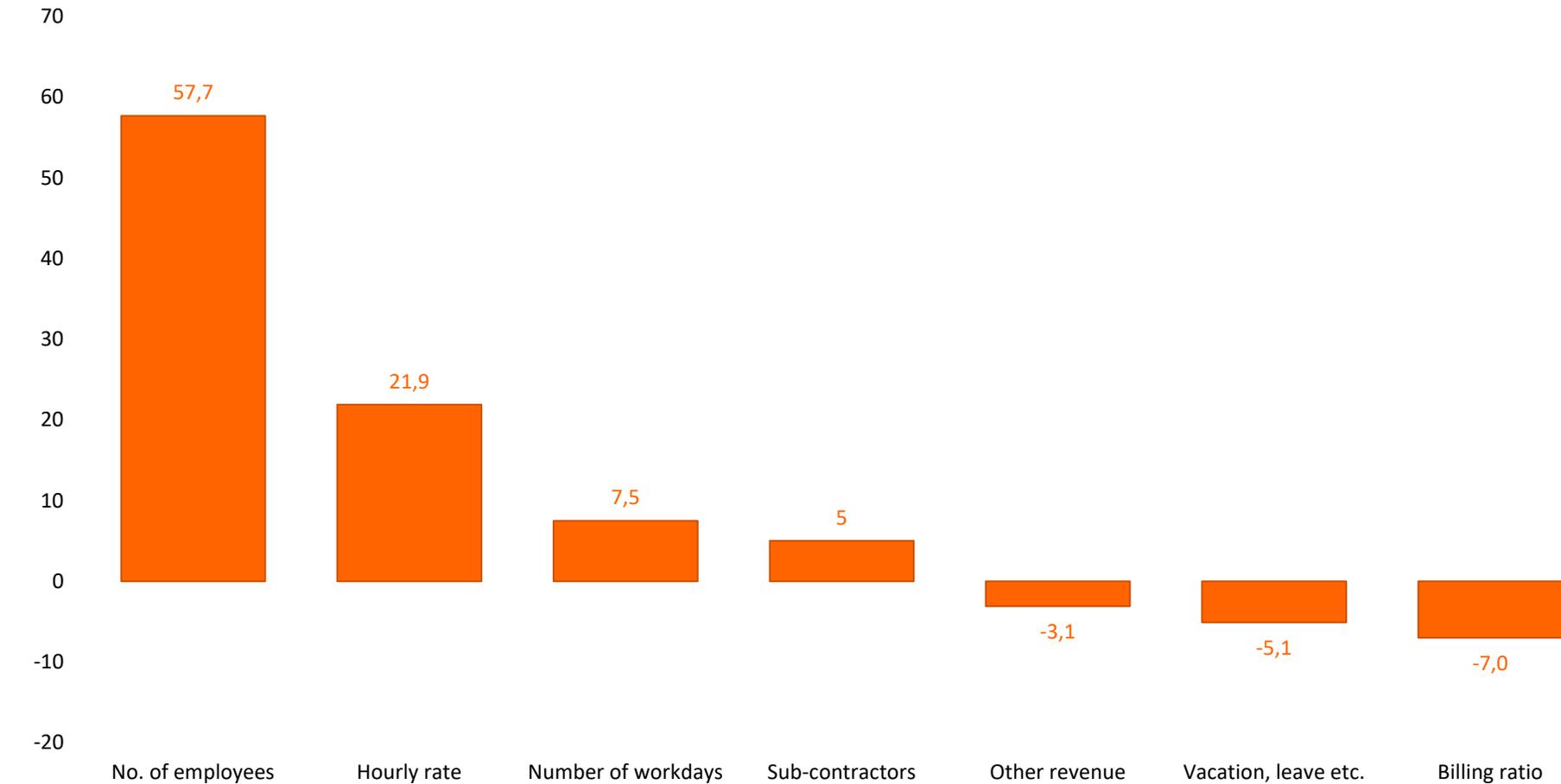


Revenue per employee (LTM)



# Analysis of change in revenues y-o-y

Revenue  
MNOK

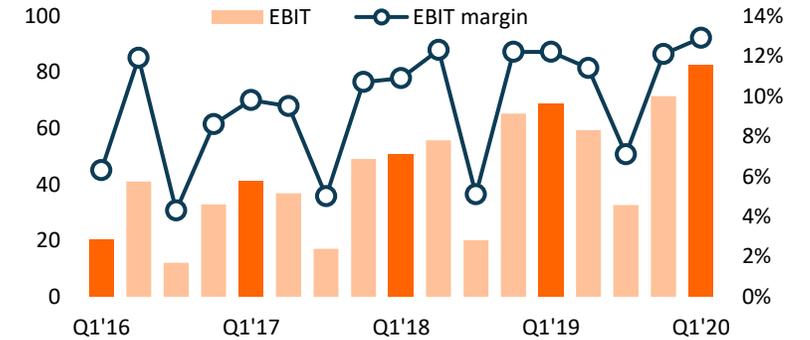


# Earnings

- Operating profit (EBIT) increased by 20 percent to NOK 82.6 million
- EBIT margin of 12.9 percent compared to 12.2 percent in Q1'19
- Operating expenses increased by 12.7 percent y-o-y
- General growth in pay rate 2.6 percent y-o-y

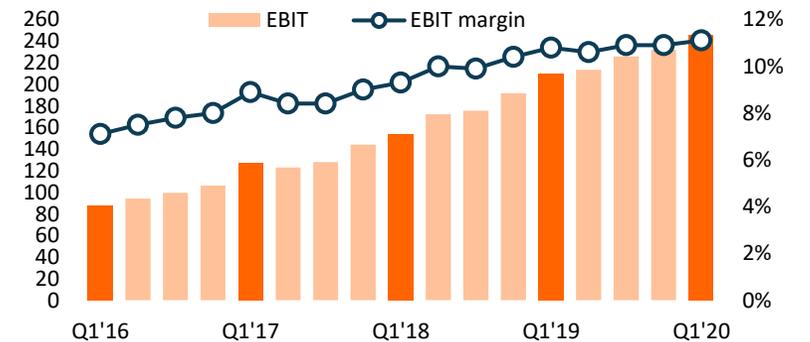
## EBIT and EBIT margin

MNOK and Percent



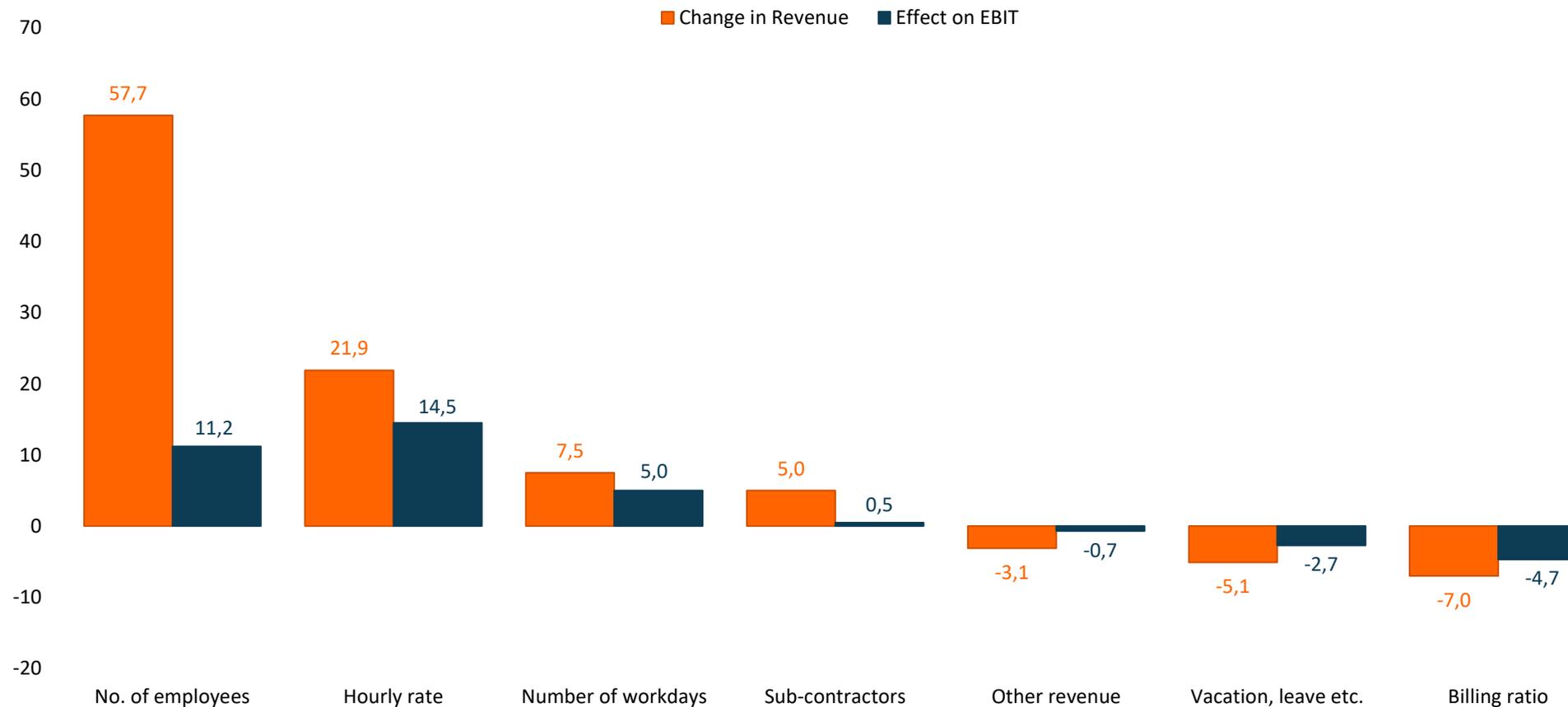
## EBIT and EBIT margin (LTM)

MNOK and Percent



# Change in revenues – effect on EBIT

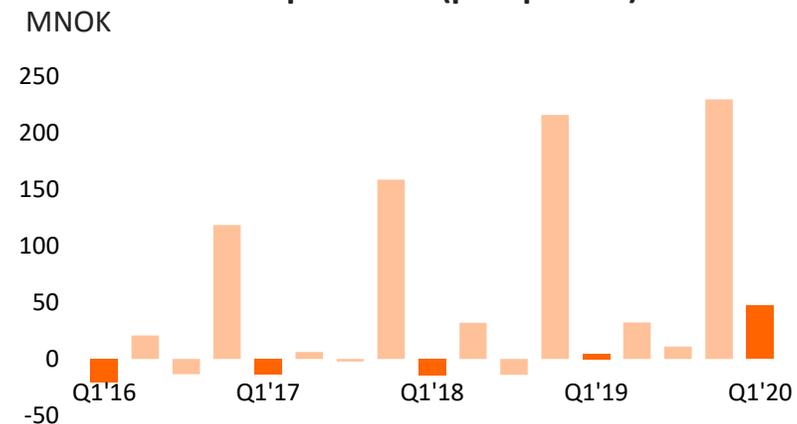
Revenue  
MNOK



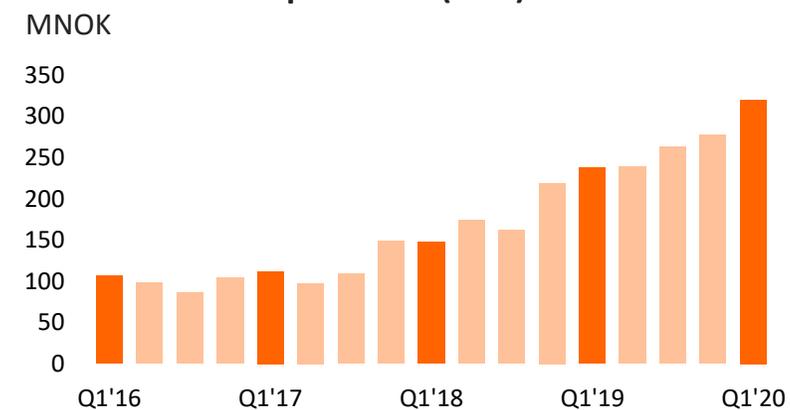
# Cash flow

- Cash flow from operations
  - NOK 47.1 million in Q1'20 compared to NOK 4.3 million in Q1'19
- Last 12 months
  - Operational cash flow over the last 12 months was NOK 319.9 million
- Cash flow from investing activities
  - Negative NOK 10 million compared to negative NOK 6.1 million in Q1'19

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



**Cash flow from operations (LTM)**





# Outlook



# Industry impacts due to Covid-19 for Bouvet

Health	<ul style="list-style-type: none"> <li>+ Potential for growth</li> <li>+ Well positioned</li> <li>- Increasing competition</li> </ul>
<hr/>	
Oil and gas	<ul style="list-style-type: none"> <li>- Low oil prices mean low willingness to invest</li> <li>+ Involved in critical digitalisation processes</li> <li>+ Positioned to participate in these changes</li> </ul>
<hr/>	
Public sector	<ul style="list-style-type: none"> <li>+ Digitalisation and efficiency improvements</li> <li>+ Good liquidity and ability to pay</li> <li>+ Well positioned</li> <li>- Growing competition</li> </ul>
<hr/>	
Energy	<ul style="list-style-type: none"> <li>+ Level of activity kept high</li> <li>+ Good liquidity and ability to pay</li> <li>+ Well positioned</li> </ul>

# We have a good starting point

Stronger together

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Covid-19 makes the future uncertain, but we are well positioned to build tomorrow's society



We have clients who trust us, and we jointly find new ways of working



Our employees handle change and know how to work remotely

# Outlook summary

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

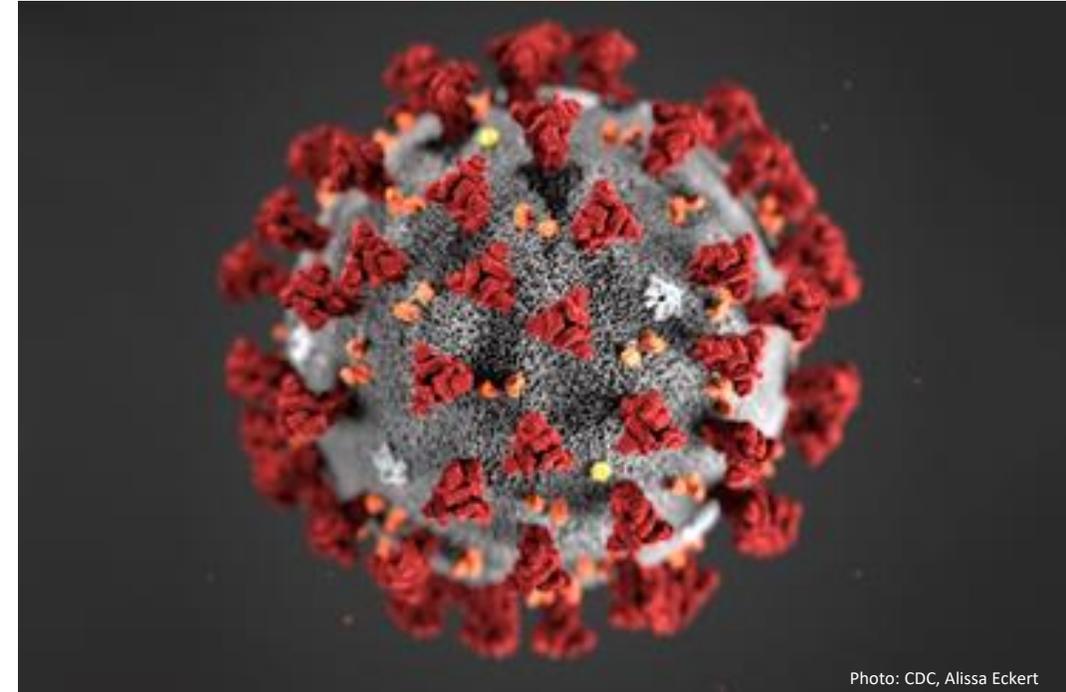


Photo: CDC, Alissa Eckert



# Appendix



# Shareholders as of 19.05.2020

Shareholders	Number of shares	% of total
VIRTUS KAR INTERNATIONAL SMALL-CAP	1 066 570	10,41 %
VARNER KAPITAL AS	870 000	8,49 %
STENSHAGEN INVEST AS	586 699	5,72 %
SVERRE HURUM	462 068	4,51 %
VEVLEN GÅRD AS	453 502	4,42 %
VERDIPAPIRFOND ODIN NORDEN	451 192	4,40 %
VERDIPAPIRFONDET NORDEA AVKASTNING	352 805	3,44 %
MP PENSJON PK	270 082	2,63 %
ERIK STUBØ	238 568	2,33 %
UBS SWITZERLAND AG	204 918	2,00 %
VERDIPAPIRFONDET NORDEA KAPITAL	180 595	1,76 %
VERDIPAPIRFOND ODIN NORGE	127 057	1,24 %
STOREBRAND NORGE I VERDIPAPIRFOND	124 190	1,21 %
STATE STREET BANK AND TRUST COMP	122 258	1,19 %
ANDERS ERIKSEN-VOLLE	116 440	1,14 %
VERDIPAPIRFONDET NORDEA NORGE PLUS	95 920	0,94 %
TELENOR PENSJONSKASSE	90 000	0,88 %
FOLKETRYGDFONDET	88 506	0,86 %
EMPLOYEES RETIR SYSTEM OF TEXAS	82 400	0,80 %
MUSTAD INDUSTRIER AS	82 124	0,80 %
<b>Number of shares held by the 20 largest shareholders</b>	<b>6 065 894</b>	<b>59,18 %</b>

# Five largest clients per region

