



Interim presentation First quarter 2017

Sverre Hurum. CEO

Erik Stubø. CFO

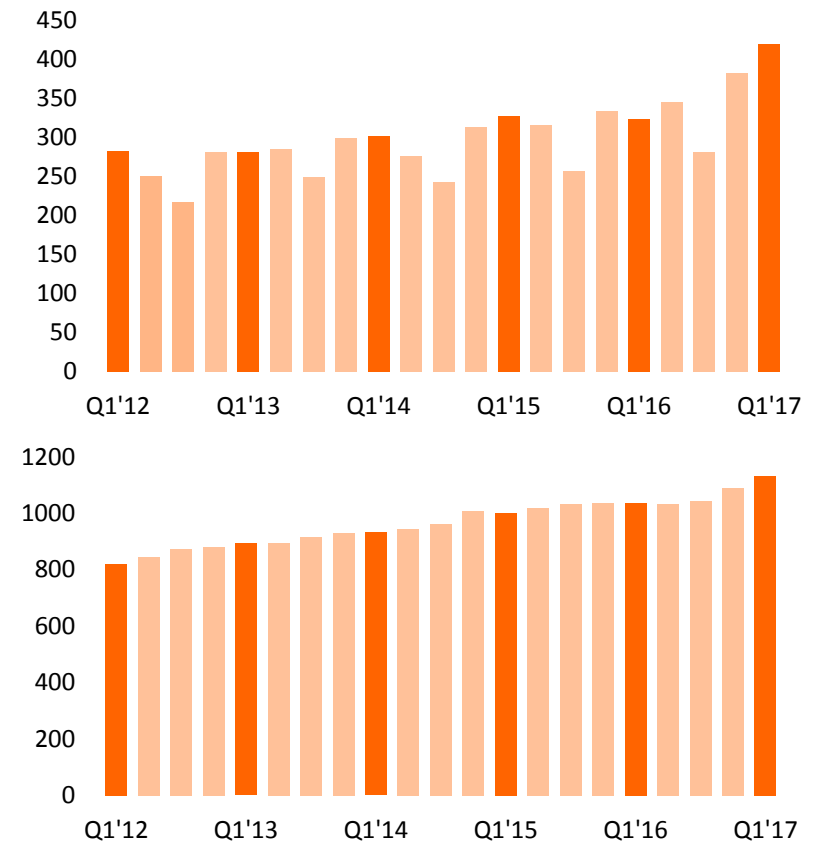
19 May 2017

Highlights in the quarter

- Revenue and EBIT
 - Operating revenues increased by 29.8 percent to NOK 419.1 million (y-o-y)
 - EBIT increased by 102.5 percent to NOK 41.2 million (y-o-y)
- 1 131 employees
 - Up 41 from Q4'16
 - An increase of 95 in the past 12 months
- Increased demand for robotic process automation (RPA), machine learning (ML) and artificial intelligence (AI)

Revenue and number of employees

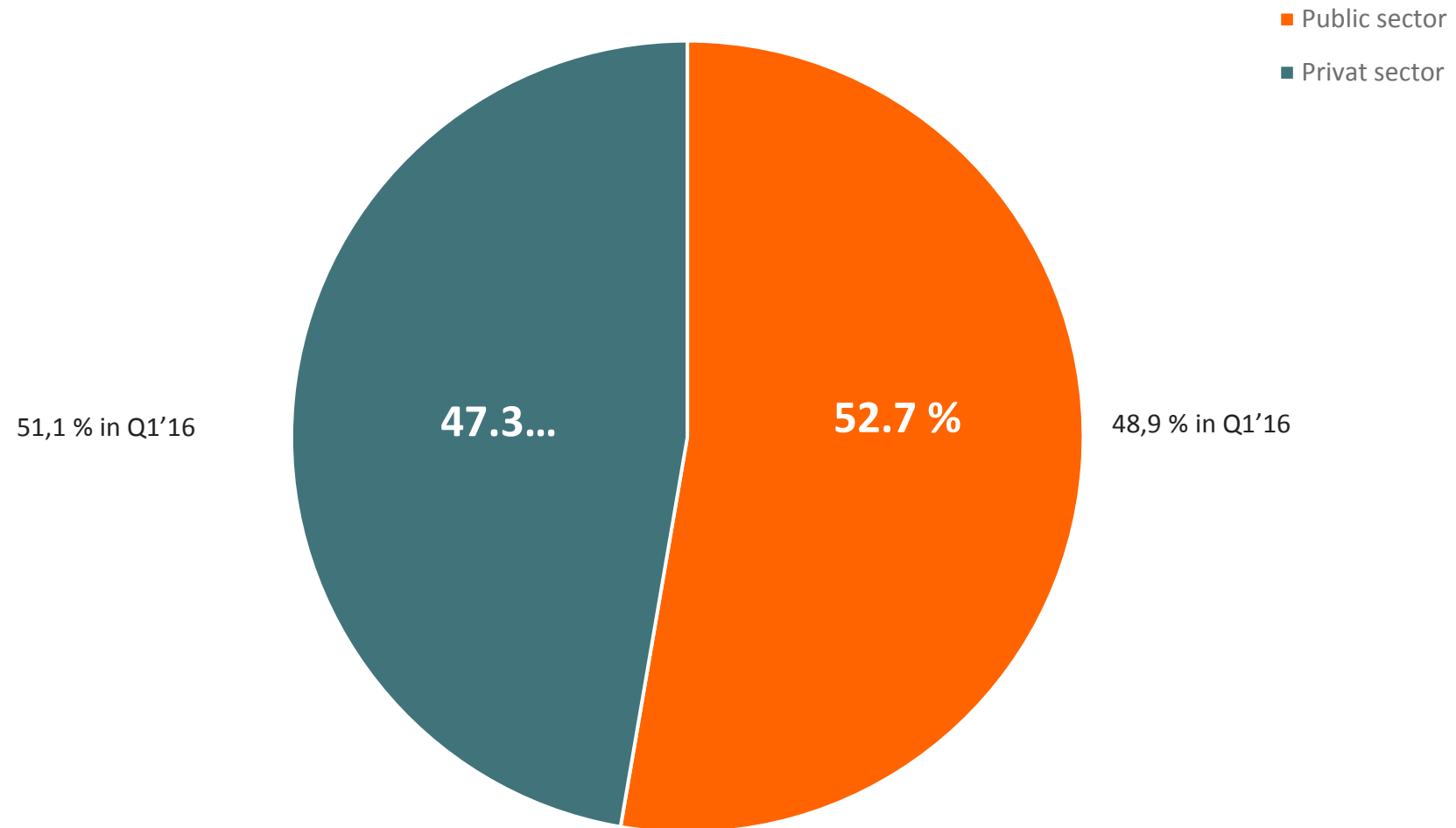
MNOK and number



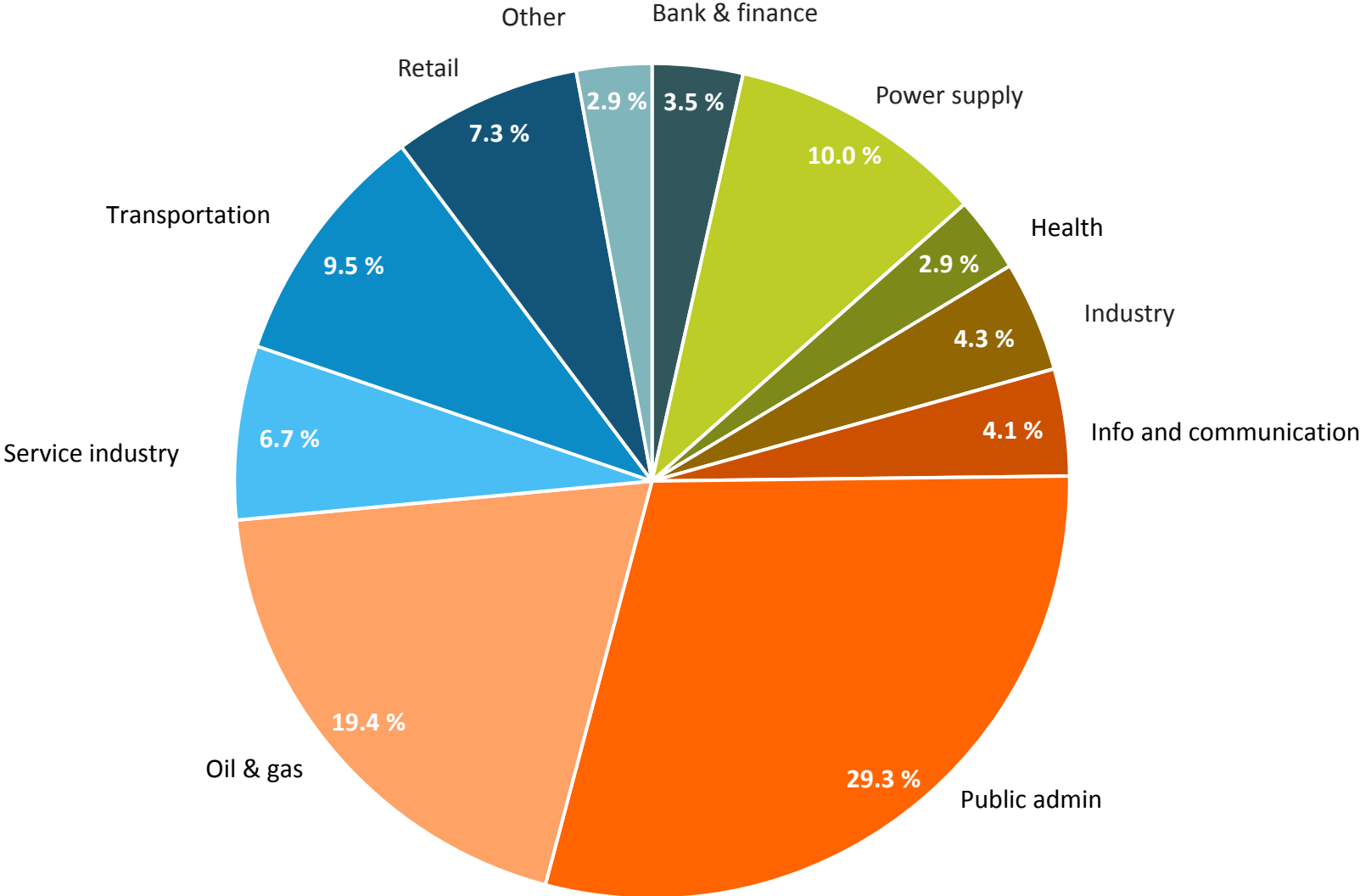


Operational Review

Increase in public sector



Business sectors Q1 2017



Sectors with high increase in revenue

Public admin

- Increased by 57.1 percent (y-o-y)
- Represents 29.3 percent of total revenues in Q1'17

Power supply

- Increased by 52.9 percent (y-o-y)
- Represents 10.0 percent of total revenues in Q1'17

Retail

- Increased by 61.5 percent (y-o-y)
- Represents 7.3 percent of total revenues in Q1'17

Service Industry

- Increased by 71.7 percent (y-o-y)
- Represents 6.7 percent of total revenues in Q1'17



Spyspy toys

NRKbeta Livskling Media Plattformen NRK-stift Aktiv Om NRKbeta Kontakt oss

Forbruker, Gjestebloggere & Sikkerhet

Dårlig sikkerhet på internett-tilkoblede leker kan sette dine barn i fare

Skrivet av Martin Graudis og Ståle Out 9. desember 2016



HEI, KARI DU BØR GÅ UT I BILEN TIL MANNEN UTEFOR. HAN HAR GODTERI DER.

Høsten A-magasinet Deltid Sport Meninger

Hevder disse lekene sladrer på barnet ditt

OPPGITT: 08.03.2016 14:13 | PUBLISERT: 08.03.2016 12:34



SVITER: My Friend Cayla som ble kåret til Beste leke i Norge 2014 og I-Que som har blitt kåret til beste leke i 2015, er to av de mest populære lekene som er tilgjengelige på markedet. I-Que er en robot som kan snakke og svare på spørsmål, mens Cayla er en dukke som kan snakke og svare på spørsmål.

LE FIGARO.fr

Les poupées connectées, des espionnes au pied du sapin

Publié le 24/12/2016 à 10:02 / Publié le 09/12/2016 à 07:05



Si vous avez prévu d'offrir une poupée connectée pour Noël, vous devriez vous méfier. Selon plusieurs associations de consommateurs, qui ont porté plainte contre deux poupées fabriquées par le hongkongais Genesis Toys, elles peuvent être contrôlables à distance.

Leker kan bli spionverktøy

NRK P2 - Ekko - 24. april 2017 09:03

Det finnes tusenvis av Internett-tilkoblede leker i norske hjem. Mange av disse lekene kan enkelt hackes og brukes til overvåking. Blant disse er dokken Cayla som nylig ble kåret til årets leke.

Finn Myrstad, fagdirektør for digitale tjenester i Forbrukerrådet, forteller om dokken Cayla. Den har en opptaksfunksjon som lar barn snakke med dokken, for så å søke på Internett etter svar til spørsmålet.

- Det vi er bekymret for er at barnet kan oppleve dokka som et levende vesen, og derfor ha tillit dokka som gjør at barnet kan fortelle en god del ting. Og når vi vet at dokka er koblet på nett, er vi bekymret for hva som kan skje med den informasjonen, uttaler han.

De har avdekket at opptakene blir sendt til selskaper utenfor Europa, at sikkerheten er nesten ikke-eksisterende, og at barn kan utsettes for målrettet markedsføring og skjult markedsføring. Forbrukerrådet anbefaler ikke dokken til norske foreldre.

Simen Sommerfeldt, rådgiver og kommunikasjonssjef ved Bouvet, hacket dokken for Forbrukerrådet. Han forteller at utenforstående kan koble seg på dokken og snakke med barnet.

I studio kobler programleder seg på dokken. Der spiller hun av et opptak gjennom dokken. Myrstad forteller dette viser hvor enkelt det gjøres. Samtidig er det like enkelt å lytte til det barnet sier og snakke direkte med barnet.

- Dette er iltfor svak sikkerhet, uttaler Myrstad.

Sommerfeldt forteller at det finnes apparater som muliggjør sporing av dokkene.

The Boston Globe

Tuesday, December 6, 2016

Walsh pushes new tenant protections

Senate faults dual surgeries

In a class of his own

Two children's toys raise privacy alarms

Horror of Oakland fire resonates in Mass. families

THE WALL STREET JOURNAL

Home World U.S. Politics Economy Business Tech Markets Opinion Arts Life Real Estate

Talking Dolls May Spread Children's Secrets, Privacy Groups Allege

Complaint alleges My Friend Cayla and I-Que Intelligent Robot collect and use personal information from children



Do Internet-Connected Toys Pose a Privacy Risk?

Advocacy groups allege that internet-connected toys, including several children's dolls, pose a privacy risk to consumers. WSJ's Georgia Wells explains on Lunch Break with Tanya Rivers. Photo: Getty

BBC NEWS

Call for privacy probes over Cayla doll and i-Que toys

By Chris Daramuk Technology reporter




The makers of the i-Que and Cayla smart toys have been accused of subjecting children to "ongoing surveillance" and posing an "imminent and immediate threat" to their safety and security.

SvD NÄRINGSLIV

Uppkopplade leksaker anmäls

Obegränsad användarvillkor - och en teknik som gör att vem som helst kan avlyssna barnkammaren och kontakta barnet. Nu anmäler Sveriges Konsumenter två leksaker på den svenska marknaden till myndigheterna.

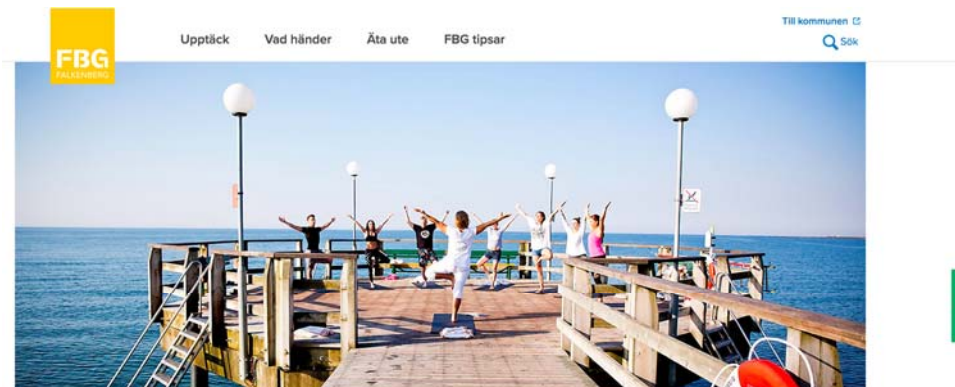


Sveriges Konsumenter anmäler dockan My Friend Cayla och roboten I-Que till Konsumentverket och Datainspektionen. Detta anslår Sveriges Konsumenters svenska motståndskraft mot leksaker och förenat stora problem.

Artificial intelligence (AI) and machine learning (ML)



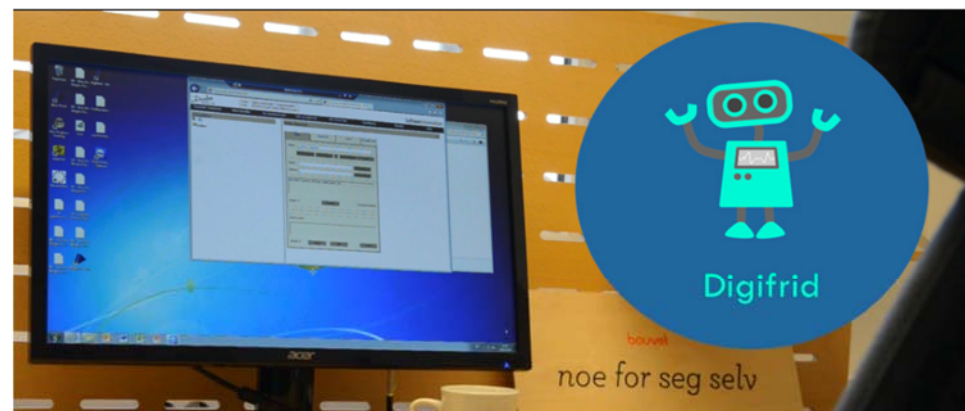
Awards



Nominated as the one of five in the local authority website category among Sweden's top 100 websites by Internetworld



Winner of Max Marketing Mix 2017 in the internal marketing category with a solution developed for Viasat



Nominated as one of three finalist to the Digitalization Award 2017 by Difi

New clients

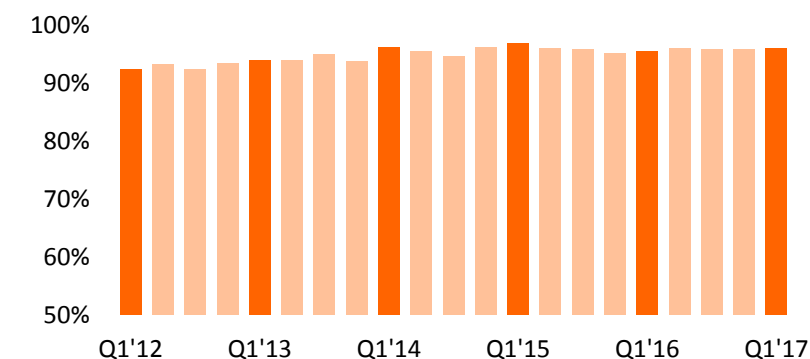


Customer and project mix

- Project mix
 - Variable contracts account for 96.1 percent of total revenues
- Client portfolio
 - The 10 largest customers represent 36.0 percent of total revenues – up from 35.2 percent in Q1'16
 - The 20 largest customers represent 48.4 percent of total revenues – up from 47.4 percent in Q1'16

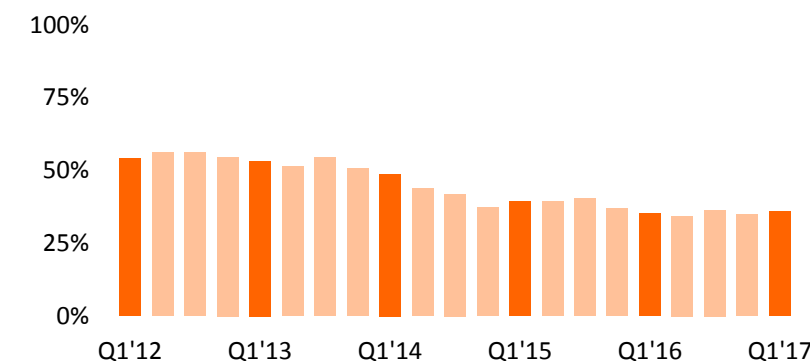
Variably priced contracts share of revenues

Percentage



10 largest customers share of revenues

Percentage



Client development

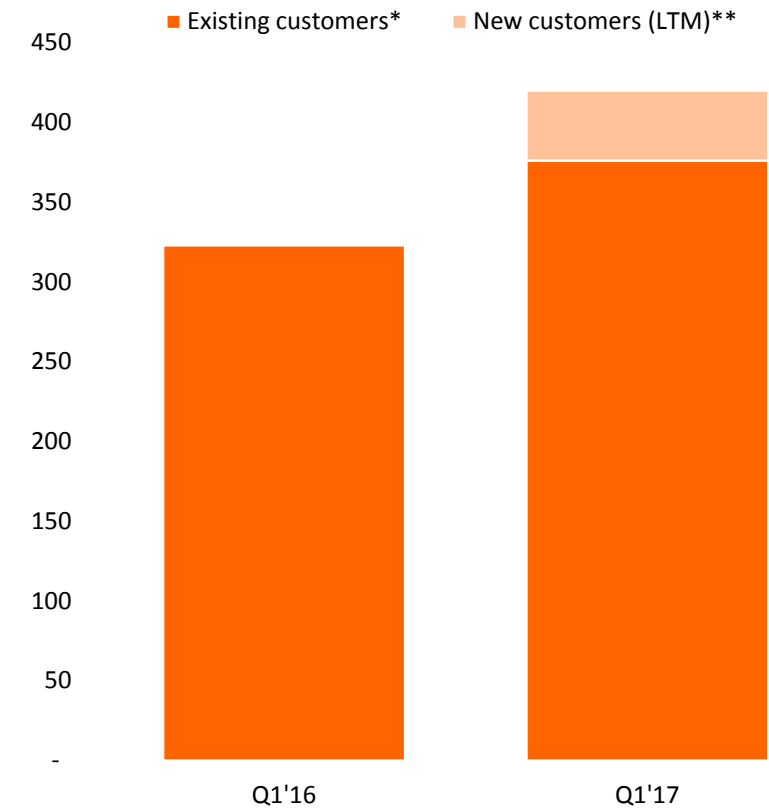
- Existing clients*
 - Accounted for 89.6 percent of revenues in Q1'17
- New customers**
 - Customers won over the past year generated revenues of NOK 43.9 million in Q1'17

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

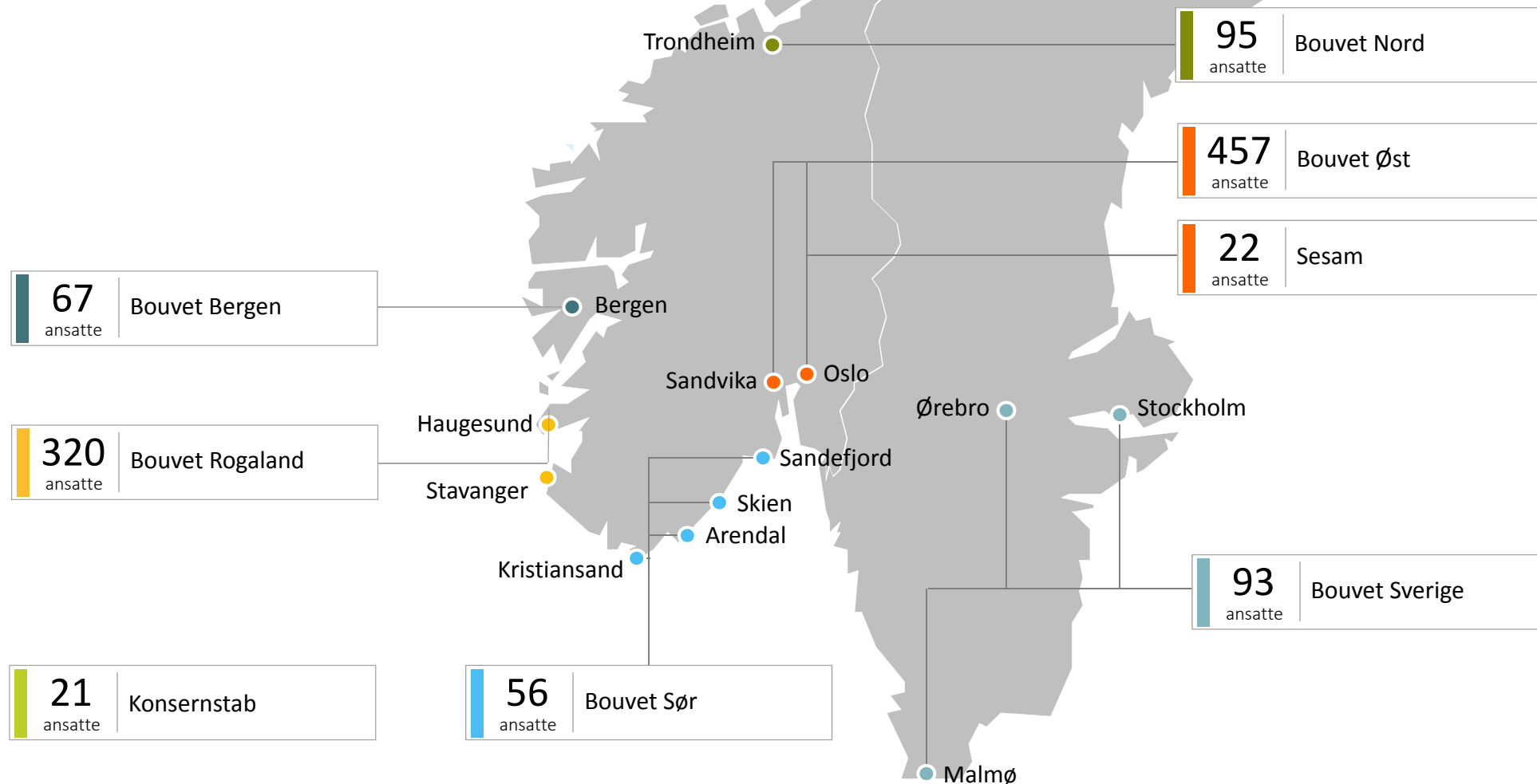
** New customers defined as customers won since end of corresponding quarter last year

Revenue customer split

MNOK



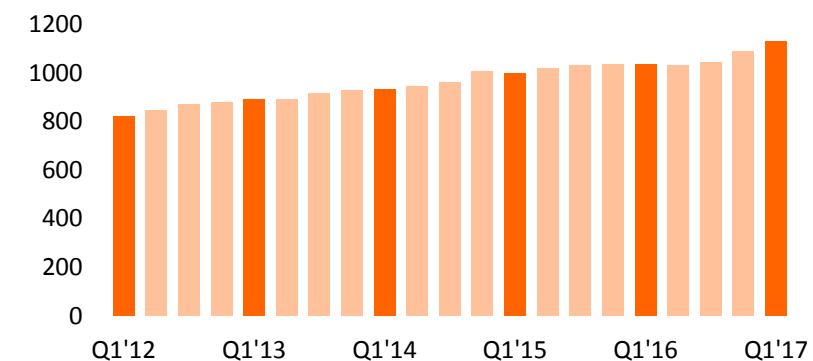
Regional organisation



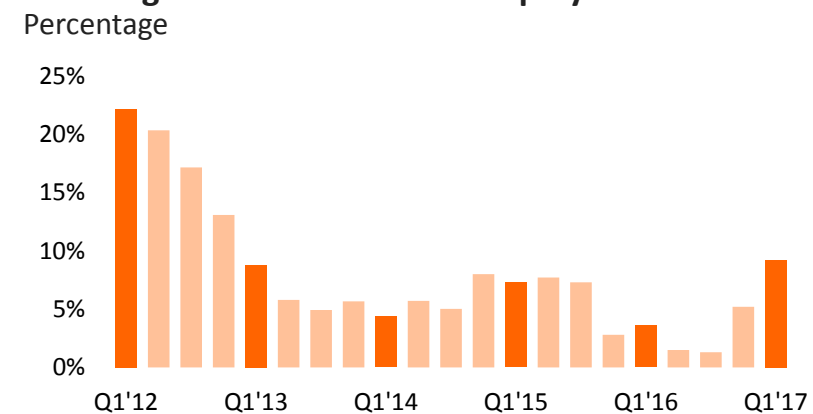
Enthusiastic and competent employees

- 1 131 employees at the end of the first quarter
 - Up 41 from Q4'16
 - 95 more employees in the past 12 months
 - Average number of employees in the quarter up 8.1 percent from Q1'16

Number of employees end of quarter



Annual growth in number of employees





Focus on employee satisfaction and recruitment





Financial Review

Key figures

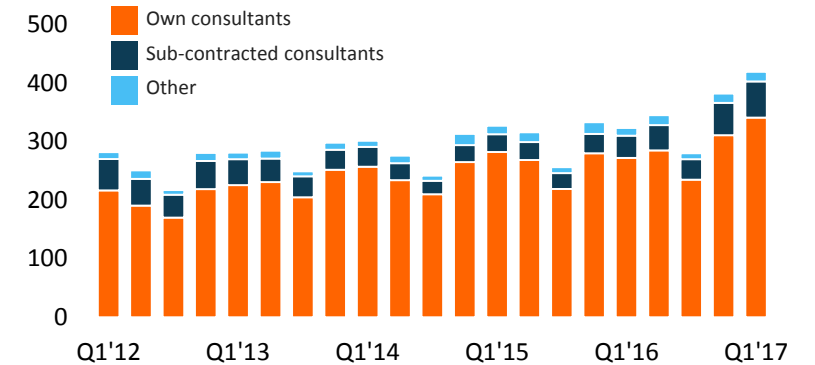
MNOK	Three months ending			Twelve months ending		
	31.03.2017	31.03.2016	Change	31.03.2017	31.03.2016	Change
Operating revenue	419.1	322.9	29.8 %	1 426.9	1 228.4	16.2 %
Operating profit (EBIT)	41.2	20.3	102.5 %	127.1	87.7	45.0 %
EBIT margin	9.8 %	6.3 %		8.9 %	7.1 %	
Ordinary profit before tax	41.5	20.5	102.9 %	127.1	90.0	41.2 %
Profit for the period	31.5	14.5	117.1 %	96.9	64.9	49.3 %
EPS (fully diluted)	3.04	1.38	119.4 %	9.42	6.27	50.1 %
Net cash flow operations	-13.3	-21.1	N/A	117.2	106.4	10.1 %
Equity ratio	35.9 %	38.3 %		35.9 %	38.3 %	
Cash and cash equivalents	134.4	148.3	-9.3 %	134.4	148.3	-9.3 %
Number of employees (end of period)	1 131	1 036	9.2 %	1 131	1 036	9.2 %
Number of employees (average)	1 117	1 033	8.1 %	1 070	1 024	4.5 %

Revenue

- Revenues increased by 29.8 percent y-o-y
 - Revenues from own consultants increased by 25.5 percent to NOK 341.0 million
 - Revenues from sub-contracted consultants increased by 61.4 percent to NOK 61.5 million
 - Other revenues increased by 26.6 percent to NOK 16.5 million

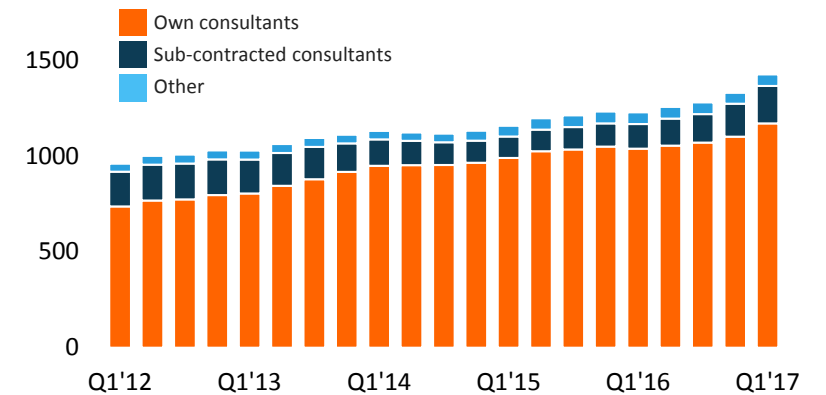
Revenue split (quarterly figures)

MNOK



Revenue split (12 months rolling average)

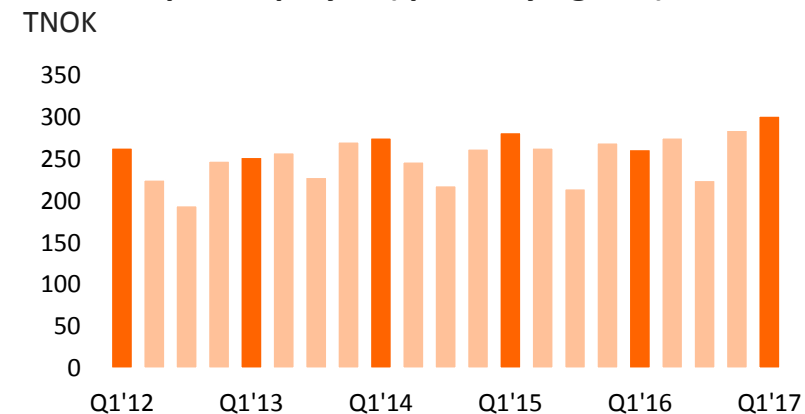
MNOK



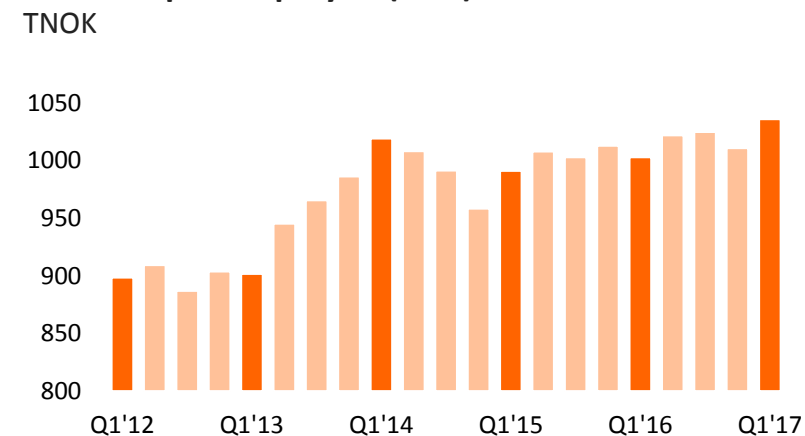
Revenues from own consultants

- Increased 25.5 percent y-o-y
 - Positive impact from increase in billing ratio by 2.4 percentage points
 - Positive impact from 8.1 percent increase in average number of employees
 - Positive impact from 1.5 percent increase in prices for group hourly services
 - 65 workdays in Q1'17 – four more than Q1'16

Revenue per employee (quarterly figures)



Revenue per employee (LTM)



Analysis of change in revenues y-o-y

Revenue
MNOK

25

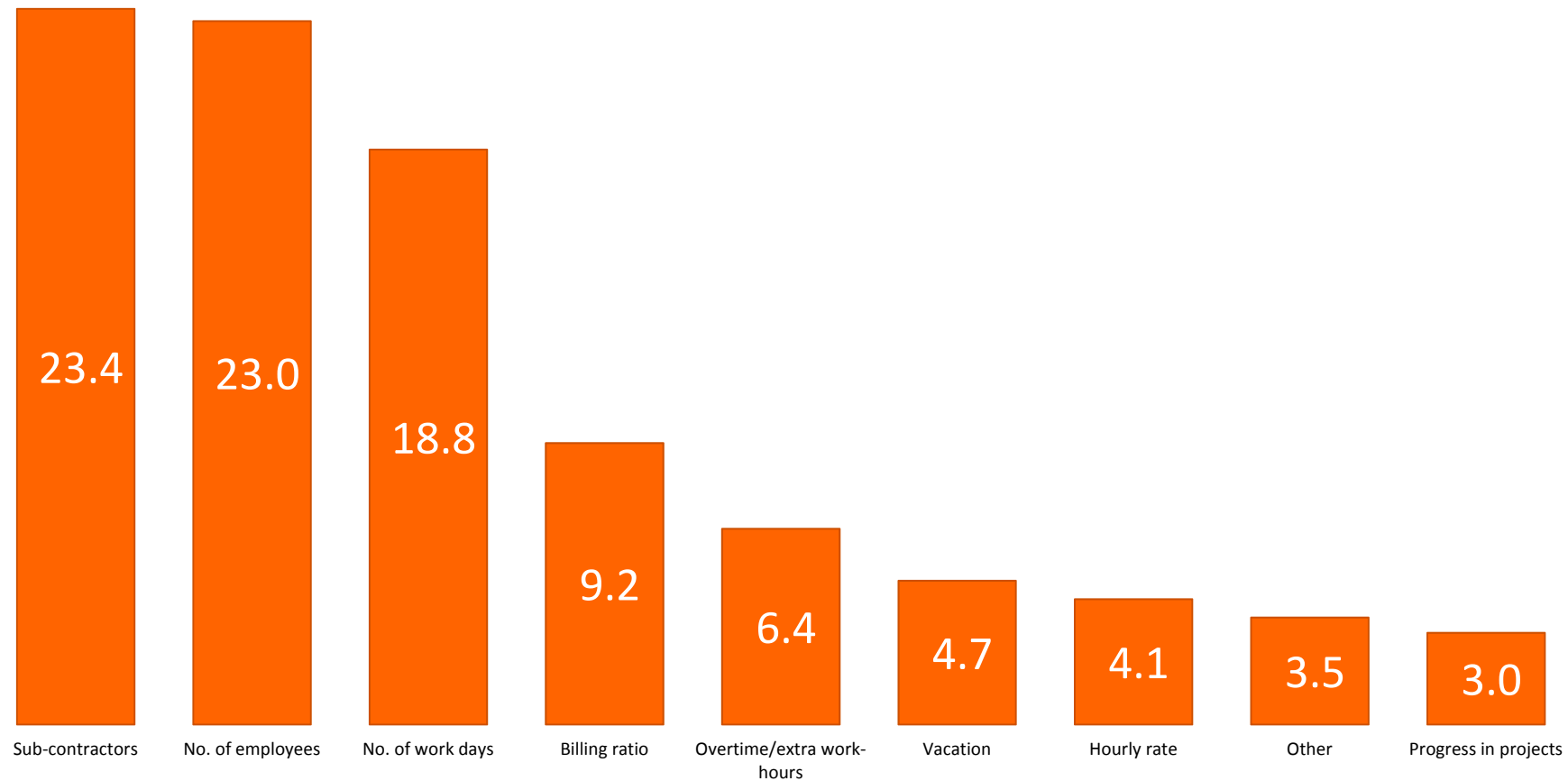
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15

10

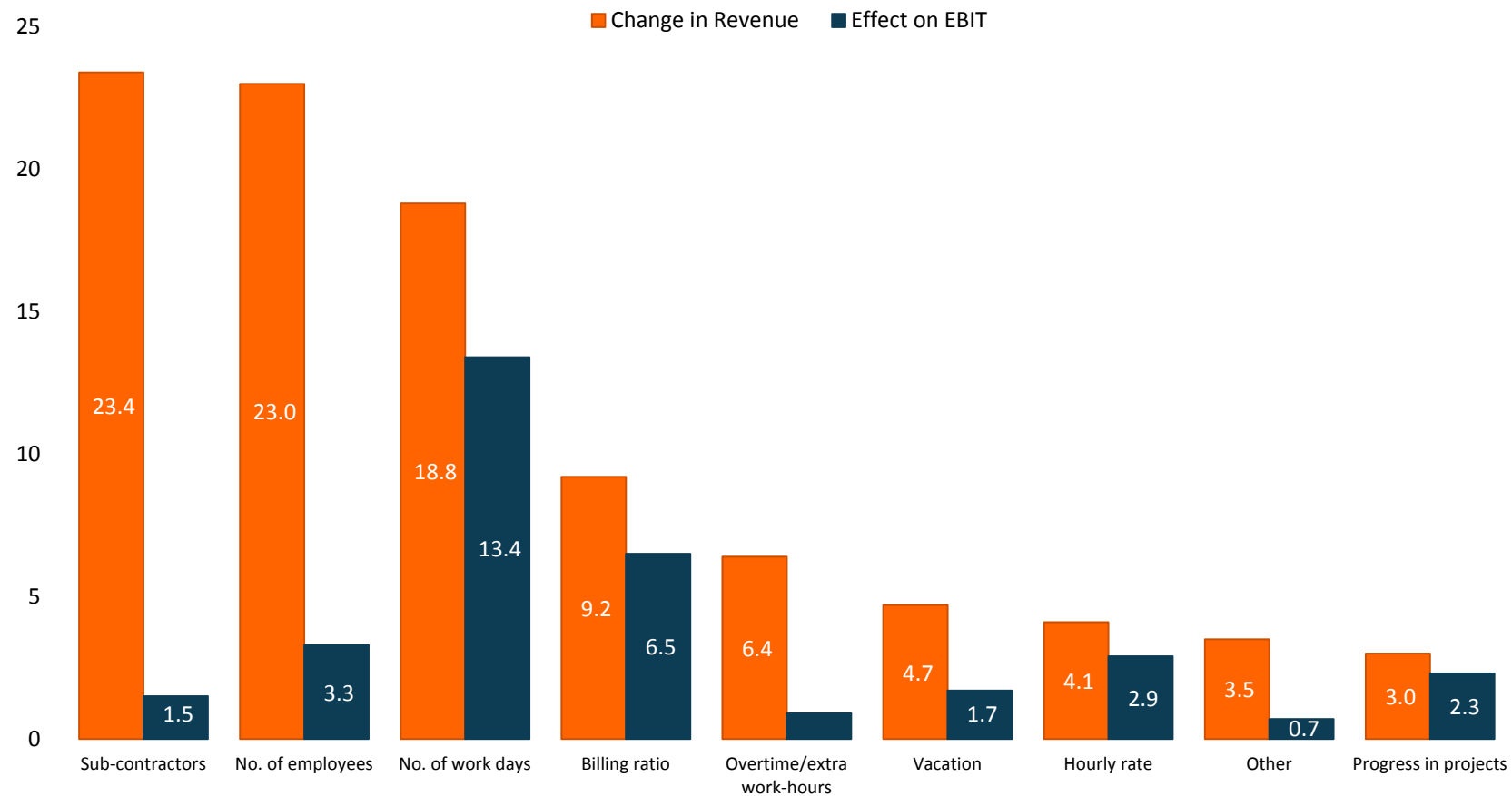
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Change in revenues – effect on EBIT

Revenue
MNOK

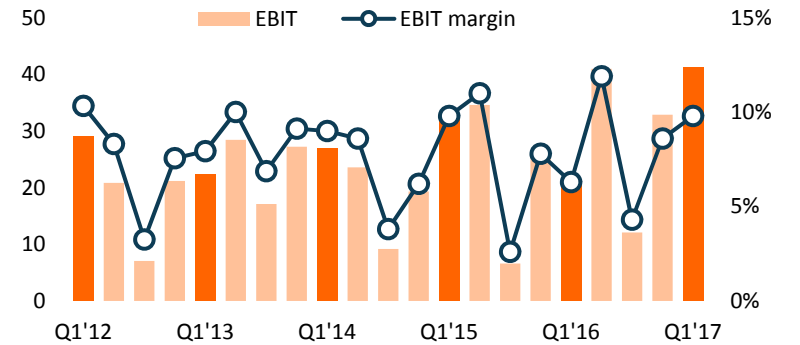


Earnings

- Operating profit increased y-o-y in Q1'17
 - EBIT margin of 9.8 percent compared to 6.3 percent in Q1'16
- Operating expenses increased by 24.9 percent compared to Q1'16
- General growth in pay rate 0.2 percent y-o-y
- Other operating expenses increased 37.3 percent

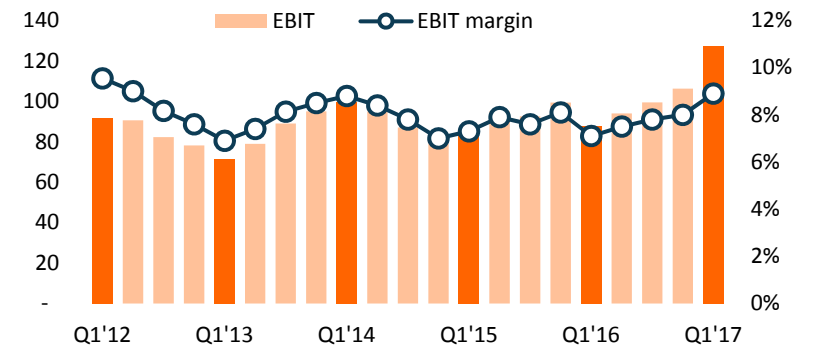
EBIT and EBIT margin

MNOK and Percent



EBIT and EBIT margin (LTM)

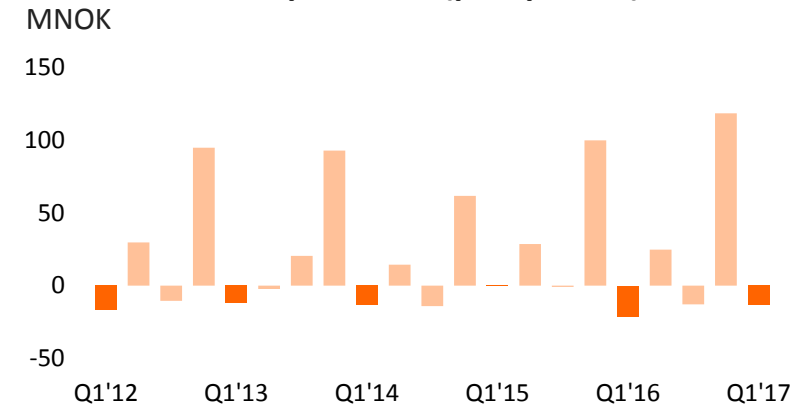
MNOK and Percent



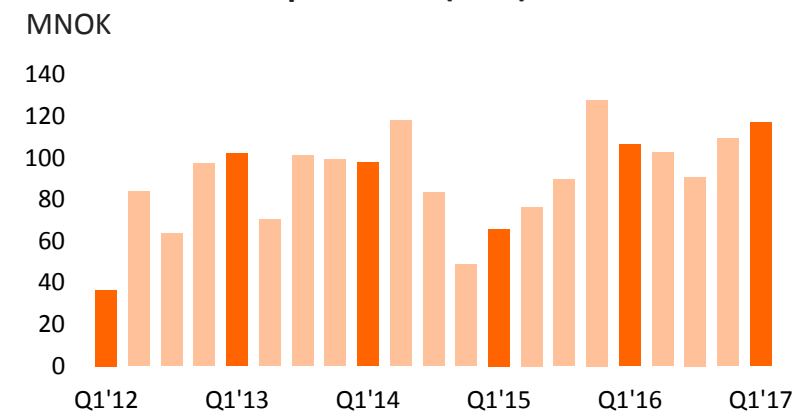
Cash flow

- Cash flow from operations
 - NOK -13.3 million in Q1'17 compared to NOK -21.1 million in Q1'16
- Last 12 months
 - Operational cash flow over the last 12 months was NOK 117.2 million
- Cash flow from investing activities
 - Negative NOK 12.0 million compared to negative NOK 5.0 million in Q1'16

Cash flow from operations (per quarter)



Cash flow from operations (LTM)





Outlook



Outlook

- We believe in the future



Freeing time by automatisisation
the City of Bergen



Increased knowledge about predators
Norwegian Environment Agency



Enhance customer experience
Agder kollektiv trafikk



Increase efficiency
Aibel



Strengthen culture
Western Norway University of Applied Sciences



Battle against salmon lice
BarentsWatch

Shareholders as of 18.05.2017

Investor	Number of shares	% of total
VARNER KAPITAL AS	1 070 000	10,44 %
STENSHAGEN INVEST AS	925 402	9,03 %
VPF NORDEA AVKASTNING	778 120	7,59 %
PROTECTOR FORSIKRING ASA	700 000	6,83 %
MP PENSJON PK	569 904	5,56 %
HURUM SVERRE FINN	507 873	4,95 %
VEVLEN GÅRD AS	420 000	4,10 %
STOREBRAND VEKST VERDIPAPIRFOND	262 834	2,56 %
STUBØ ERIK	237 373	2,32 %
UBS SWITZERLAND AG	203 500	1,99 %
SIX SIS AG	200 000	1,95 %
DYVI INVEST AS	200 000	1,95 %
STOREBRAND NORGE I VERDIPAPIRFOND	197 789	1,93 %
TELENOR PENSJONSKASSE	186 800	1,82 %
JPMORGAN CHASE BANK	160 745	1,57 %
VERDIPAPIRFONDET STOREBRAND OPTIMA	125 041	1,22 %
VOLLE ANDERS	121 697	1,19 %
BOUVET ASA	98 682	0,96 %
RADIG NILS-HÅKAN	79 754	0,78 %
SVENDSEN PAUL HALLAN	74 368	0,73 %
Number of shares held by the 20 largest shareholders	7.119.882	69,47 %