

Interim presentation First quarter 2016

Sverre Hurum. CEO

Erik Stubø. CFO

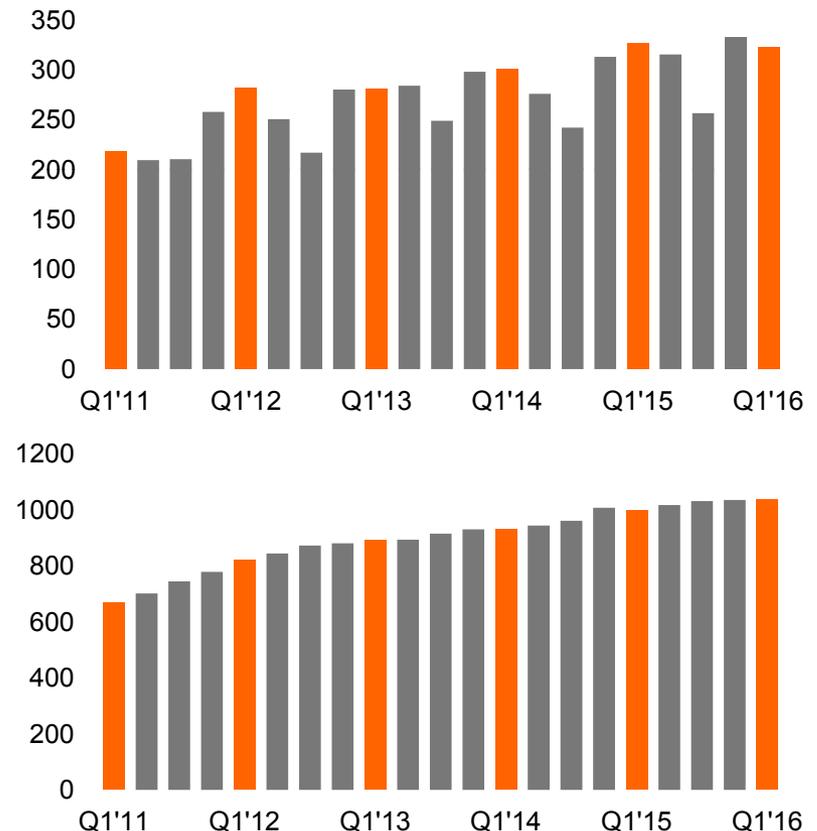
12 May 2016



Highlights in the quarter

- Revenues and EBIT
 - Operating revenues declined by 1.2 percent to NOK 322.9 million (y-o-y)
 - EBIT declined by 36.5 percent to NOK 20.3 million (y-o-y)
- 1036 employees
 - Equal to Q4'15
 - An increase of 36 in the past 12 months
- The pace of digital transformation is accelerating
- Change of user expectations make the need of rapid technology advancement

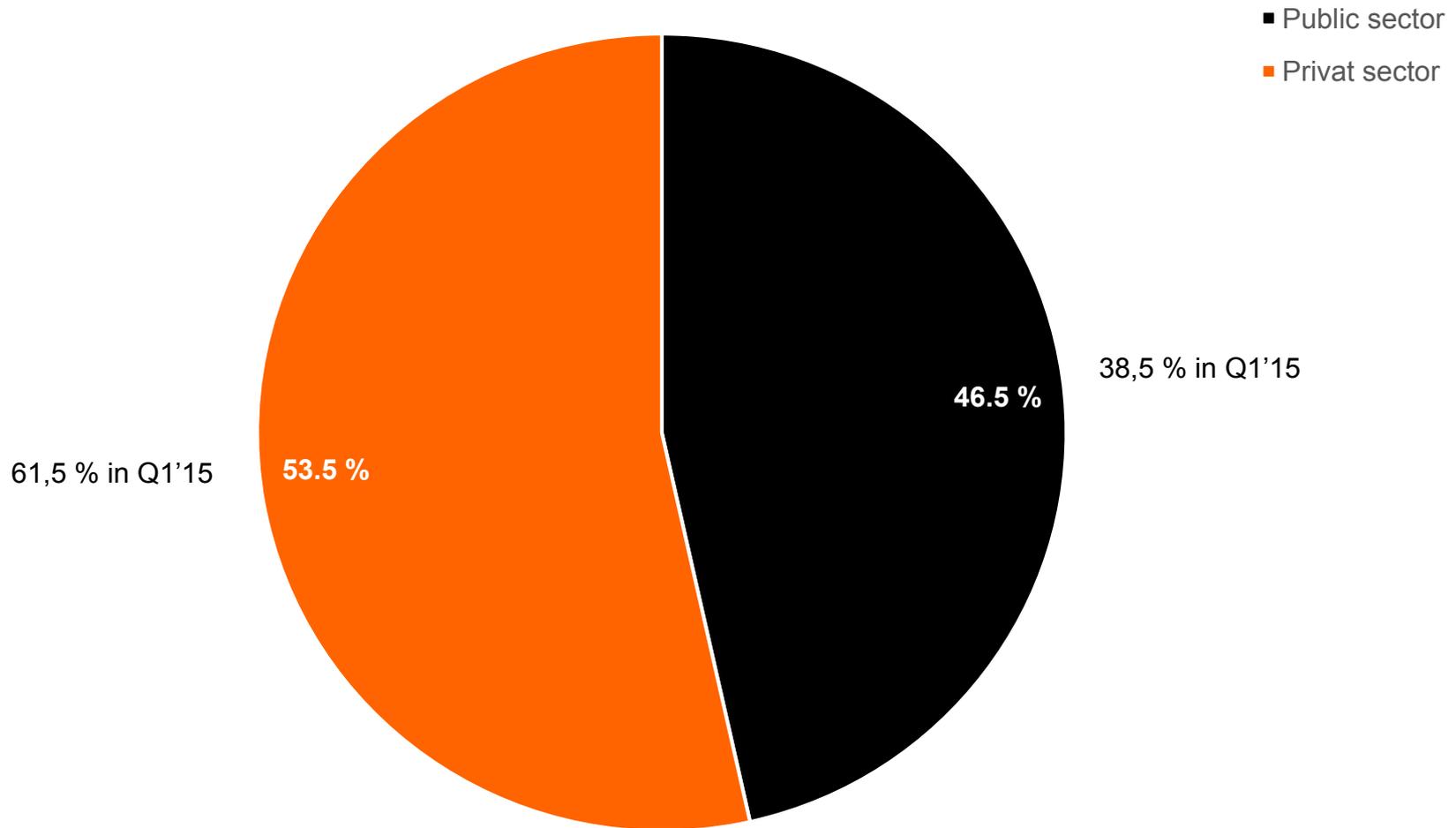
Revenues and number of employees
MNOK and number



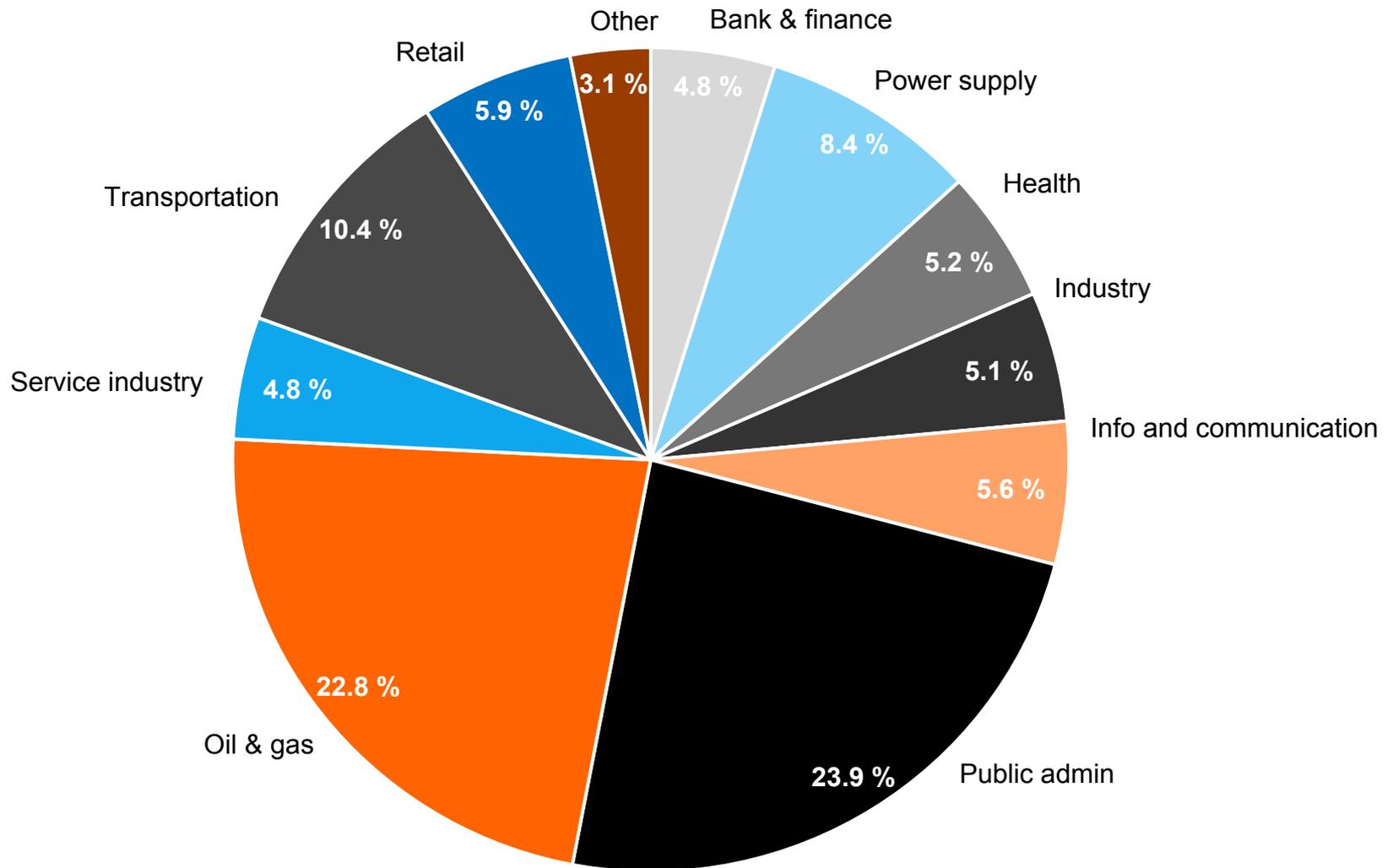
Operational Review



Increase in public sector



Business sectors Q1 2016



Sectors with high increase in revenue

- **Public admin**
 - Increased by 40.0 percent (y-o-y)
 - Represents 23.9 percent of total revenue in Q1'16
- **Transportation**
 - Increased by 21.7 percent (y-o-y)
 - Represents 10.4 percent of total revenue in Q1'16
- **Health**
 - Increased by 27.8 percent (y-o-y)
 - Represents 5.2 percent of total revenue in Q1'16
- **Bank and finance**
 - Increased by 57.2 percent (y-o-y)
 - Represents 4.8 percent of total revenue in Q1'16



Air Control for Northern Europe

- Air Command and Control system for NATO
 - Planning, reporting, execution
 - Operational and tactical level
 - Used by NATO Airborne Early Warning and Control Force
- Frame agreement
 - Development and upgrade of NEC CCIS
 - 2016 + 3 years



Kilde: <https://www.ssc.nato.int/>

From manual to digital inspections

- New mobile inspection solution for Engie
 - Real-time data
 - Increased number of inspections
 - Annual reduced cost estimated to 5-10 millions NOK at Gjøa platform
- Bouvet owns the software



Ved å bruke en egenutviklet app, sparer Engie så mye tid på rapportering ved rørinspeksjoner at de fordobler antallet inspeksjoner. Det gjør at de oppdager flere skader på rør, for problemene er så store at rørene må byttes ut.

(Foto: Koen Vlaeminck/Engie Norge)

App sparer Engie fra å måtte bytte ut opptil 23 km med rør - til 100.000 kr meteren

Mobil løsning for rørinspeksjoner.

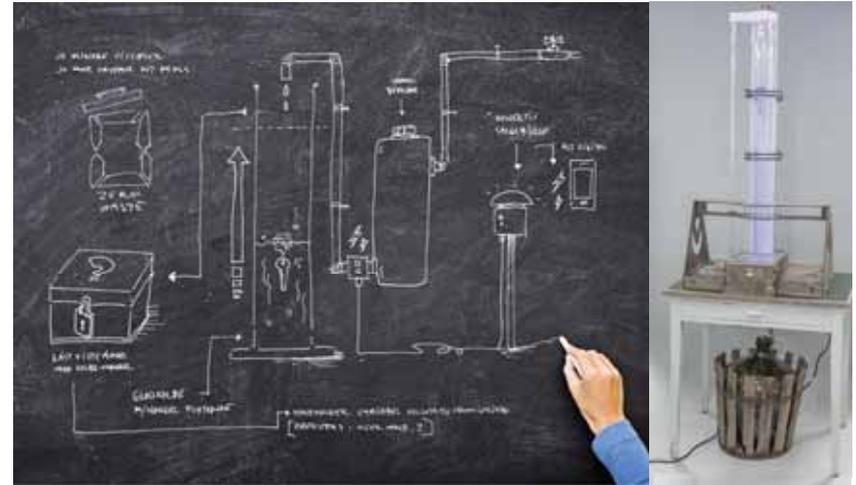


AV: **INA ANDERSEN** | **PETROLEUM** |

Kilde: tu.no

Reduced cost by understanding customer needs

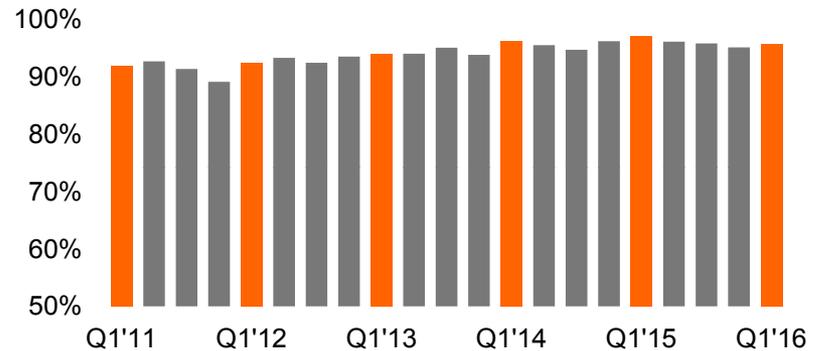
- Viasat challenged Bouvet to reduce number of giveaways at the customer service
- Bouvet developed an IoT which reward collective actions
- 51% cost reduction after three weeks



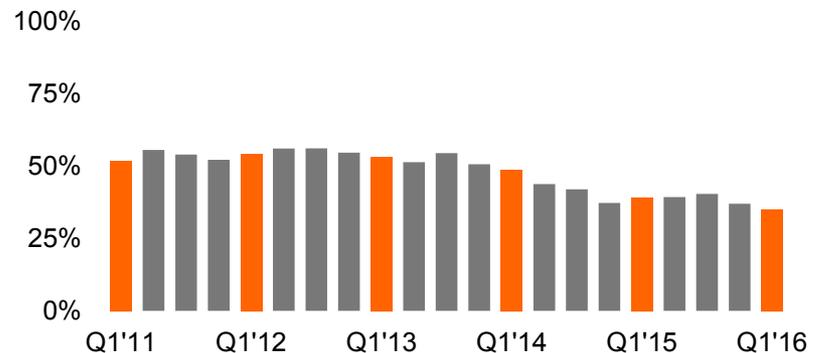
Customer and project mix

- Project mix
 - Variable contracts account for 95.6 percent of total revenues
- Client portfolio
 - The 10 largest customers represent 35.2 percent of total revenues – down from 39.3 percent in Q1'15
 - The 20 largest customers represent 47.4 percent of total revenues – down from 52.5 percent in Q1'15

Variably priced contracts share of revenues
Percentage



10 largest customers share of revenues
Percentage



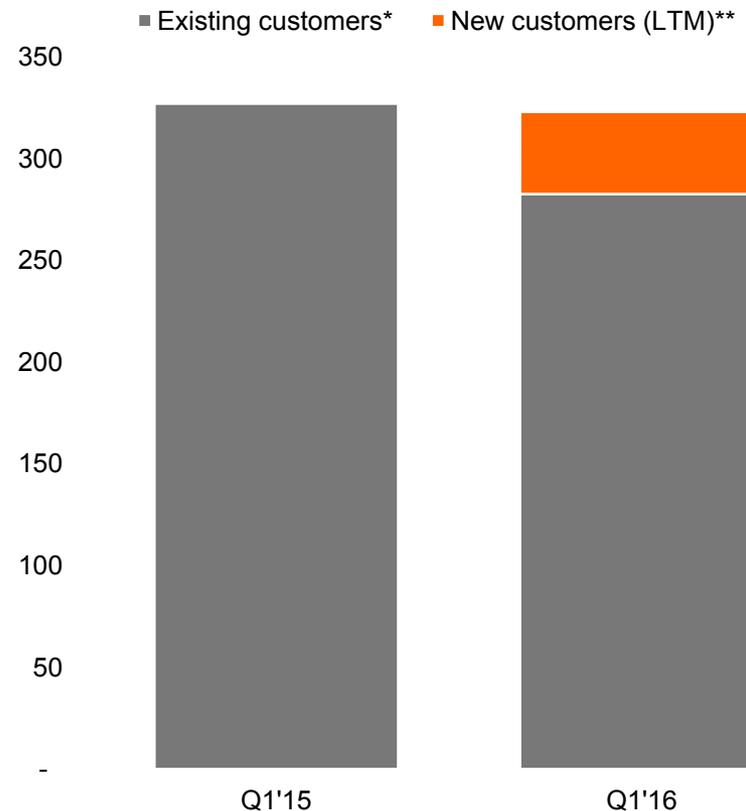
Client development

- Existing clients*
 - Accounted for 87.5 percent of revenues in Q1'16
- New customers**
 - Customer won over the past year generated revenues of NOK 40.4 million in Q1'16

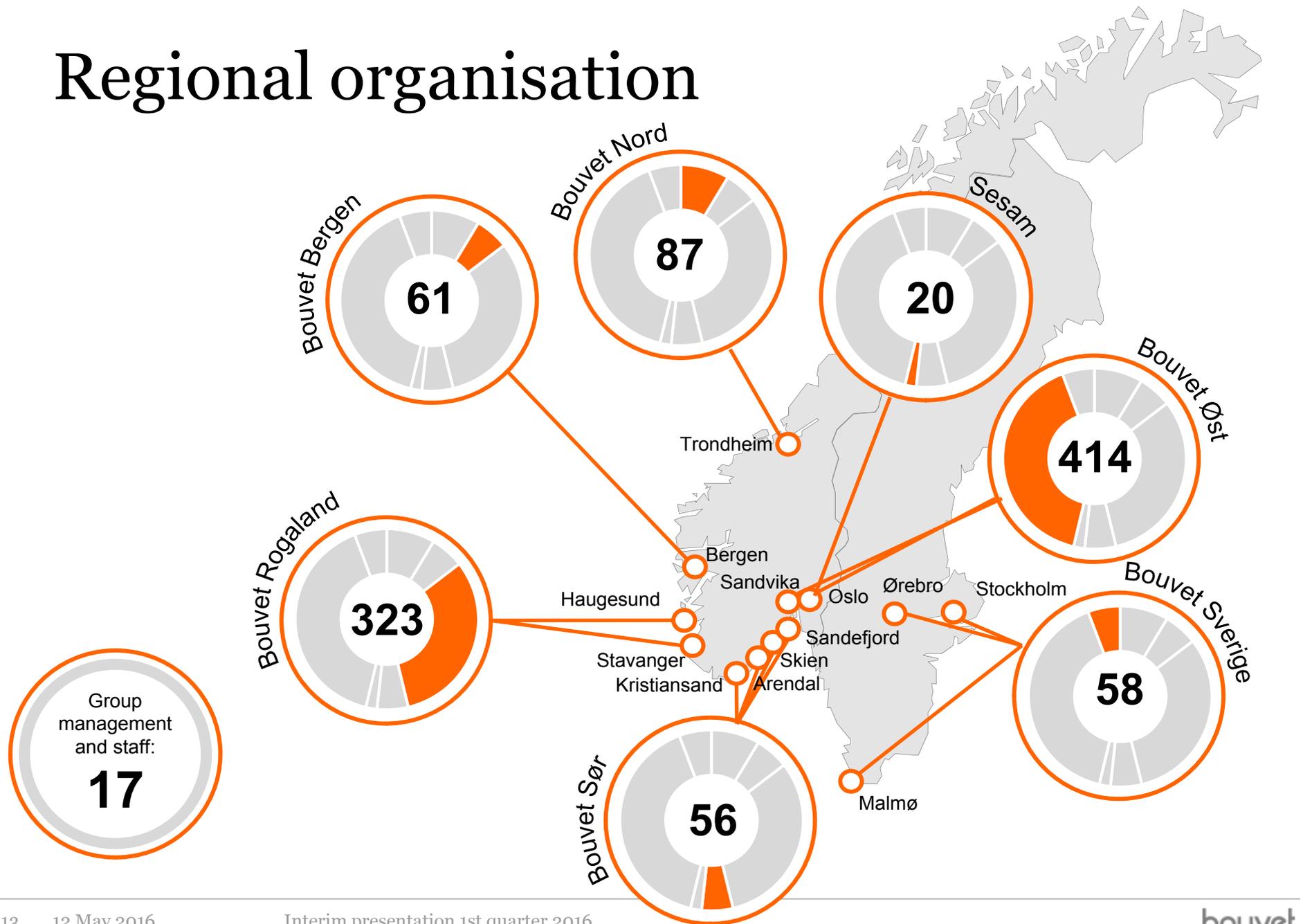
* Existing customers defined as customers that were invoiced in the corresponding quarter last year

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

Revenues customer split
MNOK



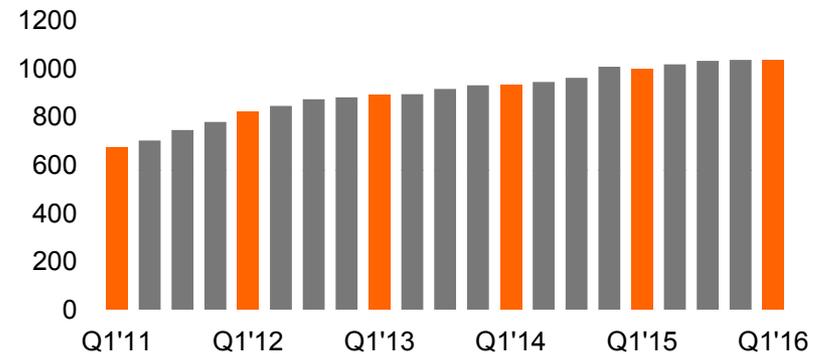
Regional organisation



Enthusiastic and competent employees

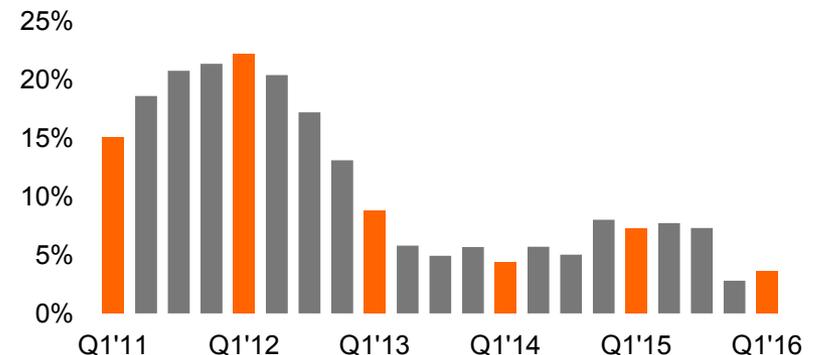
- 1 036 employees at the end of the first quarter
 - Equal to Q4'15
 - 36 more employees in the past 12 months
 - Average number of employees in the quarter up 3.0 percent from Q1'15

Number of employees end of quarter



Annual growth in number of employees

Percentage



Improved score at Great Place to Work

Great Place to Work © undersøkelsen 2014 vs 2015

Økning på alle dimensjoner!



Troverdighet

83%

85%



Respekt

81%

83%



Rettfærdighet

85%

86%



Stolthet

84%

86%



Felleskap

88%

89%

Financial Review



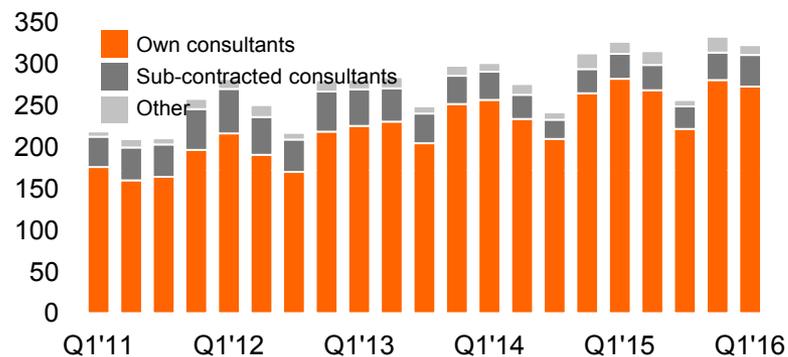
Key figures

MNOK	Three months ending			Twelve months ending		
	31.03.2016	31.03.2015	Change	31.03.2016	31.03.2015	Change
Operating revenue	322.9	327.0	-1.2 %	1 228.4	1 158.7	6.0 %
Operating profit (EBIT)	20.3	32.0	-36.5 %	87.7	84.2	4.1 %
EBIT margin	6.3 %	9.8 %		7.1 %	7.3 %	
Ordinary profit before tax	20.5	32.2	-36.5 %	89.6	86.3	3.9 %
Profit for the period	14.5	24.4	-40.5 %	64.3	62.2	3.4 %
EPS (fully diluted)	1.38	2.32	-40.4 %	6.21	6.01	3.5 %
Net cash flow operations	-17.0	0.3	N/A	110.6	65.9	67.8 %
Equity ratio	38.3 %	37.2 %		38.3 %	37.2 %	
Cash and cash equivalents	152.5	115.8	31.7 %	152.5	115.8	31.7 %
Number of employees (end of period)	1 036	1 000	3.6 %	1 036	1 000	3.6 %
Number of employees (average)	1 033	1 003	3.0 %	1 024	975	5.1 %

Revenues

- Revenues declined by 1.2 percent y-o-y
 - Revenues from own consultants declined by 3.3 percent to NOK 273.0 million
 - Revenues from sub-contracted consultants increased by 26.2 percent to NOK 38.1 million
 - Other revenues declined by 19.1 percent to NOK 11.8 million

Revenue split (quarterly figures)
MNOK



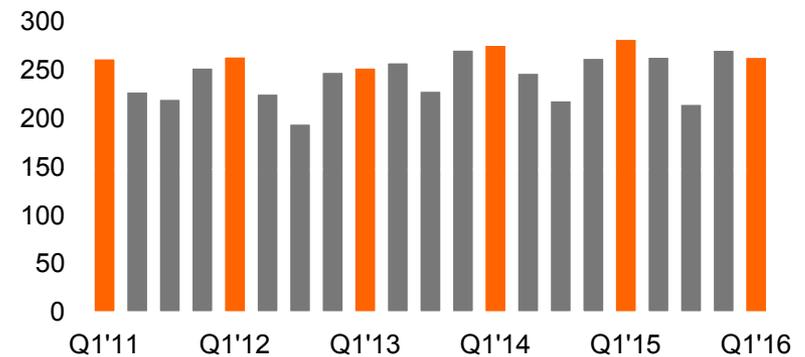
Revenue split (12 months rolling average)
MNOK



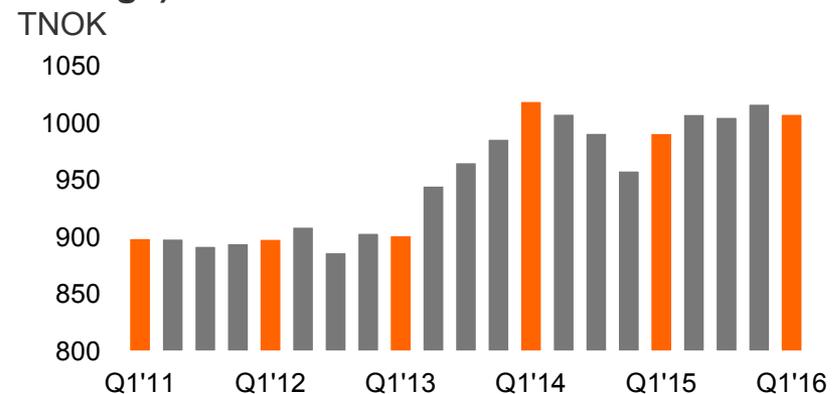
Revenues from own consultants

- Declined 3.3 percent y-o-y
 - 61 workdays in Q1'16 – two less than Q1'15
 - Negative impact from decline in billing ratio by 2.0 percentage points
 - Positive impact from 3.0 percent increase in average number of employees
 - Positive impact from 0.8 percent increase in prices for group hourly services

Revenue per employee (quarterly figures)
TNOK

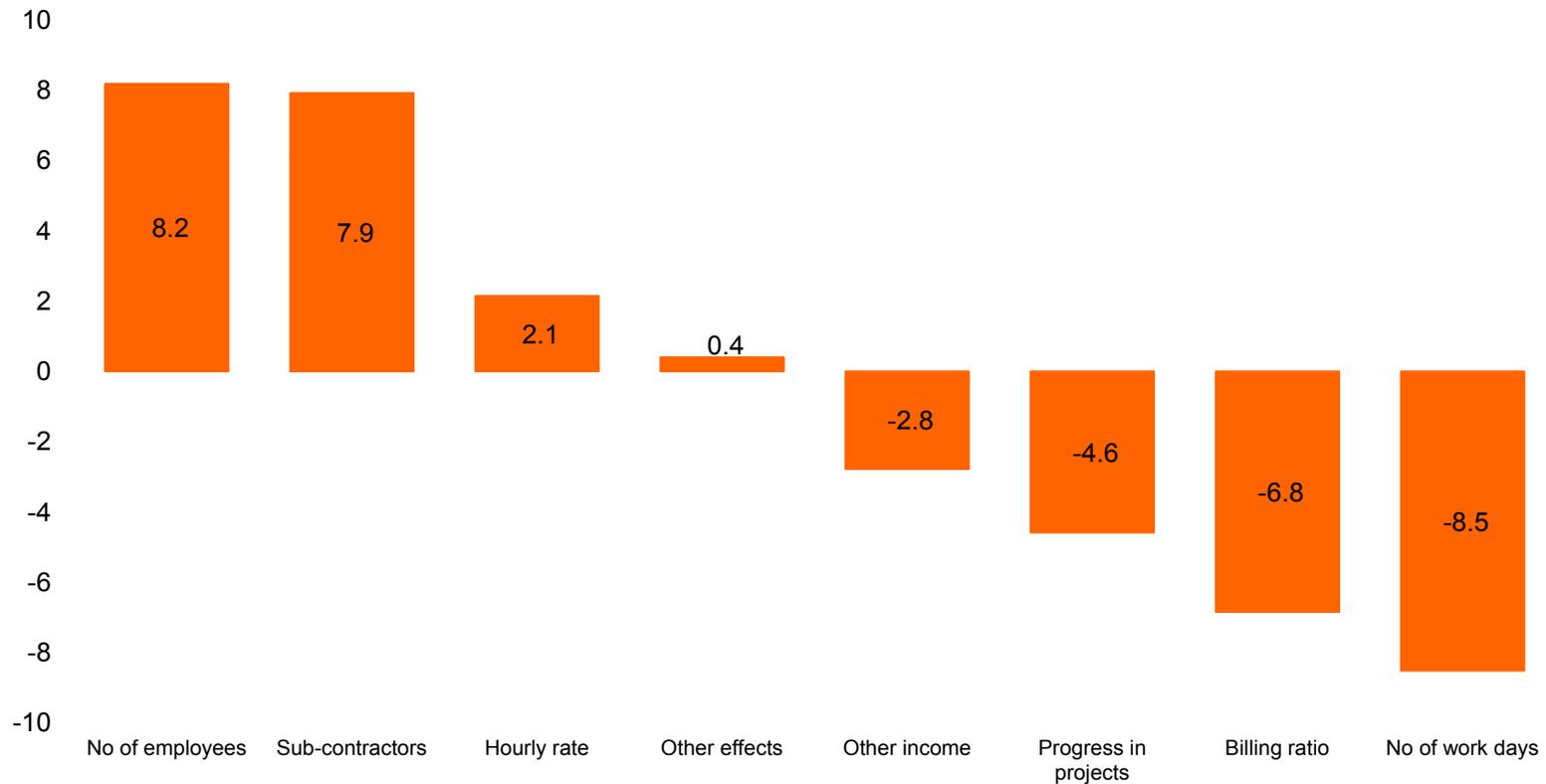


Revenue per employee (12 months rolling average)
TNOK



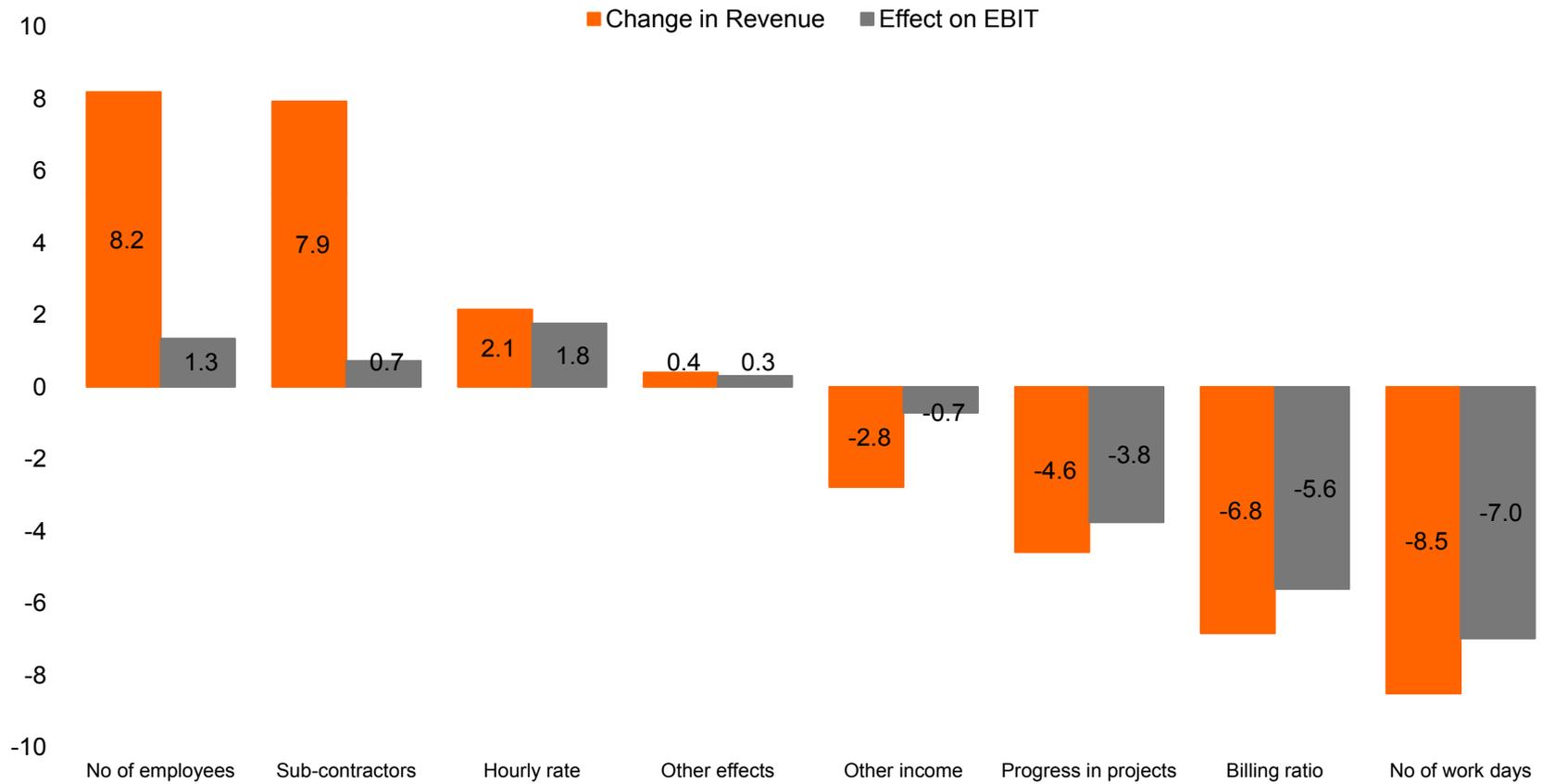
Analysis of change in revenues y-o-y

Revenue
MNOK



Change in revenues – effect on EBIT

Revenue
MNOK

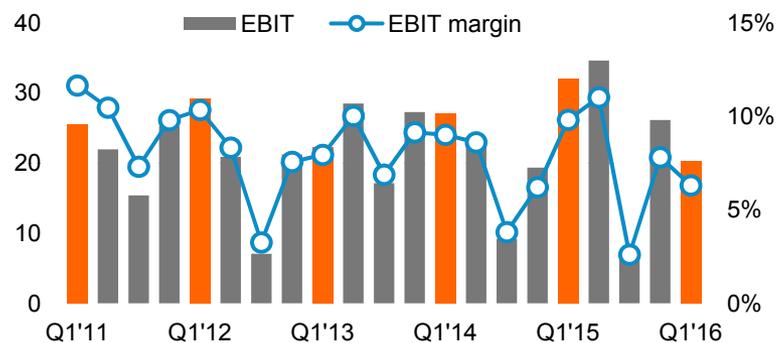


Earnings

- Operating profit declined y-o-y in Q1'16
 - EBIT margin of 6.3 percent compared to 9.8 percent in Q1'15
- Operating expenses increased by 2.6 percent compared to Q1'15
- General growth in pay rate 1.9 percent y-o-y
- Other operating expenses declined 0.5 percent

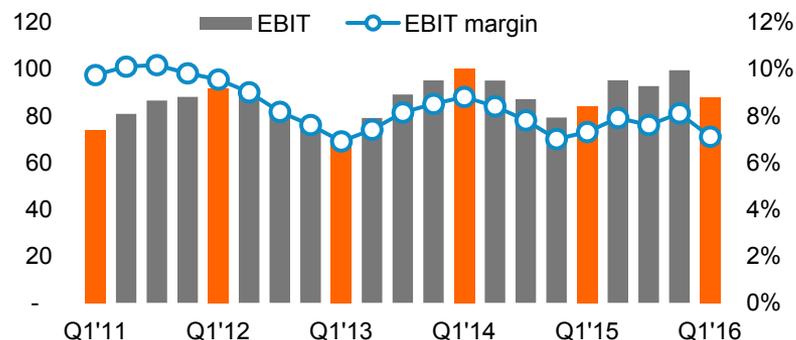
EBIT and EBIT margin

MNOK and Percent



EBIT and EBIT margin (12 months rolling)

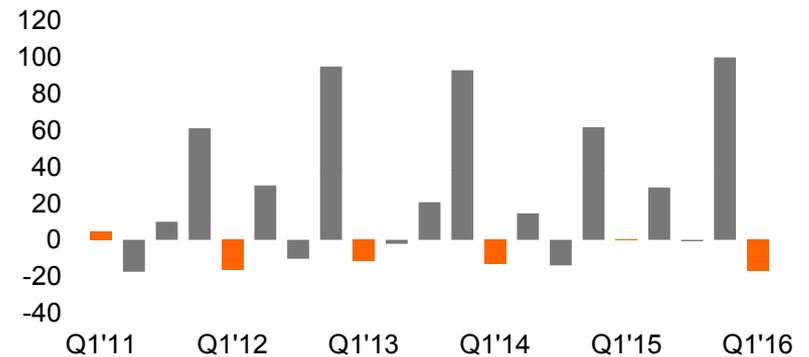
MNOK and Percent



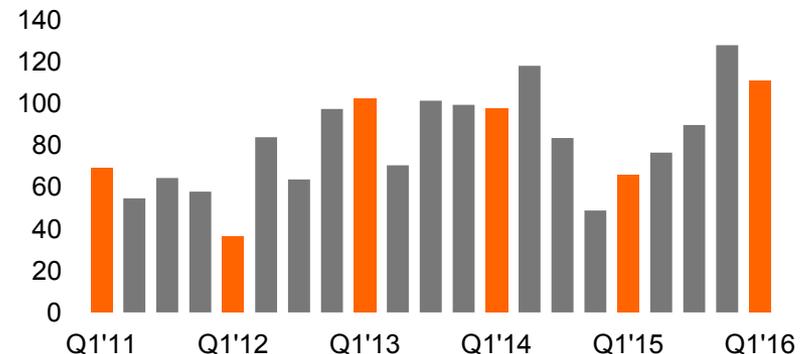
Cash flow

- Cash flow from operations
 - NOK -17.0 million in Q1'16, down from NOK 0.3 million in Q1'15
- Rolling 12 months
 - Operational cash flow over the last 12 months was NOK 110.6 million
- Cash flow from investing activities
 - Negative NOK 4.9 million compared to negative NOK 3.1 million in Q1'15

Cash flow from operations (per quarter)
MNOK



Cash flow from operations (LTM)
MNOK



Outlook



Outlook

- Increase in demand for DevOps and Lean Startup services
- Major industry shift driven by technology and customer behaviour
- Our services and way of collaboration enable our customer to deliver and capture value



Shareholders as of 11.05.2016

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	800 000	7,80 %
MP PENSJON PK	569 904	5,56 %
HURUM SVERRE FINN	507 252	4,95 %
SIX SIS AG	400 000	3,90 %
VEVLEN GÅRD AS	400 000	3,90 %
STUBØ ERIK	236 752	2,31 %
EIKA NORGE	213 952	2,09 %
STOREBRAND NORGE I	211 289	2,06 %
DYVI INVEST AS	200 000	1,95 %
STOREBRAND VEKST	187 475	1,83 %
TELENOR PENSJONSKASSE	186 800	1,82 %
VERDIPAPIRFONDET KLP AKSJENORGE	158 624	1,55 %
VERDIPAPIRFONDET STOREBRAND OPTIMA	147 241	1,44 %
J.P.MORGAN CHASE BANK N.A. LONDON	127 641	1,25 %
VOLLE ANDERS	126 576	1,23 %
AAT INVEST AS	120 500	1,18 %
KOMMUNAL LANDSPENSJOSKASSE	111 579	1,09 %
RIISNÆS STEIN KRISTIAN	84 990	0,83 %
Number of shares held by the 20 largest shareholders	6 968 977	67,99 %