



EVRY ASA Q3 2017 PRESENTATION

CEO Björn Ivroth
CFO Henrik Schibler

EVRY

Björn Ivroth
CEO

EVRY

Agenda Q3 Presentation

- Group Highlights
- Business Update
- Financial Highlights
- Business Area Performance
- Group Financials
- Targets
- Q&A

EVERY



Group Highlights

Revenue and profitability growth in Q3 2017



- 2.6% organic growth
- 14.0% adj. EBITA margin
- Strong backlog

Key contracts and strategic processes



- Samlink
- Aktia Bank
- Statoil

Business and strategic initiatives



- Cognitive Solutions
- Blockchain
- Open banking and PSD2
- Digitalization of Statoil

A woman's profile is shown in silhouette against a white background. Her head is tilted upwards and to the right. Inside her head, a glowing blue wireframe brain is visible. The background is a vibrant purple and pink gradient, overlaid with various digital and data-related graphics: a network of red nodes and lines, a bar chart with blue bars, and a circular radar chart with red lines. The overall aesthetic is futuristic and tech-oriented.

Business Update

Björn Ivroth
CEO

EVRY

Investing in Cognitive Solutions

– Cognitive technologies for customer centers and cross functional services



65% of all customer processes will be automated by 2020 according to Gartner

Reaching **60**

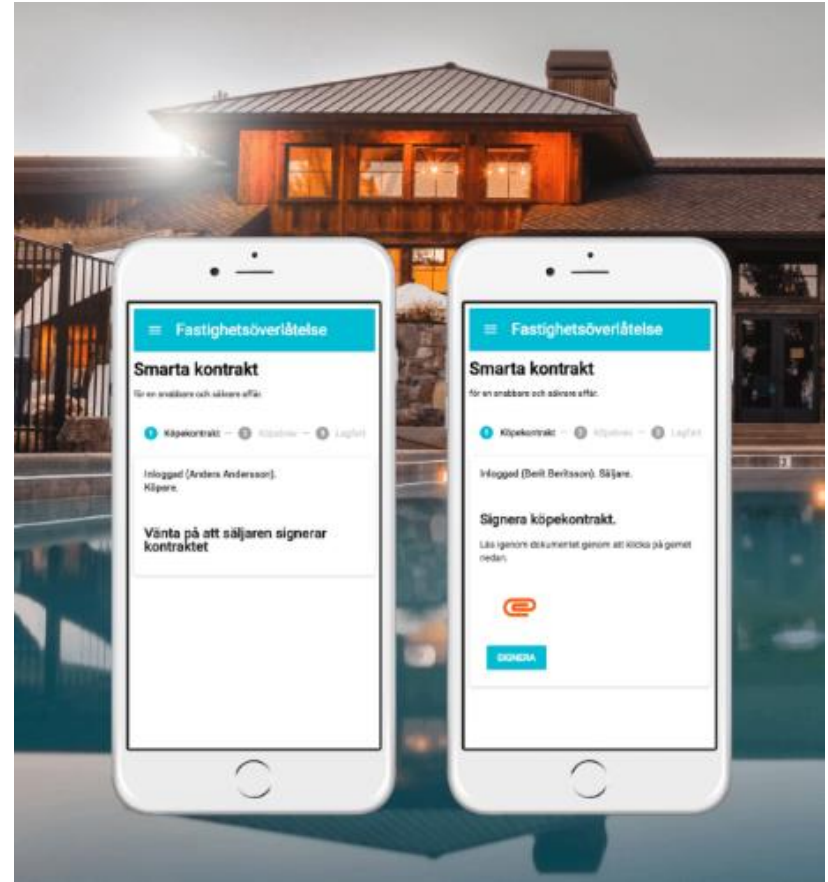
dedicated employees + partners

- Strong market demand for exploring cognitive solutions leading to high sales/presales activity
- Started projects on automated customer service based on software robots (RPA)
- Won contracts in competition with global players
- Preparing for Nordic scale



Blockchain and future house purchases

- A cooperation project with Lantmäteriet, ChromaWay , Kairos Future, Landshypotek Bank, SBAB, EVRY, and Telia
- To study and test the possibilities of using blockchain technology for real estate transactions and for the mortgage deed processes



EVERY enables Open Banking and the revised PSD2

- Providing banks to innovate and capture new revenue streams



2018

will be a game changing year
for retail banking

- EVERY's core banking platform enables Open Banking and the Revised PSD2
- EVERY gives banks access to our open banking platform with a sandbox environment for testing
- Gartner predicts that open banking will open up new revenue streams for banks, contributing up to a 30% increase in annual banking revenues

Digitalization is job #1 in Statoil

EVERY selected as one of three companies to deliver 'Digital Advantage'



5 year

Frame Agreement (2+2+1 extension)
on consultancy in these categories:

- Data Science
- Analytics
- Artificial Intelligence
- Machine Learning
- Robotics
- Internet of Things

... and more traditional domains: IT-
development, visualization and project
management



Financial Highlights

Henrik Schibler
CFO



EVRY

Maintain the strong growth and enhanced profitability

Important wins support our fifth consecutive quarter with positive organic growth

REVENUE/ORGANIC GROWTH

Q3 2017 (NOK million)

2,917

▲ +2.6%

2,841 Q3 2016

PROFITABILITY*

Q3 2017 (NOK million)

408

▲ +18.7%

344 Q3 2016

MARGIN*

Q3 2017

14.0%

▲ +1.9pp

12.1% Q3 2016

Continue the improvement in Days Sales Outstanding

CASH CONVERSION**

LTM Sept. 2017 (%)

84.1%

▼ -19.1pp

103.2% LTM Sept. 2016

DSO

LTM Sept. 2017 (days)

36.7

▲ -4.2 days

40.9 LTM Sept. 2016

BACKLOG

30 Sept. 2017

17.9bn

▲ +0.1bn

17.8bn 30 Sept. 2016

Adj. EPS

Q3 2017 (NOK)

0.75

▲ +0.25

0.50 Q3 2016

* Adjusted EBITA (EBITA before Other income and expenses)

** Cash Conversion: (Operating cash flow ex. Finance and before Capex) / Adjusted EBITDA

Significant margin uplift YTD on the back of 3.2% revenue growth

Profit margins supported by revenue and profitability growth

REVENUE/ORGANIC GROWTH

YTD 2017 (NOK million)

9,183

▲ +3.2%

9,008 YTD Q3 2016

PROFITABILITY*

YTD 2017 (NOK million)

1,073

▲ +16.9%

918 YTD Q3 2016

MARGIN*

YTD 2017

11.7%

▲ +1.5pp

10.2% YTD Q3 2016

Maintain a substantial backlog and high cash conversion

CASH CONVERSION**

LTM Sept. 2017 (%)

84.1%

▼ -19.1pp

103.2% LTM Sept. 2016

DSO

LTM Sept. 2017 (days)

36.7

▲ -4.2 days

40.9 LTM Sept. 2016

BACKLOG

30 Sept. 2017

17.9bn

▲ +0.1bn

17.8bn 30 Sept. 2016

Adj. EPS

YTD 2017 (NOK)

2.00

▲ +0.47

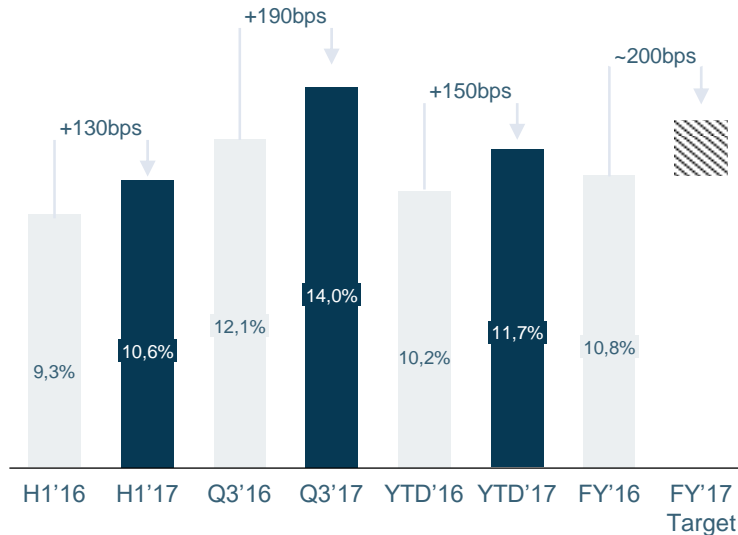
1.53 YTD Q3 2016

* Adjusted EBITA (EBITA before Other income and expenses)

** Cash Conversion: (Operating cash flow ex. Finance and before Capex) / Adjusted EBITDA

Q3 2017 margin improved by 190bps from Q3 2016. 150bps margin uplift YTD

Adjusted EBITA margin improvement 2016 vs. 2017



- Continue the expected margin expansion
- Increased margin by 190bps in Q3 2017 compared to Q3 2016
- Profitability of 11.7% YTD vs. 10.2% for the corresponding period in 2016 (150bps enhancement)
 - LTM September 2017 margin of 11.9%
- In Q4 2016, EVERY delivered a margin uplift of c. 390bps compared to Q4 2015
- Full year 2017 target of 200bps margin improvement from FY 2016 remain unchanged

A blurred high-speed train is moving through a modern station platform. The train is out of focus, creating a sense of motion. The platform has a white ceiling with recessed lighting and a yellow tactile paving strip along the edge. A small flag is visible on the wall in the distance.

Business Area Performance

Henrik Schibler
CFO

EVRY

Business Area Performance Q3/YTD 2017 (1/2)

EVERY Norway



Organic growth (Q3)

0.3% (YTD: 2.0%)

EBITA margin % (Q3)

10.1% (YTD: 10.0%)

- Operating revenue of NOK 1,325m in Q3 2017 (NOK 4,248m YTD), implies an organic growth of 0.3% (2.0%)
- Increased revenues within application and digital services, offset by decreased infrastructure revenue
- EBITA of NOK 134m, an improvement of 13% from Q3 2016 to Q3 2017
- Earnings growth driven by operational efficiency and cost improvements (i.e. lower opex following the strategic improvement measures implemented in 2015 and 2016)

EVERY Sweden



Organic growth (Q3)

9.6% (YTD: 4.1%)

EBITA margin % (Q3)

10.2% (YTD: 9.5%)

- Operating revenue was up 11% to NOK 758m in Q3 2017 from NOK 683m in Q3 2016
- Organic growth was 9.6% adjusted for currency effects
- EBITA YTD increased from NOK 209m to NOK 231m for the corresponding period in 2016. The improvement was mainly driven by positive effects from the strategic initiatives implemented over the last years

Business Area Performance Q3/YTD 2017 (2/2)

EVERY Financial Services



Organic growth (Q3)

0.7% (YTD: 1.3%)

EBITA margin % (Q3)

17.3% (YTD: 13.1%)

- Operating revenue ended at NOK 762m in Q3 2017 (NOK 2,333m YTD), with an organic growth of 0.7% (1.6%). This was principally due to increased revenue related to the Card Services area within Application Services
- Financial Services reported an EBITA of NOK 132m in Q3 2017 compared to NOK 111m in Q3 2016. EBITA increased from NOK 290m YTD 2016 to NOK 305m YTD 2017
- The EBITA margin for Q3 2017 was 17.3% as compared to 14.7% in Q3 2016. The margin improvement was due to increased efficiency across the different service offerings and higher profitability on selected projects and contracts

EVERY Global Delivery



Organic growth (Q3)

3.1% (YTD: 4.5%)

EBITA margin % (Q3)

15.1% (YTD: 14.8%)

- Global Delivery reported 3.1% organic growth for Q3 2017 which implies a total revenue of NOK 225m
- Approx. 60% of this revenue relates to external customers from outside the Nordic region
- EBITA for Q3 2017 was NOK 34m, compared to NOK 33m for the same period of 2016
- The EBITA margin for Q3 2017 was 15.1% as compared to 14.8% for Q3 2016



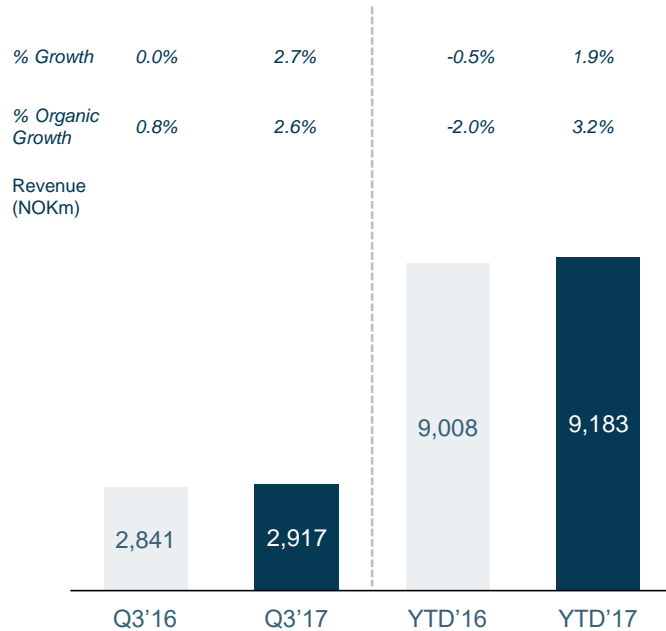
Group Financials

Henrik Schibler
CFO

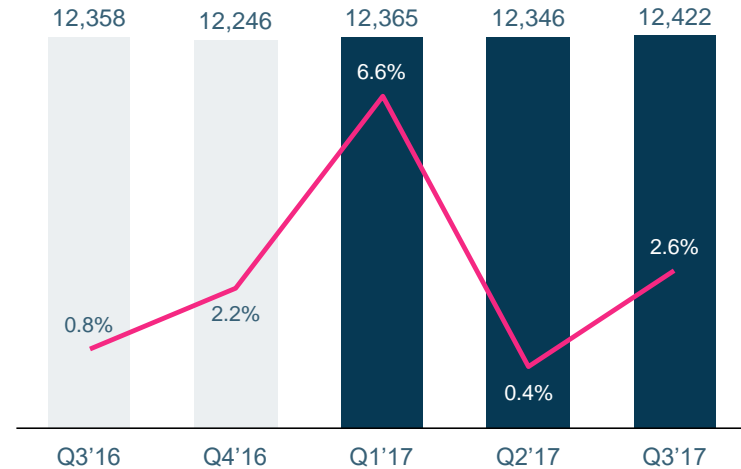
EVRY

Fifth consecutive quarter with positive organic growth

Revenue and Growth 2017 vs. 2016



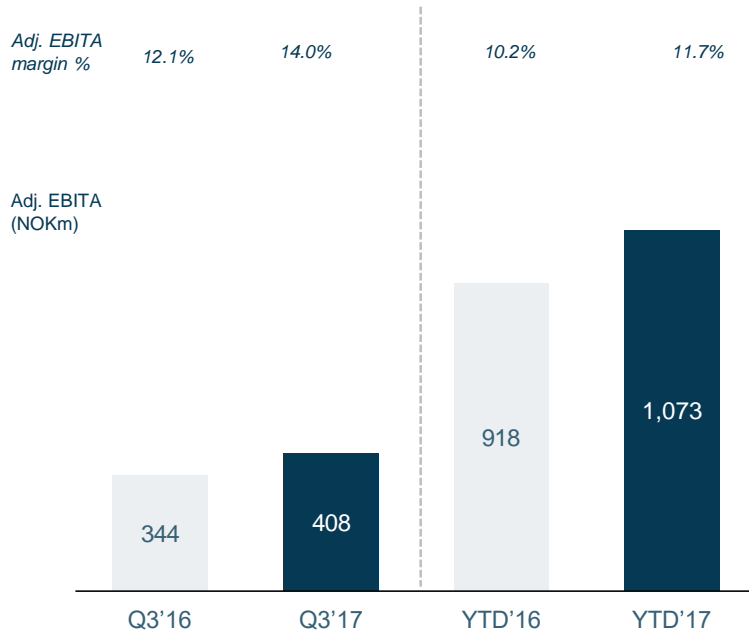
LTM Revenue vs. Quarterly Organic Growth



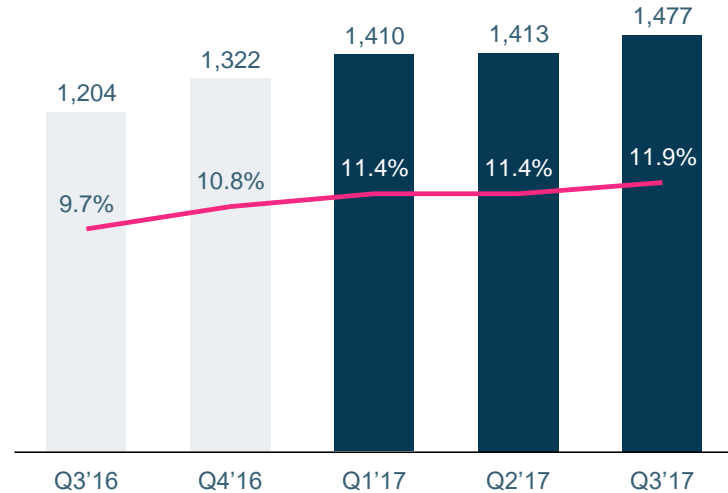
* Growth 2016 adjusted for loss of DNB Non-mainframe

Continue to improve margins – LTM margin close to 12%

Adj. EBITA and Adj. EBITA margin 2016 vs. 2017



LTM Adj. EBITA vs. LTM Adj. EBITA margin



Revenue driven by growth across all business areas, while improved profitability and margin expansion demonstrate a successful turnaround

Profit & Loss (NOKm)	Q3 2017	Q3 2016	1.1.-30.9 2017	1.1.-30.9 2016
Revenue	2.917	2.841	9.183	9.008
Cost of goods sold	-1.050	-942	-3.117	-2.817
Salaries and personnel costs	-1.166	-1.184	-3.932	-4.087
Other operating costs	-229	-314	-870	-985
Adjusted EBITDA	472	401	1.264	1.119
Depreciation and write-down of tangible assets and in-house developed software	-64	-57	-190	-200
Adjusted EBITA	408	344	1.073	918
Other income and expenses	-213	-87	-954	-191
EBITA	194	257	119	727
Amortisation of customer contracts and other intangible assets	-2	-4	-11	-11
EBIT	192	253	108	716
Net financial items	-42	-164	-638	-371
Profit / loss before tax	150	89	-530	345
Taxes	-35	-20	130	-82
Profit / loss	115	69	-399	264

- Revenue growth across all business areas, with EVRY Sweden as the main driver
- Increased COGS relates to change in business model and further implementation of the IBM partnership
- Continue to reduce personnel expenses due to work force reduction
- Opex reduction explained by cost focus and operational efficiency initiatives
- Other income and expenses mainly related to the implementation of the extended partnership with IBM
- Net financial expenses reduced by NOK 122m due to significant lower leverage and cost of debt
- Effective tax rate of 23.3% in the quarter

Cash flow for the quarter driven by outflow of working capital and implementation costs related to the IBM partnership

Cash Flow (NOKm)	Q3 2017	Q3 2016	1.1.-30.9 2017	1.1.-30.9 2016
Profit / loss before tax	150	89	-530	345
Depreciation, write-down and amortization	67	61	224	212
Tax paid	-30	-21	-79	-66
Net financial items	13	61	286	70
Change in net working capital	-571	-221	-856	-542
Other changes	432	175	1.159	490
Adjusted net cash flow from operations	60	145	204	509
Cash effect from other income and expenses	-466	-224	-1.450	-801
Net cash flow from operations	-405	-80	-1.246	-292
Net cash flow from investments	-90	-94	-246	-240
Net cash flow from financing	214	-58	870	191
Changes in foreign exchange rates	-17	-51	-22	-71
Net change in cash flow	-298	-283	-644	-411
Free Cash Flow	-29	62	-33	310

- Negative Net cash flow from operations explained by cash payments related to the IBM partnership implementation, strategic processes (i.e. IPO) and higher working capital outflow
- The negative outflow in net working capital to some extent explained by quarter ending on a weekend, which has implications on the due date on invoices and payments from customers
- Investments relates mainly to own IP and datacentre customization
- Net cash flow from financing explained by a temporary RCF draw down
- LTM cash conversion ended at 84.1% as of September, and dedicated focus on cash collection has resulted in an significant improved DSO (36.7 days end Q3)

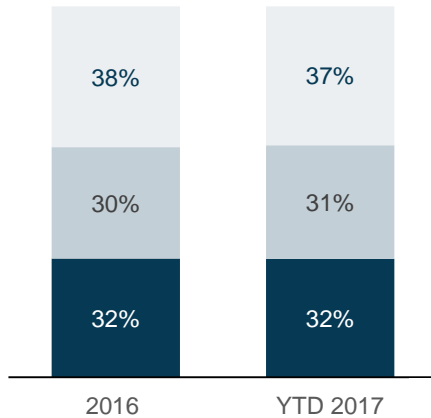
The ongoing implementation of the IBM partnership explains the exceptional costs, which will decline in 2018

Break down Other income and expenses (NOKm)			1.1.-30.9	1.1.-30.9
	Q3 2017	Q3 2016	2017	2016
EBITA	194	257	119	727
IBM outsourcing agreement	210	36	711	108
Write-down of other balance sheet items and projects	0	0	0	12
Provision for restructuring	0	40	33	40
Transaction costs, IPO and refinancing	3	11	210	32
Total Other income and expenses	213	87	954	191
Adjusted EBITA	408	344	1.073	918
Depreciation and Write-downs	64	57	190	200
Adjusted EBITDA	472	401	1.264	1.119

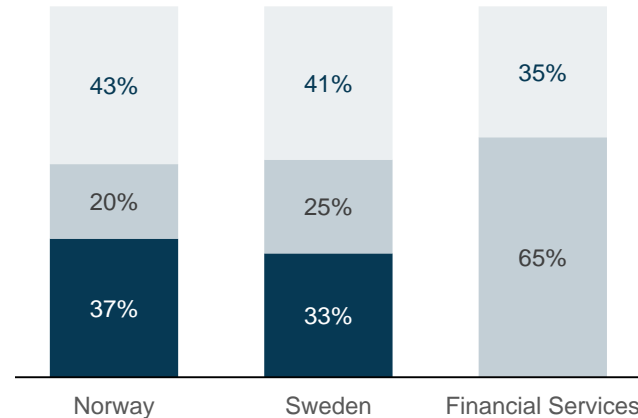
- Q3 exceptional costs are explained by the transition and transformation project related to the implementation of the IBM partnership
 - Implementation of the IBM partnership for larger enterprises entered into in December 2015
 - Effects of the expanded partnership that was entered into with effect from February 2017, which includes regional infrastructure activities in Norway and Sweden

Revenue mix on Group level are expected to gradually shift to a relative higher share of Application and Digital Services

Revenue mix on Group level (%)



Revenue mix by Business Area (%)



■ Digital Services ■ Application Services ■ Infrastructure Services



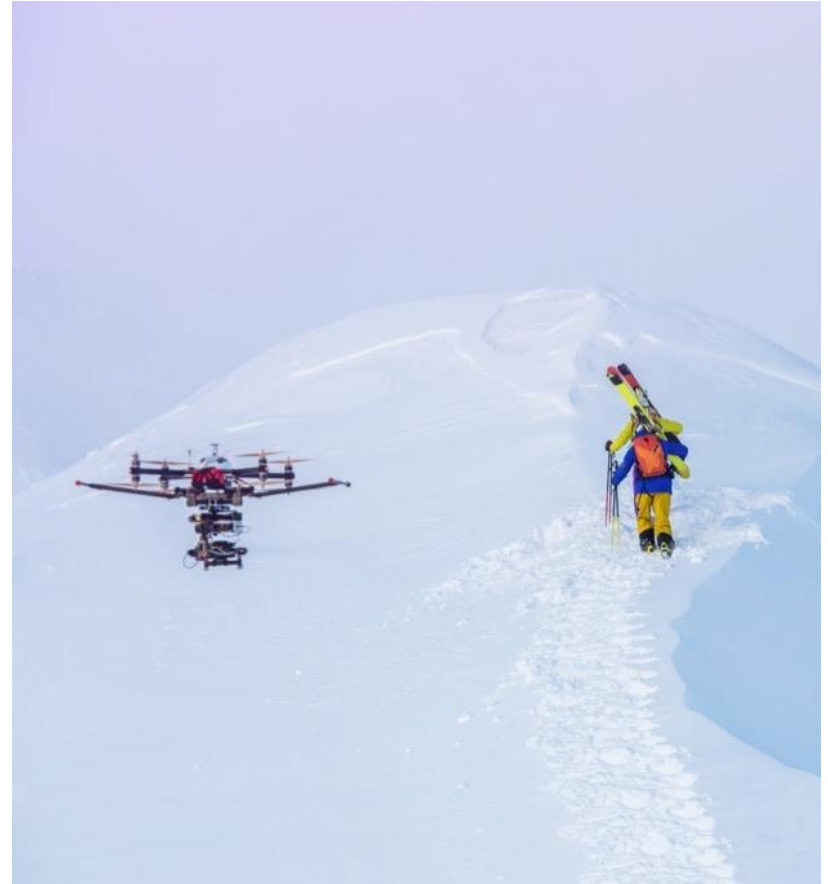
Targets

Henrik Schibler
CFO

EVRY

Target for 2017

The 2017 target for organic growth, operating margin and capex remains unchanged from the prospectus provided in connection with the IPO



EVRY

The background features a dark blue gradient with numerous thin, horizontal blue lines that create a sense of depth and movement. Scattered throughout are soft, out-of-focus pink and purple bokeh lights, some of which are larger and more prominent than others. The overall aesthetic is modern and digital.

Q&A

EVERY

Disclaimer

These materials may contain statements about future events and expectations that are forward-looking statements. Any statement in these materials that is not a statement of historical fact including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including, among others competition from Nordic and international companies in the markets in which the Company operates, changes in the demand for IT services, in particular in the Nordic market, changes in international, national and local economic, political, business, industry and tax conditions, the Company's ability to realise backlog as operating revenue, the Company's ability to correctly assess costs, pricing and other terms of its contracts, the Company's ability to manage an increasingly complex business, political and administrative decisions that may affect the Company's public customer group contracts, the Company's ability to retain or replace key personnel and manage employee turnover and other labour costs, unplanned events affecting the Group's operations or equipment, the Company's ability to grow the business organically, changes regarding the Company's brand reputation and brand image, fluctuations in the price of goods, the value of the NOK and exchange and interest rates, the Company's ability to manage its international operations, changes in the legal and regulatory environment and in the Company's compliance with laws and regulations, increases to the Company's effective tax rate or other harm to its business as a result of changes in tax laws, changes in the Company's business strategy, development and investment plans, other factors referenced in this report and the Company's success in identifying other risks to its business and managing the risks of the aforementioned factors. Should one or more of these risks or uncertainties materialise, or should any underlying estimates or assumptions prove to be inappropriate or incorrect, our actual financial condition, cash flows or results of operations could differ materially from what is expressed or implied herein. The Company assumes no obligations to update the forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

This presentation does not constitute or form part of, and is not prepared or made in connection with, an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. The information in this presentation is subject to verification, completion and change. The contents of this presentation have not been independently verified. The Company's securities have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act"), and are offered and sold only outside the United States in accordance with an exemption from registration provided by Regulation S of the US Securities Act. This presentation should not form the basis of any investment decision. Investors and prospective investors in securities of any issuer mentioned herein are required to make their own independent investigation and appraisal of the business and financial condition of such company and the nature of the securities.



EVERY

Digital
+ Advantage