EVRY ASA

Q3 2018 PRESENTATION

CEO BJÖRN IVROTH

CFO HENRIK SCHIBLER

Agenda

- Group highlights
- Business update
- Financial highlights
- Business area performance
- Concluding remarks
- Q&A

Group highlights Q3 2018

FINANCIALS

REVENUE (NOKm)	ADJ. EBITA (NOKm)[2]	BACKLOG (September NOK bn)
3 005 ▲	413 ▲	17.8 ▼
ORGANIC GROWTH[1]	EBITA MARGIN[2]	ACQUISITION
4.0% ▲	13.7% ▼	exonor – WE MAKE E-HEALTH WORK.

BUSINESS UPDATE

- Positive revenue momentum and sustainable margins driven by high activity within Application Services, especially Financial Services
- Utilisation in Norway in line with 2017, while performance in Sweden is lagging somewhat due to recruiting challenges
- Other income and expenses reduced by NOK 102m from Q3 2017 (NOK 355m YTD)[3] and trading according to plan
- Stable order intake of small and medium sized contracts during the quarter provides basis for maintaining a strong backlog
- LTM cash conversion of 82.8% and Adjusted EPS[2] of NOK 0.79 in Q3 2018 (NOK 1.87 YTD)

1) ADJUSTED FOR CURRENCY EFFECTS, ACQUISITIONS AND DIVESTMENTS
2) BEFORE OTHER INCOME AND EXPENSES
3) T&T IBM PARTNER AGREEMENT

Business update

EVRY – Aspired position

Deliver on desired **business outcomes** for our customers

Industry specific capabilities

Solutions for **key industries**

Creating
Digital Advantage
for tomorrow's Leaders

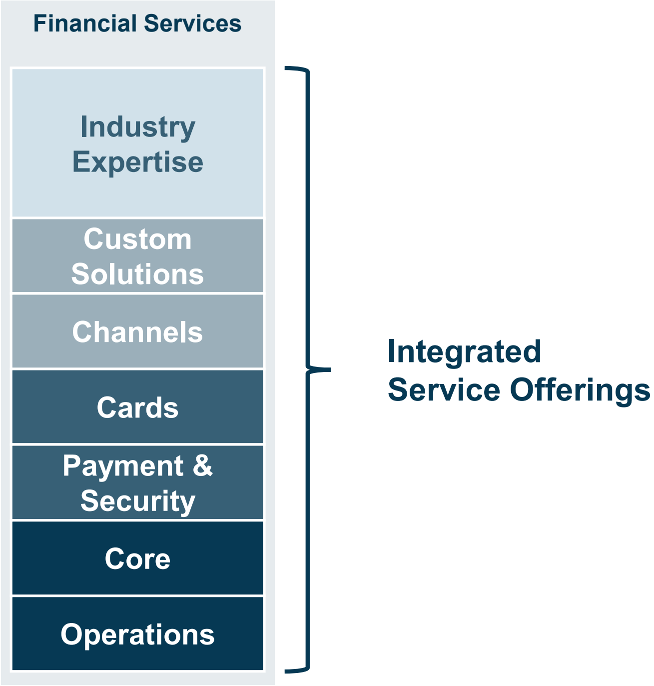
Domain specific and horizontal capabilities

Ensuring **critical mass, scale** and **efficiency** across customer segments

Customer needs

- Strengthen Customer Relationships
- Engage Employees
- Renew Processes
- Modernize Systems

Success in the Financial Services segment based on industry expertise and integrated service offerings



EVRYs number one position within the Financial Services segment in the Nordics is achieved through:

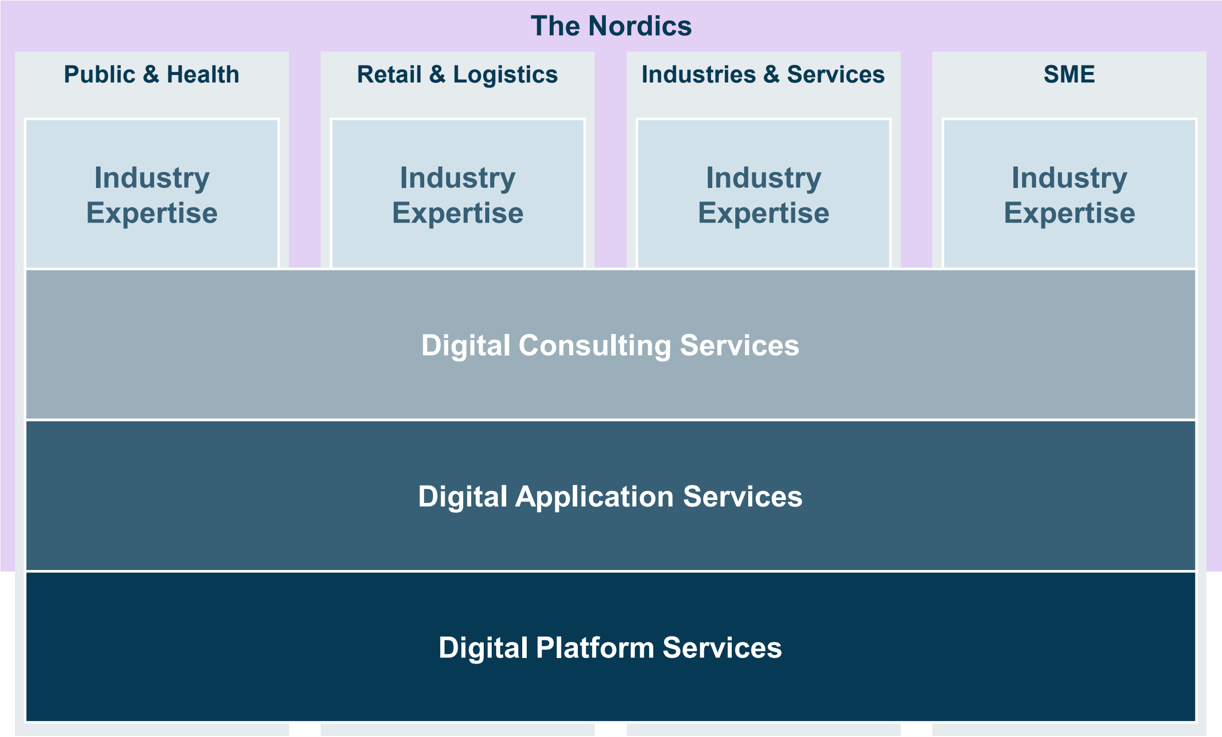
- Industry insight and expertise acquired over many years
- Integrated service offerings and EVRY proprietary IP software solutions built on the own IPR based core banking and payment platform
- A unique position and experience built within the ATM and Cards segments

Focus on industry expertise, and ensuring scale and efficiency cross customer segments

Public & Health	Retail & Logistics	Industries & Services	SME
Industry Expertise	Industry Expertise	Industry Expertise	Industry Expertise
Digital Consulting Services	Digital Consulting Services	Digital Consulting Services	Digital Consulting Services
Digital Application Services	Digital Application Services	Digital Application Services	Digital Application Services
Digital Platform Services	Digital Platform Services	Digital Platform Services	Digital Platform Services

- Targeted ‘go-to-market’ for select industry segments
- Utilizing EVRYs local market presence to reach the sizable SME-segment
- Organizing for critical mass in relevant competence areas
- Increasing efficiency and scalability through repeatable concepts and delivery models
- Internal fine-tuning of organization for combining industry specialization with a scalable service model

Focus on industry expertise, and ensuring scale and efficiency cross customer segments



- Targeted ‘go-to-market’ for select industry segments
- Utilizing EVRYs local market presence to reach the sizable SME-segment
- Organizing for critical mass in relevant competence areas
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- Internal fine-tuning of organization for combining industry specialization with a scalable service model

EVRY strengthens focus on health technology across the Nordic region

exonor®

WE MAKE E-HEALTH WORK.

EVRY is a future-oriented Healthcare technological partner with:

- Specialist solutions based on own IP
- Partnership with leading suppliers
- Deep business knowledge
- e-Health solutions and skills
- Generic IT services, outsourcing, BI, change and project mgt.
- Skills and expertise

By acquisition of Exonor EVRY will:

- ✓ Strengthen industry-specific and specialist expertise and increase capabilities, which mean:
  - ✓ Stronger driver of digitalisation and modernisation for customers
  - ✓ Joint forces: A strong team dedicated to provide patients and HC professionals with the best digital services available

Financial highlights

Group financial highlights

	EVRY Group		NORWAY		SWEDEN		FINANCIAL SERVICES	
	Q3 2018	YTD 2018	Q3 2018	YTD 2018	Q3 2018	YTD 2018	Q3 2018	YTD 2018
REVENUE NOKm	3 005 ▲	9 499 ▲	1 324 ▼	4 287 ▲	734 ▼	2 409 ▼	813 ▲	2 479 ▲
ORGANIC GROWTH[1]	4.0% ▲	3.9% ▲	0.0% ▼	0.9% ▼	-0.5% ▼	-0.6% ▼	7.3% ▲	6.5% ▲
EBITA[2] NOKm	413 ▲	1 107 ▲	137 ▲	423 ▼	66 ▼	193 ▼	135 ▲	333 ▲
EBITA MARGIN[2]	13.7% ▼	11.7% ▶	10.3% ▲	9.9% ▼	9.0% ▼	8.0% ▼	16.6% ▼	13.4% ▲

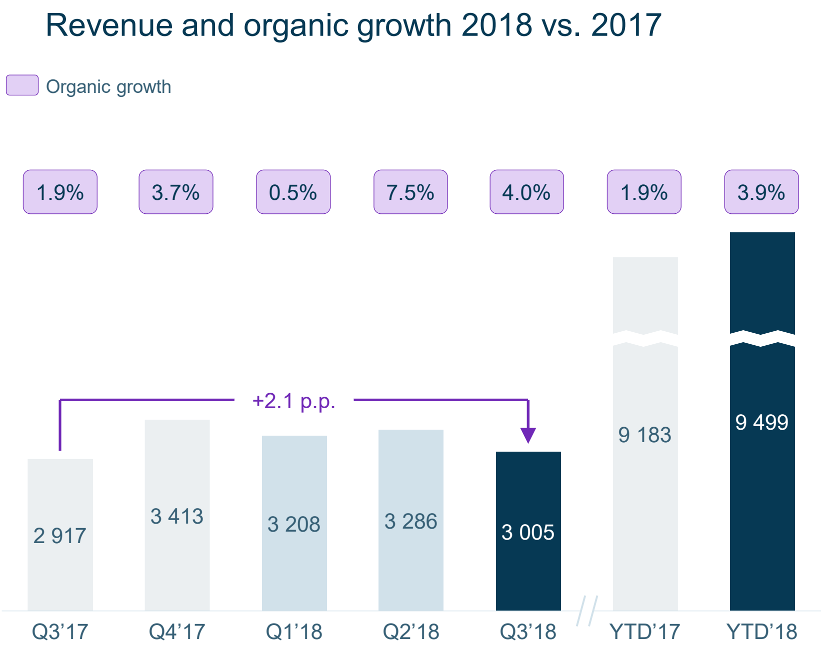
CASH CONVERSION	FREE CASH FLOW	EPS[2]	BACKLOG
▼ 82.8% LTM Sep.18	▲ NOK 34m Q3'18	▲ NOK 0.79 Q3'18	▼ NOK 17.8bn 30 Sep.18

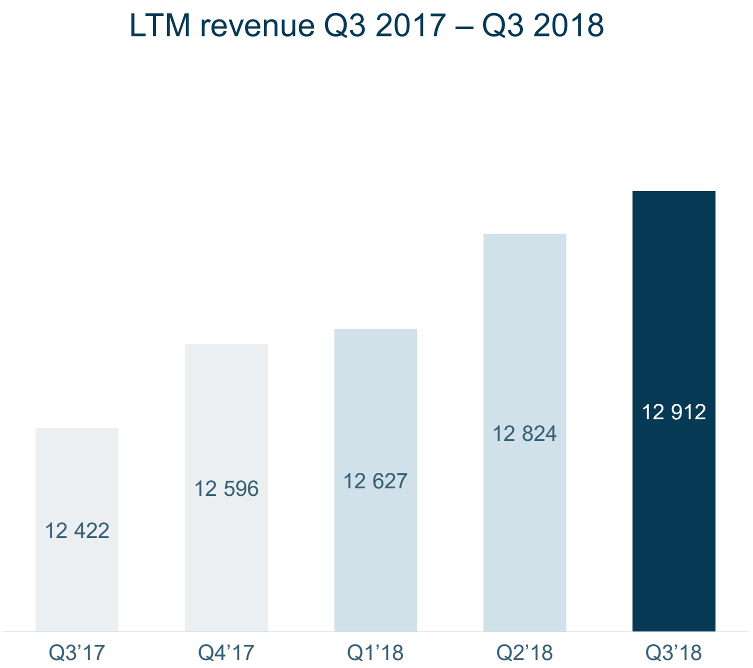
ORGANIC GROWTH Q3'18

Consulting Services	-1.5%
Application Services	8.3%
Digital Platform Services	-0.1%
Fulfilment Services	20.9%

1) ADJUSTED FOR CURRENCY EFFECTS, ACQUISITIONS AND DIVESTMENTS
2) BEFORE OTHER INCOME AND EXPENSES

The third quarter continued with solid growth

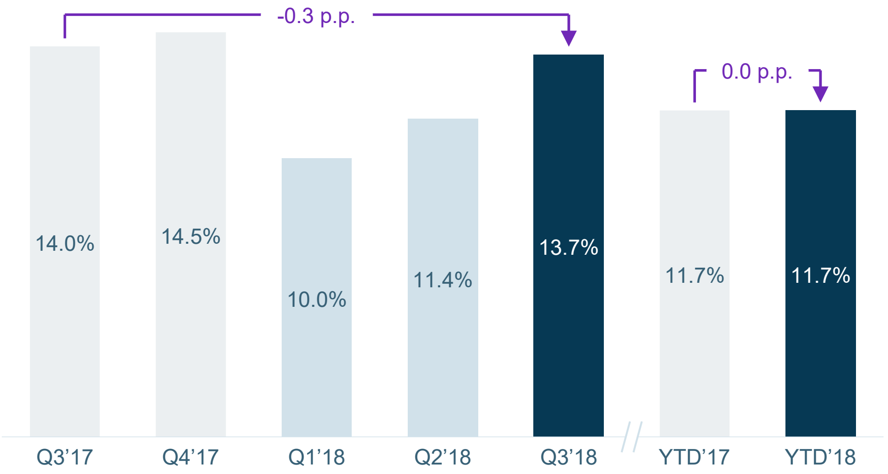




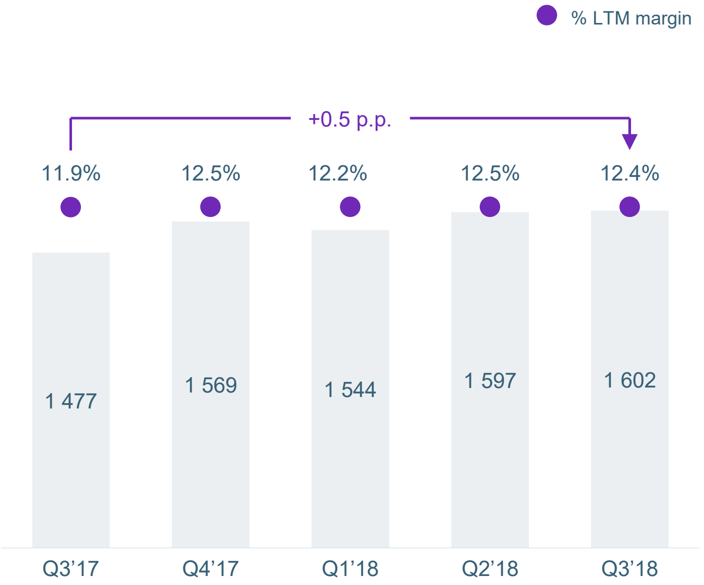
 ORGANIC GROWTH ADJUSTED FOR CURRENCY EFFECTS, ACQUISITIONS AND DIVESTMENTS

Profitability year to date is steady, despite EBITA margin somewhat reduced q/q primary in Sweden

EBITA margin[1] 2018 vs. 2017



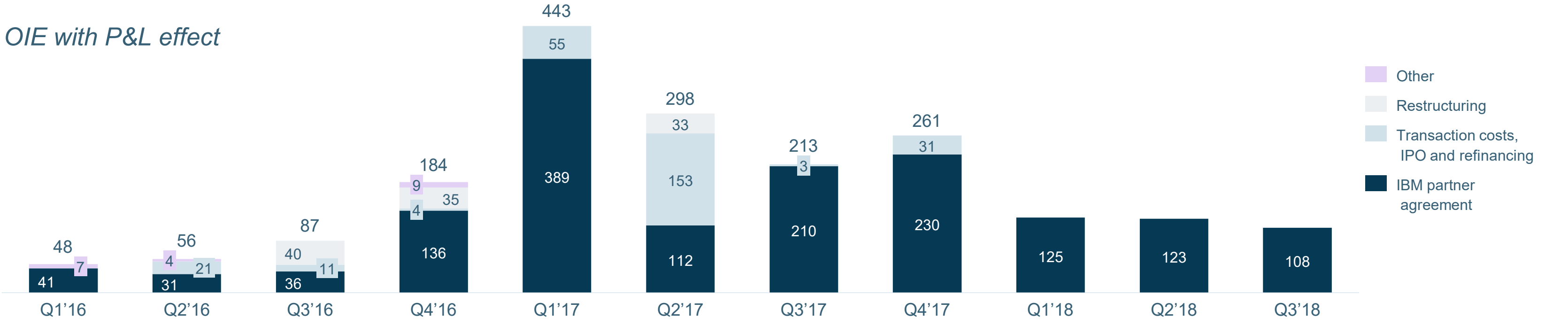
LTM EBITA[1] Q3 2017 – Q3 2018



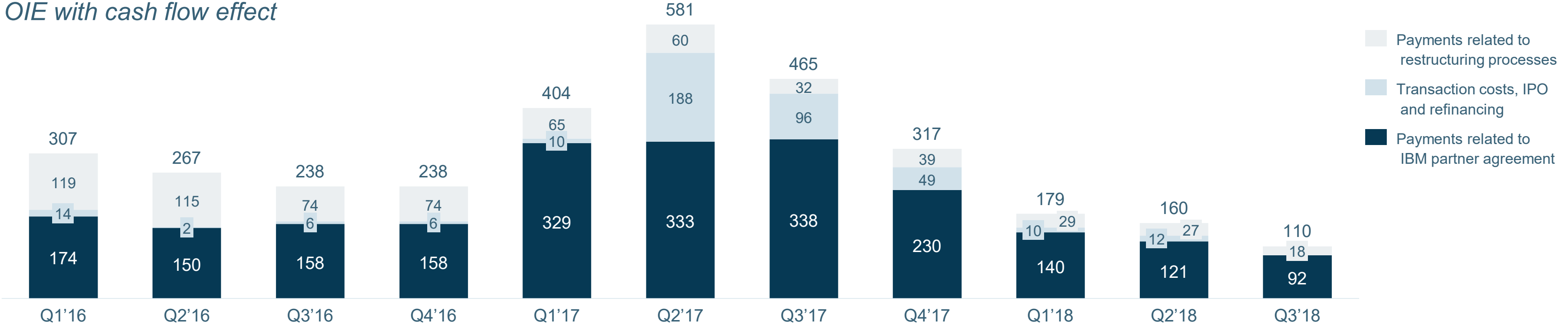
1) BEFORE OTHER INCOME AND EXPENSES

Other income and expenses (OIE) related to the T&T project are slowing down and on track with schedule

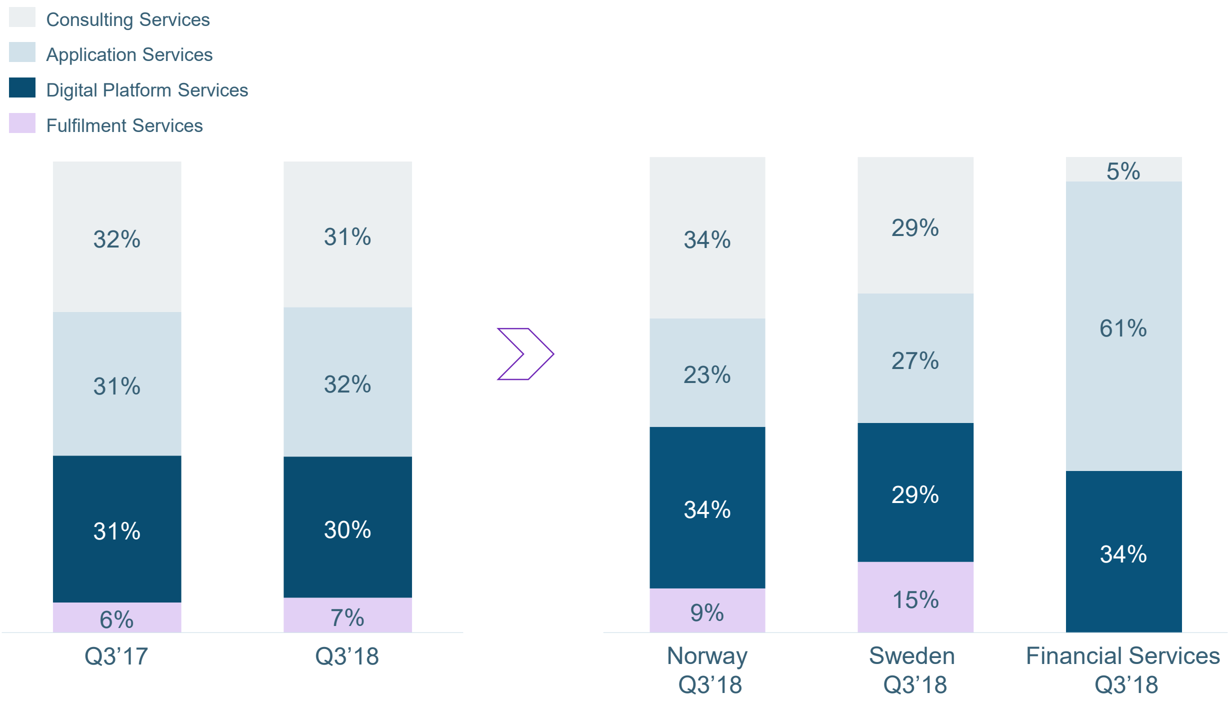
OIE with P&L effect



OIE with cash flow effect



Relevant products and solutions in Financial Services drive the growth in Application Services



ORGANIC GROWTH Q3'18

Consulting Services -1.5%

Application Services 8.3%

Digital Platform Services -0.1%

Fulfilment Services 20.9%

Free cash flow and cash conversion exposed to period end on a weekend

	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Cash conversion	84.1%	91.6%	70.3%	78.3%	82.8%
LTM FCF	621	913	572	887	950
Quarter end on weekend/ holiday	Yes	Yes	Yes	Yes	Yes

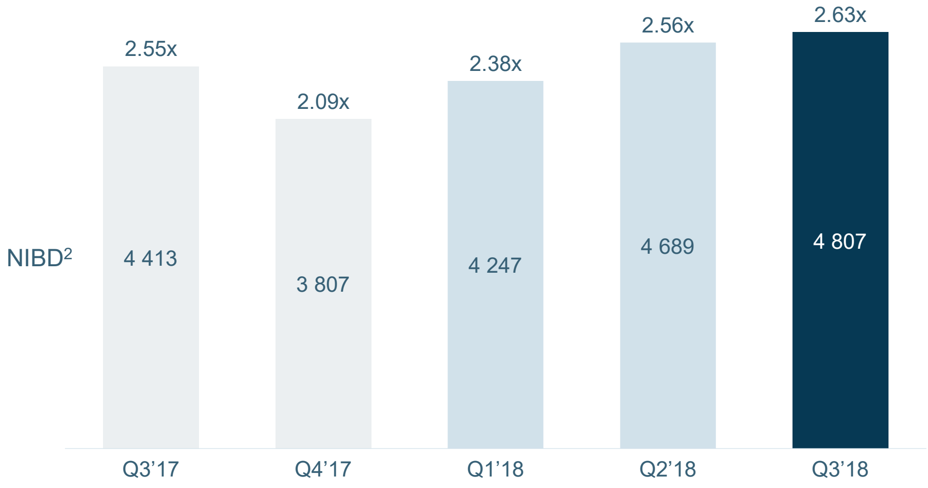
- Free cash flow in Q3 2018 ended at NOK 34m (vs. NOK -29m in Q3 2017)
- Q3 2018 ended on a weekend as the fifth quarter in a row
- The major part of EVRYs receivables have due date the last day in the month, which implies that several customer payments fell overdue

Increased gearing driven by unfavourable intra quarter working capital outflow

- Net interest bearing debt as of end September of NOK 4.8bn.

- Draw down on the RCF at quarter end due to timing of tax/ social tax payments

Net leverage multiples[1]



1) NIBD/ LTM EBITDA BEFORE OTHER INCOME AND EXPENSES
2) NIBD = NET INTEREST-BEARING DEBT (REPRESENT CURRENT AND NON-CURRENT INTEREST-BEARING LIABILITIES (BEFORE ADJUSTMENTS FOR CAPITALISED ARRANGEMENT FEES) LESS BANK DEPOSITS)

Preliminary assessment of implications of implementation of IFRS 16

EVRY has over the last months evaluated the possible implementation effects of IFRS 16

The preliminary assessment concludes that:

- The major asset groups for EVRY are Office buildings and Datacenter (close to 90%)
  - Note: Software is not part of the IFRS 16 scope
- Implementation effect on book equity is assumed to be limited (i.e. value of Right of Use Asset close to Lease Liability)
- The outsourcing/service agreement with IBM will not be treated as a lease liability under IFRS 16
- Potentially a minor net profit effect in 2019 as some higher interest expenses is a possible outcome of the implementation effects (still to be concluded)

Business area performance

Business area performance – Financial highlights

	NORWAY		SWEDEN		FINANCIAL SERVICES		GLOBAL DELIVERY	
	Q3 2018/17	YTD 2018/17	Q3 2018/17	YTD 2018/17	Q3 2018/17	YTD 2018/17	Q3 2018/17	YTD 2018/17
ORGANIC GROWTH[1]	0.0% ▼ 0.3%	0.9% ▼ 1.0%	-0.5% ▼ 6.9%	-0.6% ▼ 1.2%	7.3% ▲ 0.7%	6.5% ▲ 1.3%	21.5% ▲ 3.1%	15.1% ▲ 4.5%
EBITA MARGIN[2]	10.3% ▲ 10.1%	9.9% ▼ 10.0%	9.0% ▼ 10.2%	8.0% ▼ 9.5%	16.6% ▼ 17.3%	13.4% ▲ 13.1%	16.2% ▲ 15.1%	15.7% ▲ 14.8%
30 SEP. 2018 BACKLOG	6.6 NOK bn		3.2 NOK bn		8.0 NOK bn			

1) ADJUSTED FOR CURRENCY EFFECTS, ACQUISITIONS AND DIVESTMENTS
2) BEFORE OTHER INCOME AND EXPENSES

Business area performance – Operational highlights

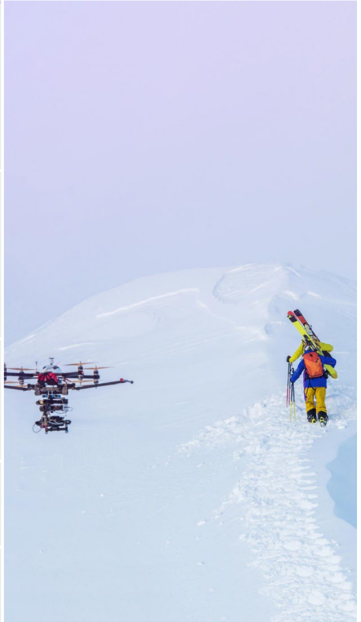
	NORWAY	SWEDEN	FINANCIAL SERVICES	GLOBAL DELIVERY
SELECTED CONTRACTS /PARTNERSHIPS	ISS NORCE	Forskningsrådet	Cornerstone ONDEMAND Empowering People	IFS
Q3 2018 DRIVERS	▪ Demand for digitization services ▪ Good market momentum for medium sized infrastructure outsourcing type opportunities ▪ Shift from traditional infrastructure to public cloud based infrastructure creates momentum and opportunities ▪ Strong market for application and digital services with focus on intelligent automation → software robots that replace human tasks	▪ Won several smaller digital transformation projects ▪ Steady order intake of smaller consulting projects within Retail and Public ▪ Focus on modernising offerings combining consulting and services ▪ Established two important partnerships with Cornerstone Ondemand and IFS	▪ Revenue growth driven by demand across all solution and service areas ▪ Signed >150 new smaller contracts with the hole range of large to small-sized Nordic banks ▪ Card (transactions) and mobile payment main driver of growth ▪ One of the largest banks in Norway has renewed its agreement for card fraud prevention solutions for a five-years	▪ The EBITA margin was positively impacted by high utilisation in EVRY India, and the USD and EUR strengthening against the local Indian currency (rupi) ▪ Approx. 60% of the revenue I Global Delivery relates to external customers

1) ADJUSTED FOR CURRENCY EFFECTS, ACQUISITIONS AND DIVESTMENTS
2) BEFORE OTHER INCOME AND EXPENSES

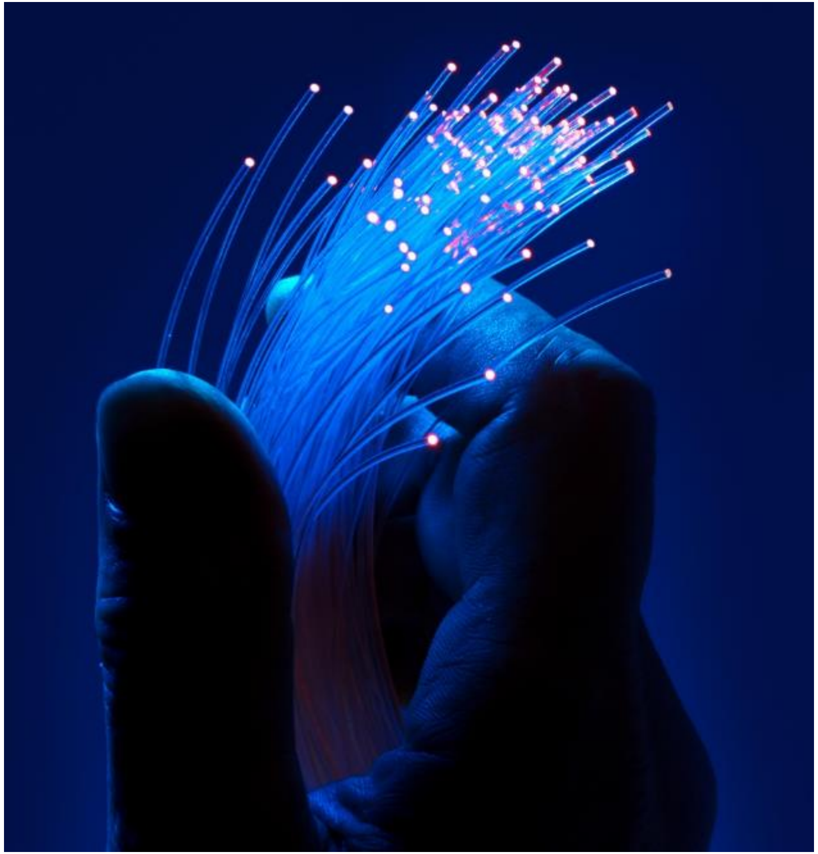
Concluding remarks

Targets for 2018 narrowed in

	Original 2018 targets	Revised 2018 targets
	Revenue[1] 12 750 ⟺ 13 000	▪ Revenue: In the upper end of the range
	Adj. EBITA margin[1] 12.0% ⟺ 12.8%	▪ EBITA margin in the range of 12.3% – 12.5%
	OIE	▪ OIE:
P&L effect	360 ⟺ 550	▪ P&L effect: In the upper end of the range
Cash effect	420 ⟺ 580	▪ Cash effect: In the upper end of the range ▪ Capex: ~2.6% of 2018 revenue
	Dividend	▪ Target to pay out above 60% of Adjusted Net Profit



 1) EXCLUDING CURRENCY EFFECTS, ACQUISITIONS AND DIVESTMENTS



Concluding remarks

- Positive revenue momentum and sustainable margins driven by high activity within Application Services
- EBITA margins at solid levels
- Exceptionals in line with guidance
- Good order intake and pipeline supporting a sustainable backlog
- Favourable market conditions continue in Q4
- Improved utilisation and billability key priorities for Q4
- CEO search in progress and on track

Upcoming events

- **27 Nov 2018:** Capital Markets Day
- **8 Feb 2019:** Q4 2018 and preliminary FY 2018 earnings release

Q&A

Appendices

Profit & loss (NOKm)	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Revenue	**3 005**	**2 917**	**9 499**	**9 183**
Cost of goods sold	1 005	1 050	3 239	3 117
Salaries and personnel costs	1 284	1 166	4 119	3 932
Other operating costs	249	229	872	870
Adjusted EBITDA	**467**	**472**	**1 269**	**1 264**
Depreciation and write-down of tangible assets and in-house developed software	53	64	162	190
Adjusted EBITA	**413**	**408**	**1 107**	**1 073**
Other income and expenses	108	213	356	954
EBITA	**305**	**194**	**751**	**119**
Amortisation of customer contracts	0	2	2	11
EBIT	**305**	**192**	**749**	**108**
Net financial items	-36	-42	-180	-638
Profit/-loss before tax	**269**	**150**	**569**	**-530**
Taxes	61	35	149	-130
Profit/-loss	**208**	**115**	**421**	**-399**

Profit & Loss

- Adjusted for currency impact and acquisitions, the organic growth was 4.0% in Q3 and 3.9% YTD 2018
- **Consulting Services:** NOK 972m (equal to 30.9% of total group revenues) vs. NOK 980m (31.9%) as of Q3 2017. Organically this implies a decrease of 1.5% quarter on quarter. The utilisation rate in Q3 2018 (Norway and Sweden combined) was 77.3%, a decrease of 0.1p.p. compared to Q3 2017
- **Application Services:** NOK 996m (31.7% of total group revenues) vs. NOK 936m million (30.5%) in Q3 2017, equal to an organic growth of 8.3% in Q3 2018. Financial Services amounted to NOK 495m/ 49.7% of the total Application Services revenues (NOK 444m in Q3 2017), equal to an organic growth of 8.3% in Q3 2018. The card business has been performing well YTD, and is the main driver behind the growth in Financial Services (AS in FS grew by 12.1% in Q3 2018 and 9.6% YTD 2018)
- **Digital Platform Services (Infrastructure Services)**: NOK 942m (30.0% of total group revenues) compared to NOK 957m in Q3 2017. Organically this was a decline of 0.1% in Q3 2018. Fulfilment Services related revenue amounted to NOK 233m in Q3 2018
- Net financial expenses was NOK 36m in Q3 2018, a decrease of NOK 6m y/y, and were positively impacted by an agio effect of NOK 18m in the quarter
- The effective tax rate for Q3 2018 was 22.6% vs. 23.3% in Q3 2017

Cash flow

Cash flow (NOKm)	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Profit/-loss before tax	**269**	**150**	**569**	**-530**
Depreciation, write-down and amortization	54	67	164	224
Tax paid	-19	-30	-32	-79
Net financial items	-12	13	41	286
Change in net working capital	-303	-571	-908	-856
Other changes	132	432	429	1 159
Adjusted net cash flow from operations	**120**	**60**	**263**	**204**
Cash effect from other income and expenses	-110	-466	-449	-1 450
Net cash flow from operations	**10**	**-405**	**-186**	**-1 246**
Net cash flow from investments	-107	-90	-409	-246
Net cash flow from financing	216	214	-22	870
Changes in foreign exchange rates	-3	-17	-3	-22
Net change in cash flow	**116**	**-298**	**-620**	**-644**
Free Cash flow	**34**	**-29**	**3**	**-33**

- Net cash flow from operations was NOK 10m in Q3, an improvement of NOK 415m from negative NOK 405m Q3 2017
- Adjusted operational cash flow in Q3 was NOK 120 million, up from NOK 60 million for the corresponding quarter in 2017
- Financial items paid of NOK 41m as of Q3 2018, reduced by NOK 278m from NOK 286m YTD September 2017
- Transition and transformation expenses related to the IBM partner agreement, reduced from NOK 338m to NOK 92m in Q3 2018
- Net cash flow from investments of NOK 107m in Q3 2018, whereof NOK 60m are related to in-house developed software (YTD 2018 NOK 149m are related to company acquisitions)
- Net cash flow from financing related to draw down on RCF
- Free cash flow of NOK 34m in Q3 2018 vs. negative NOK 29m in Q3 2017
- LTM cash conversion as of September 2018 of 82.8%, slightly down from 84.1% LTM September 2017
- Improved DSO by 0.4 days from 36.7 days LTM September 2017 to 36.3 days as of September 2018

Other income and expenses

Break down Other income and expenses (NOKm)	Q3 2018	Q3 2017	YTD 2018	YTD 2017
EBITA	**305**	**194**	**751**	**119**
IBM partner agreement	-108	-210	-356	-711
Provision for restructuring	-	-	-	-33
Transaction costs, IPO and refinancing	-	-3	-	-210
Total Other income and expenses	**-108**	**-213**	**-356**	**-954**
Adjusted EBITA	**413**	**408**	**1 107**	**1 073**
Depreciation and Write-downs	53	64	162	190
Adjusted EBITDA	**467**	**472**	**1 269**	**1 264**

Other income and expenses with cash flow effect (NOKm)	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Adjusted operational cash flow	120	60	263	204
Payments related to restructuring processes	-18	-31	-74	-156
Transaction, IPO and refinancing payments	-	-96	-22	-294
Payments related to IBM partner agreement	-92	-338	-353	-999
Net cash flow from operations	**10**	**-405**	**-186**	**-1 246**

EBITA effects:

- Trading according to the “Transition and Transformation update” presented December 7, 2017
- IBM partner agreement is reduced by NOK 102m from Q3 2017 and NOK 355m YTD 2018

Cash flow effect:

- Trading according to the “Transition and Transformation update” presented December 7, 2017
- Payments related to the IBM partner agreement reduced by NOK 246m from Q3 2017 and NOK 646m YTD 2018
- NOK 18m in restructuring cost relates to payments for work force reductions performed in 2017

IFRS 15 effects Q3/YTD 2018: Profit & Loss

Consolidated statement of comprehensive income (NOKm)	Reported Q3 2018 (IFRS 15)	Impact IFRS 15	Adjusted Q3 2018 (IAS 18)	Reported Q3 2017 (IAS 18)	Reported YTD 2018 (IFRS 15)	Impact IFRS 15	Adjusted YTD 2018 (IAS 18)	Reported YTD 2017 (IAS 18)
Revenue	**3 005**	**-9**	**2 996**	**2 917**	**9 499**	**-23**	**9 476**	**9 183**
Cost of goods sold	1 005	1	1 004	1 050	3 239	6	3 233	3 117
Salaries and personnel costs	1 284	-1	1 285	1 166	4 119	-6	4 125	3 932
Other operating costs	249		249	229	872		872	870
Adjusted EBITDA	**467**	**-9**	**458**	**472**	**1 269**	**-23**	**1 246**	**1 264**
Depreciation and write-down of tangible assets and in-house developed software	53		53	64	162		162	190
Adjusted EBITA	**413**	**-9**	**404**	**408**	**1 107**	**-23**	**1 084**	**1 073**
Other income and expenses	108		108	213	356		356	954
EBITA	**305**	**-9**	**296**	**194**	**751**	**-23**	**728**	**119**
Amortisation of customer contracts	-		-	2	2		2	11
EBIT	**305**	**-9**	**296**	**192**	**749**	**-23**	**726**	**108**
Net financial items	-36		-36	-42	-180		-180	-638
Profit /-loss before tax	**269**	**-9**	**260**	**150**	**569**	**-23**	**546**	**-530**
Taxes	61	2	59	35	149	5	144	-72
Profit /-loss	**208**	**-7**	**201**	**115**	**421**	**-18**	**403**	**-261**

IFRS 15 effects 30 September 2018: Statement of financial position

Consolidated statement of financial position (NOKm)	Opening balance 31 December 2017 (IAS 18)	Impact IFRS 15	1 January 2018 (IFRS 15)	Reported 30 September 2018 (IFRS 15)	Impact IFRS 15	Adjusted 30 September 2018 (IAS 18)
Goodwill	5 736		5 736	5 699		5699
Other intangible assets	1 310	117	1 427	1 482	-112	1 370
Total intangible assets	7 046	117	7 163	7 181	-112	7 069
Total tangible assets	376		376	320		320
Total non-current financial assets	339		339	366	-4	362
Total current assets	3 621		3 621	3 172	**-1**	3 171
Total assets	**11 383**	**117**	**11 500**	**11 039**	**-118**	**10 921**
Equity	3 238	-391	2 847	2 688	373	3 061
Non-controlling interests	1		1	-	**-**	-
Total equity	**3 239**	-391	**2 848**	**2 688**	**373**	**3 061**
Provision for liabilities	274		274	274	-	274
Non-current non-interest-bearing liabilities	12	406	418	475	-389	86
Non-current interest-bearing liabilities	4 623		4 623	5 015		5 015
Total non-current liabilities	4 910	406	5 317	5 764	-389	5 375
Total current liabilities	3 234	102	3 335	2 588	-102	2 486
Total equity and liabilities	**11 383**	**117**	**11 500**	**11 039**	**-118**	**10 921**

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