

EVERY ASA

Q3 2019 PRESENTATION

CEO PER HOVE
CFO NINA MORTENSEN

The logo for EVERY ASA, featuring the word "EVERY" in a white, stylized, handwritten-style font. The logo is positioned in the bottom right corner of a large orange rectangular area that occupies the lower half of the slide. The orange area also contains the text "CEO PER HOVE CFO NINA MORTENSEN" on the left side. To the right of the text, there are two overlapping squares: a smaller dark blue square on top of a larger light orange square. The top right corner of the slide is white.

Agenda

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

EVERY

Business highlights Q3 2019

- TietoEVERY merger on track
- Continuing the journey towards becoming a Nordic technology and consulting powerhouse
- Strategic direction shows results
- Good traction in Financial Services
- Improvement in EVERY Sweden
- Data Driven Services on target



EBITA margin of 13.7% in the quarter



2.5% organic growth (2.9% ex. Fulfilment)









Cash conversion of 90.5%



EVERY

Group highlights Q3 2019

Strong growth in strategic area combined with solid EBITA

	 	 	 
Q3 2019	REVENUE (NOKm) 3 092	EBITA² (NOKm) 422	EPS² 0.67
	ORGANIC GROWTH¹ 2.5% (2.9% ³)	EBITA MARGIN² 13.7%	CASH CONVERSION (LTM) 90.5%
YTD 2019	REVENUE (NOKm) 9 599	EBITA² (NOKm) 1 108	EPS² 1.73
	ORGANIC GROWTH¹ 0.9% (3.2% ³)	EBITA MARGIN² 11.5%	BACKLOG (NOKbn) 16.7

4 1) ADJUSTED FOR CURRENCY EFFECTS, ACQUISITIONS AND DIVESTMENTS
 2) BEFORE OTHER INCOME AND EXPENSES
 3) EXCLUDING FULFILMENT



Business update



EVRY

Business update

TietoEVERY merger on track

- The extraordinary general assemblies of both EVRY and Tieto have approved the merger
- Transaction still pending approval by competition authorities in the countries involved
- TietoEVERY Group leadership and operating structure announced
- Closing expected in Q4 2019 or Q1 2020 at the latest



CEO
Kimmo Alkio



CFO
Tomi Hyryläinen



Managing Partner
Norway
Christian Pedersen



Managing Partner
Sweden
Karin Schreil



Managing Partner
Finland
Satu Kiiskinen



Head of HR
Trond Vinje



Head of Strategy
Kishore Ghadiyaram



Head of Digital
Consulting
Thomas Nordås



Head of
Cloud & Infra
Johan Torstensson



Head of Industry
Software
Christian Segersven



Head of Financial
Services
Wiljar Nesse



Head of PDS
Tom Leskinen



Integration Officer
Malin Fors-Skjæveland



Head of Operations
Ari Järvelä



Business update

Leveraging the advantages of being a Nordic digital consulting powerhouse

Key figures



Achievements

Cross-Nordic organisation established

More than **200 consultants** onboarded in Q3

Positive results from **seven practices**

Increase in **employee engagement**

Customers



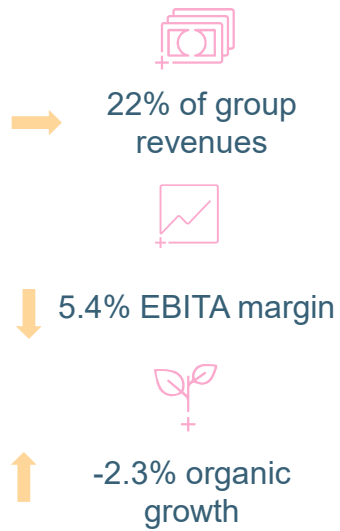
Application management & advanced analytics to large Norwegian Enterprise



Business update

Sweden - Shaping up to take a position in consulting

Key figures



Achievements

Growing IT market in Sweden

Consistent incorporation of **seven practices** in Sweden

Clearer and sharper consulting offering

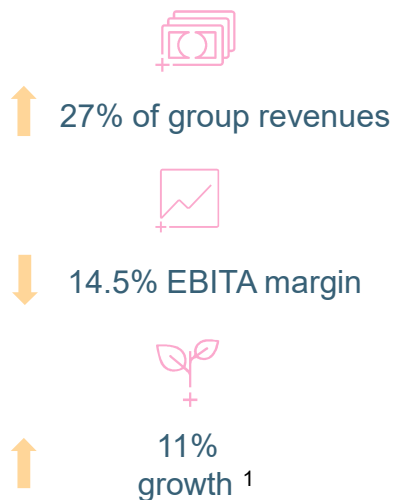
Customers



Business update

Financial Services – Delivering on ambition in the Nordic and European markets

Key figures



Achievements

- Strong demand** across solutions and service areas
- Handelsbanken Norway first bank to **launch EVRY's new financial platform** for corporate customers
- Continued strong market interest for **card and mobile payment services**
- Customers seek partnerships with service providers that can deliver **full value chain of card payment solutions**

Customers



Handelsbanken



Nordic-wide agreement delivering cards and mobile payments



Agreement delivering cards to one of the largest banks in Sweden



Finance Assistant

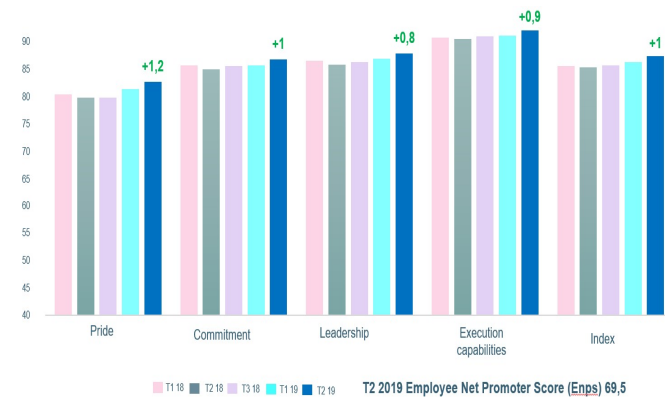
- Financial Services is currently testing out the Finance Assistant conversational banking platform with prospective customers
- Dialogue-based digital self-service
- EVERY offers the only platform that directly combines chat/voice with banking services and infrastructure (enterprise ready)
- EVERY's aim is to be the best strategic choice for conversational banking in the Nordics




Business update

Attractive employer brand in competitive market

- 917 hires in 2019 YTD - 180 graduates
- Norway's largest employer for women in tech > 1000
- Norway's most gender-balanced IT company (She Index)
- EVRY ranked #1 by "Young Professionals" in Sweden
- EVRY ranked 4th most attractive IT consultancy firm among Norwegian students (Universum, Q2)
- Still strong employee engagement – all-time high in T2 2019





Financial highlights

EVERY

Group financial highlights

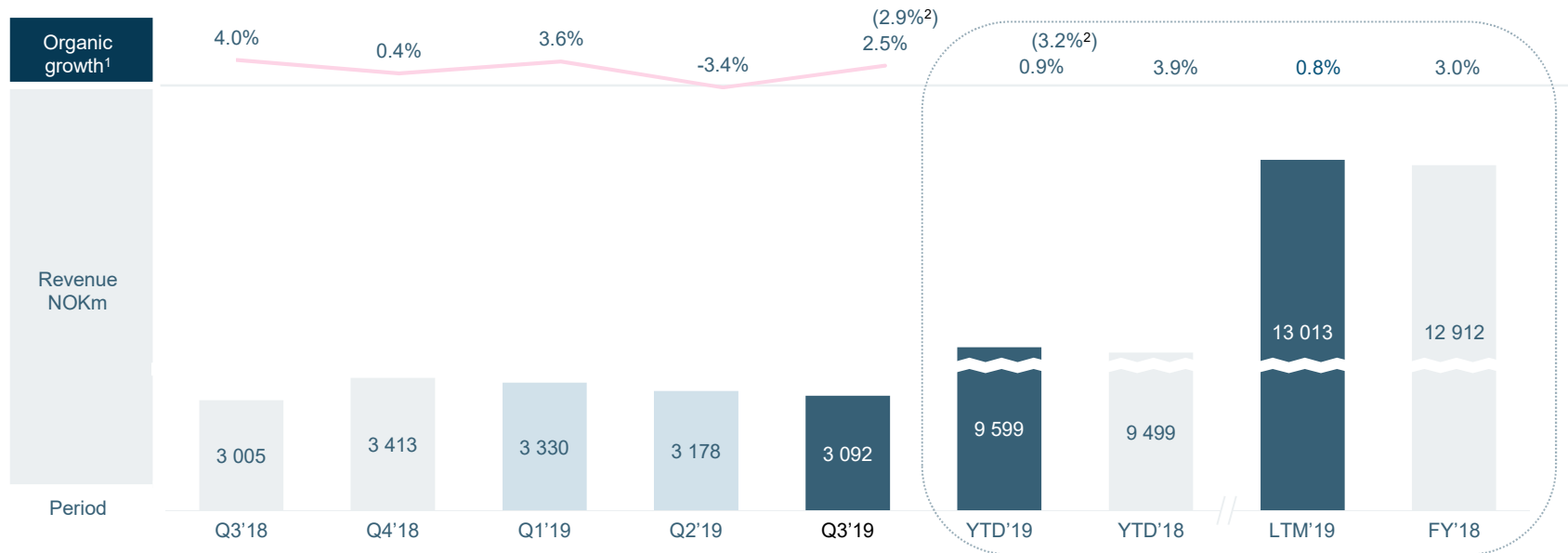
		EVERY GROUP		NORWAY		SWEDEN		FINANCIAL SERVICES		Organic growth Q3 2019
		Q3 2019	YTD 2019	Q3 2019	YTD 2019	Q3 2019	YTD 2019	Q3 2019	YTD 2019	
REVENUE NOKm		3 092	9 599	1 409	4 329	695	2 278	867	2 616	Consulting Services 5.5%
ORGANIC GROWTH ¹		2.5%	0.9%	6.4%	1.0%	-2.3%	-4.0%	6.4%	5.6%	Application Services 9.2%
EBITA ² NOKm		422	1 108	167	453	38	106	126	339	Digital Platform Services -0.2%
EBITA MARGIN ²		13.7%	11.5%	11.9%	10.5%	5.4%	4.6%	14.5%	13.0%	Fulfilment Services -2.8%
CASH CONVERSION		FREE CASH FLOW (FCF)		EPS ²		BACKLOG				
90.5% LTM Sep'19		NOK 139m Q3'19		NOK 0.67 Q3'19		NOK 16.7 30 Sep'19				

1) ADJUSTED FOR CURRENCY EFFECTS, ACQUISITIONS AND DIVESTMENTS

2) BEFORE OTHER INCOME AND EXPENSES

13 * ALL FIGURES INCLUDING CASH CONVERSION, FCF, EPS AND BACKLOG ARE COMPARED YEAR-ON-YEAR

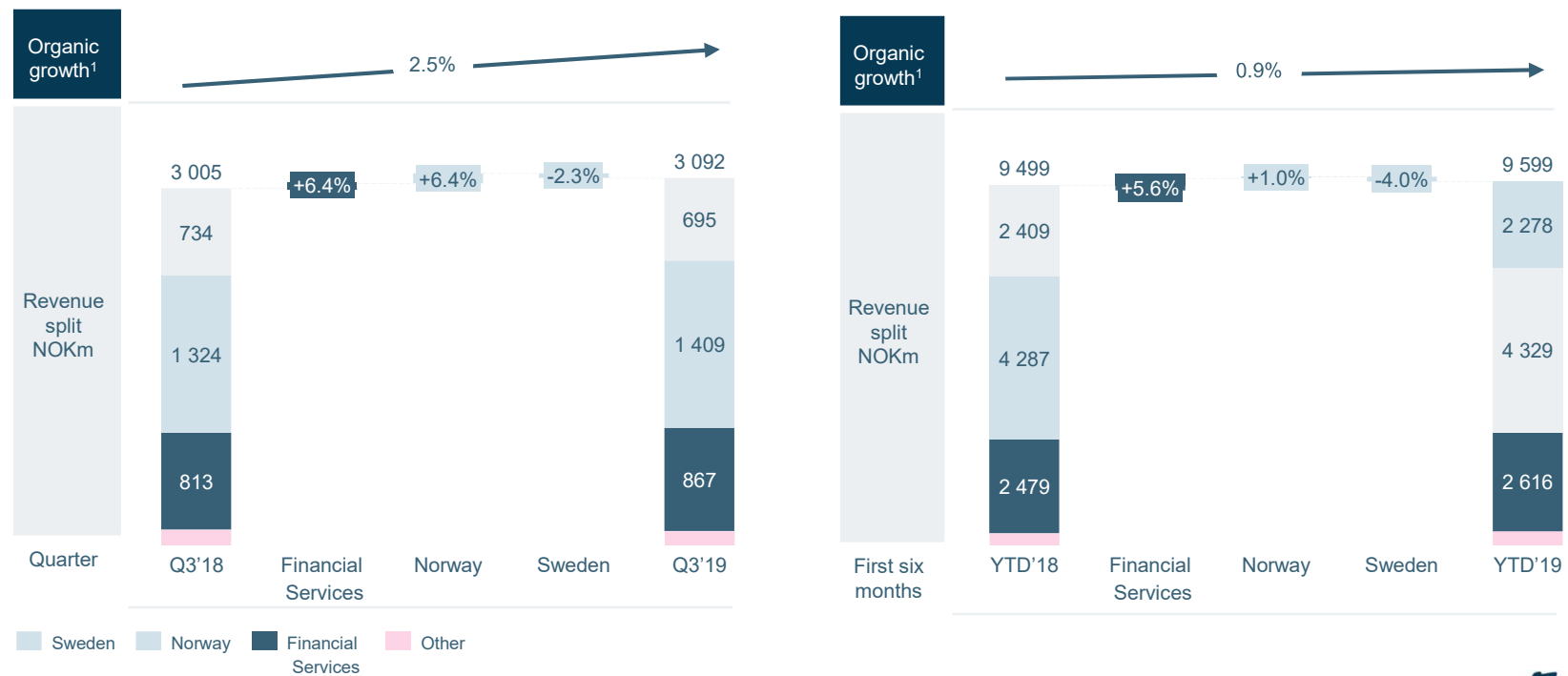
Continued growth in the third quarter



1) ORGANIC GROWTH: ADJUSTED FOR CURRENCY EFFECTS, ACQUISITIONS AND DIVESTMENTS
 14 2) EXCLUDING FULFILMENT

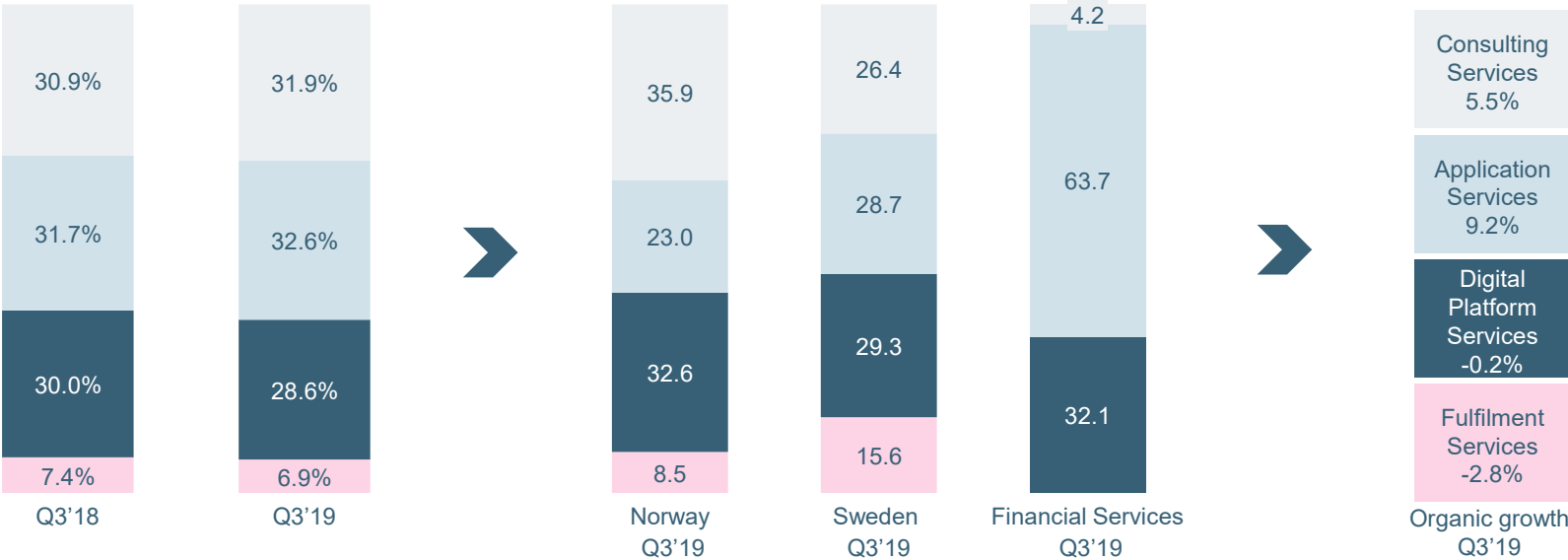


Sustained revenue growth in Norway and Financial Services



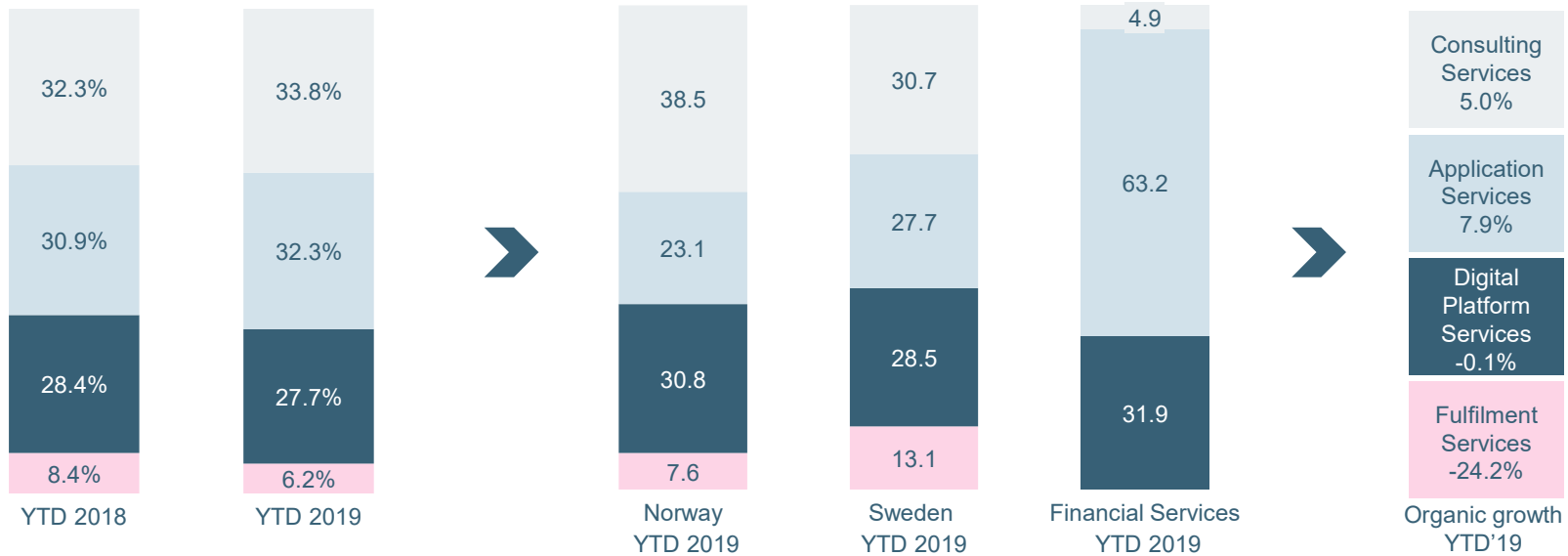
Change in service mix according to plan

QUARTER

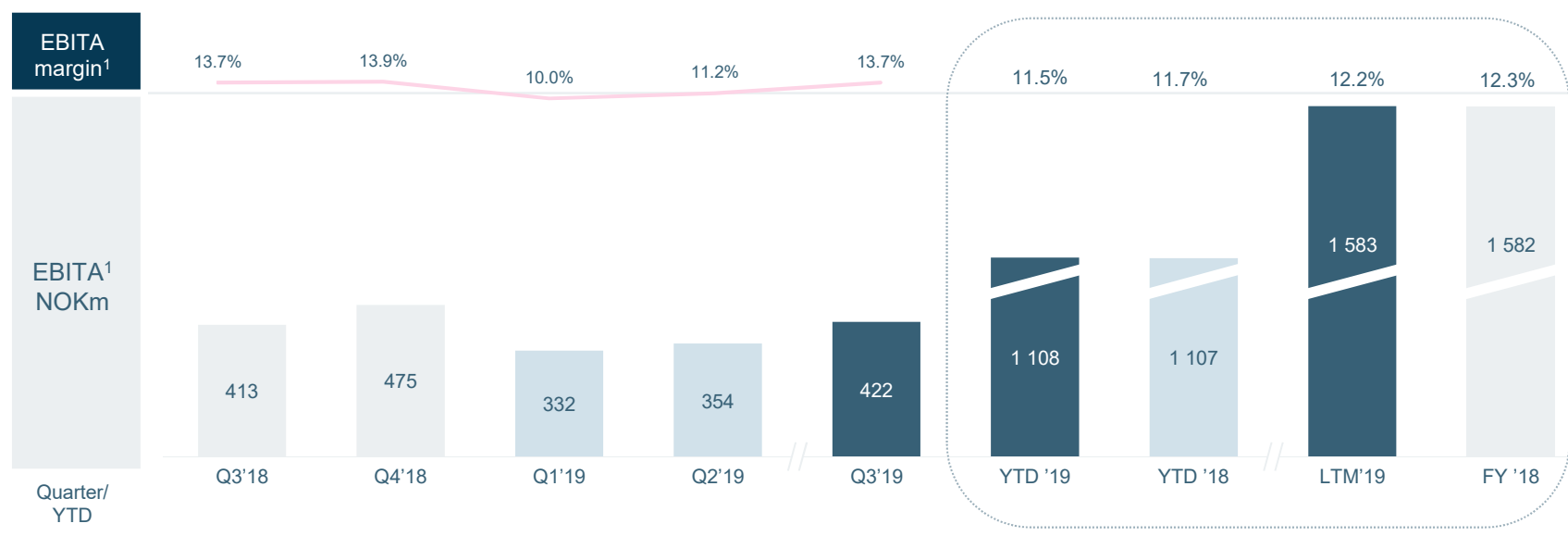


Continued growth in consultancy and application services in line with strategy

YEAR TO DATE



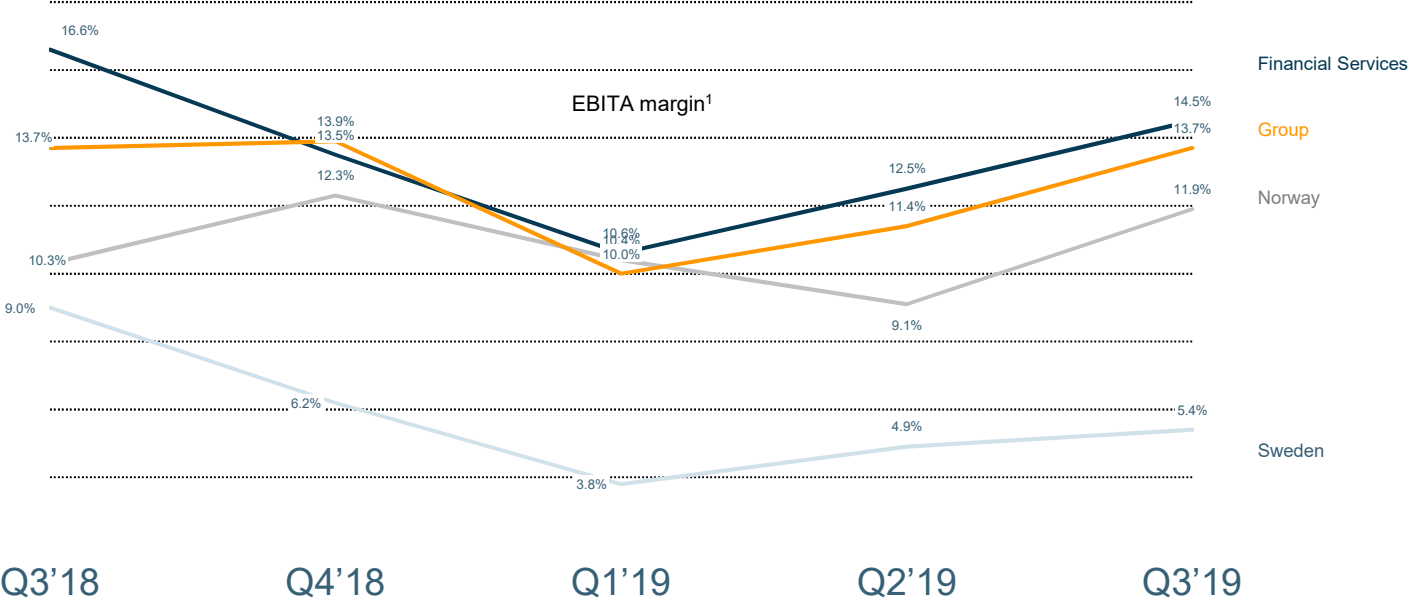
Solid EBITA margin – Strong performance by Financial Services and Norway



18 1) EBITA: BEFORE OTHER INCOME AND EXPENSES



Implementation of strategy reverses previous quarter's negative development in Sweden

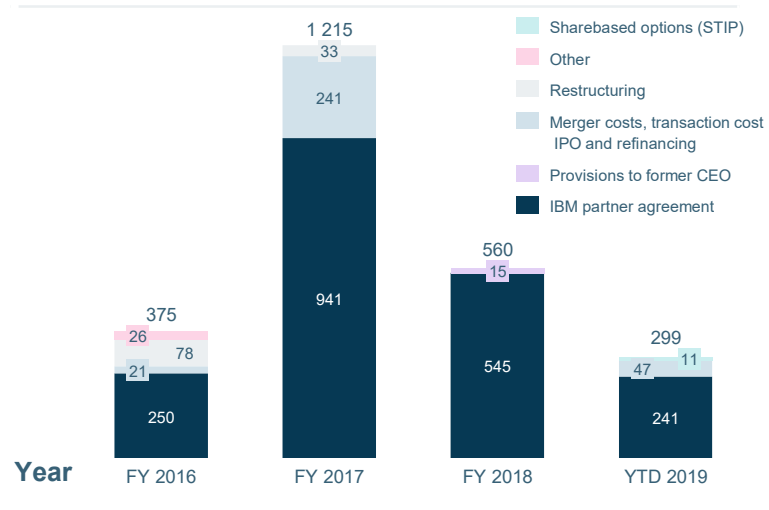


19 1) EBITA: BEFORE OTHER INCOME AND EXPENSES

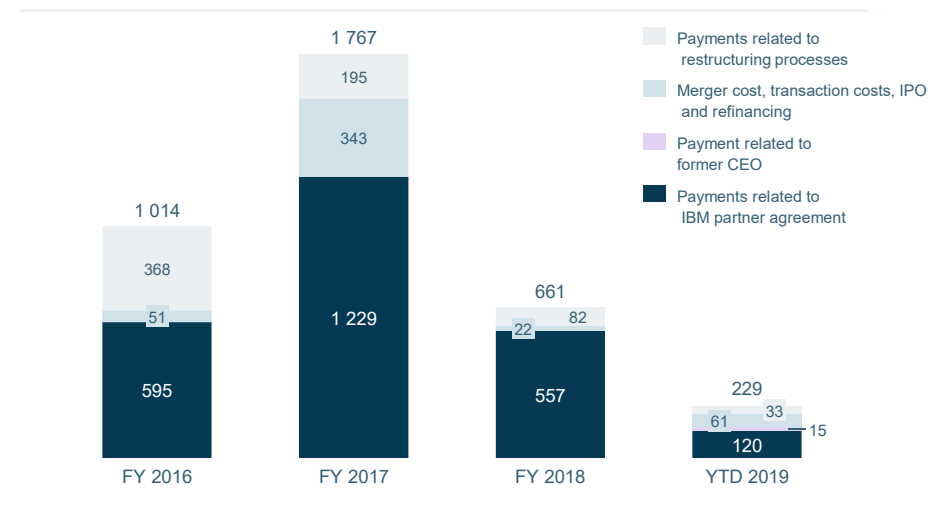


Other income and expenses impacted by merger cost

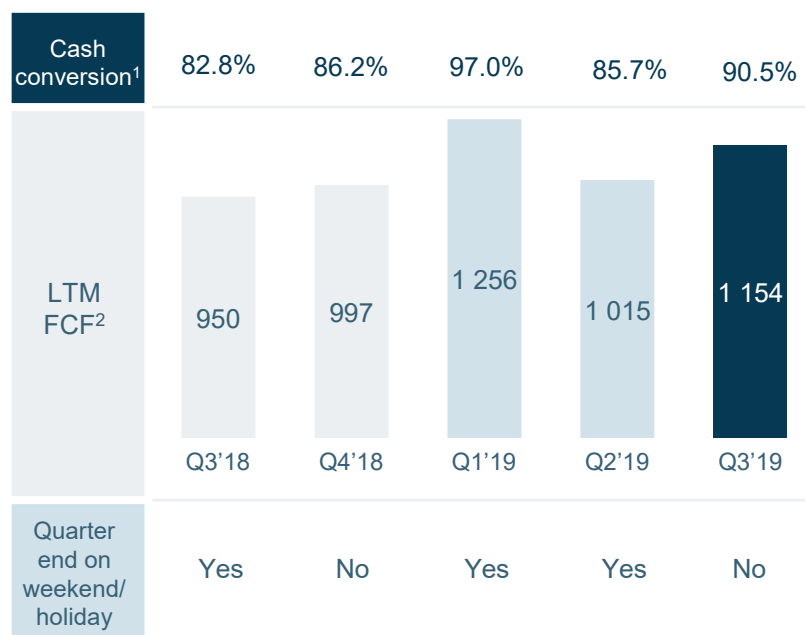
OIE with P&L effect (NOKm)



OIE with cash flow effect (NOKm)



Increased cash conversion of 90.5%, up from 82.8% in Q3 2018



- LTM Cash conversion as of September 2019 ended at 90.5%, compared to 82.8% as of LTM September 2018

- The increased cash conversion was explained by reduced working capital outflow and increased operational cash flow before paid interests relative to adjusted EBITDA for the last twelve months ended 30 September 2019

- As of 30 September 2019, the LTM DSO was 38.6 days, compared to 36.3 days for LTM September 2018, an increase of 2.3 days.

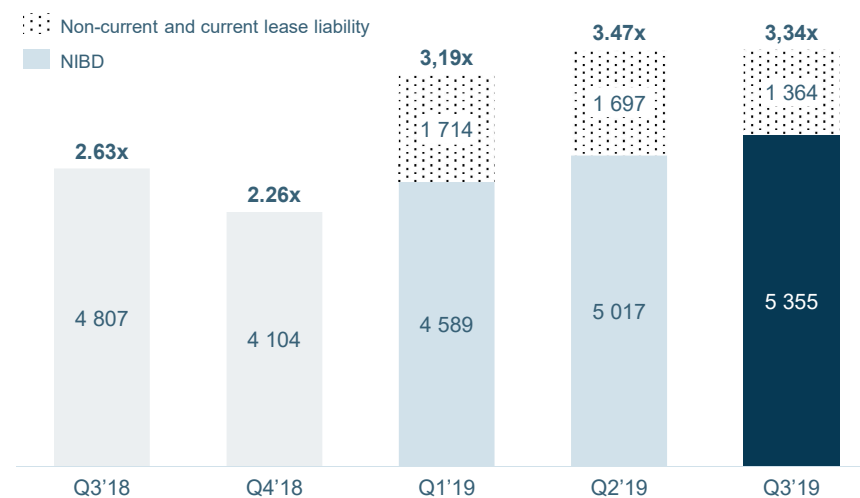
21 1) CASH CONVERSION: MEASURES HOW EBITDA IS CONVERTED INTO CASH AND IS DEFINED AS ADJUSTED OPERATIONAL CASH FLOW BEFORE PAID INTERESTS DIVIDED BY ADJUSTED EBITDA. IN ADDITION, CASH CONVERSION IS ALSO CALCULATED AFTER INVESTMENTS IN TANGIBLE OPERATING ASSETS AND IN-HOUSE DEVELOPED SOFTWARE AND SALE OF TANGIBLE ASSETS.
2) FREE CASH FLOW (FCF): IS DEFINED AS OPERATIONAL CASH FLOW ADJUSTED FOR CASH EFFECT OF OTHER INCOME AND EXPENSES LESS NET OPERATIONAL INVESTMENTS



Net leverage of 3.34x in Q3 2019

- The Group had total long-term interest-bearing debt of NOK 6 854 million at the end of September 2019, where of NOK 1 364 million were related to non-current lease liabilities (due to the implementation of IFRS 16)
- The cash balance was NOK 483 million as of 30 September 2019 and current lease liabilities and other current interest-bearing liabilities amounted to NOK 313 million
- This implies a net interest-bearing debt (NIBD) of NOK 6 719 million and a net leverage of 3.34x LTM adjusted EBITDA

Net leverage multiples¹





Concluding remarks

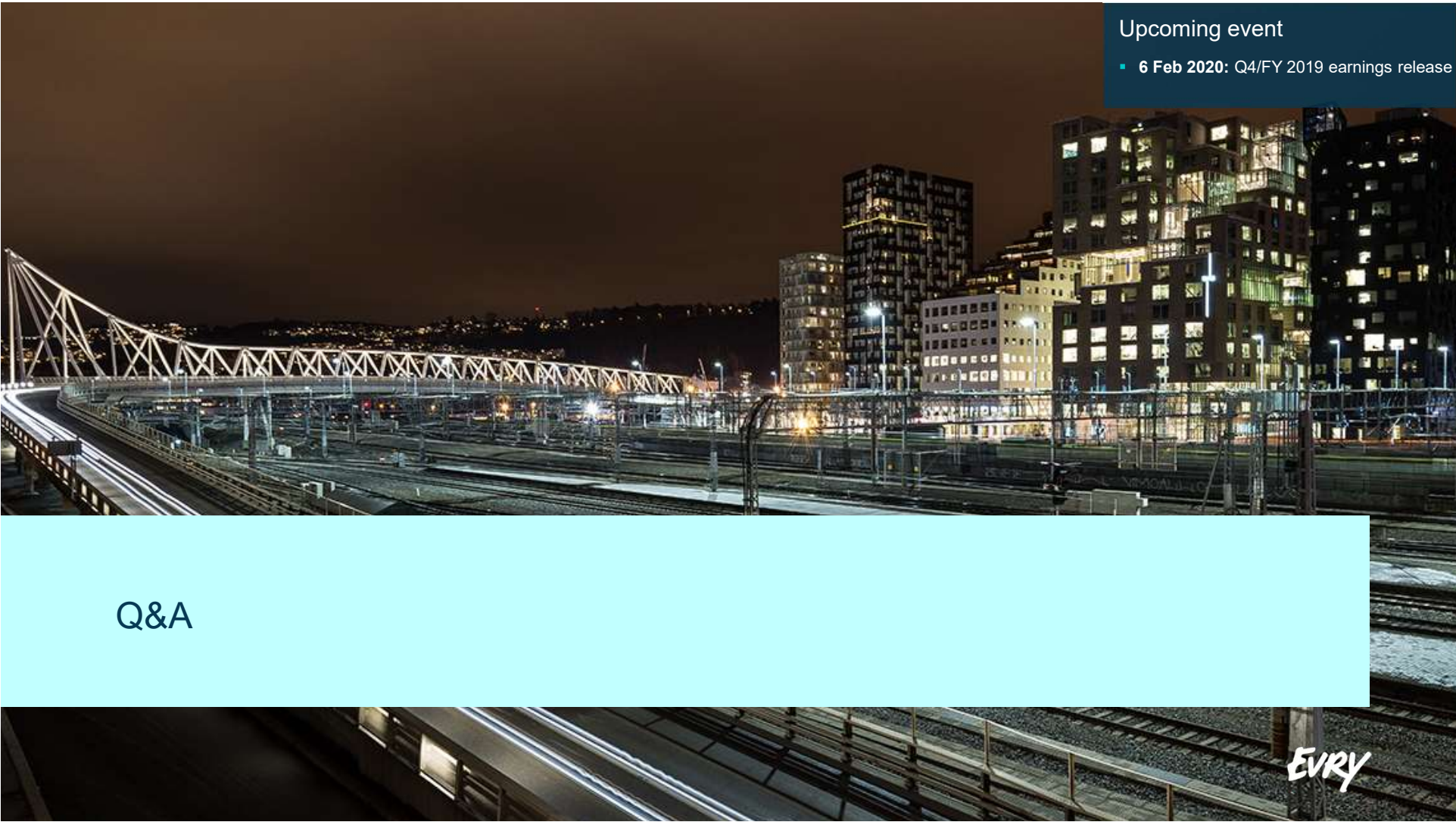
EVRY

Ambitions for 2019

	2019 ambitions	Comments
	<p>Revenue¹</p> <p>1.5 – 2.0 % overall organic growth</p> <p>~ 4 % ex Fulfilment</p> <p>~ -20% Fulfilment</p>	<ul style="list-style-type: none"> ▪ Consulting and Application Services key growth areas, above market growth ▪ EVERY Sweden stabilizing topline ▪ Reducing low margin Fulfilment Services
	<p>EBITA margin¹</p> <p>12.1 12.4%</p> <p>↔</p>	<ul style="list-style-type: none"> ▪ Continue to increase Application and Consulting ▪ Improvements in Sweden, increasing run rate ▪ Margin pressure remains within infrastructure
P&L effect	<p>OIE²</p> <p>NOK ~250m</p> <p>Merger NOK 150-200m</p>	<p>P&L</p> <ul style="list-style-type: none"> ▪ Major part of merger cost to be accrued for at closing of the merger. IBM cost to be somewhat lower in H2 than H1
Cash effect	<p>NOK ~120m</p>	<p>Cash flow seasonality</p> <ul style="list-style-type: none"> ▪ H2 lower than H1
	<p>Capex</p> <p>~ 4.0%</p>	<ul style="list-style-type: none"> ▪ Mainly related to IP within Financial Services ▪ Limited infrastructure Capex ▪ Run rate Capex of 2.5%



1) ADJUSTED FOR CURRENCY EFFECTS, ACQUISITIONS AND DIVESTMENTS
 2) EXCLUDING MERGER COST



Upcoming event

- 6 Feb 2020: Q4/FY 2019 earnings release

Q&A

EVRY

EVERY

Digital
+ Advantage

EVERY Investor Relations
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