

ABGSC Small & Mid Cap Seminar 2018

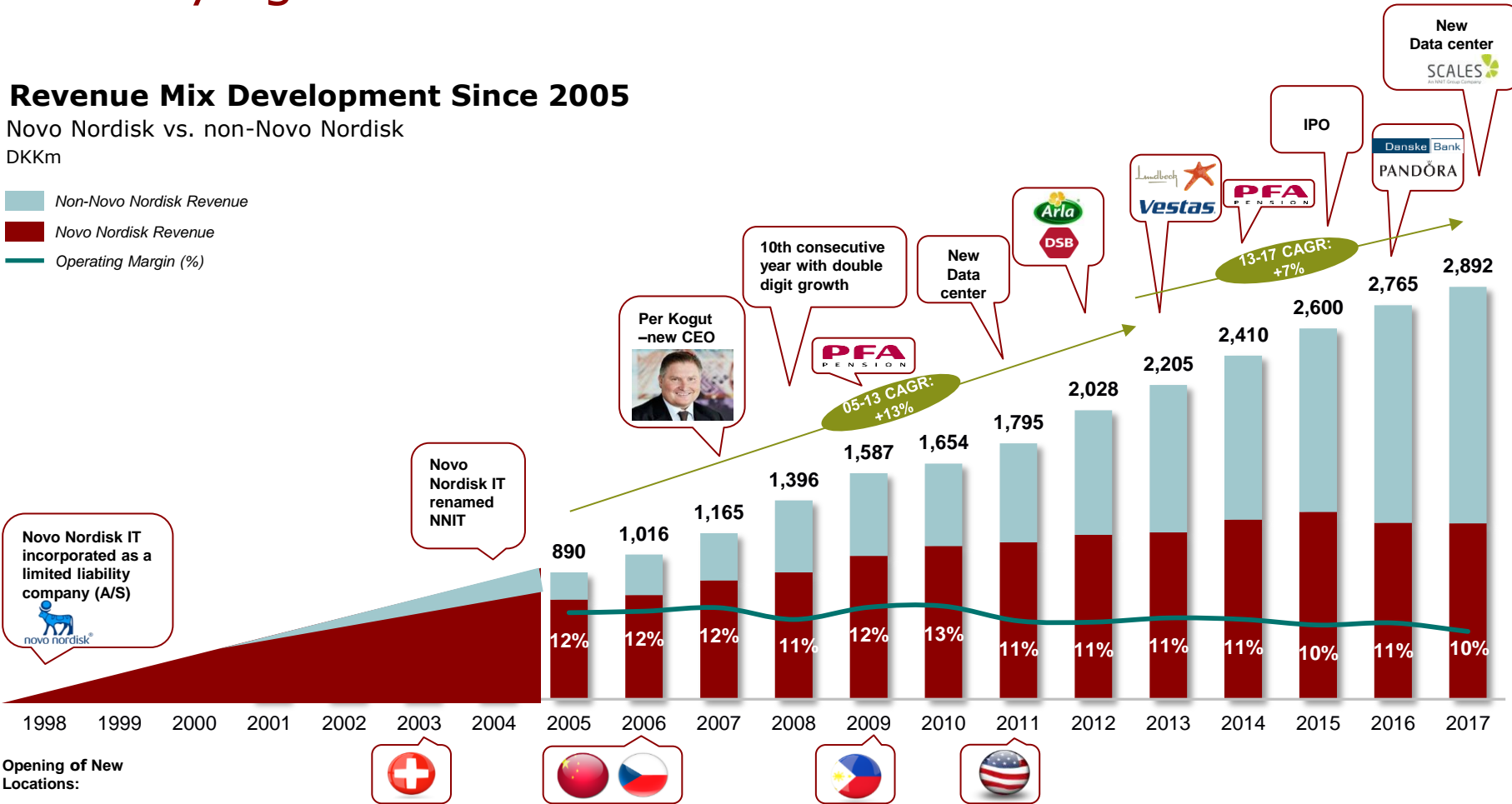
דוח

# Great Track Record of Profitable Growth while Diversifying Our Revenue Base

## Revenue Mix Development Since 2005

Novo Nordisk vs. non-Nov Nordisk  
DKKm

■ Non-Nov Nordisk Revenue  
■ Novo Nordisk Revenue  
— Operating Margin (%)



Opening of New Locations:



# Leveraging Our Compliance DNA Drives Diversification

## Our Core



Life Sciences

DKK 1,612m  
(56%)

## Leveraging Our Compliance DNA



Public

DKK 346m  
(12%)



Finance

DKK 245m  
(8%)



Enterprise

DKK 689m  
(24%)

DKK 1,031m  
(36%)

### IT Solutions Services:

Advisory services, business solutions and application management

DKK 1,861m  
(64%)

### IT Operations Services:

Infrastructure outsourcing and related consulting, support services

See Note (1)

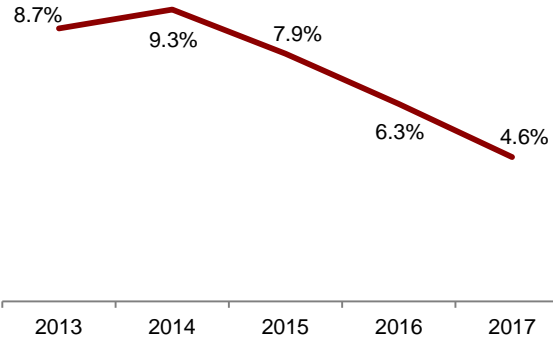


Revenue 2017  
(contribution to total - %)

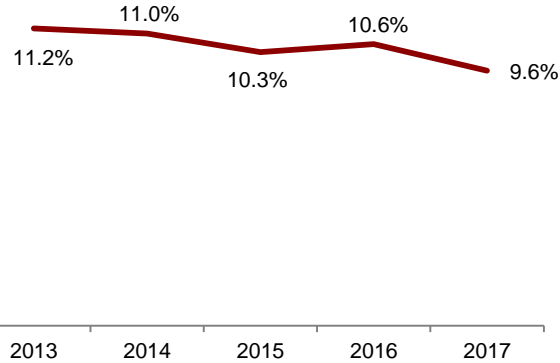
Note  
1. Selection of current NNIT customers, as of December 2017

# ..the history

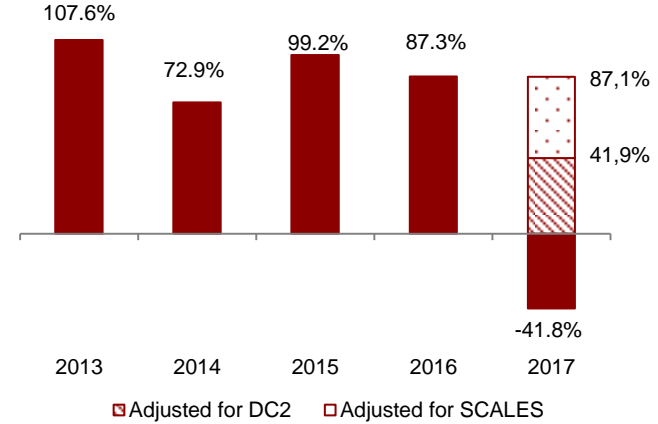
### Revenue growth



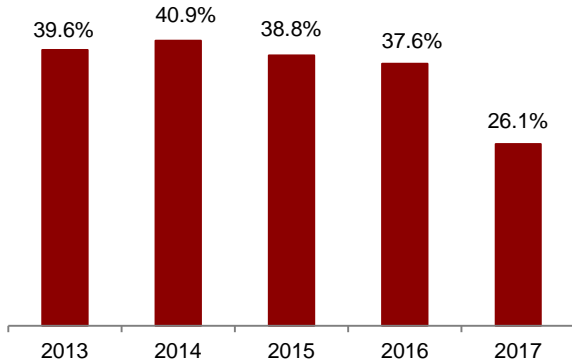
### Operating profit margin



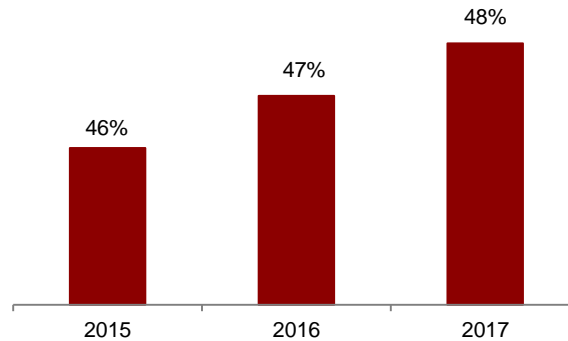
### Cash to earnings



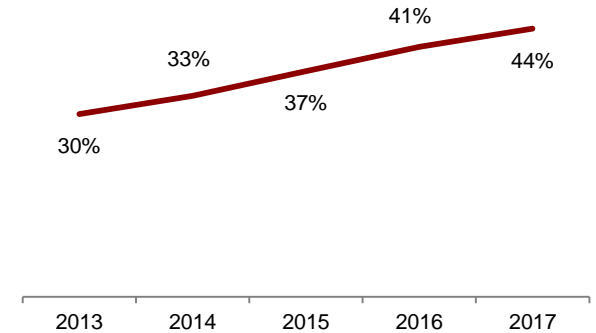
### ROIC



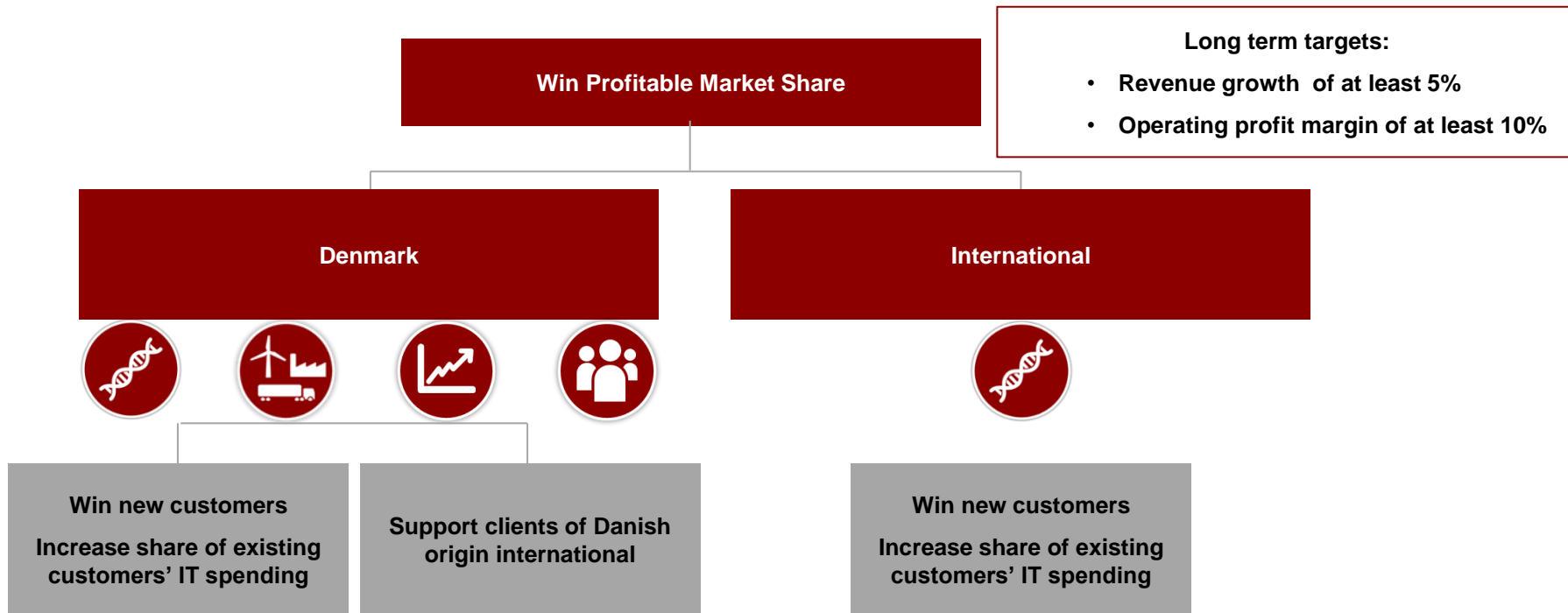
### Pay out ratio



### Sourcing ratio



# 2020 Strategy



**Maintain vision/culture and enhance Human Capital: Amongst most attractive IT employer in Denmark\***

**Cost efficiency efforts: Operational excellence, sourcing destinations, staff efficiencies**

**Highest possible customer satisfaction: Proximity, customer intimacy**

\*Version 2: IT Company rank , November 2017 ranked number 2 and ranked number one amongst IT consulting companies.  
Mediehuset Ingeniøren's "Ingeniøren Profil 2017" – as the preferred number 1 IT workplace.

# Leading Market Share in Danish IT Services Market

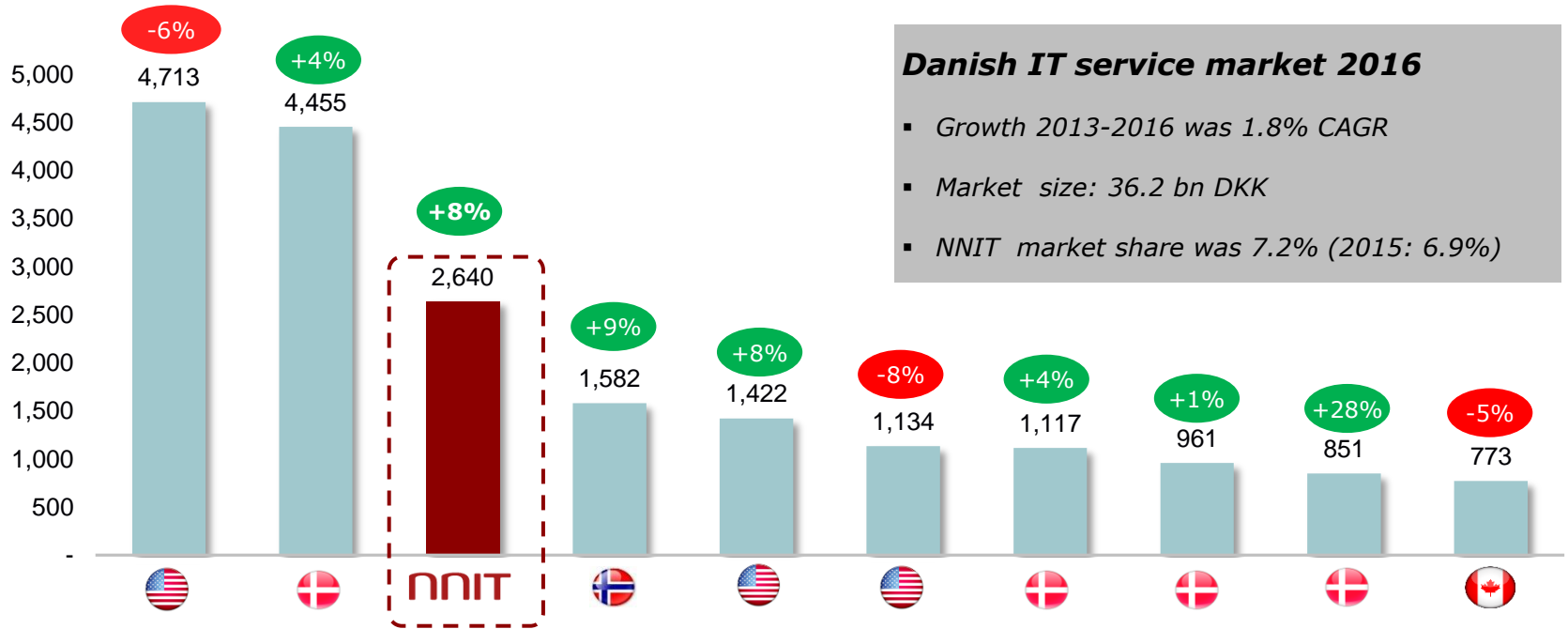
**2016 Data**

## Danish IT Services Market Development vs. NNIT

Danish IT Services Market (2016 Revenue <sup>(1)</sup>)

DKKm

+x% 2013-2016 CAGR



Source: IDC Nordic IT Services 2016 Vendor Shares and company financial reports

Note  
1. Based on IDC's estimates of Danish operations for these 10 competitors, may differ from reported numbers in companies' filings

# Market situation for our segments

Market size 2017E:    Market size 2021E:    CAGR:    NNIT est. market share    NNIT revenue growth:    Comments:



2.5bn



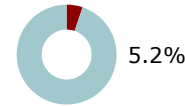
Uncertainty



13.0bn

15.1bn

3.3%



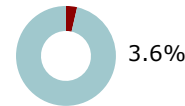
See further opportunities for larger outsourcing contracts, following Danish clients internationally as well as Scales growth



6.8bn

8.1bn

4.4%



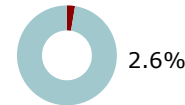
Regulatory driven access, opportunities to grow accounts



13.3bn

14.6bn

2.6%



Rigid T&C, highly competitive pricing environment. NNIT will act with caution

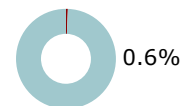
## International



68.8bn

84.9bn

5.4%



Focused offerings, differentiate on tier 1 and tier 2 pharma companies, geographical focus

Source: Gartner (2017), Novo Nordisk data is from IPO (2014), NNIT estimates

# ...things we do

STRATEGIC INDUSTRIES

LIFE SCIENCES | PUBLIC | FINANCE | ENTERPRISE

ADVISE BUILD OPERATE SUPPORT

OFFERINGS

ADVISORY SERVICES	BUSINESS SOLUTIONS	APPLICATION OUTSOURCING	INFRASTRUCTURE OUTSOURCING	SUPPORT
<p>Optimize IT impact</p> <ul style="list-style-type: none"> <li>• Digitalization</li> <li>• IT Management</li> <li>• Project Excellence</li> <li>• OCM</li> <li>• Mobility</li> <li>• Cloud</li> </ul>	<p>Line of Business</p> <ul style="list-style-type: none"> <li>• Drug Development</li> <li>• Regulatory Affairs</li> <li>• ISO IDMP</li> <li>• Quality Management</li> <li>• Healthcare</li> </ul>	<p>Application Management</p> <ul style="list-style-type: none"> <li>• GxP Systems</li> <li>• SAP &amp; Dynamics365</li> <li>• Track &amp; Trace</li> <li>• Portals &amp; Collaboration</li> <li>• Document Management</li> </ul>	<p>Datacenter Services</p> <ul style="list-style-type: none"> <li>• Business Critical Hosting</li> <li>• GxP Operations</li> <li>• SAP Operations</li> <li>• Enterprise Hybrid Cloud</li> <li>• Network Management</li> </ul>	<p>Digital User Productivity</p> <ul style="list-style-type: none"> <li>• 24/7 Global Service Desk</li> <li>• GxP Support</li> <li>• Application Support</li> <li>• Onsite Support</li> </ul>
IT Outsourcing	S/4HANA & Dynamics365	Software as a Service	Security & Compliance Management	
Cybersecurity	Business Intelligence & Analytics	<ul style="list-style-type: none"> <li>• Test Management</li> <li>• Public Cloud Enhancement Services</li> </ul>	Desktop & Device Management	
GxP Consulting	Customer & User Experience			
	Digitalization			



Security



EU General Data Protection Regulation



Life sciences

Application Outsourcing,  
GxP Operations,  
Clinical Development,  
IDMP, CaaS, Serialization.



Advisory Services	Advisory Services
Implementation	Implementation
Application outsourcing	Application outsourcing
Infrastructure outsourcing	Infrastructure outsourcing
Offshore delivery	

Full stack provider



...the preferred IT outsourcing partner for companies of Danish origin

Digital transformation



nnit



# International life sciences strategy



Historic growth has been organic.  
In future acceleration through M&A could be an option if right candidate is identified.

## Pharma tier 1

Big pharma

Regulatory driven focused offerings

Tower based outsourcing

Expert knowledge  
13 accounts

## Pharma tier 2

~3,000-10,000 employees

Regulatory driven focused offerings

Full application outsourcing and infrastructure outsourcing

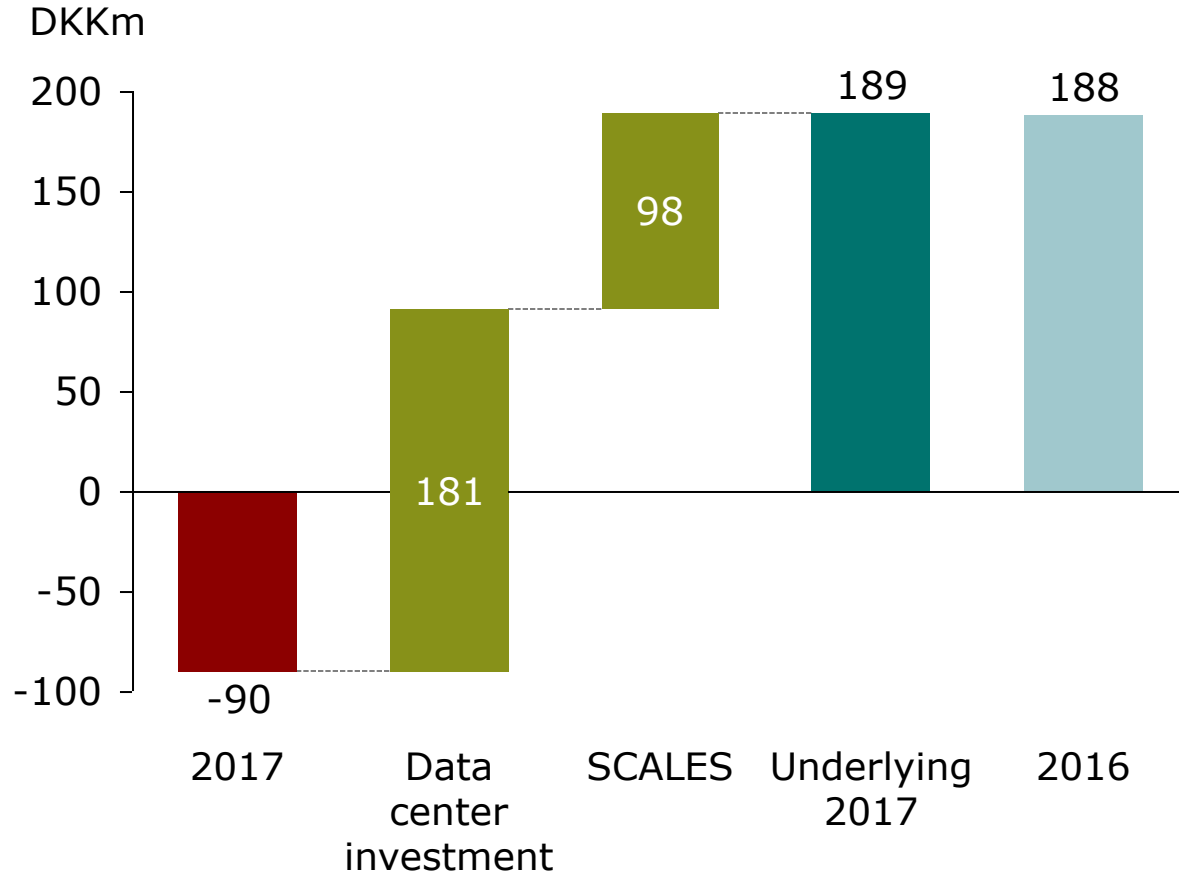
Scale fit  
14 accounts

*Accounts are excl. China and Biotech*

# Profit and Loss 2017

DKK million (reported currencies)	2017	2016	Change	Acquisition	Litigation
<b>Revenue</b>	2,891.9	2,764.6	4.6%	3.0%	-0.9%
Cost of goods sold	2,362.5	2,223.0	6.3%	3.3%	0.0%
<b>Gross profit</b>	<b>529.4</b>	<b>541.6</b>	<b>-2.3%</b>	<b>1.7%</b>	<b>-4.8%</b>
<i>Gross profit margin</i>	<i>18.3%</i>	<i>19.6%</i>	<i>-1.3pp</i>	<i>-0.2pp</i>	<i>-0.7pp</i>
Sales and marketing costs	135.6	134.8	0.6%	0.0%	0.0%
Administrative expenses	117.0	113.9	2.7%	0.0%	0.0%
<b>Operating profit</b>	<b>276.8</b>	<b>292.9</b>	<b>-5.5%</b>	<b>3.1%</b>	<b>-8.9%</b>
<i>Operating profit margin</i>	<i>9.6%</i>	<i>10.6%</i>	<i>-1pp</i>	<i>0pp</i>	<i>-0.8pp</i>
Net financials	-0.9	-12.6	n.a.	n.a.	n.a.
<b>Profit before tax</b>	<b>275.9</b>	<b>280.3</b>	<b>-1.6%</b>	<b>3.4%</b>	<b>n.a.</b>
Tax	59.4	64.6	-8.0%	4.0%	n.a.
<i>Effective tax rate</i>	<i>21.5%</i>	<i>23.0%</i>	<i>-1.5pp</i>	<i>0.2pp</i>	<i>n.a.</i>
<b>Net profit</b>	<b>216.5</b>	<b>215.7</b>	<b>0.4%</b>	<b>3.2%</b>	<b>n.a.</b>

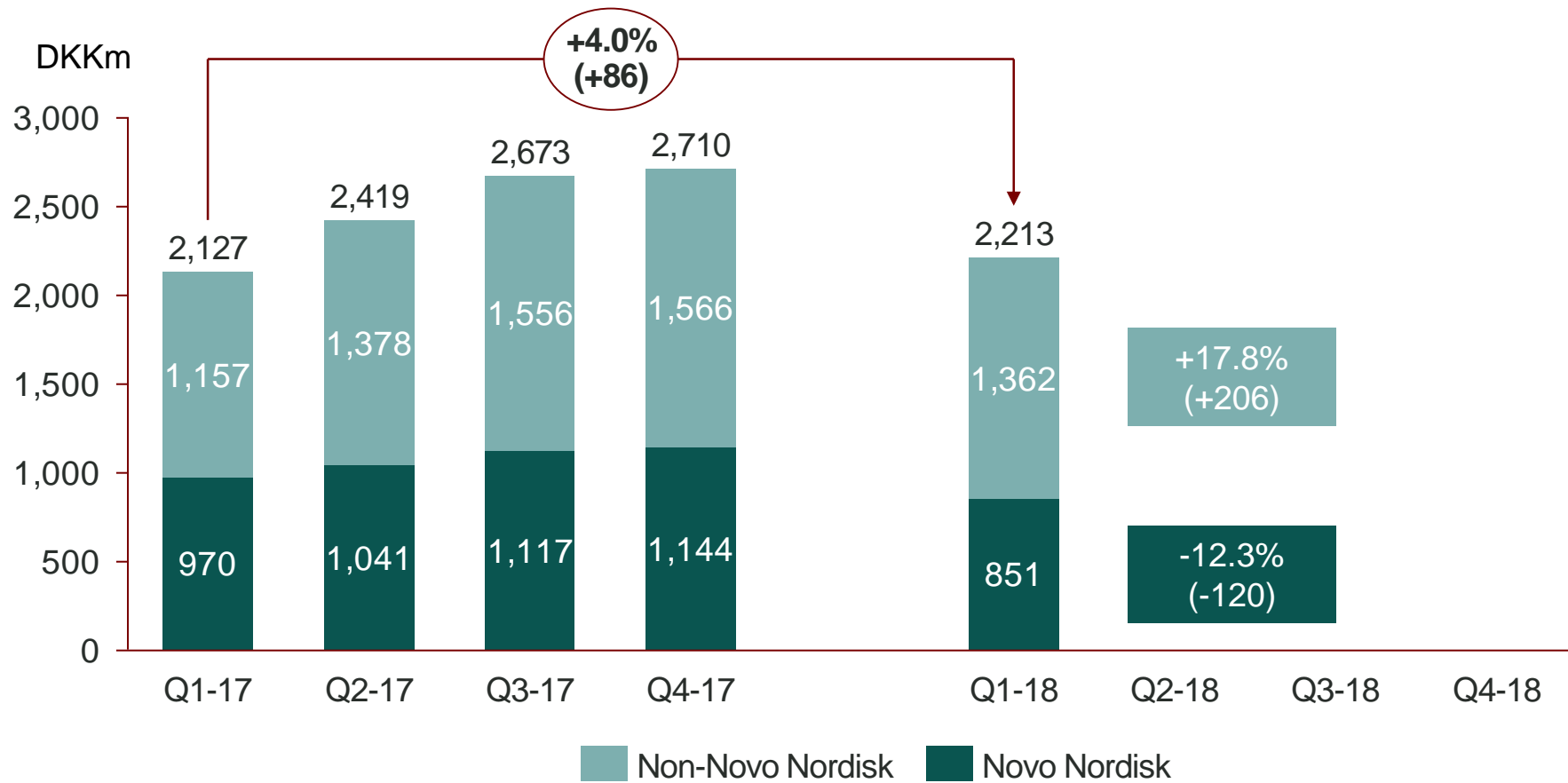
# Free cash flow 2017



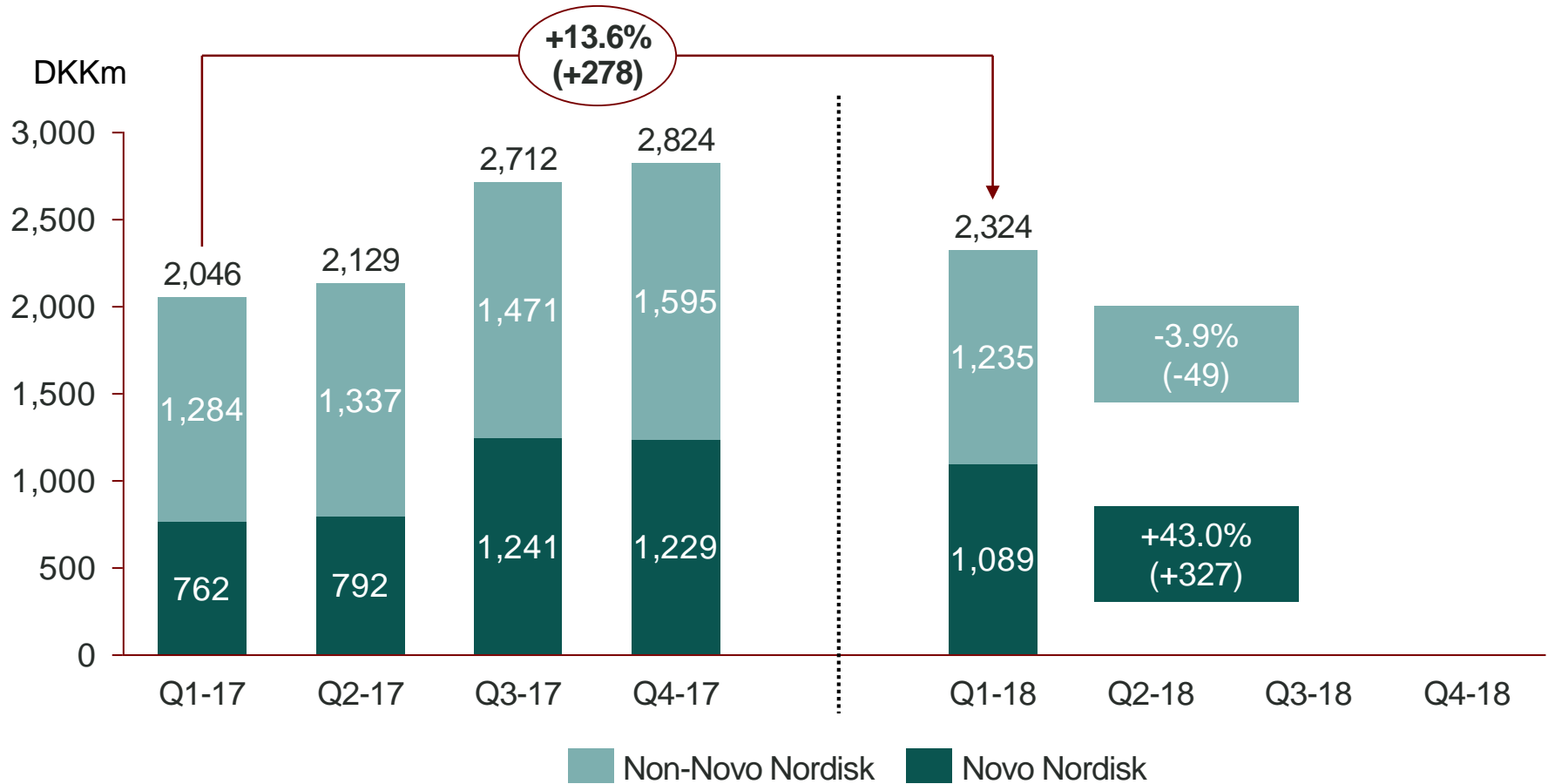
# Revenue per customer group 2017

DKKm (reported currencies)	2017	2016	Pct Change (reported)	Litigation	Acquisition
Novo Nordisk Group	1,233.8	1,238.4	-0.4%	n.a.	0pp
Other Life Sciences	378.5	358.6	5.6%	n.a.	1.6pp
Enterprise	689.2	545.6	26.3%	n.a.	12.9pp
Public	345.9	385.3	-10.2%	-6.8pp	1.8pp
Finance	244.5	236.7	3.3%	n.a.	0.1pp
<b>Total</b>	<b>2,891.9</b>	<b>2,764.6</b>	<b>4.6%</b>	<b>-0.9pp</b>	<b>3pp</b>
Non-Novo Nordisk Group	1,658.1	1,526.2	8.6%	-2.2pp	5.4pp
Novo Nordisk Group	1,233.8	1,238.4	-0.4%	0pp	0pp
<b>Total</b>	<b>2,891.9</b>	<b>2,764.6</b>	<b>4.6%</b>	<b>-0.9pp</b>	<b>3pp</b>
IT Operation Services	1,860.6	1,823.7	2.0%	0pp	0pp
IT Solution Services	1,031.3	940.9	9.6%	-3.5pp	8.8pp
<b>Total</b>	<b>2,891.9</b>	<b>2,764.6</b>	<b>4.6%</b>	<b>-0.9pp</b>	<b>3pp</b>

# Backlog



# Backlog year 2+3



# Outlook

	2018	Long-term targets
Revenue growth	<b>Constant currencies:</b> 4 - 7% Reported currencies: 0.4pp lower	<b>At least 5%</b>
Operating margin	<b>Constant currencies:</b> 10 - 10.5% Reported currencies: 0.4pp higher	<b>At least 10%</b>
Capex	<b>Share of revenue:</b> 6 - 8% <sup>1</sup>	<b>5 - 7%</b>

*The expectations for growth in revenue is based on the restated IFRS 15 revenue of DKK 2,851m.*

<sup>1</sup>Investments share of revenue is 1pp higher than long-term targets due to some invoices regarding the new data center are first paid in 2018