

**Preliminary results for the first  
three months 2019**

**דוח**

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# Agenda

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**01** Preliminary financial statement

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**03** Backlog development for 2019

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**04** Outlook for 2019

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# Forward looking statements

This presentation contains forward-looking statements. Words such as 'believe', 'expect', 'may', 'will', 'plan', 'strategy', 'prospect', 'foresee', 'estimate', 'project', 'anticipate', 'can', 'intend', 'outlook', 'guidance', 'target' and other words and terms of similar meaning in connection with any discussion of future operating or financial performance identify forward-looking statements. Statements regarding the future are subject to risks and uncertainties that may result in considerable deviations from the outlook set forth.

Furthermore, some of these expectations are based on assumptions regarding future events which may prove incorrect.

# Financial statement Q1 2019

DKK million	Q1 2019	Q1 2018	Change
<b>Revenue</b>	750.0	698.5	7.4%
Cost of goods sold	645.5	579.1	11.5%
<b>Gross profit</b>	<b>104.5</b>	<b>119.4</b>	<b>-12.4%</b>
<i>Gross profit margin</i>	<i>13.9%</i>	<i>17.1%</i>	<i>-3.1pp</i>
Sales and marketing costs	32.1	32.0	0.3%
Administrative expenses	27.0	26.7	1.1%
<b>Operating profit</b>	<b>45.5</b>	<b>60.7</b>	<b>-25.0%</b>
<i>Operating profit margin</i>	<i>6.1%</i>	<i>8.7%</i>	<i>-2.6pp</i>
Net financials	5.8	-2.0	-388.1%
<b>Profit before tax</b>	<b>51.3</b>	<b>58.7</b>	<b>-12.5%</b>
Tax	11.1	12.9	-13.7%
<i>Effective tax rate</i>	<i>21.6%</i>	<i>21.9%</i>	<i>-0.3pp</i>
<b>Net profit</b>	<b>40.2</b>	<b>45.8</b>	<b>-12.2%</b>

Revenue growth of 7.4% in Q1 2018 was driven by an increase in the international life sciences and finance customer groups of 73% (organic 27%) and 28%, respectively.

Cost of goods sold increased by 12% in Q1 2019 due to new customers such as STARK, AP Pension, SDC as well as higher project activity.

Gross profit margin declined by 3.1pp to 13.9% primarily due to a significant decline in margins on service level agreements and projects for the Novo Nordisk Group as well as a change in revenue mix with a lower Novo Nordisk Group share.

Sales and marketing costs and administrative expenses were unchanged compared to the same period last year.

Operating profit margin declined by 2.6pp to 6.1% in Q1 2019 compared to 8.7% in Q1 2018 due to the above mentioned reasons.

Net financials increased by DKK 7.8m mainly due to higher gains on cash flow hedges.

Effective tax rate decreased 0.3pp in Q1 2019 due to deviations in foreign subsidiaries tax rates.

# Revenue per customer group Q1 2019

DKKm	Q1 2019	Q1 2018	Change
Novo Nordisk Group	258.8	256.1	1.1%
Life sciences international	77.4	44.8	72.7%
Life sciences Denmark	53.7	54.4	-1.2%
Life sciences	390.0	355.3	9.7%
Enterprise	198.2	187.3	5.9%
Public	89.5	99.4	-9.9%
Finance	72.3	56.6	27.9%
Private & Public	360.1	343.2	4.9%
<b>Total</b>	<b>750.0</b>	<b>698.5</b>	<b>7.4%</b>

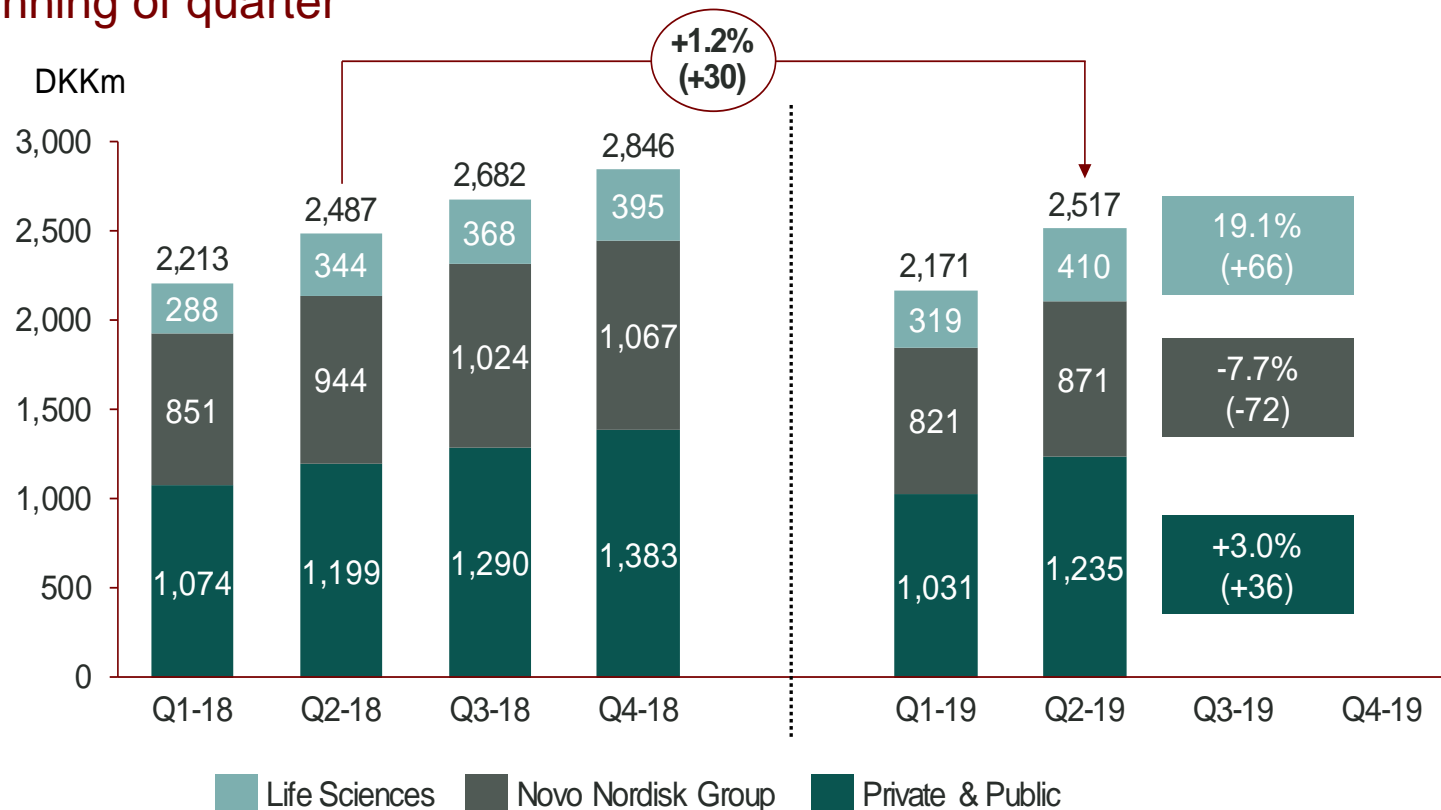
Revenue in reported currencies increased by 7.4% in Q1 2019 (6.5% in constant currencies) driven by a 28% growth from clients in the finance customer group and 73% growth from international life sciences clients of which 46pp came from the acquisition of Valiance Partners. Adjusting for the acquisition of Valiance Partners the organic growth was 4.9% in reported currencies. The revenue from life sciences customers increased by 9.7% while revenue from private & public customers increased by 4.9%. In both customer segments all growth is driven by project sales while infrastructure outsourcing is declining or stable.

Revenue growth was 11% (7.1% organic) excluding business from Novo Nordisk Group in Q1 2019

The share of revenue from clients outside the Novo Nordisk Group increased from 63% in Q1 2018 to 65% in Q1 2019

# Backlog development, current year

Beginning of quarter



# Outlook

	2019	Explanation
Revenue growth	Constant currencies: <b>3-6%</b> Reported currencies: 0.7pp higher	Is maintained
Operating profit margin	Constant currencies: <b>8-9%</b> Reported currencies: 0.4pp lower	Following the low operating profit margin of 6.3% in constant currencies in Q1 2019 and an expected decline in revenue and operating profit margin from the Novo Nordisk Group the guidance for operating profit margin in constant currencies is reduced.
Capex	Share of revenue: <b>5-7%<sup>2</sup></b>	Is maintained

<sup>2</sup>Investments and re-investments are in 2019 expected to be between 5-7 percent of total revenue



# Investor contact information

## Upcoming events

### **May 14, 2019:**

- Interim report for the first three months of 2019

### **August 14, 2019:**

- Interim report for the first six months of 2019

### **October 24, 2019:**

- Interim report for the first nine months of 2019

## Investor contact



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