

Company announcement no. 7/2019 Søborg/Copenhagen, May 9, 2019

NNIT announces preliminary financial results for the first three months of 2019 and adjusts the company's financial outlook

Preliminary revenue growth in Q1 2019 is 6.5% in constant currencies (7.4% in reported currencies) compared to the same period last year. This is in line with expectations, and guidance for revenue growth of 3-6% in constant currencies is maintained.

Based on preliminary financial results for Q1 2019, operating profit margin is expected to be a disappointing 6.3% in constant currencies (6.1% in reported currencies) compared to 8.7% for the first quarter of 2018. The lower operating profit margin is primarily due to a larger decline in margins than previously expected on service level agreements and projects, related to the Novo Nordisk Group. Further, a general change in revenue mix and a lower Novo Nordisk Group share impact margin negatively.

Following the lower operating profit margin in Q1 2019 and revised expectations to the development for the rest of the year, the guidance for operating profit margin in constant currencies is reduced from 10-10.5% to 8-9%.

The updated outlook for 2019 is:

- Revenue growth of 3-6% in constant currencies is maintained
- Operating profit margin of 8-9% in constant currencies (previously 10-10.5%)
- Level of investments of 5-7% of total revenue is maintained

The implementation of the new customer focused organization is developing well and cost synergies are expected to be realized. However, the impact of these are expected to be limited in 2019. In addition, a number of short-term cost saving initiatives are being implemented. These initiatives can only to some degree offset the negative effects on profit this year.

Per Kogut, CEO at NNIT comments: *"Our operating margin for the first three months of 2019 is very disappointing and we strive to improve our gross profit margin through further automation, off-shoring and higher efficiency in our project execution as well as continuing our high growth in international life sciences in order to reduce our dependency on the Novo Nordisk Group. In addition, synergies from our new organization will begin to realize in the second half of 2019 with full impact in 2020. Revenue increases as expected with 7% in the first quarter driven by international life sciences and finance clients, in line with our strategy."*

Conference call details

NNIT will host a teleconference May 9, 2019 at 10:00 CET about the adjusted outlook. Please visit the NNIT webpage at www.nnit.com to access the teleconference, which can be found under 'Investors – Events & presentations'. Presentation material will be available on the website approximately one hour prior to the start of the presentation.

Conference call details

<https://nnit.eventcdn.net/201905confcall>

Participant telephone numbers:

Denmark: +45 3544 5583
United Kingdom: +44 20 3194 0544
Sweden: +46 8 5664 2661
United States: +1 855 269 2604

NNIT will release its interim report for the first quarter of 2019 on May 14, 2019 as scheduled.

Forward-looking statements

This announcement 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. Please also refer to the overview of risk factors in the 'risk management' section on page 33-35 in the Annual Report 2018.

Contact for further information

Investor relations:

Klaus Hosbond Skovrup
Head of Investor Relations
Tel: +45 3079 3555
ksko@nnit.com

Press:

Helga Heyn
NNIT Communications
Tel: +45 3077 8141
hhey@nnit.com

About NNIT

NNIT A/S is one of Denmark's leading IT service providers and consultancies. NNIT A/S offers a wide range of IT services and solutions to its customers, primarily in the life sciences sector in Denmark and internationally and to customers in the public, enterprise and finance sectors in Denmark. As of December 31, 2018 NNIT A/S had 3,214 employees. For more information please visit www.nnit.com