

A SMARTER SOLUTION
starts from inside



2nd QUARTER 2019

Kenneth Ragnvaldsen, CEO
Oslo, July 12th 2019

AGENDA



Kenneth
Ragnvaldsen
CEO



Rune
Wahl
CFO

1. HIGHLIGHTS

2. FINANCIALS

3. BUSINESS REVIEW

4. Q&A

HIGHLIGHTS

ALL-TIME HIGH revenue and results

Strong **GROWTH** across business segments, geographical regions and vertical markets

INDUSTRY-WIDE MEGATRENDS of automation, connectivity (IoT) and industrial digitalisation continue to fuel the market

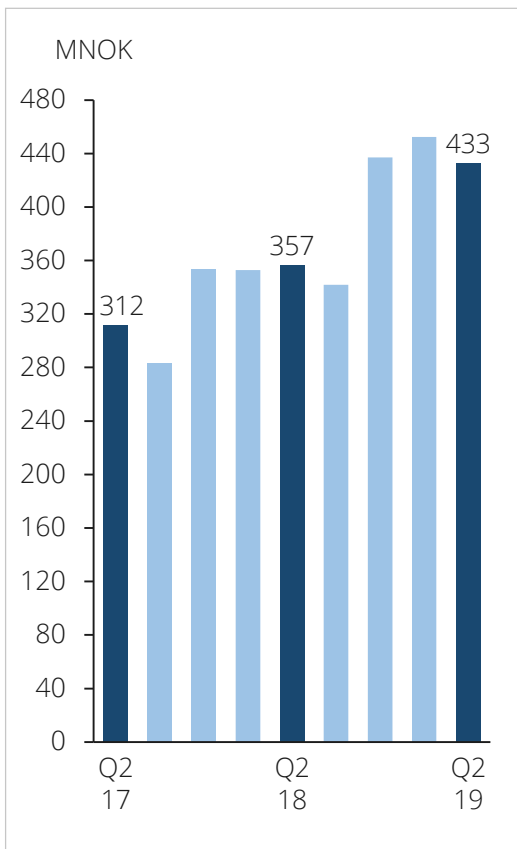
STRONG DEMAND for engineering R&D specialists

Successful **CAPITAL INCREASE** of NOK 324 million through a private placement

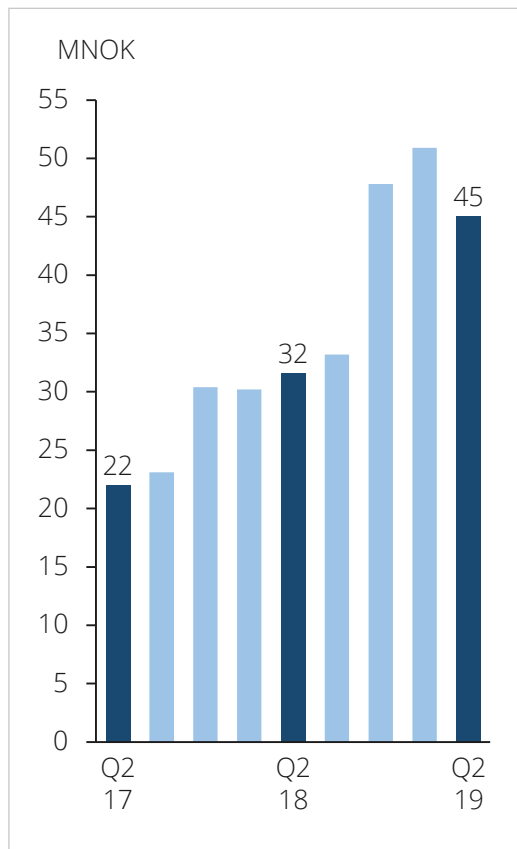
TWO NEW ACQUISITIONS of niche specialist companies inContext in Sweden and DONAT group in Germany

FINANCIAL HIGHLIGHTS FROM Q2 2019

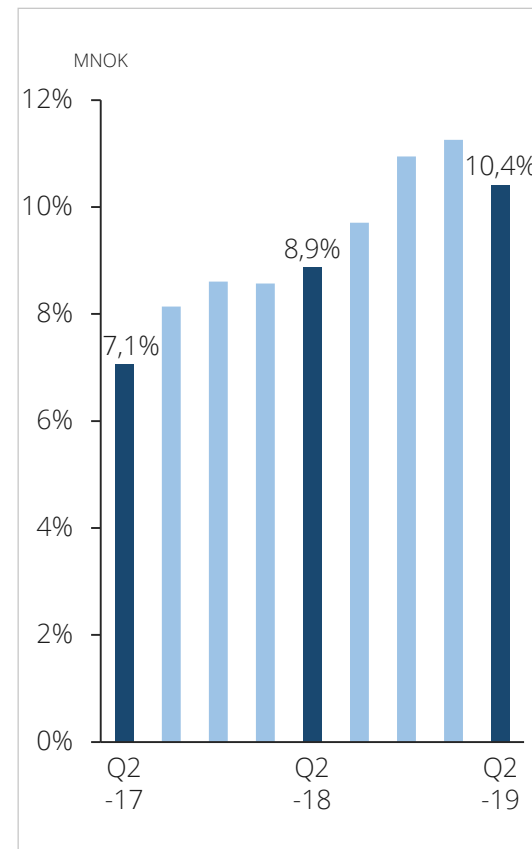
REVENUES
433



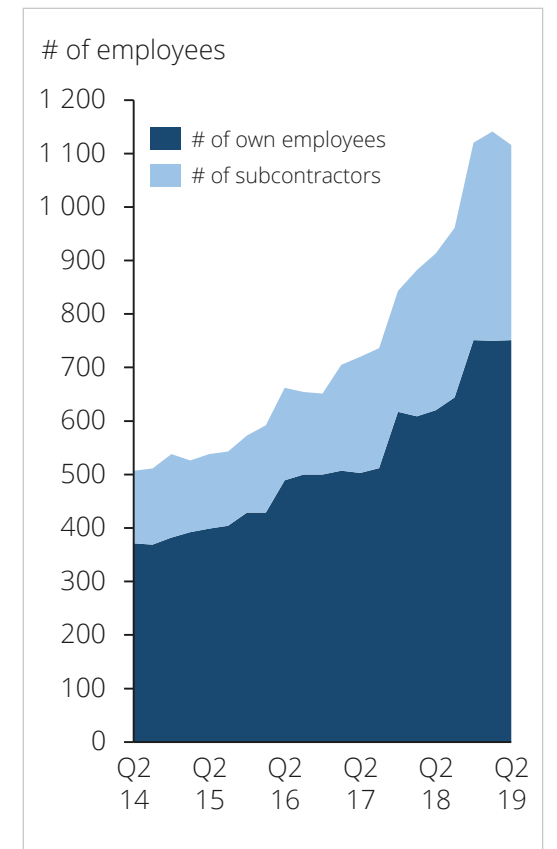
EBITA
45.0



EBITA margin
10.4%

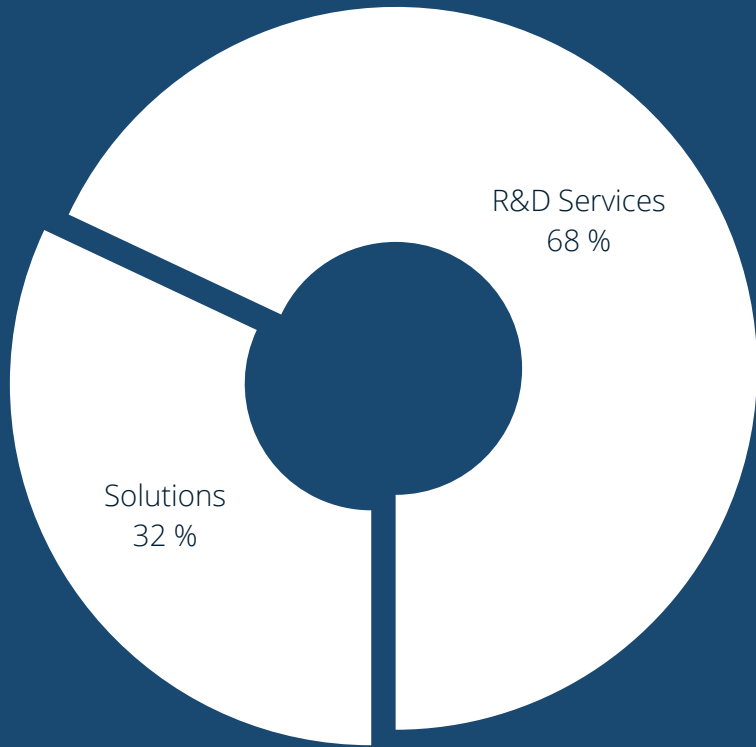


NUMBER OF EMPLOYEES
1 116



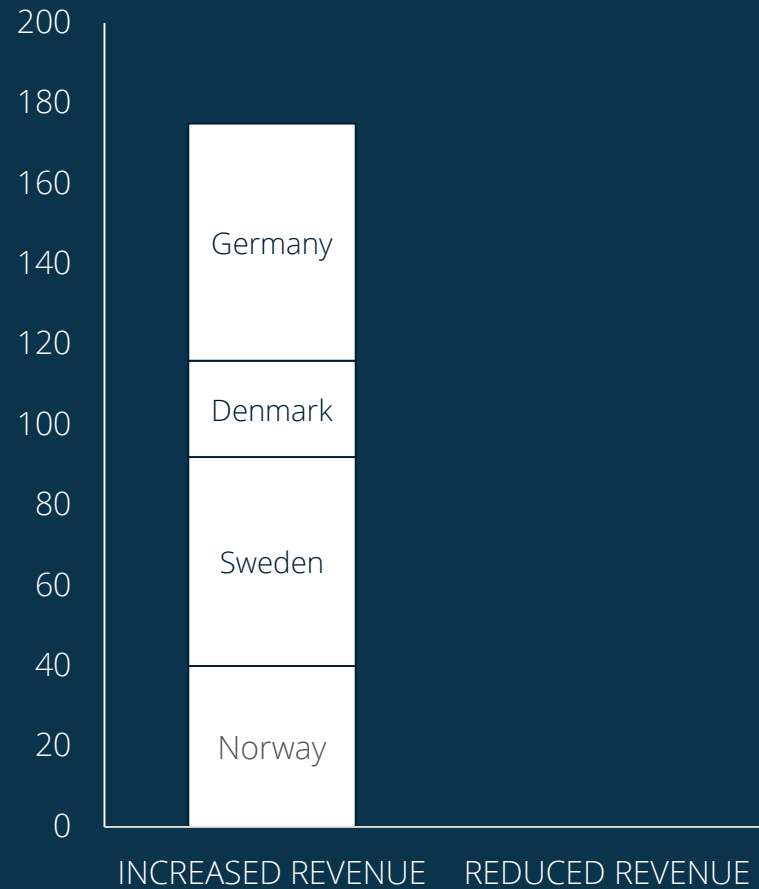
GROWTH

In both business areas



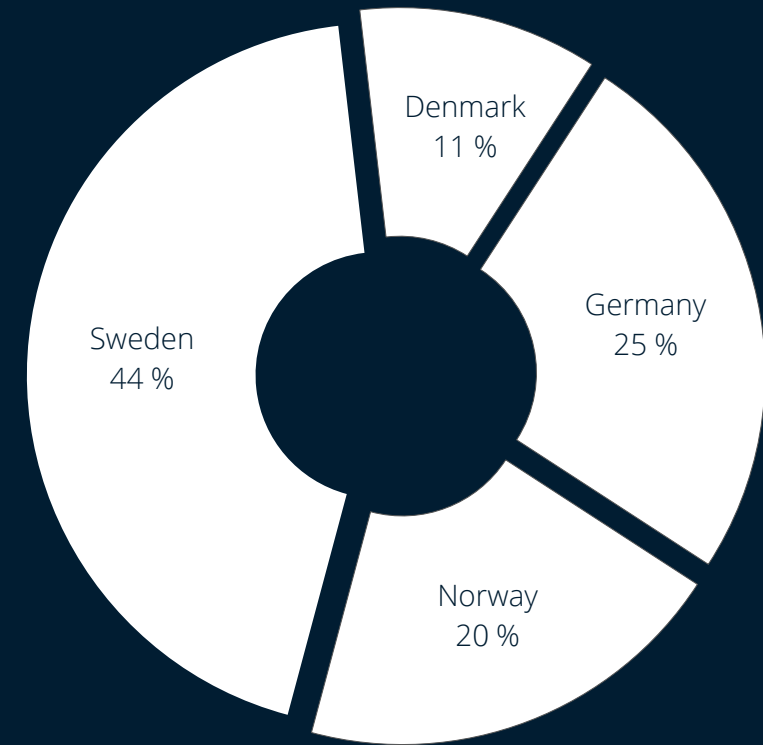
GROWTH

in all countries



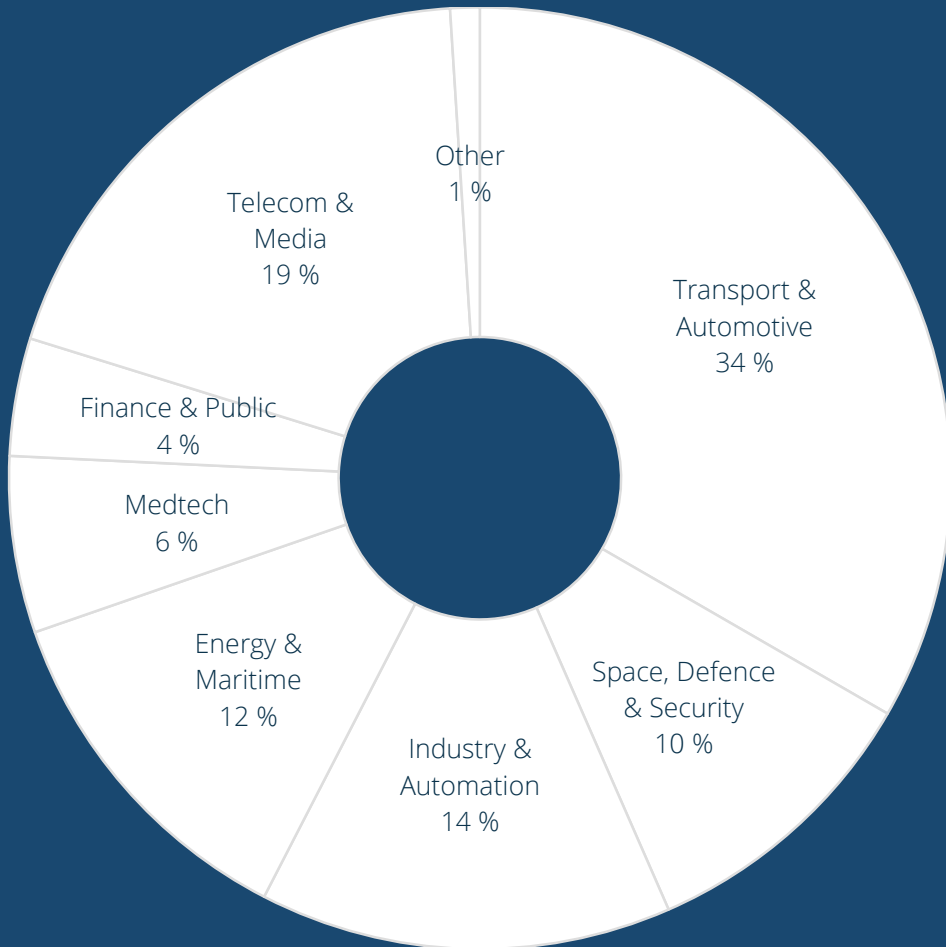
SWEDEN

largest market



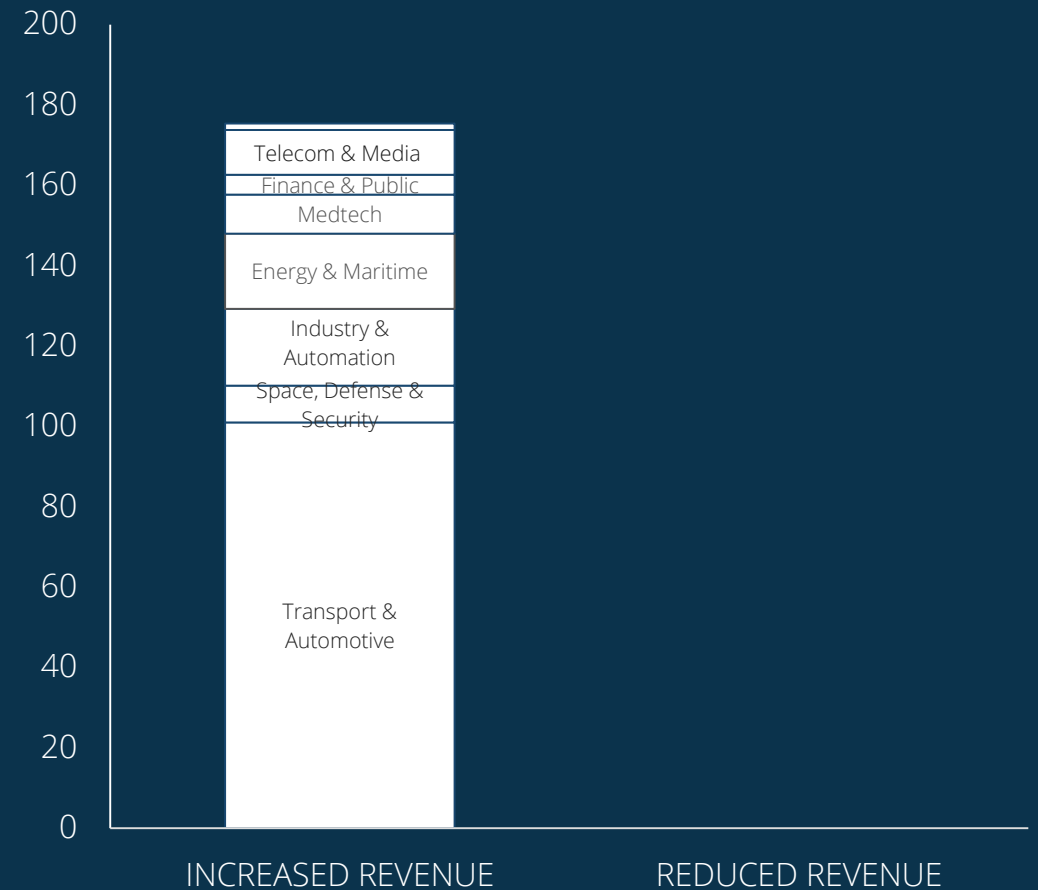
STRONG DIVERSIFICATION

across several industries



INCREASING REVENUE

in largest market segment



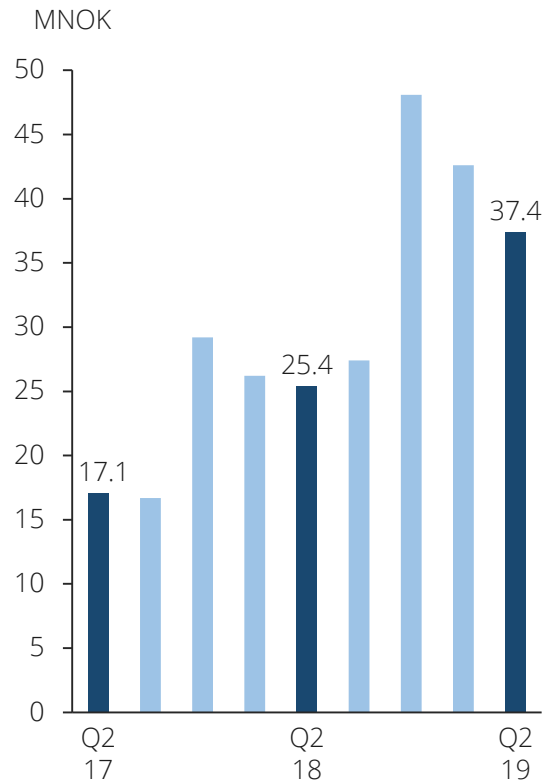
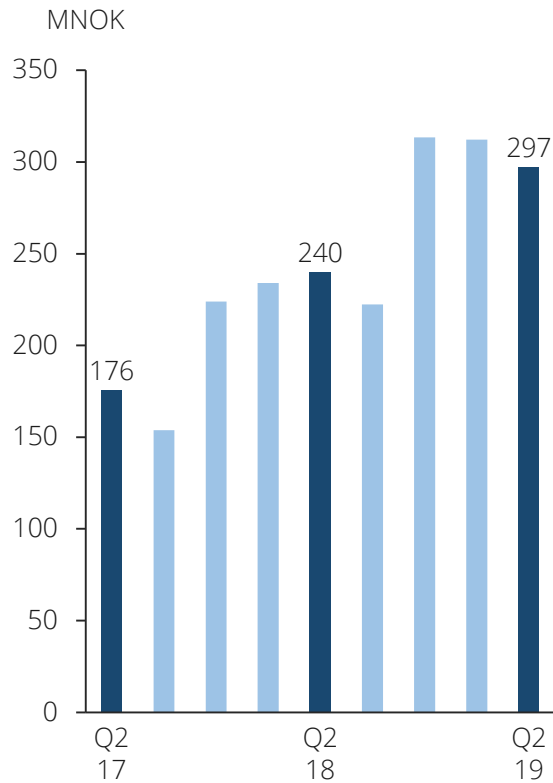
KEY FIGURES – R&D SERVICES

REVENUES

297

EBITA¹

37.4 (12.6%)



- **STRONG GROWTH** (24%) driven by solid performance across all portfolio companies
- **SOLID PROFITABILITY** supported by high overall utilisation, attractive prices and long-term R&D projects
- Increasing levels of **RECURRING R&D SERVICES**
- Market remains strong with continued **SOLID DEMAND** driven by across industry trends:
 - Industrial digitalisation (Industry 4.0)
 - Internet of Things (IoT), Connectivity
 - More data driven and SW oriented products and services
 - Analytics - Artificial Intelligence (AI)

¹ EBITA before corporate cost

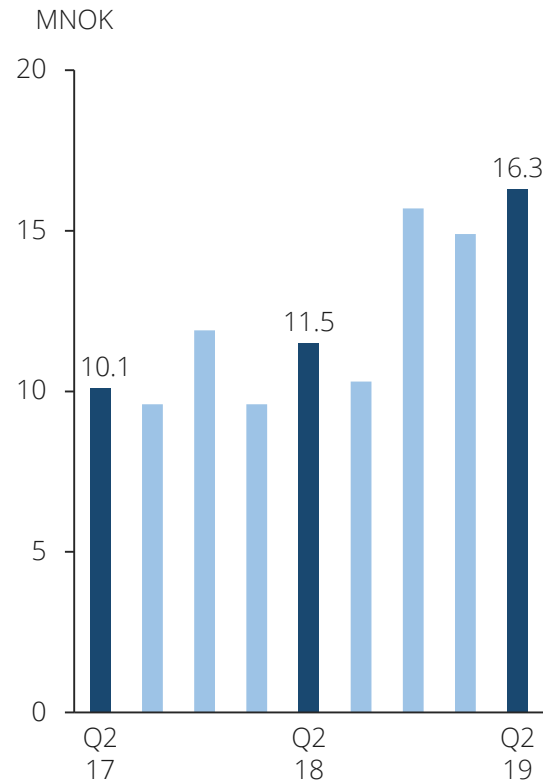
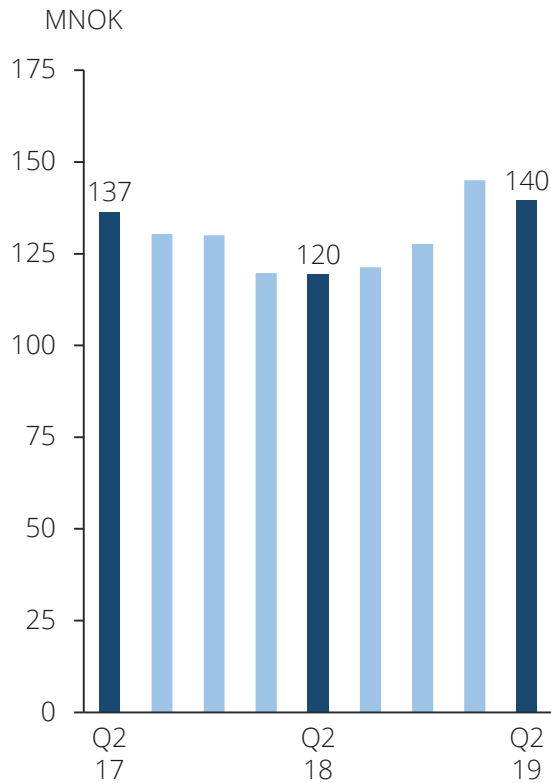
KEY FIGURES – SOLUTIONS

REVENUES

140

EBITA¹

16.3 (11.7%)



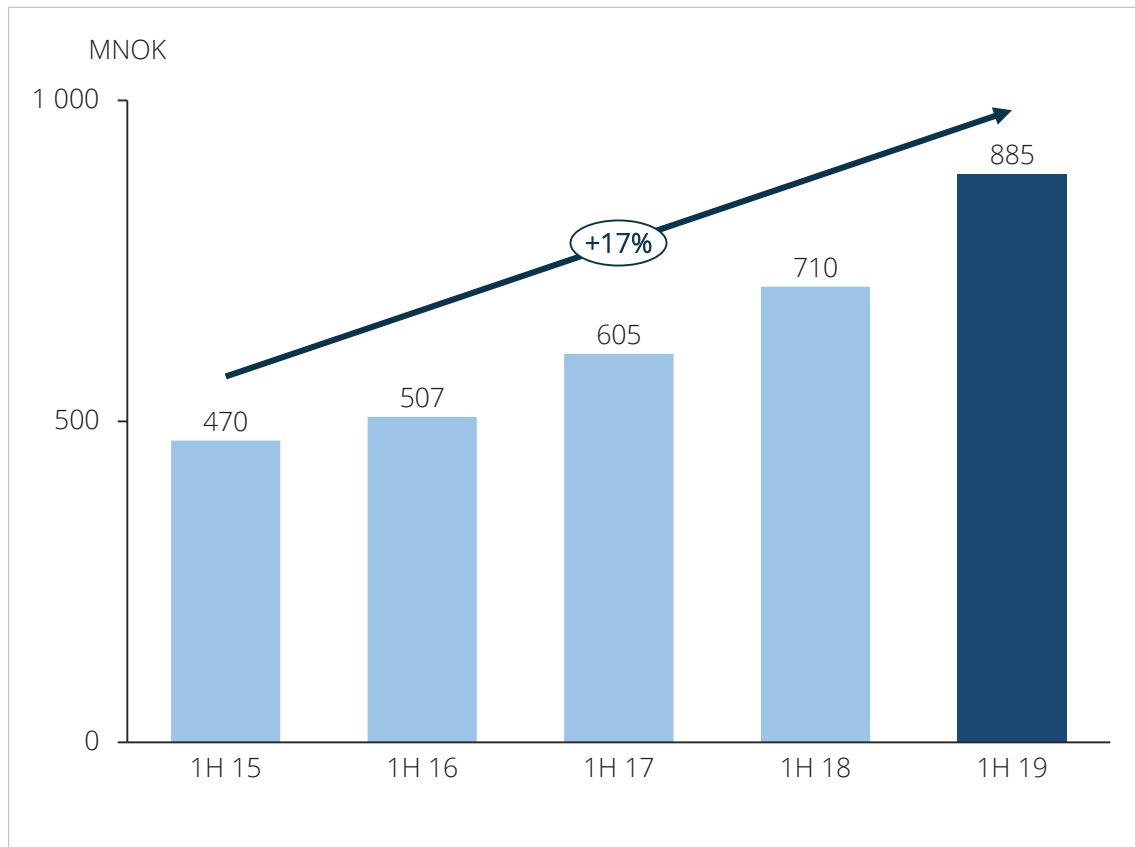
- **SOLID GROWTH** (17%) driven by strategic shift towards smarter, connected and high-end solutions
- **INCREASING PROFITABILITY** resulting from a continued focus on value-adding services, increased SW content and sustaining cost discipline
- **WELL DIVERSIFIED** in terms of markets, regions and customers. Norwegian unit back to growth

¹ EBITA before corporate cost

KEY FIGURES 1H

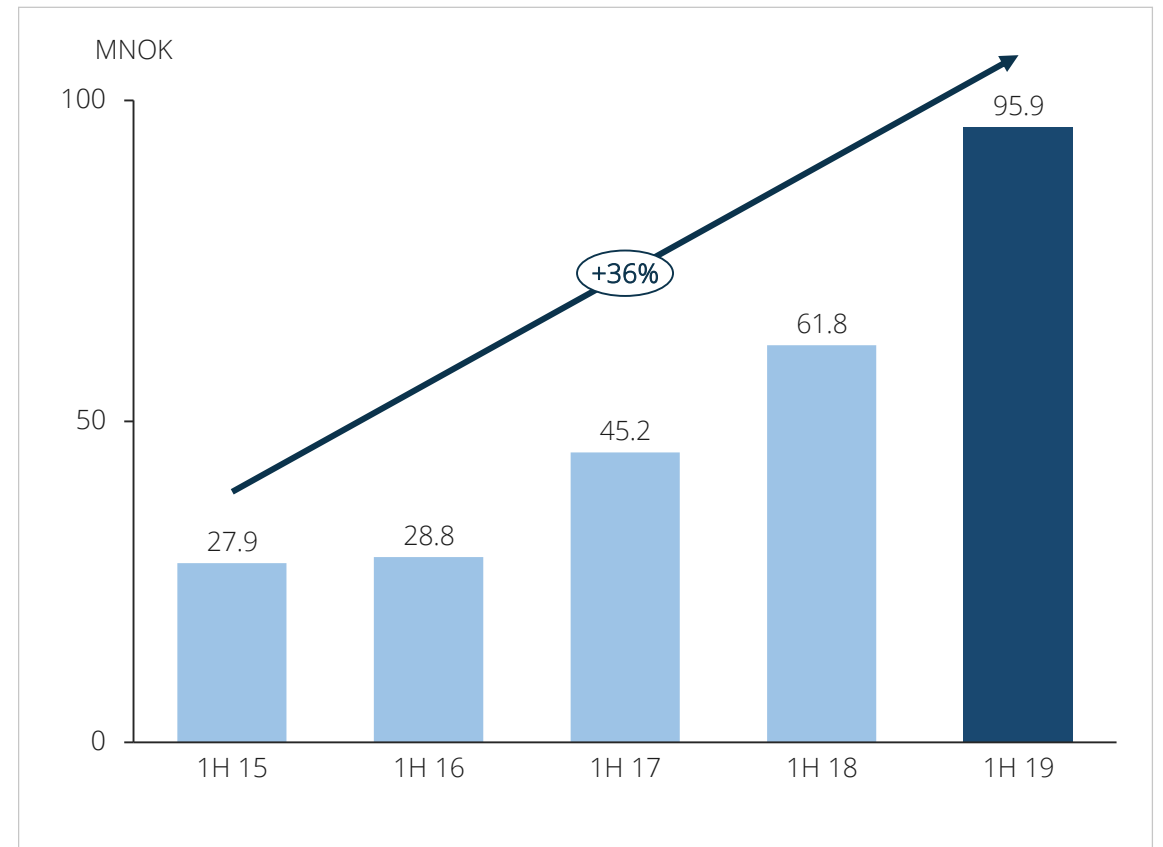
REVENUES

885



EBITA

95.9 (10.8%)

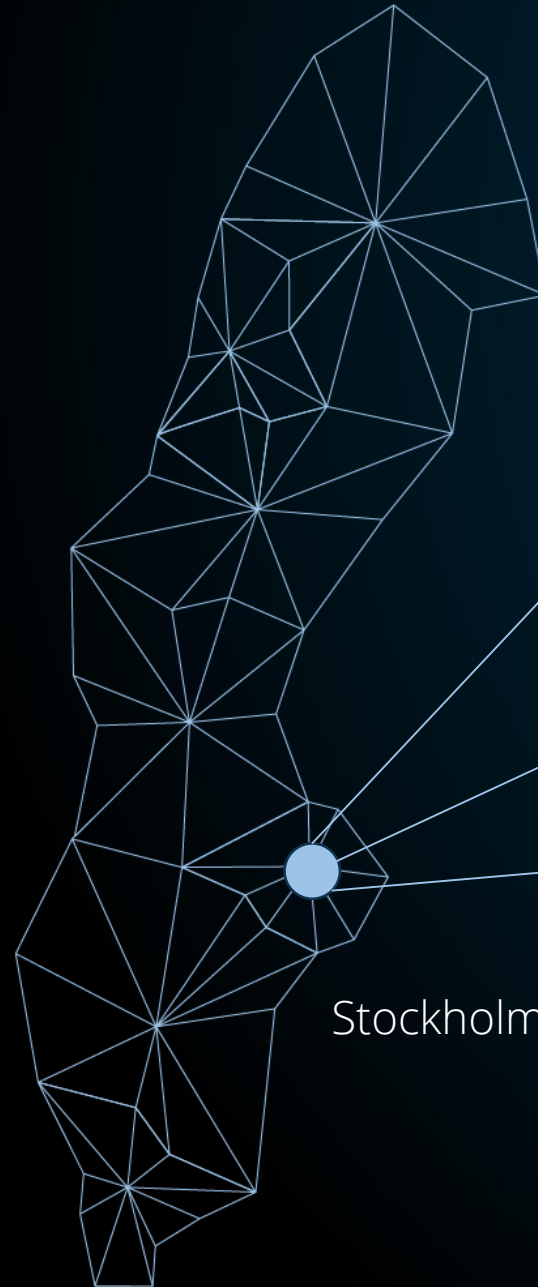


ACQUISITION

of Swedish gazelle
company inContext AB

80 SPECIALISTS in Stockholm with total
turnover of SEK 50 million and EBIT of SEK
14.4 million (year ending 30 April 2018)

Leading niche provider of specialist
services in the field of **interconnect**,
autonomous systems and **embedded
software**



Stockholm



ACQUISITION

of German software specialist company

140 SPECIALISTS headquartered in Ingolstadt with total turnover of EUR 9.2 million (2018) and EBIT of EUR 0.5 million

Acknowledged niche provider of software solutions and specialist services within **software development** and architecture, **system integration** and test management as well as business critical R&D IT services (**DevOps**) to the automotive industry

Both acquisitions offers

great **SYNERGIES** with the rest of the group and strengthens Data Respons' position as a

COMPLETE TECHNOLOGY PARTNER



“

75% of all **BUSINESSES WILL BE DIGITAL**
or have digital transformation underway by 2020

Only 30% of these will be successful due to
LACK OF SPECIALISTS and technical expertise

Source: Gartner

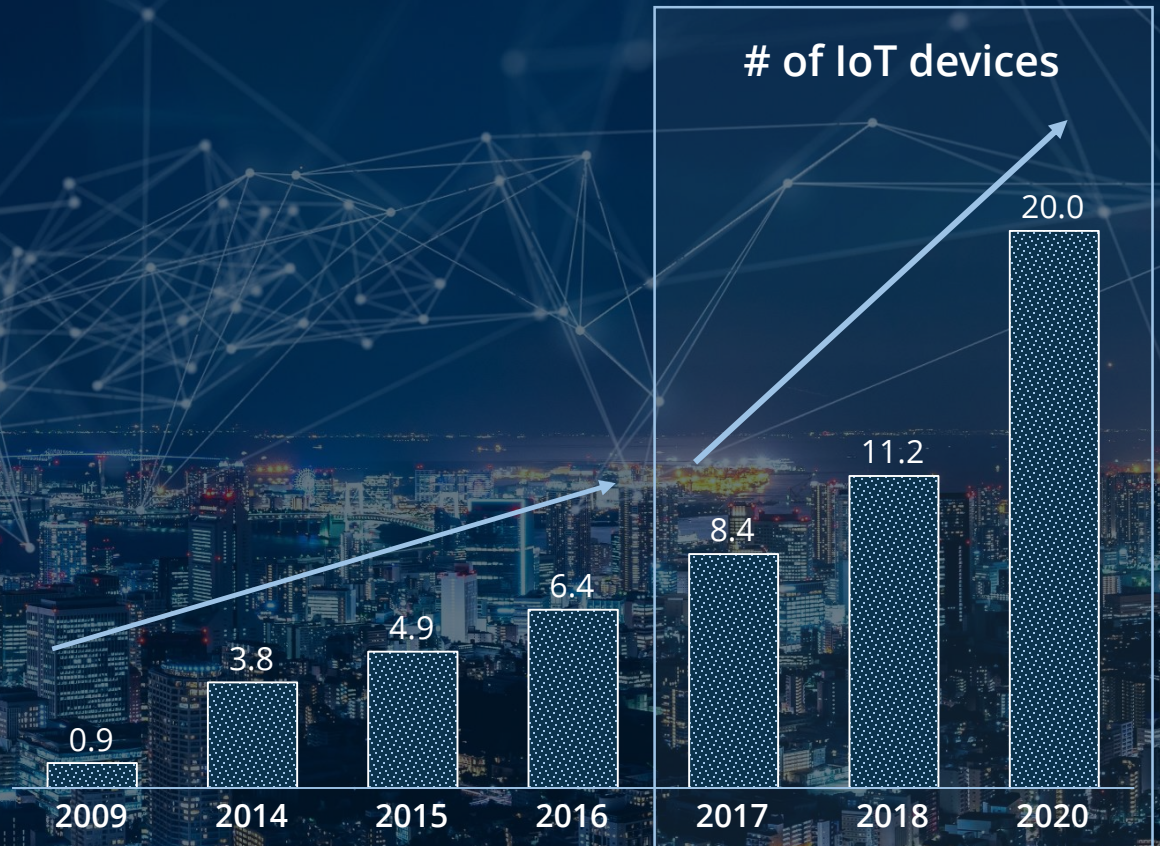
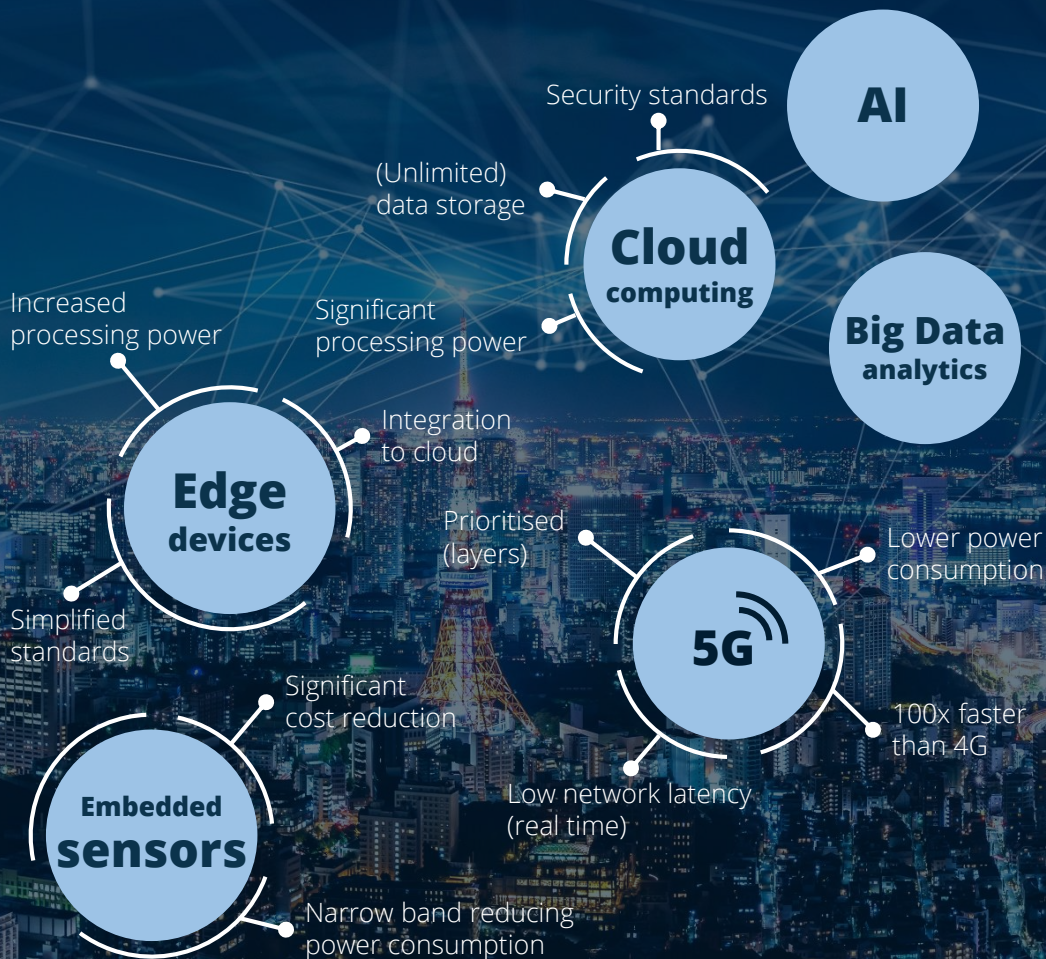
NEW CONTRACTS

confirming strong market demand

- R&D - Product development
- Business critical
- Long-term R&D projects
- Strategically important
- Domain COMPETENCE & industry knowhow



Technology innovation enabling **CONTINUED IoT GROWTH**



Source: Gartner

Case example:
**IoT
SMART Home/Grid
solution**

*Smart solutions for power
optimization*



Case example: **Automotive**

ELECTRIFICATION

AUTONOMOUS
DRIVING

SHARED
MOBILITY

CONNECTIVITY





SUSTAINABILITY THROUGH TECHNOLOGY



ENABLING THE YOUNG

- An important concept for Data Respons

ENABLING THE YOUNG ENGINEERS



Recruiting young engineers

ENABLING THE YOUNG CHARITY



Street children in Nepal



Child mobility

ENABLING THE YOUNG SPONSORSHIPS



Stockholm Chess Challenge



U-19 Team Auto Eder



Future technology experts

AGENDA



Rune
Wahl
CFO

1. HIGHLIGHTS

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INCOME STATEMENT

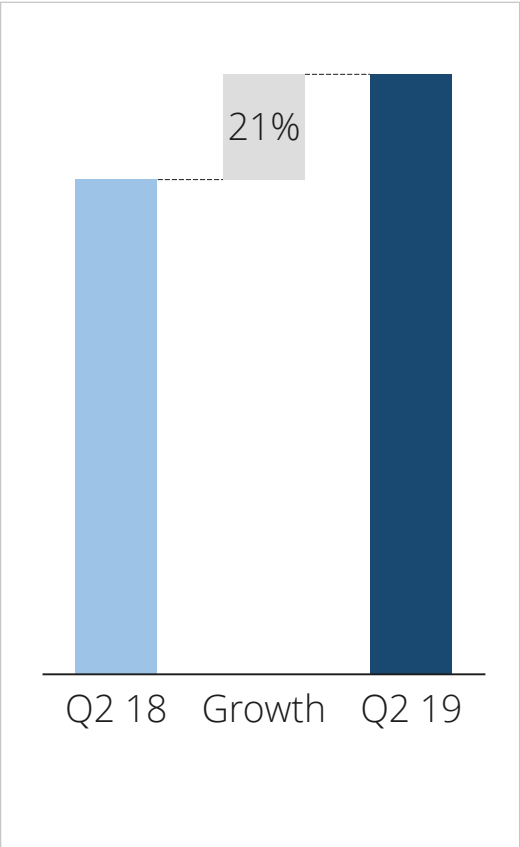
<i>NOK MILLION</i>	Q2 19	Q2 18	%	1H 19	1H 18	%
Revenues	432.6	356.6	21 %	884.9	709.5	25 %
Cost of goods sold	205.7	172.4		420.7	338.8	
Payroll expenses	155.8	131.8		315.0	267.0	
Other operating expenses	17.3	19.8		35.8	39.7	
Depreciation ¹	8.8	1.0		17.4	2.1	
EBITA	45.0	31.6	42 %	95.9	61.8	55 %
<i>EBITA %</i>	10.4 %	8.9 %		10.8 %	8.7 %	
Amortisation and impairment of intangible assets	5.5	6.3		11.1	9.7	
Operating profit (EBIT)	39.5	25.3	56 %	84.8	52.2	63 %
Net financial items ²	(2.9)	(2.1)		18.8	1.7	
Profit before income tax	36.6	23.3		103.6	53.9	
Income tax expense	9.6	9.2		20.9	13.5	
Profit for the period	26.9	14.1		82.8	40.4	
Basic earnings per share (NOK)	0.35	0.24		1.30	0.71	

¹ The increase in depreciation of NOK 7.8 million in the quarter is mainly related to the implementation of IFRS 16 in 2019.

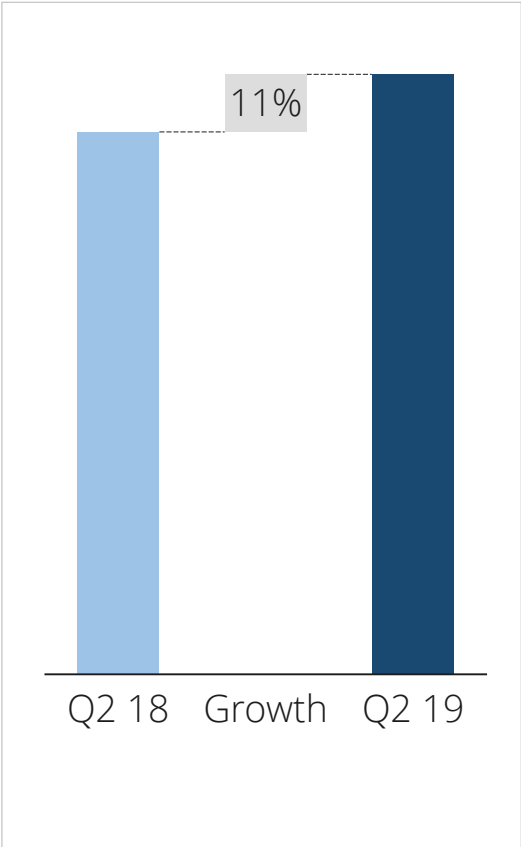
² Net financial items are positive in the first half mainly because of unrealised re-estimations and currency translation gain of NOK 32 million on earn-out liabilities in foreign currency.

REVENUE GROWTH Q2

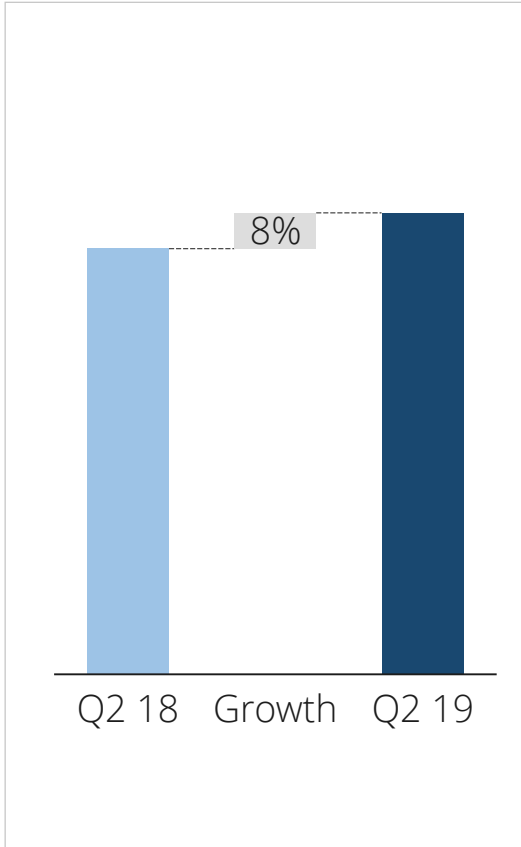
TOTAL GROWTH
21%



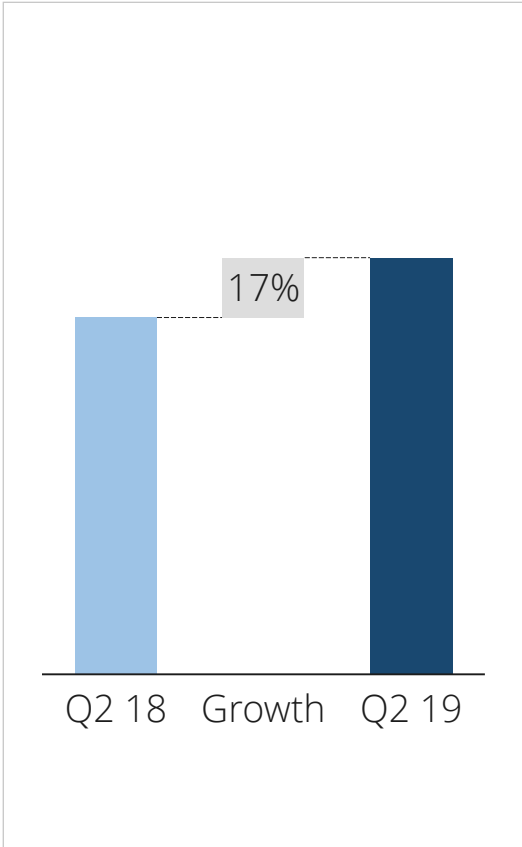
TOTAL ORGANIC GROWTH
11%



ORGANIC R&D SERVICES
8%

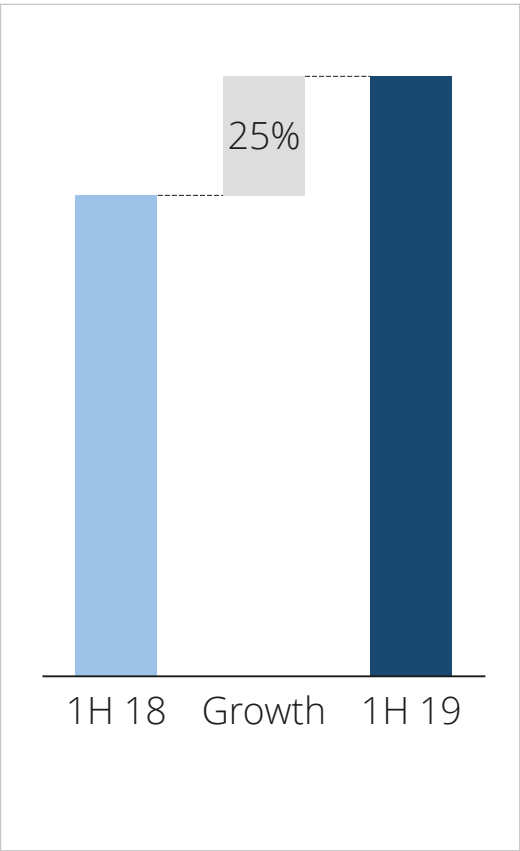


ORGANIC SOLUTIONS
17%

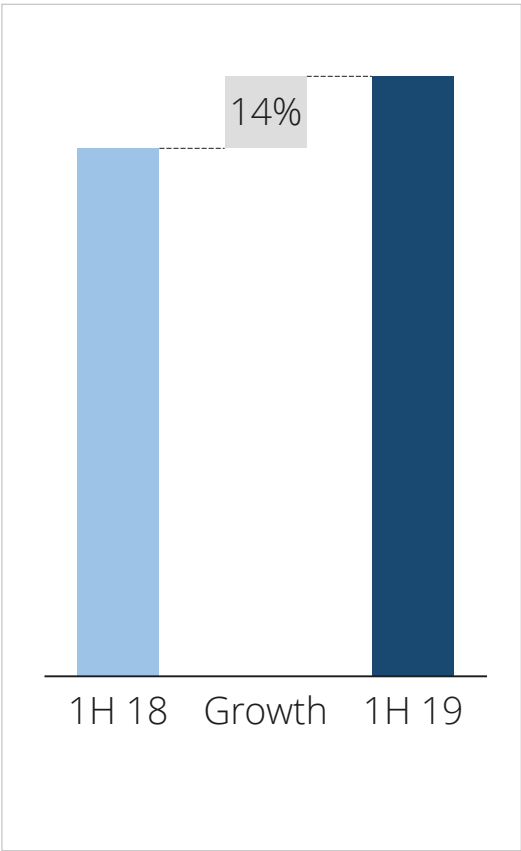


REVENUE GROWTH 1H

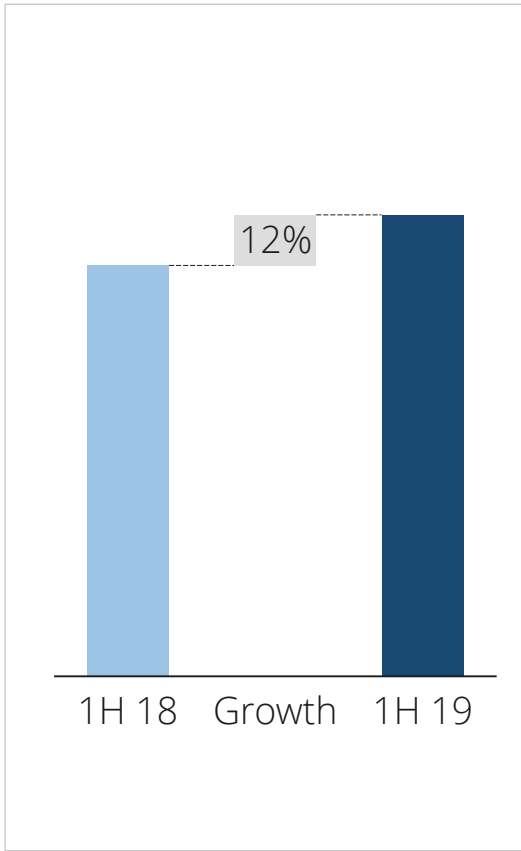
TOTAL GROWTH
25%



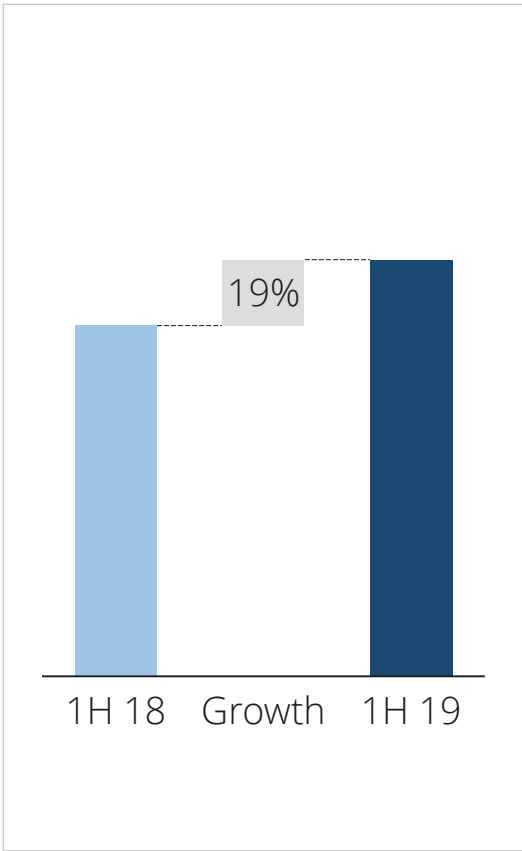
TOTAL ORGANIC GROWTH
14%



ORGANIC R&D SERVICES
12%



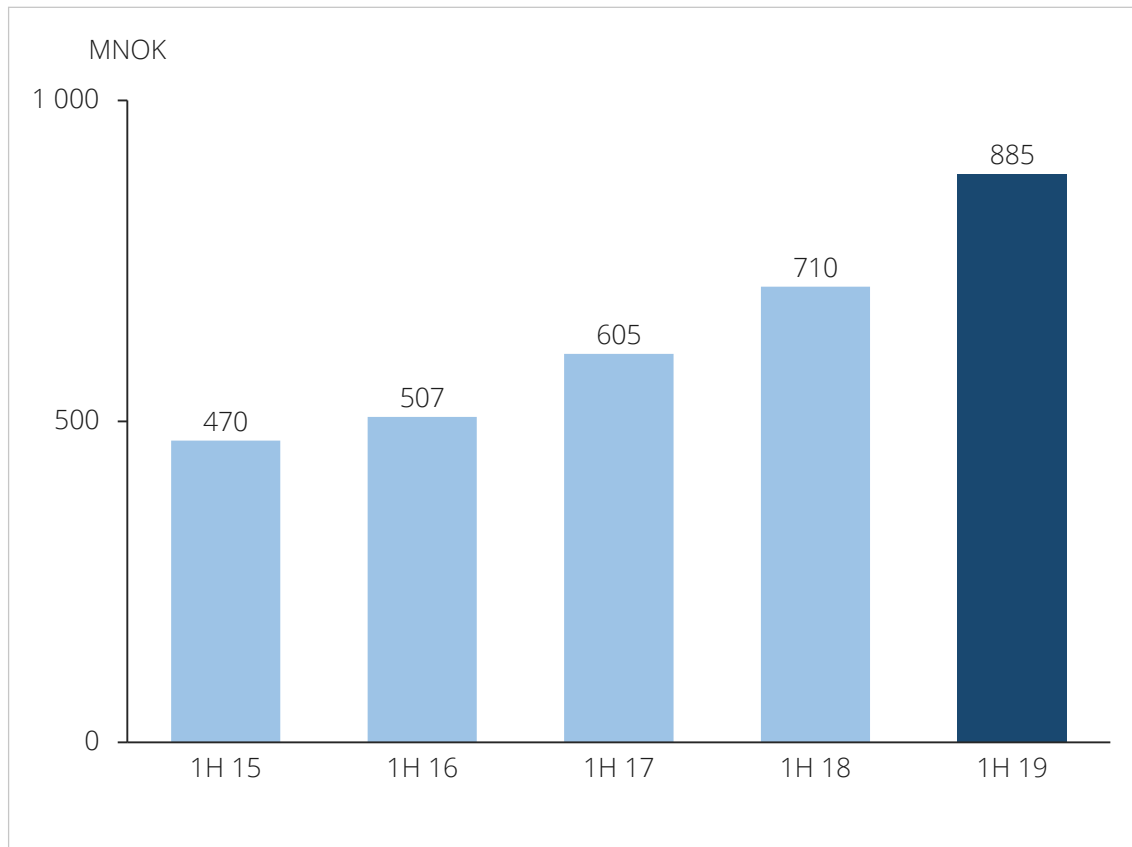
ORGANIC SOLUTIONS
19%



KEY FIGURES 1H

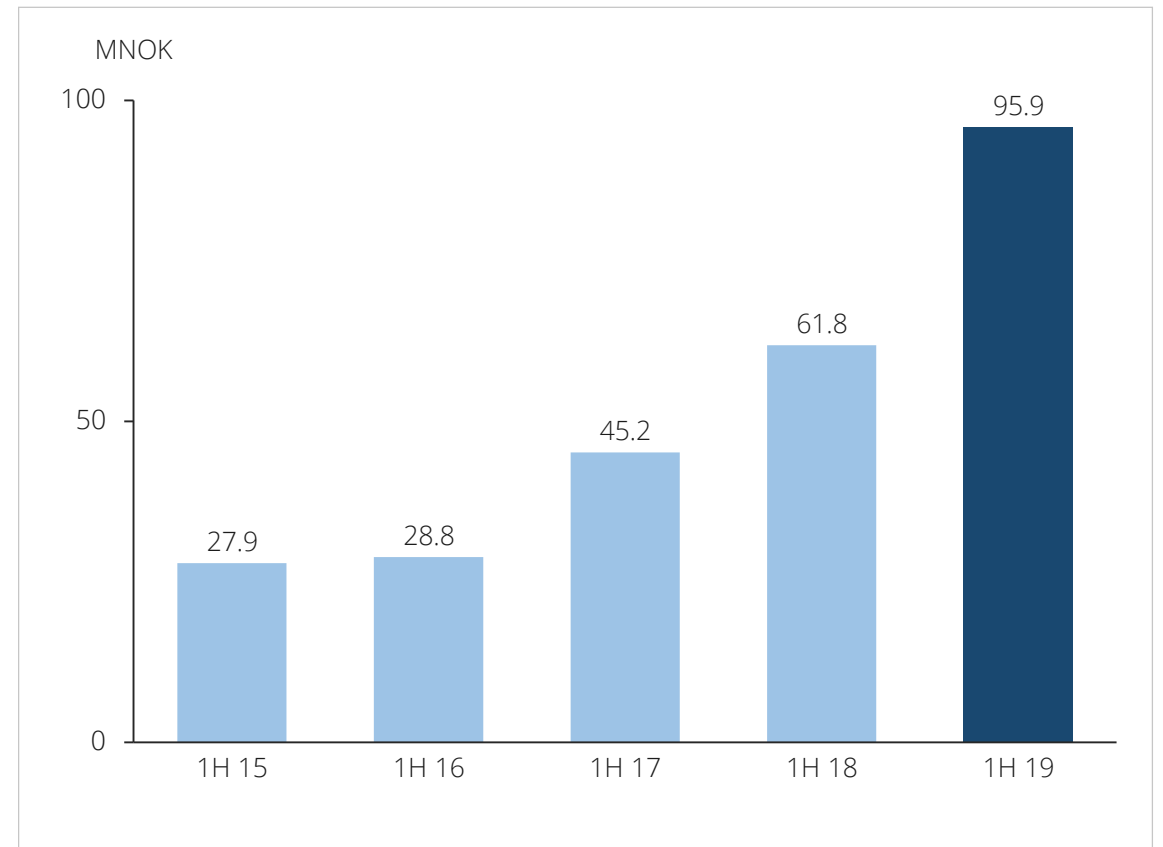
REVENUES

885



EBITA

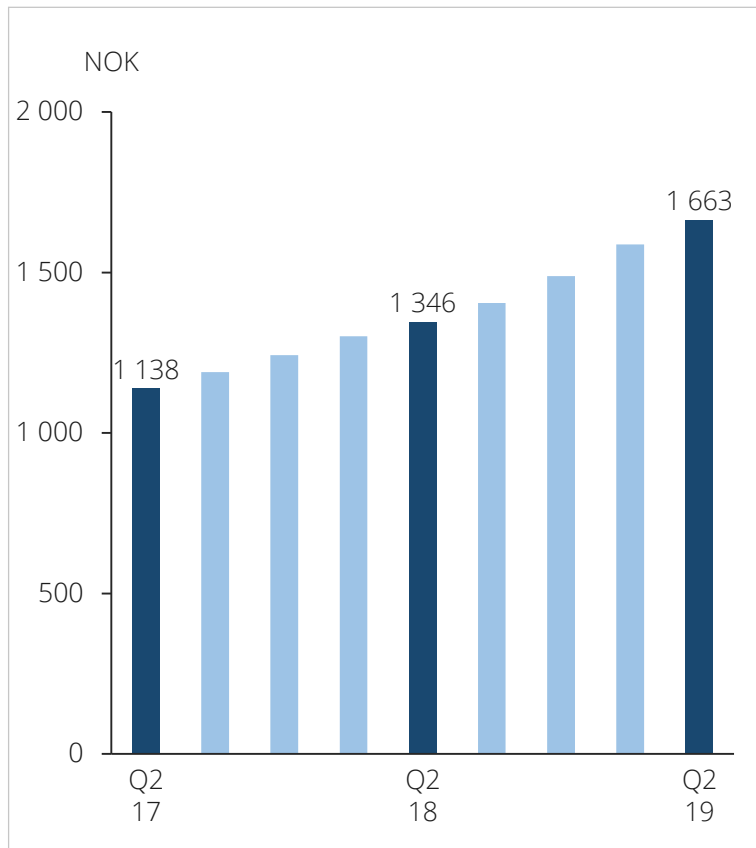
95.9 (10.8%)



KEY FIGURES LTM

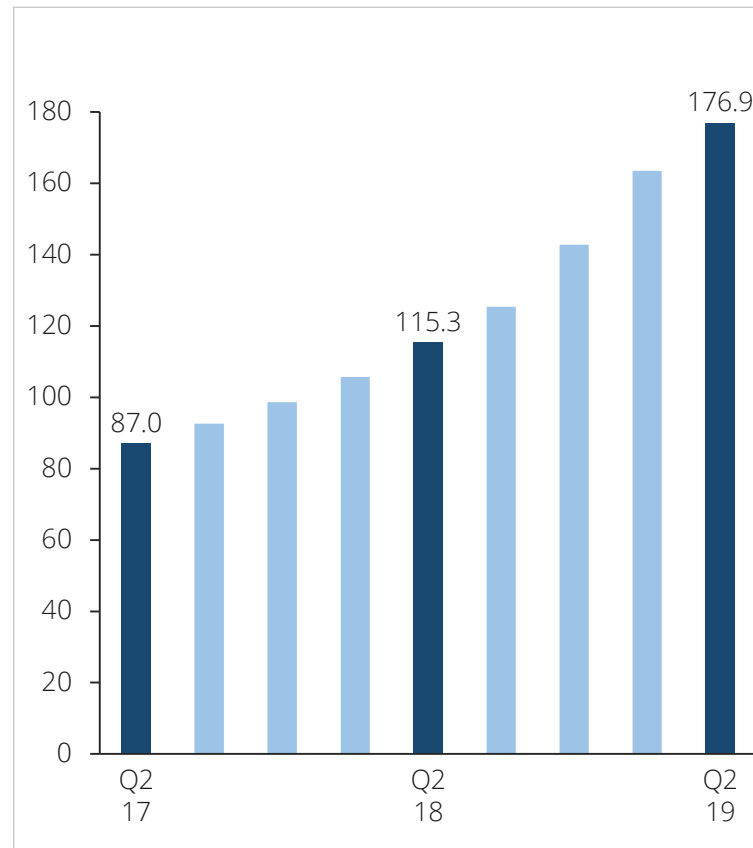
LTM REVENUE

1 663



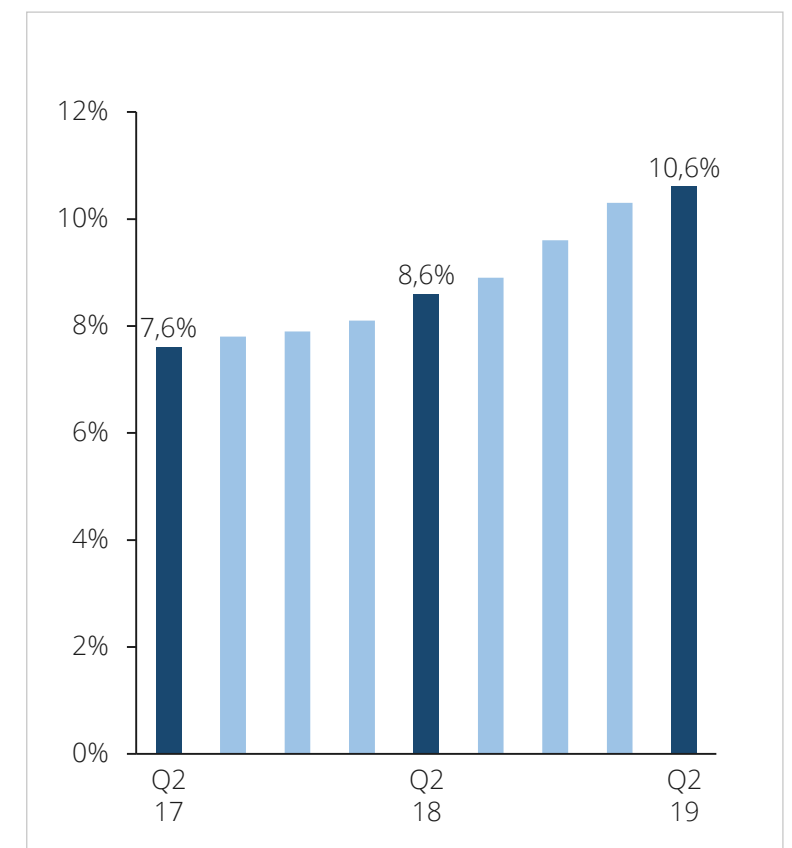
LTM EBITA

176.9



LTM EBITA margin

10.6%



R&D SERVICES

NOK MILLION	Q2 19	Q2 18	%	1H 19	1H 18	%
Revenue	297.3	239.9	24%	609.5	473.9	29 %
EBITA ¹	37.4	25.4	47 %	80.0	51.6	55 %
EBITA margin ¹	12.6 %	10.6 %		13.1 %	10.9 %	
Employees	661	527		661	527	

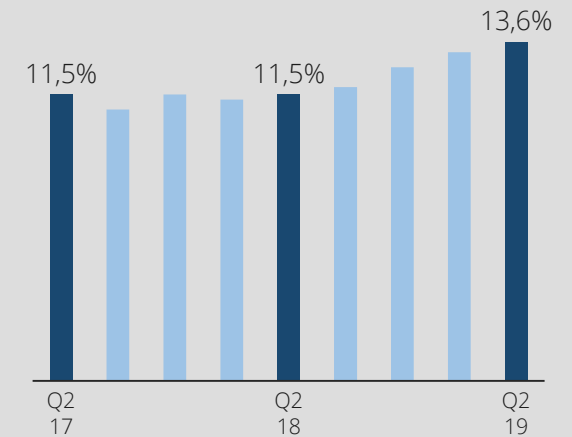
SOLUTIONS

NOK MILLION	Q2 19	Q2 18	%	1H 19	1H 18	%
Revenue	139.6	119.5	17 %	284.3	239.3	19 %
EBITA ¹	16.3	11.5	42 %	31.2	21.1	48 %
EBITA margin ¹	11.7 %	9.6 %		11.0 %	8.8 %	
Employees	84	86		84	86	

¹ EBITA before corporate cost

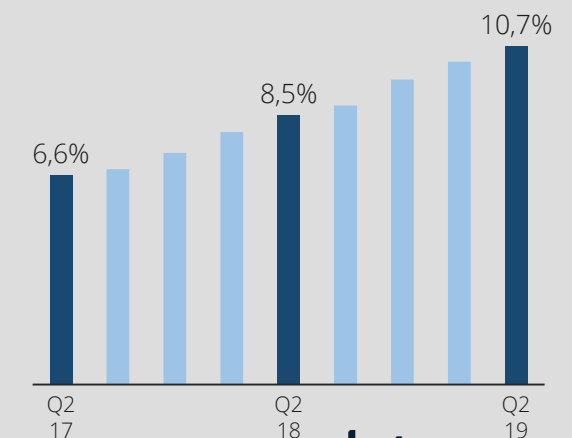
LTM EBITA margin

13.6%

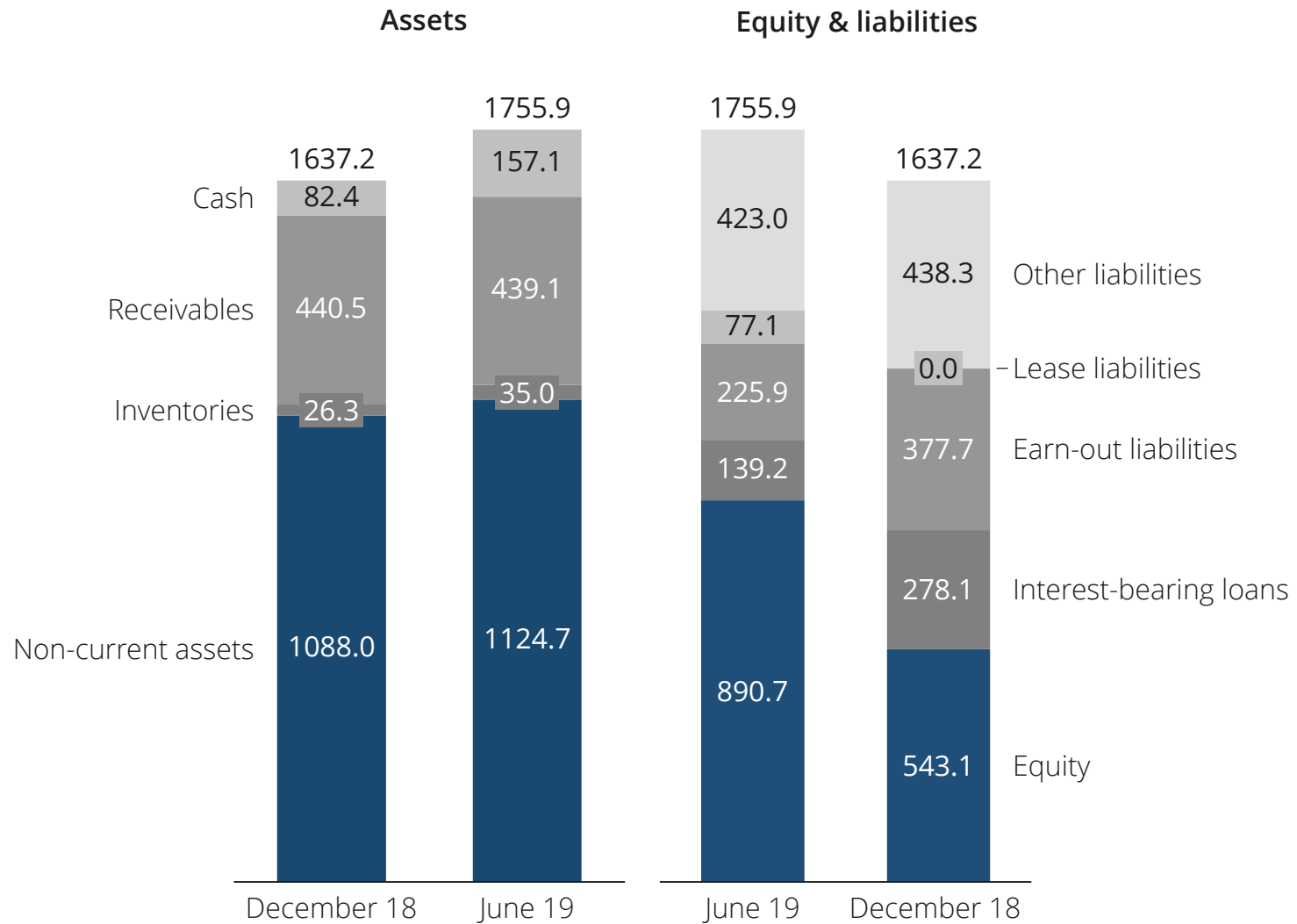


LTM EBITA margin

10.7%



FINANCIAL POSITION



- **CASH POSITION**
NOK 157 million (82)
- **INTEREST-BEARING LOANS**
NOK 139 million (278)
- **EARN-OUT LIABILITIES**
NOK 226 million (378)
- **EQUITY RATIO**
50.7 % (33.2 %)

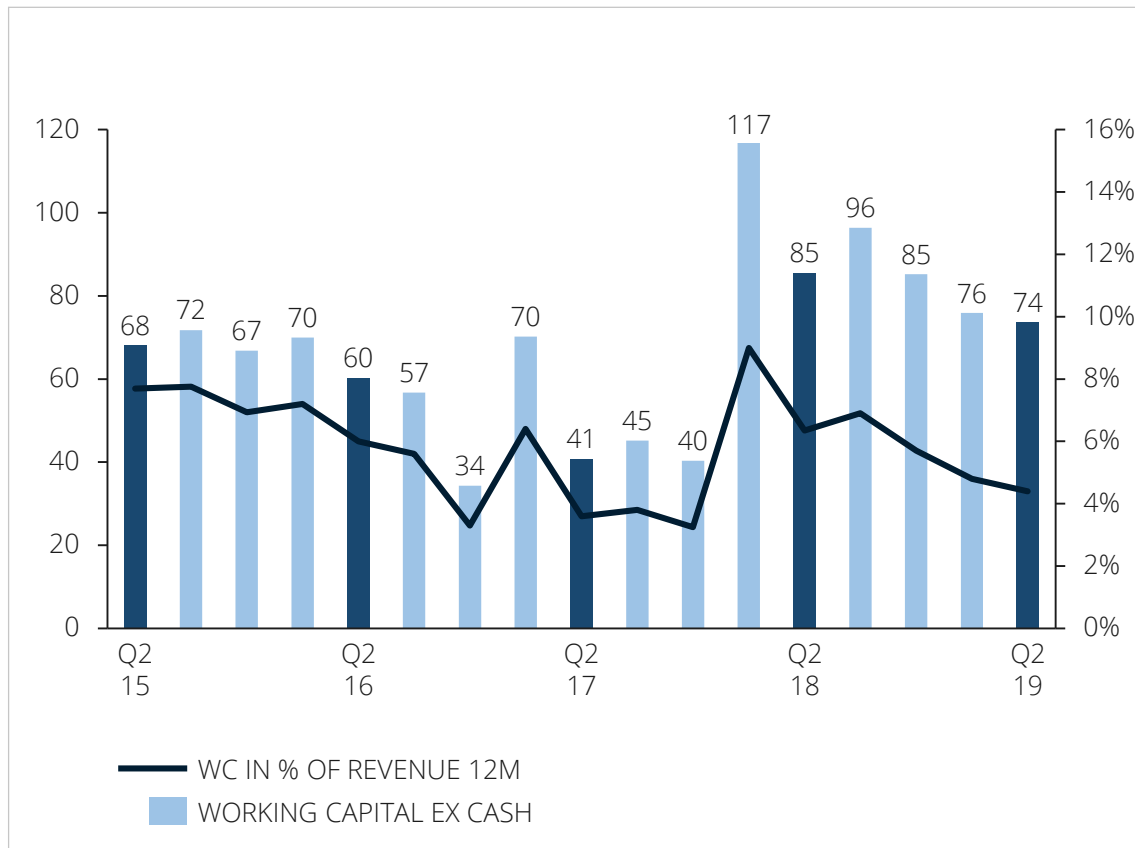
CASH FLOW

<i>NOK MILLION</i>	Q2 19	Q2 18	1H 19	1H 18
EBITA	45.0	31.6	95.9	61.8
Depreciation	8.8	1.0	17.4	(2.1)
Income tax paid	(14.1)	(8.0)	(28.2)	(14.5)
Change in NWC	1.1	33.7	(17.6)	(40.8)
Other operating activities	2.4	(2.5)	(1.4)	1.7
Cash flow - operating activities	43.2	55.8	66.1	6.1
Acquisition of subsidiaries, net of cash acquired	(125.7)	(85.3)	(125.7)	(85.3)
Other investing activities	(1.3)	(0.5)	(1.8)	(0.9)
Cash flow - investing activities	(127.0)	(85.7)	(127.5)	(86.2)
Net change in interest-bearing loans	(130.0)	34.0	(139.0)	47.1
Proceeds from issue of shares	374.0	39.0	374.0	93.7
Sale/(purchase) of treasury shares	(17.7)	-	(17.7)	-
Dividends	(58.3)	(56.1)	(58.3)	(56.1)
Payments on lease liabilities	(7.8)	-	(15.3)	-
Other financing activities	(0.7)	(2.9)	(3.6)	(4.6)
Cash flow - financing activities	159.4	14.0	140.2	80.1
Net cash flow from the period	75.6	(16.0)	78.8	(0.0)
Cash at the beginning of the period	81.4	62.3	82.4	50.7
Exchange gain / losses on cash	0.1	(2.4)	(4.1)	(6.7)
Cash at the end of the period	157.1	44.0	157.1	44.0

WORKING CAPITAL AND OPERATIONAL CASH FLOW

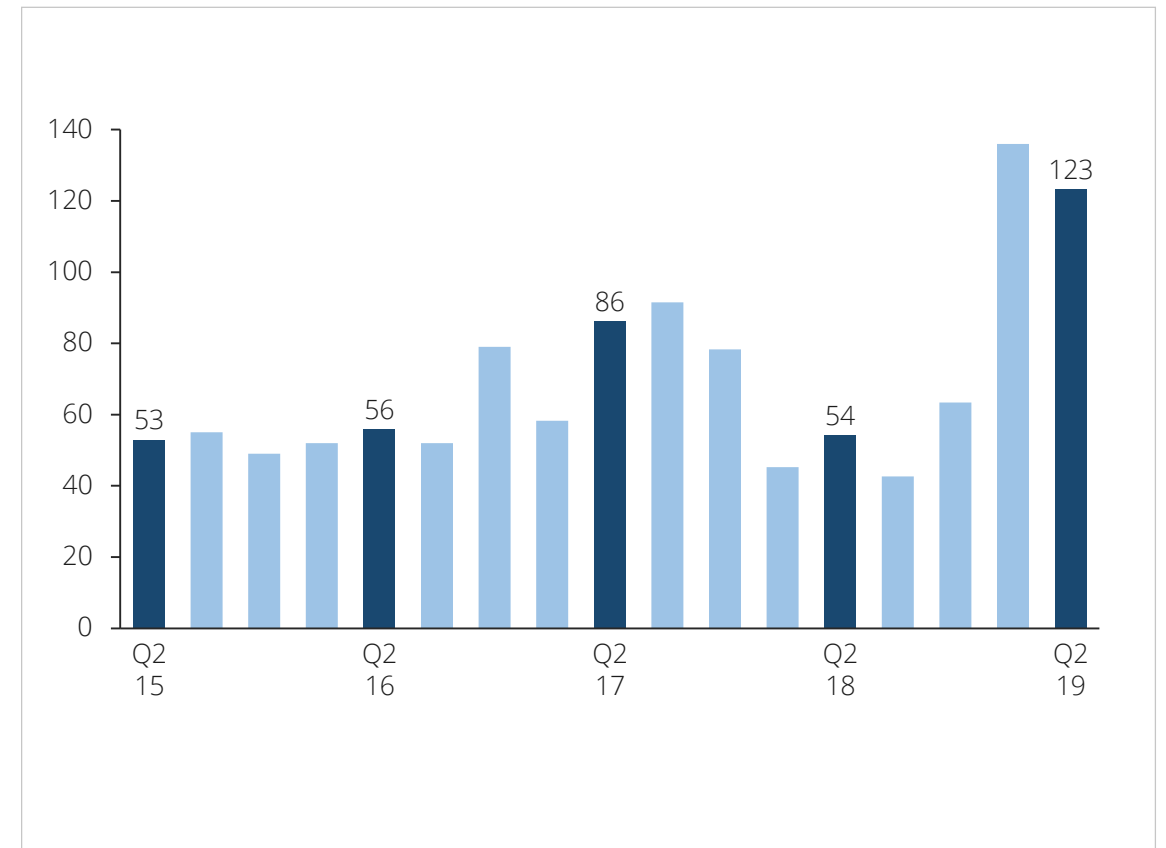
WORKING CAPITAL

74



OPERATIONAL CASH FLOW (LTM)

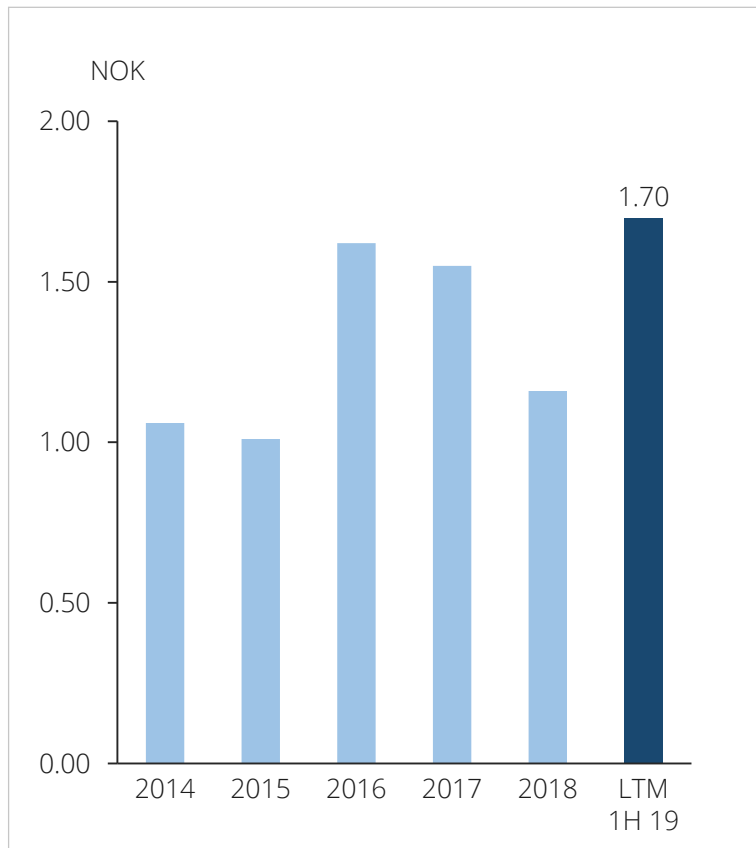
123



KEY FIGURES PER SHARE

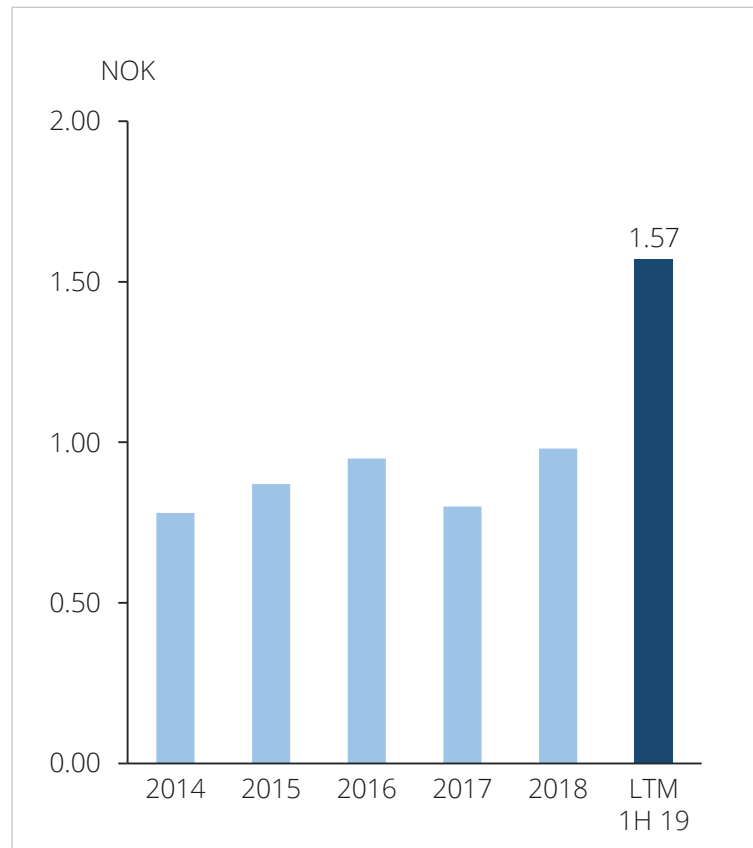
NOCF PER SHARE

1.70



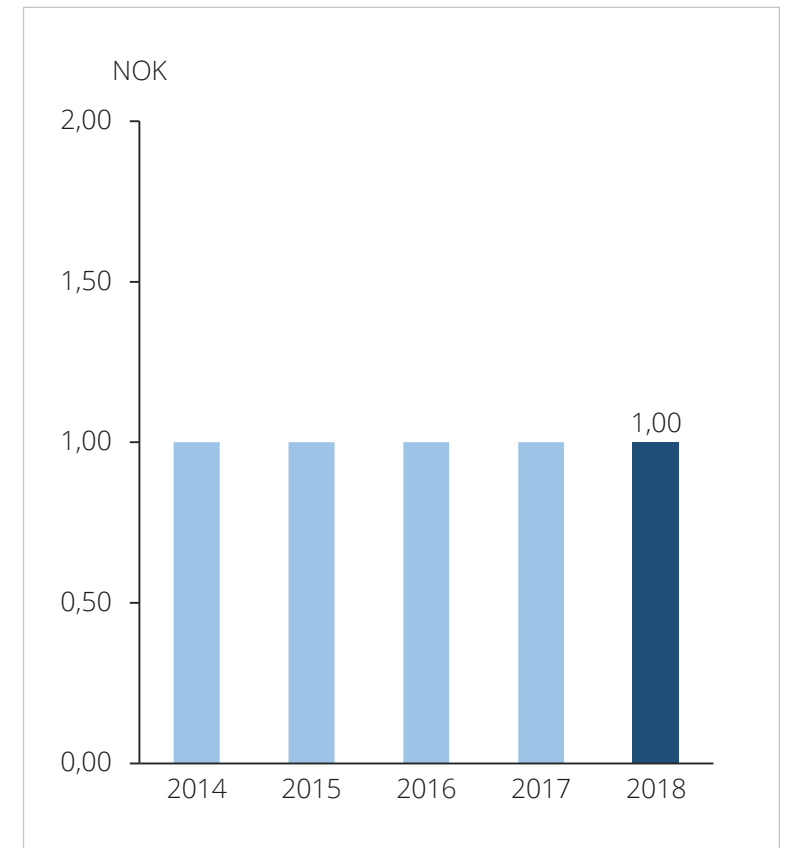
EPS

1.57



DIVIDEND PER SHARE

1.00



REPAIR ISSUE OF UP TO 1,800,000 SHARES

To limit the dilutive effect, a Repair Issue is initiated towards existing shareholders who did not participate in the Private Placement on 13 May 2019.

The repair issue is subject to approval and publication of a prospectus to be prepared by the Data Respons and approved by the Financial Supervisory Authority.

KEY INFORMATION RELATING TO THE REPAIR ISSUE

Last day including right to receive subscription rights:	13 May 2019
Maximum number of shares:	1 800 000 shares
Subscription rights:	0.05 per share
Subscription price:	NOK 27 per share
Subscription period:	August 2019
Over subscription:	Permitted
Subscription without subscription rights:	Not permitted

AGENDA



Kenneth
Ragnvaldsen
CEO

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A complete technology partner

for smarter embedded and IoT solutions

- Digitalisation of the industries of tomorrow!



IoT / Digitalisation

AI / Analytics

Security

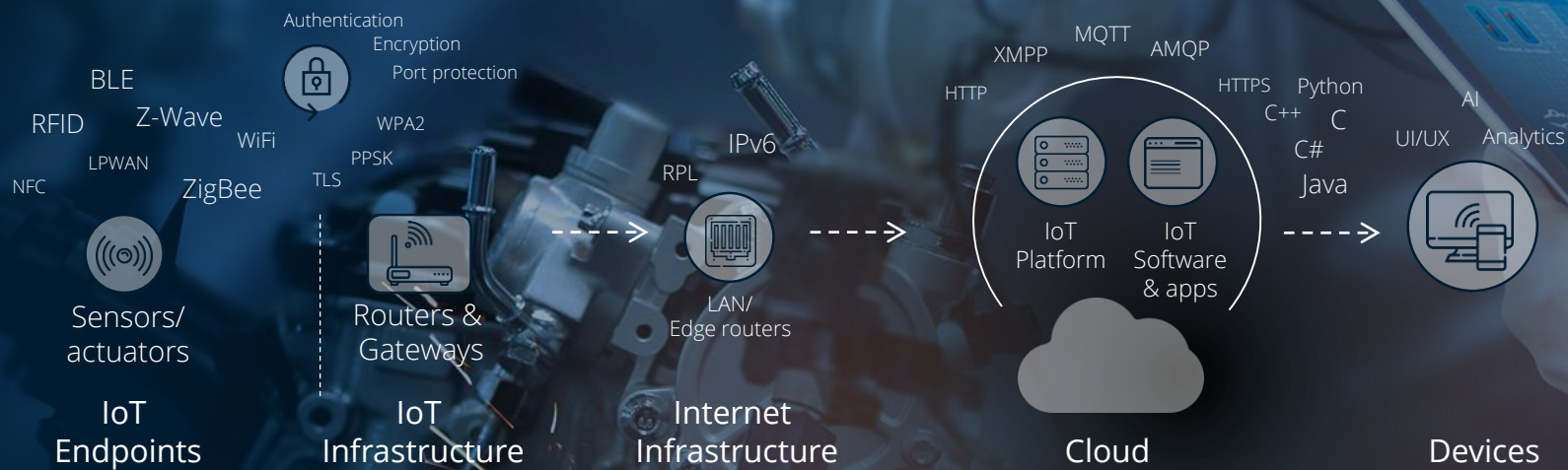
Connectivity

Software & APPs

Sensor

Embedded
Solutions

R&D Services



We develop everything from **SENSOR LEVEL** to the **MOBILE APP** making us a good partner for your **DIGITALISATION**



1.100
SPECIALISTS

Data Respons **R&D SERVICES**

From idea to implementation
Consultancy, specialists, R&D projects
Strategic collaboration partner
Top selected talents & specialists
Dynamic methodology
Domain competence & industry know-how
Multi discipline specialist teams

PRODUCT
DEVELOPMENT



STRATEGIC
PARTNERSHIP



LONG TERM
PROJECTS



Customised delivery models adapted to customer needs

SPECIALIST
SERVICES

WORK
PACKAGES

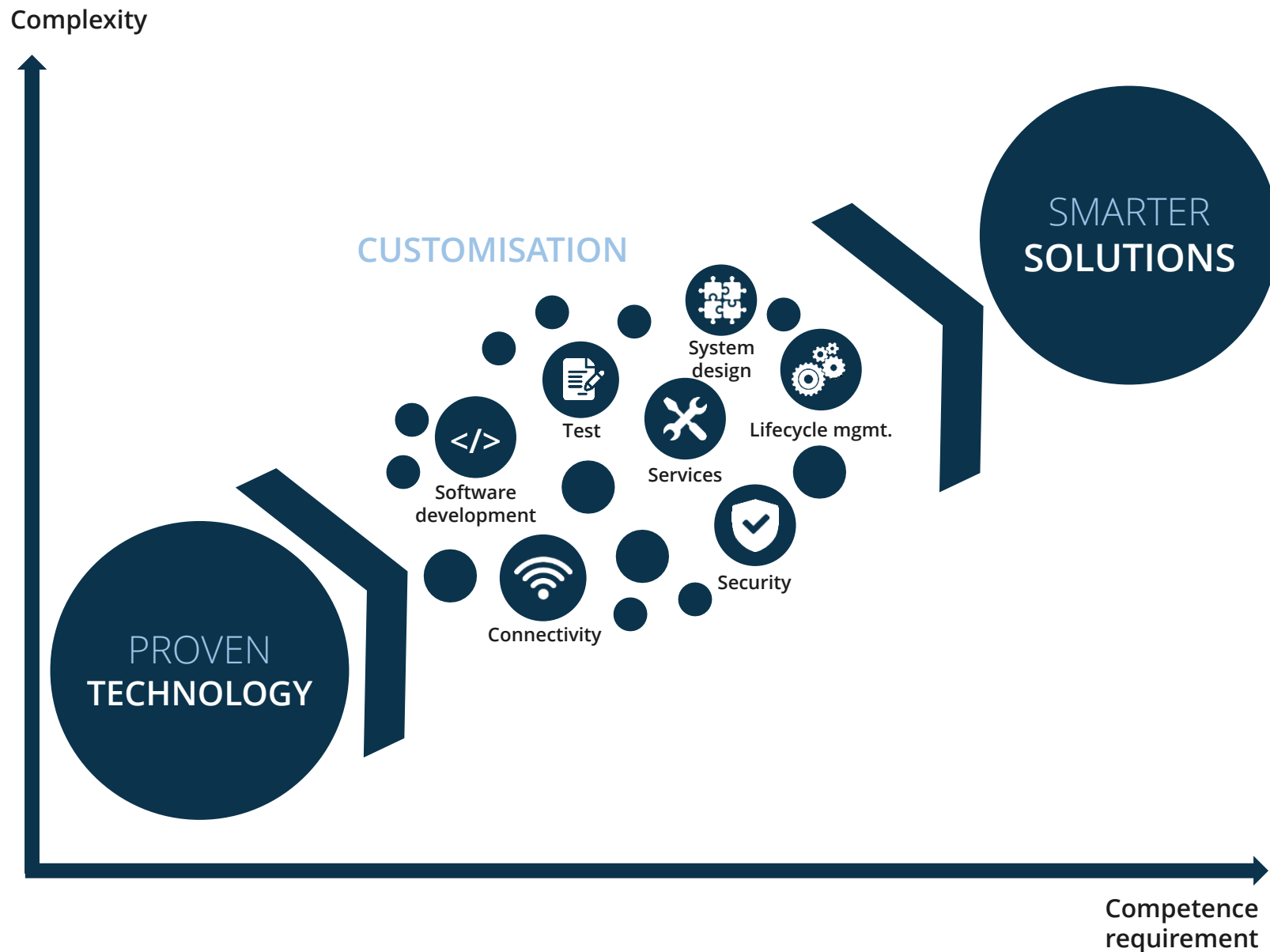
R&D
PROJECT

RECURRING
R&D IT SERVICES

Data Respons

SOLUTIONS

- Specification
- Industry Know-how
- Architecture / Technology platform
- Customisation
- Global partners
- SW-specialist competence
- Deployment
- Next generation
- Value add services



INVESTMENT **RATIONALE**

1 **ATTRACTIVE** market opportunity

2 **STRONG** customer list

3 **TECHNOLOGY** and competence

4 **VALUE ADDING** acquisitions

5 **SUSTAINABILITY** through technology

6 **LONG TERM** growth track record



EVERYTHING

Digitalised, connected,
automated, EVERYWHERE

ATTRACTIVE
market opportunity



2



Solid CUSTOMER LIST



33%
TRANSPORT & AUTOMOTIVE



14%
INDUSTRY & AUTOMATION



19%
TELECOM & MEDIA



10%
SPACE, DEFENCE & SECURITY



12%
ENERGY & MARITIME



6%
MEDTECH



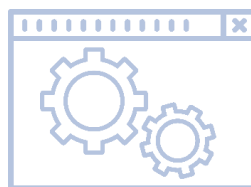
4%
FINANCE & PUBLIC



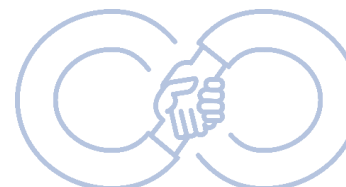
1%
OTHER



PRODUCT DEVELOPMENT



STRATEGIC PARTNERSHIP



LONG TERM PROJECTS



Our **COMPETENCE MAP** is changed every day

Keeping 1.100 ENGINEERS in customer driven R&D projects today and tomorrow creates continuously changes and improvements and a market oriented competence structure



In-depth magazine
INTERRUPT
INSIDE published



ACQUISITIONS

Proven track record

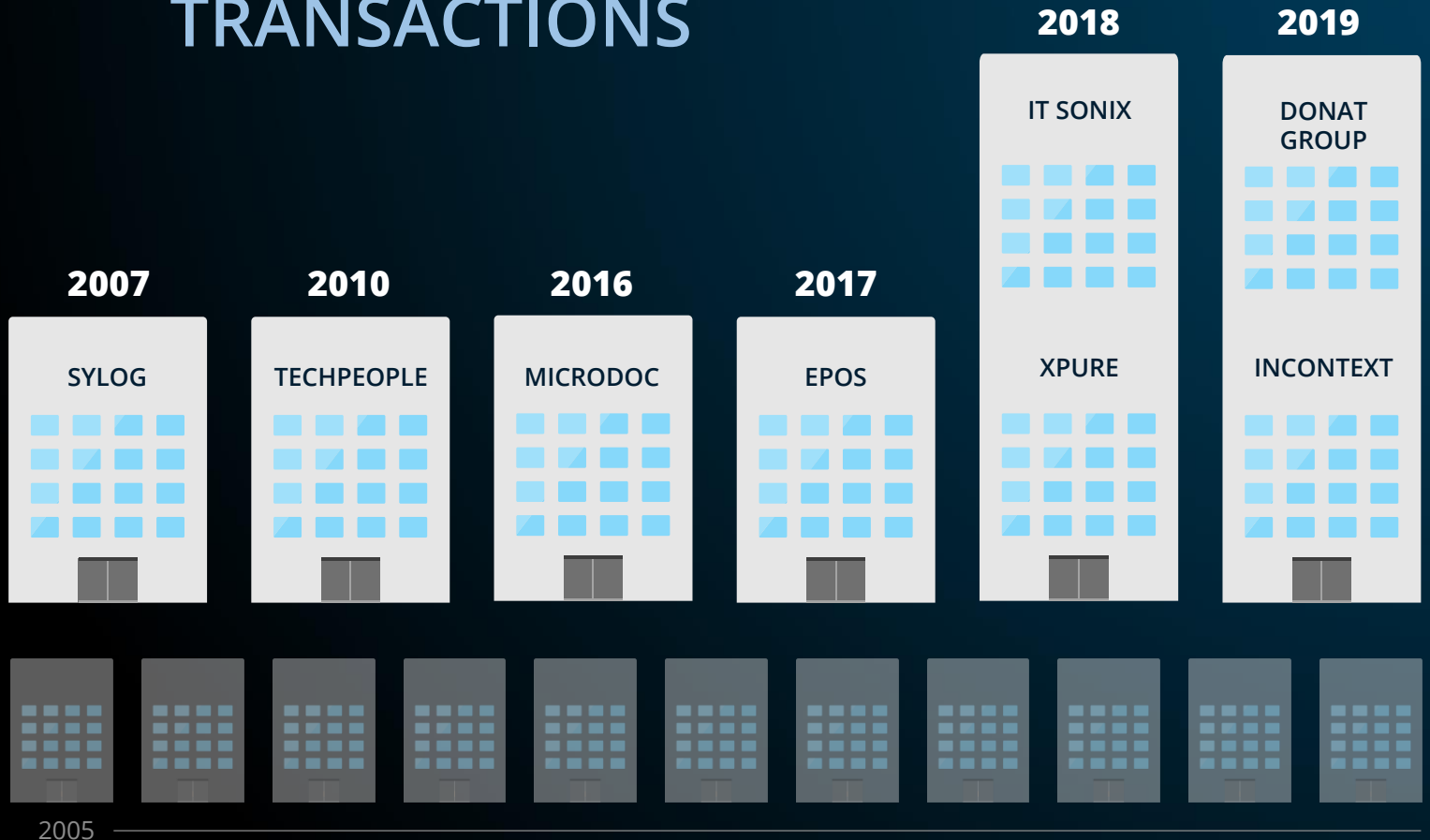
FILLING GAP in our specialist and technology competence

ACCESS to strategic customer portfolios and markets

FOCUS on R&D Services: SW, IoT, industrial digitalisation and embedded technologies

PROVEN TRACK RECORD, accretive financials, Nordic/Germany

19 COMPLETED TRANSACTIONS



SUSTAINABILITY

through technology

Our goal is to conduct
**50 SUSTAINABLE
 TECHNOLOGY PROJECTS**
 every year.



LAERDAL MEDICAL:
 Saving lives with technology



ENIRAM (Wärtsilä company):
 Cutting emissions with energy management



TOMRA: Reducing waste with
 reverse vending



EnBW: IoT-based solution for
 innovative energy management

**LONG TERM
GROWTH**
continues

16x
2000-2018

17%
annual growth
2000-2018

REVENUE





OUTLOOK

Overall market remains attractive – we see opportunities in all our key markets

Strong momentum within IoT, industrial digitalisation and embedded technologies continues

Expect growth, improved profitability and positive operational cash flow

AGENDA



Kenneth
Ragnvaldsen
CEO



Rune
Wahl
CFO

1. HIGHLIGHTS

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Have a
GREAT
Summer!



TO PERFORM RESPONSIBILITY BEING GENEROUS HAVING FUN

data:respons

AT A GLANCE



1.5 billion NOK



1 100 specialists



1 000s R&D projects



34 nationalities



Our companies:



TechPeople



IT SONIX

XPURE



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