



DATA RESPONS – 3RD QUARTER 2019

Kenneth Ragnvaldsen, CEO

OSLO, 17 OCTOBER 2019



> CEO
Kenneth
Ragnvaldsen



> CFO
Rune
Wahl

1. HIGHLIGHTS
2. FINANCIALS
3. BUSINESS REVIEW
4. Q&A



ALL-TIME HIGH revenue and results

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

GLOBAL MEGATRENDS of digitalisation, connectivity and IoT continue to fuel the market



Increasing portfolio of **SUSTAINABILITY-**oriented technology projects

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

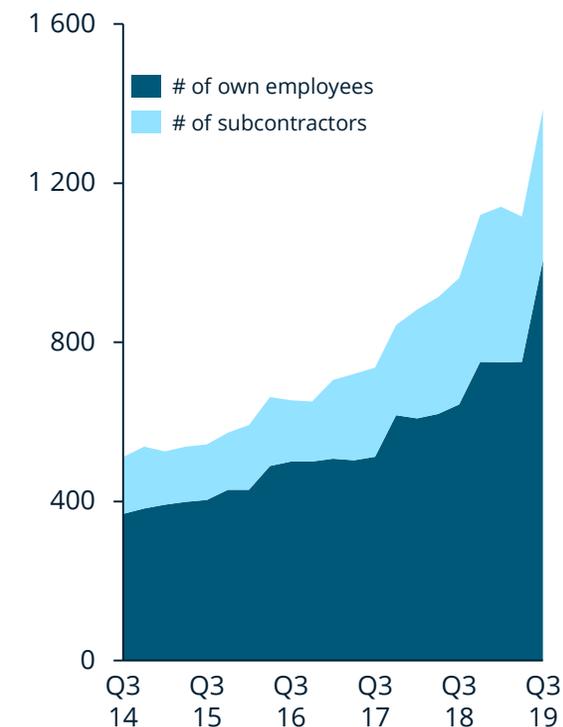
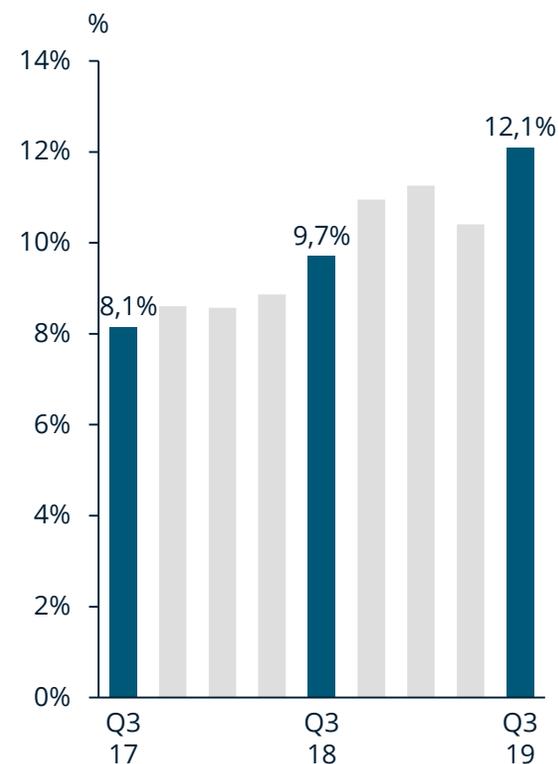
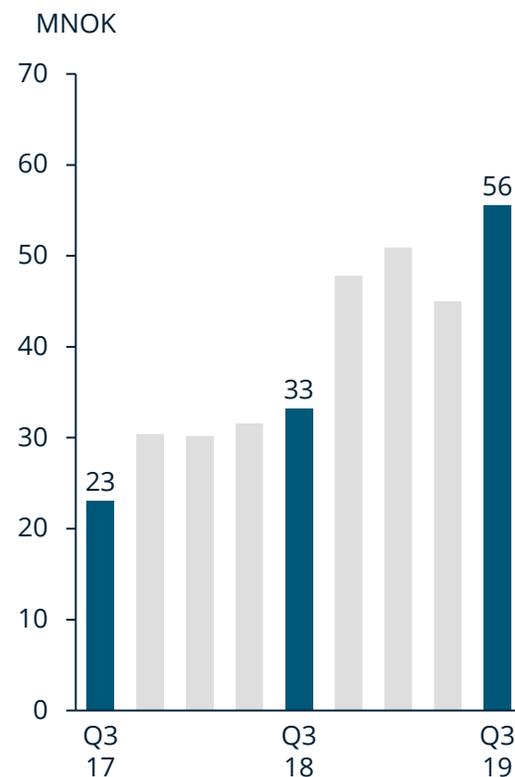
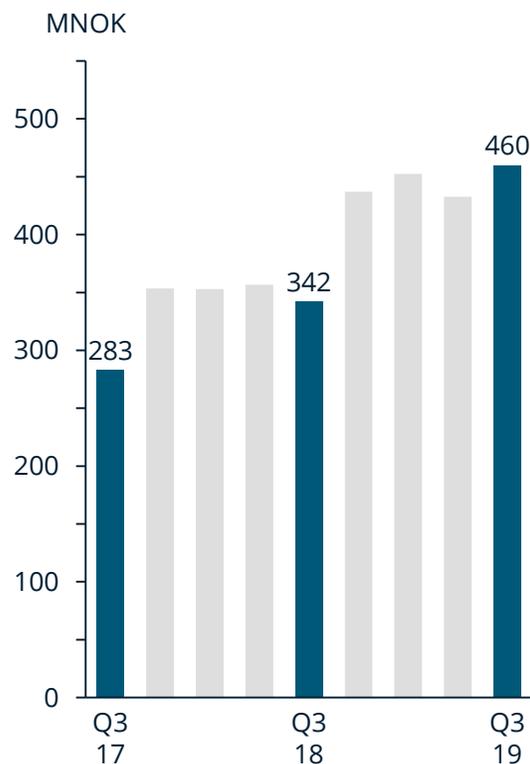
SOLID FINANCIAL POSITION with 50% equity ratio enabling further growth

REVENUES
460

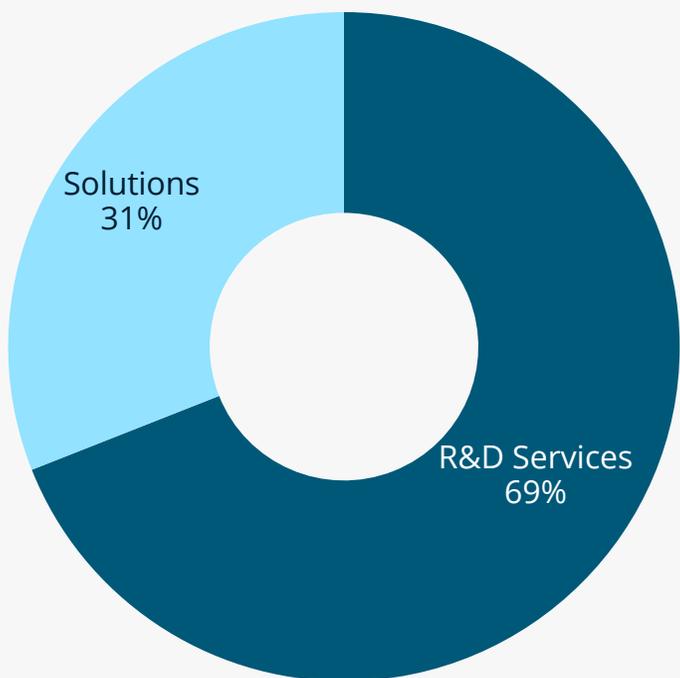
EBITA
55.6

EBITA margin
12.1%

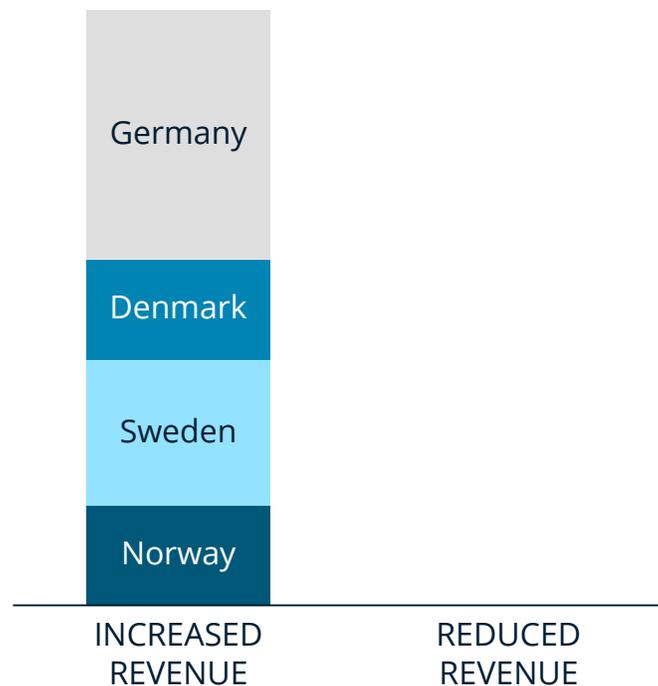
OF EMPLOYEES
1 385



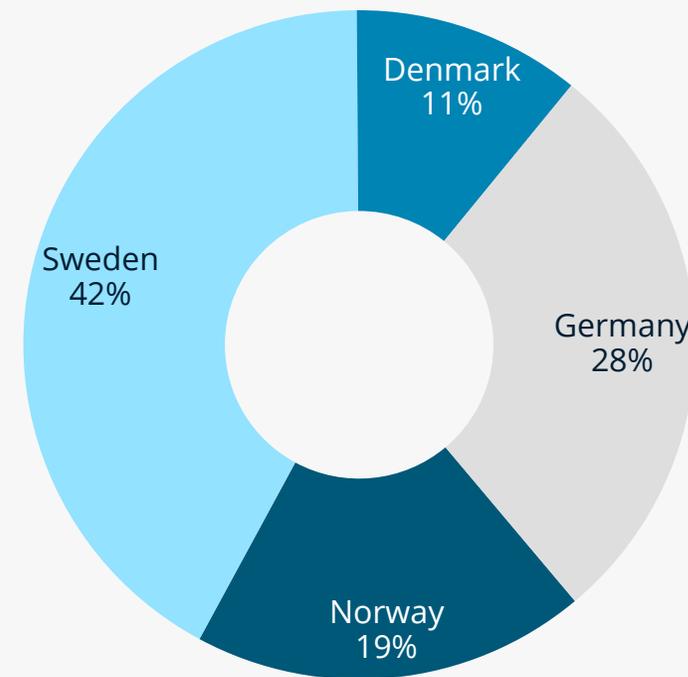
GROWTH in both business areas



GROWTH in all countries



SWEDEN largest market

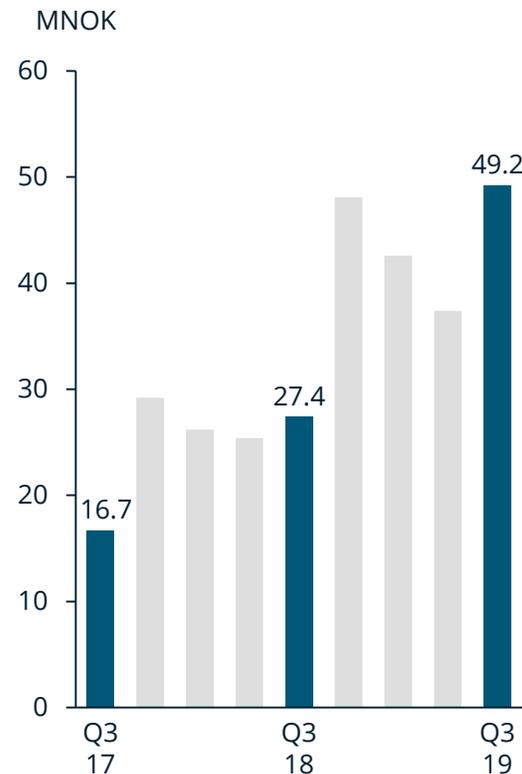
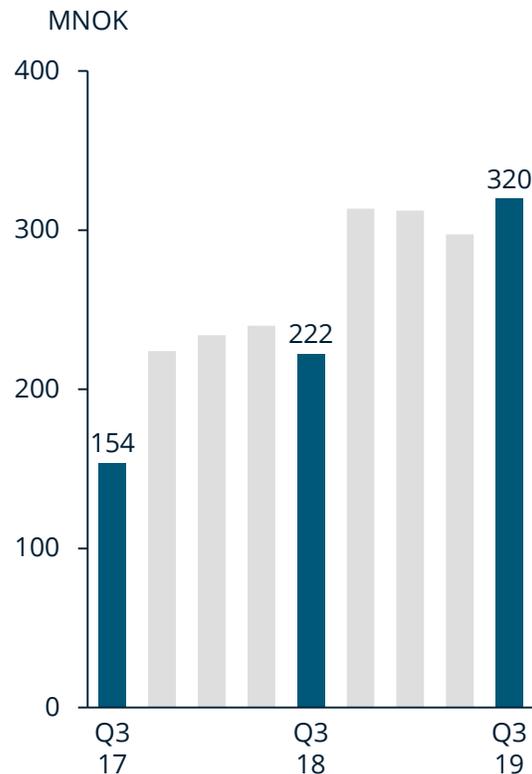


REVENUES

320

EBITA¹

49.2 (15.4%)



- **STRONG GROWTH** (44%) driven by solid performance across all portfolio companies and increasing customer and cross-selling synergies
- **SOLID PROFITABILITY** supported by high overall utilization, 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)

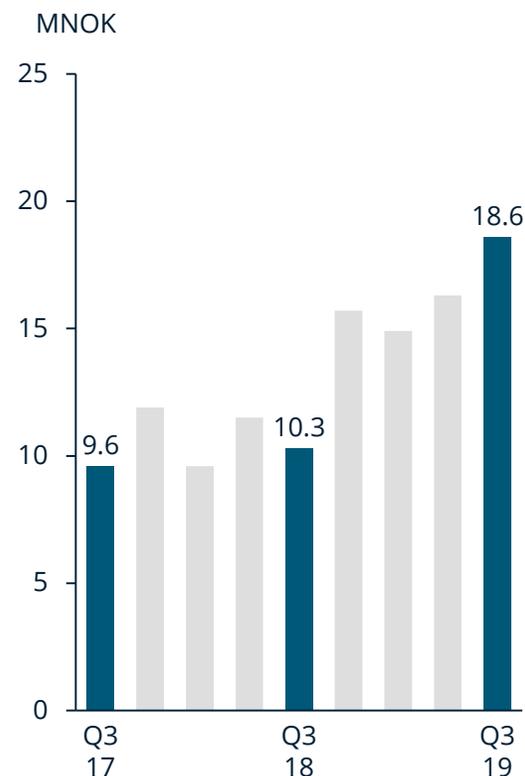
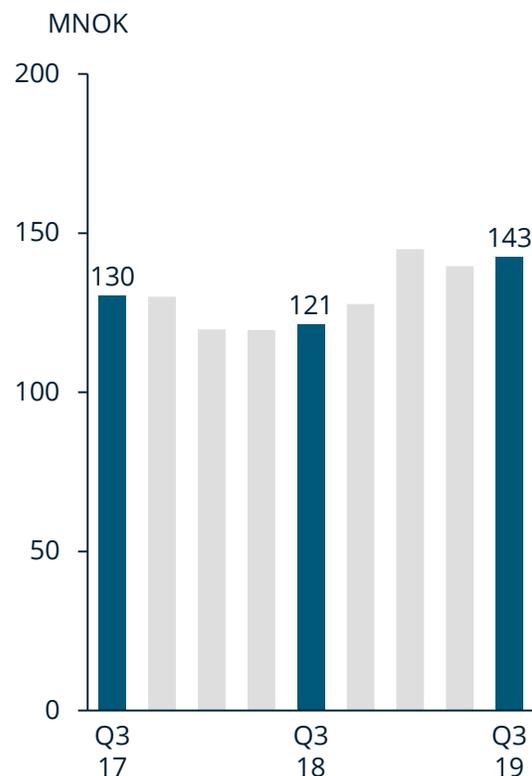
¹ EBITA before corporate costs

REVENUES

143

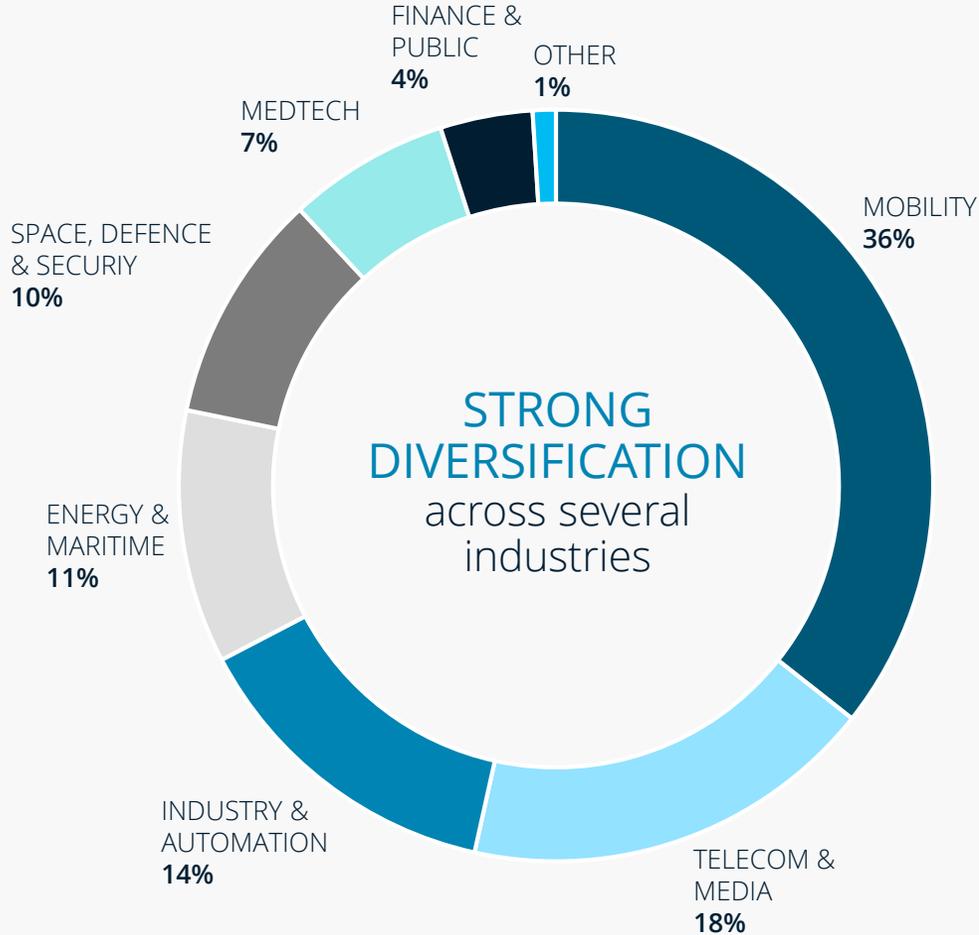
EBITA¹

18.6 (13.1%)



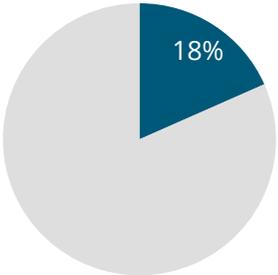
- **SOLID GROWTH** (17%) driven by strategic shift towards smarter, connected and high-end solutions
- **INCREASED PROFITABILITY** resulting from a continued focus on value-adding services, increased SW content and sustaining cost discipline
- **WELL DIVERSIFIED** in terms of markets, regions and customers.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

¹ EBITA before corporate costs

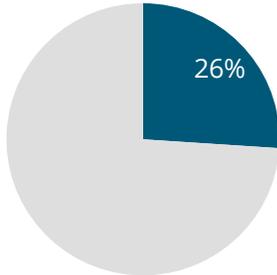


CUSTOMER & TECHNOLOGY DRIVEN ORGANISATION

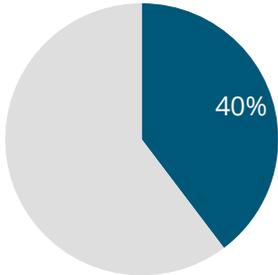
Building long-term customer relationship based on strong industry know-how, niche competence and local touch



Top 3 customers



Top 5 customers



Top 10 customers

All numbers are YTD figures

THE MOTHER OF ALL TECH BATTLES



ELECTRIFICATION



AUTONOMOUS
DRIVING

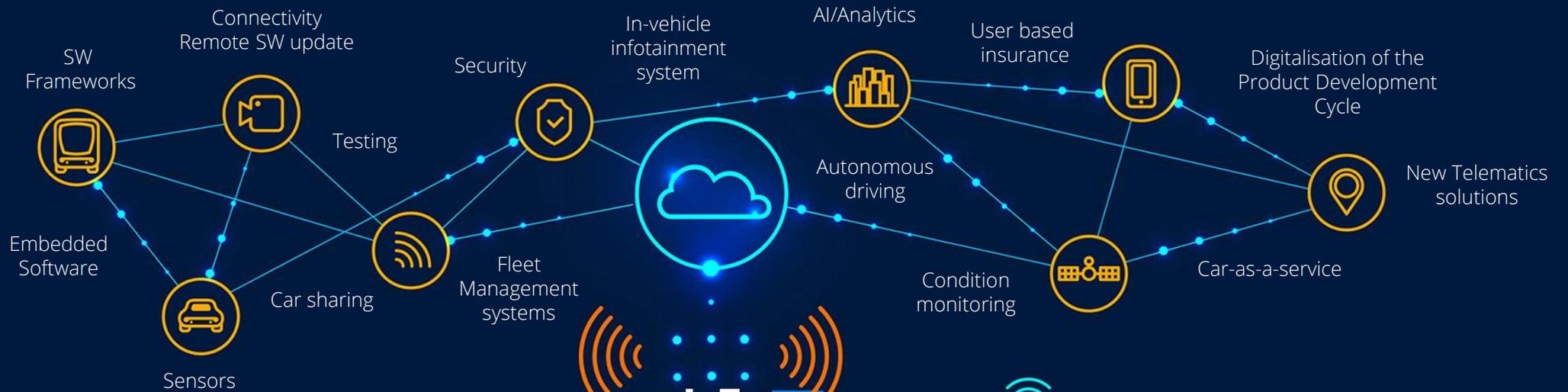


SHARED
MOBILITY



CONNECTIVITY

CARS ARE BECOMING COMPUTERS ON WHEELS



IoT

ENTERTAINMENT PLATFORM

APPS AND SERVICES

AUTONOMOUS DRIVE/OPERATING SYSTEM

DATA ANALYTICS



Mobility, transport of people and goods, is in the midst digitalisation

“

*... achieving at least a **DEFENSIBLE POSITION** for each of the four technology-driven trends (autonomous driving, shared mobility, connectivity, and electrification) would require an established automotive manufacturer to commit to investments totalling more than **\$70 BILLION**.*

Source: McKinsey, 2019

Data Respons involved in several projects across all growth segments

Connectivity and remote SW update solutions

Electric and hybrid drivetrain technology

In-vehicle infotainment systems

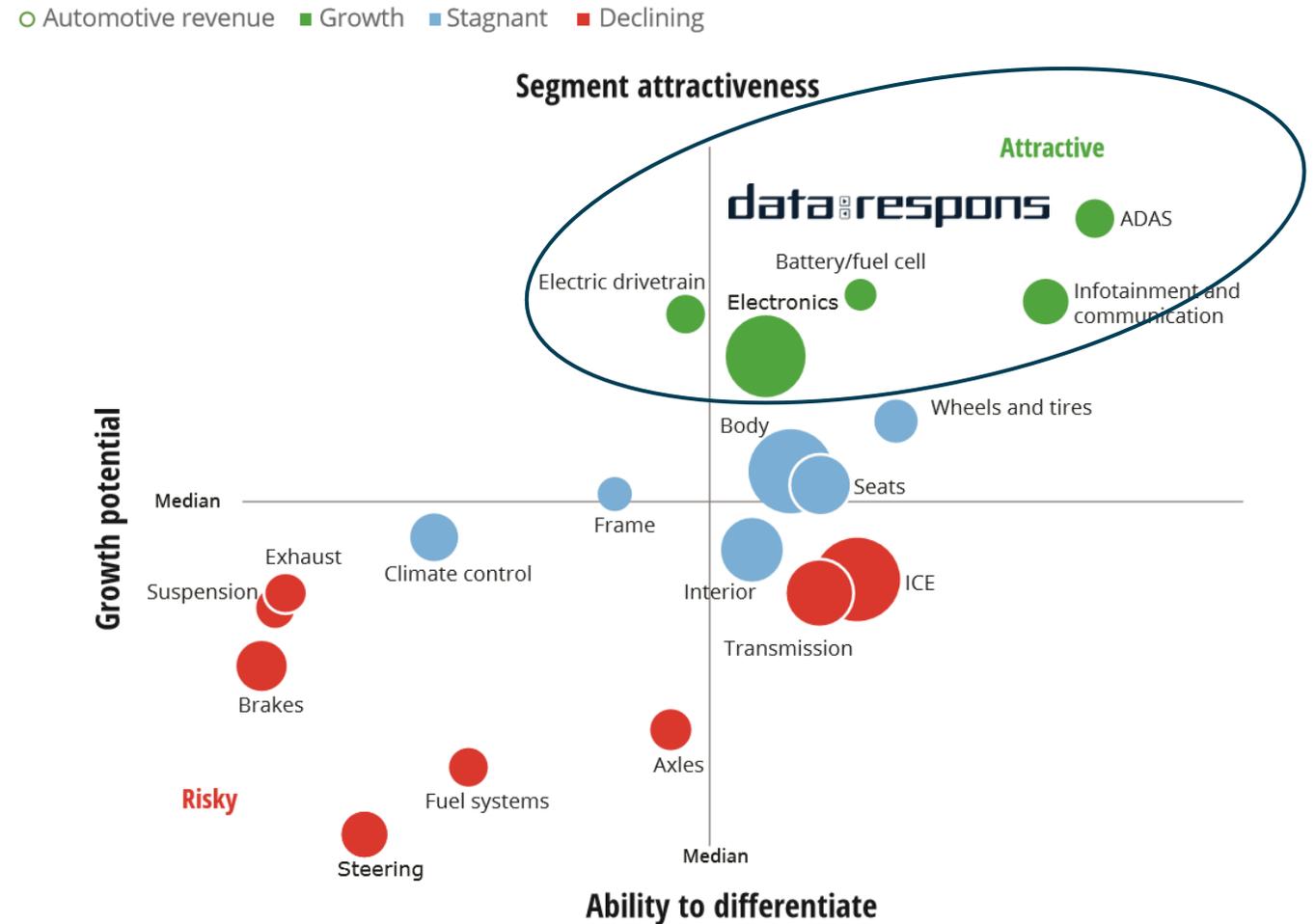
Autonomous driving projects (ADAS)

Fleet Management systems

New telematics solutions

Car-as-a-service projects

Car sharing applications



STRONG ORDER INTAKE

Confirming overall demand and correct strategic positioning



Advanced **SYSTEM INTEGRATION** in the Swedish telecom sector of NOK 33 million



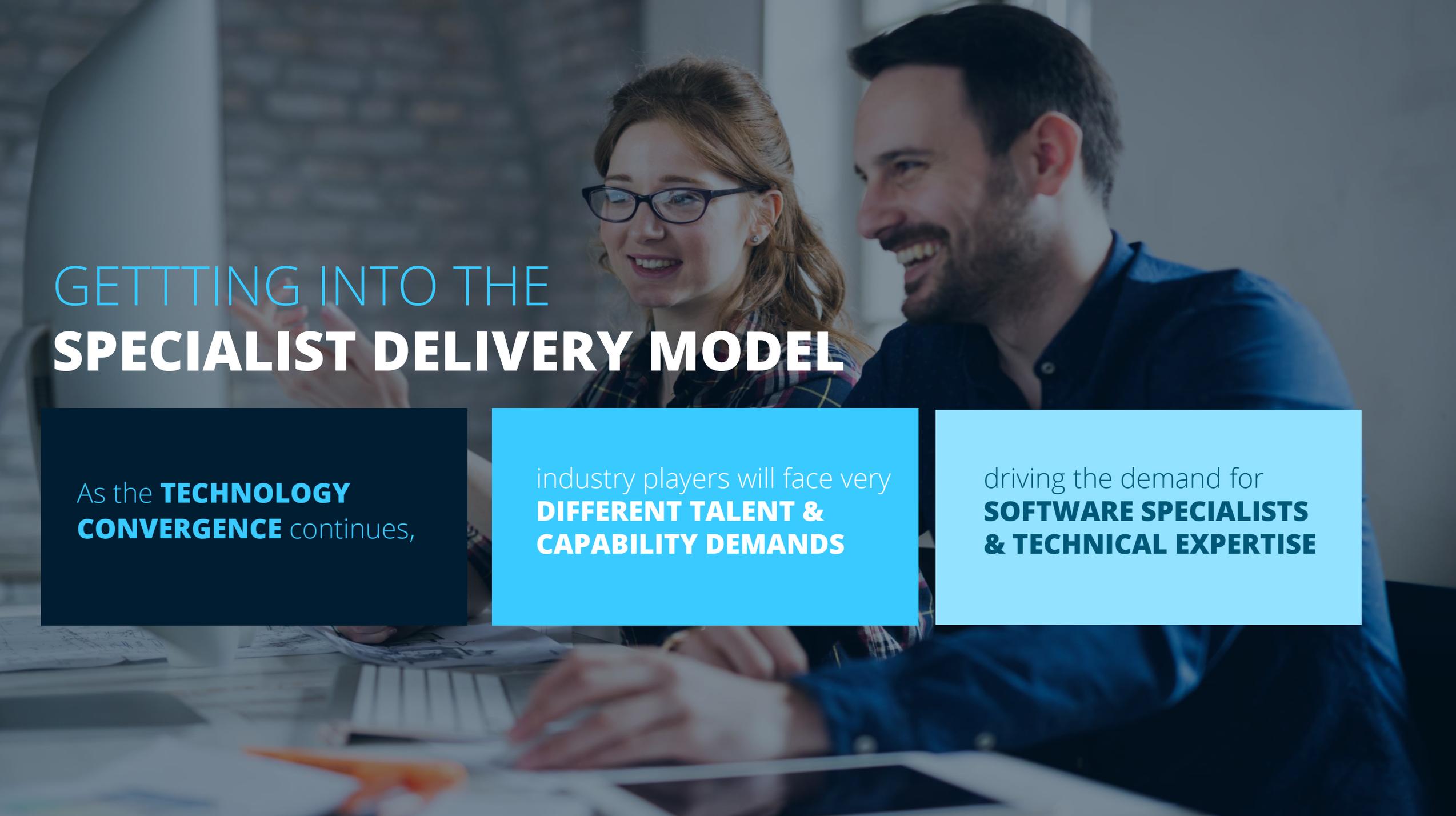
Digitalisation and **MACHINE LEARNING** in the German banking sector of NOK 15 million



New **MOBILITY** contracts in Germany of NOK 25 million



ADVANCED embedded computer solutions NOK 16 million in Norway



GETTING INTO THE **SPECIALIST DELIVERY MODEL**

As the **TECHNOLOGY
CONVERGENCE** continues,

industry players will face very
**DIFFERENT TALENT &
CAPABILITY DEMANDS**

driving the demand for
**SOFTWARE SPECIALISTS
& TECHNICAL EXPERTISE**

“

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



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INCOME STATEMENT

Q3 PRESENTATION 2019

NOK MILLION	Q3 19	Q3 18	%	YTD 19	YTD 18	%
Revenues	460.0	341.8	35 %	1 344.9	1 051.3	28 %
Cost of goods sold	199.8	170.9		620.6	509.7	
Payroll expenses	169.9	115.8		484.9	382.8	
Other operating expenses ²	23.9	20.9		59.7	60.6	
Depreciation ¹	10.8	1.1		28.2	3.2	
EBITA	55.6	33.2	68 %	151.5	95.0	59 %
EBITA %	12.1 %	9.7 %		11.3 %	9.0%	
Amortisation and impairment of intangible assets	7.9	3.4		19.0	13.1	
Operating profit (EBIT)	47.7	29.8	60 %	132.5	81.9	62 %
Net financial items	(6.8)	(4.8)		12.0	(3.0)	
Profit before income tax	40.8	25.0		144.5	78.9	
Income tax expense	11.0	6.2		31.8	19.6	
Profit for the period	29.9	18.9		112.6	59.3	
Basic earnings per share (NOK)	0.38	0.32		1.65	1.02	

1 The increase in depreciation of NOK 9.7 million in the quarter is mainly related to the implementation of IFRS 16 in 2019.

2 Transaction costs of NOK 5.9 million are expensed in third quarter 2019

TOTAL GROWTH

35%

TOTAL ORGANIC GROWTH

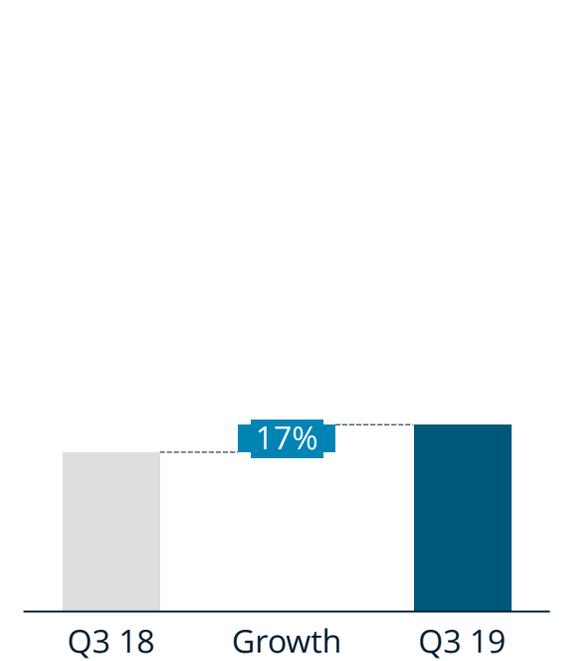
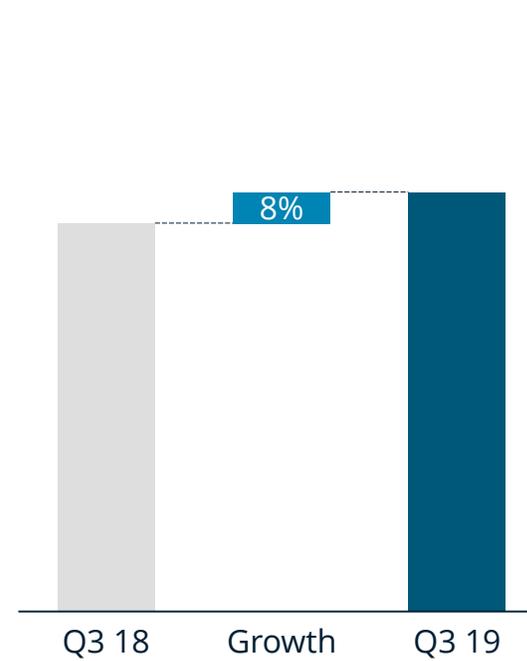
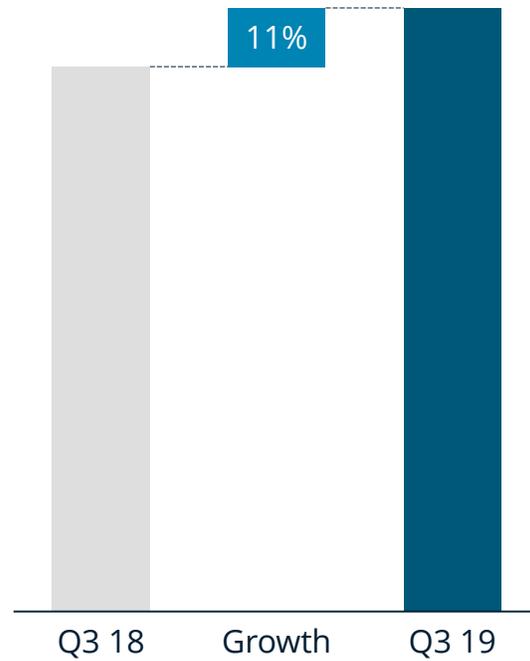
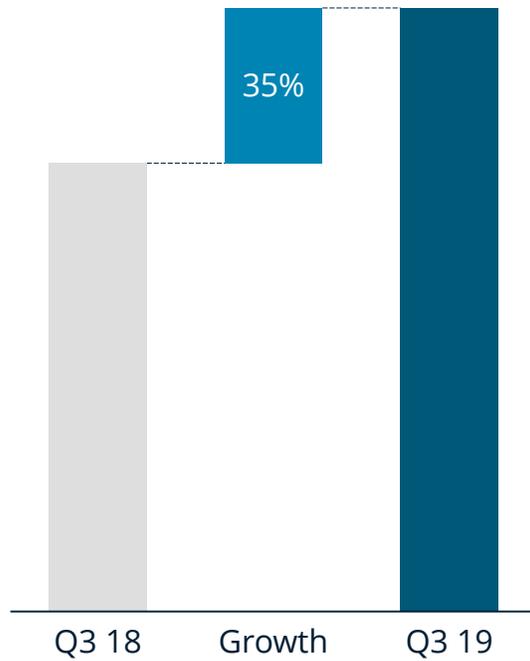
11%

ORGANIC R&D SERVICES

8%

ORGANIC SOLUTIONS

17%



TOTAL GROWTH

28%

TOTAL ORGANIC GROWTH

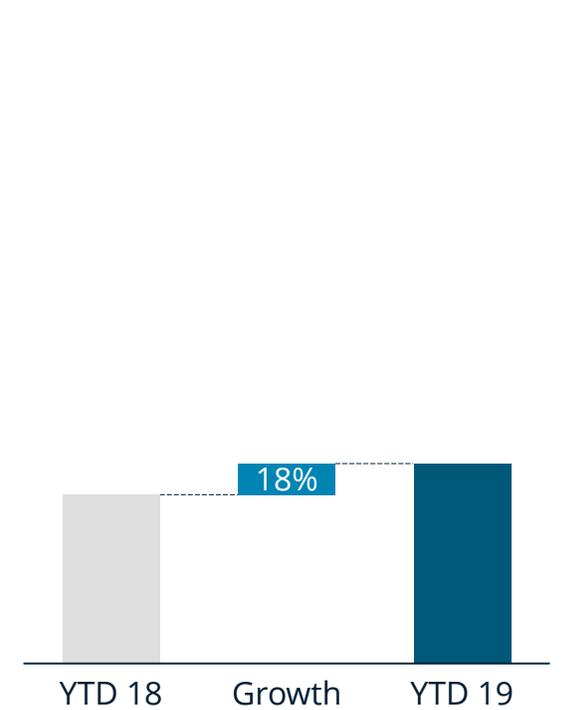
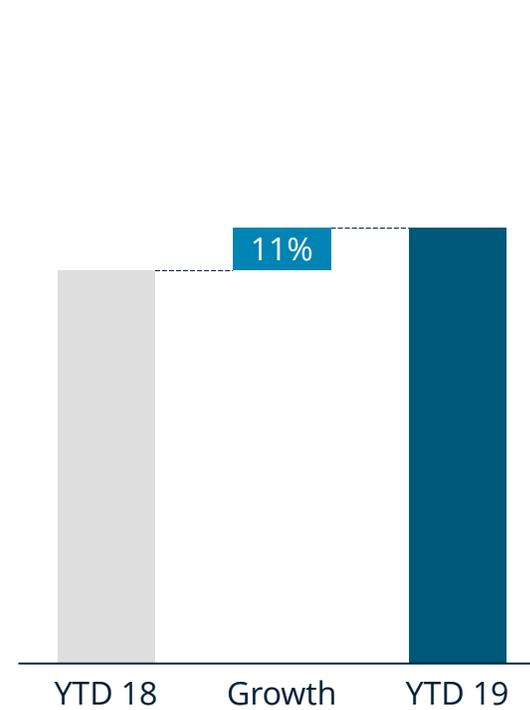
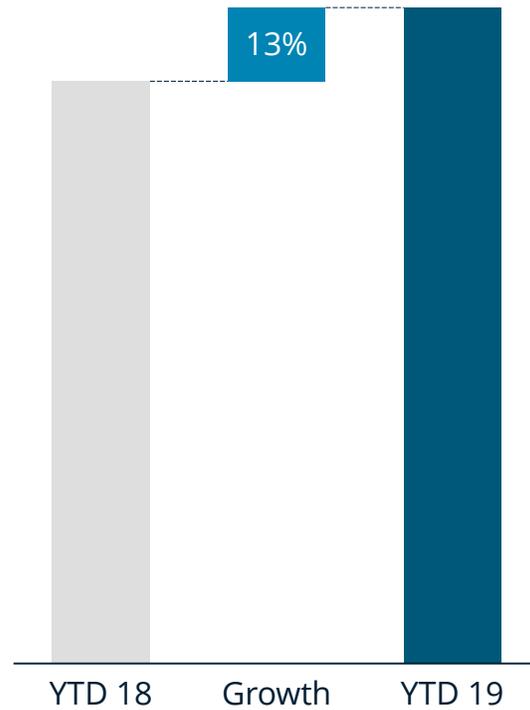
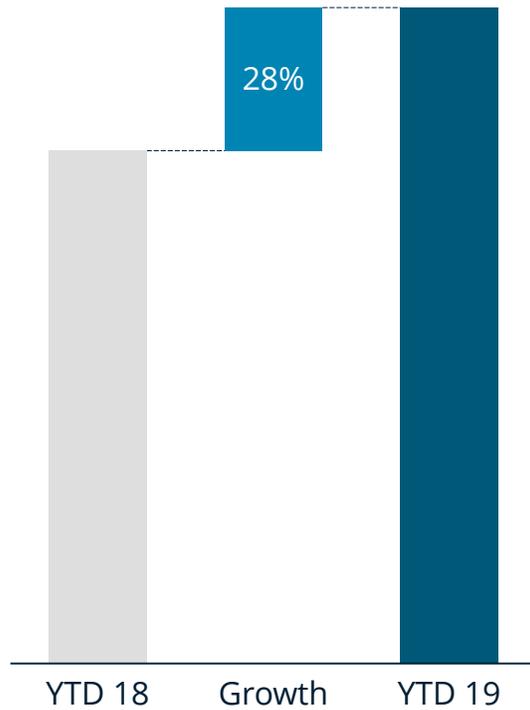
13%

ORGANIC R&D SERVICES

11%

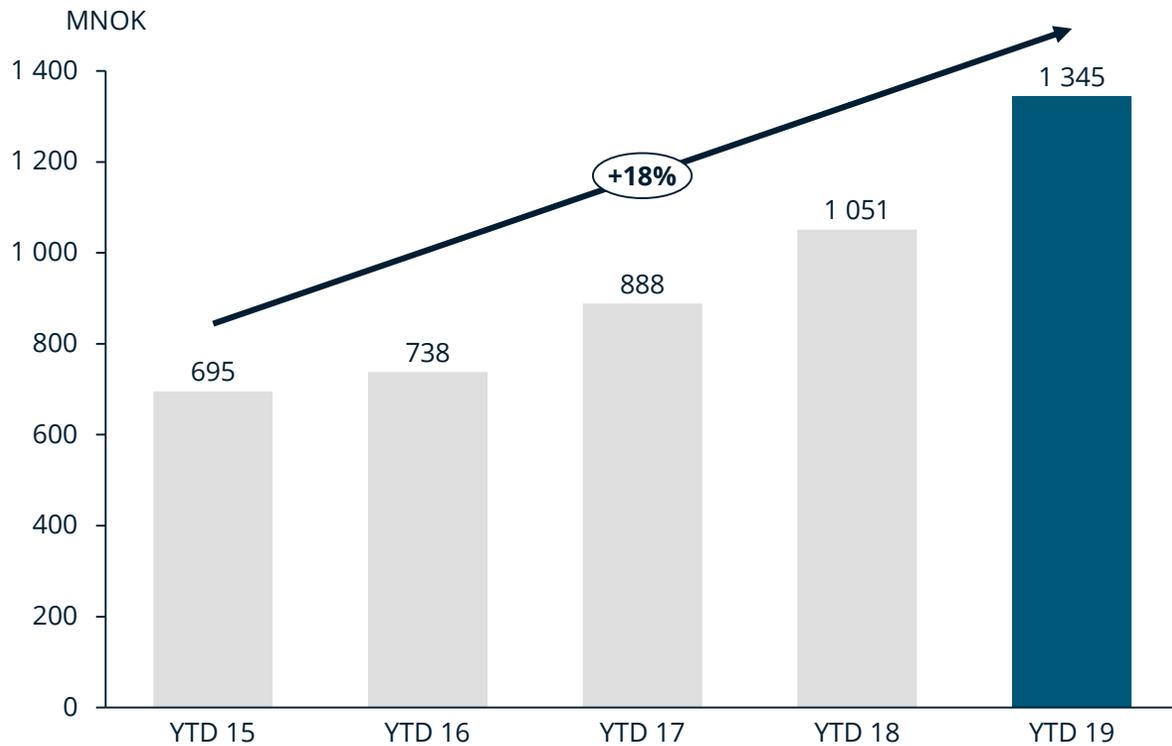
ORGANIC SOLUTIONS

18%



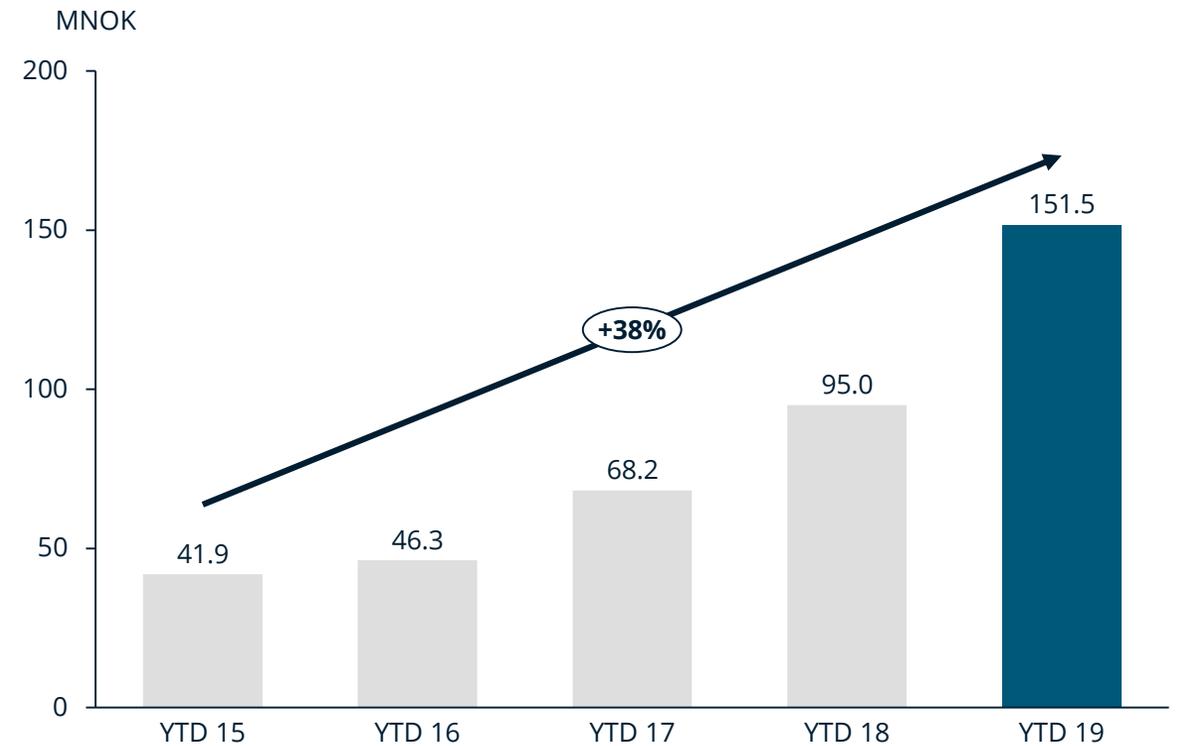
REVENUES

1 345



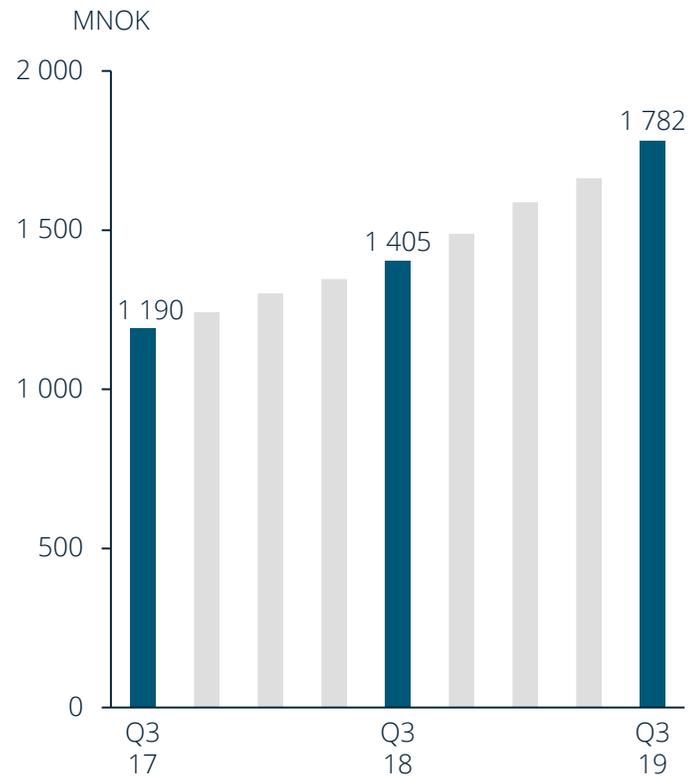
EBITA

151.5 (11.3%)



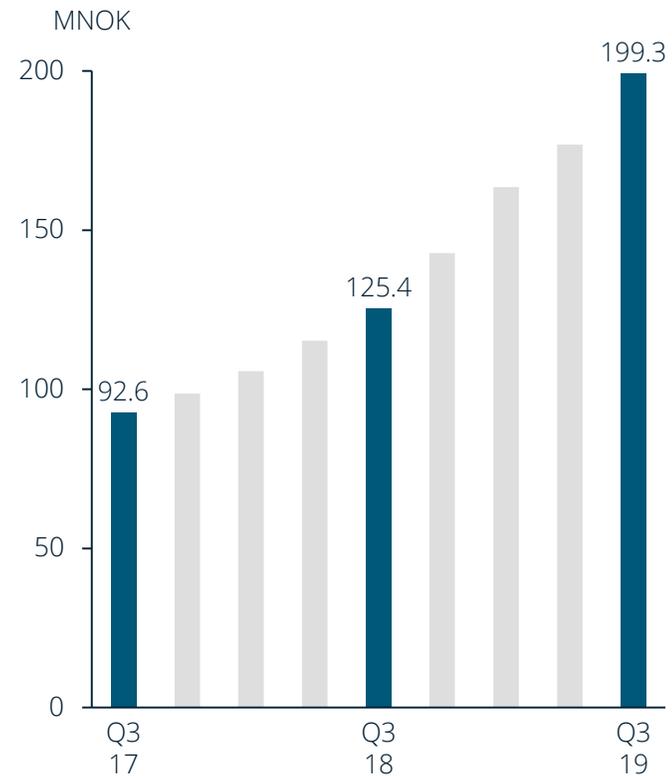
LTM REVENUE

1 782



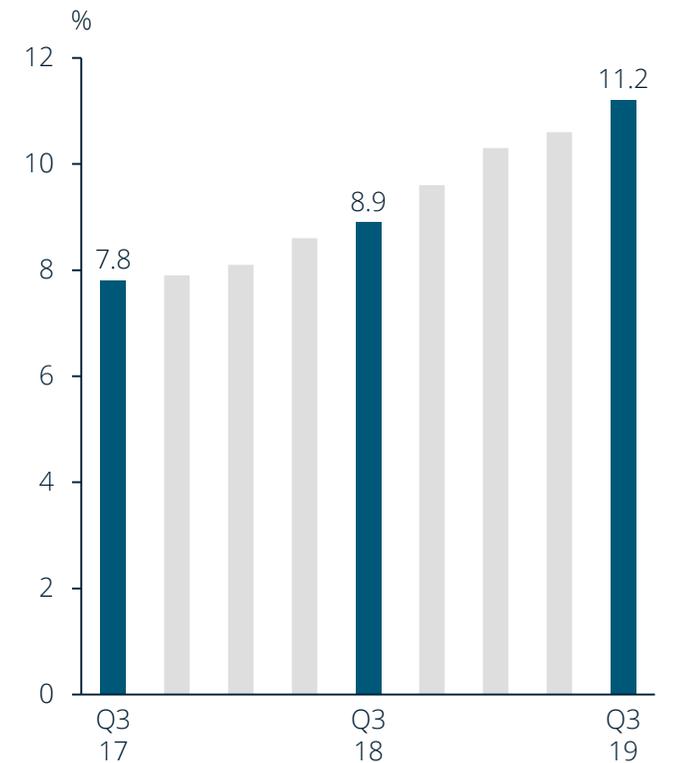
LTM EBITA

199.3



LTM EBITA MARGIN

11.2%



KEY FIGURES PER BUSINESS SEGMENT

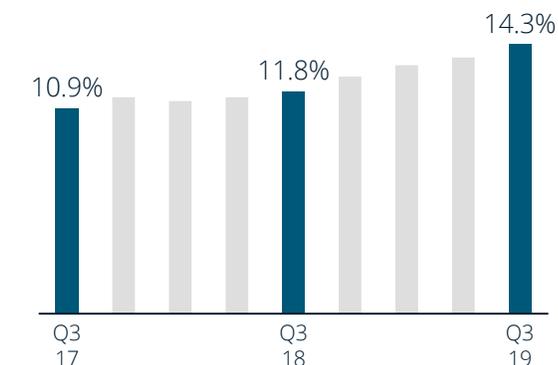
Q3 PRESENTATION 2019

R&D Services

NOK MILLION	Q3 19	Q3 18	%	YTD 19	YTD 18	%
Revenue	319.6	222.4	44 %	929.0	696.3	33 %
EBITA ¹	49.2	27.4	80 %	129.2	79.0	64 %
EBITA margin ¹	15.4 %	12.3 %		13.9 %	11.3 %	
Employees	915	551		915	551	

LTM EBITA MARGIN

14.3%

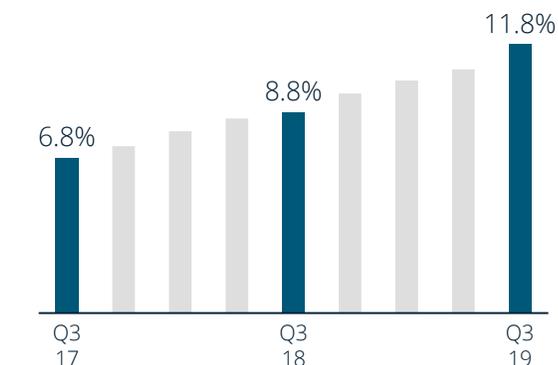


Solutions

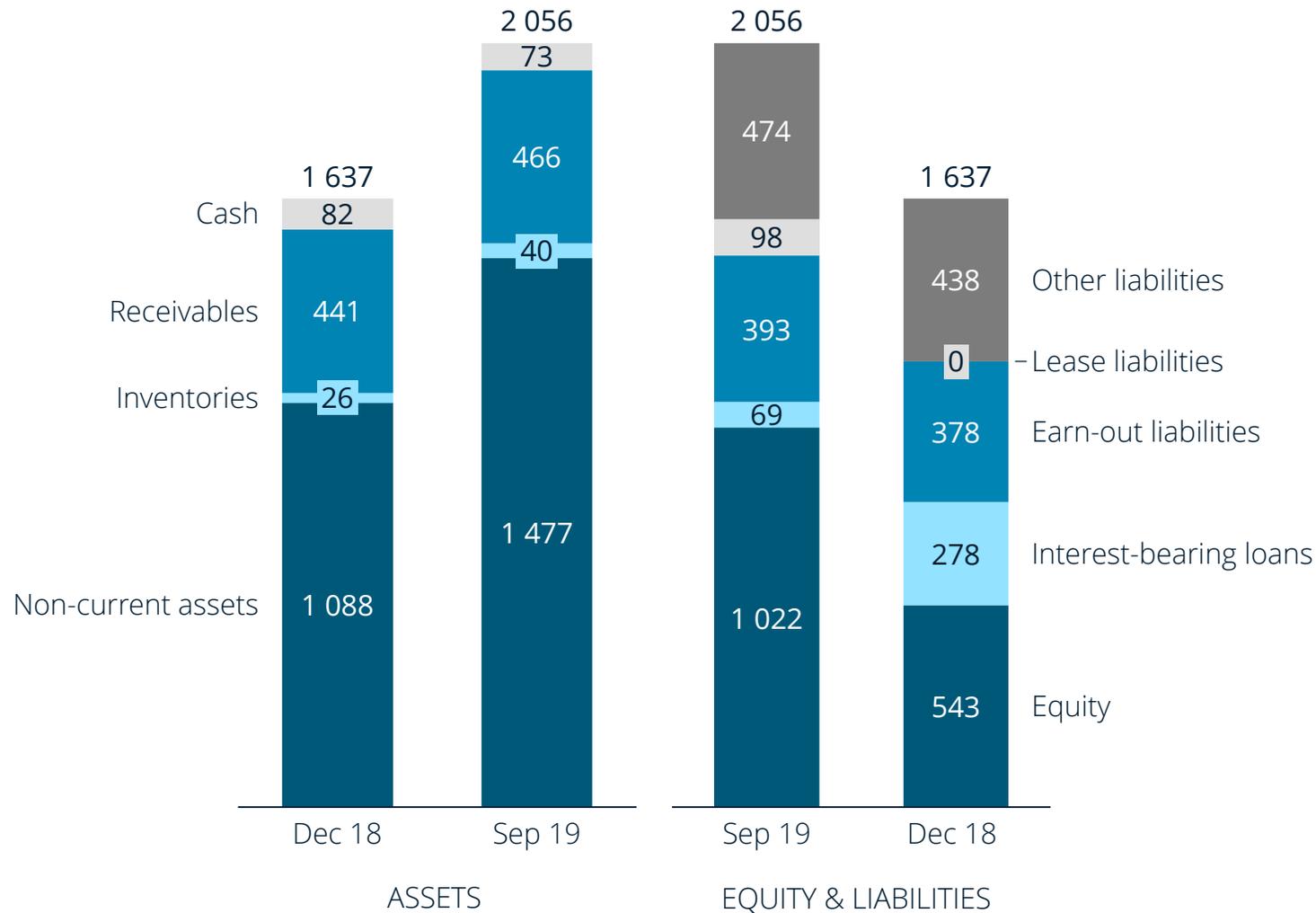
NOK MILLION	Q3 19	Q3 18	%	YTD 19	YTD 18	%
Revenue	142.6	121.3	17 %	426.8	360.6	18 %
EBITA ¹	18.6	10.3	82 %	49.9	31.4	59 %
EBITA margin ¹	13.1 %	8.5 %		11.7 %	8.7 %	
Employees	84	86		84	86	

LTM EBITA MARGIN

11.8%



¹ EBITA before corporate costs



- **CASH POSITION**
NOK 73 million (82)
- **INTEREST-BEARING LOANS**
NOK 69 million (278)
- **EARN-OUT LIABILITIES**
NOK 393 million (378)
- **EQUITY RATIO**
50% (33%)
- **LEVERAGE RATIO LTM**
0.0 (1.2)

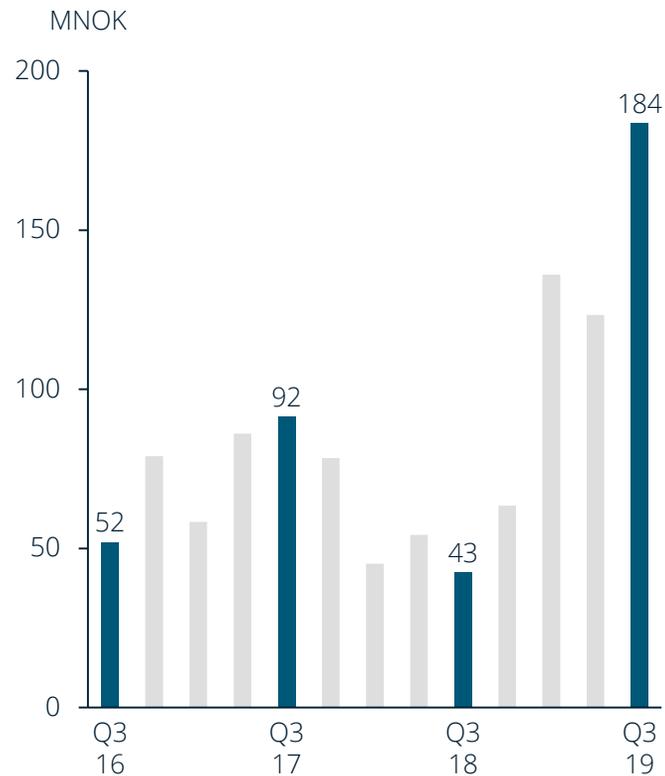
CASH FLOW

Q3 PRESENTATION 2019

<i>NOK MILLION</i>	Q3 19	Q3 18	YTD 19	YTD 18
EBITA	55.6	33.2	151.5	95.0
Depreciation	10.8	1.1	28.2	3.2
Income tax paid	(15.4)	(12.0)	(43.6)	(26.5)
Change in NWC	10.9	(16.4)	(6.8)	(57.3)
Other operating activities	1.6	(2.7)	0.2	(5.2)
Cash flow - operating activities	63.4	3.1	129.5	9.2
Acquisition of subsidiaries, net of cash acquired	(142.4)	-	(268.2)	(85.3)
Other investing activities	0.9	(1.0)	(0.9)	(1.9)
Cash flow - investing activities	(141.6)	(1.0)	(269.1)	(87.2)
Proceeds from and repayment of interest-bearing loans	(70.0)	(19.8)	(209.0)	27.4
Proceeds from issue of shares	79.1	1.8	453.1	95.5
Sale and purchase of treasury shares	-	-	(17.7)	-
Dividends	(5.9)	(0.9)	(64.3)	(57.1)
Repayments on lease liabilities	(9.7)	-	(24.9)	-
Other financing activities	(2.1)	(0.1)	(5.6)	(4.8)
Cash flow - financing activities	(8.6)	(19.0)	131.6	61.0
Net cash flow from the period	(86.8)	(16.9)	(8.0)	(16.9)
Cash at the beginning of the period	157.1	44.0	82.4	50.7
Exchange gain / losses on cash	3.0	0.5	(1.1)	(6.2)
Cash at the end of the period	73.3	27.6	73.3	27.6

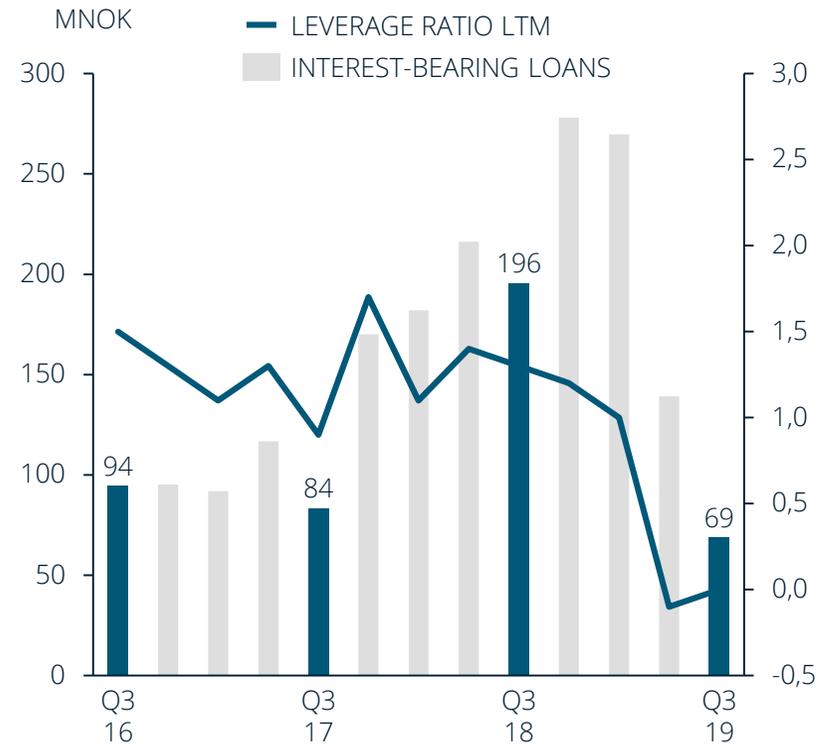
NOCF (LTM)

184



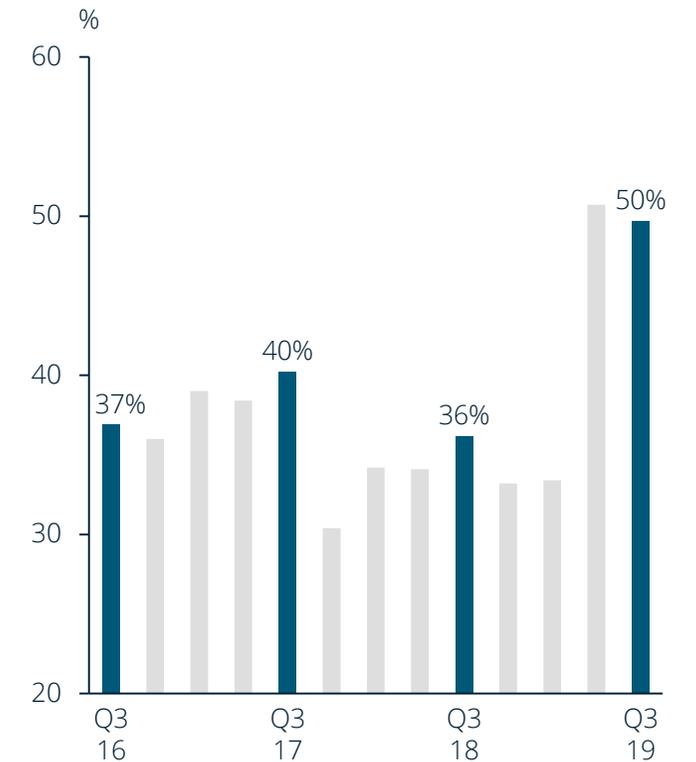
INTEREST-BEARING LOANS

69



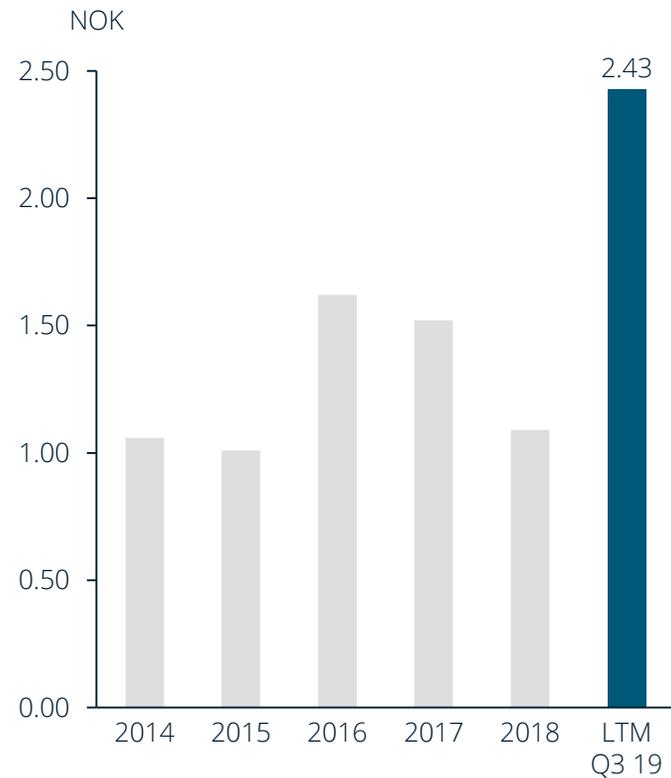
EQUITY RATIO

50%



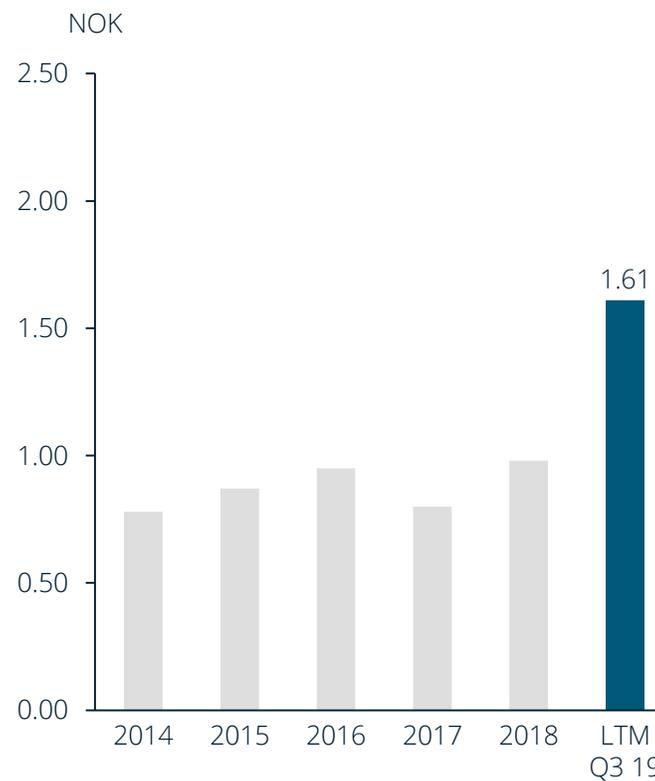
NOCF PER SHARE

2.43



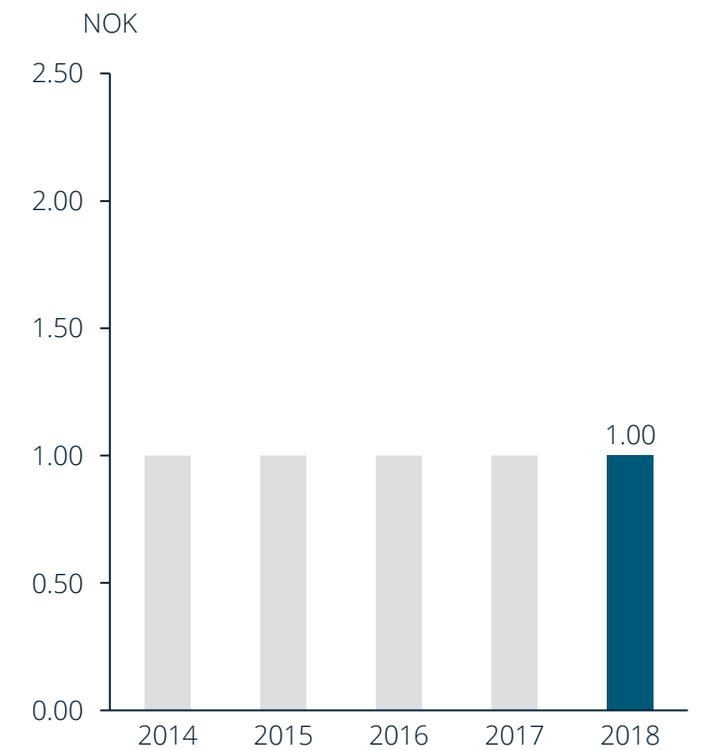
EPS

1.61



DIVIDEND PER SHARE

1.00





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A complete technology partner

for smarter embedded and IoT solutions

- Digitalisation of the industries of tomorrow!

Cloud

IoT / Digitalisation

AI / Analytics

Security

Connectivity

Software & APPs

Mobile services

Sensor

Electrification

Embedded Solutions

R&D Services

data respons



A photograph of three people in a laboratory or office setting. On the left, a man with grey hair and a beard, wearing a dark jacket, is pointing towards a transparent electronic device on a desk. In the center, a woman with blonde hair tied back, wearing a white lab coat and a blue lanyard, is looking down at the device. On the right, a man with glasses, wearing a blue button-down shirt and a blue lanyard, is also looking at the device. The device is a complex electronic assembly housed in a clear plastic enclosure. The background is a blurred office or lab environment with a desk lamp and computer monitors.

Strategic
TECHNOLOGY PARTNER

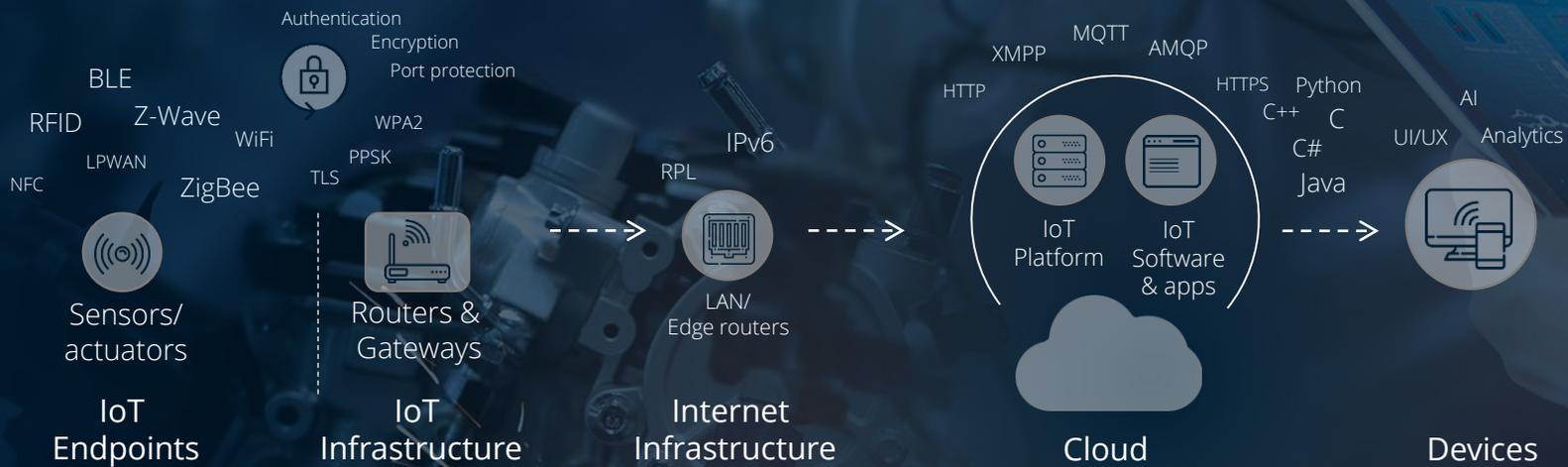
R&D → Product **DEVELOPMENT**

Core offering of the customer – **BUSINESS CRITICAL**

Domain **COMPETENCE** & industry knowhow

Multi discipline **SPECIALIST** teams

LONG TERM development projects

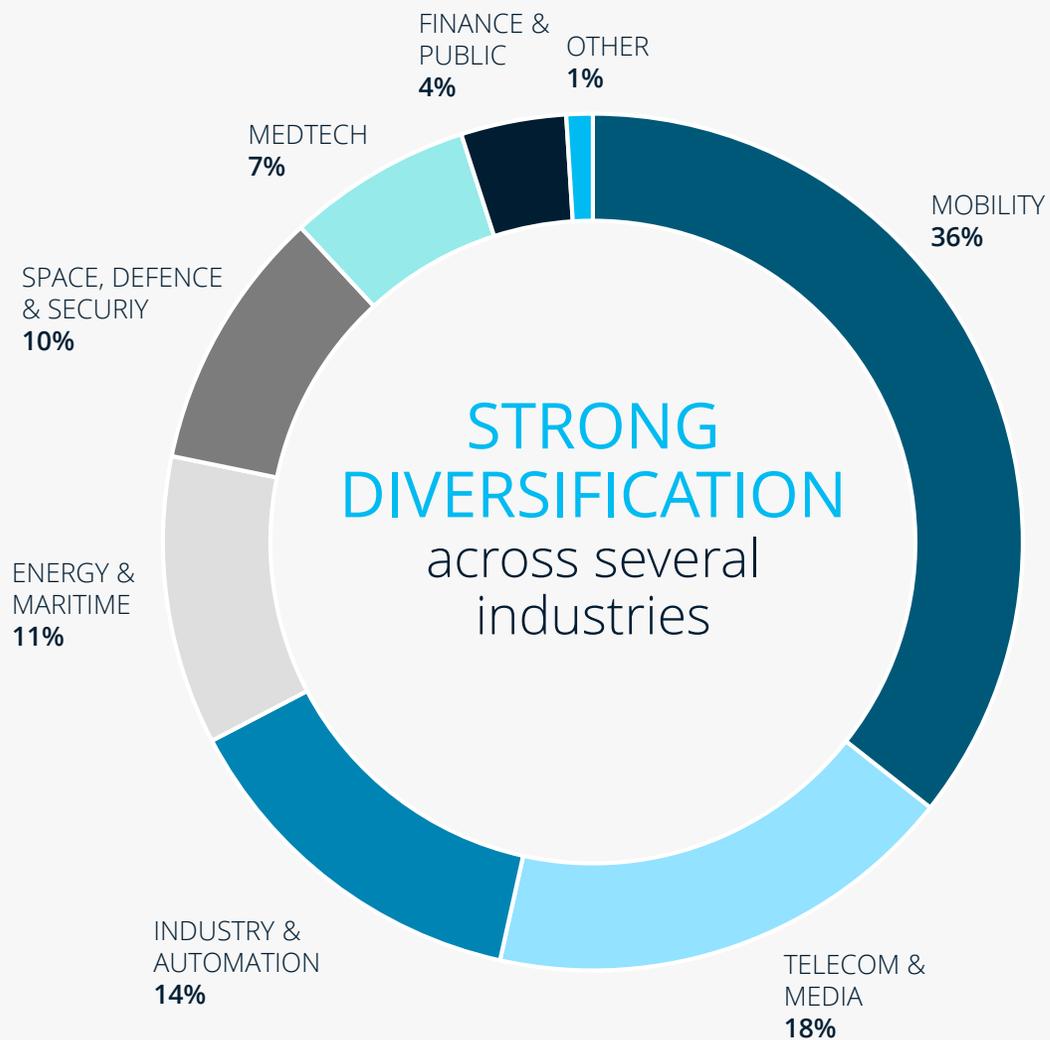


We develop everything from **SENSOR LEVEL** to the **MOBILE APP** making us a good partner for your **DIGITALISATION**



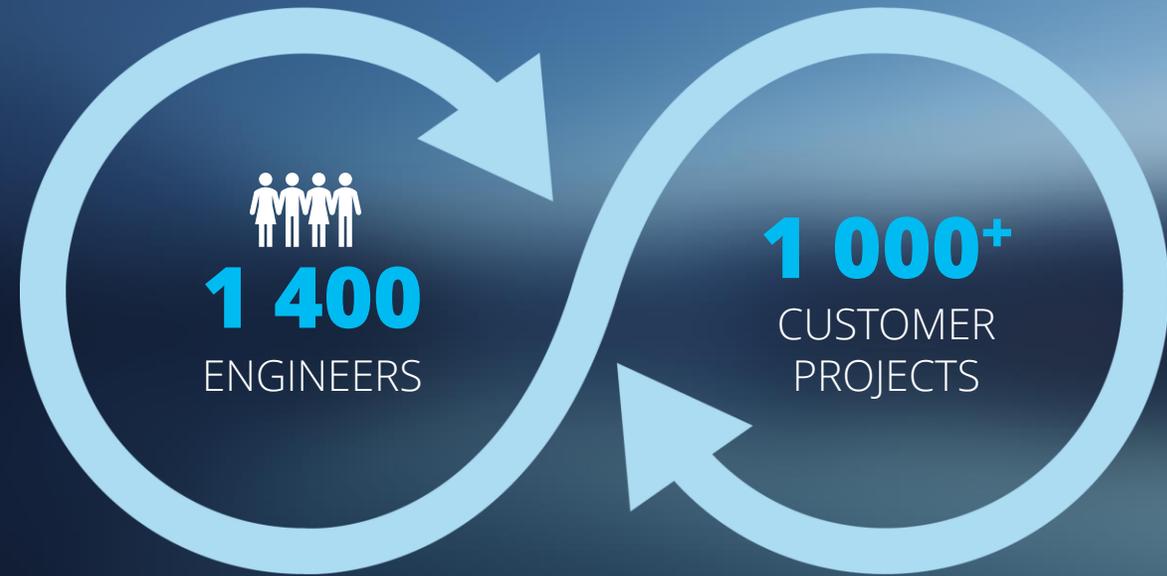
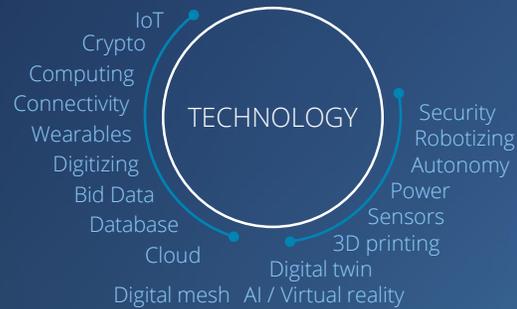
EVERYTHING
DIGITALISED, CONNECTED, AUTOMATED
EVERYWHERE

SOLID CUSTOMER LIST



The number of specialists and their competence is **CONSTANTLY DEVELOPING**

Keeping every specialist in a customer driven R&D projects today and tomorrow creates continuously changes, and a market oriented competence structure



ACQUISITIONS

Proven track record

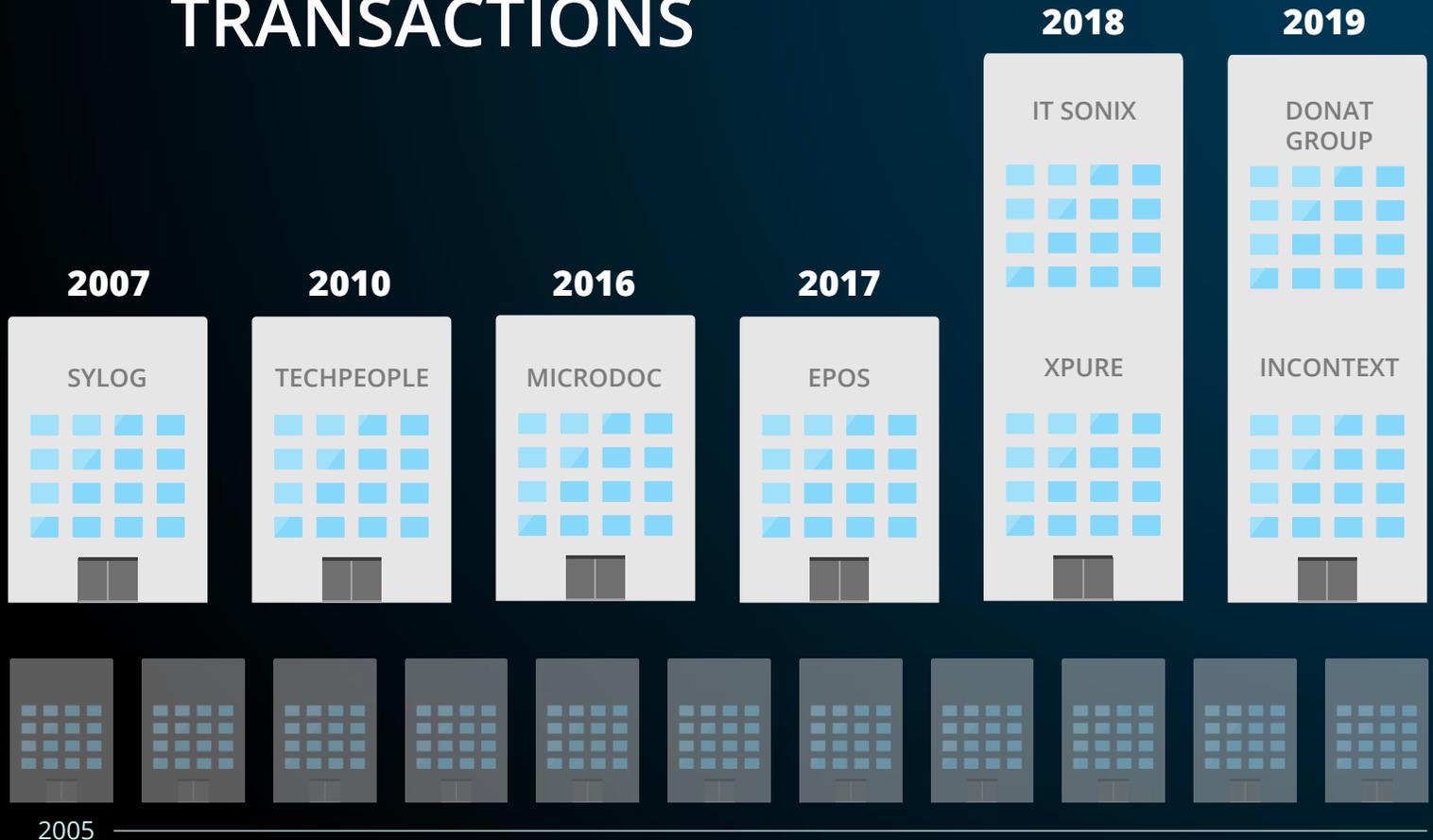
FILLING GAP in our specialist and technology competence

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



Mapping CO₂ footprint and sustainability risks



50 sustainability projects already achieved



The group will be CO₂ neutral by 2025

SUSTAINABILITY THROUGH TECHNOLOGY



**LONG TERM
GROWTH**
continues

16x
2000-2018

17%
annual growth
2000-2018

REVENUE



SUMMARY BUSINESS REVIEW

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





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data:respons

AT A GLANCE



1.5 billion NOK



1 400 specialists



>1 000s R&D projects



40 nationalities

5
LOCATIONS
NORWAY

3
LOCATIONS
SWEDEN

2
LOCATIONS
DENMARK

7
LOCATIONS
GERMANY

TAIWAN

Our companies:



TechPeople

epoS



IT SONIX

XPURE



DONAT IT

data:respons

CUSTOMER & TECHNOLOGY DRIVEN ORGANISATION

Building long-term customer relationship based on strong industry know-how, niche competence and local touch



LEADING SPECIALIST COMPETENCE

Continue developing our employees & adding new talent in a people centric culture
- the core asset of the company



COMPLETE TECHNOLOGY PARTNER

R&D development, SW/HW technology, industrial digitalisation, Internet of Things (IoT) and high-end embedded solutions



THE NORDICS & GERMANY

Well driven group companies with a clear plan, decentralised org. structure and empowered mgmt. & employees



ORGANIC GROWTH & VALUE CREATING M&A's

Long term growth focus built on strong operational execution, industry diversification, and across company synergies



SUSTAINABILITY THROUGH TECHNOLOGY

Based on innovative technology projects, a companywide sustainable focus and committed employees



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

We live
OUR VALUES
Every day!



TO PERFORM RESPONSIBILITY BEING GENEROUS HAVING FUN