

Zalaris ASA

Interim report / Second quarter 2014

Thank you for joining us. The presentation will begin shortly.

Please note:

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- Please ensure that you are listening through your computer speakers or headphones.
- We will open up for questions at the end of the presentation. Please formulate your questions in writing using the Messages feature.

Questions related to the interim report may also be directed to ir@zalaris.com

We expect to finish the presentation by 1000.



Interim report / Second quarter 2014

Oslo, 22 August 2014

Presenters and agenda



Hans-Petter Møllerud
Founder and CEO



Nina Stemshaug
CFO

Agenda

- Highlights for the quarter
- Recent business acquisition
- Financial performance
- Regional trends
- Outlook

Headlines

Strong financials

- Revenue grew by **21.1 %** compared to the same period last year
- EBIT of **NOK 3.2 million**¹, equating to an operating margin of 4.5 % before IPO related costs – up from 3,0% in the same period last year

Strategic milestones

- Signed a five-year agreement with Statoil ASA
- Successful go-live of payroll services for TeliaSonera in Finland on Zalaris platform
- Zalaris started trading on the Oslo Stock exchange

¹ Before IPO related costs

Recent business acquisitions and milestones



- Five-year agreement to provide broad range of HR functions, initially worldwide travel and expense reimbursement to more than 23,000 employees
- Important step up for Zalaris' global service delivery and ability to serve the oil industry. Provides platform for growth for new Stavanger office
- Revenue impact from August 2014

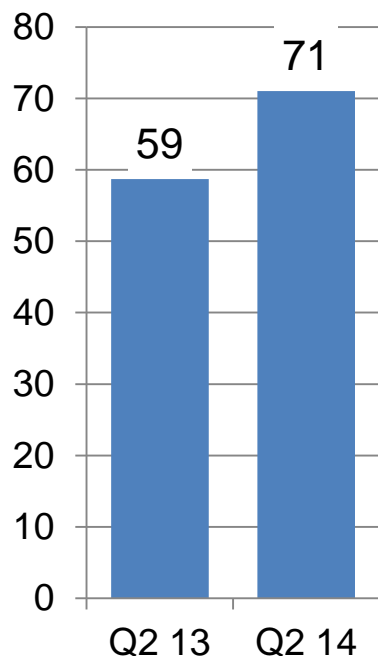


- Five-year Nordic frame agreement to provide payroll services. Initial project to implement payroll for Teliasonera's approx. 4'000 employees in Finland completed in June
- Upsell potential to provide similar services to Teliasonera's additional 12'000 employees in Sweden, Norway and Denmark

Key financials | Growth continues

Revenues

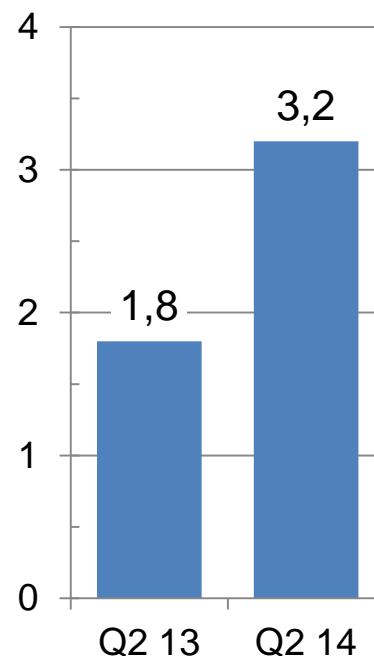
Revenues
in NOK million



- Strong growth from last year 21.1 %
- Reflecting new contracts and low churn
- Slightly down from Q1 due to typical seasonal variations

EBIT

EBIT
in NOK million

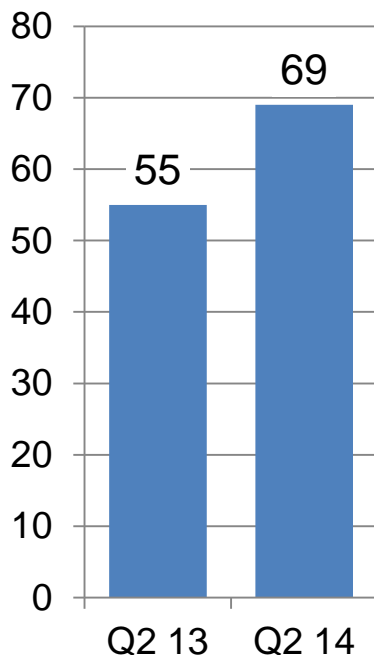


- Improved client margin through continuous focus on labour arbitrage and more efficient delivery processes.
- Higher number of vacationdays and public holidays in Q2 affect the margin compared to Q1.

Revenues by segment

HR Outsourcing

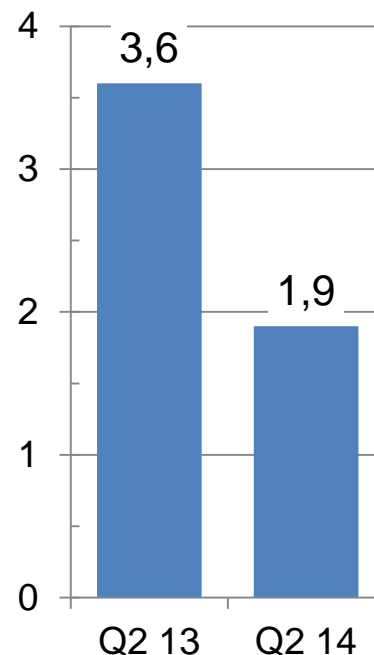
Revenues
in NOK million



- Strong 25% growth from Q2 last year, New customers; Telenor, Elkjøp/Elgiganten, Telia-Sonera
- High level of change orders to existing customers generating additional invoicing.

Consulting

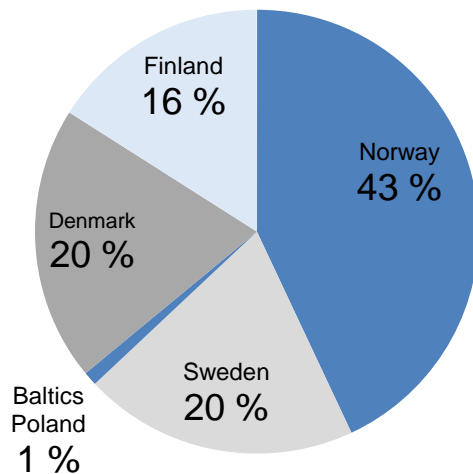
Revenues
in NOK million



- Heavily involved in implementation of projects related to new customers and change orders to existing HR Outsourcing customers.
- Public holidays and vacation days affect number of utilized hours in Q2 2014.

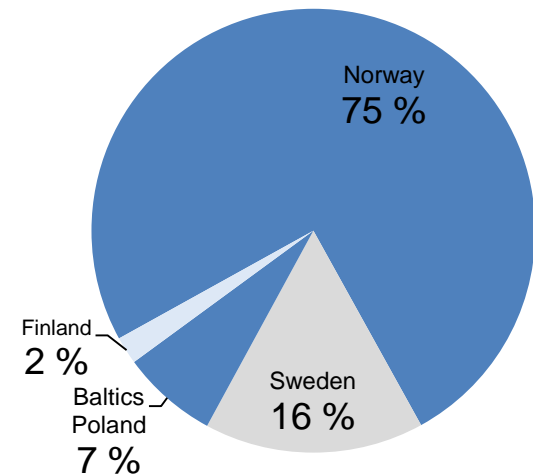
Regional trends

HR Outsourcing



- Continuous growth out of offices in the Nordics, Baltics and Poland
- Focus on increasing our salesforce and thus strengthen Zalaris' market position outside Norway

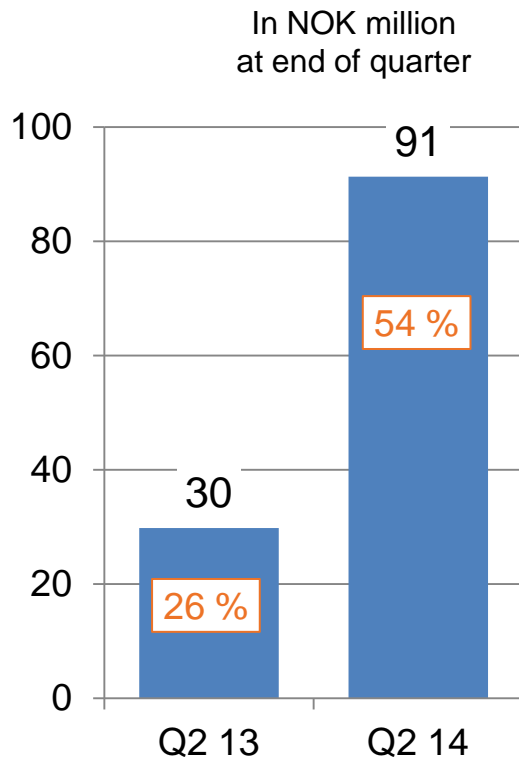
Consulting



- Significant increase in Poland and the Baltics, reflecting expansion of services to customers in the region
- Building of new Consulting group in Denmark underway

Balance sheet strengthened

Equity



n % = equity ratio

- Balance strengthened through share issue in June 2014. Net proceeds NOK 49.3 million
- NOK 47.5 cash and cash equivalents at the end of the quarter. NOK 15 million unused credit facility

We continue the work that we started last year with focus on prioritizing existing customers

Maintaining existing customer relationships and low churn

- Service excellence
- Quality focused processes

Further improving cost position with focus on reducing people costs

- Electronic process flows
- Automation
- Increased focus on productivity
- Increased near- and offshore

Strong pipeline and high level of sales activity

- A number of potential new opportunities in various stages including a handful with employee bases between 15000 and 30000 employees
- Potential for both geographic expansion and functional upsell with existing customers
- Working on strengthening sales organization outside Norway

Concluding remarks

- Profitable growth expected to continue through 2014.
- Ambition to maintain growth in the following years, leading to improved utilisation of existing infrastructure and operations, and increased profitability and cash flow from operations
- Will continue to concentrate on organic growth with new customers and low churn rate through high degree of customer satisfaction

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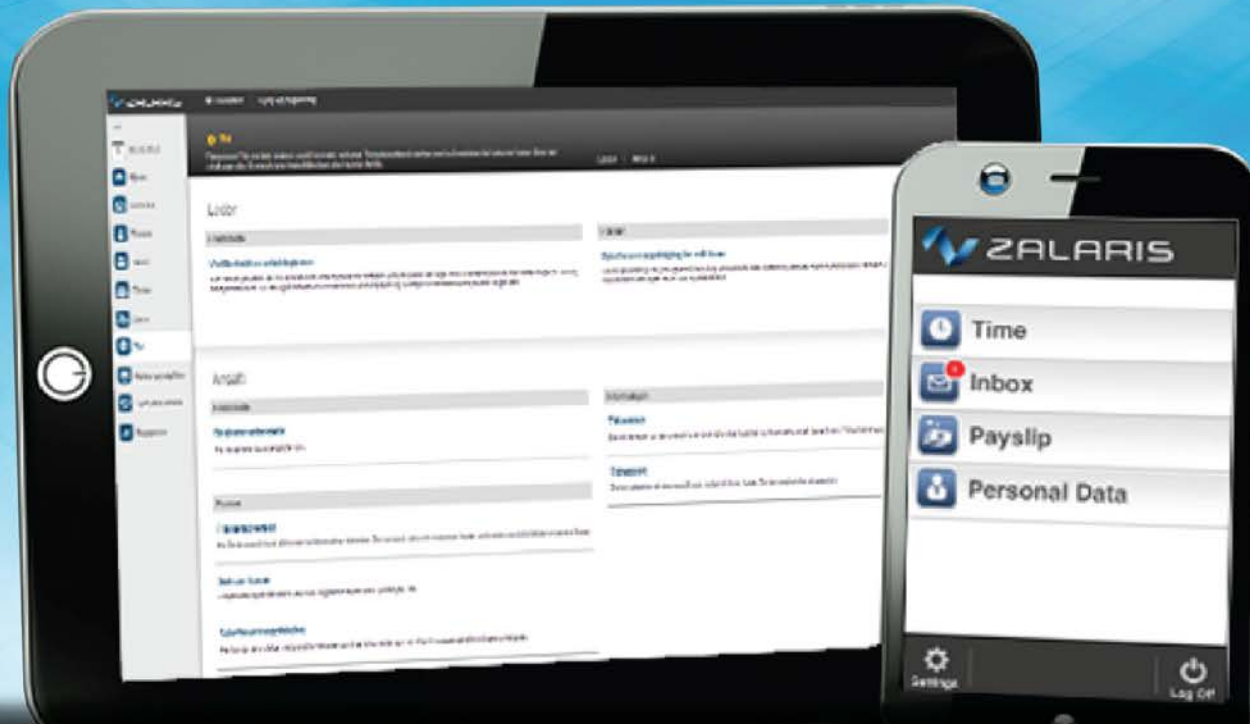
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Questions?



Thank you!

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