



Interim report | Fourth quarter and full year 2015

Oslo, 25 February 2016

Presenters and agenda



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Agenda

- Highlights for the fourth quarter and full year 2015
- Financial performance
- Regional trends
- Outlook

Growth continues, positive outlook

Financial indicators

- Revenue growth of **14.6%** in 2015, in the lower range of our own expectations
- Q4 15 revenues slightly below Q4 14 – recurring part slightly up
- Q4 15 EBIT margin of 9.4%, lifting full-year margin to 9.1%

Key figures

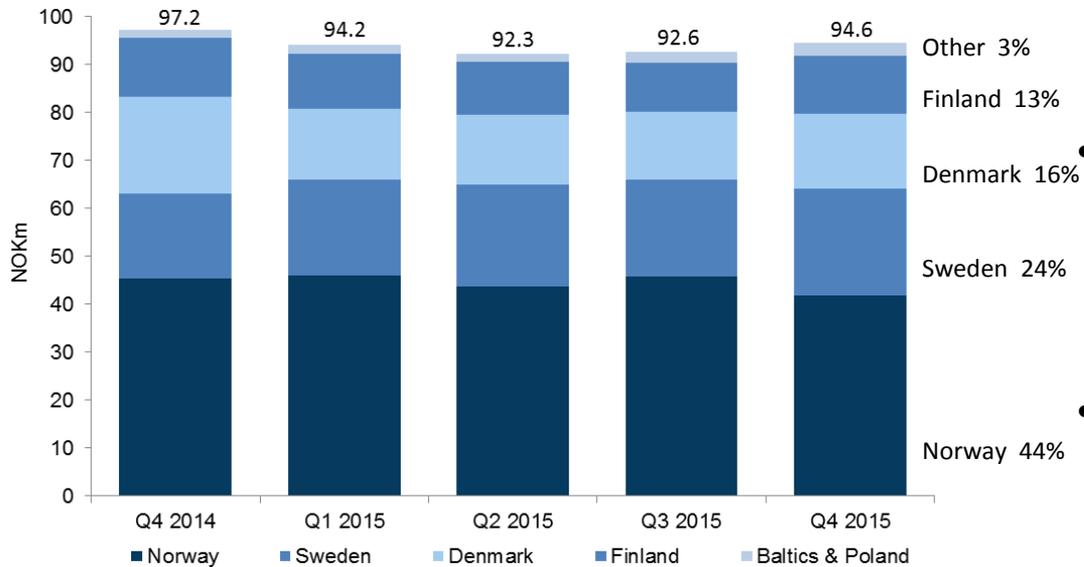
NOK million	Q4 15	Q4 14	2015	2014
Revenues	94.6	97.3	373.7	326.1
Operating profit	8.9	6.9	33.8	14.9
Profit for the period	6.1	3.9	23.3	8.8
EPS (NOK)	0.29	0.17	1.11	0.38

Strategic milestones

- Offshoring strategy shows positive results, Chennai service center produced 13% of total hours in Q4 15.
- Offshoring target increased from 20% to 25%, with further cost and headcount reductions planned in the Nordics.
- Major new customer projects completed with successful start-up in January 2016.
- Continued strong pipeline of business opportunities, although decision processes takes time.
- Interesting perspectives in new markets in Europe.

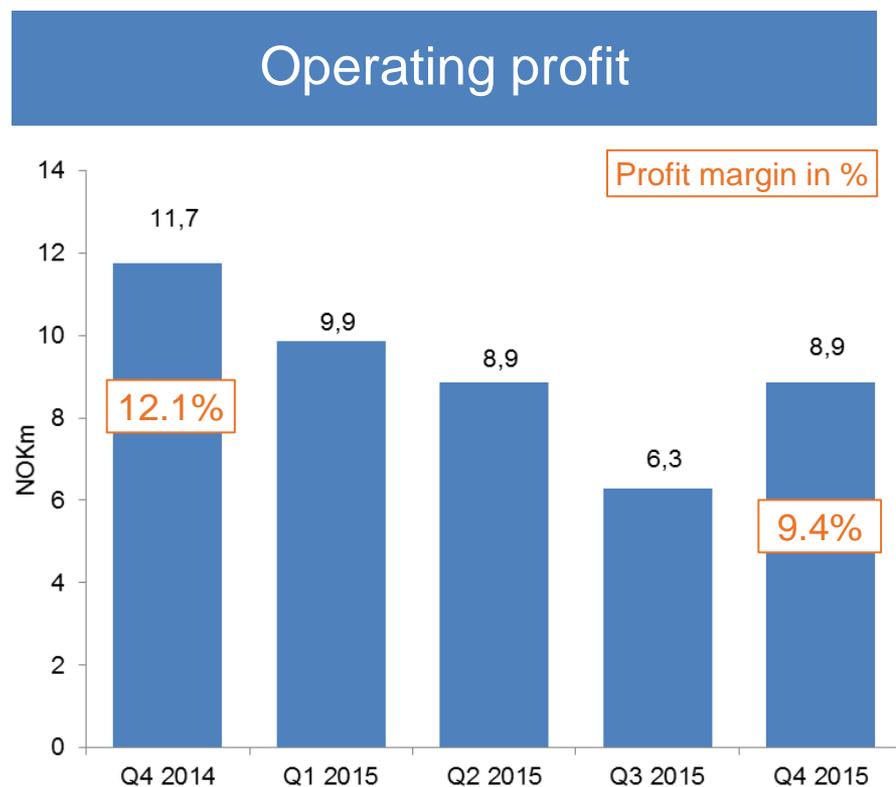
Revenues slightly lower than fourth quarter 2014 – with normalized revenues showing slight increase

Operating revenues



- Revenues in Q4 15 increased to NOK 94.6 million from NOK 92.6 million in Q3 15, slightly down from Q4 14
- Normalized revenues in Q4 2014 reflect revenue growth in Q4 2015
- Increased portion of revenues from Sweden, Denmark and Finland. Norwegian share reduced

Operating profit in line with expectations – however lower than our communicated target of 10%

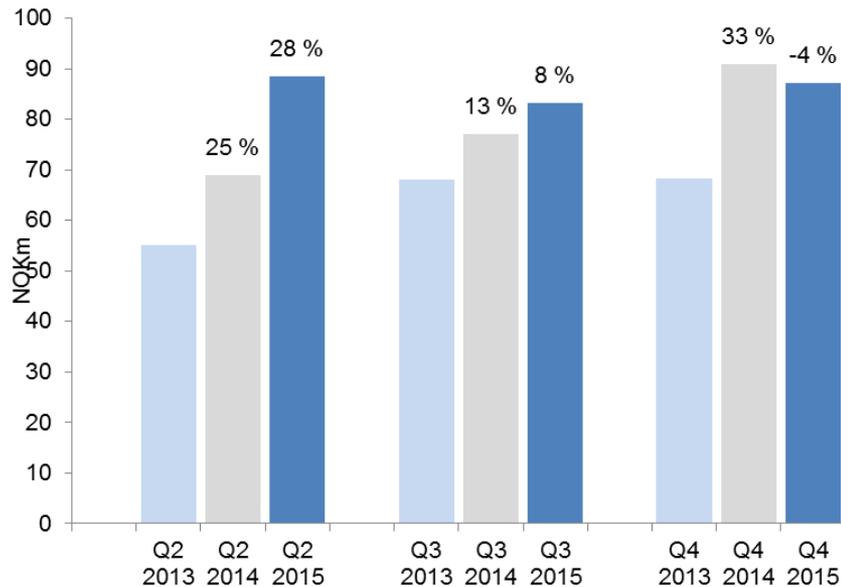


- Operating profit in Q4 15 came in at 8.9 million, lifting the EBIT margin for the year to 9.1 %
- Adjusted for extraordinary revenues in Q4 14, EBIT margin in Q4 15 increased with approximately 1 %
- Full-year operating profit was 33.8 million in 2015, up from 31.7 million previous year when excluding extraordinary costs.
- Net financial items amounted to minus 0.5 million in Q4 15. Profit after tax was NOK 6.1 million

Excl. one-off costs

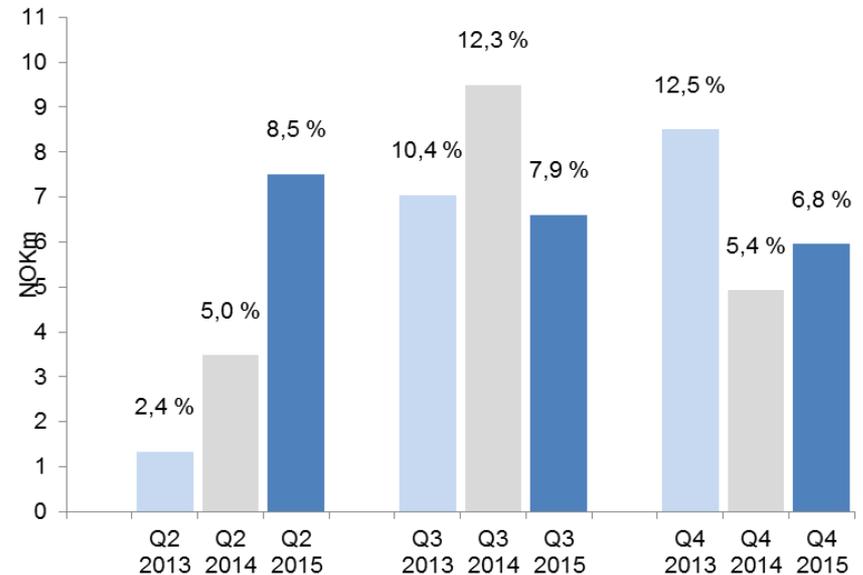
HR Outsourcing segment: Somewhat lower total sales Q/Q - but margin improvement

Operating revenues



- HR outsourcing revenue experienced a 4.1% decline in Q4 15 Q/Q due to extraordinary high revenue level in Q4 14.

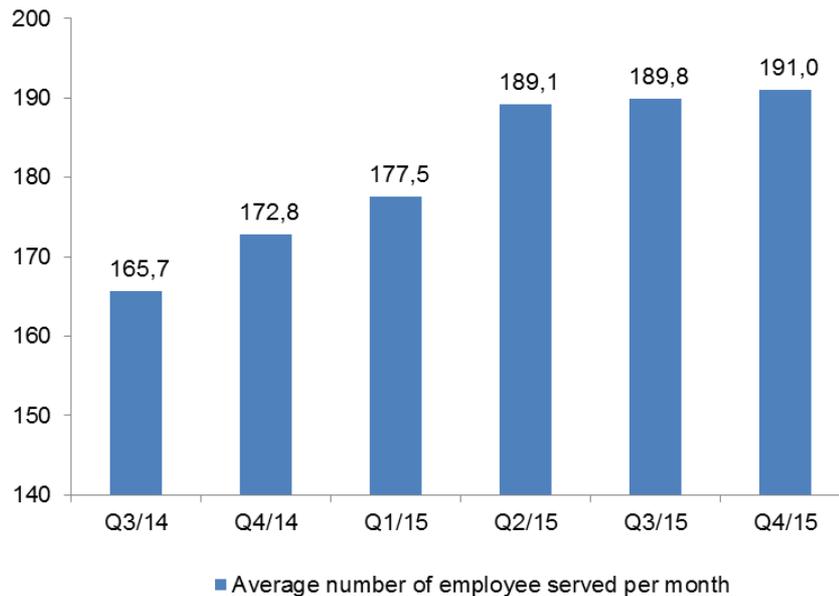
Operating profit and margin



- The operating margin in Q4 2015 was NOK 6 million (NOK 4.9 million) representing an increase of 1.4% in the operating margin compared to previous year.

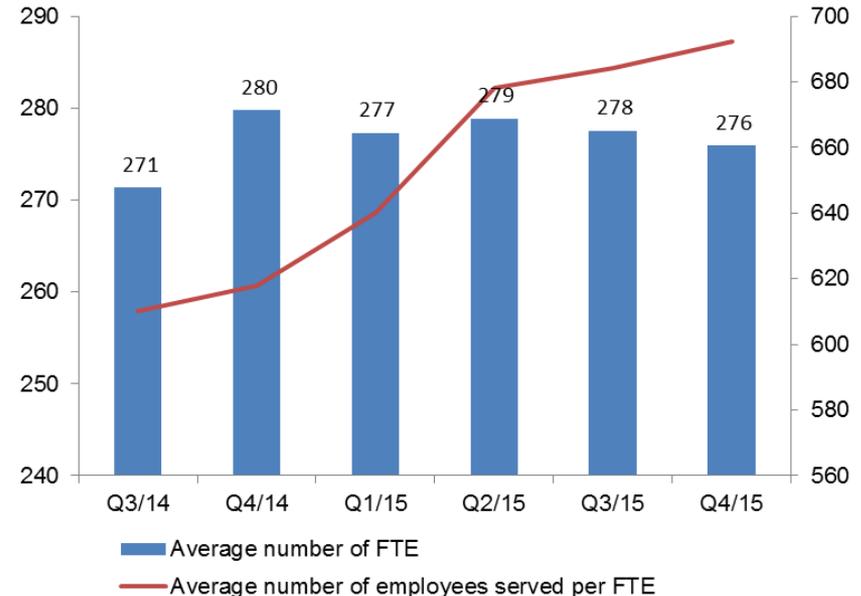
HR Outsourcing segment: Major projects on track- employees severed above 191'

Employees served (1000')



- In Q4 15 the average number of employees served per month was 191 thousand, 10.5% higher compared to Q4 14

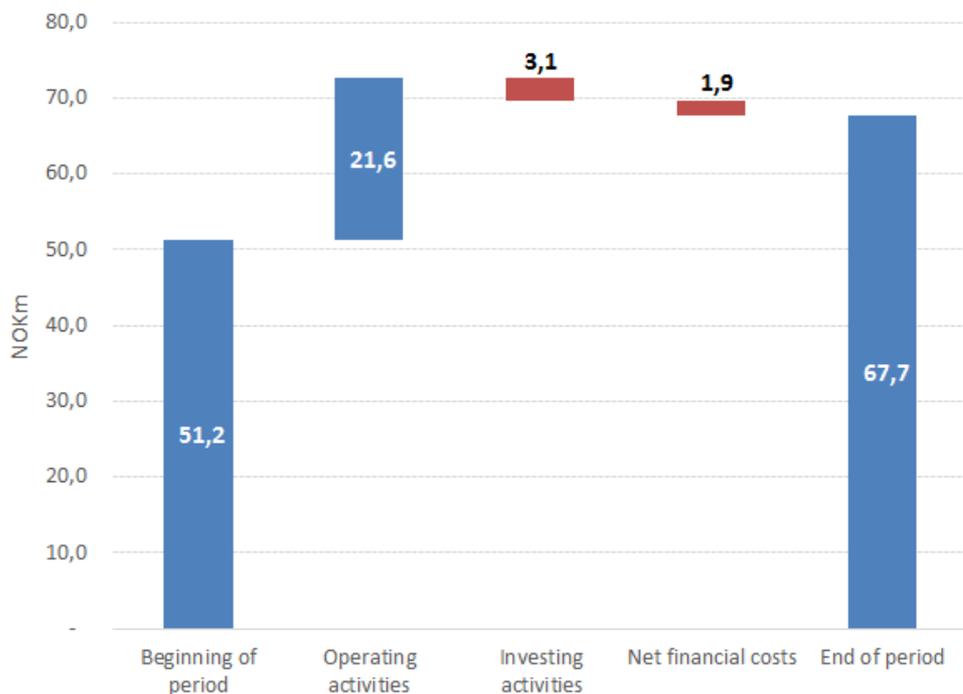
Employees and productivity



- Average number of employees served per FTE grew up to 692 and represents an improved level of productivity since Q4 2014.

Positive cash flow from operations, strong financial position

Cash and cash flows Q4 15



- Cash flow from operating activities in Q3 15 was NOK 21.6 million
- Investments mainly related to migration of web pages and system functionality (e.g. new payment solution)
- NOK 67.7 million cash and cash equivalents at the end of Q4 15. In addition NOK 15.0 million unused credit facility
- Strong financial position. NOK 103.2 million equity (50.6% equity ratio) at end of Q4 15. NOK 2.1 million interest bearing debt.

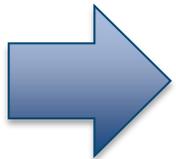
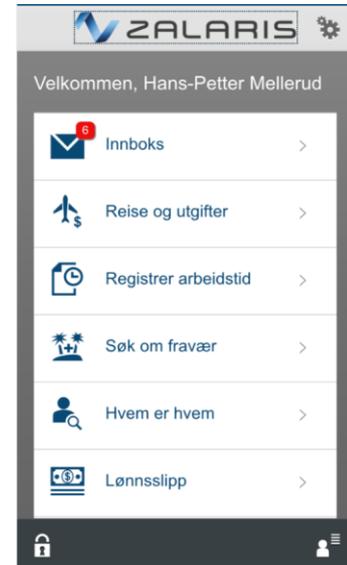
A key Q4 win upselling Cloud based HR to a large customer visualize the potential of our cloud offering

- Large customer expand services to include SuccessFactors Cloud solution for their 32'500 employees
- SuccessFactors Employee Central for maintaining global employee master data
- Onboarding functionality supporting effective introduction of new employees
- Integrated web based help desk/ticketing solution to streamline their own internal HR Shared Services processes



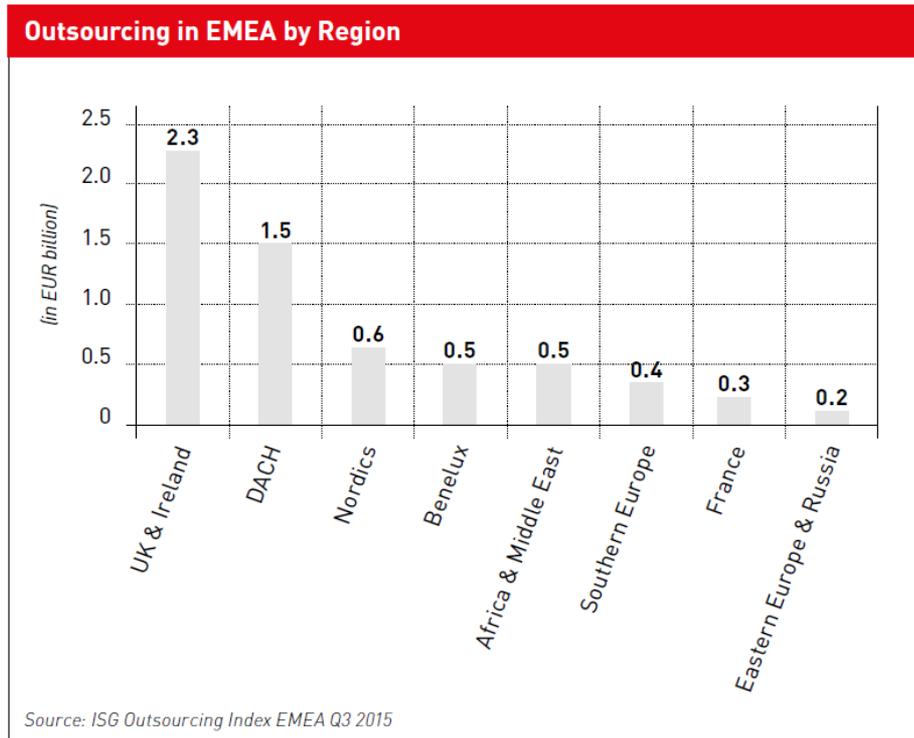
Our mobile solutions is receiving praise from pilot users in SE and DK of one of our largest Nordic customers

- «Looks very good!, user friendly and fast!»
- «Wow! Great!»
- «Exciting!»
- ”Super App!”
- ”I just approved workflows in the new App – this is a great tool (”kongeværktøj...”)”
- ”Thank you for making my travel expense process 150% simpler”



Our mobile first strategy aims at supporting digitization of all processes facing end users and thus supporting a higher degree of automation combined with location independent processing

We are continuously evaluating how to utilize our scalable SAP infrastructure combined with strong balance sheet to grow market access



- Strengthening delivery capability internally as well as through partnerships to cover new geographic markets
- Increased visibility due to our market success and status as a publicly traded enterprise
- Historically strong balance sheet



To deliver on our ambition to be a leading European provider of payroll and HR services, we evaluate options to maximize overall market coverage.

Concluding remarks: Strong growth. Continued focus on cost reduction. Positive outlook

- **Growth continues** Year-to-date figures show continued growth
- **EBIT enhancement** from increased focus on cost reductions and increased efficiency resulting from both xShoring and automation efforts
 - Productivity and cost improvements set to continue with consolidation of delivery centers.
 - Offshoring target lifted from 20 % to 25 %
- **Investment in product development** to expand range of services and functionality, supporting customers in their efforts to improve and reduce costs. Milestone delivery of SuccessFactors Cloud solution in Q4
- **Positive outlook** We continue to see strong interest in our services. Pipeline of new opportunities is increasing, although economic uncertainty has caused some delays to customer's decision processes
- **Strategic opportunities open up** Increased visibility attracts interest and opens opportunities for strategic moves into new markets. Supported by scalable technology solution and strong balance sheet.

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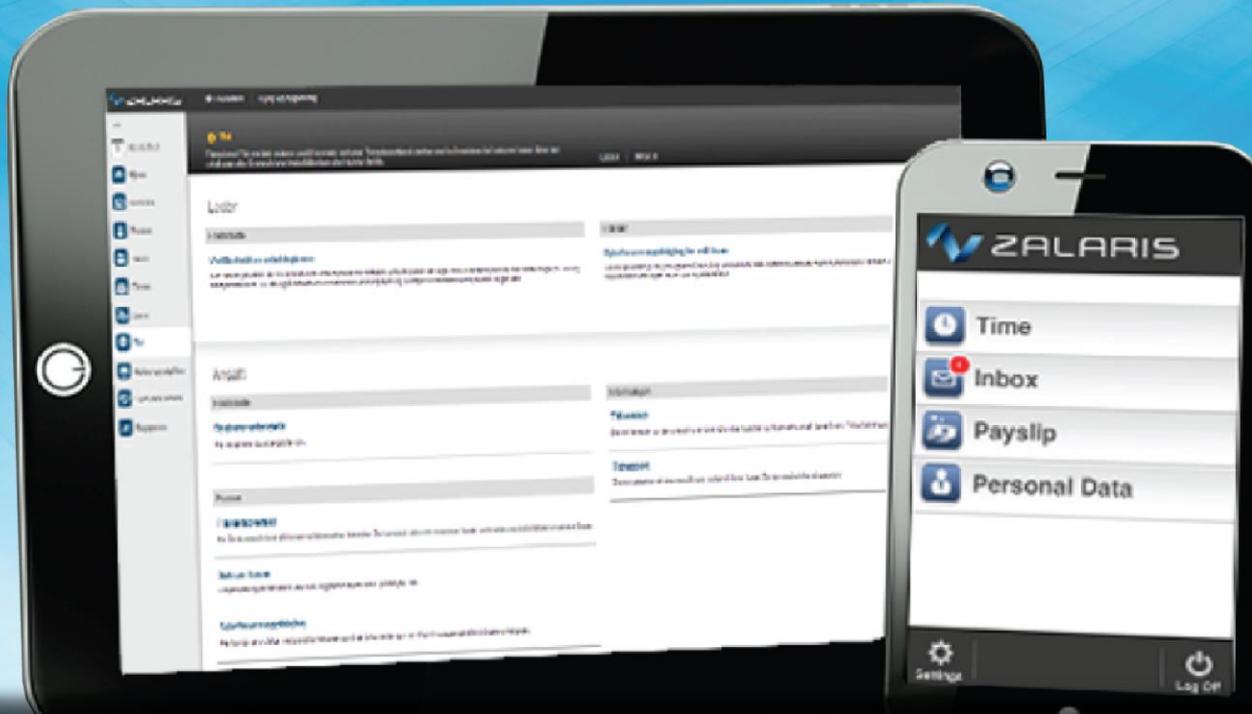
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Questions?



Thank you!

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