

NNIT

Nordic Seminar 2016

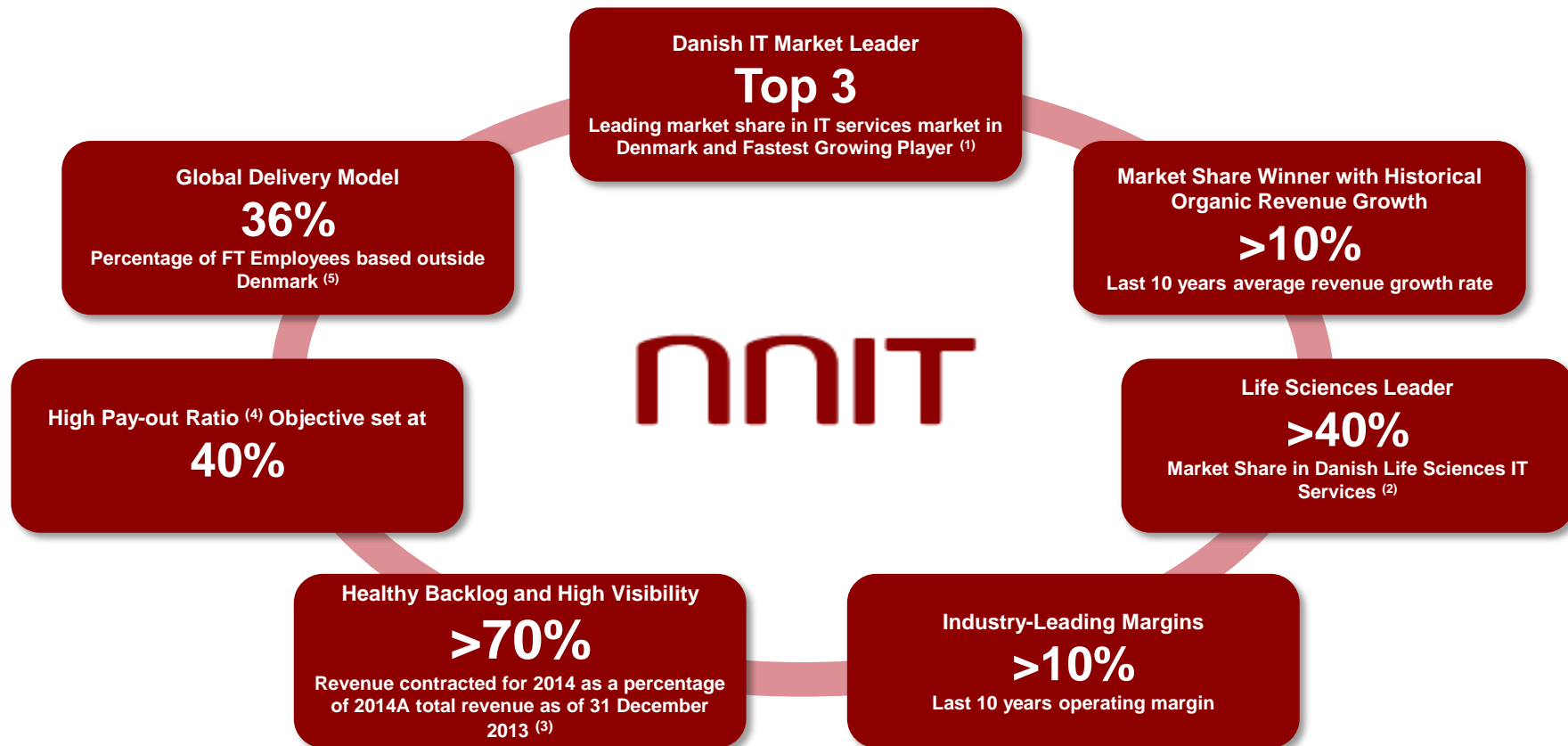
SEB

7 January 2016

# Forward looking statements

This presentation 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.

# Leveraging our Novo Nordisk Heritage and Differentiated Compliance DNA to Win Profitable Market Shares



Sources: IDC Denmark IT Services Vendor Shares 2014, Valcon report based on third party data

#### Notes

1. Among top 10 Danish IT Services competitors in 2014
2. Based on Valcon analysis for 2014 including revenue from Novo Nordisk; excluding Novo Nordisk, market share would be 19%
3. Backlog represents anticipated revenue from contracts or orders executed but not yet completed or performed in full, and which revenue is expected to be recognised in the current or a future financial year; in order to arrive at the percentage, the backlog is then divided by the actual revenue for the following year. The calculation of backlog is subject to a number of assumptions. Backlog as of any date is not necessarily a meaningful predictor of future revenue and projects included in backlog may be subject to cancellation, revision or delay. Turnover time from backlog to revenue varies significantly depending on what types of contracts constitute backlog
4. Defined as dividends paid on net profit for the previous fiscal year
5. As of 31<sup>st</sup> December 2014

# NNIT – who we are

## Our Core



**Life Sciences**

**DKK 1,547m  
(64%)**

## Leveraging Our Compliance DNA



**Public**

**DKK 326m  
(14%)**



**Finance**

**DKK 166m  
(7%)**



**Enterprise**

**DKK 371m  
(15%)**

**DKK 743m  
(31%)**

### IT Solutions Services:

Advisory services, business solutions and application management

**DKK 1,667m  
(69%)**

### IT Operations Services:

Infrastructure outsourcing and related consulting, support services

See Note <sup>(1)</sup>



**DANISH CROWN**

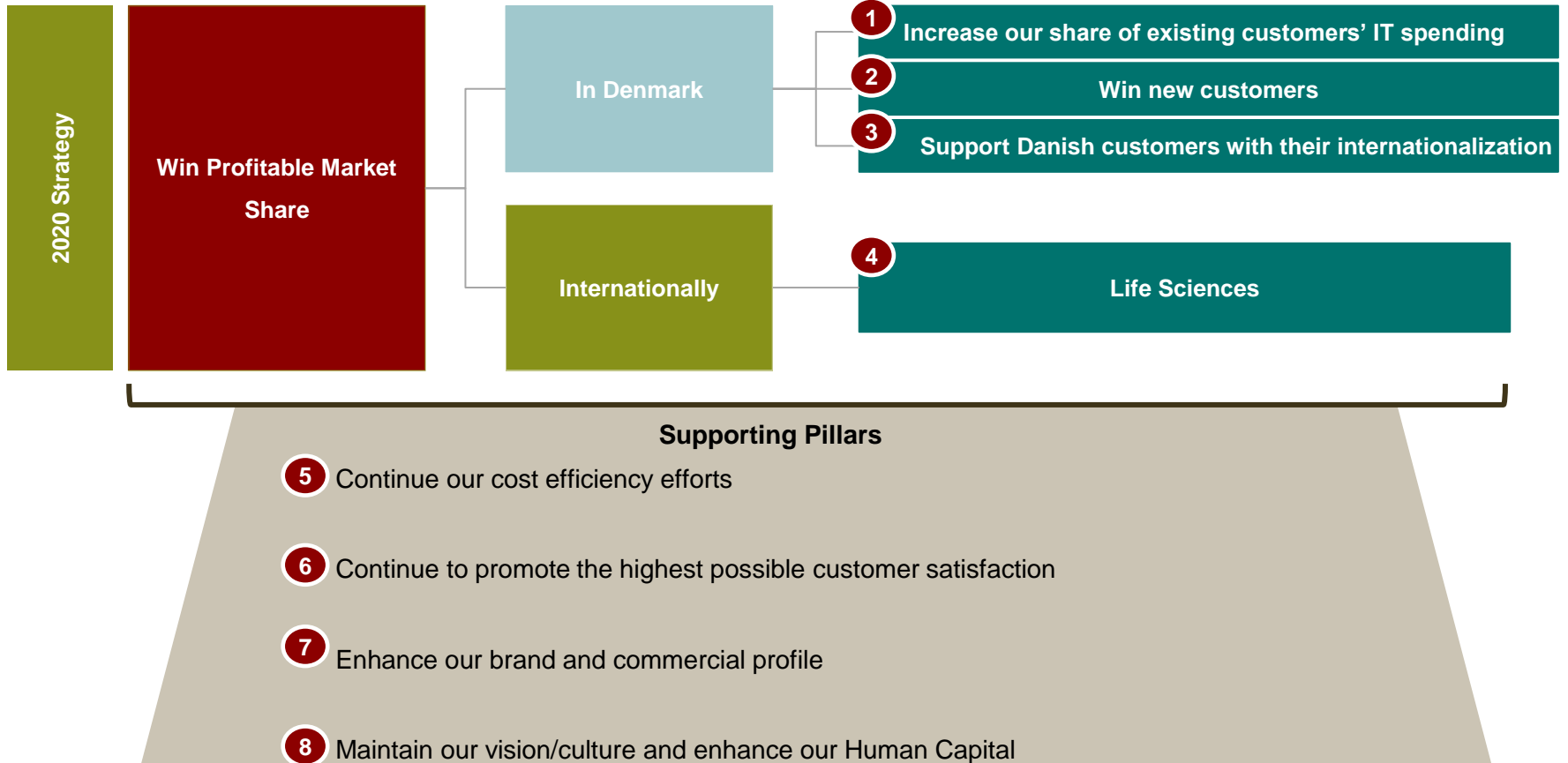


Revenue 2014  
(contribution to total - %)

Note  
1. Selection of current NNIT customers, as of February 2015



# The Key Pillars of Our Growth Strategy



# Financial statement first nine month 2015

DKK million	9M 2015 (reported)	9M 2015 (constant*)	9M 2014*	Pct/pp Change (reported)	Pct/pp Change (constant)
<b>Revenue</b>	1,877.4	1,862.1	1,721.6	9.0%	8.2%
Cost of goods sold	1,518.4	1,481.9	1,389.3	9.3%	6.7%
<b>Gross profit</b>	<b>358.9</b>	<b>380.2</b>	<b>332.3</b>	<b>8.0%</b>	<b>14.4%</b>
<i>Gross profit margin</i>	19.1%	20.4%	19.3%	-0.2pp	1.1p
Sales and marketing costs	94.4	92.7	81.7	15.6%	13.5%
Administrative expenses	87.9	85.3	75.2	16.9%	13.4%
<b>Operating profit</b>	<b>176.6</b>	<b>202.2</b>	<b>175.4</b>	<b>0.7%</b>	<b>15.3%</b>
<i>Operating profit margin</i>	9.4%	10.9%	10.2%	-0.8pp	0.7pp
Net financials	3.6	n.a.	0.8	n.a.	n.a.
<b>Profit before tax</b>	<b>180.2</b>	<b>n.a.</b>	<b>176.2</b>	<b>2.3%</b>	<b>n.a.</b>
Tax	36.0	n.a.	38.5	-6.5%	n.a.
<i>Effective tax rate</i>	20.0%	n.a.	21.8%	-1.9pp	n.a.
<b>Net profit</b>	<b>144.3</b>	<b>n.a.</b>	<b>137.8</b>	<b>4.7%</b>	<b>n.a.</b>

\*Constant currencies measured using average exchange rates in first 9M of 2014

# Segment development first nine month 2015

DKKm	Revenue 9M 2015 (reported)	Revenue 9M 2015 (constant*)	Revenue 9M 2014*	Pct Change (reported)	Pct Change (constant)
Life Sciences	1,170.3	1,155.6	1,084.3	7.9%	6.6%
<i>Hereof Novo Nordisk Group</i>	923.9	915.9	882.6	4.7%	3.8%
<i>Hereof other Life Sciences</i>	246.4	239.7	201.7	22.2%	18.8%
Public	283.1	283.1	236.3	19.8%	19.8%
Enterprise	286.8	286.3	283.1	1.3%	1.1%
Finance	137.2	137.2	117.9	16.4%	16.4%
<b>Total</b>	<b>1,877.4</b>	<b>1,862.1</b>	<b>1,721.6</b>	<b>9.0%</b>	<b>8.2%</b>

\* Constant currencies measured using average exchange rates in first 9M of 2014

# Divisional P&L first nine month 2015

## IT Operation

DKK million	9M 2015 (reported)	9M 2015 (constant*)	9M 2014*	Pct/pp Change (reported)	Pct/pp Change (constant*)
<b>Revenue</b>					
Novo Nordisk Group	619.0	612.3	607.0	2.0%	0.9%
Non-Novo Nordisk Group	630.7	629.1	594.8	6.0%	5.8%
<b>Total</b>	<b>1,249.7</b>	<b>1,241.4</b>	<b>1,201.7</b>	<b>4.0%</b>	<b>3.3%</b>
Costs	1,137.4	1,108.0	1,064.3	6.9%	4.1%
<b>Operating profit</b>	<b>112.3</b>	<b>133.4</b>	<b>137.4</b>	<b>-18.3%</b>	<b>-2.9%</b>
<i>Operating profit margin</i>	<i>9.0%</i>	<i>10.7%</i>	<i>11.4%</i>	<i>-2.5pp</i>	<i>-0.7pp</i>

## IT Operation

- Adjusted for discontinuation of re-invoicing of software licenses to Novo Nordisk revenue growth is 5.1% (constant) and 6.3% (reported)

## IT Solutions

DKK million	9M 2015 (reported)	9M 2015 (constant*)	9M 2014*	Pct/pp Change (reported)	Pct/pp Change (constant*)
<b>Revenue</b>					
Novo Nordisk Group	304.9	303.6	275.6	10.6%	10.2%
Non-Novo Nordisk Group	322.8	317.1	244.3	32.1%	29.8%
<b>Total</b>	<b>627.7</b>	<b>620.7</b>	<b>519.9</b>	<b>20.7%</b>	<b>19.4%</b>
Costs	563.3	551.9	481.9	16.9%	14.5%
<b>Operating profit</b>	<b>64.3</b>	<b>68.8</b>	<b>38.0</b>	<b>69.1%</b>	<b>80.9%</b>
<i>Operating profit margin</i>	<i>10.2%</i>	<i>11.1%</i>	<i>7.3%</i>	<i>2.9pp</i>	<i>3.8pp</i>

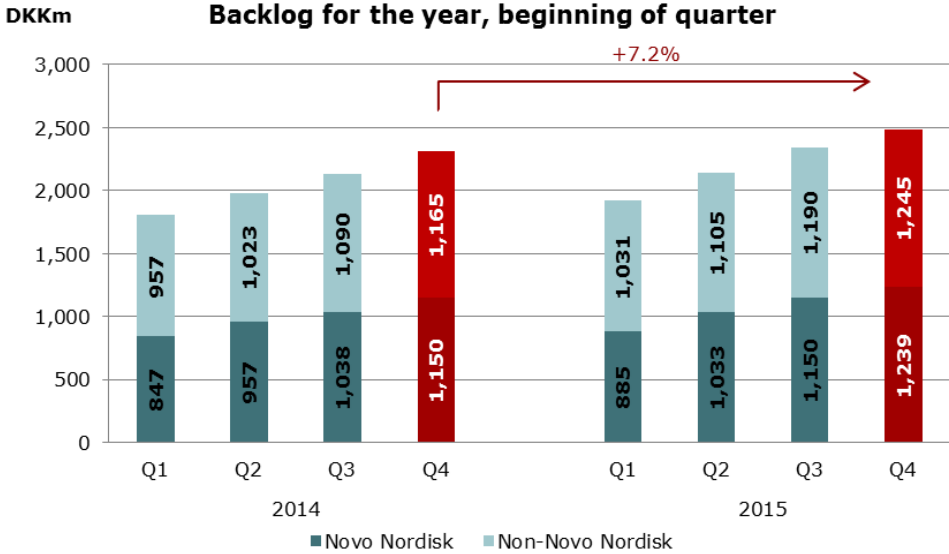
## IT Solutions

- 2014 influenced by reversal of revenue and compensation for a terminated contract
- Net of these two events growth is 15.4% (constant) and 16.7% (reported) and 9M 2014 operating profit margin was 9.5%

\* Constant currencies measured using average exchange rates in first 9M of 2014

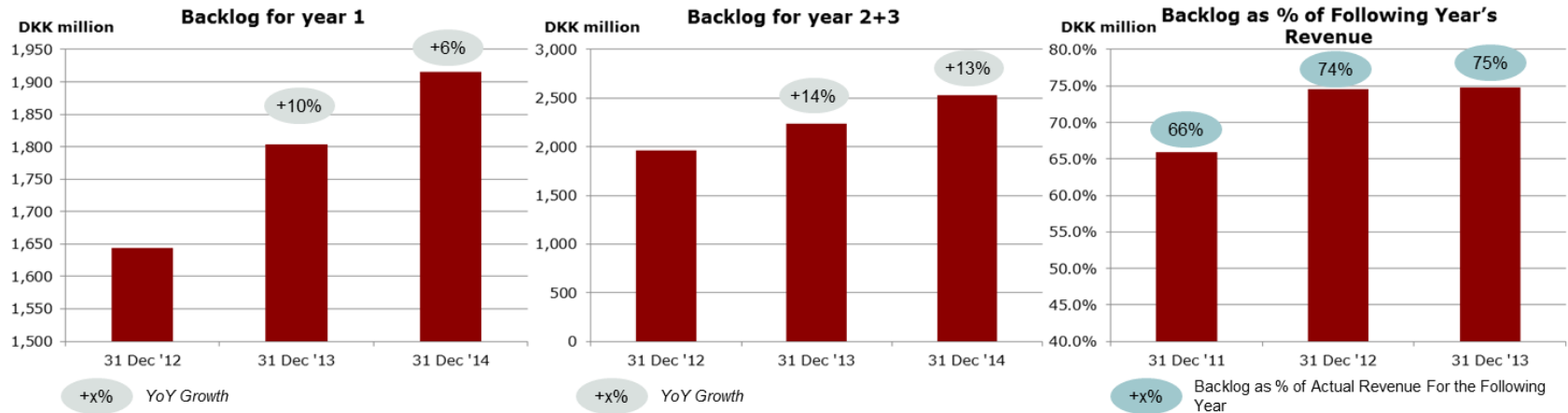


# Backlog Provides Strong Visibility



# ..But Possible Clouds on the Horizon

**Traditionally high visibility growing to more than 70% of annual sales covered by the backlog at beginning of the year – long-term backlog increasing long-term visibility**



## Cloud impact the backlog visibility in the future

- Move from large long-term outsourcing SLAs toward SLA towers and cloud
- Cloud enables clients to buy capacity on-demand
- Thus long-term visibility may be impacted as lead time is reduced

# Outlook

	2015	Long-term
Revenue growth	6-8% at constant currencies Around 0.8pp higher as reported	Target average growth in revenue of at least 5% in constant currencies
Operating margin	Around 11% at constant currencies Around 1.3pp lower as reported	Target average operating profit margin of at least 10% in constant currencies
Capex	c.5-6% of total net turnover Additional capex of around DKK 250 million over a three-year period if NNIT decides to build another data	n.a.
Cash return policy	n.a.	Our dividend policy is expected to have a 40% payout ratio target



# Life sciences in numbers

DKK million	9 Month		Pct Change (reported)
	2015 (reported)	2014	
<b>Revenue</b>	<b>1.170,3</b>	<b>1.084,3</b>	<b>7,9%</b>



*Hereof Novo Nordisk Group*

923,9

882,6

4,7%



*Hereof other Life Sciences*

246,5

201,7

22,2%

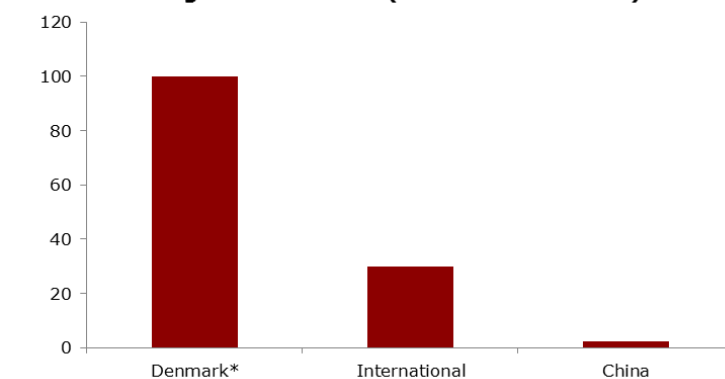


Clients (in 2015): 34 – excl. China



Clients in China (in 2015): 10

**Avg. Customer size (Denmark index 100)**



\*Excl. Novo Nordisk



# Investor contact information

## Upcoming events

---

- 7 January 2016: Presentation at SEB Nordic Seminar, Copenhagen
- 27 January 2016: Full year 2015 reporting
- 11 March 2016: Annual General Meeting
- 13 May 2016: Interim report for the period 1 January 2016 – 31 March 2016

## Investor contact

---

NNIT A/S  
Østmarken 3A  
2860 Søborg  
Denmark

Jesper Wagener  
+45 3075 5392  
jvwa@nnit.com