

Q2 2023

**Webcast
Presentation**

August 31, 2023



nnit



Key figures Q2 2023

Revenue growth

15%

Organic revenue growth

11%

Revenue (DKKm)

424

Operating profit
before special items (DKKm)

25

Operating profit margin
before special items

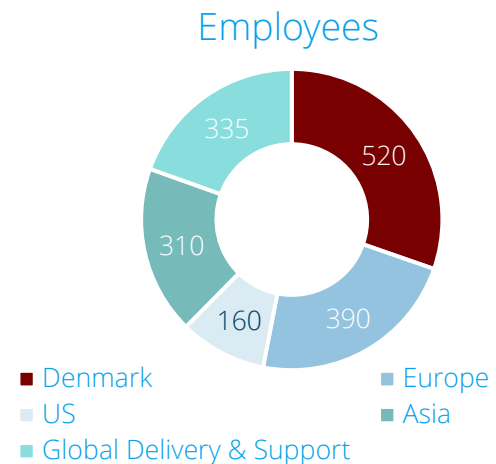
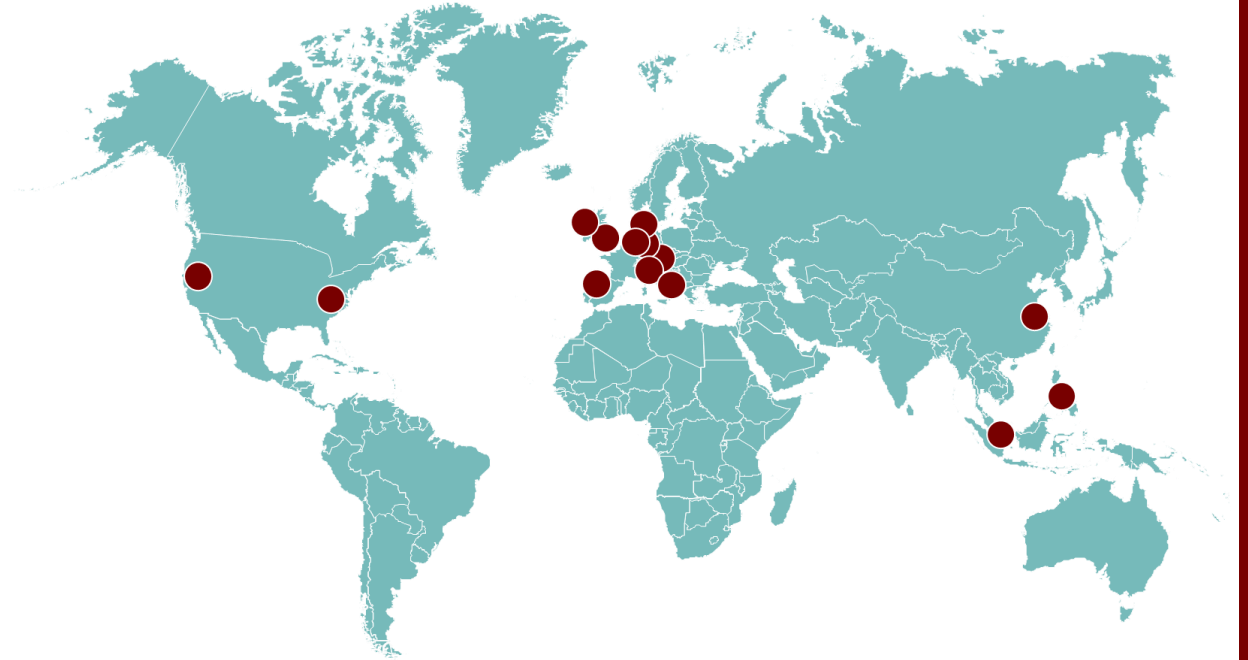
5.9%

Special items (DKKm)

30

New regional and financial reporting structure

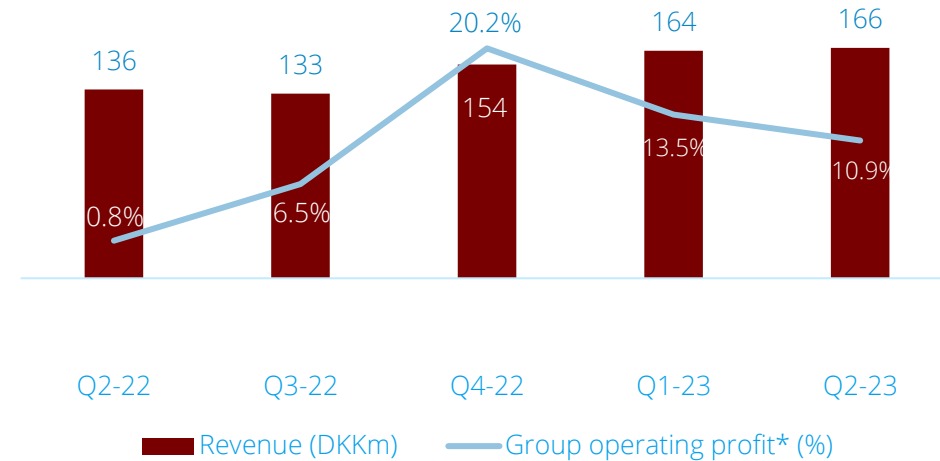
- Regional organizational structure introduced after divestment of infrastructure business
 - 4 regions assisted by Global Delivery & Support
- Focus on increasing customer proximity and enhancing global coordination across regions
- Unchanged focus on high complexity industries within global life sciences, the Danish public sector and through SCALES
- New financial reporting structure in place in Q2
 - 4 regional P&Ls consolidated in Group P&L
- Increased transparency in respect of financial and business performance for each region



Region Denmark

- Well-positioned in recession-proof Danish public space, incl. central government and publicly owned companies operating on commercial terms, as well as towards private companies facing strict regulatory demands or high complexity
 - Life sciences customers in Denmark customers are served by region Europe
- Solid 22% revenue growth driven by major public wins in previous periods, high activity level and particularly strong development in Group company SCALES
- Strong earnings growth from improved capacity utilization and despite increase in production costs in Q2
- Positive market outlook and order situation with significant contract expansions

Revenue and profitability

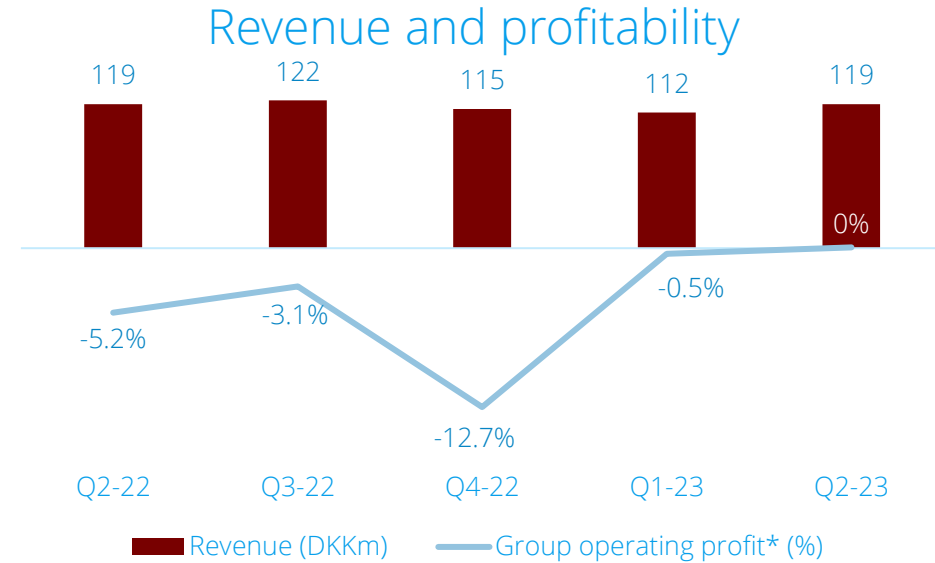


DKKm	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22
Revenue	166	164	154	133	136
Production cost	-118	-109	-99	-78	-97
Gross profit	48	55	55	55	39
Gross profit margin	29.1%	33.5%	35.5%	41.4%	28.9%
Regional operating profit	37	44	43	36	26
Group operating profit	18	22	31	1	1
Group operating profit (%)	10.9%	13.5%	20.2%	6.5%	0.8%

*Operating profit and margin before special items

Region Europe

- A leading and trusted partner for life sciences clients in Europe with activities across the entire value chain and footprint in Germany, Switzerland, UK, Ireland, Czech Republic, Poland, Italy, Spain and Denmark
- Stable Q2 revenue in market impacted by macroeconomic volatility and slower investment decision-making
- Disciplined cost management entailed reduction of production costs and improved gross profit
- Operating profit continued upwards trend and reached break-even after efficiency enhancements
- Extensions and expansions of several long-term customer engagements in life sciences and manufacturing solutions



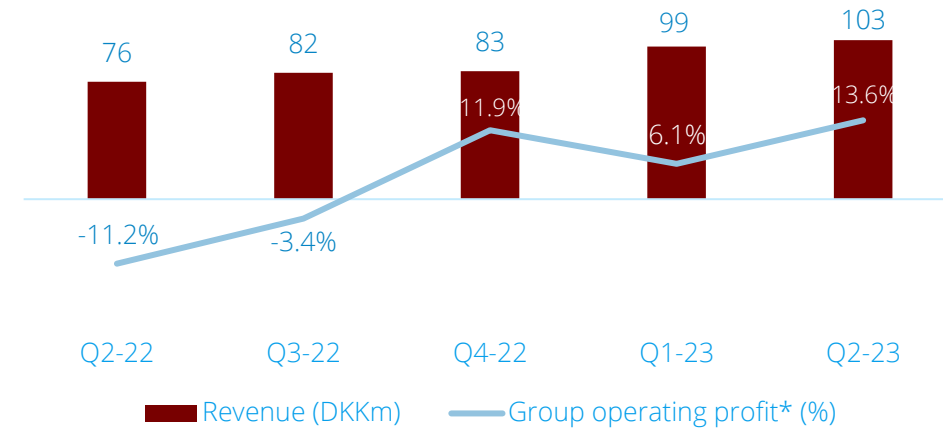
DKKm	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22
Revenue	119	112	115	122	119
Production cost	-91	-83	-103	-88	-90
Gross profit	28	29	12	34	29
Gross profit margin	23.7%	26.0%	11.7%	27.7%	24.4%
Regional operating profit	14	17	-5	15	15
Group operating profit	0	-1	-15	-4	-6
Group operating profit (%)	0%	-0.5%	-12.7%	-3.1%	-5.2%

*Operating profit and margin before special items

Region US

- A highly specialized life sciences consulting unit with positions of strength in R&D and quality and emerging presence in production
- Strong 36% growth in revenue driven by existing and new clients
- Very good traction in Group company Excellis Health Solutions
- Solid and sustained earnings growth on back of higher activity level and utilization rate as well as lower costs
- Strong pipeline in high-growth US market

Revenue and profitability



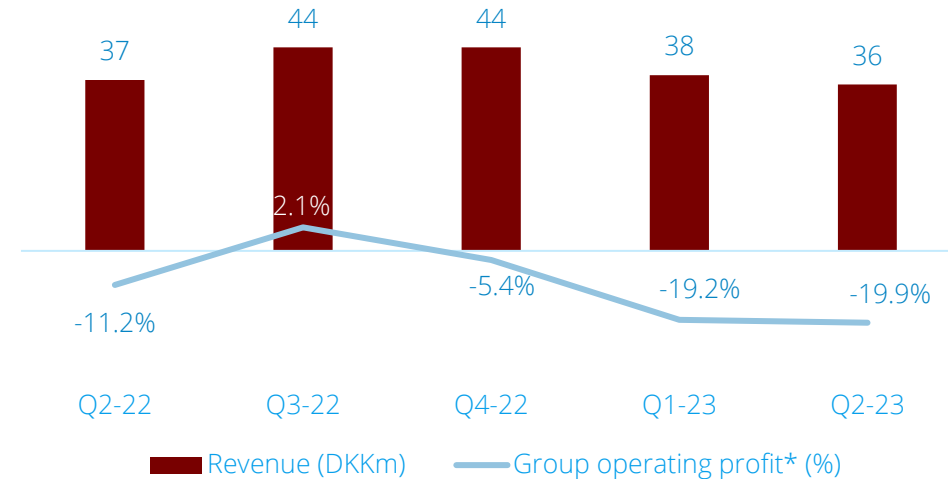
DKKm	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22
Revenue	103	99	83	82	76
Production cost	-64	-67	-54	-53	-56
Gross profit	39	32	29	29	20
Gross profit margin	38.2%	32.6%	35.2%	35.3%	26.7%
Regional operating profit	25	19	17	12	5
Group operating profit	14	6	10	-3	-9
Group operating profit (%)	13.6%	6.1%	11.9%	-3.4%	-11.2%

*Operating profit and margin before special items

Region Asia

- Focus on life sciences service areas within manufacturing & supply chain, quality management and commercial solutions with footprint in China and Singapore
- Slight revenue decline after recalibration of setup and negative macroeconomic climate and low foreign investments in China
- Strong progress in Singapore, accounting for ~20% of regional revenue
- Earnings negatively impacted by decline in activity level and capacity utilization
- Actions taken to adjust capacity to current market situation and prepare for expected uptick in activity level

Revenue and profitability



DKKm	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22
Revenue	36	38	44	44	37
Production cost	-35	-36	-38	-33	-32
Gross profit	1	2	5	11	5
Gross profit margin	3.6%	4.1%	12.0%	25.0%	14.6%
Regional operating profit	-2	-1	1	9	3
Group operating profit	-7	-7	-2	1	-4
Group operating profit (%)	-19.9%	-19.2%	-5.4%	2.1%	-11.2%

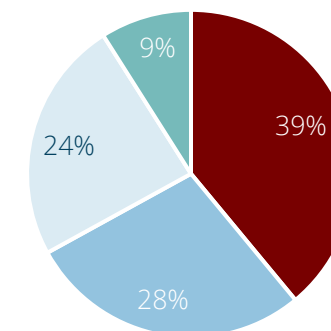
*Operating profit and margin before special items

Group financials

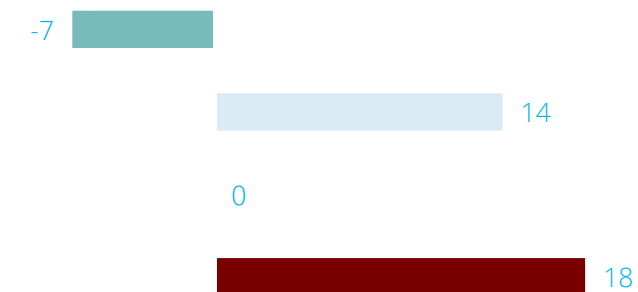
Group	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22
Revenue	424	413	396	380	368
Production cost	-307	-295	-294	-252	-274
Gross profit	117	118	102	129	94
Gross profit margin	27.6%	28.5%	25.6%	33.8%	25.6%
Regional cost	-43	-39	-45	-52	-45
Corporate cost	-49	-58	-32	-73	-67
Group operating profit*	25	20	24	3	-18
Group operating profit margin*	5.9%	4.9%	6.1%	0.8%	-4.8%

*Operating profit and margin before special items

Q2 2023 revenue



■ Denmark ■ Europe ■ US ■ Asia



Q2 2023 operating profit (DKKm)*

2023 outlook

- NNIT lifted revenue and earnings outlook on August 26 following improved performance in H1 2023
- H1 profitability impacted by higher revenue, improved utilization and reduced overhead costs
- Continued solid trajectory in Custom Application Development (CDS) and Production (LSS)
- Special items expected to be related to earn out payments in connection with completed acquisitions



Revenue
growth

~15%

(previously ~10%)

Operating profit
margin

~6%

(previously ~5%)

Special
items (DKKm)

≤70

(unchanged)

Q&A



Capital Markets Day

September 18, 2023

9:45-14:45 CEST

Read more [here](#)

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Thank you

