



# Welcome to the Q3 2021 Financial Results Webcast

NNIT A/S

November 3

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# Representing NNIT A/S today

**Pär Fors**



**Chief Executive Officer**

**Pernille Fabricius**



**Chief Financial Officer**

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# Forward-looking statements

This announcement 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.

Please also refer to the overview of risk factors in the 'risk management' section on page 41-43 of the Annual Report 2020.

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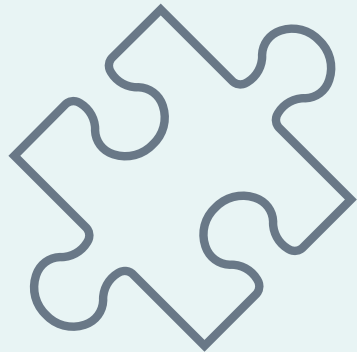
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# NNIT's revenue increased by 6.1 %, but...



**We are actively working on  
executing on our strategy**



**Focusing on international growth  
and our Winning Solutions**

# Business Highlights

**NNIT acquired SL Controls on July 5**

**Winning Solutions is now at 54% of total revenue**

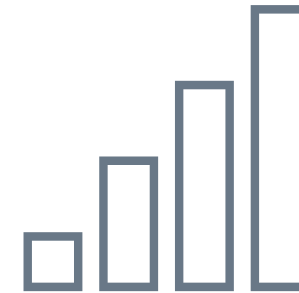
**NNIT secured a large number of smaller contracts**

**The process of gathering all infrastructure activities is ongoing**

# Another M&A milestone with SL Controls



**We have acquired yet another international IT company**



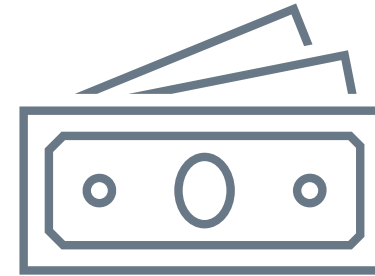
**Looking to acquire more to further strengthen The NNIT Group's position**



# **We are optimistic that we can solve the challenges we have identified in our business**



**Our pipeline contains more of the projects and contracts we want**



**We are adjusting our cost base, optimizing our global delivery model and increasing automation**

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# Q3 2021 & 9M 2021 at a glance



\*Before special items

\*\*Excluding acquisitions

# Group Performance Overview

## Q3 2021

## 9M 2021

## FY 2020

DKK million	Q3 2021	Q3 2020	Change	9M 2021	9M 2020	Change	2020
<b>Revenue</b>	698	658	6,1%	2.139	2.081	2,8%	2.830
Cost of goods sold	625	578	8,1%	1.880	1.805	4,2%	2.443
<b>Gross profit</b>	<b>73</b>	<b>80</b>	<b>-8,8%</b>	<b>259</b>	<b>276</b>	<b>-6,2%</b>	<b>387</b>
<i>Gross profit margin</i>	<i>10,5%</i>	<i>12,2%</i>	<i>-1,7pp</i>	<i>12,1%</i>	<i>13,3%</i>	<i>-1,2pp</i>	<i>13,7%</i>
Sales and marketing costs	31	31	0,0%	92	93	-1,1%	127
Administrative expenses	21	24	-12,5%	62	73	-15,1%	95
<b>Operating profit before special items</b>	<b>21</b>	<b>25</b>	<b>-16,0%</b>	<b>105</b>	<b>110</b>	<b>-4,5%</b>	<b>165</b>
<i>Operating profit margin before special items</i>	<i>3,0%</i>	<i>3,8%</i>	<i>-0,8pp</i>	<i>4,9%</i>	<i>5,3%</i>	<i>-0,4pp</i>	<i>5,8%</i>
Special items	23	6	283,3%	92	25	268,0%	43
<b>Operating profit</b>	<b>-2</b>	<b>19</b>	<b>-110,5%</b>	<b>13</b>	<b>85</b>	<b>-84,7%</b>	<b>122</b>
<i>Operating profit margin</i>	<i>-0,3%</i>	<i>2,9%</i>	<i>-3,2pp</i>	<i>0,6%</i>	<i>4,1%</i>	<i>-3,5pp</i>	<i>4,3%</i>
Net financials	-2	-10	80,0%	-17	-10	-70,0%	-20
<b>Profit before tax</b>	<b>-4</b>	<b>9</b>	<b>-144,4%</b>	<b>-4</b>	<b>75</b>	<b>-105,3%</b>	<b>102</b>
Tax	6	0	1900,0%	5	17	-70,6%	26
<i>Effective tax rate</i>	<i>n.a.</i>	<i>5,5%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>22,8%</i>	<i>n/a</i>	<i>25,5%</i>
<b>Net profit/loss</b>	<b>-10</b>	<b>9</b>	<b>-214,9%</b>	<b>-9</b>	<b>58</b>	<b>-115,5%</b>	<b>76</b>

# Life Sciences

## Q3 2021

DKK million	Q3 2021	Q3 2020	Change
Life Sciences (excl. NNG)	246	181	35,9%
<i>Life Sciences (Int.)</i>	187	122	53,3%
<i>Life Sciences (DK)</i>	59	59	0,0%
Novo Nordisk Group	142	163	-12,9%
Revenue	388	344	12,8%
Cost of goods sold	338	292	15,8%
<b>Gross profit</b>	<b>50</b>	<b>52</b>	<b>-3,8%</b>
<i>Gross profit margin</i>	12,9%	15,1%	-2,2pp
Allocated costs	30	31	-3,2%
<b>Operating profit before special items</b>	<b>20</b>	<b>21</b>	<b>-4,8%</b>
<i>Operating profit margin before special items</i>	5,2%	6,1%	-1pp
Special items	11	3	266,7%
<b>Operating profit</b>	<b>9</b>	<b>18</b>	<b>-50,0%</b>
<i>Operating profit margin</i>	2,3%	5,2%	-2,9pp

## 9M 2021

9M 2021	9M 2020	Change
708	514	37,7%
511	320	59,7%
197	194	1,5%
452	523	-13,6%
1.160	1.037	11,9%
987	867	13,8%
<b>173</b>	<b>170</b>	<b>1,8%</b>
14,9%	16,4%	-1,5pp
87	92	-5,4%
<b>86</b>	<b>78</b>	<b>10,3%</b>
7,4%	7,5%	-0,1pp
46	12	283,3%
<b>40</b>	<b>66</b>	<b>-39,4%</b>
3,4%	6,3%	-2,9pp

## FY 2020

2020
717
456
261
732
1.449
1.205
<b>244</b>
16,8%
123
<b>121</b>
8,4%
22
<b>99</b>
6,8%

# Private & Public

## Q3 2021

DKK million	Q3 2021	Q3 2020	Change
Enterprise	179	164	9,1%
Public	68	91	-25,3%
Finance	63	59	6,8%
Revenue	310	314	-1,3%
Cost of goods sold	287	286	0,3%
<b>Gross profit</b>	<b>23</b>	<b>28</b>	<b>-17,9%</b>
<i>Gross profit margin</i>	<i>7,4%</i>	<i>8,9%</i>	<i>-1,5pp</i>
Allocated costs	22	24	-8,3%
<b>Operating profit before special items</b>	<b>1</b>	<b>4</b>	<b>-75,0%</b>
<i>Operating profit margin before special items</i>	<i>0,3%</i>	<i>1,2%</i>	<i>-0,9pp</i>
Special items	12	3	300,0%
<b>Operating profit</b>	<b>-11</b>	<b>1</b>	<b>-1200,0%</b>
<i>Operating profit margin</i>	<i>-3,5%</i>	<i>0,3%</i>	<i>-3,9pp</i>

## 9M 2021

9M 2021	9M 2020	Change
535	540	-0,9%
241	303	-20,5%
203	201	1,0%
979	1.044	-6,2%
893	938	-4,8%
<b>86</b>	<b>106</b>	<b>-18,9%</b>
<i>8,8%</i>	<i>10,2%</i>	<i>-1,4pp</i>
67	74	-9,5%
<b>19</b>	<b>32</b>	<b>-40,6%</b>
<i>1,9%</i>	<i>3,1%</i>	<i>-1,1pp</i>
46	13	253,8%
<b>-27</b>	<b>19</b>	<b>-242,1%</b>
<i>-2,8%</i>	<i>1,9%</i>	<i>-4,7pp</i>

## FY 2020

2020
712
407
262
1.381
1.238
<b>143</b>
<i>10,4%</i>
99
<b>44</b>
<i>3,2%</i>
22
<b>22</b>
<i>1,6%</i>

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# Balance sheet

Assets DKK million	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
Intangible assets	934	519	781
Tangible assets	501	558	552
Lease assets	192	245	227
Contract assets	69	60	75
Deferred tax	32	25	32
Deposits	34	32	33
<b>Total non-current assets</b>	<b>1.762</b>	<b>1.439</b>	<b>1.700</b>
Inventories	2	2	2
Contract assets	33	38	36
Trade receivables	529	475	497
Work in progress	165	199	145
Other receivables	19	23	21
Pre-payments	111	93	87
Tax receivable	41	32	30
Derivative financial instruments	10	3	1
Cash and cash equivalents	209	150	143
<b>Total Current assets</b>	<b>1.119</b>	<b>1.015</b>	<b>962</b>
<b>Total assets</b>	<b>2.881</b>	<b>2.454</b>	<b>2.662</b>

Equity and liabilities DKK million	Sep 30, 2021	Sep 30, 2020	Dec 31, 2020
Share capital	250	250	250
Treasury shares	-2	-3	-3
Retained earnings	871	888	855
Other reserves	16	-1	-17
Proposed dividends	0	0	49
<b>Total equity</b>	<b>1.135</b>	<b>1.134</b>	<b>1.134</b>
Leasing liability	144	183	171
Employee benefit obligation	42	144	29
Contingent consideration (earn out)	80	42	112
Provisions	25	24	24
Long term loan	36	19	21
Bank overdraft	541	250	304
<b>Total non-current liabilities</b>	<b>868</b>	<b>662</b>	<b>661</b>
Prepayments received, contract assets	35	18	16
Prepayments received, work in progress	86	47	111
Leasing liability	86	76	70
Trade payables	67	81	108
Employee cost payable	183	94	277
Tax payables	13	4	4
Other current liabilities	337	313	247
Derivative financial instruments	1	7	5
Contingent consideration (earn out)	70	16	28
Provisions	0	2	1
<b>Total current liabilities</b>	<b>878</b>	<b>658</b>	<b>867</b>
<b>Total equity and liabilities</b>	<b>2.881</b>	<b>2.454</b>	<b>2.662</b>



# Cash flows

Cash flow DKK million	Q3 2021	Q3 2020	9M 2021	9M 2020	Dec 31, 2020
Net profit for the period	-10	9	-9	58	76
Reversal of non-cash items	88	78	256	282	228
Net interest and taxes paid	1	-12	-26	-43	-58
Changes in working capital	-121	-41	-112	50	282
<b>Cash flow from operating activities</b>	<b>-42</b>	<b>34</b>	<b>109</b>	<b>347</b>	<b>528</b>
Capitalization of intangible assets	-14	-7	-27	-24	-40
Purchase of tangible assets	-10	-25	-33	-70	-95
Change in trade payables related to investments	0	5	-16	-10	0
Payment of deposit	0	0	0	1	0
Acquisition cost refund	0	0	-1	0	0
Acquisition of subsidiary	-79	0	-79	0	-188
Payment of earn-out	0	0	-34	-60	-62
<b>Cash flow from investing activities</b>	<b>-103</b>	<b>-27</b>	<b>-190</b>	<b>-163</b>	<b>-385</b>
Dividends paid	0	-50	-25	-99	-98
Purchase of treasury shares	0	0	-8	0	0
Installments on lease liabilities	-26	-21	-62	-68	-89
Installments on long term loan	-21	-8	-21	-8	-8
Long term loan	27	0	27	0	0
Bank overdraft	206	102	236	19	73
<b>Cash flow from financing activities</b>	<b>186</b>	<b>23</b>	<b>147</b>	<b>-156</b>	<b>-122</b>
<b>Net cash flow</b>	<b>41</b>	<b>30</b>	<b>66</b>	<b>28</b>	<b>21</b>
<b>Free cash flow</b>	<b>-145</b>	<b>7</b>	<b>-81</b>	<b>184</b>	<b>143</b>

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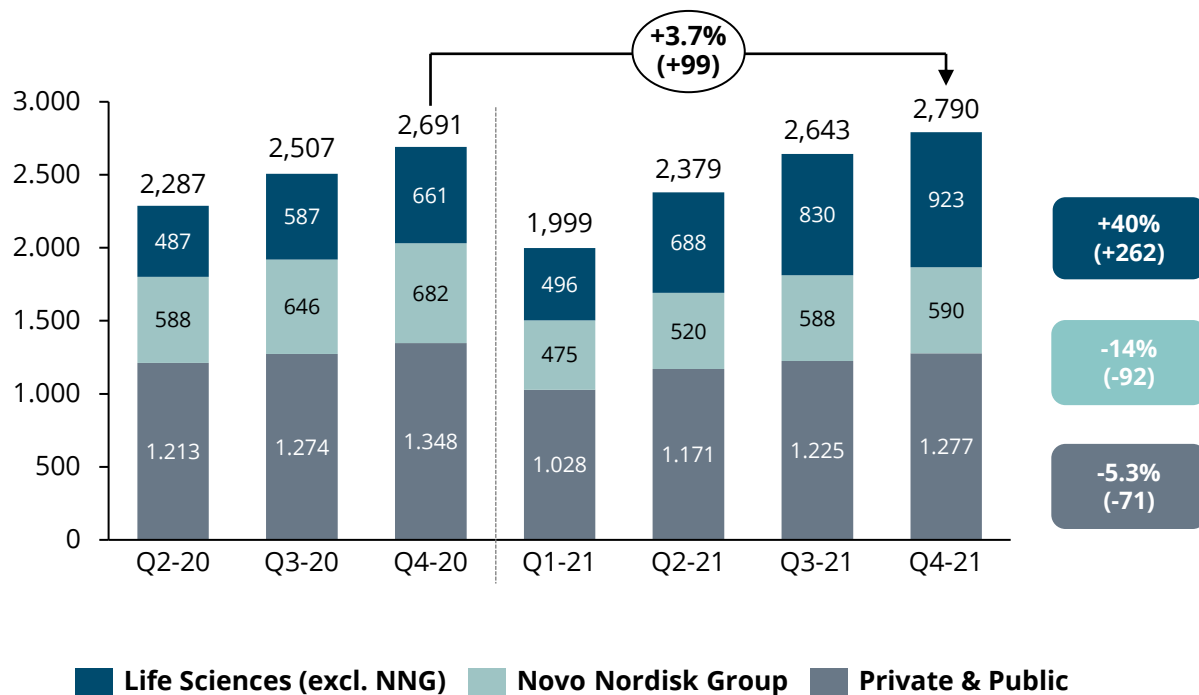
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# Backlog development, current year

Backlog for the year, beginning of Q4 2021



- At the beginning of Q4 2021, NNIT's order entry backlog for 2021 amounted to DKK 2,790 million, up 3.7% from last year.
  - Life Sciences (excl. NNG)** customers increased by 40%.
  - Novo Nordisk Group** decreased by 14%.
  - Private & Public** decreased by 5.3%.
- The high growth forecast within NNIT's project business has a relative low backlog visibility. Therefore, the backlog for the current year should not be used in isolation as a proxy for the upcoming year.

# Outlook

	2021	
Revenue growth	Reported currencies:	1-4%
Operating profit margin	Reported currencies:	Around 5% before special items
CAPEX	Share of revenue:	5-7% <sup>1</sup>

<sup>1</sup>CAPEX investments and re- investments are in 2021 expected to be between 5-7 percent of total revenue excluding acquisitions

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# Closing remarks

**Life Sciences International continued the strong growth in Q3 2021 with revenue increasing 36% compared to Q3 2020**



**Momentum within Winnings Solutions that now constitute 54% of total revenue**

**Strategy established to improve visibility and enable efficiency execution within Infrastructure operations**

**Expectations for 2021 remain, and we maintain our financial guidance**



# Questions



# Investor contact information

## Financial Calendar

### January 25, 2022

- Deadline for NNIT Shareholders to submit resolutions to be considered by the Annual General Meeting

### January 28, 2022

- Annual report 2021

### March 10, 2022

- Annual General Meeting

## Investor contact

### Pernille Fabricius



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**We make a mark**  
nnit.com