

NNIT

Danske Bank Winter Seminar
Copenhagen
30 November 2016

Leveraging Our Compliance DNA Drives Diversification

Our Core



Life Sciences

**DKK 1,650m
(64%)**

Leveraging Our Compliance DNA



Public

**DKK 375m
(14%)**



Finance

**DKK 191m
(7%)**



Enterprise

**DKK 385m
(15%)**

**DKK 860m
(33%)**

IT Solutions Services:

Advisory services, business solutions and application management

**DKK 1,740m
(67%)**

IT Operations Services:

Infrastructure outsourcing and related consulting, support services

See Note ⁽¹⁾



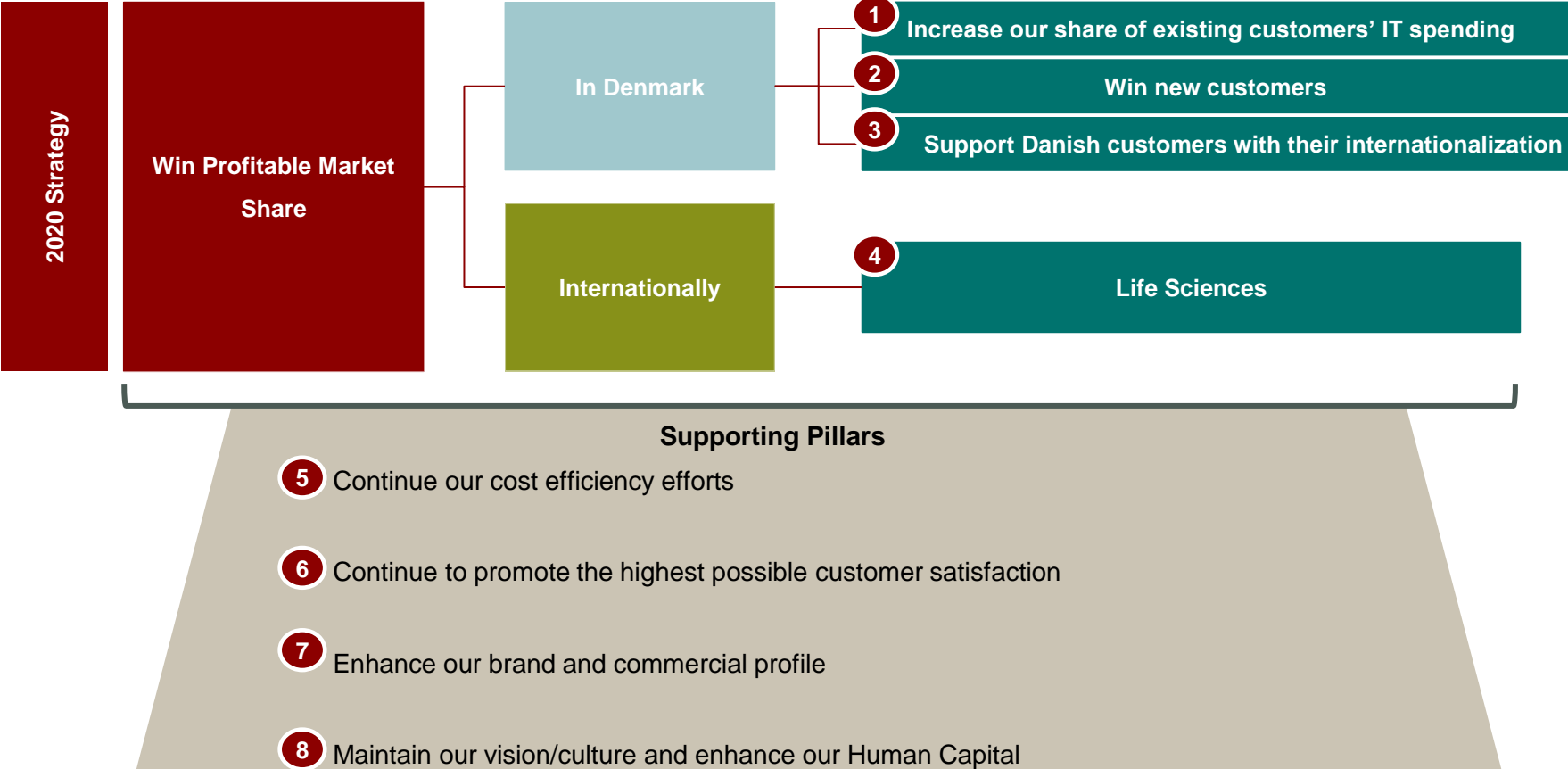
Danmarks Apotekerforening



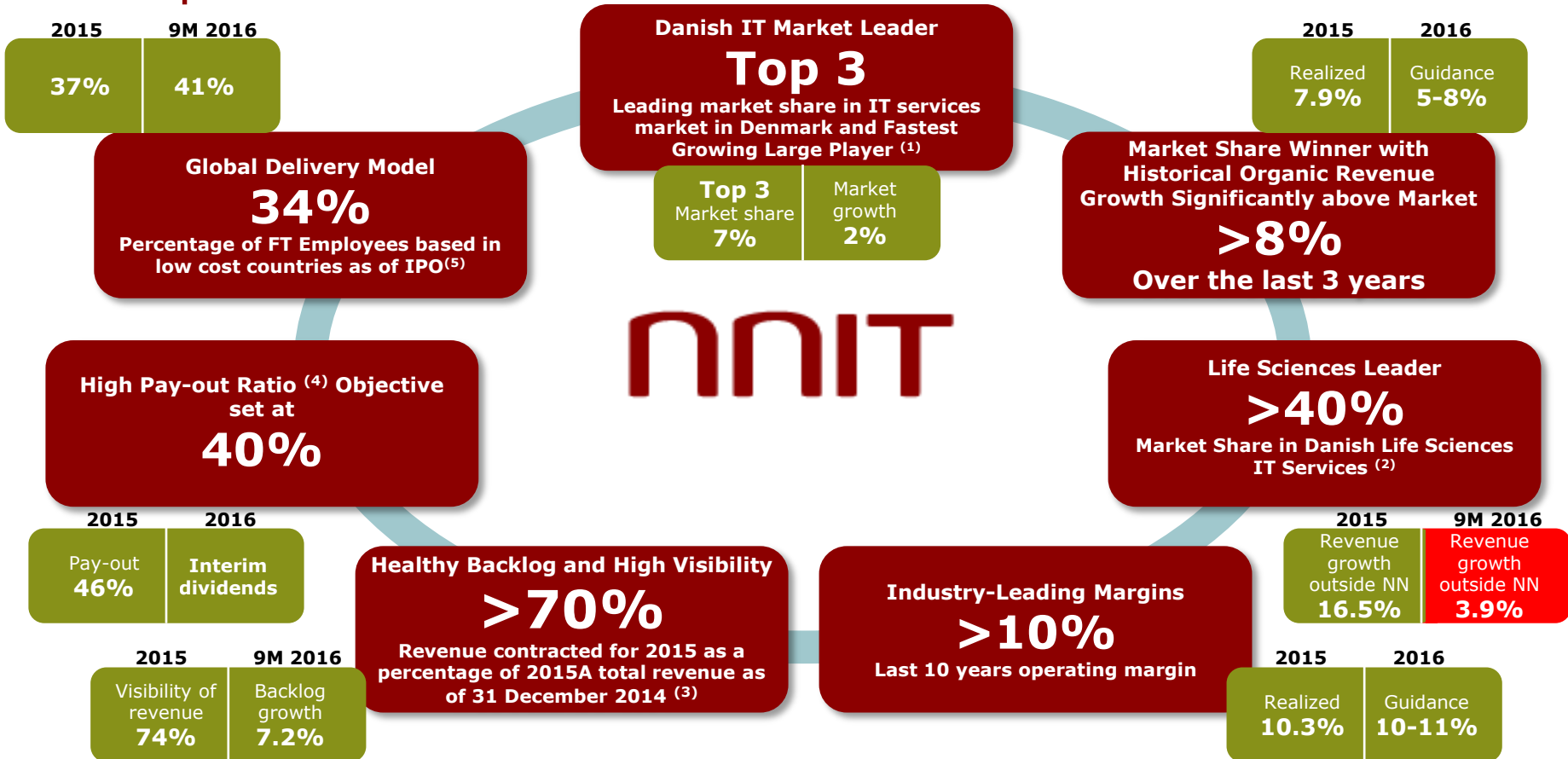
Revenue 2015
(contribution to total - %)

Note
1. Selection of current NNIT customers, as of June 2016

The Key Pillars of Our Growth Strategy



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 Danish IT Services competitors with revenues above DKK 750m 2011-2014
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 31st December 2014. Low cost countries are China, Philippines and Czech Republic



2016
First nine months
Highlights

First nine months of 2016 at a glance

Revenue

DKK 1,996m

+6.3%

+6.4% organic*

Operating profit

DKK 196m

+11.0%

+5.7% organic*

Operating profit margin

9.8%

+0.4pp

-0.1pp organic*

Net profits

DKK 143m

-0.6%

Order backlog

DKK 2,662m

+7.2%

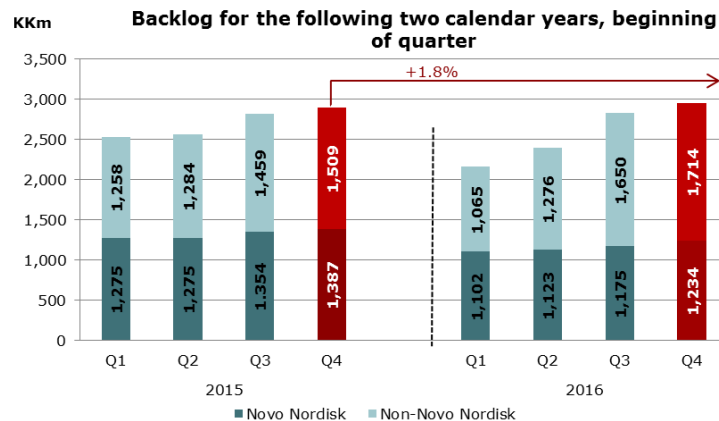
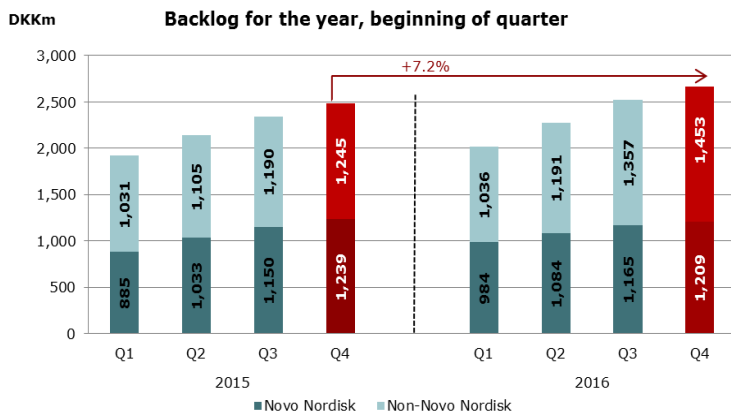
Free cash flow

DKK 118m

-DKK 4m

*Organic is growth in constant currencies using Q3 2015 average exchange rates

First nine months of 2016 - main contract wins



First nine months of 2016 - other main events

Datacenter

- New Datacenter investment of DKK 250 million will start in 2016
- Completed end of 2017, driven by customer demand
- Two self owned and one leased datacenter

Operational excellence

- Ensure continued competitiveness
- Ensure delivery on long-term targets of at least 5% revenue growth and at least 10% operating profit margin in the 2020 strategy period

Announced new partnerships within IDMP

Besides existing partnerships with SAS and Paraxel



Interim dividends for the financial year 2016

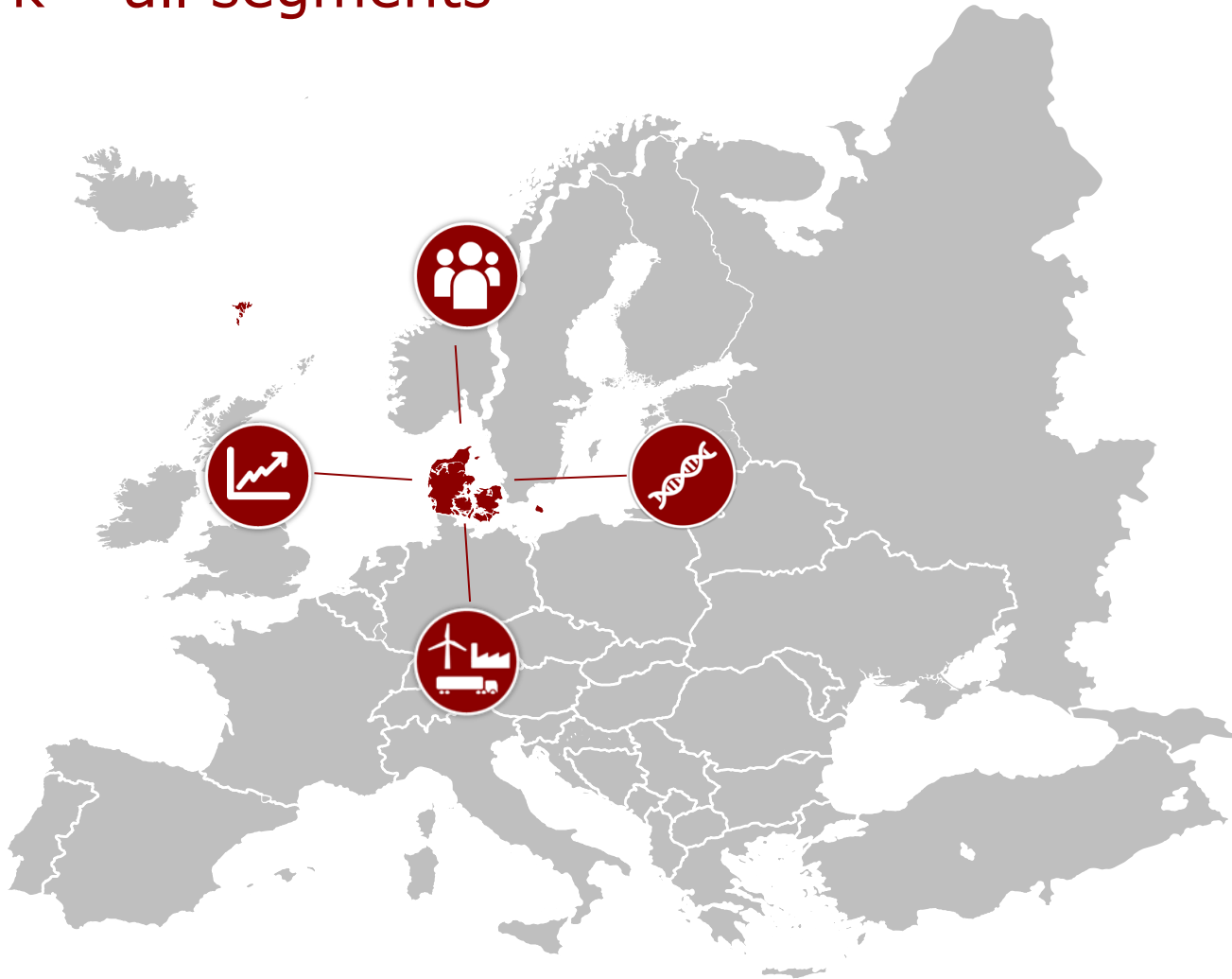
- DKK 2.00 per share based on strong cash flow

Outlook

	2016	Previous guidance
Revenue growth	5-8% in constant currencies Around 0.1pp lower in reported currencies	5-8% in constant currencies Around 0.1pp lower in reported currencies
Operating margin	10-11% in constant currencies Around 0.5pp higher in reported currencies	10-11% in constant currencies Around 0.5pp higher in reported currencies
Capex	Around 6% of revenue NNIT expects total data center investments of around DKK 250m in 2016-2018	6-7% of revenue (incl. up to 2% investment in new data center) NNIT expects total data center investments of around DKK 250m in 2016-2018

Our markets

Denmark – all segments

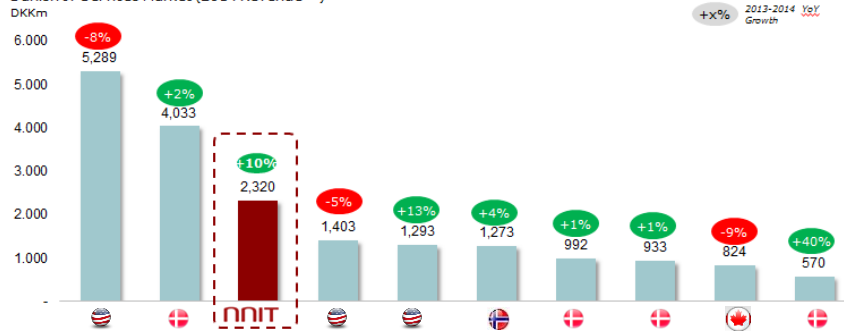


Danish IT services market

Third largest player in the Danish IT service and fastest growing among the largest players⁽¹⁾

Danish IT Services Market Development vs. NNIT

Danish IT Services Market (2014 Revenue ⁽¹⁾)
DKKbn



CAGR 2012-2015²:

NNIT 8.6%

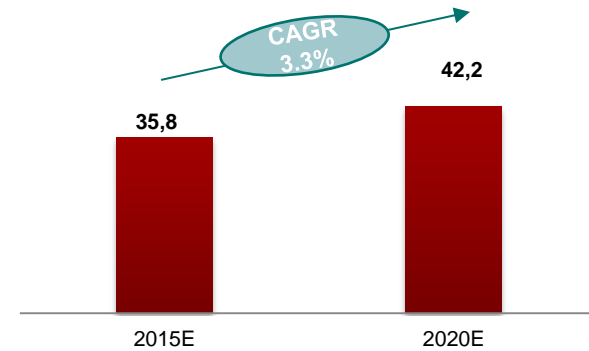
Danish IT service market 1.8%

Source: ¹IDC 2015, ²IDC(2014,2015), Gartner (2016), NNIT

Danish IT Services Market

DKKbn

Estimated Market Size ³

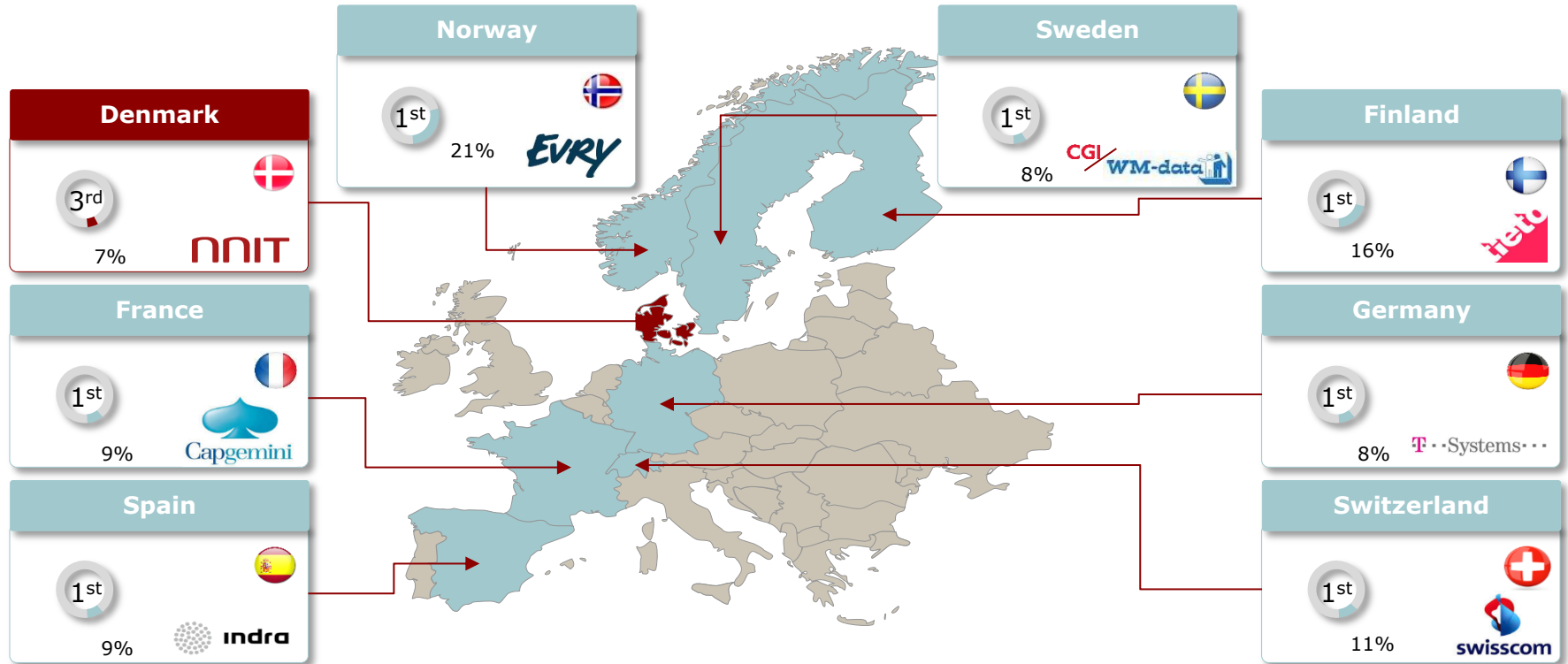


Source: ³Gartner 2016

Space to Grow Further As The Leading Local Provider – As Seen In Other European Countries

2015 Market Share of Leading Local IT Services Providers in Their Country of Origin

% market share and ranking



Source: IDC (2015); Gartner (2016)

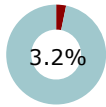
Market situation for our Danish segments



Enterprise

Market size 2015E: 12.0bn

Market size 2020E: 14.2bn CAGR: 3.4%



NNIT estimated market share

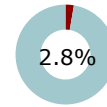
- Still a significant portion of larger companies run IT in-house
- Opportunities to follow Danish clients internationally
- Security and future digital workplace



Public

Market size 2015E: 13.9bn

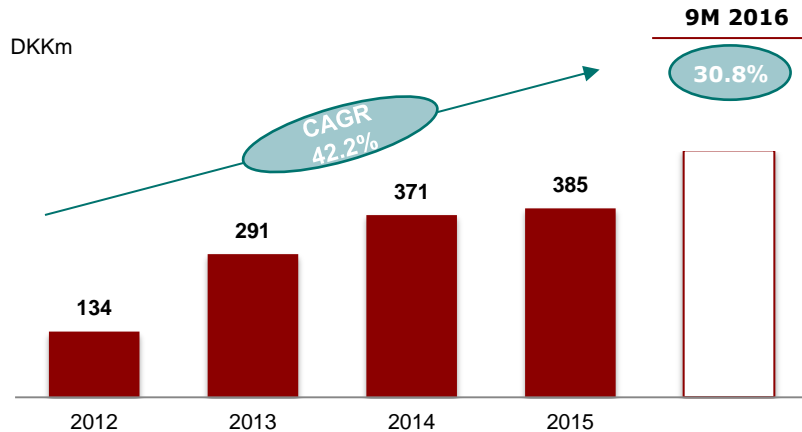
Market size 2020E: 15.7bn CAGR: 2.7%



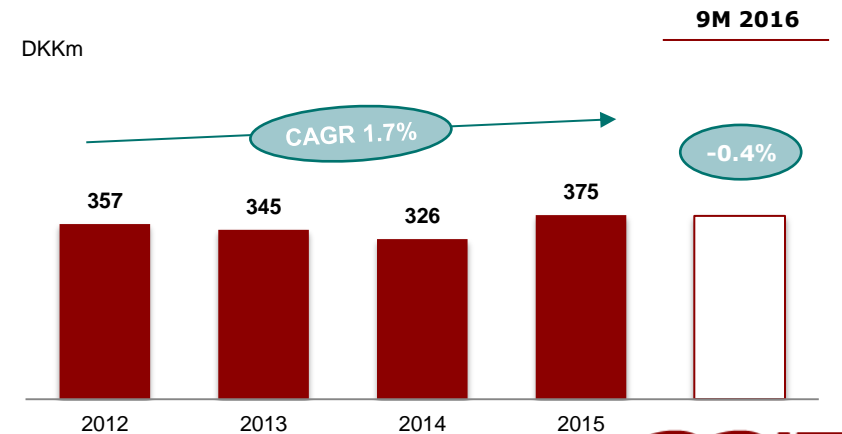
NNIT estimated market share

- NNIT targeting Regions and Central Government
- Rigorous contract regime and T&C
- Public tenders are regulated by law

NNIT Growth in Revenue



NNIT Growth in Revenue



Source: Gartner (2016), Novo Nordisk data is from IPO (2014), NNIT estimates

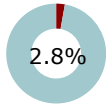
Market situation for our Danish segments



Finance

Market size 2015E: 6.8bn

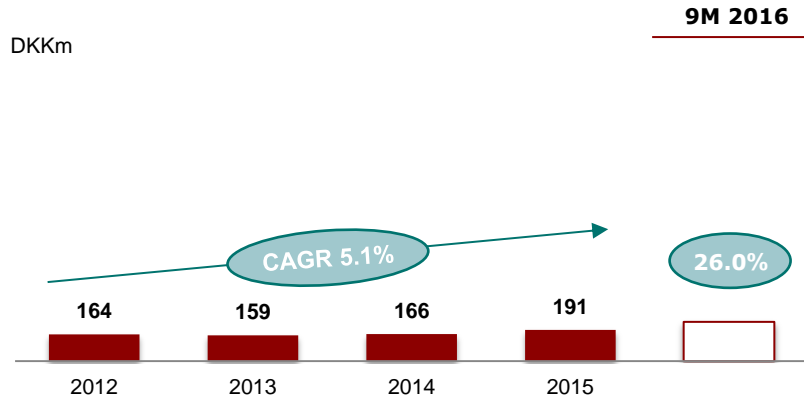
Market size 2020E: 8.5bn CAGR: 4.5%



NNIT estimated market share

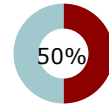
- Large and mature IT organizations with significant use of outsourcing but a recent trend of insourcing
- Market is being disrupted
- Mainframe is still significant part of the IT landscape

NNIT Growth in Revenue



Novo Nordisk

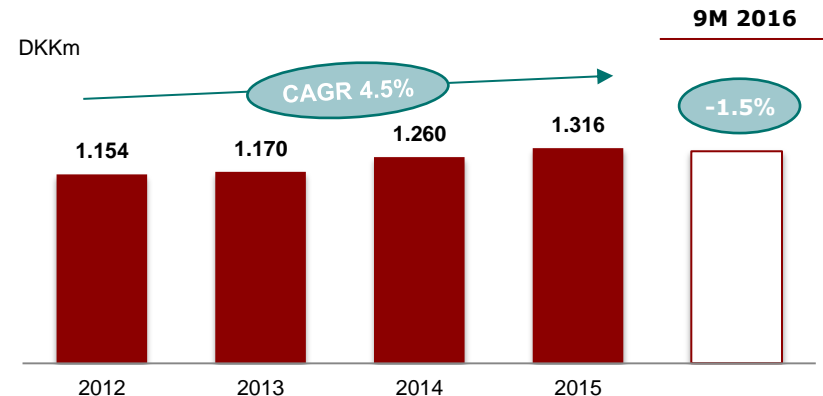
Market size 2015E: 2.6bn



NNIT estimated market share

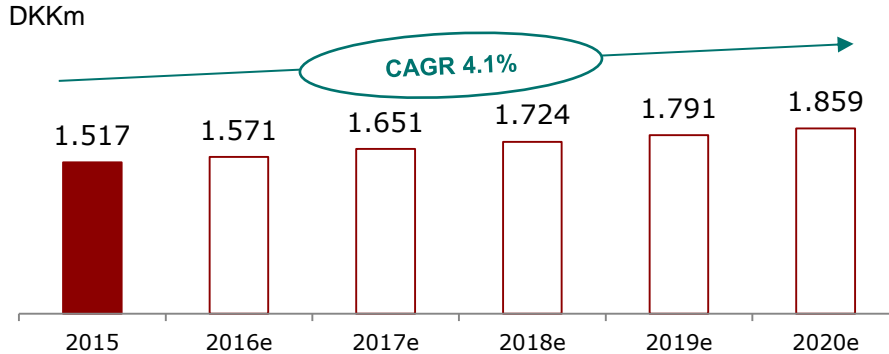
- More challenging and uncertain due to Novo Nordisk situation
- NNIT strong at HQ/corporate systems and selected regions but low markets shares in North America
- IT cost development will vary significant across areas

NNIT Growth in Revenue

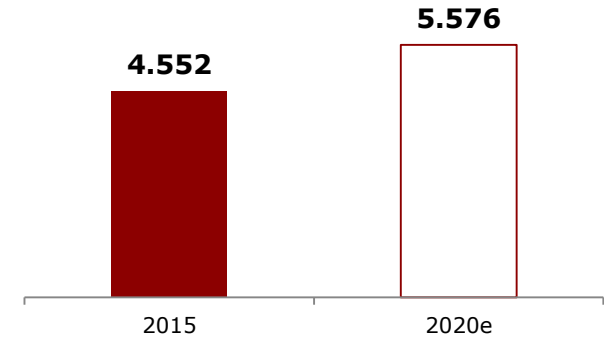


The Danish ERP Market

Estimated growth in sale of ERP licenses in Denmark

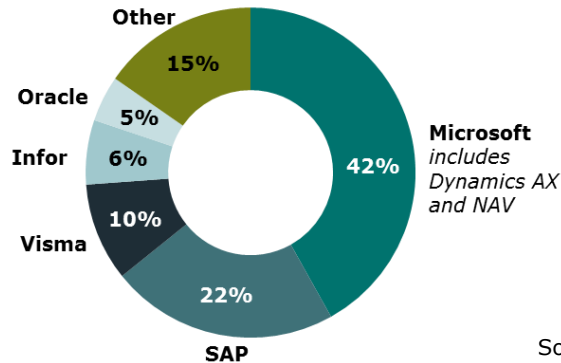


Estimated ERP service market in Denmark



ERP license sales market share in Denmark (2015)

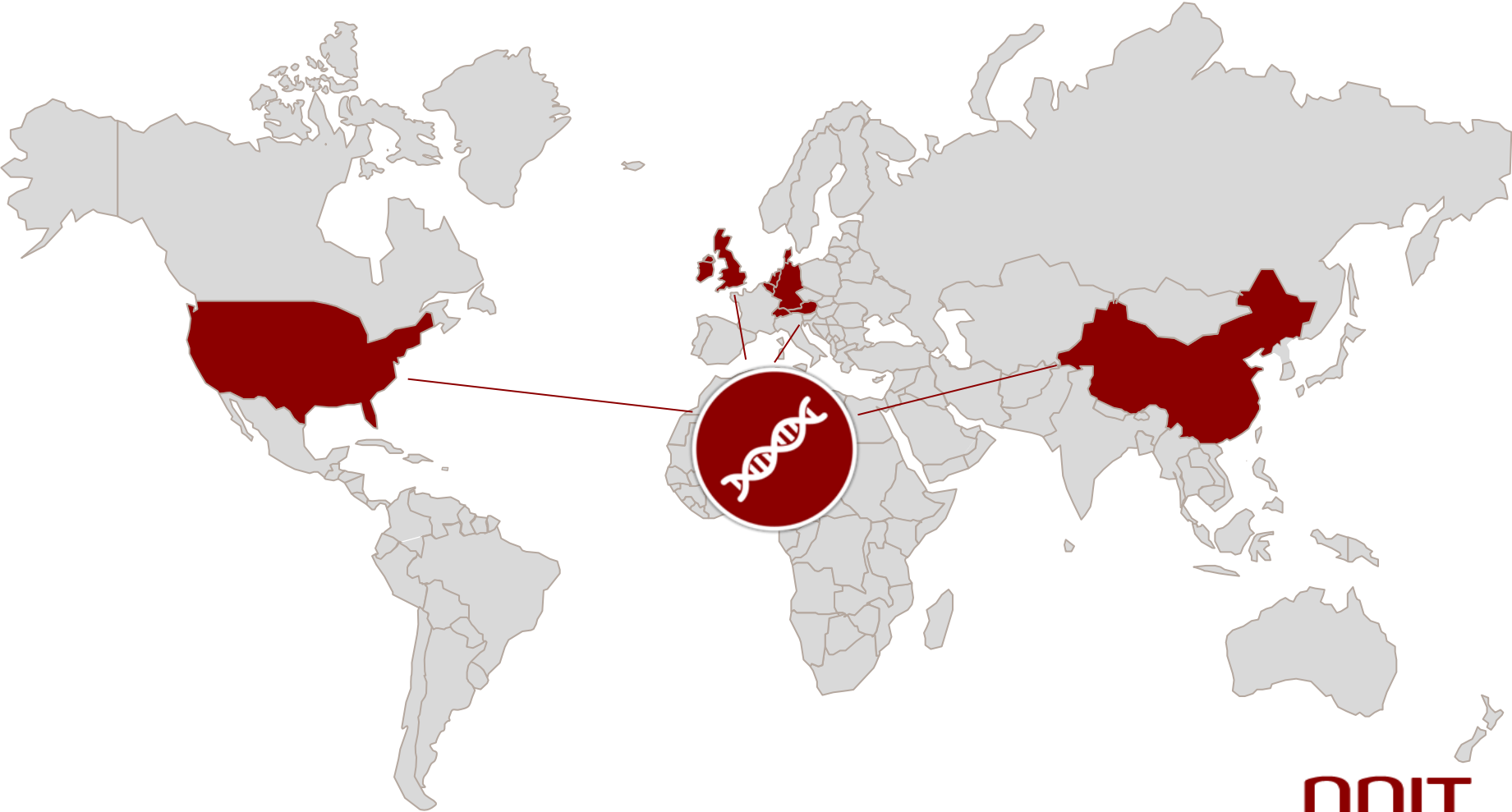
DKKkm



- NNIT is a Top 2 SAP IT service provider in Denmark
- Interesting growth opportunities within MS Dynamix AX
- Examples of current clients running MS Dynamix AX are: Pandora, Widex, Danish Pharmacies....and NNIT

Source: Gartner, 2016

International – Life sciences



Strong Expertise in Life Sciences and focused strategy

NNIT Delivers Value Added and Leading-edge Solutions tailored to Well- Recognized Pharmaceutical Groups by focusing...



Pharma value chain

- Drug development
 - Regulatory Affairs
 - Quality management
 - Supply Chain
- Regulatory driven



Selected Pharmaceutical companies

- Tier 1 – Focused offerings
- Tier 2 – Scale fit



Geographical Focus

- US east cost
- Swiss pharma area (Zurich-Basel)
- Germany (Frankfurt area)
- UK (South England)
- China (mainland)

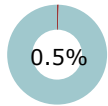
Market situation for our international segment



Life sciences (non-Novo Nordisk)

Market size 2015E: 66.3bn

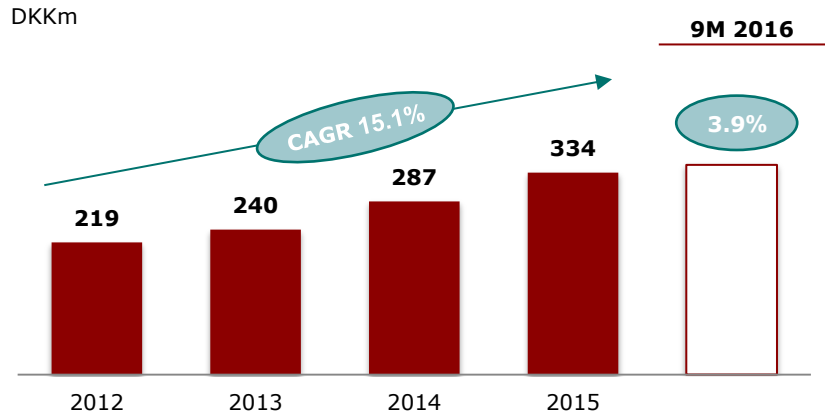
Market size 2020E: 85.0bn CAGR: 5.1%



NNIT estimated market share

- Regulatory driven changes
- High degree of in-house IT but cost focus drives outsourcing acceptance
- Significant potential
- Not a generalist market

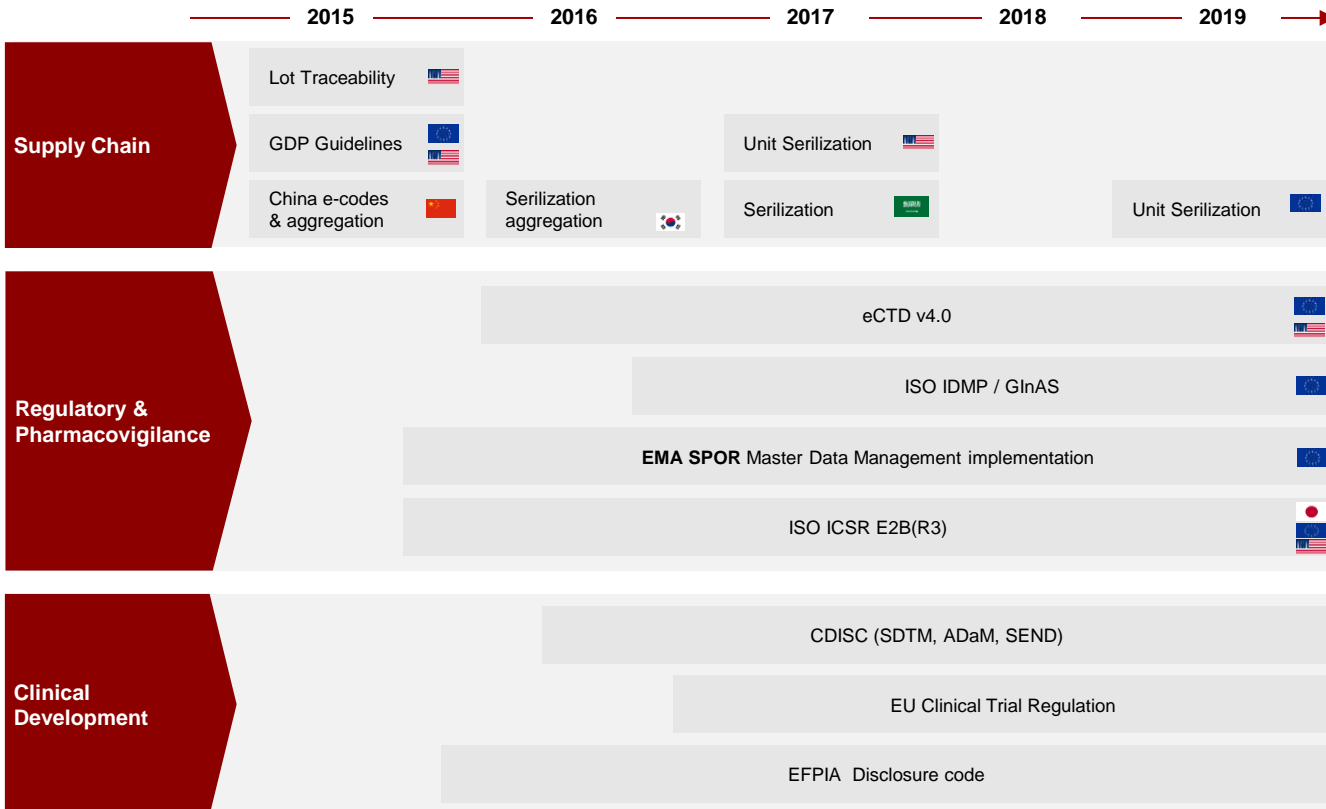
NNIT Growth in Revenue



Source: Gartner (2016)

Regulatory requirements affect data and systems and drives IT investments. NNIT will focus on five regulatory related offerings during 2016 - 2018

NNIT offerings 2016/2017



- Advanced Track and Trace (**ATTP**)
- SAP's solution for Serialization.
 - NNIT is qualified SAP AT&T implementation partner and have two Proof of Concept ongoing

Standardization of Medical Products (**IDMP**)

- 15 global IDMP advisory projects. IT implementations will start Q4 2016
- NNIT have productized FDA's substance database (**GlnAS**)

Integrated Clinical Environment (**ICE**)

- Regulatory Submissions in Electronic Format.
- NNIT ICE is implementation and hosting of a Clinical Information Environment. 10 global references

Electronic Trial Master File (**eTMF**)

- EMA is enforcing inspector control of the electronic Trial Master File and access to the related IT systems