

## Bouvet

### Price is what you pay, value is what you get

- Q3: EBIT 13% above ABGSCe - NOK 1/sh special dividend
- Large Statnett tender in the market
- 6% running FCF yield – BUY, TP NOK 80 (78)

#### Q3: Utilisation-driven beat

Bouvet's Q3 report exceeded our expectations. Revenues grew 13% y-o-y and EBIT was 13% better than ABGSCe and 17% above Factset consensus. The beat was driven by a higher billing ratio. The 79.4% utilisation (+2.5pp y-o-y) compares to the '17-'19 Q3 average of 76.3% and is the highest Q3 billing ratio on record. Management reiterated solid demand prospects for the core sectors (O&G, Utilities and Public/Defence), and the announcement of a special dividend of NOK 1/sh is supportive for the short-term outlook. We lift our '24e-'26e EBIT by 5-4% primarily driven by higher margin expectations.

#### Oil & Gas (EQNR) + Utilities + Defence = 70% of revenue

Bouvet has outperformed Nordic peers in recent quarters, driven by its focused sector exposure and strong strategic partnerships. Its revenue composition is distinct, with Oil & Gas (~40%), Utilities (~20%), and Defence (~10%) accounting for >70% of sales. In Q3'23, Utilities revenue surged by 38%, Defence by ~20%, and Oil & Gas (EQNR) by ~6%. We expect these trends to continue, with Utilities and Defence as primary growth drivers, while Equinor's growth contribution may be more neutral. In October, Statnett issued a new frame agreement tender valued at up to NOK 8bn over eight years (including options). Multiple IT-consultants are expected to receive contracts, but we believe Bouvet is well-positioned to secure the key contracts in the tender.

#### Valuation not a drag on total return from here

We model a '23-'26e EPS CAGR of ~10% and a dividend yield of ~5% – i.e. the expected return on our estimates is ~15% p.a., assuming a flat multiple. The share is trading at a '25e P/E of 17.9x (16.7x ex. pre-lease net cash), vs. the 8Y average of 19x. Running FCF to equity yield is ~6%, and we see limited downside risk on valuation from here. BUY, TP NOK 80 (78).

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| NOKm                 | 2022  | 2023  | 2024e | 2025e | 2026e |
|----------------------|-------|-------|-------|-------|-------|
| Sales                | 3,097 | 3,526 | 3,967 | 4,292 | 4,696 |
| EBITDA               | 481   | 504   | 627   | 652   | 696   |
| EBITDA margin (%)    | 15.5  | 14.3  | 15.8  | 15.2  | 14.8  |
| EBIT adj.            | 402   | 407   | 510   | 534   | 572   |
| EBIT adj. margin (%) | 13.0  | 11.5  | 12.8  | 12.4  | 12.2  |
| Pretax profit        | 401   | 418   | 510   | 534   | 574   |
| EPS                  | 3.04  | 3.14  | 3.81  | 4.02  | 4.32  |
| EPS adj.             | 3.04  | 3.14  | 3.81  | 4.02  | 4.32  |
| Sales growth (%)     | 14.9  | 13.8  | 12.5  | 8.2   | 9.4   |
| EPS growth (%)       | 17.7  | 3.1   | 21.6  | 5.5   | 7.4   |

Source: ABG Sundal Collier, Company Data

#### Reason: Post-results comment

BUY ● HOLD ○ SELL ○

#### IT

##### Estimate changes (%)

|       | 2024e | 2025e | 2026e |
|-------|-------|-------|-------|
| Sales | 0.6   | 0.4   | 0.6   |
| EBIT  | 5.1   | 4.0   | 3.6   |
| EPS   | 5.4   | 3.5   | 3.2   |

Source: ABG Sundal Collier

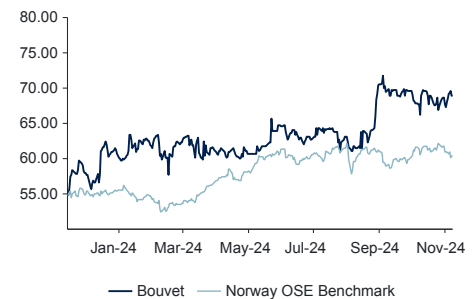
#### BOUV-NO/BOUVET NO

|                   |            |       |
|-------------------|------------|-------|
| Share price (NOK) | 11/11/2024 | 71.90 |
| Target price      | (78.0)     | 80.0  |

|                      |       |
|----------------------|-------|
| MCap (NOKm)          | 7,183 |
| MCap (EURm)          | 608   |
| No. of shares (m)    | 103.8 |
| Free float (%)       | 79.4  |
| Av. daily volume (k) | 21    |

**Next event** Q4 Report 14 February 2025

#### Performance



|                        | 2024e | 2025e | 2026e |
|------------------------|-------|-------|-------|
| P/E (x)                | 18.9  | 17.9  | 16.6  |
| P/E adj. (x)           | 18.9  | 17.9  | 16.6  |
| P/BVPS (x)             | 16.64 | 14.69 | 12.92 |
| EV/EBITDA (x)          | 11.7  | 11.2  | 10.4  |
| EV/EBIT adj. (x)       | 14.4  | 13.7  | 12.6  |
| EV/sales (x)           | 1.85  | 1.70  | 1.54  |
| ROE adj. (%)           | 87.8  | 87.3  | 82.6  |
| Dividend yield (%)     | 5.0   | 5.0   | 5.3   |
| FCF yield (%)          | 6.7   | 7.0   | 7.4   |
| Le. adj. FCF yld. (%)  | 5.5   | 5.7   | 6.1   |
| Net IB debt/EBITDA (x) | -0.2  | -0.3  | -0.3  |
| Le. adj. ND/EBITDA (x) | -0.9  | -0.9  | -1.0  |

## Company description

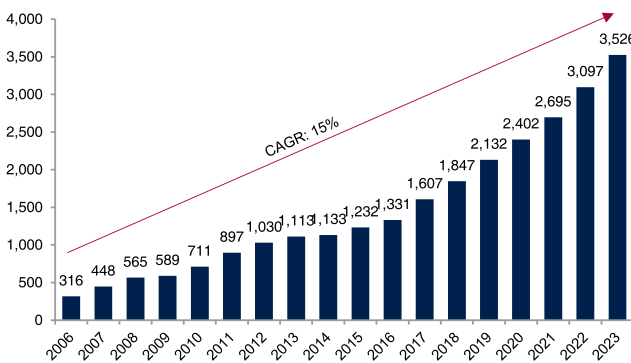
Bouvet is a Scandinavian IT consultancy that works for customers in all major industries (public and private). It provides services in IT, digital communications and business management. At the end of 2015, it had 1,036 employees in 14 offices in Norway and Sweden. Norway had a 96% revenue share in 2015. It helps its customers with designing digital solutions that can create new business opportunities. It has structured its business with regional offices and sees this as providing a competitive edge and helping to establish long-term relationships with customers.

[Sustainability information](#)

## Risks

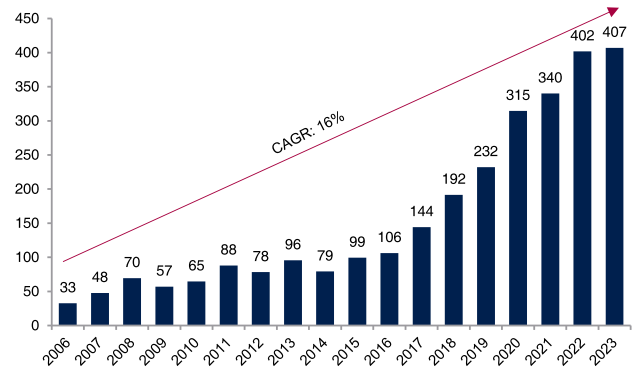
As a consultancy firm Bouvet has a high share of fixed costs and we view the operational leverage as fairly high. The company is therefore vulnerable to a general decrease in the industry's activity level. The company has a net cash position and we assess the financial leverage and interest rate risk as very low. As a mostly Norwegian business, we also view the currency risk also as low.

### Revenues, NOKm



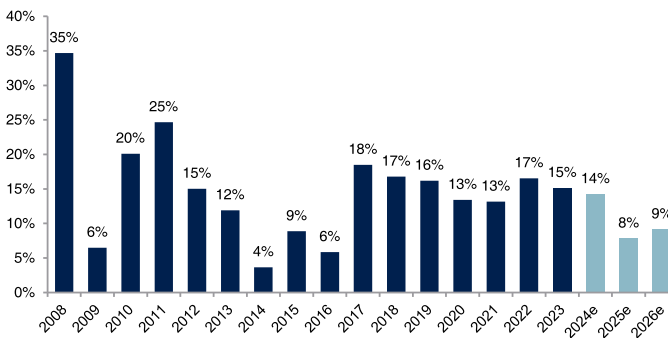
Source: ABG Sundal Collier, Company data

### EBIT, NOKm



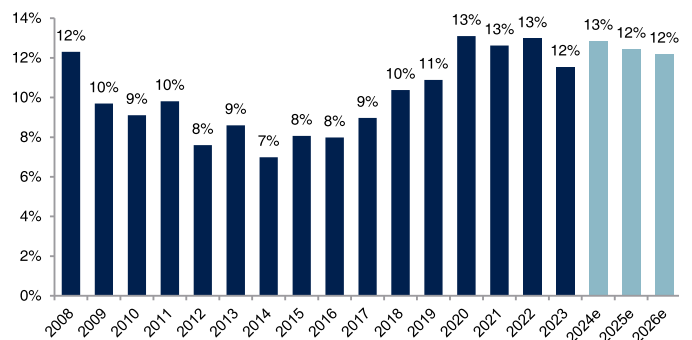
Source: ABG Sundal Collier, Company data

### Gross profit growth, y-o-y



Source: ABG Sundal Collier, Company data

### EBIT margin



Source: ABG Sundal Collier, Company data

## Bouvet: Deviation table

|                                  | Q3-23        | Q4-23        | Q1-24        | Q2-24        | Q3-24        | ABGSC         | Cons.         | Deviation ABGSC |             | Deviation Cons. |             |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|-----------------|-------------|-----------------|-------------|
|                                  |              |              |              |              |              | Q3-24e        | Q3-24e        | %               | Δ           | %               | Δ           |
| <b>Bouvet P&amp;L, NOKm</b>      |              |              |              |              |              |               |               |                 |             |                 |             |
| <b>Sales</b>                     | <b>778</b>   | <b>970</b>   | <b>1,016</b> | <b>1,001</b> | <b>879</b>   | <b>871</b>    | <b>874</b>    | <b>1%</b>       | <b>8</b>    | <b>1%</b>       | <b>5</b>    |
| <b>COGS</b>                      | <b>-70</b>   | <b>-92</b>   | <b>-88</b>   | <b>-83</b>   | <b>-71</b>   | <b>-73</b>    | <b>n.a.</b>   | <b>3%</b>       | <b>2</b>    |                 |             |
| <b>Gross profit</b>              | <b>708</b>   | <b>877</b>   | <b>928</b>   | <b>918</b>   | <b>807</b>   | <b>798</b>    | <b>n.a.</b>   | <b>1%</b>       | <b>10</b>   |                 |             |
| Personell expenses               | -525         | -661         | -696         | -680         | -581         | -596          | n.a.          | 2%              | 15          |                 |             |
| Other opex                       | -78          | -83          | -66          | -73          | -96          | -84           | n.a.          | -14%            | -12         |                 |             |
| <b>EBITDA</b>                    | <b>105</b>   | <b>134</b>   | <b>165</b>   | <b>165</b>   | <b>130</b>   | <b>118</b>    | <b>115</b>    | <b>10%</b>      | <b>12</b>   | <b>13%</b>      | <b>15</b>   |
| D&A                              | -25          | -27          | -30          | -30          | -29          | -29           | -29           | -3%             | -1          |                 |             |
| <b>EBIT</b>                      | <b>80</b>    | <b>106</b>   | <b>135</b>   | <b>136</b>   | <b>101</b>   | <b>90</b>     | <b>86</b>     | <b>13%</b>      | <b>11</b>   | <b>17%</b>      | <b>15</b>   |
| PTP                              | 82           | 112          | 135          | 136          | 101          | 89            | 86            | 13%             | 12          | 17%             | 15          |
| Net income                       | 63           | 88           | 105          | 104          | 78           | 69            | 66            | 12%             | 9           | 18%             | 12          |
| <b>EPS</b>                       | <b>0.61</b>  | <b>0.85</b>  | <b>1.02</b>  | <b>1.01</b>  | <b>0.75</b>  | <b>0.67</b>   | <b>0.64</b>   | <b>12%</b>      | <b>0.08</b> | <b>17%</b>      | <b>0.11</b> |
| Revenue growth                   | 11.2%        | 13.9%        | 7.5%         | 20.2%        | 12.9%        | 11.9%         | 12.3%         | 1.0%            | -           | 0.6%            | -           |
| EBIT margin                      | 10.3%        | 11.0%        | 13.3%        | 13.5%        | 11.5%        | 10.3%         | 9.8%          | 1.2%            | -           | 1.7%            | -           |
| <b>Operational metrics</b>       | <b>Q3-23</b> | <b>Q4-23</b> | <b>Q1-24</b> | <b>Q2-24</b> | <b>Q3-24</b> | <b>Q3-24e</b> | <b>Q3-24e</b> | <b>%</b>        | <b>Δ</b>    | <b>%</b>        | <b>Δ</b>    |
| Employees, #                     | 2,269        | 2,311        | 2,316        | 2,331        | 2,389        | 2,381         | n.a.          | 0%              | 8           |                 |             |
| Avg. Employees, #                | 2,226        | 2,306        | 2,317        | 2,328        | 2,372        | 2,356         | n.a.          | 1%              | 16          |                 |             |
| Billing ratio, %                 | 76.9%        | 78.6%        | 81.3%        | 81.5%        | 79.4%        | 77.0%         | n.a.          | 2.4%            | -           |                 |             |
| Rate growth, %                   | 5.1%         | 5.2%         | 5.1%         | 5.4%         | 5.0%         | 5.2%          | n.a.          | -0.2%           | -           |                 |             |
| General growth in pay, %         | 3.7%         | 3.9%         | 4.3%         | 4.0%         | 4.5%         | 4.4%          | n.a.          | 0.1%            | -           |                 |             |
| <b>NOK 000's / avg. employee</b> | <b>Q3-23</b> | <b>Q4-23</b> | <b>Q1-24</b> | <b>Q2-24</b> | <b>Q3-24</b> | <b>Q3-24e</b> | <b>Q3-24e</b> | <b>%</b>        | <b>Δ</b>    | <b>%</b>        | <b>Δ</b>    |
| Revenue / emp                    | 349          | 420          | 438          | 430          | 370          | 370           | n.a.          | 0%              | 1           |                 |             |
| Gross profit / emp               | 318          | 380          | 400          | 394          | 340          | 339           | n.a.          | 1%              | 2           |                 |             |
| Employee benefits / emp          | -236         | -287         | -301         | -292         | -245         | -253          | n.a.          | 3%              | 8           |                 |             |
| <b>Contribution margin / emp</b> | <b>82</b>    | <b>94</b>    | <b>100</b>   | <b>102</b>   | <b>95</b>    | <b>86</b>     | <b>n.a.</b>   | <b>11%</b>      | <b>10</b>   |                 |             |
| Other opex / emp                 | -35          | -36          | -28          | -31          | -41          | -36           | n.a.          | -14%            | -5          |                 |             |
| D&A / emp                        | -11          | -12          | -13          | -13          | -12          | -12           | n.a.          | -2%             | 0           |                 |             |
| <b>EBIT / emp</b>                | <b>36</b>    | <b>46</b>    | <b>58</b>    | <b>58</b>    | <b>43</b>    | <b>38</b>     | <b>n.a.</b>   | <b>12%</b>      | <b>5</b>    |                 |             |

Source: ABG Sundal Collier, Company data

Bouvet's Q3'24 report was better than expected. Revenues were NOK 879m (+13% y-o-y), 1% above ABGSCe at NOK 871m and Factset consensus at NOK 874m. EBIT came in at NOK 101m (11.5% margin), above our NOK 90m (10.3% margin) forecast and consensus at NOK 86m (9.8% margin). The beat vs. our estimate was driven by better utilisation. The utilisation was 79.4% (ABGSCe 77.0%), which is the highest Q3 utilisation in the company's history. It compares to the pre-pandemic ('17-'19) average of 76.3%. EPS was NOK 0.75 vs. our NOK 0.67 estimate and consensus at NOK 0.64. FCF (after lease) was NOK 110m, which compares to our forecast of NOK 24m and NOK -146m in Q3'23 (WC release). The company announced an extraordinary dividend of NOK 1/sh, which we believe reflects the current operations and short-term outlook.

The number of employees ended Q3 at 2,389. This is up 5.3% y-o-y and compares to our estimate of 2,381 (+4.9% y-o-y). Hourly rates were up 5.0% vs. our 5.2% expectation. The general growth in pay rate was 4.5% y-o-y, which compares to our forecast of 4.4% (4.0% in Q2). As such, Bouvet continues to defend against inflation through higher hourly rates.

Bouvet reiterated that there is strong demand in the core sectors (O&G, utilities and public/defence). The company also stated that it has experienced a reduced turnover. Oil & Gas revenues (Equinor) were up +6% y-o-y, Power supply/utilities +38% y-o-y and public/defence +15% y-o-y.

## Estimate changes

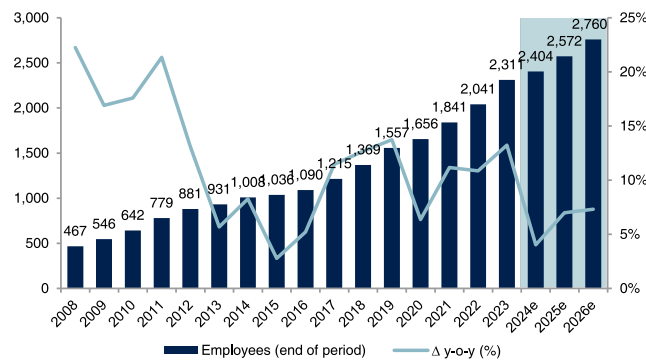
We lift '24e EBIT by ~5% driven by the Q3 earnings beat and higher utilisation expectations for Q4. We lift '25e-'26e EBIT by ~4% on a mix of slightly higher utilisation, employee growth, and rates. We model costs of NOK 10-13m related to the temporary employer tax in H2'24e. The temporary tax will not be continued in FY'25e, which will lift FY'25e EBIT by NOK 10m-13m mechanically, all else equal. As such, we believe our '25e EBIT of NOK 534m (margin -0.6pp y-o-y adj. for the temporary employer tax) reflects weak market fundamentals outside Bouvet's core/long-term customers far into next year.

## Estimate changes

| Estimate changes   |             |             |             |             |             |             |             |             |             |             |             |             |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                    | 2024        |             |             |             | 2025        |             |             |             | 2026        |             |             |             |
|                    | Old         | New         | %           | Δ           | Old         | New         | %           | Δ           | Old         | New         | %           | Δ           |
| Sales              | 3,945       | 3,967       | 0.6%        | 22          | 4,276       | 4,292       | 0.4%        | 16          | 4,667       | 4,696       | 0.6%        | 29          |
| Gross profit       | 3,605       | 3,631       | 0.7%        | 26          | 3,898       | 3,923       | 0.6%        | 25          | 4,249       | 4,283       | 0.8%        | 33          |
| % margin           | 91.4%       | 91.5%       | 0.1%        | -           | 91.1%       | 91.4%       | 0.3%        | -           | 91.1%       | 91.2%       | 0.2%        | -           |
| Personell expenses | -2,693      | -2,681      | -0.4%       | 12          | -2,929      | -2,926      | -0.1%       | 3           | -3,210      | -3,215      | 0.2%        | -5          |
| Opex               | -311        | -323        | 4.0%        | -12         | -337        | -345        | 2.3%        | -8          | -362        | -372        | 2.6%        | -10         |
| <b>EBIT</b>        | <b>485</b>  | <b>510</b>  | <b>5.1%</b> | <b>25</b>   | <b>514</b>  | <b>534</b>  | <b>4.0%</b> | <b>20</b>   | <b>553</b>  | <b>572</b>  | <b>3.6%</b> | <b>20</b>   |
| % margin           | 12.3%       | 12.8%       | 0.6%        | -           | 12.0%       | 12.4%       | 0.4%        | -           | 11.8%       | 12.2%       | 0.4%        | -           |
| <b>EPS</b>         | <b>3.62</b> | <b>3.81</b> | <b>5.4%</b> | <b>0.19</b> | <b>3.89</b> | <b>4.02</b> | <b>3.5%</b> | <b>0.13</b> | <b>4.18</b> | <b>4.32</b> | <b>3.2%</b> | <b>0.13</b> |
| Key drivers        |             |             |             |             |             |             |             |             |             |             |             |             |
| Avg. Employees, #  | 2,347       | 2,353       | 0.3%        | 6           | 2,472       | 2,483       | 0.4%        | 11          | 2,644       | 2,663       | 0.7%        | 19          |
| Billing ratio      | 79.7%       | 80.7%       | 1.0%        | -           | 79.1%       | 79.4%       | 0.3%        | -           | 79.0%       | 79.2%       | 0.3%        | -           |
| Rates              | 5.2%        | 5.1%        | -0.1%       | -           | 3.8%        | 4.0%        | 0.2%        | -           | 2.5%        | 2.6%        | 0.1%        | -           |
| Growth in pay      | 6.0%        | 5.3%        | -0.7%       | -           | 3.3%        | 3.4%        | 0.1%        | -           | 2.5%        | 2.5%        | 0.0%        | -           |

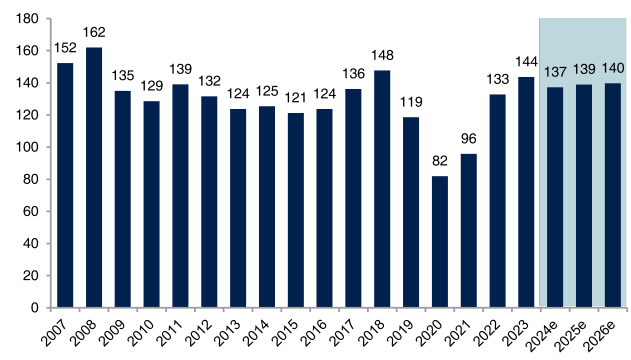
Source: ABG Sundal Collier

## Employees, #



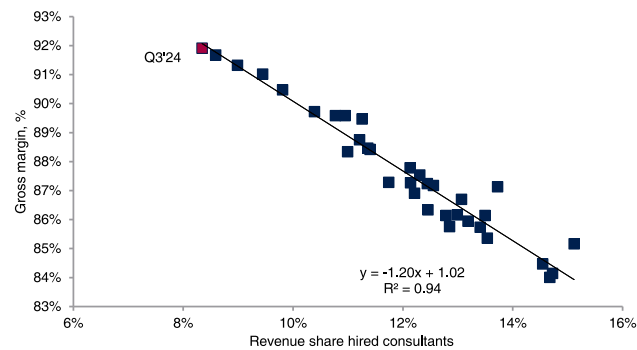
Source: ABG Sundal Collier, Company data

## Opex/employee, NOKk



Source: ABG Sundal Collier, Company data

## Gross margin vs. revenue share hired consultants, quarterly



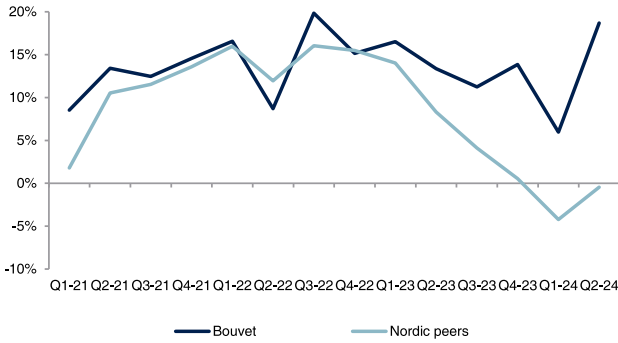
Source: ABG Sundal Collier, Company data

## Outperformance likely to continue

Bouvet has outperformed the sector both operationally and in terms of returns over the past quarters. While the overall market outlook has weakened, peers are facing significant margin contraction due to pressure on utilisation and rates, alongside inevitable cost inflation. Longer lead times and weaker demand have dampened growth prospects, with net recruitment currently negative for several sector players.

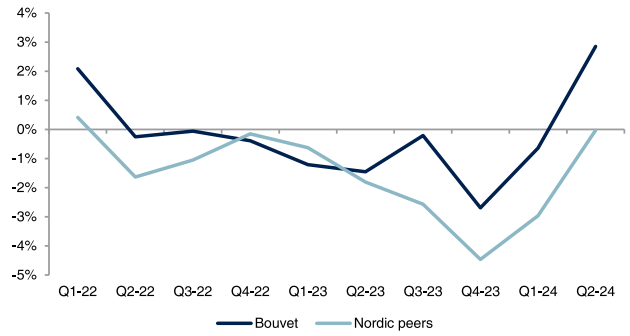
In contrast, Bouvet had accelerating growth in H1'24 and margin improvements vs. H1'23. We expect the positive trend to continue.

### Org. growth: Bouvet vs. peers



Source: ABG Sundal Collier, Company data. Nordic/Swedish peers: Knowit, B3, Prevas, Ework, CAG, Netcompany, Webstep and Itera.

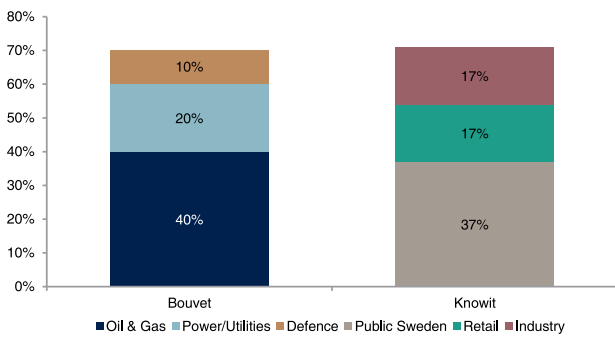
### Margin chg. y-o-y: Bouvet vs. peers



Source: ABG Sundal Collier, Company data. Nordic peers: Knowit, B3, Prevas, Ework, CAG, Netcompany, Webstep and Itera.

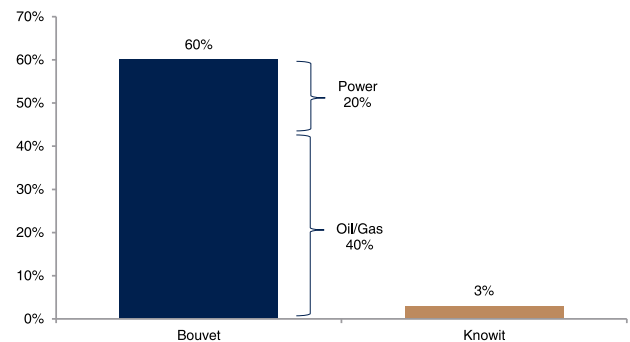
We argue that exposure matters. Bouvet distinguishes itself significantly with a large oil & gas/energy exposure (40% oil & gas, ~60% including utilities). In comparison, Swedish peer Knowit has only ~3% exposure to the energy sector. When defense-related revenues are included, roughly 70% of Bouvet’s income is linked to growth-oriented segments or core customer relations. In contrast, Knowit derives 37% of its revenues from public sector clients (primarily in Sweden), along with 17% from retail and 17% from industry — segments where the current demand for IT consultants remains weak.

### Bouvet vs. Knowit: Exposures



Source: ABG Sundal Collier, Company data

### Energy exposure: Bouvet vs. Knowit

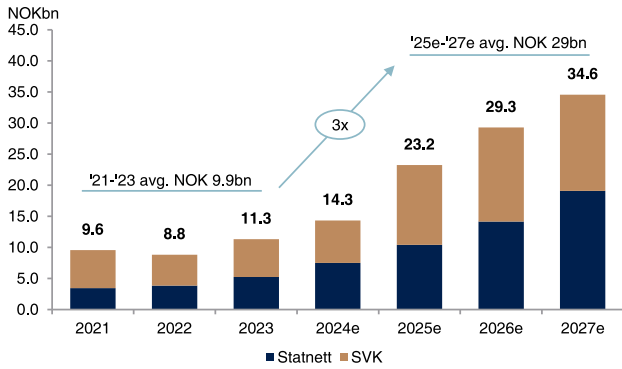


Source: ABG Sundal Collier, Company data

The outlook for Bouvet’s utility clients — primarily Statnett in Norway and Svenska Kraftnät (SVK) in Sweden — is highly promising. Statnett, which manages Norway’s power grid, anticipates tripling its annual investments in the coming years compared to 2022, with average annual spending projected to rise from ~NOK 6bn in 2021-2024 to ~NOK 14.5bn in 2025e-2027e. Similarly, SVK plans to boost its investment by 38% annually, increasing from ~NOK 5bn in 2023 to NOK 19bn by 2027e. These developments offer solid growth prospects for Bouvet, with multi-year contracts already in place with both counterparties.

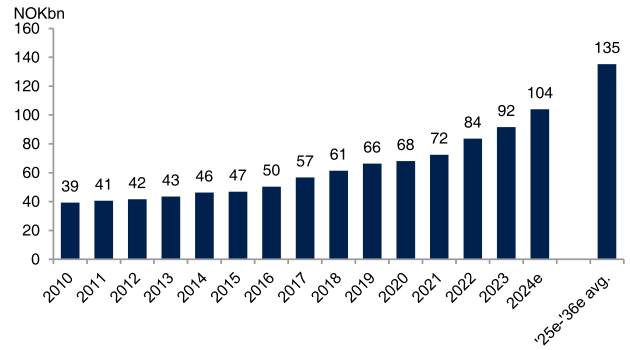
Additionally, Bouvet’s defense exposure currently stands at ~10%, primarily through contracts with the Norwegian Armed Forces and Kongsberg Gruppen. The outlook for Norwegian defence spending is robust, with average annual expenditure for 2025e-2036e (in real terms) projected to be ~50% higher than in 2023.

**Statnett and SVK investment budgets**



Source: ABG Sundal Collier, Company data.

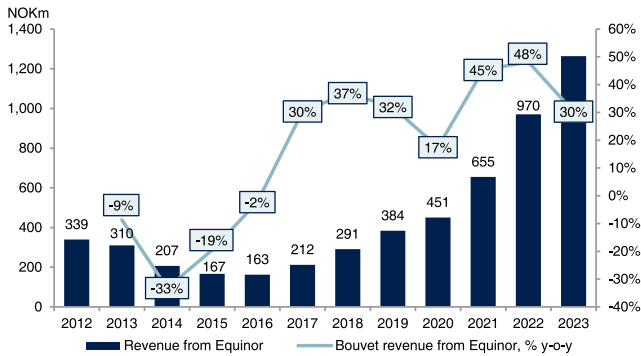
**Military spending Norway**



Source: ABG Sundal Collier, Norwegian Government.

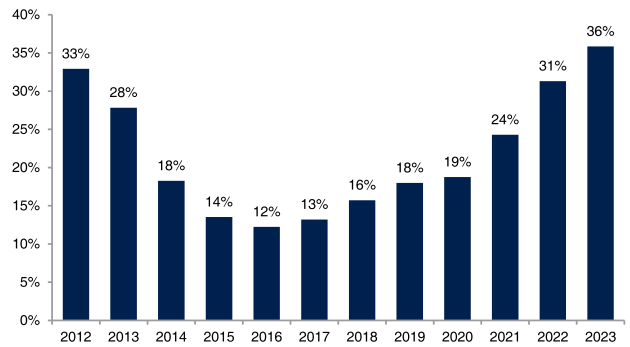
However, the primary growth engine and the facilitator of high utilisation rates is the company's largest client: Equinor. Revenues from Equinor have surged from NOK 163m in '16 to ~NOK 1.3bn in '23 (CAGR >30%), with the oil major's share of Bouvet revenues now standing at ~36%. In '23, revenues from Equinor were up ~30%. We believe this explains why Bouvet has outperformed peers in terms of growth, rates and utilisation in '23.

**Bouvet revenue from Equinor**



Source: ABG Sundal Collier, Company data

**Equinor share of Bouvet revenues**

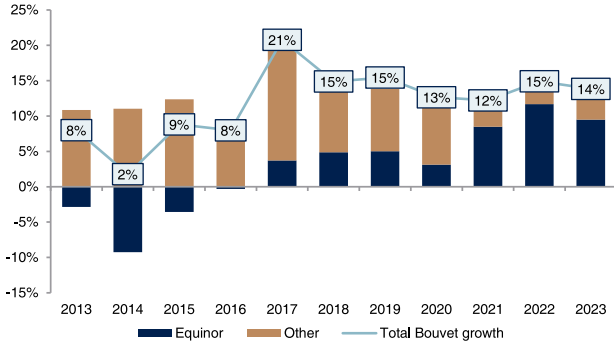


Source: ABG Sundal Collier, Company data

Equinor's share of Bouvet's net growth was 70-78% in '21-'22, and this trend has persisted in '23e (~69%). The increasing demand for digitalisation in the energy industry, coupled with Bouvet's role in delivering mission-critical operations to assist energy companies in transitioning towards renewable and low-carbon initiatives, are the structural drivers. We anticipate this growth to continue, as digitalisation remains a top priority, and Bouvet maintains a long-term strategic relationship with Equinor. Notably, Equinor's spending on Bouvet accounts for only ~1% of opex, despite the significant growth in recent years.

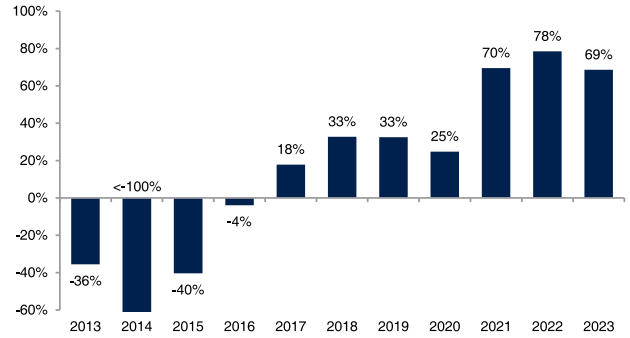
Another noteworthy point is that Bouvet has achieved positive organic growth every year since the financial crisis. Even during the weak oil market years in '13-'16, when revenues from Equinor dropped by ~50%, Bouvet managed to offset the negative growth impact from Equinor through other growth initiatives across various industries.

**Bouvet growth break-down**



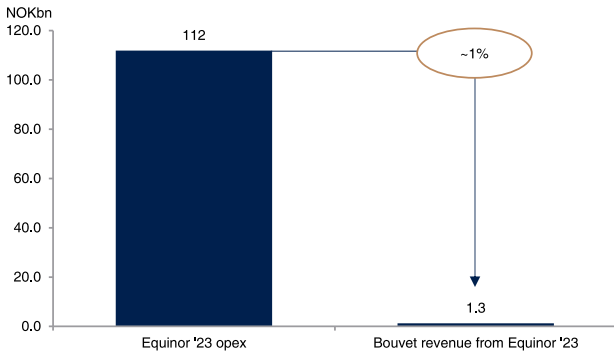
Source: ABG Sunda Collier, Company data

**Equinor share of Bouvet growth**



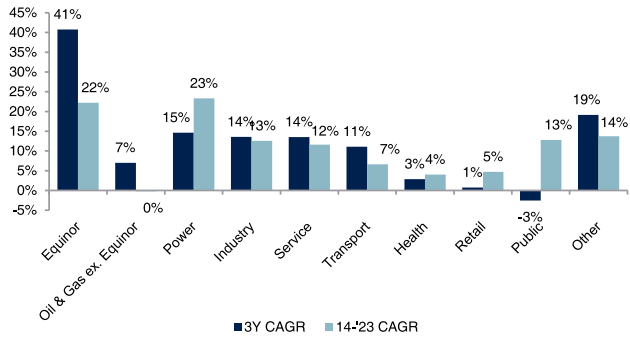
Source: ABG Sunda Collier, Company data

**Equinor spends ~1% of opex on Bouvet**



Source: ABG Sunda Collier, Company data

**Bouvet: Revenue CAGR per industry/company**



Source: ABG Sunda Collier, Company data

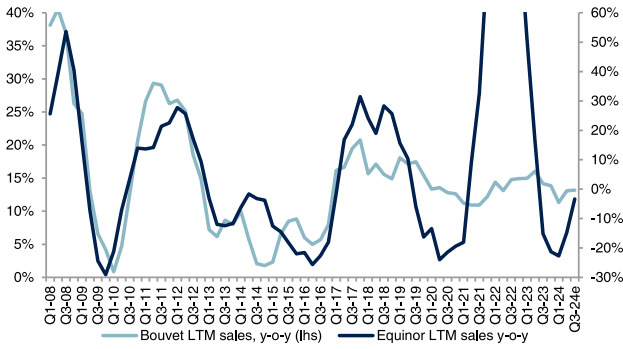
**Revenue share by industry/company**

| Revenue share by industry/company | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-----------------------------------|------|------|------|------|------|------|------|------|------|------|
| Equinor                           | 18%  | 14%  | 12%  | 13%  | 16%  | 18%  | 19%  | 24%  | 31%  | 36%  |
| Oil & Gas ex. Equinor             | 17%  | 13%  | 7%   | 8%   | 9%   | 11%  | 6%   | 8%   | 7%   | 5%   |
| Public                            | 18%  | 21%  | 27%  | 28%  | 27%  | 29%  | 27%  | 22%  | 17%  | 17%  |
| Info/Communication                | 6%   | 5%   | 4%   | 6%   | 5%   | 4%   | 6%   | 6%   | 5%   | 4%   |
| Industry                          | 5%   | 5%   | 4%   | 5%   | 4%   | 5%   | 4%   | 4%   | 5%   | 4%   |
| Health                            | 3%   | 4%   | 4%   | 3%   | 2%   | 2%   | 2%   | 3%   | 4%   | 2%   |
| Power                             | 8%   | 8%   | 10%  | 9%   | 10%  | 10%  | 17%  | 16%  | 15%  | 17%  |
| Bank/Finance                      | 2%   | 4%   | 4%   | 4%   | 4%   | 4%   | 3%   | 0%   | 0%   | 0%   |
| Retail                            | 6%   | 7%   | 7%   | 7%   | 6%   | 6%   | 4%   | 4%   | 4%   | 3%   |
| Transport                         | 9%   | 9%   | 11%  | 9%   | 9%   | 6%   | 5%   | 5%   | 5%   | 5%   |
| Service                           | 6%   | 7%   | 6%   | 6%   | 5%   | 4%   | 5%   | 6%   | 5%   | 5%   |
| Other                             | 2%   | 2%   | 4%   | 2%   | 2%   | 2%   | 2%   | 4%   | 3%   | 2%   |

Source: ABG Sunda Collier, Company data

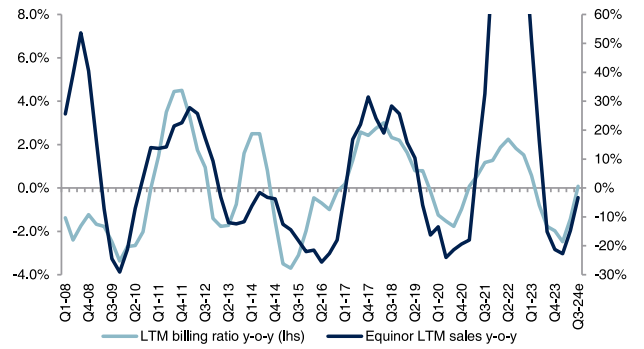
Historically, Equinor's spending on Bouvet has been correlated with its own performance, meaning it tends to be pro-cyclical and linked to the oil price. This correlation is not necessarily a positive feature, in our view, and it introduces vulnerability in the very long term. However, we believe it enhances Bouvet's positioning and outlook for the medium term. Bouvet's sales growth and utilisation exhibit a correlation of >50% with Equinor's sales. Nevertheless, the sensitivity between Bouvet's revenue from Equinor (and total sales) versus Equinor's sales is low. Consequently, a high oil price and strong Equinor performance from a historical perspective are likely positive for Bouvet's performance.

**Bouvet sales vs. Equinor sales**



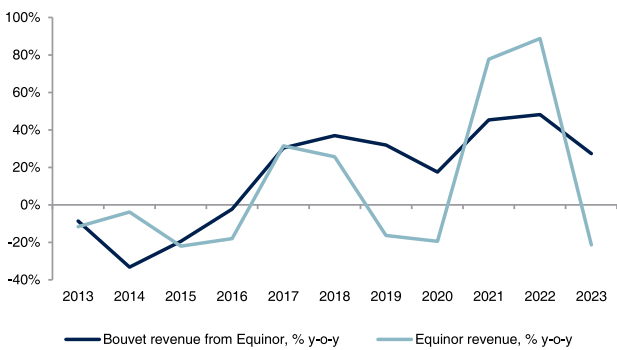
Source: ABG Sundal Collier, Company data. Equinor sales in NOK.

**Bouvet utilisation vs. Equinor sales**



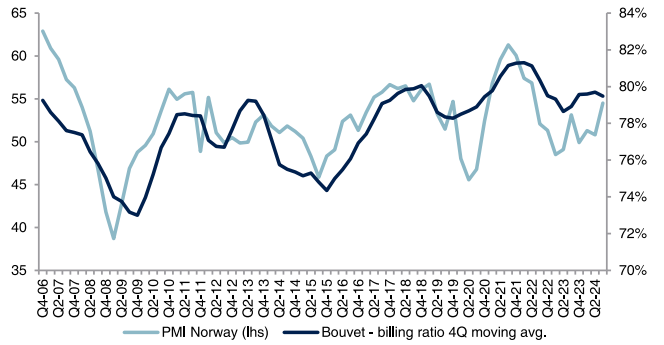
Source: ABG Sundal Collier, Company data. Equinor sales in NOK. LTM billing ratio 1Q forward.

**Bouvet revenue from Equinor vs. Equinor revenue**



Source: ABG Sundal Collier, Company data. Note: Equinor revenue in NOK.

**Bouvet utilisation vs. PMI**



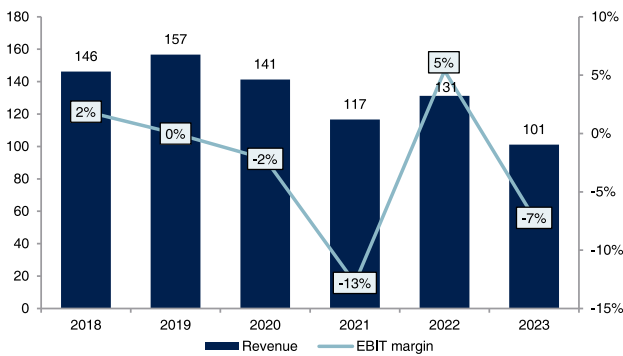
Source: ABG Sundal Collier, Factset, Company data. 4Q moving avg. centered (-2Q, +2Q).



### Hurting in Sweden

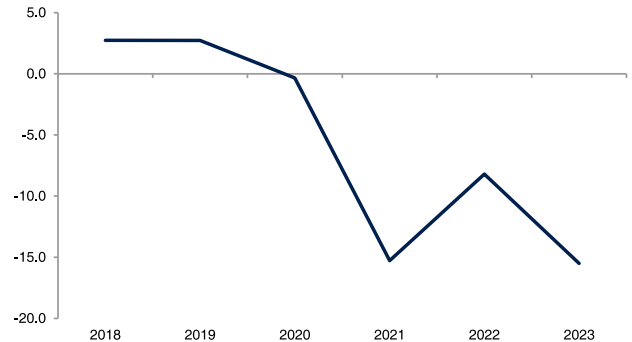
Bouvet's Swedish operations has consisted of 75-80 employees over the last six years, and the revenue share is down from ~8% in 2018 to ~3% in 2023. Revenues have steadily declined ('18-'23 CAGR -7%) and the six-year average EBIT margin is sluggish at -2%. The weak performance in Sweden can be explained by higher competition in the Swedish market and likely the lack of scale. It also shows that Bouvet as an outperformer in the Norwegian market is unable to replicate its high margin operations in Sweden. Despite the Swedish unit's low revenue share, its average impact on the group EBIT margin is -0.8pp (-0.6pp in '23). As such, one can question the shareholder value of the Swedish operations at its current state.

**Bouvet Sweden: Revenues (NOKm) and EBIT margin**



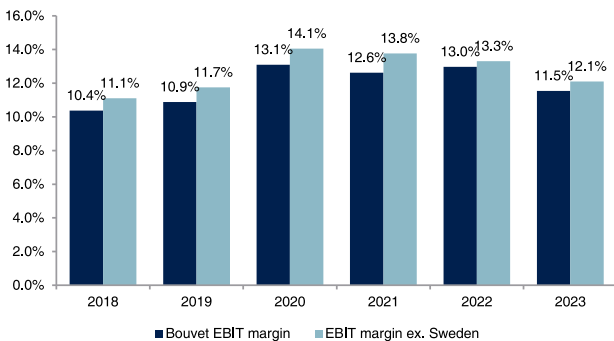
Source: ABG Sundal Collier, Company data, proff.se. Note: Bouvet AB annual accounts for '18-'22. Bouvet annual report for '23.

**Sweden: Cumulative '18-'23 EBIT (NOKm)**



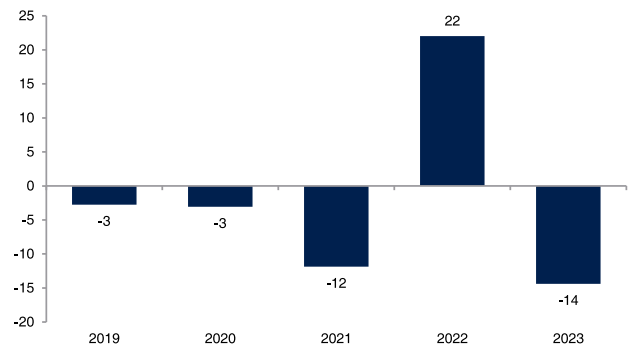
Source: ABG Sundal Collier, Company data, proff.se.

**Group EBIT margin and EBIT margin ex. Sweden**



Source: ABG Sundal Collier, Company data, proff.se.

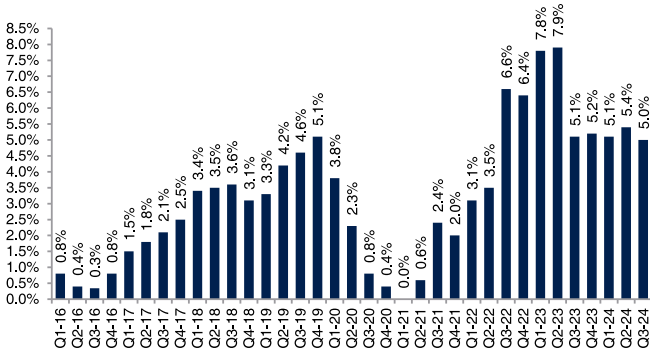
**Sweden EBIT impact (NOKm), y-o-y**



Source: ABG Sundal Collier, Company data, proff.se.

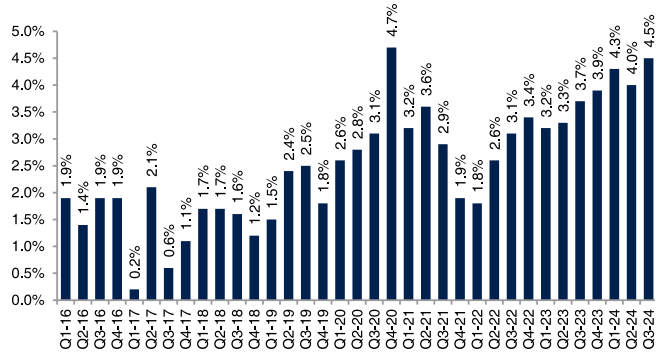
Rate/wage growth spread to narrow

Bouvet: Rates y-o-y



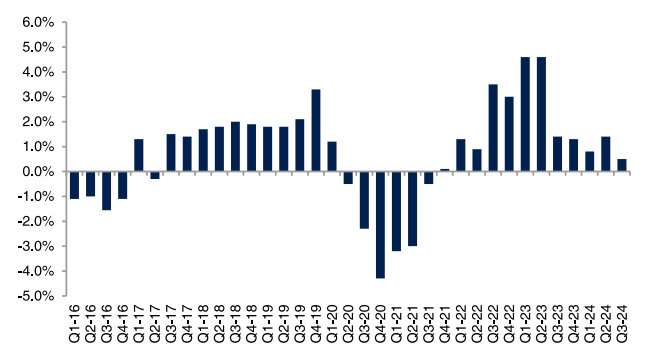
Source: ABG Sundal Collier, Company data

Bouvet: Pay growth, y-o-y



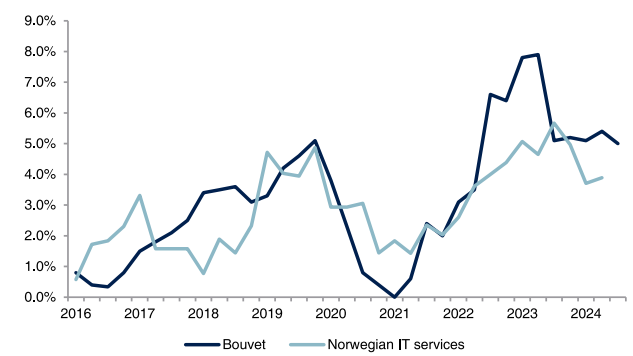
Source: ABG Sundal Collier, Company data

Rate/pay growth gap, % quarterly



Source: ABG Sundal Collier, Company data

Rates: Bouvet vs. Norwegian IT services, % y-o-y

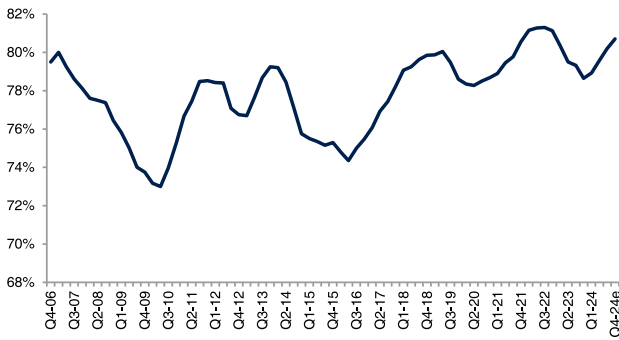


Source: ABG Sundal Collier, SSB

**Mid-cycle utilisation 78+%**

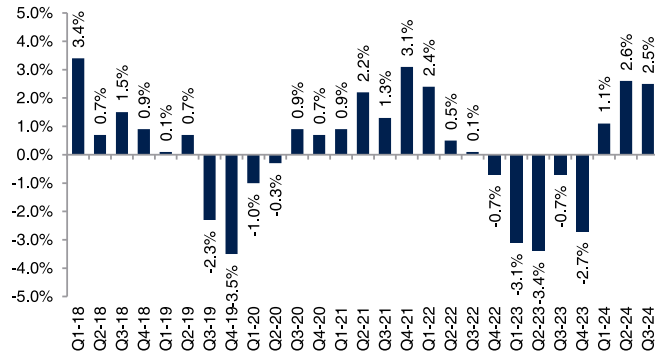
The billing ratio was hovering around 81% in 2022, but utilisation has now come down to a more normalised level. This is primarily driven by a return to a more normal workday post-pandemic. Historically, the average utilisation rate over the last 10 years has stood at ~78%, while in the last five years, it has exceeded 79%. Our understanding is that this shift reflects a structural change in Bouvet's operations, enhancing the company's efficiency. For instance, a larger portion of customers now purchase teams, providing the company with greater flexibility in staffing each project. This flexibility allows Bouvet to combine junior and senior resources across disciplines. Consequently, senior resources can support junior colleagues, enabling the company to promptly engage new employees in billable work. We believe mid-cycle utilisation is +78%, which is also reflected in our estimates.

**Billing ratio, LTM**



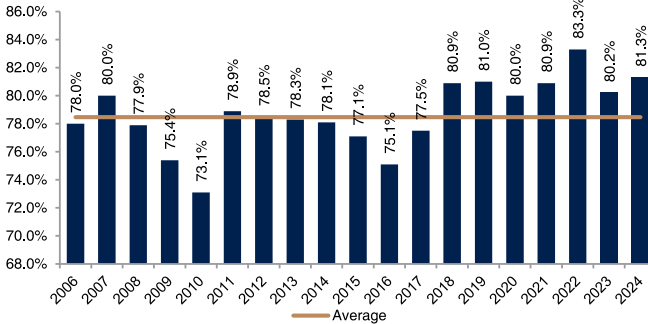
Source: ABG Sundal Collier, Company data

**Billing ratio, y-o-y**



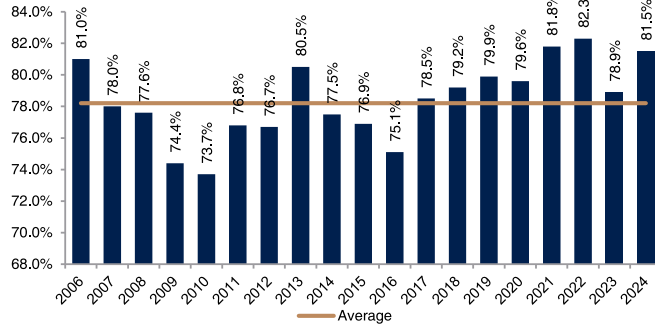
Source: ABG Sundal Collier, Company data

**First quarter billing ratio**



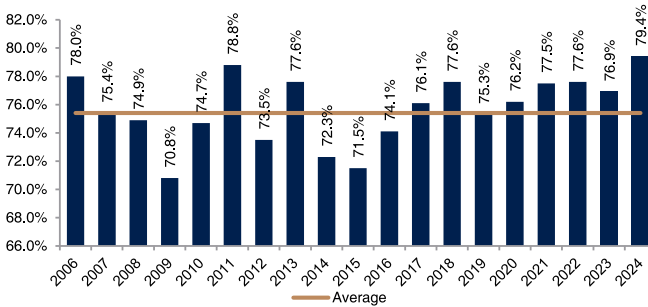
Source: ABG Sundal Collier, Bouvet

**Second quarter billing ratio**



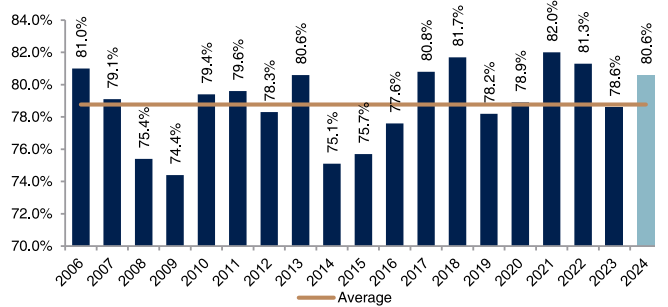
Source: ABG Sundal Collier, Bouvet

**Third quarter billing ratio**



Source: ABG Sundal Collier, Bouvet

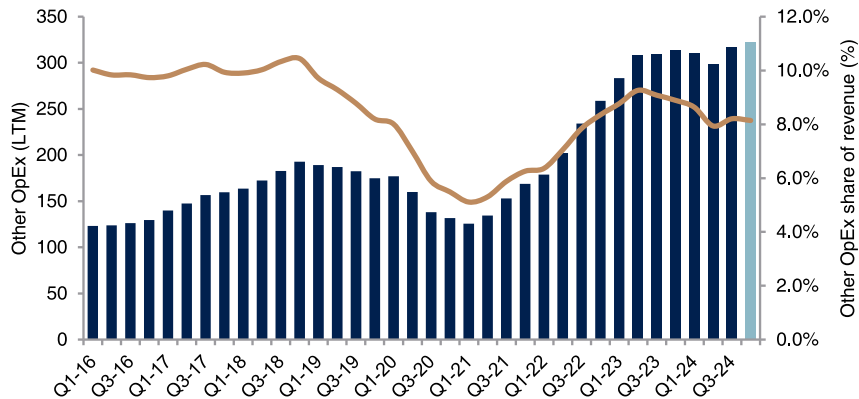
**Fourth quarter billing ratio**



Source: ABG Sundal Collier, Bouvet

### Other opex is normalising after the pandemic

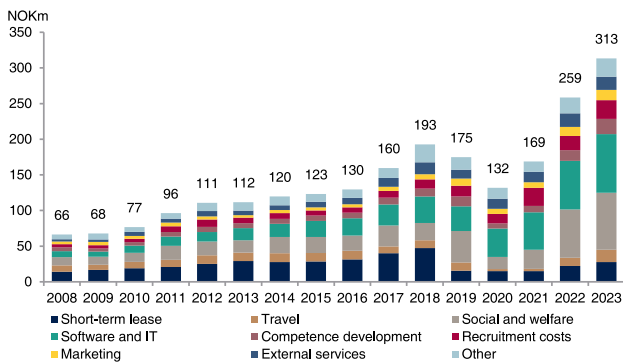
Other opex is normalising towards pre-pandemic levels, having decreased during the pandemic due to lower social/welfare initiatives and reduced travel. The lower opex and an elevated billing ratio were the key drivers of the unusually high EBIT margin in '20-'22.



Source: ABG Sundal Collier, Company data

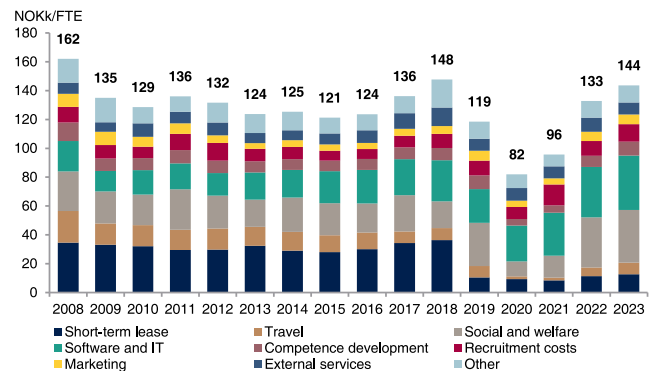
Opex to sales decreased from ~12% of sales in '08 to ~8% in '23. The improvement relates to structural scaling of the opex base, but it is also positively affected by the reclassification of some leases following the implementation of IFRS 16 from '19. Over the last three years, the opex increase in absolute terms has been driven by higher software/IT costs and surging social costs after the pandemic. Software/IT and social costs hurt the '23 EBIT margin by ~1pp (~0.5pp each) compared with the pre-pandemic level. Both items are adversely affected by the weaker NOK. Software/IT costs are likely impacted by higher complexity in the projects and pricing power among the suppliers. Higher social costs are likely driven by catch-up effects post the pandemic.

### Other opex, NOKm



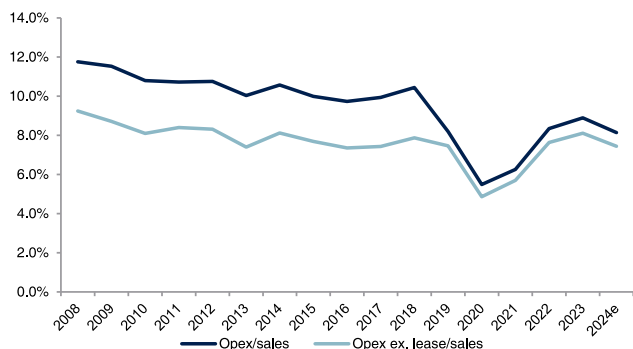
Source: ABG Sundal Collier, Company data

### Other opex per FTE, NOKk



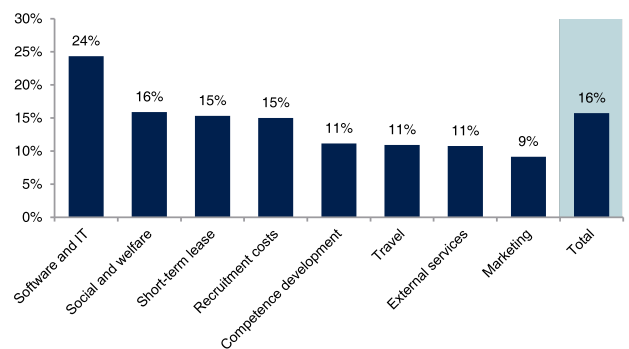
Source: ABG Sundal Collier, Company data

### Opex/sales



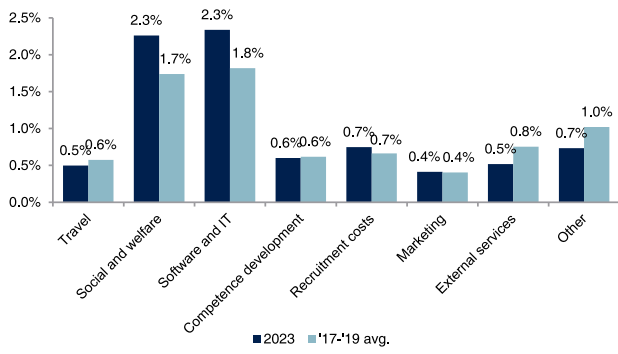
Source: ABG Sundal Collier, Company data

### Other opex break-down: 4Y CAGR ('19-'23)



Source: ABG Sundal Collier, Company data

**Other opex/sales breakdown: 2023 vs. 2017-2019 avg.**



Source: ABG Sundal Collier, Company data

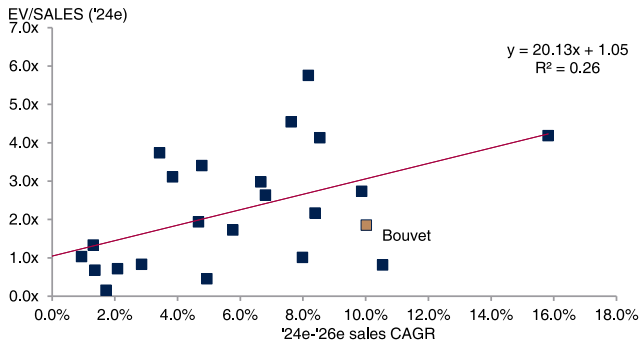
# Valuation

## Peer valuation

|                                | EV / SALES  |             |             | EV / EBITDA  |              |              | EV / EBIT    |              |              | P/E          |              |              | Sales growth |              |              | EBIT margin  |              |              |
|--------------------------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                | 2024e       | 2025e       | 2026e       | 2024e        | 2025e        | 2026e        | 2024e        | 2025e        | 2026e        | 2024e        | 2025e        | 2026e        | 2024e        | 2025e        | 2026e        | 2024e        | 2025e        | 2026e        |
| <b>Nordic IT services</b>      |             |             |             |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Knowit                         | 0.7x        | 0.7x        | 0.6x        | 8.0x         | 6.4x         | 5.4x         | 19.9x        | 12.7x        | 9.4x         | 29.5x        | 15.8x        | 12.0x        | -8.9%        | 0.7%         | 6.0%         | 3.6%         | 5.2%         | 6.3%         |
| Netcompany                     | 2.7x        | 2.4x        | 2.2x        | 15.8x        | 13.3x        | 11.3x        | 21.3x        | 16.9x        | 14.0x        | 30.4x        | 21.5x        | 17.5x        | 8.8%         | 11.2%        | 9.6%         | 12.8%        | 14.5%        | 15.7%        |
| Ework                          | 0.2x        | 0.1x        | 0.1x        | 10.1x        | 8.5x         | 7.3x         | 12.3x        | 10.1x        | 8.5x         | 16.4x        | 13.6x        | 11.5x        | -7.5%        | 4.2%         | 9.1%         | 1.3%         | 1.5%         | 1.6%         |
| Gofore                         | 1.7x        | 1.5x        | 1.3x        | 10.6x        | 9.0x         | 7.7x         | 14.6x        | 12.6x        | 10.5x        | 19.9x        | 18.0x        | 15.8x        | -0.9%        | 6.8%         | 11.8%        | 11.8%        | 12.2%        | 12.5%        |
| Webstep                        | 0.7x        | 0.6x        | 0.5x        | 7.4x         | 6.0x         | 4.5x         | 9.7x         | 7.5x         | 5.4x         | 13.2x        | 10.9x        | 9.4x         | -8.4%        | 3.3%         | 10.1%        | 7.0%         | 8.5%         | 8.9%         |
| Itera                          | 0.8x        | 0.8x        | 0.6x        | 7.7x         | 6.2x         | 4.6x         | 12.5x        | 9.1x         | 6.0x         | 18.8x        | 13.3x        | 9.2x         | -2.8%        | 3.9%         | 15.8%        | 6.4%         | 8.3%         | 10.8%        |
| B3 Consulting                  | 0.8x        | 0.6x        | 0.5x        | 12.9x        | 5.8x         | 4.3x         | 23.9x        | 7.7x         | 5.5x         | 7.1x         | 9.0x         | 6.9x         | 0.7%         | 22.9%        | 9.1%         | 3.4%         | 8.2%         | 9.4%         |
| CAG                            | 0.8x        | 0.8x        | 0.7x        | 7.4x         | 6.5x         | 5.7x         | 10.6x        | 9.0x         | 7.7x         | 15.4x        | 13.3x        | 11.9x        | 0.5%         | 3.0%         | 5.1%         | 7.8%         | 8.6%         | 9.1%         |
| NNIT                           | 1.3x        | 1.1x        | 0.9x        | 17.6x        | 9.1x         | 6.7x         | 24.8x        | 10.9x        | 7.7x         | 35.6x        | 14.9x        | 11.4x        | 7.4%         | 10.9%        | 11.5%        | 5.4%         | 10.5%        | 12.2%        |
| Prevas                         | 1.0x        | 0.9x        | 0.8x        | 8.9x         | 7.0x         | 5.7x         | 12.5x        | 9.6x         | 7.4x         | 14.7x        | 11.9x        | 9.5x         | 9.2%         | 10.5%        | 4.4%         | 8.2%         | 9.3%         | 10.8%        |
| <b>Average</b>                 | <b>1.1x</b> | <b>1.0x</b> | <b>0.8x</b> | <b>10.6x</b> | <b>7.8x</b>  | <b>6.3x</b>  | <b>16.2x</b> | <b>10.6x</b> | <b>8.2x</b>  | <b>20.1x</b> | <b>14.2x</b> | <b>11.5x</b> | <b>-0.2%</b> | <b>7.7%</b>  | <b>9.2%</b>  | <b>6.8%</b>  | <b>8.7%</b>  | <b>9.7%</b>  |
| <b>Median</b>                  | <b>0.8x</b> | <b>0.8x</b> | <b>0.7x</b> | <b>9.5x</b>  | <b>6.8x</b>  | <b>5.7x</b>  | <b>13.5x</b> | <b>9.8x</b>  | <b>7.7x</b>  | <b>17.6x</b> | <b>13.5x</b> | <b>11.5x</b> | <b>-0.2%</b> | <b>5.5%</b>  | <b>9.4%</b>  | <b>6.7%</b>  | <b>8.5%</b>  | <b>10.1%</b> |
| <b>High growth IT services</b> |             |             |             |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| EPAM                           | 2.6x        | 2.3x        | 2.0x        | 19.8x        | 16.4x        | 13.3x        | 23.0x        | 19.5x        | 16.0x        | 30.9x        | 28.2x        | 24.2x        | 0.0%         | 10.9%        | 9.8%         | 13.3%        | 11.6%        | 12.3%        |
| Globalant                      | 4.2x        | 3.6x        | 3.0x        | 25.4x        | 21.0x        | 17.3x        | 43.4x        | 32.3x        | 25.2x        | 58.1x        | 46.5x        | 38.2x        | 15.4%        | 15.0%        | 17.1%        | 9.6%         | 11.1%        | 11.9%        |
| Kainos                         | 2.7x        | 2.5x        | 2.2x        | 16.8x        | 16.1x        | 13.5x        | 16.2x        | 14.6x        | 12.2x        | 25.3x        | 23.4x        | 20.0x        | -4.1%        | 6.5%         | 10.1%        | 16.7%        | 17.1%        | 18.3%        |
| Reply                          | 2.2x        | 1.9x        | 1.7x        | n.a.         | n.a.         | n.a.         | 16.0x        | 14.2x        | 12.8x        | 25.5x        | 22.9x        | 20.7x        | 7.3%         | 8.3%         | 9.6%         | 13.5%        | 13.6%        | 13.3%        |
| <b>Average</b>                 | <b>2.9x</b> | <b>2.6x</b> | <b>2.2x</b> | <b>20.7x</b> | <b>17.9x</b> | <b>14.7x</b> | <b>24.7x</b> | <b>20.2x</b> | <b>16.6x</b> | <b>35.0x</b> | <b>30.3x</b> | <b>25.8x</b> | <b>4.7%</b>  | <b>10.2%</b> | <b>11.6%</b> | <b>13.3%</b> | <b>13.4%</b> | <b>13.9%</b> |
| <b>Median</b>                  | <b>2.7x</b> | <b>2.4x</b> | <b>2.1x</b> | <b>19.8x</b> | <b>16.4x</b> | <b>13.5x</b> | <b>19.6x</b> | <b>17.1x</b> | <b>14.4x</b> | <b>28.2x</b> | <b>25.8x</b> | <b>22.5x</b> | <b>3.7%</b>  | <b>9.6%</b>  | <b>10.0%</b> | <b>13.4%</b> | <b>12.6%</b> | <b>12.8%</b> |
| <b>General IT services</b>     |             |             |             |              |              |              |              |              |              |              |              |              |              |              |              |              |              |              |
| Accenture                      | 3.4x        | 3.2x        | 3.0x        | 18.4x        | 16.3x        | 15.0x        | 23.1x        | 20.5x        | 18.7x        | 31.2x        | 28.0x        | 25.5x        | 1.2%         | 6.4%         | 6.8%         | 14.8%        | 15.6%        | 15.9%        |
| Cappgemini                     | 1.3x        | 1.3x        | 1.2x        | 9.6x         | 9.1x         | 8.1x         | 12.2x        | 11.5x        | 10.3x        | 16.9x        | 16.2x        | 14.8x        | -2.1%        | 1.5%         | 4.7%         | 10.9%        | 11.1%        | 11.4%        |
| Crayon                         | 1.5x        | 1.2x        | 0.9x        | 8.9x         | 6.4x         | 4.6x         | 12.4x        | 8.4x         | 5.9x         | 23.9x        | 13.8x        | 10.1x        | 13.1%        | 16.6%        | 14.2%        | 11.9%        | 13.8%        | 15.2%        |
| Atea                           | 0.5x        | 0.4x        | 0.4x        | 7.9x         | 6.5x         | 5.7x         | 12.4x        | 9.6x         | 8.4x         | 18.2x        | 13.7x        | 12.3x        | -1.4%        | 11.0%        | 5.6%         | 3.7%         | 4.2%         | 4.3%         |
| TietoEVRY                      | 1.0x        | 1.0x        | 1.0x        | 7.2x         | 6.6x         | 6.1x         | 12.0x        | 10.5x        | 9.5x         | 13.4x        | 11.1x        | 10.1x        | -0.9%        | 0.5%         | 3.3%         | 8.6%         | 9.7%         | 10.2%        |
| Cognizant                      | 1.9x        | 1.8x        | 1.6x        | 11.2x        | 9.8x         | 8.7x         | 13.2x        | 11.6x        | 10.3x        | 18.0x        | 16.3x        | 14.8x        | 2.0%         | 6.1%         | 5.9%         | 14.7%        | 15.3%        | 15.6%        |
| DXC Technology                 | 0.5x        | 0.5x        | 0.4x        | 3.9x         | 3.2x         | 2.7x         | 17.3x        | 12.2x        | 9.9x         | 41.6x        | 19.2x        | 16.2x        | -5.0%        | -2.0%        | -0.6%        | 2.9%         | 3.7%         | 4.0%         |
| HCL                            | 4.1x        | 3.7x        | 3.4x        | 18.8x        | 16.8x        | 15.5x        | 22.3x        | 19.7x        | 17.7x        | 29.2x        | 26.5x        | 23.8x        | 6.5%         | 9.3%         | 9.8%         | 18.6%        | 19.0%        | 19.2%        |
| IBM                            | 3.7x        | 3.5x        | 3.2x        | 17.1x        | 15.7x        | 15.1x        | 24.8x        | 20.7x        | 19.2x        | 29.7x        | 22.9x        | 21.7x        | 1.6%         | 4.8%         | 3.9%         | 15.1%        | 16.7%        | 17.0%        |
| Infosys                        | 4.5x        | 4.2x        | 3.8x        | 19.1x        | 16.7x        | 14.8x        | 21.7x        | 19.7x        | 17.6x        | 29.1x        | 25.6x        | 22.9x        | 4.6%         | 8.7%         | 9.6%         | 20.9%        | 21.1%        | 21.4%        |
| Sopra Steria                   | 0.7x        | 0.7x        | 0.6x        | 6.4x         | 5.9x         | 5.2x         | 9.3x         | 8.3x         | 7.2x         | 12.6x        | 11.1x        | 10.0x        | -0.1%        | 2.7%         | 3.7%         | 7.8%         | 8.0%         | 8.3%         |
| Tata                           | 5.8x        | 5.3x        | 4.8x        | 21.6x        | 19.1x        | 17.0x        | 23.5x        | 21.2x        | 19.0x        | 30.5x        | 27.2x        | 24.5x        | 7.1%         | 8.1%         | 9.3%         | 24.5%        | 25.0%        | 25.4%        |
| Tech Mahindra                  | 3.0x        | 2.8x        | 2.5x        | 22.5x        | 18.0x        | 15.0x        | 30.3x        | 22.8x        | 18.2x        | 35.3x        | 26.9x        | 21.9x        | 3.0%         | 8.0%         | 9.0%         | 9.9%         | 12.2%        | 13.8%        |
| Wipro                          | 3.1x        | 2.9x        | 2.6x        | 15.8x        | 14.5x        | 13.2x        | 19.5x        | 17.7x        | 15.8x        | 25.4x        | 23.7x        | 21.6x        | -2.1%        | 6.1%         | 7.9%         | 16.0%        | 16.2%        | 16.4%        |
| <b>Average</b>                 | <b>2.5x</b> | <b>2.3x</b> | <b>2.1x</b> | <b>13.5x</b> | <b>11.8x</b> | <b>10.5x</b> | <b>18.1x</b> | <b>15.3x</b> | <b>13.4x</b> | <b>25.3x</b> | <b>20.2x</b> | <b>17.9x</b> | <b>2.0%</b>  | <b>6.3%</b>  | <b>6.6%</b>  | <b>12.9%</b> | <b>13.7%</b> | <b>14.2%</b> |
| <b>Median</b>                  | <b>2.5x</b> | <b>2.3x</b> | <b>2.1x</b> | <b>13.5x</b> | <b>12.2x</b> | <b>10.9x</b> | <b>18.4x</b> | <b>14.9x</b> | <b>13.0x</b> | <b>27.2x</b> | <b>21.0x</b> | <b>18.9x</b> | <b>1.4%</b>  | <b>6.3%</b>  | <b>6.4%</b>  | <b>13.3%</b> | <b>14.5%</b> | <b>15.4%</b> |
| <b>Bouvet (ABGSCe)</b>         | <b>1.9x</b> | <b>1.7x</b> | <b>1.5x</b> | <b>11.7x</b> | <b>11.2x</b> | <b>10.4x</b> | <b>14.4x</b> | <b>13.7x</b> | <b>12.6x</b> | <b>18.9x</b> | <b>17.9x</b> | <b>16.6x</b> | <b>12.5%</b> | <b>8.2%</b>  | <b>9.4%</b>  | <b>12.8%</b> | <b>12.4%</b> | <b>12.2%</b> |
| vs. Nordic IT services         | 71%         | 77%         | 85%         | 10%          | 44%          | 65%          | -11%         | 29%          | 54%          | -6%          | 26%          | 45%          | 13pp         | 3pp          | 0pp          | 6pp          | 4pp          | 2pp          |
| vs. High growth IT services    | -37%        | -34%        | -31%        | -43%         | -37%         | -29%         | -42%         | -32%         | -24%         | -46%         | -41%         | -35%         | 9pp          | -1pp         | -1pp         | -1pp         | 0pp          | -1pp         |
| vs. General IT services        | -26%        | -26%        | -26%        | -13%         | -5%          | -1%          | -21%         | -11%         | -6%          | -26%         | -11%         | -7%          | 11pp         | 2pp          | 3pp          | 0pp          | -2pp         | -3pp         |

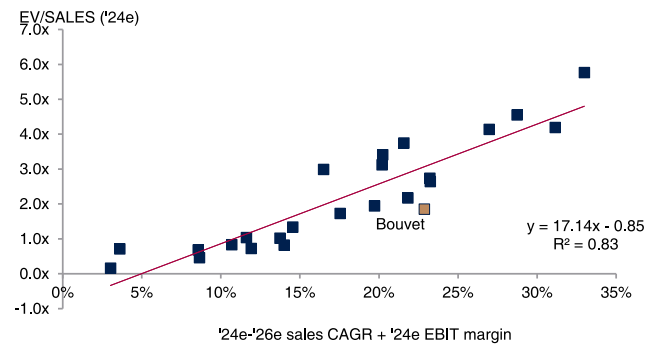
Source: ABG Sundal Collier, Factset

### EV/Sales vs. growth



Source: ABG Sundal Collier, Factset

### EV/Sales vs. growth and margin

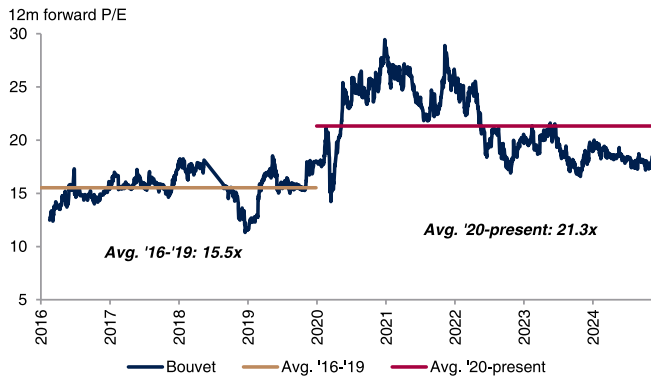


Source: ABG Sundal Collier, Factset

# Bouvet

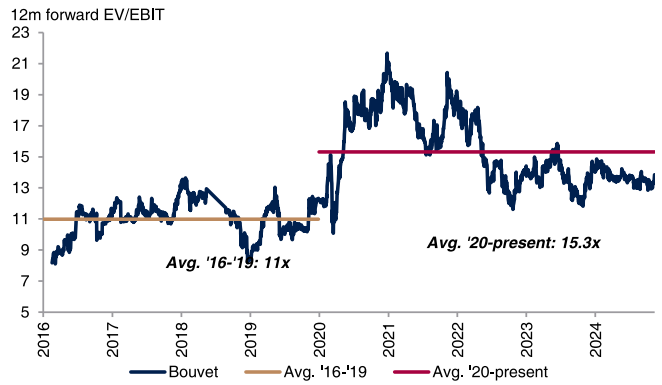
Bouvet traded at ~16x earnings between '16-'19 and ~22x over the last 4 years. The 8-year average is ~19x.

## Bouvet: Historical P/E



Source: ABG Sundal Collier, Company data

## Bouvet: Historical EV/EBIT



Source: ABG Sundal Collier, Company data

## DCF valuation

| DCF model          |       |       |          |       |                   |       |       |               |       |       |       |          |
|--------------------|-------|-------|----------|-------|-------------------|-------|-------|---------------|-------|-------|-------|----------|
|                    |       |       | Reported |       | Explicit forecast |       |       | Extrapolation |       |       |       | Terminal |
| NOKmn              | 2020A | 2021A | 2022A    | 2023A | 2024E             | 2025E | 2026E | 2027E         | 2028E | 2029E | 2030E | Steady   |
| Revenue            | 2,402 | 2,695 | 3,097    | 3,526 | 3,967             | 4,292 | 4,696 | 5,001         | 5,326 | 5,672 | 6,041 | 6,162    |
| Revenue Growth (%) |       | 12.2% | 14.9%    | 13.8% | 12.5%             | 8.2%  | 9.4%  | 6.5%          | 6.5%  | 6.5%  | 6.5%  | 2.0%     |
| EBITDA             | 382   | 410   | 481      | 504   | 627               | 652   | 696   | 675           | 719   | 766   | 816   | 832      |
| EBITDA-margin(%)   | 15.9% | 15.2% | 15.5%    | 14.3% | 15.8%             | 15.2% | 14.8% | 13.5%         | 13.5% | 13.5% | 13.5% | 13.5%    |
| D&A                | -67   | -70   | -79      | -97   | -117              | -118  | -123  | -131          | -140  | -149  | -158  | -162     |
| EBIT               | 315   | 340   | 402      | 407   | 510               | 534   | 572   | 544           | 579   | 617   | 657   | 670      |
| EBIT-margin(%)     | 13.1% | 12.6% | 13.0%    | 11.5% | 12.8%             | 12.4% | 12.2% | 10.9%         | 10.9% | 10.9% | 10.9% | 10.9%    |
| Unlevered tax      | -69   | -75   | -88      | -90   | -112              | -117  | -126  | -120          | -127  | -136  | -145  | -147     |
| Changes in NWC     | 109   | -58   | -106     | 77    | 10                | 11    | 9     | 8             | 8     | 8     | 8     | 5        |
| Capex              | -28   | -32   | -41      | -52   | -41               | -44   | -46   | -47           | -48   | -50   | -51   | -52      |
| Leasing paymnets   | -42   | -44   | -52      | -69   | -87               | -95   | -97   | -101          | -106  | -110  | -115  | -117     |
| Free Cash Flow     | 352   | 200   | 193      | 370   | 396               | 406   | 436   | 415           | 446   | 478   | 513   | 519      |
| Discounted FCF     |       |       |          |       | 392               | 372   | 370   | 326           | 324   | 322   | 320   |          |

| Valuation output                |              |
|---------------------------------|--------------|
| Explicit value                  | 2,427        |
| Terminal value                  | 5,398        |
| Implied TV EV/EBIT multiple     | 13x          |
| <b>Implied enterprise value</b> | <b>7,825</b> |
| NIBD ex. leases YE'23           | -484         |
| <b>Implied equity value</b>     | <b>8,309</b> |
| Share count (#, million)        | 104          |
| <b>Implied share price</b>      | <b>80</b>    |

| Model input             |       |
|-------------------------|-------|
| WACC                    | 8.0%  |
| Tax rate                | 22%   |
| Terminal growth         | 2.0%  |
| '26-'30E Sales CAGR     | 6.5%  |
| Long-term EBITDA margin | 13.5% |

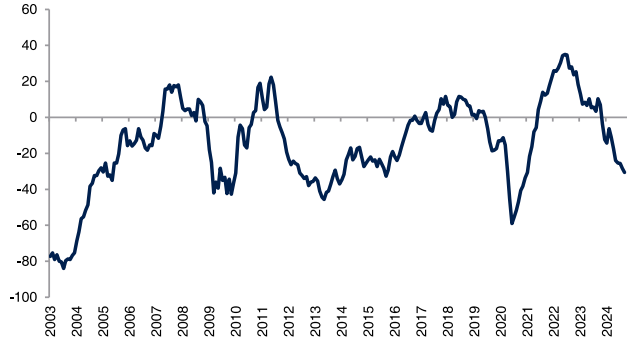
Source: ABG Sundal Collier, Company data



## Monthly market data: Swedish IT services

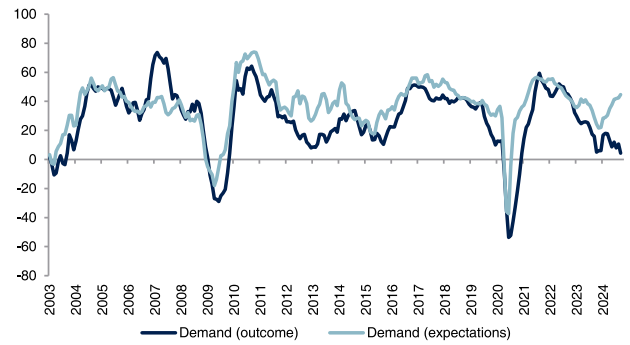
SCB/Konjunkturinstitutet tracks market data for Swedish IT service companies on a monthly basis. Although Bouvet's exposure to the Swedish market is limited, the data capture the general market sentiment. Overall, the market deteriorated throughout '23 and the negative development has continued. Bouvet's Swedish competitors expect a challenging market in H2'24, before a gradual improvement in FY'25e.

### Volume assignments



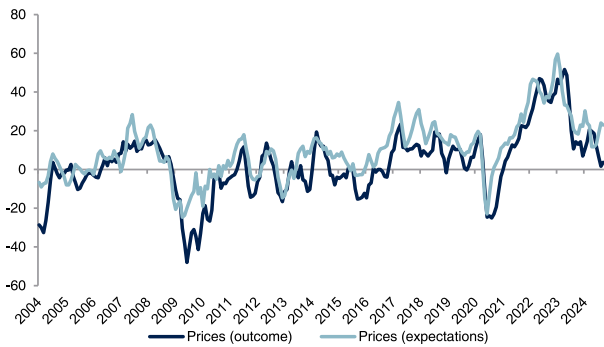
Source: ABG Sundal Collier, SCB, Konjunkturinstitutet. Note: Seasonally adjusted 3m MA.

### Demand: Expectations and outcome



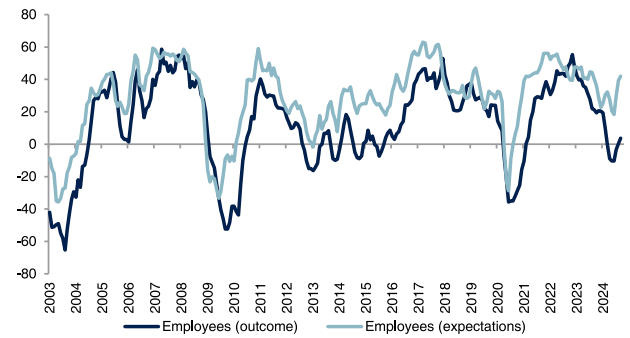
Source: ABG Sundal Collier, SCB, Konjunkturinstitutet. Note: Seasonally adjusted 3m MA.

### Prices: Expectations and outcome



Source: ABG Sundal Collier, SCB, Konjunkturinstitutet. Note: 3m MA.

### Employees (net hires)



Source: ABG Sundal Collier, SCB, Konjunkturinstitutet. Note: 3m MA.

# Estimates

## Estimates: P&L

| P&L<br>NOKmn           | Q1-23      | Q2-23      | Q3-23      | Q4-23      | Q1-24        | Q2-24        | Q3-24      | Q4-24e       | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        |
|------------------------|------------|------------|------------|------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Revenue</b>         | <b>945</b> | <b>833</b> | <b>778</b> | <b>970</b> | <b>1,016</b> | <b>1,001</b> | <b>879</b> | <b>1,071</b> | <b>2,695</b> | <b>3,097</b> | <b>3,526</b> | <b>3,967</b> | <b>4,292</b> | <b>4,696</b> |
| <i>growth (y-o-y)</i>  | 17%        | 13%        | 11%        | 14%        | 7%           | 20%          | 13%        | 10%          | 12%          | 15%          | 14%          | 13%          | 8%           | 9%           |
| COGS                   | -98        | -87        | -70        | -92        | -88          | -83          | -71        | -93          | -327         | -337         | -347         | -336         | -369         | -413         |
| <b>Gross Profit</b>    | <b>847</b> | <b>746</b> | <b>708</b> | <b>877</b> | <b>928</b>   | <b>918</b>   | <b>807</b> | <b>978</b>   | <b>2,368</b> | <b>2,760</b> | <b>3,178</b> | <b>3,631</b> | <b>3,923</b> | <b>4,283</b> |
| <i>growth (y-o-y)</i>  | 17%        | 15%        | 14%        | 15%        | 10%          | 23%          | 14%        | 11%          | 13%          | 17%          | 15%          | 14%          | 8%           | 9%           |
| Personnel expenses     | -619       | -556       | -525       | -661       | -696         | -680         | -581       | -723         | -1,790       | -2,021       | -2,361       | -2,681       | -2,926       | -3,215       |
| Other Opex             | -69        | -84        | -78        | -83        | -66          | -73          | -96        | -89          | -169         | -259         | -313         | -323         | -345         | -372         |
| Opex                   | -688       | -640       | -603       | -744       | -762         | -753         | -677       | -812         | -1,959       | -2,280       | -2,674       | -3,004       | -3,271       | -3,587       |
| <b>EBITDA</b>          | <b>159</b> | <b>106</b> | <b>105</b> | <b>134</b> | <b>165</b>   | <b>165</b>   | <b>130</b> | <b>166</b>   | <b>410</b>   | <b>481</b>   | <b>504</b>   | <b>627</b>   | <b>652</b>   | <b>696</b>   |
| <i>EBITDA Margin</i>   | 17%        | 13%        | 14%        | 14%        | 16%          | 16%          | 15%        | 16%          | 15%          | 16%          | 14%          | 16%          | 15%          | 15%          |
| D&A                    | -27        | -17        | -25        | -27        | -30          | -30          | -29        | -28          | -70          | -79          | -97          | -117         | -118         | -123         |
| <b>EBIT</b>            | <b>132</b> | <b>89</b>  | <b>80</b>  | <b>106</b> | <b>135</b>   | <b>136</b>   | <b>101</b> | <b>138</b>   | <b>340</b>   | <b>402</b>   | <b>407</b>   | <b>510</b>   | <b>534</b>   | <b>572</b>   |
| <i>EBIT Margin</i>     | 14%        | 11%        | 10%        | 11%        | 13%          | 14%          | 11%        | 13%          | 13%          | 13%          | 12%          | 13%          | 12%          | 12%          |
| Interest               | 2          | 2          | 2          | 6          | 0            | 0            | 0          | 0            | -5           | -1           | 11           | 0            | 0            | 1            |
| <b>EBT</b>             | <b>134</b> | <b>91</b>  | <b>82</b>  | <b>112</b> | <b>135</b>   | <b>136</b>   | <b>101</b> | <b>138</b>   | <b>335</b>   | <b>401</b>   | <b>418</b>   | <b>510</b>   | <b>534</b>   | <b>574</b>   |
| <i>EBT Margin</i>      | 14%        | 11%        | 11%        | 12%        | 13%          | 14%          | 11%        | 13%          | 12%          | 13%          | 12%          | 13%          | 12%          | 12%          |
| Tax expense            | -29        | -21        | -19        | -24        | -30          | -32          | -23        | -30          | -69          | -85          | -93          | -115         | -118         | -126         |
| <b>Earnings</b>        | <b>105</b> | <b>69</b>  | <b>63</b>  | <b>88</b>  | <b>105</b>   | <b>104</b>   | <b>78</b>  | <b>108</b>   | <b>266</b>   | <b>316</b>   | <b>325</b>   | <b>395</b>   | <b>417</b>   | <b>447</b>   |
| <i>Earnings Margin</i> | 11%        | 8%         | 8%         | 9%         | 10%          | 10%          | 9%         | 10%          | 10%          | 10%          | 9%           | 10%          | 10%          | 10%          |
| EPS                    | 1.01       | 0.67       | 0.61       | 0.85       | 1.02         | 1.01         | 0.75       | 1.04         | 2.58         | 3.04         | 3.14         | 3.81         | 4.02         | 4.32         |
| EPS (diluted)          | 1.00       | 0.66       | 0.61       | 0.86       | 1.01         | 1.00         | 0.75       | 1.04         | 2.55         | 3.00         | 3.13         | 3.82         | 4.03         | 4.32         |
| DPS                    |            |            |            |            |              |              |            |              | 2.70         | 2.30         | 3.05         | 3.60         | 3.63         | 3.83         |

Source: ABG Sundal Collier, Company data

## Balance sheet - historical figures and estimates

| Balance sheet<br>NOKmn                    | Q1-23        | Q2-23        | Q3-23        | Q4-23        | Q1-24        | Q2-24        | Q3-24        | Q4-24e       | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Deferred tax assets                       | 5            | 6            | 6            | 7            | 10           | 11           | 12           | 12           | 4            | 5            | 7            | 12           | 12           | 12           |
| Goodwill                                  | 33           | 33           | 33           | 54           | 54           | 54           | 54           | 54           | 33           | 33           | 54           | 54           | 54           | 54           |
| Other intangible assets                   | 47           | 50           | 50           | 50           | 42           | 39           | 34           | 33           | 37           | 43           | 50           | 33           | 30           | 29           |
| <b>Total intangible assets</b>            | <b>86</b>    | <b>89</b>    | <b>89</b>    | <b>111</b>   | <b>106</b>   | <b>104</b>   | <b>100</b>   | <b>99</b>    | <b>74</b>    | <b>80</b>    | <b>111</b>   | <b>99</b>    | <b>96</b>    | <b>95</b>    |
| Office equipment                          | 29           | 29           | 29           | 31           |              |              |              |              | 26           | 29           | 31           |              |              |              |
| Office machines and vehicles              | 3            | 3            | 3            | 4            |              |              |              |              | 4            | 4            | 4            |              |              |              |
| IT equipment                              | 24           | 26           | 27           | 27           |              |              |              |              | 22           | 24           | 27           |              |              |              |
| Tangible assets                           | 56           | 58           | 59           | 63           | 66           | 70           | 68           | 70           | 52           | 57           | 63           | 70           | 73           | 76           |
| Right-of-use assets                       | 227          | 217          | 203          | 316          | 339          | 333          | 316          | 341          | 205          | 222          | 316          | 341          | 362          | 379          |
| <b>Total fixed assets</b>                 | <b>282</b>   | <b>275</b>   | <b>262</b>   | <b>379</b>   | <b>406</b>   | <b>403</b>   | <b>384</b>   | <b>411</b>   | <b>257</b>   | <b>279</b>   | <b>379</b>   | <b>411</b>   | <b>435</b>   | <b>455</b>   |
| Other financial assets                    | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Other long-term receivables               | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            |
| <b>Total financial non-current assets</b> | <b>2</b>     | <b>2</b>     | <b>2</b>     | <b>2</b>     | <b>2</b>     | <b>2</b>     | <b>2</b>     | <b>2</b>     | <b>2</b>     | <b>2</b>     | <b>2</b>     | <b>2</b>     | <b>2</b>     | <b>2</b>     |
| <b>Total non-current assets</b>           | <b>370</b>   | <b>366</b>   | <b>353</b>   | <b>493</b>   | <b>514</b>   | <b>509</b>   | <b>486</b>   | <b>512</b>   | <b>333</b>   | <b>361</b>   | <b>493</b>   | <b>512</b>   | <b>533</b>   | <b>552</b>   |
| Work in progress                          | 201          | 86           | 95           | 51           | 64           | 61           | 113          | 69           | 45           | 18           | 51           | 69           | 62           | 80           |
| Trade accounts receivable                 | 512          | 559          | 715          | 630          | 755          | 761          | 619          | 679          | 396          | 563          | 630          | 679          | 756          | 819          |
| Other short-term receivables              | 74           | 78           | 53           | 60           | 124          | 112          | 76           | 74           | 45           | 59           | 60           | 74           | 83           | 90           |
| Liquid assets                             | 533          | 331          | 174          | 482          | 499          | 277          | 387          | 472          | 541          | 443          | 482          | 472          | 520          | 579          |
| <b>Total current assets</b>               | <b>1,320</b> | <b>1,054</b> | <b>1,037</b> | <b>1,223</b> | <b>1,443</b> | <b>1,211</b> | <b>1,194</b> | <b>1,293</b> | <b>1,027</b> | <b>1,084</b> | <b>1,223</b> | <b>1,293</b> | <b>1,422</b> | <b>1,568</b> |
| <b>Total assets</b>                       | <b>1,690</b> | <b>1,421</b> | <b>1,390</b> | <b>1,716</b> | <b>1,956</b> | <b>1,720</b> | <b>1,680</b> | <b>1,805</b> | <b>1,360</b> | <b>1,445</b> | <b>1,716</b> | <b>1,805</b> | <b>1,955</b> | <b>2,120</b> |
| <b>Total equity</b>                       | <b>552</b>   | <b>331</b>   | <b>388</b>   | <b>458</b>   | <b>548</b>   | <b>360</b>   | <b>444</b>   | <b>453</b>   | <b>449</b>   | <b>457</b>   | <b>458</b>   | <b>453</b>   | <b>511</b>   | <b>580</b>   |
| Deferred tax                              | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Provision for pensions                    | 0            | 0            | 0            | 6            | 6            | 6            | 6            | 6            | 0            | 0            | 6            | 6            | 6            | 6            |
| Lease liabilities                         | 174          | 164          | 151          | 254          | 275          | 268          | 255          | 275          | 168          | 179          | 254          | 275          | 275          | 275          |
| <b>Total long-term debt</b>               | <b>174</b>   | <b>164</b>   | <b>151</b>   | <b>259</b>   | <b>281</b>   | <b>273</b>   | <b>261</b>   | <b>281</b>   | <b>168</b>   | <b>179</b>   | <b>259</b>   | <b>281</b>   | <b>281</b>   | <b>281</b>   |
| Current lease liabilities                 | 60           | 60           | 59           | 67           | 73           | 76           | 74           | 74           | 42           | 50           | 67           | 74           | 74           | 74           |
| Trade accounts payable                    | 73           | 97           | 96           | 120          | 114          | 99           | 83           | 82           | 59           | 38           | 120          | 82           | 95           | 101          |
| Income tax payable                        | 73           | 60           | 80           | 95           | 80           | 72           | 94           | 109          | 69           | 83           | 95           | 109          | 116          | 128          |
| Public duties payable                     | 264          | 304          | 259          | 304          | 325          | 364          | 291          | 348          | 238          | 283          | 304          | 348          | 380          | 411          |
| Deferred revenue                          | 4            | 5            | 5            | 6            | 7            | 6            | 5            | 4            | 0            | 5            | 6            | 4            | 6            | 7            |
| Other short-term debt                     | 490          | 399          | 352          | 406          | 529          | 469          | 427          | 454          | 335          | 350          | 406          | 454          | 490          | 538          |
| <b>Total short-term debt</b>              | <b>964</b>   | <b>925</b>   | <b>851</b>   | <b>998</b>   | <b>1,128</b> | <b>1,086</b> | <b>974</b>   | <b>1,071</b> | <b>743</b>   | <b>809</b>   | <b>998</b>   | <b>1,071</b> | <b>1,162</b> | <b>1,259</b> |
| <b>Total liabilities</b>                  | <b>1,138</b> | <b>1,089</b> | <b>1,002</b> | <b>1,257</b> | <b>1,409</b> | <b>1,359</b> | <b>1,236</b> | <b>1,352</b> | <b>911</b>   | <b>988</b>   | <b>1,257</b> | <b>1,352</b> | <b>1,443</b> | <b>1,540</b> |
| <b>Total Equity and liabilities</b>       | <b>1,690</b> | <b>1,420</b> | <b>1,390</b> | <b>1,716</b> | <b>1,956</b> | <b>1,720</b> | <b>1,680</b> | <b>1,805</b> | <b>1,360</b> | <b>1,445</b> | <b>1,716</b> | <b>1,805</b> | <b>1,955</b> | <b>2,120</b> |
| <b>NIBD (incl. lease debt)</b>            | <b>-301</b>  | <b>-108</b>  | <b>35</b>    | <b>-163</b>  | <b>-154</b>  | <b>65</b>    | <b>-59</b>   | <b>-124</b>  | <b>-333</b>  | <b>-216</b>  | <b>-163</b>  | <b>-124</b>  | <b>-173</b>  | <b>-231</b>  |

Source: ABG Sundal Collier, Company data

## Cash flow statement - historical figures and estimates

| Cash flow<br>NOKmn                         | Q1-23      | Q2-23       | Q3-23       | Q4-23      | Q1-24      | Q2-24       | Q3-24      | Q4-24e      | 2021        | 2022        | 2023        | 2024e       | 2025e       | 2026e       |
|--|------------|-------------|-------------|------------|------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Ordinary profit before tax                 | 134        | 91          | 82          | 112        | 135        | 136         | 101        | 138         | 335         | 401         | 418         | 510         | 534         | 574         |
| Paid tax                                   | -38        | -35         | 2           | -11        | -42        | -42         | 0          | -30         | -67         | -71         | -83         | -114        | -118        | -126        |
| (Gain)/Loss on sale of fixed assets        | 0          | 0           | 0           | 0          | 0          | 0           | 0          | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Ordinary depreciation                      | 25         | 14          | 20          | 20         | 23         | 23          | 23         | 23          | 60          | 71          | 79          | 93          | 103         | 110         |
| Amortiation intangible assets              | 2          | 3           | 6           | 7          | 7          | 6           | 6          | 5           | 10          | 8           | 18          | 24          | 15          | 13          |
| Share based payments                       | 4          | 7           | 5           | 4          | 6          | 4           | 4          | 5           | 15          | 19          | 19          | 19          | 18          | 18          |
| Changes in working capital                 | 12         | 39          | -231        | 257        | -59        | -20         | 6          | 83          | -58         | -106        | 77          | 10          | 11          | 9           |
| <b>Cash flow from operating activities</b> | <b>139</b> | <b>118</b>  | <b>-117</b> | <b>389</b> | <b>70</b>  | <b>108</b>  | <b>141</b> | <b>223</b>  | <b>294</b>  | <b>321</b>  | <b>529</b>  | <b>542</b>  | <b>564</b>  | <b>598</b>  |
| Sale of fixed assets                       | 0          | 0           | 0           | 0          | 0          | 0           | 0          | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| Purchase of fixed assets                   | -10        | -2          | -7          | -10        | -9         | -10         | -4         | -9          | -22         | -27         | -29         | -32         | -32         | -33         |
| Purchase of intangible assets              | -6         | -7          | -5          | -5         | -2         | -2          | -2         | -3          | -10         | -14         | -23         | -9          | -12         | -13         |
| Investment in subsidiaries - net cash      | 0          | 0           | 0           | -18        | 0          | 0           | 0          | 0           | 2           | 1           | -18         | 0           | 0           | 0           |
| <b>Cash flow from investing activities</b> | <b>-16</b> | <b>-9</b>   | <b>-12</b>  | <b>-33</b> | <b>-11</b> | <b>-12</b>  | <b>-5</b>  | <b>-12</b>  | <b>-29</b>  | <b>-40</b>  | <b>-69</b>  | <b>-41</b>  | <b>-44</b>  | <b>-46</b>  |
| Lease payments                             | -17        | -16         | -17         | -19        | -20        | -20         | -25        | -22         | -44         | -52         | -69         | -87         | -95         | -97         |
| Purchase of own shares                     | -16        | -36         | -11         | -1         | -22        | -29         | 0          | 0           | 0           | -62         | -64         | -50         | 0           | 0           |
| Sales of own shares                        | 0          | 0           | 0           | 29         | 0          | 0           | 0          | 0           | 0           | 25          | 29          | 0           | 0           | 0           |
| Dividend payments                          | 0          | -260        | 0           | -57        | 0          | -270        | 0          | -104        | -278        | -240        | -317        | -374        | -377        | -397        |
| Net new debt                               | 0          | 0           | 0           | 0          | 0          | 0           | 0          | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| <b>Cash flow from financing activities</b> | <b>-33</b> | <b>-312</b> | <b>-28</b>  | <b>-48</b> | <b>-41</b> | <b>-319</b> | <b>-25</b> | <b>-126</b> | <b>-384</b> | <b>-437</b> | <b>-357</b> | <b>-520</b> | <b>-461</b> | <b>-485</b> |

Source: ABG Sundal Collier, Company data

| Income Statement (NOKm)             | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       | 2024e      | 2025e      | 2026e      |
|-------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Sales                               | 1,607      | 1,847      | 2,132      | 2,402      | 2,695      | 3,097      | 3,526      | 3,967      | 4,292      | 4,696      |
| COGS                                | -247       | -259       | -287       | -309       | -327       | -337       | -347       | -336       | -369       | -413       |
| Gross profit                        | 1,360      | 1,588      | 1,845      | 2,093      | 2,368      | 2,760      | 3,178      | 3,631      | 3,923      | 4,283      |
| Other operating items               | -1,195     | -1,372     | -1,553     | -1,711     | -1,959     | -2,280     | -2,674     | -3,004     | -3,271     | -3,587     |
| <b>EBITDA</b>                       | <b>165</b> | <b>216</b> | <b>293</b> | <b>382</b> | <b>410</b> | <b>481</b> | <b>504</b> | <b>627</b> | <b>652</b> | <b>696</b> |
| Depreciation and amortisation       | -21        | -25        | -61        | -67        | -70        | -79        | -97        | -117       | -118       | -123       |
| of which leasing depreciation       | 0          | 0          | -40        | -39        | -41        | -49        | -56        | -68        | -74        | -80        |
| <b>EBITA</b>                        | <b>144</b> | <b>192</b> | <b>232</b> | <b>315</b> | <b>340</b> | <b>402</b> | <b>407</b> | <b>510</b> | <b>534</b> | <b>572</b> |
| EO Items                            | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Impairment and PPA amortisation     | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| <b>EBIT</b>                         | <b>144</b> | <b>192</b> | <b>232</b> | <b>315</b> | <b>340</b> | <b>402</b> | <b>407</b> | <b>510</b> | <b>534</b> | <b>572</b> |
| Net financial items                 | 2          | 0          | -4         | -3         | -5         | -1         | 11         | 0          | 0          | 1          |
| <b>Pretax profit</b>                | <b>146</b> | <b>192</b> | <b>228</b> | <b>312</b> | <b>335</b> | <b>401</b> | <b>418</b> | <b>510</b> | <b>534</b> | <b>574</b> |
| Tax                                 | -34        | -41        | -48        | -71        | -69        | -85        | -93        | -115       | -118       | -126       |
| <b>Net profit</b>                   | <b>112</b> | <b>150</b> | <b>180</b> | <b>241</b> | <b>266</b> | <b>316</b> | <b>325</b> | <b>395</b> | <b>417</b> | <b>447</b> |
| Minority interest                   | -1         | 0          | 0          | -0         | -0         | -1         | 0          | 1          | 1          | 1          |
| Net profit discontinued             | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| <b>Net profit to shareholders</b>   | <b>111</b> | <b>150</b> | <b>180</b> | <b>241</b> | <b>266</b> | <b>316</b> | <b>325</b> | <b>396</b> | <b>417</b> | <b>448</b> |
| EPS                                 | 10.92      | 14.74      | 1.76       | 2.34       | 2.58       | 3.04       | 3.14       | 3.81       | 4.02       | 4.32       |
| EPS adj.                            | 10.92      | 14.74      | 1.76       | 2.34       | 2.58       | 3.04       | 3.14       | 3.81       | 4.02       | 4.32       |
| Total extraordinary items after tax | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          | 0          |
| Leasing payments                    | 0          | 0          | -42        | -44        | -44        | -52        | -69        | -87        | -95        | -97        |
| Tax rate (%)                        | 23.2       | 21.4       | 21.1       | 22.6       | 20.7       | 21.1       | 22.3       | 22.5       | 22.0       | 22.0       |
| Gross margin (%)                    | 84.6       | 86.0       | 86.6       | 87.1       | 87.9       | 89.1       | 90.1       | 91.5       | 91.4       | 91.2       |
| EBITDA margin (%)                   | 10.3       | 11.7       | 13.7       | 15.9       | 15.2       | 15.5       | 14.3       | 15.8       | 15.2       | 14.8       |
| EBITA margin (%)                    | 9.0        | 10.4       | 10.9       | 13.1       | 12.6       | 13.0       | 11.5       | 12.8       | 12.4       | 12.2       |
| EBIT margin (%)                     | 9.0        | 10.4       | 10.9       | 13.1       | 12.6       | 13.0       | 11.5       | 12.8       | 12.4       | 12.2       |
| Pre-tax margin (%)                  | 9.1        | 10.4       | 10.7       | 13.0       | 12.4       | 12.9       | 11.9       | 12.9       | 12.4       | 12.2       |
| Net margin (%)                      | 7.0        | 8.1        | 8.4        | 10.0       | 9.9        | 10.2       | 9.2        | 10.0       | 9.7        | 9.5        |
| <b>Growth Rates y-o-y</b>           | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| Sales growth (%)                    | 20.8       | 14.9       | 15.5       | 12.7       | 12.2       | 14.9       | 13.8       | 12.5       | 8.2        | 9.4        |
| EBITDA growth (%)                   | 36.8       | 30.9       | 35.3       | 30.3       | 7.4        | 17.3       | 4.8        | 24.4       | 4.0        | 6.7        |
| EBITA growth (%)                    | 35.6       | 32.9       | 21.1       | 35.5       | 8.1        | 18.1       | 1.3        | 25.2       | 4.8        | 7.2        |
| EBIT growth (%)                     | 35.6       | 32.9       | 21.1       | 35.5       | 8.1        | 18.1       | 1.3        | 25.2       | 4.8        | 7.2        |
| Net profit growth (%)               | 40.3       | 34.4       | 19.7       | 33.9       | 10.2       | 19.0       | 2.8        | 21.4       | 5.5        | 7.4        |
| EPS growth (%)                      | 41.0       | 35.0       | -88.0      | 33.0       | 10.3       | 17.7       | 3.1        | 21.6       | 5.5        | 7.4        |
| <b>Profitability</b>                | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| ROE (%)                             | 56.7       | 60.9       | 60.7       | 65.2       | 61.2       | 70.4       | 71.9       | 87.8       | 87.3       | 82.6       |
| ROE adj. (%)                        | 56.7       | 60.9       | 60.7       | 65.2       | 61.2       | 70.4       | 71.9       | 87.8       | 87.3       | 82.6       |
| ROCE (%)                            | 74.1       | 78.1       | 56.8       | 52.9       | 52.1       | 60.7       | 58.2       | 67.1       | 66.3       | 65.5       |
| ROCE adj. (%)                       | 74.1       | 78.1       | 56.8       | 52.9       | 52.1       | 60.7       | 58.2       | 67.1       | 66.3       | 65.5       |
| ROIC (%)                            | 952.3      | 3,144.6    | 180.8      | 175.7      | 287.8      | 177.5      | 117.0      | 124.4      | 122.8      | 127.8      |
| ROIC adj. (%)                       | 952.3      | 3,144.6    | 180.8      | 175.7      | 287.8      | 177.5      | 117.0      | 124.4      | 122.8      | 127.8      |
| <b>Adj. earnings numbers</b>        | -          | -          | -          | -          | -          | -          | -          | -          | -          | -          |
| EBITDA adj.                         | 165        | 216        | 293        | 382        | 410        | 481        | 504        | 627        | 652        | 696        |
| EBITDA adj. margin (%)              | 10.3       | 11.7       | 13.7       | 15.9       | 15.2       | 15.5       | 14.3       | 15.8       | 15.2       | 14.8       |
| EBITDA lease adj.                   | 165        | 216        | 254        | 340        | 365        | 429        | 435        | 540        | 557        | 599        |
| EBITDA lease adj. margin (%)        | 10.3       | 11.7       | 11.9       | 14.1       | 13.6       | 13.9       | 12.3       | 13.6       | 13.0       | 12.7       |
| EBITA adj.                          | 144        | 192        | 232        | 315        | 340        | 402        | 407        | 510        | 534        | 572        |
| EBITA adj. margin (%)               | 9.0        | 10.4       | 10.9       | 13.1       | 12.6       | 13.0       | 11.5       | 12.8       | 12.4       | 12.2       |
| EBIT adj.                           | 144        | 192        | 232        | 315        | 340        | 402        | 407        | 510        | 534        | 572        |
| EBIT adj. margin (%)                | 9.0        | 10.4       | 10.9       | 13.1       | 12.6       | 13.0       | 11.5       | 12.8       | 12.4       | 12.2       |
| Pretax profit Adj.                  | 146        | 192        | 228        | 312        | 335        | 401        | 418        | 510        | 534        | 574        |
| Net profit Adj.                     | 112        | 150        | 180        | 241        | 266        | 316        | 325        | 395        | 417        | 447        |
| Net profit to shareholders adj.     | 111        | 150        | 180        | 241        | 266        | 316        | 325        | 396        | 417        | 448        |
| Net adj. margin (%)                 | 7.0        | 8.1        | 8.4        | 10.0       | 9.9        | 10.2       | 9.2        | 10.0       | 9.7        | 9.5        |

Source: ABG Sundal Collier, Company Data

| Cash Flow (NOKm)              | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|-------------------------------|------|------|------|------|------|------|------|-------|-------|-------|
| EBITDA                        | 165  | 216  | 293  | 382  | 410  | 481  | 504  | 627   | 652   | 696   |
| Net financial items           | 2    | 0    | -4   | -3   | -5   | -1   | 11   | 0     | 0     | 1     |
| Paid tax                      | -38  | -31  | -45  | -46  | -67  | -71  | -83  | -114  | -118  | -126  |
| Non-cash items                | 12   | -1   | 8    | -8   | 14   | 9    | 25   | 43    | 18    | 18    |
| Cash flow before change in WC | 140  | 184  | 252  | 324  | 352  | 417  | 458  | 556   | 553   | 589   |
| Change in working capital     | 9    | 35   | 25   | 127  | -58  | -96  | 71   | -14   | 11    | 9     |

| <b>Cash Flow (NOKm)</b>                | <b>2017</b> | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> |
|--|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Operating cash flow</b>             | <b>149</b>  | <b>219</b>   | <b>277</b>   | <b>451</b>   | <b>294</b>   | <b>321</b>   | <b>529</b>   | <b>542</b>   | <b>564</b>   | <b>598</b>   |
| Capex tangible fixed assets            | -20         | -31          | -16          | -19          | -22          | -27          | -29          | -32          | -32          | -33          |
| Capex intangible fixed assets          | -11         | -14          | -9           | -9           | -10          | -14          | -23          | -9           | -12          | -13          |
| Acquisitions and Disposals             | 1           | -13          | 1            | 0            | 3            | 1            | -18          | 0            | 0            | 0            |
| <b>Free cash flow</b>                  | <b>119</b>  | <b>162</b>   | <b>253</b>   | <b>424</b>   | <b>265</b>   | <b>281</b>   | <b>459</b>   | <b>501</b>   | <b>520</b>   | <b>553</b>   |
| Dividend paid                          | -74         | -87          | -133         | -169         | -278         | -240         | -317         | -374         | -377         | -397         |
| Share issues and buybacks              | -2          | -2           | -15          | 0            | 0            | -37          | -35          | -50          | 0            | 0            |
| Leasing liability amortisation         | 0           | 0            | -39          | -42          | -44          | -52          | -69          | -87          | -95          | -97          |
| Other non-cash items                   | -1          | -1           | -234         | 27           | 38           | -69          | -97          | -29          | -0           | 0            |
| <b>Balance Sheet (NOKm)</b>            | <b>2017</b> | <b>2018</b>  | <b>2019</b>  | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  | <b>2023</b>  | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> |
| Goodwill                               | 33          | 33           | 33           | 34           | 33           | 33           | 54           | 54           | 54           | 54           |
| Other intangible assets                | 28          | 34           | 37           | 38           | 41           | 48           | 57           | 45           | 41           | 41           |
| Tangible fixed assets                  | 38          | 51           | 49           | 49           | 52           | 57           | 63           | 70           | 73           | 76           |
| Right-of-use asset                     | 0           | 0            | 233          | 223          | 205          | 222          | 316          | 341          | 362          | 379          |
| Total other fixed assets               | 2           | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            |
| Fixed assets                           | 102         | 120          | 354          | 346          | 333          | 361          | 493          | 512          | 533          | 552          |
| Inventories                            | 0           | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Receivables                            | 252         | 300          | 313          | 313          | 441          | 623          | 690          | 753          | 839          | 909          |
| Other current assets                   | 85          | 56           | 68           | 59           | 45           | 18           | 51           | 69           | 62           | 80           |
| Cash and liquid assets                 | 205         | 278          | 345          | 577          | 541          | 443          | 482          | 472          | 520          | 579          |
| <b>Total assets</b>                    | <b>644</b>  | <b>755</b>   | <b>1,079</b> | <b>1,295</b> | <b>1,360</b> | <b>1,445</b> | <b>1,716</b> | <b>1,805</b> | <b>1,955</b> | <b>2,120</b> |
| Shareholders equity                    | 217         | 277          | 317          | 422          | 446          | 452          | 453          | 449          | 508          | 577          |
| Minority                               | 3           | 0            | 1            | 1            | 4            | 5            | 5            | 4            | 3            | 3            |
| <b>Total equity</b>                    | <b>220</b>  | <b>277</b>   | <b>318</b>   | <b>423</b>   | <b>449</b>   | <b>457</b>   | <b>458</b>   | <b>453</b>   | <b>511</b>   | <b>580</b>   |
| Long-term debt                         | 0           | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Pension debt                           | 0           | 0            | 0            | 0            | 0            | 0            | 6            | 6            | 6            | 6            |
| Convertible debt                       | 0           | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Leasing liability                      | 0           | 0            | 235          | 227          | 210          | 229          | 321          | 349          | 349          | 349          |
| Total other long-term liabilities      | 0           | 1            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Short-term debt                        | 0           | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Accounts payable                       | 57          | 58           | 52           | 59           | 59           | 38           | 120          | 82           | 95           | 101          |
| Other current liabilities              | 367         | 419          | 475          | 586          | 642          | 721          | 811          | 915          | 993          | 1,083        |
| <b>Total liabilities and equity</b>    | <b>644</b>  | <b>755</b>   | <b>1,079</b> | <b>1,295</b> | <b>1,360</b> | <b>1,445</b> | <b>1,716</b> | <b>1,805</b> | <b>1,955</b> | <b>2,120</b> |
| Net IB debt                            | -207        | -280         | -112         | -352         | -333         | -216         | -158         | -119         | -167         | -225         |
| Net IB debt excl. pension debt         | -207        | -280         | -112         | -352         | -333         | -216         | -163         | -124         | -173         | -231         |
| Net IB debt excl. leasing              | -207        | -280         | -347         | -579         | -543         | -445         | -479         | -468         | -517         | -575         |
| Capital employed                       | 220         | 277          | 553          | 650          | 660          | 686          | 785          | 808          | 867          | 935          |
| Capital invested                       | 13          | -3           | 206          | 71           | 117          | 241          | 301          | 334          | 344          | 354          |
| Working capital                        | -86         | -121         | -146         | -273         | -215         | -119         | -190         | -176         | -187         | -196         |
| <b>EV breakdown</b>                    | <b>-</b>    | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |
| Market cap. diluted (m)                | 737         | 7,370        | 7,348        | 7,396        | 7,463        | 7,463        | 7,463        | 7,463        | 7,463        | 7,463        |
| Net IB debt adj.                       | -207        | -280         | -112         | -352         | -333         | -216         | -158         | -119         | -167         | -225         |
| Market value of minority               | 3           | 0            | 1            | 1            | 4            | 5            | 5            | 4            | 3            | 3            |
| Reversal of shares and participations  | 0           | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| Reversal of conv. debt assumed equity  | -           | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| <b>EV</b>                              | <b>532</b>  | <b>7,089</b> | <b>7,237</b> | <b>7,045</b> | <b>7,134</b> | <b>7,252</b> | <b>7,310</b> | <b>7,349</b> | <b>7,300</b> | <b>7,240</b> |
| Total assets turnover (%)              | 272.4       | 264.1        | 232.5        | 202.3        | 203.0        | 220.8        | 223.1        | 225.3        | 228.3        | 230.5        |
| Working capital/sales (%)              | -5.1        | -5.6         | -6.3         | -8.7         | -9.0         | -5.4         | -4.4         | -4.6         | -4.2         | -4.1         |
| <b>Financial risk and debt service</b> | <b>-</b>    | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     | <b>-</b>     |
| Net debt/equity (%)                    | -94.1       | -101.2       | -35.2        | -83.2        | -74.1        | -47.4        | -34.4        | -26.2        | -32.7        | -38.9        |
| Net debt / market cap (%)              | -28.2       | -3.8         | -1.5         | -4.8         | -4.5         | -2.9         | -2.1         | -1.6         | -2.2         | -3.0         |
| Equity ratio (%)                       | 34.2        | 36.7         | 29.4         | 32.6         | 33.0         | 31.6         | 26.7         | 25.1         | 26.2         | 27.4         |
| Net IB debt adj. / equity (%)          | -94.1       | -101.2       | -35.2        | -83.2        | -74.1        | -47.4        | -34.4        | -26.2        | -32.7        | -38.9        |
| Current ratio                          | 1.28        | 1.33         | 1.38         | 1.47         | 1.47         | 1.43         | 1.31         | 1.30         | 1.31         | 1.32         |
| EBITDA/net interest                    | 91.9        | 16,643.4     | 76.3         | 135.2        | 82.4         | 679.0        | 44.1         | 3,015.2      | 2,152.7      | 596.5        |
| Net IB debt/EBITDA (x)                 | -1.3        | -1.3         | -0.4         | -0.9         | -0.8         | -0.5         | -0.3         | -0.2         | -0.3         | -0.3         |
| Net IB debt/EBITDA lease adj. (x)      | -1.3        | -1.3         | -1.4         | -1.7         | -1.5         | -1.0         | -1.1         | -0.9         | -0.9         | -1.0         |
| Interest coverage                      | 148.5       | 71.1         | 31.8         | 52.3         | 55.6         | 55.0         | 45.0         | 21.7         | 26.5         | 35.2         |

Source: ABG Sundal Collier, Company Data

| <b>Share Data (NOKm)</b>        | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024e</b> | <b>2025e</b> | <b>2026e</b> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Actual shares outstanding       | 10          | 103         | 102         | 103         | 104         | 104         | 104         | 104          | 104          | 104          |
| Actual shares outstanding (avg) | 10          | 103         | 102         | 103         | 104         | 104         | 104         | 104          | 104          | 104          |

| Share Data (NOKm)                   | 2017 | 2018 | 2019  | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e | 2026e |
|-------------------------------------|------|------|-------|------|------|------|------|-------|-------|-------|
| All additional shares               | 0    | 92   | -0    | 1    | 1    | 0    | 0    | 0     | 0     | 0     |
| Issue month                         | 0.0  | 0.0  | 0.0   | 0.0  | 0.0  | 0.0  | 0.0  | 0.0   | 0.0   | 0.0   |
| Assumed dil. of shares from conv.   | 0    | 0    | 0     | 0    | 0    | 0    | 0    | 0     | 0     | 0     |
| As. dil. of shares from conv. (avg) | 0    | 0    | 0     | 0    | 0    | 0    | 0    | 0     | 0     | 0     |
| Conv. debt not assumed as equity    | 0    | 0    | 0     | 0    | 0    | 0    | 0    | 0     | 0     | 0     |
| No. of warrants                     | 0    | 0    | 0     | 0    | 0    | 0    | 0    | 0     | 0     | 0     |
| Market value per warrant            | 0    | 0    | 0     | 0    | 0    | 0    | 0    | 0     | 0     | 0     |
| Dilution from warrants              | 0    | 0    | 0     | 0    | 0    | 0    | 0    | 0     | 0     | 0     |
| Issue factor                        | 1.0  | 1.0  | 1.0   | 1.0  | 1.0  | 1.0  | 1.0  | 1.0   | 1.0   | 1.0   |
| Actual dividend per share           | 7.00 | 8.50 | 13.00 | 1.65 | 2.70 | 2.30 | 3.05 | 3.60  | 3.63  | 3.83  |
| Reported earnings per share         | -    | -    | -     | -    | -    | -    | -    | -     | -     | -     |

Source: ABG Sundal Collier, Company Data

| Valuation and Ratios (NOKm)              | 2017   | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024e | 2025e | 2026e |
|--|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Shares outstanding adj.                  | 10     | 103   | 102   | 103   | 104   | 104   | 104   | 104   | 104   | 104   |
| Diluted shares adj.                      | 10     | 103   | 102   | 103   | 104   | 104   | 104   | 104   | 104   | 104   |
| EPS                                      | 10.92  | 14.74 | 1.76  | 2.34  | 2.58  | 3.04  | 3.14  | 3.81  | 4.02  | 4.32  |
| Dividend per share                       | 7.00   | 8.50  | 13.00 | 1.65  | 2.70  | 2.30  | 3.05  | 3.60  | 3.63  | 3.83  |
| EPS adj.                                 | 10.92  | 14.74 | 1.76  | 2.34  | 2.58  | 3.04  | 3.14  | 3.81  | 4.02  | 4.32  |
| BVPS                                     | 21.21  | 2.70  | 3.10  | 4.10  | 4.29  | 4.35  | 4.37  | 4.32  | 4.89  | 5.56  |
| BVPS adj.                                | 15.24  | 2.05  | 2.43  | 3.42  | 3.62  | 3.62  | 3.37  | 3.49  | 4.09  | 4.76  |
| Net IB debt/share                        | -20.24 | -2.73 | -1.09 | -3.42 | -3.21 | -2.08 | -1.52 | -1.14 | -1.61 | -2.17 |
| Share price                              | 71.90  | 71.90 | 71.90 | 71.90 | 71.90 | 71.90 | 71.90 | 71.90 | 71.90 | 71.90 |
| Market cap. (m)                          | 737    | 7,370 | 7,348 | 7,396 | 7,463 | 7,463 | 7,463 | 7,463 | 7,463 | 7,463 |
| <b>Valuation</b>                         | -      | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| P/E (x)                                  | 6.6    | 4.9   | 40.8  | 30.7  | 27.8  | 23.6  | 22.9  | 18.9  | 17.9  | 16.6  |
| EV/sales (x)                             | 0.33   | 3.84  | 3.39  | 2.93  | 2.65  | 2.34  | 2.07  | 1.85  | 1.70  | 1.54  |
| EV/EBITDA (x)                            | 3.2    | 32.8  | 24.7  | 18.5  | 17.4  | 15.1  | 14.5  | 11.7  | 11.2  | 10.4  |
| EV/EBITA (x)                             | 3.7    | 37.0  | 31.2  | 22.4  | 21.0  | 18.1  | 18.0  | 14.4  | 13.7  | 12.6  |
| EV/EBIT (x)                              | 3.7    | 37.0  | 31.2  | 22.4  | 21.0  | 18.1  | 18.0  | 14.4  | 13.7  | 12.6  |
| Dividend yield (%)                       | 9.7    | 11.8  | 18.1  | 2.3   | 3.8   | 3.2   | 4.2   | 5.0   | 5.0   | 5.3   |
| FCF yield (%)                            | 16.2   | 2.2   | 3.4   | 5.7   | 3.5   | 3.8   | 6.2   | 6.7   | 7.0   | 7.4   |
| Le. adj. FCF yld. (%)                    | 16.2   | 2.2   | 2.9   | 5.2   | 3.0   | 3.1   | 5.2   | 5.5   | 5.7   | 6.1   |
| P/BVPS (x)                               | 3.39   | 26.61 | 23.18 | 17.52 | 16.75 | 16.52 | 16.46 | 16.64 | 14.69 | 12.92 |
| P/BVPS adj. (x)                          | 4.72   | 35.10 | 29.59 | 21.01 | 19.86 | 19.85 | 21.37 | 20.63 | 17.59 | 15.10 |
| P/E adj. (x)                             | 6.6    | 4.9   | 40.8  | 30.7  | 27.8  | 23.6  | 22.9  | 18.9  | 17.9  | 16.6  |
| EV/EBITDA adj. (x)                       | 3.2    | 32.8  | 24.7  | 18.5  | 17.4  | 15.1  | 14.5  | 11.7  | 11.2  | 10.4  |
| EV/EBITA adj. (x)                        | 3.7    | 37.0  | 31.2  | 22.4  | 21.0  | 18.1  | 18.0  | 14.4  | 13.7  | 12.6  |
| EV/EBIT adj. (x)                         | 3.7    | 37.0  | 31.2  | 22.4  | 21.0  | 18.1  | 18.0  | 14.4  | 13.7  | 12.6  |
| EV/CE (x)                                | 2.4    | 25.6  | 13.1  | 10.8  | 10.8  | 10.6  | 9.3   | 9.1   | 8.4   | 7.7   |
| <b>Investment ratios</b>                 | -      | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Capex/sales (%)                          | 1.9    | 2.4   | 1.2   | 1.2   | 1.2   | 1.3   | 1.5   | 1.0   | 1.0   | 1.0   |
| Capex/depreciation                       | 1.5    | 1.8   | 1.2   | 1.0   | 1.1   | 1.4   | 1.3   | 0.8   | 1.0   | 1.1   |
| Capex tangibles / tangible fixed assets  | 53.4   | 59.8  | 33.4  | 37.9  | 42.3  | 47.0  | 46.2  | 45.7  | 43.4  | 43.2  |
| Capex intangibles / definite intangibles | 38.0   | 40.3  | 24.8  | 24.8  | 27.0  | 33.3  | 45.2  | 28.1  | 41.1  | 43.7  |
| Depreciation on intang / def. intang     | 29     | 22    | 19    | 24    | 26    | 19    | 35    | 72    | 51    | 46    |
| Depreciation on tangibles / tangibles    | 34.13  | 33.96 | 28.23 | 38.38 | 36.45 | 38.39 | 36.32 | 36.07 | 38.97 | 38.92 |

Source: ABG Sundal Collier, Company Data

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| <b>HOLD</b>     | 29.73%            | 4%                               | 3.64%                     |
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Company: Bouvet

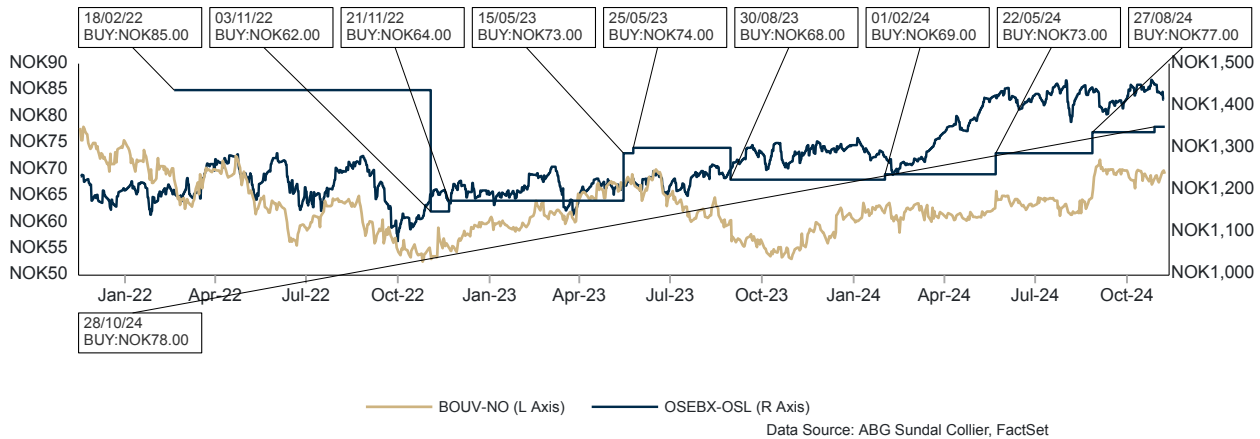
Currency: NOK

Current Recommendation: BUY

Date: 11/11/2024

Current Target price: 80.0

Current Share price: 71.90



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Production of recommendation: 11/12/2024 18:59.

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