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Financial results for Q2 2021 just released: Group revenue up 1.3%

In Q2, we saw continued strong growth within the Life Sciences International business, and we strengthened this business further with the addition of SL Controls. Once again, our Winning Solutions strategy gained traction, as it now constitutes 52% of NNIT's revenue compared to 44% in the same period last year.

Please refer to investor.nnit.com for the full company announcement re the financial results for Q2 2021.

CEO Pär Fors comments:

“In Q2, we experienced continued strong growth within the Life Sciences International business, further highlighted by the subsequent acquisition of SL Controls in July. In addition, we announced the extension of the Novo Nordisk Infrastructure agreement – an important win for NNIT despite lower margins. While our Private & Public business was impacted by the competitive environment within the infrastructure business, resulting in margin pressure, positively our Winning Solutions now constitute 52% of NNIT’s total revenue. I am excited to head up NNIT in the pursuit of further value creation”.

- **Group revenue increased to DKK 710m, up 1.3%** (-1.8% organic) from Q2 2020.
- **Life Sciences (excluding Novo Nordisk Group) grew to DKK 234m, up 35%** (22% organic). This increase was related to the continued significant growth of the Life Sciences International business, where revenues increased by 56% (36% organic) to DKK 165m, while revenue from Life Sciences Denmark increased by 1.5% to DKK 69m.
- **Winning Solutions now constitutes 52%** of total revenue (44% in Q2 2020).

Financial overview

DKK million	Q2 2021	Q2 2020	Pct./pp Change
Revenue	710	701	1.3%
Gross profit margin	12.1%	13.3%	-1.2pp
Operating profit before special items	36	38	-5.3%
Operating profit margin before special items	5.1%	5.4%	-0.4pp
Special items	63	12	425.0%
Operating profit	-27	26	-203.8%
Operating profit margin	-3.8%	3.7%	-7.5pp
Net profit	-30	14	-314.3%
Investments (CAPEX)	19	35	-45.7%
Free cash flow	150	194	-22.7%

Selected business highlights

- On June 14, 2021, Pär Fors took office as new CEO of NNIT.
- On June 29, 2021, NNIT renewed a global IT infrastructure agreement with the Novo Nordisk Group, thereby securing substantial infrastructure business with Novo Nordisk for another five years. The contract represents a value of a mid-triple digit DKK million amount.
- Within Life Sciences International, NNIT extended a significant

Compliance-as-a-Service engagement with an existing customer for an additional three years. The contract value represents a midrange double-digit DKK million amount.

- A new IDMP (Identification of Medical Products) compliance and Data Governance advisory engagement with a major International pharmaceutical company was agreed. The program will be carried out throughout 2021 and into 2022 and represents a lower double-digit DKK million amount.
- To further improve visibility and accelerate cost reductions, a process of extracting and gathering infrastructure operations into a dedicated business unit was initiated in June. This work will continue through the second half of 2021.

Outlook for 2021

Guidance for 2021 is maintained, following the separately announced adjustment on June 29, 2021:

- Revenue growth of 1-4%
- Operating profit margin before special items of around 5%
- Investment level of 5-7% of total revenue excluding acquisitions

Together we make a mark in business and society; bringing digital transformation to life

The NNIT Group provides a wide range of IT and consulting services internationally.

In Denmark, where the Group HQ is based, we are one of the leading IT companies, servicing both private and public sector customers across all industries. In the rest of Europe, Asia and USA, we are solely focused on companies within life sciences.

Supporting the entire supply chain, we help optimize internal company processes, production, sales and customer experiences:

We advise, build, operate and support, enabling digital transformation and customers to reap the full potential of their organizations. Our role is to foster innovation and make the mark our customers and we aspire to.

The NNIT Group consists of group company NNIT A/S and subsidiaries Valiance, SCALES and Excellis Health Solutions. Together, these companies employ over 3,000 people in Europe, Asia and USA.

Read more at www.nnit.com

Contacts



Tina Joanne Hindsbo

Press Contact

Media Relations Manager

tnjh@nnit.com

+45 3077 9578



Kasper Ortvald Larsen

Press Contact

Communications Consultant

kpoa@nnit.com

+45 3077 9465