

# Blom ASA

## 3<sup>rd</sup> Quarter 2014 Result Presentation

Presentation by CEO  
Dirk Blaauw

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WEBCAST



## Forward Looking Statements

This presentation contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts are forward-looking. You should not place undue reliance on these forward-looking statements for many reasons.

These forward-looking statements reflect current views with respect to future events and are by their nature subject to significant risk and uncertainties because they relate to events and depend on circumstances that will occur in future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot assure you that our future results, level of activity or performance will meet these expectations. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Unless we are required by law to update these statements, we will not necessarily update any of these statements after the date of this presentation, either to conform them to actual results or to changes in our expectations.

- Highlights
- Key figures
- Markets & operations
- Future outlook



- Q3 shows improved profitability
  - Revenue in Q3 NOK 79 mill
  - Result from operating activity NOK 16 mill, EBITDA margin of 20%
- Focused strategy pays off
  - Increased Nordic focus
  - Focus on new and more profitable markets / product / segments
  - Significant marked potential identified in Arctic areas
- Major contract awarded
  - Blom will build a complete orthophoto dataset and maintain sales rights

# Key Figures – Profit & Loss



(NOK million)	Q3 2014	Q3 2013*	Per 30.09.14	Per 30.09.13*
Revenues	79.3	61.3	192.5	166.7
COGS	33.8	20.9	79.6	58.1
Personnel costs	26.2	28.2	80.4	86.5
Other operating costs	6.5	5.3	20.6	18.6
EBITDA	12.8	6.9	11,9	3.4
EBITDA %	16.1 %	11.2 %	6.2 %	2.0 %
EBIT	9.8	-1.8	4.8	-21.1

\* 2013: Sale of intangible assets of NOK 20 mill /write-down of 40 mill database not included

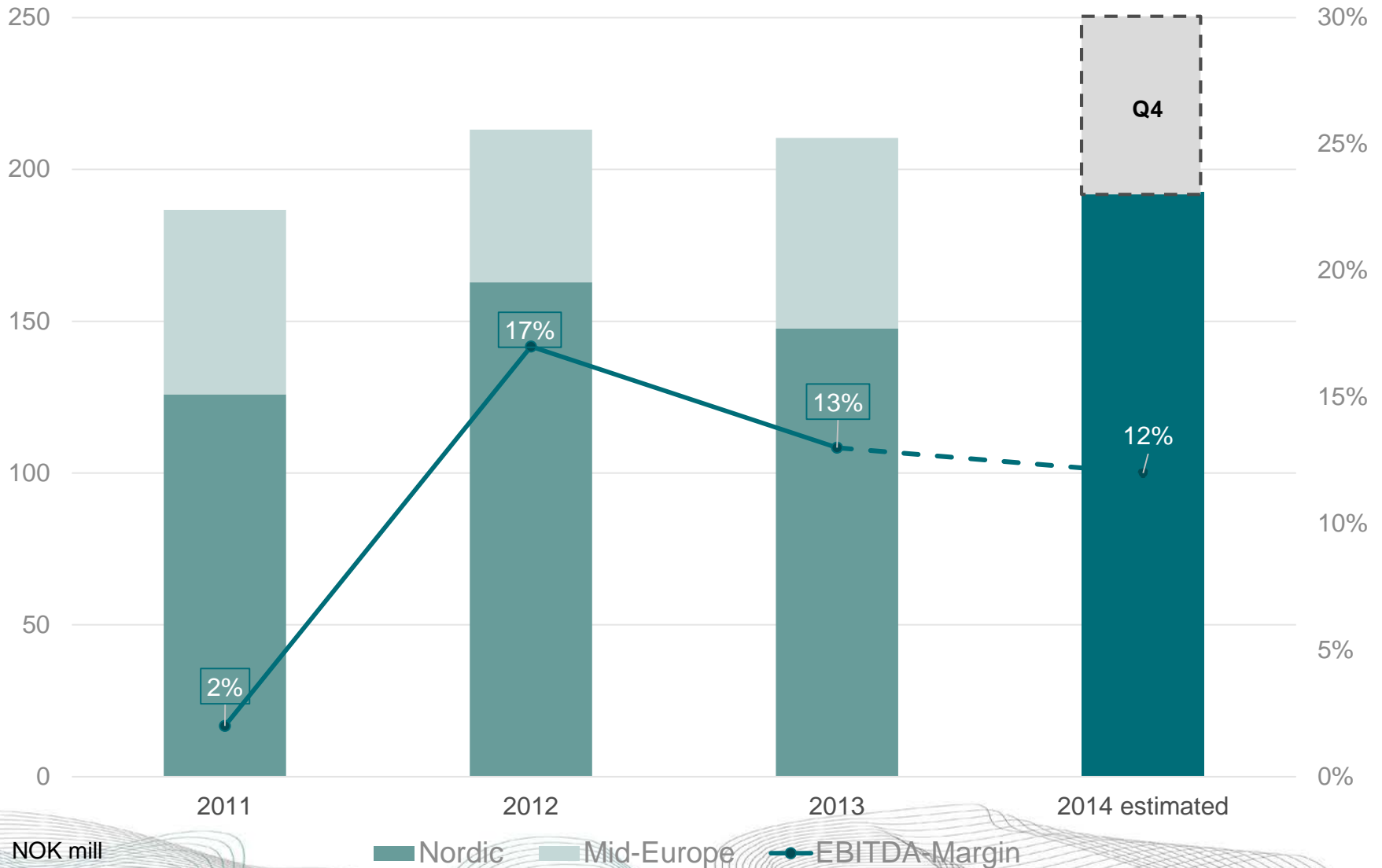
# Key Figures – Per Region



(NOK million)	Q3 2014	Q3 2014	YTD 2014	YTD 2014
	Revenue	EBITDA	Revenue	EBITDA
Nordic	56.8	10.9	126.2	13.3
Mid-Europe	22.5	5.4	66.3	10.5
Total operating activity	79.3	16.3	192.5	23.8

- Nordic
  - Norway – Close to 50 % market share, reduced margins
  - Sweden - Successful shift to new market segments / products, improved margins
- Mid-Europe
  - Focus on important framework agreements

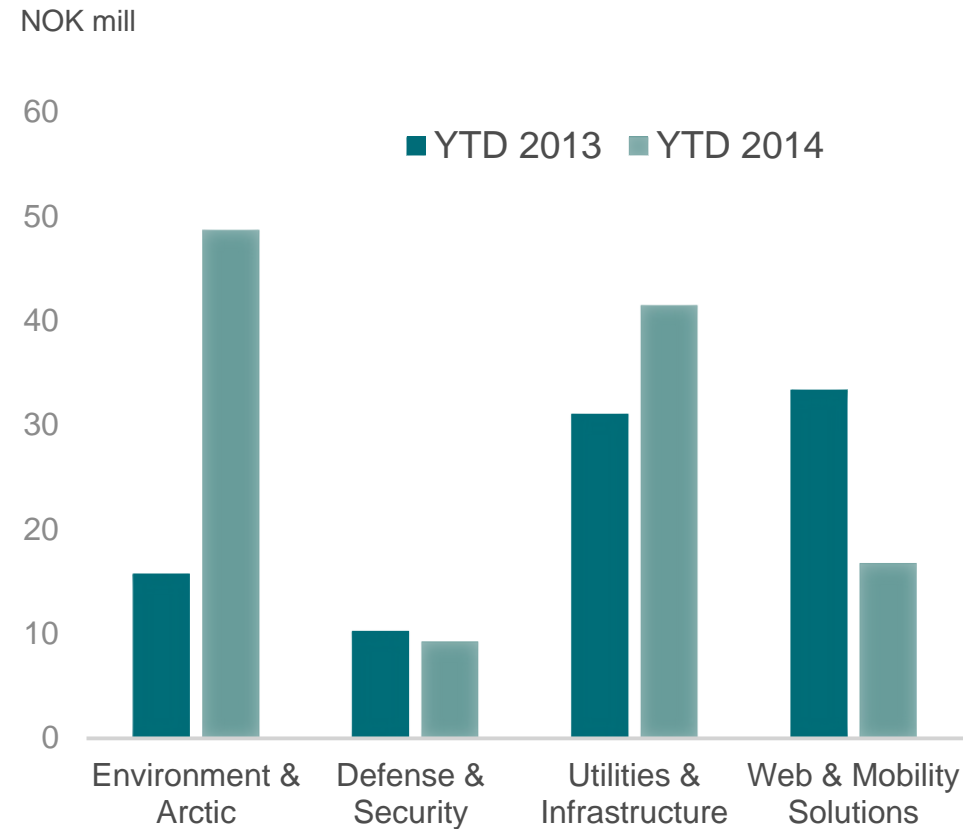
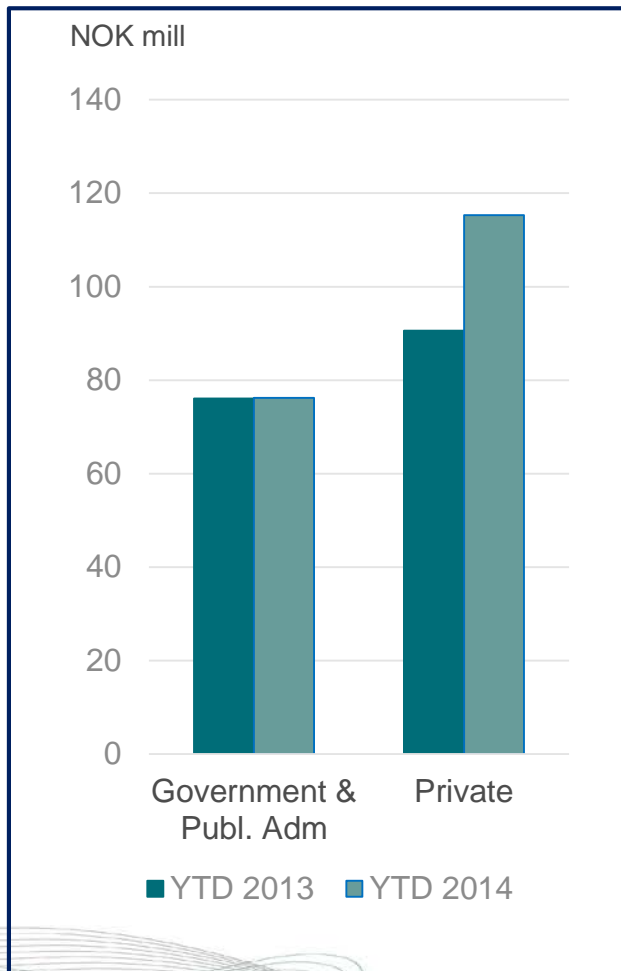
# Steady yearly revenue levels - healthy margins



NOK mill

# Key figures – Revenues per segment

## Private segments



# Key Figures – Q3 Balance Sheet

(NOK million)	Per 30.09.14	Per 30.06.14	Per 31.12.13*
Fixed Asset	19.6	19.9	22.5
Other current Assets	103.3	90.1	82.1
Cash	29.6	33.0	42.7
Assets held for sale	0	0	48.1
<b>Total Assets</b>	<b>152.5</b>	<b>143.0</b>	<b>195.4</b>
Shareholder's Equity	67.7	58.9	56.3
Long term Liability	5.3	5.2	13.7
Current Liabilities	79.5	78.9	92.2
Liabilities held for sale	0	0	33.2
<b>Total Equity and Debt</b>	<b>152.5</b>	<b>143.0</b>	<b>195.4</b>
Net Interest Bearing Debt	- 28.6	- 29.8	- 38,4
Equity Ratio (%)	44%	41%	29%
Current Ratio	1.68	1.56	1.38

- Overall increased revenues and improved margin
- Blom ASA costs reduced 50 % compared to 2013
- Norwegian operations shows good profitability
- Overall contract portfolio improved
  
- Improved balance sheet
  - Shareholders equity 44 per cent
  - Current ratio 1.68
  - Net interest bearing debt NOK – 29 million

- Increased Nordic focus pays off
- Increased interest for BlomSTREET, BlomOBLIQUE & 3D
  - Professional markets – takes time to close, stay long
- Ice detection project on track
  - Political sanction no impact for 2014
- Awarded contract with leading global supplier
  - European orthophoto library – nationwide coverage – 30 cm resolution

- Blom and Viking Supply Ships provide ice detection services in the Kara Sea
  - 2 + 2 year contract
  - Sanctions: no impact in 2014
  - No. 1 of anticipated 100 wells completed – very good results
  - NADL – 6 rigs to be delivered to Rosneft next year and onwards



- Blom's competence and experience to be used for more arctic requirements
  - Climate and environmental analysis
  - Surveillance and detection
  - Ice, Shipping & Offshore, Oil spills



- Contract awarded July 2014
- Nationwide coverage of most European countries
- Total value until 2017 above NOK 100 mill
- Blom will retain certain rights to the library



- Blom will do second sales
- Blom will combine data sets



## Established sound Platform



## New Company Strategy

- Restructuring process completed
- Sound financial platform
- Reduced geographical exposure
- More focused market approach

- Provide solutions and services for a wider range of airborne sensors
- New sensor market may include:
  - Surveillance
  - Environment
  - Magnetic and radiometric sensors
  - Other sensors such as bathymetric, hyperspectral etc
- Increased use of outsourcing

- Growth opportunities will be based on present core competences, resources and experience
- Maintain focus on cost-efficient structure to improve revenues and margins
- New Arctic opportunities identified for utilization of advanced sensor technology