

# Blom ASA

## 2nd Quarter 2014 Result Presentation

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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.



# Agenda Q2 Presentation

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



- Second quarter profitable
  - EBITDA of NOK 5 mill
- Increased Nordic focus pays off
- Group strategy
  - Focus on new and more profitable markets / product segments
  - Ice detection contract according to plan
- Major contract awarded
  - European orthophoto dataset



# Q2 / 1<sup>st</sup> Half Key Figures – Profit & Loss



(NOK million)	Q2 2014	Q2 2013	Per 30.06.14	Per 30.06.13
Revenues	71.3	68.9	113.1	105.4
COGS	31.5	24.4	45.7	37.3
Personnel costs	27.9	33.0	54.2	58.4
Other operating costs	7.1	8.4	14.1	13.2
EBITDA	4.8	3.1	-0.9	-3.5
EBITDA %	6.7 %	4.5 %	-0.8 %	-3.3 %
EBIT	2.4	-5.8	-4.9	-19.3

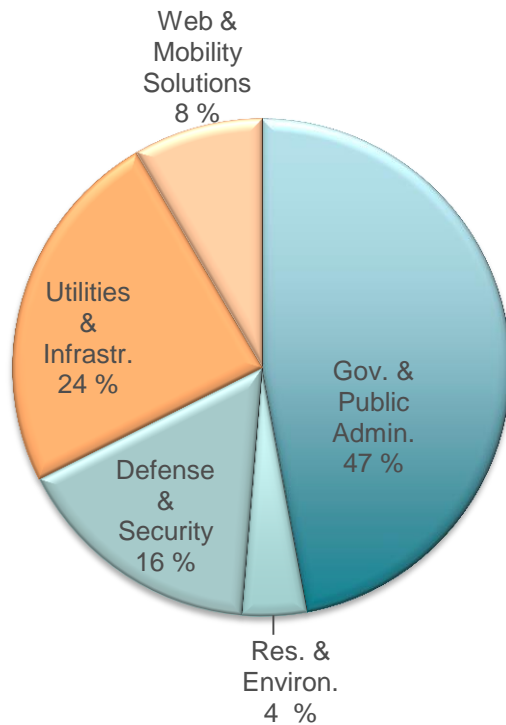
# Key Figures – Per Region

(NOK million)	Q2 2014	Q2 2013	Q2 2014	Q2 2013
	Revenue	Revenue	EBITDA	EBITDA
Nordic	44.9	52.5	5.3	13.0
Mid-Europe	23.9	14.3	2.6	1.2
Eastern Europe	2.4	2.1	0.6	0.3

- Nordic
  - Norway – Close to 50 % market share, reduced margins
  - One-off 2013 - Revenue/EBITDA
  - Sweden - Successful shift to new market segments / products, improved margins
- Mid-Europe
  - Focus on important framework agreements

# Key figures – Per Segment

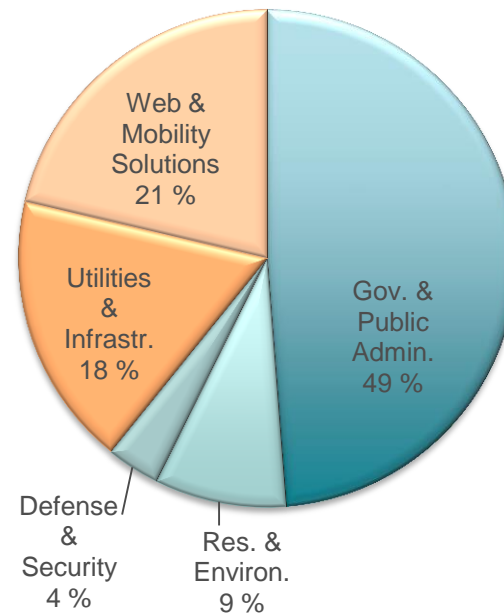
## Revenues Q2 2014



Private sector

Public sector

## Revenues Q2 2013



- Continued focus on new business models and revenue streams

# Key Figures – Q2 Balance Sheet



(NOK million)	Per 30.06.14	Per 31.12.13*
Fixed Asset	19.9	22.5
Current Assets	123.1	173.0
- Cash	33.0	42.7
- Assets held for sale	0	48.1
<b>Total Assets</b>	<b>143.0</b>	<b>195.4</b>
Shareholder's Equity	58.9	56.3
Long term Liability	5.2	13.7
Current Liabilities	78.9	92.2
Liabilities held for sale	0	33.2
<b>Total Equity and Debt</b>	<b>143.0</b>	<b>195.4</b>
Net Interest Bearing Debt	- 29.8	- 38,4
Equity Ratio (%)	41.2%	28.8%
Current Ratio	1.56	1.38

\*Blom Romania included as «assets held for sale», respectively «liabilities held for sale».

- Increased revenues and improved margin
- Blom ASA costs reduced 50 % compared to 2013
- Restructuring process finalized in Q2 – cost accounted for
- Improved balance sheet
  - Shareholders equity 41 per cent
  - Current ratio 1.56
  - Net interest bearing debt NOK – 30 million



- Increased Nordic focus pays off
- Growing demand expected for advanced laser scanning
- Increased interest for BlomSTREET, BlomOBLIQUE & 3D
- Ice detection project on track
- Awarded contract with leading global supplier
  - European orthophoto library



# Ice Detection Contract



- Blom provides airplanes and SAR sensors for ice detection
- Project on track
- 2 + 2 year ice detection contract awarded
- Contractor is Viking Supply Ships
- Annual revenue of NOK 35 – 50 million
  - Satisfactory margin



- Contract awarded July 2014
- Orthophoto library covering most of the European continent
- Initial value Blom up to NOK 30 mill
- Total value until 2017 above NOK 100 mill
- Blom's share of the program following 2014 to be defined
- Blom will retain certain rights to the library



## 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
  - Airborne seismic etc
- Increased use of outsourcing

# Future Outlook

- Evaluate growth opportunities based on present core competences and resources
- Identified market opportunities for advanced sensor technology
- Maintain focus on cost-efficient structure to improve revenues and margins

