

MULTICONSULT CAPITAL MARKETS DAY 2019

OSLO, 7 NOVEMBER 2019

DISCLAIMER

This presentation includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this presentation, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as “believe,” “expect,” “anticipate,” “may,” “assume,” “plan,” “intend,” “will,” “should,” “estimate,” “risk” and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this presentation.

AGENDA

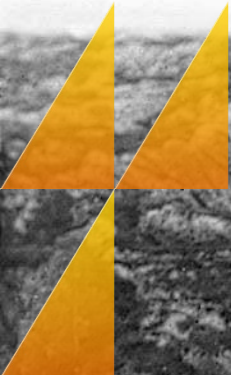
- 08:30 - 08:55 Registration and breakfast
- 09:00 - 09:20 Q3 2019 Presentation | Grethe Bergly, CEO & Hans-Jørgen Wibstad, CFO
- 09:20 - 09:30 Break
- 09:30 - 09:50 A History of excellence | Grethe Bergly, CEO
- 09:50 - 10:00 How we work & our track record | Hans-Jørgen Wibstad, CFO
- 10:00 - 10:10 Changes made | Grethe Bergly, CEO
- 10:10 - 10:15 Break
- 10:15 - 10:30 Market and Sales | Lars Opsahl, EVP Sales
- 10:30 - 11:00 Operations | Johan Arntzen, COO
The Tønsberg Hospital | Bjørnar Byberg
Rv.3/Rv.25 | Stein Christiansen
- 11:00 - 11:30 Lunch
- 11:30 - 11:50 Strategic priorities by Grethe Bergly, CEO
- 11:50 - 12:25 nextLevel and Financial targets | Hans-Jørgen Wibstad, CFO
- 12:25 - 12:30 Final words | Grethe Bergly, CEO

The rapid change in our surroundings will change our business as we know it. Even more important, it will create new opportunities for new products, new business models and new ways of working.

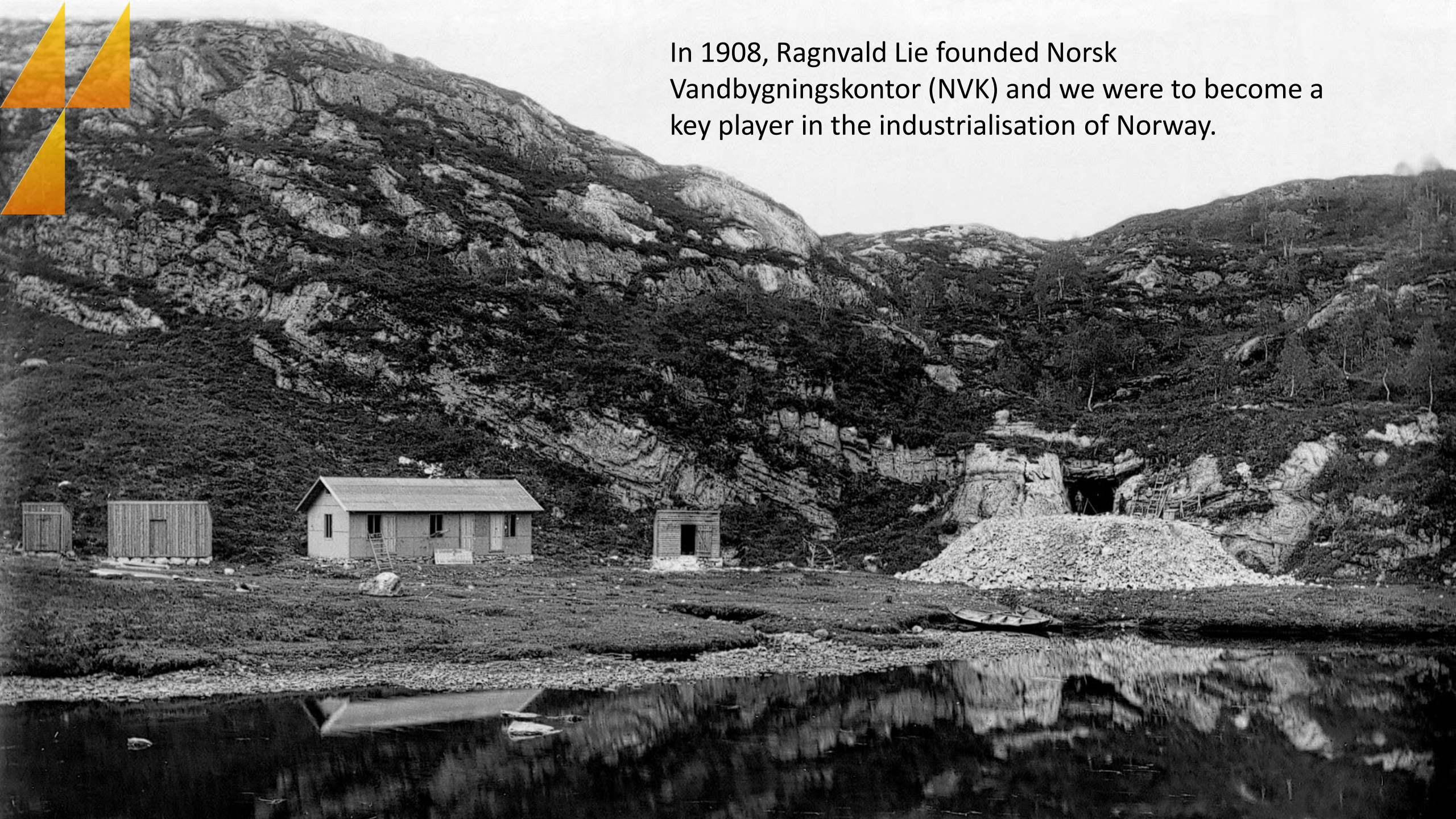
TO SUCCEED, **ACTION** IS REQUIRED

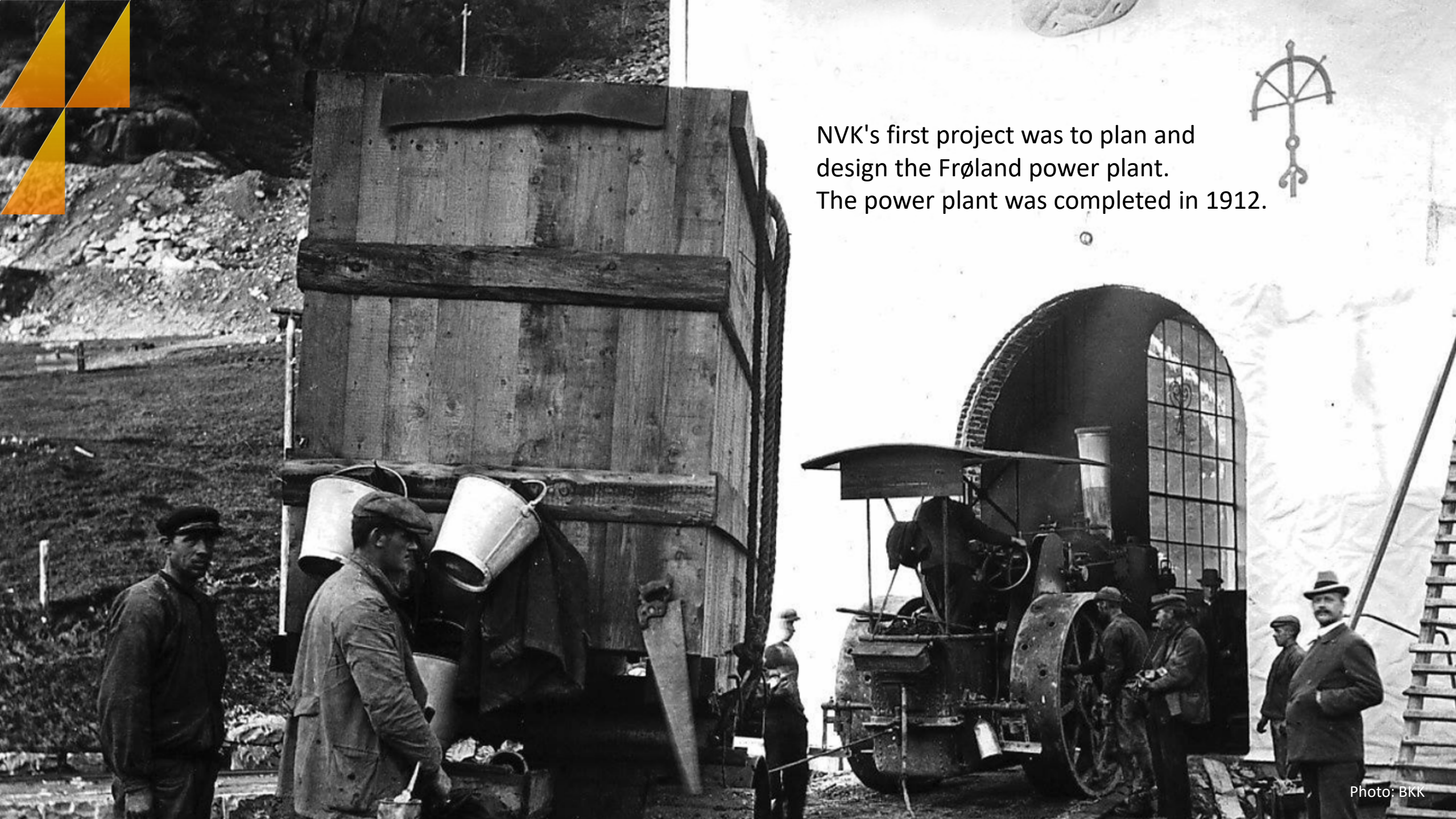
A HISTORY OF EXCELLENCE





In 1908, Ragnvald Lie founded Norsk
Vandbygningskontor (NVK) and we were to become a
key player in the industrialisation of Norway.





NVK's first project was to plan and design the Frøland power plant. The power plant was completed in 1912.




...since then, we have empowered clean energy and electrification of several countries in Africa and Asia.





In 1974 we introduced Multiconsult
as our company name. At the same time, we
worked on the design criteria for the Ekofisk Tank.



...Since then we have contributed on a large number of concrete platforms built around the world. We are especially proud of our contributions on the Troll platform - rated as the greatest Norwegian engineering achievement of the last century.





...With 50 years of experience from oil and gas we now empower the green shift through large onshore and offshore wind parks.
- and future capture and storage of carbon through the planning of Northern Lights.





In 1990 Noteby merged with Multiconsult. At the same time, we worked on the design for the Gjøvik Olympic Mountain Hall. The structure is the world's largest cavern hall for public use.

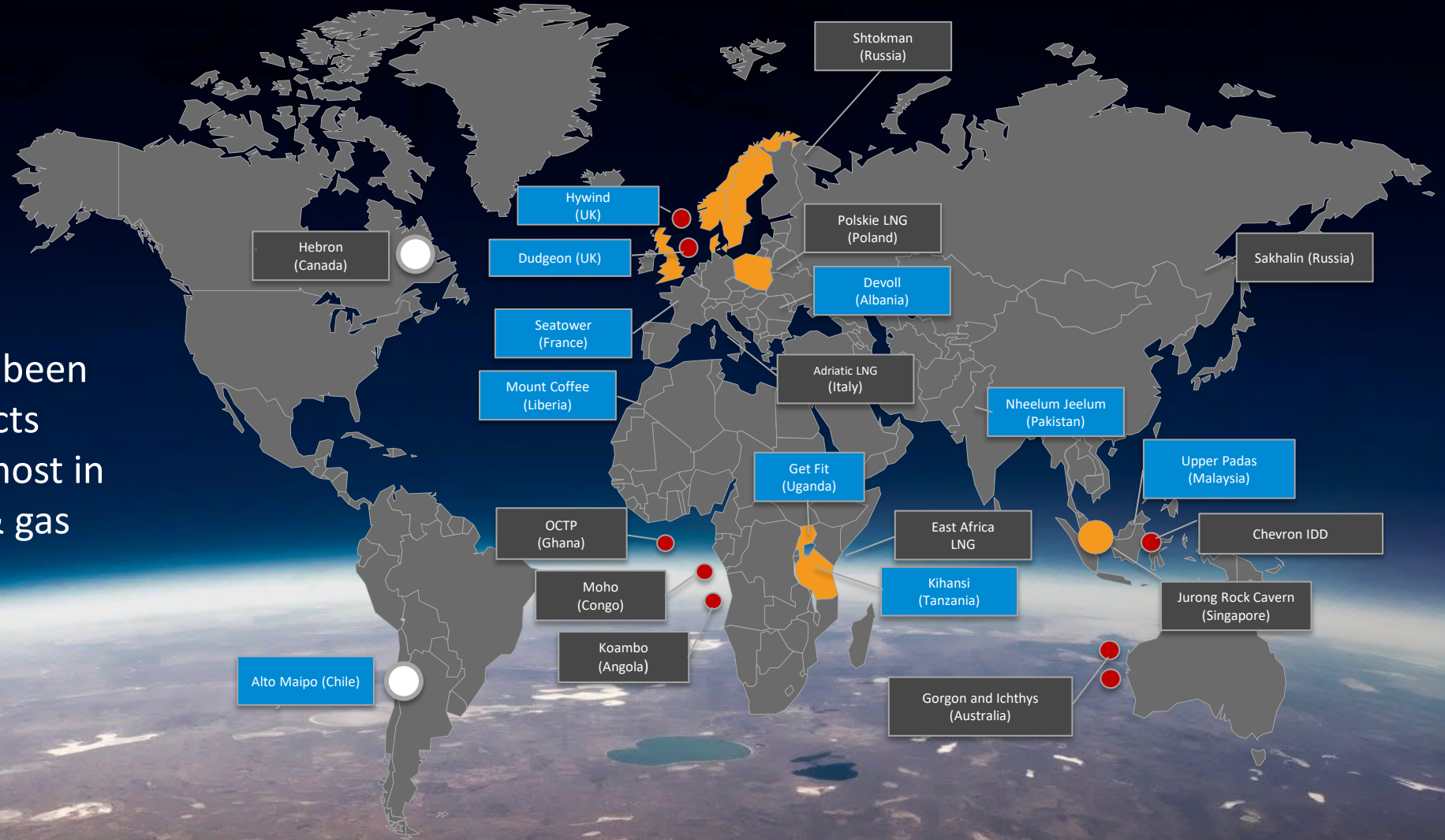


...Today, our experts within geo, water and environment empower new water supply and clean water to Oslo's future generations.



In 2003 Norsk Vandbygningskontor (NVK) merged with Multiconsult. At the same time we were stepping up our international activities. We were involved in several hydropower plant projects internationally such as the Kihansi in Tanzania.

...Since that time
Multiconsult has been
involved in projects
world wide, foremost in
renewables, oil & gas
and subsea geo.





In 2011, we revitalised our commitment to colleges and universities. We called the initiative MUST - Multiconsult for students. At the same time, we introduced our unique summer programs for students.





...now we are ranked #1 attractive
employer in the industry and #2 overall
- both for students and professionals.






In 2011, Barlindhaug Consult become a part of Multiconsult. Together we empowered The Svalbard Global Seed Vault.

The Vault is a safety net against accidental loss of diversity in traditional genebanks. The Seed Vault offers its services to all types of gene banks seeking security storage for unique seed samples.






...Today, we have world leading
expertise on coastal, marine
and arctic engineering.





Late 2015 we acquired LINK arkitektur AS,
the largest architecture company in Norway,
with subsidiaries in Sweden and Denmark.



...Today we use integrated architect
and engineering consultancy services
in several important projects.





In September 2017 we acquired Hjellnes Consult and Johs Holt.

Hjellnes Consult and the company's 220 employees were integrated into Multiconsult in April 2018.

Johs Holt continues as a wholly owned subsidiary and retains the brand name.





Today, we combine bridge expertise from Johs Holt and our wide competence from transportation, geo, oil and gas to empower deep sea crossings such as E39 Bjørnafjorden.



OUR MOST IMPORTANT ASSETS

By CEO GRETHE BERGLY

3 000 VALUE CREATORS

...mainly located in Norway, Sweden,
Denmark, Poland and UK.



A man with dark hair and glasses, wearing a dark suit jacket over a patterned shirt, is leaning on a metal balcony railing. He is looking towards the camera with a slight smile. His hands are clasped together on the railing. The background shows a cityscape with various buildings and a bright sun creating a lens flare effect. The overall tone is professional and aspirational.

WORLD LEADING
EXPERTS

Photo: Bård Gudim / Multiconsult

61%
Male

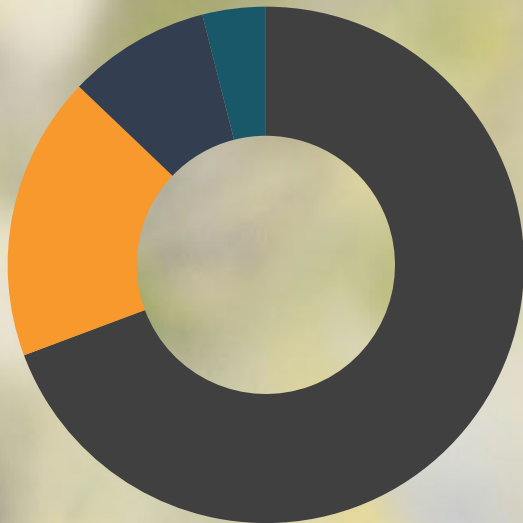
39%
Female

Multiconsult Group



Photo: Vegard Giskerud / Multiconsult

ARCHITECT SERVICES



LINK arkitektur

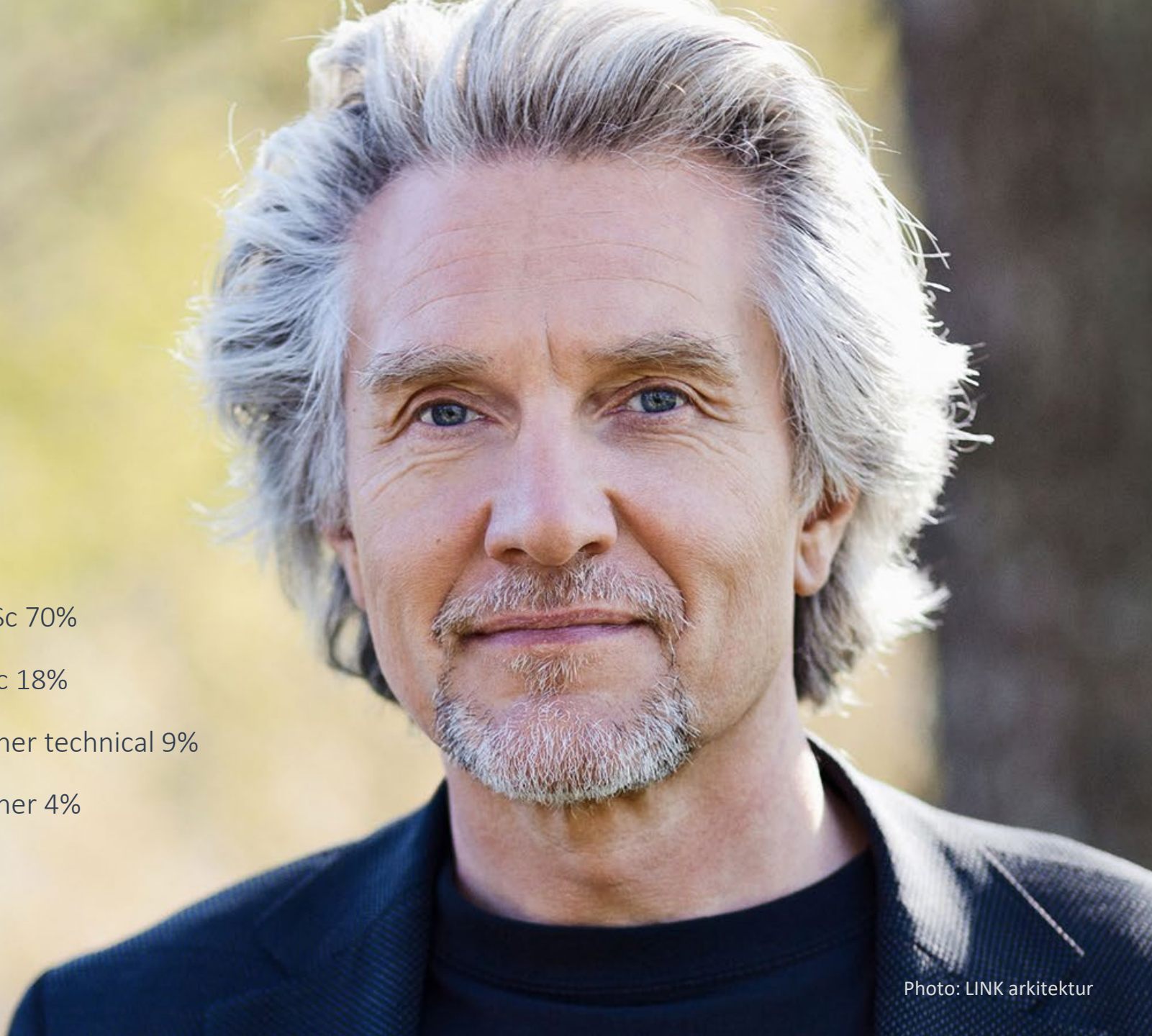
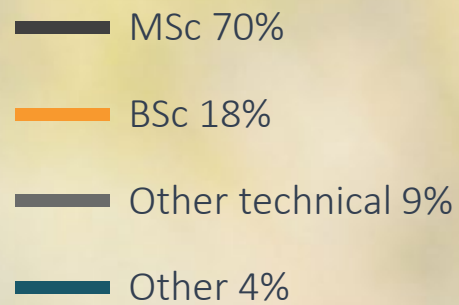
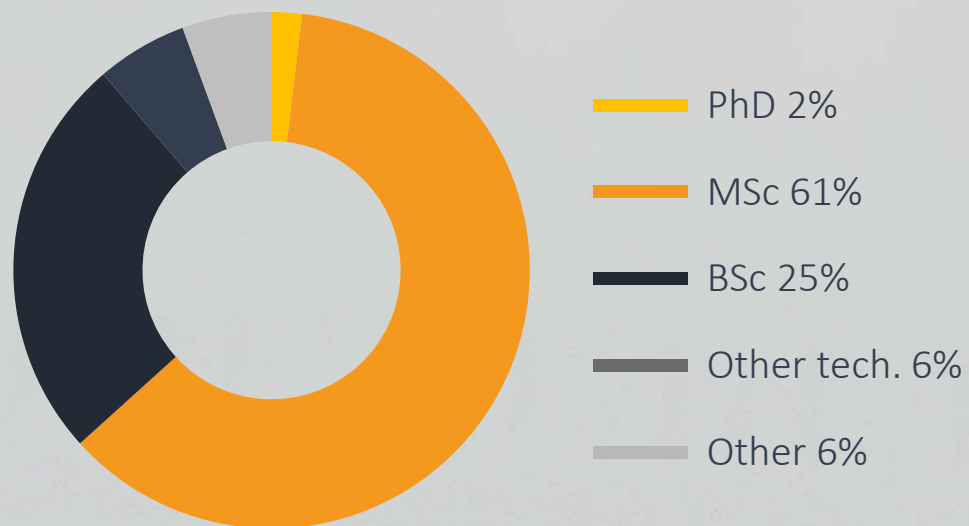


Photo: LINK arkitektur

ENGINEERING SERVICES



Multiconsult Norway



Photo: Vegard Giskerud / Multiconsult

LONG EXPERIENCE
COMBINED WITH
YOUNG CURIOSITY

15%
< 29

34%
30-39

21%
40-49

17%
50-59

13%
60 >





10 000 PROJECTS FOR
MORE THAN 4 500
CLIENTS PER YEAR

It is in our nature to always seek out projects with a high degree of complexity and create value for our clients. Our history, our position and our internationally renowned expertise attracts demanding and interesting projects.



INTEGRATED USE OF TECHNOLOGY



CAMPUS ÅS

CO-LOCATION OF THE VETERINARY INSTITUTE
AND THE VETERINARY COLLEGE AT NBMU



STATSBYGG



SKETCH-, DETAIL- AND PRE-PROJECT | FOLLOW-UP IN
CONSTRUCTION TIME



AKERSHUS COUNTY, NORWAY



2010 - 2019



About Campus Ås



‘No similar project has previously been built anywhere in the world.’

State Secretary Lars Jacob Hiim
in the Ministry of Local Government and Modernisation.

Source: Bygg.no

CAMPUS FREDRIKSTAD

NEW FREDERIK II HIGH SCHOOL AND
ARENA FREDRIKSTAD.



ØSTFOLD FYLKESKOMMUNE & FREDRIKSTAD KOMMUNE



PLAN AND DESIGN COMPETITION FOR NEW FREDRIK II
HIGH SCHOOL, SPORTS HALL AND ARENA FREDRIKSTAD
ICE RINK. ARCHITECTURAL AND ENGINEERING SERVICES



FREDRIKSTAD, NORWAY



2019 -



Illustration: LINK arkitektur/Griff Arkitektur



About Fredrikstad Campus

‘The jury believes that the proposer has shown a site plan which is simple and trustworthy in its composition with the three separate buildings placed with entrances around a large common area. The outside area/campus can accommodate the large influx of visitors in the evening and many students during the day.’

Jury statement in connection with the winner being selected in the planning and design competition

STAVANGER BUS ROAD

EUROPE'S LONGEST SEPARATE BUS ROUTE (50 KM).
PART OF 'BYPASSE NORD-JÆREN', WHICH AIMS TO
REDUCE CLIMATE EMISSIONS IN THE REGION



THE NORWEGIAN PUBLIC ROAD ADMINISTRATION



PRELIMINARY PROJECT REPORTS | PLANNING PROGRAM
| REGULATION PLANS WITH IMPACT ASSESSMENT



ROGALAND COUNTY, NORWAY



2015 -





About Bussveien

‘Thank you very much for your brilliant efforts. Yes, I know several of you have worked both nights and weekends for us. Good professional solutions, the willingness to resolve, the willingness to quickly shift focus when progress has required it and not least the patience you have had with us as a customer through, for example, changed assumptions and premises - Bussveien has gone as we planned.’

Richard Wigestrands,
The Norwegian Public Roads Administration

NORTHERN LIGHTS

CARBON CAPTURE AND STORAGE (CCS)



EQUINOR



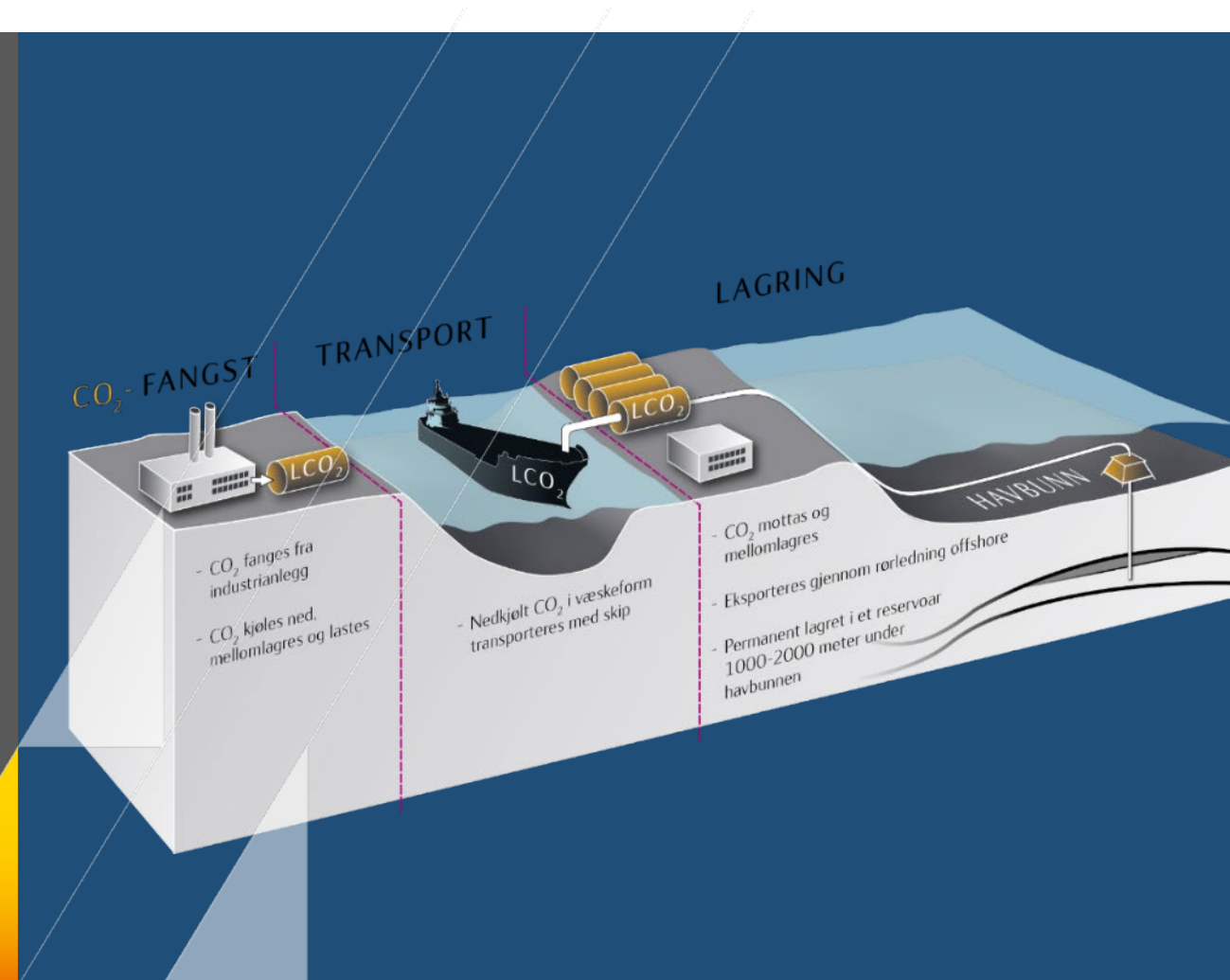
PROJECT MANAGEMENT | CIVIL 1 PREPARATION | MARINE
CONSTRUCTIONS | HARBOR DESIGN | COST ESTIMATE



NORWAY



2018 - 2020





About Northern Lights

'It is very gratifying that we can utilise our expertise, developed over many years in the oil and gas industry, to cut CO2 from an industry that relies on burning organic materials.'

Erik Bjertness, Multiconsult

Mt. COFFEE

REHABILITATION, RECONSTRUCTION AND
UPGRADING MOUNT COFFEE HYDRO POWER PLANT



LIBERIA ELECTRICITY CORPORATIAN



OWNERS ENGINEER



LIBERIA



2013 - 2018





About Mt.Coffee

‘The Steering Committee whole-heartedly endorses the results of the study and the PIP. Multiconsult has put together a fantastic piece of work.’

Minister of Lands, Mines and Energy - Liberia

GET FIT ZAMBIA

TENDER AGENT FOR 100MW SOLAR POWER AND
IMPLEMENTATION ADVISORY



THE GOVERNMENT OF ZAMBIA



COMPLETE DESIGN AND IMPLEMENTATION |
STAKEHOLDER MANAGEMENT | FOLLOW-UP FOR ALL
SOLAR AND WATER PROJECTS | GRID MODELING



ZAMBIA



2018 -



About Get Fit



‘Thanks for the draft, you guys are great!’

Client KWF - GET FiT Zambia

HOW WE WORK & OUR TRACK RECORD

By CFO HANS-JØRGEN WIBSTAD

VALUE CHAIN



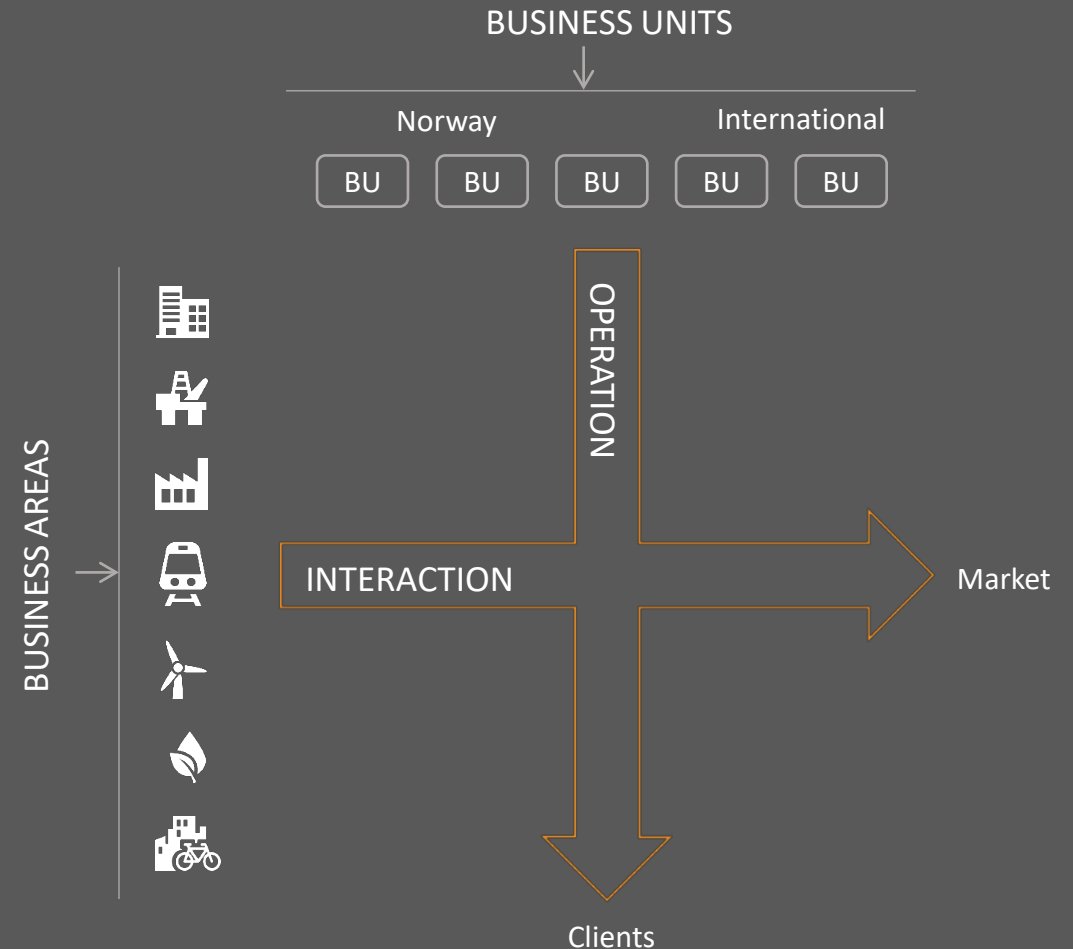
BUSINESS UNITS VS BUSINESS AREAS

THE BUSINESS UNITS ENSURE AN EVEN PACE.
AND ACHIEVE OUR GOALS.

- We are organised in business units to ensure that we work systematically towards our strategic goals on an operational level and secure close client relations

THE BUSINESS AREAS CARRY THE GROWTH.
AND IDENTIFY THE OPPORTUNITIES.

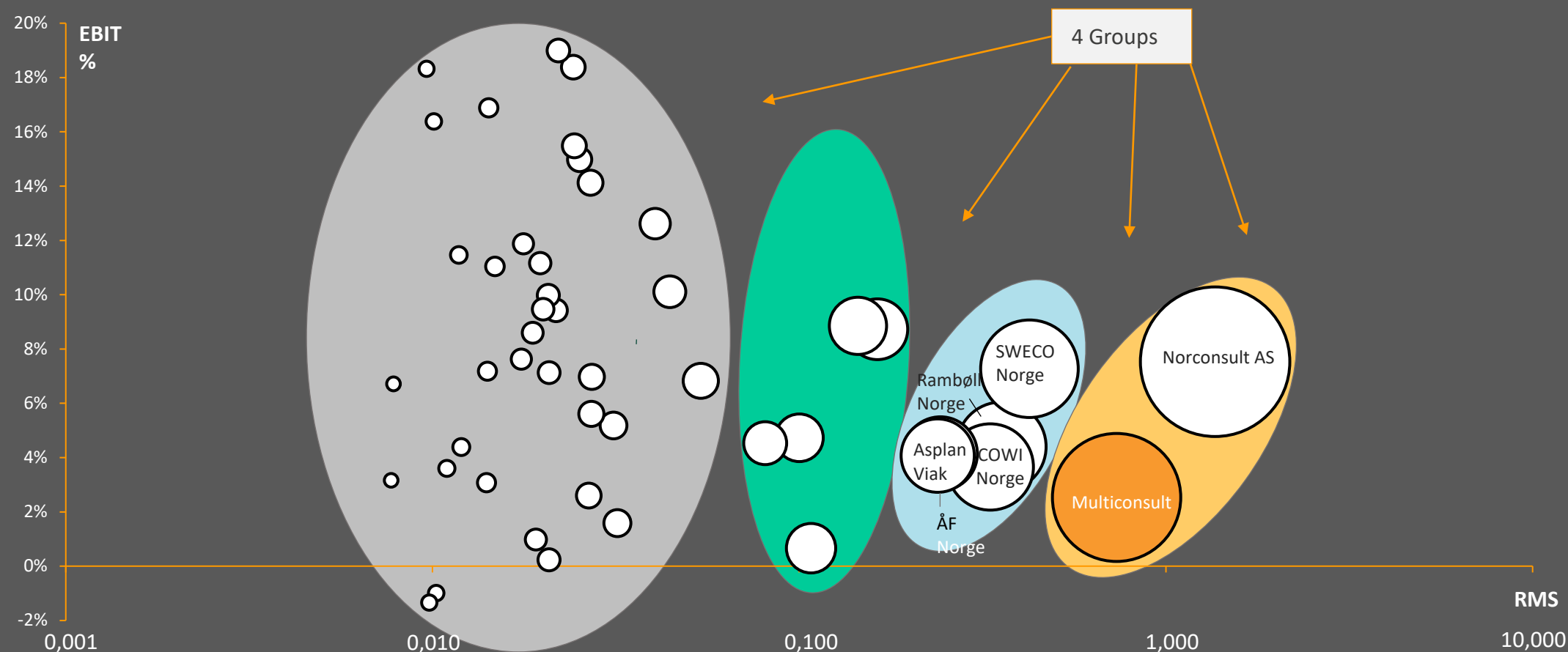
- The business areas secure sound follow-up of our most important clients and projects in our most important sectors



FOUR SIZE- AND PROFITABILITY GROUPINGS IN THE NORWEGIAN INDUSTRY

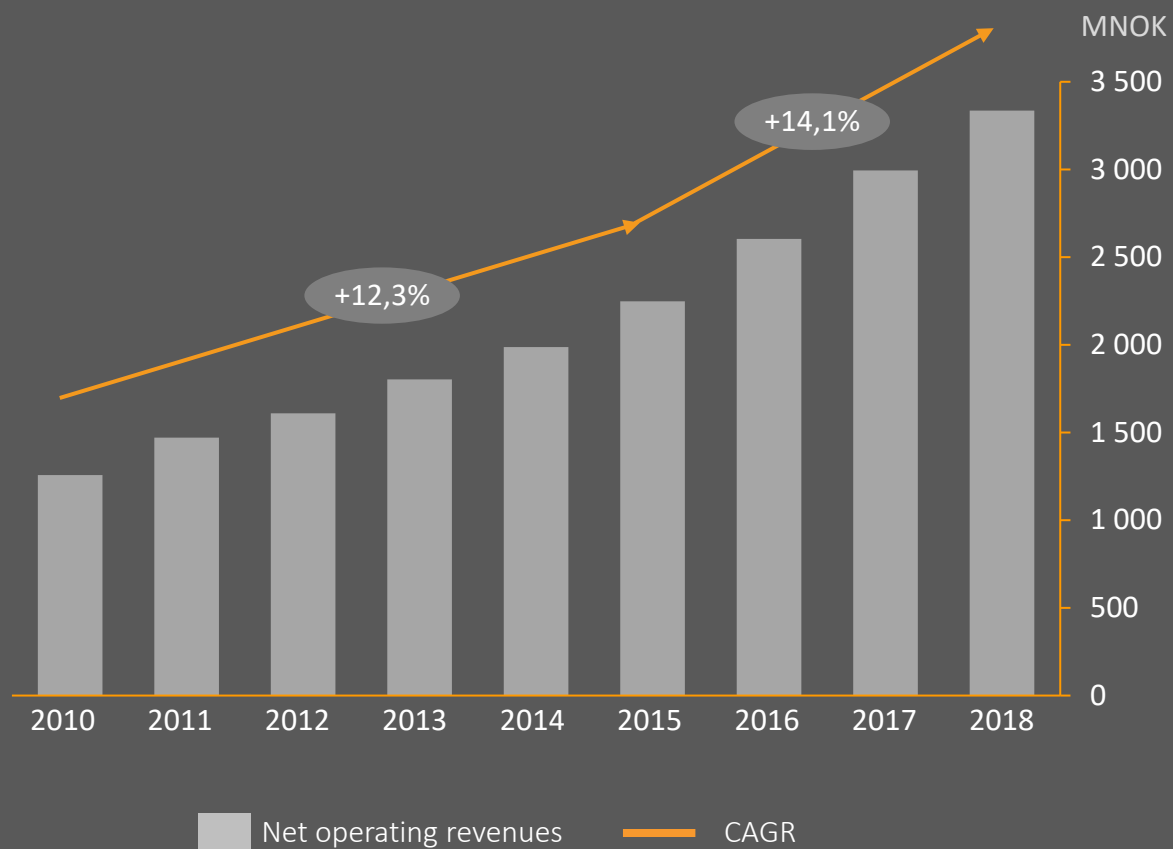
NORWAY | 50 LARGEST CONSULTING ENGINEERS AND ARCHITECTURAL GROUPS 2018

EBIT % vs. Relative Market Share

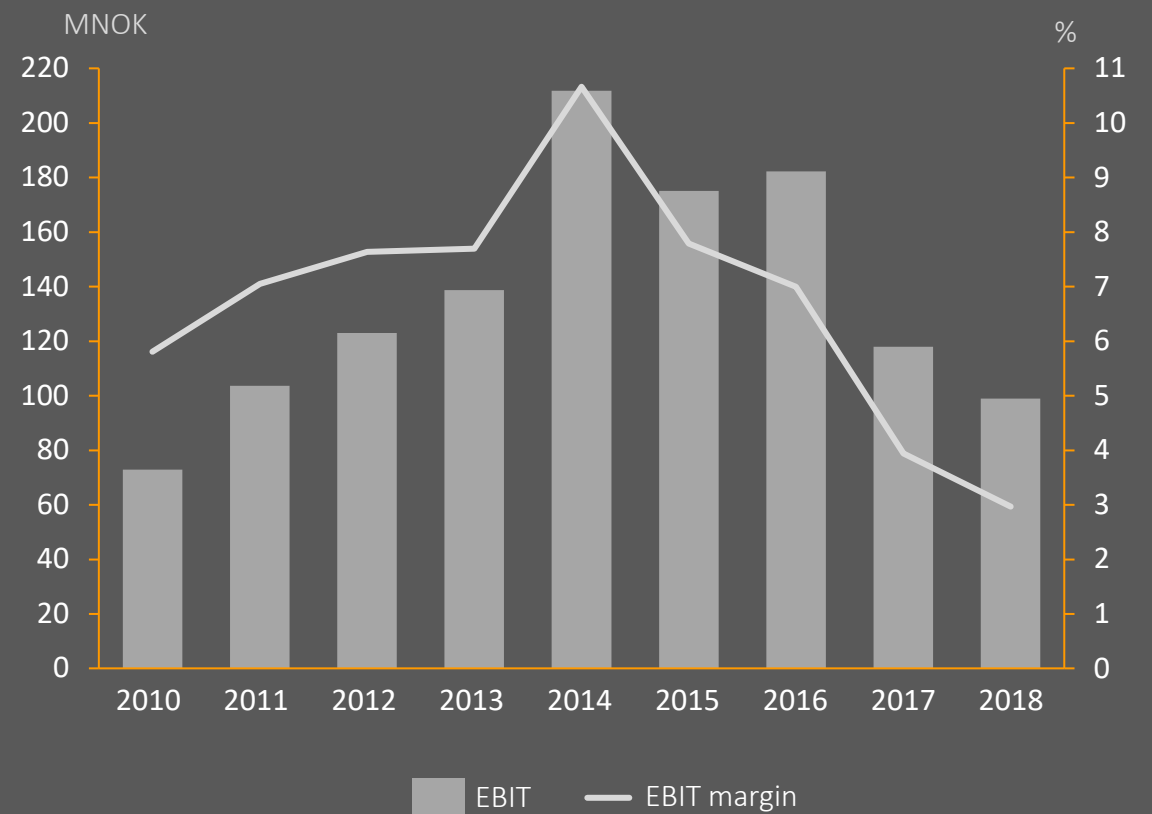
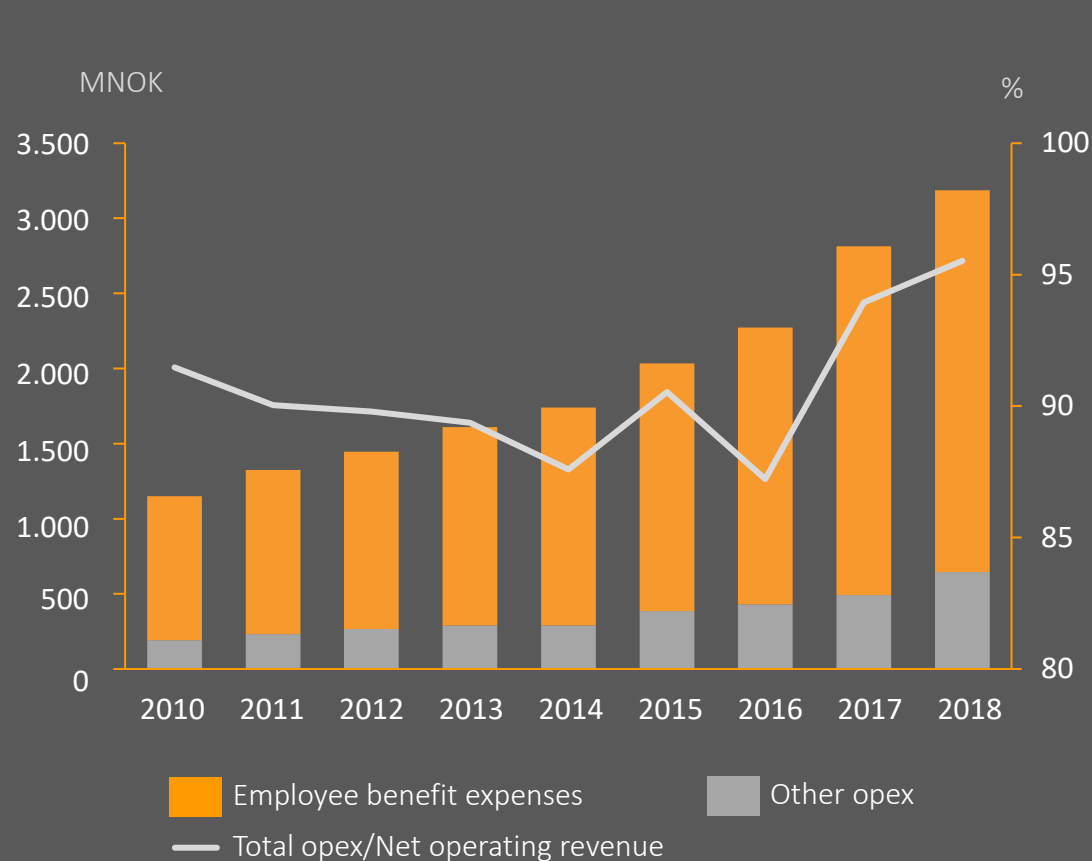


Note: RMS: Relative market share. (relative to largest competitor) International revenue is included for the companies with home base in Norway while subsidiary of international companies display only the revenue in the subsidiary.
Source: Proff; MoS Analysis

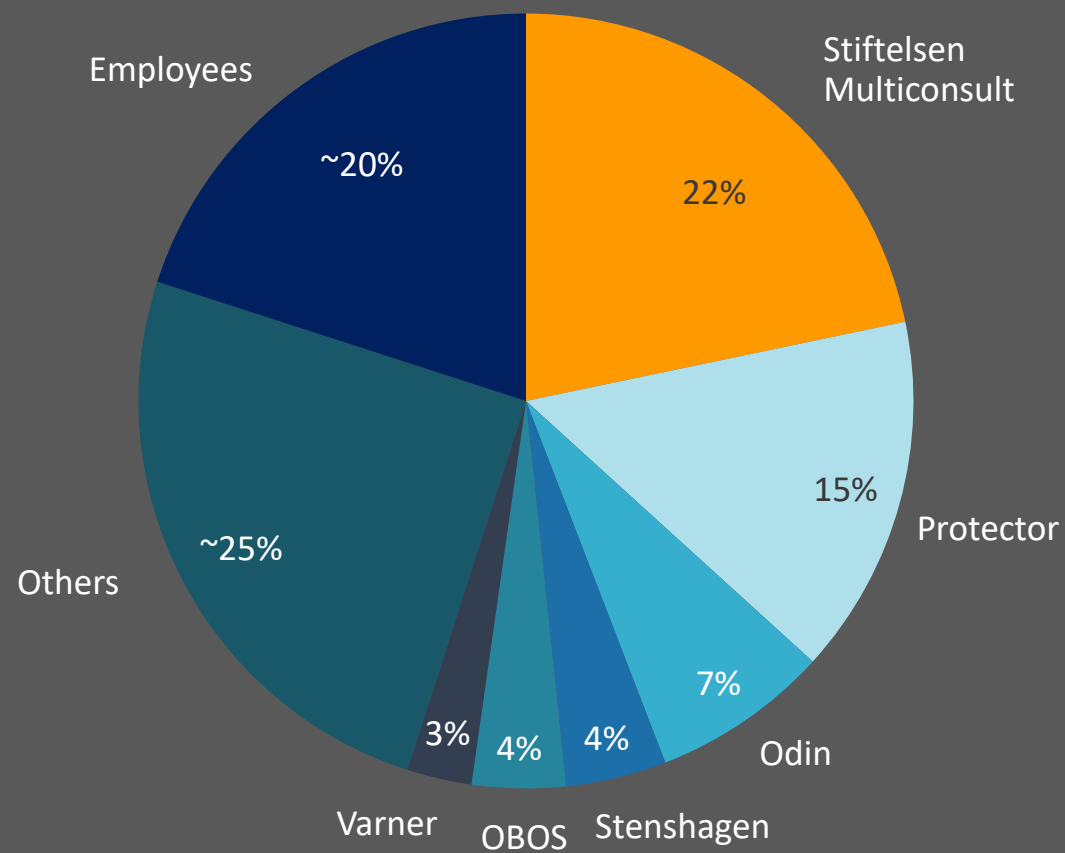
HISTORICAL DEVELOPMENT IN REVENUES



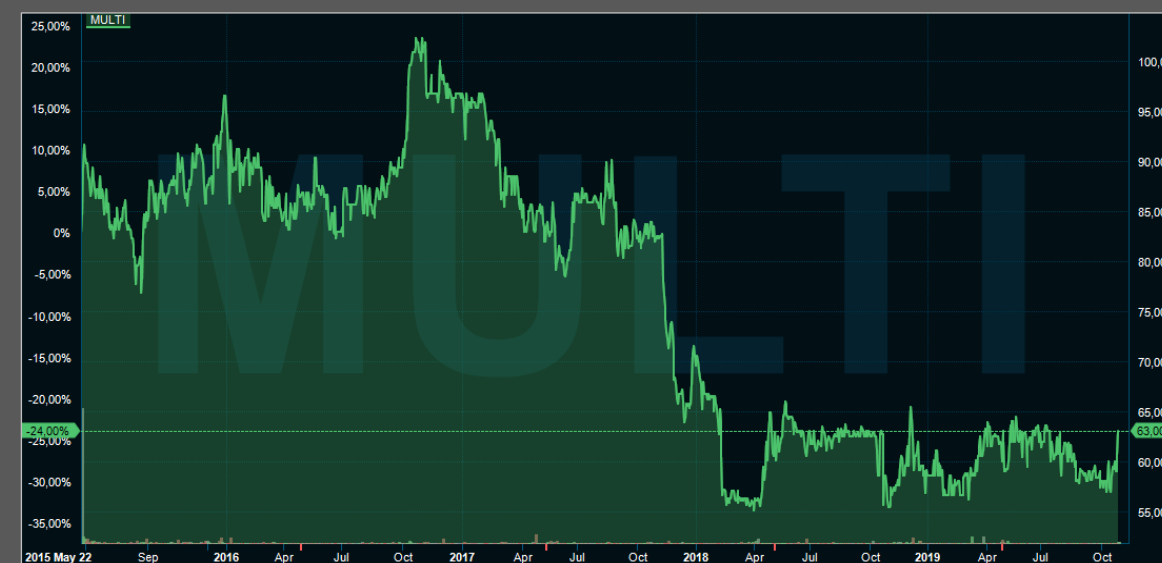
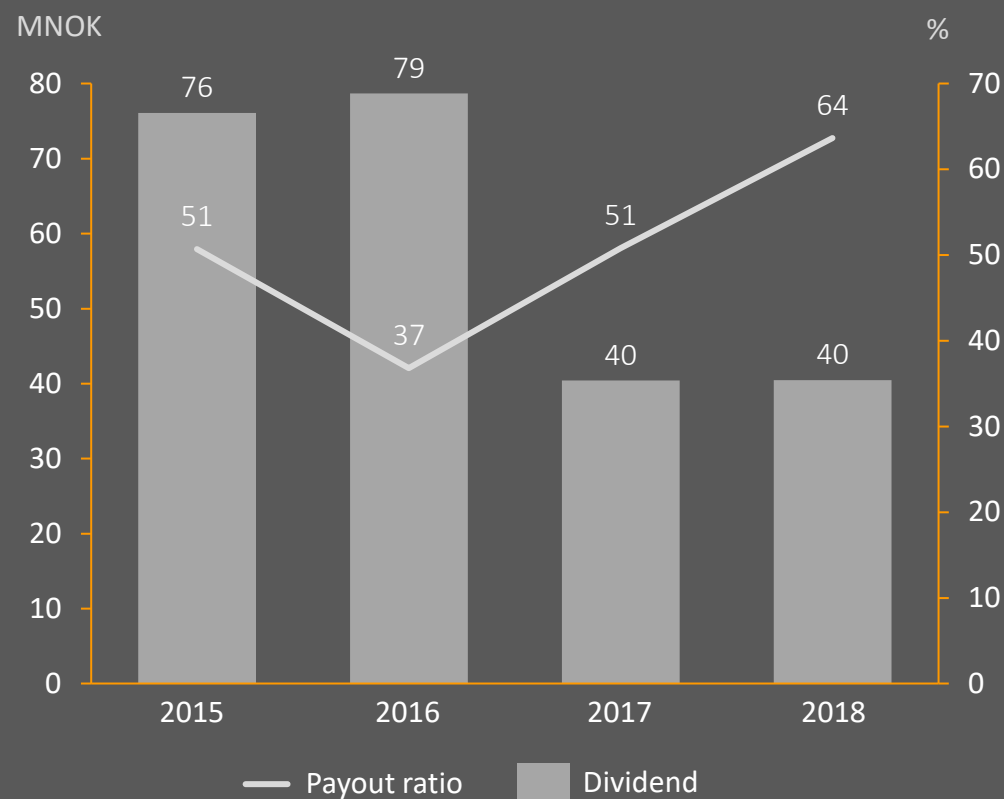
HISTORICAL DEVELOPMENT IN COST AND EARNINGS



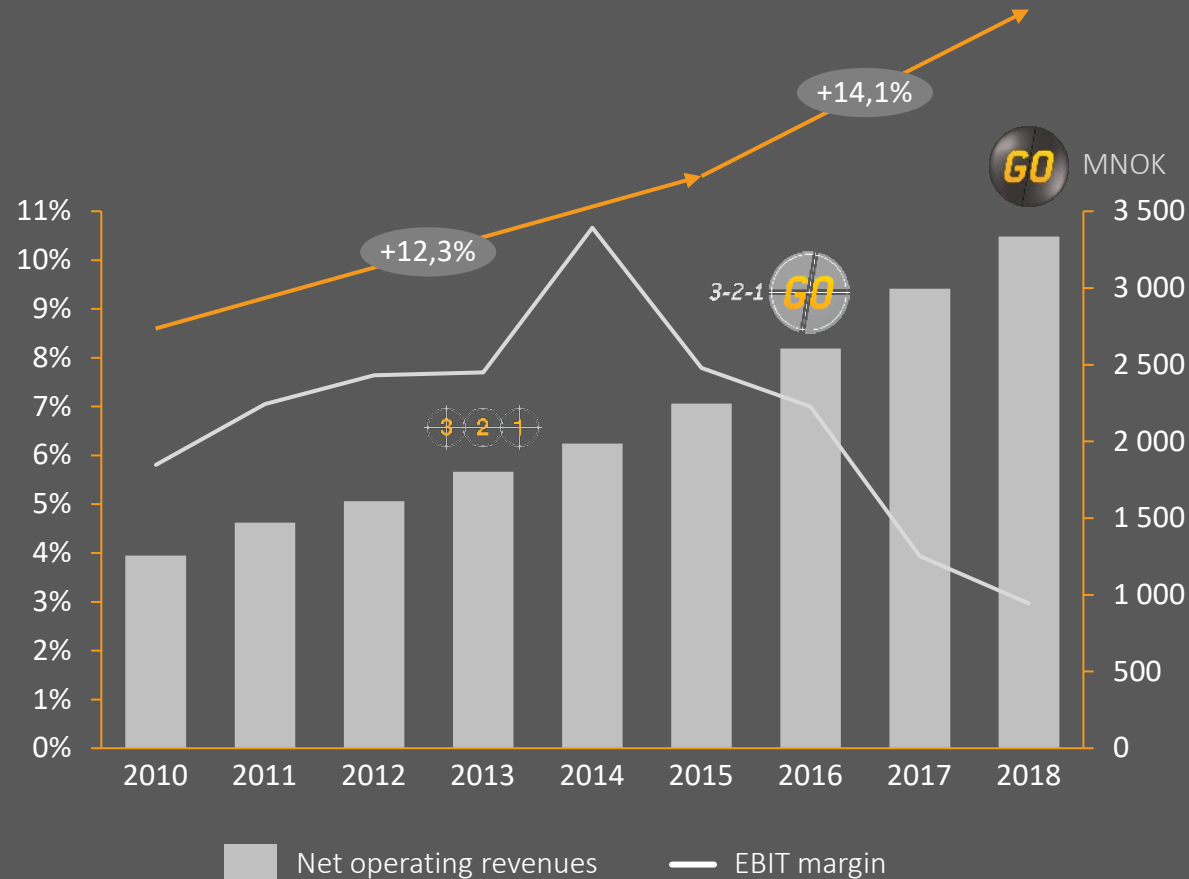
OWNERSHIP STRUCTURE



HISTORICAL DEVELOPMENT AND TOTAL SHAREHOLDER RETURN

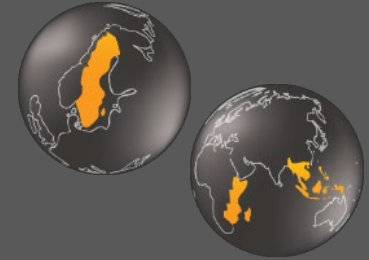


STRONG GROWTH FROM 2015



- After a long period of profitable growth, from 2015 we have struggled to maintain a satisfying profitability.

2018 - 2020: GAIN & OPERATIONS



Profitability above
peer-group
average *



Strengthened
operations and
value creation

* Until November 2019

CHANGES MADE

By CEO GRETHE BERGLY

CHANGES LAST 12 MONTHS

Bård Mikkelsen
New chairman
of the Board

- Lack of profit over time

Grethe Bergly
New CEO

- Lack of profit improvement
- Organisational fatigue

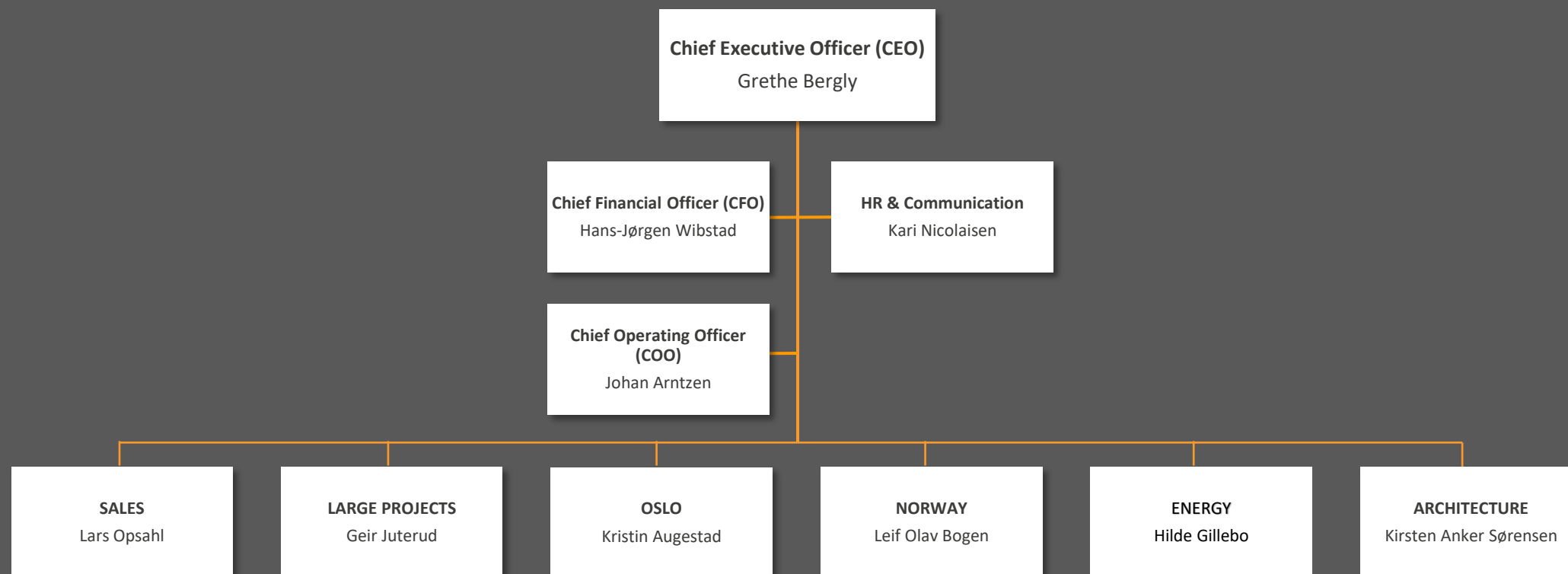
Strengthen Core
business

- Established short term focus:
- Improvement 2019
 - Structure
 - Leadership

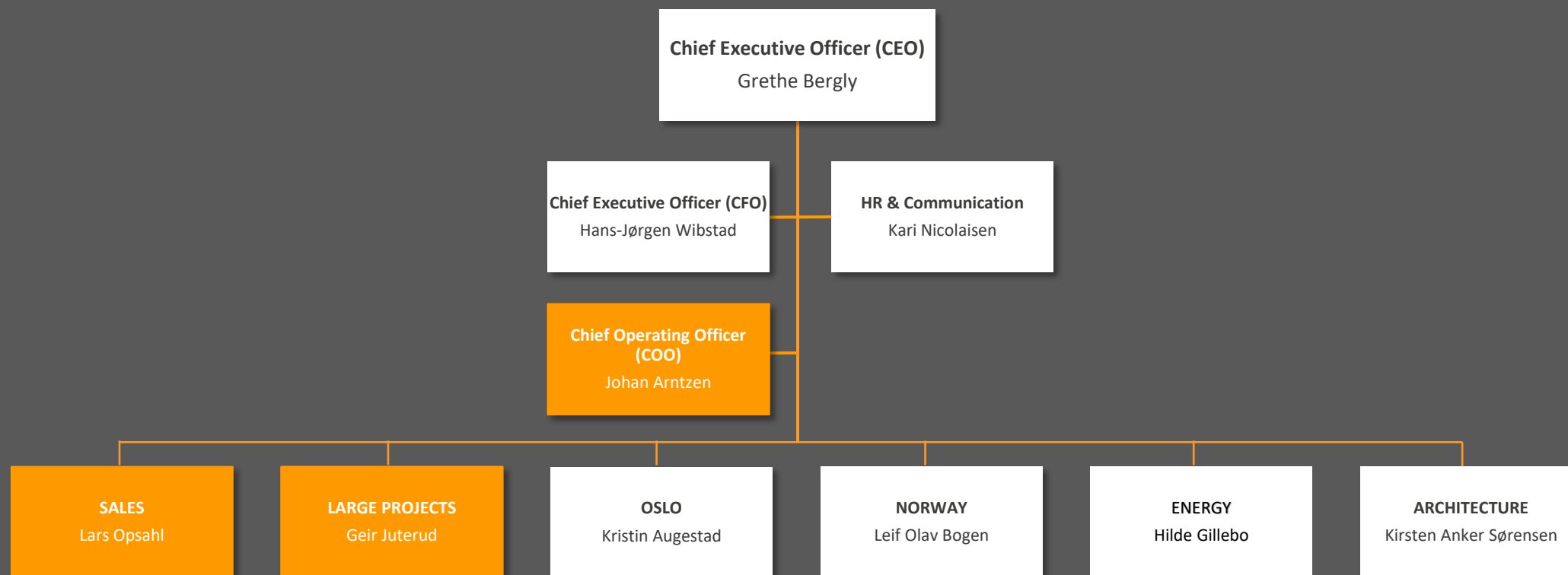
Going forward

- next**LEVEL**
- Strategic direction

NEW ORGANISATION



NEW POSITIONS



ANCHORING THE STRATEGY



GO provides us with a foundation to ensure:

- Profitability that gives room for future growth and future-oriented development
- Positioning for large EPC/IPD projects and digital innovation

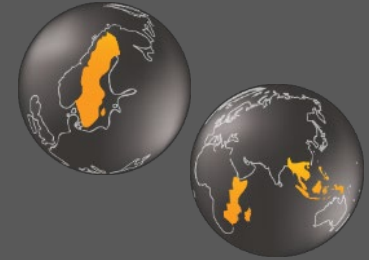
GAIN & OPERATIONS

EBIT 8% Initial

EBIT 10% Long term



Strengthened
operations and
value creation

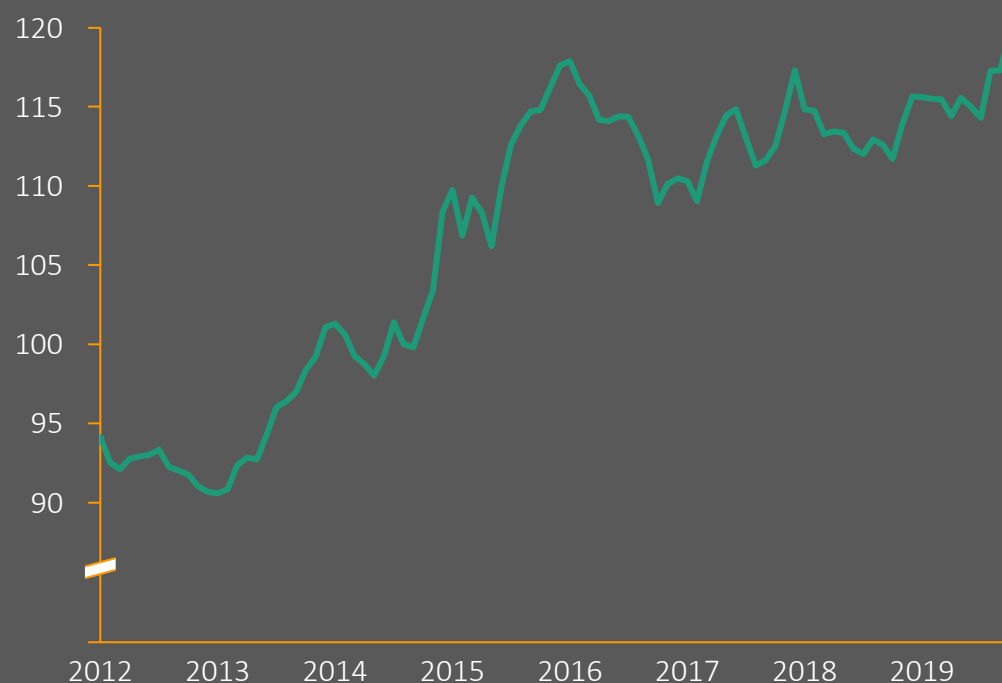


MARKET & SALES

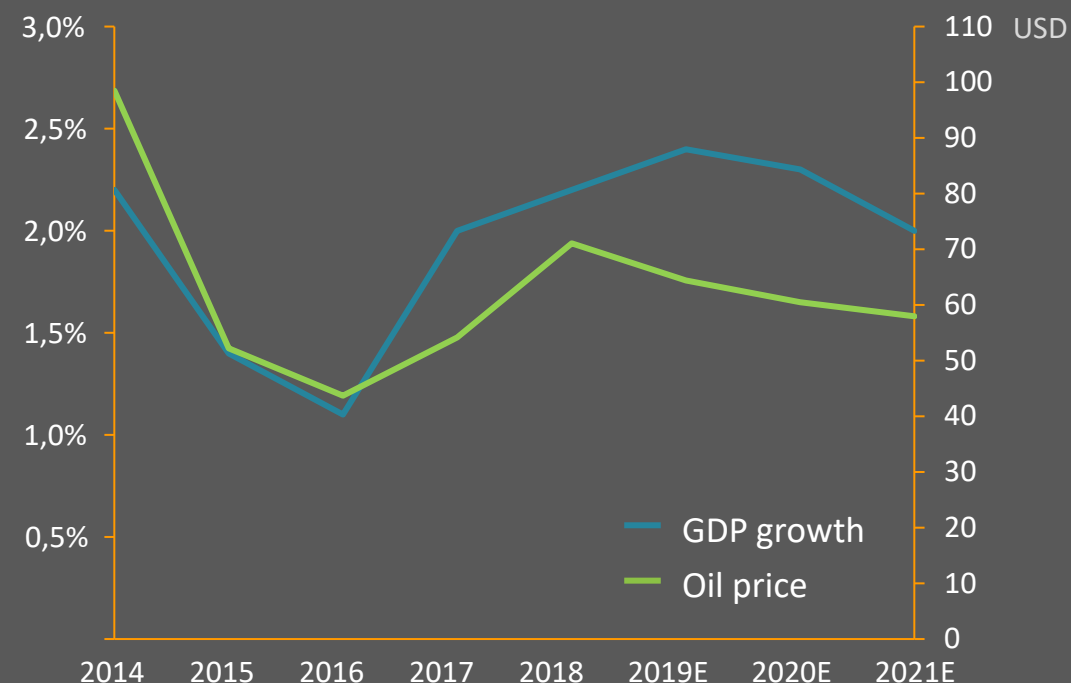
By LARS OPSAHL, EVP SALES

THE MACROECONOMIC OUTLOOK IN NORWAY IS GOOD, BUT SLIGHTLY WEAKER THAN IT WAS IN 2018

NORGES BANK TRADE-WEIGHTED EXCHANGE RATE



GDP GROWTH AND OILPRICE (GDP growth left axis, Oil price right axis)



The reason for the change is mainly stock market volatility around the world, due to fear of escalating trade wars, weaker growth prospects in the world than previously expected as well as the fall in the oil price through 2018

NORWAY'S NATIONAL BUDGET AND TRANSPORTATION PLAN INDICATE A SOLID MARKET WITHIN MULTICONCONSULT'S LARGEST MARKETS

The State Budget 2020

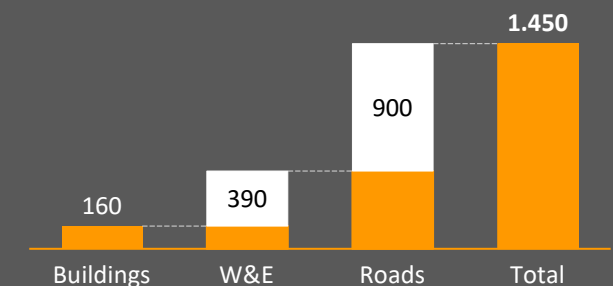
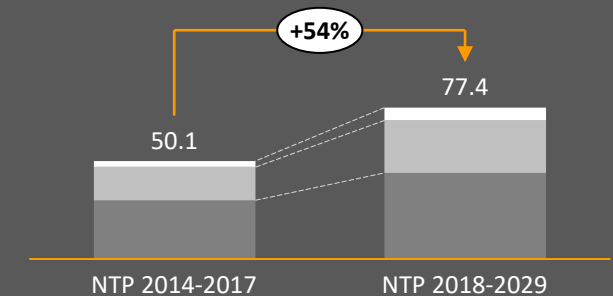
- The high activity levels look to continue within most sectors
- The scope of projects within infrastructure including care & maintenance has had a great upturn through the past National Budgets with planned investments almost doubling annual spend since 2013

National Transport Plan

- The National Transport plan 2018-2029 promises high activity with 54% increased annual investment
 - Annual spend on roads estimated to 44 bNOK
 - Annual spend railroads estimated to 26,9 bNOK

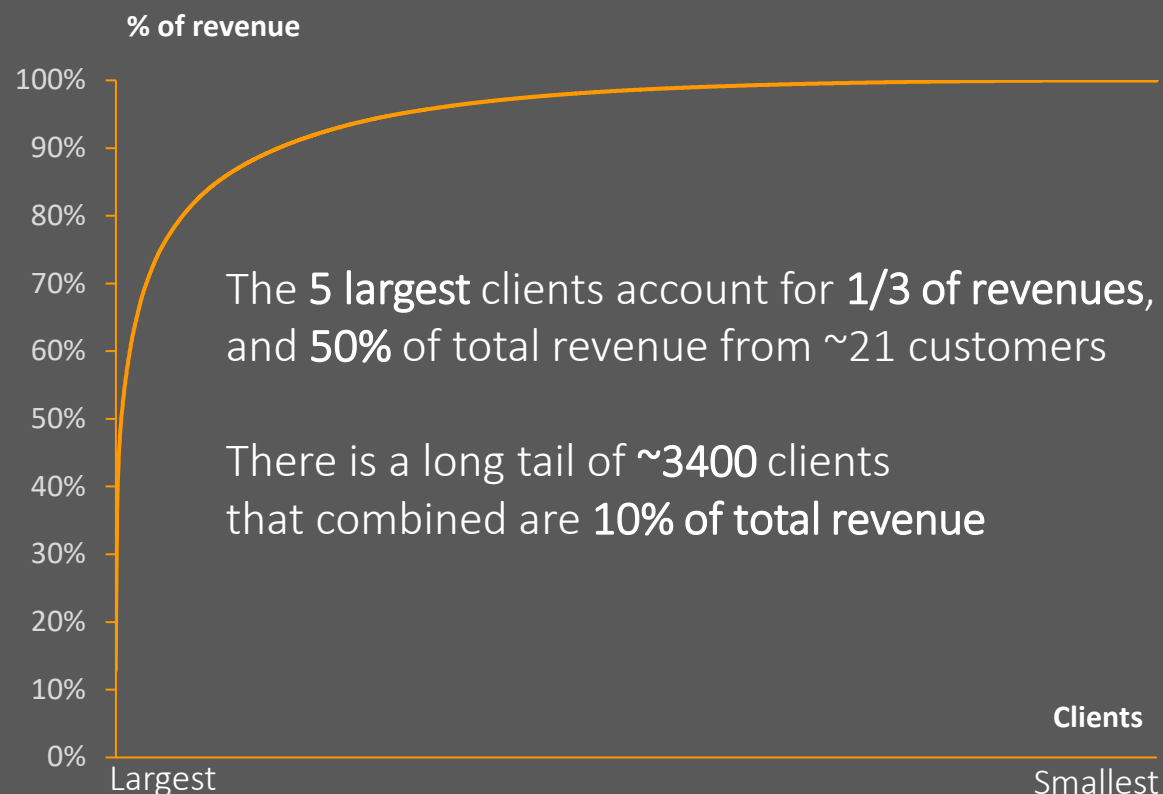
RIF: State of the Nation

- 1450 bNOK identified upgrade & maintenance needs on Norway's public buildings and infrastructure
 - Buildings: 160 bNOK costs identified in upgrade & maintenance needs
 - Roads: 900 bNOK identified costs in upgrade & maintenance needs
 - Water & Environment: 390 bNOK identified costs in upgrade & maintenance needs



A FEW KEY CUSTOMERS CONSTITUTE THE MAJORITY OF MULTICONCONSULT'S TOTAL REVENUE

DISTRIBUTION OF CLIENTS BY REVENUE

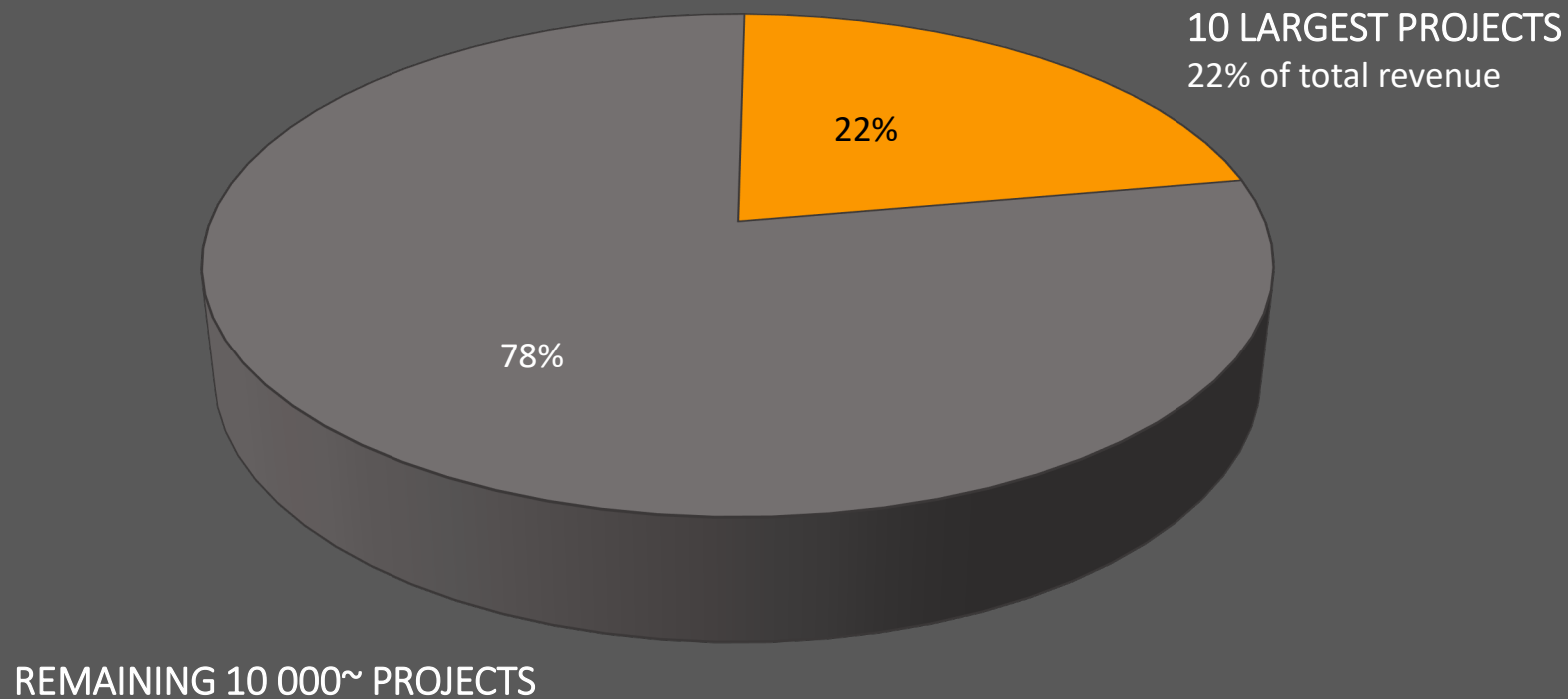


5 LARGEST CLIENTS (% of total revenue)

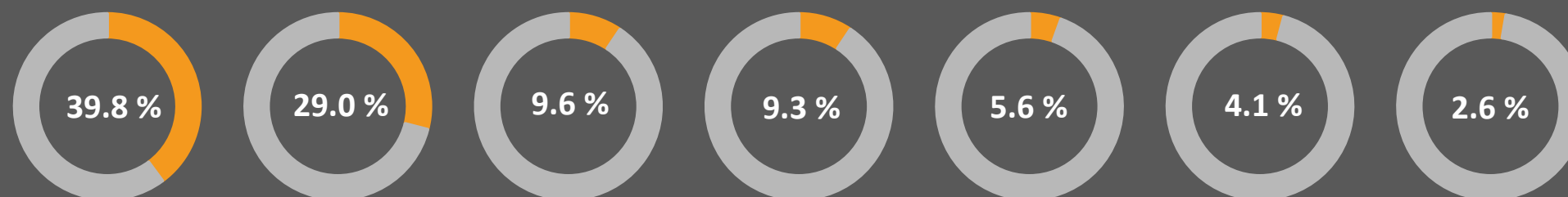
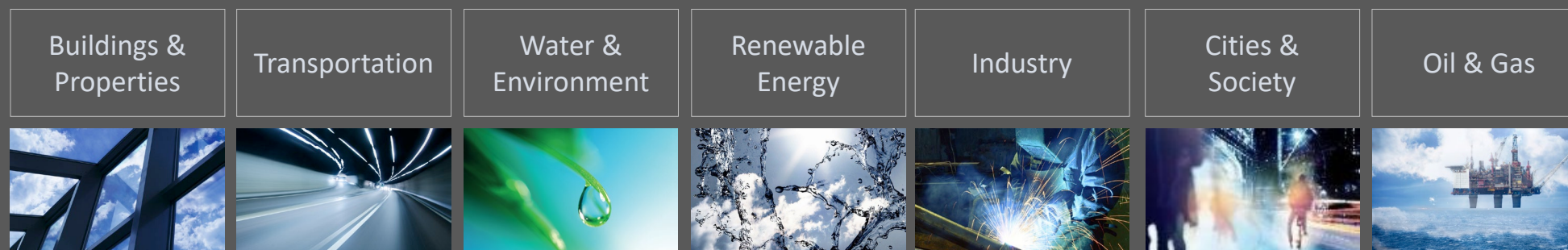


Note: Multiconsult Norge. Most of Nye Veier's projects are EPC contracts where we are contracted by a contractor and therefore not in the list above

MULTICONSULT HAS HAD 10 400~ ACTIVE PROJECTS IN 2019.
THE TEN LARGEST PROJECTS ACCOUNT FOR 22% OF TOTAL REVENUE
AS OF Q3 2019



BUSINESS AREAS



1 199.2

872.5

288.2

280.8

170.1

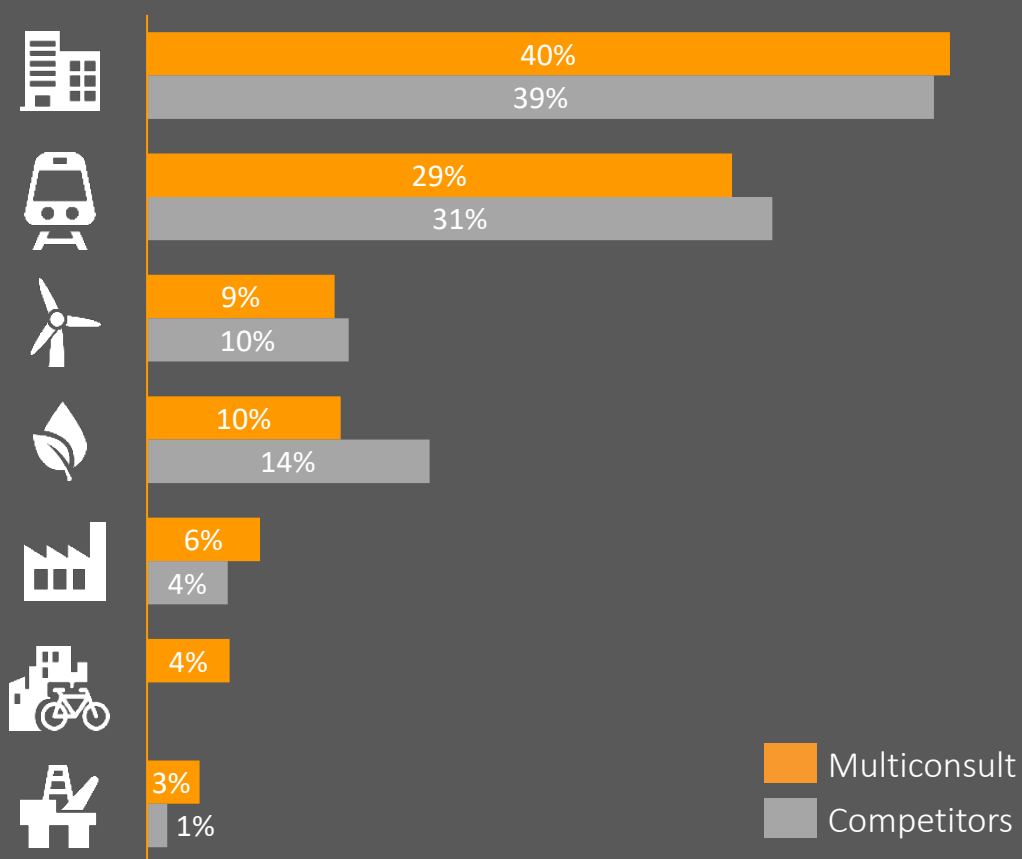
122.3

78.7

% of
total**3 011.8**YTD 2019
MNOK

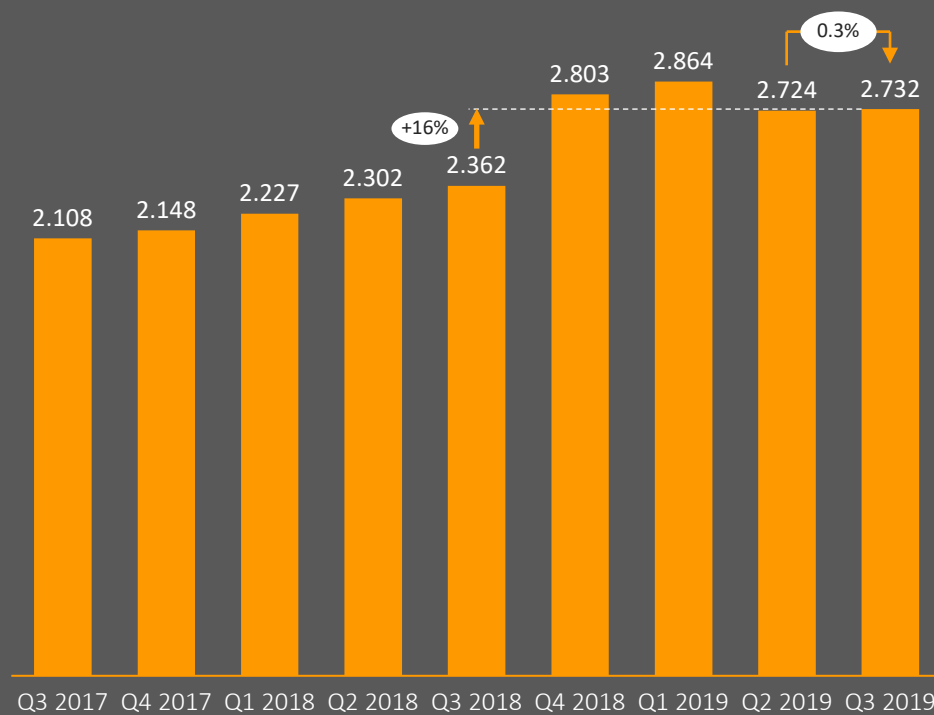
MAJOR PART OF THE BUSINESS IS RELATED TO THE BUILDINGS AND TRANSPORTATION MARKET

MULTICONSULT REVENUE COMPOSITION VS RIF>1000 EMPLOYEES

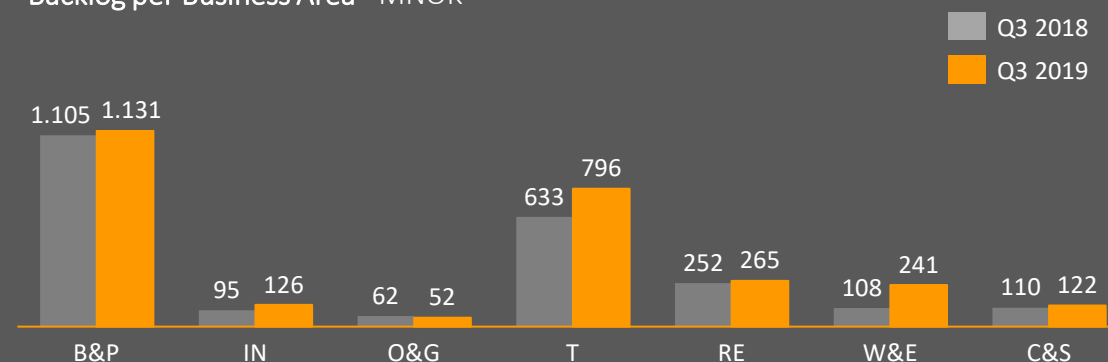


BACKLOG AT 2 732 MNOK | +16 % year-on-year

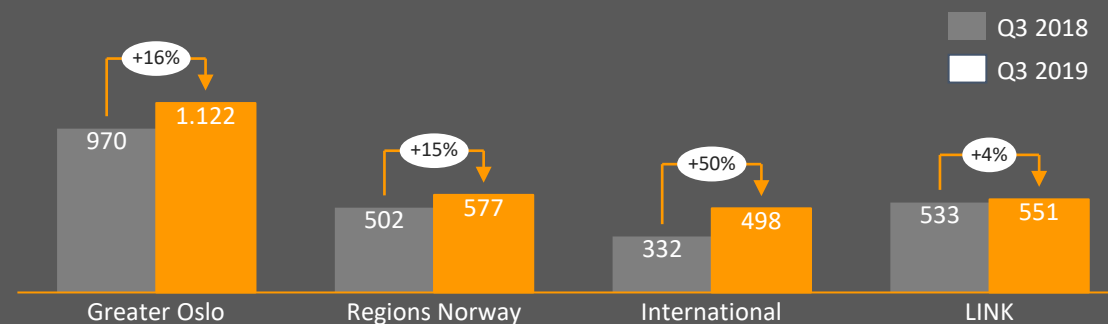
Backlog group - MNOK



Backlog per Business Area - MNOK
























Backlog per Region - MNOK



Note: Figures from Hjeltnes consult and Johs Holt included in Greater Oslo Region from Q3 2017 (Order backlog as of 30.09 included as new sales from the same date).

PROSPECTS AND MARKET OUTLOOKS ARE STABLE OR POSITIVE ACROSS THE BOARD

		MARKET OUTLOOK		
		Short term	Long term	
	Buildings & Properties			Large projects in pipeline regarding hospitals and education facilities
	Industry			Expected increased investments in the food industry and metals
	Oil & Gas			Stabilised at moderate level. Larger projects expected in 2020
	Transportation			Strong outlook confirmed by national budget 2020
	Renewable Energy			Strong Wind power markets
	Water & Environment			High maintenance lag in infrastructure
	Cities & Society			Technical advancements & sustainability drives positive outlook

Note: Internal assessment of the market outlook

MAIN SHORT TERM FOCUS

- Strengthen sales activities coordination between business units and between business areas
- Further develop our execution model for sales
- Focus on the forthcoming large and strategic sales opportunities
- Establish a joint tender board for our largest tenders
- Establish a portfolio culture for sales

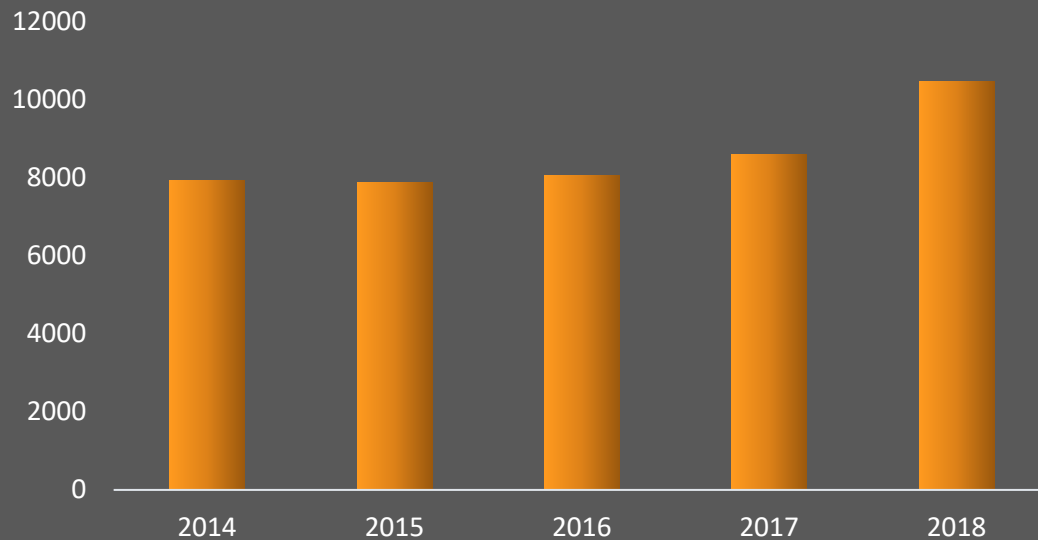
OPERATIONS

By JOHAN ARNTZEN, COO

THE TASK

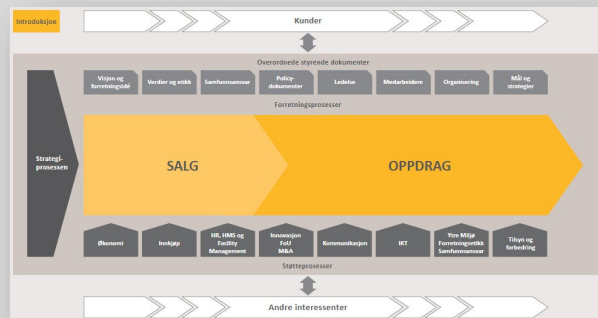
- Strengthen project management expertise and capacity
- Develop employees and expertise through prestigious and exciting projects

OUR PROJECTS



- Our project portfolio is considerable in number – about 10 000 projects at any time
- The projects vary in both size and complexity
- Few large projects (33 above 10 MNOK), however the 10 largest projects account for 22% of total revenue

HOW HAVE WE WORKED - AND HOW GOOD ARE WE?



Management system

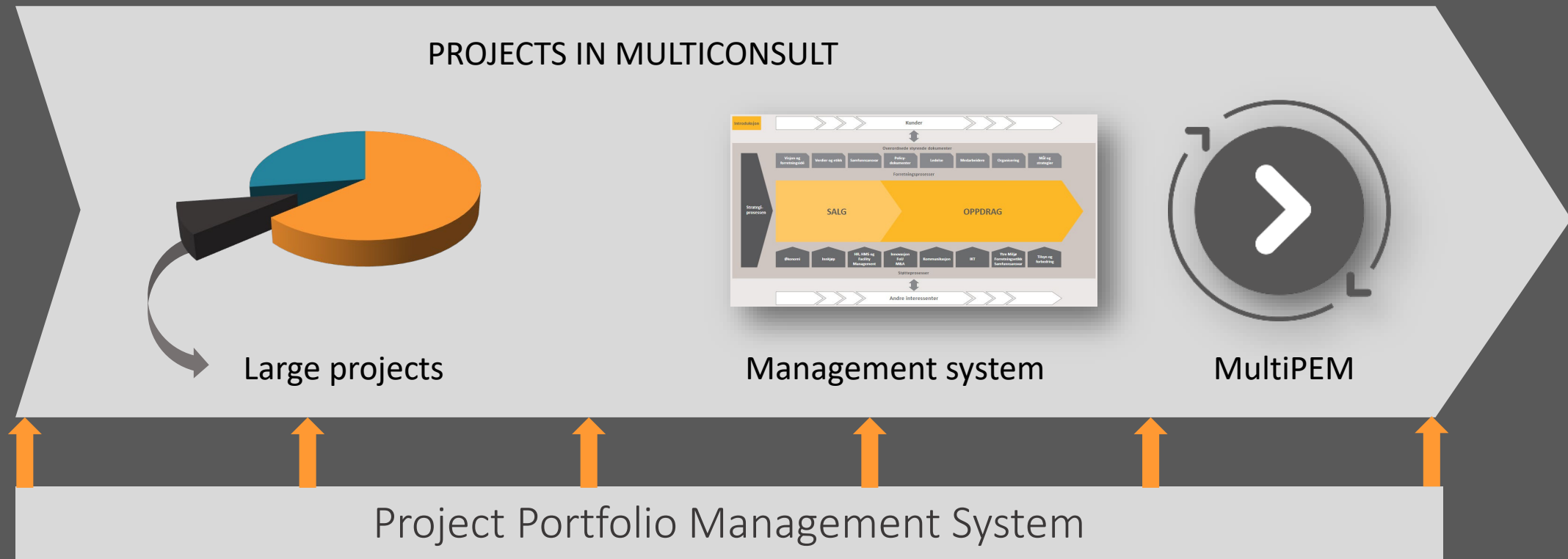


MultiPEM

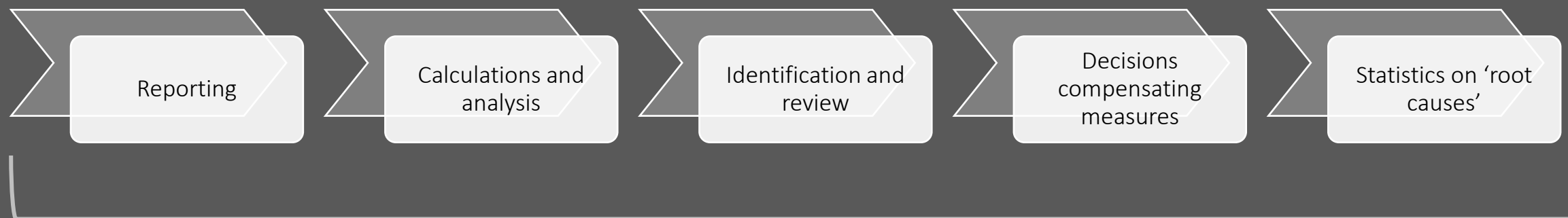
- We have been structured and systematic in project execution based on use of our Management System and our own Project Execution Model (MultiPEM)
- Still, 'write-downs' continued to increase towards 2019 and hence the need for further initiatives to improve.

Our ambition | Improve profitability in our project portfolio!

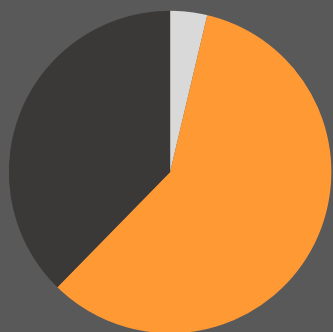
LARGE AND COMPLICATED PROJECT PORTFOLIO REQUIRES PORTFOLIO PERFORMANCE MANAGEMENT SYSTEM



USE OF A PROJECT PORTFOLIO MANAGEMENT SYSTEM FROM ULTIMO 2018



Potential 'write-down' estimate for last period



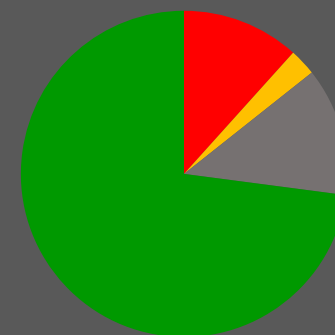
■ Level 1 ■ Level 2 ■ Level 3

Historic potential 'write-down' trend



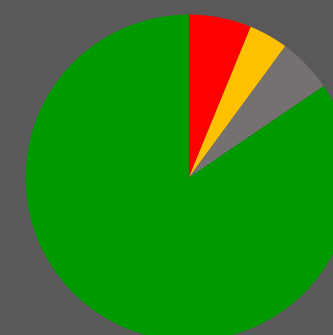
Project 1 Project 2 Project 3 Project 4 Project 5

Calculated margin overview (# projects)



■ Level 1 ■ Level 2 ■ Level 3 ■ Level 4

Calculated margin overview (total contract fee)



■ Level 1 ■ Level 2 ■ Level 3 ■ Level 4

WHAT HAVE WE ACHIEVED?

FOR EACH PROJECT:

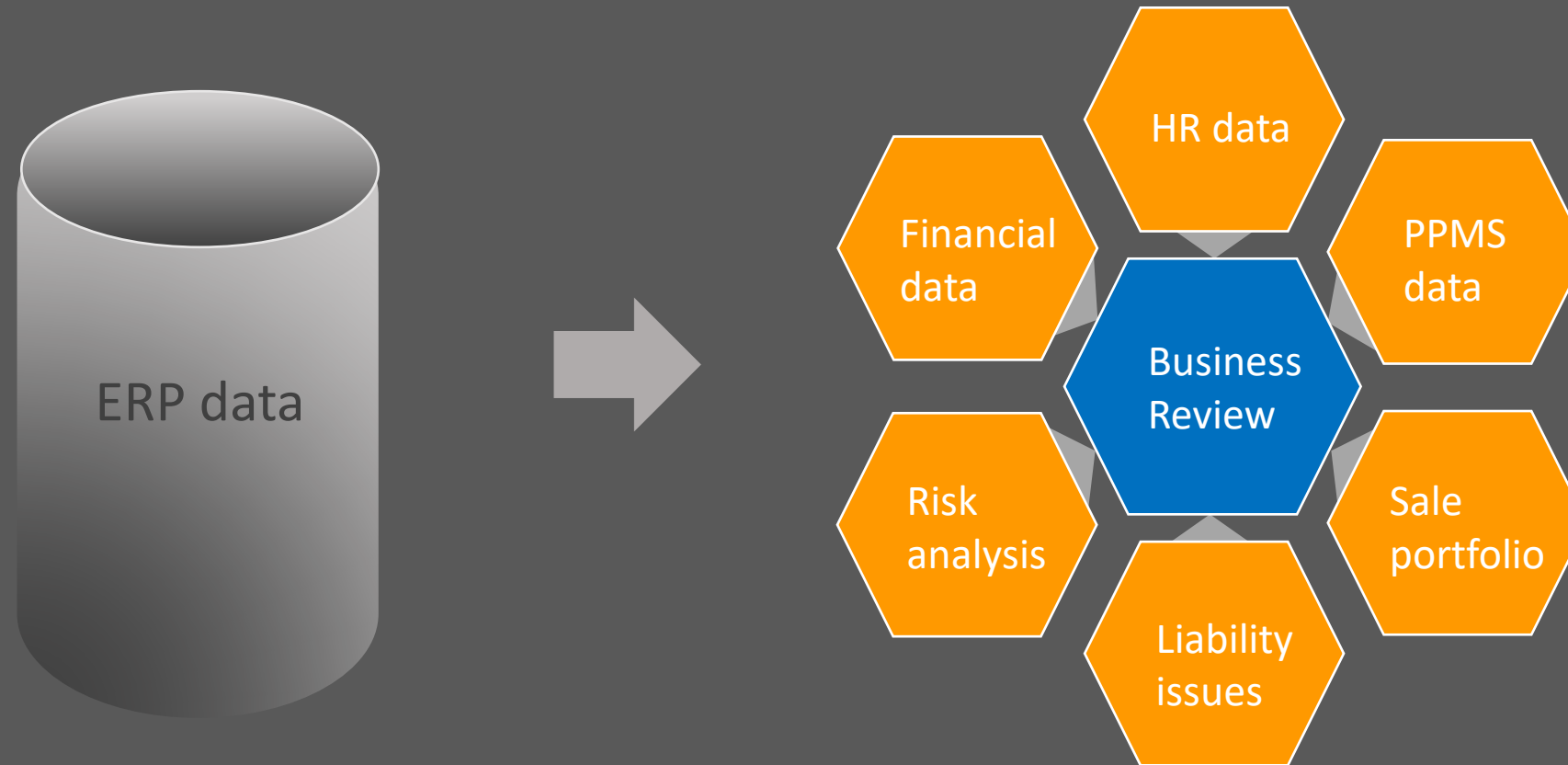
- Identification of current risks
- Perception of Profitability picture
- Forecast on completion

FOR THE PROJECT PORTFOLIO OWNER:

- Systematic review
 - Project under observation
- Trend and analysis
 - Risk exposure
 - Profitability opportunities

NEXT LEVEL OF BUSINESS IMPROVEMENT

| FREQUENT BUSINESS REVIEW'S



THE TØNSBERG HOSPITAL PROJECT

| Norway's first BREEAM certified hospital.

By BJØRNAR BYBERG, OBJECT MANAGER

THE TØNSBERG HOSPITAL PROJECT

| Norway's first BREEAM certified hospital.

Client: Sykehuset i Vestfold HF

Cost: Approx. 3000 MNOK

Contract: IPD – Integrated Project Delivery

PSYCHIATRIC BUILDING

- 12.000 m²
- Handover May 2019



SOMATIC BUILDING

- 33.000 m²
- Handover Summer 2021

THE TØNSBERG HOSPITAL PROJECT

DESIGN & ENGINEERING TEAM:

CUR1

Multiconsult

LINK ARKITEKTUR

BØLGEBLIKK



CONTRACTORS:

SKANSKA

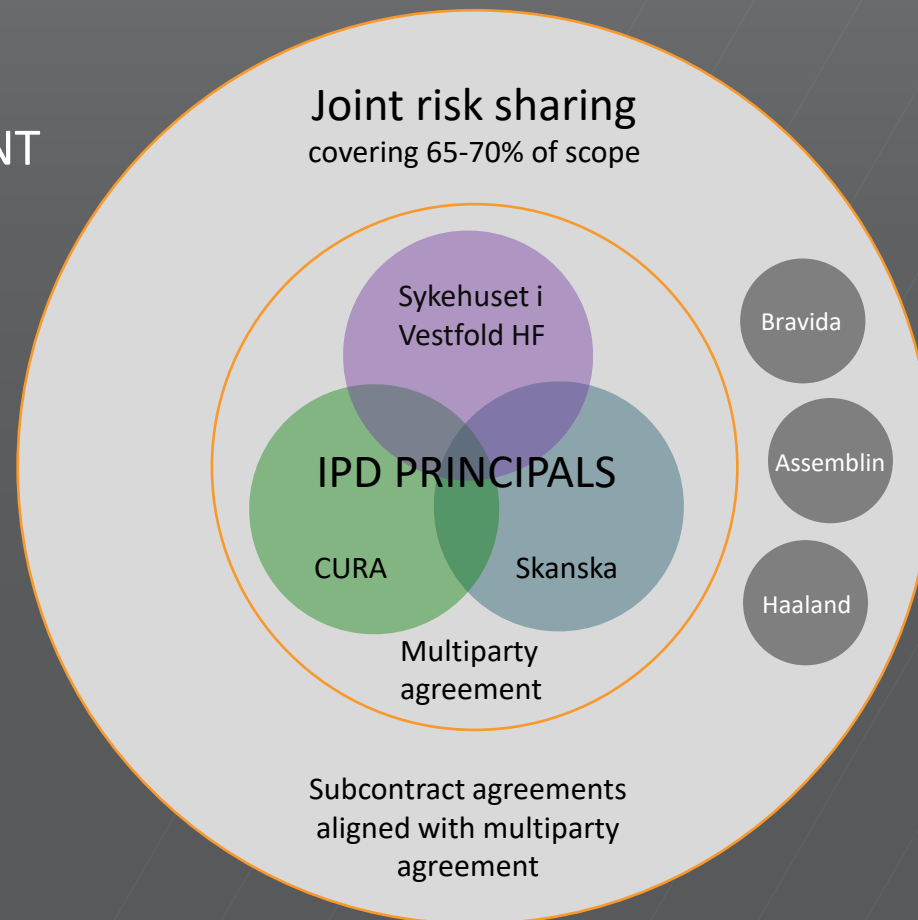


Assemblin



THE TØNSBERG HOSPITAL PROJECT | IPD

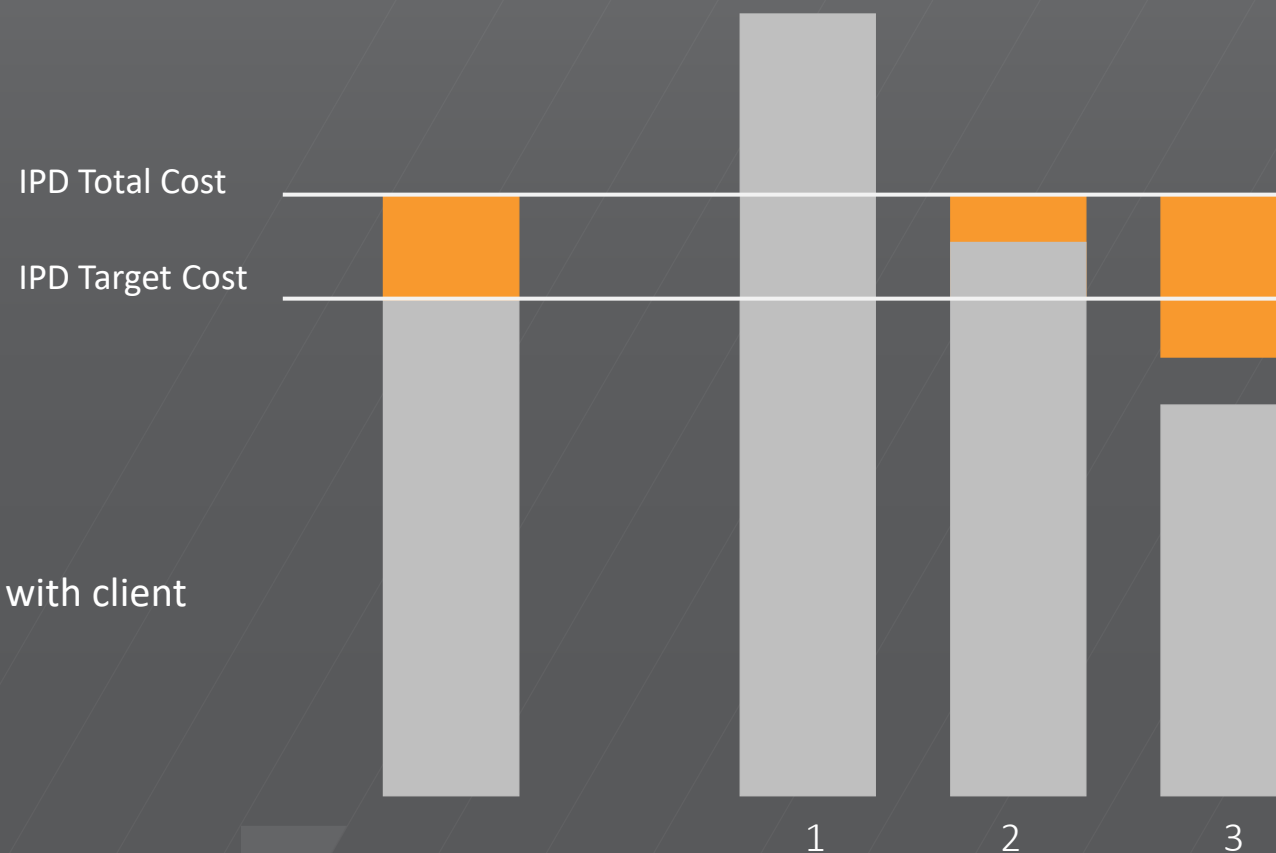
MULTIPARTY AGREEMENT



IPD INCENTIVE MODEL

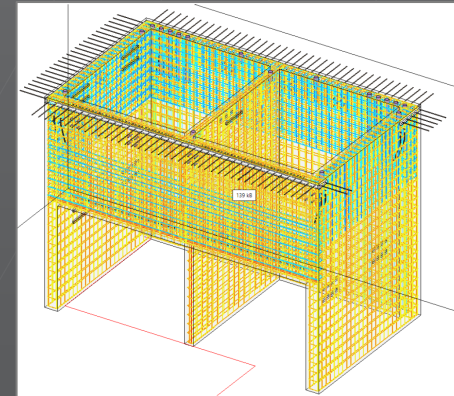
1. Cost covered in full, no profits
2. Cost covered in full, reduced profits
3. Cost covered in full, savings split 50/50 with client

■ Profits
■ ICL – Incentive Compensation Layer

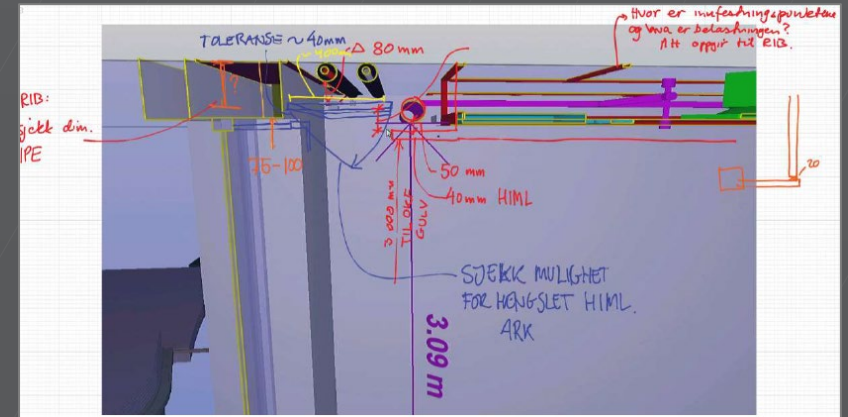


EXPERIENCES FROM WORKING IN IPD

- Improved constructability
- Full effect of target value design and design to cost
- Reduced conflict level
- Errors and mistakes solved efficiently
- Valuable insights in contractor and client perspective on project development



Model of reinforcement in concrete structure



Model Result of detailed review with all involved parties

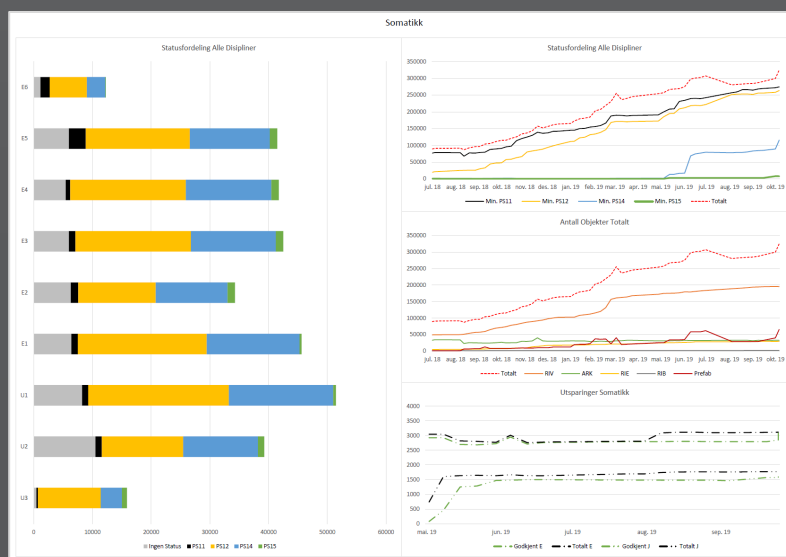
EFFICIENT PROJECT EXECUTION

- Integrated concurrent engineering – involvement of all parties
- Increased use of 3D-Model (BIM) in design and production



MEASURING DESIGN DEVELOPMENT

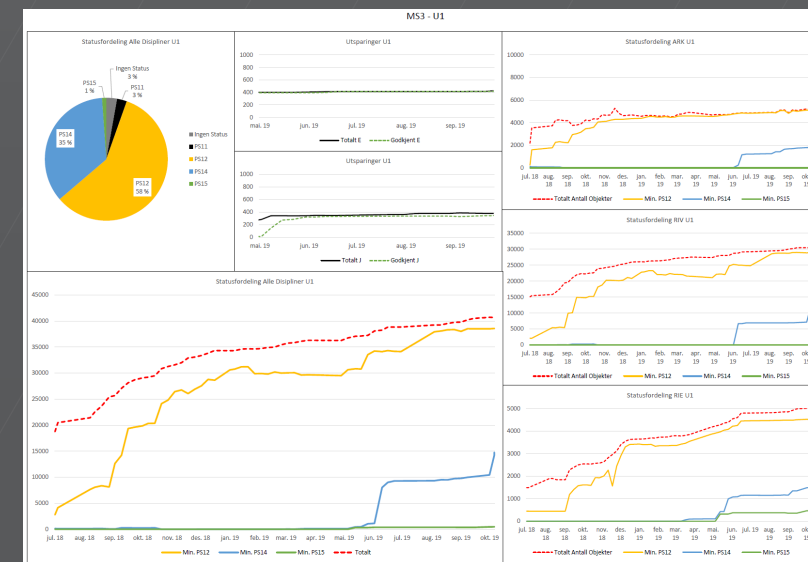
- Progress monitoring by development in model
- Coordination between design and construction



Overall status



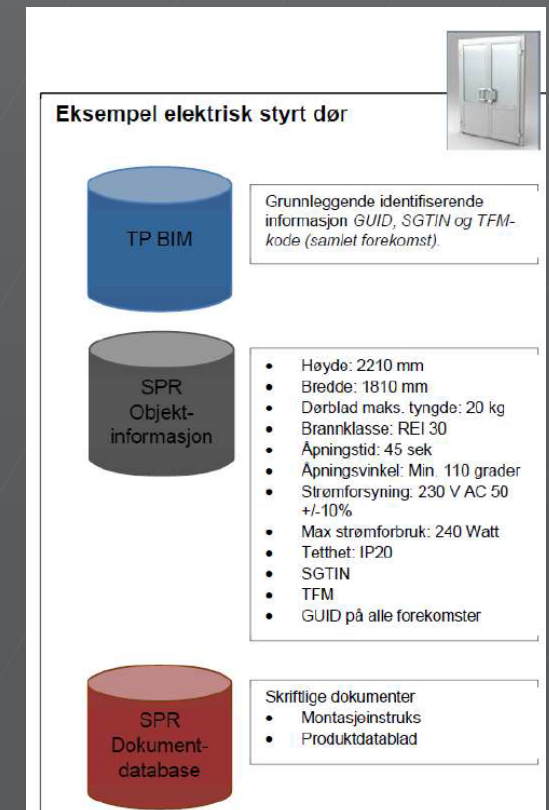
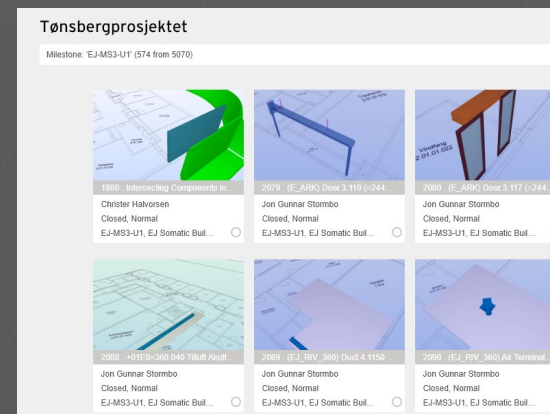
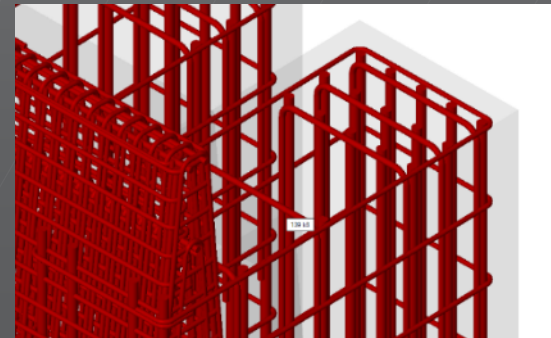
Status by discipline



Status by floor

INCREASED QUALITY OF BIM-MODEL

- Prepared for construction based on model
- New opportunities for MOM BIM (Management, Operations and maintenance)
- Frequent clash checking for early detection
 - More efficient design phase
 - Less rework in site



- Won the international building smart award for use of OpenBIM
- Won the national Bygg 21 award for applying new method for structuring product data
- Subject to several research projects
- Subject to broad media attention



Rv.3 / Rv.25

By **STEIN CHRISTIANSEN**, VP ROADS INFRASTRUCTURE

Developer: Norwegian Public Roads Administration

Contractor: Skanska

Client: Aas Jakobsen

Partners: Aas Jacobsen, ViaNova, Elektronova,
Grindaker, Brekke & Strand

Rv.3 / Rv.25

- 26 km main road
- 16 km dual Carriage way
- 10 km 2/3 lane freeway
- 4 large junctions
- 28 constructions, 8 wooden bridges
- Vehicle checkpoint and control station

MAIN OBJECTIVES

- Strengthen the importance of Rv.3/Rv.25, especially as a road corridor for freight transport between Oslo and Trondheim.
- Strengthen Hamar and Elverum as a housing and labor market region.
- Increased traffic safety and accessibility, better living environment along today's roads and a continuous road systems for pedestrians and cyclists between Hamar and Elverum.



ABOUT THE PROJECT

- The first Public-Private Partnership (PPP) in road construction for more than 10 years
- Skanska in charge of financing, construction and operational/maintenance for 20 years
- Total contract price for Hedmarksvegen AS (Skanska) is 5 500 MNOK (20% lower than previous cost estimates)
- Contract awarded 30 May 2018
- Construction site start-up 6 June 2018
- The road will be opened on 1 November 2020



HOW WE WORK

- Simultaneous engineering design and construction
- Effective working process adapted to construction schedule on site
- Right quality at the right time - deliveries every week
- Working digital - Using a 3D digital model in meetings with client and within the design team

KEY FACTORS TO SUCCESS

- Good financial project for all parties
- Good communication between the client, contractor and the engineering team
- Flexible organisation



HIGHEST SUSTAINABILITY STANDARD

- The project aims to set a new standard for the construction industry when it comes to sustainability.
- Set to achieve through certification of the project in accordance with CEEQUAL – initiated by SKANSKA
- CEEQUAL- Environmental Quality Assessment and Award Scheme
- CEEQUAL meets global market demand as the single world leading sustainability rating scheme for infrastructure

TAKING CARE OF THE ENVIRONMENT

- Plan for environmental follow-up
- Follow up and observe the environment and the local habitats
- Monitoring waterways and streams to secure high quality of drinking water sources
- Two fauna passages and passage for wild animals
- Calculations and accounting of greenhouse gas emissions for construction and operational/maintenance phase
- Stricter demands on the external environment, including a 20% reduction in greenhouse gas emissions



KEY FACTORS TO REDUCE GREENHOUSE GAS EMISSIONS

- Low-carbon concrete in constructions
- Efficient construction machinery
- Optimised road design and asphalt production
- Optimised mass balance handling

‘We appreciate Skanska's initiative to raise objectives’

The Norwegian Public Roads Administration

WINNER OF GOLD AWARD AT THE PARTNERSHIPS AWARDS 2019 FOR BEST TRANSPORT PROJECT

The judges praised the structuring of project documentation and risk allocation including a mechanism to adjust a part of the annual fee dependent on the accident rate on the road. They were also pleased that significant emphasis was placed on the sustainability and environmental impact of this scheme.

NOTE: The Awards brings together key decision-makers world wide from the public and private sectors to recognise and reward outstanding achievements in public-private partnerships.

AGENDA

- 08:30 - 08:55 Registration and breakfast
- 09:00 - 09:20 Q3 2019 Presentation | Grethe Bergly, CEO & Hans-Jørgen Wibstad, CFO
- 09:20 - 09:30 Break
- 09:30 - 09:50 A History of excellence | Grethe Bergly, CEO
- 09:50 - 10:00 How we work & our track record | Hans-Jørgen Wibstad, CFO
- 10:00 - 10:10 Changes made | Grethe Bergly, CEO
- 10:10 - 10:15 Break
- 10:15 - 10:30 Market and Sales | Lars Opsahl, EVP Sales
- 10:30 - 11:00 Operations | Johan Arntzen, COO
The Tønsberg Hospital | Bjørnar Byberg
Rv.3/Rv.25 | Stein Christiansen
- 11:00 - 11:30 Lunch
- 11:30 - 11:50 Strategic priorities by Grethe Bergly, CEO
- 11:50 - 12:25 nextLevel and Financial targets | Hans-Jørgen Wibstad, CFO
- 12:25 - 12:30 Final words | Grethe Bergly, CEO

STRATEGIC PRIORITIES

By CEO GRETHE BERGLY

STRATEGIC OBJECTIVES



- 1 Regain a normalised profitability level as a basis for further development
- 2 Take a position as #1 in large profitable EPC/IPD projects in Norway
- 3 Take a leading position and improved profitability within Transportation
- 4 Realise profitability and selective growth within Energy in Norway and internationally
- 5 Further develop our leading position within healthcare buildings in Scandinavia
- 6 Enable digital innovation and develop new business models
- 7 Develop flexible manning solutions that ensure profitability

1

REGAIN A NORMALISED PROFITABILITY LEVEL AS A BASIS FOR FURTHER DEVELOPMENT



- We have undertaken thorough analyses
- We have established Improvement 2019
- We have commitments anchored in management and organisation
- We have launched nextLevel

2

TAKE A POSITION AS #1 IN LARGE PROFITABLE EPC/IPD PROJECTS IN NORWAY



- We have made changes in organisation
- We will establish a joint tender board for our largest tenders
- We focus on structured building of alliances
- New Tønsberg Hospital, Rv3/25, Fornebubanen etc.

3

TAKE A LEADING POSITION AND IMPROVED PROFITABILITY WITHIN TRANSPORTATION



- We have made changes in organisation
- We have established a core tender team
- We have improved profitability
- We focus on structured building of alliances
- We use integrated digitalisation
- Rv3/Rv25, Fornebubanen, E6 Ranheim-Værnes etc.

4

REALISE PROFITABILITY AND SELECTIVE GROWTH WITHIN ENERGY IN NORWAY AND INTERNATIONALLY



- We consolidate operations to strengthen profitability and further selective growth
- We seize opportunities nationally and internationally where we greatly benefit from our expertise from Oil & Gas, such as onshore and offshore windparks

5

FURTHER DEVELOP OUR LEADING POSITION WITHIN HEALTHCARE BUILDINGS IN SCANDINAVIA



- We win new large hospital projects like New Vesterås hospital in Sweden
- We succeed by using integrated architectural and engineering services
- We are also considering attractive assignment opportunities outside Scandinavia

6

ENABLE DIGITAL INNOVATION AND DEVELOP NEW BUSINESS MODELS



- We utilise digital competence, tools and expertise in our assignments.
- We use selected projects such as Fornebubanen as the most important tool and to ensure customer-driven development.
- We have established an internal task force working on how Multiconsult should position itself for a digital transition.

7

DEVELOP FLEXIBLE MANNING SOLUTIONS THAT ENSURE PROFITABILITY



- Further utilise our resources in Poland based on cutting-edge expertise and scalable use in Norwegian projects.
- We are considering strategic alliances with actors outside Norway.

MEGATRENDS WITH STRATEGIC IMPLICATIONS

multiconsult.no



DIGITALISATION

Scandinavia is one of the leading markets for digitalisation of the building and construction industry.



CHANGES URBAN LIFE

In 2015, 54% of the world's population lived in cities.
By 2050, 66% of the population is expected to live in cities, ie. over 6.2 billion people.



SUSTAINABILITY

Collaboration for forward-looking solutions for the benefit of people, the globe and the customer.



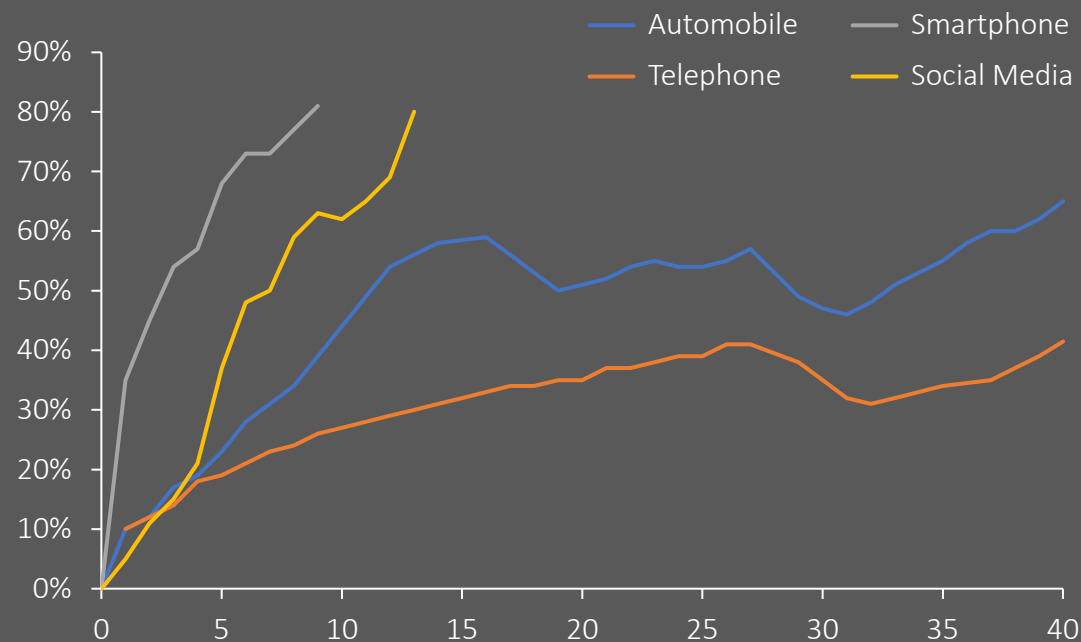
VALUE CHAINE DYNAMICS

‘The Government will ask underlying businesses to develop new contract forms where the contractors will be more involved in designing solutions.

THE PACE OF TECHNOLOGY ADOPTION AND DIGITALISATION IS INCREASING, CREATING BOTH NEW OPPORTUNITIES AND THREATS FOR THE INDUSTRY AND FOR MULTICONSULT

DIGITALISATION

Technology adoption rates in US households



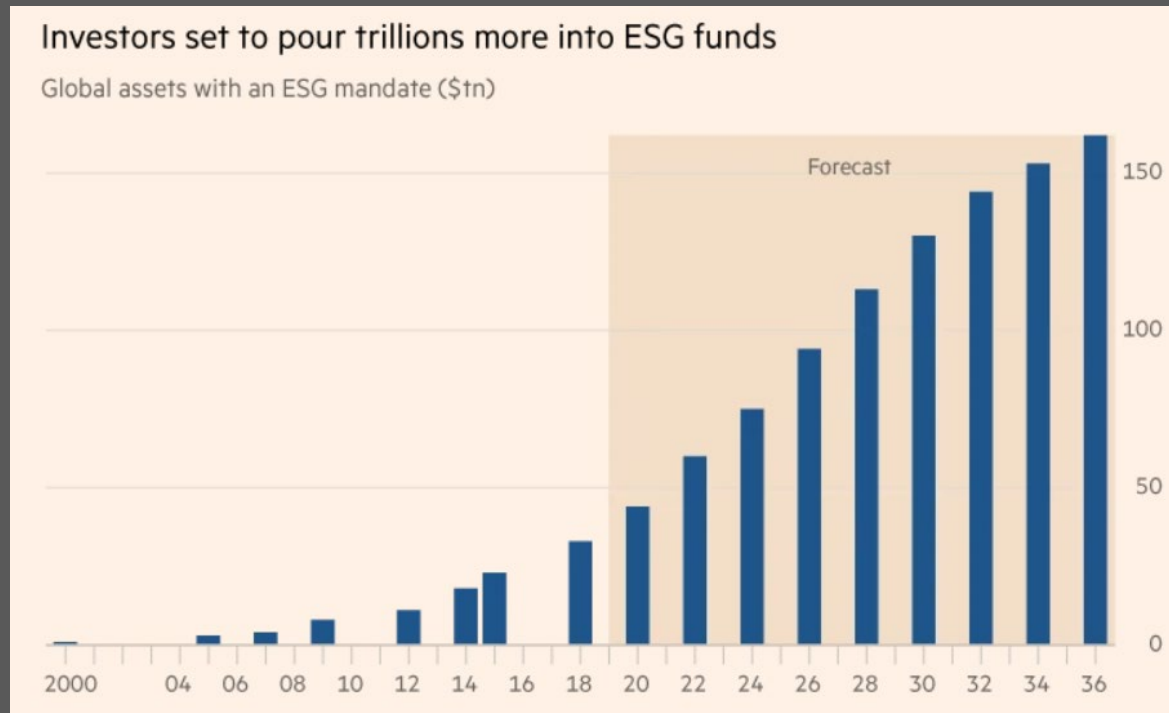
Source: Our World in Data; Comin and Hobijn and others

WHAT DOES IT MEAN FOR MULTICONSULT?

1. Technologies such as parametric design and machine learning will increase efficiency in the design process, thus lowering FTEs in design
2. Shift in the competency requirements of both the individual advisors and for the company as a whole
3. Digitalisation opens up the value chain for both international competitors, dynamics within the current value chain and completely new entries from outside the current value chain

THE FOCUS ON SUSTAINABILITY AND CLIMATE RISK WILL CONTINUE TO INCREASE AMONGST CUSTOMERS AND INVESTORS

SUSTAINABILITY AND CLIMATE RISK



WHAT DOES IT MEAN FOR MULTICONSULT?

1. The transition to a low carbon economy will create many new opportunities for Multiconsult to help our costumers in the transition. Sustainability has to be an integrated part of the design process
2. Physical climate risk and the physical results of climate change will substantially increase the demand of services from for example business area Water & Environment

Note: ESG – Environmental, Social and Governance

Sources: Financial Times; Deutsche Bank; Global Sustainable Investment Alliance

CHANGES IN HOW WE LIVE OUR LIFE IN CITIES WILL IMPACT THE WAY WE DESIGN AND INCREASE DEMAND FOR CROSS-DISCIPLINARY APPROACHES

CHANGING URBAN LIFE

A Whopping \$80 Billion Has Been Invested So Far In The Self-Driving Car Race

Mobility is becoming an increasingly important term in transport policy - because improved information, facilitation and integration can make it possible to offer a greater amount and more attractive transport services

NTP



WHAT DOES IT MEAN FOR MULTICONSULT?

1. The development of smart cities places enormous demands on cross-disciplinary approaches
2. Self driving cars and mobility will change transportation requirements and the design of infrastructure such as roads and railways

CHANGING CONTRACTS AND EXECUTION MODELS, LEAD BY LARGE TRANSPORTATION PROJECTS, ARE CHANGING BALANCE OF POWER BETWEEN CONTRACTORS AND ADVISORS

VALUE CHAIN DYNAMICS

Nye Veier 'swipes' two more road projects from The Norwegian Public Roads Administration

The government will ask underlying departments to develop new contract forms where the contractors will be more involved in designing solutions

NTP

The positive experiences from Nye Veier AS on the development contracts regarding Helgeland will be further developed. This applies, for example, to gains from early involvement of contractors

NTP

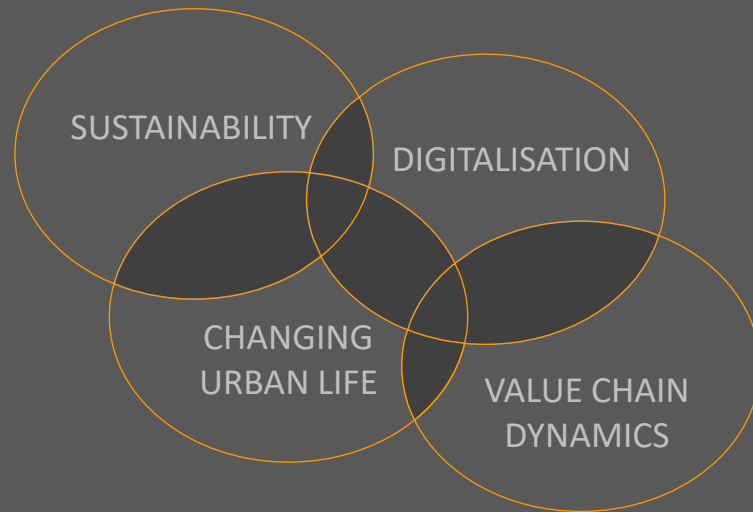
WHAT DOES IT MEAN FOR MULTICONSULT?

1. Multiconsult has to adjust to new contracts with a different risk profile than it has been used to historically
2. Multiconsult has to seek out stronger alliances with the most important contractors

WE ARE DOING A LOT TO ADDRESS THESE MACRO TRENDS - AND WE WILL DO EVEN MORE IN THE COMING YEARS

MACRO TRENDS

The macro trends are not 4 separate trends, but they are overlapping - on several areas they are intertwined, enabling and effecting each other.



Note: illustrative

WHAT ARE WE DOING?

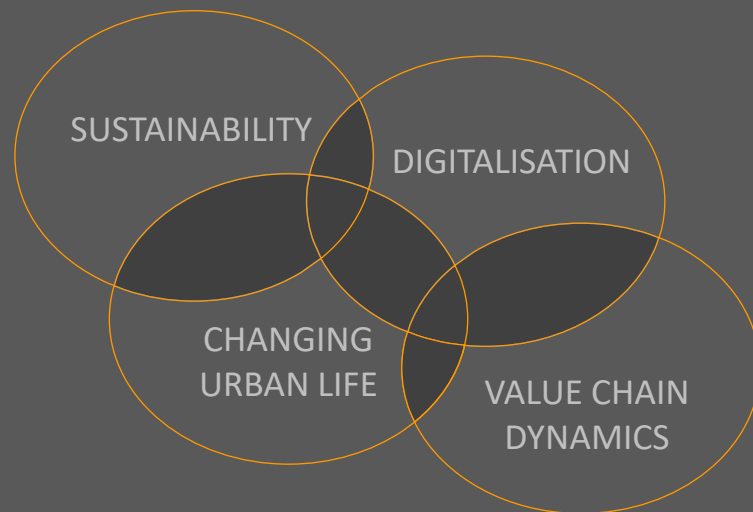
Multiconsult has all the macro trends high on our strategic agenda. Amongst our strategic objectives, 3 are directly related to the trends

- Take a position as #1 in large profitable EPC/IPD projects in Norway
- Take a leading position and improved profitability within Transportation
- Enable digital Innovation and develop new business models

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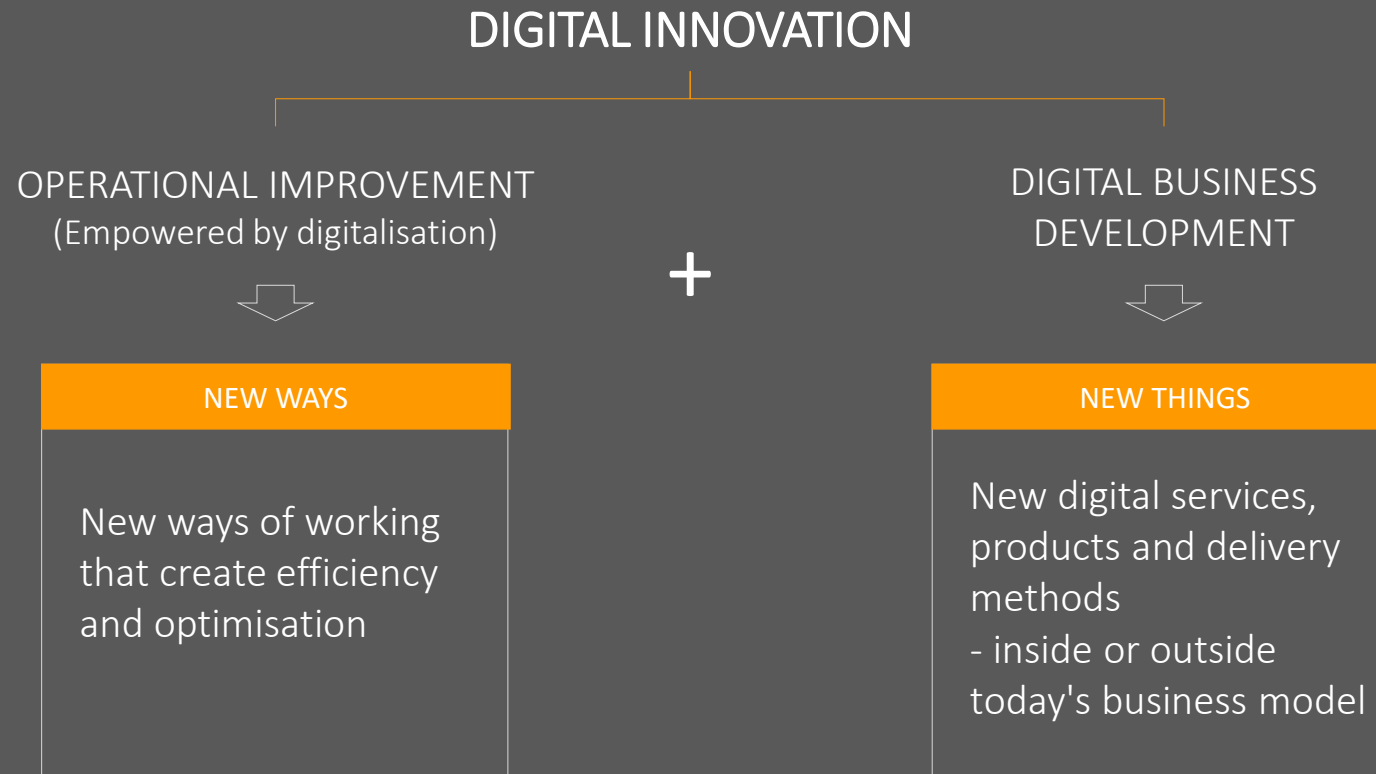


Note: illustrative

WHAT ARE WE DOING?

- We continually improve operations enabled by digitalisation in our assignments together with our largest clients
- We have an internal task force working on how we should position for a digital transition
- We take an active position together with the industry on sustainability through Climate 2050 and other initiatives
- We work actively to form better cooperation and partnerships with contractors
- We have established Cities & Society as business area

HOW WE SEE DIGITAL INNOVATION

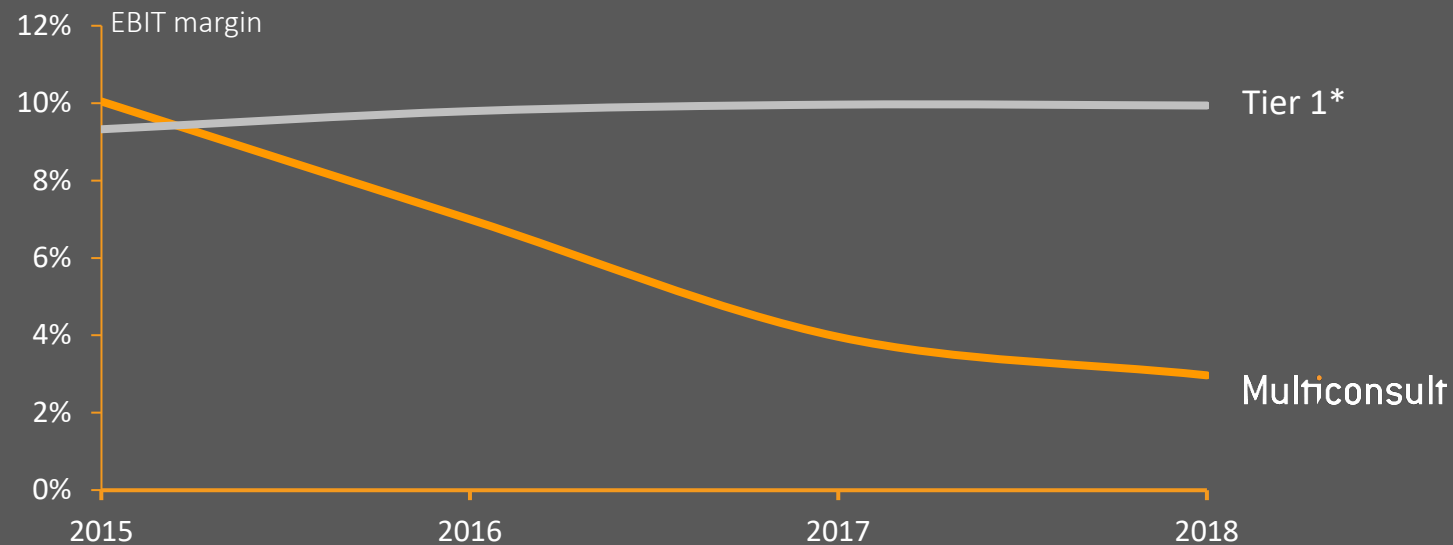


nextLEVEL

By HANS-JØRGEN WIBSTAD, CFO

MULTICONSULT HAVE EXPERIENCED WEAKENING MARGINS OVER THE PAST YEARS

EBIT MARGIN DEVELOPMENT, 2015-2018



Source: Annual reports

EBIT as a percentage of net operating revenues*; Adjusted for difference in calculation of net operating revenues.

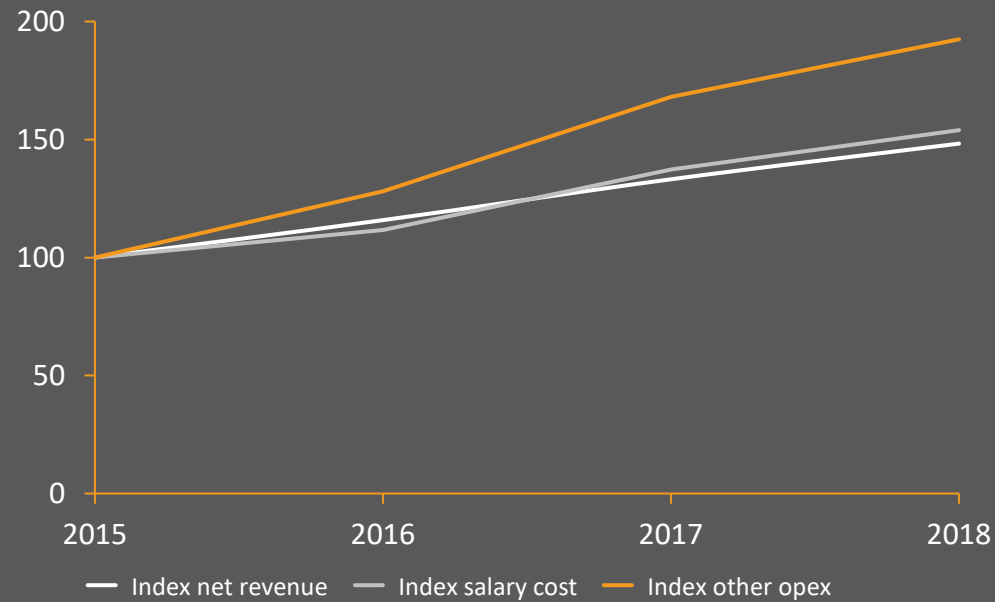
*= top 3 margin 2018 in the peer group including Norconsult

Approximation to net revenues adjustment

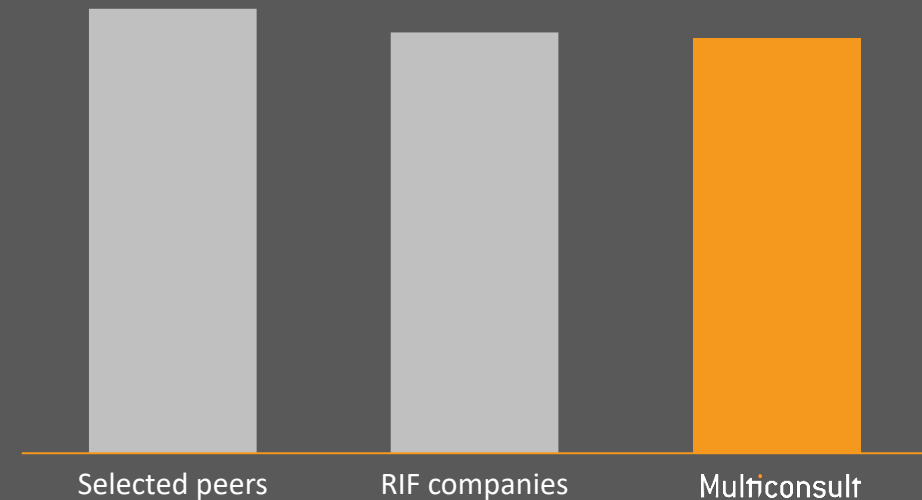
- Sub consultants and purchased services/materials adjusted
- Positive effect of 1-2%-point in competitor EBIT %

WE HAVE UNDERPERFORMED IN BOTH COST AND ORGANISATIONAL EFFICIENCY

REVENUE & COST DEVELOPMENT, 2015-2018
Index versus 2015

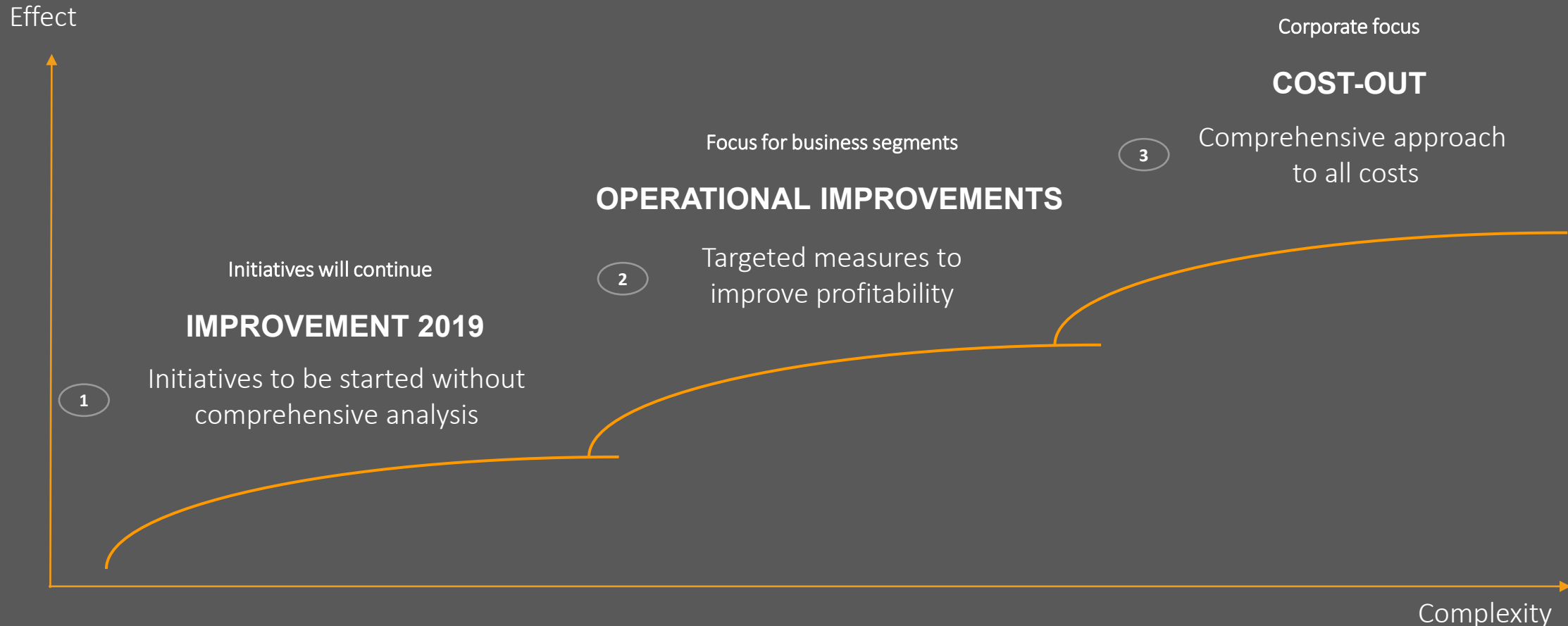


BILLING RATIO VS. SELECTED PEER COMPANIES
2018



Source: Selected peers include Sweco, Rambøll and ÅF - adjusted for difference in calculation method; RIF: Rådgivende ingeniørers forening

SELECTED AREAS ARE ALREADY ADRESSED – NOW WE MOVE TO nextLEVEL WITH COMPREHENSIVE PROFITABILITY EFFORTS



nextLEVEL WILL BE FOCUSING ON OPERATIONS AND COST REDUCTIONS

OPERATIONAL IMPROVEMENTS

All business unit leaders have been involved in

- Organisational adjustments
- Increase capacity utilisation
- Reduced impairment

COST-OUT

All cost-groups analysed for cost reductions through analyses and benchmarking

- Office costs
- IT
- Travel
- Professional services
- Misc.

next **LEVEL** TARGET IS A BOTTOM LINE EFFECT OF 150 MNOK

OPERATIONAL IMPROVEMENTS

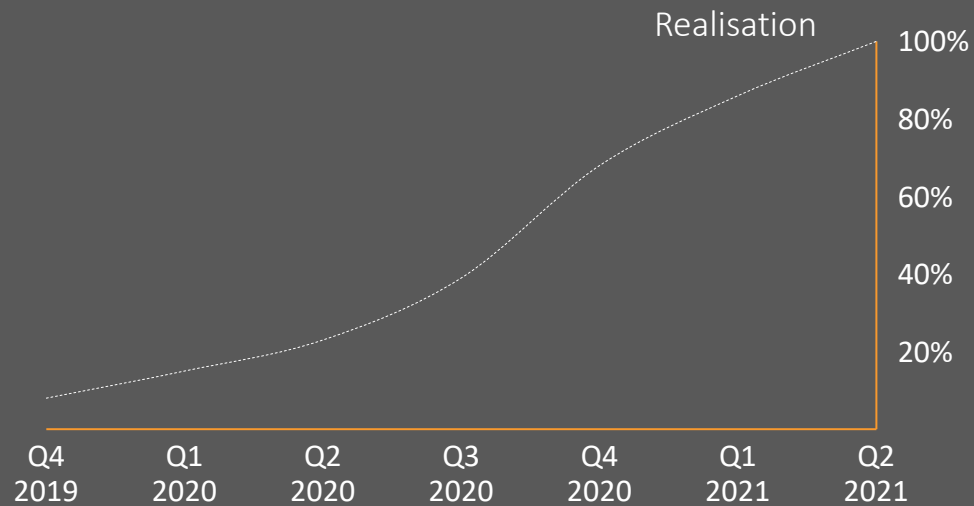
35-40%

COST-OUT

60-65%

MNOK 150
Effect with full realisation

FULL EFFECT IS ESTIMATED TO BE WITHIN 18 MONTHS



OPERATIONAL IMPROVEMENTS

- Some effects already in place
- Workforce mobility to be realised at end of period
- Utilisation improvements with gradual increase

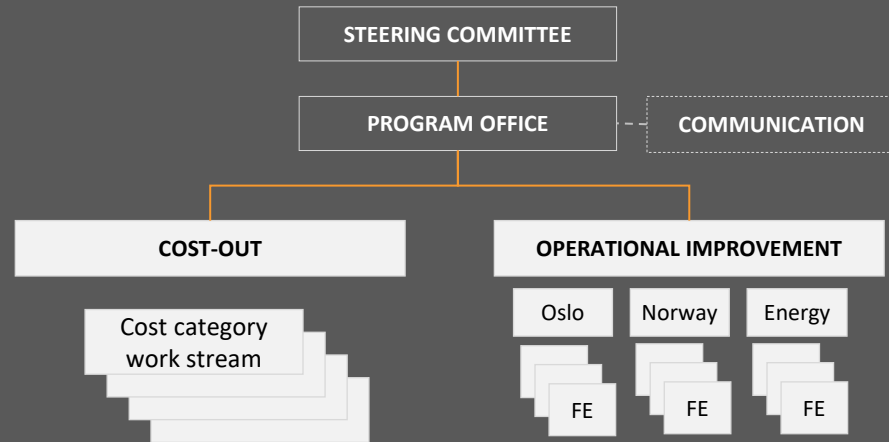
COST-OUT

- Many initiatives have already been put to effect
- Office lease agreement will be realised towards end period

Restructuring cost estimated to 30-40 MNOK (non-recurring)
– realisation not adjusted for cost

WE WILL FOLLOW UP PROGRESS WITH FOCUS ON IDENTIFIED INITIATIVES AND RESULTS

ORGANISATION



PROGRESS

- Close follow-up on progress and results
- Line management responsibility for follow-up on key initiatives and deliveries
- Communication management internally and externally
- Progress and results included in quarterly reports

nextLEVEL IS OUR KEY INITIATIVE IN IMPROVING PROFITABILITY



We have strong organisational commitment!

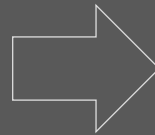
FINANCIAL TARGETS

By HANS-JØRGEN WIBSTAD, CFO

TARGET | SUSTAINABLE GROWTH

PREVIOUS TARGET

Organic growth in line with market
- Estimated 6-8 % CAGR from 2017



NEW TARGET

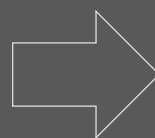
From 2020 to 2025
CAGR of **10%**
including acquisitions

- The growth is expected to be lower than the average in the initial part of the period

TARGET | IMPROVED PROFABILITY

PREVIOUS TARGET

EBIT margin above
peer-group average



NEW TARGET

Initial
EBIT margin

8%

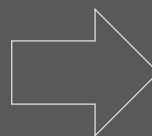
Long term
EBIT
margin

10%

TARGET | GEARING AND EQUITY

PREVIOUS TARGET

NIBD/EBITDA
< 1.5x

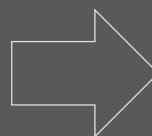


NEW TARGET

NIBD/EBITDA
MAX **2.5X**

Normal: 1.0 - 2.0x
Special: 3.0x up to 18 months

Equity ratio > 25%



Equity ratio > **25%**

- Maintain a solid balance sheet to support daily operations and growth targets, but also withstand periods of weaker markets.
- Gearing is measured ex IFRS 16 effects.

TARGETS | DIVIDEND PAYOUT

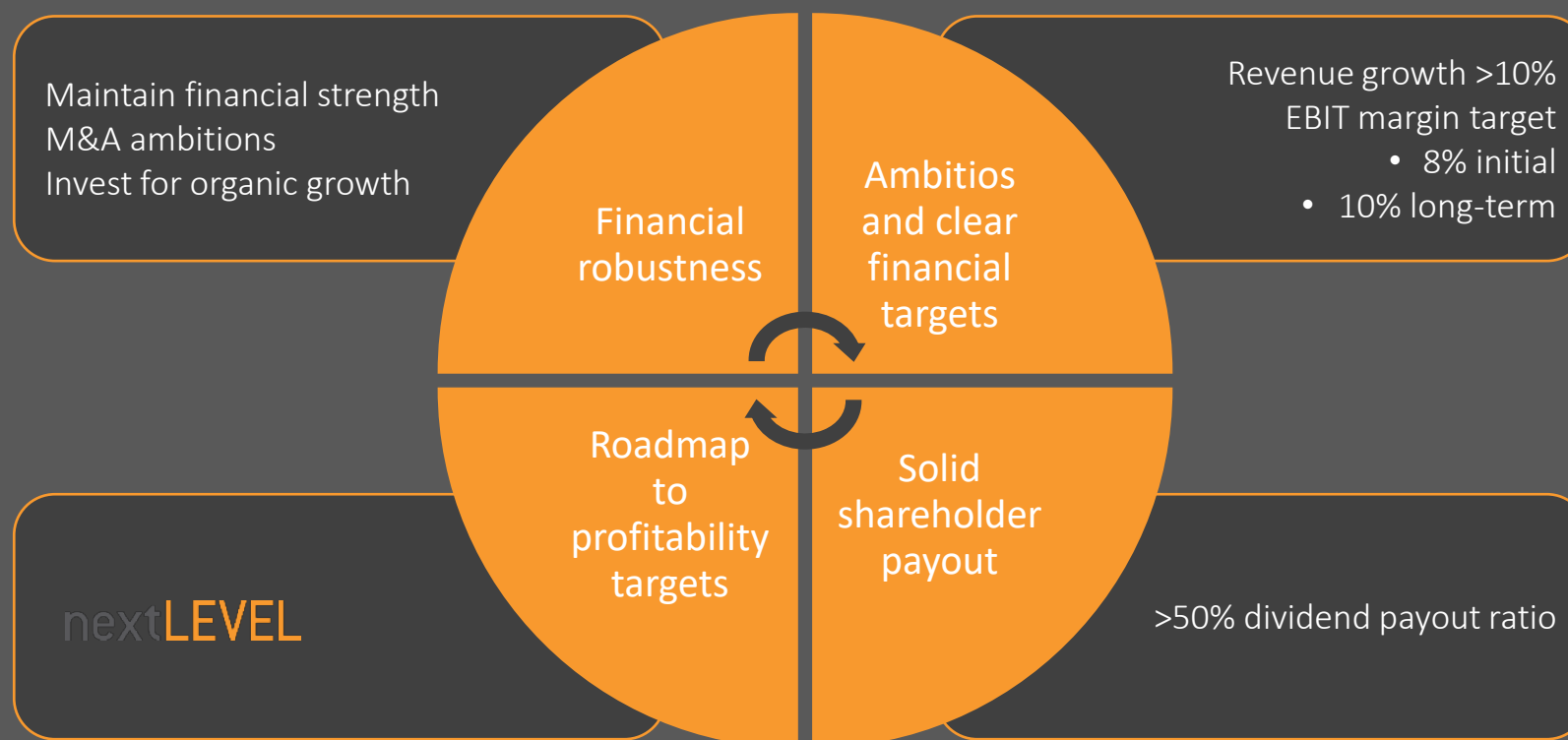
Multiconsult

Dividend payout of profit

50%

- Maintaining the current dividend policy
- When deciding the annual dividend level the Board of Directors will take into consideration expected cash flow, capital expenditure plans, financing requirements and appropriate financial flexibility.

TARGETS – SUMMARISED



CLOSING

By GRETHE BERGLY, CEO

TO EVOLVE, SUSTAINABLE PROFITABILITY IS REQUIRED

Achieving sustainable profitability is fundamental
to securing healthy growth

With our nextLEVEL initiatives our target is to reach a healthy
8% EBIT margin and a longer term target of 10%.

TO WIN, OPTIMALISATION IS REQUIRED

We truly believe the winning formula going forward is having the best **people**, utilising the best **digital solutions** and optimised **processes**.

Our most important asset is our people who are among the brightest minds in the industry, coupled with digitalisation and process optimisation, **we aim to be industry leaders**.

TO SUCCEED, EXTRAORDINARY CUSTOMER **VALUE** IS REQUIRED

The rapid change in our surroundings will change our business as we know it. Even more important, it will create new opportunities for new products, new business models and new ways of working.

The companies who manage to utilise new technology to create **extraordinary customer value** while delivering sustainable solutions will succeed. **We will be one of them.**