

# MULTICONSULT

## BRIDGING THE PAST TO THE FUTURE

Third quarter 2018 presentation  
8 November 2018



# 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.

# INTRODUCTION AND HIGHLIGHTS THIRD QUARTER 2018

**Christian Nørgaard Madsen, CEO**



# Highlights

- Weaker earnings than expected reflecting results in LINK arkitektur and International segments
  - As stated in profit warning of 22 October 2018
- 2018 EBIT margin target of 6% will not be reached, estimated at 2017 level
- Net operating revenue growth of 10.9% in the quarter, 12.8% year to date
- Higher net write-downs than previous year, but still at a normal level
- Improvement in the billing ratio in Norway
- Order backlog increased to NOK 2.4 billion
- Intensified measures are being implemented to strengthen profitability



# Financial summary 3Q and YTD 2018

- **3Q 2018**

- Net operating revenues up 10.9 % y-o-y to NOK 675.5 million
- EBIT of NOK 4.5 million, 0.7 % margin

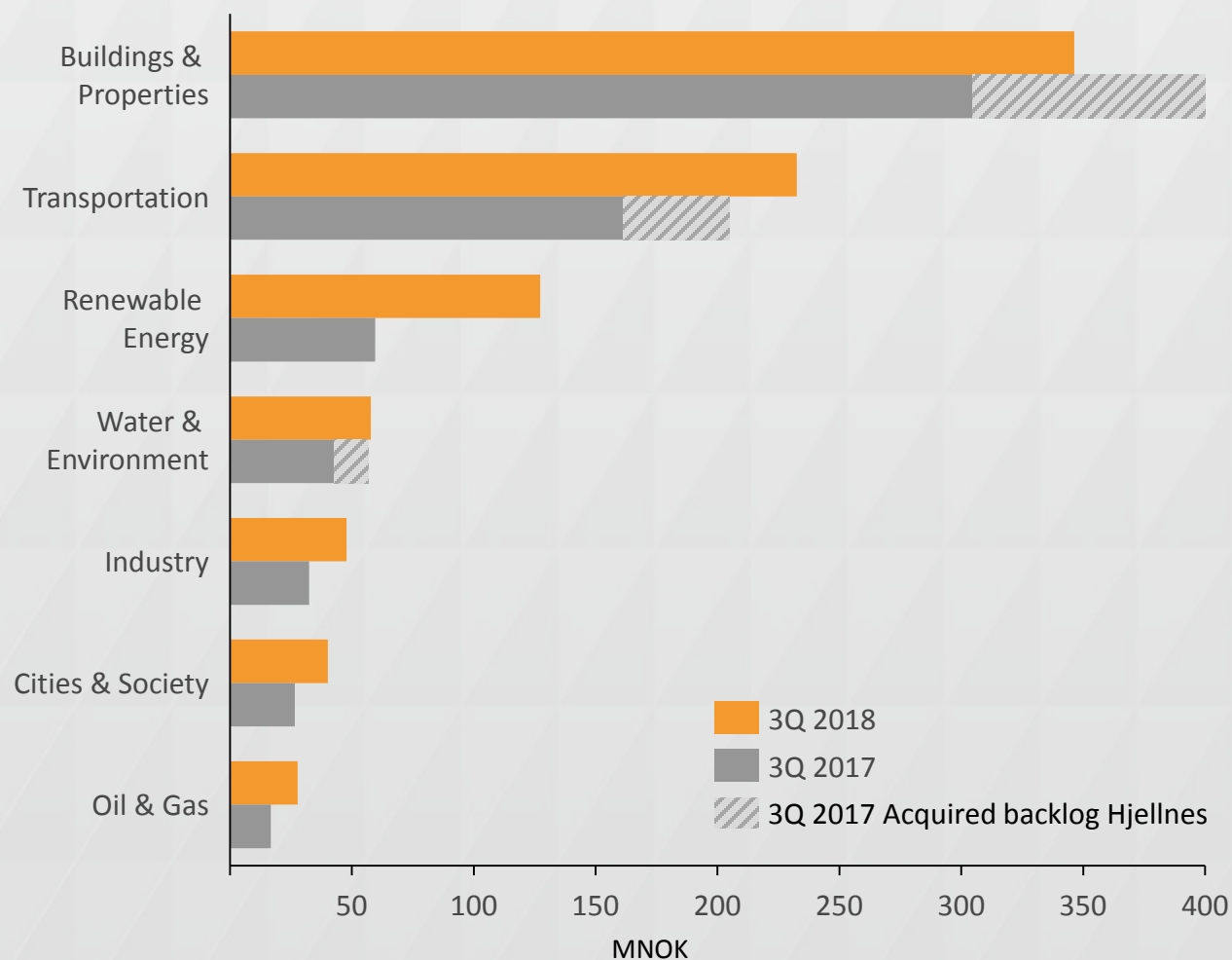
- **YTD 2018**

- Net operating revenues up 12.8 % y-o-y to NOK 2 422.1 million
- Organic growth 3.2 % adjusted for calendar effect
- Calendar effect of one less working day
- EBIT of NOK 89.5 million, 3.7 % margin





# Order intake 3Q 2018



## Highlights

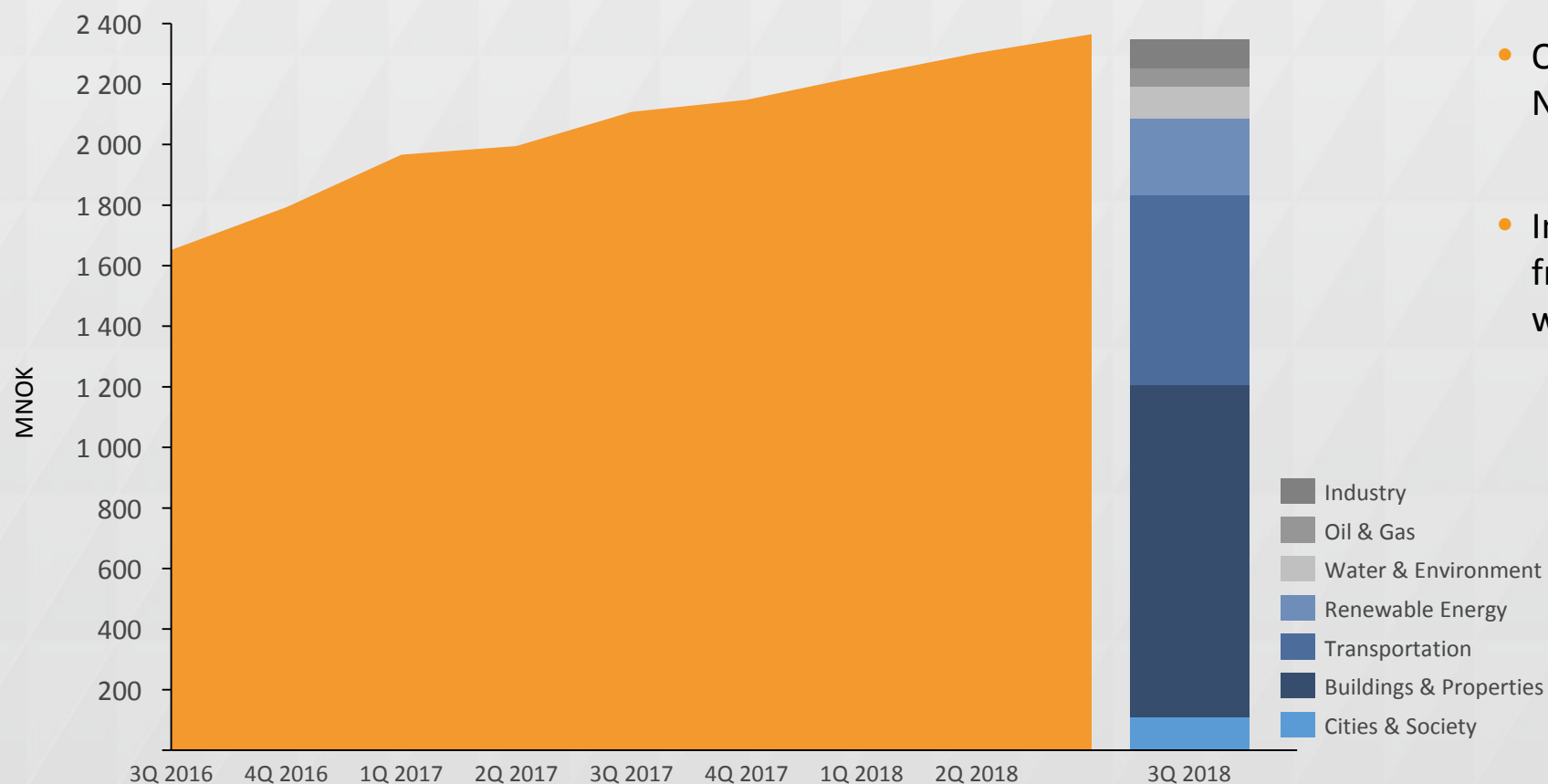
- Order intake NOK 879.6 million, up 10.6 % y-o-y
- Majority of order intake was extensions of existing contracts
- Continued strong tender pipeline

## Key order intake

- E6 Ranheim - Værnes
- Nye Hammerfest hospital
- Tonstad wind park
- Devoll Hydropower
- Jurong Rock Caverns



# Order backlog development and backlog per business area



- Order backlog up 12.2 % y-o-y to NOK 2 364.5 million

- In addition, call-offs on frame agreements are included when signed

- Fornebubanen

- Haakonsvern

# Organisation

- 2 875 employees at 30 September 2018
- Group turnover at 9.5 %
- Universum ranking - best in industry for seasoned professionals
- Extract of awards to Multiconsult and employees in 3Q
  - Stanislas Merlet awarded the title “European Young Professional” of the Year 2018 by EFCA
  - Digital role model Cathrine Mørch nominated as “Professional Expert” in the nomination of RIFs “Young consultant of the year”
  - Tønsberg hospital project awarded “Gullhammeren” for best practice 2018 by Bygg21
  - Knut Aaneland, Senior HSE advisor, awarded “Enthusiast of the year 2018” by RIF
  - Multiconsult and Betonmast Hæhre awarded “Best practice” for Smisto powerplant in Nordland

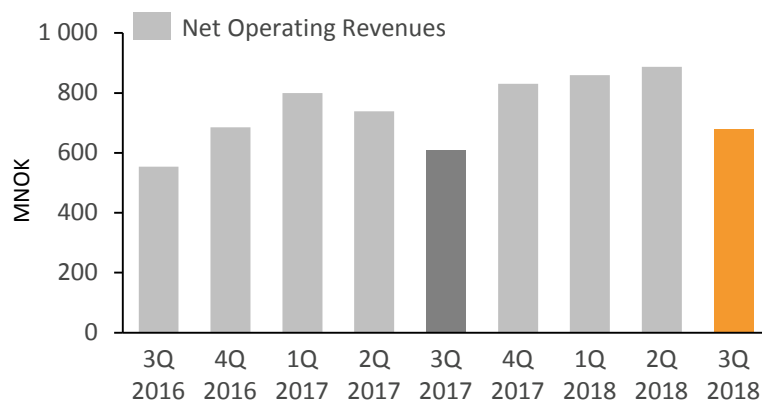




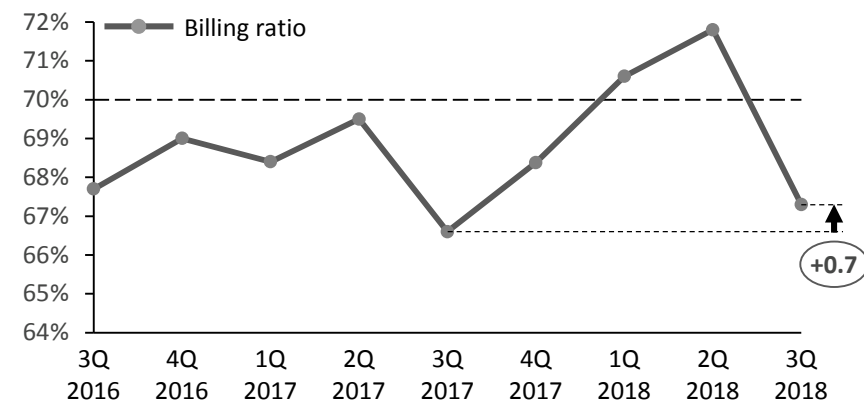
# FINANCIAL REVIEW

**Anne Harris, CFO**

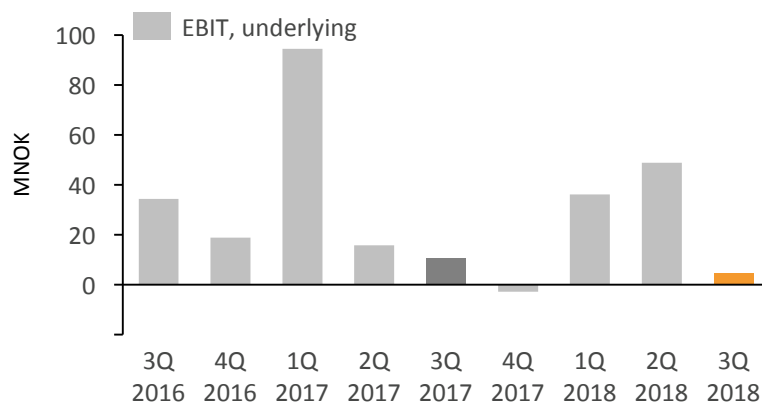
# Financial highlights 3Q 2018



- Up 10.9 % y-o-y to NOK 675.5 million
- Higher production due to acquisition of the Hjeltnes group



- Billing ratio at 67.3 % up 0.7 pp y-o-y
- Impacted by architect competitions

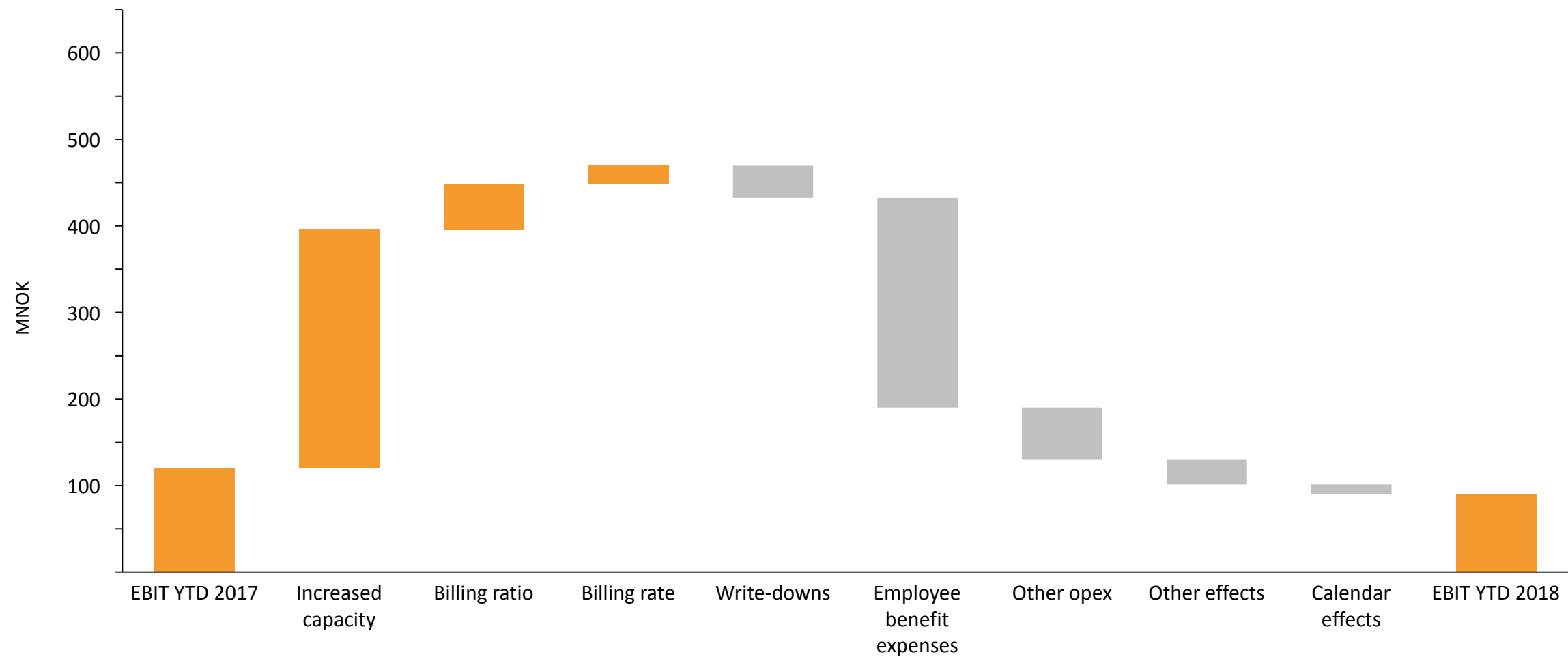


- NOK 4.5 million, 0.7% margin
- Weak LINK arkitektur and International



- Up 1.1 % y-o-y (organic) to 2 875 employees
- Continued tight resource management

# EBIT Bridge Y-O-Y





# Segments YTD 2018

Greater Oslo Area	YTD 2018	YTD 2017	Change
EBIT MNOK	52.4	64.5	-18.7 %
EBIT margin %	4.7 %	7.1 %	-2.4 pp
Billing ratio	69.8 %	67.2 %	2.6 pp
Number of employees	1 154	1187	-2.8 %

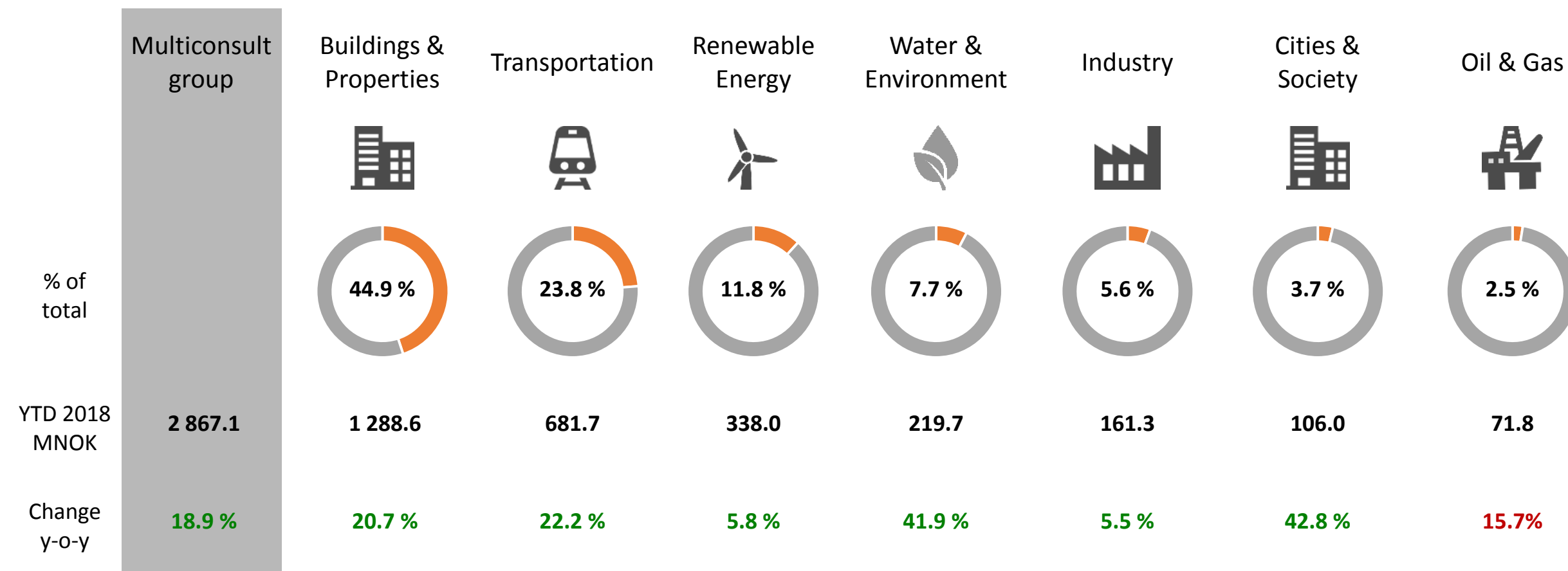
Regions Norway	YTD 2018	YTD 2017	Change
EBIT MNOK	50.5	30.3	66.6 %
EBIT margin %	6.3 %	4.0 %	2.4 pp
Billing ratio	70.6 %	67.3 %	3.3 pp
Number of employees	833	842	-1.1 %

International	YTD 2018	YTD 2017	Change
EBIT MNOK	5.7	17.1	-66.8 %
EBIT margin %	4.0 %	13.1 %	-9.1 pp
Billing ratio	71.6 %	72.1 %	-0.5 pp
Number of employees	269	205	31.2 %

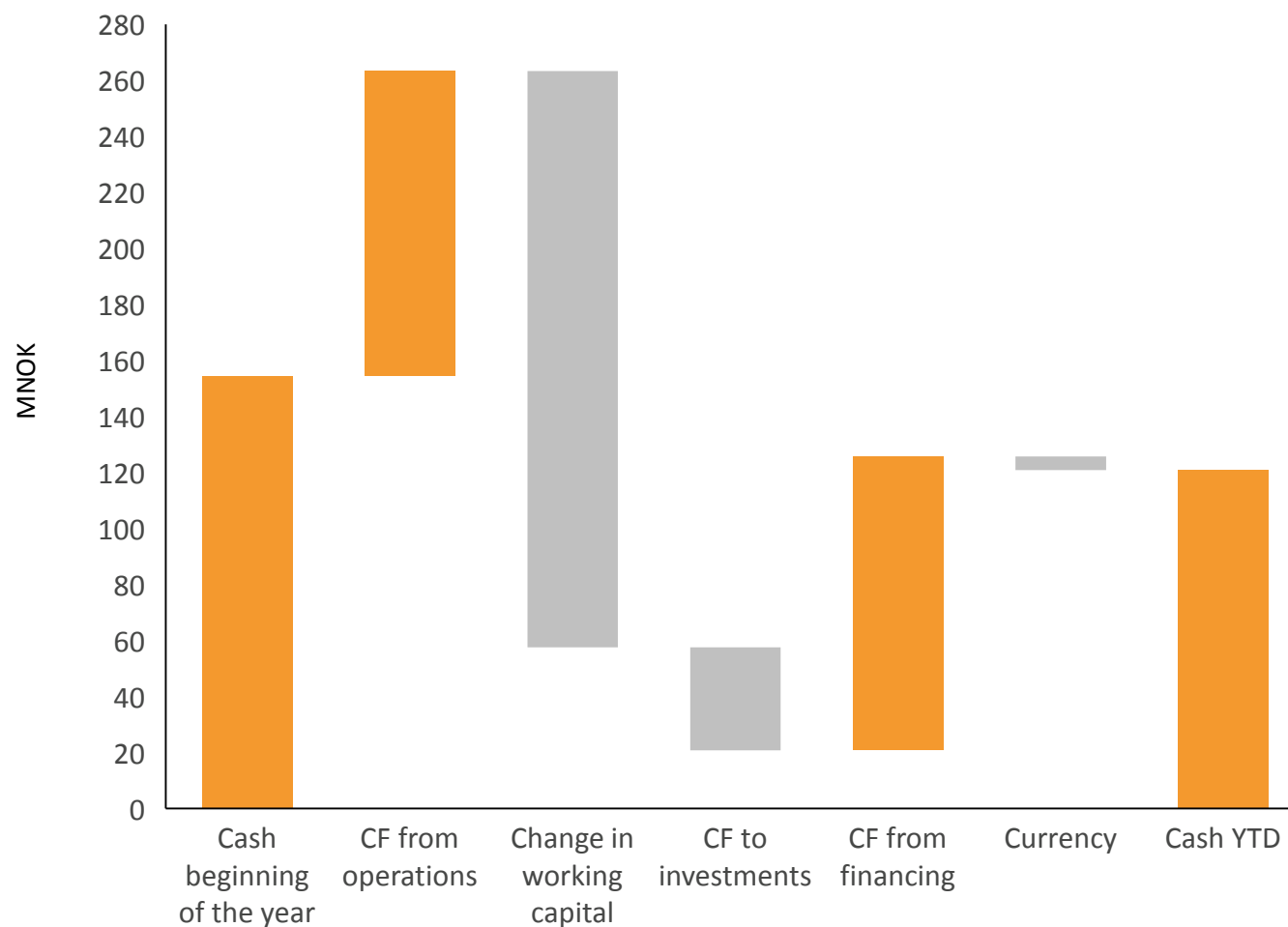
LINK arkitektur	YTD 2018	YTD 2017	Change
EBIT MNOK	7.1	11.6	-38.7 %
EBIT margin %	1.9 %	3.4 %	-1.5 pp
Billing ratio	72.9 %	71.4 %	1.5 pp
Number of employees	487	476	2.3 %

From 2018, Multiconsult changed its principles for group overhead allocation following the new legal structure. Not allocated costs YTD 2018 were NOK 26.2 million (NOK 2.8 million YTD 2017).

# Operating revenues by business area YTD 2018



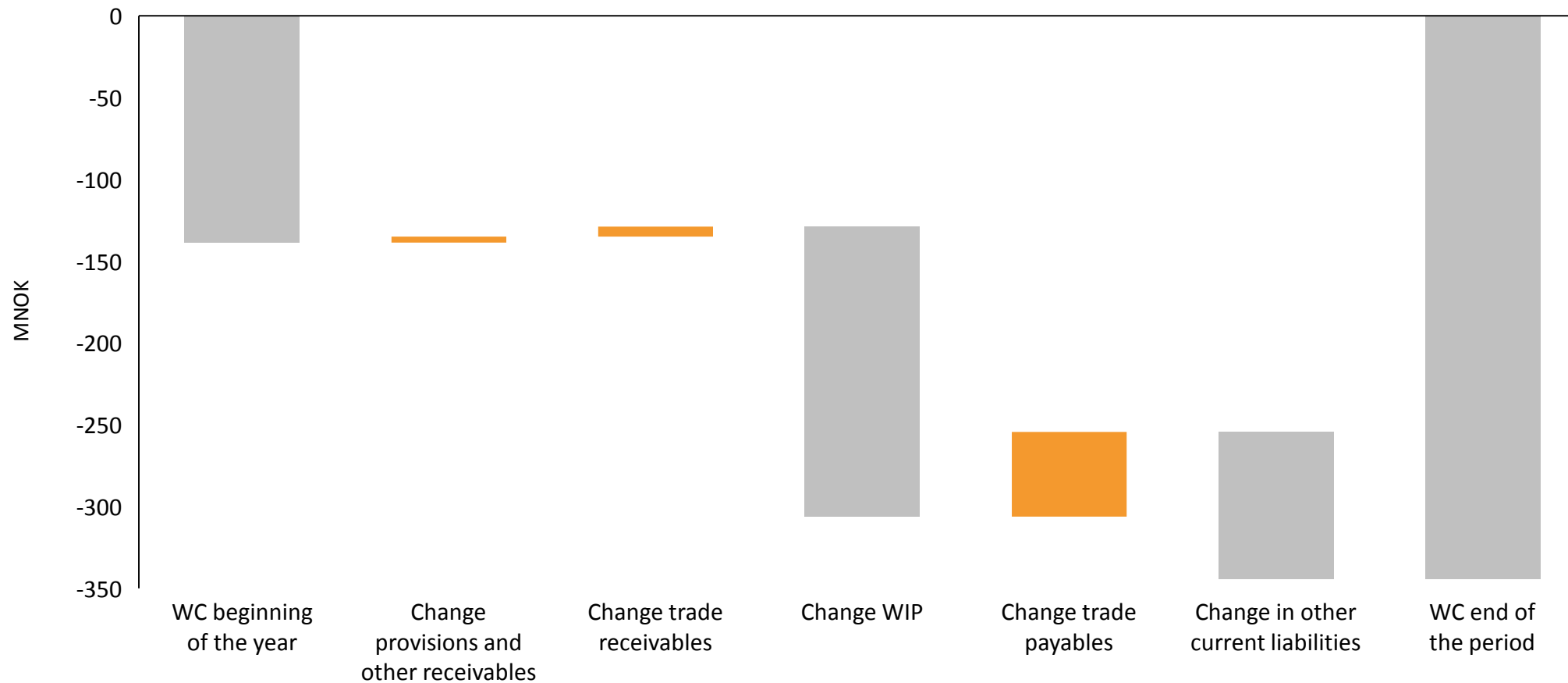
# Cash flows YTD 2018



- Net cash flow from operating activities
  - Impacted by lower net profit
- Change in working capital
  - Increased work in progress driven by seasonal fluctuation
- Investments include
  - Ordinary asset replacement
- Financing activities
  - Reflecting increased interest bearing debt less dividend payment



# Working Capital YTD 2018



## FINANCIAL CALENDAR

Extraordinary general meeting	26 Nov 2018
4Q 2018 results	26 Feb 2019
General Meeting	25 Apr 2019
1Q 2019 results	23 May 2019
2Q 2019 results	29 Aug 2019
3Q 2019 results	7 Nov 2019



# THANK YOU FOR YOUR ATTENTION

Investor relations in Multiconsult ASA

E-mail: [IR@multiconsult.no](mailto:IR@multiconsult.no)

Web: [Multiconsult-ir.com](http://Multiconsult-ir.com)





