

FOURTH QUARTER 2017 RESULTS

Christian Nørgaard Madsen, CEO | Anne Harris, CFO



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INTRODUCTION AND HIGHLIGHTS

Christian Nørgaard Madsen, CEO

Highlights

- Marginally negative EBIT in fourth quarter due to challenging project execution
- Earnings positively impacted by improved results from LINK arkitektur
- Fourth quarter and full year revenue growth, driven by acquisitions
- Comprehensive integration and onboarding of Hjeltnes group on track
- Stable order backlog at NOK 2.1 billion
- Profitability improvement program launched
- Proposed dividend for 2017 of NOK 1.50 per share



Financial summary 4Q and FY 2017

- **4Q 2017**

- Net operating revenues up 21.1% y-o-y to NOK 830.2 million
- EBIT of NOK - 2.7 million

- **FY 2017**

- Net operating revenues up 14.3% y-o-y to NOK 2 977.6 million
 - Organic growth 4.0%
 - Driven by acquisitions and net recruitment
 - Impacted by a lower billing ratio and one less working day compared to last year
- EBIT of NOK 118 million, 4.0% margin
 - Impacted by increased manning expenses, ERP, M&A and integration



Summary of acquisitions in 2017

<u>Company</u>	<u>Employees</u>	<u>Geography</u>
Hjellnes group	250	Oslo
Iterio AB	75	Stockholm
Bomek Consulting AS	12	Bodø
Prosjektforum AS	11	Sarpsborg
Rambøll Ålesund	9	Ålesund
VVSPLAN AS	3	Mo i Rana



Key ongoing projects 4Q 2017



- Campus Ås



- InterCity Fredrikstad - Sarpsborg



- New Airbase Ørland



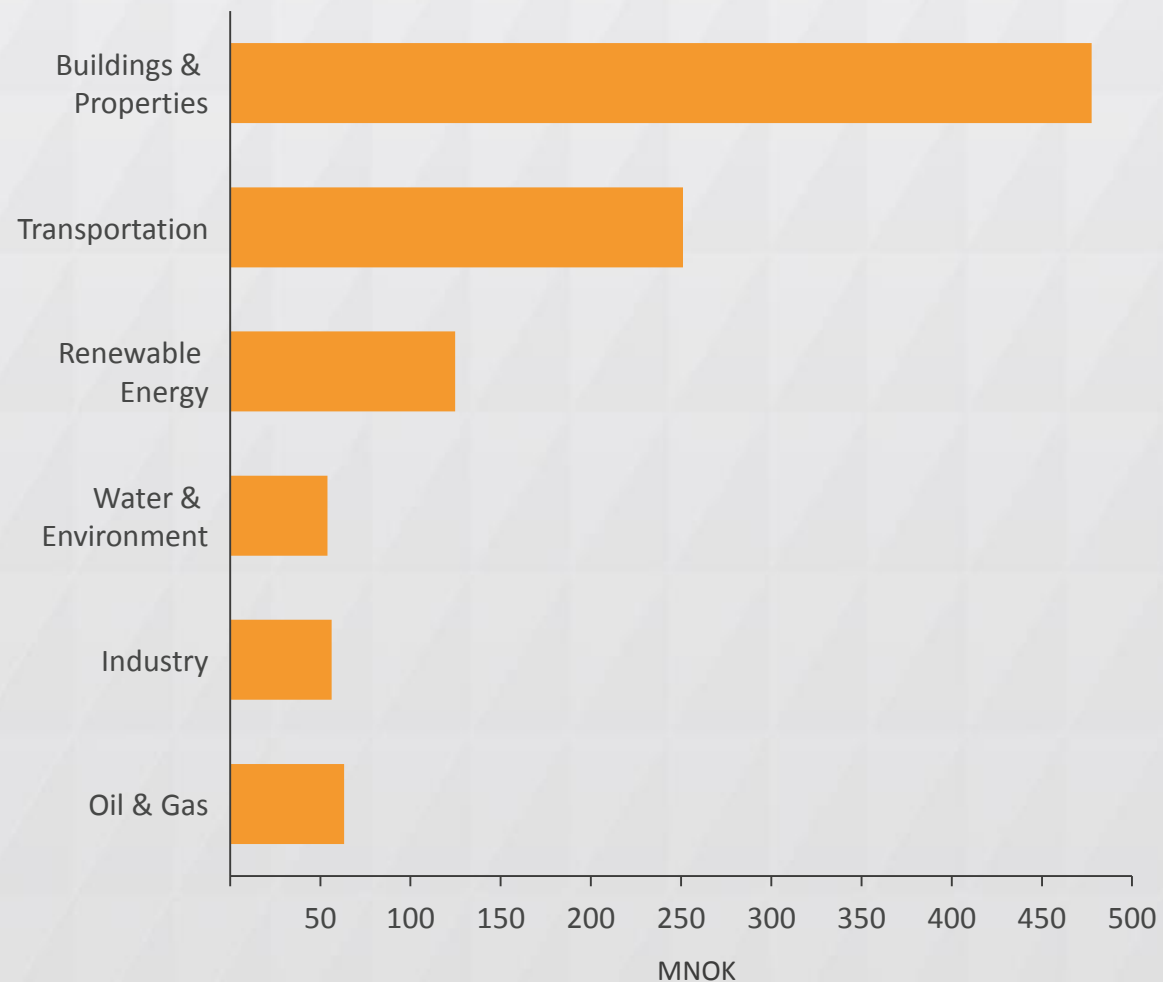
- Tønsberg Hospital



- The Follo Line



Order intake 4Q 2017



Highlights

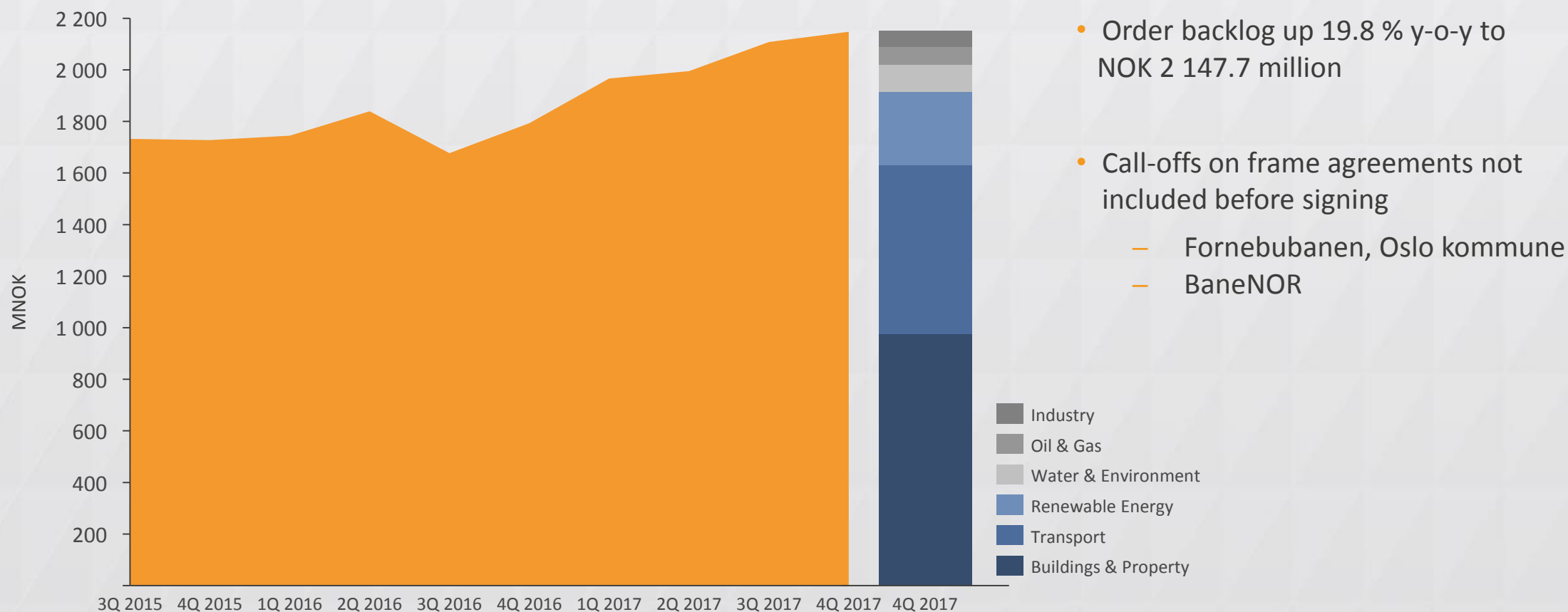
- Order intake NOK 1 026.9 million, up 8.4 % y-o-y
- Continued strong tender pipeline

Key order intake

- Northern Lights CCS
- Drammen Hospital
- InterCity Fredrikstad - Sarpsborg
- Campus Ås
- The Follo Line



Order backlog development and backlog per business area



Organisation

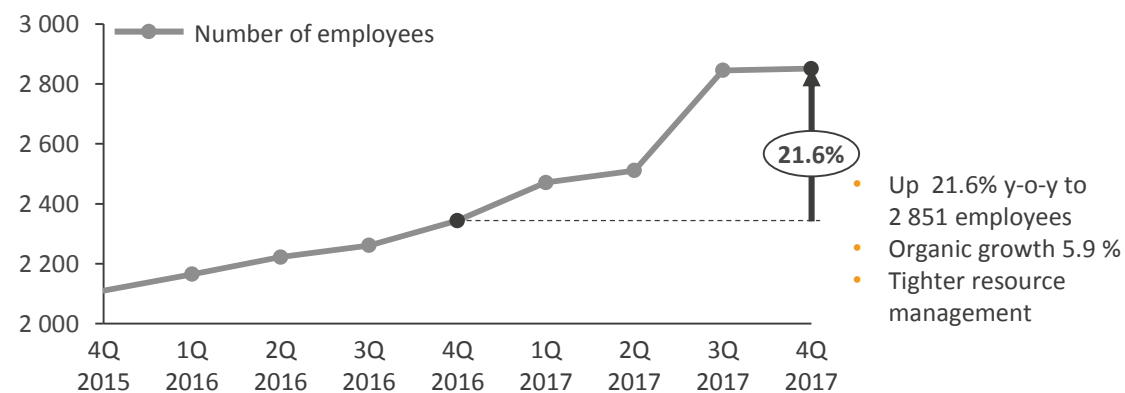
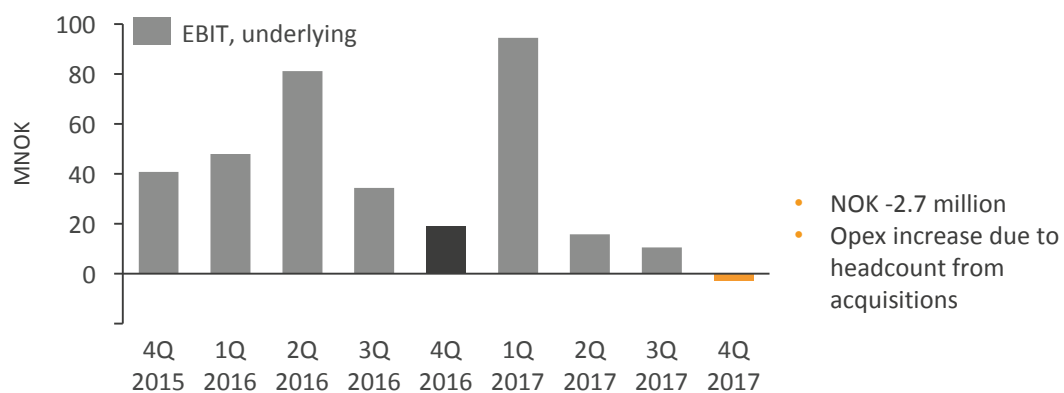
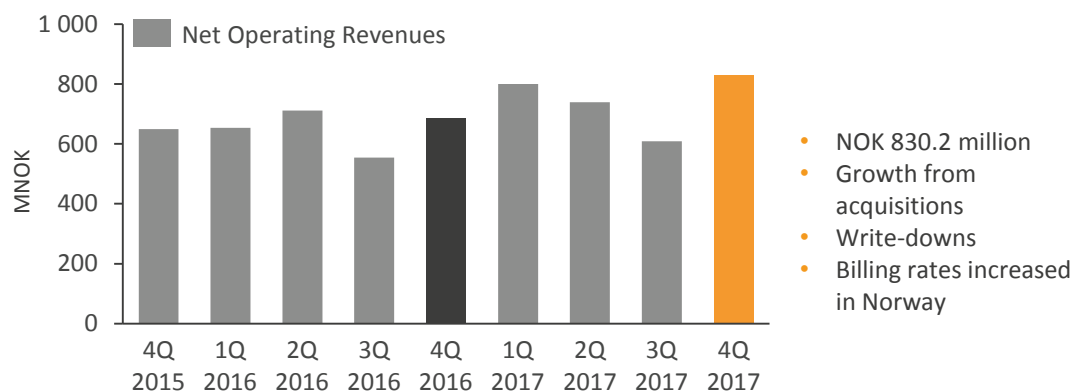
- Integration and onboarding of the Hjellnes group on track
- Stable organisation - group employee turnover at 6.0 % (6.4%)
- Share purchase programme for employees
 - 23 % of employees participated in the programme
- New regional director of Mid-Norway business unit Jan Anders Syltern
- Merger of South and South-West business units in Norway
 - Strengthen operations and management
 - Improve efficiency, marketing and sales efforts in Rogaland and Agder
- New business unit Energy established with acting EVP Dr. Jörgen Hasselström
 - Ensuring achievement of 3-2-1 strategy ambitions
 - Focusing on growth in renewable energy internationally



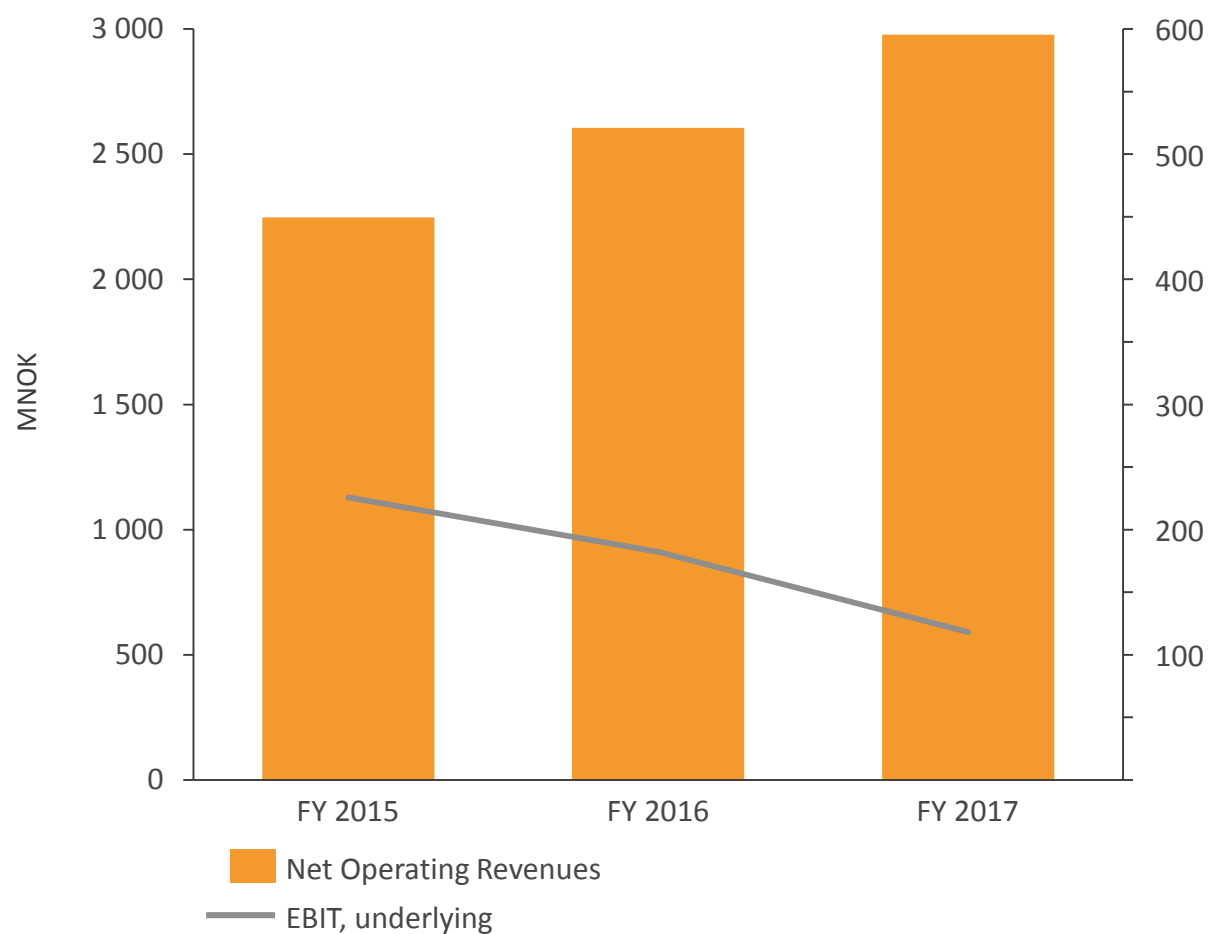
FINANCIAL REVIEW

Anne Harris, CFO

Financial highlights 4Q 2017

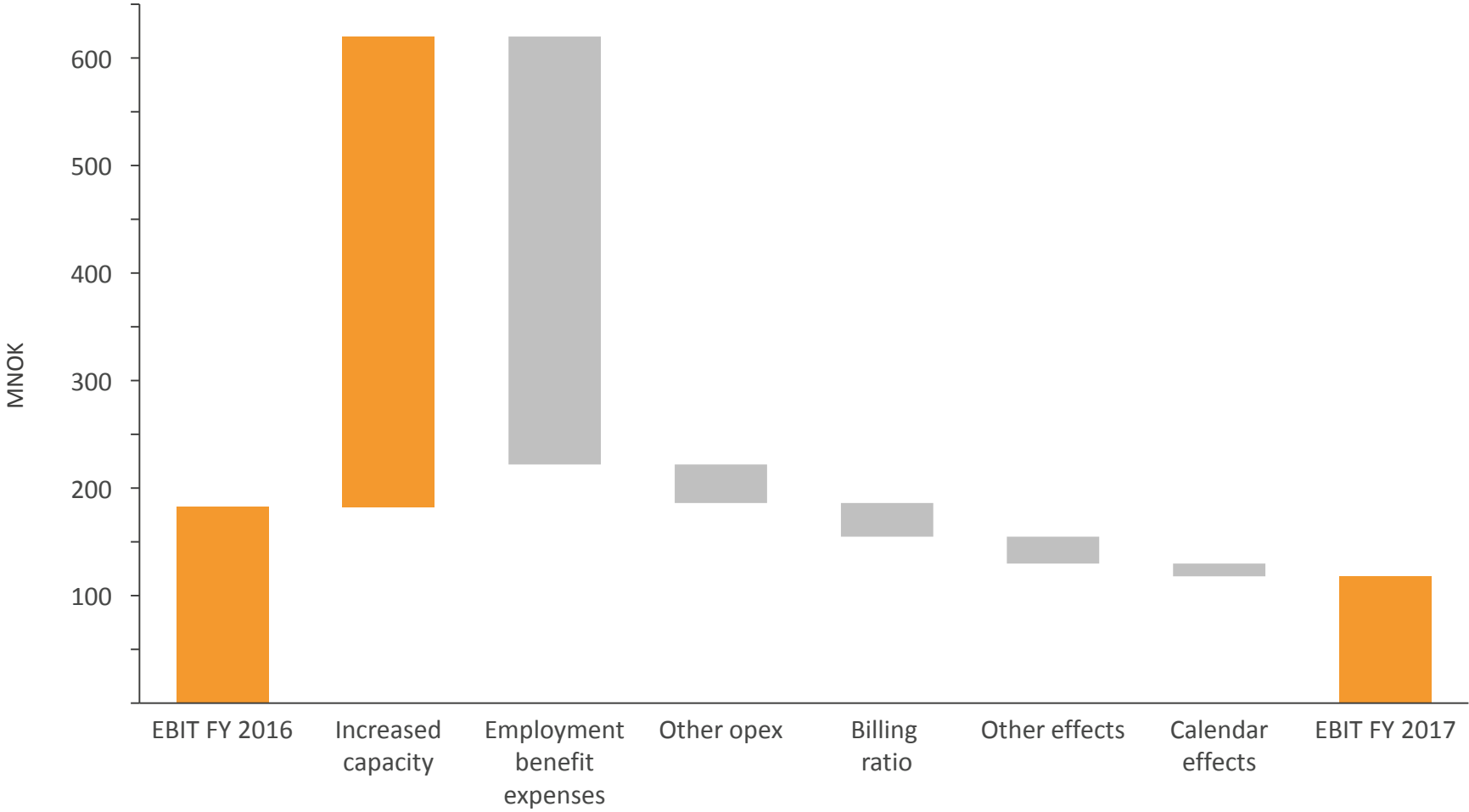


Financial highlights FY 2017



- Net operating revenue up 14.4 % to NOK 2 977.6 million
 - Organic growth 4.0%
 - Billing ratio at 68.4%
 - 1 less working day calendar effect
- Operating expenses
 - Higher employee benefit expenses due to M&A
 - ERP system, M&A and integration
- EBIT of NOK 118.0, margin of 4.0%

EBIT Bridge Y-O-Y



Segments FY 2017

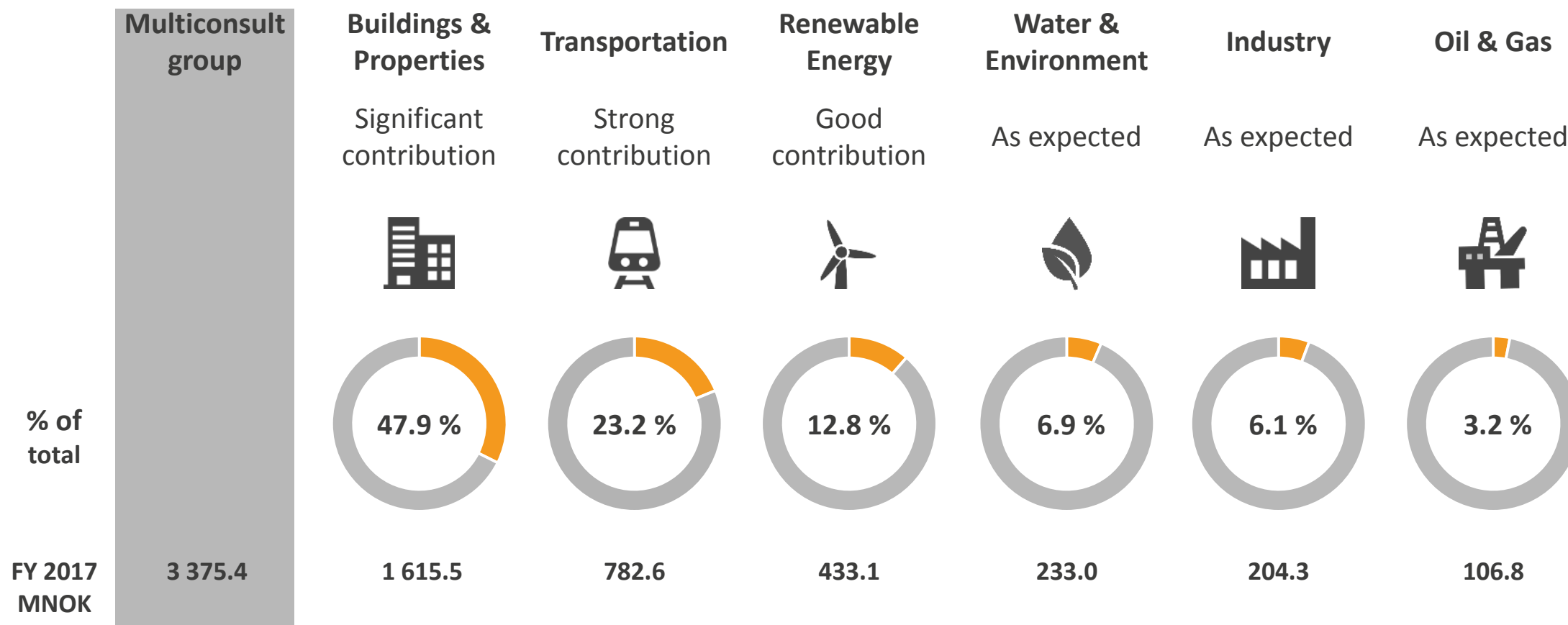
Greater Oslo Area	FY 2017	FY 2016	Change
EBIT MNOK	64.6	125.1	48 %
EBIT margin %	4.9 %	10.5 %	5.6 pp
Billing ratio	67.0 %	70.0 %	3 pp
Number of employees	1 179	879	34 %

Regions Norway	FY 2017	FY 2016	Change
EBIT MNOK	13.0	37.3	65 %
EBIT margin %	1.3 %	3.9 %	2.6 pp
Billing ratio	67.3 %	68.4 %	1.1 pp
Number of employees	841	793	6 %

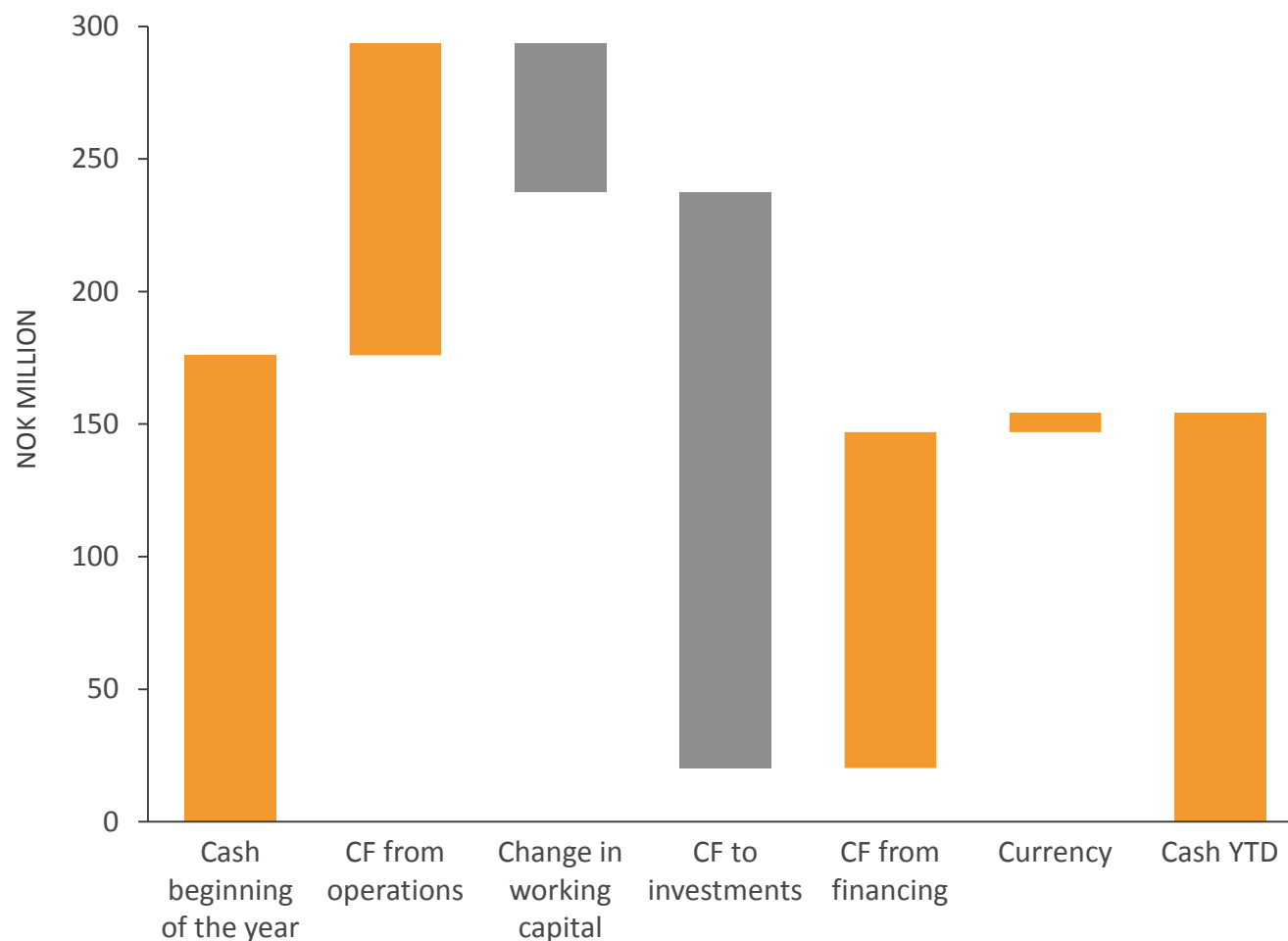
International	FY 2017	FY 2016	Change
EBIT MNOK	17.3	11.1	55 %
EBIT margin %	9.7 %	11.5 %	1.8 pp
Billing ratio	71.5 %	65.6 %	5.9 pp
Number of employees	216	130	66 %

LINK arkitektur	FY 2017	FY 2016	Change
EBIT MNOK	25.5	9.9	>100 %
EBIT margin %	5.2 %	2.9 %	2.3 pp
Billing ratio	72.4 %	71.4 %	1.0 pp
Number of employees	475	420	13 %

Operating revenues by business area FY 2017



Cash flows FY 2017



- Solid cash flow from operations
- Change in working capital driven by
 - Increased trade receivables due to increased production
- Investments
 - Acquisition of Iterio AB and the Hjellnes group
 - Ordinary asset replacement
- Financing
 - Increased debt due to acquisitions
 - Dividend payment

Performance compared to strategic ambitions

Revenue growth



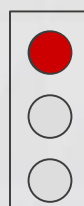
- aarhus arkitekterne, Iterio, Hjellnes group have contributed significantly
- Fairly positive market outlook

International expansion



- We are according to plan both in Sweden and in Renewable Energy, however the major transactions are still ahead

Maintaining good profitability



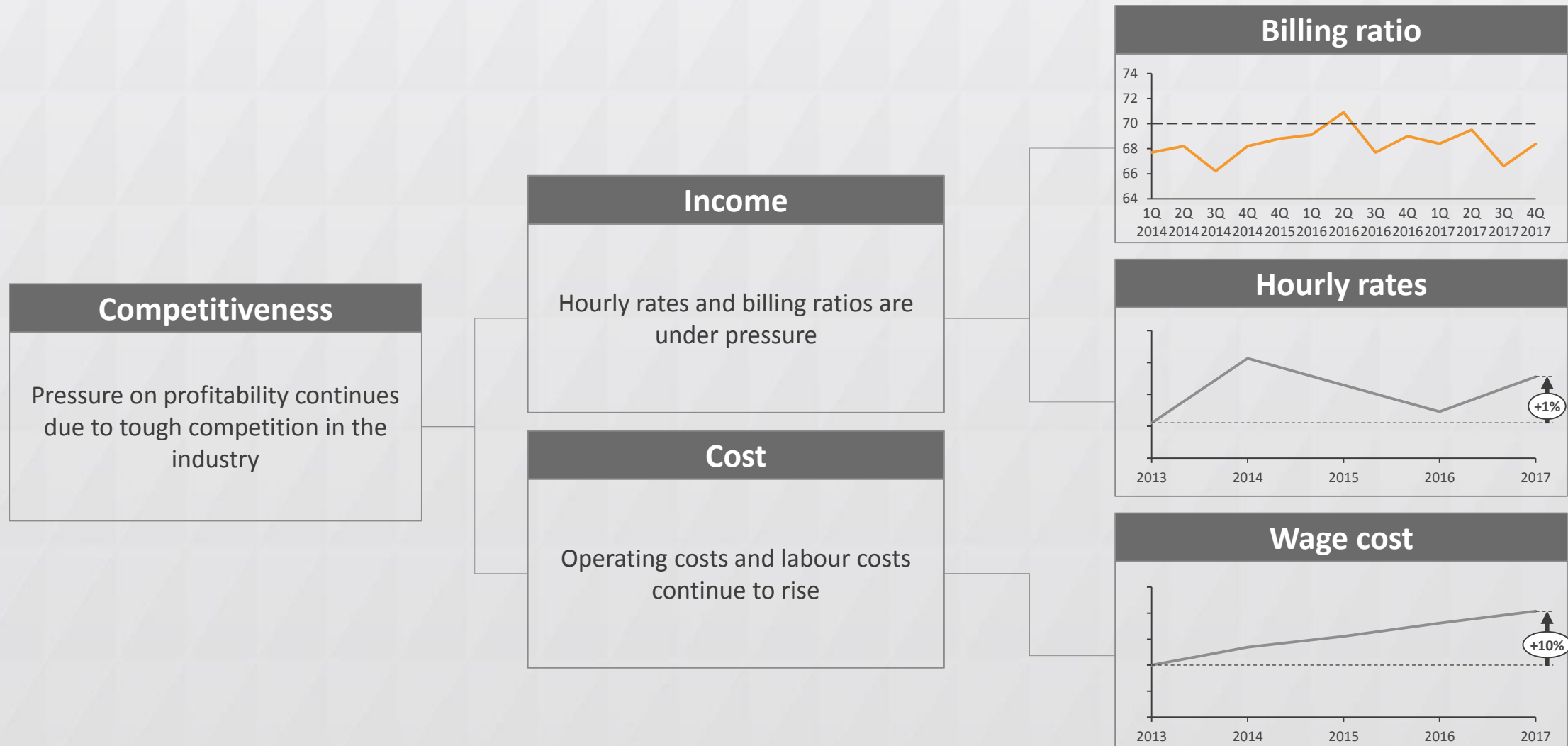
- Our profitability is not satisfactory
- Billing rates are still under pressure
- Billing ratio is not meeting target

One Multiconsult (One group)



- Significant progress in integrating the new companies into the Multiconsult group
- Need to work continuously on building a common culture

Profitability has been challenging



Group target: 2018 EBIT margin to minimum 6%

Improving operations for Greater Oslo & Regions Norway

Sales

- Further develop strategic sales team
- Key account management program
- Prioritised tendering
- Stricter pricing criteria

Billing ratio

- Increased sale
- Aligned procedures
- Reduce internal activity
- No integration of new acquisitions in Norway

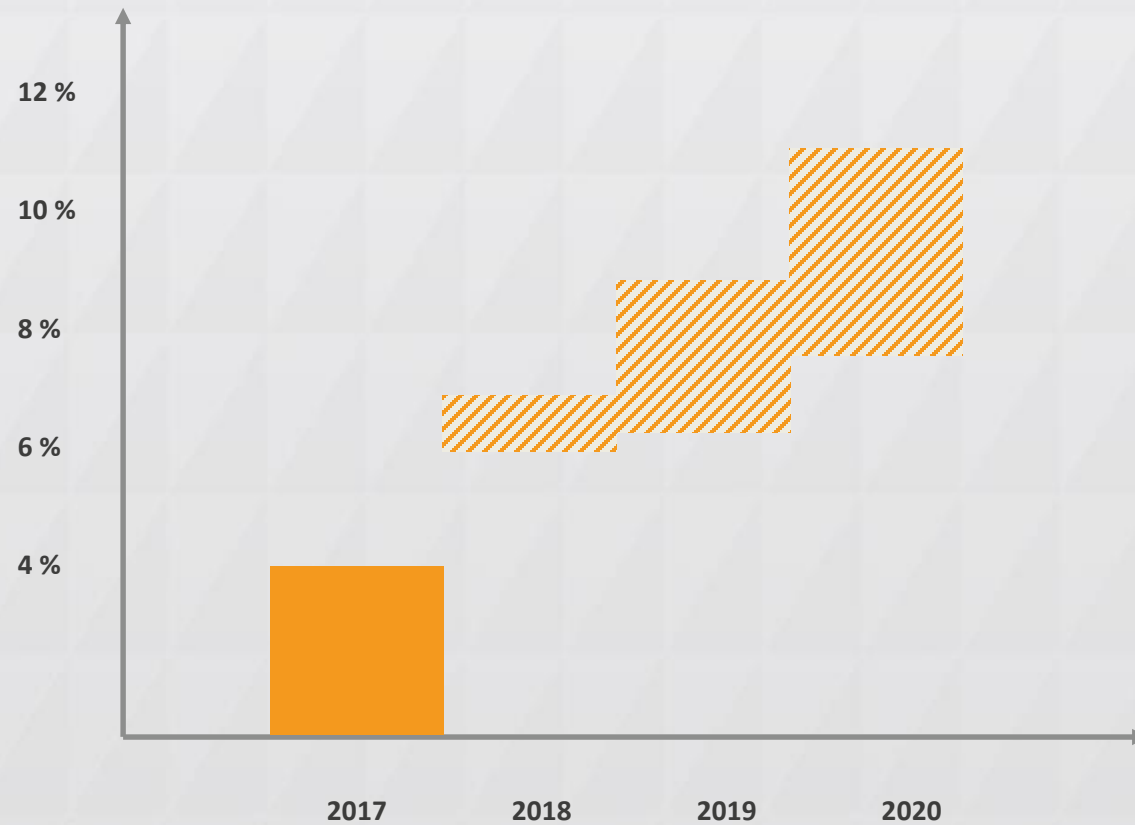
Project execution

- Continue already established programs
- Improve client communication
- Benefit from improved transportation market

Efficiency gains

- Release synergies from new ERP system
- Fully integrate existing acquisitions
- Further focus on cost reduction
- Manning control

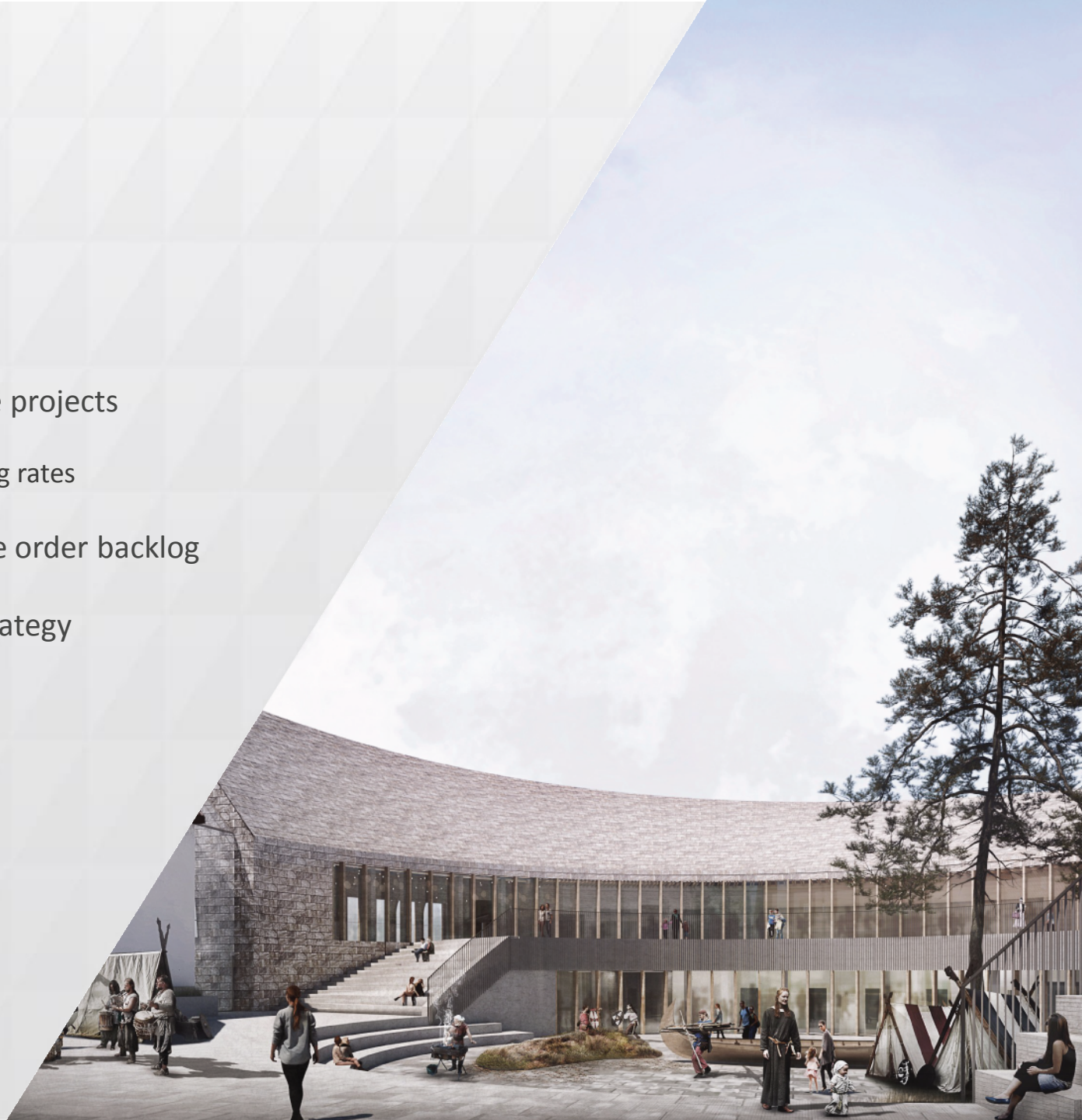
Improving EBIT margin towards 2020



- Acquisitions of new business not highly integrated
- Further increase in billing rates
- Benefits from a significantly better strategic position in Norway

Outlook

- Outlook remains fairly positive
- Continued strong competition and price pressure on large projects
 - Market rates have increased in Norway, regional variation
 - Increased employee cost in Norway not fully reflected in billing rates
- Stronger combination of professional capability and stable order backlog
- Active and systematic implementation of the 3-2-1 GO strategy
 - Growth focus on Sweden and Renewable Energy
 - Consolidation and integration of the Hjellnes group in Norway
- Intensified focus on improving profitability
 - Profitability program initiated





FINANCIAL CALENDAR

Annual report 2017 12 Apr 2018

Annual General Meeting 3 May 2018

1Q 2018 results: 23 May 2018

2Q 2018 results 23 Aug 2018

3Q 2018 results 8 Nov 2018

Q&A

FOURTH QUARTER 2017 RESULTS | Christian Nørgaard Madsen, CEO
Anne Harris, CFO



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