

MULTICONSULT

BRIDGING THE PAST TO THE FUTURE

Capital market update
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.



Given the current profitability situation and the timing in the strategic period towards 2020, it is time to revise our strategy



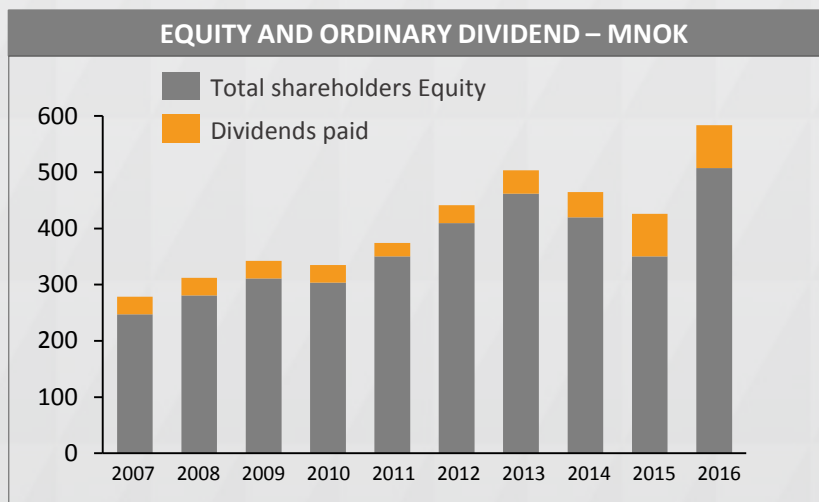
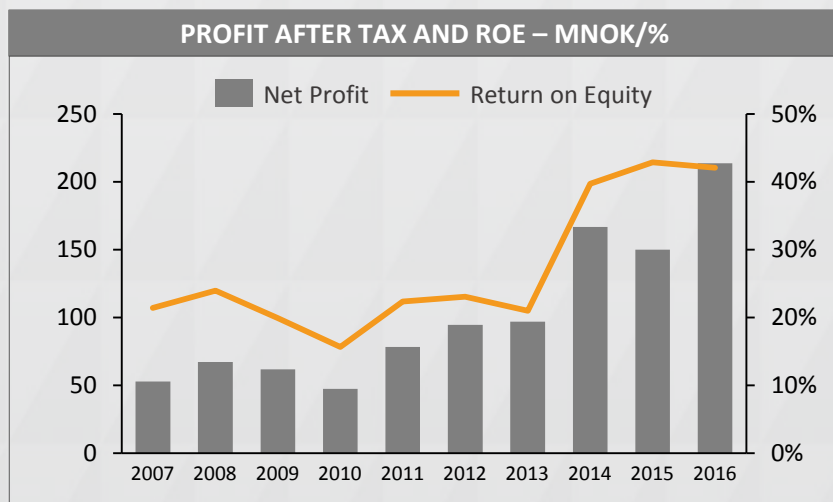
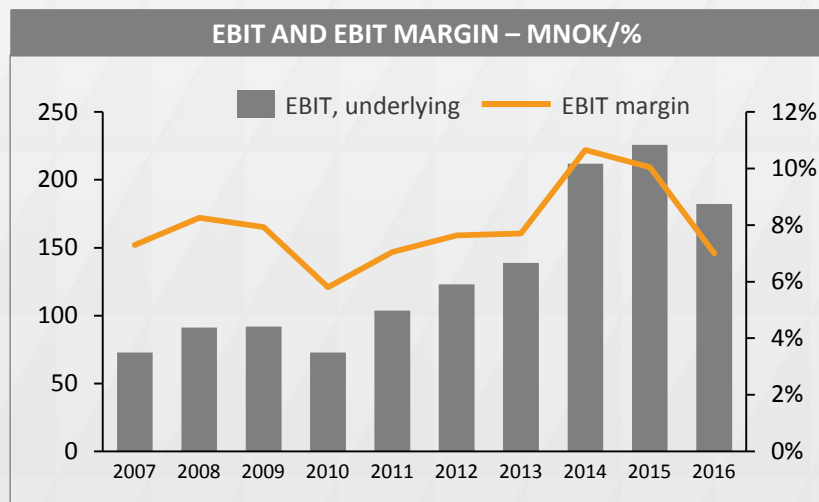
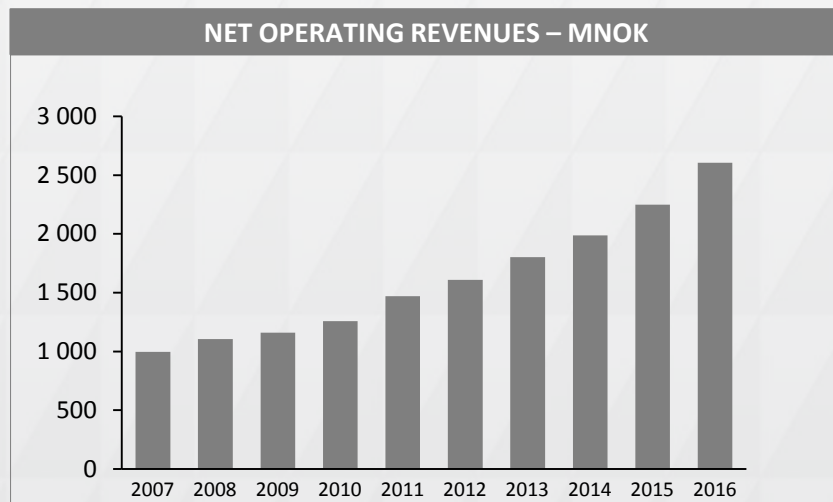
Agenda

- **Flashback to CMU 2016**

- Recent developments
- Improvement efforts
- Our context today
- Revised strategy
- People & projects



Steady long-term financial performance

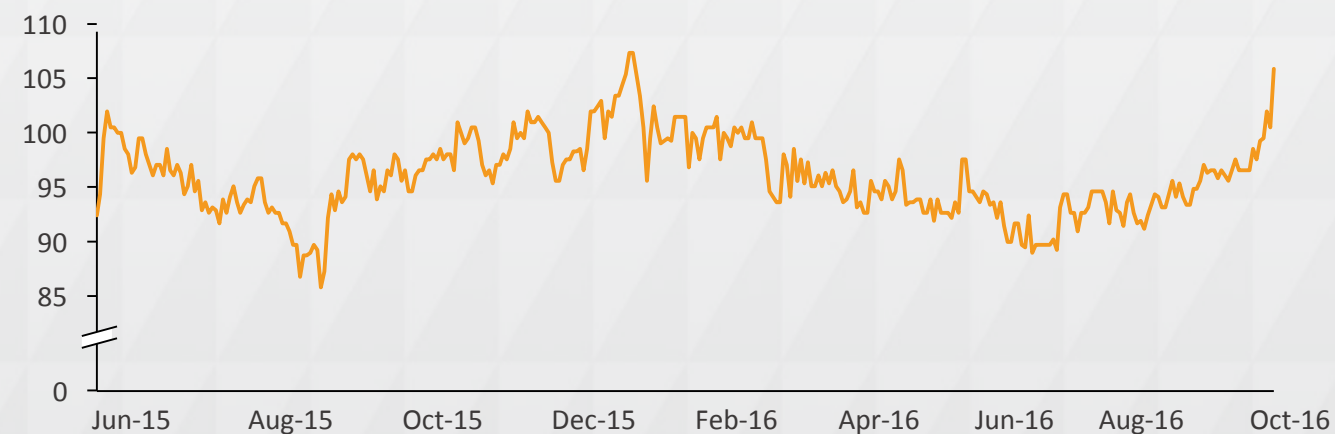


Note: In 2015, an extraordinary dividend of MNOK 192 was paid to shareholders related to the IPO. ROE using Net Income

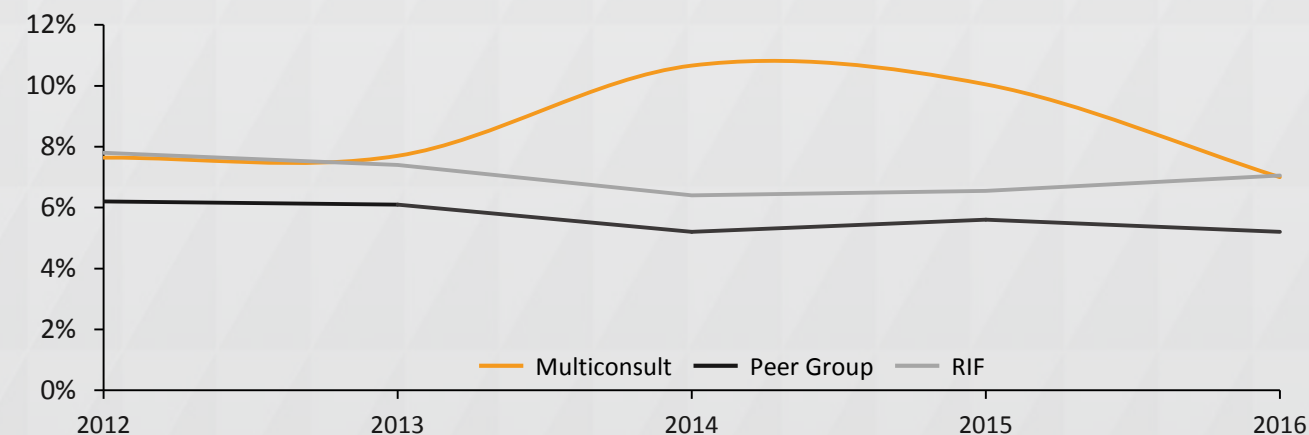
Flashback to our context at CMD 2016

SHARE PRICE DEVELOPMENT

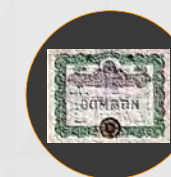
From IPO to Capital Markets Day 2016



EBIT MARGIN PEER GROUP



Note: Multiconsult not a part of Peer Group. The group consists of Sweco, Pöyry, ÅF, Rejlers and Projektengagement



Equity

233

Cash

MNOK,
31 Dec 2015

1.5 x

Debt

NIBD/EBITDA

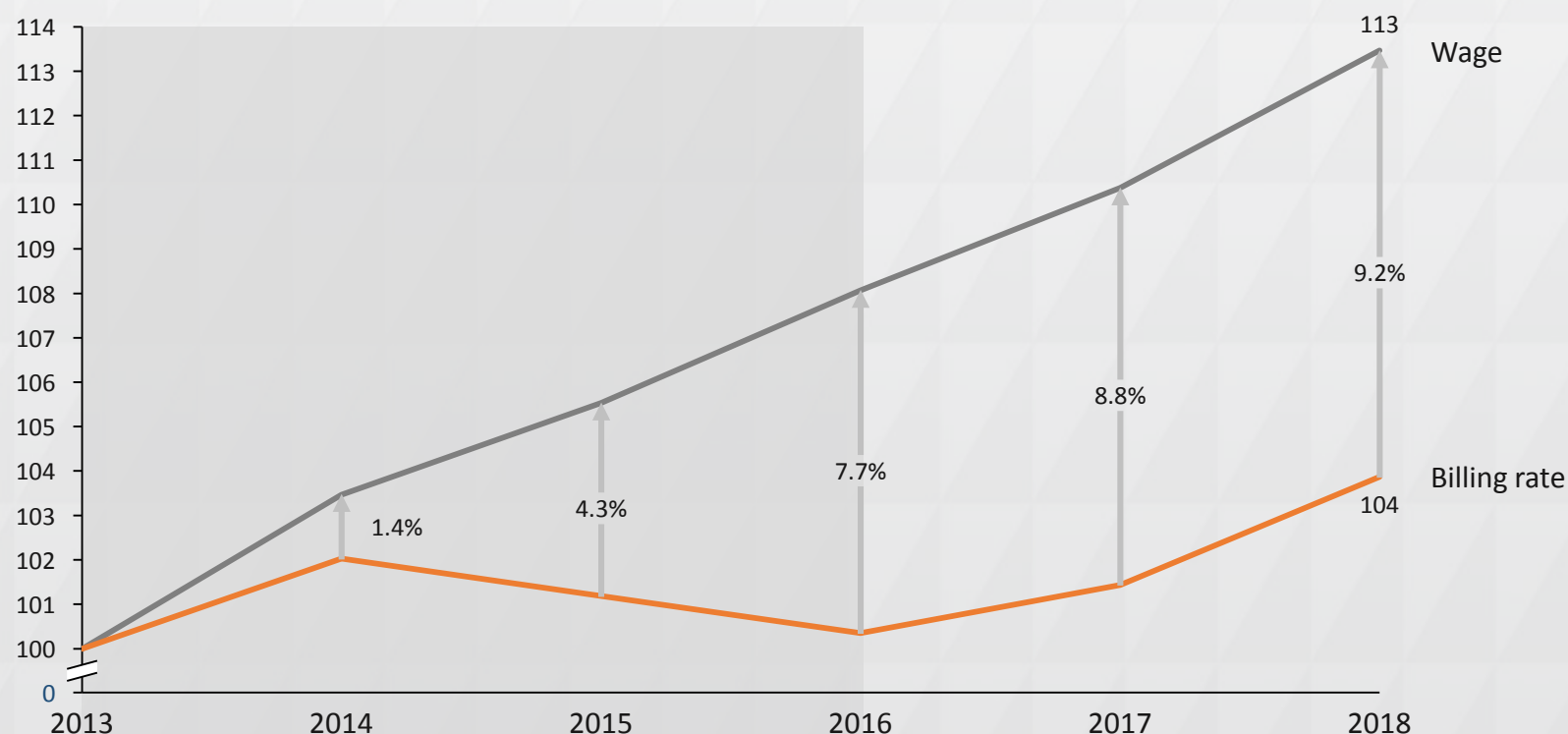
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Industry profitability challenge intensified

INDEXED DEVELOPMENT WAGE AND BILLING RATE

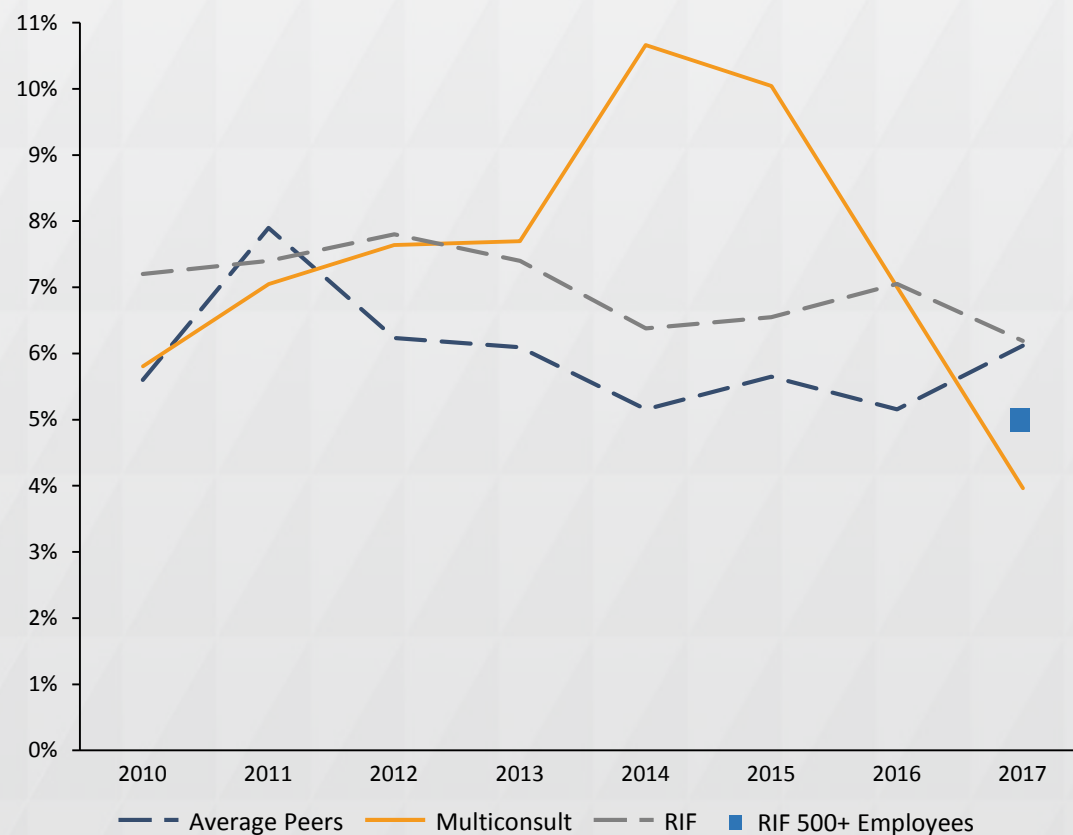


- The last 5 years the wage increase has been considerably higher than the increase in billing rates.
- Since 2016 the billing rates have moved upwards, although not enough to reduce the gap.
- The cumulative effect since 2013 is a marginalisation of 9.2%.

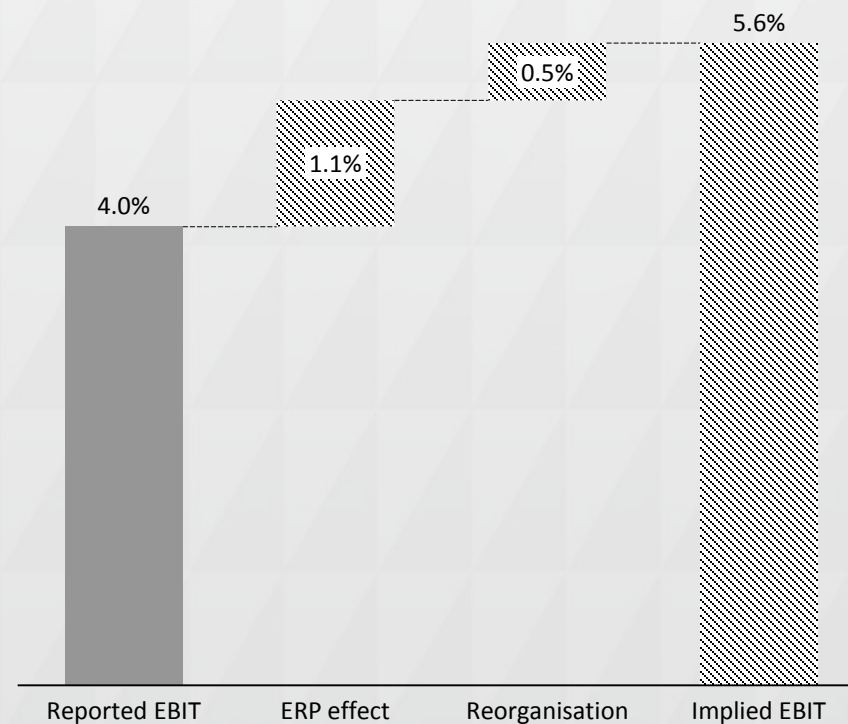
Coupled with Multiconsult effects

EBIT DEVELOPMENT MULTICONSULT VS PEERS

(Multiconsult not part of Peer Group)



ESTIMATED MULTICONSULT EFFECTS ON 2017 EBIT MARGIN



Note: Consolidated accounts. EBIT is adjusted for extraordinary events when the companies have reported adjusted EBIT in their annual reports. The group consists of Sweco, Pöyry, ÅF, Rejlers and Projektengagement.
Source: RIF, Odin/BvD; Annual Reports

3-2-1 GO strategic objectives from CMU 2016



OBJECTIVES	COMMENTS
1 Develop multidisciplinary business in Sweden	<ul style="list-style-type: none">• Acquired Iterio primo 2017• Further activities stopped due to reduced profitability
2 Stepwise international build-up in renewable energy	<ul style="list-style-type: none">• Established international sales offices• Identified and dialoged with potential strategic partners
3 Establish a leading position within health buildings in Scandinavia	<ul style="list-style-type: none">• Successful wins on Tønsberg, Drammen, Helsingborg and Hammerfest hospitals• Acquired important expertise through aarhus arkitekterne (LINK Denmark)
4 Capture a leading position within urbanism in Scandinavia	<ul style="list-style-type: none">• Successful wins on prestigious projects, market less mature than anticipated• Established a strong urbanism center of expertise
5 Scandinavian market leader in digitalisation	<ul style="list-style-type: none">• Defined a digital road map and established a digital platform• Won projects and several awards based on digitalisation
6 One Group – Stronger organisation built by a shared culture	<ul style="list-style-type: none">• Successfully implemented corporate values MOVE across the group

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“Intensified focus on improving profitability”

Multiconsult, Outlook 3Q 2017 presentation

“Profitability improvement program launched ”

Multiconsult, 4Q 2017 presentation



Fighting off the profitability challenge in Norway

Improving profitability for Greater Oslo & Regions Norway from 3Q 2017

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

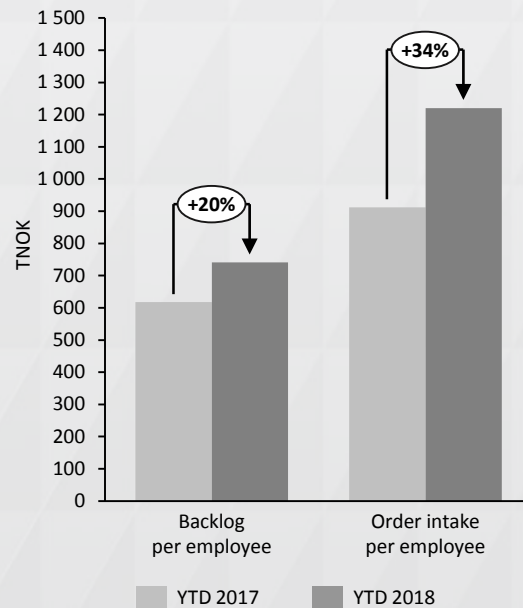


Effects of improvement programme - Norway

Improving profitability for Greater Oslo & Regions Norway

Sales

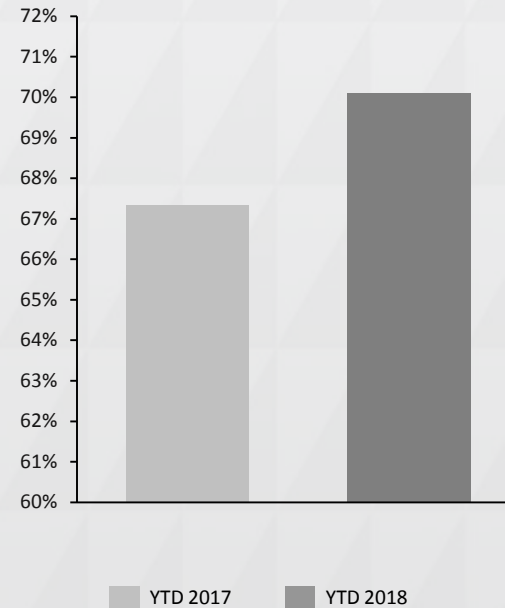
Backlog and order intake growth y-o-y



Still need to improve billing rates on order intake

Billing ratio

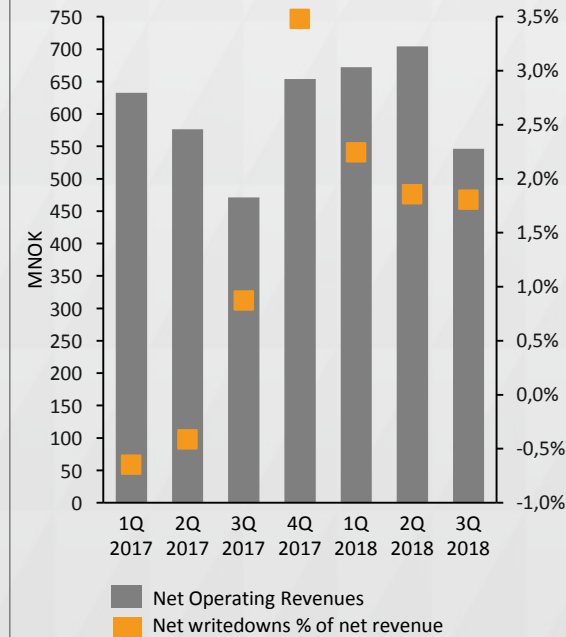
Billing ratio development



Maintain level

Project execution

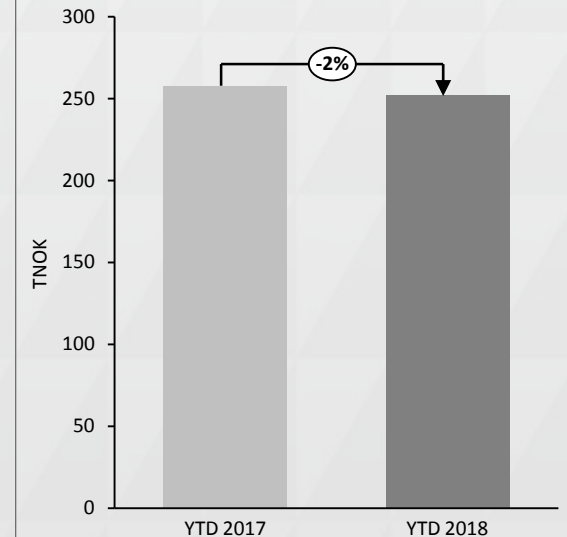
Net write-downs



Improve further

Efficiency gains

Other operating costs per employee



2017: Reclassified and KPI adjusted
2018: Adjusted for business development and allocation method

Continue manning and cost control

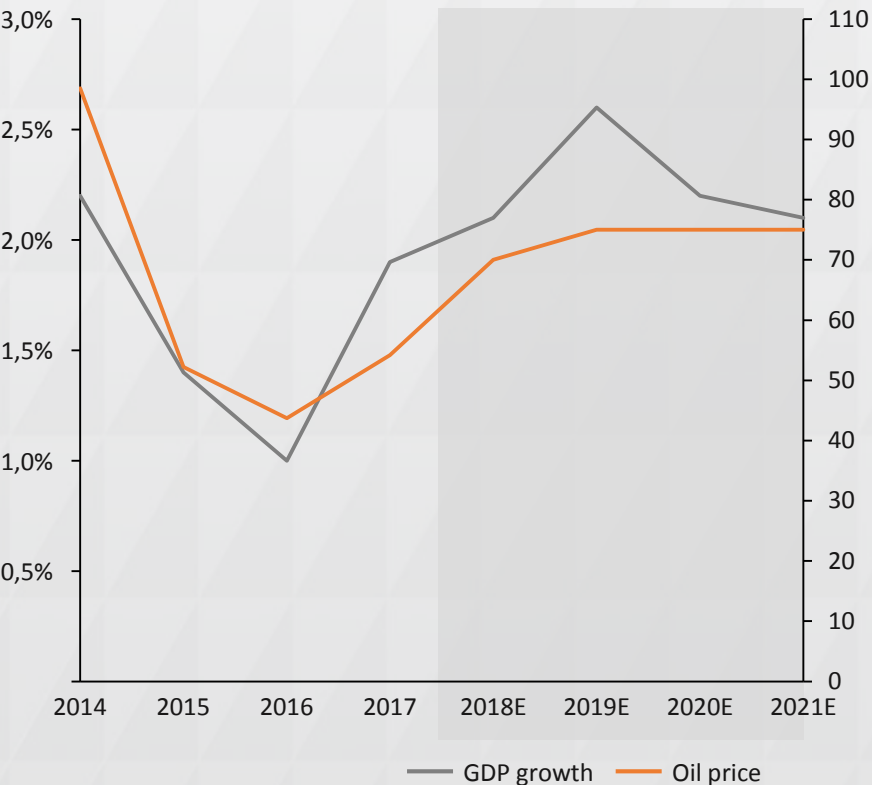
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Outlook - Norway

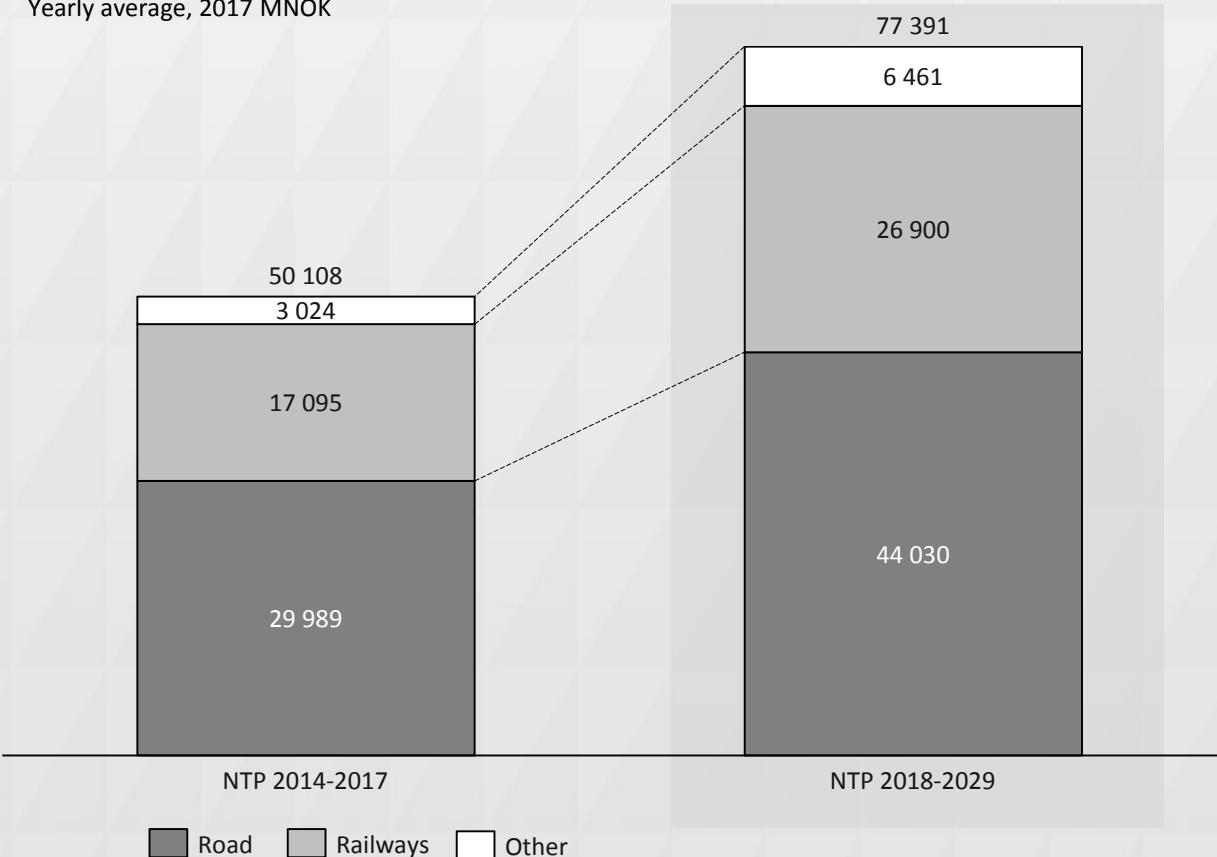
MACRO ECONOMIC OUTLOOK



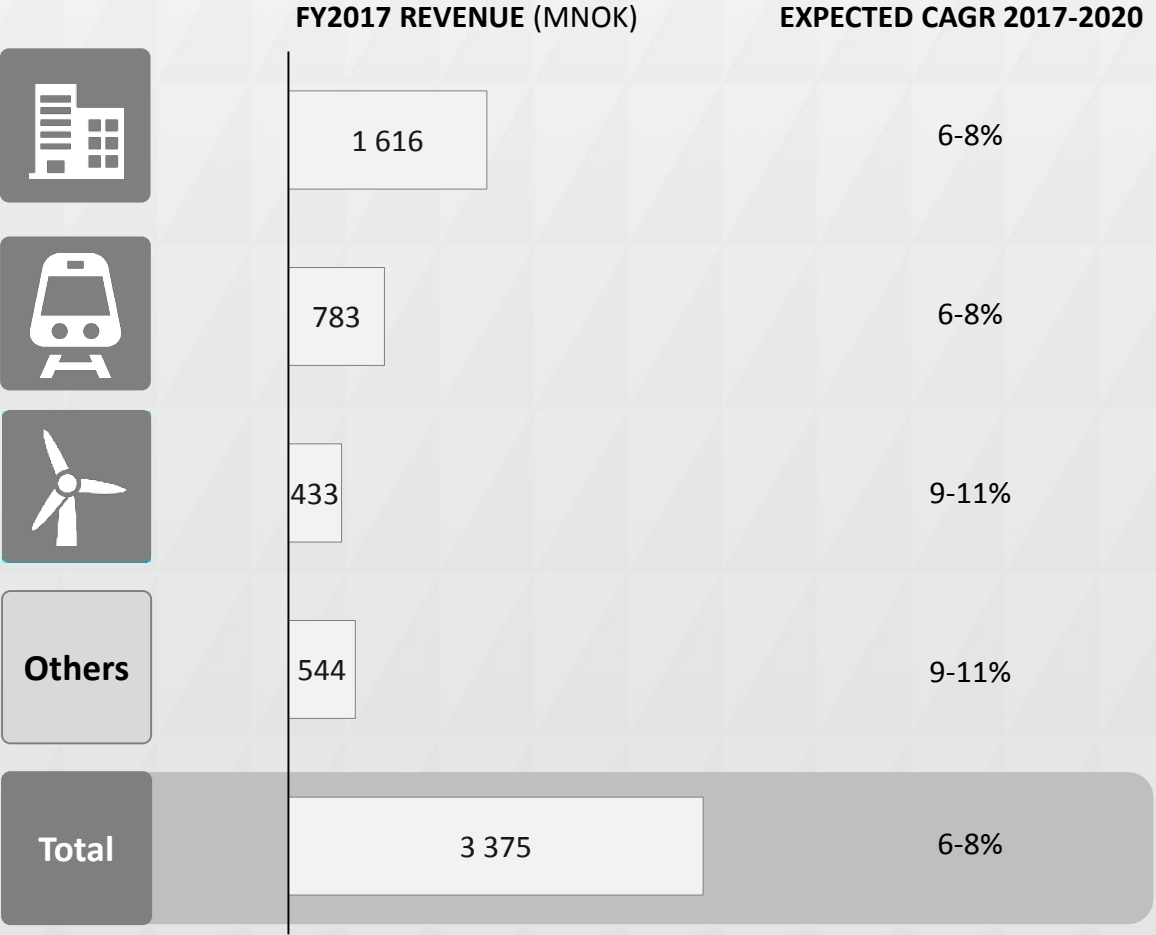
Source: SSB, NTP 2018
Note: Oil price is Brent Blent, USD/Barrel. GDP Growth is mainland Norway

YEARLY INVESTMENT NATIONAL TRANSPORT PLAN

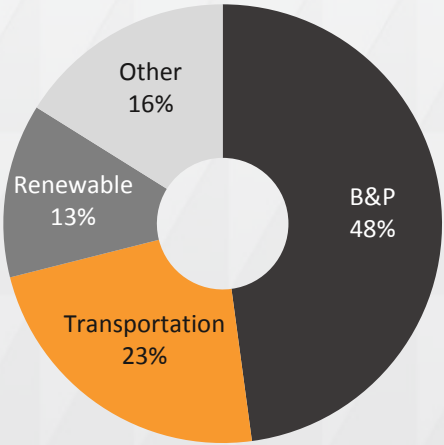
Yearly average, 2017 MNOK



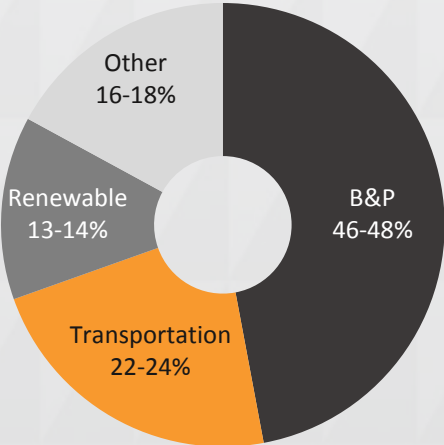
Outlook – Multiconsult markets



COMPOSITION
2017



EXPECTED
COMPOSITION
2020



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The need for profitability improvement triggers the need for a revised strategy

Long-term strategic direction remains

- Execution horizon adjusted for expansion into Sweden and international Renewable Energy until normal profitability levels are regained



Revised ambitions towards 2020

Profitability above
peer-group
average



Strengthened
operations and
value creation

Gain | Profitability above peer-group* average



- Increase share of new projects with higher profitability potential
- Ensure well-managed project execution and optimise project staff-mix
- Realise benefits of scale through standardisation and efficient use of technology
- Continued strong cost control
- Organic growth in line with market development to maintain overall relative market share
- Resume selective expansion to Sweden and international energy markets when profitability goals are achieved

* Listed Nordic engineering consultants with more than NOK 1 billion in revenues. Consists currently of Sweco, Pöyry, ÅF, Rejlers and Projektengagement

Operations | Strengthened operations and value creation



- Further develop a culture with commercial mindset to drive value creation and profitability
- Strengthen project management expertise and capacity
- Continue to professionalise sales activities
- Develop employees and expertise through prestigious and exciting projects
- Utilise the leading position as an employer to become the most attractive advisor to the customers in the industry

Revised 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

How to succeed



1 Profitability

- Prioritise profitability before growth
- Apply improvement programme across the group
- Monitor developments continuously and implement new measures as required

2 Large projects Norway

- Increase exposure to contracts with higher profitability potential through strict risk management
- Collaborate with selected contractors
- Further develop project management expertise for EPC contracts

3 Transportation

- Selective tendering to prioritise profitable projects
- Become the preferred partner for contractors towards Nye Veier
- Establish leading expertise within rail and construction

4 Energy

- Enter into strategic partnerships
- Exploit attractive sales opportunities through our international sales offices
- Utilise existing Oil & Gas expertise to grasp international opportunities

How to succeed



5 Health buildings

- Focus on winning prestigious projects to further develop market position
- Use Architecture as a spearhead for further growth
- Continue to deliver integrated architectural and engineering services towards clients

6 Digital innovation

- Develop customer-driven digital skills, tools and expertise within selected projects
- Collaborate with key players across own and other industries
- Develop new business models and products

7 Manning solutions

- Develop flexible manning solutions for peak production
- Further develop design centre in Poland
- Establish strategic manning alliances outside Norway to support existing Scandinavian activities

Intensified Profitability Improvement - Group-wide measures

Sales

- Further develop sales processes across the group
- Prioritise tendering with increased profitability requirements

Billing ratio

- Continue improvements in Norway
- Optimise hours spent on architecture competitions

Project profitability

- Standardise project portfolio follow-up
- Increase use of low cost resources
- Optimise project resources and staffing

Efficiency gains

- Realise group synergies from new systems
- Continue tight manning and cost control
- Explore flexible manning models

Portfolio review

- Address challenges in international units
- Optimise business development in international energy



Our plattform



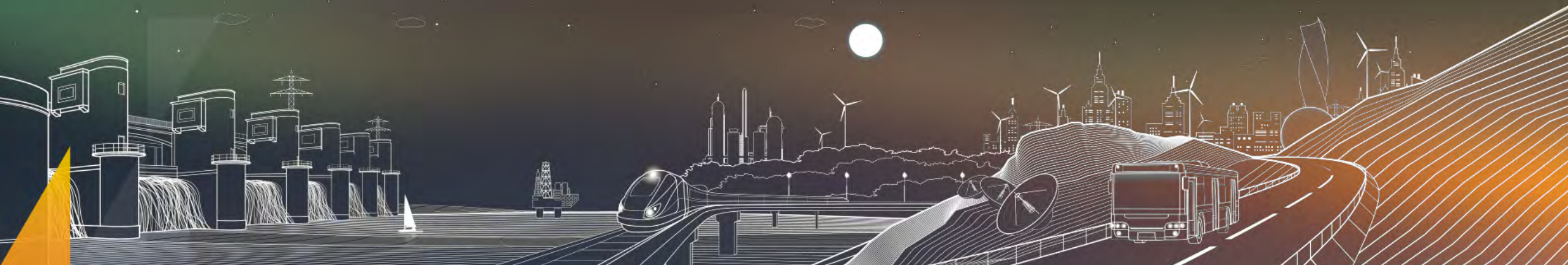
- Strong historical financial performance with a long-term perspective
- Fighting industry challenges with continuous improvements
- Market outlook is positive and our backlog is increasing
- We are the most attractive employer in our industry
- Proven track record of developing and growing the business

Revised Strategy

Improve profitability to regain normal levels in order to further develop the Multiconsult group



- Profitability, consolidation and operations prioritised
- Course unchanged, speed reduced
- Growth in line with market development
- Long-term goal of selective expansion in Sweden and Energy international remains. Execution horizon postponed until profitability is regained.



Financial overview

REVISED

GAIN



EBIT margin
> peer-group average

GROWTH



Organic growth in
line with market

Estimated 6-8 % CAGR
from 2017

UNCHANGED

DEBT



$\text{NIBD/EBITDA} < 1.5$

Equity ratio > 25%

DIVIDEND



At least 50%
of net profit

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Our employees



The best young professional in Europe

Stanislas Merlet (32), a solar energy consultant at Multiconsult, was selected as Europe's Young Professional of the Year 2018.

This is the first time a candidate from a Norwegian company is awarded the prize.



The Enthusiast of the year

Knut Aaneland was named the Enthusiast of the year 2018 ("Årets ildsjel" 2018) by RIF.

He is particularly acknowledged for his long-standing commitment to safety in the industry.



Most attractive in the industry

Multiconsult is ranked as #1 attractive employer in the industry for both students and professionals.

Project awards



Best practise

Multiconsult and BetonmastHæhre received Bygg 21's prize for "Best Practice".

The background is the design and construction of Smisto power, done entirely without the use of 2D drawings.



World Champion in OpenBim

The Tønsberg project was awarded the buildingSMART International Award for Design 2017.

The project was awarded "Gullhammeren" for Best practice 2018 by Bygg21



Several awards to E6 project

E6 Frya - Sjoa was awarded "Vakre vegers pris" 2018. The prestigious award is awarded by the Norwegian Public Roads.

Last year the road project was also awarded Årets anlegg 2017

#1 Hospital



New Hammerfest hospital

With Consto, Link Arkitektur and Multiconsult won major contracts for the pre-design of the new hospital in Hammerfest.



New Drammen Hospital

LINK arkitektur Norway secured their largest contracts of all time, and Multiconsult won three contracts with Helse Sør-Øst



International architecture Award for LINK arkitektur

LINK arkitektur was the winner of the WAN Future Projects Healthcare Award for the project Danish Center for Particle Therapy in Aarhus.

Recently awarded projects



Water supply to Oslo

Multiconsult will provide all engineering works for new water supply for Oslo. The project is estimated to generate in excess of MNOK 200 to Multiconsult.



New Prestigious contract awarded to Multiconsult Poland

Multiconsult will deliver construction consultancy services for the General Directorate of National Roads and Motorways in Poland.



Multiconsult is set to deliver all engineering services

Nye Veier has chosen Acciona Construcción S.A, MULTiconsult, Leonard Nilsen & Sønner and Acciona Mantenimiento de infraestructuras S.A. for the EPC contract of approximately NOK 4 billion

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

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