

FIRST QUARTER 2020 RESULTS

Grethe Bergly, CEO | Hans-Jørgen Wibstad, CFO



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INTRODUCTION AND HIGHLIGHTS

GRETHE BERGLY | CEO

Highlights

Strong first quarter with significant improvements

- Revenues growth of 5.2 % and EBIT NOK 117.5 million (11.8% margin)
- nextLEVEL on track, significant cost reductions
- Strong order intake and all-time high order backlog
- Ranked #1 in industry attractiveness among engineering students and #3 overall (May 2020)
- Strategy process preparing Multiconsult for the next 10 years

Covid-19:

- Strong organisational commitment and solid deliveries to costumers
- Increased uncertainty due to impact of Covid-19



Project wins



Kristian Augusts gate 23, Oslo

Norway's first circular commercial building with protection status



Hammerfest Hospital, Hammerfest

New hospital include specialist health care, medical and nursing education, emergency room and health care

Key order intake | 1Q 2020



Fv. 350 Foruskanalen Bussvei, Stavanger - Sandnes

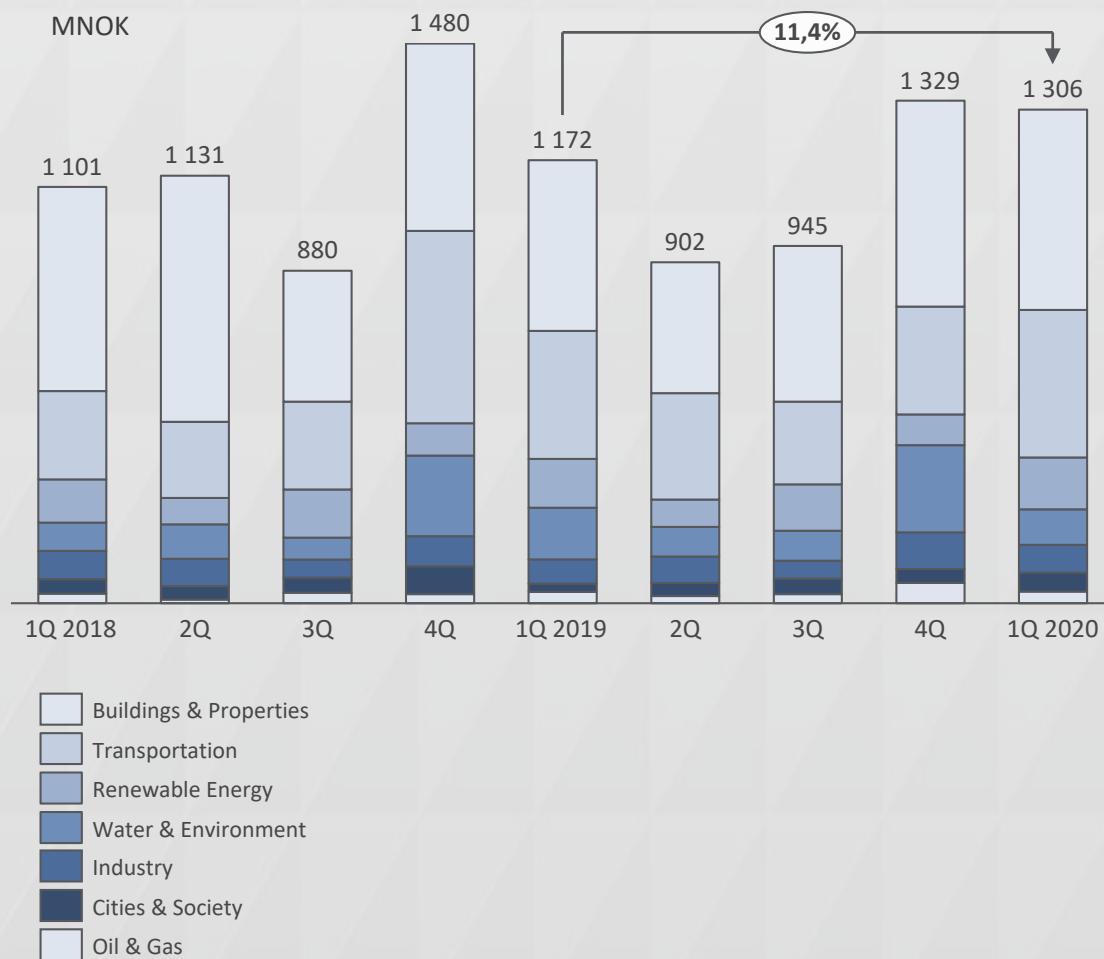
Part of the 50 km long Bus route between Stavanger and Sandnes. Bussveien will become the longest separate bus route in Europe.



Fredrikstad Campus, Fredrikstad

Architectural and engineering services for new Fredrik II high school, sports hall and Arena Fredrikstad ice rink

Order intake | 1Q 2020



Highlights

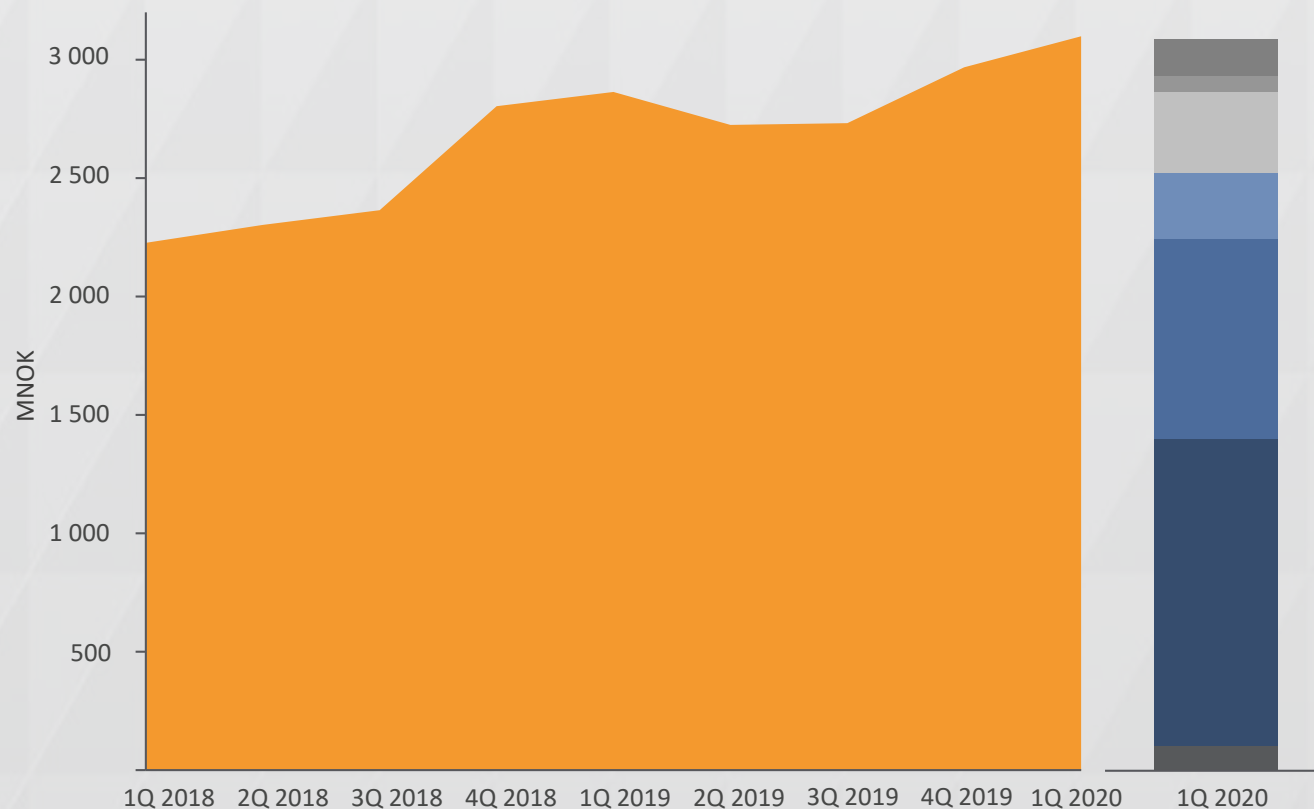
- Order intake up 11.4% y-o-y, to NOK 1 306 million
- Good pipeline of potential projects coming up for tender over the next 12 months
- Uncertainties in pipeline due to Covid-19

Key order intake

- Sykkeltunnel Fløen-Kronstad (new)
- Fv. 350 Foruskanalen Bussvei (new)
- Fredrik II high school and Arena (existing)
- Jølstra kraftverk for Jølstra Kraft DA (existing)
- Västerås sjukhus (existing)
- NTNU (existing)



Order backlog | 1Q 2020



- Order backlog all-time high at NOK 3 099 million
 - Variations in time horizon and size across business areas and business units
- In addition, call-offs on frame agreements to be included when signed
 - Fornebubanen (Oslo kommune)
 - Trøndelag (Forsvarsbygg)
 - Safety and RAMS (Bane Nor)
 - Østlandet (Forsvarsbygg)



Organisation & People

- 2 984 employees at 31 March 2020 (2 972 1Q19, 2 994 4Q19)
- 2020 Universum awards Norway – most attractive employer in the industry by engineering students
 - #1 in the industry by engineering students
 - #3 overall by engineering students

- | | |
|---|---------------------|
| 1 | Equinor |
| 2 | Kongsberg Gruppen |
| 3 | Multiconsult |
| 4 | Aker Solutions |
| 5 | Norconsult |
| 6 | Sintef |
| 7 | Microsoft |

- Herman B. Smith - Chief Digital Officer (CDO)



Covid-19

Taking prudent responsible actions to secure people, business and customer

- Priority on HSE – zero employees known to have been Covid-19 infected at work*
- High productivity maintained ~90% employees in Norway working from home
- Largely unchanged capacity due to high level of digitalisation

Increased uncertainty due to impact of Covid-19

- As per mid-May the full-time equivalent of 115 employees (3.8% of the total workforce) are on temporary leave
- Cancellation of proposed dividend
- Executive management reduce its salary by 20% for a period of three months

*At work meaning either at the office working with colleagues, or as a result of executing work tasks like site visits, travel, external meetings.



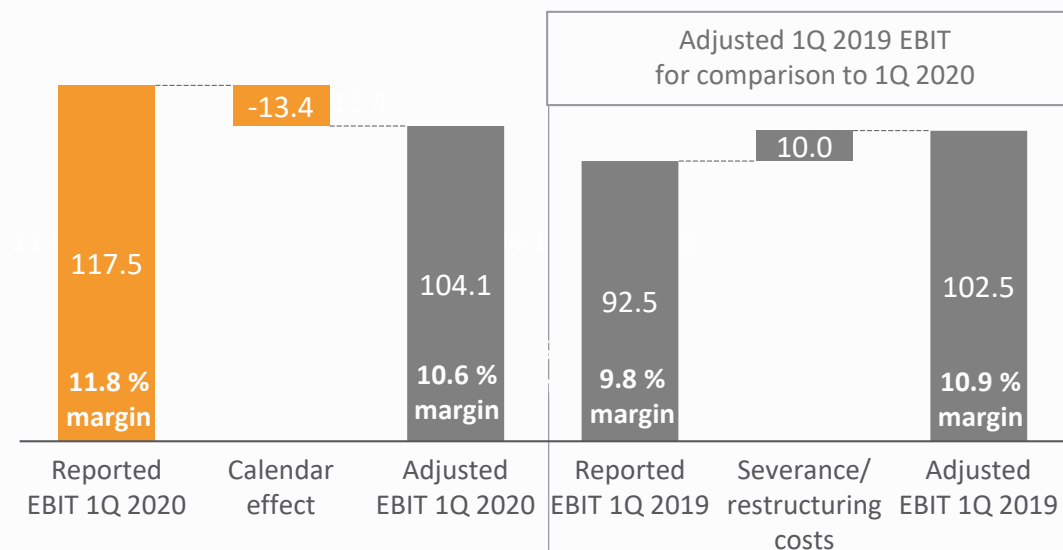
FINANCIAL REVIEW

HANS-JØRGEN WIBSTAD | CFO

Financial Highlights | 1Q 2020

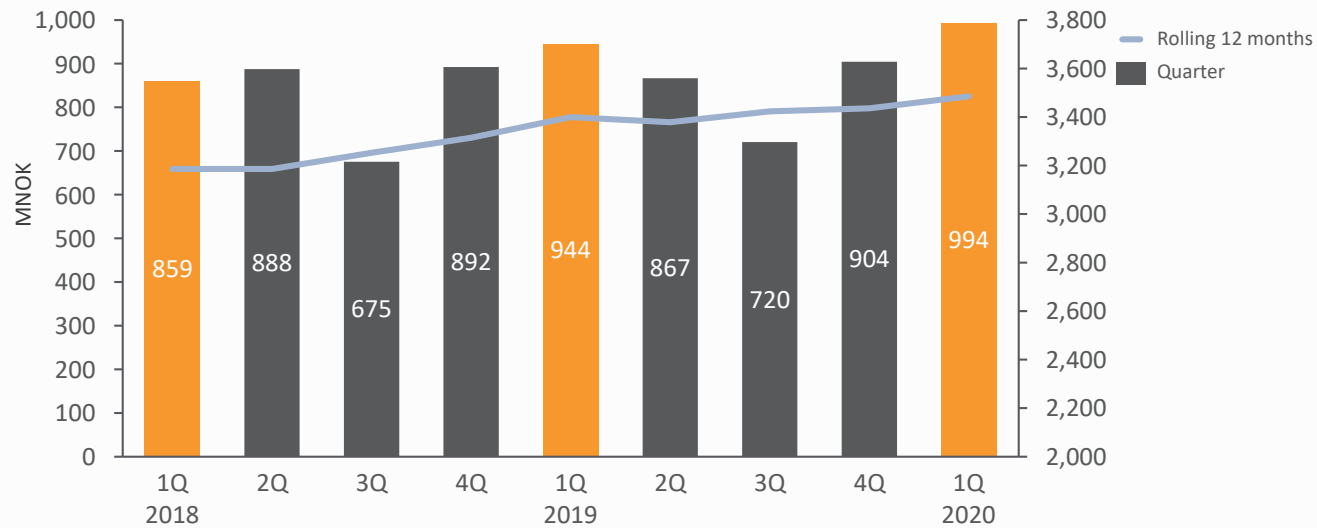
- Net operating revenues up 5.2 % y-o-y to NOK 993.6 million
- EBIT up 27.0% y-o-y to NOK 117.5 million, 11.8% margin
- Other operating expenses ratio to 15.3% from 18.7% average 2019
 - nextLEVEL program on track
- Net profit up 42.7% y-o-y to NOK 84.1 million
- Billing ratio 69.4% (70.0%), varies across business units

Consolidated key figures (MNOK)	1Q 2020	1Q 2019	Change	FY 2019
Net Operating Revenue	993.6	944.2	5.2 %	3 436
EBIT	117.5	92.5	27.0 %	106.3
EBIT margin %	11.8 %	9.8 %	2.0 pp	3.1 %
Order intake	1 306	1 171	11 %	4 348
Order Backlog	3 099	2 865	8 %	2 968
Billing ratio	69.4 %	70.0 %	-0.6 pp	69.2 %
Number of employees	2 984	2 972	0.4 %	2 994

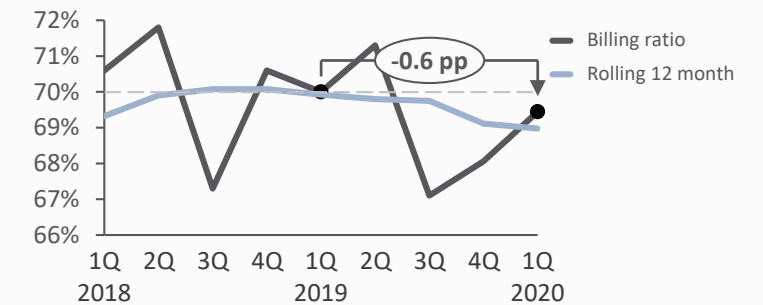


Financial highlights | 1Q 2020

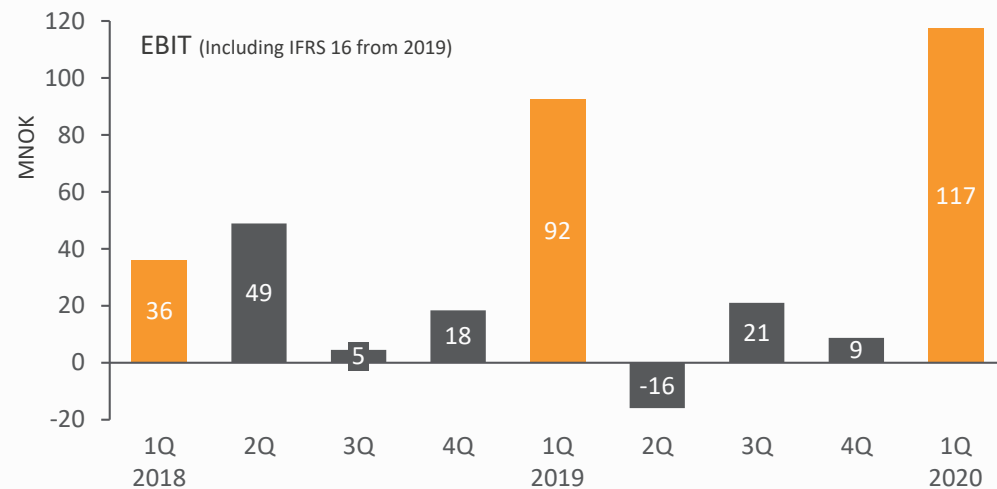
Net Operating Revenues



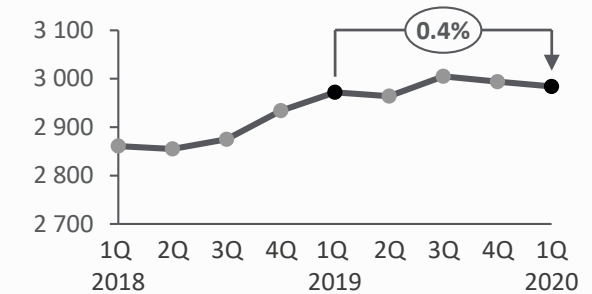
Billing ratio



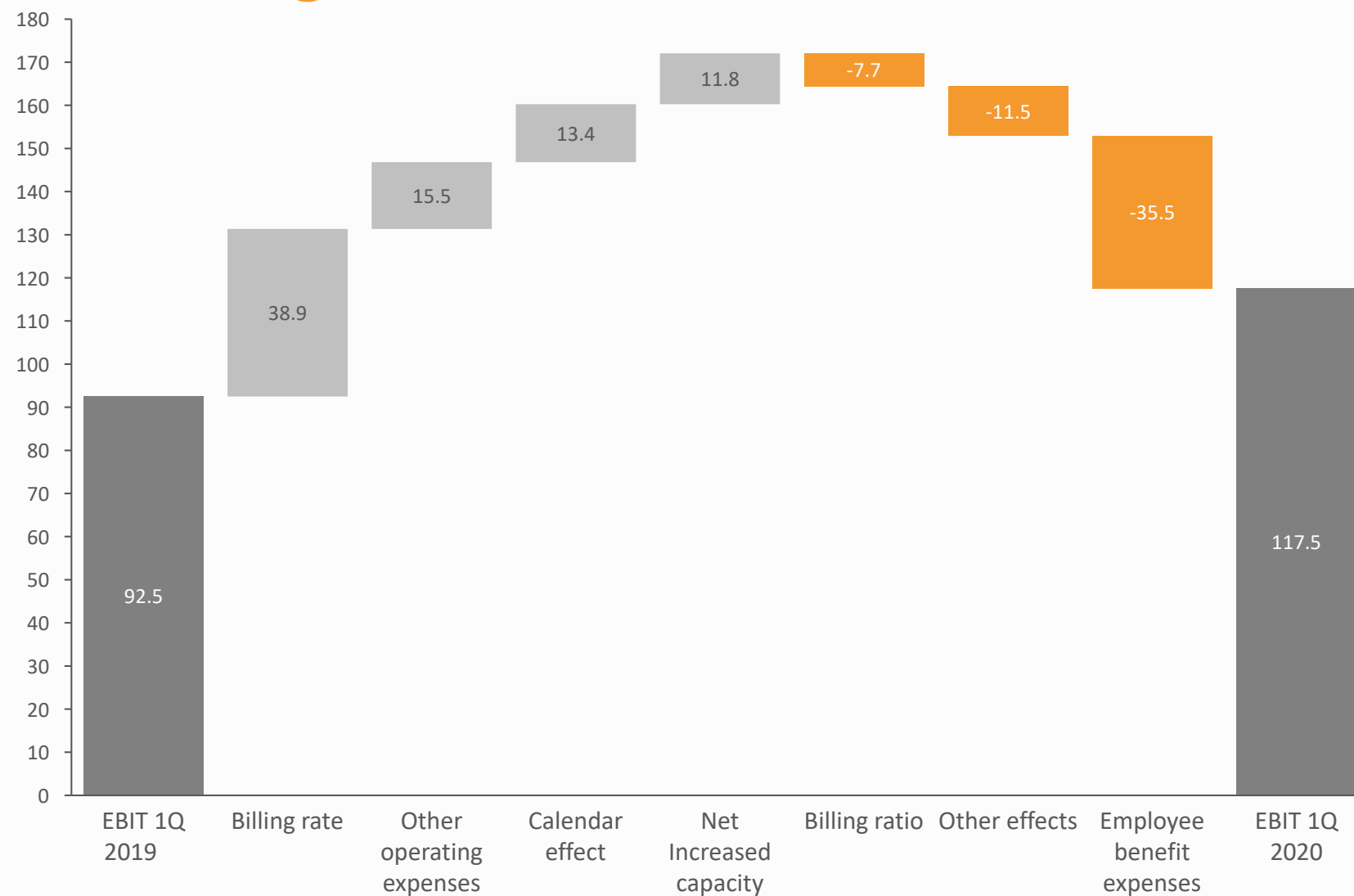
EBIT (Including IFRS 16 from 2019)



Number of employees



EBIT Bridge Y-O-Y



Segments

Starting from 2020 Multiconsult has changed its reporting segments:

- Region Oslo
 - Region Norway
 - Energy
 - International
 - LINK arkitektur
- Figures are presented according to the new segments, and figures for 2019 are restated.
 - To ensure comparability between periods a given percentage of revenue and cost reported in 2019 as “not allocated” is distributed to the new segments according to the same principles applied to allocation from 2020.
 - Write-ups/downs not reported separately – part of normal business. Large write-ups/downs will be disclosed separately.



Region Oslo | 1Q 2020

This segment offers services in seven business areas and comprises the Oslo region, in addition the segment includes Multiconsult's internal segment Large Projects in Norway.

- Revenue up 6.5% y-o-y, to 329.6 million
- EBIT was NOK 57.7 million reflecting an EBIT margin of 17.5%
- Good opex development
- Order intake lower y-o-y, but at a normal level
- Billing ratio up 2.1pp y-o-y, to 72.9%
- Decreased order intake in all business areas except Buildings & Properties and City & Societies
- Largest contribution on revenue from business areas Buildings & Properties and Transportation

Region Oslo (MNOK)	1Q 2020	1Q 2019	Change	FY 2019
Net Operating Revenue	329.6	309.4	6.5 %	1 091
EBIT	57.7	40.4	42.6 %	53.0
EBIT margin %	17.5 %	13.1 %	4.4 pp	4.9 %
Order intake	337.5	432.9	-22 %	1 431
Order Backlog	985.1	978.2	1 %	1 027
Billing ratio	72.9 %	70.8 %	2.1 pp	70.0 %
Number of employees	796	818	-2.7 %	817

Region Norway | 1Q 2020

This segment offers services in seven business areas and comprises all offices outside Oslo with presence in all larger cities in Norway and several other locations, a total of 23 offices.

- Revenue up 3.8% y-o-y, to 391.0 million
- EBIT was NOK 42.9 million reflecting an EBIT margin of 11.0%
- Good opex development
- Billing ratio down 1.4pp y-o-y, to 66.6%
- Significant increase in order intake y-o-y, in all large business areas

Region Norway (MNOK)	1Q 2020	1Q 2019	Change	FY 2019
Net Operating Revenue	391.0	376.6	3.8 %	1 381
EBIT	42.9	39.6	8.3 %	56.5
EBIT margin %	11.0 %	10.5 %	0.5 pp	4.1 %
Order intake	561.4	397.4	41 %	1 438
Order Backlog	732.7	625.4	17 %	580.8
Billing ratio	66.6 %	68.0 %	-1.4 pp	67.9 %
Number of employees	1 065	1 045	1.9 %	1 068

Energy | 1Q 2020

The segment Energy is represented in Multiconsult's offices in Oslo and Trondheim together with the subsidiary Multiconsult UK. The segment offers national and international services in the business area Renewable Energy with minor activity in Water & Environment.

- Revenue up 7.5% y-o-y, to 69.5 million
- EBIT was NOK 3.5 million reflecting an EBIT margin of 5.0%
- Good opex development
- Billing ratio down 3.4pp y-o-y, to 59.4%
- Low activity in Multiconsult UK
- Significant decrease in order intake y-o-y, but at a normal level

Energy (MNOK)	1Q 2020	1Q 2019	Change	FY 2019
Net Operating Revenue	69.5	64.7	7.5 %	250.6
EBIT	3.5	-1.2	N/A	-10.6
EBIT margin %	5.0 %	-1.9 %	6.9 pp	-4.2 %
Order intake	88.7	124.3	-29 %	381.0
Order Backlog	263.8	246.2	7 %	262.8
Billing ratio	59.4 %	62.8 %	-3.4 pp	62.8 %
Number of employees	199	204	-2.5 %	199

LINK arkitektur | 1Q 2020

This segment comprises LINK arkitektur with its 15 offices in Norway, Sweden and Denmark.

- Revenue down 0.9% y-o-y, to 151.0 million
- EBIT was NOK 6.7 million reflecting an EBIT margin of 4.5%
- Billing ratio down 2.6pp y-o-y, to 73.4%
- Solid performance in Norway, challenging conditions in Denmark and Sweden
- Significant decrease in order intake y-o-y

LINK arkitektur (MNOK)	1Q 2020	1Q 2019	Change	FY 2019
Net Operating Revenue	151.0	152.3	-0.9 %	535.8
EBIT	6.7	16.8	-59.8 %	11.0
EBIT margin %	4.5 %	11.0 %	-6.5 pp	2.1 %
Order intake	153.5	170.0	-10 %	728.6
Order Backlog	576.9	529.4	9 %	620.2
Billing ratio	73.4 %	76.0 %	-2.6 pp	74.0 %
Number of employees	497	500	-0.6 %	489








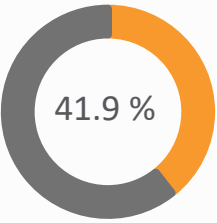
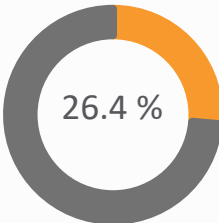
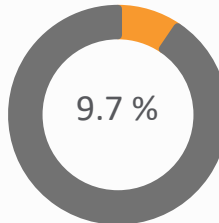
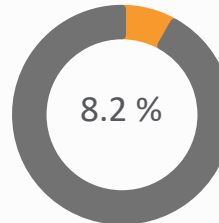
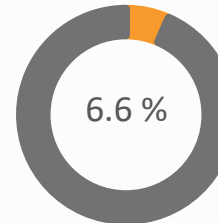
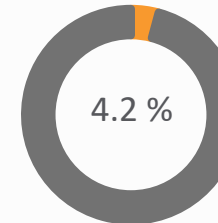
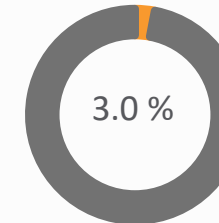
International | 1Q 2020

This segment comprises the subsidiaries Multiconsult Polska and Iterio AB.

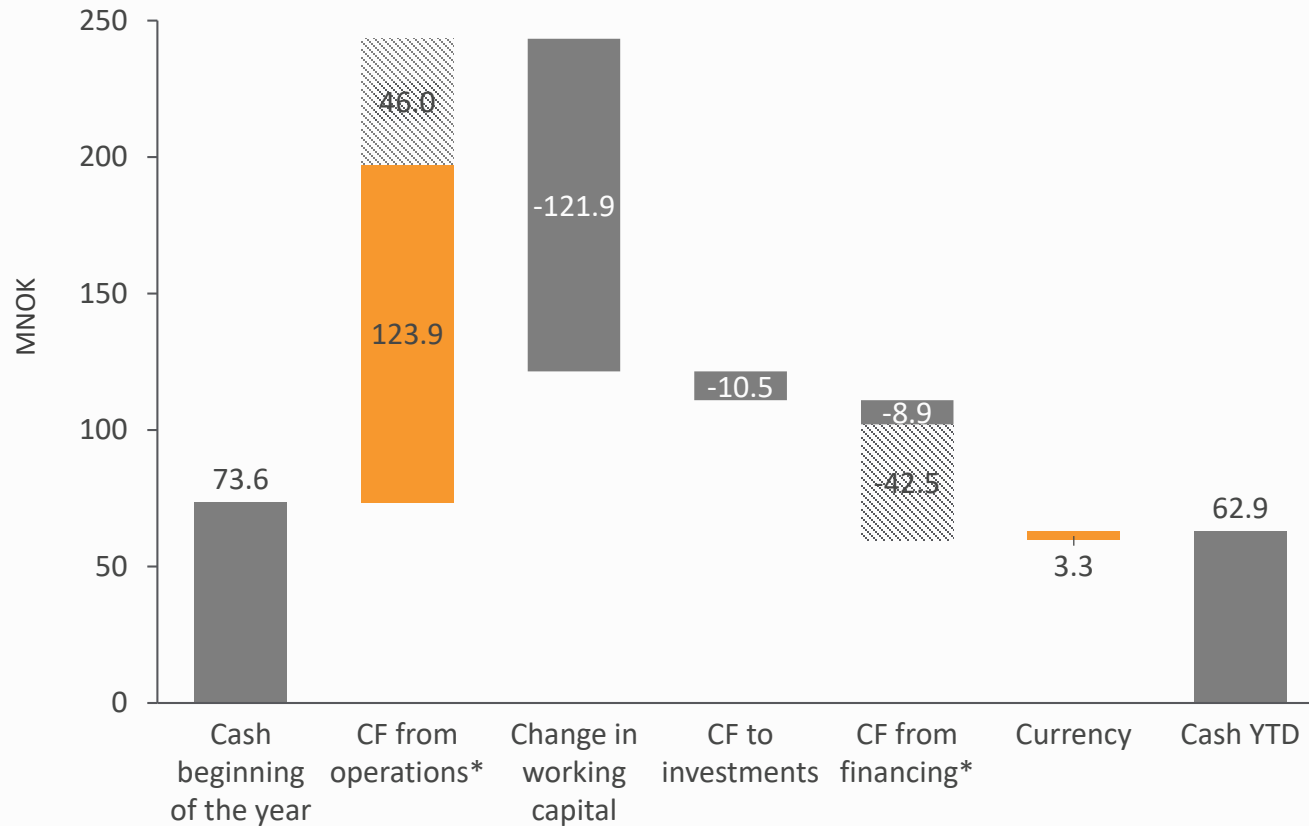
- Revenue up 18.2% y-o-y, to 61.2 million
- EBIT was NOK 6.5 million reflecting an EBIT margin of 10.6%
- Continued stable good performance
- Significant increase in order intake y-o-y, to 164.5 million, especially strong in Multiconsult Polska
- Strong order backlog
- Largest contribution on revenue from Transportation
- Higher activity level and increase in manning level

International (MNOK)	1Q 2020	1Q 2019	Change	FY 2019
Net Operating Revenue	61.2	51.8	18.2 %	206.9
EBIT	6.5	5.9	10.2 %	17.3
EBIT margin %	10.6 %	11.3 %	-0.7 pp	8.4 %
Order intake	164.5	47.2	249 %	369.6
Order Backlog	566.9	415.1	37 %	497.6
Billing ratio	78.5 %	79.5 %	-1.0 pp	73.5 %
Number of employees	308	278	10.8 %	299

Operating revenues by business area 1Q 2020

	Multiconsult Group	Buildings & Properties	Transportation	Water & Environment	Renewable Energy	Industry	Cities & Society	Oil & Gas
								
% of total								
1Q 2020 MNOK	1 148	480.4	303.4	111.4	93.8	76.2	48.5	34.2
Change y-o-y	3.4 %	2.3 %	- 0.4 %	10.0 %	- 5.2 %	23.9 %	6.1 %	14.9 %

Financial Position | 1Q 2020



*Shaded areas show IFRS 16 (non-cash) effects on CF from operations-, working capital- and financing

- Solid financial position
 - NOK 348 million undrawn loan facilities
- Renegotiated terms of loan facilities with Nordea
 - Improved margins and covenants
 - max gearing improved from 2.0x to 3.0x
 - New 3-year NOK 200 million RCF replacing term-loan
- Net interest-bearing debt of NOK 95.2 million

Cash and liabilities MNOK	1Q 2020	4Q 2019	3Q 2019	2Q 2019	1Q 2019
Cash	62.9	73.6	10.1	16.6	33.6
Net interest-bearing debt*	95.2	91.6	283.0	167.9	186.5

*Excluding IFRS 16 leasing debt

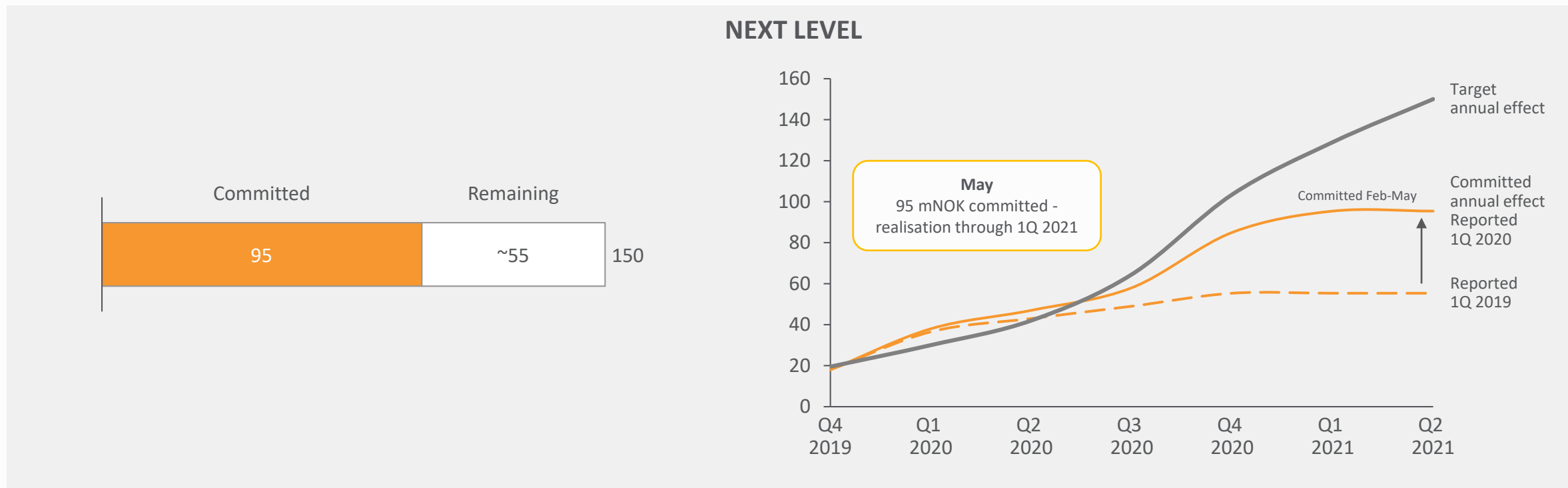
nextLEVEL

1Q | 2020



nextLEVEL continues to show progress and pace

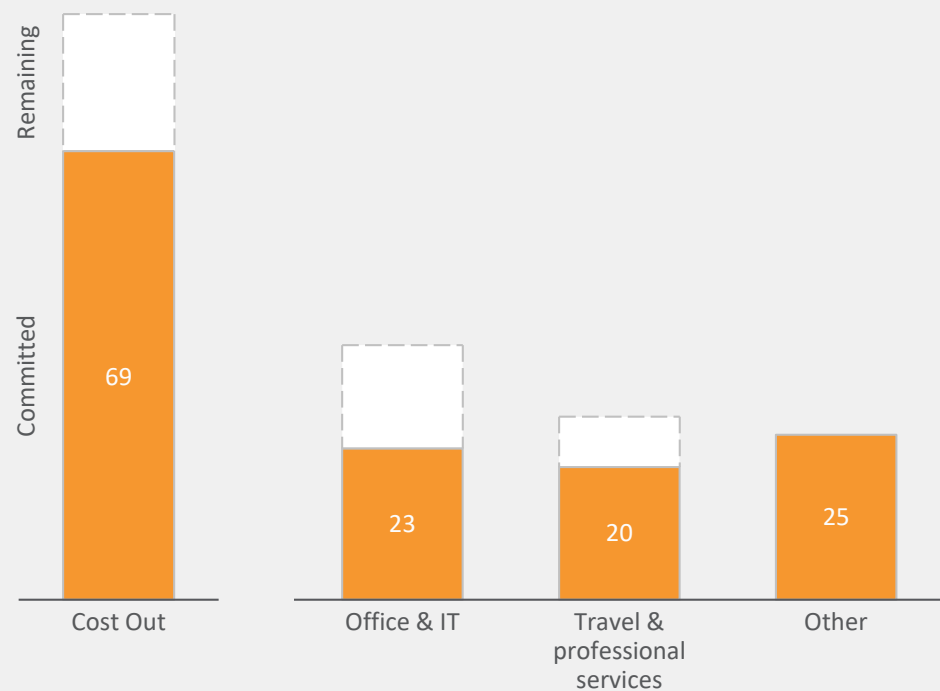
MNOK



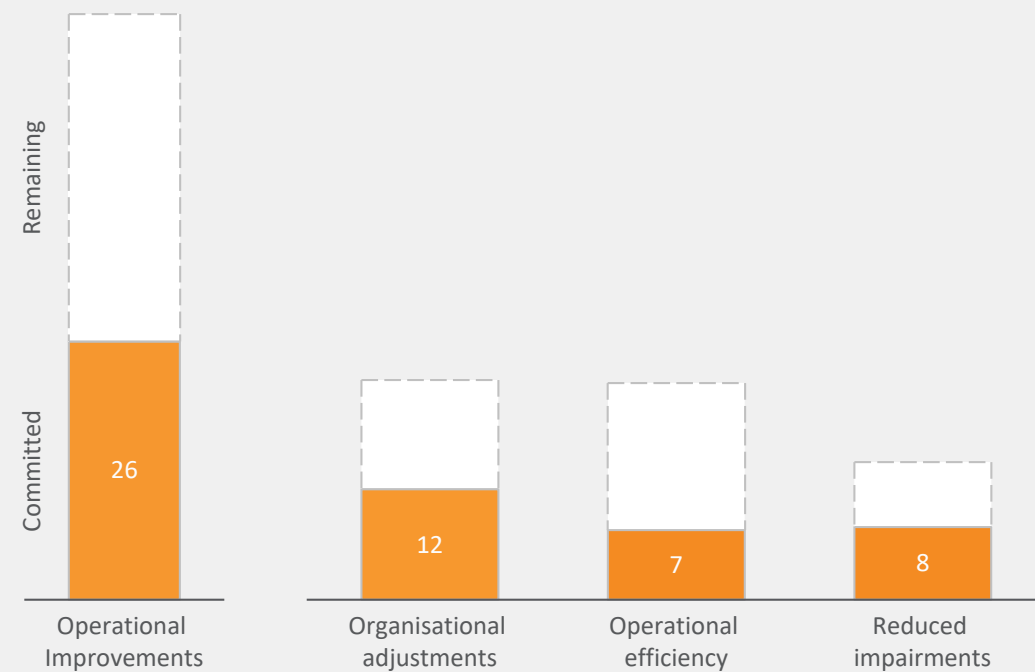
nextLEVEL continues to show progress and pace

MNOK

COST OUT



OPERATIONS



Way Forward

- Continued focus on achieving target
- Gradually changing focus to structural changes – guidelines for facility management, travel and procurement, etc.
- Increased potential for cost reduction may raise level of restructuring costs to NOK 60-70 million

nextLEVEL

Target of NOK **150** million

EBIT Margin Target

Initial

8 %

Long term

10 %

Outlook

- nextLEVEL on track
- Record high order backlog a good foundation
- Good tender pipeline for potential projects over the next 12 months
- Overall good market outlook in most business areas
 - Uncertainties in certain sectors such as Building & Properties incl. architecture
- Covid-19 situation has resulted in significantly increased uncertainty, and a softening of the market can be expected in parts of our business





FINANCIAL CALENDAR

1Q 2020 results	20 May 2020
2Q 2020 results	26 Aug 2020
3Q 2020 results	4 Nov 2020

Q&A **FIRST QUARTER 2020 RESULTS**

GRETHE BERGLY & HANS-JØRGEN WIBSTAD