

SECOND QUARTER 2017 RESULTS

Christian Nørgaard Madsen, CEO | Anne Harris, CFO



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INTRODUCTION AND HIGHLIGHTS

Christian Nørgaard Madsen, CEO

Highlights

- Second quarter revenue growth of 3.9%, driven by acquisitions
- Negative calendar effect on revenue and earnings in the quarter as expected
- YTD 2017 revenue growth of 12.7%
- Order backlog remains strong
- Acquisition of Hjeltnes Consult and Johs Holt proceeds according to plan



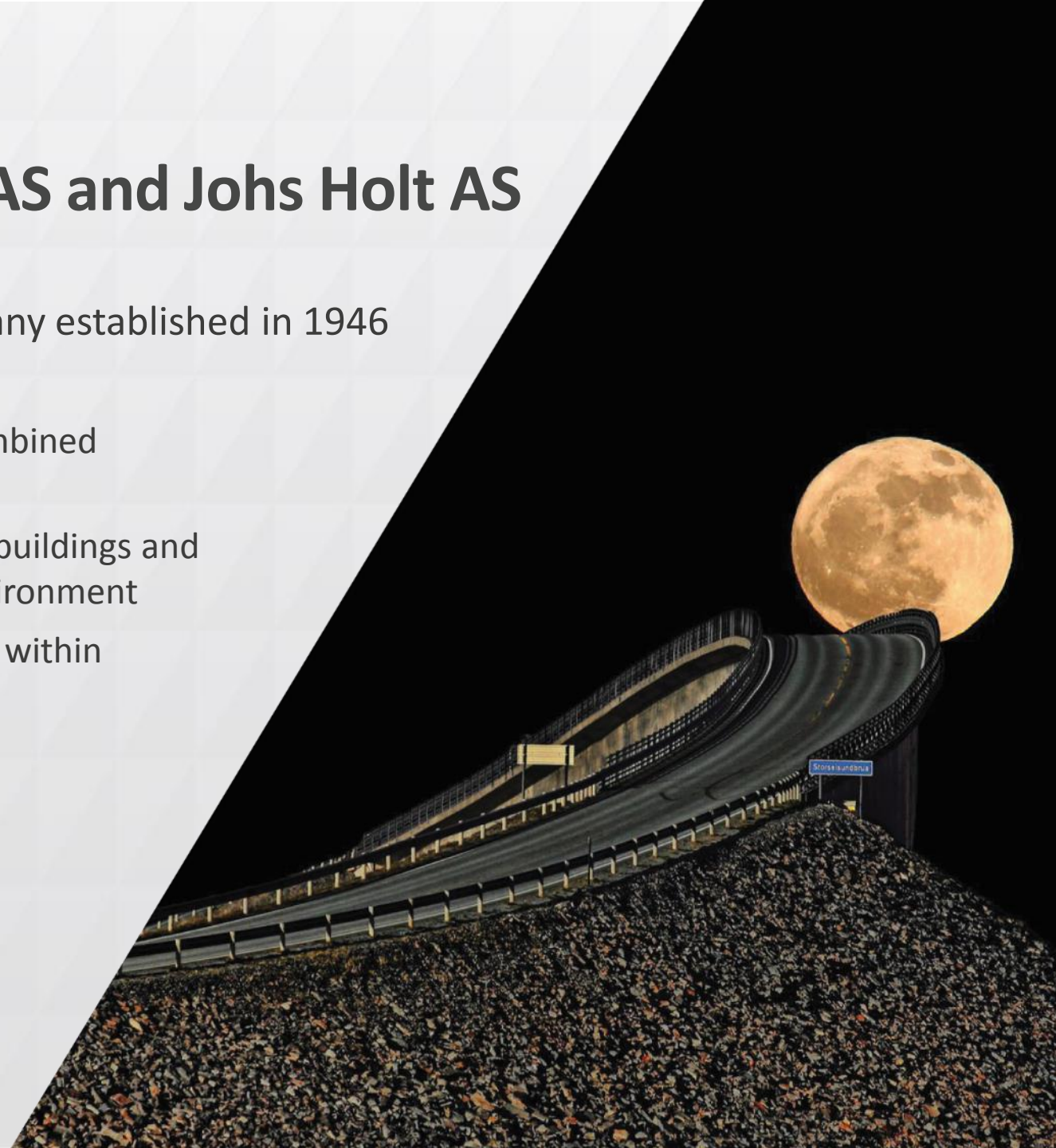
Acquisition of Hjeltnes Consult AS and Johs Holt AS

- In line with 3-2-1 GO strategic objectives
 - Strong strategic and cultural fit
 - Close cooperation through a long-standing relationship
 - Strengthens bridge and construction expertise
 - Increases competitive advantage within health buildings and urban development
 - Strengthens market position in the Greater Oslo area
- Very attractive company and brand in the industry
- The closing date is planned by September 2017
 - Balance sheet consolidated 30 September
 - Earnings consolidated from 4Q 2017
 - Included in the Greater Oslo area segment



Acquisition of Hjellnes Consult AS and Johs Holt AS

- Norwegian multidisciplinary engineering company established in 1946
 - Revenues NOK 298 million in 2016
 - At year-end 2016, the two companies had a combined total of 229 employees
 - Hjellnes Consult AS has a solid expertise within buildings and properties, construction, infrastructure and environment
 - Johs Holt AS provides advisory services globally, within all types of bridges and heavier structures
- Purchase price of NOK 184 million
 - Enterprise value NOK 170 million
 - 35% shares, 65% cash settlement



Financial summary 2Q and YTD 2017

- 2Q 2017

- Net operating revenue up 3.9% y-o-y to NOK 738.9 million
- EBIT of NOK 15.8 million, 2.1% margin

- YTD 2017

- Net operating revenue up 12.7% y-o-y to NOK 1 538.6 million
 - Organic growth 4.4%
 - Increased workforce due to net recruitment and acquisitions
 - Impacted by a lower billing ratio
- EBIT fell 14.6% y-o-y to NOK 110.2 million
 - Operating expenses increase in line with growth, excluding non-recurring expenses
 - Increased employee cost in Norway not fully reflected in billing rates
- EBIT margin at 7.2%



Key ongoing projects 2Q 2017



- Campus Ås



- New Tønsberg Hospital



- Prinsensgate 26 Rehabilitation



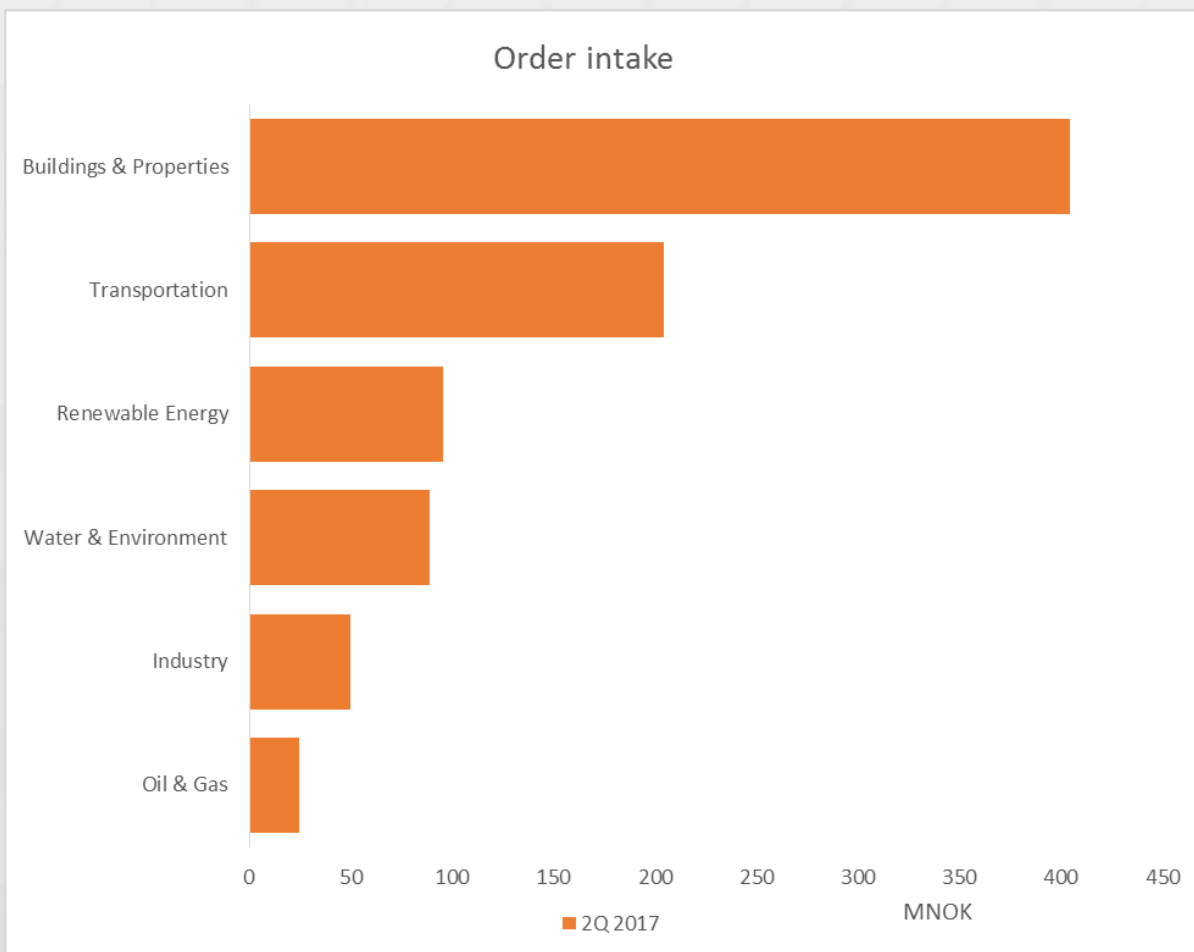
- New Airbase Ørland



- Mount Coffee Hydropower Project



Order intake 2Q 2017



Highlights

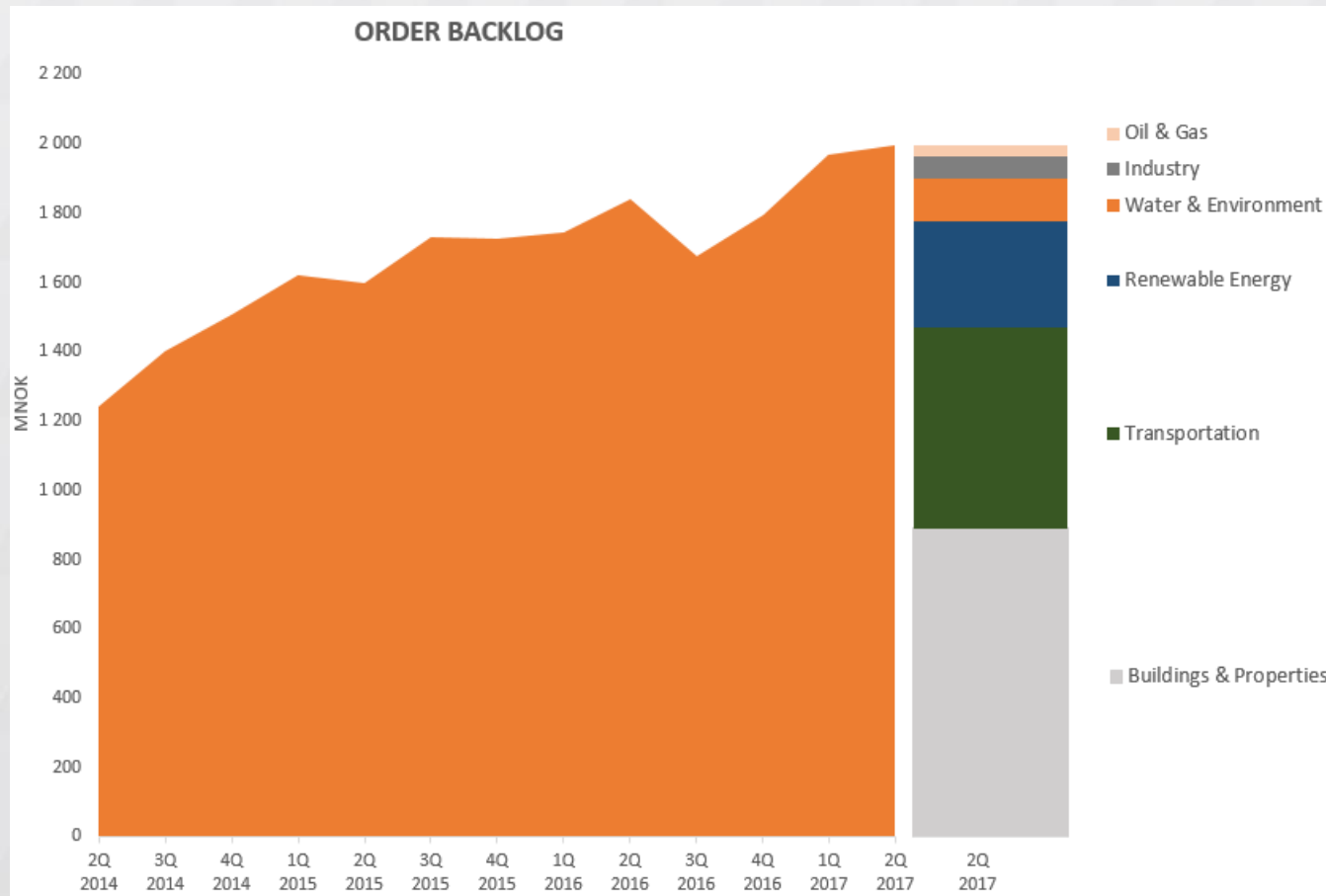
- Order intake NOK 866.9 million, -4.6% y-o-y
- Solid sales in a quarter with seven less working days in Norway
- Majority of the order intake came from smaller and mid-size new contracts
- New contribution from Iterio AB and aarhus arkitekterne A/S
- Continued strong tender pipeline in Transportation

Key order intake

- Campus Ås
- Holsfjorden water supply
- Prinsensgate 26
- Ulven commercial real estate
- Five tunnels E39



Order backlog development per business area



- Strong order backlog up 8.5% y-o-y to NOK 1 995.0 million
- Call-offs on frame agreements included when signed
 - New and important frame agreement for consulting services to Statens vegvesen for a ferry-free E39 between Kristiansand and Trondheim

Organisation

- Planning of integration for Hjeltnes Consult and Johs Holt initiated
- Stable organisation
 - Group employee turnover at 7.1%
- New legal structure for the Multiconsult group implemented 25 August
- Attractive employer position further confirmed
 - 2017 Karrierebarometeret for engineering students:
 - 1st place among consultants
 - 2nd place in Norway overall
 - MUST summer internships successfully completed
 - 1 738 applicants for 33 positions

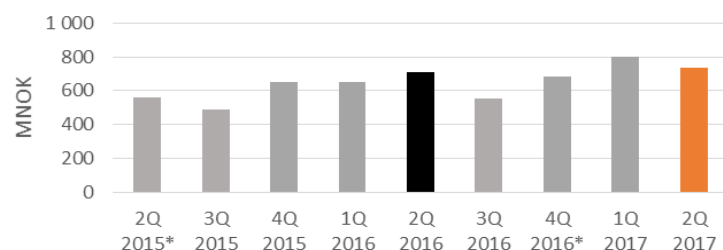


FINANCIAL REVIEW

Anne Harris, CFO

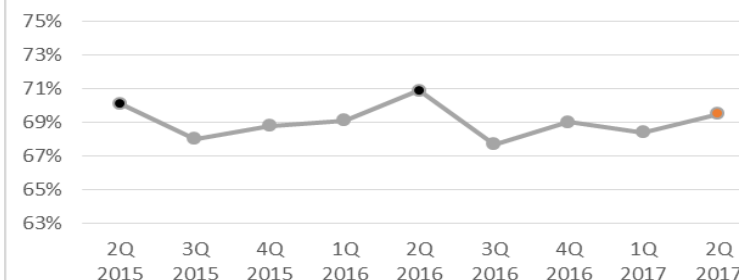
Financial highlights 2Q 2017

Net Operating Revenues
Quarterly



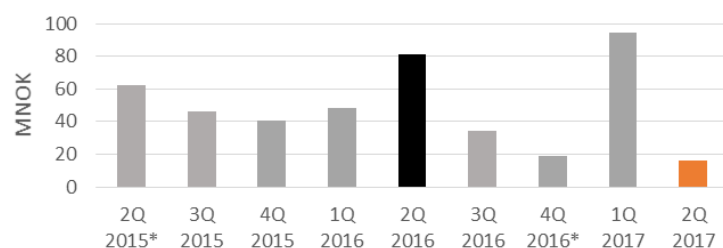
- NOK 738.9 million
- Net recruitment and acquisitions
- Negative calendar effect
- Good project execution

Billing ratio



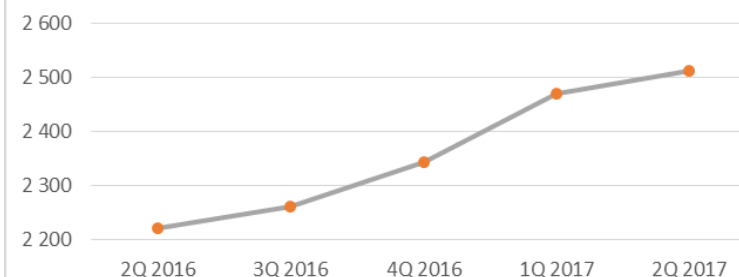
- 2Q fell to 69.5%
- Down by 1.4 pp y-o-y

EBIT
Quarterly



- NOK 15.8 million
- Opex in line with growth, excl. non-recurring expenses

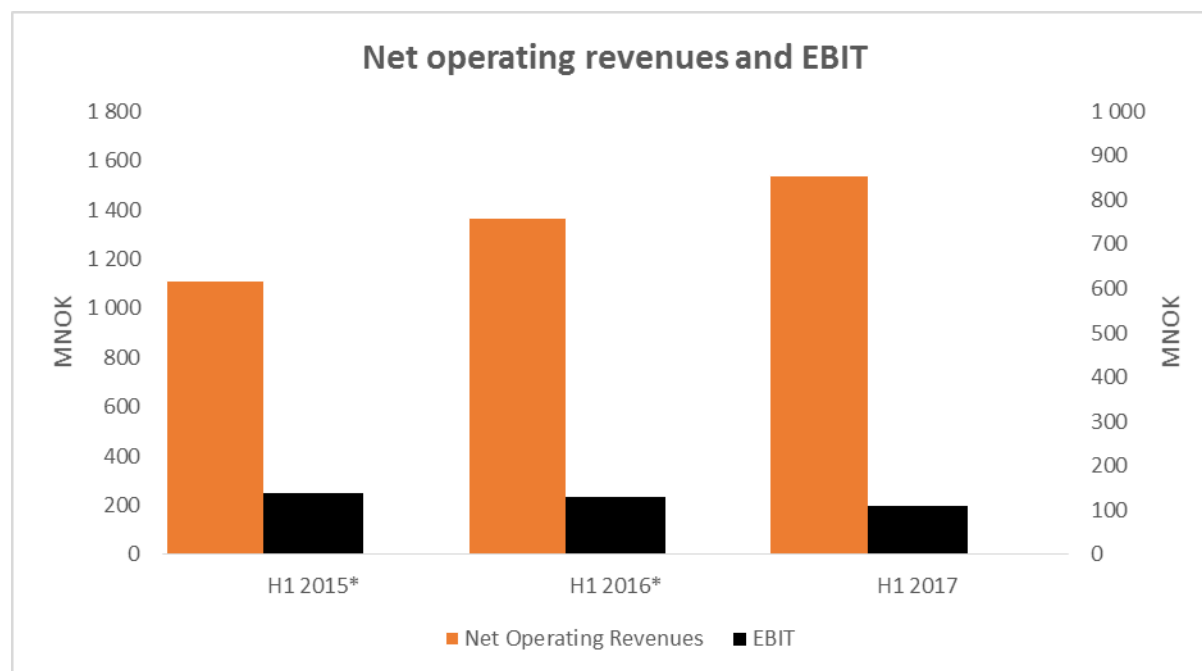
Number of employees



- Up 13.0% to 2 511 employees y-o-y
- Organic growth 4.4 %

*Underlying

Financial highlights YTD 2017



*underlying EBIT

- Net operating revenue up 12.7% to NOK 1 538.6 million
 - Higher production due to net recruitment and acquisition of Iterio AB, aarhus arkitekterne A/S and Akvator AS
 - Billing ratio fell to 68.9%
- EBIT amounted to NOK 110.2 million, a decrease of 14.6%
 - Higher net operating revenues were more than offset by the increase in operating expenses
 - Increased employee cost not reflected in billing rates in Norway
 - Non-recurring expenses, including implementation of new ERP system, impacted the period
- EBIT margin at 7.2%

Segments YTD 2017

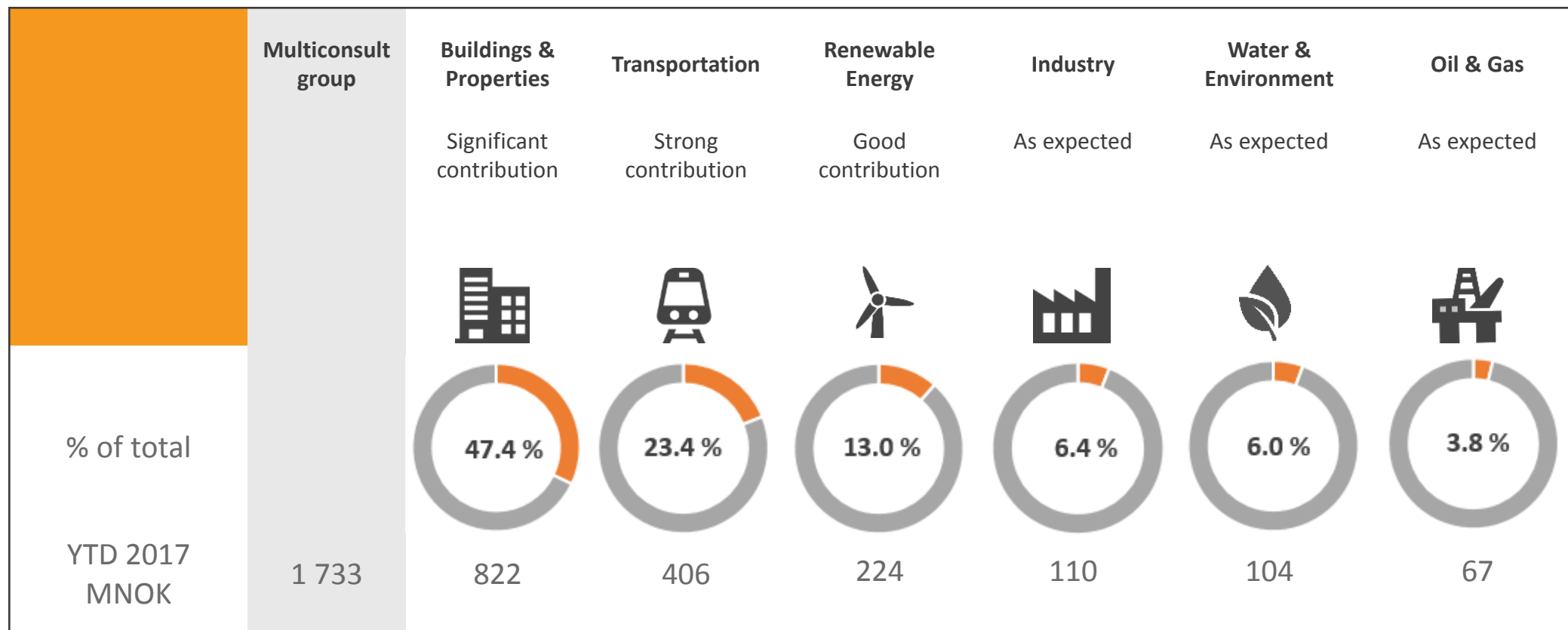
Greater Oslo Area	H1 2017	H1 2016	Change
EBIT MNOK	59.5	87.9	32.3%
EBIT margin %	9.0%	14.0%	5.0 pp
Billing ratio	68.1%	72.1%	4.0 pp
Number of employees	903	854	5.7%

Regions Norway	H1 2017	H1 2016	Change
EBIT MNOK	29.4	35.6	17.3%
EBIT margin %	5.3%	7.1%	1.8 pp
Billing ratio	67.9%	69.3%	1.4 pp
Number of employees	827	788	4.9%

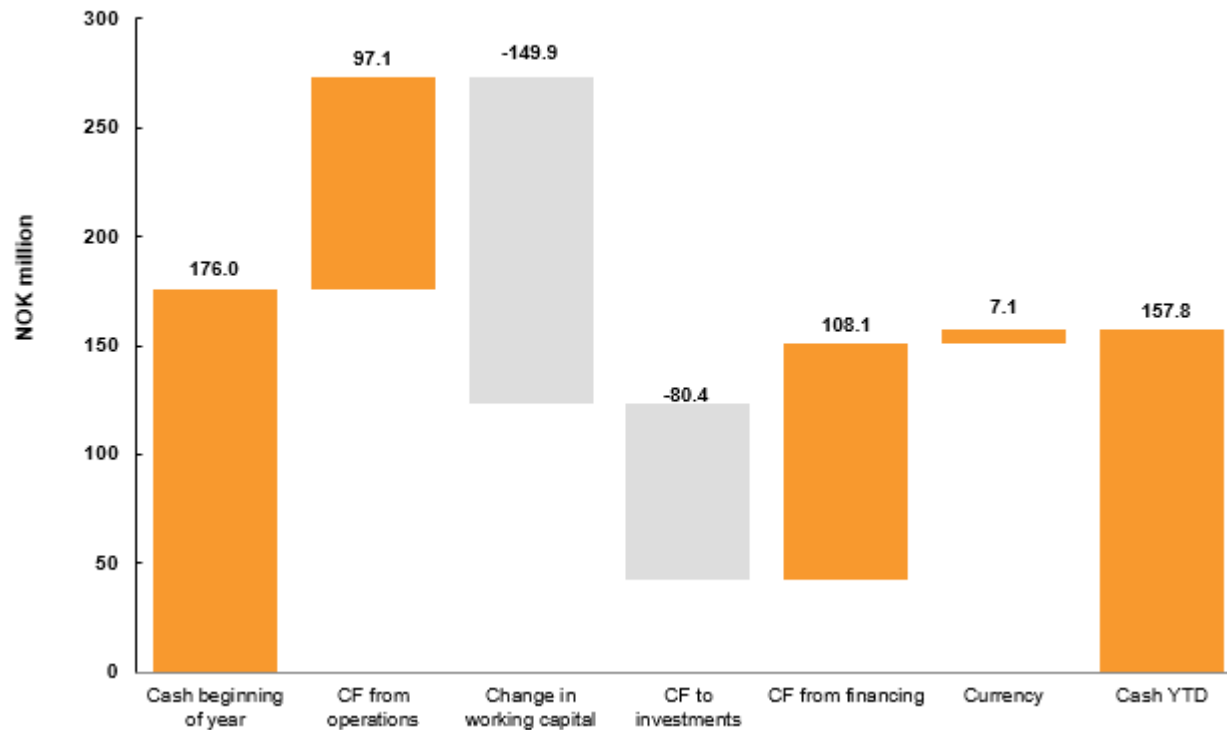
International	H1 2017	H1 2016	Change
EBIT MNOK	15.9	1.5	>100%
EBIT margin %	17.1%	3.3%	13.8 pp
Billing ratio	72.6%	61.1%	11.5 pp
Number of employees	197	127	55.1%

LINK arkitektur	H1 2017	H1 2016	Change
EBIT MNOK	7.6	3.7	>100%
EBIT margin %	3.2%	2.0%	1.2 pp
Billing ratio	71.8%	70.4%	1.4 pp
Number of employees	454	337	34.7%

Operating revenues by business area YTD 2017



Cash flows YTD 2017



- Improved cash flow from operations
- Change in working capital driven by
 - Increased production
 - Increased trade receivables and work in progress
- Investments
 - Acquisition of Iterio AB
 - Ordinary asset replacement
- Financing
 - Increased debt due to acquisitions
 - Dividend payment

Industry outlook

- Recent market report from RIF* spring 2017
 - Expectations for employment over the next 6 months are greater than all previous measurements
 - Order backlog expectations the next 6 months at a stable level
 - Some regional variations – weak in northern and southern Norway
 - The oil and gas sector continues the stabilising trend
 - The results of the economic survey in spring 2017 draw a picture of an industry with a bright outlook

*Rådgivende ingeniørers forening/Association of Consulting Engineers, Norway



Outlook

- The overall market outlook for 2017 remains fairly positive
 - Confirmed by industry reports
- Continued strong competition and price pressure on large projects
 - Market rates have stabilised in Norway, regional variations
 - Increased employee cost in Norway not fully reflected in billing rates
- Stronger combination of professional capability and solid order backlog
- Active and systematic implementation of the 3-2-1 GO strategy
- Continued focus on sales efforts, project execution and billing ratio





FINANCIAL CALENDAR

2Q 2017 results: 31 Aug 2017

3Q 2017 results: 9 Nov 2017

4Q 2017 results: 28 Feb 2018

1Q 2018 results: 23 May 2018

Q&A

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