

SECOND QUARTER AND HALF YEAR 2020 RESULTS

Grethe Bergly, CEO | Hans-Jørgen Wibstad, CFO



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INTRODUCTION AND HIGHLIGHTS

GRETHE BERGLY | CEO

Highlights

- Solid revenue growth
- Second quarter EBIT NOK 102.5 million, YTD NOK 219.9 million, reflecting an EBIT margin of 11.3%
- Significantly improved billing ratio
- Other operating expenses reduction & nextLEVEL on track, significant cost reductions
- Strong order intake and stable order backlog
- Modest impact of the Covid-19 situation, but still creating some uncertainty
- Capital Markets Day on 4 November 2020



Executed projects



Deichman Bjørvika, Oslo

New main library for Oslo. The ambition is two million visitors annually.
The library opened on 18 June.

Executed projects



Tvedestrand High School, Agder

Tvedestrand High School is designed to satisfy Futurebuilt's definition of plus house. The energy needs for the operation will be covered by the production of renewable energy on site. Opened on 17 August.



Rv. 3/25 Løten – Elverum, Innlandet

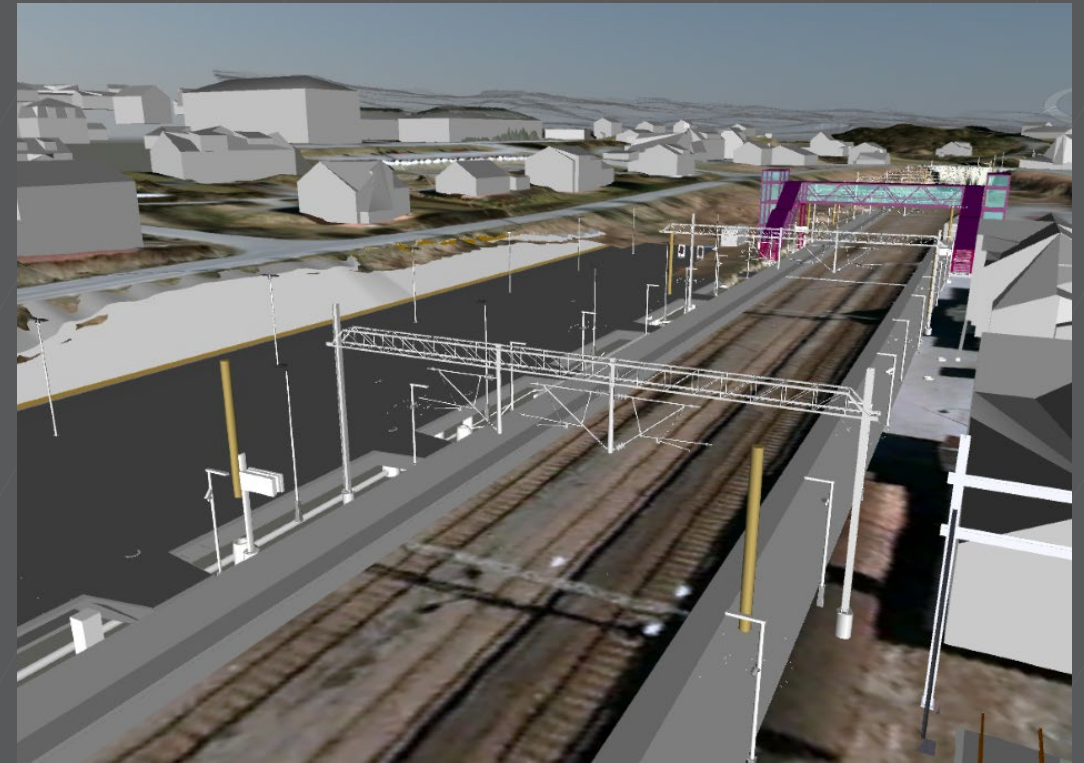
27 km new national road. One of the largest road contracts in Norway ever and the first PPP-project in over 10 years. Certified according to the Ceequal Whole Team Award - level Excellent. Opened on 31 July.

Key order intake | 2Q 2020



Granåsen Sports Park, Trøndelag

Granåsen sports park will be developed as an everyday facility and as the region's top sports facility for Nordic branches and biathlon.



Jaren Railway Station, Innlandet

New Jaren Railway Station is part of the Gjøvik line. The Gjøvik line will be one of the first sections in Norway to use ERTMS (European Rail Traffic Management System). The new signaling and traffic control system doubles the frequency of the section.

Recent project wins



New hospital at Gaustad (nytt Rikshospital), Oslo

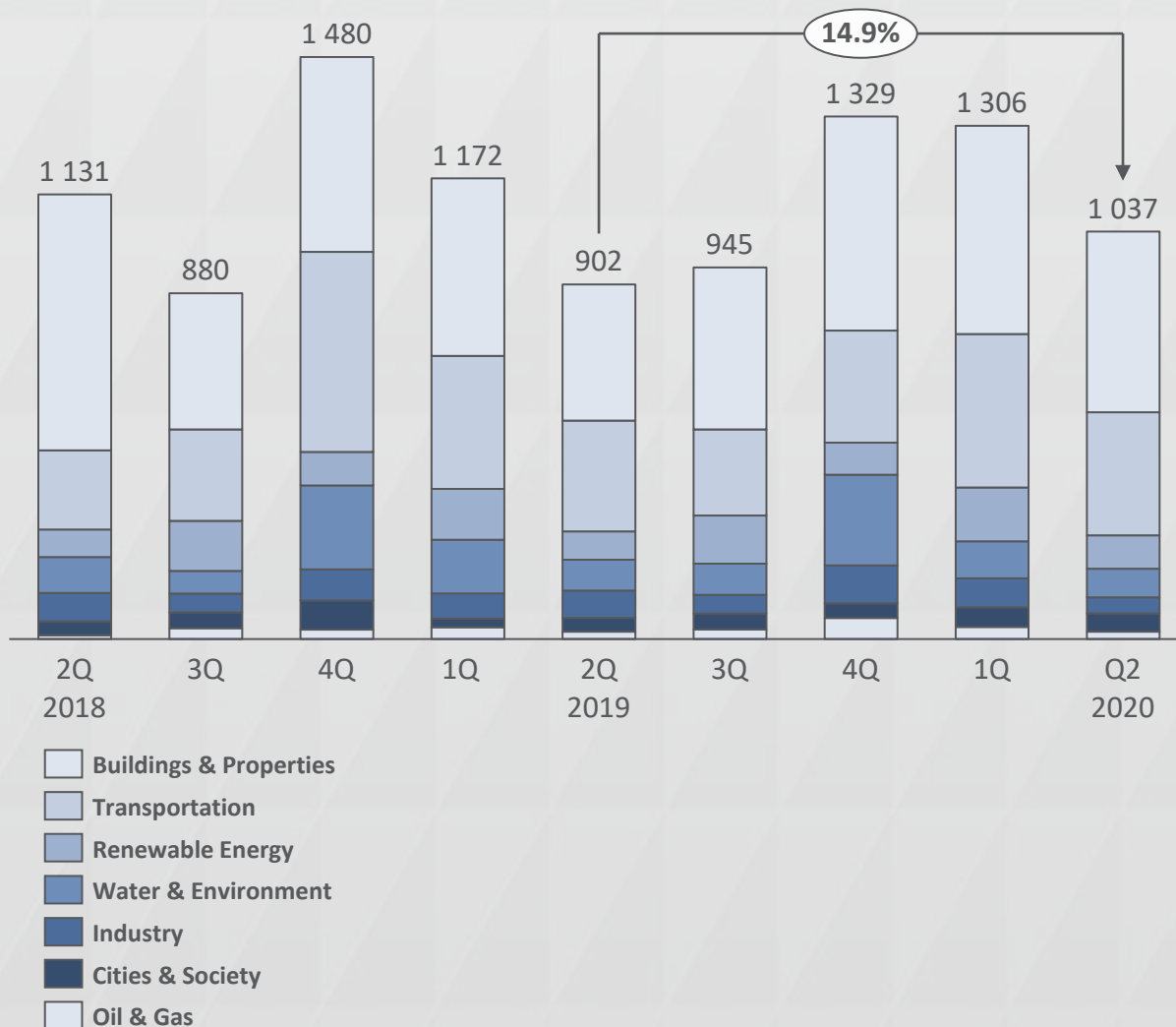
The new hospital will consist of approximately 140.000m². The hospital will include regional and national specialties health care and will also have responsibility for local hospital functions.



New Water Supply Oslo, Oslo

Construction of a new main grid connected to the new water supply to the city of Oslo. The contract includes detailed design and preparation of competition basis with working drawings.

Order intake | 2Q 2020



Highlights

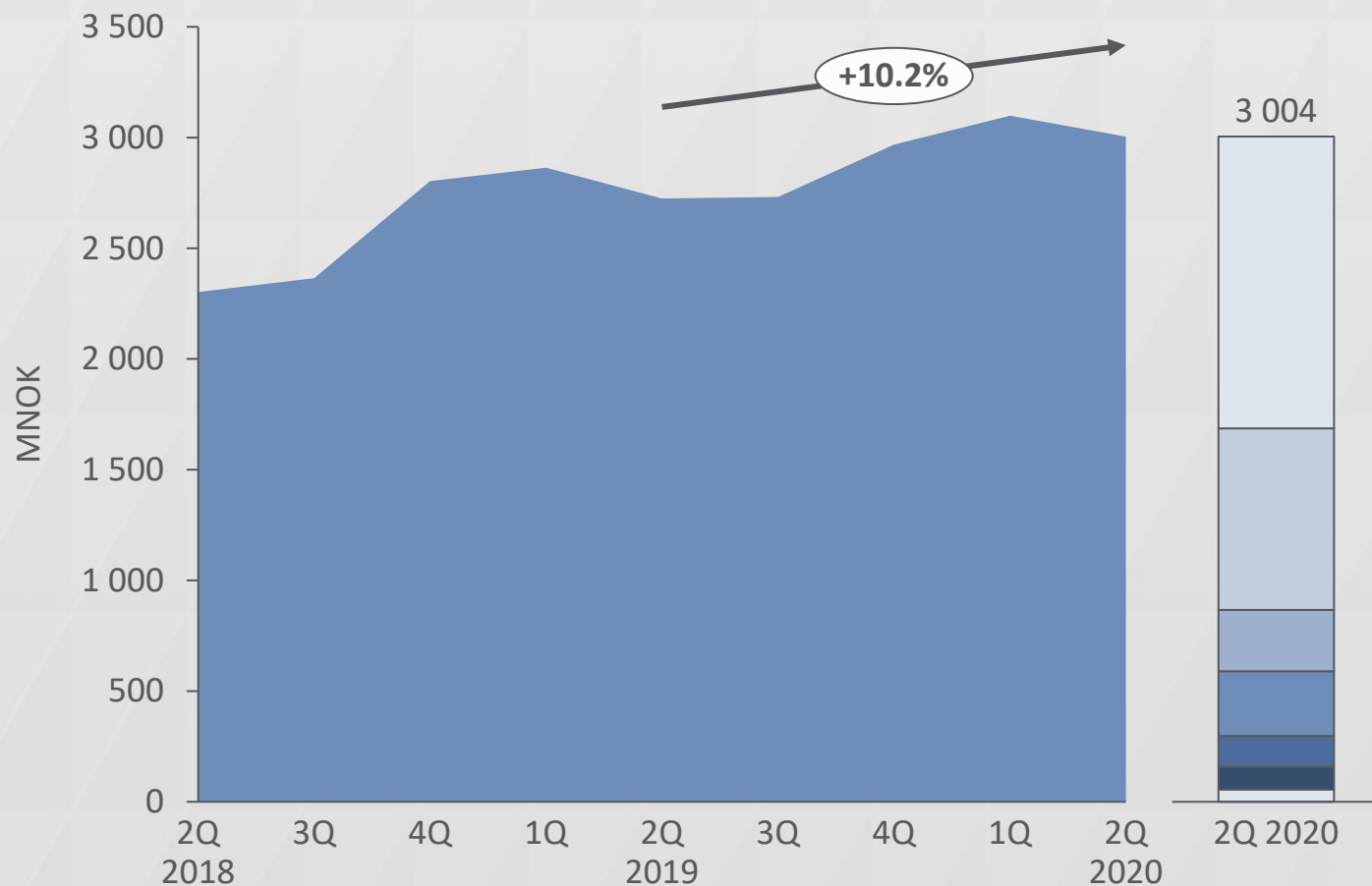
- Order intake up 14.9% y-o-y, to NOK 1 037 million
- Significant contracts awarded during the quarter
- A good pipeline of potential projects coming up for tender over the next 12 months

Key order intake

- Hammerfest hospital (new)
- Førde - High school (new)
- Granåsen - sports arena (new)
- Railway line No. E30 and E65 Poland (new)
- Jaren railway station (new)



Order backlog | 2Q 2020

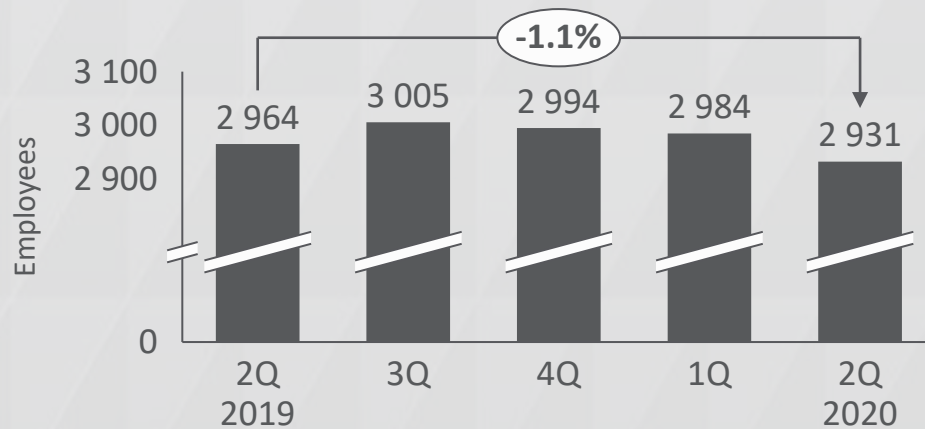


- Order backlog at NOK 3 004 million
 - Variations in time horizon and size across business areas and business units
- In addition, call-offs on frame agreements to be included when signed
 - Fornebubanen (Oslo kommune)
 - Trøndelag (Forsvarsbygg)
 - Safety and RAMS (Bane Nor)
 - Østlandet (Forsvarsbygg)
 - Submarine and maintenance facilities (Forsvarsbygg)
 - Kystverket
 - Sykehusinnkjøp



Organisation & People

- 2 931 employees at 30 June 2020
- MUST summer student programme successful and popular once again
 - More than 1 060 applicants for 53 positions
- High productivity maintained ~90% employees in Norway working from home
- Kristin Olsson Augestad elected into the steering committee for Construction City



Covid-19

Taking prudent responsible actions to secure people, business and customer

- Overall Covid-19 challenges handled well
- Largely unchanged capacity due to high level of digitalisation
- Gradual return of employees that have been on temporary leave
- Close follow-up of the organization
- Covid-19 response team still mobilised
- Priority on HSE – zero employees known to have been Covid-19 infected at work*

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



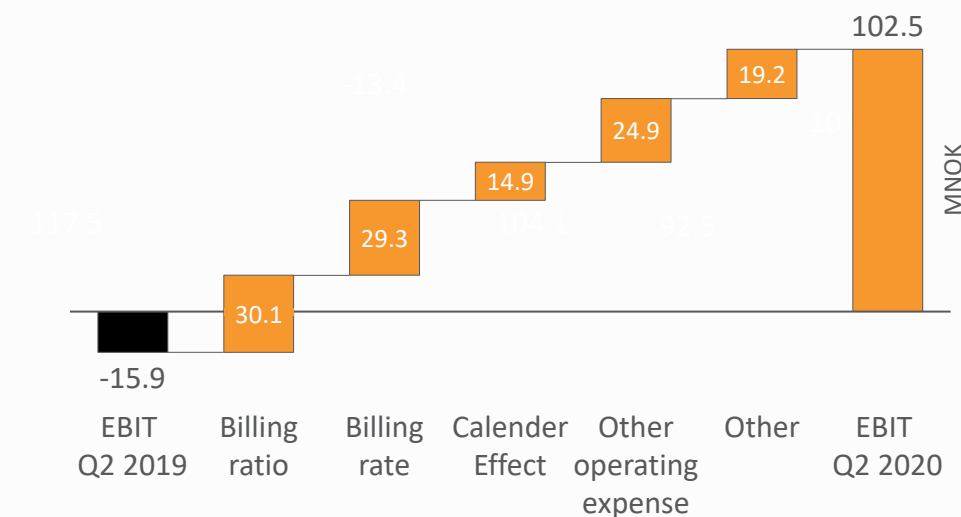
FINANCIAL REVIEW

HANS-JØRGEN WIBSTAD | CFO

Financial Highlights | 2Q 2020

- Net operating revenues up 9.8 % y-o-y to NOK 951.7 million
- EBIT NOK 102.5 million, 10.8% margin
 - Positive calendar effect of NOK 14.9 million vs. same period 2019
- Other operating expenses ratio reduced to 15.8% from 19.0% same period last year
- Net profit NOK 65.9 million (negative NOK 21.8 million)
- Billing ratio 73.8% (71.3%)

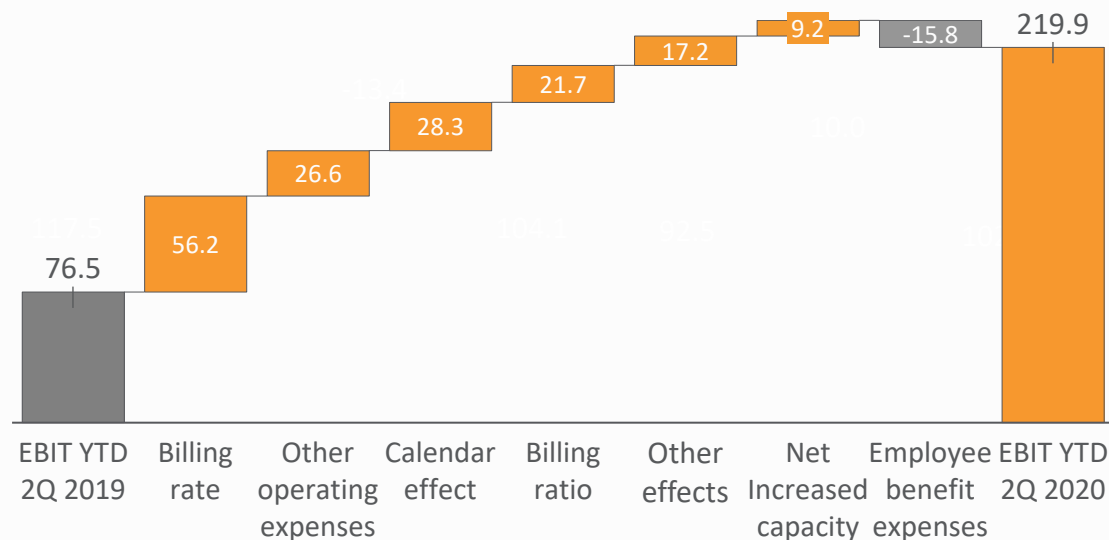
Consolidated key figures (MNOK)	2Q 2020	2Q 2019	Change	FY 2019
Net Operating Revenues	951.7	866.7	9.8 %	3 436
EBIT	102.5	(15.9)	N/A	106.3
EBIT margin %	10.8 %	(1.8%)	12.6 pp	3.1 %
Order intake	1 037	902	14.9 %	4 348
Order Backlog	3 004	2 725	10.2 %	2 968
Billing ratio	73.8 %	71.3 %	2.5 pp	69.2 %
Number of employees	2 931	2 964	(1.1 %)	2 994



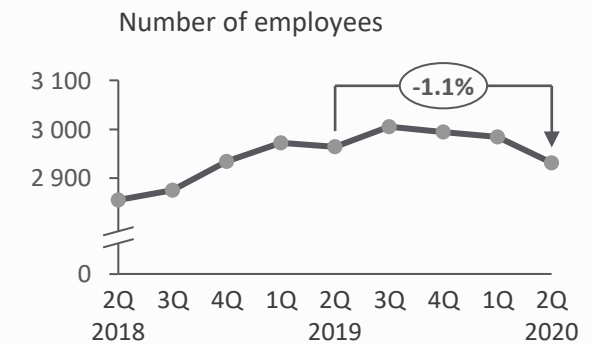
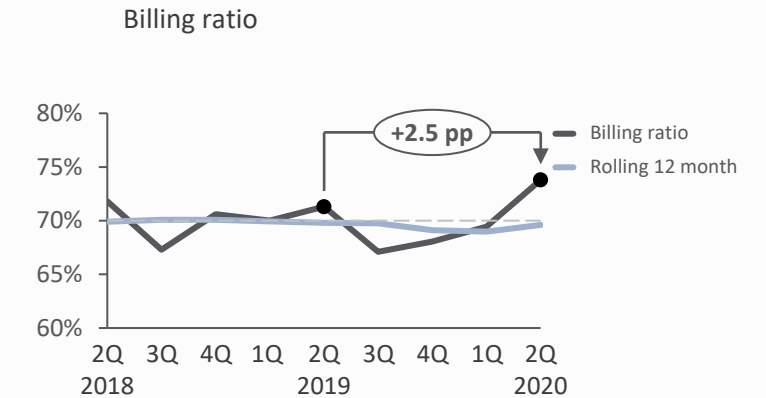
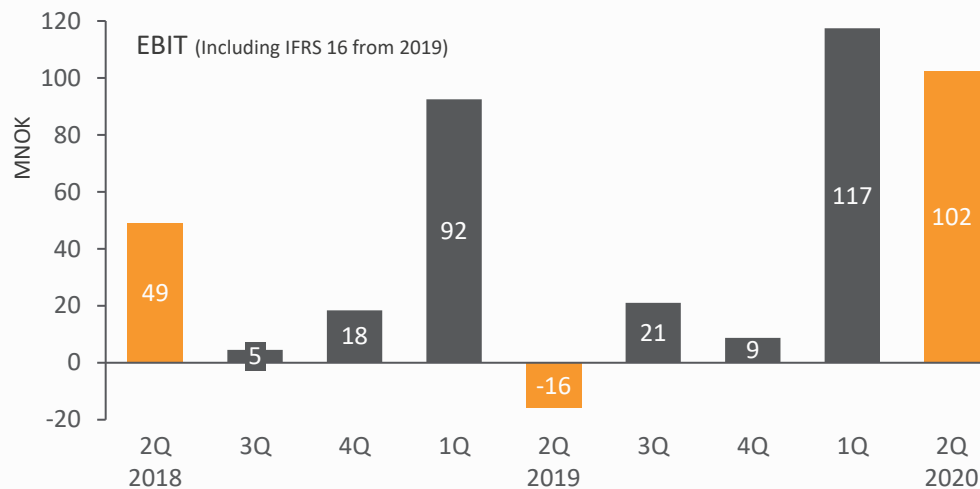
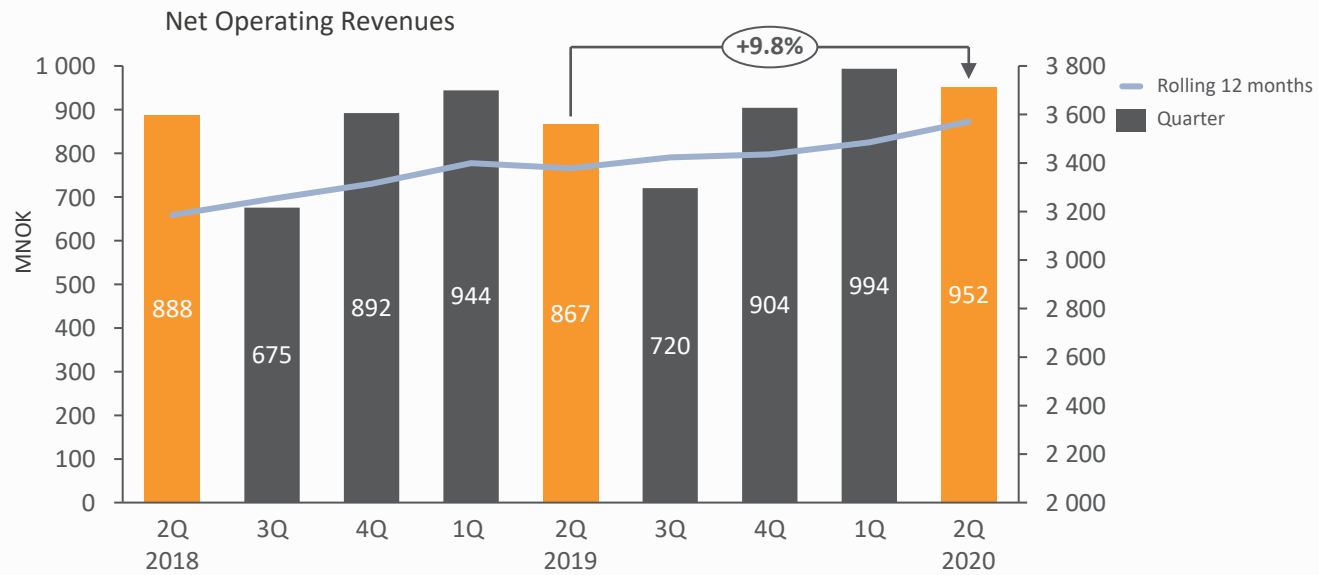
Financial Highlights | YTD 2020

- Net operating revenues up 7.4 % y-o-y to NOK 1 945.3 million
- EBIT NOK 219.9 million, 11.3% margin
 - Positive calendar effect of NOK 28.3 million vs YTD 2019
 - YTD 2019: Legal settlement of NOK 20.2 million and extraordinary one-off severance agreement of approx. NOK 10 million
- Other operating expenses ratio reduced to 15.6% from 18.2% in the same period last year
- Net profit NOK 150.0 million (NOK 37.1 million)
- Billing ratio 71.5% (70.6%)
- Net debt free, with a negative NIBD of NOK 156.2 million

Consolidated key figures (MNOK)	H1 2020	H1 2019	Change	FY 2019
Net Operating Revenues	1 945.3	1 810.9	7.4 %	3 436
EBIT	219.9	76.5	187.3 %	106.3
EBIT margin %	11.3 %	4.2 %	7.1 pp	3.1 %
Order intake	2 342	2 074	12.9 %	4 348
Order Backlog	3 004	2 725	10.2 %	2 968
Billing ratio	71.5 %	70.6 %	0.9 pp	69.2 %
Number of employees	2 931	2 964	(1.1 %)	2 994



Financial Highlights | 2Q 2020



Segments

- ❑ Region Oslo
- ❑ Region Norway
- ❑ Energy
- ❑ International
- ❑ LINK arkitektur



Region Oslo | YTD 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.

- Revenues up 13.6% y-o-y, to 631.5 million
- EBIT was NOK 99.1 million reflecting an EBIT margin of 15.7%
- Billing ratio up 3.3pp y-o-y, to 74.5%
- Order intake down 13 % y-o-y, to NOK 595.6 million
- Order intake in business areas Buildings & Properties, Renewable Energy and Cities & Society increased, while the other business areas decreased

Region Oslo (MNOK)	H1 2020	H1 2019	Change	FY 2019
Net Operating Revenues	631.5	556.0	13.6 %	1 091
EBIT	99.1	18.8	427.5 %	53.0
EBIT margin %	15.7 %	3.4 %	12.3 pp	4.9 %
Order intake	595.6	683.9	(13%)	1 431
Order Backlog	889.8	909.3	(2 %)	1 027
Billing ratio	74.5 %	71.2 %	3.3 pp	70.0 %
Number of employees	775	815	(4.9 %)	817

Region Norway | YTD 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.

- Revenues up 3.3% y-o-y, to 758.0 million
- EBIT was NOK 81.2 million reflecting an EBIT margin of 10.7%
- Reduced operating expenditure for the period
- Billing ratio 69.2%, up 0.2 pp y-o-y
 - 2Q significantly better up 2.2 pp to 72.2%
- Significant increase in order intake y-o-y of 16 % to NOK 911.1 million
- Order intake increase in all sizable business areas compared to the same period last year

Region Norway (MNOK)	H1 2020	H1 2019	Change	FY 2019
Net Operating Revenues	758.0	733.5	3.3 %	1 381
EBIT	81.2	50.4	61.0 %	56.5
EBIT margin %	10.7 %	6.9 %	3.8 pp	4.1 %
Order intake	911.1	782.2	16 %	1 438
Order Backlog	694.8	619.7	12 %	580.8
Billing ratio	69.2 %	69.0 %	0.2 pp	67.9 %
Number of employees	1 046	1 051	(0.5 %)	1 068

Energy | YTD 2020

The segment offers national and international services in the business area Renewable Energy with some activity in Water & Environment and include the subsidiary Multiconsult UK.

- Revenues up 7.5% y-o-y, to 134.9 million
- EBIT was NOK 2.3 million reflecting an EBIT margin of 1.7%
- Reduced operating expenditure for the period
- Billing ratio down 0.6 pp y-o-y, to 61.9%
- Solid improvement in Norway - low activity in Multiconsult UK
- Decrease in order intake y-o-y, but at a normal level

Energy (MNOK)	H1 2020	YTD 2019	Change	FY 2019
Net Operating Revenues	134.9	132.9	1.5 %	250.6
EBIT	2.3	-3.4	N/A	-10.6
EBIT margin %	1.7 %	-2.5 %	4.3 pp	-4.2 %
Order intake	167.6	192.5	(13 %)	381.0
Order Backlog	263.5	232.4	13 %	262.8
Billing ratio	61.9 %	62.6 %	(0.6 pp)	62.8 %
Number of employees	193	200	(3.5 %)	199

LINK arkitektur | YTD 2020

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

- Revenues up 3.3% y-o-y, to 303.4 million
- EBIT was NOK 17.6 million reflecting an EBIT margin of 5.8%
- Billing ratio down 1.3pp y-o-y, to 74.2%
- Solid performance in Norway, still challenges in Denmark and Sweden
- Order intake up 36 % y-o-y, to NOK 403.4 million

LINK arkitektur (MNOK)	H1 2020	H1 2019	Change	FY 2019
Net Operating Revenues	303.4	293.6	3.3 %	535.8
EBIT	17.6	21.3	(17.7 %)	11.0
EBIT margin %	5.8 %	7.3 %	(1.5 pp)	2.1 %
Order intake	403.4	297.2	36 %	728.6
Order Backlog	627.0	486.0	29 %	620.2
Billing ratio	74.2 %	75.5 %	(1.3 pp)	74.0 %
Number of employees	486	500	(2.8 %)	489

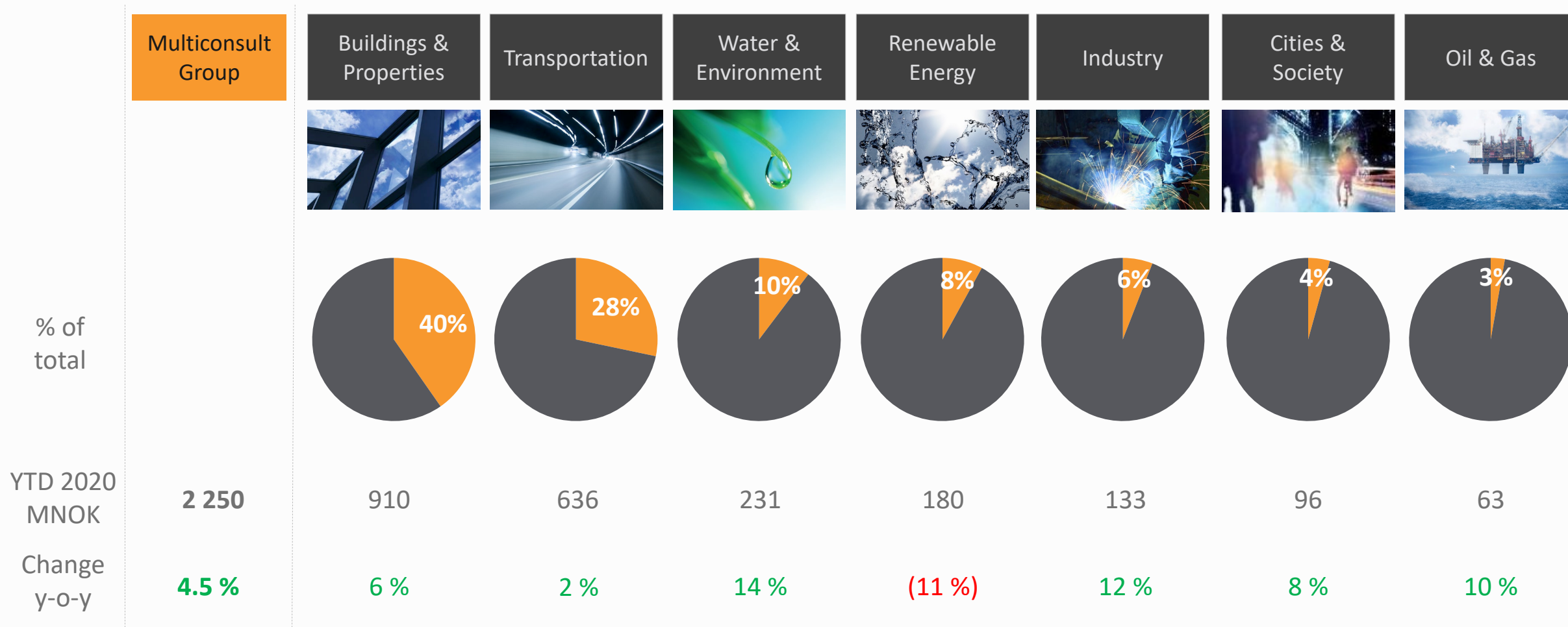
International | YTD 2020

This segment comprises the subsidiaries Multiconsult Polska and Iterio AB.

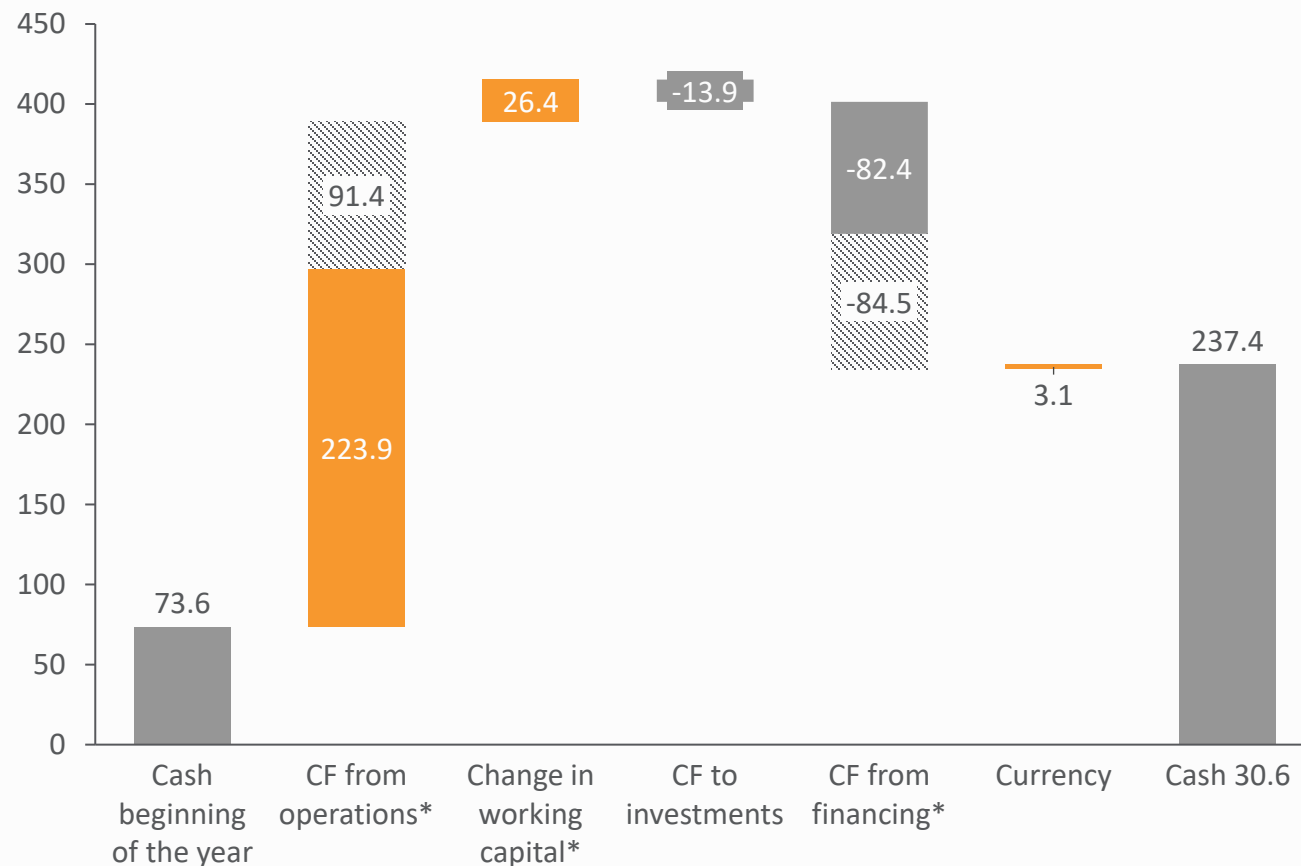
- Revenues up 23.0% y-o-y, to 126.8 million
- EBIT was NOK 14.8 million reflecting an EBIT margin of 11.7%
- Continued stable good performance
- Significant increase in order intake y-o-y, to 264.3 million, especially strong in Multiconsult Polska
- Largest contribution on revenues from Transportation
- Higher activity level and increase in manning level

International (MNOK)	H1 2020	H1 2019	Change	FY 2019
Net Operating Revenues	126.8	103.1	23.0 %	206.9
EBIT	14.8	9.9	49.5 %	17.3
EBIT margin %	11.7 %	9.6 %	2.1 pp	8.4 %
Order intake	264.3	118.1	124 %	369.6
Order Backlog	565.1	407.2	39 %	497.6
Billing ratio	79.0 %	79.1 %	(0.1 pp)	73.5 %
Number of employees	303	280	8.2 %	299

Operating revenues by business area YTD 2020



Financial Position | YTD 2020



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

- Solid financial position
NOK 420 million undrawn loan facilities
- Repayment of NOK 72 million on loan facility (RCF) during the period
- Net debt free, with a negative NIBD of NOK 156.2 million**

Cash and liabilities MNOK	2Q 2020	1Q 2020	4Q 2019	3Q 2019	2Q 2019
Cash	237.4	62.9	73.6	10.1	16.6
Net interest-bearing debt**	(156.2)	95.2	91.6	283.0	167.9

**Excluding IFRS 16 leasing debt

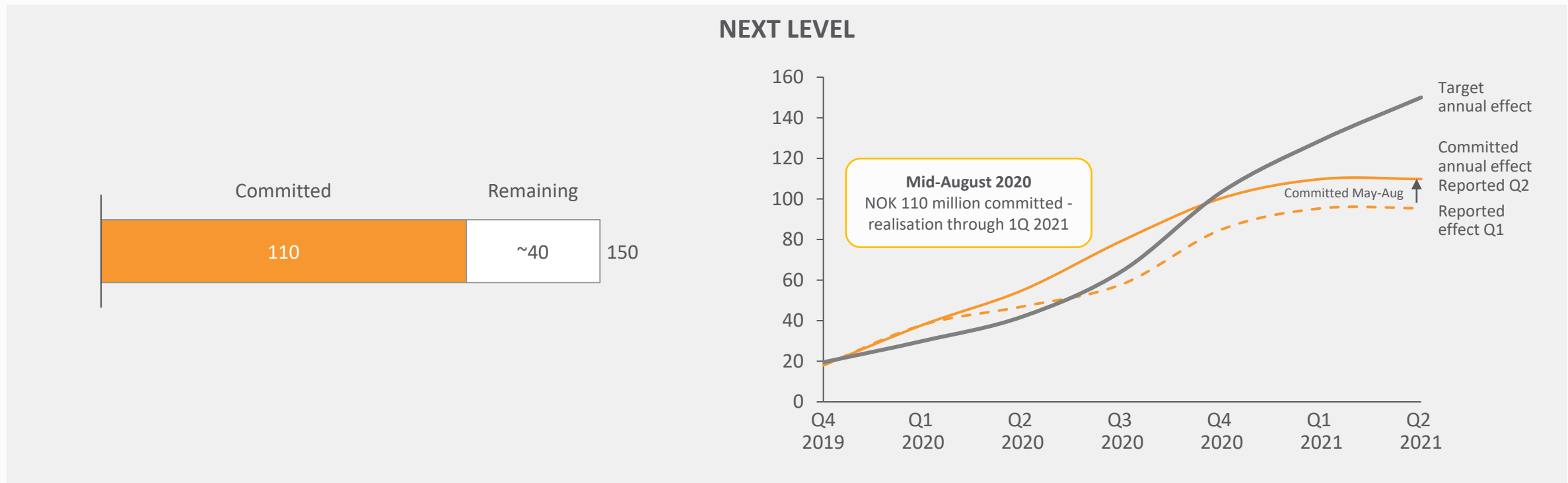
nextLEVEL

2Q | 2020



Next Level still ahead of scheduled progress

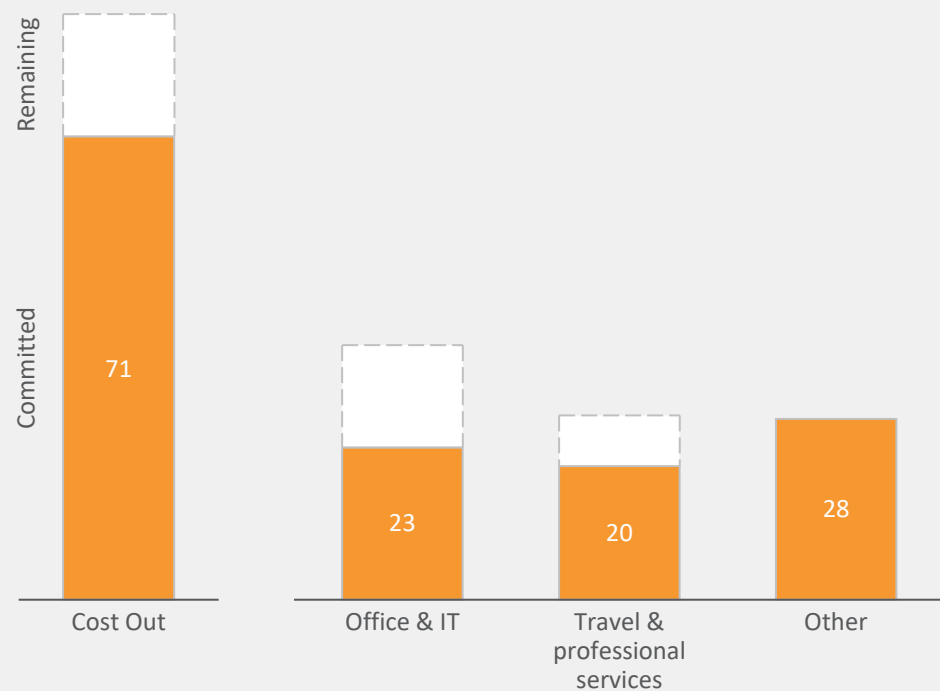
MNOK



Cost Out and Operations detailed

MNOK

COST OUT



OPERATIONS



Way Forward

- Covid-19 period has reduced our other operating expenditures significantly due to reduced travel and office expenditures
- Temporary cost reductions are not included - normalized cost level is to be confirmed through the next quarter(s)
- Learnings from Covid-19 period will be part of new travel guidelines and office strategy
- Restructuring cost expected at NOK 60-70 million

nextLEVEL

Target of NOK **150** million

EBIT Margin Target

Initial

8 %

Long term

10 %

Outlook

- Positive development in the on-going turnaround process
- The nextLEVEL programme is on track
- The order backlog is at a solid level
 - Important projects awarded after 30 June 2020.
- Overall good market outlook and tender pipeline in most business areas
- Multiconsult have registered modest negative impact due to the Covid-19 situation
 - Good co-operation and commitment from our clients
 - The pandemic continues to create uncertainty for our industry
 - Uncertainties in certain sectors such as Buildings & Properties incl. architecture



Capital Markets Day

4 November 2020

FINANCIAL CALENDAR

3Q 2020 results and CMD	4 Nov 2020
4Q 2020	17 Feb 2021
1Q 2021	5 May 2021
2Q 2021	18 Aug 2021
3Q 2021	3 Nov 2021

Q&A SECOND QUARTER AND HALF YEAR 2020 RESULTS

GRETHE BERGLY & HANS-JØRGEN WIBSTAD