

Multiconsult - Solid second quarter and half year result

Multiconsult ASA (OSE: MULTI)

Multiconsult's second quarter EBITA came in at NOK 74.7 million, which gives an EBITA for the first half of 2022 at NOK 243.9 million. The operating EBITA margin in the quarter was 7.1 per cent, and 11.2 per cent in the first half of the year. High activity and solid operational performance, resulted in a growth in net operating revenues of 6.2 per cent to NOK 1 048.5 million in the quarter, while the organic revenue growth was 3.4 per cent. Higher operating expenses in the quarter is driven by an increase in employees from prior acquisitions and increased other operating expenses as business activities return to a normal post Covid-19 situation. The order intake has been good in the second quarter and gives a stable order backlog of NOK 3 521 million at the end of the period.

Notwithstanding the geopolitical instability, the increase in energy costs, and high inflation, the overall market outlook for Multiconsult's services is expected to remain good and stable with a solid activity level both in the public and private sector. Multiconsult holds a good portfolio of ongoing projects and a solid order backlog. Multiconsult generally experience a strong market in the traditional consultancy and engineering market within the construction industry. At the same time, Multiconsult is also exposed to the general uncertainty caused by a more unstable macro environment.

"Multiconsult delivered a strong quarter with a good result, good sales, and revenue growth. With increased capacity in a market with high activity our skilled workforce is able to meet the demands for competence related to complex challenges facing our clients. We experience that our robust business model based on a strong position in several business areas means we continue to win a good mix of large and small projects and are on schedule to deliver on our strategic ambitions and long term profitable growth." says Grethe Bergly, CEO of Multiconsult ASA. "Going forward, we continue to monitor the development in the market and work closely with our clients and partners on the journey to develop and realise value-creating projects with a life-cycle perspective."

Second quarter 2022

Net operating revenues came in at NOK 1 048.5 million (986.8), an increase of 6.2 per cent compared to the same quarter last year. The increase in net operating revenues is impacted by revenues from acquired companies offset by a lower number of working days. Compared to the same period last year the organic growth in net operating revenues is estimated to 3.4 per cent after adjusting for the calendar effect and acquisitions. Higher average billing rates had a positive effect on net operating revenues compared to the same quarter last year.

Operating expenses increased by 12.0 per cent to NOK 923.5 million (824.5). The increase is mainly attributable to higher employee benefit expenses caused by added employees from prior acquisitions and ordinary salary adjustment. Other operating expenses increased on higher headcount and on increased expenditures in general as business activities return to a normal post Covid-19 situation.

EBITDA was NOK 125.0 million (162.3), a decrease of 23.0 per cent compared to the same period last year, reflecting an EBITDA margin of 11.9 per cent (16.5) in the quarter.

EBITA was NOK 74.7 million (114.6), reflecting an EBITA margin of 7.1 per cent (11.6) in the quarter.

Half year 2022

Net operating revenues increased by 11.2 per cent to NOK 2 186.6 million (1 965.9), when compared to the same period last year. The increase in net operating revenues is positively impacted by revenues from acquired companies. Billing ratio came in at 71.6 per cent which is at the same level as the comparable period. The billing rates continued to improve and contributed positively on net operating revenues when compared to the same period last year. Organic growth in the period was 2.5 per cent, adjusted for calendar effect and acquisitions.

Operating expenses consist mainly of employee benefit expenses and other operating expenses. Reported operating expenses increased by 11.1 per cent to NOK 1 841.5 million (1 656.9) driven by employees from prior acquisitions and increase in employee benefit expenses due to regular salary adjustment. Other operating expenses increased to NOK 259.3 million (206.9), partly an effect of operating expenses included from prior acquisitions, such as office expenses, and on general increase of expenditure due to a higher head count. In addition, other operating expenses increased in general as business activities return to a normal post Covid-19 situation.

EBITDA was NOK 345.1 million (309.0), an increase of 11.7 per cent compared to the same period last year.

EBITA was NOK 243.9 million (213.1), an increase of 14.5 per cent y-o-y, reflecting an EBITA margin of 11.2 per cent.

The overall market outlook for Multiconsult's four business areas remains generally strong and the opportunities in the pipeline are at a high level with some increased uncertainty. Multiconsult is expected to benefit from the growing market for long-term sustainable transformation within all business areas. This is driven by ongoing initiatives led by the industry and political initiatives. In addition, Multiconsult generally experience a strong market in the traditional consultancy and engineering market within the construction industry.

In the building and property market the long-term trend with sustainable transformation and rehabilitation is expected to continue. The infrastructure market is expected to continue at a high level and are expected to generate opportunities for Multiconsult. The renewable energy market is foreseen to increase due to the rise of energy demand and increasing energy costs, projects are currently starting up, post pandemic, and with a good pipeline. The maintenance lag in water- and wastewater infrastructure is significant, which together with a growing market for climate change adaptations, still suggests a good outlook in this area.

While the Covid-19 impact is diminishing, the Russian regime's invasion of Ukraine and a more unstable macro environment with general inflationary pressure now creates uncertainty. There is a higher than normal risk of delays and/or cancellations mainly as a result of budget cuts, cost overruns and cost increase in certain projects. The continued support and funding of public sector projects, as well as the timing of such projects, is of key importance to our business as potential delays or cancellations will impact our business negatively.

The order backlog and a solid order intake gives Multiconsult a good foundation to handle the continued uncertainties facing the economy and our industry.

For a full review of our report, please refer to our second quarter and half year 2022 report.

Presentations today 17 August 2022:

Participants are invited to attend the Norwegian presentation that will be held at Felix Conference Centre, Bryggetorget 3, Oslo, at 08:30 (CET). The results will also be presented through a live webcast: In Norwegian at 08:30 (CET) and in English presentation at 09:30 (CET). Participants will have the opportunity to submit questions online throughout the webcast sessions.

The Norwegian presentation at 08:30 (CET) can be accessed at:

https://channel.royalcast.com/landingpage/hegnarmedia/20220817_8/

The English presentation at 09:30 (CET) can be accessed at:

https://channel.royalcast.com/landingpage/hegnarmedia/20220817_9/

Live webcasts, complete report, presentation and a recording of the webcast will be available on www.multiconsult-ir.com and <https://newsweb.oslobors.no/>

For further information, please contact:

Investor relations:

Pål-Sverre Jørgensen, Group Treasurer & Investor Relations Officer

Phone: +47 416 11 161

E-mail: psmj@multiconsult.no ; ir@multiconsult.no

Media:

Gaute Christensen, VP Communications

Phone: +47 911 70 188

E-mail: gaute.christensen@multiconsult.no