

Multiconsult first quarter and first half result 2024 – very strong performance

Multiconsult ASA (OSE: MULTI)

Multiconsult delivered a very strong quarter, continuing the positive development with high activity and strong operational efficiency. The EBITA came in at NOK 185.7 million (55.6), equal to an EBITA margin of 13.0 per cent. The performance was influenced by high activity, with a billing ratio of 73.8 per cent, 1.7 percentage points higher than the comparable quarter last year. Net operating revenues grew by 23.5 per cent to NOK 1 424.9 million, the organic revenue growth was 11.4 per cent adjusted for the calendar effect. There was an impact of five more working days compared to the same period last year, with an estimated positive effect of NOK 92.6 million on net operating revenues and EBITA. The order intake was solid at NOK 1 531 million resulting in an order backlog of NOK 4 943 million.

SECOND QUARTER 2024

- Successful quarter with strong operational performance and results
- Net operating revenues increased by 23.5 per cent to NOK 1 424.9 million (1 153.8)
 - The organic revenue growth adjusted for the calendar effect was 11.4 per cent
- EBITA of NOK 185.7 million (55.6), equal to an EBITA margin of 13.0 per cent (4.8)
 - Net revenues and EBITA impacted positively by NOK 92.6 million from the calendar effect compared with second quarter 2023
- Significantly improved billing ratio of 73.8 per cent (72.1), up 1.7pp
- Order intake of NOK 1 531 million (1 572)
- Order backlog of NOK 4 943 million (4 943)
- Full-time equivalents (FTE) increased by 5.1 per cent, to 3 531 (3 360)
- Net profit of NOK 147.9 million (36.0)
- Earnings per share NOK 5.36 (1.30)
- The overall market outlook remains good and stable

FIRST HALF 2024

- Net operating revenues of NOK 2 791.8 million (2 464.0), a y-o-y growth of 13.3 per cent
 - The organic revenue growth adjusted for the calendar effect was 10.7 per cent
- EBITA of NOK 322.4 million (271.9), equal to an EBITA margin of 11.5 per cent (11.0)
 - Net revenues and EBITA impacted negatively by NOK 21.1 million from the calendar effect compared with first half 2023
- Order intake of NOK 3 378 million (4 146)
- Net profit of NOK 243.4 million (194.1)
- Earnings per share 8.88 (7.07)
- Full-time equivalents (FTE) increased by 7.6 per cent, to 3 540 (3 289)

EXTRACT OF COMMENTS FROM CEO, GRETHE BERGLY:

Multiconsult delivered a very strong quarter, continuing the positive development with high activity and good operational performance and efficiency. An all-time high billing ratio of 73.8 per cent registered in the quarter is a testament to a high activity level in the organisation. We continue to deliver strong results and can record a record high first half of 2024. I would like to express my gratitude to all our employees for contributing to the strong results.

Multiconsult's strong performance over time demonstrates that we are succeeding in our strategic priorities to position ourselves to win the right projects and that we have an organisation with highly skilled employees who are capable of delivering services that meet our customers' expectations.

The overall market development has been stable, with continued uncertainty during the quarter. The solid order intake of NOK 1 531 million resulted in a flat development in our order backlog year-over-year. It is a great achievement by the organisation that we maintain a strong order backlog giving us a solid foundation at the end of the second quarter. We see a continued high level of activity and increased opportunities to provide solutions that support our clients in their green transition. We are experiencing increased demand for our services in biodiversity and projects that can help mitigate the consequences of the climate changes.

To remain relevant and competitive, we must stay at the forefront of both professional and technological development. Therefore, we invest heavily in this area. In the quarter, we have started a 12-month mentorship/candidate program to enhance our capability in managing the largest and most complex transportation projects.

For a full review of comments from CEO, please refer second quarter and first half year 2024 report.

FINANCIAL REVIEW, SECONUD QUARTER 2024:

Net operating revenues amounted to NOK 1 424.9 million (1 153.8), an increase of 23.5 per cent compared to the same quarter last year. The organic revenue growth amounted to 11.4 per cent, adjusted for calendar effect and acquisition. The increase in net operating revenues was driven by higher billing ratio, increased capacity, and higher billing rates. The billing ratio exceeded last year's comparable quarter by 1.7 percentage points, reaching 73.8 per cent (72.1). Higher capacity, reflected by an increase in full-time equivalents (FTE) of 5.1 per cent and higher billing rates, contributed positively to the growth in net operating revenues.

Operating expenses consist of employee benefit expenses and other operating expenses. Operating expenses increased by 12.9 per cent to NOK 1 178.9 million (1 044.5) compared to the same quarter in 2023. Employee benefit expenses increased by 14.2 per cent in line with ordinary salary adjustment, increased manning level from acquisitions, and increase in net recruitment. Other operating expenses increased by 5.2 per cent to NOK 158.0 million (150.3), primarily due to higher IT-cost and cost increase in general.

EBITDA was NOK 245.9 million (109.3), an increase of 124.9 per cent compared to the same period last year, reflecting an EBITDA margin of 17.3 per cent (9.5) in the quarter.

EBITA was NOK 185.7 million (55.6), an increase of 234.1 per cent year-over-year, reflecting an EBITA margin of 13.0 per cent (4.8) in the quarter.

Calendar effect: In the second quarter of 2024 there were five more working days compared to the second quarter 2023. This had an estimated positive impact of NOK 92.6 million on net operating revenues and operating results.

FINANCIAL REVIEW, FIRST HALF 2024:

Net operating revenues increased by 13.3 per cent to NOK 2 791.8 million (2 464.0). The organic revenue growth amounted to 10.7 per cent, adjusted for calendar effect and acquisition. The increase in net operating revenues was driven by higher billing ratio, increased capacity reflected by an increase in full-time equivalents (FTE) of 7.6 per cent and higher billing rates. Billing ratio increased to 73.6 per cent (71.5) an increase by 2.1 percentage points and contributed positively to growth in net operating revenues.

Operating expenses consist of employee benefit expenses and other operating expenses. Reported operating expenses increased by 12.8 per cent to NOK 2 349.8 million (2 083.5) compared to the first half year of 2023. Employee benefit expenses increased by 13.7 per cent and came in at NOK 2 038.8 million (1 793.0), an increase driven by net recruitment, regular salary adjustment and employee benefit expenses arising from acquisitions. Other operating expenses increased by 7.0 per cent to NOK 311.0 million (290.5), partly an effect of operating expenses included from prior acquisitions and from cost increase in general.

EBITDA was NOK 442.0 million (380.5), an increase of 16.2 per cent compared to the same period last year, reflecting an EBITDA margin of 15.8 per cent (15.4).

EBITA was NOK 322.4 million (271.9), an increase of 18.6 per cent y-o-y, reflecting an EBITA margin of 11.5 per cent (11.0).

Calendar effect: In the first half of 2024 there was one less working day compared to the same period in 2023. This had an estimated negative impact of NOK 21.1 million on net operating revenues and operating results.

OUTLOOK

The overall market outlook remains good and stable, with anticipated high activity levels across various sectors. Despite expected challenges such as investment delays and shifts in political priorities, the market for Multiconsult's services is expected to be good across all four business areas. Demand for infrastructure and projects related to the green transition is likely to remain strong, and the potential for new opportunities in the pipeline is at a good level. However, the competitive landscape is expected to evolve due to lower investment levels in some markets, with pricing and margins for engineering services being sensitive and varying across the different segments. Overall, while specific challenges are anticipated, the outlook supports continued stability and continued performance.

For a full review, please refer to second quarter and first half year 2024 report.

Presentations today 21 August 2024:

Participants are invited to attend the Norwegian presentation that will be held at Hotel Continental, Stortingsgata 24/26, Oslo, Norway at 08:30 (CEST). The results will also be presented through a live webcast: In Norwegian at 08:30 and in English presentation at 09:30. Participants will have the opportunity to submit questions online throughout the webcast sessions.

The Norwegian presentation at 08:30 can be accessed at:

https://channel.royalcast.com/landingpage/hegnarmedia/20240821_6/

The English presentation at 09:30 can be accessed at:

https://channel.royalcast.com/landingpage/hegnarmedia/20240821_7/

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

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