

# THIRD QUARTER 2019 RESULTS

Grethe Bergly, CEO | Hans-Jørgen Wibstad, CFO





## DISCLAIMER

This presentation includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this presentation, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as “believe,” “expect,” “anticipate,” “may,” “assume,” “plan,” “intend,” “will,” “should,” “estimate,” “risk” and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this presentation.

# INTRODUCTION AND HIGHLIGHTS

**Grethe Bergly, CEO**

# Highlights

## 3Q

- Solid order intake of NOK 945 million
- Order backlog remains strong at NOK 2.7 billion
- Solid net operating revenues growth of 6.7%
- EBIT of NOK 21.0 million, 2.9% margin
- Earnings impacted by net project write-downs

## YTD

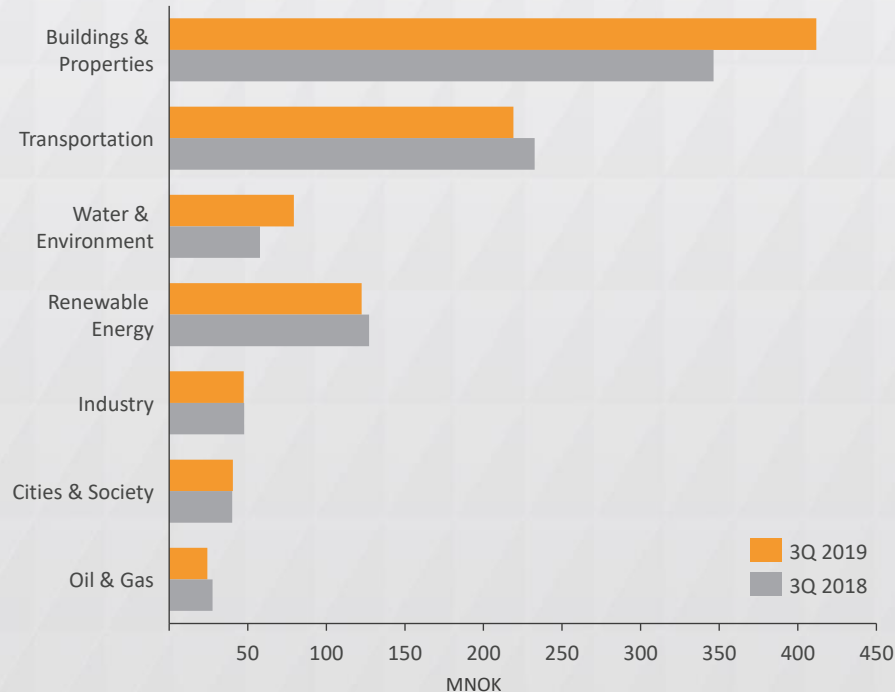
- Solid net operating revenues growth of 4.5%
- EBIT of NOK 97.6 million, 3.9% margin

## nextLEVEL

- Improvement programme initiated
  - Targeting NOK 150 million annual improvement within 18 months
  - New financial targets for the group



# Order intake in 3Q 2019



## Highlights

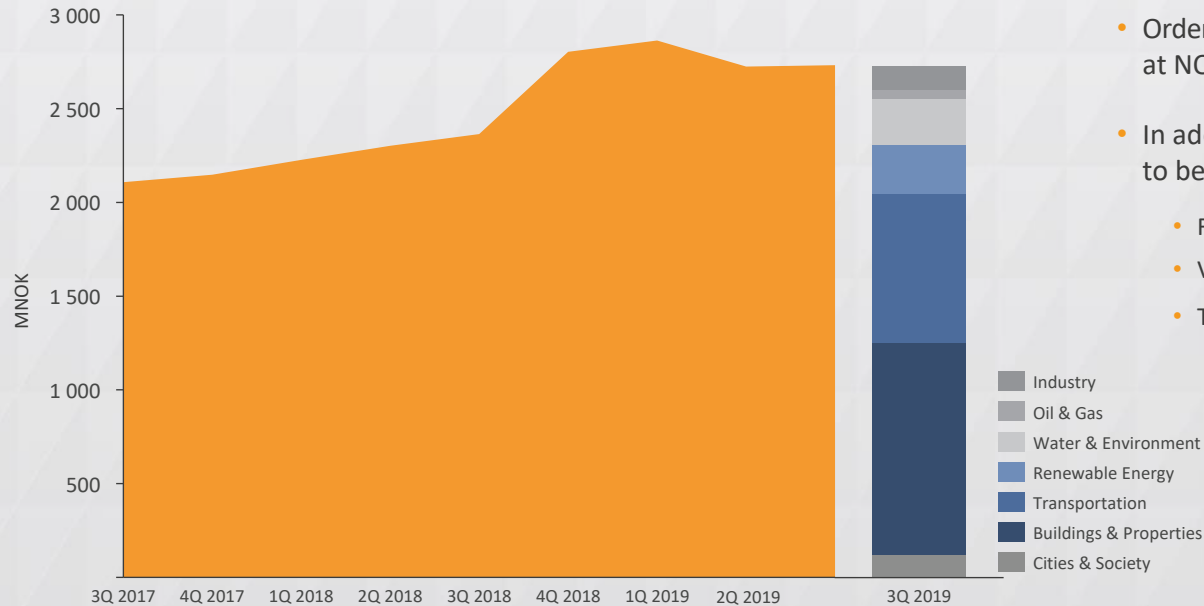
- Order intake NOK 945.1 million
- Balanced across business areas, normal variation between periods
- Solid long-term tender pipeline, across most business areas
- Short-term uncertainties due to customer reorganisation

## Key order intake

- Västerås hospital (new)
- Gol station (new)
- Mjøsa bridge (existing)
- Tønsberg hospital (existing)
- Fornebubanen (existing)



## Order backlog development and backlog per business area



- Order backlog remains strong at NOK 2 732 million
- In addition, call-offs on frame agreements to be included when signed
  - Fornebubanen (Oslo kommune)
  - Various engineering (Kystverket)
  - Trøndelag (Forsvarsbygg)

# Organisation

- 3 005 employees at 30 September 2019 (up from 2 875)
- Vestfold hospital nominated for «Norsk Lyspris 2019»
  - Best indoor project category for the psychiatric building at Tønsberg Hospital
- Extract of achievements to employees in 3Q
  - Bjørn Thorud awarded «Årets solstråle 2019» from the Norwegian Solar Energy Association on his effort to promote solar energy in Norway
  - Reignard Tan awarded Concrete Association's Research and Development award on his PhD calculations and design of large-scale concrete structures





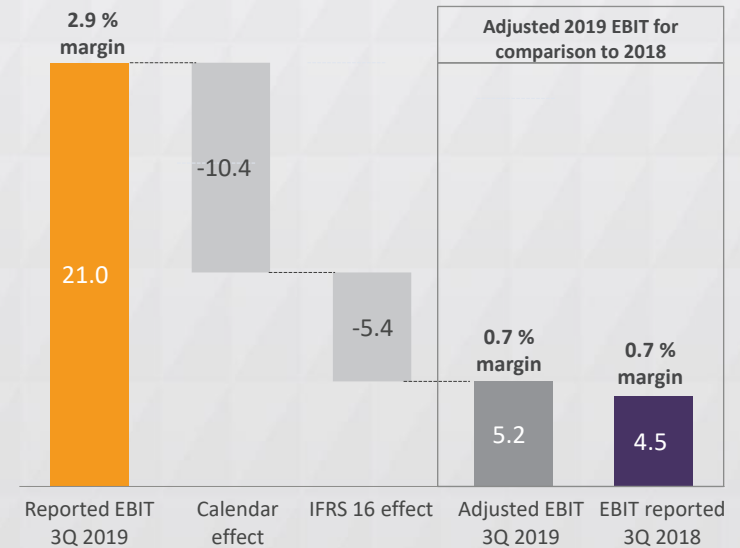
# FINANCIAL REVIEW

Hans-Jørgen Wibstad, CFO



# Financial Highlights 3Q 2019

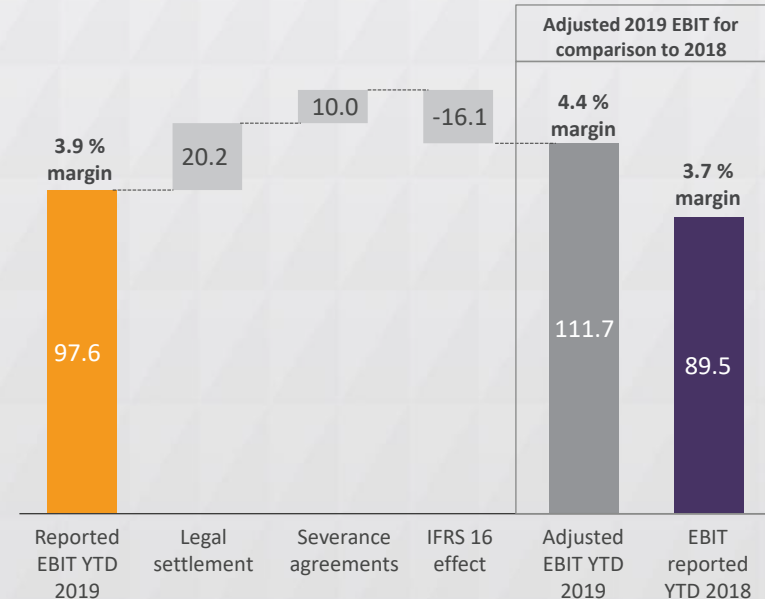
- Net operating revenues up 6.7 % to NOK 720.4 million
  - Purely organic growth
- EBIT of NOK 21.0 million, 2.9 % margin
  - Calendar effect: + NOK 10.4 million
  - IFRS 16 effect: + NOK 5.4 million
- Opex\* up 9.2 %, due to higher activity and claims settlements
- Net project write-downs NOK 31.1 million (vs NOK 7.3 million)
  - 4.3 % of net operating revenues (vs 1.1 %)
- NIBD (ex IFRS 16) is NOK 283.0 million (NOK 313.3 million)



\*Excluding IFRS 16

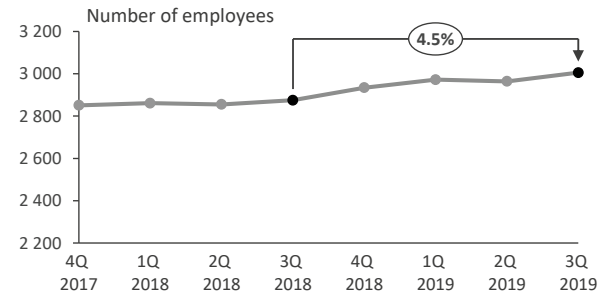
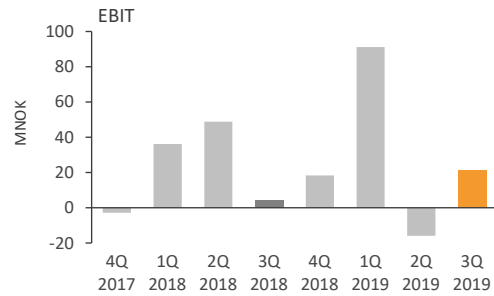
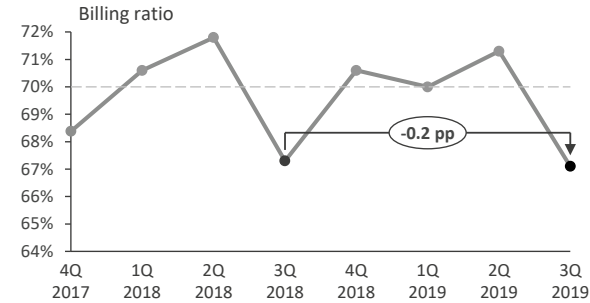
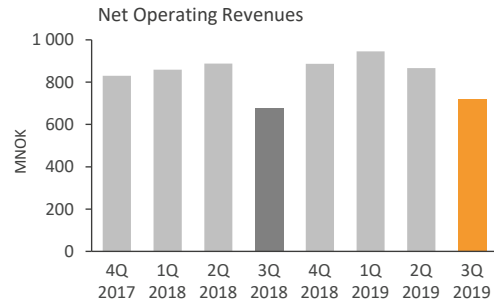
# Financial Highlights YTD 2019

- Net operating revenues up 4.5 % to NOK 2 531.4 million
  - Purely organic growth
  - 5.3 % growth, adjusted for Stortinget
- EBIT NOK 97.6 million, 3.9 % margin
  - Legal settlement, IFRS 16 effect, severance agreements
- Opex\* up 4.7 %
  - Growth, salary adjustment, general CPI, severance agreements
- Net project write-downs NOK 64.4 million (vs NOK 32.9 million)
  - 2.5 % of net operating revenues (vs 1.4 %)
  - 1.8 % adjusted for legal settlement with Stortinget



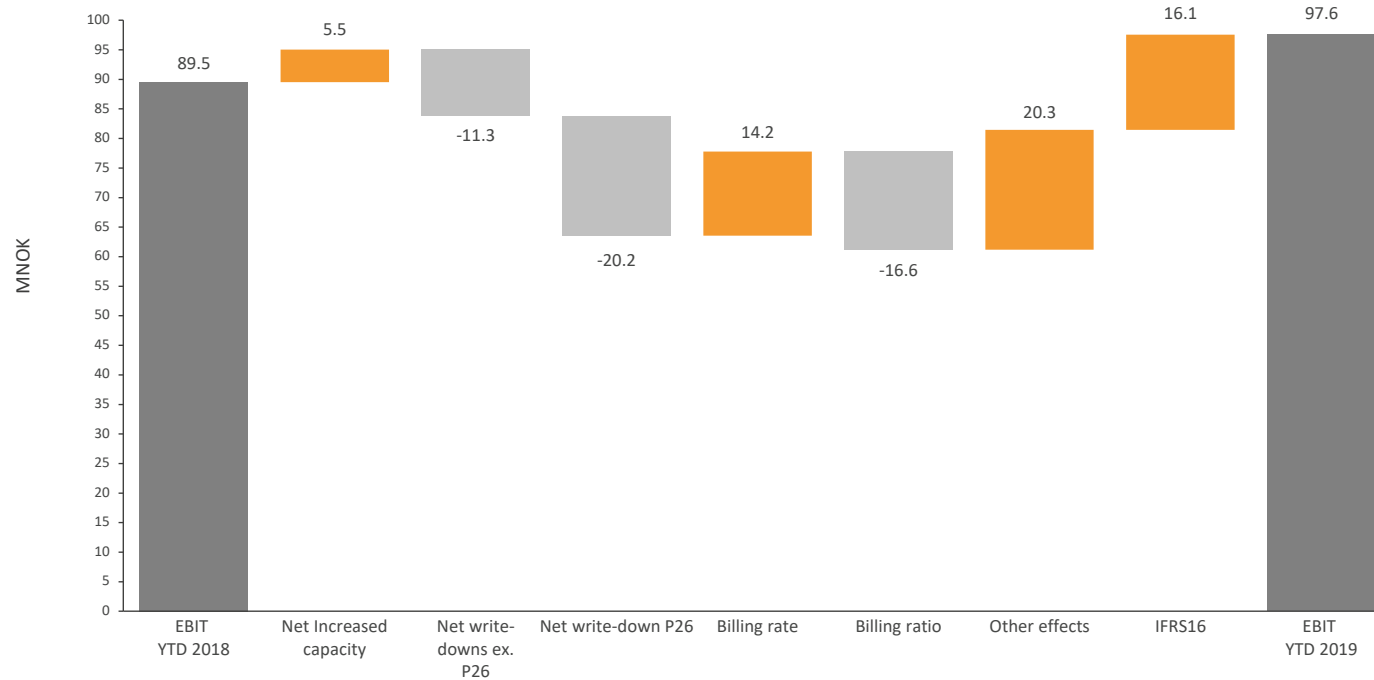
\*Excluding IFRS 16

# Financial highlights 3Q 2019





## EBIT Bridge YTD



## Greater Oslo Area YTD 2019

- Higher activity level and billing rates
- Significant project write-downs within Renewable Energy unit
- Legal dispute settlement with Stortinget of NOK 20.2 million
- Significant growth within Transportation and Water & Environment
- Strong order intake, especially Transportation

| Greater Oslo Area       | YTD 2019 | YTD 2018 | Change  |
|-------------------------|----------|----------|---------|
| Net Operating Revenue   | 1 150.3  | 1 124.4  | 2.3 %   |
| EBIT MNOK               | 54.5     | 52.4     | 3.9 %   |
| EBIT margin %           | 4.7 %    | 4.7 %    | 0.0 pp  |
| Adjusted EBIT MNOK*     | 73.1     | 52.4     | 39.5 %  |
| Adjusted EBIT margin %* | 6.3 %    | 4.7 %    | 1.6 pp  |
| Billing ratio           | 69.4 %   | 70.5 %   | -1.1 pp |
| Number of employees     | 1 188    | 1 154    | 2.9 %   |

\*Adjusted for IFRS 16 and legal settlement with Stortinget



## Regions Norway YTD 2019

- Higher activity level
- Large project write-downs in one unit
- Higher billing rates, but lower billing ratio
- Solid performance from Buildings & Properties and Transportation
- Good order intake

| Regions Norway          | YTD 2019 | YTD 2018 | Change  |
|-------------------------|----------|----------|---------|
| Net Operating Revenue   | 835.5    | 798.5    | 4.6 %   |
| EBIT MNOK               | 44.6     | 50.5     | -11.7 % |
| EBIT margin %           | 5.3 %    | 6.3 %    | -1.0 pp |
| Adjusted EBIT MNOK*     | 38.0     | 50.5     | -24.8 % |
| Adjusted EBIT margin %* | 4.5 %    | 6.3 %    | -1.8 pp |
| Billing ratio           | 68.1 %   | 71.4 %   | -3.3 pp |
| Number of employees     | 879      | 833      | 5.5 %   |

\*Adjusted for IFRS 16



# International YTD 2019

- Higher activity level in Iterio AB and Multiconsult Polska
- Lower average billing rates
- Strong performance from Transportation
- Order intake increased significantly
- Strong order intake, especially from Transportation

| International           | YTD 2019 | YTD 2018 | Change  |
|-------------------------|----------|----------|---------|
| Net Operating Revenue   | 168.4    | 143.6    | 17.3 %  |
| EBIT MNOK               | 14.8     | 5.7      | 160.3 % |
| EBIT margin %           | 8.8 %    | 4.0 %    | 4.8 pp  |
| Adjusted EBIT MNOK*     | 14.4     | 5.7      | 152.3 % |
| Adjusted EBIT margin %* | 8.5 %    | 4.0 %    | 4.5 pp  |
| Billing ratio           | 72.4 %   | 71.6 %   | 1.1 pp  |
| Number of employees     | 331      | 269      | 23.0 %  |

\*Adjusted for IFRS 16





# LINK arkitektur YTD 2019

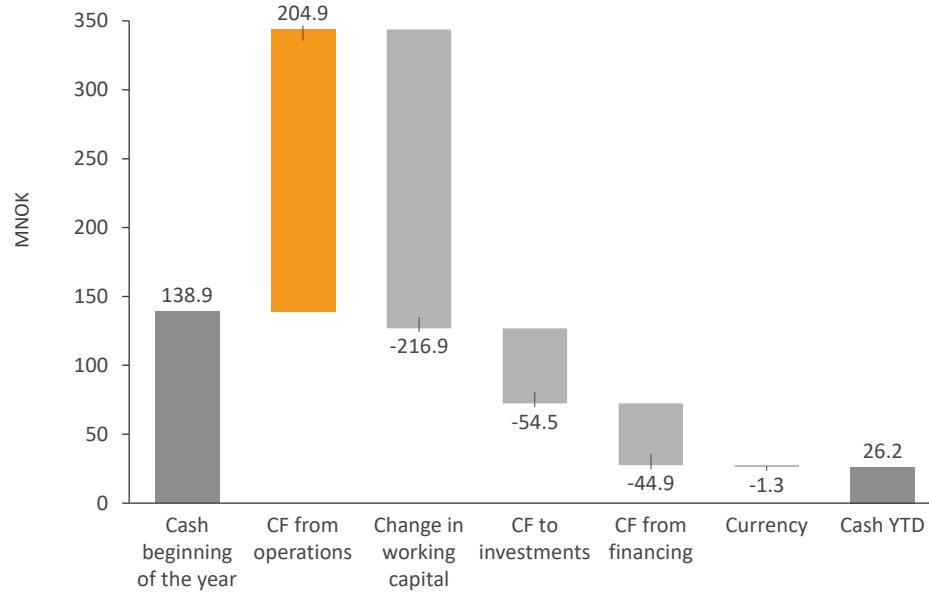
- Increased activity level, variation between units
- Higher average billing rates and billing ratio
- Strong performance in Norway
- Majority of order intake from health care buildings
- Loss in third quarter in Denmark and Sweden

| LINK arkitektur         | YTD 2019 | YTD 2018 | Change  |
|-------------------------|----------|----------|---------|
| Net Operating Revenue   | 400.7    | 372.6    | 7.6 %   |
| EBIT MNOK               | 25.4     | 7.1      | 255.6 % |
| EBIT margin %           | 6.3 %    | 1.9 %    | 4.4 pp  |
| Adjusted EBIT MNOK*     | 24.1     | 7.1      | 239.1 % |
| Adjusted EBIT margin %* | 6.0 %    | 1.9 %    | 4.1 pp  |
| Billing ratio           | 74.4 %   | 72.9 %   | 1.5 pp  |
| Number of employees     | 494      | 487      | 1.4 %   |

\*Adjusted for IFRS 16



# Cash flow YTD 2019



- Financial position
  - NOK 206 million undrawn facilities
- Higher cash flow from operating activities y-o-y
- Seasonal variations in change in working capital
- Investments include
  - Ordinary asset replacement and IFRS 16 effect
- Financing activities
  - Reduction in current interest bearing debt, dividend and lease payment

| Cash and liabilities MNOK                           | 3Q 2019 | 2Q 2019 | 1Q 2019 | 4Q 2018 | 3Q 2018 |
|---|---------|---------|---------|---------|---------|
| Cash  | 26.2    | 31.4    | 48.8    | 138.9   | 120.9   |
| Gross debt  | 1 247.5 | 199.3   | 235.3   | 198.4   | 434.2   |
| Net interest bearing debt (ex IFRS 16 leasing debt) | 283.0   | 167.9   | 186.6   | 59.5    | 313.3   |

# Summary

- Solid order intake and strong order backlog
- Solid revenues growth
- High level of net project write-downs in the quarter
- nextLEVEL improvement programme initiated





## FINANCIAL CALENDAR

|                 |             |
|-----------------|-------------|
| 4Q 2019 results | 26 Feb 2020 |
| 1Q 2020 results | 20 May 2020 |
| 2Q 2020 results | 26 Aug 2020 |
| 3Q 2020 results | 4 Nov 2020  |



# Q&A

THIRD QUARTER 2019 RESULTS | Grethe Bergly, CEO  
Hans-Jørgen Wibstad, CFO



# EMPOWERED BY Multiconsult

[www.multiconsult-ir.no](http://www.multiconsult-ir.no)

