

Multiconsult third quarter 2022 - Continued good results and operational performance

Multiconsult ASA (OSE: MULTI)

Multiconsult's third quarter EBITA came in at NOK 67.8 million, which gives an EBITA for the first nine months of 2022 of NOK 311.7 million. The EBITA margin in the quarter was 7.7 per cent, and 10.2 per cent year to date. Solid operational performance and a high activity level throughout the quarter resulted in a growth in net operating revenues of 13.8 per cent to NOK 876.0 million. The organic revenue growth was 7.9 per cent driven by higher billing rates, increased billing ratio and higher number of employees. The result is impacted by restructuring in LINK Arkitektur Sweden and an income recognition on insurance settlement of NOK 13.6 million in the quarter.

The positive trend and strong market have continued throughout the quarter despite 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, supported by a strong pipeline. Multiconsult holds a diversified portfolio of ongoing projects and a stable and strong order backlog.

"In the third quarter of 2022, Multiconsult delivered a solid operational performance and another strong quarter with a good result, increased order intake, and revenue growth. Supported by a strong market and with increased capacity from both acquired companies and organic growth we have succeeded with a good start-up after the summer break." says Grethe Bergly, CEO of Multiconsult ASA. "Overall, Multiconsult is well-positioned to benefit from positive market dynamics, and I am pleased to see that Multiconsult's competence is sought after by our clients in their challenges facing the current energy transition and the green shift."

Third quarter 2022

Net operating revenues came in at NOK 876.0 million (769.6), an increase of 13.8 per cent compared to the same quarter last year. The increase in net operating revenues is partly impacted by revenues from acquired companies. Revenues from the acquired Erichsen & Horgen group is only included in part of the comparable period - September 2021. The growth is also impacted by an income recognition from an insurance settlement of NOK 13.6 million. Compared to the same period last year the organic growth in net operating revenues is estimated to 7.9 per cent after adjusting for acquisitions and insurance settlement. Higher average billing rates and higher billing ratio had a positive effect on net operating revenues compared to the same quarter last year.

Operating expenses increased by 12.1 per cent to NOK 757.3 million (675.4). Employee benefit expenses increased by 11.1 per cent compared to the same quarter in 2021. The increase is mainly attributable to higher employee benefit expenses caused by ordinary salary adjustment effective from 1 July, increased manning level from acquisitions and net recruitment. Other operating expenses increased to NOK 121.6 million (103.5) partly due to acquired companies with higher office expenditure. In addition, other operating expenses increased in general as business activities return to a normal post Covid-19 situation.

EBITDA was NOK 118.7 million (94.1), an increase of 26.1 per cent compared to the same period last year, reflecting an EBITDA margin of 13.5 per cent (12.2) in the quarter.

EBITA was NOK 67.8 million (46.0), reflecting an EBITA margin of 7.7 per cent (6.0) in the quarter. EBITA and EBITDA was positively impacted by an income recognition on insurance settlement.

Year to date 2022

Net operating revenues increased by 12.0 per cent to NOK 3 062.6 million (2 735.4), when compared to the same period last year. The increase in net operating revenues is positively impacted by revenues from acquired companies and higher billing rates when compared to the same period last year. Billing ratio came in at 70.7 per cent (70.3) and contributed positively to growth in net operating revenues. Compared to the same period last year the organic growth in net operating revenues is estimated to 4.0 per cent after adjusting for the calendar effect, insurance settlement and acquisitions.

Operating expenses consists mainly of employee benefit expenses and other operating expenses. Reported operating expenses came in at NOK 2 598.8 million (2 332.4), an increase of 11.4 per cent compared to same period last year. Employee benefit expenses increased by 9.7 per cent compared to the same period in 2021. The increase is mainly due to increased manning level from acquisitions, net recruitment, and regular salary adjustment. Other operating expenses increased to NOK 380.9 million (310.4) in the period mainly an effect of added operating expenses from prior acquisitions such as office expenses. In addition, other operating expenses including sales, marketing and travel expenses increased as business activities return to a normal post Covid-19 situation.

EBITDA was NOK 463.8 million (403.1), an increase of 15.1 per cent compared to the same period last year.

EBITA was NOK 311.7 million (259.1), an increase of 20.3 per cent y-o-y, reflecting an EBITA margin of 10.2 per cent.

The market outlook for Multiconsult's services is expected to remain good supported by high activity level both in the public and private sector. Opportunities in the pipeline are at a high level and the overall outlook for the market in Multiconsult's four business areas remains generally strong. Multiconsult experience a strong market in the traditional consultancy and engineering market within the construction industry.

Multiconsult holds a diversified portfolio of ongoing projects and a stable and strong order backlog. In Norway, Multiconsult is well positioned for several of the large projects proposed in the Norwegian National Budget for 2023 and expects 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 both in Norway and abroad.

In the building and property market the trend for sustainable transformation and rehabilitation continues with increased volume of projects related to energy saving in buildings. The infrastructure market is expected to continue at a high level. The National Budget 2023 shows a direction towards a lower infrastructure investment level in a long-term perspective. The Energy market is foreseen to increase due to the rise of energy demand and increasing energy costs. The international hydropower market continues a positive path, projects are starting up and new opportunities are recorded in the pipeline. The hydropower market in Norway is mainly related to rehabilitation and energy optimisation. The announced tax increase related to hydropower and wind-power in the National

Budget 2023 has increased the uncertainty for new investments. The offshore wind market is mainly related to early phase studies and generates opportunities for Multiconsult. The maintenance lag in water- and wastewater infrastructure is significant, which together with a growing market for climate change adaptations and environmental remediation, indicates a good market outlook in this area. The National Budget 2023 shows somewhat higher investments related to nature hazards and climate change initiatives.

Multiconsult is exposed to the general uncertainty caused by a more unstable macro- and geopolitical-environment and sees challenges with regards to the proposed increase in employer's tax in the National Budget as this will increase our costs.

For a full review of our report, please refer to our third quarter 2022 report.

Presentations today 2 November 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 can be accessed at:

https://channel.royalcast.com/landingpage/hegnarmedia/20221102_1/

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

https://channel.royalcast.com/landingpage/hegnarmedia/20221102_2/

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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