

FOURTH QUARTER & FULL YEAR 2020 RESULTS

Grethe Bergly, CEO | Hans-Jørgen Wibstad, CFO

Date: 17 February 2021



DISCLAIMER

This report 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 notice, 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 report.

INTRODUCTION AND HIGHLIGHTS

GRETHE BERGLY | CEO

Highlights | FY 2020

NET OPERATING REVENUES

3 661

+ 6.6%
NOK million

EBIT

371

+ 249%
NOK million

BILLING RATIO

70.9%

+ 1.7pp

OPERATING EXPENSES

3 061

- 2.4%
NOK million

EPS

9.25

+ 612%

OSE: MULTI

145.0

+101% vs. YE19

OPERATIONAL



- Gaustad (nye Rikshospitalet)
- E6 Mjøsbrua
- Fornebubanen
- Ocean Space Centre
- Statkraft SF
- Deichman Bjørvika
- Campus Ås

Financial highlights

4Q 2020

- EBIT of NOK 83.0 million (NOK 8.7 million), equal to 8.6% margin (1.0% margin)
- Improved billing ratio of 2.9pp to 71.0%
- All-time high order backlog of NOK 3 327 million

FY 2020 results

- Net operating revenues up 6.6% to NOK 3 661 million
- EBIT of NOK 371.0 million (NOK 106.3 million), equal to 10.1% margin (3.1% margin)
 - EBIT ex. restructuring cost: NOK 401.0 million, reflecting a margin of 11.0%
- Other operating expenses of NOK 402.2 million a y-o-y reduction of 16.6%

Highlights

- Significant improved operation, and successful nextLEVEL programme
- Solid sales and all-time high order backlog
- Achieved the GO strategy goals
- Strengthened position in infrastructure and hospitals
- Strong employee commitment
- Outstanding cooperation with our clients
- Stable market outlook in all major business areas, but still some shorth term uncertainty
- Proposed NOK 8.00 per share as ordinary dividend



Highlights | SUSTAINABILITY (ESG)

RENEWABLES



FEASIBILITY STUDY - FLOATING SOLAR CELL SYSTEMS (F-PV), KENYA

The project for KenGen will contribute to a more flexible and sustainable energy system in the country.

CIRCULARITY



SOFIENBERG SECONDARY SCHOOL, OSLO

The industry accounts for 16 per cent of Norway's greenhouse gas emissions and around 25 per cent of waste production in Norway.

CARBON CAPTURE & STORAGE



NORTHERN LIGHTS – PART OF THE FULL-SCALE CCS PROJECT IN NORWAY

Capture of CO₂ from industrial capture sources, shipping of liquid CO₂ to an onshore terminal on the Norwegian west coast and permanent stored in an offshore storage location subsea in the North Sea.

OPERATIONS



HYBRID DRILLING RIG

The very first hybrid drilling rig for geotechnical ground investigations in Norway, and most likely in the world.

Highlights | DIGITALISATION

NETWORKS



ENTREPRISE BUSINESS AGREEMENT WITH AUTODESK

The collaboration will primarily focus on how technologies related to automation, data management and future forms of interaction will shape the industry.

SMART CITIES & SOCIETIES



PARTNERSHIP WITH TELIA ON IOT AND SMART TECHNOLOGIES

In the short term, the collaboration will focus on how sensory science, wireless technologies, advanced algorithms, etc. can form the basis for optimised resource utilisation and interaction.

INNOVATION



NEW IDEA MANAGEMENT METHODOLOGY AND SYSTEM

To enable the organization to gather, manage, develop, analyse and implement ideas that solve real business problems and identify new opportunities.

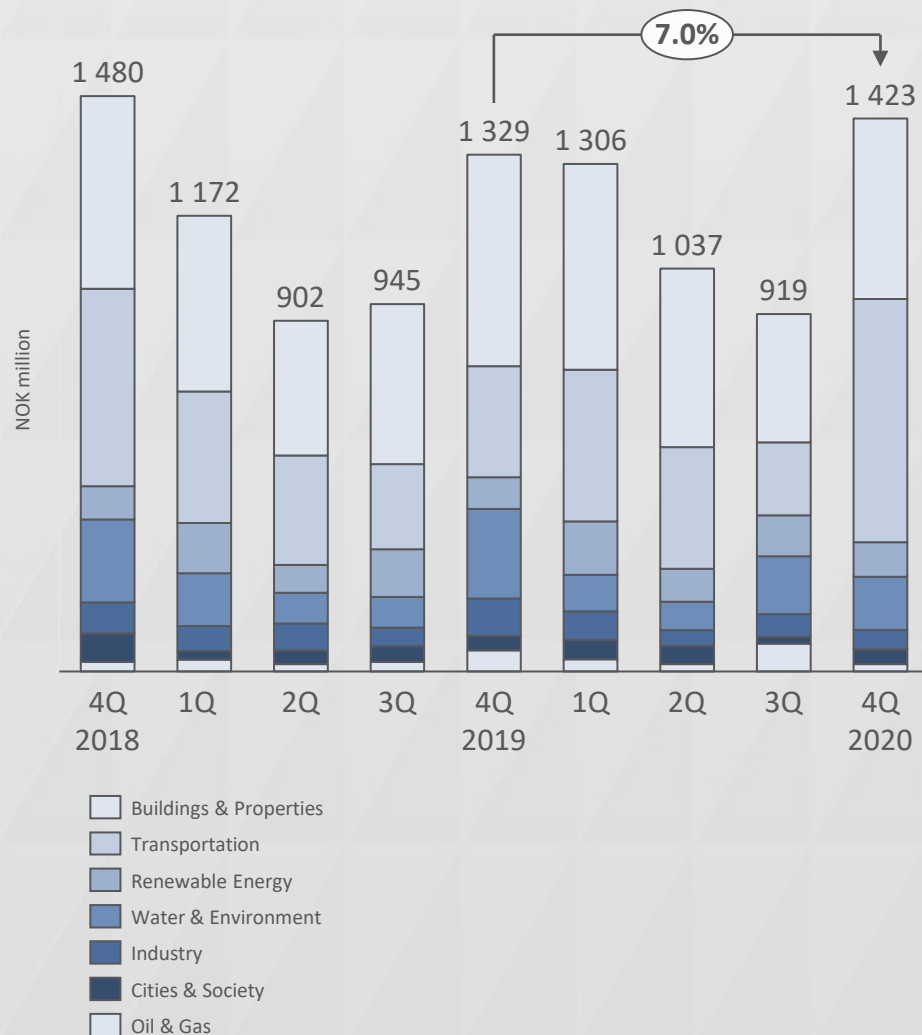
DATA & BUSINESS INTELLIGENCE



DATA & BUSINESS INTELLIGENCE - INITIATIVE

Initiative combine business analytics, data mining and infrastructure to be more data-driven in the future.

Order intake | 4Q 2020



Highlights

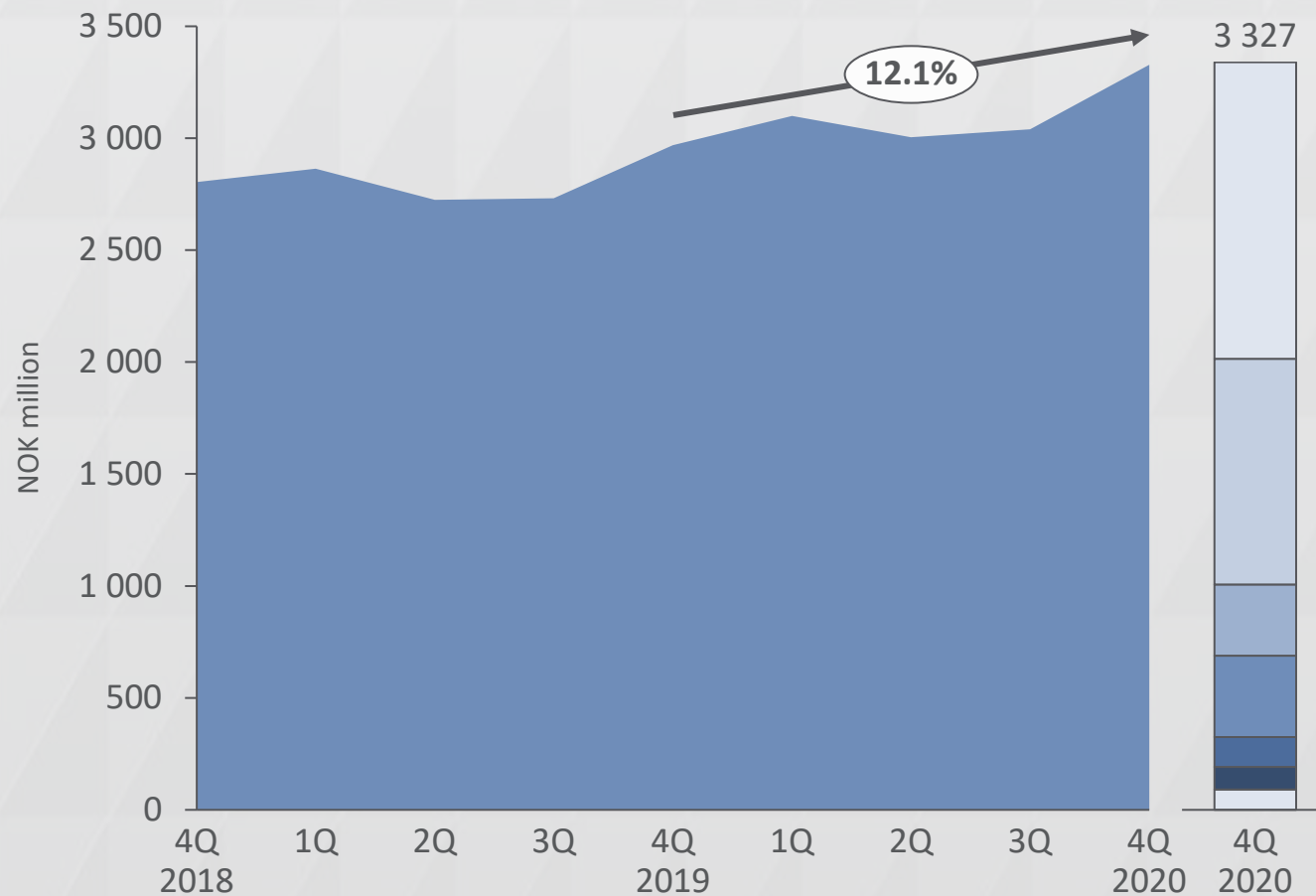
- Significant or strategically important contracts awarded this quarter
 - A new frame agreement for Statnett SF
 - Rehabilitation of Stavanger rådhus (City hall)
 - Daugava Hydroelectric Power Plant
- Order intake up 7.0% y-o-y, to NOK 1 423 million, second highest since IPO
- Opportunities in the pipeline are at a good level

Key order intake in the quarter (sales)

- Fornebubanen (City of Oslo)
- Gaustad (nye Rikshospitalet)
- Water supply to Oslo (City of Oslo)
- Daugava Hydroelectric Power Plant in Latvia (new)



Order backlog | 4Q 2020



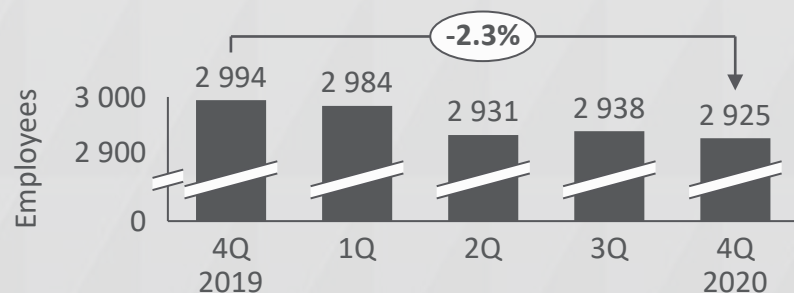
Order backlog

- Solid at an all-time high NOK 3 327 million (NOK 2 968 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



Organisation & People

- 2 925 employees as of 31 December 2020
- Strong commitment and contribution to the turnaround process
- Extraordinary bonus to employees in 4Q, NOK 25 million
- Stovnertårnet is the winner of Norway's most inclusive innovation project for landscape architecture.
- Vladimír Hamouz defended his doctorate at NTNU. The submitted dissertation is entitled: «Retention and detention-based roofs for stormwater management in urban environments in cold climates»



Covid-19

Taking prudent responsible actions to secure our employees, our business and our customers

- High level of digitalisation – has secured solid activity through 2020
- High focus on employee well being
 - Digital physical training
 - Web based courses
 - Digital town-hall meeting, social based
 - Internal meeting break (1 hour a day)
- Planning for the future way of working



FINANCIAL REVIEW

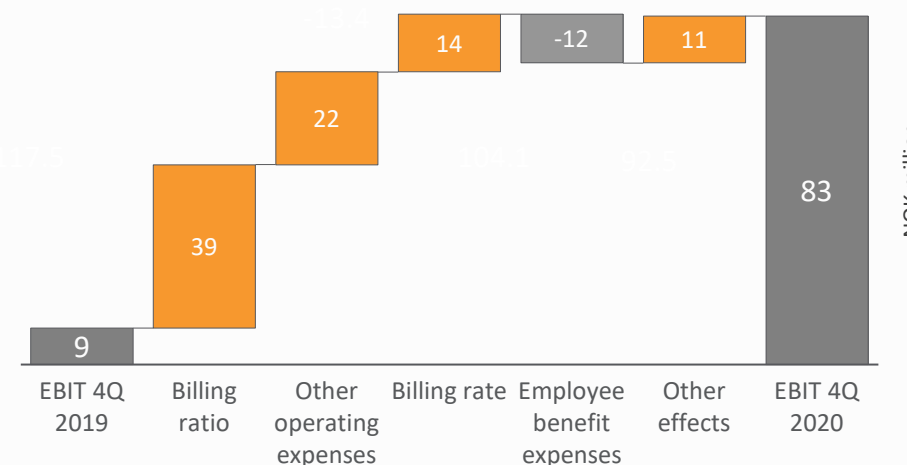
HANS-JØRGEN WIBSTAD | CFO

Financial Highlights | 4Q 2020

- Net operating revenues up 6.9% to NOK 967.1 million
- EBIT of NOK 83.0 million, 8.6% margin
 - An improvement from NOK 8.7 million (1.0%) in 2019
- Other operating expenses of NOK 104.4 million a y-o-y reduction of 17.5%
- Other opex* ratio reduced to 15.1% from 18.3% same period last year
- Improved billing ratio of 2.9pp to 71.0%
- Extraordinary bonus to employees, NOK 25 million
- Solid order intake of NOK 1 423 million (NOK 1 329 million)
- All-time high order backlog of NOK 3 327 million

*Excluding IFRS 16

Consolidated key figures NOK million	4Q 2020	4Q 2019	Change
Net Operating Revenues	967.1	904.5	6.9 %
EBIT	83.0	8.7	848.8 %
EBIT margin %	8.6 %	1.0 %	7.6 pp
EBIT ex restructuring cost	83.0	12.7	551.0 %
EBIT margin ex restructuring cost	8.6 %	1.4 %	7.2 pp
Order intake	1 423	1 329	7.0 %
Order Backlog	3 327	2 968	12.1 %
Billing ratio	71.0 %	68.1 %	2.9 pp
Number of employees	2 925	2 994	(2.3 %)

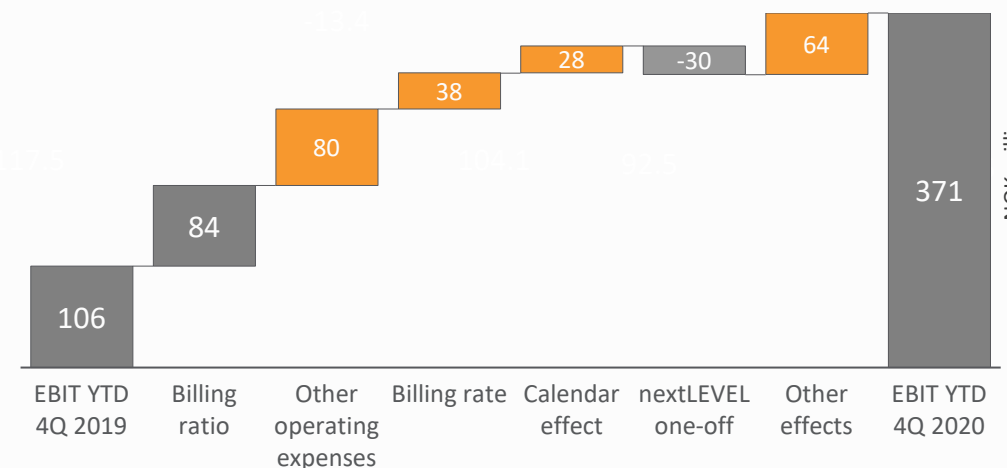


Financial Highlights | FY 2020

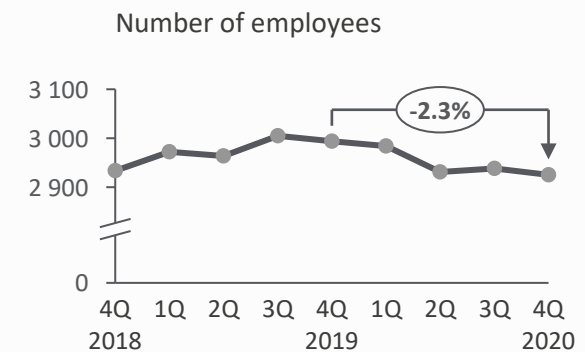
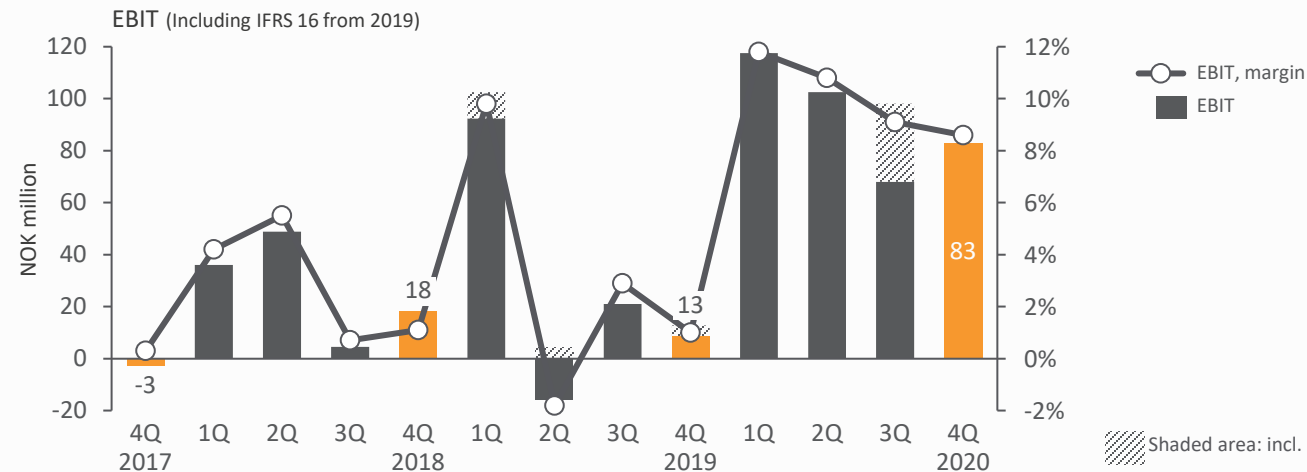
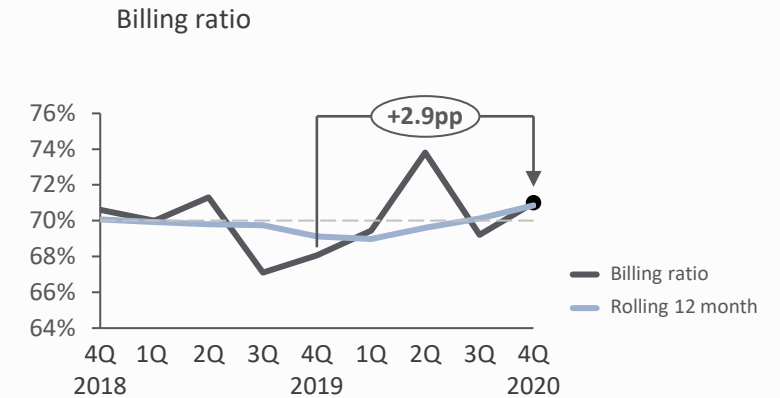
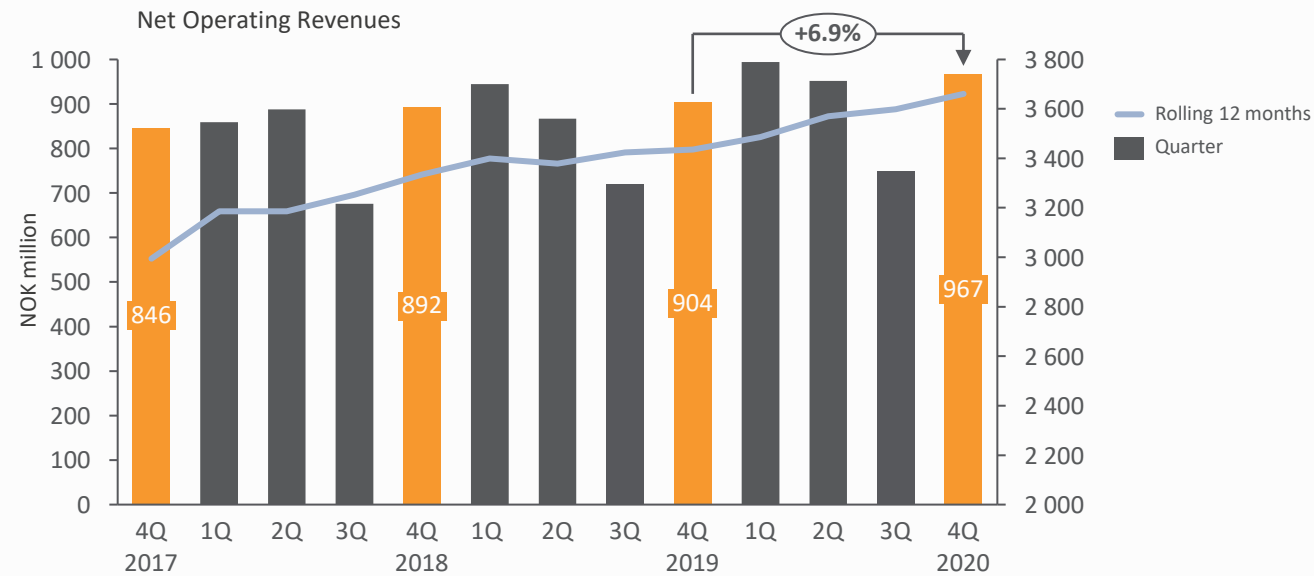
- Net operating revenues up 6.6% to NOK 3 661 million
- EBIT of NOK 371.0 million, 10.1% margin
 - An improvement from NOK 106.3 million (3.1%) in 2019
- EBIT (ex. restructuring cost) of NOK 401.0 million, reflecting an EBIT margin of 11.0%
 - 2020: nextLEVEL restructuring cost of NOK 30.0 million not included
 - 2019: One-off charge NOK 34.2 million
- Other opex* ratio reduced to 15.6% from 18.7%
- Improved billing ratio of 1.7pp to 70.9%
- Profit of NOK 249.2 million (NOK 35.1 million)
- Earnings per share (EPS) NOK 9.25 (NOK 1.30)
- Strong balance sheet - Net debt free

*Excluding IFRS 16

Consolidated key figures NOK million	FY 2020	FY 2019	Change
Net Operating Revenues	3 660.9	3 435.8	6.6 %
EBIT	371.0	106.3	249.0 %
EBIT margin %	10.1 %	3.1 %	7.0 pp
EBIT ex restructuring cost	401.0	140.5	185.4 %
EBIT margin ex restructuring cost	11.0 %	4.1 %	6.8 pp
Order intake	4 684	4 348	7.7 %
Order Backlog	3 327	2 968	12.1 %
Billing ratio	70.9 %	69.2 %	1.7 pp
Number of employees	2 925	2 994	(2.3 %)



Financial Highlights | 4Q 2020



Segments

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



Region Oslo | FY 2020

- Revenues up 7.8% y-o-y, to NOK 1 176 million
- EBIT was NOK 186.1 million reflecting an EBIT margin of 15.8%
- Reduced operating expenses, a y-o-y reduction of 4.7%
- Billing ratio up 3.4 pp y-o-y, to 73.4%.
- Higher average billing rate in 2020
- Order intake NOK 1 573 million, increase of 9.9% y-o-y
- Reduced manning level

Region Oslo NOK million	FY 2020	FY 2019	Change
Net operating revenues	1 175.7	1 090.9	7.8%
EBIT	186.1	53.0	251.1%
EBIT margin %	15.8%	4.9%	11.0pp
Order intake	1 573	1 431	9.9%
Order backlog	1 256	1 027	22.4%
Billing ratio	73.4%	70.0%	3.4 pp
Number of employees	769	817	(5.9%)



Region Norway | FY 2020

- Revenues up 4.9% y-o-y, to 1 449.8 million
- EBIT was NOK 184.0 million reflecting an EBIT margin of 12.7%
- Reduced operating expenses for the period, a y-o-y reduction of 5.0%
- Billing ratio 69.9%, up 2.0 pp y-o-y
- Order intake NOK 1 557 million, increase of 8.3% y-o-y
- Reduced manning level

Region Norway NOK million	FY 2020	FY 2019	Change
Net operating revenues	1 449.8	1 381.9	4.9%
EBIT	184.0	56.5	225.6%
EBIT margin %	12.7%	4.1%	8.6pp
Order intake	1 557	1 438	8.3%
Order backlog	597.6	580.8	2.9%
Billing ratio	69.9%	67.9%	2.0pp
Number of employees	1 033	1 068	(3.3%)



Energy | FY 2020

- Revenues of NOK 248.8 million, a y-o-y reduction of 0.7%
- EBIT was NOK 6.8 million reflecting an EBIT margin of 2.7%
- Reduced operating expenses for the period, a y-o-y reduction of 7.3%
- Billing ratio down 1.4pp y-o-y, to 61.3%, due to some delays and stops
- Uncertainty in international Energy market, due to factors related to Covid-19

Energy NOK million	FY 2020	FY 2019	Change
Net operating revenues	248.8	250.6	(0.7%)
EBIT	6.8	(10.6)	N/A
EBIT margin %	2.7%	(4.2%)	7.0pp
Order intake	334.2	381.0	(12.3%)
Order backlog	295.1	262.8	12.3%
Billing ratio	61.3%	62.8%	(1.4pp)
Number of employees	186	199	(6.5%)



LINK arkitektur | FY 2020

- Revenues up 4.8% y-o-y, to NOK 561.6 million
- EBIT was NOK 25.7 million reflecting an EBIT margin of 4.6%
- Higher average billing rate
- Increased operating expenses, an increase of 2.0% y-o-y
- Billing ratio down 0.4 pp y-o-y, to 73.6%

LINK arkitektur NOK million	FY 2020	FY 2019	Change
Net operating revenues	561.6	535.8	4.8%
EBIT	25.7	11.0	133.8%
EBIT margin %	4.6%	2.1%	2.5pp
Order intake	745.2	728.6	2.3%
Order backlog	637.7	620.2	2.8%
Billing ratio	73.6%	74.0 %	(0.4pp)
Number of employees	487	489	(0.4%)



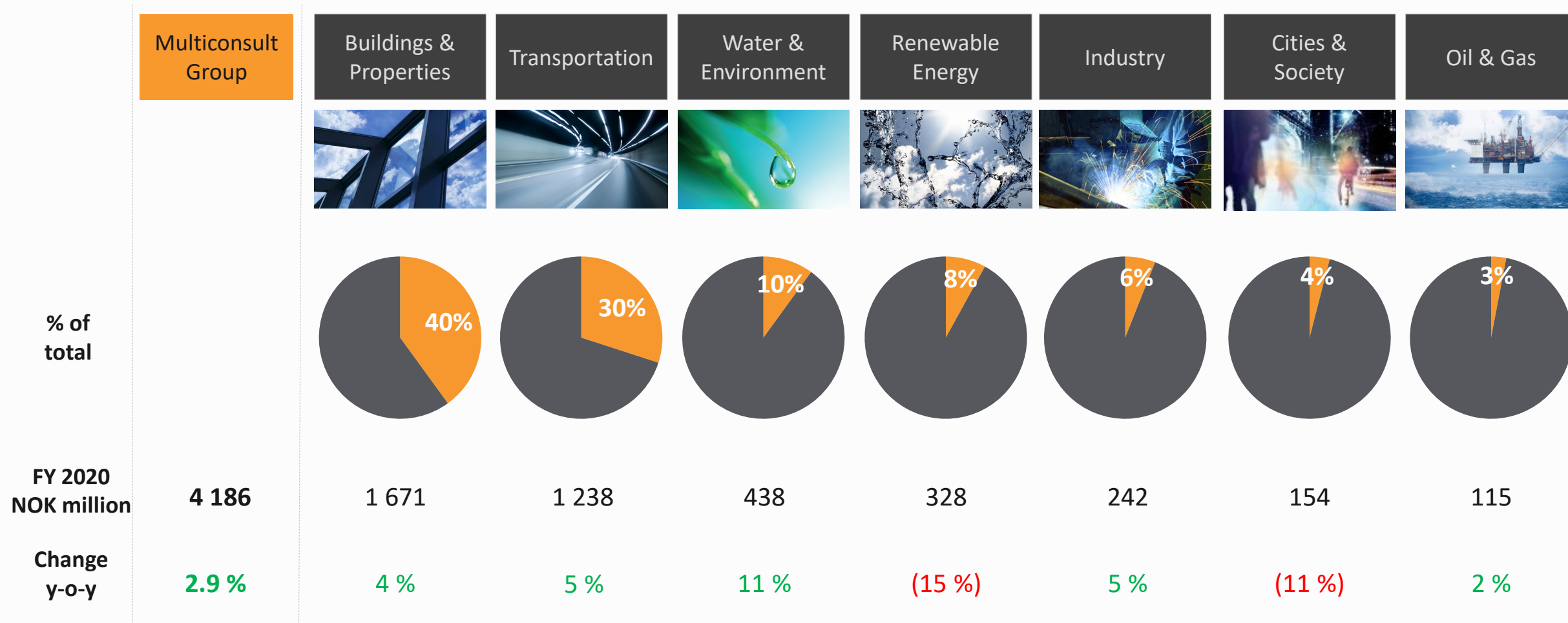
International | FY 2020

- Revenues up 17.2% y-o-y, to NOK 242.5 million
- EBIT was NOK 24.8 million reflecting an EBIT margin of 10.2%
- Order intake up 28.4 % y-o-y, to NOK 474.6 million
- High activity and increased manning level in both Multiconsult Polska and Iterio AB
- Significant contract signed
 - Spatial survey and ground study for Solidarity Transport Hub in Poland (New Central Polish Airport (Warsaw))

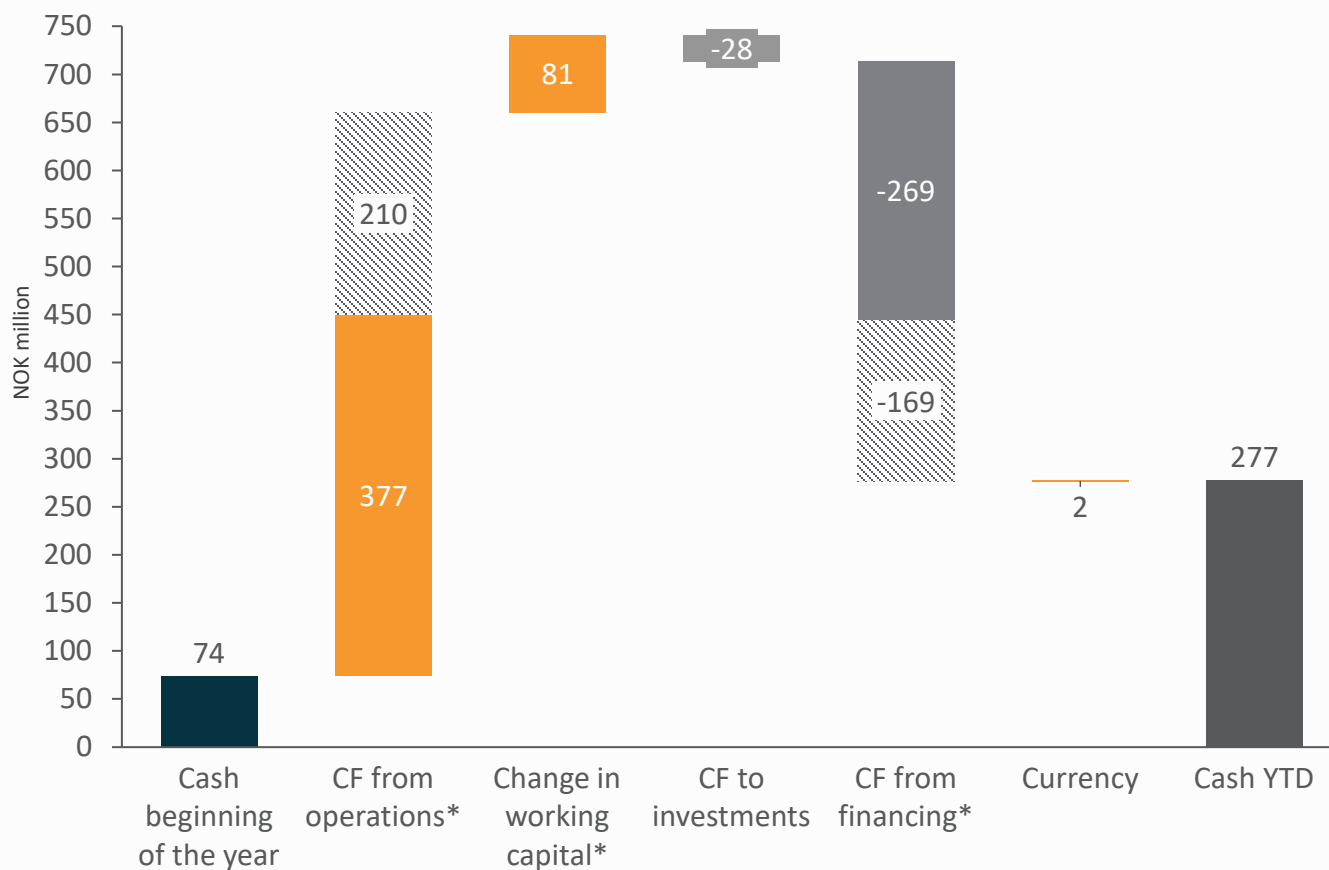
International NOK million	FY 2020	FY 2019	Change
Net operating revenues	242.5	206.9	17.2%
EBIT	24.8	17.3	43.0%
EBIT margin %	10.2%	8.4%	1.8pp
Order intake	474.6	369.6	28.4%
Order backlog	586.8	497.6	17.9%
Billing ratio	74.9%	73.5%	1.4pp
Number of employees	321	299	7.4%



Operating revenues by business area FY 2020

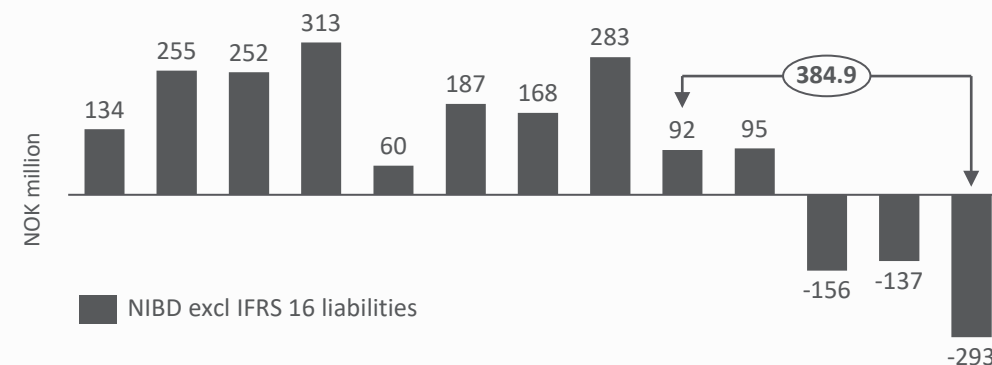


Financial Position | YTD 2020

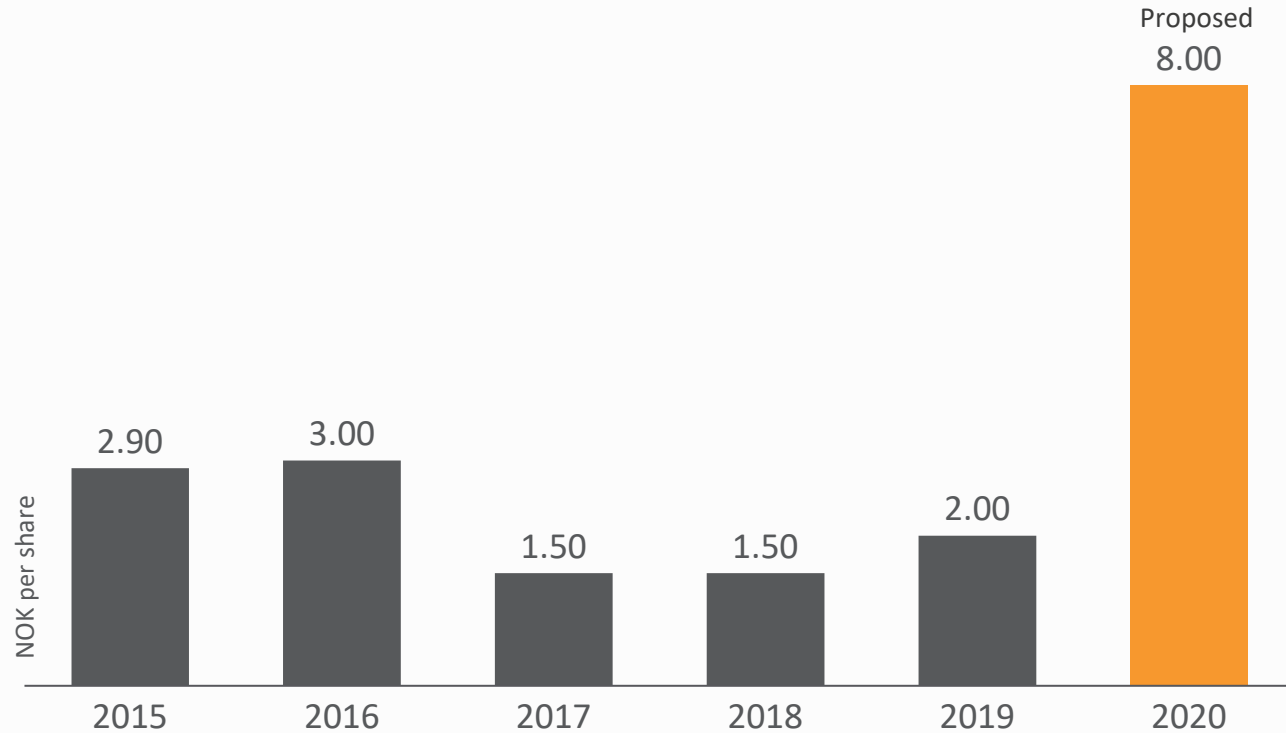


*Shaded areas show IFRS 16 (non-cash) effects on CF from operations-, working capital- and financing

- Solid cash generation last 12 month (LTM)
 - Net debt improved by NOK 384.9 million LTM
- Repayment on the NOK 200 million revolving credit facility
 - In second quarter by NOK 72 million
 - In third quarter by NOK 100 million
- Strong Balance Sheet position, net debt free
 - Total undrawn loan facilities NOK 520 million



Dividend proposal



Basis for dividend proposal

- Strong financial results
- Strong balance sheet (debt free)
- Sound financial flexibility
- NOK 8.00 per share proposed for 2020 as ordinary dividend

The dividend policy is based on an ambition to distribute at least 50 per cent of the group's net profit annually.

When deciding the annual dividend level, the board of directors will take into consideration the various aspects of the financing strategy, such as expected cash flows, capital expenditure plans, financing requirements and appropriate financial flexibility.

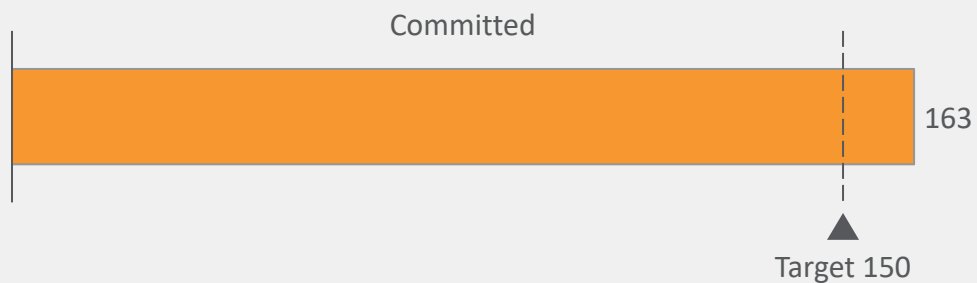
nextLEVEL

4Q | 2020

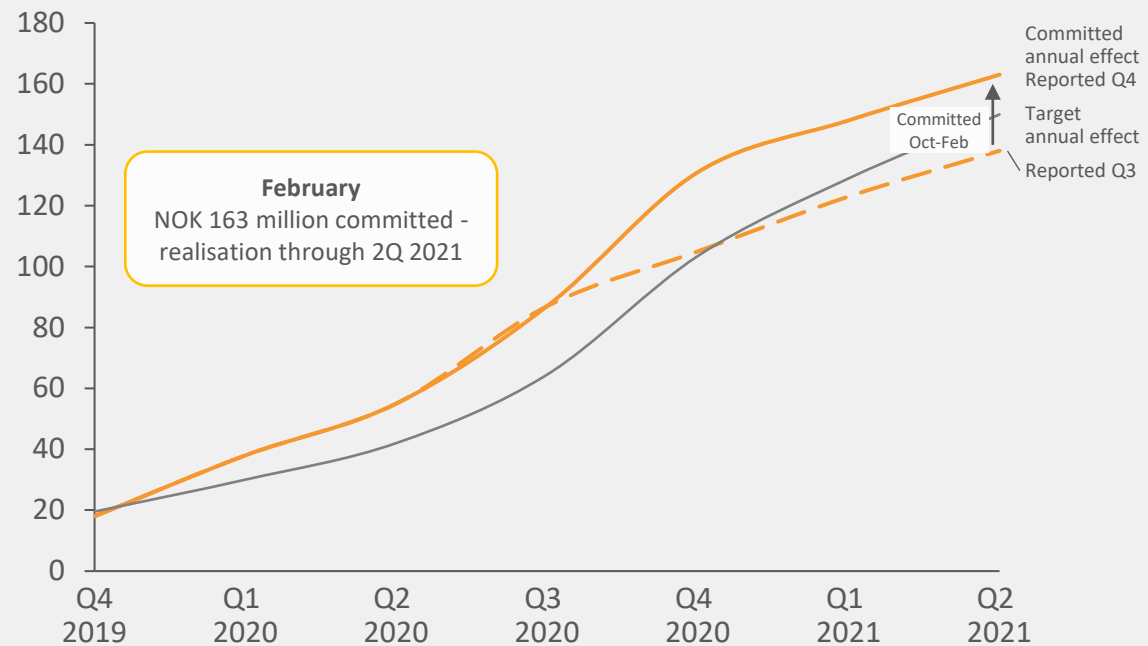


nextLEVEL ahead of schedule

NOK million

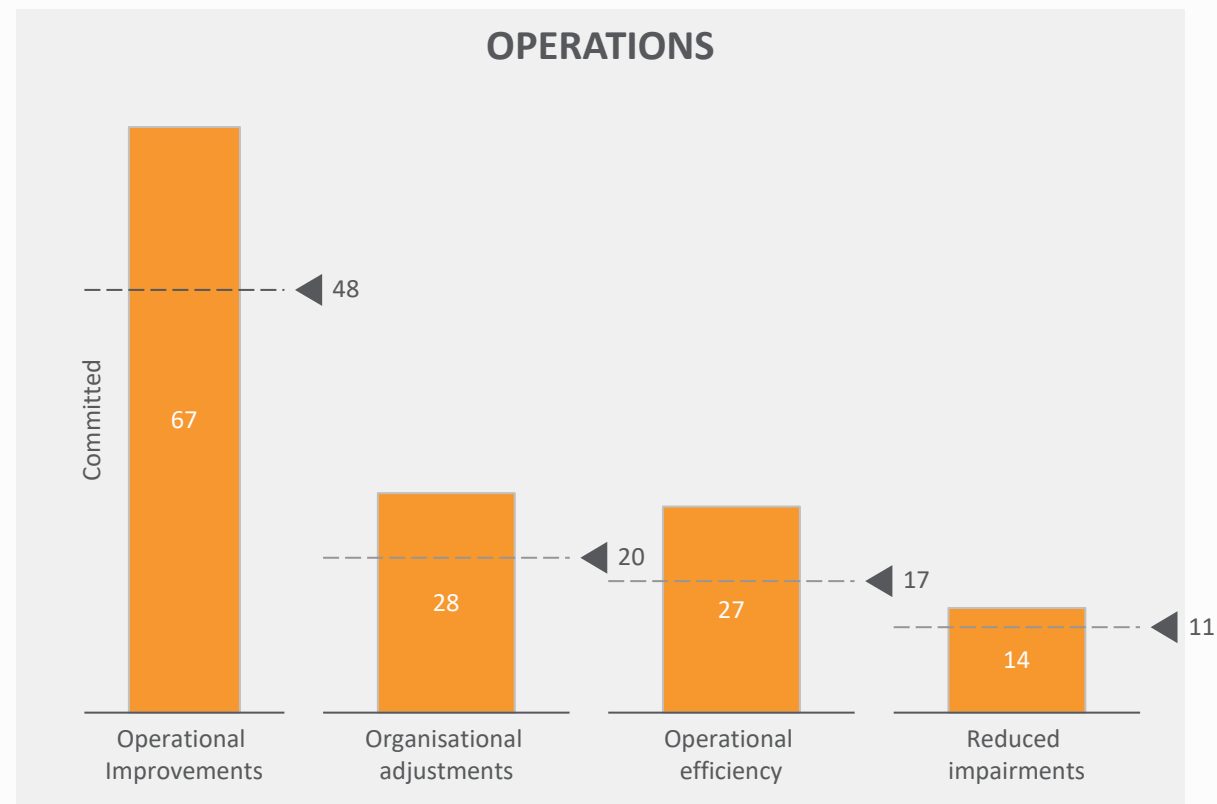
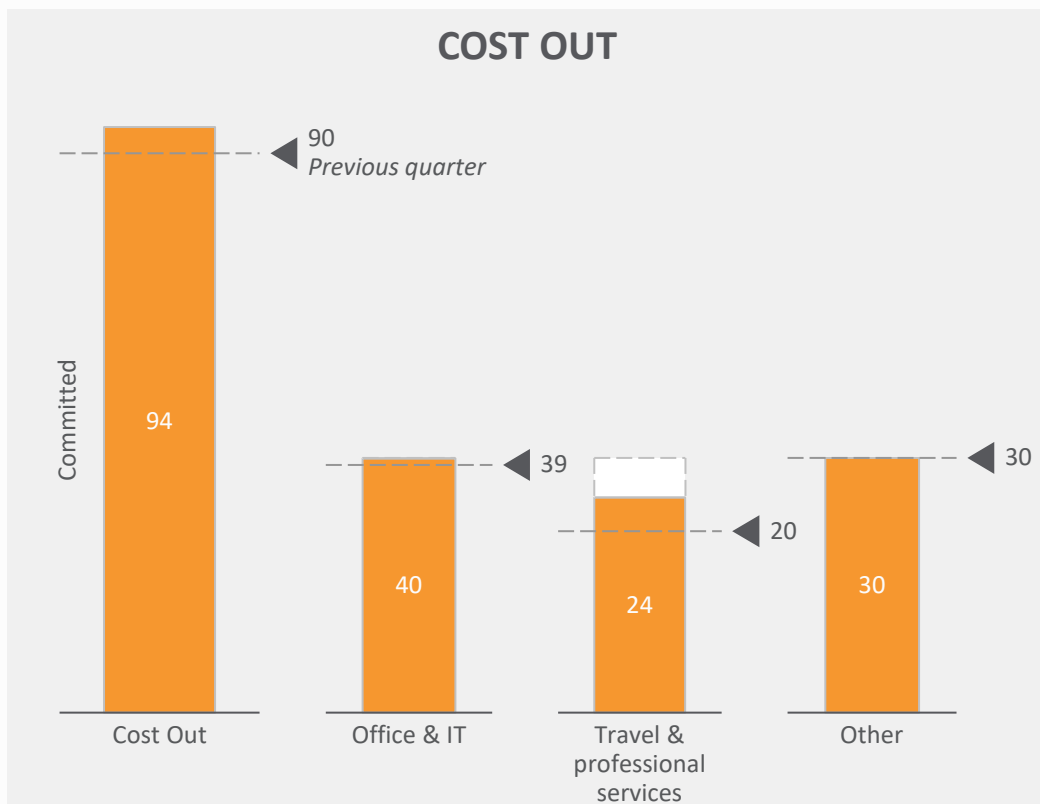


nextLEVEL



Cost Out and Operations detailed

NOK milion



Outlook

- Strong position and solutions with clients
- Positive development in the on-going turnaround process
 - The nextLEVEL programme is ahead of schedule
- All-time high order backlog
- Overall good market outlook and tender pipeline in most business areas
 - The pandemic continues to create uncertainty
 - Some uncertainties particularly Buildings & Properties
- Well positioned towards sustainable and digital solutions





FINANCIAL CALENDAR

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

Q&A **FOURTH QUARTER & FULL YEAR 2020 RESULTS**

GRETHE BERGLY & HANS-JØRGEN WIBSTAD