

Multiconsult fourth quarter and full year 2022 - good profitability, revenue growth, record high sales

Multiconsult ASA (OSE: MULTI)

The positive trend and strong market development continued in the last quarter of 2022. Multiconsult ended the year with a solid quarter with an EBITA of NOK 96.8 million, a margin of 8.6 per cent. EBITA for the year came in at NOK 408.5 million, a margin of 9.8 per cent. Net operating revenues grew by 5.5 per cent year-on-year to NOK 1 126.7 in the quarter, and by 10.1 per cent to NOK 4 189.2 for the year. The organic revenue growth for the quarter was 5.5 per cent. The result is impacted by a weak result in LINK Arkitektur.

The board of directors proposes a dividend of NOK 9.00 per share to be paid as ordinary dividend for 2022.

An all-time high order intake of NOK 1 559 million in the fourth quarter provides a strong and diversified order backlog going into 2023. Higher operating expenses compared to last year is driven by an increase in employees from acquisitions and other operating expenses as business activities return to a normal post Covid-19 situation. The acquisition of Roar Jørgensen AS was successfully completed in the quarter and strengthens Multiconsult's competence and market position in a new geographical area.

"We can look back at a solid quarter with good profitability, revenue growth, record high sales and a record high order backlog. I am satisfied that we have stabilised at a good and sustainable profitability level over time. Strong sales in the quarter indicates that our employees' expertise is in demand and that our services are attractive for our clients. Our solid and diversified portfolio of ongoing projects gives a good foundation for further business and growth, in a somewhat more challenging market. I am grateful to our skilled and dedicated employees for their contribution to this result", says Grethe Bergly, CEO Multiconsult.

FOURTH QUARTER 2022

Net operating revenues came in at NOK 1 126.7 million (1 068.3), an increase of 5.5 per cent compared to the same quarter last year. The increase in net operating revenues is driven by an increase in the number of employees and higher billing rate. The growth in net operating revenues was offset by a slightly lower billing ratio of 0.2pp, which came in at 70.3 per cent (70.5).

Operating expenses consist of employee benefit expenses and other operating expenses. Operating expenses increased by 5.6 per cent to NOK 980.3 million (928.5) compared to the same quarter in 2021. Employee benefit expenses increased by 5.5 per cent due to ordinary salary adjustment, increased manning level from acquisitions and net recruitment. Other operating expenses increased to NOK 147.2 million (139.1) an increase of 5.8 per cent compared to fourth quarter 2021. Business activities were somewhat influenced with the Covid-19 situation in the comparable quarter 2021.

EBITDA was NOK 146.4 million (139.8), an increase of 4.7 per cent compared to the same period last year, reflecting an EBITDA margin of 13.0 per cent (13.1) in the quarter.

EBITA was NOK 96.8 million (91.0), reflecting an EBITA margin of 8.6 per cent (8.5) in the quarter.

PRELIMINARY FULL YEAR 2022

Net operating revenues increased by 10.1 per cent to NOK 4 189.2 million (3 803.7). The growth in net operating revenues is driven by increase in billing rates, revenue from acquired companies and increase in manning level. Organic growth in net operating revenues is estimated to 4.4 per cent after adjusting for the calendar effect and acquisitions.

Operating expenses came in at NOK 3 579.1 million (3 260.9), an increase of 9.8 per cent compared to last year. Employee benefit expenses increased by 8.5 per cent. The increase is mainly due to increased manning level from acquisitions, net recruitment, and regular salary adjustment. Other operating expenses increased by 17.5 per cent to NOK 528.1 million (449.5), 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 610.2 million (542.8), reflecting an EBITDA margin of 14.6 per cent (14.3).

EBITA was NOK 408.5 million (350.5), an increase of 16.5 per cent y-o-y, reflecting an EBITA margin of 9.8 per cent (9.2).

Reported profit for the period was NOK 303.0 million (234.7). Profit for the period is positively impacted by share of profit from the associated company Norplan Tanzania Ltd. Earnings per share for the period were NOK 11.06 (8.67).

OUTLOOK

Opportunities in the pipeline are at a high level and the overall market outlook in Multiconsult's four business areas remains generally strong.

Multiconsult has not been negatively affected by the revised Norwegian National Budget for 2022 and Multiconsult is well positioned in several of the large projects granted in the National Budget for 2023. Multiconsult 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.

The recent acquisitions, strong portfolio of ongoing projects and a solid order backlog provides Multiconsult with an overall good foundation going into 2023. Multiconsult have experienced good sales in the beginning of 2023.

For a full review of outlook and report, please refer to our fourth quarter 2022 report.

Presentations today 8 February 2023:

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/20230208_1/

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

https://channel.royalcast.com/landingpage/hegnarmedia/20230208_2/

Multiconsult

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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