

Multiconsult fourth quarter and full year 2023 – a good end to the year

Multiconsult ASA (OSE: MULTI)

Multiconsult ended the year with a good quarter. The performance was influenced by high activity, increased capacity through organic growth, and overall good operational performance throughout the year. Net operating revenues grew by 20.8 per cent to NOK 1 361.5 million in the quarter, and by 14.6 per cent to NOK 4 802.5 million for the year. The robust organic revenue growth observed has continued and came in at 16.1 per cent for the quarter. EBITA for the full year came in at NOK 419.5 million (408.5), while EBITA adjusted for one-offs was NOK 446.2 million, a 9.3 per cent margin. Multiconsult's fourth quarter EBITA adjusted for one-offs amounted to NOK 145.1 million, reflecting a margin of 10.7 per cent.

The result for the fourth quarter was impacted positively by a higher billing ratio, higher average billing rates and improved project execution. One-offs related to the announced share ownership programme and restructuring cost had a negative impact on the results. As a result of successful onboarding and training of new hires, the billing ratio came in at 71.8 per cent, 1.5pp higher than the comparable quarter last year. Order intake during the year was NOK 6 926 million and NOK 1 431 million in the fourth quarter, resulting in a diversified and strong order backlog going into 2024.

The board of directors proposes a dividend of NOK 8.00 per share to be paid as ordinary dividend for 2023.

FOURTH QUARTER 2023

- Good overall performance with improved earnings and strong growth
- Net operating revenues increased to NOK 1 361.5 million (1 126.7)
 - The organic revenue growth for the quarter was 16.1 per cent
- EBITA of NOK 118.4 million (96.8), equal to an EBITA margin of 8.7 per cent (8.6)
- EBITA adjusted for one-offs was NOK 145.1 million (96.8), equal to an EBITA margin 10.7 per cent (8.6)
 - Adjusted for one-offs related to share ownership programme and restructuring cost
- Other operating expenses of NOK 164.7 million (147.2)
 - Other opex ratio (ex. IFRS 16) of 15.9 per cent (17.2)
- Strong order intake of NOK 1 431 million (1 559)
- Billing ratio of 71.8 per cent (70.3), up 1.5pp
- Full-time equivalents (FTE) increased by 11.5 per cent, to 3 523 (3 161)
- Increased M&A activity, four strategic acquisitions announced since last quarter
- Despite the persisting levelling off in the market announced last quarter, the overall market outlook has slightly improved compared to previous quarter

FULL YEAR DATE 2023

- Net operating revenues of NOK 4 802.5 million (4 189.2)
 - The organic revenue growth for the period was 12.1 per cent
- EBITA of NOK 419.5 million (408.5), equal to an EBITA margin of 8.7 per cent (9.8)

- EBITA adjusted for one-offs was NOK 446.2 million (408.5), equal to an EBITA margin of 9.3 per cent (9.8)
 - Adjusted for one-offs related to share ownership programme and restructuring cost
- Order intake at a high level of NOK 6 926 million (5 195)
- High order backlog of NOK 4 883 million (3 608)
- Other operating expenses of NOK 592.6 million (528.1)
 - Other opex ratio (ex. IFRS 16) of 16.5 per cent (17.0)
- Full-time equivalents (FTE) increased by 8.1 per cent, to 3 388 (3 134)
- Net profit of NOK 316.6 million (303.0)
- Earnings per share NOK 11.56 (11.06)
- Proposed dividend of NOK 8.00 per share as ordinary dividend

CO-OWNERSHIP AMONG EMPLOYEES

In 2015 Multiconsult ASA introduced a share purchase programme for employees. In connection with this, and over time, the company holds variable position of treasury shares. For the year 2023, the programme was replaced by an employee ownership programme. This programme consists of two parts: (i) Share purchase programme and (ii) Share ownership programme. The share ownership programme was successfully launched in the quarter and over 80 per cent of employees are now owners. The annual share purchase programme was concluded with record high participation of 47 per cent.

EXTRACT OF COMMENTS FROM CEO, GRETHE BERGLY:

Multiconsult ended 2023 with a good fourth quarter. The quarter was influenced by high activity, solid order intake, increased capacity, and overall good operational performance. The robust organic growth observed throughout the year, continued in the last quarter. There was increased M&A activity, both in Norway and Sweden in the quarter. We are pleased to see that our efforts to encourage increased co-ownership among employees has been successful and almost 50 per cent of our employees participated in this year's share purchase program.

Reflecting on the accomplishments over the past year, I am filled with pride and gratitude for the dedication and hard work contributed by each and every one of our employees. Our collective journey has led to remarkable achievements towards our shared goals. At the core of our success lies a culture of putting our employees and customers first. I am continually inspired by the collective efforts, from senior staff who warmly welcome new colleagues to the innovative thinkers who drive our projects forward. The successful training and onboarding of new hires during the autumn has notably contributed to an increased billing ratio of 71.8 per cent in fourth quarter. It is through hard work and dedication from the whole team that we consistently meet expectations and deliver exceptional projects for our clients. We gain increased trust and win new exciting projects; all of which lead to financial results we are proud to achieve.

For a full review of comments from CEO, please refer fourth quarter result 2023 report.

FINANCIAL REVIEW, FOURTH QUARTER 2023:

Net operating revenues amounted to NOK 1 361.5 million (1 126.7), an increase of 20.8 per cent compared to the same quarter last year. The organic revenue growth amounted to 16.1 per cent. The increase in net operating revenues was mainly driven by higher capacity, reflected by an increase in full-time equivalents (FTE) of 11.5 per cent. The billing ratio increased to 71.8 per cent (70.3) and contributed positively to growth in net operating revenues. Additionally, higher billing rates made positive contribution to the growth in net operating revenues.

Operating expenses consist of employee benefit expenses and other operating expenses. Operating expenses increased by 19.7 per cent to NOK 1 172.9 million (980.3) compared to the same quarter in 2022. Employee benefit expenses increased by 21.0 per cent due to ordinary salary adjustment, increased manning level from acquisitions, significant increase in net recruitment, higher cost from the increased employer contribution tax and the employee ownership programme initiated in the quarter. Other operating expenses increased to NOK 164.7 million (147.2), an increase of 11.9 per cent mainly due to higher office expenditure including acquired companies, IT-cost and cost increase in general.

EBITDA was NOK 188.6 million (146.4), an increase of 28.8 per cent compared to the same period last year, reflecting an EBITDA margin of 13.9 per cent (13.0) in the quarter.

EBITA was NOK 118.4 million (96.8), an increase of 22.3 per cent y-o-y, reflecting an EBITA margin of 8.7 per cent (8.6) in the quarter.

EBITA adjusted for one-offs was NOK 145.1 million, reflecting an EBITA margin of 10.7 per cent (8.6) in the quarter. One-offs related to cost of share ownership programme of NOK 18.7 million and restructuring cost of NOK 8.0 million are adjusted for.

FINANCIAL REVIEW, FULL YEAR 2023:

Net operating revenues increased by 14.6 per cent to NOK 4 802.5 million (4 189.2). The organic revenue growth amounted to 12.1 per cent adjusted for calendar effect and acquisition. The increase in net operating revenues was mainly driven by higher capacity, reflected by an increase in full-time equivalents (FTE) by 8.1 per cent. A higher billing ratio of 70.8 per cent (70.6) and higher billing rates contributed positively to the increase in net operating revenues.

Operating expenses consist of employee benefit expenses and other operating expenses. Operating expenses increased by 15.8 per cent to NOK 4 146.2 million (3 579.1) compared to last year. Employee benefit expenses increased by 16.5 per cent and amounted to NOK 3 553.6 million (3 051.0), an increase mainly driven by ordinary salary adjustment, increased manning level from acquisitions and net recruitment. Other operating expenses increased by 12.2 per cent to NOK 592.6 million (528.1), mainly due to higher office expenditure including office expenses from acquired companies, cost related to a higher manning level, IT-cost and cost increase in general.

EBITDA was NOK 656.3 million (610.2), an increase of 7.6 per cent compared to last year, reflecting an EBITDA margin of 13.7 per cent (14.6).

EBITA adjusted for one-offs was NOK 446.2 million, reflecting an EBITA margin of 9.3 per cent (9.8).

EBITA was NOK 419.5 million (408.5).

Calendar effect: In 2023 there was, on average, one less working day compared to 2022. This has an estimated negative impact of NOK 21.2 million on net operating revenues and EBITA for the group when comparing the two periods.

OUTLOOK

The overall market has maintained a consistently high level throughout the quarter, showing no significant deviations or changes. Despite the ongoing uncertainty announced last quarter still being present, the overall market outlook is slightly improved compared to the previous quarter statement. There are substantial differences in the market outlook across various geographical areas and our business areas. Although there is a slight reduction in general market opportunities, the short-term pipeline of upcoming projects remains robust. Anticipated lower investment levels in certain markets are expected to intensify competition and margin pressures. Nevertheless, with a high volume of ongoing

projects, a diverse portfolio, and a high order backlog, Multiconsult is well-positioned for the future.

For a full review of outlook and report, please refer to fourth quarter and full year 2023 report.

Presentations today 6 February 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/20240206_2/

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

https://channel.royalcast.com/landingpage/hegnarmedia/20240206_4/

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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