

Multiconsult ASA third quarter 2019

Multiconsult third quarter 2019 net operating revenues were up 6.7% y-o-y to NOK 720.4 million. EBIT came in at NOK 21.0 million in the quarter and NOK 97.6 million YTD 2019. Third quarter result is impacted by net project write-downs of NOK 31.1 million. The order backlog remains strong at NOK 2.7 billion with a solid order intake of NOK 945 million in the quarter and NOK 3.0 billion year to date. Multiconsult initiates “nextLEVEL” profitability improvement programme, intensifying improvement efforts with a target of NOK 150 million annual improvements within 18 months.

Oslo, 7 November 2019

‘I am pleased with the solid order intake and revenue growth in the quarter confirming our strong position with our customers. This gives us a strong foundation moving into 2020. The profitability in the quarter is not satisfactory and impacted by high project write-downs. We are introducing the “nextLEVEL” improvement programme targeting NOK 150 million in annual improvement within 18 months’, says Grethe Bergly, CEO of Multiconsult ASA.

Third quarter 2019

Third quarter net operating revenues increased by 6.7% to NOK 720.4 million (NOK 675.5 million) compared to same period last year. There was a high level of net project write-downs of NOK 31.1 in the quarter, reflecting a level of 4.3% of net operating revenues. Compared with third quarter in 2018, there was a calendar effect of one more working day in 2019 with a positive year-on-year impact of NOK 10.4 million.

Operating expenses in the third quarter were NOK 648.3 million (NOK 657.3 million). The group implemented IFRS 16 on 1 January 2019. Adjusted for IFRS 16 effect, operating expenses increased by 4.7%. The increase reflects higher activity level as well as claims settlements.

Third quarter EBIT amounted to NOK 21.0 million (NOK 4.5 million), reflecting a 2.9% EBIT margin, including positive calendar effect of NOK 10.4 million and a positive IFRS 16 effect of NOK 5.4 million compared with third quarter last year.

Year to date 2019

Multiconsult delivered year to date net operating revenues of NOK 2 531.4 million (NOK 2 422.1 million), reflecting an increase of 4.5%. The increase is purely organic and mainly driven by higher activity level.

Operating expenses year to date 2019 decreased 0.2% to NOK 2 289.6 million (NOK 2 294.2 million). Adjusted for IFRS 16 effect, operating expenses increased by 5.0%, caused partially by net recruitment, ordinary salary adjustment, general consumer price index and one-off severance agreement expenses in the first quarter.

Year to date EBIT amounted to NOK 97.6 million (NOK 89.5 million), reflecting an EBIT margin of 3.9%. Compared with year to date 2018, the reported EBIT includes NOK 32.2 million in negative effects from legal dispute settlement and one-off severance expenses, as well as a positive IFRS 16 effect of NOK 16.1 million.

Order backlog at the end of the third quarter 2019 remains strong at NOK 2 732 million (NOK 2 365). Order intake during the third quarter had a solid increase compared to third quarter in 2018. The project tender pipeline remains solid across most business areas, with some short-term uncertainty..

The overall market outlook is good across most business areas. There is a continued tough competition on large projects in Norway, but there is a generally positive outlook and pipeline in our markets.

A presentation of the third quarter 2019 results followed by Capital Markets Day will be held today, 7 November, in English at 09:00 CET at Felix Conference Centre, Bryggetorget 3, Oslo. The third quarter 2019 results will be presented by CEO Grethe Bergly and CFO Hans-Jørgen Wibstad.

Multiconsult

A live webcast from the presentation can be accessed at www.multiconsult-ir.com and <https://webtv.hegnar.no/presentation.php?webcastId=98164411>.

For further information, please contact:

Investor relations:

Mirza Koristovic, Head of Investor Relations and Finance

Phone: +47 938 70 525

E-mail: ir@multiconsult.no

Media:

Gaute Christensen, VP Communications

Phone: +47 911 70 188

E-mail: gaute.christensen@multiconsult.no