

Multiconsult ASA fourth quarter and full year 2017

Multiconsult delivered strong revenue growth in the fourth quarter and for the year, mainly driven by acquisitions. EBIT for the fourth quarter was negative NOK 2.7 million, impacted by challenging project execution. Improved results from LINK arkitektur in the quarter impacted earnings positively. Full year 2017 EBIT was NOK 118.0 million. Comprehensive integration and onboarding of Hjellnes group is on track. Profitability improvement program is launched to improve margins.

Oslo, 28 February 2017 - Fourth quarter net operating revenues for the Multiconsult group increased by 21.1 per cent to NOK 830.2 million, compared to the same quarter last year. The increase in net operating revenues reflects higher production due to acquisition of the Hjellnes group, Iterio AB and aarhus arkitekterne A/S, in addition to net recruitment. However, challenging project execution on many projects in Regions Norway and Greater Oslo Area resulted in net write-downs of NOK 21.4 million, which together with the decrease in the billing ratio to 68.4% (69.0%), impacted operating revenues negatively in the quarter. Billing rates increased moderately compared to the fourth quarter 2016. For the full year net operating revenues increased by 14.3 per cent to NOK 2 977.6 million, driven by acquisitions and net recruitment.

EBIT for the quarter was negative NOK 2.7 million (NOK 18.9 million), reflecting higher net operating revenues, which were more than offset by higher operating expenses in the quarter. For the year 2017 as a whole, EBIT was NOK 118.0 million (NOK 182.3 million), a decrease of 35.3% compared to the same period previous year.

Multiconsult made several acquisitions throughout the year. The most significant was the acquisition of the Norwegian multidisciplinary engineering consultant company Hjellnes group, comprising of Hjellnes Consult AS and Johs Holt AS.

In the light of the weak results in 2017, the group is launching a comprehensive profitability program with a target of improving the EBIT margin to a minimum of 6 per cent for 2018. The program focuses primarily on improving operations in the Greater Oslo Area and Regions Norway by improving sales, billing ratio and project execution.

The Board of Directors will propose to the annual general meeting a dividend of NOK 1.50 per share for 2017, in line with the dividend policy.

– As we look at the full year 2017, I am pleased to see the strong growth in revenues and successful completion of the M&A strategy in Norway, according to our 3-2-1 growth objectives. Profitability has been challenging this year and in response we have launched a comprehensive profitability improvement program that will pave way for improved profitability towards 2020. I am excited about the significant Fornebubanen award in addition to solid improvement in LINK arkitektur that resulted in impressive order intake within hospitals across the group, says CEO of Multiconsult ASA Christian Nørgaard Madsen.

The order backlog remains strong at the end of the year and was NOK 2 147.7 million (NOK 1 793.1 million), an increase of 19.8 per cent year on year.

Order intake during the fourth quarter increased by 8.4 per cent to NOK 1 026.9 million (NOK 947.1 million). There was solid order intake within Buildings & Properties, Transportation and Renewable Energy in the quarter. New order intake from the Hjellnes group and Iterio impacted the order intake positively compared to last year. Among important new contracts this quarter were the Northern Lights Carbon Capture and Storage project for Statoil and Drammen Hospital for Helse Sør-Øst RHF as well as NTNU Faculty of Health and Social Sciences & Student Union Athletics for Backe Trondheim AS. Order intake year to date as of 31 December 2017 was NOK 3 762.5 million (NOK 3 084.7 million).

The company successfully completed the employee share purchase programme in the fourth quarter, in which approximately 23 per cent of employees across the Multiconsult group signed up for shares. "It is very inspiring to see that the employees across the Multiconsult group continue to participate in the employee share purchase programme, now successful for the third year in a row", says CEO of Multiconsult ASA Christian Nørgaard Madsen.

Group balance sheet remains solid as of 31 December 2017 with total assets of NOK 1 662.6 million and total equity of NOK 582.1 million. The group had cash and cash equivalents of NOK 154.3 million, while net interest bearing debt was NOK 134.5 million.

The overall market outlook is fairly positive. Market rates have shown some improvement, however the cost level for the Norwegian workforce is creating challenges to profitability for the industry in general. Multiconsult's strong market position, flexible business model and wide service offering provides a sound base for further growth, both domestic and international.

A presentation of the fourth quarter 2017 results will be held today, 28 February, at 09:00 CET at Hotel Continental, Stortingsgaten 24/26, Oslo. CEO Christian Nørgaard Madsen and CFO Anne Harris will host the presentation.

A live webcast from the presentation can be accessed at www.multiconsult-ir.com and at <http://webtv.hegnar.no/presentation.php?webcastId=77877108>

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ABOUT MULTICONSELT

Multiconsult is a leading Norwegian multidisciplinary engineering consulting company, with more than 2 500 employees and 45 offices in

Norway and abroad. The Company focuses on six business areas: Buildings & Properties, Transport, Renewable Energy, Oil & Gas, Industry and Water & Environment. The Company has an operating history that spans more than a century, with the inception of Norsk Vandbygningskontor in 1908.