

Multiconsult ASA second quarter and first half 2018

Multiconsult delivered net operating revenue growth of 20.1 per cent in the quarter, 13.5 per cent year to date. EBIT in the second quarter was NOK 48.9 million and NOK 85.0 million in the first half 2018.

Oslo, 23 August 2018 - Multiconsult delivered a second quarter revenue growth of 20.1 per cent to NOK 887.6 million (NOK 738.9 million) compared to the same quarter last year. The increase in net operating revenues reflects higher production due to acquisition of the Hjellnes group. A calendar effect of five more working days in Norway, of approximately NOK 67 million, impacted net operating revenues positively. However, employees in Norway used more vacation days as well as compensatory time off in May and June compared to same period last year, which reduced net operating income. The billing ratio increased to 71.8 per cent (69.5 per cent). Net project write-downs of NOK 12.7 million impacted net operating revenues negatively, however still reflecting a relatively normal level. Group billing rates increased marginally compared to the same period in 2017.

EBIT amounted to NOK 48.9 million (NOK 15.8 million) reflecting a 5.5 per cent EBIT margin.

Net operating revenues in the first half 2018 increased by 13.5 per cent to NOK 1 746.7 million (NOK 1 538.6 million) compared to the same period last year. The increase in net operating revenues was mainly driven by higher production due to the acquisitions of the Hjellnes group and Iterio AB. Growth in revenues was further supported by a higher billing ratio at 71.2 per cent (68.9 per cent). Net project write-downs were at a relatively normal level at NOK 25.3 million, compared to net write-ups in the previous year. There was a calendar effect of one less working day, partly offsetting growth in net operating revenues by approximately NOK 13 million compared to the same period in 2017. In addition, employees used more vacation days as well as compensatory time off compared to last year. Average billing rate for the group is at a slightly higher level than previous year.

EBIT amounted to NOK 85.0 million (NOK 110.2 million), a decrease of 22.9 per cent. EBIT margin was 4.9 per cent year to date 2018.

"I am pleased to see that the profitability improvement programme results in continued improvements in the Norwegian operations. This shows in the billing ratio, which is at the highest level since the IPO. The underlying performance of the business is continuing to improve, however we still need to continue optimising project execution and the profitability improvement programme remains our top priority ", says CEO of Multiconsult ASA Christian Nørgaard Madsen.

The order backlog at the end of the second quarter 2018 was NOK 2 302.0 million (NOK 1 995.0 million), an increase of 15.4 per cent year on year. Order intake during the second quarter 2018 increased by 30.5 per cent to NOK 1 130.9 million (NOK 866.9 million) compared to the same quarter previous year. There was solid order intake within Buildings & Properties and Transportation in the quarter. Many small and mid-size contracts have been awarded in the period and the project tender pipeline remains strong, especially within Transportation.

Among important new contracts this quarter were GET FiT programme for KfW in Zambia and new timber terminal for Bane NOR at Hauerseter in Norway. Important add-ons to existing contracts this quarter were the New Airbase Ørland and submarine maintenance facilities at Haakonsvern for Forsvarsbygg, as well as InterCity Fredrikstad-Sarpsborg and Bus lane Diagonalen – Hans and Grete trail for Statens vegvesen.

As of 30 June 2018, total assets amounted to NOK 1 949.0 million and total equity of NOK 590.9 million. The group had cash and cash equivalents of 132.2 million, while net interest bearing debt amounted to NOK 251.9 million.

The overall market outlook continues to show positive development across all business areas. As part of the profitability improvement programme, important changes have been made, especially on the cost side to make operations leaner, providing results going forward. Continued strong competition is maintaining significant price pressure on large projects in Norway. Market rates have shown some improvement, however the cost level for the Norwegian workforce is creating challenges to profitability for the industry in general. This trend must be broken if long-term profitability ambitions are to be achieved. 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 second quarter 2018 results will be held today, 23 August, in Norwegian at 09:00 CET at Hotel Continental, Stortingsgaten 24/26, Oslo. An English presentation will also be held by a conference call at 10:30 CET. The presentations will be held by CEO Christian Nørgaard Madsen and CFO Anne Harris.

A live webcast from the Norwegian presentation can be accessed at www.multiconsult-ir.com and <http://webtv.hegnar.no/presentation.php?webcastId=92032826>. The English presentation by conference call can be accessed by <http://webtv.hegnar.no/presentation.php?webcastId=94064736>

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ABOUT MULTICONSELT

Multiconsult is a leading Norwegian multidisciplinary engineering consulting company, with more than 2 800 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.

