

SECOND QUARTER 2018 RESULTS

Christian Nørgaard Madsen, CEO | Anne Harris, CFO



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INTRODUCTION AND HIGHLIGHTS

Christian Nørgaard Madsen, CEO

Highlights

- Net operating revenue growth of 20.1% in the quarter, 13.5% year to date
- Positive calendar effect in the quarter, negative year to date
- Earnings reduced by unusual vacation pattern in the quarter
- Earnings impacted by higher net write-downs than previous year
- Improvement in the billing ratio across the group
- Other aspects of the profitability improvement programme proceeding according to plan
- Significant contract award with Nye Veier for E6 Ranheim-Værnes
- Order backlog increased to NOK 2.3 billion



Financial summary 2Q and YTD 2018

- **2Q 2018**

- Net operating revenues up 20.1 % y-o-y to 887.6 NOK million
 - Organic growth 2.1 %*
- EBIT of NOK 48.9 million, 5.5 % margin

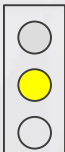

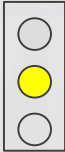
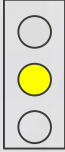
- **YTD 2018**

- Net operating revenues up 13.5 % y-o-y to 1 746.7 NOK million
 - Organic growth 4.1 %*
 - Net project write-downs of NOK 25.3 million reflecting a normal level
- EBIT of NOK 85.0 million, 4.9 % margin

*adjusted for calendar effect



Status profitability improvement program

Area of improvement	Ambitions	Status	Comments on achievements in 2Q 2018
Sales	<ul style="list-style-type: none"> - Further develop strategic sales team - Key account management (KAM) program - Prioritised tendering - Stricter pricing criteria 		<ul style="list-style-type: none"> - Strong sales in Greater Oslo Area - Increased group order backlog and intake - Significant frame agreement awards - Modest increase in billing rates, still severe price pressure
Billing ratio	<ul style="list-style-type: none"> - Increased sales - Aligned procedures - Reduce internal activity - No integration of new acquisitions in Norway 		<ul style="list-style-type: none"> - Highest recorded billing ratio since IPO - Aligned procedures implemented - Low internal activity - No new acquisitions
Project execution	<ul style="list-style-type: none"> - Continue already established programs - Improve client communication - Benefit from improved transportation market 		<ul style="list-style-type: none"> - Improved risk based portfolio follow up - Net write-downs reflect a normal level of 1-2% of net op. revenues - Continued to focus on optimising project execution - Best value procurement- and EPC project execution models
Efficiency gains	<ul style="list-style-type: none"> - Release synergies from new ERP system - Fully integrate existing acquisitions - Further focus on cost reduction - Manning control 		<ul style="list-style-type: none"> - Implemented non recurring measures - ERP system gradually improved - Reorganisation of Greater Oslo Area according to plan - Manning control resulting in stable headcount in Greater Oslo Area and Regions Norway

Key ongoing projects 2Q 2018



- Campus Ås



- InterCity Fredrikstad - Sarpsborg



- Tønsberg Hospital



- Fornebubanen



- Riksvei 3 and 25

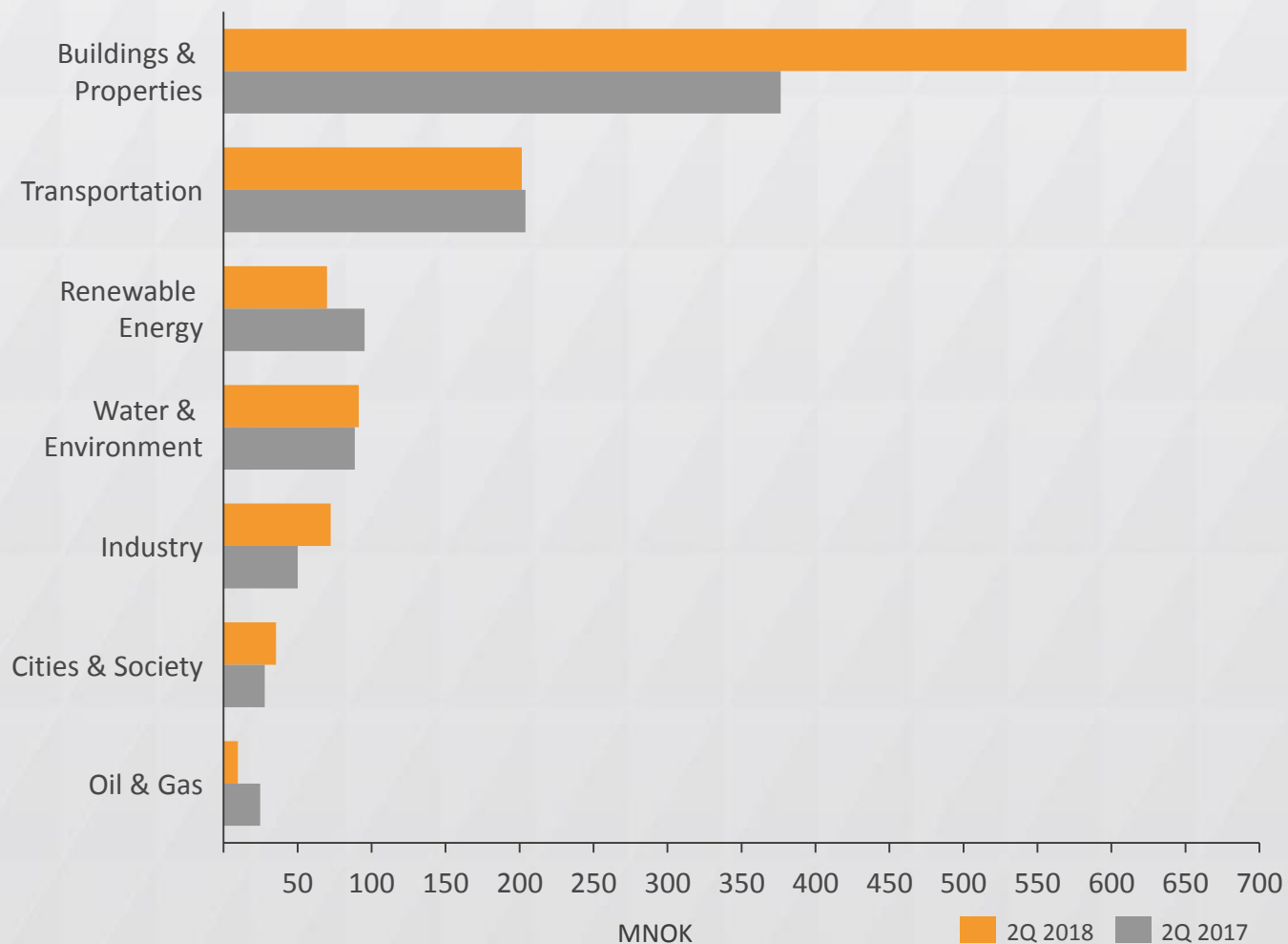


Major contract award with Nye Veier

- Multiconsult will deliver all engineering consultancy services for E6 between Ranheim and Værnes
- Nye Veier has chosen Acciona Construcción S.A, Leonard Nilsen & Sønner, Acciona Mantenimiento de infraestructuras S.A. and Multiconsult as the preferred bidder
- EPC contract of approximately NOK 4 billion, developing and constructing the E6 between Ranheim and Værnes
- Best Value methodology forms the basis for the procurement process, with strong emphasis on the teams' competence and performance related to Nye Veier's overall projects goals
- The contract value for Multiconsult is significant, but still under negotiation



Order intake 2Q 2018



- Order intake NOK 1 130.9 million, up 32.1 % y-o-y

- Driven by Buildings & Properties

- Continued strong tender pipeline

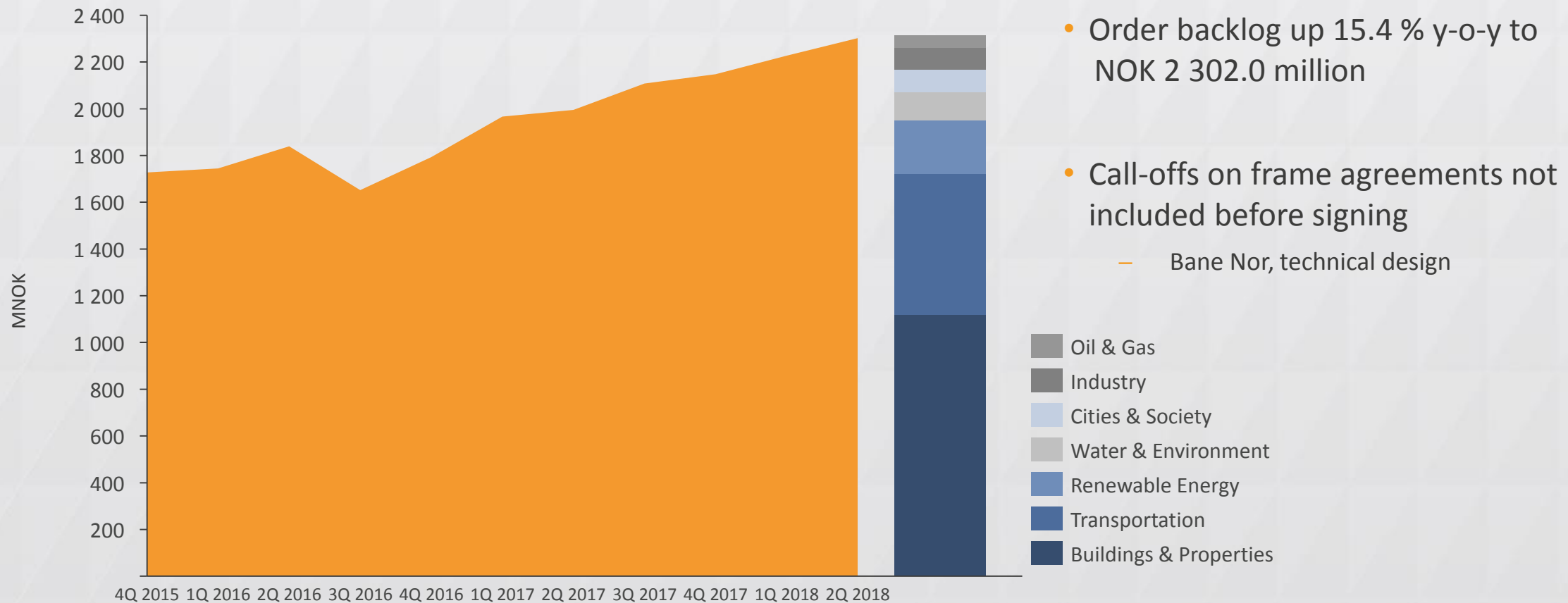
- Many small and mid-size contracts have been awarded in the period and the project tender pipeline remains strong, especially within Transportation

Key order intake

- GET FiT, KfW Zambia
- InterCity Fredrikstad – Sarpsborg
- Campus Ås
- New timber terminal, Bane Nor
- Haakonsvern, Forsvarsbygg



Order backlog development per business area



Organisation

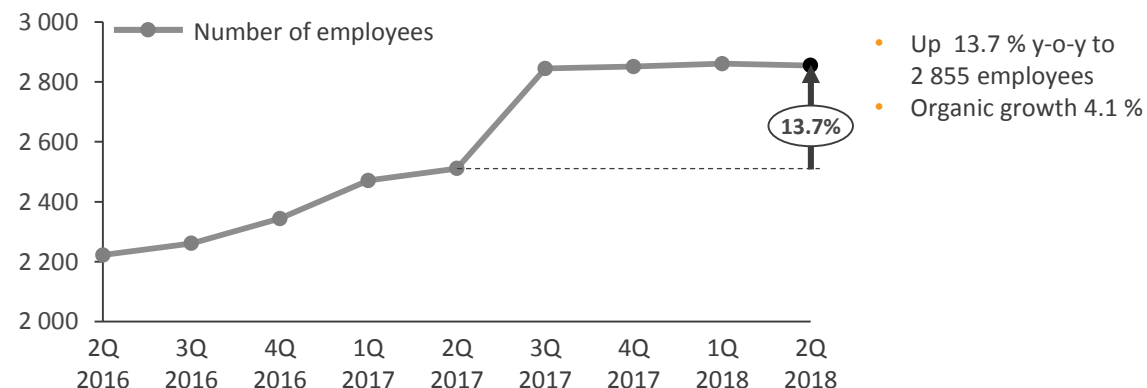
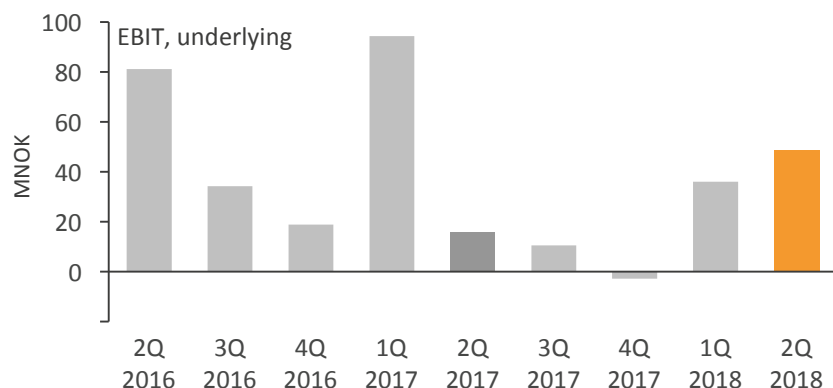
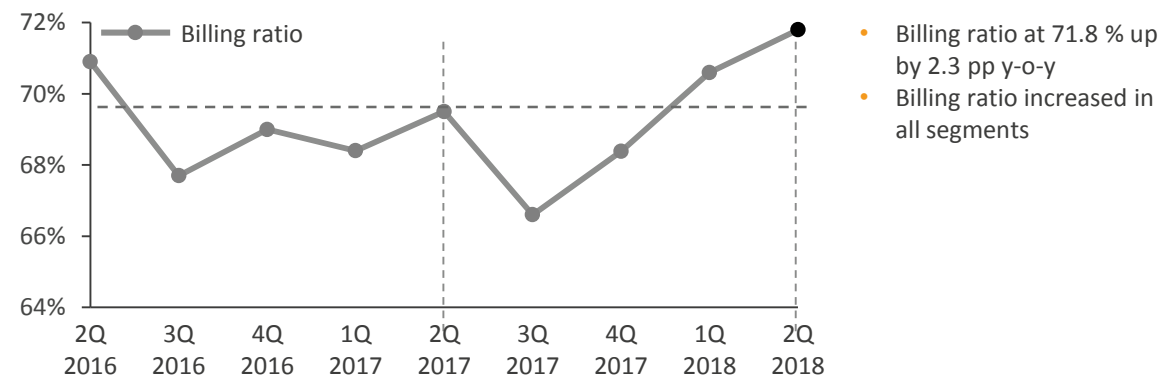
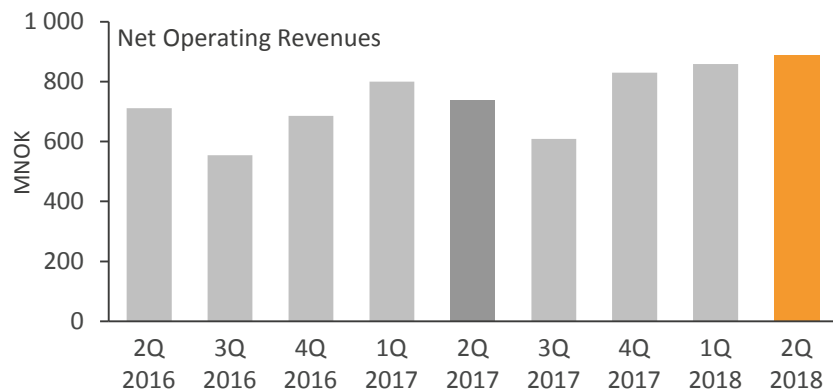
- 2 855 employees at 30 June 2018
- Group employee turnover at 6.4 %
- MUST (Multiconsult for Students) summer internship program successfully completed
 - In total 69 positions for summer students
 - Large amount of candidates for all positions
 - Program focused on renewable energy, arctic, construction and transportation
 - The students report high satisfaction with work experience and relevance



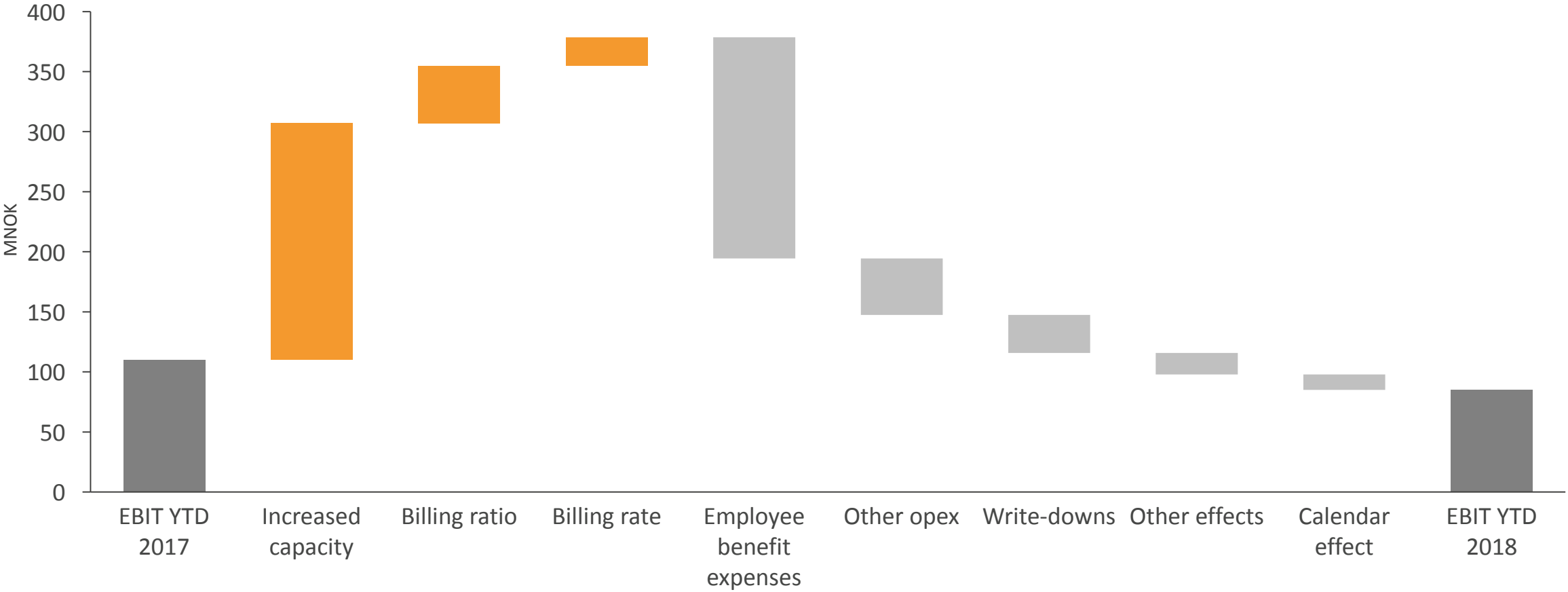
FINANCIAL REVIEW

Anne Harris, CFO

Financial highlights 2Q 2018



EBIT Bridge YTD



Segments YTD 2018

Greater Oslo Area	YTD 2018	YTD 2017	Change
EBIT MNOK	37.9	59.5	36.3 %
EBIT margin %	4.7 %	9.0 %	4.3 pp
Billing ratio	70.5 %	68.1 %	2.4 pp
Number of employees	1 164	903	28.9 %

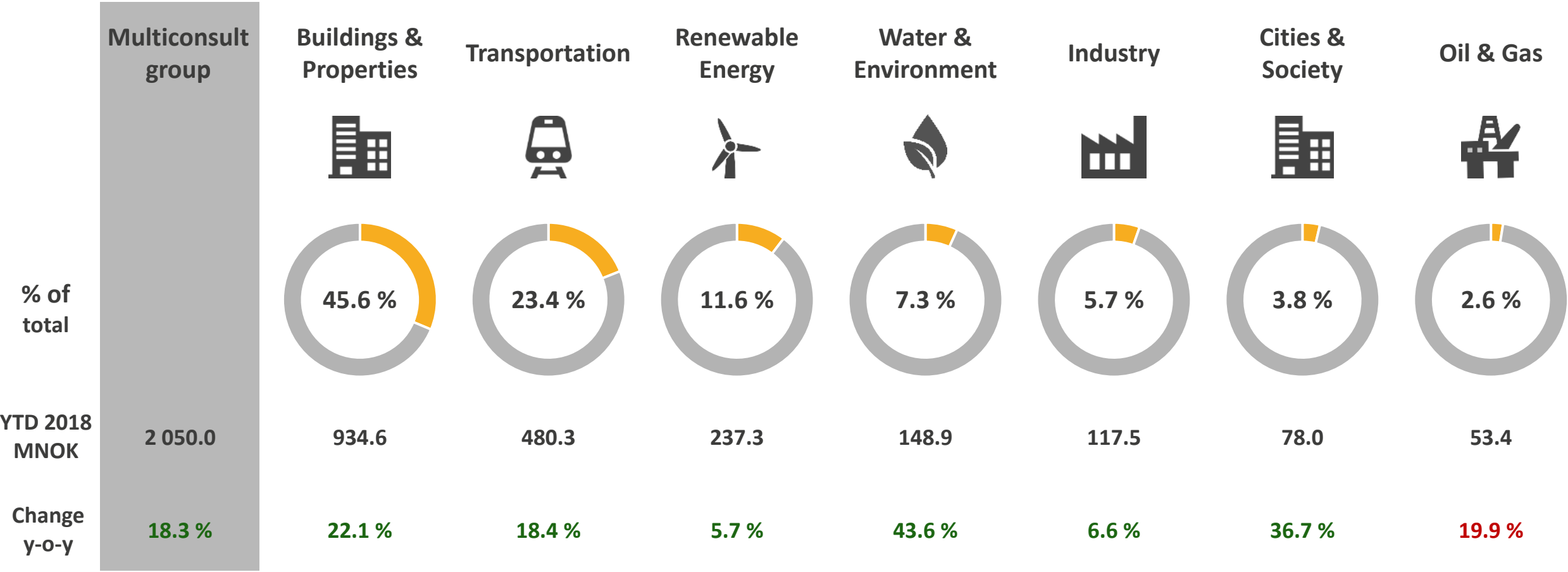
Regions Norway	YTD 2018	YTD 2017	Change
EBIT MNOK	39.6	29.4	34.7 %
EBIT margin %	6.9 %	5.3 %	1.6 pp
Billing ratio	71.4 %	67.9 %	3.5 pp
Number of employees	831	827	0.5 %

International	YTD 2018	YTD 2017	Change
EBIT MNOK	10.8	15.9	32.1 %
EBIT margin %	10.2 %	17.1 %	6.9 pp
Billing ratio	74.6 %	72.6 %	2.0 pp
Number of employees	245	197	24.4 %

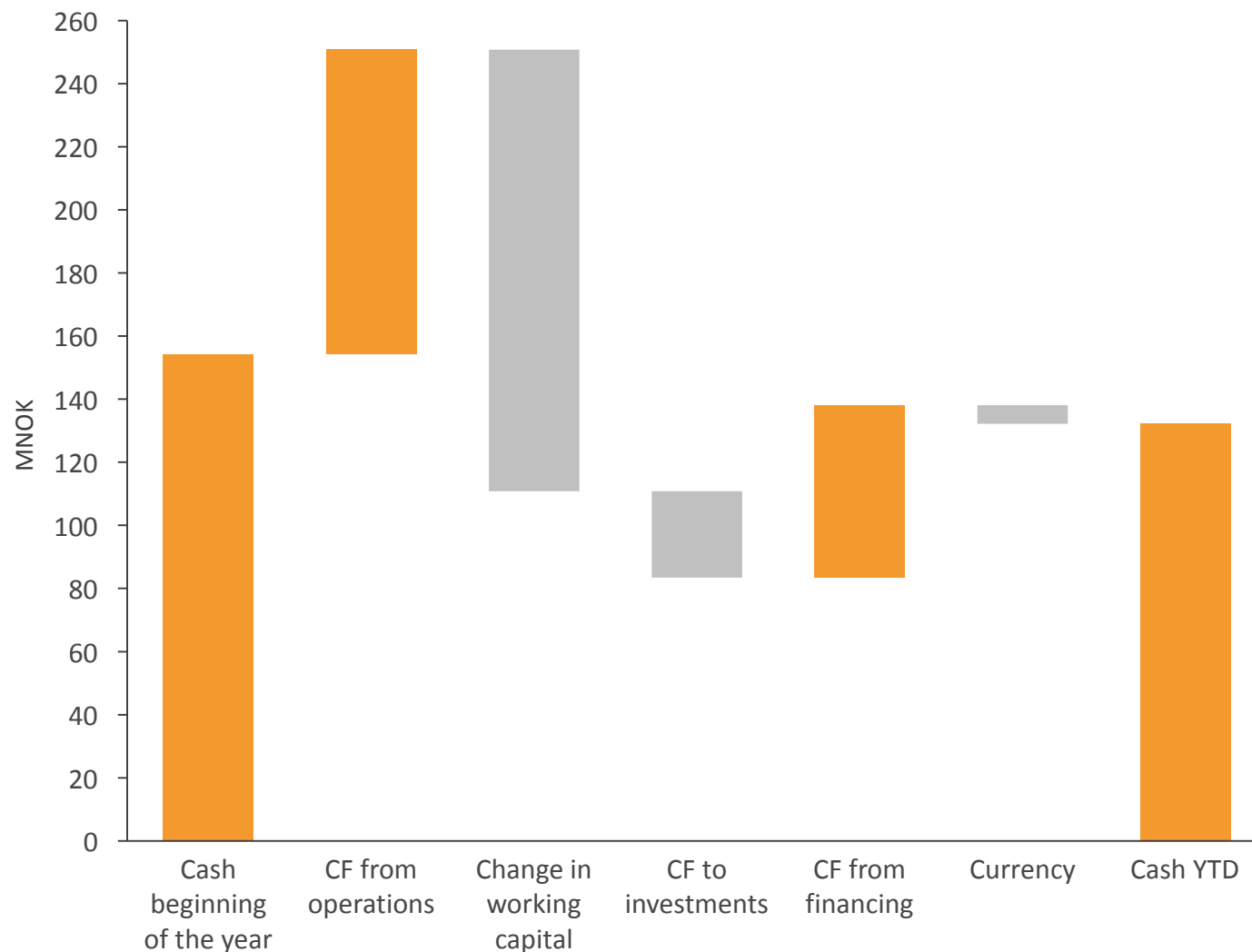
LINK arkitektur	YTD 2018	YTD 2017	Change
EBIT MNOK	16.3	7.6	> 100 %
EBIT margin %	5.9 %	3.2 %	2.7 pp
Billing ratio	74.9 %	71.8 %	3.1 pp
Number of employees	485	454	6.8 %

From 2018, Multiconsult changed its principles for group overhead allocation following the new legal structure. Not allocated costs in first half 2018 were NOK 19.6 million (NOK 2.2 million in first half 2017).

Operating revenues by business area YTD 2018



Cash flows YTD 2018



- Net cash flow from operating activities impacted by
 - Lower net profit
- Change in working capital
 - Increased receivables and work in progress driven by higher production and seasonal fluctuation
- Investments include
 - Ordinary asset replacement
- Financing activities
 - Reflecting increased interest bearing debt less dividend payment

Outlook

- The overall market outlook continues to show positive development across all business areas
 - Especially strong pipeline within Transportation
- New contract for E6 Ranheim - Værnes constitutes a breakthrough with strategic customer Nye Veier
- Continued strong competition and significant price pressure on large projects
 - Market rates have increased in Norway with regional variation, but not compensating for increased labor cost
- Profitability is challenging, but important changes have been made that will provide results going forward, especially on the cost side





FINANCIAL CALENDAR

3Q 2018 results and Capital Market Update	8 Nov 2018
4Q 2018 results	26 Feb 2019
General meeting	25 Apr 2019
1Q 2019 results	23 May 2019
2Q 2019 results	29 Aug 2019
3Q 2019 results	7 Nov 2019

Q&A

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