

# INTERIM REPORT

## Q4 | 2018



Multiconsult



# HIGHLIGHTS AND KEY FIGURES Q4 2018

## HIGHLIGHTS

- ▲ Fourth quarter earnings weaker than expected reflecting high level of project write-downs and low activity in LINK arkitektur, in spite of revenue growth from increased billing ratio and billing rates in Norway
- ▲ Full year 2018 earnings reflecting revenue growth from acquisitions and increased billing ratio, but reduced by net project write-downs
- ▲ Strong increase in sales and order backlog to NOK 2.8 billion
- ▲ Solid cash generation reduced net interest-bearing debt
- ▲ Proposed dividend for 2018 of NOK 1.50 per share, same level as 2017
- ▲ New CEO Grethe Bergly and new CFO Hans-Jørgen Wibstad appointed

## CONSOLIDATED KEY FIGURES

Amounts in MNOK (except EPS, shares and percentage)	Q4 2018	Q4 2017	FY 2018	FY 2017
<b>FINANCIAL</b>				
Net operating revenues	892.2	846.2	3 334.8	2 994.4
Growth (%)	5.4%	23.5%	11.4%	15.0%
EBITDA	21.2	9.4	149.1	164.7
EBITDA margin (%)	2.4%	1.1%	4.5%	5.5%
EBIT	9.5	(2.7)	99.0	118.0
EBIT margin (%)	1.1%	(0.3%)	3.0%	3.9%
Basic earnings per share (NOK)	0.07	(0.42)	2.36	3.01
Average number of shares	26 970 394	26 860 323	26 970 289	26 407 850
Net interest bearing debt <sup>1)</sup>	59.5	134.5	59.5	134.5
Cash and cash equivalents	138.9	154.3	138.9	154.3
<b>OPERATIONAL</b>				
Order intake	1 480.4	1 026.9	4 592.0	3 762.5
Order backlog	2 803.4	2 147.7	2 803.4	2 147.7
Billing ratio (%)	70.6%	68.4%	70.2%	68.4%
Employees	2 934	2 851	2 934	2 851

1) Refer to page 23 for definitions of alternative performance measures.



# FOURTH QUARTER AND FULL YEAR 2018 GROUP REVIEW

Multiconsult had a fourth quarter EBIT of NOK 9.5 million, impacted by a high level of project write-downs. Net operating revenues grew by 5.4% to NOK 892.2 million in the quarter. For the full year 2018, net operating revenues were NOK 3 334.8 million with an EBIT margin of 3.0%. Profitability improvement remains the number one priority and a group-wide programme is initiated.

## FINANCIAL REVIEW

(Figures in brackets = same period prior year or relevant balance sheet date 2018).

Due to reclassification of costs from other project expenses to other operating expenses, the reported numbers have been restated for 2018 and 2017.

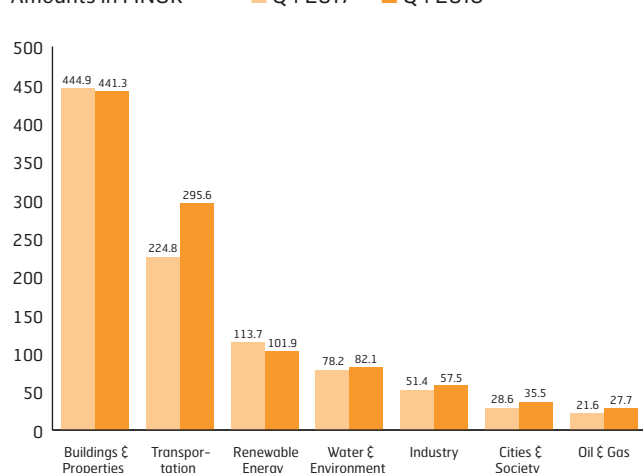
### Group results

#### Fourth quarter 2018 Multiconsult group

**Net operating revenues** increased by 5.4% to NOK 892.2 million (NOK 846.2 million) compared to the same quarter last year. The increase in net operating revenues is exclusively organic. The billing ratio in the quarter increased to 70.6% (68.4%). High level of net project write-downs of NOK 33.8 million (NOK 21.5 million) impacted net operating revenues negatively. Average group billing rates are at a higher level compared to the same period in 2017 and contribute positively to the growth in net operating revenues.

#### Operating revenues by business area Q4

Amounts in MNOK



**Operating expenses** increased by 4.1% to NOK 871 million (NOK 836.8 million). The increase was mainly attributable to higher employee benefit expenses caused by net recruitment and ordinary salary adjustment effective from 1 July. Other operating expenses increase by 1.2%, including increased provisions for legal claims.

**EBITDA** was NOK 21.2 million (NOK 9.4 million), an increase of 126.6% compared to the same period last year.

**EBIT** amounted to NOK 9.5 million (loss of NOK 2.7 million) reflecting a 1.1% EBIT margin.

**Results from associated companies and joint ventures** amounted to NOK 0.7 million (NOK 0.4 million).

**Net financial items** were an expense of NOK 3.3 million (expense of NOK 8.2 million).

**Group tax rate** was 74.4% (negative 6.9%) and was influenced by the negative results in Multiconsult Asia, where no deferred tax asset was recognised, as well as tax credit from international activities not deductible in Norway.

**Reported profit for the period** was NOK 1.8 million (loss of NOK 11.3 million). Earnings per share was NOK 0.07 (negative NOK 0.42).

#### Full year 2018 Multiconsult group

**Net operating revenues** increased by 11.4% to NOK 3 334.8 million (NOK 2 994.4 million) compared 2017. The increase in net operating revenues was mainly driven by higher production due to acquisitions of the Hjeltnes group and Iterio AB. The billing ratio increased to 70.2% (68.4%). Average billing rates for the group are slightly higher than previous year. Net project write-downs were at a high level at NOK 66.7 million (NOK 28.9 million). There was a calendar effect of one less working day, reducing net operating revenues by approximately NOK 13.5 million compared to 2017.

**EBITDA** was NOK 149.1 million (NOK 164.7 million), a decrease of 9.5% compared to previous year. Higher net operating revenues were more than offset by the increase in operating expenses in the period. Higher employee benefit expenses reflect ordinary salary adjustment and increased manning levels related to acquisitions. Other operating expenses increased accordingly, including increased provisions for legal claims and business development expenses related to international renewable energy.

**EBIT** amounted to NOK 99.0 million (NOK 118.0 million), reflecting an EBIT margin at 3.0% for 2018.

**Group tax rate** was 29.4% (26.1%). The increase is mainly related to negative results in Multiconsult Asia, where no deferred tax asset was recognised, as well as tax credit from international activities not deductible in Norway.

**Reported profit for the period** was NOK 63.6 million (NOK 79.5 million). Earnings per share were NOK 2.36 (NOK 3.01).

### Financial position, cash flow and liquidity

#### Fourth quarter 2018 Multiconsult group

**Net cash flow from operating activities** was NOK 304.7 million (NOK 80.5 million). The increase is mainly caused by markedly positive change in working capital. The improvement in working capital was mainly caused by reduced work-in-progress.

**Net cash flow used in investment activities** was NOK 24.5 million this quarter (NOK 15.4 million), related to ordinary asset replacement.

**Net cash flow used in financing activities** amounted to NOK 265.9 million (NOK 69.4 million), mainly due to reduced level of interest-bearing debt.

#### Full year 2018 Multiconsult group

**Net cash flow from operating activities** was NOK 207.9 million (NOK 61.6 million). The increase was mainly related to positive change in working capital. The improvement in working capital was mainly caused by increased trade payables.

**Net cash flow used in investment activities** was NOK 61.2 million (NOK 217.4 million), related to ordinary asset replacement. In the same period last year, investments include the acquisition of Iterio AB and the Hjellnes group.

**Net cash flow used in financing activities** was NOK 161.1 million (negative NOK 126.7 million), reflecting decreased interest-bearing debt less ordinary dividend payment.

### Consolidated financial position

As of 31 December 2018, total assets amounted to NOK 1 890 million (NOK 1 937.9 million at 30 September 2018), and total equity amounted to NOK 593.2 million (NOK 592.5 million at 30 September 2018).

The group held cash and cash equivalents of NOK 138.9 million as of 31 December 2018 (NOK 120.9 million at 30 September 2018). Net interest bearing debt amounted to NOK 59.5 million (NOK 313.3 million at 30 September 2018).

## ORDER BACKLOG AND INTAKE

The order backlog at the end of the fourth quarter 2018 was NOK 2 803.4 million (NOK 2 147.7 million), an increase of 30.5% year on year, reflecting strong order intake despite of the acquired backlog of the Hjellnes group and Iterio AB in 2017 of NOK 153.4 million and NOK 85.4 million respectively.

Order intake during the fourth quarter increased by 44.2% to NOK 1 480.4 million (NOK 1 026.9 million) compared to the same quarter previous year. All business areas except Oil & Gas and Renewable Energy experienced growth.

Among important new contracts this quarter were new water supply to the city of Oslo for Oslo City Water and Sewerage Works Agency (Oslo Kommune, vann- og avløpsetaten) and for

Northern Krakow S52 Expressway for the General Directorate of National Roads and Motorways in Poland in an EPC with contractor Gülermak. Several large contracts have been awarded in the period and the project tender pipeline remains strong, especially within Transportation. Important add-ons to existing contracts this quarter were second phase (an option) GET FiT Zambia with KfW Development Bank and Drammen hospital with Helse Sør-Øst.

Call-offs on an increasing amount of frame agreements, such as Fornebubanen for Oslo kommune, submarine maintenance facilities with Forsvarsbygg and safety and RAMS with Bane NOR, are only included in the order backlog when signed.

## PROFITABILITY IMPROVEMENT PROGRAMME

In light of the weak results in 2017, the group launched a comprehensive profitability improvement programme with the ambition of improving the EBIT margin for 2018 to at least 6%. The programme focused on improving operations in the Greater Oslo Area and Regions Norway with priority on improving sales, billing ratio and project execution. The programme also includes measures to achieve efficiency gains and general cost reductions.

Regions Norway and the Greater Oslo Area have achieved strong improvement in the billing ratio, each above 3 percentage points and at a satisfactory level of above 70% for the full year. Both segments achieved strong sales improvements and the backlog- and order intake per employee has improved significantly. Project execution in Regions Norway was at an unsatisfactory level with net write-downs at 3.6% of net operating revenues in 2018. Greater Oslo area was at a rather normal level, at 2.1% for 2018. 2018 earnings in the Greater Oslo Area were negatively impacted by the comprehensive reorganisation effective from March 2018. In addition, there were expenses related to business development activities regarding international renewable energy that represent an investment for future profitable

growth. Manning- and cost control was implemented to realise efficiency gains. Billing rates show positive development and have improved especially towards the end of the year.

Salary increase for the Norwegian workforce and increased other operating expenses have not been absorbed by the improved billing rates. The improvements achieved so far in billing ratio and billing rate have been partly offset by an unsatisfactory level of net project write-downs. As stated in the third quarter 2018, the original 6% EBIT margin for 2018 ambition was therefore not reached and further improvements are needed.

Multiconsult has therefore intensified the work with the profitability improvement programme, including new, group-wide measures for 2019 as presented at Capital Market Update in November 2018. These include measures to improve sales processes across the group, improve project execution and follow-up, increase use of the design centre in Poland, and explore flexible manning models. Intensified efforts to improve billing rates are still needed in order to absorb the full effect of historical salary adjustments. Management will continue to focus on efficiency and cost reduction measures.

## SEGMENTS

Multiconsult's reporting segments are presented as three geographical segments, Greater Oslo Area, Regions Norway, International, and one for LINK arkitektur.

### Greater Oslo Area

This segment offers services in seven business areas and comprises the central area of Eastern Norway, with regional offices in Oslo, Fredrikstad and Drammen.

#### Key figures Greater Oslo Area

<i>Amounts in MNOK</i>	<b>Q4 2018</b>	Q4 2017	<b>FY 2018</b>	FY 2017
Net op. revenues	<b>418.4</b>	393.0	<b>1 542.8</b>	1 307.0
EBITDA	<b>8.8</b>	5.8	<b>73.3</b>	80.6
EBITDA%	<b>2.1%</b>	1.5%	<b>4.7%</b>	6.2%
EBIT	<b>5.0</b>	0.8	<b>57.5</b>	64.6
EBIT%	<b>1.2%</b>	0.2%	<b>3.7%</b>	4.9%
Order intake	<b>717.0</b>	542.3	<b>2 191.1</b>	1 685.1
Order Backlog	<b>1 180.9</b>	878.6	<b>1 180.9</b>	878.6
Billing ratio	<b>71.2%</b>	66.4%	<b>70.1%</b>	67.0%
Employees	<b>1 176</b>	1 179	<b>1 176</b>	1 179

#### Fourth quarter 2018 Greater Oslo Area

**Net operating revenues** in the quarter increased by 6.5% to NOK 418.4 million (NOK 393.0 million) compared to the same

quarter last year. The increase was mainly due to a higher billing ratio at 71.2% (66.4%). Billing rates increased markedly in the quarter, and contributed positively to the growth in net operating revenues. Net write-downs of NOK 12.9 million (NOK 8.7 million) partly offset the growth in net operating revenues. With the exception of Renewable Energy and Buildings & Properties, all business areas experienced increased operating revenues compared to the same quarter last year.

**EBITDA** amounted to NOK 8.8 million (NOK 5.8 million), an increase of 52.0% from last year. Higher net operating revenues were partly offset by increased operating expenses, mainly as a result of the ordinary salary adjustment. In addition, other operating expenses include increased provisions for legal claims.

**EBIT** amounted to NOK 5.0 million (NOK 0.8 million) reflecting a 1.2% EBIT margin.

**Order intake** in the fourth quarter increased significantly (32.2%) in the quarter to NOK 717.0 million (NOK 542.3 million). There was strong growth in Transportation, Water & Environment and Cities & Society.

**Order backlog** for the segment at the end of the fourth quarter 2018 amounted to NOK 1 180.9 million (NOK 878.6 million), up 34.4% year on year.

### Full year 2018 Greater Oslo Area

**Net operating revenues** increased by 18.0% to NOK 1 542.8 million (NOK 1 307.0 million), mainly due to acquisition of the Hjeltnes group and higher billing ratio at 70.1% (67.0%). Net write-downs reduced net operating revenues by NOK 32.3 million (NOK 8.0 million). Billing rates increased markedly, contributing positively to the growth in net operating revenues.

**EBITDA** amounted to NOK 73.3 million (NOK 80.6 million), a decrease of 9.1%. Increased revenue was more than offset by higher employee benefit expenses explained by acquisitions and ordinary salary adjustment. Other operating expenses increased in the period due to increased manning level. Business development costs of approximately NOK 8 million related to the strategic objective for international renewable energy was recorded in operating expenses. In addition, other operating expenses include increased provisions for legal claims. The change in principle for 2018 group overhead allocation reduces other operating expenses by NOK 15.9 million compared to 2017.

**EBIT** amounted to NOK 57.5 million (NOK 64.6 million) reflecting a 3.7% EBIT margin.

**Order intake** in 2018 amounted to NOK 2 191.1 million (NOK 1 685.1), an increase of 30.0% from last year. In the same period last year the backlog of Hjeltnes group was included as order intake with a positive impact of NOK 153.4 million.

### Regions Norway

This segment offers services in seven business areas and comprises regional offices in Stavanger, Bergen, Trondheim and Tromsø.

#### Key figures Regions Norway

<i>Amounts in MNOK</i>	<b>Q4 2018</b>	<b>Q4 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
Net op. revenues	<b>279.1</b>	261.0	<b>1 077.6</b>	1 027.3
EBITDA	<b>5.0</b>	(10.7)	<b>72.7</b>	37.1
EBITDA%	<b>1.8%</b>	(4.1%)	<b>6.7%</b>	3.6%
EBIT	<b>(0.3)</b>	(16.8)	<b>50.1</b>	13.0
EBIT%	<b>(0.1%)</b>	(6.4%)	<b>4.7%</b>	1.3%
Order intake	<b>377.1</b>	269.5	<b>1 327.6</b>	976.7
Order Backlog	<b>573.3</b>	408.5	<b>573.3</b>	408.5
Billing ratio	<b>69.8%</b>	67.5%	<b>70.4%</b>	67.3%
Employees	<b>854</b>	841	<b>854</b>	841

### Fourth quarter 2018 Regions Norway

**Net operating revenues** amounted to NOK 279.1 million (NOK 261.0 million), an increase of 6.9% compared to the same quarter last year. A higher billing ratio at 69.8% (67.5%) increased revenues. Net write-downs amounted to NOK 20.6 million (NOK 14.0 million). There was a continued marked improvement in billing rates in the quarter. Business area Transportation showed a strong increase in operating revenues in the quarter.

**EBITDA** increased to NOK 5.0 million (negative NOK 10.7 million). Operating expenses developed in line with manning level and ordinary salary adjustment. Other operating expenses were lower compared to last year.

**EBIT** amounted to negative NOK 0.3 million (negative NOK 16.8 million).

**Order intake** in the fourth quarter was NOK 377.1 million (NOK 269.5 million), representing a strong increase of 40.0% compared to the same quarter last year. There was an increase in all business areas except Renewable Energy and Cities & Society.

**Order backlog** for the segment at the end of the fourth quarter 2018 amounted to NOK 573.3 million (NOK 408.5 million), up 40.3% year on year.

### Full year 2018 Regions Norway

**Net operating revenues** increased by 4.9% to NOK 1 077.6 million (NOK 1 027.3 million). Higher production from net recruitment and a higher billing ratio at 70.4% (67.3%) drove growth in the quarter. Net write-downs in the period of NOK 39.3 million (NOK 23.0 million) partly offset growth in revenues. The billing rates showed a marked improvement compared to last year.

**EBITDA** amounted to NOK 72.7 million (NOK 37.1 million), an increase of 96.0%. Higher revenues were partly offset by increased employee benefit expenses due to ordinary salary adjustments. Other operating expenses were lower compared to last year. The change in principle for 2018 group overhead allocation reduces other operating expenses by NOK 11.5 million compared to 2017.

**EBIT** amounted to NOK 50.1 million (NOK 13.0 million) reflecting a 4.7% EBIT margin.

**Order intake** amounted to NOK 1 327.6 million (NOK 976.7 million), an increase of 35.9% from last year.

### International

This segment comprises the subsidiaries Multiconsult UK, Multiconsult Asia, Multiconsult Polska and Iterio AB.

#### Key figures International

<i>Amounts in MNOK</i>	<b>Q4 2018</b>	<b>Q4 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
Net op. revenues	<b>55.3</b>	47.2	<b>198.9</b>	177.8
EBITDA	<b>2.6</b>	0.7	<b>10.0</b>	19.3
EBITDA%	<b>4.7%</b>	1.6%	<b>5.0%</b>	10.9%
EBIT	<b>2.4</b>	0.2	<b>8.1</b>	17.3
EBIT%	<b>4.3%</b>	0.4%	<b>4.0%</b>	9.7%
Order intake	<b>192.3</b>	70.8	<b>361.5</b>	402.4
Order Backlog	<b>446.0</b>	364.7	<b>446.0</b>	364.7
Billing ratio	<b>73.7%</b>	70.0%	<b>72.2%</b>	71.5%
Employees	<b>284</b>	216	<b>284</b>	216

#### Fourth quarter 2018 International

**Net operating revenues** amounted to NOK 55.3 million (NOK 47.2 million), an increase of 17.2% compared to same quarter last year. The increase was due to higher production as a result of net recruitment and a higher billing ratio at 73.7% (70.0%). Positive contributions from Iterio AB and Multiconsult Polska were partly offset by low project activity in Multiconsult UK.

**EBITDA** was NOK 2.6 million (NOK 0.7 million). Losses in Multiconsult UK and Multiconsult Asia partly offset the positive result in Iterio AB and Multiconsult Polska.

**EBIT** amounted to NOK 2.4 million (NOK 0.2 million) reflecting a 4.3% EBIT margin.

**Order intake** in the fourth quarter was NOK 192.3 million (NOK 70.8 million), an increase of 171.7% from last year. The main contribution to the order intake came from Transportation projects for Multiconsult Polska and Iterio AB.

**Order backlog** at year-end amounted to NOK 446.0 million (NOK 364.7 million), up 22.3% year on year.

#### Full year 2018 International

**Net operating revenues** in the period increased by 11.9% to NOK 198.9 million (NOK 177.8 million), compared to the same period last year. The growth in net operating revenues was mainly attributed by increased revenues in Iterio AB and Multiconsult Polska. Growth was partly offset by lower project activity in Multiconsult UK and Asia.

**EBITDA** was NOK 10.0 million (NOK 19.3 million) for the period. Solid operations in Iterio AB and Multiconsult Polska were partly offset by weak results in Multiconsult Asia and Multiconsult UK caused by insufficient project activity.

**EBIT** amounted to NOK 8.1 million (NOK 17.3 million) reflecting a 4.0% EBIT margin.

**Order intake** amounted to NOK 361.5 million (NOK 402.4 million), a decrease of 10.1% from previous year, reflecting the acquisition of the backlog of NOK 85.4 million from Iterio AB in the first quarter 2017. There has been solid contribution from Transportation in Multiconsult Polska.

#### LINK arkitektur

This segment comprises LINK arkitektur with its 15 offices throughout Scandinavia.

#### Key figures LINK arkitektur

<i>Amounts in MNOK</i>	<b>Q4 2018</b>	Q4 2017	<b>FY 2018</b>	FY 2017
Net op. revenues	<b>140.5</b>	143.6	<b>513.1</b>	488.8
EBITDA	<b>7.7</b>	15.3	<b>20.5</b>	31.1
EBITDA%	<b>5.5%</b>	10.6%	<b>4.0%</b>	6.4%
EBIT	<b>5.9</b>	13.8	<b>13.1</b>	25.5
EBIT%	<b>4.2%</b>	9.6%	<b>2.5%</b>	5.2%
Order intake	<b>193.9</b>	140.7	<b>706.7</b>	690.2
Order Backlog	<b>554.8</b>	496.0	<b>554.8</b>	496.0
Billing ratio	<b>72.2%</b>	75.2%	<b>72.7%</b>	72.4%
Employees	<b>489</b>	475	<b>489</b>	475

#### Fourth quarter 2018 LINK arkitektur

**Net operating revenues** amounted to NOK 140.5 million (NOK 143.6 million), a decrease of 2.1% compared to the same quarter last year. The decrease was mainly due to low project activity in LINK Sweden. Average billing rates were at a similar level to last year.

**EBITDA** amounted to NOK 7.7 million (NOK 15.3 million) in the fourth quarter, due to somewhat lower net operating revenues in combination with increased operating expenses mostly caused by higher IT expenses.

**EBIT** amounted to NOK 5.9 million (NOK 13.8 million) reflecting a 4.2% EBIT margin.

**Order intake** in the fourth quarter was NOK 193.9 million (NOK 140.7 million), a strong increase of 37.9%. The majority of the order intake in the quarter came from important new contracts, such as new Forum building at Aarhus University hospital, Nygårdsgaten 91-93 in Bergen and Stor Center Nord in Aarhus, Denmark.

**Order backlog** for the segment at the end of fourth quarter 2018 amounted to NOK 554.8 million (NOK 496.0 million), an increase of 11.9%.

#### Full year 2018 LINK arkitektur

**Net operating revenues** amounted to NOK 513.1 million (NOK 488.8 million), an increase of 5.0% compared to the same period last year, mainly due to net recruitment in Norway and net project write-ups of NOK 7.2 million (NOK 4.7 million). Low project activity in LINK Denmark and LINK Sweden reduced net operating revenues.

**EBITDA** amounted to NOK 20.5 million (NOK 31.1 million) in the period, a decrease of 34.2%. Improved net operating revenues were notably offset by higher employee benefit expenses as a result of net recruitment as well as higher IT expenses. Manning in Denmark has been reduced to align capacity to the current project portfolio, giving full cost reduction effects from mid fourth quarter 2018.



**EBIT** amounted to NOK 13.1 million (NOK 25.5 million) reflecting a 2.5% EBIT margin.

**Order intake** was NOK 706.7 million (NOK 690.2 million), an increase of 2.4%.

## ORGANISATION AND HSE

At 31 December 2018 the group had 2 934 (2 851) employees. The employee turnover ratio for the group was 10.2% for the period December 2017 to December 2018.

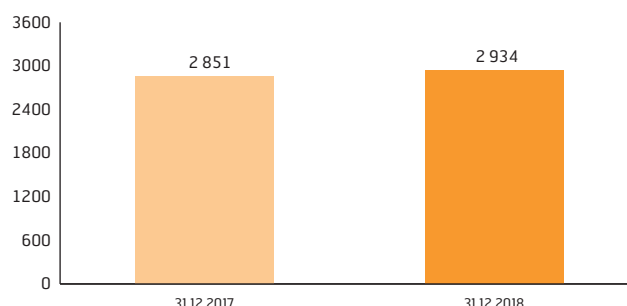
Multiconsult has adopted HSE policies and implemented guidelines to ensure compliance with applicable regulations and continued maintenance and development of its HSE standards. The company's HSE efforts are managed on both central and regional levels.

The recorded sick leave ratio for the Multiconsult group was 3.8% in the fourth quarter.

On 7 December Multiconsult announced that Anne Harris resigns as CFO and takes a similar position in Statkraft. She will continue in her current position until further notice and no later than 1 June 2019.

On 26 November, Multiconsult held an extraordinary general meeting. The general meeting passed a resolution that Bård Mikkelsen is elected as new chairperson of the board and Simen Lieungh is elected as deputy board member. Both Mikkelsen and Lieungh are elected for the period until annual general meeting in 2019.

### Number of employees



## SUBSEQUENT EVENTS

On 25 February Multiconsult announced that Hans-Jørgen Wibstad has been appointed new CFO of Multiconsult ASA as of 1 June 2019 at the latest.

On 13 February Multiconsult announced that the board of directors has appointed Grethe Bergly as new CEO of Multiconsult ASA as of 1 March 2019.

On 11 February Multiconsult announced a significant call-off award under the Fornebubanen frame agreement with municipality of Oslo (Oslo kommune). The call-off includes preparation of tender documents for the construction phase

for Fornebubanen. The value is approximately NOK 105 million to Multiconsult. Work under this call-off has already started and will last until the end of 2019.

On 29 January Multiconsult announced that Kari Nicolaisen is appointed new EVP Human Resources and Corporate Communications from 1 April 2019.

On 11 January Multiconsult announced that CEO Christian Nørgaard Madsen resigned from Multiconsult. Lars Opsahl was appointed acting CEO.

## MARKET OUTLOOK

The overall market outlook continues to show positive development across all business areas.

Buildings & Properties is expected to maintain stable growth, especially within health care, but with moderate decline in the residential market in certain regions.

The outlook for the architecture market is fairly positive in all areas especially within healthcare buildings in Norway.

Public sector investment, confirmed by the National Budget, is driving a very strong outlook for Transportation within road and rail and several large projects are expected to be assigned in the coming year.

The Renewable Energy market in Norway is expected to remain stable, with growth anticipated in the transmission and wind power sectors. International Renewable Energy markets show a strong pipeline, but increased lead-time for project decisions.

Investment in the Industry sector in Norway is expected to increase supported by reports from SSB, but global macroeconomic and political uncertainties may influence the growth.

Demand for our services in the Oil & Gas market has improved and is expected to continue improving going forward. Within Water & Environment there is stable demand for water and waste infrastructure projects as well as for soil contamination inspections.

The overall competitive landscape has moved towards more Engineering, Procurement and Construction (EPC) contracts, driving new contract structures for the consulting business. The general trend towards more frame agreements is expected to continue especially within large and complex public projects. Strong outlook and pipeline has recently resulted in improved market rates in Norway. However, the cost level for the Norwegian workforce is continuing to create 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 profitable growth, both domestic and international. The purpose of, Multiconsult Polska is to provide resources to our Norwegian projects in order to strengthen competitiveness. The top line synergies between Multiconsult and LINK arkitektur are expected to continue to further strengthen the group's value proposition to customers. The integration of Hjeltnes group into the Greater Oslo Area is expected to provide top line synergies in the healthcare and transportation sectors.

The order backlog is increasing and provides a strong foundation for growth, supported by valuable frame agreements generated from a broad and robust customer base.

## RISK AND UNCERTAINTIES

The risk of disagreements and legal disputes related to the possible cost of delays and project errors is always present in the consultancy business. Multiconsult has good insurance policies and routines for following up such cases. Further details regarding the insurance coverage are provided in note 19 to the consolidated financial statements for 2017. The largest claim at 31 December 2018 was related to the Prinsensgate 26 project with Stortinget. The legal process is progressing as expected.

Multiconsult ASA has a loan agreement with Nordea Bank for NOK 193.5 million. Interest swaps have been entered into to ensure that approximately 50% of interest cost is at fixed rates.

Multiconsult Norge AS has an overdraft facility of NOK 320.0 million with the group's main bank.

The existing loan agreement, overdraft facility and guarantee agreement include a covenant requirement that net interest bearing liabilities (excluding restricted cash) of the group shall not exceed 2.0 times last twelve months EBITDA for the group (NIBD/EBITDA), and an equity ratio of at least 25%, reported

quarterly. In December 2018 Multiconsult renegotiated the loan agreement to include a grid on the margin and reduction in fees. A grid on the margin was also renegotiated for the overdraft facility. The positive effect from these changes will have effect from January 2019.

Calculation of financial covenant requirements in the loan agreement, overdraft facility and guarantee agreement will be based on accounting principles at the time of the renegotiated agreements in December 2018. This implies that leasing obligations (or similar) under IFRS 16 will continue to be categorised as operational leases and not as debt/financial liabilities.

Multiconsult has not identified any additional risk exposures beyond the ones described in the 2017 Annual Report. Multiconsult is exposed to a number of risk factors: legal liability, credit risk, currency risk, interest rate risk, liquidity risk, and accounting estimates risk. The Risk and Risk Management section in the 2017 Annual Report contains detailed description and mitigating actions.

## DEFINITIONS

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**Net operating revenues:** Operating revenues less sub consultants and disbursements.

**EBIT:** Earnings before net financial items, results from associates and joint ventures and income tax.

**EBIT margin (%):** EBIT as a percentage of net operating revenues.

**EBITDA:** EBIT before depreciation, amortisation and impairment.

**EBITDA margin (%):** EBITDA as a percentage of net operating revenues.

**Operating expenses:** Employee benefit expenses plus other operating expenses.

**Net interest bearing debt:** Non-current and current interest bearing liabilities deducted cash and cash equivalents.

**Order intake:** Expected operating revenues on new contracts and confirmed changes to existing contracts. Only group external contracts are included.

**Order Backlog:** Expected remaining operating revenues on new and existing contracts. Only group external contracts are included. Call-offs on frame agreements are included in the order backlog when signed.

**Billing ratio (%):** Hours recorded on chargeable projects as a percentage of total hours worked (including administrative staff) and employer-paid absence. Billing ratio per segment includes allocated administrative staff.

**Employees:** Number of employees comprise all staff on payroll including staff on temporarily leave (paid and unpaid), excluding temporary personnel.

## DISCLAIMER

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This report includes forward-looking statements, which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this notice, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as "believe," "expect," "anticipate," "may," "assume," "plan," "intend," "will," "should," "estimate," "risk"

and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition, any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this report.

# INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Unaudited for the period ended 31 December 2018

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

<i>Amounts in TNOK, except EPS</i>	<b>Q4 2018</b>	Q4 2017	<b>FY 2018</b>	FY 2017
Operating revenues	<b>1 041 507</b>	963 124	<b>3 908 638</b>	3 375 399
Expenses for sub consultants and disbursements <sup>2)</sup>	<b>149 346</b>	116 925	<b>573 791</b>	380 986
<b>Net operating revenues</b>	<b>892 161</b>	846 200	<b>3 334 848</b>	2 994 414
Employee benefit expenses <sup>1)</sup>	<b>691 567</b>	659 597	<b>2 539 494</b>	2 265 379
Other operating expenses <sup>2)</sup>	<b>179 364</b>	177 235	<b>646 221</b>	564 291
<b>Operating expenses excl. depreciation and amortisation</b>	<b>870 932</b>	836 832	<b>3 185 715</b>	2 829 670
<b>Operating profit before depreciation and amortisation (EBITDA)</b>	<b>21 230</b>	9 367	<b>149 133</b>	164 744
Depreciation and amortisation	<b>11 755</b>	12 114	<b>50 130</b>	46 791
<b>Operating profit (EBIT)</b>	<b>9 474</b>	(2 747)	<b>99 003</b>	117 953
<b>Results from associated companies and joint ventures</b>	<b>719</b>	379	<b>1 661</b>	1 157
Financial income	<b>2 942</b>	1 024	<b>7 718</b>	2 956
Financial expenses	<b>6 218</b>	9 186	<b>18 297</b>	14 375
<b>Net financial items</b>	<b>(3 277)</b>	(8 162)	<b>(10 579)</b>	(11 419)
<b>Profit (loss) before tax</b>	<b>6 918</b>	(10 530)	<b>90 085</b>	107 691
Income tax expense	<b>5 150</b>	722	<b>26 528</b>	28 157
<b>Profit for the period</b>	<b>1 768</b>	(11 252)	<b>63 557</b>	79 534
<b>Attributable to:</b>				
Owners of Multiconsult ASA	<b>1 768</b>	(11 252)	<b>63 557</b>	79 534
<b>Earnings per share</b>				
Basic and diluted (NOK)	<b>0.07</b>	(0.42)	<b>2.36</b>	3.01

1) Restated 2017 figures, see note 2.

2) Restated 2017 and 2018 figures, see note 2.



## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>Amounts in TNOK</i>	<b>Q4 2018</b>	Q4 2017	<b>FY 2018</b>	FY 2017
<b>Profit for the period</b>	<b>1 768</b>	(11 252)	<b>63 557</b>	79 534
<b>Other comprehensive income</b>				
Remeasurment of defined benefit obligations	<b>809</b>	(1 452)	<b>809</b>	(1 452)
Tax	<b>(178)</b>	334	<b>(178)</b>	334
<b>Total items that will not be reclassified to profit or loss</b>	<b>631</b>	(1 118)	<b>631</b>	(1 118)
Currency translation differences	<b>8 367</b>	9 948	<b>(2 462)</b>	13 802
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>8 367</b>	9 948	<b>(2 462)</b>	13 802
<b>Total other comprehensive income for the period</b>	<b>8 998</b>	8 830	<b>(1 831)</b>	12 684
<b>Total comprehensive income for the period</b>	<b>10 766</b>	(2 421)	<b>61 726</b>	92 218
<b>Attributable to:</b>				
Owners of Multiconsult ASA	<b>10 766</b>	(2 421)	<b>61 726</b>	92 218

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

Amounts in TNOK	At 31 December 2018	At 30 September 2018	At 31 December 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deferred tax assets	44 712	22 392	25 610
Intangible assets	30 732	26 287	19 704
Goodwill	449 049	445 524	449 942
Property, plant and equipment	99 987	95 067	99 947
Associated companies and joint ventures	12 489	11 746	10 809
Non-current receivables and shares	7 352	6 380	6 995
Assets for reimbursement of provisions	23 300	19 500	22 000
<b>Total non-current assets</b>	<b>667 621</b>	<b>626 896</b>	<b>635 007</b>
<b>Current assets</b>			
Trade receivables	666 756	582 356	588 377
Work in progress	343 863	545 708	368 447
Other receivables and prepaid costs	72 854	62 094	65 012
Cash and cash equivalents	138 872	120 888	154 291
<b>Total current assets</b>	<b>1 222 346</b>	<b>1 311 047</b>	<b>1 176 126</b>
<b>Total assets</b>	<b>1 889 966</b>	<b>1 937 943</b>	<b>1 811 133</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Total paid in equity	91 242	91 242	91 242
Other equity	501 969	501 216	490 830
<b>Total shareholders' equity</b>	<b>593 211</b>	<b>592 459</b>	<b>582 072</b>
<b>Non-current liabilities</b>			
Retirement benefit obligations	6 500	7 710	6 667
Deferred tax	12 822	12 695	13 835
Provisions	42 350	28 255	29 937
Non-current interest bearing liabilities	175 255	4 381	195 203
<b>Total non-current liabilities</b>	<b>236 927</b>	<b>53 042</b>	<b>245 642</b>
<b>Current liabilities</b>			
Trade payables	236 492	214 432	165 534
Prepaid revenues <sup>1)</sup>	121 463	75 464	111 146
Current tax liabilities	32 340	25 450	14 610
VAT and other public taxes and duties payables	327 167	226 012	296 266
Current interest bearing liabilities	23 162	429 814	93 573
Other current liabilities <sup>1)</sup>	319 205	321 272	302 291
<b>Total current liabilities</b>	<b>1 059 830</b>	<b>1 292 443</b>	<b>983 420</b>
<b>Total liabilities</b>	<b>1 296 756</b>	<b>1 345 485</b>	<b>1 229 062</b>
<b>Total equity and liabilities</b>	<b>1 889 966</b>	<b>1 937 943</b>	<b>1 811 133</b>

1) Restated 2017 figures, see note 3 section IFRS 15 Revenue from contracts with customers

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>Amounts in TNOK</i>	Share capital	Own shares	Share premium	Total paid-in capital	Retained earnings	Pension	Currency	Total equity
31 December 2016	13 125	(1)	13 320	<b>26 443</b>	683 309	(201 224)	(1 008)	<b>507 520</b>
Dividend	-	-	-	-	(78 715)	-	-	<b>(78 715)</b>
Share Issue	361	-	64 438	<b>64 799</b>	-	-	-	<b>64 799</b>
Treasury shares	-	1	-	<b>1</b>	204	-	-	<b>205</b>
Employee share purchase programme	-	-	-	-	(3 955)	-	-	<b>(3 955)</b>
Comprehensive income	-	-	-	-	79 534	(1 118)	13 802	<b>92 218</b>
31 December 2017	13 486	-	77 758	<b>91 242</b>	680 378	(202 343)	12 794	<b>582 072</b>
Dividend	-	-	-	-	(40 423)	-	-	<b>(40 423)</b>
Treasury shares	-	-	-	-	4	-	-	<b>4</b>
Employee share purchase programme	-	-	-	-	(10 168)	-	-	<b>(10 168)</b>
Comprehensive income	-	-	-	-	63 557	631	(2 462)	<b>61 726</b>
31 December 2018	13 486	-	77 758	<b>91 242</b>	693 349	(201 713)	10 332	<b>593 211</b>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>Amounts in TNOK</i>	<b>Q4 2018</b>	<b>Q4 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
<b>Cash flows from operating activities</b>				
Profit before tax	<b>6 918</b>	(10 530)	<b>90 085</b>	107 691
Income taxes paid	<b>(14 259)</b>	753	<b>(24 773)</b>	(37 623)
Depreciation and amortisation	<b>11 755</b>	12 114	<b>50 130</b>	46 791
Results from associated companies and joint ventures	<b>(719)</b>	(379)	<b>(1 660)</b>	(1 157)
Other non-cash profit and loss items	<b>2 036</b>	2 010	<b>993</b>	2 010
<b>Subtotal operating activities</b>	<b>5 731</b>	3 968	<b>114 774</b>	117 712
Changes in working capital	<b>298 929</b>	76 544	<b>93 120</b>	(56 106)
<b>Net cash flow from operating activities</b>	<b>304 660</b>	80 512	<b>207 894</b>	61 605
<b>Cash flows from investment activities</b>				
Net purchase and sale of fixed assets and financial non-current assets	<b>(24 527)</b>	(15 405)	<b>(61 199)</b>	(46 789)
Proceeds/payments related to equity accounted investments	-	-	-	339
Net cash effect of business combinations	-	-	-	(170 907)
<b>Net cash flow from investment activities</b>	<b>(24 527)</b>	(15 405)	<b>(61 199)</b>	(217 357)
<b>Cash flows from financing activities</b>				
Change in interest-bearing liabilities	<b>(235 779)</b>	(47 593)	<b>(90 360)</b>	229 306
Paid dividends	-	-	<b>(40 423)</b>	(78 715)
Sale treasury shares	<b>12 944</b>	10 664	<b>13 497</b>	11 119
Purchase treasury shares	<b>(43 104)</b>	(32 432)	<b>(43 841)</b>	(35 030)
<b>Net cash flow from financing activities</b>	<b>(265 938)</b>	(69 361)	<b>(161 127)</b>	126 681
Foreign currency effects on cash and cash equivalents	<b>3 789</b>	2 513	<b>(987)</b>	7 372
<b>Net increase/decrease in cash and cash equivalents</b>	<b>17 984</b>	(1 740)	<b>(15 419)</b>	(21 699)
Cash and cash equivalents at the beginning of the period	<b>120 888</b>	156 031	<b>154 291</b>	175 990
<b>Cash and cash equivalents at the end of the period</b>	<b>138 872</b>	154 291	<b>138 872</b>	154 291



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: General information

#### The Company and the Group

Multiconsult ASA (the company) is a Norwegian public limited liability company listed on Oslo Børs. The company and its subsidiaries (together the Multiconsult group/the group) are

among the leading suppliers of consultancy and design services in Norway and the Nordic region. The group has subsidiaries outside the Nordic region in Poland, UK and Singapore.

### NOTE 2: Basis of preparation and statements

#### Basis for preparation

The financial statements are presented in NOK, rounded to the nearest thousand, unless otherwise stated. As a result of rounding adjustments, the figures in one or more rows or columns included in the financial statements and notes may not add up to the total of that row or column.

#### Statements

These interim condensed consolidated financial statements for the fourth quarter of 2018 have been prepared in accordance with IAS 34 as approved by the EU. They have not been audited. They do not include all of the information required for full annual financial statements of the group and should be read in conjunction with the consolidated financial statements for 2017. The accounting policies applied are consistent with those applied and described in the consolidated annual financial statements for 2017, which are available upon request from the company's registered office at Nedre Skøyen vei 2, 0276 Oslo and at [www.multiconsult.no](http://www.multiconsult.no).

These interim condensed consolidated financial statements for the fourth quarter of 2018 were approved by the Board of Directors and the CEO on 25 February 2019.

#### Restatement income statement

In September 2017 the new ERP-system was implemented. In connection with the implementation, some classifications in the financial statements are changed. Employee benefit expenses and other operating expenses are restated for the comparative periods. After the implementation of the new ERP-system internal project expenses has been classified in line with external project as "Expenses for sub consultants and disbursements". These expenses has now been restated as "Other operating expenses".

#### Restatement employee benefit expenses and expenses for sub consultants and disbursements:

<i>Amounts in TNOK</i>	<b>Q4 2018</b>	<b>Q4 2017</b>	<b>FY 2018</b>	<b>FY 2017</b>
Operating revenues	<b>1 041 507</b>	963 124	<b>3 908 638</b>	3 375 399
Expenses for sub consultants and disbursements	<b>155 544</b>	132 930	<b>600 552</b>	397 758
Restatement expenses for sub consultants and disbursements	<b>6 198</b>	16 005	<b>26 761</b>	16 772
<b>Restated expenses for sub consultants and disbursements</b>	<b>149 346</b>	116 925	<b>573 791</b>	380 986
<b>Net operating revenues</b>	<b>892 161</b>	846 200	<b>3 334 847</b>	2 994 413
Employee benefit expenses	<b>691 567</b>	688 055	<b>2 539 494</b>	2 319 810
Restatement employee benefit expenses	-	28 458	-	54 431
<b>Restated employee benefit expenses</b>	<b>691 567</b>	659 597	<b>2 539 494</b>	2 265 379
Other operating expenses	<b>173 166</b>	132 772	<b>619 460</b>	493 088
Restatement other operating expenses	<b>6 198</b>	44 463	<b>26 761</b>	71 203
<b>Restated other operating expenses</b>	<b>179 364</b>	177 235	<b>646 221</b>	564 291
<b>Operating profit before depreciation and amortisation (EBITDA)</b>	<b>21 230</b>	9 367	<b>149 132</b>	164 744

**NOTE 3: Accounting policies**

The group prepares its consolidated annual financial statements in accordance with IFRS as adopted by the EU (International Financial Reporting Standards - IFRS). References to IFRS in these financial statements refer to IFRS as approved by the EU. The accounting policies adopted are consistent with those of the previous financial year.

At the time of approval for issue of these interim condensed consolidated financial statements, some new standards, amendments to standards and interpretations have been published, but are not yet effective and have not been applied in preparing these consolidated financial statements. Those that may be relevant for the group are described in note 2 to the annual consolidated financial statements for 2017.

**IFRS 15 Revenue from contracts with customers**

IFRS 15 Revenue from contracts with customers is effective for annual reporting periods beginning from 1 January 2018. Multiconsult has established that the vast majority of contracts in terms of transaction price are time-based, i.e. the company earns revenue per hour worked. There are some contracts which are time-based with a cap, or fixed price, but these are immaterial compared to total revenue. Current revenue recognition is based on work performed, similar to "over-time" revenue recognition in IFRS 15. Multiconsult has evaluated that for some of its services, for example construction management and co-ordination, the customer simultaneously receives and consumes the benefits provided and therefore revenues is recognised over time. Other services are to a large extent tailored to customer requirements and have no alternative use for Multiconsult.

The group's assessment is that implementation of IFRS 15 has no significant effect on revenue recognition for the group. This is primarily due to the fact that the contracts as a main rule establish right to payment for performance to date. The entity's performance does not create an asset with an alternative use to the entity, and in some contracts the customer simultaneously receives and consumes the benefits provided by its performance. Refer to note 2A to the consolidated annual financial statements for 2017 for further information about the company's assessments related to implementation of IFRS 15.

Work in progress (WIP) is related to work performed but not billed at the reporting date. Project liabilities are related to prepaid revenues. Other current liabilities are restated for the comparative periods.

**Restatement balance sheet:**

<i>Amounts in TNOK</i>	<i>FY 2017</i>
Other current liabilities	413 436
Restatement	111 146
<b>Restated other current liabilities</b>	<b>302 291</b>
<b>Total restated to prepaid revenues</b>	<b>111 146</b>

**IFRS 16 Leases**

IFRS 16 Leases will replace IAS 17 and IFRIC 4. The new standard requires lessees to recognise right-of-use assets and liabilities for all leases, with the exception of some leases with lease periods of one year or less, or where the underlying assets are of low value. Depreciation, amortisation and impairment losses as well as interest expenses must be recognised in the statement of income.

The group will implement IFRS 16 on 1 January 2019 using the modified retrospective approach. The Group has used the practical expedient to recognise the right-of-use assets at the same amounts as the lease liabilities, and therefore the cumulative effect of adopting IFRS 16 had no effect on equity at 1 January 2019. Comparative information has not been restated. The group will apply the practical expedients to not recognise right-of-use assets and liabilities for leases with lease periods of one year or less and where the underlying assets are of low value. Low value has been defined on the basis that the underlying assets, when new, are individually of low value, i.e. office furniture, water dispensers, coffee machines, IT equipment for use by the individual employees, printers and copy machines etc. At transition, the group will use the practical expedients available not to recognise right-of-use assets and liabilities for leases with lease term that ends during 2019.

Multiconsult has two classes of assets that will be reported as right-of-use assets; buildings (primarily office premises) and cars.

Multiconsult has estimated the amounts to be recognised as right-of-use assets and lease liabilities for buildings to be NOK 1 031 million, and for cars NOK 8 million at 1 January 2019. The effect of discounting future lease payments, which will be recognised in the statement of income as interest expenses over the lease terms is NOK 177 million at 1 January 2019. After implementation of IFRS 16 the calculated equity ratio at 1 January 2019 is 20.2%. Primarily due to changed classification of the lease expenses, there will be a material increase in reported EBIT and EBITDA after implementation of IFRS 16.

The actual impacts of adopting IFRS 16 at 1 January 2019 may change because the new accounting policies are subject to change until the group presents its first annual financial statements that include the date of initial application.

**NOTE 4: Estimates, judgments and assumptions**

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these interim condensed consolidated financial

statements, significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual consolidated financial statements for 2017 (see especially note 2).

**NOTE 5: Segments**

Refer to note 5 to the consolidated annual financial statements for 2017 for more information on the segments.

reported in the segment with reference to where the employee is employed. Most of the cost of administrative services, rent of premises, depreciation and so forth is allocated to the segments.

The group has three geographical reporting segments as well as a segment for LINK arkitektur. Revenues and expenses are

<b>Q4 2018</b> <i>Amounts in TNOK</i>	Greater Oslo Area	Regions Norway	Inter- national	LINK arkitektur	Not allocated	Elimi- nations	<b>Total</b>
External revenues	497 983	306 061	73 369	160 931	3 164	-	<b>1 041 507</b>
Internal revenues	8 234	-	4 883	10 770	317	(24 204)	-
Total operating revenues	506 217	306 061	78 252	171 701	3 481	(24 204)	<b>1 041 507</b>
Net operating revenues	418 400	279 108	55 333	140 536	(1 215)	-	<b>892 161</b>
Operating expenses	409 578	274 074	52 714	132 809	1 756	-	<b>870 932</b>
EBITDA	8 821	5 034	2 619	7 726	(2 971)	-	<b>21 230</b>
Depreciation and amortisation	3 778	5 379	240	1 782	577	-	<b>11 755</b>
EBIT	5 044	(345)	2 379	5 945	(3 548)	-	<b>9 474</b>
Associates and joint ventures	227	-	-	492	-	-	<b>719</b>
Receivables <sup>1)</sup>	479 965	281 598	108 511	194 325	-	(46 153)	<b>1 018 246</b>
Number of employees	1 176	854	284	489	131	-	<b>2 934</b>

1) Receivables includes accounts receivables (before provision for loss) and accrued revenues.

<b>Q4 2017</b> <i>Amounts in TNOK</i>	Greater Oslo Area	Regions Norway	Inter- national	LINK arkitektur	Not allocated	Elimi- nations	<b>Total</b>
External revenues	472 376	283 148	50 101	159 012	(1 513)	-	<b>963 124</b>
Internal revenues	23 950	9 517	11 801	10 566	1 513	(57 347)	-
Total operating revenues	496 325	292 665	61 902	169 579	-	(57 347)	<b>963 124</b>
Net operating revenues	393 027	261 041	47 195	143 608	1 327	-	<b>846 200</b>
Operating expenses	387 223	271 773	46 457	128 358	3 021	-	<b>836 832</b>
EBITDA	5 804	(10 731)	738	15 250	(1 694)	-	<b>9 367</b>
Depreciation and amortisation	4 996	6 061	550	1 440	(933)	-	<b>12 114</b>
EBIT	808	(16 792)	188	13 810	(761)	-	<b>(2 747)</b>
Associates and joint ventures	(259)	-	377	261	-	-	<b>379</b>
Receivables <sup>1)</sup>	502 815	242 778	90 870	206 312	5 025	(78 478)	<b>969 322</b>
Number of employees	1 179	841	216	475	140	-	<b>2 851</b>

1) Receivables includes accounts receivables (before provision for loss) and accrued revenues.

<b>FY 2018</b> <i>Amounts in TNOK</i>	Greater Oslo Area	Regions Norway	Inter- national	LINK arkitektur	Not allocated	Elimi- nations	<b>Total</b>
External revenues	1 849 609	1 165 255	259 763	632 094	1 917	-	<b>3 908 638</b>
Internal revenues	27 374	-	30 809	33 470	4 482	(96 135)	-
Total operating revenues	1 876 983	1 165 255	290 572	665 564	6 399	(96 135)	<b>3 908 638</b>
Net operating revenues	1 542 766	1 077 567	198 942	513 111	2 462	-	<b>3 334 848</b>
Operating expenses	1 469 492	1 004 890	188 906	492 660	29 766	-	<b>3 185 715</b>
EBITDA	73 273	72 677	10 036	20 450	(27 304)	-	<b>149 133</b>
Depreciation and amortisation	15 781	22 545	1 980	7 368	2 456	-	<b>50 130</b>
EBIT	57 492	50 133	8 056	13 082	(29 760)	-	<b>99 003</b>
Associates and joint ventures	1 271	-	-	390	-	-	<b>1 661</b>
Receivables <sup>1)</sup>	479 965	281 598	108 511	194 325	-	(46 153)	<b>1 018 246</b>
Number of employees	1 176	854	284	489	131	-	<b>2 934</b>

1) Receivables includes accounts receivables (before provision for loss) and accrued revenues.

<b>FY 2017</b> <i>Amounts in TNOK</i>	Greater Oslo Area	Regions Norway	Inter- national	LINK arkitektur	Not allocated	Elimi- nations	<b>Total</b>
External revenues	1 544 298	1 102 266	188 113	553 720	(12 997)	-	<b>3 375 399</b>
Internal revenues	76 551	30 420	37 720	33 773	4 835	(183 300)	-
Total operating revenues	1 620 848	1 132 686	225 834	587 493	(8 162)	(183 300)	<b>3 375 399</b>
Net operating revenues	1 306 957	1 027 303	177 753	488 829	(6 428)	-	<b>2 994 414</b>
Operating expenses	1 226 319	990 216	158 438	457 771	(3 073)	-	<b>2 829 670</b>
EBITDA	80 638	37 087	19 315	31 058	(3 354)	-	<b>164 744</b>
Depreciation and amortisation	16 044	24 085	2 038	5 591	(967)	-	<b>46 791</b>
EBIT	64 594	13 002	17 278	25 467	(2 387)	-	<b>117 953</b>
Associates and joint ventures	1 951	-	(1 055)	261	-	-	<b>1 157</b>
Receivables <sup>1)</sup>	502 815	242 778	90 870	206 312	5 025	(78 478)	<b>969 322</b>
Number of employees	1 179	841	216	475	140	-	<b>2 851</b>

1) Receivables includes accounts receivables (before provision for loss) and accrued revenues.

#### Operating revenues per business area:

<i>Amounts in TNOK</i>	<b>Q4 2018</b>	Q4 2017	<b>FY 2018</b>	FY 2017
Buildings & Properties	<b>441 315</b>	444 865	<b>1 729 935</b>	1 512 696
Industry	<b>57 509</b>	51 381	<b>218 849</b>	204 313
Oil & Gas	<b>27 740</b>	21 588	<b>99 551</b>	106 801
Renewable Energy	<b>101 861</b>	113 736	<b>439 874</b>	433 116
Transportation	<b>295 553</b>	224 775	<b>977 215</b>	782 615
Water & Environment	<b>82 056</b>	78 195	<b>301 737</b>	233 044
Cities & Society	<b>35 473</b>	28 585	<b>141 475</b>	102 814
<b>Total</b>	<b>1 041 507</b>	963 124	<b>3 908 638</b>	3 375 399



**Buildings & Properties** include advisory and engineering at all stages of a construction project for all types of buildings. The business area provides services such as demand- and feasibility studies, sketch pre-project, detailed design and follow-up during the construction period, and real estate consultancy. The focus is on sustainable and long-term solutions. LINK arkitektur is included.

**Industry** offers complete, interdisciplinary advisory and engineering services in all project phases. Services include investigations, project development, project management, design and procurement, construction with all technical systems, construction management and follow-up, and commissioning.

**Oil & Gas** provides services throughout the whole value chain, from early phase studies through FEED (Front End Engineering Design) to detailed engineering and delivery for both onshore and offshore projects. Services provided onshore are within terminal and production facilities, facilities and constructions, harbour and marine constructions, underground warehouses, land-based pipelines and landfills, and electrical substations. Services provided offshore are within oil and gas rigs and platforms, concrete marine constructions, modules and structures for rigs and platforms, seabed installations, arctic climate technology for floating and subsea constructions, and noise and vibration measurement amongst others.

**Renewable Energy** covers the entire project life cycle in hydropower, transmission and distribution, land-based wind power and solar energy. Services provided are from start-up and preliminary studies to detailed design and construction management, commissioning and operational shutdown.

**Transportation** largely comprises advisory services for planning safe and forward-looking transport systems. The business area covers road, rail, airport, and harbor and channel transport systems.

**Water & Environment** includes services in all phases of the lifetime of a project including inspections, engineering, operation and maintenance, and remediation and demolition. Focus is placed on sustainable development of the environment through advisory services related to Greenhouse gas emissions, flood and mud slide protection, water and drains, blue-green structures and issues related to pollution of air, water and soil.

**Cities & Society** includes complex early-stage planning in urban areas. Mobility, infrastructure, area solutions and real estate development are core markets. The focus is on creating innovative solutions and contribute to building attractive cities for the future.

#### NOTE 6: Explanatory comments regarding the impact of revenue seasonality on quarterly reporting

The group's net operating revenues are affected by the number of working days within each reporting period while employee expenses are recognised for full calendar days. The number of working days in a month is affected by public holidays and vacations. The timing of public holidays (e.g. Easter) during

quarters and whether they fall on weekends or weekdays impacts revenues, earnings, cashflows and working capital balances. Generally, the company's employees are granted leave during Easter and Christmas. The summer holidays primarily impact the month of July and the third quarter.

#### NOTE 7: Significant events and transactions

The Annual General Meeting on 3 May 2018 resolved payment of ordinary dividends related to the 2017 financial year of NOK 40.5 million (NOK 1.50 per share) that was paid to the shareholders registered on 3 May 2018.

#### NOTE 8: Related party transactions

See note 22 to the consolidated financial statements for 2017 for a description of related parties and related parties transactions in 2017.

Among the Company's shareholders Stiftelsen Multiconsult (the Multiconsult Foundation) is considered to be a related party according to IFRS due to its ownership and influence. The Foundation had a shareholding of 19.8% at 31 December 2017 and 20% at 31 December 2018.

**NOTE 9: Treasury shares**

Multiconsult ASA has a share purchase programme for all its employees. Through the share purchase programme the company offers its employees shares in Multiconsult ASA with a discount of 20%. Shares purchased through the programme are subject to a two-year lock-up period.

The board of directors implemented a variable performance based bonus scheme for the group management effective from

2016. As stated in note 8 in the 2017 annual report, if defined targets are met, a part of the earned bonus will be paid in the form of shares with a discount of 30% and a three year lock-in period. There is a maximum equivalent to four months' salary for the CEO and two months' salary for the other members of group management.

The company has 0 treasury shares as of 31 December 2018.

**NOTE 10: Earnings per share**

For the periods presented there are no dilutive effects on profits or number of shares. Basic and diluted earnings per share are therefore the same.

	Q4 2018	Q4 2017	FY 2018	FY 2017
Profit for the period (TNOK)	1 768	(11 252)	63 557	79 534
Average no shares	26 970 394	26 860 323	26 970 289	26 407 850
<b>Earnings per share (NOK)</b>	<b>0.07</b>	<b>(0.42)</b>	<b>2.36</b>	<b>3.01</b>

**NOTE 11: Retirement benefit obligations**

For a description of the corporate pension schemes see note 11 to the consolidated financial statements for 2017.

Multiconsult ASA and Multiconsult Norge AS has a defined contribution pension plan that covers all the employees in the

two companies. Other defined benefit pension plans in the group still exist for three employees in LINK arkitektur AS and two individual agreement in Multiconsult Norge AS.

**NOTE 12: Financial instruments**

The group's financial instruments are interest bearing debt, accounts receivables and other receivables, cash and cash equivalents and accounts payables. It is assumed that the

book value is a good approximation of fair value for the group's financial instruments.

**Non-current and current interest bearing liabilities:**

Amounts in TNOK	31 December 2018	31 December 2017	Local currency 31 December 2018	Local currency 31 December 2017	Local currency
Multiconsult ASA	193 500	215 000	193 500	215 000	NOK
Multiconsult Norge AS	-	70 938	-	70 938	NOK
Multiconsult Polska	1 146	-	495	-	PLN
Multiconsult Asia	451	-	71	-	SGD
LINK arkitektur AB	1 211	-	1 248	-	SEK
LINK arkitektur A/S	2 109	2 838	1 583	2 177	DKK
<b>Total</b>	<b>198 417</b>	<b>288 776</b>	<b>-</b>	<b>-</b>	

The group owns a limited amount of shares and participations available for sale (NOK 0.5 million), and it is assumed that the book value is a good estimate of fair value. Fair value of

derivatives (currency and interest rate swaps) were recorded with an unrealised loss of NOK 0.2 million at 31 December (gain of NOK 0.3 million at 30 September 2018).

## ALTERNATIVE PERFORMANCE MEASURES (APMS)

Multiconsult uses alternative performance measures for periodic and annual financial reporting in order to provide a better understanding of the group's underlying financial performance.

### Adjusted EBITDA and EBIT – calendar effect:

<i>Amounts in MNOK (except percentage)</i>	<b>Q4 2018</b>	Q4 2017	<b>FY 2018</b>	FY 2017
Net operating revenues	<b>892.2</b>	846.2	<b>3 334.8</b>	2 994.4
Estimated calendar effect	-	-	<b>(13.5)</b>	-
Adjusted net operating revenues	<b>892.2</b>	846.2	<b>3 321.3</b>	2 994.4
<b>Reported employee benefit expenses</b>	<b>691.6</b>	659.6	<b>2 539.5</b>	2 265.4
Reported other operating expenses	<b>179.4</b>	177.2	<b>646.2</b>	564.3
<b>Operating expenses</b>	<b>870.9</b>	836.8	<b>3 185.7</b>	2 829.7
<b>Adjusted EBITDA</b>	<b>21.2</b>	9.4	<b>135.6</b>	164.7
Depreciation, amortisation and impairments	<b>11.8</b>	12.1	<b>50.1</b>	46.8
<b>Adjusted EBIT</b>	<b>9.5</b>	(2.7)	<b>85.5</b>	118.0
Adjusted EBITDA margin (%)	<b>2.4%</b>	1.1%	<b>4.1%</b>	5.5%
Adjusted EBIT margin (%)	<b>1.1%</b>	(0.3%)	<b>2.6%</b>	3.9%

Figures show effect on earnings from the corresponding period previous year arising from changes in available working days.

### Net interest bearing debt:

<i>Amounts in MNOK</i>	<b>Q4 2018</b>	Q4 2017	<b>FY 2018</b>	FY 2017
Non-current interest bearing liabilities	<b>175.3</b>	195.2	<b>175.3</b>	195.2
Current interest bearing liabilities	<b>23.2</b>	93.6	<b>23.2</b>	93.6
Cash and cash equivalents <sup>1)</sup>	<b>138.9</b>	154.3	<b>138.9</b>	154.3
<b>Net interest bearing debt (asset)</b>	<b>59.5</b>	134.5	<b>59.5</b>	134.5

1) Cash and cash equivalents in this table includes restricted cash.

### Equity ratio group:

<i>Amounts in MNOK</i>	<b>31 December 2018</b>	30 September 2018	31 December 2017
Equity	<b>593.2</b>	592.5	582.1
Total assets	<b>1 890.0</b>	1 937.9	1 811.1
<b>Equity ratio</b>	<b>31.4%</b>	30.6%	32.1%

# Multiconsult

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