

SECOND QUARTER 2019 RESULTS

Grethe Bergly, CEO | Hans-Jørgen Wibstad, CFO



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INTRODUCTION AND HIGHLIGHTS

Grethe Bergly, CEO

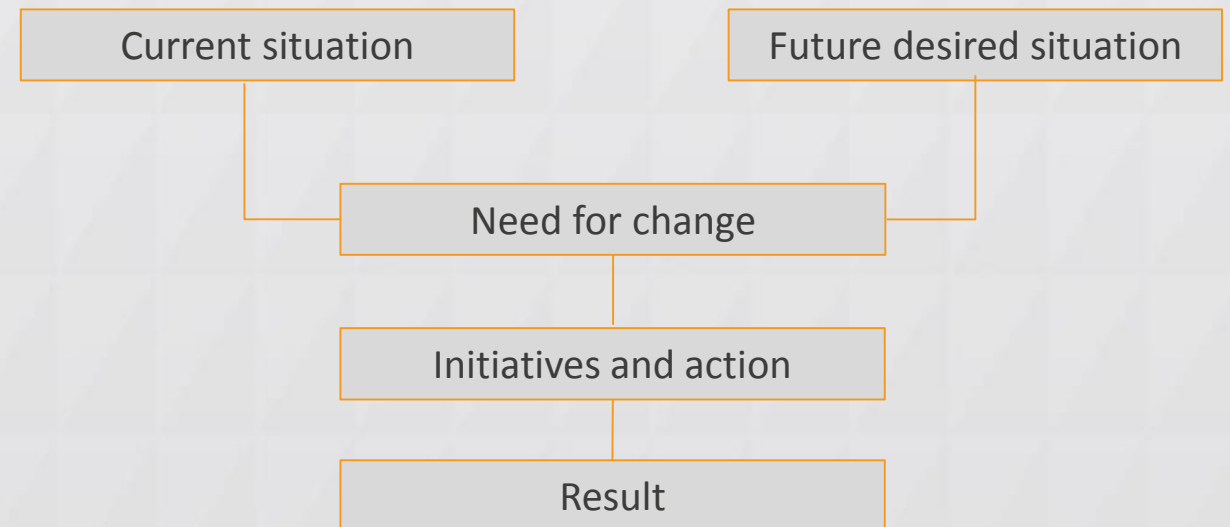
Highlights

- Second quarter EBIT negative NOK 15.9 million, YTD positive NOK 76.5 million
- Underlying profitability improved both 2Q and YTD 2019
 - Significant negative impacts of NOK 85.0 million 2Q 2019 vs 2Q 2018 (calendar effect and Stortinget)
- Order backlog remains strong, with normal fluctuation in order intake
- Market outlook - growth accross most business areas
- Overall profitability level – still not satisfactory
 - Initiatives under GO strategy on track
- Capital Markets Day on 7 November 2019

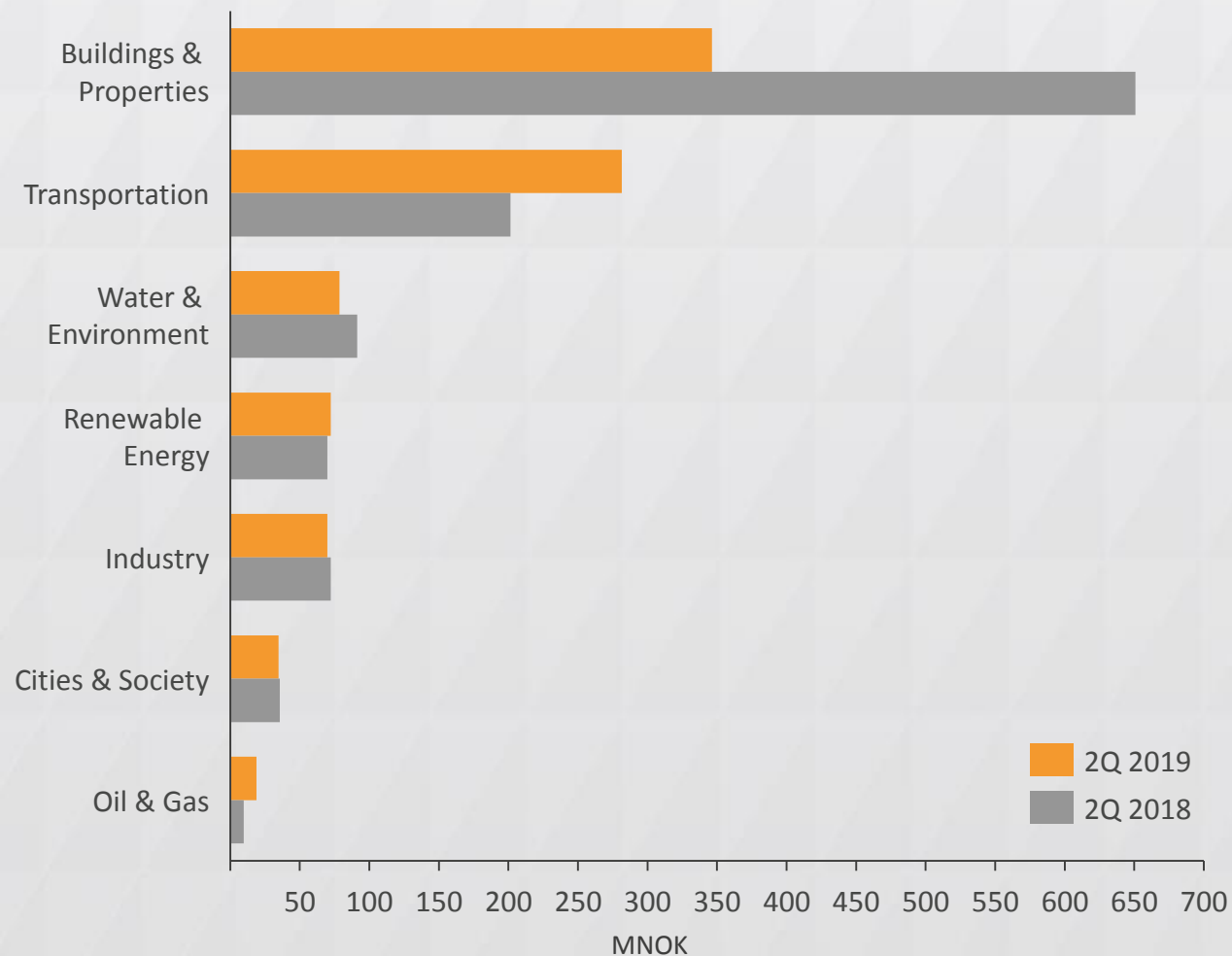


GO Strategy ongoing initiatives

- Improved portfolio management/project execution
- Cost level stabilised
- On-going focus on all elements of GO Strategy
 - Mapping of Opex and potential
 - Mapping of efficiency and potential
 - Project management / execution
 - Capital Markets Day will go into further detail



Order intake in 2Q 2019



Highlights

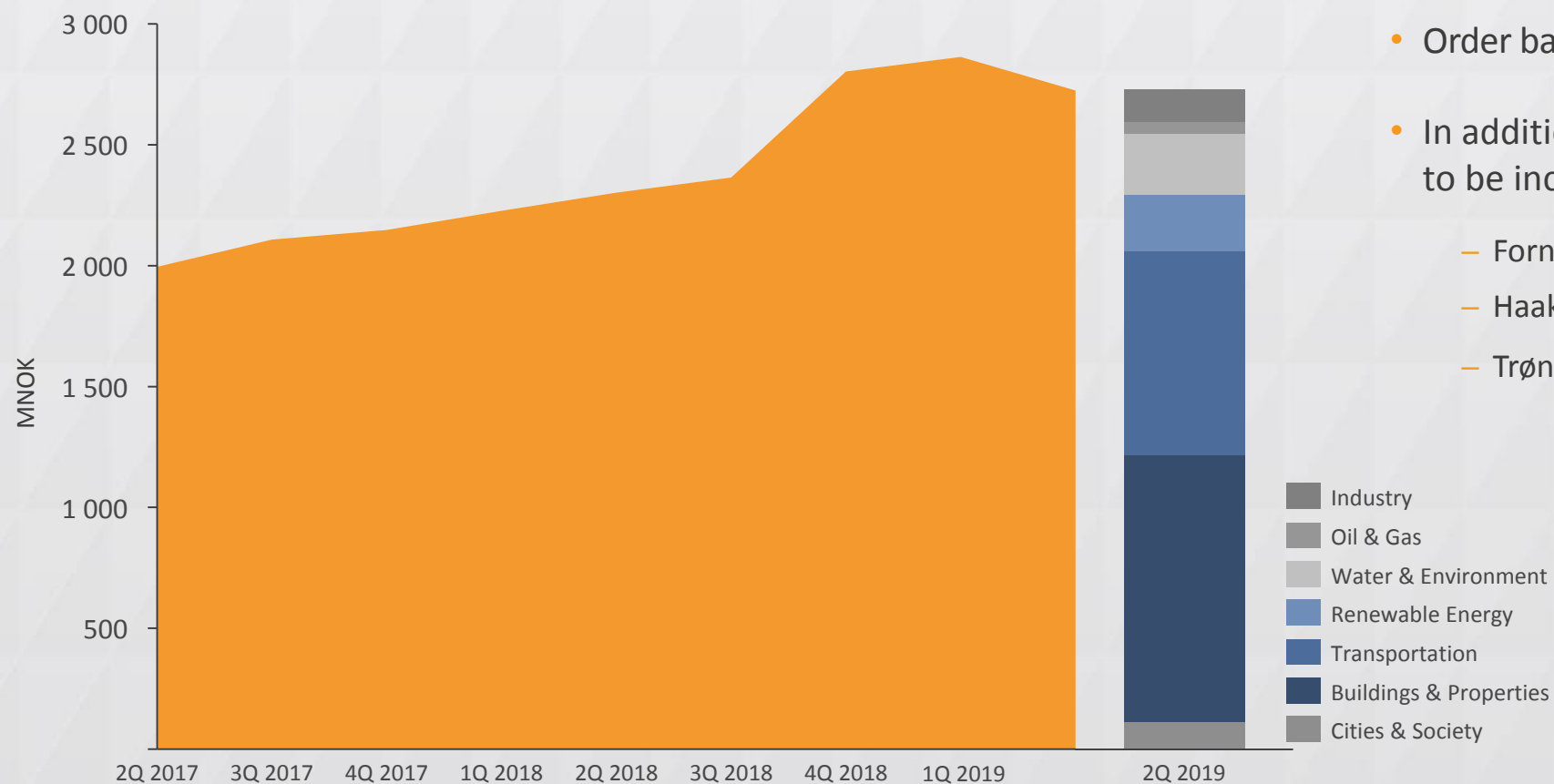
- Order intake NOK 902.0 million
- Balanced across business areas, normal variation between periods
- Solid tender pipeline, across most business areas

Key order intake

- Lambertseter Nursing home (LINK)
- Mjøsa bridge
- Stad skipstunnel
- Fylkesveg 698 and 772 Blakstad tunnel
- E134 Saggrenda - Elgsjø



Order backlog development and backlog per business area



- Order backlog remains strong at NOK 2 725 million
- In addition, call-offs on frame agreements to be included when signed
 - Fornebubanen (Oslo kommune)
 - Haakonsvern (Forsvarsbygg)
 - Trøndelag (Forsvarsbygg)

Organisation

- 2 964 employees at 30 June 2019 (up from 2 855)
- Bjørlien School awarded «Educational building of the year» by Nohrcon
 - Multiconsult and LINK with winning design second year in a row
- MUST summer student programme successful and popular once again
 - More than 1 800 applicants for 96 positions
- Extract of achievements to employees in 2Q
 - Reignard Tan awarded PhD at NTNU on calculations and design of large-scale concrete structures
 - Åse Ervik awarded PhD at NTNU on research on the ice phenomenon of ridges (skrugarder)

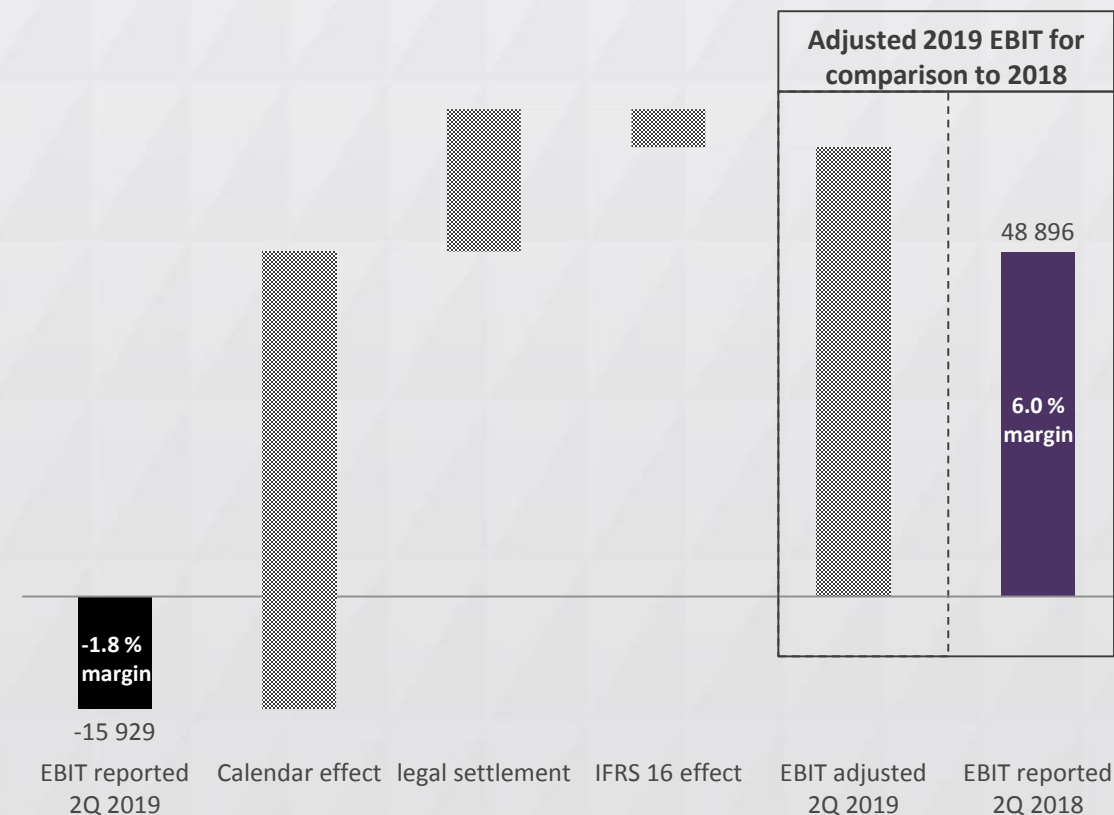


FINANCIAL REVIEW

Hans-Jørgen Wibstad, CFO

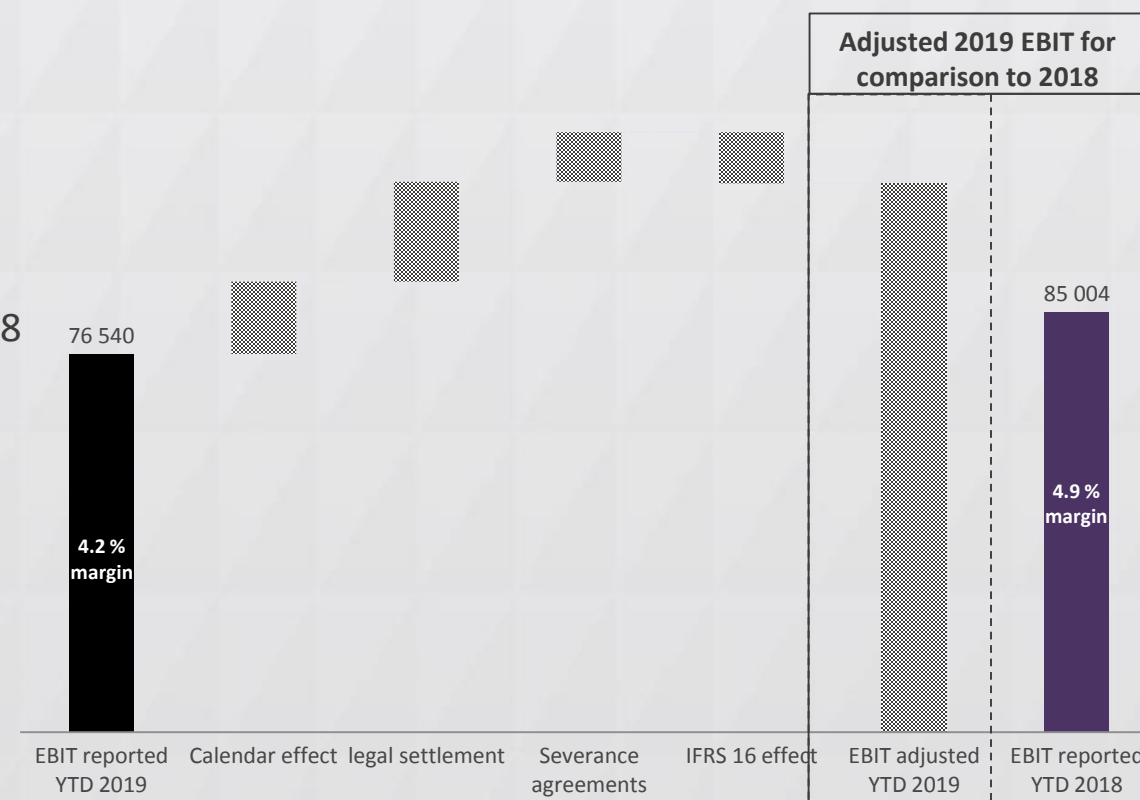
Financial Highlights 2Q 2019

- Net operating revenues down 2.4 % to NOK 866.7 million
 - adjusted net operating revenues up 7.2% vs 2Q 2018
 - purely organic growth
- EBIT of negative NOK 15.9 million, -1.8 % margin
 - Negative calendar effect of NOK 64.8 million vs 2Q 2018
 - Legal settlement of NOK 20.2 million
 - Positive IFRS 16 effect of NOK 5.4 million vs 2Q 2018
- Opex up 5.9 %, in line with growth in manning level
- Net project write-downs 2.9 % of net operating revenues
 - 0.6 % adjusted for legal settlement with Stortinget
- NIBD (ex IFRS 16) is NOK 167.9 million (NOK 186.6 million)

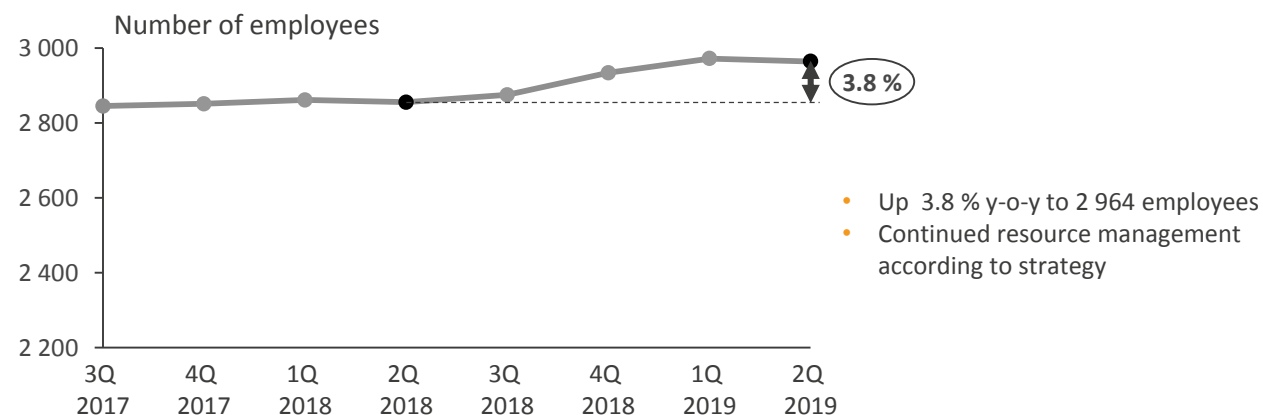
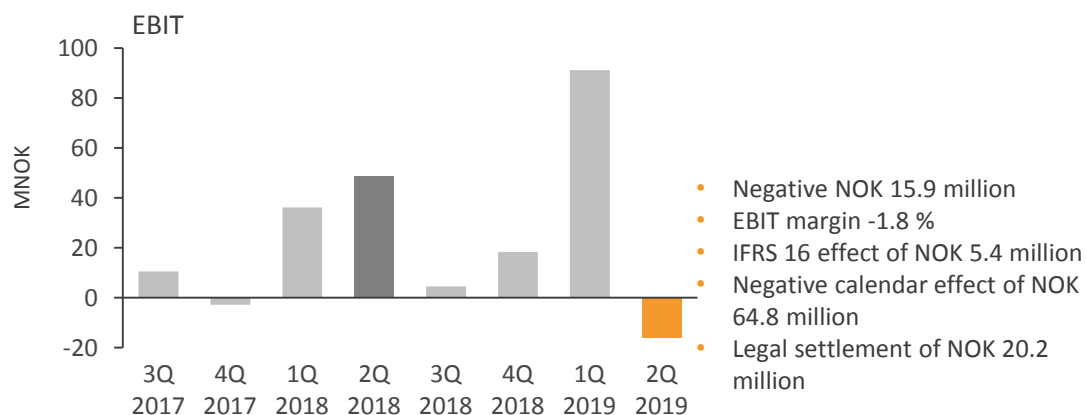
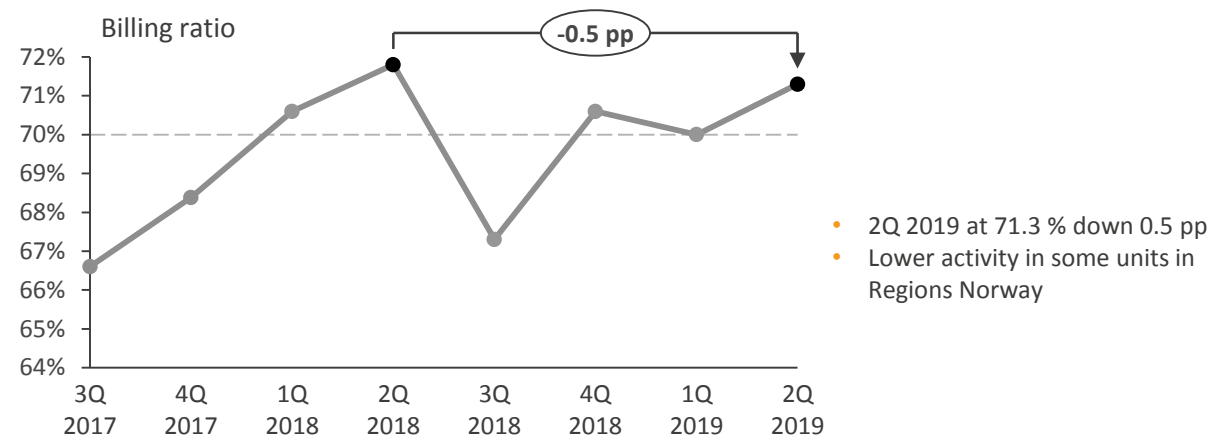
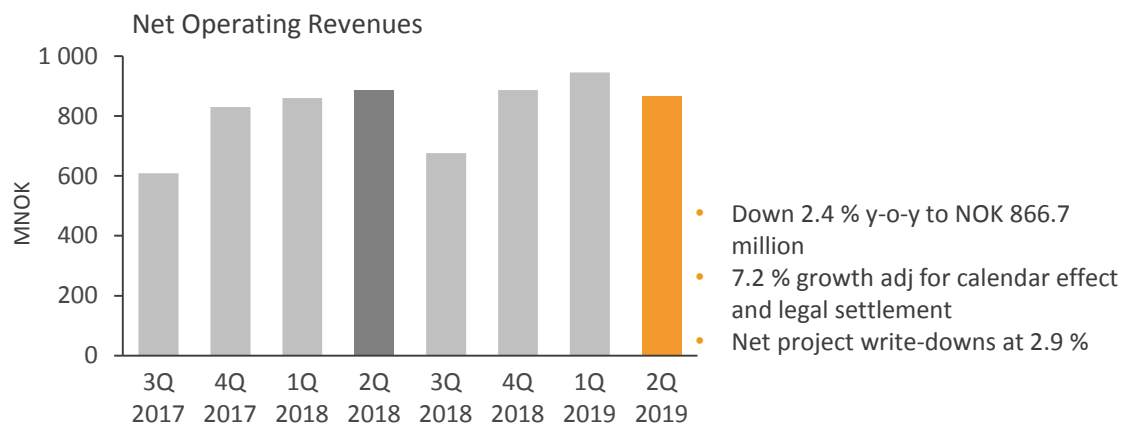


Financial Highlights YTD 2019

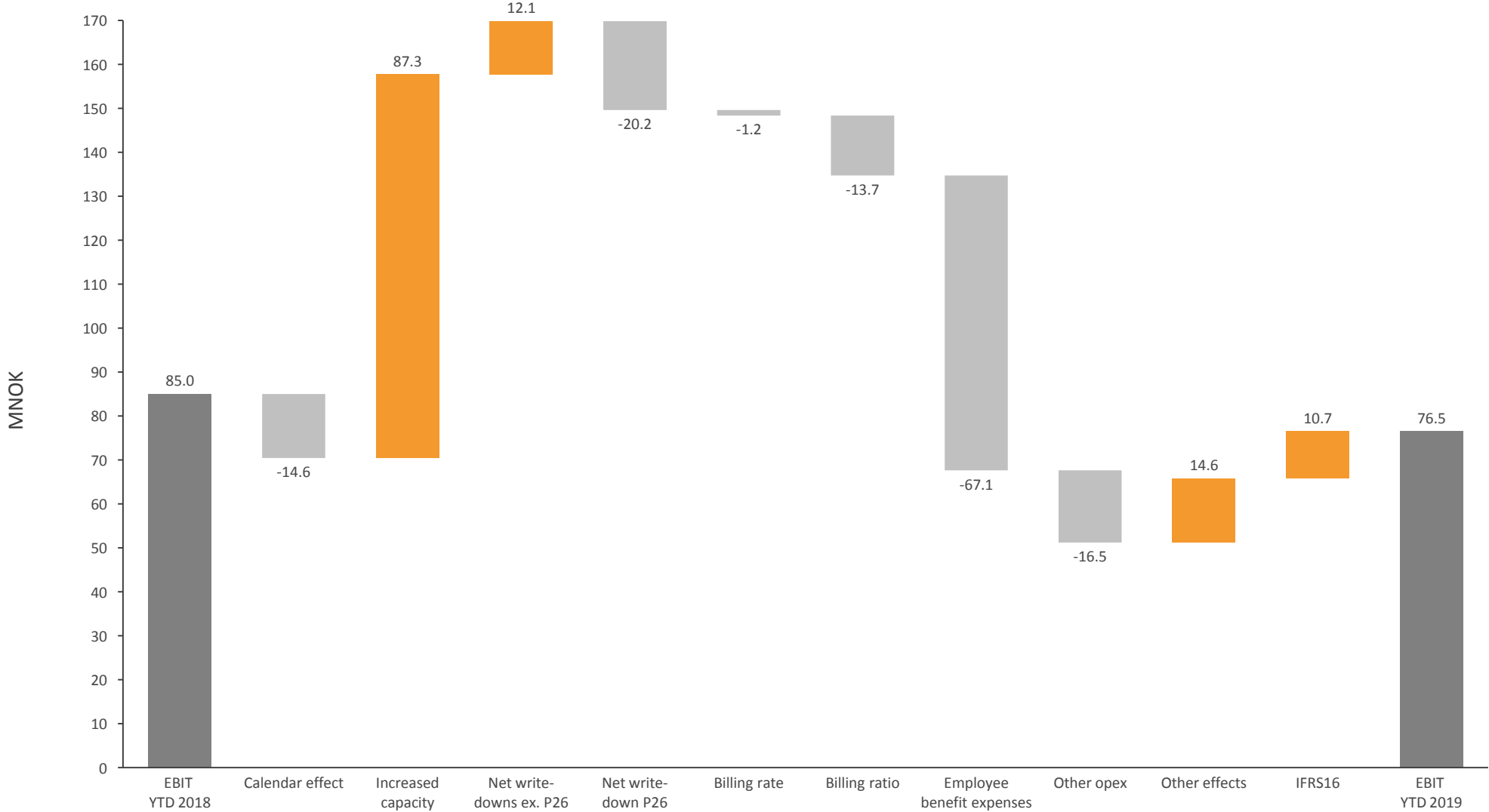
- Net operating revenues up 3.7 % to NOK 1 810.9 million
 - Adjusted net operating revenues up 5.7%
- EBIT NOK 76.5 million, 4.2 % margin
 - Legal settlement of NOK 20.2 million
 - Negative calendar effect of NOK 14.6 million vs YTD 2018
 - Positive IFRS 16 effect of NOK 10.7 million on EBIT vs YTD 2018
 - Extraordinary one-off severance agreement expenses of approximately NOK 10 million
- Opex up 5.1 %, in line with growth in manning level
- Net project write-downs 1.8 % of net operating revenues
 - 0.7 % adjusted for legal settlement with Stortinget



Financial highlights 2Q 2019



EBIT Bridge YTD



Greater Oslo Area YTD 2019

- Higher activity level, improved project execution and higher billing rates
- Settlement of legal dispute with Stortinget of NOK 20.2 million
- Largest contribution on revenue from business areas Buildings & Properties and Transportation
- Business areas Transportation and Water & Environment with significant growth
- Solid order intake in the quarter, particularly from Transportation

Greater Oslo Area	H1 2019	H1 2018	Change
Net Operating Revenue	803.7	802.2	0.2 %
EBIT MNOK	30.2	37.9	-20.3 %
EBIT margin %	3.8 %	4.7 %	1.0 pp
Adjusted EBIT MNOK*	56.7	37.9	49.5 %
Adjusted EBIT margin %*	6.8 %	4.7 %	2.1 pp
Billing ratio	70.2 %	70.5 %	-0.3 pp
Number of employees	1 179	1 164	1.3 %

*Adjusted for IFRS 16, calendar effect and legal settlement with Stortinget



Regions Norway YTD 2019

- Higher activity level and improved project execution
- Higher billing rates, but lower billing ratio
- Strong performance from business areas Buildings & Properties and Transportation
- Business area Transportation with solid growth
- Order intake lower y-o-y, but at a normal level



Regions Norway	H1 2019	H1 2018	Change
Net Operating Revenue	603.3	574.5	5.0 %
EBIT MNOK	45.4	39.6	14.5 %
EBIT margin %	7.5 %	6.9 %	0.6 pp
Adjusted EBIT MNOK*	46.6	39.6	17.7 %
Adjusted EBIT margin %*	7.7 %	6.9 %	0.8 pp
Billing ratio	70.2 %	71.4 %	-1.2 pp
Number of employees	857	831	3.1 %

*Adjusted for IFRS 16 and calendar effect

International YTD 2019

- Higher activity level in Iterio AB and Multiconsult Polska
- Lower average billing rates
- Strong growth from business areas Transportation and Water & Environment
- Order intake increased, good contribution from Multiconsult Polska and Iterio AB

International	H1 2019	H1 2018	Change
Net Operating Revenue	118.3	106.1	11.4 %
EBIT MNOK	11.7	10.8	8.3 %
EBIT margin %	9.9 %	10.2 %	-0.3 pp
Adjusted EBIT MNOK*	11.4	10.8	5.7 %
Adjusted EBIT margin %*	9.6 %	10.2 %	-0.6 pp
Billing ratio	75.7 %	74.6 %	1.1 pp
Number of employees	310	245	26.5 %

*Adjusted for IFRS 16



LINK arkitektur YTD 2019

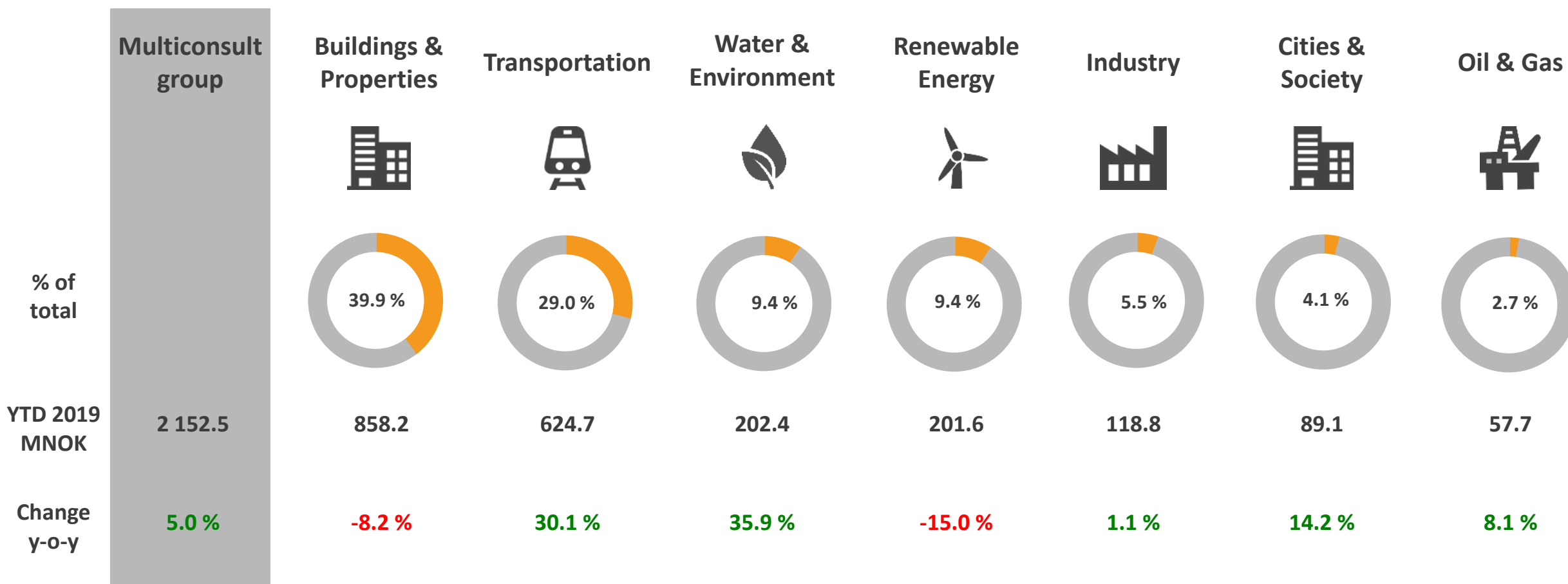
- Increased activity level and billing ratio with variation between units
- Higher billing rates
- Strong performance in Norway
- Majority of order intake from health buildings

LINK arkitektur	H1 2019	H1 2018	Change
Net Operating Revenue	293.6	274.4	7.0 %
EBIT MNOK	25.9	16.3	59.3 %
EBIT margin %	8.8 %	5.9 %	2.9 pp
Adjusted EBIT MNOK*	25.0	16.3	53.8 %
Adjusted EBIT margin %*	8.5 %	5.9 %	2.6 pp
Billing ratio	75.5 %	74.9 %	0.6 pp
Number of employees	500	485	3.1 %

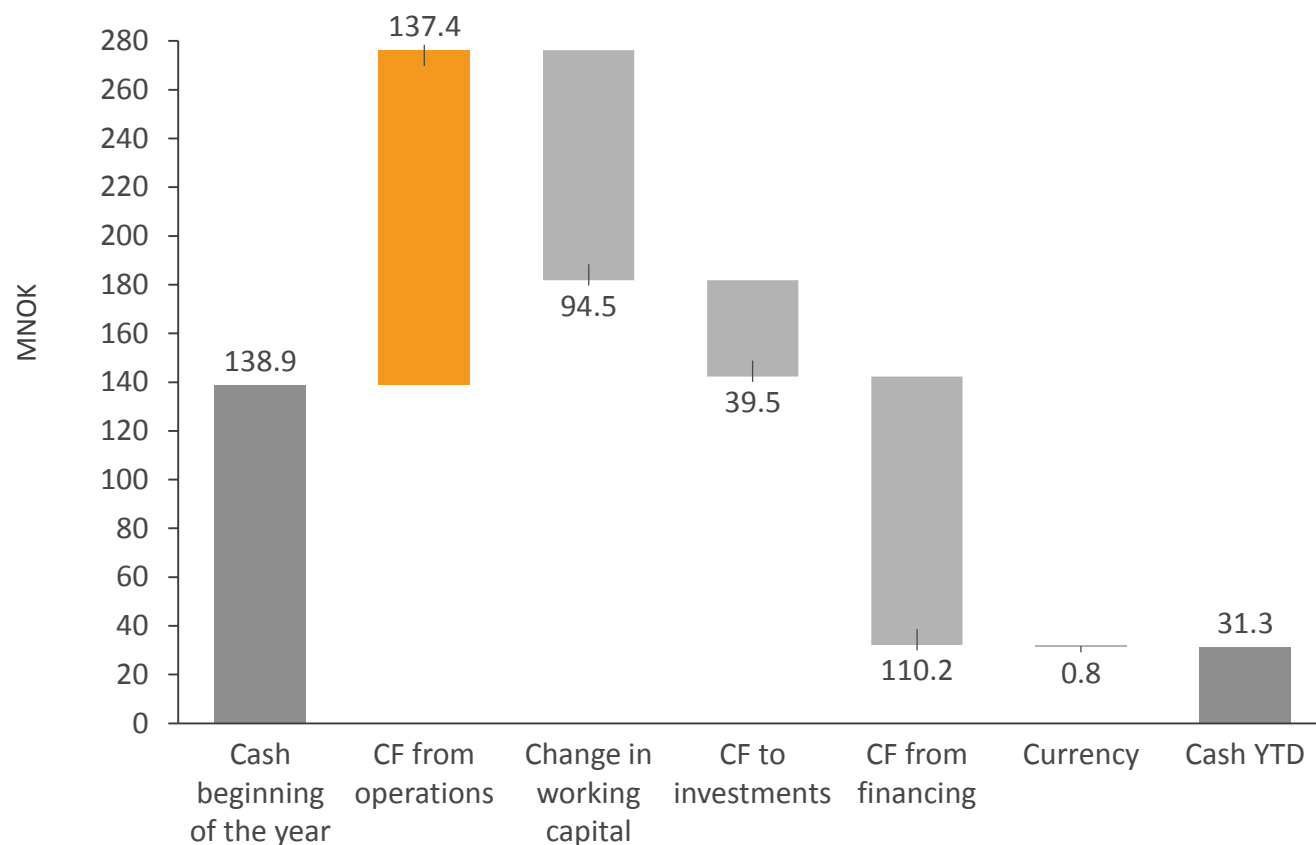
*Adjusted for IFRS 16 and calendar effect



Operating revenues by business area YTD 2019



Cash flow YTD 2019



- Solid financial position
 - NOK 316 million undrawn facilities
- Solid cash flow from operating activities
- Positive change in working capital
- Investments include
 - Ordinary asset replacement and IFRS 16 effect
- Financing activities
 - Reduction in current interest bearing debt, dividend and lease payment

Cash and liabilities MNOK	2Q 2019	1Q 2019	End 2018
Cash	31.4	48.8	138.9
Gross debt	199.3	235.3	198.4
Net interest bearing debt (ex IFRS 16 leasing debt)	167.9	186.6	59.5

OUTLOOK

Grethe Bergly, CEO

Outlook

- The overall market outlook shows growth across most business areas
- Spring 2019 RIF economic report (konjunkturrapport) shows moderated optimism with some uncertainty
- Continued strong competition on large projects
- Strong combination of professional capability and increasing order backlog gives a solid foundation
- Continued priority on improving underlying profitability
 - Cost level
 - Project execution



Capital Markets Day

7 November 2019

FINANCIAL CALENDAR

3Q 2019 results and CMD	7 Nov 2019
4Q 2019 results	26 Feb 2020
1Q 2020 results	20 May 2020
2Q 2020 results	26 Aug 2020
3Q 2020 results	4 Nov 2020

Q&A

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