Multiconsult—Group

Multiconsult fourth quarter and full year 2024 – high activity level

Multiconsult ASA (OSE: MULTI)
Multiconsult's fourth quarter EBITA amounted to NOK 98.0 million (118.4), which gives an EBITA for the full year of NOK 523.4 million (419.5). The EBITA margin for the quarter was 6.8 per cent (8.7), and 9.7 per cent (8.7) for the year. The performance was influenced by high activity, with a billing ratio of 72.5 per cent, 0.7 percentage points higher than the comparable quarter last year. Net operating revenues grew by 6.0 per cent to NOK 1 443.3 million, the organic revenue growth was 4.8 per cent adjusted for the calendar effect. The order intake was solid at NOK 1 798 million resulting in an order backlog of NOK 4 851 million.

The result for the fourth quarter was impacted positively by a higher billing ratio and higher average billing rates, offset by increased employee benefit expenses and other operating expenses. EBITA adjusted for one-offs was at the same level as EBITA at NOK 98.0 million (145.1), reflecting a 6.8 per cent (10.7) margin. Multiconsult anticipated that the normal level of net project write-downs would be below 1 per cent of net operating revenues in 2024. Throughout the year, the estimates remained consistent with expectations.

The board of directors proposes a dividend of NOK 10.00 per share to be paid as ordinary dividend for 2024.

FOURTH QUARTER 2024

- A quarter driven by continued good operational performance and high activity
- Net operating revenues increased by 6.0 per cent to NOK 1 443.3 million (1 361.5)
    - The organic revenue growth adjusted for the calendar effect was 4.8 per cent
- EBITA of NOK 98.0 million (118.4), equal to an EBITA margin of 6.8 per cent (8.7)
    - Net operating revenues and EBITA impacted negatively by NOK 7.1 million from the calendar effect compared with fourth quarter 2023
- EBITA adjusted NOK 98.0 million (145.1), equal to an EBITA margin of 6.8 per cent (10.7)
    - No adjustments in the quarter, comparable quarter last year adjusted for one-offs related to share ownership programme and restructuring cost
- Improved billing ratio of 72.5 per cent (71.8), up 0.7pp
- Strong order intake of NOK 1 798 million (1 431)
- Order backlog of NOK 4 851 million (4 883)
- Full-time equivalents (FTE) increased by 3.3 per cent, to 3 639 (3 523)
- Net profit of NOK 89.7 million (112.9)
- Earnings per share NOK 3.28 (4.10)
- The overall market outlook remains good and stable

FULL YEAR 2024

- Net operating revenues of NOK 5 383.6 million (4 802.5), a y-o-y growth of 12.1 per cent
    - The organic revenue growth adjusted for the calendar effect was 10.0 per cent
- EBITA of NOK 523.4 million (419.5), equal to an EBITA margin of 9.7 per cent (8.7)

    - Net operating revenues and EBITA impacted negatively by NOK 34.3 million from the calendar effect compared with 2023
- EBITA adjusted for one-offs was NOK 492.1 million (446.2), equal to an EBITA margin of 9.2 per cent (9.3)
    - Net operating revenues and EBITA impacted by a one-time settlement payment from client of NOK 31.2 million related to a contractual dispute. 2023 figure adjusted for one-offs related to share ownership programme and restructuring cost
- Order intake of NOK 6 454 million (6 926)
- Net profit of NOK 413.3 million (316.6)
- Earnings per share 15.11 (11.56)
- Full-time equivalents (FTE) increased by 5.3 per cent, to 3 566 (3 388)
- Proposed dividend of NOK 10.00 per share as ordinary dividend

EXTRACT OF COMMENTS FROM CEO, GRETHE BERGLY:
Multiconsult delivered a good quarter with a very strong order intake. The high billing ratio is a result of a high activity level in the organisation, and I am pleased with how our employees' competencies are in high demand from our clients. Overall good operational performance and robust organic growth throughout the year ensure that we leave 2024 with a solid foundation going forward. Reflecting on the accomplishments over the past year, I am filled with pride and gratitude for the dedication and hard work contributed by each one of our employees.

High sales activity has led to several successful contracts, resulting in the strongest fourth-quarter order intake ever. We maintain a strong and diversified order backlog, as a sought-after partner we continue to build strategic positions within areas such as energy, water and environment, and hospitals.

The market remained stable throughout the quarter. A significant increase in defence investment has positively impacted our market position. While parts of the building and property market continued to struggle with low investment levels and budget cuts in both the public and private sectors, other market areas continued at a good level.

In November, we launched our revised group strategy, Think Beyond. I am pleased to see how all subsidiaries have responded positively and taken steps towards its realisation. Enabling the green transition is a key element of the strategy. We reaffirm our strong position towards energy transition by securing new framework agreement with Statkraft and a significant electrification contract with Equinor. We have strengthened our position towards urban transformation and development through projects by LINK Arkitektur and A-lab.

Leaving 2024 behind, we can look back on five years of stable, strong performance, proving that Multiconsult is on par with the best players in our industry. It fills me with pride to see the results we as an organisation have achieved. Looking ahead, Multiconsult is in a strong position to navigate for future growth and support our clients' needs. Our solid order backlog, focus on sustainability, and growth in key areas position us well to seize future opportunities. With our dedicated teams and strong foundation, I am confident we will continue to build on our success, prepared to take on the challenges to maintain at the forefront - we are ready for "Think beyond"!

For a full review of comments from CEO, please refer to the interim fourth quarter and full year 2024 report.

FINANCIAL REVIEW, FOURTH QUARTER 2024:

Net operating revenues amounted to NOK 1 443.3 million (1 361.5), an increase of 6.0 per cent compared to the same quarter last year. The organic revenue growth amounted to 4.8 per cent, adjusted for calendar effect and acquisition. The increase in net operating revenues was driven by increased capacity, higher billing rates and higher billing ratio. The billing ratio exceeded last year's comparable quarter by 0.7 percentage points, reaching 72.5 per cent (71.8). Higher capacity, reflected by an increase in full-time equivalents (FTE) of 3.3 per cent contributed positively.

Net project write-downs represent losses or gains in previously recorded revenues, and may be caused by several factors, including project deliveries not according to agreements with clients or project estimates that need adjustment. Multiconsult's expected normal level of net project write-downs is below 1 per cent of net operating revenues for the FY 2024, compared to 1-2 per cent for the FY 2023. As operational performance and risk management have improved in 2024 write-downs have been more evenly spread over the previous quarters, resulting in lower project write-ups/lower write-downs in the fourth quarter this year, compared to the fourth quarter in 2023, negatively impacting net operating revenues year-over-year.

Operating expenses consist of employee benefit expenses and other operating expenses. Operating expenses increased by 9.4 per cent to NOK 1 283.7 million (1 172.9) compared to the same quarter in 2023. Employee benefit expenses increased by 9.6 per cent compared to the same quarter in 2023. The increase is mainly attributable to higher employee benefit expenses caused by ordinary salary adjustment effective from 1 July, increased manning level from acquisitions and net recruitment. Other operating expenses increased by 8.5 per cent to NOK 178.7 million (164.7), primarily due to higher consultancy expenses, IT-cost and cost increase in general. In the comparable quarter last year, the employee benefit expenses were affected by the share ownership programme (NOK 18.7 million) and restructuring cost (NOK 8.0 million).

EBITDA was NOK 159.6 million (188.6), a decrease of 15.3 per cent compared to the same period last year, reflecting an EBITDA margin of 11.1 per cent (13.9) in the quarter.

EBITA came in at NOK 98.0 million (118.4), a decrease of 17.2 per cent year-over-year, reflecting an EBITA margin of 6.8 per cent (8.7) in the quarter.

FINANCIAL REVIEW, FULL YEAR 2024:

Net operating revenues increased by 12.1 per cent to NOK 5 383.6 million (4 802.5). The organic revenue growth amounted to 10.0 per cent, adjusted for calendar effect and acquisition. The increase in net operating revenues was driven by increased capacity, reflected by an increase in full-time equivalents (FTE) of 5.3 per cent, higher billing ratio, and higher billing rates. The billing ratio increased to 72.8 per cent (70.8), an increase of 2.0 percentage points. Multiconsult anticipated that the normal level of net project write-downs would be below 1 per cent of net operating revenues in 2024. Throughout the year, the estimates remained consistent with expectations.

Operating expenses consist of employee benefit expenses and other operating expenses. Reported operating expenses increased by 11.4 per cent to NOK 4 618.2 million (4 146.2) compared to last year. Employee benefit expenses increased by 11.8 per cent and came in at NOK 3 974.4 million (3 553.6), an increase driven by net recruitment, regular salary adjustment and employee benefit expenses arising from acquisitions. Other operating expenses increased by 8.6 per cent to NOK 643.7 million (592.6), partly an effect of operating expenses included from prior acquisitions and from higher consultancy expenses, IT-cost, insurance cost and cost increase in general.

EBITDA was NOK 765.4 million (656.3), an increase of 16.6 per cent compared to the same period last year, reflecting an EBITDA margin of 14.2 per cent (13.7).

EBITA came in at NOK 523.4 million (419.5), an increase of 24.8 per cent y-o-y, reflecting an EBITA margin of 9.7 per cent (8.7).

OUTLOOK

The overall market outlook remains good and stable, driven by strong demand in key sectors, although with notable variations. Increased investments within defence and energy sectors have a positive impact on the market outlook. The infrastructure market remains stable, while the challenging market situation within housing and real estate is expected to continue.

The competitive landscape continues to evolve, with pricing and margins for architectural and engineering services remaining sensitive and variable. Public investments in buildings and in infrastructure is expected to remain steady, with continued uncertainty related to challenging budget situations in public sectors. The energy transition, grid capacity, and sustainability initiatives are driving demand for engineering services.

A solid project pipeline and several new frame agreements in key markets support stability going into 2025.

Multiconsult does not provide forecast.

For a full review, please to the interim fourth quarter and full year 2024 report.

Presentations today 11 February 2025:
Participants are invited to attend the Norwegian presentation that will be held at Hotel Continental, Stortingsgata 24/26, Oslo, Norway at 08:30 (CEST). The results will also be presented through a live webcast: In Norwegian at 08:30 and in English presentation at 09:30. Participants will have the opportunity to submit questions online throughout the webcast sessions.

The Norwegian presentation at 08:30 can be accessed at:
http://channel.royalcast.com/landingpage/hegnarmedia/20250211_6/

The English presentation at 09:30 can be accessed at:
http://channel.royalcast.com/landingpage/hegnarmedia/20250211_7/

Live webcasts, complete report, presentation and a recording of the webcast will be available on http://www.multiconsultgroup.com/investor-relations/ and http://newsweb.oslobors.no/

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