

Multiconsult ASA second quarter and first half 2019

Multiconsult EBIT came in at negative NOK 15.9 million in the second quarter 2019 and positive NOK 76.5 million in the first half 2019. Underlying profitability improved both in the second quarter and first half 2019. Compared to second quarter 2018, the reported result was negatively impacted by a significant calendar effect and legal settlement with Stortinget, totaling NOK 85.0 million. The order backlog remains strong at NOK 2.7 billion. Market outlook is good and expected to remain stable. Multiconsult will hold a Capital Market Day on 7 November 2019.

Oslo, 29 August 2019

“Despite a lower reported result compared to the same period last year, I am pleased to see that the underlying profitability is improving both in the second quarter and first half 2019. It is also encouraging to see that the growth continues and that we have a strong order backlog. However, the overall profitability level is not satisfactory, and we will continue to work hard to improve this – focusing on cost, efficiency and operations”, says Grethe Bergly, CEO of Multiconsult ASA

Second quarter 2019

Multiconsult delivered second quarter net operating revenues of NOK 866.7 million (NOK 887.6 million), reflecting a decline of 2.4%. Compared with the second quarter 2018, there was a calendar effect of five less working days in the quarter, with a negative year-on-year impact of NOK 64.8 million. In addition, there was a legal settlement with the Norwegian Parliament (Stortinget) for the Prinsensgate 26 rehabilitation project with a negative effect of NOK 20.2 million. Adjusted for calendar effect and the legal dispute settlement, organic growth in the quarter was 7.2%.

Operating expenses in the second quarter were NOK 835.3 million (NOK 826.3 million). The group implemented IFRS 16 on 1 January 2019. Adjusted for IFRS 16 effect, operating expenses increased by 5.9%. The increase is in line with growth in manning level.

Second quarter EBIT amounted to negative NOK 15.9 million (NOK 48.9 million), reflecting a negative 1.8% EBIT margin in the quarter, including NOK 85.0 million in negative effects from five less working days and legal settlement with Stortinget, as well as a positive IFRS 16 effect of NOK 5.4 million.

First half 2019

First half net operating revenues increased by 3.7% to NOK 1 810.9 million (NOK 1 746.7 million) compared to first half 2018. The increase is purely organic and mainly driven by higher production in Norway. There was a calendar effect of one less working day in Norway, reflecting a negative impact of NOK 14.6 million compared to the same period previous year. Adjusted for calendar effects and the legal settlement with Stortinget, organic growth in net operating revenues was 5.7%.

Operating expenses in the first half 2019 were at NOK 1 641.3 million (NOK 1 636.9 million). Adjusted for IFRS 16 effect, operating expenses increased by 5.1%. The increase is in line with growth in manning level. One-off expenses of approximately NOK 10 million as a result of several management changes were recorded in the first quarter 2019.

First half EBIT amounted to NOK 76.5 million (NOK 85.0 million), reflecting an EBIT margin of 4.2%. Compared with the first half 2018, the reported EBIT includes NOK 44.8 million in negative effects from one less working day, legal dispute settlement and one-off severance expenses, as well as a positive IFRS 16 effect of NOK 10.7 million.

The order backlog at the end of the second quarter 2019 remains strong at NOK 2 725 million (NOK 2 302). Order intake during the second quarter decreased compared to second quarter in 2018. The project tender pipeline remains solid across most business areas.

As of 30 June 2019, total assets amounted to NOK 2 787.6 million and total equity of NOK 582.5 million. Adjusted for IFRS 16 lease liabilities, net interest-bearing debt amounted to NOK 167.9 million, which is reduced from NOK 186.6 million at the end of first quarter 2019.

The overall market outlook shows growth across most business areas. There is a continued tough competition on large projects in Norway, but there is a generally positive outlook and pipeline in our markets.

A presentation of the second quarter 2019 results will be held today, 29 August, in Norwegian at 09:00 CET at Hotel Continental, Stortingsgaten 24/26, Oslo. An English presentation will also be held by an audio cast and conference call at 10:30 CET. The presentations will be held by CEO Grethe Bergly and CFO Hans-Jørgen Wibstad.

A live webcast from the Norwegian presentation can be accessed at www.multiconsult-ir.com and <https://webtv.hegnar.no/presentation.php?webcastId=98043182>. The English presentation can be accessed at <https://webtv.hegnar.no/presentation.php?webcastId=98043188> or by conference call. There will be a Q&A session after both the Norwegian and English presentation.

Participant Access Information for the English conference call:

Please join the event conference 5-10 minutes prior to the start time. You will be asked to provide the confirmation code or the title of your conference.

Event Conference Title: Q2 Results
Confirmation Code: 1662072

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