

Multiconsult ASA (OSE: MULTI) - Strong fourth quarter and record high full year results

Multiconsult has seen strong improvements and continued profitability through the year, including a strong fourth quarter with an EBIT of NOK 83.0 million (8.6% margin). Net revenues for 2020 increased to NOK 3 661 million, an increase of 6.6% compared with 2019. The full year EBIT was NOK 371.0 million (10.1% margin) compared with NOK 106.3 million (3.1%) in 2019. The EBIT, ex. restructuring cost, was NOK 401.0 million (11.0% margin). The nextLEVEL improvement programme surpassed its target towards the end of 2020, partially contributing to a significant reduction of operating expenses. Order intake in the quarter was a solid NOK 1 423 million, resulting in an all-time high order backlog of NOK 3 327 million. The board of directors proposes a dividend of NOK 8.00 per share to be paid as ordinary dividend.

“When we summarise 2020, I can conclude that we have delivered solid quarters throughout the period despite the turmoil caused by the Covid-19 pandemic. We started a comprehensive turnaround process in 2019, and I am very pleased with the strong improvements and solid profitability this year. The prevailing pandemic is challenging for all of us, but with the commitments from all our employees, a strong culture and outstanding cooperation with our clients, we have managed solid customer deliveries, strong sales and sound financial results in 2020. I am proud and humble of all our employees for their strong commitment and contribution to the turnaround process. Looking ahead, Multiconsult will together with our clients deliver future oriented and sustainable solutions for society.” says Grethe Bergly, CEO of Multiconsult ASA.

Multiconsult is well ahead in the turnaround process that started in 2019, where the focus has been on the core business, sales, costs and project execution. The nextLEVEL programme has already successfully committed to improvements above the target.

Fourth quarter 2020

Net operating revenues increased by 6.9% to NOK 967.1 million (NOK 904.5 million). Improved project performance and higher activity contributed positively. The billing ratio increased to 71.0% (68.1%), an increase of 2.9pp compared to the same quarter in 2019.

Operating expenses decreased by 1.2% to NOK 836.6 million (NOK 847.1 million). Employee benefit expenses increased by 1.6% compared to the same quarter in 2019. The increase was partly due to extraordinary bonus of NOK 25 million to the employees for strong commitment and contribution to the turnaround process. Other operating expenses decreased by 17.5% to NOK 104.4 million (NOK 126.5 million), partly an effect of the nextLEVEL improvement programme, together with the impact of reduced costs on general expenditures due to Covid-19 pandemic.

EBITDA was NOK 130.5 million (NOK 57.4 million), an increase of 127.4% compared to the same period last year. The EBITDA margin for the quarter was 13.5% (6.3%).

EBIT was NOK 83.0 million (NOK 8.7 million), reflecting an EBIT margin of 8.6% in the period. Net financial items were an expense of NOK 8.3 million (NOK 14.6 million).

Full year 2020

Net operating revenues increased by 6.6% to NOK 3 661 million (NOK 3 436 million) and is exclusively organic driven. The increase in net operating revenues was driven by improved billing ratio which increased to 70.9% (69.2%). Higher average billing rates and improved project performance also contributed to the growth in net operating revenues. There was a calendar effect of two more working days which had a positive impact of approximately NOK 28.3 million compared to 2019.

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Operating expenses decreased by 2.4% to NOK 3 062 million (NOK 3 137 million). Employee benefit expenses increased by 0.2% compared to 2019. Other operating expenses decreased by 16.6%, a reduction of NOK 80.1 million. The reduction in other operating expenses was in part an effect of the nextLEVEL improvement program and partly a result of lower spending due to the Covid-19 pandemic.

EBITDA was NOK 598.7 million (NOK 299.1 million), an increase of 100.1% compared to the same period last year. The EBITDA margin for the year was 16.4% (8.7%).

EBIT reported was NOK 371.0 million compared with an EBIT in 2019 was NOK 106.3 million.

EBIT ex. restructuring cost was NOK 401.0 million (NOK 140.5 million), reflecting an EBIT margin of 11.0% (4.1%). The restructuring cost of NOK 30.0 million is an impairment loss related to the company's office portfolio, and is part of the previously announced restructuring costs in the nextLEVEL improvement programme.

Multiconsult has experienced limited negative financial impact of the Covid-19 pandemic. However, the pandemic continues to create uncertainty for the industry going forward. The recent upswing in, and potential consequences of, the mutated corona virus is adding to this uncertainty.

The general market for Multiconsult's services remains good across most business areas. There are however some more uncertainties particularly within business area Buildings & Properties and in the international Energy market. The ongoing public reforms and reorganisation at customer level are also creating some short-term uncertainties and potential delays.

The order backlog provides the company with a good foundation, combined with a solid market position, strong competence and leading customer solutions. Multiconsult believes it is well placed to handle the challenges of the current uncertainties facing the economy and our industry.

For a full review of our report, please refer to 4Q 2020 report.

Presentation

The results will be presented in Norwegian at 08:30 (CET) through a live webcast. Participants will have the opportunity to submit questions online throughout the webcast session. An English presentation will be made at 09:30 (CET), followed by a Q&A session. The presentations will be held by CEO Grethe Bergly and CFO Hans-Jørgen Wibstad. Live webcasts, complete report and presentation will be available on <http://www.multiconsult-ir.com>

The Norwegian presentation at 08:30 (CET) can also be accessed at:
https://channel.royalcast.com/landingpage/hegnarmedia/20210217_4/

The English presentation at 09:30 (CET) can also be accessed at:
https://channel.royalcast.com/landingpage/hegnarmedia/20210217_12/

A recording of the webcast will be made available on our website immediately afterwards.

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