

Multiconsult ASA fourth quarter and full year 2019

Net revenues were NOK 904.5 million in the fourth quarter and NOK 3 435.8 for the full year 2019. Multiconsult had good project deliveries and a strong order intake in fourth quarter of 2019 and ends the year with a record-high order backlog of NOK 2 968 million. Weak earnings in the fourth quarter were mainly impacted by lower billing ratio. Full year net operating revenues is increased by 3.0%. EBIT in 2019 was NOK 106.3 million, reflecting a 3.1% margin. For 2019, the board proposes a dividend of NOK 1.00 per share.

Oslo, 26 February 2020

“2019 marked the start of a turnaround for Multiconsult and the results for 2019 reflect that we are at the start of this journey. I am pleased to see that our strong teams throughout 2019 have continued our commitment on delivering outstanding solutions to our customers, and we are ending the year with revenue growth and a record-high order book”, says Grethe Bergly, CEO of Multiconsult ASA.

Improvement programme on track

In the latter part of 2019, Multiconsult initiated the nextLEVEL improvement programme that is set to bring profitability back to sustainable levels.

“I am pleased to see that we are on-track on the nextLEVEL improvement programme, initiated in fourth quarter 2019, set to bring our profitability back to sustainable levels within 18 months. In the fourth quarter, we experienced a weak result mainly caused by low billing ratio, and we are therefore introducing additional initiatives to secure that we achieve our financial targets by 2021”, says Bergly.

Fourth quarter 2019

Fourth quarter net operating revenues increased by 1.4% to NOK 904.5 million (NOK 892.2 million) compared to same period last year. Net recruitment was 60 employees year-on-year. Net project write-downs were NOK 16.8 million (NOK 33.8 million) in the quarter, which is 1.9% of net operating revenues, reflecting an improved level. A lower billing ratio impacted growth in revenues negatively.

Operating expenses in the fourth quarter were NOK 847.1 million (NOK 870.9 million). The group implemented IFRS 16 on 1 January 2019. Adjusted for IFRS 16 effect, the level of operating expenses increased by 1.8%, mainly caused by higher activity. Lower other operating expenses partly offset the increase.

Fourth quarter EBIT was NOK 8.7 million (NOK 9.5 million), reflecting a 1.0% EBIT margin, including a positive IFRS 16 effect of NOK 4.4 million and negative NOK 4 million severance/restructuring costs when comparing with the same quarter last year.

Full year 2019

Multiconsult delivered net operating revenues of NOK 3 435.8 million (NOK 3 334.8 million) in 2019, reflecting an increase of 3.0%. Adjusted for the non-recurring legal settlement with Stortinget in the second quarter, organic growth in net operating revenues was 3.6%. The increase is purely organic and mainly driven by higher activity level.

Operating expenses decreased 1.5% to NOK 3 136.7 million (NOK 3 185.7 million). Adjusted for IFRS 16 effect, operating expenses increased by 3.4%. The increase is caused by higher activity level, ordinary salary adjustment, general consumer price index and one-off severance/restructuring expenses. Lower other operating expenses partly offset the increase.

Full year 2019 EBIT was NOK 106.3 million (NOK 99.0 million), reflecting an EBIT margin of 3.1%. Compared with full year 2018, the reported EBIT includes NOK 34.2 million in negative effects from legal dispute settlement and one-off severance/restructuring expenses, as well as a positive IFRS 16 effect of NOK 20.5 million.

Order backlog

Order backlog at the end 2019 remains good at NOK 2 968 million (NOK 2 803). The order backlog is all-time high and provides a good foundation, supported by valuable frame agreements generated from a broad customer base. Order intake in the fourth quarter was NOK 1 329 million. The overall pipeline of potential projects coming up for tender over the next 12 months is good.

The overall market outlook for Multiconsult's services is good across most business areas. There are some uncertainties with respect to continued growth in certain sectors. The ongoing public reforms in Norway is also creating some short-term uncertainties.

A presentation of the fourth quarter and full year 2019 results will be held today, 26 February, in Norwegian at 09:00 CET, followed by an audio cast and conference call at 10:30 CET in English. The Norwegian presentation will be held at Felix Conference Centre, Bryggetorget 3, Oslo. The presentation 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 at https://channel.royalcast.com/webcast/hegnarmedia/20200226_2/.

The English presentation will start at 10:30 CET, and will be held by CEO Grethe Bergly and CFO Hans-Jørgen Wibstad. The presentation can be accessed at https://channel.royalcast.com/webcast/hegnarmedia/20200226_6/ or by conference call.

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: Q4 Results
Confirmation Code: 3135123

Location	Purpose	Phone Number
Norway	Participant	+47 2350 0296
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ABOUT MULTICONSULT

Multiconsult is a leading Norwegian multidisciplinary engineering consulting company, with approximately 3 000 employees and 39 offices in Norway and abroad. The Company focuses on seven business areas: Buildings & Properties, Transportation, Renewable Energy, Oil & Gas, Industry, Water & Environment and Cities & Society. The Company has an operating history that spans more than a century, with the inception of Norsk Vandbygningskontor in 1908.