

Multiconsult

Strong utilisation to continue in '25e

- Q3: New Q3 ATH utilisation by a 2pp margin
- Financial targets reiterated at the CMD
- '25e P/E of 13.5x - BUY, TP of 215 (195)

EBITA adj. NOK 72m vs. cons at NOK 51m

Multiconsult's Q3 report was better than expectations. EBITA was NOK 72m vs. ABGSCe of NOK 46m and company-collected consensus of NOK 51m. The company booked a settlement gain of NOK 31m, i.e., reported EBITA was 103m. The deviation vs. our forecast was driven by a Q3 ATH billing ratio of 71.2%. The management stated that a significant share of the large-project portfolio (25-30% of Norway sales) are approaching peak production in '24e-'25e, which is supportive for short-term utilisation. Net recruitment of 108 employees q-o-q was also better than expected. The solid outlook was reiterated and management expects strong utilisation in Q4. We lift underlying '24e-'25e EBITA by 9-7% driven by higher utilisation.

Could acquire NOK >100m in additional EBIT

At its CMD in Q3'24, Multiconsult reiterated its targets of 8-10% growth (incl. M&A), an EBITA adj. margin of 10%, a leverage ratio of 1-2x and a dividend policy of >50% of profits. We believe the targets seem achievable with fluctuations over the cycle. Multiconsult's '14-'23 growth was 10%, and roughly half stems from M&A. There is still room for more, and Multiconsult could acquire >NOK 100m of additional EBIT and remain in line with its targeted leverage while sustaining its dividend. The company will target more M&A growth in the Nordics outside Norway and in Poland, which adds new growth potential but also risks.

Less upside, but earnings momentum will likely persist

Multiconsult is trading at 13.5x '25e EPS vs. Nordic peers at 15.6x, Norconsult at 16.6x and its own historical NTM average of 13.8x. We argue that the current earnings momentum warrants a premium to the historical valuation, or at least the higher end of the historical range. 14.5x our '25e earnings + our '24e DPS forecasts point to ~NOK 215/sh. BUY, TP NOK 215 (195).

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NOKm	2022	2023	2024e	2025e	2026e
Sales	4,189	4,802	5,430	5,813	6,125
EBITDA	610	656	822	833	848
EBITDA margin (%)	14.6	13.7	15.1	14.3	13.8
EBIT adj.	390	427	541	569	571
EBIT adj. margin (%)	9.3	8.9	10.0	9.8	9.3
Pretax profit	387	396	545	511	515
EPS	11.06	11.52	15.66	14.30	14.37
EPS adj.	10.65	12.28	14.06	14.30	14.37
Sales growth (%)	10.1	14.6	13.1	7.1	5.4
EPS growth (%)	27.6	4.2	35.9	-8.7	0.5

Source: ABG Sundal Collier, Company Data

Reason: Post-results comment

BUY ● HOLD ○ SELL ○

Constr. & Real Estate

Estimate changes (%)

	2024e	2025e	2026e
Sales	2.0	2.1	1.6
EBIT	15.1	6.9	1.6
EPS	20.7	9.2	3.4

Source: ABG Sundal Collier

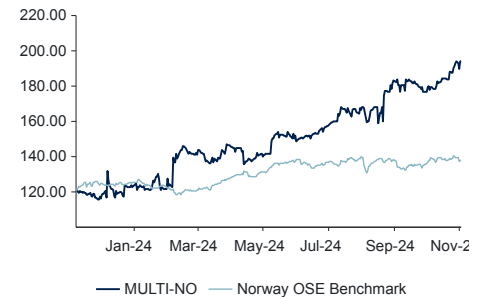
MULTI-NO/MULTI NO

Share price (NOK)	5/11/2024	193.00
Target price	(195.0)	215.0

MCap (NOKm)	5,272
MCap (EURm)	440
No. of shares (m)	27.7
Free float (%)	55.1
Av. daily volume (k)	6

Next event Q4 Report 11 February 2025

Performance



	2024e	2025e	2026e
P/E (x)	12.3	13.5	13.4
P/E adj. (x)	13.7	13.5	13.4
P/BVPS (x)	4.37	3.94	3.62
EV/EBITDA (x)	7.6	7.3	7.0
EV/EBIT adj. (x)	11.5	10.7	10.5
EV/sales (x)	1.15	1.05	0.97
ROE adj. (%)	36.8	31.3	28.3
Dividend yield (%)	4.9	5.2	5.4
FCF yield (%)	6.2	7.5	7.6
Le. adj. FCF yld. (%)	6.2	7.5	7.6
Net IB debt/EBITDA (x)	1.1	0.9	0.7
Le. adj. ND/EBITDA (x)	0.1	-0.1	-0.3

Company description

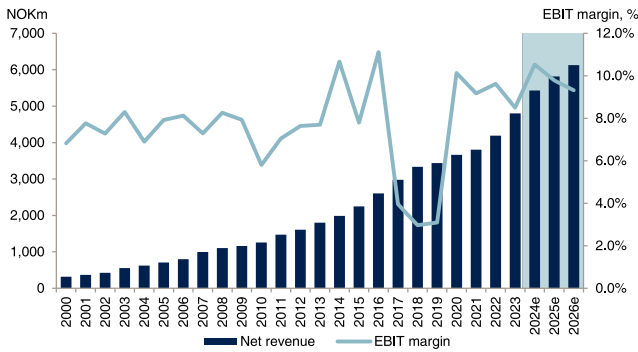
Multiconsult engages in the provision of construction and engineering services. It operates through its business areas Building and Properties, Industry, Oil and Gas, Transportation and Infrastructure, Energy, and Environment and Natural Resources.

[Sustainability information](#)

Risks

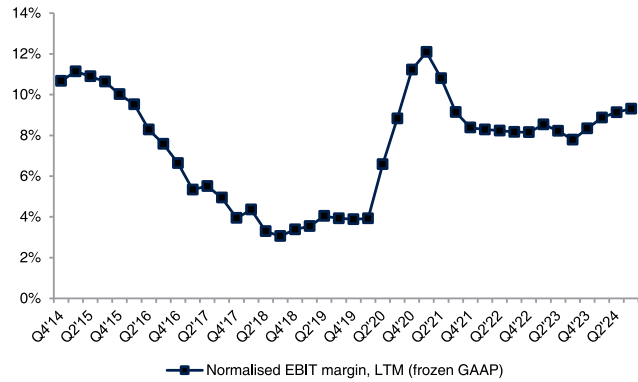
Risks include lower margins (higher personnell costs and lower billed rates), higher interest rates, project risk, lower housing prices, and a general economic slowdown.

Net revenue and EBIT margin, NOKm



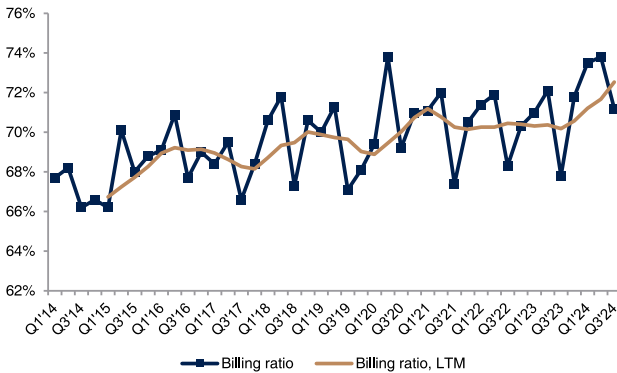
Source: ABG Sundal Collier, Company data

Normalised EBIT margin (%), LTM



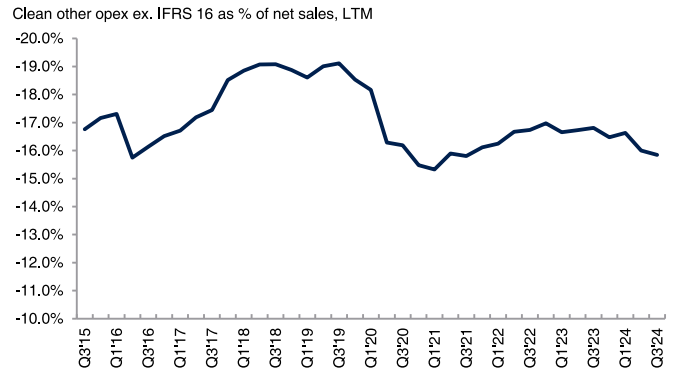
Source: ABG Sundal Collier, Company data

Billing ratio (%)



Source: ABG Sundal Collier, Company data

Clean other opex as a % of net sales, LTM



Source: ABG Sundal Collier, Company data

Multiconsult: Deviation table

Multiconsult P&L, NOKm	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	ABGSC		Deviation ABGSC		Deviation Cons.	
						Q3'24e	Cons. Q3'24e	%	Δ	%	Δ
Net sales	977	1,361	1,367	1,425	1,148	1,081	1,097	6%	68	5%	51
Employee benefits	-752	-1,008	-1,018	-1,021	-831	-823	n.a.	-1%	-7	n.a.	n.a.
Gross profit	225	353	349	404	318	257	n.a.	24%	61	n.a.	n.a.
Other opex	-137	-165	-153	-158	-154	-151	n.a.	-2%	-3	n.a.	n.a.
D&A	-62	-74	-60	-62	-63	-62	n.a.	-1%	-1	n.a.	n.a.
Clean EBITA	29	145	137	186	72	46	51	57%	26	41%	21
PTP	13	132	121	186	101	28	n.a.	262%	73	n.a.	n.a.
Net income	11	113	97	148	80	23	51	256%	58	57%	29
EPS	0.40	4.08	3.51	5.36	2.95	1.72*	1.74	72%	1.23	70%	1.21
EBITA margin	3.0%	10.7%	10.0%	13.0%	6.2%	4.2%	4.6%	2.0%	-	1.6%	-
Operational metrics	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q3'24e	Q3'24e	%	Δ	%	Δ
Employees, #	3,717	3,749	3,772	3,785	3,893	3,857	3,853	1%	36	1%	40
Avg. Employees, #	3,651	3,733	3,761	3,779	3,839	3,821	3,819	0%	18	1%	20
Billing ratio, %	67.8%	71.8%	73.5%	73.8%	71.2%	69.4%	69.1%	1.8%	-	3.0%	-
Order intake, NOKm	1,349	1,431	1,847	1,531	1,277	1,115	1,308	15%	162	-2%	-31
Order backlog, NOKm	5,094	4,883	5,086	4,943	4,838	4,977	5,082	-3%	-139	-5%	-244
NOK 000's / avg. employee	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q3'24e	Q3'24e	%	Δ	%	Δ
Revenue / employee	268	365	364	377	299	283	n.a.	6%	16	n.a.	n.a.
Employee benefits / employee	-206	-270	-271	-270	-216	-216	n.a.	0%	-1	n.a.	n.a.
Gross profit / employee	62	95	93	107	83	67	n.a.	23%	15		
Other opex / employee	-38	-44	-41	-42	-40	-39	n.a.	-2%	-1	n.a.	n.a.
D&A / employee	-17	-20	-16	-16	-16	-16	n.a.	0%	0	n.a.	n.a.
EBIT / employee	7	31	36	49	26	12	n.a.	128%	15	n.a.	n.a.

Source: ABG Sundal Collier, Company-collected consensus. *ABGSCe EPS is adjusted for the NOK 32m pre-announced settlement gain.

Multiconsult's Q3 report was better than expectations. EBITA came in at NOK 72m vs. ABGSCe at NOK 46m and company-collected consensus at NOK 51m. Note that the company booked a settlement gain of NOK 31m (pre-announced, but not included in our official estimates), i.e., reported EBITA was NOK 103m. The deviation vs. our forecast was entirely driven by a higher billing ratio. The reported billing ratio of 71.2% (ABGSCe 69.4%, cons 69.1%) is an all-time high for Q3 with a 2pp margin. The management stated that a significant share of the large-project portfolio (25-30% or Norway sales) are approaching peak production in '24e-'25e, which is highly supportive for utilisation. Organic growth was 15.9%, which compares to 11.4% in Q2'24. A-lab continues to be loss-making, reporting PTP of NOK -4m (we had NOK -3m). EPS came in at NOK 2.95, which compares to ABGSCe at NOK 1.72 (incl. settlement gain) and consensus at NOK 1.74. Cash flow was satisfactory as OCF came in at NOK 29m vs. NOK -52m in Q3'23.

Underlying revenue per employee was 3% above our forecast while the salary cost per employee was in-line. The number of employees at the end of the quarter was 3,893 (+108 q-o-q) vs. our forecast of 3,857 and consensus at 3,819. The Architecture segment (LINK and A-lab) shows improvements (EBITA margin 1.4% vs. -6.9% in Q3'23), driven by lower costs and capacity adjustments. Order intake of NOK 1.3bn was 15% above ABGSCe at NOK 1.1bn. The order backlog is now NOK 4.8bn, which is down -5% y-o-y. Sales QTD is said to be good, which should mean a solid billing ratio in Q4'24e. The company reiterated a good and stable market outlook.

The financial targets of a 10% EBITA margin, 8-10% growth over-the-cycle, normal leverage of 1-2x (max leverage 3x), >25% equity ratio and dividend policy of >50% of net profit were reiterated. However, the company provided a strategic road map for the remaining of the decade. Multiconsult will increase its efforts within complex and large projects, energy transition/climate adaptations, urban transformation and M&A (Nordics and Poland).

Estimates

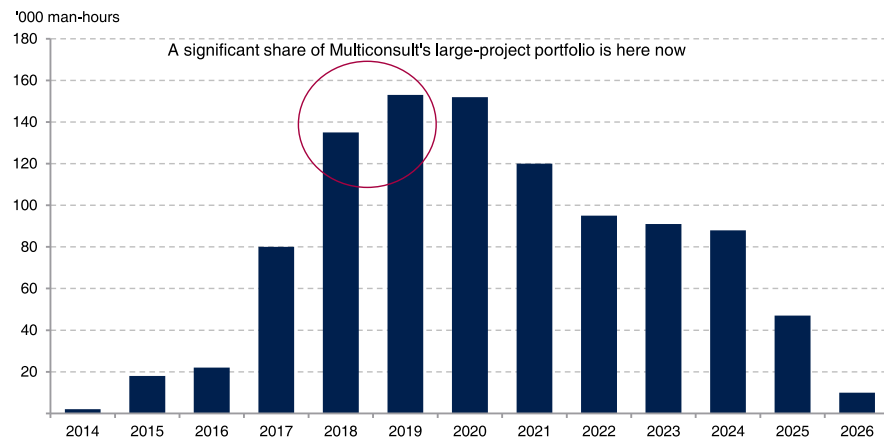
We raise our '24e adj. EBITA estimates by ~9%, supported by the Q3 outperformance and anticipated y-o-y improvements in Q4 billing ratios. Our '25e forecast is increased by ~7%, as we project continued strong utilisation into '25e. During the recent CMD, management indicated that production across the large-project portfolio (25-30% of production in Norway) is set to peak in '25e, suggesting sustained high production on ongoing projects next year, which should be favourable for utilisation. For '26e, we make only slight upward adjustments, as we expect utilisation to normalise. However, there could be upside to our '26e forecasts if Multiconsult successfully replenishes its project pipeline, sustaining current utilisation and margin levels.

Estimate changes

Estimate changes												
	2024				2025				2026			
	Old	New	%	Δ	Old	New	%	Δ	Old	New	%	Δ
Sales	5,323	5,430	2.0%	107	5,693	5,813	2.1%	120	6,028	6,125	1.6%	97
Gross profit	1,382	1,470	6.3%	87	1,473	1,529	3.8%	56	1,554	1,583	1.9%	29
% margin	26.0%	27.1%	1.1%	-	25.9%	26.3%	0.4%	-	25.8%	25.8%	0.1%	-
Other opex	-637	-648	1.7%	-11	-680	-696	2.3%	-16	-719	-736	2.3%	-17
EBITA	503	548	8.9%	45	540	577	6.8%	37	566	575	1.5%	9
% margin	9.4%	10.1%	0.6%	-	9.5%	9.9%	0.4%	-	9.4%	9.4%	0.0%	-
EBIT	497	541	8.8%	44	532	569	6.9%	37	562	571	1.6%	9
% margin	9.3%	10.0%	0.6%	-	9.3%	9.8%	0.4%	-	9.3%	9.3%	0.0%	-
EPS	12.97	15.66	20.7%	2.68	13.10	14.30	9.2%	1.20	13.89	14.37	3.4%	0.47
Adj. EPS	12.26	14.06	14.7%	1.80	13.10	14.30	9.2%	1.20	13.89	14.37	3.4%	0.47
Key drivers												
Avg. Employees, #	3,806	3,821	0.4%	15	3,927	3,968	1.0%	41	4,059	4,101	1.0%	42
Billing ratio	72.0%	72.9%	0.9%	-	71.7%	72.4%	0.7%	-	71.6%	71.8%	0.2%	-
rev/emp	1,399	1,421	1.6%	22	1,450	1,465	1.1%	15	1,485	1,493	0.6%	8
benefits/emp	-1,035	-1,037	0.1%	-1	-1,075	-1,080	0.5%	-5	-1,102	-1,107	0.5%	-5
gross prof/emp	363	385	5.9%	21	375	385	2.7%	10	383	386	0.8%	3

Source: ABG Sundal Collier, Company data

Example project: Man-hours per year for a large project

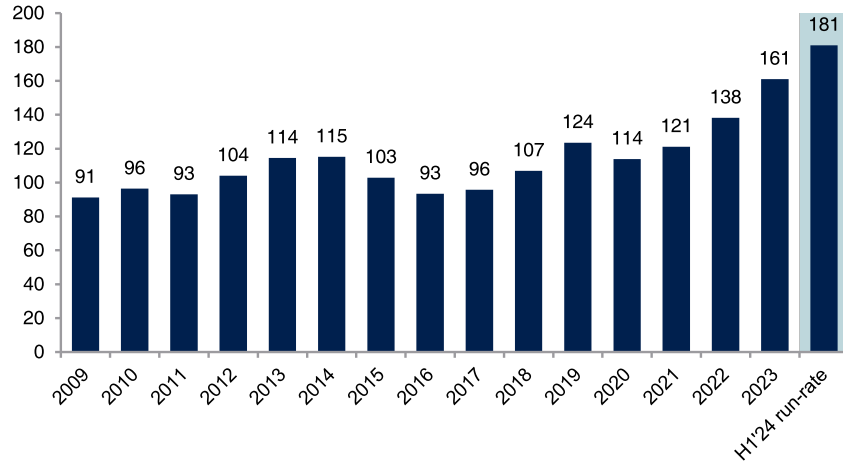


Source: ABG Sundal Collier, Company data, Norconsult.

Consultancy market

The market for civil engineering consultants and architects in Norway saw moderate growth of ~2% between 2009 and 2020. The market growth has been much stronger in the last few years, and the 2020-2023 market CAGR was ~8%. This continued in H1'24, and the run rate growth is >10% for the current year.

Norway: Civil consultancy and architect market

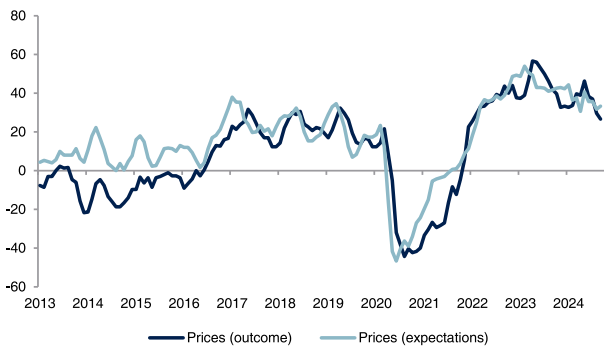


Source: ABG Sundal Collier, SSB (series 08888 and 13863)

Monthly market data: Swedish civil consultants

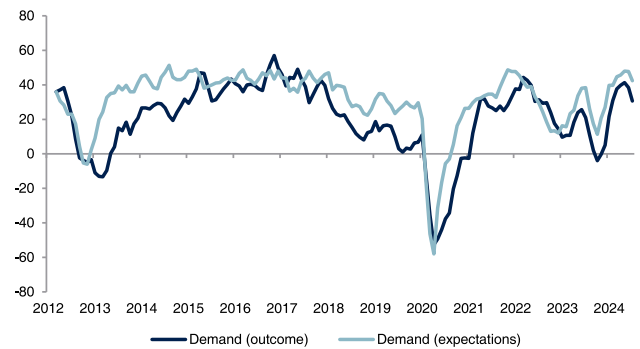
SCB/Konjunkturinstitutet tracks market data for Swedish civil consultant companies on a monthly basis. Although Multiconsult's exposure to the Swedish market is limited, the data captures the general market sentiment. Overall, the market deteriorated throughout '23, but there has been a clear improvement in H1'24. Multiconsult said that it is seeing some pressure on rates for new tenders, but the overall outlook was said to be better in Q4'23 and stable in H1'24.

Prices: Expectations and outcome



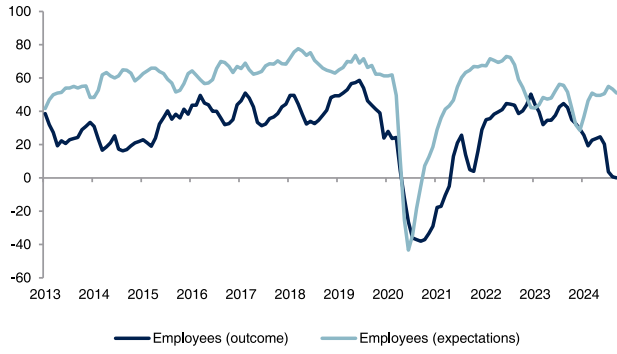
Source: ABG Sundal Collier, SCB/Konjunkturinstitutet. 3m MA.

Demand: Expectations and outcome



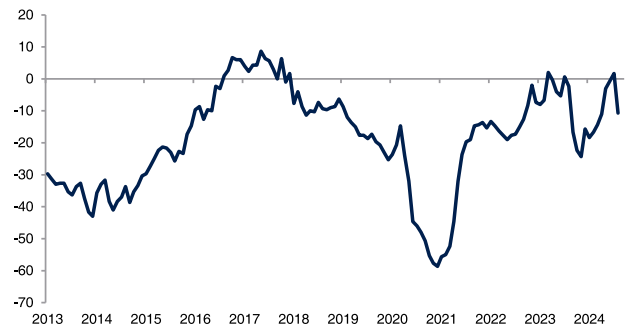
Source: ABG Sundal Collier, SCB/Konjunkturinstitutet. 3m MA.

Net hires: Expectations and outcome



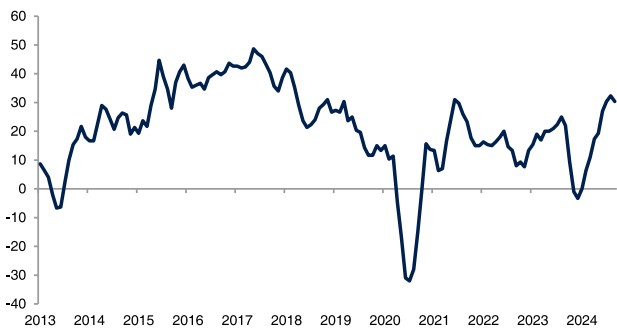
Source: ABG Sundal Collier, SCB/Konjunkturinstitutet. 3m MA.

Volume assignments



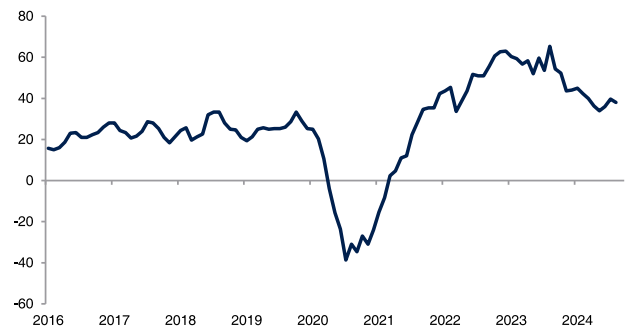
Source: ABG Sundal Collier, SCB/Konjunkturinstitutet. Seasonally adjusted 3m MA.

Business situation



Source: ABG Sundal Collier, SCB/Konjunkturinstitutet. Seasonally adjusted 3m MA.

Total costs



Source: ABG Sundal Collier, SCB/Konjunkturinstitutet. Seasonally adjusted 3m MA.

Competitive landscape

We focus on core peers, all of which provide interdisciplinary services in engineering and architecture consulting in a wide array of sectors, with operations concentrated in the Nordic region. Norconsult, Multiconsult, Sweco, Afry and Rejlers are publicly listed peers, while Cowi and Ramboll are private companies. Common for the largest players are a combination of growth through M&A and as well as organic expansion. In the Nordic market, Norconsult has a leading position in Norway followed by Multiconsult, while Afry and Sweco are dominant in Sweden. In Denmark, Ramboll and Cowi hold the top positions.

Competitive overview

Company	Listed companies					Private companies		Average Peers
	Norconsult	Multiconsult	Sweco	AFRY	Rejlers	Cowi	Ramboll	
Geographic markets	Nordics	Nordics	Europe	Europe and International	Nordics	Nordics and International	Europe and International	
Main presence								
Market position, Nordics	#4	#6	#2	#1	#7-10	#5	#3	
Market position, Norway	#1	#2	#3	#6	#12	#5	#4	
Gross sales* '23, NOKm	9,574	5,626	28,404	26,866	4,071	12,047	26,086	16,096
Net sales** '23, NOKm	8,494	4,802	24,712	21,192	3,691	10,412	21,547	13,550
Revenue CAGR '18-'23 (local ccy)	12%	8%	9%	14%	12%	5%	8%	9.7%
Organic growth, avg. '20-'23	8%	6%	4%	4%	7%	6%	4%	5.5%
Revenue mix					n.a.			
EBITA adj. '23, NOKm	810	446	2,520	2,024	325	711	1,584	1,203
Reported EBITA adj. margin '23	9.5%	9.3%	8.9%	7.5%	8.0%	5.9%	6.1%	7.9%
Gross sales EBITA adj. margin '23	8.5%	7.9%	8.9%	7.5%	8.0%	5.9%	6.1%	7.5%
Billing ratio** avg. '20-'23'	73.8%	70.7%	70.5%	72.1%	75.8%	n.a.	n.a.	72.5%
Revenue / employee '23, NOKm	1.64	1.58	1.34	1.43	1.35	1.55	1.46	1.48
Personnel expenses / employee '23, NOKm	1.11	1.00	0.89	0.86	0.88	1.07	0.92	0.96
Avg. # of employees, '23	5,852	3,551	21,162	18,836	3,014	7,749	17,924	11,155
Market cap, NOKm	10,852	4,969	63,974	21,257	3,417	n.a.	n.a.	20,894
EV, NOKm	11,167	5,906	69,502	28,036	4,004	n.a.	n.a.	23,723

■ Buildings and architecture ■ Energy and industry
■ Infrastructure ■ Other

Source: ABG Sundal Collier, Company data. *Gross sales = revenues incl. external resources. **Net sales = Sales after external project costs. Rejlers' net sales is estimated based on Norway gross-net margin.

Norconsult - Norconsult is the leading interdisciplinary consulting and architecture firm in Norway dating back to 1929. The company could be poised to take a top-3 position in the Nordics. The company employs more than 6,300 people, with approximately 2/3 based in Norway. Net sales have grown at a rate of ~11% since '12, of which 2/3 has been organic and 1/3 acquired growth. Norconsult's EBITA adj. margin has been stable at 8-10% (3Y avg. 9.7%) for more than a decade, and the company is second only to Sweco in terms of margin performance and margin variability.

Multiconsult - Multiconsult, with history back to 1908, has a broad technical service offering within building & architecture, energy, industry, transportation and water & environment. The company holds the #2 position overall in the Norwegian market, and a leading position within Norwegian architecture following the acquisition of A-Lab in 2023. The market capitalisation is ~NOK 5bn, and the company employees ~3,800 people. Multiconsult's 10Y revenue CAGR is ~10% and the 10Y the avg. EBITA margin is ~8%.

Sweco - Founded in 1997 in Sweden through the merger of FFNS and VBB, Sweco has grown significantly through acquisitions to become one of Europe's largest engineering consultancy firms, with ~21k employees. The company's expertise spans infrastructure, water and environment, energy, and building/architecture services. Sweco has the highest margin among peers (note that Sweco focuses on EBITA ex. IFRS 16, i.e., reported EBITA includes the interest portion of leases) and margin variance is low. The geographical diversification is unmatched and brand recognition is stronger than the other names in the peer group. The market capitalisation of ~NOK 55bn is >2x compared to any peer. Overall, these qualities likely contribute to Sweco's premium valuation, which is >70% above the other listed names.

AFRY - Formed in 2019 through the merger of Swedish company ÅF and Finnish company Pöyry, both with >60 years of experience. AFRY combines extensive expertise in engineering and consulting services. Afry has operations in >50 countries, with a primary focus on infrastructure, energy and industry. AFRY is the market leader in Sweden and in

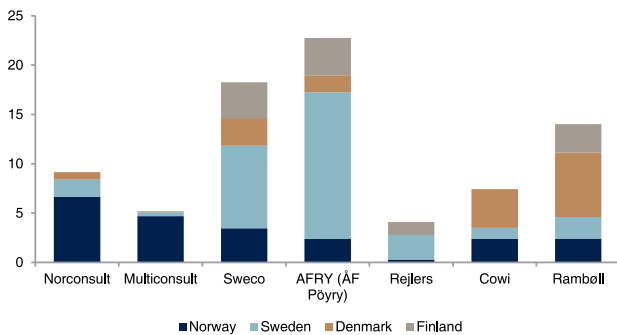
the Nordics in terms of gross revenues, and the company employees ~21k people globally. The market capitalisation is ~NOK 19bn.

Rejlers - Since its inception in 1942, Rejlers has grown into one of the leading technical engineering consultancy firms in the Nordics. The operations are centred around energy, industry, infrastructure, and building services. With a market capitalisation of ~NOK 3.3bn, Rejlers is the smallest publicly listed Swedish peer to Norconsult. The company employs ~3,200 people and outperforms in terms of its billing ratio (Rejlers 4Y avg. 75.8% adj. for sick leave vs. peers at 72.5%).

COWI - COWI was founded in 1930 in Denmark and operates in >100 countries with a strong presence in the Nordics. The company is known for delivering complex infrastructure projects and provides multidisciplinary services in transportation, buildings, environment, water, energy, and industry. The company employees ~8,000 people and has the #5 overall market position in the Nordics.

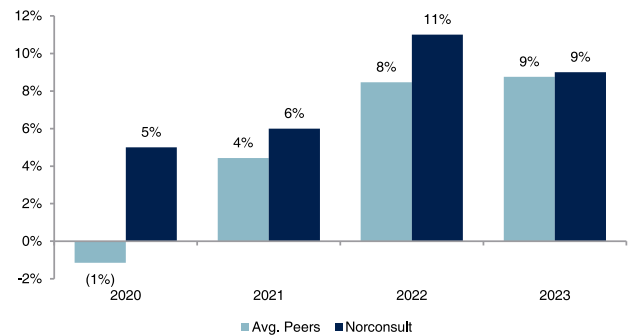
Rambøll - Rambøll employees >18k people and specialises in technical consulting within buildings, transport, environment & health, water, energy, and management consulting. The privately owned company was founded in 1945 and has grown from a small local engineering firm to an international company with a significant global presence. The company is the market leader in Denmark and >20% of revenues are from North America. Margins are slim, however, and EBITA has been hurt by large restructuring and integration costs over several years.

Revenue split: Nordics, NOKbn



Source: ABG Sundal Collier, Company data. Revenue = Gross revenue before external project costs.

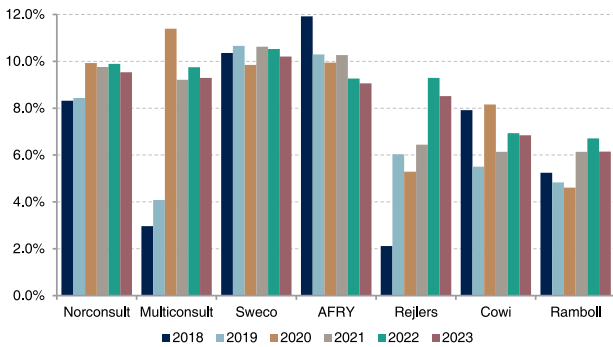
Organic growth



Source: Company data

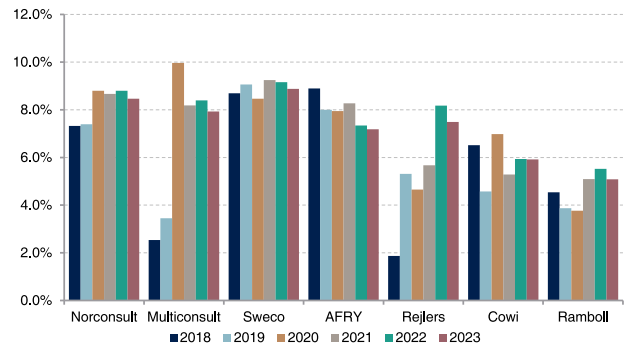
Norconsult and Multiconsult focus on margins based on net revenue (revenue after external project costs and subcontractors), while the other competitors focus on margins vs. gross revenue (revenue before external project costs and subcontractors). Net revenue margins are higher than gross revenue margins, as the denominator is naturally lower and external consultant economics are implicitly treated with a 100% margin in a net revenue margin framework. The difference between gross and net margins is typically 1-2pp depending on the individual company characteristics. We focus on net margins in general for Norconsult and Multiconsult, but in the illustrations below, we show EBITA margins based on both gross and net sales.

Nordic peers: EBITA margin (net revenue)



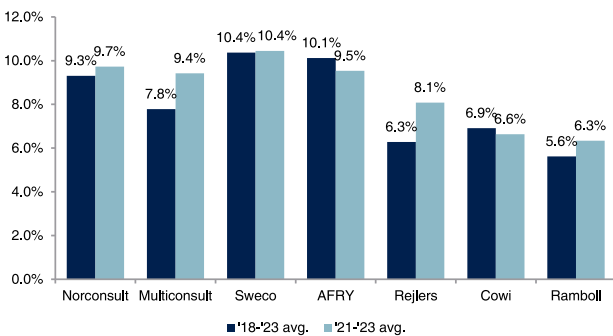
Source: ABG Sundal Collier, Company data. Net revenue = revenue after external project expenses.

Nordic peers: EBITA margin (gross revenue)



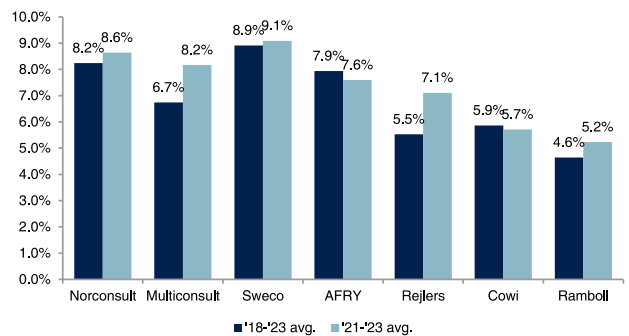
Source: ABG Sundal Collier, Company data. Gross revenue = revenue before external project expenses.

Historical avg. EBITA margin (net revenue)



Source: ABG Sundal Collier, Company data. Net revenue = revenue after external project expenses.

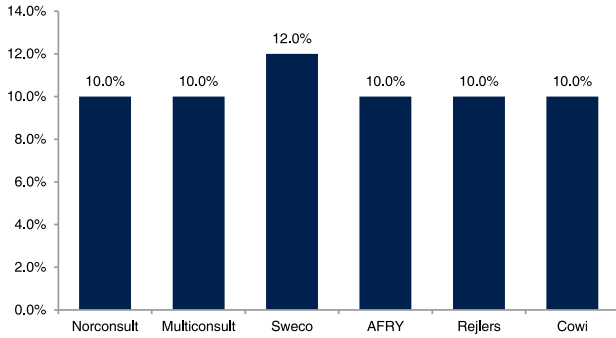
Historical avg. EBITA margin (gross revenue)



Source: Source: ABG Sundal Collier, Company data. Gross revenue = revenue before external project expenses.

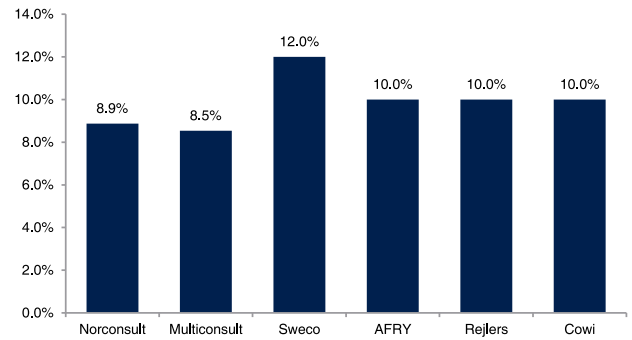
In terms of margin targets, all key peers except Sweco (12%) aim for a 10% EBITA margin. However, the accounting definitions are different, as the Swedish and Danish names base their targets on gross revenue. As such, the comparable margin target for Norconsult is ~8.9% and ~8.5% for Multiconsult. In that context, the margin target is less ambitious than for most peers.

Nordic peers: EBITA margin targets



Source: ABG Sundal Collier, Company data

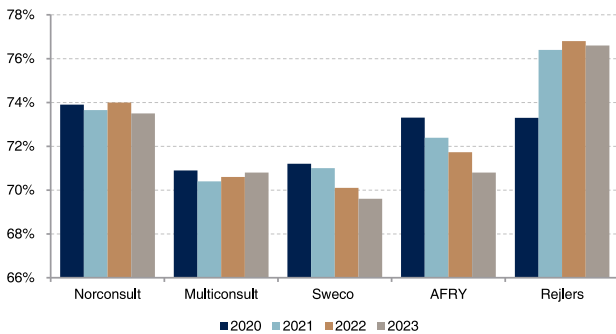
EBITA margin targets on same accounting definition



Source: ABG Sundal Collier, Company data. Note: We use '23 gross-net margin for Norconsult and Multiconsult to convert the margin targets to the same definition as Swedish/Danish peers.

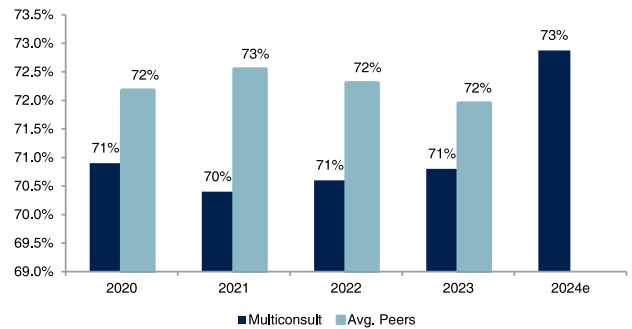
Norconsult's margin performance has been stable over time and the underlying trend over the last 5Y has been positive. Only Sweco has higher margins and lower margin variability than Norconsult. AFRY has seen a negative margin trend over the last year. Multiconsult has improved performance significantly since the '18-'19 restructuring, and the trend has continued in 2024. As such, we believe the structural margin performance in Multiconsult and AFRY are fairly similar. Rejlers has improved margins significantly since the pre-pandemic period, and Rejlers ranks as #4 in terms of margin performance. COWI and Rambøll have the weakest margins among the large Nordic peers.

Billing ratio



Source: ABG Sundal Collier, Company data. Note: Billing ratios are adjusted for sick leave for equal comparison.

Billing ratio



Source: ABG Sundal Collier, Company data. Peers = Multiconsult, Sweco, AFRY, Rejlers. Norconsult and Multiconsult include sick leave in the billing ratio, and we have adjusted the Swedish names accordingly.

Multiconsult's billing ratio has been fairly stable at 70-71% over the last few years, and the company has lagged the peer average. However, there has been a step change in FY'24, and the billing ratio is now ~73%, which is on par, or slightly better, vs peers.

Norconsult is only shy of Rejlers when it comes to utilisation over time, and we believe the normalised utilisation is ~74%. Over the last 4Y, Norconsult has outperformed the peer average by ~1.5pp in terms of billing ratio. This is also an important contributor to why Norconsult has higher normalised margins than the peer average. Rejlers' high utilisation is impressive. However, the company has the second-lowest revenue per head among peers and below-average margins, which could indicate low pricing or a slightly different operating model from a different segment mix.

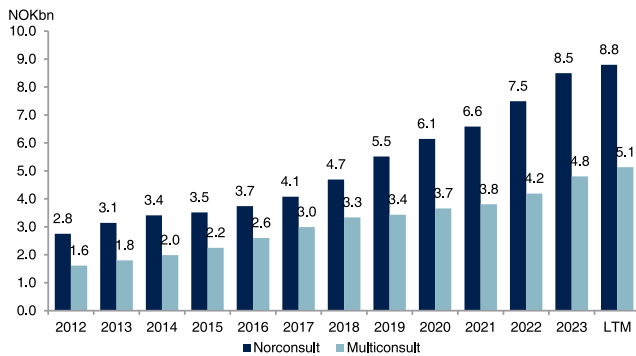
Norconsult vs. Multiconsult

Comparing Norconsult and Multiconsult, the two major Norwegian companies within technical consultancy, Norconsult has a stronger presence in Norway and the Nordic countries. Multiconsult has been publicly traded since 2015 and offers employee ownership through a share-based incentive program. However, Norconsult's ownership program has a stronger foothold in the organisation compared to that of Multiconsult.

Norconsult has a relative market share in Norway of ~1.4x compared to Multiconsult. In terms of presence outside of Norway, Norconsult has revenues of approximately NOK 2.5bn (~30% of revenue), while Multiconsult has ~NOK 800m (~20% of revenue). Both companies employ a risk-mitigation strategy, with only a small portion of their project portfolio consisting of fixed-price or capped contracts.

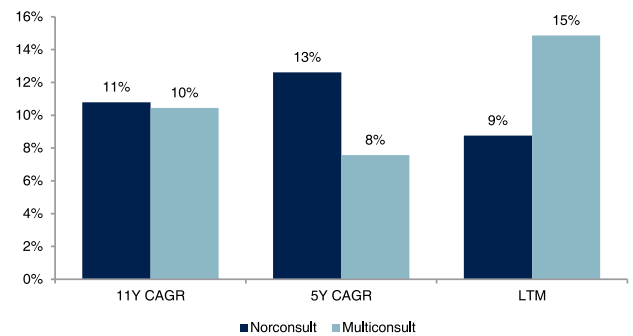
Operationally, both companies provide engineering services in construction, geosciences, urban infrastructure, water, industry, and renewable energy. However, they differ through Norconsult also offering digitalisation and software services. These segments have structural margins higher than the group average, but are currently underperforming. Lower margins in this segment, combined with a lower billing ratio in Sweden and Regional Norway, have allowed Multiconsult to narrow the gap to Norconsult.

Norconsult vs. Multiconsult: Net sales



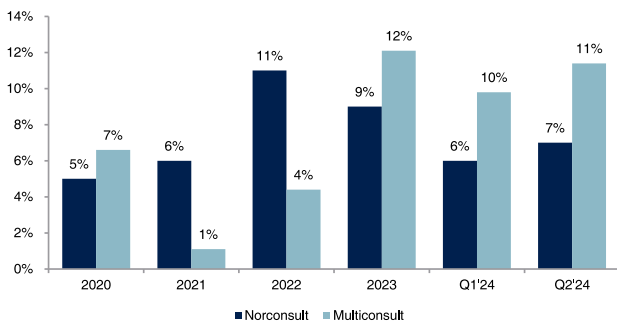
Source: ABG Sundal Collier, Company data

Norconsult vs. Multiconsult: Net sales growth



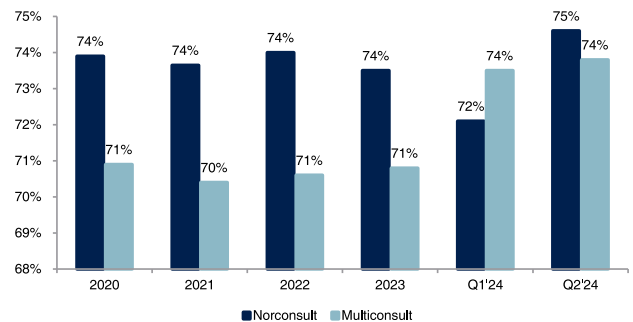
Source: ABG Sundal Collier, Company data

Norconsult vs. Multiconsult: Organic growth



Source: ABG Sundal Collier, Company data

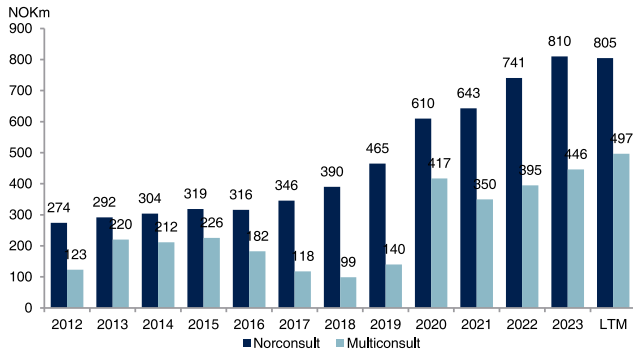
Norconsult vs. Multiconsult: Billing ratio



Source: ABG Sundal Collier, Company data

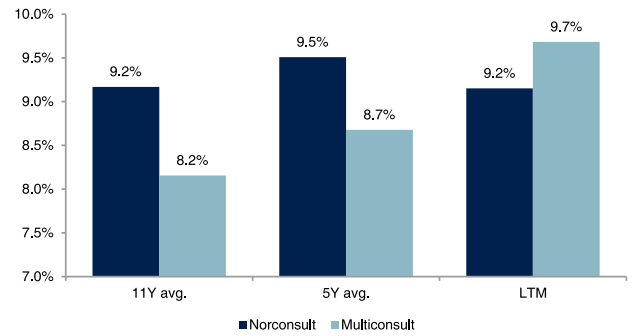
Since 2012, the two companies have grown at an annual rate of ~10%. Norconsult has outgrown Multiconsult in the last 5Y driven by both organic and acquired growth. In the past year, however, Multiconsult has outpaced Norconsult driven by strong organic FTE growth, higher utilisation and limited exposure to digitalisation and software. Multiconsult used to lag the peer average in terms of utilisation, but there has been a clear improvement since Q4'23. However, Multiconsult's over-the-cycle billing ratio is likely lower than the ~74% historical utilisation in Norconsult.

Norconsult vs. Multiconsult: EBITA adj.



Source: ABG Sundal Collier, Company data

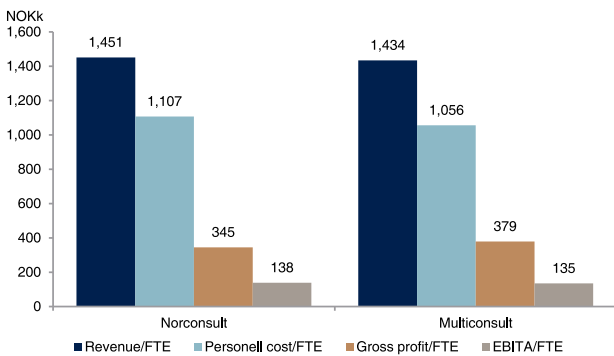
Norconsult vs. Multiconsult: EBITA adj. margin



Source: ABG Sundal Collier, Company data

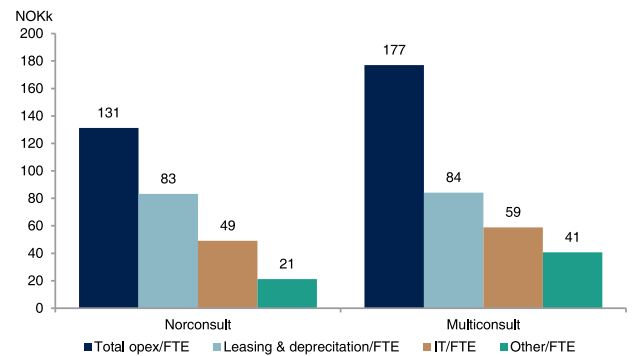
Norconsult's historical margin performance is ~1pp higher compared to Multiconsult. The difference is primarily driven by Multiconsult's weak period from '17-'19, which was followed by a large and successful restructuring of the organisation. On a LTM basis, Multiconsult's margin has been 0.5pp higher vs. its larger Norwegian peer. Norconsult's weak digitalisation operations, a ramp-up phase for 100 new senior consultants in Sweden, and low utilisation among architects in Region Norway and Denmark have hurt the margin over the past year.

Norconsult vs. Multiconsult: FTE economics, 2023



Source: ABG Sundal Collier, Company data. Note: Personell costs are adjusted for one-time gift shares. EBITA = EBITA adj. We add-back software amortisation (NOK 4.4m) to EBITA adj. in Multiconsult to make accounting treatment equal.

Norconsult vs. Multiconsult: Opex/FTE, 2023



Source: ABG Sundal Collier, Company data. Note: We adjust opex for one-offs (e.g. IPO expenses in Norconsult). Leasing & depreciation includes IFRS 16 depreciation, IFRS 16 interest, short-term/low-value leases and PP&E depreciation. Insurance expenses are added

When comparing FTE economics, Norconsult and Multiconsult show strong similarities overall. However, Norconsult's revenue per FTE is ~1.2% higher than Multiconsult's, while its underlying wages are also ~4.8% higher. This results in a clean gross profit per FTE of NOK 345k for Norconsult and NOK 379k for Multiconsult in 2023. Despite this, Norconsult's opex per FTE is much lower (~25%) than Multiconsult's, likely due to its scale. Leasing and depreciation costs per FTE are the same, suggesting that scale is not a key factor in rent and equipment expenses or that Multiconsult manages fixed assets efficiently. Norconsult's IT costs per FTE are 17% lower, possibly due to more favourable terms for key software such as Autodesk, Trimble, and Microsoft Office. Additionally, Multiconsult's non-classified opex - such as internal project expenses, social activities, insurance, and recruiting - is double that of Norconsult per FTE.

M&A

Multiconsult acquired a 70% ownership stake in the architectural firm A-Lab in Q2'23. The company is specialised in urbanism, design of business premises and residential buildings, and has a higher exposure towards the private sector compared to Multiconsult's existing architecture business LINK. The transaction was based on an EV of NOK 145m (100% basis) and Multiconsult has the option to acquire 100% of the shares. The valuation was 7.9x avg. '18-'22 EBIT. Note that profitability has deteriorated significantly in '23, and running PTP contribution from A-lab is negative as of Q2'24. Following the sluggish performance since the acquisition, an earn-out has reduced the purchase price to NOK 110-115m.

A-Lab historical P&L and deal summary (NOKm)

A-Lab AS	2018	2019	2020	2021	2022	2023	'18-'22 CAGR/AVG
Revenue	134.3	143.7	148.9	167.8	179.7	177.7	7.6%
EBIT	20.1	19.1	21.3	11.7	19.6	2.1	18.4
EBIT margin	15.0%	13.3%	14.3%	7.0%	10.9%	1.2%	12.1%

Deal summary	
EV	145
Ownership stake	70%
EV/EBIT '22	7.4x
EV/EBIT '18-22 avg.	7.9x
Cash settlement	80%
Share settlement	20%

Source: ABG Sundal Collier, Company data

Multiconsult has more dry powder to deploy

Multiconsult has delivered an impressive turnaround, reaching its profitability targets well ahead of schedule. Given this, we now think it should be able to sustain the higher margins.

In our view, the next steps are: 1) keeping profitability in line with targets while achieving organic market growth by increasing the headcount, and 2) adding more growth through bolt-on acquisitions of smaller companies that complement its product offering, acquired at reasonable prices. We believe Multiconsult could add NOK 80-90m of EBIT from acquisitions while sustaining the dividend and keeping the NIBD/EBITDA ratio within the target range of 1.0x-2.0x. The exercise below shows that the '24e P/E could drop to 11x after M&A. This compares to key peers trading at a '24e P/E of 18-20x.

Simplified effect of bolt-on acquisitions

Key inputs	
Share price	194
Mcap	5,369
NIBD 24, ex. IFRS 16	87
Target NIBD/EBITDA	1.5x

2024 ex. IFRS 16	Old	Δ	New	% chg	Comment
EBITDA	611	127	738	21%	
D&A	-75	-16	-90		Increase proportional to EBIT
EBIT	536	111	648	21%	
Net financials, ex. IFRS 16	9	-51	-42		5% interest rate on new NIBD
PTP	545	60	605		
Tax	-115	-13	-128		Assumed at 22%
Minorities	3	0	3		
Net profit	433	47	480		
EPS	15.7	1.7	17.4	11%	
NIBD	87	1,020	1,107		All of purchase financed by NIBD
EV	5,456	1,020	6,476	19%	
NIBD/EBITDA	0.1		1.5		Towards target ratio: 1x-2x
EV/EBITDA	8.9x	8.0x	8.8x		Buy at 10% discount to current multiple
EV/EBIT	10.2x	9.2x	10.0x		
P/E	12.4x		11.2x		

Source: ABG Sundal Collier, Company data

M&A capacity: EPS sensitivity

		Acquisition multiple: EV/EBITDA				
		6x	7x	8x	9x	10x
NIBD/	0.5x	16.3	16.2	16.0	16.0	15.9
EBITDA	1.0x	17.4	17.0	16.7	16.4	16.3
excl.	1.5x	18.7	17.9	17.4	17.0	16.7
IFRS 16	2.0x	20.3	19.0	18.2	17.6	17.2
	2.5x	22.4	20.4	19.2	18.3	17.7

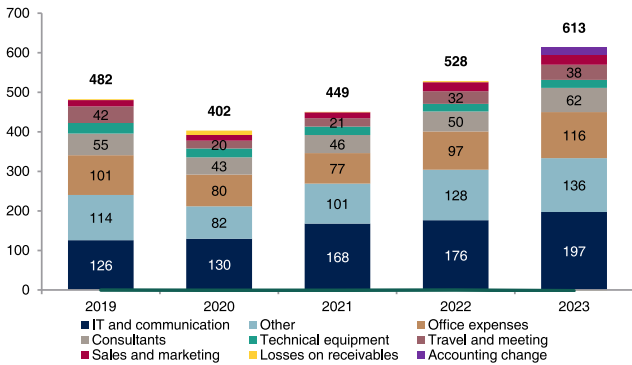
		Acquisition multiple: EV/EBITDA				
		6x	7x	8x	9x	10x
NIBD/	0.5x	4%	3%	3%	2%	2%
EBITDA	1.0x	11%	8%	6%	5%	4%
excl.	1.5x	19%	14%	11%	9%	7%
IFRS 16	2.0x	30%	22%	16%	12%	10%
	2.5x	43%	30%	23%	17%	13%

Source: ABG Sundal Collier, Company data

Opex and recruiting

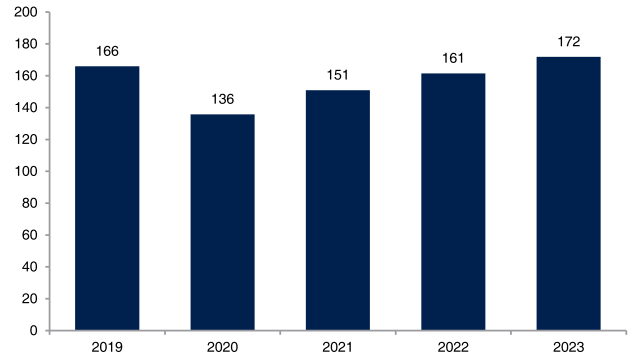
In 2020, Multiconsult cut its clean other opex by ~11% (frozen GAAP, ex. IFRS 16). In 2021, the opex base increased by ~8%, driven by higher IT and social costs. The uplift was driven by the E&H transaction and underlying cost inflation. Several software companies increased prices significantly in 2021 on higher inflation expectations and pricing power, and more price hikes were implemented in 2022. Clean other opex per head increased by ~7% in 2022, where higher travel, office and social costs were the key drivers. Reported opex inflation per head was only ~3% in 2023, but note that Multiconsult capitalised more IT costs than usual. Adjusted for the change in accounting methodology, the increase was ~6% y-o-y.

Other opex split (NOKm)



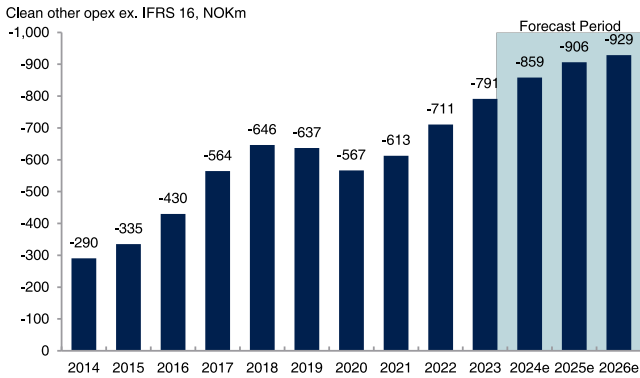
Source: ABG Sundal Collier, Company data. Note: Multiconsult made an accounting change in 2023 where some IT equipment and software are capitalised and amortised. We estimate the effect of the accounting change to be ~NOK 20m.

Other opex per employee, NOKk



Source: ABG Sundal Collier, Company data. Note: Adj. for accounting change in 2023.

Clean other opex ex. IFRS 16 (pre '19 GAAP)



Source: ABG Sundal Collier, Company data

Recruiting

We believe Multiconsult is well-positioned to attract new talent. The company has been among the five most attractive places to work for engineering/natural science students in Norway for years. Talent attraction and talent retention are key factors in Multiconsult's ability to achieve its targets of 8-10% revenue growth and a 10% EBIT margin in the longer term. Multiconsult is currently ranked as the fifth most attractive employer for engineering/natural science students in Norway, according to Universum. Norconsult (#4), Sweco (#9), COWI (#32) and Rambøll (#33) are all among the top 100 most attractive employers.

Most attractive employers: engineering/natural science students

	2018	2019	2020	2021	2022	2023	2024
1	Equinor	Equinor	Equinor	Equinor	Equinor	Equinor	Equinor
2	Kongsberg Gruppen	Multiconsult	Kongsberg Gruppen	Kongsberg Gruppen	Aker Solutions	Aker Solutions	Aker Solutions
3	Multiconsult	Kongsberg Gruppen	Multiconsult	Multiconsult	Kongsberg Gruppen	Kongsberg Gruppen	Kongsberg Gruppen
4	Aker Solutions	Aker Solutions	Aker Solutions	Aker Solutions	Norconsult	Norconsult	Norconsult
5	Norconsult	Norconsult	Norconsult	Norconsult	Multiconsult	Multiconsult	Multiconsult

Source: ABG Sundal Collier, Universum

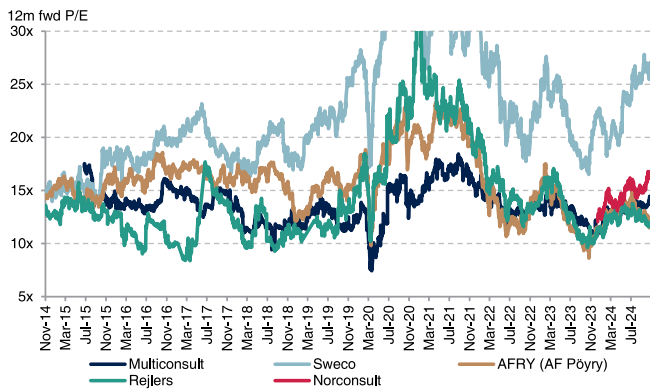
Valuation

Multiconsult: Peer valuation

	Meap		EV/EBITDA			EV/EBITA			EV/EBIT			P/E adj.			Dividend yield		
	EURm	EURm	'24e	'25e	'26e	'24e	'25e	'26e	'24e	'25e	'26e	'24e	'25e	'26e	'24e	'25e	'26e
Nordic																	
Sweco	5,480	5,904	18.0x	16.0x	14.5x	22.4x	19.6x	17.4x	23.0x	20.2x	17.7x	29.7x	25.7x	22.9x	1.8%	2.1%	2.3%
AFRY (ÅF Pöyry)	1,529	2,078	8.5x	7.6x	6.6x	11.6x	10.1x	8.5x	12.4x	10.7x	9.0x	13.7x	11.7x	9.8x	3.8%	4.2%	4.9%
Norconsult	1,014	1,042	9.3x	8.2x	7.6x	14.4x	12.4x	11.2x	14.5x	12.5x	11.4x	18.2x	16.5x	15.5x	3.2%	3.9%	4.1%
Rejlers	281	318	7.4x	6.5x	5.8x	10.4x	8.9x	7.8x	11.8x	10.0x	8.7x	13.3x	11.4x	10.3x	3.4%	3.8%	4.0%
Sitowise	93	174	8.7x	6.7x	5.5x	14.0x	10.1x	7.9x	22.2x	13.4x	9.8x	26.6x	12.8x	9.1x	0.1%	3.1%	4.5%
Projektengagemang	20	37	5.1x	4.0x	3.5x	12.8x	8.0x	6.5x	12.8x	8.0x	6.5x	11.5x	6.8x	5.7x	2.0%	5.6%	8.2%
Average	1,403	1,592	10.4x	9.0x	8.0x	14.5x	12.2x	10.6x	16.8x	13.4x	11.3x	20.3x	15.6x	13.5x	2.5%	3.4%	4.0%
Average ex Sweco	587	730	8.5x	7.3x	6.4x	12.6x	10.4x	8.9x	15.2x	11.7x	9.7x	17.9x	13.1x	11.2x	2.6%	3.7%	4.4%
European																	
Arcadis	5,926	6,655	12.7x	10.8x	9.1x	15.4x	13.0x	11.2x	16.4x	13.7x	11.7x	22.1x	18.1x	15.8x	1.6%	1.8%	2.1%
Alten	2,714	2,554	6.1x	5.7x	4.9x	7.5x	6.6x	5.5x	7.6x	7.1x	6.0x	10.7x	10.5x	9.4x	2.0%	2.1%	2.2%
Spie	5,575	7,231	7.9x	6.9x	6.2x	10.4x	9.1x	8.1x	11.0x	9.7x	8.5x	12.9x	11.8x	11.1x	3.1%	3.4%	3.6%
Average	4,738	5,480	8.9x	7.8x	6.8x	11.1x	9.6x	8.2x	11.7x	10.2x	8.7x	15.2x	13.5x	12.1x	2.2%	2.4%	2.6%
North American																	
Aecom	13,516	15,113	15.1x	13.6x	12.0x	n.a.	n.a.	n.a.	16.7x	14.8x	13.1x	24.1x	21.9x	19.7x	0.3%	0.3%	0.5%
Stantec	8,713	9,779	15.2x	13.3x	12.2x	n.a.	n.a.	n.a.	22.2x	18.9x	16.4x	28.0x	24.0x	21.2x	0.7%	0.8%	0.8%
WSP	20,742	23,540	16.6x	13.9x	12.5x	n.a.	n.a.	n.a.	23.1x	19.3x	17.8x	33.2x	27.6x	22.3x	0.6%	0.6%	0.6%
Average	14,323	16,144	15.6x	13.6x	12.3x	n.a.	n.a.	n.a.	20.7x	17.7x	15.8x	28.4x	24.5x	21.1x	0.5%	0.6%	0.6%
Average, all peers	5,467	6,202	10.9x	9.5x	8.4x	13.2x	10.9x	9.3x	16.2x	13.2x	11.4x	20.3x	16.6x	14.4x	1.9%	2.6%	3.1%
Multiconsult (ABGSCe)	450	520	7.6x	7.3x	7.0x	11.3x	10.5x	10.3x	10.9x	10.7x	10.4x	13.8x	13.6x	13.5x	4.9%	5.2%	5.4%
Premium to Nordic peers			-27%	-19%	-12%	-22%	-14%	-2%	-35%	-20%	-8%	-32%	-13%	0%	+2.4pp	+1.7pp	+1.4pp
Premium to Nordic Peers ex Sweco			-11%	0%	10%	-10%	1%	17%	-29%	-9%	7%	-23%	4%	21%	+2.3pp	+1.4pp	+1pp
Premium to all peers			-31%	-23%	-16%	-14%	-3%	11%	-33%	-19%	-9%	-32%	-18%	-6%	+3pp	+2.5pp	+2.3pp

Source: ABG Sundal Collier, Factset, Company data

Consulting engineers: historical 12m fwd P/E



Source: ABG Sundal Collier, FactSet

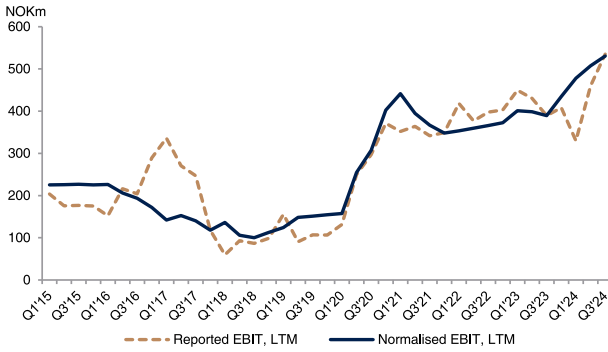
Multiconsult: 12m forward P/E valuation (cons.)



Source: ABG Sundal Collier, Factset

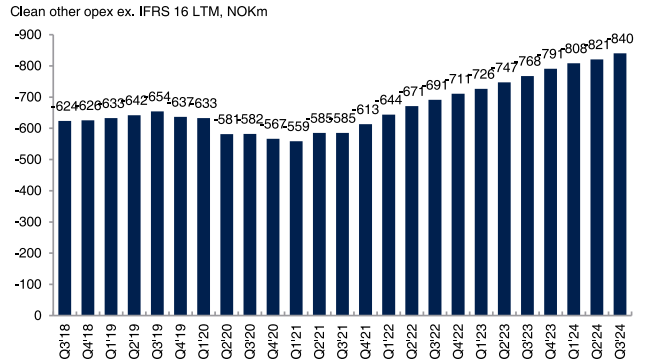
Charts

Normalised and reported EBIT, LTM



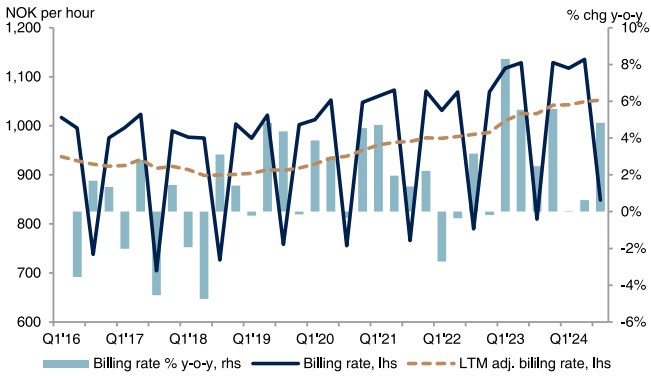
Source: ABG Sundal Collier, Company data

Clean other opex excl. IFRS 16, LTM



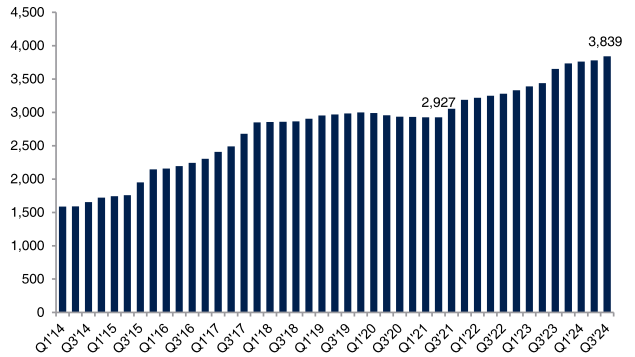
Source: ABG Sundal Collier, Company data

Calculated billing rate (NOK)



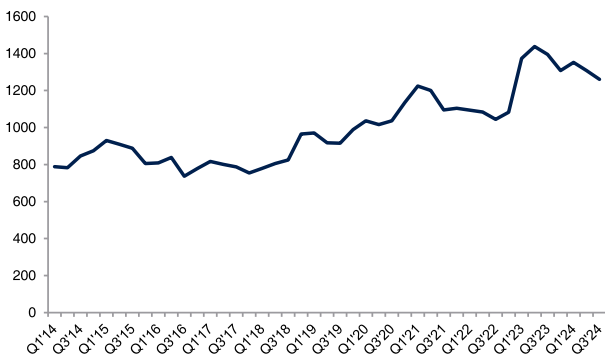
Source: ABG Sundal Collier, Company data

Avg. number of employees (#)



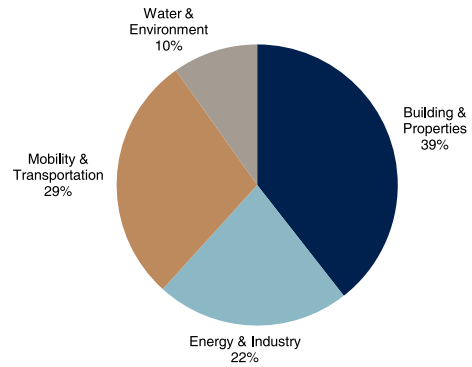
Source: ABG Sundal Collier, Company data

Order backlog per employee, NOK (thousands)



Source: ABG Sundal Collier, Company data

Revenue split, 2023



Source: ABG Sundal Collier, Company data

Estimates

Estimates and key metrics

Multiconsult	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
P&L, NOKm											
Net sales	2,605	2,994	3,335	3,436	3,661	3,804	4,189	4,802	5,430	5,813	6,125
Opex	-2,272	-2,830	-3,186	-3,137	-3,062	-3,261	-3,579	-4,146	-4,608	-4,980	-5,277
Employee benefit expense	-1,842	-2,265	-2,539	-2,654	-2,660	-2,811	-3,051	-3,554	-3,960	-4,285	-4,542
Other operating expenses	-430	-564	-646	-482	-402	-449	-528	-593	-648	-696	-736
Gross profit*	763	729	795	781	1,001	992	1,138	1,249	1,470	1,529	1,583
EBITDA	333	165	149	299	599	543	610	656	822	833	848
Depreciation & amortisation	-43	-47	-50	-193	-228	-194	-207	-248	-250	-264	-277
D&A, core	-43	-47	-50	-55	-51	-49	-56	-84	-74	-84	-91
Depr. IFRS 16	0	0	0	-138	-177	-145	-151	-164	-175	-180	-186
Adj. EBITA	182	118	99	140	417	350	395	446	548	577	575
EBIT	290	118	99	106	371	349	403	408	572	569	571
Net financials	-2	-10	-9	-53	-42	-38	-16	-13	-27	-58	-56
PTP	288	108	90	53	329	311	387	396	545	511	515
Taxes	-74	-28	-27	-18	-80	-77	-84	-79	-115	-112	-113
Minorities	0	0	0	0	0	0	0	2	3	-3	-4
Net profit	214	80	64	35	249	235	303	318	433	396	398
EPS	8.15	3.01	2.36	1.30	9.25	8.67	11.06	11.52	15.66	14.30	14.37
Adj. EPS	4.96	2.99	2.36	2.29	10.57	8.60	10.65	12.28	14.06	14.30	14.37
DPS	3.00	1.50	1.50	0.00	10.00	6.00	9.00	8.00	9.50	10.00	10.50
Multiconsult											
Key figures											
Sales growth	15.9%	15.0%	11.4%	3.0%	6.6%	3.9%	10.1%	14.6%	13.1%	7.1%	5.4%
Adj. EBITA margin	7.0%	3.9%	3.0%	4.1%	11.4%	9.2%	9.4%	9.3%	10.1%	9.9%	9.4%
Clean other opex ex. IFRS 16 margin	16.5%	18.8%	19.4%	18.5%	15.5%	16.1%	17.0%	16.5%	15.8%	15.6%	15.2%
Order intake	3,085	3,763	4,610	4,348	4,684	4,352	5,195	6,925	6,170	5,862	6,153
Order backlog	1,793	2,148	2,803	2,968	3,327	3,260	3,608	4,883	4,864	4,913	4,942
Billing ratio	69.2%	68.4%	70.2%	69.2%	70.9%	70.4%	70.6%	70.7%	72.9%	72.4%	71.8%
Employees, avg.	2,144	2,516	2,773	2,907	2,962	2,978	3,270	3,565	3,821	3,968	4,101

Source: ABG Sundal Collier, Company data

Income Statement (NOKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Sales	2,994	3,335	3,436	3,661	3,804	4,189	4,802	5,430	5,813	6,125
Other operating items	-2,830	-3,186	-3,137	-3,062	-3,261	-3,579	-4,146	-4,608	-4,980	-5,277
EBITDA	165	149	299	599	543	610	656	822	833	848
Depreciation and amortisation	-47	-50	-193	-227	-191	-201	-237	-243	-256	-273
of which leasing depreciation	0	0	-138	-177	-145	-151	-164	-175	-180	-186
EBITA	118	99	106	371	351	408	419	579	577	575
EO Items	0	0	-34	-16	1	14	-19	31	0	0
Impairment and PPA amortisation	0	0	0	0	-2	-5	-11	-7	-8	-4
EBIT	118	99	106	371	349	403	408	572	569	571
Net financial items	-11	-11	-53	-39	-38	-31	-27	-37	-67	-65
Pretax profit	108	90	53	329	311	387	396	545	511	515
Tax	-28	-27	-18	-80	-77	-84	-79	-115	-112	-113
Net profit	80	64	35	249	235	303	317	430	399	402
Minority interest	-	-	-	-	-	-	2	3	-3	-4
Net profit to shareholders	80	64	35	249	235	303	318	433	396	398
EPS	3.01	2.36	1.30	9.25	8.67	11.06	11.52	15.66	14.30	14.37
EPS adj.	2.99	2.36	2.29	10.57	8.60	10.65	12.28	14.06	14.30	14.37
Total extraordinary items after tax	0	0	-27	-13	1	11	-15	24	0	0
Leasing payments	0	0	-175	-211	-177	-182	-202	-211	-214	-220
Tax rate (%)	26.1	29.4	34.3	24.3	24.6	21.7	20.0	21.1	22.0	22.0
Gross margin (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA margin (%)	5.5	4.5	8.7	16.4	14.3	14.6	13.7	15.1	14.3	13.8
EBITA margin (%)	3.9	3.0	3.1	10.1	9.2	9.8	8.7	10.7	9.9	9.4
EBIT margin (%)	3.9	3.0	3.1	10.1	9.2	9.6	8.5	10.5	9.8	9.3
Pre-tax margin (%)	3.6	2.7	1.6	9.0	8.2	9.2	8.2	10.0	8.8	8.4
Net margin (%)	2.7	1.9	1.0	6.8	6.2	7.2	6.6	7.9	6.9	6.6
Growth Rates y-o-y	-	-	-	-	-	-	-	-	-	-
Sales growth (%)	15.0	11.4	3.0	6.6	3.9	10.1	14.6	13.1	7.1	5.4
EBITDA growth (%)	-50.5	-9.5	100.6	100.1	-9.3	12.4	7.6	25.2	1.4	1.7
EBITA growth (%)	-59.3	-16.1	7.4	249.0	-5.5	16.5	2.7	38.0	-0.4	-0.4
EBIT growth (%)	-59.3	-16.1	7.4	NM	-6.0	15.6	1.3	40.2	-0.6	0.3
Net profit growth (%)	-62.8	-20.1	-44.8	609.8	-5.8	29.1	4.5	35.8	-7.3	0.7
EPS growth (%)	-63.1	-21.6	-44.9	nm	-6.3	27.6	4.2	35.9	-8.7	0.5
Profitability	-	-	-	-	-	-	-	-	-	-
ROE (%)	14.6	10.8	6.0	36.8	28.9	32.9	31.4	38.4	30.7	28.1
ROE adj. (%)	14.6	10.8	11.8	39.2	29.0	32.0	33.9	36.8	31.3	28.3
ROCE (%)	16.8	12.9	8.9	23.5	21.1	24.9	23.9	26.0	22.8	21.9
ROCE adj. (%)	16.8	12.9	11.6	24.5	21.1	24.4	25.3	25.0	23.1	22.0
ROIC (%)	15.6	10.0	6.1	18.9	17.2	19.0	18.1	21.8	21.0	21.0
ROIC adj. (%)	15.6	10.0	8.1	19.7	17.1	18.4	18.9	20.6	21.0	21.0
Adj. earnings numbers	-	-	-	-	-	-	-	-	-	-
EBITDA adj.	165	149	333	615	542	597	675	790	833	848
EBITDA adj. margin (%)	5.5	4.5	9.7	16.8	14.2	14.2	14.1	14.6	14.3	13.8
EBITDA lease adj.	165	149	158	403	365	415	473	580	619	627
EBITDA lease adj. margin (%)	5.5	4.5	4.6	11.0	9.6	9.9	9.9	10.7	10.6	10.2
EBITA adj.	118	99	140	387	350	395	438	548	577	575
EBITA adj. margin (%)	3.9	3.0	4.1	10.6	9.2	9.4	9.1	10.1	9.9	9.4
EBIT adj.	118	99	140	387	348	390	427	541	569	571
EBIT adj. margin (%)	3.9	3.0	4.1	10.6	9.1	9.3	8.9	10.0	9.8	9.3
Pretax profit Adj.	108	90	87	345	312	379	425	520	519	519
Net profit Adj.	80	64	69	265	235	295	342	413	407	406
Net profit to shareholders adj.	80	64	69	265	235	295	344	416	404	402
Net adj. margin (%)	2.7	1.9	2.0	7.2	6.2	7.0	7.1	7.6	7.0	6.6

Source: ABG Sundal Collier, Company Data

Cash Flow (NOKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
EBITDA	165	149	299	599	543	610	656	822	833	848
Net financial items	-11	-11	-53	-39	-38	-31	-27	-37	-67	-65
Paid tax	-28	-25	-28	-13	-87	-76	-93	-113	-112	-113
Non-cash items	94	1	-122	-134	-153	-162	-143	-181	-171	-177
Cash flow before change in WC	220	115	97	412	265	341	393	491	483	492
Change in working capital	-65	93	-20	81	20	28	-167	7	8	6
Operating cash flow	154	208	77	493	285	369	225	497	491	499
Capex tangible fixed assets	-35	-17	-53	-25	-48	-47	-101	-98	-68	-68
Capex intangible fixed assets	-	-18	-4	-2	-2	0	0	-6	-24	-24

Cash Flow (NOKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Acquisitions and Disposals	0	0	0	0	-314	-47	-93	-62	0	0
Free cash flow	119	172	20	465	-79	275	32	331	399	407
Dividend paid	-79	-40	-40	-54	-215	-164	-247	-221	-263	-277
Share issues and buybacks	0	0	0	0	0	0	0	0	0	0
Other non-cash items	-292	-87	-914	27	34	52	-181	16	0	0
Balance Sheet (NOKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Goodwill	449	449	448	455	847	924	1,064	1,138	1,138	1,138
Other intangible assets	45	73	65	55	59	63	87	85	79	77
Tangible fixed assets	101	102	112	104	110	105	146	190	204	207
Right-of-use asset	0	0	898	806	767	673	729	684	684	684
Total other fixed assets	40	62	59	54	52	113	159	137	137	137
Fixed assets	635	686	1,583	1,473	1,834	1,877	2,186	2,234	2,241	2,242
Inventories	355	344	309	256	225	304	259	346	360	384
Receivables	588	667	638	627	731	596	977	1,038	1,058	1,115
Other current assets	65	73	71	85	86	117	180	176	189	205
Cash and liquid assets	154	120	74	277	156	115	278	432	568	698
Total assets	1,798	1,890	2,674	2,718	3,033	3,010	3,880	4,227	4,416	4,644
Shareholders equity	582	593	581	774	850	992	1,035	1,224	1,357	1,477
Total equity	582	593	581	774	850	992	1,080	1,266	1,402	1,526
Long-term debt	218	175	0	0	180	0	450	450	450	450
Pension debt	7	7	7	6	5	6	5	5	5	5
Leasing liability	0	0	915	865	830	734	800	753	753	753
Total other long-term liabilities	44	55	49	43	37	77	154	128	128	128
Short-term debt	71	23	178	0	0	32	0	101	101	101
Accounts payable	153	236	161	106	135	133	219	205	221	250
Other current liabilities	724	800	784	924	996	1,037	1,173	1,319	1,357	1,431
Total liabilities and equity	1,798	1,890	2,674	2,718	3,033	3,010	3,880	4,227	4,416	4,644
Net IB debt	141	85	1,026	594	859	656	976	876	740	610
Net IB debt excl. pension debt	134	78	1,019	587	854	651	972	871	735	605
Net IB debt excl. leasing	141	85	111	-271	29	-77	177	123	-13	-143
Capital employed	878	798	1,681	1,645	1,865	1,763	2,335	2,574	2,710	2,834
Capital invested	723	678	1,607	1,367	1,709	1,649	2,057	2,142	2,141	2,136
Working capital	132	47	74	-63	-88	-152	24	36	28	22
EV breakdown	-	-	-	-	-	-	-	-	-	-
Market cap. diluted (m)	5,135	5,205	5,205	5,205	5,250	5,299	5,334	5,341	5,341	5,341
Net IB debt adj.	134	60	1,006	571	838	628	938	839	703	574
Market value of minority	0	0	0	0	0	0	45	42	45	49
Reversal of shares and participations	0	0	0	0	0	0	0	0	0	0
Reversal of conv. debt assumed equity	-	-	-	-	-	-	-	-	-	-
EV	5,270	5,264	6,211	5,777	6,088	5,927	6,318	6,223	6,090	5,964
Total assets turnover (%)	188.3	180.8	150.6	135.8	132.3	138.6	139.4	134.0	134.5	135.2
Working capital/sales (%)	3.3	2.7	1.8	0.1	-2.0	-2.9	-1.3	0.6	0.6	0.4
Financial risk and debt service	-	-	-	-	-	-	-	-	-	-
Net debt/equity (%)	24.2	14.3	176.5	76.7	101.0	66.1	90.4	69.2	52.8	40.0
Net debt / market cap (%)	2.7	1.6	19.7	11.4	16.4	12.4	18.3	16.4	13.8	11.4
Equity ratio (%)	32.4	31.4	21.7	28.5	28.0	33.0	27.8	29.9	31.7	32.9
Net IB debt adj. / equity (%)	23.1	10.0	173.1	73.8	98.6	63.3	86.8	66.3	50.2	37.6
Current ratio	1.23	1.14	0.97	1.21	1.06	0.94	1.22	1.23	1.30	1.35
EBITDA/net interest	14.4	14.1	5.7	15.2	14.3	19.5	24.1	21.9	12.5	13.1
Net IB debt/EBITDA (x)	0.9	0.6	3.4	1.0	1.6	1.1	1.5	1.1	0.9	0.7
Net IB debt/EBITDA lease adj. (x)	0.8	0.4	0.6	-0.7	0.0	-0.3	0.3	0.1	-0.1	-0.3
Interest coverage	8.4	5.8	1.9	6.3	6.4	6.8	5.2	6.9	6.6	6.6

Source: ABG Sundal Collier, Company Data

Share Data (NOKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Actual shares outstanding	27	27	27	27	27	27	28	28	28	28
Actual shares outstanding (avg)	27	27	27	27	27	27	28	28	28	28
All additional shares	0	0	0	0	0	0	0	0	0	0
Issue factor	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Actual dividend per share	1.50	1.50	0.00	10.00	6.00	9.00	8.00	9.50	10.00	10.50

Source: ABG Sundal Collier, Company Data

Valuation and Ratios (NOKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Shares outstanding adj.	27	27	27	27	27	27	28	28	28	28

Valuation and Ratios (NOKm)	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
Diluted shares adj.	27	27	27	27	27	27	28	28	28	28
EPS	3.01	2.36	1.30	9.25	8.67	11.06	11.52	15.66	14.30	14.37
Dividend per share	1.50	1.50	0.00	10.00	6.00	9.00	8.00	9.50	10.00	10.50
EPS adj.	2.99	2.36	2.29	10.57	8.60	10.65	12.28	14.06	14.30	14.37
BVPS	21.88	22.00	21.56	28.68	31.25	36.15	37.44	44.22	49.02	53.38
BVPS adj.	3.29	2.64	2.54	9.79	-2.02	0.22	-4.22	0.02	5.03	9.47
Net IB debt/share	5.05	2.21	37.31	21.18	30.82	22.88	33.93	30.33	25.42	20.73
Share price	193.00	193.00	193.00	193.00	193.00	193.00	193.00	193.00	193.00	193.00
Market cap. (m)	5,135	5,205	5,205	5,205	5,250	5,299	5,334	5,341	5,341	5,341
Valuation	-	-	-	-	-	-	-	-	-	-
P/E (x)	64.1	81.8	148.5	20.9	22.3	17.5	16.7	12.3	13.5	13.4
EV/sales (x)	1.76	1.58	1.81	1.58	1.60	1.41	1.32	1.15	1.05	0.97
EV/EBITDA (x)	32.0	35.3	20.8	9.6	11.2	9.7	9.6	7.6	7.3	7.0
EV/EBITA (x)	44.7	53.2	58.4	15.6	17.4	14.5	15.1	10.7	10.6	10.4
EV/EBIT (x)	44.7	53.2	58.4	15.6	17.5	14.7	15.5	10.9	10.7	10.5
Dividend yield (%)	0.8	0.8	0.0	5.2	3.1	4.7	4.1	4.9	5.2	5.4
FCF yield (%)	2.3	3.3	0.4	8.9	-1.5	5.2	0.6	6.2	7.5	7.6
Le. adj. FCF yld. (%)	2.3	3.3	0.4	8.9	-1.5	5.2	0.6	6.2	7.5	7.6
P/BVPS (x)	8.82	8.77	8.95	6.73	6.18	5.34	5.15	4.37	3.94	3.62
P/BVPS adj. (x)	58.62	73.08	75.86	19.72	-95.32	894.36	-45.74	11,264.18	38.34	20.38
P/E adj. (x)	64.6	81.9	84.5	18.3	22.4	18.1	15.7	13.7	13.5	13.4
EV/EBITDA adj. (x)	32.0	35.3	18.6	9.4	11.2	9.9	9.4	7.9	7.3	7.0
EV/EBITA adj. (x)	44.7	53.2	44.3	14.9	17.4	15.0	14.4	11.4	10.6	10.4
EV/EBIT adj. (x)	44.7	53.2	44.3	14.9	17.5	15.2	14.8	11.5	10.7	10.5
EV/CE (x)	6.0	6.6	3.7	3.5	3.3	3.4	2.7	2.4	2.2	2.1
Investment ratios	-	-	-	-	-	-	-	-	-	-
Capex/sales (%)	1.2	1.1	1.7	0.8	1.3	1.1	2.1	1.9	1.6	1.5
Capex/depreciation	0.7	0.7	1.0	0.6	1.1	0.9	1.4	1.5	1.2	1.1
Capex tangibles / tangible fixed assets	34.7	16.9	47.0	24.5	43.2	44.5	68.8	51.6	33.4	32.9
Depreciation on tangibles / tangibles	46.44	48.91	41.94	42.10	37.41	43.88	44.74	25.37	26.68	31.43

Source: ABG Sundal Collier, Company Data

Analyst Certification

We, ABGSC Construct. & Real Estate Research, Bengt Jonassen and Njål Eivind Kleiven, analyst(s) with ABG Sundal Collier ASA, ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge, ABG Sundal Collier AB and/or ABG Sundal Collier Limited (hereinafter collectively referred to as “ABG Sundal Collier”), and the author(s) of this report, certify that not withstanding the existence of any such potential conflicts of interests referred to below, the views expressed in this report accurately reflect my/our personal view about the companies and securities covered in this report. I/We further certify that I/We has/have not been, nor am/are or will be, receiving direct or indirect compensation related to the specific recommendations or views contained in this report.

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ABG Sundal Collier Ratings and Investment Banking by 11/6/2024

Total of Rating	Research Coverage	Investment Banking Clients (IBC)	
	% of Total Rating	% of Total IBC	% of Total Rating by Type
BUY	65.95%	16%	6.56%
HOLD	29.19%	4%	3.70%
SELL	4.32%	0%	0.00%

IBC: Companies in respect of which ABG SC or an affiliate has received compensation for investment banking services within the past 12 months.

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BUY = We expect this stock’s total return to exceed the market’s expected total return by 5% or more over the next six months.

HOLD = We expect this stock’s total return to be in line with the market’s expected total return within a range of 4% over the next six months.

SELL = We expect this stock’s total return to underperform the market’s expected total return by 5% or more over the next six months.

Analyst valuation methods

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Stock price, company ratings and target price history

Company: Multiconsult

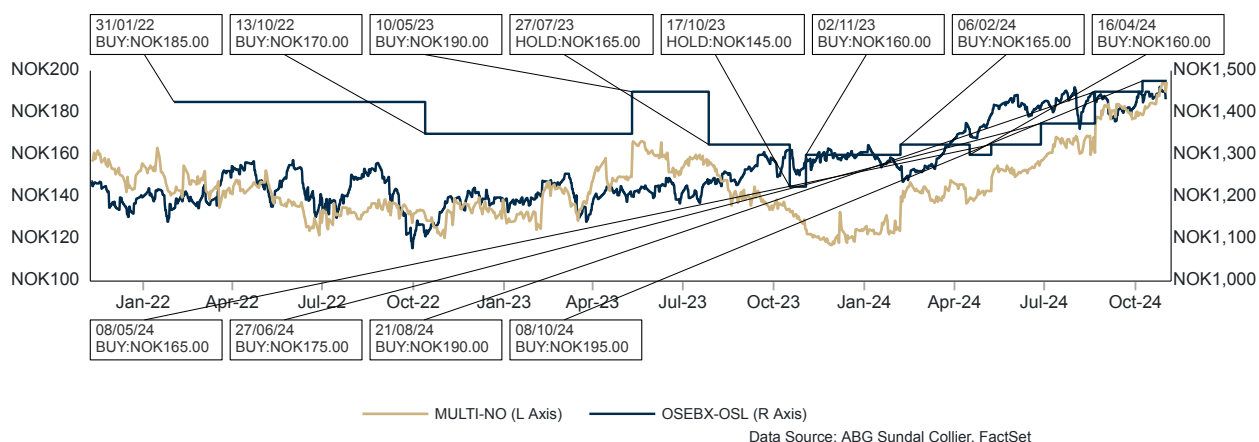
Currency: NOK

Current Recommendation: BUY

Date: 5/11/2024

Current Target price: 215.0

Current Share price: 193.00



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Production of recommendation: 11/6/2024 17:24.

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