

Norconsult 

Future scenarios, trends and resilient strategies

Investor project visit 8 October 2024



Relevant scenarios developed by Norconsult

International cooperation and trade

Conflict level calming down quickly
– Back to harmony and cooperation

Scenario 4: *Timeout*



Speed of sustainability shift

Speed reduces
– Sustainable solutions are not prioritised

Scenario 1: *Double down*



Speed of sustainability shift

Speed increases
– Improved willingness to choose sustainable solutions

Scenario 3: *Conflict mode*



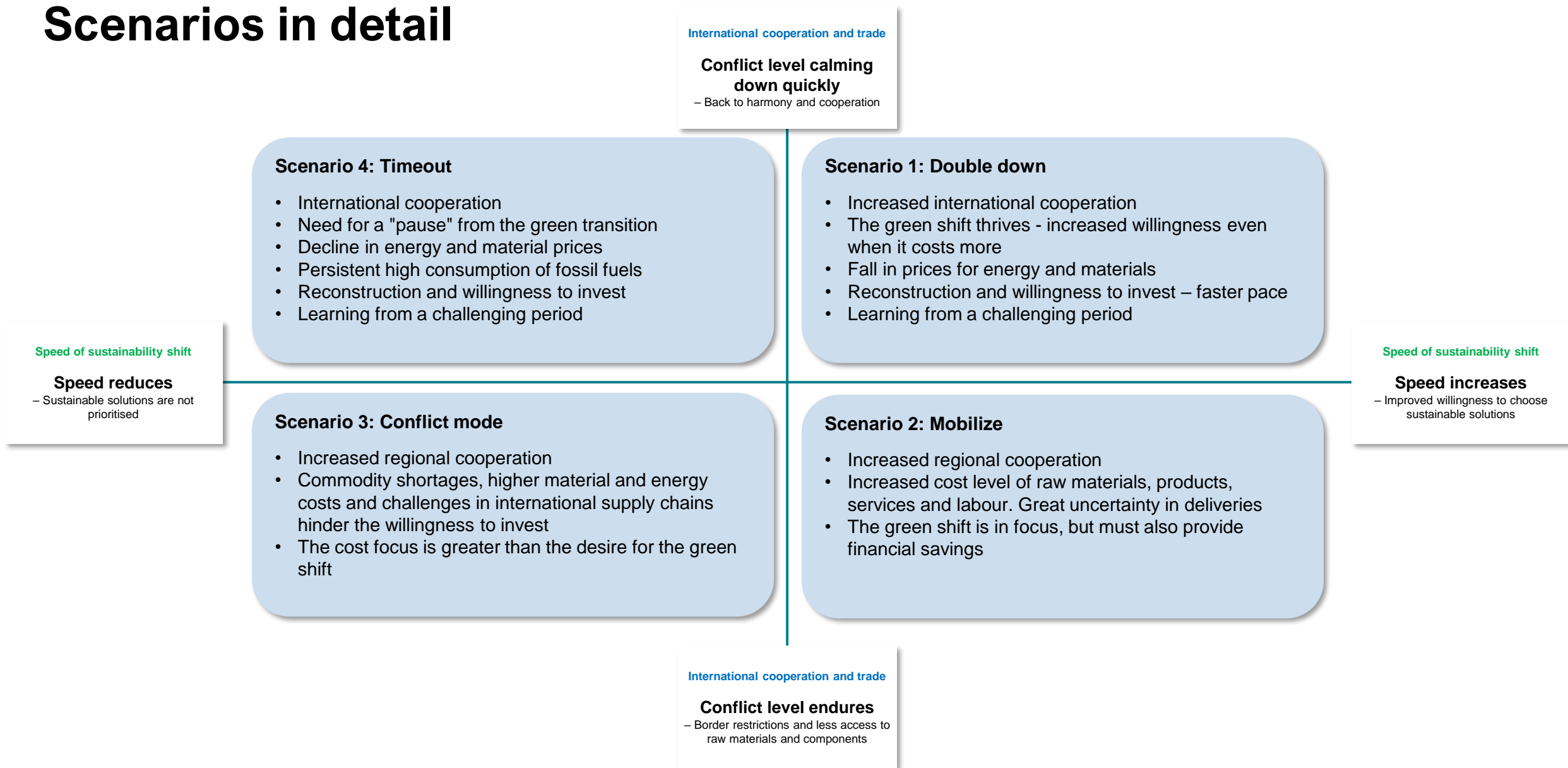
Scenario 2: *Mobilize*



International cooperation and trade

Conflict level endures
– Border restrictions and less access to raw materials and components

Scenarios in detail



Evaluation by Norconsult last three years

International cooperation and trade
Conflict level calming down quickly
 – Back to harmony and cooperation

Most likely scenarios in 2022

Scenario 4: Timeout

- International cooperation
- Need for a "pause" from the green transition
- Decline in energy and material prices
- Persistent high consumption of fossil fuels
- Reconstruction and willingness to invest
- Learning from a challenging period

Scenario 1: Double down

- Increased international cooperation
- The green shift thrives - increased willingness, even when it costs more
- Fall in prices for energy and materials
- Reconstruction and willingness to invest – faster pace
- Learning from a challenging period

Speed of sustainability shift
Speed reduces
 – Sustainable solutions are not prioritised

Speed of sustainability shift
Speed increases
 – Improved willingness to choose sustainable solutions

Scenario 3: Conflict mode

- Increased regional cooperation
- Commodity shortages, higher material and energy costs and challenges in international supply chains hinder the willingness to invest
- The cost focus is greater than the desire for the green shift

Scenario 2: Mobilize

- Increased regional cooperation
- Increased cost level of raw materials, products, services and labour. Great uncertainty in deliveries
- The green shift is in focus, but must also provide financial savings

Most likely scenarios in 2023

International cooperation and trade
Conflict level endures
 – Border restrictions and less access to raw materials and components

Most likely scenarios in 2024

Key Trends



Increased Focus on Costs

- High interest rates and geopolitical tension lead to high-cost levels for products and raw materials in the construction industry
- Increased cost focus in general and in projects, with postponements, cuts, and risk premiums – need for re-evaluation, recalculation, financial management, cost optimization, smart work processes, and technology
- Artificial intelligence raises customer expectations for efficiency and quality



Security, Defence, and Self-sufficiency Become more Important

- A new political landscape takes form, where defence and critical infrastructure is a priority
- The globalisation trend is reversing in favour of a regional focus
- Preparedness, security, and safety are more important. Terror and sabotage assessments are commonly included in construction projects
- Increased importance of self-sufficiency and local production of food, materials, and energy, as well as rebuilding infrastructure in war-torn countries



AI Transforms Value Chains

- Advancements in Artificial Intelligence are accelerating and expanding into new categories, such as data analysis, generative AI and design, digital twins, and sensor data
- Artificial intelligence contributes to quality improvements. Streamlines and digitizes routine tasks on a large scale, but the risk remains significant
- AI challenges the advisor's role and requires us to evolve and diversify our services to keep up
- It is crucial to acquire, develop, and retain expertise that can help us stay at the forefront of AI in a market where there is already a shortage of IT skills



Customers Reallocate Funds

- Money is being redirected from infrastructure and construction and into defence, where equipment and security services have greater volume. Necessitates the adaptation of a product/service portfolio
- Sustainability and circularity remain important but are prioritised only where they also provide economic benefits – opportunities in reuse, rehabilitation, energy optimization, and renewable energy
- Leveraging new technology (AI) can provide an advantage in this shift

Resilient, “No-regrets” Strategies



Creating a Flexible Organization

1. Foster a culture that helps integrate silos in a more multidisciplinary approach
2. Develop specialised expertise and create structures that highlight available resources with the desired skills when needed
3. Rotate roles across projects and the organization
4. Facilitate the workplace of the future – balance central vs. local and physical vs. digital
5. Ensure mobility and competence for employees to quickly provide services where the need is greatest



Renew and Diversify our Business

1. Analyse customer groups and keep an eye on potential future markets
2. Establish a portfolio of new growth opportunities outside our core business
3. Test out new products, services, business models, and markets



At the Forefront of Digitalisation and AI

1. Lead in digitalization/AI development
2. Highlight flagship AI projects – both internally and externally
3. Develop digital services with the customer’s needs and wants in focus



Be the Partner of Choice for the Green Transition

1. Showcase to the market an ability to deliver projects that save both money and the environment
2. Highlight flagship projects on reuse, rehabilitation and energy saving
3. Actively use sustainability resources across the Nordic region



Every day we improve everyday life