



Proud ownership

*Aker ASA*

# Second-quarter and half-year results 2018

18 July 2018 | Fornebu

# Highlights | Second quarter 2018

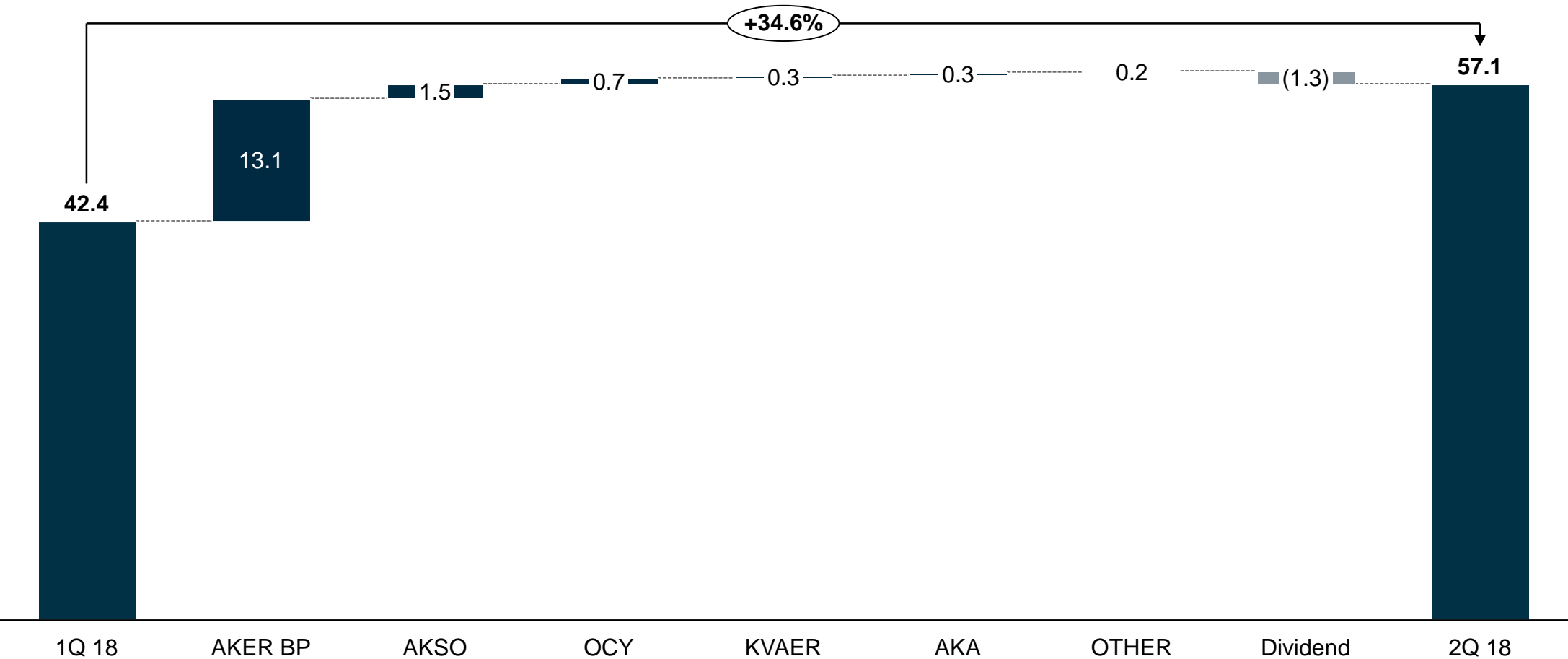
- **Net asset value:** up NOK 14.7 billion (34.6%) to NOK 57.1 billion
- **Return:** Aker share up 45.5%, dividend adjusted, to NOK 623 vs. OSEBX up 9.2%
- **Cash and liquid fund inv.:** NOK 1.4 billion, down from NOK 2.9 billion per end of first quarter. Liquidity reserve of NOK 4.5 billion when including undrawn credit facilities
- **Aker events:**
  - i. **Aker Energy:** Completed the acquisition of Hess Ghana
  - ii. **Fornebuporten:** Established property development company with Geveran and Joh Johansson Eiendom
  - iii. **Financing:** NOK 500 million tap issue of AKER14
- **Portfolio events:**
  - i. **Akastor:** USD 75 million investment in preferred equity in Odfjell Drilling Ltd, final agreement to form joint venture for AKOFS Offshore, and new contract for AKOFS Seafarer
  - ii. **Aker Solutions / Kvaerner:** NOK 3.4 billion contract for modification of the riser platform and the field center for the Johan Sverdrup development Phase II
  - iii. **Aker BP:** Awarded six new production licenses in Norway in the 24<sup>th</sup> licensing round
  - iv. **Ocean Yield:** Acquisition of four container vessels on 12-year charters for USD 120 million



# Aker BP the main contributor to the value increase in second quarter



Net asset value change in 2Q 2018  
NOK billion

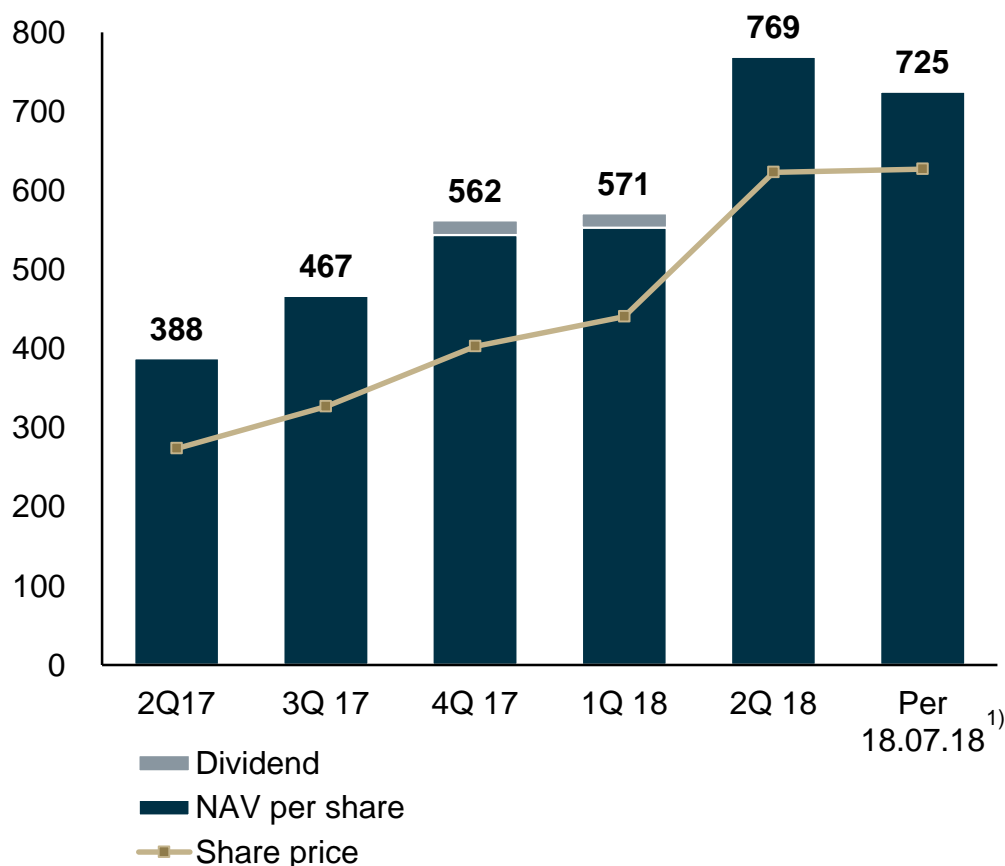


# Solid performance and a strong balance sheet



## NAV per share vs. share price

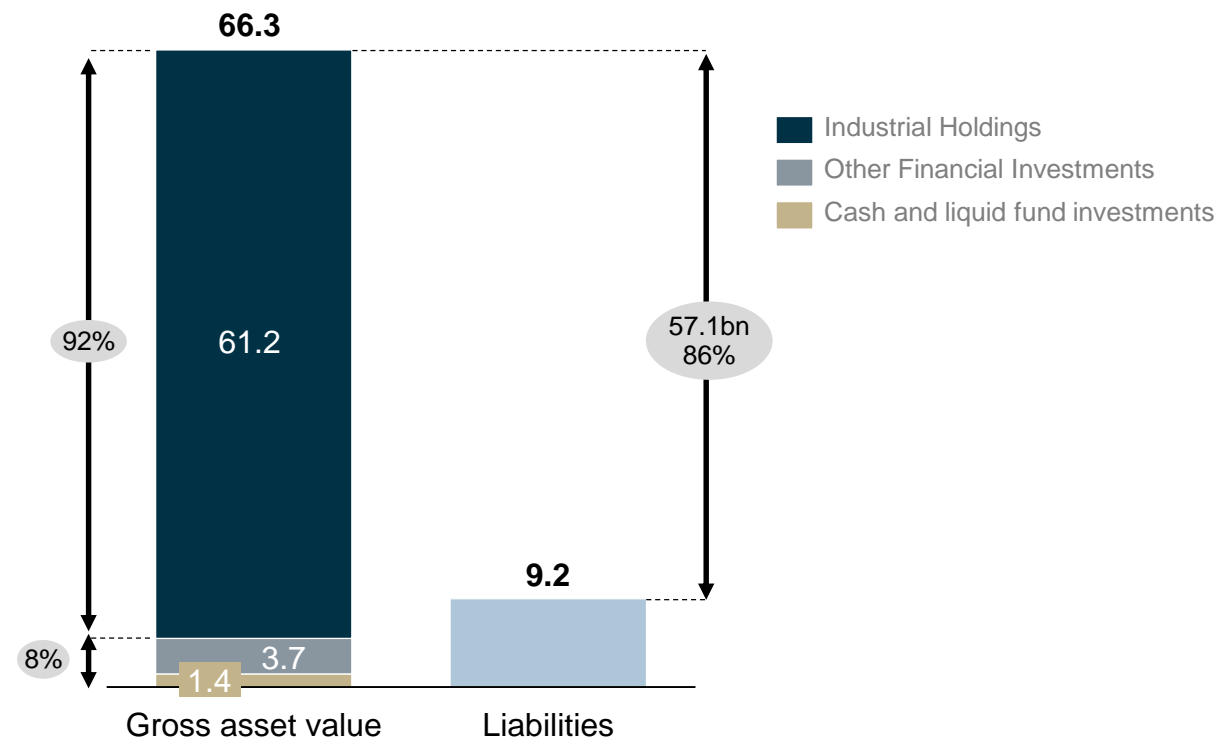
NOK per share



1) Based on closing prices of Aker's listed holdings as per 17 July 2018, remaining assets and liabilities at reported book values per 30.06.18. Excluding cash movements in the third quarter

## Net asset value composition

NOK billion



# No major changes made to the portfolio



## Portfolio composition

NOK billion, as per 2Q 2018

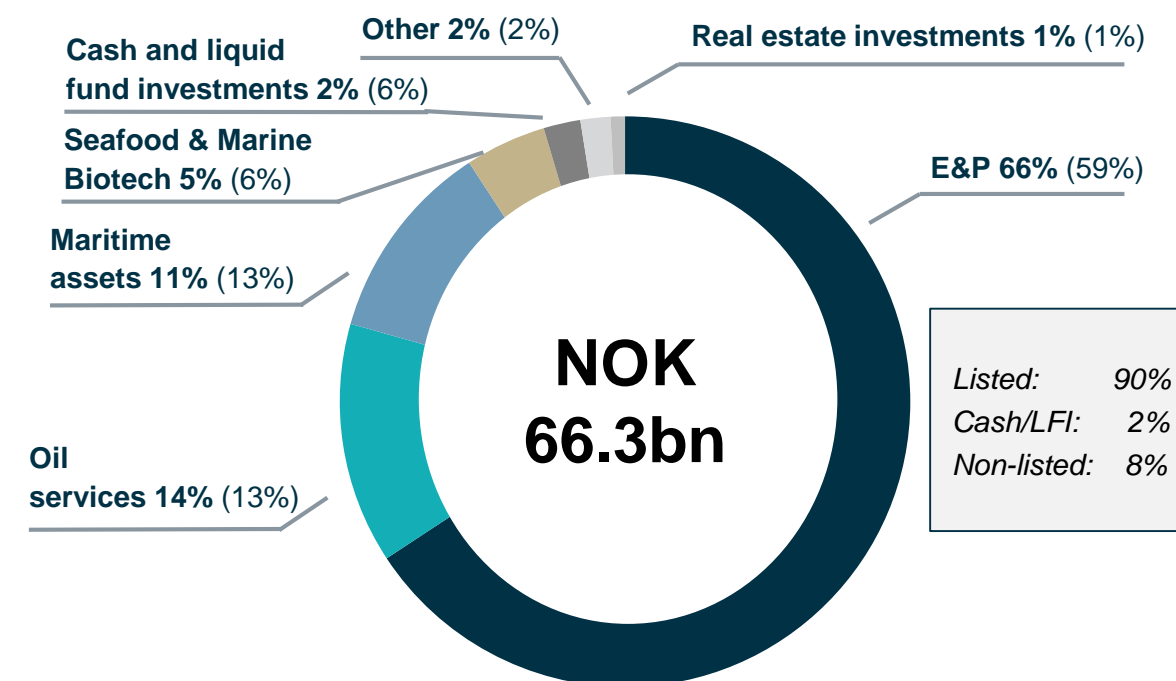


Listed investments
Unlisted investments

Industrial Holdings				Financial Investments	
	Aker BP	40.0%	43.3	1.2	Cash
	Aker Solutions <sup>1)</sup>	34.8%	5.4	0.2	Liquid fund investments
	Akastor <sup>1)</sup>	36.7%	1.8	1.3	Listed financial investments
	Kvaerner <sup>1)</sup>	28.7%	1.3	0.5	Real Estate Investments <sup>2)</sup>
	Ocean Yield	61.7%	7.0	1.8	Other financial investments <sup>2)</sup>
	Aker BioMarine <sup>2)</sup>	100.0%	2.4		
<b>Gross asset value</b>			<b>61.2</b>	<b>5.1</b>	
<b>Net asset value</b>			<b>57.1</b>		

## Gross asset value distribution

Per 2Q 2018 (1Q 2018)

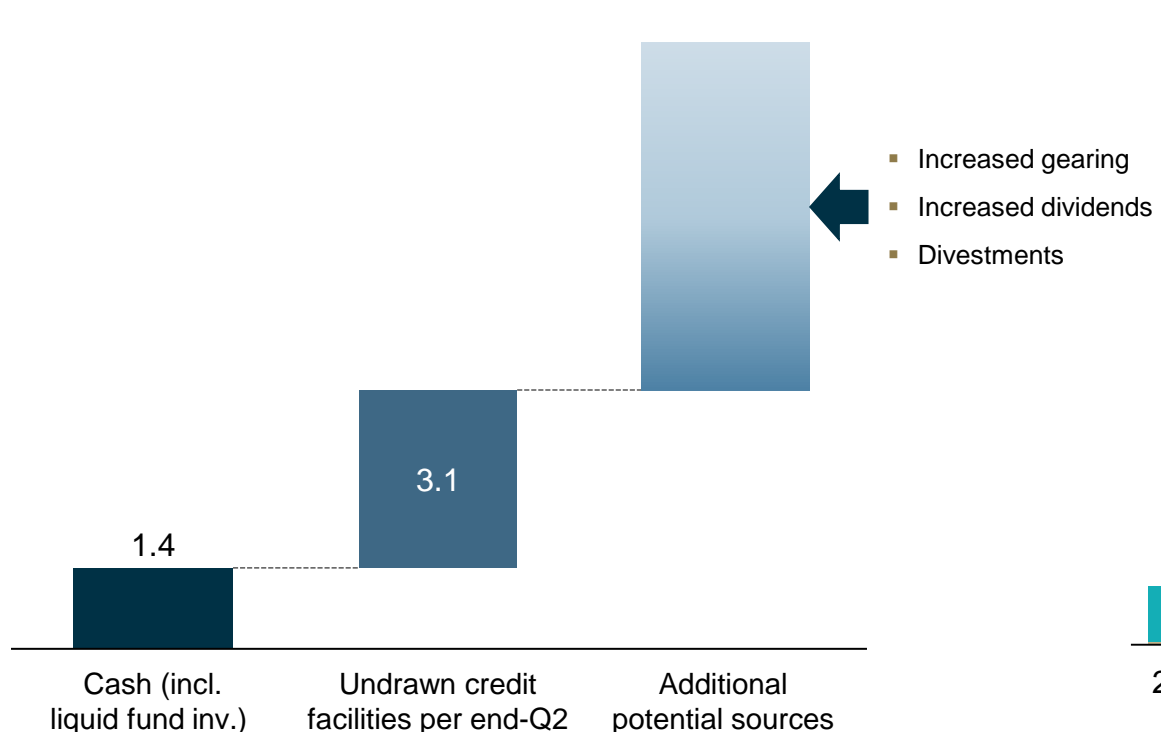


<sup>1)</sup>Owned partly through Aker Kvaerner Holding, in which Aker has a 70% ownership interest. Additionally, Aker has a direct ownership interest in Aker Solutions and Akastor

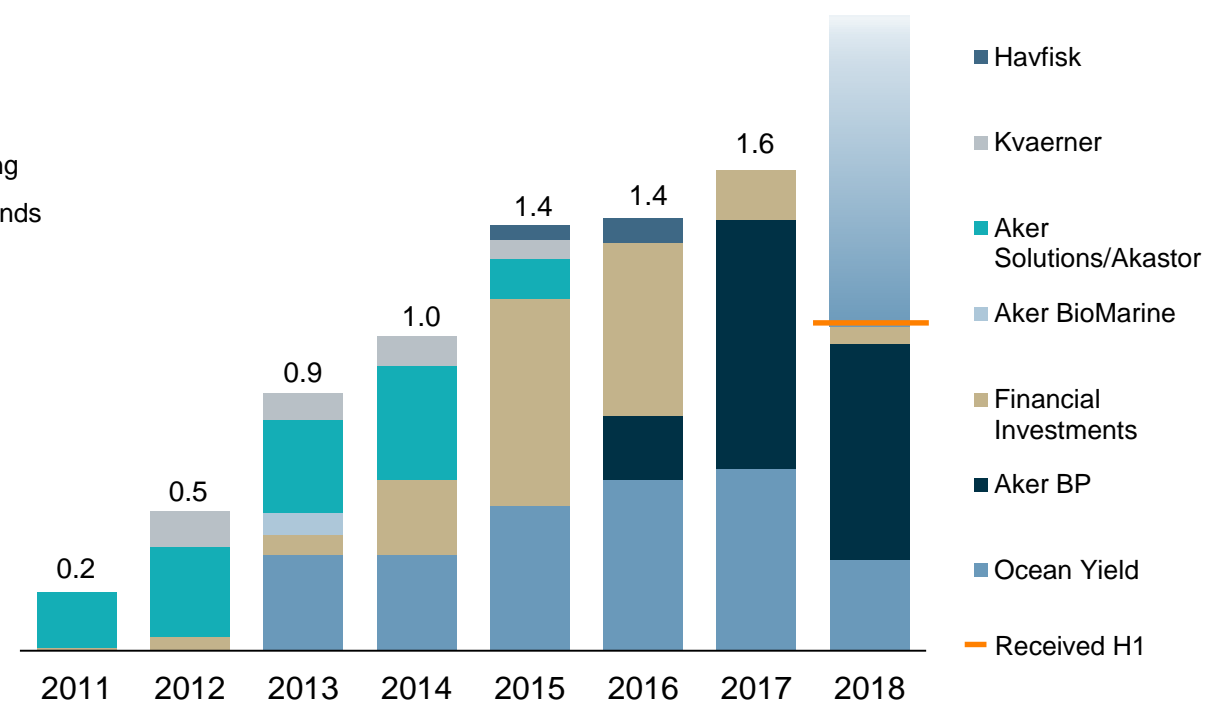
<sup>2)</sup>Reflected at book value

# On track to deliver over NOK 2.0 billion in upstream cash in 2018

## Investment capacity potential NOK billion

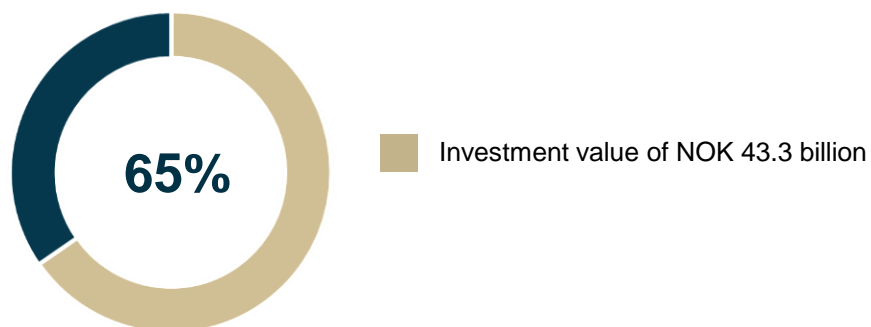


## Upstream dividend NOK billion



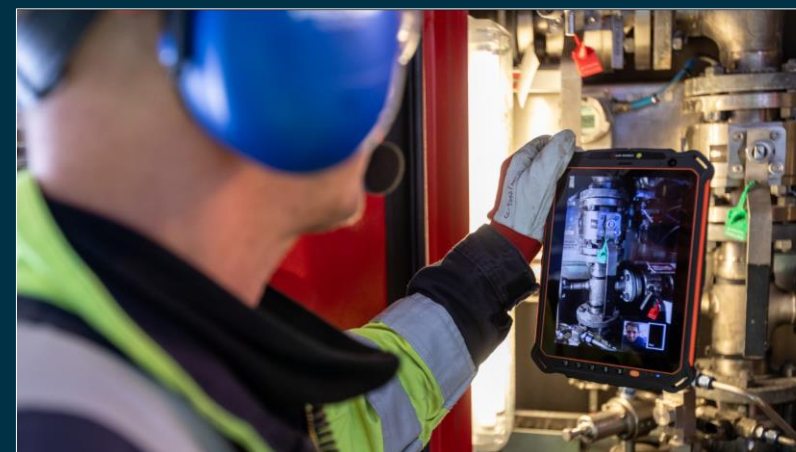
## % of gross asset value

(2Q 2018)



## Aker's ownership agenda

- Growth; organic (greenfield projects, IOR and exploration) and through M&A
- Dividend growth
- Operational excellence and efficiency improvements through new business models and technologies, including digitalisation



## Aker's investment

NOK million

Value as per 31.03.18	30 567
Value change in 2Q	13 125
Received dividends	(362)
Value as per 30.06.18	43 330

## Key figures

USD million

	2Q 17	2Q 18	1H 17	1H 18
Revenues	595	975	1 241	1 864
EBITDAX	470	810	988	1 522

# Aker Solutions

Global oil services company providing services, technologies, and product solutions within subsea and field design

## % of gross asset value

(2Q 2018)



## Aker's ownership agenda

- Increase competitiveness, reach cost-efficiency target of 50 per cent by 2021
- Win new contracts
- Partnerships, alliances and M&A



## Aker's investment

NOK million

Value as per 31.03.18	3 920
Value change in 2Q	1 472
Value as per 30.06.18	5 392

## Key figures

NOK million

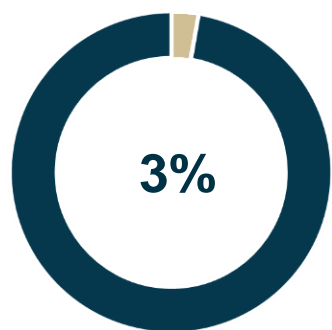
	2Q 17	2Q 18	1H 17	1H 18
Revenues	5 425	6 254	10 598	11 737
EBITDA	305	439	660	864
Backlog			30 695	36 981

# Akastor

Oilfield services investment company with a flexible mandate for long-term value creation

## % of gross asset value

(2Q 2018)



Investment value of NOK 1.8 billion

## Aker's ownership agenda

- Operational excellence, cost reductions
- Win new contracts
- Transactions



## Aker's investment

NOK million

Value as per 31.03.18	1 533
Value change in 2Q	268
Value as per 30.06.18	1 800

## Key figures

NOK million

	2Q 17	2Q 18	1H 17	1H 18
Revenues	697	873	1 461	1 754
EBITDA	(7)	78	19	141
Backlog			7 112	9 540

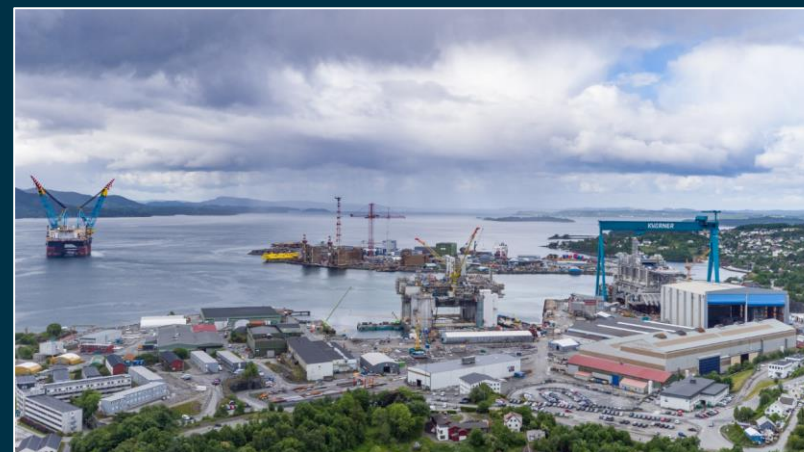
## % of gross asset value

(2Q 2018)



## Aker's ownership agenda

- Enhance competitiveness through operational excellence and cost reductions
- Win new contracts
- Maintain strong balance sheet



## Aker's investment

NOK million

Value as per 31.03.18	1 001
Value change in 2Q	326
Value as per 30.06.18	1 327

## Key figures

NOK million

	2Q 17	2Q 18	1H 17	1H 18
Revenues	1 502	1 827	3 056	3 740
EBITDA	219	91	327	283
Backlog			9 041	11 204

## % of gross asset value

(2Q 2018)



## Aker's ownership agenda

- Growth by new investments and M&A
- Further diversify portfolio, both counterparty and segment-wise
- Optimise capital structure and reduce cost of capital
- Manage and mitigate counterparty risk



## Aker's investment

NOK million

Value as per 31.03.18	6 484
Value change in 2Q	653
Received dividends	(152)
Value as per 30.06.18	6 985

## Key figures

USD million

	2Q 17	2Q 18	1H 17	1H 18
Revenues	82	95	161	184
EBITDA	74	84	146	162
EBITDA backlog			2 900	3 600

## % of gross asset value

(2Q 2018)



## Aker's ownership agenda

- Operational excellence and improve profitability
- Increase sales by entering new products, channels and geographies
- Extract synergies from recent transactions
- New vessel and other investments to fast-track growth



## Aker's investment

NOK million

Value as per 31.03.18 (book value)	1 411
Value change in 2Q	-
Loan converted to shares	1 000
Value as per 30.06.18 (book value)	2 411

## Key figures

USD million

	2Q 17	2Q 18	1H 17	1H 18
Revenues	30	44	57	79
EBITDA	6	16	9	19

# Key developments in Aker Energy and Cognite



E&P company in Ghana  
(50% owned by Aker)

## Key developments

- Formally approved as Operator and closing of Hess Ghana acquisition end May
- Established presence in Accra with new office and country manager
- Aker Energy team now comprising ~100 FTEs at Fornebu and in Accra
- Main workstreams related to preparing submission of Plan Of Development (POD) including firming up estimates of recoverable reserves, tender evaluations and field development strategy.
- Follow up of alternatives for financing and necessary governmental permits based on postponed due date for POD until q4 2018



Software company  
(68% owned by Aker)

## Key developments

- Five new clients in second quarter, including first client outside the oil and gas sector (Wallenius Wilhelmsen)
- Continues to scale organisation. Approximately 100 employees, where ~70 per cent is computer & data scientists
- Company developing according to plan

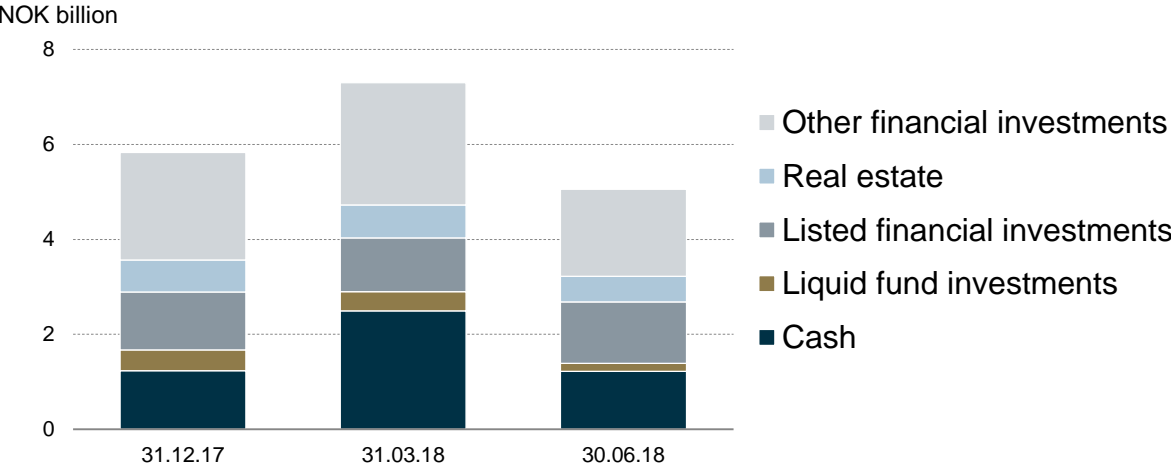
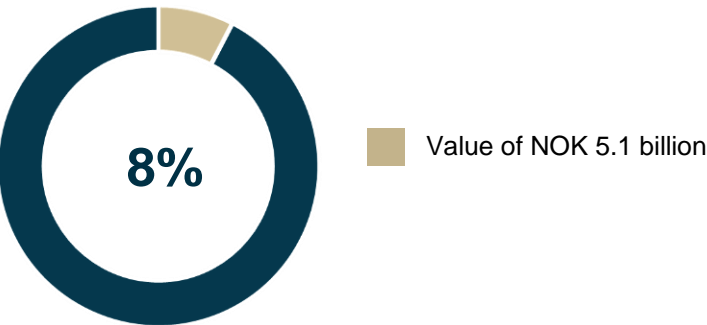
# Aker

# Financial Investments

# Financial Investments Overview



% of gross asset value  
(30.06.2018)

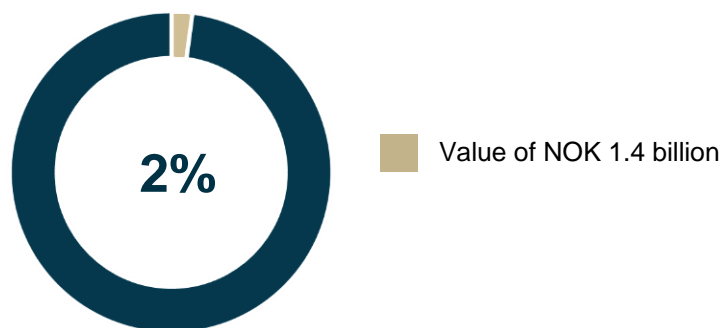


# Cash and Liquid fund investments



## % of gross asset value

(30.06.2018)



- Cash decreased to NOK 1.2 billion:
  - + NOK 544 million in dividends received
  - + NOK 498 million from tap issue on AKER14 bond
  - + NOK 614 million from realised assets
  - NOK 1338 million in dividend paid
  - NOK 1206 million in repayment of AKER11 bond
  - NOK 224 million in loans issued to portfolio companies
  - NOK 167 million in operating expenses and net interest paid
  - + NOK 7 million in net other cash movements
- Liquid fund investments at NOK 164 million.
- Total liquidity reserve of NOK 4.5 billion, including undrawn credit facilities.

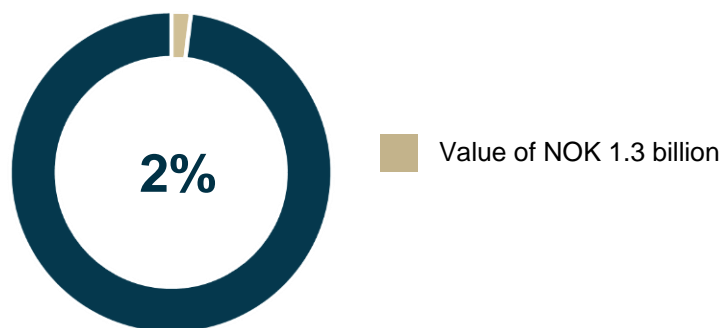


# Listed financial investments



## % of gross asset value

(30.06.2018)



- Net value increase of AMSC and Solstad Farstad with NOK 186 million and NOK 77 million, respectively.
- Dividend received from AMSC of NOK 20 million.
- Value decrease of Philly Shipyard with NOK 96 million. Philly Shipyard continues to face order backlog challenges.



Source: Solstad Farstad

## Aker's investment

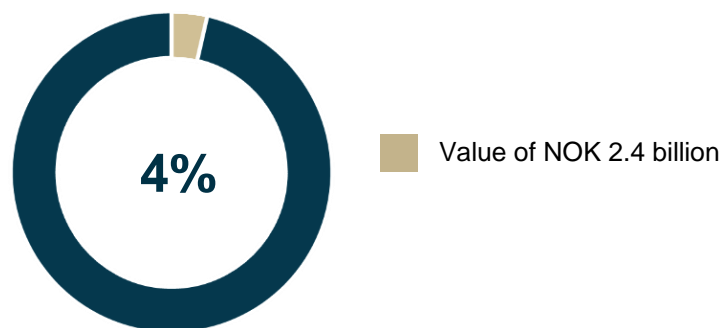
<i>NOK million</i>	4Q 17	1Q 18	2Q 18
Philly Shipyard	492	455	358
AMSC (incl. TRS)	345	335	520
Cxense	30	23	25
Solstad Farstad	353	316	393
<b>Total value</b>	<b>1 220</b>	<b>1 128</b>	<b>1 296</b>

# Real estate and other financial investments



## % of gross asset value

(30.06.2018)



- Established residential development company FP Bolig Holding with an Aker ownership of 37.55%.
  - Accounting gain for Aker of NOK 194 million and a cash release of NOK 361 million.
- NOK 1 billion of the loan to Aker BioMarine converted to shares in 2Q. Outstanding loan to Aker BioMarine of USD 19 million.



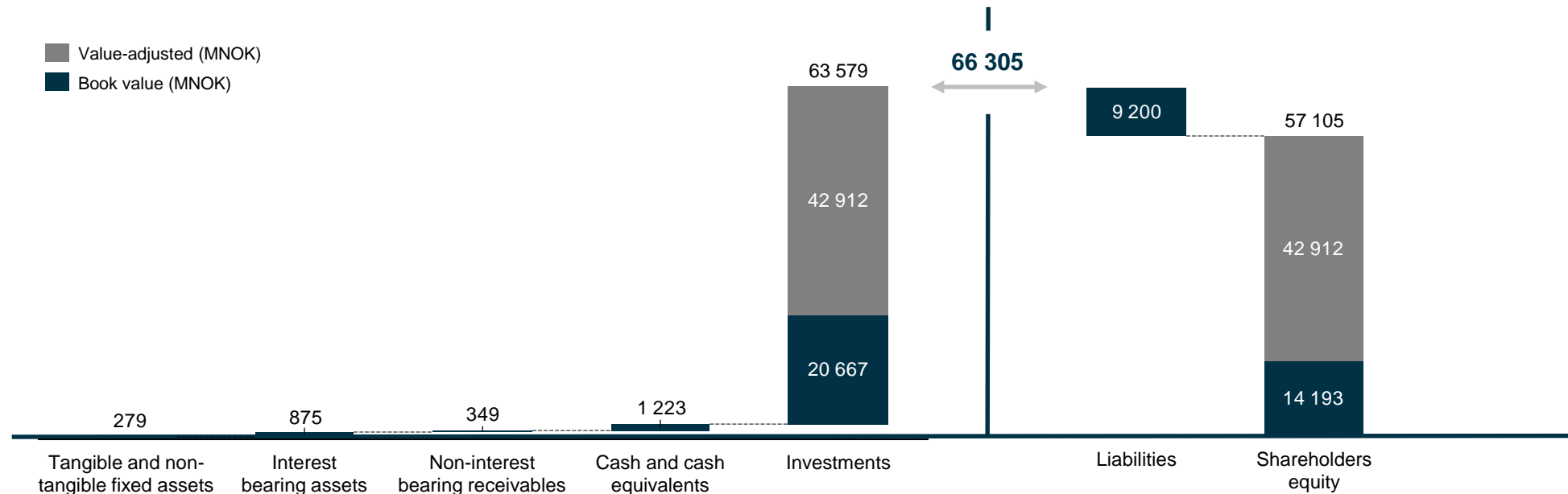
## Aker's investment

<i>NOK million</i>	4Q 17	1Q 18	2Q 18
Real estate	674	694	538
Other financial investments	2 261	2 579	1 838
<b>Total value</b>	<b>2 934</b>	<b>3 273</b>	<b>2 376</b>

# Aker

# Financial Statements

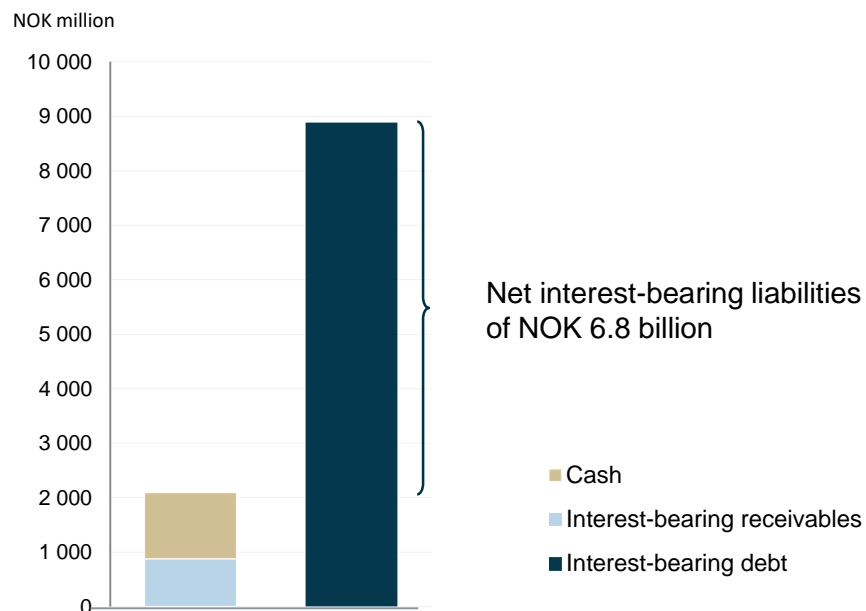
# Balance sheet at 30.06.2018



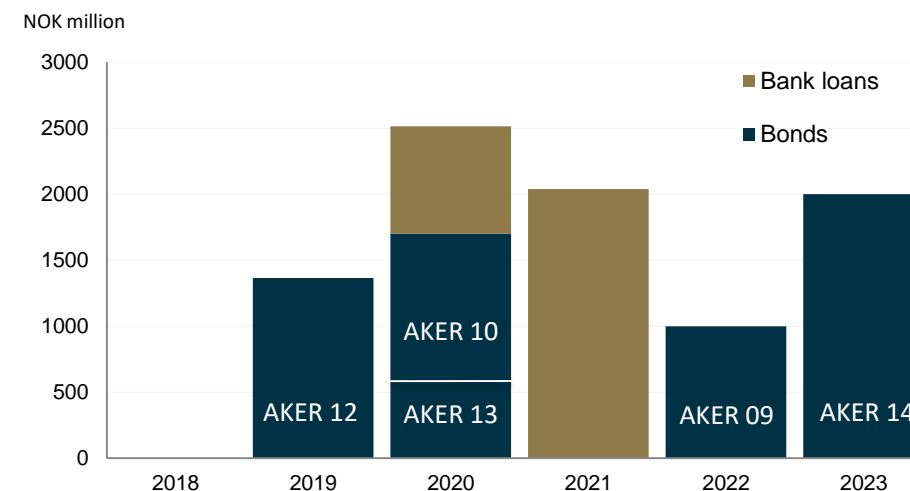
Total Assets
Main changes in second-quarter 2018
<ul style="list-style-type: none"> <li>Cash holdings reduced to NOK 1.2 billion.</li> <li>Book value of investment increased by NOK 1.1 billion, mainly due to conversion of receivable into shares in Aker BioMarine.</li> <li>Increase in fair value adjustment of investments of NOK 14.9 billion. This was mainly from Aker BP and Aker Solutions fair value increase.</li> <li>AKER11 bond repaid. Tap issue of NOK 500 million on the AKER14 bond.</li> <li>Dividend paid with NOK 1.3 billion.</li> </ul>

Total equity and liabilities		
	Book value	Value-adjusted
Equity (MNOK)	14 193	57 103
Equity ratio	60.7%	86.1%
Equity per share	NOK 191	NOK 769

# Interest-bearing items as of 30.06.2018



For details of interest-bearing items and loan guarantees, see: <https://www.akerasa.com/Investor/Treasury>



Average debt maturity is 3.0 years

Financial Covenants	Limit	Status at 30.06.2018
i Total Debt/Equity - Aker ASA (parent only)	< 80%	36%
ii Group Loans to NAV or Group Loans	< 50% < NOK 10 bn	1.1% NOK 0.3 bn

# Income statement



<i>Amounts in NOK million</i>	2Q 2017	2Q 2018	1H 2017	1H 2018	Year 2017
Sales gains	-	194	-	194	-
Operating expenses	(54)	(62)	(118)	(130)	(244)
<b>EBITDA</b>	<b>(54)</b>	<b>132</b>	<b>(118)</b>	<b>64</b>	<b>(244)</b>
Depreciation and impairment	(4)	(4)	(7)	(8)	(14)
Value change	(392)	526	(258)	347	(289)
Net other financial items	249	519	693	1 035	1 380
<b>Profit before tax</b>	<b>(201)</b>	<b>1 173</b>	<b>310</b>	<b>1 438</b>	<b>833</b>



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