



Proud ownership

*Aker ASA*

# First-quarter results 2018

9 May 2018 | Fornebu

# Highlights | First quarter 2018

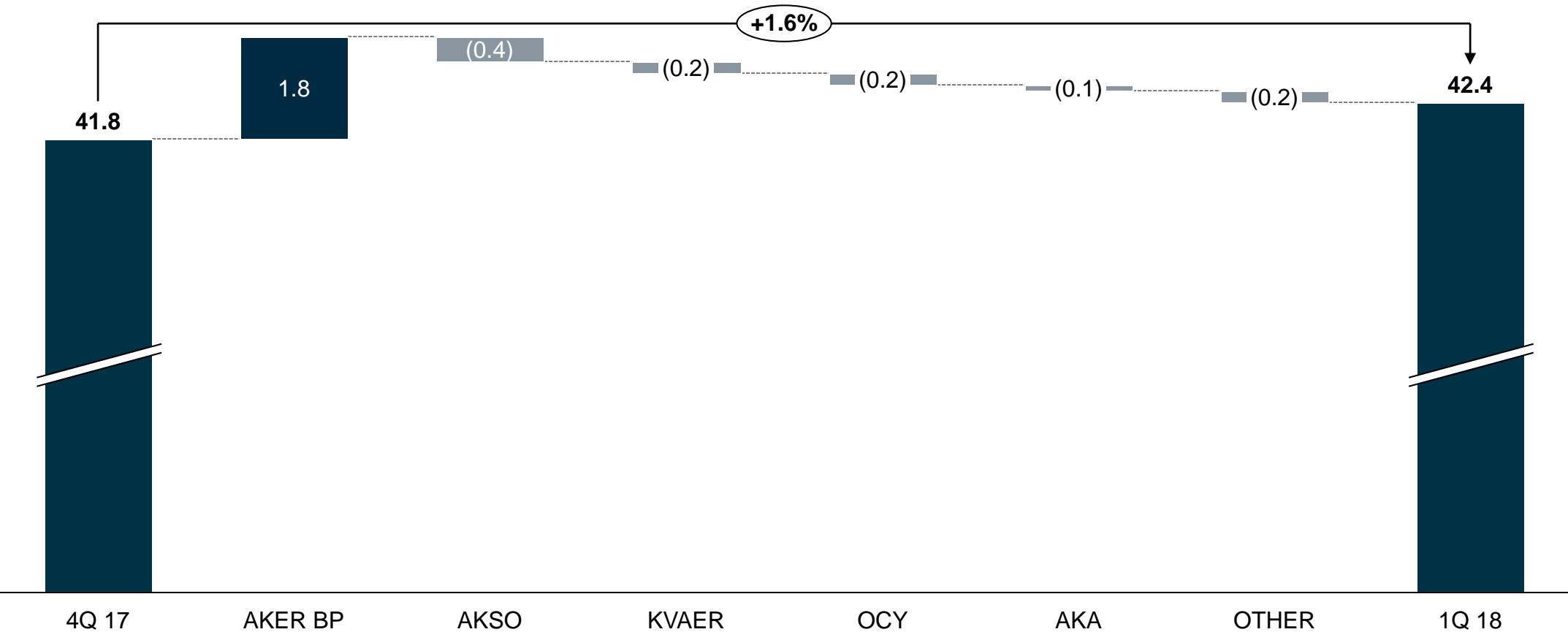
- **Net asset value:** up 1.6% to NOK 42.4 billion (NOK 41.8 billion)
- **Return:** Aker share up 9.3% to NOK 440.5 vs. OSEBX down 1.1%
- **Cash and liquid fund inv.:** NOK 2.9 billion, up from NOK 1.7 billion per year-end 2017. Liquidity reserve of NOK 5.2 billion when including undrawn credit facilities
- **Dividend:** NOK 18 per share cash dividend distributed in May
- **Aker events:**
  - i. **Aker Energy:** Agreement to acquire Hess Ghana by Aker Energy (50-50 JV between Aker and TRG)
  - ii. **Norske Skog:** Termination of agreement with Oceanwood
  - iii. **Financing:** Placement of a new NOK 1.5 billion unsecured bond
- **Portfolio events:**
  - i. **Aker Solutions:** Placement of a new NOK 1.5 billion unsecured bond
  - ii. **Aker BP:** Dividends in 2018 raised to USD 450 million and issuance of USD 500 million senior notes
  - iii. **Ocean Yield:** New investments, raised NOK 759 million in new equity
- **Subsequent events:**
  - i. **Aker:** Establishes property development company with Geveran and Joh Johansson Eiendom
  - ii. **Akastor:** USD 75 million investment in perpetual preferred equity in Odfjell Drilling Ltd.



# Aker's NAV up 1.6% in first quarter attributed to Aker BP value increase



Net asset value change in 1Q 2018  
NOK billion

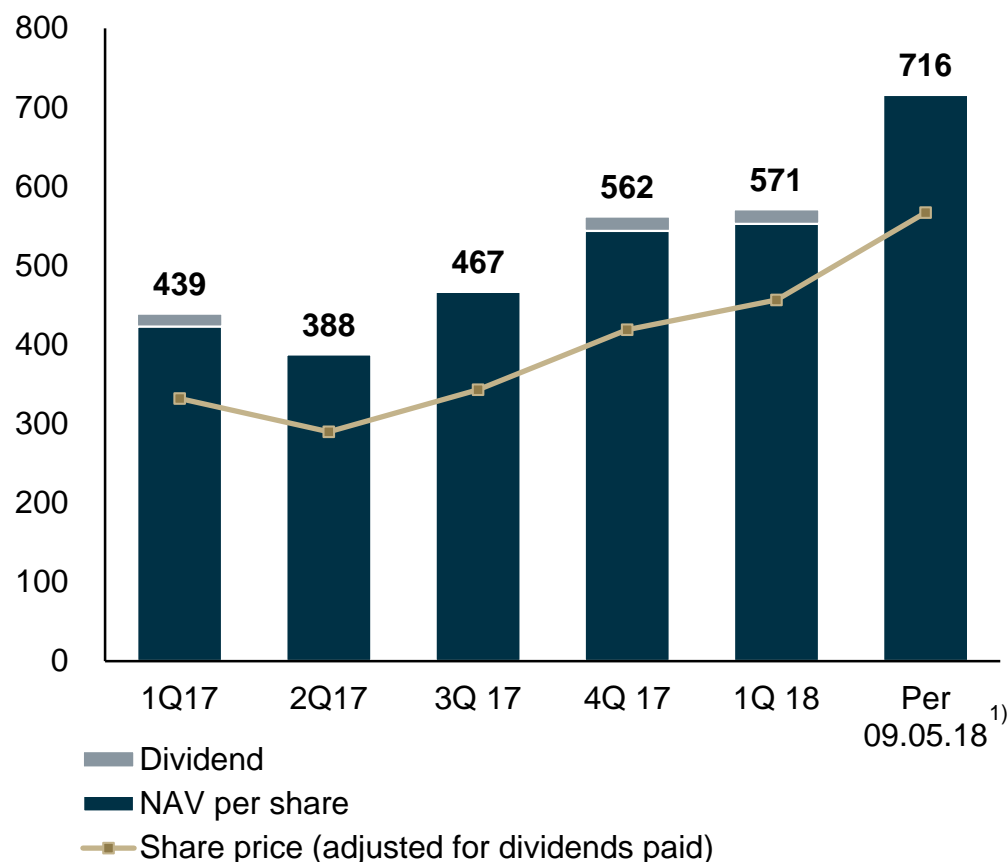


# Continued positive value development and a strong balance sheet



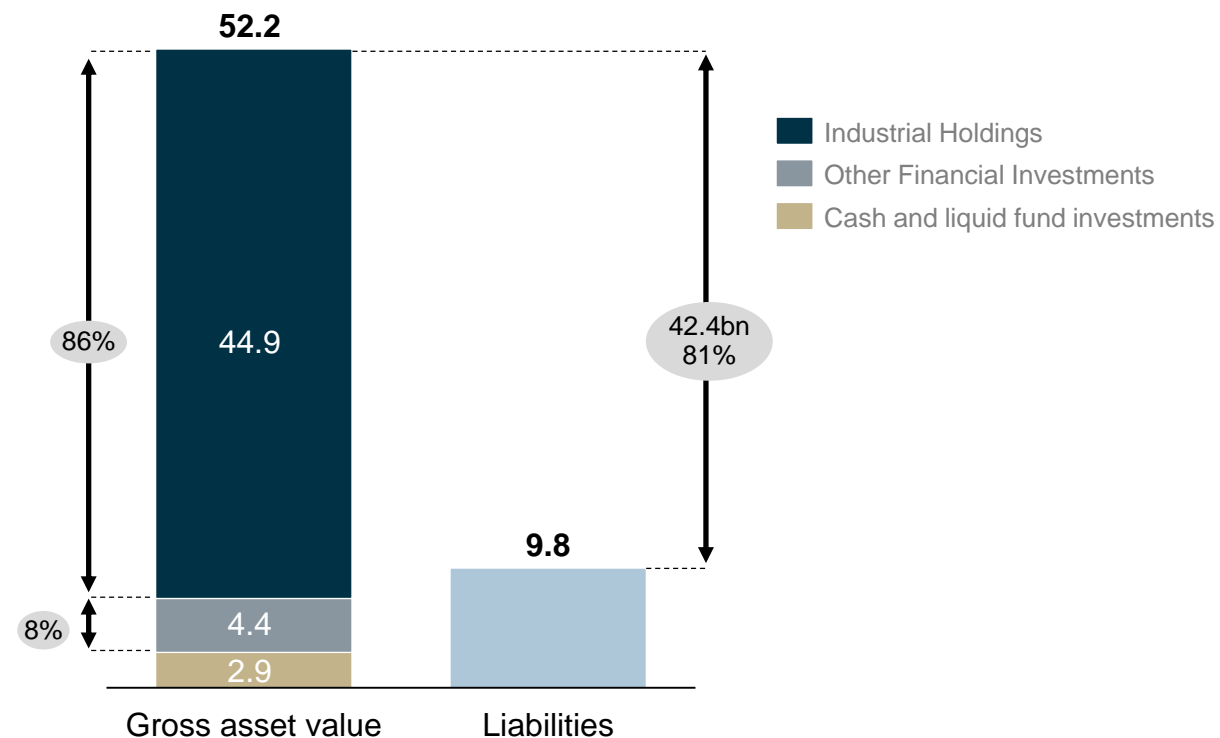
## NAV per share vs. share price

NOK per share



## Net asset value composition

NOK billion



<sup>1)</sup> Based on closing prices of Aker's listed holdings as per 8 May 2018, remaining assets and liabilities at reported book values per 31.03.18. Excluding cash movements in the second quarter

# Portfolio distribution largely unchanged



## Portfolio composition

NOK billion, as per 1Q 2018

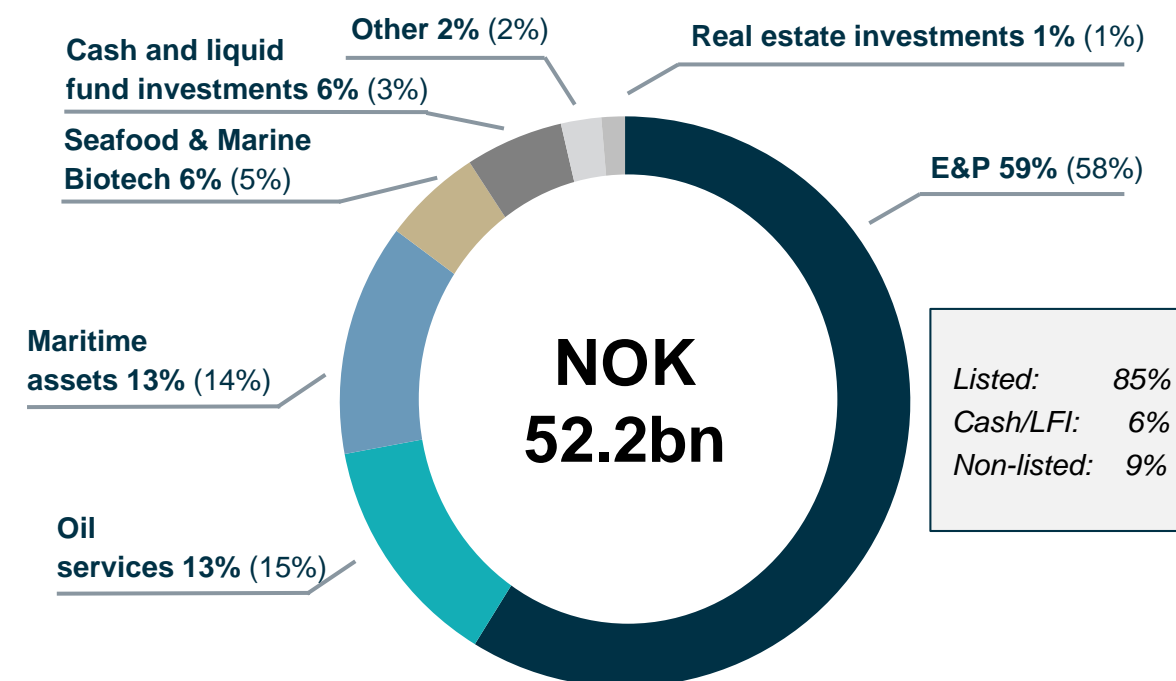


Listed investments  
Unlisted investments

Industrial Holdings				Financial Investments	
AkerBP	Aker BP	40.0%	30.6	2.5	Cash
Aker Solutions	Aker Solutions <sup>1)</sup>	34.8%	3.9	0.4	Liquid fund investments
AKASTOR	Akastor <sup>1)</sup>	36.7%	1.5	1.1	Listed financial investments
KVERNER	Kvaerner <sup>1)</sup>	28.7%	1.0	0.7	Real Estate Investments <sup>2)</sup>
OCEAN YIELD	Ocean Yield	61.7%	6.5	2.6	Other financial investments <sup>2)</sup>
Aker BioMarine	Aker BioMarine <sup>2)</sup>	100.0%	1.4		
Gross asset value			44.9	7.3	
Net asset value			42.4		

## Gross asset value distribution

Per 1Q 2018 (4Q 2017)



1) 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

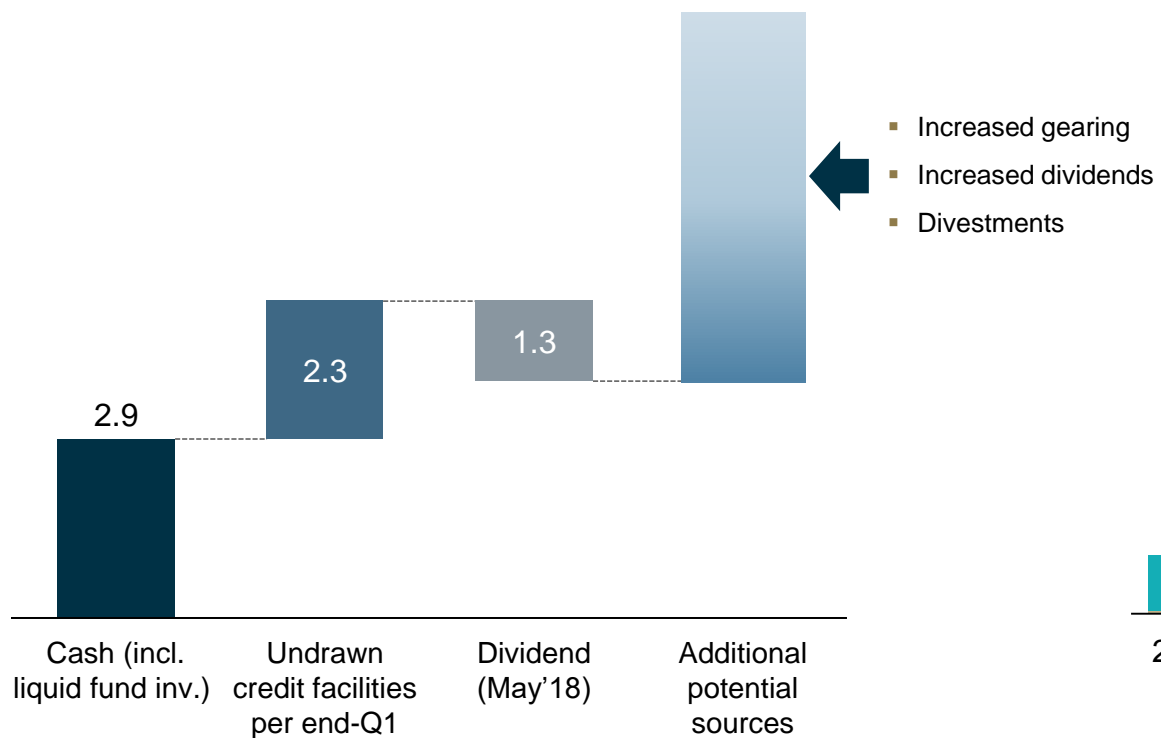
2) Reflected at book value

# Strong investment capacity and increased upstream cash



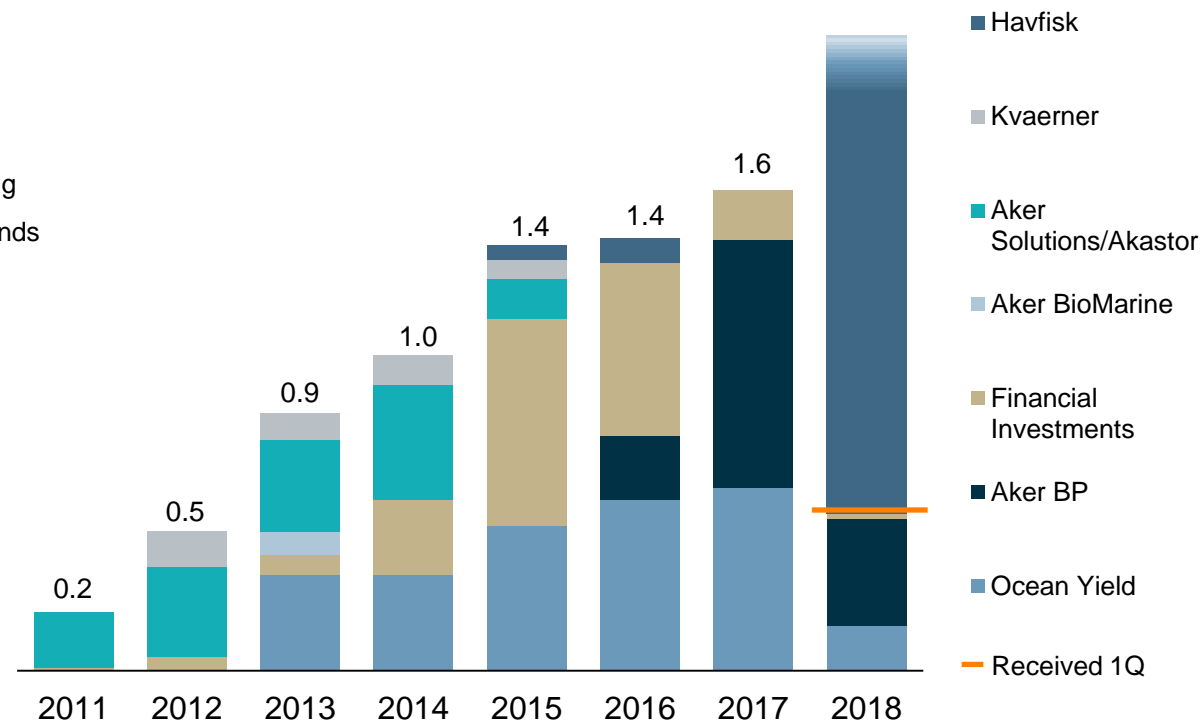
## Investment capacity potential

NOK billion



## Upstream dividend

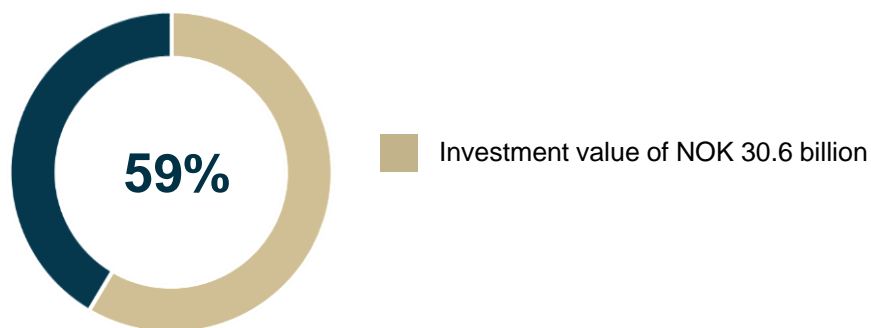
NOK billion





## % of gross asset value

(1Q 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 31.12.17	29 083
Value change in 1Q	1 838
Received dividends	(354)
Value as per 31.03.18	30 567

## Key figures

USD million

	1Q 17	1Q 18
Revenues	646	890
EBITDAX	517	712

# Aker Solutions

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

## % of gross asset value

(1Q 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 31.12.17	4 368
Value change in 1Q	(448)
Value as per 31.03.18	3 920

## Key figures

NOK million

	1Q 17	1Q 18
Revenues	5 173	5 483
EBITDA	355	425
Backlog	30 709	37 553



# Akastor

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

## % of gross asset value

(1Q 2018)



## Aker's ownership agenda

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



## Aker's investment

NOK million

Value as per 31.12.17	1 649
Value change in 1Q	(117)
Value as per 31.03.18	1 533

## Key figures

NOK million

	1Q 17	1Q 18
Revenues	943	1 135
EBITDA	53	140
Backlog	7 295	6 462

## % of gross asset value

(1Q 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 31.12.17	1 220
Value change in 1Q	(219)
Value as per 31.03.18	1 001

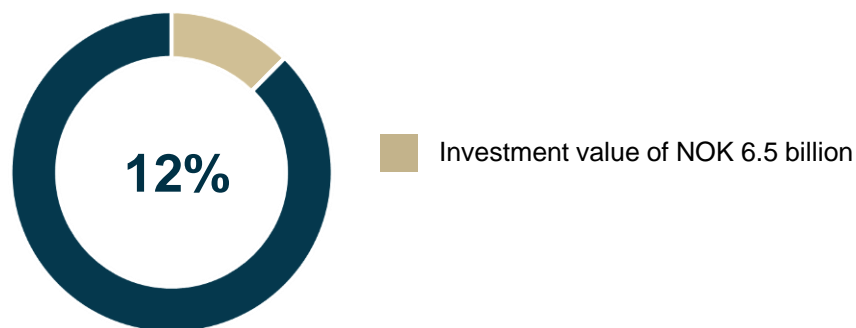
## Key figures

NOK million

	1Q 17	1Q 18
Revenues	1 554	1 913
EBITDA	108	193
Backlog	10 841	11 118

## % of gross asset value

(1Q 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 31.12.17	6 828
Value change in 1Q	(196)
Received dividends	(148)
Value as per 31.03.18	6 484

## Key figures

USD million

	1Q 17	1Q 18
Revenues	79	89
EBITDA	71	78
EBITDA backlog	2 800	3 500

## % of gross asset value

(1Q 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 31.12.17 (book value)	1 411
Value change in 1Q	-
Value as per 31.03.18 (book value)	1 411

## Key figures

*USD million*

	1Q 17	1Q 18
Revenues	28	35
EBITDA	3	3

# Aker Energy and Cognite remain core to Aker's value agenda



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

## Key developments

- Agreement to acquire Hess Ghana from Hess Corporation for USD 100 million, of which USD 75 million payable on approval of PDO
- Jan Arve Haugan appointed CEO, management in place
- Board recruited and governance model established
- Aker Energy team scaled to ~80 FTEs
- Ongoing work to prepare for submission of PDO in H2, and verify resource base through drilling program



Digitalization company  
(68% owned by Aker)

## Key developments

- Signed Aker Solutions as customer in the first quarter
- Further progress made with Aker BP as core customer in effort to digitalize company
- In process of expanding portfolio of external clients
- Recruiting new talents, organization now ~75 employees

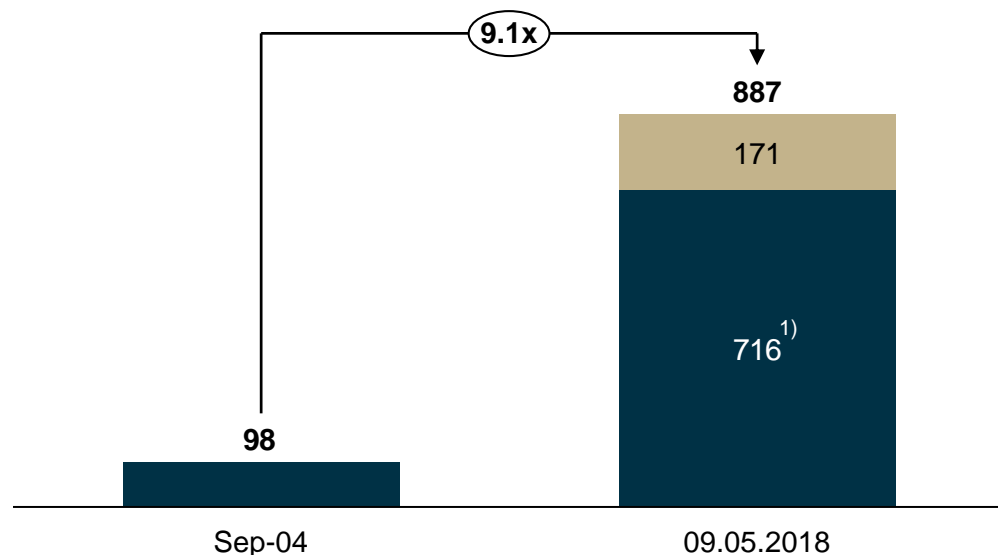
# Aker has delivered excess returns, both short- and long-term

## Long-term return: NAV per share

NOK per share

■ NAV per share

■ Accumulated dividends per share



**Aker ASA share Sept 2004 – 2018 YTD**

Annual average return, incl. dividend

**+29%**

**OSEBX Sept 2004 – 2018 YTD**

Annual average return, incl. dividend

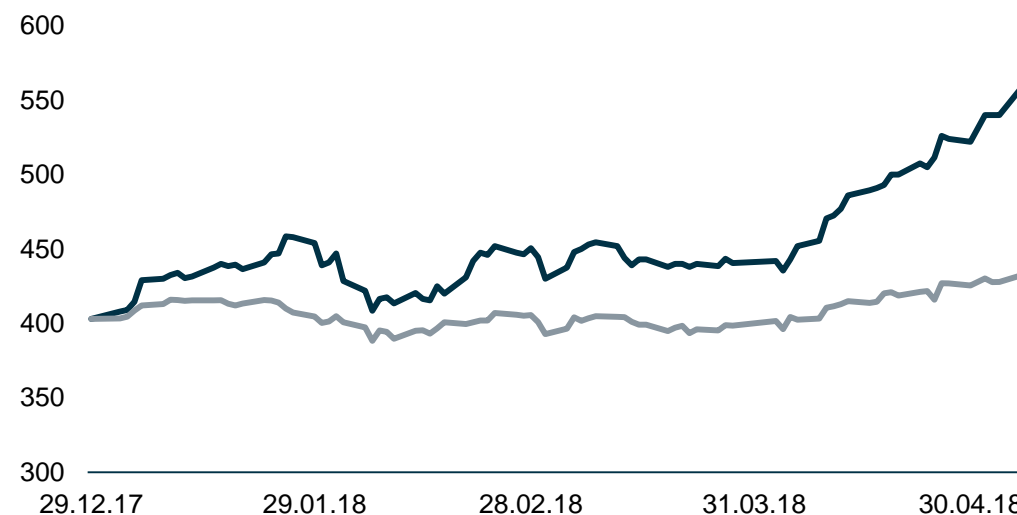
**+11%**

## Short-term returns: Share price YTD

NOK per share, dividend adjusted

— Aker

— OSEBX (indexed)



**Aker ASA share 2018 YTD**

Return, incl. dividend

**+41%**

**OSEBX 2018 YTD**

Return, incl. dividend

**+7%**

1) Based on closing prices of Aker's listed holdings as per 8 May 2018, remaining assets and liabilities at reported book values per 31.03.18. Excluding cash movements in the second quarter



# Aker

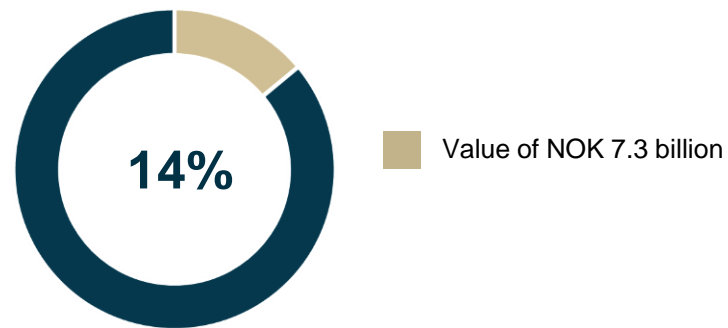
# Financial Investments

# Financial Investments Overview

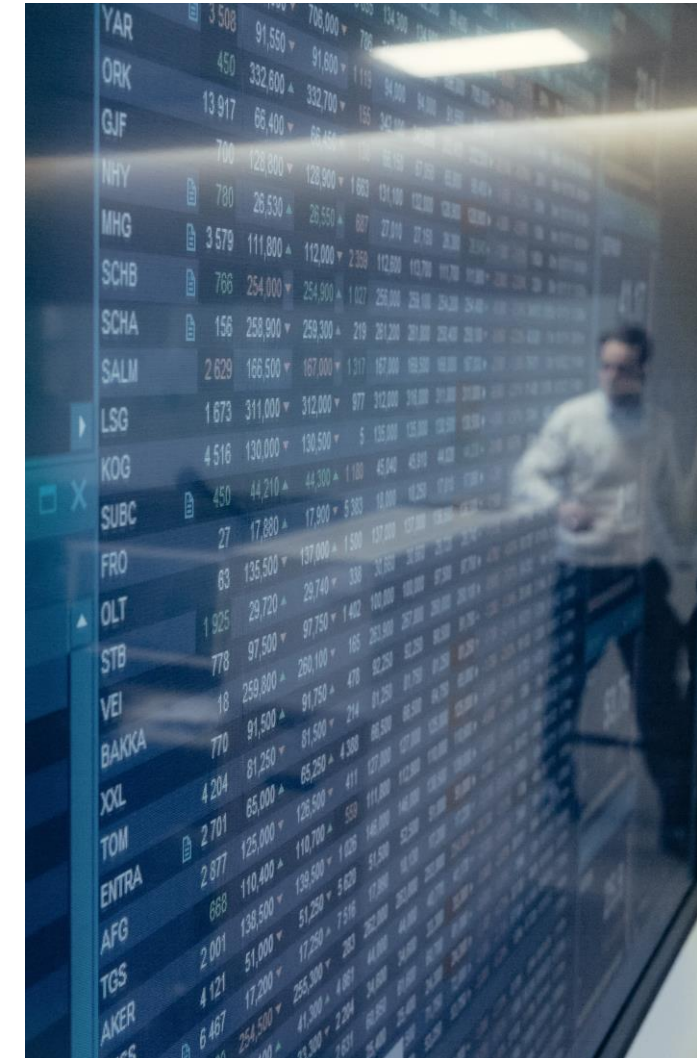
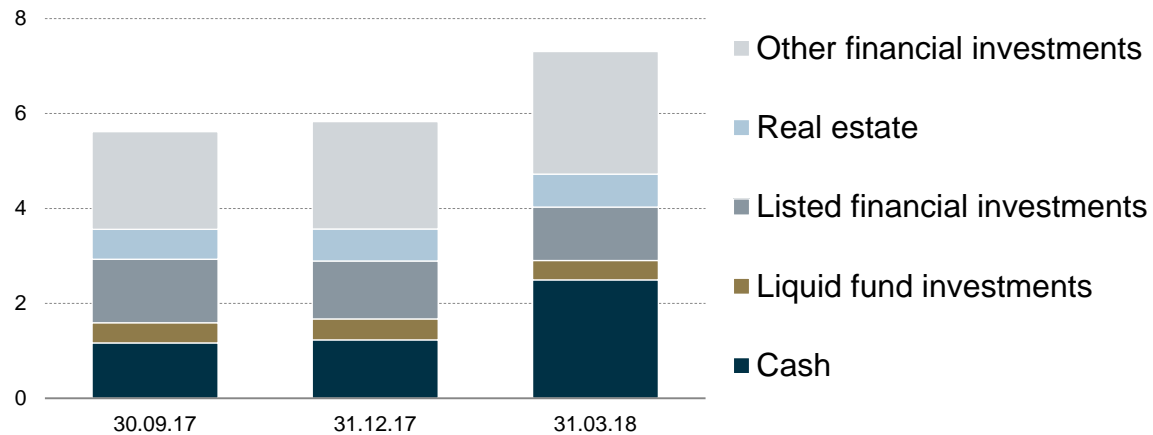


## % of gross asset value

(31.03.2018)



NOK billion

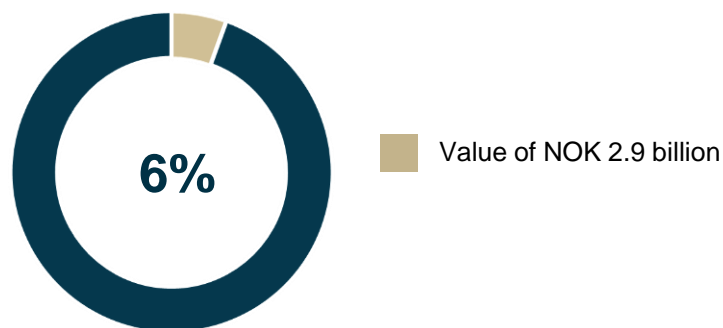


# Cash and Liquid fund investments



## % of gross asset value

(31.03.2018)



- Cash increased to NOK 2.5 billion:
  - + NOK 521 million in dividends received
  - + NOK 1 489 million from new bond issue (net)
  - NOK 261 million loan issued to Aker BioMarine
  - NOK 150 million in investment in Aker Energy
  - NOK 172 million in operating expenses and net interest paid
  - NOK 96 repurchase of own bonds (AKER11)
  - NOK 68 million in net other cash movements
- Liquid fund investments at NOK 407 million.
- Total liquidity reserve of NOK 5.2 billion, including undrawn credit facilities.

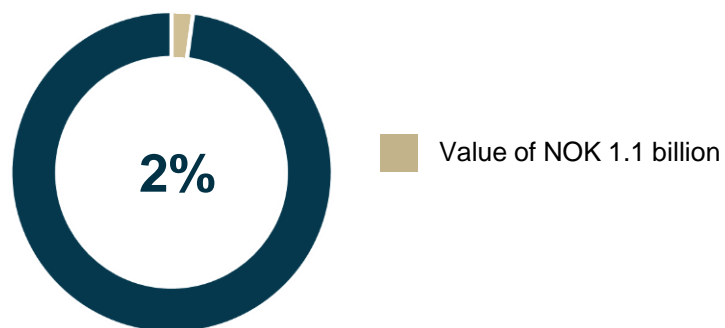


# Listed financial investments



## % of gross asset value

(31.03.2018)



- Value decrease of Philly Shipyard with NOK 38 million and Solstad Farstad by NOK 37 million.
- Dividend received from AMSC of NOK 19 million. Total AMCS exposure decreased by NOK 10 million.
- Philly Shipyard faces order backlog challenges.



Source: Solstad Farstad

## Aker's investment

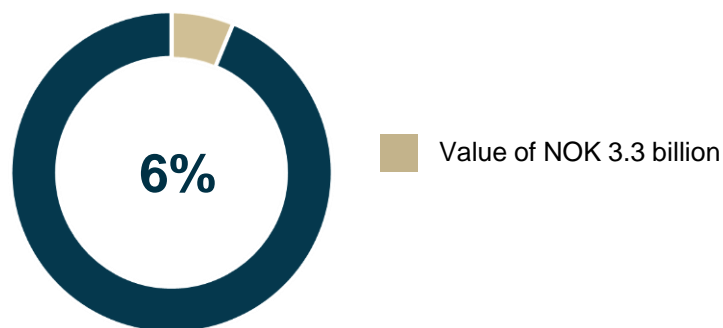
NOK million	3Q 17	4Q 17	1Q 18
Philly Shipyard	644	492	455
AMSC (incl. TRS)	270	345	335
Cxense	21	30	23
Solstad Farstad	403	353	316
<b>Total value</b>	<b>1 338</b>	<b>1 220</b>	<b>1 128</b>

# Real estate and other financial investments



## % of gross asset value

(31.03.2018)



- Increased loans to Aker BioMarine and Fornebuporten equal to NOK 281 million.
- Total loan to Aker BioMarine at the end of 1Q was NOK 1 037 million. Almost the entire loan will be converted to equity during 2Q.



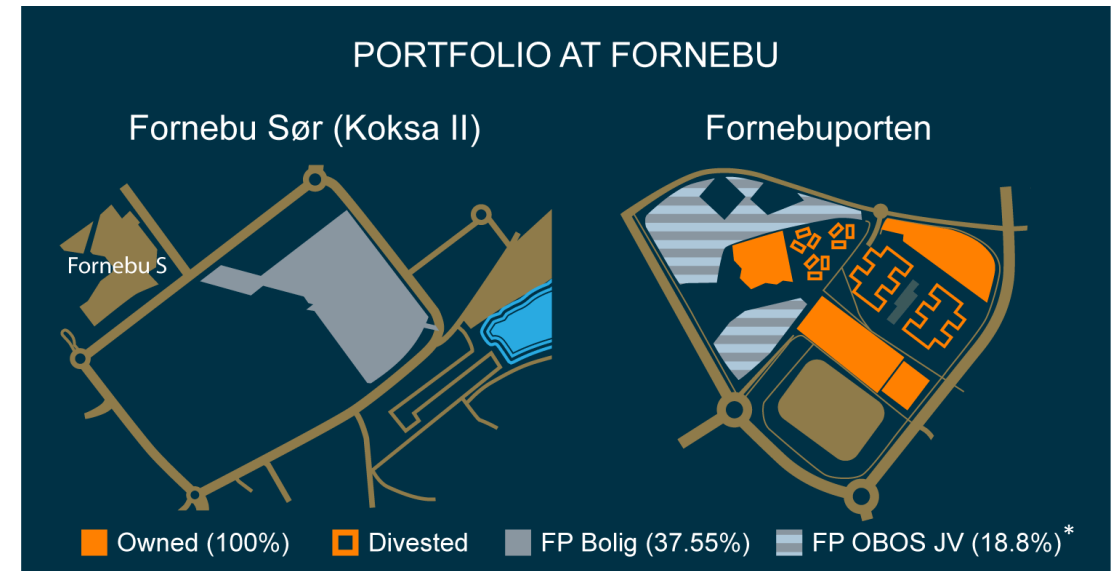
## Aker's investment

<i>NOK million</i>	3Q 17	4Q 17	1Q 18
Real estate	629	674	694
Other financial investments	2 058	2 261	2 579
<b>Total value</b>	<b>2 687</b>	<b>2 934</b>	<b>3 273</b>

## Fornebuporten – recent events and current portfolio



- Q1 2018: established a 50/50 JV with OBOS for residential development at Fornebuporten.
- April 2018: established residential development company FP Bolig together with Geveran Trading and Joh Johansson Eiendom.
  - Akers ownership of FP Bolig is 37.55%.
  - FP Bolig's portfolio consists of land bank for approximately 1 000 apartments.
  - Aker participated through sale of the Koksa II land plot and the 50% share of the OBOS JV.
  - Accounting gain for Aker of approx. NOK 190 million and a cash release of approx. NOK 360 million.
- In addition, the real estate portfolio includes:
  - Commercial properties and land areas at Fornebu and in Aberdeen.
  - Portfolio of residential projects close to completion.



\*FP OBOS JV owned  
50% by FP Bolig



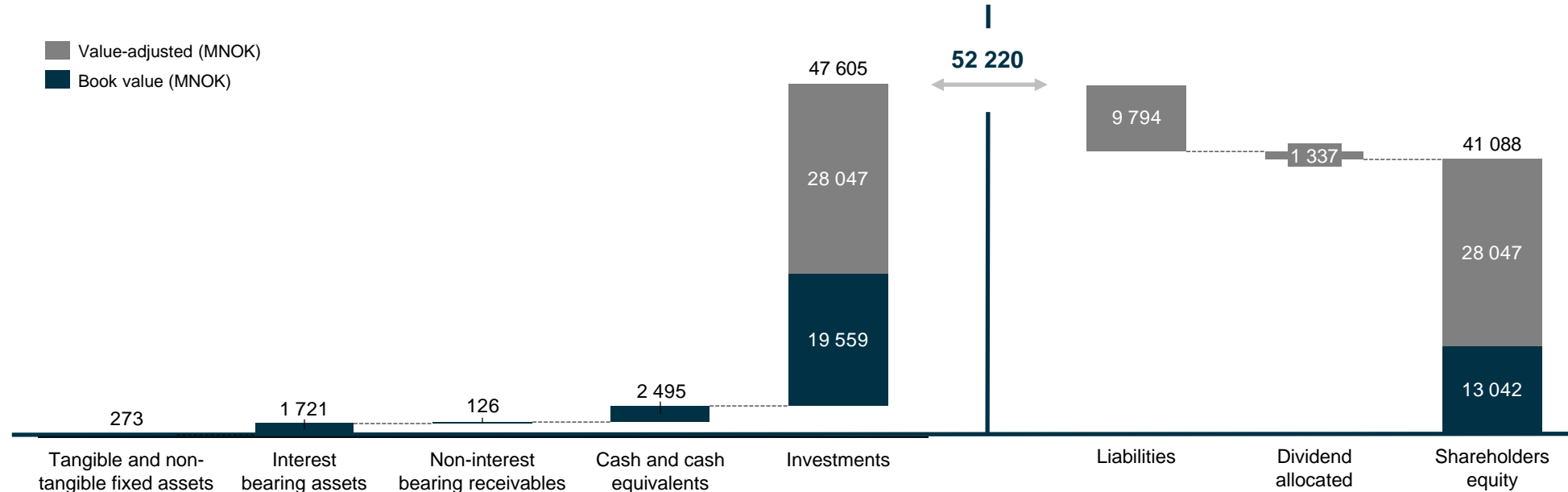
# Aker

# Financial Statements

Aker ASA and holding companies

# Balance sheet at 31.03.2018

(after dividend allocation of NOK 18 per share)



## Total Assets

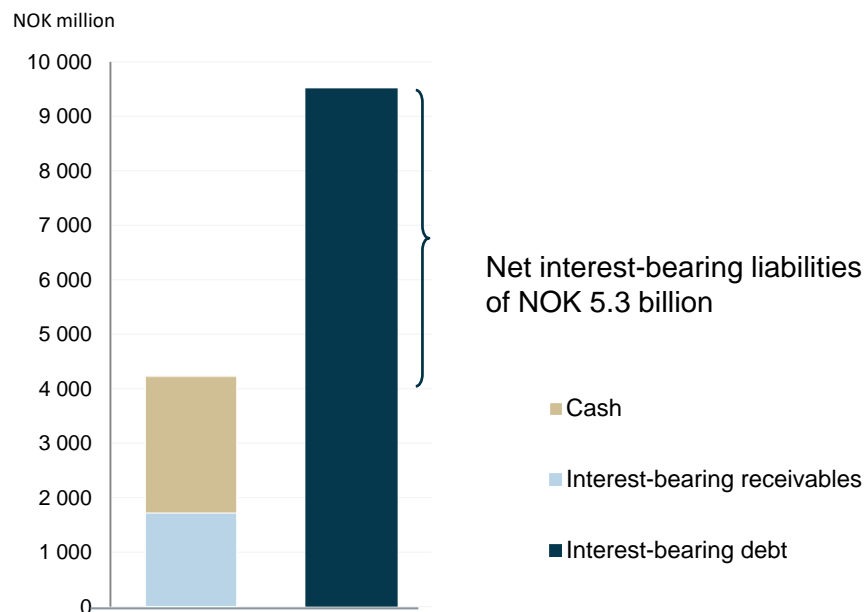
## Total equity and liabilities

### Main changes in first-quarter 2018

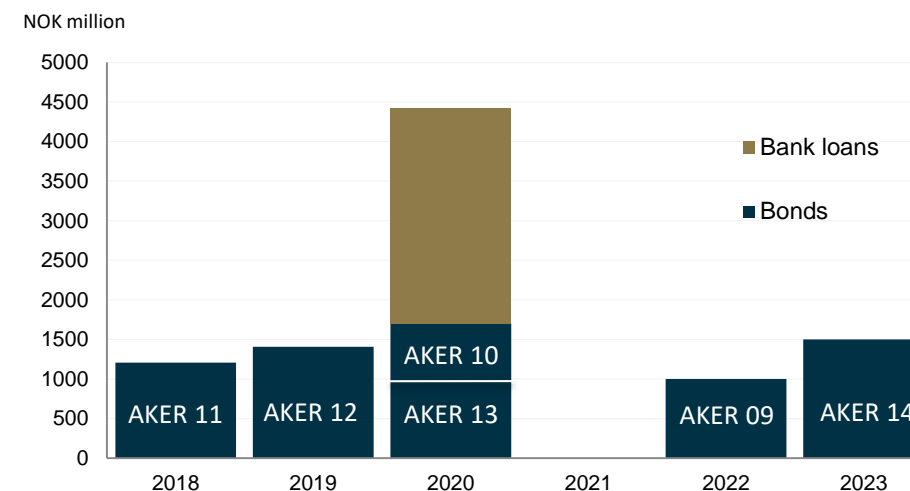
- Cash increased to 2.5 billion kroner.
- Increase in fair value of investments of 0.4 billion kroner. This was mainly from Aker BP fair value increase partly offset by value decreases of AKSO, OCY, KVAER and AKA.
- 150 million kroner investment in Aker Energy AS.
- Issue of the 1.5 billion kroner AKER14 bond.

	Book value	Value-adjusted
Equity (MNOK)	13 042	41 088
Equity ratio	54.0%	78.7%
Equity per share	NOK 176	NOK 553

# Interest-bearing items as of 31.03.2018



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



Average debt maturity is 2.6 years

Financial Covenants	Limit	Status at 31.03.2018
i Total Debt/Equity - Aker ASA (parent only)	< 80%	38%
ii Group Loans to NAV or Group Loans	< 50% < NOK 10 bn	3.2% NOK 1.4 bn

# Income statement



<i>Amounts in NOK million</i>	1Q 2017	4Q 2017	1Q 2018	Year 2017
Sales gains	-	-	-	-
Operating expenses	(63)	(76)	(68)	(244)
<b>EBITDA</b>	<b>(63)</b>	<b>(76)</b>	<b>(68)</b>	<b>(244)</b>
Depreciation and impairment	(4)	(4)	(4)	(14)
Value change	134	7	(179)	(289)
Net other financial items	444	365	516	1 380
<b>Profit before tax</b>	<b>511</b>	<b>294</b>	<b>266</b>	<b>833</b>



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