



Proud ownership

*Aker ASA*

# Second-quarter and half-year results 2017

18 July 2017 | Fornebu

# Highlights | Second-quarter 2017

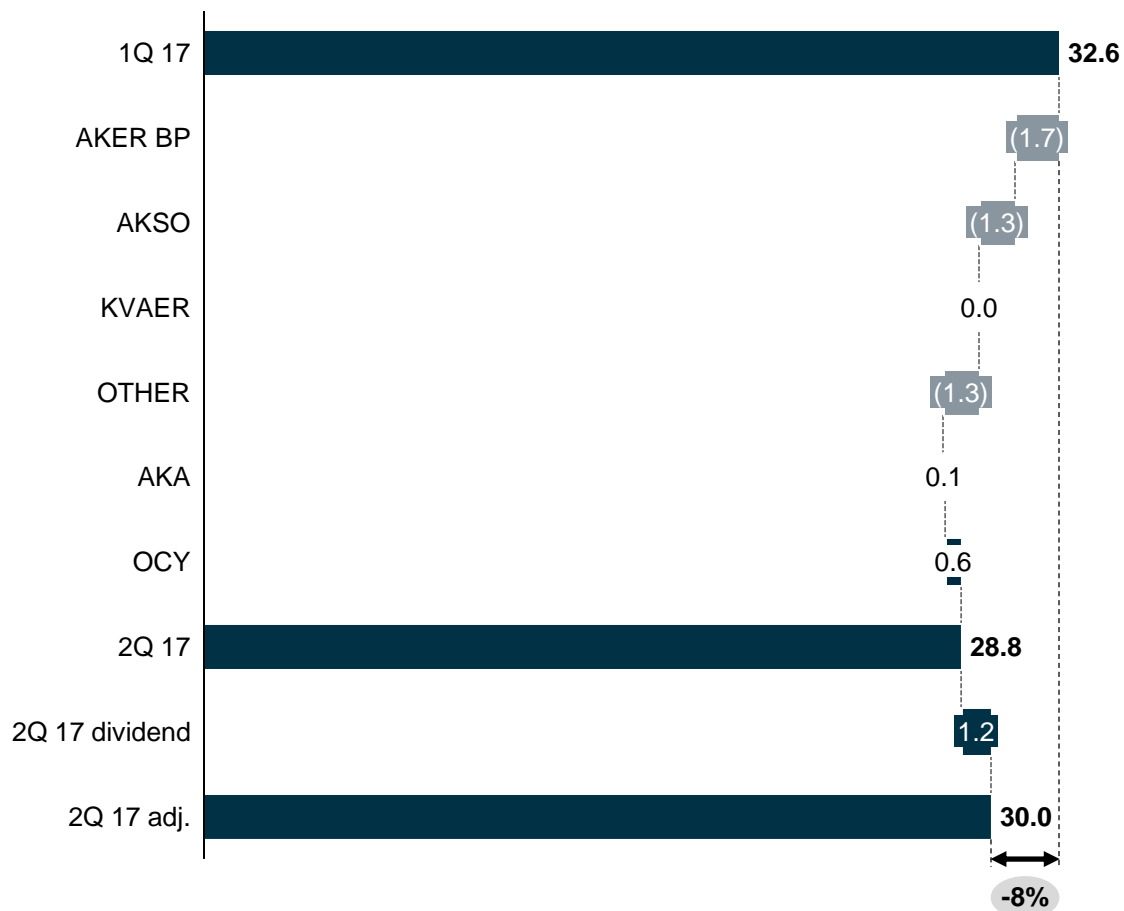
- **Net asset value:** down 7.9%, dividend adjusted, to NOK 28.8 billion (NOK 32.6 billion)
- **Return:** Aker share down 12.7%, dividend adjusted, to NOK 274 vs. OSEBX up 1.6%
- **Dividend:** Distribution of NOK 16 per share dividend for 2016
- **Cash and liquid fund inv.:** NOK 2.1 billion, down from NOK 4.3 billion in the first quarter
- **Aker transactions:**
  - i. **Financing:** Repayment of the NOK 500 million AKER07 bond
- **Portfolio transactions:**
  - i. **Akastor:** Sale of KOP Surface Products to the Weir Group
  - ii. **Aker BP:** Issuance of a USD 400 million US high-yield bond
  - iii. **Ocean Yield:** Investments in two PSVs and one Suezmax tanker
  - iv. **Aker BioMarine:** Acquisition of the harvesting vessel Juvel
  - v. **Solstad Farstad:** Completion of merger between Solstad Offshore, Farstad Shipping and Deep Sea Supply



# NAV decreased 11.5% in 2Q 2017 and 7.9% dividend adjusted

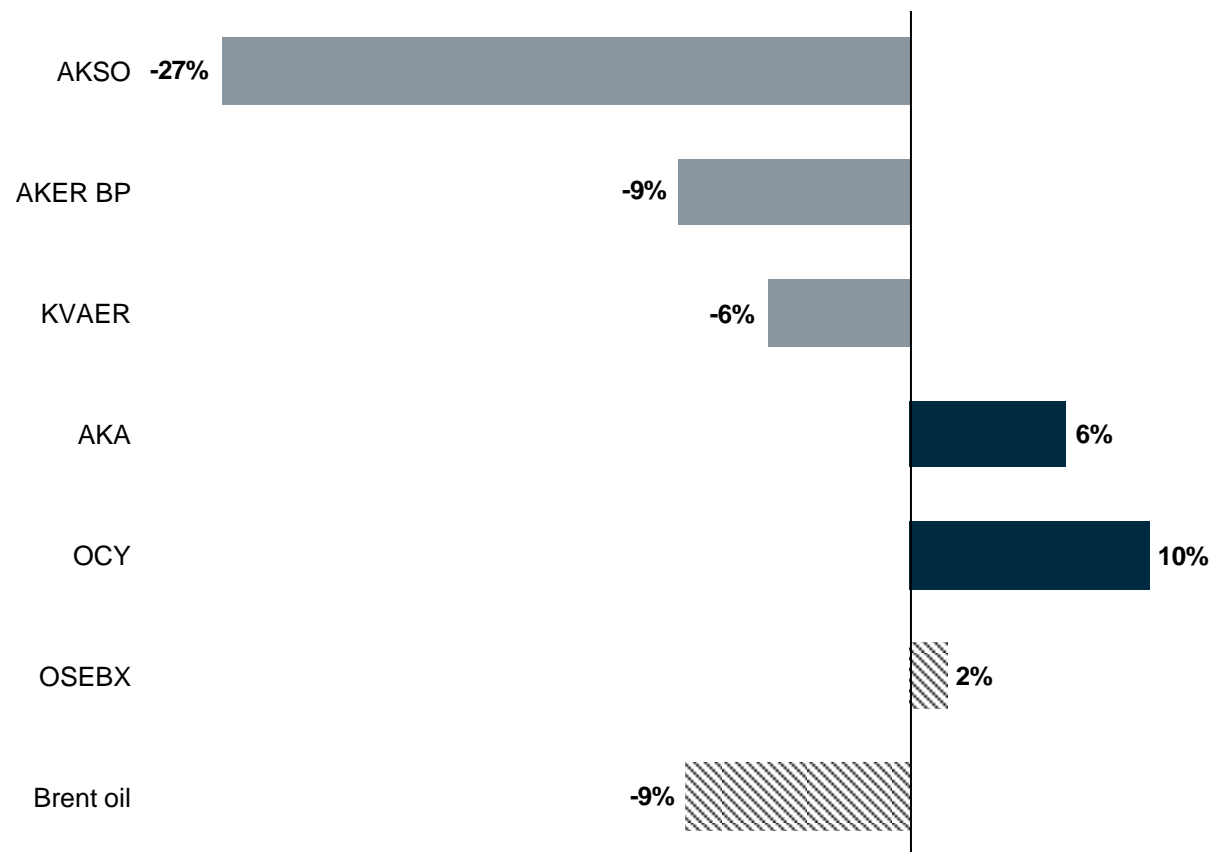
## Net asset value change in 2Q 2017

NOK billion



## Total return portfolio companies in 2Q 2017

Percentage change, adjusted for dividends

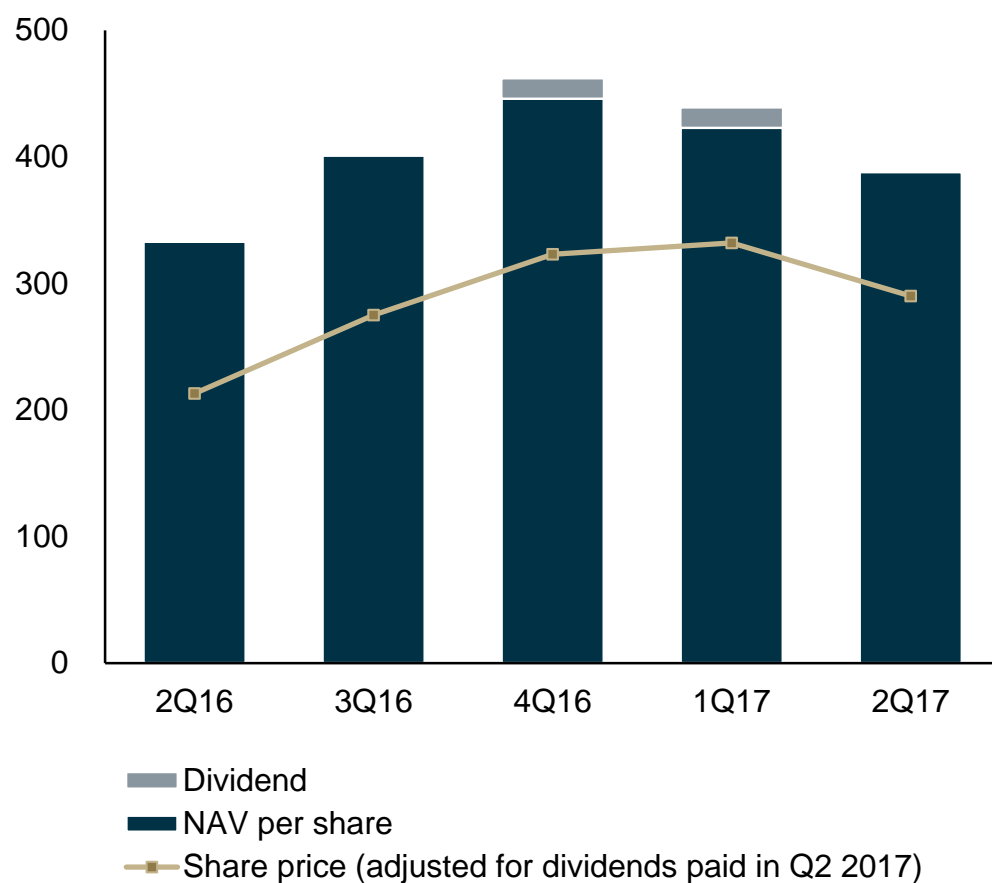




# Share price up 36.5% year-on-year, dividend adjusted, despite a 12.7% decrease in Q2

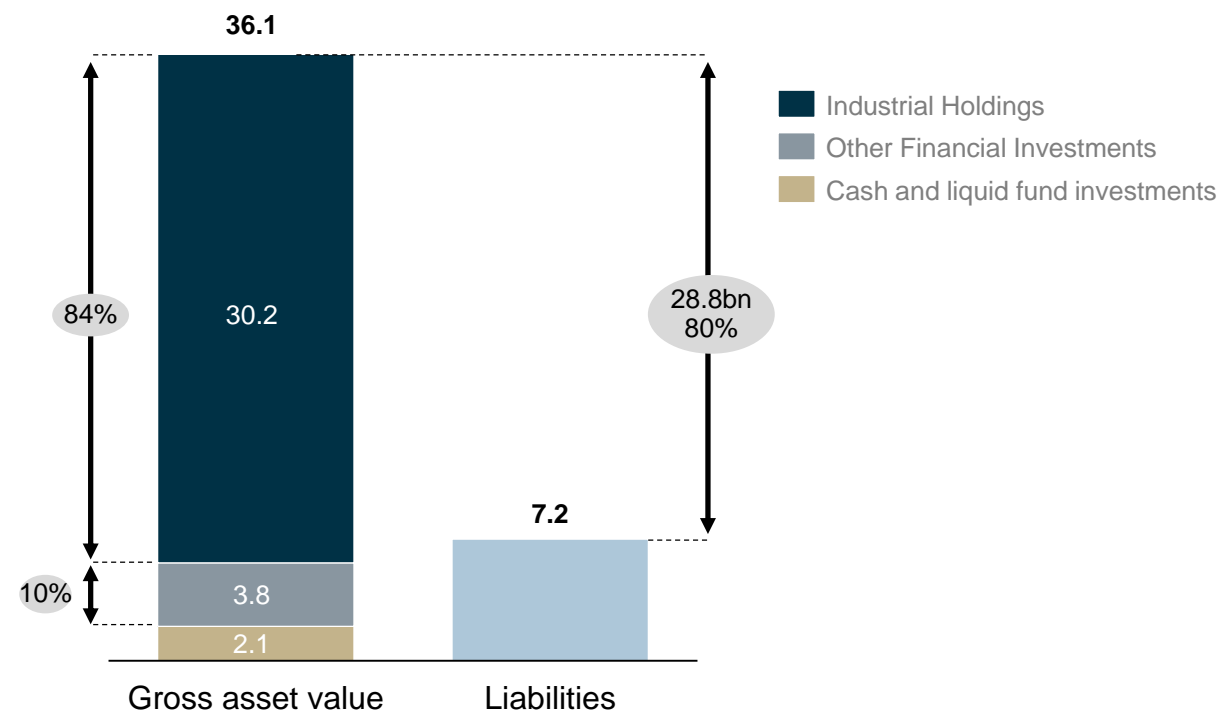
## NAV per share vs. share price

NOK per share



## Net asset value composition

NOK billion



# Portfolio distribution largely unchanged



## Portfolio composition

NOK billion, as per 2Q 2017

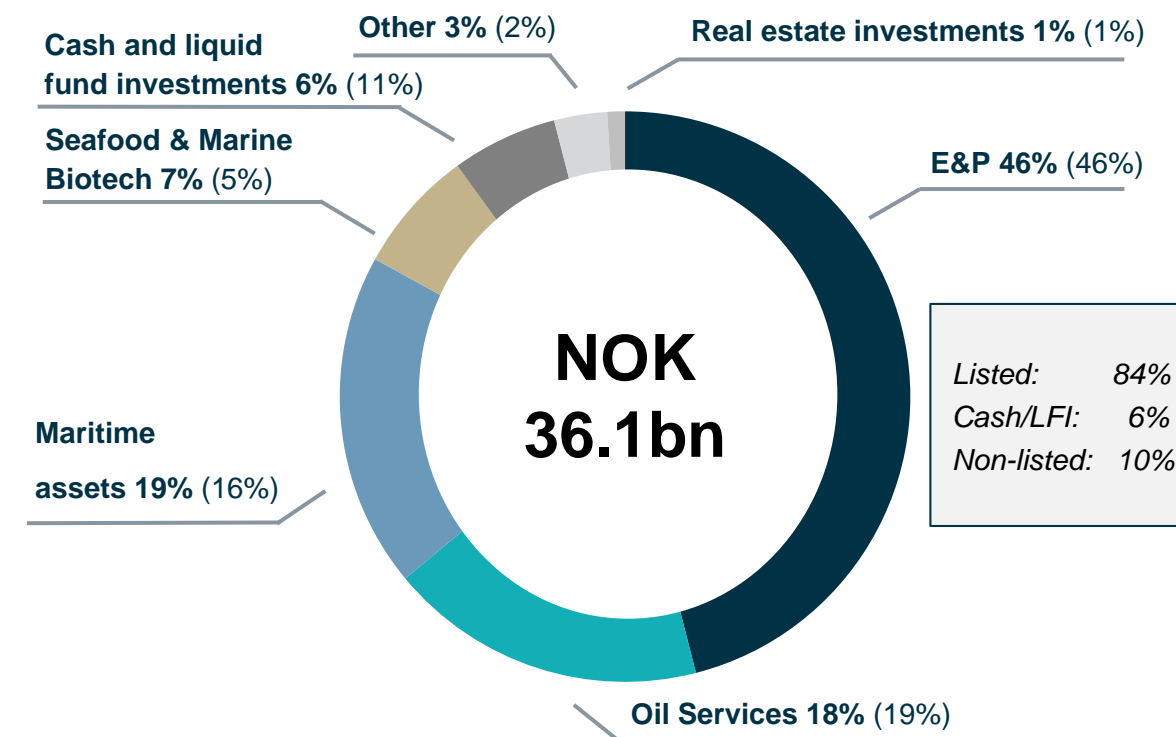


Listed investments  
Unlisted investments

Industrial Holdings					Financial Investments	
	Aker BP	40.0%	16.7	1.6	Cash	
	Aker Solutions <sup>1)</sup>	34.8%	3.6	0.4	Liquid fund investments	
	Akastor <sup>1)</sup>	36.7%	1.4	1.5	Listed financial investments	
	Kvaerner <sup>1)</sup>	28.7%	0.8	0.5	Real Estate Investments <sup>2)</sup>	
	Ocean Yield	66.2%	6.4	1.7	Other financial investments <sup>2)</sup>	
	Aker BioMarine <sup>2)</sup>	100.0%	1.4			
Gross asset value			30.2	5.8		
Net asset value			28.8			

## Gross asset value distribution

Per 2Q 2017 (1Q 2017)



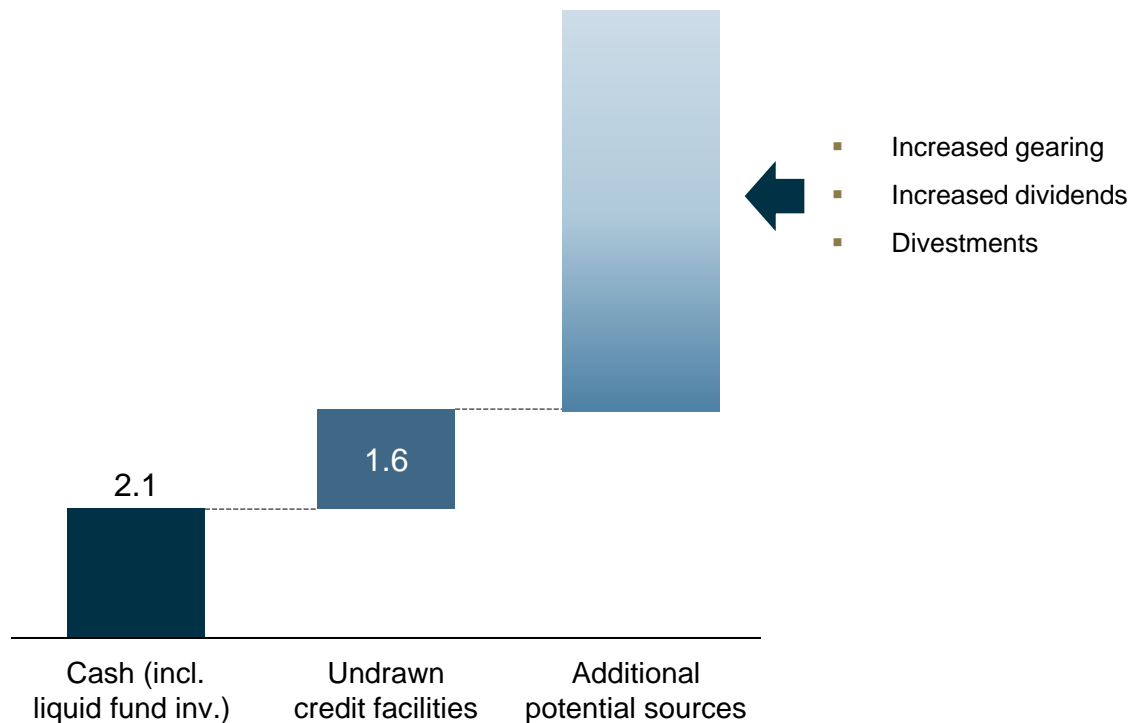
1) Owned partly through Aker Kvaerner Holding, in which Aker has a 70% ownership interest. Additionally, Aker has a direct ownership interest in Aker Solutions and Akastor

2) Reflected at book value

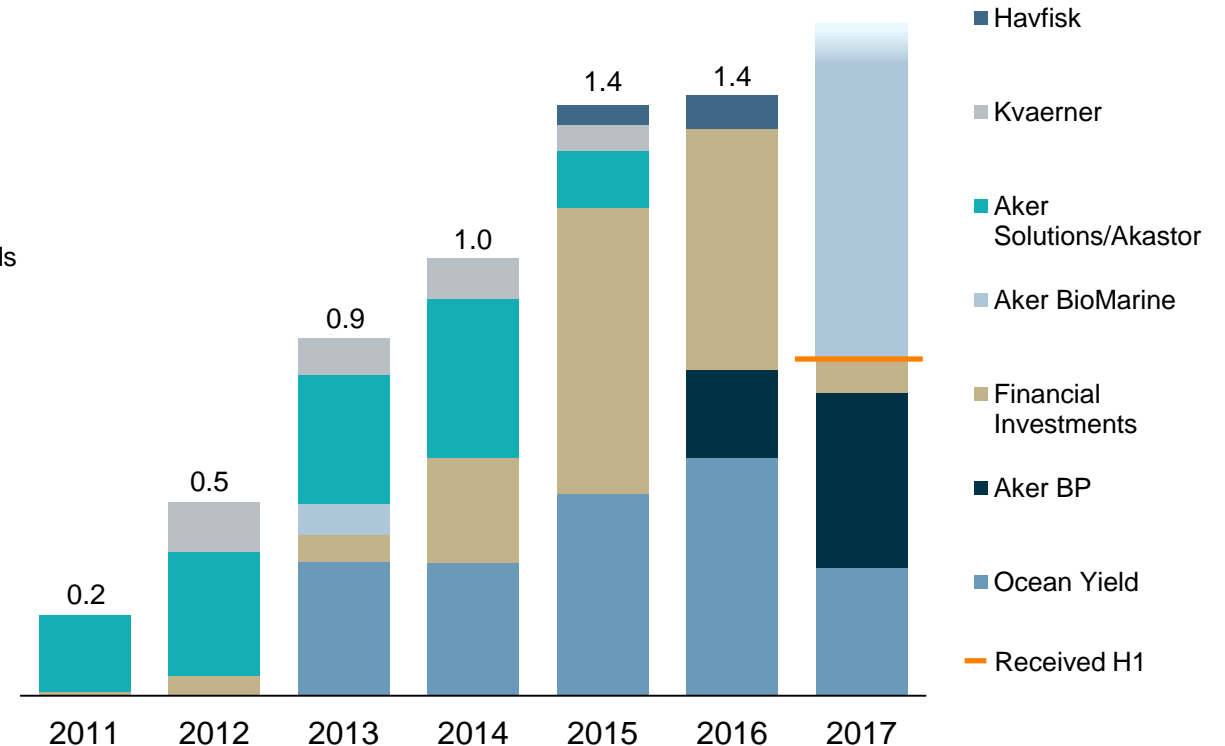


# Ample investment capacity and continued strong upstream cash generation

Investment capacity potential  
NOK billion



Upstream dividend  
NOK billion

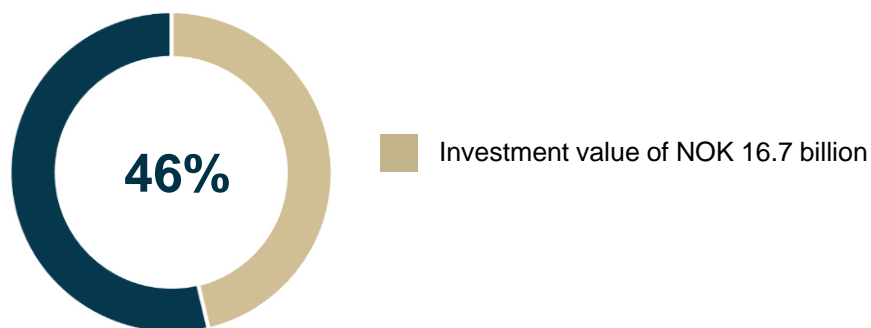


# Aker Industrial Holdings



## % of gross asset value

(2Q 2017)



## Aker's ownership agenda

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



## Aker's investment

NOK million

Value as per 31.03.17	18 590
Value change in 2Q	(1 695)
Received dividends	(210)
Value as per 30.06.17	16 685

## Key figures

USD million

	2Q 16	2Q 17	1H 16	1H 17
Revenues	256	595	461	1 241
EBITDAX	211	470	376	988



# Aker Solutions

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

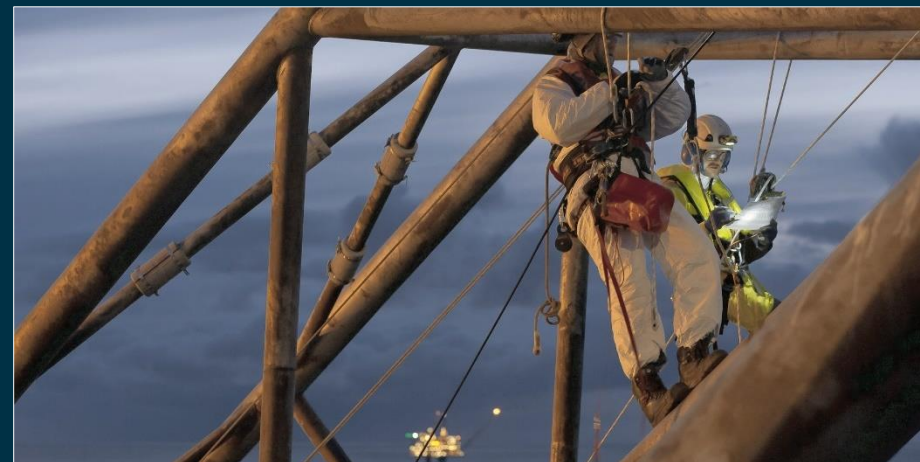
## % of gross asset value

(2Q 2017)



## Aker's ownership agenda

- Increase competitiveness and reduce costs by NOK 9 billion across the business versus 2015 cost base
- Win new contracts
- Partnerships, alliances and M&A



## Aker's investment

NOK million

Value as per 31.03.17	4 894
Value change in 2Q	(1 328)
Value as per 30.06.17	3 566

## Key figures

NOK million

	2Q 16	2Q 17	1H 16	1H 17
Revenues	6 969	5 425	13 432	10 598
EBITDA	563	305	1 072	660
Backlog			35 008	30 695

# Akastor

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

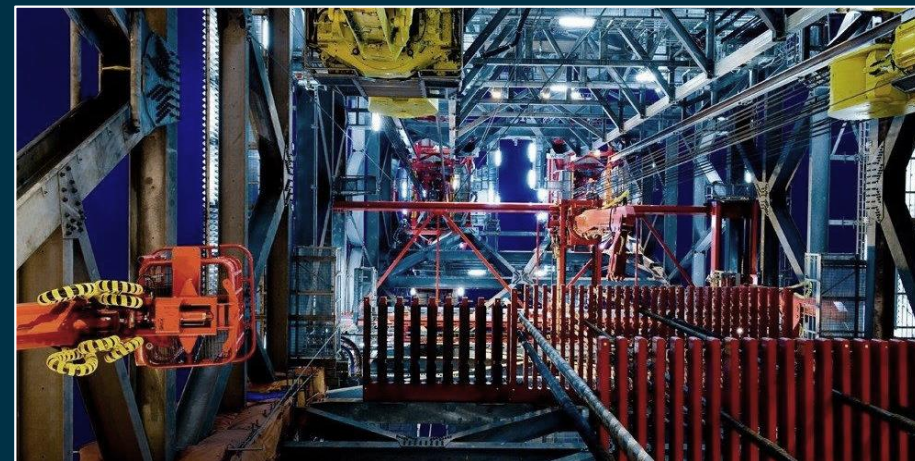
## % of gross asset value

(2Q 2017)



## Aker's ownership agenda

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



## Aker's investment

NOK million

Value as per 31.03.17	1 302
Value change in 2Q	80
Value as per 30.06.17	1 383

## Key figures

NOK million

	2Q 16	2Q 17	1H 16	1H 17
Revenues	1 326	873	2 556	1 816
EBITDA	(135)	18	(197)	71
Backlog			8 182	7 112

## % of gross asset value

(2Q 2017)



## 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 31.03.17	834
Value change in 2Q	(46)
Value as per 30.06.17	788

## Key figures

NOK million

	2Q 16	2Q 17	1H 16	1H 17
Revenues	1 859	1 502	4 087	3 056
EBITDA	96	219	177	327
Backlog			10 172	9 041

# Industrial Holdings

## Ocean Yield

A maritime assets company with focus on long-term contracts

### % of gross asset value

(2Q 2017)



### Aker's ownership agenda

- Growth by incremental, accretive investments
- 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 31.03.17	5 993
Value change in 2Q	569
Received dividends	(152)
Value as per 30.06.17	6 410

### Key figures

USD million

	2Q 16	2Q 17	1H 16	1H 17
Revenues	70	82	136	161
EBITDA	63	74	122	146
EBITDA backlog			3 300	2 900



## % of gross asset value

(2Q 2017)



## Aker's ownership agenda

- Operational excellence
- Increase sales by entering new products, channels and geographies
- New vessel and other investments to fast-track growth



## Aker's investment

*NOK million*

Value as per 31.03.17 (book value)	1 405
Value change in 2Q	-
Investments	7
Value as per 30.06.17 (book value)	1 411

## Key figures

*USD million*

	2Q 16	2Q 17	1H 16	1H 17
Revenues	27	30	53	57
EBITDA	11	6	18	9

# Aker

# Financial Investments



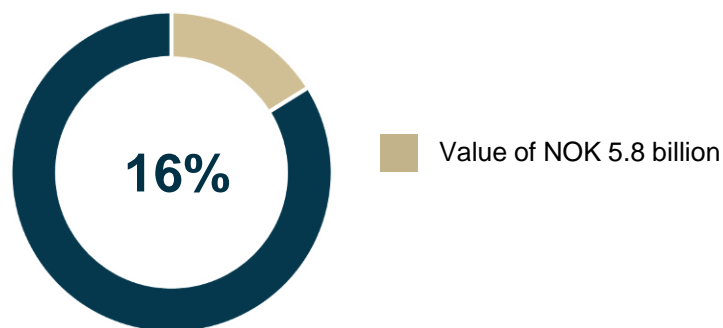
# Financial Investments

## Overview



### % of gross asset value

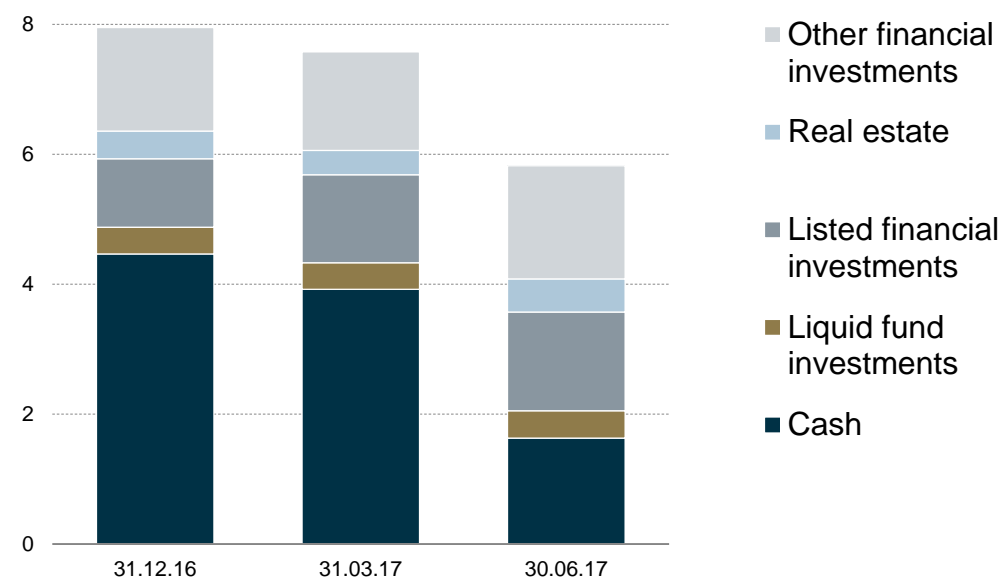
(30.06.2017)



- Cash and liquid fund investments at NOK 2.1 billion
- Debt repayments of NOK 0.7 billion and dividend payment of NOK 1.2 billion
- USD bank loan: maturity extended to 2020 with option to redraw the loan to the original amount of USD 250 million
- Merger completed between Solstad Offshore, Farstad Shipping and Deep Sea Supply

### Financial Investments

NOK billion

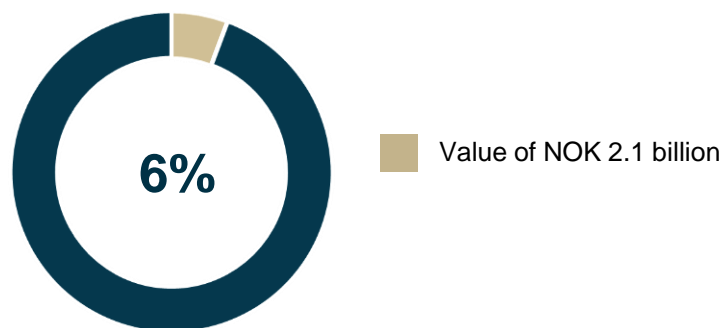


## Cash and Liquid fund investments



### % of gross asset value

(30.06.2017)



- Cash decreased to NOK 1.6 billion:
  - + NOK 376 million in dividends received
  - NOK 1 188 million in dividend paid
  - NOK 730 million in debt repayments (incl. call premium)
  - NOK 380 million loan issued to Aker BioMarine
  - NOK 283 million in misc. investments
  - NOK 150 million in operating expenses and net interest paid
  - + NOK 65 million in net other cash movements
- Liquid fund investments at NOK 422 million
- Total liquidity reserve of NOK 3.7 billion, including undrawn credit facilities

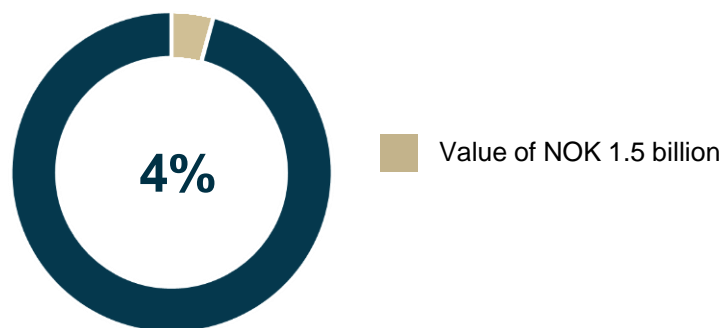


# Listed financial investments

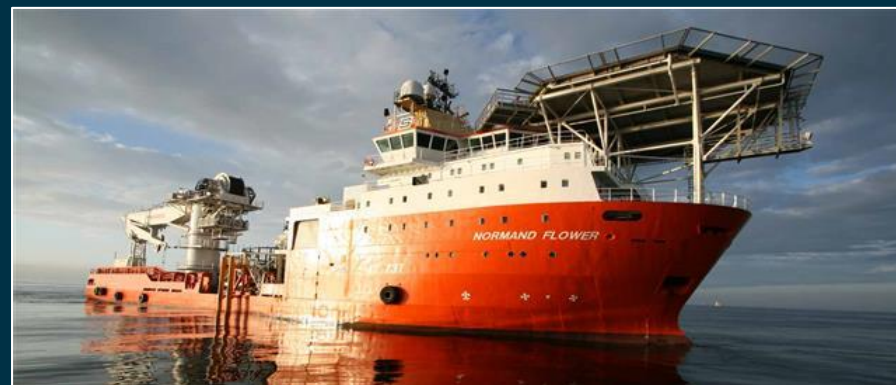


## % of gross asset value

(30.06.2017)



- Completion of the merger between Solstad Offshore, Farstad Shipping and Deep Sea Supply, including NOK 250 million loan conversion into shares
- Value of Philly Shipyard increased by NOK 183 million
- Total value of AMSC exposure decreased by NOK 108 million
- Dividends received of NOK 20 million



## Aker's investment

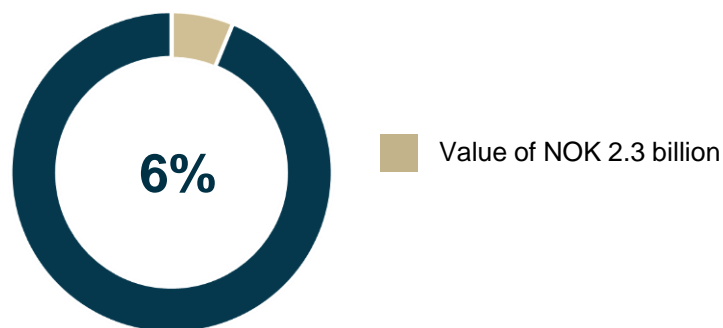
<i>NOK million</i>	4Q 16	1Q 17	2Q 17
Philly Shipyard	447	414	597
AMSC (incl. TRS)	295	432	324
Cxense	66	47	37
Solstad Farstad	247	459	562
<b>Total value</b>	<b>1 055</b>	<b>1 353</b>	<b>1 520</b>

# Real estate and other financial investments

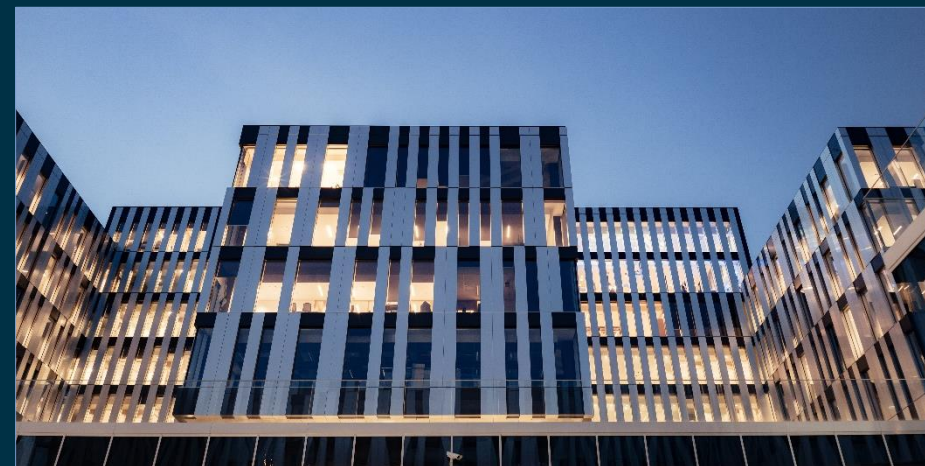


## % of gross asset value

(30.06.2017)



- Increased investment in Fornebuporten of NOK 133 million
- USD 45 million loan issued to Aker BioMarine
- Loan repayment from AMSC of NOK 55 million
- NOK 250 million convertible loan to Solstad Offshore converted to equity



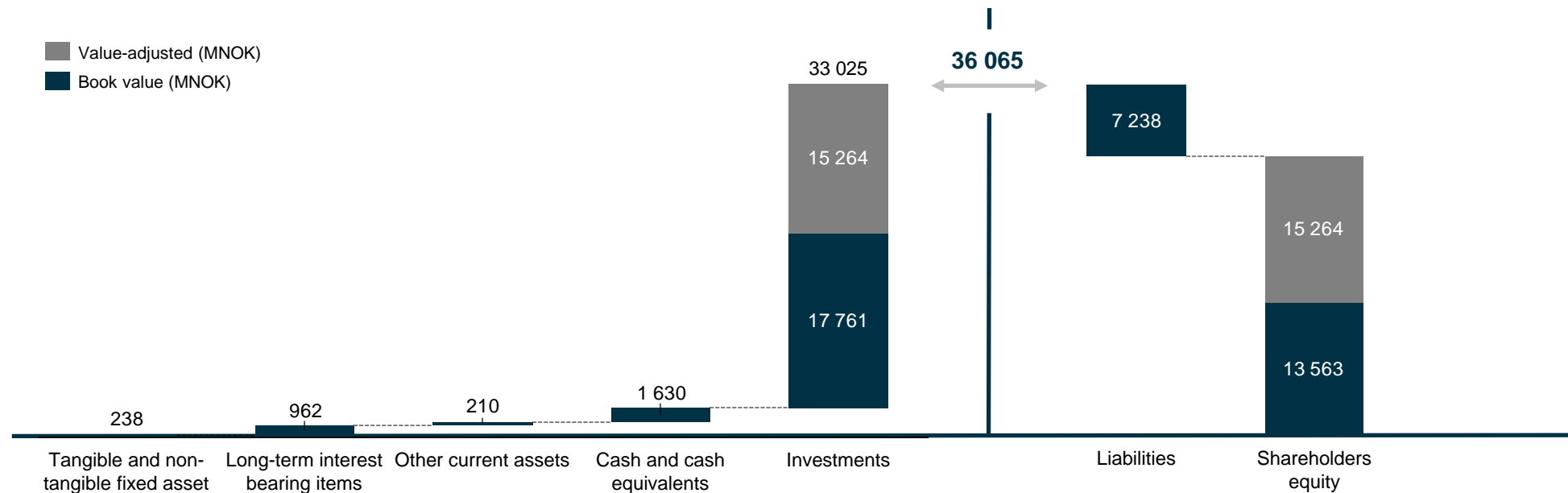
## Aker's investment

NOK million	4Q 16	1Q 17	2Q 17
Real estate (incl. receivable)	426	376	509
Other financial investments	1 594	1 517	1 742
<b>Total value</b>	<b>2 020</b>	<b>1 893</b>	<b>2 251</b>

# Aker

# Financial Statements

# Balance sheet



## Total Assets

## Total equity and liabilities

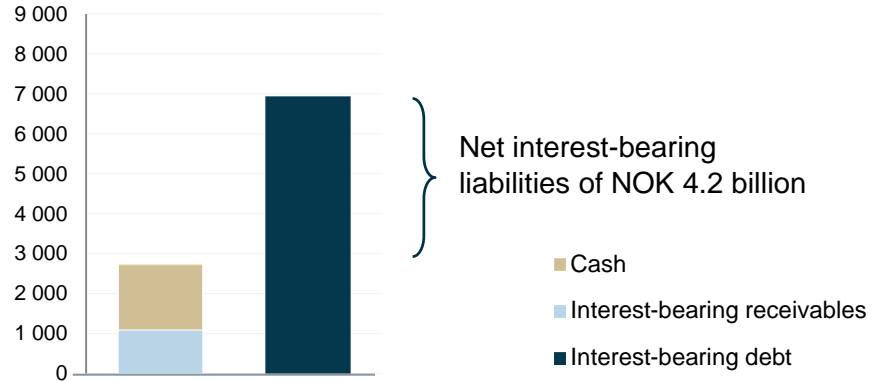
### Main changes in second-quarter 2017

- Decrease in fair value of investments of NOK 2.8 billion.
- Conversion of Solstad Offshore loan into shares.
- Increased investment in Fornebuporten, including conversion of receivable into shares.
- USD 45 million loan issued to Aker BioMarine.
- Liabilities reduced by NOK 2.0 billion, including dividend payment of NOK 1.2 billion, bringing cash position down to NOK 1.6 billion.

	Book value	Value-adjusted
Equity (MNOK)	13 563	28 827
Equity ratio	65.2%	79.9%
Equity per share	NOK 183	NOK 388



# Interest-bearing items and loan guarantees

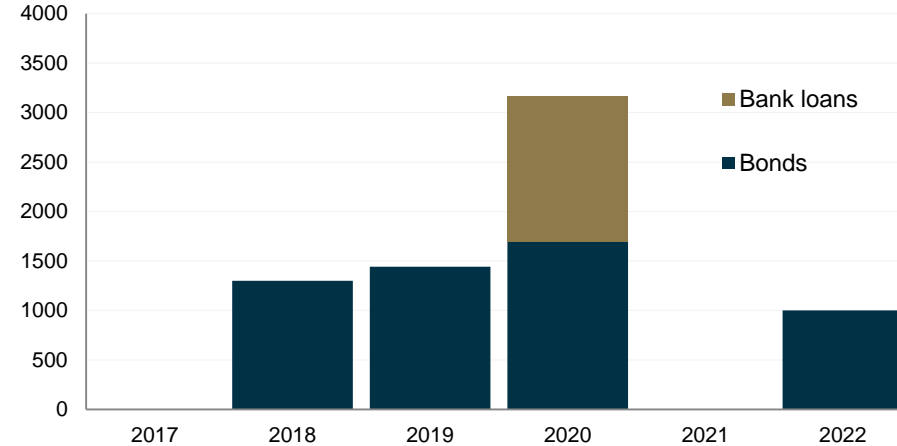


Interest-bearing debt (MNOK)	Loan amount	Outstanding	Maturity
Bond AKER 11	1 300	1 300	2018
Bond AKER 12	1 489	1 489	2019*
Bond AKER 13	1 000	1 000	2020
Bond AKER 10	700	700	2020
Bond AKER 09	1 000	1 000	2022
Bank loan (RCF)	1 000	0	2020**
Capitalised loan fees etc.	(21)	(21)	
<b>Total Aker ASA</b>	<b>6 468</b>	<b>5 468</b>	
Bank loan Aker Capital (USD denominated)	2 097	1 468	2020***
Capitalised loan fees etc.	(8)	(8)	
<b>Total Aker ASA and holding companies</b>	<b>8 557</b>	<b>6 928</b>	

\*MSEK 1 500 issue \*\*Maturity in 2020 with 1 year uncommitted extension option

\*\*\* Maturity in 2020 with 1 year uncommitted extension option. Total facility amount of MUS\$ 250, of which MUS\$ 175 was drawn at June 30, 2017.

Loan guarantees	1Q 2017	2Q 2017
Aker BioMarine	305	305
Ocean Harvest	56	52
Other	3	3
<b>Total</b>	<b>364</b>	<b>360</b>



Average debt maturity is 2.8 years

Financial Covenants	Limit	Status per 30.06.2017
i Total Debt/Equity - Aker ASA (parent only)	< 80%	37%
ii Group Loans to NAV or Group Loans	< 50% < NOK 10 bn	2.4% NOK 0.7 bn

# Income statement



<i>Amounts in NOK million</i>	2Q 2016	2Q 2017	1H 2016	1H 2017	Year 2016
Sales gains	90	-	278	-	1 906
Operating expenses	(48)	(54)	(108)	(118)	(198)
<b>EBITDA</b>	<b>42</b>	<b>(54)</b>	<b>171</b>	<b>(118)</b>	<b>1 708</b>
Depreciation and impairment	(21)	(4)	(26)	(7)	(32)
Value change	326	(392)	11	(258)	(8)
Net other financial items	395	249	503	693	950
<b>Profit before tax</b>	<b>742</b>	<b>(201)</b>	<b>659</b>	<b>310</b>	<b>2 617</b>



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