



Proud ownership

*Aker ASA*

# Fourth-quarter and preliminary annual results 2018

14 February 2019 | Fornebu

# Highlights

## Highlights 2018:

- **Return:** Share price up 19.1%, dividend adjusted, compared to the OSEBX which was down 1.8%
- **Net asset value:** NOK 41.7 billion, on par with year-end 2017
- **Liquidity reserve:** NOK 5.2 billion. NOK 2.2 billion in upstream cash received
- **Dividend:** NOK 22.50 per share cash dividend proposed (4.9% yield and 4.0% of NAV)

## Fourth quarter:

- **Return:** Share price decreased 37.1% to NOK 462 vs. OSEBX down 14.8%.
- **Net asset value:** Down 34.0% to NOK 562 per share

## Main events in the quarter:

- **Aker BP:** Acquisition of King Lear for USD 250 million from Equinor and USD 1.5 billion tax refund
- **Ocean Yield:** Investment in two chemical tankers for USD 51 million

## Subsequent events:

- **Aker BP:** Dividends in 2019 raised to USD 750 million, with annual step-ups
- **Aker Energy:** Successful drilling operations of Pecan-4A appraisal well
- **Kværner:** NOK 1 per share dividend proposed



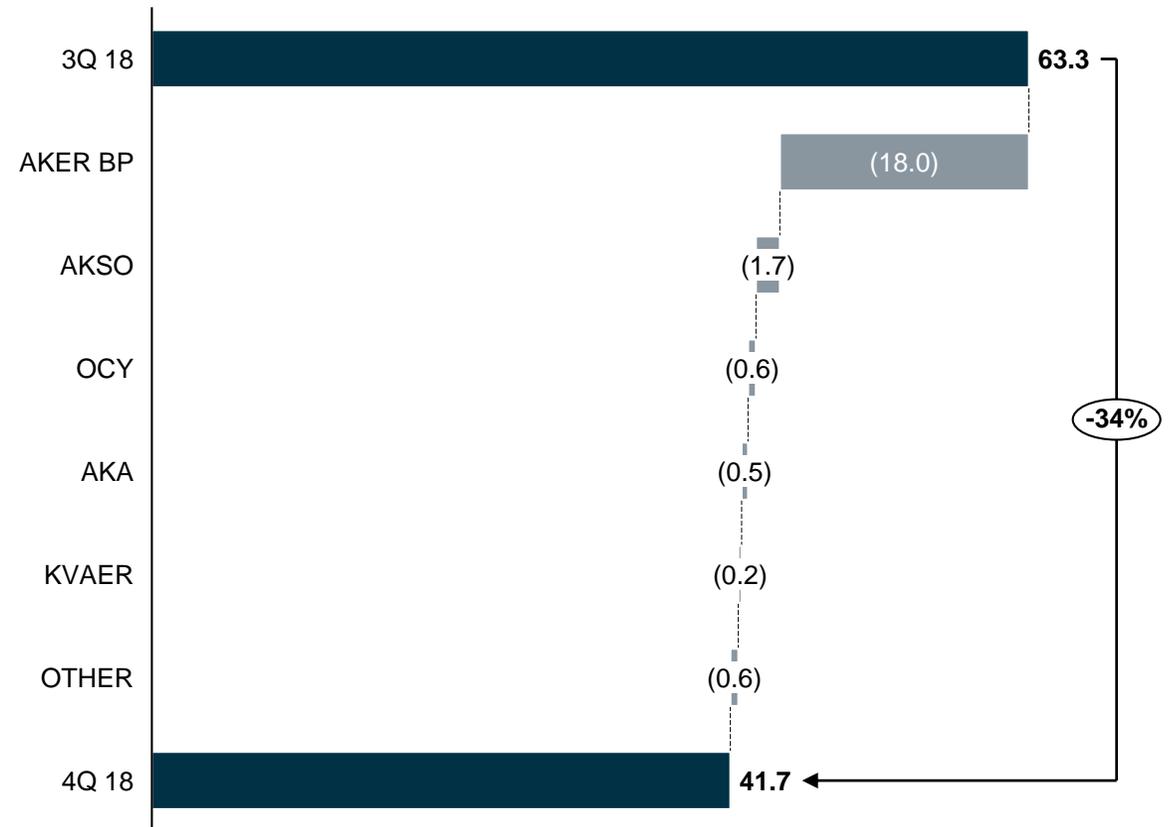


# Flat NAV development in 2018, despite significant value decrease in fourth quarter

Net asset value change in 2018  
NOK billion



Net asset value change in 4Q 2018  
NOK billion

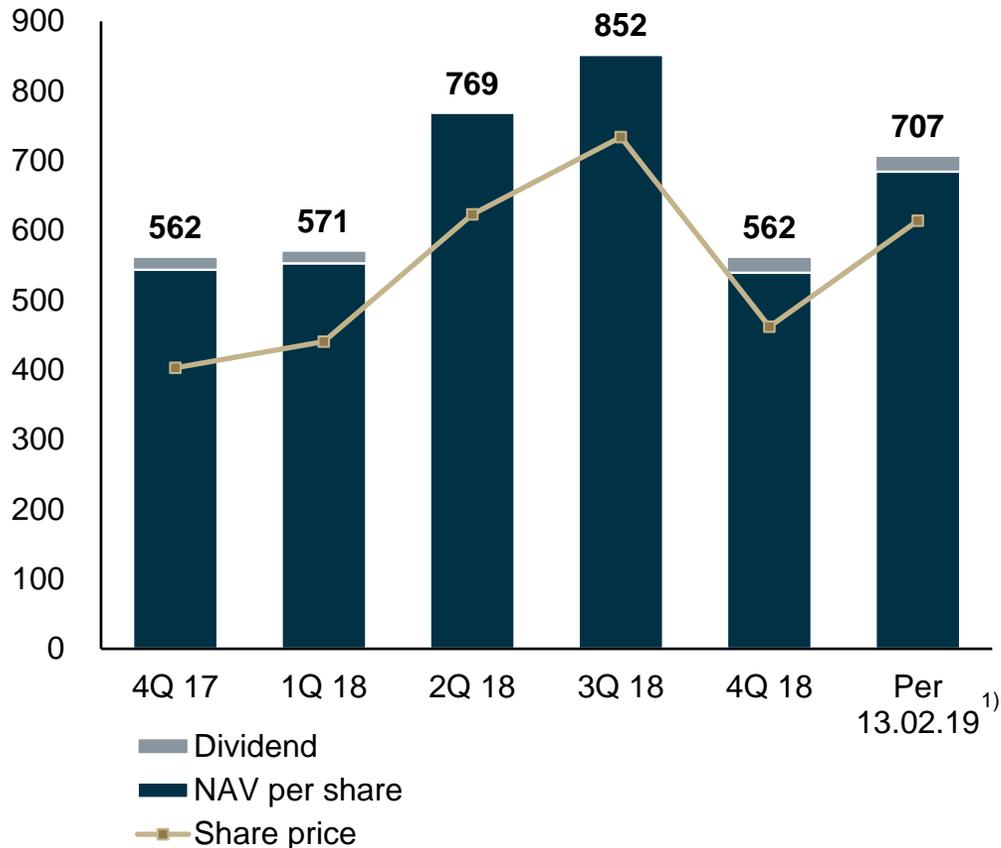


Aker ASA and holding companies

# Share price up 19.1%, dividend adjusted, in 2018

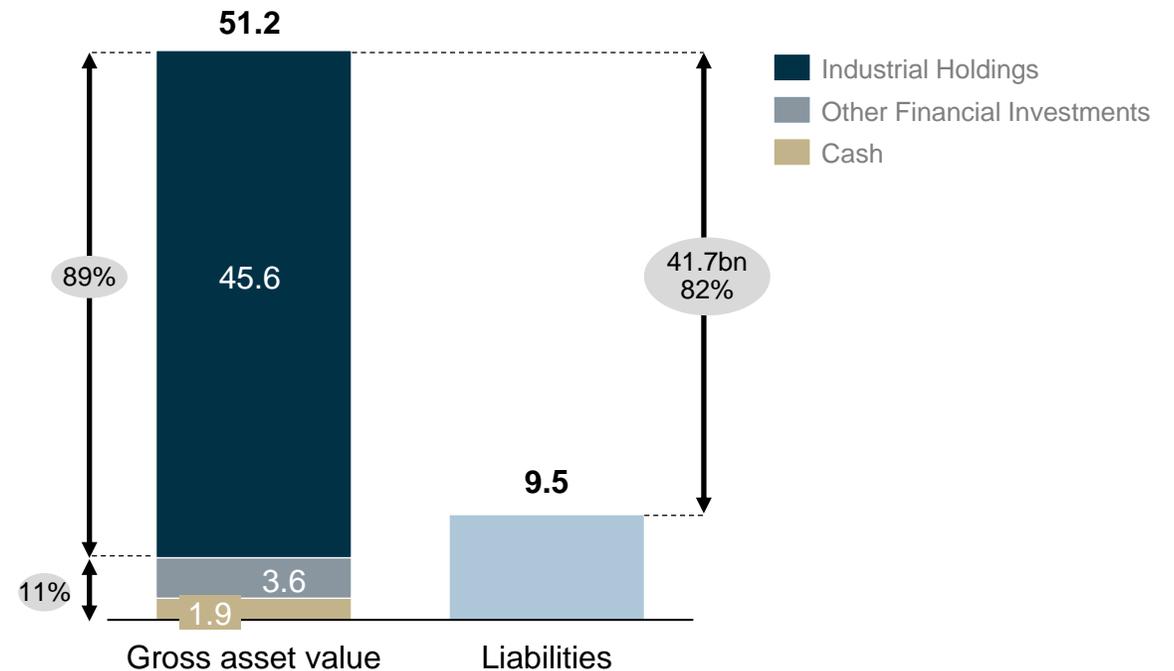
## NAV per share vs. share price

NOK per share



## Net asset value composition

NOK billion, per 4Q 2018



1) Based on closing prices of Aker's listed holdings as per 13 February 2019, remaining assets and liabilities at reported book values per 31.12.18. Excluding cash movements in the first quarter

# Portfolio composition unchanged



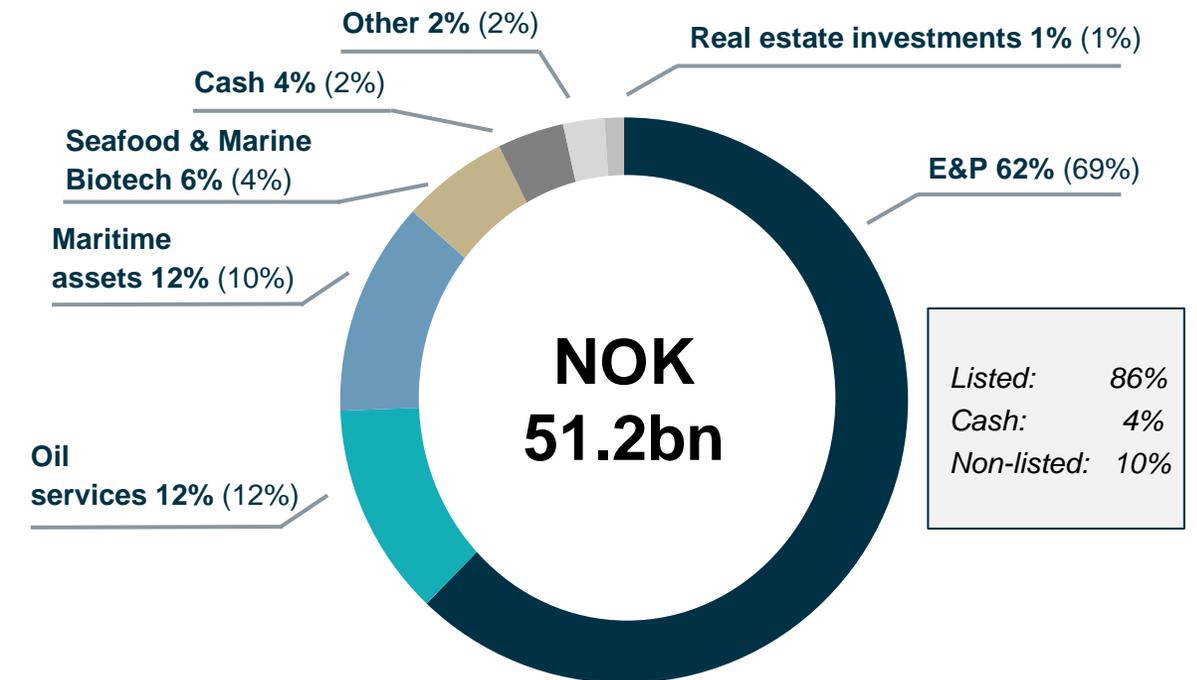
## Portfolio composition NOK billion, per 4Q 2018



Listed investments  
Unlisted investments

Industrial Holdings				Financial Investments		
	Aker BP	40.0%	31.4	1.9	Cash	
	Aker Solutions <sup>1)</sup>	34.8%	3.8	0.7	Listed financial investments	
	Akastor <sup>1)</sup>	36.7%	1.3	0.6	Real Estate Investments <sup>2)</sup>	
	Kvaerner <sup>1)</sup>	28.7%	0.9	2.4	Other financial investments <sup>2)</sup>	
	Ocean Yield	61.7%	5.8			
	Aker BioMarine <sup>2)</sup>	100.0%	2.4			
<b>Gross asset value</b>			<b>45.6</b>	<b>5.6</b>		
<b>Net asset value</b>			<b>41.7</b>			

## Gross asset value distribution Per 4Q 2018 (3Q 2018)

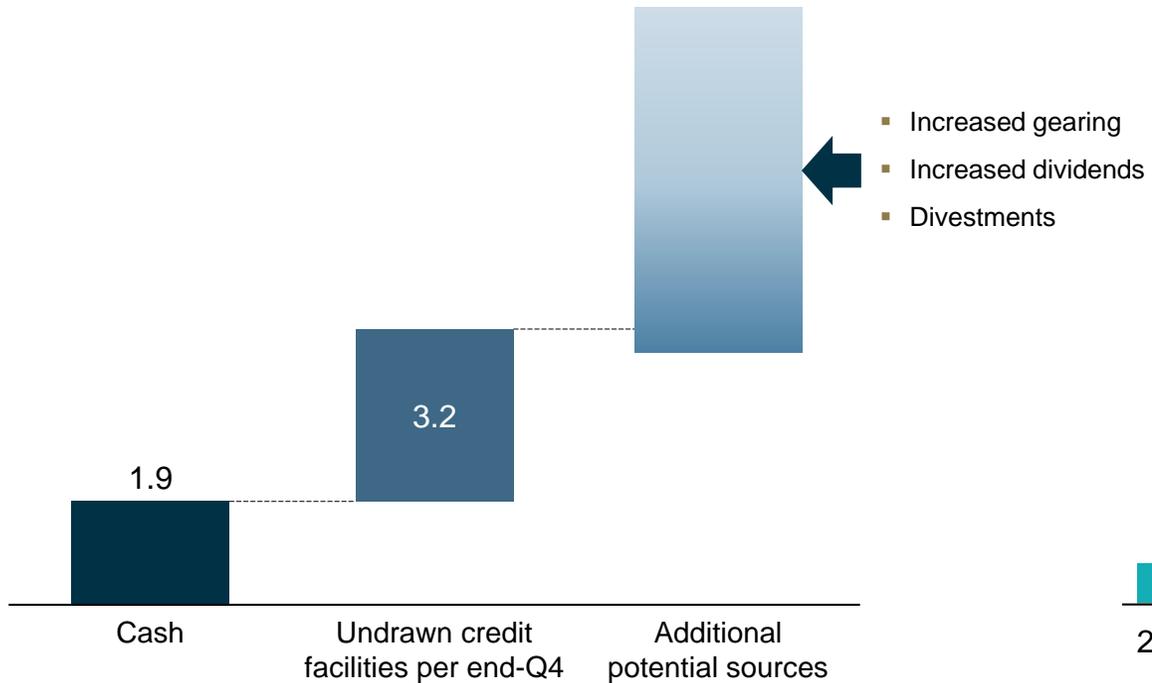


1) Owned partly through Aker Kvaerner Holding, in which Aker has a 70% ownership interest. Additionally, Aker has a direct ownership interest in Aker Solutions and Akastor  
2) Reflected at book value

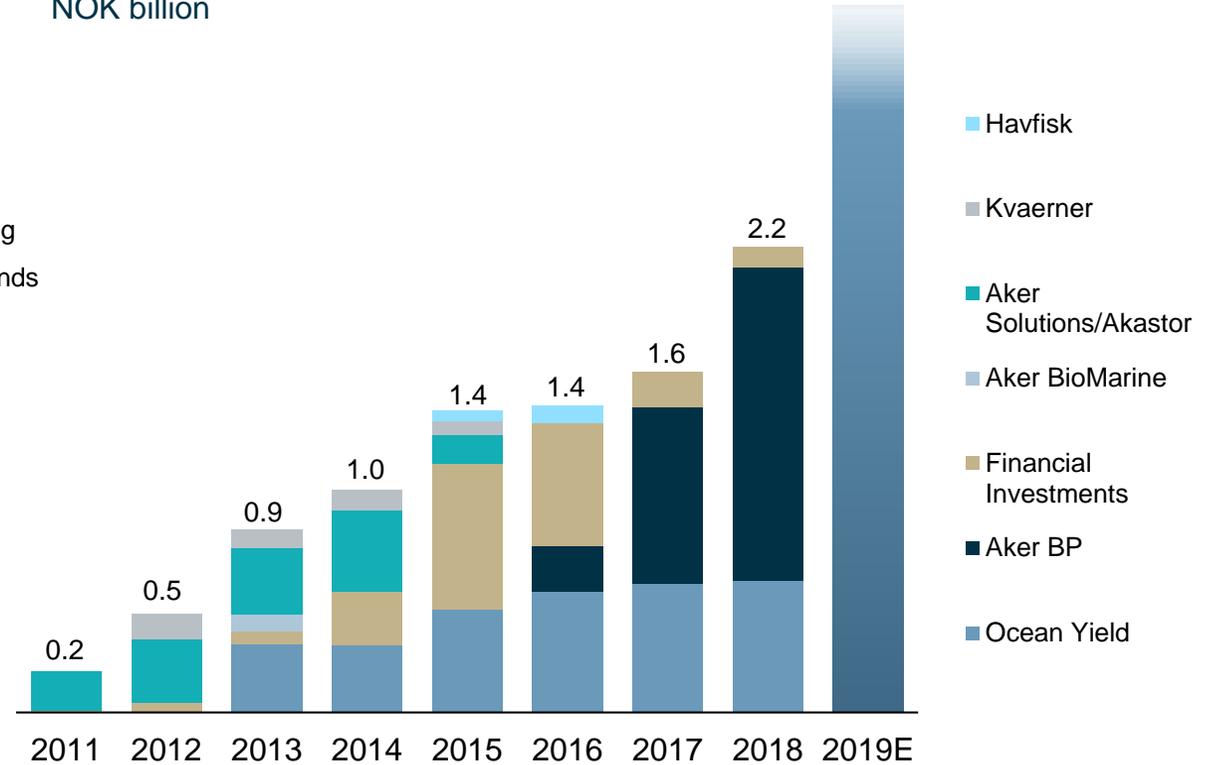


# Record high upstream cash in 2018, expected to grow in 2019

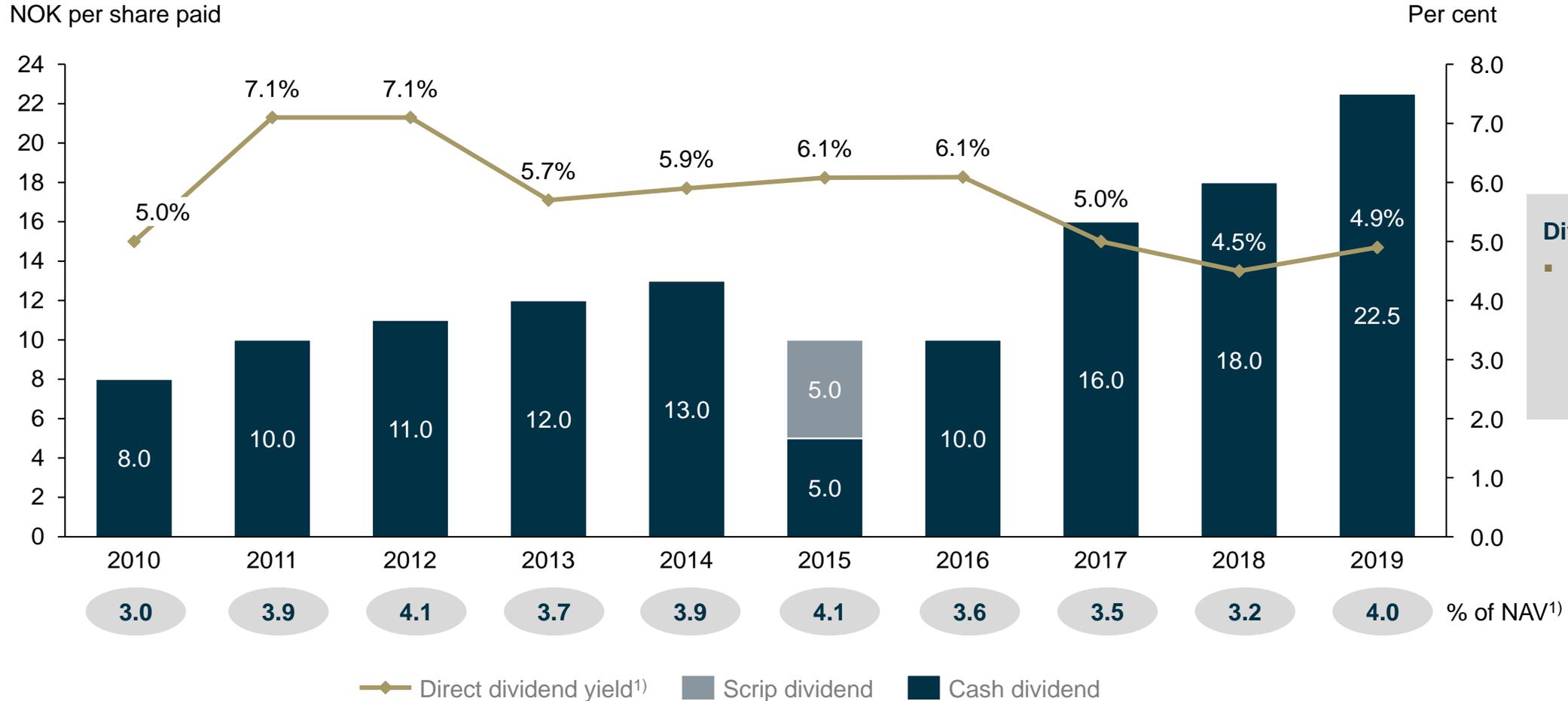
Investment capacity potential  
NOK billion



Upstream dividend  
NOK billion



# NOK 22.50 per share in cash dividend proposed (4.0% of NAV)



¹) As per end of preceding year

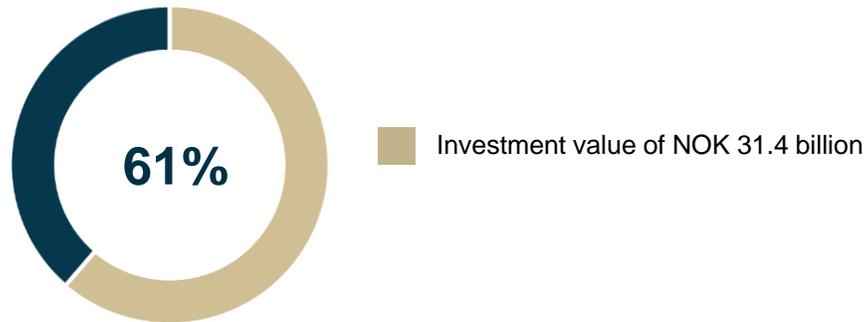
# Aker BP

Exploration & Production company on the Norwegian continental shelf



## % of gross asset value

(4Q 2018)



## Aker's ownership agenda

- Organic and structural growth
- Dividend growth
- Operational excellence and efficiency improvements through new business models and technologies, including digitalisation

### Aker's investment

*NOK million*

Value as per 30.09.18	49 755
Value change in 4Q	(17 973)
Received dividends	(378)
Value as per 31.12.18	31 403

### Key figures

*USD million*

	4Q 17	4Q 18	FY 17	FY 18
Revenues	726	886	2 563	3 750
EBITDAX	565	692	2 012	3 044

Industrial Holdings

# Aker Solutions

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

## % of gross asset value

(4Q 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 30.09.18	5 475
Value change in 4Q	(1 725)
Value as per 31.12.18	3 750

### Key figures

*NOK million*

	4Q 17	4Q 18	FY 17	FY 18
Revenues	6 444	6 954	22 461	25 232
EBITDA	458	483	1 519	1 810
Backlog			34 581	35 148

## Industrial Holdings

# Akastor

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

## % of gross asset value

(4Q 2018)



## Aker's ownership agenda

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



## Aker's investment

*NOK million*

Value as per 30.09.18	1 778
Value change in 4Q	(465)
Value as per 31.12.18	1 313

## Key figures

*NOK million*

	4Q 17	4Q 18	FY 17	FY 18
Revenues	895	1 090	3 606	3 800
EBITDA	96	63	116	290
Backlog			1 948	2 692



## % of gross asset value

(4Q 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 30.09.18	1 163
Value change in 4Q	(232)
Value as per 31.12.18	931

**Key figures**

*NOK million*

	4Q 17	4Q 18	FY 17	FY 18
Revenues	1 797	1 715	6 536	7 220
EBITDA	227	77	799	437
Backlog			8 077	10 625

Industrial Holdings

# Ocean Yield

A maritime assets company with focus on long-term contracts

## % of gross asset value

(4Q 2018)



## Aker's ownership agenda

- Growth and diversification through transactions
- Manage and mitigate counterparty risk
- Re-contract FPSO Dhirubhai
- Optimise capital structure, reduce cost of capital and maintain attractive dividend



## Aker's investment

NOK million

Value as per 30.09.18	6 543
Value change in 4Q	(568)
Received dividends	(159)
Value as per 31.12.18	5 816

## Key figures

USD million

	4Q 17	4Q 18	FY 17	FY 18
Revenues	89	64	339	343
EBITDA	80	36	306	283
EBITDA backlog			3 000	3 600

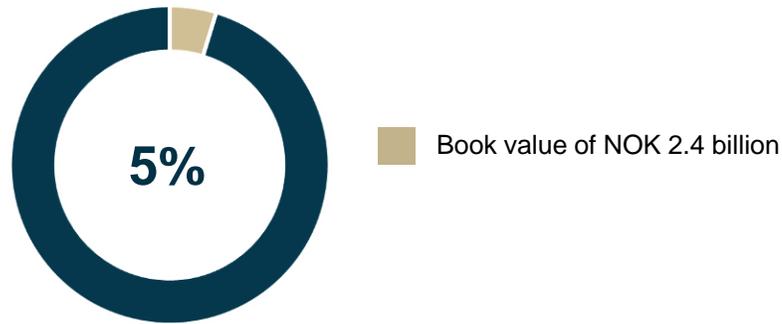
Industrial Holdings

# Aker BioMarine

Integrated biotech company – specialised in krill harvesting and processing

## % of gross asset value

(4Q 2018)



## Aker's ownership agenda

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



## Aker's investment

NOK million

Value as per 30.09.18 (book value)	2 411
Value change in 4Q	-
Value as per 31.12.18 (book value)	2 411

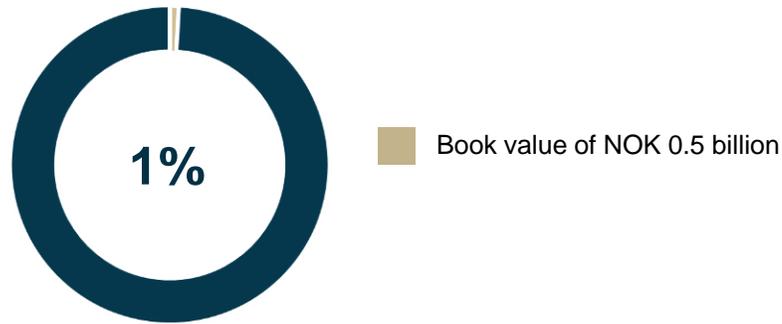
## Key figures

USD million	4Q 17	4Q 18	FY 17	FY 18
Revenues	34	36	126	155
EBITDA	1	2	17	33



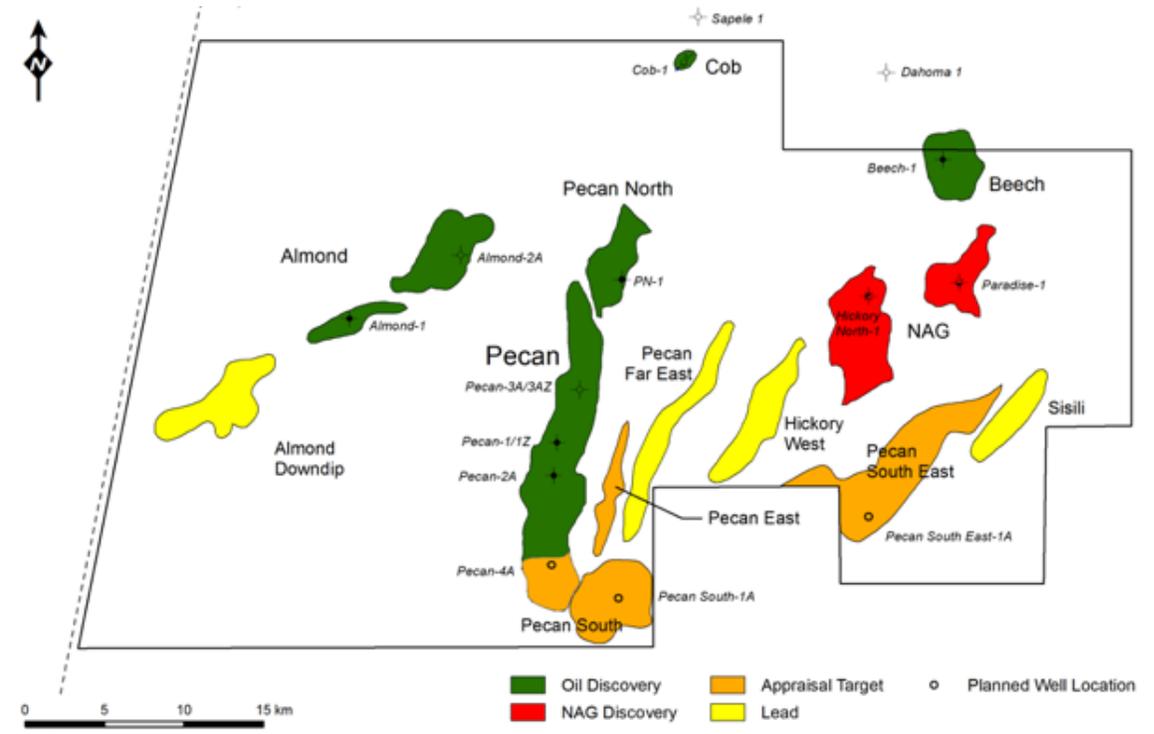
## % of gross asset value

(4Q 2018)



## Highlights and outlook:

- Successful drilling of Pecan-4A appraisal well
- Received permit to drill two additional appraisal wells
- Continued work on maturing field development concept
- Preparing to file Plan of Development by end of March
- Plan for IPO or other transaction



Aker ASA and holding companies

# Cognite

Software & digitalisation company



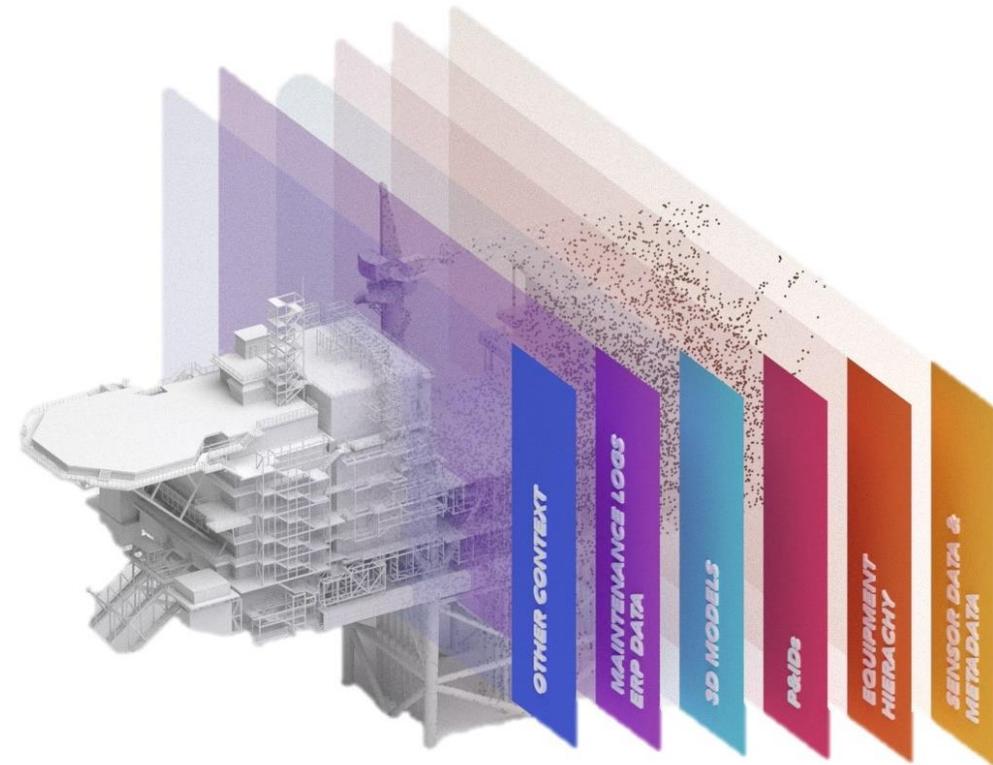
## % of gross asset value

(4Q 2018)



## Highlights and outlook:

- Signed DEA and Statnett as new customers
- Organization continues to grow, now over 150 employees
- Expectation of significant revenue growth in 2019 with continued positive EBITDA margins
- International expansion
- Long-term plan for IPO



Aker ASA and holding companies

## World Ocean Headquarter (WOH)



- Initiative announced October 2018 by Aker and REV Ocean
- Global center of competency for ocean and environment related issues, solutions and activities
- Political majority in Bærum municipality turning down the building project
- Aker to explore alternative ways to realize WOH





# Aker

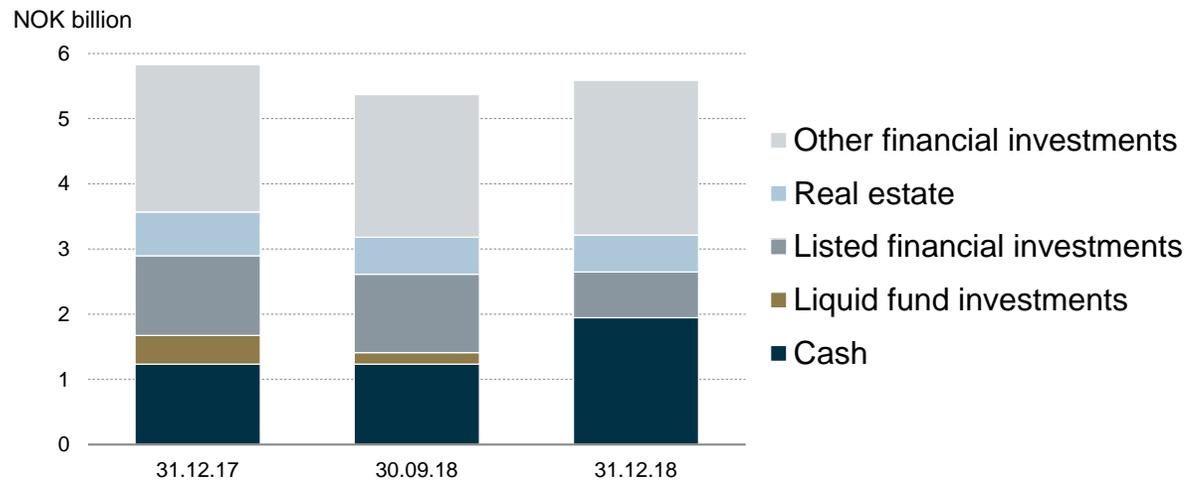
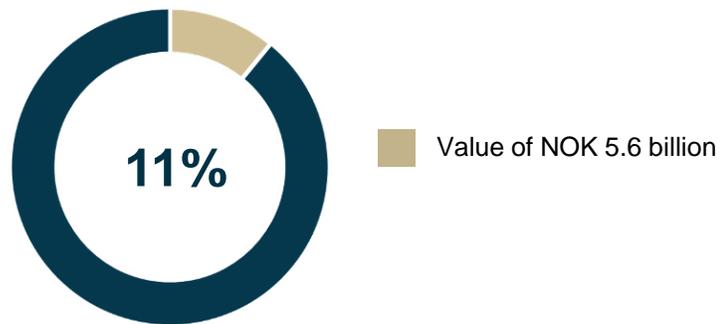
# Financial Investments

# Financial Investments Overview



## % of gross asset value

(31.12.2018)



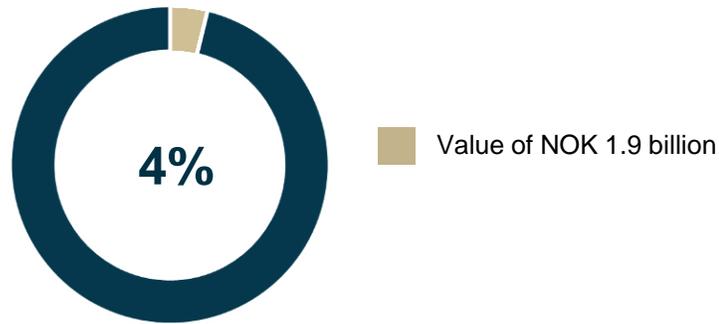
# Financial Investments

## Cash



### % of gross asset value

(31.12.2018)



- Cash up NOK 712 million in the quarter to NOK 1.9 billion:
  - + NOK 552 million in dividends received
  - + NOK 291 million in cash release on AMSC TRS
  - + NOK 175 million from liquid fund investments
  - NOK 167 million in investment in Aker Energy
  - NOK 165 million in operating expenses and net interest
  - + NOK 26 million in net other cash movements
- Total liquidity reserve of NOK 5.2 billion, including undrawn credit facilities.

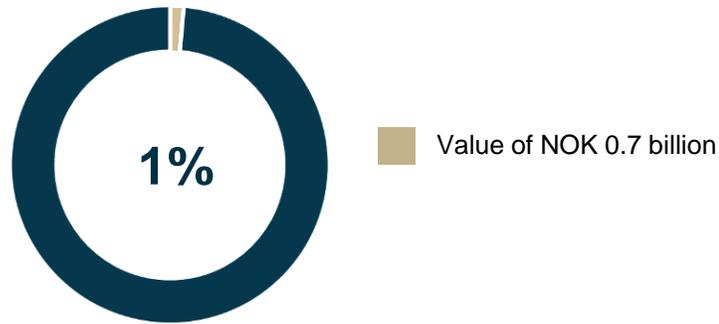


# Listed financial investments



## % of gross asset value

(31.12.2018)



- Value decrease of Solstad Offshore and Philly Shipyard with NOK 186 million and NOK 123 million, respectively.
- The value of the share investment in AMSC was up NOK 27 million.
- The AMSC TRS were rolled forward in November, with a cash release of NOK 291 million. At 31.12.18, the new TRS had a negative value of NOK 32 million.
- Dividend received from AMSC of NOK 21 million (shares and TRS).



## Aker's investment

<i>NOK million</i>	4Q 17	3Q 18	4Q 18
Philly Shipyard	492	326	203
AMSC (excl. TRS)	276	358	385
Solstad Offshore	353	287	101
Other	30	19	13
<b>Total value</b>	<b>1 152</b>	<b>990</b>	<b>701</b>
AMSC TRS <sup>1)</sup>	68	213	(32)

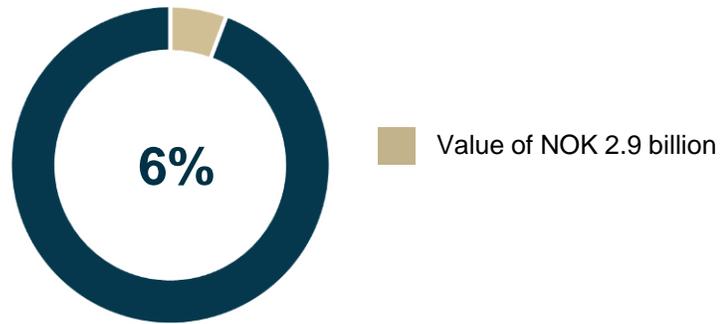
1) From Q4 2018 included in «interest-free liabilities» if negative value and within «other financial investments» if positive value.

# Real estate and other financial investments



## % of gross asset value

(31.12.2018)



- Cash funding of Aker Energy increased by NOK 167 million. Outstanding amounts converted into equity in December.

### Aker's investment

<i>NOK million</i>	4Q 17	3Q 18	4Q 18
Real estate	674	568	568
Aker Energy	-	302	471
Other financial investments	2 261	1 886	1 902
<b>Total value</b>	<b>2 934</b>	<b>2 756</b>	<b>2 942</b>

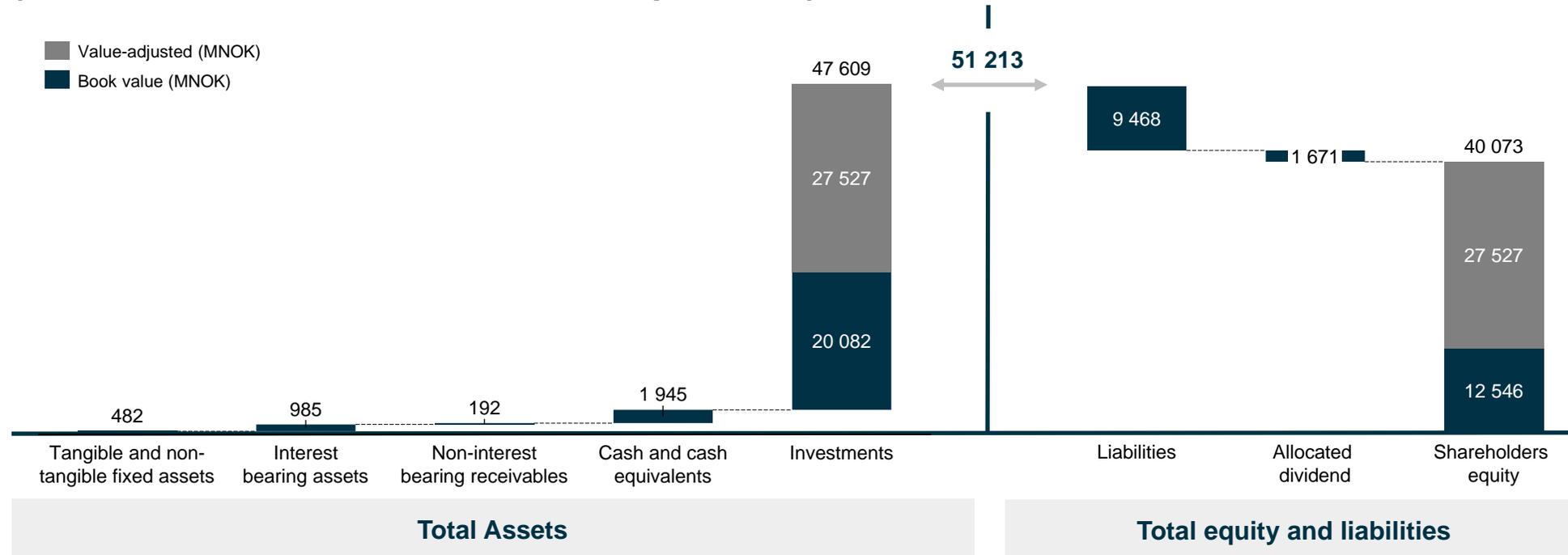


# Aker **Financial Statements**

Aker ASA and holding companies

# Balance sheet at 31.12.2018

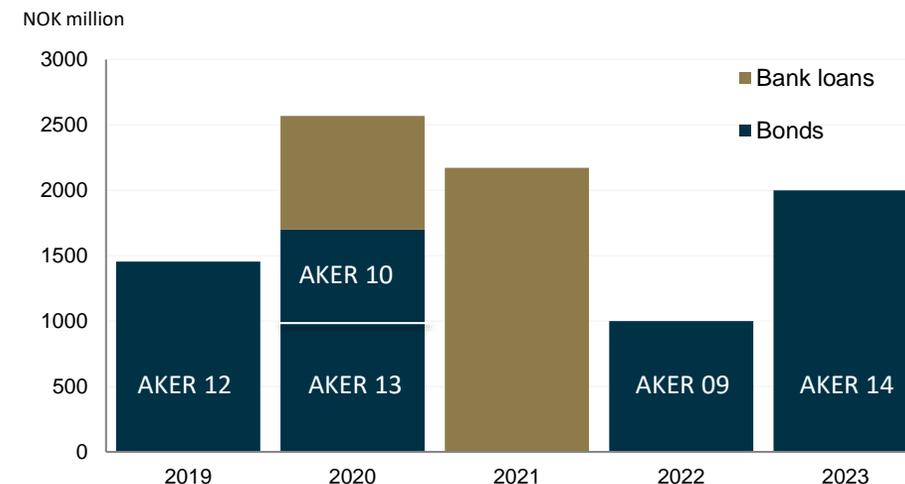
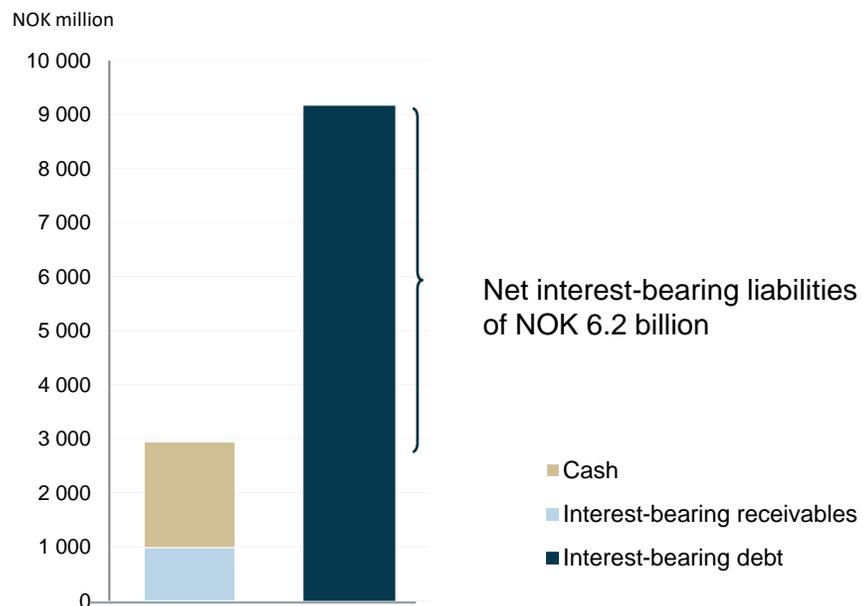
(after dividend allocation of NOK 22.50 per share)



Main changes in fourth-quarter 2018	
•	Cash holdings increased to NOK 1.9 billion.
•	Book value of investment reduced with NOK 482 million, mainly due to impairments of the investment in Solstad Offshore and the direct investments in Aker Solutions and Akastor, partly offset by increased investment in Aker Energy.
•	Decrease in <u>fair</u> value adjustment of NOK 21.3 billion. Explained by value decreases of several investments of which Aker BP represented a NOK 18.3 billion decrease.
•	Dividend allocation of NOK 22.50 per share, NOK 1 671 million in total.

	Book value	Value-adjusted
Equity (MNOK)	12 546	40 073
Equity ratio	53.0%	78.2%
Equity per share	NOK 169	NOK 540

# Interest-bearing items as of 31.12.2018



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

Average debt maturity is 2.5 years

Financial Covenants	Limit	Status at 31.12.2018
i Total Debt/Equity - Aker ASA (parent only)	< 80%	44%
ii Group Loans to NAV or Group Loans	< 50% < NOK 10 bn	1.7% NOK 0.7 bn

# Income statement



<i>Amounts in NOK million</i>	3Q 2018	4Q 2018	Year 2017	Year 2018
Sales gains	-	-	-	194
Operating expenses	(67)	(58)	(244)	(254)
<b>EBITDA</b>	<b>(67)</b>	<b>(58)</b>	<b>(244)</b>	<b>(60)</b>
Depreciation and impairment	(5)	(5)	(14)	(18)
Value change	(102)	(628)	(289)	(383)
Net other financial items	482	410	1 380	1 927
<b>Profit before tax</b>	<b>309</b>	<b>(281)</b>	<b>833</b>	<b>1 467</b>



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