



Proud ownership

# Q3

# 2019

## Aker ASA Third-quarter results 2019

1 November 2019

# Highlights

## Third quarter:

- **Net asset value:** NOK 43.1 billion, down from NOK 44.8 billion in second quarter
- **Return:** Aker share down 1.4 per cent to NOK 484
- **Liquidity reserve:** NOK 5.2 billion, cash amounted to NOK 2.7 billion

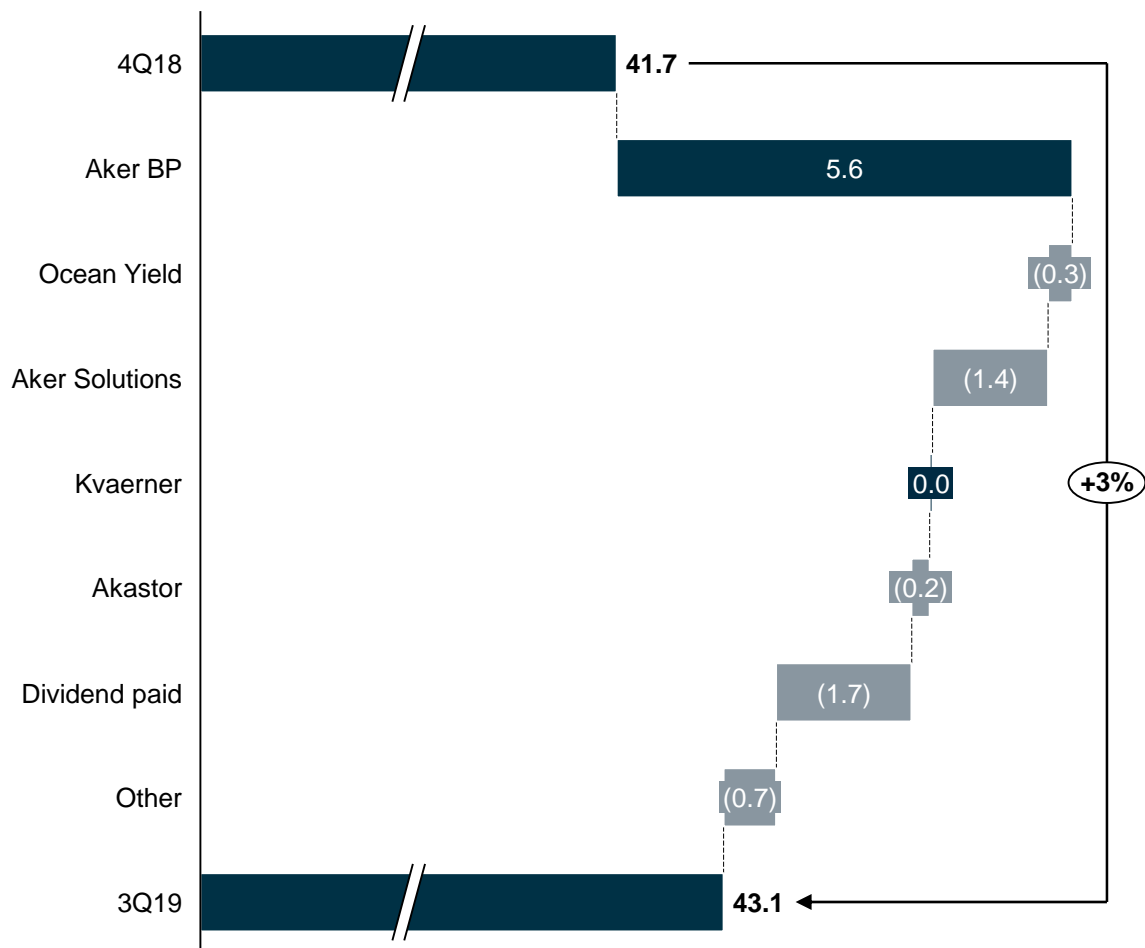
## Key events:

- **Kværner:** Established two new business areas; FPSO and Renewables, to grow operations
- **Ocean Yield:** Successfully completed a perpetual hybrid bond issue of USD 125 million, carrying coupon of 3-month LIBOR + 6.50 per cent p.a.
- **Aker:** Launched the Centre for the Fourth Industrial Revolution (C4IR) Norway together with the World Economic Forum
- **Aker BP:** In October, the Johan Sverdrup field came on stream more than two months ahead of schedule and NOK 40 billion below budget
- **Aker Solutions:** In October, launched its "20-25-30" strategy whereby revenue from renewables is targeted to represent as much as 20 per cent of revenues, and low-carbon solutions as much as 25 per cent of revenues by 2030
- **Aker:** In October, signed a Memorandum of Understanding with Saudi Aramco for a strategic partnership on industrial digitalization and sustainability initiatives
- **Aker Energy:** In October, changed its strategy in Ghana to de-risk the Pecan development within the frames of the current petroleum agreement and only with tie-ins already identified

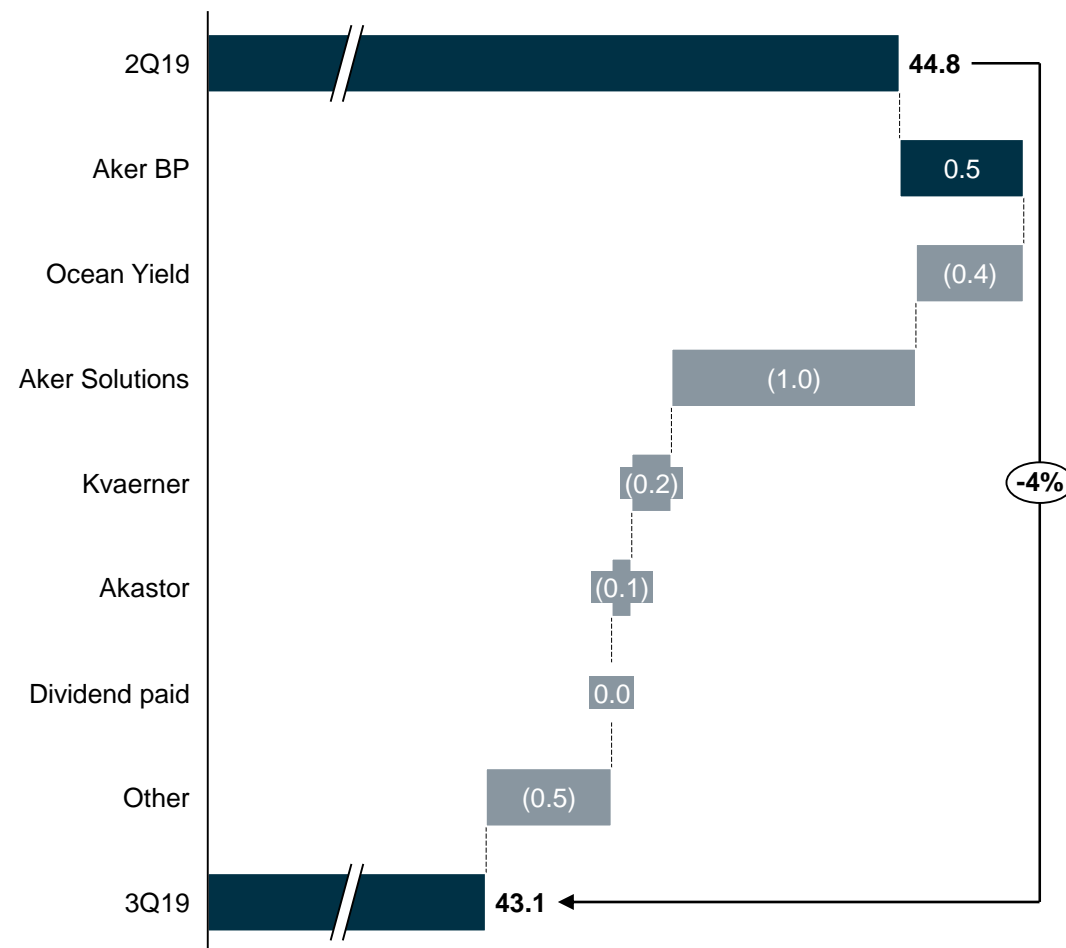


# 7.3% return on NAV YTD including paid dividend, -3.8% return in 3Q

Net asset value change YTD 2019  
NOK billion



Net asset value change in 3Q 2019  
NOK billion

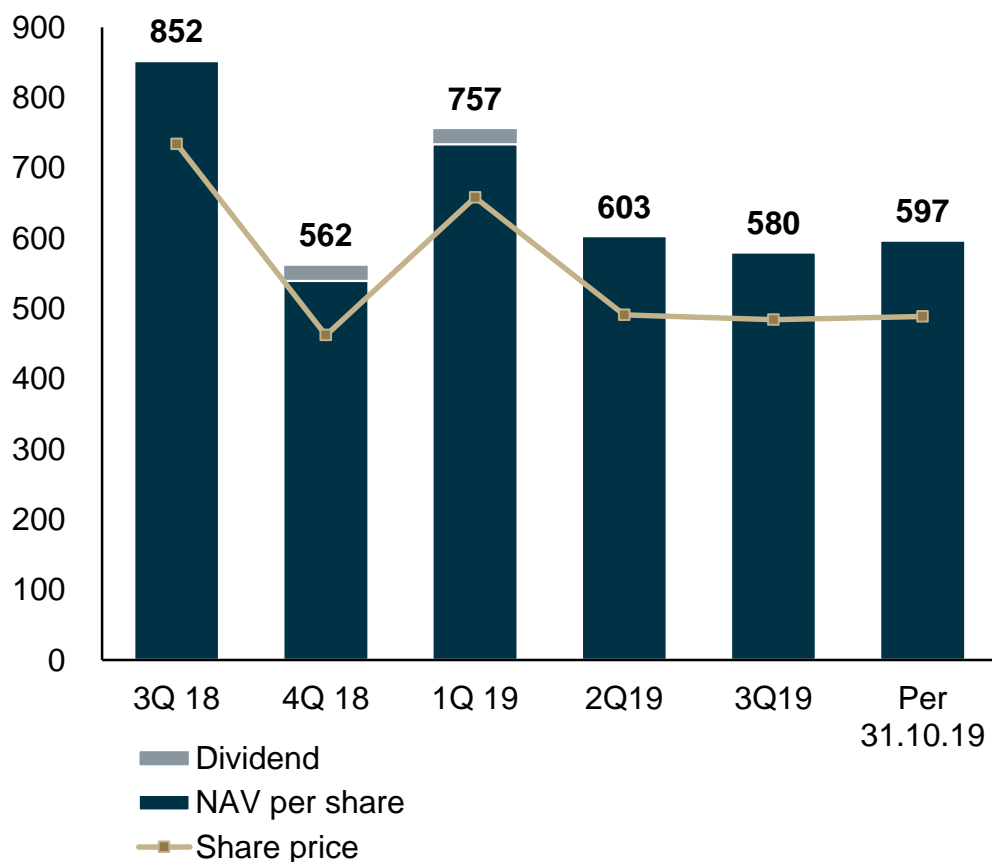


# Share price up 9.6% Q3-YTD dividend adjusted - strong balance sheet



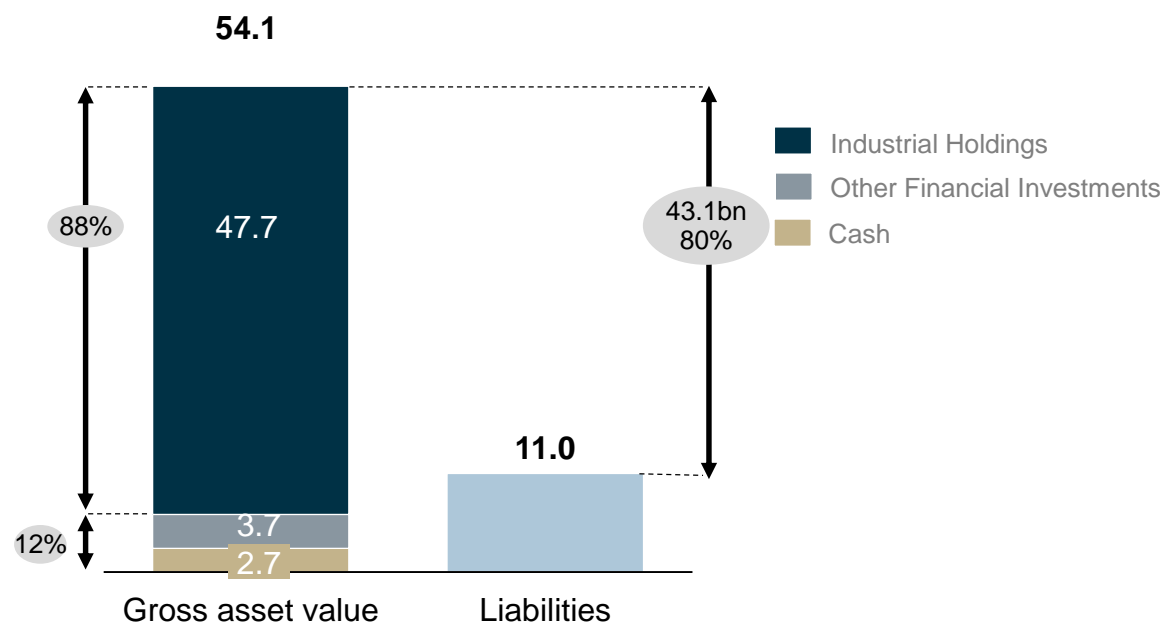
## NAV per share vs. share price

NOK per share



## Net asset value composition

NOK billion, per 3Q 2019



# Aker ASA and holding companies

## Portfolio composition











### Portfolio composition

NOK billion, per 3Q 2019



Listed investments  
Unlisted investments

Industrial Holdings				Financial Investments	
 AkerBP	Aker BP	40.0%	35.1	2.7	Cash
 Aker Solutions	Aker Solutions <sup>1)</sup>	34.8%	2.3	0.7	Listed financial investments
AKASTOR 	Akastor <sup>1)</sup>	36.7%	1.1	0.6	Real Estate Investments <sup>2)</sup>
 KVERNER	Kvaerner <sup>1)</sup>	28.7%	0.9	2.4	Other financial investments <sup>2)</sup>
 OCEAN YIELD	Ocean Yield	61.7%	5.0		
 AKER BIOMARINE	Aker BioMarine <sup>2)</sup>	98.0%	2.4		
 AKER ENERGY	Aker Energy <sup>2)</sup>	49.2%	0.9		
 Cognite	Cognite <sup>2)</sup>	64.6%	<0.1		
Gross asset value			47.7	6.4	
Net asset value			43.1		

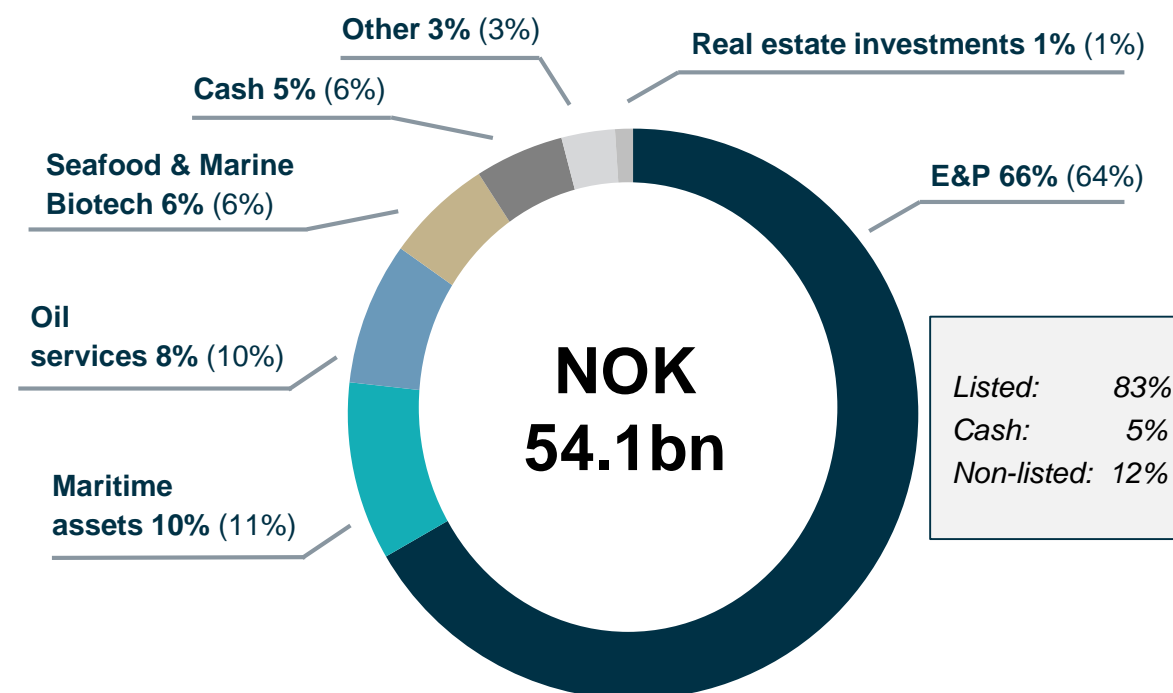
1) Owned partly through Aker Kvaerner Holding, in which Aker has a 70% ownership interest. Additionally, Aker has a direct ownership interest in Aker Solutions and Akastor  
2) Reflected at book value

1 November 2019

AKER ASA | Third-quarter results 2019

### Gross asset value distribution

Per 3Q 2019 (2Q 2019)

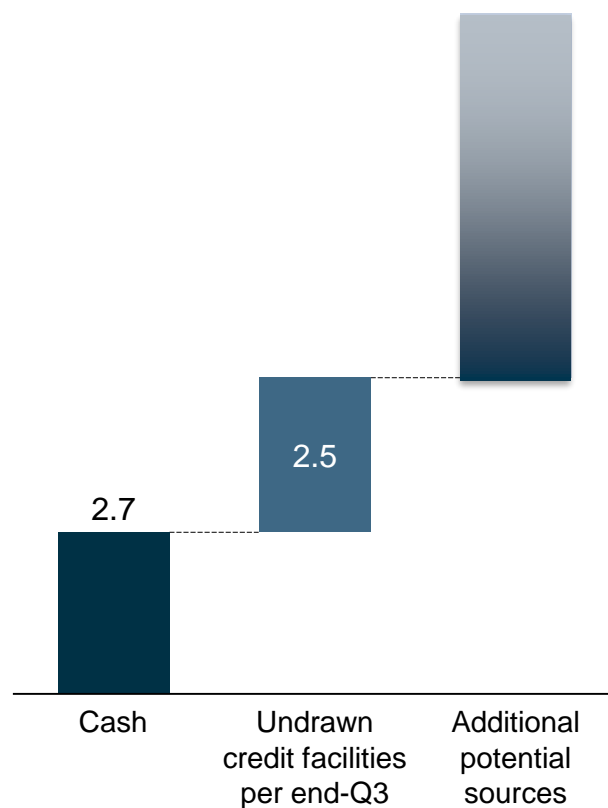




# Strong liquidity position - upstream cash of BNOK 3.5 in 2019

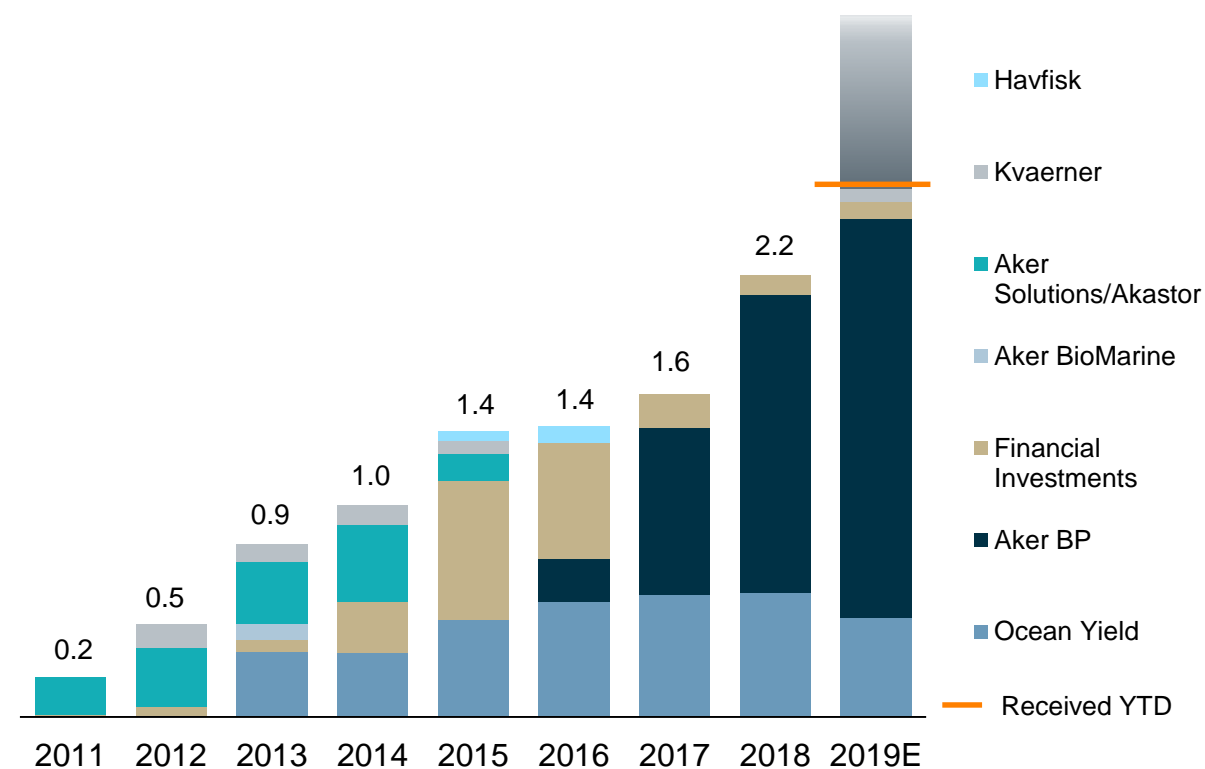
## Investment capacity potential

NOK billion



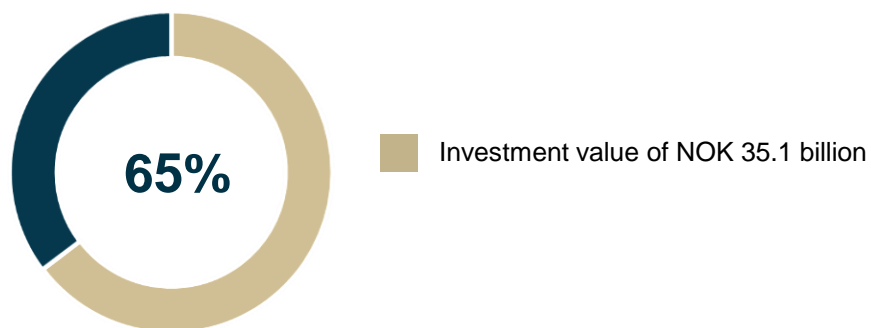
## Upstream dividend

NOK billion



## % of gross asset value

(3Q 2019)



## 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 30.06.19	35 234
Value change in 3Q	494
Dividend income	(667)
Value as per 30.09.19	35 062

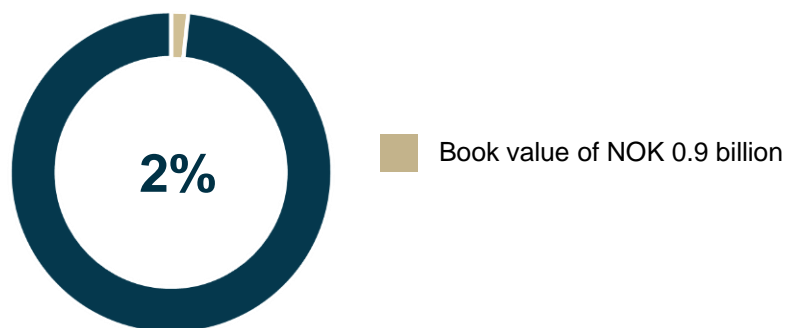
## Key figures

USD million

	3Q 18	3Q 19	YTD 18	YTD 19
Revenues	966	723	2 835	2 344
EBITDAX	791	550	2 310	1 762

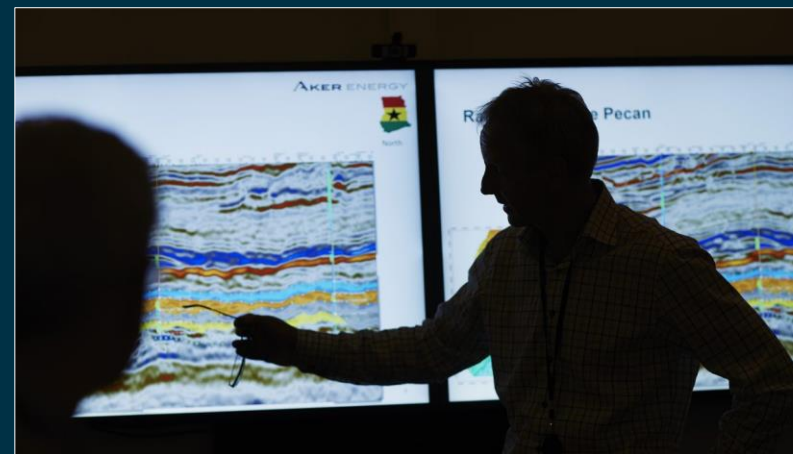
## % of gross asset value

(3Q 2019)



## Aker's ownership agenda

- Approval of Plan for Development and Operations
- Financing of Pecan field development
- Establish and build local content strategy around Aker Ghana Industrial Corporation
- Explore M&A opportunities



## Aker's investment

NOK million

Value as per 30.06.19 (book value)	860
Value change in 3Q	-
Net investments in 3Q	65
Value as per 30.09.19 (book value)	925

## Key figures

USD million

	3Q 18	3Q 19	YTD 18	YTD 19
Revenues	0	2	0	4
EBITDA	(11)	(27)	(22)	(99)



# Aker Solutions

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

## % of gross asset value

(3Q 2019)



## Aker's ownership agenda

- Continue to improve competitiveness, reach cost-efficiency target of 50 per cent by 2021
- Organic growth by winning new contracts
- Strategic growth through alliances and M&A



## Aker's investment

NOK million

Value as per 30.06.19	3 298
Value change in 3Q	(974)
Value as per 30.09.19	2 324

## Key figures

NOK million

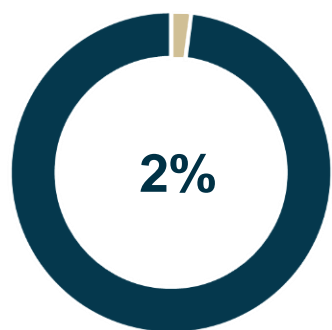
	3Q 18	3Q 19	YTD 18	YTD 19
Revenues	6 541	7 134	18 278	21 915
EBITDA	463	553	1 327	1 810
Backlog			36 081	27 393

# Akastor

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

## % of gross asset value

(3Q 2019)



Investment value of NOK 1.1 billion

## Aker's ownership agenda

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



## Aker's investment

NOK million

Value as per 30.06.19	1 171
Value change in 3Q	(80)
Value as per 30.09.19	1 090

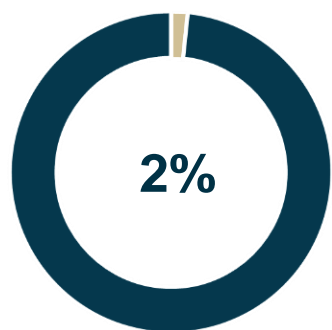
## Key figures

NOK million

	3Q 18	3Q 19	YTD 18	YTD 19
Revenues	955	1 430	2 710	3 804
EBITDA	87	133	228	339
Backlog			2 759	3 274

## % of gross asset value

(3Q 2019)



Investment value of NOK 0.9 billion

## 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 30.06.19	1 059
Value change in 3Q	(159)
Value as per 30.09.19	900

## Key figures

NOK million

	3Q 18	3Q 19	YTD 18	YTD 19
Revenues	1 764	2 450	5 504	6 445
EBITDA	76	138	359	399
Backlog			10 638	8 337

## % of gross asset value

(3Q 2019)



## Aker's ownership agenda

- Growth and diversification through transactions
- Manage and mitigate counterparty risk
- Re-contract FPSO Dhirubhai-1
- Optimise capital structure, reduce cost of capital and maintain attractive dividend



## Aker's investment

NOK million

Value as per 30.06.19	5 619
Value change in 3Q	(428)
Dividend income	(161)
Value as per 30.09.19	5 030

## Key figures

USD million

	3Q 18	3Q 19	YTD 18	YTD 19
Revenues	95	66	279	191
EBITDA	85	57	247	166
EBITDA backlog			3 500	3 200

## % of gross asset value

(3Q 2019)



## Aker's ownership agenda

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



## Aker's investment

*NOK million*

Value as per 30.06.19 (book value)	2 363
Value change in 3Q	-
Value as per 30.09.19 (book value)	2 363

## Key figures

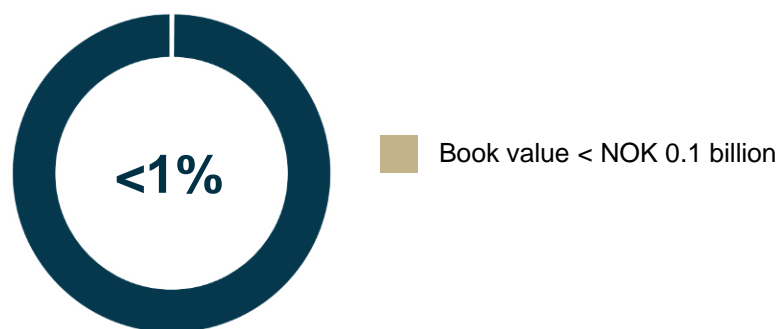
*USD million*

	3Q 18	3Q 19	YTD 18	YTD 19
Revenues	40	69	119	175
EBITDA	12	21	31	40



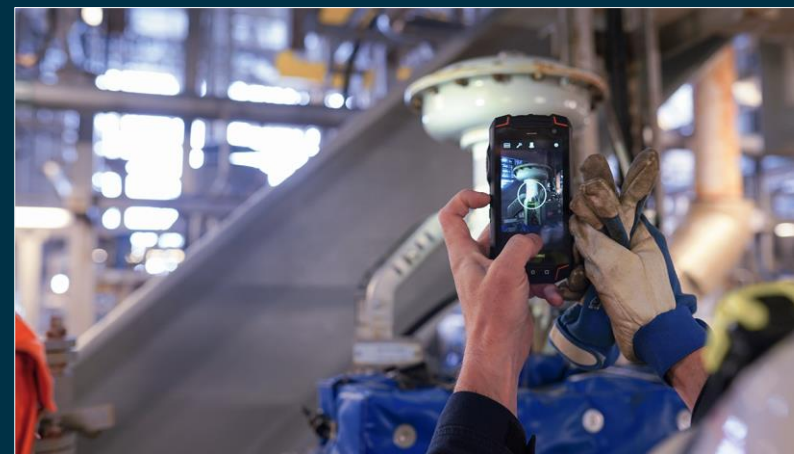
## % of gross asset value

(3Q 2019)



## Aker's ownership agenda

- Expand customer base in oil and gas and other asset-intensive industry verticals
- Continue to recruit top talent
- International expansion
- Pursue strategic partnerships
- Long-term plan for IPO



## Aker's investment

NOK million

Value as per 30.06.19 (book value)	42
Value change in 3Q	-
Value as per 30.09.19 (book value)	42

## Key figures

NOK million

	3Q 18	3Q 19	YTD 18	YTD 19
Revenues	52	90	108	234
EBITDA	8	(13)	14	(23)

# Aker

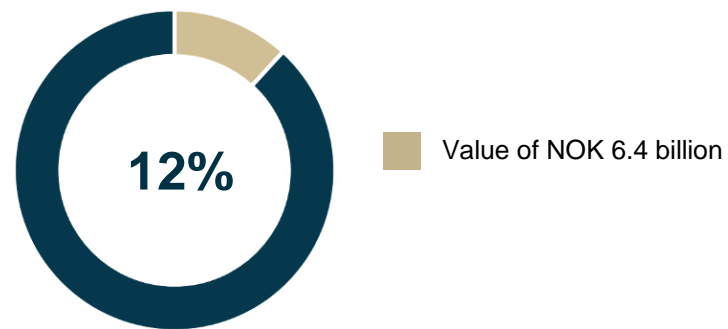
# Financial Investments

# Financial Investments Overview

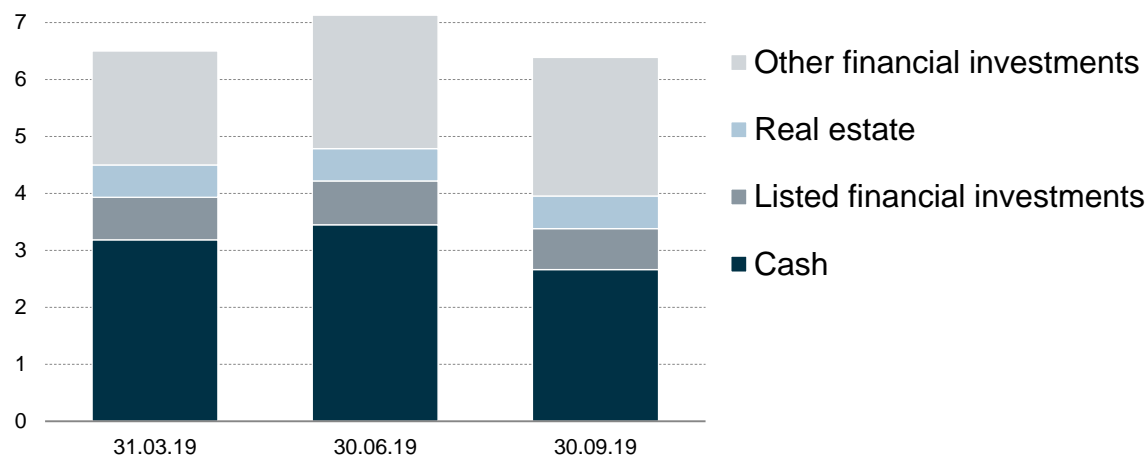


## % of gross asset value

(30.09.2019)



NOK billion



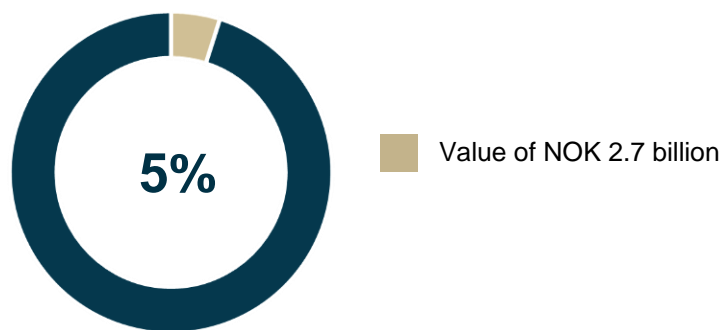
# Financial Investments

## Cash

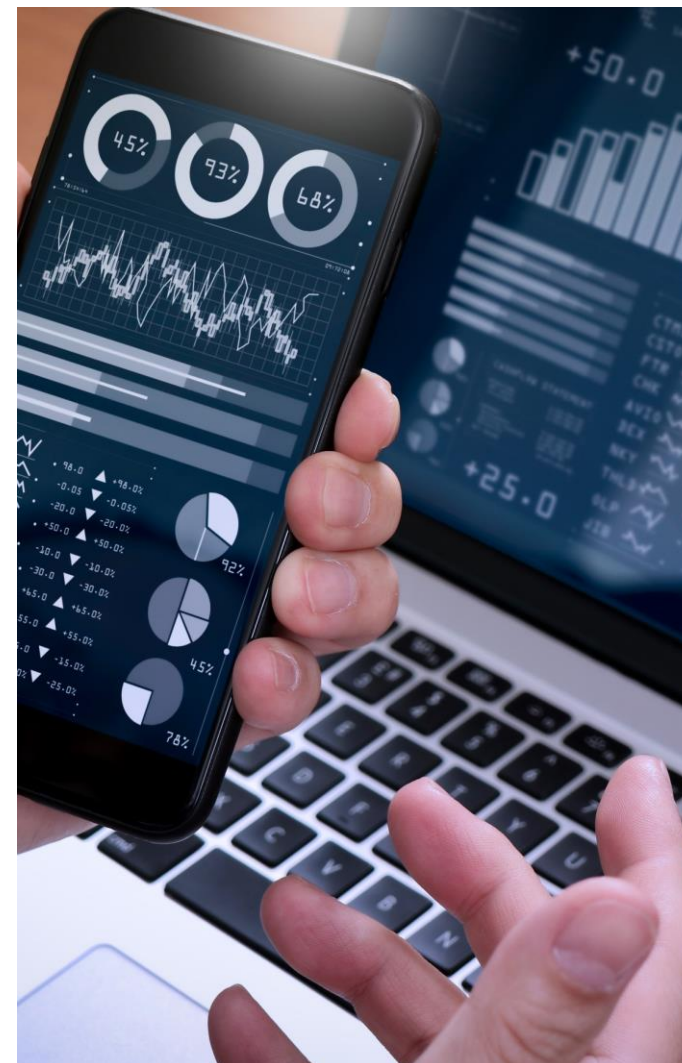


### % of gross asset value

(30.09.2019)



- Cash down NOK 0.8 billion in the quarter to NOK 2.7 billion:
  - + NOK 843 million in dividend received in cash
  - NOK 1 373 million in repayment of AKER12 bond at maturity
  - NOK 64 million in investment in Aker Energy
  - NOK 48 million in net increased receivables from portfolio companies
  - NOK 162 million in operating expenses and net interest
  - + NOK 18 million in net other cash movements and f/x adjustments
- Total liquidity reserve of NOK 5.2 billion, including undrawn credit facilities.

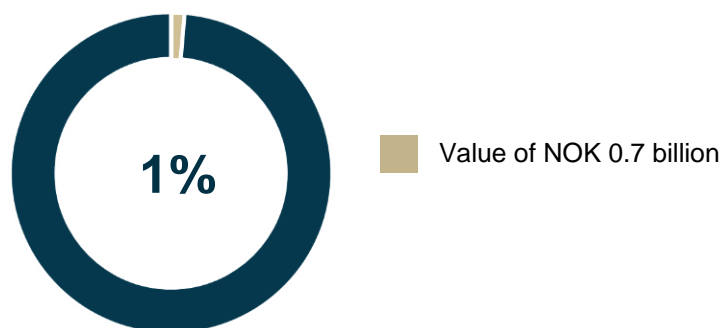


# Listed financial investments



## % of gross asset value

(30.09.2019)



- Value decrease of American Shipping Company shares with NOK 24 million. In addition, a negative value change on AMSC TRS exposure of NOK 36 million. Dividend income from AMSC of NOK 22 million (shares and TRS).
- Value decrease of Solstad Offshore of NOK 50 million.
- Offer accepted to sell all Cxense shares for NOK 16 per share. Total cash proceeds of NOK 20 million received in October.



## Aker's investment

NOK million	1Q 19	2Q 19	3Q 19
Philly Shipyard	279	267	280
AMSC (excl. TRS)	369	406	383
Solstad Offshore	92	91	41
Other	9	6	20
<b>Total value</b>	<b>749</b>	<b>770</b>	<b>723</b>
AMSC TRS*	(55)	8	(28)

\*) Included in «interest-free liabilities» if negative value and in «other financial investments» if positive value.

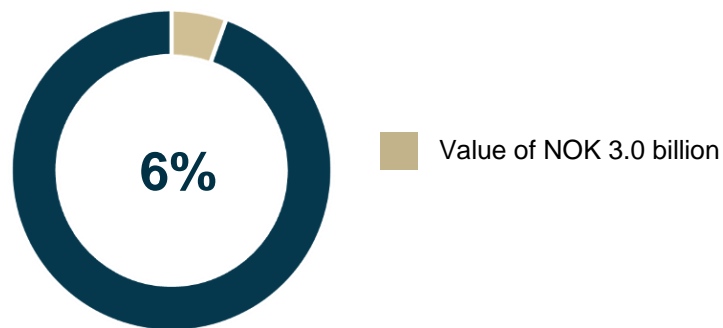


# Real estate and other financial investments



## % of gross asset value

(30.09.2019)



- No major changes in the quarter.
- Other financial investments mainly consist of receivables against Aker BioMarine and Ocean Harvest Invest, airplanes, and unlisted share investments.



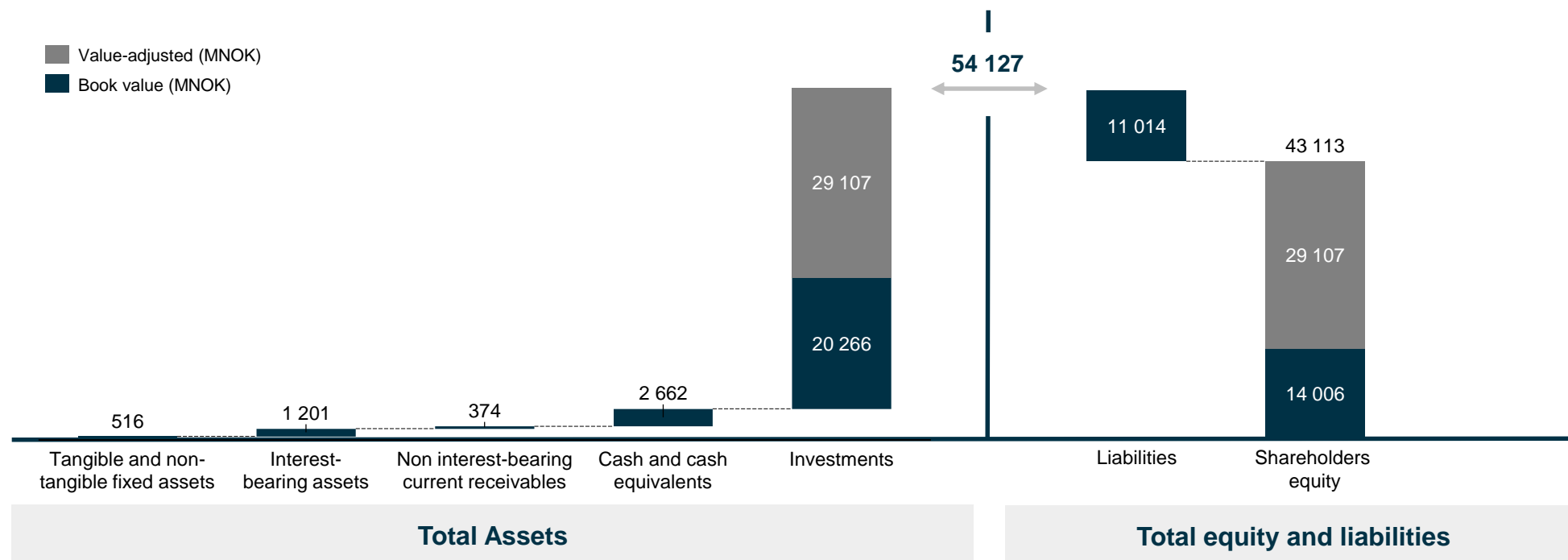
## Aker's investment

<i>NOK million</i>	1Q 19	2Q 19	3Q 19
Real estate	568	568	568
Other financial investments	1 997	2 346	2 437
<b>Total value</b>	<b>2 565</b>	<b>2 914</b>	<b>3 005</b>

# Aker

# Financial Statements

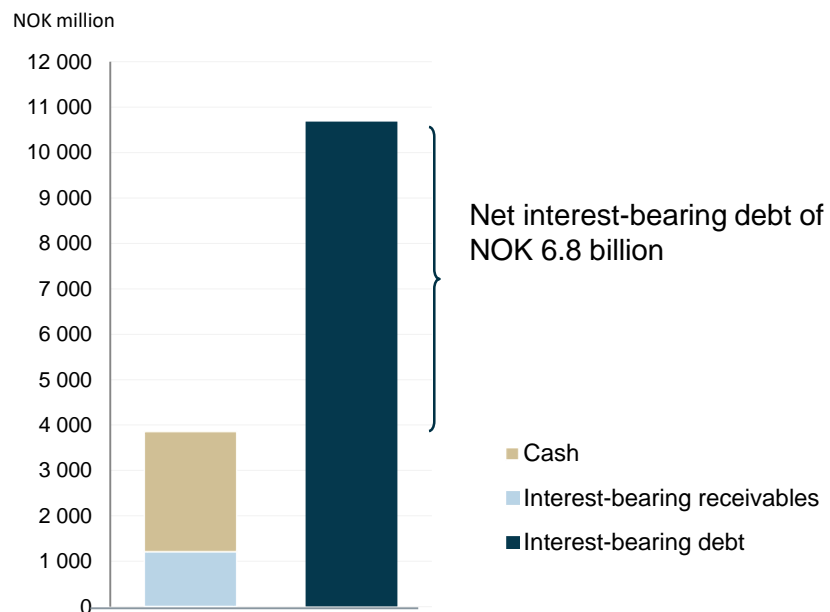
# Balance sheet at 30.09.2019



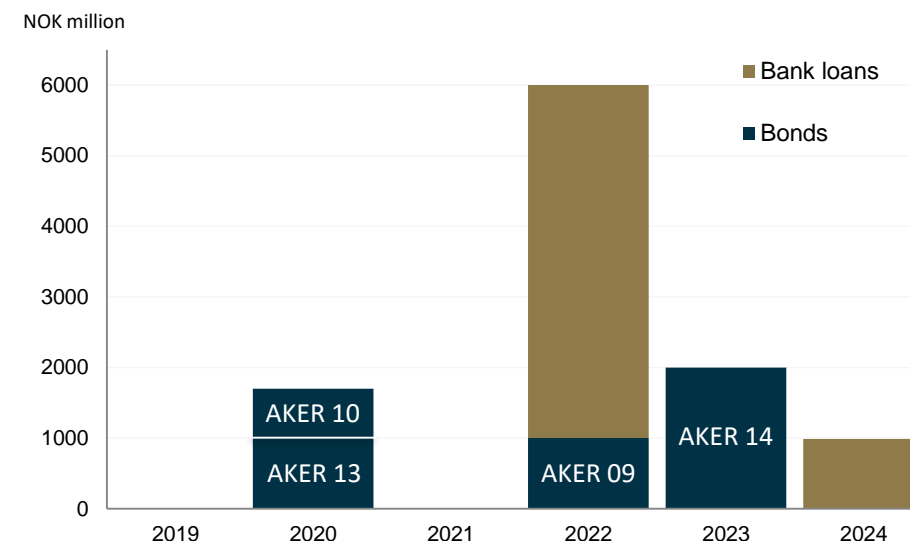
Main changes in third-quarter 2019
<ul style="list-style-type: none"> <li>Cash holdings decreased to NOK 2.7 billion.</li> <li>Book value of investments decreased by NOK 169 million, mainly due to value reductions of direct investments in Aker Solutions, Akastor and Solstad Offshore, partly offset by increased investment in Aker Energy.</li> <li>Decrease in fair value adjustment of NOK 1.8 billion. Mainly explained by value decrease of Aker Solutions and Ocean Yield.</li> <li>AKER12 bond of SEK 1 500 million repaid at maturity in July.</li> </ul>

	Book value	Value-adjusted
Equity (MNOK)	14 006	43 113
Equity ratio	56.0%	79.7%
Equity per share	NOK 189	NOK 580

# Interest-bearing items as of 30.09.2019



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



Average debt maturity is 2.8 years

Financial Covenants	Limit	Status at 30.09.2019
i Total Debt/Equity - Aker ASA (parent only)	< 80%	42%
ii Group Loans to NAV or Group Loans	< 50% < NOK 10 bn	2.5% NOK 1.1 bn

# Income statement



<i>Amounts in NOK million</i>	2Q 2019	3Q 2019	YTD 3Q 2018	YTD 3Q 2019	Year 2018
Sales gains	-	-	194	-	194
Operating expenses	(69)	(67)	(197)	(202)	(254)
<b>EBITDA</b>	<b>(69)</b>	<b>(67)</b>	<b>(2)</b>	<b>(202)</b>	<b>(60)</b>
Depreciation and impairment	(6)	(6)	(12)	(17)	(18)
Value change	(190)	(233)	245	(372)	(383)
Net other financial items	831	410	1 517	2 038	1 927
<b>Profit before tax</b>	<b>566</b>	<b>104</b>	<b>1 748</b>	<b>1 448</b>	<b>1 467</b>





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