

# First Quarter Results 2017

Kristian Røkke and Leif Borge  
Oslo | May 3, 2017



AKASTOR

# Agenda



## HIGHLIGHTS

Kristian Røkke  
CEO



## FINANCIALS

Leif Borge  
CFO



## Q & A

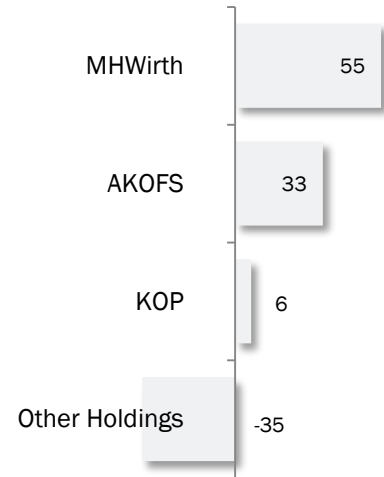
Kristian Røkke and Leif Borge

# Highlights

- ✓ EBITDA of NOK 59 million
- ✓ Net bank debt of NOK 1 447 million
- ✓ Cash and undrawn credit facilities of NOK 1 837 million
- ✓ Frontica Advantage joined NES Global Talent in January

## EBITDA

NOK 59 million



EBITDA

NOK 59 million

Net debt

NOK 3 billion

Order Backlog

NOK 7.4 billion

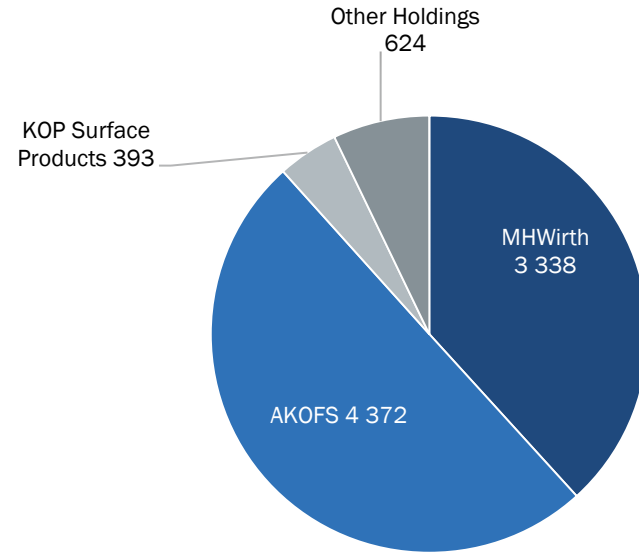
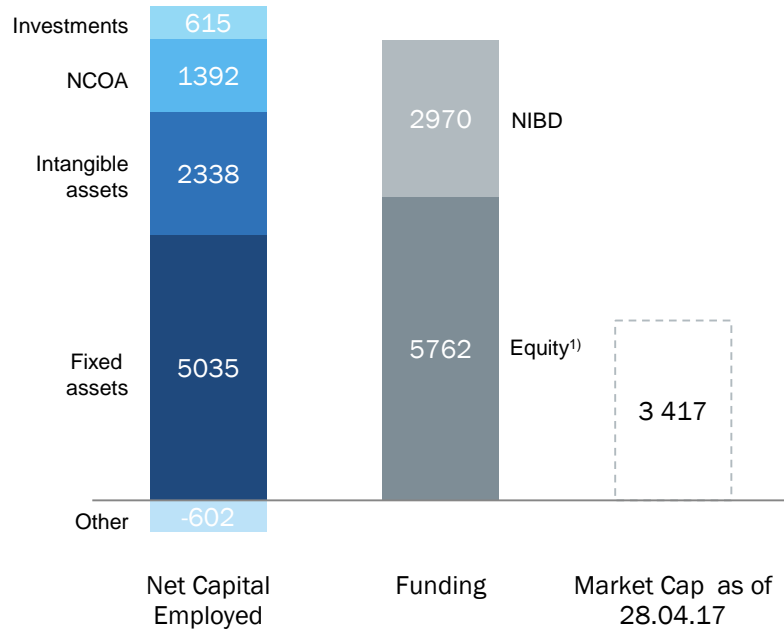
# Condensed Consolidated Income Statement

<i>NOK million</i>	First Quarter		Full Year
	2017	2016	2016
Operating revenues and other income	1 018	1 353	5 310
Operating expenses	(958)	(1 400)	(5 241)
<b>Operating profit before depreciation, amortization and impairment (EBITDA)</b>	<b>59</b>	<b>(48)</b>	<b>69</b>
Depreciation and amortization	(161)	(184)	(746)
Impairment	-	(32)	(473)
<b>Operating profit (loss)</b>	<b>(102)</b>	<b>(264)</b>	<b>(1 151)</b>
Net financial items	(135)	(192)	(1 174)
<b>Profit (loss) before tax</b>	<b>(237)</b>	<b>(456)</b>	<b>(2 324)</b>
Tax income (expense)	43	110	307
<b>Profit (loss) from continuing operations</b>	<b>(193)</b>	<b>(346)</b>	<b>(2 017)</b>
Net profit from discontinued operations	382	(20)	734
<b>Profit (loss) for the period</b>	<b>189</b>	<b>(366)</b>	<b>(1 282)</b>

# The Akastor Portfolio

## NET CAPITAL EMPLOYED OF NOK 8.7 BILLION

NOK million



NET CAPITAL EMPLOYED OF NOK 8.7 billion

1) Equity excludes cash flow hedge reserve

# Capital Structure

- ✓ Net Interest bearing debt of NOK 3 bn as of Q1
  - Gross Debt of NOK 3 351 million, of which financial lease NOK 1 590 million and bank debt NOK 1 762 million
  - Cash of NOK 315 million
  - Interest bearing assets of NOK 67 million
  
- ✓ Liquidity reserve of NOK 1.8 bn
  - Undrawn credit facilities of NOK 1.5 bn
  - Max limits of Revolving facilities reduced by NOK 0.7 bn
  
- ✓ Waiver agreed with bank syndicate in January 2017:
  - The ICR Ratio (financial covenant) replaced by nominal EBITDA covenant throughout Q2 2018
  - The revolving facilities reduced by another NOK 717 million, of which NOK 600 million was originally planned for Q1 2018
  - Relaxation on restrictions on acquisitions for up to NOK 1.0 bn

## FUNDING

	SIZE	MATURITY	MARGIN
REVOLVING	USD 241 million	July 2019	1.65%–4.5%
REVOLVING	NOK 1 005 million	July 2019	1.65%–4.5%
BRAZIL FACILITY	BRL 130 million	May 2022	8.5% average cost

## MINIMUM EBITDA COVENANT\*

2017		2018	
Q1	150	Q1	325
Q2	150	Q2	425
Q3	175		
Q4	225		

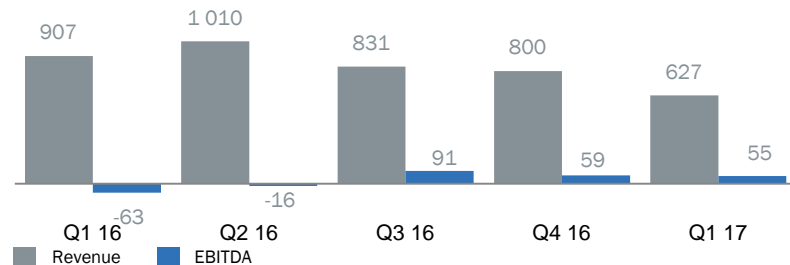
\* last twelve months EBITDA, adjusted for non-recurring items like restructuring costs and sales gains

# MHWirth

- ✓ Q1 2017 revenues down 31 % compared with Q1 2016
- ✓ EBITDA of NOK 55 million in the quarter, EBITDA margin of 8.8 %
- ✓ Order intake of NOK 471 million
- ✓ NCOA up NOK 159 million to NOK 1.25 billion

## Revenue and EBITDA

NOK million

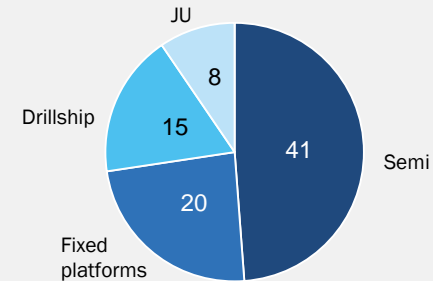


## BUSINESS SPLIT YTD BASED ON REVENUE

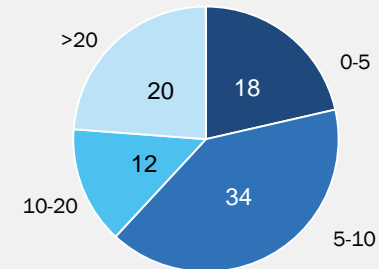


## INSTALLED BASE (84 UNITS)

by type



by age (years)

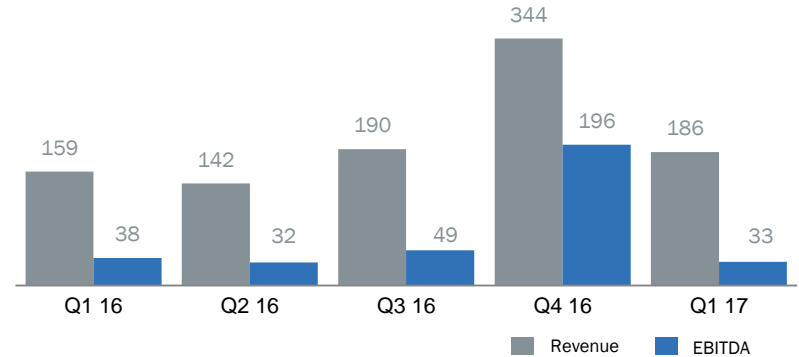


# AKOFS Offshore

- ✓ Skandi Santos with somewhat lower utilization during Q1
- ✓ EBITDA of NOK 33 million in Q1
- ✓ AKOFS Seafarer remains cold stacked. Opex below USD 10 000 per day.
- ✓ Aker Wayfarer on stand-by in Norway, awaiting start-up of the 5+5 year contract with Petrobras

## Revenue and EBITDA

NOK million



## VESSEL PROGRAM

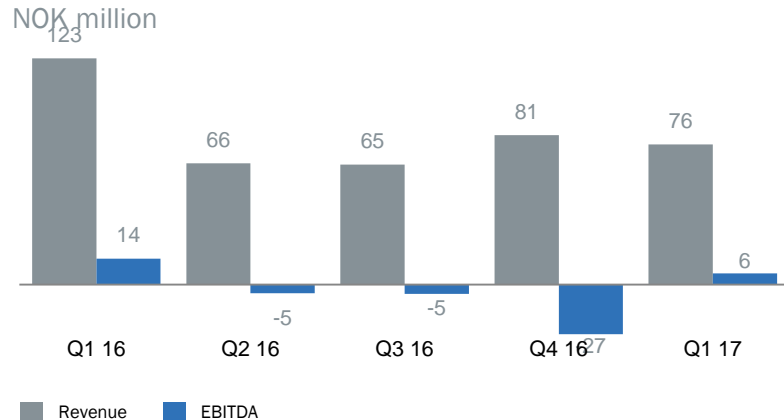




# KOP Surface Products

- ✓ Revenues of NOK 76 million in the quarter, EBITDA of NOK 6 million
- ✓ Still challenging market conditions
- ✓ Order intake of NOK 69 million in Q1

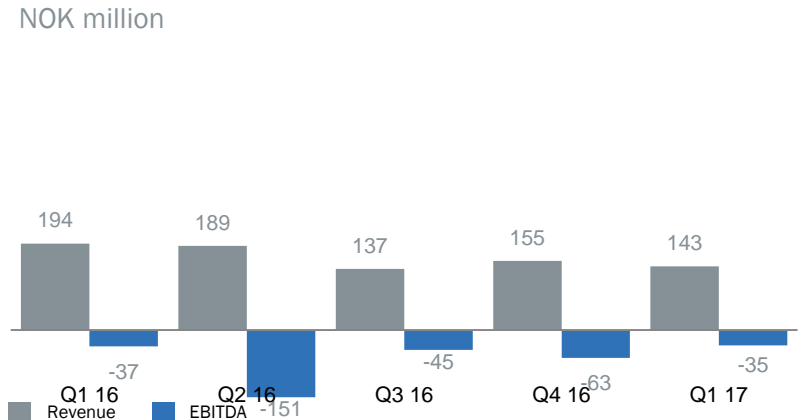
## Revenue and EBITDA



# Other Holdings

- ✓ Step Oiltools, Cool Sorption and First Geo: EBITDA of NOK -5 million
- ✓ Effect from hedges not qualifying for hedge accounting of NOK -2 million

## Revenue and EBITDA



# Additional information



# Condensed Consolidated Income Statement

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# Condensed Consolidated Statement of Financial Position

<i>NOK million</i>	31.03.2017	31.12.2016
Deferred tax asset	635	600
Intangible assets	1 702	1 731
Property, plant and equipment	5 035	5 198
Other non-current assets	153	104
Equity accounted investees and other Investments	615	213
Non-current interest-bearing receivables	51	51
<b>Total non-current assets</b>	<b>8 191</b>	<b>7 897</b>
Current operating assets	4 223	4 250
Current interest-bearing receivables	16	15
Cash and cash equivalents	315	487
Assets classified as held for sale	-	212
<b>Total current assets</b>	<b>4 553</b>	<b>4 964</b>
<b>Total assets</b>	<b>12 744</b>	<b>12 861</b>
Equity attributable to equity holders of Akastor ASA	5 762	5 580
<b>Total equity</b>	<b>5 762</b>	<b>5 580</b>
Deferred tax liabilities	15	15
Employee benefit obligations	374	380
Other non-current liabilities and provisions	418	445
Non-current borrowings	2 997	1 494
<b>Total non-current liabilities</b>	<b>3 803</b>	<b>2 334</b>
Current operating liabilities and provisions	2 825	3 209
Short borrowings	355	1 560
Liabilities classified as held for sale	-	177
<b>Total current liabilities</b>	<b>3 180</b>	<b>4 947</b>
<b>Total liabilities and equity</b>	<b>12 744</b>	<b>12 861</b>

# Key Figures

## AKASTOR GROUP (continuing operations)

<i>Amounts in NOK million</i>	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	2016
Operating revenue and other income	1 353	1 392	1 196	1 370	1 018	5 310
EBITDA	(48)	(140)	91	166	59	69
EBIT	(264)	(355)	(108)	(424)	(102)	(1 151)
CAPEX and R&D capitalization	65	43	37	17	16	162
NCOA	2 031	2 114	1 700	1 072	1 392	1 072
Net capital employed	10 211	10 207	9 569	8 078	8 726	8 078
Order intake	932	1 137	814	1 024	712	3 907
Order backlog	12 078	8 323	7 583	7 753	7 394	7 753
Employees	3 504	3 009	2 859	2 702	2 628	2 702

# Split per Company

## MHWIRTH

<i>Amounts in NOK million</i>	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	2016
Operating revenue and other income	907	1 010	831	800	627	3 548
EBITDA	(63)	(16)	91	59	55	71
EBIT	(163)	(119)	23	(293)	9	(552)
CAPEX and R&D capitalization	11	14	3	8	3	36
NCOA	1 811	1 683	1 393	1 091	1 250	1 091
Net capital employed	3 909	4 032	3 846	3 200	3 338	3 200
Order intake	631	912	604	789	471	2 936
Order backlog	5 363	1 668	1 490	1 481	1 325	1 481
Employees	2 477	2 059	1 849	1 738	1 648	1 738

# Split per Company

## AKOFS OFFSHORE

<i>Amounts in NOK million</i>	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	2016
Operating revenue and other income	159	142	190	344	186	835
EBITDA	38	32	49	196	33	316
EBIT	(41)	(45)	(45)	(3)	(48)	(134)
CAPEX and R&D capitalization	48	25	28	7	12	108
NCOA	103	256	150	121	192	121
Net capital employed	5 142	5 264	4 880	4 378	4 372	4 378
Order intake	23	7	48	28	6	106
Order backlog	6 145	6 160	5 719	5 900	5 672	5 900
Employees	93	93	167	113	106	113

## KOP SURFACE PRODUCTS

<i>Amounts in NOK million</i>	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	2016
Operating revenue and other income	123	66	65	81	76	335
EBITDA	14	(5)	(5)	(27)	6	(22)
EBIT	(1)	(19)	(18)	(42)	(5)	(80)
CAPEX and R&D capitalization	3	2	5	2	1	13
NCOA	187	163	148	119	125	119
Net capital employed	490	461	425	396	393	396
Order intake	115	71	48	87	69	321
Order backlog	138	144	120	133	124	133
Employees	549	502	494	488	481	488

# Split per Company

## OTHER HOLDINGS

<i>Amounts in NOK million</i>	Q1 16	Q2 16	Q3 16	Q4 16	Q1 17	2016
Operating revenue and other income	194	189	137	155	143	674
EBITDA	(37)	(151)	(45)	(63)	(35)	(296)
EBIT	(59)	(172)	(68)	(86)	(58)	(385)
CAPEX and R&D capitalization	3	2	-	1	-	5
NCOA	(68)	12	10	(258)	(175)	(258)
Net capital employed	670	451	419	104	624	104
Order intake	204	149	139	129	173	621
Order backlog	415	312	228	224	272	224
Employees	385	355	349	363	393	363





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