

Pareto Oil & Offshore Conference 2018

# Akastor ASA Presentation

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Oslo | 12 September 2018



AKASTOR

# Akastor ASA – an oil-services investment company

## Akastor at a glance

- Akastor is a Norwegian listed oil-services investment company with a portfolio of industrial and financial holdings
- Akastor has a flexible mandate for active ownership and long-term value creation in the oilfield services sector
- Akastor creates added value in our holdings by being an active owner who, with financial strength and solid industrial know-how, contributes to the sustainable development of the companies
- Akastor's portfolio companies employs c. 2,000 people globally and has a combined turnover of more than NOK 4.3bn
- Akastor is headquartered in Fornebu, Norway



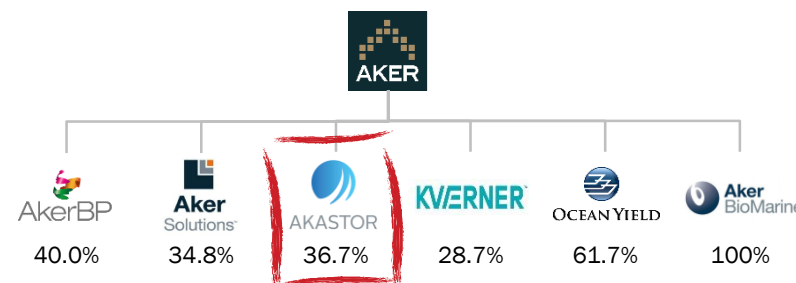
Source: Oslo Børs

Note: OBOSX index comprises the shares of AKSO, PGS, SUBC and TGS

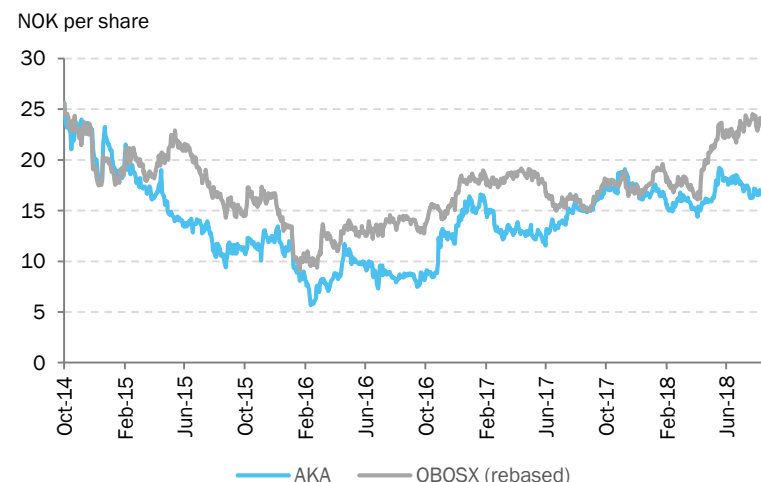
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## Listed entity – Oslo Stock Exchange

- Akastor is part of the Aker group of industrial holdings








- The Akastor shares are traded on the Oslo Stock Exchange under the ticker AKA







# Akastor portfolio composition

## Industrial investments

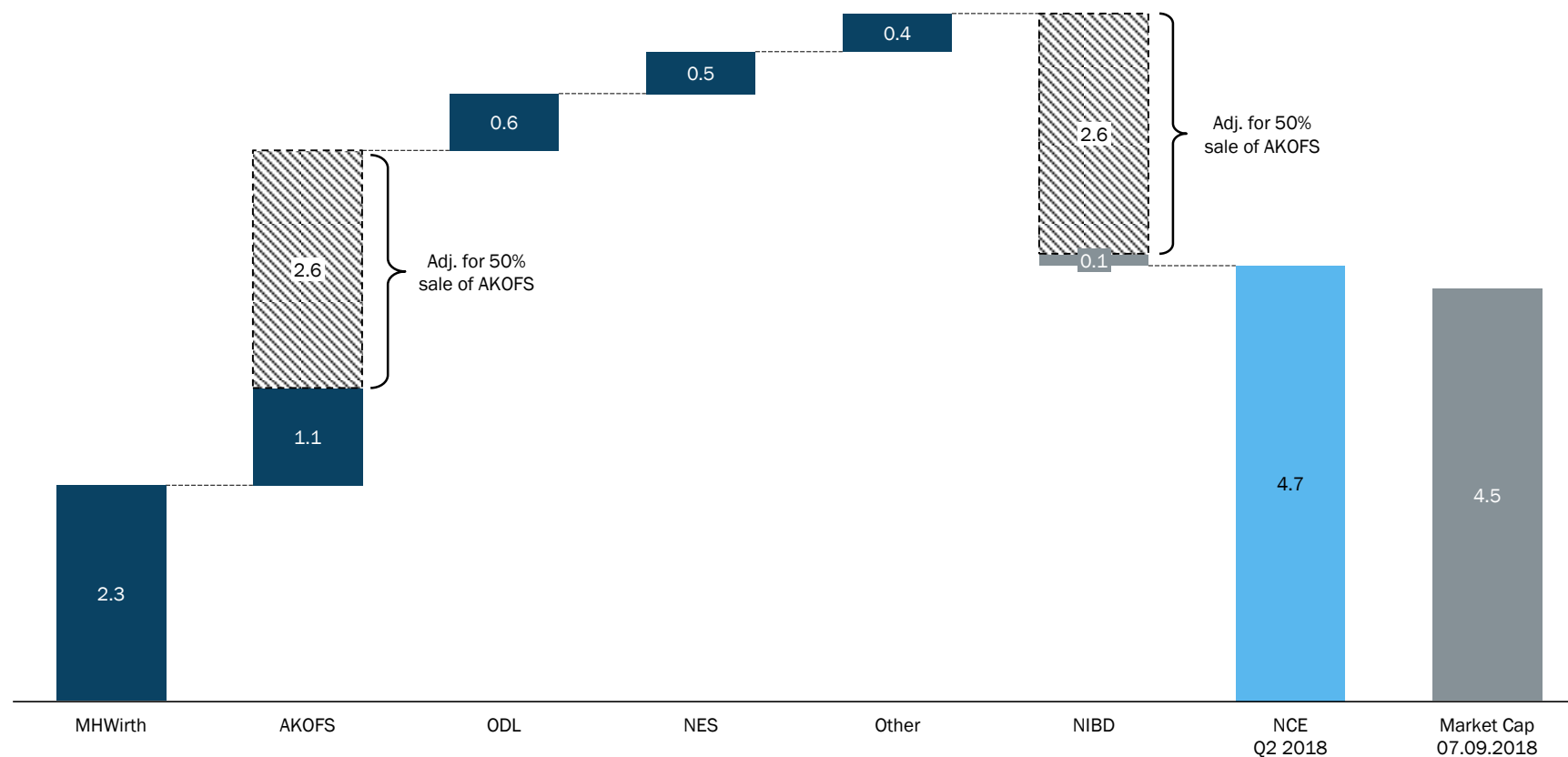
	Leading global provider of first-class drilling systems, products and services	100%
	Global provider of subsea well construction and intervention services	50%
	Global provider of solids control and drilling waste management services	100%
	Supplier of vapour recovery technology, systems and services to O&G installations	100%
	Provider of operation and wellsite geology services	100%

## Financial investments

	Global O&G manpower specialist	~17%
	Drilling Contractor with two semisubmersible drilling units plus one under construction	5.7%
	International drilling, well service and engineering company with 2,000 employees and operations in more than 20 countries	USD 75m preferred equity
	Company owning 5 mid-sized AHTS vessels operated by DOF ASA	50%

# Portfolio breakdown

Net Capital Employed as per Q2 2018 (NOKbn)



## MHWirth at a glance

- Global provider of integrated drilling solutions and services. World class technology and leading engineering and project management capabilities
- Delivered ~25% of all offshore drilling packages for floaters between years 2000 and 2017
- ~1,400 professionals covering five continents in 13 countries and 24 locations, HQ in Kristiansand (Norway)
- Maintained strong engineering and project organization but expanded focus as a service company with Drilling Lifecycle Services



### Drilling Rig Packages

Complete drilling solutions: Concept, project execution, equipment and software systems for integrated drilling rig packages



### Drilling Equipment

Product deliveries to offshore and onshore rigs, as well some niche adjacent industries



### Drilling Lifecycle Services

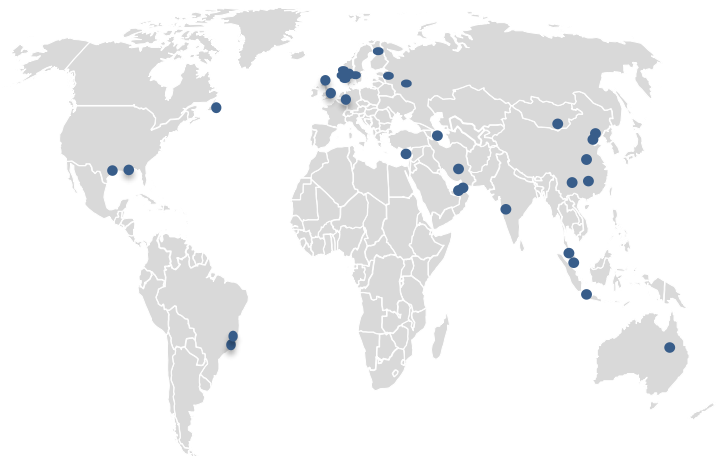
Global footprint to deliver aftermarket service, spareparts, overhaul and training to rigs in operation



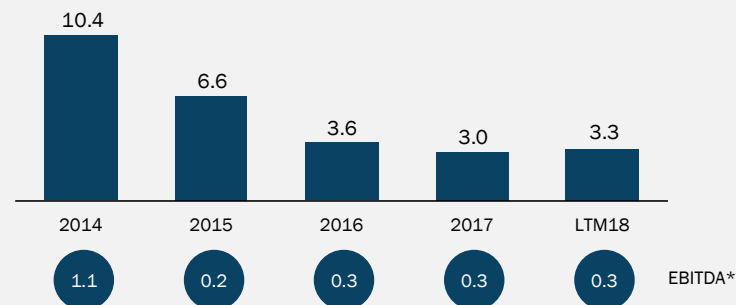
### Engineering Services

FEED / concept and detailed engineering for drilling systems

## Worldwide presence



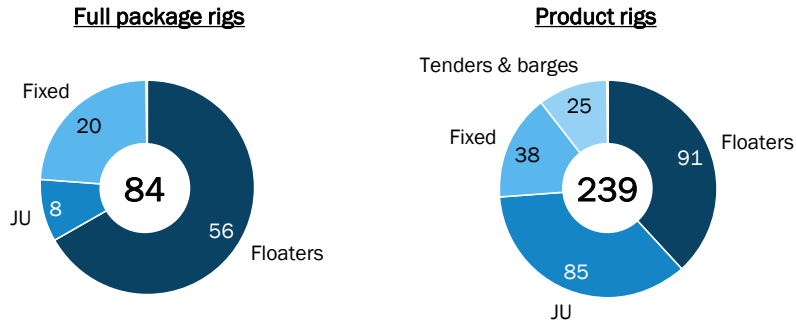
### Revenues and EBITDA (NOKbn)



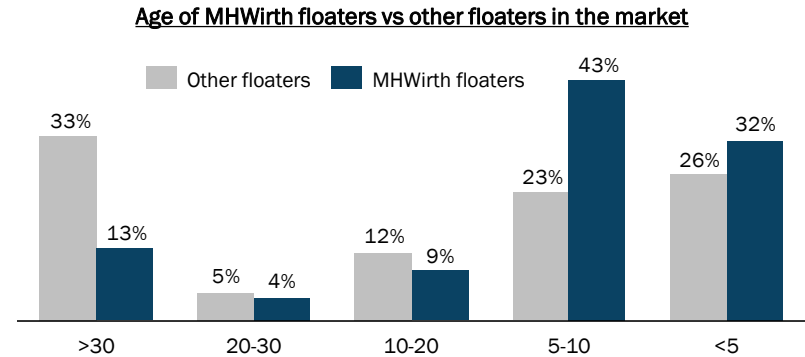
\*Adjusted for non-recurring items

# MHWirth has a global installed base and service network...

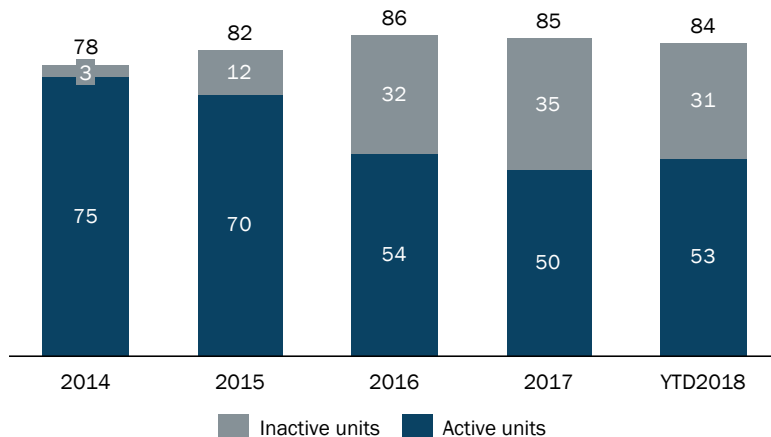
## Installed base of more than 320 rigs...



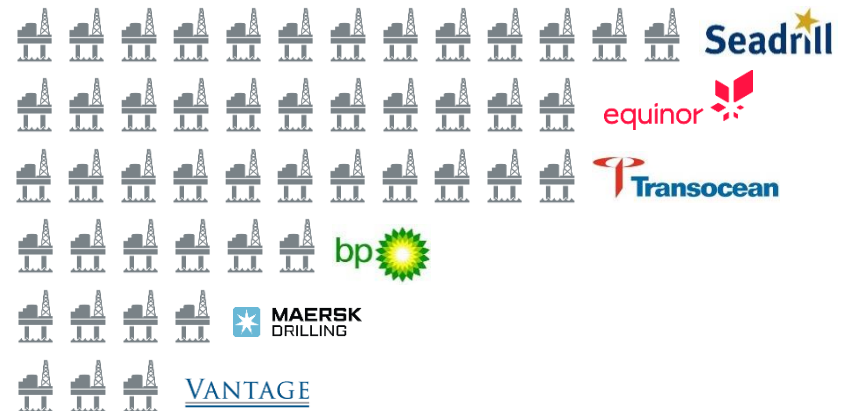
## ...with significant service revenue pipeline



## MHWirth installed base hit turning point mid 2017

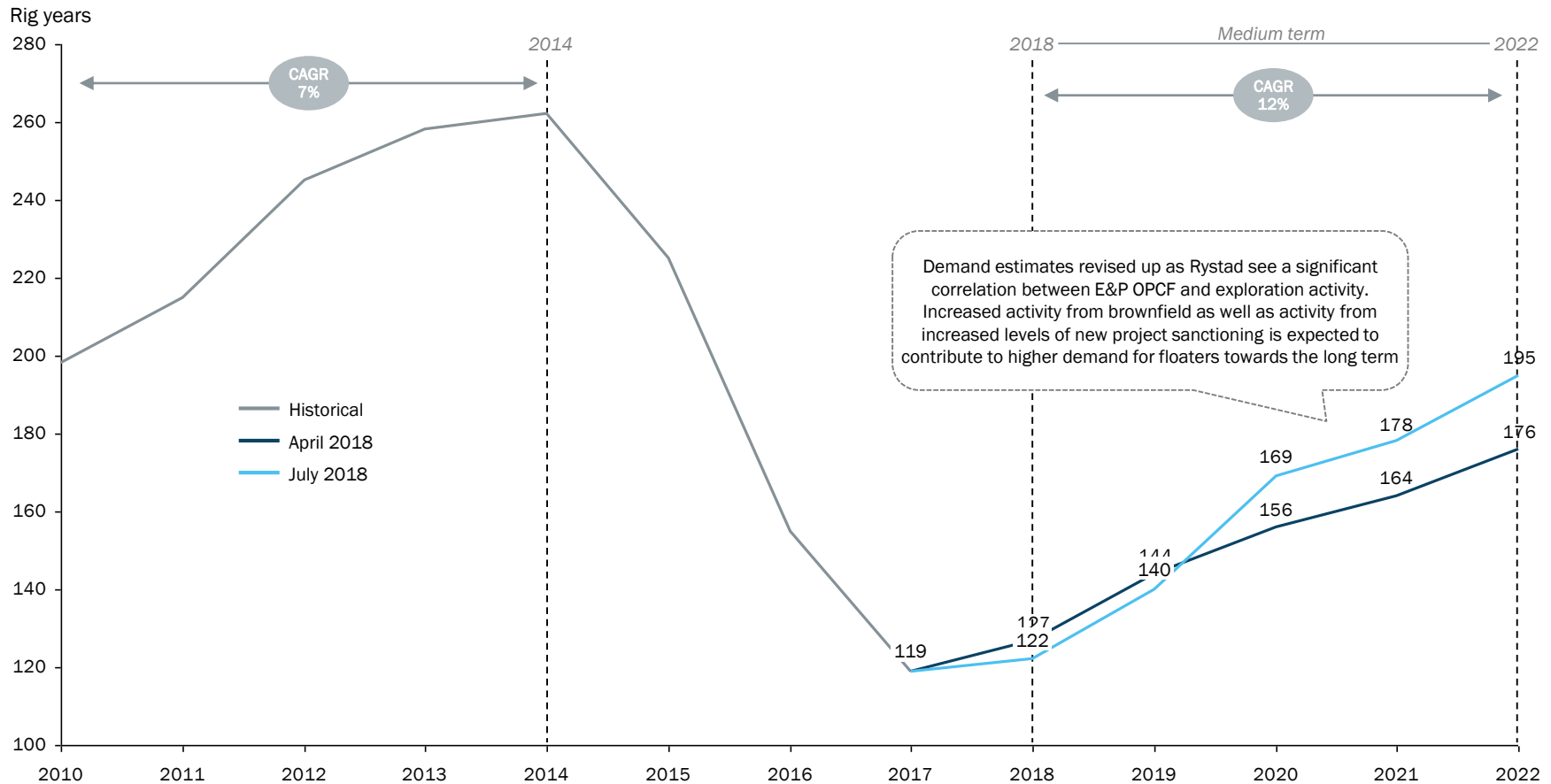


## A selection of owners with MHWirth full-package rigs



# ...well positioned for the expected market recovery

## Floater demand forecast



Source: RigCube April 2018; RigCube July 2018



# E&P companies are constantly looking for innovative solutions to reduce costs in offshore projects

DIGITAL LEADER

Digitalisation drives the next wave of improvements



1. 3% increase in production - 2020 to 2025. Statol share pre-tax.  
2. Automated drilling compared to conventional.  
3. New facility concept compared to conventional.

## Digitalisation & innovation Potential

Value creation producing fields<sup>1</sup>

Above 2 bn USD

Automated drilling - cost<sup>2</sup>

Around

-15%

Field of the future - capex<sup>3</sup>

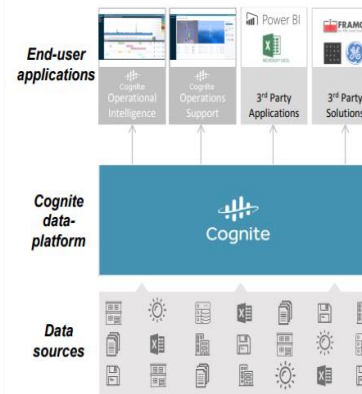
Around

-30%

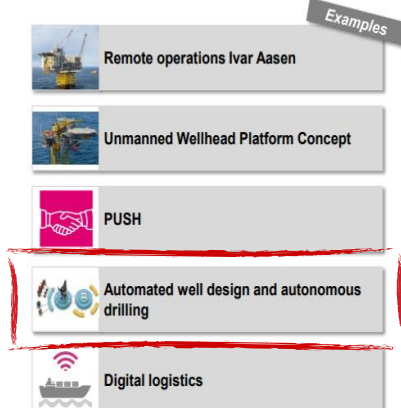
IMPROVE

## Digitalization in Aker BP

Developing use cases on the data platform...



...and progressing key digital initiatives



MHWirth is well positioned to meet E&P players demand for innovative and cost efficient drilling solutions



Source: Equinor CMD 2018, Aker BP CMD 2018

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Slide 8



### Akofs Seafarer



- LWI/RLWI
- Plug and Abandonment
- Top-hole drilling
- Contract with Equinor



### Aker Wayfarer



- Long tem contracts with Petrobras
- Installation and maintenance of subsea equipment

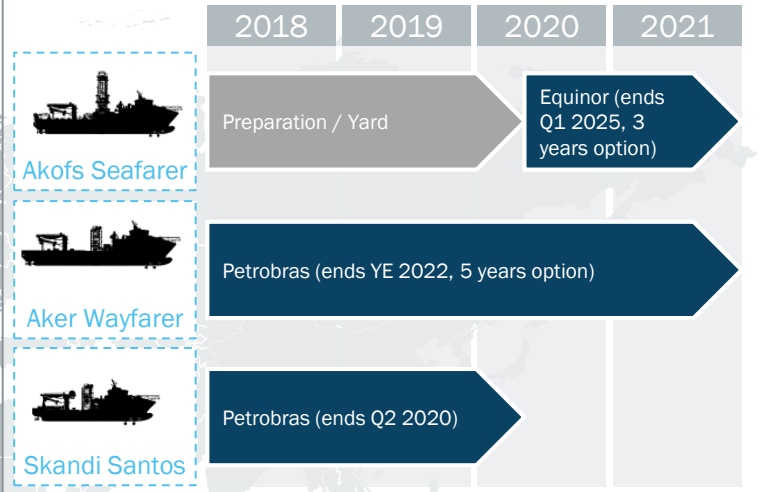
### Skandi Santos



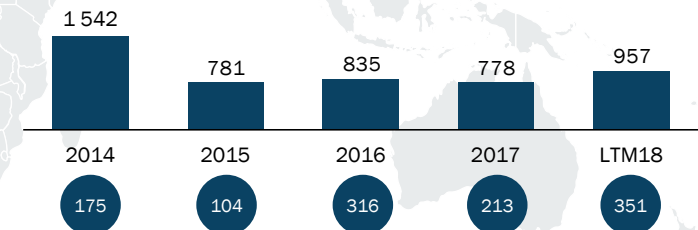
- Track record of operational excellence



### Contract status



### Revenues and EBITDA (NOKm)

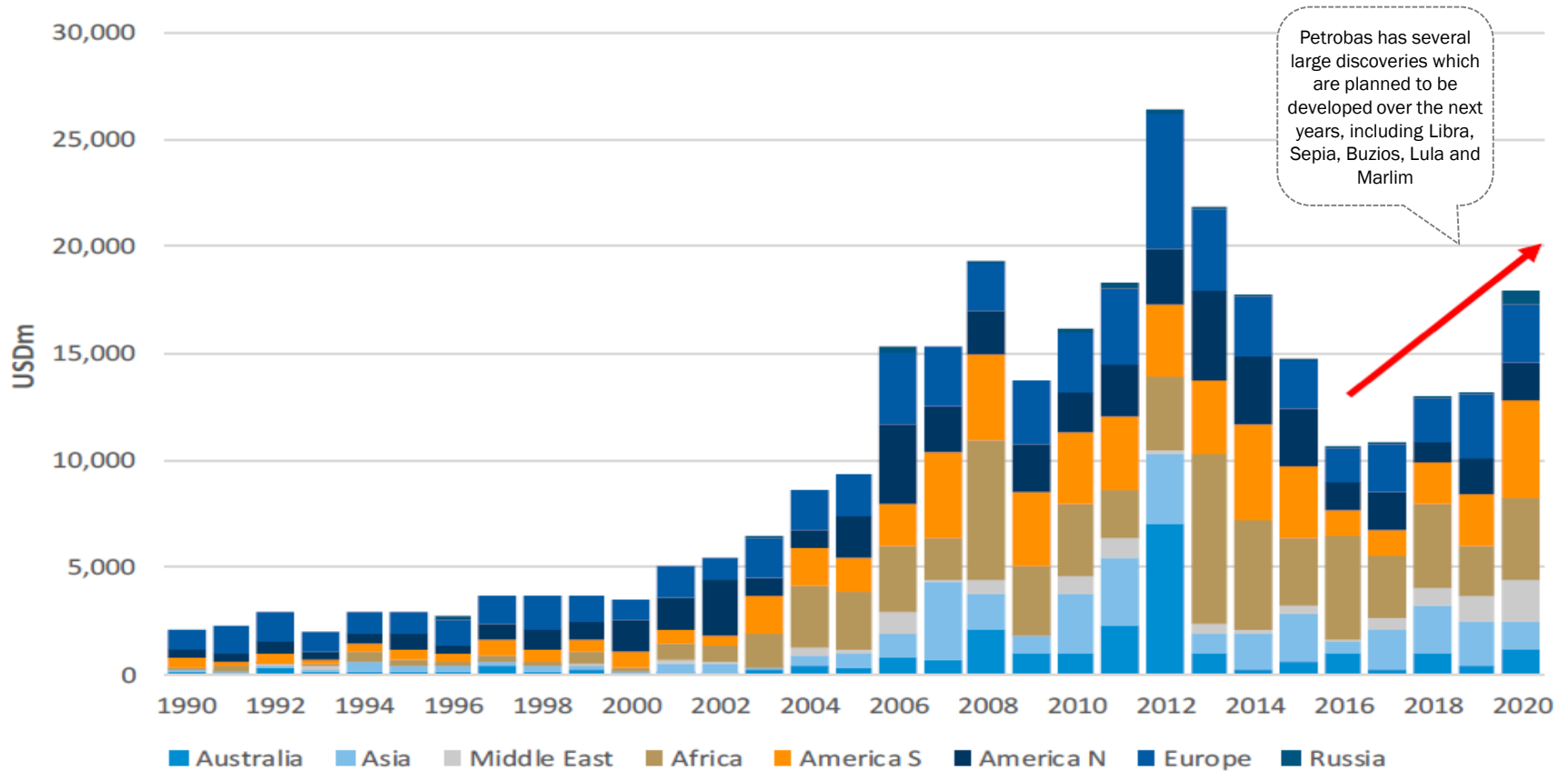


*AKOFS Offshore has a highly competent and diverse organization, covering all phases from conceptual development to project execution and offshore operations*

# Subsea well construction and deep water well intervention activity are key drivers for AKOFS

Subsea market sentiment is improving – Global SURF activity will increase significantly, particularly in Brazil

Global SURF order intake 1990-2020e (USDm)



Source: Rystad Energy

## NES at a glance

- Global award winning workforce solutions specialist that provides professionals across the Oil & Gas, Power, Construction & Infrastructure, Life Sciences, Manufacturing, Chemicals, Mining and IT sectors worldwide
- More than 35 years heritage, and currently employs more than 5,000 specialist staff and discipline specific consultants at 48 offices in 28 countries
- NES can offer a full range of staffing solutions: Contract, Permanent (Direct) Hire, Managed Solutions, or outsourced service
- Akastor's ownership is ~17%

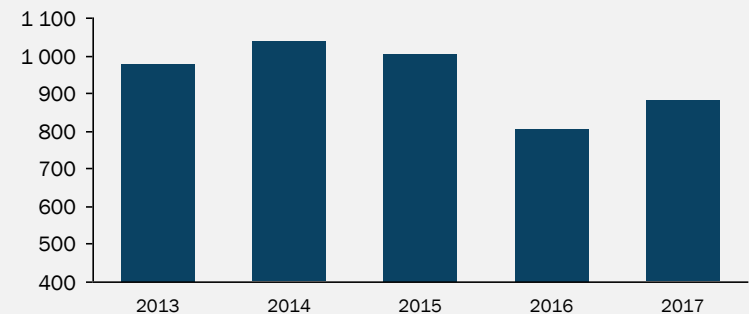
## Network of ~50 global offices



## Selected global O&G clients



## Revenues (USDm)\*



\*year-end 31 October

# Rising activity level is increasing demand for skilled engineers

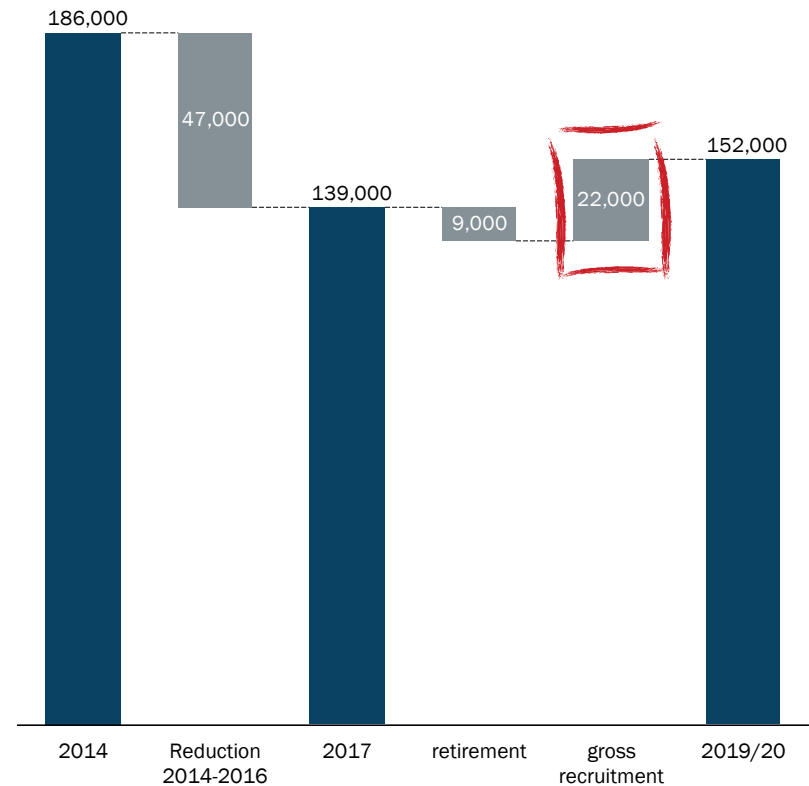
Number of unemployed engineers in Norway is back to 2015 levels...

# Unemployed Engineers (NAV statistics)



...The sector will have to recruit ~22,000 employees over the next two-three years

# Petroleum related, direct employment (Norway)



# Akastor is set up to create value through active ownership



1



Portfolio of companies with leading positions, well positioned for recovery of the oil service market

2



Active ownership and solid industrial know-how, cooperating with other Aker owned companies in developing the portfolio

3



Strong M&A track record

4



Strong balance sheet with low gearing and high financial flexibility

# Appendix



# Key Figures Akastor Group

<i>NOK million</i>	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	YTD 2018
Operating revenue and other income *)	697	1,249	895	881	873	1,754
EBITDA *)	(7)	1	96	63	78	141
EBIT *)	(101)	(160)	23	16	31	47
CAPEX and R&D capitalization	15	30	35	17	8	25
NCOA	1,228	1,162	1,043	925	834	834
Net capital employed	8,250	7,749	7,566	7,196	7,461	7,461
Order intake	746	1,149	1,302	1,042	4,570	5,612
Order backlog	7,112	6,373	6,865	6,462	9,540	9,540
Employees	2,067	2,043	2,015	1,991	1,970	1,970

\*) Includes continuing operations only. Following agreements to divest Akastor's 50% ownership in AKOFS Offshore, this portfolio company is classified as discontinued operations and held for sale in the consolidated accounts, except for the existing joint venture Avium Subsea AS

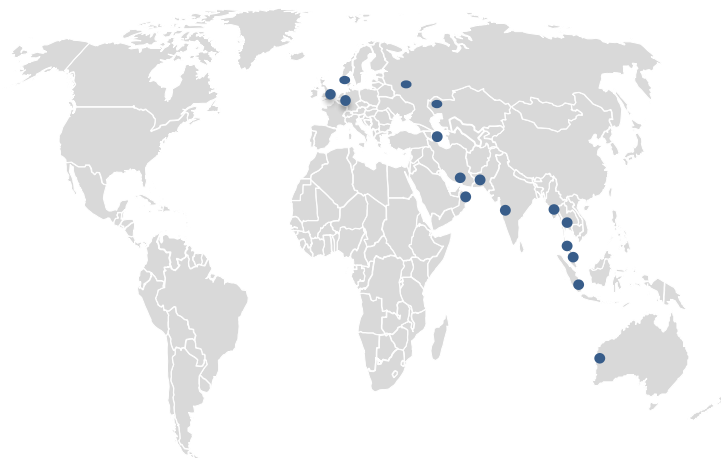
## Step Oiltools at a glance

- Leading global provider of Solids Control and Drilling Waste Management services to the oil and gas, and civil engineering industries
- Own fleet of ~130 state-of-the-art centrifuge machines
- Only international drilling waste management independent from fluid and chemistry supply

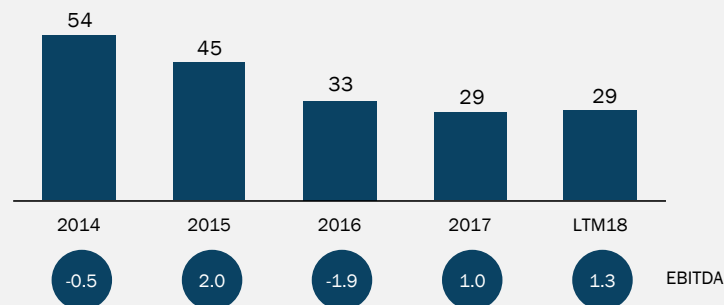
### Key product offering

	<b>Environmental Solutions</b>	<ul style="list-style-type: none"> <li>• Cuttings Treatment Systems</li> <li>• Drill Cuttings Injection System</li> <li>• Water Treatment</li> <li>• Tank Cleaning</li> <li>• Forced Evaporation</li> <li>• Cuttings Drying Systems</li> </ul>
	<b>Cuttings Collection Systems</b>	<ul style="list-style-type: none"> <li>• Bulk Cuttings Storage Systems</li> <li>• Cuttings Containers</li> <li>• Vacuum Systems</li> <li>• Pneumatic Transfer Systems</li> <li>• Cuttings Augers</li> </ul>
	<b>Solids Control</b>	<ul style="list-style-type: none"> <li>• Centrifuges</li> <li>• Recycling Systems for Civil Engineering</li> </ul>

## Strong regional presence in Asia, Europe and ME



### Revenues and EBITDA (USDm)



## Cool Sorption at a glance

- Cool Sorption is engaged in the design and engineering of Vapour Recovery Units (VRUs) and offers a range of pre-designed systems covering a full compliment of capacities
- More than 35 years of experience and a record covering more than 300 units installed worldwide
- Around 30 employees, with headquarters in Copenhagen, Denmark

## Customer base comprising well known oil majors



## Key product offering



### VRU systems

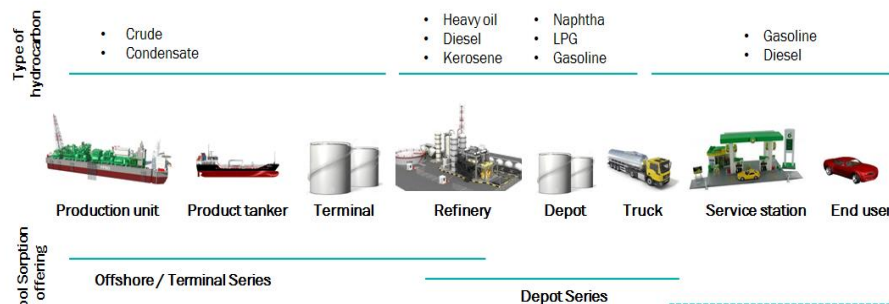
Standardized VRU solutions for smaller oil depots, larger ship or truck loading installations or complete customized systems for complex applications



### Services

Range of extensive after-sales service offerings for all types of vapour recovery units, as well as brownfield solutions and studies

Wherever regulation is in place, VRUs are required throughout the oil production chain



## First Geo at a glance

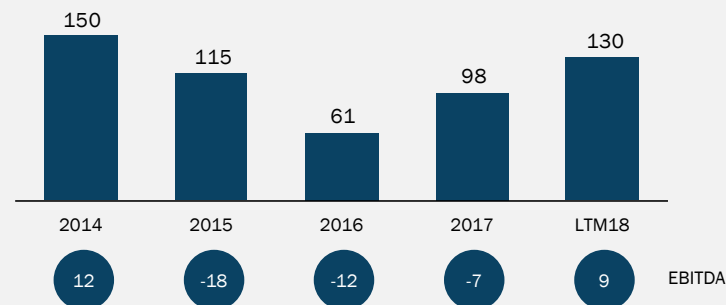
- First Geo is the leading provider of operation and wellsite geology services with superior knowledge of the Norwegian Continental Shelf, including the Barents Sea, as well as international experience
- Clients engage First Geo through all phases of a field's life cycle, from exploration to tail end

			
<b>Drilling &amp; Well</b>	<b>Wellsite</b>	<b>Consulting</b>	<b>Products (hiQbe)</b>
Planning and execution of well activities enabling cost efficient and safe development of assets	Market leader with largest pool of wellsite geologists and operational geologists on the Norwegian Continental Shelf	Offering a broad range of services from exploration to tail-end production	Proprietary in-house developed software for depth-conversion for production of velocity cubes (hiQbe)

## Customer base comprising well known oil majors



### Revenues and EBITDA (NOKm)



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