

Akastor ASA

Fourth Quarter Results 2018



AKASTOR

Karl Erik Kjelstad (CEO) & Leif Borge (CFO)

Fornebu | 13 February 2019

Presenters and agenda



Karl Erik Kjelstad
Chief Executive Officer

Group highlights

Portfolio companies highlights



Leif Borge
Chief Financial Officer

Financial update

Q&A session

Q4 2018 highlights

Revenue	EBITDA	Net Capital Employed	Net Interest Bearing Debt
NOK 1.1bn	NOK 63m	NOK 4.6bn	NOK 146m

- Revenue of NOK 1.1 billion, 22% percent growth year-on-year
 - Revenue of NOK 266 million from AKOFS Offshore not included
- EBITDA from continuing operations NOK 63 million
 - EBITDA of NOK 144 million from AKOFS Offshore not included
- Net interest-bearing debt of NOK 146 million, increase of NOK 70 million in the quarter
- First Geo and AGR combine to create leading provider of well management, reservoir services and software provider – transaction expected to close first half of 2019
- Refinancing of NOK 2.5 billion credit facility in place with a consortium of 5 banks
- Arbitration outcome of legacy matter related to former Akastor owned company, Managed Pressure Operations Ltd (MPO). Provision is recognized for maximum financial impact of USD 29 million, of which USD 23 million recognized in the quarter

New CEO and Chairman in MHWirth

MHWirth strengthens leadership – Merrill A. “Pete” Miller Jr. appointed Executive Chairman and Eirik Bergsvik appointed CEO

Akastor ASA (OSE: AKA), an oil service investment company, today announced that Pete Miller has been appointed Executive Chairman of MHWirth and Eirik Bergsvik as CEO. Both changes are effective today.

Akastor Chairman Kristian Røkke says: “Pete Miller has an incredible track record and we are pleased to have him take the helm of MHWirth. Akastor’s ambition is to expand MHWirth through a combination of organic growth and M&A, positioning the company for an eventual market recovery. Akastor will focus its resources on supporting this growth plan and target a stand-alone IPO of MHWirth over the next five years.”

Mr. Miller says: “I’m thrilled with the opportunity presented by MHWirth. The company has a long and rich history in the design and manufacture of drilling equipment. The company remains well positioned in the North Sea, one of the regions showing some of the first signs of an offshore recovery. MHWirth’s history and current market position, along with the commitment to growth shown by the Akastor corporate family, create an exceptional and exciting opportunity. While the industry as a whole continues to work through difficult times, I am confident that MHWirth will be ready when the market fully recovers.”

Akastor CEO Karl Erik Kjelstad says: “We are excited to bring both Pete Miller and Eirik Bergsvik onboard to lead a transformation of MHWirth. Together they bring tremendous industry insights and a proven track record of developing drilling related businesses. We are proud of what MHWirth has accomplished through the downturn and look forward to building the company over the next phase with an increased focus on business expansion and new technology.”

Eirik Bergsvik says: “I know the MHWirth organisation well and what the people stand for, and am looking forward to joining the company. I am impressed with how MHWirth has built a leading technology position and capabilities to help solve industry challenges through delivering greener, safer and more efficient solutions”.



Merril A. “Pete” Miller Jr
Chairman | MHWirth

Age 68
U.S. citizen

Mr Miller has more than 40 years of experience from the oil service industry. He is currently, among others, chairman of Transocean Inc and Ranger Energy Services and board member of Cheasapeake Energy and Borets International.

Other previous experience includes:

- President and CEO of National Oilwell Varco, a supplier of oilfield services and equipment to the oil and gas industry from 2001 to 2014
- 15 years at Helmerich & Payne International Drilling Company in various senior management positions



Eirik Bergsvik
CEO | MHWirth

Age 58
Norwegian citizen

Mr Bergsvik has more than 20 years of experience from the oil service industry and previously served the board of MHWirth from 2014 to 2017

Other previous experience includes:

- CEO of Interwell AS, a leading supplier of down hole products for oil companies from 2011-2017
- Managing Director of National Oilwell Norway AS, a supplier of oilfield services and equipment to the oil and gas industry from 2006 to 2011

2018 Highlights

Operational highlights



- Secured new contract for the delivery of a full drilling package to Keppel FELS for a new semisubmersible drilling rig for HE use (Awilco)
- Modest revenue growth year-over-year, driven by stabilized service activity and good growth within single equipment
- Good progress made with Digital Technologies, new solution commercialized and installed offshore



- Aker Wayfarer successfully commenced 5 year contract with Petrobras
- Signed 5 year contract with Equinor for delivery of LWI services by the AKOFS Seafarer. Scheduled commencement H1 2020 with contract value of ~USD 370m



- Strong increase in contractors, with total number of working contractors reaching all time high at year-end
- Completed two acquisition, diversifying the business and strengthening the company's presence in North America within Shale and Life Science

Other holdings

- Other holdings showed strong revenue growth and significantly improved profitability

Transaction highlights

December 2018



Merged for an economic interest stake of 55%



September 2018



50% sale to



USD 142.5m

April 2018



Preferred equity investment

USD 75m

February 2018



~6% share purchase

USD 10m

MHWirth experience strong demand for upgrading rigs with new digital technologies

DEAL – the gateway to digital drilling



Open interface:

Enables 3rd party integration of software products

Abstraction layer/DEAL:

Low risk deployment capabilities –
Automation and data driven services on
existing rigs. Smart modules.

Data storage and distribution:

Enables services based on analyses of data
– utilizing domain knowledge and/or “Big
Data” methodologies

Installed base of 8 DEAL systems by end of 2019

DEAL rigs (installed / committed)



Transocean Enabler



Transocean
Equinox



West Mira



**Transocean
Encourage**



Mariner



Transoceanic Endurance



Transocean
Spitsbergen



Husky Energy

West White Rose



West Chirag







Awilco





Portfolio companies highlights

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%
	Global provider of well design and drilling project management, HSEQ, reservoir and field management services	55% ¹⁾
	Supplier of vapour recovery technology, systems and services to O&G installations	100%

Financial investments

	Global O&G manpower specialist	17%
	International drilling, well service and engineering company with 2 000 employees and operations in more than 20 countries	USD 77.2m preferred equity
	Company owning 5 mid-sized AHTS vessels operated by DOF ASA	50%
	Drilling Contractor with two semisubmersible drilling units plus one under construction	5.5%

1) AGR and First Geo expected to merge in H1 2019

Portfolio Highlights Q4 2018



- Still limited newbuilding activity in the market, however with certain new leads within special purpose rigs and fixed platforms
- Improved pipeline within single equipment, within both non-oilfield and oilfield products
- Revenues of NOK 893 million in Q4, 21% growth year-on-year
- EBITDA of NOK 73 million in Q4 with a margin of 8.2%



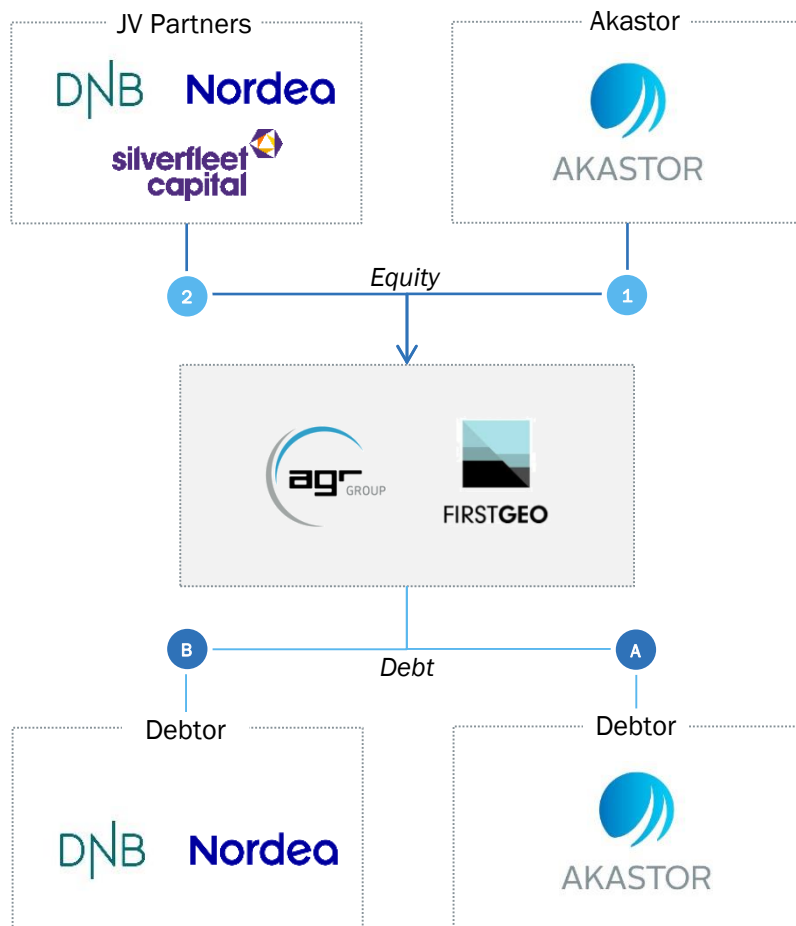
- Steady operations continue for Aker Wayfarer and Skandi Santos
- Upgrade project for Seafarer proceeding according to plan, start-up operation in H1 2020
- Revenues of NOK 266 million, EBITDA of NOK 144 million (100% basis) with 54% margin



- **NES Global Talent** – Continued good growth, with a record-high number of contractors placed
- **Step Oiltools** – Revenue growth of 20% year-on-year with EBITDA margin of 9%
- **First Geo** – Large one-off project completed in October, revenue and EBITDA back to more normal levels (Adj. EBITDA of NOK 2 million in Q4 2018)
- **Cool Sorption** – Solid Q4 with EBITDA margin of 10%, driven by one large project

Contemplated merger between AGR & First Geo expected to close during H1 2019

Transaction structure



Note:
1) EBITDA adjusted for "one-off" items

Description

Distribution of Equity

- 1 Akastor holds 100% of legal ownership in AGR and 55% of the economic interest
- 2 The JV Partners holds 45% of the economic interest in AGR

Distribution of debt

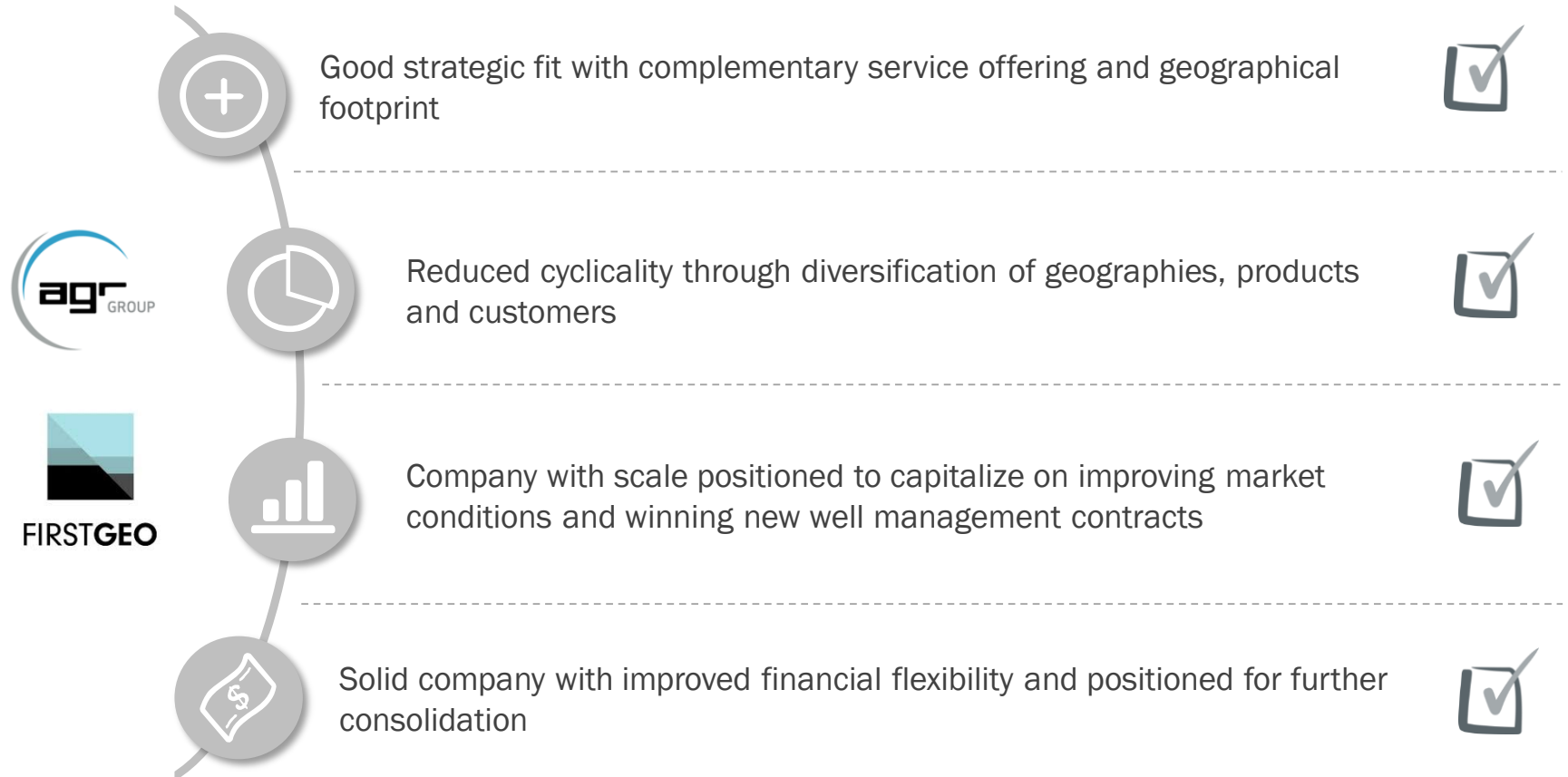
- A Akastor holds NOK 90 million of debt to AGR, to be purchased for NOK 1 at closing
- B The banks holds NOK 180 million of debt to AGR, non-recourse to Akastor

Pro forma financials

- The combined company had in 2018 a pro forma annual turnover and EBITDA of NOK 671 million and NOK 23 million¹⁾, respectively

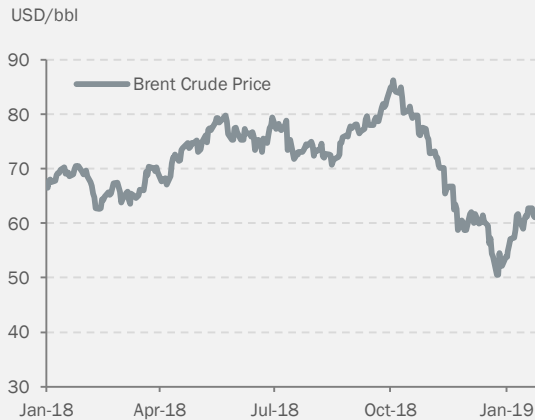
Merged company will be a leading provider of well management-, reservoir-, and subsurface services

Deal rationale



Key market drivers

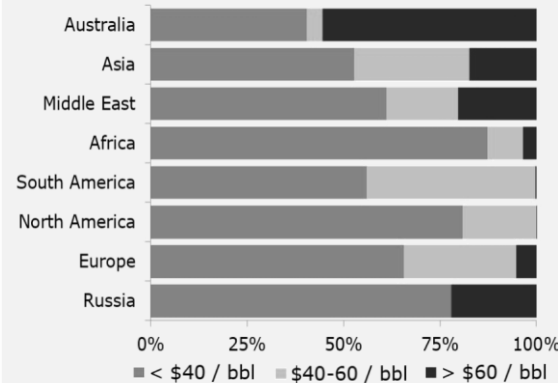
A volatile year in the oil market...



Source: Bloomberg

...but fundamentals remain solid, with nearly all developments profitable...

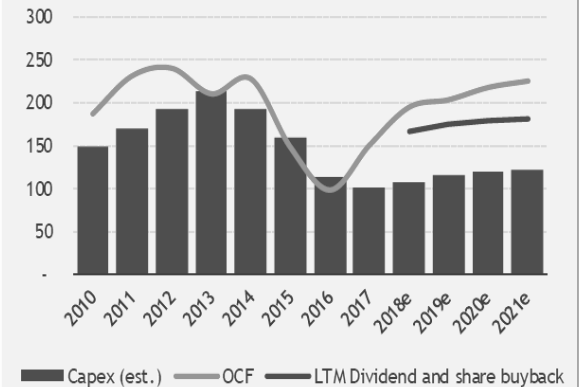
Offshore regional price sensitivity



Source: Rystad Energy DCube

...Oil co's capacity to spend is growing...

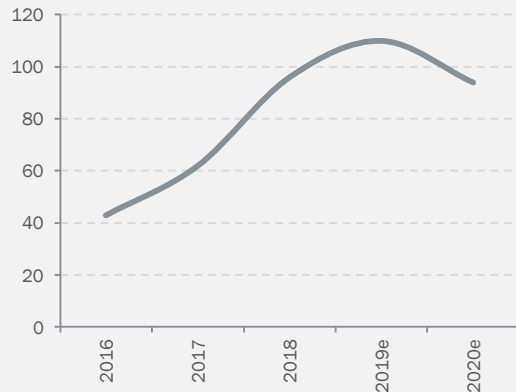
E&P majors offshore spending (USDbn)



Source: Factset consensus estimates Jan 2019

...reflected in increasing sanctioning activity...

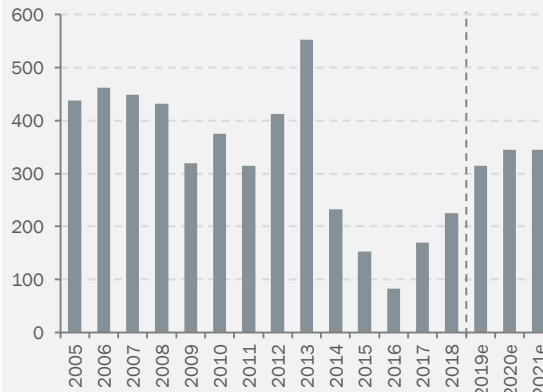
Number of offshore projects by commitment year



Source: Rystad Energy

...increased subsea activity...

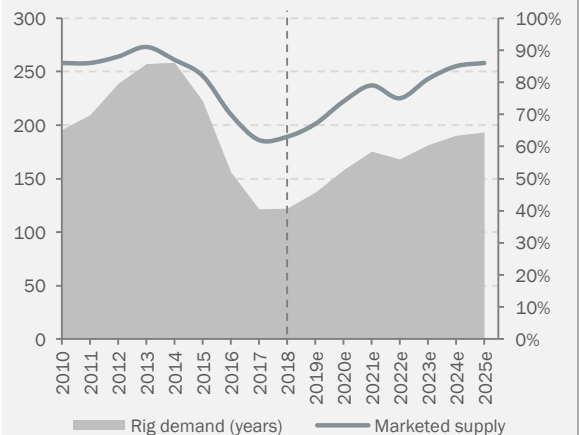
Global subsea tree award count (# of trees)



Source: Infield

...and rig demand

Rig demand (left) vs. marketed supply (right)



Source: Rystad Energy RigCube

Financial update

Financials Q4 2018

NOK million	Q4 2018	Q4 2017	FY 2018	FY 2017
Revenue	1 090	895	3 800	3 606
EBITDA	63	96	290	116
EBIT	21	23	109	(280)
Net financials	(243)	(70)	(200)	(406)
Profit (loss) before tax	(222)	(48)	(91)	(686)
Tax income (expense)	(77)	(117)	(103)	(20)
Profit (loss) from continuing operations	(300)	(165)	(194)	(706)
Net profit (loss) from disc. operations	(192)	(216)	(128)	648
Profit (loss) for the period	(492)	(380)	(322)	(58)
Order intake	980	1 291	4 481	3 818
Order backlog	2 692	1 948	2 692	1 948
NCOA	375	857	375	857
Net Capital Employed	4 556	7 566	4 556	7 566

Q4 2018 highlights

- Revenues up 22% compared with Q4 2017
- EBITDA in Q4 2017 included NOK 24 million release of onerous lease provisions and NOK 9 million EBITDA from AKOFS Offshore (Avium), thus normalized EBITDA on same level in Q4 2018 as last year
- Net financial items include non-cash items from financial investments of NOK 176 million and other non-cash items of NOK 62 million (more details on slide 15)
- Effective tax rate impacted by change in tax rate and items without tax effects in addition to impairment of tax losses carry forwards in certain companies
- Loss from discontinued operations includes provision of USD 23 million for potential loss as a result of negative arbitration award for Managed Pressure Operations Ltd., which was sold in 2016
- The Board of Directors has proposed no dividend for fiscal year 2018

Key financials reconciliation

Revenue (NOK million)	Q4 2018	Q4 2017	FY 2018	FY 2017
MHWirth	893	739	3 055	3 030
Step Oiltools	79	65	263	242
First Geo	36	27	168	98
Cool Sorption	33	17	101	53
Other	60	59	245	238
Elimination	(10)	(13)	(32)	(56)
Reported Group revenue	1 090	895	3 800	3 606
AKOFS Offshore (100%)	266	213	1 107	778

EBITDA (NOK million)	Q4 2018	Q4 2017	FY 2018	FY 2017
MHWirth	73	83	281	118
Step Oiltools	7	5	15	9
First Geo	(1)	(4)	27	(7)
Cool Sorption	3	1	6	(3)
Other	(20)	10	(38)	0
Reported Group EBITDA	63	96	290	116
AKOFS Offshore (100%)	144	80	471	213

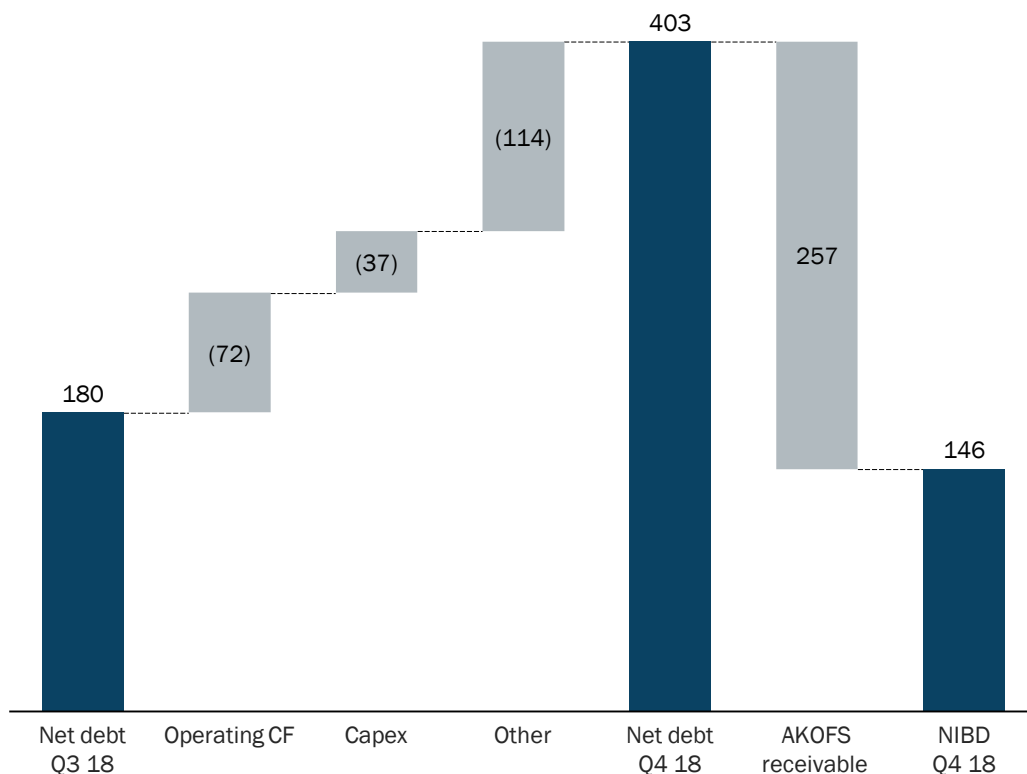
Net financial items (NOK million)	Q4 2018	Q4 2017	FY 2018	FY 2017
Odfjell Drilling	(58)	-	10	-
Awilco Drilling	(49)	19	(3)	19
NES Global Talent	22	12	64	48
DOF Deepwater	(35)	(69)	(102)	(212)
AKOFS Offshore	(48)	-	(48)	-
Contribution from financial investments	(168)	(37)	(78)	(145)
Net interest exp. on external financing	(12)	(18)	(76)	(108)
Net foreign exchange gain (loss)	(16)	23	(2)	23
Other financial income (expenses)	(48)	(39)	(44)	(176)
Net financial items	(243)	(70)	(200)	(406)

- **Odfjell Drilling:** the initial gain of the warrant structure of NOK 117 million to be recognized over 6 years (NOK 11 million recognized as of Q4). Due to the reduction of the share price of ODL during Q4, the fair market value of the instrument was reduced with NOK 85 million, which was booked as a loss in the quarter. The net negative result of NOK 58 million also includes the 5% cash interest and the 5% PIK interest on the preferred equity instrument.
- **AKOFS Offshore:** the negative result of NOK 48 million represents 50% of net profit for the company, impacted by impairment of tax loss carried forward in Q4 of NOK 42 million

Cash flow and net debt position

Net debt bridge

NOK million



Q4 2018 highlights

- Net interest-bearing debt position increased by NOK 70 million to NOK 146 million
- Liquidity reserve of NOK 2.2 billion
- Completed refinancing of three-year credit facility of NOK 2.5 billion, covenants materially in line with previous loan agreement
- NCOA impacted by provision for arbitration outcome of legacy matter related to MPO

NOK million

Non-current bank debt

Current bank debt

Cash and cash equivalents

Net debt

AKOFS receivable

Net interest bearing debt (NIBD)

Q4 2018

588

14

(198)

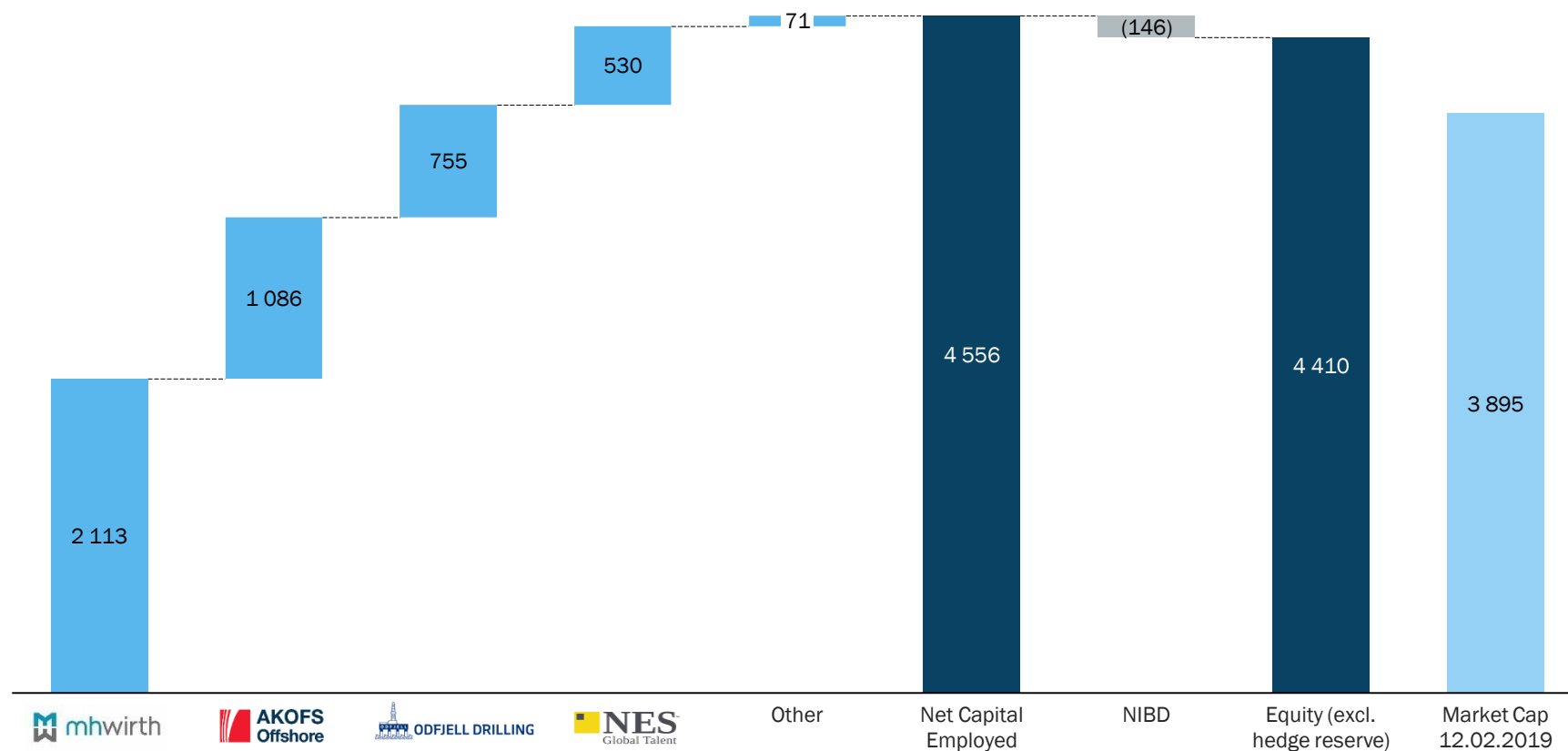
403

(257)

146

Net Capital Employed as per Q4 2018

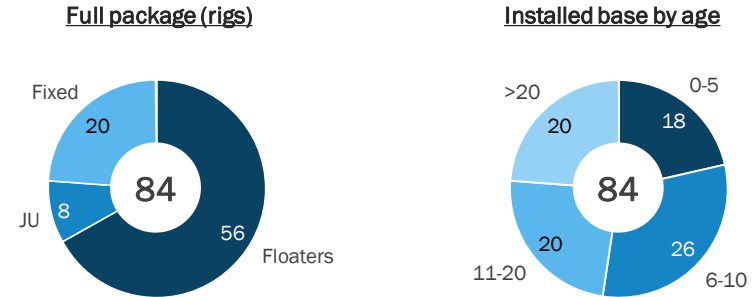
NOK million



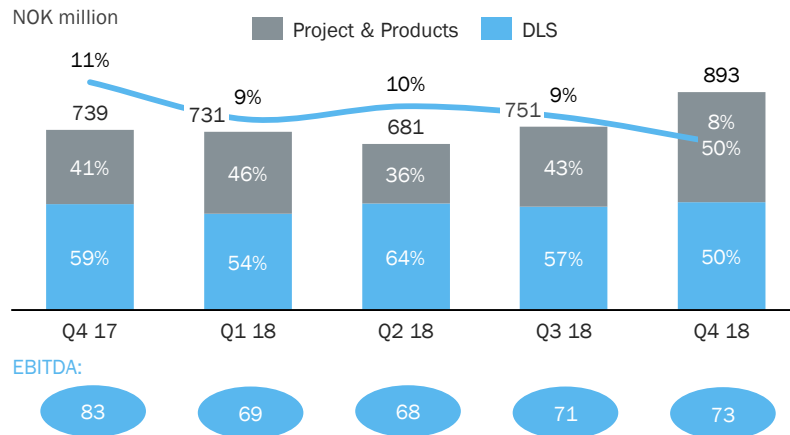
Highlights Q4 2018

- Project & Products revenues for Q4 were NOK 450 million, an increase of 48% compared to last year
- DLS revenues for Q4 were NOK 443 million, an increase of 2% compared to last year. 52 active rigs at the end of the year
- Fourth quarter EBITDA-margin of 8.2%
- Order backlog and order intake for the fourth quarter amounted to NOK 2.3 billion and NOK 713 million, respectively

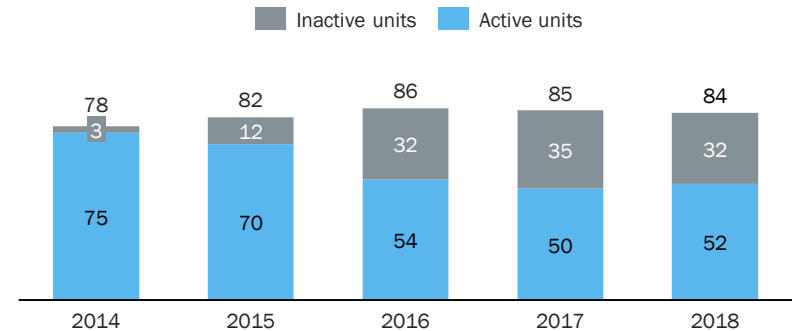
Installed base per Q4 2018



Quarterly development in revenues and EBITDA-margin



MHWirth installed base hit turning point mid 2017

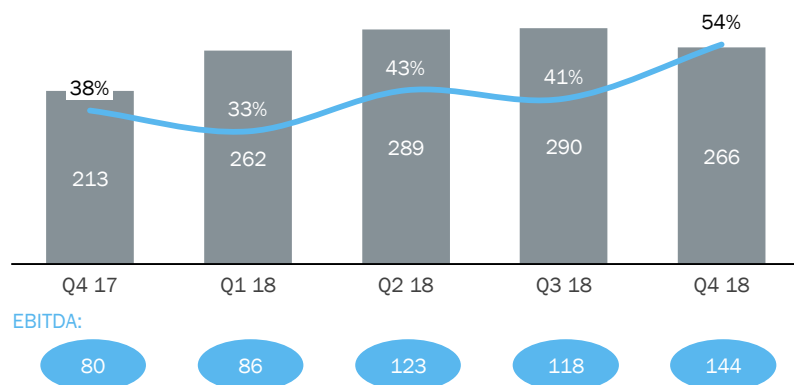


Highlights Q4 2018

- Revenues for Q4 of NOK 266 million, an increase of 25% year-over-year, due to Wayfarer in operation
- EBITDA of NOK 144 million (54% margin), increase from previous quarters mainly due to consolidation of Avium Subsea (which is owned 100% by AKOFS Offshore after the transaction with Mitsui)
- Skandi Santos and Aker Wayfarer continue to have good operational utilization
- Seafarer upgrade ongoing according to plan







Quarterly development in revenues and EBITDA-margin*

NOK million



*Figures presented on a 100% basis. Akastor's share of net profit from the joint venture is presented as part of "net financial items"

Fleet overview

Vessels	Loc.	2018	2019	2020	2021
 Akofs Seafarer		Preparation / Yard			Equinor (ends Q1 2025, 3 years option)
 Aker Wayfarer		Petrobras (ends YE 2022, 5 years option)			
 Skandi Santos		Petrobras (ends Q2 2020)			



NES Global Talent

Recent development

- Strong contract activity, with further increase in total number of contractors
- Significant growth in trading performance versus last year, both driven by solid organic growth as well as acquisitions completed in 2018
- Continued good growth within shale, downstream petrochemicals and life sciences
- Akastor holds ~17% economic interest in NES

Award winning workforce solution specialist

Global organization with local client touch-points through a network of ~50 global locations

Strategically located in most attractive specialist engineering markets

Database of 650,000+ engineer contractors

HQ in Manchester, UK



Contract Engineering

Search, placement and ongoing support of contract engineers

NES charges a margin on contractors salary



Managed Solutions

Outsourced, exclusive global recruitment services

NES' offering includes recruitment process outsourcing, global mobility and consultancy

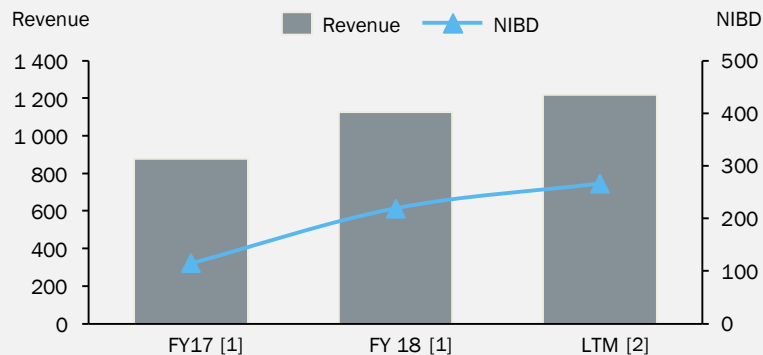


Permanent Placement

Engineering positions filled on a permanent basis

Charge one-time fee of the engineer's annual salary

Financial development (USD million)*



[1] FY end 31st October [2] LTM per December 2018

*Figures presented on 100% basis

ODL preferred equity and warrant instrument



Preferred equity of USD 75m

Instrument description:

- 5% cash dividend + 5% PIK per annum (semi-annual payment)
- Call price: 125% year 2, 120% year 3, 115% year 4, 110% year 5, 105% year 6, 100% thereafter
- Cash dividend step-up: 8.0% p.a. from year 7 and an additional 1.0% step-up per year until a maximum cash dividend of 10.0% p.a.
- Commitment fee of USD 5.75 million to be paid in Q2 2019
- Certain rights and covenants¹⁾ in favor of Akastor

Instrument payment profile:

USDm	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e
Cash Dividend	2.2	3.9	4.1	4.3	4.5	4.8	8.0	9.5	11.0
Acc. PIK	77.2	81.1	85.2	89.5	94.1	98.8	103.8	109.1	114.6
Call price incl. PIK		99.9	100.2	100.8	101.6	102.6	103.8	109.1	114.6
Dividend	5%	5%	5%	5%	5%	5%	8%	9%	10%
PIK interest	5%	5%	5%	5%	5%	5%	5%	5%	5%
Call price	n.a.	125%	120%	115%	110%	105%	100%	100%	100%

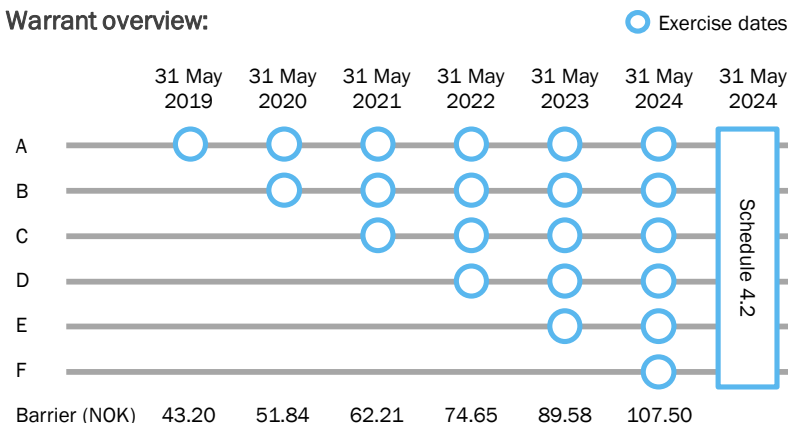
1) The agreement contain several covenants, including but not limited to an obligation not to pay dividends or other distributions exceeding 50% of the net profit from the preceding year (unless a similar portion of the preference capital is repaid prior to the distribution), and in any case not pay dividends or make distributions after year 6. Also the agreement includes a change of control covenant pertaining to restructurings with the effect that Odfjell Partner's shareholding falls below 25%

Warrant structure

Instrument description:

- The total warrant issue comprise six tranches with 987,500 warrants per tranche, amounting to a total 5,925,000 warrants. Furthermore, one warrant can be exercised for one share (1-to-1 ratio) for a price of USD 0.01 per share. Maximum number of share allocation if share price in ODL has increased with 20% p.a.

Warrant overview:



- Schedule 4.2: If any warrants remain unexercised at the ultimate exercise date in 2024, the holder will receive a number of shares determined linearly according to:

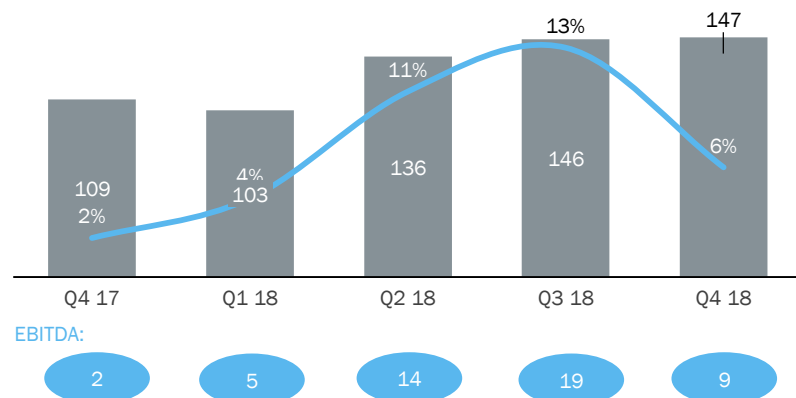
$$\text{Remaining warrants} \times \frac{\text{Max}[(\text{Share price @ 31 May 2024}) - 36]}{(107.5 - 36)}$$

Other Holdings

Highlights Q4 2018

- Revenues for the fourth quarter were NOK 147 million, an increase of 35% compared to last year. EBITDA margin was negatively impacted by transaction costs related to the AGR transaction
- Step Oiltools:** Revenues in Q4 of NOK 79 million, up 20% from previous year. EBITDA of NOK 7 million, up NOK 3 million from last year
- First Geo:** Revenue in Q4 of NOK 36 million, up 33% compared with previous year. EBITDA of NOK -1 million (net of transaction costs related to the AGR transaction)
- Cool Sorption:** Revenues in Q4 of NOK 33 million, up 93% from previous year. EBITDA of NOK 3 million, up NOK 2 million from last year

Quarterly development in revenues and EBITDA-margin*



*Pro-forma figures for Step Oiltools, First Geo and Cool Sorption



Q4 summary

- Operations in portfolio companies on track
- Still challenging market, but signs of market recovery – timing hard to predict
- Re-financing in place – provides financial flexibility









Way forward

- Clarified strategy for MHWirth – buy and build, targeting future IPO
- Pursue value enhancing M&A opportunities
- Continued capital discipline

Q&A session

Appendix

Transactions track-record since inception in 2014

<p>December 2018</p>  FIRSTGEO Merged for an economic interest stake of 55% 	<p>September 2018</p>  50% sale to  USD 142.5m	<p>April 2018</p>  Preferred equity investment USD 75m¹⁾	<p>February 2018</p>  ~6% share purchase USD 10m	<p>November 2017</p>  ~3% share sale NOK 88m
<p>June 2017</p>  100% sale to  USD 114m	<p>March 2017</p>  ~3% share purchase NOK 67m	<p>December 2016</p>  Merged for an initial equity stake of 15.2% in  NOK 400m	<p>October 2016</p>  100% sale to  NOK 1,200m	<p>October 2016</p>  100% sale to  NOK 1,025m
<p>September 2016</p>  Skandi Santos Joint acquisition with  USD 66m²⁾	<p>July 2016</p>  100% sale to  USD 10m³⁾	<p>November 2015</p> Real Estate portfolio 100% sale to  NOK 1,243m		

Note: 1) Pref shares USD 75m + warrants 2) cash gain 3) Plus earnout of max USD 65m

Condensed consolidated Income Statement

NOK million	Fourth Quarter		Full Year	
	2018	2017	2018	2017
Operating revenues and other income	1 090	895	3 800	3 606
Operating expenses	(1 027)	(799)	(3 509)	(3 490)
EBITDA	63	96	290	116
Depreciation, amortization and impairment	(41)	(73)	(181)	(396)
Operating profit (loss)	21	23	109	(280)
Net financial items	(243)	(70)	(200)	(406)
Profit (loss) before tax	(222)	(48)	(91)	(686)
Tax income (expense)	(77)	(117)	(103)	(20)
Profit (loss) from continuing operations	(300)	(165)	(194)	(706)
Net profit (loss) from discontinued operations	(192)	(216)	(128)	648
Profit (loss) for the period	(492)	(380)	(322)	(58)

Condensed consolidated statement of financial position

NOK million	December 31 2018	December 31 2017
Deferred tax asset	374	661
Intangible assets	1 260	1 435
Property, plant and equipment	825	4 419
Other non-current assets	62	100
Equity accounted investees and other Investments	2 557	546
Non-current interest-bearing receivables	-	1
Total non-current assets	5 078	7 163
Current operating assets	3 472	2 946
Other current assets	-	51
Current interest-bearing receivables	257	-
Cash and cash equivalents	198	168
Total current assets	3 927	3 165
Total assets	9 005	10 328
Equity attributable to equity holders of Akastor ASA	4 317	5 277
Total equity	4 317	5 277
Deferred tax liabilities	9	10
Employee benefit obligations	332	349
Other non-current liabilities and provisions	556	330
Non-current borrowings	588	2 133
Total non-current liabilities	1 485	2 823
Current operating liabilities and provisions	3 189	1 829
Current borrowings	14	399
Total current liabilities	3 203	2 228
Total liabilities and equity	9 005	10 328

Condensed Consolidated Statement of Cash flows

NOK million	Fourth Quarter		Full Year	
	2018	2017	2018	2017
Profit (loss) for the period	(492)	(380)	(322)	(58)
(Profit) loss for the period – discontinued operations	192	216	128	(648)
Depreciation, amortization and impairment – continuing operations	41	73	181	396
Other adjustments for non-cash items and changes in operating assets and liabilities	186	183	327	(363)
Net cash from operating activities	(72)	92	315	(673)
Acquisition of property, plant and equipment	(8)	(26)	(95)	(70)
Payments for capitalized development	(29)	(9)	(36)	(27)
Proceeds (payments) related to sale of subsidiaries, net of cash	(12)	(3)	1 103	921
Cash flow from other investing activities	(70)	74	(726)	(33)
Net cash from investing activities	(120)	35	247	790
Changes in external borrowings	173	(113)	(481)	(391)
Net cash from financing activities	173	(113)	(481)	(391)
Effect of exchange rate changes on cash and cash equivalents	(25)	(29)	(50)	(45)
Net increase (decrease) in cash and cash equivalents	(45)	(14)	30	(319)
Cash and cash equivalents at the beginning of the period	243	183	168	487
Cash and cash equivalents at the end of the period	198	168	198	168

Alternative Performance Measures (1 of 2)

Akastor discloses alternative performance measures as a supplement to the consolidated financial statements prepared in accordance with IFRS. Such performance measures are used to provide an enhanced insight into the operating performance, financing abilities and future prospects of the group.

These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period. It is Akastor's experience that these measures are frequently used by securities analysts, investors and other interested parties.

- **EBITDA** - earnings before interest, tax, depreciation and amortization, corresponding to "Operating profit before depreciation, amortization and impairment" in the consolidated income statement.
- **EBIT** - earnings before interest and tax, corresponding to "Operating profit (loss)" in the consolidated income statement
- **Capex and R&D capitalization** - a measure of expenditure on PPE or intangible assets that qualify for capitalization
- **Order intake** – represents the estimated contract value from the contracts or orders that are entered into or committed in the reporting period
- **Order backlog** - represents the remaining unearned contract value from the contracts or orders that are already entered into or committed at the reporting date
- **Net current operating assets (NCOA)** - a measure of working capital. It is calculated by current operating assets minus current operating liabilities, excluding financial assets or financial liabilities related to hedging activities
- **Net capital employed** - a measure of all assets employed in the operation of a business. It is calculated by net current operating assets added by non-current assets and other current assets (excluding non-current interest bearing receivables), minus deferred tax liabilities, employee benefit obligations and other non-current liabilities
- **Gross debt** - sum of current and non-current borrowing
- **Net debt** - gross debt minus cash and cash equivalents
- **Net bank debt** - Net debt minus liabilities related to financial lease
- **Net interest-bearing debt (NIBD)** – net debt minus non-current and current interest bearing receivables
- **Equity ratio** - a measure of investment leverage, calculated as total equity divided by total assets at the reporting date
- **Liquidity reserve** - comprises cash and cash equivalents and undrawn committed credit facilities

Alternative Performance Measures (2 of 2)

NOK million	December 31 2018	December 31 2017
Non-current borrowings	588	2 133
Current borrowings	14	399
Gross debt	601	2 533
Less:		
Cash and cash equivalents	198	168
Net debt	403	2 364
Less:		
Finance lease liabilities	-	1 494
Net bank debt	403	871
Net debt	403	2 364
Less:		
Non-current interest-bearing receivables	-	1
Current interest-bearing receivables	257	-
Net interest-bearing debt (NIBD)	146	2 363

NOK million	December 31 2018	December 31 2017
Total equity	4 317	5 277
Divided by Total assets	9 005	10 328
Equity ratio	48%	51%
Cash and cash equivalents	198	168
Undrawn committed credit facilities	2 012	1 400
Liquidity reserve	2 210	1 568

NOK million	December 31 2018	December 31 2017
Current operating assets	3 472	2 946
Less:		
Current operating liabilities	3 189	1 829
Derivative financial instruments	(92)	74
NCOA related to AKOFS Offshore	-	186
Net current operating assets (NCOA)	375	857
Plus:		
NCOA related to AKOFS Offshore	-	186
Total non-current assets	5 078	7 163
Other current assets	-	51
Less:		
Non-current interest-bearing receivables	-	1
Deferred tax liabilities	9	10
Employee benefit obligations	332	349
Other non-current liabilities	556	330
Net capital employed	4 556	7 566

Key figures

AKASTOR GROUP

NOK million	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	YTD 2018
Operating revenue and other income	895	881	873	955	1 090	3 800
EBITDA	96	63	78	87	63	290
EBIT	23	16	31	41	21	109
CAPEX and R&D capitalization	35	17	8	68	37	131
NCOA	857	687	617	547	375	375
Net capital employed	7 566	7 196	7 461	4 771	4 556	4 556
Order intake	1 291	1 068	1 635	799	980	4 481
Order backlog	1 948	2 123	2 907	2 759	2 692	2 692
Employees	2 015	1 991	1 970	1 790	1 775	1 775

Split per Company (1 of 3)

MHWIRTH

NOK million	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	YTD 2018
Operating revenue and other income	739	731	681	751	893	3 055
EBITDA	83	69	68	71	73	281
EBIT	33	37	36	39	45	156
CAPEX and R&D capitalization	19	4	8	11	36	58
NCOA	995	782	671	613	405	405
Net capital employed	2 783	2 499	2 347	2 258	2 113	2 113
Order intake	1 134	724	1 466	640	713	3 544
Order backlog	1 718	1 709	2 504	2 398	2 282	2 282
Employees	1 456	1 437	1 412	1 422	1 424	1 424

Split per Company (2 of 3)

AKOFS OFFSHORE ¹⁾

NOK million	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	YTD 2018
Operating revenue and other income	213	262	289	290	266	1 107
EBITDA	80	86	123	118	144	471
EBIT	(2)	7	(280)	78	68	(127)
CAPEX and R&D capitalization	15	11	(1)	54	124	188
NCOA	186	238	217	214	180	180
Net capital employed	4 154	3 954	3 629	4 778	4 915	4 915
Order intake	12	(26)	2 936	42	4	2 956
Order backlog	4 917	4 340	6 633	6 286	6 250	6 250
Employees	180	185	186	190	202	202

¹⁾ Figures presented on a 100% basis. Akastor's share of net profit from the joint venture is presented as part of "net financial items"

Split per Company (3 of 3)

OTHER HOLDINGS

NOK million	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	YTD 2018
Operating revenue and other income	159	148	197	197	207	749
EBITDA	4	(14)	2	5	(11)	(18)
EBIT	(20)	(29)	(13)	(8)	(24)	(74)
CAPEX and R&D capitalization	1	3	1	2	2	8
NCOA	(138)	(95)	(54)	(66)	(30)	(30)
Net capital employed	628	743	1 485	1 372	1 357	1 357
Order intake	164	345	174	156	267	943
Order backlog	231	416	404	361	408	408
Employees	379	369	372	368	351	351

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