

Second Quarter Results 2018

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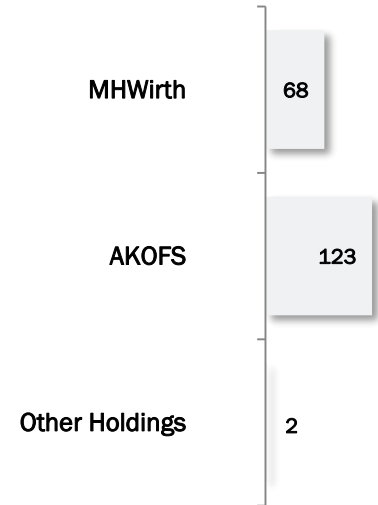


AKASTOR

Highlights

- ✓ Revenue of NOK 873 million, 25 percent growth year-on-year
 - Revenue of NOK 1 153 million inclusive AKOFS Offshore
- ✓ EBITDA from continuing operations NOK 78 million
 - EBITDA of NOK 193 million inclusive AKOFS Offshore
- ✓ Order intake of NOK 4.6 billion including MHWirth contract with Keppel FELS and AKOFS Offshore 5 year contract with Equinor
- ✓ Signed definitive agreements to form joint venture of AKOFS Offshore with Mitsui & Co., Ltd and Mitsui O.S.K. Lines, LTD
- ✓ Invested USD 75 million in preferred equity in Odfjell Drilling

Akastor EBITDA NOK 193 million



EBITDA
NOK 193 million

Net bank debt
NOK 1.3 billion

Order Backlog
NOK 9.5 billion

Portfolio Highlights



- ✓ Signed contract for complete drilling package with Keppel FELS in Q2, end client Awilco Drilling
- ✓ Quarterly revenues up 24% year on year, EBITDA margin 10%
- ✓ Continued challenging drilling market, however positive development within certain niches. Service activity remains stable.



- ✓ Aker Wayfarer with continued strong operations after commencement of contract with Petrobras
- ✓ Skandi Santos with strong operations and revenue utilization in the quarter
- ✓ Entered into 5 year light well intervention contract with Equinor for the AKOFS Seafarer vessel



DOF Deepwater



- ✓ Step Oiltools – marginally positive EBITDA and cash flow
- ✓ NES Global Talent – Growth in number of contractors placed. Akastor's economic interest increased by 2% to around 17% based on earn-out structure
- ✓ First Geo – stable activity with good contribution from certain key contracts
- ✓ Cool Sorption – high activity level with several ongoing projects
- ✓ DOF Deepwater – continued weak market, two out of five vessels on contract
- ✓ Odfjell Drilling – Invested USD 75 million in preferred equity instrument

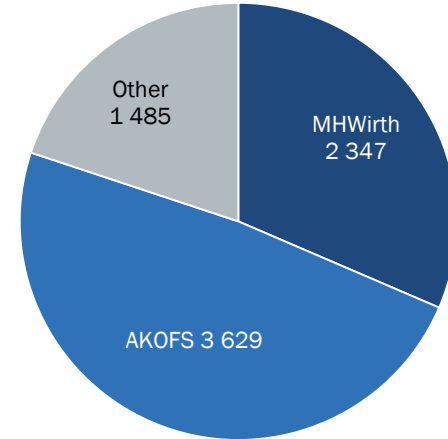
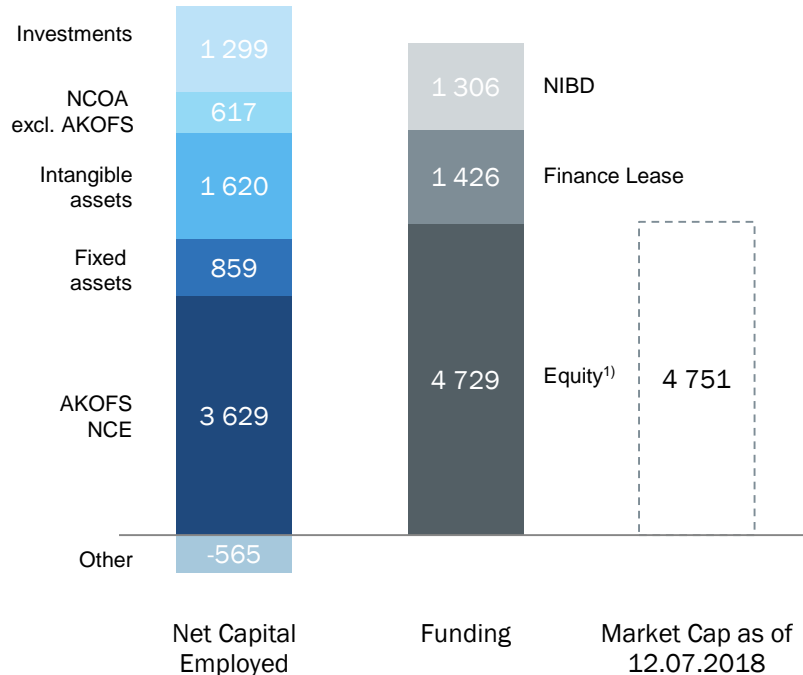
Condensed Consolidated Income Statement

<i>NOK million</i>	Second Quarter		First half		Full Year
	2018	2017	2018	2017	2017
Operating revenues and other income	873	697	1 754	1 461	3 606
Operating expenses	(795)	(705)	(1 613)	(1 443)	(3 490)
Operating profit before depreciation, amortization and impairment (EBITDA)	78	(7)	141	19	116
Depreciation and amortization	(47)	(70)	(94)	(138)	(278)
Impairment	-	(24)	-	(24)	(118)
Operating profit (loss)	31	(101)	47	(143)	(280)
Net financial items	103	(185)	54	(251)	(406)
Profit (loss) before tax	134	(286)	102	(394)	(686)
Tax income (expense)	(14)	57	(15)	58	(20)
Profit (loss) from continuing operations	121	(229)	86	(336)	(706)
Net profit (loss) from discontinued operations	(372)	(92)	(357)	204	648
Profit (loss) for the period	(251)	(321)	(271)	(132)	(58)

The Akastor Portfolio

NET CAPITAL EMPLOYED OF NOK 7.5 BILLION

NOK million



NET CAPITAL EMPLOYED OF NOK 7.5 billion

1) Equity excludes cash flow hedge reserve

Capital Structure

- ✓ Net bank debt of NOK 1 307 million as of second quarter
 - Gross bank debt of NOK 1 663 million
 - Cash of NOK 356 million
- ✓ Liquidity reserve of NOK 1.0 billion of which undrawn committed credit facilities NOK 0.7 billion

FUNDING

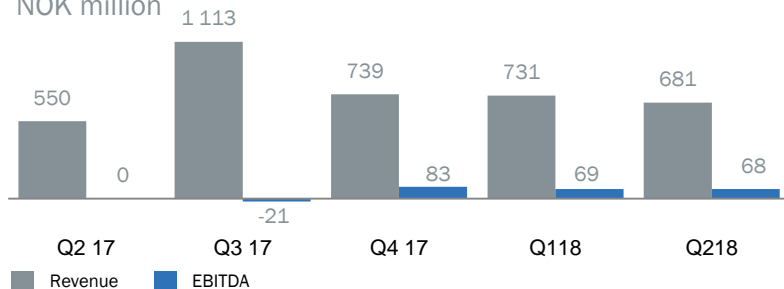
	SIZE	MATURITY	MARGIN
REVOLVING	USD 147 million	July 2019	1.65%–4.5%
REVOLVING	NOK 1 005 million	July 2019	1.65%–4.5%
BRAZIL FACILITY	BRL 66 million	May 2022	7.8% average cost

MHWirth

- ✓ Revenues of NOK 681 million, up 24% year-on-year
- ✓ EBITDA of NOK 68 million in the quarter;
 - EBITDA margin of 10%
- ✓ Order intake of NOK 1 466 million in the quarter
- ✓ NCOA down NOK 111 million to NOK 671 million from last quarter
- ✓ Order intake included previously announced contract with Keppel FELS for complete drilling package, with contract value of approx. USD 100 million

Revenue and EBITDA

NOK million

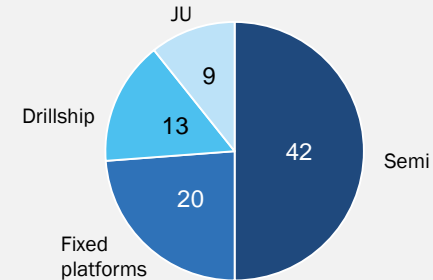


BUSINESS SPLIT YTD BASED ON REVENUE

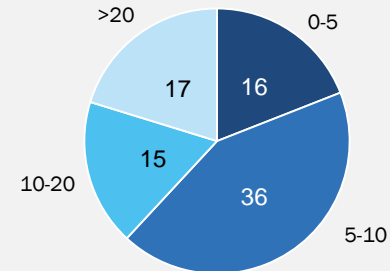


INSTALLED BASE (84 UNITS)

by type



by age (years)

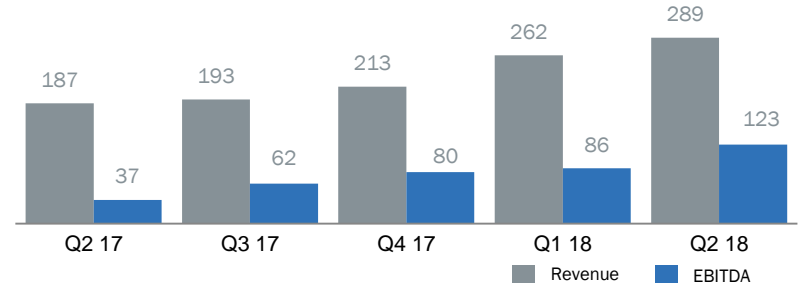


AKOFS Offshore

- ✓ Revenues of NOK 289 million, EBITDA of NOK 123 million
- ✓ Aker Wayfarer and Skandi Santos operated at near full utilization in the quarter
- ✓ Signed 5 year + 3 year contract with Equinor for AKOFS Seafarer. Contract value approx. USD 370 million. Commencement scheduled in first half of 2020

Revenue and EBITDA

NOK million



VESSEL PROGRAM

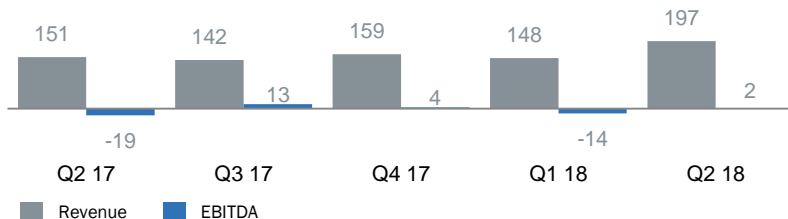


Other Holdings

- ✓ Step Oiltools – Revenue of NOK 61 million and EBITDA of NOK 1 million in the quarter
- ✓ Cool Sorption – Revenue of NOK 28 million and EBITDA of NOK 3 million in the quarter
- ✓ First Geo – Revenue of NOK 47 million and EBITDA of NOK 10 million in the quarter
- ✓ Odfjell Drilling preferred equity – financial items of NOK 47 million
- ✓ Awilco Drilling shares – financial items of NOK 30 million

Revenue and EBITDA

NOK million



Akastor as an investment company

Key Focus

- ✓ Continue to focus on developing our portfolio companies
- ✓ M&A: Capitalize on portfolio companies
- ✓ Optimize capital structure



Additional information

Condensed Consolidated Statement of Financial Position

<i>NOK million</i>	June 30 2018	December 31 2017
Deferred tax asset	410	661
Intangible assets	1 210	1 435
Property, plant and equipment	859	4 419
Other non-current assets	124	99
Equity accounted investees and other Investments	1 299	546
Non-current interest-bearing receivables	1	1
Total non-current assets	3 905	7 163
Current operating assets	2 879	2 946
Other current assets	11	51
Cash and cash equivalents	356	168
Assets held for sale	3 685	-
Total current assets	6 931	3 165
Total assets	10 836	10 328
Equity attributable to equity holders of Akastor ASA	4 724	5 277
Total equity	4 724	5 277
Deferred tax liabilities	11	10
Employee benefit obligations	331	349
Other non-current liabilities and provisions	317	330
Non-current borrowings	1 628	2 133
Total non-current liabilities	2 287	2 823
Current operating liabilities and provisions	2 268	1 829
Current borrowings	35	399
Liabilities held for sale	1 523	-
Total current liabilities	3 826	2 228
Total liabilities and equity	10 836	10 328

Condensed Consolidated Statement of Cash flows

<i>NOK million</i>	Second Quarter		First half		Full Year
	2018	2017	2018	2017	2017
Profit (loss) for the period	(251)	(321)	(271)	(132)	(58)
(Profit) loss for the period – discontinued operations	372	92	357	(204)	(648)
Depreciation, amortization and impairment – continuing operations	47	94	94	162	396
Other adjustments for non-cash items and changes in operating assets and liabilities	51	(86)	120	(436)	(363)
Net cash from operating activities	219	(222)	300	(609)	(673)
Acquisition of property, plant and equipment	(5)	(7)	(21)	(20)	(70)
Payments for capitalized development	(3)	(9)	(4)	(12)	(27)
Proceeds (payments) related to sale of subsidiaries, net of cash	1	-	(11)	(41)	921
Cash flow from other investing activities	(576)	7	(659)	(59)	(33)
Net cash from investing activities	(584)	(8)	(695)	(132)	790
Changes in external borrowings	622	111	600	435	(391)
Net cash from financing activities	622	111	600	435	(391)
Effect of exchange rate changes on cash and cash equivalents	(69)	(6)	(17)	9	(45)
Net increase (decrease) in cash and cash equivalents	188	(125)	188	(298)	(319)
Cash and cash equivalents at the beginning of the period	168	315	168	487	487
Cash and cash equivalents at the end of the period	356	189	356	189	168

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

Split per Company

MHWIRTH

<i>NOK million</i>	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	YTD 2018
Operating revenue and other income	550	1 113	739	731	681	1 412
EBITDA	-	(21)	83	69	68	137
EBIT	(71)	(160)	33	37	36	72
CAPEX and R&D capitalization	8	16	19	4	8	11
NCOA	1 119	1 086	995	782	671	671
Net capital employed	3 200	3 079	2 783	2 499	2 347	2 347
Order intake	612	1 000	1 134	728	1 466	2 191
Order backlog	1 409	1 299	1 718	1 709	2 504	2 504
Employees	1 535	1 470	1 456	1 437	1 412	1 412

Split per Company

AKOFS OFFSHORE ¹⁾

<i>NOK million</i>	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	YTD 2018
Operating revenue and other income	187	193	213	262	289	551
EBITDA	37	62	80	86	123	209
EBIT	(46)	(25)	(2)	7	(280)	(273)
CAPEX and R&D capitalization	7	6	15	11	-	10
NCOA	221	225	186	238	217	217
Net capital employed	4 307	3 994	4 154	3 954	3 629	3 629
Order intake	(4)	9	12	(26)	2 936	2 910
Order backlog	5 439	4 858	4 917	4 340	6 633	6 633
Employees	113	173	180	185	186	186

¹⁾ AKOFS Offshore is classified as discontinued operations in the consolidated accounts (except for the existing joint venture Avium Subsea AS), following agreements to divest Akastor's 50 percent ownership.

Split per Company

OTHER HOLDINGS

<i>NOK million</i>	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	YTD 2018
Operating revenue and other income	151	142	159	148	197	345
EBITDA	(19)	13	4	(14)	2	(12)
EBIT	(41)	(8)	(20)	(29)	(13)	(42)
CAPEX and R&D capitalization	-	7	1	3	1	4
NCOA	(112)	(149)	(138)	(95)	(54)	(54)
Net capital employed	744	677	628	743	1 485	1 485
Order intake	143	146	164	345	174	520
Order backlog	269	218	231	416	404	404
Employees	420	400	379	369	372	372

AKASTOR



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