May 9, 2017

1Q 2017 Financial Highlights

- Sales NOK 5.2 billion
- EBITDA NOK 355 million
- EBITDA margin 6.9%
- EBITDA margin ex. special items 7%
- EBIT NOK 150 million
- EBIT margin 2.9%
- EBIT margin ex. special items 3%
- Earnings per share NOK 0.23
- Order intake NOK 4.6 billion
- Order backlog NOK 30.7 billion

Aker Solutions continued to deliver strong execution on major projects globally in the first quarter of 2017 and made good progress on improvement efforts that supported margins amid a sustained market slowdown.

The company has completed more than two-thirds of a program to increase cost-efficiency across the business by at least 30 percent by the end of 2017. Its new, more streamlined organizational structure of five delivery centers became fully operational in the quarter.

Good progress was made in integrating the Brazilian maintenance and modifications provider, C.S.E. Mecânica e Instrumentação Ltda., which Aker Solutions acquired in December to expand its services business in key markets. Building on this strategy, Aker Solutions in March also agreed to buy the Norwegian oil and gas assets of Reinertsen, Norway's third-largest offshore maintenance and modifications supplier. The transaction was completed in April.

"We delivered yet another quarter with strong execution and improvement efforts that supported margins amid continued market challenges," said Luis Araujo, chief executive officer of Aker Solutions. "We also seized further opportunities to grow a world-class services business that will be well placed to take advantage of a market recovery."

The company won NOK 4.6 billion in new orders in the quarter, including a front-end engineering and design (FEED) contract from Statoil for the second phase of the major Johan Sverdrup development and an order from Kvaerner to provide engineering for upgrading Statoil's Njord A platform in Norway. New orders also included a contract for the hook-up of the riser platform at the Johan Sverdrup field and a FEED order from VNG Norge for the North Sea Pil & Bue development.

Aker Solutions continued to generate strong interest in its front-end engineering capabilities, winning 30 study awards for projects in Norway, the UK, the U.S., Australia and Malaysia. That is a continuation of the company's record number of 80 studies for all of 2016.

"Our early-phase capabilities are playing a key role in bringing down costs and maximizing the overall value of field developments for our customers," said Araujo. "We're seeing an increasing tendency for our study and FEED work to be more closely tied to the potential next stages of a project - that is, the engineering, procurement and even construction and installation phases. This puts us in a stronger position to secure future work at these projects."

The order backlog was NOK 30.7 billion at the end of the quarter, of which more than half was for projects outside Norway. Finances were solid, with a liquidity buffer of NOK 7 billion at the end of the period.

Revenue decreased to NOK 5.2 billion in the quarter from NOK 6.5 billion a year earlier amid the global market slowdown and as some projects neared completion. Earnings before interest, taxes, depreciation and amortization were NOK 355 million in the quarter, compared with NOK 508 million a year earlier. The EBITDA margin was 6.9 percent versus 7.9 percent a year earlier. Excluding special items, the margin was 7 percent compared with 8 percent.

Aker Solutions has two reporting segments: Projects and Services. Revenue in Projects declined to NOK 4.1 billion in the quarter from NOK 5.1 billion a year earlier amid generally lower market activity and on some projects nearing completion. The EBITDA margin contracted to 6.6 percent from 7.5 percent a year earlier.

Revenue in Services fell to NOK 1.1 billion in the quarter from NOK 1.5 billion a year earlier, primarily driven by decreased activity for subsea services and a maturing production asset services portfolio. The EBITDA margin improved to 14.2 percent in the quarter from 10.2 percent a year earlier, helped by a favorable activity mix and strong operational performance.

Outlook

The outlook for oil services remains challenging as projects continue to be postponed amid a volatile oil-price environment. There are some signs of a recovery, particularly in the brownfield segment where oil companies are focusing on optimizing output from existing fields. Industry cost cuts are bringing down break-even costs on developments, which is expected to spur new investments and project sanctions this year. Increased demand for front-end engineering services is also an early indication of a pickup in activity ahead. Tendering activity is healthy and Aker Solutions is currently bidding for contracts totaling about NOK 50 billion. The majority of these are in the subsea area, where the company anticipates several greenfield projects to be awarded in the next 12 months.

"While we continue to face market uncertainty, the signs of improving brownfield activity and expectations of key subsea projects moving forward bode well for 2018 activity levels," said Araujo.

As previously indicated, the company continues to see overall revenue down by about 10-15 percent in 2017 from the prior year, with an anticipated modest pickup in activity in the field design segments of both Projects and Services that will be offset by weaker subsea volumes. Underlying EBITDA margins are seen slightly down from current levels due to a continued market slowdown and changing revenue mix. This will be partially offset by a continued strong momentum from the company's global improvement program.

ENDS

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1Q 2017 Presentation
