



# Ratos Capital Market Day

Stockholm, March 12<sup>th</sup> 2014

Jan Skogseth, President and CEO, Aibel

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# Introduction to Aibel

# About Aibel

- Aibel AS is a leading service company within the oil, gas and renewable energy industry
- Approx. 5 500 employees in Norway and abroad, working on fields and facilities, both onshore and offshore

- 2013 revenue:  
12 645 MNOK
- 2013 EBITDA:  
916 MNOK



Concept studies  
FEEDs



Engineering  
Procurement



Fabrication  
Installation  
System completion



Maintenance  
Operational support  
Decommissioning





# Aibel's locations



Headquarter in Stavanger



Yard in Haugesund



Yard in Thailand

# Business units



## MMO and Modification

- Long term onshore and offshore MMO contracts
- Modifications to existing offshore installations and onshore plants
- Focus on the NCS oil & gas market

## Field Development

- New offshore installations and onshore plants
- Focus on the North Sea and Arctic oil & gas market
- International FPSO market

## International

- Execution capacity and capability to NCS projects
- Engineering, Procurement and Fabrication contracts
- MMO and MOD contracts
- Focus on identified international oil & gas markets

## Renewables

- New offshore facilities, AC/DC platforms
- WTG substructures
- Maintenance and facility services

MMO: Maintenance and modifications operations  
NCS: Norwegian Continental Shelf

FPSO: Floating Production, Storage and Offloading

WTG: Wind Turbine Generator

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# Business units - share of Aibel's revenue in 2013

56 % revenue

37 % revenue

1(8) % revenue

6 % revenue



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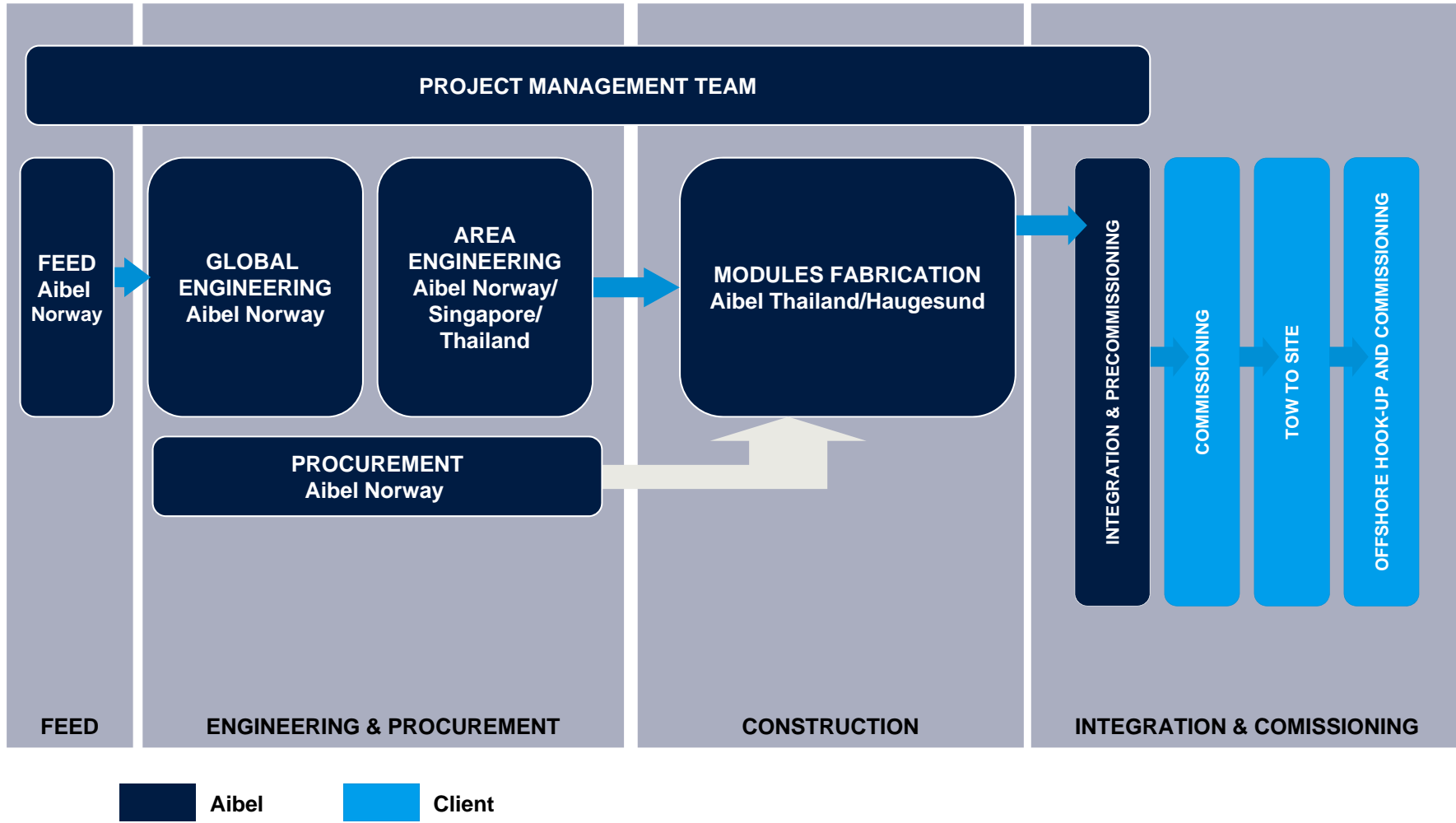
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# Aibel – an international delivery model

Integrated and cost efficient execution model







## Current status



# Aibel customers



## MMO/MOD

Norwegian  
Continental  
Shelf



Statoil

ConocoPhillips  
Ekofisk-area  
Norge



Draugen



DET  
NORSKE

Ivar Aasen



## Field Development

Gudrun  
Troll 3-4



Statoil

TALISMAN

E N E R G Y

Yme Re-development Study



## International



P-74 FPSO topsides fabrication



Tupi / Guara / OSX-3  
TEN FPSO topsides fabrication



FEED studies for  
Leviathan & Catcher

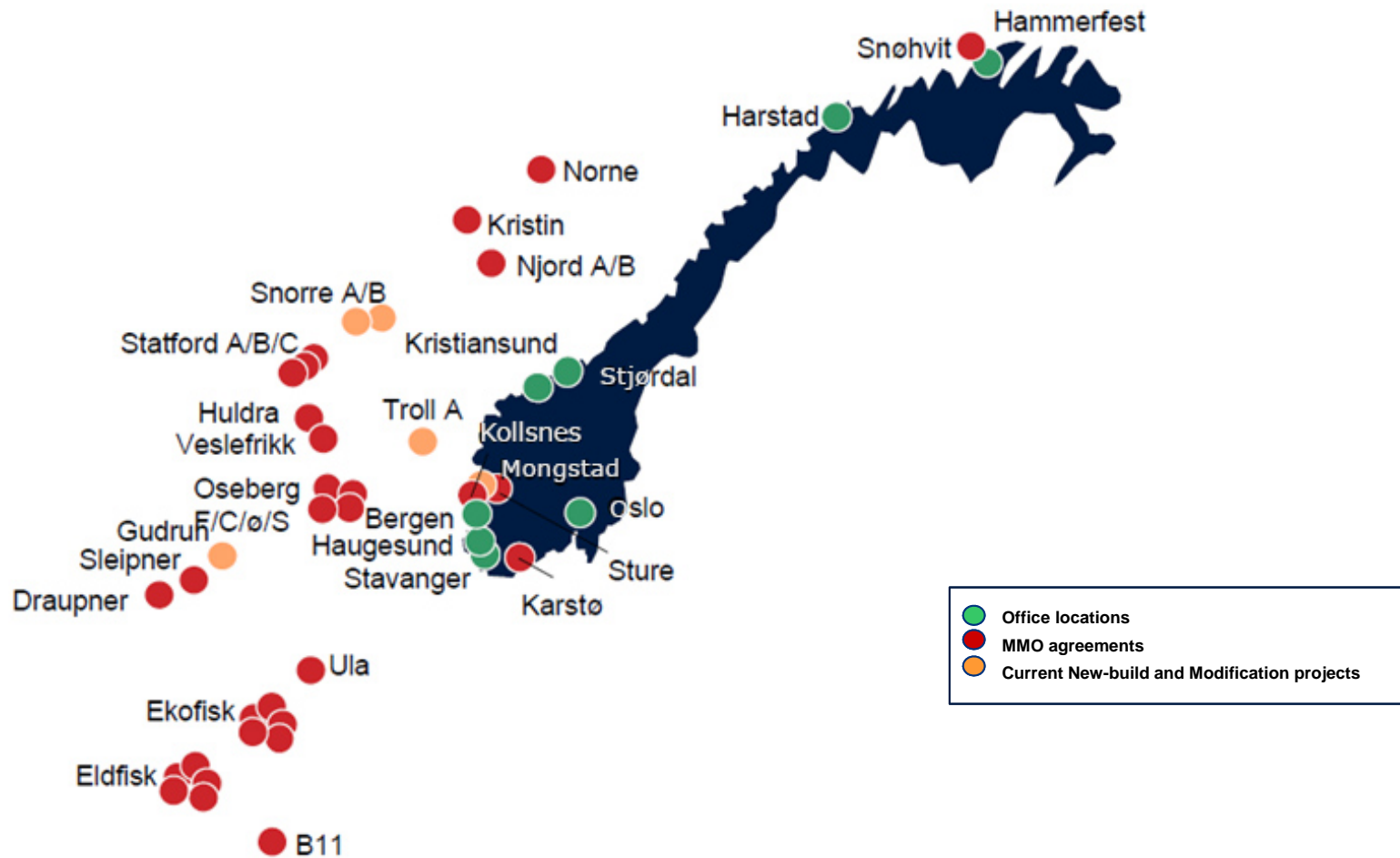


## Renewables

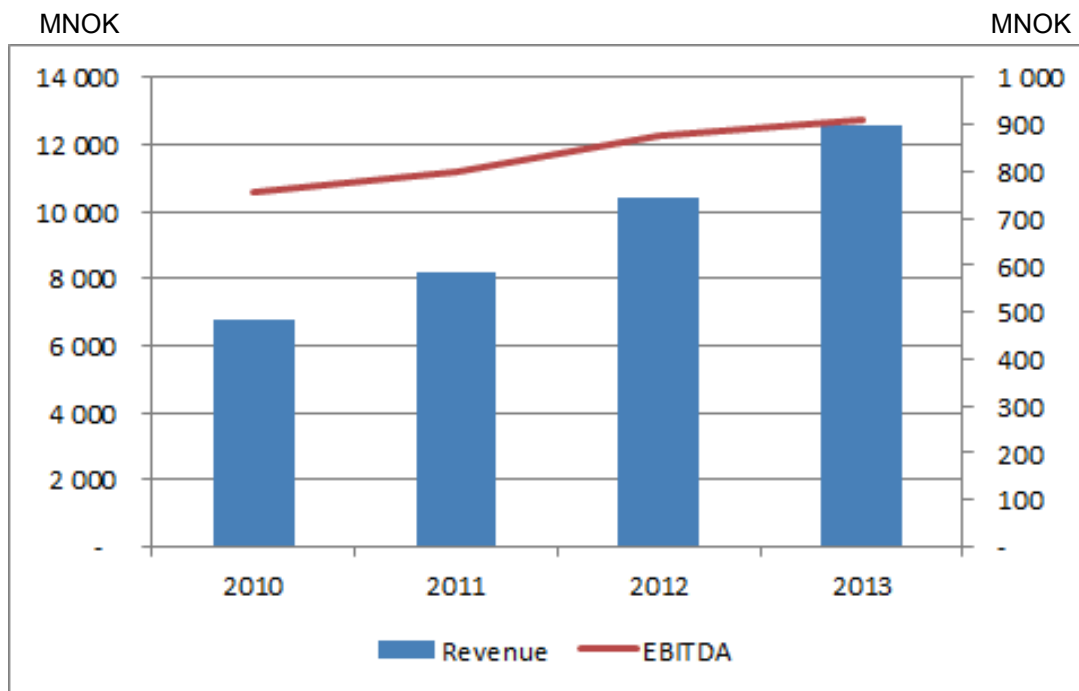


DoWin Beta  
(Helgoland in the German  
sector of the North Sea)

# Market leading position on NCS

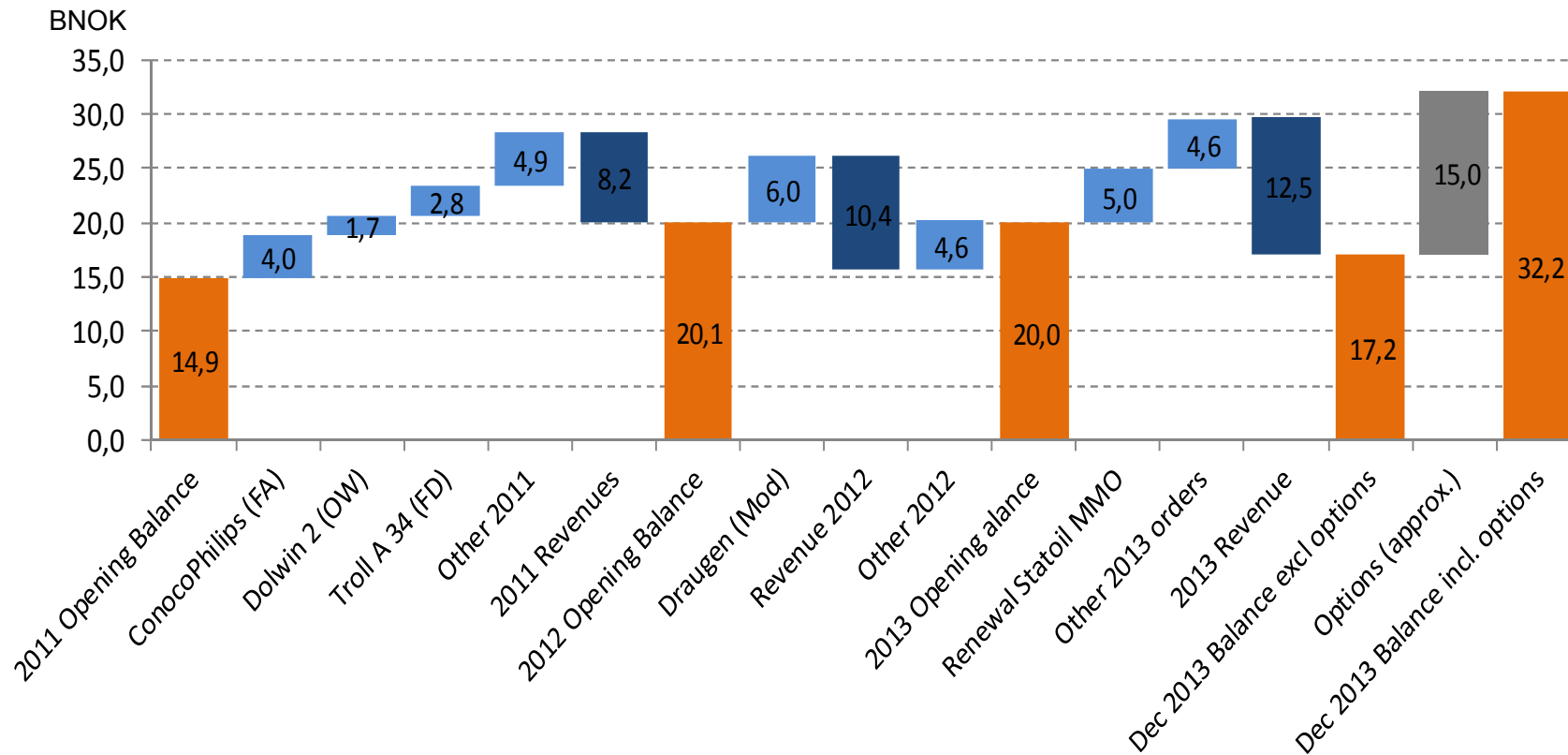


# Development in revenue & EBITDA



- Significant revenue growth last few years
- Stable earnings growth
- High revenue contribution within FD in 2013 due to peak activity for Gudrun and Troll

# Order backlog development 2011-2013



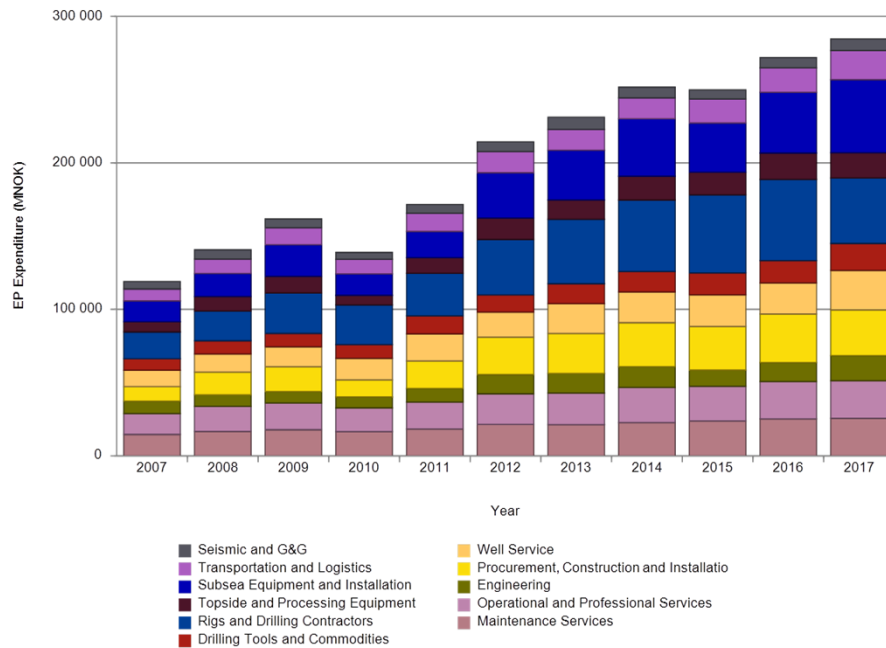




## **The future and market outlook**

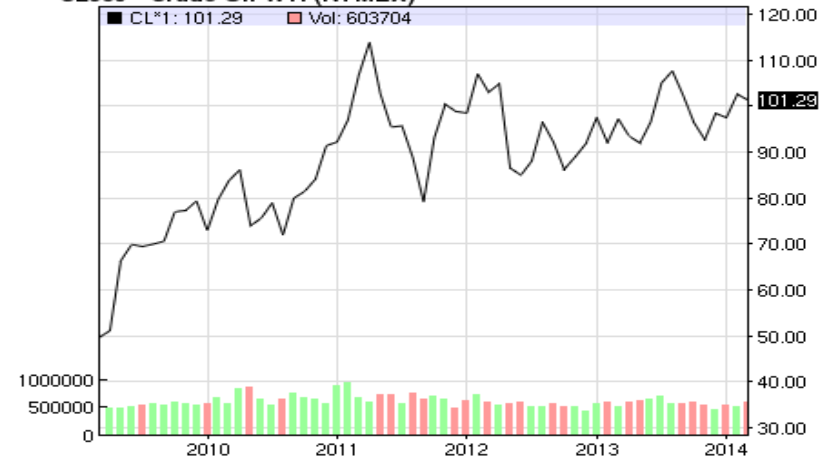
# The oil companies' challenge: Increasing investments and stable oil price

Exploration & Production Expenditure NCS (MNOK)



Source: Rystad Energy DCube, version 08.01.2014

CLJ09 - Crude Oil WTI (NYMEX)



Source: NASDAQ

# The solution: Cash management

16. Økonomi

TRONDAG 16. FEBRUAR 2014 STAVANGER AFTENBLAD

RENTE • Styrespenner	STROM • Lytt variabelt an	ENERGI • Bæret ut	OSLO BØRS • Investertid	VALUTA
1,50%	31,12 øre	-0,29%	-0,06%	+0,19%
Nominellrente 1,50% Nominellrente USA 1,50% Styrer, Sparekonto 1,50%	Lønnet Energy 36,52 øre Mult. Telenor 37,40 øre Godkjennings 38,40 øre	Lett elvite 85,86 USD Nord Power 21 290,25 NOK/NTN Nord Power Gas 27,99 NOK/NTN	New York 11.875,39 London 6.526,29 Tokyo 117,42	Euro 7,47 pund 6,59 SEK 9,75 DKK 96,22

## Statoil Nye kontraktar



### Skuffelse og verftsuro

► - Vi er svært skuffa og samtidig uroa over den strategien som Statoil nå føl ved tildeling av store dekkkontraktar til asiatiske verft.

**HAUGESUND**  
Det er kribblende med Albel. Martin Bergsjø, som seier dette etter at den vel seks milliardar store kontraktar for bygging av plattformdekket til Dagny gikk for Albel.

Bergsjø seier vidare at han er redd for at nybyggingskonkurransen ved norske offshoreverft skal føre med seg verfta ikkje får påført i ordbrøken.

- Dermed vil konkurranse av utgjennom til dei skruelne faga også minke, seier han.

**Skattebetalarene**  
Bergsjø er også kritisk til at Statoil skal ha brukt mange millioner til å utføre verft i Asia til å bli kvalifisert for å bygge norsk standard. - Me har sett mange tilfelle av konkursoppgjer og sluttarbeid etter fabrikkasjon ved asiatiske verft. Det blir faktisk om dette når til igjen. Da er det skattebetalarene som til sjøande og sist må ta rekninga, seier Bergsjø, som salmar tyding en-

gjølemet frå politikarane i denne saka.

**Full spådom**  
Forskningsselskapet Dagny har hatt ei innspurt med bygging av eit 15-avarsende, men noko mindre dekk til Gudrun-plattformen. Produksjonen har det siste året gått ned i Tysland, som underleverandør i Polen og ved Albel sitt verft i Haugesund. Samaransetting og ferdigging skjer hos Albel i Haugesund.

Albel har fått nok frå Statoil for gjennomførte av Gudrun-prosjektet. Ein «Gudrun-modell» hadde Albel planlagt også for produksjonen av Dagny-dekket, med bygging av store moduler ved verft i Tysland og samansetting i Haugesund.

**Eige verft i Thailand**  
- Med eige verft i Thailand og heile fabrikkbygginga i eigen organis-

asjon, meiner me Albel skulle ha ett fortrinnskonkurransen, seier konkurranseleder Bergsjø Sandal. Ho seier vidare at når Albel ikkje vil kjøpe voss fram til selskapet i første omgang drotta med Statoil kvotør det ikkje voss.

- Dermed må me forberete oss og samsa oss med oss for å trekkje oss andre oppdrag. Me er skuffa over at nybyggingskontraktar gikk, men verfta i Norge blir ikkje arbeidsløse med det fenne. Sjølvsagt skal brukar av oppgjer. Det blir mange kontraktar innan nybygging, for nyng og vedlikehold saman med produksjon av 111 mindre moduler, seier Sandal.

**Fryktar nedbygging**  
- Nedbygging av kompetanse innan nybygging kan i neste omgang føre til avvikling av konkurranse og når det gøld vedlikehold og modifikasjonsoppdrag, seier forbudssekretær i Fellesforbundet, Hans-Christian Gabrielsen. Han oppmø-

der på styreselskapet, Industriens fagforbund og Statoil til å gå saman for draфта konkrete norske verft. Kan bli betre ruta til neste konkurranse.

**Konkurransen skjerp**  
Lansert i Stavanger, ein energi- og miljøkonstruksjon, Sier Meling (H) seier at Høyre skal møte Statoil rundt slike spesielle ting. - Vi har byrdirektivet kan ha voss med å lufte gjennomansetting trossen for høgt ved norske verft. I tillegg skjer det generelt høge lønns- og kostnadsnivåer her i landet. Internasjonale konkurranse er i utgangspunktet aust. Det skjerper norske verft og gjer det betre, seier Meling.

Det norske byrødet i Dagnykontrakt er at Aker Solutions skal gjøre angrassen og installasjonsarbeid for om lag to milliardar kroner. Hovuddelen av angrassen helder skal ikkje skje hos Aker Solutions i Malaysia.

THOMAS FORBUD  
Foto: Statoil/Per Arne Sørensen

## Kjemper om 120 milliarder

Publisert 13.02.2014 11:44 av Glenn Stangeland / John Økland



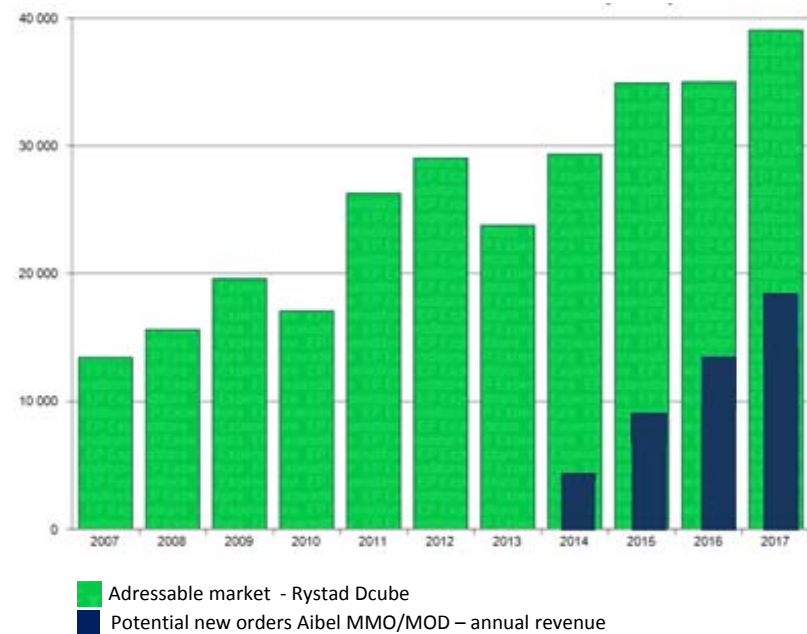
Dette er kontraktsmulighetene for norsk industri på Johan Sverdrup.

Johan Sverdrup-utbyggingen er en godtepose for norske leverandører, med investeringer på mellom 100 og 120 milliarder kroner.

# MMO/MOD – strong position

- Aibel has a market leading position on the NCS, a market that has shown stable growth
- Short term: the market has signalled a temporary slowdown (not yet reflected in market forecasts)
  - Aibel will adjust its delivery capacity accordingly to ensure that the company remains robust and competitive
- Mid- to long term: the market outlook is strong
  - New facilities coming to market 2015 and onwards
  - Old facilities continue to be in operation and need MMO/MOD work
  - Need for life extension and improved oil recovery (IOR) projects to meet the oil companies' production targets

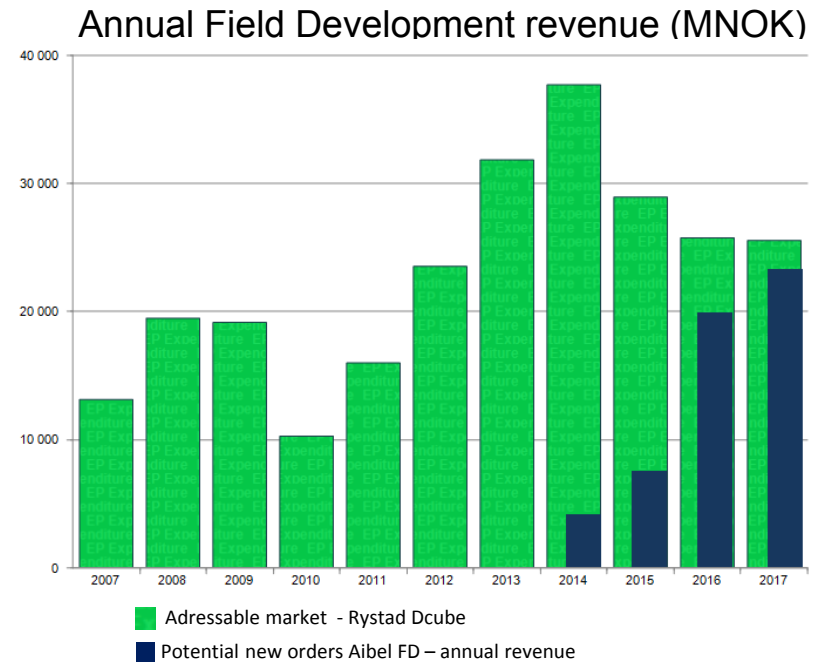
Annual Modification and MMO revenue (MNOK)





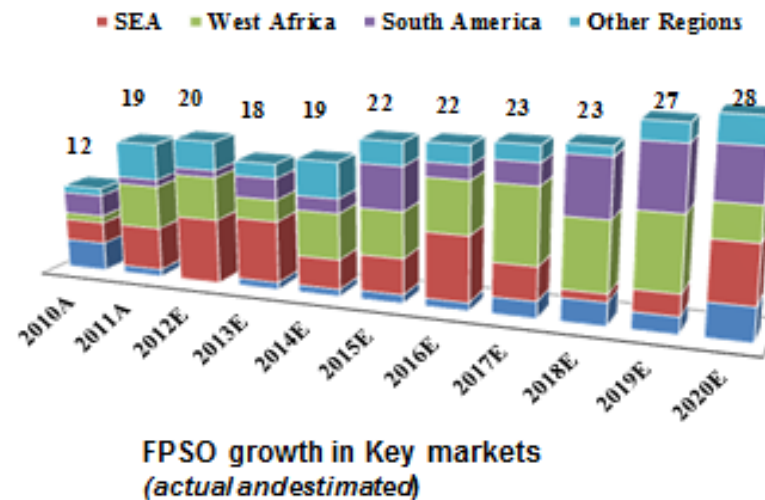
# Field Development – strong potential

- Large number of newbuild projects for NCS taking place in Asia right now
  - 2014 slow year for Aibel vs record year 2013
- Several new opportunities coming to market with revenue effect 2015 and onwards
- Aibel uniquely positioned with integrated and international value chain with NCS quality standard
  - Increase international content on new prospects



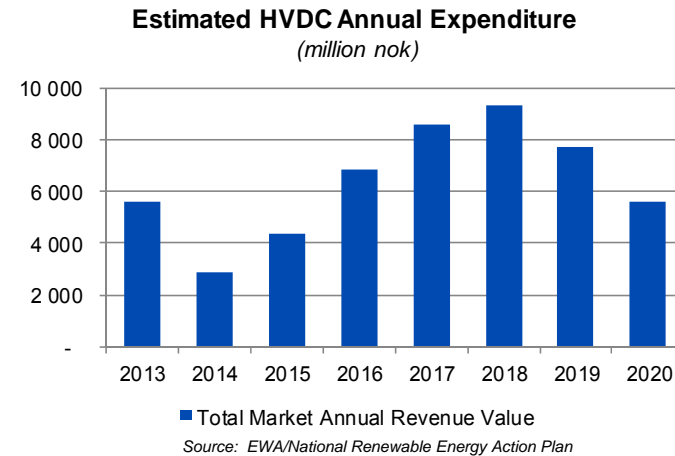
# International – increasing importance

- With a yard in Thailand and engineering resources in Singapore, International will help improve competitiveness on NCS
- Unique opportunity to leverage Asian operations to support the oil companies in improving efficiency and reducing costs
- At the same time build on expanding international business
  - Continue to take part in international FPSO-market
  - MMO/MOD in selected markets



# Renewables – attractive long term outlook

- Aibel together with ABB is finishing the Dolwin Beta platform in 2014
  - The largest HVDC platform in the world with 1 GW capacity
- Based on EU's national renewable action plans, a total capacity of 150 GW planned installed within 2030, and 40 GW within 2020
  - However, speed and scale of offshore windpower development is dependant on political support
- Aibel will compete for new HVDC platform contracts in 2014
- Renewables offers diversification from oil & gas exposure but leverages on oil & gas experience and know-how



# Outlook 2014

- Lower revenue due to significantly lower activity within Field Development
- Now, full focus to adapt to the temporary market slow-down within MMO/MOD
  - Reduction of hired-in personnel as well as own employees
  - Reduction of indirect costs throughout company
  - Renegotiate with suppliers and customers to optimize conditions
- Extraordinary costs will have significant effect on profitability
- Work closely with customers to support cost reductions and increased productivity
- Focus on securing new projects within Field Development, Renewables and International



# Strategy going forward

- Maintain strong HSE performance
- Maintain a leading market position on NCS
- Exploit opportunities to expand value chain through organic and inorganic growth
- Expand international business in South East Asia
- Follow NCS-customers to new markets
- Capitalize on attractive business model
- Further expand in the Barents region
- Maintain strong position within Renewables



# Summary

- The oil & gas industry is here to stay for many years to come
- Market investments are volatile
- Aibel has been through many “ups and downs” before
- The industry needs to focus on competitiveness and Aibel is very well positioned to take a driving role
- Market prospects are stronger than ever for the NCS



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energy to perform