



Q3 2015 Presentation

Oslo - November 5th, 2015

Trond Williksen, CEO

Eirik Børve Monsen, CFO



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Highlights Q3 2015 - by CEO Trond Williksen

Your Aquaculture Technology and Service Partner

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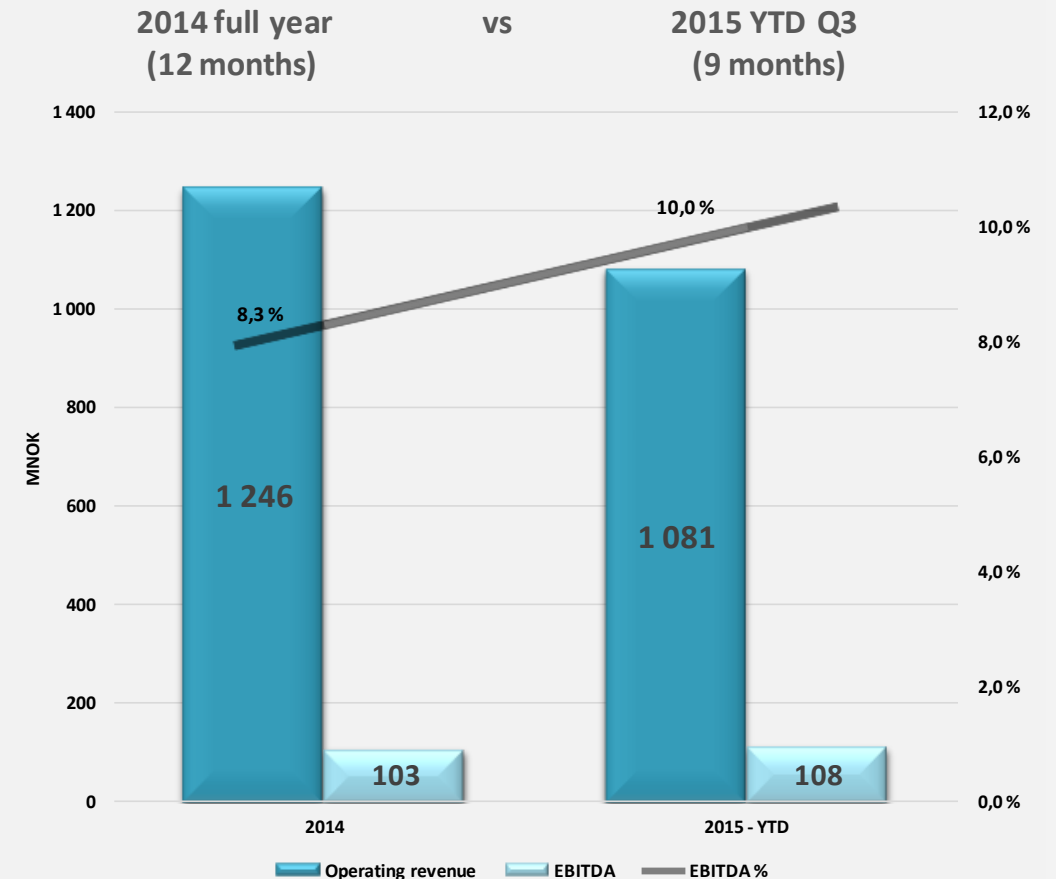
Strong performance and growth continues

Third Quarter 2015 – Highlights

- All business segments with good performance
- Chile – continues to be profitable in Q3 despite challenging market conditions
- Acquisition of Aquatec Solutions A/S finalized at 30.09.2015 – strengthening our land based position
- Best order backlog ever
- Dividend of NOK 1.00 per share to be paid in Q4 2015

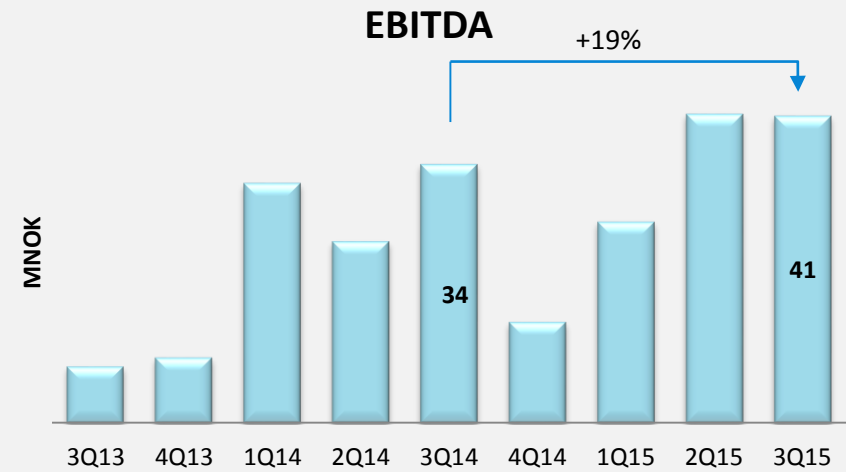
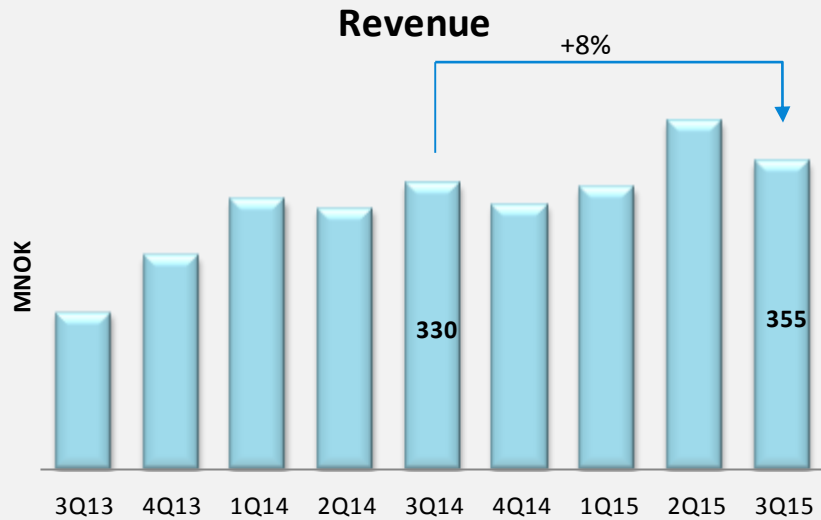
YTD 2015 – Highlights

- Best first nine months ever – growth in revenues and earnings
- Strong financial position





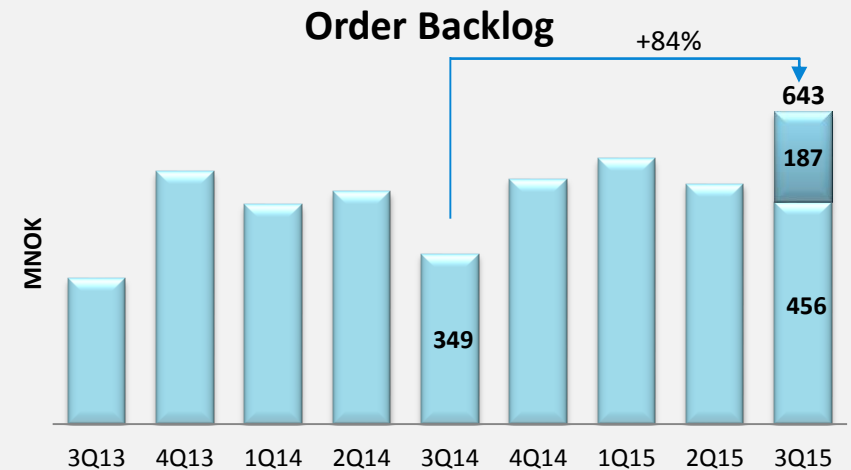
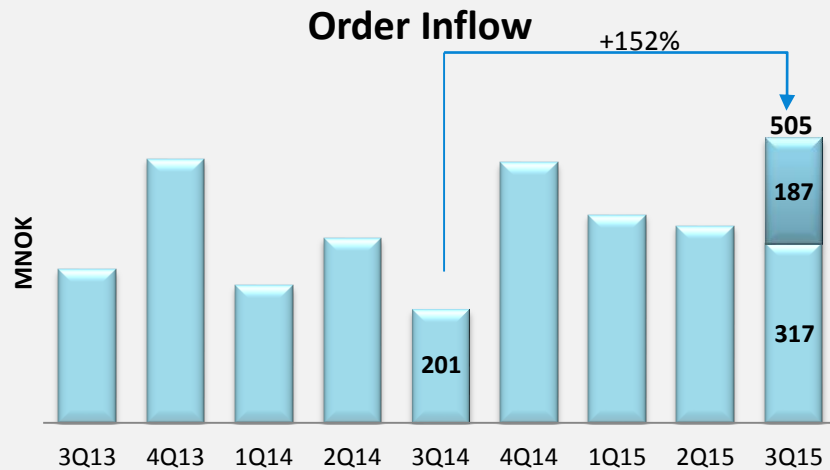
Strong performance and growth continues



EBITDA of 11.4% in Q3 2015



Strong performance and growth continues



Best order backlog ever at the end of a third quarter excluding new company

Best order backlog ever after including Aquatec Solutions A/S

AKVA group – uniquely positioned for further growth

- The most recognized brand in aquaculture technology
- Leading technology solutions and service partner to the global aquaculture industry
- Global presence - subsidiaries in 8 countries
- 690 employees
- Market cap of NOK ~876m and net debt of NOK 98m

1

Cage based



Plastic and steel cages



Infra-structure



Feed systems, sensors and cameras



3



2

Land based



Land based facilities



Land based equipment

4

Software



Software

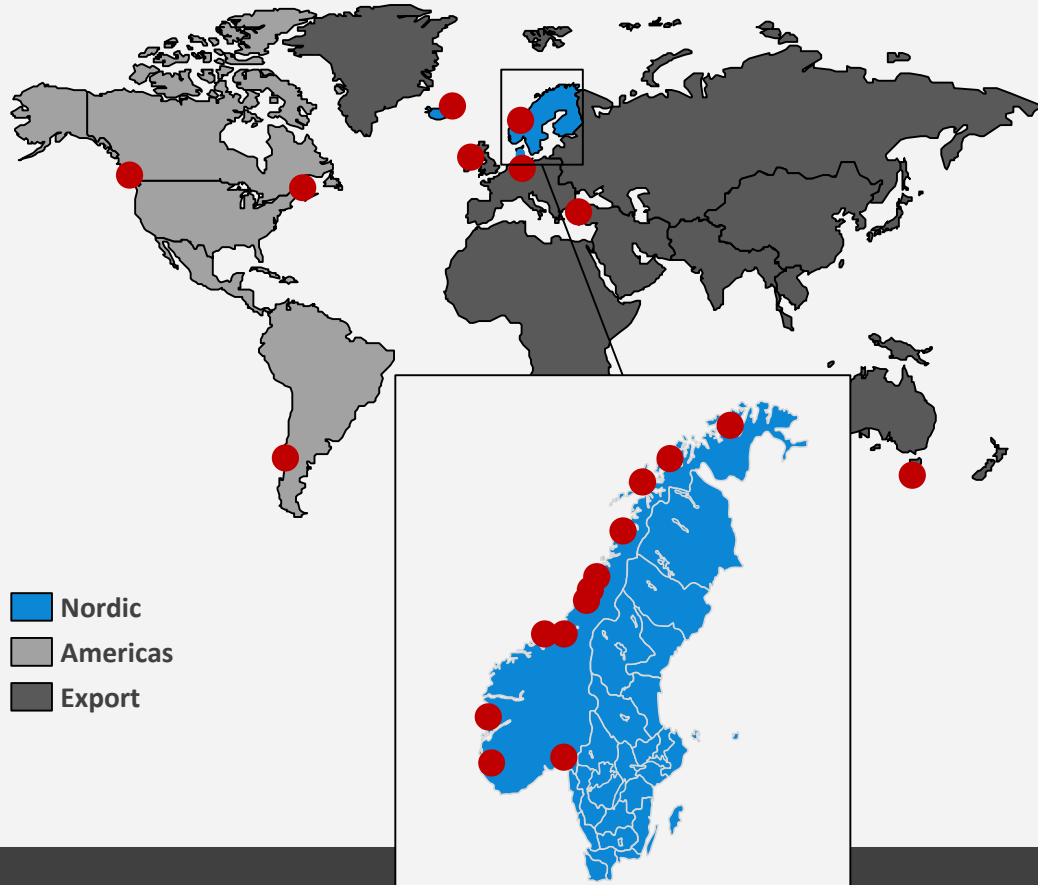


Technology and farming services

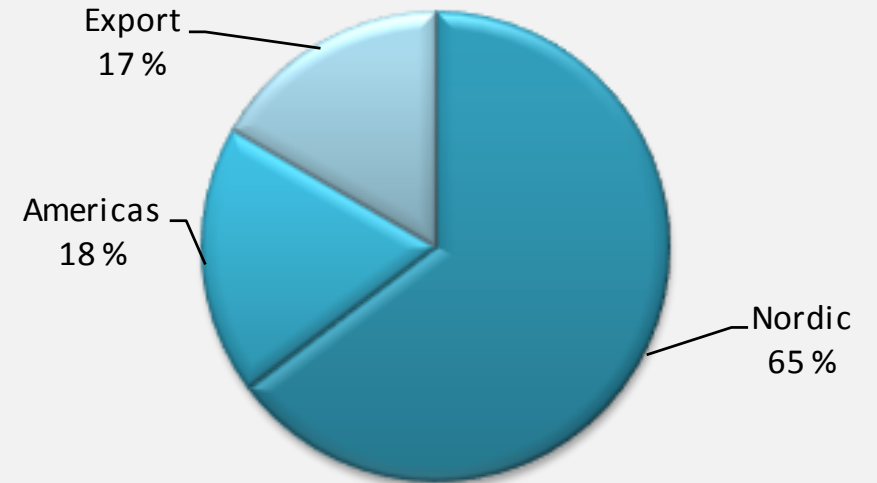


Presence in all main farming regions

Map of activities

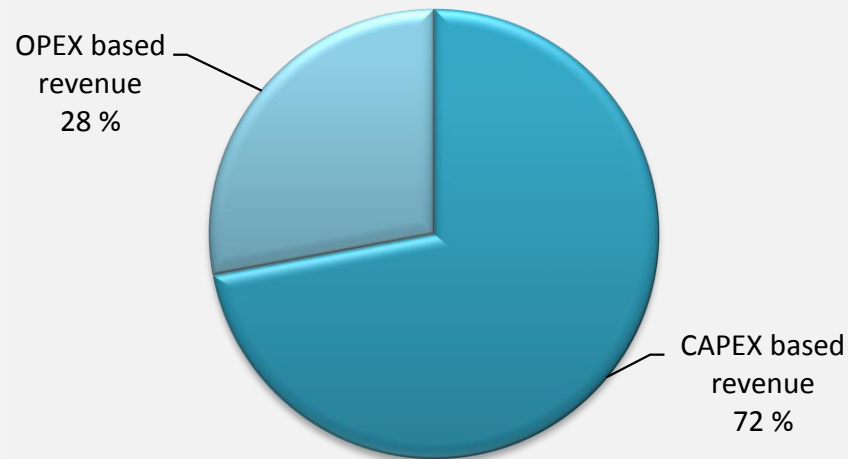


Revenue per region, Q3 2015



Strategic priority to increase the proportion of OPEX based revenue

OPEX based vs CAPEX based revenue, Q3 2015



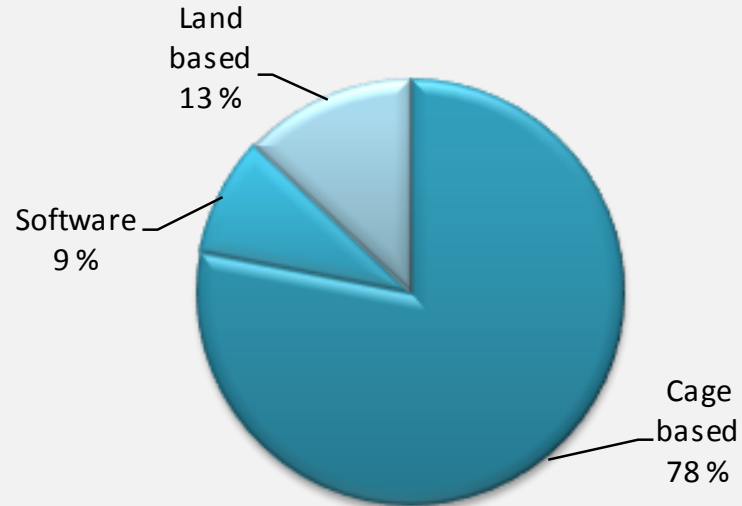
Comments

- OPEX based revenue defined as our revenue booked as OPEX in our customers P&L
- Aim of increasing relative share of OPEX based revenue through software and services – by developing software, farming services, technology services and rental further
- Introduction of rental business model in Norway in late 2014. Already successfully introduced in UK and Canada
- Rental is an “all inclusive” service providing for instance light or picture for an agreed period of time (2 to 5 years duration) - reducing CAPEX and reducing operational work for the customer
- Acquisition of YesMaritime in 2014, a provider of diving, ROV and other services to the salmon farming sector (Farming services)
- Development of Farming Services still in an early stage – opportunity for consolidation



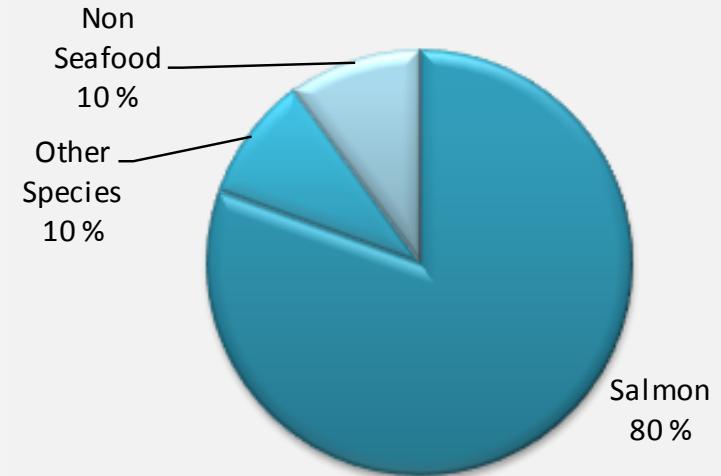
Revenue by product groups and species

By product groups – Q3 2015



- **Cage based technologies** = Cages, barges, feed systems and other operational systems for cage based aquaculture
- **Software** = Software and software systems
- **Land based technologies** = Recirculation systems and technologies for land based aquaculture

By species – Q3 2015



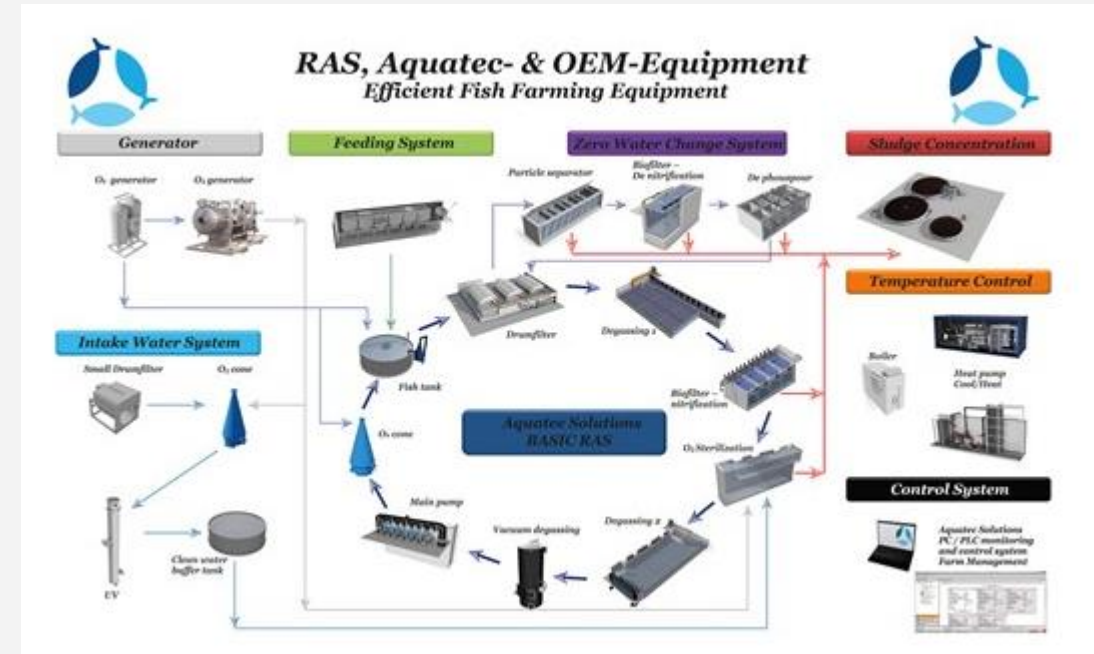
- **Salmon** = Revenue from technology and services sold to production of salmon
- **Other species** = Revenue from technology and services sold to production of other species than salmon
- **Non Seafood** = Revenue from technology and services sold non seafood customers



Acquisition of Aquatec Solutions A/S



- Acquisition finalized at 30.09.2015
- Purchase of all the shares in Aquatec Solutions for a price of DKK 35 million. In addition AKVA will pay an adjustment amount based on the net debt and working capital position of Aquatec Solutions as of 30.09.2015. Finally, AKVA will pay to the sellers an additional consideration (earn-out) based on the realized EBITDA of Aquatec Solutions for 2015 and 2016. The parties have agreed an estimated net present value of the earn out in the amount of DKK 21.6 million based on current budgets and forecasts
- The acquisition is paid in cash and will be financed with a loan from Danske Bank
- Aquatec Solutions will strengthen AKVA group's position in the Land Based Technology segment
- Will be operated as a stand-alone operation going forward





Announcement of dividend from AKVA group ASA – 1.00 NOK per share

AKVA group ASAs' current dividend policy:

The Company's main objective is to maximize the return on the investment made by its shareholders through both increased share prices and dividend payments

AKVA group ASA aims to pay out dividend twice every year, in Q2 and Q4

A two step policy:

- The dividend level shall reflect the present and expected future cash generating potential of AKVA group. AKVA group will target a net interest-bearing debt/equity ratio of less than 0.5x
- When the target debt vs. equity level is met, at least 60% of the annual free cash flow after operational and financial commitments is intended to be distributed as dividend

Applicable statutory restrictions shall be observed



- Step one: NIBD/equity - ratio = 0.22, hence fulfilled with good margin
- Step two: strong underlying performance gives positive operational cash flow YTD 2015
- Dividend to be paid out in Q4 2015 is 1.00 NOK per share. Total dividend pay out will be NOK 25.8 million

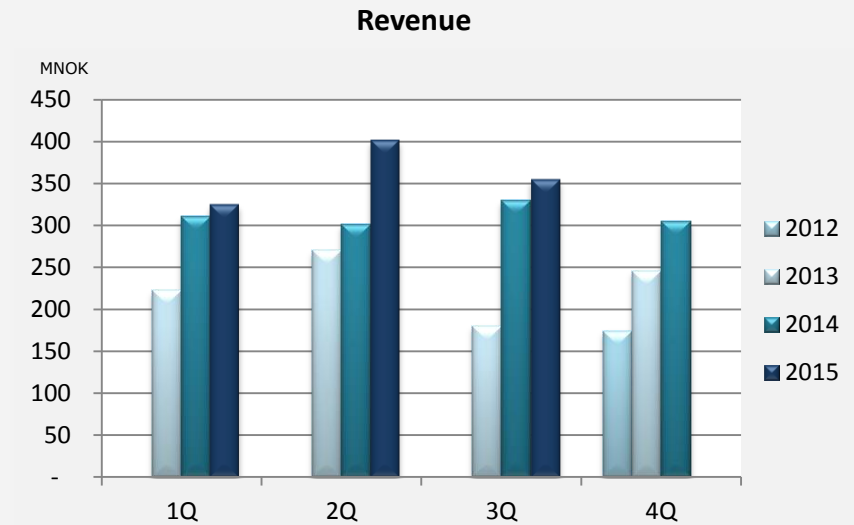


Financial performance Q3 2015 – by CFO Eirik Børve Monsen



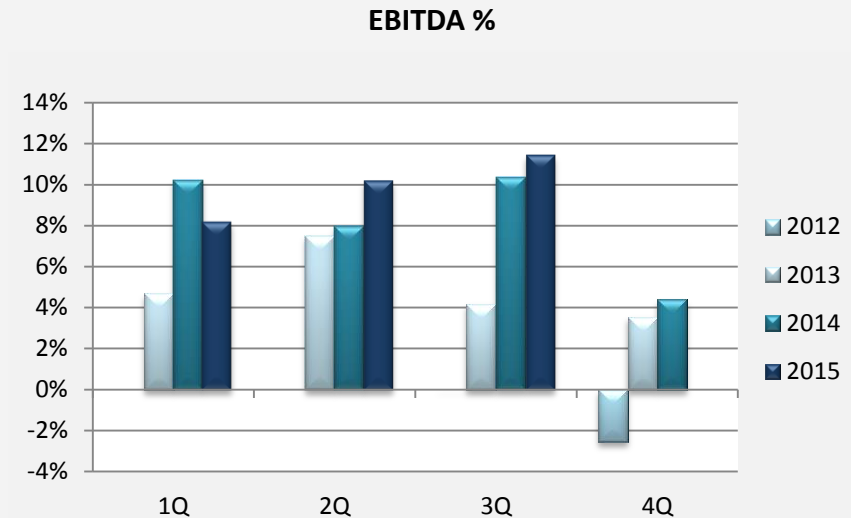
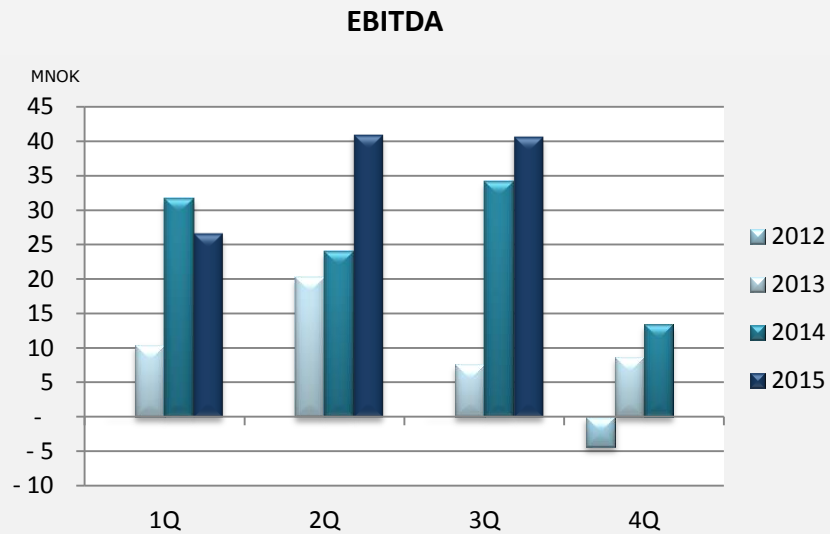
Q3 2015 - Financial highlights

- Good overall financial performance continues – taking advantage of the diversified operations
- Tight cost control in Chile – profitable Q3 despite challenging market conditions
- Acquisition of Aquatec Solutions finalized 30.09.2015 – financial implications in the Q3 report
- Share buyback program initiated in Q3 – Share incentive scheme to employees
- Dividend – details





Q3 2015 - Financial highlights, continued



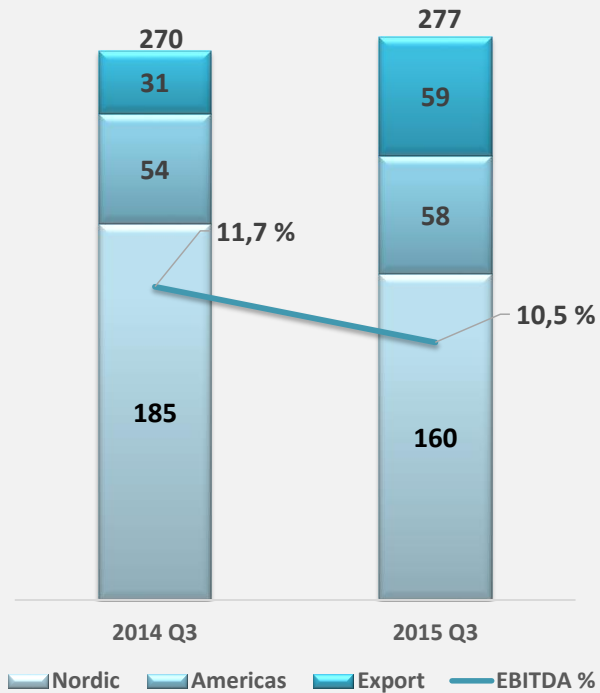
Stabilizing on a historical higher EBITDA-level both in NOK and in %

Getting closer to medium term target of 10% EBITDA on a annual basis



Cage Based Technologies

CBT (Revenue & EBITDA %)



Nordic

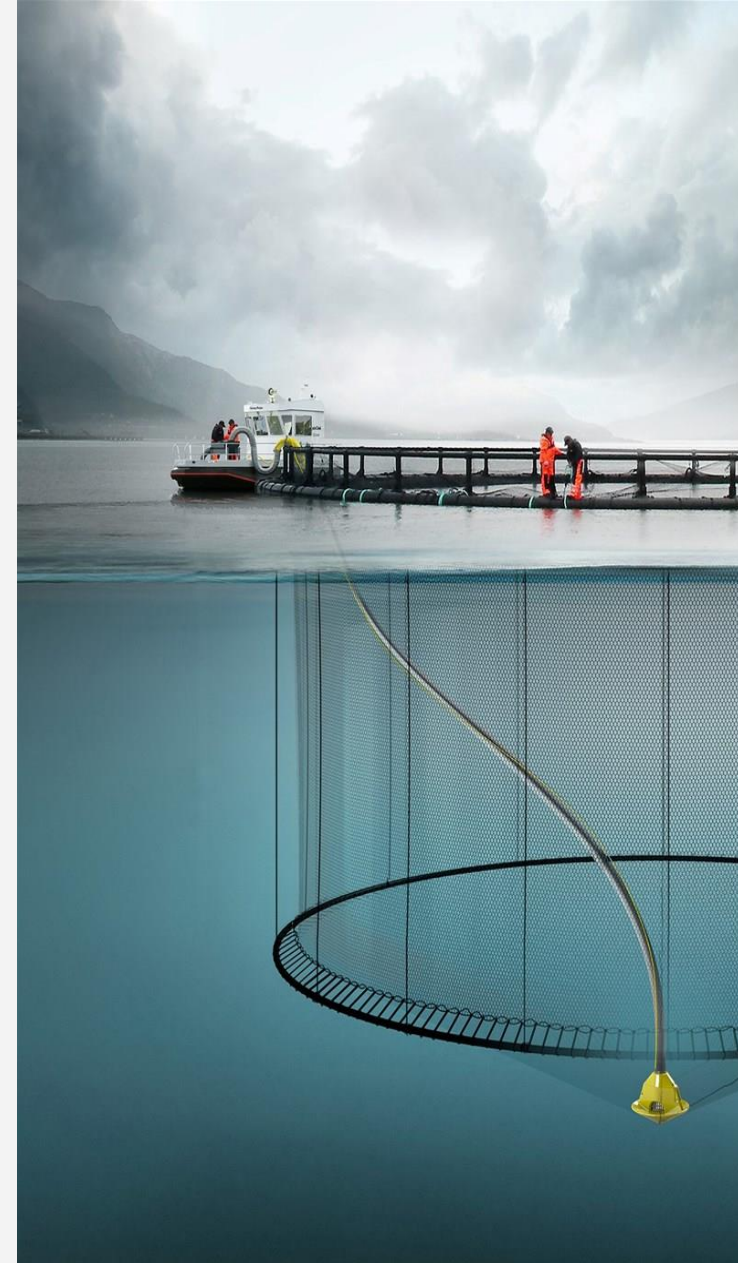
- Q3 traditionally a good quarter in Nordic due to high activity
- Strong performance continued with a slightly different product mix compared to 2014 - a wider range of products contribute to revenue and profit in 2015 vs 2014

Americas

- Number of employees / cost base in Chile was reduced in Q2 to be prepared for expected reduced market activity in the second half of 2015
- S&AS sales and tight cost control gives a profitable Q3 in Chile despite challenging market conditions. YTD Chile have a decent year mostly due to a strong first half financially.
- Canada continues the good performance in Q3 and the best YTD Q3 ever

Export

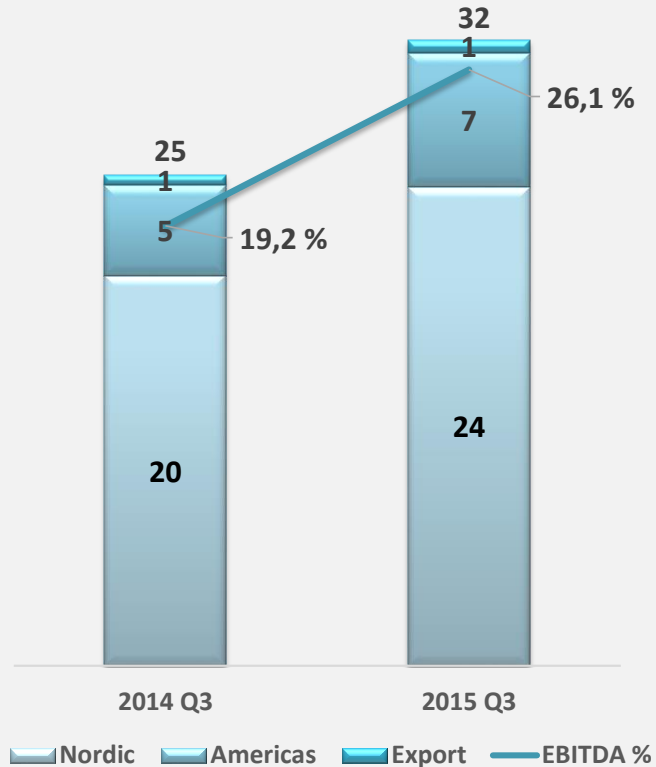
- UK continues the good performance in Q3 and the best YTD Q3 ever
- Turkey continues the good performance in Q3 and the best YTD Q3 ever
- Low activity in Export to emerging markets YoY





Software

SW (Revenue & EBITDA %)



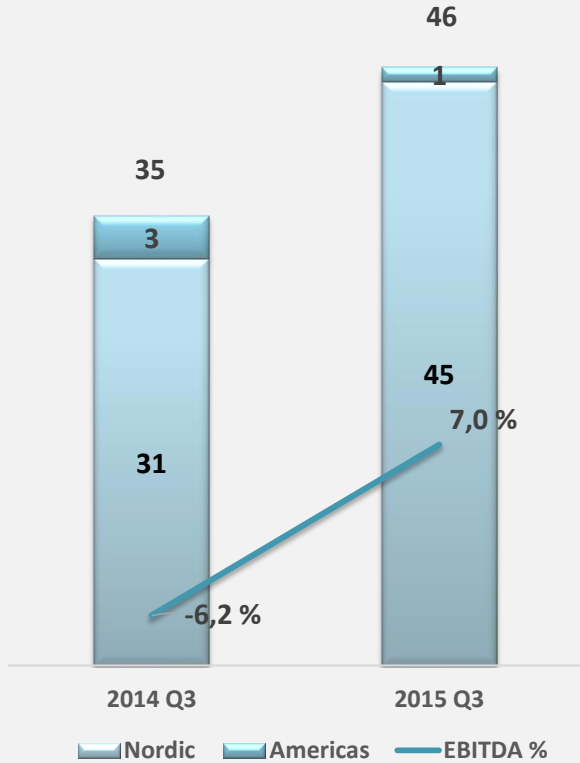
- AKVA group Software AS continues to deliver stable and high margins – with improved revenue and margins YoY
- A yearly timing effect in accounting of personnel expense July in Norway gives extra good margins in third quarters
- Wise lausnir ehf – with improved performance YoY
- Software continues to invest in new product modules, which is expected to strengthen the financial performance of the SW segment further





Land Based Technologies

LBT (Revenue & EBITDA %)



- Improved performance YoY and QoQ
- AKVA group Denmark A/S with decent performance YTD. Still room for improvement financially
- Plastsveis AS on track with good performance YTD
- Aquatec Solutions will be included in the consolidated P&L from Q4 2015 and onwards





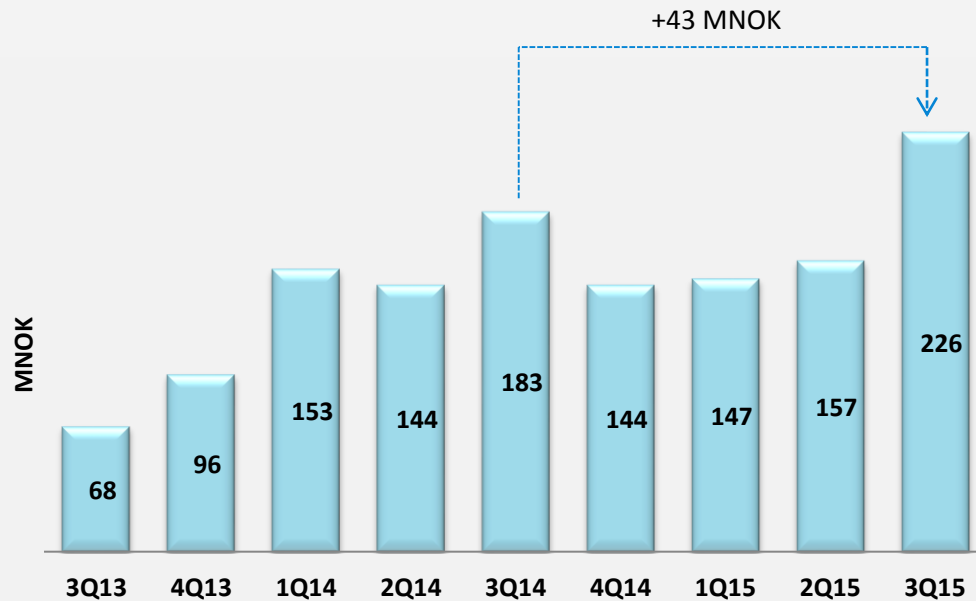
Financials – Detailed P & L

P&L (MNOK)	2015 Q3	2014 Q3	2015 YTD	2014 YTD	2014 Total
OPERATING REVENUES	354,7	329,7	1 081,3	941,0	1 246,1
Operating costs ex depreciations	314,2	295,5	973,2	851,0	1 142,7
EBITDA	40,6	34,2	108,0	90,0	103,4
Depreciation	12,2	9,1	33,5	26,2	35,7
EBIT	28,4	25,1	74,5	63,8	67,6
Net interest expense	-0,8	-1,2	-3,6	-4,0	-4,8
Other financial items	0,3	1,5	0,3	0,9	0,0
Net financial items	-0,5	0,4	-3,3	-3,1	-4,7
EBT	27,8	25,5	71,2	60,6	62,9
Taxes	8,0	7,3	20,4	14,8	8,4
NET PROFIT	19,8	18,2	50,8	45,9	54,5
Net profit (loss) attributable to:					
Non-controlling interests	0,7	-0,3	1,2	-0,3	-0,6
Equity holders of AKVA group ASA	19,1	18,5	49,5	46,2	55,1
Revenue growth	7,6 %	82,7 %	14,9 %	39,9 %	35,6 %
EBITDA margin	11,4 %	10,4 %	10,0 %	9,6 %	8,3 %
EPS (NOK)	0,74	0,71	1,92	1,79	2,13

- Low interest cost due to low net debt and low interest rate
- Mainly currency – considered as an acceptable level
- Minority shareholders (30%) in Plastsveis AS

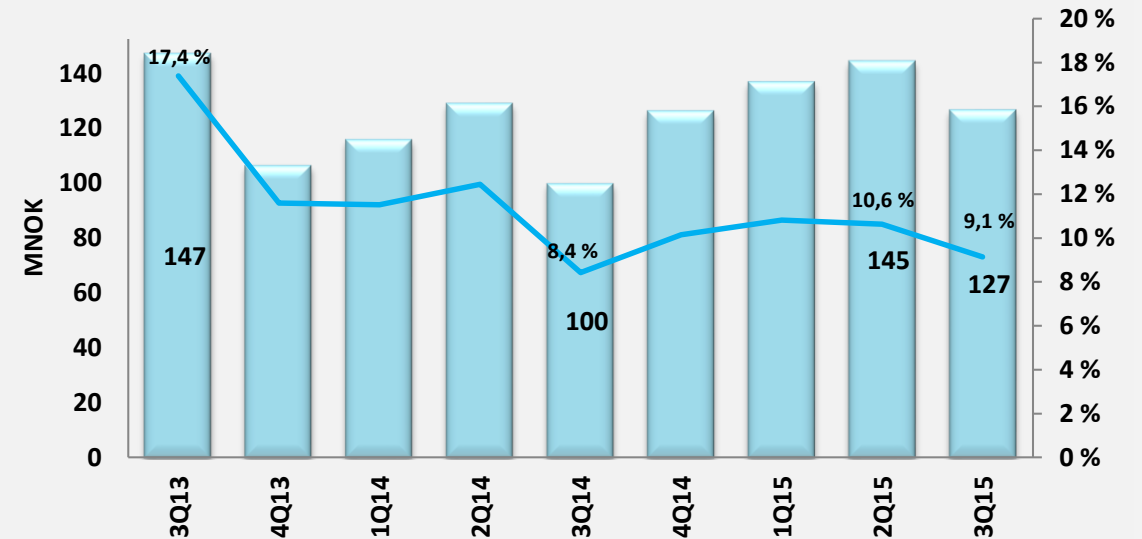
Group financial profile – remains strong

Available cash



- Including a 90 MNOK credit facility Danske Bank
- Cash in Q3 2015 includes the financing of the adjustment amount in the Aquatec Solution acquisition

Working capital

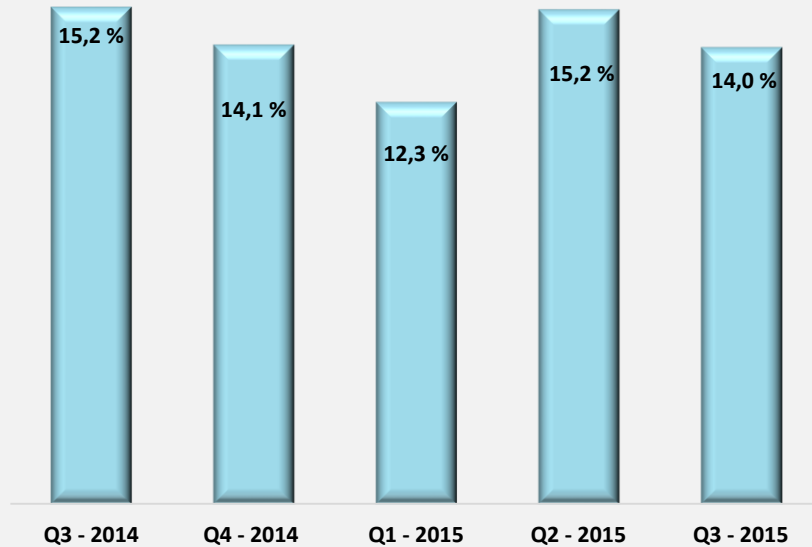


- Continued strong working capital level – despite record high activity
- Due to strong capital discipline

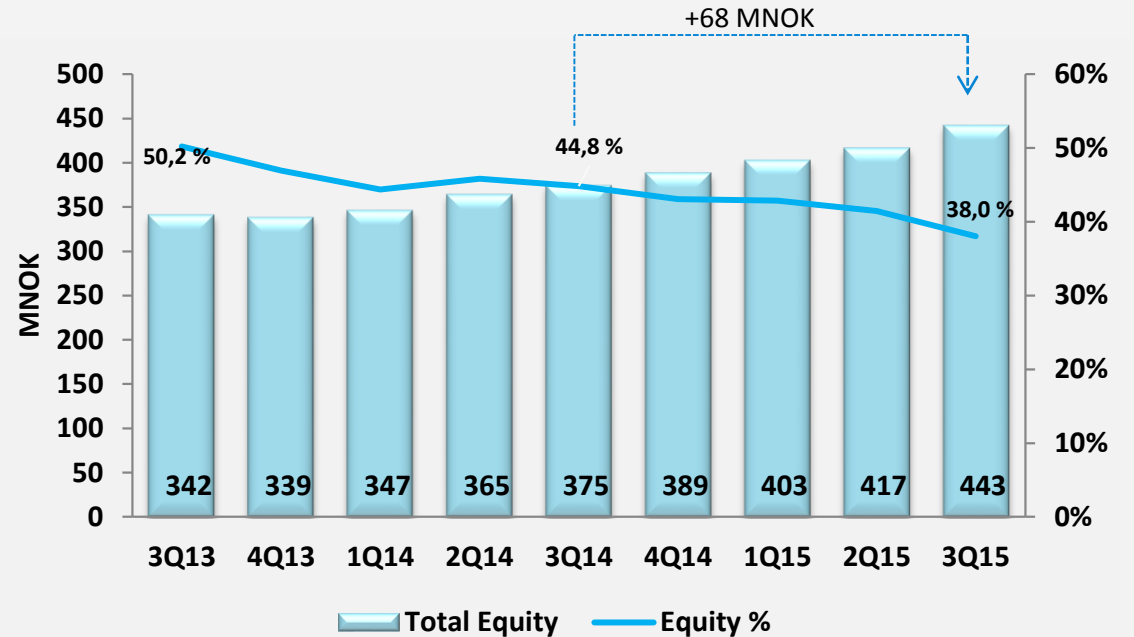


Group financial profile – remains strong, continued

ROCE



Equity

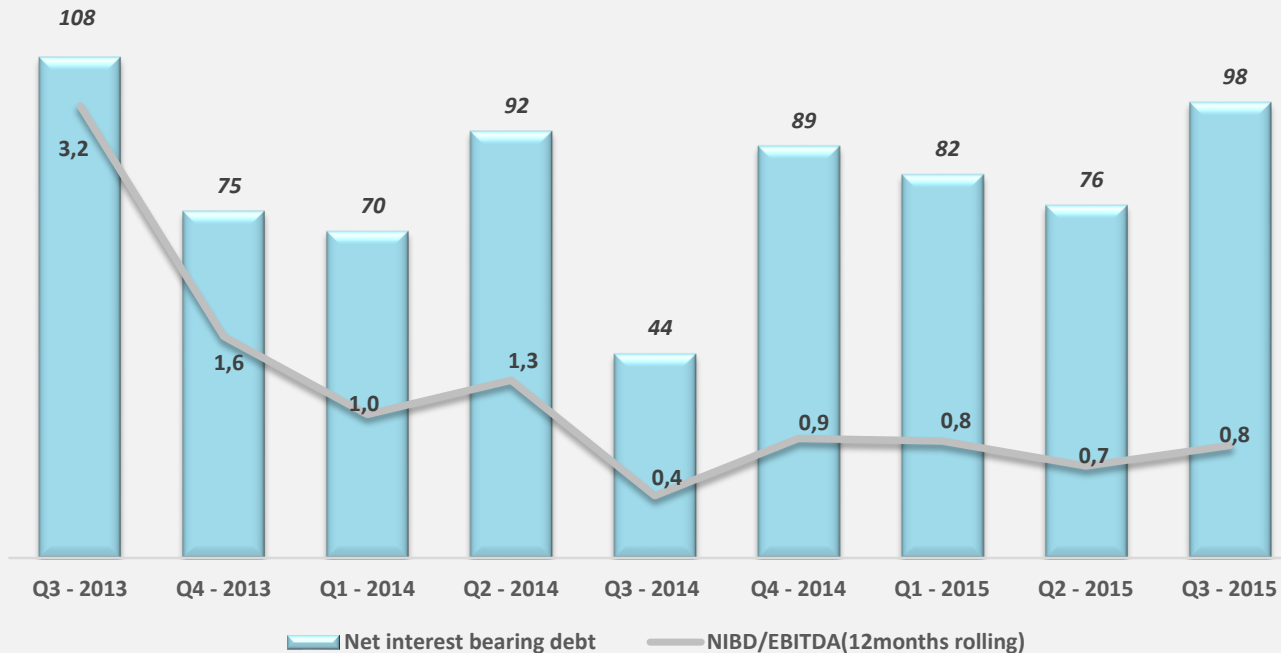


- Good nominal increase in equity YoY due to profitable operation
- Previous dividend payment of 25.8 MNOK was in Q4 2014



Net debt/EBITDA of 0.8x

Net debt (MNOK) and net debt/EBITDA



Change in net debt (TNOK)

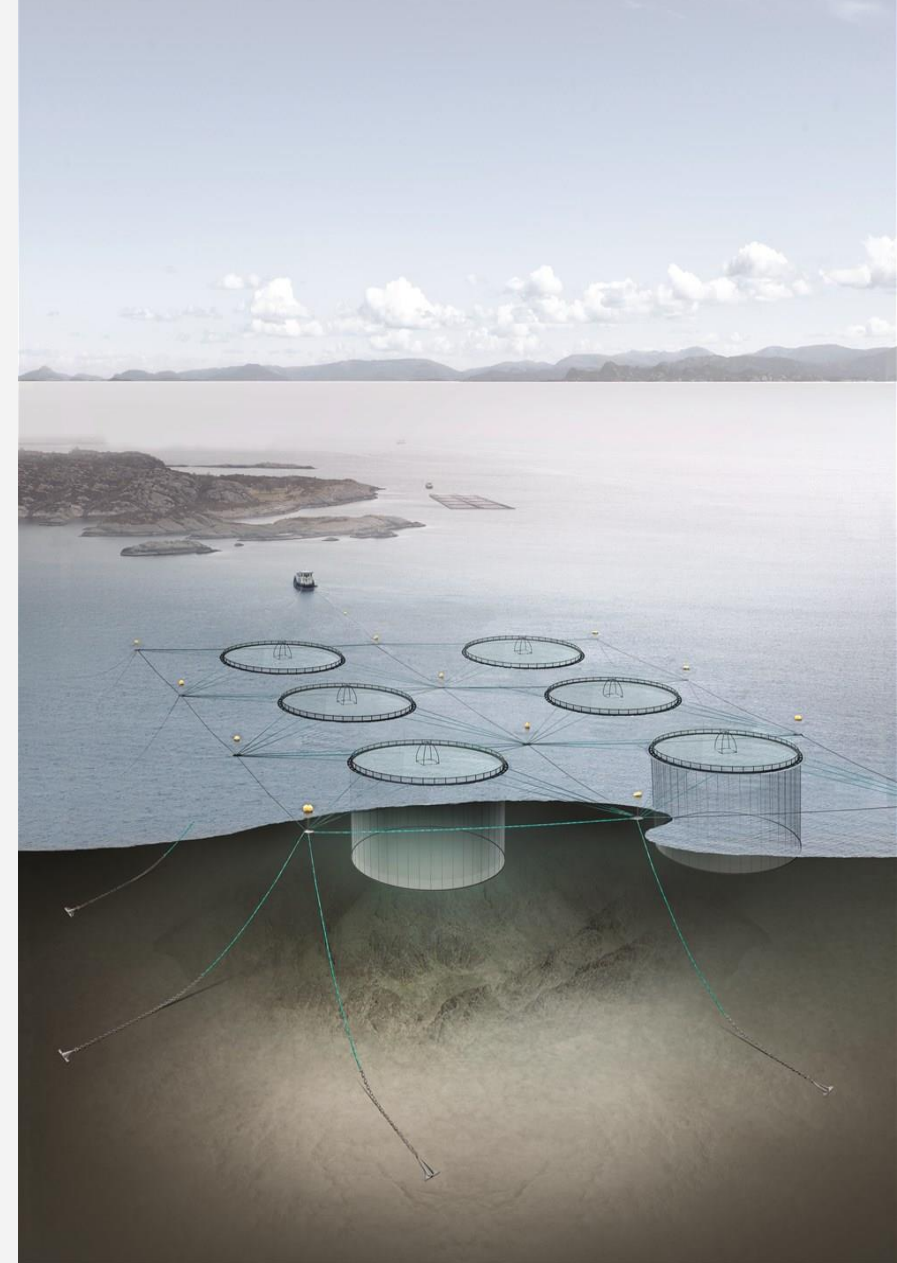
Net debt 30.06.2015	75 795
EBITDA	-40 564
Income taxes paid	819
Net interest paid	836
Capex paid	15 177
Acquisitions	69 066
Other long term liabilities	-13 066
Paid dividend	-
Buyback own shares	901
Sale of fixed assets	-274
Currency effects	285
Other changes in working capital	-11 098
Net change	22 082
Net debt 30.09.2015	97 877



Balance sheet

BALANCE SHEET	2015	2014
(MNOK)	30.09	30.09

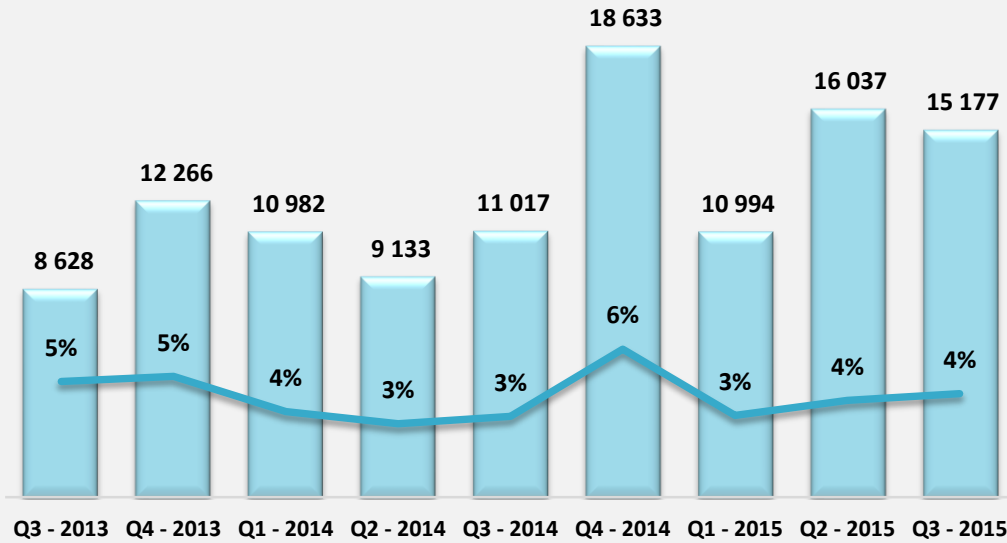
ASSETS	1 160	836
Intangible non-current assets	337	254
Tangible non-current assets	88	65
Financial non-current assets	8	2
Inventory	209	135
Receivables	382	283
Cash and cash equivalents	136	97
LIABILITIES AND EQUITY	1 160	836
Equity	439	373
Minority interest	3	2
Long-term interest bearing debt	188	126
Short-term interest bearing debt	46	16
Non-interest bearing liabilities	483	320



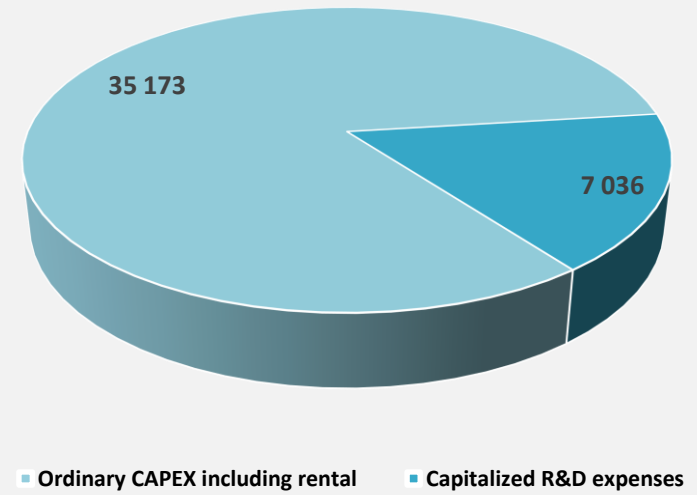


CAPEX

Capex (TNOK) and capex / sales (%)



CAPEX breakdown YTD Q3 2015 (TNOK)





Dividend in AKVA group ASA

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The Company's main objective is to maximize the return on the investment made by its shareholders through both increased share prices and dividend payments

AKVA group ASA aims to pay out dividend twice every year, in Q2 and Q4

A two step policy:

- *The dividend level shall reflect the present and expected future cash generating potential of AKVA group. AKVA group will target a net interest-bearing debt/equity ratio of less than 0.5x*
- *When the target debt vs. equity level is met, at least 60% of the annual free cash flow after operational and financial commitments is intended to be distributed as dividend*

Applicable statutory restrictions shall be observed

- A dividend according to the dividend policy to be paid out in Q4 2015 of 1.00 NOK per share. This amounts to a total distribution of 25,834,303 NOK
- The board of directors was in the AGM in May 2015 authorised, pursuant to the Public Limited Companies Act § 8-2(2), to approve the distribution of dividends based on the Company annual accounts for 2014. The authorisation also includes distribution in the form of repayment of paid-in-capital. The authorisation may be used to approve the distribution of dividends up to an aggregated amount of NOK 75.000.000
- The shares in the company will be traded "ex dividend" as from November 12th, 2015
- Payment of the dividend shall be made no later than November 20th, 2015

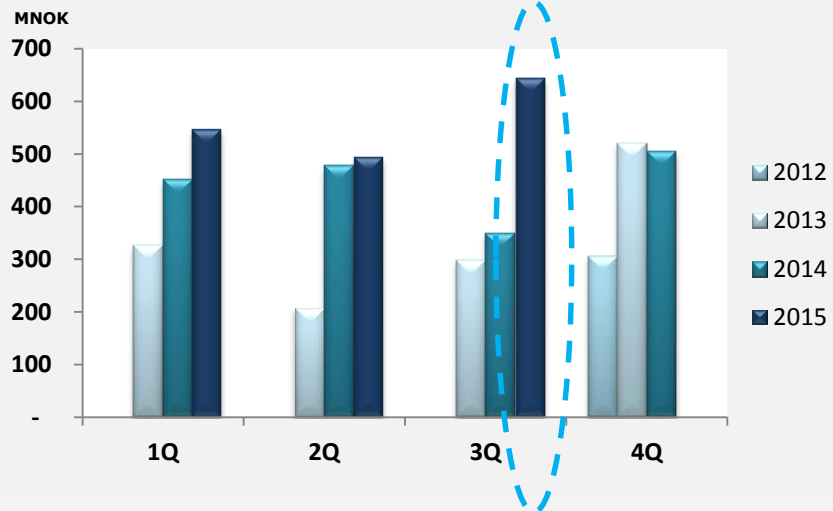


Outlooks – by CEO Trond Williksen

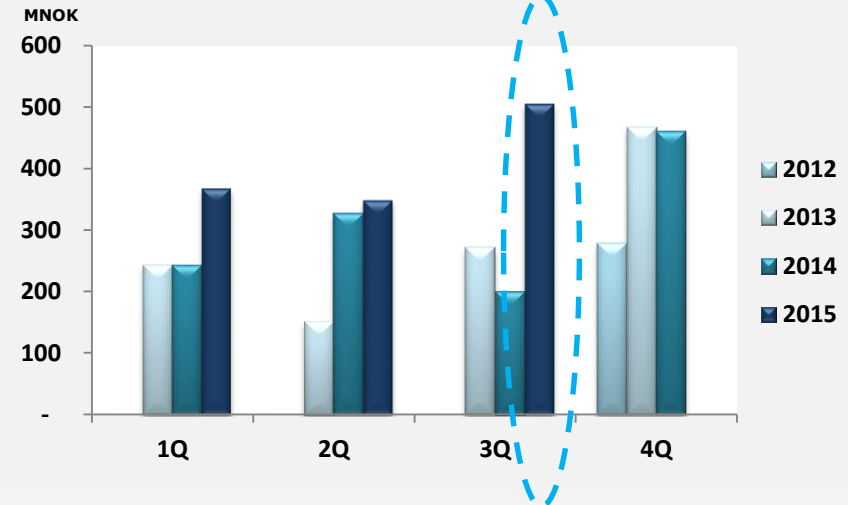


Order backlog and inflow

Order backlog



Order inflow



- Highest order backlog ever after a third quarter before including Aquatec Solutions A/S
- Highest order backlog ever after including Aquatec Solutions A/S
- The good market activity continues

Positive outlook – but usual low season in Q4

- Strong mid term outlook due to high market activity and large order backlog
- Q4 is a low season quarter in Nordic which will influence the Groups' quarterly performance as usual
- Good demand in the Nordic market continues with shift towards more investment in land based technology
- UK and Canada are expected to continue to perform well in the next quarters with a significant order backlog and a large portion of recurring business
- Continued low expectations in Chile. Majority of our Chilean customers struggle with loss making operations and a need to restructure the industry. Situation expected to last. We adjust our resources, costs and activity level to the situation and are maintaining a good level of service and after sale
- Land based segment is expected to have a positive development with a growing order backlog. The acquisition of Aquatec Solutions A/S will contribute to the positive development in this segment
- Exports to emerging markets will continue to fluctuate short term, but improved project activity is expected in the next quarters
- We continue our effort to build service and after sales as a key business element in all markets and segments





