



Q3

Unaudited 3<sup>rd</sup> Quarter results 2015

“Extensive tender activity in the market”

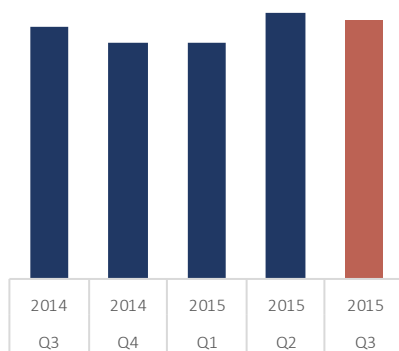
## Headlines



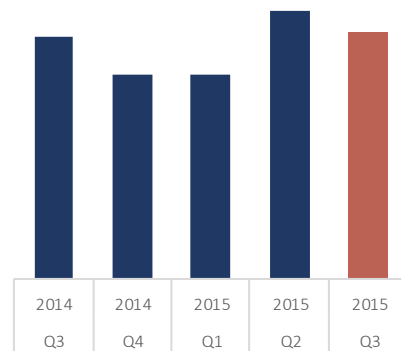
### This Quarter

Operating Revenue	612 mNOK
EBITDA	75 mNOK
Cash Flow from Operations	99 mNOK
Order Intake*	340 mNOK
TRIF	2,8
Employees**	1 575

### REVENUE



### EBITDA



\*includes frame agreements and exercise of options

\*\* Employees end of quarter



# Group Overview

Highlights for Beerenberg (Beerenberg Holdco II AS consolidated) in the 3<sup>rd</sup> quarter 2015 was

- Revenue of MNOK 612, up 2 % q-o-q.
- EBITDA MNOK 75, up MNOK 1 q-o-q
- EBITDA margin was 12,3 % compared to 12,4 % q-o-q
- Major awards
  - Award of the Gina Krogh hook-up project by Aker Solutions in September

## Income Statement

Activity in 3<sup>rd</sup> quarter was slightly up from last year. The growing activity on Greenfield projects offset a significant reduction in the Brownfield project portfolio.

The EBITDA was MNOK 75, more or less in line with last year.

Earnings before tax ended in line with last year figures as well.

## Balance Sheet

Total assets was MNOK 2 022 at the end of the quarter with an equity ratio of 20%.

Changes in total assets are driven by higher working capital requirements on Greenfield projects. The recent build up of working capital stabilized this quarter, however remains on a relative high level historically.

Net interest bearing debt was MNOK 909 compared to MNOK 988 in 3<sup>rd</sup> quarter 2014. Most of Beerenberg debt is long term as a result of the issuing of a senior secured bond in 2<sup>nd</sup> quarter 2014.

## Cash Flow

Cash flow from operations was MNOK 99 for the 3<sup>rd</sup> quarter of 2015 including a slight improvement in working capital during the quarter. Net investments during the quarter was MNOK 5,5, mainly related to equipment.

## Order Backlog & Market

The market outlook for Beerenberg remains mixed. The drop in oil-price has re-enforced a number of cut backs related to running Maintenance & Modification contracts which has impacted the activity level. However, in 3<sup>rd</sup> quarter, the activity on tendering has been historically high. In November a 10 year Maintenance and Modification contract at Statoil Mongstad was awarded. (See note 8)

The vast majority of the ISS contracts on the NCS are in the process of being retendered.

The activity on new build projects are also increasing with high tender activity so far in 2015. A number of the tenders are still to be awarded.

Total order intake of MNOK 340 is recognized in 3<sup>rd</sup> quarter 2015 (including uncommitted options and frame agreements).

Estimated order backlog at the end of Q3 is based on existing frame agreements and uncommitted options.

## HSEQ

At the end of Q3 2015 Beerenberg had 1575 employees, a slight reduction from last quarter.

In October, Beerenberg has initiated a reduction of workforce of approx. 220 employees due to expected lower activity offshore.

During the 3<sup>rd</sup> quarter 2015 Beerenberg recorded 5 TRIF incidents compared to 3 same period last year. None of the incidents were according to standard rules and regulations (PTIL/NAV) defined as potentially critical.

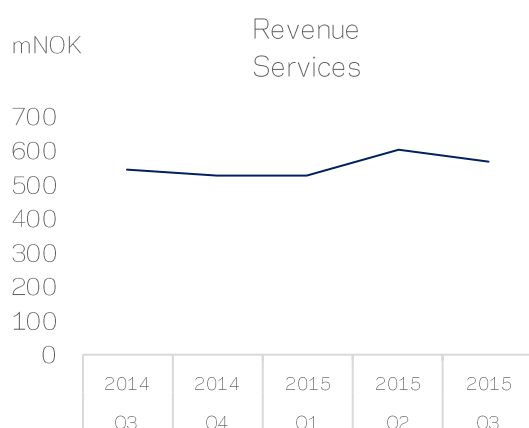
Total recordable incident frequency (TRIF) was 2.8 measured on last twelve months basis. Per 3<sup>rd</sup> quarter 2015 the frequency was 2.9 compared to 6.7 last year.

## «Activity in Greenfield projects offset the drop in Brownfield activities»

# Business Segments

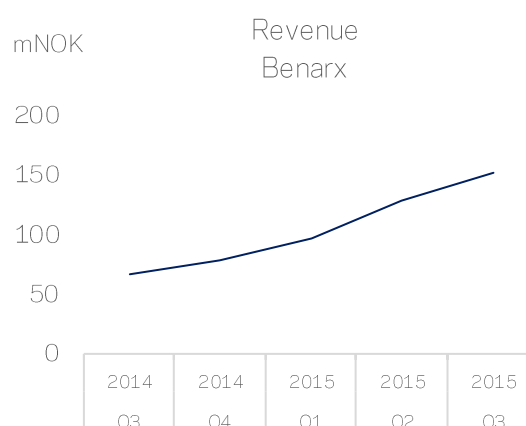
### Services

The Services segment reports an increased revenue q-o-q of 4% to MNOK 566. The increase in revenue relates to new build projects partially offset by reduction in activity in maintenance and modification. EBITDA was MNOK 48, down from MNOK 66 in 3<sup>rd</sup> quarter 2014. The reduction in margin relate to delivery mix and somewhat lower margin on new build projects.



### Benarx

The Benarx division (Prefabricated insulation topside and subsea) continues to grow. Revenue was MNOK 153, a q-o-q growth of 132 %. EBITDA and EBITDA margin in the quarter was MNOK 27 (17,6 %) compared to MNOK 9 (12,9 %) in 3<sup>rd</sup> quarter 2014. The margin improvement reflects the impact of higher volumes.







FIGURES & NOTES

# Figures for Beerenberg Holdco II

## Condensed Consolidated Income Statement

Group Summary		Q3	Q3	YTD	YTD	FY
Amounts in NOK million	Note	2015	2014	2015	2014	2014
Operating revenues and other income	6	612,4	598,1	1 804,7	1 742,0	2 306,3
Operating Expenses		537,3	523,9	1 585,0	1 524,0	2 026,0
<b>EBITDA</b>	7	<b>75,1</b>	<b>74,2</b>	<b>219,7</b>	<b>218,1</b>	<b>280,4</b>
Depreciation		8,0	7,8	26,6	22,8	31,1
<b>EBITA</b>		<b>67,1</b>	<b>66,4</b>	<b>193,1</b>	<b>195,2</b>	<b>249,3</b>
Amortisation		8,8	10,2	28,1	30,7	41,0
<b>Operating profit (EBIT)</b>		<b>58,4</b>	<b>56,2</b>	<b>164,9</b>	<b>164,5</b>	<b>208,3</b>
Financial expenses	4	19,4	23,5	56,6	116,8	149,3
<b>Profit before tax (EBT)</b>		<b>39,0</b>	<b>32,7</b>	<b>108,3</b>	<b>47,7</b>	<b>59,0</b>
Estimated tax		10,5	8,8	29,3	12,9	18,0
<b>Net profit</b>		<b>28,5</b>	<b>23,9</b>	<b>79,1</b>	<b>34,8</b>	<b>41,0</b>
Profit for the period is attributable to:						
Shareholders of the parent company		28,5	23,9	79,1	34,8	41,0
Basic earnings per share (NOK)		0,11	0,09	0,30	0,13	0,15
<i>EBITDA margin</i>		<i>12,3 %</i>	<i>12,4 %</i>	<i>12,2 %</i>	<i>12,5 %</i>	<i>12,2 %</i>
<i>EBITA margin</i>		<i>11,0 %</i>	<i>11,1 %</i>	<i>10,7 %</i>	<i>11,2 %</i>	<i>10,8 %</i>

## Condensed Consolidated Statement of Comprehensive Income

Amounts in NOK million	Note	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FY 2014
Net profit for the period		28,5	23,9	79,1	34,8	41,0
<i>Other comprehensive income:</i>						
Conversion differences		0,0	0,0	0,0	-0,2	-0,2
Reclassification related to prior periods		0,0	0,0	0,0	-1,5	0,0
Change in value of derivatives		-7,2	0,0	-3,9	0,5	-1,1
<b>Total comprehensive income</b>		<b>21,3</b>	<b>23,9</b>	<b>75,2</b>	<b>33,7</b>	<b>39,8</b>



## Condensed Consolidated Balance Sheet

Group Summary				
		Q3	Q3	FY
Amounts in NOK million	Note	30.09.2015	30.09.2014	31.12.2014
Goodwill		883,9	887,0	883,9
Intangible assets		159,0	195,1	187,2
Buildings and other property		12,9	19,5	15,2
Machinery and equipment		171,8	179,7	184,0
Tools, Office machinery and similar assets		8,9	2,2	4,3
Financial Fixed Assets		0,0	0,0	0,0
<b>Total non-current assets</b>		<b>1 236,5</b>	<b>1 283,5</b>	<b>1 274,5</b>
Inventories		64,4	38,1	38,8
Trade Debtors		453,0	243,3	215,0
Earned Not Invoiced Revenue (WIP)		118,3	194,4	238,7
Other Short Term Receivables		27,1	20,6	22,6
Prepayments		1,3	4,7	1,1
Bank Deposit		122,0	101,2	90,6
<b>Total Current Assets</b>		<b>786,1</b>	<b>602,3</b>	<b>606,9</b>
<b>TOTAL ASSETS</b>		<b>2 022,6</b>	<b>1 885,7</b>	<b>1 881,4</b>
Share Capital		26,7	26,7	26,7
Share premium		240,3	240,3	240,3
Retained Earnings		59,2	22,3	22,2
Current year result after est. Tax		79,1	34,8	41,0
<b>Total equity</b>		<b>405,4</b>	<b>324,2</b>	<b>330,2</b>
Deferred tax		68,1	75,8	40,3
Pension Liability		9,7	7,3	7,9
Warranty		5,0	3,8	4,0
Financial Lease loan		2,1	11,0	5,7
Bond	4	1 028,5	1 077,5	1 024,0
Derivatives		31,8	15,9	33,0
<b>Total non-current liabilities</b>		<b>1 145,2</b>	<b>1 191,2</b>	<b>1 115,0</b>
<b>Current Liabilities</b>				
Overdraft & S/T debt		0,4	0,6	0,4
Trade Creditors		139,3	110,5	137,4
Current Tax Payable		25,5	4,9	38,5
Social Security, VAT and other taxes		87,0	54,0	79,6
Accruals		145,1	121,4	66,1
Deferred Revenue		3,6	0,0	10,5
Other Current Liabilities		71,2	78,9	103,6
<b>Total Current Liabilities</b>		<b>472,0</b>	<b>370,3</b>	<b>436,2</b>
<b>TOTAL EQUITY &amp; LIABILITY</b>		<b>2 022,6</b>	<b>1 885,7</b>	<b>1 881,4</b>

## Condensed Consolidated statement of change in equity

	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Total
01. January 2015	26,7	240,3	0,0	-1,6	64,8	330,2
Profit for the year					79,1	79,1
Other Comprehensive Income			0,0	-3,9		-4,0
Equity as per 30.09.2015	26,7	240,3	0,0	-5,5	143,9	405,4

	Share capital	Share premium	Conversion reserve	Hedging reserve	Retained earnings	Total
01. January 2014	26,7	240,3	-1,2	-0,7	25,5	290,6
Result					34,8	34,8
Other Comprehensive Income			-0,2	0,5		0,3
Correction of classification			-0,2	0,2	-1,5	-1,5
Transactions with shareholders					-0,1	-0,1
Equity as per 30.09.2014	26,7	240,3	-1,6	0,0	58,7	324,2

## Condensed Consolidated Statement of Cash Flow

	Note	Q3 2015	Q3 2014	YTD 2015	YTD 2014	FY 2014
EBITDA		75,1	74,2	219,7	218,1	280,4
Taxes paid		0,0	0,0	-13,0	-8,6	-13,5
Change in net working capital		23,9	-3,2	-98,9	-61,3	-44,1
Changes to other time restricted items		0,1	1,2	-3,9	0,1	-1,2
<b>Net Cash flow from operating activities</b>		<b>99,0</b>	<b>72,3</b>	<b>103,9</b>	<b>148,2</b>	<b>221,6</b>
Capex		-5,5	-17,5	-16,8	-56,0	-68,7
<b>Net cash flow from investing activities</b>		<b>-5,5</b>	<b>-17,5</b>	<b>-16,8</b>	<b>-56,0</b>	<b>-68,7</b>
Repayment of interest bearing debt	4	-1,0	-1,1	-3,6	-1 094,6	-1 150,8
Purchase of shares		0,0	3,1	0,0	3,1	6,2
Net incoming payment from Bond		0,0	0,0	0,0	1 078,5	1 078,5
Interest paid		-17,9	-20,4	-52,1	-49,9	-68,1
<b>Net cash flow from financing activities</b>		<b>-18,9</b>	<b>-18,4</b>	<b>-55,7</b>	<b>-62,9</b>	<b>-134,2</b>
<b>Total cash flow</b>		<b>74,6</b>	<b>36,4</b>	<b>31,4</b>	<b>29,3</b>	<b>18,7</b>
Opening balance net bank deposits		47,4	64,8	90,6	71,9	71,9
Closing balance net bank deposits		122,0	101,2	122,0	101,2	90,6

# Notes

## Note 1 - General

Beerenberg Holdco II AS is a company domiciled in Norway. The consolidated financial statements of Beerenberg Holdco II comprise the company and its subsidiaries, together referred to as the Group. The Beerenberg Holdco II Group was established 01. March 2013, as a result of the Beerenberg Holdco II AS acquisition of all shares in Beerenberg Holding AS.

Beerenberg is delivering products and services to its customer in complex environments implying substantial operational risk with regards to quality, cost, time and not at least to injuries and accidents (HSE). Beerenberg works systematically to mitigate and manage risk on all levels. The annual report for 2014 provides further information on risks and uncertainties applicable to Beerenberg.

Beerenberg Holdco II AS is wholly owned by Beerenberg Holdco I AS which is wholly owned by Beerenberg Invest AS. Shareholders in Beerenberg Invest are specified in table below.

Shareholders Beerenberg Invest	A-Shares	%	B-Shares	%	Total Shares	%
Segulah IV L.P.	804 972	80,5 %	217 052 883	81,6 %	217 857 855	81,6 %
AlpInvest Partners 2012 I B.V.	92 121	9,2 %	24 931 110	9,4 %	25 023 231	9,4 %
AlpInvest Partners 2012 II B.V.	23 319	2,3 %	6 310 883	2,4 %	6 334 202	2,4 %
Management	79 588	8,0 %	17 705 124	6,7 %	17 784 712	6,7 %
Total	1 000 000	100,0 %	266 000 000	100,0 %	267 000 000	100,0 %

## Note 2 - Basis for preparation

The interim financial statements for the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union and their interpretations adopted by the International Accounting Standards Board (IASB).

The interim report does not include all the information required for full annual consolidated financial statements, and should be read in conjunction with the financial statements of the Group for 2014. The accounting policies applied in the interim financial statements is the same as those described in the annual report for 2014. The condensed consolidated interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The interim financial statements are unaudited.

The Annual Report for 2014 is available at [www.Beerenberg.com](http://www.Beerenberg.com)

### Note 3 - Judgments, estimates and assumptions

In applying the accounting policies, management makes judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these interim financial statement, the significant judgments made by management in applying the Group's accounting policies and the key sources of uncertainty in the estimates were consistent with those applied to the consolidated financial statements as at and for the period ended 31. December 2014.

### Note 4 – Bond and covenants

A bond of MNOK 1100 was issued in Q2 2014. In the same quarter long term loans to financial institutions and long term loan from the parent company Beerenberg Holdco I AS was fully repaid. In Q4 2014 the Group repurchased own Bonds with face value totaling MNOK 55.

The Bond implies covenants related to Incurrence testing, and quarterly Net Total Leverage ratio test (below 9.0). The Group is in compliance with covenants as of 30.09.2015.

### Note 5 – Related party transactions

No related party transactions were conducted in Q3 2015.



## Note 6 – Revenue by Segment

From December 2014 Beerenberg changed its organization to optimize and focus its business. The former Cold Work Concepts and Maintenance and modification division was merged into one segment, Services. Segment figures for Services for Q3 2014 and YTD 2014 are for the two previous segments Cold Work Concepts and Maintenance & Modifications combined. The Benarx business segment, which consists of advanced insulation topside and subsea, remains unchanged.

	Q3	Q3	YTD	YTD	FY
Amounts in NOK million	2015	2014	2015	2014	2014
Services	566,3	542,0	1 693,1	1 595,1	2 123,0
Benarx	152,5	65,8	377,8	185,5	264,0
Eliminations	-106,4	-9,7	-266,1	-38,6	-80,8
<b>Total</b>	<b>612,4</b>	<b>598,1</b>	<b>1 804,7</b>	<b>1 742,0</b>	<b>2 306,3</b>

## Note 7 – EBITDA by Segment

	Q3	Q3	YTD	YTD	FY
Amounts in NOK million	2015	2014	2015	2014	2014
Services	48,2	65,8	150,8	200,9	256,1
Benarx	26,9	8,5	69,0	17,0	27,3
Other	0,0	0,0	0,0	0,2	-3,0
<b>Total</b>	<b>75,1</b>	<b>74,2</b>	<b>219,7</b>	<b>218,1</b>	<b>280,4</b>

## Note 8 – Subsequent events

On the 11<sup>th</sup> of November Beerenberg entered into a 10 year frame agreement for maintenance at Mongstad. The contract is expected to give approx. MNOK 200 annual turnover.