

# Kongsberg Maritime

**CMD**<sup>20</sup><sub>14</sub>  
CAPITAL MARKETS DAY



**KONGBERG**  
**200**

# An ocean of opportunities





- Offshore – Merchant – Subsea – Emerging Business
- 63 offices in 21 countries
- 4 500 employees (approx.)
- LTM Revenues MNOK 9 358
- Installed base more than 16,500 vessels
- Dynamic positioning, navigation, automation, simulation, Subsea and seismic instrumentation and fisheries



A solid platform for further growth

# Kongsberg Maritime



## Offshore

### Main offerings

- Integrated and scalable fit for purpose - dynamic positioning, automation & control, safety, energy management, navigation and sensors

### Systems typically used by

- From offshore support vessels (OSV) to offshore production units (OPU) and everything in between.
- The diversity and our marked position at large drives the revenues

### Backlog of orders

- MNOK 5 131
- Solid backlog both for 2015 and 2016 for high-end offshore

## Merchant Marine

### Main offerings

- Scalable tailored to operational needs - automation & control, safety, energy management, navigation and cargo handling

### Systems typically used by

- From bulk carriers to tankers and complex gas carriers
- The diversity and our marked position at large drives the revenues

### Backlog of orders

- MNOK 1 066

# Kongsberg Maritime



## Subsea

### Main offerings

- Underwater navigation systems, underwater vehicles, underwater mapping and imaging systems, subsea monitoring solutions, acoustic sensor systems for fishery, marine research and naval

### Systems typically used by

- KM marine operations and dynamic positioning systems
- Oil companies
- Survey companies
- Navies
- National hydrographic offices, ports and harbours, marine research institutes
- Fisheries

### Backlog of orders

- MNOK 1 138

## Emerging businesses

### Main offerings

- Satellite positioning, seismic streamer instrumentation and handling, and customised training simulators

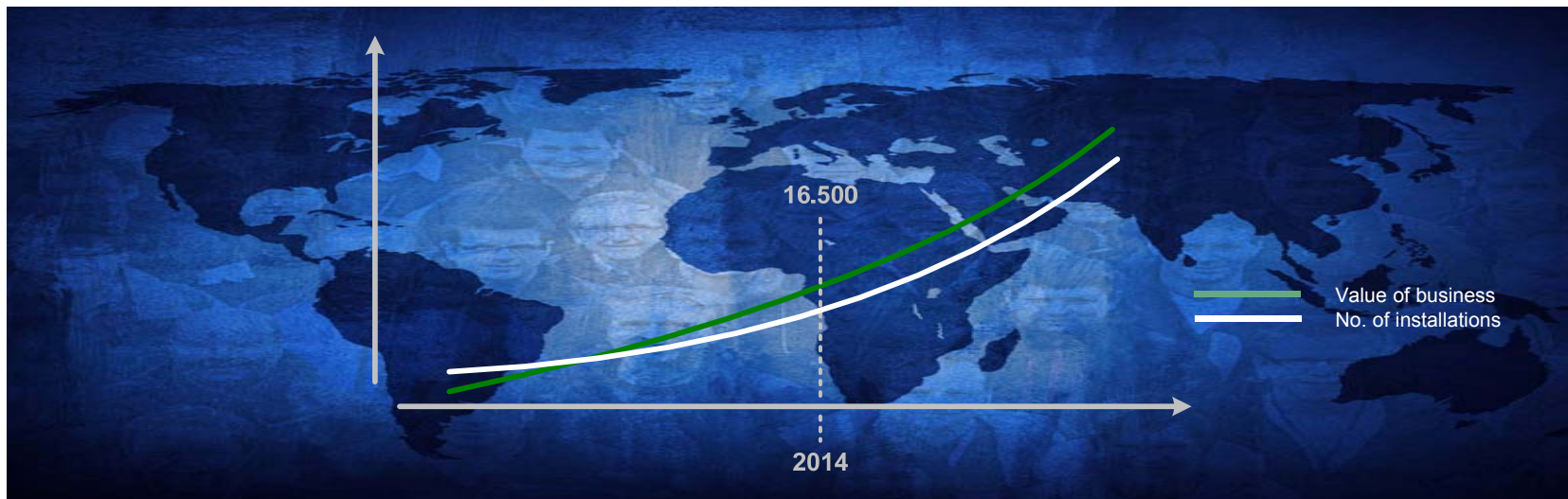
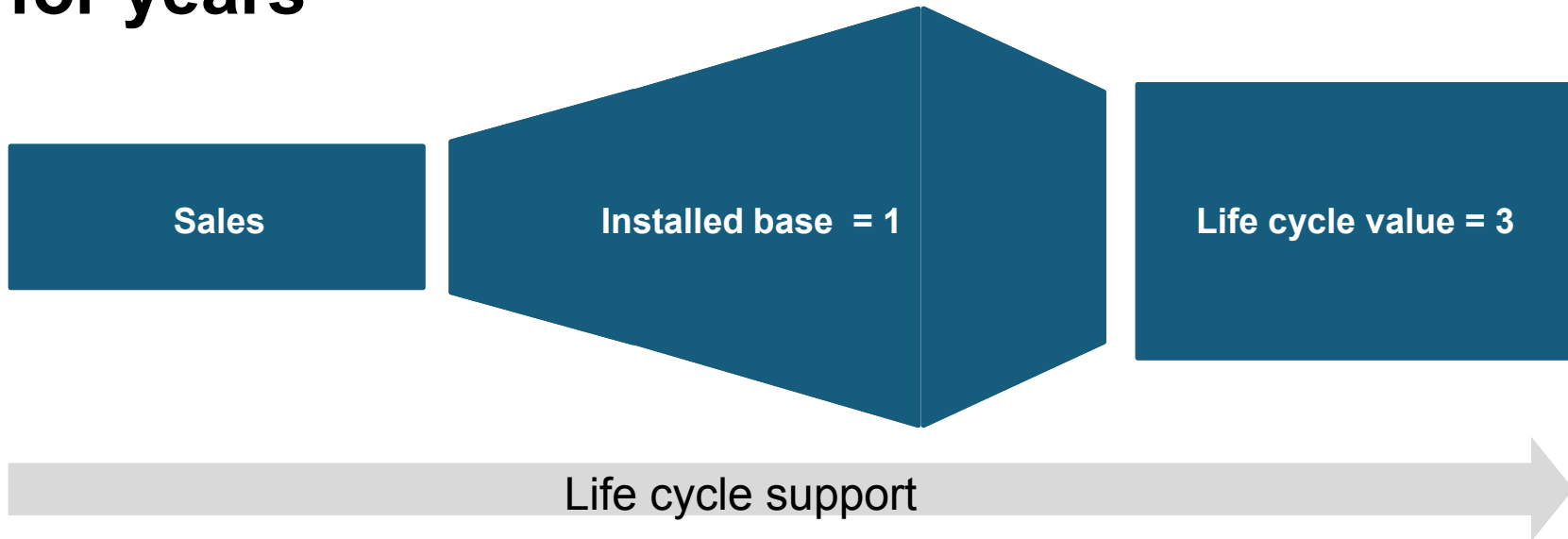
### Systems typically used by

- For all types of vessels and training entities
- Highly specialized products with a high threshold for market entry drives our revenues

### Backlog of orders

- MNOK 1 003

# Installed base securing recurring business for years



# Holistic approach

*A differentiator to our customers*



## Strategy

- Providing value added applications improving operations
- Bundling products and services – a holistic approach
- Locations close to all major hubs

## Resulting in

- Increased efficiency and secured operations for our customers
- Close customer relations
- Increased competitiveness through globalization

# The Octopus business model gives added value to our clients

## Integrated solutions

Market success for extended scope of work in general and especially for the OPU and FPSO market segments

## The Full Picture

Carpus – DP

- Automation
- Navigation
- Safety
- IMS

Horten – HIPAP  
- Hain

Asker – Pipe management

New Orleans }  
Rio de Janeiro } - Operation  
Aberdeen }



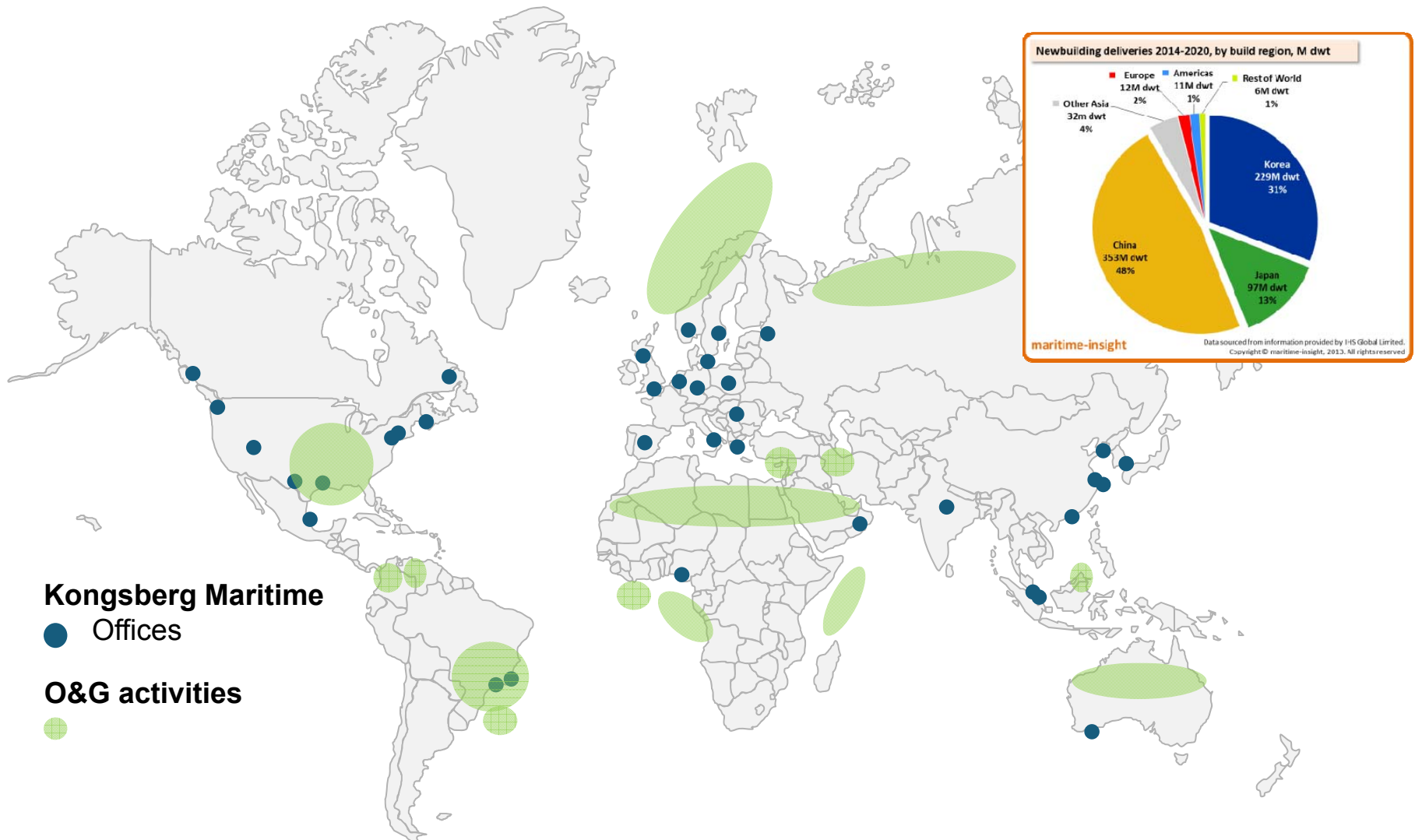
Torp, Sandefjord }  
Singapore } EIT Engineering  
Shanghai }

Trondheim - Reference systems  
- Motion sensors  
- Sensors

Korea }  
Singapore } - Site management  
China } - Commissioning  
- Installation



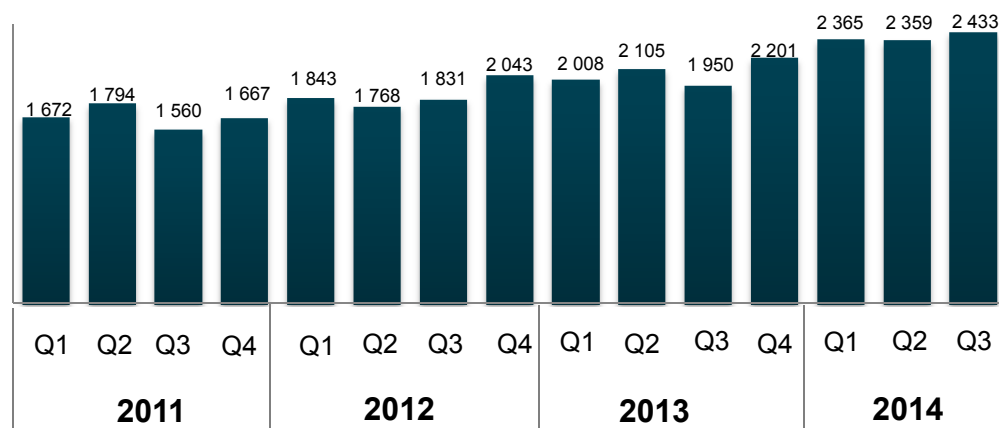
# Our presence provides proximity to customers



SOURCE: Kongsberg & IHS data

# Year to date Revenue and EBITDA drivers

Revenues, MNOK



EBITDA, MNOK



## Key revenue and EBITDA drivers

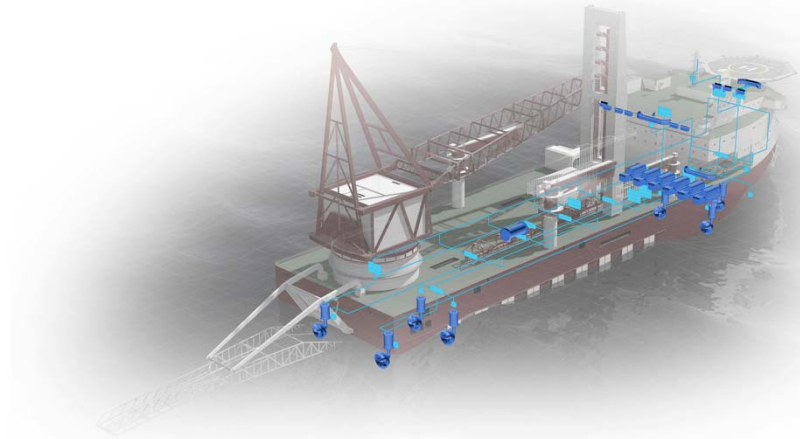
- Premium market position and increased market shares in core segments
- Increased scope and market position for EIT deliveries to the OPU market
- Continuous growth in high volume OSV market, especially in China
- Growth in the subsea market, fueling our system deliveries;
  - Under water navigation
  - Autonomous under water vehicles (AUV)
- Increased market shares and scope for merchant marine at large

# Key achievements since CMD 2013

## Offshore

Continuous success with our integrated approach to the high end offshore segment

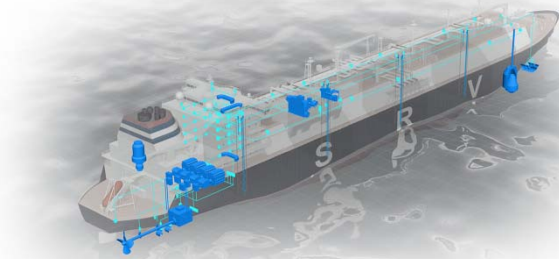
- Johan Sverdrup – production unit
- Petrofac – pipe layer
- Catcher - floating production



## Merchant Marine

Increased market shares in all segments

- United Arab Shipping Corp. – 17 high end container vessels, 18.800 TEU
- BP Shipping – 24 high end Crude/Product tankers
- 90 % market share of all LPG (VLGC) contracted the last two years



# Key achievements since CMD 2013



## Subsea

Continuous growth in the subsea segments

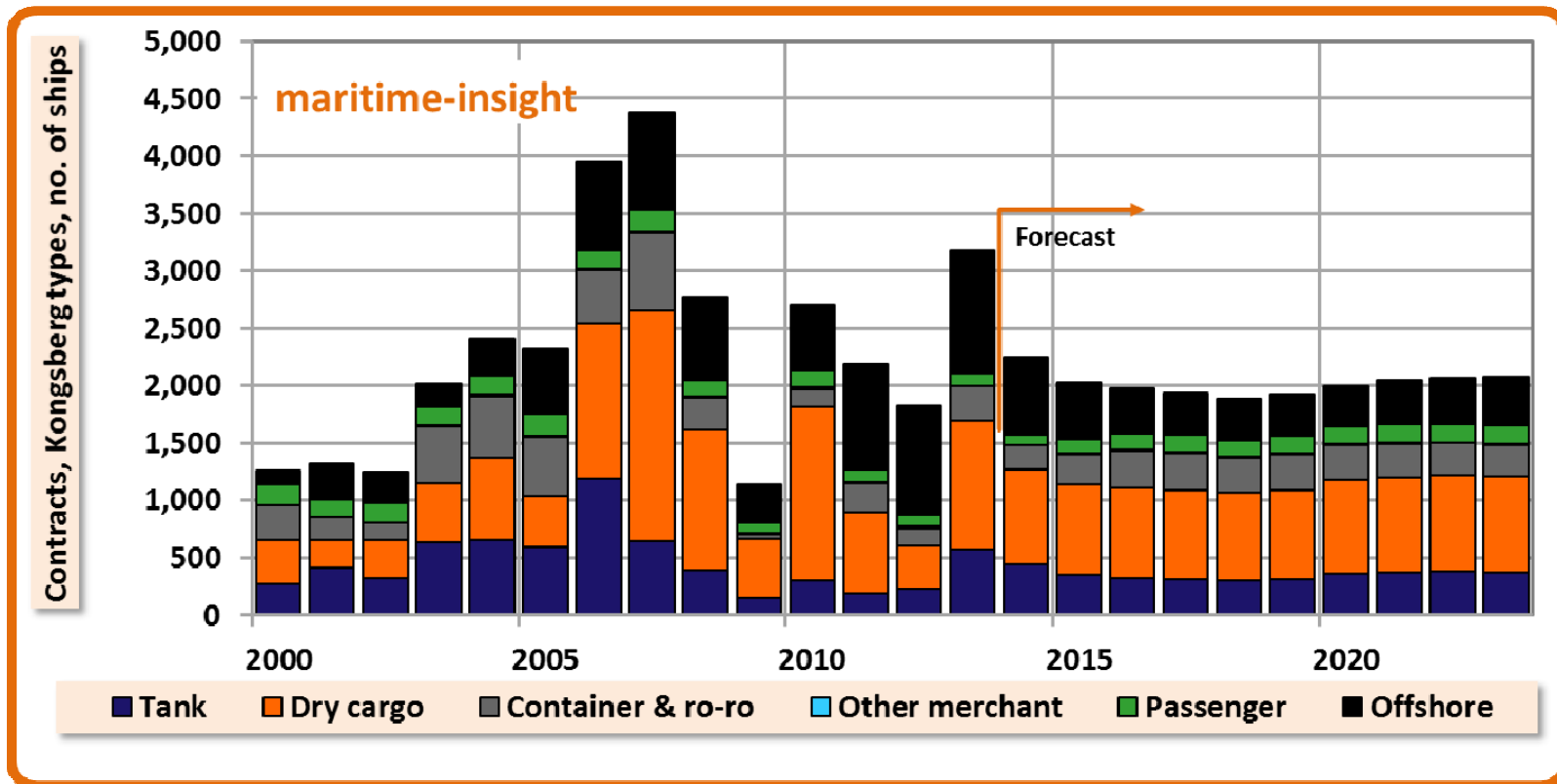
- Increased activity for AUV pipe line inspection, e.g., NCS and offshore Brazil
- Delivery of two persistent Remus AUV systems to Ocean Observatories Initiative in US
- Ocean laboratories (K-Lander) for marine research to the Centre for Arctic Gas Hydrate (Svalbard)



## Building competence and innovative solutions in cooperation with the industry, e.g.

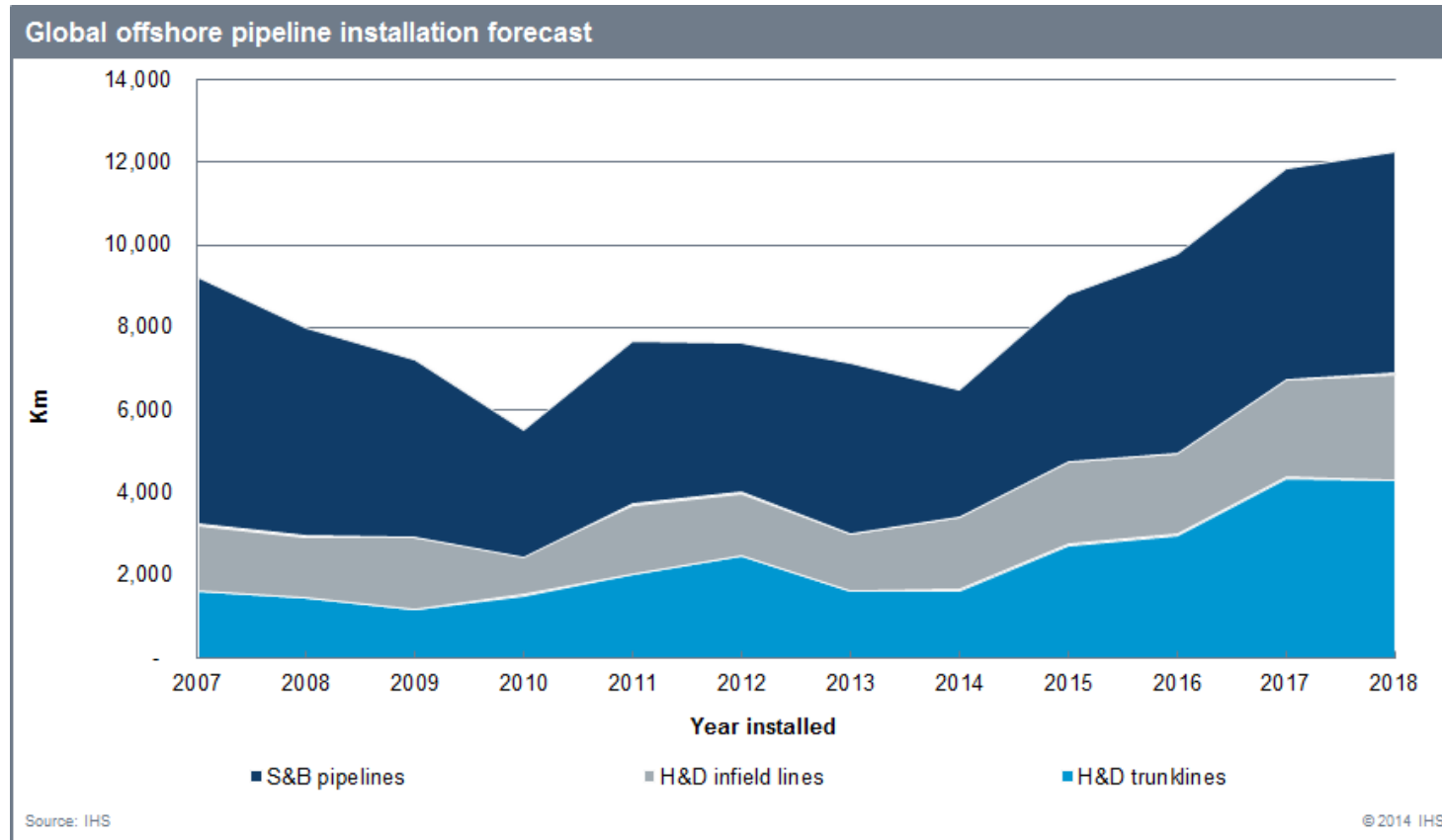
- Training simulators to Heerema and Oceaneering
- Enhanced control of seismic streamers, enables increased efficiency in seismic operations for e.g. the existing fleet

# Solid position in a forecasted stable market



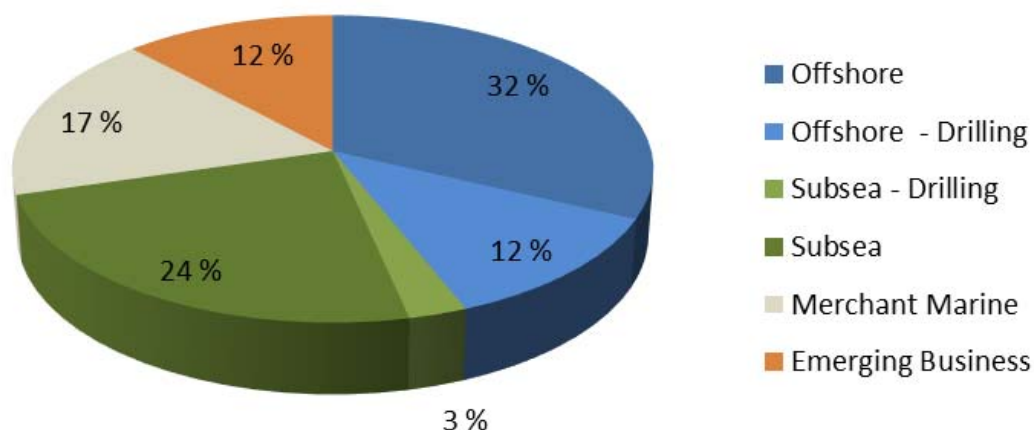
- Vessels relevant for Kongsberg Maritime

# Despite more uncertain market development, we see new opportunities in offshore and subsea



- Aver. p.a. growth of 18% for harsh & deepwater pipelines in period 2013-18
- Average p.a. growth of 5% for shallow & benign pipelines in period 2013-18

## Diversified sources of business makes KM less dependent on specific cycles



*Order income per Q3 2014*

- Increased market shares and scope at large, and success for EIT deliveries to the OPU segments, compensates for the declining drilling market.
- Value added customer support caters for growth, as the installed based increases

# Development since CMD 2013

## Where we are

### Where we wanted to go

#### Offshore

- Strengthen our position for offshore production units, by becoming a direction driver EIT solutions
- Expand the offering of associated services and support - competitive asset management and life cycle support

#### Merchant marine

- Developing complementary products that will further strengthen our position as a full picture supplier, e.g. navigation and IT solutions for operational support

#### Subsea

- Venture into the IMR (Inspection, Maintenance and Repair) market, by investing in unmanned vehicle technology and associated instrumentation and products

#### Offshore

- Securing and in position for significant order to the OPU and FPSO market through Kongsberg Maritime Engineering
- Continuous success in the LNG and FLNG segment

#### Merchant marine

- Value added applications, such as fuel optimizations and ship shore interaction is furthering our market shares
- Repositioning of navigation products has proven successful, especially for integrated solutions

#### Subsea

- Launched the compact MUNIN AUV for commercial survey and pipeline inspection.
- Launched  $\mu$ Pap portable acoustic positioning systems.
- Launched subsea monitoring solutions; K-Observer, K-Point and K-Lander

## Bundling Innovation



# Kongsberg is World Leading in AUVs



**HUGIN** AUVs have surveyed more kilometers than any other AUV (> 700.000 paid line km). Most deep water fields oil and gas fields world wide are mapped by HUGIN.

**REMUS** has been a tremendous success with more than 300 vehicles delivered to 17 countries. REMUS vehicles are used in a wide number of applications including navies, hydrography and marine research

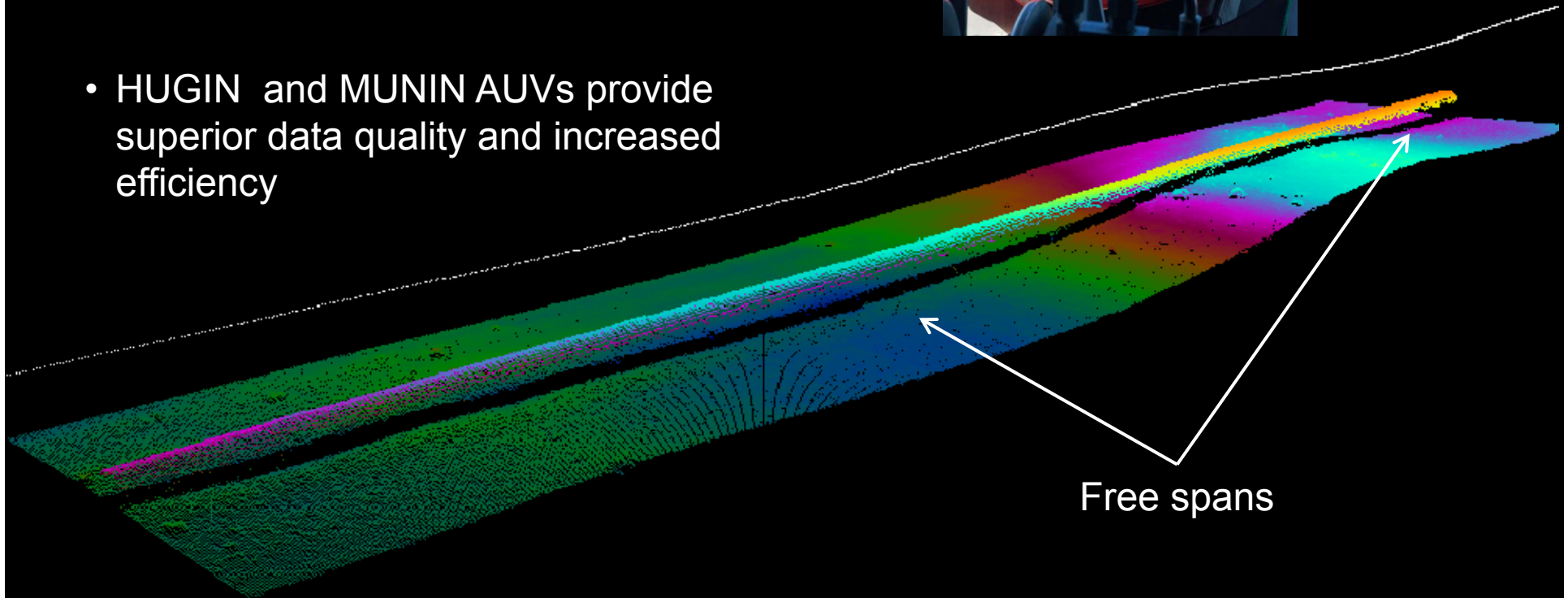
**MUNIN** incorporates the best from REMUS and HUGIN into the most capable vehicle for water depths down to 1500 m for commercial applications

**SEAGLIDER** provides extremely long endurance for collection of oceanographic data at a fraction of the cost of traditional methods

**Future developments in oil and gas** will focus on improved autonomy, subsea residence, light intervention and enhanced inspection and monitoring

# AUV Pipeline Inspection

- HUGIN AUVs are increasingly applied in pipeline inspections
- MUNIN AUVs come with pipeline inspection capability
- HUGIN and MUNIN AUVs provide superior data quality and increased efficiency



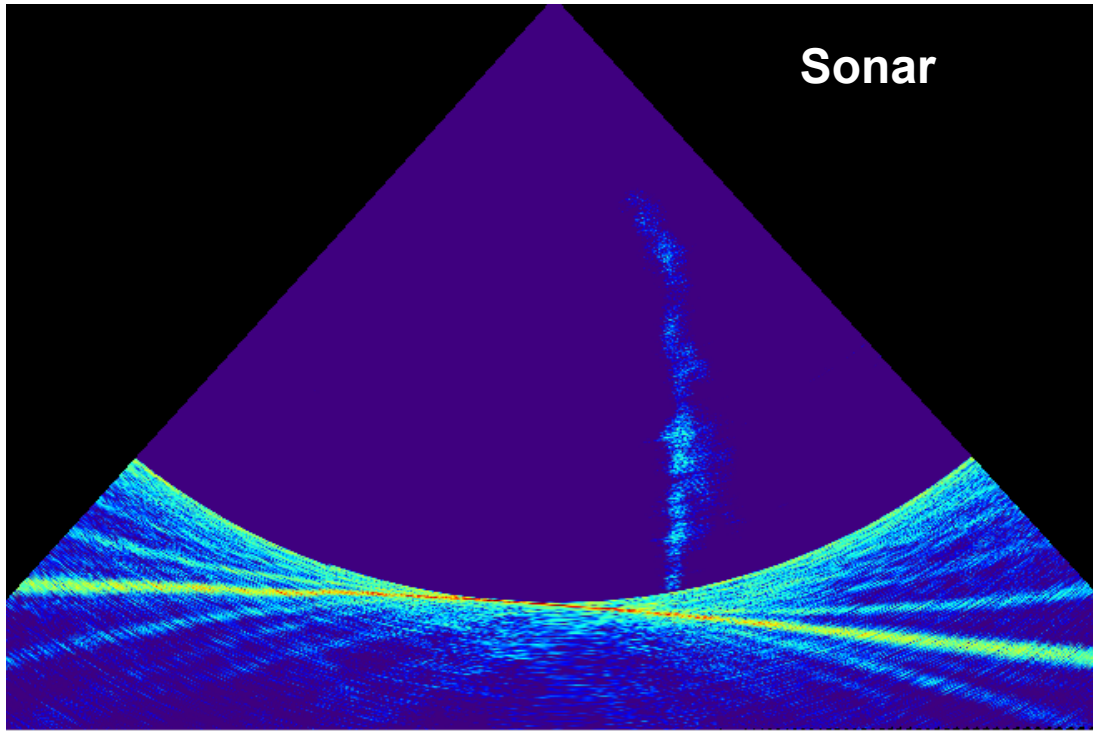
# AUV Camera Image



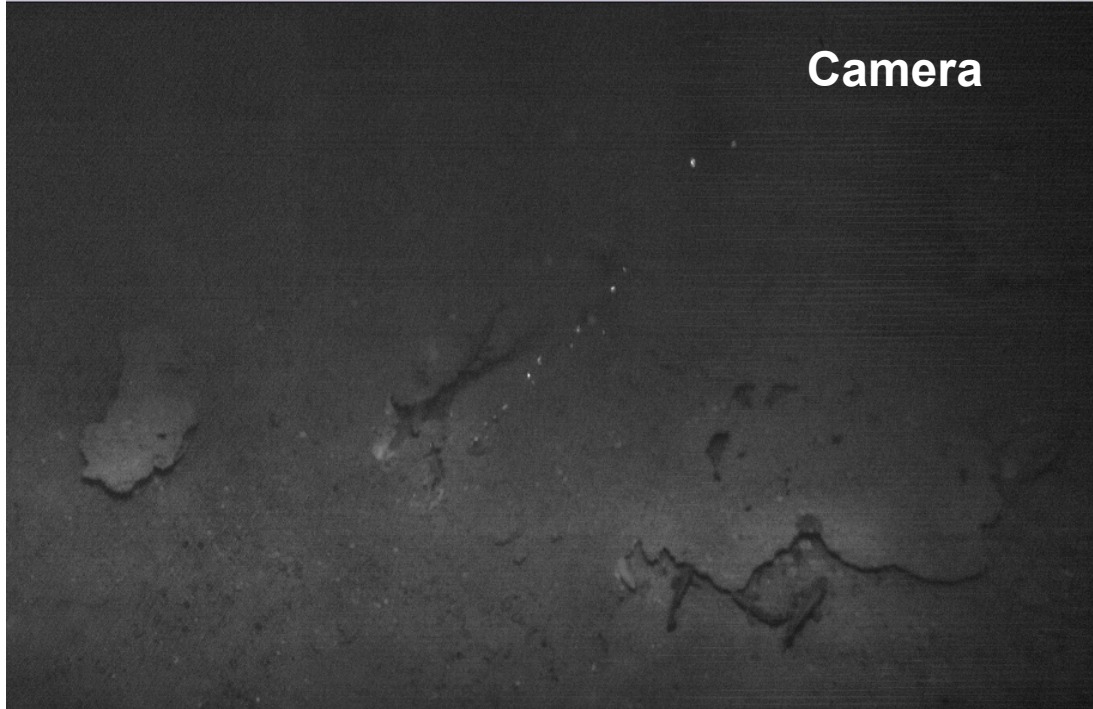
KONGSBERG

Altitude 3.5 m  
Speed 3.8 knots

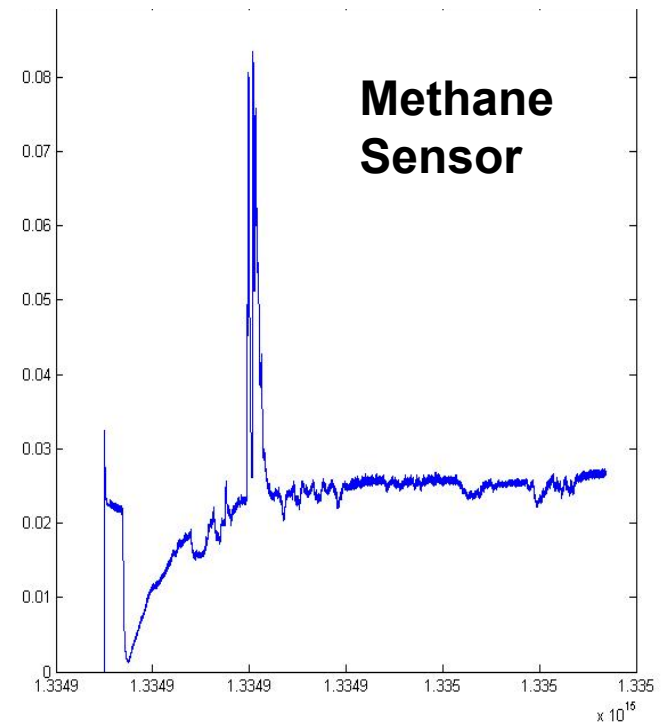
Sonar



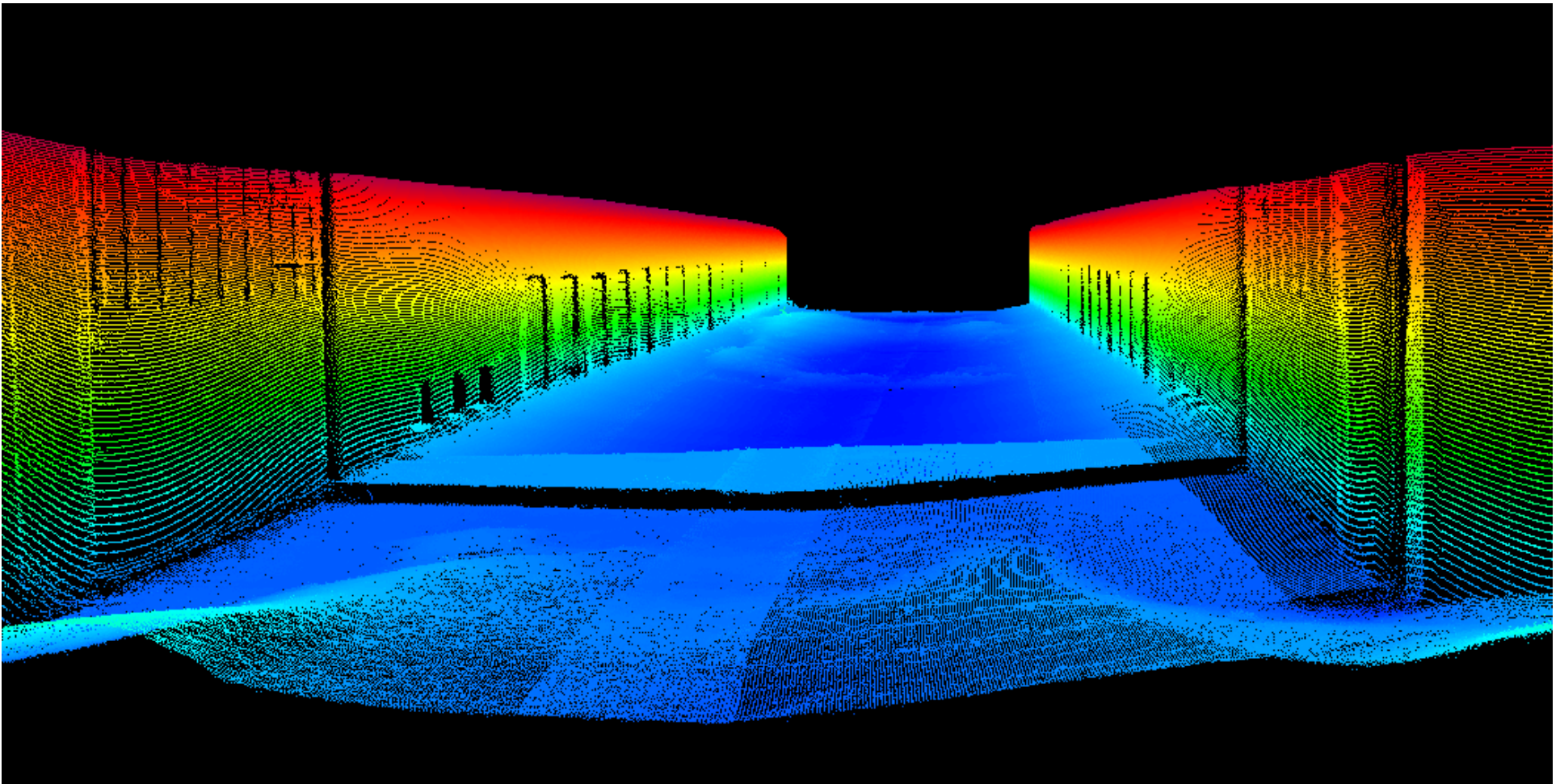
Camera



# AUV Leakage Detection



# KONGSBERG is World Leading in Acoustic Sensor Systems



Harbour inspection, Port of London, Tilbury Docks.

# Recent product launches in Subsea Monitoring business unit



- **K-Observer** hydro acoustic monitoring system for detection of scour, deformation, marine growth and corrosion on and around wind mills and underwater structures



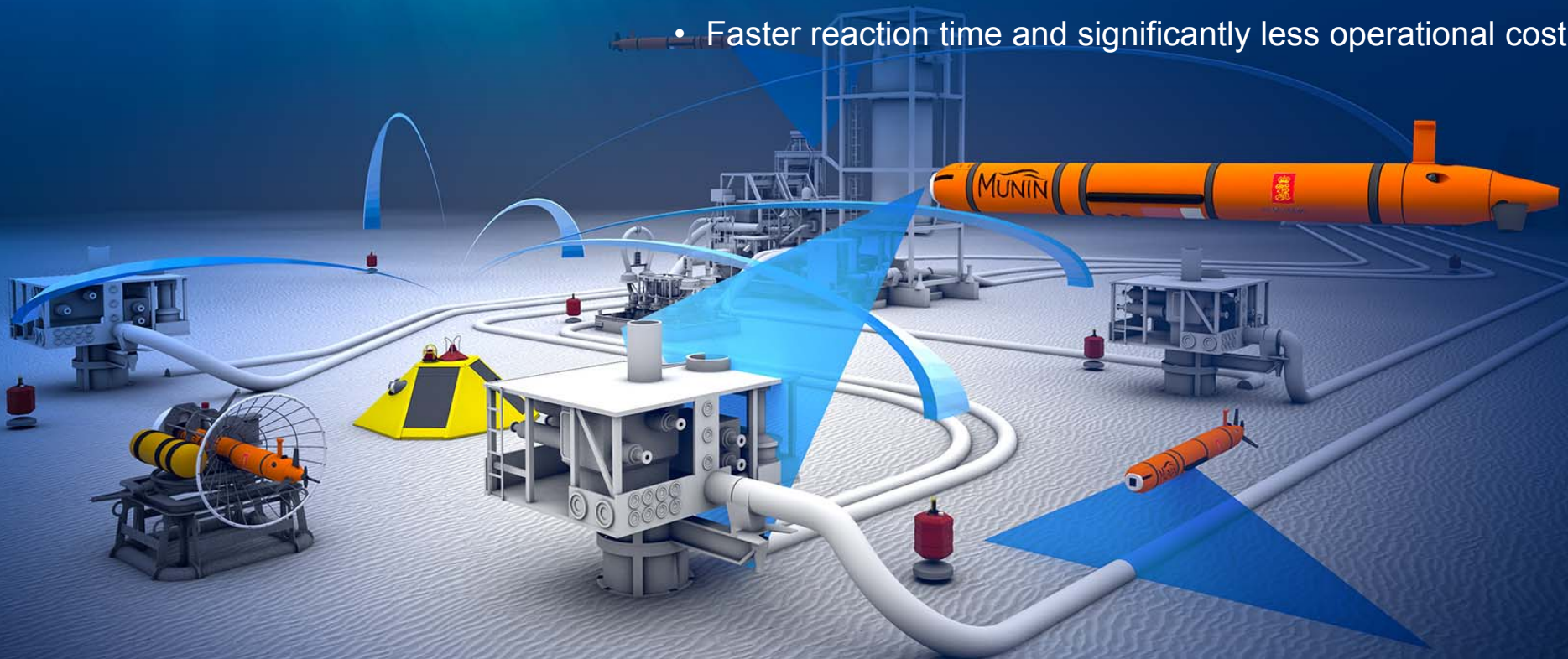
- **K-Point** compact leak detection node for critical underwater structures (mobile and permanent)



- **K-Lander** modular sensor carrier for permanent subsea monitoring systems

# «Smart Communities» - Mobile and Permanent Subsea Solutions

- Monitoring, inspection and light intervention on subsea installations without a surface vessel
- Always present and ready capability
- Real-time and or near real-time data transfer to shore
- Faster reaction time and significantly less operational cost



**Modular – Scalable - Networked**



KONGSBERG

**Subsea Monitoring is Networked**  
**Subsea Monitoring is Integrated Operations**





# In position today – preparing for tomorrow

- Our diversity makes us less vulnerable in a cyclic market
- Solid back log of orders – book/bill ratio > 1
- Cost base – continuous improvement initiatives in addition to DeltaOne
- Increased install base drives the growth
- Modern product portfolio – a solid base for new applications and thus business opportunities



# Ocean of opportunities



[kongsberg.com](http://kongsberg.com)



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