

Aker Solutions on Track to Reach Improvement Goals

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Aker Solutions is making good progress in reaching a goal of boosting cost-efficiency in all areas of the company by at least 30 percent as part of a broader effort to strengthen its competitiveness amid current market challenges.

A quarter of the targeted improvement will be achieved this year, helping to achieve potential annualized cost-savings of at least NOK 9 billion by the end of 2017, based on the 2015 cost base and work volumes. The improvements are expected to speed up next year as longer-term processes take hold.

"We're simplifying how we work and standardizing our products and services to drive through savings and become more competitive," Chief Executive Officer Luis Araujo said in a presentation Tuesday to investors in Fornebu, outside Oslo. "These efforts are supporting our margins and we are winning new work through increased collaboration with customers and industry participants on key projects and technology."

Aker Solutions over the past two years formed alliances with peers including Baker Hughes, ABB, MAN Diesel & Turbo and Saipem. They span the entire subsea value chain from the reservoir, to the seabed and up to the topside. These are partnerships with leaders in their fields whose competence and technology complement Aker Solutions' subsea capabilities.

The company on Monday announced a contract valued at more than NOK 1 billion to deliver its longest-ever umbilicals system at the Zohr gas field offshore Egypt. Today it announced a three-year contract extension from Total to provide maintenance and operations services at the Elgin and Franklin fields in the UK North Sea. This work is valued at more than NOK 400 million.

"We have a healthy order backlog and solid financial position underpinned by our continuous improvement efforts and consistently strong execution on major projects worldwide," said Araujo. "We are building on all of this with key collaborations that boost our competitiveness, particularly in the subsea area."

Source: Aker Solutions