

DELIVERING  
CLEAN ENERGY  
TO THE WORLD



## 3Q19 Financial Results

### IR Presentation – 21<sup>st</sup> October 2019



All statements in this presentation (other than those of historical fact) contain reference to our future business and financial performance and future events or developments that may constitute forward-looking statements. These statements may be identified by words such as "expect," "look forward to," "anticipate" "intend," "plan," "believe," "seek," "estimate," "will," "project", "may", "forecast" or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of NAKILATs' management, of which many are beyond NAKILATs' control. These are subject to several risks, uncertainties and factors that might cause future results and outcomes to differ including, but not limited to the following:

- general LNG shipping market conditions and trends, including spot and long-term charter rates, ship values, factors affecting supply and demand of LNG and LNG shipping, technological advancements
- and opportunities for the profitable operations of LNG carriers;
- fluctuations in spot and long-term charter hire rates and vessel values;
- changes in our operating expenses, including crew wages, maintenance, dry-docking and insurance costs and bunker prices;
- number of off-hire days and dry-docking requirements including our ability to complete scheduled dry-dockings on time and within budget;
- planned capital expenditures and availability of capital resources to fund capital expenditures;
- may no longer have the latest technology which may impact the rate at which we can charter such vessels;
- increased exposure to the spot market and fluctuations in spot charter rates;
- fluctuations in prices for crude oil, petroleum products and natural gas, including LNG;
- changes in the ownership of our charterers;
- our customers' performance of their obligations under our time charters and other contracts;
- our future operating performance and expenses, financial condition, liquidity and cash available for dividends and distributions;
- our ability to obtain financing to fund capital expenditures, acquisitions and other corporate activities, funding by banks of their financial commitments, and our ability to meet our restrictive covenants
- future, pending or recent acquisitions of or orders for ships or other assets, business strategy, areas of possible expansion and expected capital spending;
- the time that it may take to construct and deliver new buildings and the useful lives of our ships;
- fluctuations in currencies and interest rates;
- the expected cost of and our ability to comply with environmental and regulatory conditions, including changes in laws and regulations or actions taken by regulatory authorities, governmental organizations, classification societies and standards imposed by our charterers applicable to our business;
- risks inherent in ship operation, including the risk of accidents, collisions and the discharge of pollutants;
- our ability to retain key employees and the availability of skilled labor, ship crews and management;
- potential disruption of shipping routes due to accidents, political events, piracy or acts by terrorists;
- potential liability from future litigation;
- any malfunction or disruption of information technology systems and networks that our operations rely on or any impact of a possible cybersecurity breach

Should one or more of these risk factors or uncertainties materialize or should underlying expectations not occur or assumptions prove incorrect, actual results, performance or achievements of NAKILAT may (negatively or positively) vary materially from those described explicitly or implicitly in the relevant forward-looking statement. NAKILAT neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated except if required by law. Accordingly, you should not unduly rely of any forward-looking statements. NAKILAT makes no representation or warranty, expressed or implied, with respect to any forecast, projection or predictive statements in this presentation.

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▪ Glossary	4
▪ New Business Opportunity	5-6
▪ Nakilat's Fleet	7
▪ 9M19 Financial Highlights	8-9
▪ 9M19 Income Statement Highlights	10
▪ 9M19 Balance Sheet Highlights	11
▪ Net Borrowing (9M19)	12
▪ LNG Shipping Overview (3Q19)	13-14
▪ LNG Shipping Supply (3Q19)	15
▪ Global LNG Shipping Balance (3Q19)	16
▪ Nakilat's Business Outlook 3Q19	17-18
▪ 9M19 Earnings Results – Summary	19-20
▪ Q & A	21





## LNGC

Liquefied Natural Gas Carrier

## Charter Free

Vessel which is not attached with charter party

## Steam

Steam Turbine Propulsion System)

## BoG

Boil-off Gas

## HHI

Hyundai Heavy Industries

## FSRU

Floating Storage Regasification Unit

## DFDE

Dual Fuel Diesel Electric Propulsion System

## MEGI

M-type, Electronically Controlled, Gas Injection

## DSME

Daewoo Shipbuilding & Marine Engineering



# NEW BUSINESS OPPORTUNITY





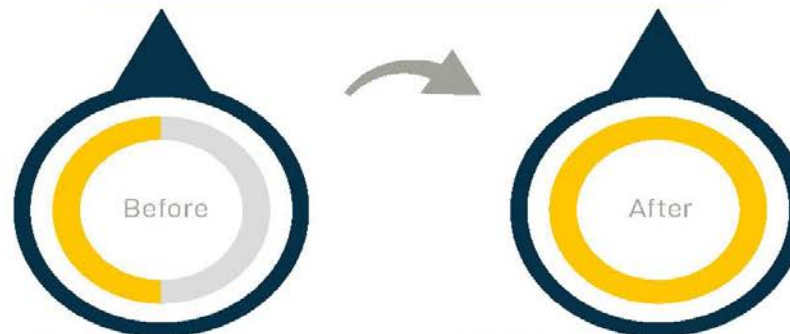
## NAKILAT SIGNS AGREEMENT FOR FULL OWNERSHIP OF FOUR Q-FLEX LNG CARRIERS

### 4 Q-FLEX

- 1 TEMBEK
- 2 AL HAMLAL
- 3 AL GATTARA
- 4 AL GHARRAFA

SHIP OWNER / MANAGER  
**NAKILAT**

## OWNERSHIP STRUCTURE



**50.1%**

Nakilat

**49.9%**

International Seaways

**100%**

Nakilat

## FLEET STRENGTH

**74**  
VESSELS

Wholly-owned

**25 → 29**

Jointly owned

**40**



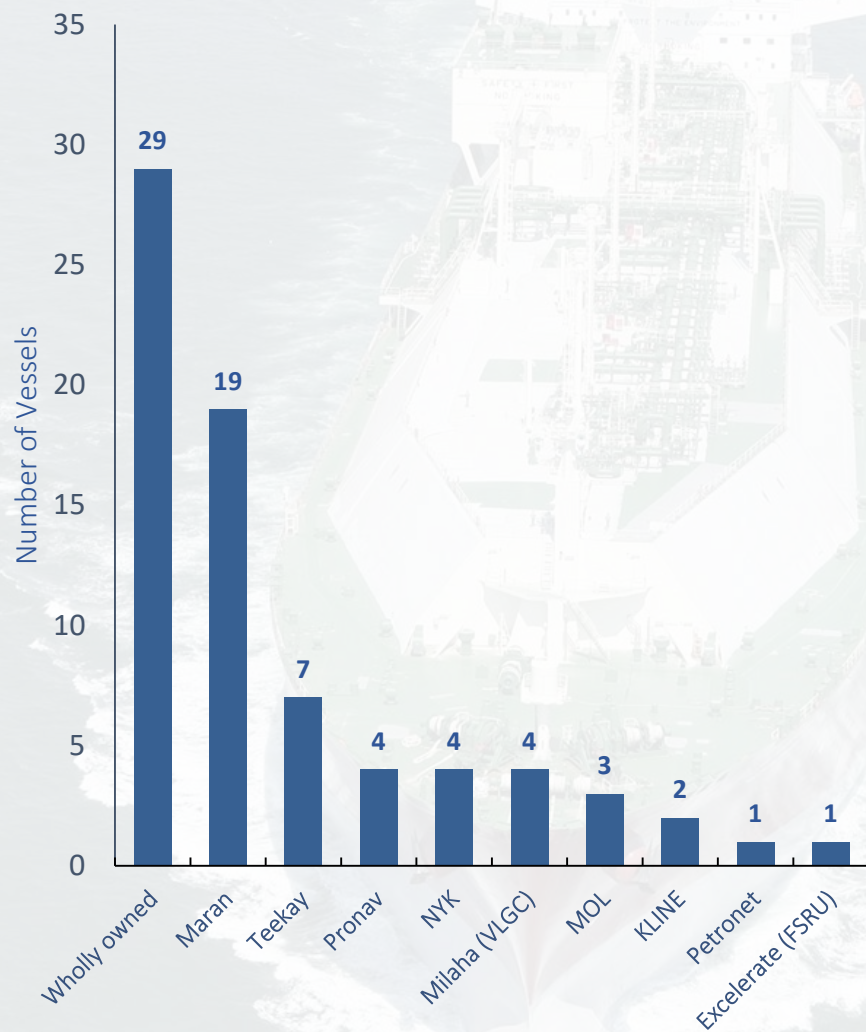
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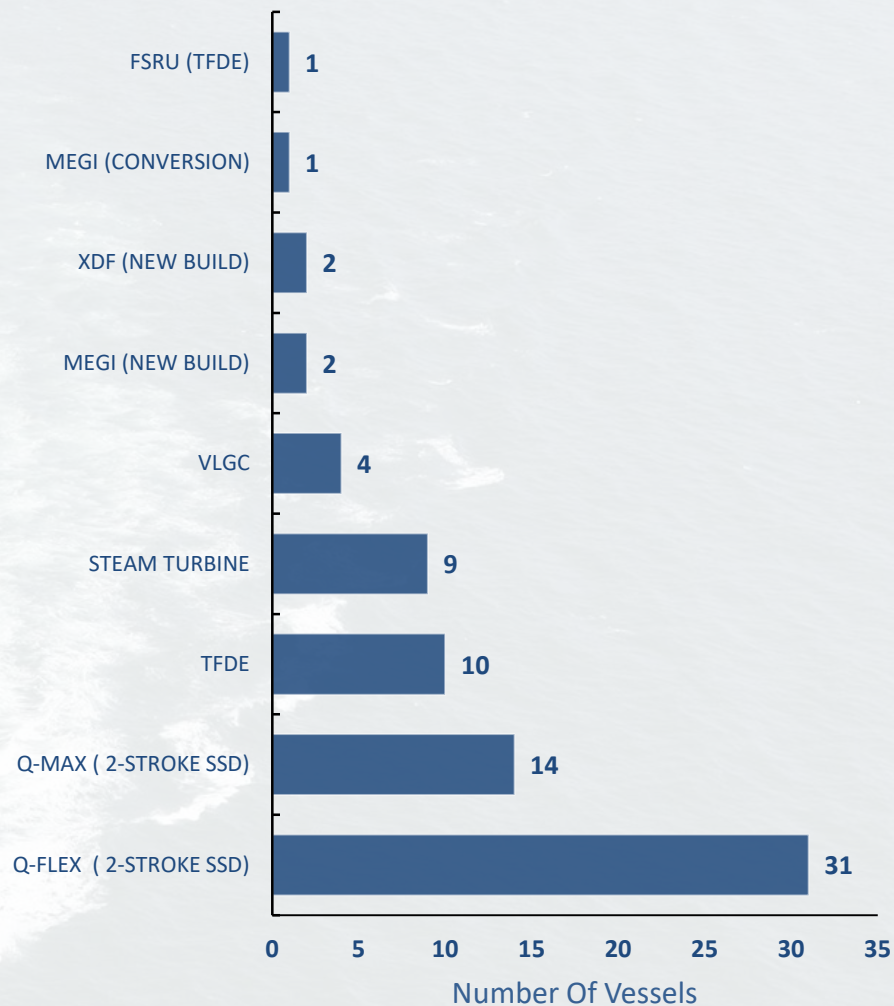
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## Wholly & Jointly-Owned Fleet



## Vessels' Type / Propulsion



# Profit: QAR 728 Million

## 9M19 Financial Highlights





**QR 2,733M**

Revenue

**QR 2,150M**

EBITDA\*

**QR 728M**

Net Profit

**QR 0.13**

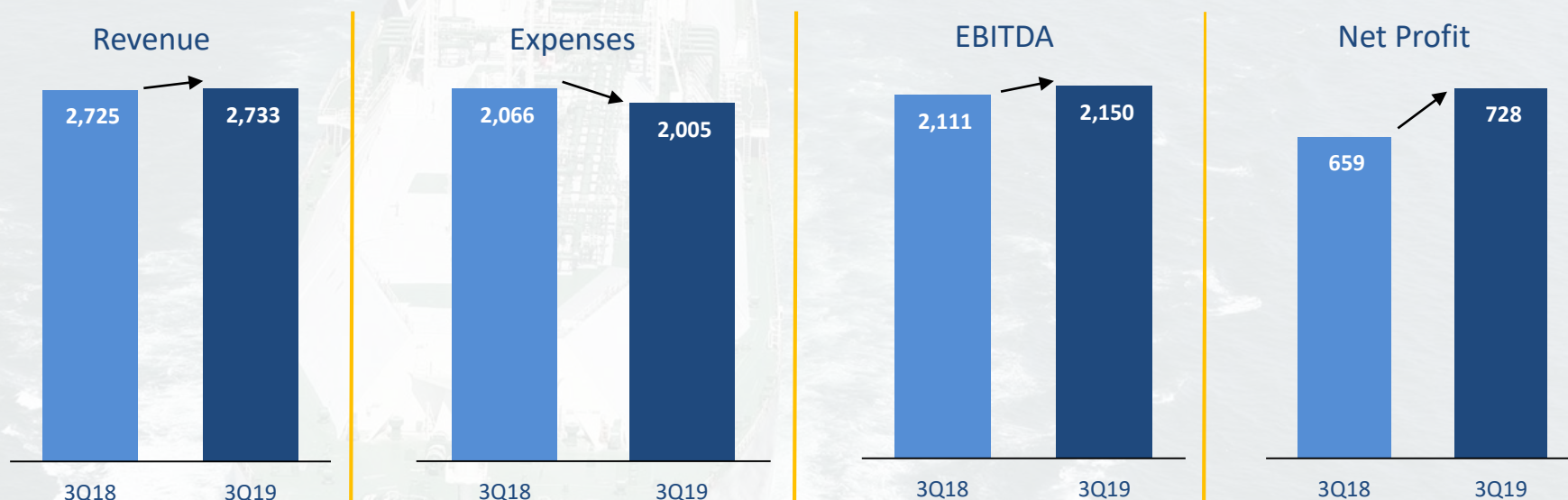
EPS

**10.6%**

RoE\*\*

**1.25**

Current Ratio



- **Total revenue increased** by 0.3%. Main drivers were the better performance of LNG & LPG business lines
- **Expenses reduced** by 3% due to lower operating costs, G&A and interest costs
- **EBITDA higher** by 1.8% due to decrease in operating costs and G&A
- **Net Profit increase of** 10.5% was driven by higher EBITDA

\*Note: EBITDA is a non-IFRS financial measure and should not be used in isolation or as substitute for Nakilat's financial results presented in accordance with International Financial Reporting Standards ("IFRS")

\*\*Note: RoE is annualized

Items (QAR - M)	9M19	9M18	YoY %
Revenue from operations	2,653	2,635	0.7%
Interest, dividend and other income	80	90	-11.1%
<b>Total Revenue</b>	<b>2,733</b>	<b>2,725</b>	<b>0.3%</b>
Operating costs	490	517	-5.2%
General and administrative expenses	93	97	-3.9%
Amort. & Depr. of PPE	565	566	-0.4%
Finance charges	857	886	-3.3%
<b>Total Expenses</b>	<b>2,005</b>	<b>2,066</b>	<b>-3.0%</b>
<b>Net profit for the period</b>	<b>728</b>	<b>659</b>	<b>10.5%</b>

## Highlights :

- **Total Revenue increased by 0.3%** mainly due to better performance by LNG & LPG vessels and Towage JV
- **Operating costs decreased by 5.2%** as a result of management initiatives towards cost optimization
- **General and administration expenses decreased by 3.9%** as a result of process enhancement and cost optimization initiatives of management
- **Finance charges decreased by 3.3%** as a result of scheduled repayment of corporate loan and lower LIBOR rates

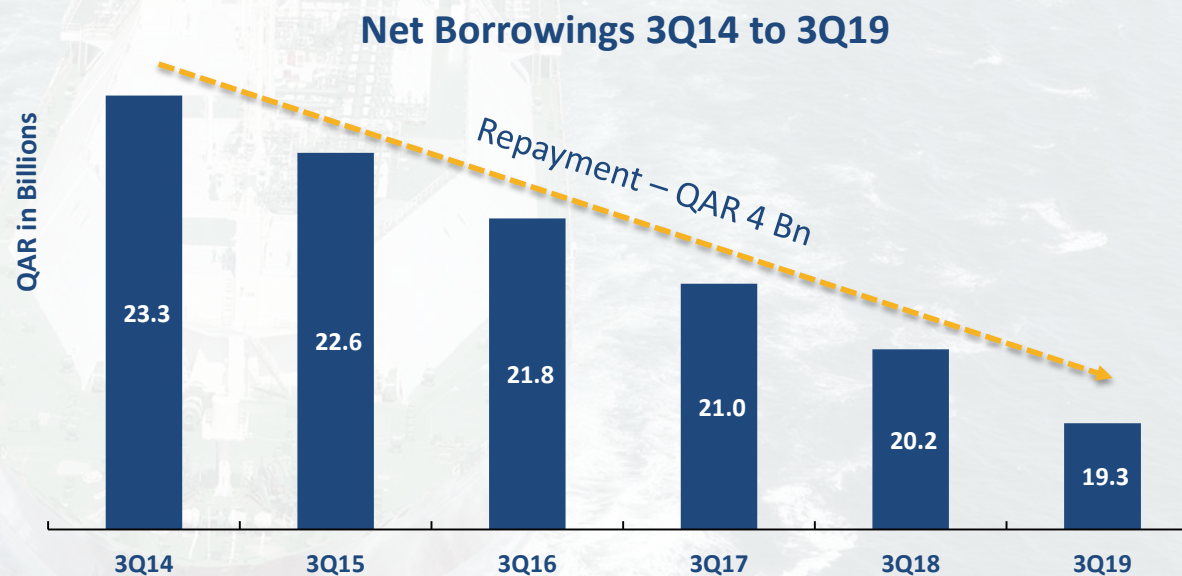


Items (QAR - M)	Sep-19	Dec-18	YoY %
Property and equipment	21,572	21,840	-1.2%
Investment in joint venture companies	4,800	4,613	4.1%
Cash and bank balances	2,501	2,463	1.5%
Trade and other receivables	1,442	504	186.1%
Equity investments	118	144	-18.1%
<b>Total Assets</b>	<b>30,433</b>	<b>29,564</b>	<b>2.9%</b>
Borrowings	19,370	19,794	-2.1%
Equity after hedge reserve and before non-controlling interests	6,402	6,934	-7.7%
Fair value of interest rate swaps	2,539	1,943	30.7%
Accounts payable, accruals and other liabilities	2,116	888	138.3%
Non-controlling interests	6	5	20.0%
<b>Total Equity &amp; Liabilities</b>	<b>30,433</b>	<b>29,564</b>	<b>2.9%</b>

## Highlights :

- **Investment in JVs increased** by 4.1% as a result of increase in share of profit from JVs
- **Cash and bank balances increased** by 1.5% due to improvement in working capital
- **Trade and other receivables increased** by 186.1% mainly due to advances increased as a result of new Hub business in the Port Agency business line
- **Equity investments decreased** by 18.1% due to lower share prices of shares held for investment
- **Borrowings were lower** by 2.1% due to scheduled repayment of loan and no additions to loan
- **Equity after hedge reserve and before non-controlling interests decreased** by 7.7% mainly due to increase in hedge reserve for IRS
- **Fair value of interest rate swaps up** by 30.7% due to decrease in swap rate (LIBOR)
- **Accounts payable, accruals and other liabilities increased** by 138.3% mainly due to new Hub business in the Port Agency business line
- **Non-controlling interests increased** by 20% due to better profits

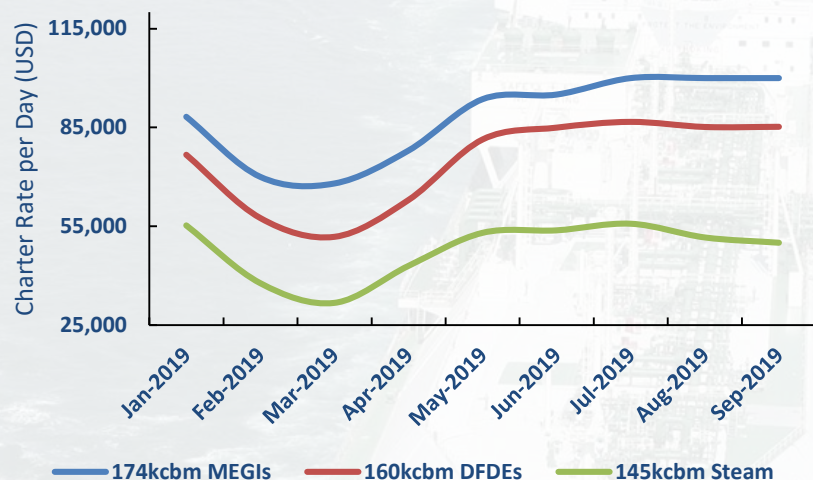






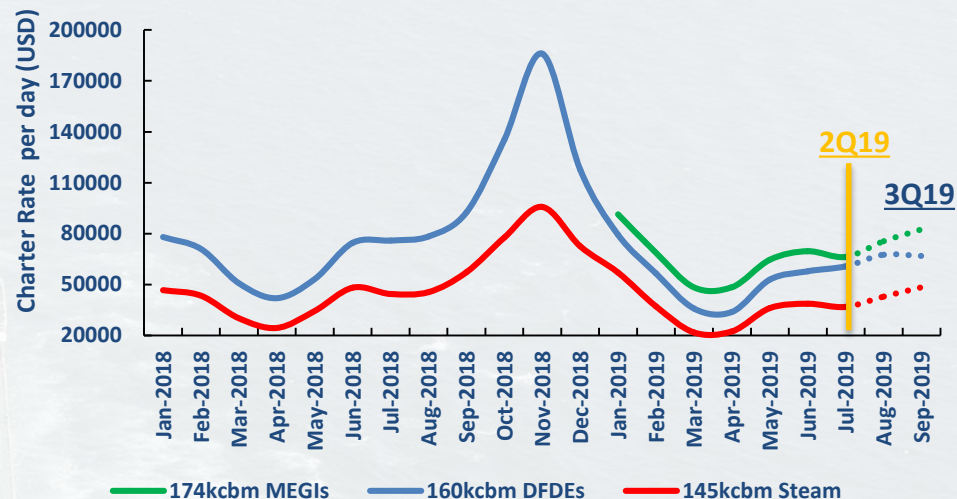


## Multi-Month (3-6) LNG Shipping Rates (YTD'19)



Source: Clarksons

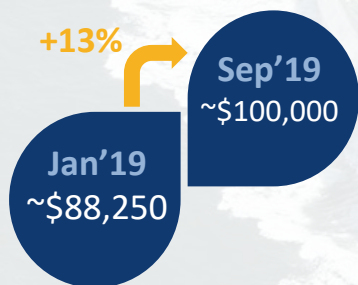
## Spot Rates (MEGI Vs DFDEs Vs Steam) in 2018 - 3Q19



Source: Clarksons

## Multi-Month (3-6) LNG Shipping Market Rates

### Average MEGI Day Rates



### Average DFDE Day Rates



Source: Clarksons

Source: Clarksons

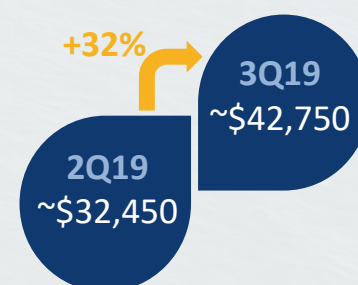
## Spot LNG Shipping Market Rates

### Average DFDE Day Rates



Source: Clarksons

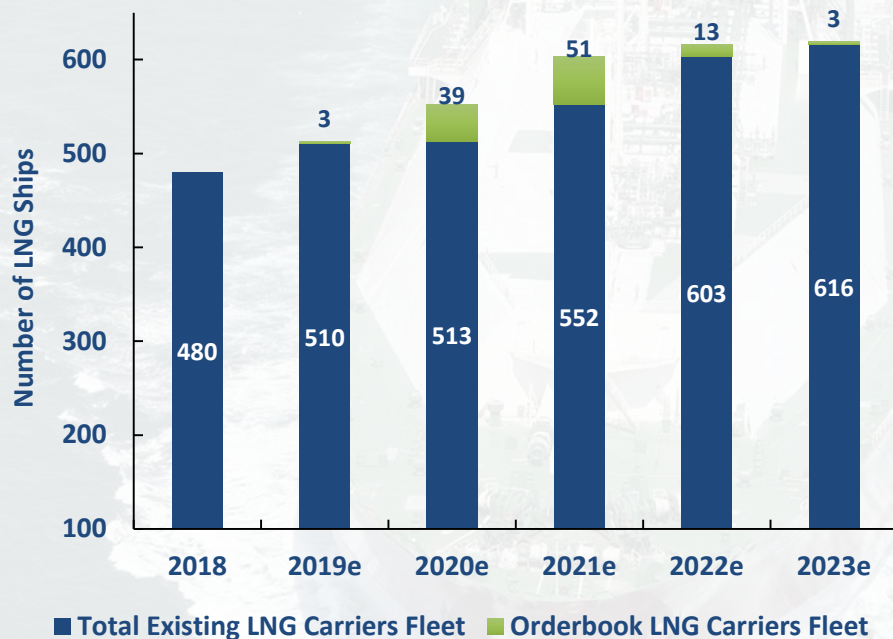
### Average STEAM Day Rates



Source: Clarksons



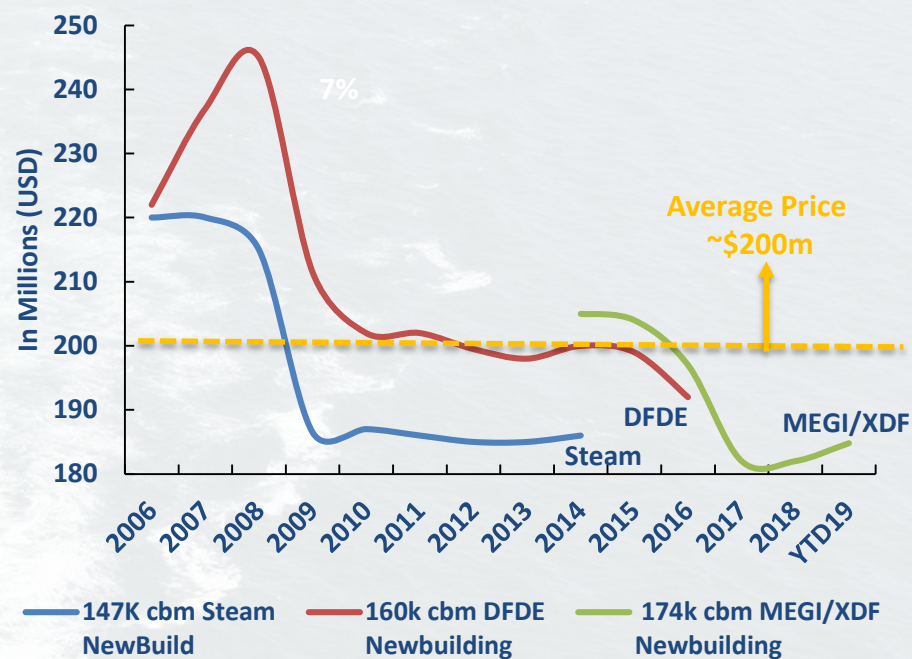
## Development of Global LNG Fleet\* (2018 - 2023e)



Source: Clarksons

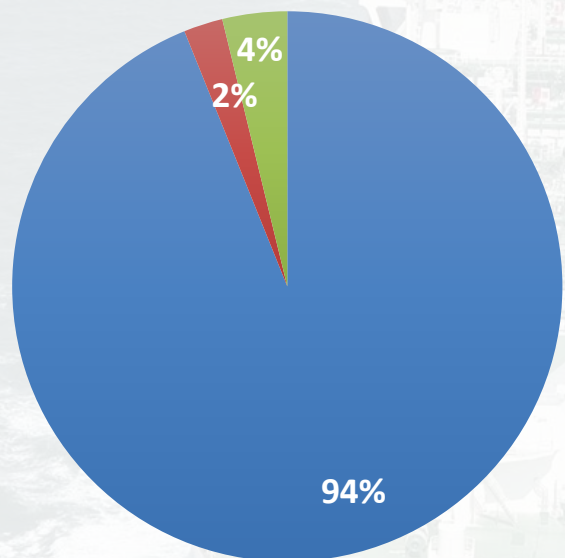
Note: \*As of 3Q19, World live LNG fleet (excl. vessels <125,000cbm, FSRUs, FSUs, and FLNG, no assumption for scrapping, or LNGC conversion to FSRUs)

## Historic LNGC Newbuild Price 2006 - 2018



Source: Clarksons

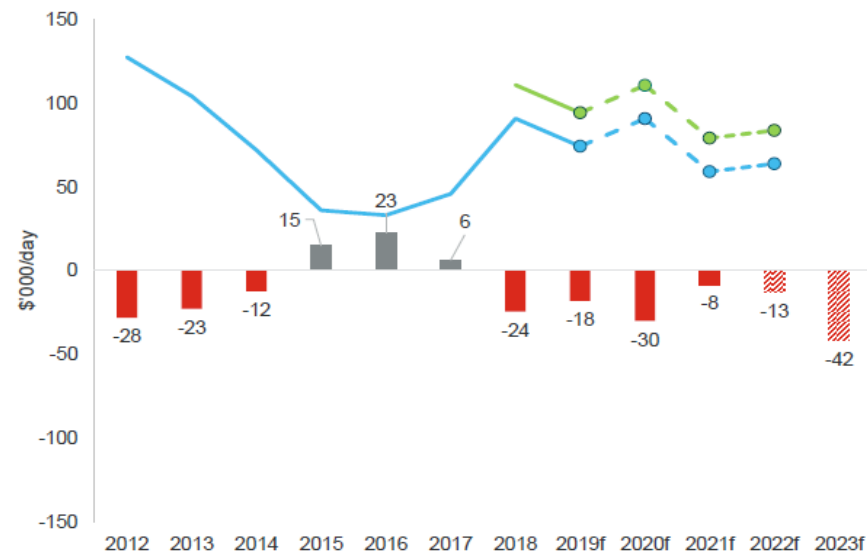
## % of Global LNG Fleet by Chartered, Open (>100,00cbm)



■ Chartered longer than 6 months 
 ■ Fleet currently in lay up 
 ■ Available Spot Market

Source: SSY

## LNG Shipping Balance 2012 – 2023e



■ Shipping Balance (174k cbm) 
 — 160k cbm spot TFDE 
 - - - Theoretical 174k cbm spot MEGI/XDF

Source: Clarksons









## LNG Shipping Fleet

Expect to see the full impact of the 49.9% stake acquisition of 4 Q-Flexs in the following quarters

Continue to look for new business opportunities in 2019-20 to exploit the healthy LNG shipping market fundamentals



## Shipyard & Marine Services

Shipyard is a cyclical business with a strategic importance for Nakilat.

We are working to achieve the best results of this business. However, as any cyclical business, we are to face more challenges than other segments which are on long term contracts



## Market Fundamentals

According to Wood Mackenzie, LNG demand to grow by 150mts between 2018 and 2025

We expect demand for LNG shipping to strengthen as we move through 2019 and into 2020



## Portfolio growth

Nakilat expands its global LNG shipping capacity with the 49.9% stake acquisition of 4 Q-Flexs LNGCs (217,000cbm per vessel) owned by INSW.

The 4 LNG carriers have been on 25-year time-charters to Qatargas since their delivery in 2007 and 2008.





Global leader  
for energy  
transportation

Maximize  
shareholder  
return

Priority for  
safety &  
environment

## 3Q19 Earnings Results:

- Strong profitability results (+10.5% YoY), momentum continues
- Successfully deploys the company's strategic plans grow its global LNG shipping capacity market share via different means (whether existing or new capacity)
- Expanding its wholly-owned LNG fleet from 25 to 29 LNG carriers with the 49.9% stake acquisition of 4 Q-Flexs LNG carriers owned by International Seaways
- Continuous rationalization of group's operational expenses less by 5.2% and G&As by 3.9%
- 3Q19 – LTIF\* Yearly Data: (0.24 Nakilat in Aug'19 Vs 0.46 Industrial Average 2018)





# Q&A



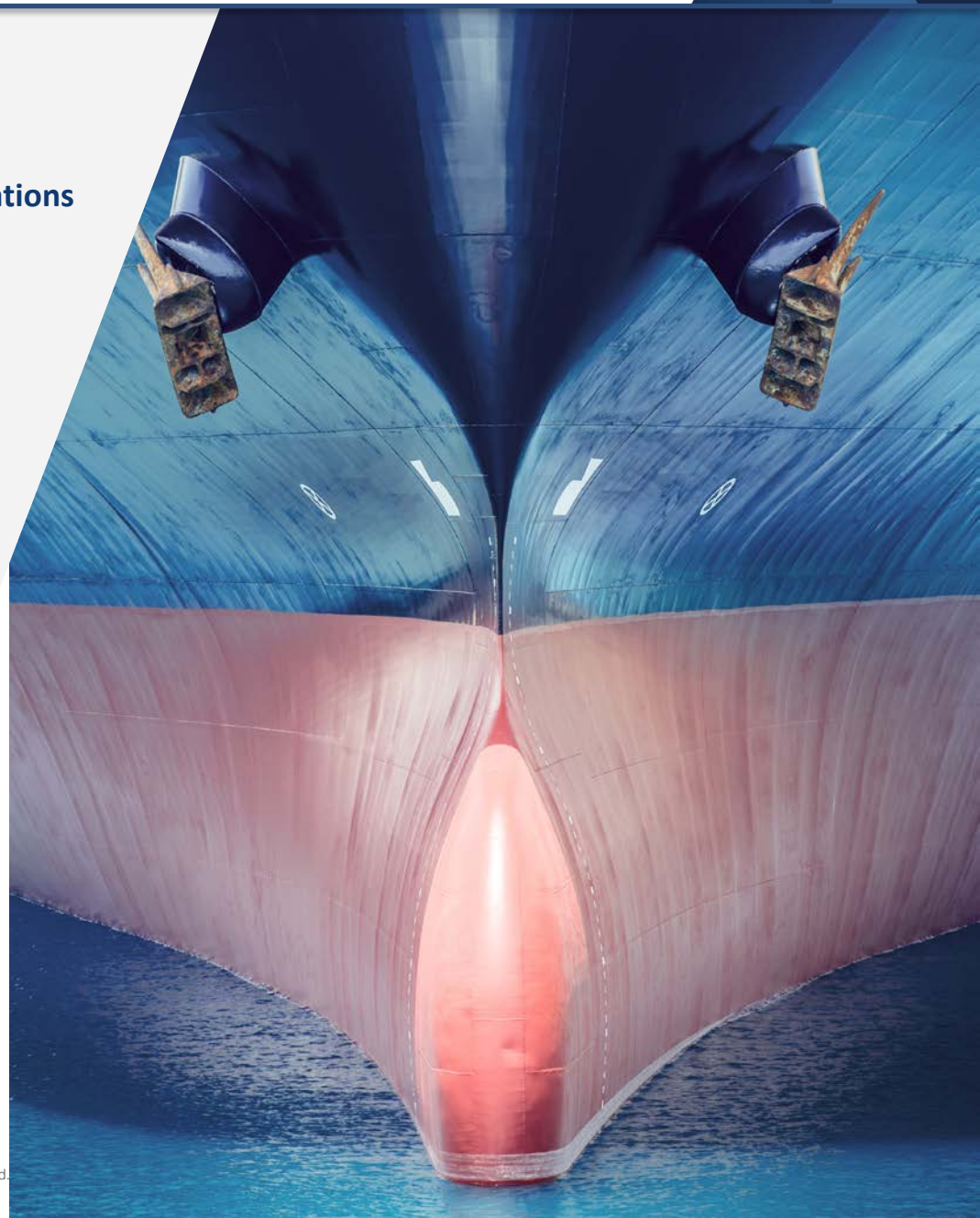
## Any Further Investor Questions?

22

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# Thank You

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