

DELIVERING  
CLEAN ENERGY  
TO THE WORLD



## 1H21 Financial Results

IR Presentation – 13<sup>th</sup> July 2021

*“Together Towards Tomorrow”*



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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## 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

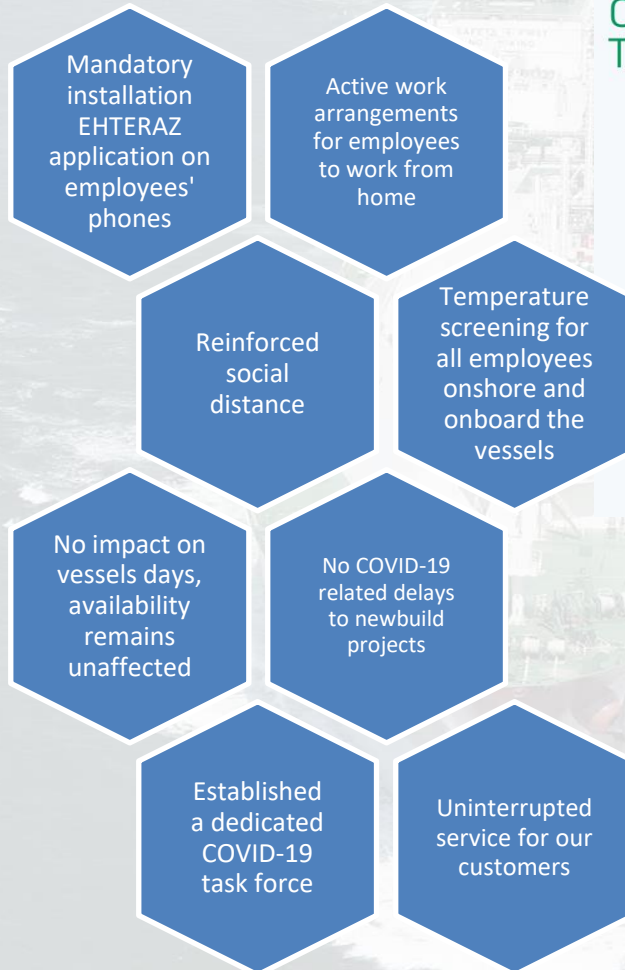
M-type, Electronically Controlled, Gas Injection

## DSME

Daewoo Shipbuilding & Marine Engineering

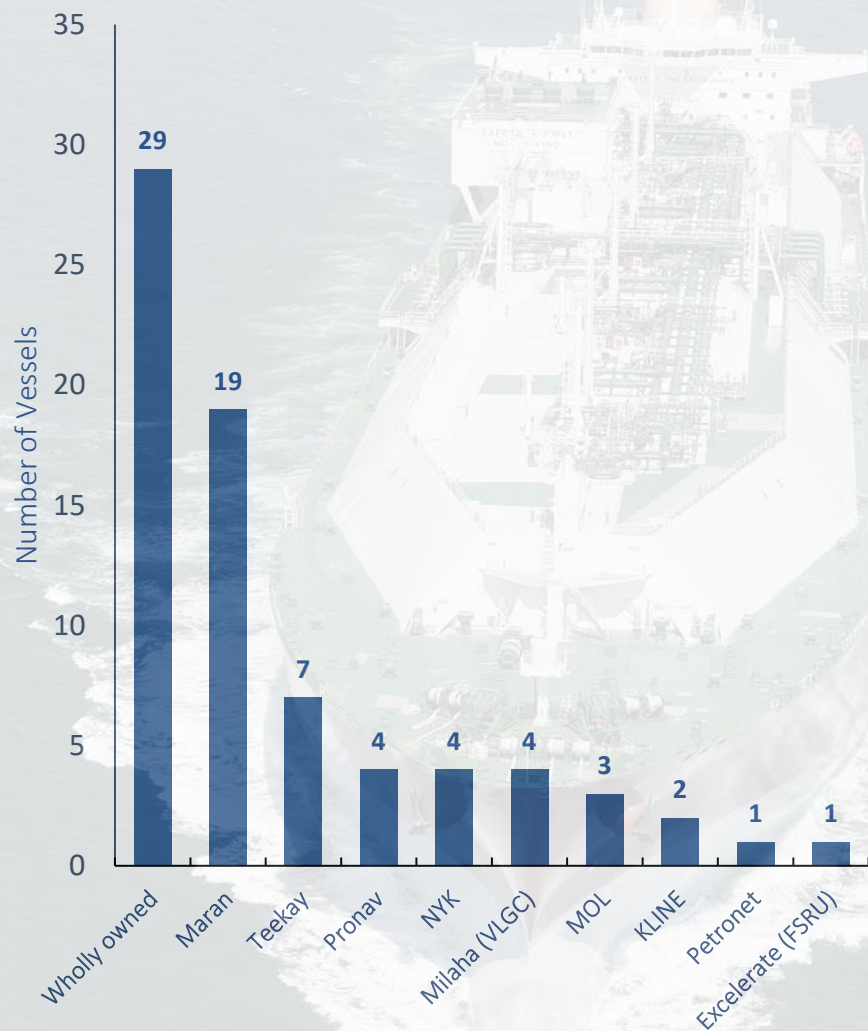


## NAKILAT STEPS UP COVID-19 PREVENTIVE MEASURES ONSHORE & ONBOARD THE VESSELS

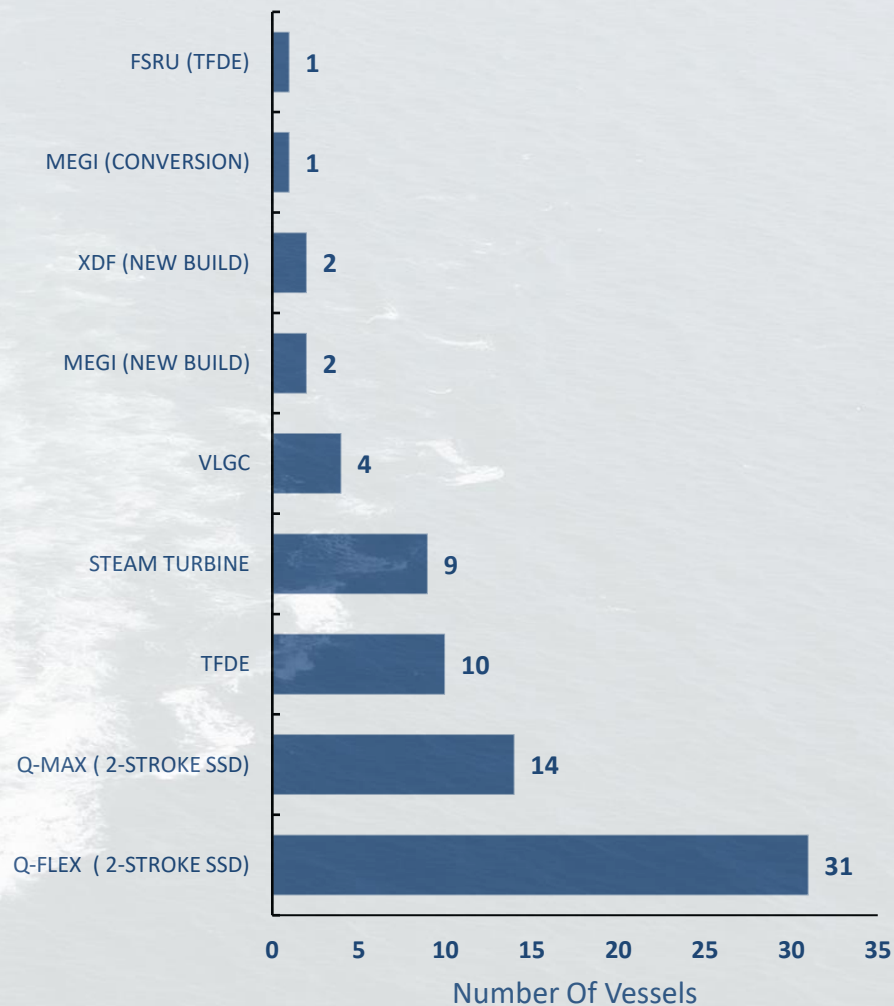


As we navigate through the global COVID-19 pandemic, Nakilat and its joint ventures remains committed to first and foremost ensure the health, safety, and wellbeing of all our people, onshore and onboard the vessels.

## Wholly & Jointly-Owned Fleet



## Vessels' Type / Propulsion



# Profit: QAR 636 M

## Financial Results for 2Q-2021





**QAR 2Bn**

Revenue

**QAR 1.6Bn**

EBITDA\*

**QAR 636M**

Net Profit

**QAR 0.11**

EPS

**12.7%**

RoE\*\*

**1.31**

Current Ratio

Revenue



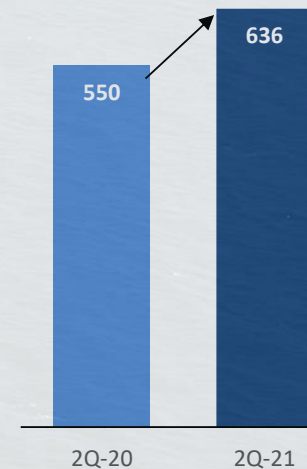
Expenses



EBITDA



Net Profit



- **Total revenue decreased** marginally by 0.2% mainly due to one less day in 2Q-2021 (2020 was leap year).
- **Expenses lower** by 8.0% mainly due to lower Opex, G&A and finance charges.
- **EBITDA increased** by 0.9% due to decrease in Opex and G&A.
- **Net Profit increase of** 15.6% was driven by savings in Opex, G&A and finance charges.

\*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"),

\*\*Annualized RoE



Items (QAR - M)	2Q-21	2Q-20	YoY %
Revenue from operations	1,978	1,977	0.1%
Interest, dividend and other income	38	44	-13.6%
<b>Total Revenue</b>	<b>2,016</b>	<b>2,021</b>	<b>-0.2%</b>
Operating costs	366	375	-2.4%
G & A expenses	45	55	-18.6%
Amort. & Depr. of PPE	440	446	-1.4%
Finance charges	529	595	-11.1%
<b>Total Expenses</b>	<b>1,380</b>	<b>1,471</b>	<b>-6.2%</b>
<b>Net profit for the period</b>	<b>636</b>	<b>550</b>	<b>15.6%</b>

## Highlights :

- **Total Revenue decreased by 0.2%** mainly due to one less day in 2Q-2021 (2020 was leap year)
- **Operating costs decreased by 2.4%** mainly due to cost saving initiatives.
- **General and administration expenses decreased by 18.6%** as a result of process enhancement, optimization initiatives as well as timing variation
- **Amort. & Depr. of PPE decreased by 1.4%** mainly due to one less day in 2Q-2021 (2020 was leap year) and lower asset base
- **Finance charges decreased by 11.1%** as a result of scheduled repayment of loans and lower LIBOR on unhedged loan portion

Items (QAR - M)	Jun-21	Dec-20	% Change
Property and equipment	22,724	23,162	-1.9%
Investment in joint venture companies	4,417	4,194	5.3%
Cash and bank balances	2,608	2,995	-12.9%
Trade and other receivables	2,265	2,182	3.8%
Equity investments	142	120	18.3%
<b>Total Assets</b>	<b>32,156</b>	<b>32,653</b>	<b>-1.5%</b>
Borrowings	20,431	21,000	-2.7%
Equity after hedge reserve and before non-controlling interests	7,642	7,097	7.7%
Fair value of interest rate swaps	2,304	2,763	-16.6%
Accounts payable, accruals and other liabilities	1,772	1,786	-0.8%
Non-controlling interests	7	7	0.0%
<b>Total Equity &amp; Liabilities</b>	<b>32,156</b>	<b>32,653</b>	<b>-1.5%</b>

## Highlights :

- Investment in joint venture companies increased by 5.3%** due to share of JV's profit and hedge gain.
- Cash and bank balances decreased by 12.9%** mainly due to dividend paid to shareholders and loan repayments partially offset by cash generated by operations.
- Receivables and other due amounts increased by 3.8%** mainly due to advances to joint ventures.
- Equity investments increased by 18.3%** due to higher share prices of shares held for investment.
- Fair value of interest rate swaps decreased by 16.6%** due to decrease in notional amount as a result of loan repayments offset by decrease in LIBOR.

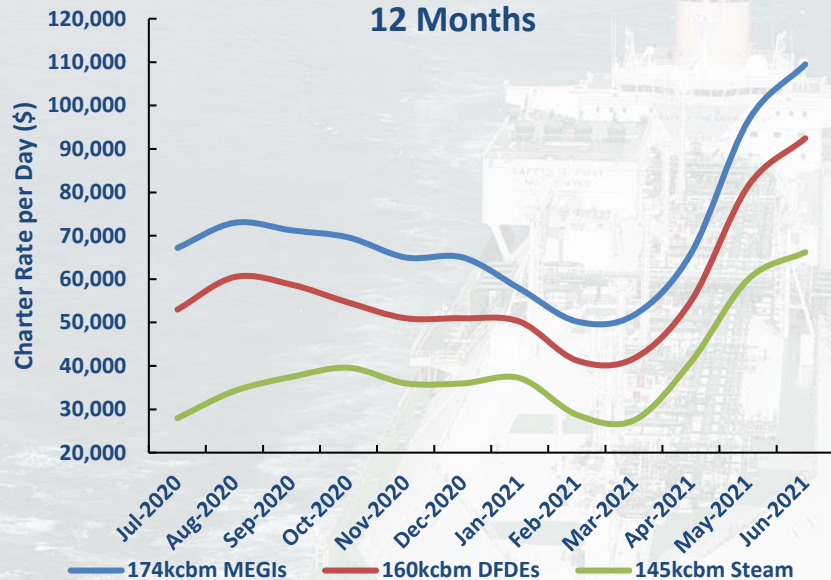
## Net Borrowings (FY'14 to 2Q-21)



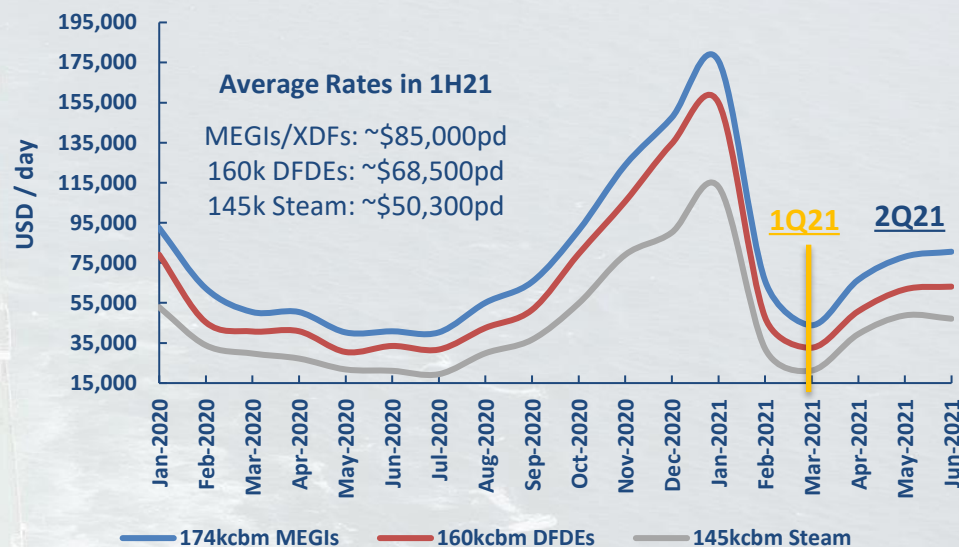




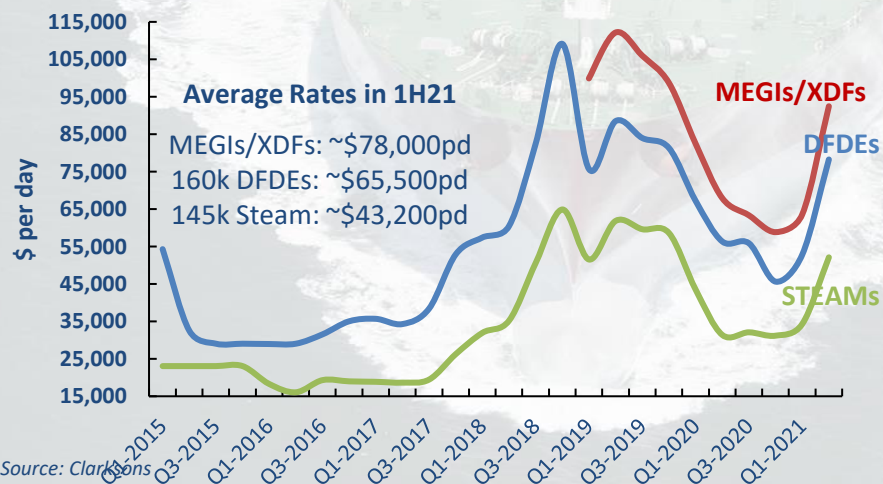
## Multi-Month (3-6) LNG Shipping Rates 12 Months



## Spot Rates (MEGI Vs DFDEs Vs Steam) 2020 - 2Q21

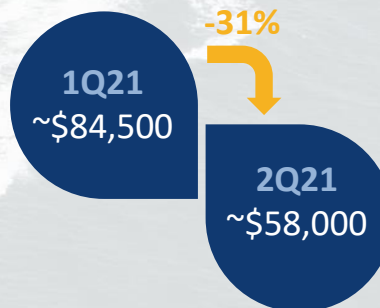


## 1 Year Time-Charter Rate in 2015 - 2Q21



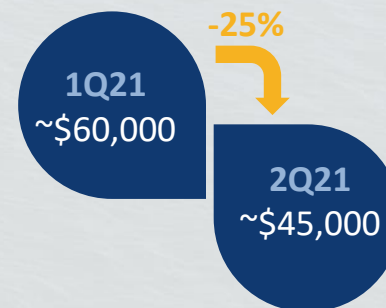
## Spot LNG Shipping Market Rates

### Average DFDEs Day Rates



Source: Clarksons

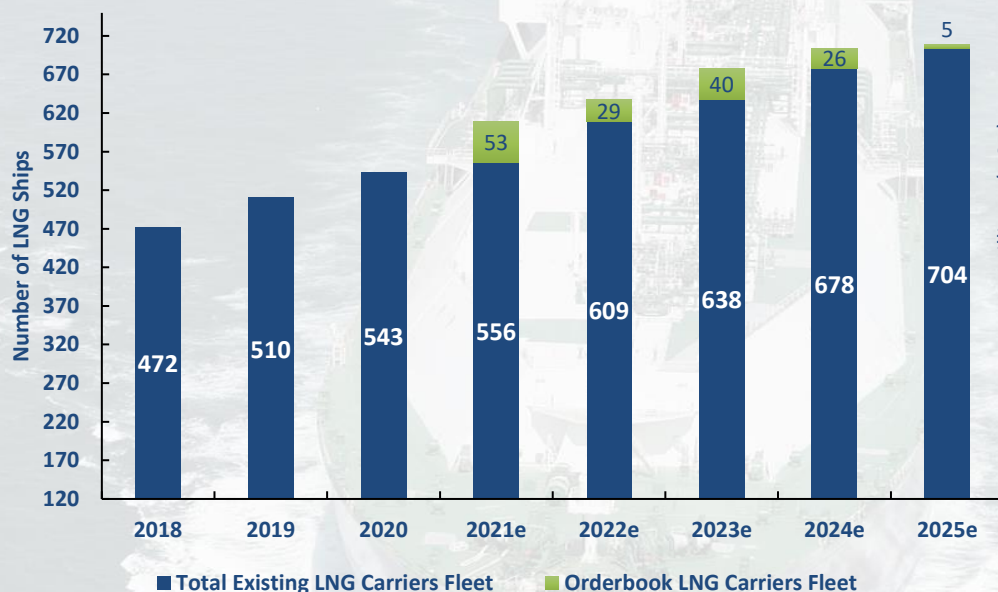
### Average Steams Day Rates



Source: Clarksons



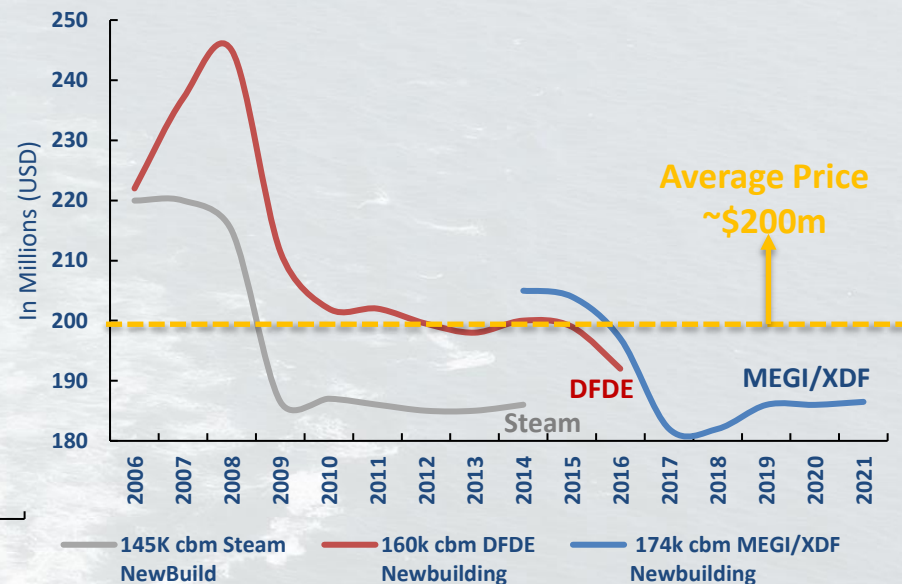
## Development of Global LNG Carriers Fleet\* (2018 - 2025e)



Source: Clarksons

**Note:** \*As of 2Q21, 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 - 2021



Source: Clarksons







## LNG Shipping Fleet

The 4 newbuild LNG Carriers have been fixed on short-term contracts with international world-class charterers

The first 2 newbuild LNG vessels are commercially and technically managed by Nakilat



## Shipyard & Marine Services

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

In 2021, we are working closely with the shipyard team to mitigate any adverse exposure of this segment.



## Market Fundamentals

Despite the COVID pandemic, LNG demand proved resilient and increased ~1% in 2020, according to Wood Mackenzie. For 2021, Wood Mackenzie forecasts LNG demand to grow by 4%.

Currently, LNG shipping markets are enjoying counter-seasonal strength due to fundamental LNG demand



## Portfolio Growth

Nakilat continues to pursue attractive LNG shipping business opportunities worldwide in order to expand its current asset portfolio







Global leader  
for energy  
transportation

Maximize  
shareholder  
return

Priority for  
safety &  
environment

## 1H21 Earnings Results:

- Stellar profitability results (+15.6% YoY), momentum continues
- Nakilat's G&A and Opex decreased by 18.6% and 2.4% respectively due to streamlining of business expenses
- As of 1H21, Covid-19 did not have any major negative financial impact on Nakilat's quarterly financial performance
- Nakilat's defensive and solid business model provides the flexibility to navigate sustainably through volatile markets
- Nakilat's EBITDA reached QAR 1.6 millions
- LTIF\* Data: (0.38 Nakilat in May'21 Vs 0.39 Industrial Average 2020)



# Q&A



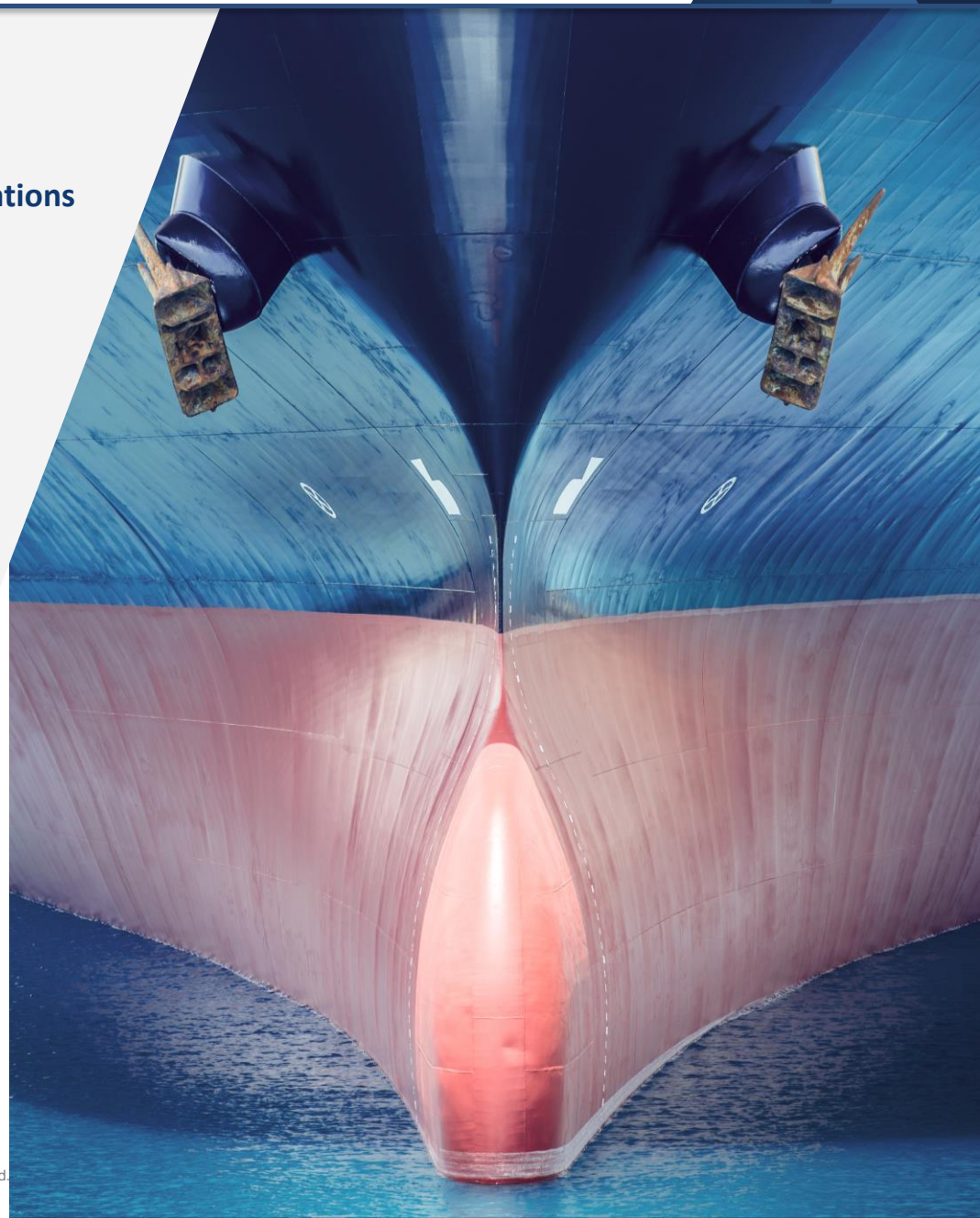
## Any Further Investor Questions?

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# Thank You

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