



AB Klaipėdos nafta

**Audited financial results for
the year ended 31st December
2015**

21st of March, 2016

Welcome to AB Klaipėdos nafta webinar held for the first time – Presentation of the audited financial results for the year 2015



Mantas Bartuška
General Manager



Marius Pulkauninkas
Director of Finance
and Administration
Department



1. Company's activities
2. Audited Financial results of the Company for 2015
3. Oil terminal financial results
4. LNG terminal financial results
5. Subacius fuel storage base financial results
6. LNG small-scale reloading station results
7. Dividends
8. News
9. Q&A

AB Klaipėdos Nafta – an Oil and LNG terminals' operator



50+ years of oil terminal operations



LNG terminal operation



State fuel reserves – Subacius fuel storage



LNG small-scale reloading station project



LNG transportation vessel project



Other LNG terminal projects

Audited financial results

Profit (loss) items

MEUR	2014	2015	Change, %
Sales revenue	39.8	109.7	176%
Gross profit	13.2	29.1	120%
EBITDA	16.6	37.1	123%
Profit before taxation (EBT)	9.1	24.1	165%
Net profit	9.3	22.0	137%

Financial ratios

	2014	2015	Change, %
Gross profit margin	33.1%	26.5%	-
EBITDA margin	41.8%	33.9%	-
Net profit margin	23.3%	20.1%	-
Return on equity (ROE)	5.4%	11.9%	-
Earnings per share (EPS), EUR/share	0.024	0.058	141.7%

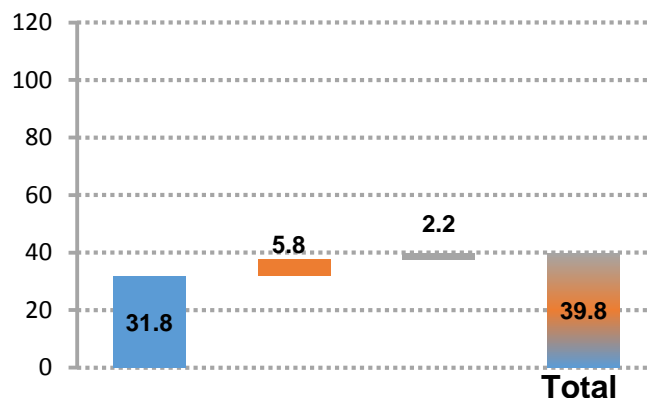
Balance sheet items

MEUR	2014	2015	Change, %
Total non-current assets	189.2	180.1	5%
Total current assets	32.7	58.7	80%
Total assets	221.9	238.8	8%
Equity	174.7	196.8	13%
Long term liabilities	31.3	31.4	0%
Short term liabilities	15.9	10.6	-33%
Total Equity and liabilities	221.9	238.8	8%

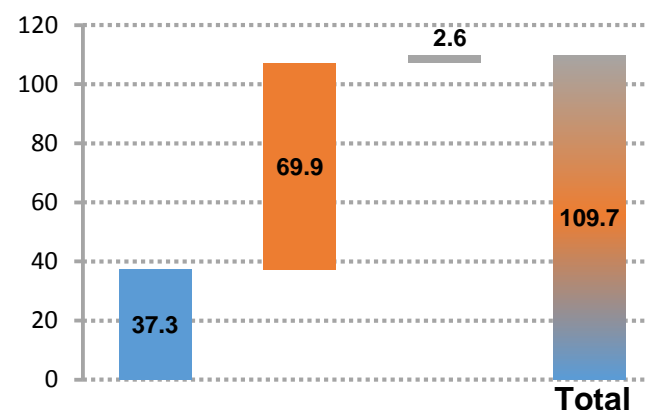
Structure of Revenue & EBITDA based on operating segments



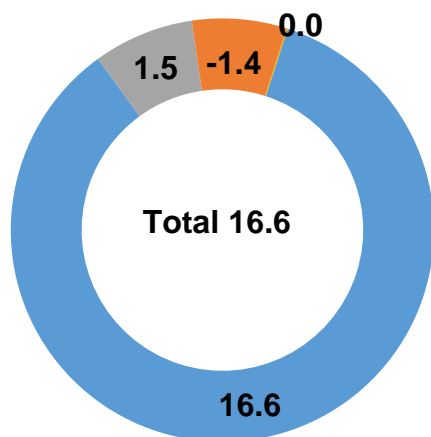
Revenue 2014, MEUR



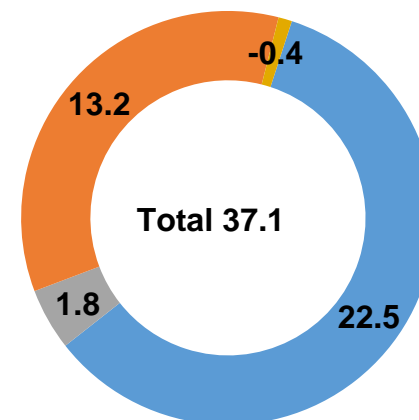
Revenue 2015, MEUR



EBITDA 2014, MEUR



EBITDA 2015, MEUR



- Oil terminal
- LNG terminal
- Subacius fuel storage base
- LNG small-scale reloading station

Financial Results – Oil terminal

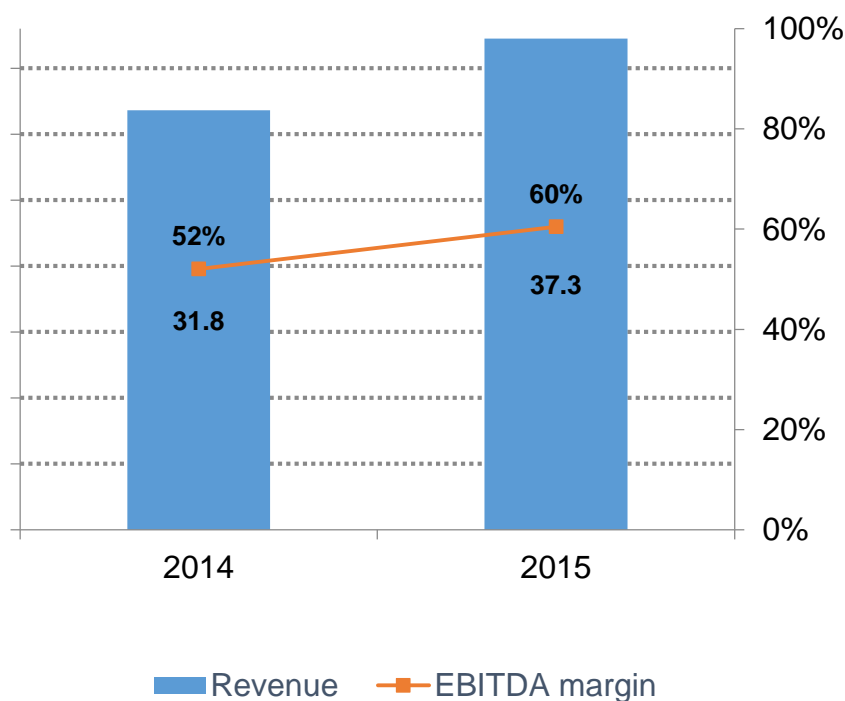


MEUR	2014	2015
Sales revenue	31.8	37.3
Net profit	10.1	14.5
EBITDA	16.6	22.5

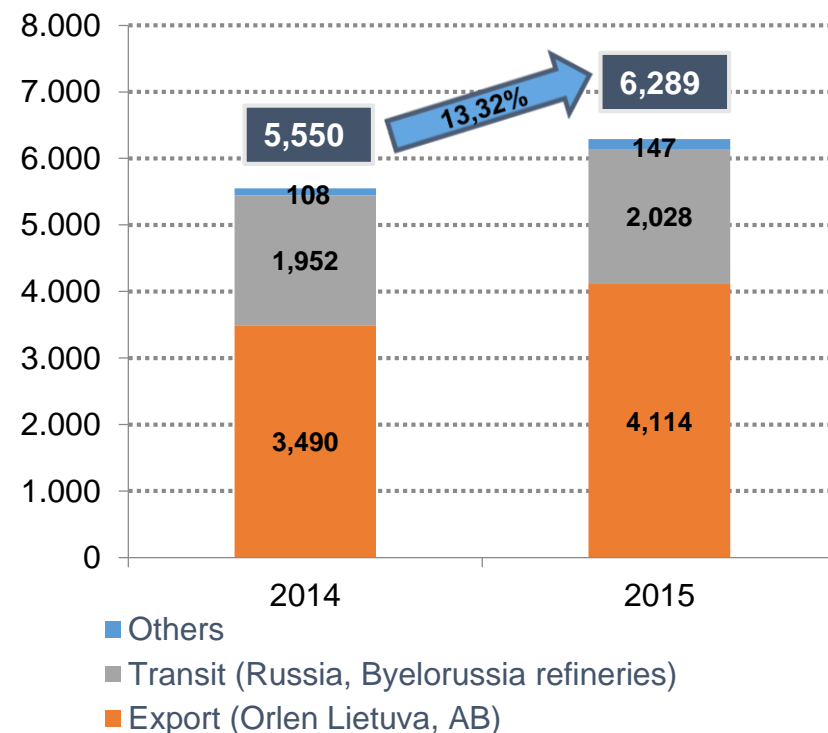
Key highlights:

- In 2015 the essential increase of the oil products transshipment resulted from the increase of the transshipment flows to ORLEN Lietuva AB;
- In 2015 the Company succeeded in attracting light oil products flows from Byelorussia.

Revenue & EBITDA margin



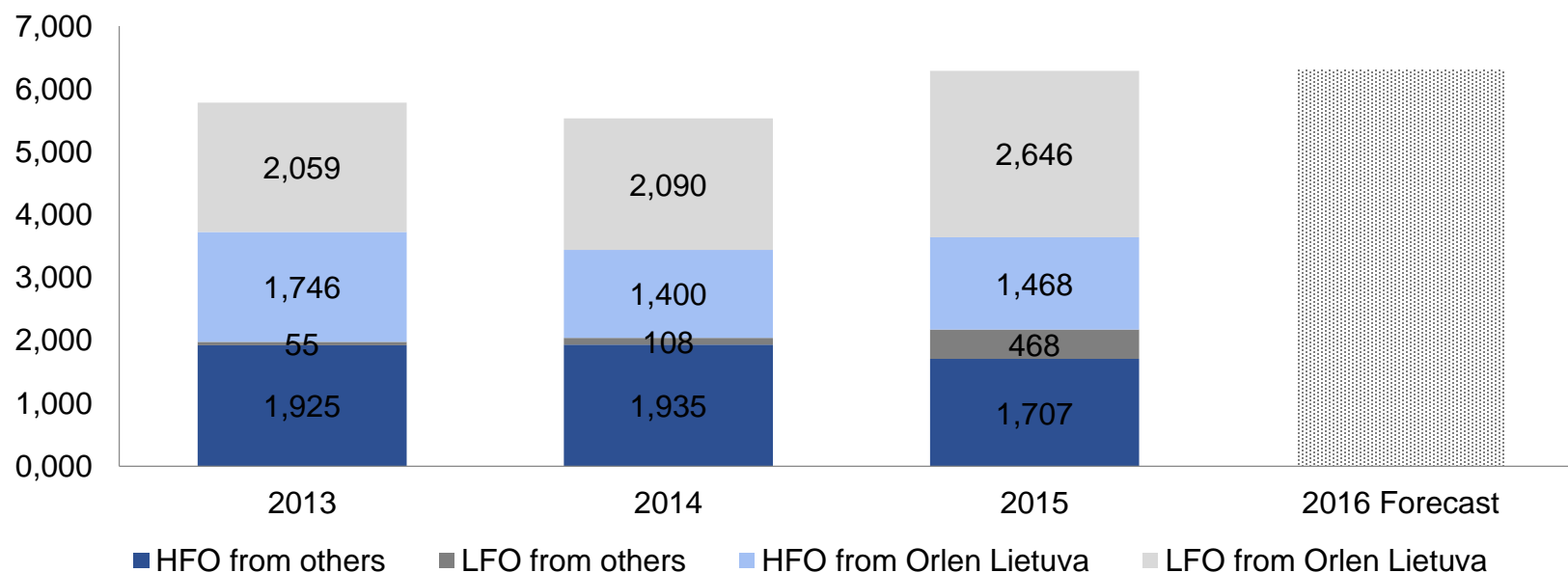
Transshipment, thousand tons



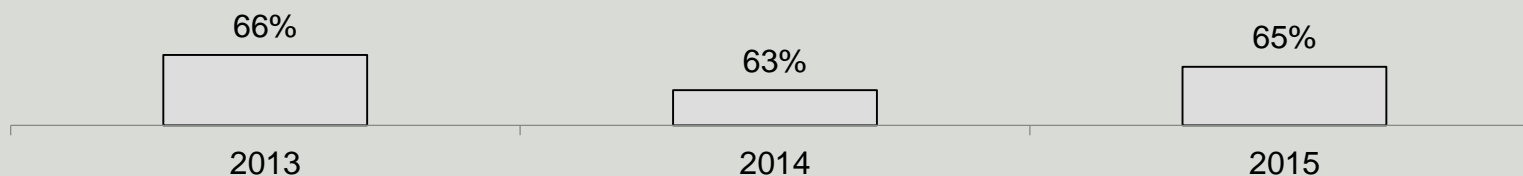
AB Klaipedos nafta transshipment of oil products in 2013 – 2015



Average transshipment for the last 3 years – 6.0 million tons



Transshipment of AB Orlen Lietuva products (% of the total transshipment)



Financial Results – Subacius fuel storage base

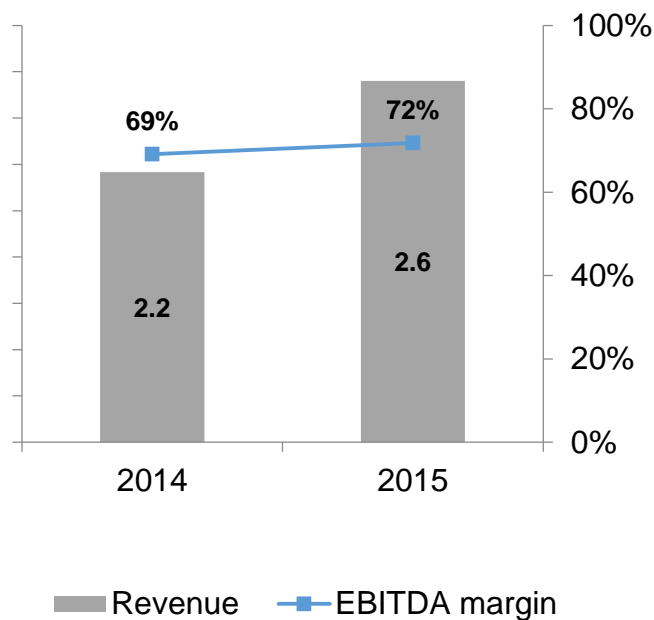


MEUR	2014	2015
Sales revenue	2.2	2.6
Net profit	0.7	0.9
EBITDA	1.5	1.8

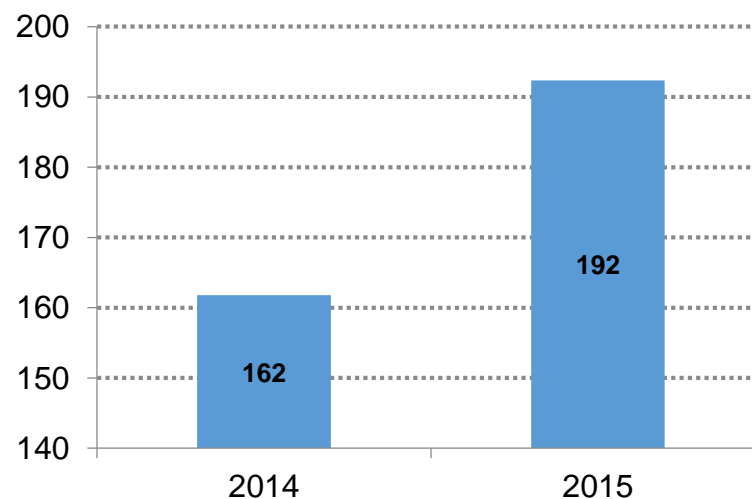
Key highlights:

- Reloading volume growth in Subacius fuel storage base more than 3,6 times (total 172 thousand tons)
- First commercial oil products storage contract in 2015

Revenue & EBITDA margin



Average storage volume, thousand tons



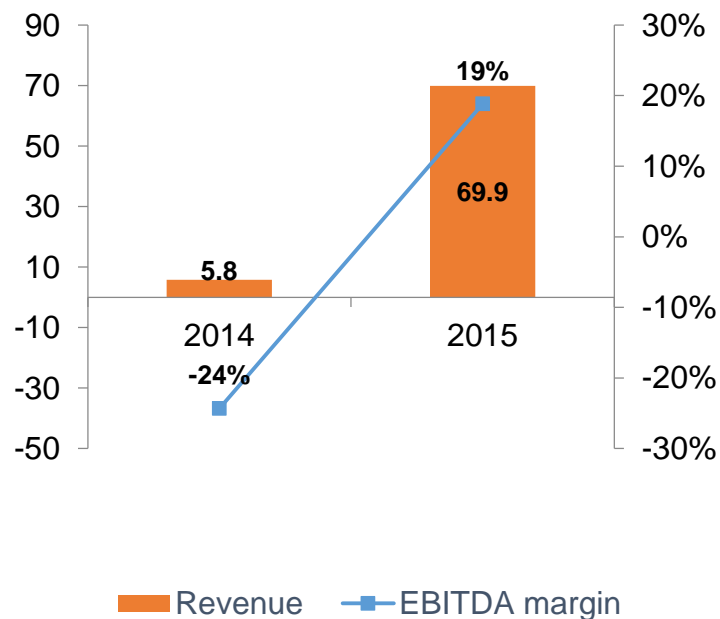
Financial Results – LNG Terminal

MEUR	2014	2015 financial	2015 normalized*
Sales revenue	5.8	69.9	64.7
Net profit	-1.5	7.0	1.8
EBITDA	-1.4	13.2	8.0

Key highlights:

- During 2015 5 LNG carriers accepted, which delivered 318.6 thousand tons LNG;
- 4,559 thousand MWh natural gas re-gasified and supplied to the gas transmission system;
- This activity started to be carried out on 27 November 2014.

Revenue & EBITDA margin

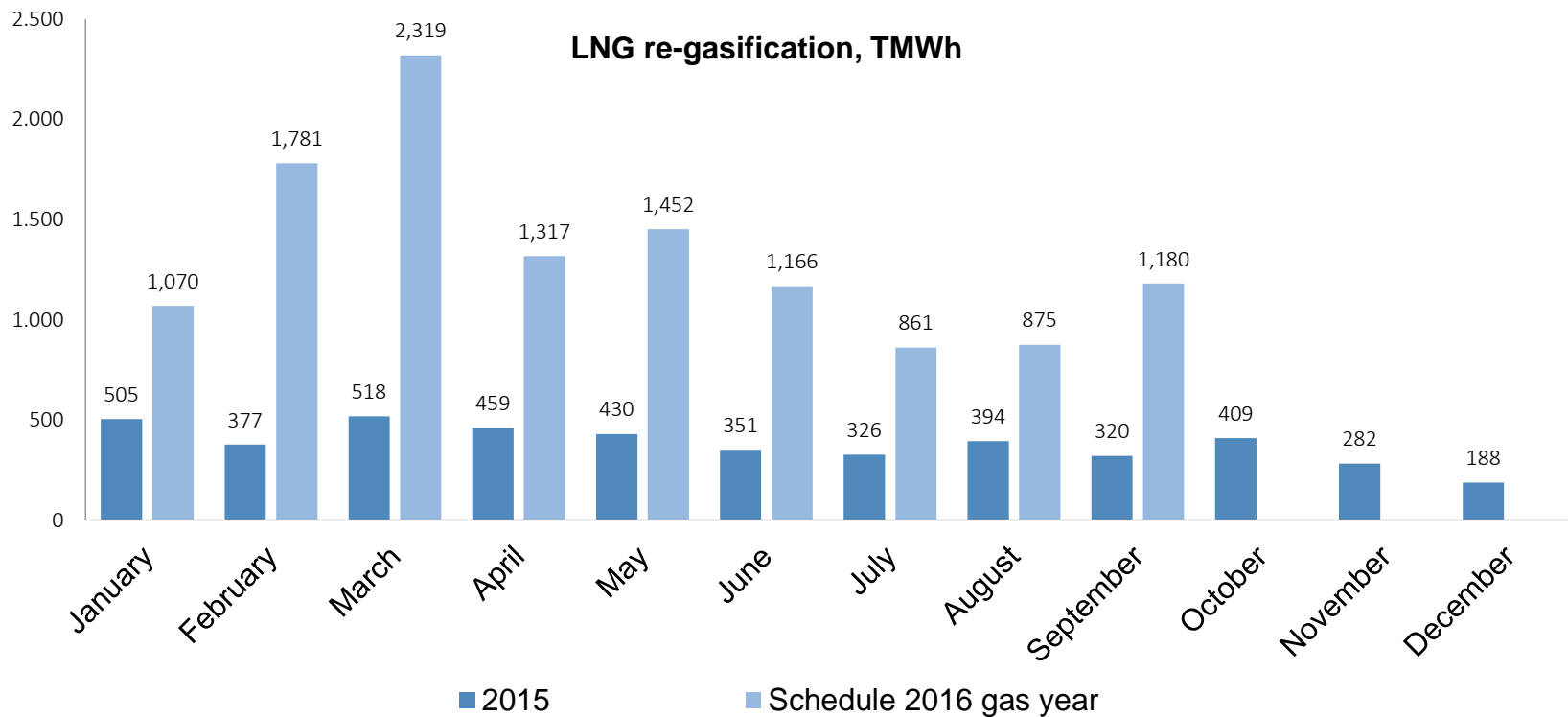


*According to the NCC methodic the regulated unaudited net profit amounts to approximately EUR 1.8 million. As a result of the larger consumption of the natural gas and additionally received procedural interest and fines, total received amount of regulated income in unaudited data in 2015 in is higher by **EUR 5.2 million** than it was calculated in accordance to the regulation of NCC. According to the regulation additionally received amount shall be dedicated for the LNG terminal required expenses for the coming financial periods.



LNG terminal operation volume

	Re-gasification, MWh	Number of LNG cargos
12 month of 2015	4,559	5
9 month forecast of 2016	12,020	12



Financial Results – LNG small-scale reloading station



TEUR	2014	2015
Sales revenue	-	-
Net result	-18	-367
EBITDA	-18	-402

LNG small-scale reloading station project development events:

- **In March 2015** the technological concept of the project (territory and technology alternatives) was completed and presented to the Board;
- **In June 2015** the tender for selection of the contractor for performing the Klaipeda LNG distribution station EPC was commenced;
- **On 10 July 2015** the European Commission approved the support for funding the project, amounting to EUR 6 million;
- **On 12 February 2016** the EPC contract was signed with the consortium, consisting of Lithuanian – German company PPS Pipeline Systems GmbH and Czech company Chart Ferox, a.s. Contract on a lump sum amount of 27.7 mln. EUR excluding VAT.

Key highlights:

- Investments in 2016-2017 foreseen EUR 27,7 millions.
- The planned maximum capacity of the LNG small-scale reloading station is about 5,000 m³;
- It is planned that the partial operation of the reloading station will commence in 15 months after the date of entering into effect of the contract and all the works will be completed in autumn of 2017.

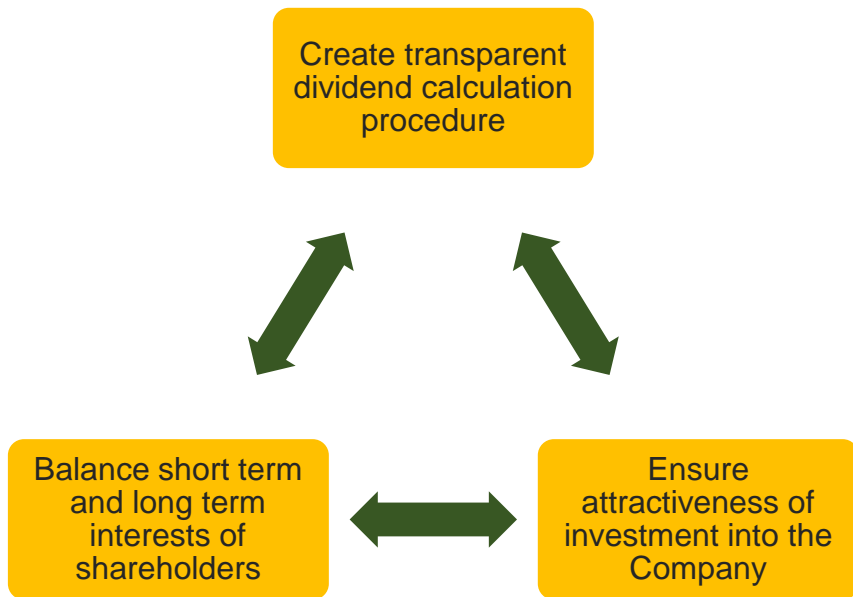


Dividends

On 25th of January, 2016 the Board of the Company has approved The corporate strategy of the Company for the year 2016-2020 and **Dividend Policy**

- Purpose - to define dividends calculation, payment and declaration processes.
- Plan - 50% of the net profit for dividends.

Dividend policy objectives



Proposal for shareholders to allocate net profit of 2015 for dividends **EUR 17.6 million**:

	2015
Dividends, MEUR	17.6
% of net profit	80%
Dividends per share, EUR	0.046
Share yield (dividend-price ratio)	11.8%

The decision to allocate >50% (as to Dividends policy) to the dividends based on such arguments:

- Revenues and activities for 2016 planned at the same level as 2015, sufficient working capital expected for 2016 operation;
- Sufficient cash reserve for planned investments in 2016;
- In 2016 received all LNG terminal overdue funds
- The risk of cash collection from LNG activities has been solved.

Today, on **21st March 2016**, The Company has applied to Nasdaq Baltic to be included into the **Baltic Main List**.

The Baltic Main List is a line-up of all the blue-chip companies listed on the Tallinn, Riga and Vilnius stock exchanges. To be eligible for inclusion, a company must have:

- 3 years of operating history;
- market cap of not less than EUR 4 million;
- reporting according to International Financial Reporting Standards;
- Free shares float of 25% or worth at least EUR 25 million.



We are proud to make such a move and we believe that:

- the Company will be more visible to investors;
- the shareholders wealth will be increased;
- vigorous and effective communication regarding the Company's activities will be achieved.

Q&A

AB Klaipedos nafta

Registered address

Buriu str. 19, P.O. Box 81,
91003 Klaipeda-C,
Lithuania

Mailing address

Baltijos ave. 40,
LT-93239, Klaipeda,
Lithuania

Tel. +370 46 391772

Fax +370 46 311399

www.oil.lt, www.sgd.lt

THANK YOU FOR YOUR ATTENTION!