



# **AB KLAIPĖDOS NAFTA UNAUDITED FINANCIAL RESULTS FOR THE 6 MONTHS OF 2017**

31<sup>st</sup> July 2017



## **AB KLAIPĖDOS NAFTA (KN) WEBINAR – PRESENTATION OF THE UNAUDITED FINANCIAL RESULTS FOR THE 6 MONTHS OF 2017**



**Marius Pulkauninkas**  
Chief Financial Officer (CFO)



# CONTENT

- About the Company
- Highlights
- Financial results
- Other information



## **ABOUT THE COMPANY**



## MISSION, VISION, VALUES

### OUR MISSION

Ensure reliable and effective supply of LNG and transhipment of oil products.

PURPOSE

PROSPECTS

### OUR VISION

A reliable operator of oil and LNG terminals that adds value through implemented projects and balanced expansion.

VALUES

### OUR VALUES

Initiative, transparency, professionalism and reliability, social responsibility.



## ACTIVITIES OF THE COMPANY



### OIL TERMINALS



KLAIPĖDA OIL  
TERMINAL



SUBAČIUS OIL  
TERMINAL

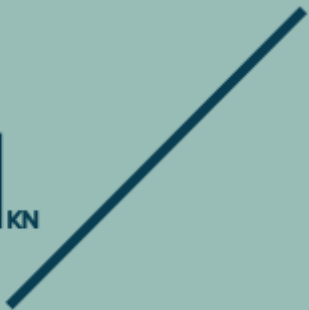
### LNG TERMINALS



KLAIPĖDA LNG  
TERMINAL



KLAIPĖDA SMALL-  
SCALE LNG  
TERMINAL



## HIGHLIGHTS



## HIGHLIGHTS OF THE 2<sup>ND</sup> QUARTER OF 2017

### Credit Agreement with the NIB.

The Company has concluded the Credit Agreement with the Nordic Investment Bank (NIB) regarding granting the credit of up to EUR 20,400 thousand euros to finance liquefied natural gas reloading station's and the 1<sup>st</sup> stage of Klaipėda oil terminal expansion projects.

### Increasing Competitiveness.

The Board has approved the decision to sign the agreements with contractors, who will carry out the development works of Klaipėda Oil Terminal Light oil storage tanks Park and build new tanks for oil products.

28.04.2017

08.06.2017

13.06.2017

27.06.2017

### The Allocation of Liquefied Natural Gas Terminal Capacities.

AB Klaipėdos Nafta has signed agreements with three LNG terminal users, i.e. UAB LITGAS, UAB Lietuvos dujų tiekimas and AB Achema, who have been allocated the part of terminal capacities from the 1<sup>st</sup> of October, 2017 until the 30<sup>th</sup> of September, 2018.

### Additional Capacities.

The additional 960,000 MWh LNG terminal capacities will be allocated to UAB Lietuvos dujų tiekimas during the period from the 1<sup>st</sup> of July, 2017 until the 30<sup>th</sup> of September, 2017.

## EVALUATION AND AWARDS

### Evaluation

- In the conference of transport sector “Business Management 2017”, which was organized by “Verslo žinios”, AB Klaipėdos nafta was awarded as the Leader of Transport Sector.

### Awards

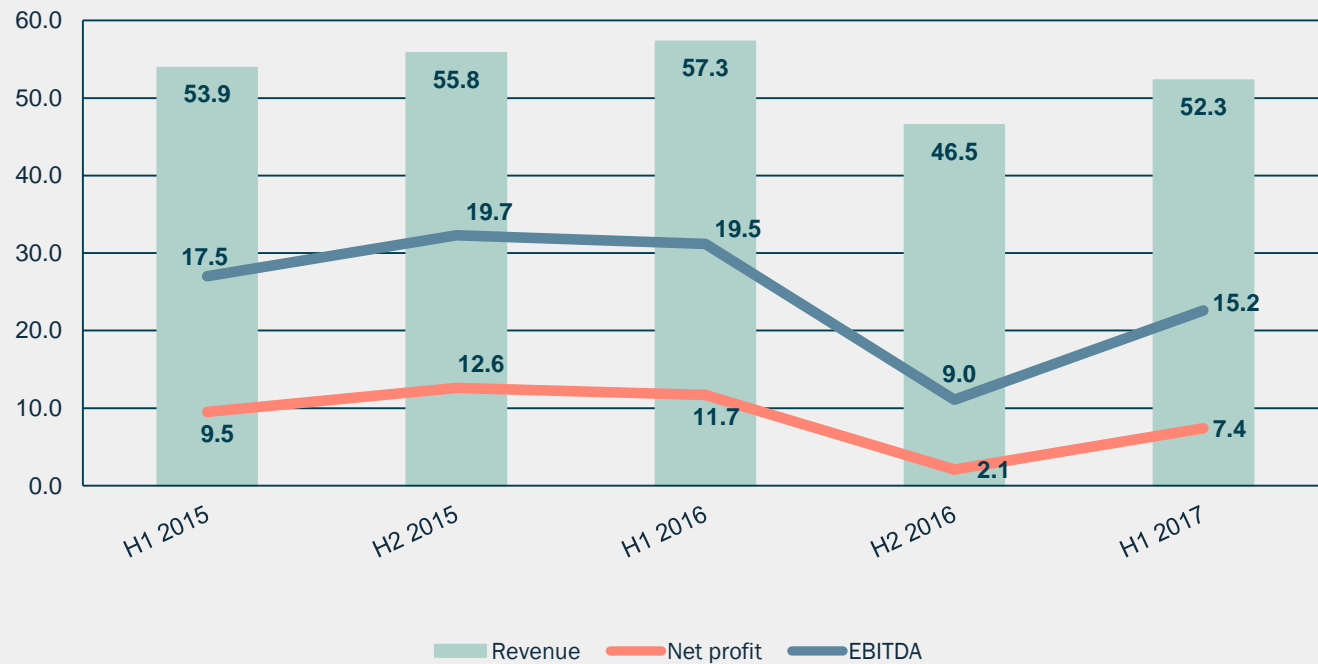
- The Blue Baltics project, which is coordinated by AB Klaipėdos nafta, builds on the LNG value chain in the Baltic Sea and encourages the use of clean fuel. The project, which unites 4 countries (Lithuania, Sweden, Estonia ir Germany), has been evaluated for its positive environmental impact. The Blue Baltics project in the Baltic Sea Forum Awards (Berlin) became a leader in the category of „Infrastructure“.





## **FINANCIAL RESULTS**

## REVENUE, EBITDA, NET PROFIT (UNAUDITED)



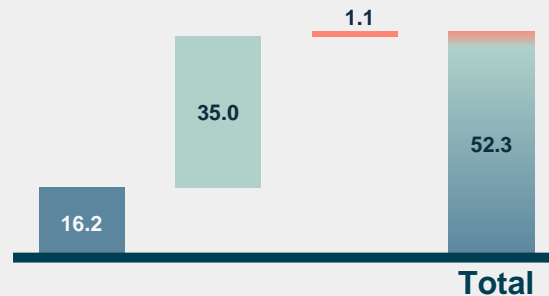


## STRUCTURE OF SALES REVENUE BASED ON OPERATING SEGMENTS (UNAUDITED)

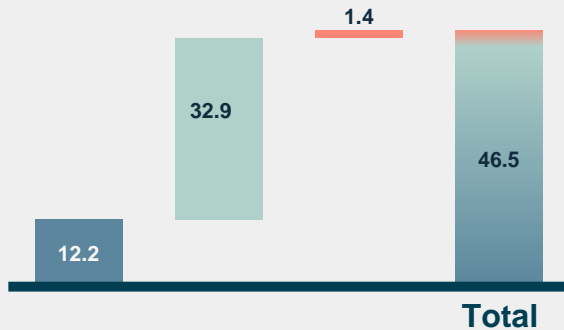
1<sup>st</sup> half of 2016, MEUR



1<sup>st</sup> half of 2017, MEUR



2<sup>nd</sup> half of 2016, MEUR

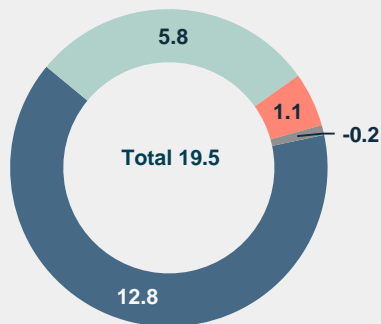


- Subačius oil terminal
- LNG terminal
- Oil terminal

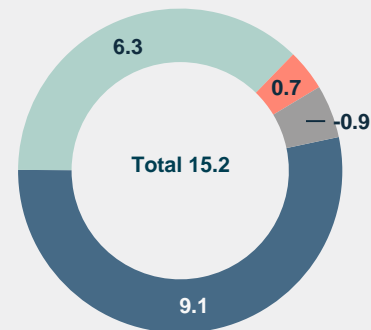


## STRUCTURE OF EBITDA BASED ON OPERATING SEGMENTS (UNAUDITED)

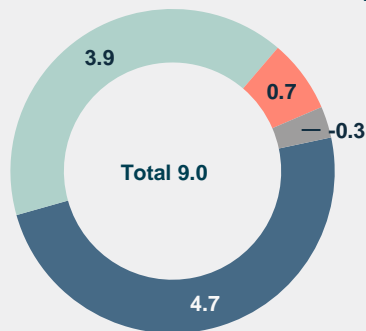
EBITDA for the 1<sup>st</sup> half of 2016, MEUR



EBITDA for the 1<sup>st</sup> half of 2017, MEUR



EBITDA for the 2<sup>nd</sup> half of 2016, MEUR

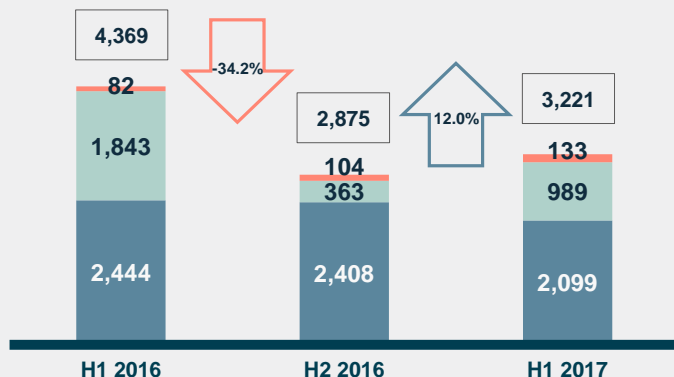


- Oil terminal
- LNG terminal
- Subačius oil terminal
- LNG related business development

## KLAIPĖDA OIL TERMINAL RESULTS FOR THE 6 MONTHS OF 2017



**Transhipment, thousand tons**



- Export (Orlen Lietuva, AB)
- Transit (Russia, Byelorussia oil products)
- Others

MEUR	H1 2016	H2 2016	H1 2017
Revenue	21.8	12.2	16.2
Net profit	8.7	1.3	5.0
EBITDA	12.8	4.7	9.1

### BUSINESS FACTORS:

During the 1<sup>st</sup> half of 2017 it was reloaded 12.0 per cent more oil products compared to the 2<sup>nd</sup> half of 2016.

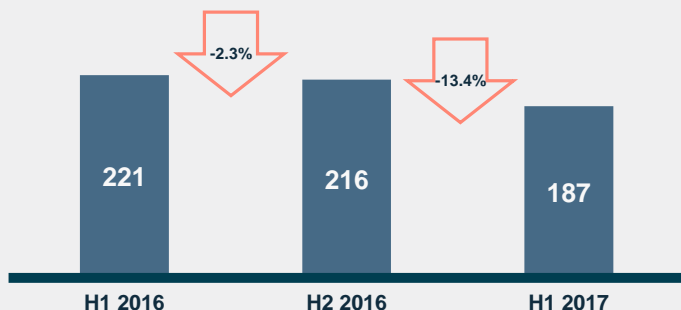
Comparing the 1<sup>st</sup> half of 2016 and the same period of 2017 the transhipment reduced by 26.3 per cent. It depends on:

- the reduce in transit cargos from Belorussia refineries in connection with reduction of crude oil supply into these refineries.

During the 1<sup>st</sup> half of 2017 the transhipment into road tankers increased even in 52 per cent. The increase was caused by the modernization of the Company's oil terminal light oil product tanks park.

## SUBAČIUS OIL TERMINAL RESULTS FOR THE 6 MONTHS OF 2017

Average storage volume, thousand tons



MEUR	H1 2016	H2 2016	H1 2017
Revenue	1.4	1.4	1.1
Net profit	0.6	0.2	0.2
EBITDA	1.1	0.7	0.7

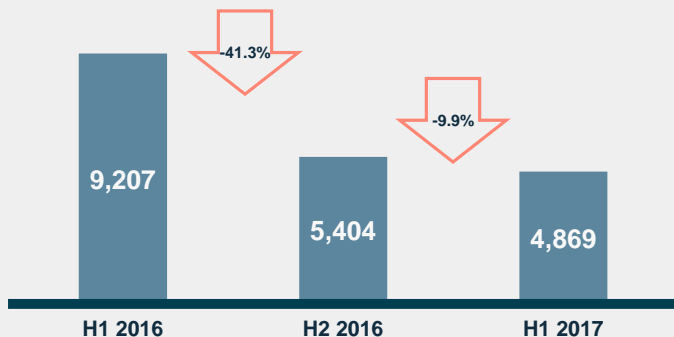
### BUSINESS FACTORS:

The storage quantities of oil products has reduced in the 1<sup>st</sup> half of 2017 that accordingly has affected sales revenues.

Transshipment in Subačius oil terminal amounted to 41 thousand tons in the 1<sup>st</sup> half of 2017 (1<sup>st</sup> half of 2016 – 56 thousand tons).

## LNG TERMINAL RESULTS FOR THE 6 MONTHS OF 2017

### Re-gasification and reloading, thousand MWh



\*In preliminary calculations the LNG profit is estimated to EUR 3.2 million. The additionally received amount of revenue (or lack of income) will be dedicated for compensation of the LNG terminal necessarily expenses for the coming financial periods.

MEUR	H1 2016	H2 2016	H1 2017
Revenue	34.1	32.9	35.0
Net profit*	2.6	0.8	3.0
EBITDA	5.8	3.9	6.3

### BUSINESS FACTORS :

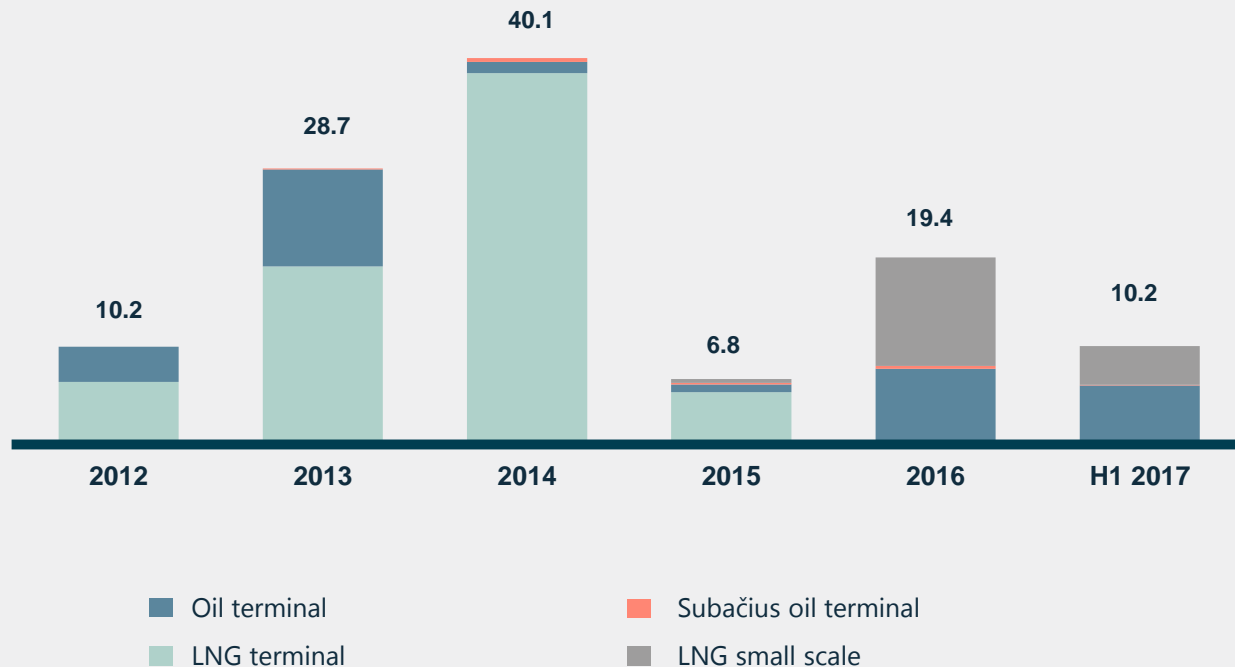
During the 1<sup>st</sup> half of 2017 six LNG carriers have been accepted, which have delivered 269.8 thousand tons of LNG.

In 2017 LNG reloading service from FSRU was held for the first time. Two LNG small carriers have been accepted, which reloaded 11 thousand tons of LNG.

### ASPECTS OF REGULATION:

The activity of LNG terminal is regulated and has the set price cap. The revenue and profit of LNG activity does not depend on re-gasification, therefore, there are differences between financial and regulated profit and revenue.

## INVESTMENTS OF THE COMPANY, EUR MILLION



## THE BIGGEST INVESTMENTS TO PROJECTS IN THE 1ST HALF OF 2017, EUR MILLION



**LNG reloading  
station –  
MEUR 4.0**

**Expansion of  
LFO\* park –  
MEUR 2.4**

**Construction of  
fuel oil with  
water tanks –  
MEUR 1.5**



\* LFO – Light Oil Products



## FINANCIAL FIGURES (UNAUDITED)

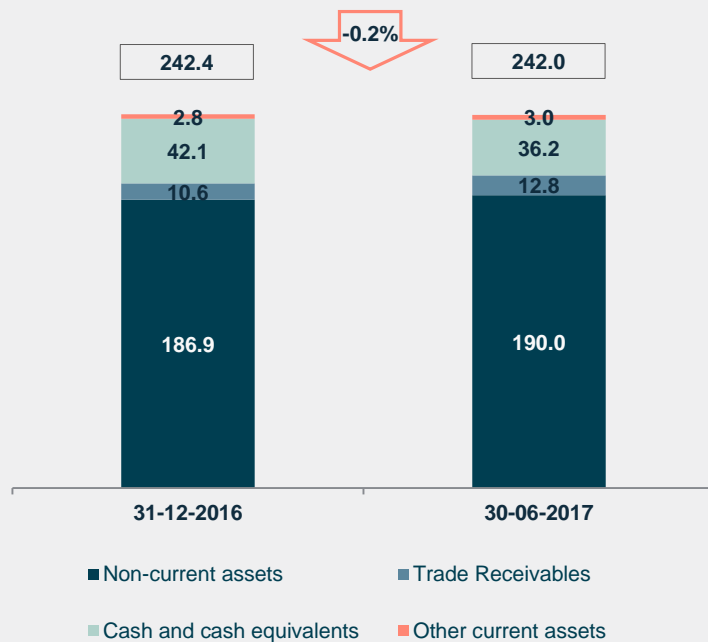
MEUR	H1 2016	H2 2016	H1 2017	Change, %, H1 of 2017 to H1 of 2016	Change, %, H1 of 2017 to H2 of 2016
Sales Revenue	57.3	46.5	52.3	-8.7%	12.6%
Gross profit	15.3	5.5	11.1	-27.7%	101.8%
EBITDA	19.5	9.0	15.2	-21.9%	69.6%
Profit before taxation (EBIT)	12.8	2.3	8.3	-35.6%	250.2%
Net profit	11.7	2.1	7.4	-37.0%	256.7%
Gross profit margin	26.7%	11.8%	21.1%		
EBITDA margin	34.0%	19.3%	29.1%		
Net profit margin	20.4%	4.5%	14.1%		
Return on equity (ROE)*	12.5%	7.2%	5.0%		
Return on assets (ROA)*	10.0%	5.7%	3.9%		
Profit per share (EPS), EUR/share	0.031	0.005	0.019		
Average number of shares	380,606,184	380,606,184	380,606,184	-	-

\* The return on equity (ROE) and return on assets (ROA) were calculated by dividing the net profit (losses) of the last twelve months by the average of equity or asset values at the beginning and the end of the reference year.

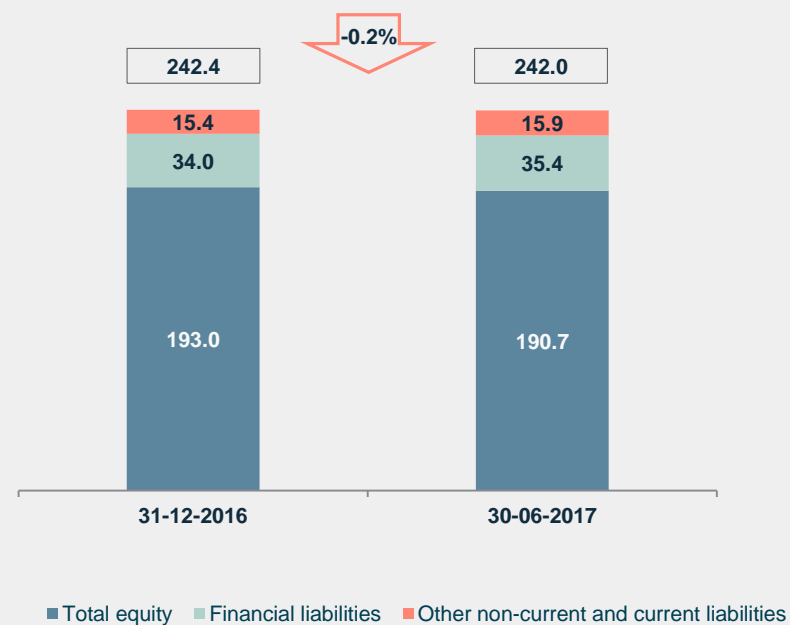


## BALANCE SHEET (UNAUDITED)

### Assets, MEUR



### Equity and liabilities, MEUR





## QUESTIONS & ANSWERS



# THANK YOU

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