



AB KLAIPĖDOS NAFTA UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS OF 2017

31st October 2017



AB KLAIPĖDOS NAFTA (KN) WEBINAR – PRESENTATION OF THE UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS OF 2017



Marius Pulkauninkas
Chief Financial Officer (CFO)



CONTENT

- About the Company
- Highlights
- Financial results
- Questions



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

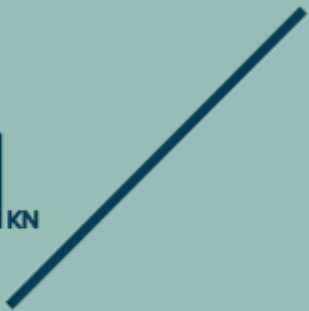
LNG TERMINALS



KLAIPĖDA LNG
TERMINAL

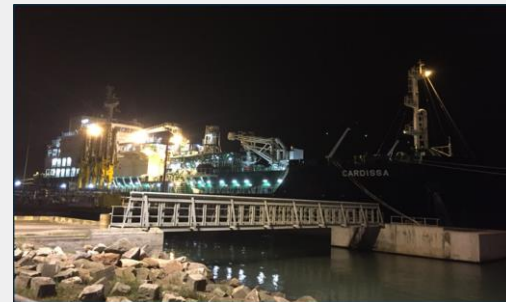


KLAIPĖDA SMALL-
SCALE LNG
TERMINAL



HIGHLIGHTS

HIGHLIGHTS OF THE 3RD QUARTER OF 2017



4th July

- An extraordinary general meeting of the shareholders of the Company approved the two agreements for LFO tanks construction (EPC): i) 2x10,000 m³ and 4x5,000 m³ tanks for amount EUR 7,473 thousand and ii) 6x20,000 m³ tanks for amount EUR 11,453 thousand.

12th July

- The additional 960,000 MWh LNG terminal capacities allocated to UAB Lietuvos dujų tiekimas during the period from the 1st of August, 2017 until the 31st of October, 2017.

21st August

- For the first time in the Baltic States LNG cargo from the United States of America was delivered in Klaipėda, total 140 thousand m³ of LNG.

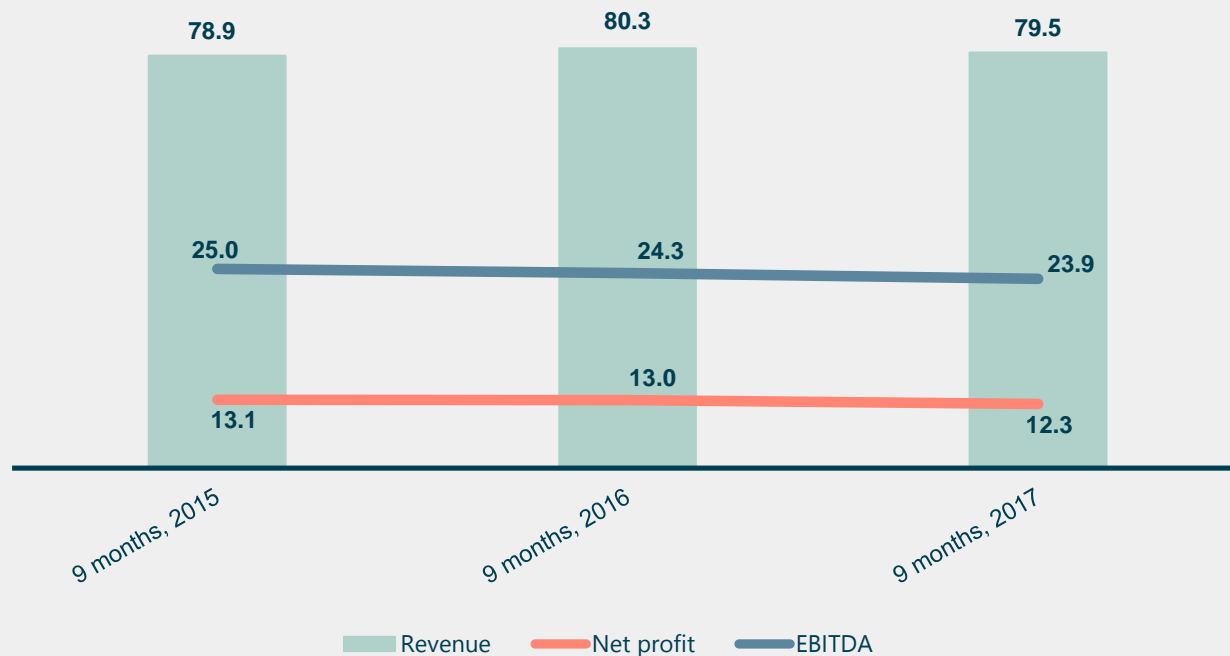
17th September

- Commissioning cargo of LNG was delivered at KN LNG reloading station for the completion and testing works.
- In October 2017 the first LNG truck has been successfully loaded.



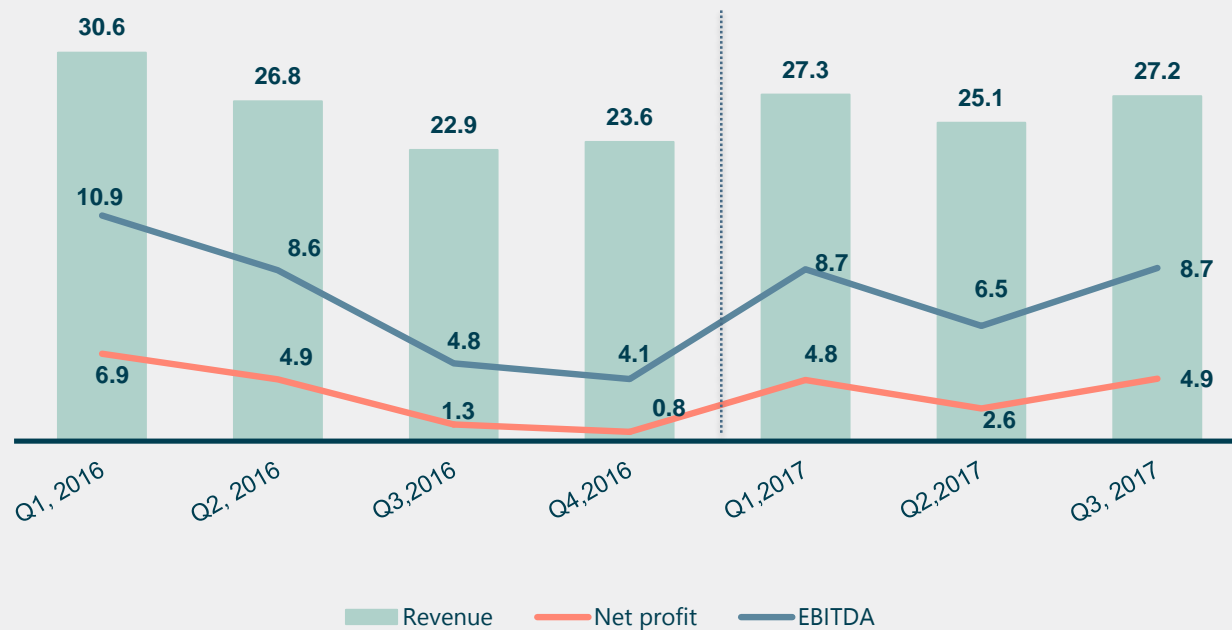
FINANCIAL RESULTS

REVENUE, EBITDA, NET PROFIT (UNAUDITED), MEUR



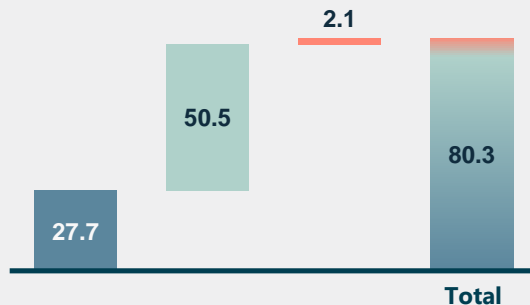
Note: The initial net profit budget for the year 2017 (approved before the start of the year) was 10.8 MEUR.

REVENUE, EBITDA, NET PROFIT (UNAUDITED), MEUR

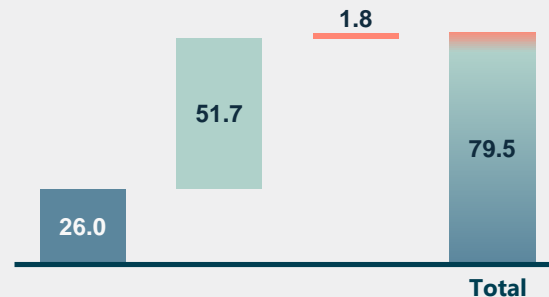


STRUCTURE OF SALES REVENUE BASED ON OPERATING SEGMENTS (UNAUDITED)

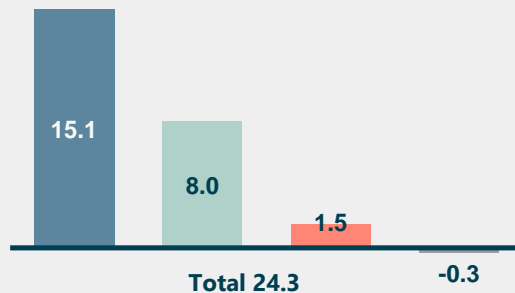
Revenue for 9 months of 2016, MEUR



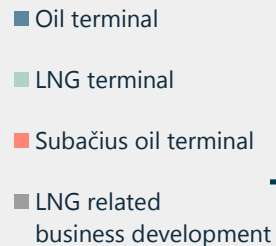
Revenue for the 9 months of 2017, MEUR



EBITDA for 9 months of 2016, MEUR



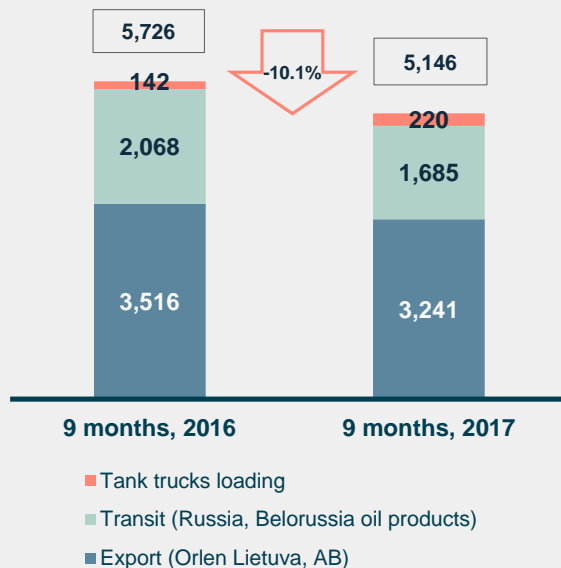
EBITDA for 9 months of 2017, MEUR



KLAIPĖDA OIL TERMINAL RESULTS FOR THE 9 MONTHS OF 2017



Transshipment, thousand tons



MEUR	9 months, 2016	9 months, 2017
Revenue	27.7	26.0
Net profit	9.1	7.8
EBITDA	15.1	13.9

BUSINESS FACTORS:

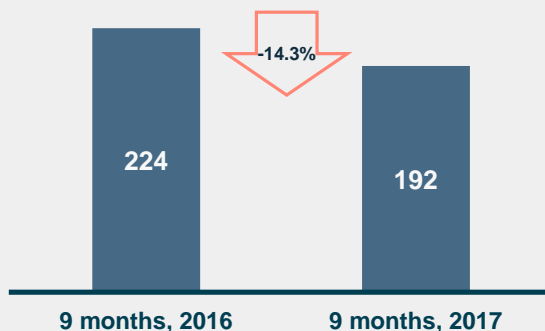
Transshipment volume reduced by 10.1% in 2017 Q1-Q3. Main factors:

- Due to geopolitical reasons in the beginning of the year Belorussia refineries suffered reduction of crude oil supply and subsequently delivered less fuel oil cargos;
- AB ORLEN Lietuva quantities slightly decreased in connection with refinery maintenance performed in March-May 2017;
- Transshipment into the tank trucks increased even by 55%. The increase was enabled after modernization of the Company's tank truck loading system finished in the beginning of the year.



SUBAČIUS OIL TERMINAL RESULTS FOR THE 9 MONTHS OF 2017

**Average storage volume,
thousand tons**



MEUR	9 months, 2016	9 months, 2017
Revenue	2.1	1.8
Net profit	0.9	0.3
EBITDA	1.5	1.0

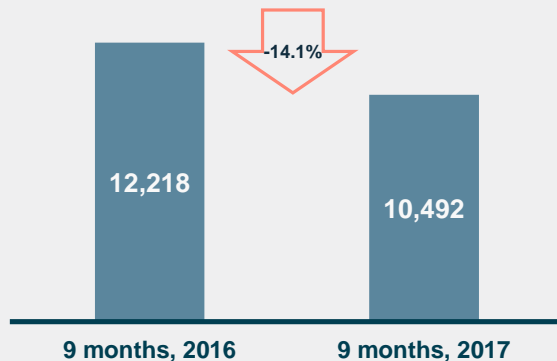
BUSINESS FACTORS:

The storage quantities of oil products has reduced by 14.3% in 2017 (comparing the 9 months of 2016) that accordingly affected revenues and net profit. Storage volumes were affected by the decreased long term storage demand in commercial oil products markets.

Transshipment volume amounted to 79.9 thousand tons in 2017 (9 months of 2016 – 84.6 thousand tons).

LNG TERMINAL RESULTS FOR THE 9 MONTHS OF 2017

**Re-gasification and reloading,
thousand MWh**



*According to preliminary calculations of KN 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	9 months, 2016	9 months, 2017
Revenue	50.5	51.7
Net profit	3.3	4.7
EBITDA	8.0	9.5

BUSINESS FACTORS:

During the 9 months of 2017 thirteen LNG carriers have been accepted, which have delivered 714.6 thousand tons in total of LNG.

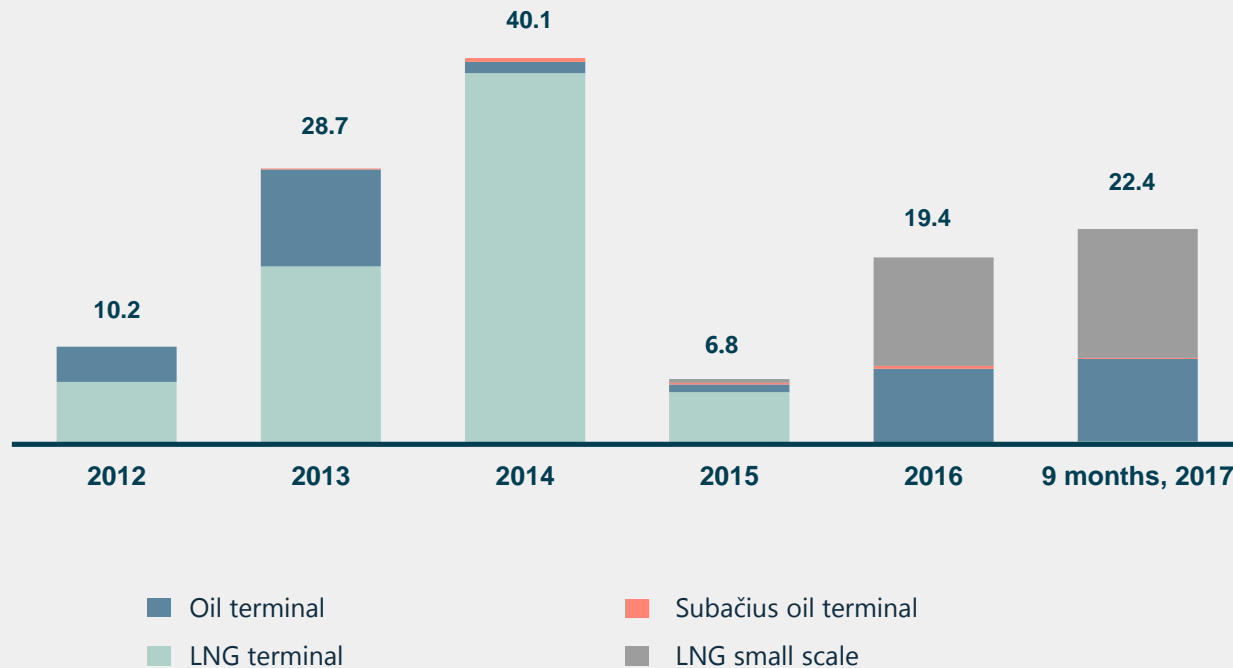
In 2017 LNG reloading service from FSRU was held for the first time. In 2017 total 3 reloading operations (11.5 thousand tons of LNG) were made.

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 volume, therefore, there are differences between financial and regulated profit and revenues.



INVESTMENTS OF THE COMPANY, MEUR



THE BIGGEST INVESTMENTS TO PROJECTS IN THE 9 MONTHS OF 2017, MEUR



**LNG reloading
station –
MEUR 12.0**

**Expansion of
LFO* park –
MEUR 4.3**

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

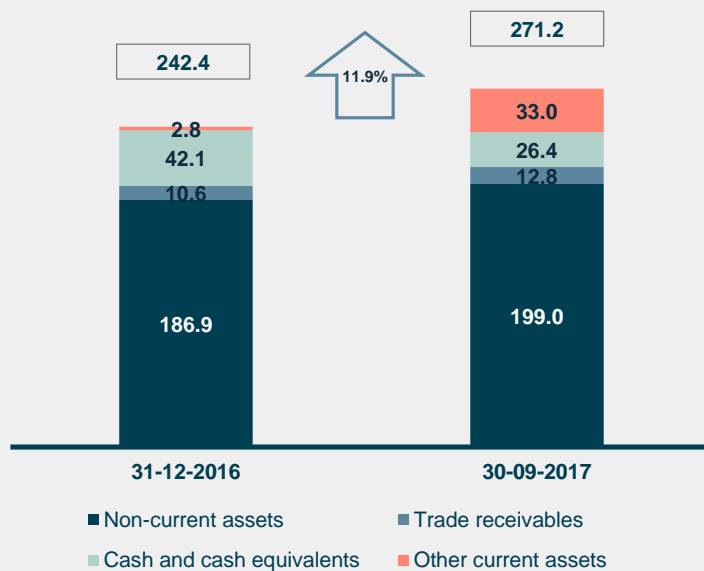


* LFO – Light Oil Products

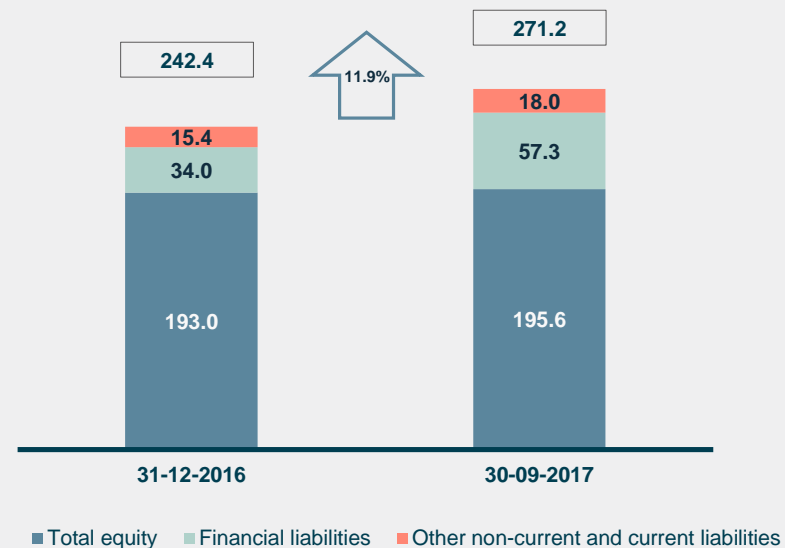


BALANCE SHEET (UNAUDITED)

Assets, MEUR



Equity and liabilities, MEUR



FINANCIAL FIGURES (UNAUDITED)

MEUR	9 months, 2016	9 months, 2017	Change, %
Sales Revenue	80.3	79.5	-1.0%
Gross profit	18.4	17.6	-4.2%
EBITDA	24.3	23.9	-1.6%
Profit before taxation (EBIT)	14.4	13.5	-6.2%
Net profit	13.0	12.3	-5.4%
Gross profit margin	22.9%	22.1%	
EBITDA margin	30.3%	30.1%	
Net profit margin	16.2%	15.5%	
Return on equity (ROE)*	11.6%	6.7%	
Return on assets (ROA)*	9.1%	5.1%	
Profit per share (EPS), EUR/share	0.034	0.032	
Average number of shares	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.



QUESTIONS & ANSWERS



THANK YOU

AB Klaipėdos nafta

Registered address - Burių str. 19,
LT-91003; Klaipėda
Lithuania

Tel. +370 46 391772

Fax +370 46 311399

www.kn.lt