



# **AB KLAIPĖDOS NAFTA UNAUDITED FINANCIAL RESULTS OF 2017**

31<sup>st</sup> January 2018



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

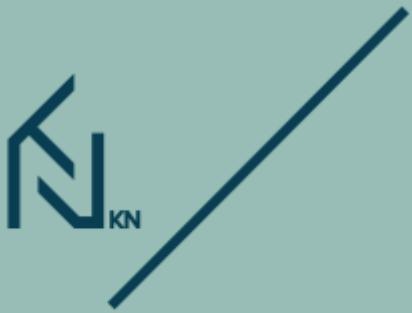


**Marius Pulkauninkas**  
Chief Financial Officer (CFO)



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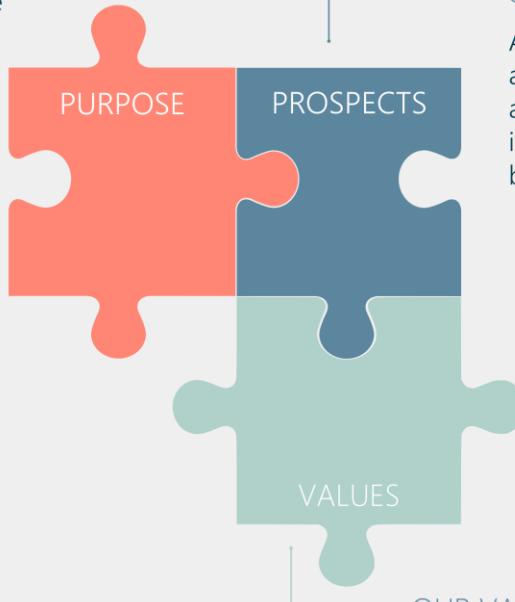
## ABOUT THE COMPANY



## MISSION, VISION, VALUES

### OUR MISSION

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



### OUR VISION

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

### OUR VALUES

Initiative, transparency, professionalism and reliability, social responsibility.



## ACTIVITIES OF THE COMPANY



### OIL TERMINALS



KLAIPĖDA OIL  
TERMINAL



SUBAČIUS OIL  
TERMINAL

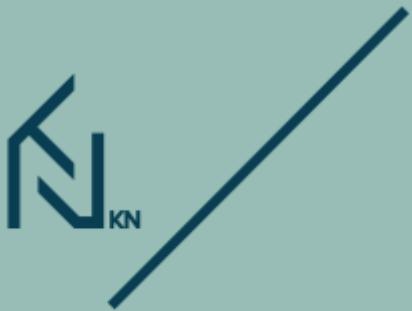
### LNG TERMINALS



KLAIPĖDA LNG  
TERMINAL



KLAIPĖDA SMALL-  
SCALE LNG  
TERMINAL



# HIGHLIGHTS



## HIGHLIGHTS OF THE 4<sup>TH</sup> QUARTER OF 2017



### Loading of 1st LNG truck

• **17 October.** During LNG reloading station commissioning works, the first LNG truck has been successfully loaded. The first truck of DUON LNG was accepted and filled with LNG.



### Approved reconstruction of jetties

• **6 December.** An extraordinary general meeting of shareholders of the Company approved the investment project of No.1 and No.2 jetties reconstruction with budget of EUR 16.5 mln.



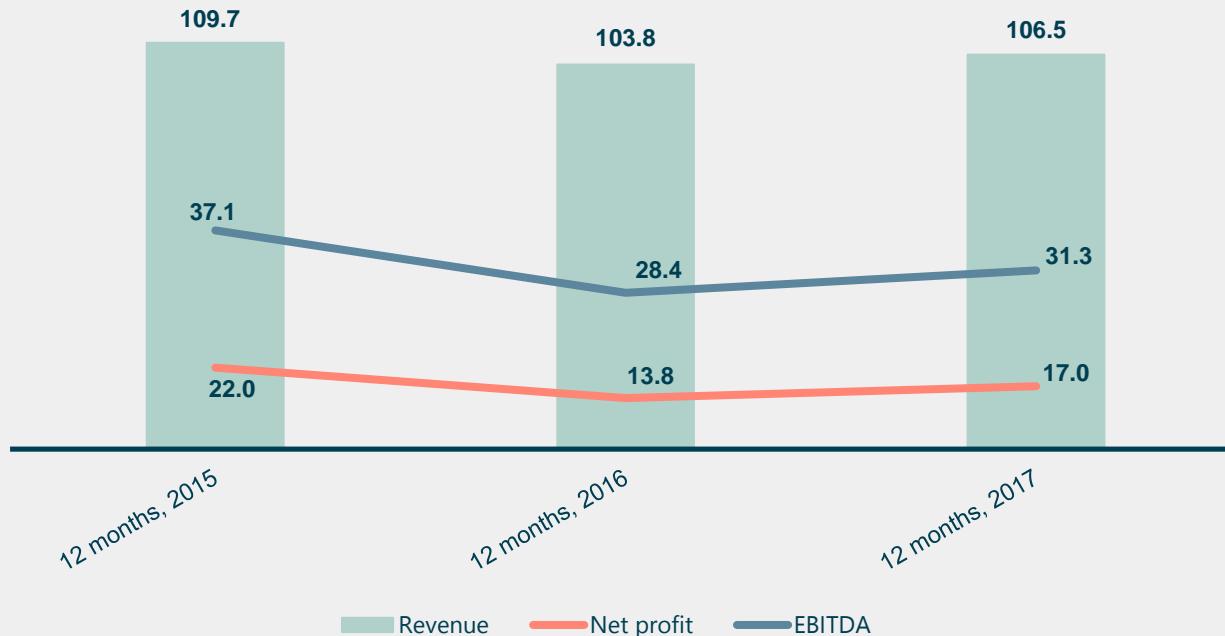
### Court decision for a favor of KN

• **27 December.** Klaipėda Regional Court has passed a conviction in a criminal case, according to which the civil claim of AB Klaipėdos nafta is satisfied with EUR 20.9 mln. The adjudged amount is not reflected in the financial statements.



## 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.



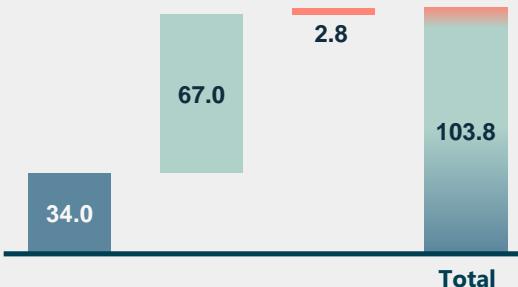
## REVENUE, EBITDA, NET PROFIT (UNAUDITED), MEUR



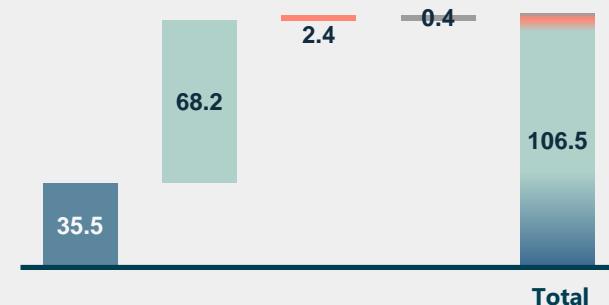


## STRUCTURE OF SALES REVENUE AND EBITDA BASED ON OPERATING SEGMENTS (UNAUDITED)

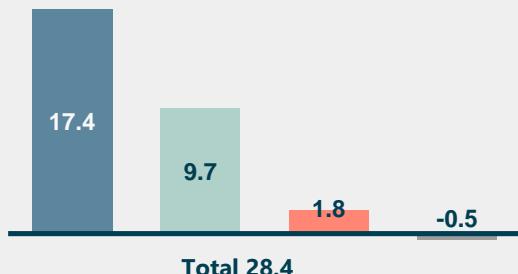
Revenue of 2016, MEUR



Revenue of 2017, MEUR



EBITDA of 2016, MEUR



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

EBITDA of 2017, MEUR

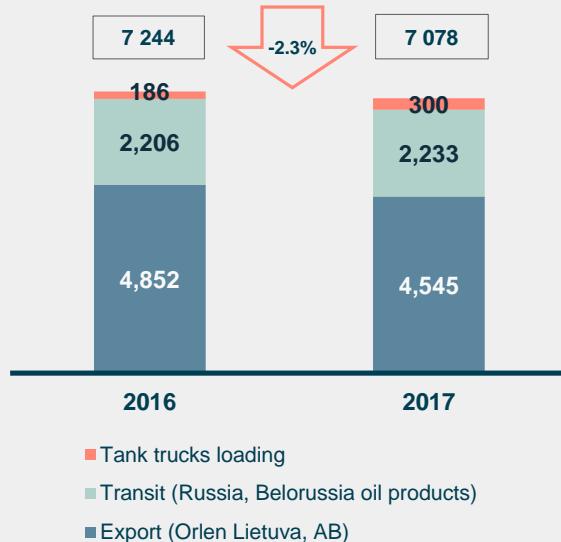




# KLAIPĖDA OIL TERMINAL RESULTS OF 2017



## Transhipment, thousand tons



MEUR	2016	2017
Revenue	34.0	35.5
Net profit	9.9	11.6
EBITDA	17.4	18.9

## BUSINESS FACTORS:

In 2017 transhipment volumes remained similar, however in this year the Company has faced with challenges:

- 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. However, in the middle of the year transhipment flows had recovered and the total transhipment of the last quarter of 2017 was 27.3% higher compared to the same period of 2016.
- AB ORLEN Lietuva quantities slightly decreased in connection with refinery maintenance performed in March-May 2017;
- Transhipment into the tank trucks increased even by 61%. 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 OF 2017

**Average storage volume,  
thousand tons**



MEUR	2016	2017
Revenue	2.8	2.4
Net profit	0.8	0.5
EBITDA	1.8	1.4

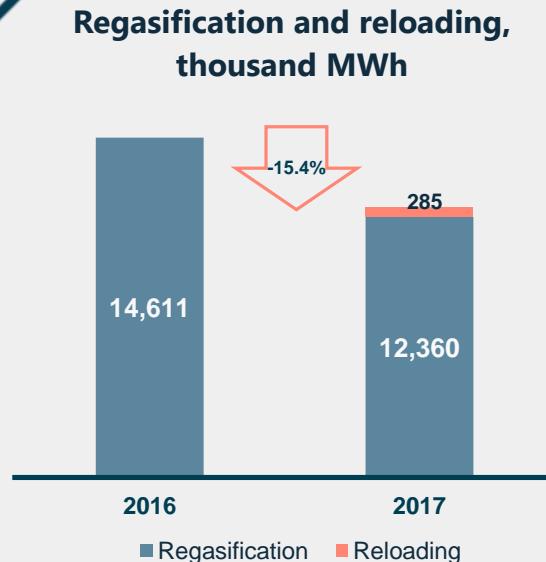
### BUSINESS FACTORS:

The storage quantities of oil products has reduced by 10.5% in 2017 (comparing to 2016) that accordingly affected revenues and net profit. Storage volumes were affected by the decreased long term storage demand in commercial oil products markets.

Transhipment volume amounted to 98.9 thousand tons in 2017 (2016 – 93.9 thousand tons).



## LNG TERMINAL RESULTS OF 2017



In 2017 almost half of the total amount of Lithuanian gas consumption was regasified through the KN LNG terminal.

\*Regulated preliminary 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	2016	2017
Revenue	67.0	68.2
Net profit	3.5	6.5
EBITDA	9.7	12.6

### BUSINESS FACTORS:

During 2017 fifteen LNG carriers have been accepted, which have delivered 839.8 thousand tons in total of LNG. The gas was supplied to Lithuania from 4 countries.

In 2017 LNG reloading service from FSRU was held for the first time. In 2017 total 6 reloading operations (285 thousand MWh of LNG) were made.

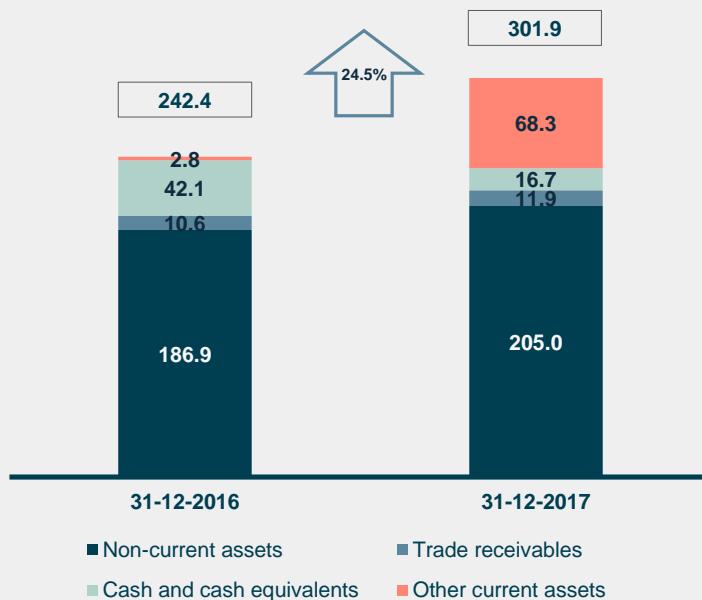
### ASPECTS OF REGULATION:

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.



## BALANCE SHEET (UNAUDITED)

### Assets, MEUR



### Equity and liabilities, MEUR





## FINANCIAL FIGURES (UNAUDITED)

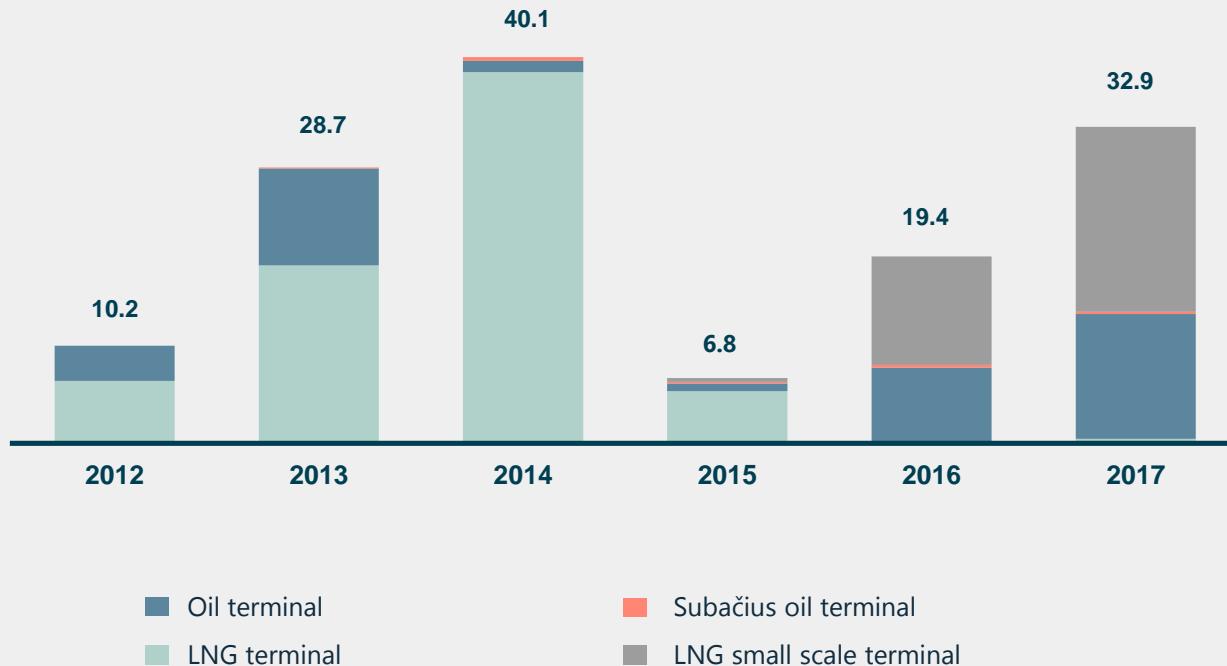
MEUR	2016	2017	Change, %
Sales Revenue	103.8	106.5	2.6%
Gross profit	20.8	23.7	14.0%
EBITDA	28.4	31.3	10.3%
Profit before taxation (EBIT)	15.3	17.5	14.4%
Net profit	13.8	17.0	23.2%
Gross profit margin	20.0%	22.3%	
EBITDA margin	27.4%	29.4%	
Net profit margin	13.3%	16.0%	
Return on equity (ROE)*	7.1%	8.7%	
Return on assets (ROA)*	5.7%	6.3%	
Profit per share (EPS), EUR/share	0.037	0.045	
Average number of shares	380,606,184	380,606,184	-



## INVESTMENT OVERVIEW



## INVESTMENTS OF THE COMPANY, MEUR





## THE BIGGEST INVESTMENTS TO PROJECTS IN 2017, MEUR



LNG reloading  
station –  
MEUR 17.2



Expansion of  
LFO\* park –  
MEUR 5.9



Construction of  
fuel oil with  
water tanks –  
MEUR 1.9

In 2017  
implementation  
works of oil  
terminal's 2nd  
stage has been  
started

\* LFO – Light Oil Products



## PROGRESS OF LNG RELOADING STATION



JANUARY,  
2017



DECEMBER,  
2017

*This project is partly financed by EU funds.*



# 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](http://www.kn.lt)