



# **AB KLAIPĖDOS NAFTA UNAUDITED FINANCIAL RESULTS H1 2018**

31<sup>st</sup> July 2018



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- Financial results
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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

The Company in its activities is being led by these in 2018 renewed values:





## ACTIVITIES OF THE COMPANY



### OIL TERMINALS



KLAIPĖDA  
OIL TERMINAL



SUBAČIUS  
OIL TERMINAL

### LNG TERMINALS



KLAIPĖDA  
LNG TERMINAL



KLAIPĖDA SMALL-SCALE  
LNG TERMINAL



## HIGHLIGHTS



## KN HIGHLIGHTS Q2 2018

### **ORDINARY GENERAL MEETING OF SHAREHOLDERS**

- During the meeting new members of supervisory board were elected as members of supervisory board: T. Lukoševičius, E. Kiudulas, ir A. Varanavičius.
- The Supervisory Council adopted the decision to extend the mandate of the Board members D. Bražiūnas, M. Bartuška, G. Dusevičius ir B. Pålsson

**27 April 2018**

### **MEETINGS OF MANAGEMENT BODIES**

- Supervisory Board of the Company elected independent Supervisory Board member Eimantas Kiudulas as a chairman of Supervisory board.
- Board of the Company elected independent Board member Giedrius Dusevičius as a chairman of the Board.

**28 May 2018**

### **CAPACITY ALLOCATION AT THE LNGT**

AB Klaipėdos nafta signed respective agreements with UAB LITGAS and UAB Lietuvos dujų tiekimas regarding liquefied natural gas capacities allocation for the next Gas Year, lasting from 1 October 2018 to 30 September 2019.

**8 June 2018**

### **LNGT ACTIVITIES**

The 50<sup>th</sup> LNG reloading operation took place at the liquefied natural gas (LNG) terminal operated by AB Klaipėdos Nafta.

**25 May 2018**

### **APPOINTMENT OF NEW CFO**

AB Klaipėdos nafta had appointed Jonas Lenkšas as Chief Financial Officer.

**4 June 2018**



## AB KLAIPĖDOS NAFTA AND ITS EMPLOYEES

The Company pays great attention to the strengthening of organizational culture:

- Employees have an opportunity to participate in trainings. At this moment leadership training for middle managers are being continued.
- Employees actively supports various initiatives inside and outside KN:
  - 31 employees joined the team of #KNdigital initiative which is related to innovative solutions for improvement of Company processes;
  - KN employees participated in the charity event cycle “City of Hope”.



Lithuanian newspaper Verslo Žinios in their annually performed competition awarded AB Klaipėdos Nafta as 2018 most attractive employer of transport and logistics sector.







## AB KLAIPĖDOS NAFTA AND COMMUNITIES

- The Company organized and participated in various meetings with target groups where environmental protection solutions and targets for 2020 were presented;
- In the next two years, the Company plans to invest 4.4 million EUR in environmental protection measures;
- In May 2018 air samples were taken from the residential areas near the Klaipėda oil terminal. Data was compiled into smell distribution simulation. According to received results, smell in residential areas are below the permissible limits.



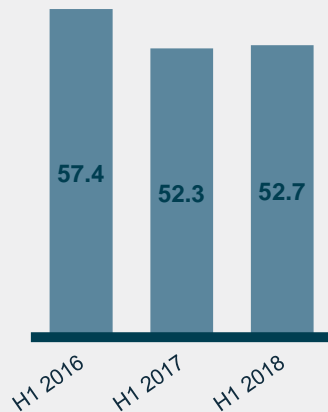


## **FINANCIAL RESULTS**

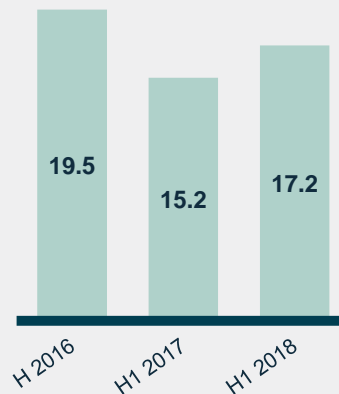


## FINANCIAL HIGHLIGHTS (UNAUDITED), MEUR

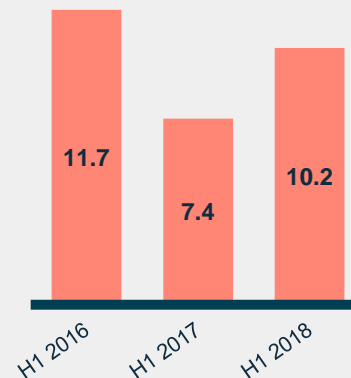
Revenue, MEUR



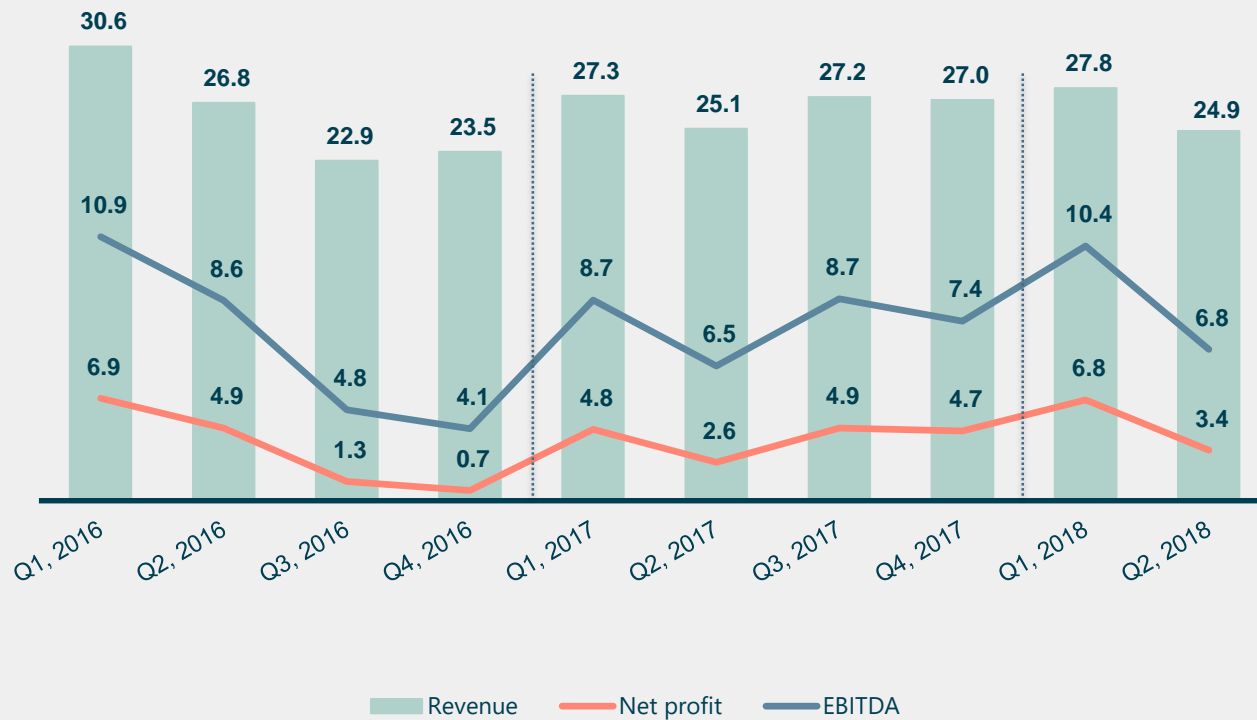
EBITDA, MEUR



Net profit, MEUR

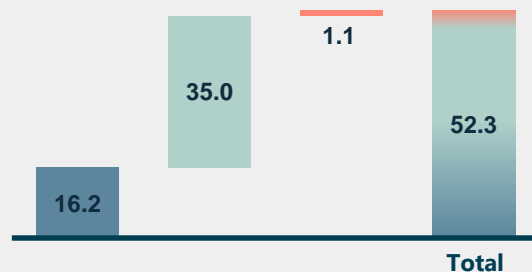


## FINANCIAL HIGHLIGHTS (UNAUDITED), MEUR

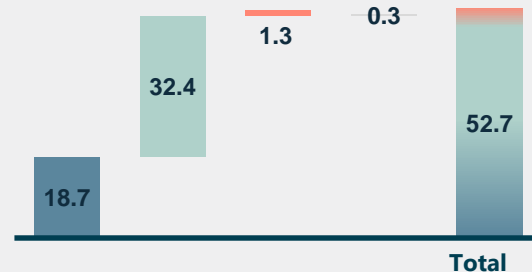


## STRUCTURE OF SALES REVENUE AND EBITDA BASED ON OPERATING SEGMENTS (UNAUDITED)

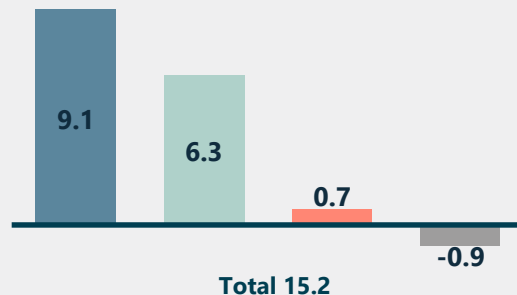
Revenue H1 2017, MEUR



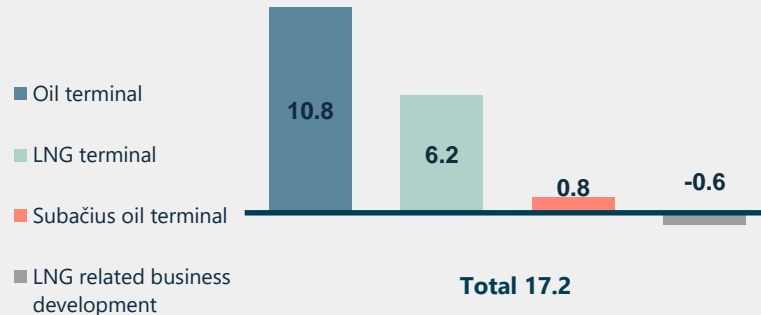
Revenue H1 2018, MEUR



EBITDA H1 2017, MEUR



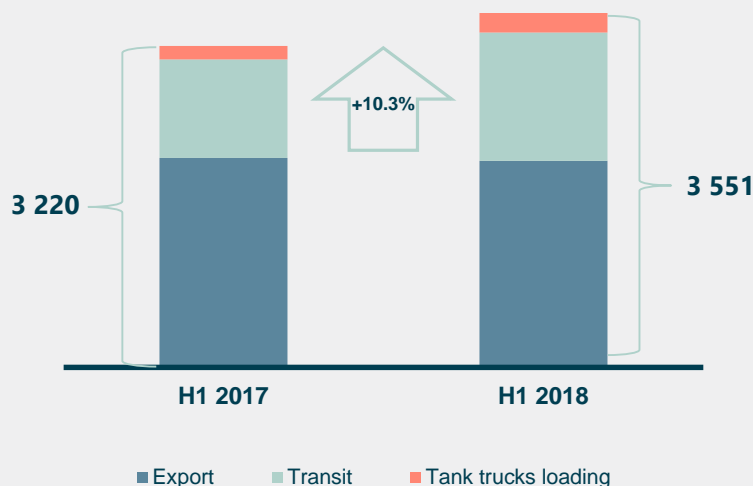
EBITDA H1 2018, MEUR



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

## KLAIPĖDA OIL TERMINAL RESULTS FOR 6 MONTHS OF 2018

Transshipment, thousand tons



MEUR	H1 2017	H1 2018
Revenue	16.2	18.7
Net profit	5.0	7.1
EBITDA	9.1	10.8

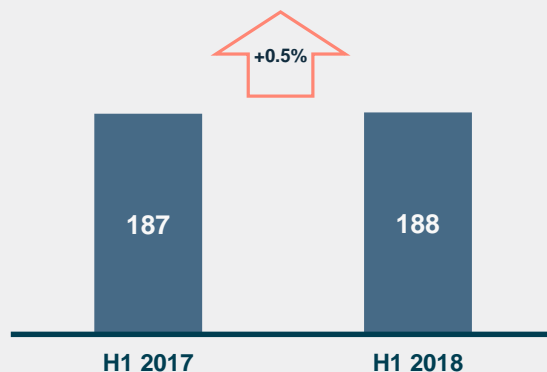
### BUSINESS FACTORS:

During first six months of 2018 Oil terminal reloaded 10.3 per cent more oil products compared to same period in 2017. The change is related to:

- Increase in handling volumes has been mainly determined by 30.1 per cent higher transit oil products flows. Due to better geopolitical situation, Belarusian companies increased oil refining quantities as well as export comparing to H1 2017.
- Export oil product quantities have remained almost in the same level due to stable activities of the main Company's client (AB Orlen Lietuva).
- Oil products import through auto loading unit increased by 32 per cent due to investments in oil terminal infrastructure.

## SUBAČIUS OIL TERMINAL RESULTS H1 2018

**Average storage volume,  
thousand tons**



MEUR	Q2 2017	Q2 2018
Revenue	1.1	1.3
Net profit	0.2	0.4
EBITDA	0.7	0.8

### BUSINESS FACTORS:

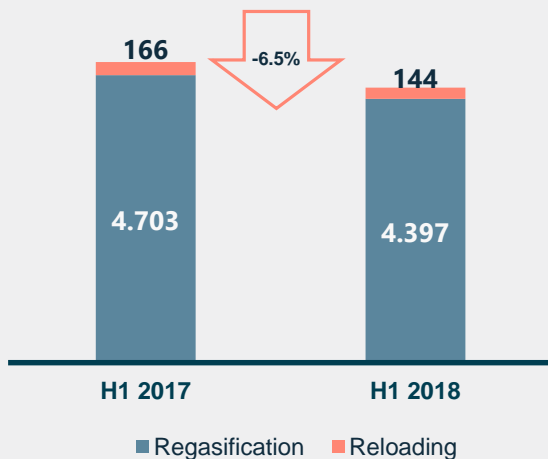
The storage quantities of oil products has increased by 0.5 per cent in H1 2018 (comparing to the same period in 2017).

Transshipment volume amounted to 43.3 thousand tons in the first half year of 2018 (the first half year of 2017 – 41 thousand tons).



## LNG TERMINAL RESULTS H1 2018

Regasification and reloading,  
thousand MWh



\* Company's estimated regulated LNG profit for the year 2018 amounts 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 2017	H1 2018
Revenue	35.0	32.4
Net profit	3.1	3.3
EBITDA	6.3	6.2

### BUSINESS FACTORS:

During H1 2018 in the LNG terminal:

- 5 LNG carriers (during to the first 6 months of 2017 – 6 LNG carriers) have been accepted;
- 299.7 thousand tons of LNG have been delivered (during to the first 6 months of 2017 – 269.8 thousand tons);
- Total regasification and reloading volumes slightly decreased mainly due to increased global LNG prices in 2018;
- 4,913 tons of LNG was reloaded to small-scale LNG carriers (total 2 LNG carriers).





## LNG RELOADING STATION

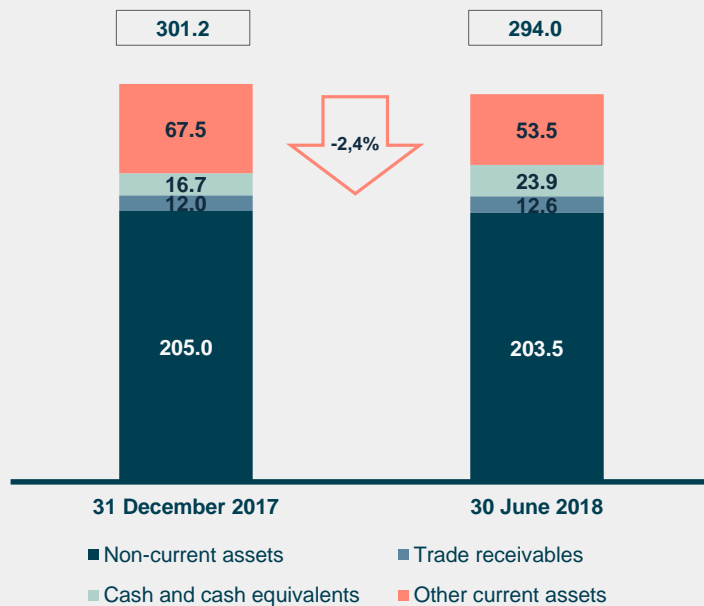
- During the first 6 months of 2018 most of final works were done in Klaipėda LNG Reloading station and the following services can be provided:
  - Acceptance of LNG from LNG carriers and temporary storage;
  - Transhipment to LNG trucks;
  - LNG bunkering directly to vessels.
- Results of services provided by LNG reloading station during H1 2018:
  - 7.0 thousand m<sup>3</sup> of LNG were reloaded to LNG trucks;
  - LNG was reloaded to almost 200 trucks. This LNG was distributed across 4 countries: Estonia, Latvia, Lithuania and Poland.
- 2 users of the reloading station in H1 2018: LITGAS (Lithuania) and Eesti Gaas (Estonia).



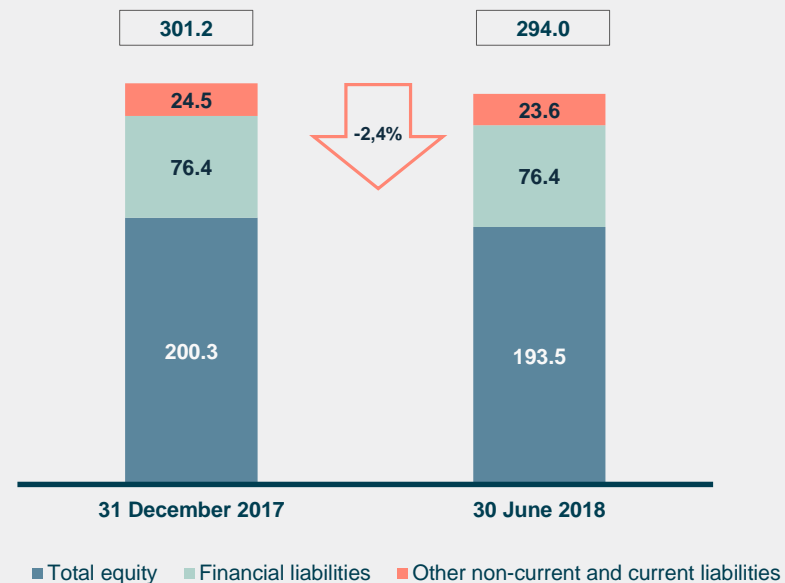


## BALANCE SHEET (UNAUDITED)

### Assets, MEUR



### Equity and liabilities, MEUR



## FINANCIAL FIGURES (UNAUDITED)

MEUR	2017 H1	2018 H1	Change, %
Sales Revenue	52.3	52.7	0.8%
Gross profit	11.1	12.7	14.7%
EBITDA	15.2	17.2	13.3%
Profit before taxation (EBIT)	8.2	10.2	24.2%
Net profit	7.4	10.2	38.2%
Gross profit margin	21.1%	24.1%	13.8%
EBITDA margin	29.1%	32.7%	12.4%
Net profit margin	14.1%	19.4%	37.1%
Return on equity (ROE)*	5.0%	10.3%	108.4%
Return on assets (ROA)*	3.9%	7.4%	91.0%
Profit per share (EPS), EUR/share	0.019	0.027	38.2%
Average number of shares	380,606,184	380,606,184	-

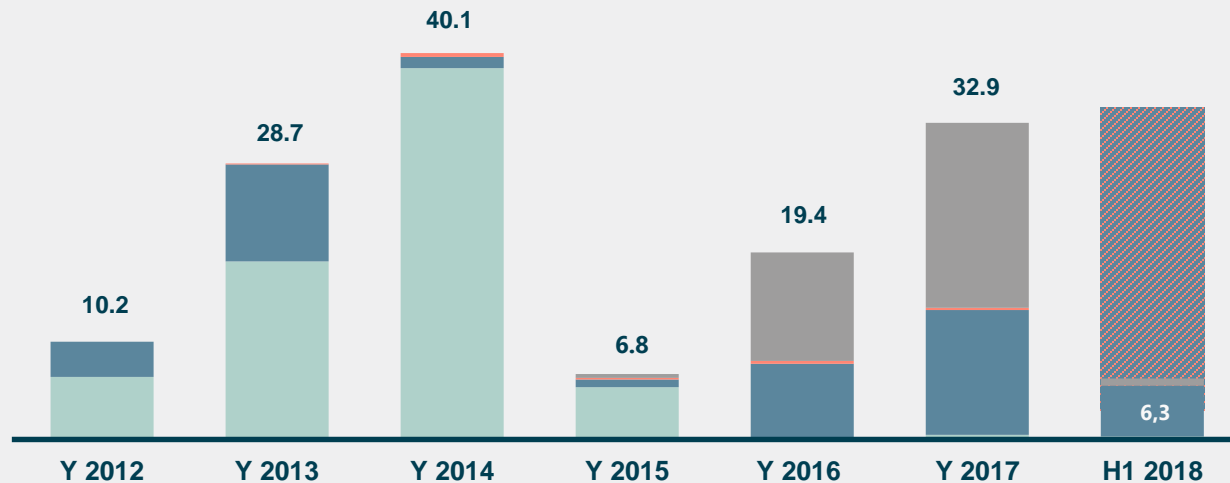
\* The return on equity (ROE) and return on assets (ROA) were calculated by dividing the net profit (losses) of the last twelve months by the average of equity or asset values at the beginning and the end of the reference year.



## INVESTMENTS OVERVIEW



## INVESTMENT OF THE COMPANY, MEUR



Oil terminal

LNG terminal

Subačius oil terminal

SGD small scale

Investment plan for Y2018

# PROGRESS OF INVESTMENT H1 2018

## OIL TERMINAL EXPANSION PHASE II



LFO 6 x 20 000 m3 tanks installation - earth works and foundations installation works have been done for 4 out of 6 tanks.



LFO 2 x 10 000 m3 and 4 x 5 000 m3 tanks installation - Earth works and foundations installation works have been done for all tanks.



# THANK YOU

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