



**AB Klaipėdos nafta  
results for the 6 months of  
2016**

29<sup>th</sup> July 2016

# AB Klaipėdos nafta (hereinafter – the Company) webinar– presentation of the financial results for the 6 months of 2016



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Finance and  
Administration  
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# AGENDA

- ❖ **INFORMATION ABOUT THE COMPANY**
- ❖ **FINANCIAL RESULTS FOR THE 6 MONTHS OF 2016**
- ❖ **PROJECTS AND INVESTMENTS IN 2016**





# INFORMATION ABOUT THE COMPANY



# Activity of the Company



Oil terminal



LNG terminal



Subacius fuel base



LNG small scale

LNG consultations

New projects



# Oil terminal characteristics



## Railway

2 tracks for light oil products - LFO (total 60 tank-cars)

2 tracks for heavy oil products - HFO (total 64 tank-cars)

One of the track is universal: can load both HFO and LFO

Two four-track railway trestles provide a possibility to discharge or load 124 tank-cars simultaneously.



## Storage tank farm

Total 28 tanks

~ 450 thousand cbm storage capacity

## Biological Waste Water Treatment Facilities

Waste water collected and treated annually up to 400 cbm thousand (160 m<sup>3</sup>/h)



## 2 Jetties

Depth: 14 m

Length: 270 each

Harbour entrance depth: 14.5 m

Tanker batch: up to 100,000 t with 12.5 m allowable draught



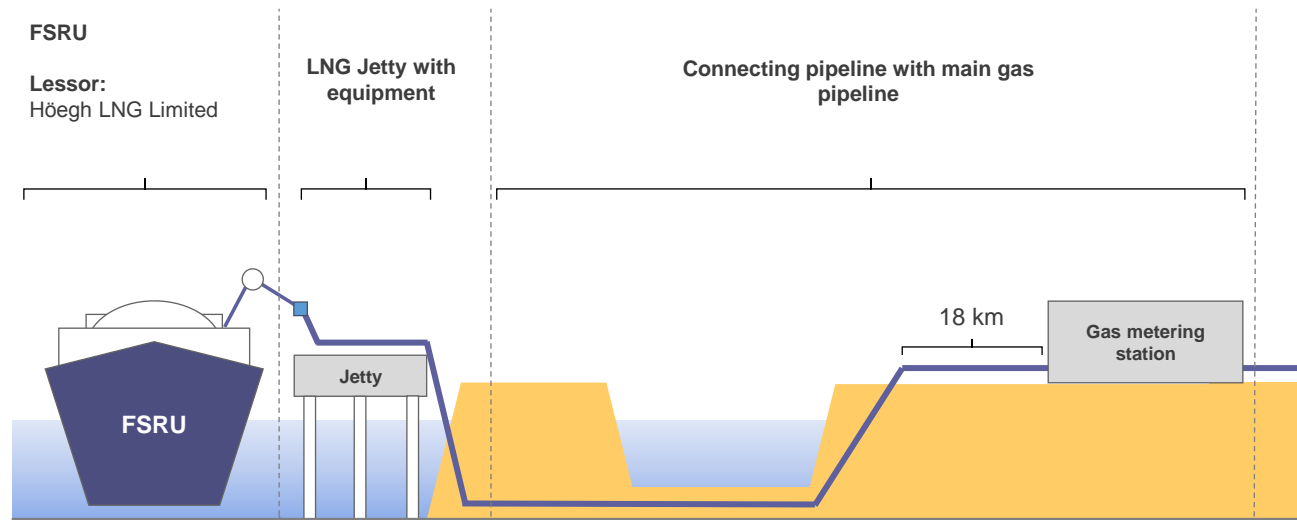
## Auto tankers loading system

Service to import gasoline and diesel by tankers for the Lithuanian market needs

4 loading points at the same time

# LNG terminal infrastructure

- LNG floating storage and regasification unit – FSRU, 170,000 thousand cbm
- Jetty 450 m length
- Pipeline 18 km
- Gas metering station in Kiskenai, Klaipėda distr.



# Subačius fuel base infrastructure



- Park of storage tanks (66 units, 338 thousand cbm), adapted for the storage of light oil products;
- Rail trestle (simultaneously handle 14 rail tanks);
- Modern loading station of auto tank-cars;
- Other necessary equipment (modern laboratory, mobile fire extinguishing equipment, sewage cleaning equipment and etc.).





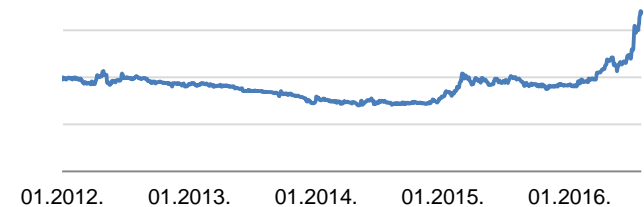
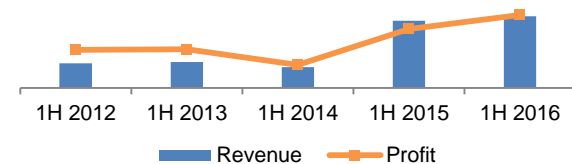
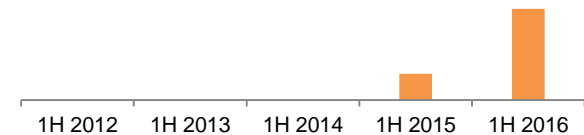
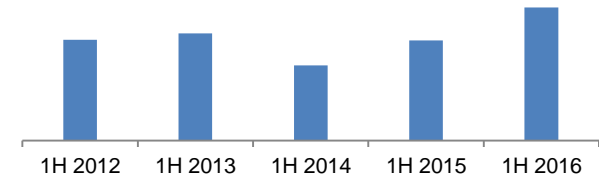


# **FINANCIAL RESULTS FOR THE 6 MONTHS OF 2016**



## Results – records of the 6 months 2016

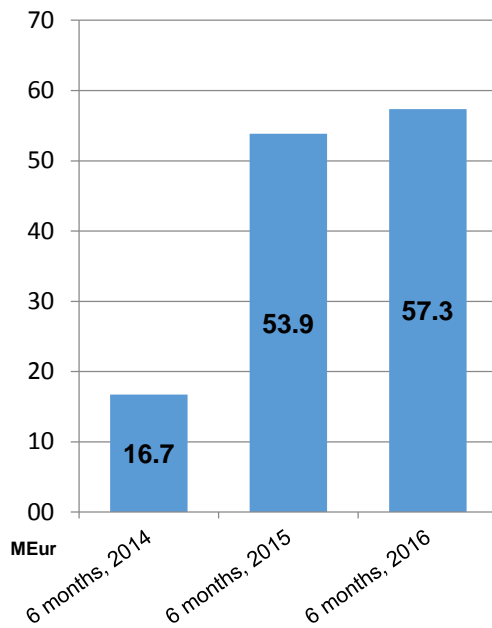
- **AB Klaipėdos nafta petroleum product transshipment – the highest in the history of activity.** During the 6 months of 2016 4,425 thousand tones of petroleum products in Oil terminal and Subačius fuel storage base have been reloaded.
  
- **LNG terminal regasification has reached record volumes.** During the 6 months of 2016 9,207 thousand MWh (3.5 times more than in the same period of 2015) have been re-gasified and supplied to the natural gas transmission system.
  
- **Company's Sales Revenue and Net profit of first half of 2016 – the highest in the history.** Respectively – EUR 57.3 mln and EUR 11.7 mln.
  
- **AB Klaipėdos nafta shares (KNF1L) have reached the highest price in all trading history in Nasdaq Vilnius stock exchange market.** On July 25<sup>th</sup> 2016 the new highest KNF1L share price (EUR 0.705) has been recorded.



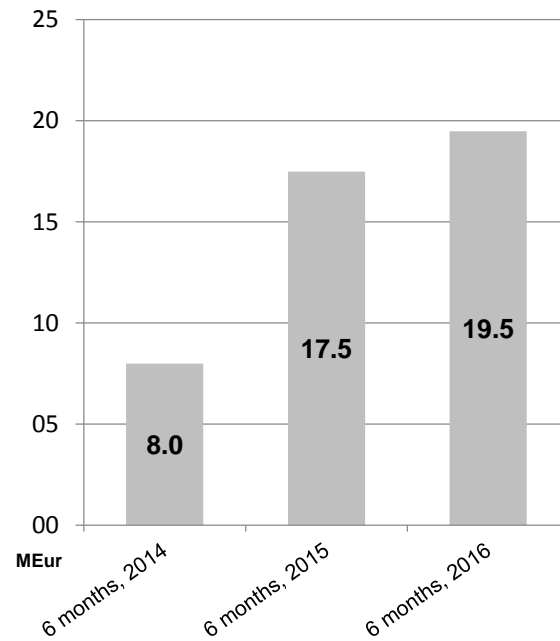
# Revenue, EBITDA, net profit (unaudited)



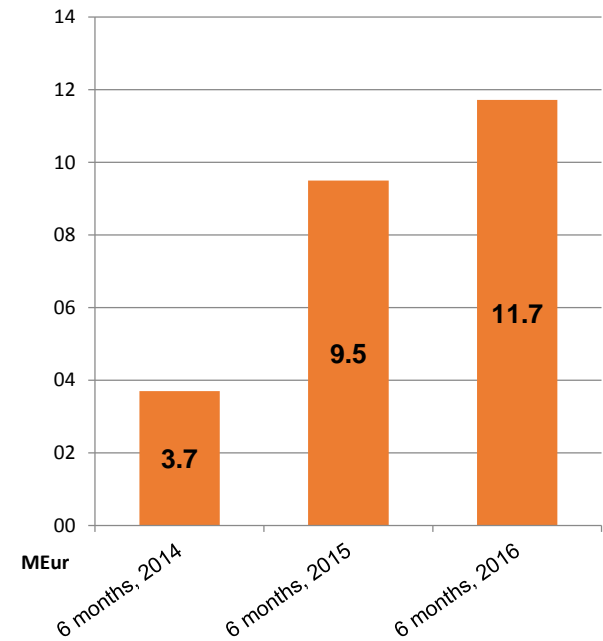
### Revenue, MEUR



### EBITDA, MEUR



### Net profit, MEUR





## Financial figures (unaudited)

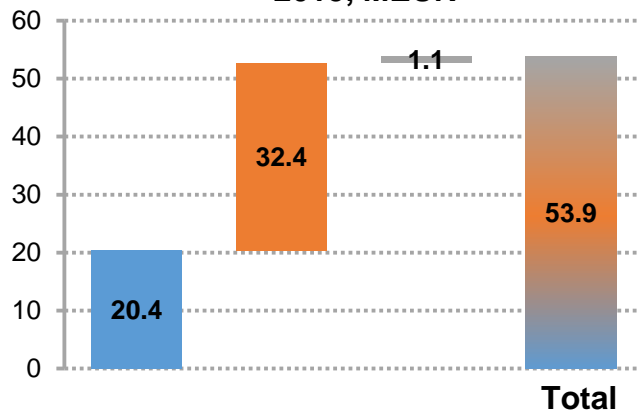
MEUR	6 months, 2016	6 months, 2015	Change, %
Sales Revenue	57.3	53.9	6.3%
Gross profit	15.3	13.4	14.2%
EBITDA	19.5	17.5	11.4%
Profit before taxation	12.8	10.9	17.4%
Net profit	11.7	9.5	23.2%
Gross profit margin	26.7%	24.9%	-
EBITDA margin	34.0%	32.5%	-
Net profit margin	20.4%	17.6%	-
Return on equity (ROE)*	12.5%	8.4%	-
Return on assets (ROA)*	10.0%	6.5%	-
Profit per share (EPS), EUR/share	0.031	0.025	24%
Average number of shares	380,606,184	380,606,184	-

\* Ratios are calculated for the last 12 months period.

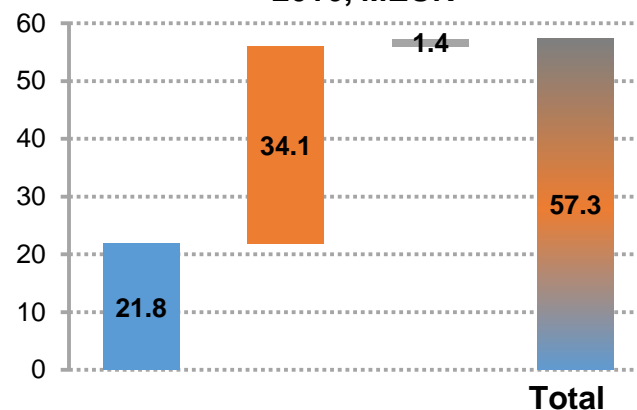
# Structure of sales revenue and EBITDA based on operating segments (unaudited)



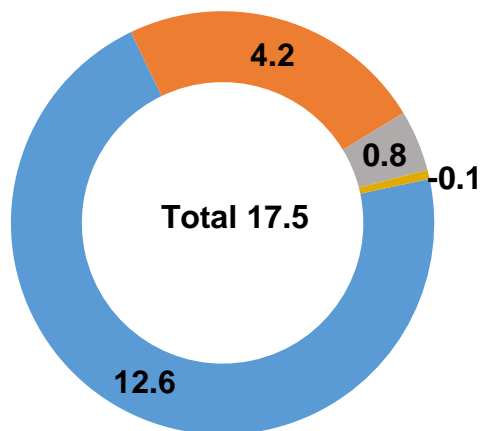
Sales revenue for the 6 months of 2015, MEUR



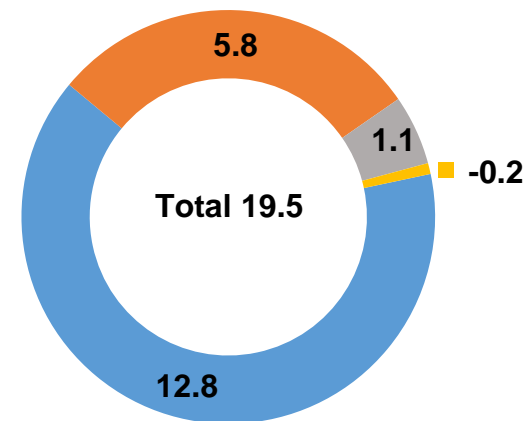
Sales revenue for the 6 months of 2016, MEUR



EBITDA for the 6 months of 2015, MEUR



EBITDA for the 6 months of 2016, MEUR

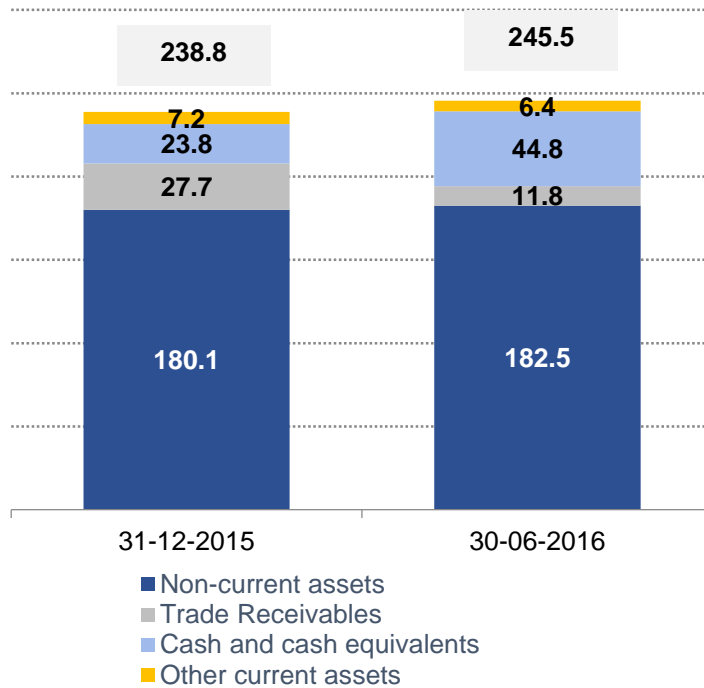


- Oil Terminal
- LNG terminal
- Subacius fuel base
- LNG small scale terminal

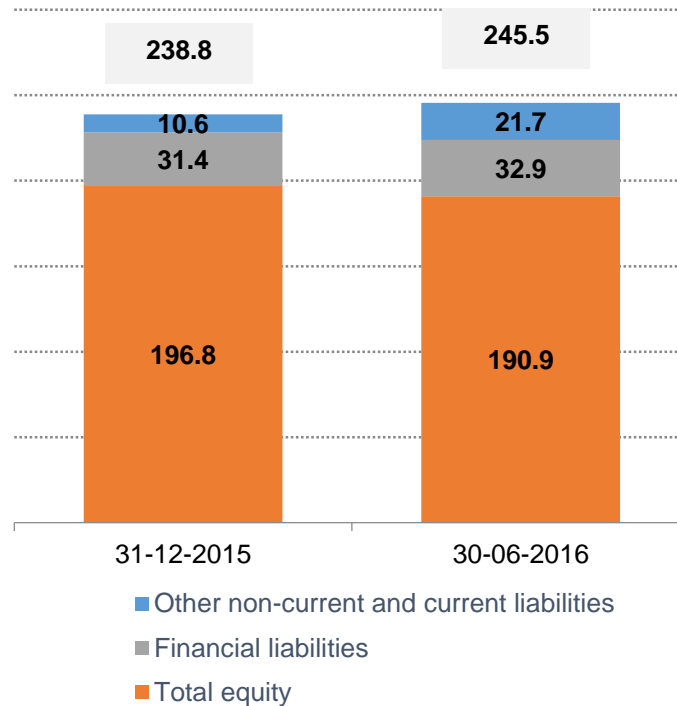


# Company's Balance sheet (unaudited)

### Assets, MEUR



### Equity and liabilities, MEUR



- **Non-current assets** comprise 74.3 per cent of total assets (30-06-2016);
- **Total equity** amounted to 77.8 per cent of total assets (30-06-2016);
- **Total assets** has increased by 2.8% and comprise EUR 245.5 millions.

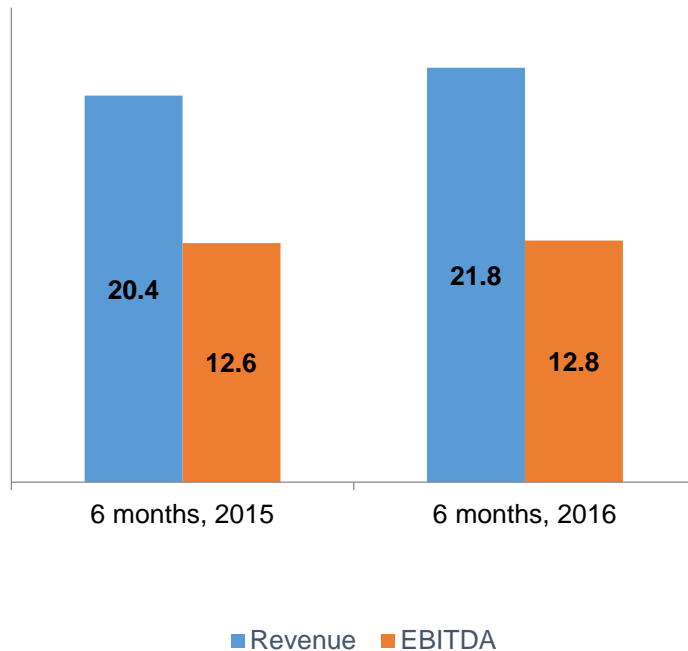
# Oil terminal results for the 6 months of 2016

MEUR	6 months, 2016	6 months, 2015
Revenue	21.8	20.4
Net profit	8.7	8.0
EBITDA	12.8	12.6

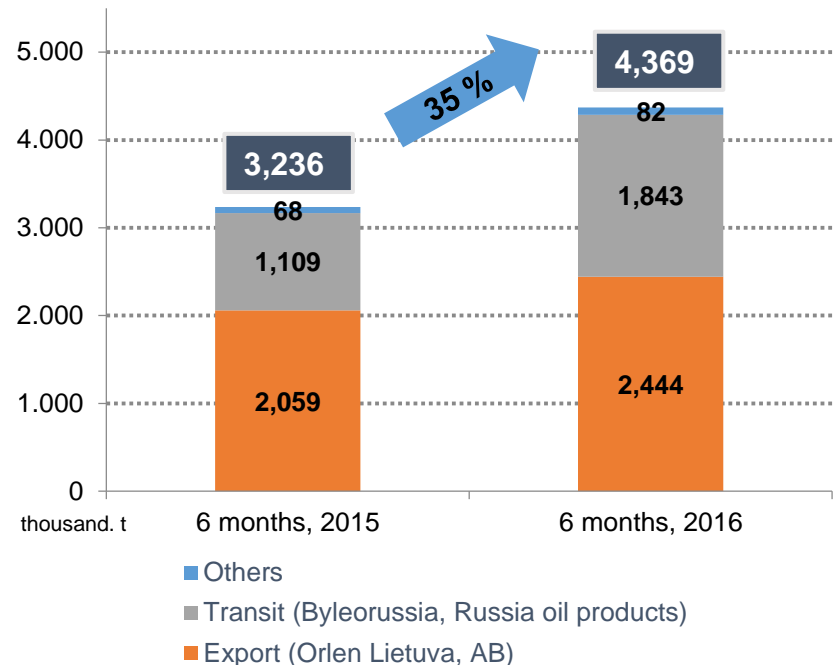
Facts of periods comparison:

- Oil terminal sales revenue increased EUR 1.4 million or nearly by 7 per cent.
- Oil terminal net profit increased EUR 0.7 million or nearly by 9 per cent.

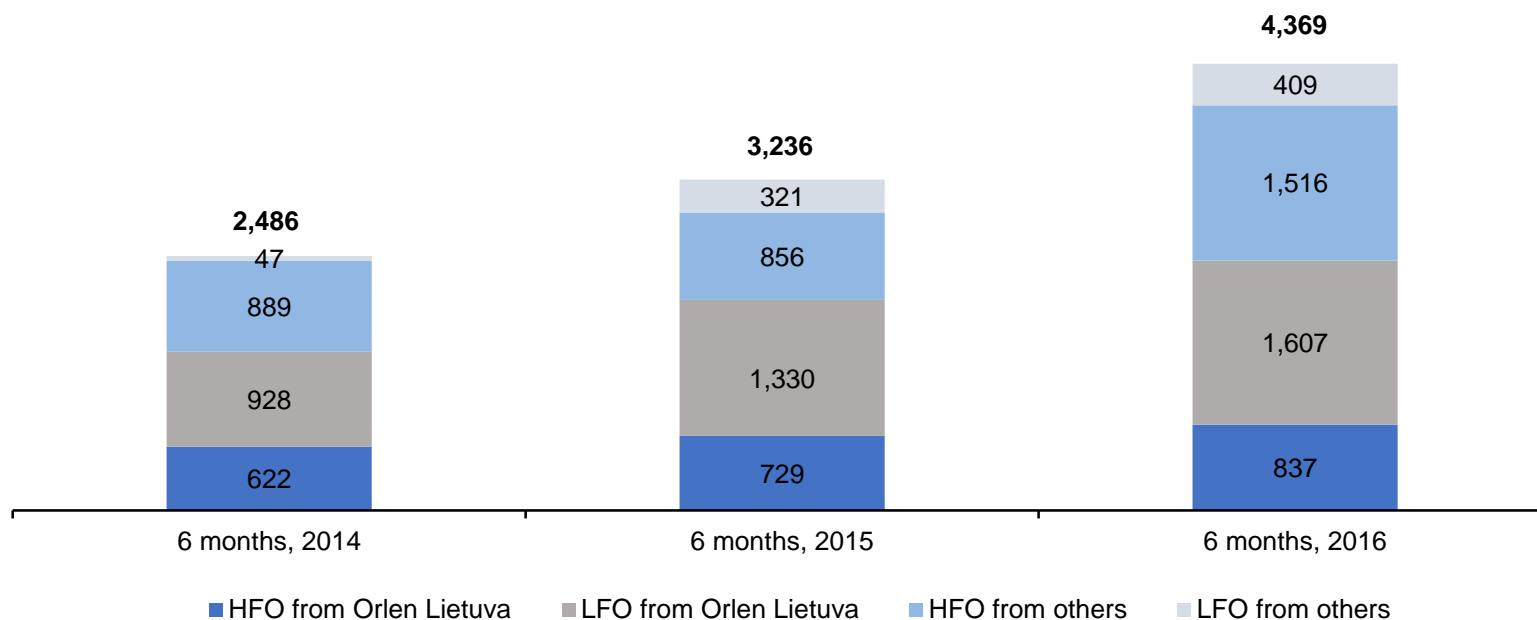
Revenue & EBITDA, MEUR



Transshipment, thousand tons



# AB Klaipėdos nafta oil product transshipment for the 6 months of 2014 - 2016



## Facts of periods comparison:

- Compared to the 6 months of 2015, in the 6 months of 2016 the transshipment of transit of heavy oil products from Byelorussia has increased by 77 per cent or by 660 thousand tons.
- During the 6 months of 2016 all transshipment of ORLEN Lietuva AB amounted 56 per cent of all oil terminal transshipment flows (in comparison the 6 months of 2015 – 64 per cent);
- Compared to the 6 months of 2015, in the 6 months of 2016 the transshipment of transit light oil products increased by 29 per cent or by 73 thousand tons.



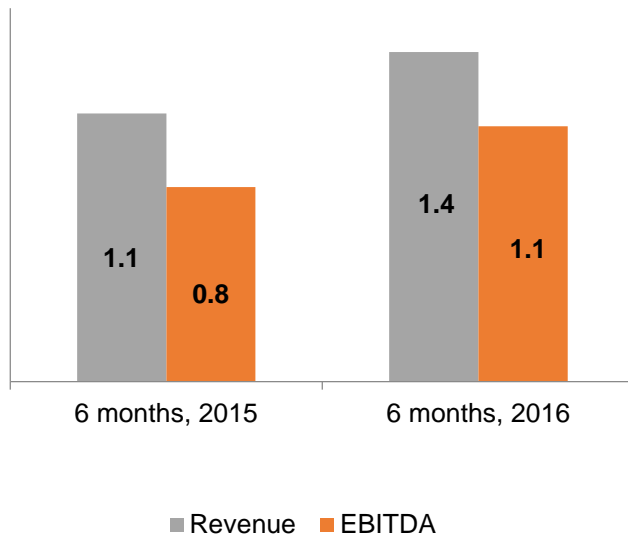
# Subacius fuel base results for the 6 months of 2016

MEUR	6 months, 2016	6 months, 2015
Revenue	1.4	1.1
Net profit	0.6	0.4
EBITDA	1.1	0.8

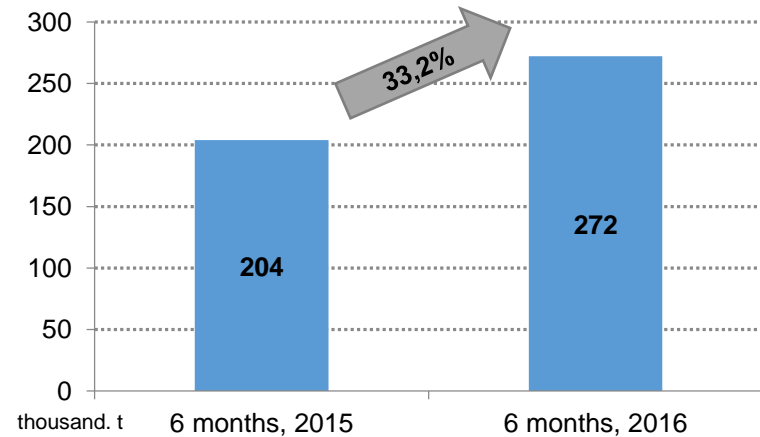
Facts of periods comparison:

- During the first 6 months of 2016 the transshipment in Subačius fuel storage base amounted to 56 thousand tones (6 months of 2015 – 93 thousand tones).
- During the first 6 months of 2016 sales revenue from the commercial contract amounted to EUR 320 thousand.

Revenue & EBITDA, MEUR



Average storage volume, thousand tons



# LNG terminal results for the 6 months of 2016

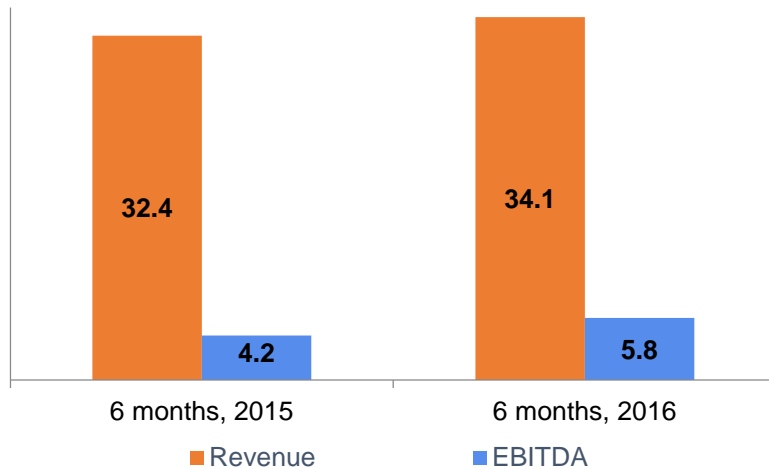
MEUR	6 months, 2016	6 months, 2015
Revenue	34.1	32.4
Net profit*	2.6	1.2
EBITDA	5.8	4.2

\*The LNG terminal activity profit is regulated in terms as set by the laws. Actually foreseen the net profit for the LNG activities for the year 2016 should amount to EUR 4.5 million. Additionally collected amount will be dedicated to compensate the LNG terminal required expenses for the upcoming financial periods.

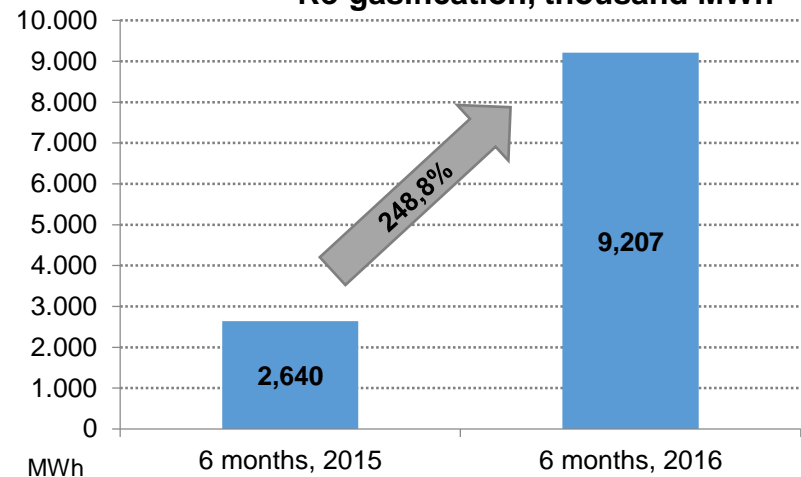
## Facts:

- During the 6 months of 2016 10 LNG carriers have been accepted, which have delivered 624.8 thousand tons LNG;
- 9,207 thousand MWh natural gas have been re-gasified and supplied to the gas transmission system (+248.8%);
- During the 6 months of 2016 LNG terminal users: LITGAS UAB, Lietuvos dujų tiekimas UAB, Achema AB.

**Revenue & EBITDA, MEUR**



**Re-gasification, thousand MWh**



# Significant events of LNG Terminal of 2<sup>nd</sup> quarter 2016



- **6<sup>th</sup> June 2016.** The Company approved the new edition of the Rules for Use of the Liquefied Natural Gas Terminal. The objective of the amendments made to the Rules is to increase the competitiveness of liquefied natural gas terminal in Klaipeda by creating more flexible conditions in the provision of small scale LNG services as well as to enhance the effective use of the LNG terminal capacities aiming to attract new clients in regional Baltic sea LNG and natural gas markets.
- **13<sup>th</sup> June 2016.** The Company informed that the following LNG Terminal capacities were allocated in advance with the following LNG Terminal users:
  - **Lietuvos dujų tiekimas, UAB:** LNG regasification capacities 825,100,000 kWh. Terminal capacity usage period: from the 1<sup>st</sup> of October 2016 until the 31<sup>st</sup> of December 2016.
  - **LITGAS, UAB:** LNG regasification capacities 3,602,216,638 kWh. Terminal capacity usage period: from the 1<sup>st</sup> of October 2016 until the 30<sup>th</sup> of September 2017.





# **PROJECTS AND INVESTMENTS IN 2016**



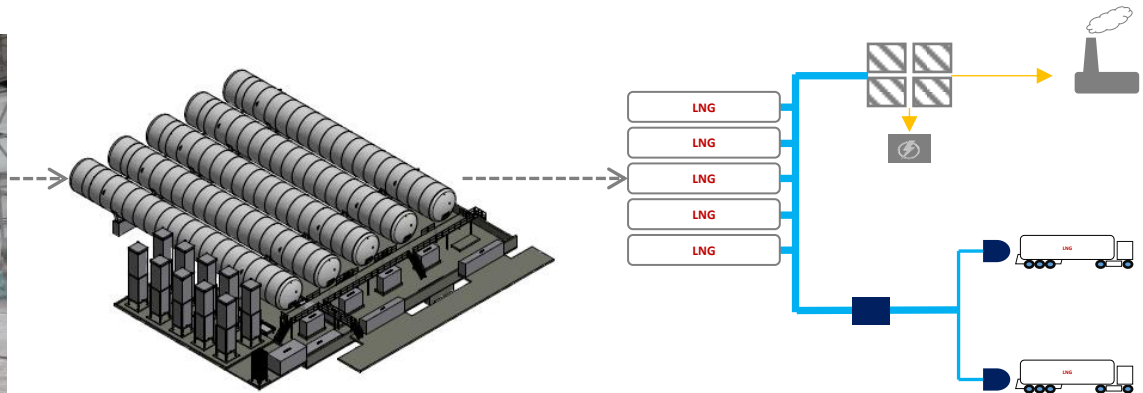
# LNG small-scale reloading station investments

## LNG small-scale reloading station project development events:

- **On the 12<sup>th</sup> of February 2016** the EPC (Engineering, procurement and construction works) contract was signed with the consortium, consisting of Lithuanian – German company PPS Pipeline Systems GmbH and Czech company Chart Ferox, a.s.
- **On the 22<sup>nd</sup> of June 2016** at the LNG storage tanks construction site located in the Czech Republic, Chart Ferox, a.s. started hydraulic tests of the first storage tank.
- **On the 8<sup>th</sup> of July 2016** the EU financing program Coordination Committee approved the financial support of EUR 15 million for the joint project “Blue Baltics”, which expands liquefied natural gas bunkering network across the Baltic Sea. The EU support is dedicated for five companies including AB Klaipešos nafta. The Company should receive EUR 4 million of EU funds.

## Key highlights of EPC contract:

- Contract will be proceeded in 2016-2017, the value amounts to EUR 27.7 millions;
- 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;
- The planned maximum capacity of the LNG small-scale reloading station is about 5,000 cbm (5x1,000 cbm horizontal pressure tanks), the station will be equipped with 2 LNG truck loading points.



## Other investment projects

- **30<sup>th</sup> May 2016.** The extraordinary general meeting of shareholders approved the decision of the Board of the Company to implement the oil terminal expansion first stage investment project for the total price not exceeding EUR 13.1 million (excl. VAT). The first stage is constituted from these investment projects:

1. **Construction of fuel oil with water tanks.** The project consists of construction of 2 tanks (each 4,200 cbm), designed for HFO, extracted from collected bilge water from vessels further processing. AB Klaipėdos nafta and UAB Kauno dujotiekio statyba have signed construction contract. Under the contract it is forecasted the end of the works – June 2017.

2. **Light oil product tanks expansion.** The project consist 3 tanks each 5,000 cbm and 4 tanks each 1,400 cbm. The Company signed construction contract with UAB Arimetas. The light oil product tanks construction contract approved an extraordinary general meeting of shareholders. It's planned all the construction works will be completed in the summer of 2017.

3. **The expansion of the oil truck lot capacities.** The Company and UAB Kauno dujotiekio statyba signed reconstruction contract for the

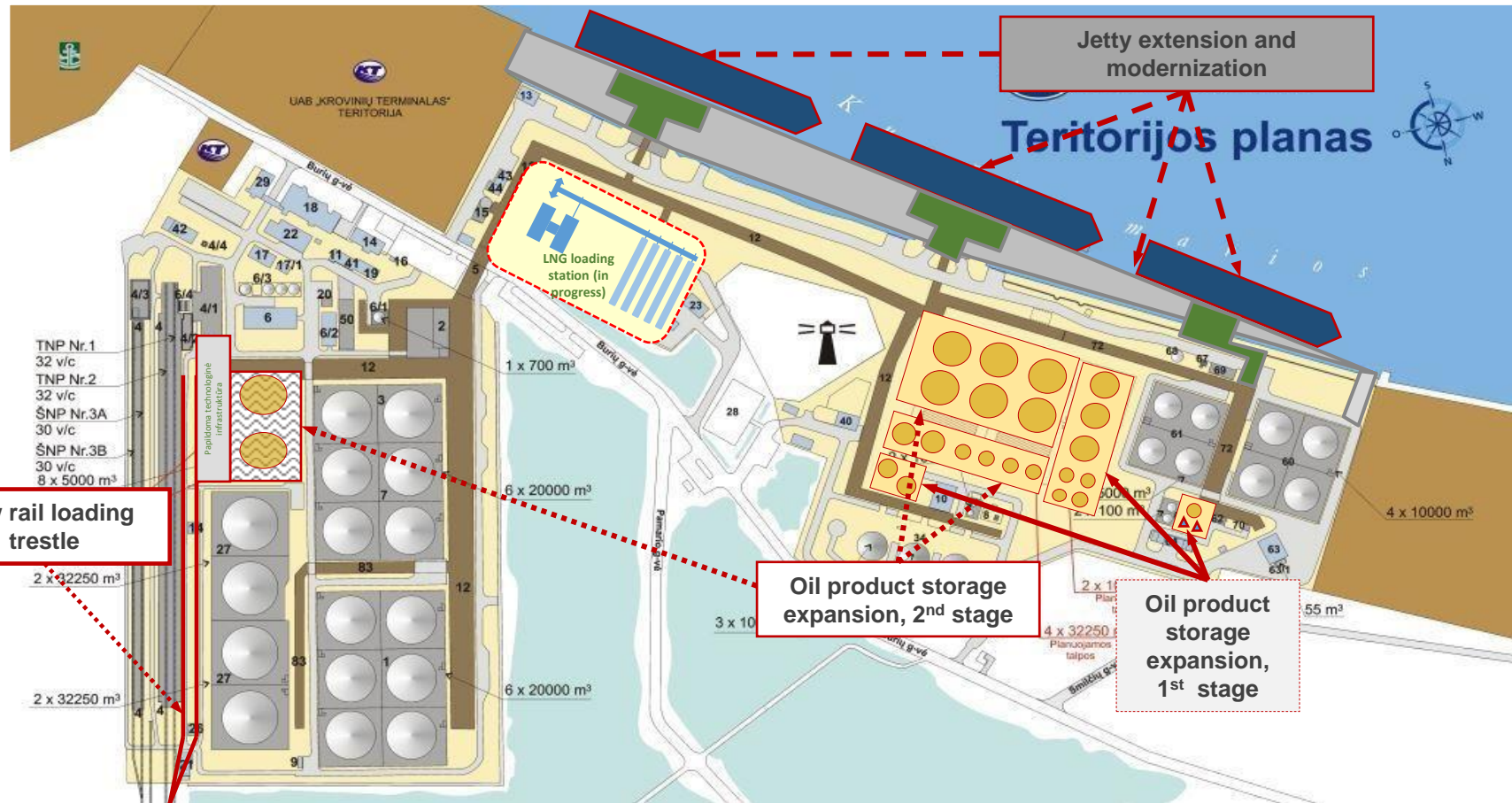
light oil product truck loading unit expansion. The project aim – to expand the oil products loading capacity into to the auto tankers. It is forecasted the reconstructed loading points will start to work at the end of this year.

- **21<sup>st</sup> July 2016.** The extraordinary general meeting of shareholders approved the decision of the Board of the Company the implementation of oil terminal trestle 3A road modernization investment project for the total price not exceeding EUR 5.5 million (without VAT). After the shareholders approval, technological equipment and construction works procurement procedures have been started.



# Oil terminal investment projects

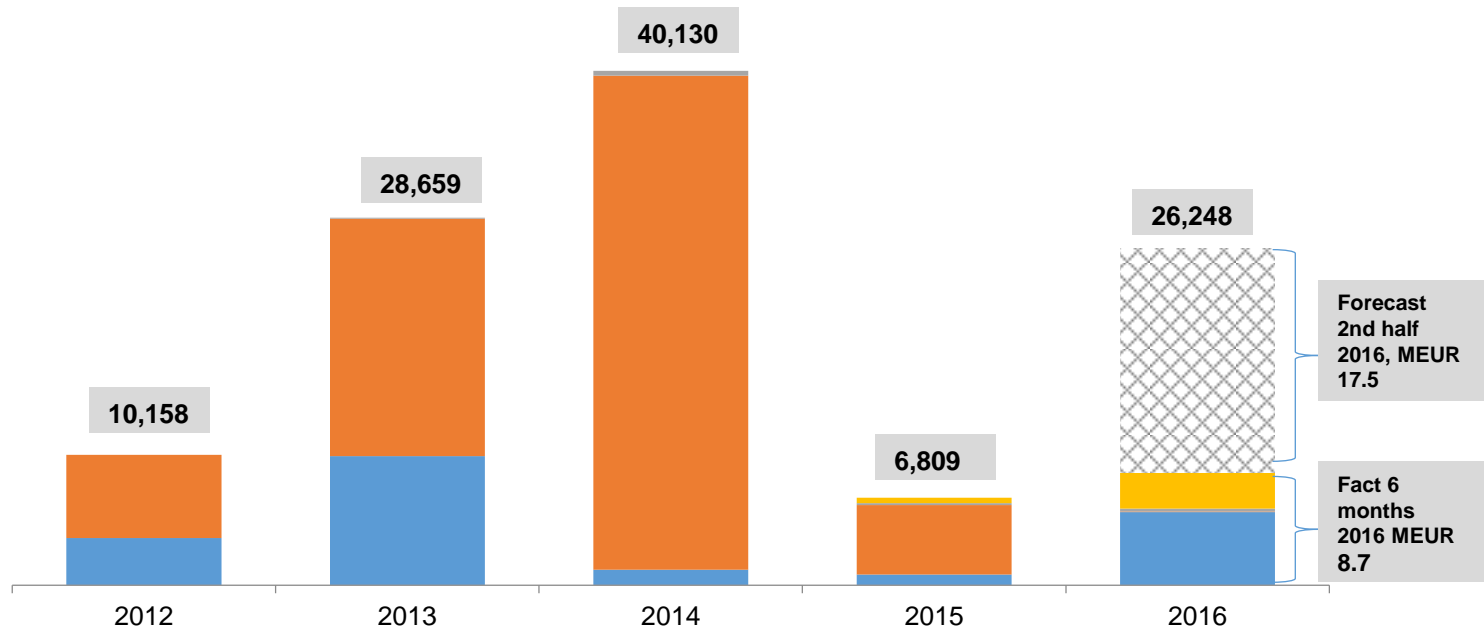
The infrastructure expansion plans in the Company's oil terminal territory:





# Investments of the Company, EUR thousand

As to the Company's Strategy for 2016 – 2020, **investments** into the development of new activities and expansion and maintenance of existing activities will reach about **EUR 200 millions**.  
Investments (in EUR thousand) of the last years stated below:



	2012	2013	2014	2015	2016
Forecast 2 <sup>nd</sup> half 2016					17,500
LNG small scale	-	-	-	429	5,692
Subacius fuel base	-	81	375	142	222
LNG terminal		18,513	38,572	5,429	43
Oil terminal	3,665	10,065	1,183	809	2,791



## Significant events of 2<sup>nd</sup> quarter 2016



**Developing Company's activities,** AB Klaipėdos nafta and NEO GROUP UAB signed service contract under which the Company's specialists will provide project management and construction supervision services to NEO GROUP UAB, one of the biggest manufactures in Europe, PET granules manufacture expansion works.

This is the first such kind of a contract for the Company, when the Company's experts will provide know-how not only for the internal Oil or LNG terminals usage, but also to the external usage for the specific other company's activity.

**AB Klaipėdos nafta shares (KNF1L) – became a part of the tradable index OMX Baltic 10.** As a result of the semi-annual review the new composition of the index OMX Baltic 10 was set and became effective from the 1<sup>st</sup> of July, 2016. Under this decision shares of AB Klaipėdos nafta officially became one of the ten most liquid shares in the Nasdaq Baltic markets.

AB Klaipėdos nafta became a witness of a significant event, when rector Eimutis Juzeliunas of Klaipėda University and one rector Pero Lučin of the biggest University of Croatia signed two cooperation contracts and will cooperate in developing LNG studies and knowledge exchange in Lithuania. This cooperation will prompt an effective and comprehensive LNG specialists training.





## Thank you for attention

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