

FY 2019 Financial Summary Conference Call

February 27, 2020

Doha, Qatar

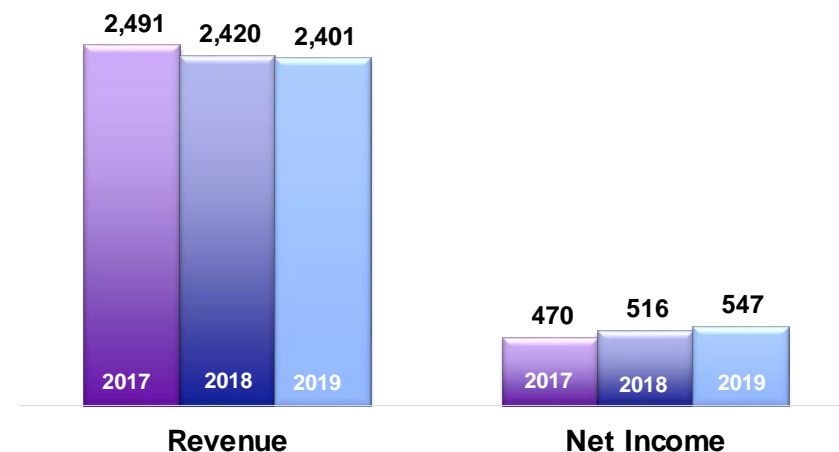
Consolidated Income Statement – Full Year

(All amounts in QR Millions)






	2017	2018	2019
Operating Revenue	2,491	2,420	2,401
Salaries, Wages and Other Benefits	(576)	(563)	(588)
Operating Supplies and Expenses	(978)	(941)	(978)
Rent Expenses	(14)	(15)	(7)
Depreciation and Amortisation	(323)	(334)	(362)
Provision of Impairment of Trade Receivables	(7)	(7)	(7)
Other Operating Expenses	(145)	(159)	(177)
Operating Expenses	(2,043)	(2,019)	(2,119)
Operating Profit	448	401	283
Finance Costs	(195)	(148)	(103)
Finance Income	143	62	24
Net Gain on Disposal of Property, Vessels & Equipment	(7)	1	16
Share of Results of Associates	262	273	361
Share of Results of Joint Arrangements	126	165	239
Impairment of Available-for-Sale Investments	(21)	-	-
Net Gain on Foreign Exchange	(12)	0	(1)
Impairment of Vessels & Contract Work in Progress	(283)	(243)	(272)
Miscellaneous Income	23	-	-
Tax for the Year	-	-	(1)
Non-Operating Profit	36	111	263
Profit for the Period	484	512	546
Non-controlling interest	(14)	5	1
Net Profit Attributable To Equity Holders Of The Parent	470	516	547

- Revenue ▼ -0.8%
- Operating Profit ▼ -30%
- Net Profit ▲ 6%

%s shown vs 2018



Activities by Segment

 Maritime & Logistics	 Offshore	 Gas & Petrochem	 Trading	 Capital
<ul style="list-style-type: none"> • Port Services • Container Shipping • Warehousing & Logistics • Bulk Shipping • Shipyard • Shipping Line Agencies 	<ul style="list-style-type: none"> • Vessel Charter & Operations • Diving & Subsea Services • Construction and Maintenance Services • Well Services • Harbor Marine Operations 	<ul style="list-style-type: none"> • LNG Transport • LPG Transport • Crude , Chemicals & CPP Transport • Wholly Owned Product/Gas Carriers 	<ul style="list-style-type: none"> • Heavy Equipment and Truck Agency • Bunker Distribution • Marine Engine and Lubricants Agency • Travel & Tourism Agency 	<ul style="list-style-type: none"> • Real Estate Development and Management • Strategic and Financial Investments

****Note:** beginning 2019, the Company made two organizational changes as follows:

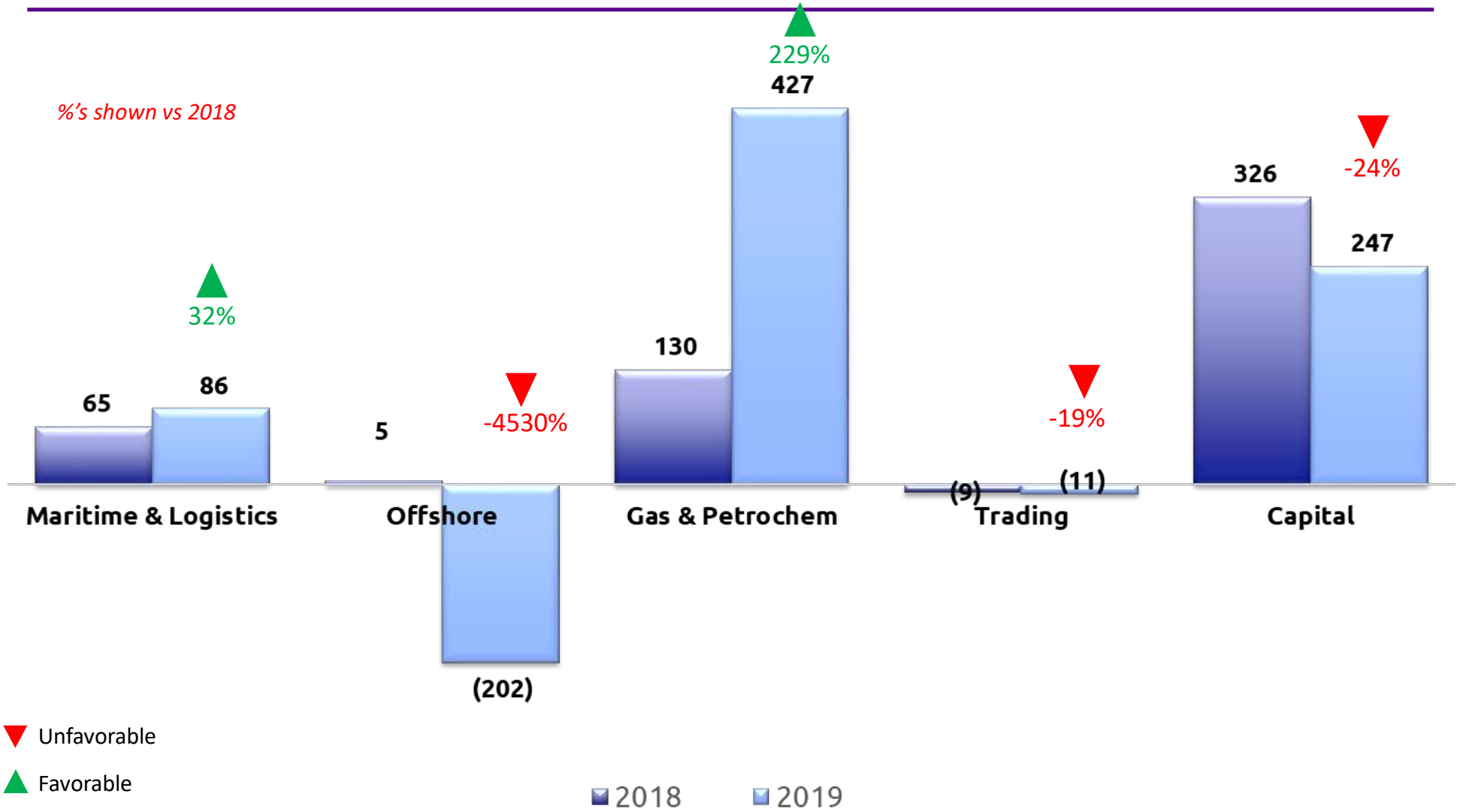
1. Moved Harbor Marine operations to the Offshore segment, out of the Gas & Petrochem segment
2. Moved Ship Management (Fleet & Technical) to the Maritime & Logistics segment, out of the Gas & Petrochem segment

These changes have no impact at the Company level. Subsequent slides are reflective of this and are shown on a comparative basis.

Net Profit, by Segment – Full Year

(All amounts in QR Millions)

%s shown vs 2018



▼ Unfavorable
▲ Favorable

■ 2018 ■ 2019



Statement of Income, by Segment – Full Year 2019

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	930	752	288	251	465	-	(286)	2,401
Salaries, Wages & Benefits	(347)	(71)	(26)	(16)	(7)	(121)	-	(588)
Operating Supplies & Expenses	(710)	(109)	(21)	(234)	(128)	(12)	237	(978)
Rent	(43)	(2)	(0)	(2)	(1)	(8)	48	(7)
Depreciation & Amortization	(30)	(184)	(80)	(1)	(66)	(2)	-	(362)
Provision of Impairment of Trade Receivables	(3)	(4)	-	(1)	(0)	0	-	(7)
Other Operating Expenses	(62)	(39)	(45)	4	(15)	(21)	0	(177)
Fleet & Technical Expense Allocation	302	(250)	(51)	-	-	-	-	(0)
Expense Allocation from Milaha Corporate	(108)	(16)	(12)	(13)	(14)	164	-	-
Operating Profit	(71)	78	52	(11)	235	(0)	0	283
Finance Costs	(17)	(53)	(36)	-	(1)	-	4	(103)
Finance Income	0	0	16	0	12	0	(4)	24
Net Gain on Disposal of Property, Vessels & Equipment	1	0	15	0	-	0	-	16
Share of Results of Associates	3	-	357	-	1	-	-	361
Share of Results of Joint Arrangements	201	-	37	-	-	-	-	239
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Net Gain on Foreign Exchange	0	(1)	(0)	(0)	(0)	0	-	(1)
Impairment of Vessels and Contract Work in Progress	(33)	(226)	(13)	-	-	-	-	(272)
Miscellaneous Income	-	-	-	-	-	-	-	-
Tax for the Year	-	(0)	(1)	-	(0)	-	-	(1)
Profit for the Period	86	(202)	427	(11)	247	0	0	546
Non-controlling interest	-	-	-	-	1	-	-	1
Net Profit Attributable To Equity Holders Of The Parent	86	(202)	427	(11)	247	0	0	547

Statement of Income, by Segment – Full Year 2018

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	904	666	299	297	517	-	(264)	2,420
Salaries, Wages & Benefits	(323)	(73)	(26)	(15)	(8)	(118)	-	(563)
Operating Supplies & Expenses	(652)	(90)	(24)	(266)	(115)	(8)	213	(941)
Rent	(46)	(4)	(0)	(2)	(4)	(9)	50	(15)
Depreciation & Amortization	(32)	(145)	(93)	(1)	(60)	(3)	-	(334)
Provision of Impairment of Trade Receivables	(3)	(3)	-	1	(2)	1	-	(7)
Other Operating Expenses	(68)	(31)	(14)	(11)	(12)	(23)	0	(159)
Fleet & Technical Expense Allocation	292	(231)	(61)	-	-	-	-	(0)
Expense Allocation from Milaha Corporate	(99)	(17)	(15)	(14)	(15)	160	-	0
Operating Profit	(26)	73	65	(11)	301	0	(0)	401
Finance Costs	(29)	(62)	(39)	-	(29)	-	11	(148)
Finance Income	0	10	14	1	48	0	(11)	62
Net Gain on Disposal of Property, Vessels & Equipment	2	(1)	(0)	0	(0)	(0)	-	1
Share of Results of Associates	2	-	270	-	1	-	-	273
Share of Results of Joint Arrangements	193	-	(28)	-	-	-	-	165
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Net Gain on Foreign Exchange	(0)	0	(0)	0	1	(0)	-	0
Impairment of Vessels and Contract Work in Progress	(75)	(15)	(153)	-	-	-	-	(243)
Miscellaneous Income	-	-	-	-	-	-	-	-
Tax for the Year	-	-	-	-	-	-	-	-
Profit for the Period	65	5	130	(9)	321	(0)	(0)	512
Non-controlling interest	-	-	-	-	5	-	-	5
Net Profit Attributable To Equity Holders Of The Parent	65	5	130	(9)	326	(0)	(0)	516

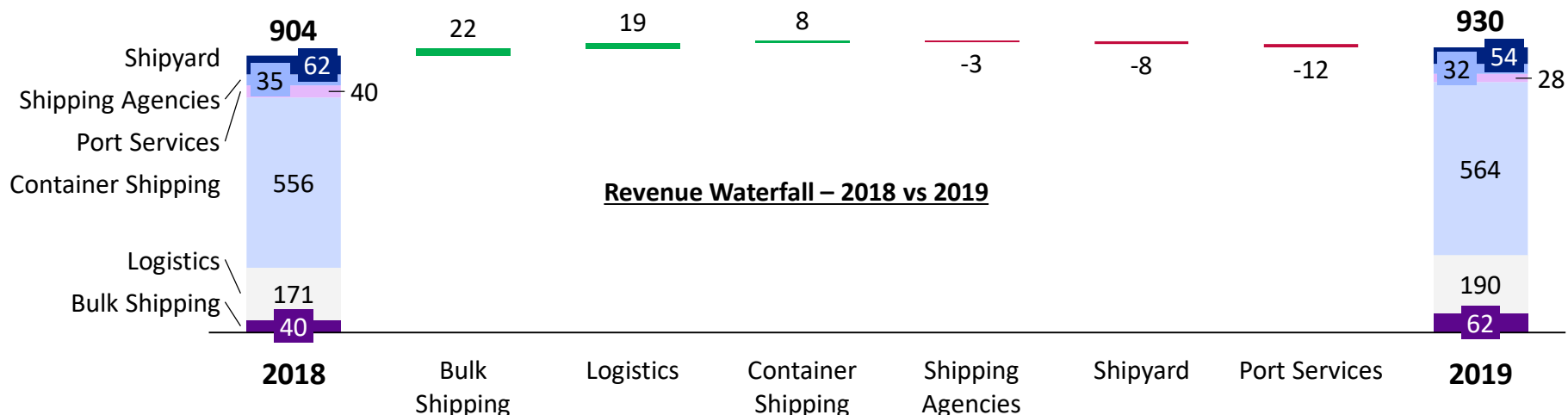
Segment Performance – Full Year

(All amounts in QR Millions)

3% Increase in Revenue and 32% increase in Net Profit

- **Revenue increase coming from Logistics & Bulk Shipping units**
 - Increase in Logistics driven by higher warehouse utilization
 - Bulk increase coming from additional vessel chartering activities
 - Drop in Ports due to decline in ancillary services provided in 2018
- **Operating Expenses are up QR (70)M**
 - Salaries & Wages increase tied to Logistics, and Offshore crew wages (offset is in Fleet & Tech allocation line, which goes to Offshore)
 - Higher Op Supplies & Exp tied to Logistics & Bulk revenue increases
- **Non-Operating Income is up QR 65M**
 - Milaha's QTerminals share increased by QR 9m
 - Container/Bulk Shipping vessel impairments decreased by QR 43m
 - Finance Cost decreased by QR 12M due to loan principal reduction

	2018	2019
Operating Revenue	904	930
Salaries, Wages and Other Benefits	(323)	(347)
Operating Supplies and Expenses	(652)	(710)
Rent Expenses	(46)	(43)
Depreciation and Amortisation	(32)	(30)
Provision of Impairment of Trade Receivables	(3)	(3)
Other Operating Expenses	(68)	(62)
Fleet & Technical Expense Allocation	292	302
Expense Allocation from Milaha Corporate	(99)	(108)
Operating Expenses	(931)	(1,001)
Operating Profit	(26)	(71)
Non-Operating Income/(Expense)	92	157
Profit for the Period	65	86



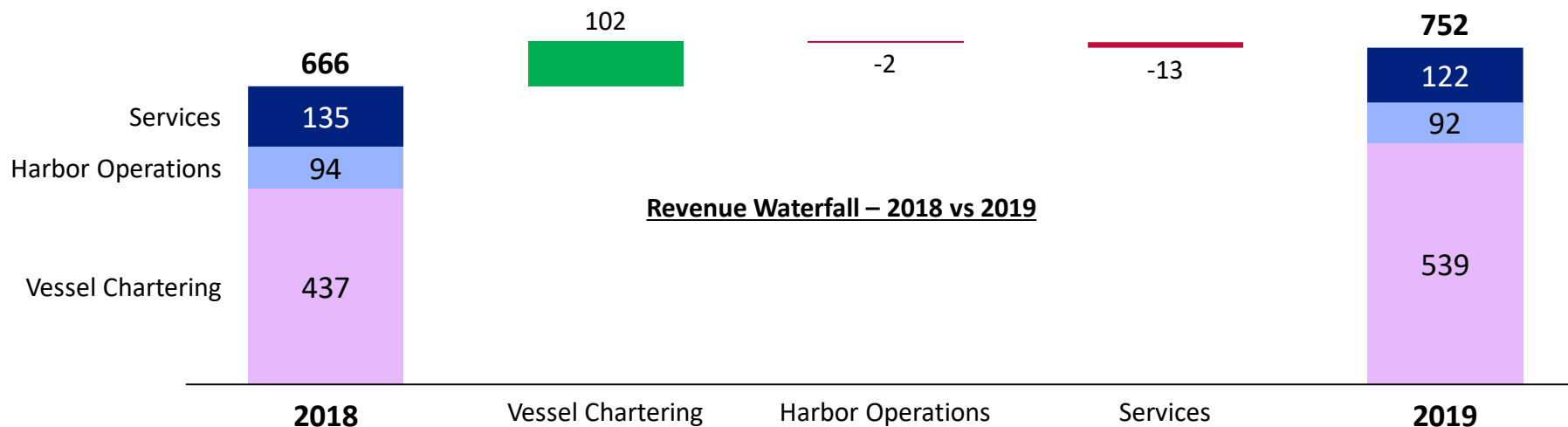
Segment Performance – Full Year

(All amounts in QR Millions)

13% Increase in Revenue and 4530% decline in bottom line

- **Revenue increase mainly from Vessel Chartering**
 - Average utilization increased from 78% in 2018 to 82% in 2019
 - Liftboat operational in Africa beginning H2 2018, hence YoY gain
 - New vessel additions in H2 2018 added to top-line growth
- **Operating Expenses increased by QR (81)M**
 - Additional Crewing, Fleet & Technical and Depreciation expenses tied to new vessel chartering & additions in H2 2018
 - Operating Supplies & Expenses correlated to revenue increase
- **Non-Operating Expenses increased by QR (212)M**
 - QR (211)M in higher vessel impairments recorded in 2019 vs 2018

	2018	2019
Operating Revenue	666	752
Salaries, Wages and Other Benefits	(73)	(71)
Operating Supplies and Expenses	(90)	(109)
Rent Expenses	(4)	(2)
Depreciation and Amortisation	(145)	(184)
Provision of Impairment of Trade Receivables	(3)	(4)
Other Operating Expenses	(31)	(39)
Fleet & Technical Expense Allocation	(231)	(250)
Expense Allocation from Milaha Corporate	(17)	(16)
Operating Expenses	(594)	(675)
Operating Profit	73	78
Non-Operating Income/(Expense)	(68)	(280)
Profit for the Period	5	(202)

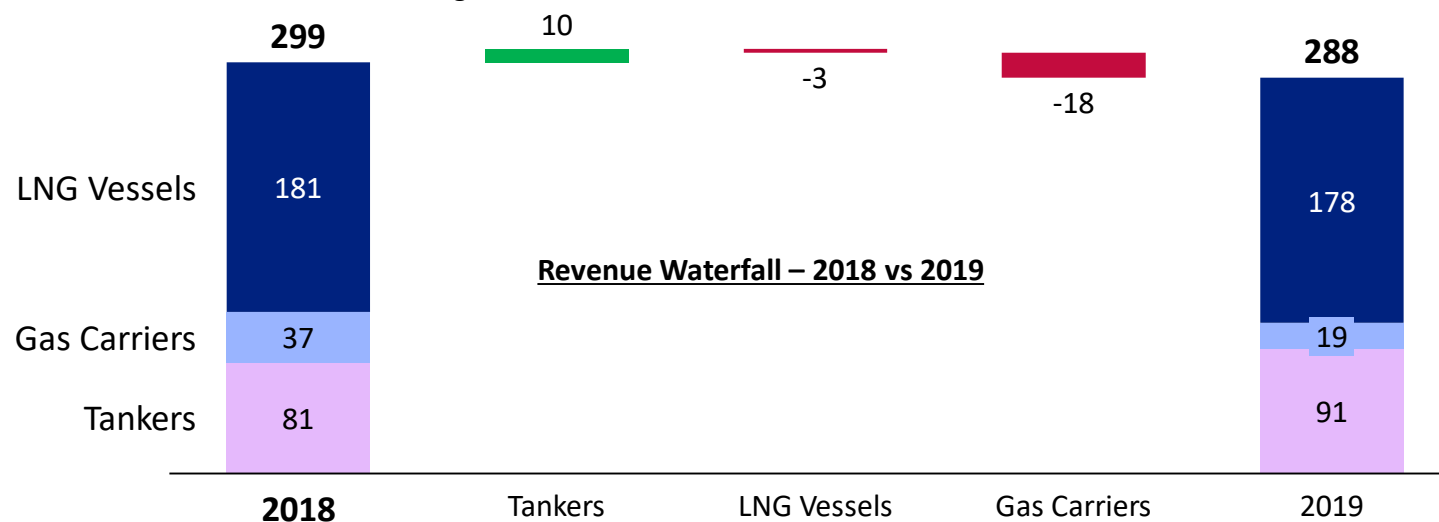


Segment Performance – Full Year

(All amounts in QR Millions)

3% Decline in Revenue and 229% Increase in Net Profit

- Slight revenue drop
 - Higher tanker market rates drove up Tankers unit
 - LNG Vessels reduction due to scheduled dry docking
 - Gas Carriers reduction due to reduced rates and utilization
- Overall Operating Expenses essentially flat
- Non-Operating Income up QR 310M
 - QR 140m in lower vessel impairments
 - QR 86m in higher Nakilat income
 - QR 65m in increased JV income (mainly from VLGC JV)
 - QR 15m Gain on Sale of 2 tankers + 1 gas carrier



	2018	2019
Operating Revenue	299	288
Salaries, Wages and Other Benefits	(26)	(26)
Operating Supplies and Expenses	(24)	(21)
Rent Expenses	(0)	(0)
Depreciation and Amortisation	(93)	(80)
Provision of Impairment of Trade Receivables	-	-
Other Operating Expenses	(14)	(45)
Fleet & Technical Expense Allocation	(61)	(51)
Expense Allocation from Milaha Corporate	(15)	(12)
Operating Expenses	(234)	(236)
Operating Profit	65	52
Non-Operating Income/(Expense)	65	375
Profit for the Period	130	427

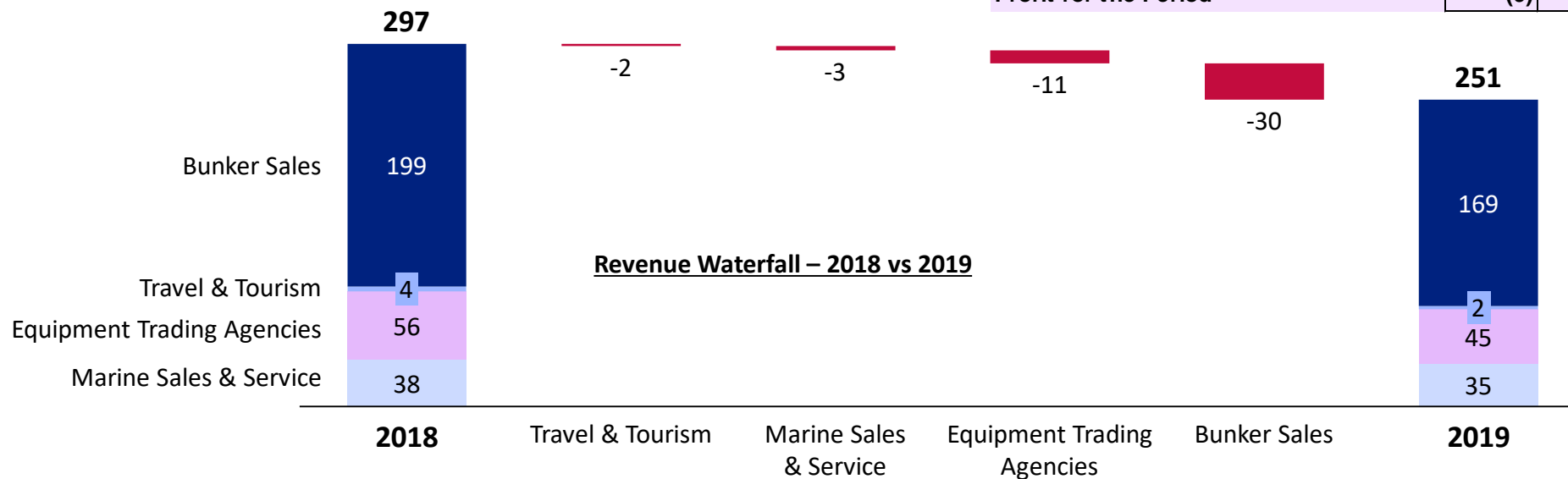
Segment Performance – Full Year

(All amounts in QR Millions)

15% Decline in Revenue and 19% decline in bottom line

- Large drop in bunker and heavy equipment sales, with an associated drop in Operating Expenses

	2018	2019
Operating Revenue	297	251
Salaries, Wages and Other Benefits	(15)	(16)
Operating Supplies and Expenses	(266)	(234)
Rent Expenses	(2)	(2)
Depreciation and Amortisation	(1)	(1)
Provision of Impairment of Trade Receivables	1	(1)
Other Operating Expenses	(11)	4
Expense Allocation from Milaha Corporate	(14)	(13)
Operating Expenses	(308)	(263)
Operating Profit	(11)	(11)
Non-Operating Income/ (Expense)	1	0
Profit for the Period	(9)	(11)



Segment Performance – Full Year

(All amounts in QR Millions)

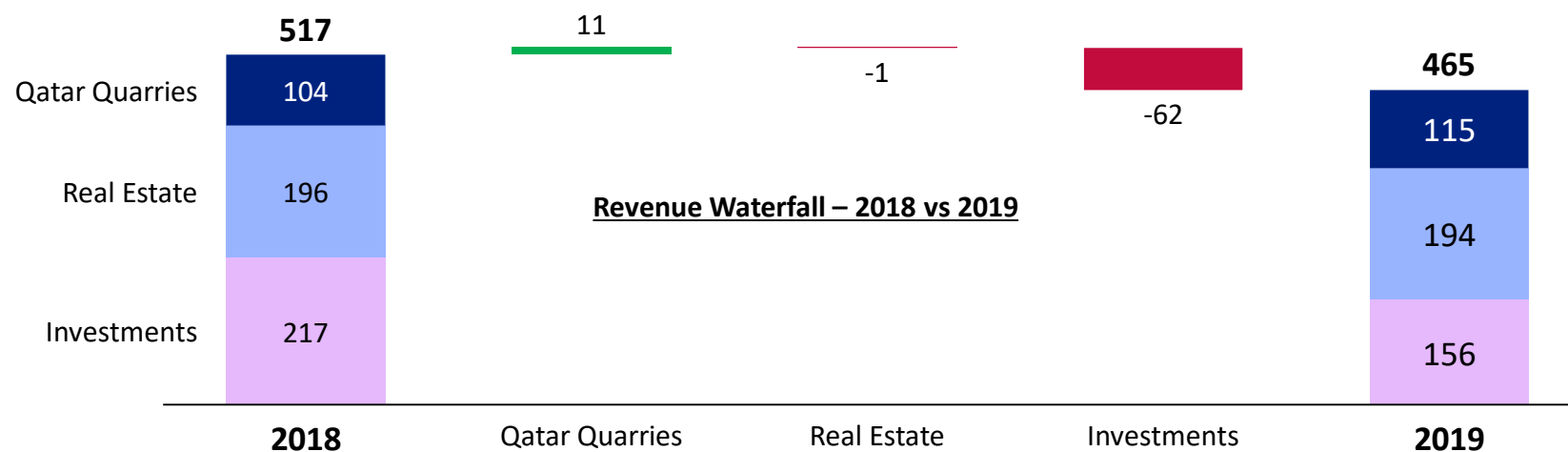
10% Decline in Revenue and 24% decline in Net Profit

- **QR (52)M decrease in Revenue mainly from Investments:**
 - QR (24)m decrease in dividend income mainly from HFT portfolio
 - QR (38)m decrease in HFT gains

Above both related to liquidation of HFT Investment portfolio and reallocation of funds to increase Nakilat stake (Feb 2019) from 30 to 36%

 - QR 11m increase in Qatar Quarries sales
- **Overall Operating Expenses increased QR (14)m, with QR 11m of that tied to an increase in Qatar Quarries Cost of Goods Sold**

	2018	2019
Operating Revenue	517	465
Salaries, Wages and Other Benefits	(8)	(7)
Operating Supplies and Expenses	(115)	(128)
Rent Expenses	(4)	(1)
Depreciation and Amortisation	(60)	(66)
Provision of Impairment of Trade Receivables	(2)	(0)
Other Operating Expenses	(12)	(15)
Expense Allocation from Milaha Corporate	(15)	(14)
Operating Expenses	(216)	(230)
Operating Profit	301	235
Non-Operating Income/ (Expense)	21	12
Profit for the Period	321	247
Non-controlling interest	5	1
Net Profit Attributable To Equity Holders Of The Parent	326	247



Outlook



- Expect stable volumes at Hamad port, keeping QTerminals income relatively steady
- Expect container shipping margins to moderately improve as a result of vessel network and cost optimizations underway
- Ramp-up of utilization in Milaha Logistics City warehouses continuing

Outlook



- Offshore Support Vessels
 - Expect to see continued operational strengthening in 2020 on both the Vessel Chartering and Services side based on early sales pipeline indications
- Harbor marine vessels
 - Expect stable revenue throughout the year

Outlook



- VLGCs:
 - charter rates well above same period last year. Cautiously optimistic about rest of year.

- Jointly & Fully owned LNG carriers
 - fairly stable earnings due to long term fixed nature of contracts

- 2 Fully-owned product tankers + 1 crude carrier
 - all trading on spot and exposed to market volatility; outlook unpredictable

- 1 Fully-owned gas / ammonia carrier
 - vessel on time charter through mid-2020; rates have increased since then and could see upside in H2 2020 if things hold.

- Results from Associates
 - expect stable growth from Nakilat share.

Outlook



- Expect modest improvement as a result of internal initiatives and sales efforts.

Outlook



- Limited Investments volatility
 - Majority of Held for Trading Portfolio liquidated

- Mixed results expected for Real Estate holdings
 - Existing properties to face pressure on rates
 - New villa compound construction in Ain Khaled complete, and awaiting imminent Civil Defense certification. Ongoing marketing efforts.