

YTD Sep 2019 Financial Summary Conference Call

October 30, 2019

Doha, Qatar

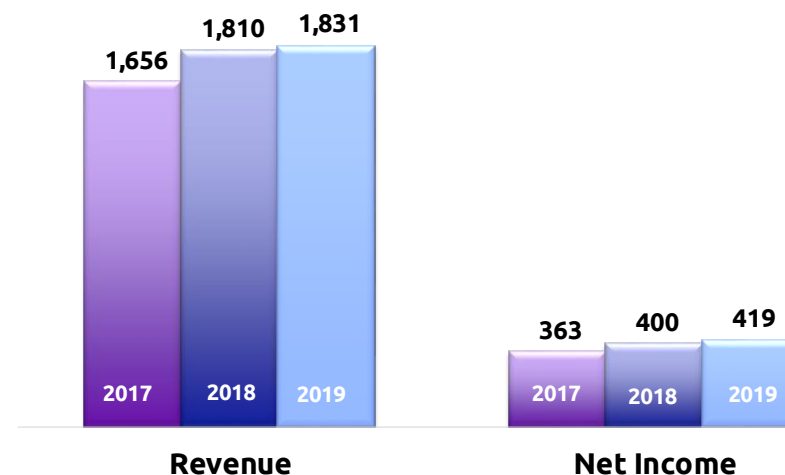
Consolidated Income Statement – YTD Sep

(All amounts in QR Millions)

	2017	2018	2019
Operating Revenue	1,656	1,810	1,831
Salaries, Wages and Other Benefits	(401)	(421)	(442)
Operating Supplies and Expenses	(673)	(689)	(728)
Rent Expenses	(10)	(12)	(7)
Depreciation and Amortisation	(262)	(246)	(269)
Provision of Impairment of Trade Receivables	(1)	(18)	(7)
Other Operating Expenses	(108)	(110)	(101)
Operating Expenses	(1,456)	(1,497)	(1,555)
Operating Profit	200	314	276
Finance Costs	(154)	(116)	(80)
Finance Income	122	48	20
Net Gain on Disposal of Property, Vessels & Equipment	(7)	(1)	7
Share of Results of Associates	192	207	267
Share of Results of Joint Arrangements	83	124	168
Impairment of Available-for-Sale Investments	(21)	-	-
Net Gain on Foreign Exchange	(2)	2	0
Impairment of Vessels & Contract Work in Progress	(60)	(183)	(243)
Miscellaneous Income	20	3	4
Non-Operating Profit	174	85	142
Profit for the Period	374	398	419
Non-controlling interest	(11)	1	0
Net Profit Attributable To Equity Holders Of The Parent	363	400	419

- Revenue ▲ 1.1%
- Operating Profit ▼ -12%
- Net Profit ▲ 5%

%s shown vs 2018



Activities by Segment

Maritime & Logistics

- Port Services
- Container Shipping
- Warehousing & Logistics
- Bulk Shipping
- Shipyard
- Shipping Line Agencies

Offshore

- Vessel Charter & Operations
- Diving & Subsea Services
- Construction and Maintenance Services
- Well Services
- Harbor Marine Operations

Gas & Petrochem

- LNG Transport
- LPG Transport
- Crude , Chemicals & CPP Transport
- Wholly Owned Product/Gas Carriers

Trading

- Heavy Equipment and Truck Agency
- Bunker Distribution
- Marine Engine and Lubricants Agency
- Travel & Tourism Agency

Capital

- Real Estate Development and Management
- Strategic and Financial Investments

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

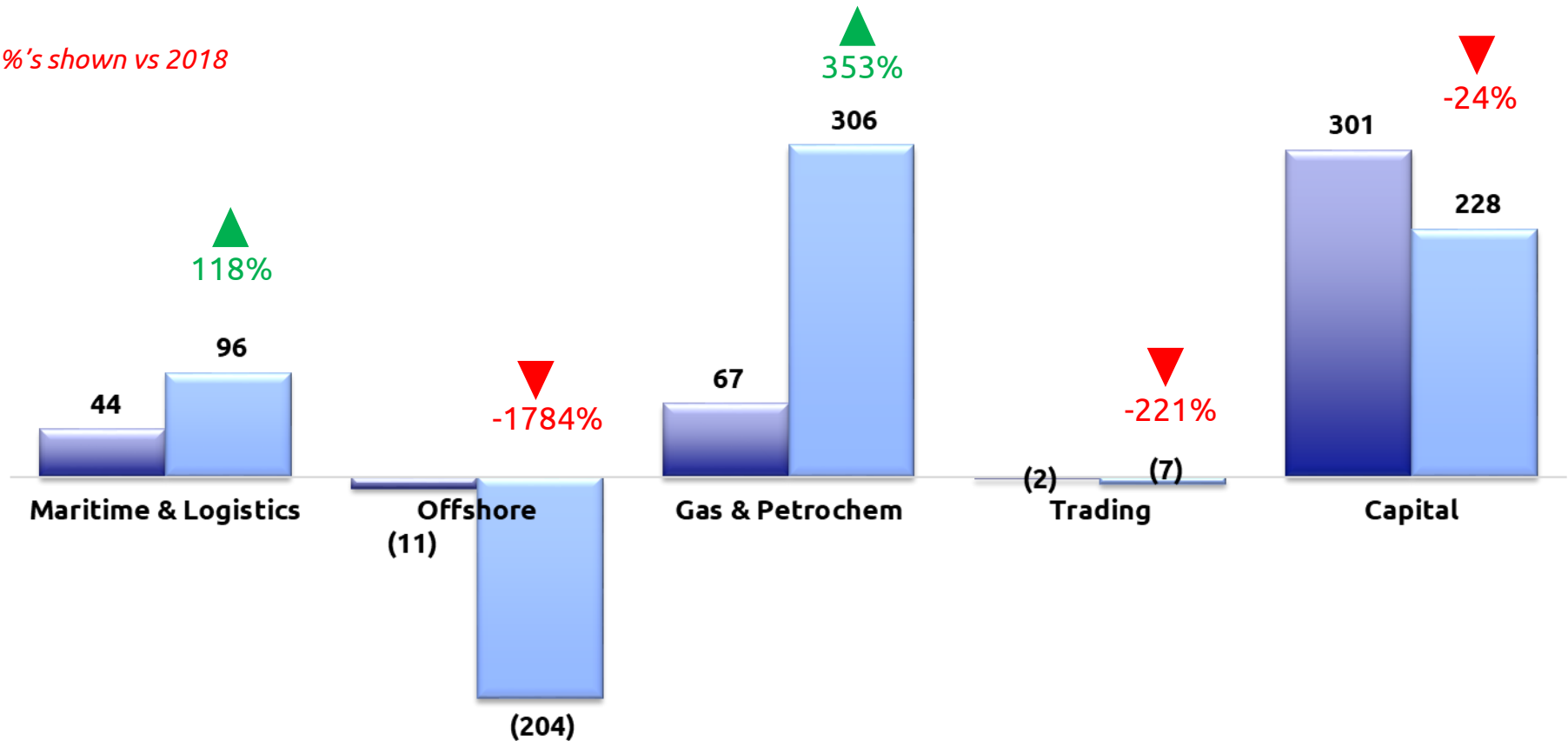
1. Moved Harbor Marine operations to the Offshore segment, out of the Gas & Petrochem segment
2. Moved Ship Management (Fleet & Technical) to the Maritime & Logistics segment, out of the Gas & Petrochem segment

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 – YTD Sep

(All amounts in QR Millions)

%s shown vs 2018



▼ Unfavorable

▲ Favorable

■ 2018

■ 2019

Statement of Income, by Segment – YTD Sep 2019

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	696	567	204	200	383	-	(219)	1,831
Salaries, Wages & Benefits	(261)	(54)	(20)	(12)	(5)	(91)	-	(442)
Operating Supplies & Expenses	(519)	(91)	(13)	(188)	(92)	(7)	182	(728)
Rent	(32)	(2)	(0)	(2)	(1)	(6)	36	(7)
Depreciation & Amortization	(23)	(135)	(61)	(1)	(49)	(2)	-	(269)
Provision of Impairment of Trade Receivables	(2)	(4)	-	(1)	0	0	-	(7)
Other Operating Expenses	(45)	(25)	(17)	6	(7)	(13)	0	(101)
Fleet & Technical Expense Allocation	222	(183)	(39)	-	-	-	-	0
Expense Allocation from Milaha Corporate	(78)	(12)	(9)	(9)	(10)	118	-	-
Operating Profit	(42)	62	44	(7)	219	(0)	0	276
Finance Costs	(13)	(40)	(29)	-	(1)	-	3	(80)
Finance Income	0	0	14	0	9	0	(3)	20
Net Gain on Disposal of Property, Vessels & Equipment	1	0	6	0	-	0	-	7
Share of Results of Associates	4	-	263	-	0	-	-	267
Share of Results of Joint Arrangements	150	-	17	-	-	-	-	168
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Net Gain on Foreign Exchange	0	(0)	(0)	-	-	(0)	-	0
Impairment of Vessels and Contract Work in Progress	(4)	(226)	(13)	-	-	-	-	(243)
Miscellaneous Income	-	-	4	-	0	-	-	4
All Other Non-Operating Expenses	-	-	-	-	-	-	-	-
Profit for the Period	96	(204)	306	(7)	228	(0)	0	419
Non-controlling interest	-	-	-	-	0	-	-	0
Net Profit Attributable To Equity Holders Of The Parent	96	(204)	306	(7)	228	(0)	0	419

Statement of Income, by Segment – YTD Sep 2018

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	678	449	218	229	438	-	(202)	1,810
Salaries, Wages & Benefits	(238)	(54)	(20)	(12)	(6)	(92)	-	(421)
Operating Supplies & Expenses	(489)	(51)	(19)	(205)	(85)	(4)	164	(689)
Rent	(34)	(3)	(0)	(1)	(3)	(7)	38	(12)
Depreciation & Amortization	(24)	(106)	(71)	(1)	(43)	(2)	-	(246)
Provision of Impairment of Trade Receivables	(10)	(7)	(0)	(1)	1	0	-	(18)
Other Operating Expenses	(51)	(21)	(10)	(2)	(8)	(17)	0	(110)
Fleet & Technical Expense Allocation	208	(162)	(45)	-	-	-	-	0
Expense Allocation from Milaha Corporate	(75)	(13)	(12)	(10)	(12)	122	-	(0)
Operating Profit	(36)	31	41	(3)	282	0	0	314
Finance Costs	(24)	(47)	(29)	-	(26)	-	9	(116)
Finance Income	0	7	10	1	39	0	(9)	48
Net Gain on Disposal of Property, Vessels & Equipment	0	(1)	-	0	(0)	(0)	-	(1)
Share of Results of Associates	1	-	205	-	1	-	-	207
Share of Results of Joint Arrangements	146	-	(21)	-	-	-	-	124
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Net Gain on Foreign Exchange	(0)	(0)	(0)	0	3	-	-	2
Impairment of Vessels and Contract Work in Progress	(43)	-	(140)	-	-	-	-	(183)
Miscellaneous Income	0	-	2	-	0	-	-	3
All Other Non-Operating Expenses	-	-	-	-	-	-	-	-
Profit for the Period	44	(11)	67	(2)	300	0	0	398
Non-controlling interest	-	-	-	-	1	-	-	1
Net Profit Attributable To Equity Holders Of The Parent	44	(11)	67	(2)	301	0	0	400

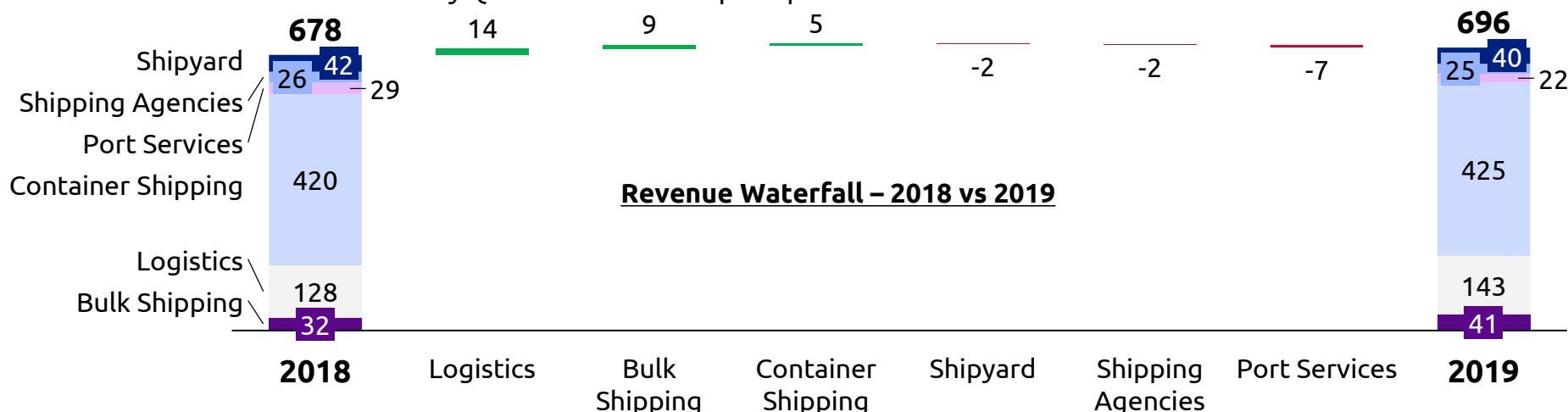
Segment Performance – YTD Sep

(All amounts in QR Millions)

3% Increase in Revenue and 118% 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 (24)M**
 - Salaries & Wages increase tied to increased 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 58M**
 - Milaha's QTerminals share increased by QR 5M
 - Container/Bulk Shipping vessel impairments decreased by QR 39M
 - Finance Cost decreased by QR 11M due to loan principal reduction

	2018	2019
Operating Revenue	678	696
Salaries, Wages and Other Benefits	(238)	(261)
Operating Supplies and Expenses	(489)	(519)
Rent Expenses	(34)	(32)
Depreciation and Amortisation	(24)	(23)
Provision of Impairment of Trade Receivables	(10)	(2)
Other Operating Expenses	(51)	(45)
Fleet & Technical Expense Allocation	208	222
Expense Allocation from Milaha Corporate	(75)	(78)
Operating Expenses	(714)	(738)
Operating Profit	(36)	(42)
Non-Operating Income/(Expense)	80	138
Profit for the Period	44	96



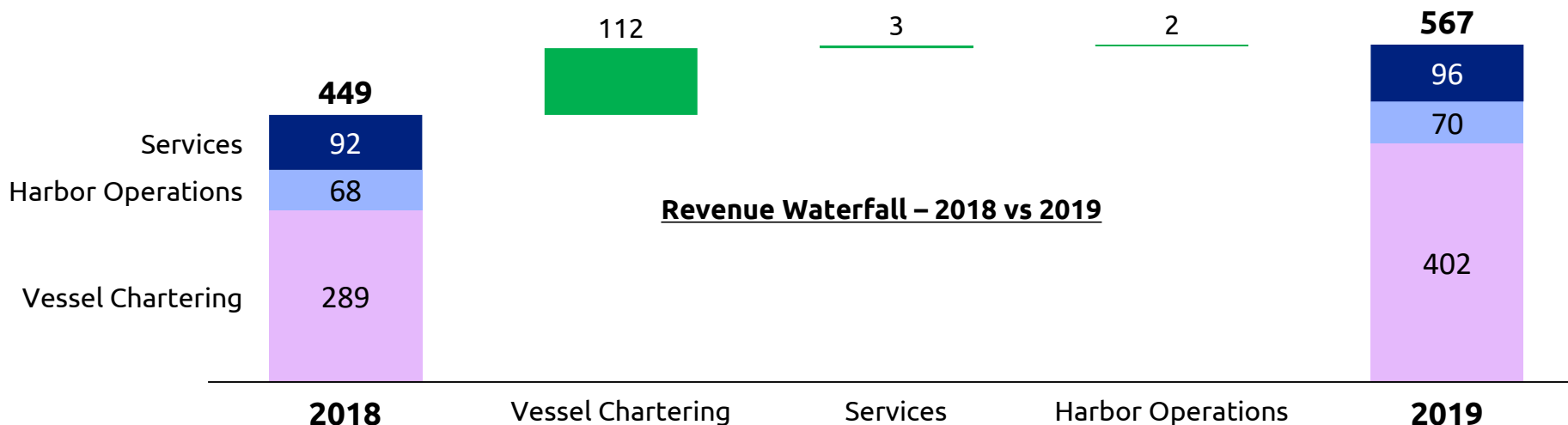
Segment Performance – YTD Sep

(All amounts in QR Millions)

26% Increase in Revenue and 1784% decline in bottom line

- **Revenue increase mainly from Vessel Chartering**
 - Average utilization increased from 79% 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 (87)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 (224)M**
 - QR (226)M in higher vessel impairments recorded in 2019 vs 2018

	2018	2019
Operating Revenue	449	567
Salaries, Wages and Other Benefits	(54)	(54)
Operating Supplies and Expenses	(51)	(91)
Rent Expenses	(3)	(2)
Depreciation and Amortisation	(106)	(135)
Provision of Impairment of Trade Receivables	(7)	(4)
Other Operating Expenses	(21)	(25)
Fleet & Technical Expense Allocation	(162)	(183)
Expense Allocation from Milaha Corporate	(13)	(12)
Operating Expenses	(419)	(506)
Operating Profit	31	62
Non-Operating Income/(Expense)	(42)	(266)
Profit for the Period	(11)	(204)



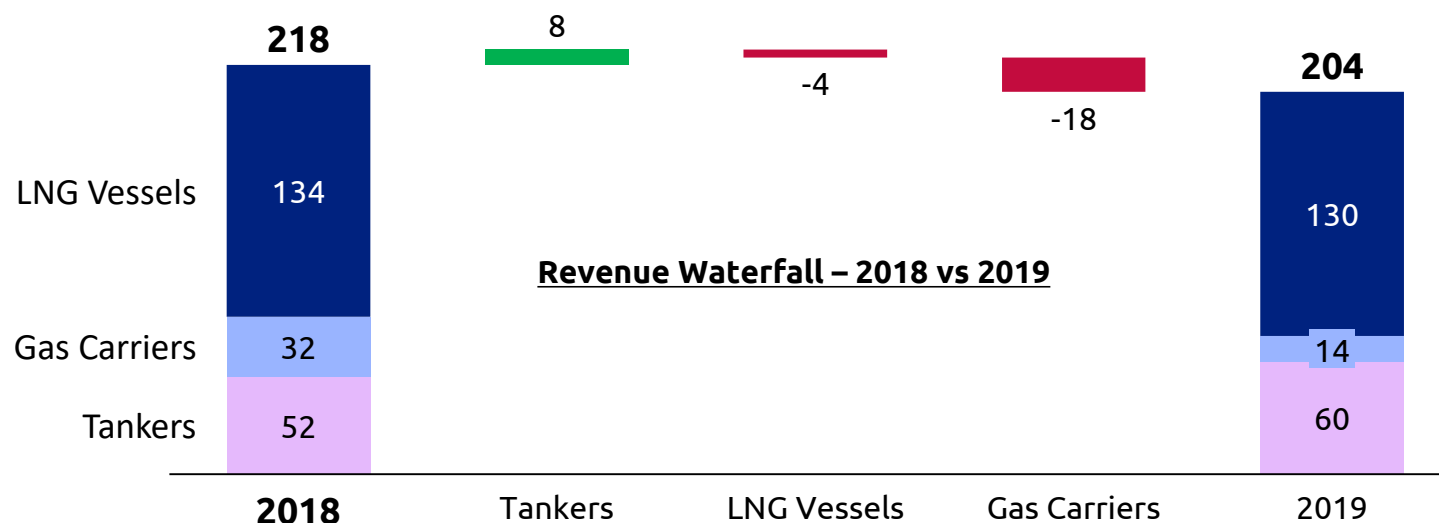
Segment Performance – YTD Sep

(All amounts in QR Millions)

7% Decline in Revenue and 353% 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 reduced marginally**
- **Non-Operating Income up QR 234M**
 - QR 127M in lower vessel impairments
 - QR 59M in higher Nakilat income
 - QR 39M in increased JV income (mainly from VLGC JV)

	2018	2019
Operating Revenue	218	204
Salaries, Wages and Other Benefits	(20)	(20)
Operating Supplies and Expenses	(19)	(13)
Rent Expenses	(0)	(0)
Depreciation and Amortisation	(71)	(61)
Provision of Impairment of Trade Receivables	(0)	-
Other Operating Expenses	(10)	(17)
Fleet & Technical Expense Allocation	(45)	(39)
Expense Allocation from Milaha Corporate	(12)	(9)
Operating Expenses	(177)	(159)
Operating Profit	41	44
Non-Operating Income/(Expense)	27	261
Profit for the Period	67	306



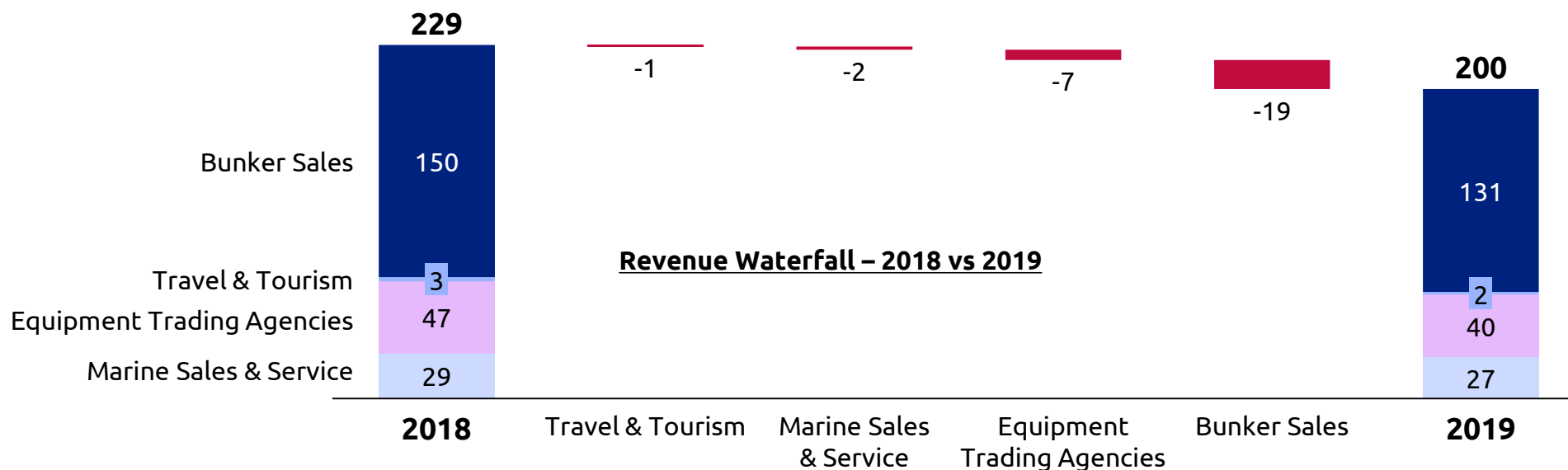
Segment Performance – YTD Sep

(All amounts in QR Millions)

12% Decline in Revenue and 221% decline in bottom line

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

	2018	2019
Operating Revenue	229	200
Salaries, Wages and Other Benefits	(12)	(12)
Operating Supplies and Expenses	(205)	(188)
Rent Expenses	(1)	(2)
Depreciation and Amortisation	(1)	(1)
Provision of Impairment of Trade Receivables	(1)	(1)
Other Operating Expenses	(2)	6
Expense Allocation from Milaha Corporate	(10)	(9)
Operating Expenses	(232)	(207)
Operating Profit	(3)	(7)
Non-Operating Income/(Expense)	1	0
Profit for the Period	(2)	(7)



Segment Performance – YTD Sep

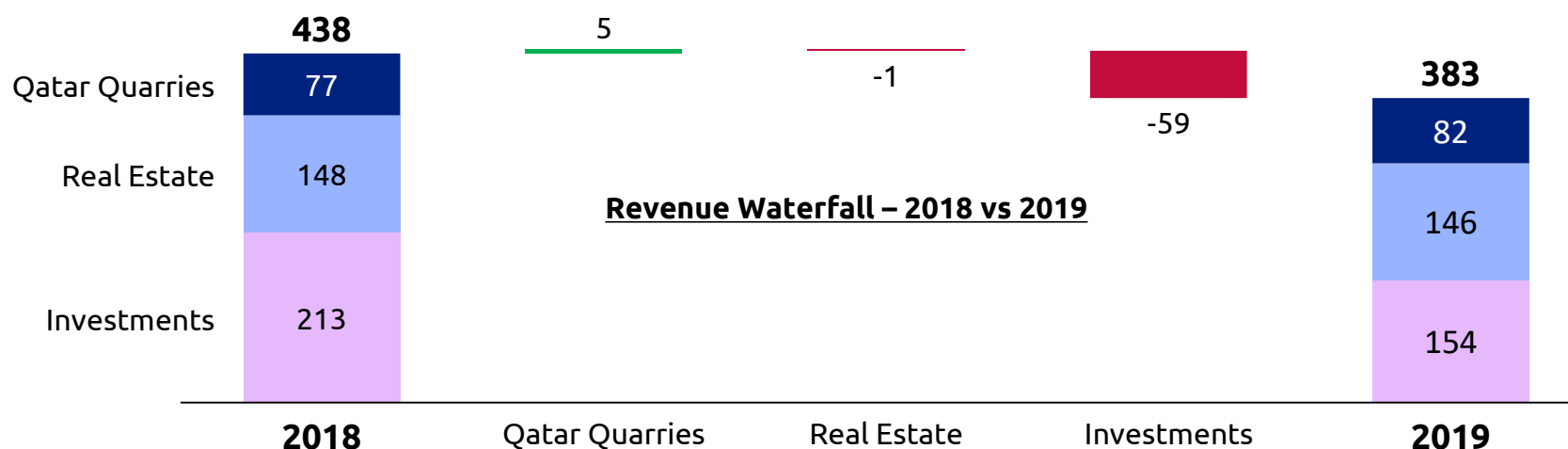
(All amounts in QR Millions)

13% Decline in Revenue and 24% decline in Net Profit

- **QR (55)M decrease in Revenue mainly from Investments:**
 - QR (24)M decrease in dividend income mainly from HFT portfolio
 - QR (35)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%
- **Overall Operating Expenses increased marginally, with majority tied to an increase in Qatar Quarries Cost of Goods Sold**

	2018	2019
Operating Revenue	438	383
Salaries, Wages and Other Benefits	(6)	(5)
Operating Supplies and Expenses	(85)	(92)
Rent Expenses	(3)	(1)
Depreciation and Amortisation	(43)	(49)
Provision of Impairment of Trade Receivables	1	0
Other Operating Expenses	(8)	(7)
Expense Allocation from Milaha Corporate	(12)	(10)
Operating Expenses	(157)	(163)
Operating Profit	282	219
Non-Operating Income/(Expense)	18	9
Profit for the Period	300	228
Non-controlling interest	1	0
Net Profit Attributable To Equity Holders Of The Parent	301	228



Outlook



- Expect limited volume volatility at Hamad port, keeping QTerminals income relatively steady
- Expect container feeder margins to remain under pressure
- Ramp-up of utilization in Milaha Logistics City warehouses continuing

Outlook



- Offshore Support Vessels: we expect to see year-over-year revenue and operating profit growth as a result of:
 - Full year impact from Liftboat which is employed in W Africa (began end of June 2018)
 - Commencement of new projects that began in H2 2018
- Harbor marine vessels: expect stable revenue throughout the year

Outlook



- VLGCs: charter rates improved substantially. Cautiously optimistic about rest of year.
- Jointly & Fully owned LNG carriers: fairly stable earnings due to long term fixed nature of contracts
- Fully-owned product tankers + 1 crude carrier: all trading on spot and exposed to market volatility; outlook remains uncertain
- Fully-owned gas / ammonia carriers: one vessel on time charter, one is on spot.
- Results from Associates: expect growth from additional 6% stake in Nakilat

Outlook



- Expect challenging outlook for this segment rest of year.

Outlook



- Limited Investments volatility:
 - Majority of Held for Trading Portfolio liquidated and used to acquire additional 6% Nakilat stake Feb 2019
- Given diverse nature of Real Estate holdings, expect stable returns
 - Villa compound in Ein Khaled expected for completion in 6-8 weeks