



# YTD Sep 2020 Financial Summary Conference Call

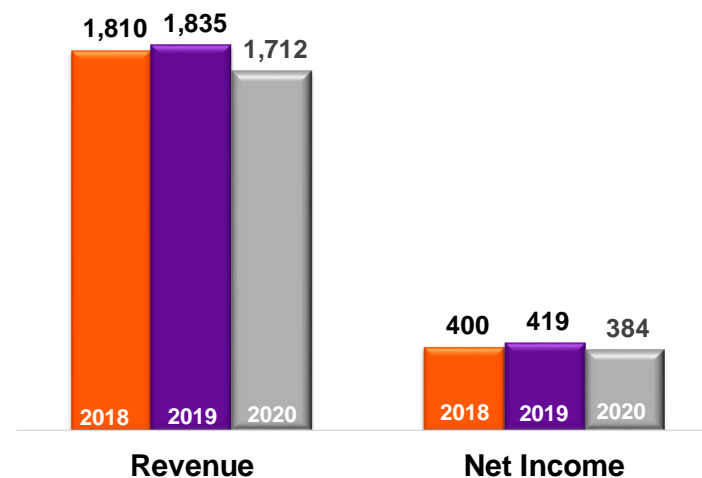
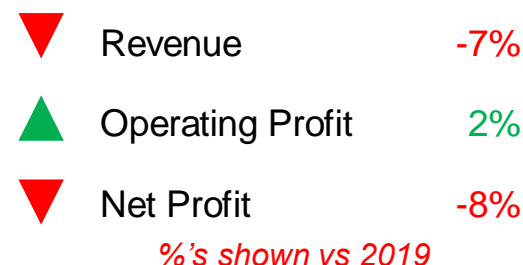
**Doha, Qatar**

**October 26, 2020**

# Consolidated Income Statement – YTD Sep

(All amounts in QR Millions)

	2018	2019	2020
<b>Operating Revenue</b>	<b>1,810</b>	<b>1,835</b>	<b>1,712</b>
Salaries, Wages and Other Benefits	(421)	(442)	(429)
Operating Supplies and Expenses	(689)	(728)	(589)
Rent Expenses	(12)	(7)	(2)
Depreciation and Amortisation	(246)	(269)	(277)
Provision of Impairment of Trade Receivables	(18)	(7)	(13)
Other Operating Expenses	(110)	(101)	(116)
<b>Operating Expenses</b>	<b>(1,497)</b>	<b>(1,555)</b>	<b>(1,426)</b>
<b>Operating Profit</b>	<b>314</b>	<b>280</b>	<b>286</b>
Finance Costs	(116)	(80)	(63)
Finance Income	48	20	15
Net Gain on Disposal of Property, Vessels & Equipment	(1)	7	14
Net Gain on Disposal of Investment Property	-	-	74
Share of Results of Associates	207	267	326
Share of Results of Joint Arrangements	124	168	166
Net Gain on Foreign Exchange	2	0	(1)
Impairment of Property, Vessels and Equipment	(183)	(243)	(432)
Miscellaneous Income	3	-	-
<b>Non-Operating Profit</b>	<b>85</b>	<b>138</b>	<b>99</b>
<b>Profit for the Period</b>	<b>398</b>	<b>419</b>	<b>385</b>
Non-controlling interest	1	0	(1)
<b>Net Profit Attributable To Equity Holders Of The Parent</b>	<b>400</b>	<b>419</b>	<b>384</b>



# Activities by Segment

 **Maritime & Logistics**

 **Offshore**

 **Gas & Petrochem**

 **Trading**

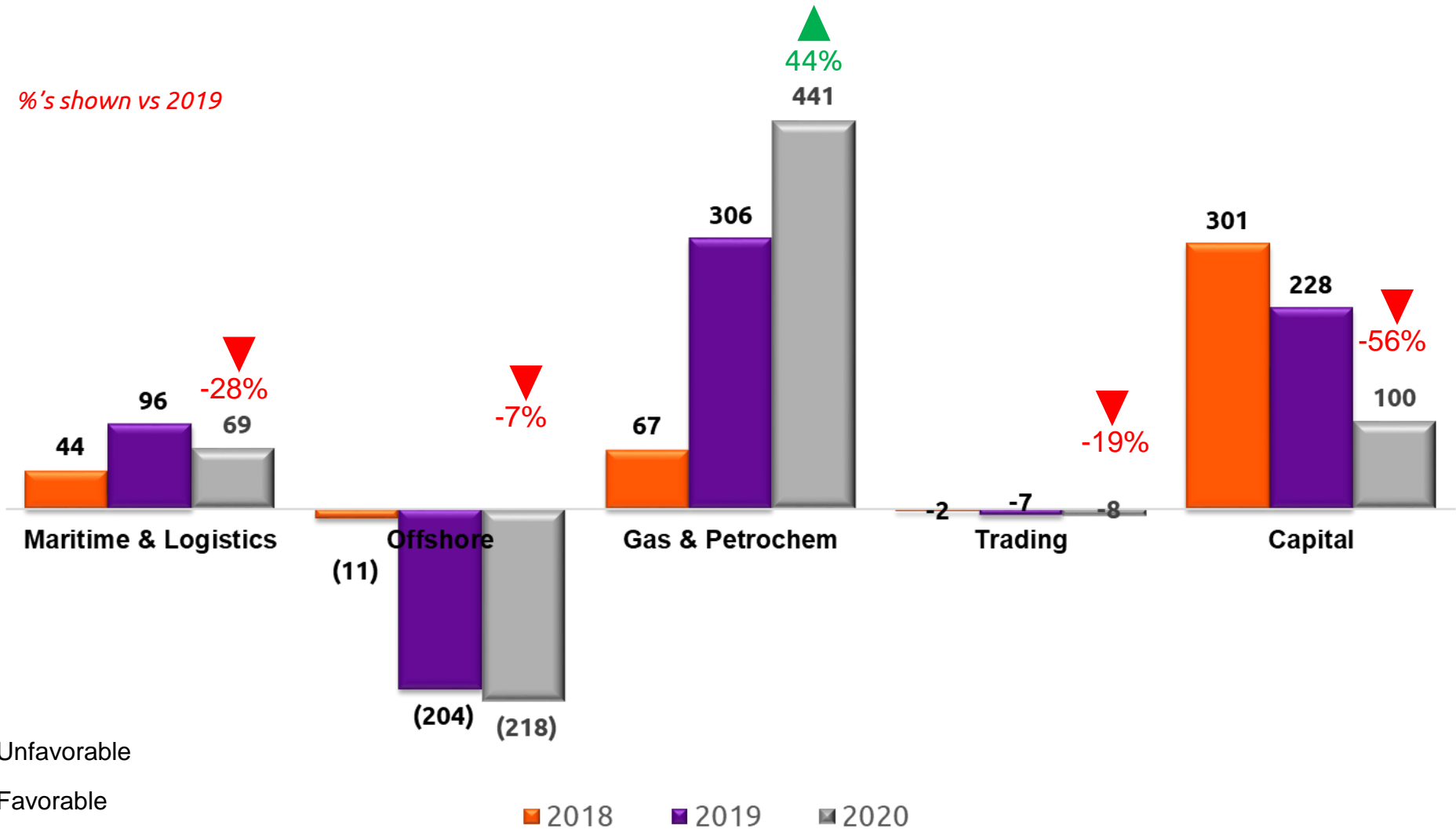
 **Capital**

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

(All amounts in QR Millions)

%s shown vs 2019



# Statement of Income, by Segment – YTD Sep 2020

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>634</b>	<b>581</b>	<b>237</b>	<b>127</b>	<b>318</b>	<b>(0)</b>	<b>(184)</b>	<b>1,712</b>
Salaries, Wages & Benefits	(244)	(56)	(20)	(9)	(6)	(94)	-	(429)
Operating Supplies & Expenses	(461)	(62)	(16)	(111)	(77)	(7)	145	(589)
Rent	(31)	(1)	(0)	(1)	(1)	(5)	38	(2)
Depreciation & Amortization	(21)	(157)	(52)	(1)	(45)	(1)	-	(277)
Provision of Impairment of Trade Receivables	(8)	(4)	-	(1)	(0)	(0)	(0)	(13)
Other Operating Expenses	(47)	(32)	(14)	(2)	(2)	(19)	1	(116)
Fleet & Technical Expense Allocation	198	(171)	(27)	-	-	-	-	0
Expense Allocation from Milaha Corporate	(83)	(15)	(8)	(10)	(10)	126	-	(0)
<b>Operating Profit</b>	<b>(64)</b>	<b>83</b>	<b>99</b>	<b>(8)</b>	<b>177</b>	<b>(0)</b>	<b>0</b>	<b>286</b>
Finance Costs	(7)	(33)	(25)	-	(0)	-	3	(63)
Finance Income	0	0	10	0	7	0	(3)	15
Net Gain on Disposal of Property, Vessels & Equipment	5	2	-	0	8	(0)	-	14
Net Gain on Disposal of Investment Property	-	-	-	-	74	-	-	74
Share of Results of Associates	2	-	326	-	(1)	-	-	326
Share of Results of Joint Arrangements	135	-	31	-	0	-	-	166
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Net Gain on Foreign Exchange	(0)	(1)	0	(0)	(0)	0	-	(1)
Impairment of Property, Vessels and Equipment	-	(269)	(0)	-	(163)	-	-	(432)
Miscellaneous Income	-	-	-	-	-	-	-	-
Tax for the Year	-	-	-	-	-	-	-	-
<b>Profit for the Period</b>	<b>69</b>	<b>(218)</b>	<b>441</b>	<b>(8)</b>	<b>101</b>	<b>(0)</b>	<b>0</b>	<b>385</b>
Non-controlling interest	-	-	-	-	(1)	-	-	(1)
<b>Net Profit Attributable To Equity Holders Of The Parent</b>	<b>69</b>	<b>(218)</b>	<b>441</b>	<b>(8)</b>	<b>100</b>	<b>(0)</b>	<b>0</b>	<b>384</b>

# Statement of Income, by Segment – YTD Sep 2019

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>696</b>	<b>567</b>	<b>208</b>	<b>200</b>	<b>383</b>	<b>-</b>	<b>(219)</b>	<b>1,835</b>
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	-	-
<b>Operating Profit</b>	<b>(42)</b>	<b>62</b>	<b>48</b>	<b>(7)</b>	<b>219</b>	<b>(0)</b>	<b>0</b>	<b>280</b>
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
Net Gain on Disposal of Investment Property	-	-	-	-	-	-	-	-
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 Property, Vessels and Equipment	(4)	(226)	(13)	-	-	-	-	(243)
Miscellaneous Income	-	-	-	-	-	-	-	-
Tax for the Year	-	-	-	-	-	-	-	-
<b>Profit for the Period</b>	<b>96</b>	<b>(204)</b>	<b>306</b>	<b>(7)</b>	<b>228</b>	<b>(0)</b>	<b>0</b>	<b>419</b>
Non-controlling interest	-	-	-	-	0	-	-	0
<b>Net Profit Attributable To Equity Holders Of The Parent</b>	<b>96</b>	<b>(204)</b>	<b>306</b>	<b>(7)</b>	<b>228</b>	<b>(0)</b>	<b>0</b>	<b>419</b>

# Segment Performance – YTD Sep

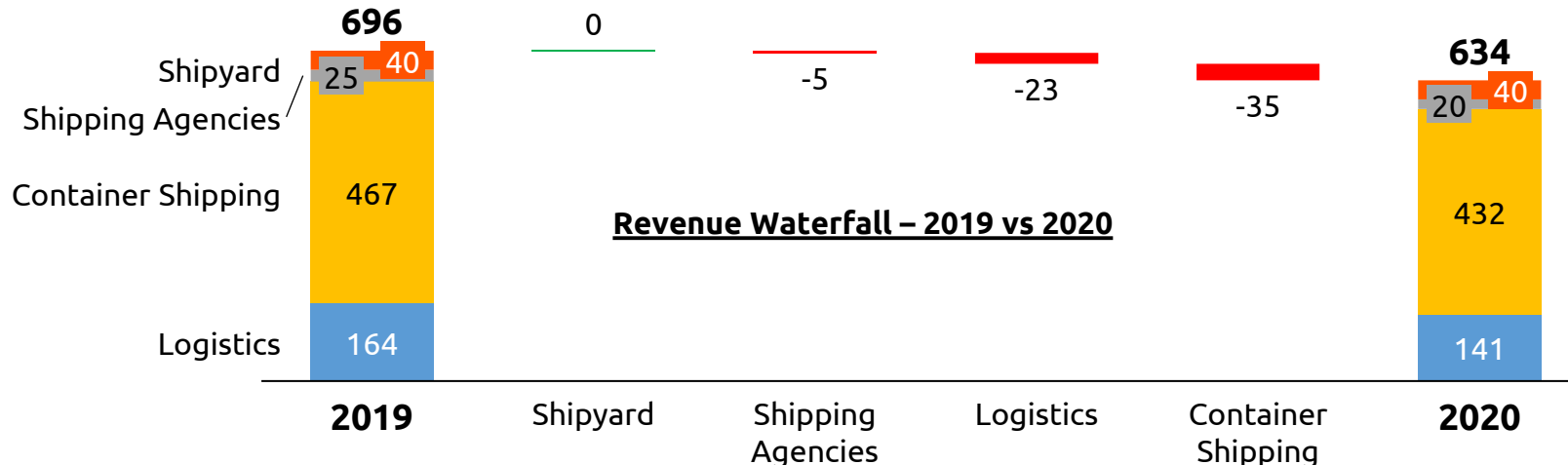
(All amounts in QR Millions)

## Maritime & Logistics

### 9% Decrease in Revenue and 28% decline in Net Profit

- Revenue decrease primarily from Container Shipping (incl Bulk) & Logistics unit
  - COVID19 lockdowns & demand disruptions impacted volumes/work
  - Bulk chartering activities discontinued
- Operating Expenses are down QR 40M
  - 58m decrease in Operating Supplies & Expenses tied to revenue decreases in Container Shipping (including Bulk) & Logistics
  - (6)m increase in Provision for Bad Debt
- Non-Operating Income is up QR 4M
  - Bulk Shipping vessel impairments decreased by 4m
  - Gain on Sale of 2 Container Shipping vessels of 4m
  - Lower Finance costs of 3m
  - (7)m decrease in share of QTerminals profit

	2018	2019	2020
<b>Operating Revenue</b>	<b>678</b>	<b>696</b>	<b>634</b>
Salaries, Wages and Other Benefits	(238)	(261)	(244)
Operating Supplies and Expenses	(489)	(519)	(461)
Rent Expenses	(34)	(32)	(31)
Depreciation and Amortisation	(24)	(23)	(21)
Provision of Impairment of Trade Receivables	(10)	(2)	(8)
Other Operating Expenses	(51)	(45)	(47)
Fleet & Technical Expense Allocation	208	222	198
Expense Allocation from Milaha Corporate	(75)	(78)	(83)
<b>Operating Expenses</b>	<b>(714)</b>	<b>(738)</b>	<b>(698)</b>
<b>Operating Profit</b>	<b>(36)</b>	<b>(42)</b>	<b>(64)</b>
<b>Non-Operating Income/(Expense)</b>	<b>80</b>	<b>138</b>	<b>134</b>
<b>Profit for the Period</b>	<b>44</b>	<b>96</b>	<b>69</b>



# Segment Performance – YTD Sep

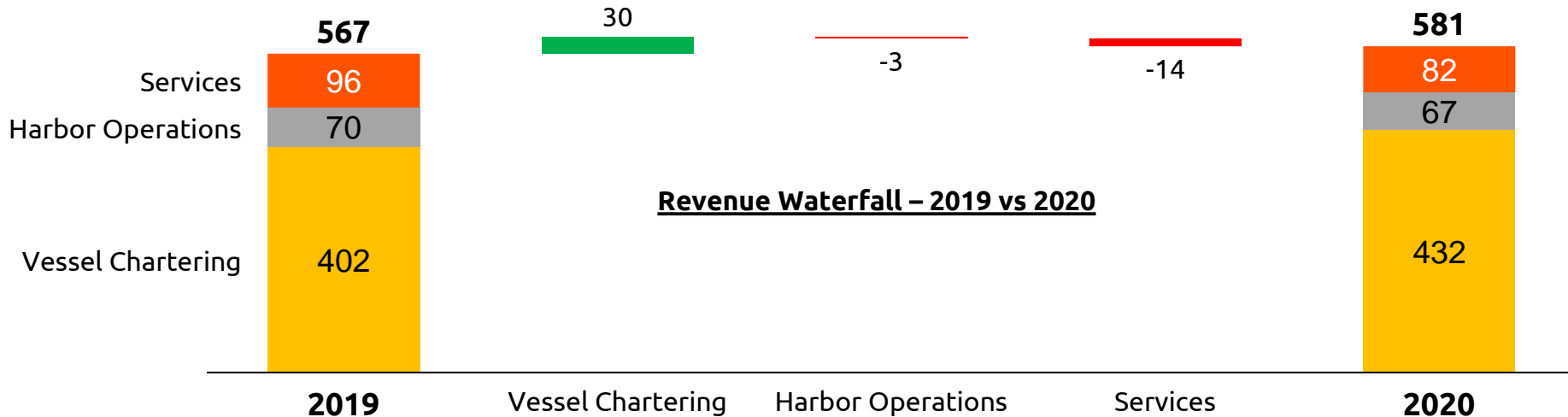
(All amounts in QR Millions)

## Offshore Marine

### 2% Increase in Revenue and 7% Increase in Bottom Line

- **Revenue increase coming from Vessel Chartering**
  - YTD average utilization for regional fleet decreased slightly from 82% in 2019 to 79% in 2020, however higher earning vessel utilizations increased; Liftboat (working in Africa) utilization increased due mechanical breakdown that occurred in 2019
  - Additional increase in 3<sup>rd</sup> party chartered-in vessel revenue
- **Operating Expenses decreased by QR 8M**
  - Reduction in Operating Supplies & Expenses was partially offset by increased (right-of-use) depreciation expense related to chartered-in vessels (IFRS 16)
- **Non-Operating Expenses increased by QR (35)M**
  - (43)M in higher vessel impairments recorded in 2020 vs 2019
  - 7m in lower net of Finance Income/Expense

	2018	2019	2020
<b>Operating Revenue</b>	<b>449</b>	<b>567</b>	<b>581</b>
Salaries, Wages and Other Benefits	(54)	(54)	(56)
Operating Supplies and Expenses	(51)	(91)	(62)
Rent Expenses	(3)	(2)	(1)
Depreciation and Amortisation	(106)	(135)	(157)
Provision of Impairment of Trade Receivables	(7)	(4)	(4)
Other Operating Expenses	(21)	(25)	(32)
Fleet & Technical Expense Allocation	(162)	(183)	(171)
Expense Allocation from Milaha Corporate	(13)	(12)	(15)
<b>Operating Expenses</b>	<b>(419)</b>	<b>(506)</b>	<b>(498)</b>
<b>Operating Profit</b>	<b>31</b>	<b>62</b>	<b>83</b>
<b>Non-Operating Income/(Expense)</b>	<b>(42)</b>	<b>(266)</b>	<b>(301)</b>
<b>Profit for the Period</b>	<b>(11)</b>	<b>(204)</b>	<b>(218)</b>





# Segment Performance – YTD Sep

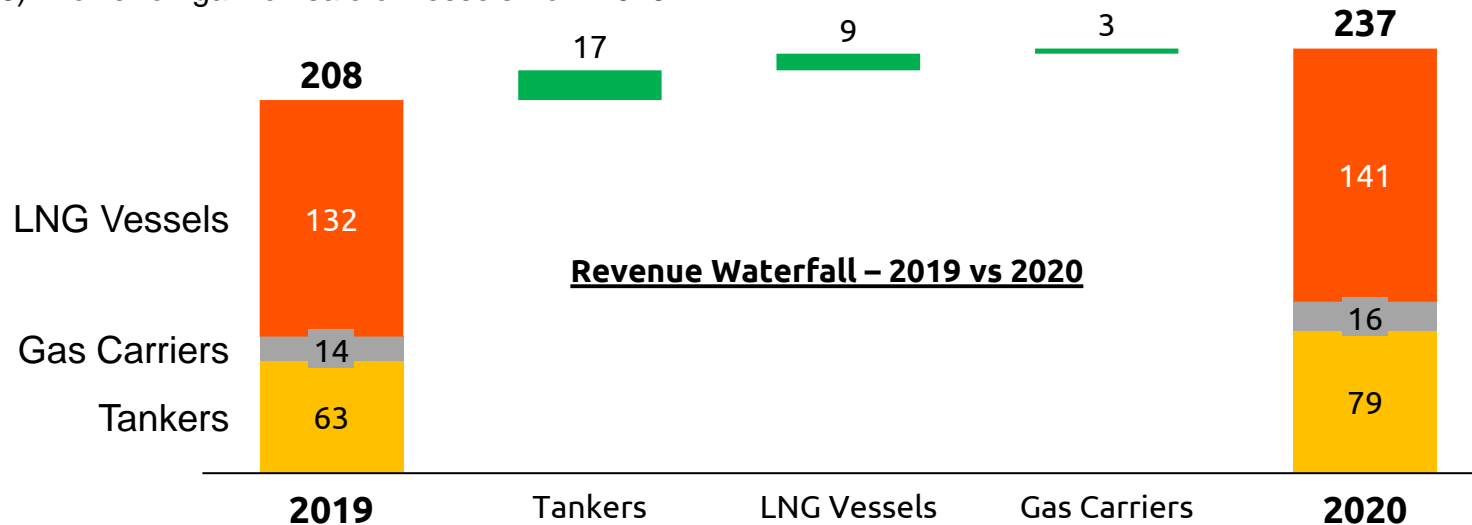
(All amounts in QR Millions)

## Gas & Petrochem

### 14% Increase in Revenue and 44% Increase in Net Profit

- **Revenue increased by QR 22m**
  - LNG Vessels increased by 9m driven by higher utilization due to a 2019 drydocking + one-time adjustments
  - 2 Tankers were sold in 2019, however higher market rates on the 3 remaining vessels more than offset lost revenue
- **Operating Expenses down QR 21M**
  - Less vessels (2 less Tankers + 1 less Gas Carrier) reduced costs
- **Non-Operating Income up QR 84M**
  - 13m in lower vessel impairments
  - 63m in higher Associated income (mainly from Nakilat)
  - 14m in increased JV income (mainly from VLGC JV)
  - (6)m lower on gain on sale of vessels from 2019

	2018	2019	2020
<b>Operating Revenue</b>	<b>218</b>	<b>208</b>	<b>237</b>
Salaries, Wages and Other Benefits	(20)	(20)	(20)
Operating Supplies and Expenses	(19)	(13)	(16)
Rent Expenses	(0)	(0)	(0)
Depreciation and Amortisation	(71)	(61)	(52)
Other Operating Expenses	(10)	(17)	(14)
Fleet & Technical Expense Allocation	(45)	(39)	(27)
Expense Allocation from Milaha Corporate	(12)	(9)	(8)
<b>Operating Expenses</b>	<b>(177)</b>	<b>(159)</b>	<b>(138)</b>
<b>Operating Profit</b>	<b>41</b>	<b>48</b>	<b>99</b>
<b>Non-Operating Income/(Expense)</b>	<b>27</b>	<b>258</b>	<b>342</b>
<b>Profit for the Period</b>	<b>67</b>	<b>306</b>	<b>441</b>



# Segment Performance – YTD Sep

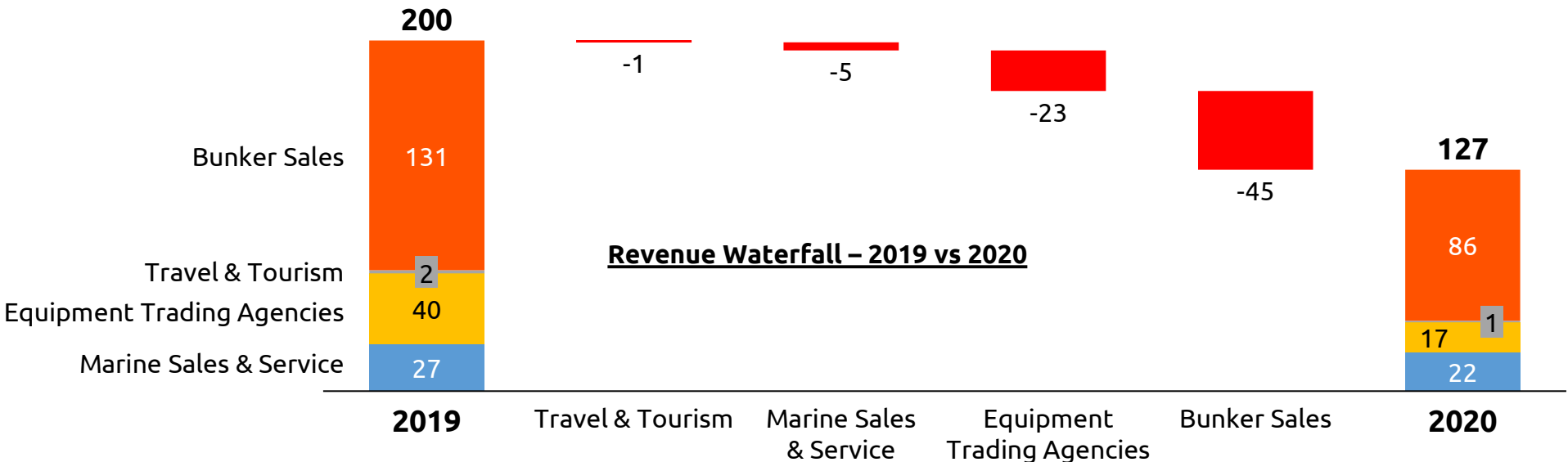
(All amounts in QR Millions)

Trading

**37% Decline in Revenue and 19% Decline in bottom line**

- Lower sales in all units led to an increase in net loss

	2018	2019	2020
<b>Operating Revenue</b>	<b>229</b>	<b>200</b>	<b>127</b>
Salaries, Wages and Other Benefits	(12)	(12)	(9)
Operating Supplies and Expenses	(205)	(188)	(111)
Rent Expenses	(1)	(2)	(1)
Depreciation and Amortisation	(1)	(1)	(1)
Provision of Impairment of Trade Receivables	(1)	(1)	(1)
Other Operating Expenses	(2)	6	(2)
Expense Allocation from Milaha Corporate	(10)	(9)	(10)
<b>Operating Expenses</b>	<b>(232)</b>	<b>(207)</b>	<b>(135)</b>
<b>Operating Profit</b>	<b>(3)</b>	<b>(7)</b>	<b>(8)</b>
<b>Non-Operating Income/(Expense)</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Profit for the Period</b>	<b>(2)</b>	<b>(7)</b>	<b>(8)</b>



# Segment Performance – YTD Sep

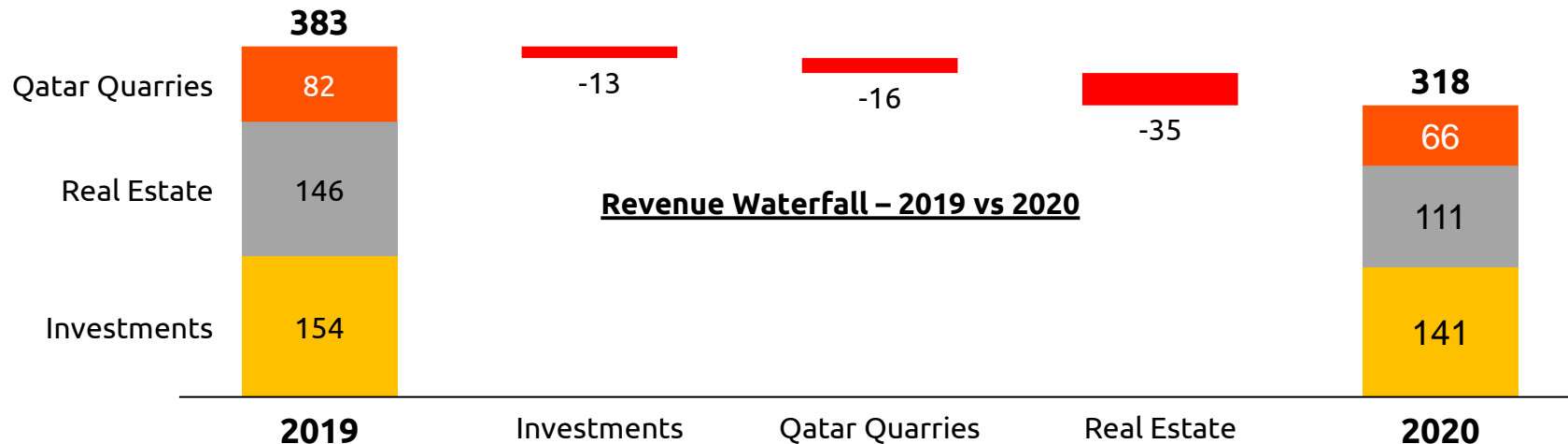
(All amounts in QR Millions)

Capital

## 17% Decline in Revenue and 56% Decline in Net Profit

- **QR (65)M decrease in Revenue split:**
  - (6)m decrease in dividend income
  - (14)m decrease from HFT portfolio (now fully liquidated) returns
  - +8m Bond Income
  - (16)m decrease in Qatar Quarries sales
  - (35)m decrease in Real Estate income
- **Overall Operating Expenses decreased QR 22m mainly due to a reduction in Qatar Quarries Cost of Goods Sold**
- **Non-Operating Income down QR (85)M**
  - 82m Gain on Sale of Real Estate properties
  - (163)m Impairment on real estate asset

	2018	2019	2020
<b>Operating Revenue</b>	<b>438</b>	<b>383</b>	<b>318</b>
Salaries, Wages and Other Benefits	(6)	(5)	(6)
Operating Supplies and Expenses	(85)	(92)	(77)
Rent Expenses	(3)	(1)	(1)
Depreciation and Amortisation	(43)	(49)	(45)
Provision of Impairment of Trade Receivables	1	0	(0)
Other Operating Expenses	(8)	(7)	(2)
Expense Allocation from Milaha Corporate	(12)	(10)	(10)
<b>Operating Expenses</b>	<b>(157)</b>	<b>(163)</b>	<b>(141)</b>
<b>Operating Profit</b>	<b>282</b>	<b>219</b>	<b>177</b>
<b>Non-Operating Income/(Expense)</b>	<b>18</b>	<b>9</b>	<b>(76)</b>
<b>Profit for the Period</b>	<b>300</b>	<b>228</b>	<b>101</b>
Non-controlling interest	1	0	(1)
<b>Net Profit Attributable To Equity Holders Of The Parent</b>	<b>301</b>	<b>228</b>	<b>100</b>



### ➤ **QTerminals**

- Expect volume stability/increase at Hamad port for rest of year

### ➤ **Container Shipping**

- The impact of COVID19 on both supply and demand is stabilizing so barring anything unforeseen, we expect stable volumes/revenue.

### ➤ **Logistics**

- Utilization continues to increase in Milaha Logistics City warehouses
- Import/Export trade volumes expected to increase but onsite project work with clients is spotty – some have shutdown (and continue to be) operations completely due to COVID19 outbreaks & precautions

### ➤ Offshore Support Vessels

- Outlook for the rest of the year is expected to be stable. Vessel offhires due to COVID19 have been minimal and mitigated but are difficult to predict going forward.

### ➤ Harbor Operations

- Expect stable revenue throughout the year

### ➤ VLGCs:

- Charter rates extremely volatile but have thus far been positive; outlook unpredictable

### ➤ 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; cautiously optimistic

### ➤ 1 Fully-owned gas / ammonia carrier

- Vessel renewed time charter that was expiring in Jun 2020 for 2 more years

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

- Expect difficult rest of year as COVID19 has directly and indirectly impacted demand

### ➤ **Limited Investments volatility**

- Held for Trading Portfolio liquidated

### ➤ **Mixed results expected for Real Estate holdings**

- Much has already been absorbed, and don't expect much pressure on rental rates rest of year
- Navigation Tower lease renewed, albeit at lower rate
- New villa compound construction in Ain Khaled completed, yet still awaiting approvals while simultaneously continuing with marketing efforts.