

# YTD Sep 2018 Financial Summary Conference Call

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November 5, 2018

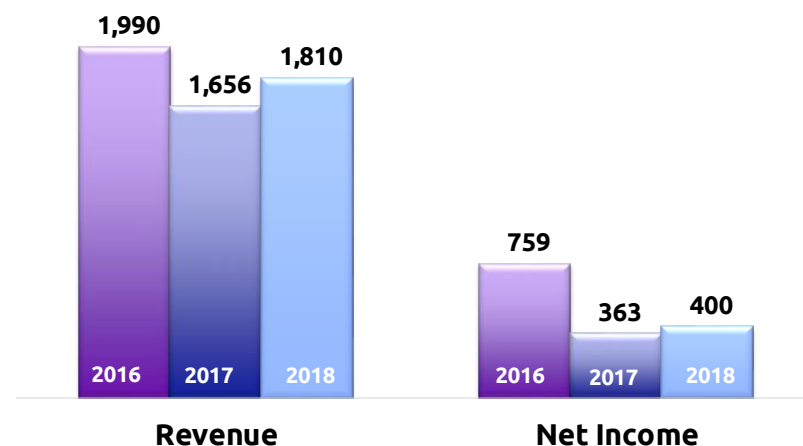
Doha, Qatar

# Interim Consolidated Income Statement – YTD Sep

(All amounts in QR Millions)

	2016	2017	2018
<b>Operating Revenue</b>	<b>1,990</b>	<b>1,656</b>	<b>1,810</b>
Salaries, Wages and Other Benefits	(487)	(401)	(421)
Operating Supplies and Expenses	(616)	(673)	(689)
Rent Expenses	(12)	(10)	(12)
Depreciation and Amortisation	(245)	(262)	(246)
Other Operating Expenses	(118)	(109)	(128)
<b>Operating Expenses</b>	<b>(1,477)</b>	<b>(1,456)</b>	<b>(1,497)</b>
<b>Operating Profit</b>	<b>513</b>	<b>200</b>	<b>314</b>
Finance Costs	(131)	(154)	(116)
Finance Income	126	122	48
Net Gain on Disposal of Property, Vessels & Equipment	(4)	(7)	(1)
Share of Results of Associates	236	192	207
Share of Results of Joint Arrangements	19	83	124
Impairment of Available-for-Sale Investments	-	(21)	-
Net Gain on Foreign Exchange	1	(2)	2
Impairment of Vessels & Contract Work in Progress	-	(60)	(183)
Miscellaneous Income	2	20	3
All Other Non-Operating Expenses	-	-	-
<b>Non-Operating Profit</b>	<b>249</b>	<b>174</b>	<b>85</b>
<b>Profit for the Period</b>	<b>761</b>	<b>374</b>	<b>398</b>
Non-controlling interest	(3)	(11)	1
<b>Net Profit Attributable To Equity Holders Of The Parent</b>	<b>759</b>	<b>363</b>	<b>400</b>

- Revenue Up 9%
- Operating Profit Up 57%
- Net Profit Up 10%



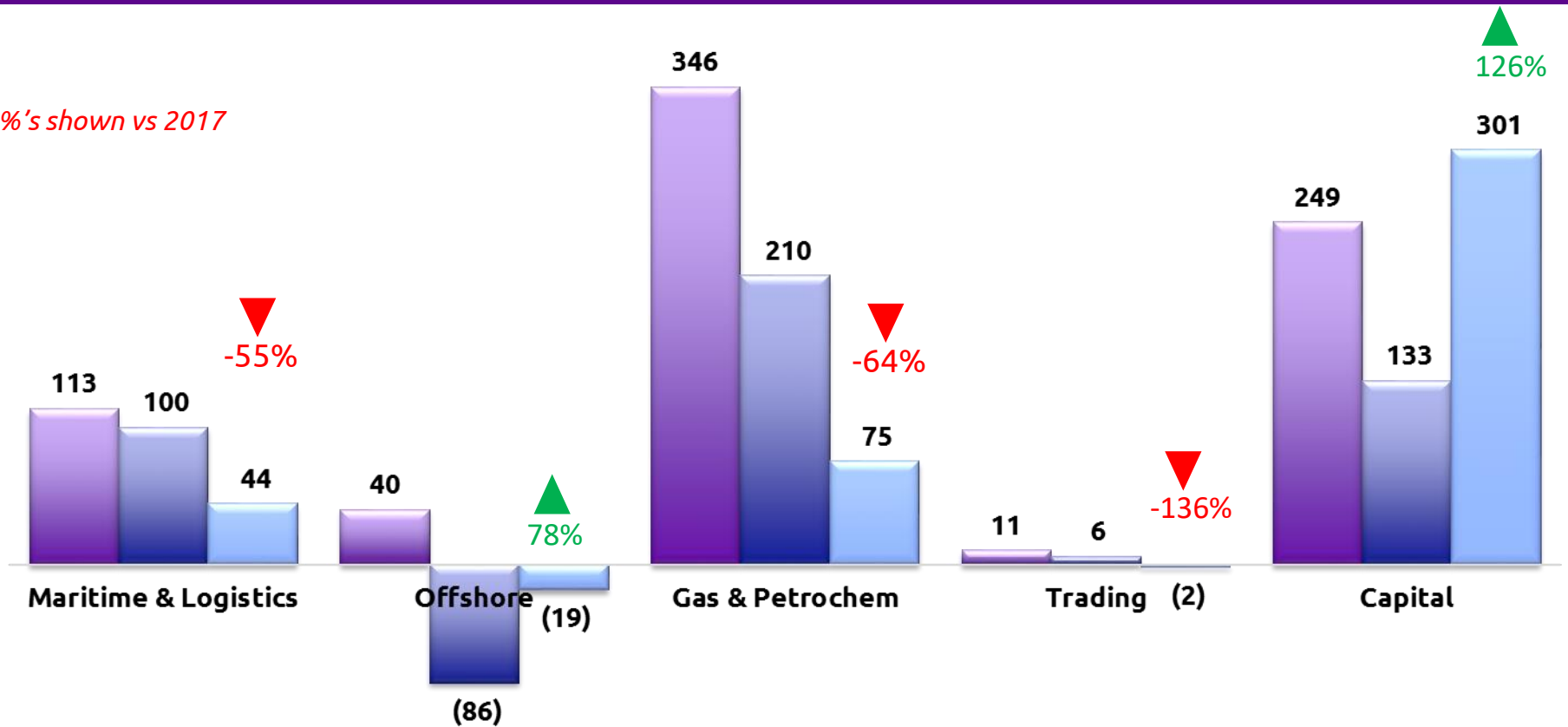
# Activities by Segment

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> </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> <li>• Harbor Marine Operations</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>

# Net Profit, by Segment – YTD Sep

(All amounts in QR Millions)

%s shown vs 2017



▼ Unfavorable

▲ Favorable

■ 2016 ■ 2017 ■ 2018

# Statement of Income, by Segment – YTD Sep 2018

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>678</b>	<b>382</b>	<b>286</b>	<b>229</b>	<b>438</b>	<b>-</b>	<b>(202)</b>	<b>1,810</b>
Salaries, Wages & Benefits	(101)	(132)	(79)	(12)	(6)	(92)	-	(421)
Operating Supplies & Expenses	(433)	(81)	(46)	(205)	(85)	(4)	164	(689)
Rent	(31)	(6)	(1)	(1)	(3)	(7)	38	(12)
Depreciation & Amortization	(23)	(87)	(90)	(1)	(43)	(2)	-	(246)
Other Operating Expenses	(41)	(40)	(19)	(3)	(8)	(17)	0	(128)
Fleet & Technical Expense Allocation	(29)	-	29	-	-	-	-	-
Expense Allocation from Milaha Corporate	(55)	(21)	(23)	(10)	(12)	122	-	(0)
<b>Operating Profit</b>	<b>(35)</b>	<b>15</b>	<b>56</b>	<b>(3)</b>	<b>282</b>	<b>0</b>	<b>0</b>	<b>314</b>
Finance Costs	(24)	(38)	(38)	-	(26)	-	9	(116)
Finance Income	0	7	10	1	39	-	(9)	48
Net Gain on Disposal of Property, Vessels & Equipment	0	(2)	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	-	-	-	-	-	-	-	-
<b>Profit for the Period</b>	<b>44</b>	<b>(19)</b>	<b>75</b>	<b>(2)</b>	<b>300</b>	<b>(0)</b>	<b>0</b>	<b>398</b>
Non-controlling interest	-	-	-	-	1	-	-	1
<b>Net Profit Attributable To Equity Holders Of The Parent</b>	<b>44</b>	<b>(19)</b>	<b>75</b>	<b>(2)</b>	<b>301</b>	<b>(0)</b>	<b>0</b>	<b>400</b>

# Statement of Income, by Segment – YTD Sep 2017

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
<b>Operating Revenue</b>	<b>657</b>	<b>350</b>	<b>285</b>	<b>221</b>	<b>340</b>	<b>-</b>	<b>(197)</b>	<b>1,656</b>
Salaries, Wages & Benefits	(95)	(119)	(75)	(12)	(6)	(94)	-	(401)
Operating Supplies & Expenses	(391)	(80)	(45)	(187)	(145)	(4)	178	(673)
Rent	(7)	(7)	(1)	(2)	(3)	(10)	18	(10)
Depreciation & Amortization	(45)	(85)	(101)	(1)	(27)	(3)	-	(262)
Other Operating Expenses	(23)	(37)	(25)	(4)	(8)	(13)	0	(109)
Fleet & Technical Expense Allocation	(30)	-	30	-	-	-	-	-
Expense Allocation from Milaha Corporate	(56)	(24)	(22)	(12)	(11)	124	-	-
<b>Operating Profit</b>	<b>10</b>	<b>(1)</b>	<b>47</b>	<b>4</b>	<b>141</b>	<b>(0)</b>	<b>(0)</b>	<b>200</b>
Finance Costs	(9)	(28)	(41)	-	(82)	-	6	(154)
Finance Income	0	4	15	2	106	-	(6)	122
Net Gain on Disposal of Property, Vessels & Equipment	(3)	(3)	-	(0)	-	-	-	(7)
Share of Results of Associates	1	-	190	-	0	-	-	192
Share of Results of Joint Arrangements	104	-	(21)	-	-	-	-	83
Impairment of Available-for-Sale Investments	-	-	-	-	(21)	-	-	(21)
Net Gain on Foreign Exchange	(0)	(0)	(1)	(0)	(0)	0	-	(2)
Impairment of Vessels and Contract Work in Progress	(3)	(57)	-	-	-	-	-	(60)
Miscellaneous Income	0	-	20	-	0	-	-	20
All Other Non-Operating Expenses	-	-	-	-	-	-	-	-
<b>Profit for the Period</b>	<b>100</b>	<b>(86)</b>	<b>210</b>	<b>6</b>	<b>145</b>	<b>(0)</b>	<b>(0)</b>	<b>374</b>
Non-controlling interest	-	-	-	-	(11)	-	-	(11)
<b>Net Profit Attributable To Equity Holders Of The Parent</b>	<b>100</b>	<b>(86)</b>	<b>210</b>	<b>6</b>	<b>133</b>	<b>(0)</b>	<b>(0)</b>	<b>363</b>

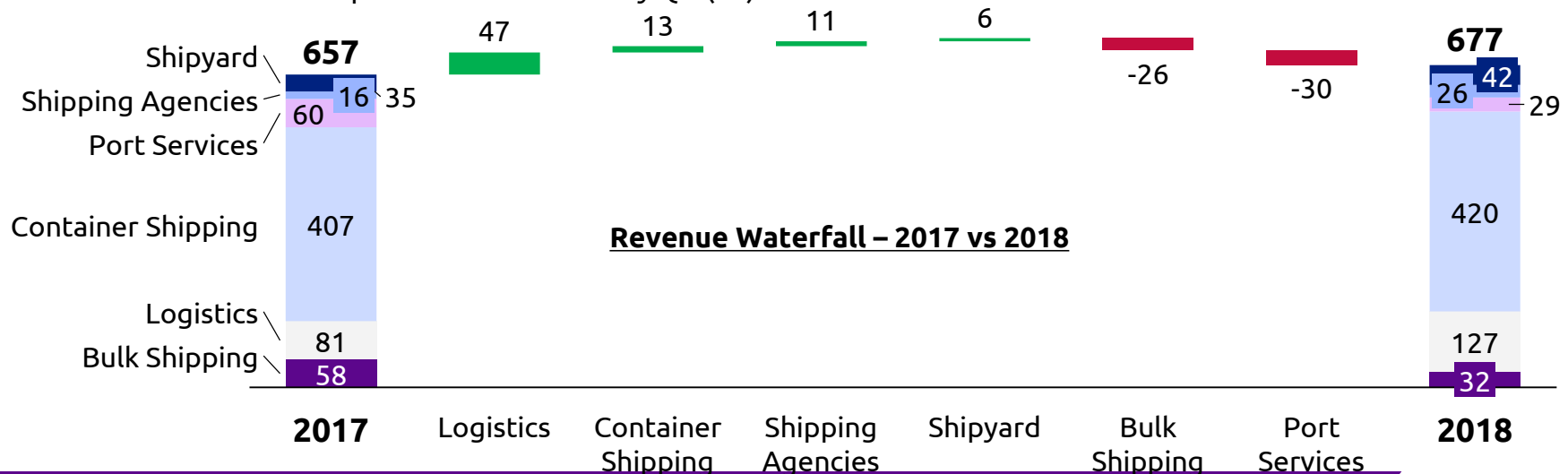
# Segment Performance – YTD Sep

(All amounts in QR Millions)

## 3% Increase in Revenue and 55% decline in Net Profit

- **Revenue increase driven by Logistics & Container Shipping units**
  - Logistics increase driven by freight forwarding unit & warehousing
  - Container Feederling volumes are down, but NVOCC volumes up
  - Port (excluding QTerminals) down due to one-off work in 2017
- **Operating Expenses are up QR (66)M**
  - Operating Supplies & Expenses increase driven by associated costs related to revenue increase in Container Shipping & Logistics
  - Rent expense increase tied to opening of Logistics' warehouses
- **Non-Operating Income is down QR (10)M**
  - Milaha's QTerminals share increased by QR 40M vs 2017
  - Container vessel impairments increased by QR (40)M

	2016	2017	2018
<b>Operating Revenue</b>	<b>761</b>	<b>657</b>	<b>678</b>
Salaries, Wages and Other Benefits	(156)	(95)	(101)
Operating Supplies and Expenses	(329)	(391)	(433)
Rent Expenses	(6)	(7)	(31)
Depreciation and Amortisation	(31)	(45)	(23)
Other Operating Expenses	(23)	(23)	(41)
Fleet & Technical Expense Allocation	(40)	(30)	(29)
Expense Allocation from Milaha Corporate	(54)	(56)	(55)
<b>Operating Expenses</b>	<b>(638)</b>	<b>(647)</b>	<b>(713)</b>
<b>Operating Profit</b>	<b>124</b>	<b>10</b>	<b>(35)</b>
<b>Non-Operating Income/(Expense)</b>	<b>(10)</b>	<b>90</b>	<b>80</b>
<b>Profit for the Period</b>	<b>113</b>	<b>100</b>	<b>44</b>



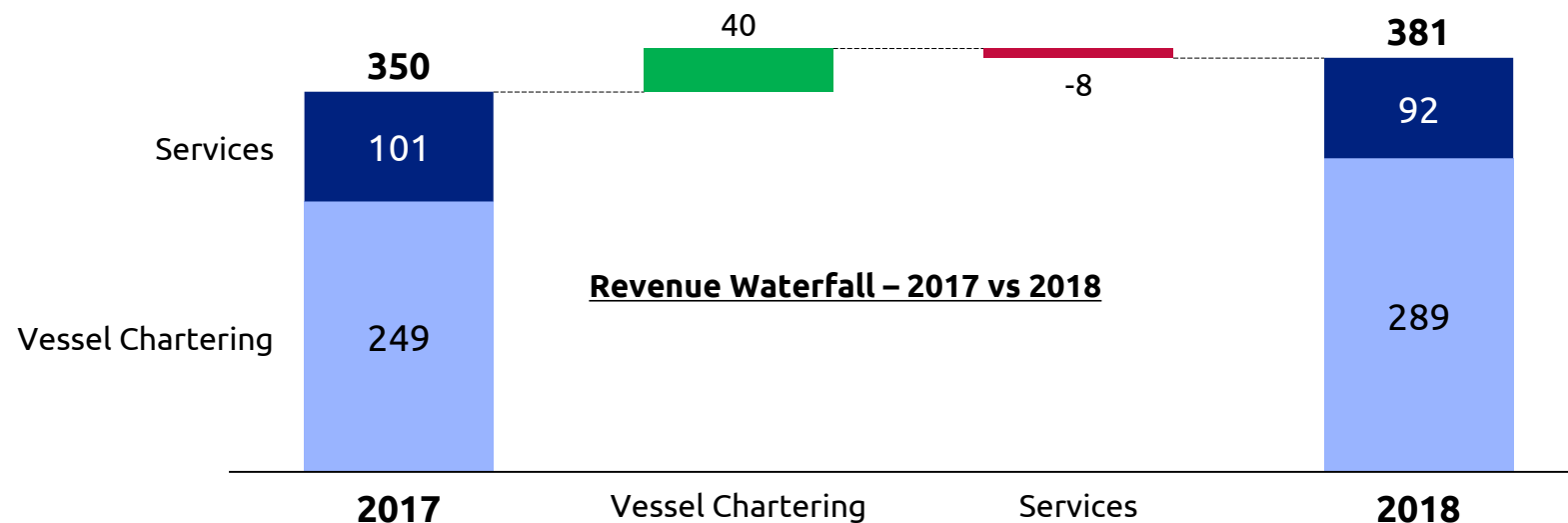
# Segment Performance – YTD Sep

(All amounts in QR Millions)

## 9% Increase in Revenue and 78% Increase in bottom line

- **Revenue increase in Vessel Chartering**
  - Average utilization increased from 65% in 2017 to 80% in 2018
  - Liftboat operational in Africa mid 2018, whereas idle in 2017
- **Revenue decrease in Services mainly due to rate discounts applied in Q2 2017**
- **Non-Operating Expenses decreased by 51M**
  - No vessel impairments recorded in 2018, whereas in 2017 QR (57)M of impairments booked

	2016	2017	2018
<b>Operating Revenue</b>	<b>438</b>	<b>350</b>	<b>382</b>
Salaries, Wages and Other Benefits	(139)	(119)	(132)
Operating Supplies and Expenses	(83)	(80)	(81)
Rent Expenses	(5)	(7)	(6)
Depreciation and Amortisation	(86)	(85)	(87)
Other Operating Expenses	(42)	(37)	(40)
Expense Allocation from Milaha Corporate	(25)	(24)	(21)
<b>Operating Expenses</b>	<b>(380)</b>	<b>(351)</b>	<b>(367)</b>
<b>Operating Profit</b>	<b>58</b>	<b>(1)</b>	<b>15</b>
<b>Non-Operating Income/(Expense)</b>	<b>(18)</b>	<b>(84)</b>	<b>(33)</b>
<b>Profit for the Period</b>	<b>40</b>	<b>(86)</b>	<b>(19)</b>



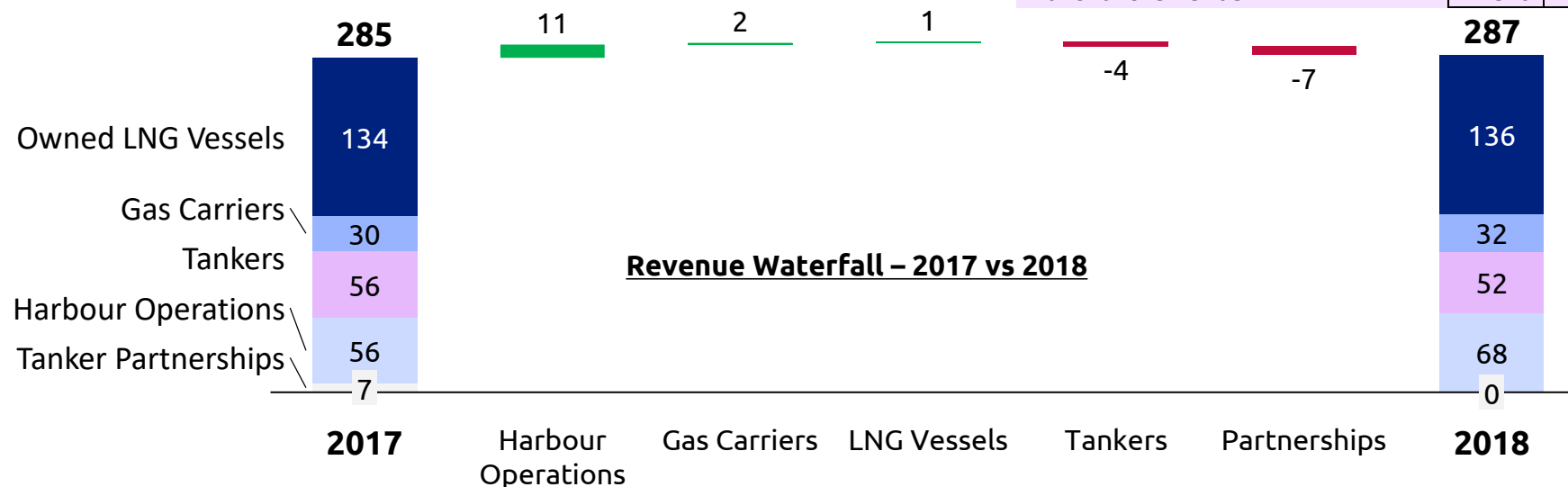


# Segment Performance – YTD Sep

(All amounts in QR Millions)

## Negligible Increase in Revenue and 64% Decline in Net Profit

- **Depreciation & Amortization down QR 11M due to impact of past impairments**
- **Non-Operating Income down QR (143)M**
  - QR (140)M in vessel impairments booked in 2018
  - QR (19)M related to Harbour Operations one-time Penalty Income recorded in Q1 2017
  - QR 16M in higher Nakilat income



	2016	2017	2018
<b>Operating Revenue</b>	<b>350</b>	<b>285</b>	<b>286</b>
Salaries, Wages and Other Benefits	(78)	(75)	(79)
Operating Supplies and Expenses	(50)	(45)	(46)
Rent Expenses	(3)	(1)	(1)
Depreciation and Amortisation	(97)	(101)	(90)
Other Operating Expenses	(28)	(25)	(19)
Fleet & Technical Expense Allocation	40	30	29
Expense Allocation from Milaha Corporate	(22)	(22)	(23)
<b>Operating Expenses</b>	<b>(238)</b>	<b>(237)</b>	<b>(230)</b>
<b>Operating Profit</b>	<b>112</b>	<b>47</b>	<b>56</b>
<b>Non-Operating Income/(Expense)</b>	<b>234</b>	<b>162</b>	<b>19</b>
<b>Profit for the Period</b>	<b>346</b>	<b>210</b>	<b>75</b>

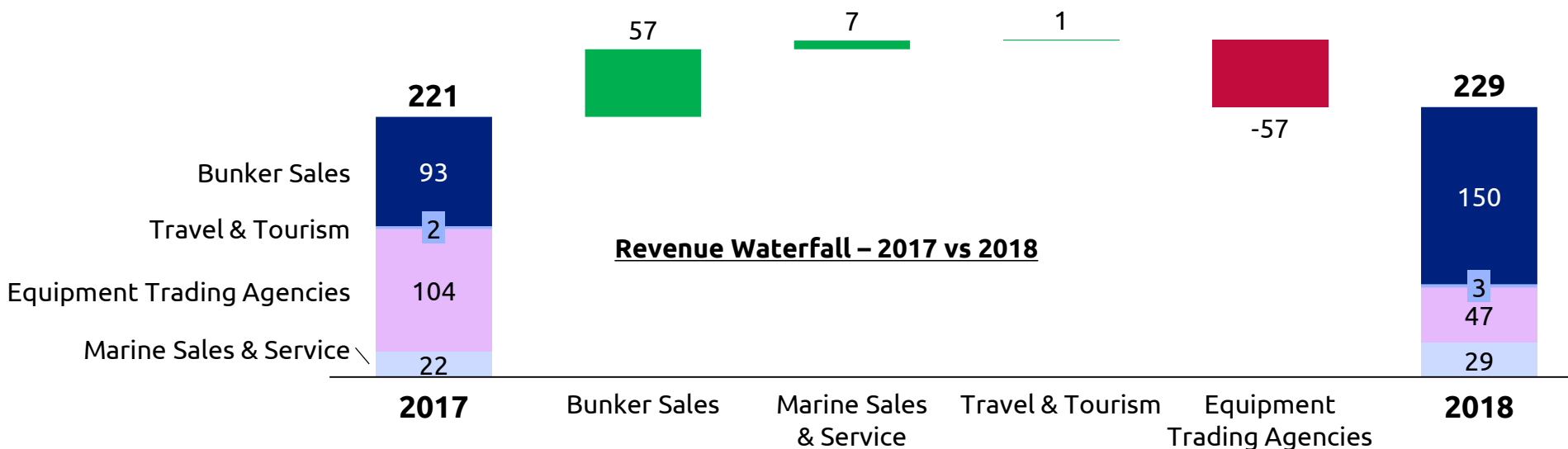
# Segment Performance – YTD Sep

(All amounts in QR Millions)

## 4% Increase in Revenue and QR 8M Decline in Net Profit

- Large drop in sales of heavy equipment offset by increase in bunker and marine lubricant sales
- Increase in revenue had a knock-on effect increase in associated Cost-of-Goods-Sold

	2016	2017	2018
<b>Operating Revenue</b>	<b>244</b>	<b>221</b>	<b>229</b>
Salaries, Wages and Other Benefits	(15)	(12)	(12)
Operating Supplies and Expenses	(205)	(187)	(205)
Rent Expenses	(2)	(2)	(1)
Depreciation and Amortisation	(1)	(1)	(1)
Other Operating Expenses	(2)	(4)	(3)
Expense Allocation from Milaha Corporate	(12)	(12)	(10)
<b>Operating Expenses</b>	<b>(236)</b>	<b>(217)</b>	<b>(232)</b>
<b>Operating Profit</b>	<b>8</b>	<b>4</b>	<b>(3)</b>
<b>Non-Operating Income/(Expense)</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>Profit for the Period</b>	<b>11</b>	<b>6</b>	<b>(2)</b>



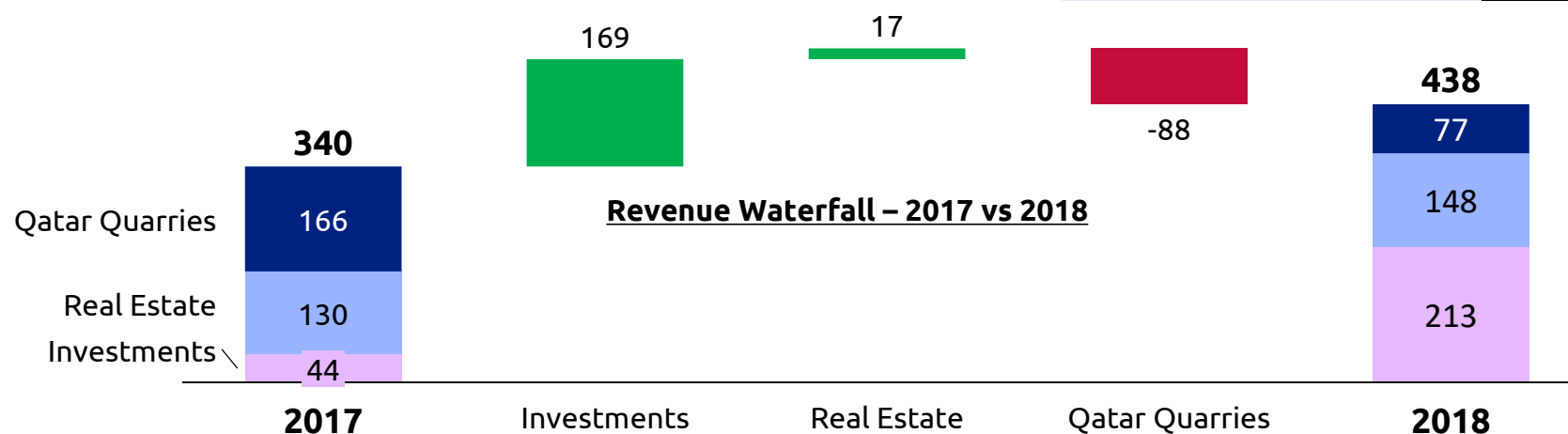
# Segment Performance – YTD Sep

(All amounts in QR Millions)

## 29% Increase in Revenue and 126% Increase in Net Profit

- **QR 98M increase in Revenue broken out as follows:**
  - QR (88)M decrease in sales from Qatar Quarries associate
  - QR 135M increase in Held-for-Trading investment income
  - QR 38M increase in Dividend Income
  - QR 17M increase in Real Estate income
- **Operating Expenses down QR 43M**
  - Lower Cost-of-Goods-Sold associated with Qatar Quarries offsetting higher depreciation on new Logistics' warehouses
- **Non-Operating Income up QR 14M, mainly attributable to QR (21)M impairment on Available-for-Sale Investments booked in 2017**

	2016	2017	2018
<b>Operating Revenue</b>	<b>346</b>	<b>340</b>	<b>438</b>
Salaries, Wages and Other Benefits	(6)	(6)	(6)
Operating Supplies and Expenses	(79)	(145)	(85)
Rent Expenses	(3)	(3)	(3)
Depreciation and Amortisation	(27)	(27)	(43)
Other Operating Expenses	(8)	(8)	(8)
Expense Allocation from Milaha Corporate	(12)	(11)	(12)
<b>Operating Expenses</b>	<b>(135)</b>	<b>(200)</b>	<b>(157)</b>
<b>Operating Profit</b>	<b>211</b>	<b>141</b>	<b>282</b>
<b>Non-Operating Income/(Expense)</b>	<b>40</b>	<b>4</b>	<b>18</b>
<b>Profit for the Period</b>	<b>251</b>	<b>145</b>	<b>300</b>
Non-controlling interest	(3)	(11)	1
<b>Net Profit Attributable To Equity Holders Of The Parent</b>	<b>249</b>	<b>133</b>	<b>301</b>



# Outlook

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## Macro:

- Expect the year to close out strong at Hamad port with increased volumes
- Expect container feedering margins to be under pressure due to increases in the cost of bunker and competitive rate pressure
- Ramp-up of utilization at Al Thumama warehouses will contribute positively to the logistics segment

# Outlook

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Macro: Expect the fundamentals in the offshore market to gradually improve on the back of higher oil prices, declining OSV fleet supply and rising oil production.

- Operationally, we expect to continue seeing year-over-year revenue increase as a result of:
  - Liftboat commencing work in Nigeria (began end of June)
  - Commencement of new projects late in the year

# Outlook



- VLGCs: have started witnessing an uptick in charter rates; remain cautiously optimistic
- Jointly & Fully owned LNG carriers: limited fluctuation versus 2017 due to long term fixed nature of contracts
- Fully-owned product tankers + 1 crude carrier: all trading in spot market and exposed to multi-year low rates.
- Fully-owned gas / ammonia carriers: one vessel renewed (albeit at lower rate) and will be on time charter rest of year; other is on spot.
- Harbor marine vessels: expect stable revenue rest of year

# Outlook

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- Expect a challenging year for this segment rest of year 2018

# Outlook

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- Listed portfolio performance strongly correlated to Qatar Exchange performance and volatility