

H1 2020 Financial Summary Conference Call

Doha, Qatar

July 29, 2020



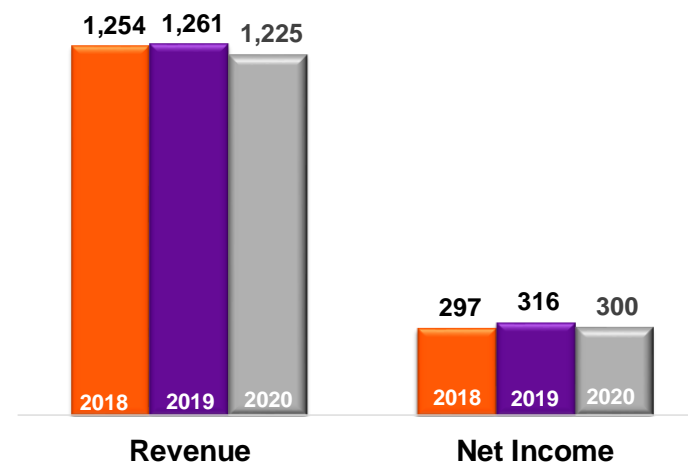
Consolidated Income Statement – H1

(All amounts in QR Millions)

	2018	2019	2020
Operating Revenue	1,254	1,261	1,225
Salaries, Wages and Other Benefits	(270)	(292)	(292)
Operating Supplies and Expenses	(464)	(480)	(402)
Rent Expenses	(8)	(5)	(3)
Depreciation and Amortisation	(163)	(181)	(186)
Provision of Impairment of Trade Receivables	(20)	(6)	(13)
Other Operating Expenses	(70)	(65)	(75)
Operating Expenses	(996)	(1,028)	(971)
Operating Profit	258	233	254
Finance Costs	(85)	(59)	(44)
Finance Income	36	18	10
Net Gain on Disposal of Property, Vessels & Equipment	1	7	6
Net Gain on Disposal of Investment Property	-	-	73
Share of Results of Associates	140	172	207
Share of Results of Joint Arrangements	82	97	121
Net Gain on Foreign Exchange	3	0	(1)
Impairment of Property, Vessels and Equipment	(140)	(154)	(325)
Miscellaneous Income	2	-	-
Non-Operating Profit	38	83	47
Profit for the Period	296	316	300
Non-controlling interest	1	0	(1)
Net Profit Attributable To Equity Holders Of The Parent	297	316	300

▼ Revenue	-3%
▲ Operating Profit	9%
▼ Net Profit	-5%

%s shown vs 2019



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



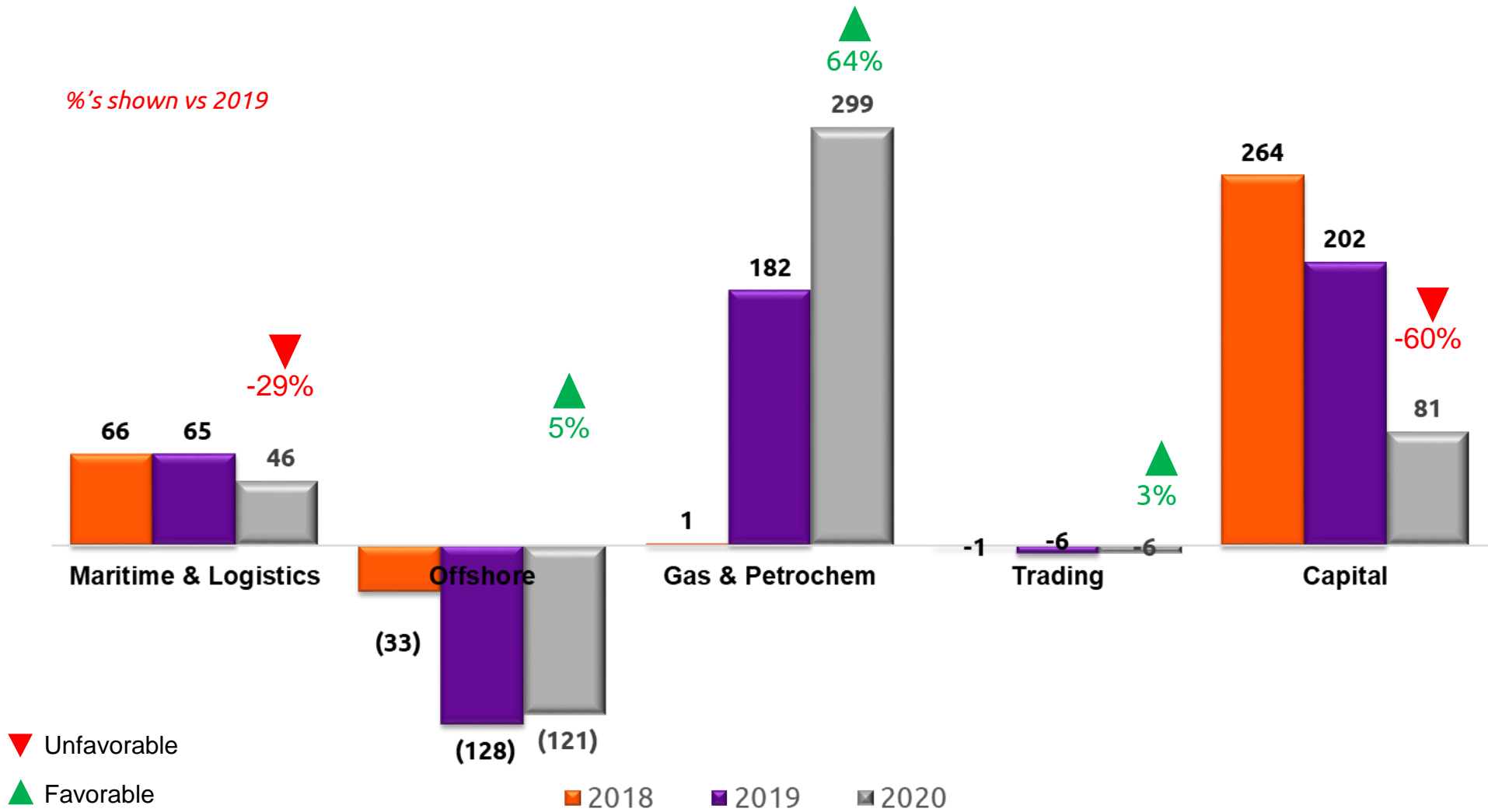
Capital

- Real Estate Development and Management
- Strategic and Financial Investments

Net Profit, by Segment – H1

(All amounts in QR Millions)

%s shown vs 2019



Statement of Income, by Segment – H1 2020

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	437	397	165	89	260	-	(124)	1,225
Salaries, Wages & Benefits	(167)	(36)	(14)	(6)	(4)	(66)	-	(292)
Operating Supplies & Expenses	(321)	(40)	(7)	(78)	(49)	(5)	99	(402)
Rent	(21)	(1)	(0)	(1)	(1)	(3)	24	(3)
Depreciation & Amortization	(15)	(105)	(35)	(1)	(31)	(1)	-	(186)
Provision of Impairment of Trade Receivables	(8)	(4)	-	(1)	0	(0)	-	(13)
Other Operating Expenses	(32)	(20)	(8)	(1)	(2)	(13)	1	(75)
Fleet & Technical Expense Allocation	135	(116)	(18)	-	-	-	-	(0)
Expense Allocation from Milaha Corporate	(59)	(10)	(6)	(7)	(7)	88	-	0
Operating Profit	(49)	64	78	(6)	167	(0)	(0)	254
Finance Costs	(5)	(24)	(17)	-	(0)	-	2	(44)
Finance Income	-	0	7	0	5	0	(2)	10
Net Gain on Disposal of Property, Vessels & Equipment	5	2	-	0	-	-	-	6
Net Gain on Disposal of Investment Property	-	-	-	-	73	-	-	73
Share of Results of Associates	2	0	205	-	0	-	-	207
Share of Results of Joint Arrangements	94	-	26	-	-	-	-	121
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Net Gain on Foreign Exchange	(0)	(1)	(0)	(0)	-	0	-	(1)
Impairment of Property, Vessels and Equipment	-	(162)	-	-	(163)	-	-	(325)
Miscellaneous Income	-	-	-	-	-	-	-	-
Tax for the Year	-	-	-	-	-	-	-	-
Profit for the Period	46	(121)	299	(6)	82	0	(0)	300
Non-controlling interest	-	-	-	-	(1)	-	-	(1)
Net Profit Attributable To Equity Holders Of The Parent	46	(121)	299	(6)	81	0	(0)	300

Statement of Income, by Segment – H1 2019

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	459	366	143	140	308	-	(155)	1,261
Salaries, Wages & Benefits	(174)	(33)	(13)	(8)	(3)	(61)	-	(292)
Operating Supplies & Expenses	(336)	(60)	(9)	(135)	(65)	(5)	131	(480)
Rent	(22)	(2)	0	(1)	(1)	(4)	24	(5)
Depreciation & Amortization	(15)	(89)	(43)	(0)	(33)	(1)	-	(181)
Provision of Impairment of Trade Receivables	(2)	(3)	-	(2)	0	0	-	(6)
Other Operating Expenses	(28)	(17)	(12)	6	(4)	(9)	0	(65)
Fleet & Technical Expense Allocation	145	(118)	(28)	-	-	-	-	(0)
Expense Allocation from Milaha Corporate	(53)	(8)	(6)	(6)	(7)	81	-	0
Operating Profit	(26)	36	33	(6)	196	(0)	0	233
Finance Costs	(9)	(33)	(18)	-	(1)	-	2	(59)
Finance Income	-	6	8	0	6	0	(2)	18
Net Gain on Disposal of Property, Vessels & Equipment	1	-	7	0	-	-	-	7
Net Gain on Disposal of Investment Property	-	-	-	-	-	-	-	-
Share of Results of Associates	2	-	170	-	0	-	-	172
Share of Results of Joint Arrangements	101	-	(4)	-	-	-	-	97
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Net Gain on Foreign Exchange	0	(0)	(0)	0	-	0	-	0
Impairment of Property, Vessels and Equipment	(4)	(137)	(13)	-	-	-	-	(154)
Miscellaneous Income	-	-	-	-	-	-	-	-
Tax for the Year	-	-	-	-	-	-	-	-
Profit for the Period	65	(128)	182	(6)	202	0	0	316
Non-controlling interest	-	-	-	-	0	-	-	0
Net Profit Attributable To Equity Holders Of The Parent	65	(128)	182	(6)	202	0	0	316

Segment Performance – H1

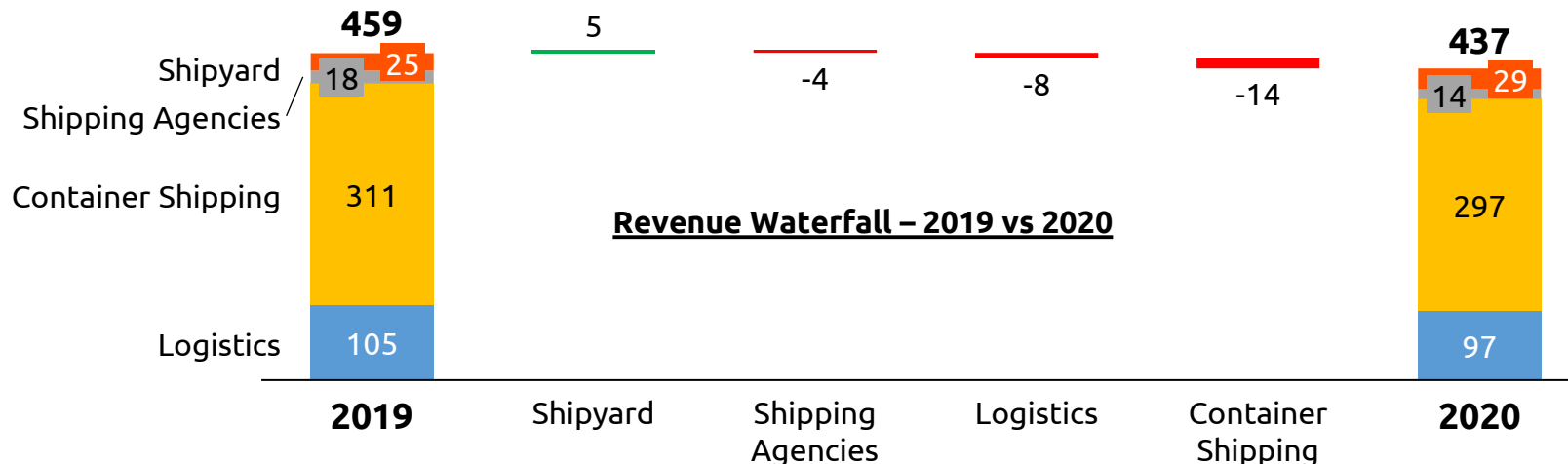
(All amounts in QR Millions)

Maritime & Logistics

5% Decrease in Revenue and 29% decline in Net Profit

- Revenue decrease primarily from Container Shipping (incl Bulk) unit
 - COVID19 lockdowns & demand disruptions impacted TEU volumes
 - Bulk chartering activities discontinued
- Operating Expenses are up QR (1)M
 - 15m decrease in Operating Supplies & Expenses tied to revenue decrease in Container Shipping (including Bulk)
 - (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
Operating Revenue	473	459	437
Salaries, Wages and Other Benefits	(153)	(174)	(167)
Operating Supplies and Expenses	(333)	(336)	(321)
Rent Expenses	(25)	(22)	(21)
Depreciation and Amortisation	(16)	(15)	(15)
Provision of Impairment of Trade Receivables	(11)	(2)	(8)
Other Operating Expenses	(33)	(28)	(32)
Fleet & Technical Expense Allocation	130	145	135
Expense Allocation from Milaha Corporate	(49)	(53)	(59)
Operating Expenses	(489)	(485)	(486)
Operating Profit	(17)	(26)	(49)
Non-Operating Income/(Expense)	83	91	95
Profit for the Period	66	65	46



Segment Performance – H1

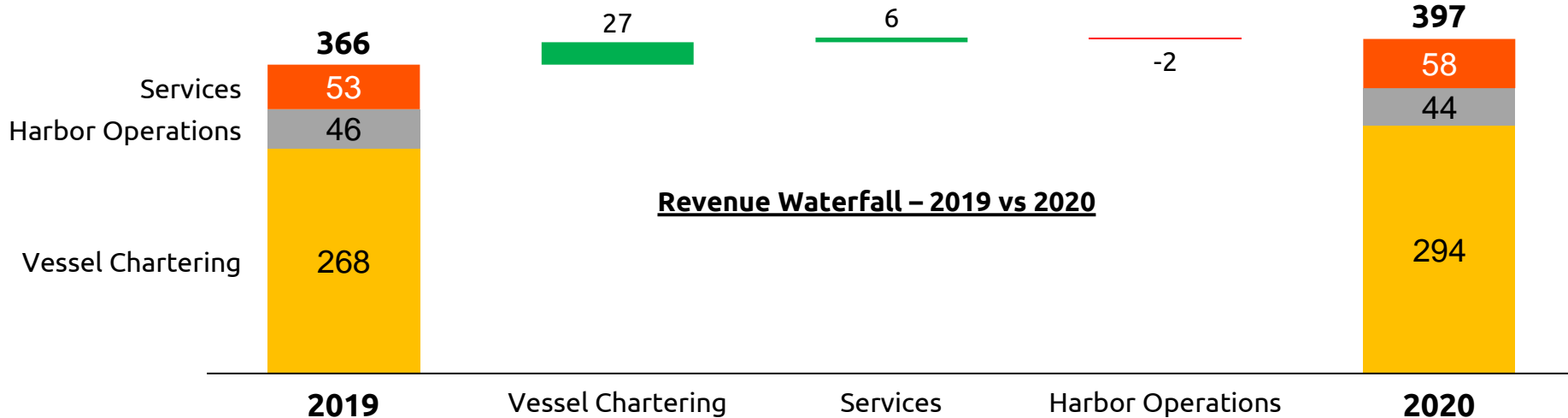
(All amounts in QR Millions)

Offshore Marine

8% Increase in Revenue and 5% Increase in Bottom Line

- **Revenue increase mainly from Vessel Chartering**
 - Average utilization for regional fleet decreased slightly from 80% in H1 2019 to 79% in H1 2020, however higher earning vessel utilizations increased; Liftboat (working in Africa) utilization increased due mechanical breakdown that occurred in 2019
 - Additional increase in 3rd party chartered-in vessel revenue
- **Operating Expenses increased by QR (3)M**
 - Reduction in Operating Supplies & Expenses was offset by increased (right-of-use) depreciation expense related to chartered-in vessels (IFRS 16)
- **Non-Operating Expenses increased by QR (20)M**
 - (25)M in higher vessel impairments recorded in 2020 vs 2019
 - 4m in lower net of Finance Income/Expense

	2018	2019	2020
Operating Revenue	268	366	397
Salaries, Wages and Other Benefits	(33)	(33)	(36)
Operating Supplies and Expenses	(36)	(60)	(40)
Rent Expenses	(2)	(2)	(1)
Depreciation and Amortisation	(68)	(89)	(105)
Provision of Impairment of Trade Receivables	(10)	(3)	(4)
Other Operating Expenses	(11)	(17)	(20)
Fleet & Technical Expense Allocation	(102)	(118)	(116)
Expense Allocation from Milaha Corporate	(9)	(8)	(10)
Operating Expenses	(272)	(330)	(333)
Operating Profit	(4)	36	64
Non-Operating Income/(Expense)	(29)	(164)	(184)
Profit for the Period	(33)	(128)	(121)



Segment Performance – H1

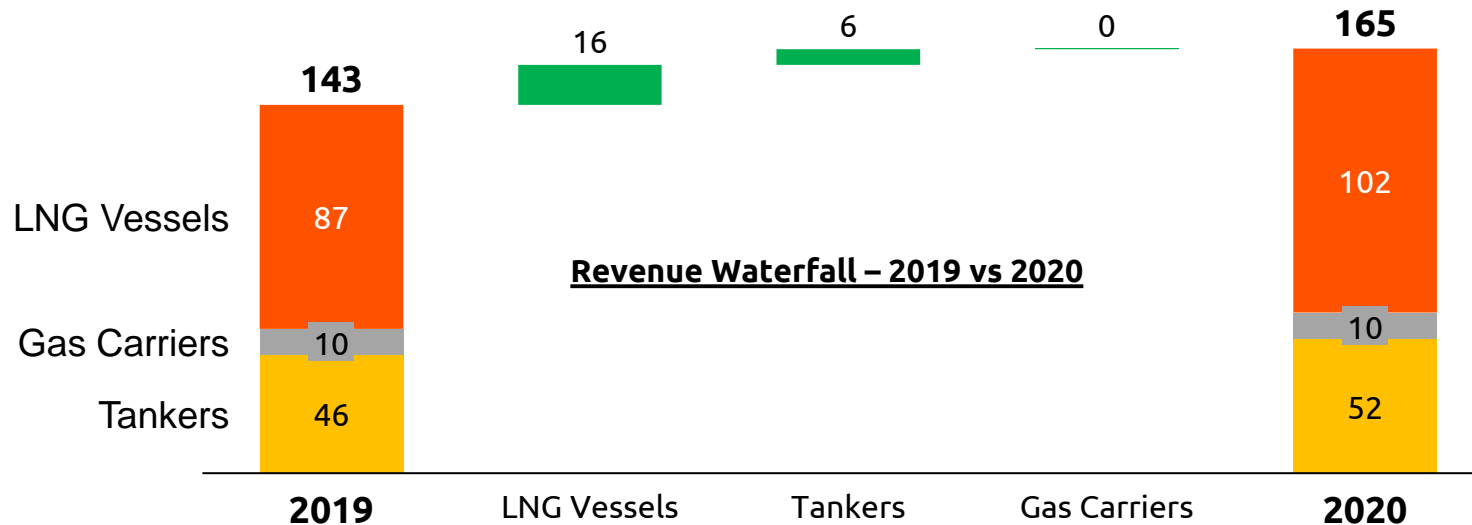
(All amounts in QR Millions)

Gas & Petrochem

15% Increase in Revenue and 64% Increase in Net Profit

- **Revenue increased by QR 22m**
 - LNG Vessels include 3.5m one-time adjustment and higher utilization due to 2019 drydocking
 - 2 Tankers were sold in 2019, however higher market rates on the 3 remaining vessels more than offset lost revenue
- **Operating Expenses down QR 23M**
 - Less vessels (2 less Tankers + 1 less Gas Carrier) reduced costs
- **Non-Operating Income up QR 72M**
 - 13m in lower vessel impairments
 - 31m in higher Nakilat income
 - 30m in increased JV income (mainly from VLGC JV)

	2018	2019	2020
Operating Revenue	145	143	165
Salaries, Wages and Other Benefits	(13)	(13)	(14)
Operating Supplies and Expenses	(11)	(9)	(7)
Rent Expenses	(0)	0	(0)
Depreciation and Amortisation	(48)	(43)	(35)
Other Operating Expenses	(6)	(12)	(8)
Fleet & Technical Expense Allocation	(28)	(28)	(18)
Expense Allocation from Milaha Corporate	(8)	(6)	(6)
Operating Expenses	(116)	(110)	(87)
Operating Profit	30	33	78
Non-Operating Income/(Expense)	(28)	149	221
Profit for the Period	1	182	299



Segment Performance – H1

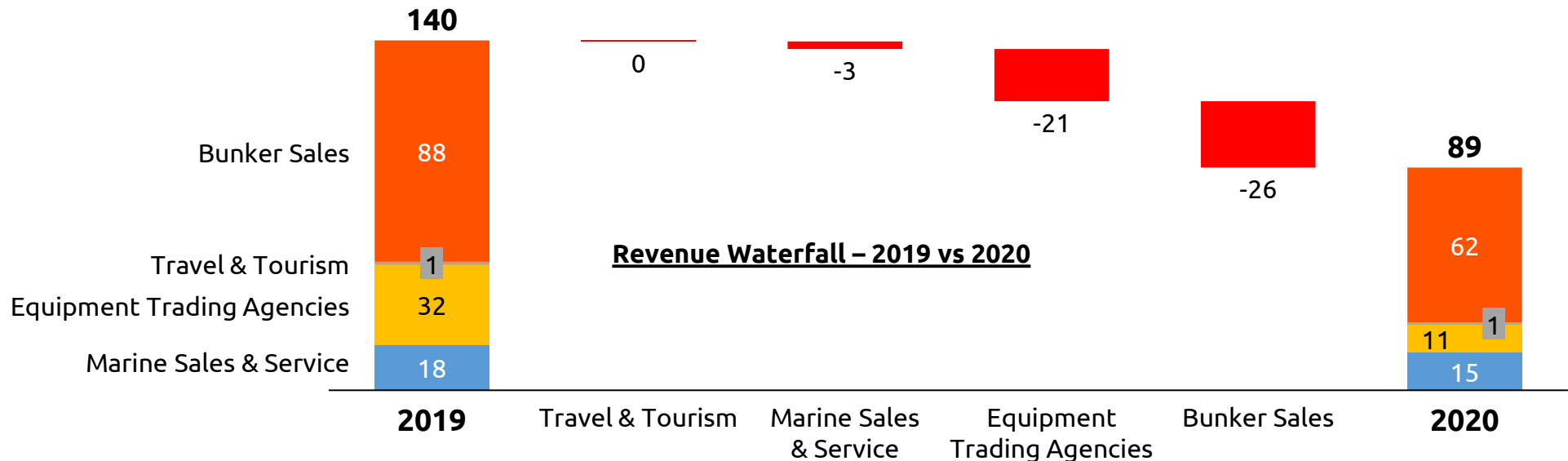
(All amounts in QR Millions)

Trading

36% Decline in Revenue and 3% Increase in bottom line

- Despite lower overall revenues, an increase in gross margins in the Bunker unit drove a reduction in net loss

	2018	2019	2020
Operating Revenue	149	140	89
Salaries, Wages and Other Benefits	(8)	(8)	(6)
Operating Supplies and Expenses	(132)	(135)	(78)
Rent Expenses	(1)	(1)	(1)
Depreciation and Amortisation	(0)	(0)	(1)
Provision of Impairment of Trade Receivables	(0)	(2)	(1)
Other Operating Expenses	(1)	6	(1)
Expense Allocation from Milaha Corporate	(7)	(6)	(7)
Operating Expenses	(150)	(146)	(95)
Operating Profit	(2)	(6)	(6)
Non-Operating Income/(Expense)	1	0	0
Profit for the Period	(1)	(6)	(6)



Segment Performance – H1

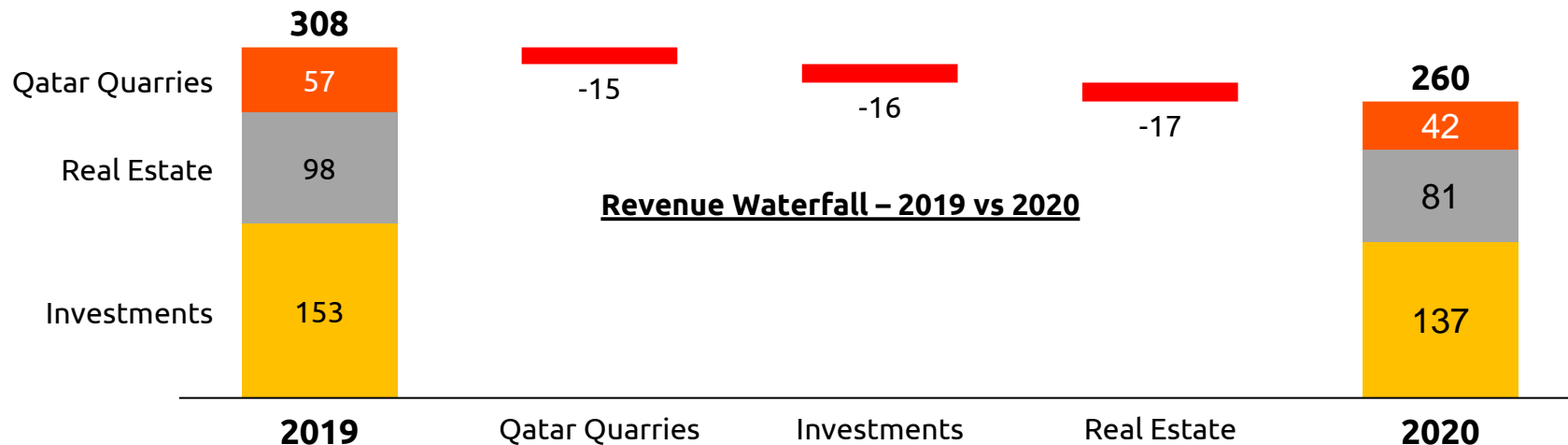
(All amounts in QR Millions)

Capital

16% Decline in Revenue and 60% Decline in Net Profit

- **QR (48)M decrease in Revenue split:**
 - (6)m decrease in dividend income
 - (13)m decrease from residual HFT portfolio (now fully liquidated) returns
 - (15)m decrease in Qatar Quarries sales
 - (17)m decrease in Real Estate income
- **Overall Operating Expenses decreased QR 19m due to a reduction in Qatar Quarries Cost of Goods Sold**
- **Non-Operating Income down QR (91)M**
 - 73m Gain on Sale of Real Estate properties
 - (163)m Impairment on Real Estate asset

	2018	2019	2020
Operating Revenue	356	308	260
Salaries, Wages and Other Benefits	(4)	(3)	(4)
Operating Supplies and Expenses	(58)	(65)	(49)
Rent Expenses	(3)	(1)	(1)
Depreciation and Amortisation	(29)	(33)	(31)
Provision of Impairment of Trade Receivables	1	0	0
Other Operating Expenses	(6)	(4)	(2)
Expense Allocation from Milaha Corporate	(7)	(7)	(7)
Operating Expenses	(105)	(112)	(93)
Operating Profit	251	196	167
Non-Operating Income/(Expense)	12	6	(85)
Profit for the Period	263	202	82
Non-controlling interest	1	0	(1)
Net Profit Attributable To Equity Holders Of The Parent	264	202	81



QTerminals

- Expect volume stability at Hamad port vs Q2 for rest of year

Container Shipping

- The impact of COVID19 on both supply and demand is expected to slowly ease up which should have a favorable impact on volumes. Timing however is unpredictable.

Logistics

- Expect utilization to continue to increase in Milaha Logistics City warehouses
- Volumes expected to increase but uncertainty on timing as some clients have shutdown operations due to COVID19 outbreaks & precautions

Offshore Support Vessels

- Outlook for the rest of the year is uncertain considering persistent low oil prices coupled with potential impact from COVID19

Harbor Operations

- Expect stable revenue throughout the year

VLGCs

- Charter rates well above same period last year on average but have dropped considerably the past couple months; 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; outlook unpredictable

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

- All of Held for Trading Portfolio liquidated

Mixed results expected for Real Estate holdings

- Much has already been absorbed, but could see additional pressure on rates on existing properties
- Navigation Tower lease renewed, albeit at lower rate
- New villa compound construction in Ain Khaled complete, yet still awaiting government approvals, which COVID19 has delayed. Ongoing marketing efforts.