

Q1 2019 Financial Summary Conference Call

April 29, 2019

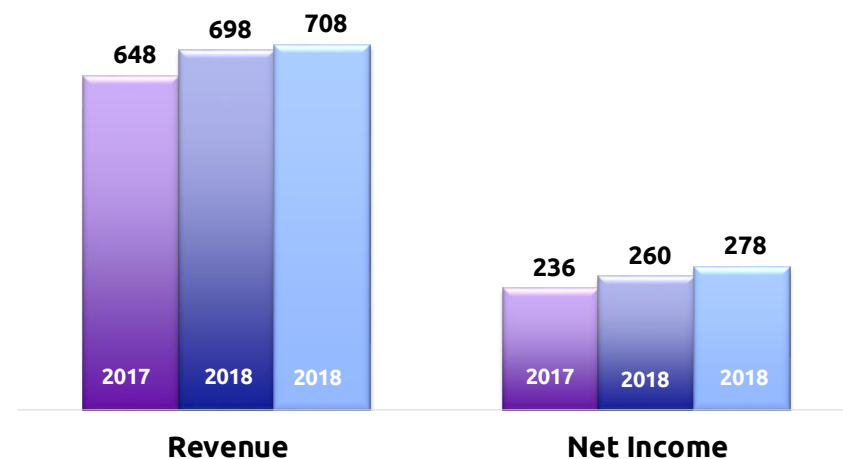
Doha, Qatar

Consolidated Income Statement – Q1

(All amounts in QR Millions)

	2017	2018	2019
Operating Revenue	648	698	708
Salaries, Wages and Other Benefits	(129)	(137)	(149)
Operating Supplies and Expenses	(206)	(226)	(218)
Rent Expenses	(4)	(5)	(3)
Depreciation and Amortisation	(88)	(80)	(93)
Provision of Impairment of Trade Receivables	(0)	(14)	1
Other Operating Expenses	(36)	(33)	(32)
Operating Expenses	(463)	(495)	(494)
Operating Profit	185	203	214
Finance Costs	(50)	(42)	(29)
Finance Income	43	20	10
Net Gain on Disposal of Property, Vessels & Equipment	(0)	1	0
Share of Results of Associates	60	67	84
Share of Results of Joint Arrangements	24	47	39
Impairment of Available-for-Sale Investments	(21)	-	-
Net Gain on Foreign Exchange	(1)	3	(0)
Impairment of Vessels & Contract Work in Progress	(22)	(41)	(42)
Miscellaneous Income	20	1	2
Non-Operating Profit	54	57	64
Profit for the Period	239	260	278
Non-controlling interest	(3)	0	0
Net Profit Attributable To Equity Holders Of The Parent	236	260	278

- Revenue Up 1%
- Operating Profit Up 6%
- Net Profit Up 7%



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:

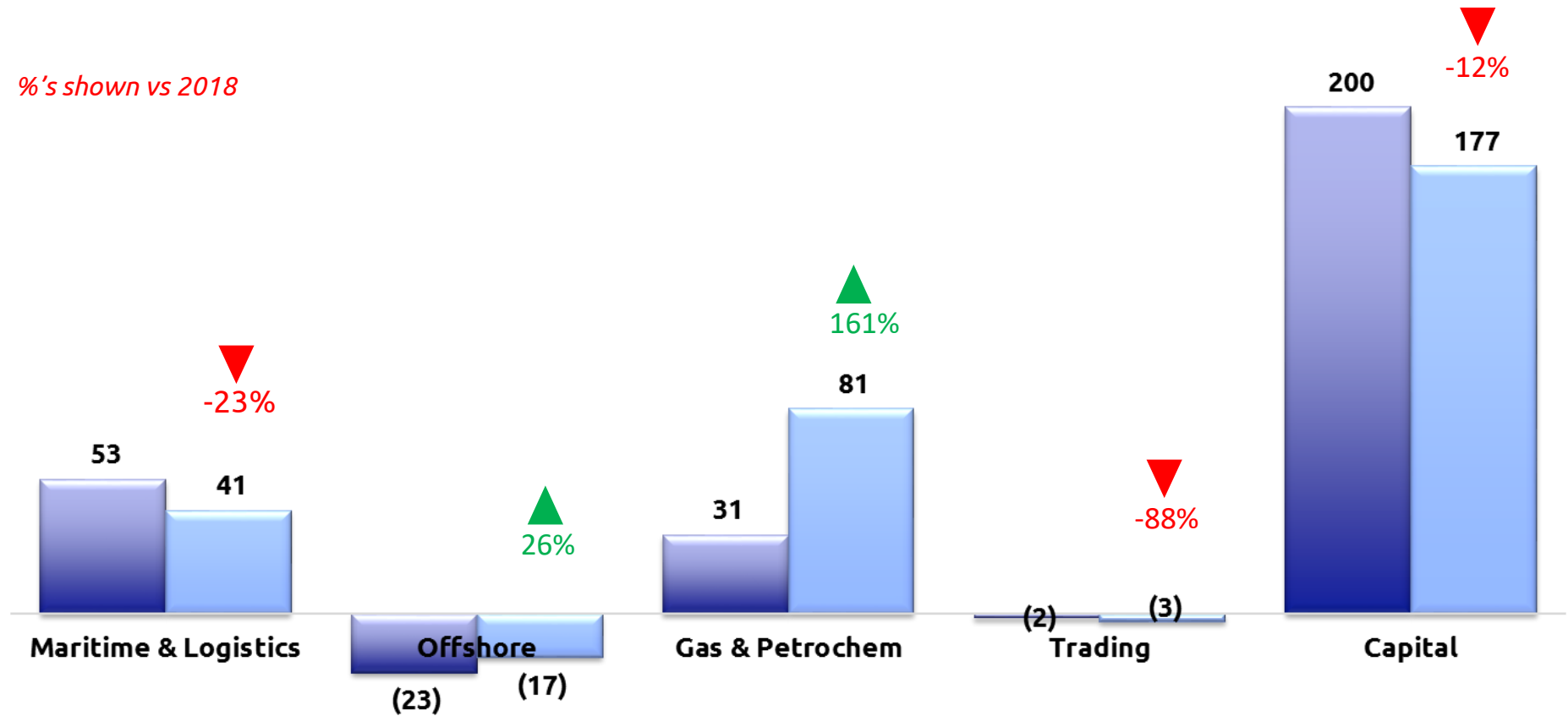
1. Moved Harbor Marine operations to the Offshore segment, out of the Gas & Petrochem segment
2. Moved Ship Management (Fleet & Technical) to the Maritime & Logistics segment, out of the Gas & Petrochem segment

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 – Q1

(All amounts in QR Millions)

%s shown vs 2018



▼ Unfavorable

▲ Favorable

■ 2018

■ 2019

Statement of Income, by Segment – Q1 2019

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	231	188	78	57	232	-	(79)	708
Salaries, Wages and Other Benefits	(88)	(16)	(6)	(4)	(1)	(33)	-	(149)
Operating Supplies and Expenses	(158)	(34)	(4)	(51)	(36)	(2)	67	(218)
Rent Expenses	(11)	(1)	(0)	(1)	(0)	(2)	12	(3)
Depreciation and Amortisation	(8)	(46)	(22)	(0)	(16)	(1)		(93)
Provision of Impairment of Trade Receivables	2	(1)	-	(1)	0	0		1
Other Operating Expenses	(14)	(7)	(5)	(0)	(2)	(4)	0	(32)
Fleet & Technical Expense Allocation	72	(58)	(14)	-	-	-		(0)
Expense Allocation from Milaha Corporate	(27)	(4)	(3)	(3)	(4)	42		(0)
Operating Profit	-	21	24	(3)	172	(0)	(0)	214
Finance Costs	(5)	(17)	(9)	-	(0)		1	(29)
Finance Income		3	4	0	4	0	(1)	10
Net Gain on Disposal of Property, Vessels & Equipment	0							0
Share of Results of Associates	2		82		0			84
Share of Results of Joint Arrangements	48		(9)					39
Impairment of Available-for-Sale Investments								-
Net Gain on Foreign Exchange	0	(0)	(0)	(0)	-	(0)		(0)
Impairment of Vessels and Contract Work in Progress	(4)	(24)	(13)					(42)
Miscellaneous Income			1		1			2
All Other Non-Operating Expenses								-
Profit for the Period	41	(17)	81	(3)	177	(0)	(0)	278
Non-controlling interest					0			0
Net Profit Attributable To Equity Holders Of The Parent	41	(17)	81	(3)	177	(0)	(0)	278

Statement of Income, by Segment – Q1 2018

(All amounts in QR Millions)

	Maritime & Logistics	Offshore	Gas & Petrochem	Trading	Capital	Corporate	Eliminations/ Adjustments	Consolidated
Operating Revenue	256	127	75	79	255	-	(94)	698
Salaries, Wages and Other Benefits	(77)	(15)	(6)	(4)	(2)	(32)	-	(137)
Operating Supplies and Expenses	(173)	(17)	(6)	(71)	(39)	(1)	80	(226)
Rent Expenses	(13)	(1)	(0)	(1)	(2)	(2)	14	(5)
Depreciation and Amortisation	(7)	(33)	(24)	(0)	(14)	(1)	-	(80)
Provision of Impairment of Trade Receivables	(5)	(9)	-	(1)	0	0	-	(14)
Other Operating Expenses	(12)	(6)	(4)	(1)	(2)	(9)	0	(33)
Fleet & Technical Expense Allocation	65	(52)	(14)	-	-	-	-	0
Expense Allocation from Milaha Corporate	(27)	(5)	(5)	(4)	(4)	45	-	0
Operating Profit	8	(11)	16	(2)	192	0	0	203
Finance Costs	(8)	(17)	(10)	-	(10)	-	3	(42)
Finance Income	0	4	3	0	15	-	(3)	20
Net Gain on Disposal of Property, Vessels & Equipment	0	1	-	0	-	-	-	1
Share of Results of Associates	1	-	67	-	0	-	-	67
Share of Results of Joint Arrangements	52	-	(6)	-	-	-	-	47
Impairment of Available-for-Sale Investments	-	-	-	-	-	-	-	-
Net Gain on Foreign Exchange	(0)	(0)	(0)	0	3	(0)	-	3
Impairment of Vessels and Contract Work in Progress	-	-	(41)	-	-	-	-	(41)
Miscellaneous Income	0	-	1	-	0	-	-	1
All Other Non-Operating Expenses	-	-	-	-	-	-	-	-
Profit for the Period	53	(23)	31	(2)	200	(0)	0	260
Non-controlling interest					0			0
Net Profit Attributable To Equity Holders Of The Parent	53	(23)	31	(2)	200	(0)	0	260

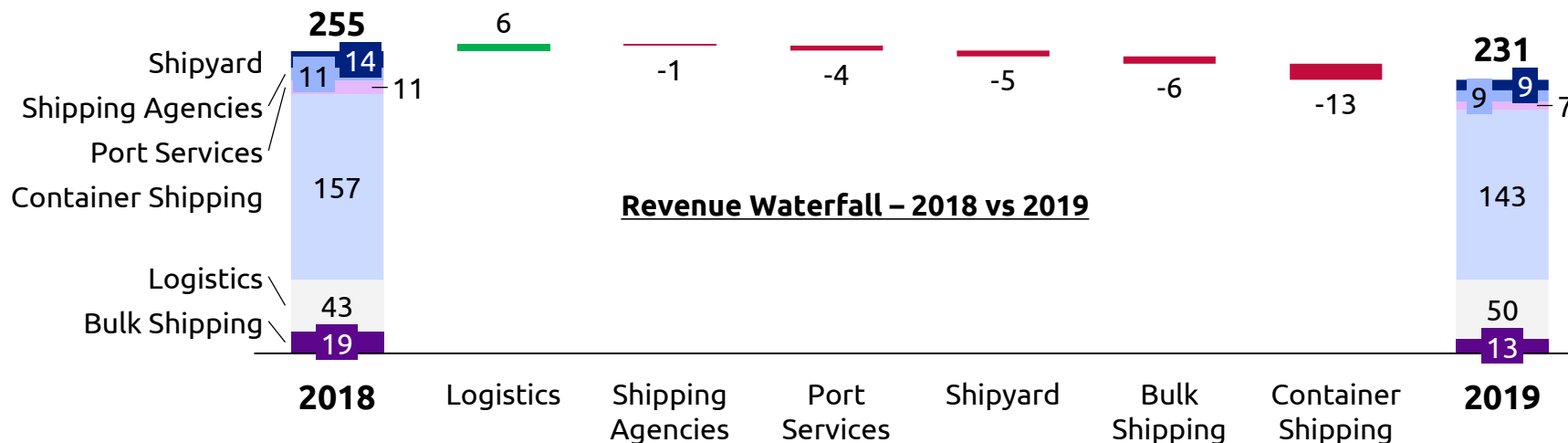
Segment Performance – Q1

(All amounts in QR Millions)

9% Decline in Revenue and 23% decline in Net Profit

- **Revenue drop driven by Container & Bulk Shipping units**
 - Reduction in volumes (8%) and rates in Container Feederling
 - Drop in Bulk Shipping rates and chartering activities
- **Operating Expenses are down QR 17M**
 - Salaries & Wages increase tied to increased Offshore crew wages (offset is in Fleet & Tech allocation line, which goes to Offshore)
 - Operating Supplies & Expenses decrease due to drop in Container Shipping's volumes (less bunker, port charges, stevedoring, etc)
- **Non-Operating Income is down QR (4)M**
 - Milaha's QTerminals share decreased by QR (5)M
 - Bulk Shipping vessel impairment increased by QR (4)M

	2018	2019
Operating Revenue	256	231
Salaries, Wages and Other Benefits	(77)	(88)
Operating Supplies and Expenses	(173)	(158)
Rent Expenses	(13)	(11)
Depreciation and Amortisation	(7)	(8)
Provision of Impairment of Trade Receivables	(5)	2
Other Operating Expenses	(12)	(14)
Fleet & Technical Expense Allocation	65	72
Expense Allocation from Milaha Corporate	(27)	(27)
Operating Expenses	(248)	(231)
Operating Profit	8	-
Non-Operating Income/(Expense)	45	41
Profit for the Period	53	41



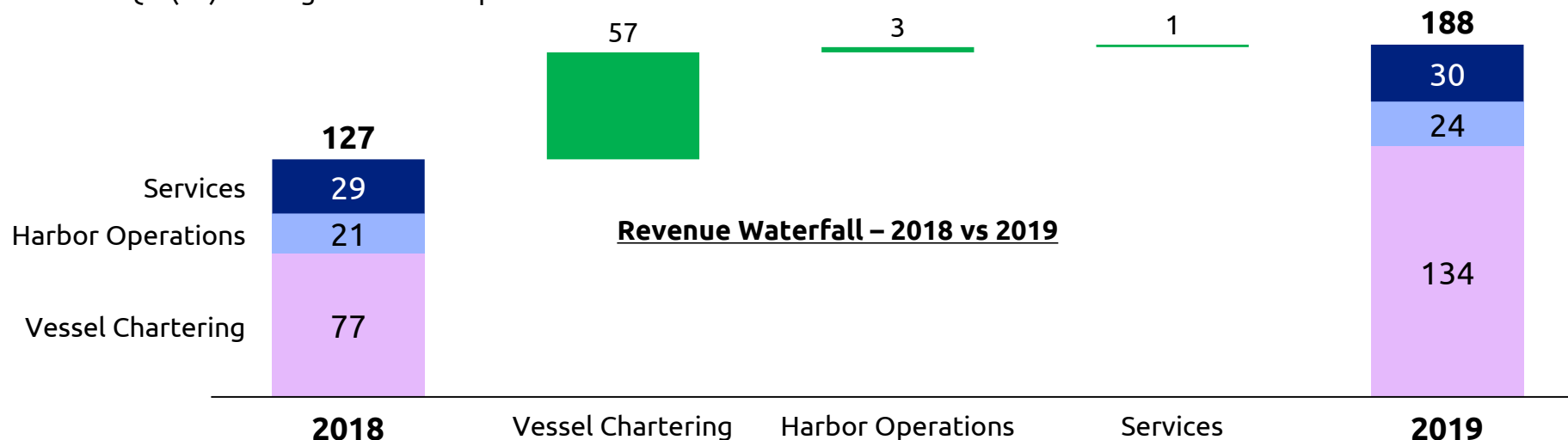
Segment Performance – Q1

(All amounts in QR Millions)

48% Increase in Revenue and 26% Increase in bottom line

- **Revenue increase mainly from Vessel Chartering**
 - Average utilization increased from 71% in 2018 to 77% 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 (29)M**
 - Additional Crewing, Fleet & Technical and Depreciation expenses tied to new vessel additions in H2 2018
 - Operating Supplies & Expenses correlated to revenue increase
- **Non-Operating Expenses increased by QR (26)M**
 - QR (24)M in higher vessel impairment recorded in 2019 vs 2018

	2018	2019
Operating Revenue	127	188
Salaries, Wages and Other Benefits	(15)	(16)
Operating Supplies and Expenses	(17)	(34)
Rent Expenses	(1)	(1)
Depreciation and Amortisation	(33)	(46)
Provision of Impairment of Trade Receivables	(9)	(1)
Other Operating Expenses	(6)	(7)
Fleet & Technical Expense Allocation	(52)	(58)
Expense Allocation from Milaha Corporate	(5)	(4)
Operating Expenses	(138)	(167)
Operating Profit	(11)	21
Non-Operating Income/(Expense)	(12)	(38)
Profit for the Period	(23)	(17)



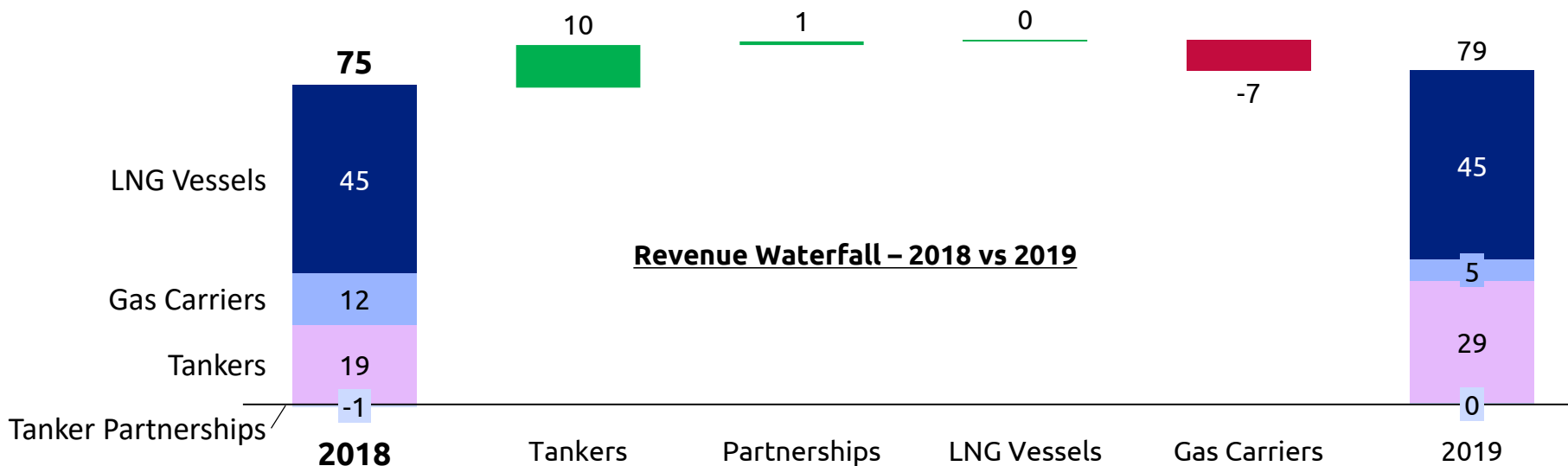
Segment Performance – Q1

(All amounts in QR Millions)

4% Increase in Revenue and 161% Increase in Net Profit

- Slight revenue increase tied to improved Tanker Market Rates more than offsetting reduced Gas Carrier rates and utilization
- Overall Operating Expenses reduced marginally
- Non-Operating Income up QR 42M
 - QR 27M in lower vessel impairments
 - QR 16M in higher Nakilat income (+QR 9M due to increased stake from 30% to 36% effective Feb 2019)

	2018	2019
Operating Revenue	75	78
Salaries, Wages and Other Benefits	(6)	(6)
Operating Supplies and Expenses	(6)	(4)
Rent Expenses	(0)	(0)
Depreciation and Amortisation	(24)	(22)
Provision of Impairment of Trade Receivables	-	-
Other Operating Expenses	(4)	(5)
Fleet & Technical Expense Allocation	(14)	(14)
Expense Allocation from Milaha Corporate	(5)	(3)
Operating Expenses	(59)	(54)
Operating Profit	16	24
Non-Operating Income/(Expense)	15	57
Profit for the Period	31	81



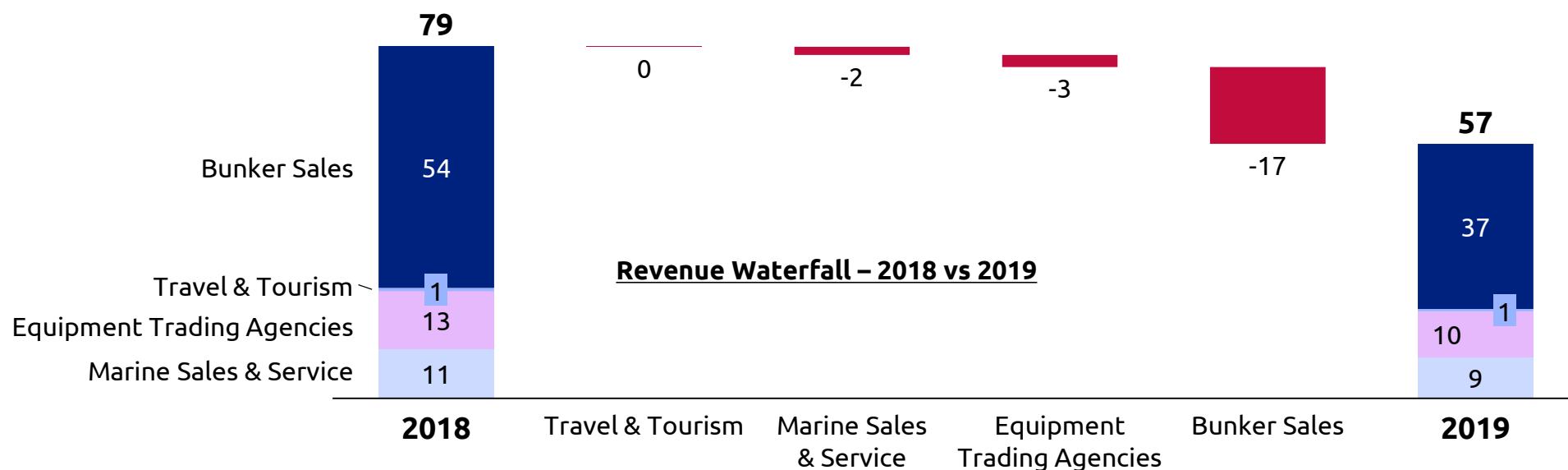
Segment Performance – Q1

(All amounts in QR Millions)

28% Decline in Revenue and 88% Decline in Net Profit

- Large drop in low margin bunker sales
- Decrease in revenue had a knock-on effect decrease in associated Cost-of-Goods-Sold shown in the Operating Supplies & Expenses line

	2018	2019
Operating Revenue	79	57
Salaries, Wages and Other Benefits	(4)	(4)
Operating Supplies and Expenses	(71)	(51)
Rent Expenses	(1)	(1)
Depreciation and Amortisation	(0)	(0)
Provision of Impairment of Trade Receivables	(1)	(1)
Other Operating Expenses	(1)	(0)
Expense Allocation from Milaha Corporate	(4)	(3)
Operating Expenses	(81)	(60)
Operating Profit	(2)	(3)
Non-Operating Income/(Expense)	0	0
Profit for the Period	(2)	(3)

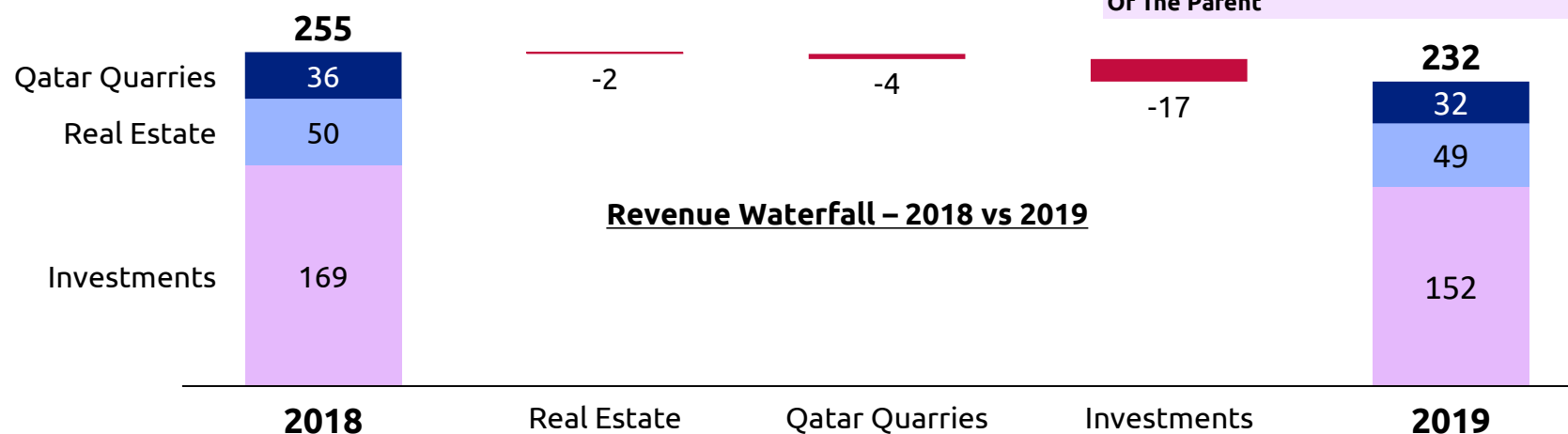


Segment Performance – Q1

(All amounts in QR Millions)

9% Decline in Revenue and 12% Decline in Net Profit

- **QR (22)M decrease in Revenue broken out as follows:**
 - QR (4)M decrease in sales from Qatar Quarries associate
 - QR (16)M decrease in dividend income from liquidated (funds reallocated to increase Nakilat stake) HFT Investment portfolio
 - QR (2)M decrease in Real Estate income
- **Overall Operating Expenses reduced marginally**
- **Non-Operating Income down QR (4)M, mainly due to FX Gains recorded in 2018**



	2018	2019
Operating Revenue	255	232
Salaries, Wages and Other Benefits	(2)	(1)
Operating Supplies and Expenses	(39)	(36)
Rent Expenses	(2)	(0)
Depreciation and Amortisation	(14)	(16)
Provision of Impairment of Trade Receivables	0	0
Other Operating Expenses	(2)	(2)
Expense Allocation from Milaha Corporate	(4)	(4)
Operating Expenses	(63)	(60)
Operating Profit	192	172
Non-Operating Income/(Expense)	8	4
Profit for the Period	200	177
Non-controlling interest	0	0
Net Profit Attributable To Equity Holders Of The Parent	200	177

Outlook



- Expect limited volume volatility at Hamad port, keeping QTerminals income relatively steady
- Expect container feeder margins to remain under pressure as geographic network footprint expands; realized benefits will lag costs incurred
- 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 in Q1, but outlook remains uncertain
- 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 another challenging year for this segment with limited growth potential

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 on track to open Q3 2019