



# **AB KLAIPĖDOS NAFTA UNAUDITED FINANCIAL RESULTS OF 2017**

31<sup>st</sup> January 2018



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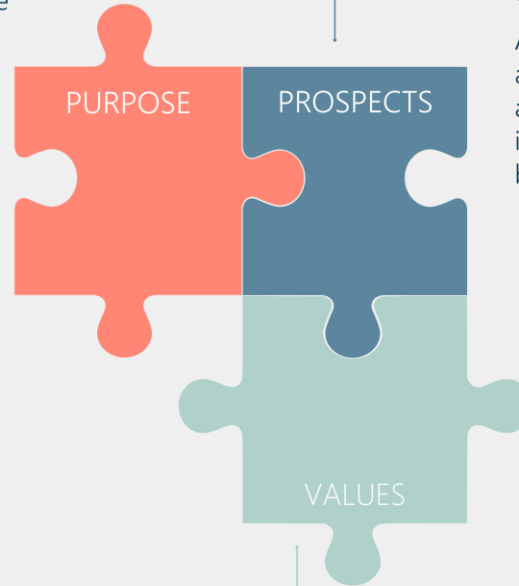
## **ABOUT THE COMPANY**



## MISSION, VISION, VALUES

### OUR MISSION

Ensure reliable and effective supply of LNG and transhipment of oil products.



### OUR VISION

A reliable operator of oil and LNG terminals that adds value through implemented projects and balanced expansion.

### OUR VALUES

Initiative, transparency, professionalism and reliability, social responsibility.



## ACTIVITIES OF THE COMPANY



### OIL TERMINALS



KLAIPĖDA OIL  
TERMINAL



SUBAČIUS OIL  
TERMINAL

### LNG TERMINALS



KLAIPĖDA LNG  
TERMINAL



KLAIPĖDA SMALL-  
SCALE LNG  
TERMINAL



## HIGHLIGHTS

## HIGHLIGHTS OF THE 4<sup>TH</sup> QUARTER OF 2017



### Loading of 1st LNG truck

- **17 October.** During LNG reloading station commissioning works, the first LNG truck has been successfully loaded. The first truck of DUON LNG was accepted and filled with LNG.



### Approved reconstruction of jetties

- **6 December.** An extraordinary general meeting of shareholders of the Company approved the investment project of No.1 and No.2 jetties reconstruction with budget of EUR 16.5 mln.



### Court decision for a favor of KN

- **27 December.** Klaipėda Regional Court has passed a conviction in a criminal case, according to which the civil claim of AB Klaipėdos nafta is satisfied with EUR 20.9 mln. The adjudged amount is not reflected in the financial statements.

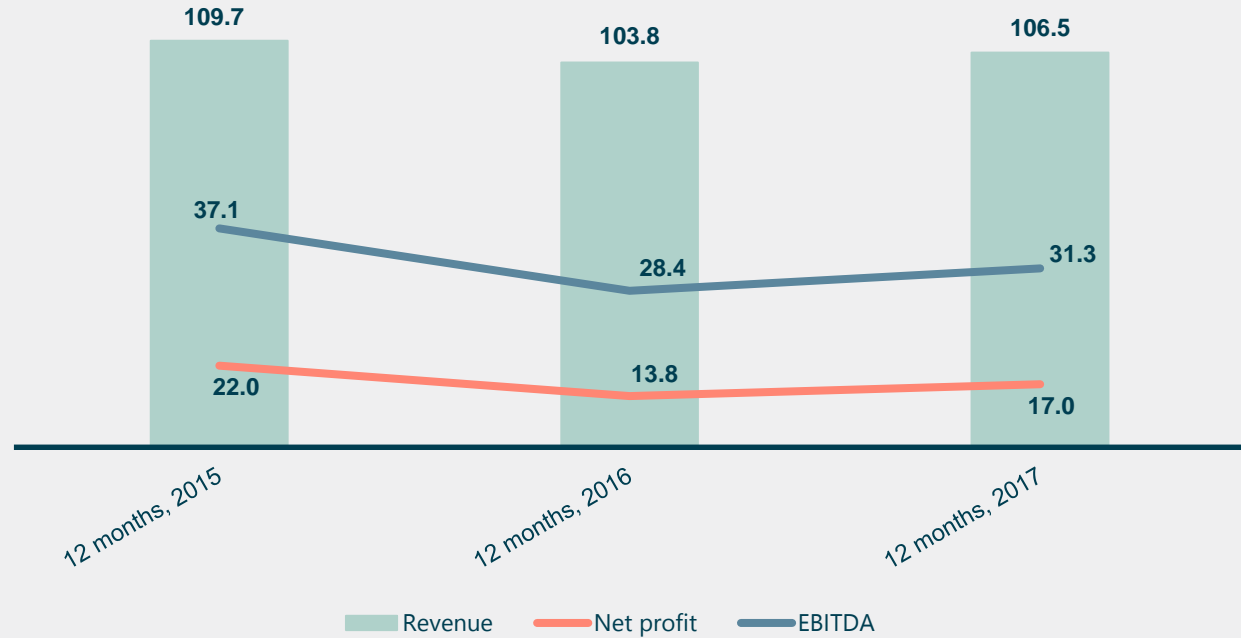


# FINANCIAL RESULTS





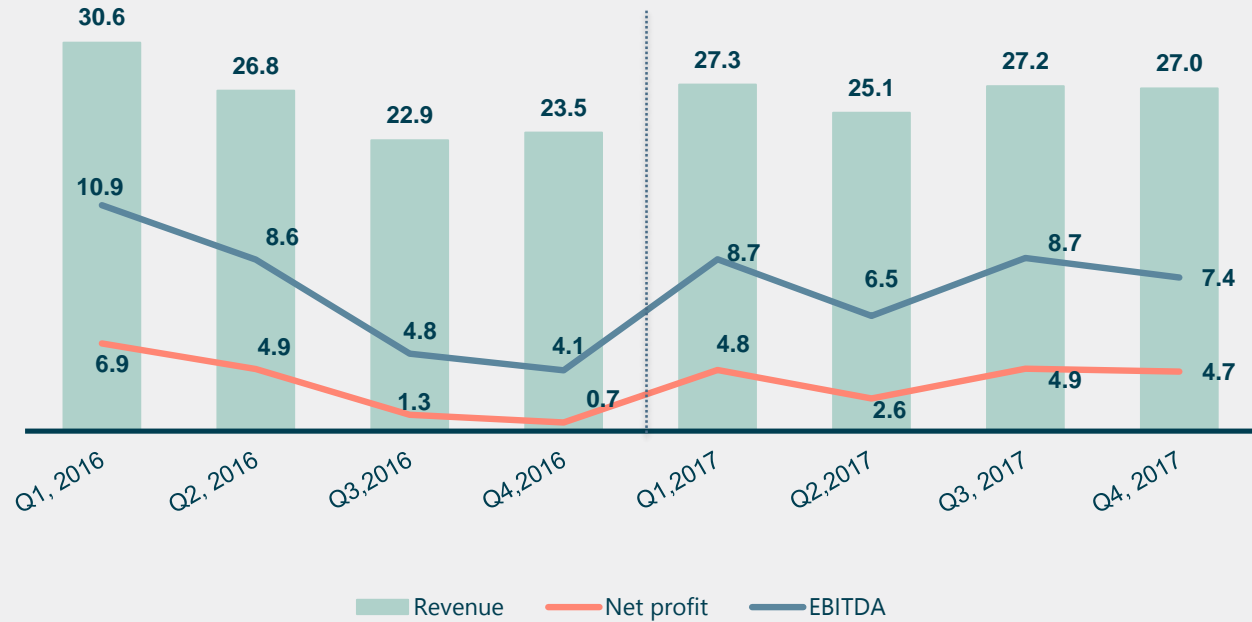
## REVENUE, EBITDA, NET PROFIT (UNAUDITED), MEUR



**Note: The initial net profit budget for the year 2017 (approved before the start of the year) was 10.8 MEUR.**



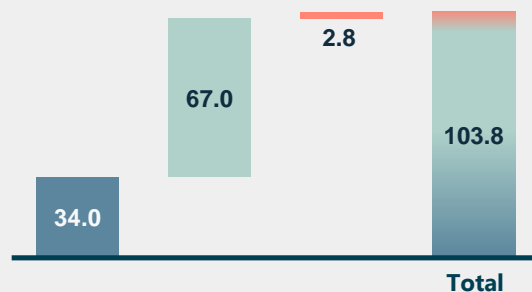
## REVENUE, EBITDA, NET PROFIT (UNAUDITED), MEUR



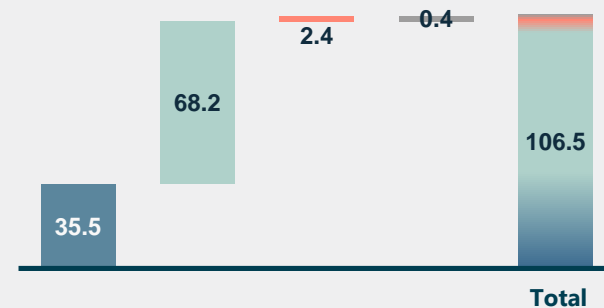


## STRUCTURE OF SALES REVENUE AND EBITDA BASED ON OPERATING SEGMENTS (UNAUDITED)

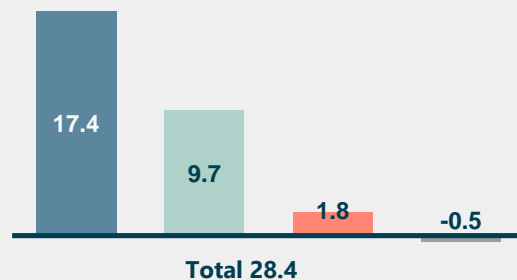
Revenue of 2016, MEUR



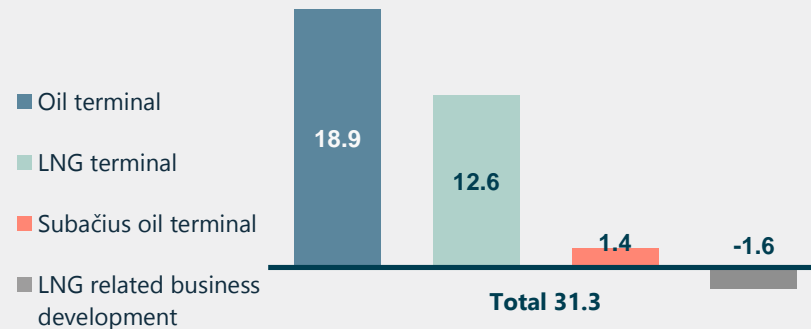
Revenue of 2017, MEUR



EBITDA of 2016, MEUR

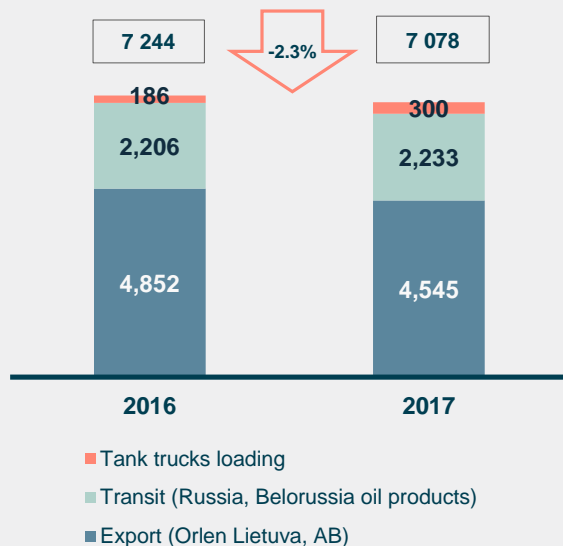


EBITDA of 2017, MEUR





## Transshipment, thousand tons



MEUR	2016	2017
Revenue	34.0	35.5
Net profit	9.9	11.6
EBITDA	17.4	18.9

## BUSINESS FACTORS:

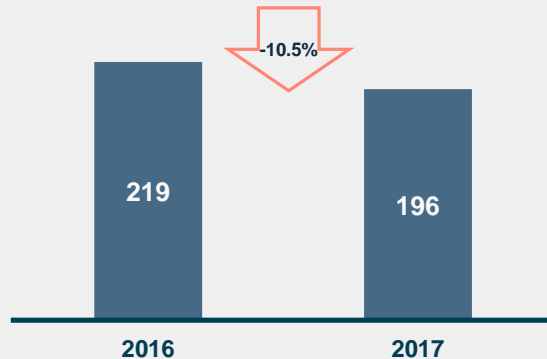
In 2017 transshipment volumes remained similar, however in this year the Company has faced with challenges:

- Due to geopolitical reasons in the beginning of the year Belorussia refineries suffered reduction of crude oil supply and subsequently delivered less fuel oil cargos. However, in the middle of the year transshipment flows had recovered and the total transshipment of the last quarter of 2017 was 27.3% higher compared to the same period of 2016.
- AB ORLEN Lietuva quantities slightly decreased in connection with refinery maintenance performed in March-May 2017;
- Transshipment into the tank trucks increased even by 61%. The increase was enabled after modernization of the Company's tank truck loading system finished in the beginning of the year.



## SUBAČIUS OIL TERMINAL RESULTS OF 2017

**Average storage volume,  
thousand tons**



MEUR	2016	2017
Revenue	2.8	2.4
Net profit	0.8	0.5
EBITDA	1.8	1.4

### **BUSINESS FACTORS:**

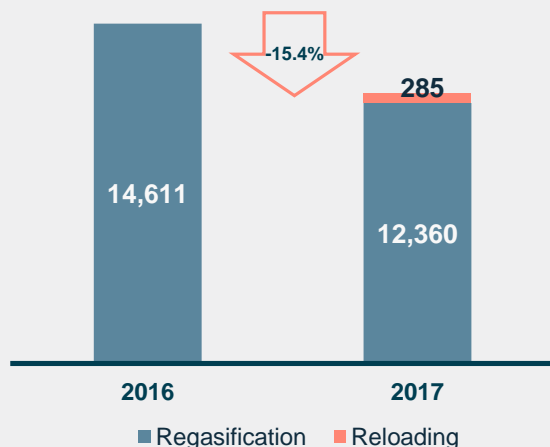
The storage quantities of oil products has reduced by 10.5% in 2017 (comparing to 2016) that accordingly affected revenues and net profit. Storage volumes were affected by the decreased long term storage demand in commercial oil products markets.

Transshipment volume amounted to 98.9 thousand tons in 2017 (2016 – 93.9 thousand tons).



## LNG TERMINAL RESULTS OF 2017

Regasification and reloading,  
thousand MWh



In 2017 almost half of the total amount of Lithuanian gas consumption was regasified through the KN LNG terminal.

\*Regulated preliminary LNG profit is estimated to EUR 3.2 million. The additionally received amount of revenue (or lack of income) will be dedicated for compensation of the LNG terminal necessarily expenses for the coming financial periods.

MEUR	2016	2017
Revenue	67.0	68.2
Net profit	3.5	6.5
EBITDA	9.7	12.6

### BUSINESS FACTORS:

During 2017 fifteen LNG carriers have been accepted, which have delivered 839.8 thousand tons in total of LNG. The gas was supplied to Lithuania from 4 countries.

In 2017 LNG reloading service from FSRU was held for the first time. In 2017 total 6 reloading operations (285 thousand MWh of LNG) were made.

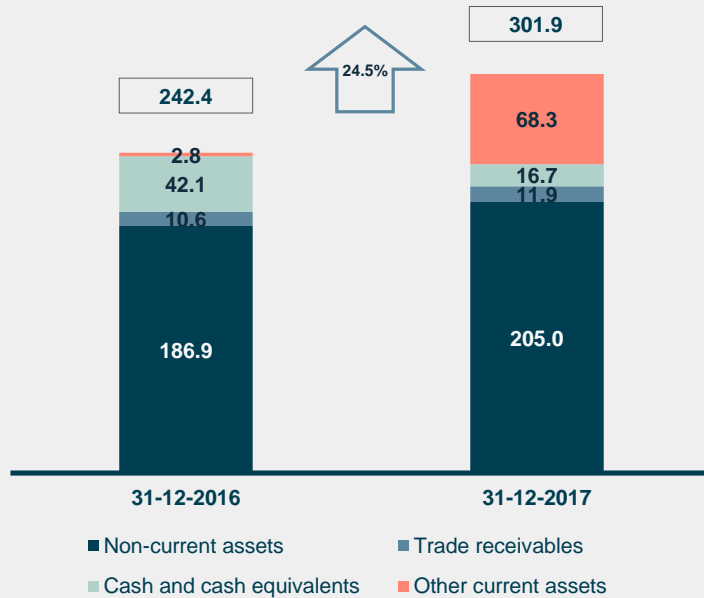
### ASPECTS OF REGULATION:

The activity of LNG terminal is regulated and has the set price cap. The revenue and profit of LNG activity does not depend on re-gasification volume, therefore, there are differences between financial and regulated profit and revenues.

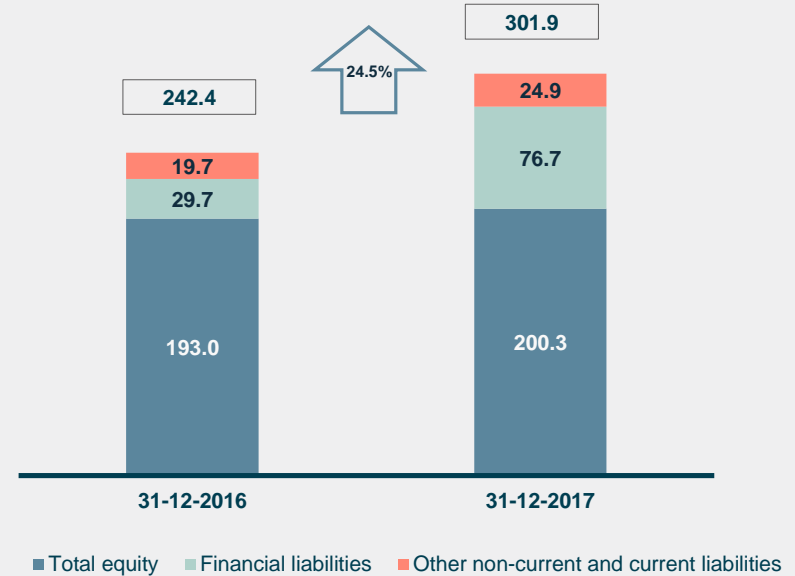


## BALANCE SHEET (UNAUDITED)

### Assets, MEUR



### Equity and liabilities, MEUR





## FINANCIAL FIGURES (UNAUDITED)

MEUR	2016	2017	Change, %
Sales Revenue	103.8	106.5	2.6%
Gross profit	20.8	23.7	14.0%
EBITDA	28.4	31.3	10.3%
Profit before taxation (EBIT)	15.3	17.5	14.4%
Net profit	13.8	17.0	23.2%
Gross profit margin	20.0%	22.3%	
EBITDA margin	27.4%	29.4%	
Net profit margin	13.3%	16.0%	
Return on equity (ROE)*	7.1%	8.7%	
Return on assets (ROA)*	5.7%	6.3%	
Profit per share (EPS), EUR/share	0.037	0.045	
Average number of shares	380,606,184	380,606,184	-

\* The return on equity (ROE) and return on assets (ROA) were calculated by dividing the net profit (losses) of the last twelve months by the average of equity or asset values at the beginning and the end of the reference year.

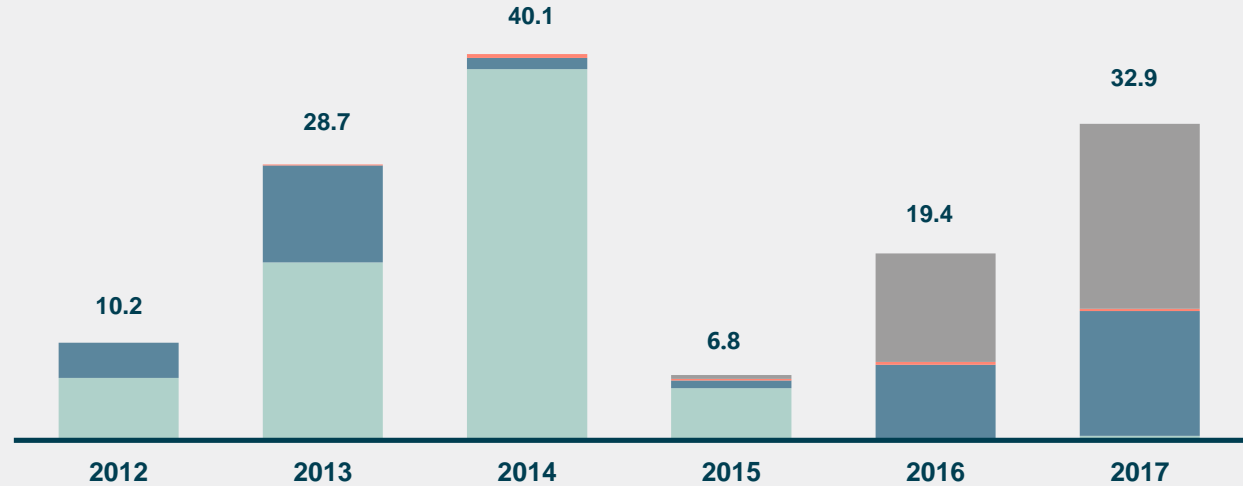




# INVESTMENT OVERVIEW



## INVESTMENTS OF THE COMPANY, MEUR



Oil terminal  
LNG terminal

Subačius oil terminal  
LNG small scale terminal



## THE BIGGEST INVESTMENTS TO PROJECTS IN 2017, MEUR



**LNG reloading station – MEUR 17.2**



**Expansion of LFO\* park – MEUR 5.9**



**Construction of fuel oil with water tanks – MEUR 1.9**

**In 2017 implementation works of oil terminal's 2nd stage has been started**

\* LFO – Light Oil Products



## PROGRESS OF LNG RELOADING STATION



**JANUARY,  
2017**



**DECEMBER,  
2017**

*This project is partly financed by EU funds.*



## **OTHER INFORMATION**



## SHAREHOLDERS AND SHARES

Since 2003 the shares of the Company are listed on NASDAQ OMX Vilnius stock exchange:

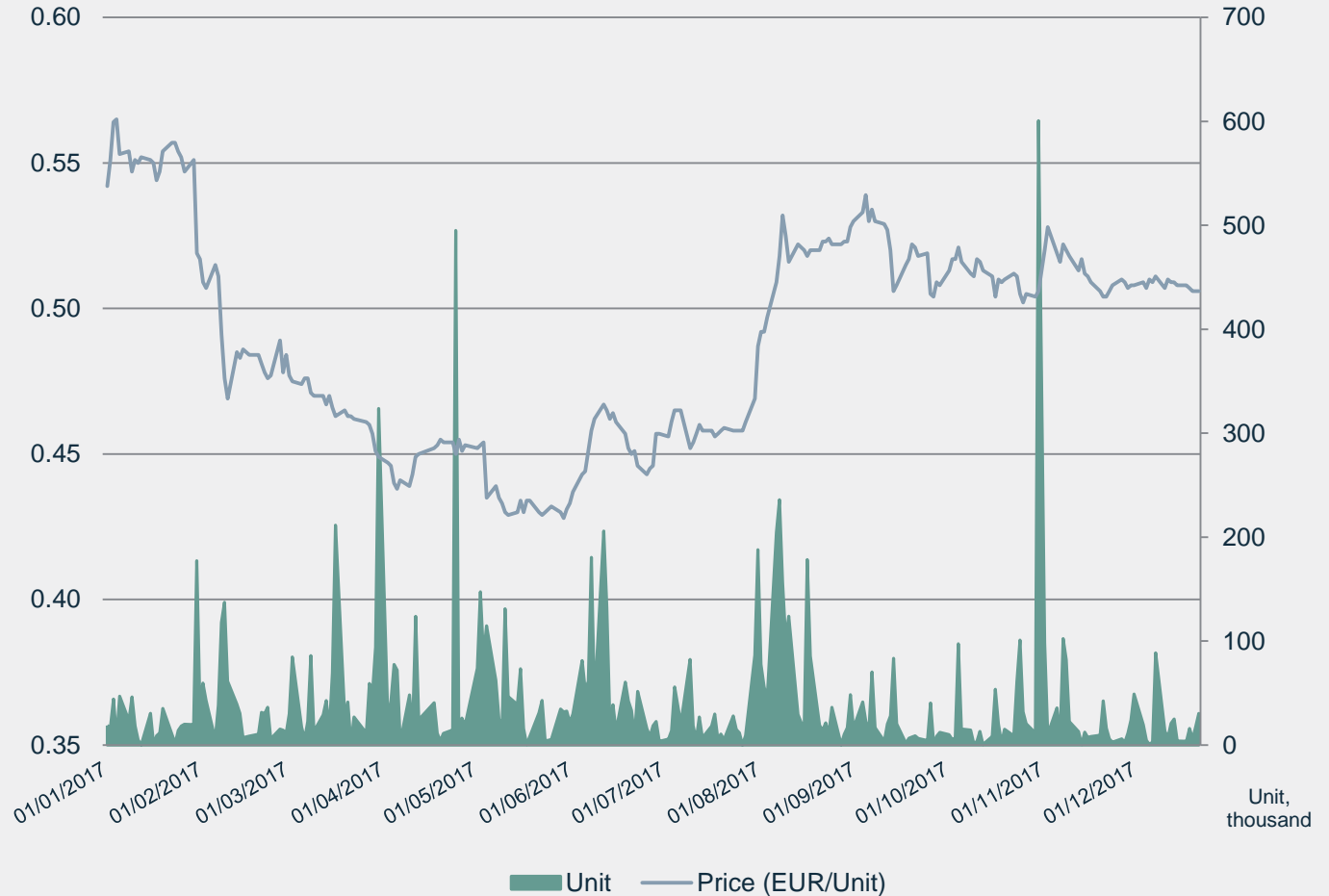
- ISIN code – LT0000111650
- Abbreviation – KNF1L

As at 31<sup>st</sup> December 2017, all the shares of the Company were owned by 2,178 shareholders (as at 31<sup>st</sup> December 2016 – 1,993).

Shareholder's name (company's name, address, company code of registration)	31 <sup>th</sup> of December 2017		31 <sup>st</sup> of December 2016	
	Number owned shares (unit)	Part of authorized capital (%)	Number owned shares (unit)	Part of authorized capital (%)
The Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania	275,241,290	72.32	275,241,290	72.32
Concern AB Achemos grupe	39,113,150	10.28	38,975,150	10.24
Other (each owning less than 5%)	66,251,744	17.40	66,389,744	17.44
Total	380,606,184	100.00	380,606,184	100.00

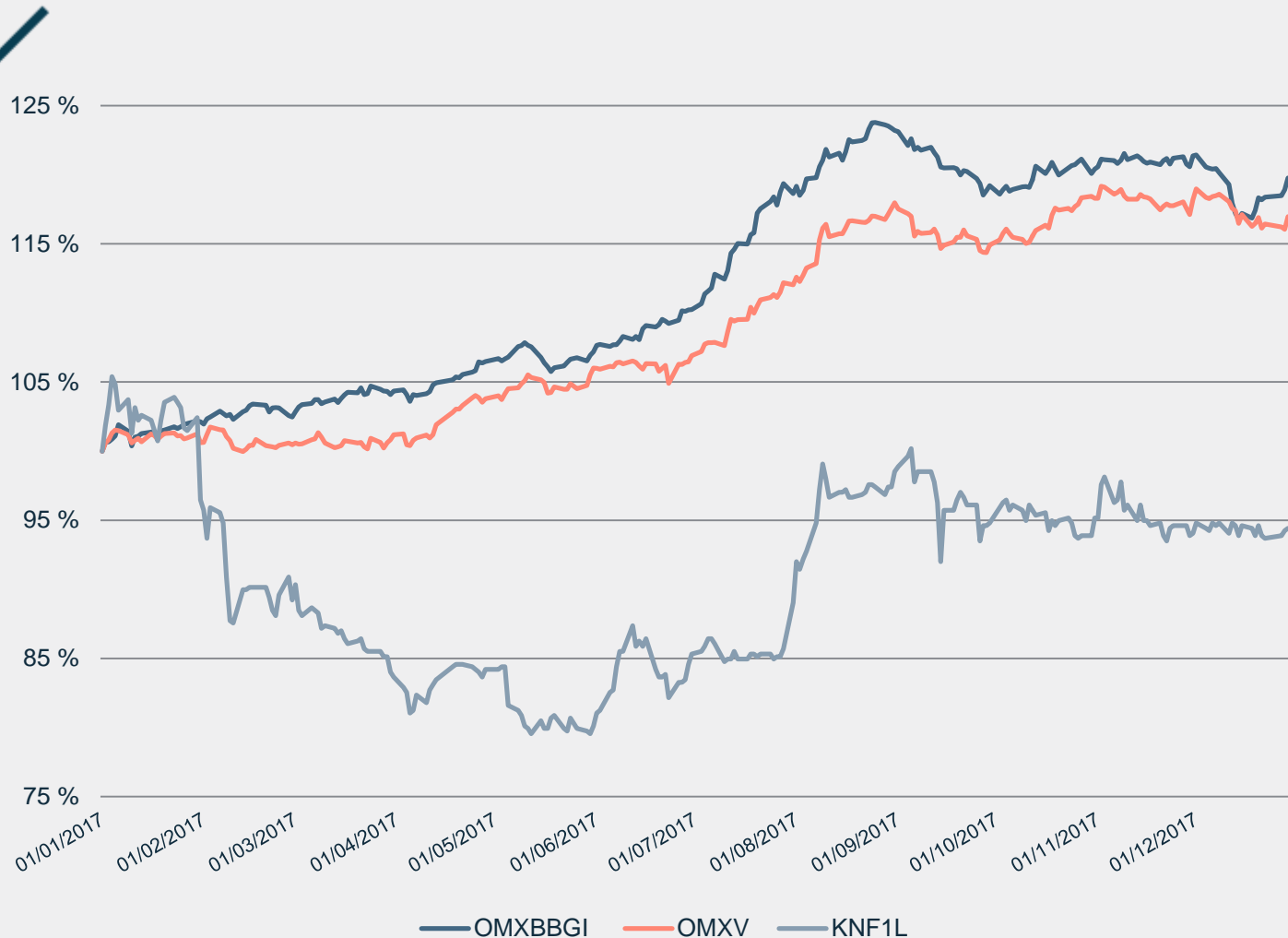


# TRADING IN KNF1L SHARES ON NASDAQ VILNIUS STOCK EXCHANGE OF 2017





# KNF1L SHARE PRICE, NASDAQ VILNIUS AND BALTIC BENCHMARK GI INDEXES COMPARISON OF 2017







## ORGANIZATIONAL STRUCTURE

### BOARD members:

Dainius Bražiūnas

Mantas Bartuška

Giedrius Dusevičius

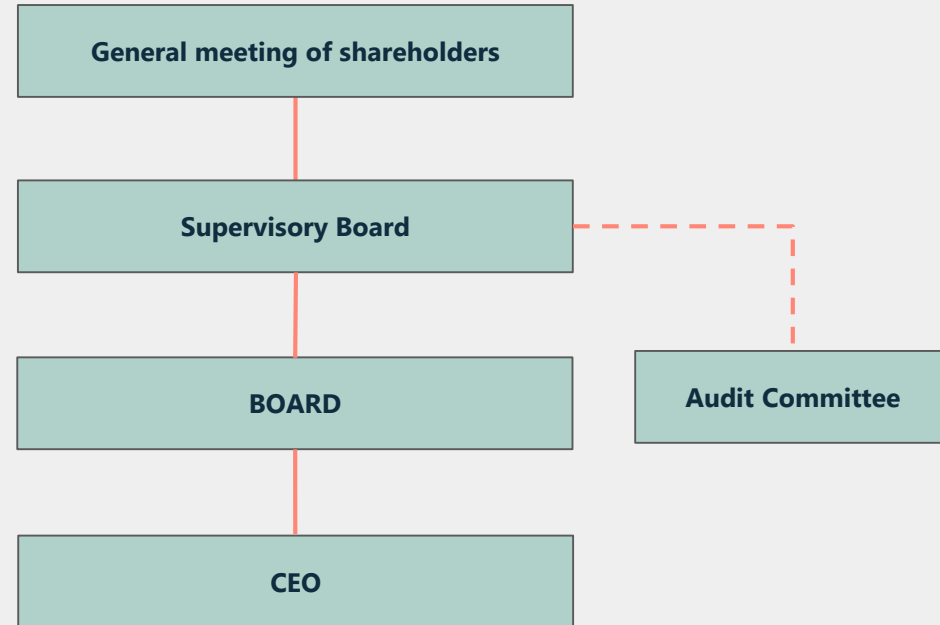
Bjarke Pålsson (since 24<sup>th</sup> January 2017)

Mindaugas Jusius (till 11<sup>th</sup> April 2017)

The term of office for the Supervisory Board has ended from the 21<sup>st</sup> of April, 2017.

The term of office for the Audit Committee has ended from the 21<sup>st</sup> of April, 2017.

New members until the 31<sup>st</sup> of December, 2017 have not been appointed.



**25 October, 2017.** Selection of two independent members of the Supervisory Board was announced. Looking for one independent member from financial sector and one from strategic planning and management.



## MANAGEMENT OF THE COMPANY



**Mindaugas Jusius**  
Chief Executive Officer



**Marius Pulkauninkas**  
Chief Financial Officer



**Genadijus Andrejevas**  
Technical Director



**Darius Šilenskis**  
Oil Business Director



**Rytis Valūnas**  
Chief Administrative Officer and  
General Counsel



**Tadas Matulionis**  
LNG Business Director



# THANK YOU

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