



Investor Presentation

First Half 2017



July 21, 2017

Safety

Excellence

Innovation

Teamwork

Transparency

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GTT, a French engineering company, global leader in liquefied gas containment systems

► Profile

- Leading engineering company
- Expert in liquefied gas containment systems
- More than 50-year track record

► Activities

- **Designs and licenses membrane technologies** for containment of liquefied gas during shipping or onshore and offshore storage
- **Provides** design studies, construction assistance and **innovative services**

Key figures

<i>in € million</i>	H1 2016	H1 2017
Total Revenues	116.9	111.3
<i>Royalties</i>	<i>111.1</i>	<i>103.4</i>
<i>Services</i>	<i>5.8</i>	<i>7.9</i>
Net Income	60.5	61.2
<i>Net margin (%)</i>	<i>51.8%</i>	<i>55.0%</i>



► As at June 2017

- **344 employees⁽¹⁾**

H1 2017 Highlights

► Revenues for H1 2017: €111 million

► Order book: **13** new orders

H1 2017 movements in the order book	Order book of 88 units	
► Deliveries: 21 (18 LNGC/VLEC, 2 FSRU, 1 FLNG)	► 73 LNGC/VLEC ⁽¹⁾	► 2 FLNG
► New orders: 13 (8 LNGC/VLEC, 4 FSRU, 1 FLNG)	► 10 FSRU ⁽¹⁾	► 2 Onshore storage
	► 1 LNG bunker barge	

► Among H1 2017 deliveries, the **Prelude FLNG** and the first icebreaking LNGC

► New products

- GTT MARSTTM, a membrane solution dedicated to LPG segment
- GBS, a new concept of LNG bunker station

► New service offering

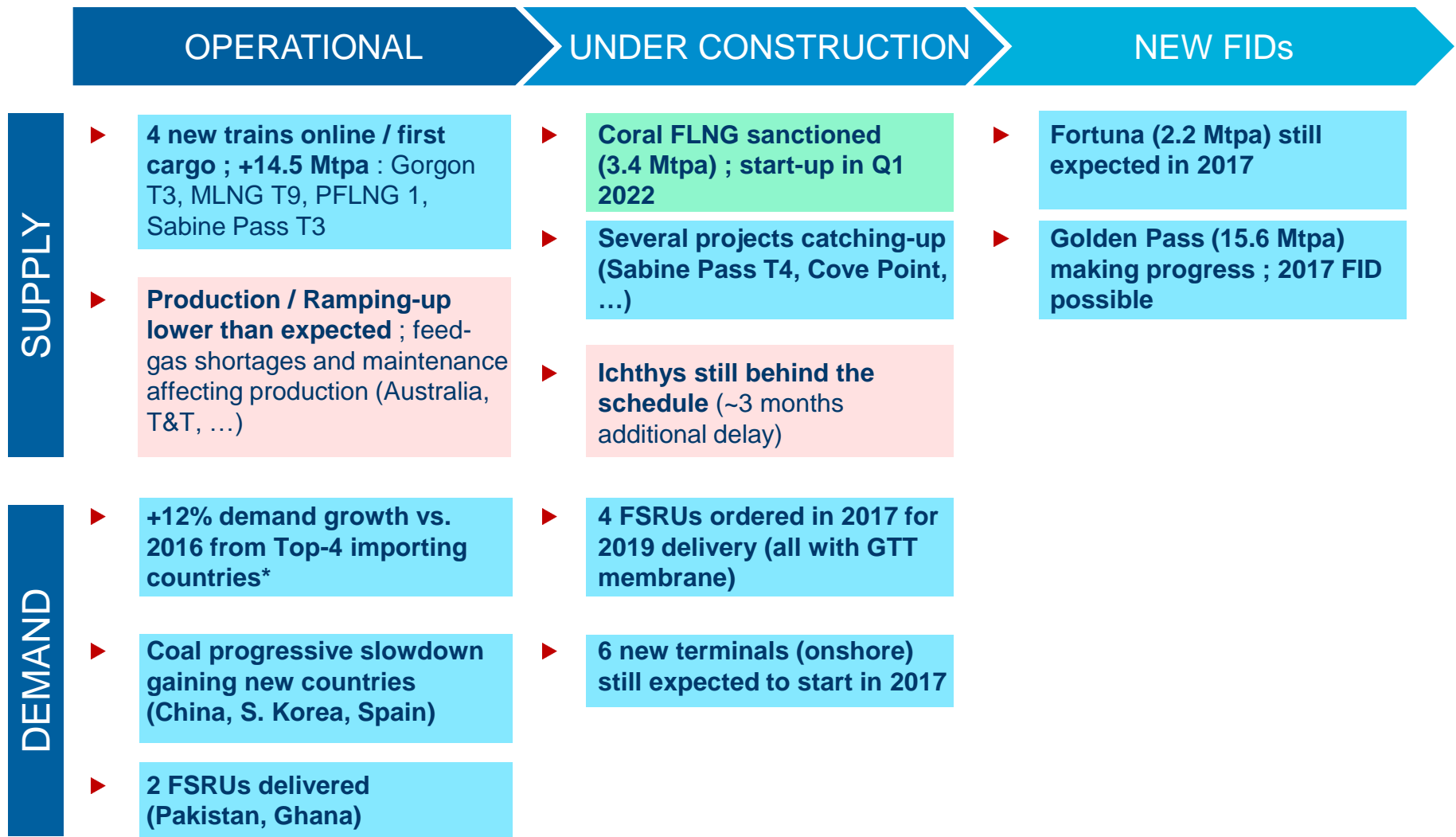
- Global service agreement with Teekay
- Engineering services to improve LNGC performance

⁽¹⁾ Including a LNGC order conversion into a FSRU order



LNG market

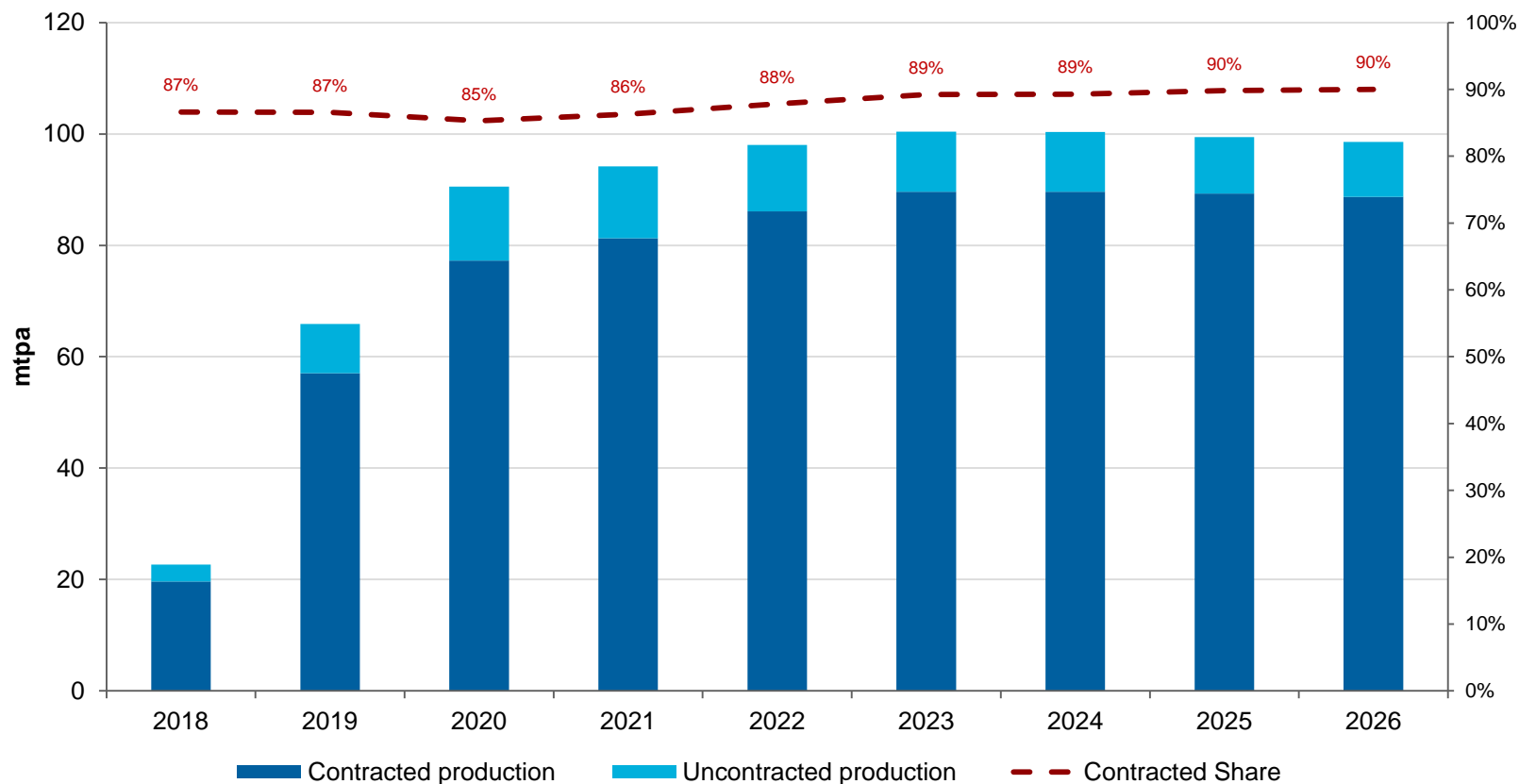
H1 2017 LNG market: several positive signals



*Jan to May. YoY ; Japan, S. Korea, China, India (60% of imports in 2016)

Most of additional LNG production is already contracted

Contracted vs. Uncontracted additional LNG production by 2026



► ~90% of additional volumes is already contracted by 2026

► Remaining production to be sold on the spot market

► High enough to secure financing



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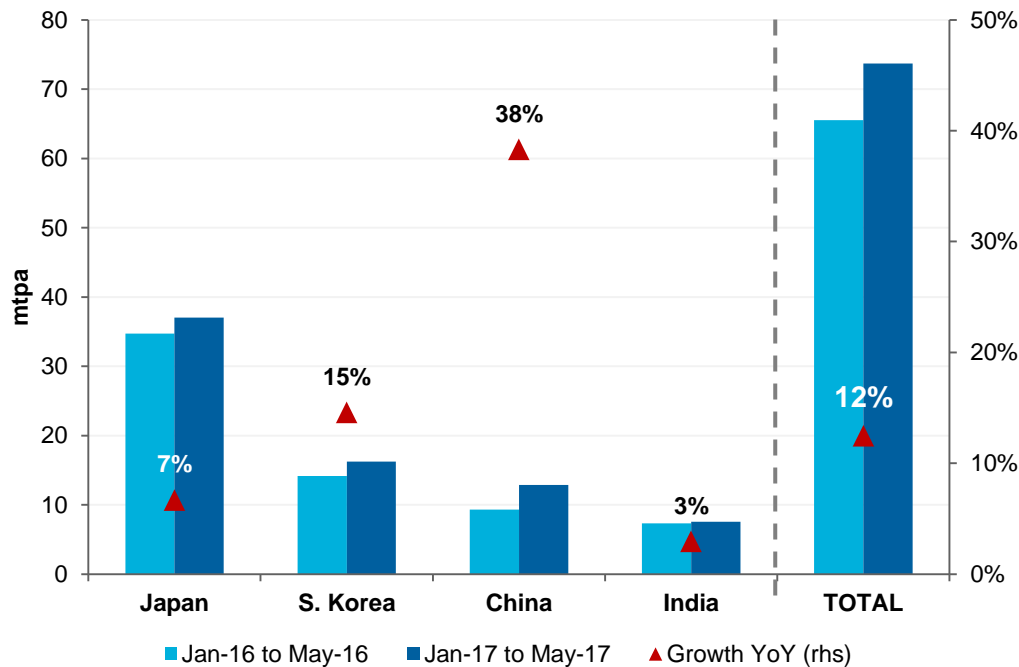
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Sources: Wood Mackenzie

Asian LNG imports growing in 2017 vs. 2016 due to structural energy mix evolution

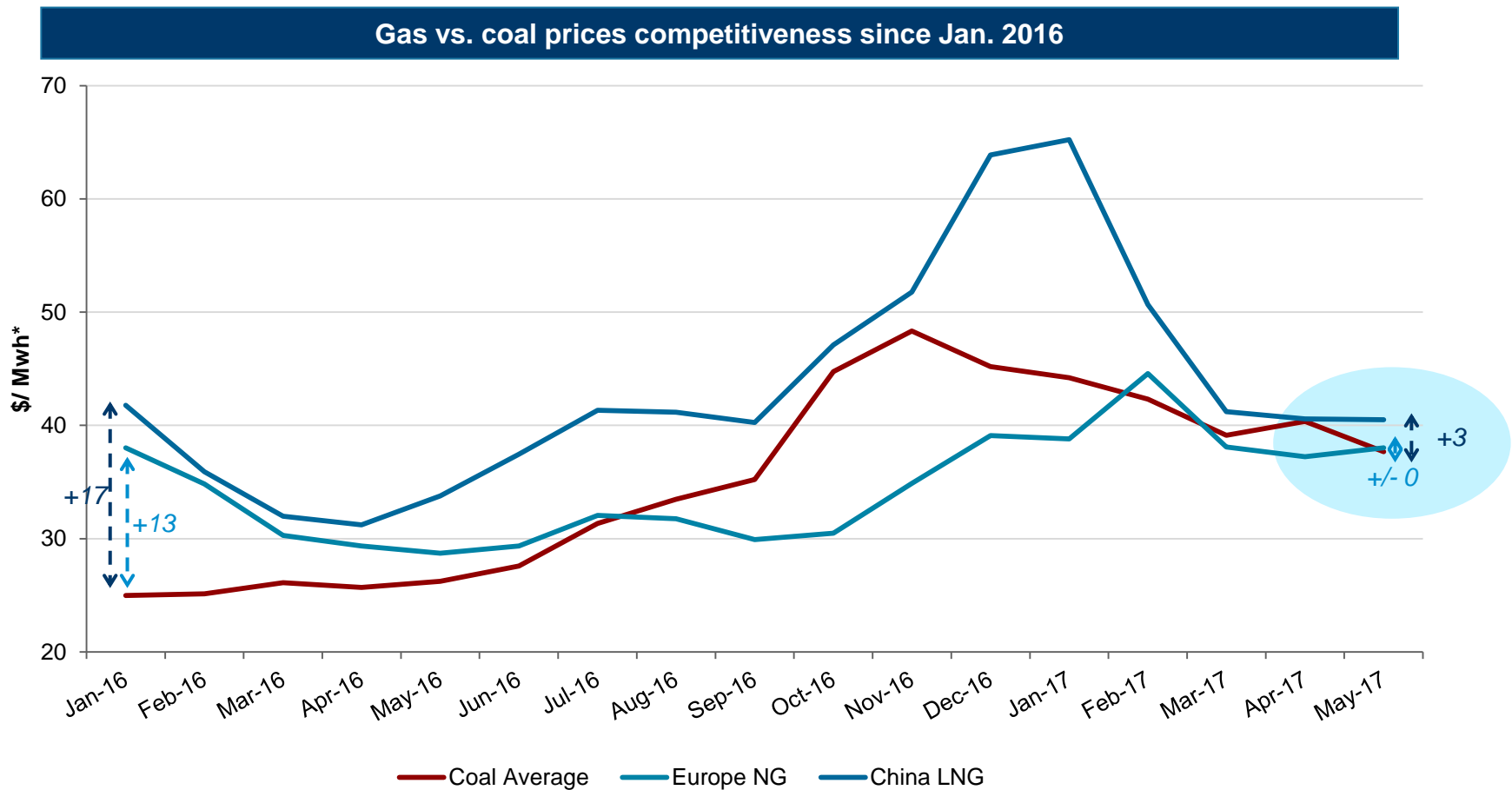
Top-4 LNG importers demand comparison 2017 vs. 2016



- ▶ **Demand of top-4 LNG importing countries (60% of imports in 2016) grew by 12% in 2017 vs. 2016 (Jan to May YoY), mainly due to:**
 - ▶ **Coal to Gas switch**, especially in China due to environmental considerations and LNG competitiveness vs. coal
 - ▶ **Lower nuclear restart**, especially in Japan due to social and legal issues
- ▶ **Coal progressive slowdown in China and South Korea expected to strengthen in the mid/long term**

Main sources : National Custody Agencies and Ministries ; Wood Mackenzie

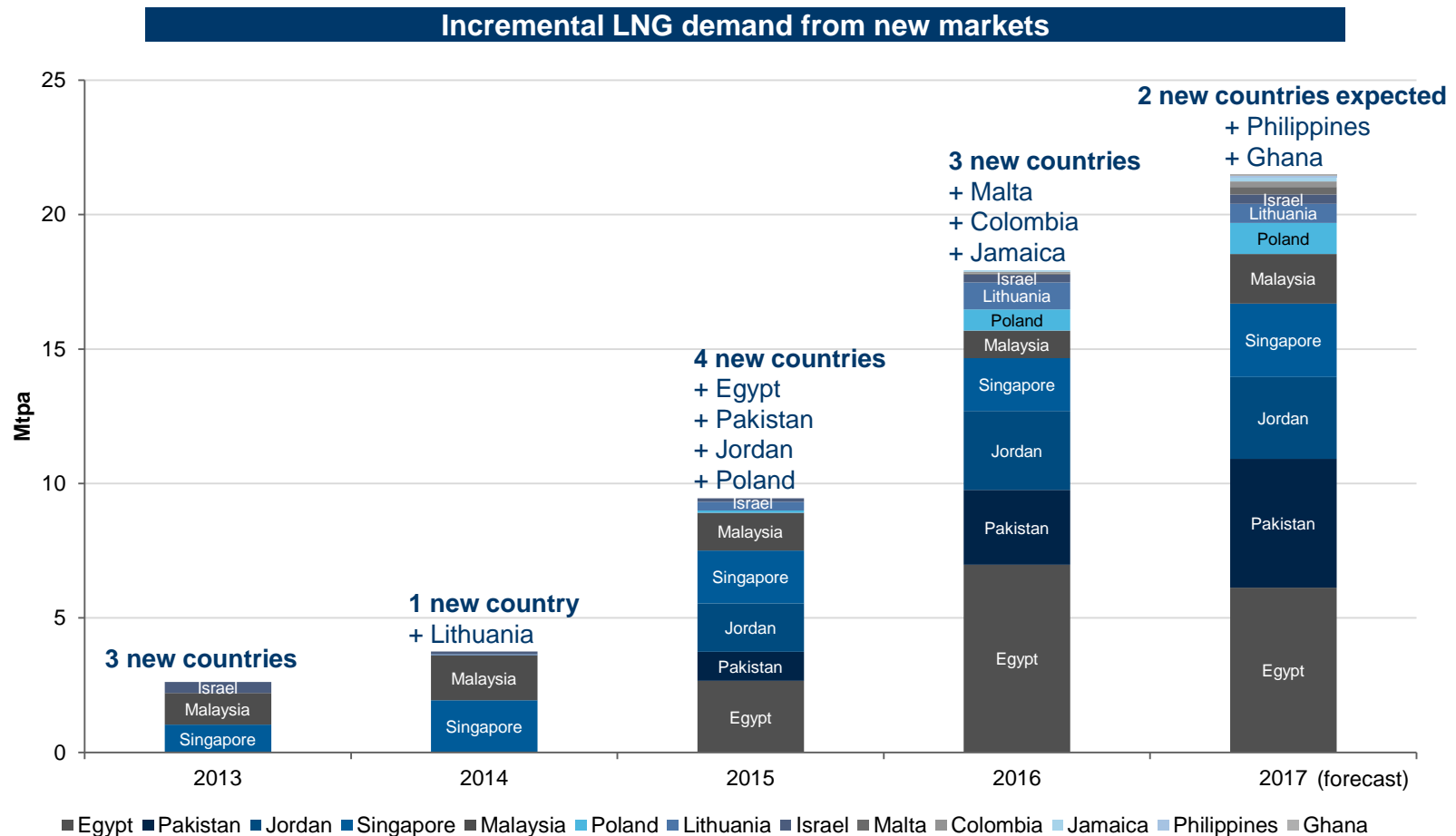
Convergence between gas and coal prices is accelerating the coal-to-gas switch



Source: World Bank, Argus

*Including power plant efficiency : with coal = 34% ; with natural gas = 48%

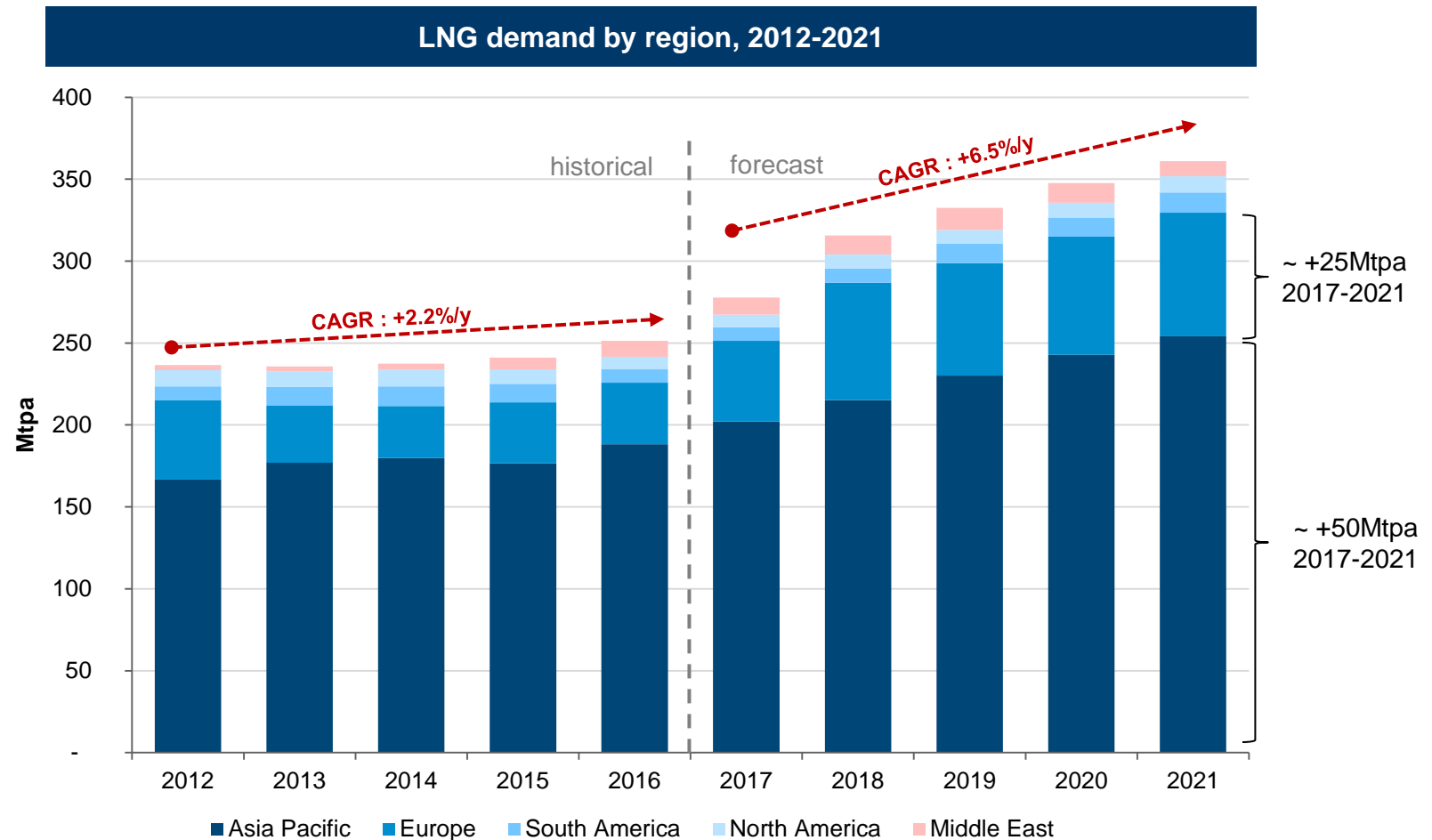
Low LNG prices attract new importing countries



- ▶ **13 new importing countries since 2013**
- ▶ **~18 Mtpa in 2016 ; ~7% of worldwide demand**

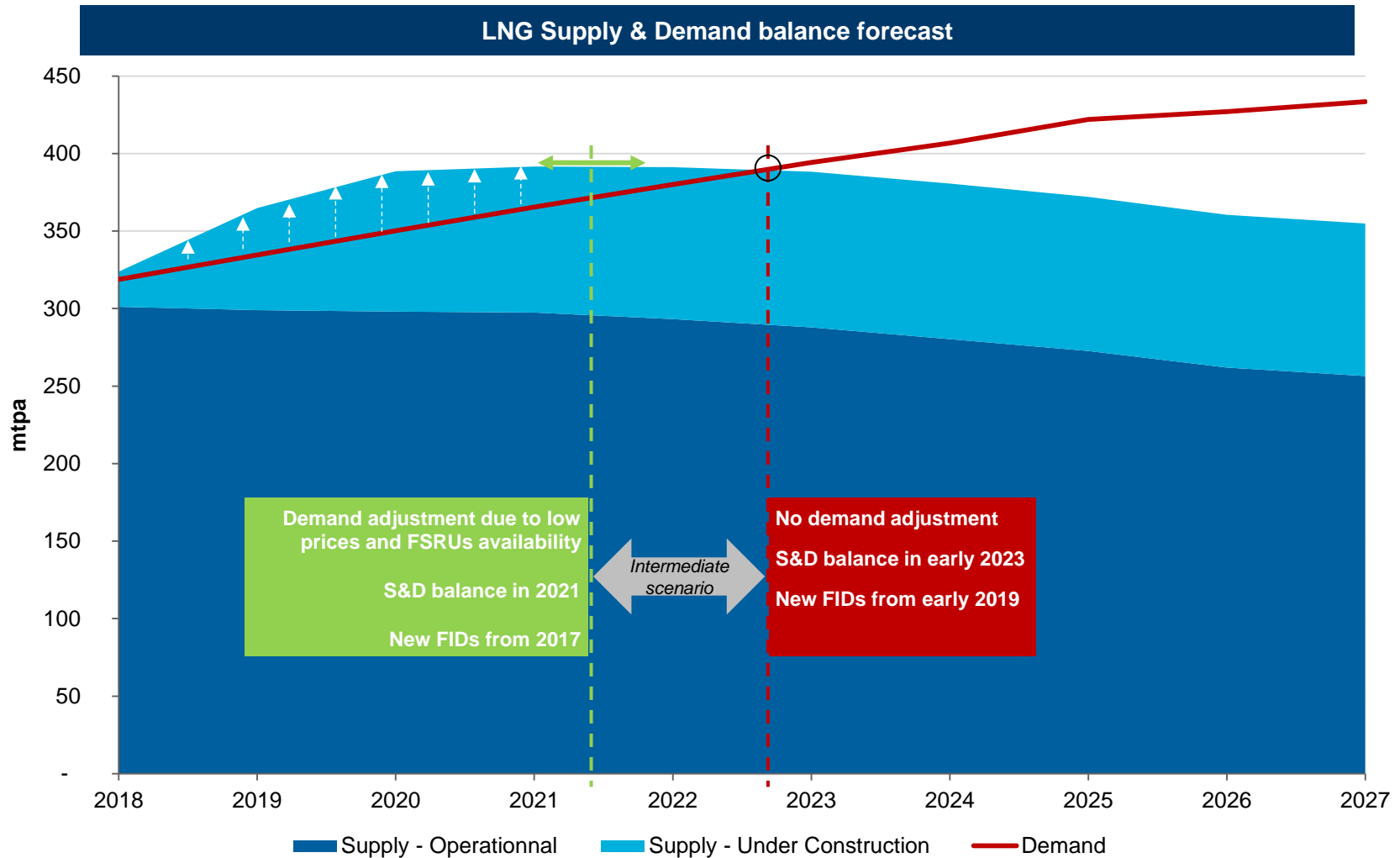
Source : Wood Mackenzie

LNG trade forecast is buoyant



- Majority of volumes expected to flow **mainly in Asia** and also **Europe**

LNG Supply & Demand could balance from 2021

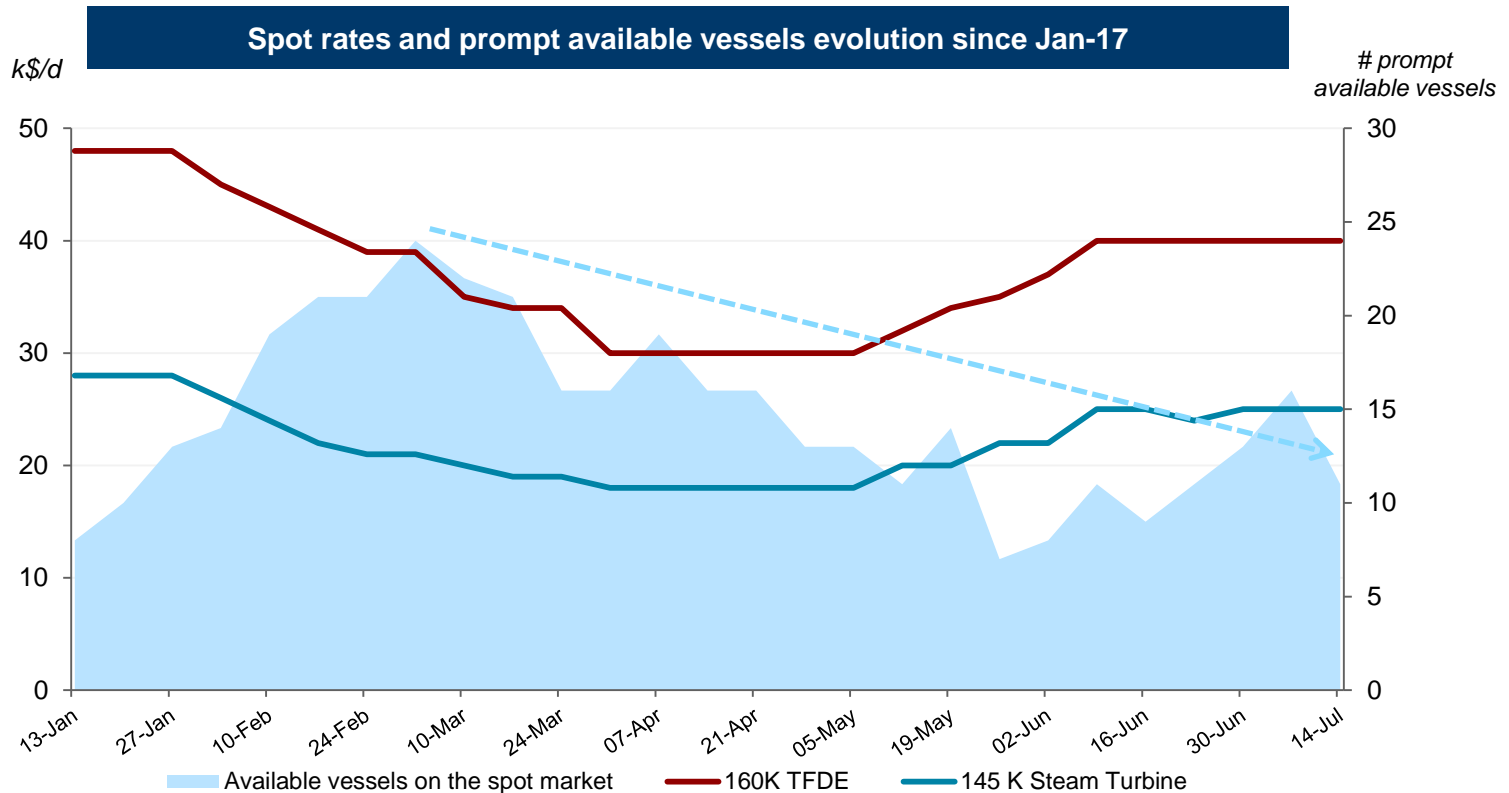


Sources: Wood Mackenzie ; GTT Analysis



LNG Shipping

LNG Shipping – Signs of recovery on spot market



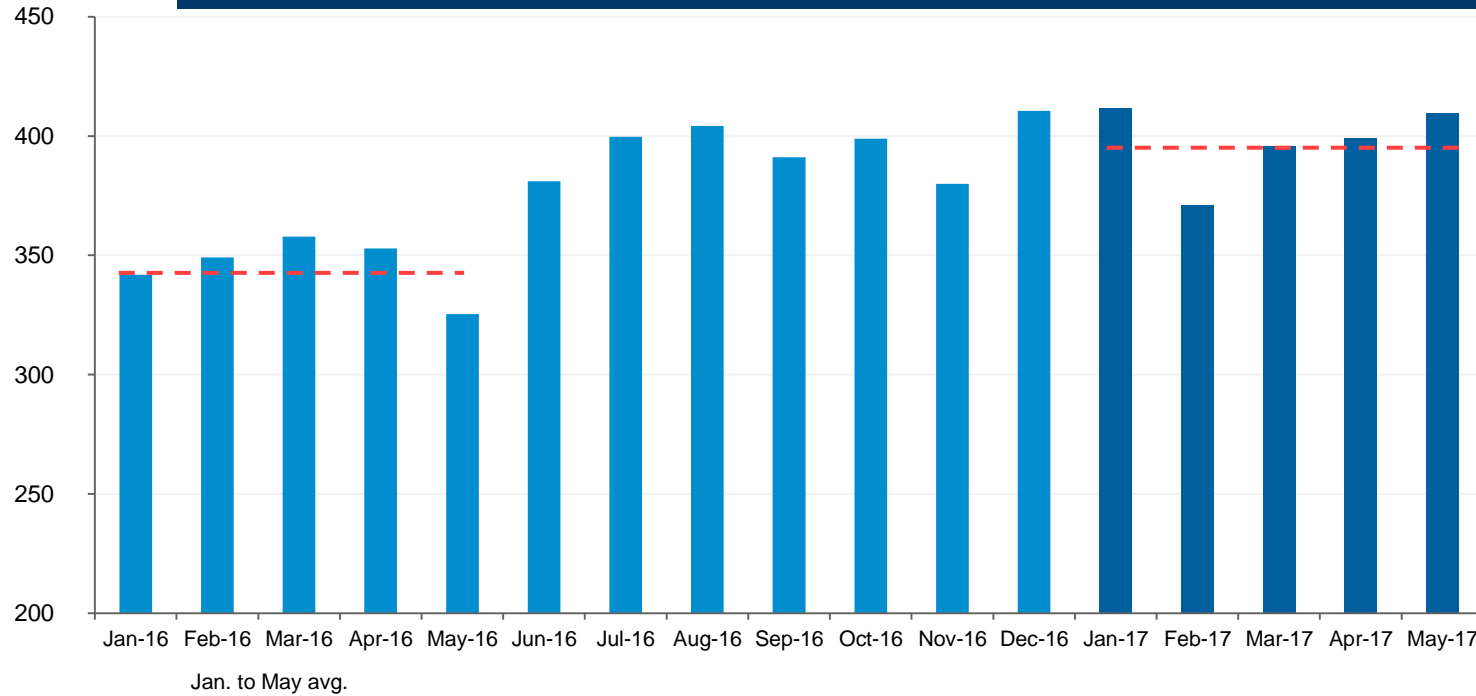
- ▶ Slight chart rates recovery since May supported by vessel's availability reduction trend since February (Far East employment)
- ▶ Avg. rates still expected between 35 and 40k\$/d in 2017

Sources: Clarksons, Poten & Partners, Drewry

Global LNG Shipping – Increase in shipping intensity

Bcm.miles/month/ship

Bcm.miles monthly evolution since Jan-16



- ▶ Slight growth trend of bcm.miles/ship since January 2016, partly due to first US exports at Sabine Pass
- ▶ +15% of avg. bcm/miles/ship in 2017 vs. 2016 (Jan. to May)
- ▶ Wait & see attitude linked to US FOB contracts may finally give way to a market recovery

Sources: GTT Analysis, IHS Mint, Clarksons

c.50 LNGC orders expected from under construction projects

LNGC requirement for under construction liquefaction projects

Project	Location	Forecasted Start-Up	Total Capacity (Mtpa)	LNGC requirement
Wheatstone LNG T1	Australia	Q3-17	4.5	
Sabine Pass Export Phase 2 - T4	USA	Q3-17	4.5	
Yamal LNG T1	Russia	Q4-17	5.5	
Sengkang LNG	Indonesia	Q4-17	0.5	
Cove Point Export	USA	Q4-17	5.3	
Prelude FLNG	Australia	Q2-18	3.6	
Cameroon GoFLNG	Cameroon	Q2-18	2.2	
Wheatstone LNG T2	Australia	Q3-18	4.5	
Ichthys	Australia	Q3-18	8.9	
Cameron LNG Export T1	USA	Q3-18	5.0	
Yamal LNG T2	Russia	Q4-18	5.5	
Cameron LNG Export T2	USA	Q4-18	5.0	
Elba Island LNG Export	USA	Q4-18	2.5	
Freeport T1	USA	Q4-18	5.1	
Corpus Christi LNG T1	USA	Q1/Q2-19	4.5	
Sabine Pass Export Train 5	USA	Q2-19	4.5	
Freeport T2	USA	Q2-19	5.1	
Corpus Christi LNG T2	USA	Q2-19	4.5	
Cameron LNG Export T3	USA	Q3-19	5.0	
Yamal LNG T3	Russia	Q3-19	5.5	
Freeport T3	USA	Q4-19	5.1	
Tangguh Phase 2	Indonesia	Q4-20	3.8	
PETRONAS FLNG 2	Malaysia	Q4-20	1.5	
Coral LNG	Mozambique	Q1-22	3.4	
TOTAL				177.3
- Current Orderbook				115.3
- Overcapacity (= Laid Up & Idle vessels < 30 years old)*				10.3
Expected orders				51.7

Project ahead of schedule or catching-up Project behind schedule or slowing-down

Projects associated with 2016 – 2017 LNGCs orders

* Vessels available on the spot market no to be considered here

Note : All LNGCs numbers normalized to 164.4k cbm net capacity (174k gross)

Main sources : GTT analysis, Wood Mackenzie, Clarksons

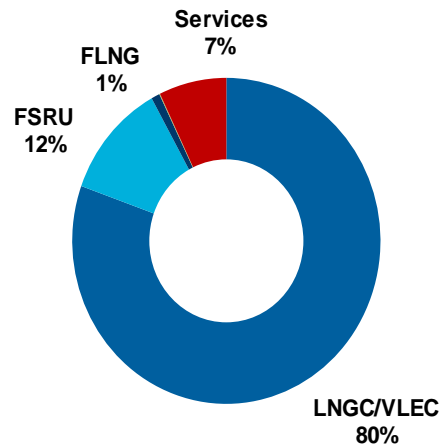
- ▶ Most liquefaction projects under construction expected to start-up in time
- ▶ c.50 LNGCs to order to lift additional volumes
 - ▶ Vessels to be ordered by 2018-2019 (3 years construction time)
 - ▶ Downside risks:
 - ▶ LNG contracts swapping (shorter routes)
 - ▶ Start-up delays and/or slow ramp-up
 - ▶ Spot vessels utilization as a bridging solution (e.g. Gail)
 - ▶ Extensive use of under-used less efficient vessels
- ▶ Wide majority of 2016 and 2017 LNGC 13 orders were dedicated to under construction projects
- ▶ Still some speculative orders reflecting a short/mid term market high confidence



H1 2017 Activity

Core business and adjacent markets

GTT H1 2017 Sales



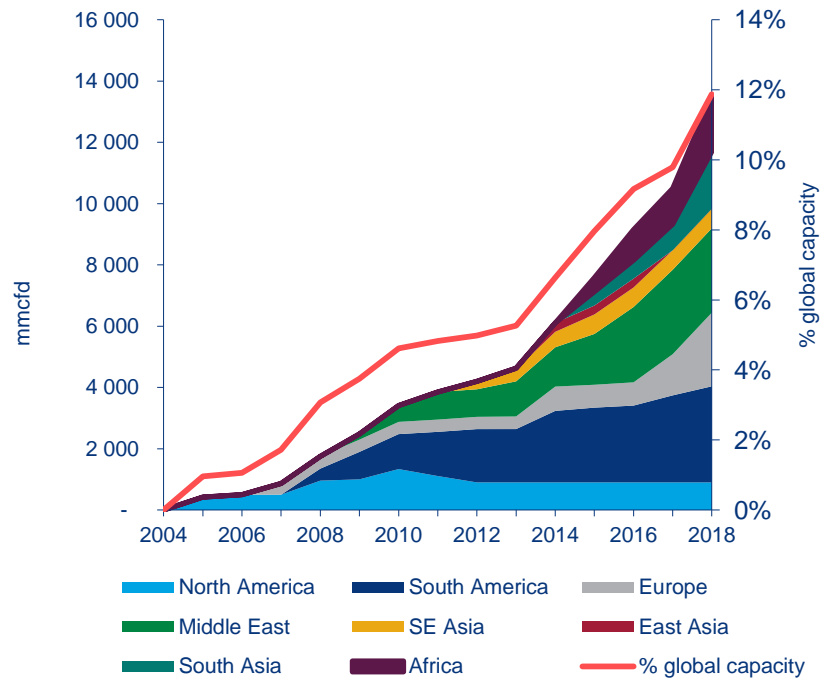
GTT order estimates over 2017-2026

- ▶ **LNGC: between 235 and 255 units**
 - ▶ Already 8 orders secured during H1 2017
- ▶ **FSRU: between 30 and 40 units**
 - ▶ Already 4 orders secured during H1 2017
- ▶ **FLNG: between 5 and 10 units**
 - ▶ Already 1 order secured during H1 2017
- ▶ **Onshore tanks: between 5 and 10 units**

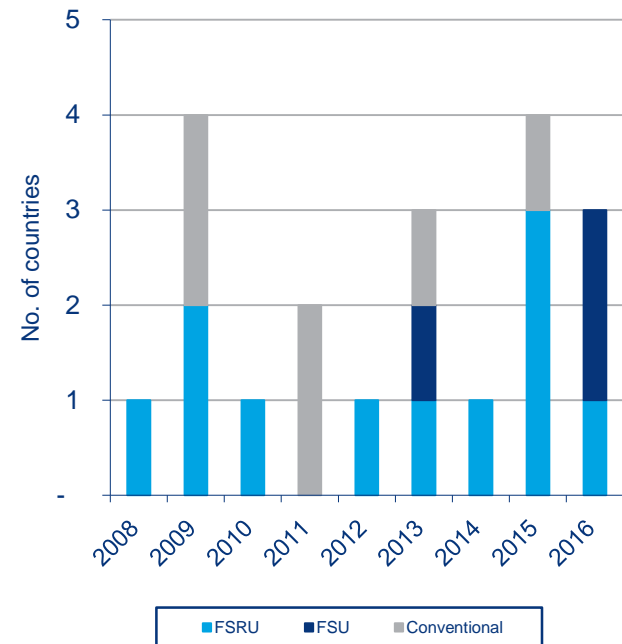


Strong potential: FSRUs are clearly preferred by new LNG importers

FSRU capacity by region



New LNG importing countries first terminal

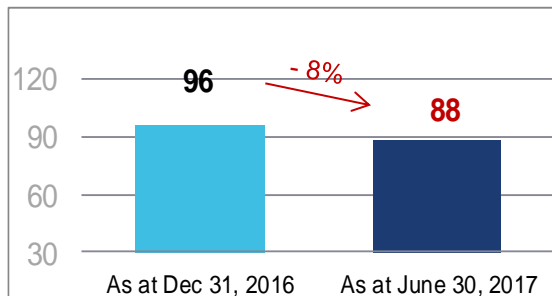


Source: Wood Mackenzie

Order book overview

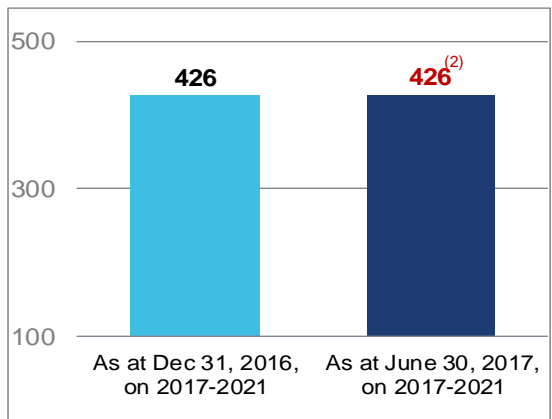
Order book in units

In units



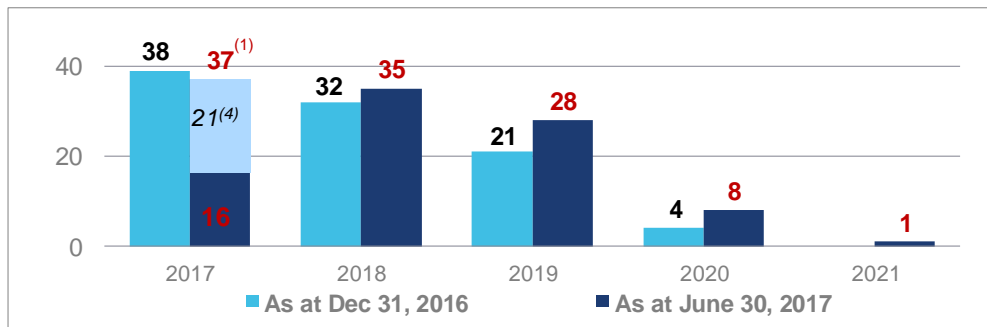
Order book in value

In €M



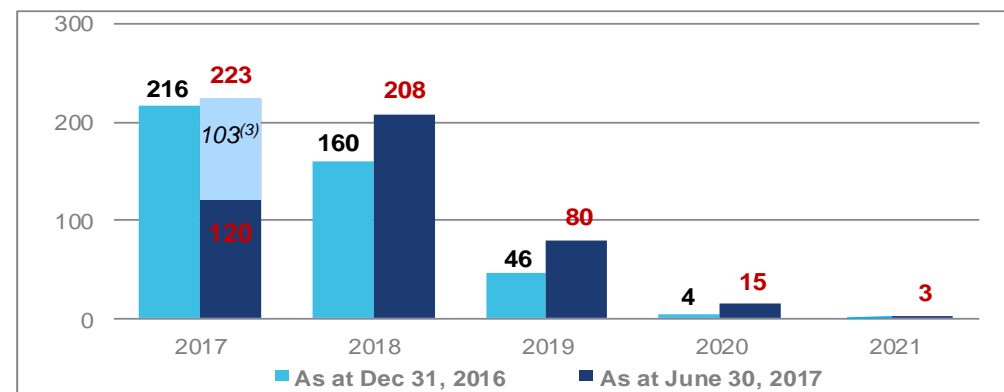
Order book by year of delivery (units per year)

In units



Revenues from current order book

In €M



⁽¹⁾ 2017 deliveries include 21 vessels delivered until June 30, 2017 / Delivery dates could move according to the shipyards/EPCs' building timetables.

⁽²⁾ Taking into account 2017 H1 revenues from royalties (€103M), the total amount would have been €529M

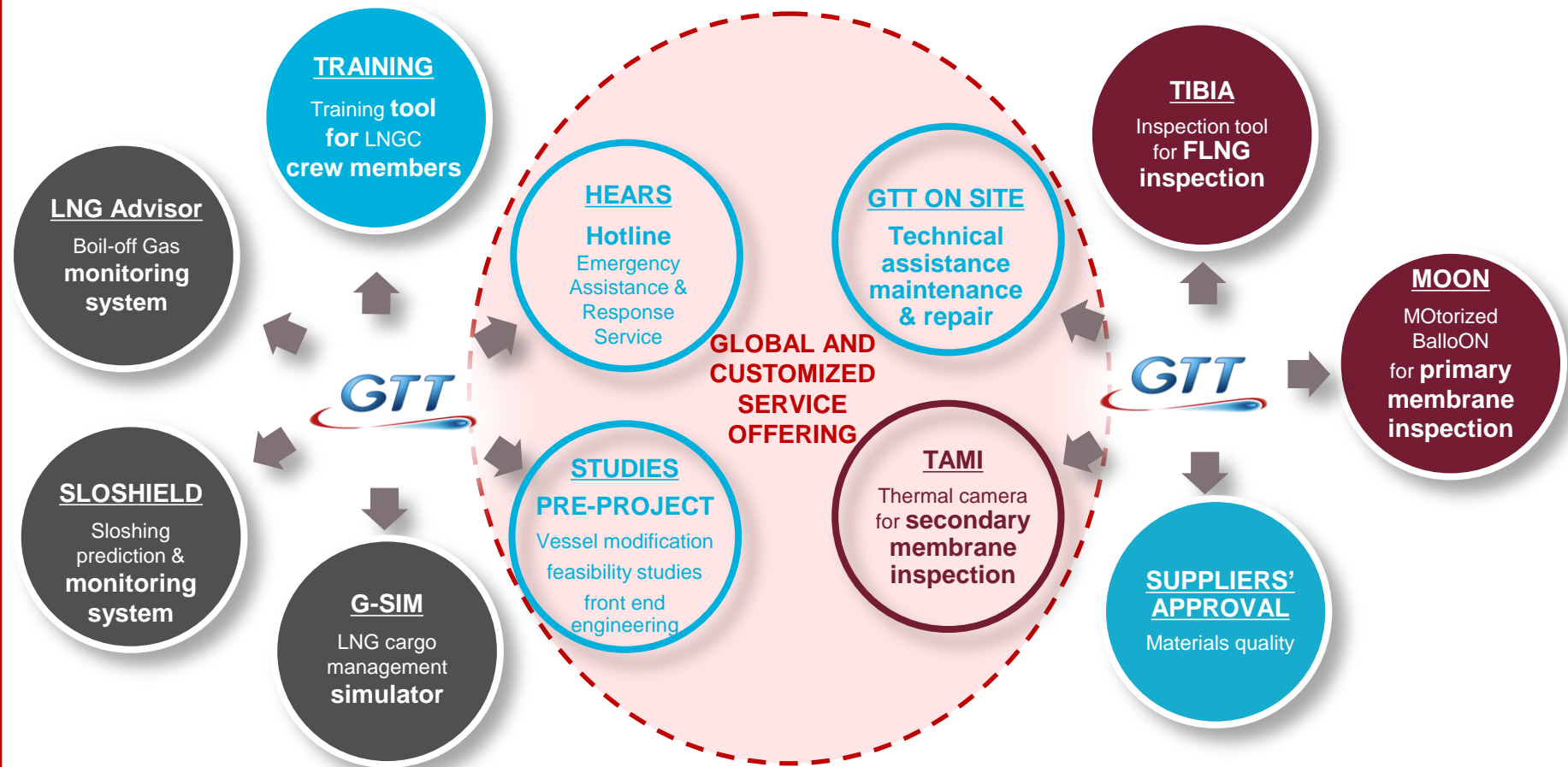
⁽³⁾ 2017 H1 revenues from royalties.

⁽⁴⁾ 2017 H1 deliveries

Strategy and activity: expand innovative services

Advisory and optimisation services

Intervention services



Large range of services to support ship-owners and oil & gas companies

● Software ● Test



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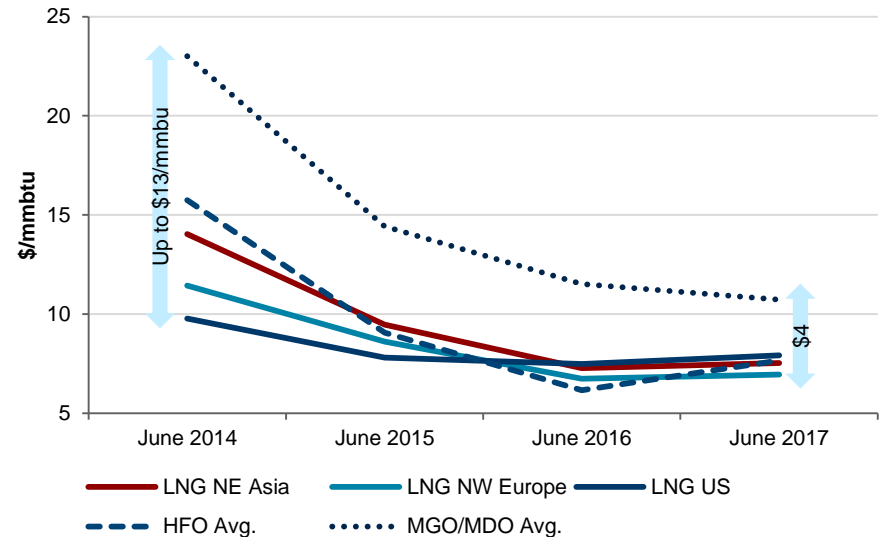
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LNG as fuel & Bunkering: GTT ideally positioned to take full benefit of expected market development

- ▶ Fuel prices spread narrowing since 2014 favouring small-mid vessels projects ('000 cbm LNG tanks)
- ▶ Larger vessels market (>10,000 cbm LNG tanks) expecting better price environment to see major investments
- ▶ GTT's solution highly suited and competitive for this market
 - ▶ Space efficiency
 - ▶ Cost
 - ▶ Weight
 - ▶ Planning

Marine fuel prices since June 2014 (delivered onboard)



Bunkering cost hypothesis : \$2/mmbtu

Liquefaction fees for US LNG : \$2.5/mmbtu

HFO and MDO avg. based on Singapore, Rotterdam and Los Angeles prices

Main sources : GTT Analysis, Argus LNG, Bunker Index





Financials

H1 2017 financial performance

Summary financials

<i>In € M</i>	H1 2016	H1 2017	Change
Total Revenues	116.9	111.3	-4.7%
EBITDA⁽¹⁾	73.7	74.6	+1.2%
<i>Margin (%)</i>	63.1%	67.0%	
Operating Income	72.1	73.0	+1.2%
<i>Margin (%)</i>	61.7%	65.6%	
Net income	60.5	61.2	+1.2%
<i>Margin (%)</i>	51.8%	55.0%	
Free Cash Flow ⁽²⁾	42.0	64.5	+53.6%
Change in Working Capital ⁽³⁾	30.5	8.8	nm
Capex	1.2	1.3	+10.0%
Dividend paid	50.4	49.3	-2.2%
<i>in € M</i>	31/12/2016	30/06/2017	
Cash Position	73.4	77.3	+1.2%
Working Capital Requirement ⁽⁴⁾	18.9	27.8	+46.8%

Key highlights

- ▶ **Decrease in revenues (-4.7%)**
 - ▶ Revenues derived from royalties: -6.9%
 - ▶ Impacted by the low level of orders during 2016
 - ▶ Revenues from services: +36.4%
- ▶ **Strong margins**
 - ▶ High level of margins (>50%)
 - ▶ Increase of 1.2% in EBITDA, EBIT and net income
- ▶ **Free Cash Flow**
 - ▶ H1 Free cashflow impacted by working capital movement linked to a seasonal effect (payment under profit sharing scheme)
- ▶ **High cash position of €77 M (+ €13 M classified in financial assets)**
- ▶ **Interim dividend: 1.33€ per share to be paid in September 2017**

(1) Defined as EBIT + the depreciation charge on assets under IFRS

(2) Defined as EBITDA - capex - change in working capital

(3) Defined as December 31 working capital – June 30 working capital

(4) Defined as trade and other receivables + other current assets – trade and other payables – other current liabilities

Cost base

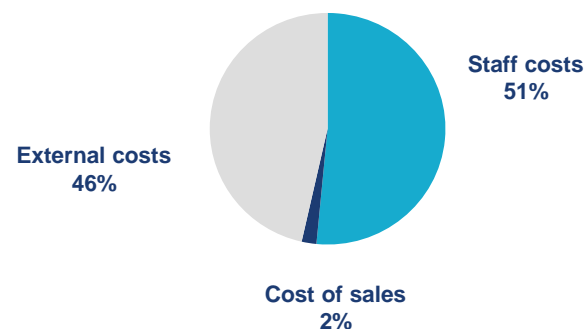
GTT operational costs

<i>in € M</i>	H1 2016	H1 2017	Change (%)
Cost of sales	(1.4)	(0.9)	-12%
<i>% sales</i>	<i>(1%)</i>	<i>(1%)</i>	
Subcontracted Test and Studies	(8.7)	(7.1)	-18%
Rental and Insurance	(2.7)	(2.7)	+3%
Travel Expenditures	(4.4)	(4.0)	-9%
Other External Costs	(5.0)	(4.7)	-7%
Total External Costs	(20.7)	(18.5)	-11%
<i>% sales</i>	<i>(18%)</i>	<i>(17%)</i>	
Salaries and Social Charges	(17.6)	(17.1)	-3%
Share-based payments	(0.5)	(0.4)	-12%
Profit Sharing	(3.0)	(3.1)	+4%
Total Staff Costs	(21.0)	(20.6)	-2%
<i>% sales</i>	<i>(18%)</i>	<i>(19%)</i>	
Other	(1.6)	1.8	nm
<i>% sales</i>	<i>(1%)</i>	<i>2%</i>	

Key highlights

- ▶ **External costs**
 - ▶ Down 11% mainly due to a decrease in subcontracted tests and studies and in legal fees
 - ▶ -1pt in % of sales
- ▶ **Staff costs down 2% due to a decrease in staff count**
- ▶ **A cost base offering a high operating leverage**

GTT H1 2017 costs by nature





Outlook

2017 Outlook confirmed

GTT revenue⁽¹⁾

- ▶ 2017 revenue estimated in a range of €225 M to €240 M

Net margin⁽²⁾

- ▶ Net margin above 50%

Dividend Payment⁽³⁾

- ▶ 2017 dividend amount at least equivalent to 2015 and 2016
- ▶ 2018 – 2019: payout of at least 80%

(1) Subject to any significant delays or cancellations in orders. Variations in order intake between periods could lead to fluctuations in revenues

(2) Excluding potential acquisition effect

(3) Subject to approval of Shareholders' meeting. GTT by-laws provide that dividends may be paid in cash or in shares based on each shareholder's preference



Onshore tank



Ice breaking
LNG carrier



FLNG



LNG carrier



Multigas carrier

Thank you for your attention



Gravity-based system



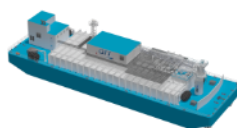
LPG carrier



Small scale LNG carrier
at import terminal



Bunker barge



Power barge

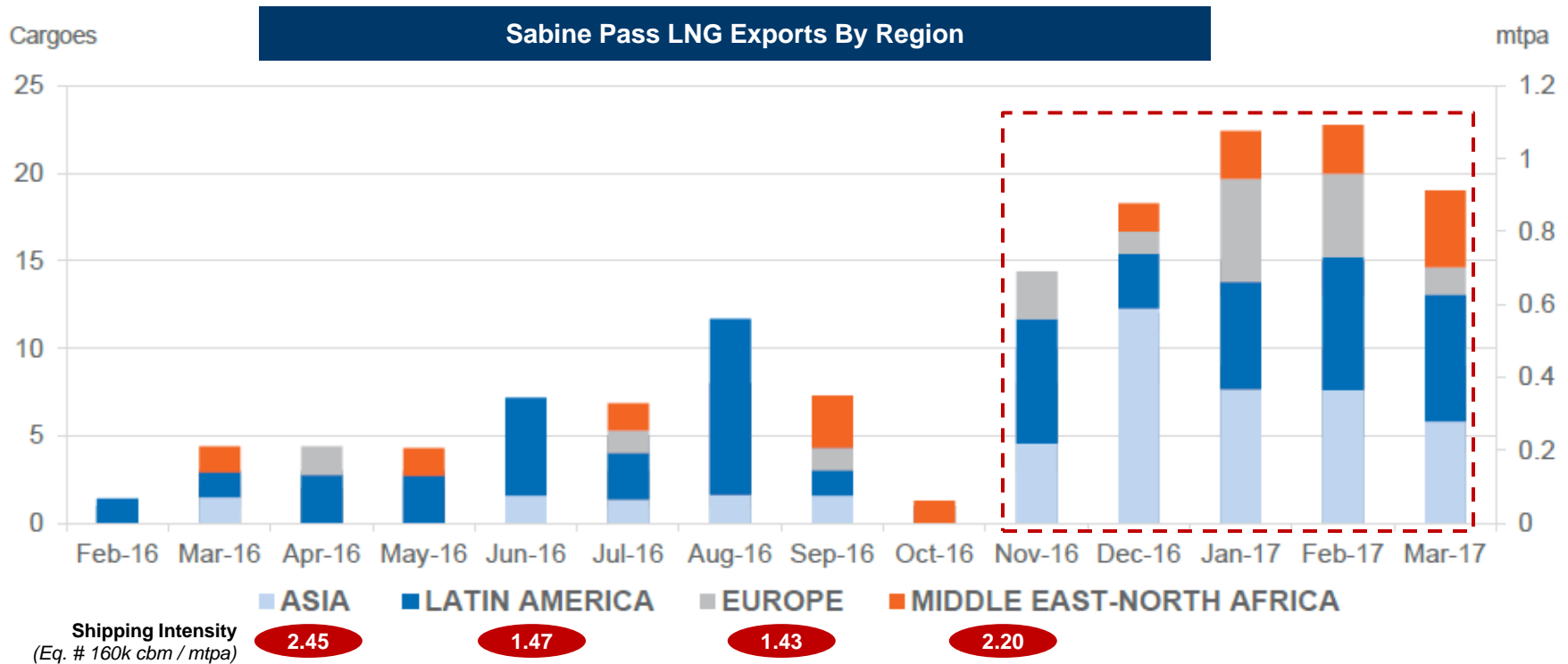


FSRU



Appendices

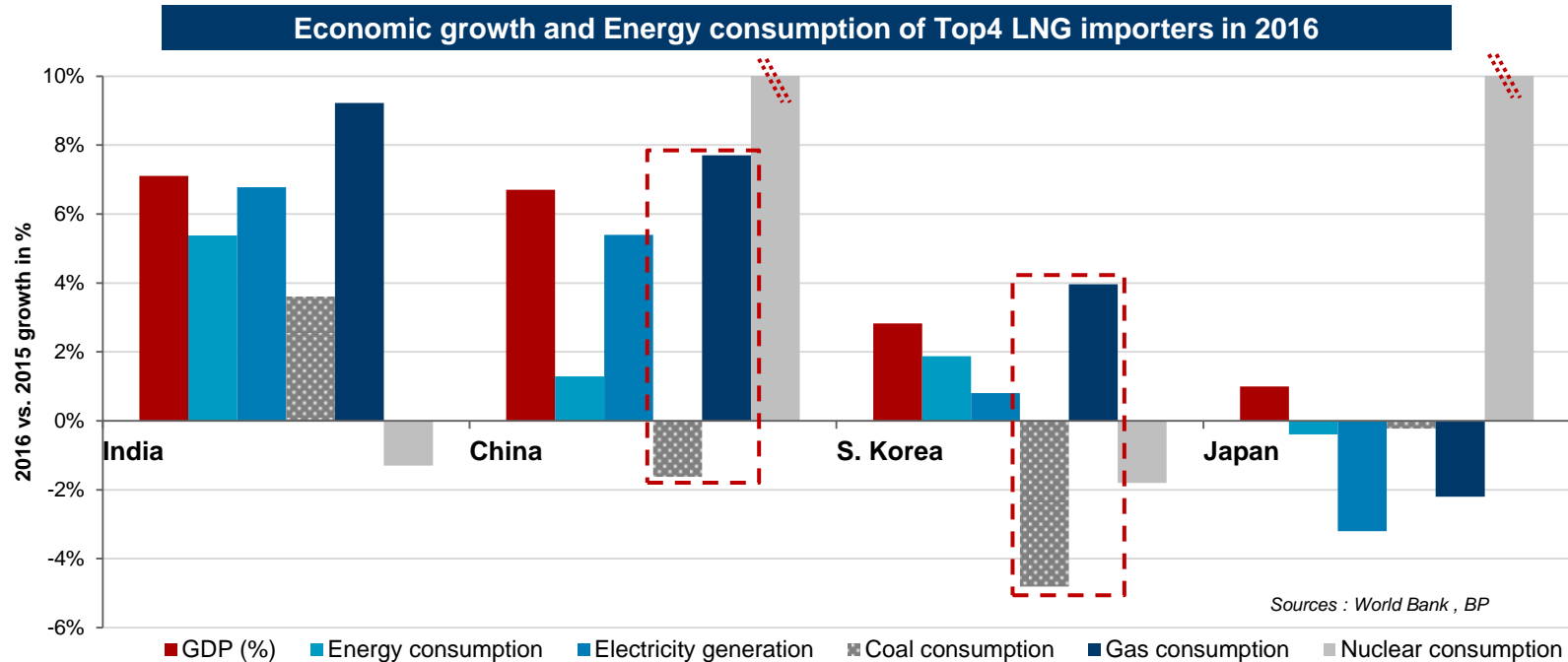
Appendix - Sabine Pass shipping pattern rebalancing



- ▶ Most Sabine Pass production went to LatAm instead of Asia due to narrow prices spreads between US and Europe / Asia, thus reducing expected shipping demand
- ▶ Since Nov-16, winter stimulated Asian LNG demand, rebalancing shipping intensity

Sources : Chesniere Energy, Dynagas LNG Partners

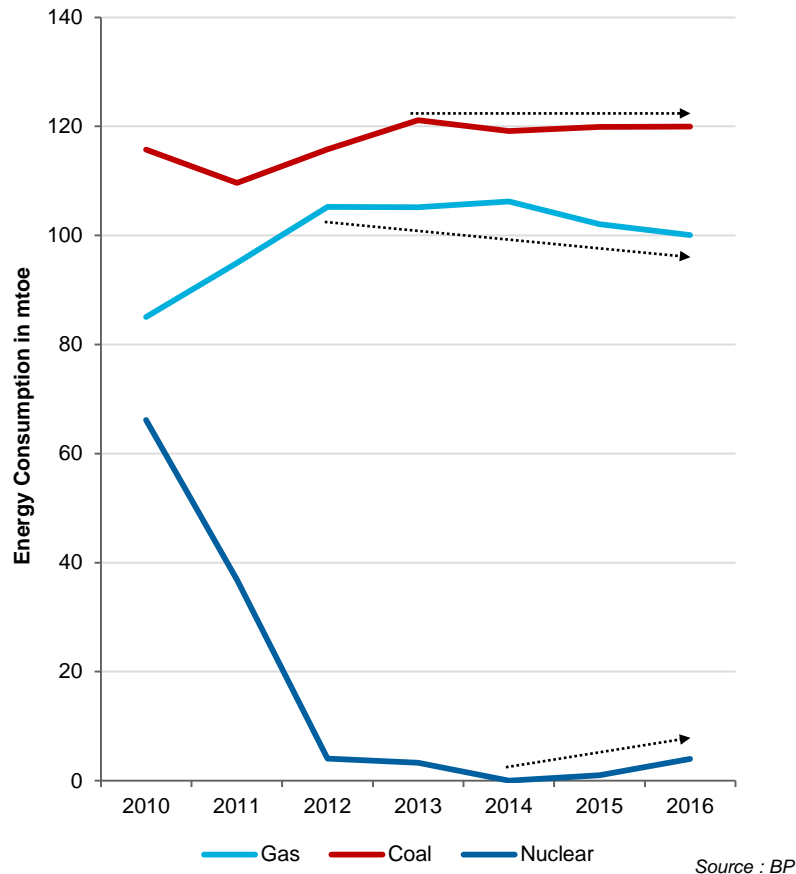
Appendix - Gas is gaining shares versus coal to accompany economic growth in Asian countries



- ▶ **Gas consumption increasing in all countries, excepted in Japan due to nuclear restart since 2014 and low economic growth**
- ▶ **Coal consumption decreasing in all countries, excepted in India ; high energy needs to accompany strong economic growth**
 - ▶ India still have the highest gas consumption growth
- ▶ **Coal to gas noticeable switch in China and South Korea**

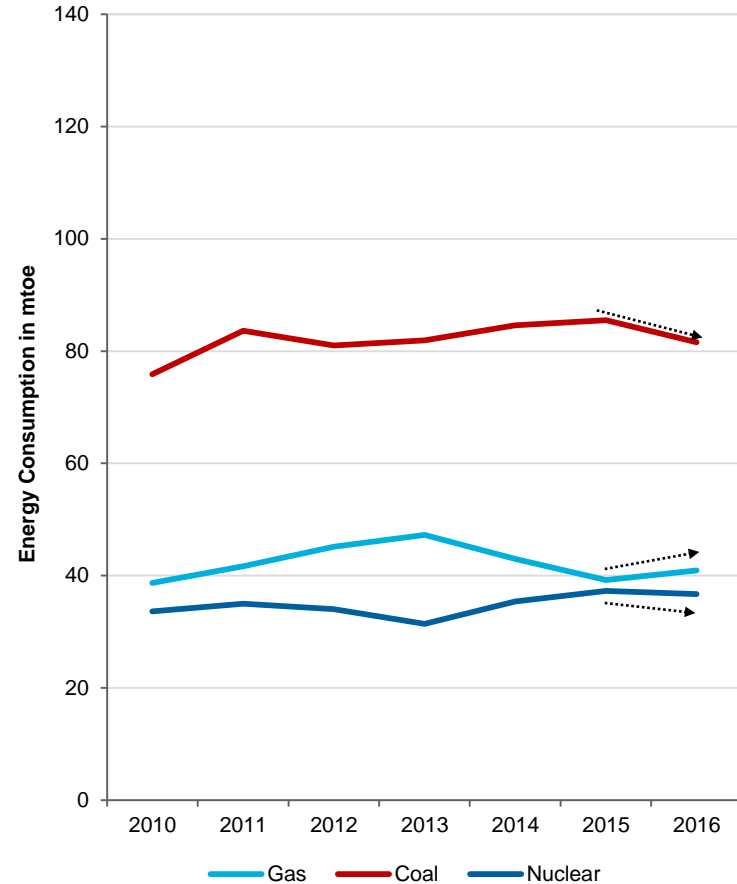
Appendix - Legacy LNG importers focus

Japan energy consumption evolution



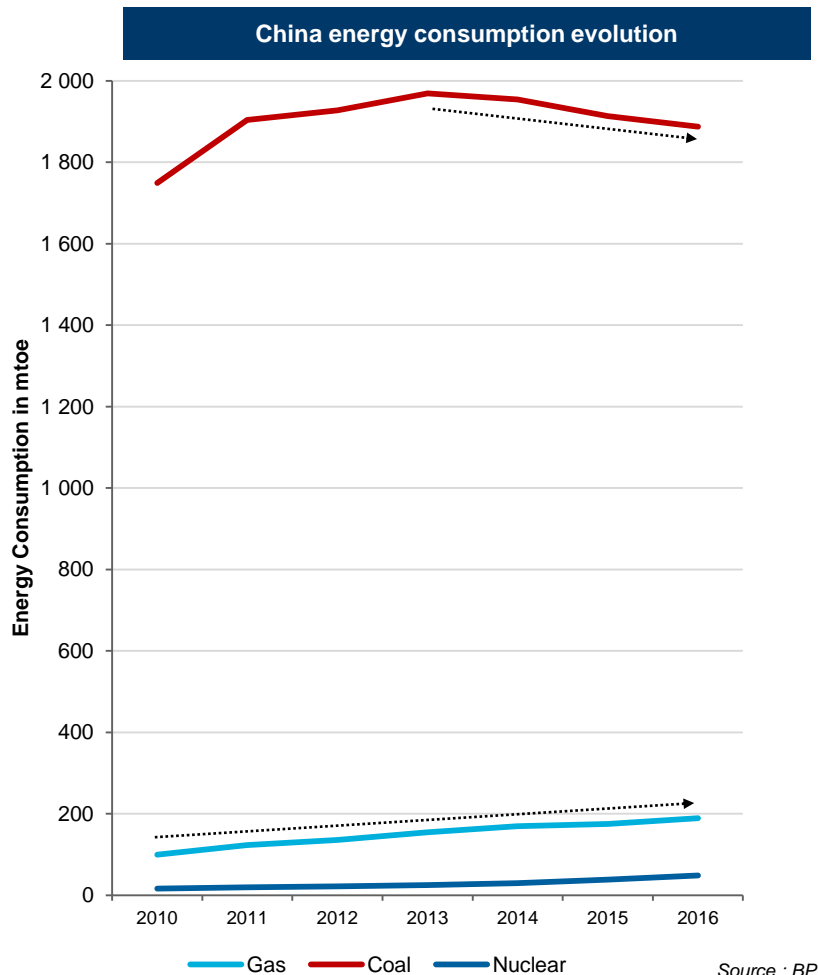
► Nuclear restart threatening gas growth

S. Korea energy consumption evolution

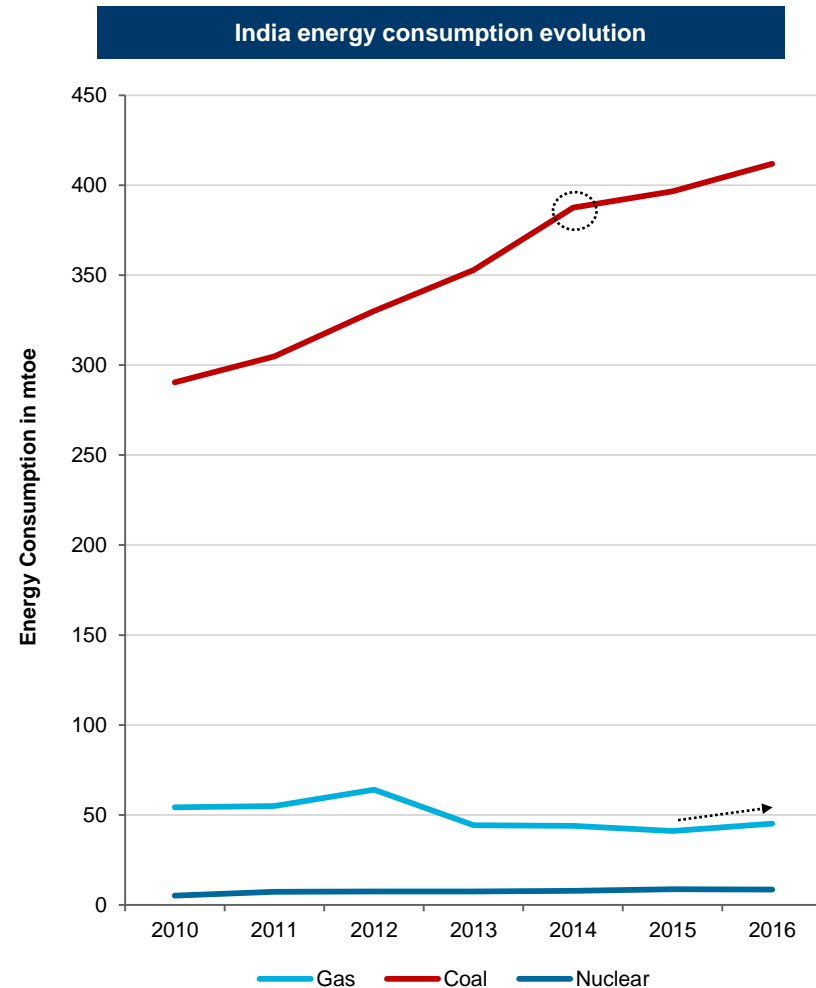


► Gas slowly finding its way versus coal and nuclear

Appendix - New LNG importers focus



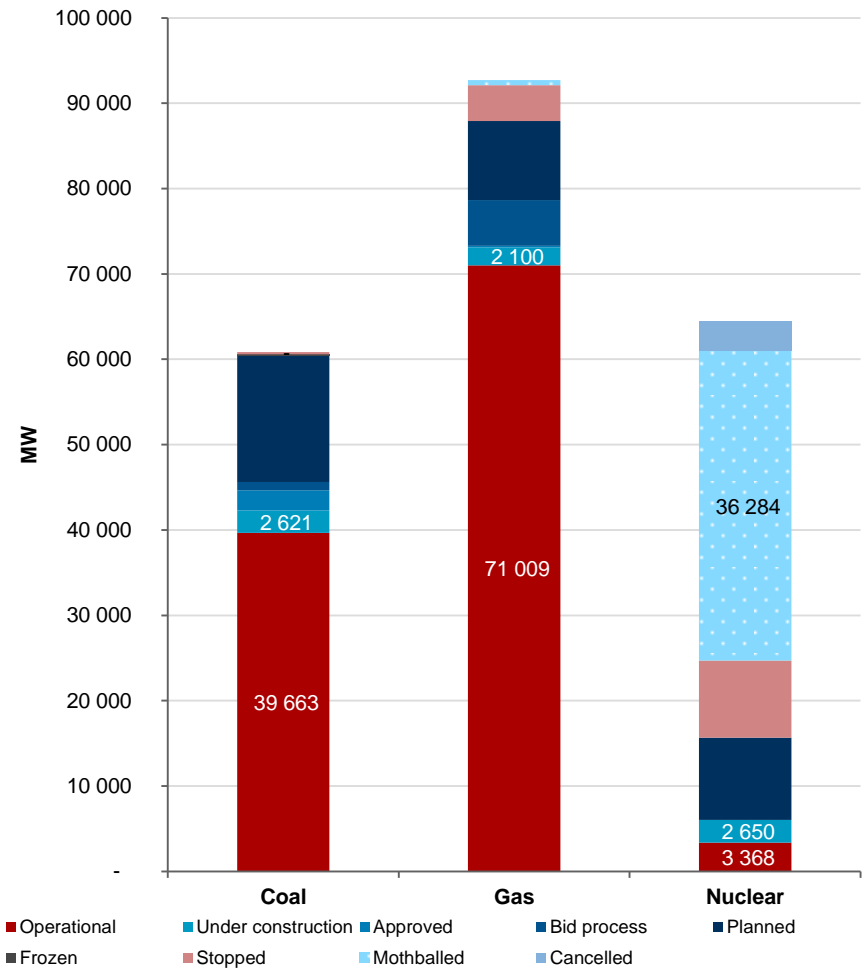
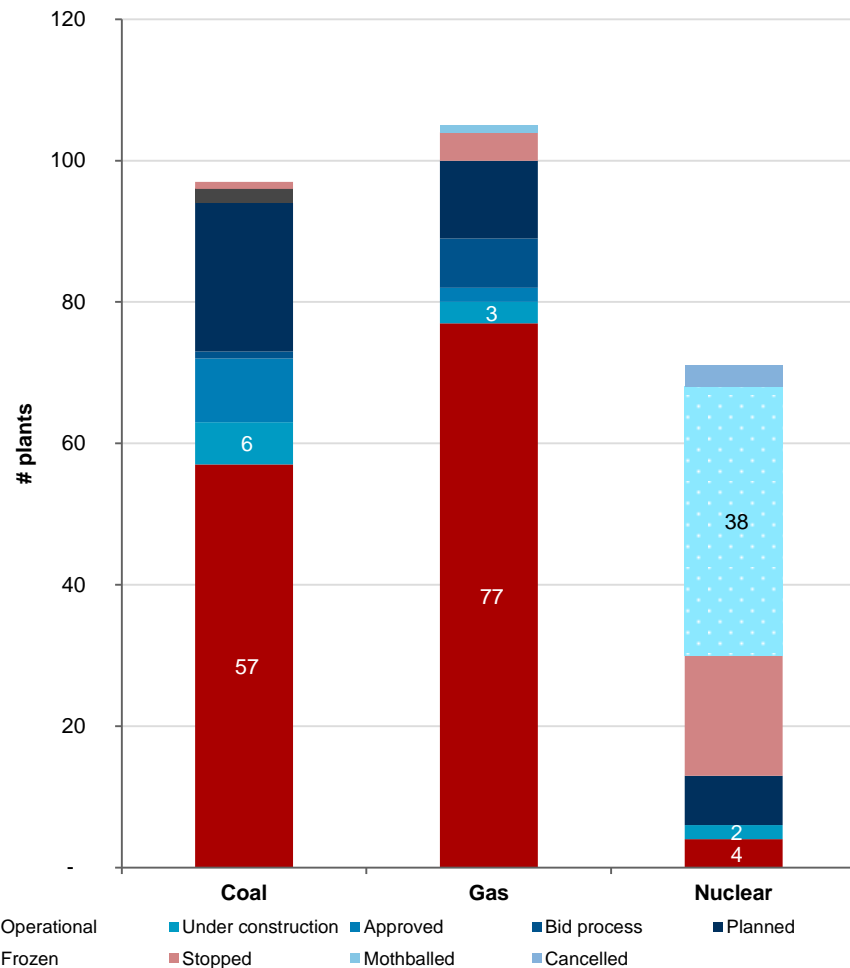
- Coal to gas switch, with an important future potential



- Coal is still largely supporting India's solid economic growth

Appendix – Japan thermal power plants focus

Thermal power plants status in Japan (# of plants and MW installed)



Source : Enerdata

Appendix - LNGCs

Our core business

- ▶ Vessel equipped for transporting LNG
- ▶ Existing GTT fleet: **318** units⁽¹⁾
- ▶ In order: **73** units
- ▶ 21 construction shipyards under license
- ▶ GTT order estimates over 2017-2026:
235-255 units⁽²⁾



▶ Our strengths

- ▶ Technological leadership, boil-off divided by 2 in the last 5 years
- ▶ Long term industrial partnerships with major shipyards
- ▶ A unique position in the LNG ecosystem, nurtured by 50 years of experience, expertise and customer orientation

% sales⁽³⁾
H1 2017

80.4%

(1) As of June 30, 2017. Excludes vessel orders below 30,000 m³.

(2) Including orders received in H1 2017.

(3) Including ethane carriers.

Appendix - FSRUs

The solution for emerging countries

- ▶ Stationary vessel capable of loading, storing and re-gasifying LNG
- ▶ Existing GTT fleet: **20 FSRU⁽¹⁾**
- ▶ In order: **10 units**
- ▶ GTT order estimates over 2017-2026: **30-40 units⁽²⁾**



▶ Main drivers

- ▶ New buyers
- ▶ Competitive advantage vs. land-based terminals
 - ▶ Better acceptability
 - ▶ Reduced construction time / availability
 - ▶ Flexibility / no upfront capex
 - ▶ Adapted to more volatile LNG prices

▶ GTT key advantages

- ▶ Competitive cost
- ▶ Volume optimisation
- ▶ High return of experience

% sales
H1 2017

11.5%

(1) As of June 30, 2017.

(2) Including orders received in H1 2017

Appendix - FLNGs

The new frontier of the LNG world

- ▶ Floating unit which ensure treatment of gas, liquefy and store it
- ▶ Existing GTT fleet: **2** units⁽¹⁾
- ▶ In order: **2** units
- ▶ GTT order estimates over 2017-2026: **5-10** units⁽²⁾



▶ Main drivers

- ▶ Monetisation of stranded offshore gas reserves
- ▶ Better acceptability (no NIMBY syndrom)

▶ GTT key advantages

- ▶ Extended amortization perspectives
- ▶ Deck space available for liquefaction equipment
- ▶ More affordable cost

% sales
H1 2017

0.9%

(1) As of June 30, 2017.

(2) Including one order received in H1 2017.

Appendix - LNG as fuel & Bunkering: GTT initiatives

Fully participate in the energy transition of the shipping industry

► Main drivers

- Regulatory framework (2020 IMO sulphur cap + local initiatives)
- Large world fleet of merchant ships (around 27,000 large and highly consuming vessels⁽¹⁾)

► GTT key advantages

- Long expertise
- Cooperations with stakeholders (owners, designers, OEMs...)
- SEA/LNG initiative
- License agreements with outfitters (AG&P and Endel)
- Know-how in both **LNG as a fuel for vessel propulsion** and **LNG supply chain**

► Examples of GTT solution offering

► Container ship offer

- Both retrofit or new built
- Easy to install
- Reduced planning impact (few weeks)



► Gravity Based System (GBS)

- Developed by ACCIONA Industrial and GTT
- Can be installed in ports or remote areas without the need for additional infrastructure
- Offers significant cost savings

A new
concept of
LNG bunker
station



⁽¹⁾ Source: Clarksons, GTT estimates / including bulkers, tankers, containerships and ferries



Investor Presentation

First Half 2017



July 21, 2017

Safety

Excellence

Innovation

Teamwork

Transparency