



## Revenue of €200 million for the first nine months of 2019

- **Order book at 30 September 2019 of 120 units for the core business and 18 units for the LNG as fuel business**
- **8.7% increase in consolidated revenue**
- **Confirmation of 2019 targets**

**Paris – 17 October 2019.** Gaztransport & Technigaz (GTT), an engineering company specialised in the design of membrane containment systems for maritime transportation and storage of liquefied gas, has today announced its revenue figures for the first nine months of 2019.

Commenting on the results, Philippe Berterottière, Chairman and CEO of GTT, said: *"With 40 orders for LNG carriers during the first nine months, of which 14 in the third quarter, business activity has been particularly strong. In addition, there were significant orders for GBS and ethane carriers' equipment. This demonstrates GTT's ability to participate in the entire liquefied gas value chain from large gas projects to importation and bunkering terminals.*

*As announced previously, the inflow of orders over the last two years is beginning to bear fruit and revenue has increased substantially from one quarter to the next. Consequently, given our strong order book and ship construction schedules, we confirm our revenue and EBITDA outlooks for the full 2019 financial year, as well as a minimum distribution rate of 80% for the 2019 and 2020 financial years."*

### **Business activity**

#### **- LNG carrier orders at record highs**

GTT's business activity was marked by a number of successes during the first nine months of 2019, particularly in the field of LNG carriers. In addition to the 26 orders for LNG carriers booked during the first half of the year, there were an additional 14 bookings in the third quarter of 2019, i.e. a total of 40 LNG carrier orders during the first nine months of 2019. GTT's core business activity is, therefore, at a particularly high level. All of the carriers will be equipped with GTT's recent technologies (Mark III Flex+, Mark III Flex and NO96 GW). Deliveries are scheduled between end-2020 and end-2022.

#### **- Six orders for latest generation ethane carriers**

In September 2019, GTT's membrane technology was selected for the design of six very large ethane carriers (VLEC) built by the Korean Hyundai Heavy Industries (HHI) and Samsung Heavy Industries (SHI) shipyards on behalf of the Chinese company Zhejiang Satellite Petrochemical. These second generation ethane carriers will be the largest ever built in the world (98,000m<sup>3</sup>).

Designed for multi-gas use, i.e. to transport ethane as well as several types of gas such as propylene, LPG and ethylene, these six vessels will also be "LNG ready", offering the possibility of containing LNG in the future without the need to convert the ship's tanks.



#### **- Order of three GBS: a first for GTT**

At the end of September, GTT announced the signing of a contract with Saren BV (a joint venture between Renaissance Heavy Industries Russia and Saipem) for the design and construction of three GBS terminals (Gravity Based Structures) dedicated to the Arctic LNG 2 project. The contract concerns the design, construction studies and technical assistance for the membrane containment systems of the LNG and ethane tanks which will be installed inside the three GBS terminals.

The first two GBS terminals will be equipped with two LNG tanks, each with a capacity of 114,500m<sup>3</sup>, and an ethane tank of 980m<sup>3</sup>. The third GBS terminal will be equipped with two LNG tanks of 114,500m<sup>3</sup> each. The GBS terminals, which will lie on the seabed, will consist of concrete caissons with membrane containment tanks using GTT's GST® technology. The units will be built in a dry dock at Novatek-Murmansk LLC. They will then be towed and installed in their final location in the Gydan peninsula in Russian Arctic.

#### **- LNG as fuel**

During the first half of 2019, GTT received three orders for the design of tanks for six merchant vessels and one barge:

- In March 2019, GTT received an order from the Sembcorp Marine shipyard for the design of tanks for an LNG bunker vessel of 12,000m<sup>3</sup> on behalf of the ship-owner Indah Singa Maritime Pte Ltd, a subsidiary of Mitsui OSK Lines (MOL).
- In April 2019, GTT received an order from the Chinese shipyard Hudong-Zhonghua for the design of an LNG tank of 6,500m<sup>3</sup> as part of the conversion of a very large capacity container ship for the German ship owner Hapag Lloyd.
- In June 2019, GTT received an order from the Chinese shipyard Jiangnan Shipyard (Group) Co., Ltd. for the design of LNG tanks of 14,000m<sup>3</sup> for five new giant container ships on behalf of a European ship owner.

#### **Technologies**

During the Gastech trade show, which was held in mid-September 2019, GTT announced several advances in its technology development process.

The American Bureau of Shipping classification society issued the "LNG Cargo Ready" rating to GTT for its latest VLEC (Very Large Ethane Carrier) model, a first in the ethane sector. The rating certifies that the ethane carriers can be used to transport liquefied natural gas without having to convert the ship's tanks.

GTT also received approval in principle from the classification society Bureau Veritas for icebreaker vessels using Mark III Flex and NO96 L03+ technologies sailing in Arctic waters.

In addition, GTT signed a joint agreement for the design of a very large crude carrier (VLCC) using LNG as fuel with Lloyd's Register (classification society) and several partners.

Last, GTT announced the new name of its latest technology: [GTT NEXT1](#) (formerly NO96 Flex). This system benefits from both proven NO96 technologies and the advantages provided by the polyurethane foam insulating panels used in Mark III technology.

## Order book

Since 1 January 2019, GTT's order book excluding LNG as fuel, which at the time stood at 97 units, has evolved as follows:

- 40 LNG carrier orders;
- 6 LNG carrier orders;
- 3 GBS orders;
- 23 deliveries of LNG carriers;
- 3 FSRU deliveries.

At 30 September 2019, the order book, excluding LNG as fuel, stood at 120 units, broken down as follows:

- 100 LNG carriers;
- 6 ethane carriers;
- 6 FSRUs;
- 2 FLNGs;
- 3 GBS;
- 3 onshore storage tanks.

With respect to LNG as fuel, given the seven orders in the 1st half-year, the number of vessels in the order book stood at 18 units as at 30 September 2019.

## Evolution of consolidated revenue

(in thousands of euros)	9M 2018	9M 2019	Change
<b>Revenue</b>	<b>183,653</b>	<b>199,687</b>	<b>+8.7%</b>
<b>Of which newbuilds</b>	<b>173,031</b>	<b>188,936</b>	<b>+9.2%</b>
<i>LNG carriers/VLEC</i>	<i>149,931</i>	<i>157,579</i>	<i>+5.1%</i>
<i>FSRU<sup>1</sup></i>	<i>19,621</i>	<i>19,270</i>	<i>-1.8%</i>
<i>FLNG<sup>2</sup></i>	<i>1,970</i>	<i>3,788</i>	<i>+92.3%</i>
<i>Onshore storage</i>	<i>678</i>	<i>1,955</i>	<i>ns</i>
<i>Barges</i>	<i>300</i>	<i>529</i>	<i>+76.0%</i>
<i>LNG Fuel</i>	<i>530</i>	<i>5,815</i>	<i>ns</i>
<b>From services</b>	<b>10,622</b>	<b>10,751</b>	<b>+1.2%</b>

Revenues for the first nine months of 2019 were €199.7 million, up 8.7% compared with the first nine months of 2018. It should be noted that, from the second to the third quarter of 2019, revenues rose by over 20%.

- Revenues from new construction were €188.9 million, up by 9.2%. Royalties from LNG carriers increased by 5.1% to €157.6 million, while royalties from FSRUs were virtually stable at €19.3 million. The other royalties stemmed from vessels fuelled by LNG in the amount of €5.8 million, FLNGs for €3.8 million, onshore storage tanks for €2.0 million and barges for €0.5 million.
- Revenues from services were €10.8 million, up slightly (+1.2%) compared with the first nine months of 2018. The services business benefited from the relatively good performance of maintenance and assistance on vessels in operation and, to a lesser extent, from the accreditation of suppliers. On the

<sup>1</sup> Floating Storage and Regasification Unit: Floating LNG storage and regasification unit

<sup>2</sup> Floating Liquefied Natural Gas vessel: LNG liquefaction unit



other hand, pre-project engineering studies were much less significant than during the same period the previous year.

### **Outlook for 2019**

Given the size of the backlog, and assuming there are no major delays or cancellations of orders, GTT confirms its targets for revenues and EBITDA for the 2019 financial year, i.e.:

- 2019 consolidated revenues of between €260 and €280 million;
- 2019 consolidated EBITDA of between €160 million and €170 million.

Additionally, the Group is confirming its dividend distribution policy, i.e. for 2019 and 2020 financial years, a minimum distribution rate of 80% of consolidated net income.

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### **Presentation of business activity for the first nine months of 2019**

Marc Haestier, Chief Financial Officer, will comment on GTT's business activity and answer questions from the financial community during a telephone conference in English on Friday 17 October 2019, at 6:15 pm, Paris time.

To participate in the conference call, please dial one of the following numbers five to ten minutes before the start of the conference:

- France: + 33 1 76 70 07 94;
- United Kingdom: + 44 207 192 8000;
- United States of America: + 1 631 510 7495.

Confirmation code: **1991048**

This conference call will also be broadcast live on GTT's website ([www.gtt.fr](http://www.gtt.fr)) in listen-only mode (webcast). The presentation document will be available on the website.

### **Financial agenda**

- Extraordinary Shareholders' Meeting: 14 November 2019
- Publication of the 2019 annual results: 27 February 2020 (after the close of trading)
- General Meeting of Shareholders: 19 May 2020



### **About GTT**

GTT (Gaztransport & Technigaz) is an engineering company expert in containment systems with cryogenic membranes used to transport and store liquefied gas, in particular LNG (Liquefied Natural Gas). For over 50 years, GTT has been maintaining reliable relationships with all stakeholders of the gas industry (shipyards, ship-owners, gas companies, terminal operators, classification societies). The Company designs and provides technologies which combine operational efficiency and safety, to equip LNG carriers, floating terminals, and multi-gas carriers. GTT also develops solutions dedicated to land storage and to the use of LNG as fuel for vessel propulsion, as well as a full range of services.

GTT is listed on Euronext Paris, Compartment A (ISIN FR0011726835, Euronext Paris: GTT) and is notably included in the SBF 120 and MSCI Small Cap indexes.

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**For further information, please consult [www.gtt.fr/en](http://www.gtt.fr/en), and, in particular, the presentation to be uploaded online for the conference call of 17 October 2019.**

### **Important notice**

The figures presented here are those customarily used and communicated to the markets by GTT. This message includes forward-looking information and statements. Such statements include financial projections and estimates, the assumptions on which they are based, as well as statements about projects, objectives and expectations regarding future operations, profits, or services, or future performance. Although GTT management believes that these forward-looking statements are reasonable, investors and GTT shareholders should be aware that such forward-looking information and statements are subject to many risks and uncertainties that are generally difficult to predict and beyond the control of GTT, and may cause results and developments to differ significantly from those expressed, implied or predicted in the forward-looking statements or information. Such risks include those explained or identified in the public documents filed by GTT with the French Financial Markets Authority (AMF – *Autorité des Marchés Financiers*), including those listed in the “Risk Factors” section of the GTT Registration Document filed with the AMF on 30 April 2019, and the half-year financial report released on 25 July 2019. Investors and GTT shareholders should note that if some or all of these risks are realised they may have a significant unfavourable impact on GTT.