

Trinidad and Tobago NGL Limited (TTNGL) Results for the Nine Months Ended September 30, 2020

Key Points:

- TTNGL continues to implement precautionary measures to ensure the health and safety of its employees, which includes remote working for office-based employees and contractors, and enhanced health and safety protocols for onsite critical employees who are required to work on location during the COVID-19 pandemic.
- The impact of combined lower NGL prices, volumes and production, was mitigated by a 10.4 per cent improvement in NGL content in the gas stream and a 19.6 per cent higher price differential during the Q3 (July – September) reporting period.
- The demand for propane and butane (LPG) continued steadily, as the need for cooking gas remained relatively stable. This constant demand and lower supply, arising from production cuts, resulted in natural gas liquid (NGL) prices to rebound slightly in Q3 2020.
- Phoenix Park Energy Holdings (PPEH) continues to deliver positive results and this operation resulted in the identification and development of new growth opportunities along the NGL value chain in North America and the Caribbean.

Basic Earnings Per Share (EPS):

TTNGL reported an EPS of \$0.10 in Q3 2020, bringing the basic EPS for NM20 to \$0.19, down 63.46 per cent or \$0.33 per share on the corresponding period's EPS of \$0.52 in NM19. The basic EPS recorded in Q3 2020, was the second lowest Q3 EPS over the past six years.

Dividend:

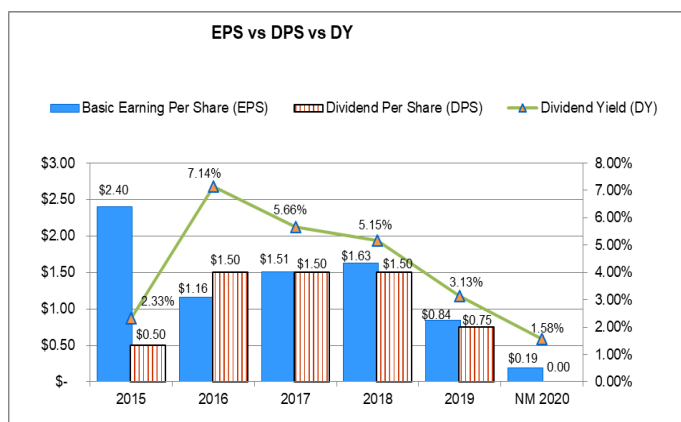
The Board of Directors did not declare an interim dividend for the nine month period ending 30 September 2020. At a current price of \$14.63, TTNGL's trailing dividend yield was 1.71 per cent. Between FY 2015 and FY 2019 the Group has shown an average dividend payout ratio of 86.16 per cent.

Dividend	Interim	Final	Special	Total	Dividend Yield
2020	0.00				1.58%
2019	0.50	0.25	0.00	0.75	3.13%
2018	0.50	1.00	0.00	1.50	5.15%
2017	0.50	1.00	0.00	1.50	5.66%
2016	0.50	1.00	0.00	1.50	7.14%
2015	0.00	0.00	0.50	** 0.50	2.33%

**** TTNGL was first listed on TTSE in 2015, hence the reason for the low dividend payment and yield recorded in that year**

Financial Year End	December 31
Sector	Energy
Symbol on TTSE	NGL
Issued Share Capital	116.10MM
Market Capitalization	\$1.84B
Current Price (December 15, 2020)	\$14.63
52 Week Price Range	\$14.25 - \$24.00
Trailing EPS	\$0.51
Trailing Price to Earnings Multiple	28.69x
Current Book Value/Share	\$28.19
Price to Book	0.52x
Return on Equity	1.22%
Return on Assets	1.22%

Basic EPS	Q1	Q2	Q3	Q4	Total
2020	0.04	0.05	0.10		0.19
2019	0.29	0.18	0.05	0.32	0.84
2018	0.40	0.43	0.53	0.27	1.63
2017	0.37	0.22	0.38	0.54	1.51
2016	0.20	0.27	0.28	0.41	1.16
2015	0.24	0.32	0.29	1.55	2.40



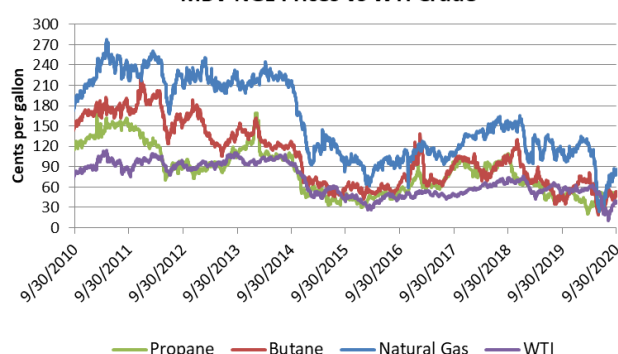
Income Statement for the period ending September 30, 2020

	NM20	NM19	\$ Change	% Change		YE19
	\$'000	\$'000	NM20 - NM19	NM20 - NM19	Change	\$'000
Profit from investment	30,770	80,415	(49,645)	-61.74%	↓	90,258
Interest income	182	313	(131)	-41.85%	↓	388
FX gain	117	1,009	(892)	-88.40%	↓	923
Total Income	31,069	81,737	(50,668)	-61.99%	↓	91,569
Expenses						
Impairment Reversal	0	0	0	0.00%	→	40,005
Legal fees	(662)	(757)	(95)	-12.55%	↓	(1,056)
Other expenses	(450)	(577)	(127)	-22.01%	↓	(702)
Profit before tax	29,957	80,403	(50,446)	-62.74%	↓	129,816
Income tax	(2)	(307)	(305)	-99.35%	↓	(308)
Profit/(loss) after tax	29,955	80,096	(50,141)	-62.60%	↓	129,508
EPS						
Basic	\$0.19	\$0.52	-\$0.33	-63.46%	↓	\$0.84

Balance Sheet as at September 30, 2020

	NM20	NM19	\$ Change	% Change		YE19
	\$'000	\$'000	NM20 - NM19	NM20 - NM19	Change	\$'000
Non - Current Assets	3,165,461	3,071,247	94,214	3.07%	↑	3,134,488
Current Assets	108,110	146,968	(38,858)	-26.44%	↓	147,388
Total Assets	3,273,571	3,218,215	55,356	1.72%	↑	3,281,876
Total Equity	3,272,537	3,217,694	54,843	1.70%	↑	3,281,140
Current Liabilities	1,034	521	513	98.46%	↑	736
Total Equity and liabilities	3,273,571	3,218,215	55,356	1.72%	↑	3,281,876

Graph 1
MBV NGL Prices vs WTI Crude



Financials:

- Total Income closed at \$31.07MM, down 61.99 per cent or \$50.67MM from NM19 total of \$81.74MM.
- Profit Before Tax for NM20 stands at \$29.96MM, down 62.74 per cent or \$50.45MM from \$80.40MM in NM19.
- Profit After Tax totaled \$29.96MM in NM20 down 62.60 per cent or \$50.14MM from \$80.10MM in NM19. This was a direct result of the reduced Mont Belvieu NGL prices and the reduced gas processing volumes due to a curtailment in gas demand from petrochemical producers at Point Lisas.
- Total Assets increased by 1.72 per cent or \$55.36MM to \$3.27B in NM20.
- Total Equity amounted to \$3.27B in NM20 and Current Liabilities increased by 98.46 per cent or \$0.51MM to close at \$1.03MM.

Production:

PPGPL is 39 per cent owned by TTNG. PPGPL utilizes the MB price as the reference point for its NGLs sales. As seen in Graph 1 below, the prices of PPGPL's products (propane, butane and natural gasoline) have a close correlation to crude oil prices and are thus exposed to the same price shocks that crude oil prices experience. The average price for West Texas Intermediate (WTI) crude oil for the nine month period ended 30 September 2020 was US\$40/barrel (bbl), a decrease from US\$61/bbl in December 2019. The United States Energy Information Administration (EIA) indicated that Brent crude oil spot prices average \$41/bbl in the month of September and forecasts an average of \$42/bbl during the fourth quarter of 2020 and will rise to an average of \$47/bbl in 2021.

NGL product prices are rising as shown in Graph 1. As at 30 September 2020 the MBV price of propane, butane and natural gas all increased by 9.78, 30.31 and 10.83 per cent respectively when compared to prices as at 30 June 2020.

Production of NGLs from PPGPL fell by 11.78 per cent to 5.77 million barrels (bbls) in September 2020 from 6.54 million bbls in September 2019, as shown in Table 1. PPGPL noted that the demand for its products remained relatively steady since the inception of the COVID-19 pandemic.

Export and Sales & Deliveries:

For the reporting period, we saw a reduction in the exports of NGLs moving from 6.14 million bbls in NM19 to 5.15 million bbls in NM20 which represents a decrease of 16.09 per cent (see Table 2).

PPGPL also receives revenue by fractionating NGLs supplied by Atlantic LNG Company of Trinidad and Tobago's (ALNG) liquefied natural gas plants and then marketing the products from ALNG Train 1 and ALNG Trains 2 and 3. Table 3 shows NGL sales from ALNG declining by 11.92 per cent when compared against September 2019 NGL sales.

Graph 2
Production of NGLs from PPGPL
(2010 - 2020)





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Table 1

Production of NGLs from PPGPL (in Bbls)				
	Propane	Butane	Natural Gasoline	Total
Jan-20	221,641	195,315	314,111	731,067
Feb-20	201,304	175,612	279,258	656,174
Mar-20	238,497	208,684	317,260	764,441
Apr-20	213,100	184,512	277,945	675,557
May-20	201,238	169,047	253,290	623,575
Jun-20	184,699	160,125	242,823	587,647
Jul-20	186,129	164,009	263,572	613,710
Aug-20	179,119	157,247	243,470	579,836
Sep-20	176,581	145,892	217,619	540,092
Total	1,802,308	1,560,443	2,409,348	5,772,099
Production of NGLs from PPGPL (in Bbls)				
	Propane	Butane	Natural Gasoline	Total
Jan-19	232,739	200,214	287,189	720,142
Feb-19	241,923	212,383	304,261	758,567
Mar-19	255,055	224,190	321,334	800,579
Apr-19	214,876	183,833	264,829	663,538
May-19	232,269	201,272	300,794	734,335
Jun-19	214,640	187,413	274,931	676,984
Jul-19	322,479	197,174	321,210	840,863
Aug-19	217,910	192,812	293,630	704,352
Sep-19	198,198	176,177	269,144	643,519
Total	2,130,089	1,775,468	2,637,322	6,542,879

Table 2

Export of NGLs from PPGPL (in Bbls)				
	Propane	Butane	Natural Gasoline	Total
Jan-20	190,379	176,262	322,157	688,798
Feb-20	113,216	166,469	223,568	503,253
Mar-20	210,153	128,158	242,560	580,871
Apr-20	121,080	190,243	260,014	571,337
May-20	190,937	175,115	261,894	627,946
Jun-20	286,194	101,561	484,270	872,025
Jul-20	112,303	135,239	247,245	494,787
Aug-20	89,331	108,197	239,937	437,465
Sep-20	121,864	23,859	232,251	377,974
Total	1,435,457	1,205,103	2,513,896	5,154,456
Export of NGLs from PPGPL (in Bbls)				
	Propane	Butane	Natural Gasoline	Total
Jan-19	252,439	158,299	623,167	1,033,905
Feb-19	96,263	188,341	0	284,604
Mar-19	226,076	230,304	624,914	1,081,294
Apr-19	256,891	219,518	0	476,409
May-19	200,296	168,300	316,085	684,681
Jun-19	177,460	179,510	622,417	979,387
Jul-19	174,340	126,981	311,597	612,918
Aug-19	317,606	165,426	304,113	787,145
Sep-19	75,783	127,073	0	202,856
Total	1,777,154	1,563,752	2,802,293	6,143,199

Table 3

NGL Sales & Deliveries from ALNG (Bbls)					
	Train 1	Train 2	Train 3	Train 4	Total
Jan-20	74,584	61,153	101,524	135,686	372,947
Feb-20	43,862	63,855	87,983	118,016	313,716
Mar-20	61,736	72,316	104,589	161,237	399,878
Apr-20	64,282	58,908	96,315	144,155	363,660
May-20	33,352	60,037	79,757	115,501	288,647
Jun-20	49,700	54,283	93,687	99,647	297,317
Jul-20	4,336	63,740	109,322	153,572	330,970
Aug-20	18,469	30,757	101,694	156,509	307,429
Sep-20	2,456	51,213	74,825	118,089	246,583
Total	352,777	516,262	849,696	1,202,412	2,921,147
NGL Sales & Deliveries from ALNG (Bbls)					
	Train 1	Train 2	Train 3	Train 4	Total
Jan-19	84,391	40,382	62,245	171,276	358,294
Feb-19	84,714	36,834	85,692	169,341	376,581
Mar-19	99,701	39,864	96,235	184,367	420,167
Apr-19	92,934	41,042	64,144	132,165	330,285
May-19	93,798	39,995	74,848	177,392	386,033
Jun-19	74,908	27,472	98,420	154,861	355,661
Jul-19	66,068	35,890	116,934	170,381	389,273
Aug-19	70,754	36,968	101,725	167,706	377,153
Sep-19	69,416	22,189	85,725	145,675	323,005
Total	736,684	320,636	785,968	1,473,164	3,316,452

Data Source: <http://www.energy.gov.tt/>

Data Source: <https://www.eia.gov/>

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