

## Trinidad and Tobago NGL Limited (TTNGL) Results for the Half Year Ended June 30, 2018

### Key Points:

TTNGL improved performance was mainly driven by a higher share of profit from investment in Phoenix Park Gas Processors Limited (PPGPL).

The increased revenue was attained from higher Mont Belvieu product prices and improved Natural Gas Liquids (NGL) sales volumes.

PPGPL continues to focus on strategic added value initiatives - with the successful implementation of the Condensate Project and the near completion of the Product Trading Project.

Both projects were completed within budget and will further diversify PPGPL's revenue in 2018 while enhancing long-term shareholder value.

### Earnings Per Share (EPS):

TTNGL reported an EPS of \$0.83, up 40.68 per cent or \$0.24 per share on the corresponding period's EPS of \$0.59 in FY17.

EPS recorded in HY 2018 was the highest over the past four second quarters.

### Dividend:

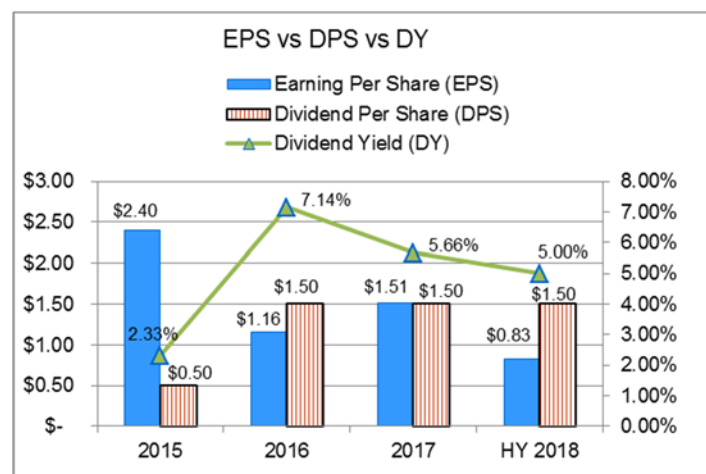
The Board of Directors declared an interim dividend of \$0.50 per share (2017: \$0.50) which will be paid on September 05, 2018 to shareholders on the register as at August 20, 2018.

Dividend	Interim	Final	Special	Total	Dividend Yield
2018	0.50				
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
<b>Sector</b>	<b>Energy</b>
Symbol on TTSE	NGL
Issued Share Capital	116.10MM
Market Capitalization	\$3.15B
Current Price (August 21, 2018)	\$30.08
52 Week Price Range	\$22.00 - \$30.11
Trailing EPS	\$1.75
Price to Earnings Multiple	17.2x
Current Book Value/Share	\$21.57
Price to Book	1.4 x
Return on Equity	7.7%
Return on Assets	7.7%
Dividend Yield (June 30, 2018)	5.0%

Diluted EPS	Q1	Q2	Q3	Q4	Total
<b>2018</b>	0.40	0.43			<b>0.83</b>
<b>2017</b>	0.37	0.22	0.38	0.54	<b>1.51</b>
<b>2016</b>	0.20	0.27	0.28	0.41	<b>1.16</b>
<b>2015</b>	0.24	0.32	0.29	1.55	<b>2.40</b>





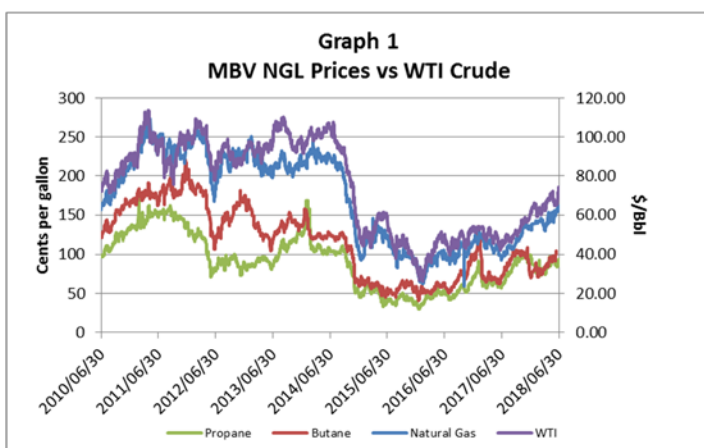
An RBC Company

### Income Statement as at June 30, 2018

	HY18	HY17	\$ Change	% Change	Change	YE17
	\$'000	\$'000	HY18 - HY17	HY18 - HY17		\$'000
Profit from investment	128,520	92,708	35,812	38.63%	↑	216,560
Interest income	253	319	(66)	-20.69%	↓	608
FX gain	1,170	0	1,170	100.00%	↑	0
<b>Total Income</b>	<b>129,943</b>	<b>93,027</b>	<b>36,916</b>	<b>39.68%</b>	<b>↑</b>	<b>217,168</b>
<b>Expenses</b>						
Impairment	0	0	0	0.00%	→	19,499
Legal fees	(783)	(594)	189	31.82%	↑	(979)
Other expenses	(12)	(189)	(177)	-93.65%	↓	(290)
Profit before tax	129,148	92,244	36,904	40.01%	↑	235,398
Income tax	(624)	(776)	(152)	-19.59%	↓	(1,655)
<b>Profit(loss)</b>	<b>128,524</b>	<b>91,468</b>	<b>37,056</b>	<b>40.51%</b>	<b>↑</b>	<b>233,743</b>
<b>EPS</b>						
Basic	\$0.83	\$0.59	\$0.24	40.68%	↑	\$1.51
Diluted	\$0.83	\$0.59	\$0.24	40.68%	↑	\$1.51

### Balance Sheet as at June 30, 2018

	HY18	HY17	\$ Change	% Change	Change	YE17
	\$'000	\$'000	HY18 - HY17	HY18 - HY17		\$'000
Non - Current Assets	3,065,219	3,000,846	64,373	2.15%	↑	3,040,436
Current Assets	273,893	306,646	(32,753)	-10.68%	↓	330,694
<b>Total Assets</b>	<b>3,339,112</b>	<b>3,307,492</b>	<b>31,620</b>	<b>0.96%</b>	<b>↑</b>	<b>3,371,130</b>
Total Equity	3,338,485	3,307,120	31,365	0.95%	↑	3,370,656
Current Liabilities	627	372	255	68.55%	↑	474
<b>Total Equity and liabilities</b>	<b>3,339,112</b>	<b>3,307,492</b>	<b>31,620</b>	<b>0.96%</b>	<b>↑</b>	<b>3,371,130</b>



### Financials:

Total Income closed at \$129.94MM, up 39.68 per cent or \$36.92MM from HY17's total of \$93.03MM. Profit Before Tax for HY18 stands at \$129.15MM, up 40.01 per cent or \$36.90MM from \$92.24MM in HY17. Profit After Tax totaled \$128.52MM in HY18 up 40.51 per cent or \$37.06MM from \$91.47MM in HY17.

Total Assets had a marginal increase of 0.96 per cent or \$31.62MM to \$3.34B in HY18. Total Equity amounted to \$3.34B in HY18 and Current Liabilities increased by 68.55 per cent or \$0.26MM to close at \$0.63MM.

### Production:

PPGPL utilizes the Mont Belvieu (MBV) 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 year to June 2018 was US\$74/barrel an increase from US\$65/barrel in March 2018. The United States Energy Information Administration (EIA) forecasts that WTI crude oil prices will average about US\$70/barrel in 2018 and \$71/barrel in 2019.

NGL product prices are increasing as shown in *Graph 1*, as at June 2018 the MBV price of propane was up approximately 19 per cent, the price of butane was up 30.06 per cent as well as the price of natural gasoline was up 7.51 per cent when compared to prices in March 2018.

Production of NGLs from PPGPL rose 6.43 per cent to 9.81 million barrels in 2017 from 9.21 million barrels in 2016, as shown in *Graph 2*. However in the 2018 first half, the production of NGLs has been on a downward trajectory, when compared to the corresponding period in 2017.

For the 2018 first half, we are seeing a rise in the exports of NGLs moving from 3.98 million bbls in HY17 to 4.22 million bbls in HY18 which represents an increase of 6.01 per cent (see *Table 1*).

## Key Development:

Regarding the payment of dividends in US dollars, TTNGL continues to engage the relevant authorities on this matter. The mechanism to facilitate such payments has already been established with the Trinidad and Tobago Stock Exchange and the Trinidad and Tobago Central Depository (TTCD). The TTCD has also completed the necessary arrangements with the local banking institutions to facilitate the US dollar transactions.

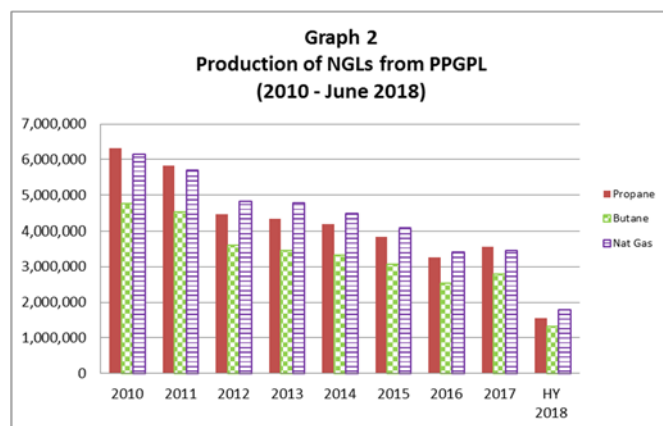


Table 1				
Export of NGLs from PPGPL (in Bbls)				
	Propane	Butane	Natural Gasoline	Total
Jan-18	203,018	33,904	324,929	561,851
Feb-18	427,178	228,214	315,061	970,453
Mar-18	287,090	189,415	315,128	791,633
Apr-18	248,322	142,952	319,716	710,990
May-18	178,741	69,118	320,307	568,166
Jun-18	168,806	141,025	310,624	620,455
<b>Total</b>	<b>1,513,155</b>	<b>804,628</b>	<b>1,905,765</b>	<b>4,223,548</b>
Export of NGLs from PPGPL (in Bbls)				
	Propane	Butane	Natural Gasoline	Total
Jan-17	311,409	139,336	329,692	780,437
Feb-17	329,007	240,431	305,010	874,448
Mar-17	176,978	249,304	319,222	745,504
Apr-17	176,520	94,949	0	271,469
May-17	374,641	30,035	322,472	727,148
Jun-17	171,979	85,443	327,831	585,253
<b>Total</b>	<b>1,540,534</b>	<b>839,498</b>	<b>1,604,227</b>	<b>3,984,259</b>

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