

Trinidad and Tobago NGL Limited (TTNGL) Results for the Nine Months Ended September 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.

PPGPL's recently installed Condensate and Product Trading assets continue to contribute to bottom line performance and will enhance long-term shareholder value.

With the recent announcement of the proposed shutdown of the Petrotrin refinery, PPGPL has increased its supply of LPG to the domestic market, while still preserving its market share in its export market.

Earnings Per Share (EPS):

TTNGL reported an EPS of \$1.36, up 40.21 per cent or \$0.39 per share on the corresponding period's EPS of \$0.97 in FY17.

EPS recorded in the ninth month for the past four years ranged between \$0.29 to \$0.38.

Dividend:

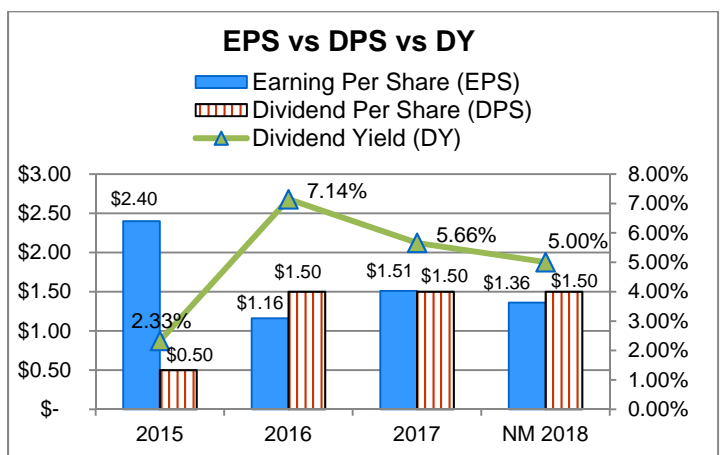
The Board of Directors declared an interim dividend of \$0.50 per share (2017: \$0.50) which was paid on September 05, 2018 to shareholders on the register as at August 20, 2018.

Financial Year End	December 31
Sector	Energy
Symbol on TTSE	NGL
Issued Share Capital	116.10MM
Market Capitalization	\$3.38B
Current Price (January 11, 2019)	\$29.06
52 Week Price Range	\$26.00 - \$30.11
Trailing EPS	\$1.90
Price to Earnings Multiple	15.3x
Current Book Value/Share	\$21.59
Price to Book	1.3 x
Return on Equity	8.4%
Return on Assets	8.4%
Dividend Yield (September 30, 2018)	5.0%

Diluted EPS	Q1	Q2	Q3	Q4	Total
2018	0.40	0.43	0.38		1.36
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

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**





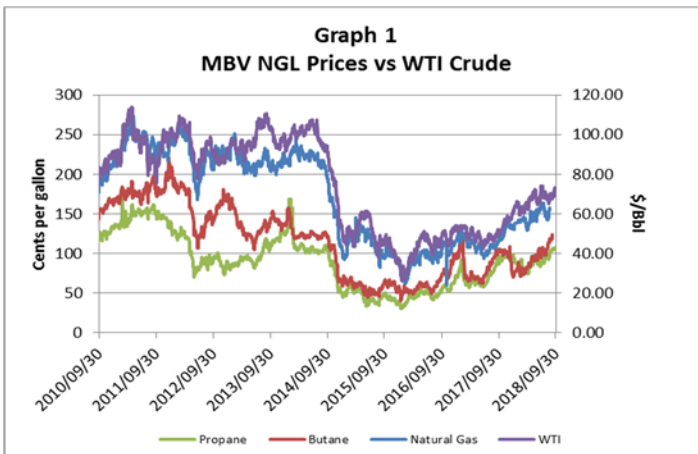
An RBC Company

Income Statement as at September 30, 2018

			\$ Change	% Change	Change	YE17 \$'000
	NM18 \$'000	NM17 \$'000	NM18 - NM17 \$'000	NM18 - NM17		
Profit from investment	211,018	152,521	58,497	38.35%	↑	216,560
Interest income	365	465	(100)	-21.51%	↓	608
FX gain	1,061	0	1,061	100.00%	↑	0
Total Income	212,444	152,986	59,458	38.86%	↑	217,168
Expenses						
Impairment	0	0	0	0.00%	↔	19,499
Legal fees	(885)	(763)	122	15.99%	↑	(979)
Other expenses	(169)	(358)	(189)	-52.79%	↓	(290)
Profit before tax	211,390	151,865	59,525	39.20%	↑	235,398
Income tax	(777)	(1,195)	(418)	-34.98%	↓	(1,655)
Profit/(loss)	210,613	150,670	59,943	39.78%	↑	233,743
EPS						
Basic	\$1.36	\$0.97	\$0.39	40.21%	↑	\$1.51
Diluted	\$1.36	\$0.97	\$0.39	40.21%	↑	\$1.51

Balance Sheet as at September 30, 2018

			\$ Change	% Change	Change	YE17 \$'000
	NM18 \$'000	NM17 \$'000	NM18 - NM17 \$'000	NM18 - NM17		
Non - Current Assets	3,096,741	3,003,832	92,909	3.09%	↑	3,040,436
Current Assets	245,270	274,122	(28,852)	-10.53%	↓	330,694
Total Assets	3,342,011	3,277,954	64,057	1.95%	↑	3,371,130
Total Equity	3,341,863	3,276,997	64,866	1.98%	↑	3,370,656
Current Liabilities	148	957	(809)	-84.54%	↓	474
Total Equity and liabilities	3,342,011	3,277,954	64,057	1.95%	↑	3,371,130



Financials:

Total Income closed at \$212.44MM, up 38.86 per cent or \$59.46MM from NM17's total of \$152.99MM. Profit Before Tax for NM18 stands at \$211.39MM, up 39.20 per cent or \$59.53MM from \$151.87MM in NM17. Profit After Tax totaled \$210.61MM in NM18 up 39.78 per cent or \$59.94MM from \$150.67MM in NM17.

Total Assets had a marginal increase of 1.95 per cent or \$64.06MM to \$3.34B in NM18. Total Equity amounted to \$3.34B in NM18 and Current Liabilities decreased by 84.54 per cent or \$0.81MM to close at \$0.15MM.

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 September 2018 was US\$66/barrel a decrease from US\$74/barrel in June 2018. The United States Energy Information Administration (EIA) forecasts that WTI crude oil prices will average about US\$67/barrel in 2018 and 2019.

NGL product prices are increasing as shown in *Graph 1*, as at September 2018 the MBV price of propane was up approximately 15 per cent, the price of butane was up 20.92 per cent as well as the price of natural gasoline was up 1.90 per cent when compared to prices in June 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 nine month period of 2018, the production of NGLs has been on a downward trajectory, when compared to the corresponding period in 2017.

Also for the NM period of 2018, we are seeing a fall in the exports of NGLs moving from 6.49 million bbls in NM17 to 5.99 million bbls in NM18 which represents a decrease of 7.61 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.

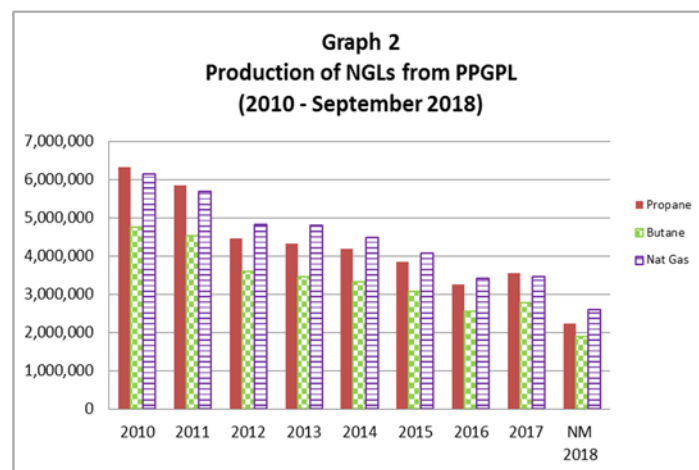


Table 1				
Export of NGLs from PPGPL (in Bbls)				
	Propane	Butane	Natural Gasoline	Total
Jan-18	203,018	33,904	324,929	561,851
Feb-18	427,178	228,214	315,061	970,453
Mar-18	287,090	189,415	315,128	791,633
Apr-18	248,322	142,952	319,716	710,990
May-18	178,741	69,118	320,307	568,166
Jun-18	168,806	141,025	310,624	620,455
Jul-18	232,923	47,905	300,370	581,198
Aug-18	248,110	165,072	315,187	728,369
Sep-18	115,335	29,102	315,056	459,493
Total	2,109,523	1,046,707	2,836,378	5,992,608
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
Jul-17	364,095	225,730	319,894	909,719
Aug-17	229,492	306,003	325,326	860,821
Sep-17	370,909	40,510	320,023	731,442
Total	2,505,030	1,411,741	1,604,227	6,486,241

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