

Trinidad and Tobago NGL Limited (TTNGL) Results for the Year Ended December 31, 2018

Key Points:

- TTNGL continues to implement initiatives to diversify its revenue portfolio, refine its cost structure and sustain its ongoing growth strategy.
- The increased revenue was attained from enhanced Mont Belvieu product prices which were 27.9 per cent higher than 2017.
- PPGPL's gains were impacted by lower gas supply to Point Lisas for processing, coupled with reduced NGL's contents in the gas stream which tempered performance during the year.

Earnings Per Share (EPS):

TTNGL reported an EPS of \$1.63, up 7.95 per cent or \$0.12 per share on the corresponding period's EPS of \$1.51 in FY17.

EPS recorded in Q4 2018 was \$0.27, which was the lowest over the past four Q4 quarters.

Dividend:

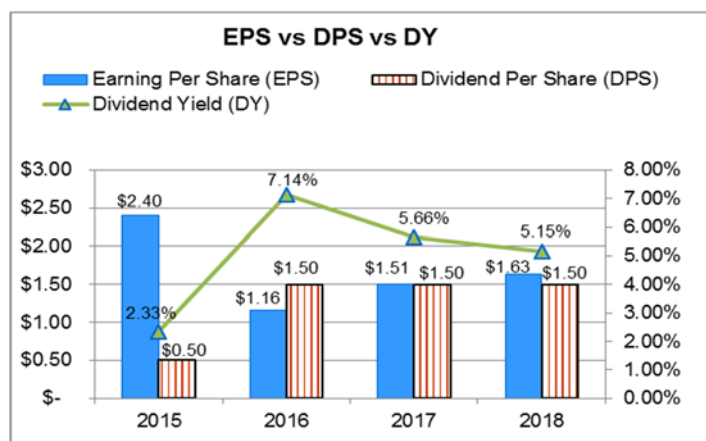
The Board of Directors declared a final dividend of \$1.00 per share (2017: \$1.00) which was paid on April 18, 2019 to shareholders on the register as at April 09, 2019.

Dividend	Interim	Final	Special	Total	Dividend Yield
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	\$3.38B
Current Price (April 24, 2019)	\$29.40
52 Week Price Range	\$27.48 - \$30.50
Trailing EPS	\$1.63
Price to Earnings Multiple	18.0x
Current Book Value/Share	\$21.92
Price to Book	1.3 x
Return on Equity	7.5%
Return on Assets	7.5%
Dividend Yield (April 24, 2019)	5.1%

Diluted EPS	Q1	Q2	Q3	Q4	Total
2018	0.40	0.43	0.38	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

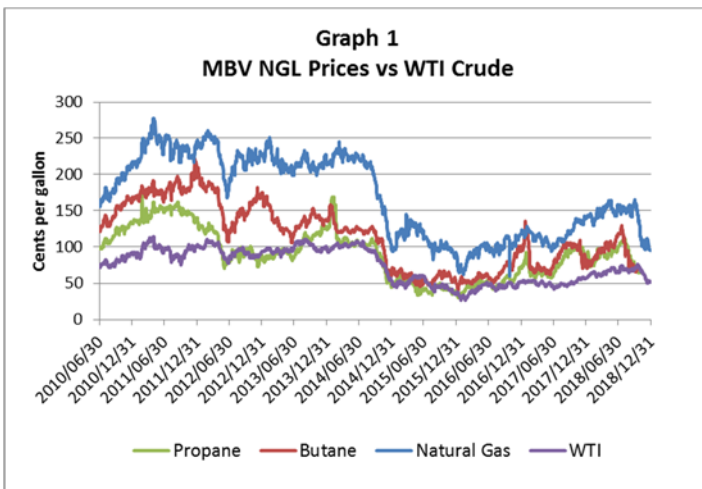


Income Statement as at December 31, 2018

	YE18	YE17	\$ Change	% Change	Change	YE16
	\$'000	\$'000	YE18 - YE17	YE18 - YE17		\$'000
Profit from investment	242,644	216,560	26,084	12.04%	↑	163,955
Interest income	493	608	(115)	-18.91%	↓	219
FX gain	1,585	0	1,585	100.00%	↑	0
Total Income	244,722	217,168	27,554	12.69%	↑	164,174
Expenses						
Impairment Reversal	10,568	19,499	(8,931)	-45.80%	↓	17,831
Legal fees	(983)	(979)	4	0.41%	↑	(704)
Other expenses	(725)	(290)	435	150.00%	↑	(956)
Profit before tax	253,582	235,398	18,184	7.72%	↑	180,345
Income tax	(607)	(1,655)	(1,048)	-63.32%	↓	(777)
Profit/(loss)	252,975	233,743	19,232	8.23%	↑	179,568
EPS						
Basic	\$1.63	\$1.51	\$0.12	7.95%	↑	\$1.16
Diluted	\$1.63	\$1.51	\$0.12	7.95%	↑	\$1.16

Balance Sheet as at December 31, 2018

	YE18	YE17	\$ Change	% Change	Change	YE16
	\$'000	\$'000	YE18 - YE17	YE18 - YE17		\$'000
Non - Current Assets	3,097,751	3,040,436	57,315	1.89%	↑	2,985,162
Current Assets	295,728	330,694	(34,966)	-10.57%	↓	379,235
Total Assets	3,393,479	3,371,130	22,349	0.66%	↑	3,364,397
Total Equity	3,393,217	3,370,656	22,561	0.67%	↑	3,360,654
Current Liabilities	262	474	(212)	-44.73%	↓	3,743
Total Equity and liabilities	3,393,479	3,371,130	22,349	0.66%	↑	3,364,397



Financials:

- Total Income closed at \$244.72MM, up 12.69 per cent or \$27.55MM from YE17 total of \$217.17MM.
- Profit Before Tax for YE18 stands at \$253.58MM, up 7.72 per cent or \$18.18MM from \$235.40MM in YE17.
- Profit After Tax totaled \$252.98MM in YE18 up 8.23 per cent or \$19.23MM from \$233.74MM in YE17.
- Total Assets had a marginal increase of 0.66 per cent or \$22.35MM to \$3.39B in YE18.
- Total Equity amounted to \$3.39B in YE18 and Current Liabilities decreased by 44.73 per cent or \$0.21MM to close at \$0.26MM.

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 ended December 2018 was US\$45/barrel a decrease from US\$73/barrel in September 2018. The United States Energy Information Administration (EIA) forecasts that WTI crude oil prices will average about US\$54/barrel in 2019.

NGL product prices are falling as shown in *Graph 1*, as at December 2018 the MBV price of propane decreased by 40.81 per cent, the price of butane was down 44.06 per cent as well as the price of natural gasoline fell by 40.81 per cent when compared to prices in September 2018.

Production of NGLs from PPGPL fell by 12.06 per cent to 8.69 million barrels in 2018 from 9.81 million barrels in 2017, as shown in *Graph 2*. Also for the last quarter in 2018, the production of NGLs has been on a downward trajectory, when compared to the corresponding period in 2017.

For the period ending 2018, we are seeing a fall in the exports of NGLs moving from 8.54 million bbls in YE17 to 7.67 million bbls in YE18 which represents a decrease of 10.23 per cent (see *Table 1*).



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Key Development:

- Regarding the payment of dividends in US dollars, TTNGL continues to engage the relevant authorities on this matter.
- PPGPL continues to penetrate new markets in the Caribbean.
- The Group continues to focus on strengthening national contribution.

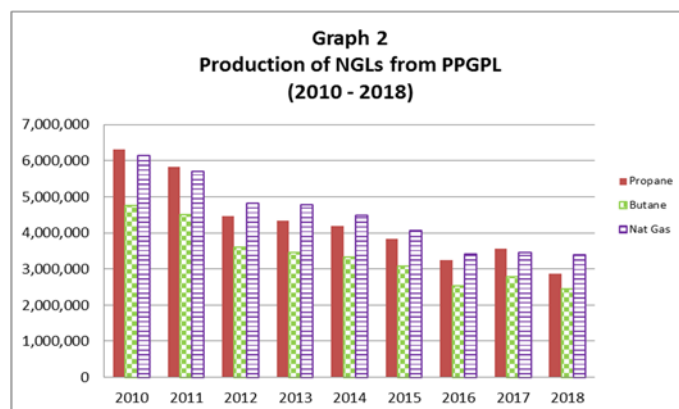


Table 1				
Export of NGLs from PPGPL (in Bbls)				
	Propane	Butane	Natural Gasoline	Total
Jan-18	203,018	33,904	324,929	561,851
Feb-18	427,178	228,214	315,061	970,453
Mar-18	287,090	189,415	315,128	791,633
Apr-18	248,322	142,952	319,716	710,990
May-18	178,741	69,118	320,307	568,166
Jun-18	168,806	141,025	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
Oct-18	217,306	44,435	315,159	576,900
Nov-18	157,399	199,055	313,171	669,625
Dec-18	315,996	112,407	0	428,403
Total	2,800,224	1,402,604	3,464,708	7,667,536
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
Oct-17	309,085	119,128	315,448	743,661
Nov-17	288,210	35,107	319,028	642,345
Dec-17	173,382	179,638	315,754	668,774
Total	3,275,707	1,745,614	3,519,700	8,541,021

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