

## €306 million in revenue for the first nine months of 2020

- **Order book at 30 September 2020 of 135 units for the core business and 17 units for the LNG as fuel business**
- **Consolidated revenues up 53%**
- **2020 targets confirmed**

**Paris – 28 October 2020.** 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 revenues for the first nine months of 2020.

Commenting on the results, Philippe Berterottière, Chairman and CEO of GTT, said: *"With a total of 38 orders booked since the start of the year for all segments taken together, GTT's commercial activity continue to progress at a firm pace, and LNG demand is maintaining its upward trend, driven by Asia.*

*Revenues for the first 9 months of 2020 fully benefited from the flow of orders over the last two years and are sharply up. As a result, considering the strong level of our backlog and shipbuilding schedules, we confirm our revenue and EBITDA targets for the full year 2020.*

*I should also like to point out our recent acquisition of Areva H2Gen, French PEM electrolysis market leader. This company operates at the core of the energy transition, and matches perfectly our strategy and mission statement. »*

### **Business activity**

#### **- LNG carrier orders at high level**

GTT's business activity was marked by a number of successes during the first nine months of 2020, particularly in to the field of LNG carriers. In addition to the 12 LNG carriers booked during the first half of the year, a further 6 orders were booked in the third quarter of 2020. Including an order for 10 ice-breaker LNG carriers announced today, the Group has taken in a total of 28 orders for LNG carriers since the start of 2020. GTT's core business activity is, therefore, at a sustained level.

Note that the Technical Assistance and Licensing Agreement (TALA) signed at the end of June with Russian shipyard Zvezda Shipbuilding Complex (Zvezda), for the construction of LNG carriers incorporating GTT membrane tank systems, led already to orders for 15 ice-breaker LNG carriers.

#### **- Orders for 4 latest-generation VLECs**

In September 2020, GTT's membrane technology was selected to design six very large ethane carriers (VLEC – 98,000 m<sup>3</sup>) built by Korean shipbuilders Hyundai Heavy Industries (HHI) and Samsung Heavy Industries (SHI). This follows on from an order for 6 ethane carriers a year earlier.

#### **- Numerous diversified orders**

Note, in June 2020 GTT was awarded several orders, including 1 FSRU, 2 FSUs, and 3 onshore storage tanks. This underlines GTT's ability to cover the entire LNG supply chain.

#### **- Contract with the US Department of Defense**

In September 2020, the United States Department of Defense awarded GTT North America a contract for the Red Hill bulk fuel storage facility. Red Hill is a military fuel-storage facility near Honolulu, Hawaii, featuring 20 steel-lined underground storage tanks with a total capacity of 250 million gallon (945 million litre) fuel capacity and supply lines to bunkering wharfs at Pearl Harbor. This agreement aims at developing a solution to upgrade the existing tanks to double wall containment.

#### **- Service contracts**

Following signature of two service contracts, one in February with CMA CGM, and the other in March with Excelerate Energy (United States), in July GTT announced two further new contracts:

- A Global Technical Services Agreement with Norwegian shipowner Knutsen OAS Shipping AS. This new contract covers a 17-vessel fleet by 2022 (12 currently in operation and 5 under construction). All vessels incorporate Mark III Flex or NO96 technologies, both developed by GTT. GTT will support Knutsen with vessel maintenance and operation. Knutsen will also benefit from access to the Hears® emergency hotline.
- A Global Technical Services Agreement with the Hong-Kong-based Fleet Management company, to provide support for shipbuilding, maintenance and operation of vessels managed by said company. Fleet Management is currently supervising the construction of latest-generation, high-capacity VLECs in Korea.

#### **Acquisition of Areva H2Gen**

Note, since the start of the year GTT has announced 3 acquisitions:

- In February 2020, acquisition of Marorka. This company, based in Iceland, designs operational reporting and energy-performance improvement systems aimed at reducing vessels' environmental footprint.
- Late July 2020, GTT acquired French company OSE Engineering, specialising in artificial intelligence applied to transport. This acquisition complements the Group's expertise in modelling complex systems, optimising engineering processes.
- On October 19, 2020, the Group acquired Areva H2Gen, France's PEM electrolysis market leader.

Specialised in the conception and assembly of electrolysis units for the production of green hydrogen, Areva H2Gen is using Proton Exchange Membrane technology (PEM). It is the only company to manufacture electrolysis units in France.

The green-hydrogen market today is fast expanding, notably driven by major energy companies who seek to make their energy production greener, and by numerous national government development plans, as well as a European plan announced in July 2020.

This acquisition enables GTT to enrich its technological portfolio with an expertise in green hydrogen, an crucial component of the energy mix for the next decades.

The Areva H2Gen acquisition confirms GTT's commitment to continue to develop advanced technologies for better energy efficiency. It fully matches GTT's development strategy, which is based on growth drivers allowing it to leverage its technological expertise and its knowledge of energy production and transportation players.

Funded in cash, these acquisitions have no significant impact on the Group's financial structure.

## Order book

Since January 1, 2020, GTT's order book excluding LNG as fuel numbered 133 units at that date, and it changed as follows:

- 18 LNG carrier orders
- 4 VLEC orders
- 1 FSRU order
- 2 FSU orders
- 3 onshore storage tank orders
- 23 deliveries of LNG carriers;
- 2 FSRU deliveries
- 1 FLNG delivery

Thus, at September 30, 2020, the order book excluding LNG as fuel stood at 135 units, breaking down as follows:

- 108 LNG carriers
- 10 VLECs
- 5 FSRUs
- 2 FSUs
- 1 FLNG
- 3 GBSs
- 6 onshore storage tanks

Regarding LNG as fuel, including the 2 deliveries of a bunker vessel and of the first ultra large containership for CMA CGM, at September 30, 2020, the number of vessels in the order book stood at 17 units.

## Consolidated revenue

(in thousands of euros)	9M 2019	9M 2020	Change
<b>Revenue</b>	<b>199,687</b>	<b>305,649</b>	<b>+53.1%</b>
<b>Of which new builds</b>	<b>188,936</b>	<b>295,433</b>	<b>+56.4%</b>
<i>LNG carriers/VLEC</i>	<i>157,579</i>	<i>263,462</i>	<i>+67.2%</i>
<i>FSRU<sup>1</sup></i>	<i>19,270</i>	<i>19,717</i>	<i>+2.3%</i>
<i>FLNG<sup>2</sup></i>	<i>3,788</i>	<i>3,272</i>	<i>-13.6%</i>
<i>Onshore storage</i>	<i>1,955</i>	<i>599</i>	<i>-69.4%</i>
<i>GBS<sup>3</sup></i>	<i>-</i>	<i>1,862</i>	<i>nm</i>
<i>Barges</i>	<i>529</i>	<i>-</i>	<i>nm</i>
<i>LNG as fuel</i>	<i>5,815</i>	<i>6,521</i>	<i>+12.1%</i>
<b>From services</b>	<b>10,751</b>	<b>10,216</b>	<b>-5.0%</b>

Revenues in the first 9 months of 2020 benefit fully from the flow of orders over the last two years. Revenues for the first nine months of 2019 were €305.6 million, up 53.1% year on year.

- Revenues from new builds were €295.4 million, up 56.4%. Royalties from LNG carriers increased by 67.2% to €263.5 million, while royalties from FSRUs increased by 2.3% to €19.7 million. Other royalty

<sup>1</sup> Floating Storage and Regasification Unit

<sup>2</sup> Floating Liquefied Natural Gas unit

<sup>3</sup> Gravity Base Structure



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income stemmed from LNG as fuel segment standing at €6.5 million (up 12.1%), FLNGs at €3.3 million, GBSs at €1.9 million, and onshore storage tanks at €0.6 million.

- Revenue from services decreased 5% compared to the first nine months of 2019, reflecting a strong decrease in maintenance and work on vessels in operation during the Covid crisis. Note however the growth in supplier approval services and engineering studies.

### **Outlook for 2020**

Given the size of the backlog, and assuming there are no major delays or cancellations of orders, GTT confirms its 2020 full year revenue and EBITDA targets, i.e.:

- 2020 consolidated revenues of between €375 and €405 million;
- 2020 consolidated EBITDA of between €235 million and €255 million.

Additionally, the Group maintains its dividend distribution policy, i.e. for the 2020 and 2021 financial years, a minimum dividend payout of 80% of consolidated net income.

### **Information about the KFTC investigation**

As announced by the Korea Fair Trade Commission, a hearing related to the investigation concerning GTT's commercial practices with the Korean shipyards was held on October 21, 2020<sup>4</sup>. This followed the issuance from the Korea Fair Trade Commission of a confidential Examiner Report.

GTT and its counsels participated in this hearing and previously responded in writing to the preliminary conclusions set out by the Examiner Report. GTT will keep the market informed about the KFTC decision when released.

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<sup>4</sup> See the Press Release from GTT on October 19, 2020



## Presentation of revenues for the first nine months of 2020

Marc Haestier, Chief Financial Officer, will comment on GTT's revenues and answer questions from the financial community during a telephone conference in English on Wednesday 28 October 2020, 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: **9944528**

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

- 2020 full year results release: 18 February 2021 (after the close of trading)
- General Meeting of Shareholders: 27 May 2021

## 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 28 October 2020.



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**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