

Golar LNG



AUGUST 09, 2021

# SECOND QUARTER 2021 RESULTS



This press release contains forward-looking statements (as defined in Section 21E of the Securities Exchange Act of 1934, as amended) which reflects management's current expectations, estimates and projections about its operations. All statements, other than statements of historical facts, that address activities and events that will, should, could or may occur in the future are forward-looking statements. Words such as "may," "could," "should," "would," "will," "expect," "plan," "anticipate," "intend," "forecast," "believe," "estimate," "predict," "propose," "potential," "continue," or the negative of these terms and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, some of which are beyond our control and are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, Golar undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise.

*Among the important factors that could cause actual results to differ materially from those in*

*the forward-looking statements are: our inability and that of our counterparty to meet our respective obligations under the Lease and Operate Agreement entered into in connection with the BP Greater Tortue / Ahmeyim Project ("Gimi GTA Project"); continuing uncertainty resulting from potential future claims from our counterparties of purported force majeure under contractual arrangements, including but not limited to our construction projects (including the Gimi GTA Project) and other contracts to which we are a party; claims made or losses incurred in connection with our continuing obligations with regard to Hygo Energy Transition Ltd ("Hygo") and Golar LNG Partners LP ("Golar Partners"); the ability of Hygo, Golar Partners and New Fortress Energy, Inc. ("NFE") to meet their respective obligations to us, including indemnification obligations; our ability to formalize a settlement agreement with authorities regarding tax benefits previously obtained under certain of our leasing agreements; changes in our ability to retrofit vessels as floating storage and regasification units ("FSRUs") or floating liquefaction natural gas vessels ("FLNGs") and in our ability to obtain financing for such conversions on acceptable terms or at all; changes in our ability to obtain additional financing on acceptable terms or at all; the length and severity of outbreaks of pandemics, including the recent worldwide outbreak of the novel coronavirus ("COVID-19") and its impact on demand for liquefied natural gas ("LNG") and natural gas, the timing of*

*completion of our conversion projects, the operations of our charterers, our global operations and our business in general; failure of our contract counterparties to comply with their agreements with us or other key project stakeholders; changes in LNG carrier, FSRU, or FLNG including charter rates, vessel values or technological advancements; our vessel values and any future impairment charges we may incur; our ability to close potential future sales of additional equity interests in our vessels, including the Hilli Episeyo ("Hilli") and FLNG Gimi on a timely basis or at all; our ability to contract the full utilization of the Hilli or other vessels; changes in the supply of or demand for LNG carriers, FSRUs or FLNGs; a material decline or prolonged weakness in rates for LNG carriers, FSRUs or FLNGs; changes in the performance of the pool in which certain of our vessels operate; changes in trading patterns that affect the opportunities for the profitable operation of LNG carriers, FSRUs or FLNGs; changes in the supply of or demand for LNG or LNG carried by sea; continuing volatility of commodity prices; changes in the supply of or demand for natural gas generally or in particular regions; changes in our relationships with our counterparties, including our major chartering parties; changes in our relationship with our affiliates and the sustainability of any distributions they pay to us; a decline or continuing volatility in the global financial markets; changes in general domestic and international political conditions, particularly*

*where we operate; changes in the availability of vessels to purchase and in the time it takes to construct new vessels; failure of shipyards to comply with delivery schedules or performance specifications on a timely basis or at all; changes to rules and regulations applicable to LNG carriers, FSRUs, FLNGs or other parts of the LNG supply chain; our inability to achieve successful utilization of our fleet or inability to expand beyond the carriage of LNG and provision of FSRU and FLNGs, particularly through our innovative FLNG strategy; actions taken by regulatory authorities that may prohibit the access of LNG carriers, FSRUs and FLNGs to various ports; increases in costs, including, among other things, wages, insurance, provisions, repairs and maintenance; and other factors listed from time to time in registration statements, reports or other materials that we have filed with or furnished to the Securities and Exchange Commission, or the Commission, including our most recent annual report on Form 20-F.*

*As a result, you are cautioned not to rely on any forward-looking statements. Actual results may differ materially from those expressed or implied by such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless required by law.*



Karl Fredrik Staubo

Chief Executive Officer

Eduardo Maranhão

Chief Financial Officer



## FLNG



- Hilli currently generating revenue from oil-linked contract. Continued 100% uptime, 59<sup>th</sup> cargo offloaded
- Increased capacity utilization agreed for Hilli in 2022 with option for sustained increase from 2023
- Gimi construction 72% technically complete

## SHIPPING



- Q2 TCE<sup>1</sup> of \$46.7k including loss of hire proceeds
- 5 year vessel charter agreed, increasing shipping revenue backlog<sup>1</sup> to \$259m
- Strengthening market fundamentals and increasing second-hand and newbuilding prices

## CORPORATE & INVESTMENTS



- Gain of \$575m on closing of Hygo and GMLP transactions, increasing liquid assets by ~\$700m
- Q2 cash balance<sup>1</sup> of \$287m
- Term sheets received for new and refinancing facilities in excess of \$500m, with potential incremental liquidity release of minimum \$250m

Adjusted EBITDA: \$67 million

Net income: \$471 million



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## Group results

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FLNG

Shipping

Corporate and strategic focus



## SUMMARY RESULTS

	Q2 2021	Q1 2021		Q2 2020		
	US\$m	US\$m	% Δ	US\$m	% Δ	
<b>GAAP</b>	Shipping	42	63	-33%	42	-%
	FLNG	56	54	4%	55	2%
	Corporate and other	6	9	-33%	5	20%
	<b>Total Operating revenues</b>	<b>104</b>	<b>126</b>	<b>-17%</b>	<b>102</b>	<b>2%</b>
	Shipping	27	40	-33%	30	-10%
	FLNG	45	42	7%	41	10%
	Corporate and other	(5)	(4)	25%	(3)	-67%
	<b>Adjusted EBITDA</b>	<b>67</b>	<b>78</b>	<b>-14%</b>	<b>68</b>	<b>-1%</b>
	Net Income/(Loss)	471	25	1784%	(156)	402%
	<b>NON GAAP<sup>1</sup></b>	<b>Net Debt</b>	<b>2,041</b>	<b>2,075</b>	<b>-1%</b>	<b>2,280</b>
Unrestricted cash	207	150	17%	129	60%	
Golar restricted cash	80	95	-25%	96	-17%	
<b>Total Golar cash</b>	<b>287</b>	<b>245</b>	<b>-4%</b>	<b>225</b>	<b>28%</b>	

## HIGHLIGHTS

### OPERATING RESULTS Q2 21 v Q1 21

#### SHIPPING

Q2 TCE<sup>1</sup> down Q-o-Q by \$18k due to seasonality.

#### FLNG

Realized gain of \$3.0m on Brent oil derivative recognized in Q2.

#### CORPORATE AND OTHER

One-off redundancy costs incurred in Q2 as a result of a G&A efficiencies following sale of Hygo and GMLP to New Fortress Energy.

#### NET INCOME

Increase driven by \$574m net income from discontinued operations and \$71m unrealized gain on Brent oil derivative offset by a provision of a \$73m liability and related expenses for a UK tax lease settlement and \$87m unrealized MTM loss on NFE shares.

#### FINANCING AND CASH

##### Q2 21 net debt and cash position key movements:

- \$131m received as part of consideration for Hygo/GMLP
- \$63m invested in FLNG Gimi net of \$65m drawdown
- \$15m release of restricted cash for Hilli LC

(1) Please see the appendix for definition on the non-GAAP measures.

Group results

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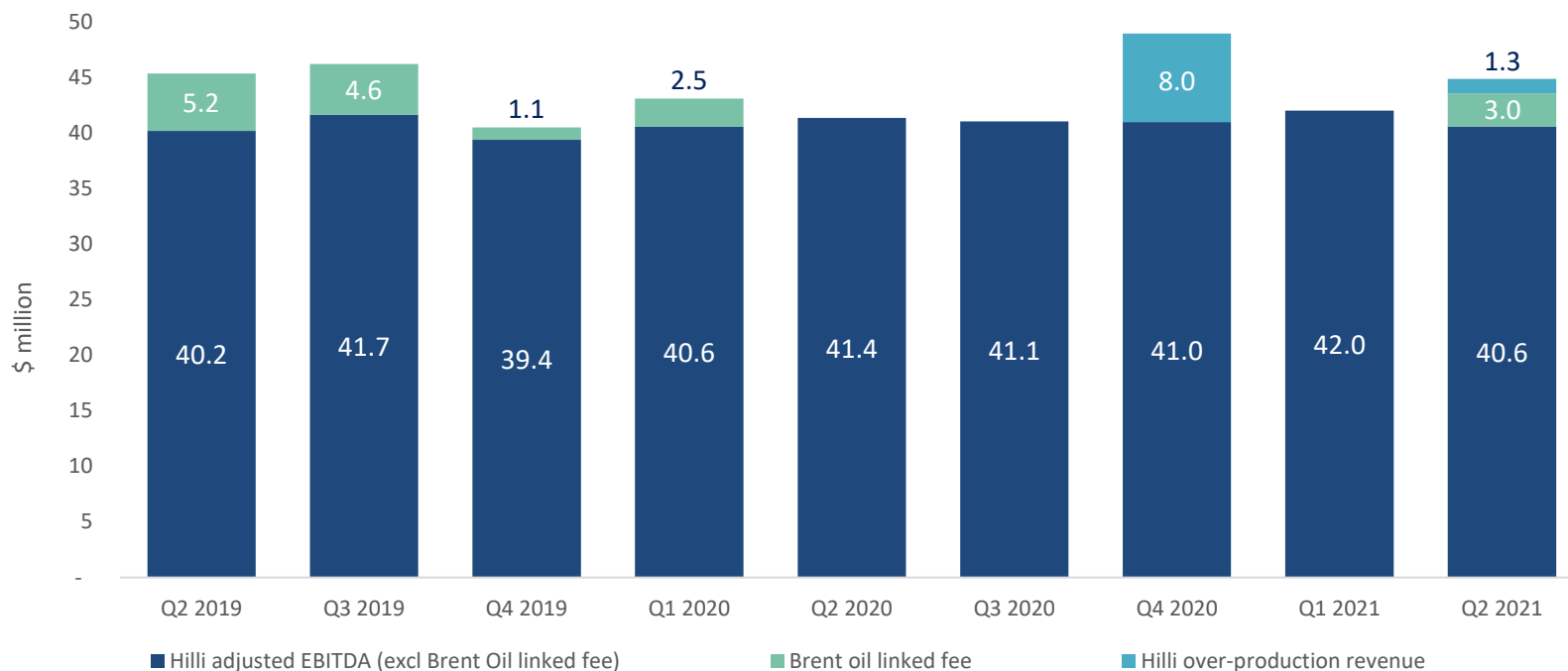
**FLNG**

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Shipping

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## EVOLUTION OF HILLI ADJUSTED EBITDA<sup>1</sup> PER QUARTER



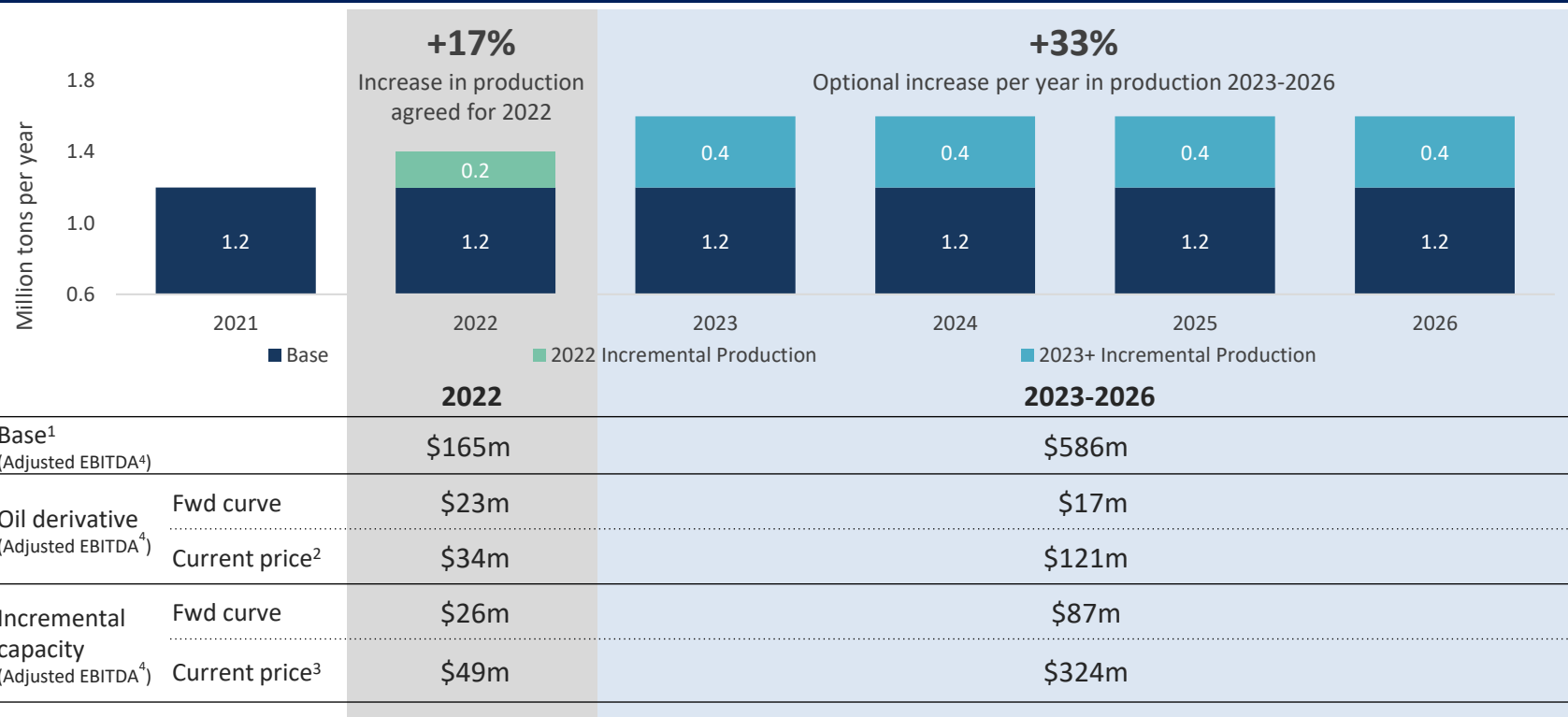
- 59<sup>th</sup> cargo recently offloaded
- Realized gain on Brent oil link expected to be around \$9.0m in Q3 2021
- Agreed to increase 2022 production by 200,000 tons with option to increase production by 400,000 tons to 1.6mtpa from 2023 through to 2026

(1) Please see appendix for the definition of the non-GAAP measures.





## HILLI PRODUCTION VOLUME EVOLUTION FOR REMAINING FIRM CONTRACT PERIOD

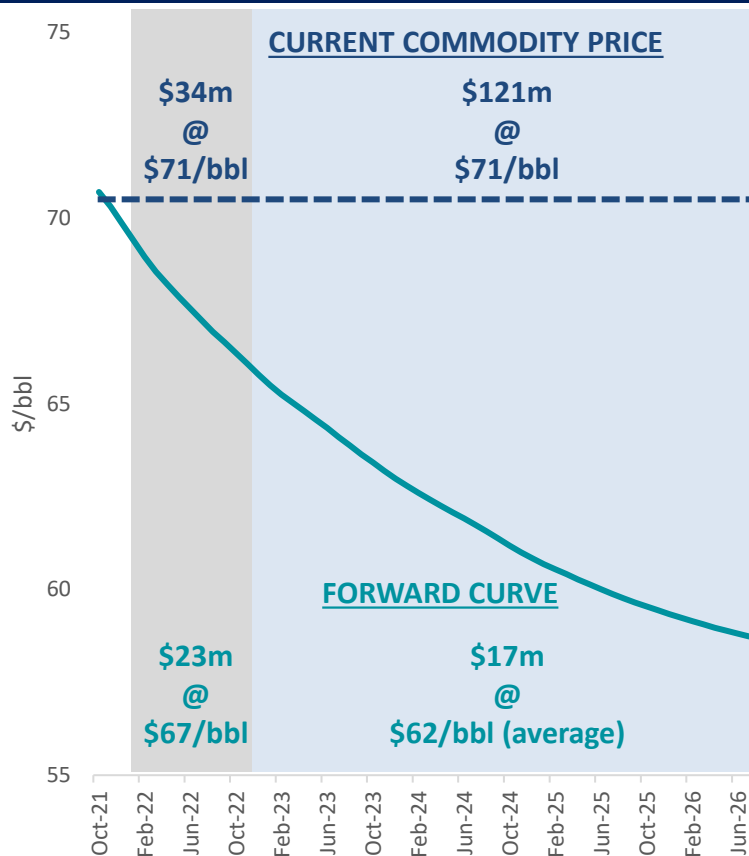


- The incremental total earnings increase<sup>5</sup> of the production increased is \$113m on current TTF forward prices, or \$373m on current TTF spot prices between 2022-2026.
- The innovative tolling fee arrangement delivers on our announced strategy to increase our upstream LNG and gas exposure.

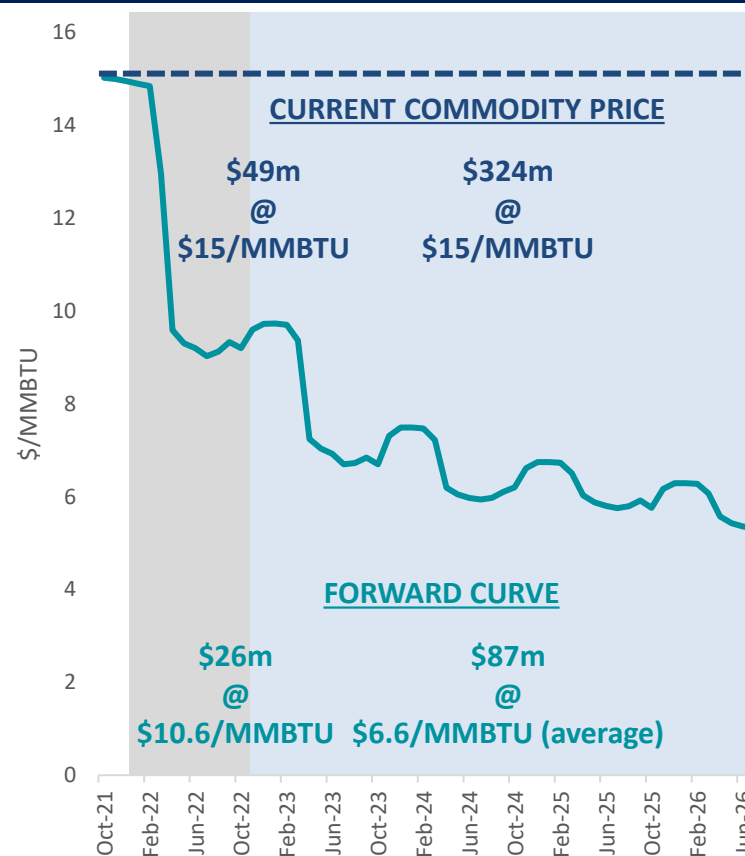
(1) Based on last twelve months EBITDA on base capacity of 1.2million tonnes per annum. (5) Assumes no change to existing accounting treatment  
 (2) Based on last price for Platts dated Brent index on 6<sup>th</sup> of August 2021  
 (3) The ICE last SEP21 contract on 6<sup>th</sup> of August 2021  
 (4) Please see the appendix for definition on the non-GAAP measures.



## BRENT-LINK: EBITDA ON FORWARD CURVE<sup>1</sup> AND SPOT PRICE



## T3 DEAL: EBITDA ON TTF FORWARD CURVE<sup>1</sup> AND SPOT PRICE

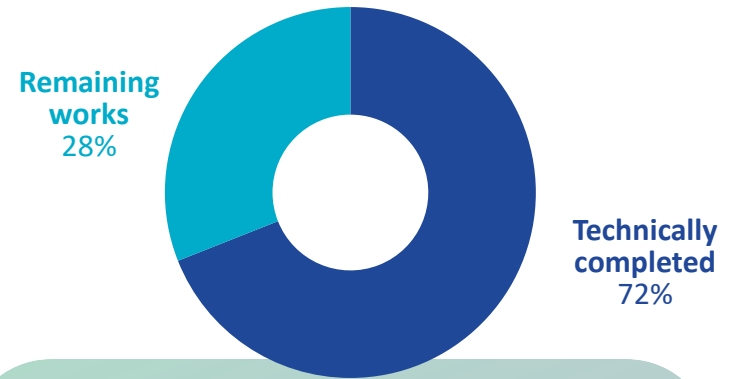


(1) As of 6<sup>th</sup> August, 2021

## CONVERSION UPDATE

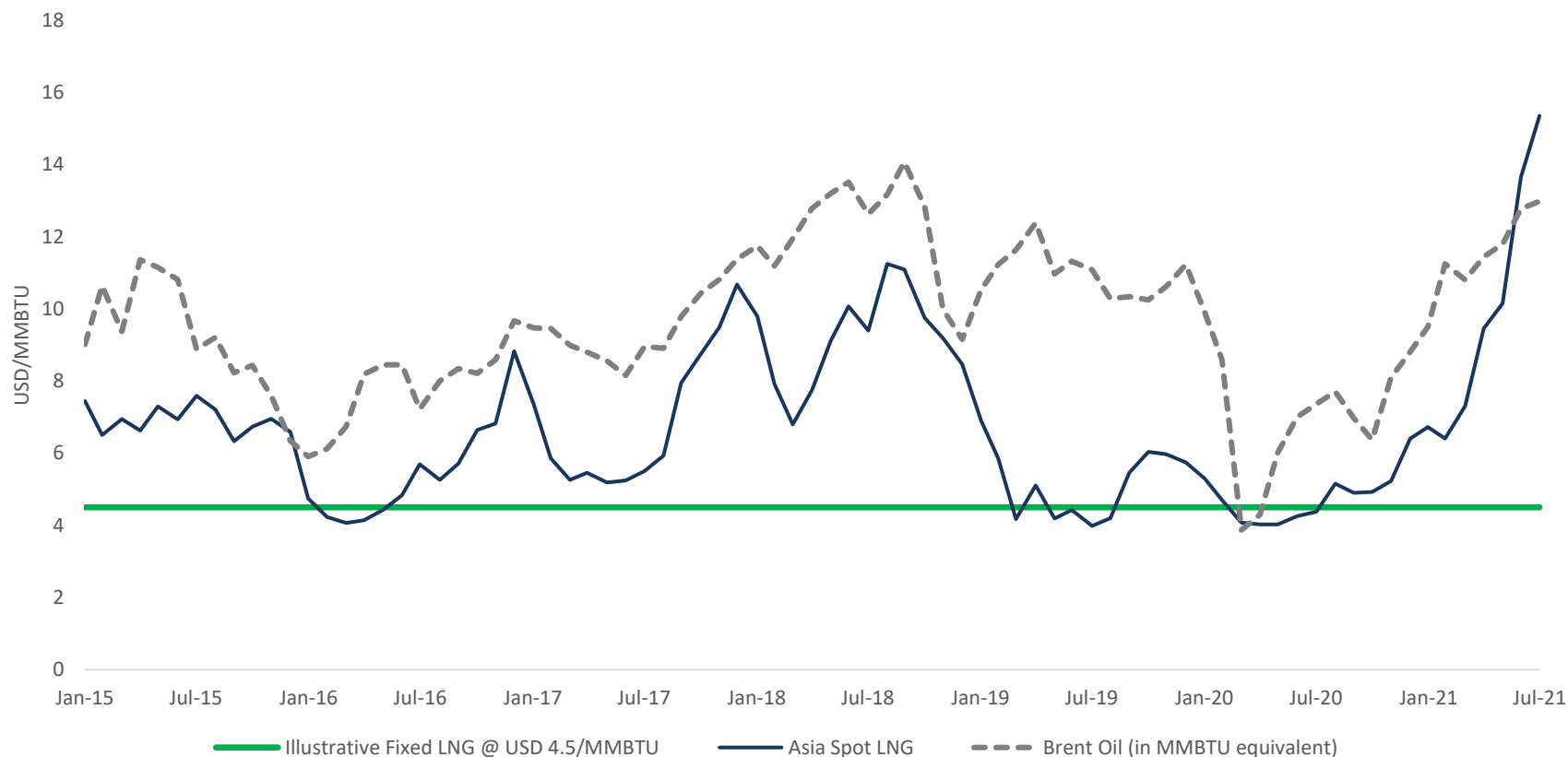


## KEY STATISTICS



	<b>Target sail-away</b>	Q1/23
	<b>Contract start up</b>	Q4/23
	<b>Adjusted annual EBITDA<sup>1</sup></b>	\$215m <sup>2</sup>
	<b>Contract duration</b>	20 years
	<b>Adjusted EBITDA backlog<sup>1</sup></b>	\$ 4.3bn

## HISTORICAL LNG PRICE CRYSTALIZE GOLAR'S AMBITION TO MONETIZE OUR FLNG UPSTREAM ACTIVITIES



FLNG economics with attractive risk reward and significant earnings potential in current gas price environment

Group results

FLNG

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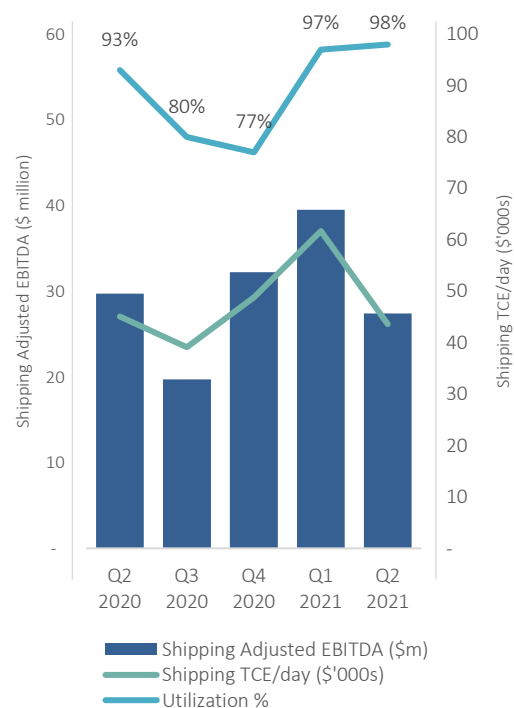
**Shipping**

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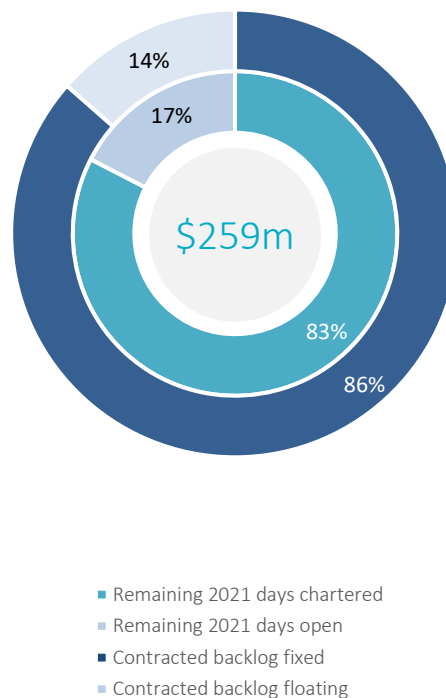
Corporate and strategic focus

# Strengthening Shipping Market and 5-Year Charter Concluded

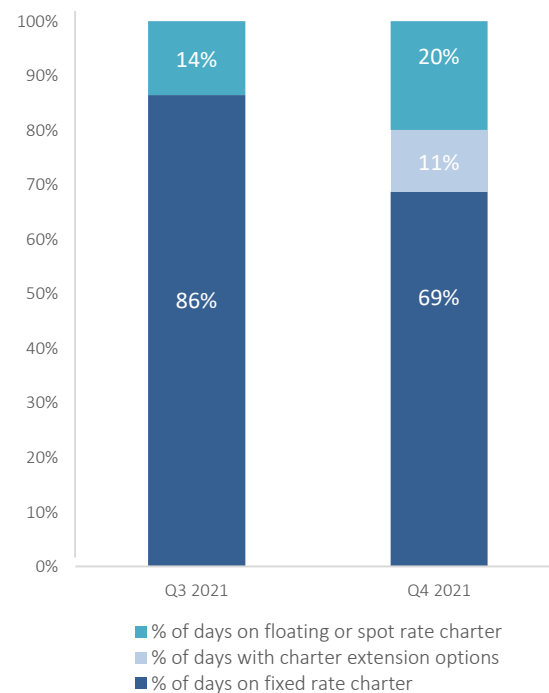
## EVOLUTION OF SHIPPING ADJUSTED EBITDA



## SHIPPING REVENUE BACKLOG<sup>1,2</sup>



## 2021 FORECASTED TCE FROM FIXED V SPOT<sup>1,3</sup>



- Q3 2021 TFDE TCE<sup>1</sup> expected to be around \$47k per day based on today's rates
- Utilization is expected to be around 98% in Q3 2021
- Increasing spot market exposure in Q4 21, the normally strongest seasonal quarter



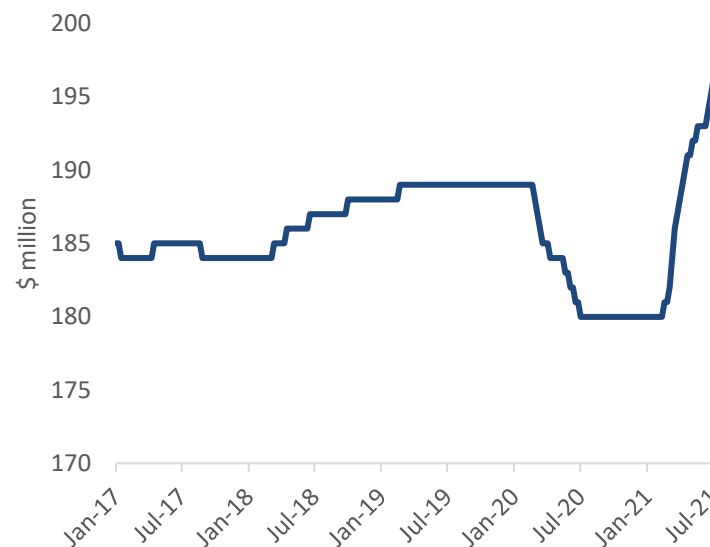
## FIRST HALF 2021 VS 2020: EVERYTHING IS UP

Metric	Unit	H1/20	H1/21	Y-o-Y
TFDE Spot TC	USD/day	47 300	79 700	<b>68%</b>
Shipping Demand	Tn Ton-Miles	784.4	904.9	<b>15%</b>
Chinese Imports	Mill tons	31.6	40.2	<b>28%</b>
Global Imports	Mill tons	186.1	195.7	<b>5%</b>
LNG Price Asia (JKM)	USD/MMBTU	2.89	9.99	<b>245%</b>
LNG Price Europe	USD/MMBTU	2.23	7.52	<b>236%</b>
Gas Price US (HHUB)	USD/MMBTU	1.81	3.15	<b>74%</b>

### Key characteristics of current market

- High price volatility
- Broad geographical demand growth driven by restocking and weather
- Trading & shipping are immediate beneficiaries

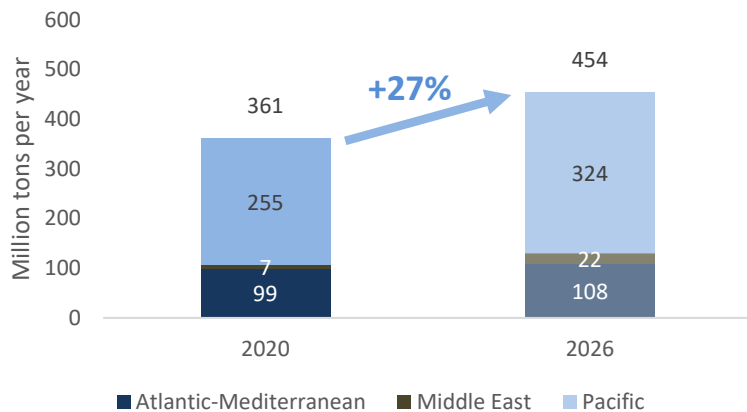
## NEWBUILDING PRICES ARE MOVING RAPIDLY HIGHER



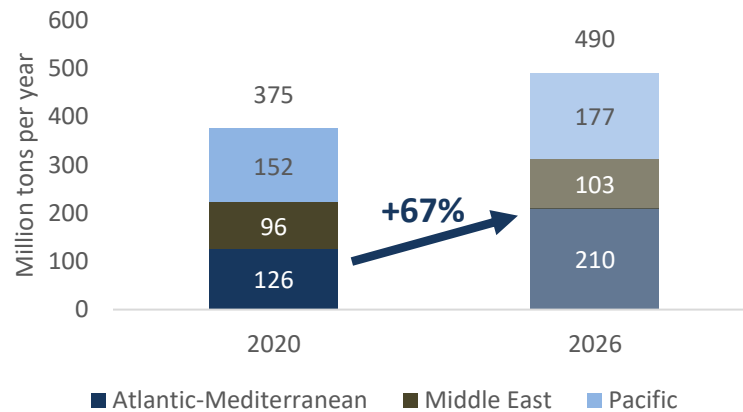
### Asset prices improving

- Shipyards quoting \$210m for newbuild 170,000 MEGI/XDF
- 2021 orders impacted by owners exercising options at attractive rates prior to expiry
- Owners will likely require longer charters at higher rates to justify future orders

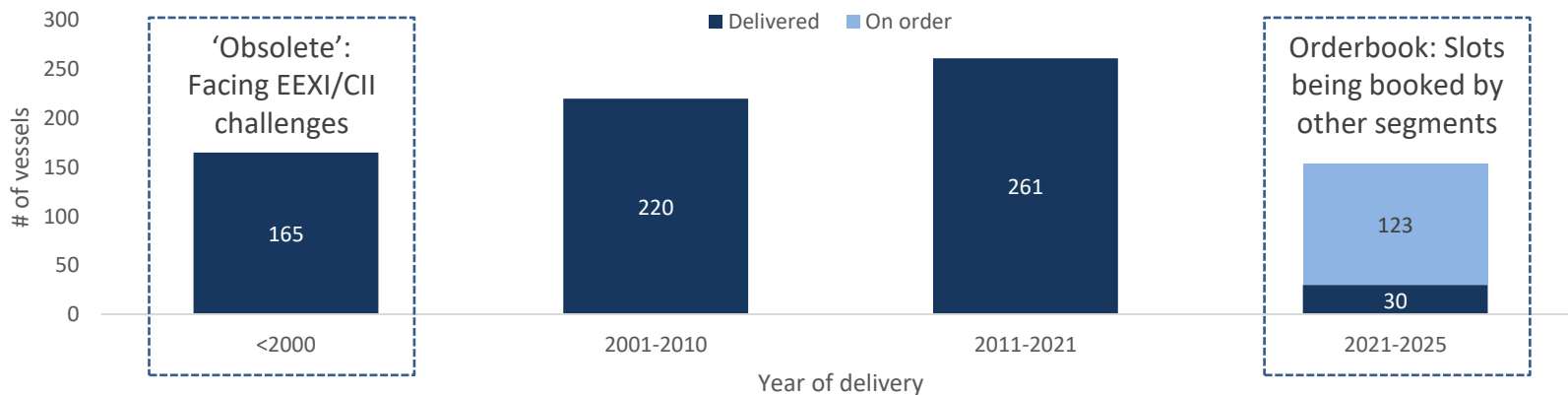
## LNG DEMAND GROWTH DRIVEN BY PACIFIC...



## ...BUT LNG SUPPLY GROWTH HAPPENS IN ATLANTIC



## SHIPPING SUPPLY SIDE CONSTRAINED BY REGULATORY CHANGES





Group results

FLNG

Shipping

Corporate and strategic focus

# Earnings power from Golar's existing asset portfolio



	SHIPPING	HILLI <sup>4</sup>	GIMI (70%)	CORPORATE & INVESTMENTS	TOTAL
LTM ADJUSTED EBITDA <sup>1</sup> + Gimi contracted EBITDA	\$119m <sup>2</sup>	\$84m	\$151m <sup>3</sup>	\$(15)m	\$339m
EARNINGS SENSITIVITY <sup>7</sup>	+/- \$10,000/day = \$32m/yr	+ Oil Upside + T3 Production	+ Uptime bonus		
INCREMENTAL RUN-RATE AT CURRENT MARKET RATES	\$143m @ \$93,000/day <sup>5</sup>	\$70m <sup>6</sup>	N/A	N/A	\$213m
ADJUSTED EBITDA AT CURRENT MARKET RATES	\$262m	\$154m	\$151m	\$(15)m	\$552m
CASH AND LISTED EQUITY SECURITIES <sup>8</sup>	N/A	N/A	N/A	N/A	\$998m
CONTRACTUAL DEBT <sup>1</sup>	\$1,076m	\$332m	\$287m	\$492m	\$2,187m
REMAINING CAPEX	\$0m	\$0m	\$424m	\$0m	\$424m
	OPERATIONAL	OPERATIONAL	72% COMPLETE	OPERATIONAL	

(1) Please see appendix for definition and reconciliation.

(2) LTM TCE of \$48.4k/day

(3) Forecasted EBITDA, please see appendix. Due to start Q4/23

(4) 44.5% of T1 & T2, 89.1% T3 & T4/oil indexed revenue.

(5) Based on Fearnley LNG 1-year time charter rate for 155-165k TFDE

(6) Based on current commodity prices for Brent crude and TTF as of 6<sup>th</sup> August, 2021

(7) Sensitivity Adjusted EBITDA

(8) Comprised of cash, Golar restricted cash, our investments in affiliates and FV of NFE shares as of 30<sup>th</sup> June, 2021



## FLNG



- Hilli – increased capacity utilization adding \$113m in adjusted EBITDA<sup>1</sup> backlog at TTF forward curve or \$373m on current TTF price
- Progressing with existing customer for use of 5mtpa Mark III newbuilding
- Several integrated FLNG projects currently under evaluation

## SHIPPING



- Term rates higher than spot rates supporting further fundamental strength
- Golar with increasing spot exposure
- Asset values rising on the back of stronger freight market and higher newbuilding prices

## CORPORATE & INVESTMENTS



- Adjusted EBITDA of \$67m, net income of \$471m and book equity of \$17 per share<sup>2</sup>
- Strong cash and liquid assets position of approx. \$1bn
- Focus on refinancing convertible bond maturing in Q1 22 and further group simplification by separating FLNG and shipping



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<b>Gain on disposal of Hygo and GMLP</b>	<b>US\$M</b>
Cash consideration received from NFE for Hygo and GMLP on April 15, 2021	131
Fair value of NFE shares received on April 15, 2021, net of holding period discount <sup>1</sup>	745
Carrying value of disposed investments in affiliates	(257)
Realized Hygo accumulated comprehensive losses on disposal	(43)
Others <sup>2</sup>	(1)
<b>Gain on disposal</b>	<b>575</b>
Loss from discontinued operations: April 1, 2021 to April 15, 2021	(1)
<b>Net income from discontinued operations</b>	<b>574</b>

(1) NFE shares are not freely tradeable until October 16, 2021 when Rule 144 holding period expected to end. Fair value discounted by 10.4% to reflect this

(2) Costs and fees in relation to disposal and release of tax guarantee liability.



## QUANTITATIVE RECONCILIATION

### Non-GAAP measure

Hilli Adjusted EBITDA

### Closest equivalent US GAAP measure

FLNG Adjusted EBITDA

### Rationale for adjustments

Increases the comparability of our operational FLNG, Hilli from period to period and against the performance of other companies by removing the costs of early stage FLNG projects and the Gandria and Gimi operating costs.

<i>(in \$M)</i>	Apr-Jun 2021	Jan-Mar 2021	Apr-Jun 2020
<b>FLNG Adjusted EBITDA</b>	<b>44.6</b>	<b>41.8</b>	<b>40.9</b>
Adjusted for:			
Vessel operating costs	0.3	0.2	0.2
Project development expenses	-	-	0.3
<b>Hilli Adjusted EBITDA</b>	<b>44.9</b>	<b>42.0</b>	<b>41.4</b>

### Non-GAAP measure

Total Golar cash balance and Golar restricted cash

### Closest equivalent US GAAP measure

Cash, cash equivalents and restricted cash at end of period based on GAAP measures:

- Cash and cash equivalents
- Restricted cash and short-term deposits (current and non-current)

### Rationale for adjustments

Increases the comparability of our cash position with other companies by removing the lessor VIEs' cash over which we have no control or ability to access.

<i>(in \$M)</i>	Jun 30, 2021	Mar 31, 2021	Jun 30, 2020
Cash and cash equivalents	207.3	149.9	128.7
Restricted cash and short-term deposits - current and non-current portion	131.3	149.0	136.5
Adjusted for:			
VIE restricted cash	(51.2)	(54.1)	(40.0)
<b>Total Golar cash balance</b>	<b>287.4</b>	<b>244.8</b>	<b>225.2</b>
Adjusted for:			
Cash and cash equivalents	(207.3)	(149.9)	(128.7)
<b>Golar restricted cash</b>	<b>80.1</b>	<b>94.9</b>	<b>96.5</b>



## Non-GAAP measure

- Average daily TCE
- Earnings backlog
- Adjusted net debt
- Net debt
- Contractual debt
- Illustrative gain on disposals
- Revenue backlog

## Definitions

Please see our Q2 2021 earnings release for a reconciliation to the most comparable US GAAP measure and the rationale for the adjustments:  
<https://www.golarlng.com/investors/quarterly-reports/2021>

## Gimi annual and LTM Adjusted EBITDA Adjusted EBITDA backlog Run rate EBITDA

<p>Gimi annual and LTM Adjusted EBITDA represents the share of contracted liquefaction revenue less forecasted operating expenses for the executed contract. Gimi Adjusted EBITDA backlog represents the entire contracted period of 20 years</p>	<p>multiplied by the annual Adjusted EBITDA. In order to calculate our proportionate share of LTM Adjusted EBITDA for Gimi, management has removed the amount attributable to Keppel (30%). Adjusted EBITDA is not intended to represent future</p>	<p>cashflows from operations or net income/(loss) as defined by US GAAP.</p> <p>This measure should be seen as a supplement to and not a substitute for our US GAAP measures of performance and the financial results calculated</p>	<p>in accordance with US GAAP and reconciliations from these results should be carefully evaluated.</p>
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## LTM Adjusted EBITDA for Hilli LLC

<p>LTM Adjusted EBITDA for Hilli LLC is calculated by taking the trailing 12 months net income before interest, tax, unrealized mark-to-market movements on the oil derivative instrument, depreciation and amortization. In order to calculate our proportionate share of LTM Adjusted EBITDA for Hilli,</p>	<p>management has removed the amount attributable to Golar Partners (50% of the Common Units in Golar Hilli LLC to Golar Partners – now owned by NFE) and non-controlling interests (5.44% of the Common Units and 10.89% of the Series A and B special units in Golar Hilli LLC to Keppel and B&amp;V). Management</p>	<p>believes that that the definition of LTM Adjusted EBITDA provides relevant and useful information to investors. Adjusted EBITDA is not intended to represent future cashflows from operations or net income/(loss) as defined by US GAAP. This measure should be seen as a supplement to and</p>	<p>not a substitute for our US GAAP measures of performance and the financial results calculated in accordance with US GAAP and reconciliations from these results should be carefully evaluated.</p>
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## Unrestricted cash

Unrestricted cash refers to our cash and cash equivalents.