

Gibson Energy Announces 2024 Capital Budget and Addition of Two New Directors to its Board

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All financial figures are in Canadian dollars unless otherwise noted

CALGARY, Dec. 4, 2023 - [Gibson Energy Inc.](#) ("Gibson" or the "Company") announced today target growth ⁽¹⁾ capital expenditures of \$150 million in 2024. Additionally, Gibson's Board of Directors has approved the allocation of between \$40 million and \$45 million in replacement⁽¹⁾ capital expenditures in 2024. The Company expects 2023 growth capital expenditures of approximately \$125 million.

"I am pleased to announce our growth capital budget for 2024 which reinforces Gibson's commitment to pursuing high quality, infrastructure opportunities that generate positive returns and position the company for sustained success," said Steve Spaulding, President and Chief Executive Officer. "The budget reflects approximately \$125 million of growth capital focused primarily on funding projects in Edmonton as well as Hardisty and Moose Jaw, and an incremental \$25 million of capital expected to be deployed principally at our newly acquired Gateway terminal."

Funding Position

With this capital budget, Gibson is fully-funded and expects to remain within its Financial Governing Principles with the benefit of growing stable Infrastructure cash flows throughout 2024, which will include a full year of cash flows from the recently acquired Gateway terminal in Ingleside, Texas (the "Acquisition"). At the end of the third quarter of 2023, the Company's Net Debt to Adjusted EBITDA ratio⁽²⁾, when adjusted to reflect a full year contribution of the Acquisition, and its Dividend Payout ratio⁽²⁾ were within its 3.0x - 3.5x and below its 70% - 80% target ranges, respectively.

"We will remain disciplined in 2024 when it comes to deploying capital, and adhering to our key governing principles and capital allocation philosophy", said Sean Brown, Senior Vice President and Chief Financial Officer. "While our share repurchase program was halted with the announcement of the Acquisition, depending on the ultimate size of our capital program in 2024 and the performance of our business, we see the potential to return excess capital to shareholders through share repurchases towards the end of 2024."

(1) Growth capital and replacement capital are supplementary financial measures. See the "Specified Financial Measures" section of Gibson's management's discussion and analysis for the three and nine months ended September 30, 2023 and 2022, which is incorporated by reference herein and is available on Gibson's SEDAR+ profile at www.sedarplus.ca and Gibson's website at www.gibsonenergy.com, for an explanation of the composition of each supplementary financial measure.

(2) Net debt to Adjusted EBITDA ratio and Dividend Payout ratio are non-GAAP financial ratios. Net debt, Adjusted EBITDA and distributable cash flow are components of these non-GAAP ratios. See the "Specified Financial Measures" and "Presentation of Pro Forma Financial Information" sections of this press release.

Board Update

Gibson also announced today the appointment of two new directors to its Board effective December 5, 2023: Maria Hooper, an internationally recognized energy executive and Khalid Muslih, a growth and transformation executive, both of whom have extensive experience with the US and global energy markets and Gibson's newly acquired Gateway Terminal.

"With the acquisition of Gateway and our expansion across North America, it was imperative that we look to bring in new, diverse perspectives that will support our ambitions and enable us to deliver on our growth strategy, drive profitability and enhance value for our shareholders," said James Estey, Chair of the Board. "Maria and Khalid joining the Board has deepened our expertise in the US market, specifically in global trading and marine terminals."

With these changes, Gibson's Board will comprise eleven directors, five of whom will have been appointed in

the past three years, demonstrating its commitment to board rejuvenation and strong governance practices. In addition, over 50% of Gibson's Board positions will now be held by members of diverse communities, exceeding our Environmental, Social and Governance ("ESG") Targets in these areas.

"We are thrilled that this commitment to leading board governance was recognized today by the Globe and Mail which scored Gibson 90 of out 100 in their 2023 Board Games ranking, placing Gibson at 27 of 219 companies," said Jim Estey, Chair of the Board.

As a part of joining Gibson's Board of Directors, Maria will also serve on the Audit Committee and Health and Safety Committee, and Khalid will serve on the Corporate Governance, Compensation and Nomination Committee and Sustainability and ESG Committee.

About Maria Hooper

Maria is a global energy industry executive with over 30 years' experience driving growth in financial results, leading adaptive change and ensuring long-term sustainability for leading energy organizations, most recently as Senior Vice President, Commercial, at Phillips 66.

Ms. Hooper is an innovative business builder who collaborates internally and externally to identify and capitalize on new opportunities in the market, and consistently gains stakeholder and team commitment to exceed business targets.

Earlier in her career, she served in senior leadership roles at ConocoPhillips and in various positions at Producers Energy Trading, LLC, Apache Corporation and ANR Pipeline.

Ms. Hooper earned a Bachelor of Science degree in Petroleum Engineering from The University of Texas at Austin.

About Khalid Muslih

Khalid is the Chief Executive Officer of Manchester Energy, an EnCap Flatrock Midstream and EnCap Investments portfolio company. Mr. Muslih has over 30 years of corporate leadership and operational management experience for both private and publicly traded companies.

Prior to founding Manchester Energy, he served as Executive Vice President at Buckeye Partners, L.P. where he spearheaded the company's strategic vision and led its growth and transformation from a regional pipeline transportation company into a global, diversified logistics enterprise. During his time at Buckeye, he also established Buckeye's Alternative Energy business and steered its carbon mitigation efforts by leading the company's expansion into renewable energy and next generation fuels.

Mr. Muslih earned a Master of Business Administration from the University of Houston and a Bachelor of Science in Civil Engineering from the University of Texas at Austin.

About Gibson

Gibson is a leading liquids infrastructure company with its principal businesses consisting of the storage, optimization, processing, and gathering of liquids and refined products. Headquartered in Calgary, Alberta, the Company's operations are located across North America, with core terminal assets in Hardisty and Edmonton, Alberta, Ingleside, Texas, and including a facility in Moose Jaw, Saskatchewan.

Gibson shares trade under the symbol GEI and are listed on the Toronto Stock Exchange. For more information, visit www.gibsonenergy.com.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information and statements (collectively, forward-looking statements) including, but not limited to, statements concerning Gibson's expectations of growth capital expenditures in 2023 and 2024 and replacement capital expenditures in 2024, Gibson's ability to sanction projects that are in support of such expenditures and the timing thereof, the focus of growth capital expenditures, Gibson's ability to grow stable Infrastructure cashflows throughout 2024,

adherence to Gibson's current governing principles and capital allocation philosophy, Gibson's share repurchase program, Gibson's expectations regarding the return of capital to shareholders, the timing thereof and conditions upon which Gibson would do so, the pro forma financial information as a result of the Acquisition, the forecast operating and financial results of Gibson, including as adjusted to reflect a full year contribution of the Acquisition, where applicable, and expectations and targets for EBITDA, cash flows, distributable cash flow, debt and Net Debt to Adjusted EBITDA and Dividend Payout ratios. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking statements. The forward-looking statements reflect Gibson's beliefs and assumptions with respect to, among other things, future market conditions, Gibson's ability to achieve the anticipated benefits of the Acquisition, the accuracy of financial and operational projections of Gibson, the accuracy of historical and forward-looking operational and financial information and estimates provided by South Texas Terminal LLC ("STLLC") and the sellers thereof, STLLC's historical and future financial results, Gibson's future operating and financial results, ability to meet growth capital and replacement capital expenditure targets, continued adherence to Gibson's governing principles and capital allocation philosophy, the ability to place incremental infrastructure projects into service and the timing thereof and the ability to return capital to shareholders and the timing thereof. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements, including, without limitation, risks inherent to Gibson's business generally and risks relating to STLLC's historical and future financial results and the accuracy of pro forma financial information as it relates to Gibson's financial condition or results following the Acquisition or if the Acquisition had been completed as of the beginning of the referenced period. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this press release should not be unduly relied upon. These statements speak only as of the date of this press release. The Company does not undertake any obligations to publicly update or revise any forward-looking statements except as required by securities law. Actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous risks and uncertainties including, but not limited to, the risks and uncertainties described in "Forward-Looking Information" and "Risk Factors" included in the Company's Annual Information Form and Management's Discussion and Analysis ("MD&A"), each dated February 21, 2023 and the Company's MD&A for the three and nine months ended September 30, 2023 and 2022, each as filed on SEDAR+ and available on the Gibson website at www.gibsonenergy.com.

Specified Financial Measures

This press release refers to certain financial measures that are used by the Company as indicators of financial performance and are not determined in accordance with GAAP, including non-GAAP financial measures and non-GAAP financial ratios, certain of which have been determined on a pro forma basis and adjusted to reflect a full year contribution of the Acquisition. Readers are cautioned that non-GAAP financial measures and non-GAAP financial ratios do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures presented by other entities. Management believes presenting these measures help readers better understand how management analyzes results, shows the impacts of specified items on the results of the reported periods and allows readers to assess results without the specified items if they consider such items not to be reflective of the underlying performance of the Company's operations. Management considers these to be important supplemental measures of the Company's performance and believes these measures are frequently used by securities analysts, investors and other interested parties in the evaluations of companies in industries with similar capital structures. Readers are encouraged to evaluate each adjustment and the reasons the Company considers it appropriate for supplemental analysis. Readers are cautioned, however, that these measures should not be construed as an alternative to net income, cash flow from operating activities, segment profit, gross profit or other measures of financial results determined in accordance with International Financial reporting Standards ("IFRS") or United States Generally Accepted Accounting Principles ("U.S. GAAP"), as applicable, as an indication of the performance of the Company.

The Corporation's historical financial information is prepared in accordance with IFRS and STLLC historical financial information is prepared in accordance with U.S. GAAP. Historical financial results for STLLC have been converted from U.S. dollars into Canadian dollars, using rates in effect for the respective periods.

STLLC Non-GAAP Reconciliations

Adjusted EBITDA reconciliation to the nearest GAAP measure, Operating Income:

US dollars in thousands Year Ended December 31, 2022

Operating Income	94,476
Depreciation	12,822
Other Income	52
Adjusted EBITDA	107,350

Reconciliation of Non-GAAP Financial Measures

Pro forma adjusted EBITDA reconciliation to the nearest GAAP measure, Net Income, for the Corporation and STLLC:

(CAD\$ in thousands)	For the twelve months ended September 30, 2023			
	Gibson	STLLC ⁽³⁾	Other ⁽⁴⁾	Pro forma
Net income	224,802	114,869	-	339,671
Income tax expense	70,108	907	-	71,015
Depreciation, amortization and impairment	125,622	14,379	-	140,001
Finance costs, net	98,184	-	-	98,184
Unrealized (gain)/loss on derivative financial instruments	(9,132)	-	-	(9,132)
Corporate unrealized (gain)/loss on derivative financial instrument	430	-	-	430
Stock based compensation	20,460	-	-	20,460
Acquisition and integration costs	19,959	-	-	19,959
Adjustments to share of profit from equity accounted investees	5,693	-	-	5,693
Corporate foreign exchange (gain)/loss and other	1,355	-	16,744	18,099
Adjusted EBITDA	557,481	130,155	16,744	704,380

For further details on these specified financial measures, relevant reconciliations (including in respect of Net Debt, Adjusted EBITDA and distributable cash flow of the Company) and explanations of their respective composition, how the measure provides useful information to an investor and the additional purposes, if any, for which management uses the applicable measure, see the "Specified Financial Measures" section of the Company's MD&A for the three and nine months ended September 30, 2023 and 2022, which is incorporated by reference herein and is available on Gibson's SEDAR+ profile at www.sedarplus.ca and Gibson's website at www.gibsonenergy.com. The specified financial measures contained in this press release are presented on a pro forma basis and adjusted to reflect a full year contribution of the Acquisition, and should be read in conjunction with such disclosure.

(3) Column was derived from ten months of historical STLLC results prior to the close of the Transaction, which was prepared in U.S. dollars; the exchange rate used to translate the U.S. dollar amounts is the average exchange rate for each month of historical results.

(4) Reflects impact of add back \$16.8mm for the Q2 2023 environmental remediation accrual.

Presentation of Pro Forma Financial Information

The pro forma financial information referred to in this press release, which gives effect to the Acquisition as if

it had closed on October 1, 2022, was prepared utilizing accounting policies that are consistent with those disclosed in the unaudited consolidated financial statements of Gibson as at and for the three and nine months ended September 30, 2023, and the audited consolidated financial statements for the year ended December 31, 2022 and was prepared in accordance with recognition and measurement principles of IFRS.

The pro forma financial information has been derived from, and should be read in conjunction with: (i) the unaudited condensed consolidated financial statements of Gibson as at and for the three and nine months ended September 30, 2023, (ii) the audited consolidated financial statements of Gibson for the year ended December 31, 2022, (iii) the audited financial statements of STLLC as at and for the year ended December 31, 2022, (iv) the unaudited financial statements of STLLC as at and for the three months ended March 31, 2023, and (v) financial information and operational results of STLLC for the period following March 31, 2023 and prior to the closing of the Acquisition, as applicable. See "Forward- Looking Statements".

Gibson has not independently verified the financial statements of STLLC that were used to prepare certain of the pro forma financial information included in this press release and the pro forma financial information included in this press release is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected in this press release occurred on the dates indicated. The pro forma financial information contained in this press release is included for informational purposes only and undue reliance should not be placed on such proforma financial information.

The unaudited pro forma condensed consolidated financial information contained in this press release is presented for illustrative purposes only as of their respective dates and may not be indicative of the financial condition, results of operations or cash flows of Gibson following completion of the Acquisition or had the Acquisition been completed as of beginning of the respective periods presented. The unaudited pro forma condensed consolidated financial information was derived from the respective historical financial statements of Gibson and STLLC, the financial information and operational results of STLLC for the period following March 31, 2023 and prior to the closing of the Acquisition, and certain adjustments and assumptions were made to give effect to the Acquisition, as applicable. The information upon which such adjustments and assumptions were made was preliminary and adjustments and assumptions of this nature are difficult to make with complete accuracy. Moreover, the unaudited pro forma condensed consolidated financial information does not include, among other things, estimated synergies or adjustments related to restructuring or integration activities in connection with the Acquisition, or future acquisitions or disposals not yet known or probable. Additionally, the unaudited pro forma condensed consolidated financial information may not reflect all of the costs that are expected to be incurred by STLLC and Gibson in connection with the Acquisition. Accordingly, Gibson's assets, results of operations and financial condition following the acquisition may differ significantly from those indicated in the unaudited pro forma financial information and financial information and operational results of STLLC for periods following March 31, 2023 and prior to the closing of the Acquisition may not be consistent with past financial and operational results for similar periods in respect of STLLC. The audited financial statements of STLLC as of and for the years ended December 31, 2022 and 2021 and the unaudited financial statements of STLLC for the three months ended March 31, 2023 are each included in Gibson's Business Acquisition Report dated October 6, 2023, available on SEDAR+ at www.sedarplus.ca.

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