

Gibson Energy Announces Contract Extension at Gateway, Sanctioning of the Gateway Dredging Project and \$200 million in 2025 Growth Capital & Share Buybacks

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CALGARY, Dec. 04, 2024 - [Gibson Energy Inc.](#) ("Gibson" or the "Company") is pleased to announce the extension and amendment of a long-term contract at its Gateway Terminal ("Gateway" or the "Terminal") with an existing customer that refreshes the initial contract term, with further renewal options beyond that date. The extension includes contracting additional loading windows and increasing contracted capacity per loading window, resulting in fixed Gateway revenue from this customer increasing by approximately 40%. Gibson has also sanctioned dredging at Gateway, to be completed in early 2025, which will enable customers to load 10%+ more volume, the maximum allowable in Corpus Christi, directly on Very Large Crude Carriers and Suezmax vessels thereby reducing customer shipping time and cost.

"Today's announcement marks a significant milestone for Gibson as we deliver upon our key Gateway acquisition objectives," said Curtis Philippon, President & Chief Executive Officer. "It is exciting to see our original customers renewing and expanding their position while welcoming new customers at the Terminal, demonstrating the strong demand for Gateway's attractive export capabilities. Customer demand, combined with excellent operational performance and the benefits of capital improvements, including the Cactus II connection and dredging projects, has Gibson on track to achieve our previously provided guidance on EBITDA growth earlier than anticipated. We now expect Gateway to achieve its EBITDA run rate growth target of 15 - 20% by Q4 2025."

Growth Capital Guidance

The Company also announced its 2025 growth capital guidance of up to \$150 million, including \$100 million of growth capital to be deployed predominantly at Gateway, and the remainder focused on other projects at and around other Gibson facilities currently being assessed in a disciplined manner.

Gibson would also note that it has completed its assessment of the previously announced Waste-to-Energy Project proposal and has reached a negative final investment decision.

Replacement Capital Guidance

Gibson's Board of Directors approved the allocation of \$60 million of replacement capital expenditures, including \$20 million of capital related to turnarounds at both the Moose Jaw facility and select terminal assets.

Cost Focus Campaign

Gibson has also commenced an ambitious cost focus campaign to decrease costs on a run rate basis by the end of 2025 by greater than \$25 million to ensure the Company is efficient and competitive, and well positioned for growth moving forward. To date, approximately \$5 million of savings have already been realized.

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 in 2025. At the end of the third quarter of 2024, the Company's Net Debt to Adjusted EBITDA ratio⁽¹⁾ of 3.2x was just below the midpoint of its 3.0x - 3.5x target range and its Dividend Payout ratio⁽¹⁾ of 65% was below its 70% - 80% target range.

"We will remain focused on the disciplined deployment of growth capital in 2025, as well as adhering to our key governing principles and capital allocation philosophy", said Sean Brown, Senior Vice President and

Chief Financial Officer. "We expect to deploy up to \$200 million between growth capital and share repurchases. With a growth capital program of \$100 to \$150 million, anticipated repurchases are between \$50 and \$100 million in 2025."

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 and Wink, Texas, and 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.

(1) Net debt to adjusted EBITDA ratio and dividend payout ratio are non-GAAP financial ratios. See the "Specified Financial Measures" section of this release.

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 and replacement capital expenditures in 2025 and the location and use of such deployment, Gibson's ability to sanction projects that are in support of such expenditures and the timing thereof, Gibson's ability to grow Infrastructure cashflows throughout 2025, adherence to Gibson's current governing principles and capital allocation philosophy, Gibson's share repurchase program and expectation to repurchase shares in 2025, Gibson's expectations regarding the return of capital to shareholders, the timing thereof and conditions upon which Gibson would do so, the forecast operating and financial results of Gibson, where applicable, the resulting commercial capabilities of the dredging project and Cactus II connection project, Gibson's cost reduction capabilities and ability to realize cost reductions 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, the accuracy of financial and operational projections of Gibson, 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 historical and future financial results as it relates to Gibson's financial condition or results. 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 20, 2024 and the Company's MD&A for the three and nine months ended September 30, 2024 and 2023, 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 not determined in accordance with GAAP, including non-GAAP financial measures and non-GAAP financial ratios. 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 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 evaluation of companies in industries with similar capital structures.

For further details on these specified financial measures, including relevant reconciliations, see the

"Specified Financial Measures" section of the Company's MD&A for the three and nine months ended September 30, 2024 and 2023, 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.

a) Adjusted EBITDA

Noted below is the reconciliation to the most directly comparable GAAP measures of the Company's segmented and consolidated adjusted EBITDA for the three and nine months ended September 30, 2024, and 2023:

Firestone (\$ thousands)	Marketing 2024	Corporate 2023	and Adjustments 2023	Total 2023
Segment profit	1,790	7	-	1,800
Unrealized (gain) loss on derivative financial instruments	(1,553)	(715)	-	(2,268)
General and administrative	(13,004)	(14,258)	-	(27,262)
Adjustments to share of profit from equity accounted investees	1,132	-	-	1,132
Executive transition costs	-	-	251	251
Renewable power purchase agreement	(175)	-	-	(175)
Adjusted EBITDA	1,292	(14,258)	251	(12,715)

Nine months ended September 30, (\$ thousands)	Marketing 2024	Corporate 2023	and Adjustments 2023	Total 2023
Segment profit	3,962	3,962	-	7,924
Unrealized loss (gain) on derivative financial instruments	(1,872)	(1,872)	-	(3,744)
General and administrative	-	-	(51,920)	(51,920)
Adjustments to share of profit from equity accounted investees	4,093	-	-	4,093
Executive transition costs	-	-	10,665	10,665
Renewable power purchase agreement	-	-	(175)	(175)
Other	-	-	218	218
Adjusted EBITDA	6,083	2,090	(38,459)	1,714

b) Distributable Cash Flow

The following is a reconciliation of distributable cash flow from operations to its most directly comparable GAAP measure, cash flow from operating activities:

(\$ thousands)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Cash flow from operating activities	404,794	190,015	531,178	419,255
Adjustments:				
Changes in non-cash working capital and taxes paid	(258,264)	(61,420)	(64,620)	(14,920)
Replacement capital	(13,023)	(12,876)	(24,260)	(25,702)
Cash interest expense, including capitalized interest	(34,045)	(32,290)	(102,405)	(65,677)
Acquisition and integration costs ⁽¹⁾	-	19,959	1,371	19,959
Executive transition costs	7,433	-	10,665	-
Lease payments	(8,144)	(8,575)	(24,178)	(26,260)
Current income tax	(10,582)	(1,860)	(23,633)	(23,800)
Distributable cash flow	88,169	92,953	304,118	282,845

(1) Acquisition and integration costs adjusted on an incurred basis.

c) Dividend Payout Ratio

Twelve months ended September 30,			
	2024	2023	
Distributable cash flow	407,063	371,305	
Dividends declared	263,050	226,755	
Dividend payout ratio	65	% 61	%

d) *Net Debt to Adjusted EBITDA Ratio*

Twelve months ended September 30,			
	2024	2023	
Current and long-term debt	2,528,454	2,645,904	
Lease liabilities	50,246	67,862	
Less: unsecured hybrid notes	(450,000)	(450,000)	
Less: cash and cash equivalents	(55,584)	(54,464)	
Net debt	2,073,116	2,209,302	
Adjusted EBITDA	650,141	557,481	
Net debt to adjusted EBITDA ratio	3.2	4.0	

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