

Teekay Corporation

Q3-2019 Earnings Appendix

November 14, 2019

Consolidated Adjusted Net Loss Reconciliation

Q3-19 vs Q2-19

(Thousands of U.S. Dollars except per share amounts)	Q3-2019 (unaudited) ⁽¹⁾	Q2-2019 (unaudited) ⁽¹⁾	Variance	Comments
Revenues	421,131	457,638	(36,507)	
Voyage expenses	(92,689)	(98,680)	5,991	
Net revenues	328,442	358,958	(30,516)	Teekay Parent - \$9m decrease primarily as a result of timing differences in revenue recognition for the <i>Banff</i> FPSO due to the adoption of the new lease standard in 2019 and higher planned shutdown days for all three FPSOs in Q3-19. Teekay LNG - \$2m decrease primarily due to 62 off-hire days for the <i>Madrid Spirit</i> during Q3-19 for a scheduled drydocking and additional repairs. Teekay Tankers - \$20m decrease primarily due to lower overall spot TCE rates in Q3-19, fewer full service lightering voyages and the completion of one terminal management and one LNG ship-to-ship contract in Q2-19, partially offset by fewer scheduled dry dockings in Q3-19.
Vessel operating expenses	(159,616)	(162,621)	3,005	Teekay Parent - \$2m increase primarily due to increase in maintenance activities for the <i>Banff</i> and <i>Hummingbird Spirit</i> FPSOs in Q3-19. Teekay Tankers - \$5m decrease due to the completion of one terminal management and one LNG ship-to-ship contract in Q2-19 and a lesser amount of purchasing and maintenance activities in Q3-19.
Time-charter hire expenses	(28,932)	(28,817)	(115)	
Depreciation and amortization	(73,633)	(73,849)	216	
General and administrative expenses	(20,016)	(20,868)	852	Decrease primarily due to lower professional fees and department costs in Q3-19.
Income from vessel operations	46,245	72,803	(26,558)	
Interest expense	(71,384)	(73,077)	1,693	Teekay Parent - decrease primarily due to the repurchase of the 2020 Notes in Q2-19.
Interest income	1,485	2,233	(748)	
Equity income	26,534	7,795	18,739	Teekay LNG - increase primarily due to higher fixed rates for the <i>Marib Spirit</i> and <i>Arwa Spirit</i> upon commencement of their one-year charter contracts in June 2019 and July 2019, respectively, lump-sum dry-dock hire revenue of \$2.8 million recognized for the <i>Meridian Spirit</i> in accordance with new GAAP leasing standards adopted in 2019 (previously recognized evenly over the term of the drydock period); scheduled drydockings of the <i>Woodside Donaldson</i> and the <i>Magellan Spirit</i> during Q2-19 and deliveries of two ARC7 LNG carrier newbuildings in the Yamal LNG Joint Venture in June and August 2019.
Income tax expense	(3,091)	(3,404)	313	
Other - net	(7)	(352)	345	
Net income	(218)	5,998	(6,216)	
Net income attributable to non-controlling interests	(23,852)	(19,366)	(4,486)	
Net loss attributable to stockholders of Teekay Corporation	(24,070)	(13,368)	(10,702)	
Basic loss per share	(0.24)	(0.13)	(0.11)	

(1) Amounts are after adjusting Q3-19 and Q2-19 for items included in Appendix A to our Third Quarter 2019 Results Earnings Release and realized gains and losses on derivatives (see slide 4 to this presentation for the Consolidated Adjusted Statement of Net Loss Reconciliation for Q3-19 and Q2-19)



Q4-19 Outlook – Teekay Consolidated

Income Statement Item	Q3-19 in millions	Q4 2019 Outlook (expected changes from Q3-19) ⁽¹⁾												
Net Revenues	328	<p><u>Teekay Parent</u></p> <ul style="list-style-type: none"> \$13m increase from the <i>Foinaven</i> FPSO from the recognition of additional annual operational tariff revenues in Q4-19 and planned maintenance in Q3-19 \$2m increase from the <i>Banff</i> FPSO from higher oil tariff revenue in Q4-19 due to timing of offloading and planned maintenance in Q3-19 \$2m increase from <i>Hummingbird Spirit</i> FPSO due to the commencement of a new contract extension on Oct 1, based on a fixed charter rate <p><u>Teekay LNG</u></p> <ul style="list-style-type: none"> \$5m increase primarily due to the offhire of the <i>Madrid Spirit</i> in Q3-19 for a scheduled dry-dock and additional repairs <p><u>Teekay Tankers</u></p> <ul style="list-style-type: none"> 140 more net revenue days, mainly due to fewer scheduled dry dockings in Q4-19 and a full quarter of operation of one chartered-in vessel that was delivered to Teekay Tankers in late Q3-19. <table border="1"> <thead> <tr> <th>Vessel type - Days (% fixed) at Day Rate in \$</th> <th>Aframax</th> <th>Suezmax</th> <th>LR2</th> </tr> </thead> <tbody> <tr> <td>Q4 To-Date (fixed days quarter-to-date)</td> <td>855 days (43%) at \$30,500</td> <td>1,260 days (52%) at \$38,000</td> <td>285 days (41%) at \$25,200</td> </tr> <tr> <td>Q3 Actual</td> <td>1,821 days at \$14,900</td> <td>2,576 days at \$16,300</td> <td>781 days at \$14,700</td> </tr> </tbody> </table>	Vessel type - Days (% fixed) at Day Rate in \$	Aframax	Suezmax	LR2	Q4 To-Date (fixed days quarter-to-date)	855 days (43%) at \$30,500	1,260 days (52%) at \$38,000	285 days (41%) at \$25,200	Q3 Actual	1,821 days at \$14,900	2,576 days at \$16,300	781 days at \$14,700
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Q3 Actual	1,821 days at \$14,900	2,576 days at \$16,300	781 days at \$14,700											
Vessel Operating Expenses (OPEX)	(160)	<ul style="list-style-type: none"> Teekay Parent - \$2M decrease from the FPSO units due to planned maintenance in Q3-19 Teekay Tankers - \$2M increase due to timing of repairs and maintenance in Q4-19 												
Time-Charter Hire Expense	(29)	<ul style="list-style-type: none"> Teekay Tankers - \$2m increase primarily relating to a full quarter for one Aframax vessel chartered in (offset in revenues) 												
Depreciation and Amortization	(74)	<ul style="list-style-type: none"> Consistent with Q3-19 												
General & Administrative	(20)	<ul style="list-style-type: none"> Teekay LNG – \$2M increase primarily due to additional costs in relation to the resolution of the Yamal JV issues and business development activities in Q4-19 												
Net Interest Expense	(70)	<ul style="list-style-type: none"> Consistent with Q3-19 												
Equity Income	26	<ul style="list-style-type: none"> Teekay LNG - \$3m increase primarily from Yamal JV due to timing of deliveries of newbuilds, and increase for the Bahrain JV due to the expected commencement of operations of the terminal in Q4-19, partially offset by lower equity income from Malt JV due to recoveries in relation to a drydocking in Q3-19 												
Adjusted Net Income Attributable to Non-controlling Interests	(24)	<ul style="list-style-type: none"> Expected to range from \$94m to \$99m primarily due to higher expected adjusted net income in Teekay Tankers as well as higher expected adjusted net income in Teekay LNG 												

(1) Changes described are after adjusting Q3-19 for items included in Appendix A to our Third Quarter 2019 Results Earnings Release and realized gains and losses on derivatives (see slide 4 to this presentation for the Consolidated Adjusted Statement of Net Loss Reconciliation for Q3-19)

Consolidated Adjusted Net Loss Reconciliation

Q3-19 vs Q2-19

	Three Months Ended September 30, 2019				Three Months Ended June 30, 2019			
	As Reported	Appendix A Items (1)	Reclass for Realized Gains/ Losses on Derivatives (2)	As Adjusted	As Reported	Appendix A Items (1)	Reclass for Realized Gains/ Losses on Derivatives (2)	As Adjusted
(in thousands of US dollars, except per share amounts)								
Revenues	420,696	-	435	421,131	457,667	-	(29)	457,638
Voyage expenses	(92,689)	-	-	(92,689)	(98,680)	-	-	(98,680)
Net revenues	328,007	-	435	328,442	358,987	-	(29)	358,958
Vessel operating expenses	(159,616)	-	-	(159,616)	(162,621)	-	-	(162,621)
Time charter hire expenses	(28,932)	-	-	(28,932)	(28,817)	-	-	(28,817)
Depreciation and amortization	(73,633)	-	-	(73,633)	(73,849)	-	-	(73,849)
General and administrative expenses	(20,016)	-	-	(20,016)	(20,868)	-	-	(20,868)
Asset impairments	(175,785)	175,785	-	-	-	-	-	-
Restructuring charges	(414)	414	-	-	(1,369)	1,369	-	-
(Loss) income from vessel operations	(130,389)	176,199	435	46,245	71,463	1,369	(29)	72,803
Interest expense	(67,707)	-	(3,677)	(71,384)	(70,205)	-	(2,872)	(73,077)
Interest income	1,485	-	-	1,485	2,233	-	-	2,233
Realized and unrealized losses on derivative instruments	(1,924)	113	1,811	-	(10,964)	9,150	1,814	-
Equity income (loss)	21,514	5,020	-	26,534	(6,284)	14,079	-	7,795
Income tax expense	(3,091)	-	-	(3,091)	(3,404)	-	-	(3,404)
Foreign exchange gain (loss)	5,628	(7,059)	1,431	-	(5,851)	4,764	1,087	-
Other - net	(1,424)	1,417	-	(7)	(11,099)	10,747	-	(352)
Net (loss) income	(175,908)	175,690	-	(218)	(34,111)	40,109	-	5,998
Net income attributable to non-controlling interests	(22,270)	(1,582)	-	(23,852)	(5,374)	(13,992)	-	(19,366)
NET LOSS ATTRIBUTABLE TO STOCKHOLDERS OF TEEKAY CORP.	(198,178)	174,108	-	(24,070)	(39,485)	26,117	-	(13,368)
Basic loss per share	(1.97)			(0.24)	(0.39)			(0.13)

The above provides a Normalized Income Statement by adjusting for the following:

(1) removal of Appendix A items as documented in the Earnings Release

(2) putting the realized gains/losses to their respective line as if hedge accounting had applied

