



# NOL FY2018 Report

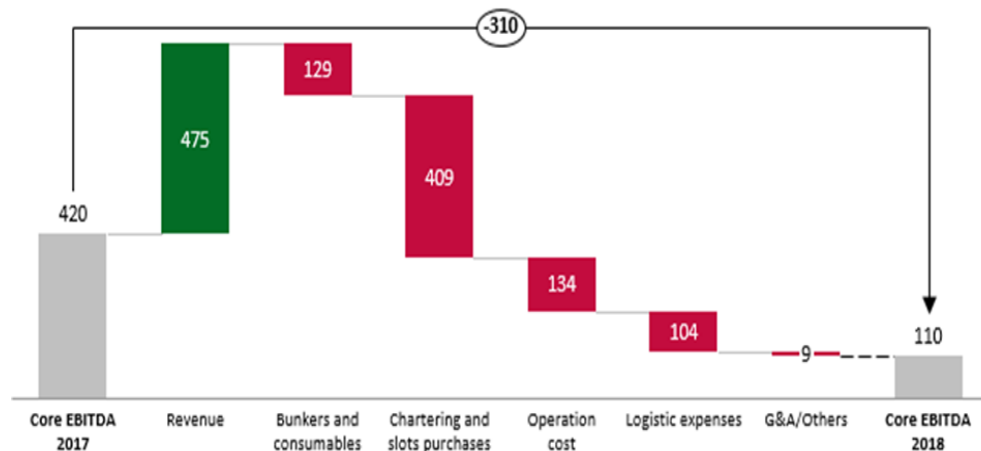
22 April 2019

# Key FY2018 Financial and Operational Highlights

- Volume increased to **5,409 thousand TEUs**, up 7% over 2017
- Revenue increased to **US\$6,357m**, up 8% over FY2017
- Core EBITDA of **US\$110m**, a decline of US\$310m over FY2017
- Core EBIT loss of **US\$66m**, a decline of US\$313m against FY2017
- Net Loss after tax of **US\$134m**

# 2018 EBITDA Highlights

## Core EBITDA Bridge, USDm



## Comments

\* **Negative impact on EBITDA (USD -310m)** due to :

✓ **Overall Revenue increase** was mainly due to the higher volume growth in Intra-Asia and Transpacific trade.

\* **Increase of Bunker cost** was due to an average rate increase in bunker costs during the year (FY18: USD405 per tonne versus FY17:USD315 per tonne) where the rate of increase did not commensurate with the freight rates charged.

\* **Increase of Chartering/slot purchase cost** was due to an increase of slot purchases as a result of service reconfiguration (start up of Ocean Alliance from April 2017).

\* **Increase of Operation cost** (stevedoring, transportation, port and canal expenses) was mainly due to the increase in inland transportation in US & Europe and stevedoring costs as a result of more volumes in US & Europe.

\* **Increase of Logistic cost** due to significant lift of inland volumes on import side as compared to export side in the US.

\* *Note: APL is the trading name of NOL Ltd*

# Key Financial Highlights

US\$m	FY18	FY17	% ▲ Better/(Worse)
<b>Revenue</b>	<b>6,357</b>	<b>5,882</b>	<b>8</b>
<b>Core EBITDA</b>	<b>110</b>	<b>420</b>	<b>(74)</b>
• Depreciation & Amortisation	(176)	(173)	(2)
<b>Core EBIT</b>	<b>(66)</b>	<b>247</b>	<b>nm</b>
• Non-recurring items (NRIs)	(1)	764	nm
<b>EBIT</b>	<b>(67)</b>	<b>1,011</b>	<b>nm</b>
• Finance expense net of finance income	(48)	(113)	58
• Tax	(19)	(9)	(111)
<b>Net (Loss)/profit to Equity holders of the Company after NRIs</b>	<b>(134)</b>	<b>889</b>	<b>nm</b>
• NRIs	(1)	764	nm
<b>Net (Loss)/profit to Equity holders of the Company before NRIs</b>	<b>(133)</b>	<b>125</b>	<b>nm</b>

\*The figures have not been audited or reviewed by the auditors of the Company.

# Balance Sheet Highlights

US\$m

31-Dec-2018

31-Dec-2017

Total Assets	6,380	5,721
Total Liabilities	5,281	4,421
Total Equity	1,099	1,300
Total Debt	2,585	2,193
Total Cash	134	92
Net Debt	2,451	2,101
Gearing (Net)	2.23 x	1.62 x

\*The figures have not been audited or reviewed by the auditors of the Company.

# Cash Flow Highlights

US\$m		FY18	FY17
	<b>Cash &amp; Cash Equivalents – Beginning @ Q1</b>	<b>92</b>	<b>186</b>
	<i>Cash Inflow/(Outflow)</i>		
	Operating Activities	Note 1 133	802
	Investing/Capex Activities	Note 2 (501)	1,152
	Financing Activities	Note 3 410	(2,048)
	<b>Cash &amp; Cash Equivalents – Closing @ Q4</b>	<b>134</b>	<b>92</b>

\*The figures have not been audited or reviewed by the auditors of the Company.

**Note 1** : Decrease is mainly due to the reduction in profits earned for the year (excluding NRIs) and reduction in cash inflow arising from payables (US\$456m).

**Note 2** : The decrease was mainly due to additional loan made to holding company in FY18 (US\$430m) and no cash inflow from disposal of a subsidiary (FY17:US\$821m).

**Note 3** : Net cash inflow was mainly due to lesser repayment of borrowings (US\$1,680m) and no dividend payout to holding company (US\$666m) during the year.

# Capital Expenditure

US\$m		FY18 Total	FY17 Total
1.	Vessels	70	116
2.	Equipment / Facilities	2	1
3.	Drydock	14	4
4.	IT	4	10
5.	Others	2	1
<b>Total</b>		<b>92</b>	<b>132</b>

Note 1

\*The figures have not been audited or reviewed by the auditors of the Company.

**Note 1** : Decrease in vessels capital expenditure as compared to FY17 was due mainly to the acquisition of 6 vessels in FY17 (US\$106m) while there was none in FY18 which was offset by more vessel modification costs incurred in FY18.

# Liner Operational Update

Volume ('000 TEUs)	FY2018	FY2017	% ▲
Trans-Pacific	2,042	1,928	6
Intra-Asia	1,942	1,776	9
Asia-Europe	942	951	(1)
Latin America	353	298	18
Trans-Atlantic	130	103	26
<b>Total</b>	<b>5,409</b>	<b>Note1 5,056</b>	<b>7</b>

**Note 1:** FY2017 volumes has been restated to align with the new method of computing, based on voyage endings rather than laden containers.



# SHIPPING THE FUTURE

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