



NOL 1H2019 Report

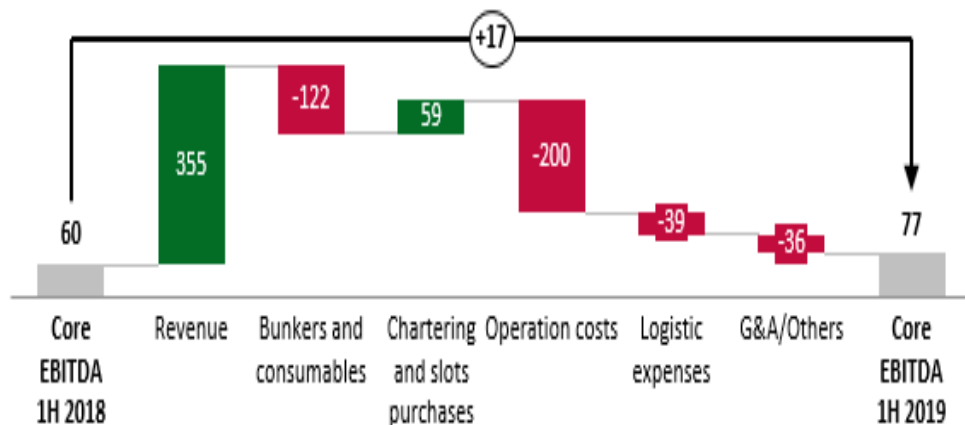
2 October 2019

Key 1H2019 Financial and Operational Highlights

- Volume increased to **3,133 thousand TEUs**, up 19% over 1H2018
- Revenue increased to **US\$3,336m**, up 12% over 1H2018
- Core EBITDA of **US\$77m**, an improvement of US\$17m over 1H2018
- Core EBIT loss of **US\$119m**, a decline of US\$90m against 1H2018
- Net Loss after tax of **US\$198m**

1H2019 Core EBITDA Highlights

Core EBITDA Bridge, USDm



Comments

✓ Positive impact on Core EBITDA (USD 17m) due to :

✓ **Overall Revenue increase** was mainly due to the higher volume growth in Intra-Asia together with the integration of CNC with effect from 1 January 2019.

* **Increase of Bunker cost** was due to an average rate increase in bunker costs during the period (1H19: USD404 per tonne versus 1H18:USD372 per tonne) coupled with the increase in ships operated due to CNC integration.

✓ **Decrease of Chartering/slots purchases cost** was mainly due to implementation of IFRS 16 which resulted in bareboat charters being accounted for under depreciation method which was offset by the increase in cost arising from CNC integration. In addition, certain lines which APL changed to operating on its' own instead of buying slots contributed to the decrease.

* **Increase of Operation cost** (stevedoring, transportation, port and canal expenses) was mainly due to CNC integration.

* **Increase of Logistic cost** was due to CNC integration and higher imbalance cost in the US due to the US-China trade war.

* Note: APL is the trading name of NOL Ltd

Key Financial Highlights

US\$m	1H19	1H18	\$m ▲ Better/(Worse)
Revenue	3,336	2,981	355
Core EBITDA	77 ¹	60	17
• Depreciation & Amortisation	(196) ²	(89)	(107)
Core EBIT	(119)	(29)	(90)
• Non-recurring items (NRIs)	(7)	(1)	(6)
EBIT	(126)	(30)	(96)
• Finance expense net of finance income	(66) ³	(19)	(47)
• Tax	(6)	(8)	2
Net Loss to Equity holders of the Company after NRIs	(198)	(57)	(141)
• NRIs	(7)	(1)	(6)
Net Loss to Equity holders of the Company before NRIs	(191)	(56)	(135)

¹ Includes the reduction in charter and rental cost (US\$121 m) as a result of accounting for bareboat charters and lease rental as depreciation of right-of-use assets for operating lease contracts recognised pursuant to adoption of IFRS16 with effect from 1 January 2019.

² Includes the depreciation of right-of-use assets (US\$115 m) for operating lease contracts recognised pursuant to adoption of IFRS16 with effect from 1 January 2019.

³ Includes the interest expense on lease liabilities (US\$44 m) for operating lease contracts recognised pursuant to adoption of IFRS16 with effect from 1 January 2019.

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

Balance Sheet Highlights

US\$m

30-Jun-2019

31-Dec-2018

Total Assets	6,724 ¹	6,380
Total Liabilities	5,836 ¹	5,281
Total Equity	888	1,099
Total Debt	3,523 ¹	2,585
Total Cash	160	134
Net Debt	3,363	2,451
Gearing (Net)	3.79 x	2.23 x

¹ Includes the right-of-use assets (US\$1,064 m) and lease liabilities (US\$1,139m) for operating lease contracts recognised pursuant to adoption of IFRS16 with effect from 1 January 2019.

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

Cash Flow Highlights

US\$m

1H19

1H18

Cash & Cash Equivalents – Beginning @ Q1

Cash Inflow/(Outflow)

Operating Activities

Note 1

(266)

737

Investing/Capex Activities

Note 2

363

(863)

Financing Activities

(71)

227

Cash & Cash Equivalents – Closing @ Q2

160

193

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

Note 1 : Decrease was primarily due to settlement of amount owing to holding company.

Note 2 : The increase was due to repayment of loans from holding company versus additional loans provided to holding company in prior period.

Capital Expenditure

US\$m		1H19 Total	1H18 Total
1. Vessels	Note 1	60	24
2. Equipment / Facilities		5	1
3. Drydock		11	6
4. IT		4	1
5. Others		2	-
Total		82	32

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

Note 1 : Increase in vessels capital expenditure as compared to 1H18 was due mainly to the jumboisation of vessels.

Liner Operational Update

Volume ('000 TEUs)	1H2019	1H2018	% ▲
Trans-Pacific	983	965	2
Intra-Asia	1,448	970	49
Asia-Europe	468	483	(3)
Latin America	181	161	12
Trans-Atlantic	53	65	(18)
Total	3,133	2,644	19

SHIPPING THE FUTURE
