



NOL FY2019 Report

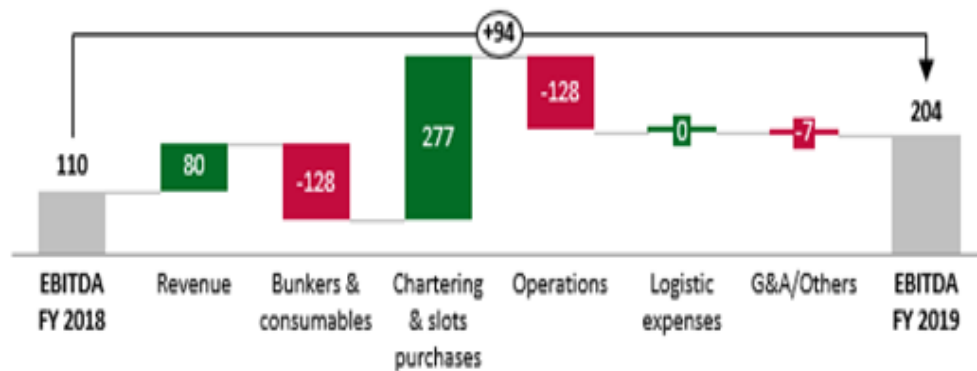
21 August 2020

Key FY2019 Financial and Operational Highlights

- Volume increased to **6,086 thousand TEUs**, up 13% over FY2018
- Revenue increased to **US\$6,437m**, up 1% over FY2018
- Core EBITDA of **US\$204m**, an improvement of US\$94 m over FY2018
- Core EBIT loss of **US\$186m**, a decline of US\$120 m against FY2018
- Net Loss after tax of **US\$259m**

2019 EBITDA Highlights

Core EBITDA Bridge, USDm



Comments

✓ Positive impact on EBITDA (USD 94m) 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 where the rate of increase did not commensurate with the freight rates charged.

✓ **Decrease of Chartering/slots purchases cost** was mainly due to implementation of SFRS (I) 16 which resulted in bareboat charters being accounted for under depreciation method which was partially offset by the increase in cost arising from CNC integration.

* **Increase of Operation cost** (stevedoring, transportation, port and canal expenses) was mainly due to CNC integration and congestion in the US terminals in the beginning of the financial year. In addition, there was one-off cost incurred due to IT implementation.

* Note: APL is the trading name of NOL Ltd

Key Financial Highlights

US\$m	FY19	FY18	\$m  Better/(Worse)
Revenue	6,437	6,357	80
Core EBITDA	204 ¹	110	94
• Depreciation & Amortisation	(390) ²	(176)	(214)
Core EBIT	(186)	(66)	(120)
• Non-recurring items (NRIs)	52	(1)	53
EBIT	(134)	(67)	(67)
• Finance expense net of finance income	(132) ³	(48)	(84)
• Tax	7	(19)	26
Net Loss to Equity holders of the Company after NRIs	(259)	(134)	(125)
• NRIs	52	(1)	53
Net Loss to Equity holders of the Company before NRIs	(311)	(133)	(178)

¹ Includes the reduction in charter and rental cost (US\$244m) 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 SFRS (I) 16 with effect from 1 January 2019.

² Includes the depreciation of right-of-use assets (US\$231m) for operating lease contracts recognised pursuant to adoption of SFRS (I) 16 with effect from 1 January 2019.

³ Includes the interest expense on lease liabilities (US\$83m) for operating lease contracts recognised pursuant to adoption of SFRS (I) 16 with effect from 1 January 2019.

Balance Sheet Highlights

US\$m

31-Dec-2019

31-Dec-2018

Total Assets	6,456 ¹	6,380
Total Liabilities	5,669 ¹	5,281
Total Equity	787	1,099
Total Debt	3,189 ¹	2,585
Total Cash	106	134
Net Debt	3,083	2,451
Gearing (Gross)	4.05 x	2.35 x
Gearing (Net)	3.92 x	2.23 x

¹ Includes the right-of-use assets (US\$950m) and lease liabilities (US\$1,022m) for operating lease contracts recognised pursuant to adoption of SFRS (I) 16 with effect from 1 January 2019.

Cash Flow Highlights

US\$m

FY19

FY18

Cash & Cash Equivalents – Beginning @ Q1

Cash Inflow/(Outflow)

Operating Activities

Investing/Capex Activities

Financing Activities

Cash & Cash Equivalents – Closing @ Q4

134

92

Note 1

(610)

133

Note 2

150

(501)

432

410

106

134

Note 1 : The decrease was mainly due to the repayment of account payables.

Note 2 : The increase was mainly due to repayment from immediate holding company.

Capital Expenditure

US\$m		FY19 Total	FY18 Total
1.	Vessels	Note 1 109	70
2.	Equipment / Facilities	6	2
3.	Drydock	9	14
4.	IT	8	4
5.	Others	3	2
Total		135	92

Note 1 : Increase in vessels capital expenditure as compared to FY18 was due mainly to the installation of scrubbers as a result of IMO2020 and jumboisation of vessels.

Liner Operational Update

Volume ('000 TEUs)	FY2019	FY2018	% ▲
Trans-Pacific	2,073	2,042	2
Intra-Asia	2,898	1,942	49 Note 1
Asia-Europe	666	942	(29) Note 2
Latin America	370	353	5
Trans-Atlantic	79	130	(39) Note 2
Total	6,086	5,409	13

Note 1 : Intra-Asia volumes has increased against FY2018 mainly due to CNC integration.

Note 2 : Asia-Europe and Trans-Atlantic volumes has decreased against FY2018 as these services were transferred over to CMA CGM from 1 October 2019.