



**NORLED**

*The greatest travel experiences*



*Financial report Norled Q4 - 2019*

# Norled at a glance



**NORLED**

The greatest travel experiences

- One of the leading ferry and expressboat operators in Norway
- Nationwide operations from Oslo to Tromsø
- 1 200 employees, HQ in Stavanger
- Norled aims to operate with low and zero emissions and to be the leader in developing green solutions in the ferry and expressboat sector
- Founded in 1855

## Ferries



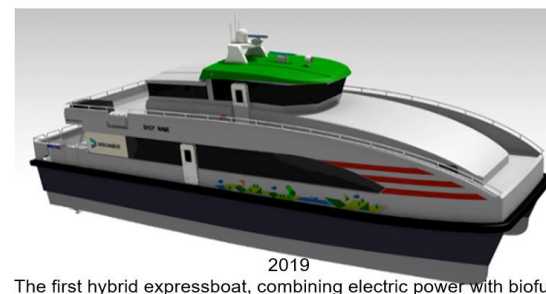
59 ferries and 18 routes

## Expressboats



27 expressboats and 15 routes

- Operation of 13 ferry contracts and 12 expressboat contracts (2020)
- Tourism related to contracts, and some charter activities
- Catering



# Operational highlights 2019 – Q4

- Awarded contract Ytre Sunnmøre. In total 3 routes in the contract. Starting 1 route from 2021 and 2 routes from 2022. Re-win of existing contract for Norled.
- Delivery of 2 expressboats to Troms contract starting 01.01.2020.
- Completed retrofit of two vessels for operating the Oslo-Nesoddtangen route.
- Sold several vessels to other operators.
- Fire incident MF Ytterøyningen.
- Preparing for start of 4 new contracts from 01.01.2020.
  - Indre Sogn (ferries)
  - Sunnmøre (ferries)
  - Rutepakke 3 Hordaland (ferries)
  - Troms (expressboats)
- Preparing for end of 4 contracts and 1 route from 31.12.2019.
  - Stavanger – Tau (ferries)
  - Hardangerpakken (ferries)
  - Nordhordland (ferries)
  - Sunnhordland (ferries)
  - Høgsfjord route, in Ryfylke contract (ferries)

*MS Fjordprinsen. Delivered 4Q-19*



# Financial highlights 2019 – Q4



**NORLED**

*The greatest travel experiences*

- Decrease in revenue 4Q-19 vs. 4Q-18 is mainly due to ending two ferry routes of 31.12.2018. Also some non-recurring items affected the Q4-18 revenue.
- Net gain on sale of NOK 38m is related to sale of vessels.
- Increased EBITDA profitability 4Q-19 vs 4Q-18. Mainly due to effect of net gain on sale of fixed assets.
- Increased depreciation due to completion of newbuild- and retrofit projects.
- Increase in net financial items as a result of increase in long-term interest-bearing debt and fees related to the bond issue.
- NOK 500m senior unsecured bond issued in November 2019.

NOKm	Q4-19	Q4-18	Changes	Changes %
<b>Total revenue</b>	<b>558</b>	<b>594</b>	<b>-36</b>	<b>-6 %</b>
Cost of goods (catering)	4	7	-2	-36 %
Personnel costs	235	232	3	1 %
Other operating costs	246	249	-3	-1 %
Net gain on sale of fixed assets	-38	0	-38	
<b>Total operating costs:</b>	<b>447</b>	<b>488</b>	<b>-41</b>	<b>-8 %</b>
<b>EBITDA</b>	<b>110</b>	<b>106</b>	<b>4</b>	<b>4 %</b>
EBITDA %	20 %	18 %	2 %	
Depreciation / writedown	54	42	12	30 %
<b>EBIT</b>	<b>56</b>	<b>64</b>	<b>-8</b>	<b>-13 %</b>
Net financial items	-28	-13	-15	119 %
<b>EBT</b>	<b>28</b>	<b>52</b>	<b>-23</b>	<b>-45 %</b>
Tax expense	-7	-12	5	-45 %
<b>Net Income</b>	<b>22</b>	<b>40</b>	<b>-18</b>	<b>-45 %</b>

# Financial highlights 2019 full year



**NORLED**

The greatest travel experiences

- Decrease in revenue 19 vs.18 is mainly due to ending two ferry routes of 31.12.2018. This is also the main reason for the general reduction in operation cost.
- Net gain on sale of NOK 40m is related to sale of vessels.
- Increased EBITDA profitability 4Q-19 vs 4Q-18. Mainly due to effect of net gain on sale of fixed assets.
- Increased depreciation due to completion of newbuild- and retrofit projects.
- Increase in net financial items as a result of increase in long-term interest-bearing debt and fees related to the bond issue.
- Refinanced all debt July 19, and NOK 500m senior unsecured bond issued in November 2019.

NOKm	2019	2018	Changes	Changes %
<b>Total revenue</b>	<b>2 330</b>	<b>2 373</b>	<b>-43</b>	<b>-2 %</b>
Cost of goods (catering)	25	31	-6	-19 %
Personnel costs	915	920	-5	-1 %
Other operating costs	958	969	-11	-1 %
Net gain on sale of fixed assets	-40	-5	-35	
<b>Total operating costs:</b>	<b>1 858</b>	<b>1 915</b>	<b>-57</b>	<b>-3 %</b>
<b>EBITDA</b>	<b>471</b>	<b>458</b>	<b>14</b>	<b>3 %</b>
<b>EBITDA %</b>	<b>20 %</b>	<b>19 %</b>	<b>1 %</b>	
Depreciation / writedown	198	181	18	10 %
<b>EBIT</b>	<b>273</b>	<b>277</b>	<b>-4</b>	<b>-1 %</b>
Net financial items	-81	-49	-33	68 %
<b>EBT</b>	<b>192</b>	<b>228</b>	<b>-37</b>	<b>-16 %</b>
Tax expense	-42	-42	0	0 %
<b>Net Income</b>	<b>149</b>	<b>186</b>	<b>-37</b>	<b>-20 %</b>

# Covenants, investments, balance sheet



**NORLED**

The greatest travel experiences

## Balance sheet

MNOK	31.12.19.	31.12.18.
Fixed assets	3 571	2 702
Bank deposits and cash	281	417
Other assets	220	336
<b>Total assets</b>	<b>4 071</b>	<b>3 455</b>
Equity	537	1 045
Long-term debt financial inst	2 817	1 698
Other debt	717	713
<b>Total equity and liabilities</b>	<b>4 071</b>	<b>3 455</b>
NIBD	2 536	1 281

Norled is in compliance with all covenants related to bond and other long-term debt to financial institutions per 4Q-19.

Total investments MNOK:	2019	2020	2021
Total investments:	1 105	1 199	659
<b>Spec. of long-term debt</b>	<b>31.12.19.</b>		
Term loan	1 700		
Capex facility	616		
Bond	500		
Other (debt in Lysefjord AS)	1		
<b>Total long-term debt</b>	<b>2 817</b>		

## Bond covenants:

MNOK	4Q-19
<b>Interest Cover ratio:</b>	
EBITDA L12M	471
Net Interest Cost L12M	75
Interest Cover Ratio	6,3 x
Covenant	2,0 x
Headroom, % of covenant	215 %

## Minimum Liquidity:

Bank deposits and cash	281
Covenant	75
Headroom, % of covenant	274 %

# Cash flow statement



**NORLED**

The greatest travel experiences

<b>Cash flow from operating activities</b>	<b>4Q-19</b>	<b>4Q-18</b>	<b>2019</b>	<b>2018</b>
Net income before tax	28	52	192	228
Net financial items	28	13	81	49
Gain on sale of fixed assets	-38	0	-40	-5
Depreciation	53	46	197	185
Write-down	2	-5	2	-4
Changes in inventory	-2	-6	-1	0
Changes in accounts receivable	-18	27	27	-1
Changes in accounts payable	45	111	-12	44
Changes in pension commitments	-1	-3	7	4
Income tax payable	0	-1	-1	-1
Changes in other items	-39	-68	-137	15
<b>Net cash flow from operating activities</b>	<b>58</b>	<b>167</b>	<b>314</b>	<b>515</b>
<b>Cash flow from investing activities</b>	<b>4Q-19</b>	<b>4Q-18</b>	<b>2019</b>	<b>2018</b>
Proceeds from sale of fixed assets	76	0	78	13
Purchase of fixed assets	-326	-302	-1 110	-468
Proceeds from other investments	0	0	0	0
Paid interest	-28	-15	-87	-55
Received interest	0	1	6	6
<b>Net cash flow from investing activities</b>	<b>-278</b>	<b>-316</b>	<b>-1 113</b>	<b>-503</b>
<b>Cash flow from financing activities</b>	<b>4Q-19</b>	<b>4Q-18</b>	<b>2019</b>	<b>2018</b>
Proceeds from borrowings of long term debt	750	257	3 171	318
Repayment of borrowings	-501	-7	-2 051	-98
Sale of shares	0	0	0	0
Dividends	0	0	-583	-1
Changes in intra-group balance	0	58	126	-31
Paid group contribution	0	0	0	-40
<b>Net cash flow from financing activities</b>	<b>249</b>	<b>308</b>	<b>663</b>	<b>149</b>
<b>Net change in cash and cash equivalents</b>	<b>29</b>	<b>158</b>	<b>-136</b>	<b>160</b>
Cash and cash equivalents at IB	252	258	417	256
Cash and cash equivalents at CB	281	417	281	417

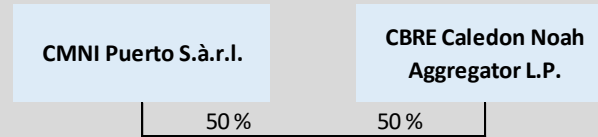
# Group structure



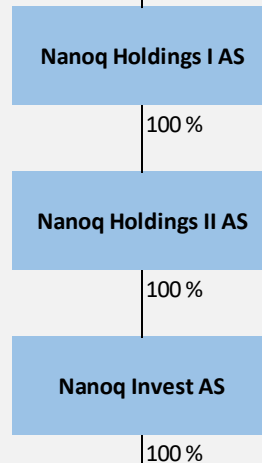
**NORLED**

The greatest travel experiences

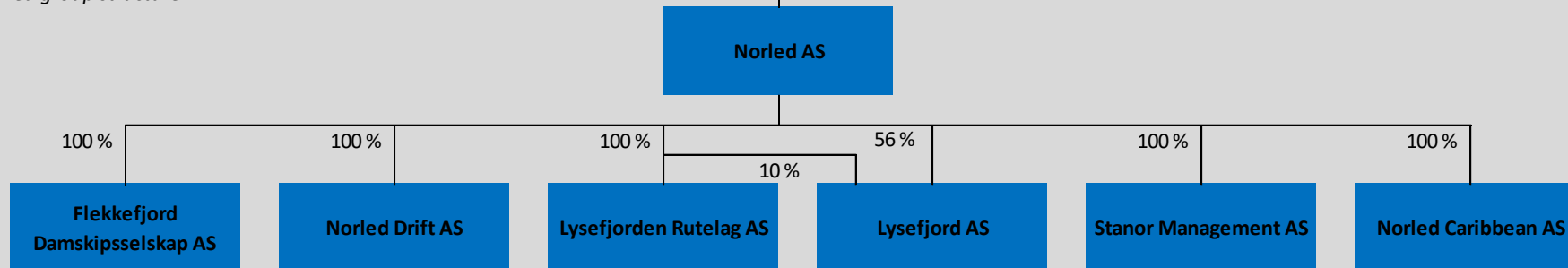
Sponsors' holding company structures



Joint holding company structure



Norled group structure



The quarterly report contains consolidated numbers and information for the «Norled group structure» only.





# NORLED

*The greatest travel experiences*



**NORLED**

*The greatest travel experiences*

IR – Norled

Tord Helland  
CFO

Phone: +47 406 31 575

E-mail: [tord.helland@norled.no](mailto:tord.helland@norled.no)

