



NORLED

The greatest travel experiences

Financial report Norled Q1 - 2020

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
- 1 000 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 2020 – Q1



NORLED

The greatest travel experiences

- Successful start of 4 new contracts from 01.01.2020.
 - Indre Sogn (ferries)
 - Sunnmøre (ferries)
 - Rutepakke 3 Hordaland (ferries)
 - Troms (expressboats)
- Norled win the ferry contract Ryfylkeferjen in Rogaland county. Length of the contract is 01.01.21-31.12.32.
- Norled win the ferry contract Lyngensambandet with the routes Lyngseidet-Olderdalen and Svendsby-Brevikeidet in Troms and Finnmark county. Length of the contract is 01.01.21.-30.04.31.
- Delivery of MF Hjellestad from Westcon. MF Hjellestad will operate in the new contract Rutepakke 3 Hordaland.
- Delivery of MS Fjordjarl from Oma Baatbyggeri AS. MS Fjordjarl will operate in the new expressboat contract in Troms.
- All catering kiosks on vessels closed mid-March due to restrictions related to the COVID-19 pandemic. Apart from closed kiosks, all other production has been carried out as planned despite the challenges COVID-19 has posed.
- As a result of COVID-19, there is an increased risk of delays in the construction and delivery of new vessels. The company is constantly working to optimize a plan with temporary vessels on the routes where there may be delays in delivery.
- Heidi Wolden is hired as the new CEO in Norled. Starts in May 20.

MF Hjellestad. Delivered Q1-20



MS Fjordjarl. Delivered Q1-20



Financial highlights 2020 – Q1



- Decrease in revenue Q1-20 vs. Q1-19 is mainly due to changes in contract portfolio. Norled ended 5 contracts at year end 2019, and started 4 new contracts 1. January 2020.
- Increased EBITDA profitability Q1-20 vs Q1-19. Mainly due to changes in contract portfolio.
- 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.
- For Q1 20, the Norled numbers are not significantly affected by the COVID-19 pandemic. The effects will be more significant in Q2 and Q3, especially in the expressboat segments related to tourist routes and charter activity. How significant the effect will be depends on several factors such as the prevalence of Corona infection in Norway during the summer, restrictions on public travel, etc.

NOKm	Q1 2020	Q1 2019	Changes	Changes %
Total revenue	509	531	-23	-4 %
Cost of goods (catering)	4	4	0	-7 %
Personnel costs	200	225	-25	-11 %
Other operating costs	205	240	-35	-15 %
Net gain on sale of Fixed Assets	0	0	0	
Total operating costs:	410	469	-60	-13 %
EBITDA	99	62	37	59 %
EBITDA %	19 %	12 %	8 %	
Depreciation / writedown	57	47	9	20 %
EBIT	42	15	28	185 %
Net financial items	-32	-13	-19	143 %
EBT	11	2	9	473 %
Tax expense	-2	0	-2	473 %
Net Income	8	1	7	473 %

Quarterly tax expense is calculated based on 22% of EBT. Full year numbers include full tax calculation.

Financial highlights 2020 - YTD



- Decrease in revenue Q1-20 vs. Q1-19 is mainly due to changes in contract portfolio. Norled ended 5 contracts at year end 2019, and started 4 new contracts 1. January 2020.
- Increased EBITDA profitability Q1-20 vs Q1-19. Mainly due to changes in contract portfolio.
- 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.
- For Q1 20, the Norled numbers are not significantly affected by the COVID-19 pandemic. The effects will be more significant in Q2 and Q3, especially in the expressboat segments related to tourist routes and charter activity. How significant the effect will be depends on several factors such as the prevalence of Corona infection in Norway during the summer, restrictions on public travel, etc.

NOKm	Q1 2020	Q1 2019	YTD 2020	YTD 2019	Y 2019
Total revenue	509	531	509	531	2 330
Cost of goods (catering)	4	4	4	4	25
Personnel costs	200	225	200	225	915
Other operating costs	205	240	205	240	958
Net gain on sale of Fixed Assets	0	0	0	0	-40
Total operating costs:	410	469	410	469	1 858
EBITDA	99	62	99	62	471
EBITDA %	19 %	12 %	19 %	12 %	20 %
Depreciation / writedown	57	47	57	47	198
EBIT	42	15	42	15	273
Net financial items	-32	-13	-32	-13	-81
EBT	11	2	11	2	192
Tax expense	-2	0	-2	0	-42
Net Income	8	1	8	1	149

Quarterly tax expense is calculated based on 22% of EBT. Full year numbers include full tax calculation.

Balance sheet and investments

- Fixed assets. Increase in fixed assets is due to investments in new vessels and retrofit of existing vessels.
- Changes in bank deposits and cash is normal changes in working capital.
- Other assets. Decrease in other assets is mainly related to decreases in intra-group receivable of 123 MNOK from Q1 2019.
- Equity. As a part of the transaction structuring a dividend of 583 MNOK was decided, and netted against increased debt in July 2019.
- Long term debt. The increase of long-term debt from Q1 2019 is due to increase of capex debt for building of new vessels and retrofit of existing vessels.
- Other debt. Reduction from Q1 2019 is mainly due to reduction in prepaid value ferry-card related to the transition to Autopass for ferries.
- Norled is in compliance with all covenants related to bond and other long-term debt to financial institutions per 1Q 2020.

Balance sheet

NOKm	31.03.20.	31.03.19.	31.12.19.
Fixed assets	3 833	2 758	3 571
Bank deposits and cash	194	296	281
Other assets	234	358	220
Total assets	4 262	3 412	4 071
Equity	620	1 046	537
Long-term debt financial inst.	3 116	1 695	2 817
Other debt	526	671	717
Total equity and liabilities	4 262	3 412	4 071
NIBD	2 921	1 399	2 536
Total investments:	2020	2021	
Total investments:	1 302	890	
Spec. of long-term debt	31.03.19.		
Term loan	1 700		
Capex facility	916		
Bond	500		
Total long-term debt	3 116		

Cash flow statement



NORLED

The greatest travel experiences

Cash flow from operating activities	Q1 2020	Q1 2019	YTD 2020	YTD 2019	Y 2019
Net income before tax	11	2	11	2	192
Net financial items	32	13	32	13	81
Gain on sale of fixed assets	0	0	0	0	-40
Depreciation	57	47	57	47	197
Write-down	0	0	0	0	2
Changes in inventory	-1	1	-1	1	-1
Changes in accounts receivable	-10	44	-10	44	27
Changes in accounts payable	-73	-6	-73	-6	-12
Changes in pension commitments	1	3	1	3	7
Income tax payable	0	0	0	0	-1
Changes in other items	-51	-110	-51	-110	-137
Net cash flow from operating activities	-34	-5	-34	-5	314
Cash flow from investing activities	Q1 2020	Q1 2019	YTD 2020	YTD 2019	2019
Proceeds from sale of fixed assets	0	0	0	0	78
Purchase of fixed assets	-319	-104	-319	-104	-1 110
Paid interest	-32	-15	-32	-15	-87
Received interest	1	2	1	2	6
Net cash flow from investing activities	-351	-117	-351	-117	-1 113
Cash flow from financing activities	Q1 2020	Q1 2019	YTD 2020	YTD 2019	2019
Proceeds from borrowings of long term debt*	300	26	300	26	3 171
Repayment of borrowings	-1	-28	-1	-28	-2 051
Sale of shares	0	0	0	0	0
Dividends*	0	0	0	0	-583
Changes in intra-group balance	0	3	0	3	126
Paid group contribution	0	0	0	0	0
Net cash flow from financing activities	299	0	299	0	663
Net change in cash and cash equivalents	-87	-121	-87	-121	-136
Cash and cash equivalents at IB	281	417	281	417	417
Cash and cash equivalents at CB	194	296	194	296	281

*As a part of the transaction structuring a dividend of 583 MNOK was decided, and netted against increased debt.

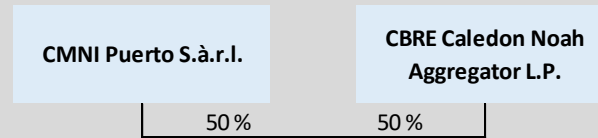
Group structure



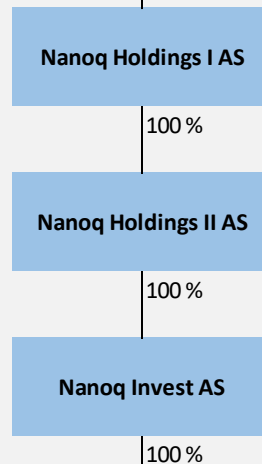
NORLED

The greatest travel experiences

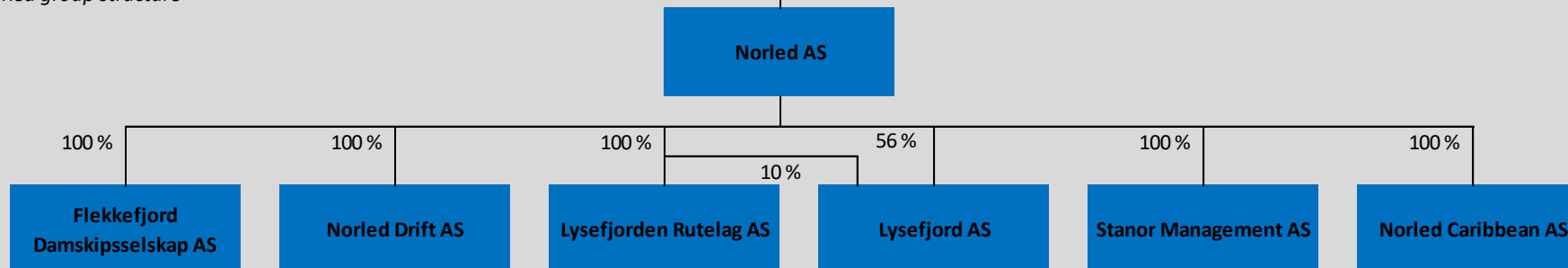
Sponsors' holding company structures



Joint holding company structure



Norled group structure



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



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

