

Annual Report 2019 and outlook 2020



Results

Adjusted Result* for the year 2019: USD 23 million (2018: USD 20 million)

- Dry Operator: USD 8 million (USD 30 million)
- Dry Owner: USD 2 million (USD 18 million)
- Tankers: USD 13 million (USD -28 million)

EBIT 2019:
USD 57 million (USD 39 million)

* "Profit/loss for the period" adjusted for "Profit/loss from sale of vessels, etc."



Markets

- Dry cargo: Significant volatility and average rates lower year-on-year
- Tankers: Poor market conditions in the middle of the year with rates rebounding at year-end



Performance

- Dry Operator: After a challenging period in the middle of 2019, Dry Operator successfully navigated a market in strong decline in the fourth quarter
- Dry Owner: Focus on reducing forward exposure of the business unit through vessel sales and securing attractive coverage agreements
- Tankers: With a strong finish to the year, NORDEN generated average daily Handysize and MR earnings of USD 14,806 and USD 14,413, respectively



Vessel values

Vessel values, owned vessels

- Dry Cargo: -2%
- Tankers: 9%



Outlook

Despite challenging markets and an uncertain outlook due to the outbreak of the COVID-19 virus, NORDEN expects to deliver improved earnings with an expected Adjusted Result for 2020 in the range of USD 30 to 70 million.

As a new dividend policy for 2020 onwards, NORDEN targets annual dividends based on a pay-out ratio of minimum 50% of the annual Adjusted Result.

Trading to the next level

“With the best quarterly result in almost five years, NORDEN finished the year with a strong performance in the fourth quarter delivering a USD 23 million profit for 2019. Despite challenging markets and an uncertain outlook for the global economy, NORDEN expects to deliver improved earnings with an expected Adjusted Result for 2020 in the range of USD 30 to 70 million.”

CEO Jan Rindbo

A telephone conference will be held today at 3:30 p.m. (CET), where CEO Jan Rindbo and CFO Martin Badsted will comment on the interim report. It is requested that all participants have joined the meeting by latest 3:25 p.m. (CET) – international participants please dial in on +44 (0) 207 192 8000 or +1 631 510 7495, Danish participants please dial in on +45 3272 8042. Confirmation code is 3778347. The telephone conference will be shown live at www.ds-norden.com, where the accompanying presentation also will be available. For further information: CEO Jan Rindbo, tel. +45 3315 0451.

Key figures and financial ratios

USD million	2019	2018*	2017*	2016*	2015*
INCOME STATEMENT					
Revenue	2,583.9	2,451.4	1,808.6	1,251.2	1,653.4
Contribution margin	295.0	132.3	116.8	76.1	70.9
EBITDA	217.5	72.5	68.1	30.6	20.5
Profit/loss from sale of vessels, etc.	-3.6	8.8	0.9	-45.5	-31.0
Depreciation, amortisation and impairment losses	-156.9	-44.3	-42.2	-49.6	-248.6
EBIT	56.8	39.4	23.3	-64.5	-282.0
Financial items, net	-32.7	-6.9	-0.9	-12.2	-9.4
Profit/loss for the year	19.2	28.8	24.6	-45.6	-284.9
Adjusted Result for the year ¹	22.8	20.0	28.4	-34.6	-263.0
STATEMENT OF FINANCIAL POSITION					
Total assets	1,742.4	1,464.4	1,326.5	1,301.0	1,604.7
Equity	859.0	826.8	834.4	801.4	856.1
Liabilities	883.4	637.6	492.1	499.6	748.6
Invested capital	1,283.5	970.2	836.7	753.8	788.7
Net interest-bearing debts/assets	-424.5	-143.4	-2.3	47.6	67.3
Cash and securities	209.3	188.6	219.4	263.9	365.7
CASH FLOWS					
From operating activities	280.5	-15.8	6.3	-79.7	76.9
From investing activities	-90.9	-78.4	-0.2	102.1	-112.9
- hereof investments in property, plant and equipment	-102.7	-202.7	-75.4	-36.8	-131.6
From financing activities	-211.2	95.4	3.0	-85.3	67.5
ENVIRONMENTAL AND SOCIAL KEY FIGURES					
EEOI** (gCO ₂ /tonnes-mile)	8.70	8.60	8.75	9.03	8.78
LTIF*** (million working hours)	1.45	0.29	1.58	0.89	0.88

	2019	2018*	2017*	2016*	2015*
SHARE RELATED KEY FIGURES					
No. of shares of DKK 1 each (including treasury shares)	42,200,000	42,200,000	42,200,000	42,200,000	42,200,000
No. of shares of DKK 1 each (excluding treasury shares)	39,311,533	39,923,933	40,467,615	40,467,615	40,467,615
No. of treasury shares	2,888,467	2,276,067	1,732,385	1,732,385	1,732,385
Earnings per share (EPS), USD (DKK)	0.5 (3)	0.7 (4)	0.6 (4)	-1.1 (-8)	-7.0 (-47)
Diluted earnings per share (diluted EPS), USD (DKK)	0.5 (3)	0.7 (4)	0.6 (4)	-1.1 (-8)	-7.0 (-47)
Dividend per share, DKK	2.5	2.0	0.0	0.0	0.0
Book value per share, USD (DKK)	21.9 (146)	20.7 (135)	20.6 (128)	19.8 (140)	21.2 (144)
Share price at year-end per share DKK 1	106.7	92.4	116.5	110.5	122.1
OTHER KEY FIGURES AND FINANCIAL RATIOS					
EBITDA ratio	8.4%	3.0%	3.8%	2.4%	1.2%
ROIC	5.0%	4.4%	2.9%	-8.4%	-10.6%
ROE	2.3%	3.5%	3.0%	-5.5%	-28.6%
Payout ratio (excluding treasury shares) ²	76.6%	41.7%	0.0%	0.0%	0.0%
Equity ratio	49.3%	56.5%	62.9%	61.6%	53.3%
Price/book value	0.7	0.7	0.9	0.8	0.8
Total no. of ship days for the Group	138,327	122,852	93,738	79,060	75,763
USD rate at year-end	667.59	651.94	620.77	705.28	683.00
Average USD rate	667.03	631.74	659.53	673.27	672.69

The ratios were computed in accordance with "Recommendations and Financial Ratios 2018" issued by the Danish Association of Financial Analysts. However, "Profit and loss from the sale of vessels, etc." is not included in EBITDA. Please see definitions in the section "Definitions of key figures and financial ratios". The figures are adjusted for the Group's holding of treasury shares.

¹ "Adjusted Result" for the year is computed as "Profit/loss for the period" adjusted for "Profit and loss from sale of vessels, etc." and for 2015-17 "Fair value adjustment of certain hedging instruments". Including adjustment for sale of vessels in joint ventures.

² The payout ratio was computed based on proposed dividends for the year, including extraordinary dividends paid during the year.

* Key figures for 2015-2018 are not restated to reflect IFRS 16

** Energy Efficiency Operational Indicator (EEOI) is a measurement of efficiency and is defined as the amount of CO₂ emitted per tonne of cargo transported 1 mile. EEOI is influenced by commercial effects including cargo availability, waiting time and port stays where the vessel is not active. EEOI is affected by speed, vessel size and fuel type.

*** Last Time Injury Frequency (LTIF) is the frequency a seafarer is unable to work for more than 24 hours per 1 million working hours.