Interim report – Third quarter 2019

Attached please find the full interim report as PDF file

Today, the Board of Directors approved the interim report for the third quarter 2019. The report contains the following highlights:

Results
Adjusted Result* for Q3 2019: USD -4 million (Q3 2018: USD -12 million)

- Dry Operator: USD 3 million (USD 2 million)
- Dry Owner: USD 2 million (USD 4 million)
- Tankers: USD -8 million (USD -18 million)

Profit from sale of vessels: USD 4 million

EBIT Q3 2019: USD 12 million (USD -7 million)

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

Markets
- Dry Cargo: Market improvement on back of rebound in Brazilian iron ore exports combined with high coal and minor bulk imports to both China and India.
- Tankers: Spot market weaker than expected for MR and Handy tankers in Q3 and in the beginning of Q4. However, improvement expected for the rest of the year.

Performance
- Dry Operator: Profitable in Q3 and strong finish to the year expected.
- Dry Owner: Optimising portfolio through further vessel sale while securing continued significant optionality.
- Tankers: Earnings 4% above 1-year T/C benchmark corresponding to extra daily earnings of USD 513 per vessel

Vessel Values
- Dry Cargo: +1%
- Tankers: +3%

Value of tanker vessels and T/C portfolio continue to increase with rising forward rates. Tanker vessel values also positively impacted by scrubber investments. Dry values flat in the quarter.

Guidance
On 24 October 2019, NORDEN revised the expectations for the Adjusted Result for the year to USD 10 to 45 million (down from USD 25 to 60 million). The adjustment of guidance was mainly related to a calculation error related to IFRS16, which impacted the estimate by around USD 15 million.

The Board of Directors has decided to initiate a share buy-back programme of up to a total of USD 10 million.

ABOUT NORDEN
Founded in 1871 Dampskibsselskabet NORDEN A/S is an independent shipping company incorporated in Denmark and listed on Nasdaq Copenhagen. NORDEN operates a mix of owned and chartered tonnage. In dry cargo, NORDEN is active in a number of vessel types and is one of the world's largest operators of Supramax and Panamax vessels. In tankers, NORDEN is active in the Handysize and MR product tanker vessel types operated through the 100% owned Norient Product Pool.

WEAK Q3 BUT PROMISING FINISH TO 2019

"Seasonally weak spot rates and vessels taken out of service for scheduled scrubber installations resulted in a third quarter loss in Tankers. However, with all but one scrubber installations completed on owned MR tankers and a much-improved tanker market sentiment for the fourth quarter of 2019, NORDEN is well positioned to capture the expected benefit. Dry Operator utilised trading opportunities to deliver a profit in the third quarter while securing a strong starting point for the fourth quarter. On this basis, we expect the full-year result for this business unit and also NORDEN as such to be profitable despite a challenging first half-year."

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. The telephone conference will be shown live at www.ds-norden.com, where the accompanying presentation wil also be available.

For further information:
Jan Rindbo, CEO, tel.: +45 3315 0451