Interim report – second quarter and first half year of 2019

Attached please find the full interim report as PDF file

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

Results
Adjusted Result* for Q2 2019: USD -12 million (Q2 2018: USD 4 million)
Adjusted Result H1 2019: USD -5 million.

- Dry Operator: USD -6 million (USD 8 million)
- Dry Owner: USD -2 million (USD 3 million)
- Tankers: USD -3 million (USD -8 million)

Profit from sale of vessels: USD 3 million

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

Markets
- Dry Cargo: Surprisingly strong Chinese and Indian coal imports counterbalanced macro-economic headwinds.
- Tankers: Declining global oil demand growth and seasonal weak tanker spot market. However, forward market firming ahead of IMO 2020 regulation

Performance
- Dry Operator: Disappointing result due to challenging trading environment.
- Dry Owner: Optimising portfolio through further vessel sales and attractive pre-payment of hire on T/C contract.
- Tankers: Earnings 3% above 1-year T/C benchmark equalling extra average daily earnings of USD 399.

Vessel Values
- Dry Cargo: -2%
- Tankers: 0%

Increase in value of T/C portfolio due to rising forward rates in both dry cargo and tankers.

Guidance
- We maintain our overall expectations for the full year result, as we are raising expectations for the Tanker result while lowering expectations for the Dry Operator result.
- Expectations for the Adjusted Result for the year are thereby maintained at USD 25 to 60 million

CHALLENGING TRADING ENVIRONMENT FOR DRY OPERATOR

"*Dry Operator entered the second quarter on the wrong foot, but managed to quickly adjust its position to still generate a positive trading margin. However, this was not enough to prevent a loss in this business unit. Despite* *the disappointing result, we still expect Dry Operator to be profitable for the full year, which, combined with a firming forward Tanker market, enables NORDEN to maintain the overall guidance of USD 25-60 million profit for 2019*."

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:
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