

**4Q
2017**



THE LEADING FERRY COMPANY IN NORWAY

Quarterly presentation

February 28th, 2018

CEO Dagfinn Neteland

CFO Anne-Mari Sundal Bøe



Introduction – Welcome on board



1 204

Employees

63

Ferries

4

Passenger boats

21.1m

Persons
transported
(2017)

10.4m

Vehicles
transported
(2017)

2.8bn

Revenue
(NOK, 2017)

Introduction



Other operations

Passenger boats in Sogn & Fjordane, catering and fjord based tourism



Ownership

Listed on Oslo Stock Exchange (OSE) on August 15, 2017. Havilafjord AS is the majority owner with 51%

Ferry operations

Has 49% market share and operates 7 of the 10 largest ferry services in Norge



Investments

34 % ownership i Widerøe



Operational units

Core Business

Sea

Tourism

Main operations

Ferries

- Fjord1 operates 63 ferries in islands and fjord crossing
- Focus in security delivery and environmentally friendly solutions
- “Statens Vegvesen” and “Fylkeskommuner” as counterparty

Speed boats

- 4 own and several leased boats in operation
- Local routs in Sogn and Fjordane county
- Ownership in Kystekspresen ANS (49%)

- Joint Venture 50/50 with Flåm AS established in 2015
- Routes in Nærøyfjorden, Lysefjorden and Geirangerfjorden
- Delivery of a fully electric vessel in 2018

Catering

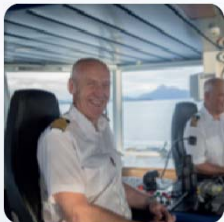
- Fjord1 offers catering services onboard which provides an additional income to contracted income
- Ferdamat is based on good ingredients and a range of fruit and nutritionally rich foods
- Fjord1 served 800 000 “sveler” in 2017



AGENDA



2017



Q4



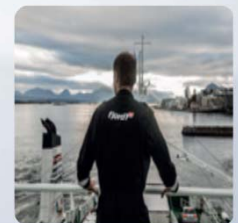
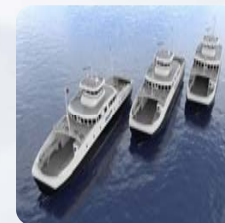
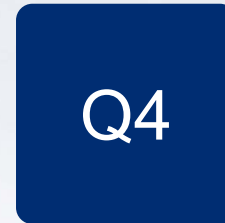
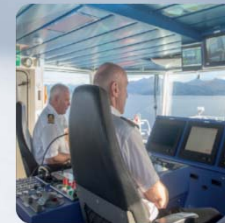
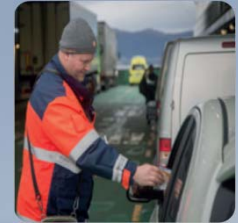
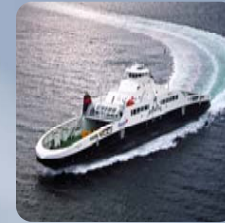
1 Highlights Q4 2017

2 Financials

3 Appendix

Highlights in the fourth quarter 2017

- **Reported EBITDA** NOK 234 million
- Completed a NOK 1,000 million unsecured bond
- Committed bank facility NOK 4,458 million NOK with DnB and Nordea.
- 4Q has positive effects on the company's net contracts with good **traffic development**
- Continuing good **HSE** development
- Good **operating stability** for ferry and passenger boat contributes to a fine development of results in 4Q.
- Delivery of two fully electric driven ferries from Tersan shipyard.
- Entered into contract with Sefine shipyard for building of 3 new ferrys.



Key figures 4Q



4
Speedboats/other



4.6m
Passengers



63
Ferries

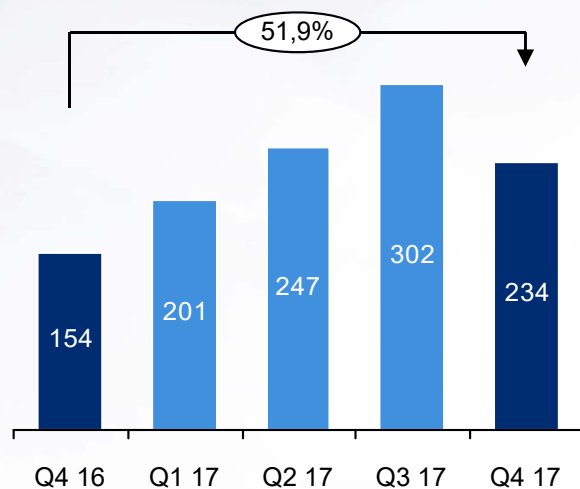


1 204
Employees

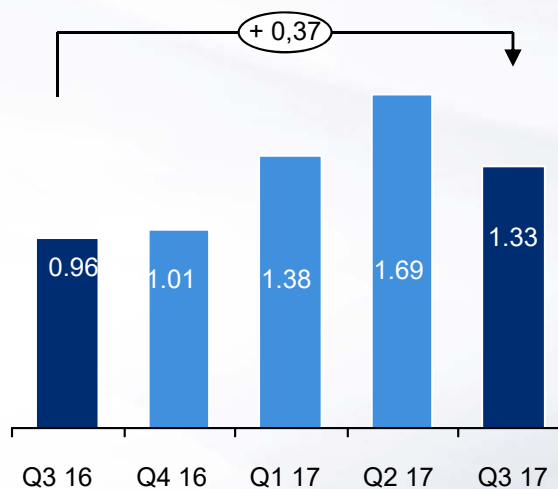


2.4m
Cars

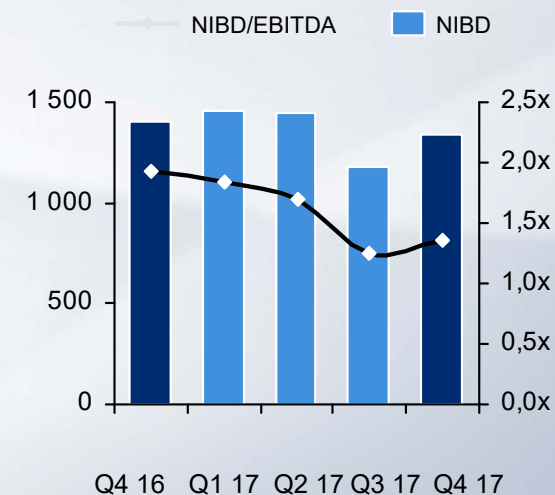
EBITDA per quarter



EPS per quarter

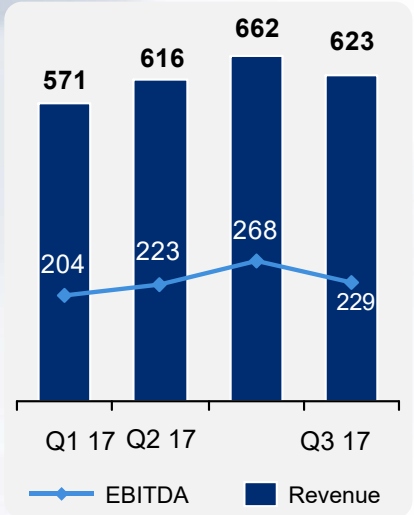


Net debt / EBITDA LTM

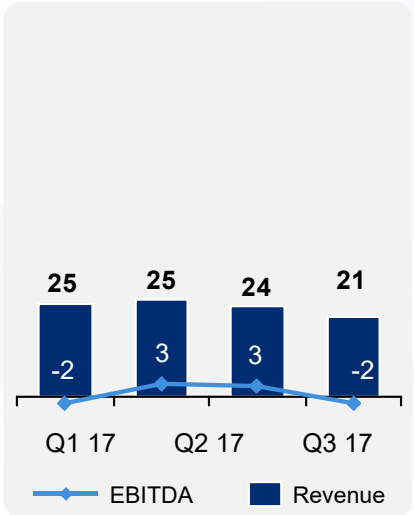


Segment information

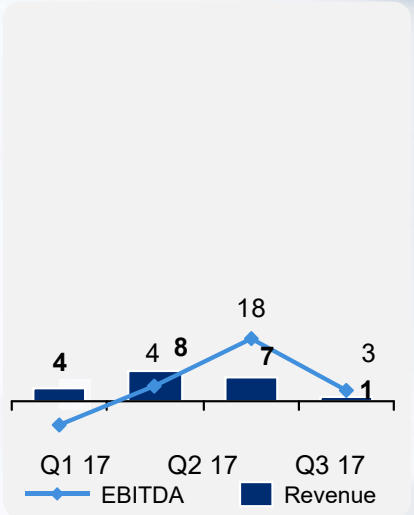
Ferries



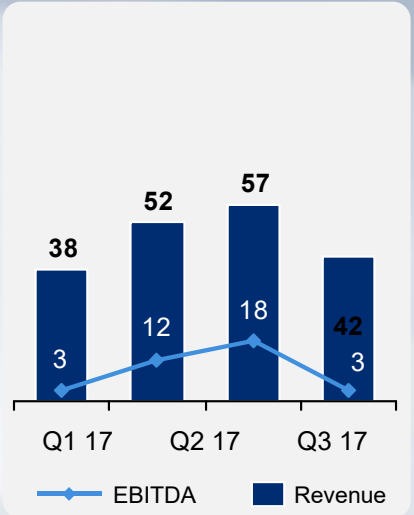
Passengerboats



Tourism



Catering



Agenda



2017

Q4



1 Highlights Q4 2017

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Q4 2017 in numbers

- **20 % revenue growth** with good traffic development within the ferry and tourism segment
- 8% increased **EBITDA-margin** to 36 % (Q4 16: 28 %)
- No changes in impairment 4Q.
- Reduction in Finance is caused by changes in derivatives

NOKm	Q4 17	Q4 16	Change vs LY	Change %
REVENUE	659,7	550,8	108,9	20%
EBITDA BEFORE SI	234,3	154,3	80,0	52%
margin (%)	36%	28%	8%	
Depreciation	- 61,0	- 61,6	0,6	1%
Impairment	-	78,6	- 78,6	-100%
EBIT BEFORE SI	173,4	171,2	2,2	1%
EBIT - margin (%)	26%	31%	- 5%	
Special items	-	-	-	
EBIT	173,4	171,2	2,2	1%
P/L other JVs	19,6	28,8	- 9,2	- 32%
Finance	- 17,1	3,3	- 20,4	- 618%
PBT	175,9	203,3	- 27,4	- 13%
Tax	- 42,7	- 49,7	7,0	- 14%
NET PROFIT	133,2	153,6	- 20,4	- 15%
Total Equity	2 041,1	1 723,1	318,0	18%
ROE annualized %	30%	29%	1%	N/A
NIBD	1 343,7	1 401,5	- 57,8	- 4%
NIBD/EBITDA LTM (x)	1,4	1,9	- 0,5	N/A

Distribution of capital to shareholders

- **Dividend proposal**, NOK 270m, NOK 2.70 per share.
- **NOK 250m** distributed through dividend in Q2 2017

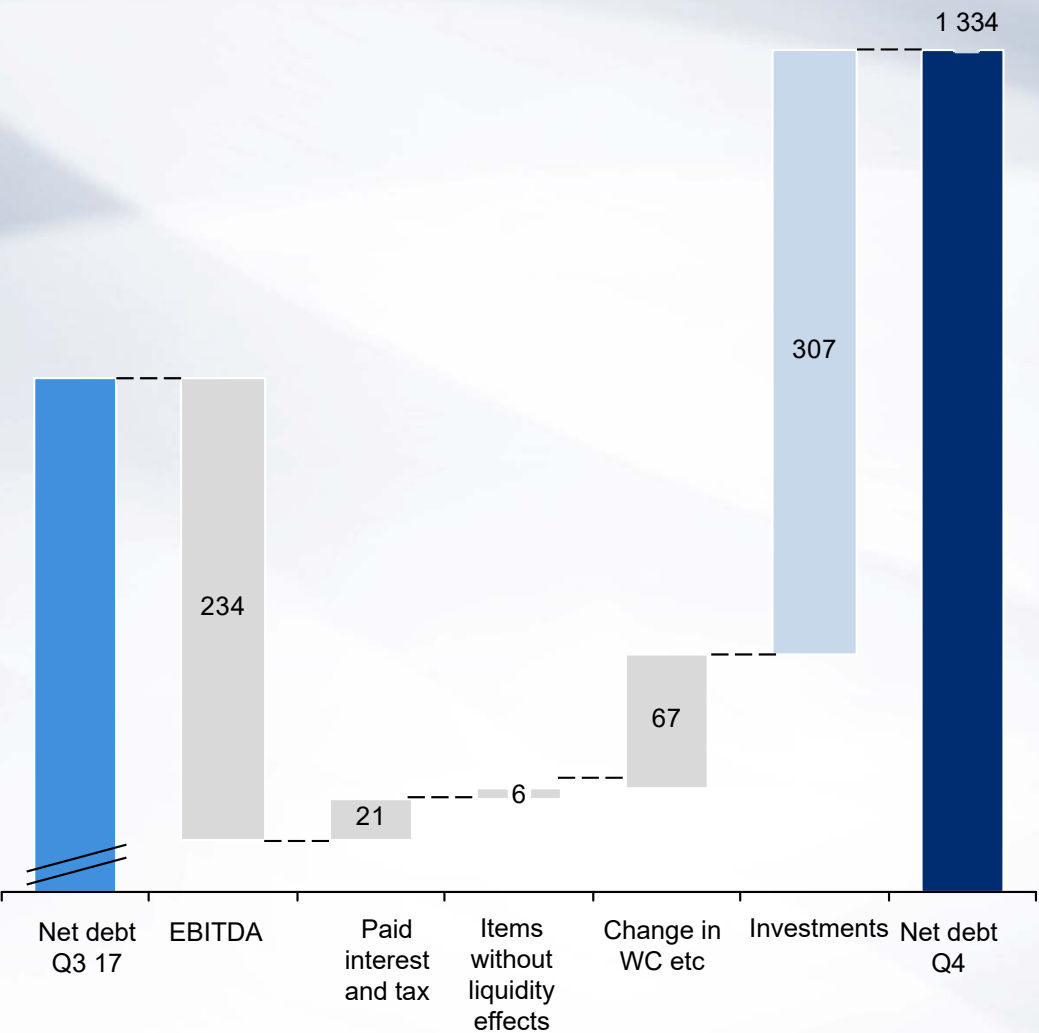
Capital distribution overview

NOKm	2017	2016	2015
Dividend per share (NOK)	2.50	0.50	0.50
Dividend H1	250	-	50
Dividend H2	-	50	-
Total distribution	250	50	50

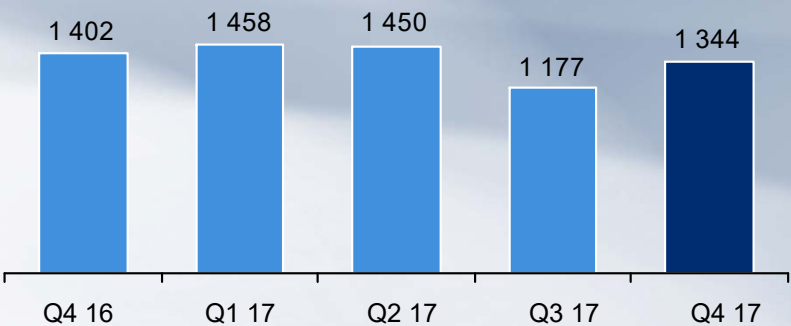


Change in net interest bearing debt

Change in net debt in the quarter (NOKm)



Net debt per quarter (NOKm)



Net debt / EBITDA LTM



AGENDA



2017

Q4



1 Highlights Q4 2017

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Income statement

NOKm	Q4 17	Q4 16	YTD 17	FY 16
Revenues	659,7	550,8	2 794,1	2 386,4
Cost of sales	-78,4	-100,2	-433,5	-378,4
Personnel expenses	-238,0	-220,3	-946,4	-884,8
Other operating expenses	-113,1	-73,3	-449,6	-402,6
Total operating expenses	-429,6	-393,8	-1 829,5	-1 665,8
Share of P/L from JVs	4,2	-2,7	20,6	9,1
Operating profit before depreciation (EBITDA)	234,3	154,3	985,3	729,6
Depreciation	-61,0	-61,6	-252,7	-240,1
Impairment	-	78,6	-	78,6
Operating profit (EBIT)	173,4	171,2	732,6	568,1
Share of P/L from other JVs	19,6	28,8	41,1	72,5
Interest income	1,3	-0,9	4,7	5,7
Interest expense	-25,9	-26,1	-64,7	-105,5
Other financials items (net)	7,4	30,3	0,0	57,7
Profit before tax	175,9	203,3	713,7	598,6
Tax on profit	-42,7	-49,7	-171,8	-148,5
Profit (loss) for the period	133,2	153,6	541,9	450,1
Attributable to:				
Parent company owners	133,1	153,6	541,4	450,0
Non-controlling interest	0,0	0,0	0,5	0,2
Earnings per share				
Basic earnings per share (NOK)	1,33	0,96	5,42	4,50
Diluted earnings per share (NOK)	1,33	0,96	5,42	4,50

Balancesheet

Assets

NOKm	31.12.17	31.12.16
Deferred tax assets	14,4	21,3
Vessels	4 070,7	3 692,6
Property, plant and equipment	110,7	102,3
Investments in joint ventures and associates	409,8	361,7
Other non-current financial assets	6,2	8,3
Total non current assets	4 611,7	4 186,2
Inventories	16,5	14,7
Trade receivables	86,1	78,7
Other current receivables	62,5	35,9
Cash and cash equivalents	474,3	554,0
Total current assets	639,4	683,2
Total assets	5 251,1	4 869,4

Equity and liabilities

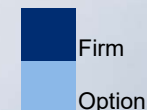
NOKm	31.12.17	31.12.16
Share capital	250,0	250,0
Share premium	360,9	360,9
Retained earnings	1 426,0	1 108,3
Total equity attributable to owners of the parent	2 036,9	1 719,2
Non-controlling interest	4,2	3,9
Total equity	2 041,1	1 723,1
Borrowings	1 687,7	155,0
Derivative financial instruments	12,1	42,4
Net employee defined benefit liabilities	23,7	14,6
Deferred tax liabilities	474,1	382,3
Total non-current liabilities	2 197,6	594,3
Borrowings	130,3	1 800,5
Derivative financial instruments	26,6	22,8
Trade and other payables	164,9	110,1
Current income tax liabilities	40,1	2,7
Social security and other taxes	93,9	90,3
Other current liabilities	556,7	525,7
Total current liabilities	1 012,5	2 552,0
Total liabilities	3 210,0	3 146,3
Total equity and liabilities	5 251,1	4 869,4

Cash flow

NOKm	3Q 2017	3Q 2016	01.01.17 – 30.09.17	FY 2016
Profit before tax	222,8	206,7	537,8	598,6
Depreciation and impairment	66,6	59,3	191,7	161,5
Interest expense, net	14,5	47,4	45,8	99,8
Adjustments for non-cash operating items	-4,8	-10,8	-22,7	-55,3
Gain on disposal of property, plant and equipment	0	0,7	-4,7	-11,2
Share of profit from JV	-17,1	-25,9	-37,9	-81,6
Change in working capital, etc.	139,7	142,5	122,6	30,9
Total cash flow from operations	421,7	419,9	832,5	742,6
Net finance	-14,5	-47,4	-46,0	-100,1
Total cash from operating activities	407,2	372,5	786,4	642,6
Investments in ships, rebuildings and ships under construction	-146,2	-103,3	-438,5	-379,7
Purchase of shares incl. JV	-4,3	-	-4,3	-2,4
Proceeds from dividends from associates	8,5	0	25,5	24,4
Proceeds from sale of property, plant and equipment	0,5	19,1	100,6	83,5
Net proceeds/investments from other non-current financial assets	4,4	0,1	4,2	-
Net proceeds from other non-current financial liabilities	0,3	-0,5	0,3	-
Cash flow used in investments activities	-136,9	-84,6	-312,3	-274,1
Proceeds from borrowings	-	66,0	-	133,0
Repayment of borrowings	-52,5	-97,3	-192,0	-255,9
Dividends	0	-50,0	-250,0	-50,0
Cash flow used in financing activities	-52,5	-81,3	-442,0	-172,9
Net change in cash and cash equivalents	217,8	206,6	32,2	195,5
Cash and cash equivalents at start of period	368,3	298,4	554,0	358,5
Cash and cash equivalents at end of period	586,2	505,0	586,2	554,0

Contract coverage of February 27, 2018

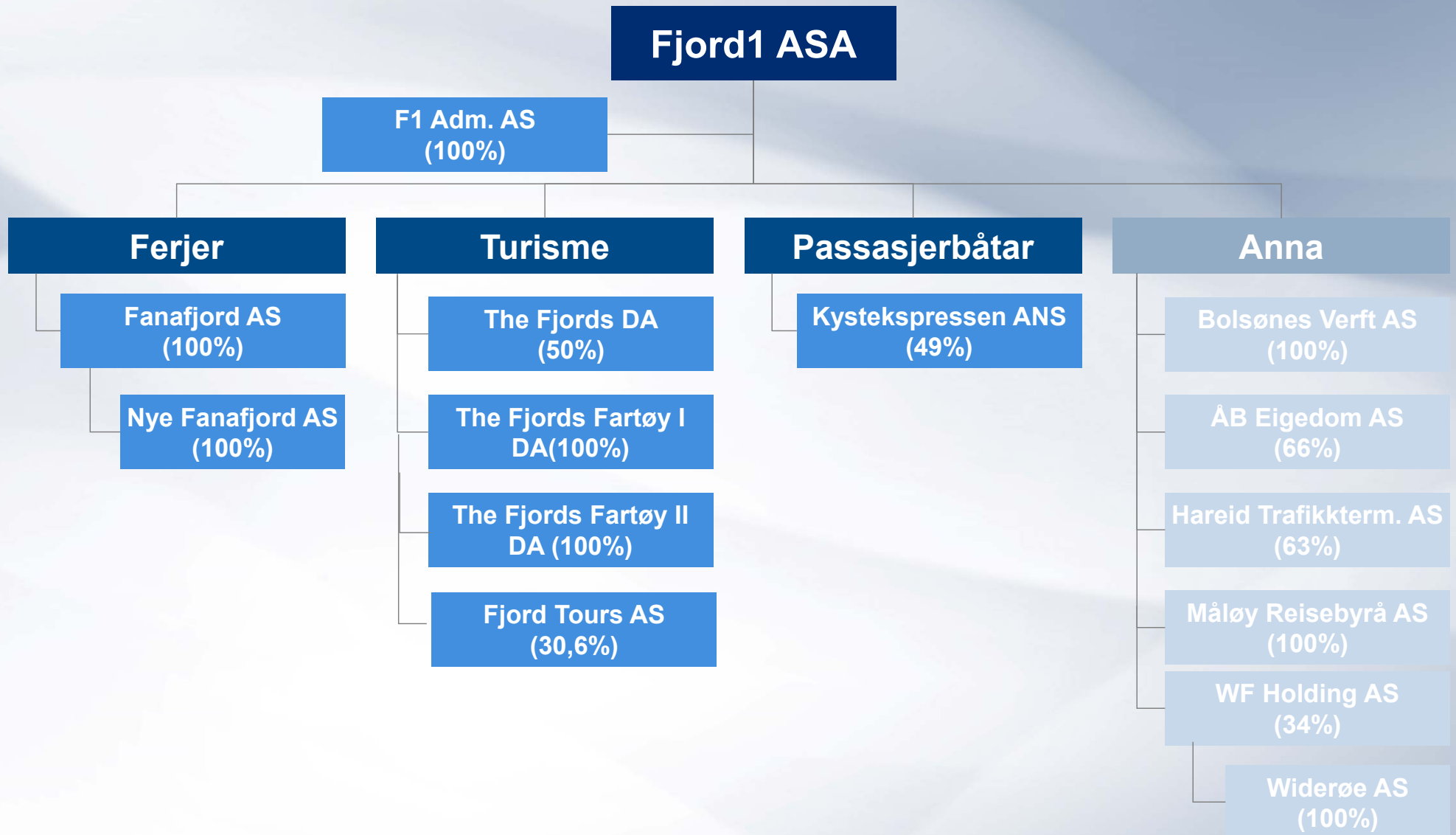
Tender	Start-up	End	Option	Type	Regulation	Vessels	PCE capacity	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Nordmørspakken	Jan-20	Dec-30		Gross	Ferry index	7	0,9m														
Sulapakken	Jan-19	Dec-30		Gross	Ferry index	5	2,4m														
Hordaland 1	Jan-18/20	Dec-29		Gross	Ferry index	8	1,7m														
Hordaland 2	Jan-20	Dec-28	2029	Gross	Ferry index	6	1,2m														
Brekstad – Valset	Jan-19	Dec-28	2029	Gross	Ferry index	2	0,3m														
Boknafjorden	Jan-19	Dec-24	2025-2029	Gross	Ferry index	5	2,8m														
Anda – Lote	Jan-18	Dec-27	2028	Gross	Ferry index	2	0,8m														
Fylkesvegsamband S&F Gradually from 2016	Jan-12	Dec-25	2026-2027	Net	Ferry index	5	0,5m														
Lokalbåt S&F	Jan-12	Dec-20	2021-2022	Gross	Salary/fuel + CPI	3	-														
Svelvik – Verket	Jan-13	Dec-20	2021	Sub supplier net	Ferry index	1	0,2m														
Romsdalspakken	Jan-10	Dec-19	2020-2021	Net	CPI	5	2,5m														
Nordøyane*	Jan-14	Dec-18	2019-2021	Gross	Ferry index	2	0,2m														
Sølsnes – Åfarnes*	Jan-14	Dec-18	2019-2021	Gross	Ferry index	1	0,8m														
Indre Sunnmøre	Jan-12	Dec-19	2020	Net	Ferry index	3	0,6m														
Nordmørspakken	Jan-12	Dec-19	2020	Net	Ferry index	7	1,6m														
Midtre Sunnmøre*	Jan-11	Dec-18	2019	Net	CPI	4	2,3m														
Indre Sogn*	Jan-06	Dec-18	2019	Gross	Ferry index	4	1,7m														
Bjørnefjorden/Boknafjorden	Jan-17	Dec-18		Gross	Ferry index	6	4,7m														
Flakk – Rørvik	Jan-11	Dec-18		Net	CPI	3	1,0m														
Refsnes – Flesnes	Jan-10	Dec-18		Sub supplier net	CPI	1	0,2m														
Fylkesveg M&R	Jan-11	Dec-19		Net	CPI	2	0,1m														
Nordfjord	Jan-09	Dec-17		Net	CPI	1	0,8m														
Ytre Sogn	Jan-10	Dec-17		Net	CPI	2	0,1m														



Fleet overview as of February 27, 2018.

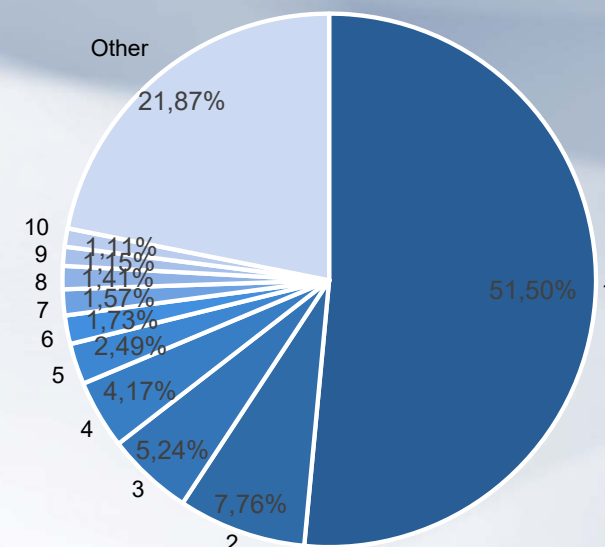
Ferries	Build year	PCE	Ferries	Build year	PCE	Passenger boats	Build year	Passengers
Møkstrafjord	2018	130	Lærdal	1997	77	Skagastøl	1970	384
Gloppefjord	2017	120	Svanøy	1992	89	Fjordglytt	2000	81
Eidsfjord	2017	120	Tresfjord	1991	124	Sylvarnes	2000	70
Hornelen	2016	60	Gulen	1989	83	Tansøy	2007	96
Losna	2016	60	Rauma	1988	73			
Edøyfjord	2012	50	Romsdal	1988	87	Newbuildings	Delivery date	PCE
Boknafjord	2011	242	Selje	1987	58			
Hjørundfjord	2011	122	Dalsfjord	1986	28	TBN 1	Q2 2018	45
Storfjord	2011	122	Sulafjord	1986	106	TBN 2	Q4 2018	50
Fannefjord	2010	128	Sognefjord	1984	64	TBN 3	Q4 2018	50
Korsfjord	2010	128	Sogn	1982	110	TBN 4	Q2 2018	120
Lifjord	2010	110	Solskjel	1981	35	TBN 5	Q4 2018	120
Norangsford	2010	120	Bjørnsund	1979	61	TBN 6	Q4 2018	120
Romsdalsfjord	2010	128	Geiranger	1979	36	TBN 7	Q4 2018	120
Davik	2009	45	Stordal	1979	51	TBN 8	Q1 2019	120
Vågsøy	2009	42	Stryn	1979	81	TBN 9	Q3 2019	120
Moldefjord	2009	128	Aukra	1978	36	TBN 10	Q3 2019	120
Årdal	2008	108	Eid	1978	35	TBN 11	Q3 2019	130
Fanafjord	2007	212	Nordmøre	1978	52	TBN 12	Q3 2019	83
Mastrafjord	2007	212	Sunnfjord	1978	46	TBN 13	Q3 2019	83
Raunefjord	2007	212	Aurland	1977	35	TBN 14	Q4 2019	83
Stavangerfjord	2007	212	Solnør	1977	36			
Harøy	2006	35	Kvernes	1976	35			
Lote	2006	120	Sykkylvsfjord	1975	36	7 more newbuilding will be will be ordered during first quarter of 2018, for already signed ferrycontracts.		
Bergensfjord	2006	212	Veøy	1974	50			
Dryna	2005	35	Fanaraaken	1973	29			
Julsund	2004	99	Tingvoll	1972	35			
Eira	2002	100	Bolsøy	1971	38			
Volda	2002	100	Goma	1968	29			
Nordfjord	2001	54	Nårasund	1968	11			
Glutra	2000	120	Ørsta	1964	25			
Ivar Aasen	1997	76	Driva	1963	29			

Legal structure



Shareholders as of February 13, 2018

#	Sharholders	Number of shares	Share
1	Havilafjord AS	51 500 000	51,50 %
2	Perestroika AS	7 758 620	7,76 %
3	Verdipapirfondet DNB Norge (IV)	5 243 476	5,24 %
4	Brown Brothers Harriman (LUX.) Sca	4 172 340	4,17 %
5	Verdipapirfondet DNB Norge Selektiv	2 492 492	2,49 %
6	State Street Band and Trust comp	1 732 644	1,73 %
7	RBC INVESTOR SERVICES BANK S.A.	1 569 003	1,57 %
8	DZ PRIVATBANK S.A. 050050174452	1 409 478	1,41 %
9	LANDKREDITT UTBYTTE	1 150 000	1,15 %
10	VERDIPAPIRFONDET PARETO NORDIC	1 111 000	1,11 %
Total, 10 largest shareholders		78 139 053	78,13 %
Other shareholders		21 860 947	21,87 %
Total		100 000 000	





THE LEADING FERRY COMPANY IN NORWAY

Investorrelasjonar i Fjord1



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Neste hending

Q1 2018

May 23, 2018

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