Q3 2018

fjord1

Quarterly presentation

20 November 2018

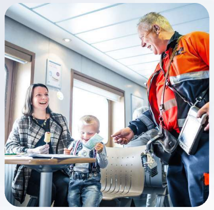
CEO Dagfinn Neteland
CFO Anne-Mari Sundal Bøe

THE LEADING FERRYCOMPANY IN NORWAY

AGENDA

Fjord1

2018



Q3

1 Highlights

2 About Fjord1 ASA

3 Q3 2018

4 Appendix

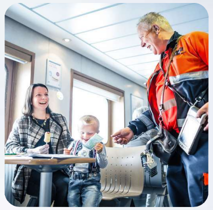
Q3 2018

- Strong 3Q, with good and stabile operation.
- One HSE incident in the tourist segment in Lysefjorden.
- Signed contract for el and hybrid conversion of MF Årdal with Fiskarstand Verft AS.
- Awarded a contract, with 14 years duration, with Møre og Romsdal Fylkeskommune for operating 4 connections in “Romsdalpakken” for at total value of 2 bililion.

SUBSEQUENT EVENTS

- Signed contract for “Romsdalspakken”.
- Awarded a contract, with 14 years duration, with Møre og Romsdal Fylkeskommune for operating 4 connections in Indre Sunnmøre. The value of the contract is about 2 billion. Expected signing November 2018.

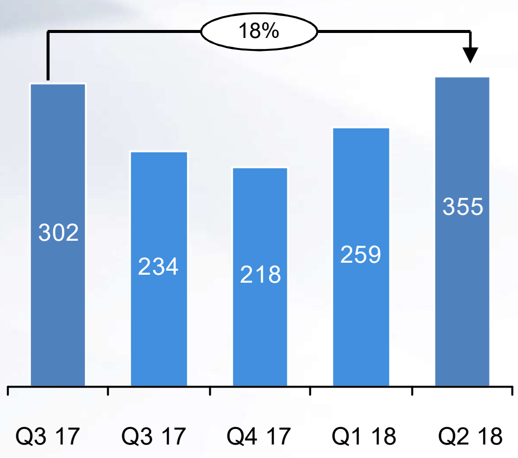
2018



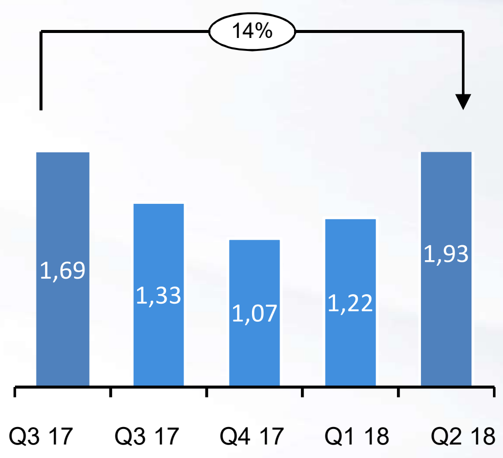
Q3

KEY FIGURES 3Q

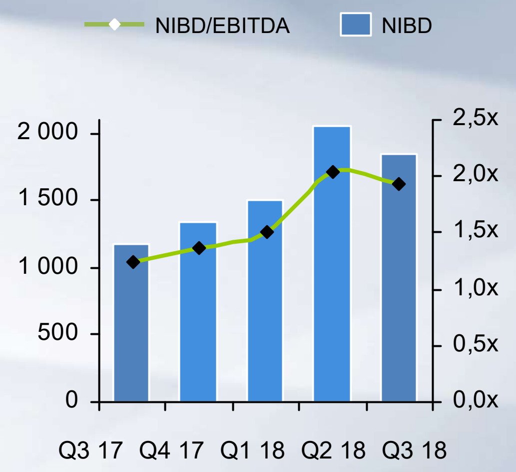
EBITDA per quarter



EPS per quarter



Net debt / EBITDA LTM*



*The company has covenants adjusting NIBD in line with start-up of associated contracts. See note 8 in the finance statement

KEY FIGURES Q3 2018

Revenue:
825 mill.

EBITDA:
355 mill.

Profit before tax:
250 mill.

Equity:
2.2 bill.

Total assets:
6.0 bill.

Employees:
1 189

Number of people transported by boat and ferry:
6.9 mill

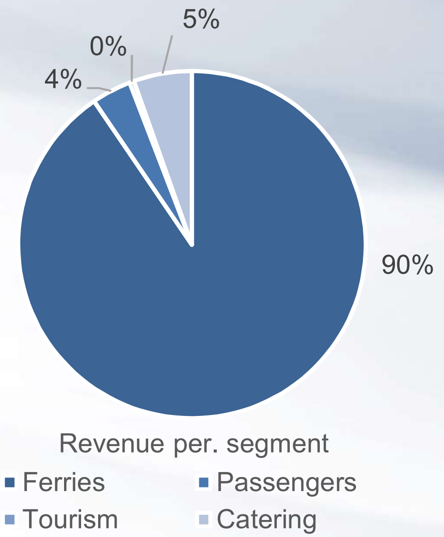
Number of vehicles transported by ferry:
3.1 mill.

Number of vessels:
70

Investments:
136 mill.

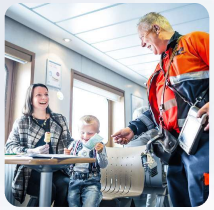
ABOUT FJORD1 ASA

- Fjord1`s main activity is in the ferry segment
- Involved in passenger-boat services, catering and fjord-based tourism
- The company aims to be the most environmentally friendly and reliable transport operator
- The “green shift” is set to dominate the ferry business in the near future, and Fjord1 aims to play a leading role in this development
- 21 million passengers annually



AGENDA

2018



Q3

Q3 2018

- **8 % revenue growth** due to start up of new contracts in the ferry segment
- **EBITDA-margin 43%** 3Q 18 (3Q 17: 40%)
- **Increased finance** costs due to new financing structure and change in derivatives.
- **The ferryindex** compensates to a large extent for changes in cost development.

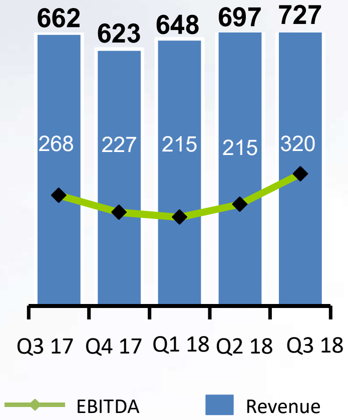
NOKm	Q2 2018	Q2 2017	Change vs. LY	Change in %
Revenue	824,5	761,7	62,8	8 %
EBITDA before SI	**355,2**	**302,3**	**53,0**	**18 %**
margin (%)	43 %	40 %	3 %	
Depreciation	-76,9	-66,6	-10,2	15 %
Impariment	-	-	-	
EBIT before SI	**278,4**	**235,6**	**42,8**	**18 %**
margin (%)	34 %	31 %	3 %	9 %
Special items	-	-	-	-
EBIT	278,4	235,6	42,8	18 %
P/L other JVs	0,1	3,9	-3,7	-96 %
Finance	-28,9	-16,7	-12,2	73 %
PBT	**249,6**	**222,8**	**26,9**	**12 %**
Tax	-56,3	-53,5	-2,8	
Net profit	**193,4**	**169,3**	**24,1**	**14 %**
			-	
Total Equity	2 219,8	1 912,6	307,2	16 %
ROE annualized %	**27,5 %**	**32,2 %**	-5 %	**N/A**
NIBD	1 841,4	1 177,4	664,0	56 %
NIBD/EBITDA LTM (x)	**1,7**	**1,2**	**0,5**	**N/A**

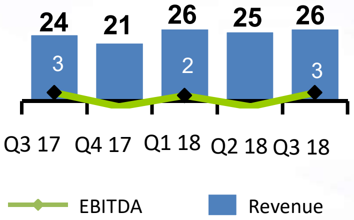
SEGMENT INFORMATION

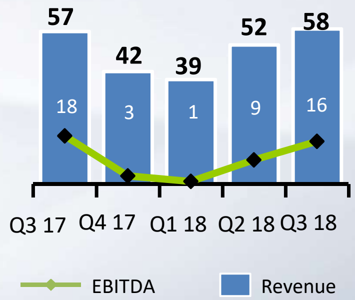
Ferries	Passenger-boats	Tourism	Catering



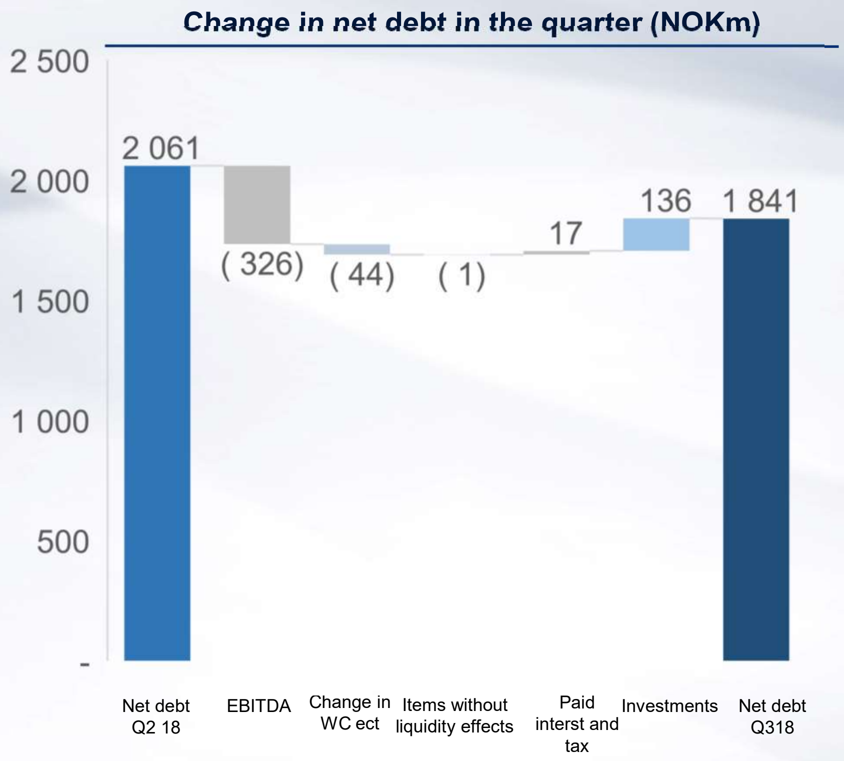
MAT&KAFFI PÅ FJORD1

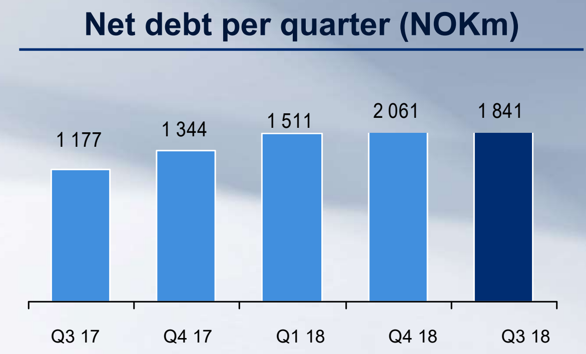


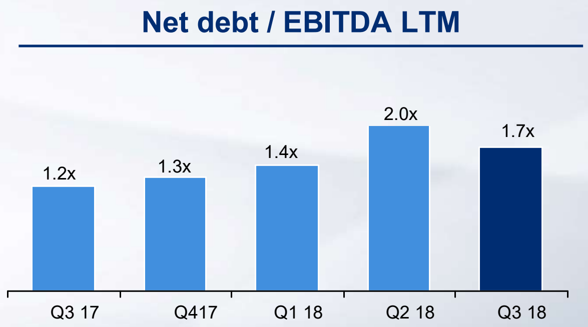




CHANGE IN NET INTEREST BEARING DEBT

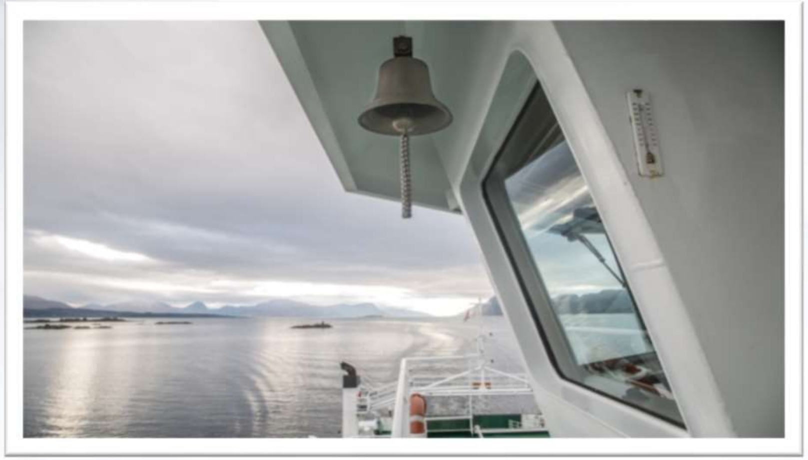






DISTRIBUTION OF CAPITAL TO SHAREHOLDERS

- **NOK 270 mill** distributed through dividend in Q2 2018. NOK 2.70 per share.



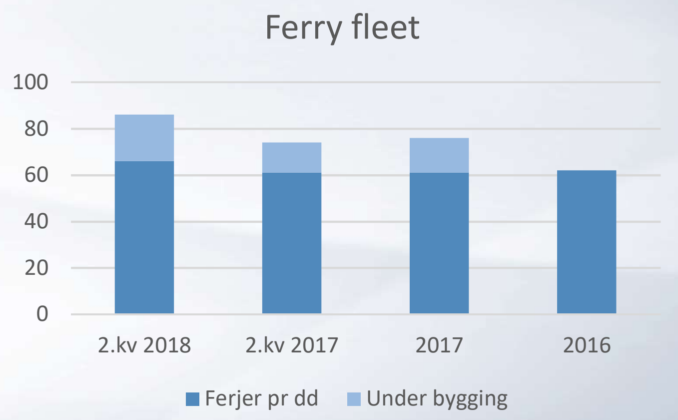
Capital distribution overview

NOKm	2018	2017
Dividend per share (NOK)	**2.70**	**2.50**
Dividend	270	250
Total distribution	**270**	**250**

FERRIES

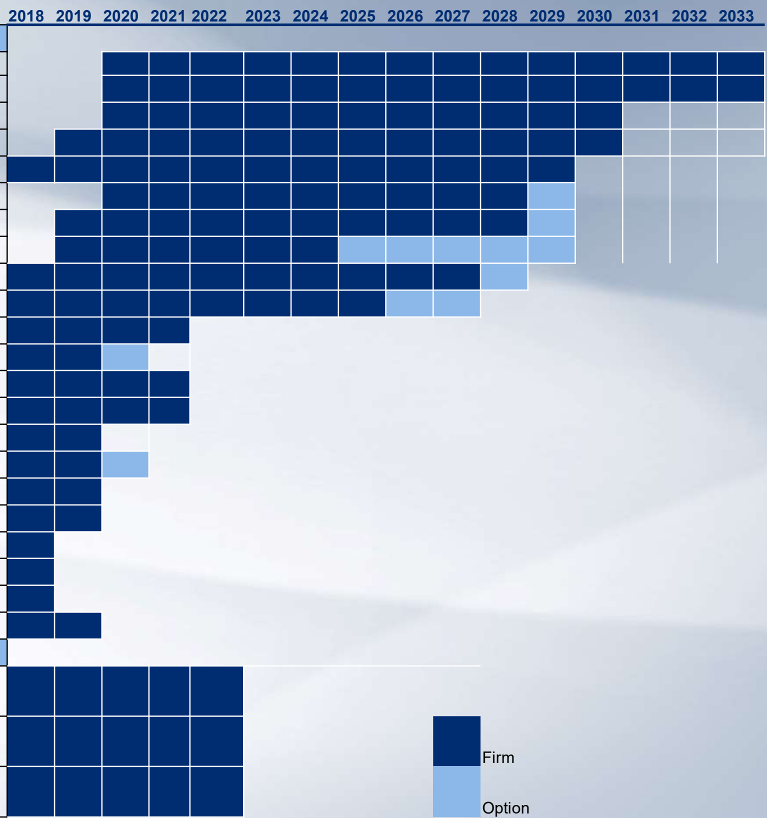
- Operates 7 out of the 10 crossings with the highest volume of traffic in Norway.
- Stable production in 3Q, continuing focus on improving operating stability through efficiency
- Awarded environmentally friendly contracts with start up of electrical connections from 2018-2020.
- 5 new buildings have been received as per 3Q 2018. 2 new building have been received in 4Q, another 2 new buildings will be delivered December 2018.
- Renewal of the ferry fleet with new buildings and electrification of existing ferries in new contracts

	Q3 2018	Q3 2017	2017	2016
Revenue	727	662	2 475	2 062
EBITDA	320	268	923	618
Segment profit	246	204	681	389



CONTRACT COVERAGE OF NOVEMBER 15, 2018

Tender	Start-up	End	Option	Type of contract	Regulation	Vessels
FERRIES						
Indre Sunnmøre	01.01.2020	31.12.2033		Gross	Ferry index	12
Romsdalspakken	01.01.2020	31.12.2033		Gross	Ferry index	5
Nordmørspakken	01.01.2020	31.12.2030		Gross	Ferry index	6
Sulapakken	01.01.2019/ 2020	31.12.2030		Gross	Ferry index	5
Hordaland Rutepakke 1	01.01.2018/ 2020	31.12.2029		Gross	Ferry index	8
Hordaland Rutepakke 2	01.01.2020	31.12.2028	2029	Gross	Ferry index	6
Brekstad – Valset	01.01.2019	31.12.2028	2029	Gross	Ferry index	2
Boknafjorden	01.01.2019	31.12.2024	2025-2029	Gross	Ferry index	5
Anda – Lote	01.01.2018	31.12.2027	2028	Gross	Ferry index	2
Fylkesvegsamband Sogn & Fjordane	01.01.2016	31.12.2025	2026-2027	Net	Ferry index	5
Svelvik – Verket	01.01.2013	31.12.2020	2021	Sub-supplier net	Ferry index	1
Romsdalspakken	01.01.2010	31.12.2019	2020	Net	CPI	5
Nordøyane	01.01.2014	31.12.2018	2019-2021 firm	Gross	Ferry index	2
Sølsnes – Åfarnes	01.01.2014	31.12.2018	2019-2021 firm	Gross	Ferry index	1
Indre Sunnmøre	01.01.2012	31.12.2019		Net	Ferry index	3
Nordmørspakken (old)	01.01.2012	31.12.2019	2020	Net	Ferry index	7
Midtre Sunnmøre	01.01.2011	31.12.2018	2019 firm	Net	CPI	4
Indre Sogn	01.01.2006	31.12.2018	2019 firm	Gross	Ferry index	4
Bjørnefjorden/Boknafjorden	01.01.2017	31.12.2018		Gross	Ferry index	6
Flakk – Rørvik	01.01.2011	31.12.2018		Net	CPI	3
Refsnes – Flesnes	01.01.2010	31.12.2018		Sub supplier net	CPI	1
Fylkesveg M&R	01.01.2011	31.12.2019		Net	CPI	2
PASSENGER-BOATS						
Lokalbåtruter Flora, Vågsøy og Bremanger S&F	01.05.2012	30.04.2020	2021-2022 firm	Gross	Salary/fuel and CPI	3
Lokalbåtruter Lærdal, Vik og Høyanger S&F	01.05.2012	30.04.2020	2021-2022 firm	Gross	Salary/fuel and CPI	3
Lokalbåtruter Gulen, Solund og Askvoll S&F	01.05.2012	30.04.2020	2021-2022 firm	Gross	Salary/fuel and CPI	3



PASSENGER-BOATS

- Fjord1 operates local passenger-boat routes in Sogn og Fjordane.
- Optional year is declared for local passanger-boat routes. Operation until 2022.
- The company owns 4 passenger-boats and rent 10 passenger-boats
- Fjord1 is also involved in passenger-boat operations between Kristiansund and Trondheim in collaboration with Fosen Namsos Sjø AS via the company Partsrederiet Kystekspressen ANS, in which the company has a 49 % shareholding.

	Q3 2018	Q3 2017	2017	2016
Revenue	26	24	95	101
EBITDA	3	3	2	9
Segment profit	1	1	-3	4

CATERING

- 2018 is characterized by further commitment and development of the concept “Ferdamat”.
- “Ferdamat kafe” was established in September at Hareid. The cafè will produce food for ferry supplies.
- 12 self serviced kiosks have been established on board ferries so far in 2018.
- The result so far in 2018 is affected by restructuring.

	Q3 2018	Q3 2017	2017	2016
Revenue	58	57	189	188
EBITDA	16	18	36	39
Segment profit	15	17	33	35

TOURISM

- Total annual turnover in the jointly owned companies Fjord Tours AS, The Fjords DA and Geiranger Fjordservice amounts to MNOK 500.
- Connections in Nærøyfjorden, Lysefjorden and Geirangerfjorden
- One HSE incident in the tourist segment in Lysefjorden.
- Delivery of a fully electrical passenger-boat “Future of the Fjords” in April 2018. The vessel was awarded Ship of The Year 2018.
- Signed contract for a new passenger-boat. Expected delivery in second quarter 2019

	Q3 2018	Q3 2017	2017	2016
Revenue	9	7	20	21
EBITDA	15	18	18	11
Segment profit	15	18	18	11

FOCUS 2018

HIGHLY SKILLED AND MOTIVATED EMPLOYEES	SAFETY AND OPERATING STABILITY
ENVIRONMENT AND ENERGY	POSITIVE CUSTOMER EXPERIENCES

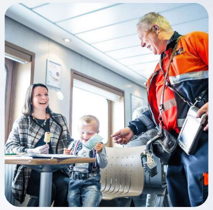
PROSPECTS

- With continued good and stable operations in Q4, the company will achieve a good result in 2018, at about the same level as in 2017.
- The company has reclaimed contracts in Q4.

2019 WILL BE TRANSITION YEAR.

- Change in contract portfolio at year end 2018/2019.
  - Exit of Bjørnfjorden/Boknafjorden and Flakk-Rørvik.
  - Startup of Brekstad-Valset, Hareid-Sulesund, and Arsvågen-Mortavika.
- Decrease in turnover of 10-20 percent compared with 2018.
- Expecting EBITDA margin at same level as 2018.
- Delivery of 16 vessels by 2020 to start up new connections.

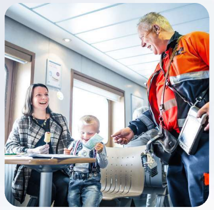
2018



Q3

AGENDA

2018



Q3

INCOME STATEMENT

NOKm	Q3 2018	Q3 2017	YTD 2018	FY 2017
Revenues	**824,5**	**761,7**	**2 329,9**	**2 794,1**
Cost of sales	-150,7	-121,3	-422,7	-433,5
Personal expenses	-247,5	-250,1	-744,1	-946,4
Other operating expenses	-85,2	-101,2	-349,7	-449,6
Total operating expenses	**-483,3**	**-472,6**	**-1 516,5**	**-1 829,5**
Share of P/L from JVs	14,1	13,2	18,7	20,6
Operating profit before depreciation (EBITDA)	**355,2**	**302,3**	**832,1**	**985,3**
Depreciation	-76,9	-66,6	-220,4	-252,7
Impariment				
Operating profit (EBIT)	**278,4**	**235,6**	**611,7**	**732,6**
Share of P/L from JVs	0,1	3,9	13,6	43,0
Interest income	0,0	1,2	0,2	4,7
Interest expense	-26,3	-16,7	-74,5	-82,9
Other financials items (net)	-2,6	-1,2	2,2	18,1
Profit before tax	**249,6**	**222,8**	**553,3**	**715,5**
Tax on profit	-56,3	-53,5	-130,5	-112,9
Profit (loss) for the period	**193,4**	**169,3**	**422,7**	**602,6**
Attributable to:				
Parent company owners	193,3	169,1	422,4	602,1
Non-controlling interest	0,1	0,2	0,4	0,5
Earnings per share				
Basic earnings per share (NOK)	1,93	1,69	4,22	6,02
Dilutes earnings per share (NOK)	1,93	1,69	4,22	6,02

BALANCESHEET

ASSETS

NOKm	30.09.2018	30.09.2017	31.12.2017
Deferred tax assets	18,3	27,8	18,3
Property, plant and equipment	4 984,1	3 945,7	4 181,4
Investments in joint ventures and associates	420,0	374,1	408,6
Other non-current financial assets	6,5	8,4	6,2
Total non current assets	**5 428,9**	**4 356,0**	**4 614,5**
Inventories	22,5	14,7	16,5
Trade receviables	132,9	107,7	86,1
Other current receivables	67,7	47,6	63,0
Cash and cash equivalents	389,9	586,2	474,3
Total current assets	**613,0**	**756,3**	**639,9**
Total assets	**6 041,9**	**5 112,3**	**5 254,4**

EQUITY AND LIABILITIES

NOKm	30.09.2018	30.09.2017	31.12.2017
Share capital	250,0	250,0	250,0
Share premium	360,9	360,9	360,9
Retained earnings	1 604,3	1 297,3	1 452,6
Total equity attributable to owners of the parent	**2 215,2**	**1 908,2**	**2 063,6**
Non-controlling interest	4,5	4,3	4,2
Total equity	**2 219,8**	**1 912,6**	**2 067,7**
Borrowings	2 074,2	1 542,7	1 687,7
Derivative financial instruments	3,7	17,7	12,1
Net employee defined benefit liabilities	18,9	9,2	23,7
Other non-current liabilities	0,4	0,3	-
Deferred tax liabilities	581,2	361,0	450,7
Total non-current liabilities	**2 678,4**	**1 930,9**	**2 174,2**
Borrowings	157,1	220,9	130,3
Derivative financial instruments	8,3	30,3	26,6
Trade and other payables	261,8	139,5	164,9
Current income and tax liabilities	37,5	128,2	40,1
Social security and other taxes	56,1	47,9	93,9
Other current liabilities	622,8	702,1	556,7
Total current liabilities	**1 143,7**	**1 268,8**	**1 012,5**
Total liabilities	**3 822,1**	**3 199,7**	**3 186,7**
Total equity and liabilities	**6 041,9**	**5 112,3**	**5 254,4**

CASH FLOW

NOKm	Q3 2018	Q3 2017	YTD 2018	FY 2017
Profit before tax	249,6	222,8	553,3	715,5
Depreciation and impairment	76,9	66,6	220,4	252,7
Interest expense, net	29,4	14,5	80,5	62,2
Adjustments for non-cash operating items	-10,7	-4,8	-31,7	-23,9
Gain on disposal of property, plant and equipment	-	-	-	-4,7
Share of profit from JV	-14,2	-17,1	-32,3	-63,6
Change in working capital, etc.	44,3	139,7	35,7	55,3
Total cash flow from operations	**375,3**	**421,7**	**826,0**	**993,6**
Net finance	-17,3	-14,5	-42,5	-64,2
Payed tax	-0,0	-	-2,6	-2,7
Total cash from operating activites	**358,0**	**407,2**	**780,9**	**926,7**
Investments in ships, rebuildings and ships under construction	-141,1	-146,2	-1 024,2	-738,2
Purchase of shares incl. JV	-8,8	-4,3	-10,8	-16,2
Proceeds form dividends form associates	14,4	8,5	31,4	25,5
Proceeds from sale of property, plant and equipment	-	0,5	1,0	103,6
Net proceeds/investments from other non-current financial assets	-	4,4	-0,3	6,6
Net proceeds from other non-current financial liabilities	-	0,3	-	-
Cash flow used in investments activites	**-135,6**	**-136,9**	**-1 002,9**	**-618,8**
Proceeds from borrowings	-	-	1 318,4	985,3
Repayment of borrowings	-78,6	-52,5	-911,3	-1 122,8
Dividends	-	-	-270,0	-250,0
Proceds from short-term borrowings	-	-	200,0	-
Repayment from other long term commitments	-200,0	-	-200,0	-
Cash flow used in financing activites	**-278,6**	**-52,5**	**137,1**	**-387,5**
Net change in cash and cash equialents	-56,1	217,8	-84,8	-79,7
Cash and cash equivalents at start of period	446,1	368,3	474,3	554,0
Cash and cash equivalents at end of period	389,9	586,2	389,9	474,3

FLEET OVERVIEW NOVEMBER 05, 2018

Ferries	Build year	PCE
Austrått	2018	50
Vesrått	2018	50
Husavik	2018	45
Horgefjord	2018	120
Møkstrafjord	2018	130
Gloppefjord	2017	120
Eidsfjord	2017	120
Hornelen	2016	60
Losna	2016	60
Edøyfjord	2012	50
Boknafjord	2011	242
Hjørundfjord	2011	122
Storfjord	2011	122
Fannefjord	2010	128
Korsfjord	2010	128
Lifjord	2010	110
Norangsfjord	2010	120
Romsdalsfjord	2010	128
Davik	2009	45
Moldefjord	2009	128
Årdal	2008	108
Vågsøy	2008	42
Fanafjord	2007	212
Mastrafjord	2007	212
Raunefjord	2007	212
Lote	2006	120
Bergensfjord	2006	212

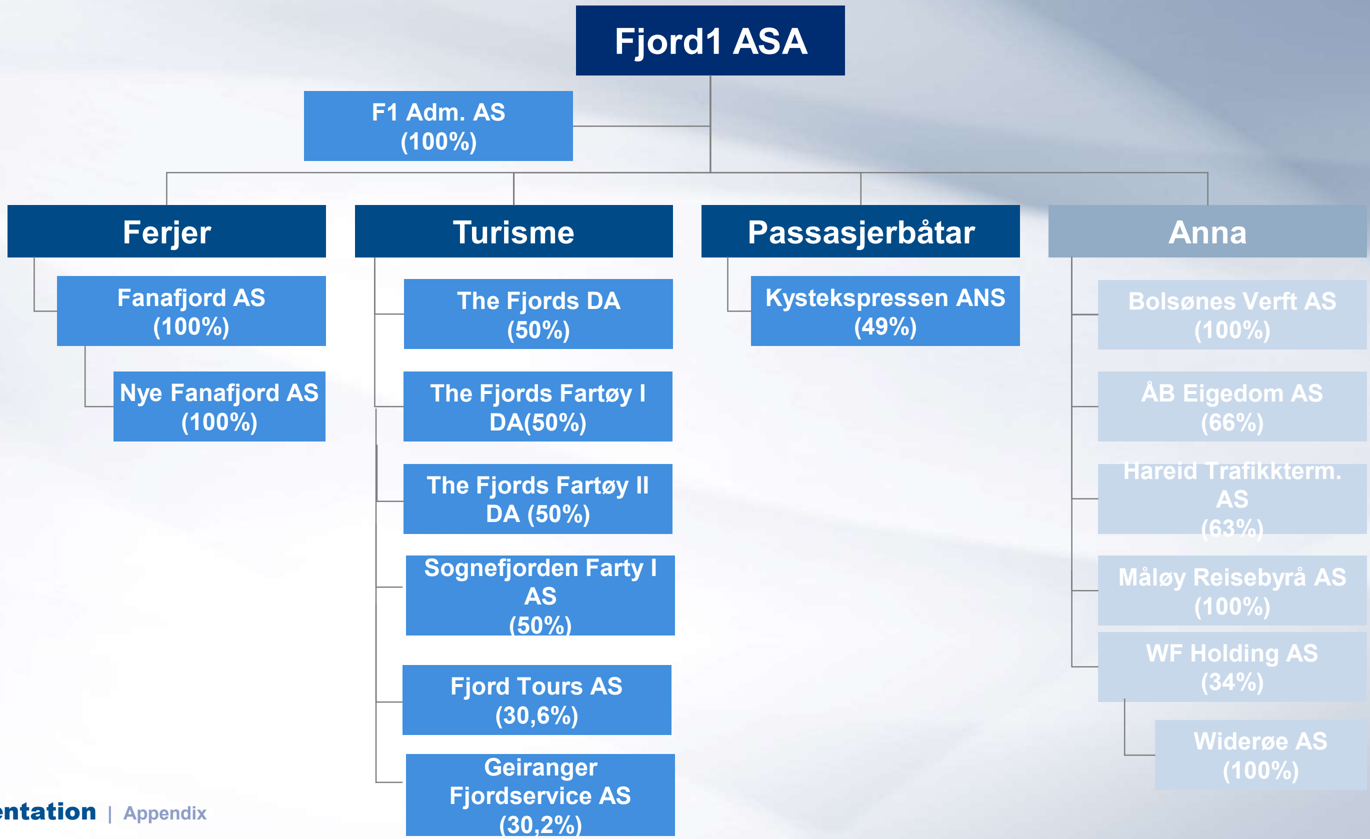
Ferries	Build year	PCE
Stavangerfjord	2006	212
Dryna	2005	35
Harøy	2005	35
Julsund	2004	99
Eira	2002	100
Volda	2002	100
Nordfjord	2001	54
Glutra	2000	120
Ivar Aasen	1997	76
Lærdal	1997	77
Svanøy	1992	89
Tresfjord	1991	124
Gulen	1989	83
Rauma	1988	73
Romsdal	1988	87
Dalsfjord	1986	28
Sulafjord	1986	106
Selje	1986	58
Sognefjord	1984	64
Sogn	1982	110
Solskjel	1981	35
Bjørnsund	1979	61
Geiranger	1979	36
Stordal	1979	51
Stryn	1979	81
Aukra	1978	36
Eid	1978	35

Ferries	Build year	PCE
Solnør	1977	36
Kvernes	1976	35
Sykkylvsfjord	1975	36
Veøy	1974	50
Fanaraaken	1973	29
Tingvoll	1972	35
Bolsøy	1971	38
Goma	1968	29
Nårasund	1968	11
Ørsta	1964	25
Driva	1963	29

Passenger boats	Build year	Passengers
Tansøy	2007	96
Fjordglytt	2000	81
Sylvarnes	2000	70
Skagastøl	1970	384

Under construction	Delivery	PCE
TBN 1	4Q 2018	120
TBN 2	4Q 2018	120
TBN 3	1Q 2019	120
TBN 4	1Q 2019	120
TBN 5	3Q 2019	120
TBN 6	3Q 2019	120
TBN 7	3Q 2019	130
TBN 8	3Q 2019	83
TBN 9	3Q 2019	83
TBN 10	4Q 2019	83
TBN 11	4Q 2019	80
TBN 12	4Q 2019	80
TBN 13	3Q 2019	50
TBN 14	4Q 2019	50
TBN 15	4Q 2019	50
TBN 16	4Q 2019	50
TBN 17	4Q 2019	50
TBN 18	4Q 2019	120

LEGAL STRUCTURE



OWERWIEW OF SHAREHOLDERS AND SHAREHOLDERS NOVEMBER 05, 2018.

#	Shareholders	Number of shares	Shares
1	HAVILAFJORD AS	51 500 000	51,50 %
2	PERESTROIKA AS	7 758 620	7,76 %
3	VERDIPAPIRFONDET DNB NORGE (IV)	4 770 855	4,77%
4	BROWN BROTHERS HARRIMAN (LUX.) SCA	3 578 112	3,58%
5	STATE STREET BANK AND TRUST COMP	2 784 219	2,78 %
6	VERDIPAPIRFONDET DNB NORGE SELEKTI	2 462 747	2,46 %
7	DZ PRIVATBANK S.A.	1 899 728	1,90%
8	ARTIC FUNDS PLC	1 256 666	1,29 %
9	LANDKREDITT UTBYTTE	1 250 000	1,25 %
10	JPMORGAN CHASE BANK, N.A., LONDON	1 150 000	1,15%
	Total, 10 largest shareholders	78 410 947	78,41%
	Other shareholders	21 589 053	21,59%
	Total	100 000 000	100%

KEY FIGURES 2017

Fjord1

Revenue:
2.8 bill.

EBITDA:
985 mill.

Profit before tax
714 mill.

Equity:
2.0 bill.

Total assets:
5.3 bill.

Emloyees:
1 204

Number of people transported by boat and ferry:
21.1 mill

Number of vehicles transported by ferry:
10.4 mill.

Number of vessels:
67

Investments:
611 mill.

IR - Fjord1 ASA

Anne-Mari Sundal Bøe
CFO

t: +47 90 27 89 06
e: anne-mari.sundal.boe@fjord1.no

Next event

Q4 2018
21 February 2019

For more information, look at
www.fjord1.no/investor-relations