



# FSL Trust

4QFY17 Financial Results

27 February 2018

## 4QFY17 – Key financial highlights

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- Net loss of US\$33.9m in 4Q17 mainly due to US\$25.9m non-cash vessel impairment
- Cash generated continued to be positive
- Revenue declined 14.2% year-on-year, primarily due to:
  - softening of rates across all sectors
  - Time charter agreement not extended for both Aframax tankers
- Gearing<sup>(1)</sup> marginally higher at 46.6% comparing 4QFY17 vs 3QFY17 but improved Year on Year by 1.5%

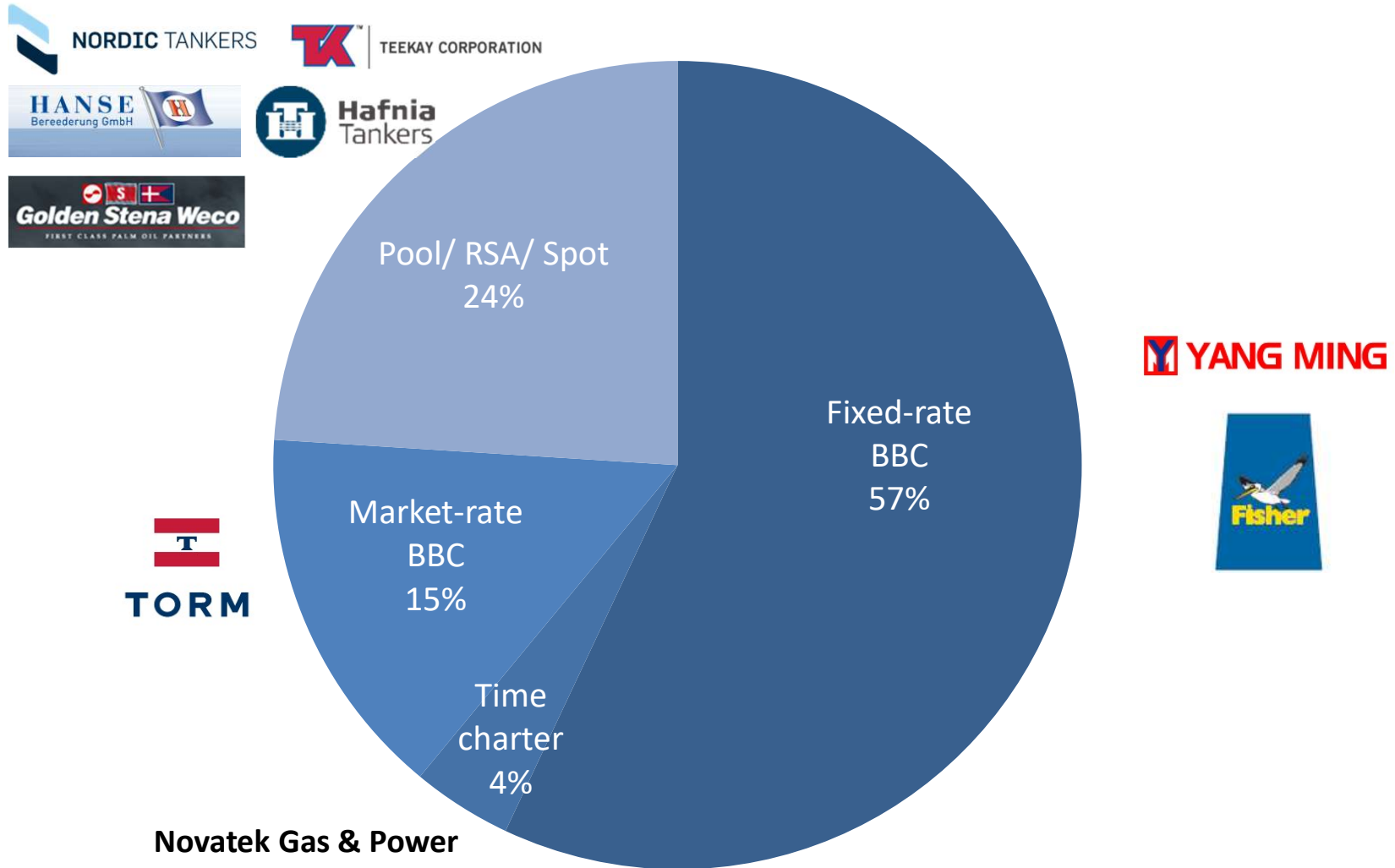
## Performance review



US\$'000	4QFY17	4QFY16	Inc/(Dec) %
Revenue	19,896	23,189	(14.2)
Operating loss	(32,510)	(40,301)	(19.3)
Loss for the quarter	(33,874)	(42,286)	(19.9)
Net cash generated from operations	8,000	13,195	(39.4)
Gearing ratio	46.6%	47.3%	(1.5)

- Revenue decrease mainly due to rate pressure across all sectors
- More than US\$ 71m of debt repaid in 12 months

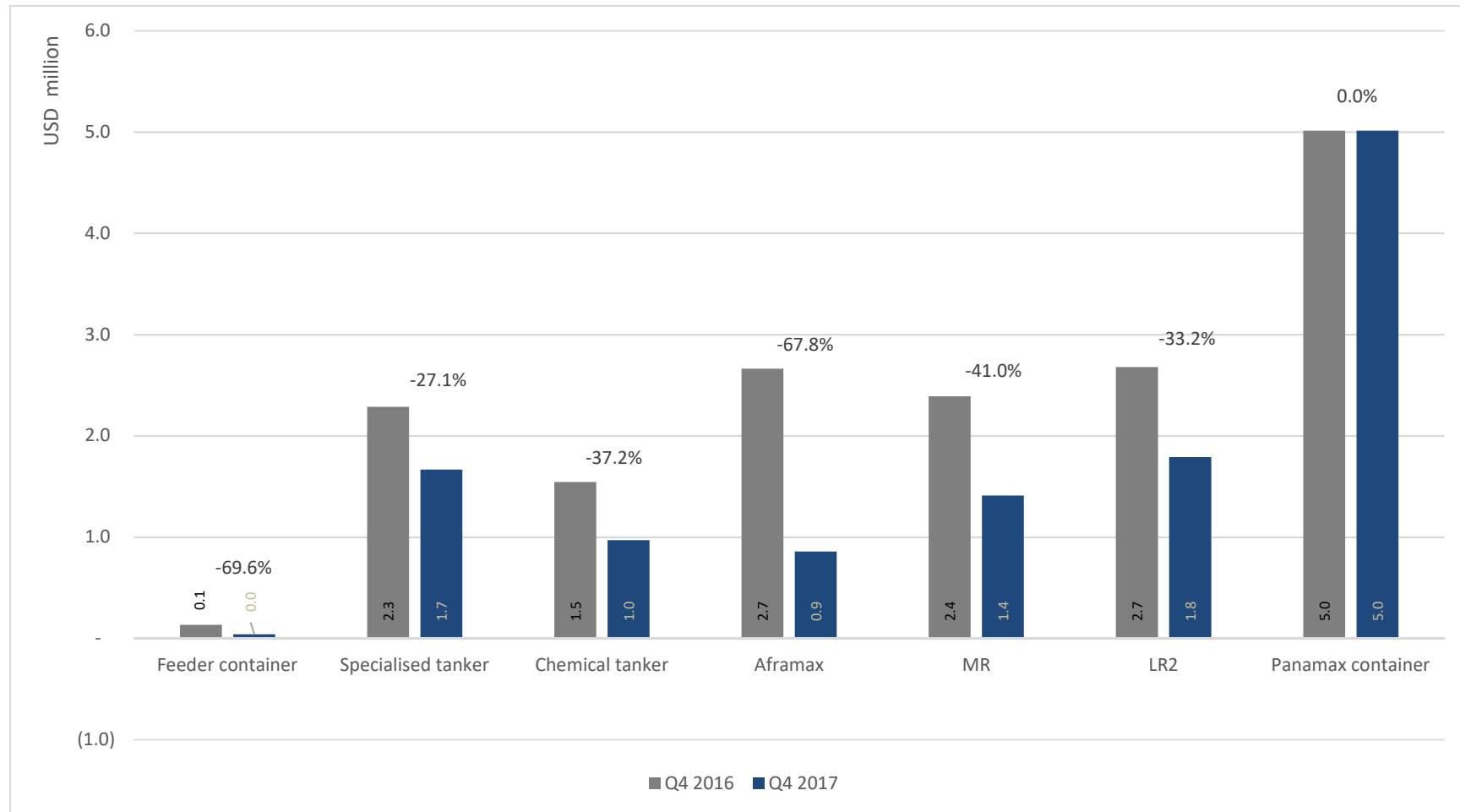
# Fleet deployment by revenue<sup>(1)</sup>



Note 1: BBCE revenue for the 3 months ended 31 December 2017

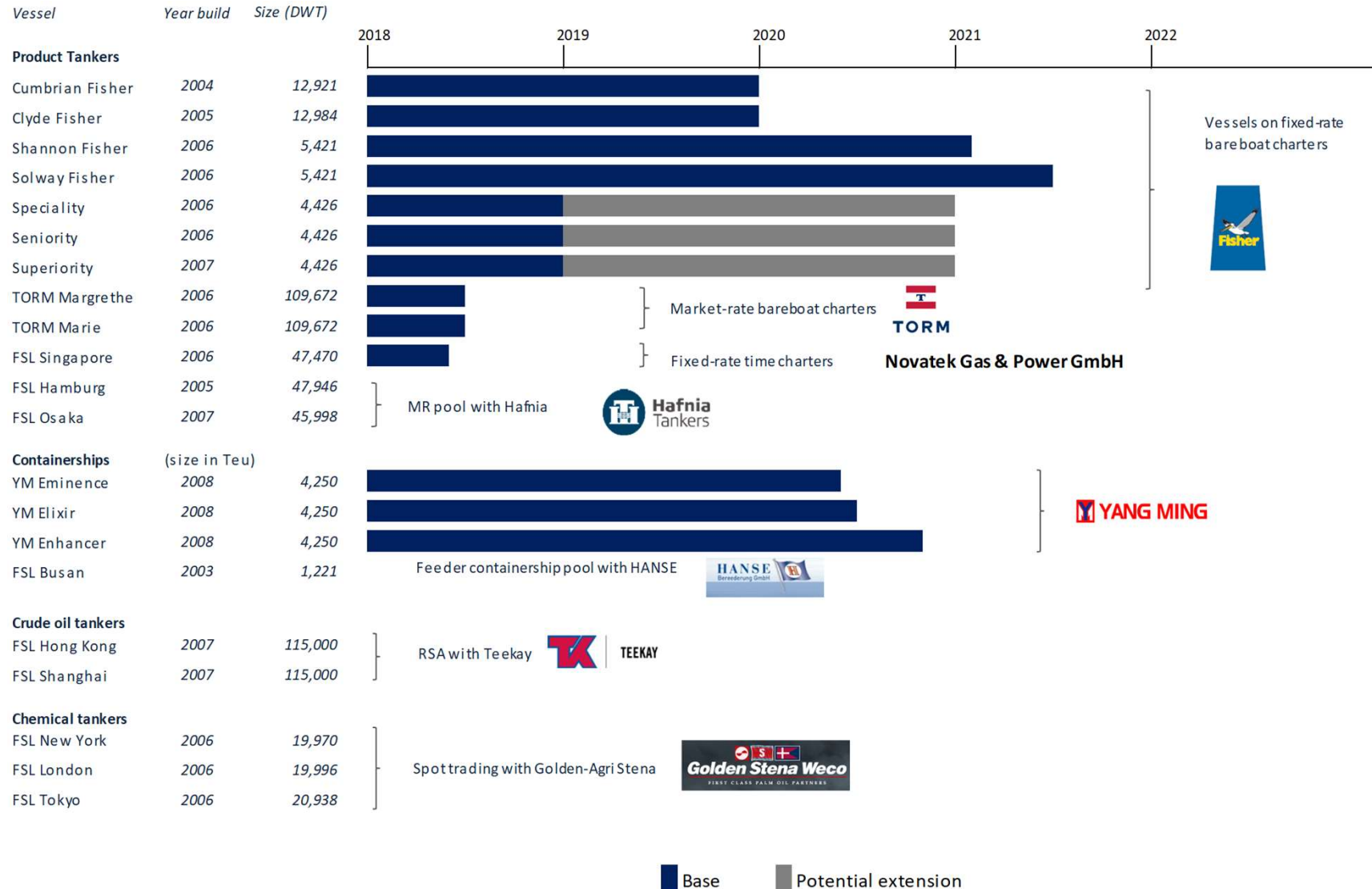
# Operational performance

## BBCE revenue by vessel type



\* Reduced fleet with the disposal of a containership in Dec 2017

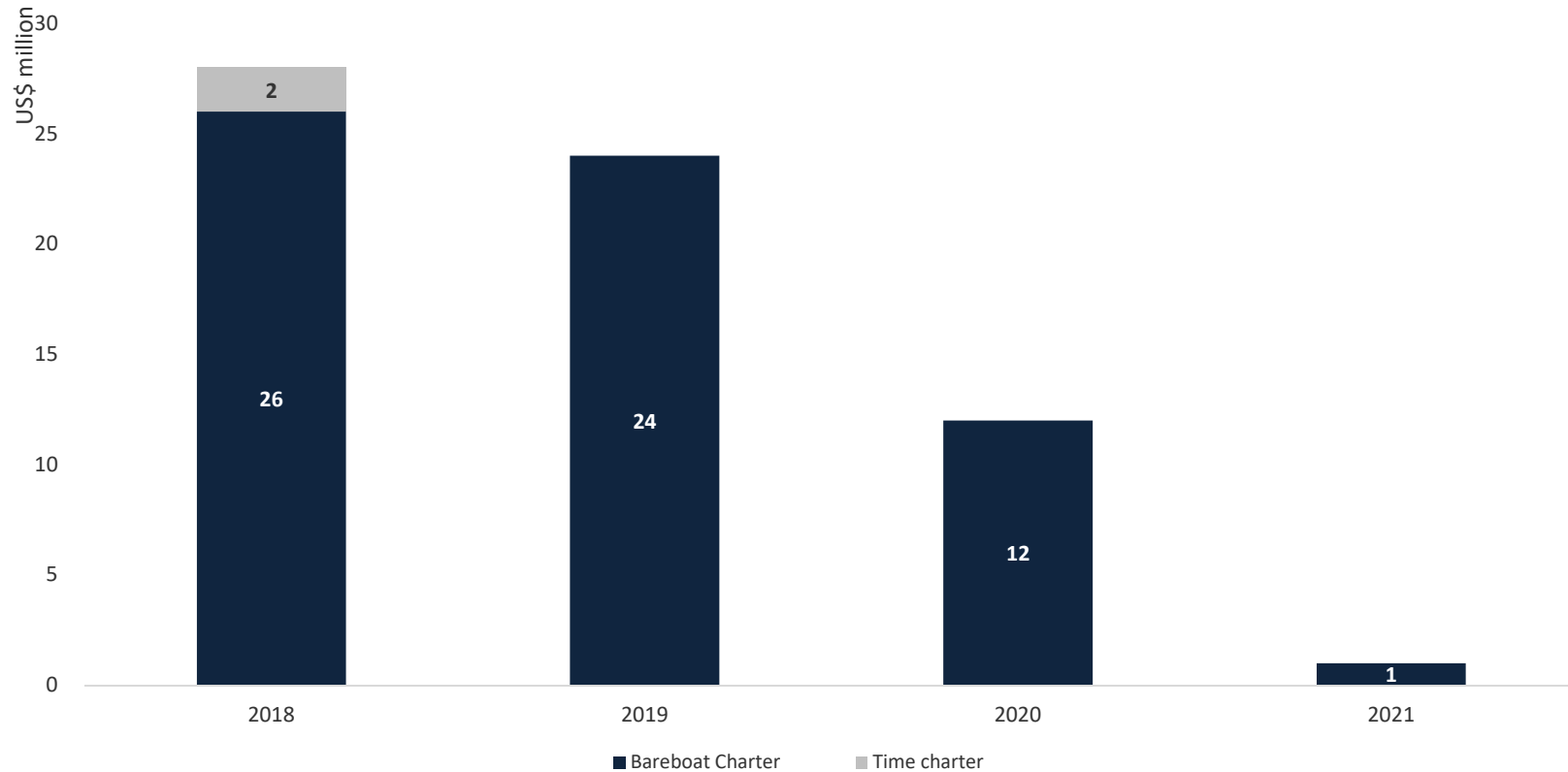
# Lease maturity of vessels



■ Base    ■ Potential extension

# Revenue backlog

Remaining contracted revenue stood at US\$ 65m <sup>(1)</sup> as at 31 December 2017



Note 1: Based on revenue from ten bareboat charters (excluding the TORM charters on variable rates) and from time charter contracts

## Scheduled dry dockings for the next 12 months

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FSL managed fleet - Vessels planned for dry docking

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Vessel	Date
Nil	N.A.

Latest dry dockings

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Vessel	Date
FSL Osaka	3Q FY2017



## FY2018: Scheduled Redeliveries

Vessel	Date
Torm Margrethe	2Q FY2018
Torm Marie	2Q FY2018
FSL Singapore	2Q FY2018
Speciality	4Q FY2018
Seniority	4Q FY2018
Superiority	4Q FY2018

- The Trust successfully renegotiated a two year fixed-rate bareboat charter renewal for Cumbrian Fisher and Clyde Fisher at market adjusted bareboat rates
- The above six vessels are expected to be redelivered in FY2018

## Summary and outlook

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### ➤ Summary

- Another quarter of positive cash generation despite the non-cash impairment and the challenging shipping industry environment
- Gearing increased from 45.2% to 46.6% (3QFY17 vs 4QFY17) but improved Year on Year by 1.5%

### ➤ Outlook

- Shipping markets across all sectors remain under pressure in the near term. However, the outlook for the second half of 2018 is starting to look positive.

Thank You

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