



PACIFIC INTERNATIONAL LINES (PTE) LTD

140 CECIL STREET #03-00, PIL BUILDING, SINGAPORE 069540
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CO. REG. NO. 196700080N

PIL recorded US\$79 million EBITDA amidst challenging market conditions in 1H 2018

- Turnover increased by 19% year-on-year, driven by higher shipping volumes and container manufacturing sales
- Recorded EBITDA of US\$79.0 million amidst challenging market conditions
- PIL implemented an additional bunker surcharge in June 2018 to mitigate rising bunker prices as the Group continues to focus on implementing cost efficiency measures
- Positive outlook for the coming peak season with improving supply and demand situation for the rest of 2018.

14 September 2018

	1H 2017	1H 2018	Change
	US\$'M	US\$'M	%
Turnover	1,877.6	2,243.6	+19
EBITDA	218.8	79.0	-64
EBIT	98.1	(43.3)	nm
Net Profit After Tax ("NPAT")	26.4	(141.2)	nm
Core NPAT ⁽¹⁾	49.4	(148.5)	nm

Note: 1. Excludes the Group's one-off gains/losses from allowances/write-backs of impairment losses, disposal of shares in subsidiaries/associates/joint ventures, net fair value changes in derivative financial instruments and disposal of fixed assets.

Pacific International Lines (Private) Limited (“**PIL**” or the “**Group**”) achieved a turnover of US\$2,243.6 million for the six months ended 30 June 2018 (“**1H 2018**”), representing a year-on-year increase of 19% compared to the corresponding period in 2017 (“**1H 2017**”).

The increase in turnover was largely driven by the container manufacturing segment. The container manufacturing segment’s sales volume and the average selling price of a 20’ dry freight container increased year-on-year by 51% and 16% respectively. EBITDA for the Group was US\$79.0 million in 1H 2018, representing a year-on-year decrease of 64%, driven by higher bunker prices and container manufacturing costs.

Shipping Business

In 1H 2018, the Group’s container shipping business saw a year-on-year growth of 5% in lifting volume amidst challenging market conditions. Shipping expenses were US\$1,155.5 million in 1H 2018, representing a year-on-year increase of 17% primarily due to an increase in bunker price.

Container Manufacturing Business (Singamas)

Demand for new containers remained strong. Turnover was US\$969.2 million in 1H 2018, representing a year-on-year increase of 63% underpinned by strong global trade growth.



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Other Recent Highlights

- Continuous optimization of operations for cost efficiency and service rationalization in Transpacific and Red Sea trades.
- In July 2018, Singamas entered into a share transfer agreement with an independent third party to dispose its entire equity interest in its wholly-owned subsidiary Hui Zhou Pacific Container Co. Ltd for RMB735.0 million in cash, realizing a gain from the Group's investment. Net proceeds will be used for deleveraging, general working capital and the building of new manufacturing facilities, if any.

PIL's 1H 2018 financial performance was affected by an increase in bunker price and depressed freight levels. PIL had imposed an additional bunker surcharge successfully to mitigate increased bunker prices. Multiple service rationalization plans by major alliances are expected to improve the market supply and demand situation. PIL anticipates an improving operating performance with a positive market outlook.

Driven by healthy global trade growth, the Group is optimistic that the momentum in the freight rates increases will be sustained through the second half of the year and across the service network. The SCFI index has already increased by over 20% since the end of May 2018. Trade disruptions until now have had no significant impact on the Group's financial performance.

Backed by continued healthy growth in the world economy, the demand for new containers is expected to continue to remain strong.

About Pacific International Lines (PIL)

The Singapore-based company incorporated in 1967 is ranked the world's 9th top containership operator and one of the largest shipowners in Southeast Asia, offering container liner services and multi-purpose services at over 500 locations in 100 countries.

PIL owns and operates a fleet of 156 modern vessels. PIL has a significant presence in the Far East, Africa, Red Sea, Middle East, North and South America, Europe, Indian sub-continent and Oceania. It also has a dedicated network of feeder services covering a comprehensive range of ports in South East Asia, the Bay of Bengal, the East Coast of India, East and West Africa, the Federated States of Micronesia, the Mariana Islands and the Pacific Islands. As part of PIL's newbuilding programme, 5 new container vessels will be delivered by 2019.

Besides its core business in liner shipping, the group has several business units including container manufacturing, ship recycling, marine service, real estate, depots and logistics services. Singamas Container Holdings Ltd, one of PIL's subsidiaries, is listed on the Hong Kong Stock Exchange and is the world's second largest container manufacturer with 9 container factories and operates 11 depots and terminals in China.

Building on "Our Promise, Your Satisfaction", PIL strives to build strong and long-lasting relationship with its customer through flexibility and personalised services.



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