



## PACIFIC INTERNATIONAL LINES (PTE) LTD

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### PIL rebounds from 2016 downturn to return to profitability in 1H 2017

- Turnover improved from increase in shipping volume, average freight rates and container sales
- Positive NPAT on strong performance by the shipping and container manufacturing businesses
- The Group sees improved market conditions supported by growth in demand for container shipping and container manufacturing

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|                                         | 1H 2016 | 1H 2017 | Change |
|-----------------------------------------|---------|---------|--------|
|                                         | US\$'M  | US\$'M  | %      |
| Turnover                                | 1,469.2 | 1,877.6 | +28    |
| EBITDA <sup>(1)</sup>                   | 84.2    | 218.8   | +160   |
| EBIT <sup>(2)</sup>                     | (38.5)  | 98.1    | nm     |
| Net (Loss)/Profit After Tax<br>("NPAT") | (131.0) | 26.4    | nm     |
| Core NPAT <sup>(3)</sup>                | (98.1)  | 49.4    | nm     |

Note: nm means not meaningful.

1. EBITDA equals to Turnover + Other operating income - Changes in inventories of finished goods and work in progress - Raw material and consumables used - Staff costs - Shipping expenses - Administration and non-shipping expenses; 2. EBIT equals to EBITDA - Depreciation - Amortisation of intangible assets; 3. Exclude the Group's one-off gain/loss from write-back of impairment losses, net disposal of shares in subsidiaries, disposal of fixed assets and net fair value changes in derivative financial instruments.

Pacific International Lines (Private) Limited ("PIL" or the "Group") reported an improved financials for the six months ended 30 June 2017 ("1H 2017"), as compared to the corresponding period in 2016 ("1H 2016"). The return to profitability in 1H 2017, driven by improved market conditions and operational efficiency, marked the recovery of the Group from the downturn in 2016.

The Group's 1H 2017 turnover increased 28% year-on-year to US\$1,877.6 million, while EBITDA jumped 160% to reach US\$218.8 million in 1H 2017. Reversing the losses posted in 1H 2016, the Group achieved positive 1H 2017 EBIT and NPAT at US\$98.1 million and US\$26.4 million respectively. Excluding one-off gains/losses gave a higher Core NPAT at US\$49.4 million. The improvement in the Group's operating performance was mainly due to increase in liner revenue and container sales.

## **Shipping Business**

The Group's container shipping business posted increase in shipping volume and average freight rates of 11% and 10%, year-on-year, respectively. This resulted in a 22% growth in the shipping business' turnover. 1H 2017 shipping expenses increased by 13% to US\$985.7 million, primarily due to increase in number of operating vessels and bunker prices.

## **Container Manufacturing Business**

Strong demand for new containers, owing to growth in global trade, underpinned the 45% year-on-year increase in turnover contributed by invoiced sales of container, which reached US\$594.9 million in 1H 2017.

## **Other Recent Highlights**

- On 9 May 2017, the Group announced the signing of a cooperation framework agreement with the Nanning Municipal Government and the Guangxi Department of Commerce to develop the Singapore-Guangxi Integrated Logistics Park in Nanning City, Guangxi Zhuang Autonomous Region.
- On 17 July 2017, PIL fully redeemed the S\$300 million 5.90 per cent. Notes due on that day.
- On 14 August 2017, PIL signed a memorandum of understanding with PSA International Pte Ltd and IBM Singapore Pte Ltd to explore and trial proof of concept for blockchain-based supply chain business network innovations.

2016 had been a challenging year with overcapacity in the market that resulted in declining freight rates. The Group has seen a recovery in 1H 2017 that lead to strong financial results. While volatility remains, the Group expects overall market conditions to continue to improve, which will drive shipping volume, freight rates and container sales.

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## **About Pacific International Lines (PIL)**

The Singapore-based company incorporated in 1967 is ranked the world's 12<sup>th</sup> 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 161 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 newbuilding programme, 13 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 10 container factories and operates 10 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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## **Contact Person for Media Queries**

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