



**FSL Trust Management Pte. Ltd.**

as Trustee Manager for First Ship Lease Trust

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## **FSL Trust reports a net profit of US\$ 6.68m for the 1<sup>st</sup> Quarter 2020, and announces 2<sup>nd</sup> consecutive distribution payment**

### **Key Financial Highlights**

- Net profit of US\$ 6.68m, up 122% y-o-y
- Adjusted EBITDA of US\$ 12.55m, up 9% y-o-y
- Zero net debt and strong liquidity position
- Distribution of 1.50 US cents per unit, 2<sup>nd</sup> consecutive quarterly distribution

**Singapore, 4<sup>th</sup> May 2020** – FSL Trust Management Pte. Ltd. (“FSLTM”), as trustee-manager of First Ship Lease Trust (“FSL Trust” or the “Trust”), announced the financial results of FSL Trust for the period 1<sup>st</sup> January 2020 to 31<sup>st</sup> March 2020 (“1Q2020”) today. The Board of Directors approved a distribution of 1.50 US cents per unit for 1Q2020, which is the Trust’s second consecutive distribution payment for more than 7 years.

Despite the growing impact of COVID-19 on the world economy, the Trust recorded an adjusted EBITDA of US\$ 12.55m, compared to US\$ 11.47m in the 1<sup>st</sup> quarter of 2019, and a net profit of US\$ 6.68m, compared to US\$ 3.01m in the same period last year.

The improved adjusted EBITDA was primarily driven by strong freight rates for tankers. This reduced the impact the smaller fleet would otherwise have had on revenue. Similarly, with fewer vessels, vessel operating expenses declined, as did expenses of the Trust. The significant increase in net profit was mainly attributable to the gain from the sale of two product tankers (*FSL Piraeus* and *FSL Perth*) in January 2020 and one crude oil tanker (*FSL Shanghai*) in March 2020, as well as reduced finance expenses resulting from the further deleveraging of the Trust.

Strong cash generation, helped by the firm tanker markets, together with a streamlined fleet and improved cost structure led to a further strengthening of the capital structure and financial ratios of the Trust. As of 31<sup>st</sup> March 2020, cash and cash equivalents of US\$ 67.15m exceeded the aggregate amount outstanding under the loan facilities, which stood at US\$ 48.39m.

The construction of the two LR2 tanker newbuildings in China continued smoothly, despite the outbreak of COVID-19, and keel laying for hull no. N944 and hull no. N945 took place in March 2020 and April 2020, respectively. Construction is expected to be completed in late 2020 and early 2021, respectively.

**Commenting on the results, Roger Woods, Chief Executive Officer, said:**

“Despite the adverse effects of COVID-19 on global trade and shipping, FSL Trust had a strong start to the new year 2020 thanks to strong tanker markets, supported by the oil-price fall. Capitalising on the improved market, the Trust managed to sell 3 older vessels at firm prices, reducing debt and strengthening its capital structure, providing downside protection against the economic effects of COVID-19. On that basis, we remain cautiously optimistic in our outlook and will continue to focus on the operations of the vessels as well as streamlining the vessel portfolio to create value for the unitholders.”

**Stathis Topouzoglou, Chairman of the Board of Directors, said:**

“First and foremost the Board of Directors is grateful to report zero cases of COVID-19 among FSL’s office and vessels and is thankful to the entire FSL team for complying with all precautionary measures while keeping the operations uninterrupted.

The Board has been working closely with the management team to navigate through the uncertainties faced in the 1<sup>st</sup> quarter of 2020. Together, we made strategic decisions that have further strengthened the Trust’s operations and financial position. As such, we are pleased to share another quarter of success with all unitholders with a distribution of 1.50 US cents per unit.

The disposal of 3 vessels in the 1<sup>st</sup> quarter of 2020 has given the Trust liquidity to weather the challenging market environment. Given the uncertainties in the market, the Trust will adopt a ‘wait and see’ approach for the time being and take advantage of accretive opportunities that may arise.”

**1Q FY2020 Results Conference Call**

FSLTM will host a conference call for all registered participants on Tuesday, 5<sup>th</sup> May 2020 at 10am (Singapore time) to discuss the results. An audio recording of the conference call will be available on FSL Trust’s website at [www.FSLTrust.com](http://www.FSLTrust.com) from 12pm (Singapore time) on Wednesday, 6<sup>th</sup> February 2020.

**ENDS**

## About First Ship Lease Trust

First Ship Lease Trust ("FSL Trust" or the "Trust") is a Singapore-based business trust which owns a diversified fleet of well-maintained, oceangoing vessels across different segments. The current vessel portfolio comprises 15 operating vessels, including containerships and a variety of tankers, and 2 tanker newbuildings under construction. Of the 15 operating vessels, 10 vessels are leased to international shipping companies on fixed-rate period bareboat charters, whilst 5 vessels are employed on short-term time charters or in pools. The 2 tanker newbuildings under construction are expected to be delivered to FSL Trust in late 2020 and early 2021, respectively.

FSL Trust is listed on the Mainboard of the Singapore Exchange (SGX: D8DU; Bloomberg: FSLT SP; Reuters: FSLT.SI).

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This news release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, changes in operating expenses, trust expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

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