



FSL Trust

3QFY18 Financial Results

2 November 2018

3QFY18 – Key financial highlights

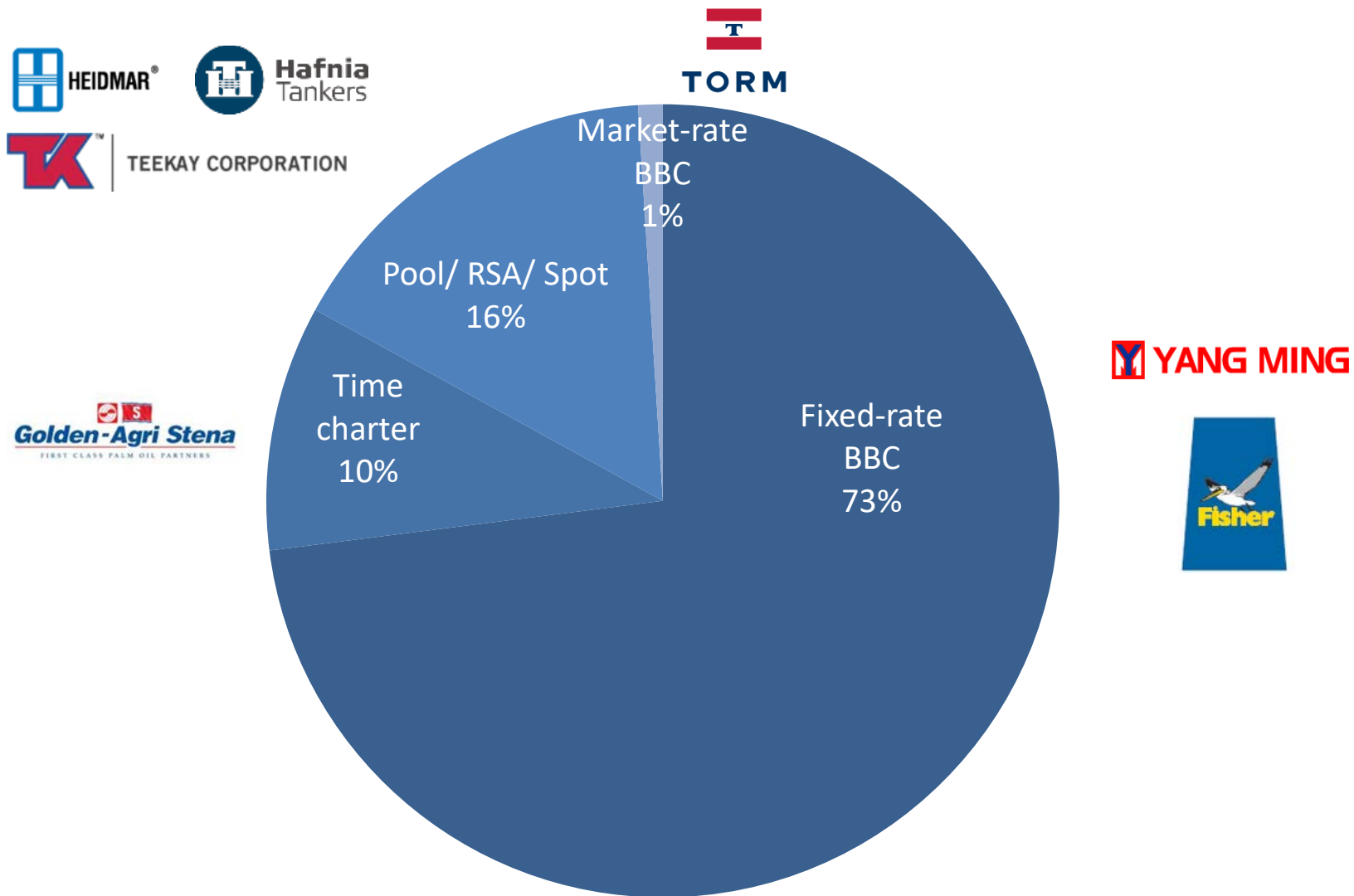
- Net loss of US\$2.1m in 3Q18
- Cash generated continued to be positive
- Revenue declined 19.9% year-on-year, primarily due to:
 - softening of rates across all sectors
 - Time charter agreements not extended for both MR tankers
 - disposal of two containerships and one chemical tanker
 - Two LR2 bareboat leases expired in June/ July 2018

Performance review

US\$'000	3QFY18	3QFY17	Inc/(Dec) %
Revenue	14,983	18,705	(19.9)
Operating profit/ (loss)	362	(19,478)	N.M.
Profit/ (loss) for the quarter	(2,082)	(21,653)	(90.4)
Net cash generated from operations	5,456	9,053	(39.7)
Gearing ratio	37.2%	45.2%	(17.7)

- Revenue decrease mainly due to rate pressure across all sectors, and contributed by reduced fleet size
- Previous Syndicated Loan was fully repaid, and new loans were drawdown from Hellenic Bank (US\$ 50m), Chailease International Financial Services (US\$ 40m), and Amsterdam Trade Bank (US\$ 18m)

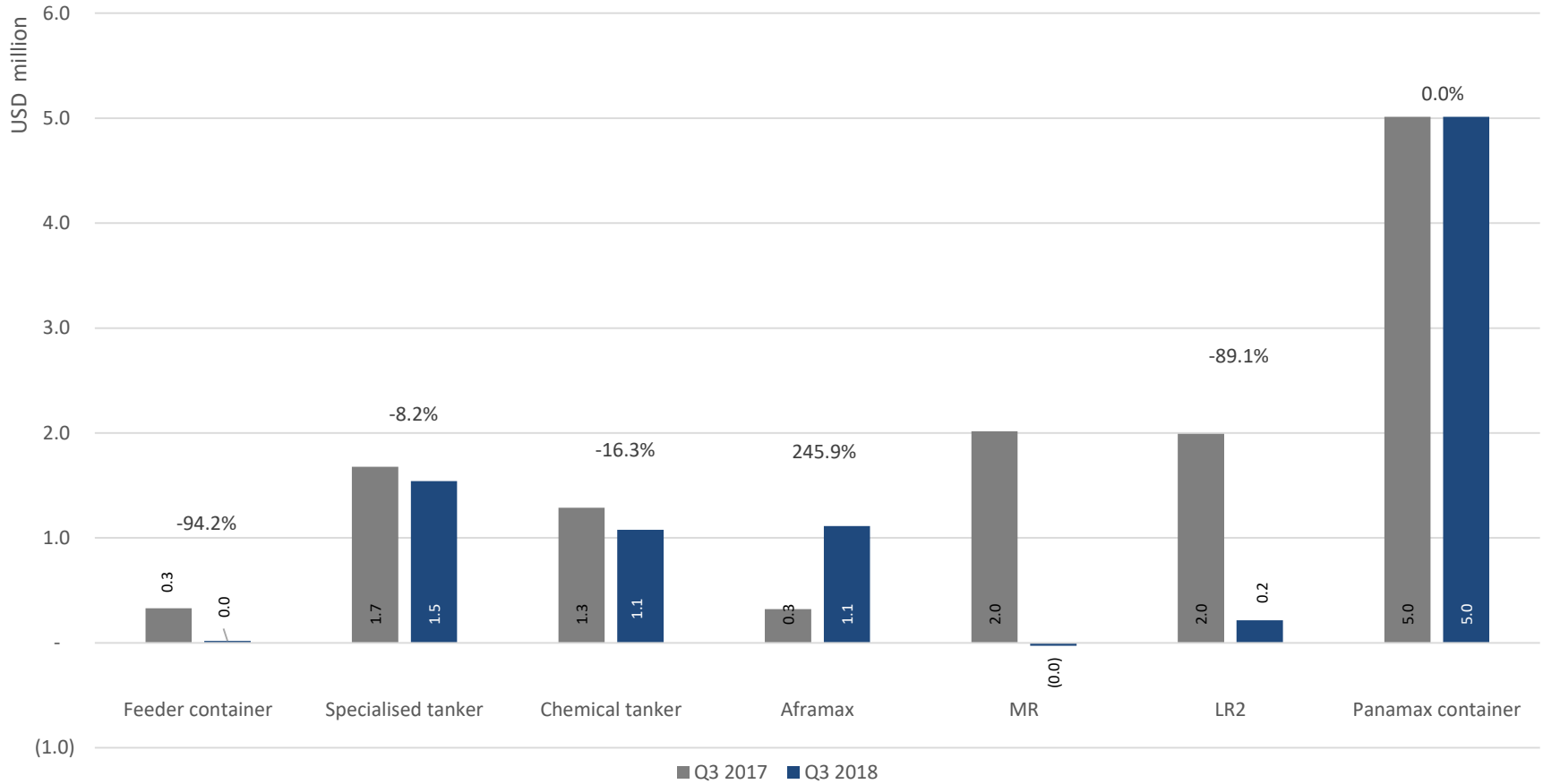
Fleet deployment by revenue⁽¹⁾



Note 1: BBCE revenue for the 3 months ended 30 September 2018

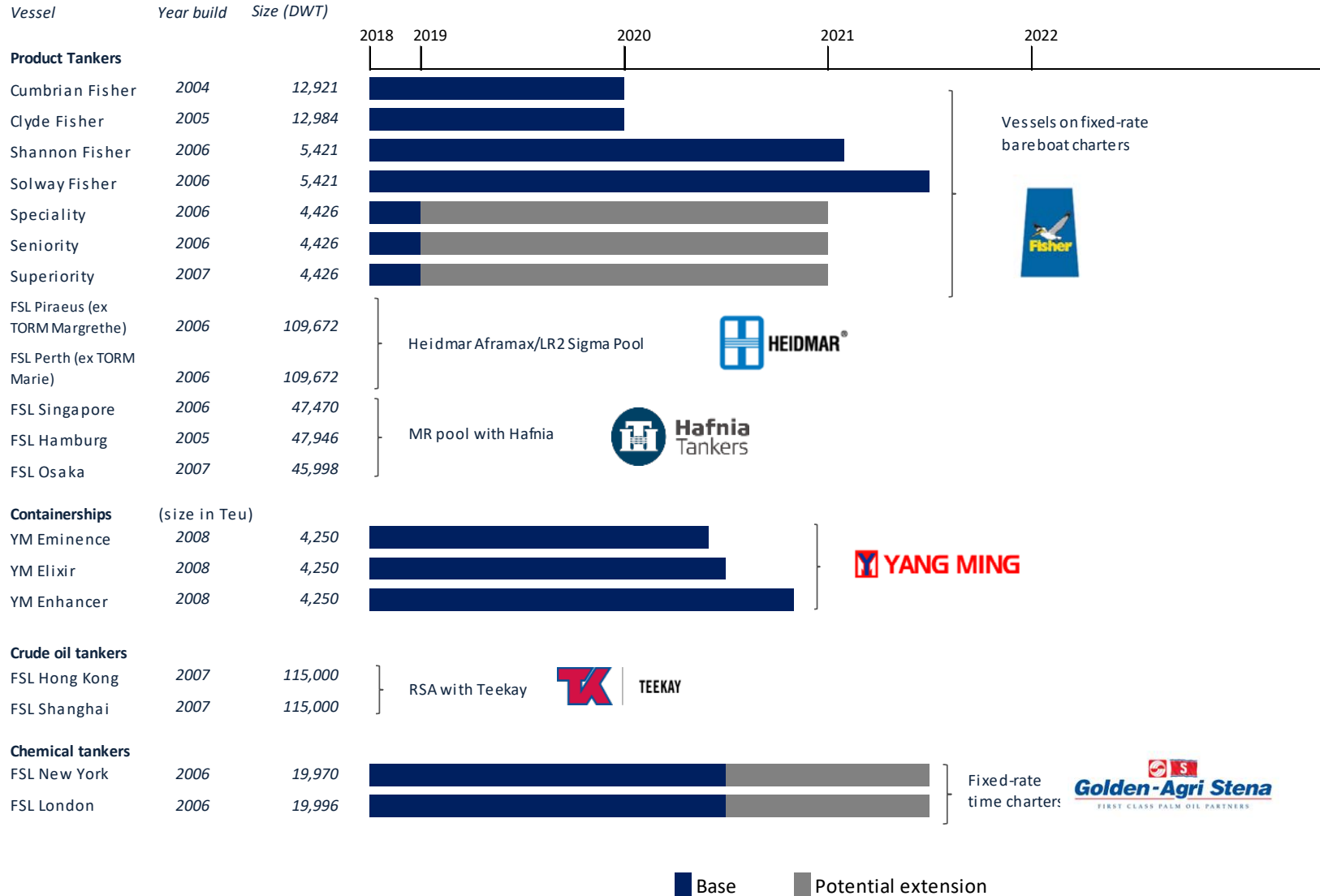
Operational performance

BBCE revenue by vessel type



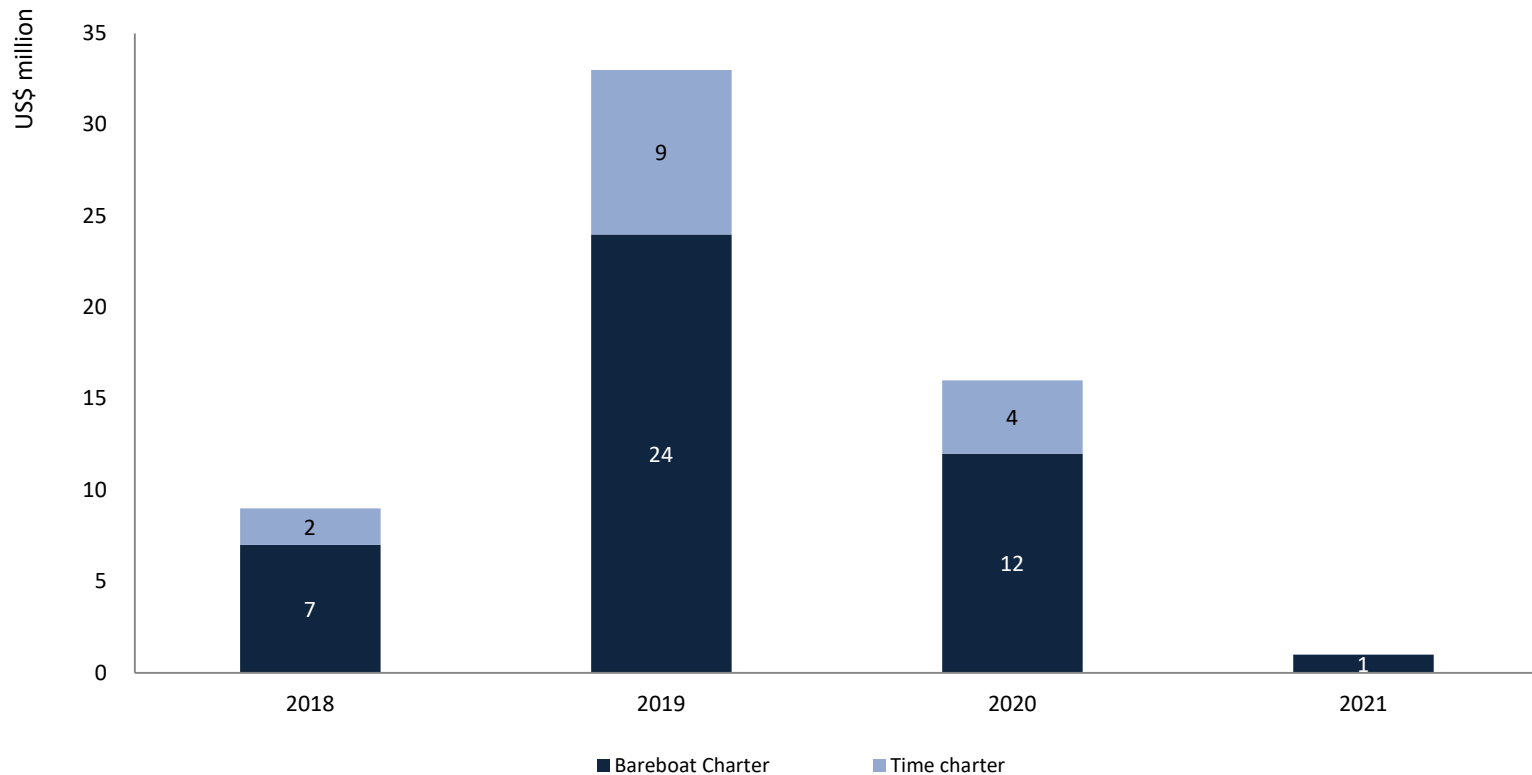
Note: Reduced fleet with the disposal of two containerships and one chemical tanker

Lease maturity of vessels



■ Base ■ Potential extension

Remaining contracted revenue stood at US\$ 59m ⁽¹⁾
as at 30 September 2018



Note 1: Based on revenue from ten bareboat charters and time charter contracts

FY2018: Scheduled Redeliveries

Vessel	Date
Speciality	4Q FY2018
Seniority	4Q FY2018
Superiority	4Q FY2018

The above three vessels could be redelivered in FY2018 but are subject to extension options

- FSL Piraeus (ex TORM Margrethe) redelivered in June 2018 and entered Sigma Tanker Pool in August 2018. Results were impacted due to necessary repair and loss of income post expiry of bareboat lease.
- FSL Perth (ex TORM Marie) redelivered in July 2018 and entered Sigma Tanker Pool in August 2018. Results were impacted due to necessary repair and loss of income post expiry of bareboat lease.

➤ Summary

- Another quarter of positive cash generation despite the challenging shipping industry environment
- On 25 July 2018 the Trust completed the refinancing of all outstanding amounts under the previous Syndicated Loan using funds from the utilization of the New Facilities, totalling US\$ 108m, as well as internal resources

➤ Outlook

- Sectors of the market which the Trust has exposure are improving. These positive signs are expected to continue into the next year.

Thank You