



FSL Trust

3rd Quarter 2019
Financial Results

7 November 2019

3QFY19 – Key Financial Highlights

- Net profit of US\$1.6M in 3Q19
- Ongoing focus on balance sheet optimization
 - Profit recorded for 3 consecutive quarters
 - \$7.25m of the Convertible Bond were converted into 174.4m new units in July
 - Reduced gearing ratio
 - Cash generated continued to be positive
 - Fleet utilization up to 99.6%
- Revenue increased 3.5% year-on-year, primarily due to improved spot market rates
- Laying groundwork to reduce debt and to position the Trust to explore strategic alternatives for the unitholders

Update: Use of Proceeds from The Preferential Offering



FSL Trust raised net proceeds of US\$31.0m from a Preferential Offering on 7th June 2019

- US\$23.3m was invested by the Sponsor and the Trust Manager;
- US\$ 7.7m was invested by Independent Unitholders.

Use of Proceeds from Preferential Offering

- US\$10.2m was set-off against the Outstanding Amount and accrued interest of the Bridging Loan from the Sponsor;
- US\$4.88m was used as second instalment of 10% of the consideration for New Vessel hull N944;
- US\$15.9m balance of the net proceeds is on fixed deposits with banks in Singapore to be used for the next instalments due to the Shipyard.

Update: Mandatory General Offer



- On 7 June 2019, as a result of the Preferential Offering, FSL Holdings Pte. Ltd., the Sponsor of the Trust, together with FSL Trust Management Pte. Ltd. exceeded 30% of the total issued Units.
- In accordance with Rule 14 of the Singapore Code on Take-overs and Mergers, the Sponsor was required to and made a Mandatory General Offer for all the remaining Units of the Trust.
- Upon the closing of the Offer on 14 August 2019, the total number of Units owned by the Sponsor and the Trust Manager amount to an aggregate of 1,292,288,508 Units, representing approximately 73.09% of the 1,768,057,636 total issued Units.

Performance review

US\$'000	3Q FY19	3Q FY18	Change (%)
Revenue	15,500	14,983	3.5
Operating profit	3,026	362	735.9
Profit for the quarter	1,640	(2,082)	N/A
Net cash generated from operations	7,611	5,456	39.5
Repayment/Prepayment of Loans ⁽¹⁾	6,281	112,162	(94.4)
Gearing ratio ⁽²⁾	27.8%	38.6%	(28.0)

NOTE 1 Repayment of scheduled bank loans

NOTE 2 Gearing ratio = outstanding debt including convertible bonds / (total unitholders' funds + outstanding debt including convertible bonds)

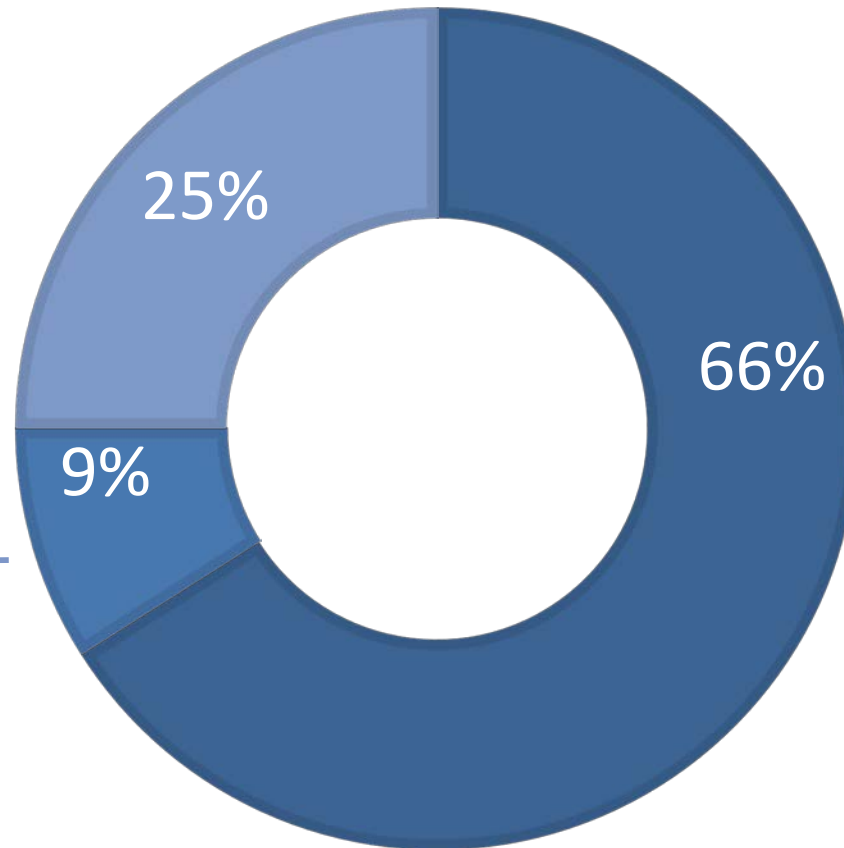
Fleet deployment by revenue⁽¹⁾

■ Pool/ RSA/ Spot

■ Fixed-rate Bareboat Chartered

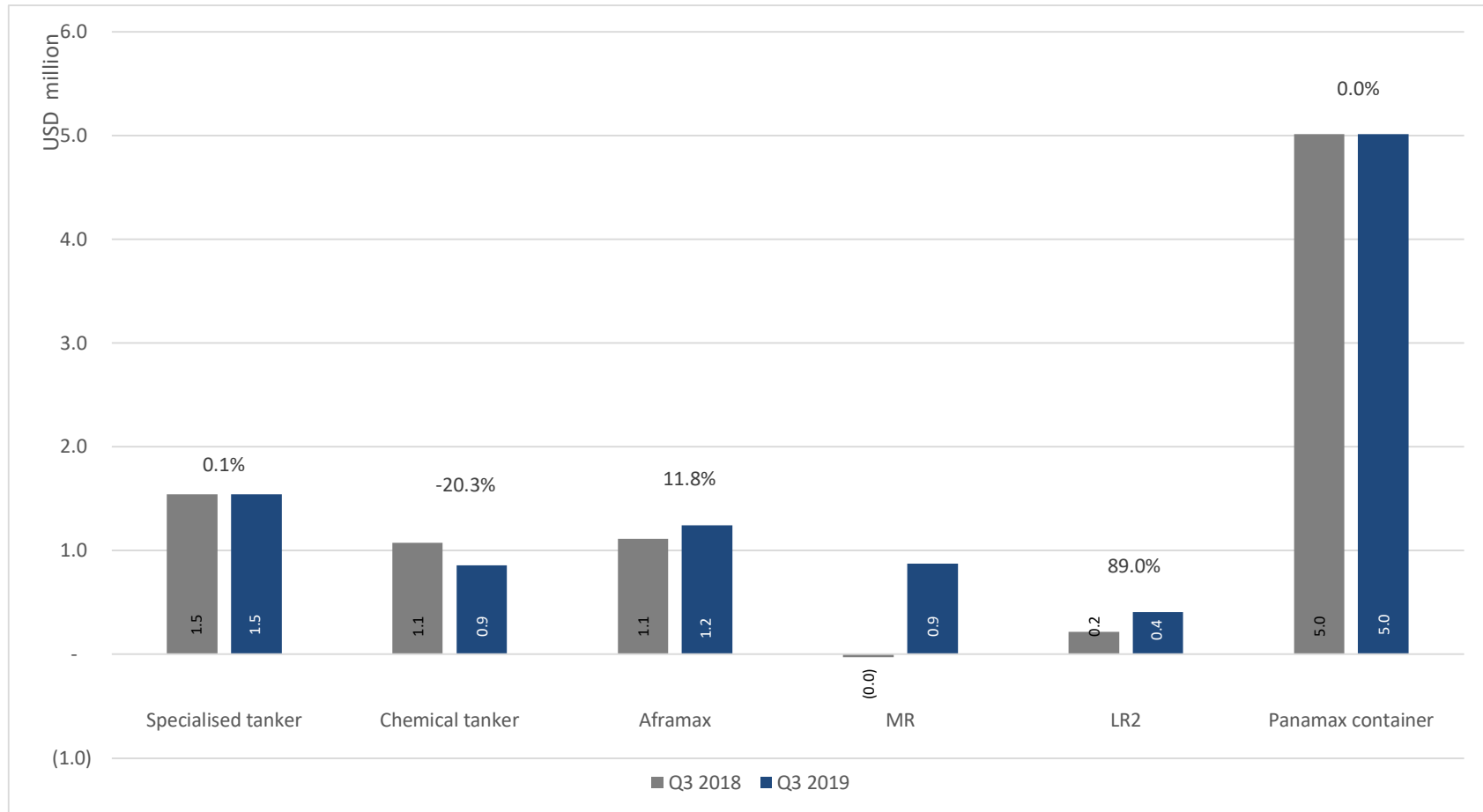


■ Time Chartered



Operational performance

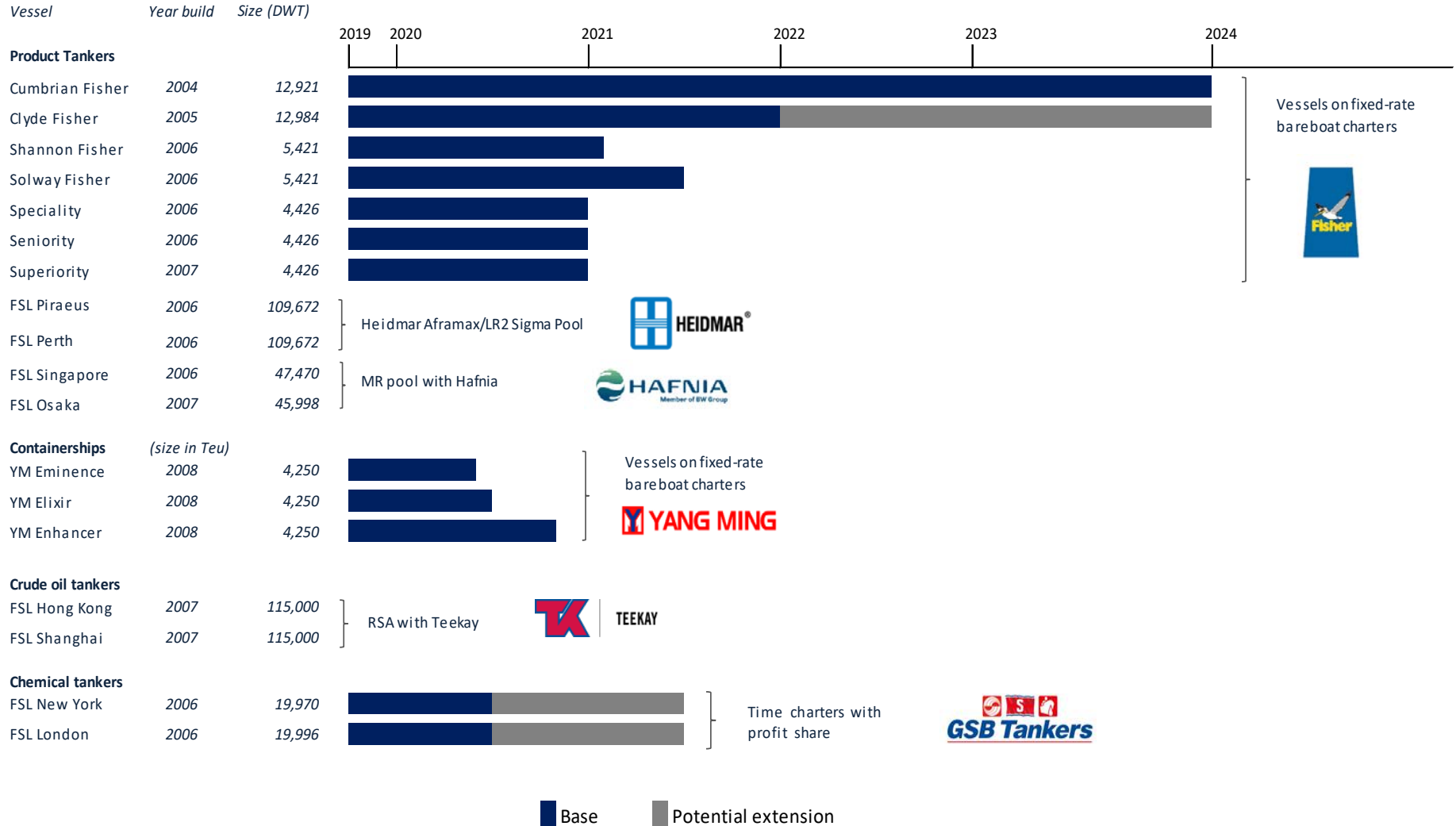
BBCE revenue by vessel type



NOTE

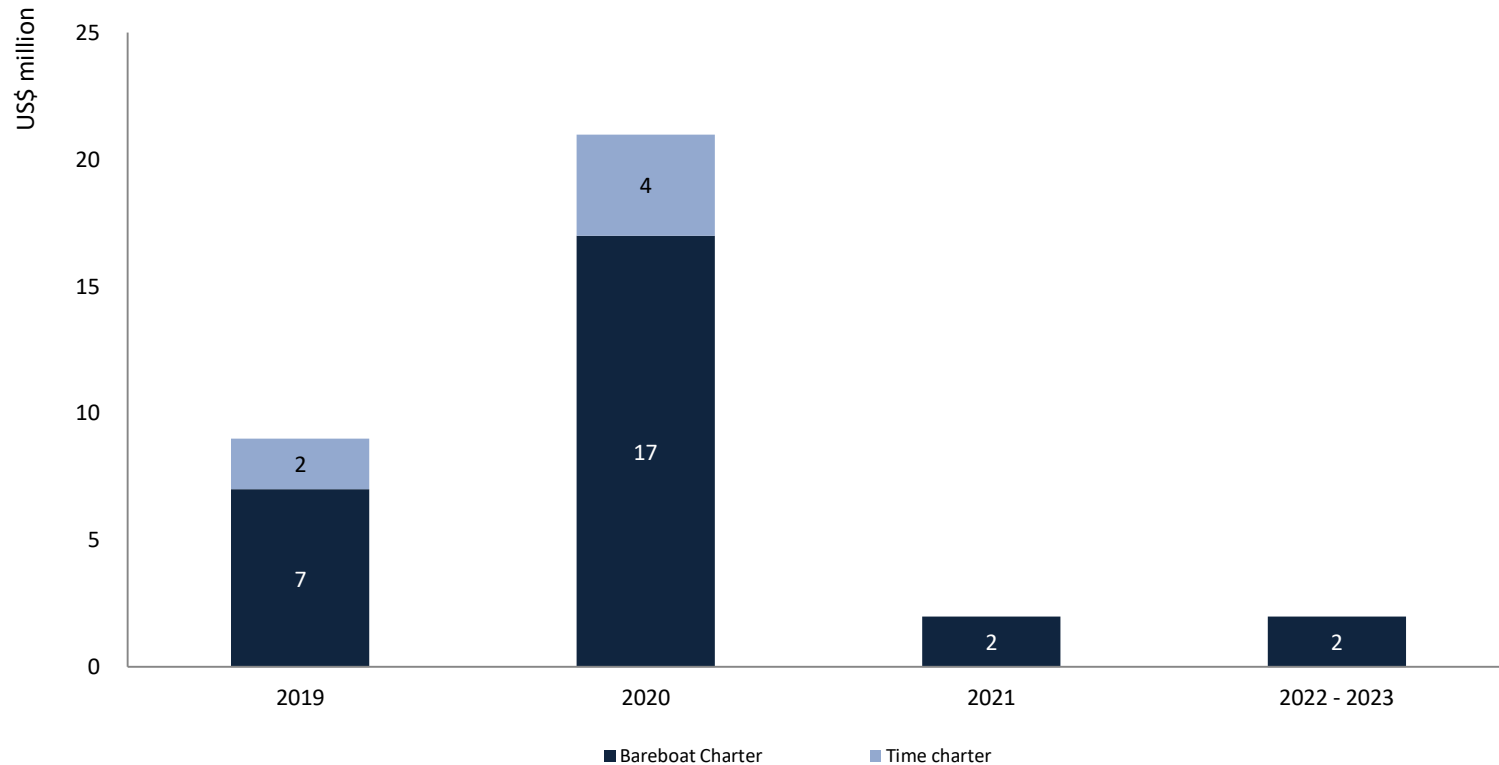
Reduced fleet with the disposal of one product tanker in April 2019

Lease maturity of vessels



■ Base ■ Potential extension

Remaining contracted revenue stood at US\$ 34m ⁽¹⁾
as at 30 September 2019



NOTE 1

Based on revenue from ten bareboat charters and two time charter contracts

Fleet Data

	3Q FY19	3Q FY18	Change (%)
Number of Vessels	18	19	(5.3)
Bareboat (BB) days	920	942	(2.3)
Ownership days *	736	806	(8.7)
Available days *	736	806	(8.7)
Operating days *	732	748	(2.1)
Vessel utilization (%)	99.5	92.8	7.2
Contracted Revenue Days including BB days	1,104	1,126	(2.0)

NOTES	
Bareboat (BB) days	Number of days in the period that vessels are on the Statements of Financial Position and are on Bareboat Charters
Ownership days *	Number of days in the period that vessels are on the Statements of Financial Position , excluding BB days
Available days *	Number of days in the period that vessels should be capable to generate revenues
Operating days *	Number of days in the period that vessels actually generated revenues
Vessel utilization (%)	Percentage of Operating days over Available days
The above numbers do not take into consideration the relative earnings of each vessel type.	
* Excluding Bareboat days	

4Q2019 Outlook: Our Direction



- FSL vessels are IMO 2020 ready – preparing tank cleaning for compliant fuel oil
- Keeping our balance sheet strong
- Scheduled Charter Redeliveries for 4Q FY2019 update:
 - ‘Speciality’ has been extended till 4Q FY2020
- Positioned for long term
 - 2 Newbuilding LR2 product tankers which are scheduled for delivery in Q4 FY2020 and Q1 FY2021. Steel cutting commenced in September 2019 for the first vessel and is scheduled for November 2019 for the second vessel
 - Exploring further strategic alternatives

Company Website: www.firstshipleasetrust.com

- Corporate Information
- Fleet Portfolio
- Investor Relations:
 - Financial reports, news & announcements, unit information

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Disclaimer



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Thank You