

Q1 2024

Trading statement

Svitzer A/S
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Registration Number 43 26 60 12

SVITZER

Q1 2024 highlights

Q1 2024 in DKK

1,555m

(1,424m)

Revenue

1,577m

(1,425m)

Revenue in constant exchange rates

11%

(12%)

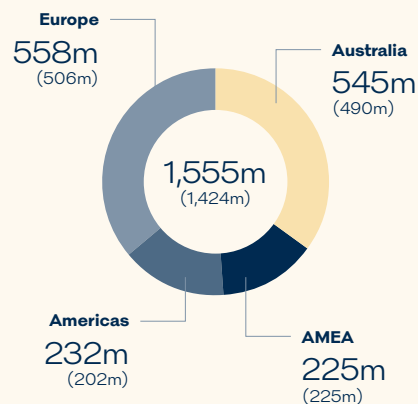
Revenue growth in constant exchange rates

479m

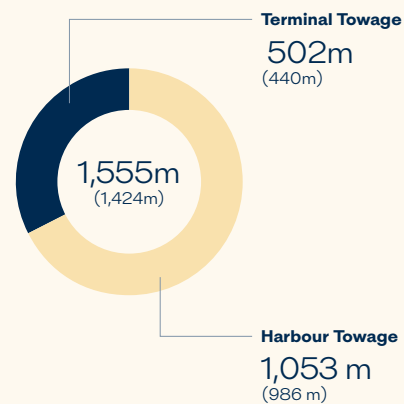
(420m)

Adjusted EBITDA

Revenue by operating segment*



Revenue by business areas*



174m

(118m)

Gross capital expenditure excl. acquisitions and divestments (CAPEX)

30.8%

(29.5%)

Adjusted EBITDA margin

196m

(215m)

Free cash flow

38,109

(37,657)

Number of tug jobs in Harbour Towing

Q1 2023 in brackets unless otherwise stated.

* This excludes revenue from unallocated services or eliminations.

For definitions of terms please refer to page 8.

CEO statement

We are off to a good start of the year with a strong financial and operational performance. Our Q1 revenue growth of 11% in constant exchange rates was driven by a combination of increase in number of tug jobs, tariff increases in line with inflation, and the revenue effect of Terminal Towage contracts commenced in 2023.

Our growth journey continued in the first quarter as we were awarded a new FSRU (Floating Storage Regasification Unit) contract in Santos, Brazil, and successfully performed our first tug jobs in Alexandroupolis, Greece. A few special tug jobs in Australia and Americas contributed to slightly higher than expected revenue in these markets.

The expected listing of Svitzer on Nasdaq Copenhagen on 30 April will be a landmark event in our 190 years' history and provides a solid foundation for executing on our strategy

and continuing to build on our position as a leading global port and terminal infrastructure provider. Organisationally, financially, and operationally we are ready for a future as a stand-alone listed company.



Kasper Friis Nilaus,
Chief Executive Officer

Copenhagen, 25 April 2024

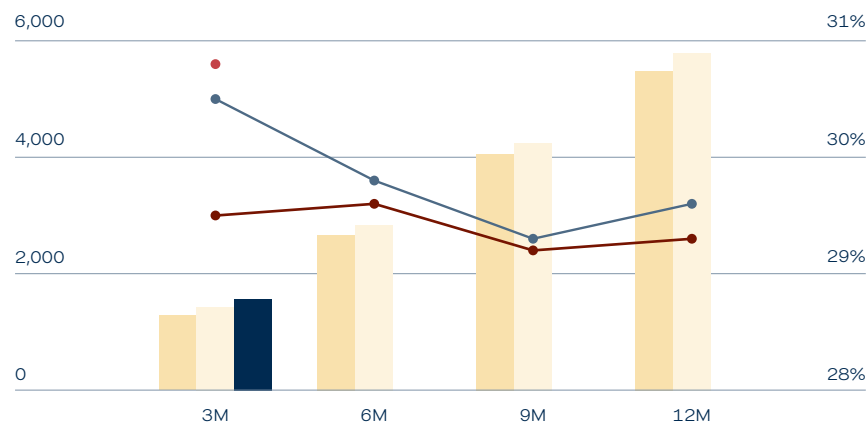


Financial Performance

Revenue and Adjusted EBITDA margin (DKKm)

Revenue: 2022 2023 2024

Adjusted EBITDA Margin: 2022 2023 2024



Revenue increased by DKK 131m to DKK 1,555m (DKK 1,424m) and adjusted for foreign exchange impact, the increase was 11% or DKK 154m.

Revenue for Harbour Towing increased by DKK 67m driven by higher activity and tariff increases in most regions and a new port entry in Brazil in 2023. Terminal Towing revenue increased by DKK 62m primarily impacted by day rate escalations across the business combined with new Terminal Towing contracts commenced in Europe and Australia during second half of 2023 partly offset by the loss of revenue from the closing of operations in Russia.

Operating costs increased by DKK 97m to DKK 1,101m (DKK 1,004m). Variable costs increased driven by higher fuel costs due to activity increases in Americas and higher HVO (Hydrotreated Vegetable Oil) prices in Europe. Vessel costs were higher resulting from an increase in maintenance costs for vessels in AMEA. Staff costs increased across the business affected by inflationary increases.

Svitzer managed to mitigate the financial impact of inflationary increases on costs with timely adjustments on tariffs, day rate escalations and cost management. This resulted in an increase in earnings before interest, depreciation and amortization (EBITDA) to DKK 454m (DKK 420m) and adjusted EBITDA excluding separation and listing costs related to the demerger from A.P. Møller - Mærsk A/S increased to DKK 479m (DKK 420m).

EBITDA margin for the Group was 29.2%. Adjusted EBITDA margin which excludes separation and listing costs related to the demerger from A.P. Møller - Mærsk A/S was at 30.8% (29.5%).

Gross capital expenditure (CAPEX) was DKK 174m (DKK 118m) mainly driven by growth CAPEX of DKK 94m (DKK 35m), dry-docking, fleet renewal and other CAPEX of DKK 80m (DKK 83m).

Segments Performance

Svitzer Australia

Overall Development

Solid financial performance was driven largely by tariff increases in Harbour Towing, revenue effect from commencement of a Terminal Towing contract in 2023 and special tug jobs performed during the quarter.

Key Highlights

- Two newbuild vessels were delivered for BHP contract.

Svitzer Europe

Overall Development

Revenue increased driven by inflationary tariff increases in Harbour Towing and commencement of Terminal Towing contracts in 2023 in Fawley, UK, and Alexandroupolis, Greece. The number of tug jobs in 2024 was negatively impacted by fewer vessel calls in the region.

Key Highlights

- Successfully provided ice-breaking services in Scandinavia.

Svitzer Americas

Overall Development

Positive revenue development was driven by higher Harbour Towing volumes, special tug jobs and ramp up of the Salvador operations in Brazil, combined with a recovery of grain exports from Argentina. Inflation in Argentina has eased, however still remains high impacting operating costs.

Key Highlights

- One newbuild vessel was delivered in Brazil in Q1 2024.
- Two new FSRU contracts started operations in Brazil of which one was a new contract secured in 2024.

Svitzer AMEA

Overall Development

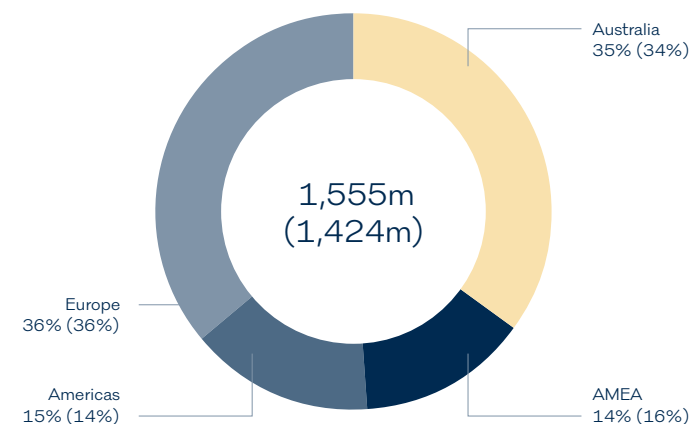
Overall performance remained stable with higher Harbour Towing volumes and day rate escalations in Terminal Towing, partly offset by increased vessel maintenance costs in Bangladesh and Bahrain.

Key Highlights

- Trials with green fuel expanded across the region.

Revenue split Q1 2024 (Q1 2023)

(DKK)



Outlook for 2024*

As per below, Svitzer maintains the outlook published in 2023 Annual Report

Revenue

3.5-5.0% growth in
constant exchange rates basis

Combining the underlying activity growth in the market with price adjustments and new operation, the revenue is expected to grow by 3.5% to 5% in 2024, on a constant exchange rates basis and 1.5% to 3% in estimated average exchange rates basis.

Adjusted EBITDA

DKK 1,700-1,800m

Similar to previous years, Svitzer will continue the efforts to mitigate the inflationary pressure on all cost categories by driving efficiencies. Based on this, combined with the assumptions made on revenue, the adjusted EBITDA margin is expected to be in line with 2023 leading to an expected adjusted EBITDA of DKK 1,700-1,800m, excluding separation and listing cost related to the demerger from A.P. Møller – Mærsk A/S which is expected to amount to DKK 130m.

Gross CAPEX

DKK 900-1,100m

Growth CAPEX is expected to be DKK 400-500m. Fleet renewal, docking, and other CAPEX is expected to be DKK 500-600m. It is assumed that Svitzer continues to invest in commercial and technology upgrades of its fleet and operations and that the fleet does not experience abnormal levels of equipment breakdowns.

* Refer to forward looking statements – risks and uncertainties on page 7

Subsequent events

In April 2024, Svitzer extended an existing agreement with Smit-Lamnalco under which Svitzer will continue to provide towage service delivery on behalf of Smit-Lamnalco in the ports of Melbourne, Botany, Newcastle, and Brisbane, Australia, for four years until 31 August 2028. Under the extended agreement, Svitzer will continue to charter six vessels from Smit-Lamnalco.

The Board of Directors of A.P. Møller – Mærsk A/S has proposed the demerger for approval by the A.P. Møller – Mærsk A/S shareholders at an extraordinary general meeting to be held on 26 April 2024. The anticipated first day of trading for the shares of Svitzer Group on Nasdaq Copenhagen is on 30 April 2024.

This Q1 Trading statement does not fully include the activity of four tugboats currently owned by A.P. Møller - Mærsk A/S, which will be transferred to Svitzer Group A/S upon completion of the contemplated demerger. This activity is deemed non-material, and the Q1 Trading statement represents in all material respect the financial position, the results of operations and cash flows of the Svitzer Group.

Forward-looking statements – risks and uncertainties

This trading statement contains forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as “believe”, “expect”, “anticipate”, “intends”, “estimate”, “will”, “may”, “continue”, “should”, and similar expressions.

The forward-looking statements in this trading statement are based upon various assumptions, many of which are based, in turn, upon further assumptions.

Although Svitzer believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control.

These factors include general economic and business conditions, changes in exchange rates, demand for Svitzer's services, competitive factors within the global towage industry, operational issues in one or more of the company's markets and regions, and uncertainties regarding the purchase and divestment of businesses.

Financial Calendar for Svitzer Group A/S

14 August 2024

Q2 interim report 2024

13 November 2024

Q3 Trading statement 2024

Definition of Terms

Technical terms, abbreviations and definitions of key figures and financial ratios

A

Adjusted EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation excluding seperation and listing costs related to the demerger from A.P. Møller - Mærsk A/S.

Adjusted EBITDA margin: Adjusted EBITDA divided by Revenue.

C

CAPEX or Gross CAPEX: CAPEX or Gross capital expenditure refers to cash payments for intangible assets and property, plant and equipment, excluding acquisitions and divestments.

E

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation.

EBITDA Margin: EBITDA divided by Revenue.

F

Free cash flow: Cash flow from operation activities, purchase-sale of intangible assets and property, plant and equipment, dividends received, repayments of lease liabilities, financial payments and financial expenses paid on lease liabilities.

G

Growth CAPEX: CAPEX predominantly related to growth.

H

Harbour Towage: A towage service by tugboats to vessel owners or operators at various ports and harbours.

R

Revenue Growth: Increase in revenue over a financial period.

T

Terminal Towage: A towage service by tugboats dedicated to a specific terminal.

Tug Jobs (Harbour Towage): The number of harbour towage tug jobs performed by the Svitzer Group in a relevant financial period.

SVITZER

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CVR. Number 43 26 60 12
Established on 3 March 1833
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Designations

The Svitzer Group, Svitzer, the Company,
and Svitzer A/S consolidated with its
subsidiaries and associated companies
are used interchangeably.

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