

Our Performance

Our business generated an underlying loss of US\$26.6 million (2019: underlying loss of US\$0.6 million) in volatile and overall weaker minor bulk market conditions during the global Covid-19 pandemic. We delivered daily TCE earnings that outperformed the BHSI and BSI indices, generated strong operating activity margins, and continued to maintain good control of our vessel operating costs.

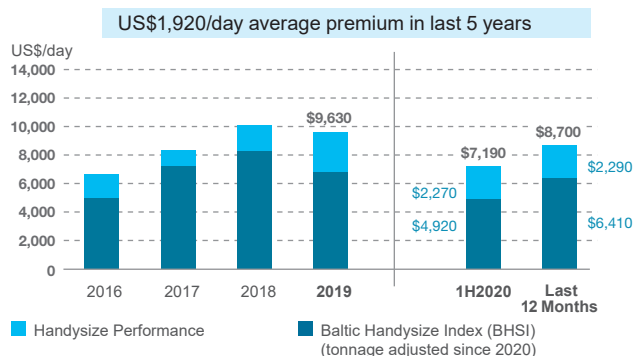
US\$ Million	Six months ended 30 June		
	2020	2019	Change
Core business Handysize contribution	(16.0)	16.3	>-100%
Core business Supramax contribution	5.0	6.7	-25%
Operating activity contribution	12.5	5.6	+123%
Post-Panamax contribution	2.1	2.1	0%
Performance before overheads	3.6	30.7	-88%
Adjusted total G&A overheads	(30.0)	(30.5)	+2%
Tax and others	(0.2)	(0.8)	+75%
Underlying loss	(26.6)	(0.6)	>-100%
Vessel net book value	1,717.5	1,842.7	-7%

+/- Note: In our tabulated figures, positive changes represent an improving result and negative changes represent a worsening result.

CORE BUSINESS

TCE EARNINGS AND OUTPERFORMANCE KPI

Handysize



TCE EARNINGS KPI

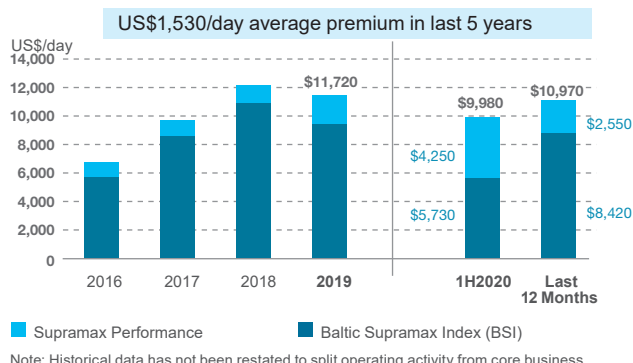
US\$7,190 per day (net)

OUTPERFORMANCE VS MARKET KPI

US\$2,270 per day (net)

TCE EARNINGS AND OUTPERFORMANCE KPI

Supramax



TCE EARNINGS KPI

US\$9,980 per day (net)

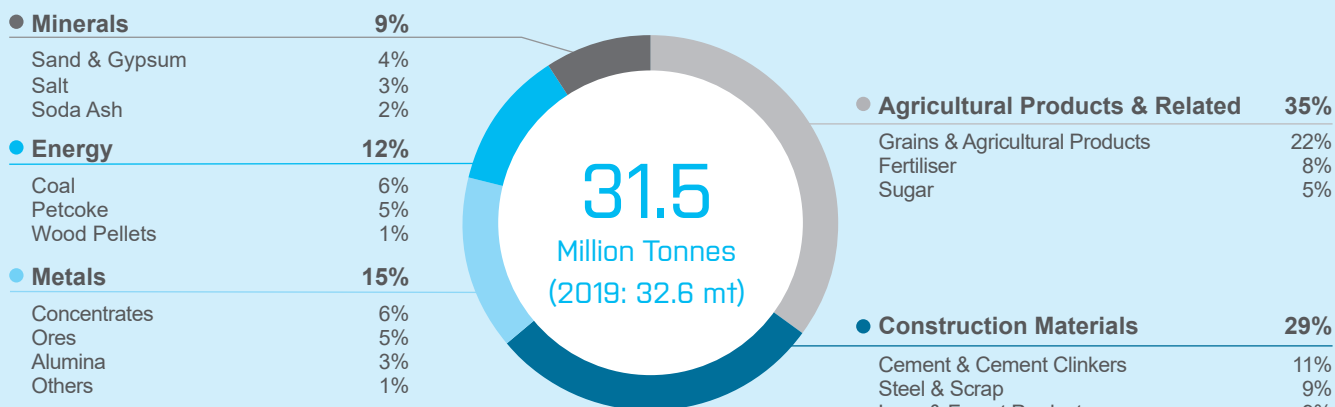
OUTPERFORMANCE VS MARKET KPI

US\$4,250 per day (net)

- Our core business generated:
 - Handysize daily earnings of US\$7,190 on 16,980 revenue days.
 - Supramax daily earnings of US\$9,980 on 6,950 revenue days.
- Our Handysize and Supramax contributions reduced due to volatile and overall weaker minor bulk market conditions, despite our strong outperformance compared to spot market indices and our good cost control.
- Our Supramax outperformance in the first half was particularly strong due to the significant scrubber benefit that we saw early in the period.
- Our outperformance compared to spot market indices reflects the value of our fleet scale and cargo book, and our ability to optimise cargo combinations and match the right ships with the right cargoes to maximise our utilisation and vessel earnings.

Starting from 2020, we compare our Handysize TCE performance against the new 38,000 dwt Baltic Handysize Index, tonnage-adjusted to the average vessel size of our core Handysize fleet.

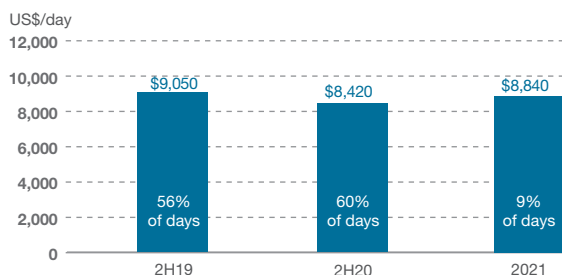
Our Cargo Volumes in 1H2020



Handysize

FUTURE EARNINGS AND CARGO COVER **KPI**

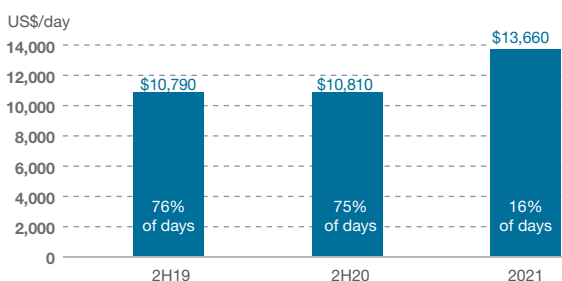
US\$8,420 per day (net)



Supramax

FUTURE EARNINGS AND CARGO COVER **KPI**

US\$10,810 per day (net)

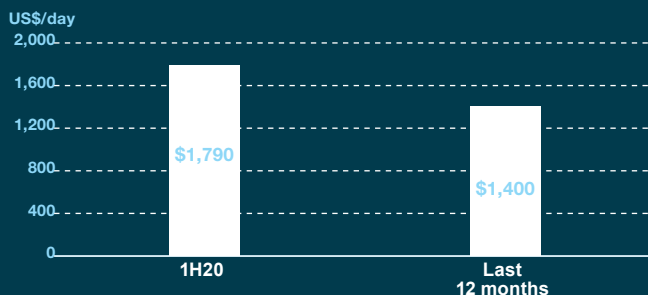


- We have covered 60% and 75% of our 19,070 Handysize and 10,040 Supramax vessel days currently contracted for the second half of 2020 at US\$8,420 and US\$10,810 per day net respectively. (Cargo cover excludes operating activity.)

OPERATING ACTIVITY

MARGIN **KPI**

US\$1,790 per day (net)



- Our operating activity generated a margin of US\$1,790 net per day over 6,940 operating days in the first half of the year and US\$1,400 net per day over 13,610 operating days in the past 12 months on short-term ships that we chartered specifically to carry spot cargoes.
- Our operating activity complements our core business by matching our customers' spot cargoes with short-term chartered ships (when our core ships are unavailable), thereby making a margin and contributing to our group results regardless of whether the market is weak or strong.

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TCE and Margin Explanation

How we now present TCEs generated by our core business and margins generated by our operating activity

