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.

### CORE BUSINESS

**TCE EARNINGS AND OUTPERFORMANCE KPI**

**Handysize**

- **US$1,920/day average premium in last 5 years**
- **TCE Earnings KPI**
  - US$7,190 per day (net)
- **Outperformance vs Market KPI**
  - US$2,270 per day (net)

**Supramax**

- **US$1,530/day average premium in last 5 years**
- **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 Performance

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.

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.)

Our Cargo Volumes in 1H2020

- **Minerals**
  - Sand & Gypsum 4%
  - Salt 3%
  - Soda Ash 2%

- **Energy**
  - Coal 6%
  - Petcoke 5%
  - Wood Pellets 1%

- **Metals**
  - Concentrates 6%
  - Ores 5%
  - Alumina 3%
  - Others 1%

- **Agricultural Products & Related**
  - Grains & Agricultural Products 22%
  - Fertiliser 8%
  - Sugar 5%

- **Construction Materials**
  - Cement & Cement Clinkers 11%
  - Steel & Scrap 9%
  - Logs & Forest Products 9%

**FUTURE EARNINGS AND CARGO COVER**

- **Handysize**
  - **US$8,420** per day (net)
  - **US$/day**
    - 2H19: $8,000
    - 2H20: $9,420
    - 2021: $6,640
  - 56% of days

- **Supramax**
  - **US$10,810** per day (net)
  - **US$/day**
    - 2H19: $10,330
    - 2H20: $10,810
    - 2021: $13,660
  - 76% of days

**OPERATING ACTIVITY**

- **MARGIN**
  - **US$1,790** per day (net)
  - **US$/day**
    - 2H19: $1,790
    - 2H20: $1,400
    - Last 12 months: $8,840
  - 56% of days
  - 60% of days
  - 9% of days

**FUTURE EARNINGS AND CARGO COVER**

- **Handysize**
  - **US$8,420** per day (net)
  - **US$/day**
    - 2H19: $8,000
    - 2H20: $9,420
    - 2021: $6,640
  - 56% of days

- **Supramax**
  - **US$10,810** per day (net)
  - **US$/day**
    - 2H19: $10,330
    - 2H20: $10,810
    - 2021: $13,660
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