

## Press Release

### Pacific Basin Announces 2020 Interim Results

**Global Covid-19 containment measures impacted dry bulk trade and our underlying results, but we achieved a positive EBITDA of US\$79 million and continued to significantly outperform the market**

**We have cash and committed liquidity of US\$350 million**

**Freight market earnings have improved since May, and we expect a seasonally stronger albeit volatile second half and generally improved market conditions**

Hong Kong, 30 July 2020 – Pacific Basin Shipping Limited (“Pacific Basin” or the “Company”, SEHK 2343), one of the world’s leading dry bulk shipping companies, today announced unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2020.

Mr. Mats Berglund, CEO of Pacific Basin, said:

*“In a challenging half-year period dominated by the global Covid-19 pandemic and related economic disruption and weaker dry bulk freight rates, we delivered a positive EBITDA of US\$79.2 million. Our core business of deploying owned and long-term chartered ships generated Handysize and Supramax TCE earnings that outperformed the BHSI (tonnage adjusted) and BSI spot market indices by US\$2,270 and US\$4,250 respectively. Our operating activity generated a margin of US\$1,790 net per day.*




*Our underlying results were negatively impacted by global efforts to contain the pandemic while the dry bulk fleet continued to grow. Overall, we made a net loss of US\$222.4 million, mostly attributable to a US\$198.2 million one-off non-cash impairment of our Handysize core fleet (primarily our smallest and oldest Handysize vessels), which does not impact our operating cash flows, EBITDA or available liquidity, and will result in lower depreciation costs, higher EPS and higher return on equity going forward, all things being equal.*

#### Financial Highlights

US\$ Million	Six Months Ended 30 June	
	2020	2019
Revenue	681.5	767.1
EBITDA <sup>#</sup>	79.2	101.1
Underlying loss	(26.6)	(0.6)
(Loss)/profit attributable to shareholders	(222.4)	8.2
Basic earnings per share (HK cents)	(37.1)	1.4
Dividend per share (HK cents)	–	–

<sup>#</sup> EBITDA (earnings before interest, tax, depreciation and amortisation) is gross profit less indirect general and administrative overheads, excluding: depreciation and amortisation; exchange differences; share-based compensation; and, net unrealised derivative income and expenses.

#### Our Fleet (as at 30 June 2020)

		Vessels in operation			Total
		Owned	Long-term Chartered	Short-term Chartered <sup>1</sup>	
	Handysize	81	15	42	138
	Supramax	35	4	56	95
	Post-Panamax	1	1	0	2
	Total	117	20	98	235

<sup>1</sup> Average number of short-term and index-linked vessels operated in June 2020

*We secured a new revolving credit facility and finalised additional committed borrowings which have enhanced our committed liquidity position to US\$349.5 million.*

*Chinese economic activity has significantly recovered, grain volumes are stronger compared to last year, and indicative iron ore loadings are at all-time highs. Many countries have begun to ease pandemic-related national lockdowns since May and are now applying more targeted measures to contain the spread and enable more economic activity. We expect coal and construction materials such as steel, cement and logs which suffered during earlier lockdowns to slowly recover. Freight market earnings have improved since May, and we anticipate a seasonally stronger albeit volatile second half and generally improved market conditions, assisted by stimulus measures and potential supply-side improvements including fewer newbuilding deliveries.”*

(Continued)

“Our healthy balance sheet and strong liquidity position, combined with our substantially larger owned fleet, our ability to outperform the market indices and our competitive cost structure, position us well for what we believe will be improved freight market conditions in the second half.

Crew changes remain our and our industries’ biggest challenge, as disembarkation bans, travel restrictions, flight unavailability and quarantine requirements in many countries have made it very difficult for ship owners and managers to change crews and get seafarers home. We are supporting our seafarers vigorously and continue to work hard with authorities and industry organisations to push for solutions.”

For details, please see our 2020 Interim Results Announcement in the Investor section of our website at [www.pacificbasin.com/en/ir/iroverview.php](http://www.pacificbasin.com/en/ir/iroverview.php). Our full Interim Report will be published on or around 14 August 2020.

### About Pacific Basin

Pacific Basin Shipping Limited ([www.pacificbasin.com](http://www.pacificbasin.com)) is one of the world’s leading owners and operators of modern Handysize and Supramax dry bulk vessels. As at 30 June 2020, the Company operated over 230 dry bulk ships of which 117 are owned and the rest chartered. Pacific Basin is listed and headquartered in Hong Kong, and provides a quality service to over 500 customers, with over 3,900 seafarers and 345 shore-based staff in 12 offices in key locations around the world.

For further information, please contact:

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Winner of the  
Deal of the Year Award

> Winner: Excellence in Dry Bulk Shipping  
**Pacific Basin Shipping**

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## Unaudited Condensed Consolidated Income Statement

Six months ended 30 June

	2020 US\$'000	2019 US\$'000
Revenue	681,487	767,140
Cost of services	<u>(683,280)</u>	<u>(735,882)</u>
Gross (loss)/profit	(1,793)	31,258
Indirect general and administrative overheads	(3,123)	(3,582)
Vessel Impairment	(198,203)	-
Other income and gains	348	367
Other expenses	(1,009)	(189)
Finance income	2,172	3,323
Finance costs	<u>(20,266)</u>	<u>(22,344)</u>
(Loss)/profit before taxation	(221,874)	8,833
Tax charges	<u>(503)</u>	<u>(616)</u>
(Loss)/profit attributable to shareholders	<u>(222,377)</u>	<u>8,217</u>
Earnings per share for (loss)/profit attributable to shareholders (in US cents)		
Basic earnings per share	(4.77)	0.18
Diluted earnings per share	(4.77)	0.18

## Unaudited Condensed Consolidated Balance Sheet

	30 June 2020 US\$'000	31 December 2019 US\$'000
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	1,721,815	1,875,352
Right-of-use assets	67,096	77,835
Subleasing receivables	-	1,915
Goodwill	25,256	25,256
Derivative assets	9,135	1,464
Trade and other receivables	7,852	25,487
Restricted bank deposits	51	51
	<u>1,831,205</u>	<u>2,007,360</u>
Current assets		
Inventories	74,142	90,381
Current portion of subleasing receivables	5,314	6,692
Derivative assets	16,158	2,495
Trade and other receivables	65,990	82,714
Assets held for sale	11,880	4,400
Cash and deposits	315,990	200,193
	<u>489,474</u>	<u>386,875</u>
<b>Total assets</b>	<u><b>2,320,679</b></u>	<u><b>2,394,235</b></u>
<b>Equity</b>		
Capital and reserves attributable to shareholders		
Share capital	47,889	47,039
(Accumulated losses)/retained profits	(25,479)	208,698
Other reserves	1,021,876	1,020,195
<b>Total equity</b>	<u><b>1,044,286</b></u>	<u><b>1,275,932</b></u>
<b>Liabilities</b>		
Non-current liabilities		
Long-term borrowings	855,535	736,101
Lease liabilities	48,261	53,770
Derivative liabilities	25,341	13,090
Trade and other payables	1,339	2,123
	<u>930,476</u>	<u>805,084</u>
Current liabilities		
Current portion of long-term borrowings	165,216	127,050
Current portion of lease liabilities	33,326	39,137
Derivative liabilities	15,788	1,937
Trade and other payables	131,128	143,949
Taxation payable	459	1,146
	<u>345,917</u>	<u>313,219</u>
<b>Total liabilities</b>	<u><b>1,276,393</b></u>	<u><b>1,118,303</b></u>