



# OUR VIEW ON THE EUROPEAN RORO AND ROPAX MARKET

21 MAY, 2015

ÅLAND

# OUR FLEET

- Majority of the DFDS fleet is Freight vessels
- Approx. 80 % of the fleet is owned
- The combined lane meter capacity is 96.900 (entire fleet)

## Vessel types in DFDS

### RoRo



- 21 vessels (total)
- 16 owned vessels
- 11 years in avg age

### RoPAX



- 9 vessels (total)
- 7 owned vessels
- 16 years in avg age

### Day ferries



- 5 vessels (total)
- 4 owned vessels
- 13 years in avg age

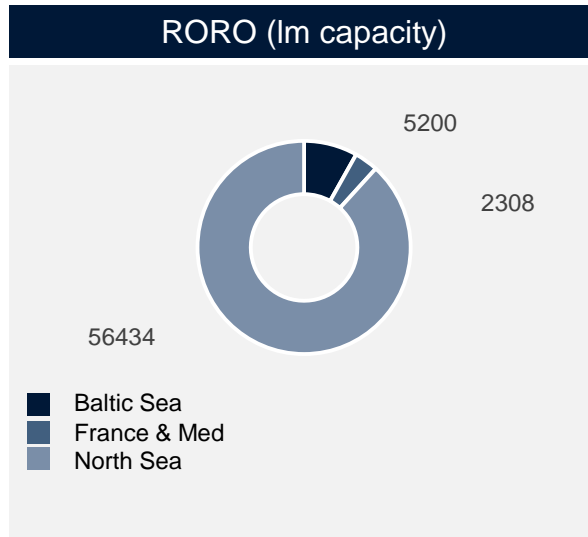
### Cruises ferries



- 4 vessels (total)
- 4 owned vessels
- 26 years in avg age

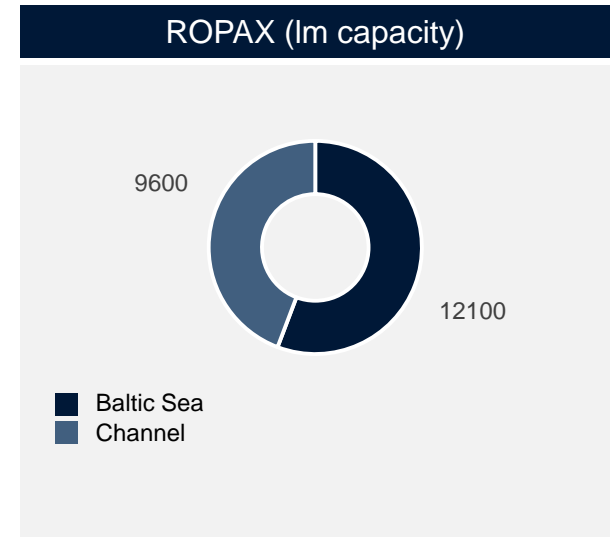
# WHERE DO WE TRADE OUR SHIPS?

## Capacity split per area



## Key Characteristics Vessel type

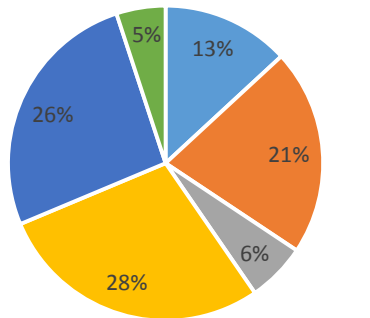
- Drop trailer traffic
- Vast cargo mix able to load Cars, Container, mafi
- Industrial solutions
- Terminal to terminal



- Accompanied trailers
- Sensitive cargo, i.e. fresh produce, flowers etc
- Port to port
- Fast turnaround
- Stevedore onboard (=driver)

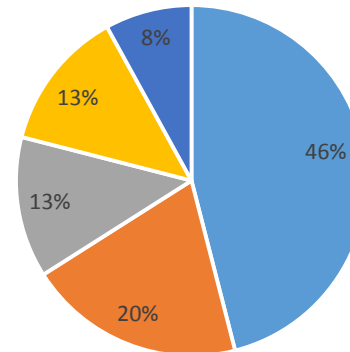
# EUROPEAN SHORT SEA MARKET

Transported Volume by region in %



■ Atlantic ocean ■ Baltic sea ■ Black sea  
■ Mediterranean ■ North sea ■ Others

Transported Volume by type of cargo in % in 2013

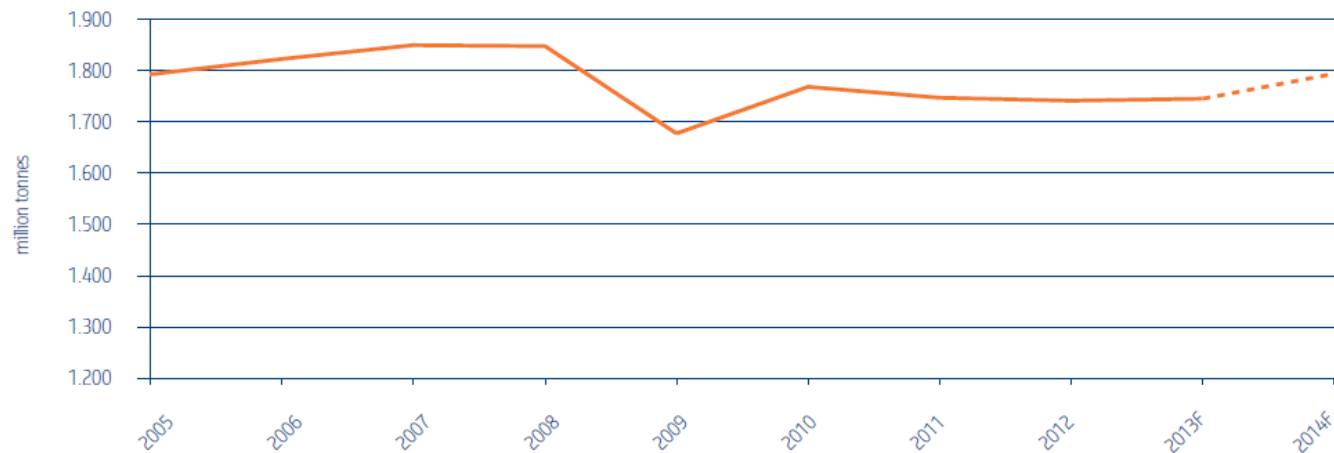


■ Liquid Bulk ■ Dry bulk ■ Containers ■ RoRo ■ Others

- Significant share of intra European trade take place in North- and Baltic Sea (47%)
- RoRo equal to container volume, in intra Europe trade

# DEVELOPMENT AND ESTIMATES

Chart 5 Development EU-27 Short Sea gross weight of goods in million tons

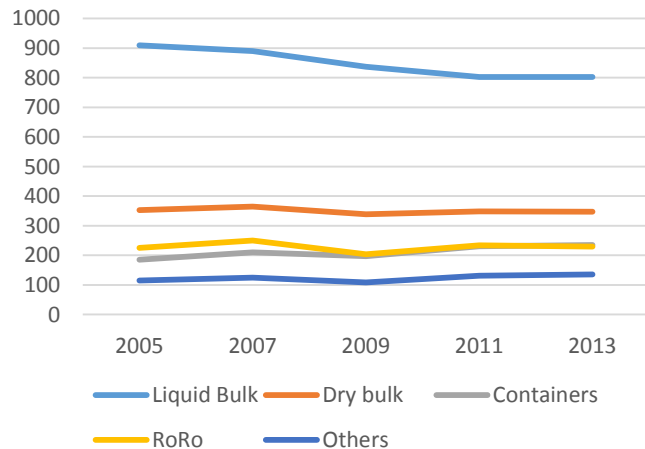


Source Analysed by Bloem Doze Nienhuis, based on Eurostat

- Stable volumes
- Dropp after financial crisis but volumes back pre Lehman

# DEVELOPMENT OF EUROPEAN SHORT SEA MARKET

## Total Short Sea Market volumes



Source: Eurostat & Bloem Doze Nienhuis

- Roro volumes dropped abt 20% in 2009
- RoRo have been stable arnd 230 million tons the last years

# GROWTH RATE

Chart 2 EU-27 GDP growth and total seaborne trade growth rates

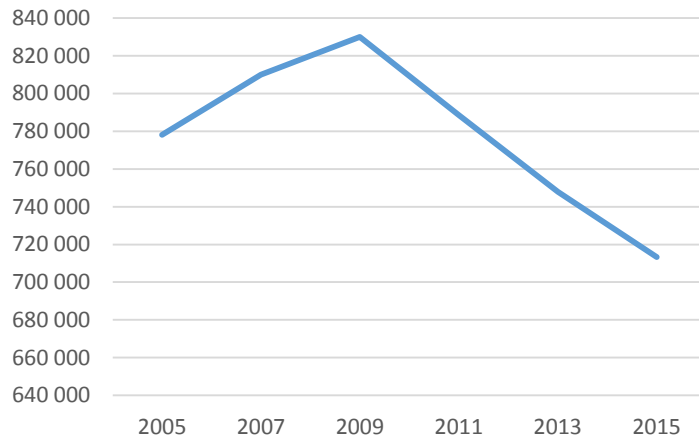


Source: Eurostat and Bloem Doze Nienhuis

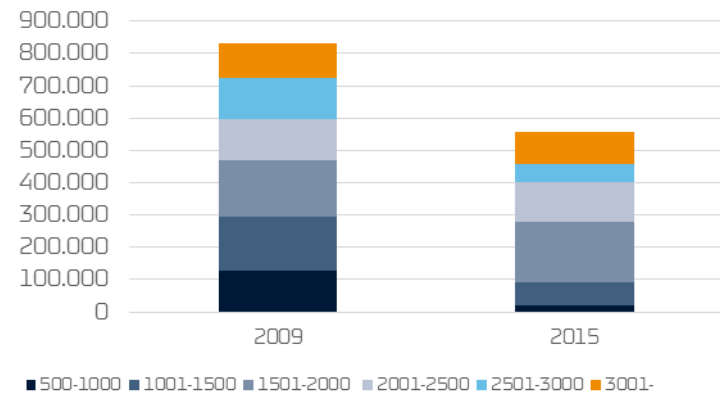
- Volume follow GDP development

# LANEMETER DEVELOPMENT

## RORO market development



## ROPAX market development

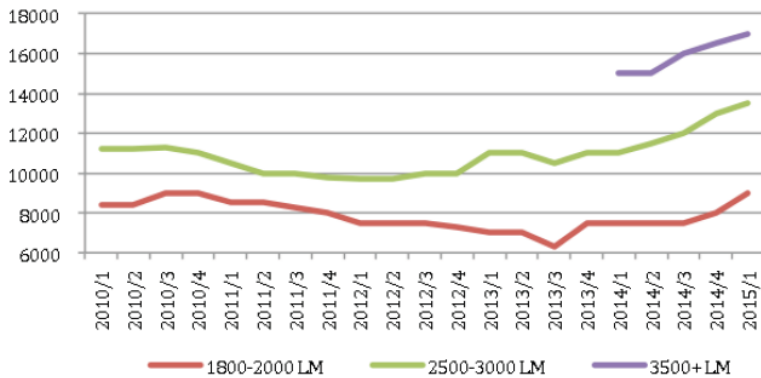


- Fleet have decreased, both in Im and number of ships
- Size of ships increase
- Basically no orderbook in neither of segments



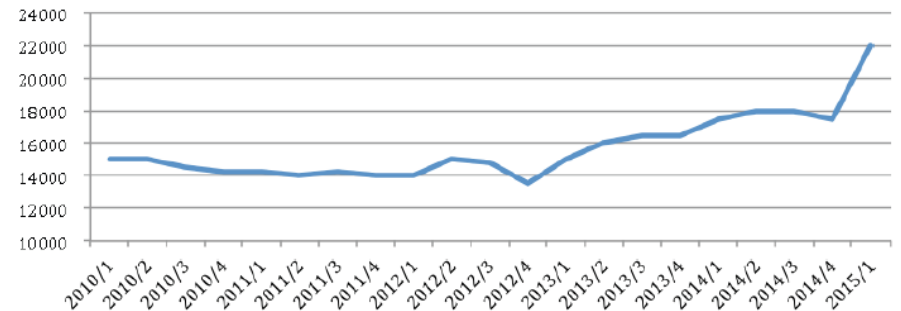
# RORO & ROPAX RATES

**Short Sea RoRo - est 6-12 months TC rates EUR/day**



Source: Fearnleys & Grifone shipbrokers

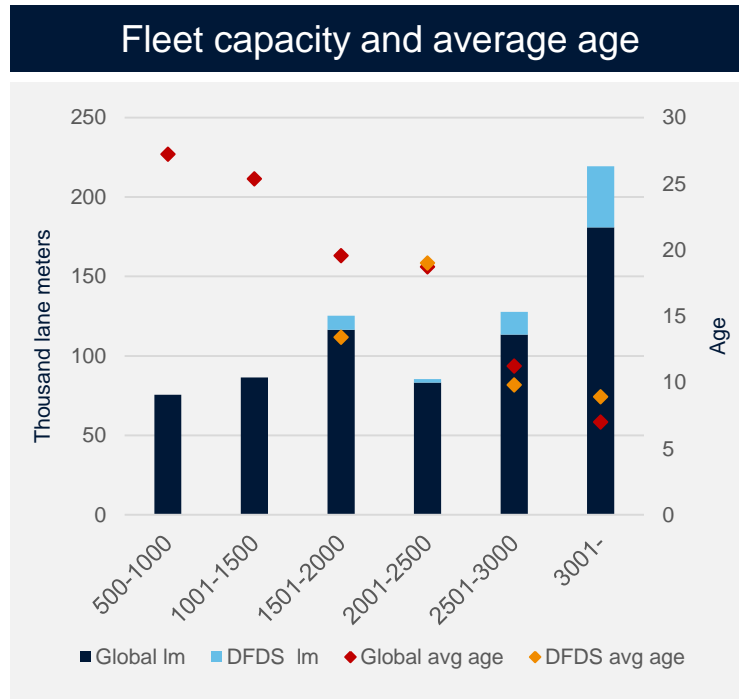
**RoPax "Visentini-type" max 5 years old est 12 months TC rate EUR/day**



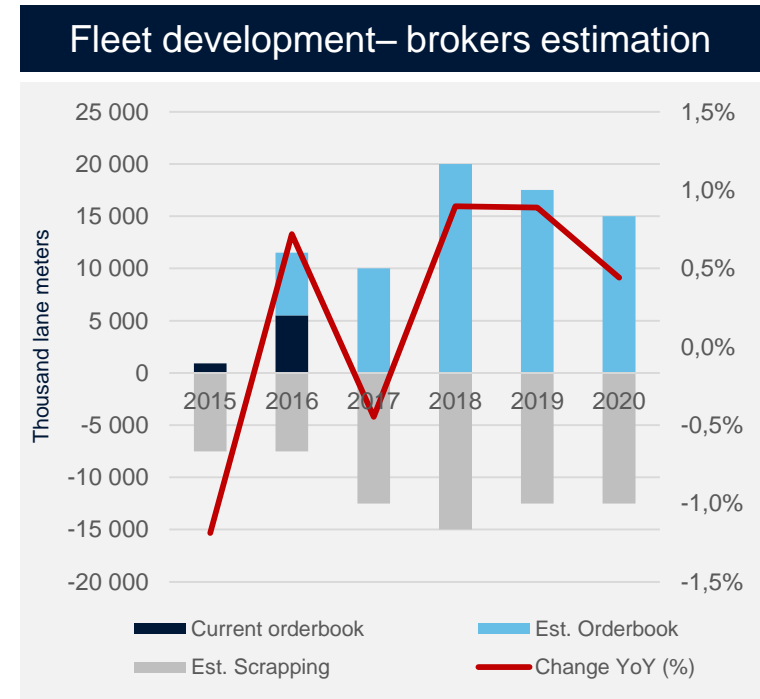
Source: Fearnleys & Grifone shipbrokers

- Rates peaked in 2008
- Soft strengthening since 2011 and sharp increase start of 2015

# CURRENT RORO MARKET AND EXPECTED DEVELOPMENT

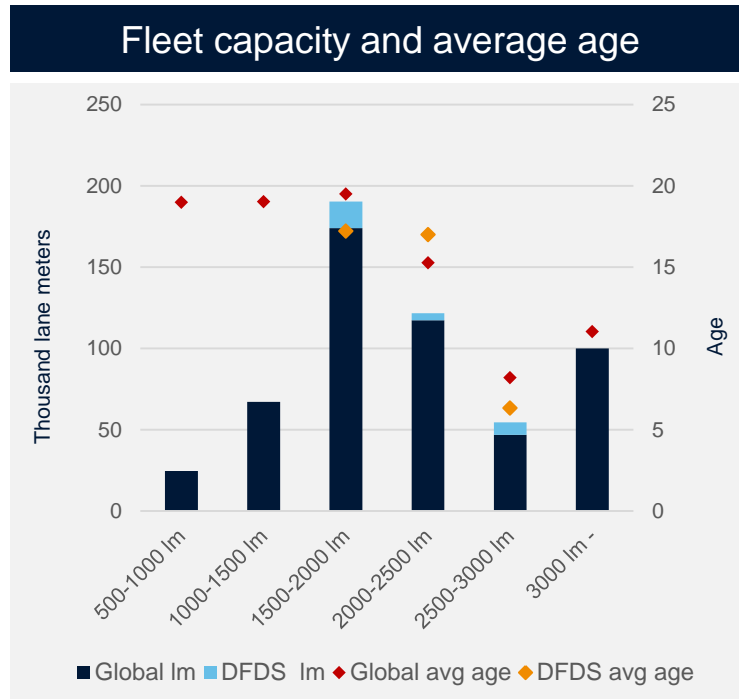


- RoRo tonnage is moving towards larger vessels (+3.000 lanemeters)
- Vessels below 2.000 Im are not economically sustainable to the DFDS network
- Majority of DFDS units is above 3.000 Im

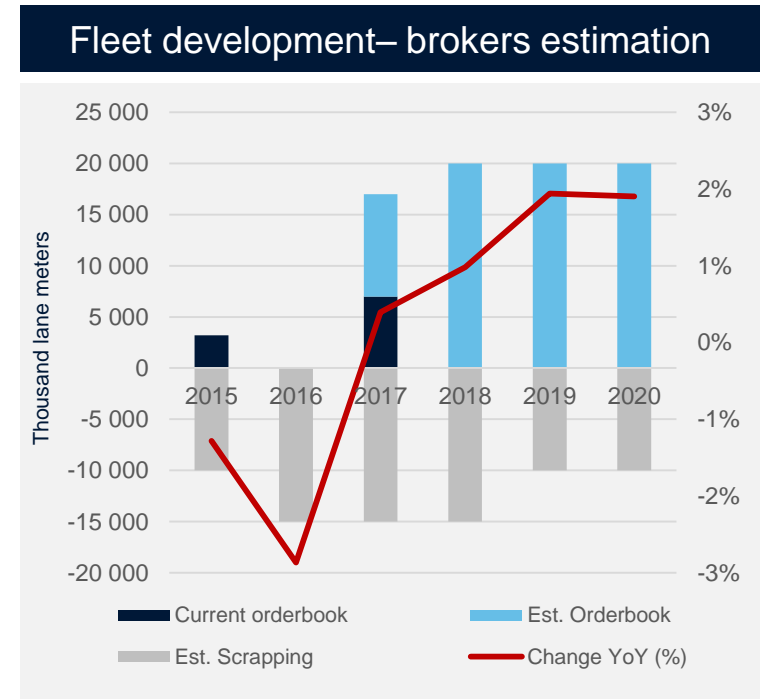


- Limited to no growth in RoRo tonnage supply within the next 5 years (1 % increase YoY max)
- Scrapping is also at a low estimated level
- Mostly scrapping of smaller vessels (below 2,000 Im) is expected (due to age)

# CURRENT ROPAX MARKET AND EXPECTED DEVELOPMENT



- RoPAX tonnage is moving towards larger vessels
- Global average age is considerably higher compared to RoRo especially among Ferries.



- Few newbuildings currently ordered
- Moderate growth estimate for the next 5 years (2% YoY growth max)
- Estimated scrapping level are considered moderate for the next 5 years

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## WHAT CAN WE DO TO STRENGTHEN OUR POSITION?

- We can keep our fleet size by calling on existing options
- We can increase our fleet by adding more ships
- We can lengthen/convert some of our ships
- We can contract new Buildings
- We can buy other companies



## WHAT DO WE BELIEVE WILL HAPPEN

- Further consolidation
- Fleet will contract slowly over the coming 3-5 years
- Fewer ports
- Extended offering which will include inland transport (rail etc)
- Ships will be extended with current charters, limited amount of new deals
- New Building projects will be started/launched

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# Thank You!