

Rickmers Holding AG

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Rickmers Group: declining revenues in first half of 2016 - consolidated result burdened by impairments

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Revenues fall 13.9 percent compared to H1 2015 to EUR 249.3 million
Operating result (EBITDA) 36.1 percent lower at EUR 87.7 million
Group net profit burdened by EUR 124 million in extraordinary net impairments on vessels
Core credit agreements with banks successfully extended
Package of measures to strengthen liquidity and finance position
Outlook confirmed for 2016 financial year

Hamburg, 12 August 2016

In the first half of 2016 the Rickmers Group generated consolidated revenues of EUR 249.3 million, 13.9 percent lower than in the corresponding period in 2015 (EUR 289.6 million). The main underlying factors are the persistently strained market situation, expiring high-margin charter contracts, follow-on charters at the prevalent low market rates, lower freight earnings, and a sharper decline in capacity utilisation in the project cargo business. The Group's operating result before interest, taxes, depreciation and amortisation (EBITDA) saw a clear fall of 36.1 per cent to EUR 87.7 million (H1 2015: EUR 137.4 million), following the decline in revenues compounded by comparatively steep falls in other operating income, due in particular to exchange-rate effects. Positive effects from financial derivative instruments were overshadowed by the weak operating result and extraordinary net impairments on vessels, as reflected by the net result. Following a positive net earnings result of EUR 2.6 million in the first half of 2015, the consolidated net result for H1 2016 shows a EUR 131.5 million loss.

In the Maritime Assets business segment the Rickmers Group generated revenues of EUR 172.9 million in the first half of 2016 (H1 2015: EUR 199.6 million), and EBITDA of EUR 100.3 million (H1 2015: EUR 129.7 million). The Maritime Services segment reported revenues of EUR 65.2 million (H1 2015: EUR 58.8 million) and EBITDA of EUR 4.8 million (H1 2015: EUR 7.6 million). The Rickmers-Linie segment saw revenues of EUR 64.9 million (H1 2015: EUR 89.1 million) and reported EBITDA of EUR -5.3 million (H1 2015: EUR 2.9 million). The rating agency Creditreform maintains its CCC assessment of the Rickmers Group.

Package of measures to strengthen liquidity and finance position

The package of measures approved by the Rickmers Holding AG Management Board on 4 March 2016 and subsequently developed further is intended to counteract the weak market conditions, strengthen the Rickmers Group's liquidity position, and reorganise the company's debt structure. Implementation of the approved measures proceeds, and further options for action are being examined on an ongoing basis.

Core credit agreements with banks successfully extended

The Rickmers Group had already renegotiated its core bank loans amounting to USD 1.39 billion as early as February 2015. In the first half of 2016 the company reached agreement with one of its main banking partners on the early term extension to 2020/2021 respectively of a very significant part of this loan package, valued at almost USD 520 million as at the balance-sheet date of 31 December 2015.

Outlook confirmed for 2016 financial year

With the presentation of its half-year figures, the Management Board of the Rickmers Group reaffirms its forecast provided in the 2015 Annual Report, and subsequently confirmed in its earnings guidance for the full 2016 financial year provided in the first quarter. In view of the lowered forecasts for global economic growth as well as the global container trade, the Rickmers Group currently sees no sign of a macroeconomic recovery in the second half of the year. This situation is reflected by the development of charter and freight rates, which the management sees as likely to remain at their current low levels. Based on the declining development in revenues, due amongst other factors to the deconsolidation on 1 January 2016 of a joint venture comprising three 9,450 TEU container vessels, lower spot charter rates, persistently low freight rates, and falling capacity utilisation in the project-cargo business, the management continues to expect an operating result (EBITDA) of Rickmers Group for the 2016 financial year clearly below the relevant 2015 figure.

The Rickmers Group Half-Year Report is scheduled for publication on 30 August 2016.

About the Rickmers Group

The Rickmers Group is an international service provider in the maritime transport sector and a containership owner with a global blue chip customer base. It is represented in its main offices in Hamburg and Singapore, in eleven countries and more than 50 sales agencies worldwide. The Group's business activities are divided into three segments: Maritime Assets, Maritime Services and Rickmers-Linie.

In the Maritime Assets segment the Rickmers Group is active as Asset Manager for its own vessels and also for those of third parties. The Group initiates and coordinates shipping projects, organises financing and acquires, charters and sells ships. In the Maritime Services business segment the Rickmers Group provides shipmanagement services for its own vessels as well as for those owned by third parties; these services comprise technical and operational management, crewing, newbuild supervision, consultancy and insurance-related services. In the Rickmers-Linie business segment the Rickmers Group operates as a shipping line for breakbulk, heavy lift and project cargo, and additionally offers individual voyages.

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