

Press release

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Scandlines generated solid 2019 results despite traffic decline

Scandlines generated stable and solid financial results in 2019 despite challenging market conditions affecting traffic volumes. Operational efficiency was strong, and the group's two ferry routes completed more than 41,500 departures and transported 7.2 million passengers between Germany and Denmark, while Scandlines continued to build a more competitive business through investing in green initiatives and further strengthening the group's financing.

Scandlines reported stable group revenue of EUR 475 (2018: EUR 477 million) in 2019 due to soft economic indicators in Sweden and Germany resulting in a slight drop in traffic volume and relatively stable BorderShop activity. Revenue from the two ferry routes was unchanged at EUR 352 million despite a moderate decline across traffic segments following years of growth in the freight business in particular. BorderShop revenue saw a minor decline to EUR 124 million (2018: EUR 125 million) as leisure travel declined slightly and fewer Swedes visited the group's BorderShops due to the weak Swedish currency.

Group profitability remained steady in 2019 as Scandlines generated profit from ordinary activities (recurring EBITDA) of EUR 188 million (2018: EUR 191 million) corresponding to an unchanged recurring EBITDA margin of 40 percent. The solid profitability level was secured mainly by means of cost control measures compensating for the lower traffic volumes during the year. Scandlines continues to see potential for improvement in the coming years as efforts continue to optimise and develop the business.

"We continued to strengthen and develop our business, enabling us to deliver stable earnings in 2019 and further underpinning a sustainable future for Scandlines as a highly competitive, reliable and increasingly green part of European infrastructure. We have considered green investments and initiatives an integral part of our strategy for many years and a clear precondition for ensuring long-term competitiveness in our market. The commissioning and success of our green hybrid ferries on the Rostock-Gedser route has underlined this point, and we continued on this path in 2019 as we installed new thrusters on M/V Schleswig-Holstein operating the Puttgarden-Rødby route and prepared the installation of a custom-made 30 meter-high rotor sail on M/V Copenhagen," says CEO Søren Poulsen Jensen.

Scandlines' business and surroundings will benefit from the green investments, and efforts will continue in 2020 with the aim of making the Puttgarden-Rødby route a zero emission crossing in the foreseeable future and ensuring operational excellence and competitiveness.

"We saw relatively stable business developments in the first months of 2020, but the outbreak of COVID-19 across Europe and subsequent travel restrictions entail a high degree of uncertainty and very limited visibility for the remainder of the year. While private passenger traffic and BorderShops are expected to be severely impacted by the situation, we have continued operations to serve our freight segment ensuring critical deliveries of goods, medicine and other necessities. We are taking all necessary precautions to protect our employees and customers, while continuing to accomplish our purpose as a vital piece of infrastructure connecting Continental Europe and Scandinavia during a difficult period," says CEO Søren Poulsen Jensen.

The outbreak of COVID-19 is expected to have a significant negative impact on traffic figures and financial performance for the year. Efforts are made to alleviate the impact of these negative external effects through cost control measures and efficiency enhancements, but due to the high degree of uncertainty and very low visibility, management is currently not in a position to provide precise financial guidance for 2020.

In MEUR	2019	2018
Revenue	475	477
Result from ordinary activities, excl. special items (recurring EBITDA)	188	191
Amortisation and depreciation	-39	-38
Result from ordinary activities (EBIT)	142	148
Net financials	-22	-20
Result before tax	121	128
Result for the year	115	125
Total assets	1256	1277
Investments (capital expenditure)	22	13
Interest bearing liabilities	978	768
Average number of employees (FTE)	1533	1534

The full annual report for Scandferries ApS can be downloaded [here](#).

About Scandlines

Scandlines stands as a symbol of a historical and close cooperation between Denmark and Germany. Scandlines operates two ferry routes with high capacity and frequency as well as with a green vision for the future.

The core business is to provide an efficient and reliable transport service for both passengers and freight customers. The main focus for all activities in Scandlines is to create value for our customers on board the ferries as well as in our shops.

With more than 41,500 departures on 8 ferries, in 2019 Scandlines transported 7.2 million passengers, 1.7 million cars and around 0.7 million freight units on the routes Puttgarden-Rødby and Rostock-Gedser. Scandlines had 1,533 full time employees (FTE) and revenue of EUR 475 million.

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