



GRAM CAR  
CARRIERS

# Nordnet Q1 2023 presentation

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Gram Car Carriers ASA

April 2023



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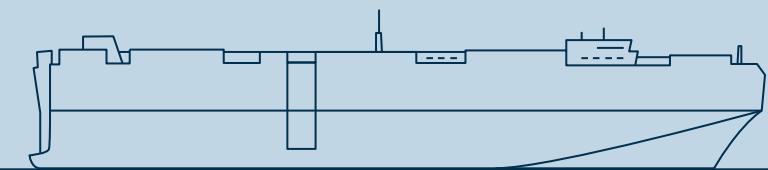
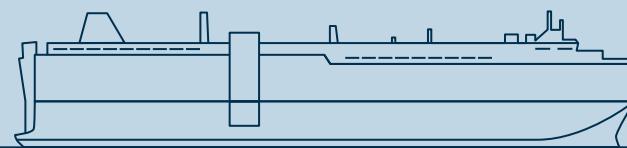
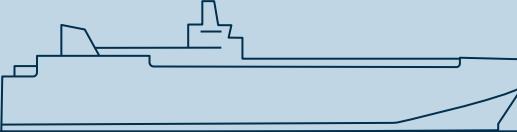
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# Key events

- Board of Directors has approved a dividend of USD 0.224 per share for Q1 2023
- Q1 2023 revenue of USD 41.1 million and EBIT of USD 20.1 million
- Q1 2023 average TCE revenue: Panamax USD 30,060; Mid-size USD 29,100 and Distribution fleet USD 15,540
- Total revenue backlog of USD 874 million at 31 March
- Well positioned in historically strong market with 3%/20%/24% open days in 2023/24/25
- Favourable market outlook with continued high charter rates and long contract durations
- Reduced margins under credit facilities, contributing to lower interest expense
- Dividend pay-out ratio to be increased to 75% of net income from Q2 2023



# Key figures

Q1'23 (Q4'22)



Revenue

**USD 41.1 million**  
(USD 38.3 million)



Average TC rate<sup>1</sup>  
**USD 25,620**  
(USD 22,720)



Revenue backlog added  
**USD 61 million**  
(USD 326 million)

EBITDA

**USD 27.7 million**  
(USD 23.0 million)

Utilisation  
**95%**  
(97%)

Revenue backlog end of quarter<sup>3</sup>  
**USD 874 million**  
(USD 856 million)

Net profit

**USD 13.1 million**  
(USD 9.9 million)

Planned/unplanned off-hire  
**39/46 days**  
(21/32 days)

Open revenue days 2023<sup>3</sup>  
**192/3%**  
(970/10%)

Dividend proposed

**USD 6.56 million**  
(USD 4.96 million)

Average cash break-even<sup>2</sup>  
**USD 16,920**  
(USD 17,270)

Average renewal duration<sup>4</sup>  
**4.5 years**

1) On cash flow basis, revenue as per income statement are on straight-line basis in accordance with IFRS

2) Current break-even comprise of budgeted vessel running expenses, insurance, overheads and debt servicing based on prevailing 3m SOFR implied forward rates and next 12 months' debt amortisation schedule. Capex not included

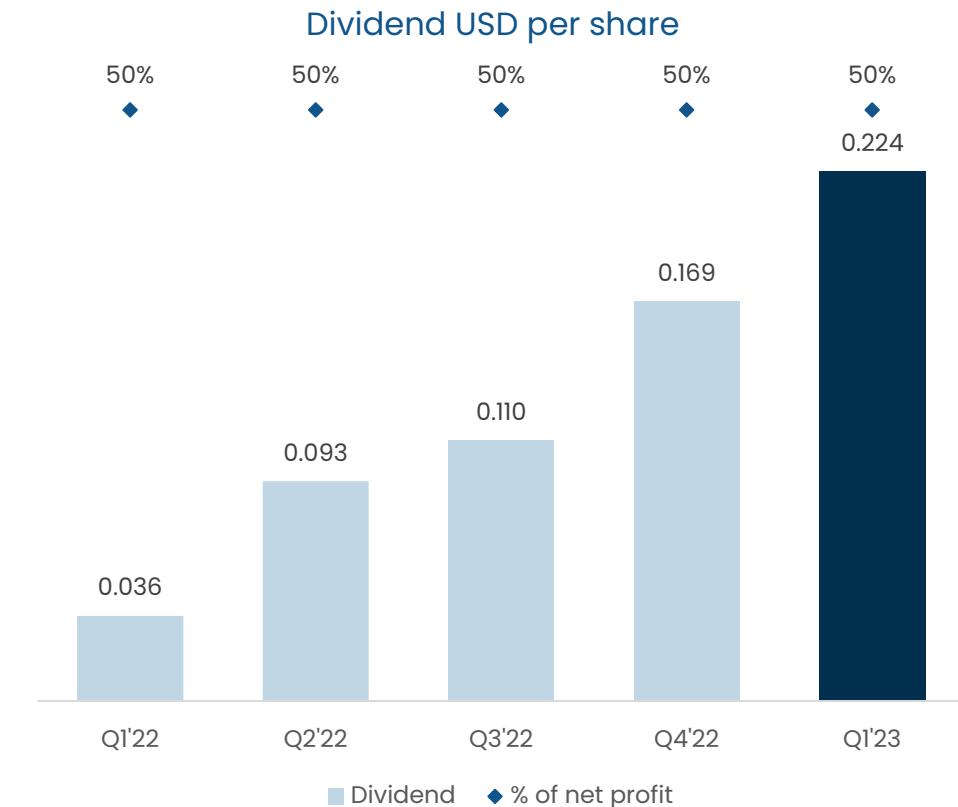
3) As per end of reporting date, assuming mid-point charter party redelivery date

4) Average duration of all new charters concluded after listing in January 2022.

# Committed to attractive shareholder distributions

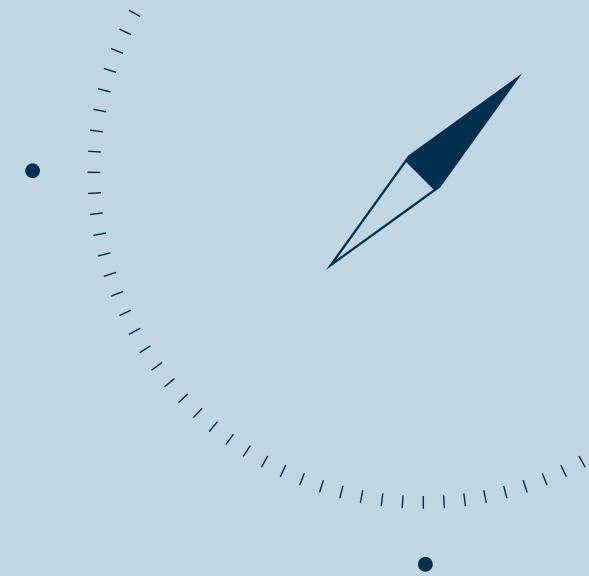


- USD 6.56 million dividend approved for the first quarter, equal to USD 0.224 per share
- To be paid on or about 23 May, subject to approval at the AGM on 12 May 2023
- In line with stated policy of 50% of the quarterly profit, and a 33% increase from the fourth quarter





# GCC in brief



# The world's third largest car carrier tonnage provider



## Gram Car Carriers (GCC) in brief

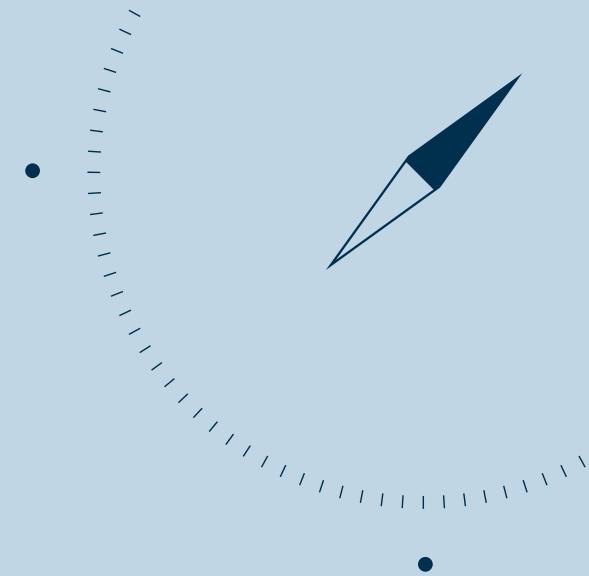
- Commercial manager of 24 car carriers – 20 on water and 4 newbuilds
  - 19 owned and 5 managed on behalf of third-party owners
  - Average fleet age ~11 years vs. global fleet average of 15 years
- Commercial manager of Global Auto Carriers (GAC)
  - Building 4x7,000 CEU multifuel PCTCs with 2 options in China
- Strong industry name engaged in car carrier investments since 1982
- Extensive and long history of chartering vessels to all major global operators and key regional operators worldwide
- Offices in Oslo (HQ) and Singapore
- Listed on Oslo Børs main market with ticker "GCC"

## Selected customers





## Operational highlights



# Strong operational performance across the fleet

Q1'23 (Q4'22)



- Increased revenue for all vessel types
- Dry-docking of three Mid-size vessels during the quarter
- Vessel operating expenses in line with budget
- Revenue is set to continue to increase over the next quarters as vessels roll over on new contracts at higher dayrates
- Further fixings at expected attractive TC rates and durations

Open revenue days <sup>3</sup> 2023	Open revenue days <sup>3</sup> 2024	Open revenue days <sup>3</sup> 2025	Revenue backlog <sup>3</sup>	Average cash break-even <sup>2</sup>
<b>192/3%</b> (670/10%)	<b>1,391/20%</b> (2,123/31%)	<b>1,656/24%</b> (2,386/34%)	<b>USD 874m</b> (856m)	<b>USD 16,920</b> (17,270)

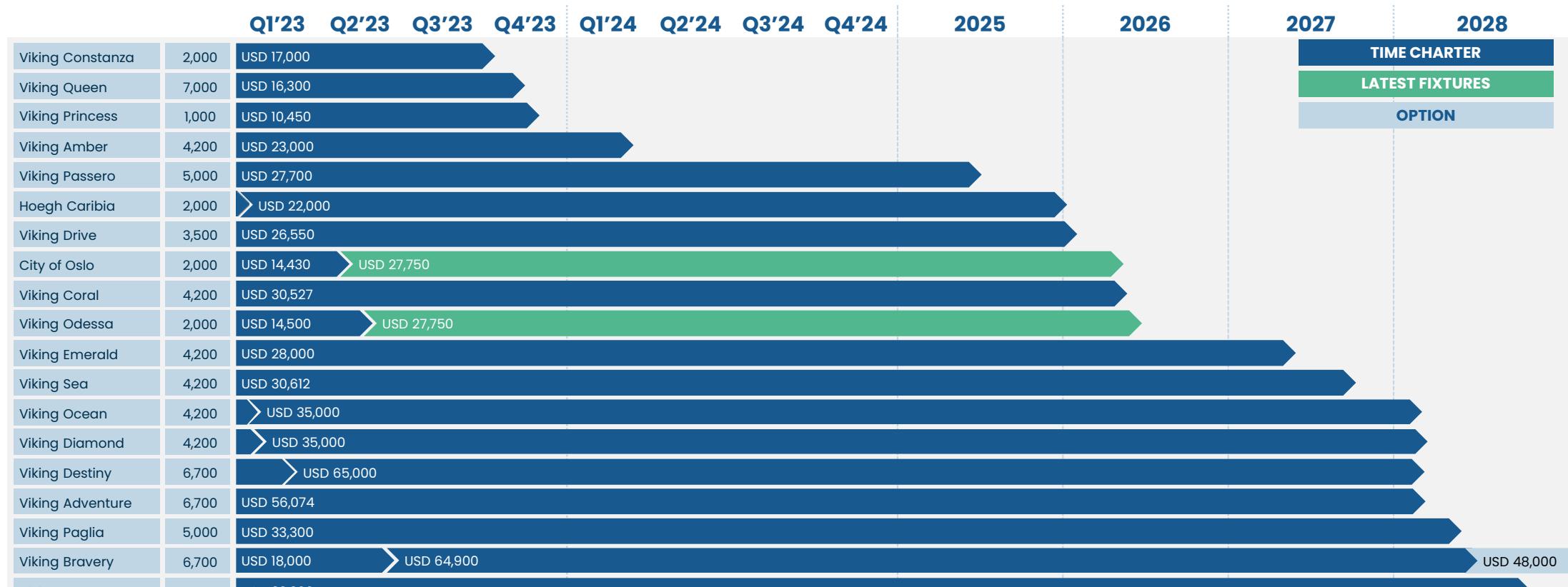
	<b>Distribution</b>	<b>Mid-size</b>	<b>Panamax</b>	<b>Fleet total</b>
Average TC rate	Average TC rate	Average TC rate <sup>1</sup>	Average TC rate	Average TC rate <sup>1</sup>
<b>USD 15,540</b> (13,680)	<b>USD 29,100</b> (25,900)	<b>USD 30,060</b> (26,590)	<b>USD 25,620</b> (22,720)	<b>USD 25,620</b> (22,720)
Utilisation	Utilisation	Utilisation	Utilisation	Utilisation
<b>98%</b> (97%)	<b>92%</b> (98%)	<b>100%</b> (94%)	<b>95%</b> (97%)	<b>95%</b> (97%)
Planned/unplanned off-hire	Planned/unplanned off-hire	Planned/unplanned off-hire	Planned/unplanned off-hire	Planned/unplanned off-hire
<b>-/7 days</b> (-/12 days)	<b>39/37 days</b> (-/19 days)	<b>-/2 days</b> (21/1 days)	<b>39/46 days</b> (21/32 days)	<b>39/46 days</b> (21/32 days)

1) On cash flow basis, revenue as per income statement are on straight-line basis in accordance with IFRS

2) Current break-even comprise of budgeted vessel running expenses, insurance, overheads and debt servicing based on prevailing 3m SOFR implied forward rates and next 12 months' debt amortisation schedule. Capex not included

3) As per end of reporting period, assuming mid-point charter party redelivery date

# Long-term contract coverage at strong charter rates



## Contract renewals

expected well ahead of expiry  
of existing contracts

## Enhanced earnings visibility

with operators entering longer contracts

## 3%/20%/24%

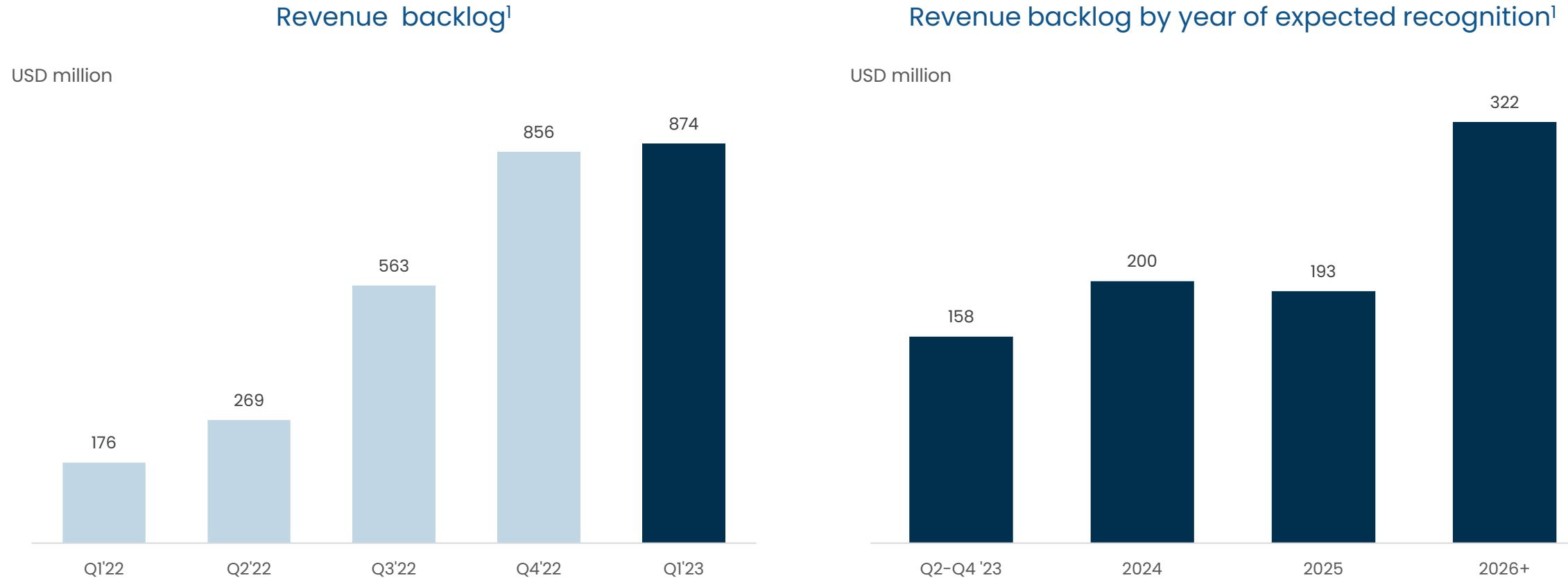
open revenue day for 2023/24/25

## USD 874 million

Backlog 31 March 2023<sup>1</sup>

<sup>1</sup> Gross TC revenue before commissions and off-hire provisions on IFRS basis..

# Record backlog supporting stable earnings



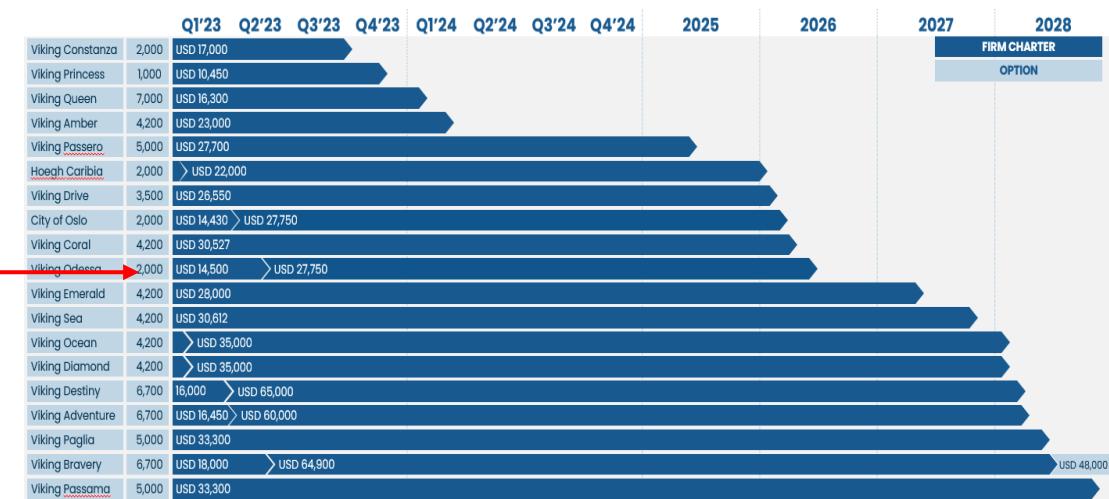
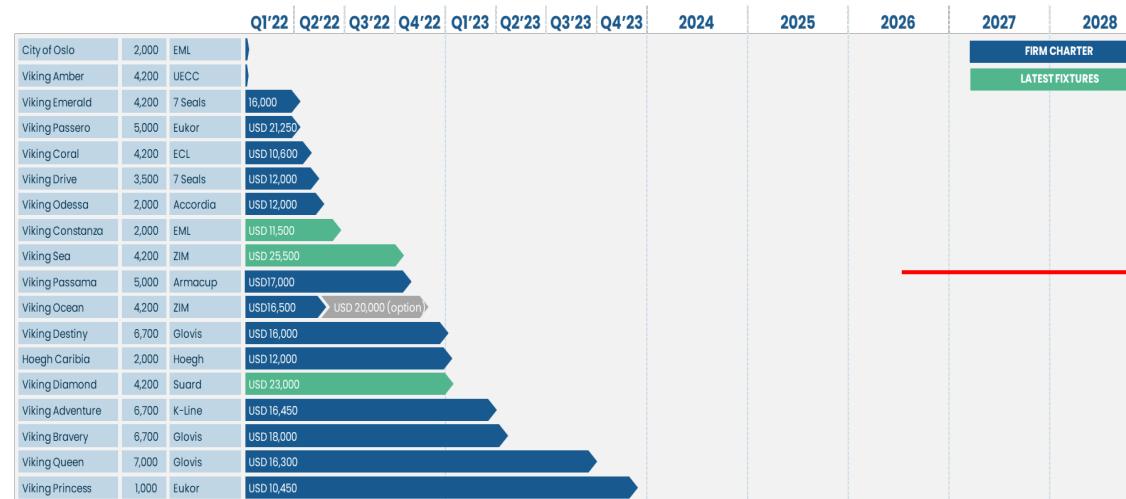
<sup>1</sup> Gross TC revenue before commissions and off-hire provisions on IFRS basis

Dividend policy as set in IPO at 50%, now increasing to 75%



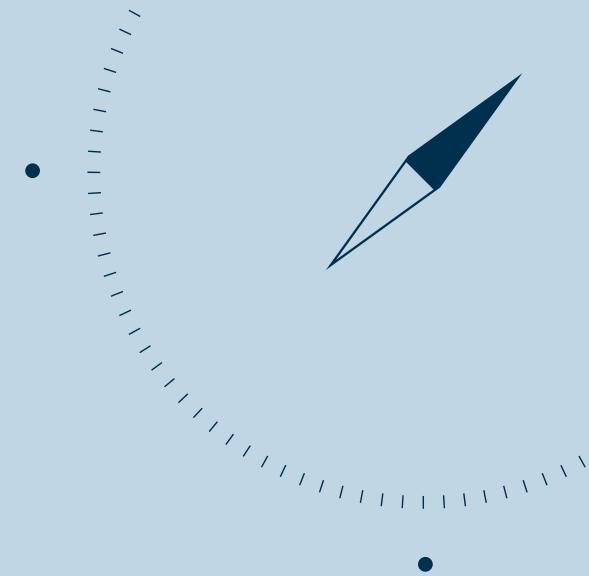
## Ample capacity to increase pay-out

- IPO case cashflow and fixed revenue as at January 2022
- Increasing dividend to 75%
- One additional vessel acquired in 2022, not included in 'IPO projections' from January 2022





Market opportunity

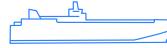


# Recent market fixtures reflect strong demand and limited supply



## Current market TC rates per day<sup>1</sup> (one year)

### Distribution



**USD 30,000**

### Mid-size



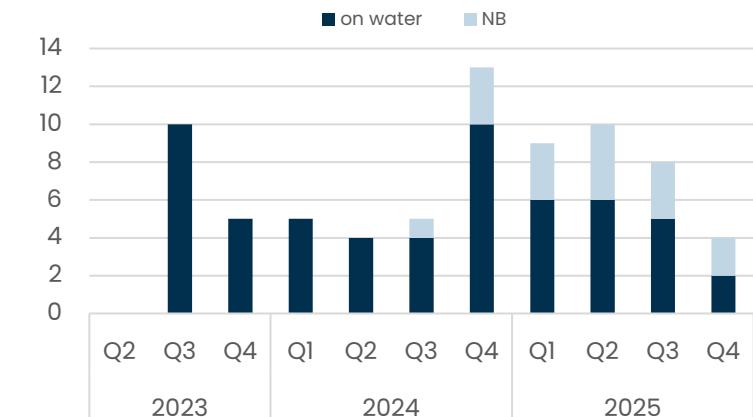
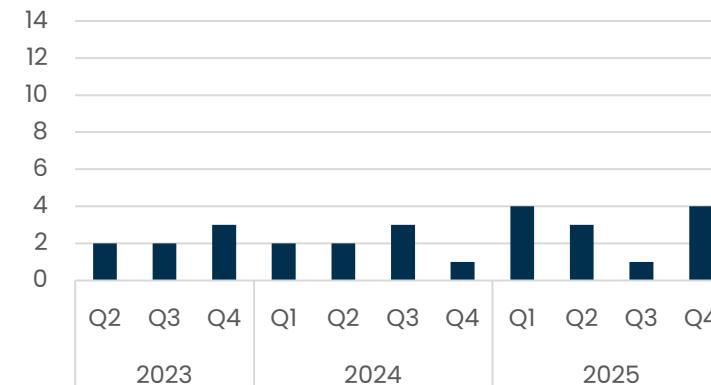
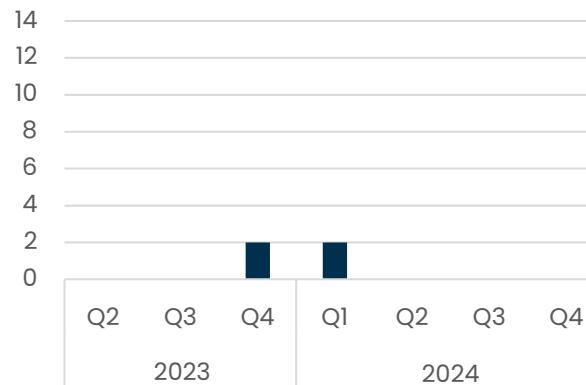
**USD 90,000**

### Panamax



**USD 110,000**

## Estimated open vessels in the global fleet



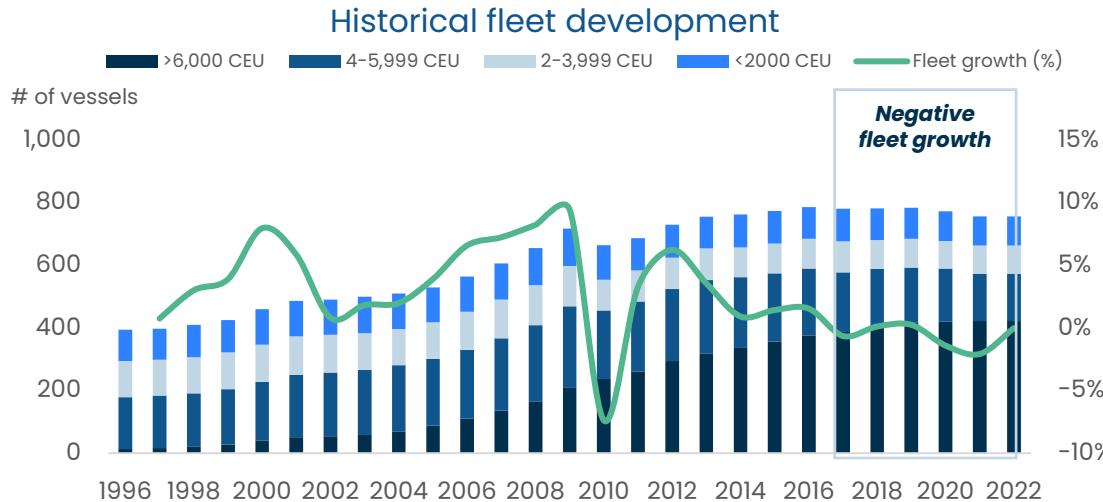
<sup>1</sup> TC development for Mid-size and Panamax from Clarksons.

TC rate Distribution vessels and no. of vessels open (tonnage providers global fleet) based on Company's own estimates

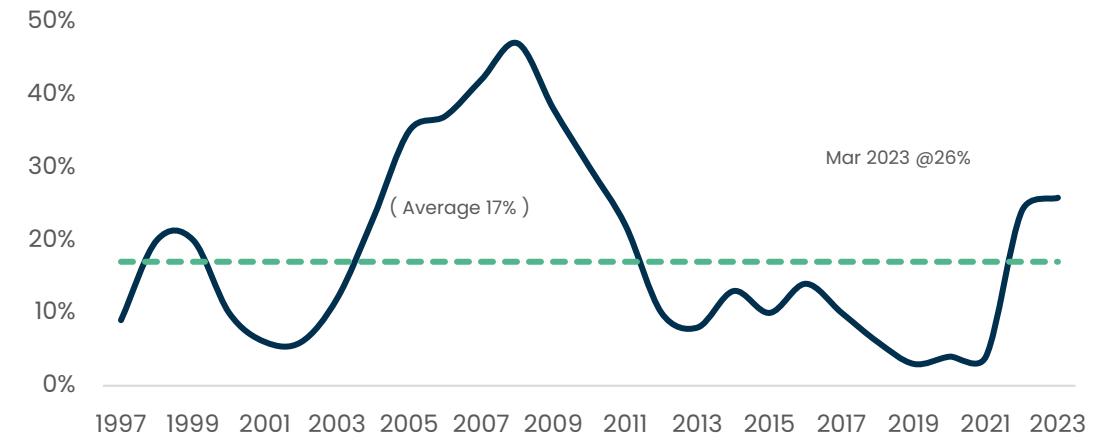
# Expected deliveries of car carriers insufficient to meet demand



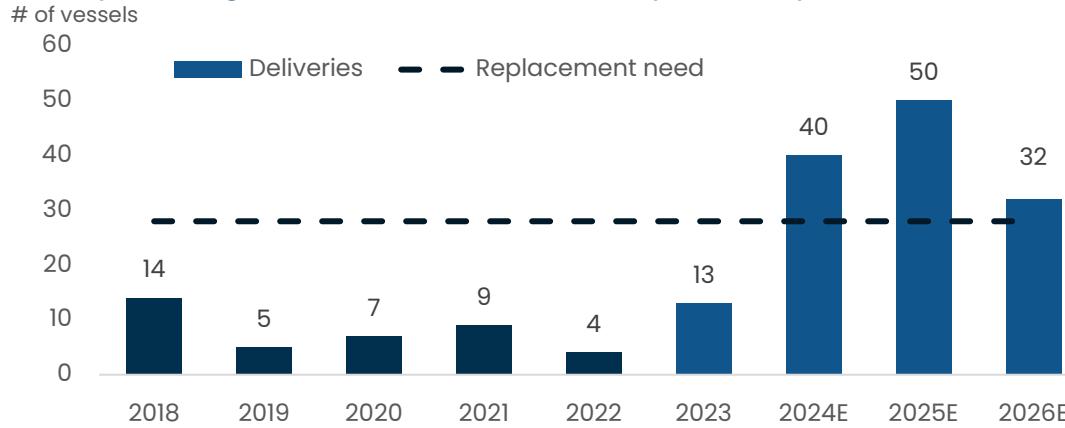
Car carrier fleet growing, but still below average replacement need considering negative backlog



## Orderbook growing



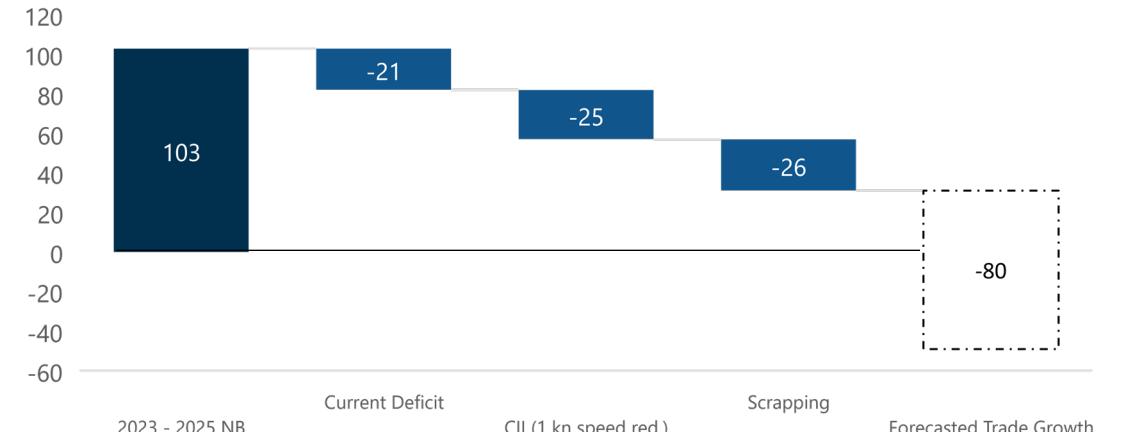
## Upcoming deliveries will not make up total replacement need



Source: Fearnresearch, SIN Clarksons, Company Information

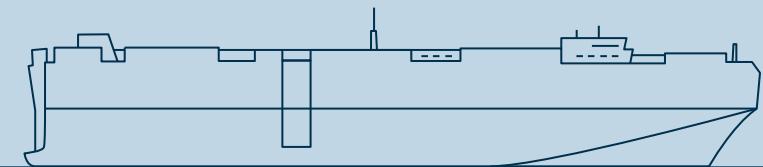
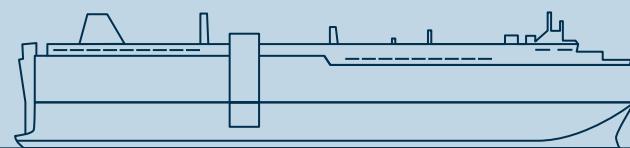
Note: Replacement need estimated basis 750 vessels with an average economic lifetime of 28 years

## Market capable of absorbing orderbook



# Why invest in Gram Car Carriers?

- 1** Unique investment opportunity in leading PCTC tonnage provider
- 2** Attractive market fundamentals with long-term upcycle unfolding
- 3** Successfully capturing the strong market with 3%/20%/24% open days in 2023/24/25
- 4** Steadily improving earnings with fleet rolling over on new contracts with further upside potential
- 5** Delivering on our commitment to attractive shareholder distributions with increased pay-out ratio to 75% of EPS through quarterly dividends from Q2 2023





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