



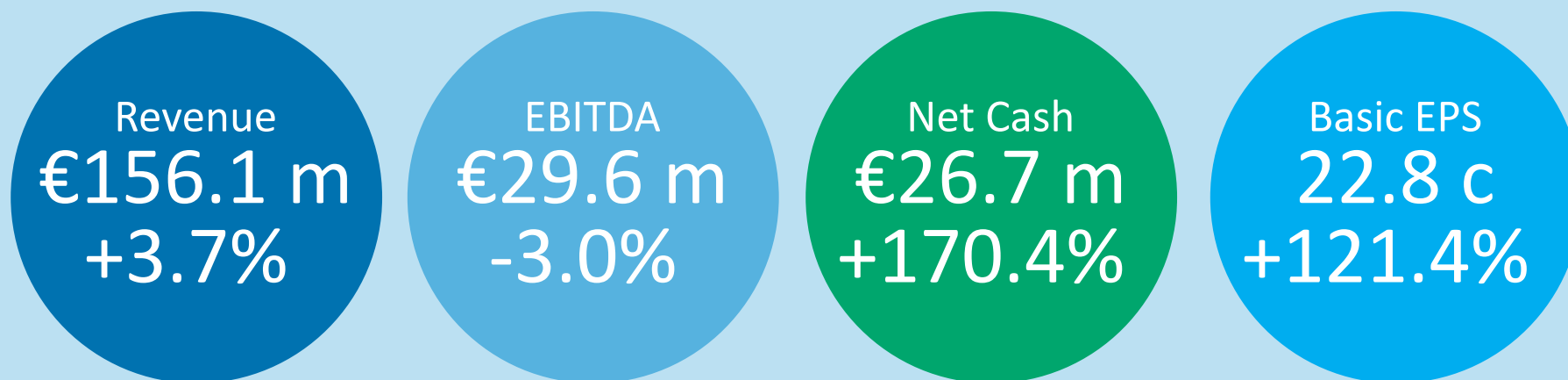
IRISH CONTINENTAL GROUP

# 2017 Half Year Results Presentation

31<sup>st</sup> August 2017



# Half Year 2017 Performance Summary



- Revenue for the first half of the year grew by 3.7% to €156.1 million (2016: €150.5 million). In the Ferries division revenue\* increased by 2.4% to €93.7 million (2016: €91.5 million) while in the Container and Terminal division revenue\* increased by 5.7% to €66.4 million (2016: €62.8 million)
- Pre non-trading items EBITDA for the first half of the decreased by 3.0% to €29.6 million (2016: €30.5 million) EBITDA in the Ferries Division decreased by 4.2% to €22.9 million (2016: €23.9 million) The EBITDA in the Container and Terminal division increased by 1.5% to €6.7 million (2016: €6.6 million)
- Net cash position of €26.7 million at 30 June 2017 compared with a net debt position of €37.9 million at 31 December 2016.
- Basic EPS increased by 121.4% to 22.8 cent from 10.3 cent in 2016.
- IAS 19 accounting deficit on retirement benefit schemes has reduced from €13.5 million at 31 December 2016 to a surplus of €5.0 million at 30 June 2017.

*\* Inclusive of inter-segment revenue of €3.4 million (2016: €3.2 million) in the Ferries Division and €0.6 million (2016: €0.6 million) in the Container and Terminal Division.*



# ICG Business Units



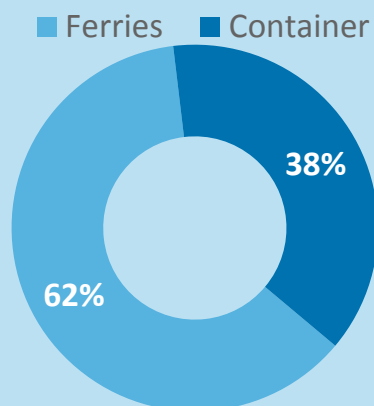
## Ferries Division

Irish Ferries, the leading ferry company operating between the UK/Continent and the Republic of Ireland. The division is also engaged in ship chartering activities with vessels chartered within the Group and to third parties.

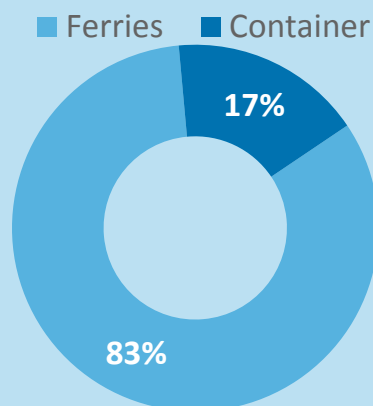
**ROACE\*: 34.3%**

\*As at 31 December 2016

### Revenue\*



### Operating Profit\*

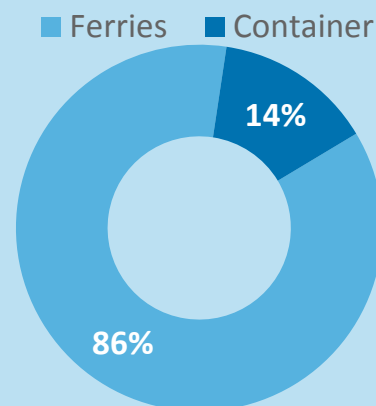


## Container & Terminal Division

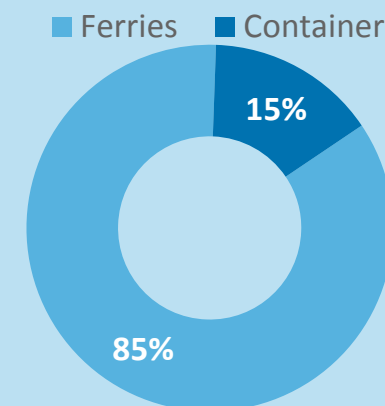
Eucon, the leading container shipping operator between Ireland and the Continent. Dublin Ferryport Terminals (DFT) and Belfast Container Terminal (BCT) strategically located container terminals in Dublin and Belfast.

**ROACE\*: 37.1%**

### Capital Employed\*



### EBITDA\*





# Ferries Division





# Ferries Division - Routes

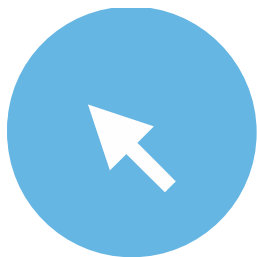
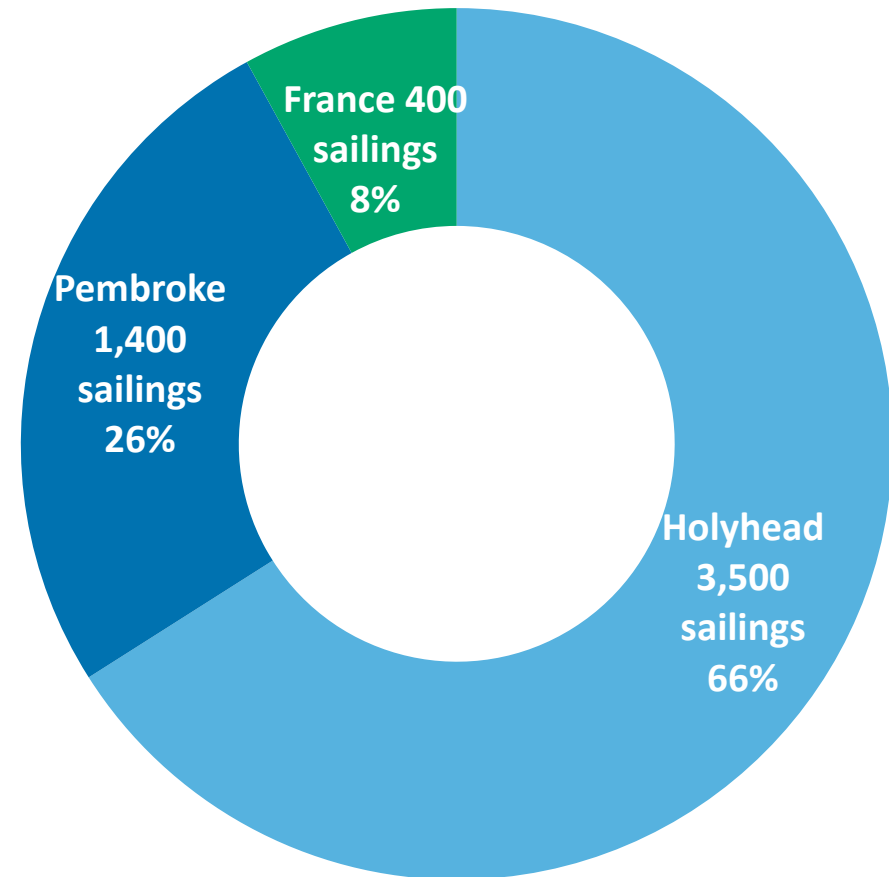


Weekly Sailings	
<b>Dublin - Holyhead</b>	
Ulysses	28
Jonathan Swift	28
Epsilon	18
	<b>74</b>
<b>Rosslare - Pembroke</b>	
Isle of Inishmore	28
Total Ireland - UK	<b>102</b>
<b>Ireland - France</b>	
Oscar Wilde	7
Epsilon	2
	<b>9</b>
Total	<b>111</b>



## Ferries Division

- Brand: Irish Ferries
- 4 Conventional combined Car/RoRo ferries
- 1 fast car carrying ferry
- 4 container ships on charter
- 1 fast craft on charter to Sealift LLC



### Always On [irishferries.com](http://irishferries.com)

Our passenger booking website [irishferries.com](http://irishferries.com) received almost 6 million visits in 2016 delivering over 80% of the car and passenger bookings transacted last year.



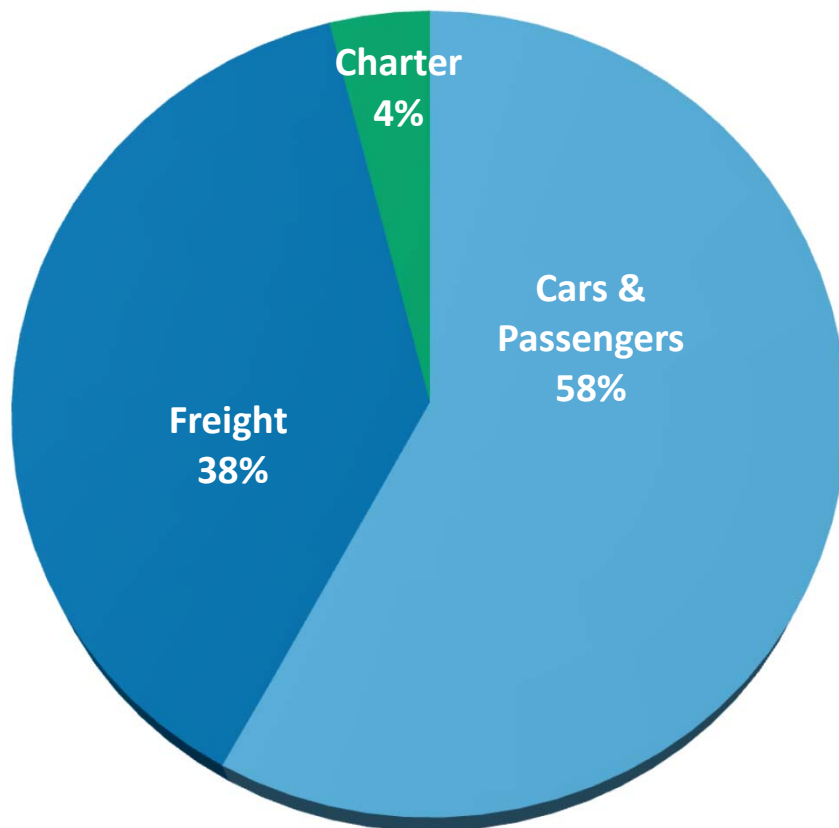
### Power

'Jonathan Swift', which can travel up to speeds of 80kph, propels itself across the Irish Sea with 4 large water jets which pump 60 tonnes of sea water per second.

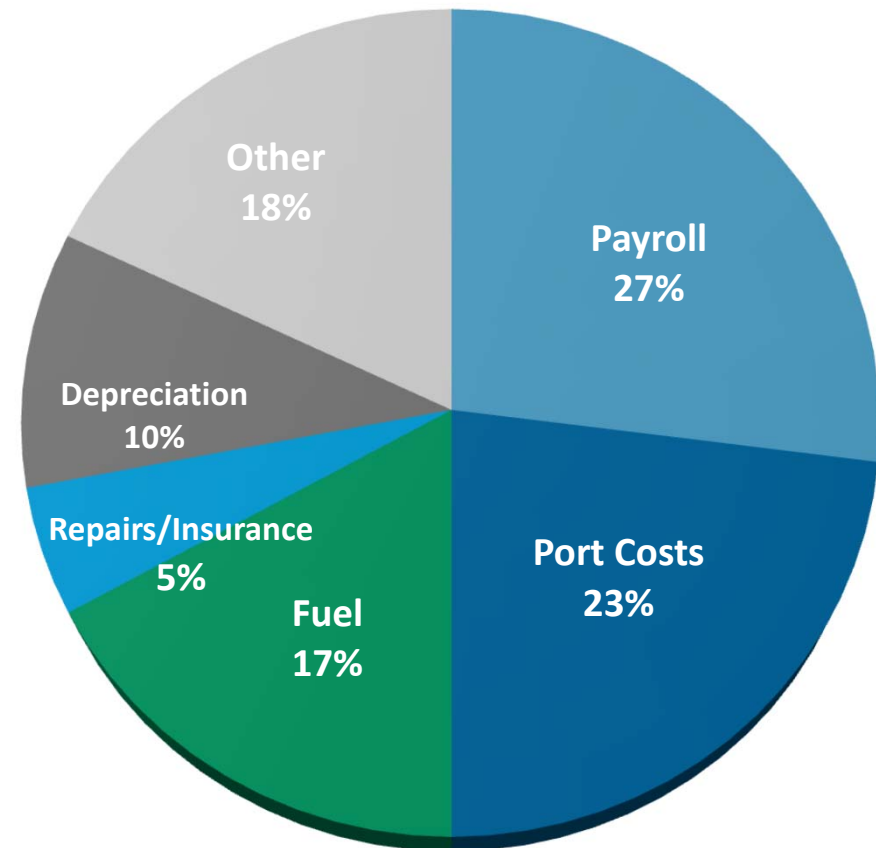




**Revenue 2016**



**Costs 2016** (Exclusive of Chartering activities)



# Ferries Division - Car Market



## CAGR (Volumes)

	YTD 2017	July/ August	H1 2017	1 Year 2016	3 Year 2013 – 2016	7 Year 2009 – 2016	15 Years 1992 - 2007
Irish Ferries	+3%	+3%	+2%	+3%	+6%	+2%	+4%
Republic of Ireland			+3%	+1%	+2%	-1%	+2%
All Ireland			+3%	+2%	+1%	-1%	+2%



# Ferries Division - RoRo Market



## CAGR (Volumes)

	YTD 2017	July/ August	H1 2017	1 Year 2016	3 Year 2013 – 2016	7 Year 2009 – 2016	15 Years 1992 – 2007
Irish Ferries	0%	0%	0%	+5%	+12%	+6%	+12%
Republic of Ireland			+6%	+7%	+7%	+3%	+10%
All Ireland			+5%	+6%	+4%	+2%	+6%

## Ferries Division -Ship Chartering activities

- Revenue from ship chartering activities amounted to €8.1 million at 30 June 2017 (including €3.4m inter-segment revenue) and €6.5 million at 30 June 2016 (€3.2 inter-segment revenue).
- On 17 May 2017, announced that it has entered into a Memorandum of Agreement (“MOA”) for the sale of the passenger ferry Kaitaki to the New Zealand ferry operator KiwiRail. The vessel was delivered to KiwiRail on 25 May 2017. The agreed consideration of €45.0 million, payable in cash, has been received in full and will be utilised for general corporate purposes.
- Four LoLo container vessels were purchased in late 2015 for a total of €24.2 million. The vessels are the MV Elbfeeder (built 2008), MV Elbtrader (built 2008) and MV Elbcarrier (built 2007), each which have a capacity of 980 teu (twenty foot equivalent) and a gross tonnage of 8,246 tons together with the MV Ranger (built 2005) which has a capacity for 803 teu and a gross tonnage of 7,852 tons. The three Elb vessels are currently on year-long charters to the Group’s container shipping subsidiary Eucon (at market rates) on routes between Ireland and the Continent whilst the Ranger is on charter to a third party.
- The High Speed Craft ‘Westpac Express’ (built 2001) was purchased by the Group for \$13.25 million. The Vessel was delivered to ICG in June 2016. It has been chartered to Sealift LLC for a period of up to 12 months to October 2017. The charter is subject to usual US government procurement regulations. The charterer has the option to further extend the charter until mid 2021.



## New Cruise Ferry ordered by ICG from Flensburger (FSG) for delivery first half 2018

Cruise Ferry Details	
Cost	€144 million (excl Scrubber)
Deck Capacity (Maximum)	165 Trucks or 1,216 Cars
Deck Capacity (Mix)	165 Trucks <u>and</u> 300 Cars
Passenger/Crew Capacity	1,885
Passenger Cabins	440
Engine output (4 engines)	33,600kw
Speed	22.5 knots
Gross Tonnage	55,000 tons



# Ferries Division



	H1 2017 €m	H1 2016 €m	Change	FY 2016 €m
Revenue*	93.7	91.5	+2.4%	209.8
Operating Costs	<u>(70.8)</u>	<u>(67.6)</u>	+4.7%	<u>(139.1)</u>
EBITDA	22.9	23.9	-4.2%	70.7
Depreciation/Amortisation	<u>(9.2)</u>	<u>(8.5)</u>	+8.2%	<u>(18.4)</u>
Operating Profit	13.7	15.4	-11.0%	52.3
Non- trading items	<u>29.3</u>	=	+100%	-
Operating profit incl non-trading items	43.0	15.4	+179.2%	52.3

- Passenger, Car & On Board revenue down 0.6% to €47.3 million.
- RoRo Freight revenue up 2.4% to €38.3 million.
- Ship chartering revenue amounted to €8.1 million (2016: €6.5 million) - includes €3.4 million inter-segment revenue.
- Other operating costs increased by 4.7% to €70.8 million.

\*Inclusive of inter-segment revenue





# Container & Terminal Division





# Container & Terminal Division

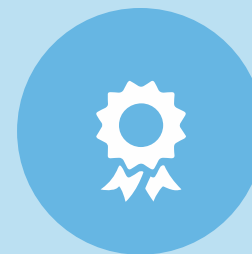


- 5 chartered vessels
- 3,400 owned and leased containers, 6,600 teu (20ft, 40ft, 45ft, reefers, flats, curtain sidings)
- Operating between the Ports of Dublin, Cork and Belfast to Rotterdam and Antwerp
- Door to Door (51%) Transport plus Quay to Quay (49%) (feeder)
- DFT Terminal in Dublin
- BCT in Belfast operating the Victoria Terminal 3 (VT3)
- In 2016 on a combined basis our terminals handled 46% of all LoLo container movements (All-Ireland).



## Connected Container Shipping

Eucon transported 303,600 teu in 2016 while providing shipping services to 20 countries throughout Europe.

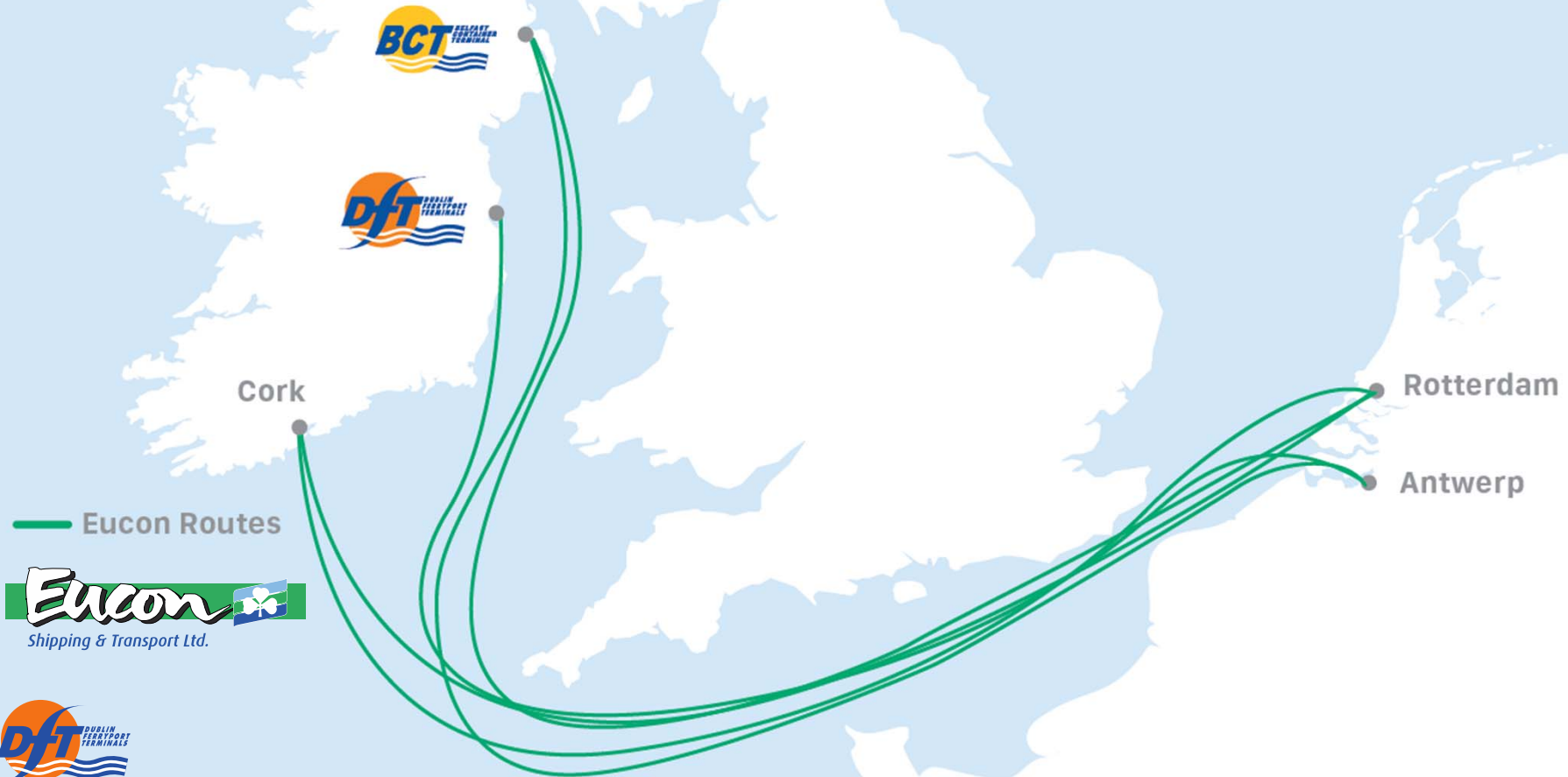


## Strategic Terminal Locations

Our strategically located terminals in Dublin and Belfast in 2016 handled 288,100 containers over our terminals, with up to 1,000 truck moves per day handled at our Dublin terminal alone.



# Container & Terminal Division



# Container & Terminal Division - Terminals



2 strategically located container handling terminals at Dublin (DFT) and Belfast (BCT).



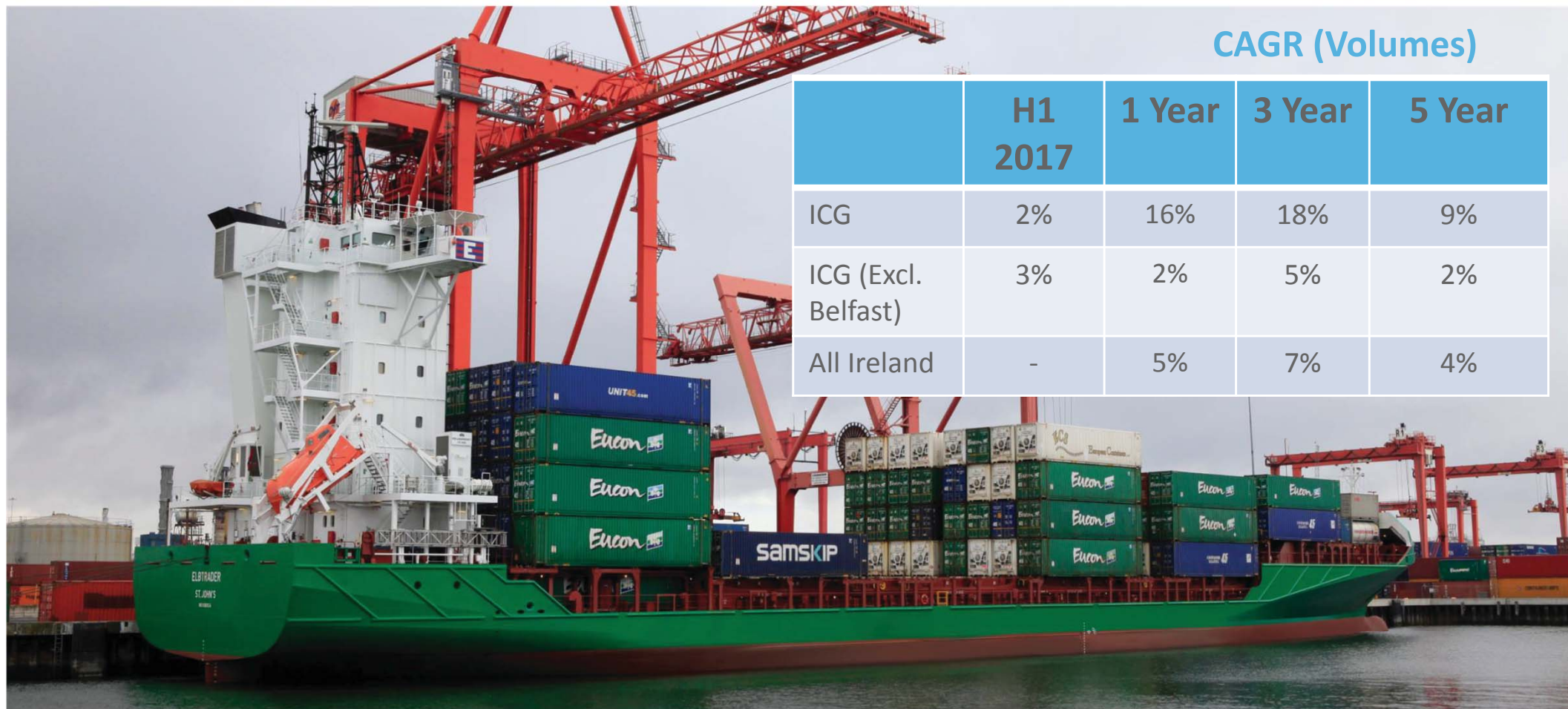
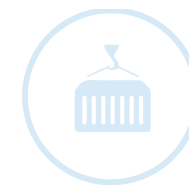
- 150 year lease in Dublin from 1972
- Annual throughput of 165,000 lifts (2015: 162,000 lifts)
- Design Capacity of 220,000 lifts
- 3 Gantry Cranes and 8 Rubber Tyre Gantries (RTG's)
- Largest container terminal in Ireland
- Motorway connected



- Concession from Belfast Harbour Commissioners (BHC) for 5 years from June 2015 (option with BHC to extend for 3 years) 123,100 lifts in 2016 (2015: 86,500), VT3 from 1 June 2015.
- Design Capacity of VT3 145,000 lifts
- 3 Gantry Cranes, 3 Rail Mounted Gantries, 3 Straddle Carriers.
- Motorway connected



# Container & Terminal Division - Container Handling Irl.



CAGR (Volumes)

	H1 2017	1 Year	3 Year	5 Year
ICG	2%	16%	18%	9%
ICG (Excl. Belfast)	3%	2%	5%	2%
All Ireland	-	5%	7%	4%



# Container & Terminal Division



	H1 2017 €m	H1 2016 €m	Change	FY 2016 €m
Revenue*	66.4	62.8	+5.7%	123.9
Operating Costs	<u>(59.7)</u>	<u>(56.2)</u>	+6.2%	<u>(111.1)</u>
EBITDA	6.7	6.6	+1.5%	12.8
Depreciation/Amortisation	<u>(1.3)</u>	<u>(1.2)</u>	+8.3%	<u>(2.5)</u>
Operating Profit	5.4	5.4	-	10.3

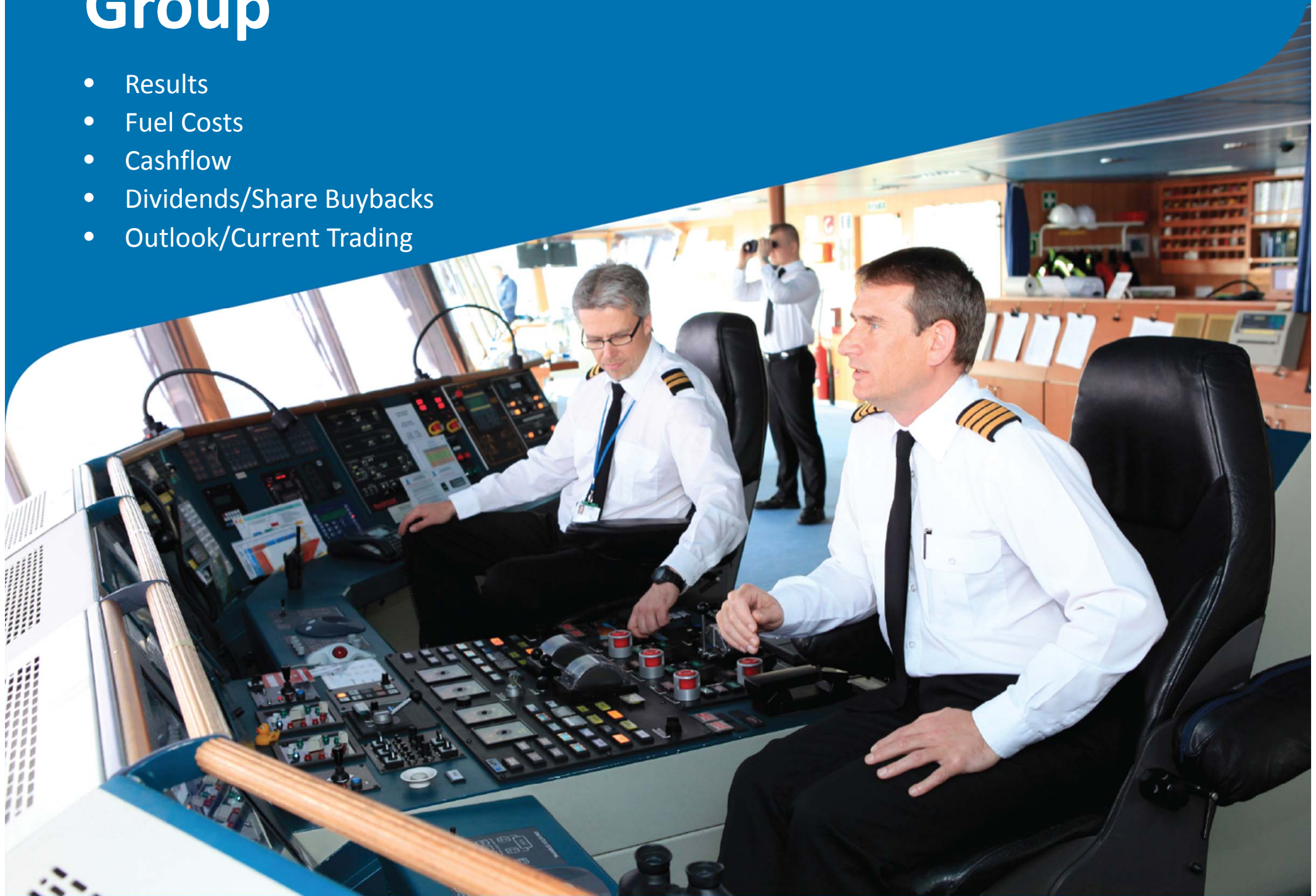
- Container volumes up 6.8% at 163,100 teu.
- Terminal volumes up 1.7% at 147,200 lifts (DFT up 2.5%, BCT up 0.5%)
- Other operating costs increased by 6.2% to €59.7 million.

\* Inclusive of inter-segment revenue



# Group

- Results
- Fuel Costs
- Cashflow
- Dividends/Share Buybacks
- Outlook/Current Trading



## Group - Results

	H1 2017	H1 2016	Change	FY 2016
Revenue	€156.1m	€150.5m	+3.7%	€325.4m
Operating Costs (excl. dep)	€126.5m	€120.0m	+5.4%	€241.9m
EBITDA	€29.6m	€30.5m	-3.0%	€83.5m
Operating Profit (incl. non-trading items)	€48.4m	€20.8m	+132.7%	€62.6m
Basic EPS	22.8c	10.3c	+121.4%	31.4c
Adjusted EPS	9.3c	10.3c	-9.7%	31.4c
Dividend Per Share	4.01c	3.820c	+5.0%	11.78c
Net Cash / (Debt)	€26.7m	(€18.9m)	-241.3%	(€37.9m)



## Group - Fuel Costs

	H1 2017	H1 2016	Change	FY 2016
<b>Consumption (000 tons)</b>				
Heavy Fuel Oil	34.7	33.2	+4.5%	69.2
Marine Diesel	<u>18.9</u>	<u>19.7</u>	-4.1%	<u>40.9</u>
	<b>53.6</b>	<b>52.9</b>	<b>+1.3%</b>	<b>110.1</b>
<b>Average Price (€ per ton)</b>				
Heavy Fuel Oil	€327	€192	+70.3%	€233
Marine Diesel	€437	€333	+31.2%	€371
<i>Brent Crude (guide)</i>	\$52.7/€48.6	\$41.1/€36.7	+28.2%	\$45/€40
Total Cost (inc. lubs)	€19.6m	€13.3m	+47.4%	€32.2m
% of Operating Costs (exc. Dep)	15%	11%		13%



## Group - Cash Flow

	H1 2017	H1 2016	FY 2016
<b>EBITDA</b>	<b>29.6</b>	<b>30.5</b>	<b>83.5</b>
Working capital movement	19.4	27.0	4.7
Pension payments in excess of service costs	(0.5)	(1.1)	(1.8)
Other	<u>0.4</u>	<u>0.1</u>	<u>0.1</u>
<b>Cash generated from operations</b>	<b>48.9</b>	<b>56.5</b>	<b>86.5</b>
Interest paid	(0.8)	(1.2)	(2.3)
Tax paid	(0.5)	(0.2)	(2.1)
Capex	<u>(13.2)</u>	<u>(17.5)</u>	<u>(57.0)</u>
<b>Free cash flow</b>	<b>34.4</b>	<b>37.6</b>	<b>25.1</b>
Net asset sales	44.7	-	1.3
Dividends	(14.6)	(13.8)	(21.0)
Share issues	0.8	2.6	2.7
Interest received	—	<u>0.1</u>	<u>0.1</u>
<b>Net flows</b>	<b>65.3</b>	<b>26.5</b>	<b>8.2</b>
Opening net debt	(37.9)	(44.3)	(44.3)
Translation/other	<u>(0.7)</u>	<u>(1.1)</u>	<u>(1.8)</u>
<b>Closing net cash / (debt)</b>	<b>26.7</b>	<b>(18.9)</b>	<b>(37.9)</b>



# Group - Dividend / Share Buybacks

## Cash Returned to Shareholders 2007 - 2017

Year	Interim (Cent)	Final (Cent)	Total (Cent)	€m	Buyback/ Tender Offer €m
2007	Nil	10.0c	10.0c	24.5	
2008	Nil	10.0c	10.0c	24.6	
2009	Nil	10.0c	10.0c	25.0	
2010	Nil	10.0c	10.0c	25.1	
2011	3.3c	6.7c	10.0c	24.9	4.0
2012	3.3c	6.7c	10.0c	20.3	10.1 111.5
2013	3.3c	6.7c	10.0c	18.4	
2014	3.465c	7.035c	10.5c	19.4	
2015	3.638c	7.387c	11.025c	20.6	
2016	3.820c	7.760c	11.780c	21.7	
2017	4.01c (declared)			7.6	
				<u>232.1</u>	<u>125.6</u>
<b>Total</b>				<b>357.7</b>	





# Group - Current Trading

## General

- Irish economy continues to grow (ESRI GDP forecast 3.8% for 2017 and 3.6% in 2018). The impact of weak sterling against the Euro must be having some impact on some Irish exporters (although benefitting some importers) but to date it does not appear to have had an impact on RoRo freight volumes.
- UK GDP growth forecast at 1.6% in 2017. Eurozone GDP growth forecast 1.8% in 2017. (Both OECD June 2017 outlook). Recent slowdown in UK growth may be a headwind.
- Irish unemployment currently at 6.4%, down from 15.1% in early 2012. Close to full employment which should support increased consumer spending/confidence.
- Irish Retail sales very strong in 2017, with the exception of the motor trade which ICG has a very limited exposure to. Irish Retail sales excl Motor up 7%. (Furniture up 19%, electrical goods up 10%). Still well below pre recession levels.
- New build delivery remains on track for mid 2018.
- Sterling headwind on tourism and RoRo revenue still remains, partially offset by Sterling costs.
- Irish construction/housing story remains unchanged. Unmet demand for housing remains. The Irish mortgage market continues to grow strongly. The number of mortgage drawdowns were up 18% in Q2 2017 yoy. Demand remains strong, with an increase of housing supply to 30,000 units per year needed.

## Tourism YTD (26<sup>th</sup> August 2017)

- Car volumes +2.6% YTD. Summer volumes +3.1%.
- Ireland UK/UK Ireland carryings grew strongly during the year, despite Sterling/Brexit concerns.

## Freight YTD (26<sup>th</sup> August 2017)

- RoRo volumes (-0.2%) YTD. Summer volumes up 0.4%.
- LoLo volumes +6.2% YTD.
- Terminal volumes +1.9% YTD, DFT up 2.6% & BCT up 0.8%.
- Despite soft roro volumes ytd, we are encouraged by strong market growth (6% H1 2017) in the Republic of Ireland.



# Appendix Fleet



# Appendix - Fleet



## Ulysses

Year Built	2001
Cost	€106m
GT	50,900 tons
PAX	1875
Cars	1342
Lane Meters	4.1km
Speed	22 knots
Route	Dublin/Holyhead



## Isle of Inishmore

Year Built	1997
Cost	€81m
GT	34,000 tons
PAX	2200
Cars	855
Lane Meters	2.1km
Speed	21.5 knots
Route	Rosslare/Pembroke

## Appendix - Fleet



### Jonathan Swift

Year Built	1999
Cost	€38m
GT	6,000 tons
PAX	800
Cars	200
Speed	39 knots
Route	Dublin/Holyhead



### Oscar Wilde

Year Built	1987
Purchased in 2007 - plus upgrade	€51m
GT	32,000 tons
PAX	1458
Beds	1376
Cars	580
Lane Meters	1.2km
Speed	21.5 knots
Route	Rosslare/France



## Appendix - Fleet



### Epsilon

Year Built	2011
GT	26,375 tons
PAX	500
Beds	272
Lane Meters	2.8km
Speed	23 knots
Route	Dublin/Holyhead, Dublin/France



### Westpac Express

Year Built	2001
Cost	\$13.25m
GT	8,400 tons
PAX	900
Cars	251
Speed	35 knots
Route	Chartered Out



## Appendix - Fleet



### New Build

Delivery	Mid 2018
Cost (excl Scrubber)	€144m
GT	55,000 tons
Passenger & Crew Capacity	1,885
Beds	1,885
Cars (Max)	1,216
Lane Meters (excl Car Deck)	2.8km
Speed	22.5 knots



## Appendix - Fleet



### Ranger

IMO	9322542
Built	2005
LOA	140.59
Breadth	21.8
GT	7,852
Dead Weight	9,300
Size TEU	803
TEU @ 14tns	518



### Elbfeeder

IMO	9388522
Built	2008
LOA	139.60
Breadth	22
GT	8,246
Dead Weight	11,157
Size TEU	974
TEU @ 14tns	580



# Appendix - Fleet



## Elbtrader

IMO	9388534
Built	2008
LOA	139.60
Breadth	22
GT	8,246
Dead Weight	11,153
Size TEU	974
TEU @ 14tns	580



## Elbcarrier

IMO	9388510
Built	2007
LOA	139.60
Breadth	22
GT	8,246
Dead Weight	11,166
Size TEU	974
TEU @ 14tns	580

# Disclaimer

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