

Press release

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Scandlines kept supply lines open in a dramatic 2020

Scandlines maintained operations during the outbreak of COVID-19 and delivered satisfactory profitability despite a dramatic decline in traffic volumes and revenue following travel restrictions and border closures. The status of the two ferry routes as critical infrastructure was underlined, and Scandlines continued to build a more competitive business and invest in green initiatives in 2020.

The severe negative impact of COVID-19 on Scandlines' traffic machines and BorderShops entailed a significant decline in revenue to EUR 273 million (2019: EUR 475 million) in 2020. Following the lockdown period in the spring, shopping traffic quickly rebounded on the back of temporary easing of restrictions during the summer, and leisure traffic recovered to some extent before new regional and national travel restrictions entailed a new drop in leisure traffic in the autumn.

Revenue from the two ferry routes dropped to EUR 216 million (2019: EUR 352 million) as travel restrictions and border closures had a major detrimental impact on car and passenger traffic volumes, which declined by more than 50 percent on the back of the outbreak of COVID-19. The freight business delivered relatively stable traffic figures with a decline of 6 percent as Scandlines maintained operations and continued to provide frequent departures, a high reliability level and flexibility to meet customer demand and keep the vital supply of medicine, food and other necessities flowing. BorderShop revenue declined sharply to EUR 57 million (2019: EUR 124 million) as a result of various travel restrictions and border closures imposed since March 2020.

The effect of lower revenue on profitability was alleviated through strict cost control measures and continued efficiency enhancements in 2020, and the profit from ordinary activities (recurring EBITDA) came to EUR 84 million (2019: EUR 188 million) corresponding to a recurring EBITDA margin of 31 percent (2019: 40 percent). Scandlines qualified for COVID-19 compensation from the Danish state, enabling the group to retain employees and cover fixed costs in a highly uncertain situation. Despite the turbulence in 2020, Scandlines generated a positive result and decided to return the Danish compensation of EUR 9 million allocated to cover fixed costs.

"The dramatic developments during the outbreak of COVID-19 underlined the status of our sustainable traffic machine as critical infrastructure. While private passenger traffic and visits to our BorderShops declined sharply due to travel restrictions, border closures and other initiatives to curb the spread of COVID-19, we maintained operations to serve our freight customers ensuring crucial cross-border deliveries in challenging times. We continued sailing throughout the year even though we saw car traffic decline by more than 96 percent in April and transported fewer than 200 cars per day on our two routes during the strictest lockdown period in the spring," says CEO Søren Poulsgaard Jensen.

Scandlines continued to invest in the fleet – with the installation of a rotor sail on M/V Copenhagen and new thrusters on M/V Deutschland – to maintain and expand the position as a front runner in green ferry operations, reduce the group's footprint and contribute positively to its surroundings.

"While COVID-19 entailed an exceptional decline in revenue and earnings in 2020, we are extremely thankful for the extraordinary performance delivered by all employees to safeguard Scandlines. Based on the global community's joint efforts to mitigate the impact of COVID-19, the unique dedication of our employees, and the long-term investments made in our sustainable traffic machine, we are confident that we will see a gradual rebound in 2021," says CEO Søren Poulsgaard Jensen.

Car and passenger traffic as well as shopping and bus travel is expected to be significantly impaired by the effects of COVID-19 until such time as the joint efforts to mitigate the impact of COVID 19 allow for the demand for travel to return. Freight traffic is expected to remain at a relatively stable and high level throughout 2021, and Scandlines maintains a strict focus on

efficiency and cost control to alleviate the impact of these negative external effects in a period of continued uncertainty. Due to the high degree of uncertainty and very low visibility, management is currently not in a position to provide precise financial guidance for 2021.

In MEUR	2020	2019
Revenue	273	475
Result from ordinary activities, excl. special items (recurring EBITDA)	84	188
Amortisation and depreciation	-41	-40
Result from ordinary activities (EBIT)	33	141
Net financial items	-24	-22
Result before tax	9	120
Result for the year	18	122
Total assets	2537	2538
Investments (capital expenditure)	21	22
Interest bearing liabilities	968	978
Average number of employees (FTE)	1357	1533

The full annual report for Scandlines Infrastructure ApS can be downloaded [here](#), and the group's sustainability report can be found [here](#).

About Scandlines

Scandlines is a modern and innovative ferry operator with a green vision for the future. We have a proud culture based on a strong German-Danish cooperation and a maritime history dating back to 1872.

Scandlines operates two ferry routes with high capacity and frequency. Six of our ferries are hybrid ferries, and one is furthermore fitted with a rotor sail – and that contributes to making our ferries greener.

Our core business is to provide an efficient and reliable transport service for both passengers and freight customers. The focus for all our activities – on board the ferries as well as in our BorderShops – is to give our customers a great experience.

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