



# PORT ESBJERG

ANNUAL REPORT  
2020



# CHAIRMAN'S REPORT

The worst global crisis since World War II and the completion of Brexit made 2020 an extraordinarily challenging year for any business or port anywhere in the world. Naturally that goes for Esbjerg too. In other words, the year was more or less the ultimate test of Port Esbjerg's strategy and preparedness to handle major changes. This was a test we passed.

The port of Esbjerg has emerged unscathed from the troublesome period and is now in better shape than many other international ports in Europe. Thanks to our firm and swift response to the situation and the close collaboration among all players at the port throughout the pandemic, we have managed to keep operations running, avoiding a massive plunge in overall cargo volumes, and we have steered clear of large delays and disruptions of global value chains.

## WIND MARKET UNAFFECTED

Furthermore, the very unusual circumstances along with political developments have confirmed that we focus on the right business areas. As a leading European green energy port, we were fortunate that the wind market operated virtually without disruption during 2020. The year also saw political decisions and proposals that will accelerate growth in both the size and numbers of wind and green energy projects in Denmark and internationally. There is a massive market evolving, and we intend to be a part of it.

In recent years, Port Esbjerg has experienced considerable interest from businesses wishing to expand or establish

operations at the port. A trend that is strongly connected to the green transition. In addition, Port Esbjerg has received billions of kroner in funding commitments for major projects from the investment fund Infranode, local investors and from Port Esbjerg's bankers.

Our RoRo business also weathered the storm despite a severe drop in car imports caused by the lockdown. The events of 2020 have shown that Port Esbjerg is well positioned to capture the growth anticipated in the RoRo segment.

Lastly, COVID-19 did not disrupt our Brexit preparations. Tax authorities, businesses and Port Esbjerg were all prepared and ready to navigate this all-new scenario well ahead of the

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# FINANCIAL AND KEY FIGURES

| EUR million              | 2018         | 2019         | 2020         |
|--------------------------|--------------|--------------|--------------|
| Revenue                  | 30.83        | 30.54        | 28.04        |
| Other operating income   | 0.18         | 0.23         | 0.13         |
| Other external expenses  | -5.36        | -6.21        | -6.17        |
| <b>Gross profit</b>      | <b>25.64</b> | <b>24.56</b> | <b>22.00</b> |
| Staff costs              | -4.49        | -4.17        | -4.24        |
| Depreciation             | -8.68        | -9.44        | -9.68        |
| Other operating expenses | 0.00         | -0.16        | 0.00         |
| <b>Operating profit</b>  | <b>12.48</b> | <b>10.79</b> | <b>8.08</b>  |
| Net financials           | -2.92        | -1.66        | -2.01        |
| <b>Net profit</b>        | <b>9.56</b>  | <b>9.13</b>  | <b>6.07</b>  |
| Total assets             | 198.56       | 203.04       | 206.43       |
| Tangible fixed assets    | 171.16       | 170.58       | 169.58       |
| Equity                   | 128.61       | 137.75       | 143.81       |
| Capital expenditure      | 8.98         | 8.96         | 8.71         |
| <b>Key figures (%)</b>   |              |              |              |
| Return on equity         | 7.7%         | 6.9%         | 4.3%         |
| ROAIC                    | 7.4%         | 6.4%         | 4.8%         |
| Solvency ratio           | 64.8%        | 67.8%        | 69.7%        |



1 January 2021 transition date. Our ambitions are clear: We must do everything we can to support fast and smooth trade between the UK and Europe. Judging from events so far, I'm optimistic about that.

## FINANCIAL PERFORMANCE

Port Esbjerg generated net profit of DKK 45.2 million for 2020 compared with DKK 68.0 million in 2019. Despite Brexit and COVID-19, the year's total cargo turnover fell by only 2.3 per cent year on year. The number of ship calls fell by 5.6 per cent.

At Port Esbjerg, we decided in 2020 to offer supportive measures to a number of our customers, such as discounts for ships calling at Esbjerg in regular service and extended terms of payment of area rent in order to help them get through the COVID-19 crisis. These measures were part of the reason for the reduced profit.

Activity in offshore wind had been expected to fall in 2020 due to a low number of wind projects in the North Sea. This situation led to a year-on-year drop in rental income from quay areas. On the other hand, the port attracted new business in the wind segment, for example as a place of storage for wind turbine components for the entire North Sea area and a service and mobilisation base for installation vessels.

Group revenue for 2020 amounted to DKK 208.9 million compared with DKK 227.6 million in 2019. Total earnings declined by DKK 22.8 million year on year due to the drop in revenue. This setback was partially offset by extraordinary cost cuts in operations and a deferral of otherwise planned projects. The profit for the year of DKK 45.2 million does not quite match the forecast, but considering the challenges of 2020, the Board considers it a satisfactory performance.

## BALANCE SHEET AND STATEMENT OF CASH FLOWS

Total assets at 31 December 2020 amounted to DKK 1,537.9 million, compared with DKK 1,512.7 million at 31 December 2019. Port Esbjerg had a net cash outflow of DKK 4.9 million.

Investments made in 2020 totalled DKK 64.9 million, while repayment of non-current debt amounted to DKK 31.7 million. Most of the capital expenditure was spent on establishing shore-to-ship power connections, building a new customs and Border Inspection Post, the so-called BIP Centre, constructing a new bulk terminal, continuing the expansion of the East Harbour and the renovation of quays and streets.

## ENVIRONMENTAL FACTORS

Port Esbjerg continues its targeted efforts to implement



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energy-efficient solutions, stimulate demand for renewable energy and contribute to sustainable development. Our sustainability strategy is based on the United Nations’ 17 Sustainable Development Goals, and we have launched initiatives relating to a number of these goals. In 2020, Port Esbjerg teamed up with Honeywell in an energy project to measure and reduce the overall CO2 emissions at the port. This is a unique partnership not seen at any other port anywhere in the world.

#### **OUTLOOK FOR 2021**

We are eagerly anticipating the results of an environmental impact assessment (EIA) for a future port expansion of up to 500,000 square metres, which is due any time.

For 2021, we are budgeting for business activity slightly below

or in line with the level of 2020. We are not expecting significant new wind projects out of the port of Esbjerg in 2021. We believe this is the calm before the storm, as we expect the market to accelerate strongly in the years ahead. The outlook also reflects the persistent uncertainty about the full effects of Brexit on trade with the UK and, in turn, on the RoRo traffic to and from Immingham. Nevertheless, we note that cargo volumes to the UK are almost back to pre-Brexit levels, and hopefully traffic from the UK will recover soon as well. We have engaged in close dialogue with our UK business partners in order to share experiences and to support smooth and flexible trade and positive developments.

We are still seeing strong interest in expanding and establishing business operations at the port area, and backed by the large financing commitments I mentioned earlier and our strong balance sheet, we are ready to welcome even very large investments. Doing that is absolute key to sustaining growth and competitive strength at the port of Esbjerg.

We have charted our route forward, powered by a bright, optimistic outlook and strong confidence in what the future will bring. The outlook is sunny for Port Esbjerg. I would like to thank our customers and business partners for their support in 2020 and in 2021 to date.









*Aerial view of the East Harbour*

Once again, the port of Esbjerg was Europe's largest port of embarkation for offshore wind in 2020 with 1 GW shipped. The East Harbour is increasingly being used as a base for installation vessels, both for and between projects. In 2020, the area also became the base of the BIP Centre, the new Border Inspection Post, established to facilitate trading with the UK in the post-Brexit era.

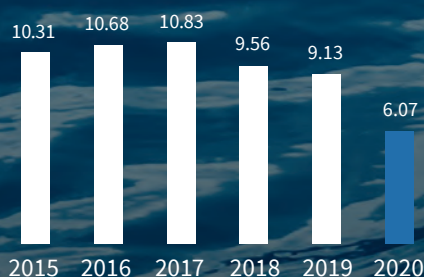




# FACTS AND KEY FIGURES 2020

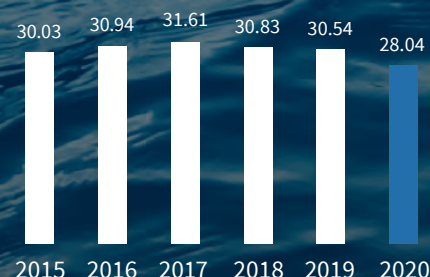
## NET PROFIT

 **6.07** million EUR



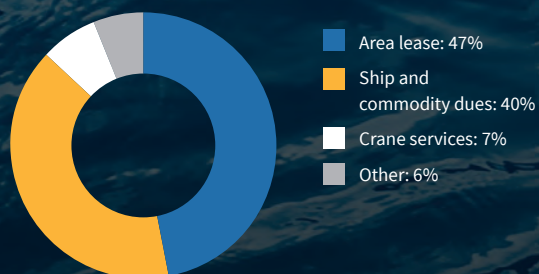
## REVENUE

 **28.04** million EUR



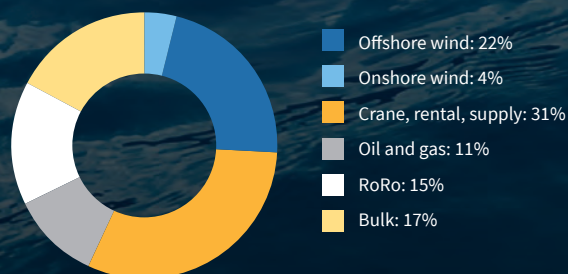
## TURNOVER

 by type



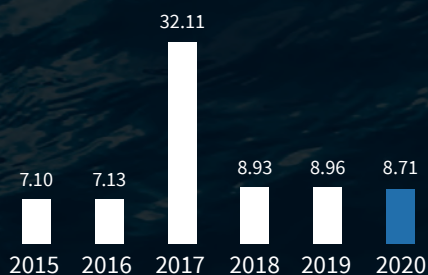
## TURNOVER

 by business area



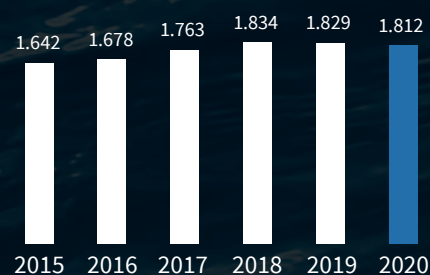
## INVESTMENTS

 **8.71** million EUR



## PASSENGERS

 **1.812** million persons

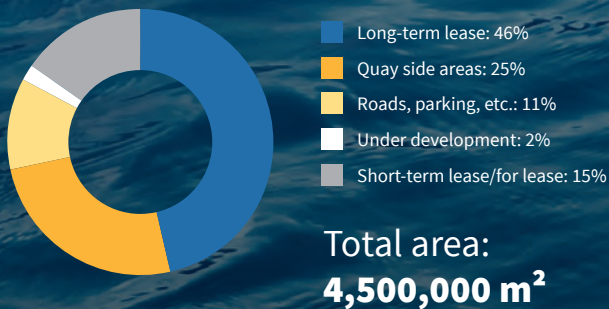




## CONTRACTED AREAS



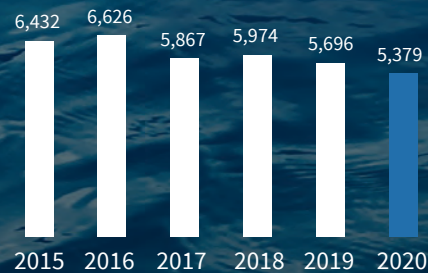
by type



## SHIP CALLS



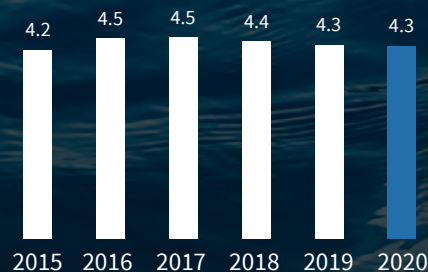
**5,379**



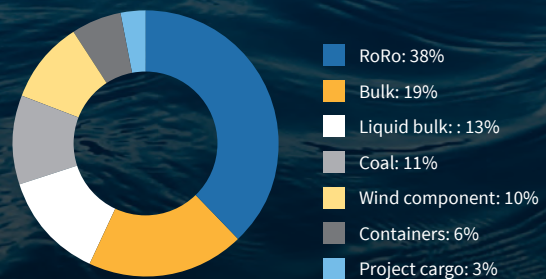
## CARGO VOLUME



**4.3** million tonnes



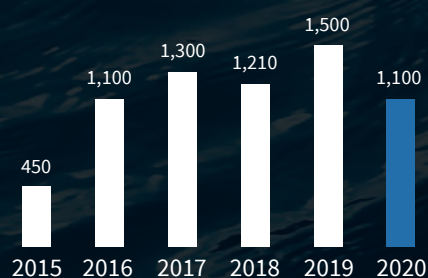
## CARGO BY TYPE



## OFFSHORE WIND SHIPPED



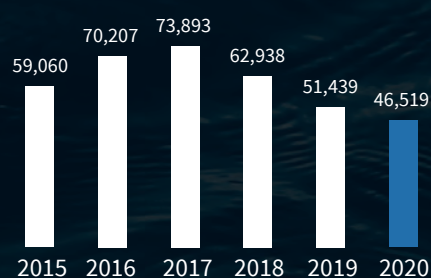
**1,100** MW



## CARS



**46,519**





**TEXT:**

Radius CPH

**PHOTOS:**

Red Star

Christer Holte

**LAYOUT AND PRODUCTION:**

Reese Grafisk Kommunikation











## BOARD OF DIRECTORS

### CHAIRMAN

Flemming N. Enevoldsen

### VICE CHAIRMAN

Jesper Frost Rasmussen, Mayor

### MEMBERS

John Snedker, Town Councillor

Helle Vingolf, Managing Director

Finn Strøm Madsen, Managing Director

John Sørensen, Managing Director

Peter Therkelsen, Group CEO

Freddy Hansen, Service Assistant  
(employee representative)

Jane Behrens von Qualen, HSEQ Manager  
(employee representative)

## MANAGEMENT

Dennis Jul Pedersen, CEO

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**PORT ESBJERG**