

# STENA RORO

Stena RoRo provides vessels, innovative solutions and project management for operators and shipping companies all over the world. In its operation, management and further development of vessels, Stena RoRo aims to generate profitability through the sale and chartering of high-quality tonnage.

In 2018, the market was strong for both RoPax and RoRo vessels. As a consequence, Stena RoRo has taken the opportunity to divest two vessels. With the sale of *Stena Freighter* to the space-flight company Blue Origin, owned by Amazon founder Jeff Bezos, Stena RoRo has shown how its well-maintained and flexible vessels can be of interest to unexpected industries. *Stena Freighter* will be used as a landing platform for the reusable booster rockets in Blue Origin's latest space venture, New Glenn. During the year, Stena RoRo also sold *Stena Carrier* to the Mexican shipping company, Baja Ferries.

## FAVOURABLE SALES IN GOOD TIMES

Stena RoRo buys vessels at favourable prices and creates value by developing and refurbishing these vessels. As a consequence of the strong market, and in line with its contracyclical strategy, Stena RoRo has been able to achieve profit on vessels acquired during less favourable times. Thanks to profitable operation and successful sales, Stena RoRo can present the best result ever. Stena RoRo has also continued the work of designing, project managing and ensuring delivery of newbuildings.

During the year, Stena declared four options at the Chinese AVIC Weihai shipyard, so that Stena RoRo is now project managing the building of a total of eight RoPax vessels ordered from the AVIC Weihai shipyard. The design has been adapted in line with the requirements of both internal and external customers. Three vessels will be chartered out to well-reputed European shipping companies, while five will be used by Stena Line. A hospital vessel for Mercy Ships is being built at the Xingang yard in Tianjin, China, and Stena RoRo is responsible for design and project management at the yard.

The vessel is planned to be ready for delivery from the Chinese yard during the first quarter of 2020.

## WELL-POSITIONED WITH A STABLE BUSINESS MODEL

Significant technical expertise, combined with good market know-how, enables Stena RoRo to make advantageous acquisitions even when the economic climate in the market is strong. Stena RoRo is currently working on a number of projects where doing profitable business relies on the company's opportunities to technically adapt the vessels. In the coming years, there is much to indicate the increased addition of primarily new RoRo vessels in the market, which will exert pressure on margins in the industry. In the RoPax market, on the other hand, development is still assessed to be strong, since in principle no speculative newbuilding orders are placed. There is also political uncertainty in Europe, as well as unrest about the outlook for the transport fleet after a possible Brexit 2019. Stena RoRo is monitoring developments closely and, with a well-balanced fleet comprising of both RoPax and RoRo vessels, is ready for various scenarios.

## FOLLOWING UP ON EMPLOYEES' REQUESTS

Stena RoRo is continuing its sustainability journey. By developing digital information and operations reporting systems, Stena RoRo is creating a basis to optimise ferry operation and thereby reduce fuel consumption. A key element of sustainability work is also to offer a secure workplace, and ensure the welfare of all employees. During the year, Stena RoRo made several organisational adjustments to improve employees' working conditions, in line with feedback made in the Stena Voice employee survey.

## STENA RORO FACTS

# 2%

Share of Group revenue

# 190

Employees

# 850

MSEK income

# 1,400

MSEK capital employed

# 4

RoRo ferries

# 4

Ropax ferries

## ENERGY EFFICIENCY IN FOCUS FOR NEW VESSELS

Stena RoRo is project managing the newbuilding of eight RoPax vessels at the AVIC Weihai shipyard in China. The ferries will be among the most energy efficient of their type, in terms of hull shape and propulsion. They will significantly reduce the relevant CO<sub>2</sub> emissions in the lines in which they operate. They will also be built for traditional fuels, while being prepared for scrubbers and selective catalytic reduction (SCR). The ferries will also have the "DnVGL Gas Ready" class notation.



## FREE AND INCREASED MOBILITY FOR PEOPLE AND TRADE, CONTRIBUTING TO GREATER PROSPERITY AND A SUSTAINABLE ENVIRONMENT



### SYSTEMATIC ENVIRONMENTAL ACTIVITIES FOR THE BENEFIT OF CUSTOMERS

Stena RoRo holds ISO 14001 certification and works systematically to ensure that the vessels that are built, rebuilt and chartered out have the lowest possible environmental impact. Employees' health and safety is also a top priority. The continuing sustainability initiatives are focused, among other things, on achieving accurate KPIs for environmental activities.

Focus areas	Target	2018	2017	2016
FAR (Fatal Accident Rate)	0	0	0	0
LTIF <sup>1</sup>	<1	0.00	0.68	0.54

1) Lost Time Injury Frequency (LTIF) is a way to measure workplace safety for crew onboard. LTIF is measured as number of Lost Time Injuries (LTI) – injuries that leave the employee unable to work the following day/per million exposure hours worked.



Through our dedicated work with modern digital onboard systems, we contribute to help our customers to futureproof their own operations effectively.

Per Westling  
MD



In 2018, Stena RoRo reported an LTIF<sup>1</sup> of zero.

## A SAFER WORKPLACE

The most important sustainability issues for Stena RoRo are health and safety, technical reliability, and environmental issues primarily related to energy use, greenhouse gas emissions, and waste. Stena RoRo holds ISO 14001 environmental certification and is working continuously to minimise the risk of occupational injuries.

