

ShipInvest2002

A new way of looking at ship investment projects

We are pleased to present our latest version of **ShipInvest2002**, which represent an innovative approach to evaluations of investments in ships.

Aspects of a proposed investment will be visualized in graphs and reports within seconds. Since the introduction in 1996, **ShipInvest2002** is now used in more than 20 countries

ShipInvest2002 is designed to cover the needs of users ranging from those who only need "back of the envelope" type of calculations to those wanting advanced NPV analysis

The program is designed to be used by anyone who gets involved in studying acquisitions of ships and financing of vessels:

- Owners
- Finance directors
- Ship yard marketing manager
- S&P Brokers
- Project brokers

- Ship finance bankers
- Technical managers
- Investors

We can also customize **Shipinvest2002** for special users. Tailormade versions of include features such as **Tutorial on investment analysis** enables a step-by-step through a project explaining in details the calculations and consequences. **Historical analysis** Based on historical time series for selected standard ship types, the investor can analyze where he is in the "cycle". Allows calculations of return on investments in the past, shows the probabilities for given rates of return and will relate future prospects to past performance. **Consolidation**: Allows fleet evaluations

Contact us to obtain a free demonstration diskette. We can also send it over the internet

www.nms2002.com

Fast Project

For the user who wants a fast and simple tool. We have provided a facility which we call **Fast Project** which consist of only one input screen:

The screenshot displays the 'Fast Project' input screen with the following sections:

- Description:** Project: Handymax 42,000 dwt blt 85; Currency: USD; Vessel Price: 12 Mill USD; Project Horizon: 5 Years; Expected Residual Value: 6 Mill USD.
- Equity/Interest:** Wanted Rate of Return on Equity: 12; Interest Rate on Cashflow: 5.
- Financing:** Loan in % of Vessel Cost: 60; Repayment years: 7; Interest Rate (%): 9; Nr of Loan installments p.a.: 2.
- Operating Costs:** USD/Day: 4200; % increase p.a.: 7; Onhire p.a.: 360; Days: (dropdown).
- Forecasted TC Rates:** A table showing rates from Year 1 to 5, with a 'Generate TC rates' button and a 'Continue' button.

From Year Nr	Rate in USD/DAY
1	10000
2	10750
3	11500
4	12250
5	13000

Norwegian Maritime Software

John Colletts alle 117, 0870 Oslo - Norway

Tel: + 47 / 22 95 08 70 Fax: + 47 / 22 95 08 71

Web page: www.nms2002.com E-mail: erikst@online.no

Reports:

A number of pre-defined reports can be generated by the push of a single button

Annual Cashflow: ('000 USD)

Year	Operating Result (T/C - Run Cost)	Interests	Installments	Annual Cashflow	Cum cashflow incl interests	Loan balance at end of Year	Required price of vessel at end of Year to yield 12 % on equity (modified method)	Break even T/C rate USD/DAY
1	1,887	625	1,029	234	264	6,171	11,284	9,317
2	2,036	532	1,029	475	788	5,143	10,376	9,360
3	2,178	440	1,029	710	1,577	4,114	9,281	9,425
4	2,312	347	1,029	936	2,637	3,086	8,002	9,514
5	2,437	255	1,029	1,153	3,972	2,057	6,545	9,627

After sale of vessel:

	Sales price of vessel	Repayment of remaining loan	Net cash from sales transaction	Net acc cash after sale and operation
	6,000	2,057	3,943	7,914

Required sales prices: ('000 USD)

Required sales price in '000 USD

At the end of Year	To cover outstanding debt	To cover outstanding debt + paid in equity	To give 12 % IRR on equity	To give 12 % IRR on equity - modified method
1	6,171	10,971	11,188	11,284
2	5,143	9,943	10,137	10,376
3	4,114	8,914	8,826	9,281
4	3,086	7,886	7,234	8,002
5	2,057	6,857	5,335	6,545

Break Even TC hire

Break Even timecharter rates expressed in USD/DAY to cover:

Year	Run cost +Interests +Installments	Run cost +Interests +Installments + 12 % dividend on equity
1	9,317	11,001
2	9,360	11,044
3	9,425	11,109
4	9,514	11,198
5	9,627	11,312
AVERAGE	9,449	11,133

Required TC Rates

The total period is 60 months and Residual value is assumed to be 6 MILL USD

Calculate the necessary time charter rates for how many of the last months:

DISCOUNT RATE (i%)	Necessary rate (USD/DAY) to yield (i%) on the Total Capital	Necessary rate (USD/DAY) to yield (i%) on the Equity Capital
0	8,664	9,950
5	9,816	10,440
10	10,892	10,889
15	11,898	11,301
20	12,843	11,681
25	13,732	12,032

This is the required timecharter rate for the entire period

Internal Rate of Return - IRR

Res value Interval: Re Calc Results

Residual Value '000 USD	IRR on total capital	IRR on Equity	IRR on Equity - modif
4,500	9.2	7.9	6.1
5,000	10.2	10.4	7.7
5,500	11.3	12.9	9.2
6,000	12.3	14.9	10.6
6,500	13.2	17.0	12.0
7,000	14.0	18.8	13.3
7,500	14.8	20.5	14.5

Net Present Value's - NPVs

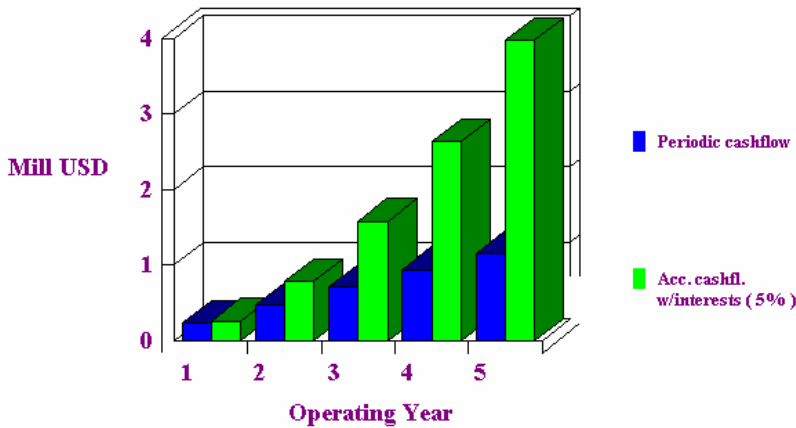
Discoun Rate	NPV - Tot. Capital	NPV - Equity	NPV - Modified Equity	NPV - Equity - After Tax	NPV - Modified Equity - After Tax
0	4,849	2,651	3,114	2,651	3,114
5	2,504	1,534	1,401	1,534	1,401
10	664	668	114	668	114
15	-800	-12	-865	-12	-865
20	-1,980	-553	-1,619	-553	-1,619
25	-2,943	-989	-2,207	-989	-2,207

Visual aids:

For users wanting graphical illustrations rather than ordinary tabular reports, *ShipInvest2002* comes with a number of pre-set graph facilities that produces crisp and clear exhibits. Colors and layout can easily be changed and graphs can be exported to word processing documents via the Clipboard function

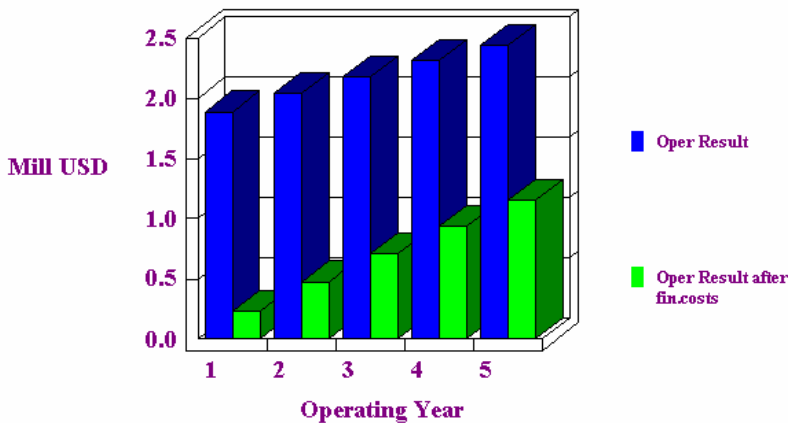
Annual cashflow

Handymax 42,000 dwt blt 85: Cashflow for each Year



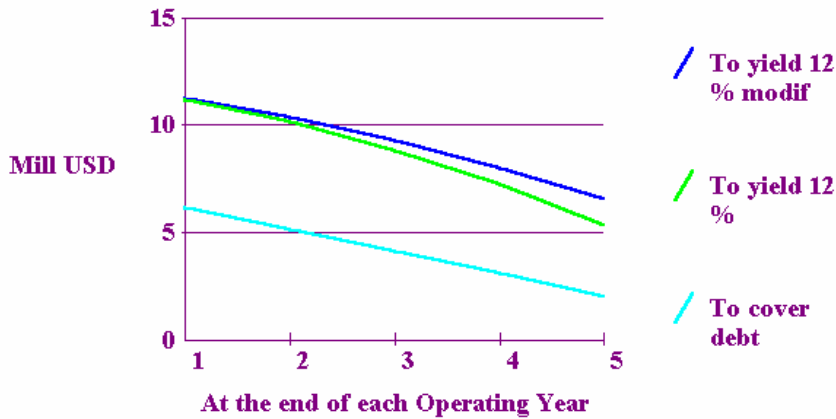
Operating Result

Handymax 42,000 dwt blt 85: Operating Result



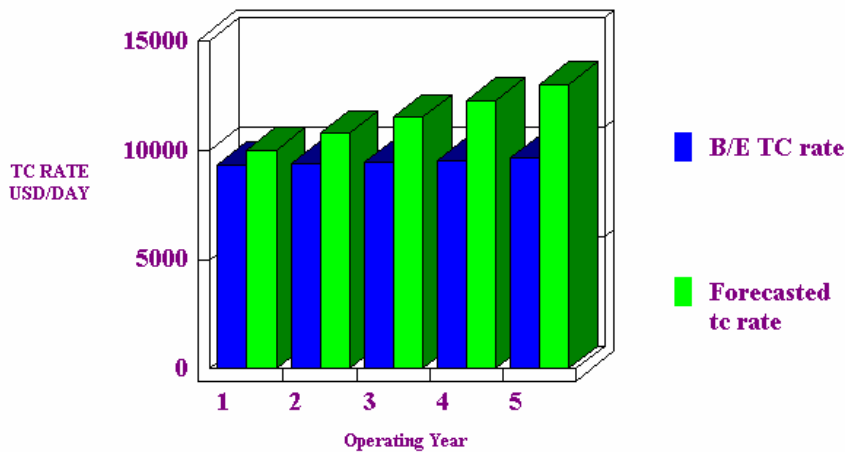
Required Sales Prices

Handymax 42,000 dwt blt 85: Required sales price to yield 12 % on equity



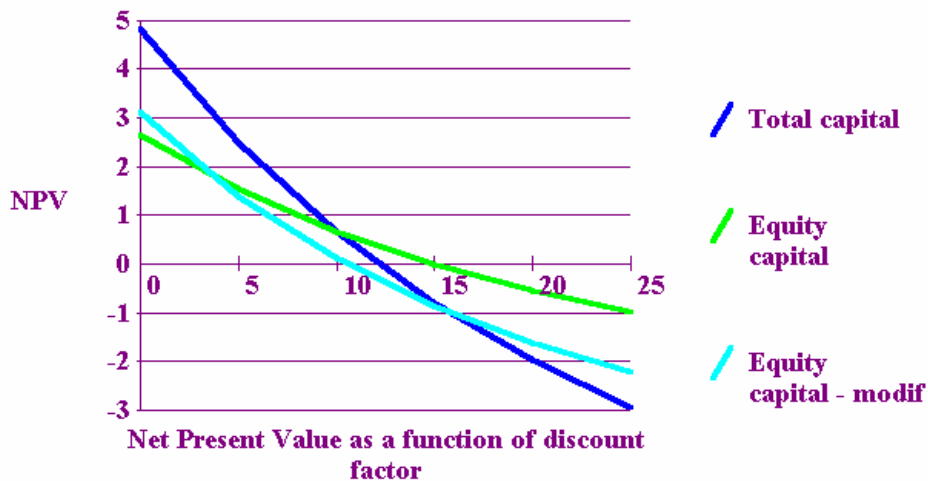
Break Even TC Rates

Handymax 42,000 dwt blt 85: Break Even TC rate



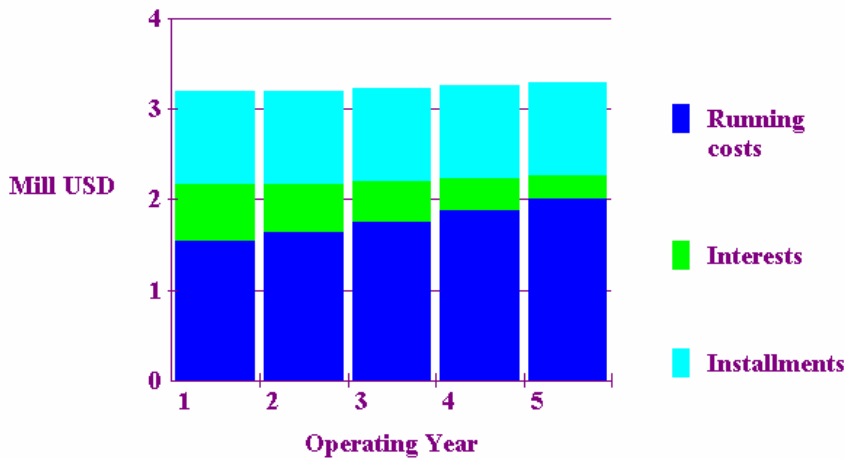
Net Present Values

Handymax 42,000 dwt blt 85: NPV (Mill USD)



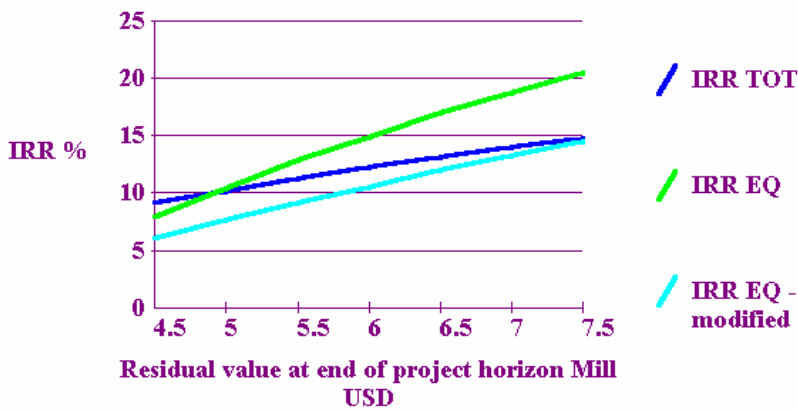
Major Cost Items

Handymax 42,000 dwt blt 85: Major cost items Year



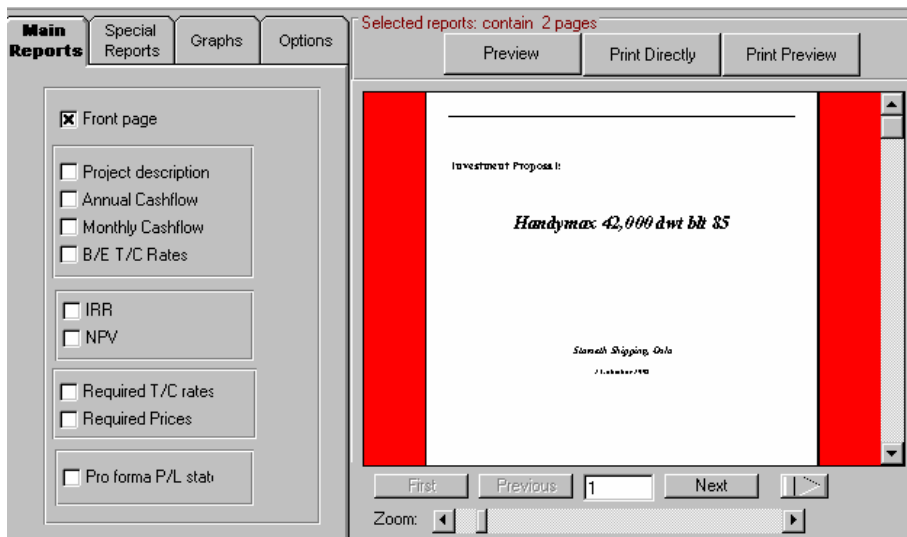
Internal Rate of Return as a function of Residual Value

Handymax 42,000 dwt blt 85: IRR as a function of Residual value



Preview of Reports to be printed

To print results, the user can select which reports and graphs to be printed. Before printing, the user can preview the report.




Standard Project


For users wanting more freedom in the choice of how to specify the project, the **Standard project** allows a great deal of flexibility.

Project input is divided into different screens. Each screen allows a great deal of details to be handled: Pre-delivery equity installments, unlimited number of loans, different types of loans, interests on cashflow, Balloon payments, different types of loans, simple tax analysis, banker's report etc.

Major Project description

Project Project Name: <input type="text" value="Handymax 42,000 dwt blt 85"/> Scenario: <input type="text"/> Size: <input type="text"/> <input type="text"/> Delivery: <input type="text" value="Feb"/> <input type="text" value="1998"/> <input type="text" value="USD"/>		Details Vessel type: <input type="text" value="Bulk Carrier"/> Year Built: <input type="text" value="1985"/> Expect lifetime: <input type="text" value="25"/> Light Weight: <input type="text" value="15000"/> Scrap price: <input type="text" value="170"/>	
Price Project Horizon: <input type="text" value="5"/> <input type="text" value="Years"/> Vessel Price: <input type="text" value="12"/> <input type="text" value="MILL USD"/> Residual Value: <input type="text" value="6"/> <input type="text" value="MILL USD"/>		More details.. 	
Technical Operating Cost: <input type="text" value="4200"/> <input type="text" value="Per Day"/> Increase: <input type="text" value="7"/> <input type="text" value="% Pro Anno"/> Onhire p.a.: <input type="text" value="360"/> <input type="text" value="Days"/> <input type="text" value="Dry docking costs .."/>		Taxation Depreciation: <input type="text" value="Straight Line"/> Depreciation rate (%): <input type="text" value="5"/> Tax rate (%): <input type="text" value="23"/>	

Financing

Loan number: <input type="text" value="1"/> <input type="button" value=" < Previous loan"/> <input type="button" value=" Next loan >"/>	
Main loan data Amount: <input type="text" value="60"/> <input type="text" value="% OF PRICE"/> Draw down date: <input type="text" value="Feb"/> <input type="text" value="1998"/> Loan type: <input type="text" value="Series"/> Working capital <input type="checkbox"/>	
Repayment Interest rate: <input type="text" value="9"/> First installment after how many months: <input type="text" value="6"/> Repayment Period: <input type="text" value="7"/> <input type="text" value="Years"/> Nr of payments pr year Installments: <input type="text" value="2"/> Interests: <input type="text" value="2"/>	
Balloon <input checked="" type="radio"/> No balloon <input type="radio"/> Balloon date <input type="radio"/> Balloon amount 	

Equity


Equity Nr:

Amount:

Date paid in:

Working Capital:

Comments:



TC Rates

TC rates can be specified in different ways such as USD/DAY, USD pr Month, CENTS pr dwt month, cents pr cubic feet month etc.

Commission on Tc

Rates:

From Year Nr	USD/DAY
1	10000
2	10750
3	11500
4	12250
5	13000

Generate TC rates

Generate TC Rates

Rate from year nr 1: USD/DAY

Rate changes by:

% Increase p.a.

Fixed increase p.a.

Interest Rates and Parameters

Allows detailed control of whether to generate annual cashflow bycalendar year or operating year, how to calculate NPVs, range for discount parameters etc.

Interest Rates

Interest Rate on negative cashflow

Interest Rate on positive cashflow

Wanted Rate of Return on Equity investment

Periodic Cashflow Report

Cashflow report by calendar year

Nr of months for accrual of interests (1 -12)

Return on Equity and Discounting

Nr of months aggregated in a discounting period

To hire

Running Costs

Interest and installments

Interest and installments

Vessel price and Residual value sensitivity - interval

Formatting of reports

Show negative numbers with a minus sign in parenthesis


Show results in Thousands Millions

Discounting rates

From (%)

Step in (%)

To (%)



Pro forma P&L and Balance sheet

Pro forma Profit and Loss Statement

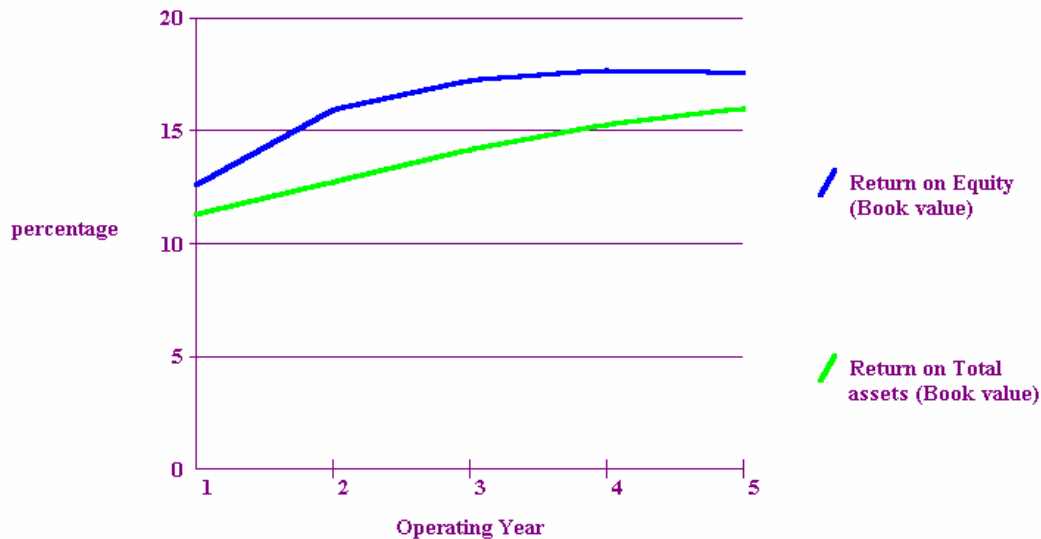
Year	TC Result	Running Cost / drydocking	OPERAT RESULT	Depreciatio	PROFIT AFTER DEPRECIA	Interest Expenses	Interest income (on cashflow)	NET FINANCE COST	PROFIT BEFORE TAXES	PROFIT AFTER TAXES
1	3,420	1,533	1,887	600	1,287	625	30	595	692	692
2	3,677	1,640	2,036	600	1,436	532	49	484	952	952
3	3,933	1,755	2,178	600	1,578	440	80	360	1,218	1,218
4	4,190	1,878	2,312	600	1,712	347	124	223	1,488	1,488
5	4,446	2,009	2,437	600	1,837	255	181	73	1,763	1,763

Pro forma Balance Sheet

End of year	Cash	Vessel at Cost	Accumul depreciat	Vessel Book value	TOTAL ASSETS	Outstand loan	Equity	TOTAL EQUITY AND LIABILITIES	ROCE: Profit after tax as % of Avg Equity	ROCT: Profit before fin exps as % of Avg Tot
1	264	12,000	600	11,400	11,664	6,171	5,492	11,664	12.6	11.3
2	788	12,000	1,200	10,800	11,588	5,143	6,445	11,588	16.0	12.8
3	1,577	12,000	1,800	10,200	11,777	4,114	7,663	11,777	17.3	14.2
4	2,637	12,000	2,400	9,600	12,237	3,086	9,151	12,237	17.7	15.3
5	3,972	12,000	3,000	9,000	12,972	2,057	10,914	12,972	17.6	16.0

Return on capital employed

Handymax 42,000 dwt blt 85: Return on Capital Employed



Sensitivity

Required TC rates as a function of Res Value and IRR on equity.

	5,000	5,500	6,000	6,500	7,000
0	10,535	10,242	9,950	9,657	9,365
5	10,944	10,692	10,440	10,188	9,936
10	11,324	11,106	10,889	10,671	10,453
15	11,678	11,489	11,301	11,112	10,924
20	12,008	11,845	11,681	11,517	11,353
25	12,317	12,175	12,032	11,890	11,747

Required TC rates as a function of vessel Price and IRR on equity. Equity and Financing assumed to be adjusted in the same ratio

	11,000	11,500	12,000	12,500	13,000
0	9,258	9,604	9,950	10,296	10,642
5	9,745	10,093	10,440	10,788	11,135
10	10,188	10,538	10,889	11,239	11,590
15	10,592	10,947	11,301	11,655	12,010
20	10,963	11,322	11,681	12,040	12,399
25	11,304	11,668	12,032	12,397	12,761

Toolbars

The program provides user oriented tool bars for easy maneuvering in the program



Help functions

Every report and input parameter has a well defined help function which enables the user by a single push of the F1 button to get context related help. What does that mean in practice ? Well say you are in the middle of specifying balloon payments for a loan, and wonder how to do this. By pressing the F1 button at that particular stage, the program will know what you are *about do and give you direct advise on how to deal with balloon payments.*

1. Where to Begin

See also:

[Run through a saved project as demo](#)

ShipInvest 2002 is designed to assist you in evaluating investment projects in shipping. Whether you are building a new VLCC or buying a 25 year old tween decker, you will need to make cash flow projections: study alternative financing schemes, required equity etc. **ShipInvest 2002** allows you to handle all relevant analysis in a structured and effective manner.

When starting the program, you will be in the [Main menu](#)

- Choose between:
 - [Fast Project](#) Press the tool bar button: Fast Project
 - [Standard Project](#) Press the tool bar button: Standard Project

Version: Jan01