

# Scandlines

Scandlines is held for its ability to deliver long-term capital returns, whilst generating cash dividends.

## Performance

Scandlines' performance was stable in the year, and it generated a GIR of £10 million, or 2% of opening portfolio value (2023: £52 million, 10%).

Leisure volumes continued to grow, following a strong peak over the summer. Freight volumes were softer compared to record levels in 2022, as a result of normalising demand, and a weaker macro-economic environment particularly in Scandinavia and Germany. The business remained cash generative in the year, resulting in the receipt of £25 million of dividend income in FY2024 (2023: £38 million).

Scandlines continues to invest in upgrading its fleet and reducing its emissions. A new freight ferry for the Rødby-Puttgarden route, which will be capable of sailing without direct emissions when fully operating on electricity, is in the later stages of construction.

We continue to value Scandlines on a DCF basis and, at 31 March 2024, its value of £519 million (31 March 2023: £554 million) reflected the dividends received in the year and a degree of caution on the outlook.

## Foreign exchange

We hedge the balance sheet value of our investment in Scandlines. We recognised a £15 million loss on foreign exchange translation (March 2023: gain of £21 million) offset by a £20 million fair value gain (March 2023: loss of £7 million) from derivatives in our hedging programme.

## At a glance

### Gross investment return

£10m  
or 2%

(2023: £52m or 10%)

### Dividend income

£25m

(2023: £38m)

**Table 8: Gross investment return for the year to 31 March**

	2024 £m	2023 £m
Investment basis		
Unrealised losses on the revaluation of investments	(20)	–
Dividends	25	38
Foreign exchange on investments	(15)	21
Movement in fair value of derivatives	20	(7)
<b>Gross investment return</b>	<b>10</b>	<b>52</b>
<b>Gross investment return as a % of opening portfolio value</b>	<b>2%</b>	<b>10%</b>

