

Yang Ming Marine Transport Corp. 2022 Investor Conference



2022.09.07

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Outline

- 1 、 Container Shipping Overview
- 2 、 Business Information
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- 4 、 Operational Future Prospects



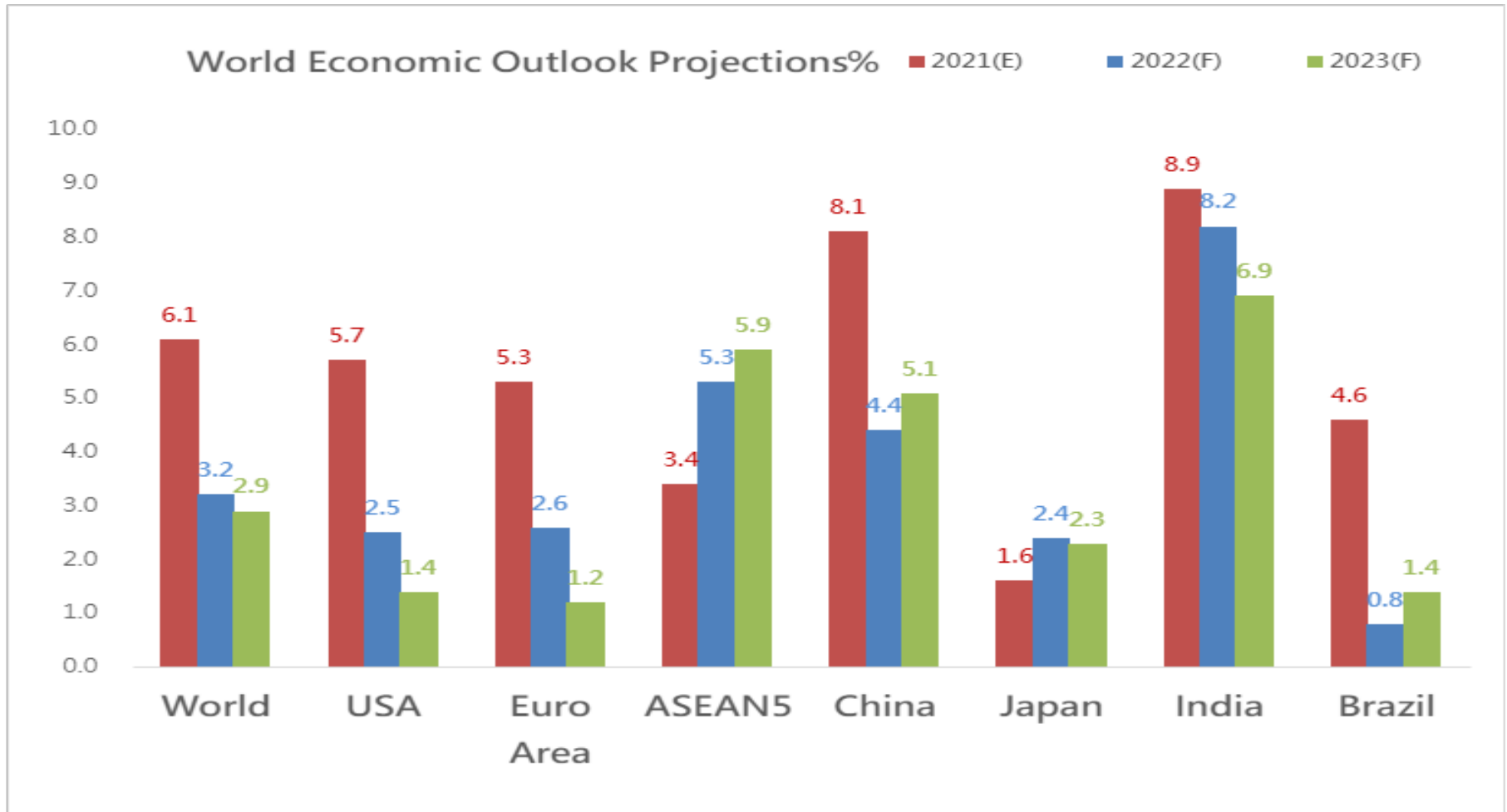
Container Shipping Overview



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Economic Outlook




- IMF expects the world economy to grow 3.2% this year and 2.9% in 2023.



Source: IMF, World Economic Outlook, Jul 2022.

Supply and Demand

- Drewry, Alphaliner and Clarksons research forecast supply will exceed demand from 2022 to 2023.

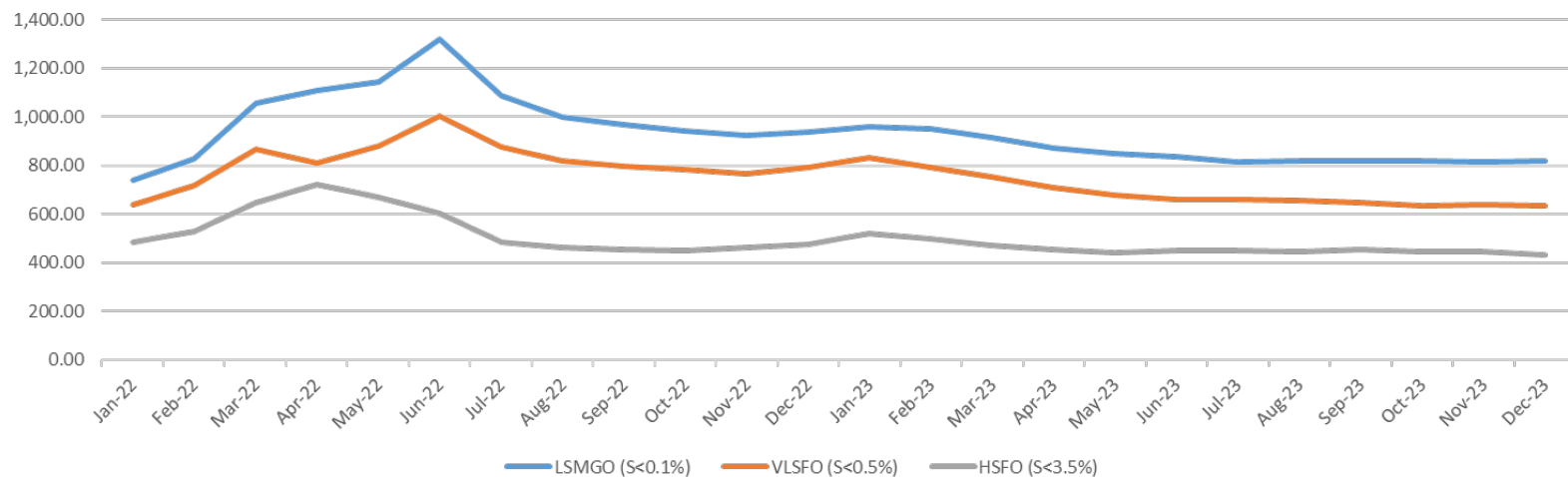
		2021(E)	2022(F)	2023(F)
	Supply	4.5%	3.4%	7.1%
	Demand	6.8%	2.3%	2.9%
	Supply	4.5%	4.3%	8.2%
	Demand	6.7%	0.9%	2.7%
	Supply	4.5%	3.5%	8.2%
	Demand	6.3%	3.0%	2.6%

Source: Alphaliner Monthly Monitor, Aug. 2022 ;Drewry Container Forecaster 2Q 2022;
Clarksons Container Intelligence 2Q 2022.

Marine Fuel Oil Price Outlook Singapore market price

- Despite a modest downward revision of global oil demand for 2022 and oil price has recently decreased from a peak level but still remains elevated while weakening economic growth along with the ongoing Russian-Ukraine war and EU and US sanctions (i.e. US and Europe prohibit most Russian oil and gas, also imposed punishments on Russian banks, airlines...etc.) are further undercutting the oil price.
- As for Iran nuclear agreement, it's hard to reach consensus in short term and the resumption should take sometimes to the international market.
- In short, the future oil prices will be most flat which still depends on the production by OPEC+ and the economy recovery.

Singapore Price Forecast (source: S&P Global Platts) Aug/23



Business Information

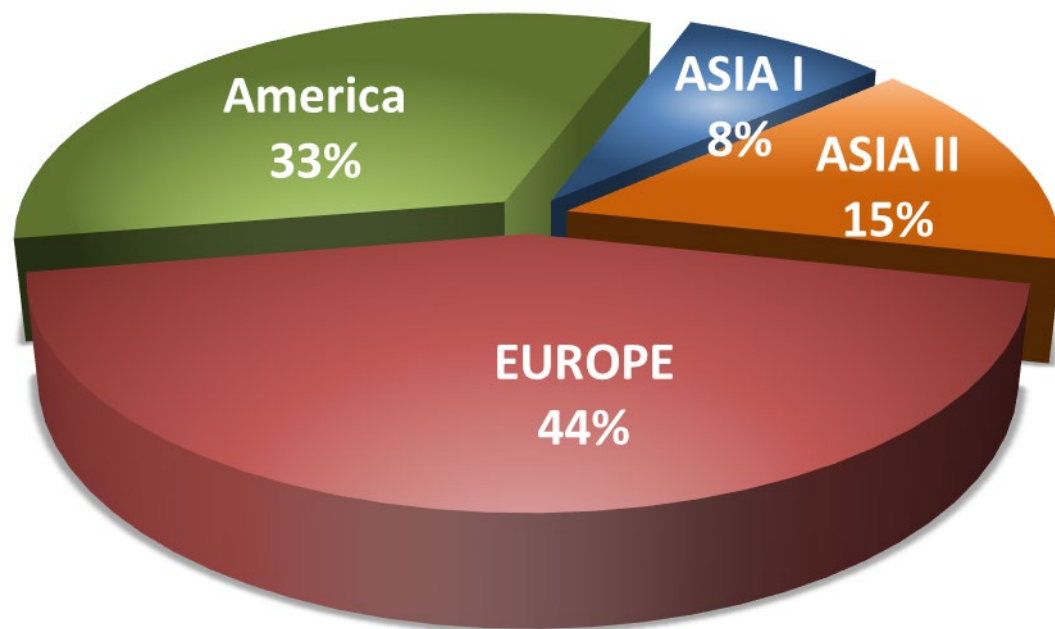


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The Proportion of Consolidated Operating Income

★AWE、PSW、PNW

★Intra-East Asia



★Middle East, Red sea, South America, Australia, South Asia

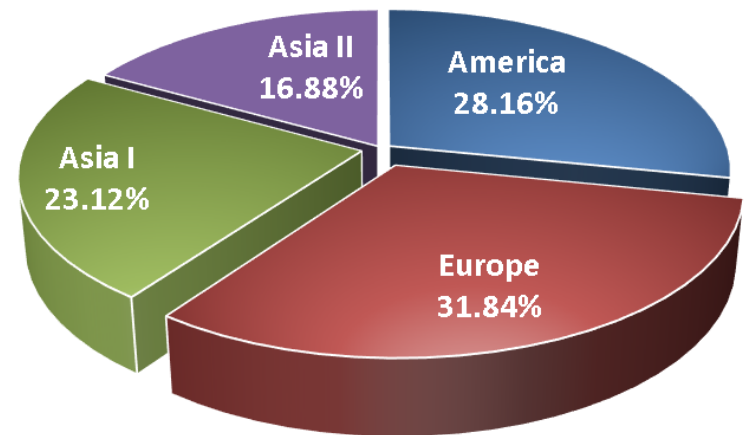
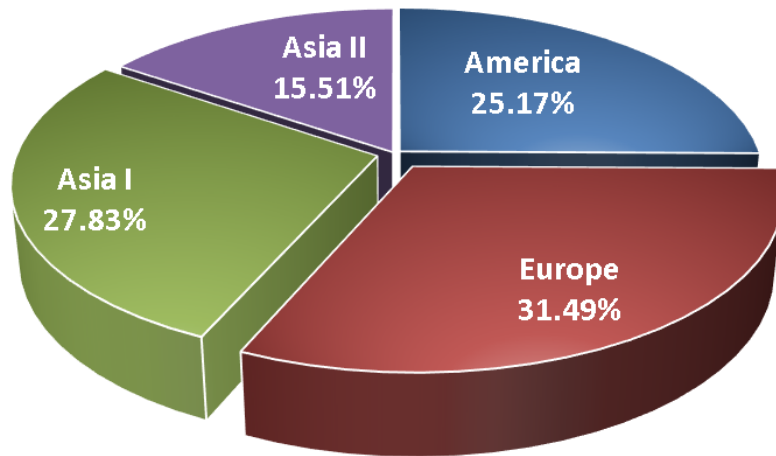
★NCP、MED、TA、IEU

Data interval:202201~202206

Lifting Volume Analysis - Lifting Volume in Year 2022H1 increased by 2% YOY

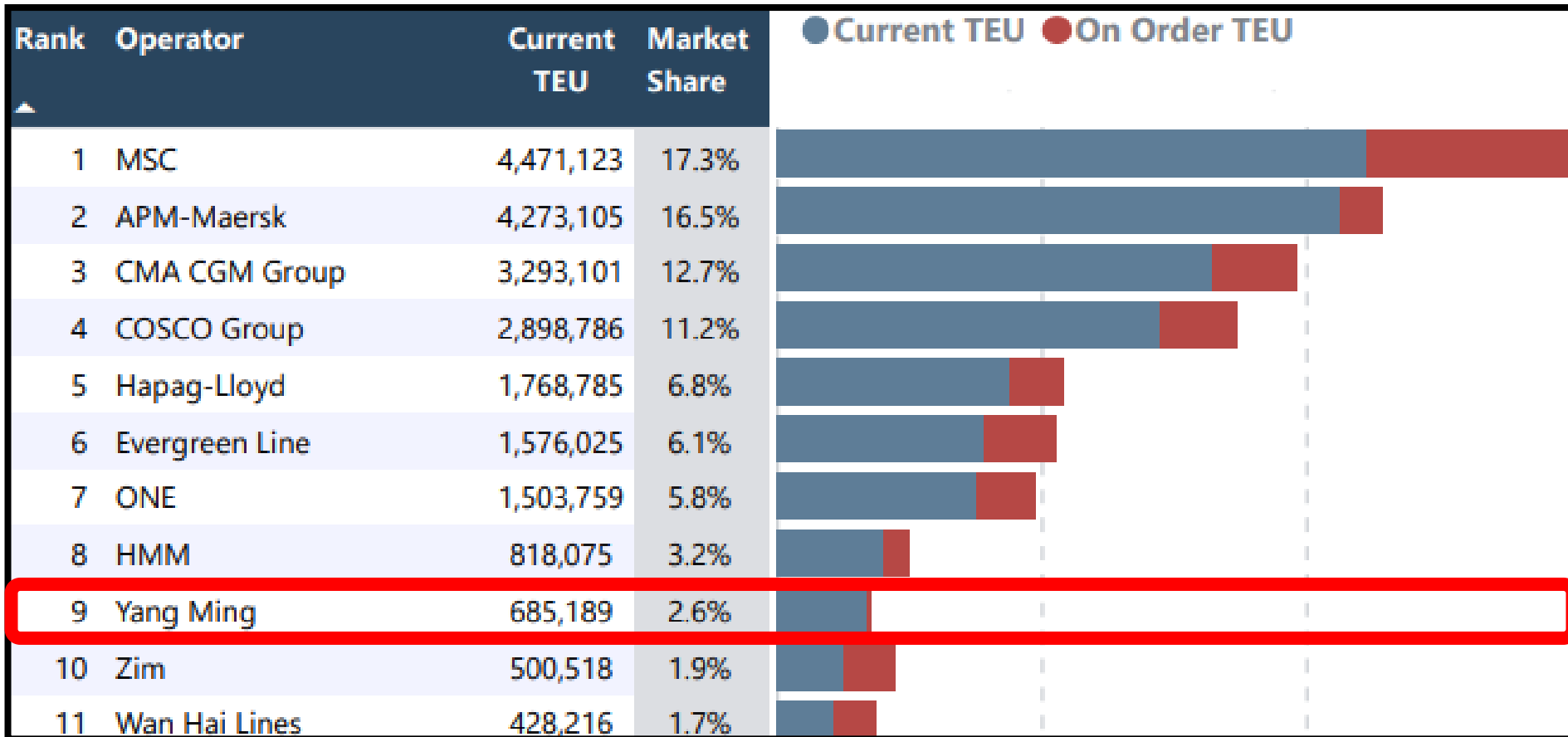
FY2022H1 : 2.27 million TEU

FY2021H1 : 2.22 million TEU



Capacity Ranking

- As of August 2022, Yang Ming's fleet capacity is ranked 9th in the world.



Source: Alphaliner, Aug 2022

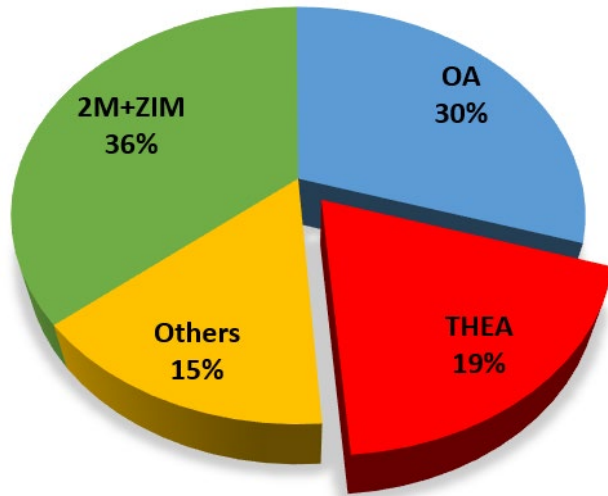
Trade Capacity Breakdown by Alliance

relatively balanced on trade capacity

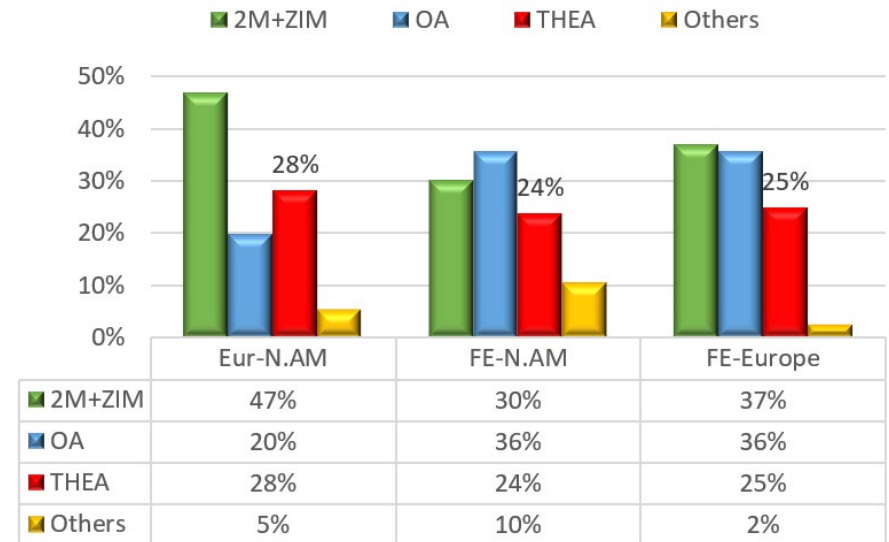
- THE Alliance accounts for 19% of global ship capacity, about 4.74 million TEU.
- 2M+ZIM remain highest rank in terms of global capacity proportion, at 36%. OCEAN Alliance and Others followed by 30% and 15% respectively.

When it comes to East-West Market share scale, 2M+ZIM is more European-based, and OCEAN Alliance is largely focusing on FE. In comparison, THE Alliance market strategy on East-West service is relatively balance between 24%-28%.

Capacity Share by Alliance



E-W Trade Capacity Share by Alliance



Source: Alphaliner Top 100 Report & East-West Capacity by Carriers (as per 23rd Aug 2022)

Financial Results



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The Proportion of Consolidated Operating Revenue of Yang Ming Group



Logistics
3.68%



Bulk
1.37%



Container Shipping
94.86%

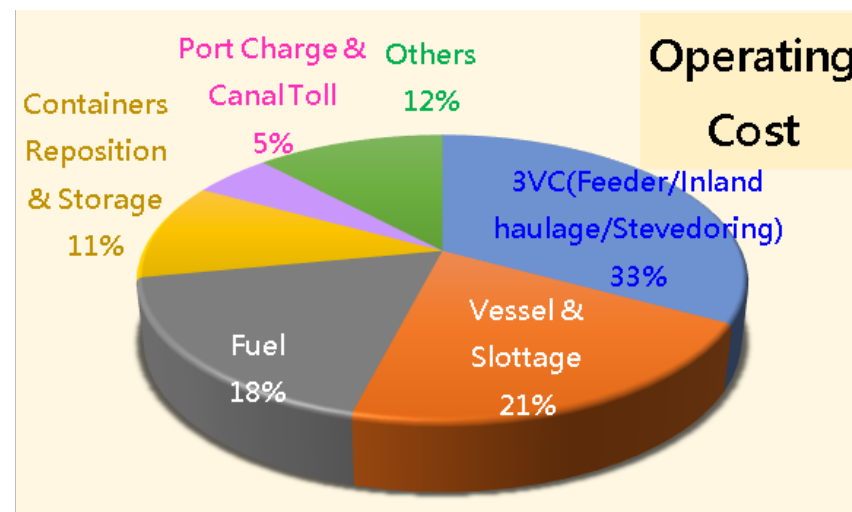
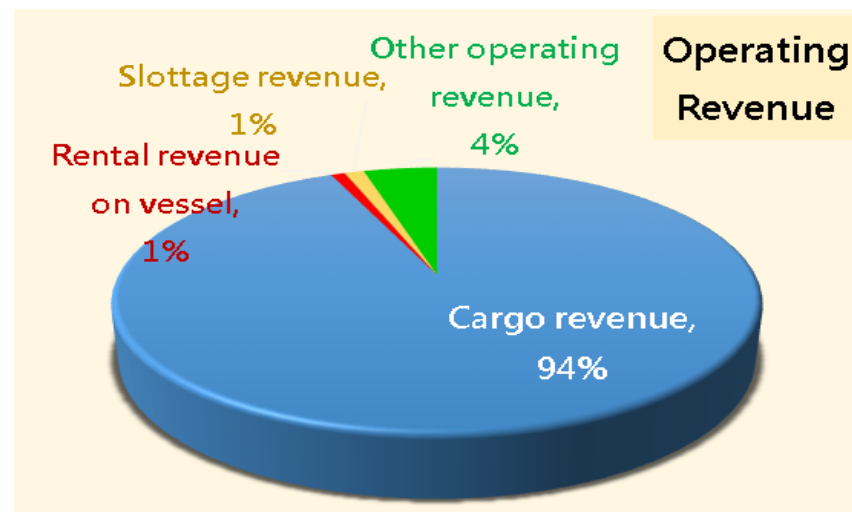


Wharf
0.09%

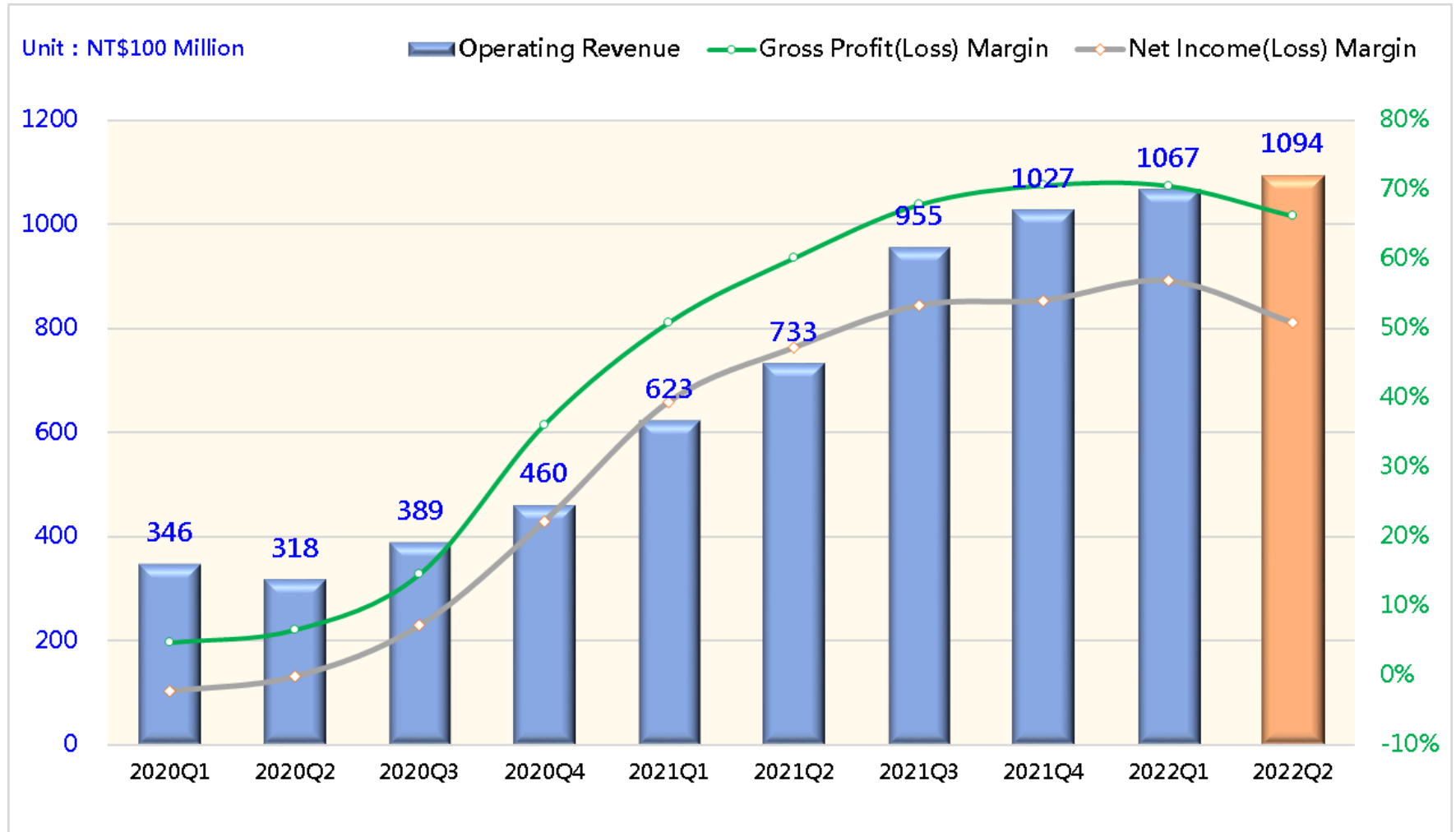
Consolidated Income Statement

Unit : NT\$ Million

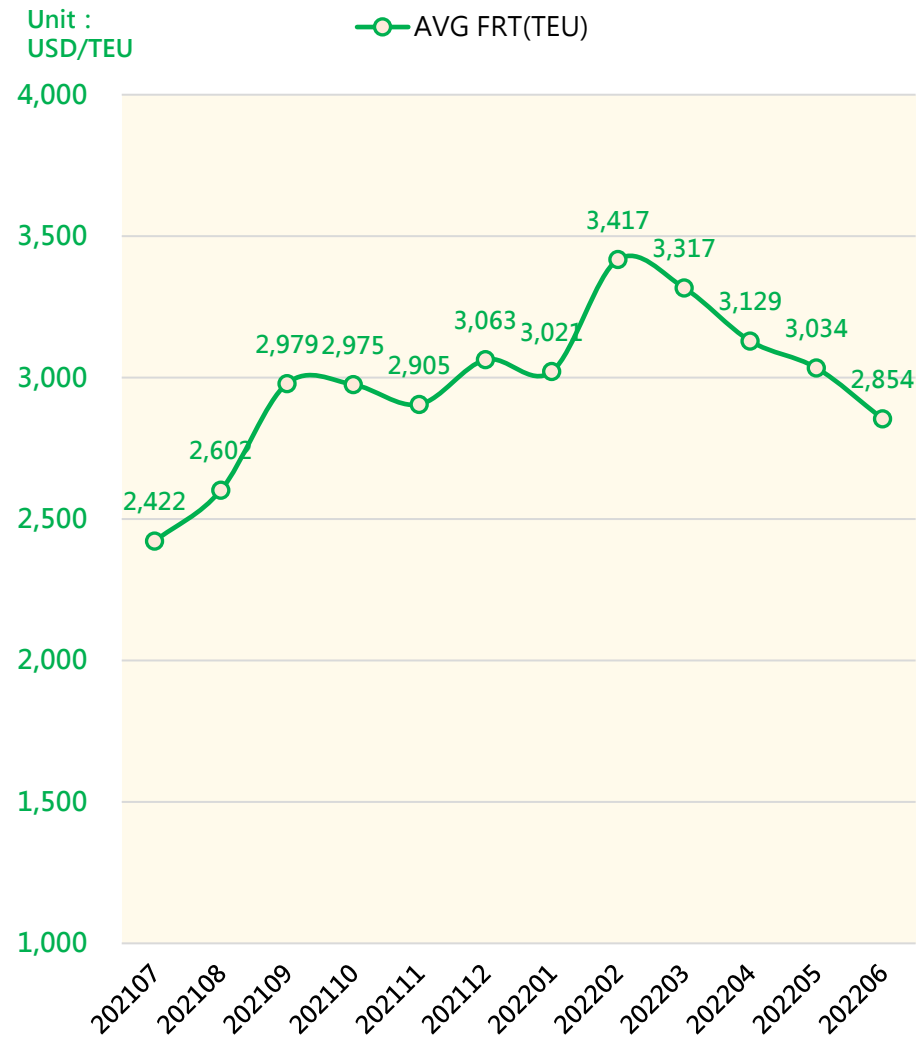
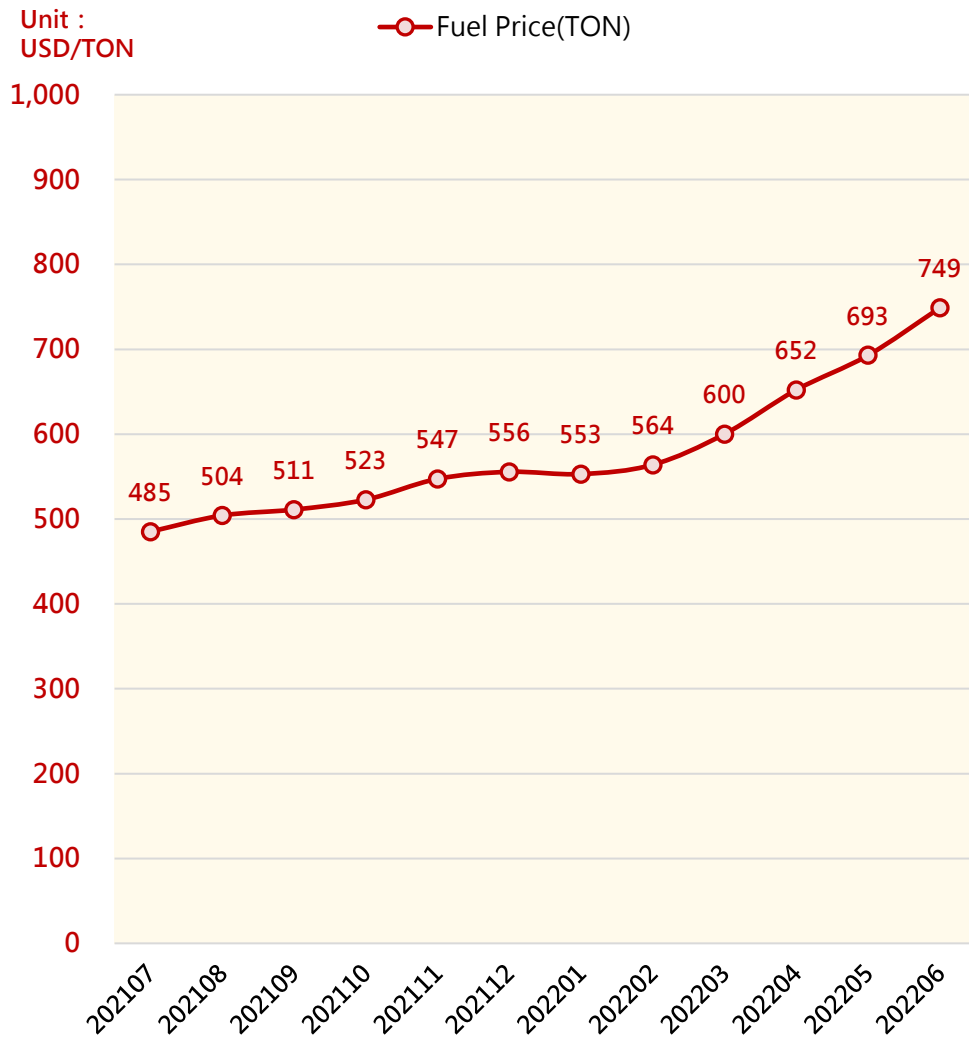
Items	2022H1
Operating Revenue	216,152
Gross Profit	147,788
Operating Income(Loss)	143,254
Net Income(Loss)	116,324
Profit(Loss),attribute to owners of the parent	116,111
EPS	33.25



Consolidated Operating Income, Gross Profit(Loss) Margin and Net Income(Loss) Margin

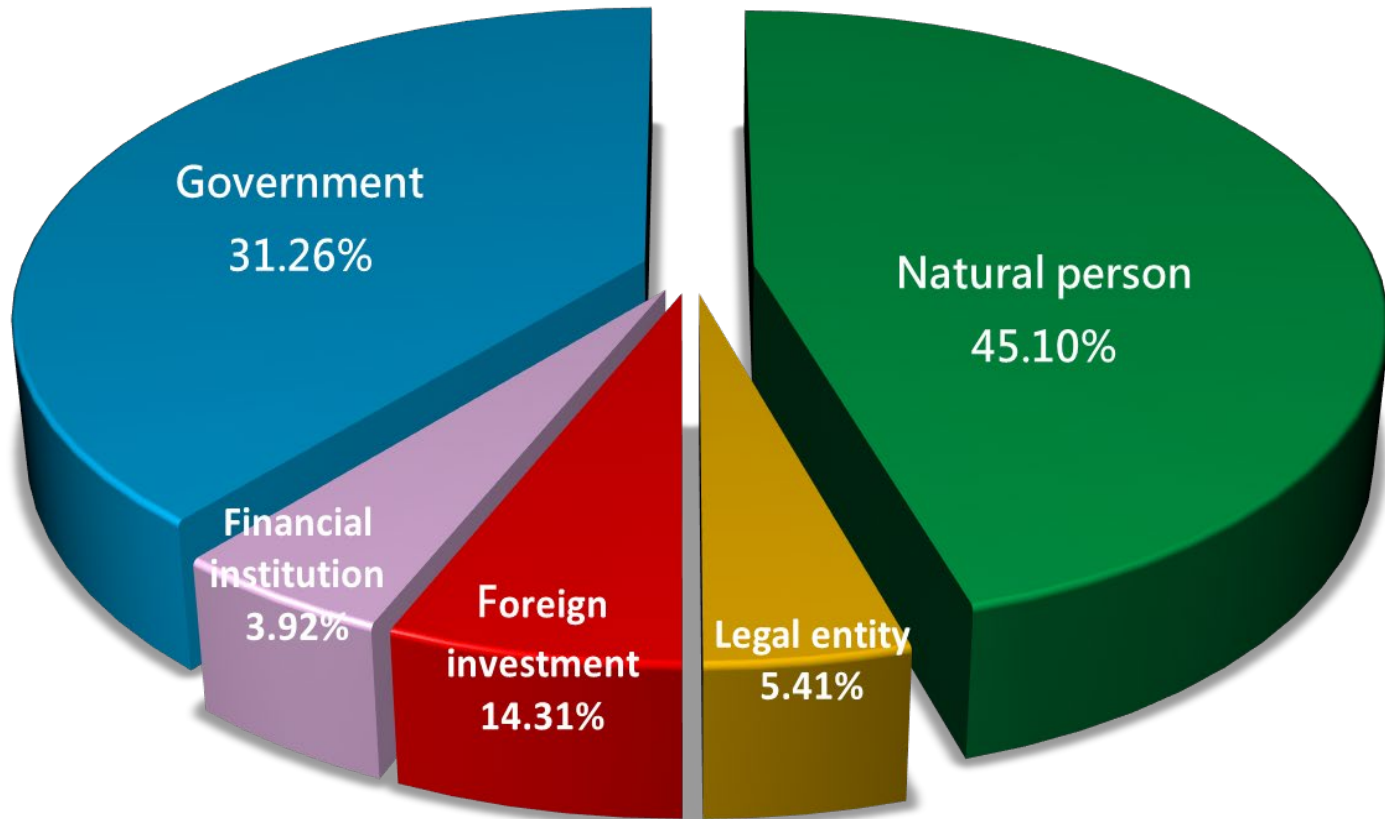


Fuel price and Average FRT



Structure of Shareholders

The latest closing date was July 3, 2022



Operational Future Prospects



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Service Rationalization-Strategies

East-West Network

- Strengthen competitiveness and capacity on East-West main routes with new deliveries and service restructure.
- Rationalize vessel deployment and rotation adjustment, improve OTP and ensure max. capacity restoration.

North-South Network

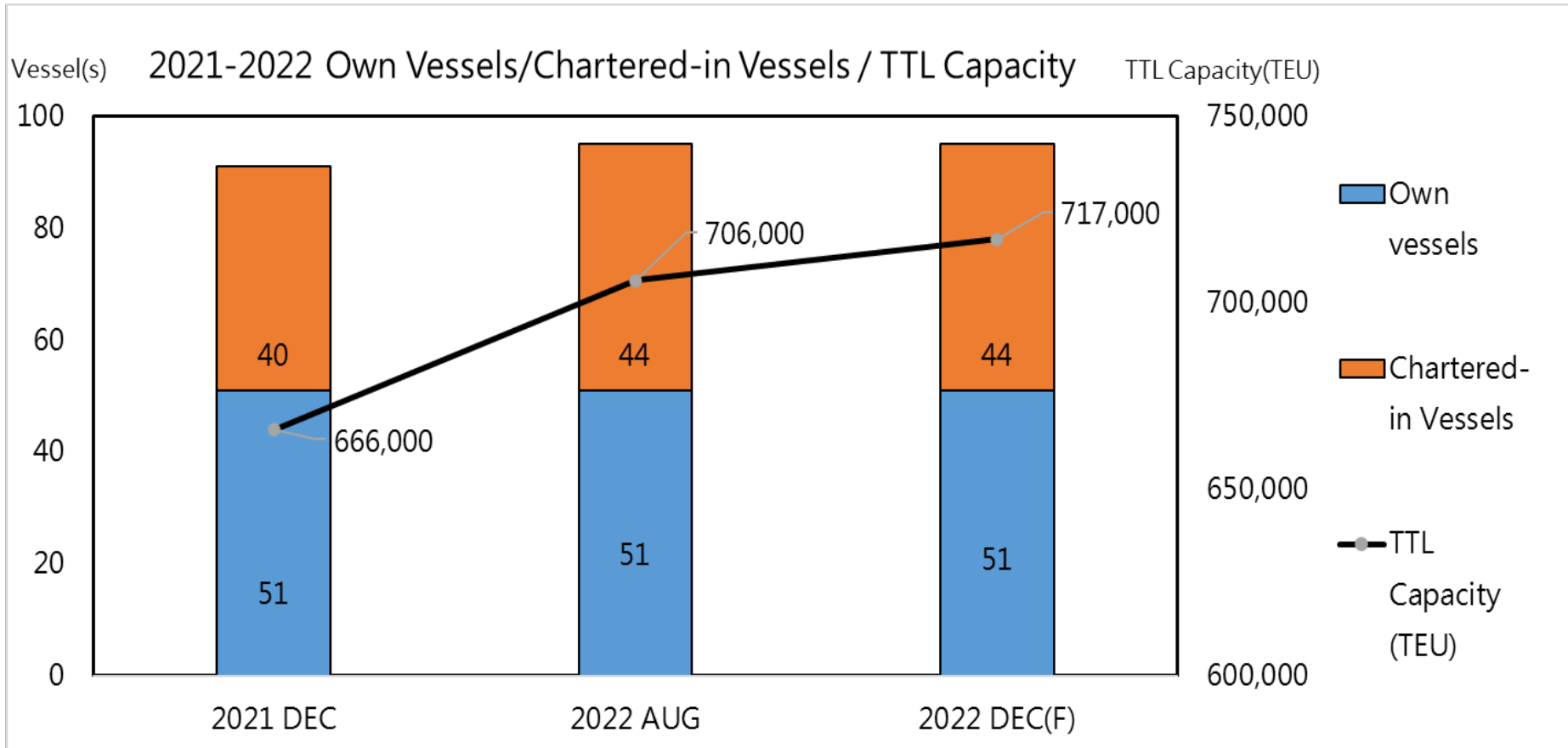
- Strengthen current joint service cooperation on South America, ISC, and Australia trades.
- Pursue opportunities to develop niche markets so as to enhance competitiveness.

Intra-Asia Network

- Continuously optimize the rationalization of service and build a complete Intra-Asia regional layout.
- Set up Southeast Asia Regional Head Office to centralize the authority and management for Asian countries.

Yang Ming's Fleet Capacity and New Delivery

- Up to 31 Aug. 2022, there are 95 vessels in Yang Ming's fleet, and total capacity is around 706,000 TEUs



- 14 new-built 11,000TEU chartered-in vessels will be fully delivered in 2022.

Future Prospects

2022 H2

Due to Russo-Ukrainian War and the inflation , reducing the purchasing power of consumers. However, severe schedule delays caused by port congestion which results in reducing supply capacity and slowing down the freight.

2023 H1

The prospects for the first half of 2023 considered the following situations:

1. With easing of inflation, the purchasing power will likely recover gradually.
2. Market supply will increase due to a deployment of new ships and alleviation of port congestion.

Q&A

