

Yang Ming Marine Transport Corp. 2023 Investor Conference



2023.3.22

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Outline

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



Container Shipping Overview

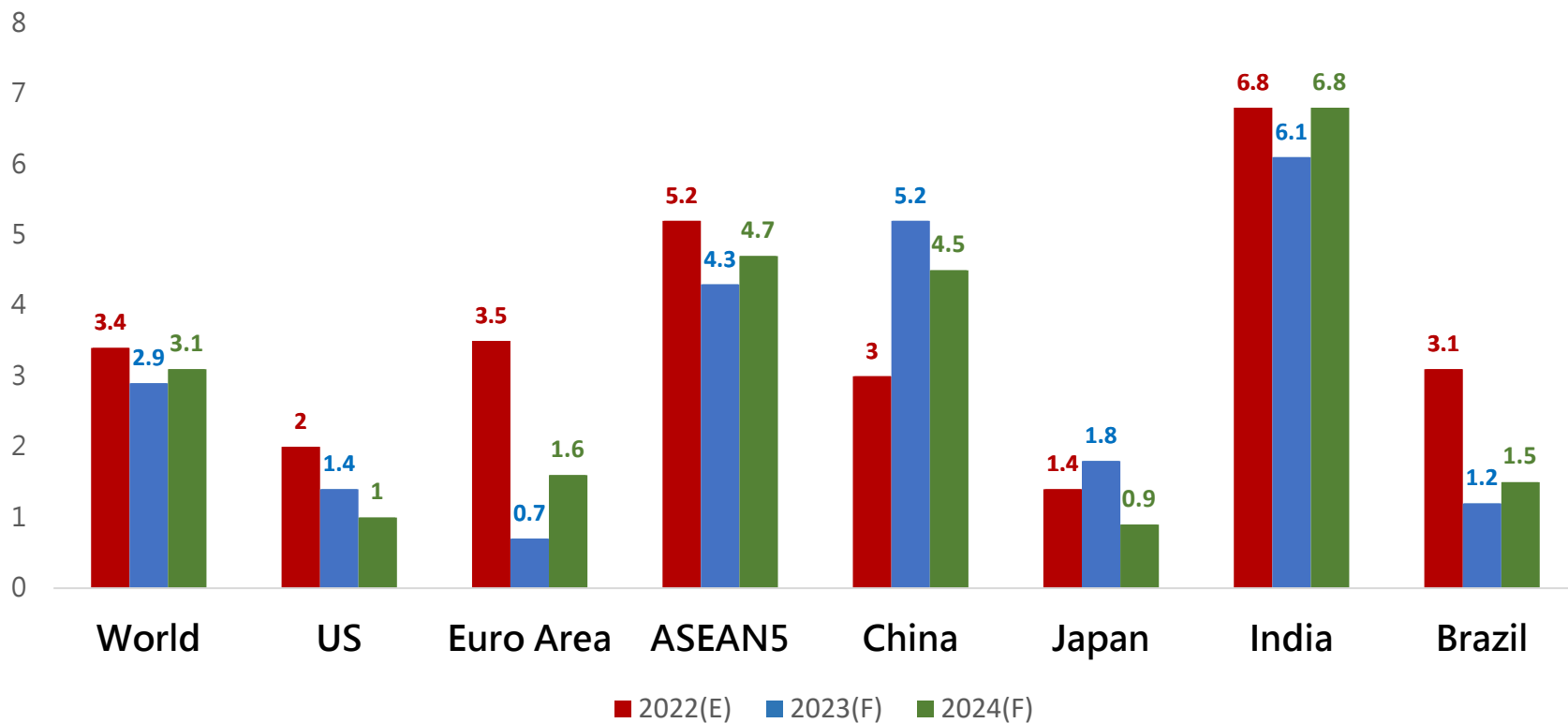


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Economic Outlook

IMF hikes global growth forecast to 2.9% in 2023, which is 0.2 percentage point higher than predicted in the October 2022.




World Economic Outlook Projections %



Source: IMF, World Economic Outlook , Jan 2023.

Supply and Demand

Drewry, Alphaliner and Clarksons research forecast supply will exceed demand from 2023 to 2024.

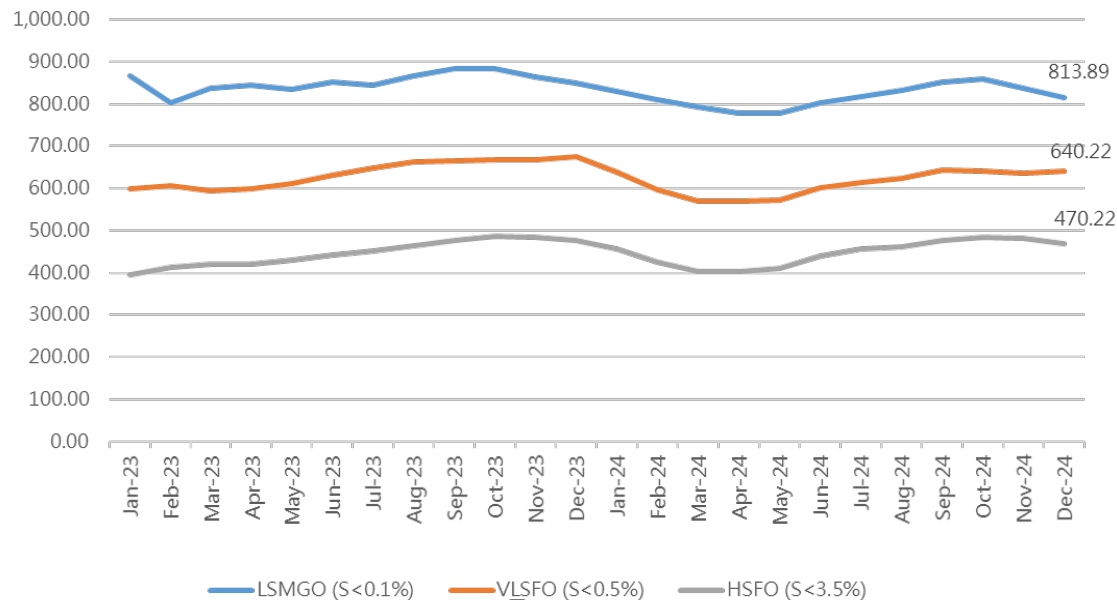
		2022(E)	2023(F)	2024(F)
	Supply	4.2%	3.5% (3.8%)	5.9%
	Demand	0.1%	1.2% (1.9%)	2.5%
	Supply	4.1%	8.2% (7.8%)	8.9%
	Demand	0.1%	1.4% (2.7%)	2.2%
	Supply	4.0%	6.7% (7.3%)	5.5%
	Demand	-5.3%	-2.2% (1.1%)	3.3%

資料來源: Alphaliner Monthly Monitor, Feb. 2022 ; Clarksons Container Intelligence 1Q 2023.
Drewry Container Forecaster New Monthly Supplement, Feb 2023;

Marine Fuel Oil Price Outlook Singapore market price

- The Ukrainian-Russian war, geopolitics and the resulting sanctions, and the OPEC+ production cuts agreement may be maintained until the end of 2023, these factors are expected to continue affecting the market and push oil prices higher.
- The US and Europe banking crisis, the demands in Europe and US markets has slowed down, doubts about China's economic outlook after lifting epidemic control and Fed continue to tighten monetary policy, these factors would curb oil demand and put pressure on oil prices.
- To reduce greenhouse gas emissions, the IMO meeting (MEPC 80), which is expected to be held in July 2023, will continue to see the impact of carbon emission reduction policies and the development of new energy sources on the fuel market.

Singapore Fuel Price Forecast (source: S&P Global Platts) Mar/06



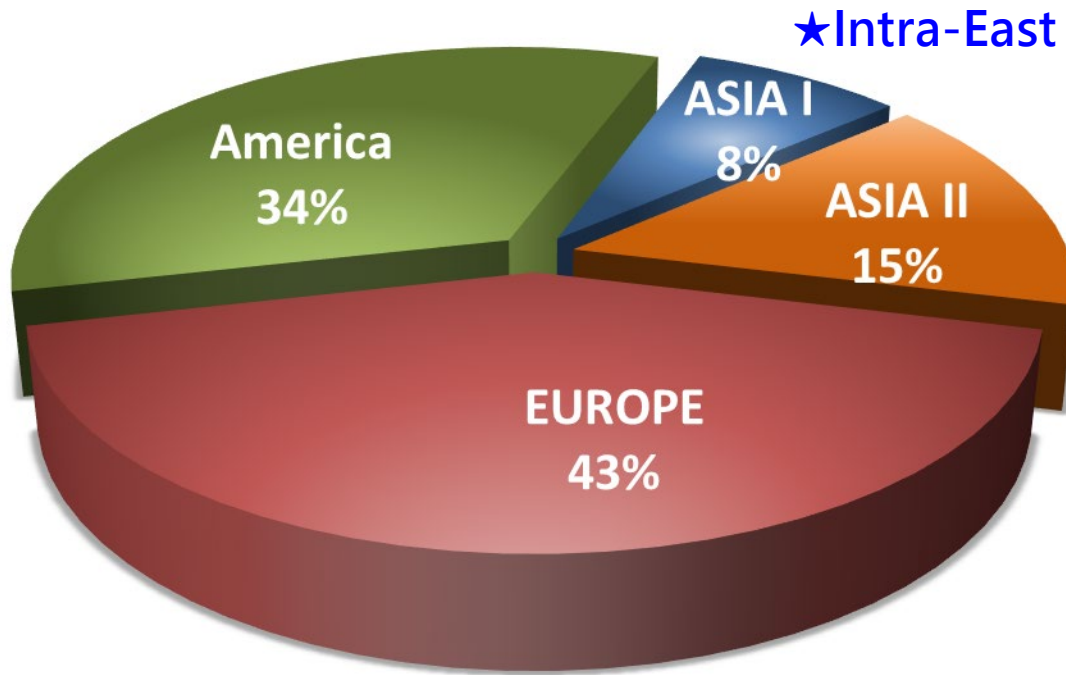
Business Information



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The Proportion of Consolidated Operating

★AWE、PSW、PNW



★Intra-East Asia

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

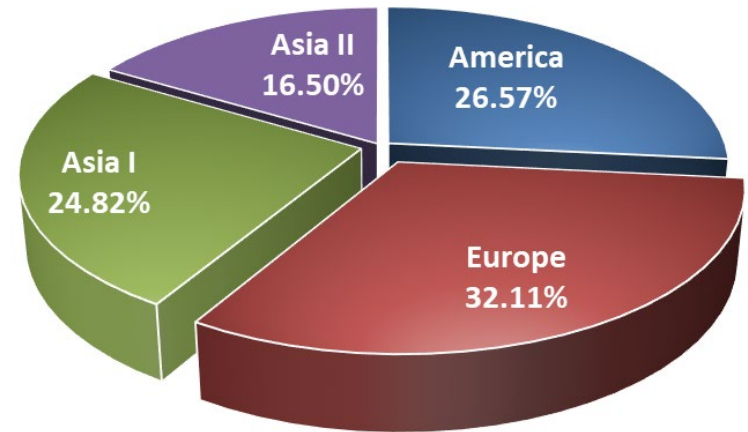
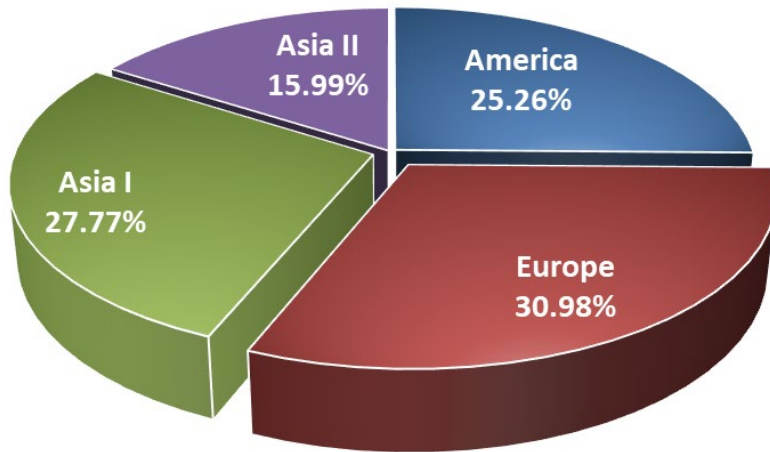
★NCP、MED、TA、IEU

Data interval:202201~202212

Lifting Volume Analysis - Lifting Volume in Year 202201~12 increased by 4% YOY

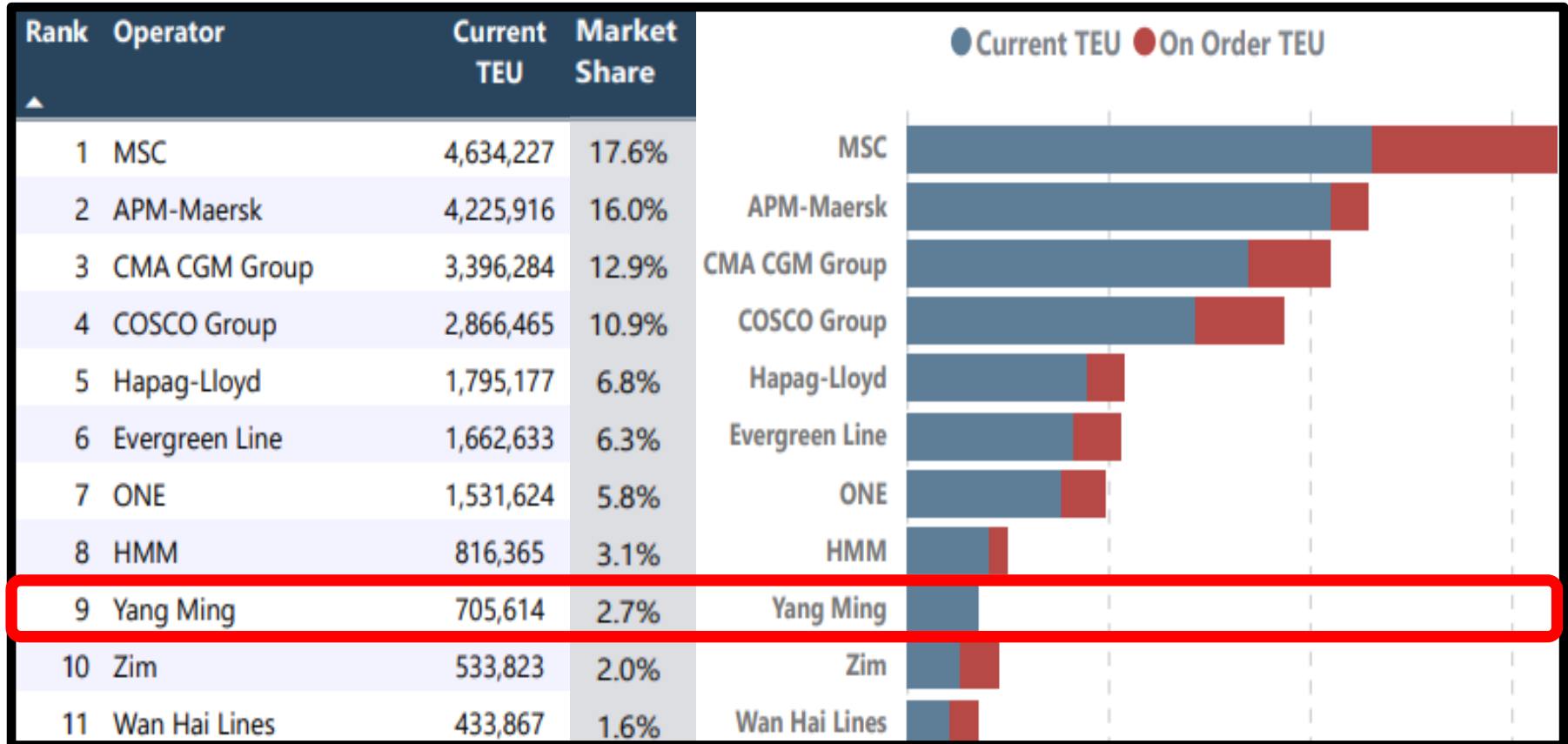
FY2022 : 4.61 million TEU

FY2021 : 4.41 million TEU



Capacity Ranking

- As of February 2023, Yang Ming's fleet capacity is ranked 9th in the world.



Source: Alphaliner, Feb 2023

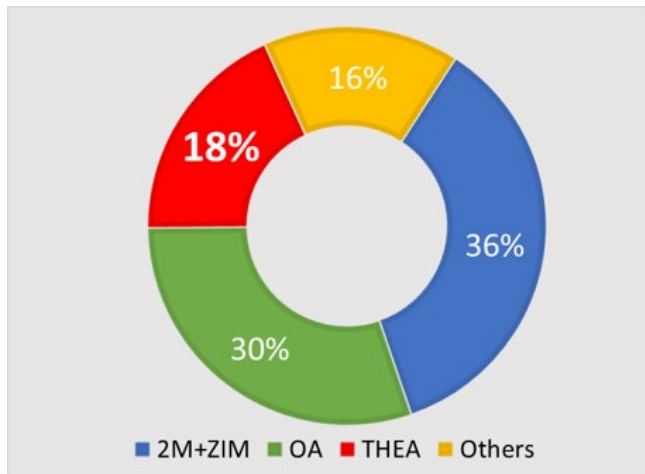
Trade Capacity Breakdown by Alliance

relatively balanced on trade capacity

- Three Major Alliances account for 84% of market share, very identical to Y-o-Y 2022.
- 2M+ZIM and OA remain Top 2 in terms of global capacity portion, at 36% and 30% respectively. THEA followed by 18%.

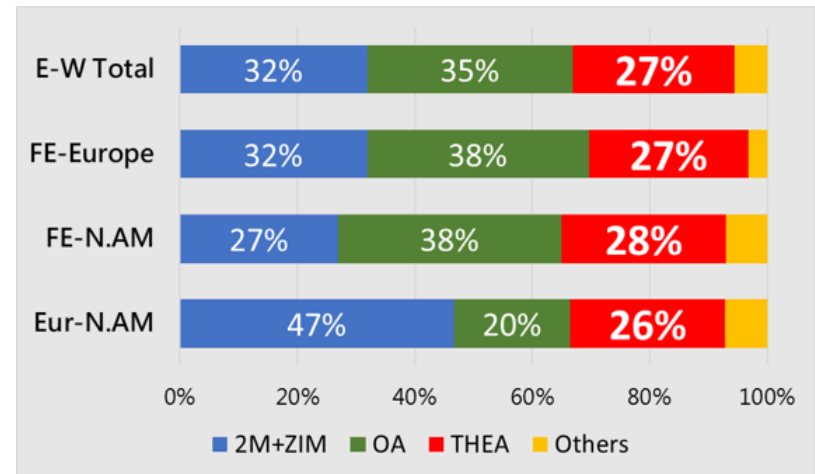
- When it comes to East-West Market share scale (in terms of weekly capacity), OA maintains largest in FE-N.AM/Europe (Asian centric), while 2M+ZIM leads in EUR-N.AM (Europe centric). THE Alliance market strategy on East-West service is relatively balanced.

Global Capacity Share by Alliance



Source: Alphaliner, Monthly Feb 2023

E-W Trade Weekly Capacity Share by Alliance



Source: Alphaliner, MarketSharesEW, 2023/3/3

Financial Results



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The Proportion of Consolidated Operating Revenue of Yang Ming Group



Logistics
3.43%



Bulk
1.55%



Container Shipping
94.92%

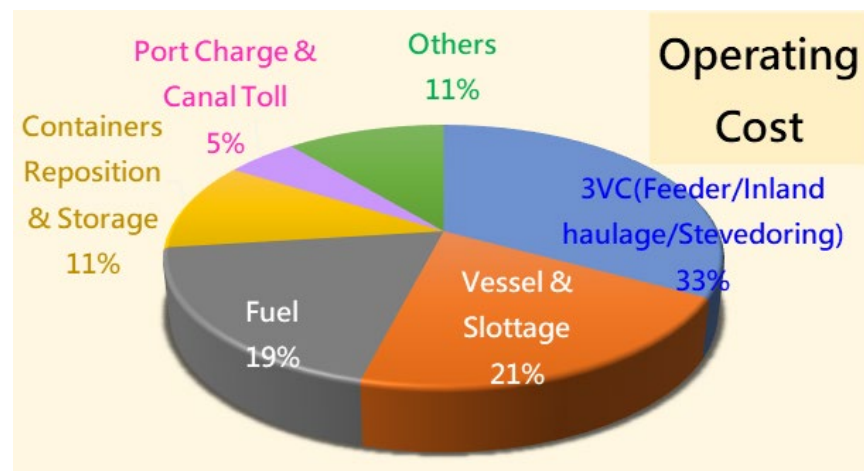
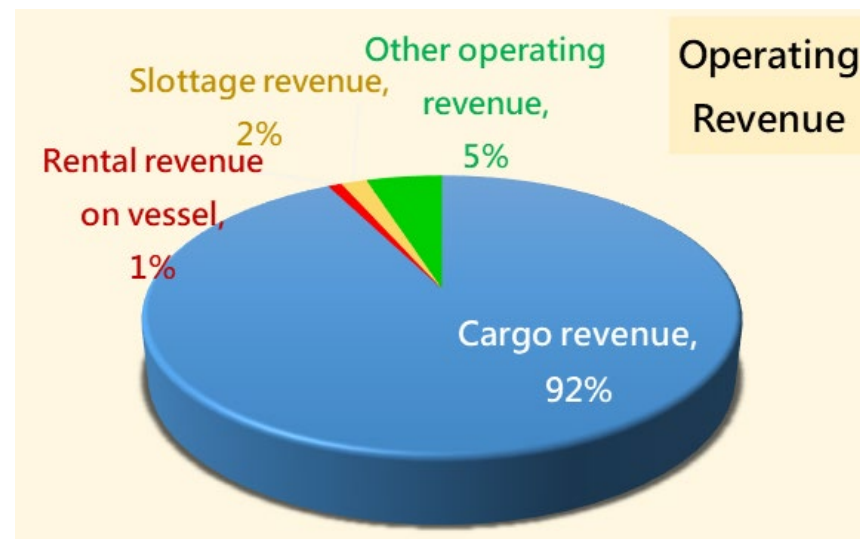


Wharf
0.09%

Consolidated Income Statement

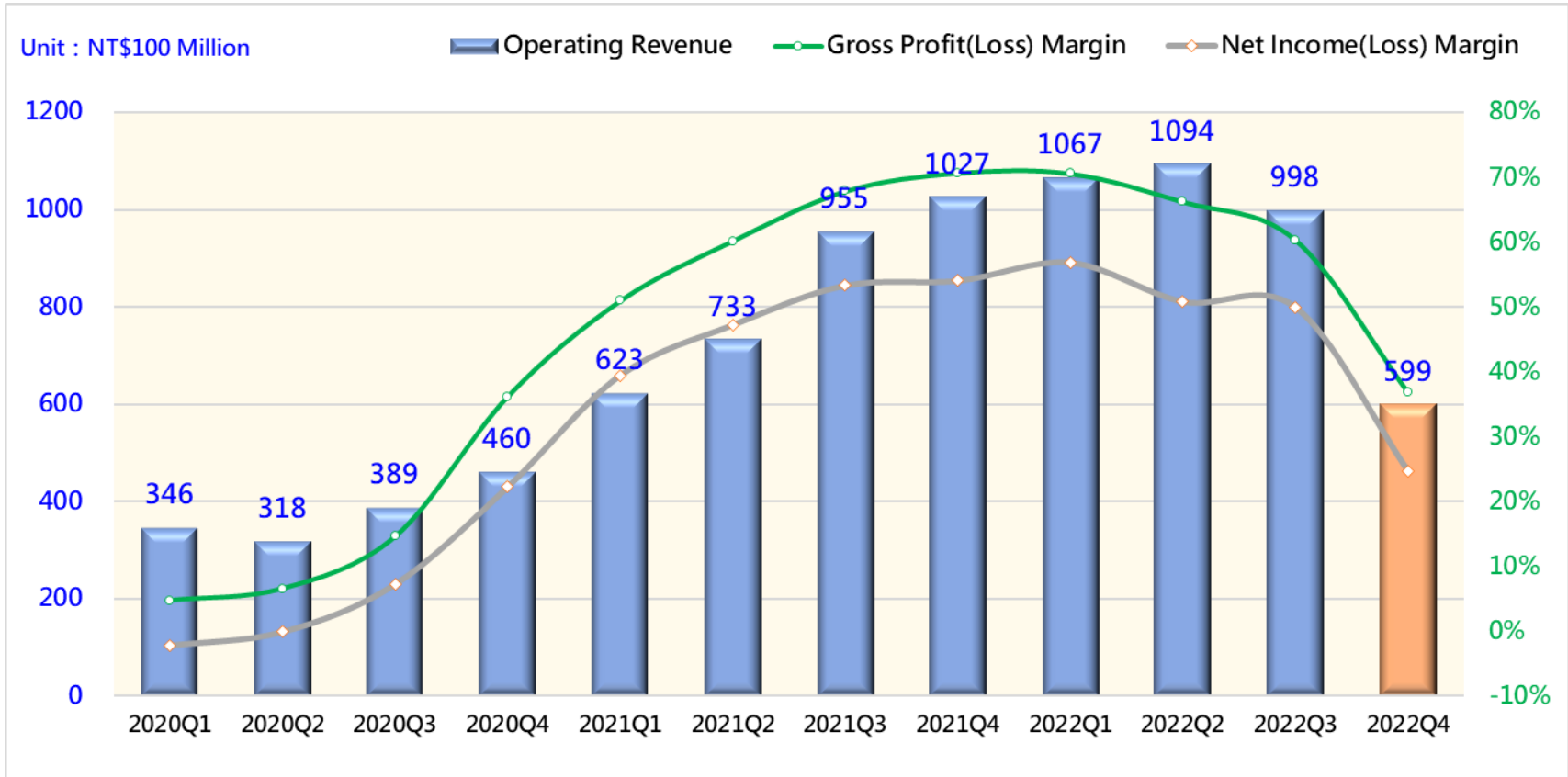
Unit : NT\$ Million

Items	FY2022
Operating Revenue	375,900
Gross Profit	230,170
Operating Income(Loss)	220,698
Net Income(Loss)	181,016
Profit(Loss),attribute to owners of the parent	180,592
EPS	51.71



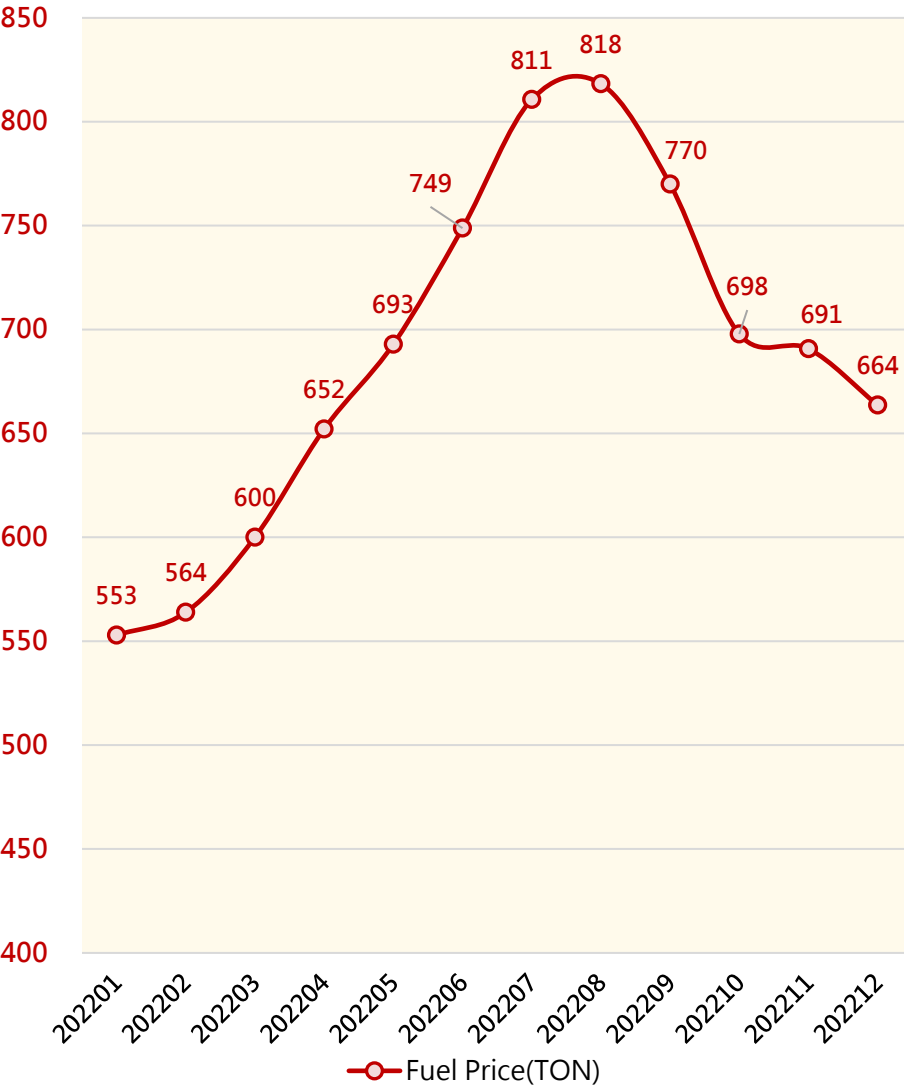
Consolidated Operating Income, Gross Profit(Loss) Margin and Net Income(Loss) Margin

Data interval:2020Q1~2022Q4

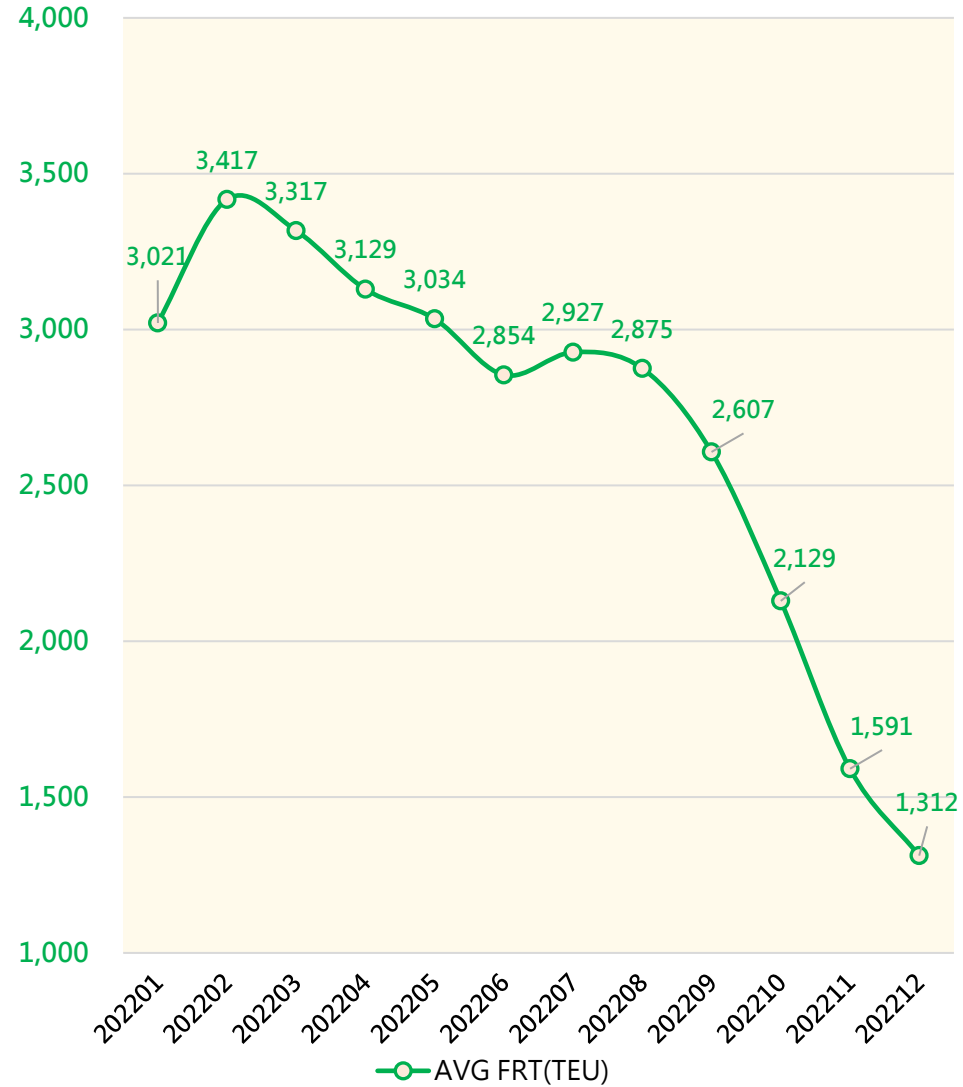


Fuel price and Average FRT

Unit :
USD/TON

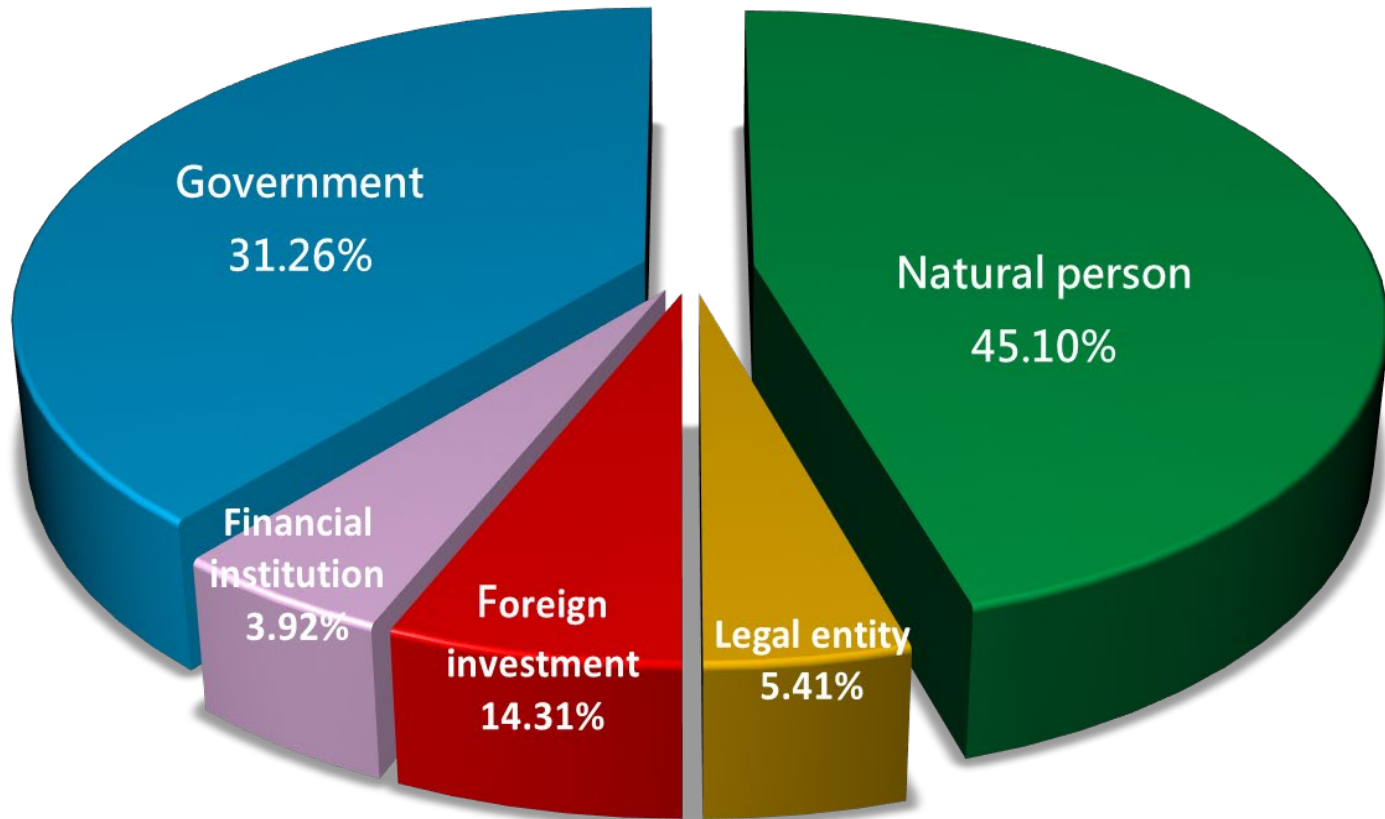


Unit :
USD/TEU



Structure of Shareholders

The latest closing date was July 3, 2022



Operational Future Prospects



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Service Rationalization-Strategies

East-West Network

- Invest in greener and more energy-efficient ships to replace existing vessels and enhance cost advantage.
- Extend Far East-Europe trade coverage by adding Tianjin-Xingang and Wilhelmshaven.
- Improve on-time performance by rationalizing U.S. East coast port calls.
- Take decarbonization and environmental friendliness into account for service design and operation to strengthen environmental sustainability.

Other East-West Network (Non-Alliance)

- Regularly review port rotation of East India-North Europe service to improve schedule punctuality.
- Commit the deployment in Intra North Europe-Mediterranean trade to ensure our short sea service quality.
- Pursue more cooperation with carriers to broaden service coverage scope.
- Take decarbonization and environmental friendliness into account for service design and operation to strengthen environmental sustainability.

North-South Network

- Continuously deploy vessels serving South America, Indian subcontinent, and Australia trades to deep plowing with stable services.
- Pursue more cooperation with carriers to broaden service coverage scope.
- Take decarbonization and environmental friendliness into account for service design and operation to strengthen environmental sustainability.

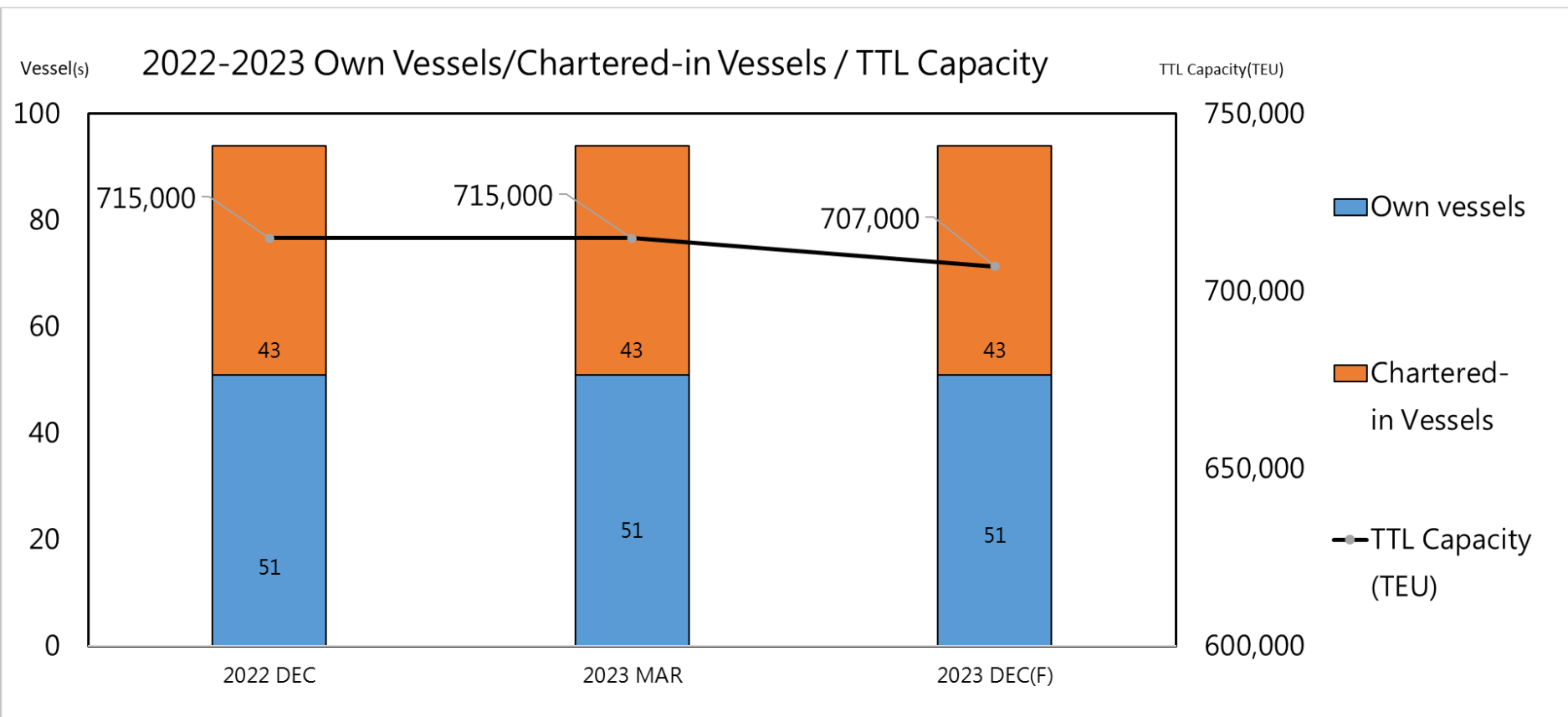
Intra-Asia Network

- Develop regional business through slot exchange to increase the service coverage.
- Adjust service swiftly and flexibly according to business performance and market changes.
- Take decarbonization and environmental friendliness into account for service design and operation to strengthen environmental sustainability.



Yang Ming's Fleet Capacity and New Delivery

- Up to 31 Mar. 2023, there are 94 vessels in Yang Ming's fleet, and total capacity is around 715,000 TEUs



- 19 Fleets are scheduled to conduct maintenance in Y2023 for ship-energy saving.
- 9 fleets are planned to install scrubber in Y2023 for bunker cost saving.

Future Prospects

2023 Q2-Q3:

In the first half of 2023, the freight rates are under pressure due to overcapacity, inventory adjustment and higher inflation. With China's economic reopening and factory activity is started by the gradual stabilization after Chinese Lunar New Year, prompting a sustained freight rate in the Intra Asia market.

In the second half of 2023, with the purchasing power is gaining and it is traditionally a peak season after the service contract renewal, it is expected that the freight rate and cargo volume can improve gradually.

Q&A

