

Yang Ming Marine Transport Corp. 2022 Investor Conference



2022.12.12

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Outline

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



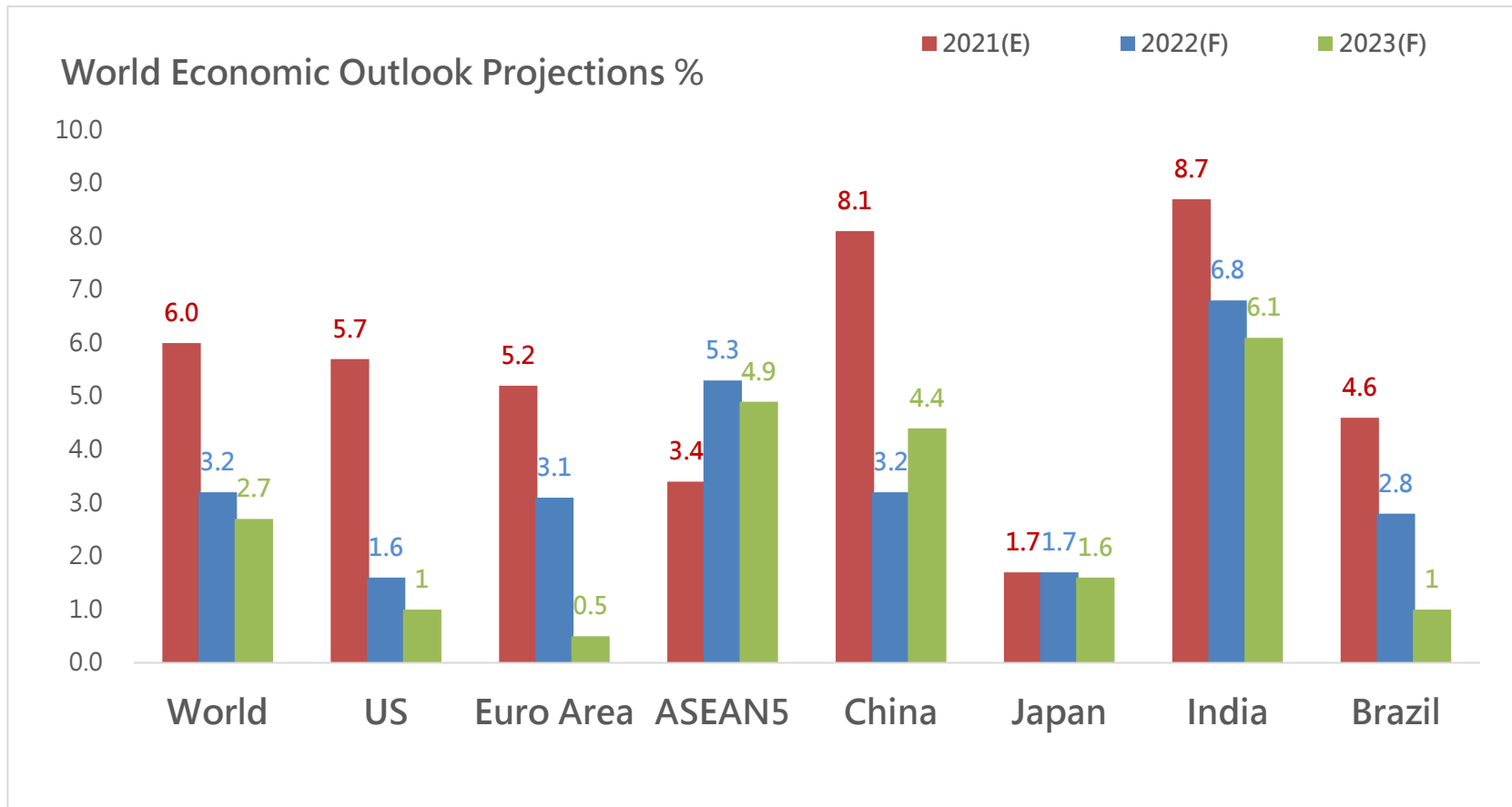
Container Shipping Overview



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Economic Outlook




- IMF expects the world economy will slow to 2.7% in 2023.



Source: IMF, World Economic Outlook, Oct 2022.

Supply and Demand

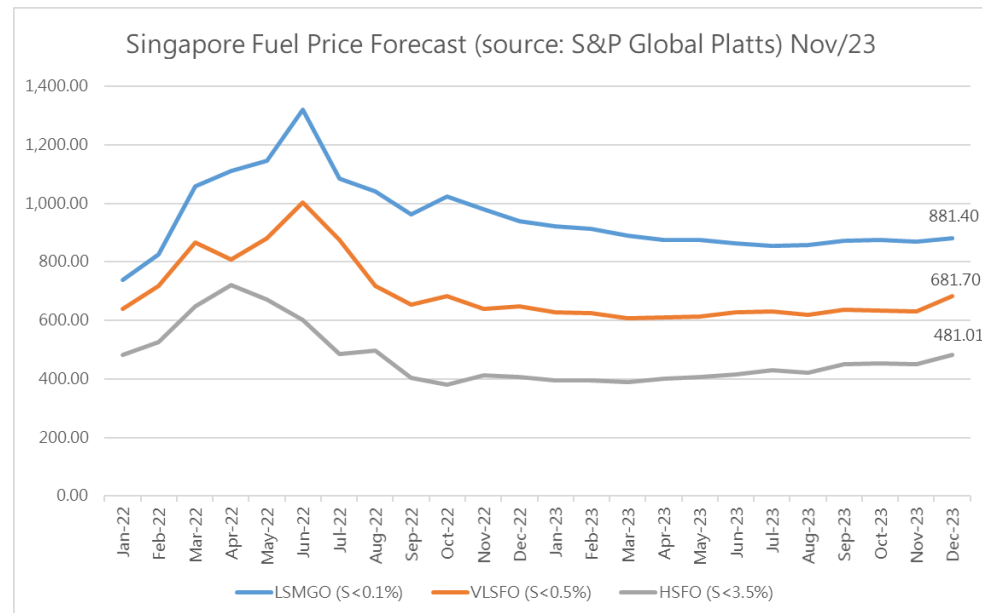
- Drewry, Alphaliner and Clarksons research forecast supply will exceed demand from 2022 to 2023.

		2021(E)	2022(F)	2023(F)
	Supply	4.5%	3.3%	3.8%
	Demand	7.1%	1.5%	1.9%
	Supply	4.5%	4.4%	7.8%
	Demand	6.7%	0.9%	2.7%
	Supply	3.7%	3.7%	7.3%
	Demand	6.8%	-2.6%	1.1%

Source: Alphaliner Monthly Monitor, Nov. 2022 ;Drewry Container Forecaster 3Q 2022;
Clarksons Container Intelligence 4Q 2022.

Marine Fuel Oil Price Outlook Singapore market price

- Oil prices would surge again in 2023 amid China's attitude toward reopening markets after lifting its COVID-19 lockdown, continued declines in global inventories and spare capacity and slower-than-expected U.S. shale production. The risk of supply disruptions due to geopolitical factors in Libya, Russia, Iraq and Iran would also push prices higher again.
- The EU's sanction on Russian crude oil would make the market enter another phase of uncertainty which may make oil prices more volatile.
- Some financial institutions are currently predicting the growth of global oil demand in 2023 is relatively pessimistic. Although oil prices have been relatively volatile recently, part of the reason is that the optimism that China will reopen the economy has led to an increase in oil demand. The possibility of a downward revision affecting demand weighed on oil prices. Future oil prices still depend on the recovery of the global economy.



Business Information

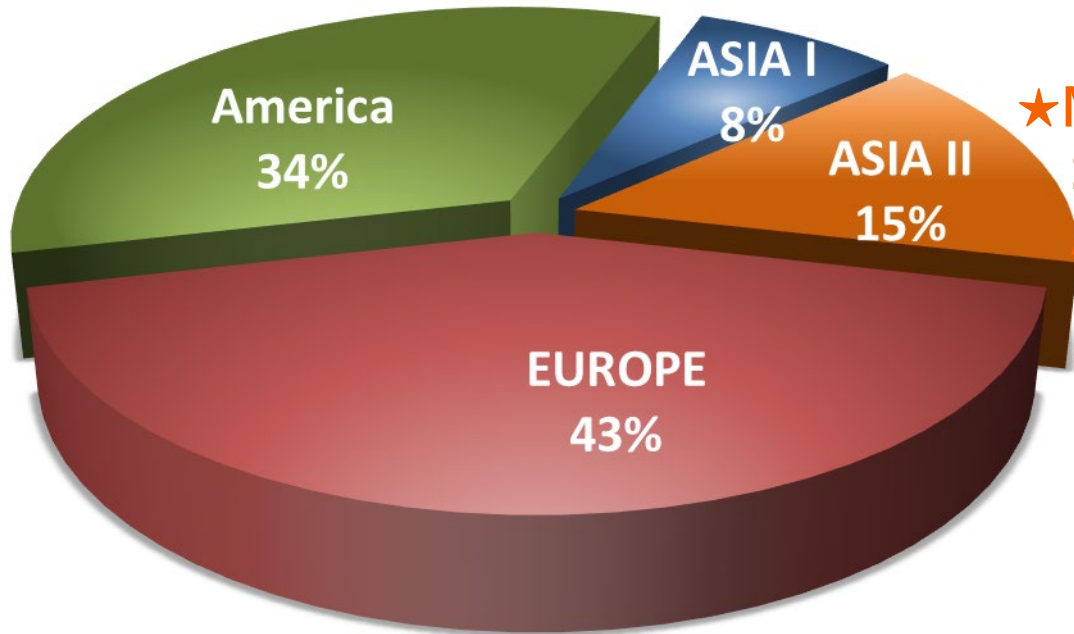


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The Proportion of Consolidated Operating Income

★AWE、PSW、PNW

★Intra-East Asia



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

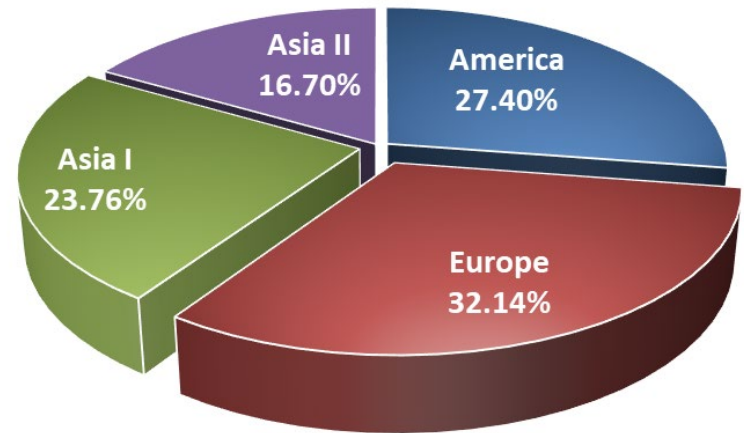
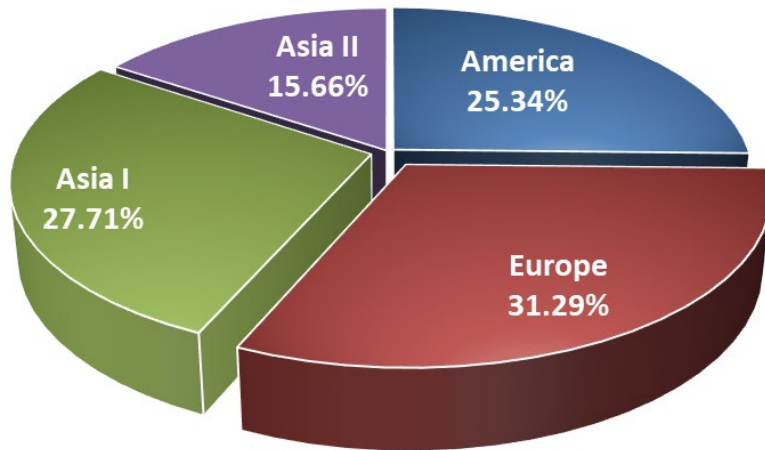
★NCP、MED、TA、IEU

Data interval:202201~202209

Lifting Volume Analysis - Lifting Volume in Year 202201~09 increased by 2% YOY

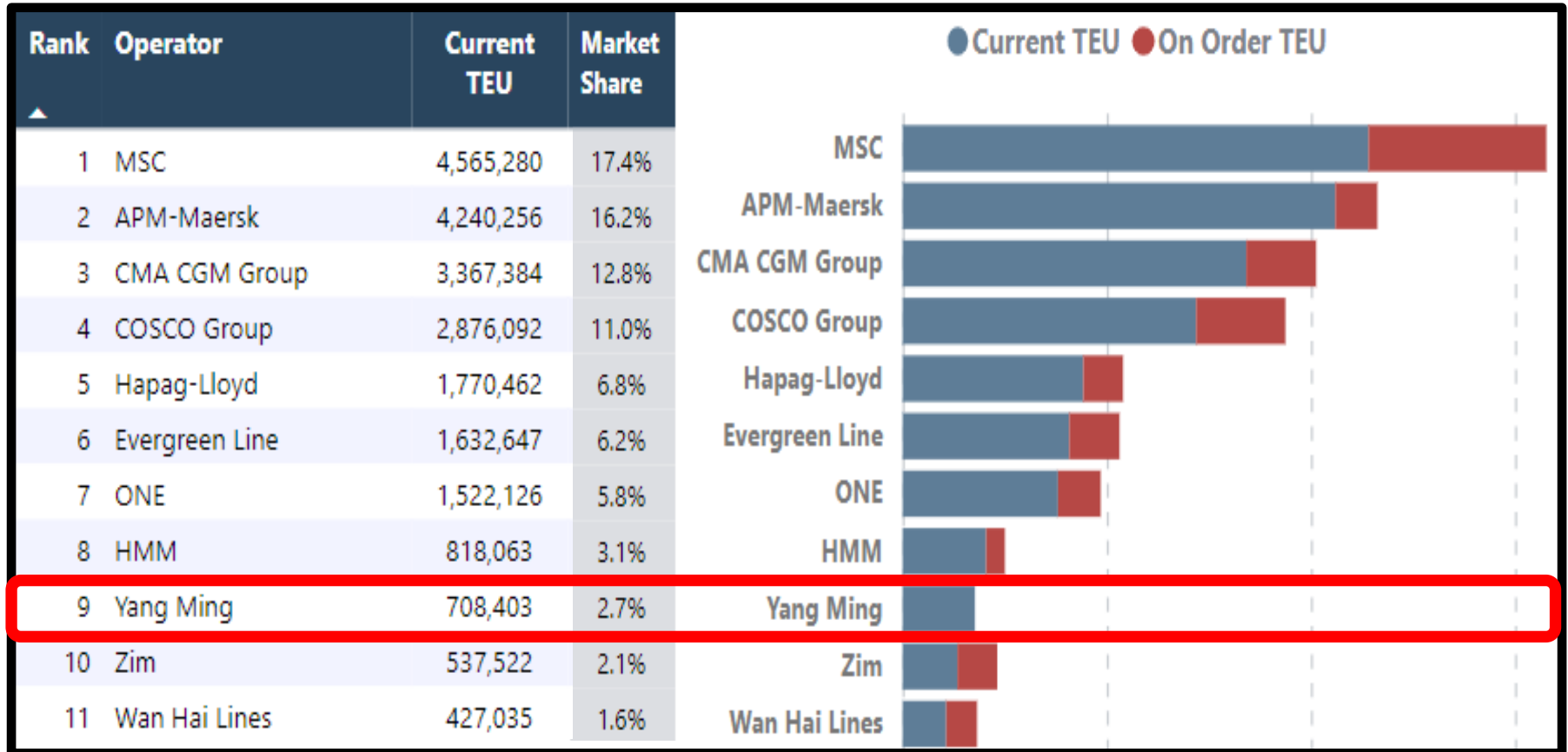
FY202201~09 : 3.45 million TEU

FY202101~09 : 3.31 million TEU



Capacity Ranking

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



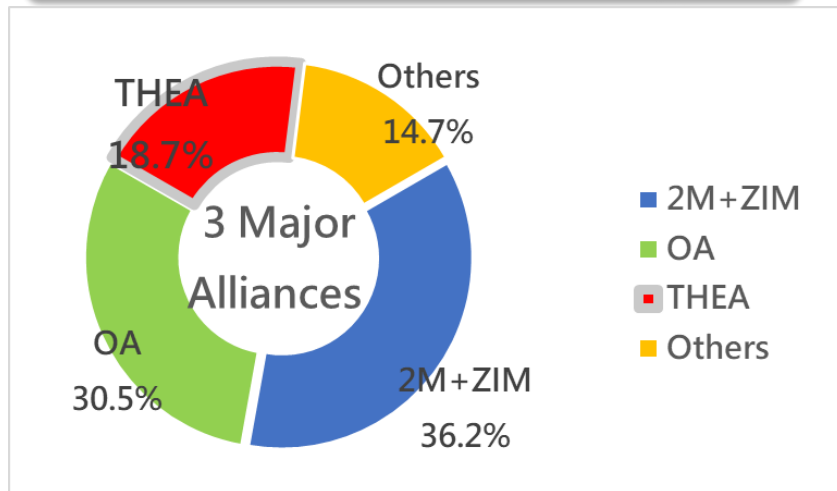
Source: Alphaliner, Nov 2022

Trade Capacity Breakdown by Alliance

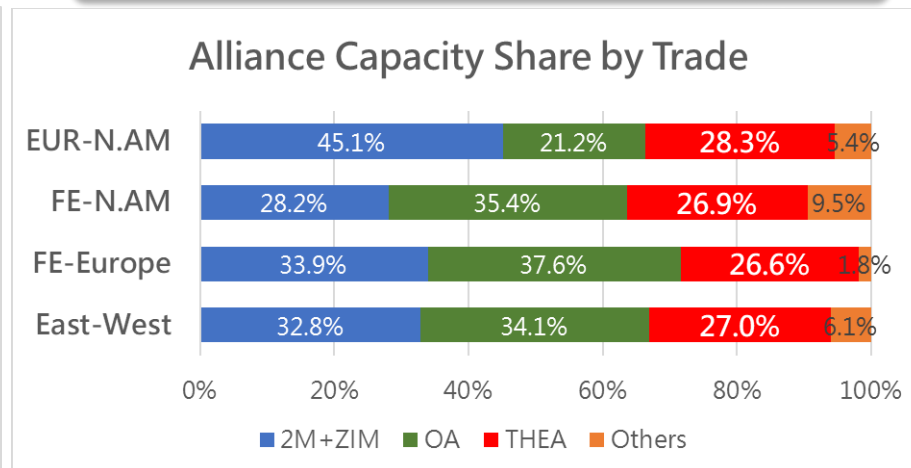
relatively balanced on trade capacity

- Three Major Alliances account for 85% of market share, similar with Y-o-Y 2021.
- 2M+ZIM and OA ranks higher in terms of global capacity proportion, at 36% and 30% respectively. THEA followed by 19%.
- When it comes to East-West Market share scale, OA maintains largest share in FE-N.AM/Europe, while 2M+ZIM in leading position in EUR-N.AM. THE Alliance market strategy on East-West service is relatively balanced.

Capacity Share by Alliance



E-W Trade Capacity Share by Alliance



Source: Alphaliner "Top 100 Report" & "Carriers East-West Market shares" (as per 24th Nov 2022)

Financial Results



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The Proportion of Consolidated Operating Revenue of Yang Ming Group



Logistics
3.52%



Bulk
1.41%



Container Shipping
94.97%

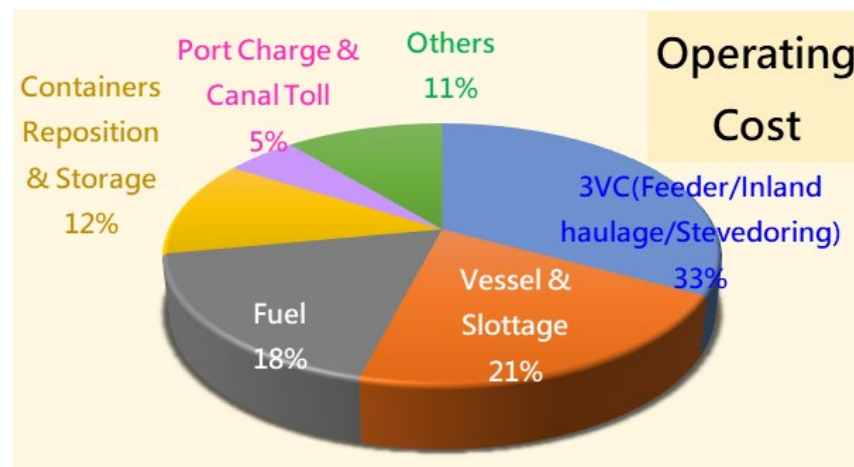
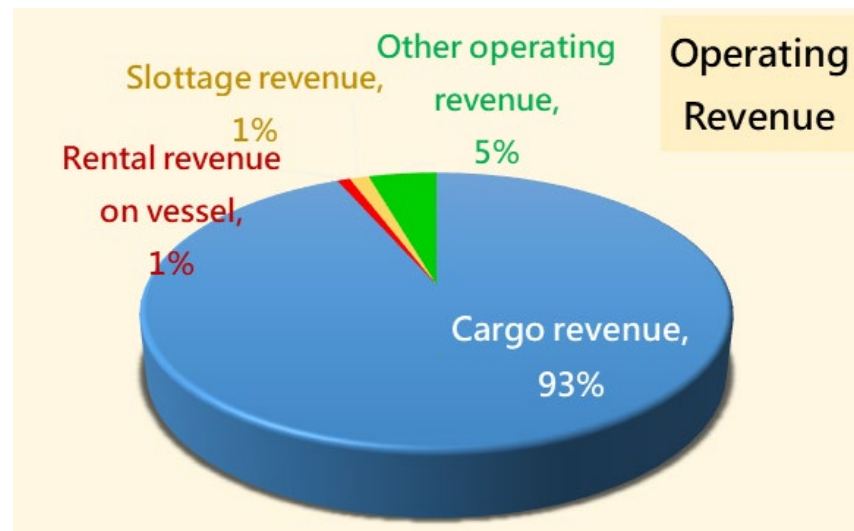


Wharf
0.09%

Consolidated Income Statement

Unit : NT\$ Million

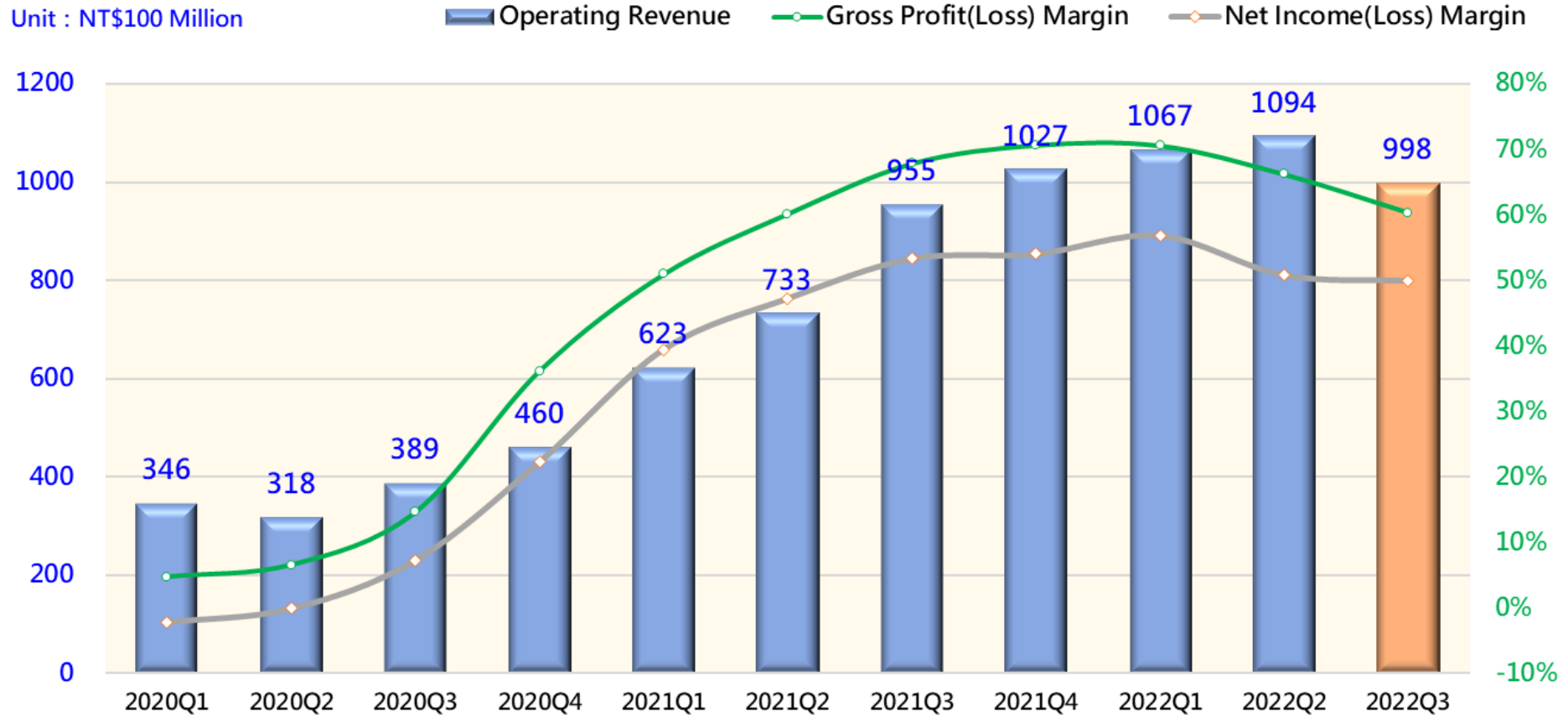
Items	202201~09
Operating Revenue	315,964
Gross Profit	208,045
Operating Income(Loss)	201,269
Net Income(Loss)	166,194
Profit(Loss),attribute to owners of the parent	165,858
EPS	47.50



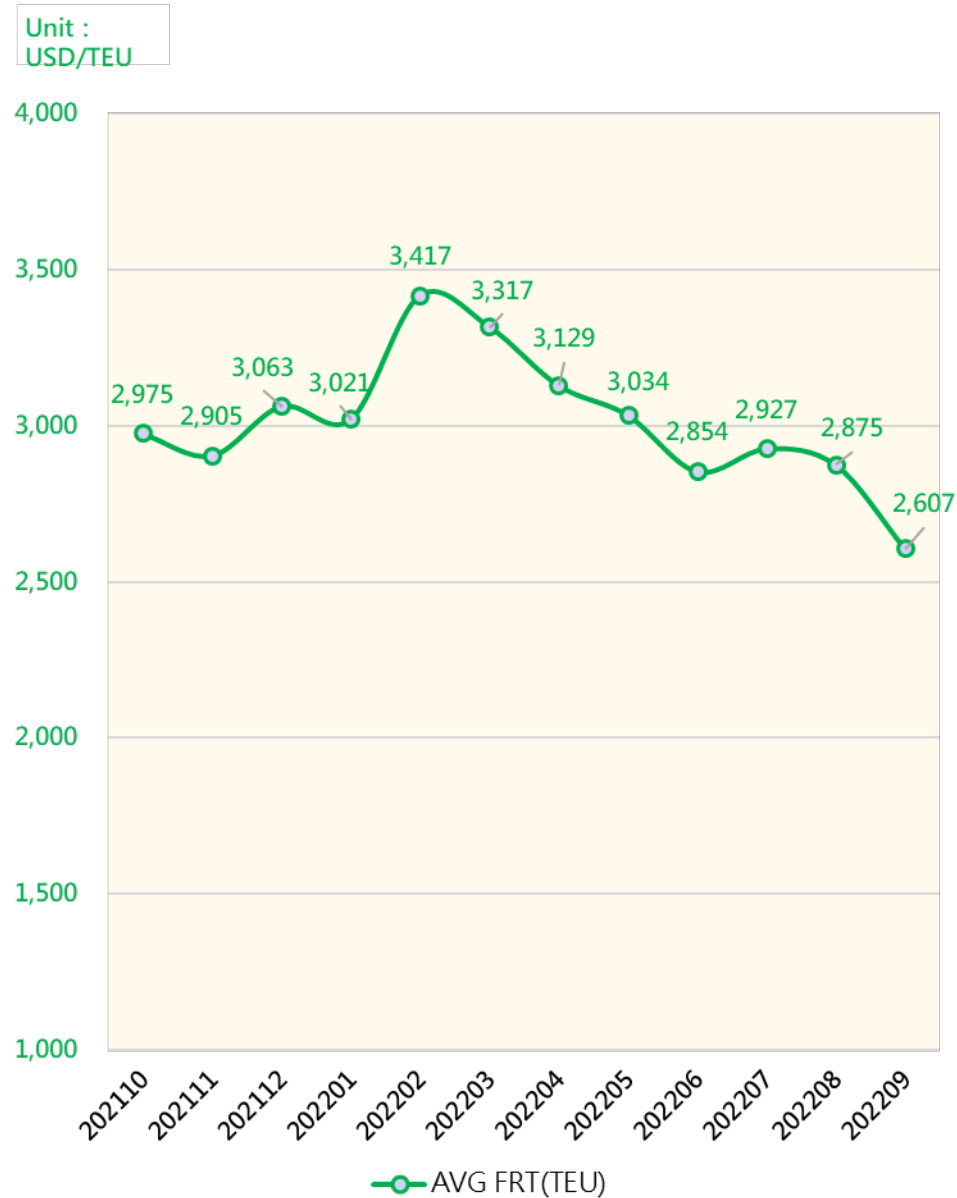
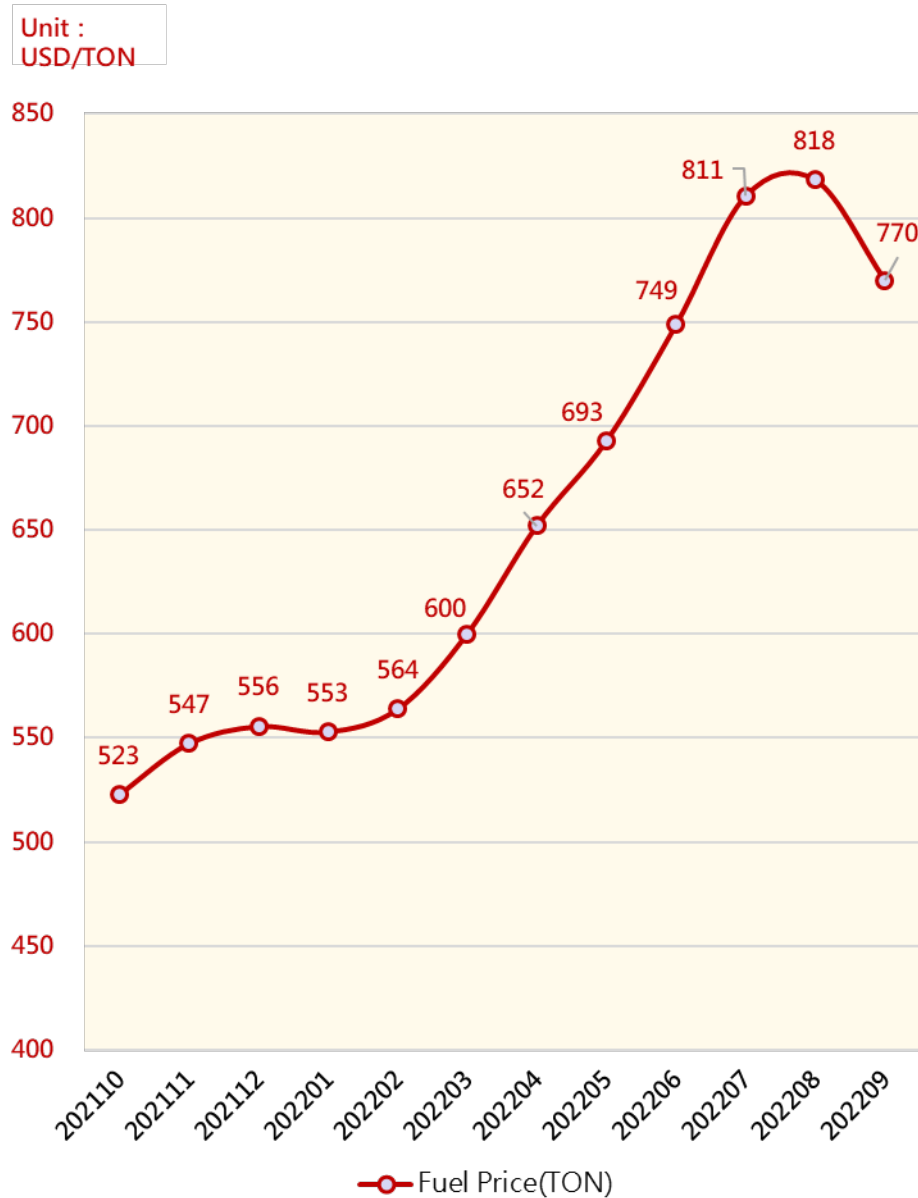
Consolidated Operating Income, Gross Profit(Loss) Margin and Net Income(Loss) Margin

Data interval:2020Q1~2022Q3

Unit : NT\$100 Million

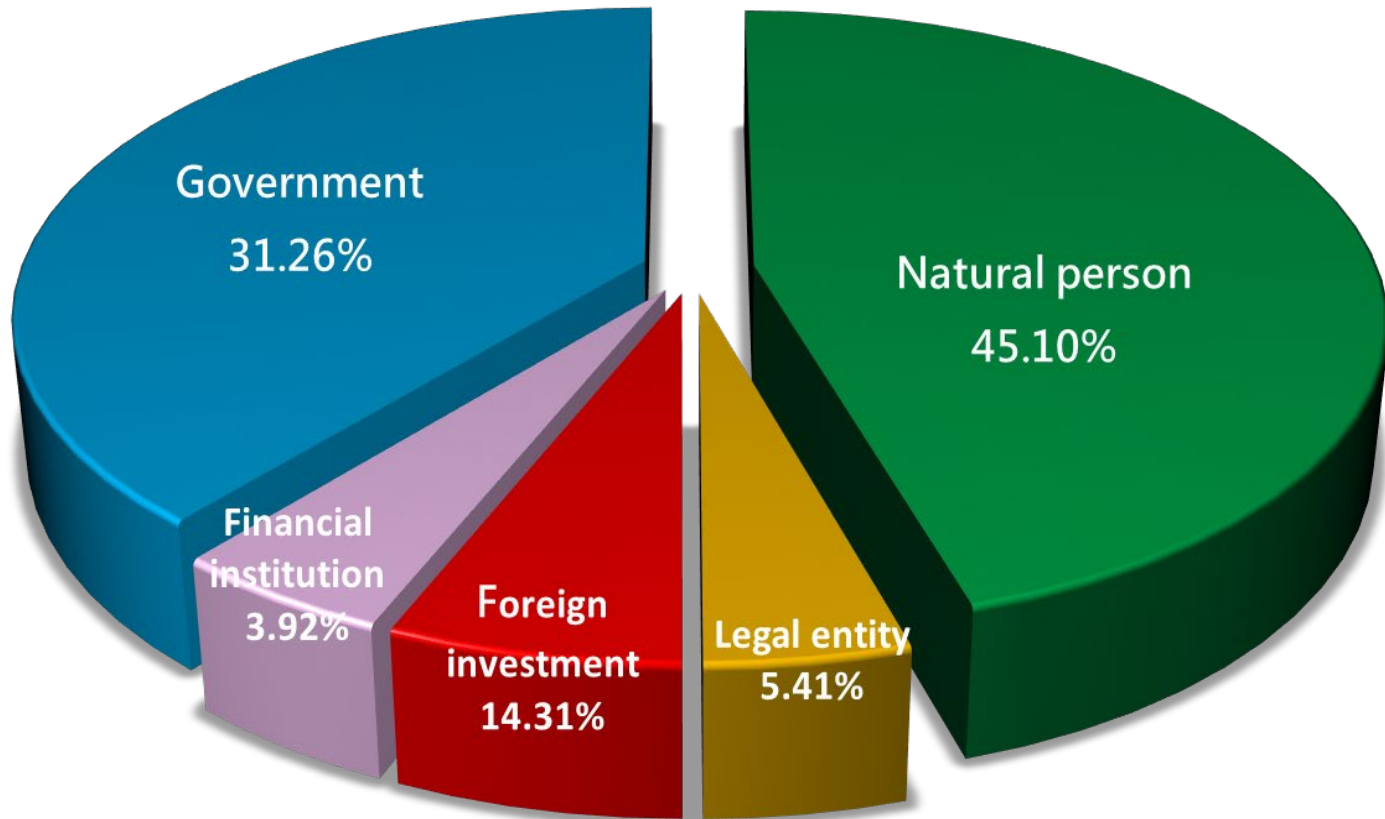


Fuel price and Average FRT



Structure of Shareholders

The latest closing date was July 3, 2022



Operational Future Prospects



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Service Rationalization-Strategies

East-West Network

- Maintain appropriate scale in THEA to cater for product and capacity required adjustment.
- Consider the timing of new deliveries and commercial development to adjust trade capacity.
- Rationalize port rotation for improving service punctuality.
- Upsize main Trans-Pacific, FE-Europe routes by using new deliveries so as to increase cost advantage.

Other East-West Network (Non-Alliance)

- Continues to deep plowing East India and North Europe shuttle service.
- Building up non-alliances partnership to seize the chance and broaden service coverage required.

North-South Network

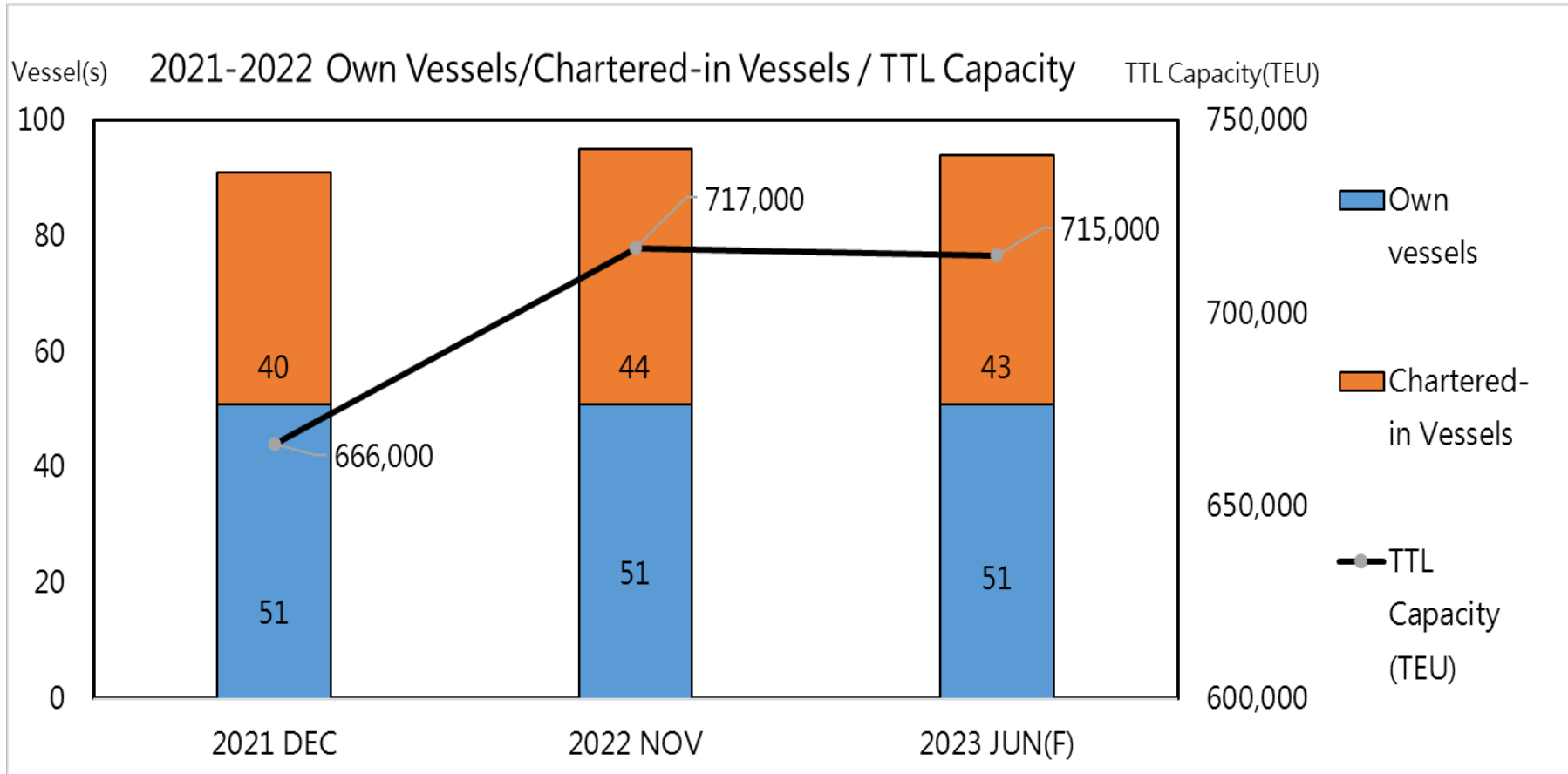
- Strengthen current joint service cooperation on South America, ISC, and Australia trades.
- Pursue opportunities to develop niche markets so as to enhance competitiveness.

Intra-Asia Network

- Continuously optimize the rationalization of service and build a complete Intra-Asia regional layout.
- Develop regional business through slot exchange instead of slot purchase.
- Adjust service swiftly and flexibly according to business performance and market changes.

Yang Ming's Fleet Capacity and New Delivery

- Up to 30 Nov. 2022, there are 95 vessels in Yang Ming's fleet, and total capacity is around 717,000 TEUs



- 14 new-built 11,000TEU chartered-in vessels have been fully delivered by Y2022Q3.

Future Prospects

2023 H1

1. The cargo demand is relatively soft by the effect of global inflation, high inventory level, oversupply, and also with raising interest rates and other economic facts which lead to the market rate in a downward trend since 2022 Q4 .
2. The freight rate may have a chance to rebound due to the upcoming peak season - The Lunar New Year. However, it is under observation if the imbalance between supply and demand will be back to normal next year.
3. Overall, the market prospect for the first half of 2023 is a high degree of uncertainty.

Q&A

