



Stock Code : 2612 TT

Investor Presentation

by : Ban-Jen Tarng, Vice President

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Summary of Presentation

- Outlook and Strategies
- Dry Bulk Shipping Market Trends
- The Company Overview
- Appendices

Outlook and Strategies



Outlook and Strategies

Demand for Capes Surges in Q4

- Freight market bounced back in June with BCI reaching 4,400 in July
- Demand and supply of iron ore improves in 2H 2020 with BCI surpassing 4,200 points as projected in last presentation

PRC' s Strong Demand for Iron Ore

- PRC import volume in 3Q reached 320 million tons while major port stockpile has been rising since 1Q
- The country imported 870 million tons in first three quarters representing 11% growth y-o-y

Manageable Net Fleet Growth

- The numbers of newbuilding deliveries and demolition have exceeded that of 2019
- Cape fleet' s net dwt growth is 2.9% so far in 2020

Short-term Outlook & Strategies

- Resurgence of the pandemic will likely trigger volatility in next 3-6 months
- Company manages market risks by scheduling contract renewals in every quarter going forward



Market Focus in Q4



1

PRC Q4 GDP

China' s GDP in 3Q rose by 4.9% y-o-y and 2.7% q-o-q; investment on infrastructure rose by 0.2% y-o-y

2

Australian Coal Exports

PRC' s import restrictions on Australian coal will likely have negative impact on shipping and commodity trading

3

Brazilian Iron Ore Production

Vale 's 3Q production rose 21 million tons to 89 million tons indicating production level has returned to pre-disaster levels

4

Vessel Operation

Crew changes are still being restricted worldwide and in PRC, crews cannot disembark until cleared by testing; deviation to replace crew is also common

Shipping Market Outlook - Demand



Iron Ore

PRC's vibrant steel industry has positive impact on Chinese iron ore import which is estimated to increase by more than 7% y-o-y ; Brazilian iron ore production has increased substantially since Q2 2020 while Australian export is expected to rise by 5% this year. Global iron ore demand is projected to grow by 2% in 2020

Coal

Owing to foreign and trade policies PRC imposes import restrictions which have reduced imports from Australia and Indonesia ; meanwhile negative prospect for coal demand globally is expected due to the pandemic and shift toward renewable energy.



Shipping Market Outlook - Supply

Newbuildings

Newbuilding deliveries remain high with 92 ships joining fleet in first 10 months; 129 and 82 capes are expected to be delivered in 2020 and 2021, respectively while fleet net growth is estimated at 3.3% this year



Ship Scrapping

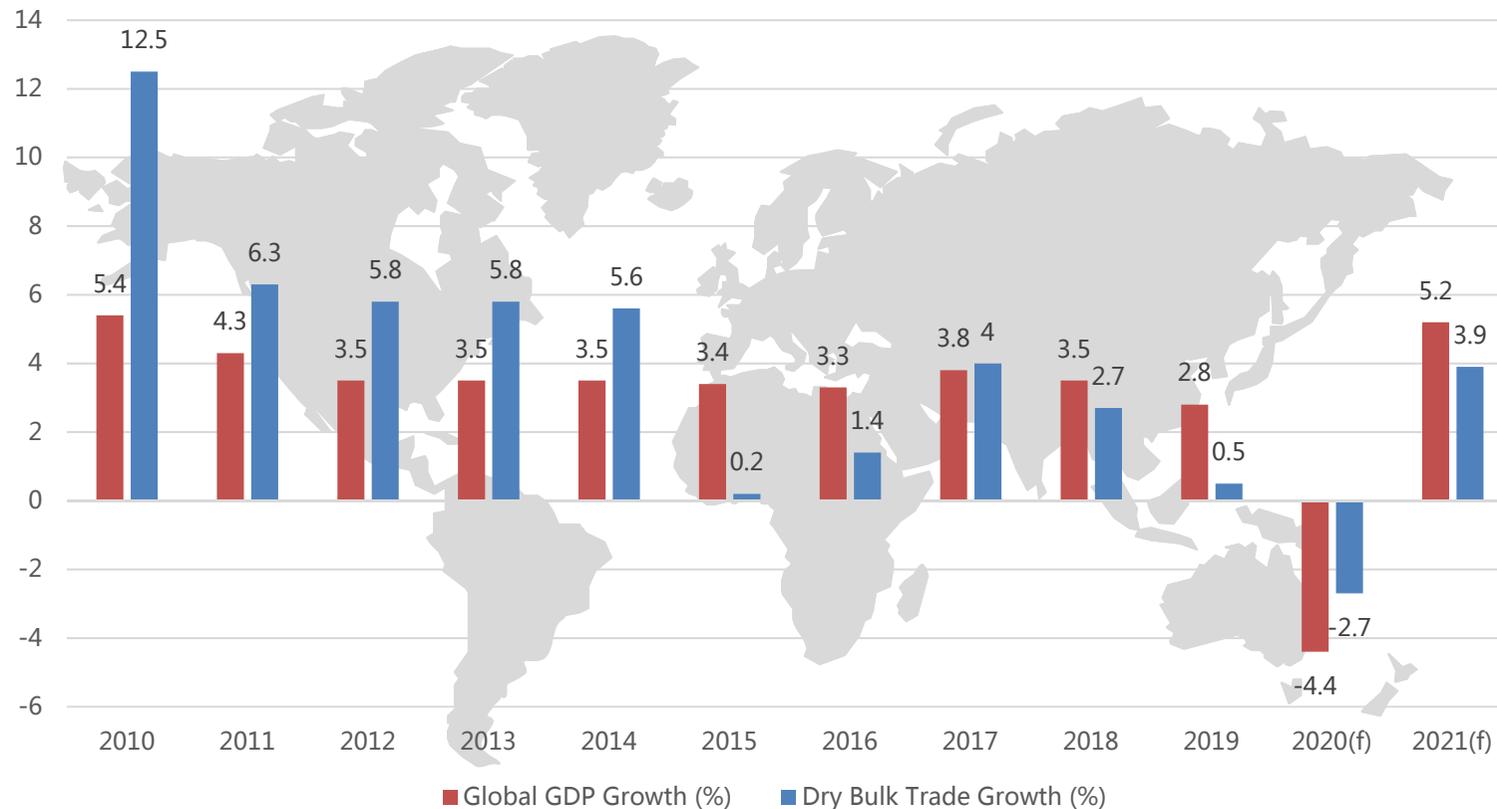
46 large bulkers (100-400k dwt) have been scrapped so far this year during which vintage VLOC scrapping is expected to accelerate in near term

Dry Bulk Shipping Market Trends



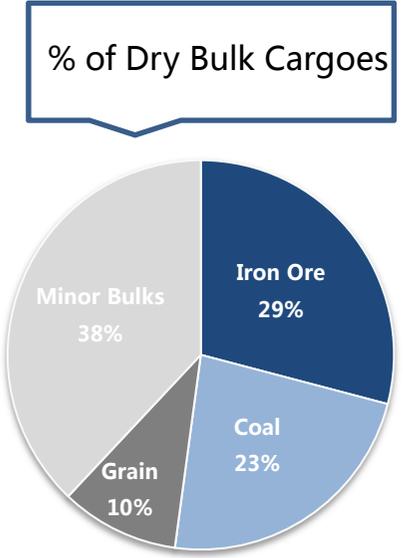
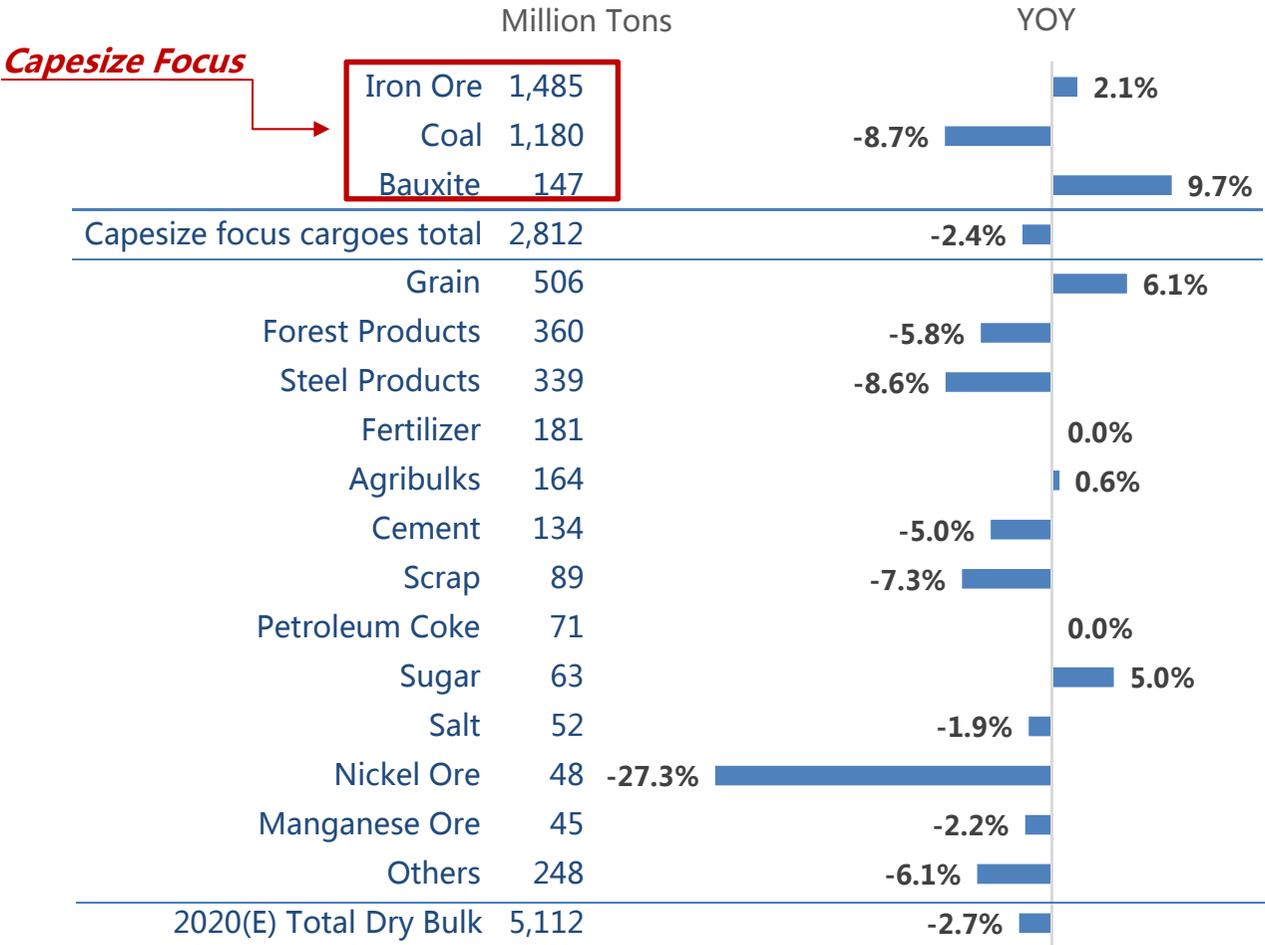
Covid-19 Affecting Global Economy

- IMF projects global GDP to decrease by 4.4% in 2020 but rebound by 5.2% in 2021
- Clarksons Platou forecasts dry bulk seaborne trade to increase by 3.9% in 2021



Source: IMF / Clarksons Platou

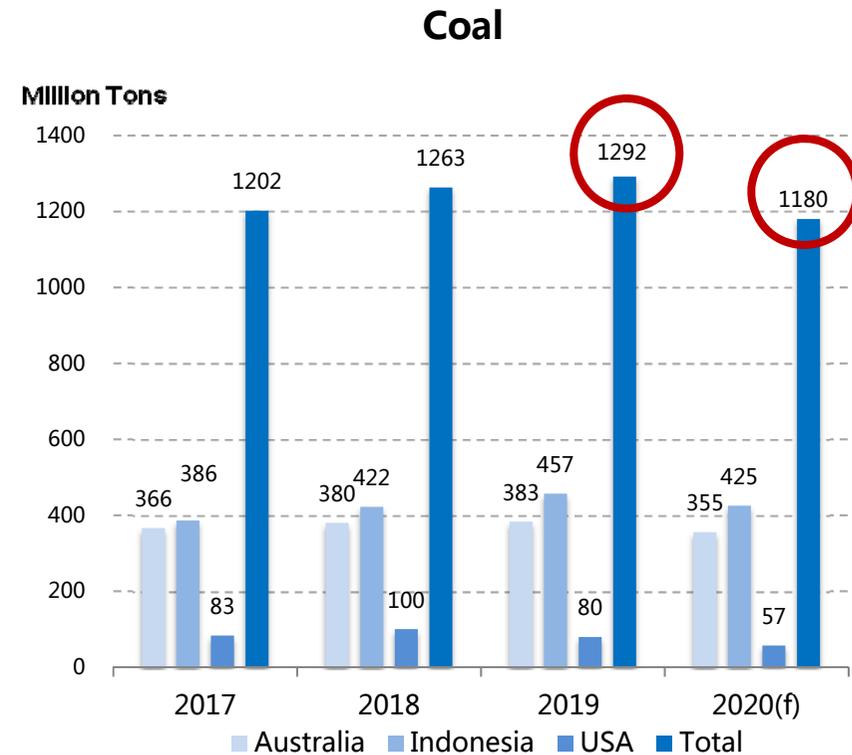
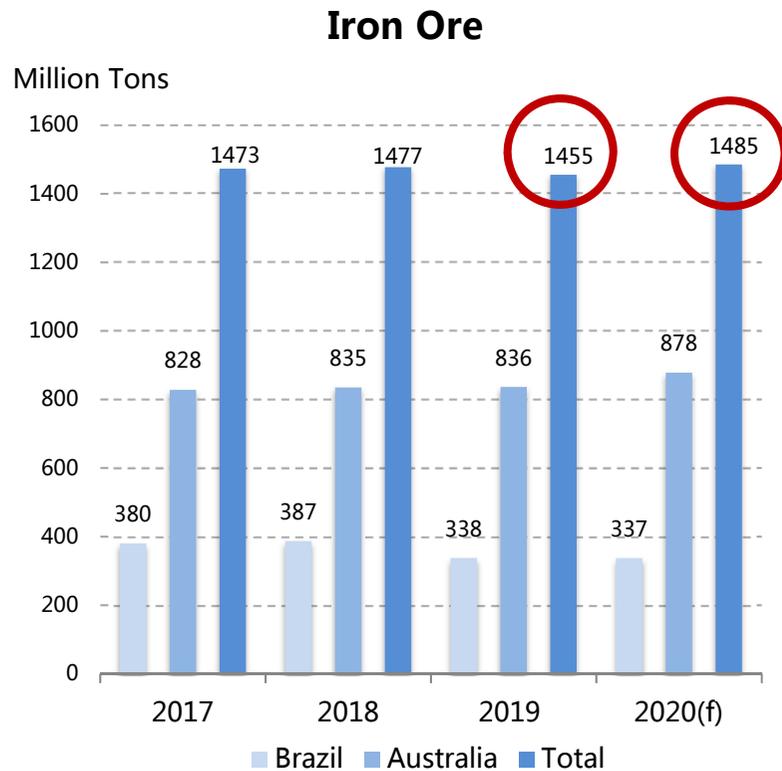
Dry Bulk Seaborne Trade Expects to Fall in 2020



Source: Clarksons Platou

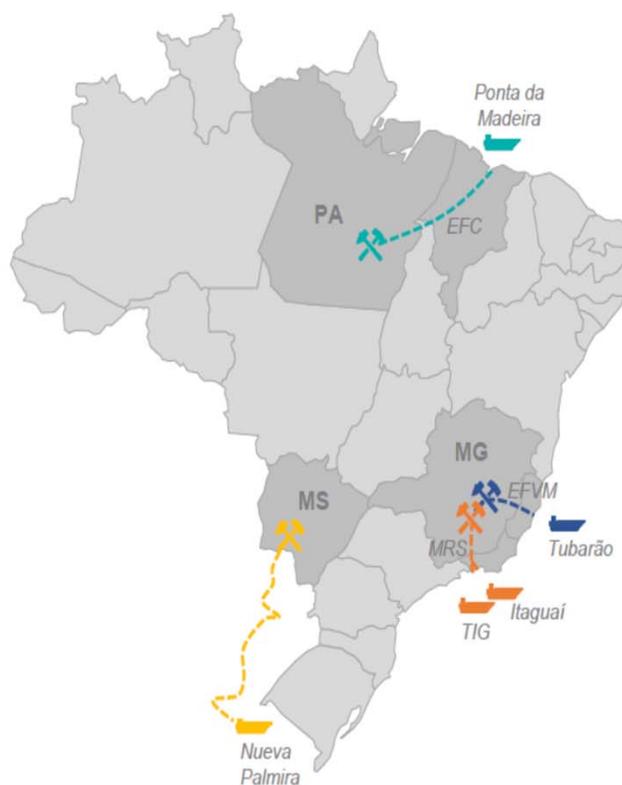
Global Iron Ore/Coal Exports

- Iron ore prices remain firm; Australian export continues to increase while Brazilian export volume is expected to improve in Q4 2020
- Clarksons Platou forecasts global iron ore exports to increase by 2.1% while coal exports to decrease by 8.7% in 2020



Source: Clarksons Platou

Vale's Iron Ore Production is Recovering



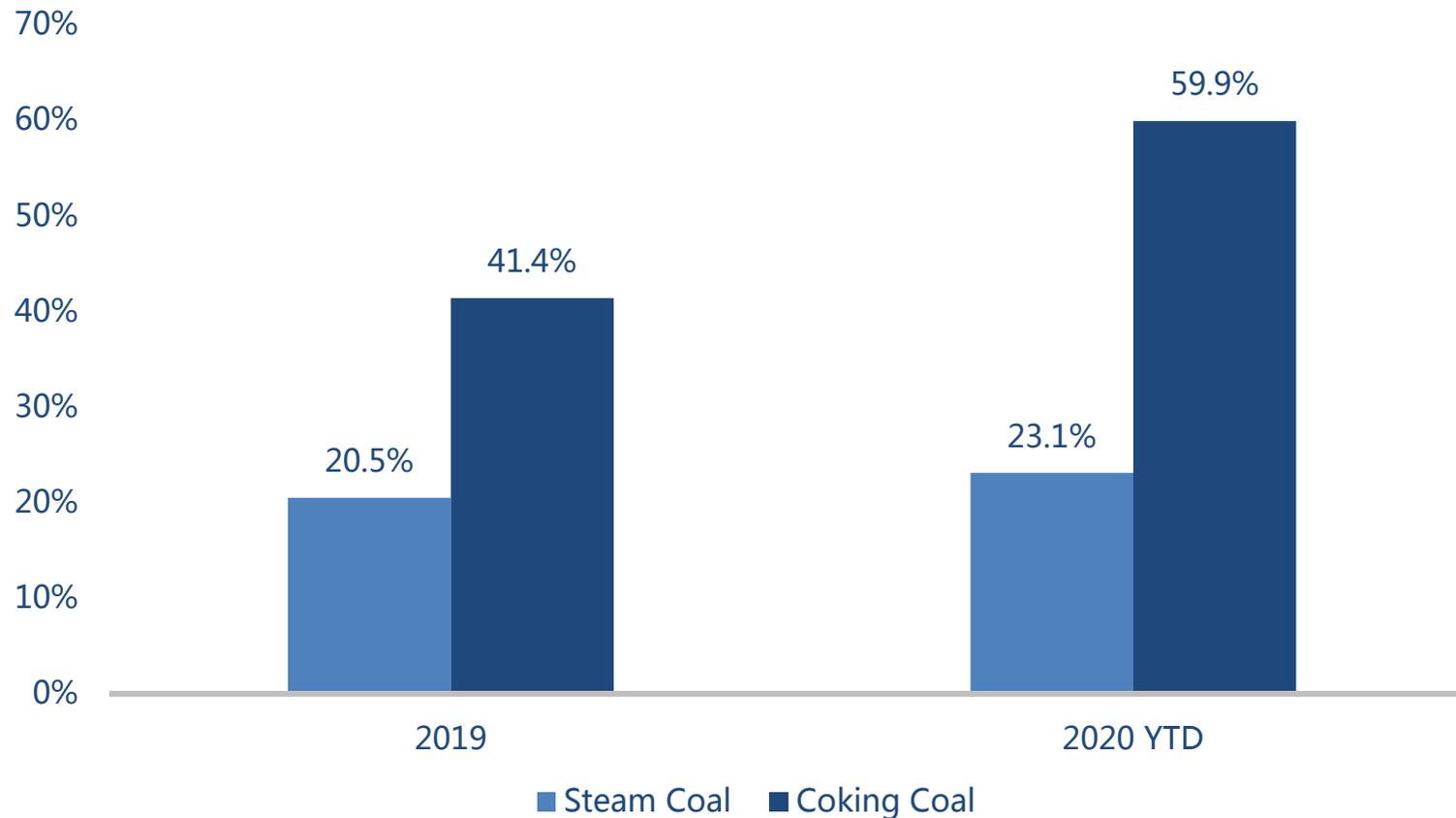
	Production (Mt)		Capacity (Mtpy)	
	2018	Today ¹	Path to 400Mtpy ²	Future
Northern System	194	202	230	260
Southeastern System	104	63	101	106
Southern System	84	51	67	82
Midwestern System	2	2	2	2
VALE	385	318	400	450



¹ Assumes actual capacity of the current operating assets. ² Minimum capacity to achieve 400 Mtpy.

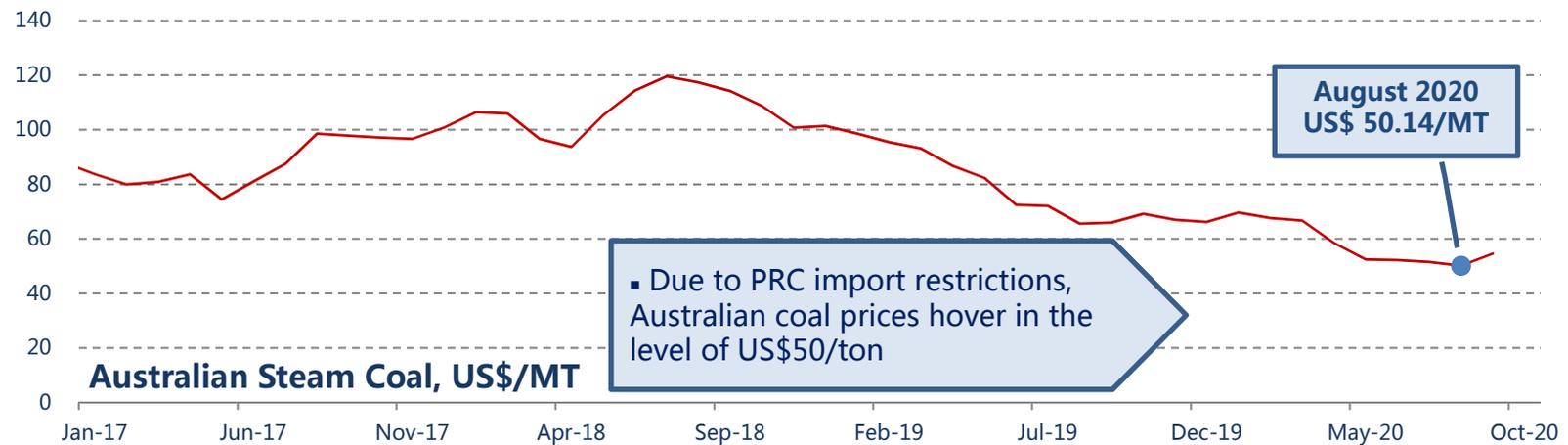
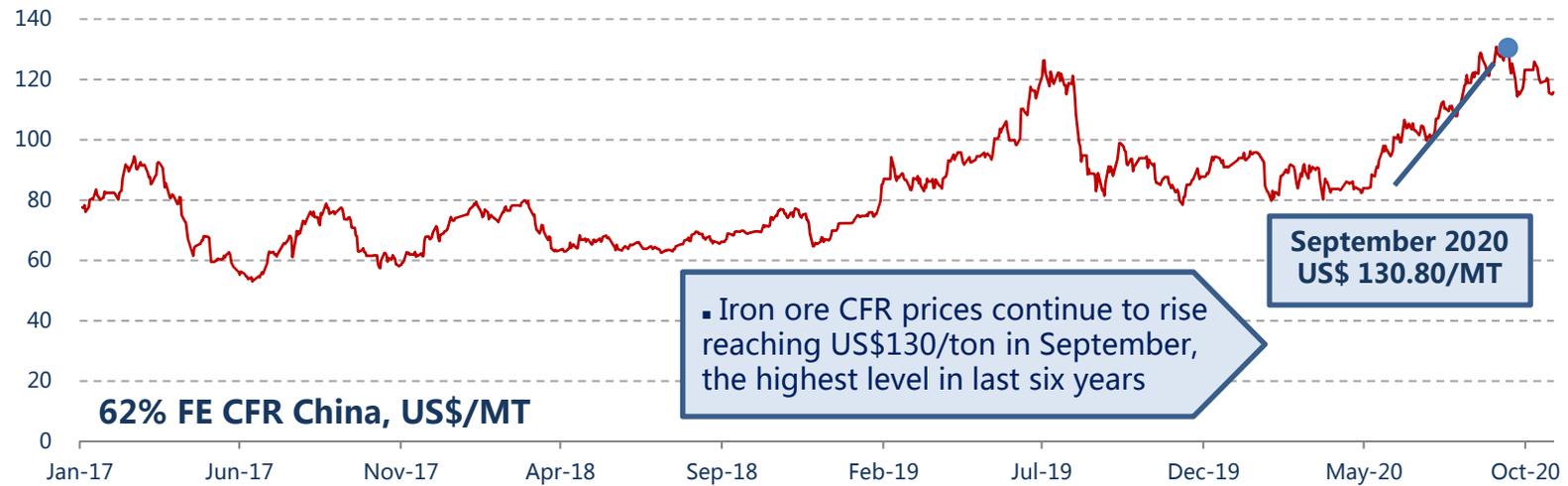
Source: Vale

Australia's Share in Chinese Coal Imports



Source: Arrow Shipbroking Group

Iron Ore/Coal Prices

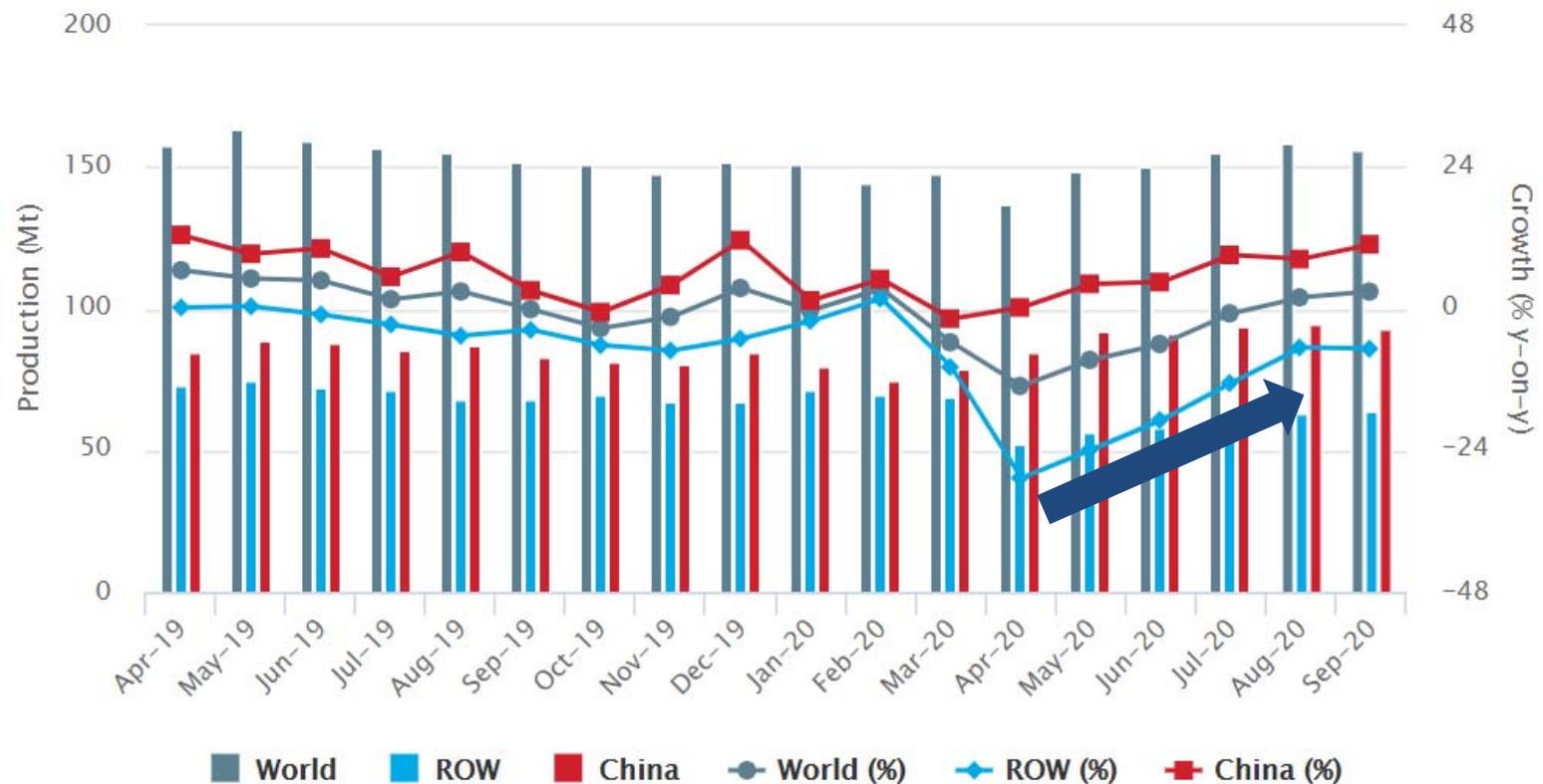


Source: SSY

Chinese Crude Steel Production

Q1-Q3 2020 y-o-y growth rate in production: 4.5%

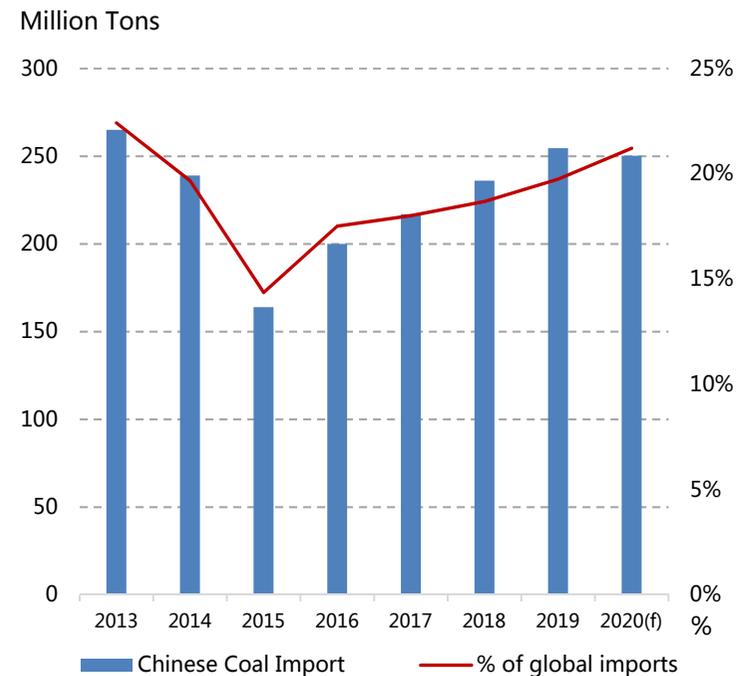
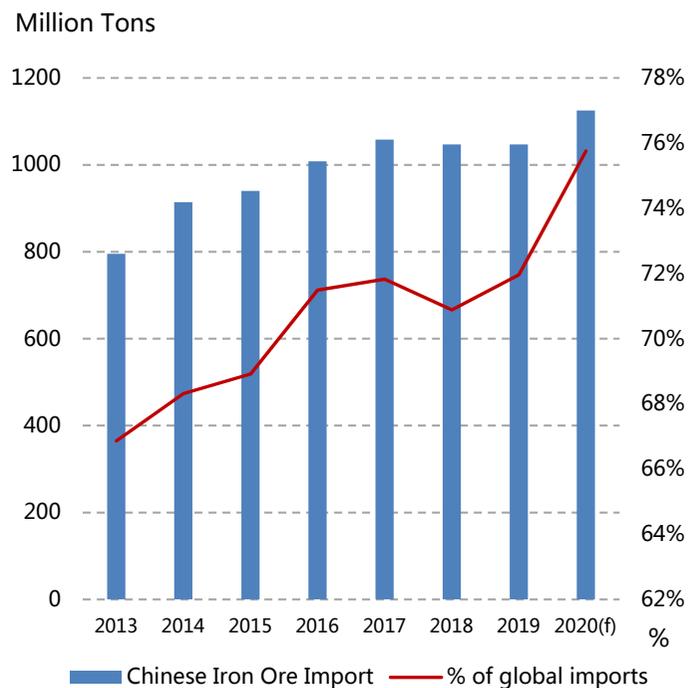
Full year y-o-y projection: 4.0%



Source: World Steel Association

Chinese Iron Ore/Coal Imports

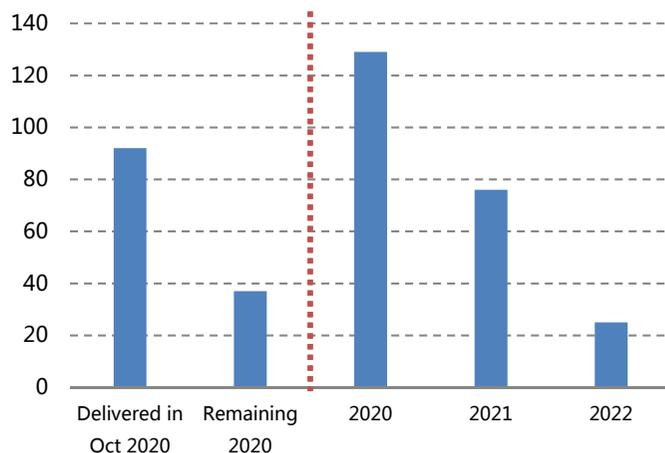
- PRC' s demand for iron ore is estimated to increase by 7% in 2020 to 1.125 billion tons
- PRC' s demand of coal imports is projected to decrease by 3% in 2020 to 250 million tons
- PRC 's demand of bauxite imports will grow by 14% in 2020 to 120 million tons



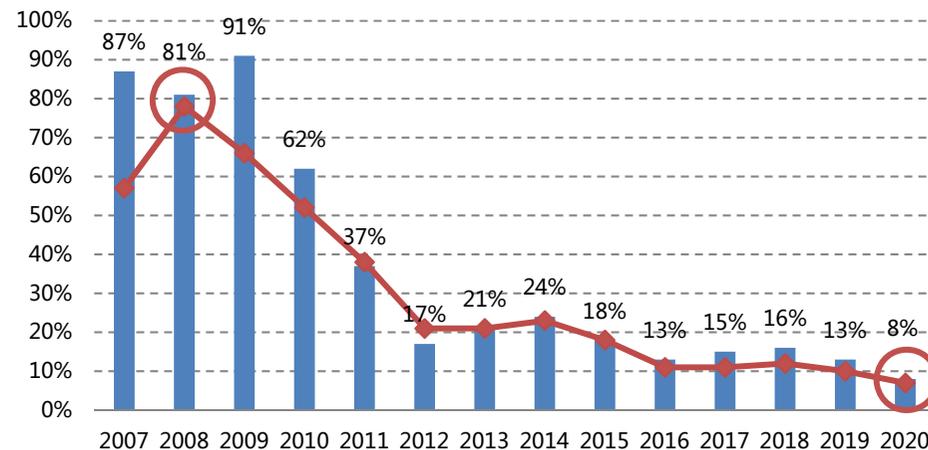
Source: Clarksons Platou

Bulker Newbuilding Orders

No. Capesize Orderbook



% of Fleet (Dwt) Dry Bulk New Ship Ordering



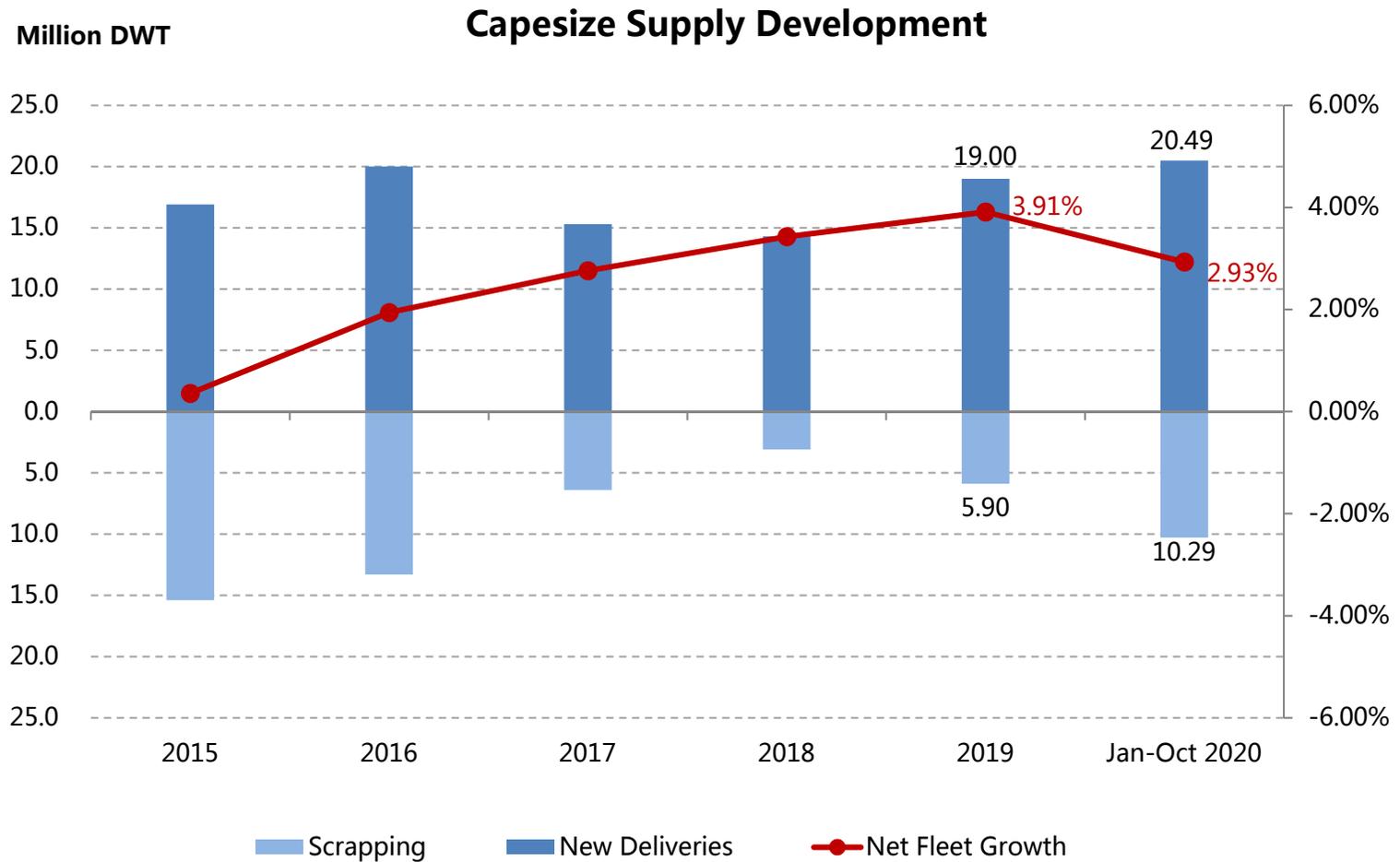
■ Capesize Ordering (100,000 + dwt) —◆— Total Bulk Fleet Ordering

ORDERBOOK AS % OF EXISTING FLEET AVERAGE AGE OVER 20 YEARS OLD JAN-SEP 2020 SCRAPPING AS % OF EXISTING FLEET

	Handysize (10,000 - 40,000 dwt)	4%	11.8	13%	0.66%
	Handymax (incl. Supramax & Ultramax) (40,000 - 65,000 dwt)	6%	9.9	7%	0.61%
	Panamax (incl. Kamsarmax) (65,000 - 100,000 dwt)	6%	10.1	9%	0.26%
	Capesize (100,000 + dwt)	8%	8.7	3%	2.37%
Total Dry Bulk > 10,000 dwt		7%	10.4	6%	1.24%

Source: Clarksons Platou

Capesize Fleet Growth



Source: Clarksons Platou

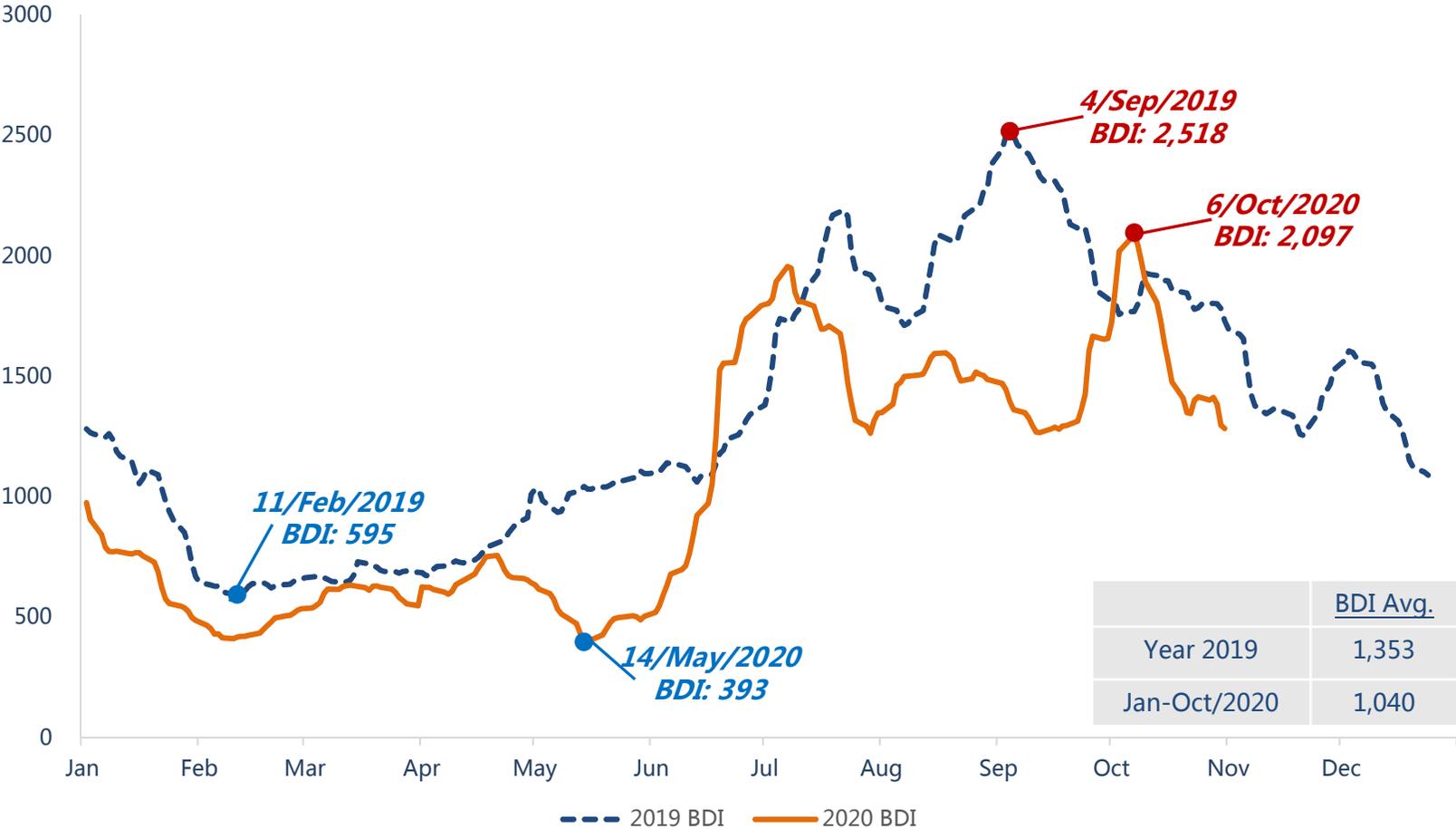
Newbuilding/2nd Hand Sale Prices

TYPE		PRICE (IN US\$ MILLION)		
YEAR		2018	2019	October 2020
208,000 DWT	NB	55.0	54.5	52.0
180,000 DWT	NB	50.0	49.5	46.5
180,000 DWT (ECO)	5-YR	41.3	37.5	35.0
180,000 DWT (NON-ECO)	5-YR	33.5	28.0	26.5
180,000 DWT	10-YR	24.0	22.0	19.5
176,000 DWT	15-YR	15.0	13.5	12.8

Source: Clarksons Platou / Internal Assessment

BDI 2019-2020

Baltic Exchange Dry Index



Source: Clarksons Platou

BCI 2019-2020

Baltic Exchange Capesize Index



Source: Clarksons Platou

The Company Overview



Company Profile

SHIPPING



TRUCKING



TERMINALS



AIR
&
TOURISM



Shipping :

CMT owns and manages a fleet of capesize bulkers to offer dedicated services to customers for transportation of dry bulk commodities around the globe

Trucking :

Associated Transport Inc. is one of Taiwan' s largest intermodal container trucking operators that provides container drayage and related services island-wide

Terminals :

CMT Logistics Co., Ltd. operates two containers terminals in northern Taiwan with great access the country' s major ports to offer import/export express services to customers

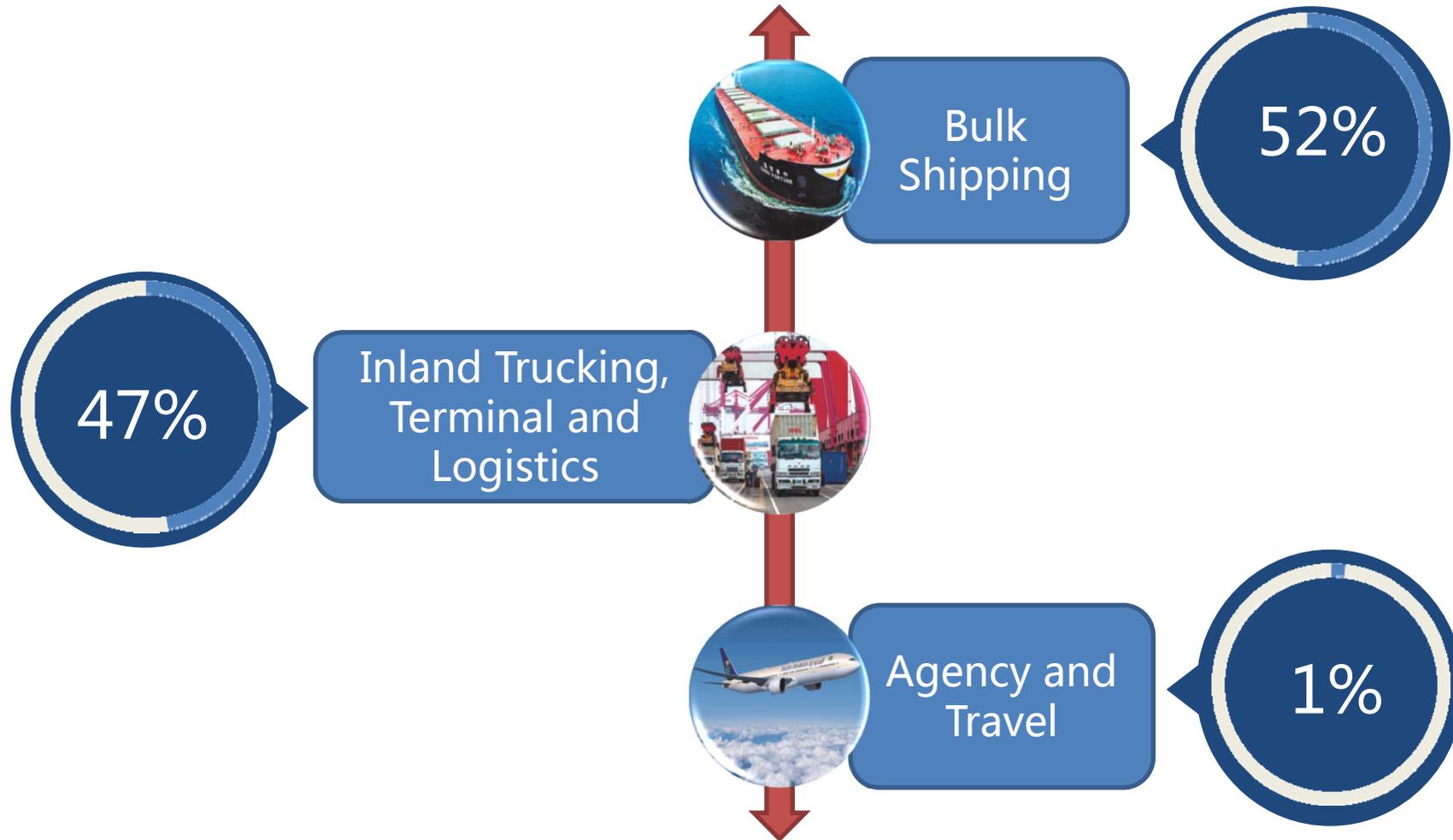
Air Agency & Tourism :

CMT Air Cargo Department is the General Sales Agent (GSA) of Saudi Arabian Airlines in Taiwan

CMT Capesize Fleet



Entities Revenue Ratio for Q1-Q3 2020



Major Investment and Joint Venture

Name of Company	Holding Since	Effective Ownership Interest as of 30 th September 2020	Main Operating Activities
 Taiwan Navigation, Co., Ltd.	2006	10.41%	50,000-80,000 DWT Bulk Carriers
 Global Energy Maritime Co., Ltd.	2011	12.00%	Crude and Product Tankers including VLCCs

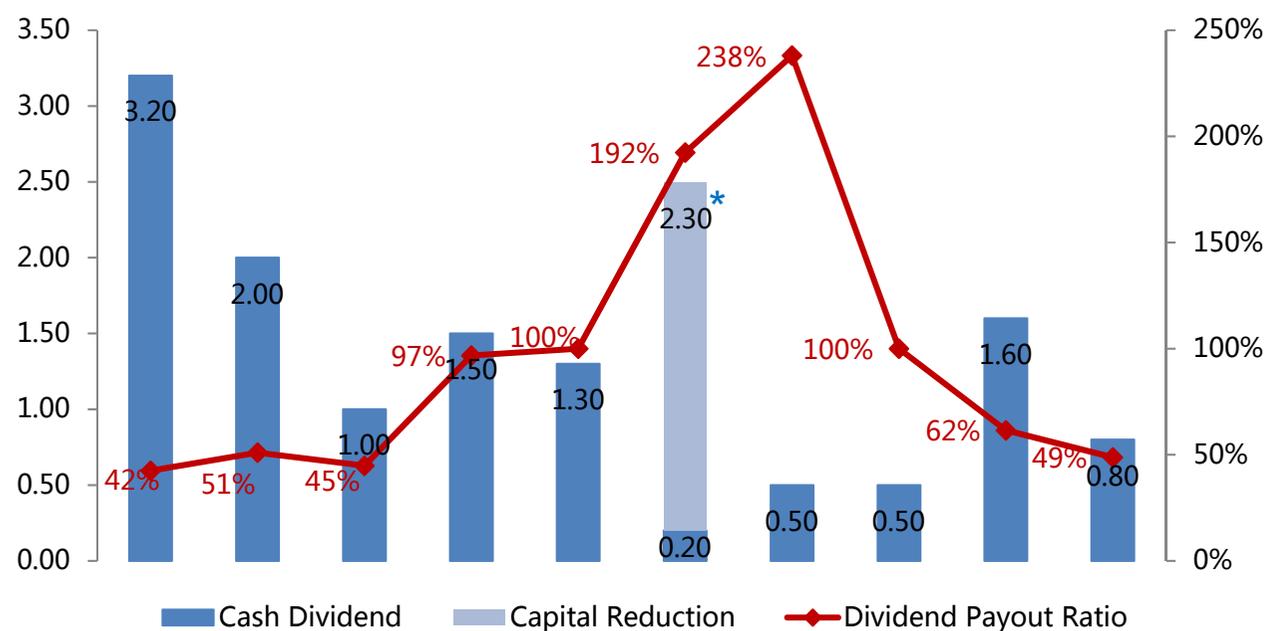
2015-2020 Financial Highlights

Expressed in millions of New Taiwan Dollars

Year	2015	2016	2017	2018	2019	2020 1-3Q
Revenue	3,361	3,295	3,218	3,820	3,763	2,338
Net Profit/(Loss)	333	48	98	514	324	338
EPS	1.30	0.21	0.50	2.60	1.64	1.71
Cash and cash equivalents	4,506	3,686	2,940	3,345	3,288	3,444
Total liabilities	10,173	11,148	10,652	10,237	10,022	9,974
Total equity	11,141	10,323	9,427	10,187	9,934	9,798
ROE %	3.0%	0.5%	1.0%	5.2%	3.2%	3.4%
ROA %	2.1%	0.9%	1.3%	3.5%	2.5%	2.2%
Liability %	48%	52%	53%	50%	50%	50%

Dividends Distribution

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cash dividends/ Capital Reduction (NT\$)	3.20	2.00	1.00	1.50	1.30	2.50*	0.50	0.50	1.60	0.80
EPS (NT\$)	7.53	3.92	2.23	1.55	1.30	1.30	0.21	0.50	2.60	1.64



*Cash dividend NT\$ 0.20 plus capital reduction NT\$2.30 = NT\$2.50

Appendix 1 : Condensed Balance Sheet

Expressed in millions of New Taiwan Dollars

Assets	Sep 30, 2020	Dec 31, 2019	Sep 30, 2019
Current assets	4,644	3,959	3,872
Property, plant and equipment	12,642	13,549	14,060
Intangible assets	11	12	12
Other non current assets	2,475	2,437	2,429
Total assets	19,772	19,957	20,373
Liabilities and Equity			
Current liabilities	3,532	3,110	2,932
Non Current liabilities	6,442	6,913	7,155
Total liabilities	9,974	10,023	10,087
Equity attributable to owners of parent			
Common stock	1,975	1,975	1,975
Capital surplus	53	53	53
Retained earnings	8,622	8,442	8,400
Other equity interest	-852	-536	-142
Total equity	9,798	9,934	10,286
Total liabilities and equity	19,772	19,957	20,373

Appendix 2 : Condensed Statement of Comprehensive Income

Expressed in thousands of New Taiwan Dollars

	2020 1-3Q	2019	2019 1-3Q
Operating Revenues	2,338,375	3,762,725	2,840,740
Operating costs	1,931,061	2,933,577	2,192,596
Gross profit	407,314	829,148	648,144
Operating expenses	282,294	369,497	273,896
Net operating income	125,020	459,651	374,248
Non operating income and expenses	231,514	(81,393)	(56,357)
Profit before tax	356,534	378,258	317,891
Less: tax expenses	18,093	54,416	39,531
Profit (attributable to owners of parent)	338,441	323,842	278,360
Other comprehensive income, net	(316,211)	(260,319)	136,967
Comprehensive income (attributable to owners of parent)	22,230	63,523	415,327
Earnings per share	1.71	1.64	1.41

Appendix 3 : Corporate Bonds Issuance

Tranche	2016-1	2016-2	2017	2020-1	2020-2
Amount (NT\$ 100M)	9	14	8	15	10
Tenor	5 Years	5 Years	5 Years	5 Years	5 Years
Due Date	16-Mar-2021	16-Mar-2021	10-Apr-2022*	28-Aug-2025	28-Aug-2025
Interest Rate	0.88%	1.00%	1.13%	0.64%	0.66%
Interest Payment	Annually	Annually	Annually	Annually	Annually
Guarantee Bank	Bank of Taiwan	Mega Bank	Shanghai Commercial Bank	Mega Bank	Shanghai Commercial Bank

* Balance of NTD 400 million is due in APR/2022

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Contact Information

Web Site: www.cmt.tw

Head Office:

15 Jinan Road Sect 1 Taipei Taiwan R.O.C.

Tel: +886(0)2 2396 3282

Fax: +886(0)2 2391 6165

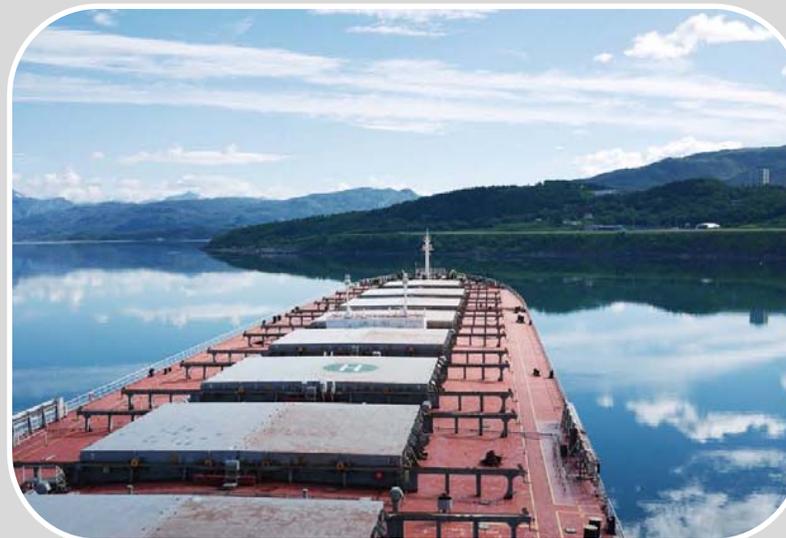
Investor Relations:

Spokesperson: BJ Tarng, Vice President

Tel: +886(0)2 2397 6670

Fax: +886(0)2 2356 8085

Email: inv.rel@agcmt.com.tw



Thank You !

