



Stock Code : 2612 TT

# Q4 Investor Presentation

By: Ban-Jen Tarng  
Spokesperson

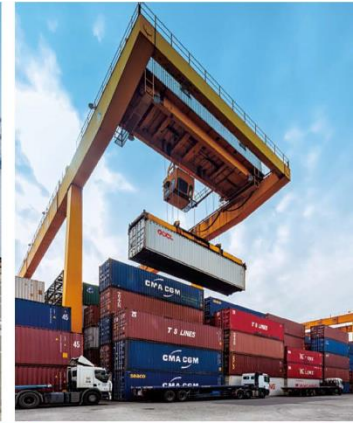
25<sup>th</sup> December 2023

# Summary of Presentation

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- Capesize Market Outlook
- Dry Bulk Shipping Market Trends
- The Company Overview
- Appendices

# Outlook





# Capesize Market Outlook

## Freight Rates Improved in Q4

- ❑ Cape 5TC averaged US\$ 16,242 in 2023. PRC iron ore imports this year increased by 6% YoY- first positive increase in 3 years
- ❑ Freight rebounded in Q4 reflecting imbalanced tonnage supply, extreme weather, and PRC' s strong demand of raw material



## Iron Ore Prices and FFA Rose Simultaneously in 2023

- ❑ Iron ore prices reached highest level in 18 months; CAL2024 FFA traded up to US\$ 18,000
- ❑ New and second hand ship prices remain high while pace of NB delivery slowed



## Global Fleet Net Growth Remains Relatively Low

- ❑ 55 new ships joined the global fleet so far in 2023, while 9 vintage ships were scrapped in first 11 months
- ❑ Capesize net fleet growth is 2.29% between January and November



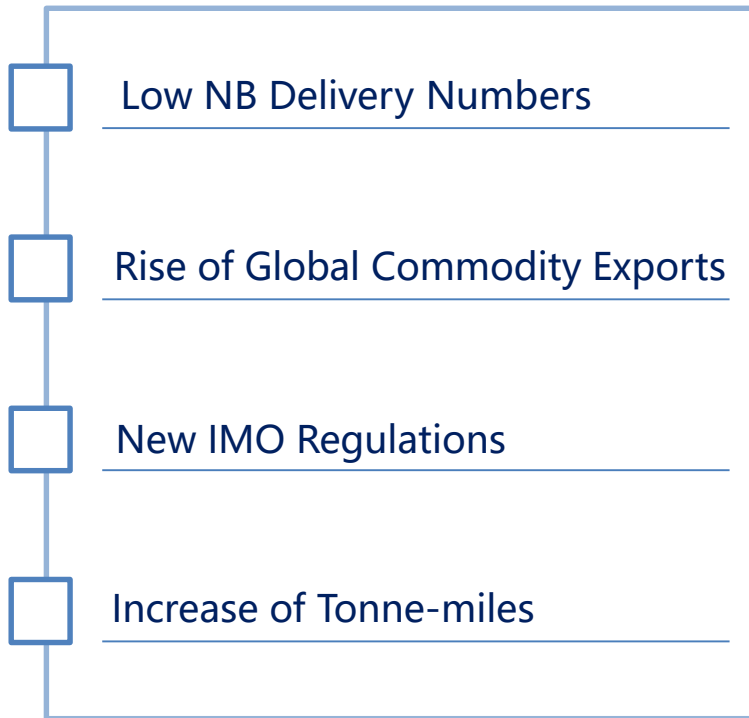
## Short-term Outlook

- ❑ PRC iron ore and coal imports increase over same period last year while iron ore port stockpile has reduced to the lowest level in 7 years which supports re-stocking
- ❑ PRC real estate market is still under great stress but appetite for raw materials remains strong. CMT' s 3<sup>rd</sup> and 4<sup>th</sup> Newcastlemax eco-ships will be delivered during Q2-Q3 2024 which will further enhance Company' s overall performance

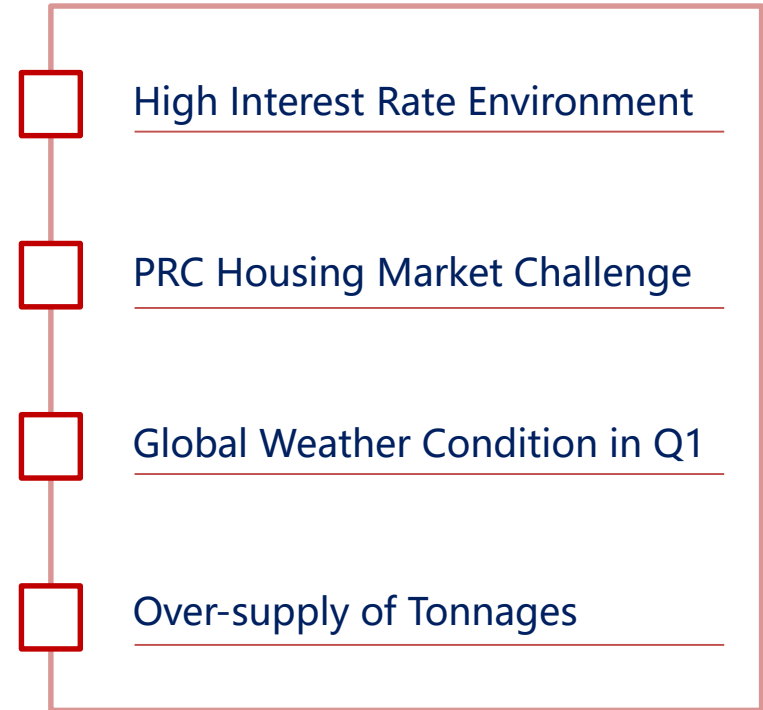


# Market Influencing Factors

## Bullish Factors



## Bearish Factors



# PRC Key Indicators

- PRC' s gross domestic product in first 9 months grew by 5.2% y-o-y, while full year guidance is around 5.0%
- PRC' s crude steel production between January and November reached about 952 million tons, up by about 1.5% y-o-y; the country exported about 83 million tons of steel products between January and November, up by about 35.6% y-o-y
- Compared to end 2022, China Steel Price Index (CSPI) decreased by 1.44% at end-November to 116.6 points
- The country imported about 1.08 billion tons of iron ore between January and November, up by about 6.2% y-o-y, while coal imports reached about 427 million tons, up by about 62.9% y-o-y



# Shipping Market Outlook - Demand

## Iron Ore



Clarksons Platou forecasts Chinese iron ore imports to increase by 6% in 2023 while Brazilian export volume is expected to increase by 6% and Australian export volume to increase by 1%; global iron ore demand is projected to grow by 4% in 2023

## Coal



Clarksons Platou forecasts Chinese coal imports to increase by 46% in 2023 while Australian export volume is expected to increase by 2% and Indonesian export volume to increase by 8%; global coal demand is projected to grow by 7% in 2023



# Shipping Market Outlook - Supply

## Newbuildings



According to IHS Markit, total 56 capesize bulkers were delivered in 2023 with fleet net growth at 2.3%; 40 capesize bulkers are expected to be delivered in 2024

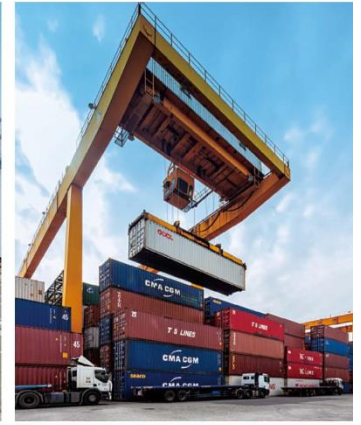
## Ship Scrapping



Demolition quantity of capesize bulkers reached 21 in 2022 while more vintage bulkers are to be recycled this year - 10 units are expected to be scrapped in 2023



# Dry Bulk Shipping Market Trends



# BDI 2021-2023

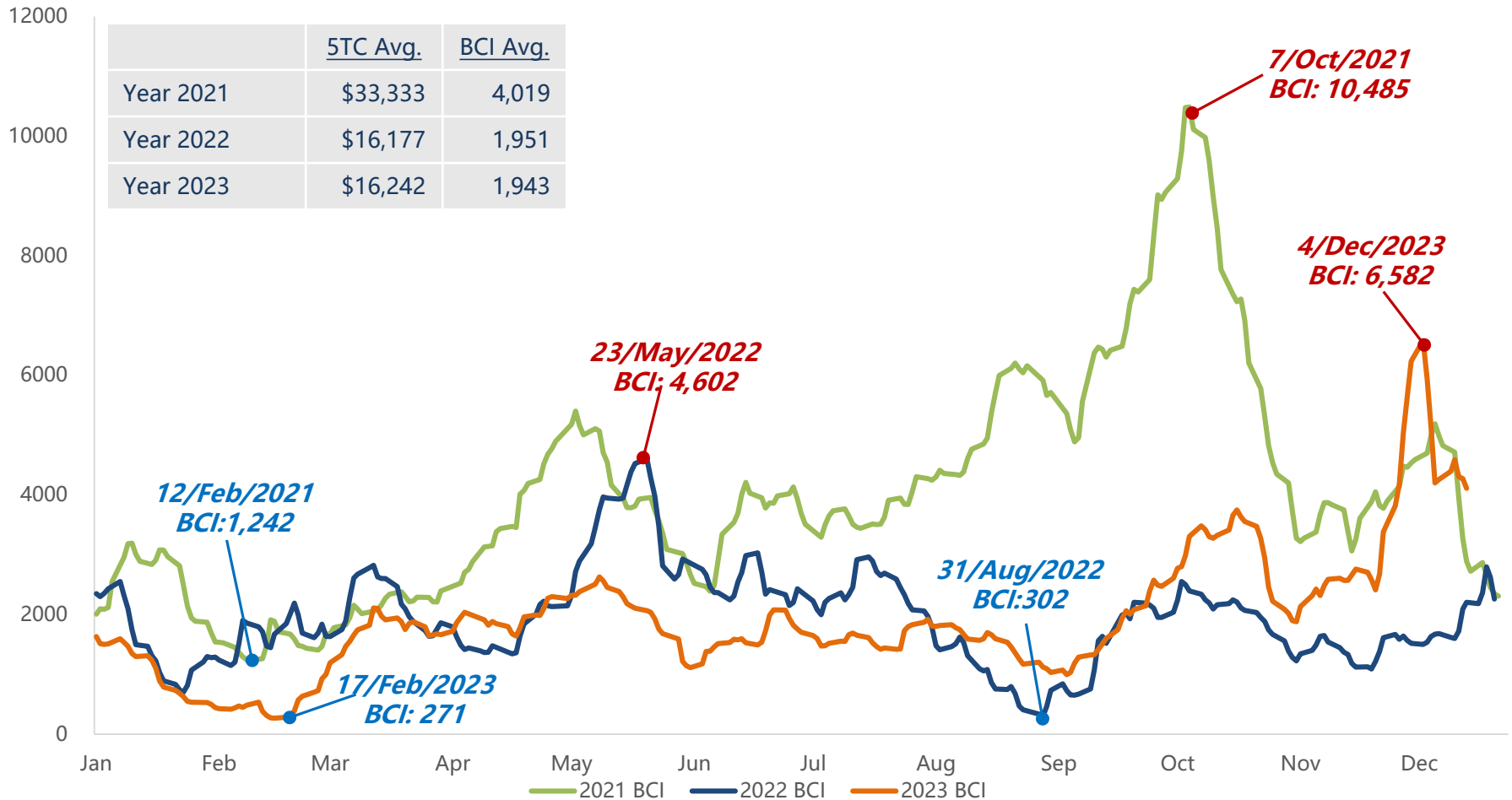
## Baltic Exchange Dry Index



Source: Clarksons Platou

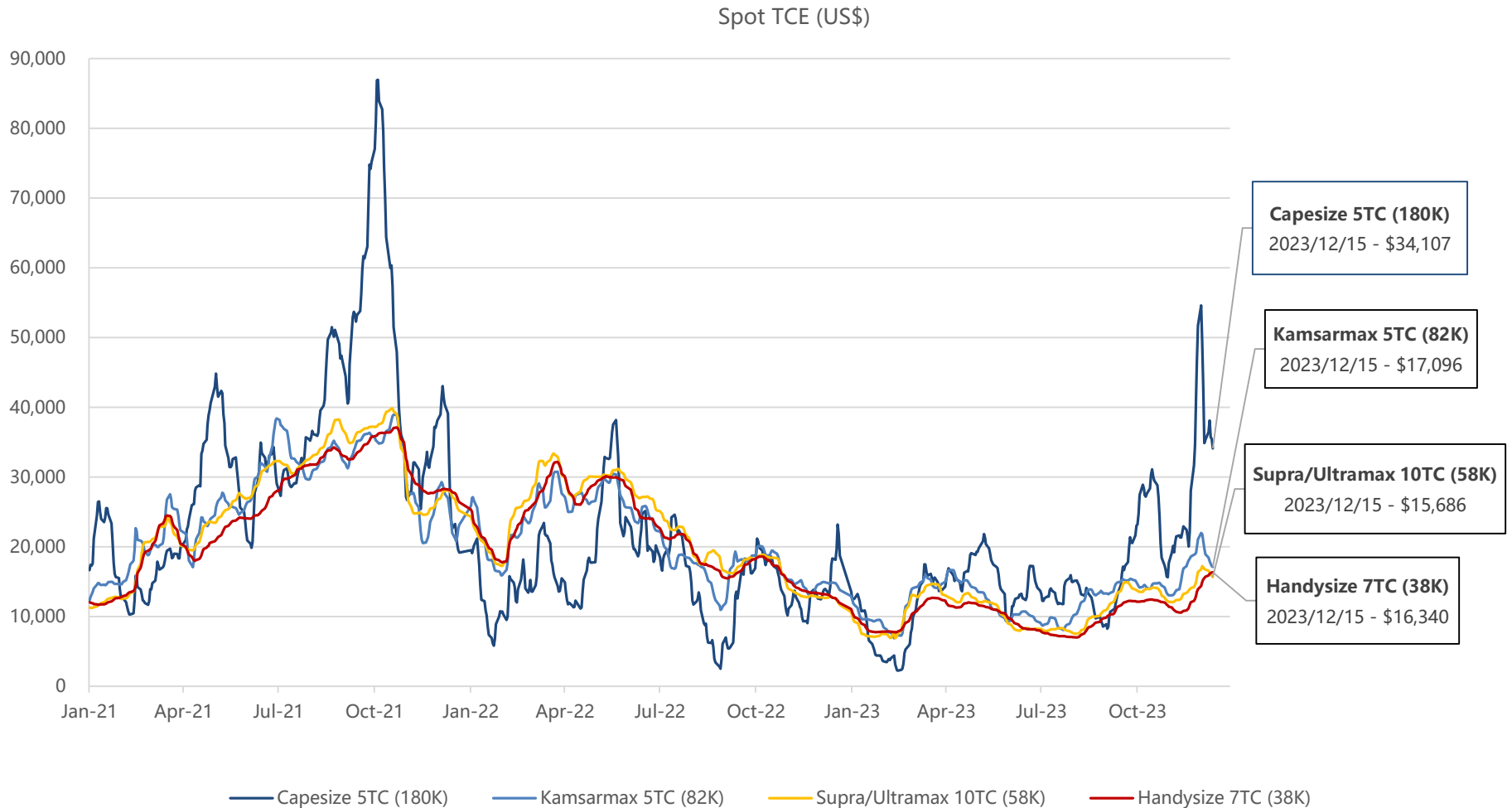
# BCI 2021-2023

## Baltic Exchange Capesize Index



Source: Clarksons Platou

# 2021- 2023 BCI/BPI/BSI/BHSI Rates

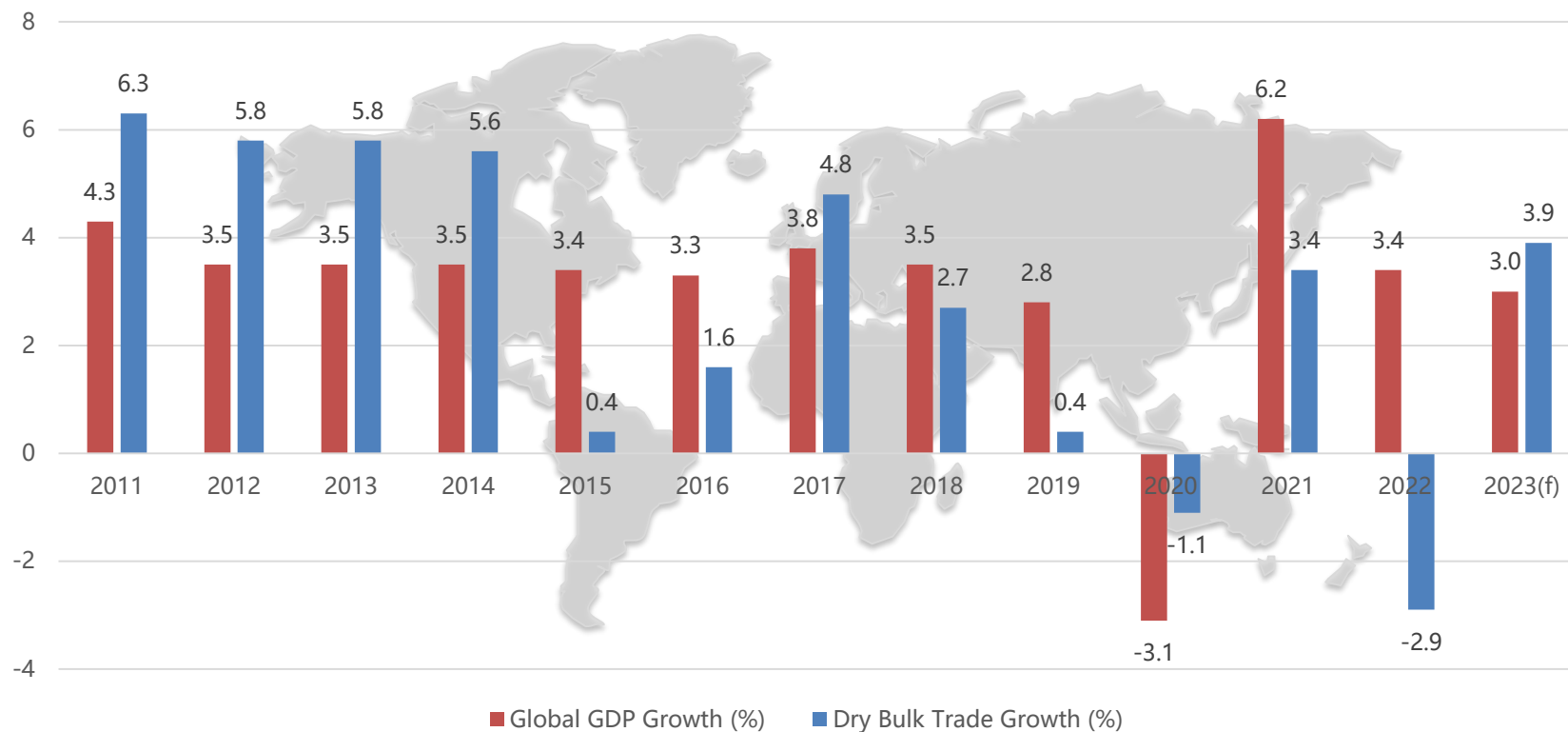


Source: Clarksons Platou



# Global Economy and Dry Bulk Trade

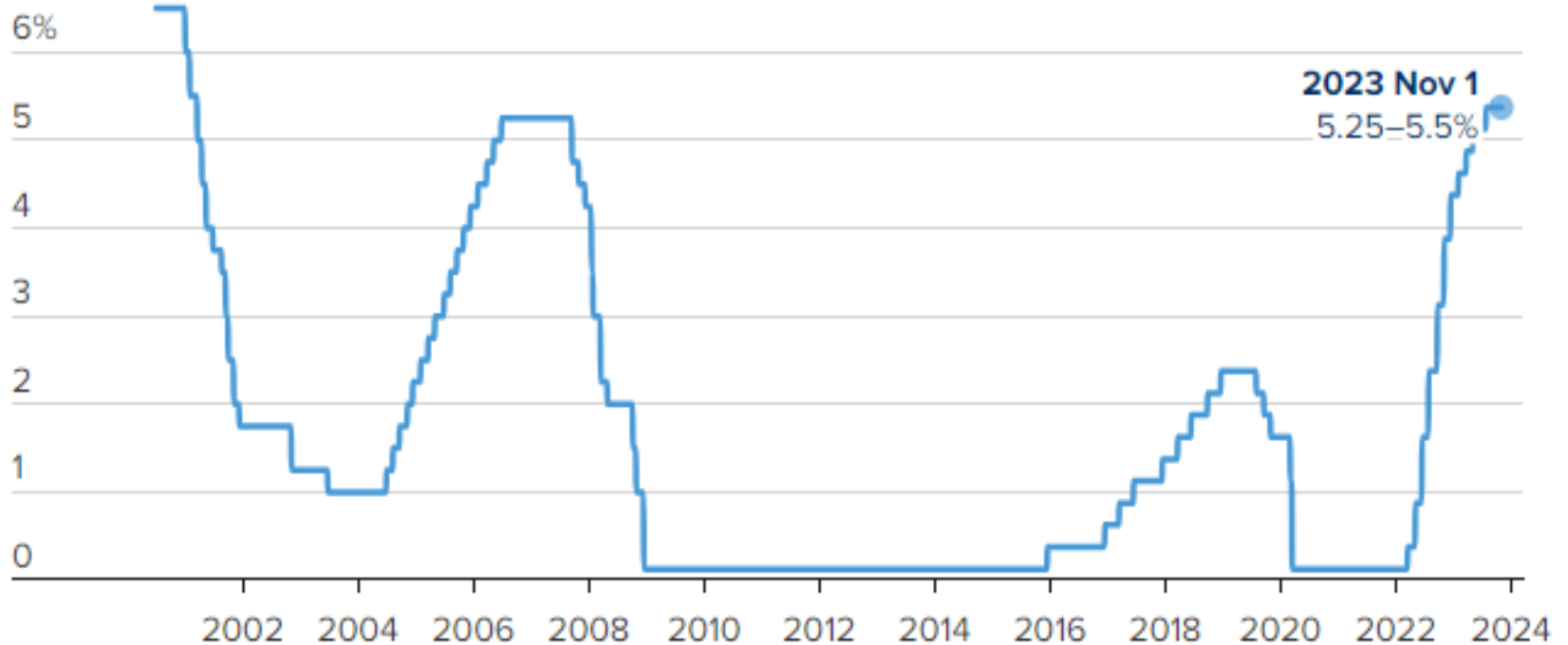
- IMF projects global GDP to grow by 3.0% in 2023
- Clarksons Platou forecasts dry bulk seaborne trade to increase by 3.9% in 2023



Source: IMF & Clarksons Platou

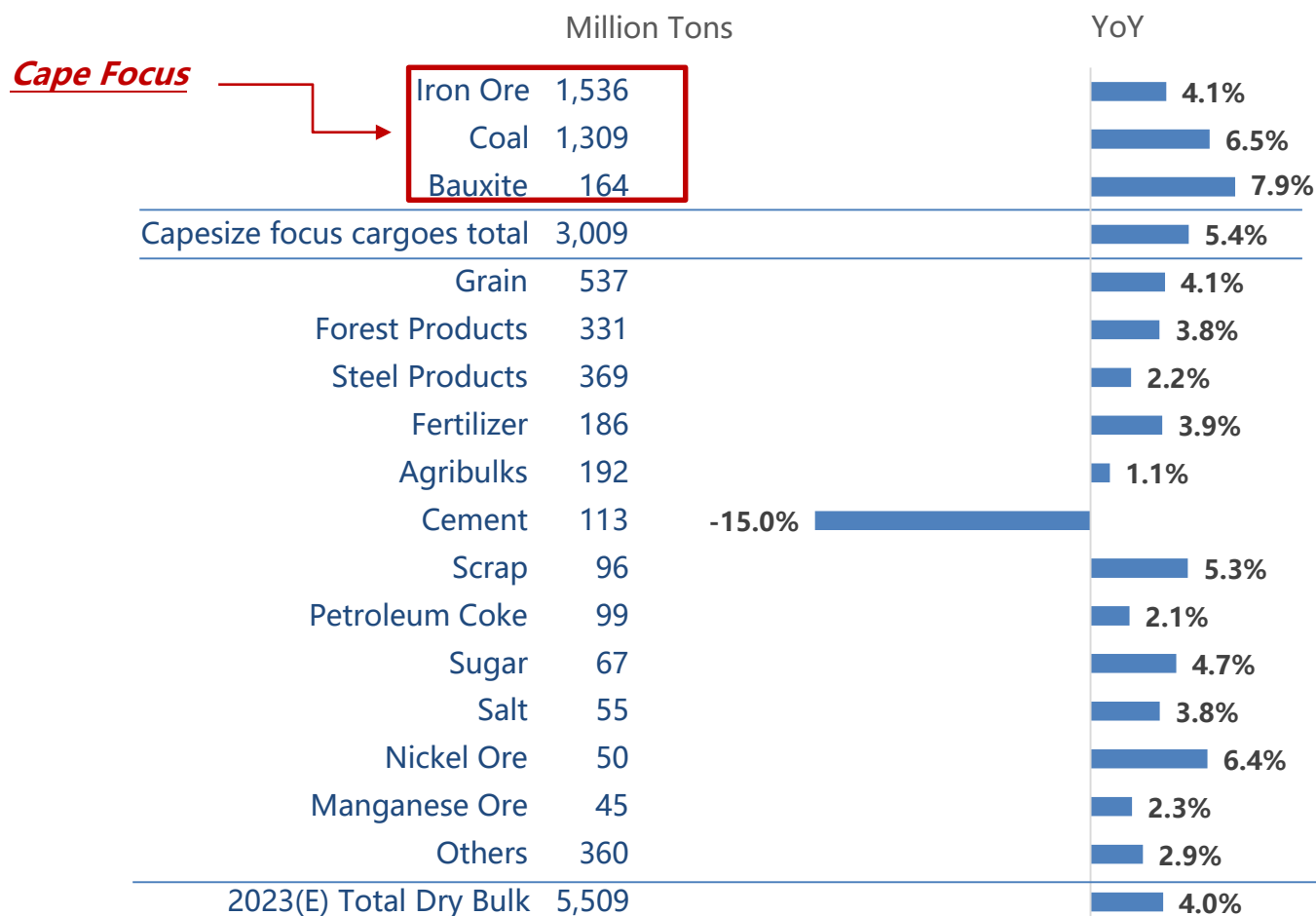
# Interest Rate Remains High

## Federal funds target rate



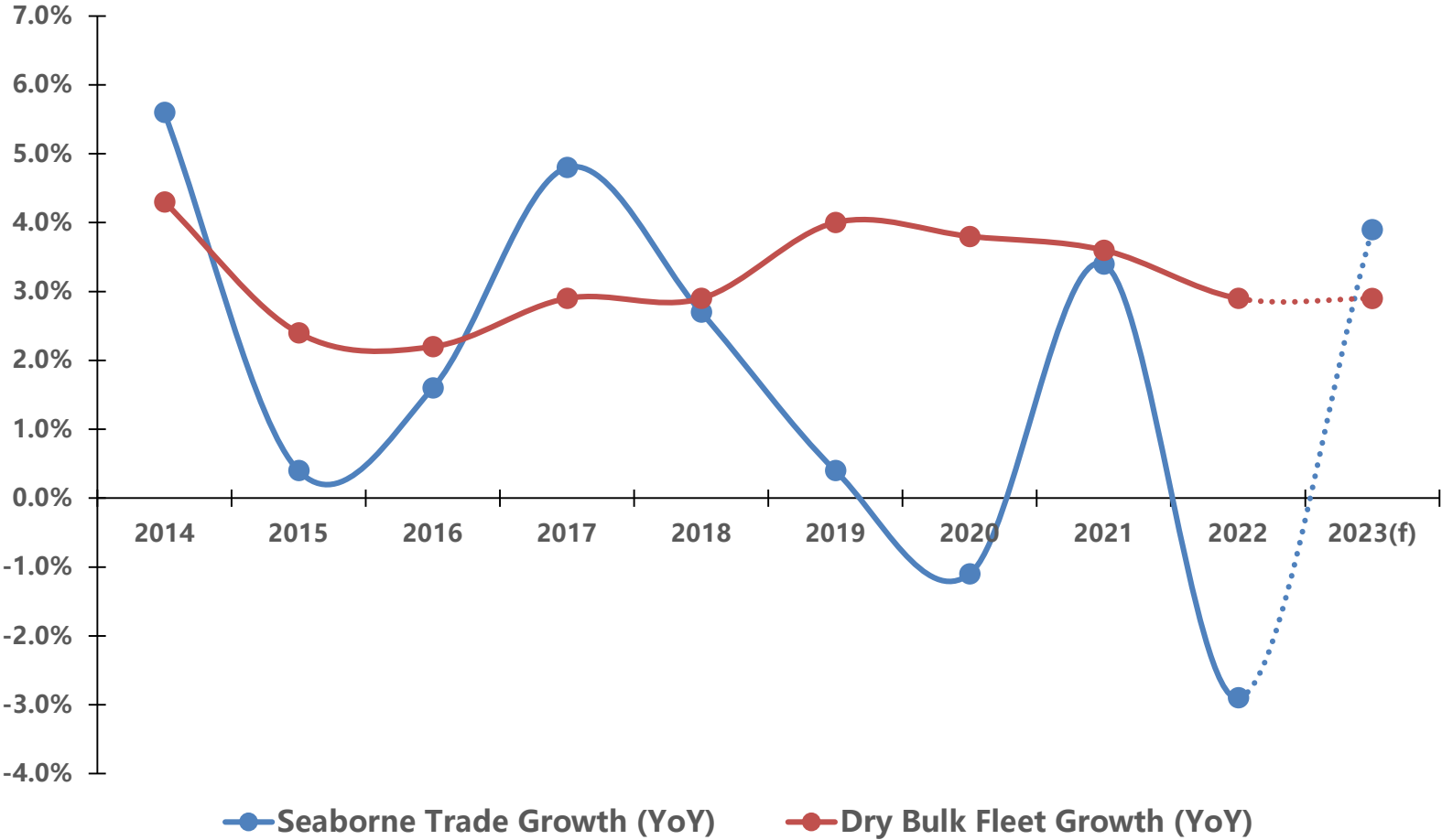
Source: Federal Reserve Bank of New York

# Dry Bulk Seaborne Trade Forecast



Source: Clarksons Platou

# Dry Bulk Seaborne Trade vs. Fleet Growth

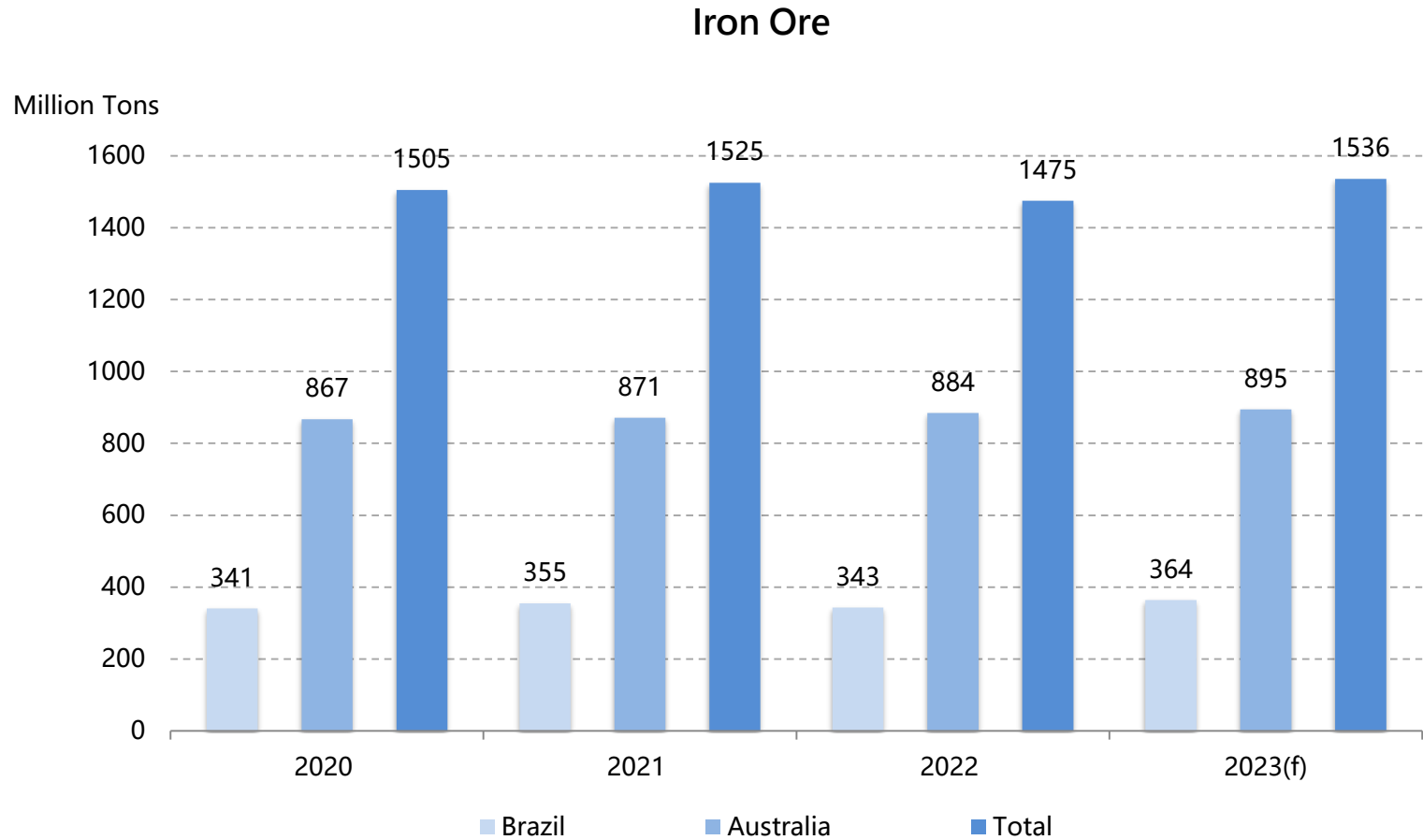


Source: Clarksons Platou



# Global Iron Ore Exports

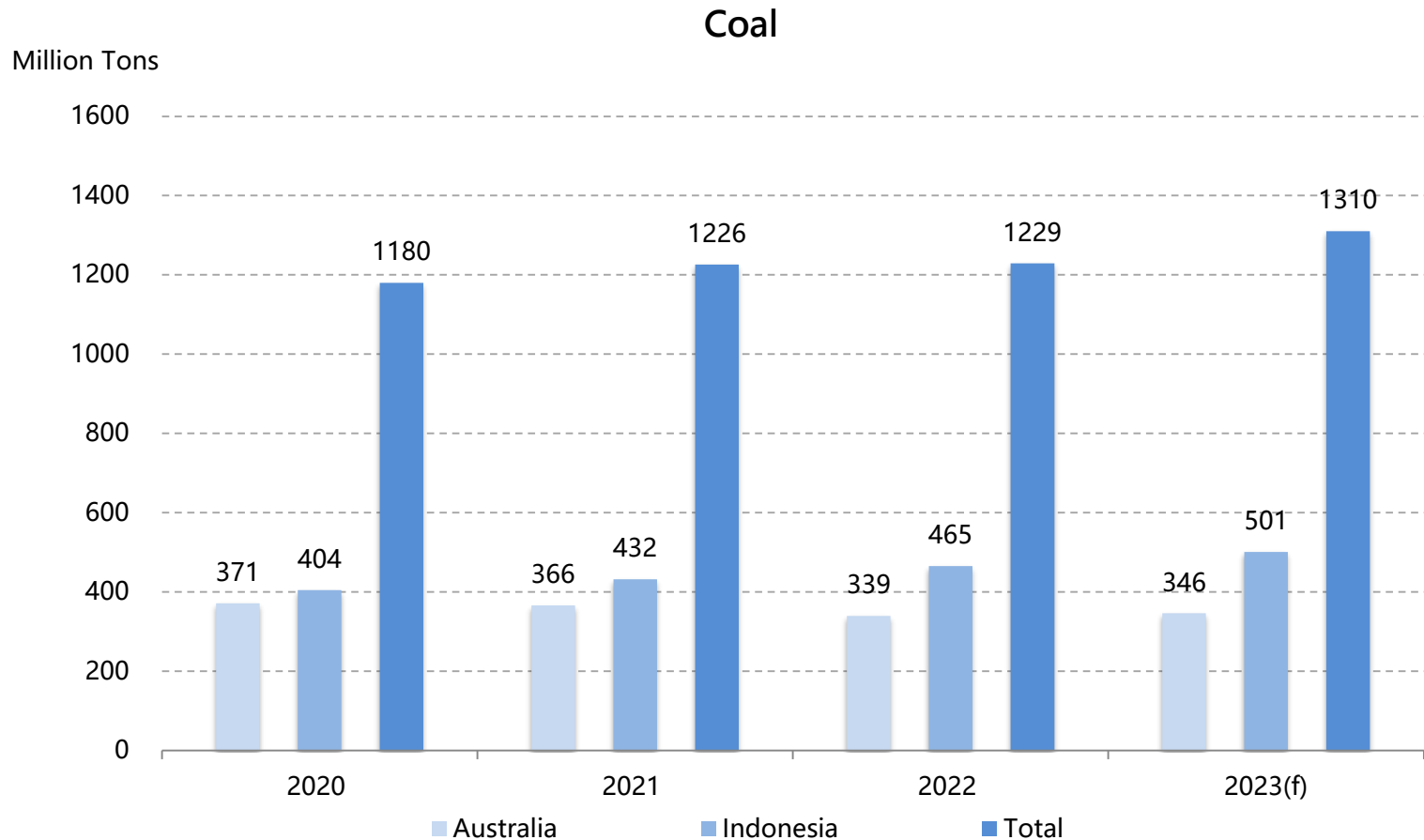
Clarksons Platou forecasts global iron ore exports increase by 4% in 2023



Source: Clarksons Platou

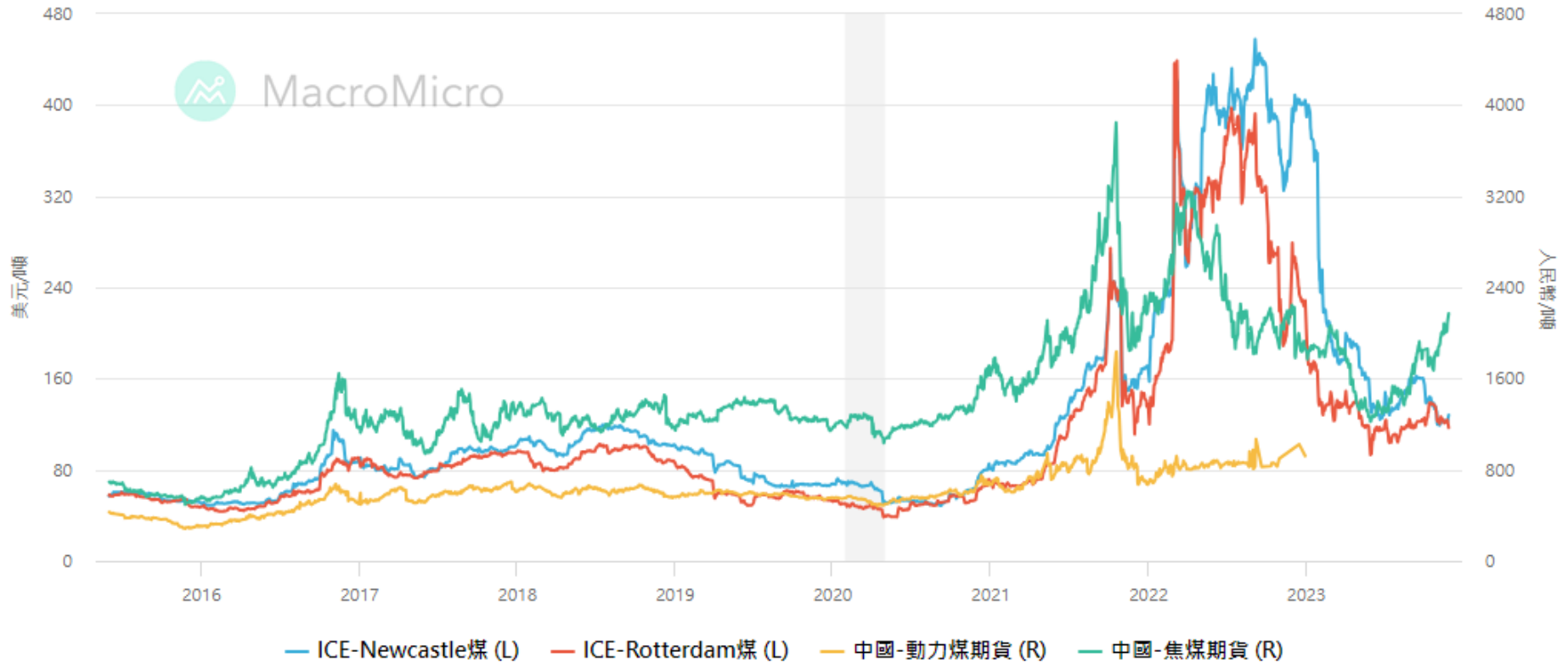
# Global Coal Exports

Clarksons Platou forecasts global coal exports to grow by 7% in 2023



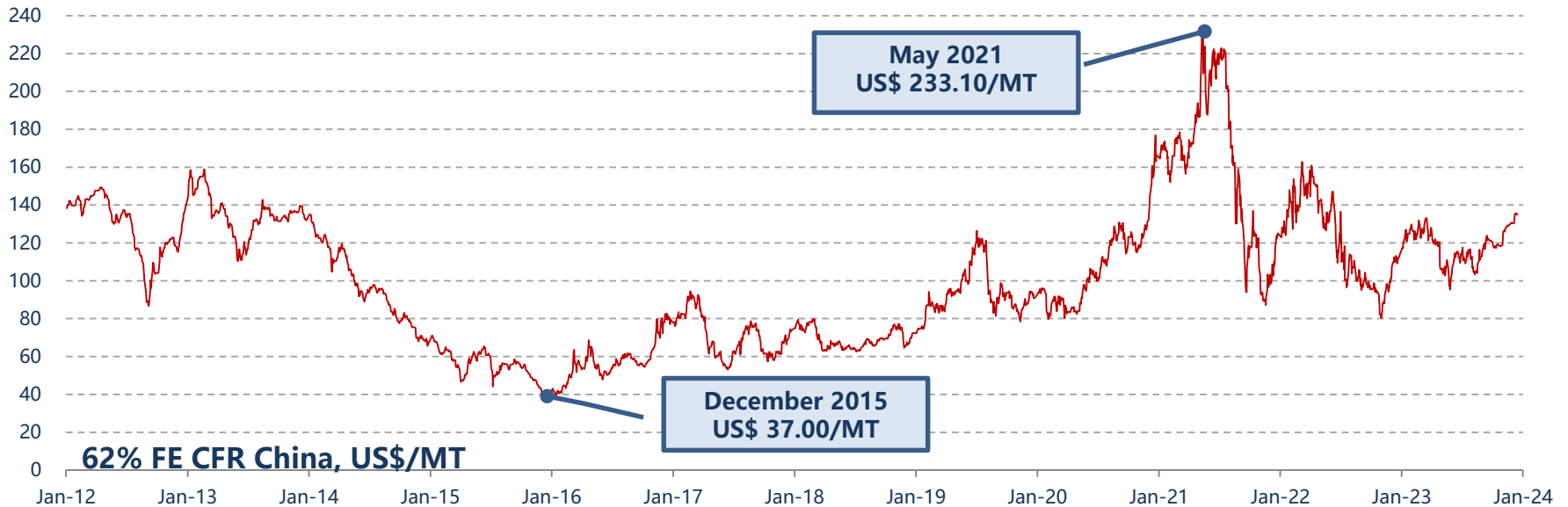
Source: Clarksons Platou

# Global Coal Prices



Source: MacroMicro

# Iron Ore Price Trend



Source: MacroMicro



# PRC Crude Steel Price



Source: SSY & MacroMicro

# World Steel Production Trend

PRC' s y-o-y growth rate in 2022: -2.0%;

Full year y-o-y projection for 2023: +1.0%

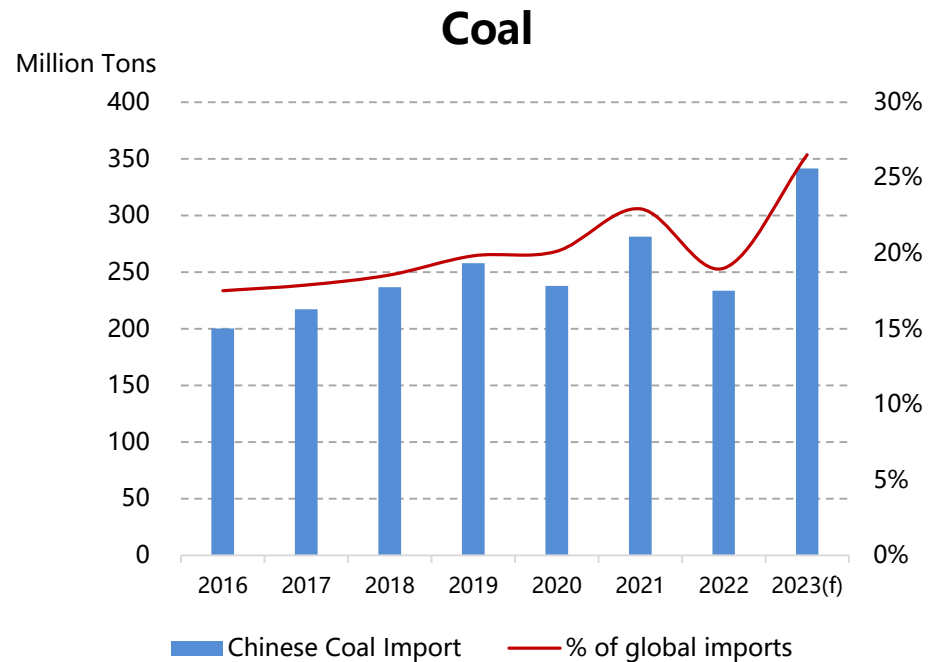
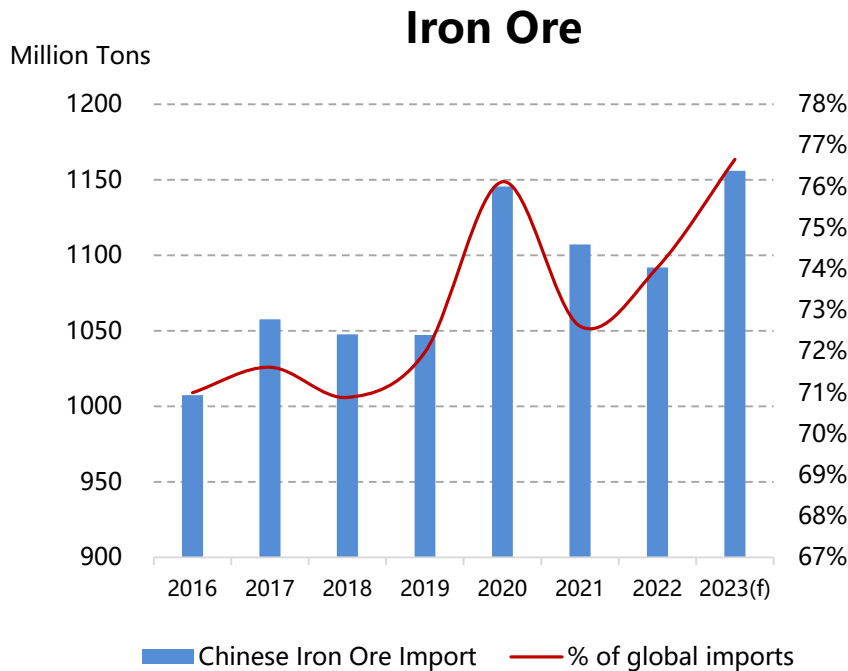
## Crude steel production, annual - million tonnes

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
EU	168	157	139	159	141	129	131	133	135	137
US	87	88	73	86	83	78	80	83	87	89
Japan	104	99	83	96	90	85	86	88	92	94
South Korea	72	71	67	71	66	64	65	67	68	69
China	923	996	1,056	1,031	1,010	1,034	1,063	1,096	1,120	1,143
India	109	111	100	117	124	133	143	154	164	173
Others	321	318	309	374	332	334	346	361	373	384
<b>Global</b>	<b>1,784</b>	<b>1,841</b>	<b>1,827</b>	<b>1,935</b>	<b>1,846</b>	<b>1,858</b>	<b>1,914</b>	<b>1,983</b>	<b>2,039</b>	<b>2,090</b>

Source: Drewry Maritime Research

# PRC Commodity Seaborne Imports

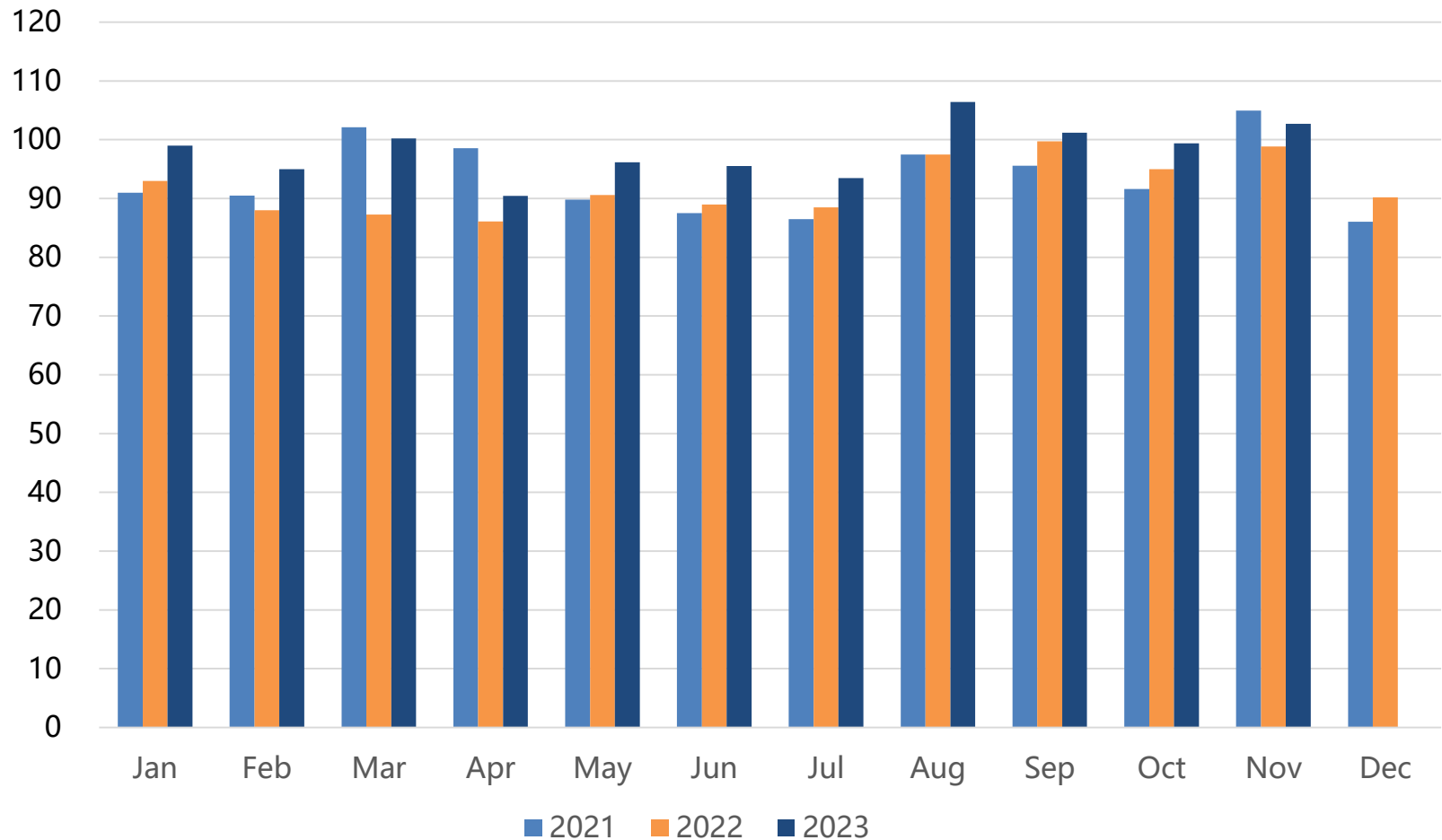
- PRC' s demand for iron ore is projected to increase by 6% in 2023 to 1.156 billion tons
- PRC' s demand for coal imports is estimated to increase by 46% in 2023 to 342 million tons



Source: Clarksons Platou

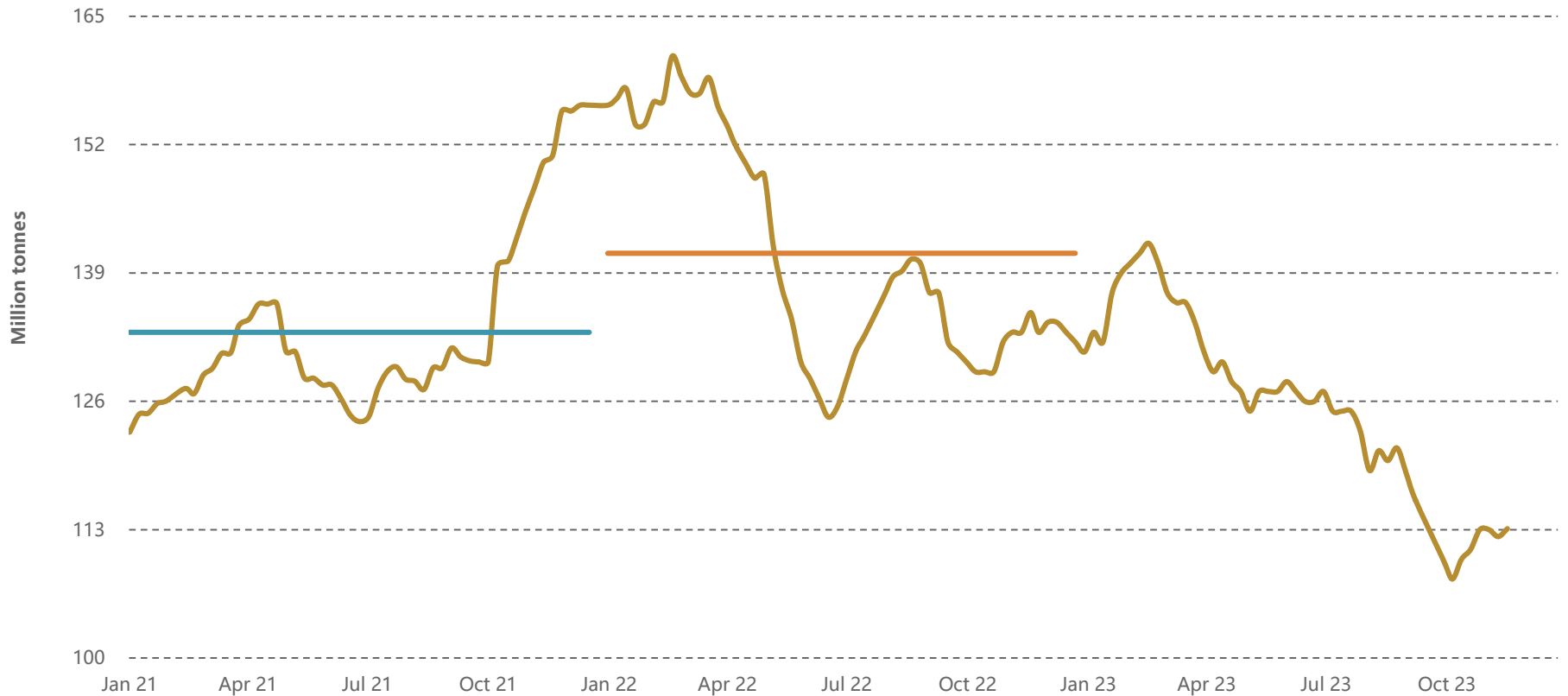
# PRC Iron Ore Imports

Million Tons



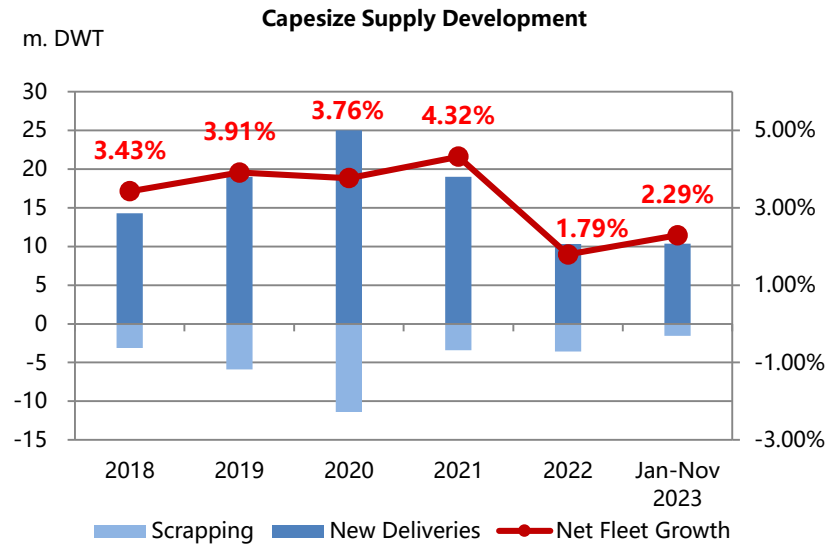
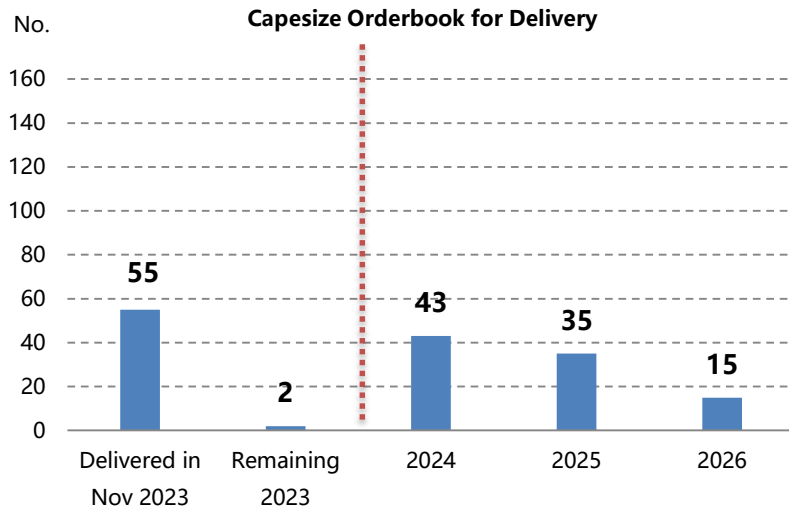
Source: Thurlstone Research





# Iron Ore Stockpiles at PRC Ports



Source: MacroMicro

# Newbuilding Orders are Limited



		ORDERBOOK AS % OF EXISTING FLEET	AVERAGE AGE	OVER 15 YEARS OLD	NOV 2023 SCRAPING AS % OF EXISTING FLEET
	<b>Handysize</b> (10,000 - 40,000 dwt)	9%	13.1	25%	0.34%
	<b>Handymax (incl. Supramax &amp; Ultramax)</b> (40,000 - 65,000 dwt)	9%	11.8	21%	0.60%
	<b>Panamax (incl. Kamsarmax)</b> (65,000 - 100,000 dwt)	11%	11.7	25%	0.79%
	<b>Capesize</b> (100,000 + dwt)	5%	10.4	14%	0.30%
	<b>Total Dry Bulk &gt; 10,000 dwt</b>	8%	12.0	20%	0.49%

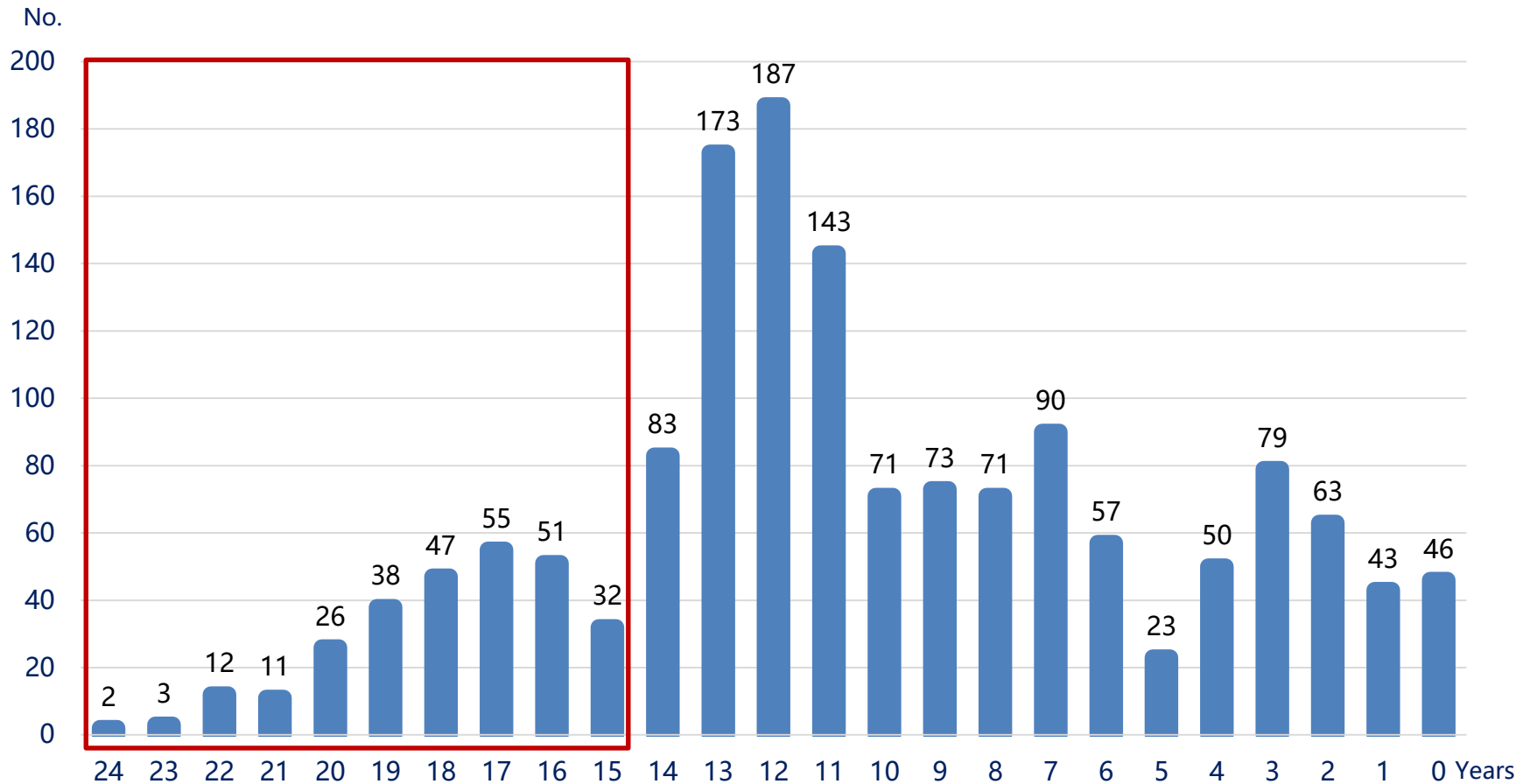
Source: Clarksons Platou

**CMT Fleet Average Age: 9.3**



# Capesize Age Profile

## Capesize Age Profile (170,000 - 220,000 DWT)



Total Vessels: 1,529

Source: Clarksons Platou

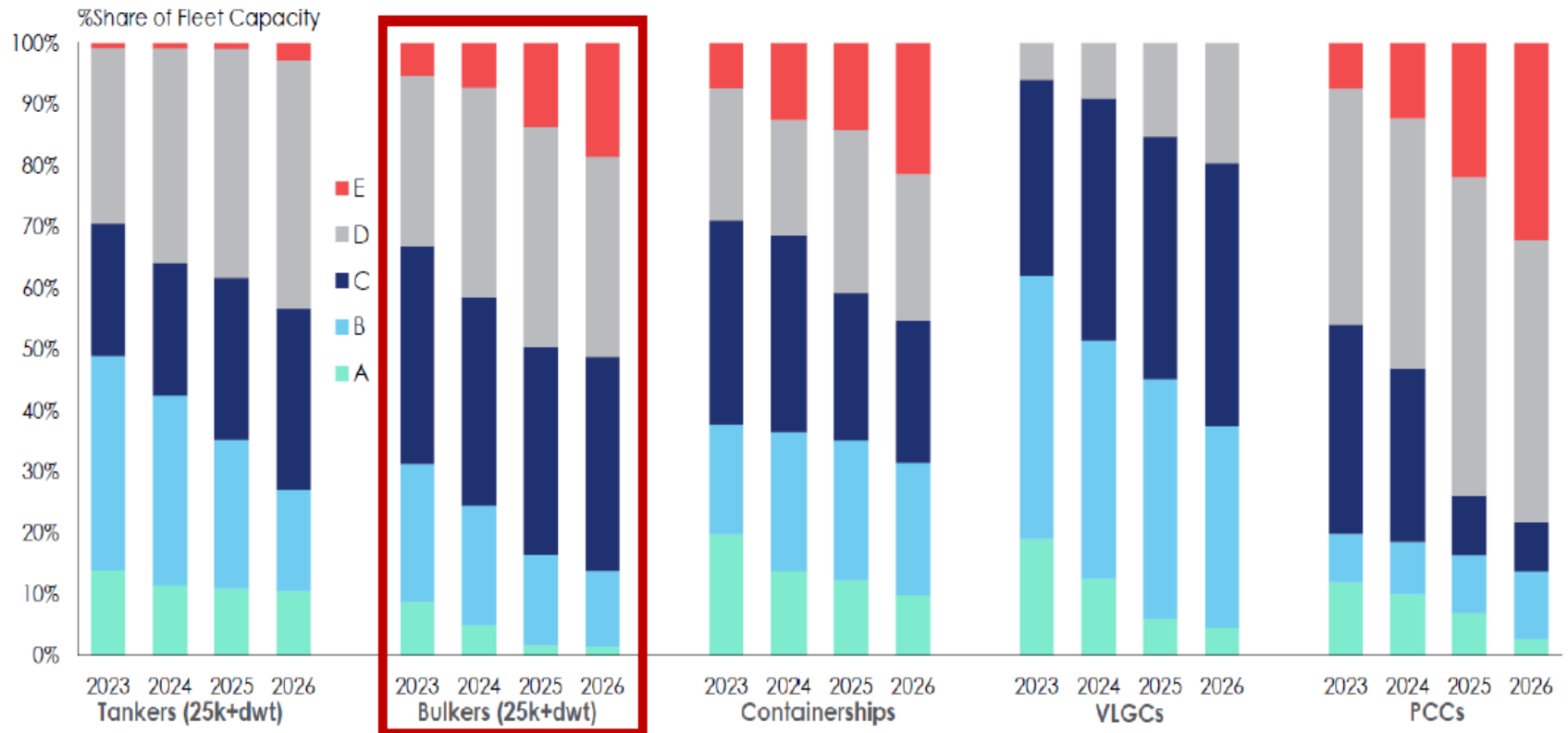
# Newbuilding/2<sup>nd</sup> Hand Sale Prices

TYPE		PRICE (IN US\$ MILLION)				
YEAR		2021	2022		Dec 2023	
208,000 DWT	NB	67.0	67.0	0%	72.0	+7%
180,000 DWT	NB	60.5	60.5	0%	65.5	+8%
180,000 DWT (ECO)	5-YR	47.0	43.0	-9%	50.5	+17%
180,000 DWT	10-YR	33.0	28.0	-15%	30.5	+9%
176,000 DWT	15-YR	21.0	18.5	-12%	20.0	+8%

Source: Clarksons Platou & Internal Assessment

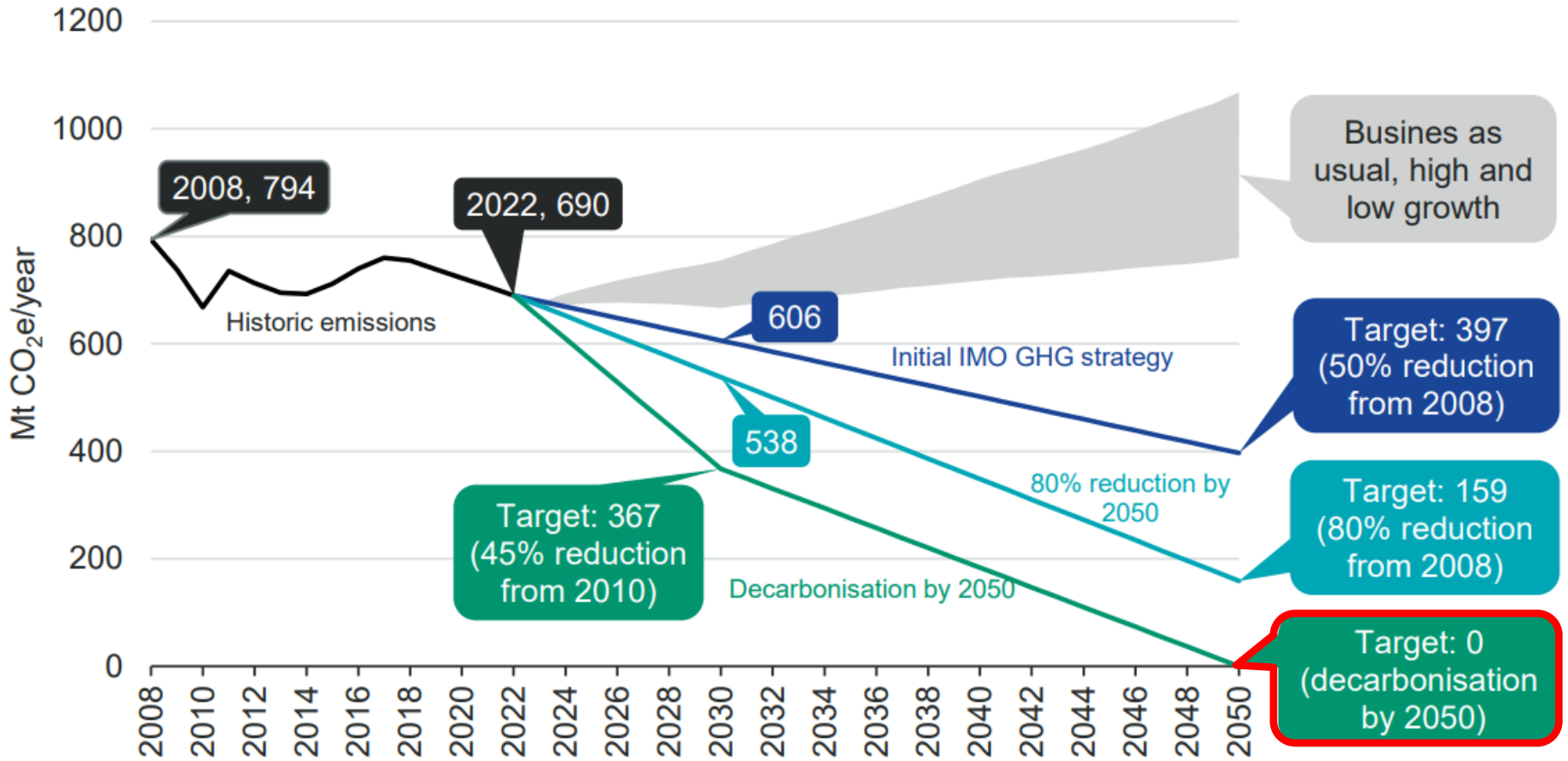
# CII Regulation

It is expected that half bulkers will fall into CII - D&E rating in 2026



Source: Clarksons Platou

# IMO MEPC 80 - Targeting Net-zero Emissions



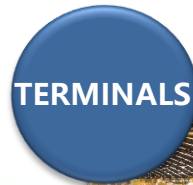
Source: IMO

# The Company Overview





# Company Profile



## Shipping :

CMT owns and manages a fleet of 12 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 :

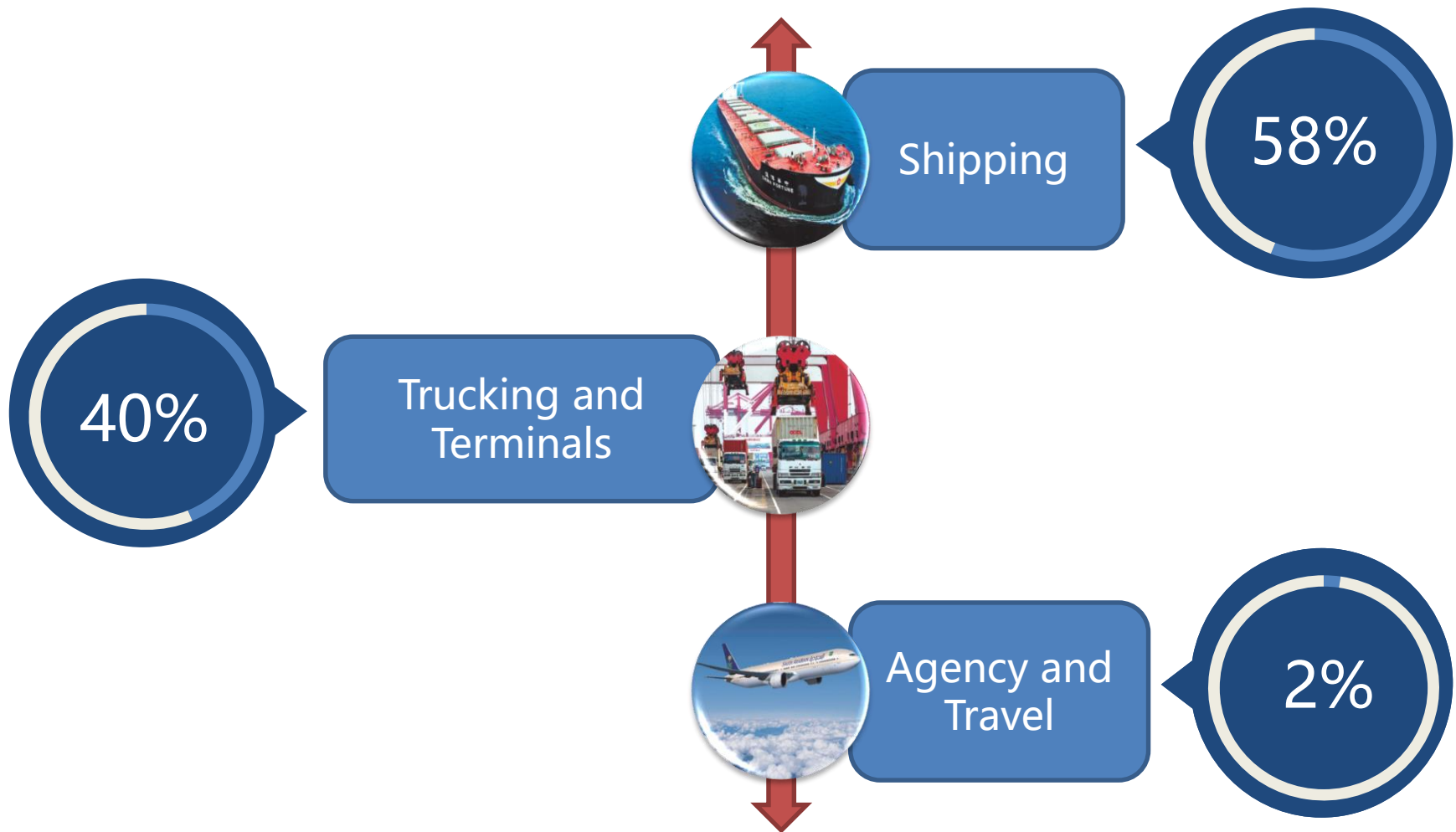
CMT Logistics Co., Ltd. operates two containers terminals in northern Taiwan with great access the country' s major ports to offer import/export express services to customers

## Air & Tourism :

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



# Entities Revenue Ratio for 2023Q3



# CMT Capesize Fleet

**China Peace**  
中華和平輪  
174,413 DWT



**China Progress**  
中華富進輪  
174,322 DWT



**China Pride**  
中華榮耀輪  
177,856 DWT



**China Triumph**  
中華光輝輪  
203,028 DWT



**China Prosperity**  
中華鴻運輪  
203,028 DWT



**China Pioneer**  
中華先鋒輪  
206,079 DWT



**China Fortune**  
中華偉運輪  
206,061 DWT



2005

2006

2009

2011

2012

2012

2013

2024

2024

2023

2023

2017

2017

2016



青島北海船舶重工有限責任公司  
QINGDAO BEIHAI SHIPBUILDING HEAVY INDUSTRY CO.,LTD



青島北海船舶重工有限責任公司  
QINGDAO BEIHAI SHIPBUILDING HEAVY INDUSTRY CO.,LTD



**Newbuilding**  
210,000 DWT

**Newbuilding**  
210,000 DWT

**China Champion**  
中華冠軍輪  
210,183 DWT

**China Venture**  
中華興業輪  
210,269 DWT

**China Honour**  
中華名望輪  
179,562 DWT

**China Enterprise**  
中華偉業輪  
207,986 DWT

**China Harmony**  
中華和諧輪  
179,505 DWT



中國航運股份有限公司  
Chinese Maritime Transport Ltd.

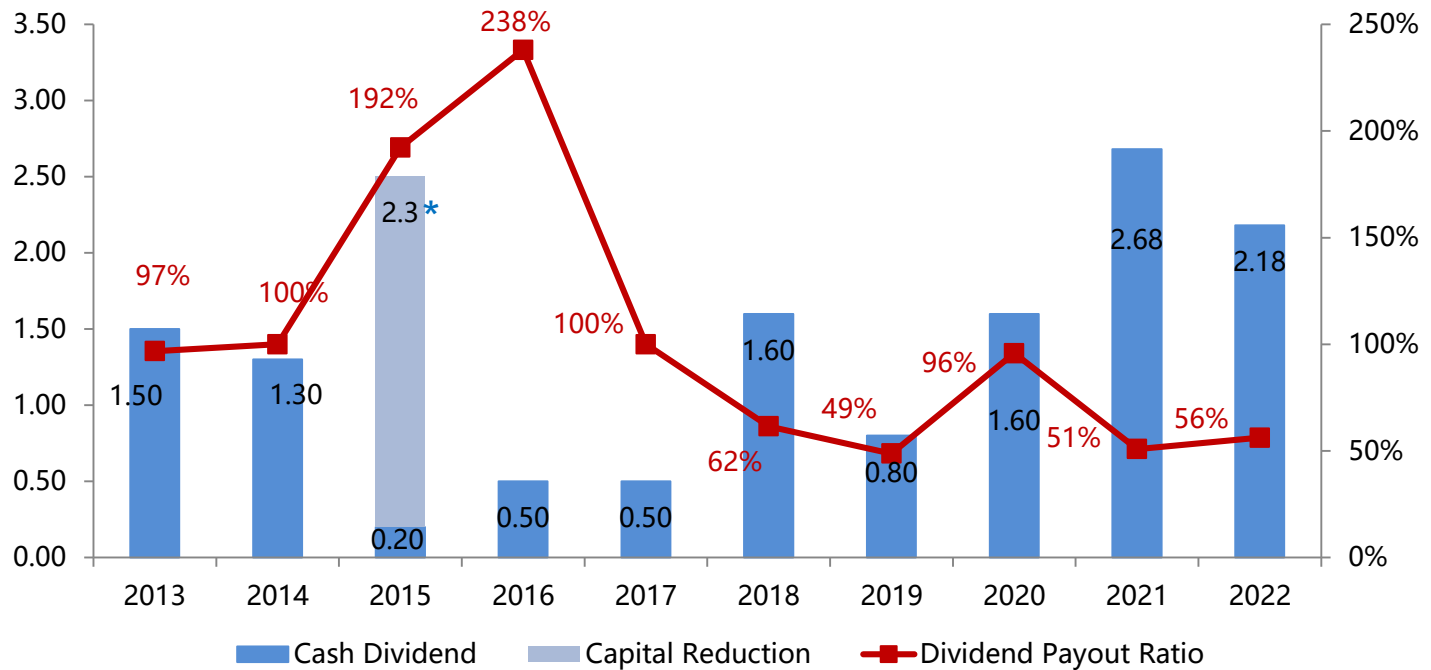
# 2018-2023 Financial Highlights

Expressed in millions of New Taiwan Dollars

Year	2018	2019	2020	2021	2022	For the nine months ended September 30, 2023
Revenue	3,820	3,763	3,132	3,554	4,410	2,955
Net Profit/(Loss)	514	324	320	1,031	758	286
EPS	2.60	1.64	1.67	5.27	3.88	1.46
Cash and cash equivalents	3,345	3,288	3,221	3,057	3,989	3,973
Total liabilities	10,237	10,022	9,735	8,650	8,799	11,996
Total equity	10,187	9,934	9,750	10,428	11,652	12,143
ROE %	5.2%	3.2%	3.3%	10.3%	6.87%	2.94%
ROA %	3.5%	2.5%	2.3%	5.8%	4.45%	3.2%
Liability %	50%	50%	50%	45%	43%	50%

# Dividends Distribution

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cash dividends/ Capital Reduction (NT\$)	1.50	1.30	2.50*	0.50	0.50	1.60	0.80	1.60	2.68	2.18
EPS (NT\$)	1.55	1.30	1.30	0.21	0.50	2.60	1.64	1.67	5.27	3.88



\*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, 2023	Dec 31, 2022	Sep 30, 2022
Current assets	5,373	4,974	5,544
Property, plant and equipment	16,748	13,875	13,101
Intangible assets	4	5	6
Other non current assets	2,014	1,597	2,470
<b>Total assets</b>	<b>24,139</b>	<b>20,451</b>	<b>21,121</b>
<b>Liabilities and Equity</b>			
Current liabilities	4,140	3,290	3,490
Non Current liabilities	7,856	5,509	5,648
<b>Total liabilities</b>	<b>11,996</b>	<b>8,799</b>	<b>9,138</b>
<b>Equity attributable to owners of parent</b>			
Common stock	1,975	1,975	1,975
Capital surplus	53	53	53
Retained earnings	9,426	9,568	9,349
Other equity interest	623	47	594
Non-controlling interests	66	9	12
<b>Total equity</b>	<b>12,143</b>	<b>11,652</b>	<b>11,983</b>
<b>Total liabilities and equity</b>	<b>24,139</b>	<b>20,451</b>	<b>21,121</b>

# Appendix 2 : Condensed Statement of Comprehensive Income

Expressed in thousands of New Taiwan Dollars

	For the nine months ended September 30, 2023	2022	For the nine months ended September 30, 2022
Operating Revenues	2,955,114	4,409,999	3,357,522
Operating costs	2,341,225	3,024,721	2,266,752
Gross profit	613,889	1,385,278	1,090,770
Operating expenses	361,079	456,075	345,294
Net operating income	252,810	929,203	745,476
Non operating income and expenses	110,301	(88,010)	(127,668)
Profit before tax	363,111	841,193	617,808
Less: tax expenses	77,529	83,222	62,007
<b>Profit</b>	285,582	757,971	555,801
Other comprehensive income, net	576,389	994,840	1,528,103
Comprehensive income	861,971	1,752,811	2,083,904
<b>Earnings per share</b>	1.46	3.88	2.84



## Appendix 3 : Corporate Bonds Issuance

Tranche	2020-the first secured -A	2020-the first secured -B	2020-the first secured -C	2020-the first secured -D
Amount (NT\$ 100M)	10	5	5	5
Tenor	5 Years	5 Years	5 Years	5 Years
Due Date	28-Aug-2025	28-Aug-2025	28-Aug-2025	28-Aug-2025
Interest Rate	0.64%	0.64%	0.66%	0.66%
Interest Payment	Annually	Annually	Annually	Annually
Guarantee Bank	Mega Bank	Shanghai Commercial Bank	Mega Bank	Shanghai Commercial Bank

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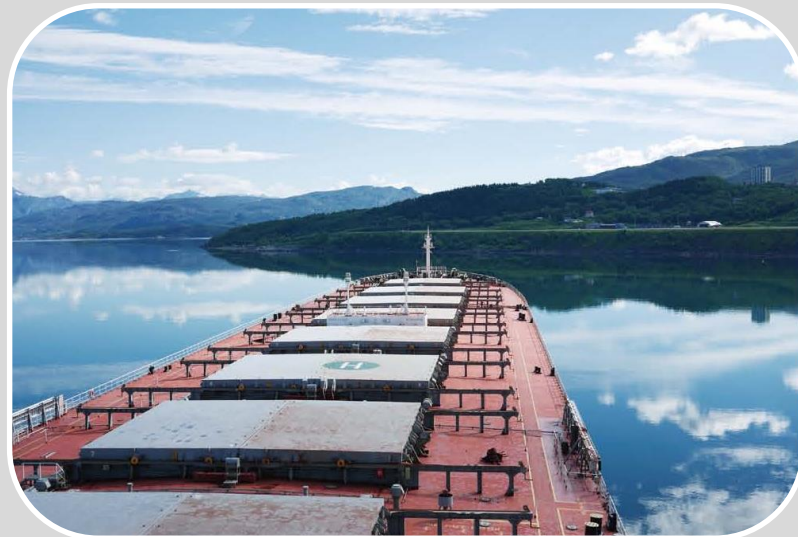
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# Thank You!

