



Stock Code : 2612 TT

Q3 Investor Presentation

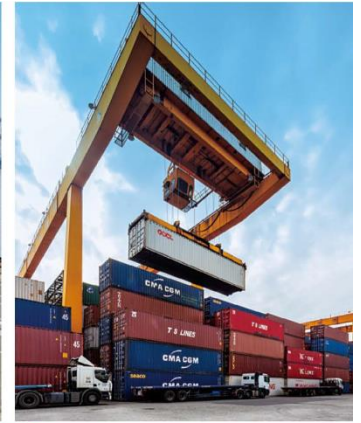
By: Ban-Jen Tarnq
Spokesperson

23rd September 2023

Summary of Presentation

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

Outlook



Capesize Market Outlook

Freight Rates Fluctuated Through 2023

- Cape 5TC averaged US\$ 12,391 during first 9 months of 2023. PRC iron ore imports will likely increase positively Y-o-Y for the first time since 2020
- Freight rates underperform so far this year due to over-supply and pessimism over PRC economy and real estate market

FFA Rates Still Showed Signs of Optimism

- Q4 forward rates remain in contango showing positive expectations
- Higher NB and secondhand prices as a result of development of next generation main engines and fuel supply remaining unclear

2023 Net Fleet Growth Rate Below 2.0%

- 45 new ships joined the global fleet so far in 2023, while 8 vintage ships were scrapped between January and September
- Capesize net fleet growth is about 1.89% through three quarters

Short-term Outlook

- PRC Iron ore imports increased by 7% over same period last year while major port stockpile has reduced to lowest level since October 2020 which should support more imports going forward
- PRC real estate market is still under great stress but appetite for raw materials remains strong. CMT's 3rd and 4th Newcastlemax eco-ship will be delivered during Q2-Q3 2024 which will contribute to Company's overall performance



Focal Points of Q4 2023



1

Global Iron Ore and PRC Demand

With strong iron ore prices, global iron ore export volume will likely improve in short term. PRC iron ore stockpile continues to decrease which will most likely increase demand for capes in Q4

2

Inflation and Interest Rate Risks

Under inflation and high interest rates, the cost of shipbuilding and capital will increase substantially which should reduce newbuilding orders and affect secondhand ship prices

3

PRC Real Estate Market

The central government introduced more favorable policies to support the real estate market, from which the sale volume has been improving but the real estate crisis is still adding to the strain on the economy

4

Environmental Regulations

IMO has finalized its plan to further raise emission standards during MEPC 80 meeting this year. The Market is focusing on chain reaction on tonnage supply from scrapping and development of dual-fuel technologies

PRC Key Economy Indicators

- PRC' s gross domestic product in first half year grew by 5.5% y-o-y, while full year guidance is around 5.2%
- PRC' s crude steel production between January and July reached about 627 million tons, up by about 2.5% y-o-y; the country exported about 59 million tons of steel products between January and August, up by about 28.4% y-o-y
- Compared to end 2022, China Steel Price Index (CSPI) decreased by 3.4% at end-August to 109.4 points.
- The country imported about 776 million tons of iron ore between January and August, up by about 7.4% y-o-y, while coal imports reached about 306 million tons, up by about 82.0% y-o-y

Shipping Market Outlook - Demand

Iron Ore



Clarksons Platou forecasts Chinese iron ore imports increase by 3% in 2023 while Brazilian export volume is expected to increase by 2% and Australian export volume to increase by 1%; global iron ore demand is projected to grow by 2% in 2023

Coal



Clarksons Platou forecasts Chinese coal imports to increase by 34% in 2023 while Australian export volume is expected to increase by 1% and Indonesian export volume to increase by 7%; global coal demand is projected to grow by 5% in 2023

Shipping Market Outlook - Supply

Newbuildings



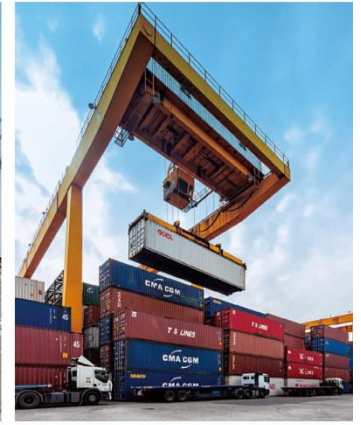
According to IHS Markit, total 50 capesize bulkers were delivered in 2022 with fleet net growth at 1.79%; 60 capesize bulkers are expected to be delivered in 2023

Ship Scrapping



Demolition quantity of capesize bulkers reached 21 in 2022 while more vintage bulkers are to be recycled this year - 20 units are expected to be scrapped in 2023

Dry Bulk Shipping Market Trends



BDI 2021-2023

Baltic Exchange Dry Index



Source: Clarksons Platou

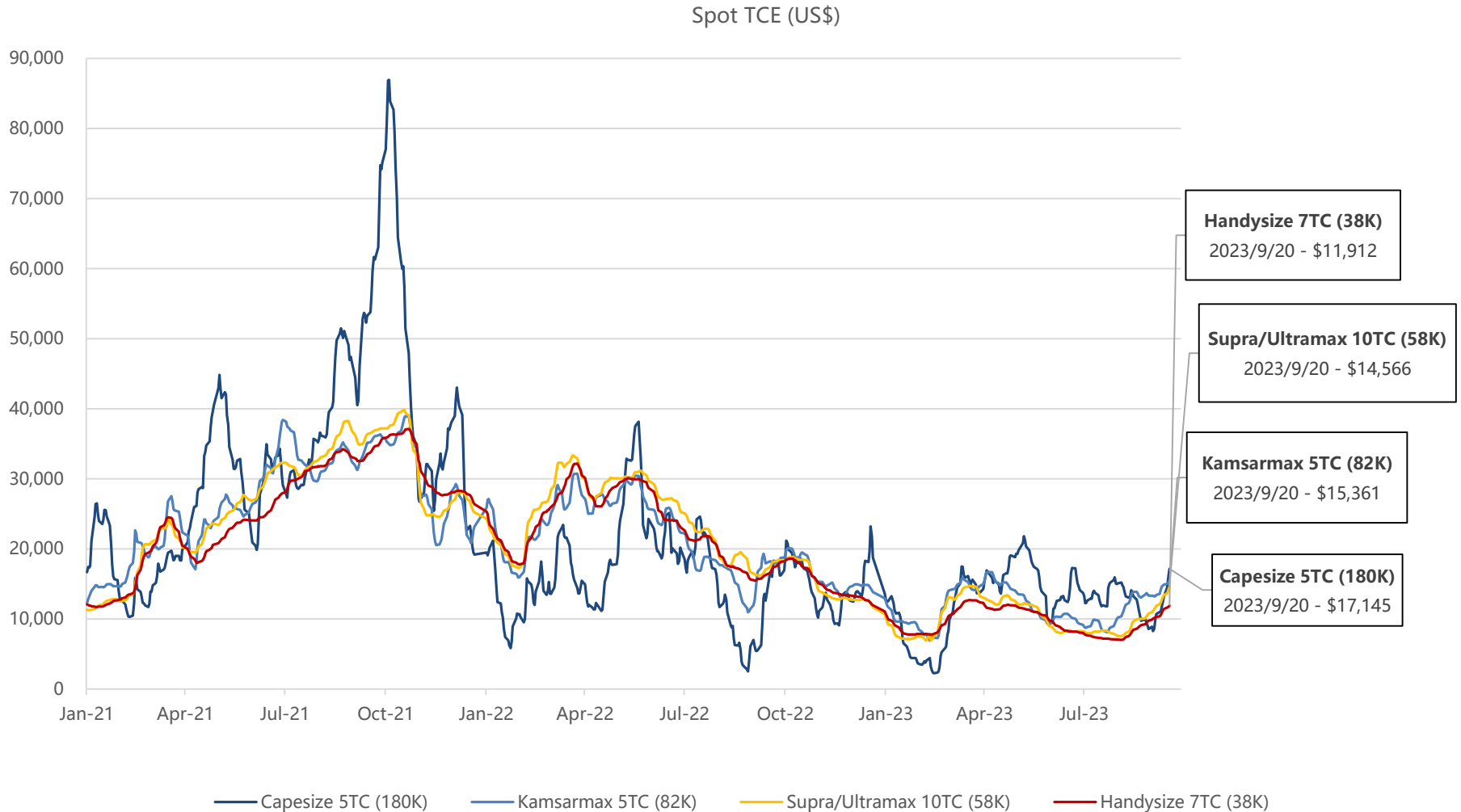
BCI 2021-2023

Baltic Exchange Capesize Index



Source: Clarksons Platou

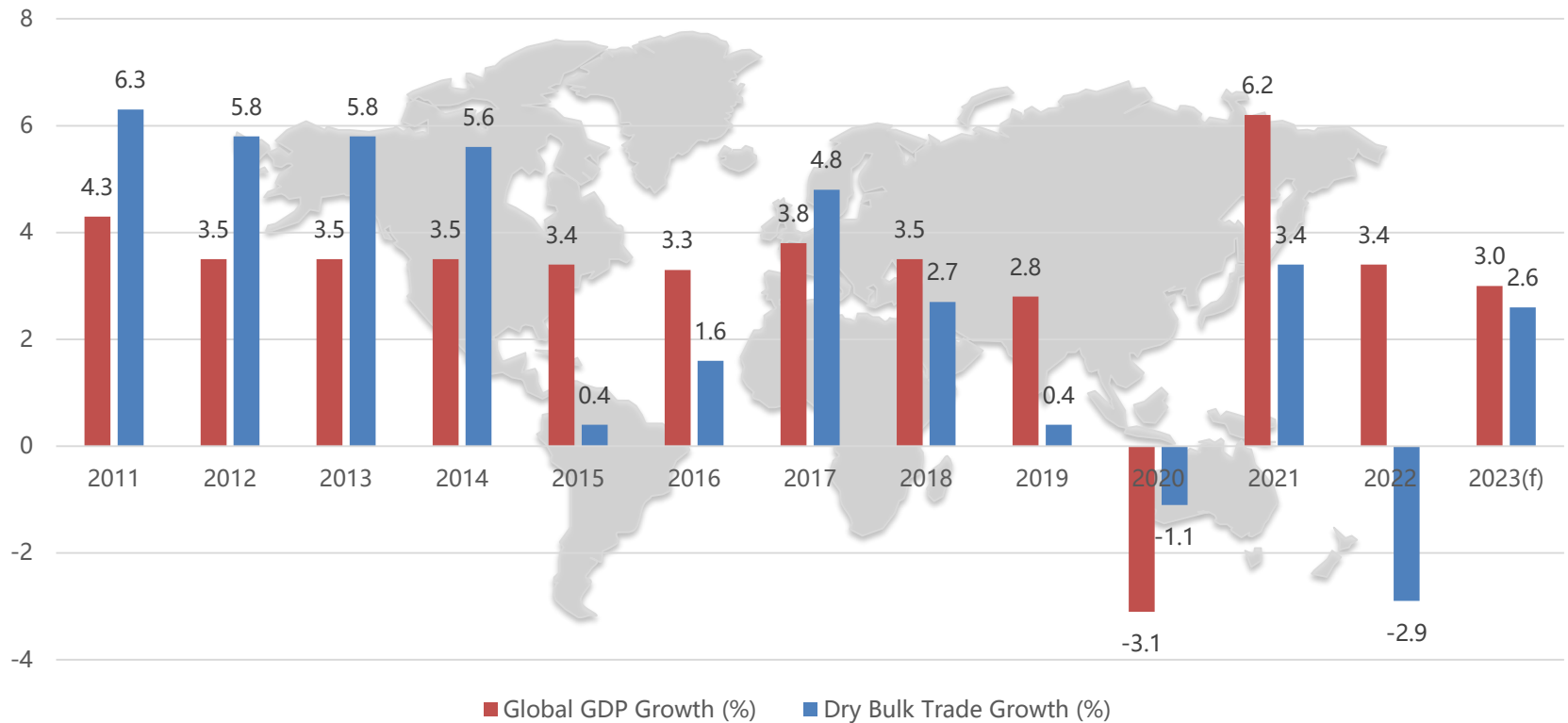
2021- 2023 BCI/BPI/BSI/BHSI Indices



Source: Clarksons Platou

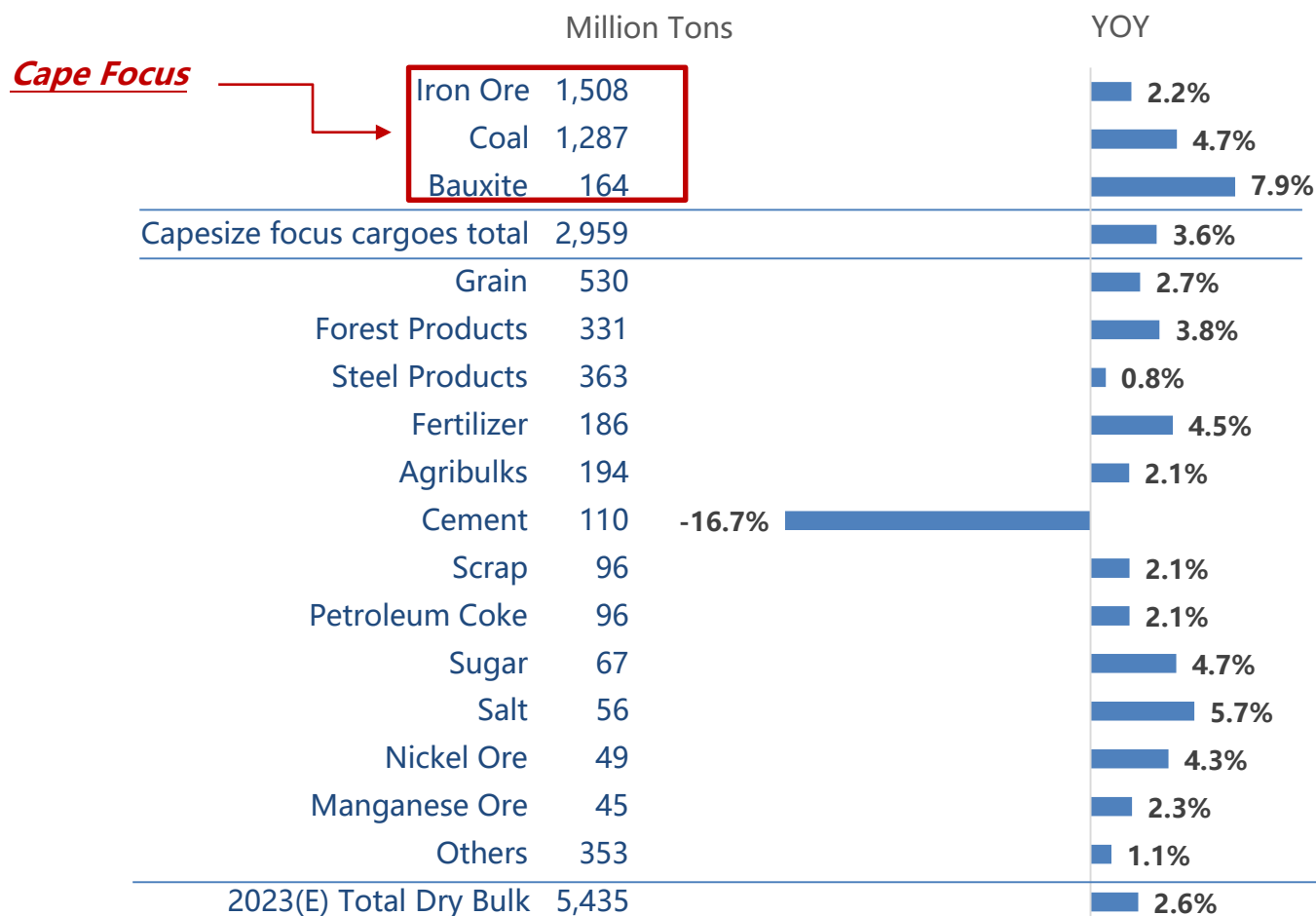
Global Economy and Dry Bulk Trade

- IMF projects global GDP to grow by 3.0% in 2023
- Clarksons Platou forecasts dry bulk seaborne trade to increase by 2.6% in 2023



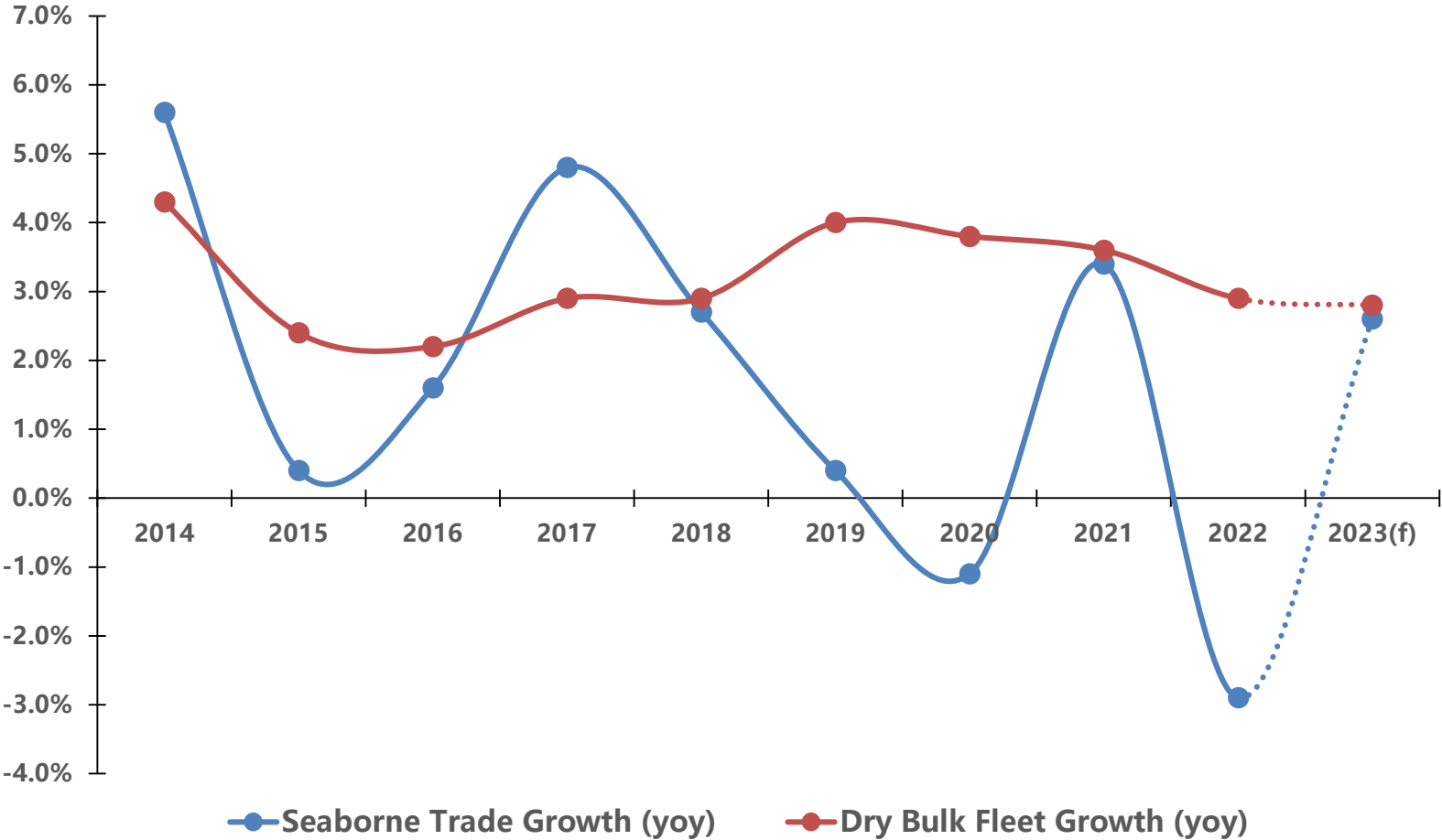
Source: IMF & Clarksons Platou

Dry Bulk Seaborne Trade Forecast



Source: Clarksons Platou

Dry Bulk Seaborne Trade vs. Fleet Growth



Source: Clarksons Platou

Dry Bulk Deadweight Tonne-miles

Dry bulk deadweight tonne-miles

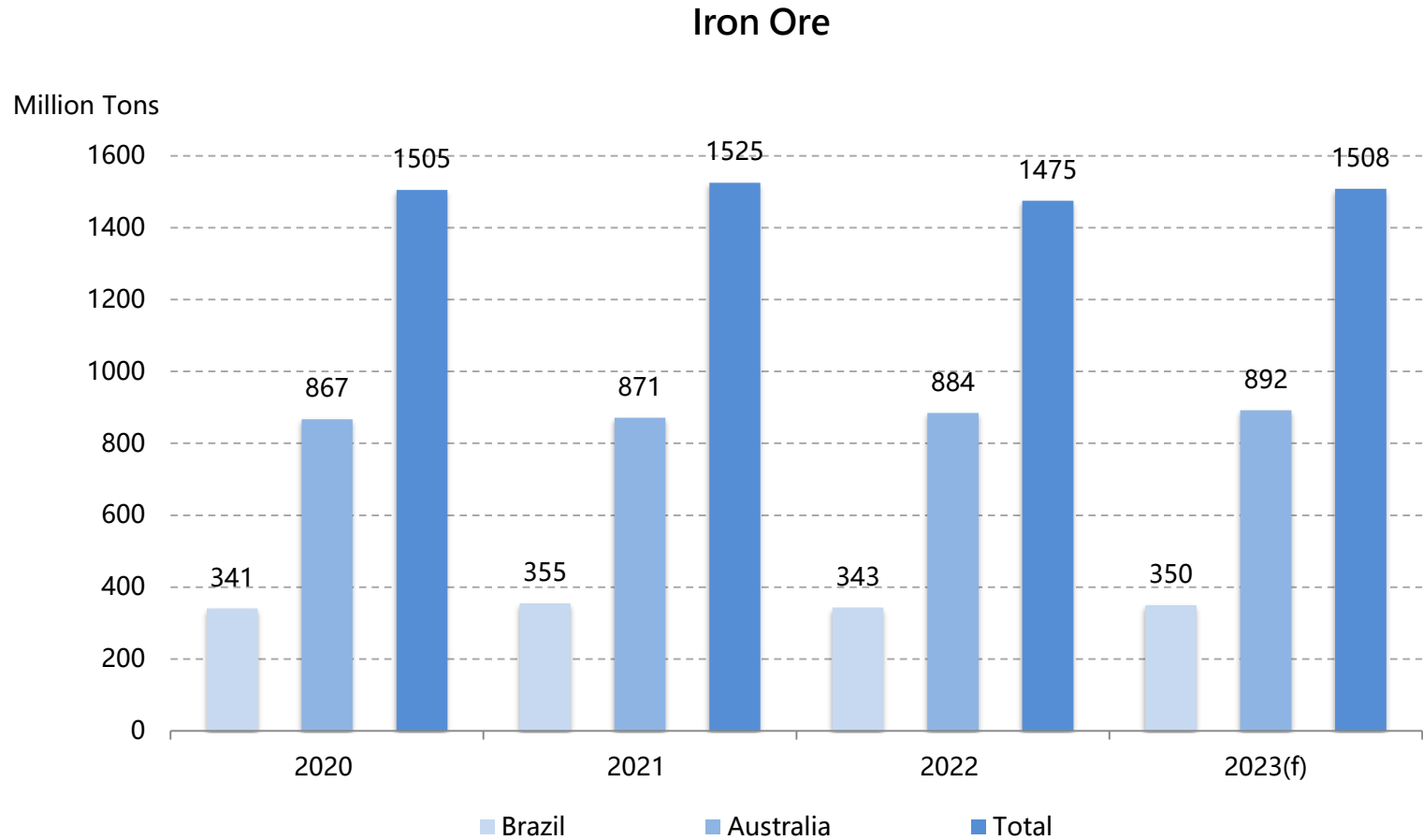
Billion deadweight tonne-miles, 30-days moving sum



Source: Arrow

Global Iron Ore Exports

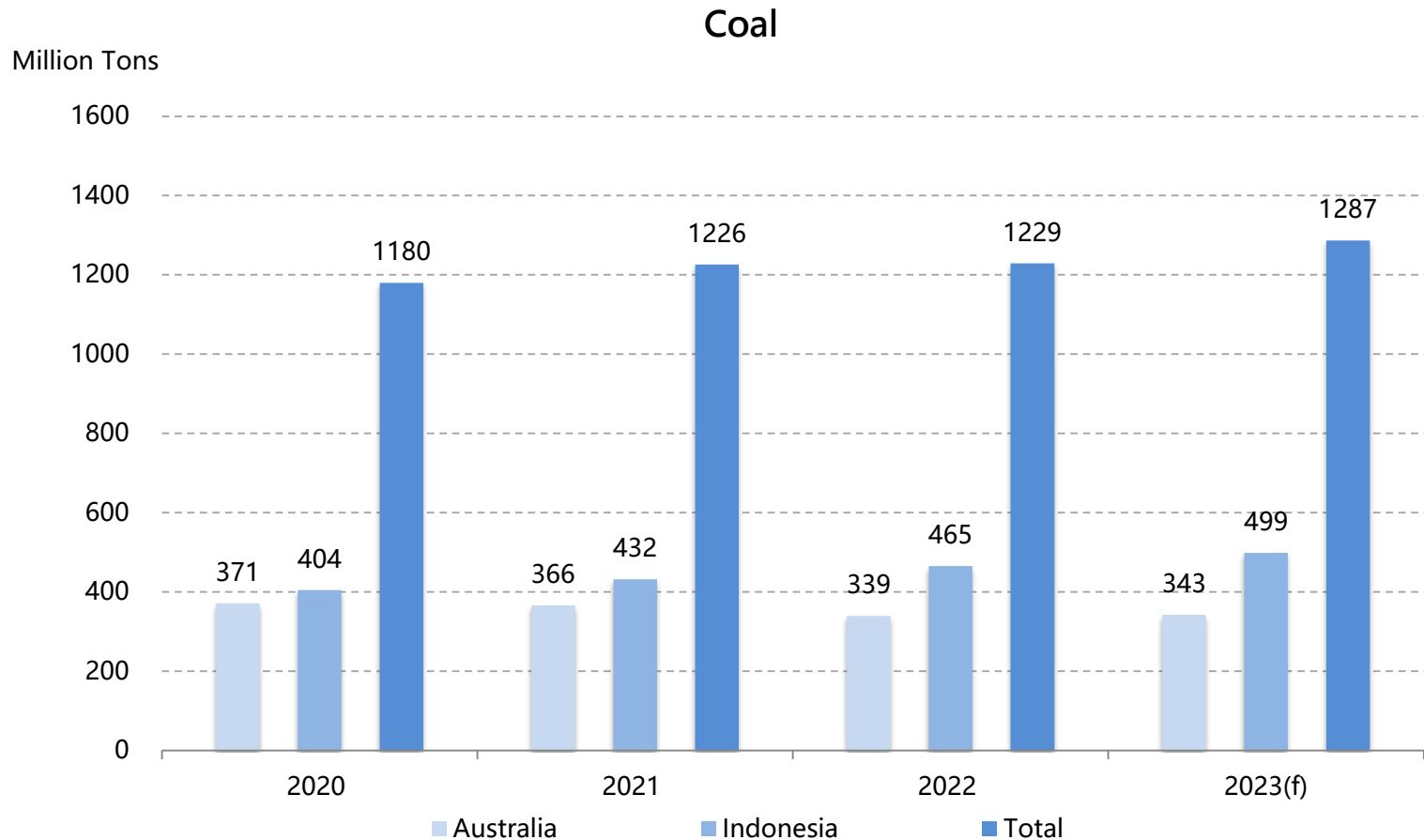
Clarksons Platou forecasts global iron ore exports increase by 2% in 2023



Source: Clarksons Platou

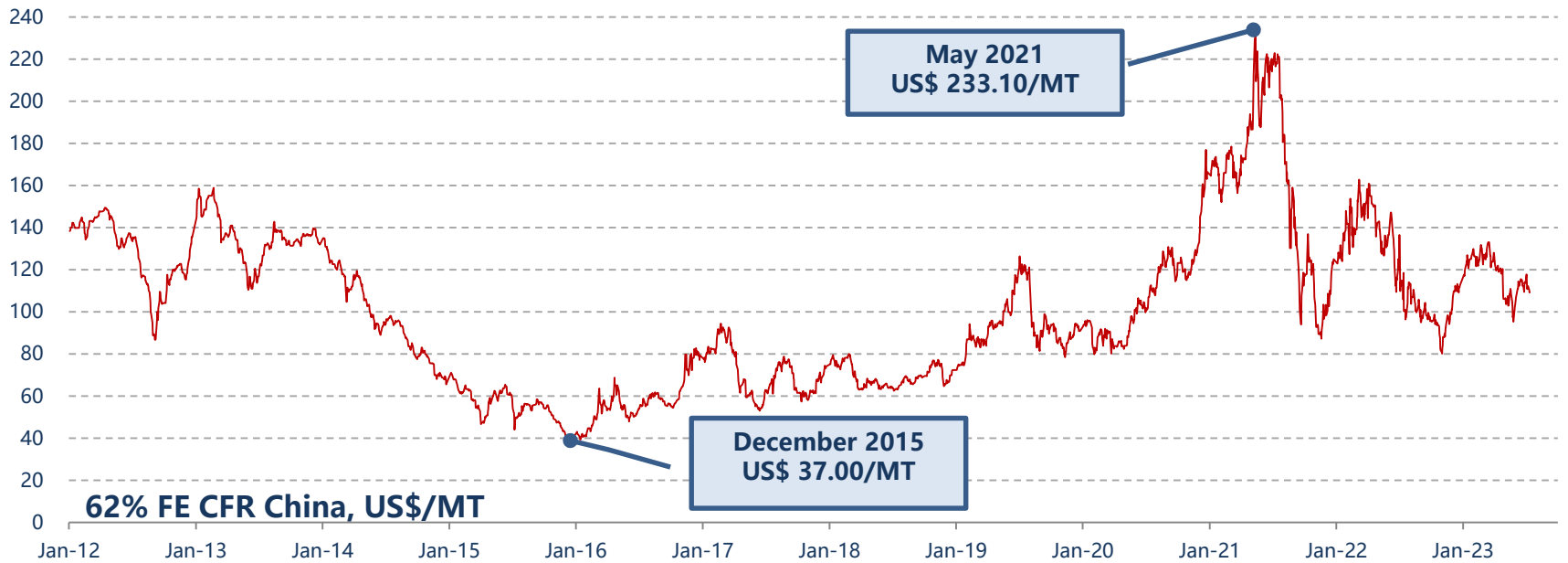
Global Coal Exports

Clarksons Platou forecasts global coal exports to grow by 5% in 2023



Source: Clarksons Platou

Iron Ore Price Trend



Source: SSY

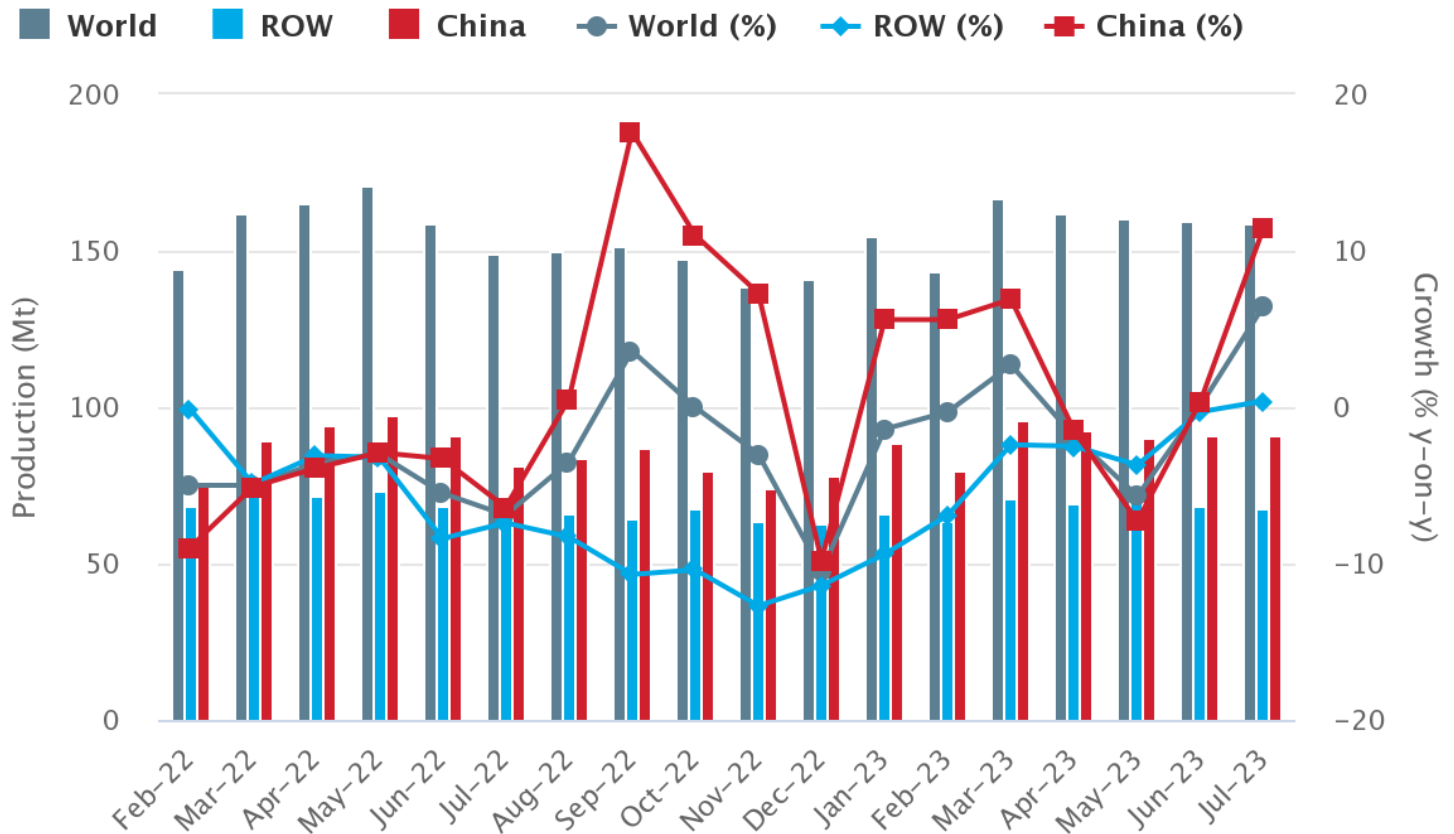
PRC Crude Steel Price



Source: SSY & MacroMicro

Global Steel Production

PRC' s y-o-y growth rate in 2022: -2.0%;
 Full year y-o-y projection for 2023: +1.0%



Source: World Steel Association

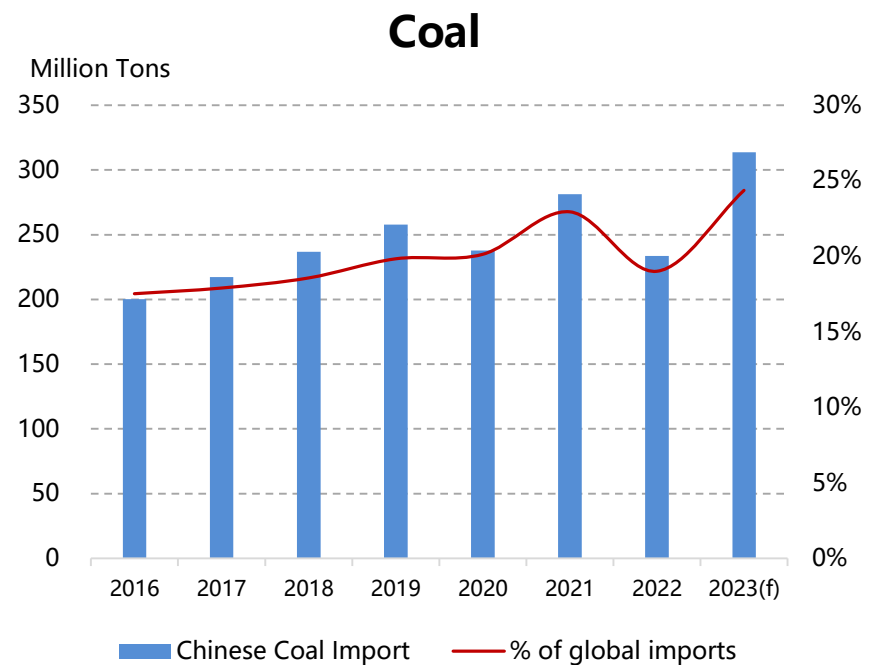
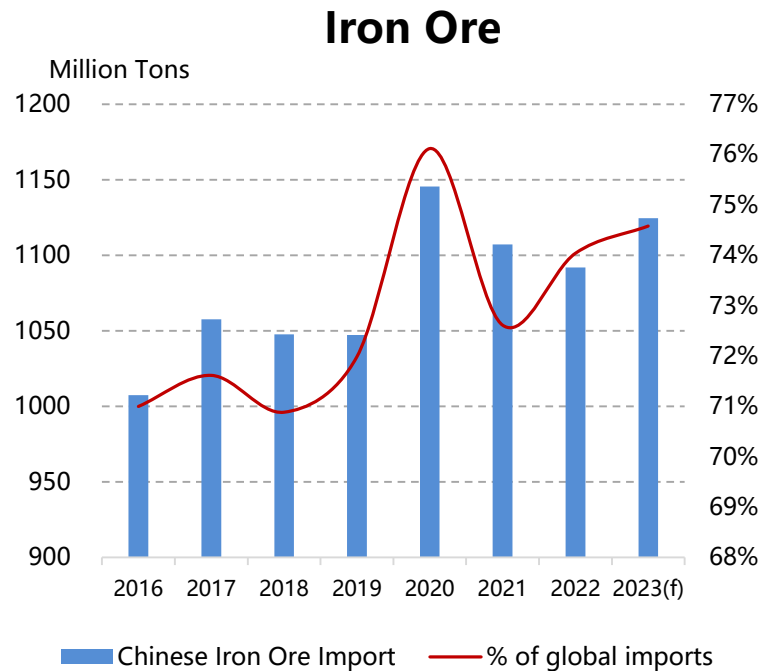
Global Coal Prices



Source: MacroMicro

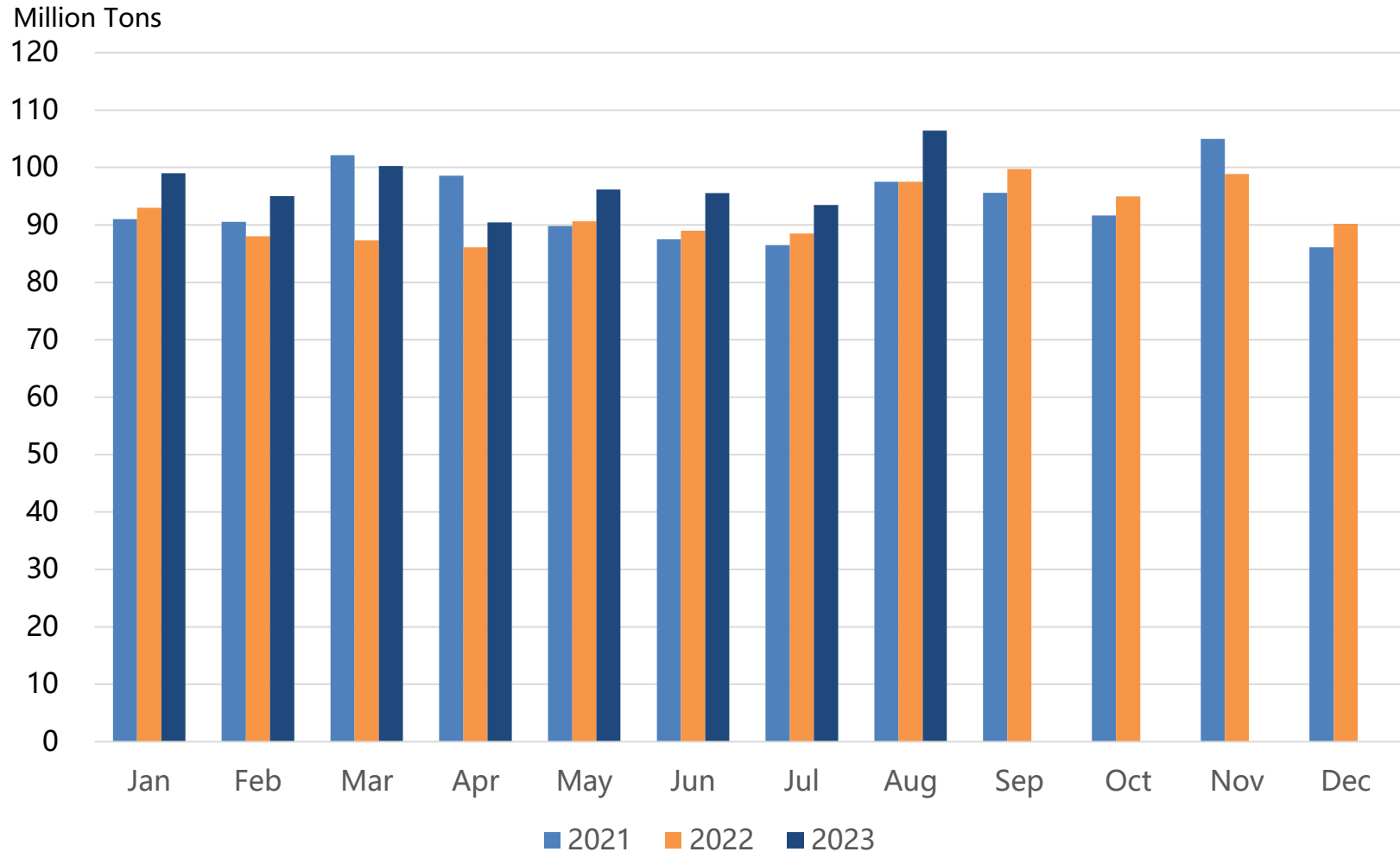
PRC Commodity Imports

- PRC' s demand for iron ore is projected to increase by 3% in 2023 to 1.12 billion tons
- PRC' s demand for coal imports is estimated to increase by 34% in 2023 to 314 million tons



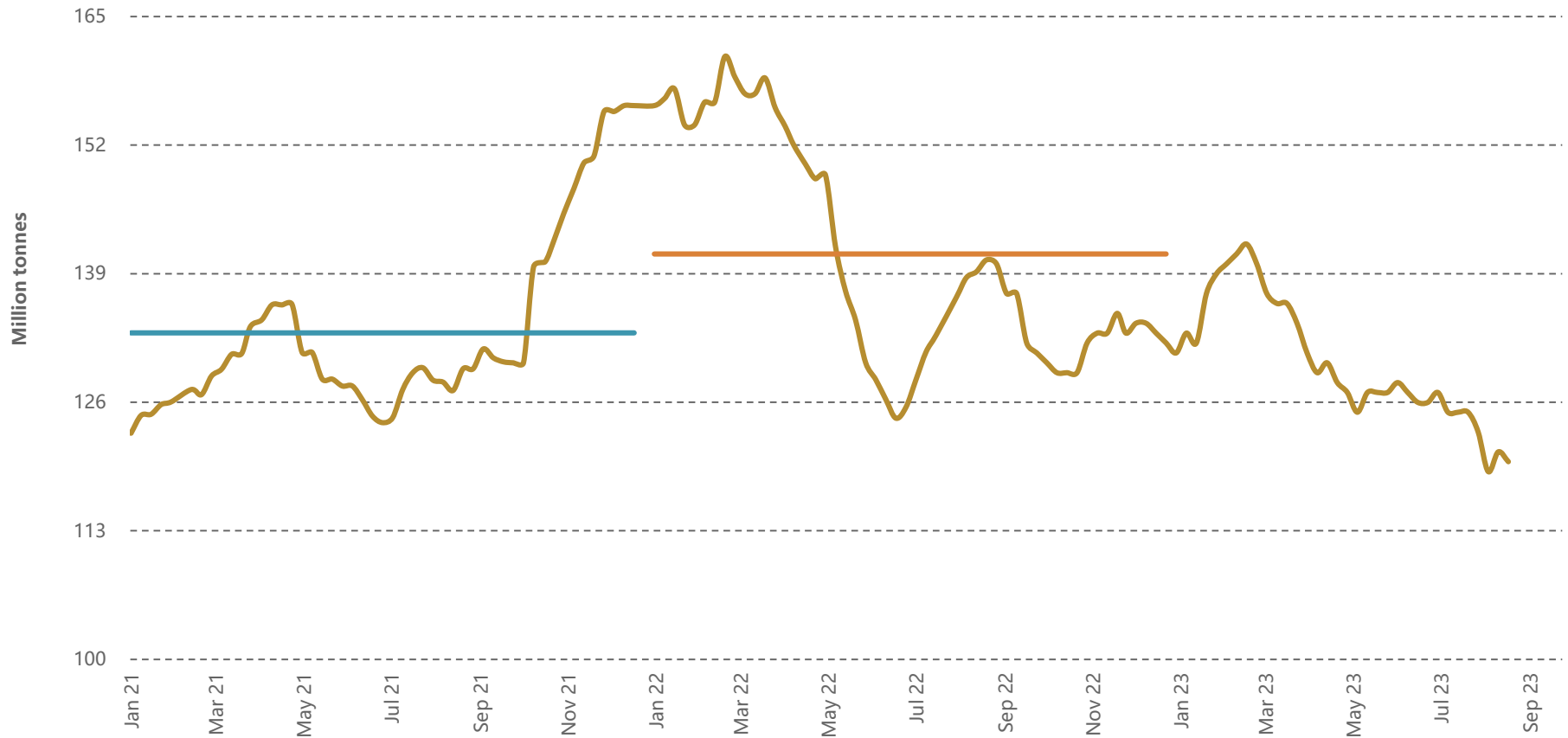
Source: Clarksons Platou

PRC Iron Ore Imports



Source: Thurlstone Research

Iron Ore Stockpiles at PRC Ports

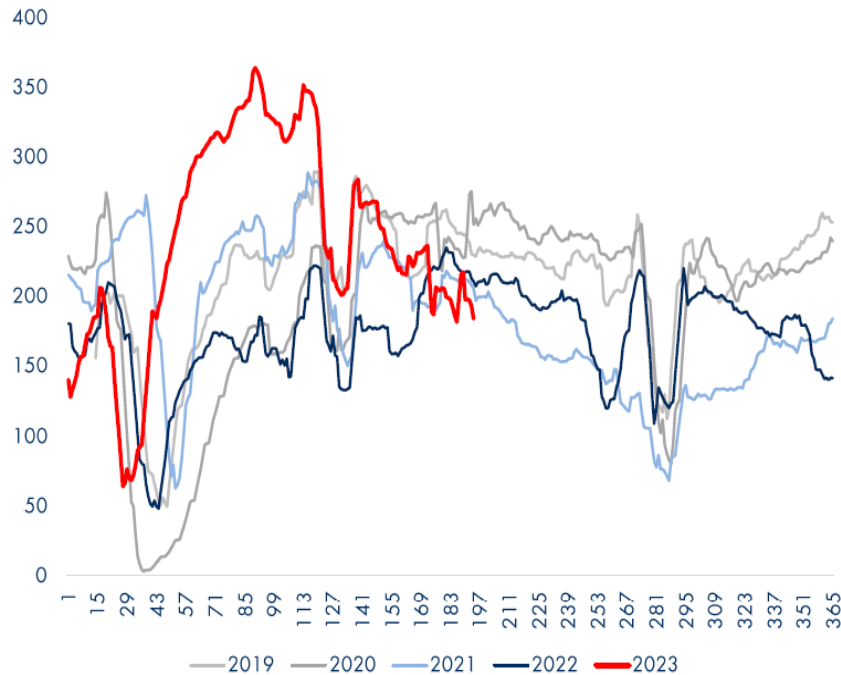


Source: MacroMicro

PRC Real Estate Sales Remains Sluggish

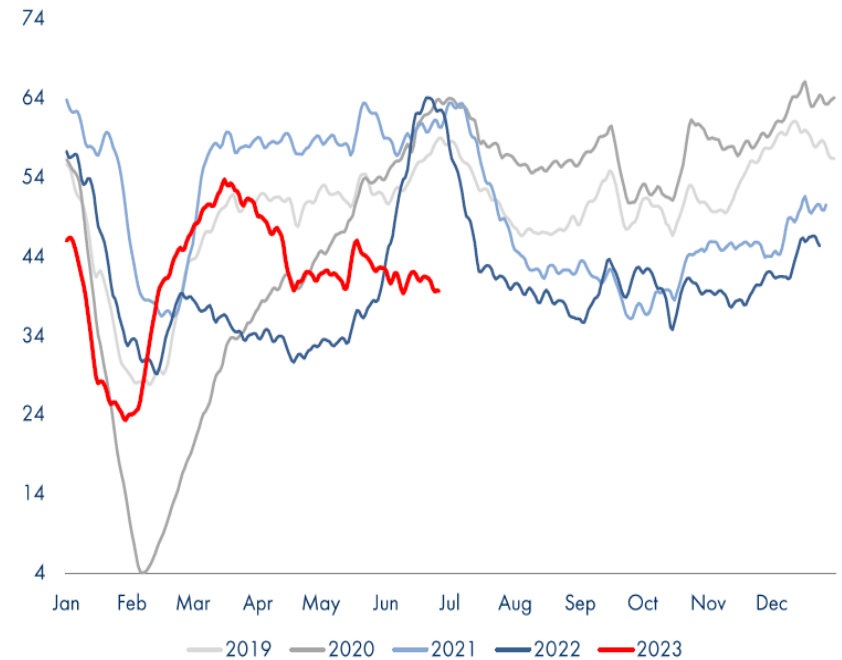
China second-hand home sales in 11 cities

Gross floor area sold, thousand sqm, 14dma



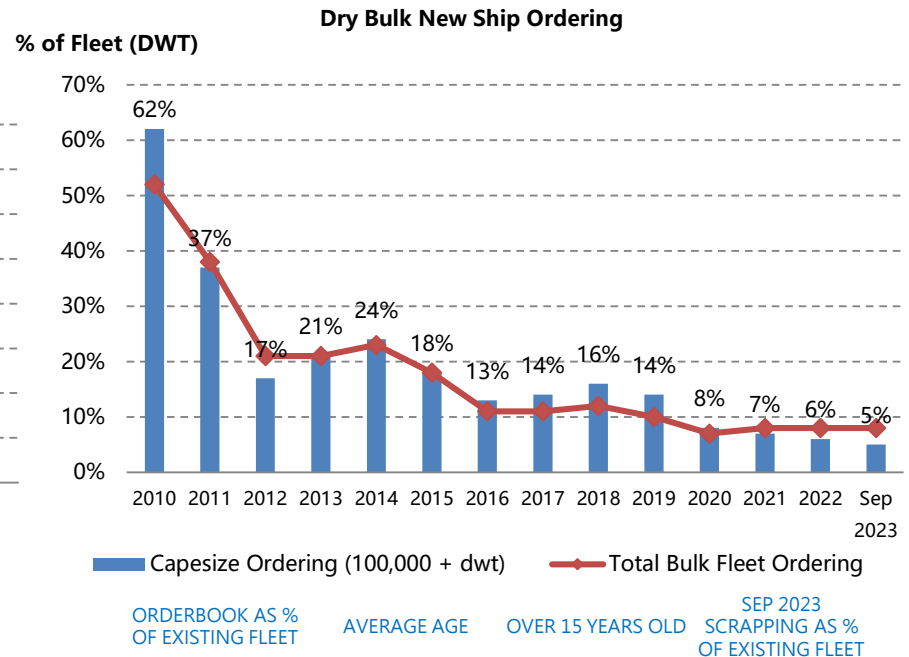
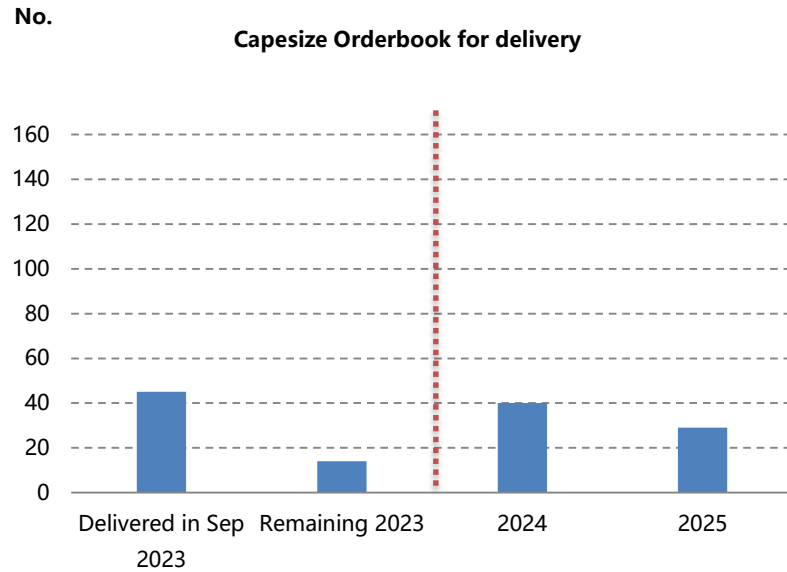
New property sales in top 30 cities





Million sqm, 30dcma



Source: Arrow

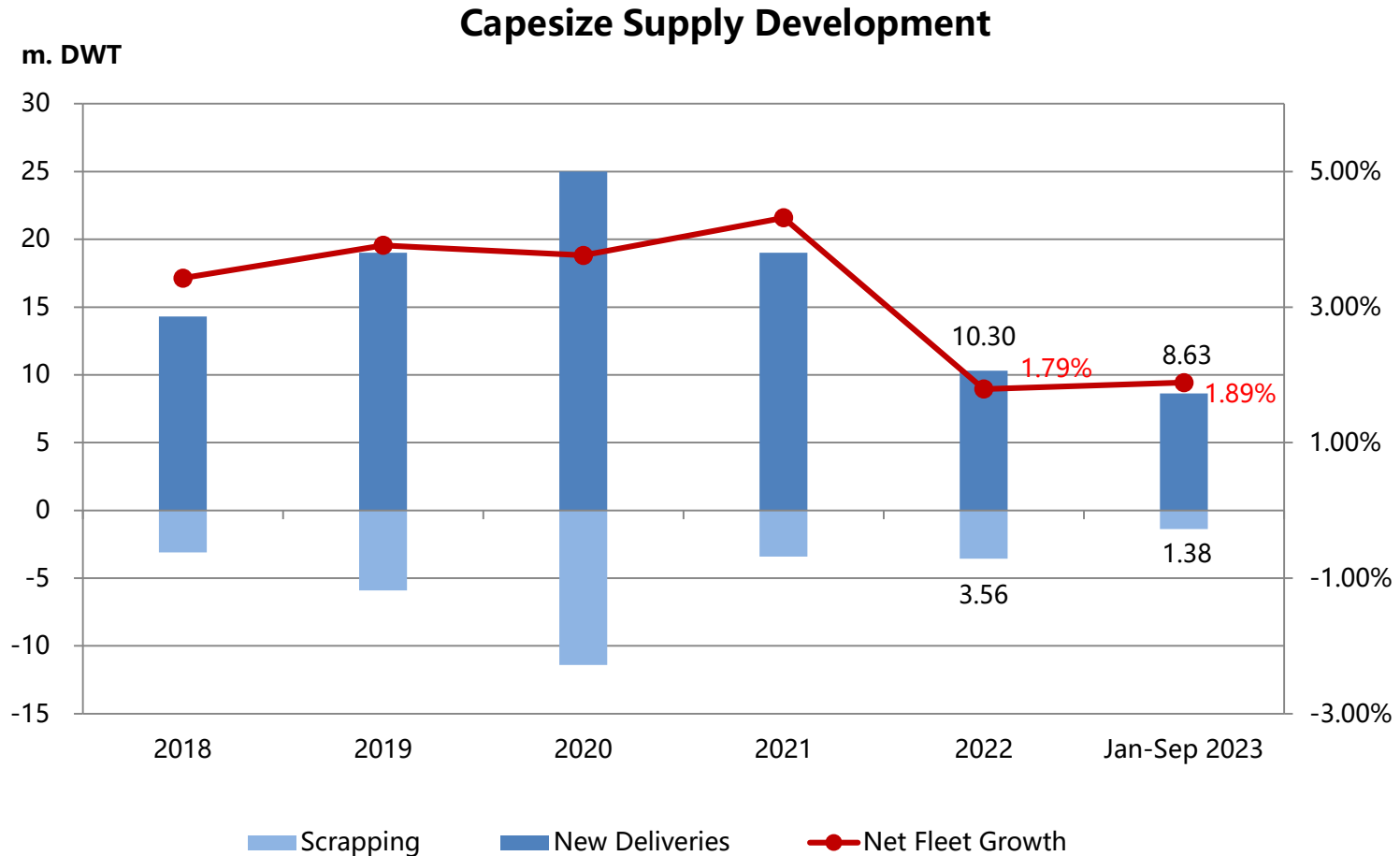
Newbuilding Orders are Limited



		ORDERBOOK AS % OF EXISTING FLEET	AVERAGE AGE	OVER 15 YEARS OLD	SEP 2023 SCRAPPING AS % OF EXISTING FLEET
	Handysize (10,000 - 40,000 dwt)	9%	13.1	24%	0.26%
	Handymax (incl. Supramax & Ultramax) (40,000 - 65,000 dwt)	9%	11.7	21%	0.35%
	Panamax (incl. Kamsarmax) (65,000 - 100,000 dwt)	10%	11.6	25%	0.44%
	Capesize (100,000 + dwt)	5%	10.2	13%	0.23%
	Total Dry Bulk > 10,000 dwt	8%	11.9	19%	0.31%

Source: Clarksons Platou

Capesize Fleet Growth Decelerates



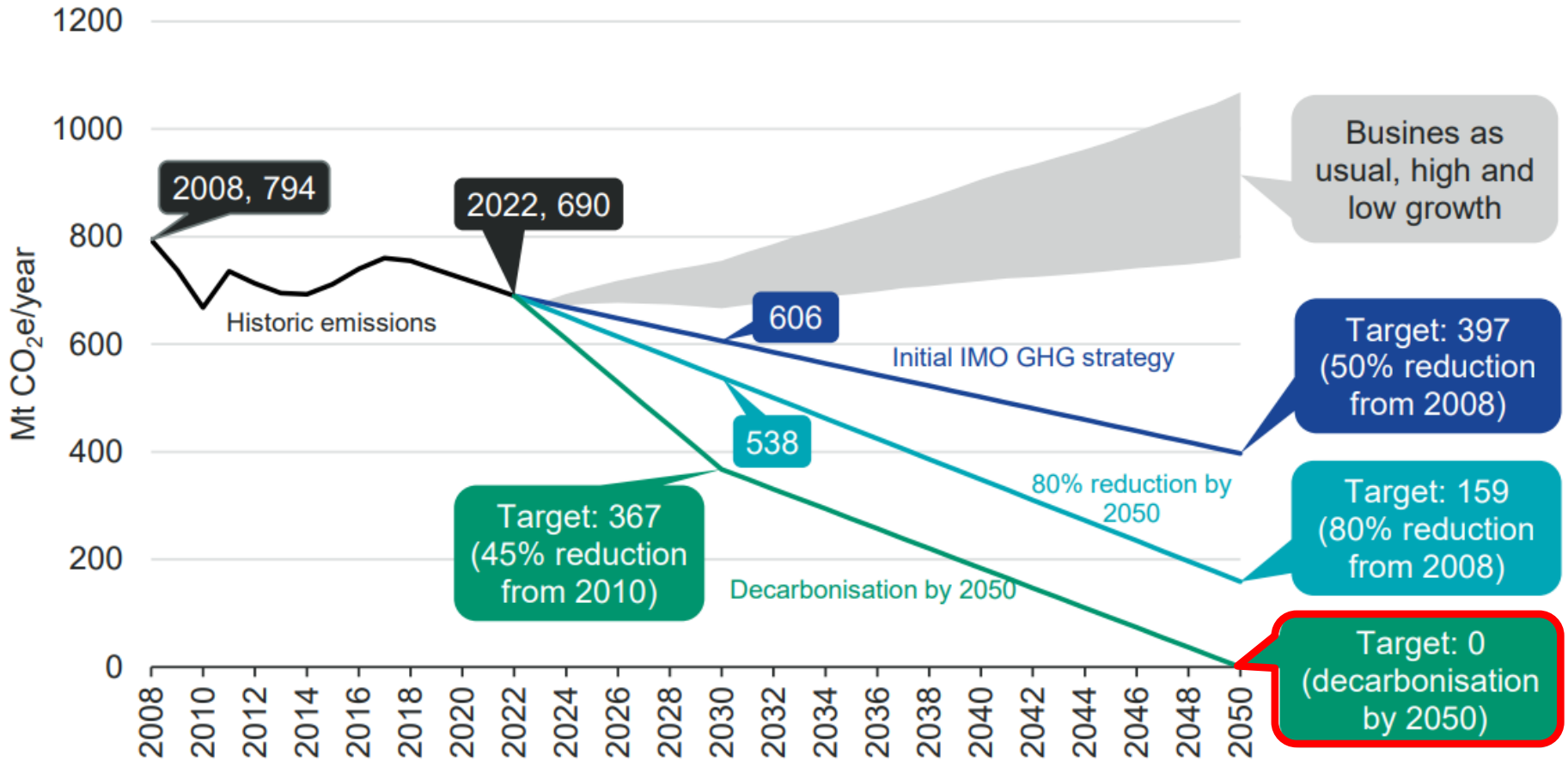
Source: Clarksons Platou

Newbuilding/2nd Hand Sale Prices

TYPE		PRICE (IN US\$ MILLION)				
YEAR		2021	2022		Sep 2023	
208,000 DWT	NB	67.0	67.0	0%	71.0	+6%
180,000 DWT	NB	60.5	60.5	0%	64.0	+6%
180,000 DWT (ECO)	5-YR	47.0	43.0	-9%	47.0	+9%
180,000 DWT	10-YR	33.0	28.0	-15%	29.0	+4%
176,000 DWT	15-YR	21.0	18.5	-12%	20.0	+8%

Source: Clarksons Platou & Internal Assessment

IMO MEPC 80 - Adopting to Reach Net-zero by 2050

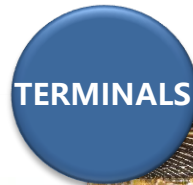


Source: IMO

The Company Overview



Company Profile



Shipping :

CMT owns and manages a fleet of 10 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

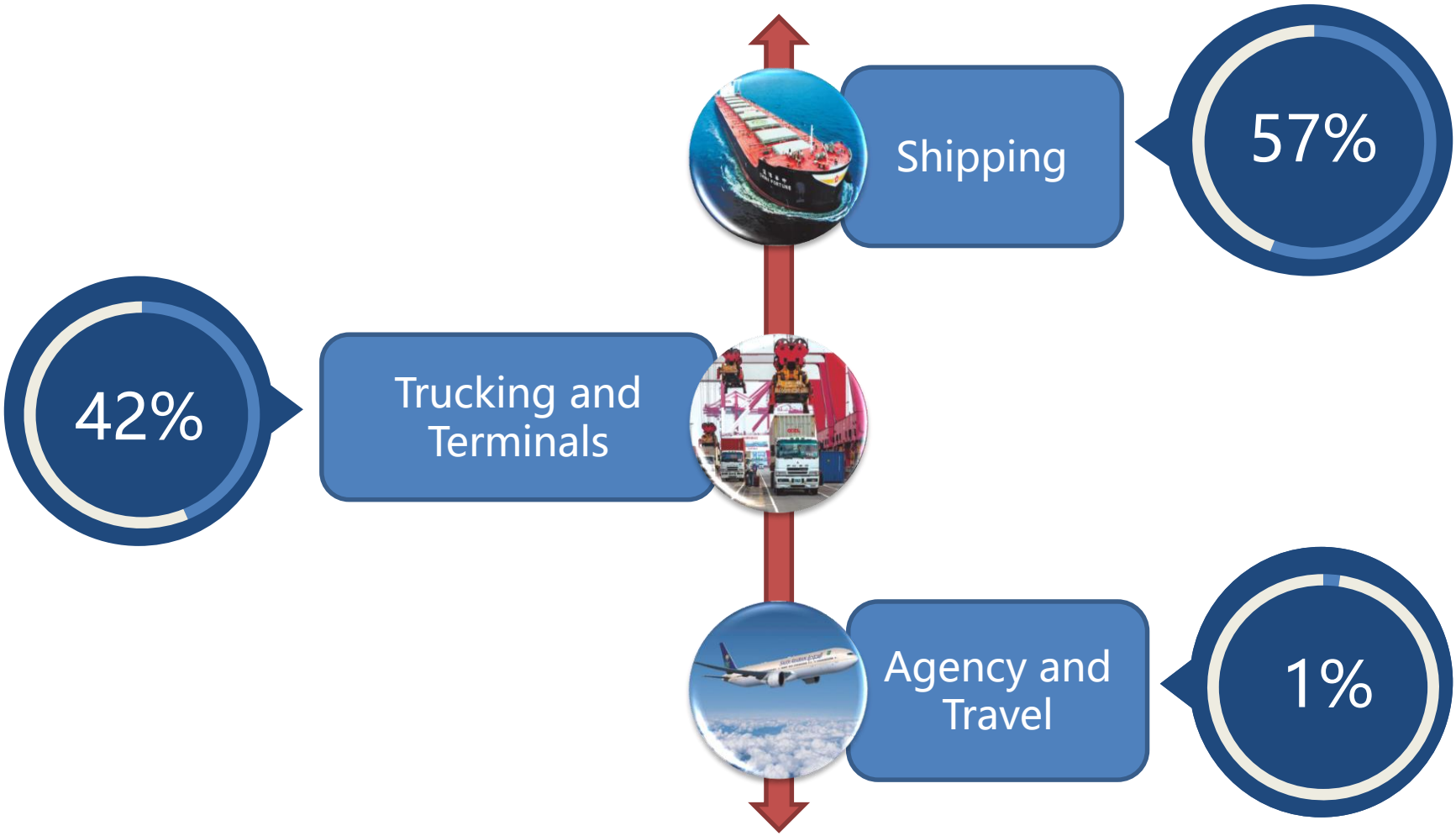
Terminals :

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 2023 1H



CMT Capesize Fleet



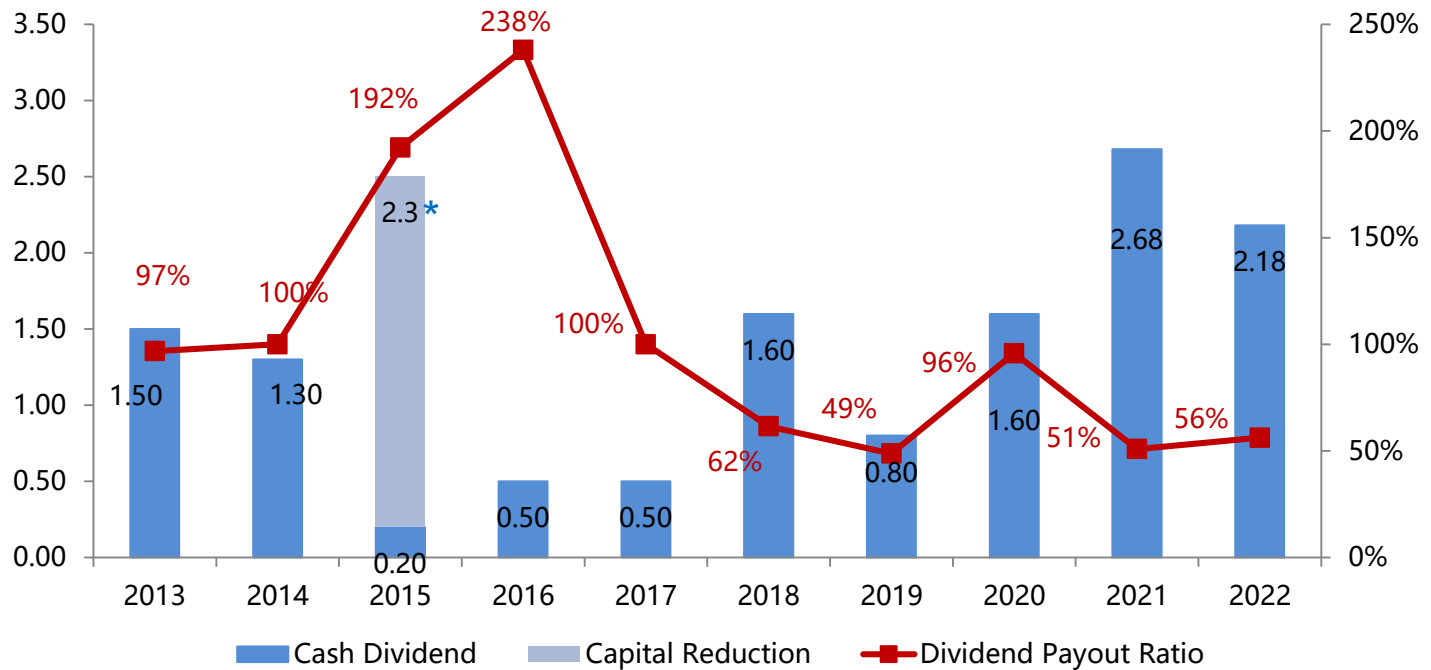
2018-2023 Financial Highlights

Expressed in millions of New Taiwan Dollars

Year	2018	2019	2020	2021	2022	For the six months ended June 30, 2023
Revenue	3,820	3,763	3,132	3,554	4,410	1,910
Net Profit/(Loss)	514	324	320	1,031	758	221
EPS	2.60	1.64	1.67	5.27	3.88	1.13
Cash and cash equivalents	3,345	3,288	3,221	3,057	3,989	4,158
Total liabilities	10,237	10,022	9,735	8,650	8,799	12,033
Total equity	10,187	9,934	9,750	10,428	11,652	11,677
ROE %	5.2%	3.2%	3.3%	10.3%	6.87%	3.79 %
ROA %	3.5%	2.5%	2.3%	5.8%	4.45%	3.08 %
Liability %	50%	50%	50%	45%	43%	51%

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	June 30, 2023	Dec 31, 2022	June 30, 2022
Current assets	5,573	4,974	5,003
Property, plant and equipment	16,236	13,875	13,101
Intangible assets	5	5	7
Other non current assets	1,895	1,597	1,736
Total assets	23,709	20,451	19,847
Liabilities and Equity			
Current liabilities	4,092	3,290	3,126
Non Current liabilities	7,941	5,509	5,684
Total liabilities	12,033	8,799	8,810
Equity attributable to owners of parent			
Common stock	1,975	1,975	1,975
Capital surplus	53	53	53
Retained earnings	9,361	9,568	9,158
Other equity interest	221	47	(163)
Non-controlling interests	66	9	14
Total equity	11,676	11,652	11,037
Total liabilities and equity	23,709	20,451	19,847

Appendix 2 : Condensed Statement of Comprehensive Income

Expressed in thousands of New Taiwan Dollars

	For the six months ended June 30, 2023	2022	For the six months ended June 30, 2022
Operating Revenues	1,910,376	4,409,999	2,215,308
Operating costs	1,489,721	3,024,721	1,485,629
Gross profit	420,655	1,385,278	729,679
Operating expenses	238,182	456,075	227,729
Net operating income	182,473	929,203	501,950
Non operating income and expenses	96,786	(88,010)	(89,852)
Profit before tax	279,259	841,193	412,098
Less: tax expenses	58,293	83,222	45,998
Profit	220,966	757,971	366,100
Other comprehensive income, net	174,596	994,840	771,588
Comprehensive income	395,562	1,752,811	1,137,688
Earnings per share	1.13	3.88	1.87

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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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

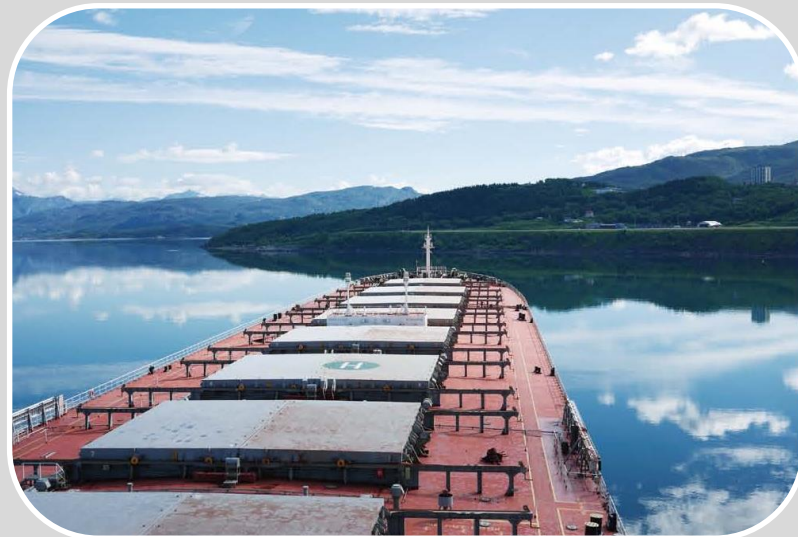
Investor Relations:

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 !

