



**CMT**

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



Stock Code : 2612 TT

# Q1 Investor Presentation

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Company Spokesperson

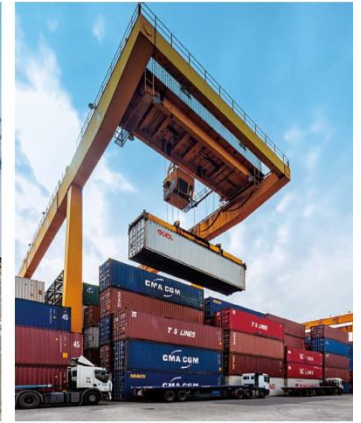
29<sup>th</sup> March 2024

# Summary of Presentation

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

# Outlook



# Capesize Market Outlook

## Q1 Average Spot Rate Reached Highest Level Since 2010

- Cape 5TC averaged US\$ 24,365 in Q1; PRC iron ore imports increased by 8% YoY during January and February while coal imports increased by 30% YoY during the same period
- Strong freight rates reflect higher Brazilian iron ore export, tighter tonnage supply in the Atlantic, and iron ore price averaging +\$100/tonne



## Iron Ore Prices Remain High and FFA Rates Improves

- Iron ore prices averaged at US\$128/tonne in Q1; 2H 2024 FFA averages US\$ 25,000
- Rising ship asset values reflect optimism over next few years



## Global Fleet Net Growth Remains Relatively Low

- 14 new ships joined the global fleet so far in 2024, while 4 vintage ships were scrapped in first 3 months
- Capesize net fleet growth is about 0.54% in Q1

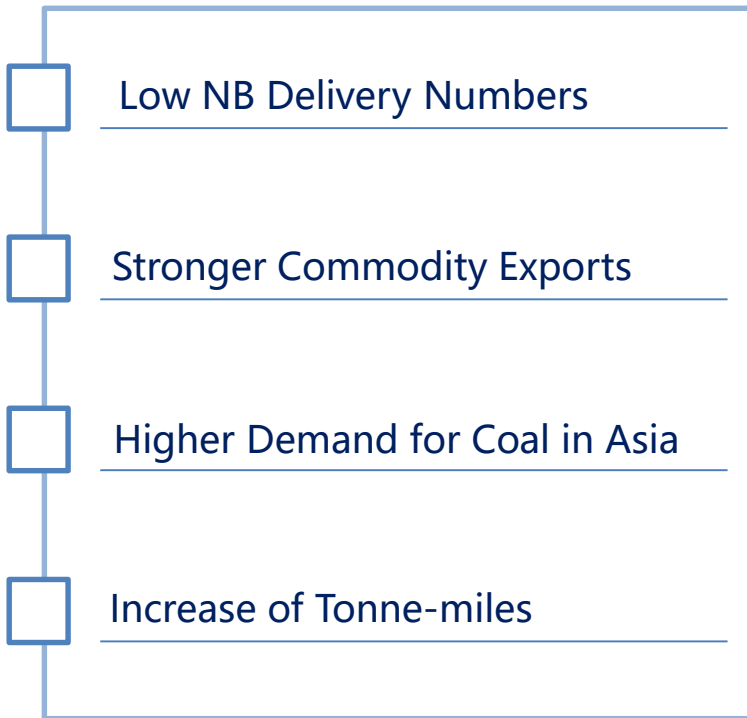
## Short-term Outlook

- PRC iron ore and coal imports increase over same period last year but iron ore stockpile has increased to highest level in a year. Overall economy and real estate market is still under great stress but appetite for steel product remains strong
- The 3<sup>rd</sup> and 4<sup>th</sup> NBs will be delivered during Q2 2024 which will further enhance the Company' s overall performance; one ship is now trading in the spot market as part of the diverse chartering strategy

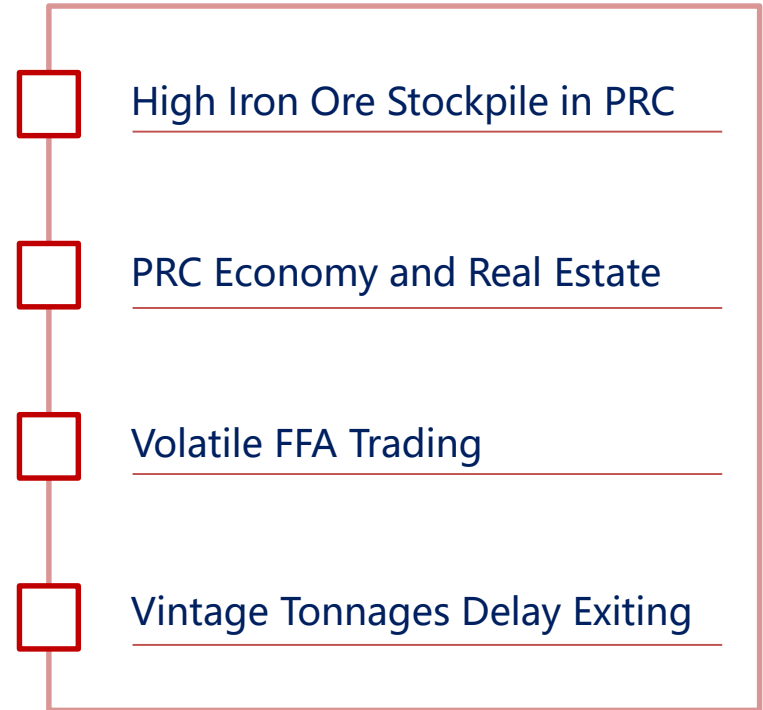


# Market Influencing Factors

## Bullish Factors



## Bearish Factors



# PRC Key Indicators

- PRC' s gross domestic product in 2023 reached about 18 trillion U.S. Dollars or equivalent to growth of about 5.2% y-o-y. The full year target for 2024 is around 5.3%
- PRC' s crude steel production between January and February reached about 168 million tonnes, up by about 1.6% y-o-y; the country exported about 15 million tonnes of steel products between January and February, up by about 32.6% y-o-y
- Compared to end 2023, China Steel Price Index (CSPI) decreased by 1.18% at end-February to 111.57 points
- The country imported about 209 million tonnes of iron ore between January and February, up by about 8.1% y-o-y, while coal imports reached about 74 million tonnes, up by about 22.9% y-o-y



# Shipping Market Outlook - Demand

## Iron Ore



Clarksons Platou forecasts Chinese iron ore imports to decrease by 1% in 2024 while Brazilian export volume is expected to increase by 2% and Australian export volume to increase by 1%; global iron ore demand is remain the same level in 2024

## Coal



Clarksons Platou forecasts Chinese coal imports to decrease by 7% in 2024 while Australian export volume is expected to increase by 2% and Indonesian export volume to decrease by 4%; global coal demand is projected to reduce by 1% in 2024

# Shipping Market Outlook - Supply

## Newbuildings



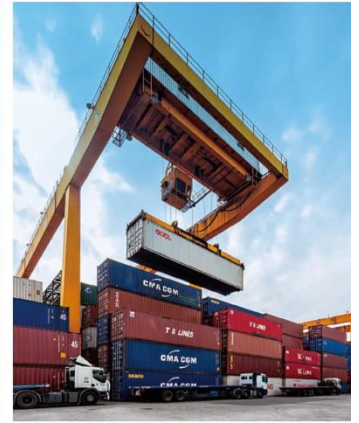
According to S&P Global, total 56 capesize bulkers were delivered in 2023 with fleet net growth at 2.4%; 42 capesize bulkers are expected to be delivered in 2024

## Ship Scrapping



Demolition quantity of capesize bulkers reached 9 in 2023 while more vintage bulkers are to be recycled this year - 15 units are expected to be scrapped in 2024

# Dry Bulk Shipping Market Trends



# BDI 2022-2024

## Baltic Exchange Dry Index



Source: Clarksons Platou

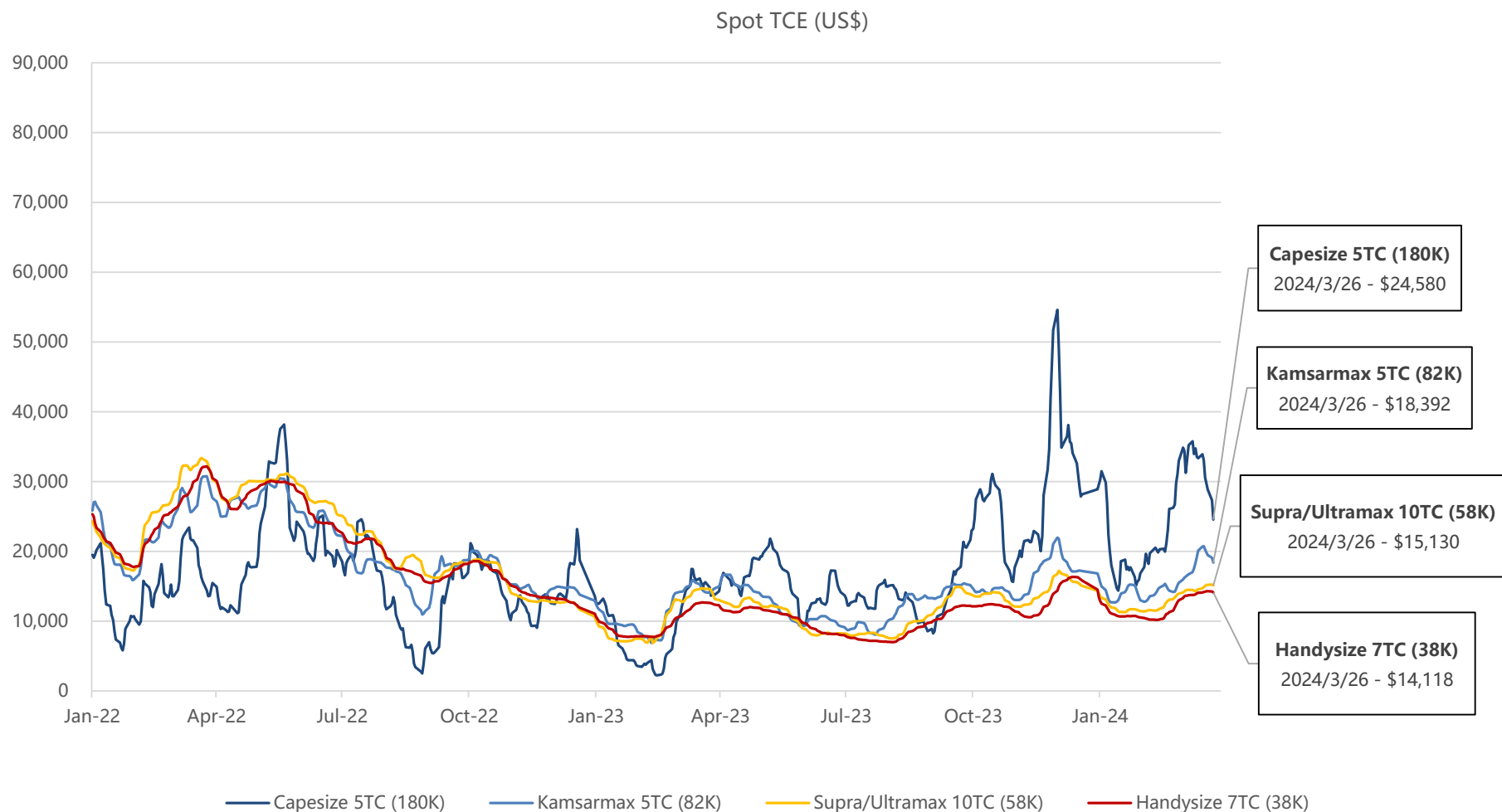
# BCI 2022-2024

## Baltic Exchange Capesize Index



Source: Clarksons Platou

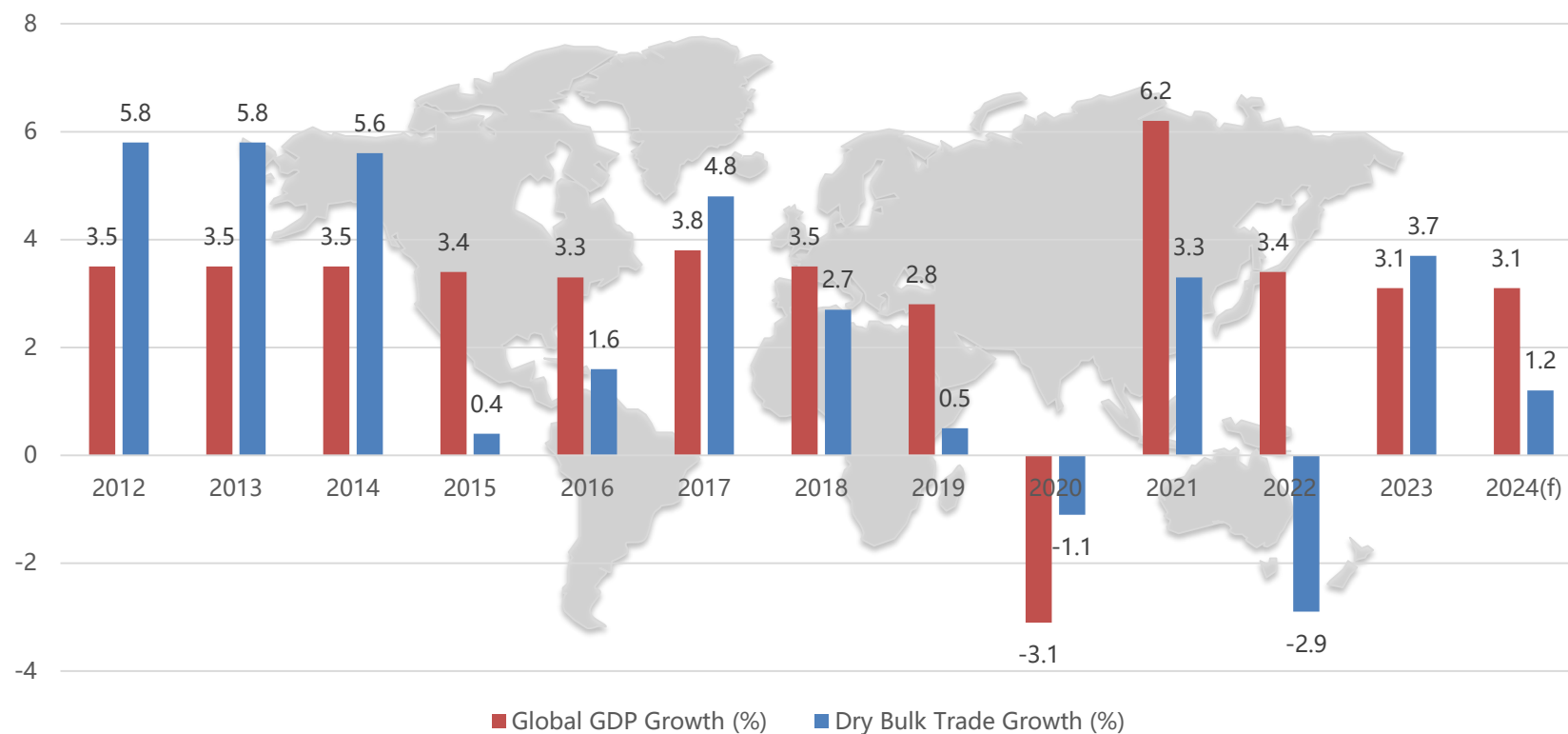
# 2022- 2024 BCI/BPI/BSI/BHSI Rates



Source: Clarksons Platou

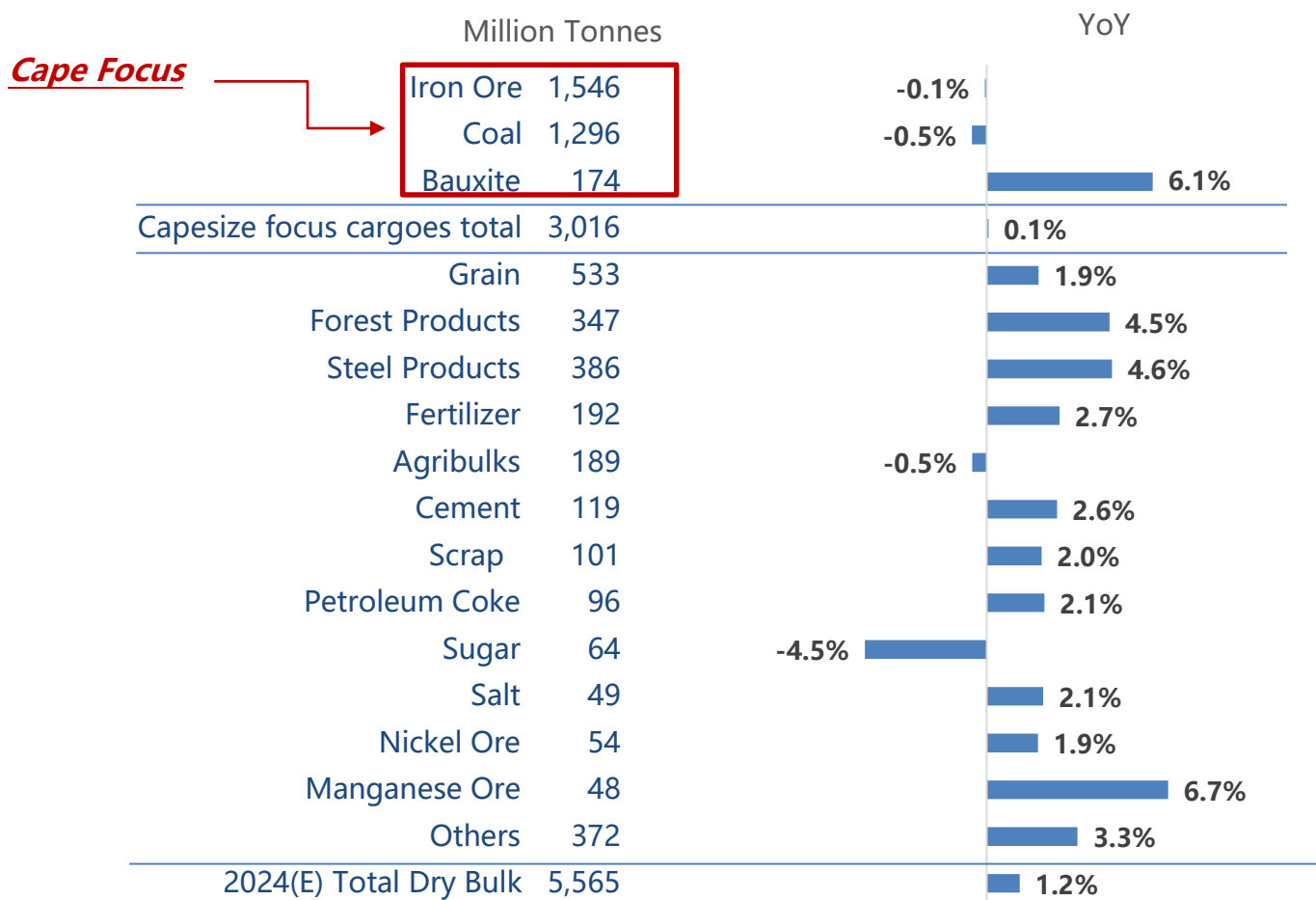
# Global Economy and Dry Bulk Trade

- IMF projects global GDP to grow by 3.1% in 2024
- Clarksons Platou forecasts dry bulk seaborne trade to increase by 1.2% in 2024



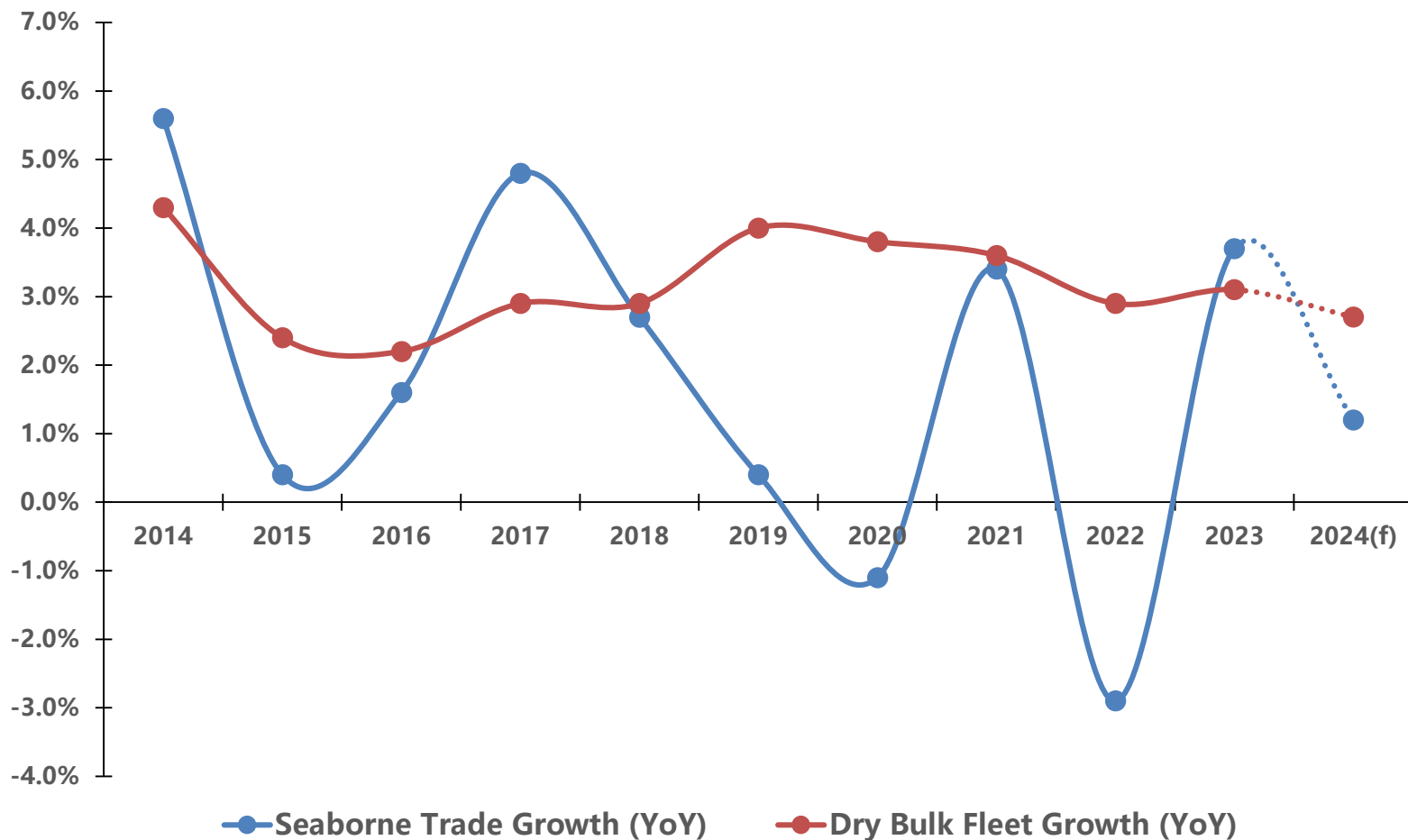
Source: IMF & Clarksons Platou

# Dry Bulk Seaborne Trade Forecast



Source: Clarksons Platou

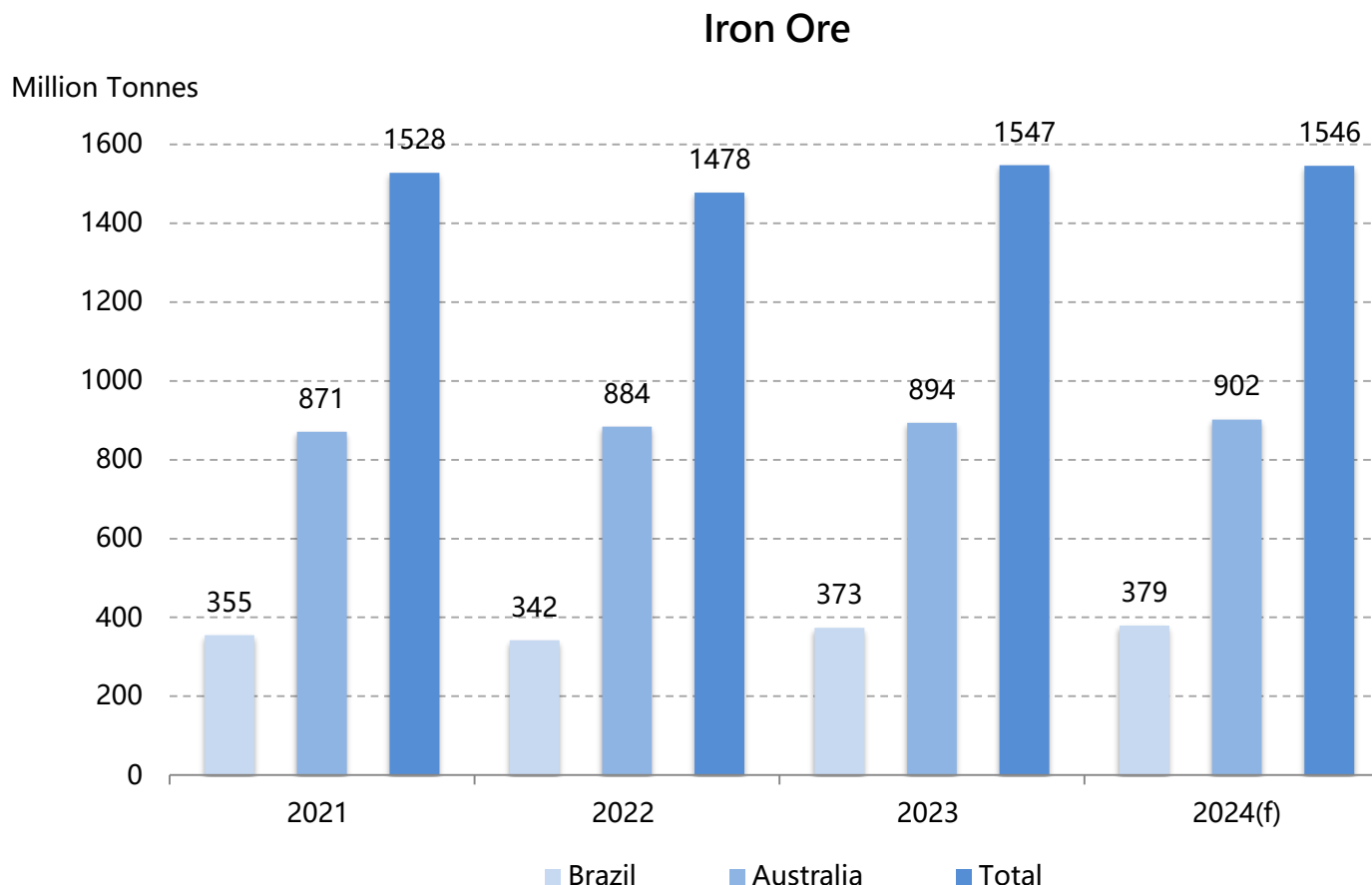
# Dry Bulk Seaborne Trade vs. Fleet Growth



Source: Clarksons Platou

# Global Iron Ore Exports

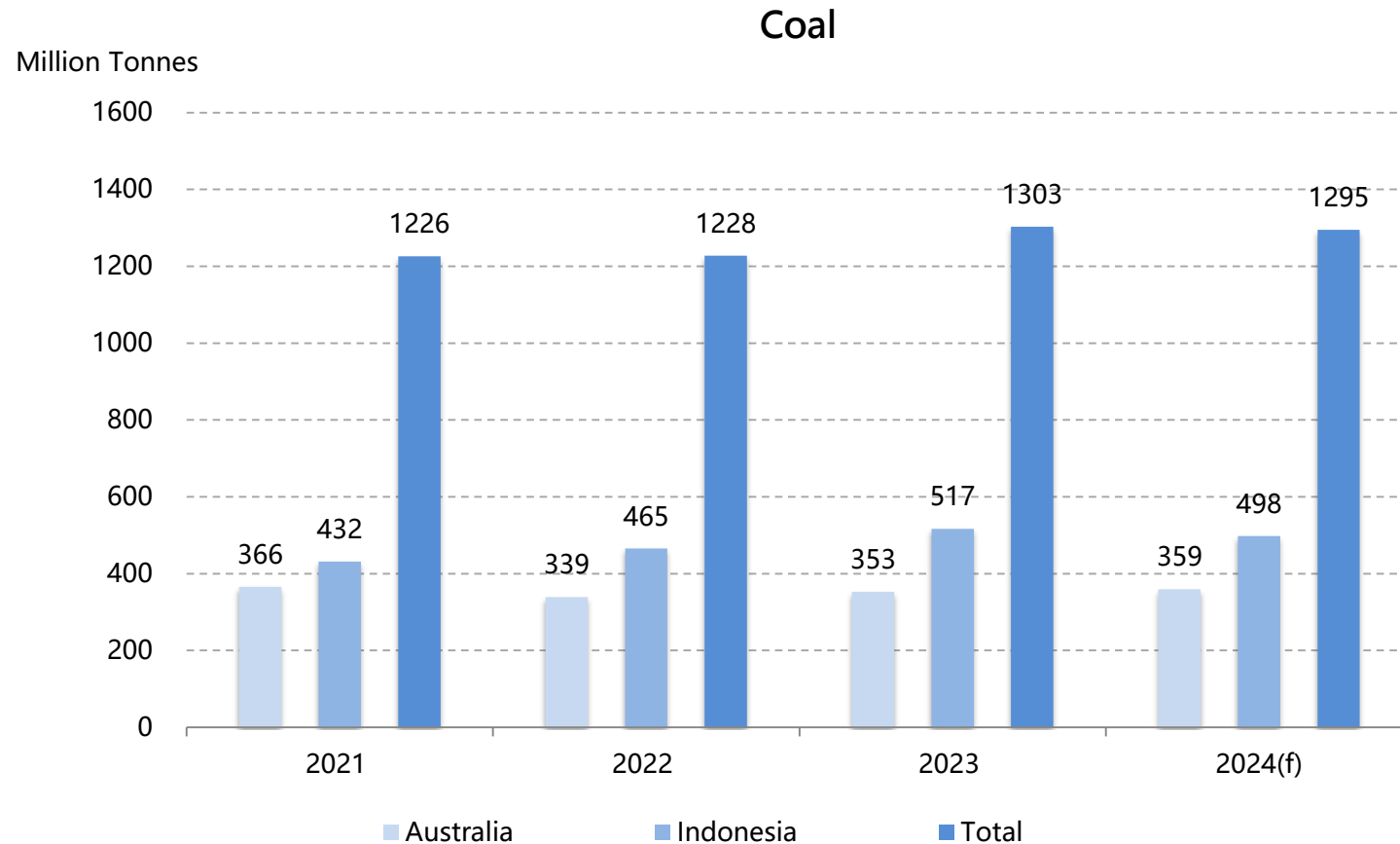
Clarksons Platou forecasts global iron ore exports remain the same level in 2024



Source: Clarksons Platou

# Global Coal Exports

Clarksons Platou forecasts global coal exports to reduce by 1% in 2024



Source: Clarksons Platou

# Global Coal Prices



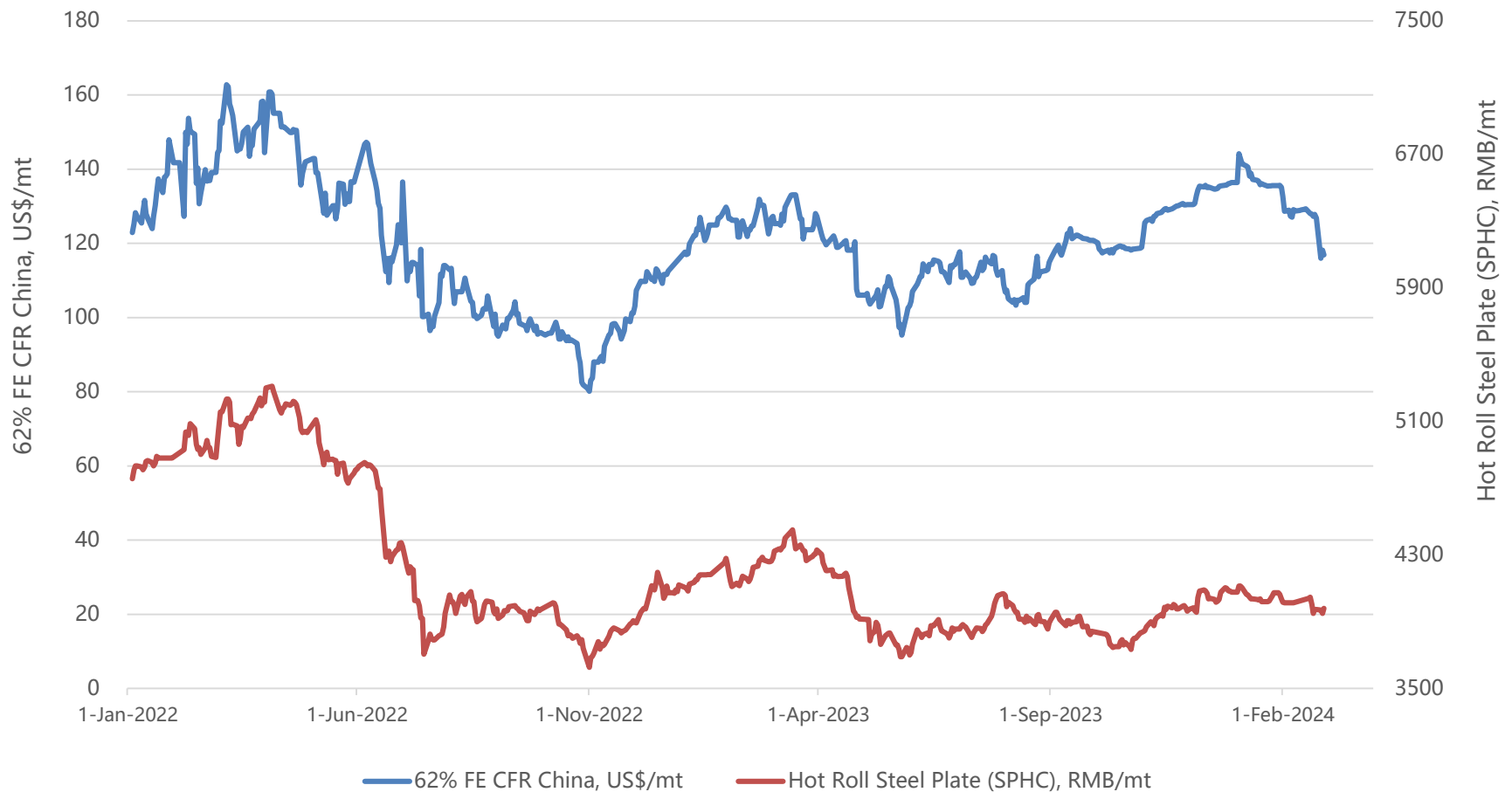
Source: MacroMicro

# Iron Ore Price Trend



Source: MacroMicro

# PRC Crude Steel Price



Source: MacroMicro

# World Steel Production Trend

PRC' s y-o-y growth rate in 2023: +2.0%;

Full year y-o-y projection for 2024: +2.0%

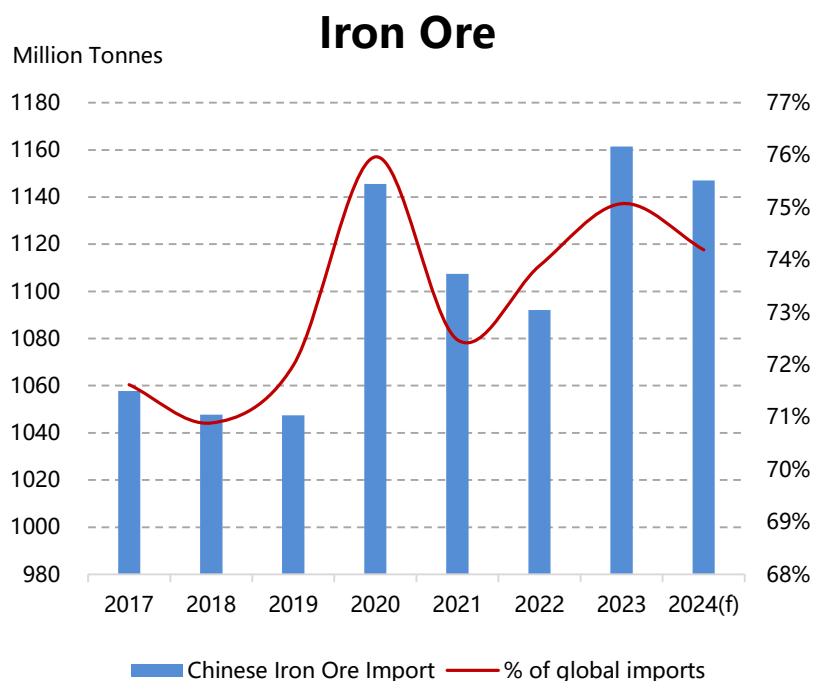
Crude steel production, annual - million tonnes

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
EU	169	168	157	139	159	141	131	134	136	138	139	139
US	82	87	88	73	86	83	80	81	85	88	90	92
Japan	105	104	99	83	96	90	86	87	89	93	96	98
South Korea	71	72	71	67	71	66	66	68	69	70	71	71
China	868	923	996	1,056	1,031	1,010	1,022	1,045	1,071	1,095	1,119	1,142
India	101	109	111	100	117	124	136	148	161	172	180	189
Others	327	321	318	309	374	332	328	339	352	364	375	386
Global	1,722	1,784	1,841	1,827	1,935	1,846	1,850	1,901	1,964	2,020	2,069	2,117

Source: Drewry Maritime Research

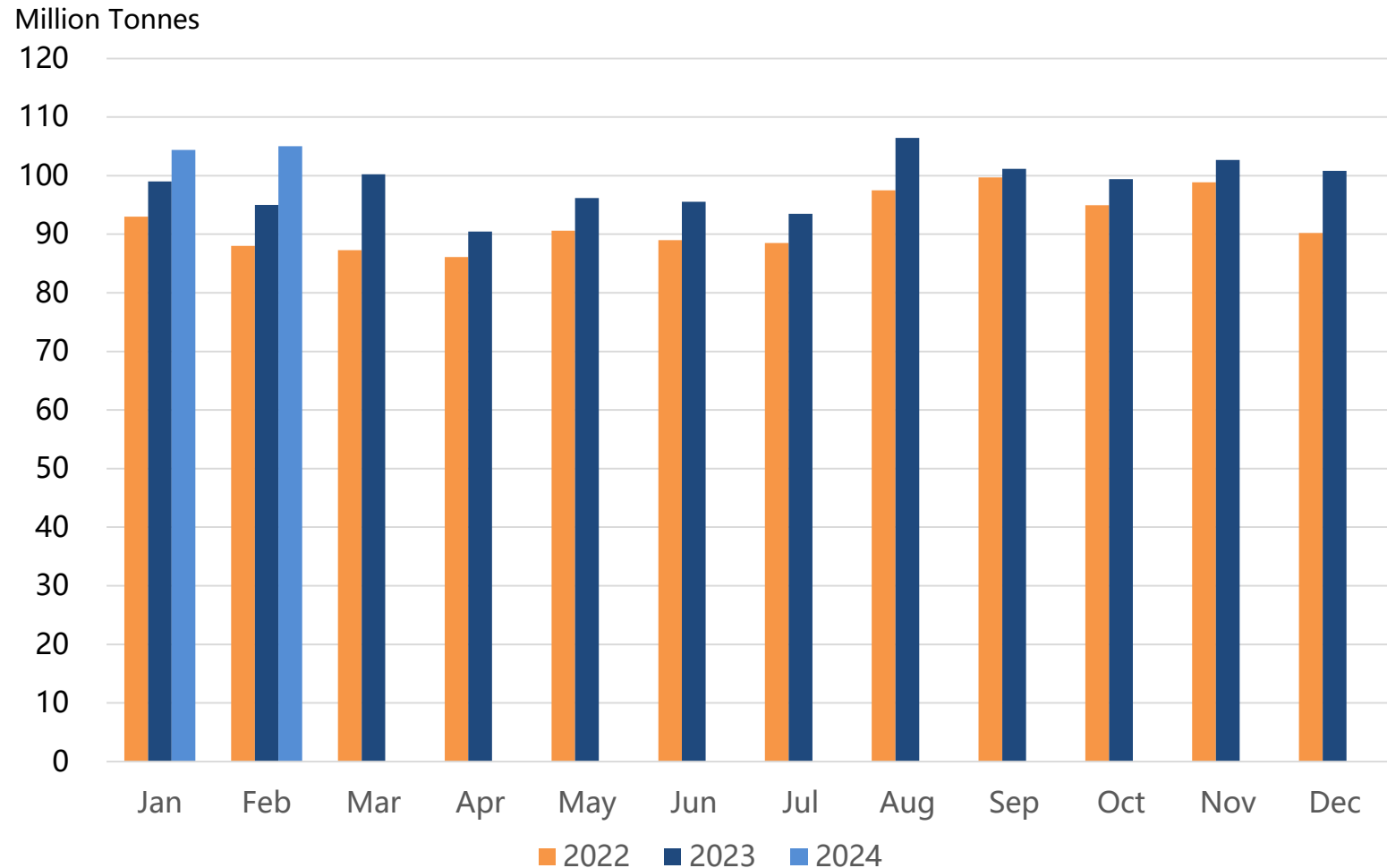
# PRC Commodity Seaborne Imports

- PRC's demand for iron ore is projected to decrease by 1% in 2024 to 1.147 billion tonnes
- PRC's demand for coal imports is estimated to decrease by 7% in 2024 to 336 million tonnes



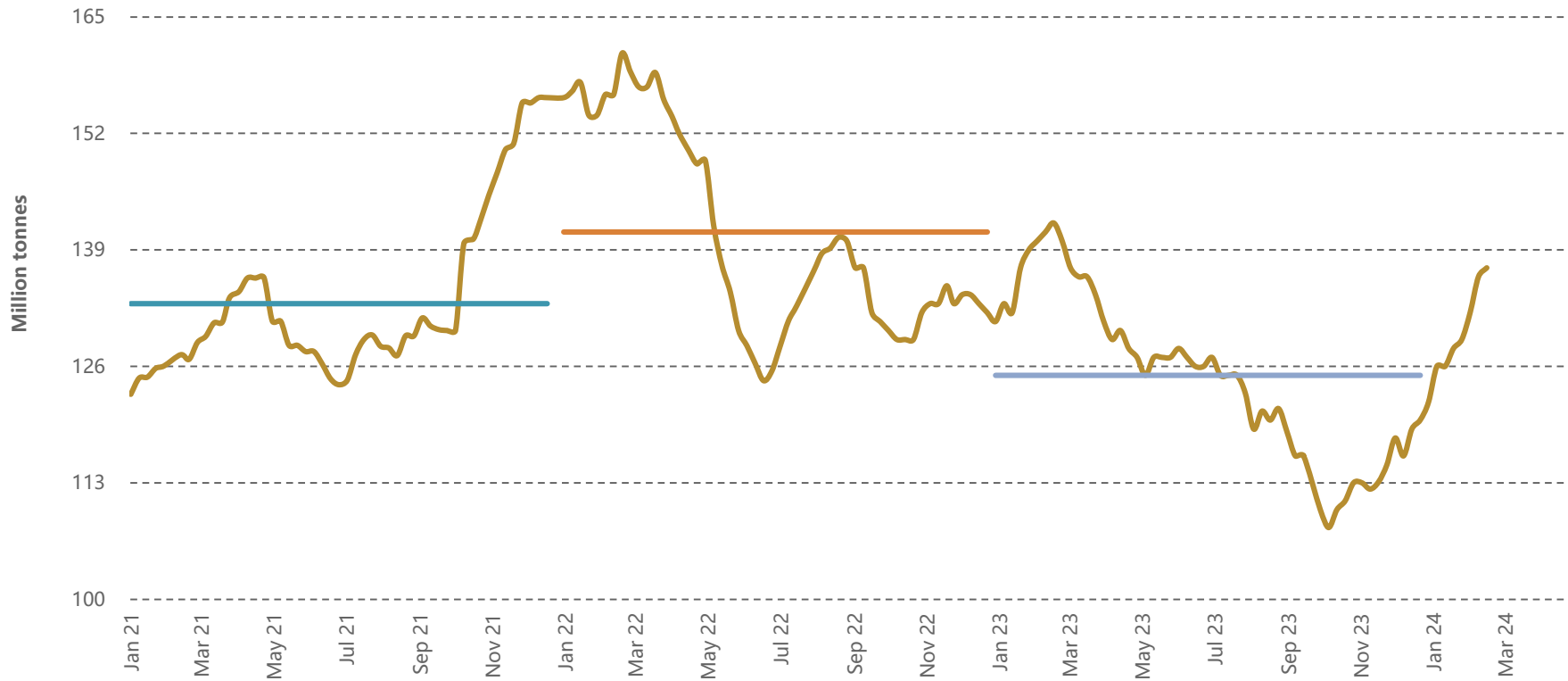
Source: Clarksons Platou

# PRC Iron Ore Imports



Source: Clarksons Platou

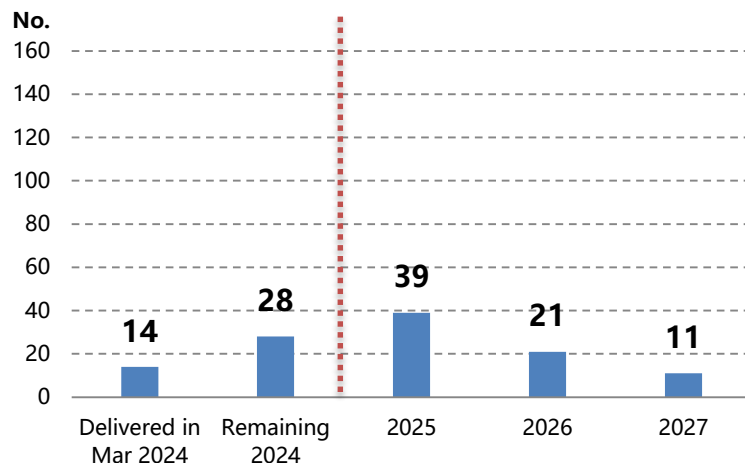
# Iron Ore Stockpiles at PRC Ports



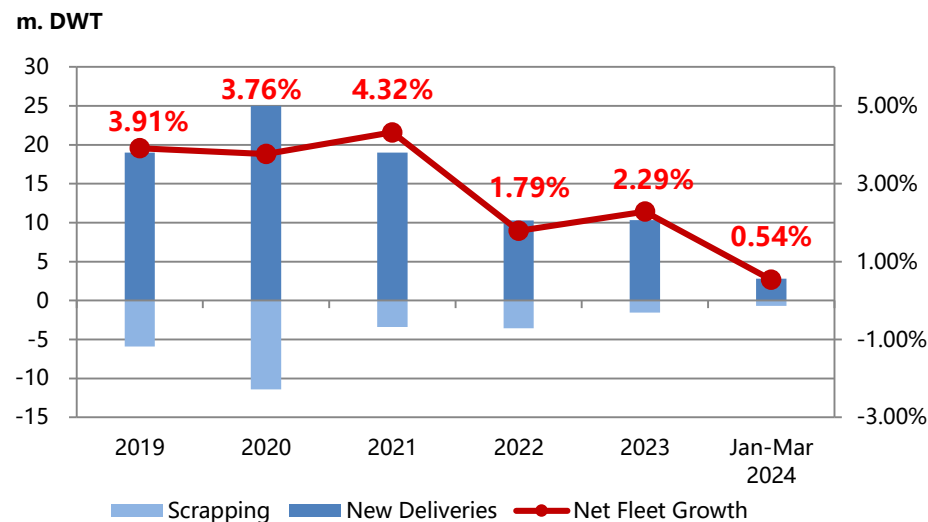
Source: MacroMicro





# Newbuilding Orders are Limited

Capesize Orderbook for delivery



Capesize Supply Development

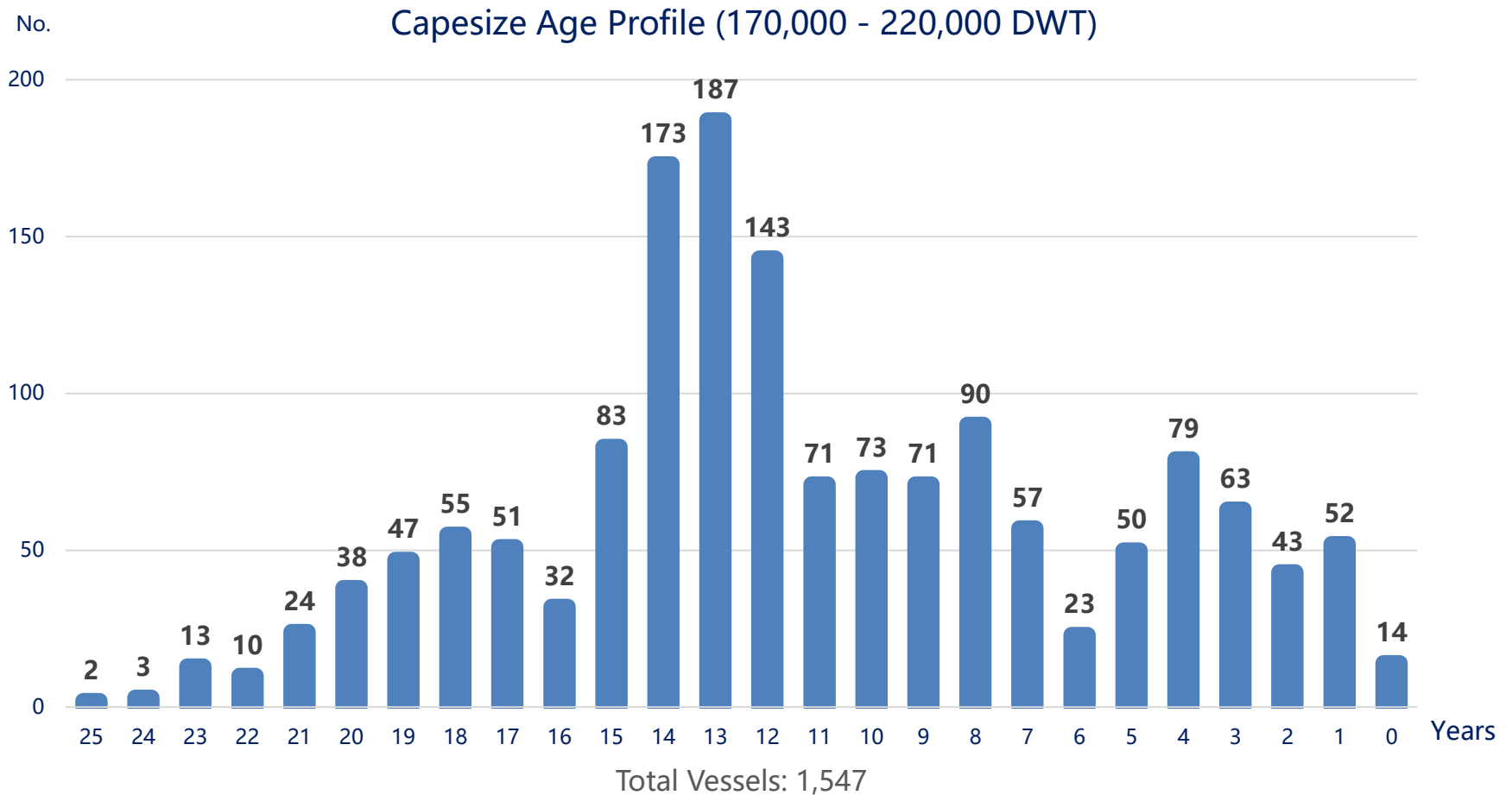


		ORDERBOOK AS % OF EXISTING FLEET	AVERAGE AGE	OVER 15 YEARS OLD	MAR 2024 SCRAPPING AS % OF EXISTING FLEET
	Handysize (10,000 - 40,000 dwt)	10%	13.3	26%	0.00%
	Handymax (incl. Supramax & Ultramax) (40,000 - 65,000 dwt)	9%	11.9	23%	0.00%
	Panamax (incl. Kamsarmax) (65,000 - 100,000 dwt)	12%	11.8	26%	0.00%
	Capesize (100,000 + dwt)	6%	10.6	14%	0.00%
	Total Dry Bulk > 10,000 dwt	9%	12.1	20%	0.00%

Source: Clarksons Platou

CMT Fleet Average Age: 10.33

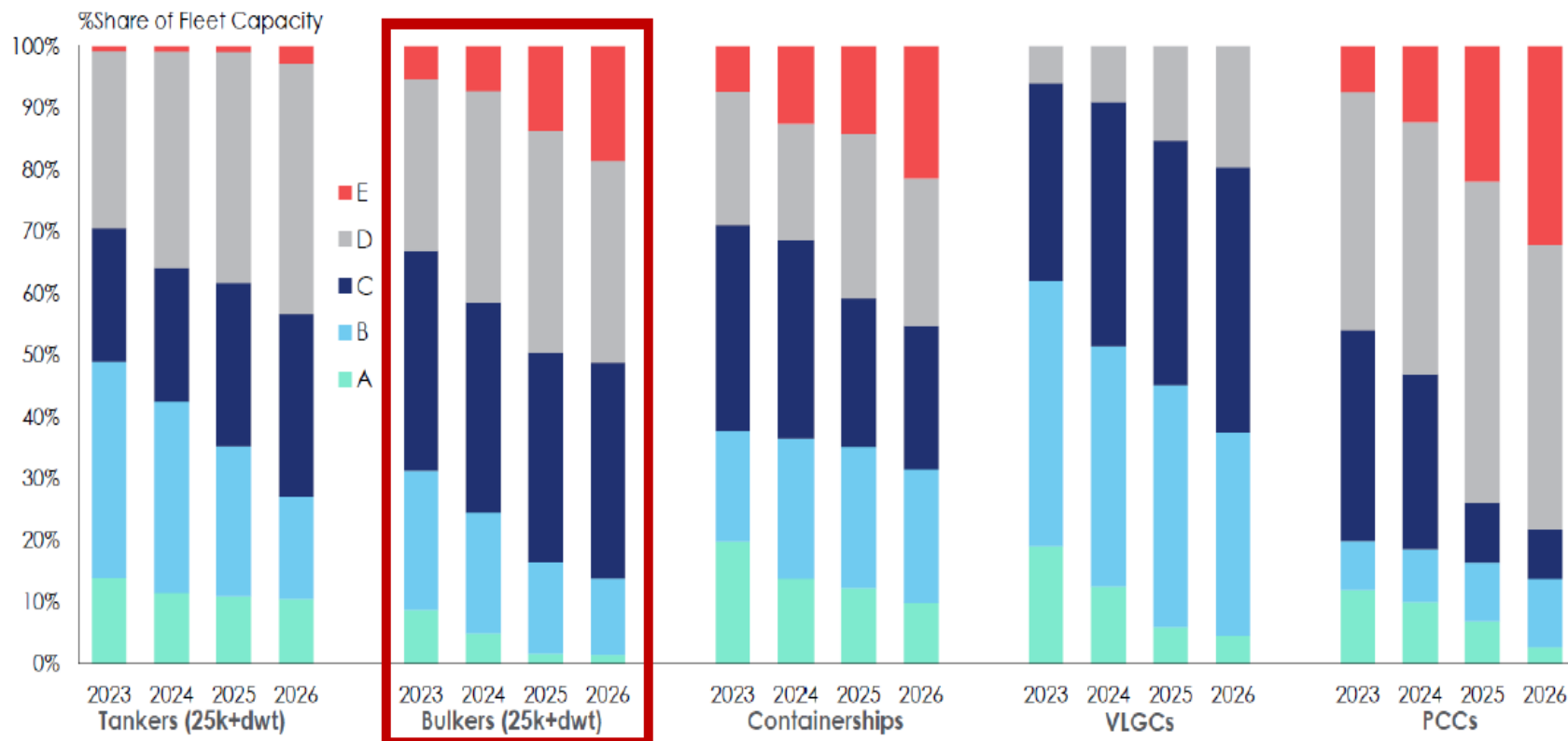
# Capesize Age Profile



Source: S&P Global

# CII Regulation

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



Source: Clarksons Platou

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

TYPE		PRICE (IN US\$ MILLION)				
YEAR		2022	2023		Mar 2024	
208,000 DWT	NB	67.0	74.0	10%	75.0	1%
180,000 DWT	NB	60.5	67.0	11%	68.0	1%
180,000 DWT (ECO)	5-YR	43.0	52.3	22%	62.0	19%
180,000 DWT	10-YR	28.0	31.0	11%	43.0	39%
176,000 DWT	15-YR	18.5	20.5	11%	29.0	41%

Source: Clarksons Platou & Internal Assessment

# The Company Overview



# Company Profile

## SHIPPING



## TRUCKING



## TERMINALS



## AIR & TOURISM



### 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

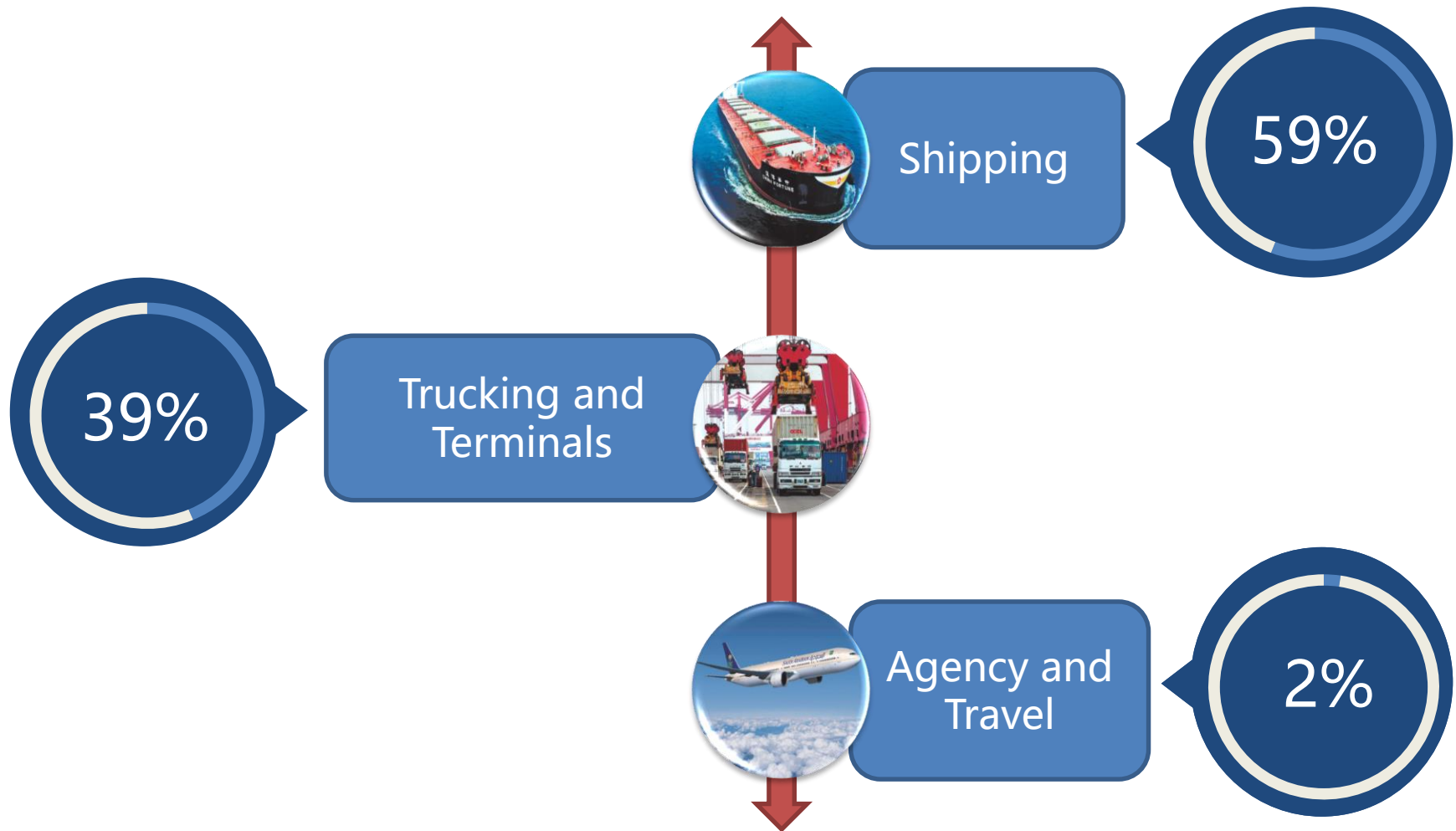
### Terminals :

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 2023



# 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.

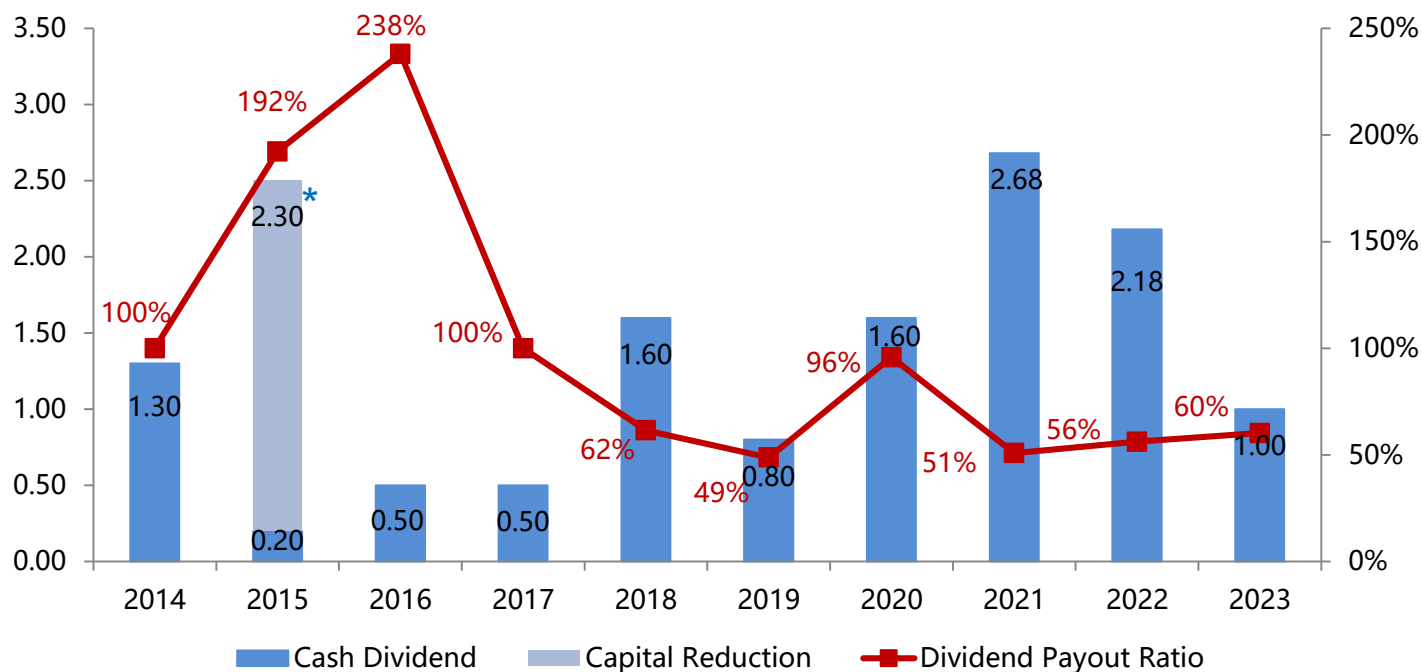
# 2019-2023 Financial Highlights

Expressed in millions of New Taiwan Dollars

Year	2019	2020	2021	2022	2023
Revenue	3,763	3,132	3,554	4,410	4,015
Net Profit/(Loss)	324	320	1,031	758	324
EPS	1.64	1.67	5.27	3.88	1.66
Cash and cash equivalents	3,288	3,221	3,057	3,989	3,947
Total liabilities	10,022	9,735	8,650	8,799	11,764
Total equity	9,934	9,750	10,428	11,652	11,649
ROE %	3.2%	3.3%	10.3%	6.87%	2.78%
ROA %	2.5%	2.3%	5.8%	4.45%	2.82%
Liability %	50%	50%	45%	43%	51%

# Dividends Distribution

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cash dividends/ Capital Reduction (NT\$)	1.30	2.50*	0.50	0.50	1.60	0.80	1.60	2.68	2.18	1.00
EPS (NT\$)	1.30	1.30	0.21	0.50	2.60	1.64	1.67	5.27	3.88	1.66



\*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	Dec 31, 2023	Dec 31, 2022
Current assets	5,279	4,974
Property, plant and equipment	15,963	13,875
Intangible assets	4	5
Other non current assets	2,168	1,597
<b>Total assets</b>	<b>23,414</b>	<b>20,451</b>

Liabilities and Equity		
Current liabilities	4,283	3,290
Non Current liabilities	7,481	5,509
<b>Total liabilities</b>	<b>11,764</b>	<b>8,799</b>

Equity attributable to owners of parent		
Common stock	1,975	1,975
Capital surplus	53	53
Retained earnings	9,464	9,568
Other equity interest	93	47
Non-controlling interests	65	9
<b>Total equity</b>	<b>11,650</b>	<b>11,652</b>
<b>Total liabilities and equity</b>	<b>23,414</b>	<b>20,451</b>

## Appendix 2 : Condensed Statement of Comprehensive Income

Expressed in thousands of New Taiwan Dollars

	2023	2022
Operating Revenues	4,014,892	4,409,999
Operating costs	3,157,517	3,024,721
Gross profit	857,375	1,385,278
Operating expenses	483,101	456,075
Net operating income	374,274	929,203
Non operating income and expenses	58,289	(88,010)
Profit before tax	432,563	841,193
Less: tax expenses	108,695	83,222
<b>Profit</b>	<b>323,868</b>	<b>757,971</b>
Other comprehensive income, net	44,381	994,840
Comprehensive income	368,249	1,752,811

**Earnings per share**

1.66

3.88

## 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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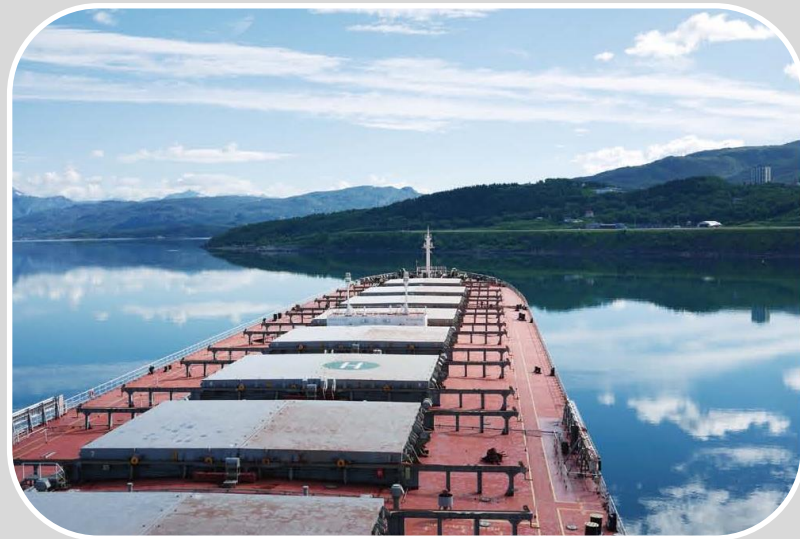
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# Thank You!

