



**CMT**

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



Stock Code : 2612 TT

# Q2 Investor Presentation

By: Ban-Jen Tarng  
Company Spokesperson

27<sup>th</sup> June 2024

# Summary of Presentation

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

# Outlook



# Capesize Market Outlook

## Major Commodities Export Rose in 1H 2024

- Capesize 5TC averaged US\$ 23,371 in first half of 2024; PRC iron ore imports increased by 7.0% YoY during January and May while coal imports increased by 12.6% YoY during the same period
- Spot rates are supported in Q2 reflecting healthy demand/supply balance; we see stronger Brazilian and Australian iron ore export with iron ore price averaging US\$ 110/tonne

## Iron ore Prices Remain High and FFA in Contango

- Iron ore prices averaged at US\$ 119/tonne in 1H and 2H FFA averages US\$ 26,000
- Rising ship asset values reflecting appetite for tonnages in near term

## Global Fleet Net Growth Remains Relatively Low

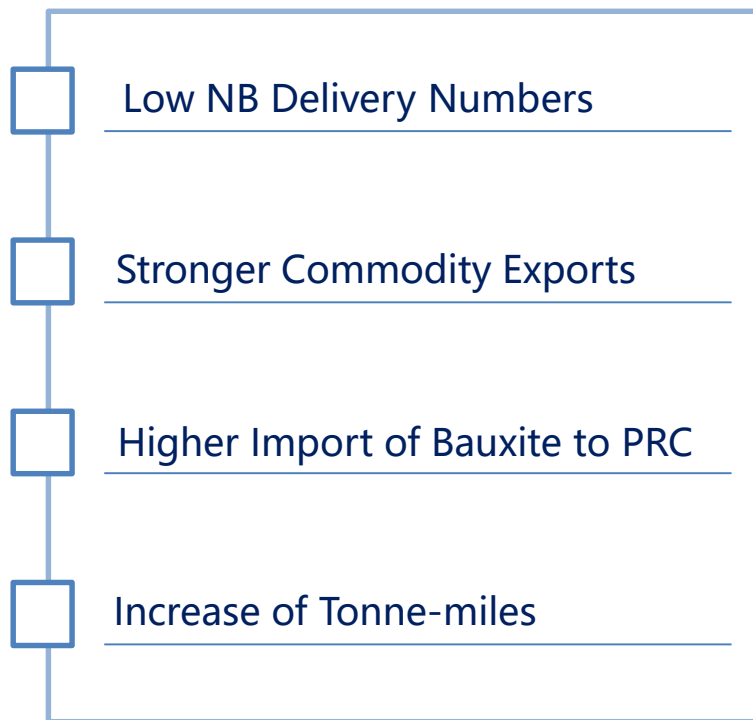
- 25 new ships joined the global fleet so far in 2024, while 5 vintage ships were scrapped in first 6 months
- Capesize net fleet growth is about 1.05%

## Short-term Outlook

- PRC iron ore and coal imports increase over same period last year but iron ore stockpile has increased close to highest level. Overall economy and real estate market is still under great stress but export of steel product is strong
- The 3<sup>rd</sup> and 4<sup>th</sup> eco-NBs of Company' s newbuilding program had been delivered in Q2 while one ship is trading in the spot market as part of the diverse chartering strategy

# Market Influencing Factors

## Bullish Factors



## Bearish Factors





# PRC Key Indicators

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- PRC' s gross domestic product in Q1 grew by 5.3% y-o-y, while full year guidance is around 5.0%
- PRC' s crude steel production between January and May reached about 439 million tonnes, down by about 1.4% y-o-y; the country exported about 45 million tonnes of steel products between January and May, up by about 24.7% y-o-y
- Compared to end 2023, China Steel Price Index (CSPI) decreased by 5.9% at end-May to 107.03 points
- The country imported about 514 million tonnes of iron ore between January and May, up by about 7.0% y-o-y, while coal imports reached about 205 million tonnes, up by about 12.6% y-o-y

# Shipping Market Outlook - Demand



## Iron Ore

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Clarksons Platou forecasts Chinese iron ore imports to increase by 1% in 2024 while Brazilian export volume is expected to increase by 5% and Australian export volume to remain the same level; global iron ore demand is projected to grow by 1% in 2024



## Coal

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Clarksons Platou forecasts Chinese coal imports to increase by 3% in 2024 while Australian export volume is expected to increase by 3% and Indonesian export volume to increase by 1%; global coal demand is projected to increase by 1% in 2024

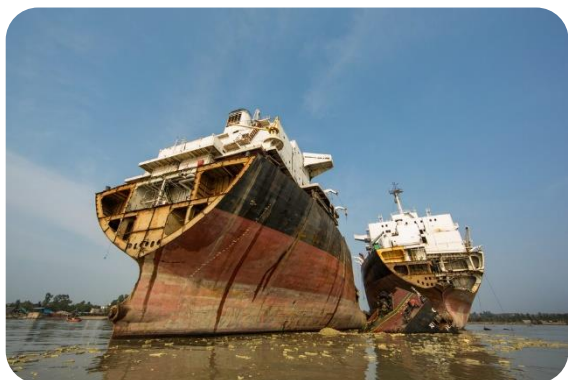
# Shipping Market Outlook - Supply



## Newbuildings

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According to S&P Global, total 56 capesize bulkers were delivered in 2023 with fleet net growth at 2.4%; 40 capesize bulkers are expected to be delivered in 2024



## Ship Scrapping

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Demolition quantity of capesize bulkers reached 9 in 2023 while more vintage bulkers are to be recycled this year - 10 units are expected to be scrapped in 2024

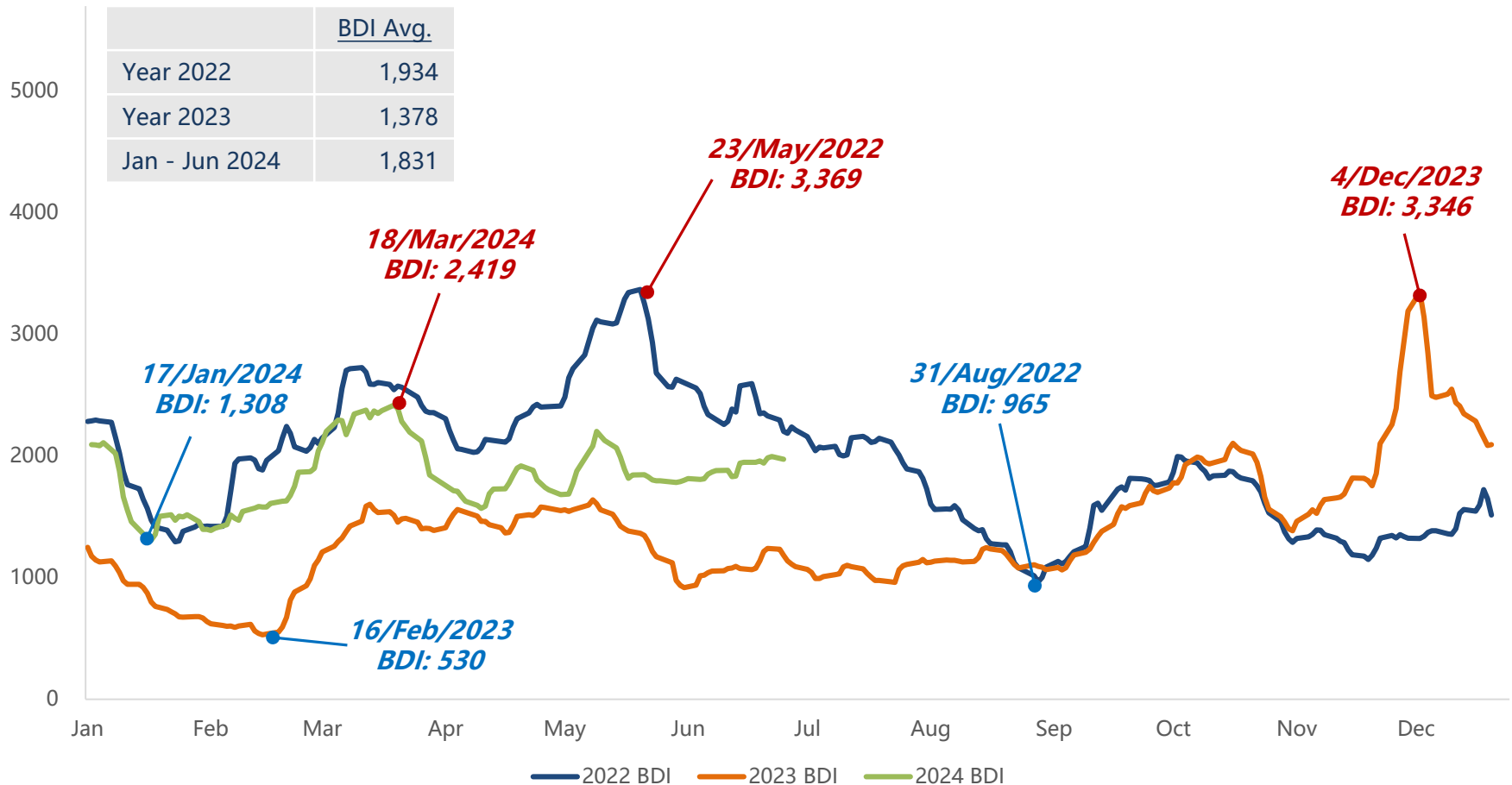


# Dry Bulk Shipping Market Trends



# BDI 2022-2024

## Baltic Exchange Dry Index



Source: Clarksons Platou

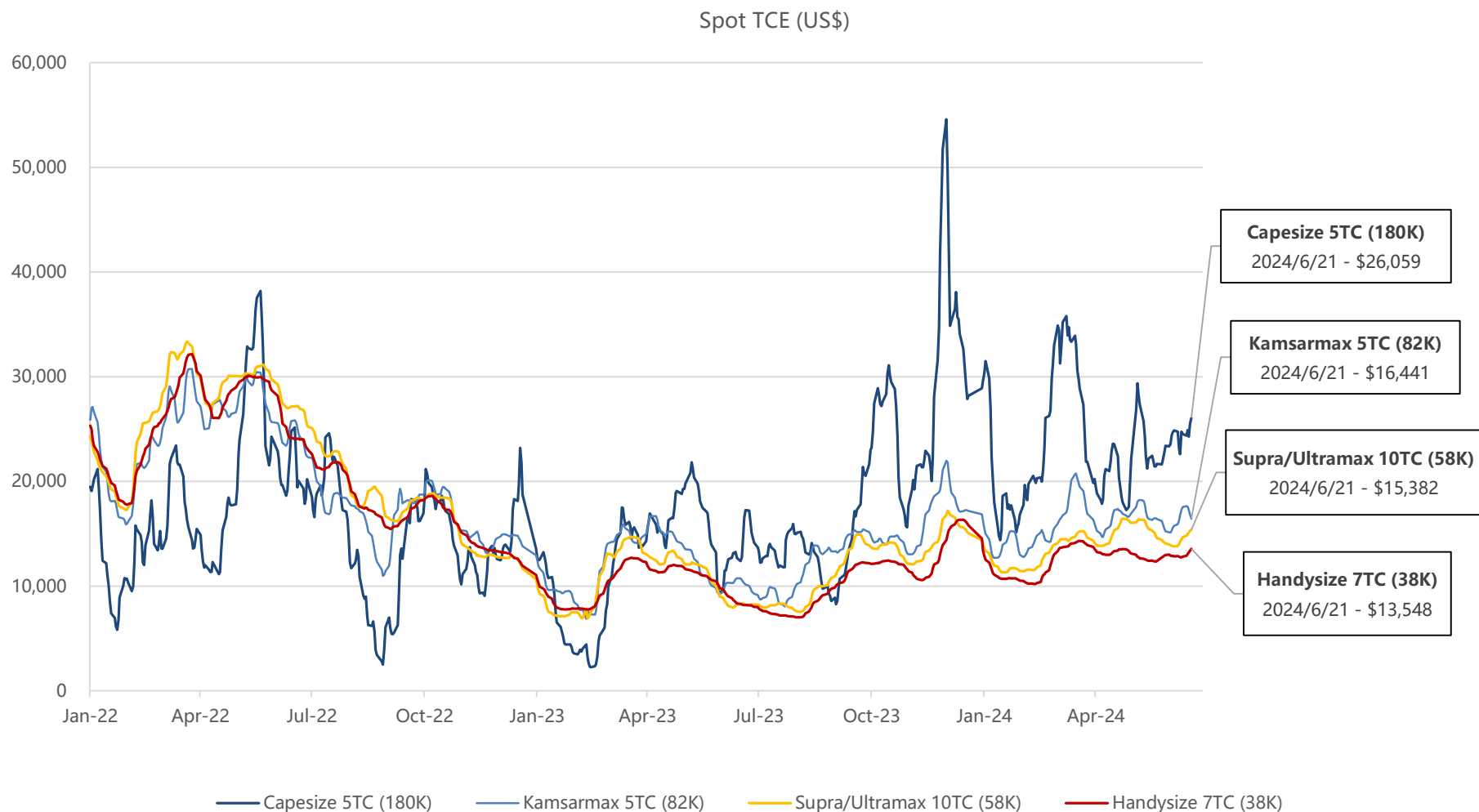
# BCI 2022-2024

## Baltic Exchange Capesize Index



Source: Clarksons Platou

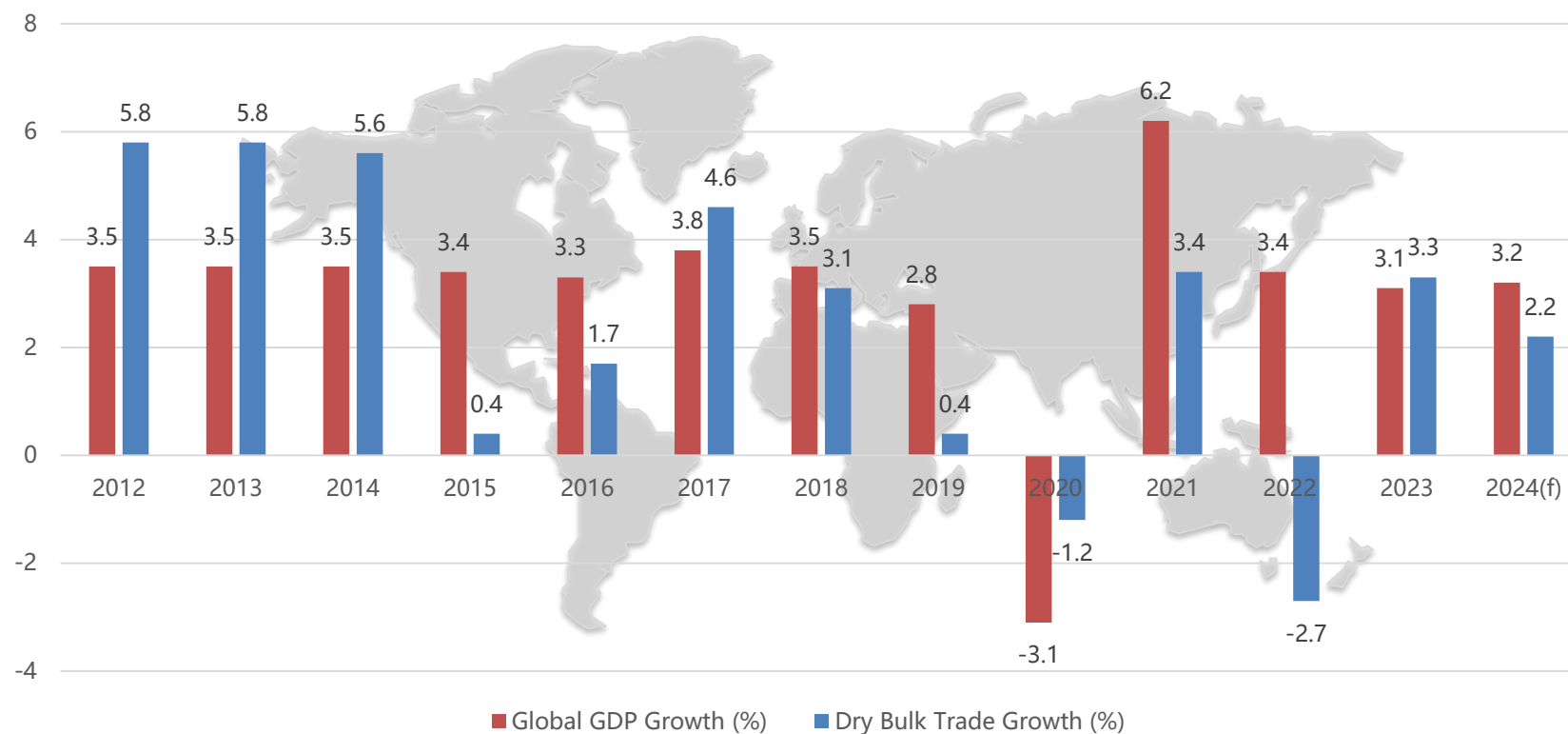
# 2022- 2024 BCI/BPI/BSI/BHSI Rates



Source: Clarksons Platou

# Global Economy and Dry Bulk Trade

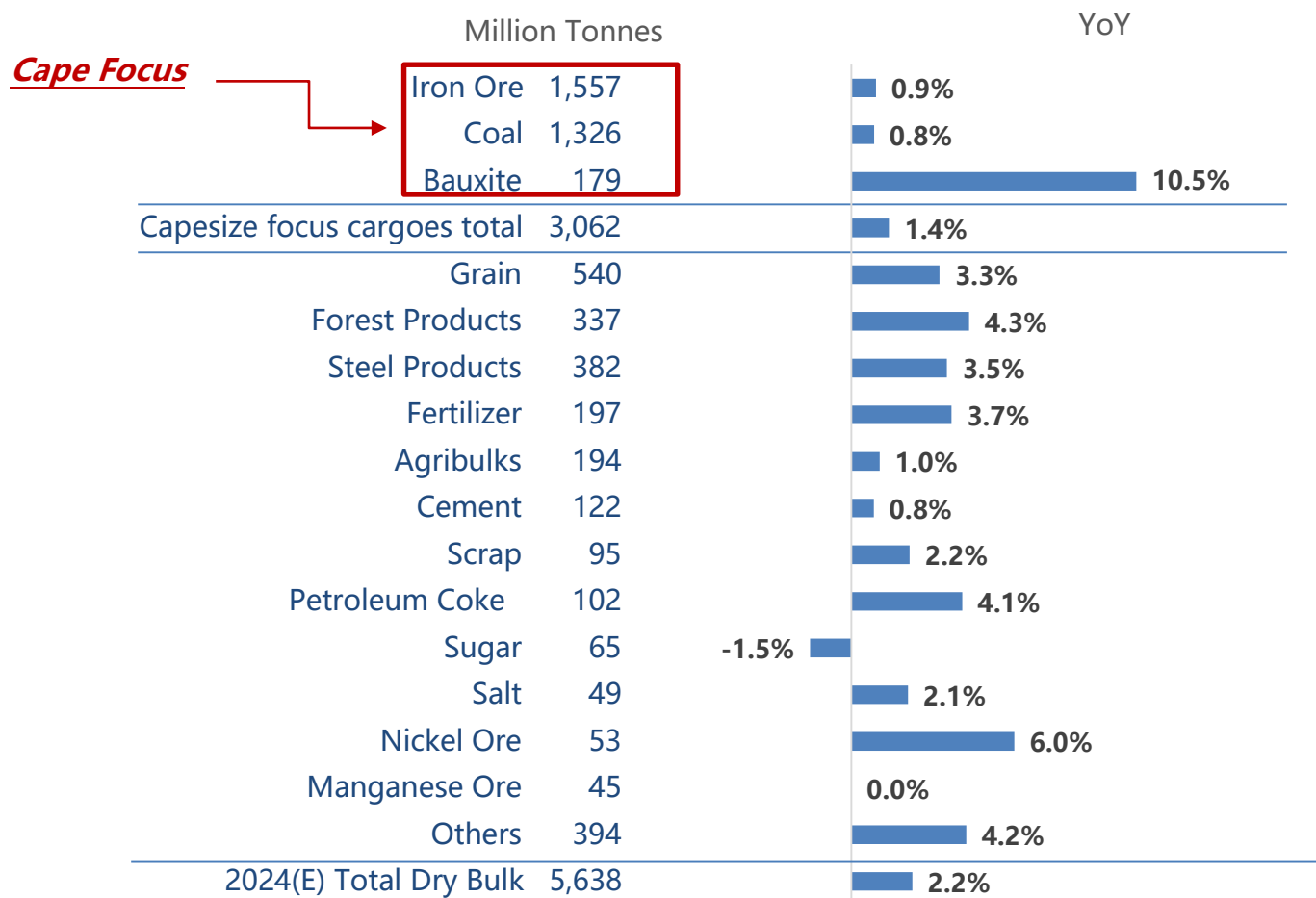
- IMF projects global GDP to grow by 3.2% in 2024
- Clarksons Platou forecasts dry bulk seaborne trade to increase by 2.2% in 2024



Source: IMF & Clarksons Platou

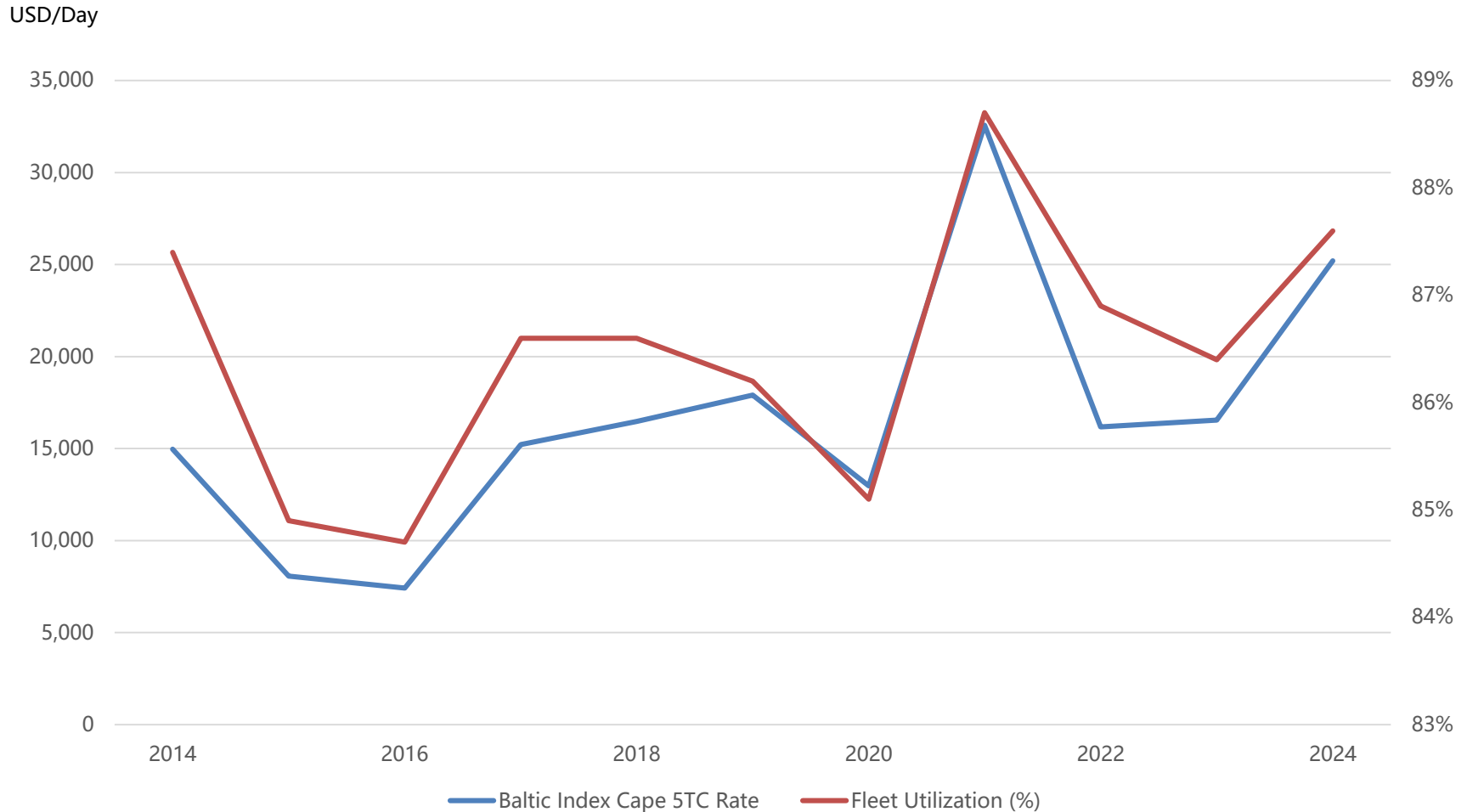


# Dry Bulk Seaborne Trade Forecast



Source: Clarksons Platou

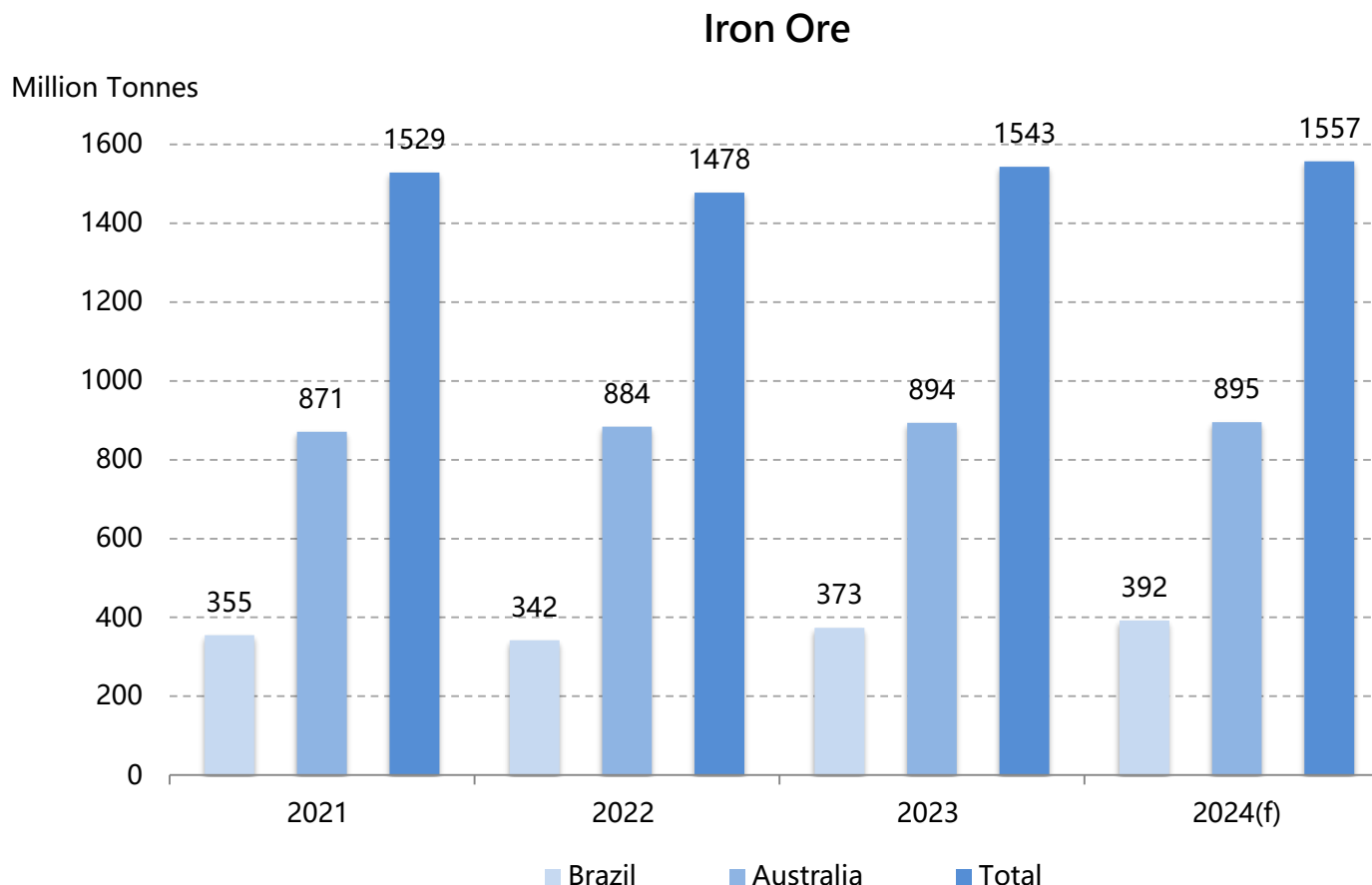
# Cape 5TC vs. Fleet Utilization Rate



Source: Marsoft

# Global Iron Ore Exports

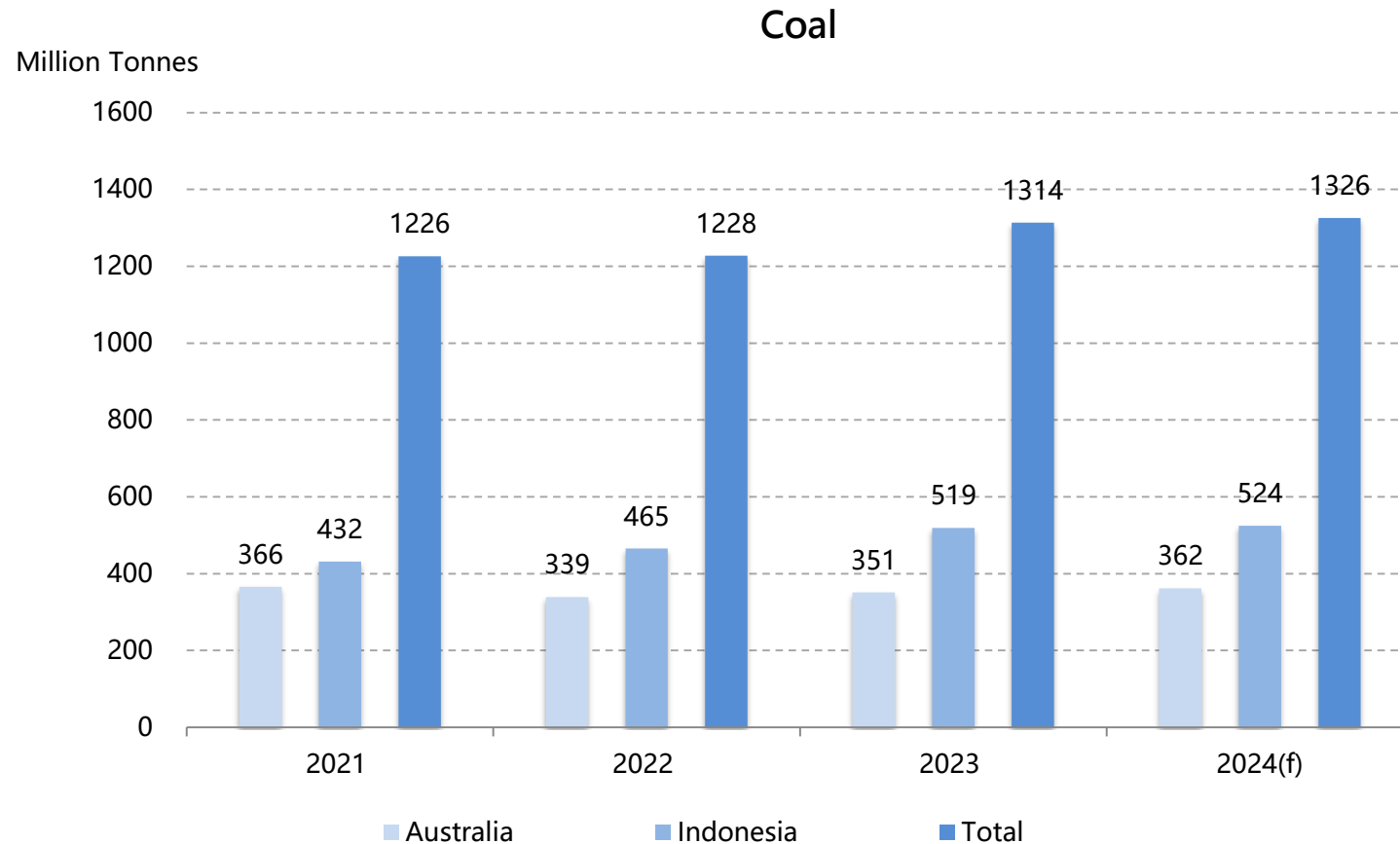
Clarksons Platou forecasts global iron ore exports increase by 1% in 2024



Source: Clarksons Platou

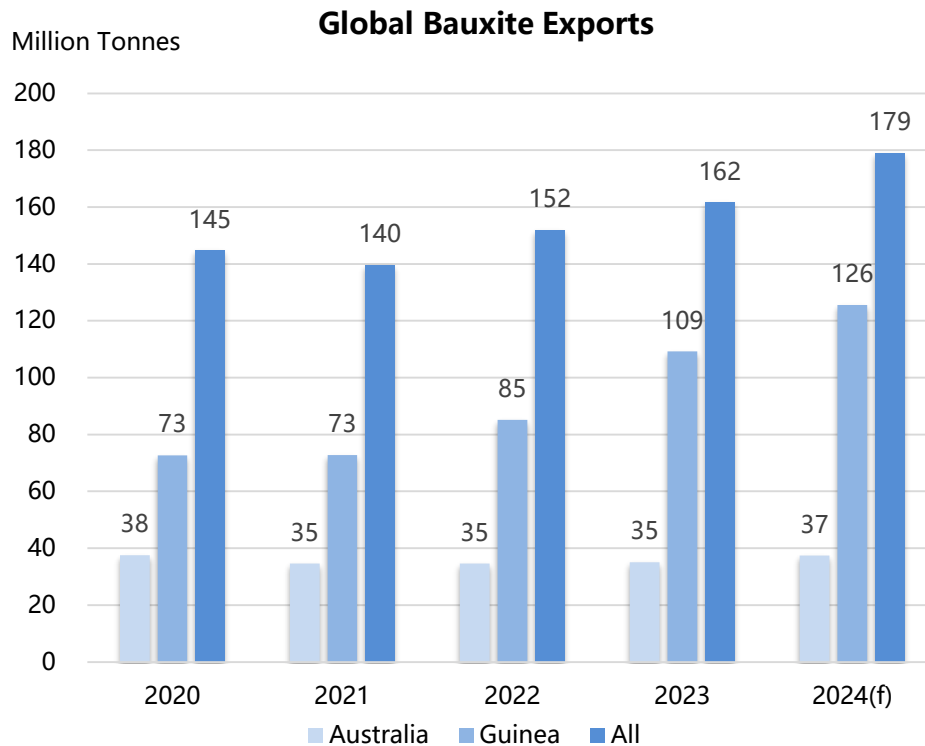
# Global Coal Exports

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

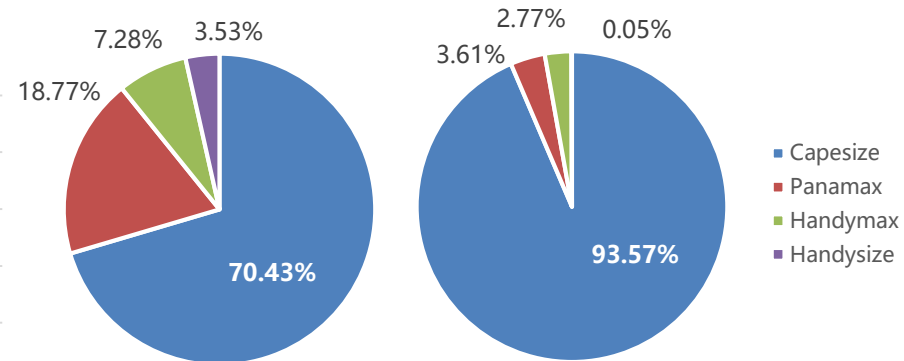


Source: Clarksons Platou

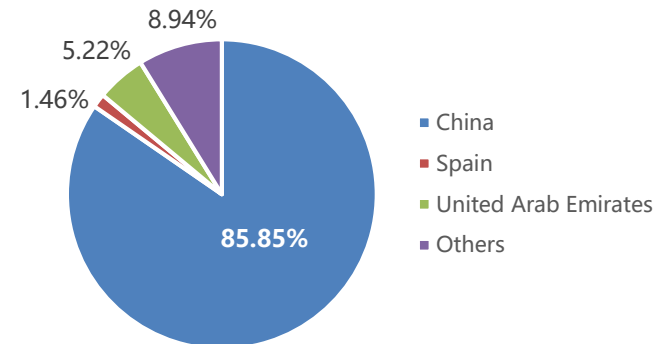
# Global Bauxite Exports



**2018 vs 2023 Bauxite Export Share by Vessel Type**



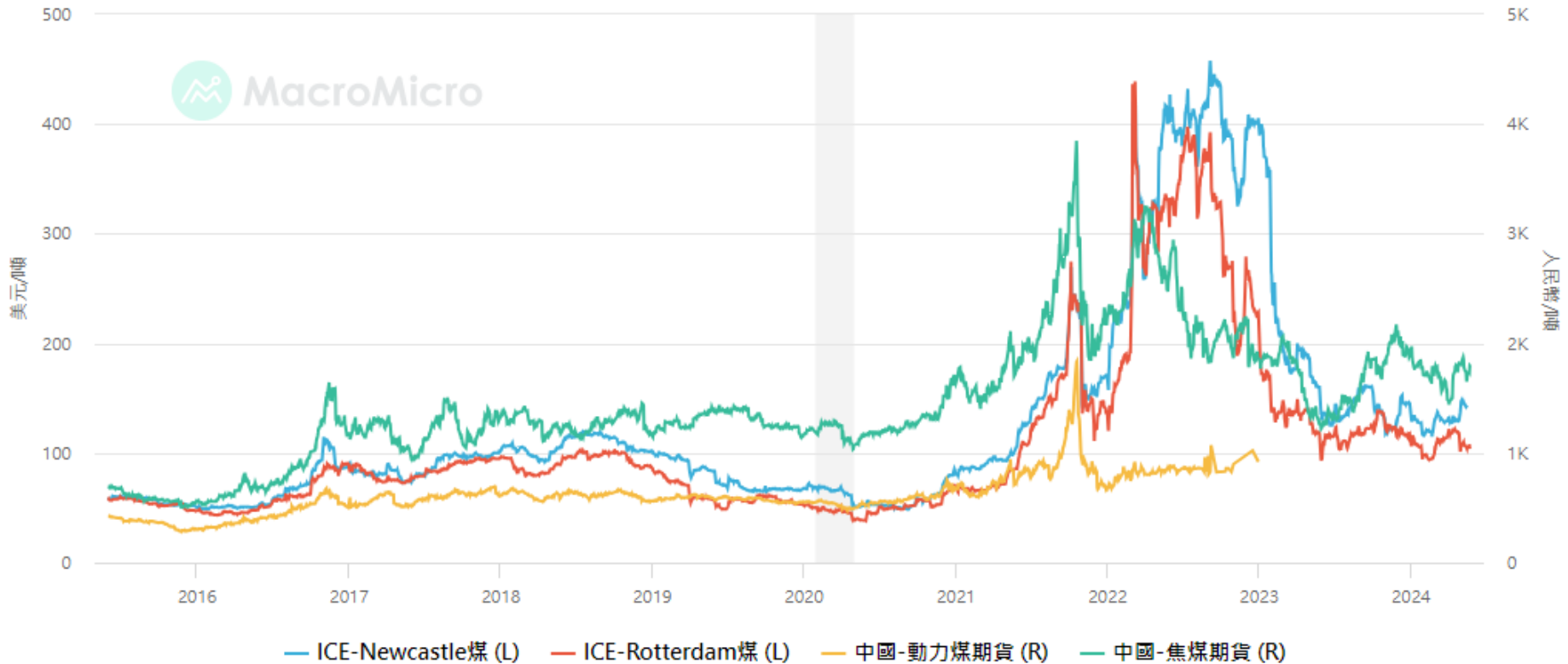
**2023 Global Bauxite Imports from Guinea**



Source: Clarksons Platou & AXS Marine



# Global Coal Prices



Source: MacroMicro



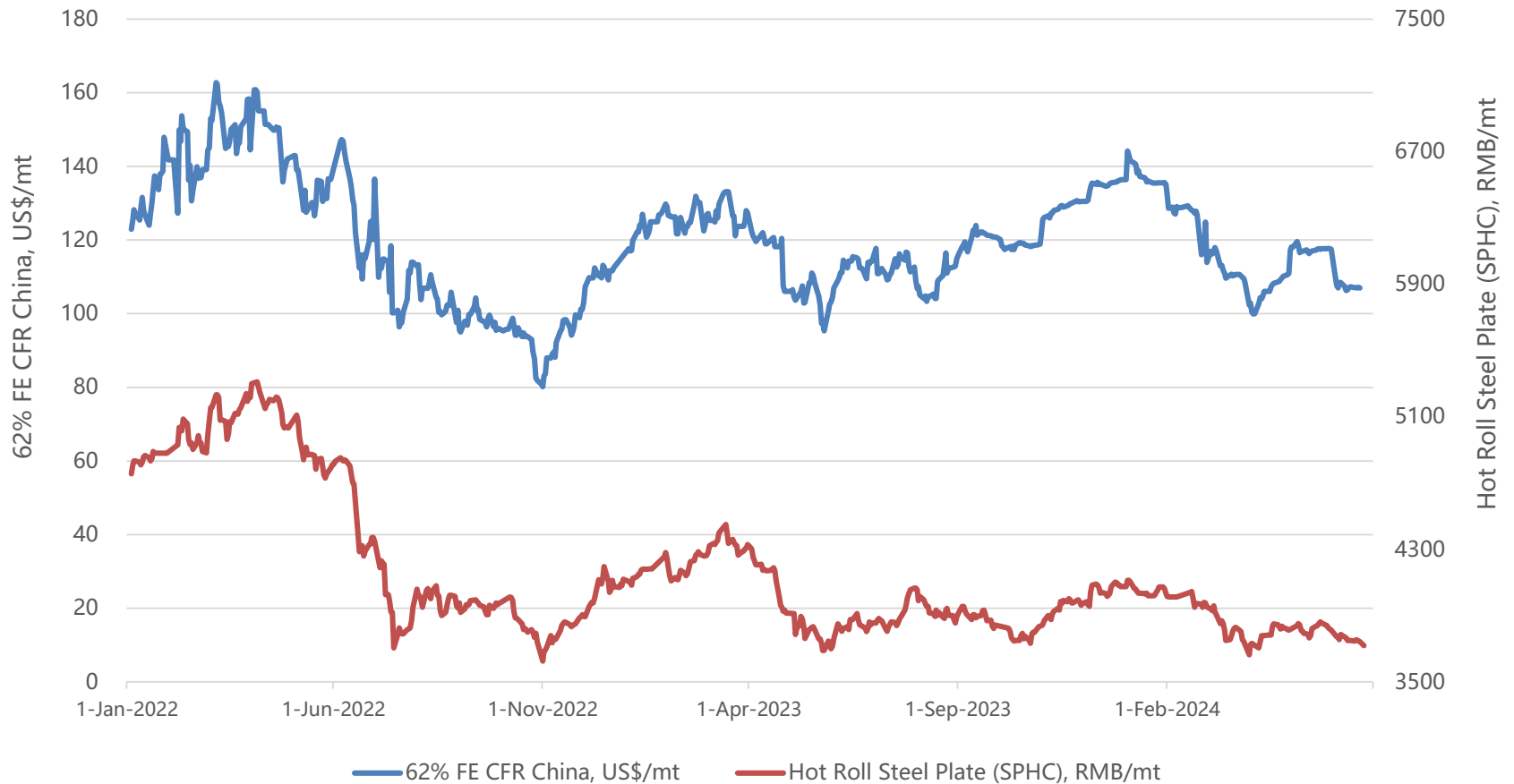
中國航運股份有限公司  
Chinese Maritime Transport Ltd.

# 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: +0.0%;

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

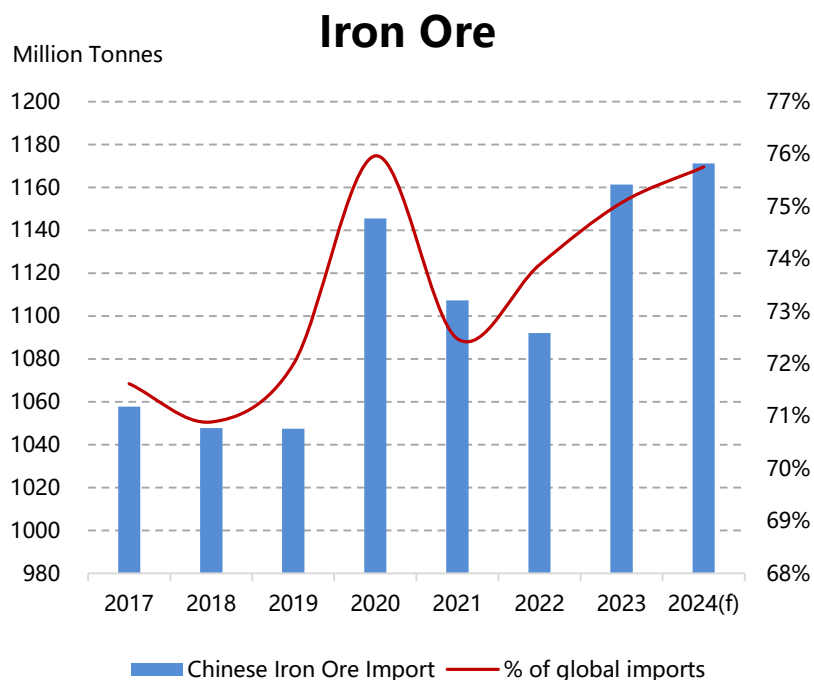
## Crude steel production, annual - million tonnes

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
EU	168	157	139	159	141	132	135	138	141	142	144	145
US	87	88	73	86	83	80	83	87	91	94	95	97
Japan	104	99	83	96	90	87	88	90	94	97	100	103
South Korea	72	71	67	71	66	67	68	70	71	73	73	74
China	923	996	1,056	1,031	1,010	1,011	1,030	1,054	1,077	1,101	1,124	1,147
India	109	111	100	117	124	136	150	166	182	197	214	232
Others	327	321	318	309	374	332	328	339	352	364	375	386
<b>Global</b>	<b>1,791</b>	<b>1,843</b>	<b>1,836</b>	<b>1,869</b>	<b>1,888</b>	<b>1,845</b>	<b>1,882</b>	<b>1,944</b>	<b>2,007</b>	<b>2,068</b>	<b>2,125</b>	<b>2,184</b>

Source: Drewry Maritime Research

# PRC Commodity Seaborne Imports

- PRC's demand for iron ore is projected to increase by 1% in 2024 to 1.171 billion tonnes
- PRC's demand for coal imports is estimated to increase by 3% in 2024 to 369 million tonnes

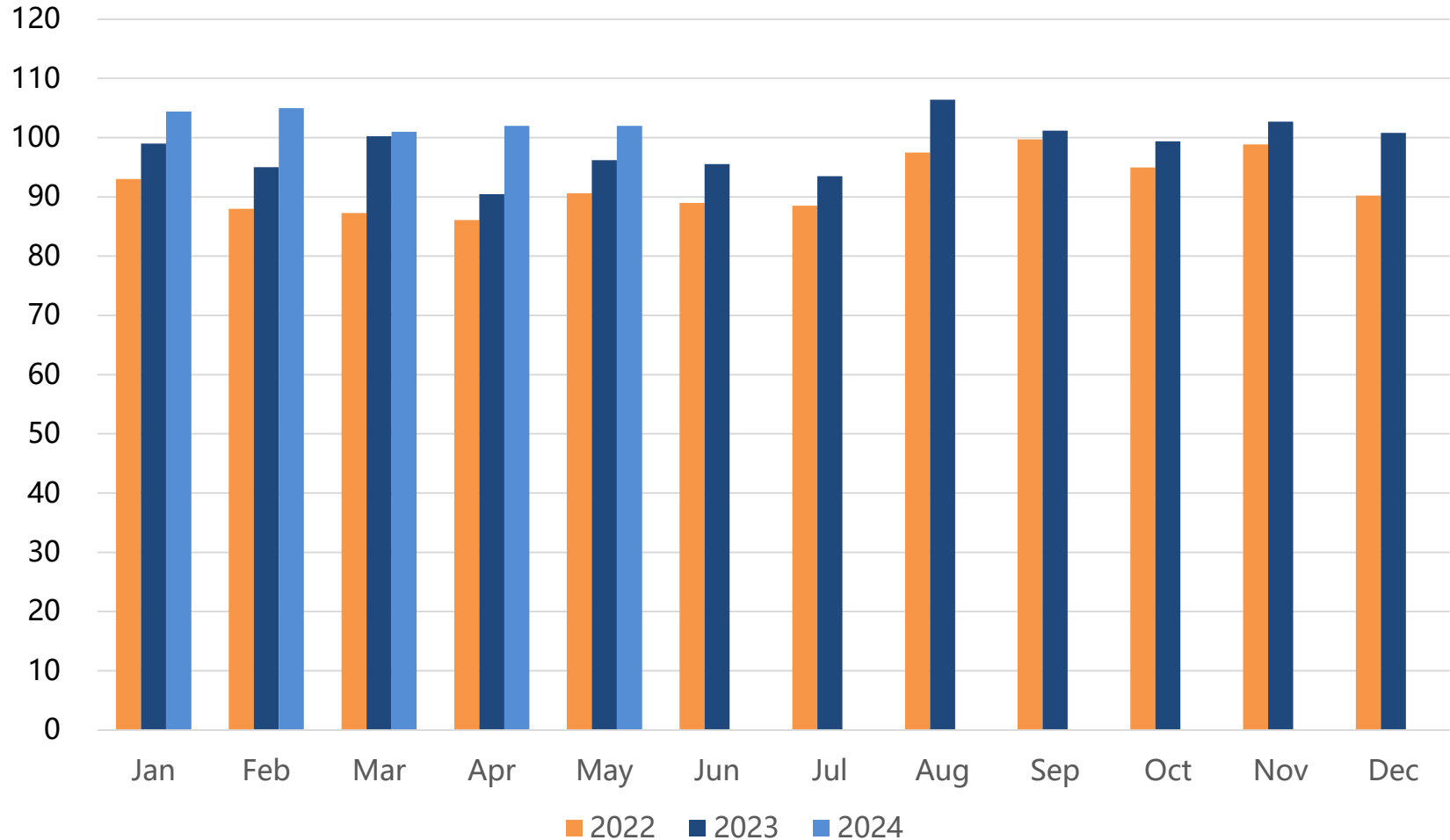


Source: Clarksons Platou



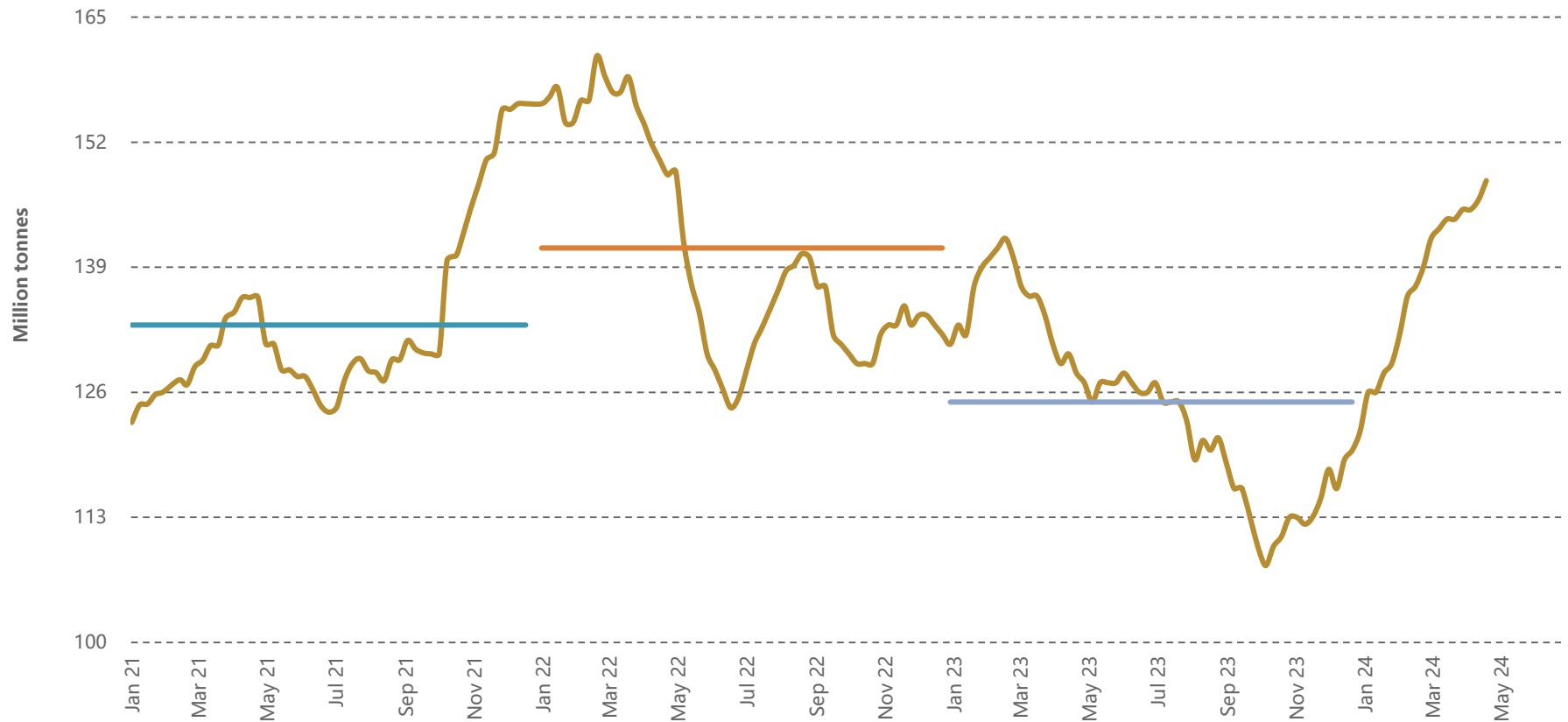
# PRC Iron Ore Imports

Million Tonnes



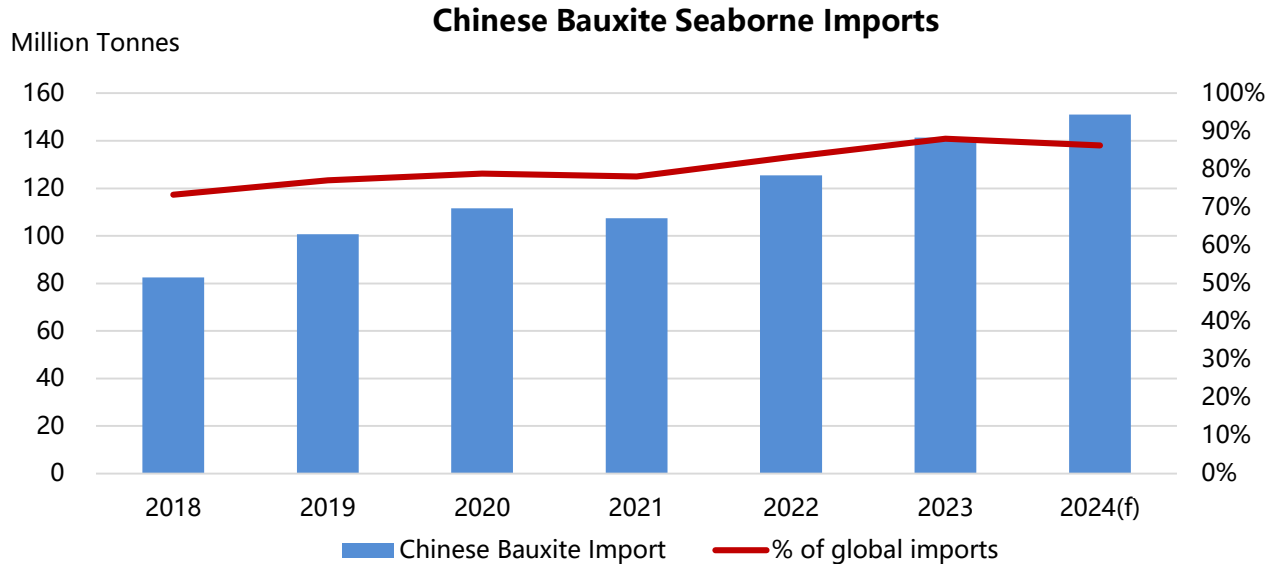
Source: Clarksons Platou

# Iron Ore Stockpiles at PRC Ports

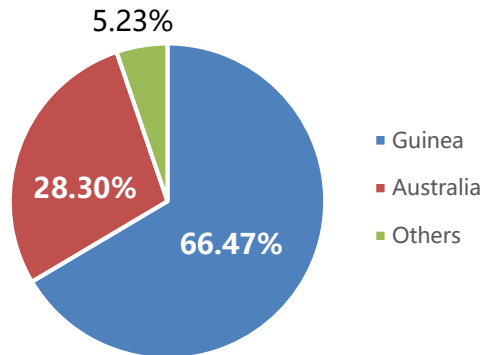


Source: MacroMicro

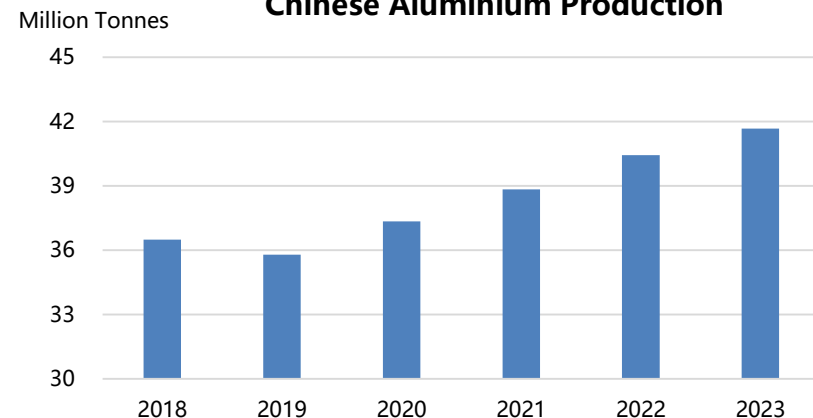
# PRC Bauxite Imports



**2023 Global Bauxite Imports to China**



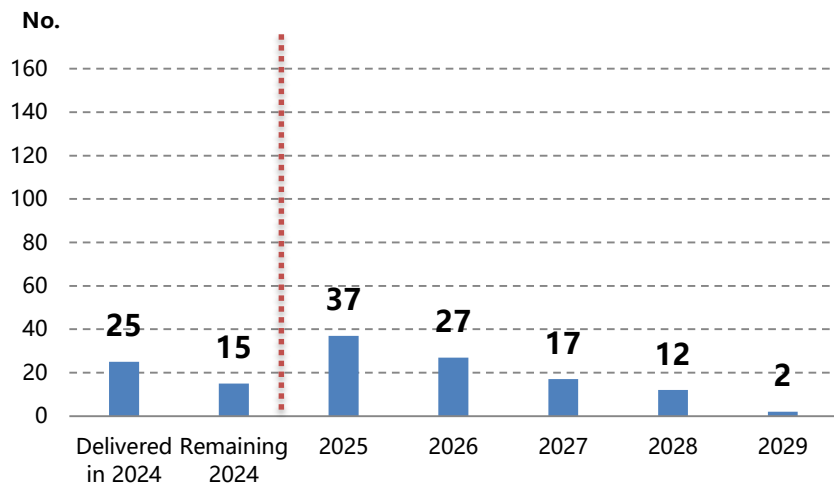
**Chinese Aluminium Production**



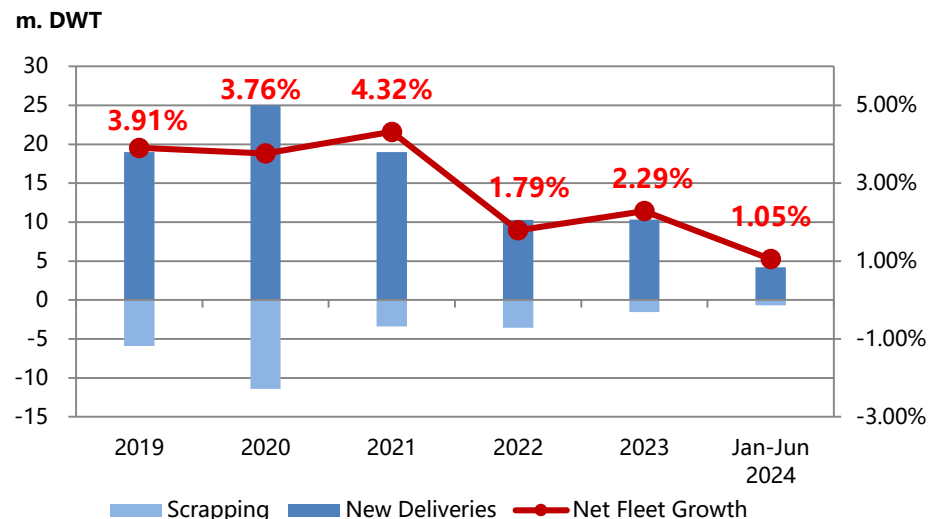
Source: Drewry Maritime Research & AXS Marine & International Aluminium Institute





# Newbuilding Orders are Limited

Capesize Orderbook for delivery



Capesize Supply Development

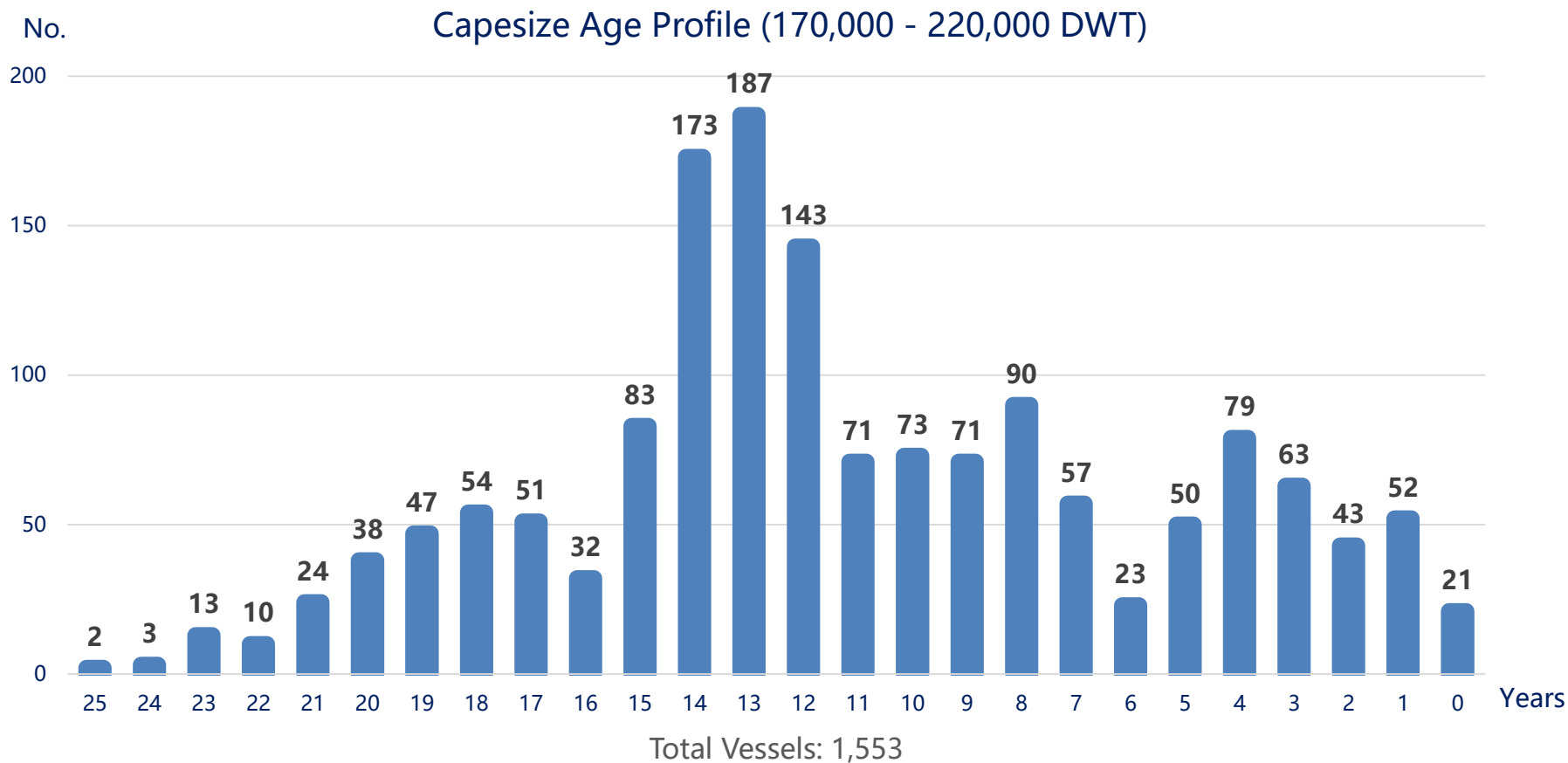


		ORDERBOOK AS % OF EXISTING FLEET	AVERAGE AGE	OVER 15 YEARS OLD	JUN 2024 SCRAPPING AS % OF EXISTING FLEET
	Handysize (10,000 - 40,000 dwt)	9%	13.4	27%	0.13%
	Handymax (incl. Supramax & Ultramax) (40,000 - 65,000 dwt)	11%	12.0	23%	0.23%
	Panamax (incl. Kamsarmax) (65,000 - 100,000 dwt)	13%	11.9	25%	0.17%
	Capesize (100,000 + dwt)	6%	10.8	15%	0.08%
	Total Dry Bulk > 10,000 dwt	9%	12.2	21%	0.16%

Source: Clarksons Platou

CMT Fleet Average Age: 8.9

# Capesize Age Profile



Source: S&P Global



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

TYPE		PRICE (IN US\$ MILLION)				
YEAR		2022	2023		Jun 2024	
208,000 DWT	NB	66.6	73.7	11%	82.0	11%
180,000 DWT	NB	60.5	67.0	11%	74.5	11%
180,000 DWT (ECO)	5-YR	43.0	52.3	22%	64.0	22%
180,000 DWT	10-YR	28.0	31.0	11%	45.0	45%
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 14 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

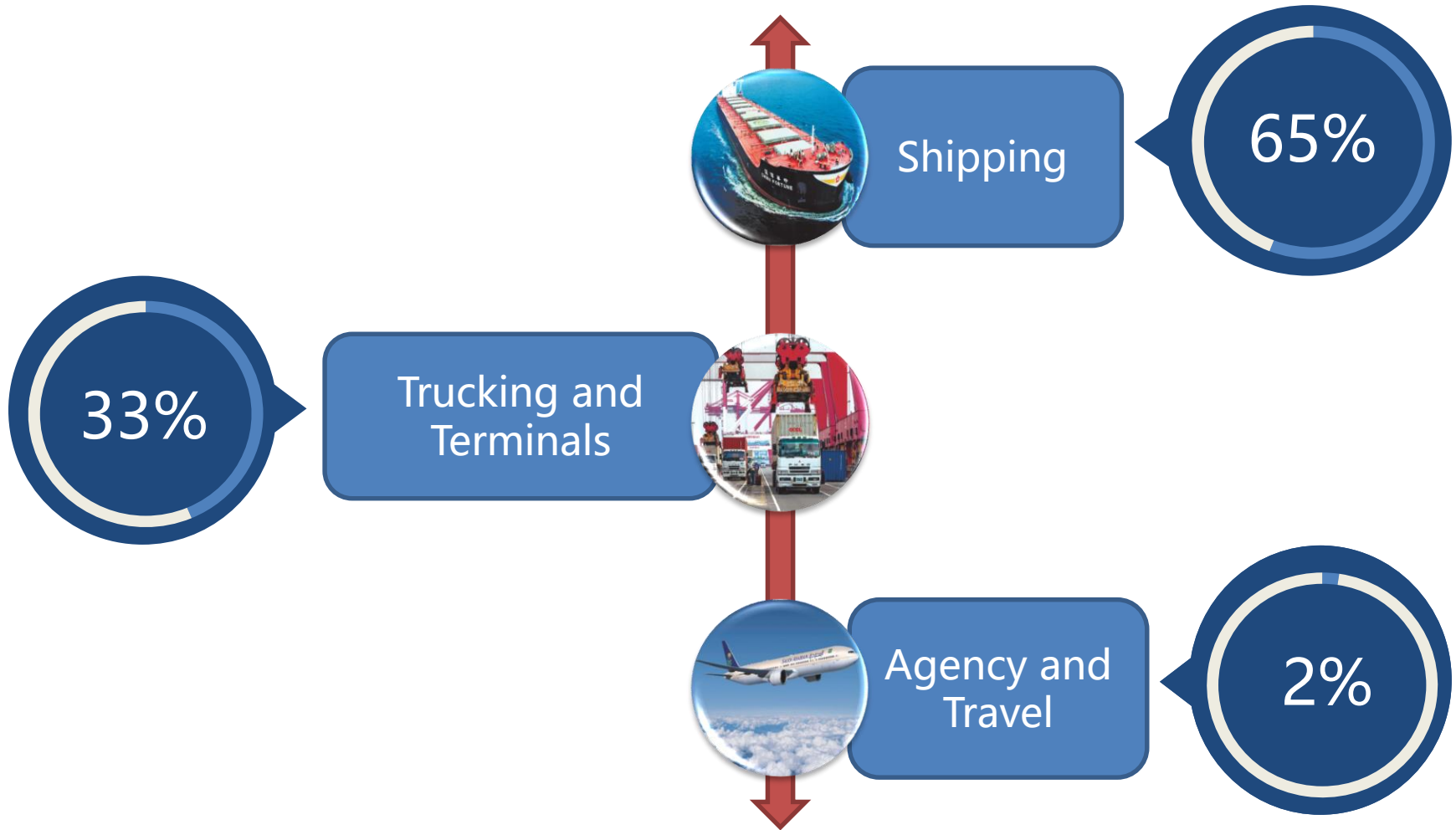
### Terminals :

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 2024Q1





# 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



China Vista  
中華遠景輪  
210,271 DWT



China Ace  
中華宏傑輪  
210,346 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



# 2018-2023 Financial Highlights

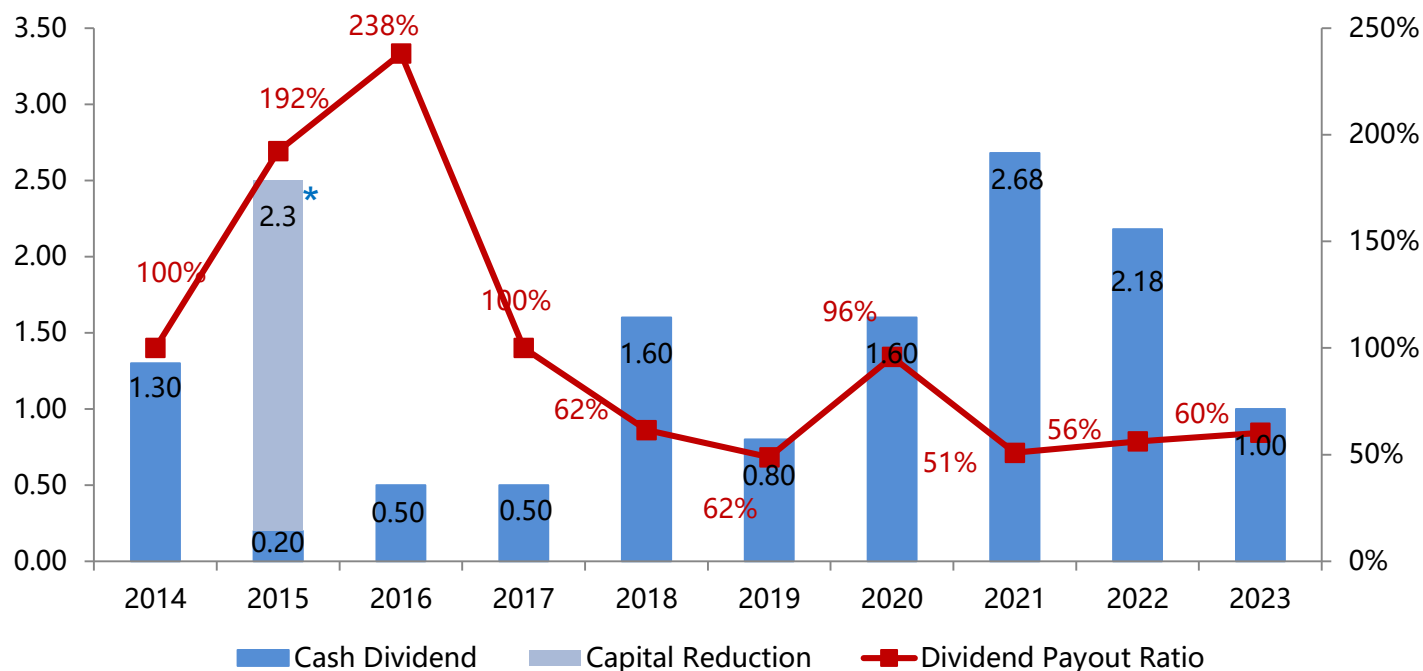
Expressed in millions of New Taiwan Dollars

Year	2019	2020	2021	2022	2023	For the three months ended March 31, 2024
Revenue	3,763	3,132	3,554	4,410	4,015	1,016
Net Profit/(Loss)	324	320	1,031	758	324	127
EPS	1.64	1.67	5.27	3.88	1.66	0.65
Cash and cash equivalents	3,288	3,221	3,057	3,989	3,947	3,773
Total liabilities	10,022	9,735	8,650	8,799	11,764	11,818
Total equity	9,934	9,750	10,428	11,652	11,649	12,118
ROE %	3.2%	3.3%	10.3%	6.87%	2.78%	4.29 %
ROA %	2.5%	2.3%	5.8%	4.45%	2.82%	3.56 %
Liability %	50%	50%	45%	43%	51%	49%



# 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	March 31, 2024	Dec 31, 2023	March 31, 2023
Current assets	5,265	5,279	5,347
Property, plant and equipment	16,363	15,963	14,813
Intangible assets	5	4	5
Other non current assets	2,303	2,168	1,843
<b>Total assets</b>	<b>23,936</b>	<b>23,414</b>	<b>22,008</b>

Liabilities and Equity			
Current liabilities	4,392	4,283	4,245
Non Current liabilities	7,426	7,481	6,467
<b>Total liabilities</b>	<b>11,818</b>	<b>11,764</b>	<b>10,712</b>

Equity attributable to owners of parent			
Common stock	1,975	1,975	1,975
Capital surplus	53	53	53
Retained earnings	9,394	9,464	9,310
Other equity interest	631	93	-50
Non-controlling interests	65	65	8
<b>Total equity</b>	<b>12,118</b>	<b>11,650</b>	<b>11,296</b>
<b>Total liabilities and equity</b>	<b>23,936</b>	<b>23,414</b>	<b>22,008</b>

## Appendix 2 : Condensed Statement of Comprehensive Income

Expressed in thousands of New Taiwan Dollars

	For the three months ended March 31, 2024	2023	For the three months ended March 31, 2023
Operating Revenues	1,015,644	4,014,892	929,368
Operating costs	786,107	3,157,517	710,632
Gross profit	229,537	857,375	218,736
Operating expenses	119,478	483,101	120,102
Net operating income	110,059	374,274	98,634
Non operating income and expenses	24,370	58,289	84,280
Profit before tax	134,429	432,563	182,914
Less: tax expenses	6,977	108,695	11,445
<b>Profit</b>	127,452	323,868	171,469
Other comprehensive income, net	538,656	44,381	(96,651)
Comprehensive income	666,108	368,249	74,818
<b>Earnings per share</b>	<b>0.65</b>	<b>1.66</b>	<b>0.88</b>

## 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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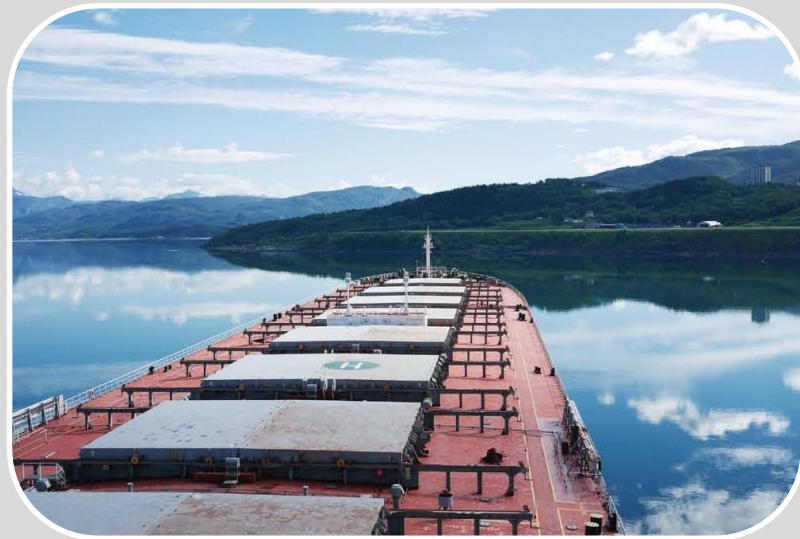
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# Thank You!

