



Financial Results for FY2021 1st Quarter

JULY.30, 2021

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1. FY2021 1st Quarter Results

□ Outline

In Q1, ONE's profit significantly increased to US\$2,559 Million compared to the same period last year (+US\$2,392 Million).

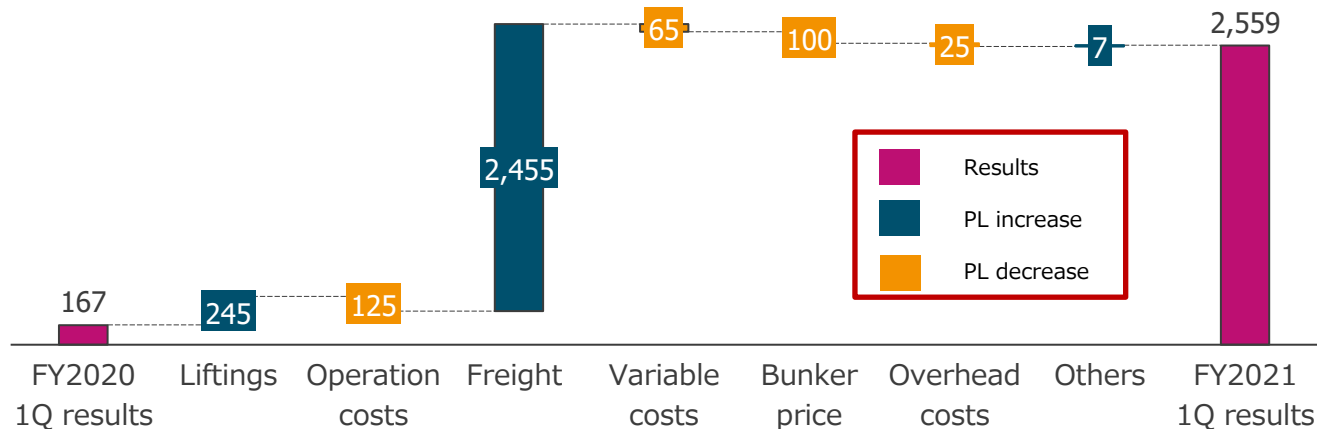
This increase is mainly due to the continuous strong market.

- The global container trade volumes increased by approximately 20% Y to Y. Vessel utilization was at full capacity due to the strong cargo demand.
- The turmoil within the entire global supply chain continued in Q1. Severe shoreside and inland congestion was and is still ongoing.
- Long term freight increased and short term freight was significantly higher than expected.

□ FY2021 1st Quarter Results and PL Analysis

(Unit: Million US\$)

	FY2020	FY2021	1Q	
	1Q Results	1Q Results	Change	Change (%)
Revenue	2,736	5,776	3,040	111%
EBITDA	488	2,924	2,436	499%
EBIT	242	2,657	2,415	998%
Profit/Loss	167	2,559	2,392	1432%
Bunker Price (US\$/MT)	\$348	\$465	\$117	34%
Bunker consumption (K MT)	877	906	29	3%
Lifting (K TEU)	2,673	3,104	431	16%



- Liftings: Increased due to global strong cargo demand compared to the same period last year, which was significantly affected by COVID-19.
- Operation costs: Increased due to faster vessel speeds to improve schedule reliability. Vessel delay due to port/terminal congestion is ongoing.
- Freight: Significantly improved due to increases in both long-term and short-term market.
- Variable costs: Cost saving initiatives progressed, but additional costs increased due to shoreside and inland congestion.
- Bunker price: Further increased.
- Overhead costs: Agency fees increased.
- Others: Increased due to FX impact and interest rate, etc.

2. Liftings, Utilization Rates, Freight Index in Major Trades

(Unit: 1,000TEU)

Liftings / Utilization by Trades		FY2020							FY2021
		1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results	1Q Results
Asia - North America Eastbound	Lifting	610	765	1,375	730	659	1,389	2,764	615
	Utilization	96%	100%	98%	103%	102%	103%	100%	100%
Asia - Europe Westbound	Lifting	347	419	766	402	389	791	1,556	436
	Utilization	96%	98%	97%	102%	99%	100%	99%	100%
Asia - North America Westbound	Lifting	327	328	654	368	330	698	1,352	328
	Utilization	51%	43%	47%	54%	56%	55%	51%	54%
Asia - Europe Eastbound	Lifting	290	289	579	331	308	639	1,219	339
	Utilization	75%	70%	73%	80%	80%	80%	76%	82%

(Unit: 100 = average freight rates as of FY2018 1Q)

Freight Index by Trades		FY2020							FY2021
		1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results	1Q Results
Asia - North America Eastbound		110	119	115	140	157	148	132	185
Asia - Europe Westbound		106	103	104	125	280	201	153	327

- **Liftings, Utilization Rates** : The lifting on Asia-North America E/B decreased from FY2020 Q4 due to blank sailings caused by port congestion or vessel delays, but the vessel utilization rate was maintained at 100%. Both lifting and utilization on Asia-Europe W/B improved. The lifting and utilization rate on both Asia-North America and Asia-Europe trade improved compared to FY2020 Q1.
- **Freight Index** : Both long and short-term freight market increased. It significantly improved compared to the same period last year.

3. COVID-19 Impact & Countermeasures

COVID-19 impact & countermeasures

Outbreaking situation

- In addition to stay-at-home demand, cargo demand related to going out is recovering, and the global container trade volumes increased by approximately 20% Y to Y due to a strong demand for consumer goods. Asia-North America trade market volume from January to June increased by 40% Y to Y and by 27% compared to the same period of FY19 before the COVID-19 pandemic. The average growth ratio from 2016 to 2020 was around 4%.
- The strong cargo demand and labour shortages have resulted in longer port stays, port congestion, and heavy rail and truck traffic.
- Increased container dwell times occurred due to truck and chassis shortages, etc.
- International travel restrictions made flexible crew changes difficult.



ONE's countermeasures

Customer service oriented

- Digital solutions, such as the brand-new digital quotation platform "ONE QUOTE" have been accelerated.
- The Live Chat function has enabled close communications with customers regarding both container availability and vessel.

Operational excellency

- Operational optimization included the increase of vessels speed to recover schedule integrity and rescue rolled-over cargo.
- Container procurement was maximised with new containers phasing in upon delivery, especially for Reefer.
- Full utilization of ONE's own space by AI technology and the execution of empty sweeper sailings to bring empty containers back to those locations with strong demand.
- ONE worked together with the terminals to enhance early container pick up and return requests to the customers.
- In close cooperation with ship owners, crew changes were enabled by diverting vessels and adding extra port calls.

Quality of employees

- Flexible remote working has continued in offices around the world. Activities to keep employees connected and contributions to local communities have also continued.
- Neptune Declaration on seafarers' wellbeing as well as crew change has been undertaken as CSR activity.



**There remains excessive strain on the entire global supply chain.
ONE is doing its utmost effort to support social infrastructure globally.**

4. FY2021 Full Year Forecasts

- Whilst the current demand is rapidly increasing, the excessive strain on the entire global supply chain triggered by operational restrictions resulting from COVID-19 pandemic still remains.
- The COVID-19 pandemic is expected to ease with the global vaccination roll out. However, the resurgence of COVID-19 continues in some countries and possible variants are still a great cause for concern. It is difficult to predict when the pandemic and its effects will be over.
- Under such circumstances, approximately US\$6,000 million profit after tax would be expected for the FY21 1H at the present moment.
- The economic environment is now changing as the global situation of COVID-19 changes. It is therefore extremely difficult to make a performance forecast and as such ONE's forecasts for FY2021 are yet to be finalized.

5. Actions to Achieve Further Competitiveness

- The launch of the new THE ALLIANCE product for FY 2021 which includes the new ASIA-US GULF service (EC6), the merger of the EC1 and EC3 in Asia- EC North America route through the deployment of larger vessels and a restructuring and capacity boost of the Transatlantic services, resulted in increased frequency, improved transit times, and provided a wider range of port pairs.
- The new Asia-East Africa (EAF) service, where growth is expected, successfully launched in April 2021 with vessels fully loaded.
- E-Commerce function, ONE's brand-new digital instant quotation and booking platform "ONE QUOTE" is successfully expanding since its launch in February 2021 and will enhance new functions, like E-payment and E-signature.
- ONE conducted a 2nd successful trial using sustainable biofuel to power the M/V MOL Experience deployed in the Transatlantic service; a positive step forward for ONE's sustainability initiatives.
- ONE has been awarded ISO 9001 for ONE's Quality Management System (established in April 2018). The system is a strict self-imposed safe ship management system, ensuring safe navigation and cargo operation which meets with international standards and complies with rigorous quality management principals.
- ONE became a gold sponsor of 'Flying Angel Campaign' by The Mission To Seafarers charity to support Seafarers' Wellbeing under COVID-19 and crew changes despite travel restriction.

6. Reference (Fleet Structure & Service Structure)

▣ Fleet Structure

Size		1) As of end June 2020	2) As of end Mar 2021	2)As of end June 2021	3)-1)
>= 20,000 TEU	Capacity(TEU)	120,600	120,600	120,600	0
	Vessels	6	6	6	0
10,500 - 20,000 TEU	Capacity(TEU)	396,600	431,600	441,600	45,000
	Vessels	29	32	32	3
9,800 - 10,500 TEU	Capacity(TEU)	100,100	100,100	110,200	10,100
	Vessels	10	10	11	1
7,800 - 9,800 TEU	Capacity(TEU)	374,326	383,326	365,698	▲ 8,628
	Vessels	42	43	41	▲ 1
6,000 - 7,800 TEU	Capacity(TEU)	202,080	170,866	163,984	▲ 38,096
	Vessels	31	26	25	▲ 6
5,200 - 6,000 TEU	Capacity(TEU)	83,992	94,928	83,699	▲ 293
	Vessels	15	17	15	0
4,600 - 5,200 TEU	Capacity(TEU)	113,580	103,607	103,607	▲ 9,973
	Vessels	23	21	21	▲ 2
4,300 - 4,600 TEU	Capacity(TEU)	62,952	67,271	67,271	4,319
	Vessels	14	15	15	1
3,500 - 4,300 TEU	Capacity(TEU)	25,408	32,664	29,130	3,722
	Vessels	6	8	7	1
2,400 - 3,500 TEU	Capacity(TEU)	60,704	79,282	71,814	11,110
	Vessels	23	30	27	4
1,300 - 2,400 TEU	Capacity(TEU)	10,296	12,171	10,415	119
	Vessels	6	7	6	0
1,000 - 1,300 TEU	Capacity(TEU)	7,452	8,536	10,663	3,211
	Vessels	7	8	10	3
< 1,000 TEU	Capacity(TEU)	0	0	0	0
	Vessels	0	0	0	0
Total	Capacity(TEU)	1,558,090	1,604,951	1,578,681	20,591
	Vessels	212	223	216	4

▣ Service Structure

(FY2021 Q1 Structure of dominant and non-dominant space)

