### IR / MEDIA CONFERENCE

23 March 2022

# AS ONE, WE CAN.

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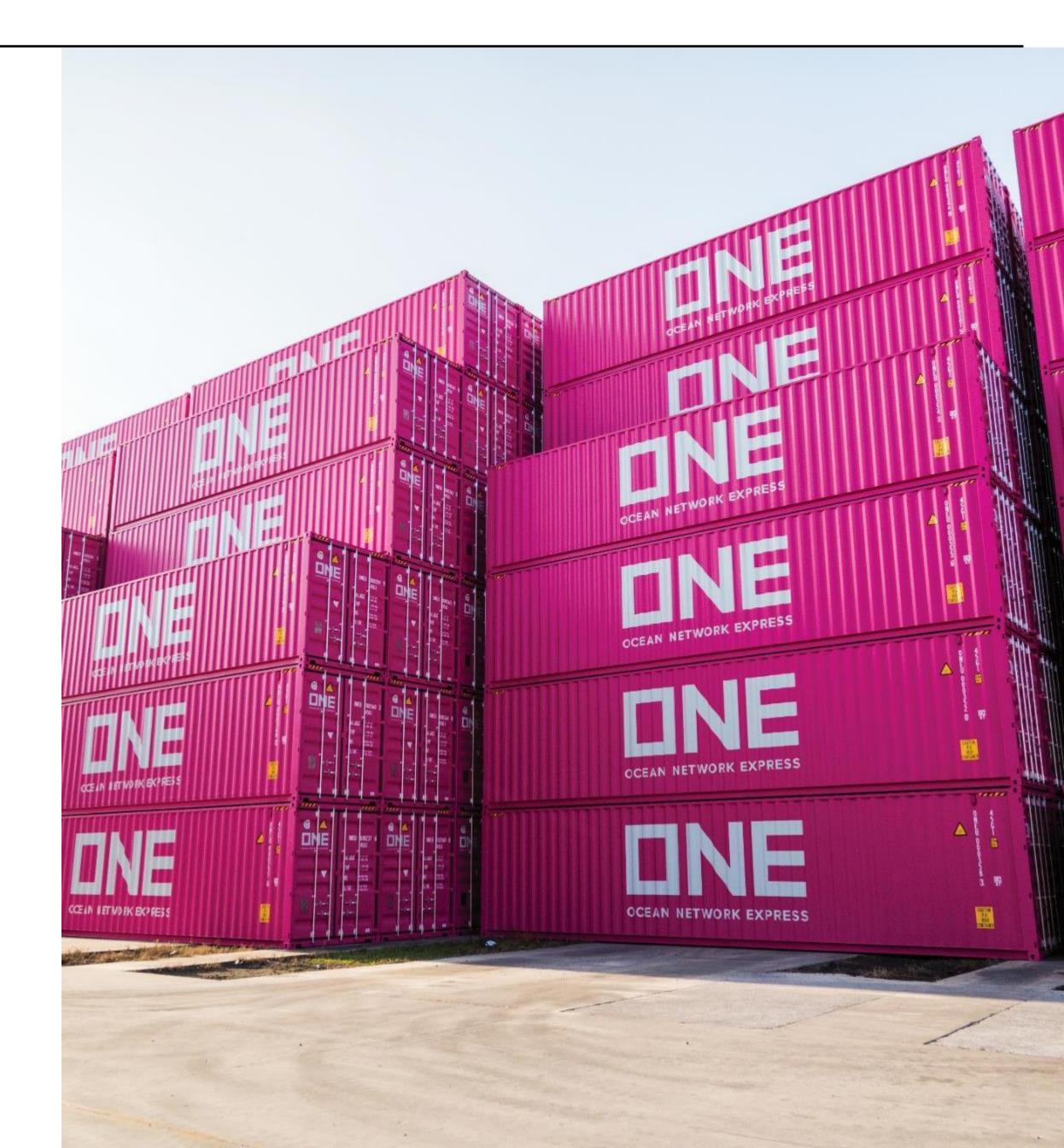


### **Business Overview**

### **ONE's Midterm Strategy**

### **Green Strategy**

### **Digitalization Strategy**





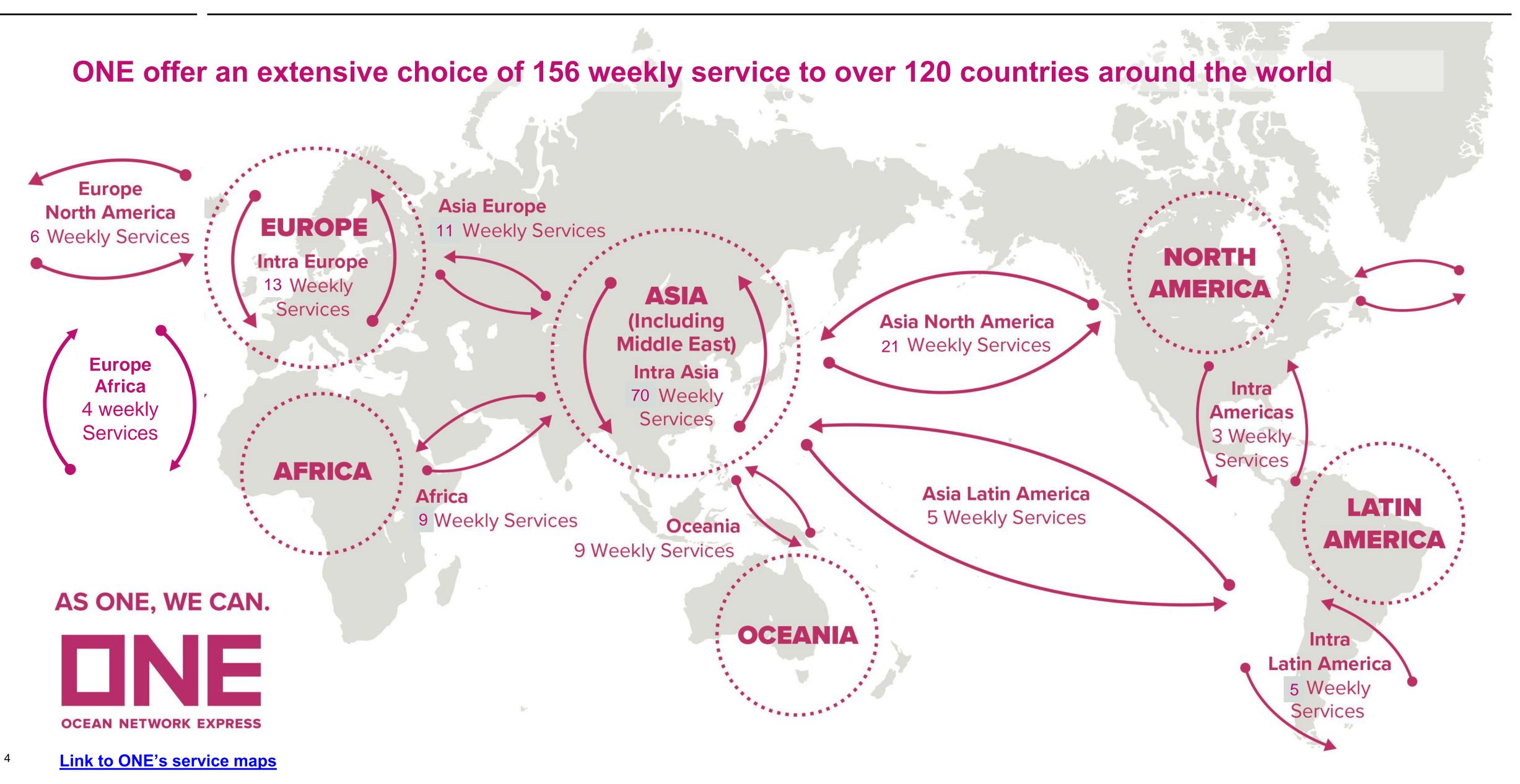
### Business Overview







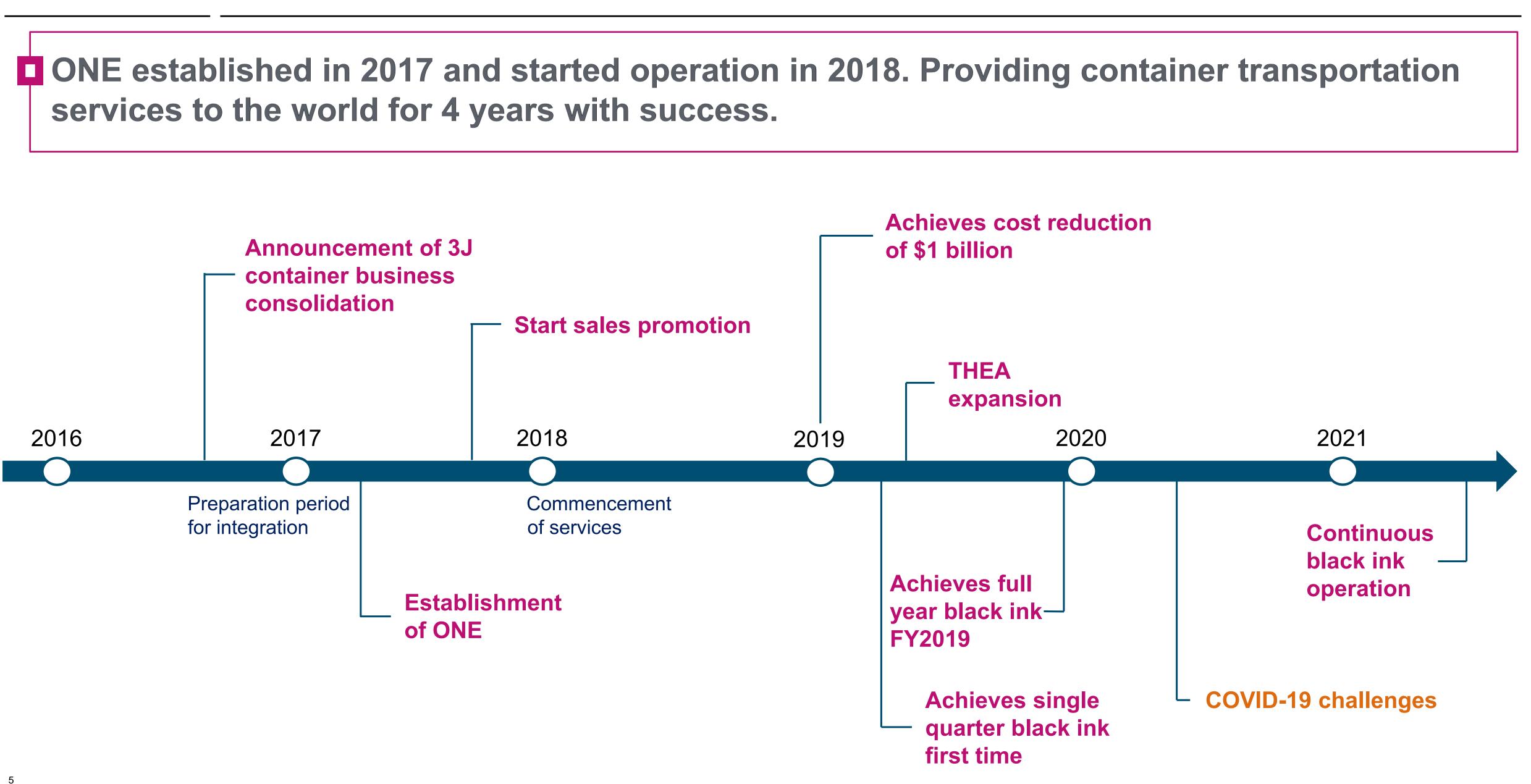
### **ONE's BUSINESS STRUCTURE (GLOBAL NET WORK)**





### **INE OCEAN** NETWORK EXIDESS **ONE'S JOURNEY**

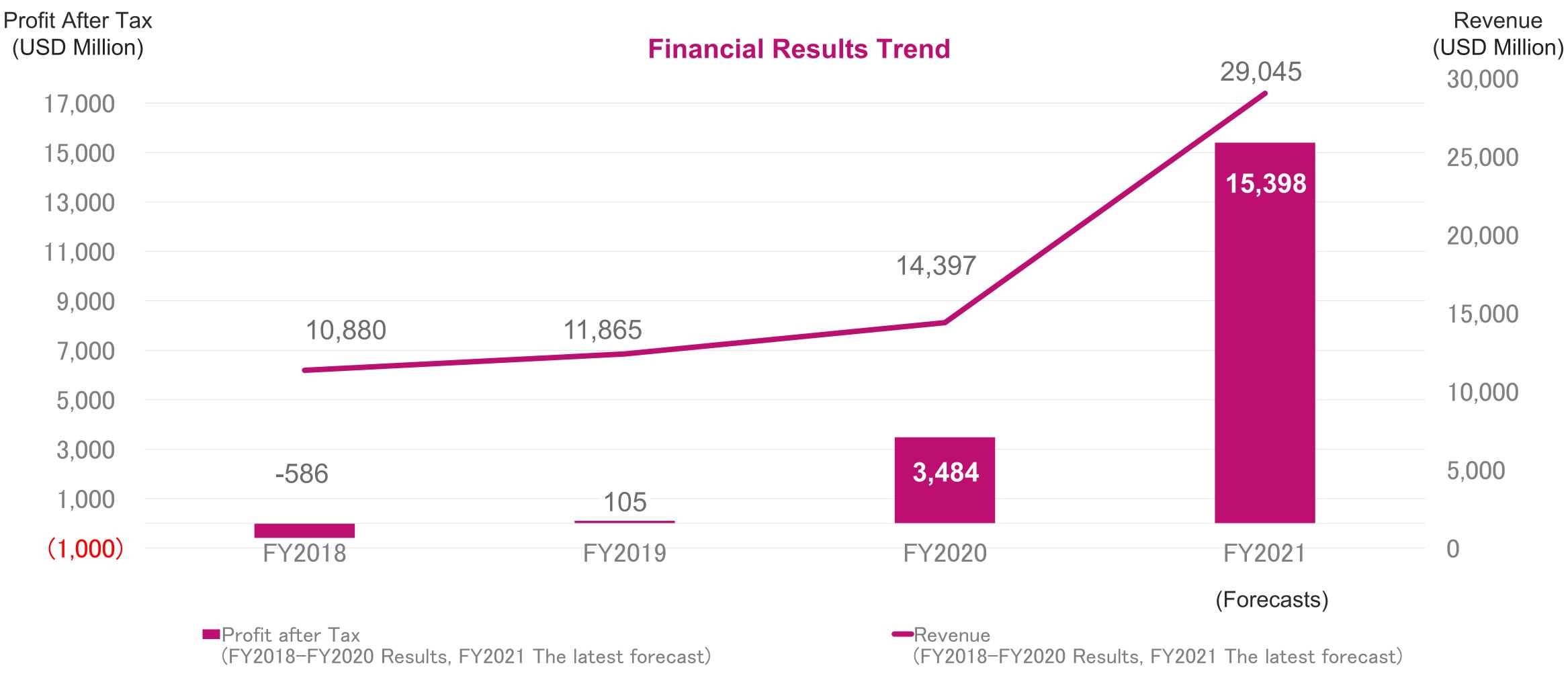
### services to the world for 4 years with success.





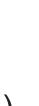
### **BUSINESS OVERVIEW - FY2018-FY2021 PROFIT AND LOSS**

### ONE recorded a loss in FY2018, but has produced profit in every year since.







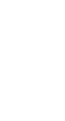




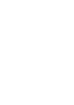














### Top class profitability - ONE's EBIT margin in January to December 2021 was 53%.

excellence is yielding better margins.

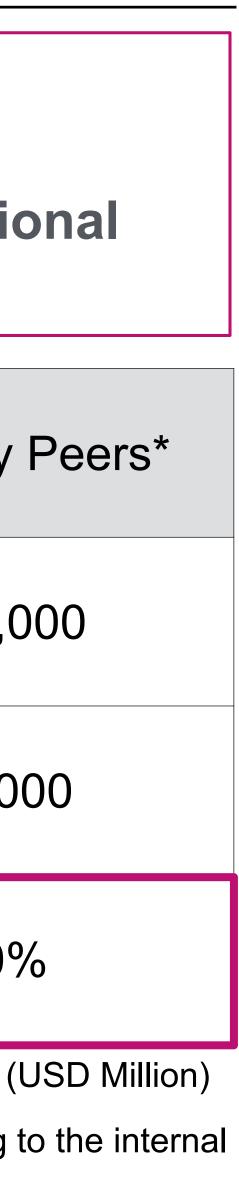
- US\$1Bn per annum synergy effects against FY2015 level (of three parent companies) has been fully achieved.
- New "ONE INITIATIVES" Service network optimization, yield management, operational excellence, etc. have further enhanced performance.

REVE
EBIT

\*Industry Peers are top 8 liner companies results, without considering segments, as long as published. ONE converted to US Dollar according to the internal exchange rates.

- Our business scale as a major container shipping company and our focus on operational

2021 Jan-Dec	ONE	Industry Peers
REVENUE	26,389	228,000
EBIT	13,922	91,000
EBIT Margin	53%	40%
		(USD Mi





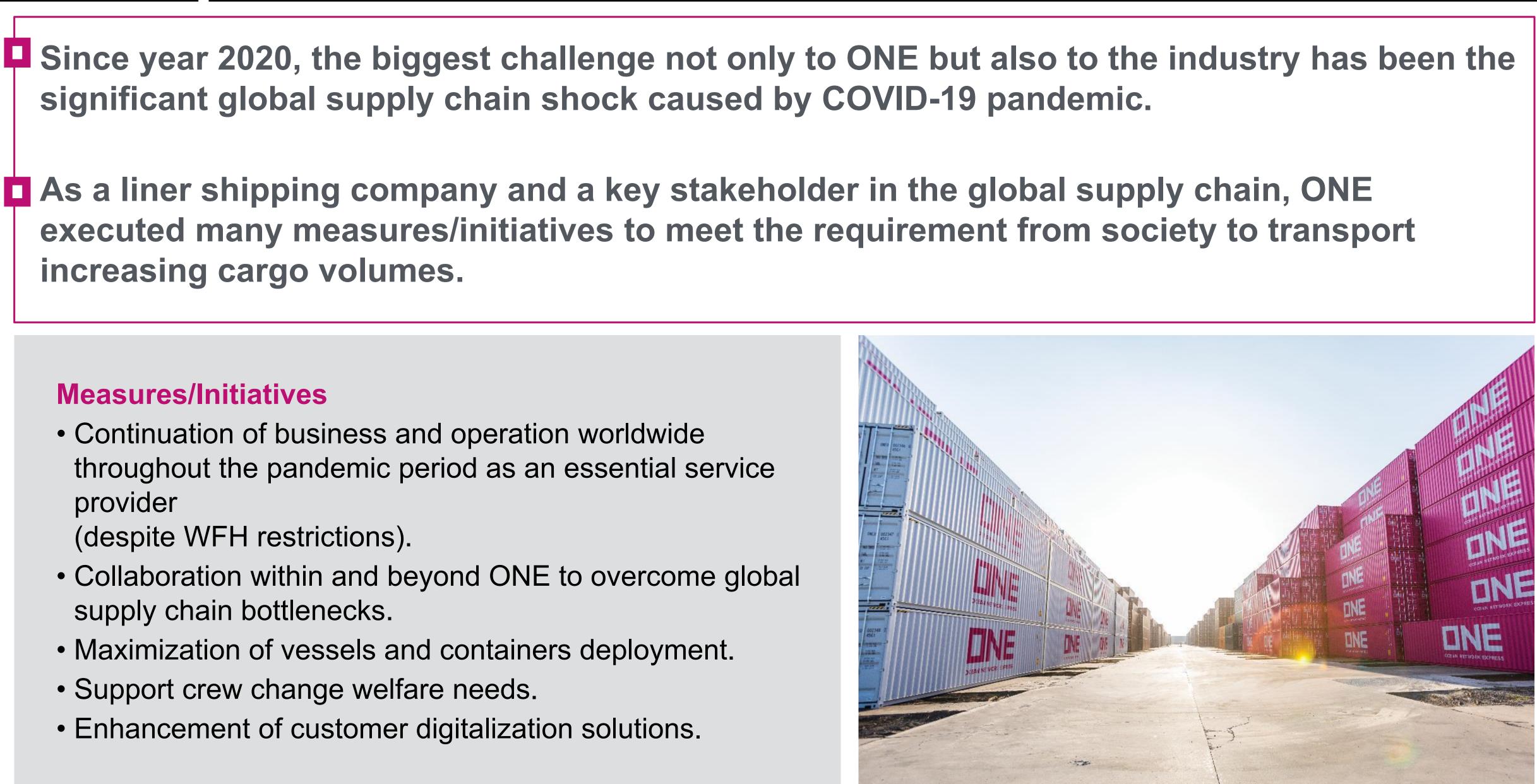
### **CURRENT BUSINESS ENVIRONMENT 1/3**

- significant global supply chain shock caused by COVID-19 pandemic.
- As a liner shipping company and a key stakeholder in the global supply chain, ONE increasing cargo volumes.

### Measures/Initiatives

- Continuation of business and operation worldwide throughout the pandemic period as an essential service provider
  - (despite WFH restrictions).
- Collaboration within and beyond ONE to overcome global supply chain bottlenecks.
- Maximization of vessels and containers deployment.
- Support crew change welfare needs.
- Enhancement of customer digitalization solutions.

executed many measures/initiatives to meet the requirement from society to transport



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### **CURRENT BUSINESS ENVIRONMENT 2/3**



- The disruption to the global supply chain by the pandemic is not over yet and it will take more time to fully eliminate.
- In the short-term, we still see supply chain, uncertainties, e.g. timing of normalization from COVID-19 pandemic, Ukraine/Russia tensions, and global inflation, etc.
- On top of short-term uncertainties, commitment to decarbonization, adaptation to customers changing demands, governance and cyber security are all key components that need continuous management attention.



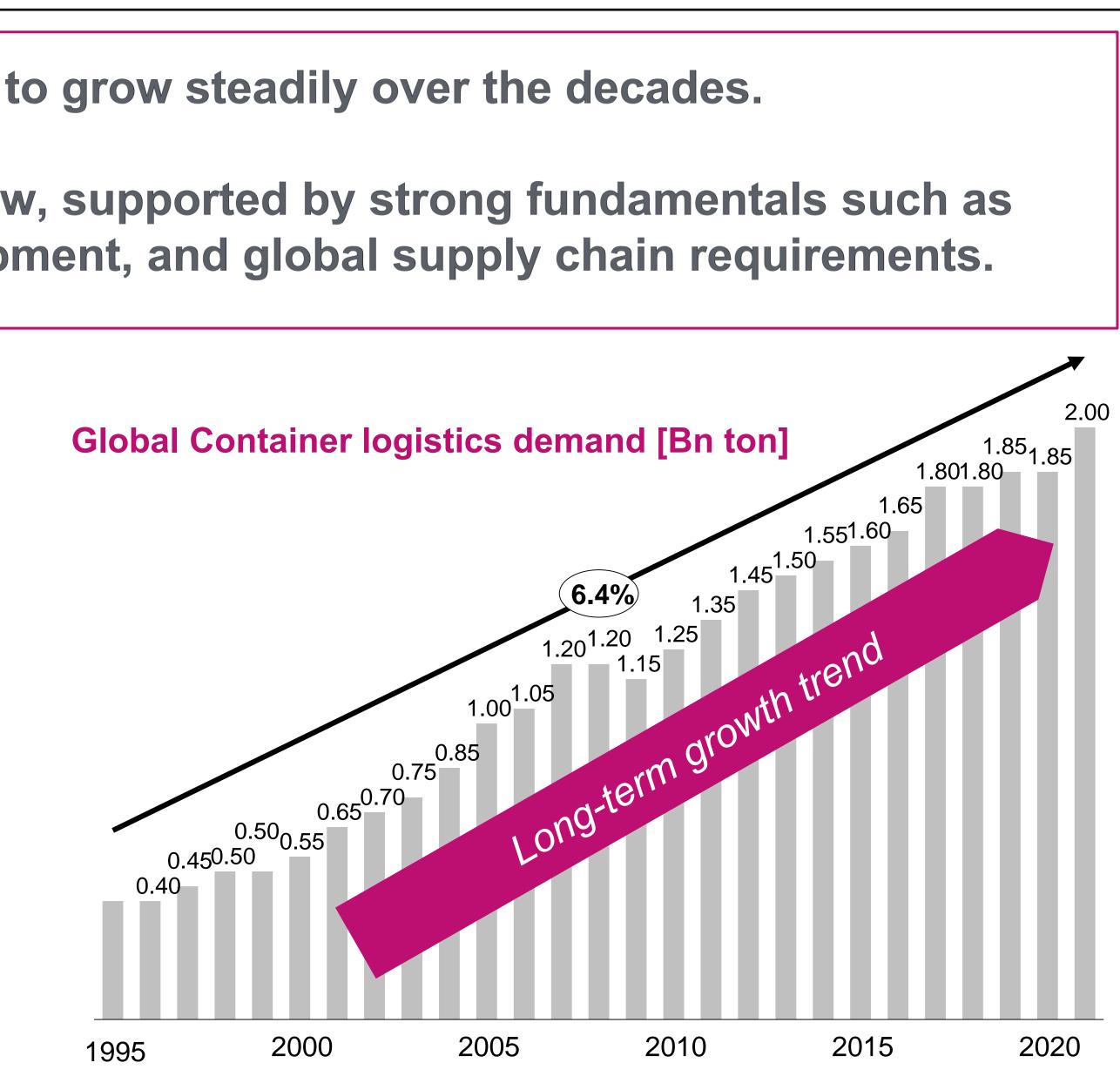


### **CURRENT BUSINESS ENVIRONMENT 3/3**

### Container logistics demand has continued to grow steadily over the decades.

- As a basic part of global infrastructure, continuous investment in assets is needed to meet global transportation needs
- IMO Decarbonization requirements will increasingly impact global vessel supply.

Container demand is still forecasted to grow, supported by strong fundamentals such as population increase, infrastructure development, and global supply chain requirements.









### **ONE'S MIDTERM STRATEGY**

# economy of scale and operational efficiency.



### **Periodical investment to** remain as growing major player

Full utilization of asset (Ships, box, IT and talent) **Yield Managements** 

Keep top class industry profitability and target ROE 10% over the long term.

ONE will continue to aim for best-in-class industry profitability by successfully combining

### **Top class profitability** In the industry





### **ONE'S MIDTERM STRATEGY**

### Key **Strategies**

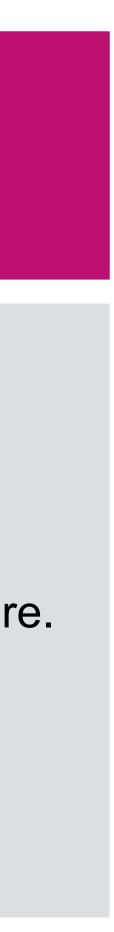
**1. ONE will continue its strategic investment in the liner business** achieving sustainable maritime transport services

- Committed to high quality and safe global shipping services.
- Focused on environmentally and economically sustainable investments through independent finance.
- Firm actions to achieve net-zero emission by 2050.
- Further improve operational efficiency through the maximization of asset utilization.
- Reinforce and strengthen ESG+O(operational excellence) to be a sustainable and resilient organization.

### Establish mutually sustainable partnerships with customers and service providers.

# 2. ONE will be a leader in the decarbonization of shipping and is totally committed to

• Providing value added and efficient customer service, through digitalization and data driven enterprise architecture.



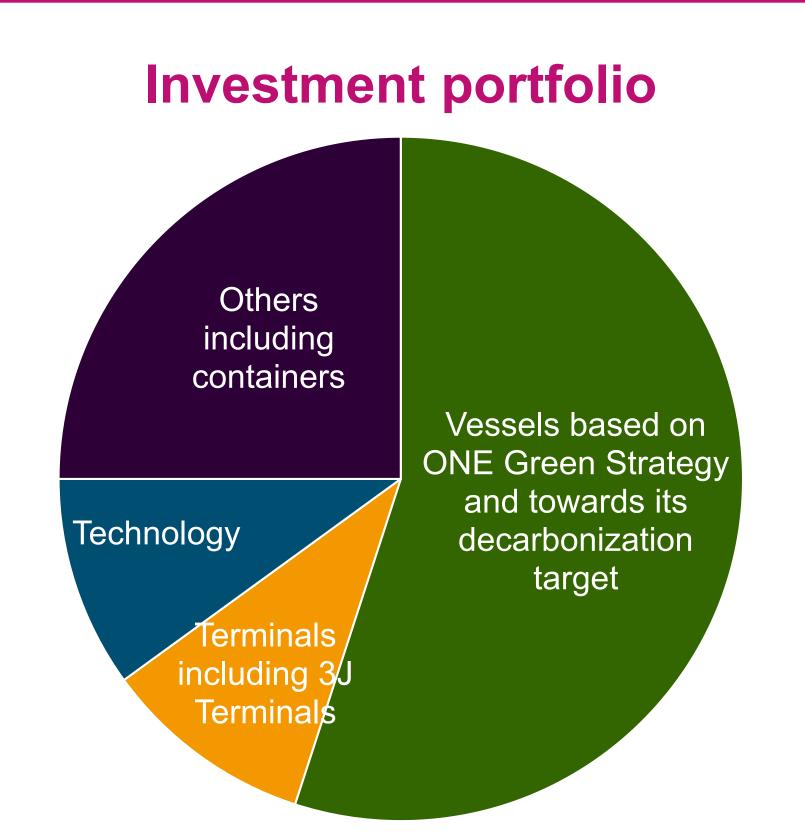






### FY2022 - 2030 INVESTMENT PLAN

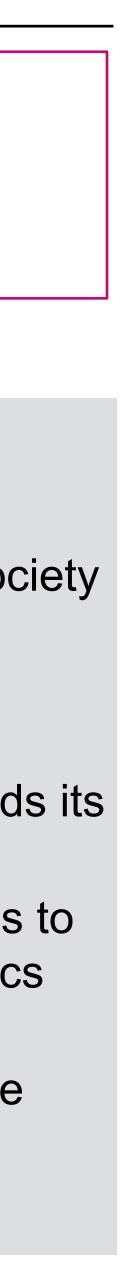
ONE is committed to the Liner business and plans to invest more than US\$20Bn by 2030. Investment is made to sustain a best in class supply chain for our customers and meet **ONE's future decarbonization targets.** 



\*ONE's investment plan is based on recent trade statistics and assumptions will be regularly reviewed according to cargo demand and other business environment factors.

### **Investment** plan

- Based on its mission to provide essential service for society and fulfil customers' requirement, ONE would continue investing in enhancing its core fleet.
- As responsible company, ONE would be investing to upgrade its fleet based on its green strategy and towards its commitment to accelerate decarbonization.
- ONE would also be investing in areas such as terminals to offer superior service to customer as end-to-end logistics provider
- Digitalization to improve customer experience and more efficient deployment of assets.





### **CURRENT FLEET INVESTMENT**

### To fulfil growing demand and upgrade ONE's core fleet, the following investment (over 520K TEU in total) has already been made in newbuilding commitments.

### Fleet investments made and in pipeline

Phase in	Size TEU	No. of Vsl
FY2020	12K	4
FY2020-21	15K	4
FY2022	12K	4
FY2023	15K	4
FY2023	24K	6
FY2024	15K	6
FY2024	7K	10

\* These investments have been completed and are not included in the USD\$20billion investment plan outlined last slide.

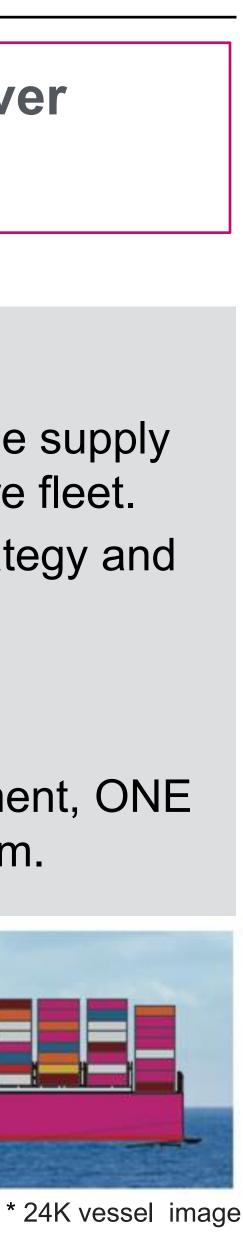
### Investing in newbuilding

- To fulfil customers' demand for future sustainable supply chains ONE has already been expanding its core fleet.
- These investments are part of ONE's green strategy and ulletdecarbonization plan.

### **Extension of existing charter fleet**

• To maintain necessary network growth requirement, ONE will also be extending its existing charter program.

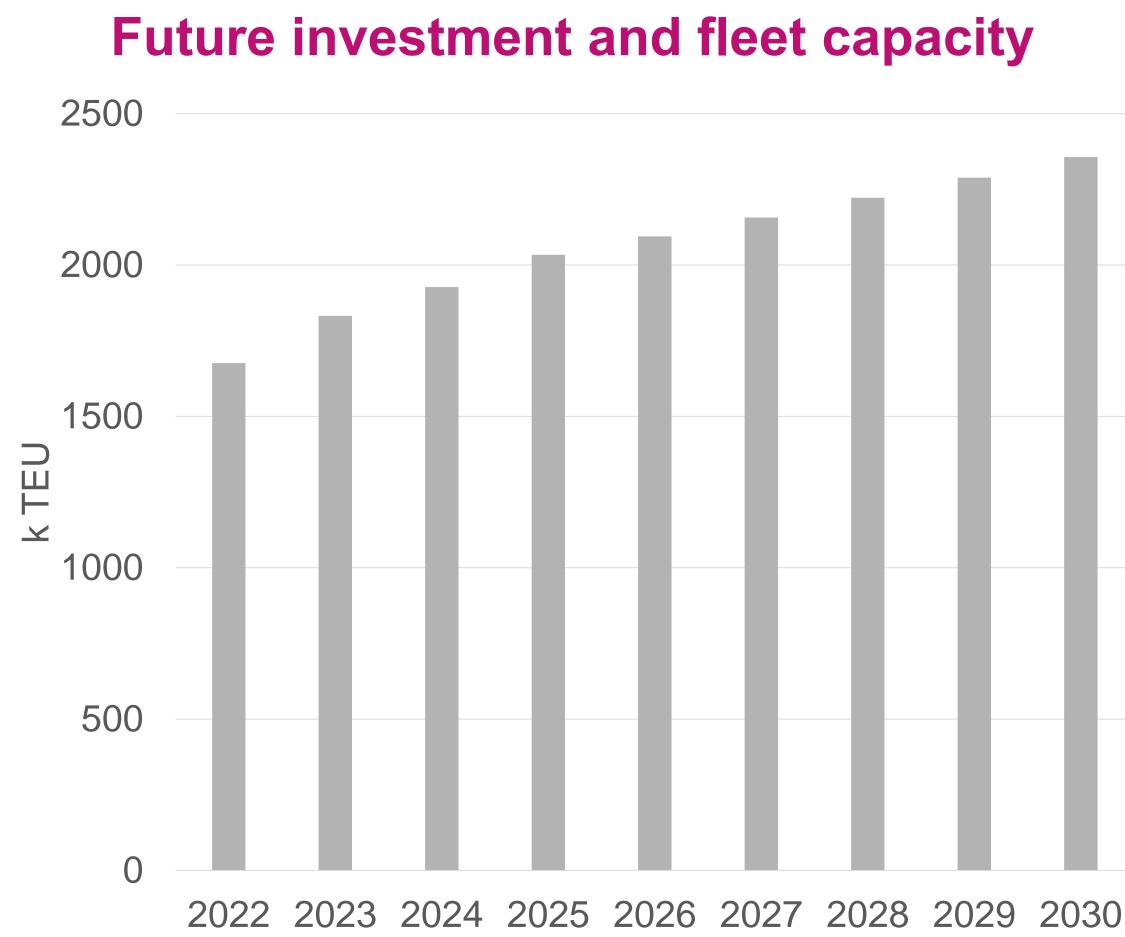






### **FUTURE FLEET INVESTMENT**

### To meet growing demand and our decarbonization target, ONE plans to invest in approx. **150K TEU of newbuilding annually.**

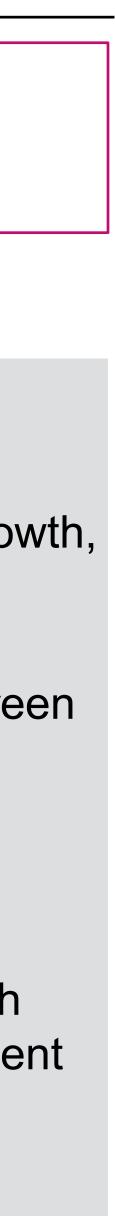


### Investment to enhance core fleet

- To provide better service addressing long term growth, ONE plans to invest in approx. 150K TEU of newbuilding on annual basis.
- Investment in newbuilding will align with ONE's green strategy.

### **Replacement of obsolete vessels to accelerate** decarbonization

 Obsolete vessels would gradually be replaced with newbuilding delivered to achieve ONE's commitment towards decarbonization.





### **BRAND STRATEGY**

### Enhancing ONE's service delivery platform

### Grow awareness of our brand personality to external stakeholders



Operation excellency

Support business growth by developing corporate values.

### **Quality of** employees

**Grow recognition of** employee internally

### Customer service oriented







### **SUSTAINABILITY VISION AND ESG+O STRATEGY**

Vision	"To be sustainable and resilier	nt; a trusted part
Category	Environment	Socia

As a responsible and transparent business partner, footprint will be updated through ONE Sustainability Report.



#### Social

- Talent Management Re-establish ONE's HR  ${\color{black}\bullet}$ infrastructure and policies. Annual engagement survey. Flexible working conditions.
- Human Rights Regular updates on policies and global  $\bullet$ training, whistleblowing system. Respect for Seafarers.
- CSR Activities #OneOcean (marine conservations),  $\bullet$ #OnePinkRibbon (Awareness), contributions to local society.

tner for customers in delivering global shipping solutions".

Governance **Operational Excellence** 

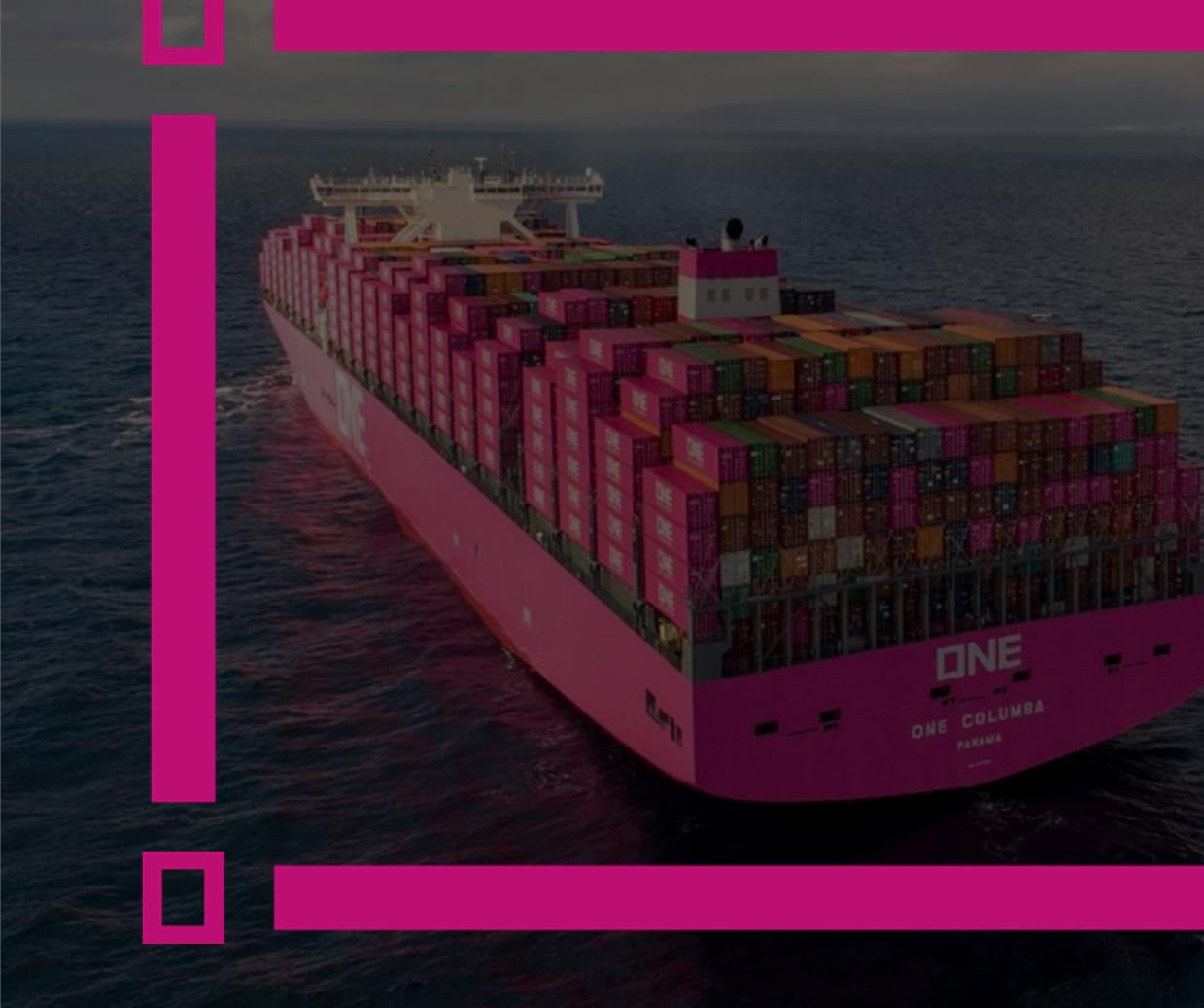
Governance Compliance, Anti-corruption, Antitrust law– Global compulsory training program to all employees. ISO14001 for environment management and EU inland service procurement, ISO 9001 for vessel safety inspection process Supply Chain Management - Engagement management, ethics guideline endorsement, GHG emission data collection.

Cyber Security - Top class security and global training.









# Green Strategy

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### NE NETWORK GREEN STRATEGY

• ONE will be a leader in the decarbonization of shipping and is totally committed to achieving sustainable maritime transport.



ONE's Green Strategy sits at the top of our management agenda, as does our commitment to achieve carbon neutrality by 2050, thereby playing an important role in global environmental conservation.



ONE will make continuous investments in greener assets & technologies whilst also taking all appropriate actions to achieve our green targets.



ONE will engage in open collaboration with industry stakeholders to realize the **Decarbonization of Shipping** 





### **GREEN STRATEGY: ROAD TO ZERO EMISSION**

### ONE takes leadership for open collaboration in the concept of "Road to zero emission" of shipping industry.

### Regulator

### **Rules & Regulations for shipping** industry

Industry-level regulations such as global alignment of emission standards, carbon neutral certification for alternative fuels & carbon capture, scope 3 emission rules and carbon tax etc.

### **Supplier**

#### **Supplier collaboration**

• Ensuring consistent supply of technology, fuel, feedstock and other requirements to continue maintaining and scaling business sustainably

# Zero

emission

#### **Actions from ONE**

### ONE

Addressing decarbonization and other environmental issues such as alternative fuels, carbon management, operational efficiency, ecosystem building etc.

#### **Industry level cooperation**

Alignment and cooperation for green shipping offerings (zero emissions routes), R&D and other initiatives

### Customer

#### **Customers setting green standards**

•Customers addressing their own ambitious targets by setting rules of collaboration with sustainable liners









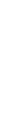


















### **GREEN STRATEGY: VISION / MISSION / TARGET**

To realize our vision and mission, ONE sets new Environmental target including net-zero GHG emission by 2050.

### **Green Vision**



To be a **global leader** in the realization of environmentally sustainable shipping.

### **Decarbonization targets**

Emissions intensity:

Absolute emissions:

Achieve net-zero GHG emissions (including scope 2 & 3) by 2050.

### **Green Mission**

We will achieve carbon net-zero **shipping** in order to protect our planet via lean and agile best practices and open collaboration.

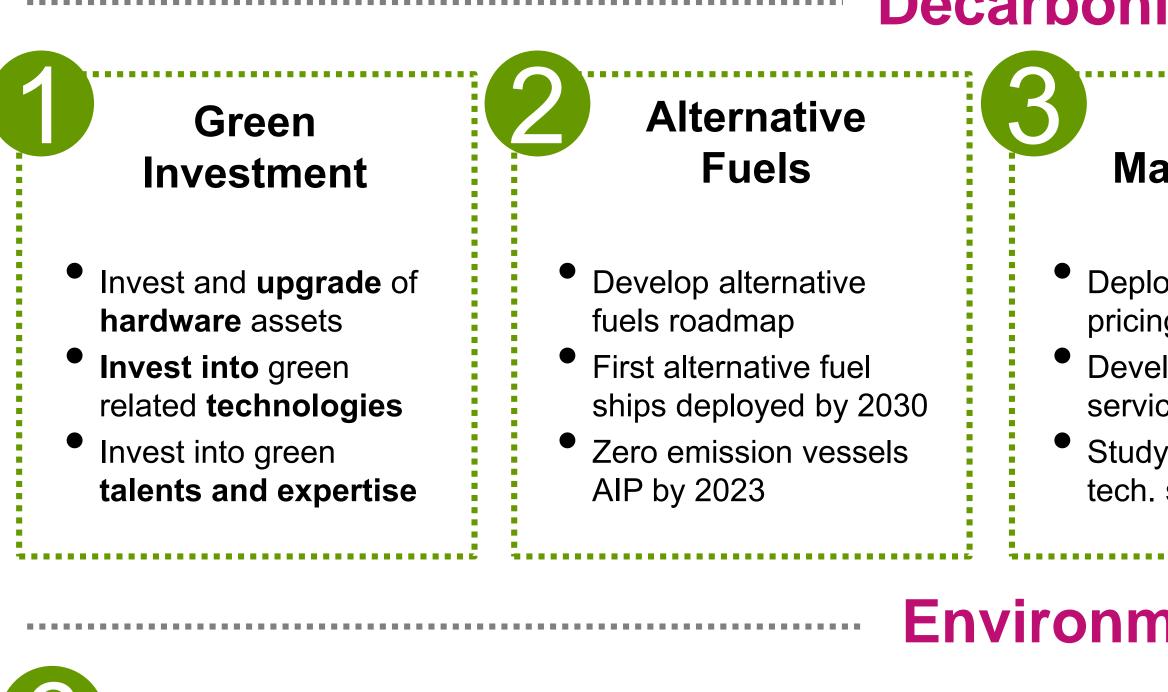
### To Reduce scope 1 GHG emissions by 70% (vs 2008) per TEU km by 2030.





### **GREEN STRATEGY: 7 KEY INITIATIVES**

### To achieve our targets we are addressing 7 key initiatives



### **Clean Ship Recycling**

- Frequent 3<sup>rd</sup> party audits of all dismantling sites used.
- Join the Ship Recycling Transparency Initiative

### **Decarbonization initiatives**

### Carbon Management

- Deploy internal carbon pricing scheme
- Develop low-carbon
- service offering;
- Study green related tech. such as CCS

### Operational Efficiency

- Further improvement of fuel efficiency and other programs
- Vessel digitalization program

### Community Ecosystem Building

- Call to Action for Shipping Decarbonization
- Open collaboration activities such as GCMD, academic partnerships etc.
- Supplier policy

### **Environmental initiatives**

### **Active Environmental Conservation**

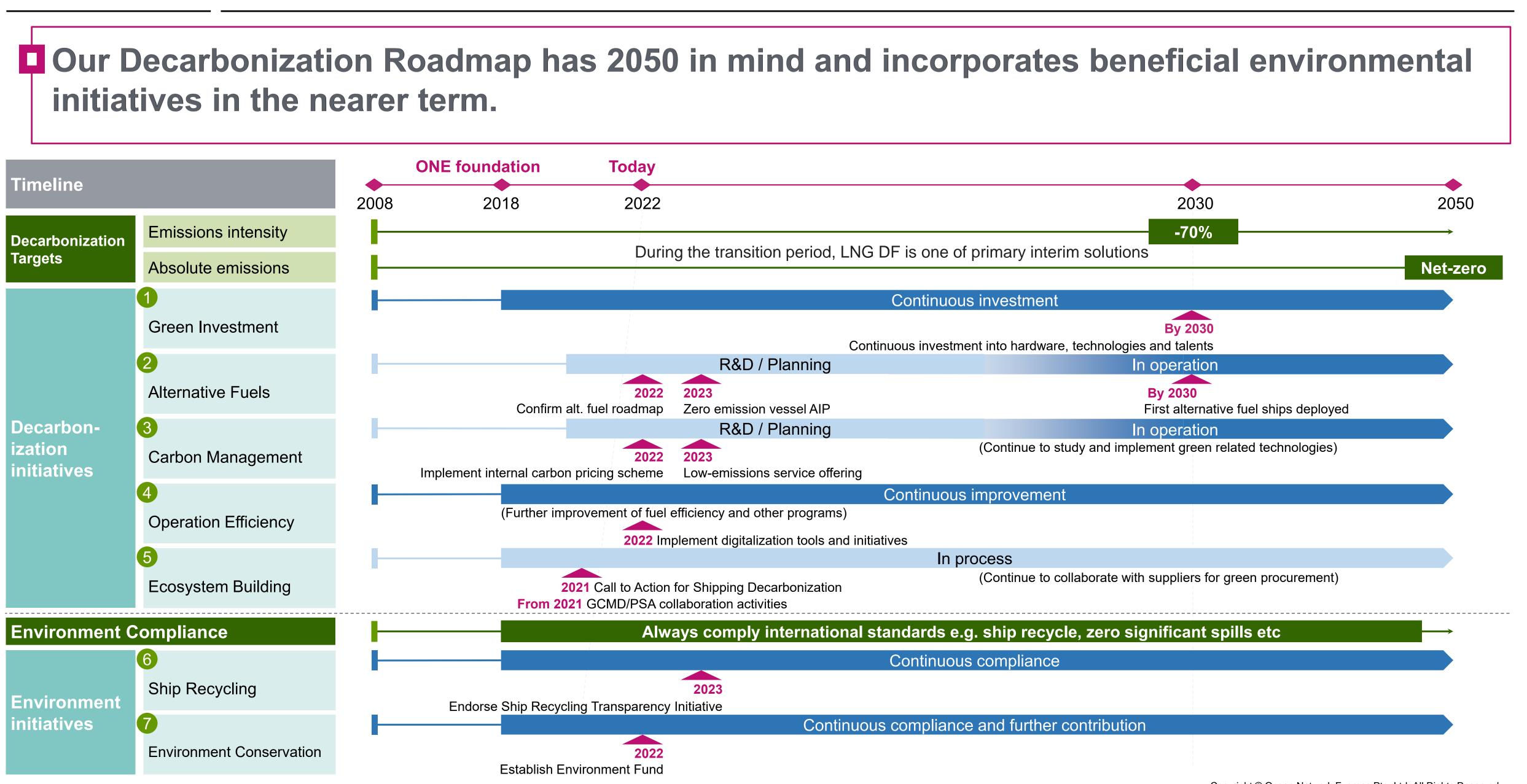
- Ensure zero significant spills for all vessels;
- Participate in ecological conservation programs;
- Establish an Environment Fund to finance activities





### INE NETWORK GREEN STRATEGY: ROADMAP

# initiatives in the nearer term.





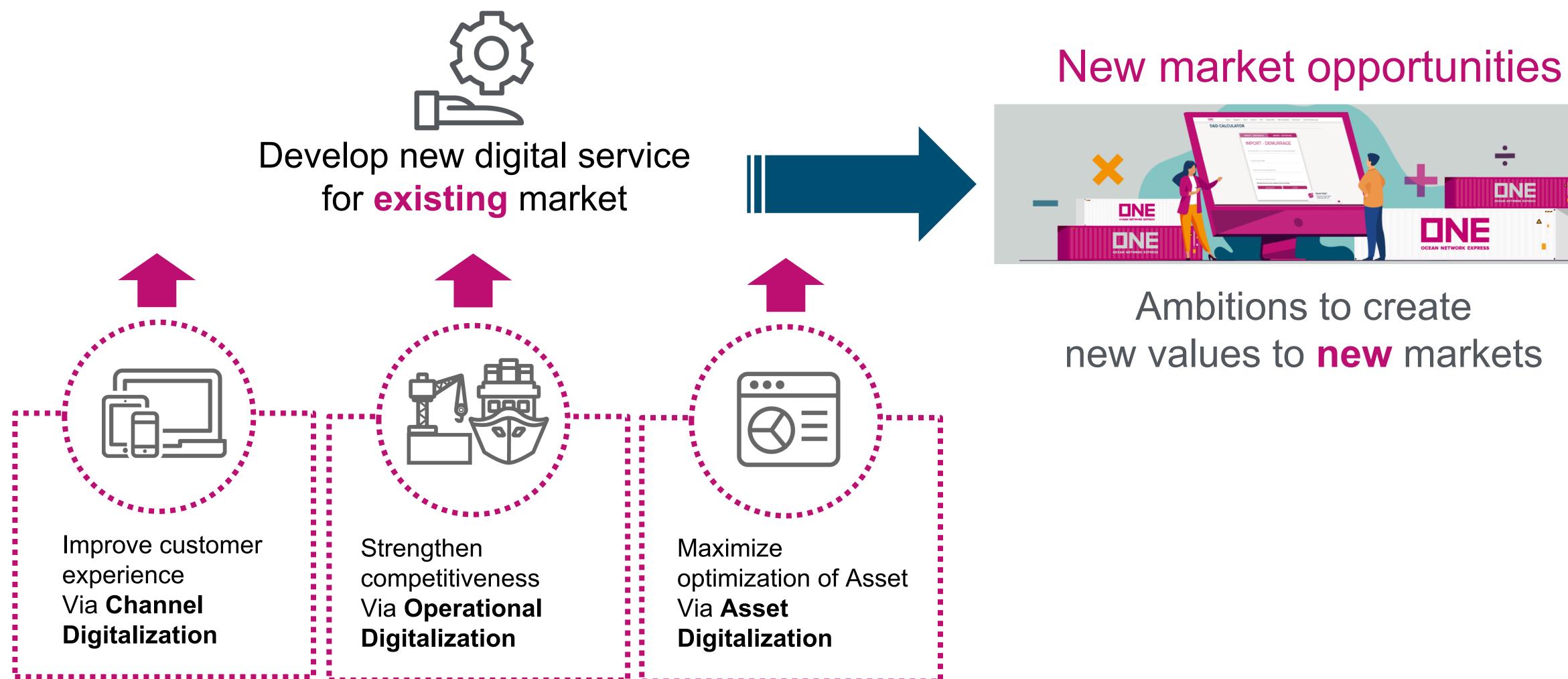






### **DIGITALIZATION STRATEGY**

### As ONE, we deliver value through big data analytics and digital capability to achieve excellent customer experience.





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### **DIGITALIZATION STRATEGY**

### ONE is running more than 20 digitalization initiatives under it's Enterprise Architecture blueprint.

### **Channel Digitalization**

Provide real-time rate quotations, booking confirmations & selfservice on E-Platform, EDI and Chatbot.

Enhance ONE's CRM platform for completeness and timeliness of message exchanges with customers.



Uplift sales and customer service skills and become better customer experiences

### **Operation Digitalization**

Maximize EDI/API connections with stakeholders in the supply chain.

Use RPA to automate tasks such as bookings and invoicing. Apply cutting edgetechnologies to optimize cargo portfolio and maximize utilization.

quality



Automate processes and enable to enhance service

### **Asset Digitalization**

**Optimization of Assets using** historical data. The use of data analytics for container flow and inventory management.

Vessel operation analysis through various vessel information channels/data.



Optimizing our asset usage for supply chain stabilization and CO2 emission reduction







### **ROADMAP IN 5 YEARS**

2021

Digitaliz Quote to B Self service on e-Platform from Quote to **Booking and Payment** Channel Digitalization **Enhance CRM platform** Maximize EDI / API connection **RPA & Di** Operation Automate internal operation process Digitalization Yield management D Asset Deman **Data Driven Enterprise** Digitalization Optimi Reefer Modernize Mission Critical Operating System

Capabili

**BPM** talent development

Data Scientist & Data Analyst talent development

Offshore Agile Development Center

	2022	2023	2024	2025	202
zatio	n Initiatives				
Booking	g & Customer Self-serv	vice Portal			
Mobil	e Application				
e-Pa	yment				
	Digital B/L				
		Blockchain	initiatives		
Sa	ales focus				
	Customer service foc	us			
	EDI / A	PI connection with c	ustomers and partne	rs, etc	
-	andard operation				
p. 00		elease projects			
Opti	imize cargo portfolio a	nd Utilization, etc			
Data do	vernance				
	return forecast				
	ssel operation				
r contai	ner monitoring				
	Deferr	a tha arabitaatura an	l anhanaa faaturaa h		
	Reform	n the architecture and	a ennance reatures pa	ased on new requiren	ients
litv de	evelopment				
		Aim to secure 30+ ne	w BPM talents		
Aim to secure 10+ new Data Scientists / Data Analysts					
hift res	ource from 3rd Party	to In-house			









