



Financial Results for FY2022 3rd Quarter

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(Fleet Structure, Service Structure, Current Orders of New Vessels)

1. FY2022 3rd Quarter Results

□ Outline

ONE's profit for FY2022's third quarter is US\$ 2,768 million, a significant deterioration from the same period last year (-US\$ 2,120m) and the previous quarter (-US\$ 2,752m) resulting from a rapid reduction in the short-term freight market.

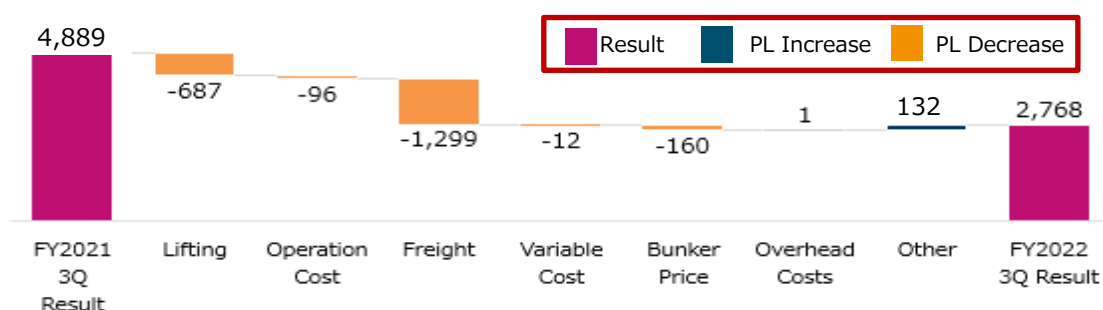
- Cargo demand decreased especially in East-West trades mainly due to the increase in inventories in North America which became clearer in July-August, and a decline in consumption in Europe due to progressive rising inflation.
- On the supply side, global port congestion improved, resulting in an increase in tonnage supply.
- The short-term freight rate market deteriorated sharply from 2Q due to a further softening of the supply-demand balance resulting in a sharp fall-in profitability compared with both 3Q FY2021 and 2Q FY2022.

□ FY2022 3rd Quarter Results and PL Analysis

(Unit: Million US\$)

	FY2021					FY2022					3Q Results to 2Q Results		3Q Results to FY2021 3Q	
	1Q Results	2Q Results	1H Results	3Q Results	1Q-3Q Results	1Q Results	2Q Results	1H Results	3Q Results	1Q-3Q Results	Change	Change (%)	Change	Change (%)
Revenue	5,776	7,557	13,333	8,332	21,665	9,019	9,367	18,386	6,254	24,640	-3,113	-33%	-2,078	-25%
EBITDA	2,924	4,572	7,496	5,286	12,782	5,859	5,843	11,702	3,060	14,762	-2,783	-48%	-2,226	-42%
EBIT	2,657	4,295	6,952	5,019	11,970	5,561	5,528	11,089	2,732	13,821	-2,796	-51%	-2,287	-46%
Profit/Loss	2,559	4,200	6,760	4,889	11,648	5,499	5,521	11,019	2,768	13,788	-2,752	-50%	-2,120	-43%

Bunker Price (US\$/MT)	\$465	\$509	\$487	\$531	\$501	\$750	\$875	\$812	\$747	\$791	-\$128	-15%	\$216	41%
Bunker consumption (K MT)	906	891	1,797	854	2,651	773	771	1,543	732	2,275	-39	-5%	-123	-14%
Lifting (K TEU)	3,104	3,181	6,285	2,939	9,224	2,939	2,898	5,837	2,648	8,484	-250	-9%	-292	-10%



- Lifting: Significant decrease due to reduced demand from Europe and the US.
- Operation costs: Higher ship costs, but lower fuel costs due to a reduction in the number of voyages. Increased in total.
- Freight: Significant drop in short-term market conditions.
- Variable costs: Slight increase due to an increase in costs related to empty containers which are offset against lower cargo handling costs as a result of lower loading volumes.
- Bunker prices: Bunker prices increased.
- Overhead costs: No change from 3Q FY2022.

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

(Unit: 1,000TEU)

Liftings / Utilization by Trades		FY2021							FY2022			
		1Q	2Q	1H	3Q	4Q	2H	Full Year	1Q	2Q	1H	3Q
Asia - North America	Lifting	615	649	1,264	564	523	1,088	2,352	577	578	1,155	449
Eastbound	Utilization	100%	100%	100%	100%	100%	100%	100%	100%	91%	95%	80%
Asia - Europe	Lifting	436	443	879	411	422	833	1,712	402	395	796	368
Westbound	Utilization	100%	100%	100%	97%	97%	97%	100%	95%	95%	95%	90%
Asia - North America	Lifting	328	309	638	258	240	498	1,135	278	276	554	297
Westbound	Utilization	54%	54%	54%	47%	51%	49%	52%	48%	51%	49%	49%
Asia - Europe	Lifting	339	347	687	305	289	594	1,281	282	267	549	243
Eastbound	Utilization	82%	78%	80%	69%	63%	66%	73%	58%	56%	57%	54%

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

Freight Index by Trades		FY2021							FY2022			
		1Q	2Q	1H	3Q	4Q	2H	Full Year	1Q	2Q	1H	3Q
Asia - North America	Eastbound	185	247	216	285	304	294	252	354	389	372	264
Asia - Europe	Westbound	327	451	389	539	552	546	466	530	508	519	303

➤ Liftings, Utilization Rates

Asia-North America E/B : Cargo volumes to North America fell sharply compared to 2Q due to the build-up of inventories on US side. The utilization rates also fell sharply due to an increase in the supply of vessels after terminal operations resumed. For the same reason, both liftings and utilization rates declined compared to the same period of the previous year.

Asia-Europe W/B: Lifting and utilization rates fell compared to 2Q due to a decline in consumer demand caused by high energy prices and rising inflation. For the same reason, they are also significantly lower year-on-year.

➤ Freight Index

: Short-term freight rates fell sharply compared to both 3Q in FY2021 and 2Q in FY2022.

3. Supply Chain Disruption : Impact & Countermeasures

Business environment	<ul style="list-style-type: none"> ➤ The slowdown in demand that began in August was further reinforced, particularly from Asia to North America and Europe. Cargo movements from Asia to North America fell by 19% year-on-year in Oct and Nov due to lower US imports as retail stocks remained at high levels. Cargo movements from Asia to Europe fell by 26% year-on-year in Oct and Nov due to a decline in consumption caused by high energy prices and rising inflation. ➤ Some logistics disruptions occurred landside such as: the impact of the lockdown on economic activity in China, congestion at European container yards, truck driver strikes in South Korea and congestion on North American railways, particularly in Canada. However, port functions are nearly back to normal on a global basis. The supply of vessel capacity has increased as global port congestion has eased. ➤ North American West Coast labour negotiations are still ongoing.
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ONE's countermeasures	Customer service oriented	<ul style="list-style-type: none"> ➤ Expansion of “Chat” functionality. By the end of May this year, approximately 90% of customer service employees worldwide will have access to the “Chat” function, with the aim of improving communications with customers and providing quicker solutions.
	Operation excellency	<ul style="list-style-type: none"> ➤ Maintaining vessel utilization rates by increase blank sailings, particularly during the year-end and Chinese New Year holidays. ➤ Use of routes via the Cape of Good Hope on the Far East-Europe/North America East Coast Loop (return voyages) as appropriate, in order to reduce idling time of vessels through blank sailings. ➤ Reduction of fuel consumption/CO2 emissions through slow steaming, etc. ➤ Optimise container supply by returning leased containers and distribute empty containers to the right place at the right time.
	Quality of employee	<ul style="list-style-type: none"> ➤ CSR activities continue to keep employees connected with contributions to local communities.



Supply chain disruption, mainly due to port congestion, is now normalising. ONE will seek to respond flexibly to market demands by optimising the supply of vessel space and container equipment.

4. FY2022 Full Year Forecasts

□ Outline

The full year FY2022 forecast is US\$ 14,728 million (profit after-tax) although profitability is expected to deteriorate in 4Q due to the softening of supply and demand.

- For 3Q, a recorded profit of US\$ 2,768 million (after tax). In the 4Q, the number of blank sailings is expected to increase due to the longer slack season around Chinese New Year and the time it takes for the cargo volume to recover after the holidays. Together with the assumption that the freight market will require some time for recovery, we forecast a profit of US\$ 940 million (after tax) for 4Q.

□ FY2022 Full Year Forecasts

* As of end of Oct 2022

(Unit: Million US\$)

	FY2022 (Previous Forecast*)			FY2022 (Latest)					Full Year	
	1H Results	2H Forecasts	Full Year Forecasts	1H Results	3Q Results	4Q Forecasts	2H Forecasts	Full Year Forecasts	Change	Change (%)
Revenue	18,386	11,530	29,916	18,386	6,254	4,507	10,761	29,147	-769	-3%
EBITDA	11,702	4,760	16,462	11,702	3,060	1,257	4,317	16,019	-443	-3%
EBIT	11,089	4,130	15,219	11,089	2,732	927	3,659	14,748	-471	-3%
Profit/Loss	11,019	4,250	15,269	11,019	2,768	940	3,708	14,728	-542	-4%

Bunker Price (US\$/MT)	\$812	\$813	\$813	\$812	\$747	\$691	\$719	\$767	-\$46	-6%
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	FY2021 (Actual)			Full Year	
	1H Results	2H Results	Full Year Results	Change	Change (%)
Revenue	13,333	16,765	30,098	-951	-3%
EBITDA	7,496	10,783	18,279	-2,260	-12%
EBIT	6,952	10,244	17,196	-2,447	-14%
Profit/Loss	6,760	9,997	16,756	-2,028	-12%

Bunker Price (US\$/MT)	\$487	\$539	\$512	\$255	50%
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Compared to the last forecast

- Lifting: Decreased due to less cargo movement and increased blank sailings
- Operation Cost: Less port costs and bunker costs due to the increase of blank sailings
- Freight: Decreased due to a fall in prices of the short-term freight market
- Variable Cost: Decreased due to lower lifting volume
- Bunker Price: Decreased
- Overhead Costs: Same level as the previous forecast
- Others: Same level as the previous forecast

5. Initiatives for FY2022

<p style="text-align: center;">Strategy</p>		<p>Steadily execute business in accordance with ONE’s Midterm Strategy and Green Strategy announced in March 2022</p>
		<ol style="list-style-type: none"> 1. As a container shipping company that supports the supply chain, ONE will steadily make investments and continuously provide high-quality, safe global transportation services. 2. ONE has positioned green strategies as its top management priority and will continue to address industry challenges, including decarbonization. 3. The company will continue to enhance digitalization, operational efficiency, and risk management to further increase industry-leading profitability and safety.
<p style="text-align: center;">Progress</p>	<p>Investment</p>	<ul style="list-style-type: none"> ➤ The first of the ten 15,000 TEU type vessels (ONE Freedom) hired from Seaspan has been delivered (Oct/2022). Remaining nine vessels are arriving in 2023. ➤ New Philippines feeder service (Singapore/Manila/Davao) expanding ONE’s network to North-South Philippines. (Nov/2022) ➤ Together with its major shareholders, ONE proposed to acquire shares of Atlas Corp, which owns Seaspan Corporation, the world's largest container vessel owner, and reached agreement. (Dec/2022) ➤ Definitive agreements with NYK & MOL to acquire a 51% stake of terminal companies in US West Coast as part of the integration of the container shipping businesses from the parent companies. (Dec/2022) ➤ Procurement of own special containers to improve yield management. (32,000 units of reefer container & 950 units of other special equipment, Dec/2022) ➤ New South America West Coast feeder service to South America West Coast (Iquique/Arica/Callao) to reinforce Asia-SAWC service. (Jan/2023)
	<p>Environment</p>	<ul style="list-style-type: none"> ➤ In 2022 ONE obtained a B score for its environmental disclosure and performance from CDP*. (2020: D score, 2021: C score) ➤ Bow Wind Shield equipped to 2 large size vessels (ONE Trust, ONE Tradition) to reduce aerodynamic drag during navigation and CO2 emission and fuel consumption. (Dec/2022) ➤ CII monitoring function has been now in place for vessel movement management system to comply to CII. (Dec/2022)
	<p>Digital</p>	<ul style="list-style-type: none"> ➤ Continued improvements to UI/UX of ONE eCommerce and ONE’s Mobile App, enabling the self-service completion of all processes; from quotation to booking, B/L issuance, payments and cargo release. ➤ Promotion of ONE’s digital tools worldwide.
	<p>Safety</p>	<ul style="list-style-type: none"> ➤ Nine vessels including ONE Helsinki awarded in ONE’s safety campaign for operational vessels (Dec/2022)

* Not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

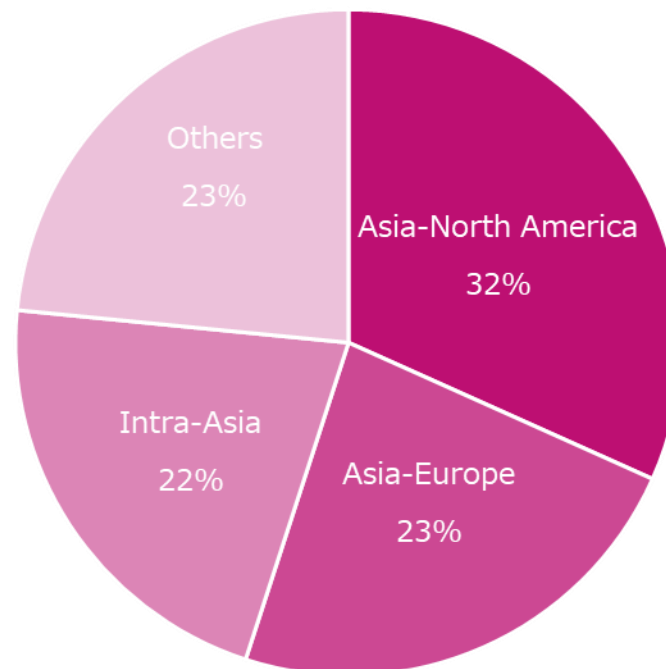
6. Reference (Fleet Structure, Service Structure, Current Orders of New Vessels)

▣ Fleet Structure

Size		1)As of end Sep. 2022	2)As of end Dec. 2022	2)-1)
>= 20,000 TEU	Capacity (TEU)	120,600	120,600	0
	Vessels	6	6	0
10,500 - 20,000 TEU	Capacity (TEU)	504,200	519,572	15,372
	Vessels	37	38	1
9,800 - 10,500 TEU	Capacity (TEU)	110,200	110,200	0
	Vessels	11	11	0
7,800 - 9,800 TEU	Capacity (TEU)	355,677	355,677	0
	Vessels	40	40	0
6,000 - 7,800 TEU	Capacity (TEU)	138,307	138,307	0
	Vessels	21	21	0
5,200 - 6,000 TEU	Capacity (TEU)	32,814	32,814	0
	Vessels	6	6	0
4,600 - 5,200 TEU	Capacity (TEU)	78,260	83,293	5,033
	Vessels	16	17	1
4,300 - 4,600 TEU	Capacity (TEU)	62,952	62,952	0
	Vessels	14	14	0
3,500 - 4,300 TEU	Capacity (TEU)	16,358	16,358	0
	Vessels	4	4	0
2,400 - 3,500 TEU	Capacity (TEU)	83,874	86,615	2,741
	Vessels	31	32	1
1,300 - 2,400 TEU	Capacity (TEU)	12,163	10,354	▲ 1,809
	Vessels	7	6	▲ 1
1,000 - 1,300 TEU	Capacity (TEU)	10,628	10,628	0
	Vessels	10	10	0
< 1,000 TEU	Capacity (TEU)	966	966	0
	Vessels	1	1	0
Total	Capacity (TEU)	1,526,999	1,548,336	21,337
	Vessels	204	206	2

▣ Service Structure

(FY2022 Q3 Structure of dominant and non-dominant space)



▣ Current Orders of New Vessels (Including Long-Term Chartered Vessel)

	As of end Sep. 2022	Delivered in 3Q FY2022	New Order in 3Q FY2022	As of end Dec. 2022
No. of Order Book (Vessels)	36	1	-	35