



# Financial Results for FY2020 Full-year

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# 1. FY2020 Full Year Results

## Outline

**ONE's full year results for FY2020 record a profit of US \$3,484 million, an increase of \$3,380 million from FY2019's full year results. The increase in profit is mainly due to the recovery of cargo demand and an increase in the short-term freight market.**

- The resurgence of the COVID-19 pandemic continued to cause much turmoil within the entire global supply chain in Q4. Severe shoreside and inland congestion, vessels idling at many ports and container shortages became more problematic.
- Liftings recovered swiftly after Chinese Lunar New Year and freight increased significantly from Q3 to Q4.

## FY2020 Full Year Results

(Unit: Million US\$)

	FY2020						
	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results
Revenue	2,736	3,181	5,917	3,757	4,724	8,480	14,397
Profit/loss for the year	167	515	682	944	1,858	2,802	3,484

Bunker Price (US\$/MT)	Q1	Q2	Q3	Q4	2H	Full Year
	\$348	\$309	\$328	\$314	\$335	\$331

FY2019	Year on Year		FY2020 (Previous Forecasts*)	Results to Previous Forecasts	
	Full Year Results	Change		Change (%)	Full Year Forecasts
	11,865	2,532	13,674	723	5.3%
	105	3,380	2,526	958	37.9%

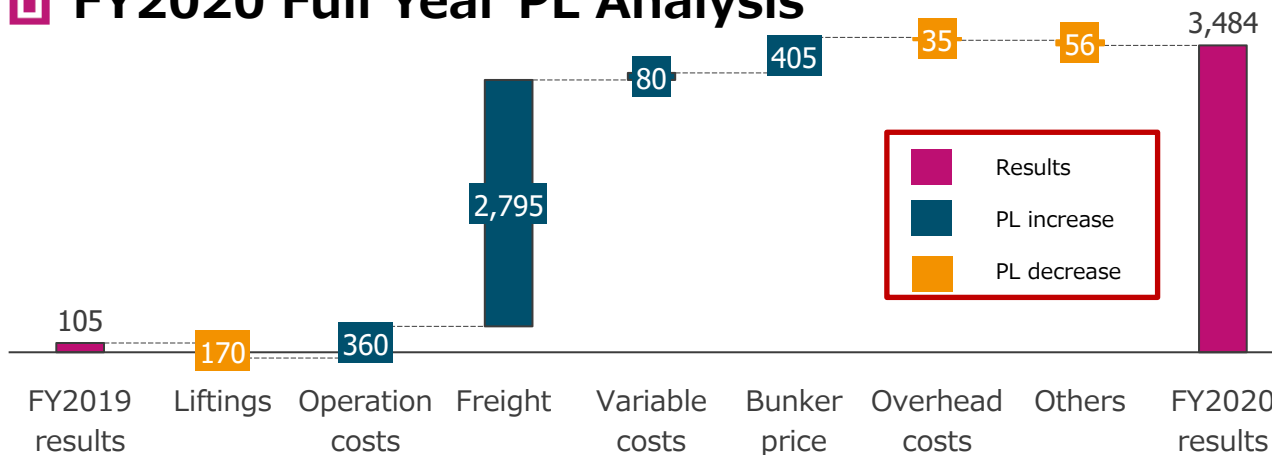
\*As of Jan 2021

	FY2019	Change	FY2020	Change
	\$441	-\$110	\$337	-\$5

### FY2020 Other results

- EBITDA : US\$4,855million
- EBIT : US\$3,832million
- Bunker consumption : 3,595K MT
- Liftings : 11,964K TEU

## FY2020 Full Year PL Analysis



- Liftings: Despite demand sharply recovering in 2H, lifting decreased due to COVID-19 impact in 1H.
- Operation costs: Reduced due to improvements in the product and idling of vessels at many ports caused by increased congestion, which worsened vessels turnaround rates.
- Freight: Significantly improved due to increases in the short-term market.
- Variable costs: Additional costs increased due to shoreside and inland congestion, but cost saving initiatives progressed.
- Bunker price: Further decreased.
- Overhead costs: Agency fees increased.
- Others: FX impact and reduced interest revenue rate, etc.

## 2. COVID-19 Impact & Countermeasures

### COVID-19 impact & countermeasures

#### Outbreaking situation

- During Q4, global container volumes continued to increase due to a strong demand for consumer goods. Asia-North America trade volume increased in Q4 by 40% Y to Y. The Global cargo volume also grew in Q4 Y to Y indicating a steady recovery trend from Q3, which is contrary to FY2020 1H when the cargo volume was seriously impacted by COVID-19.
- The resurgence of COVID-19 led to labour shortages and operational restrictions in many locations, resulting in longer port stays, port congestion, and heavy rail and truck traffic.
- Increased container dwell times occurred due to truck & chassis shortages and warehouse capacity shortages etc. in Q4.
- International travel restrictions made flexible crew changes difficult.



#### ONE's countermeasures

##### Customer service oriented

- Brand-new digital quotation platform "ONE QUOTE" was launched from Feb,2021.
- Customer communications regarding both container availability and vessel space were enhanced

##### Operation excellency

- Additional ships were chartered to recover schedule integrity and to rescue rolled-over cargo. Extra sailings were executed.
- Container procurement was maximised with new containers phasing in upon delivery.
- Full utilization of ONE's own space and the execution of empty sweeper sailings to bring empty containers back to locations with strong demand.
- By close cooperation with ship owners, vessels were diverted, and extra calls added for crew changes where possible.

##### Quality of employee

- The utmost priority has been given to employees' safety by enabling remote working globally.
- Initiatives to keep employees connected during the pandemic have been arranged. CSR activities have been undertaken in many countries which contribute to local communities.



**Despite ONE's efforts there remains excessive strain on the entire global supply chain.**

### 3. Actions to Achieve Further Competitiveness

- The announcement of the new THE ALLIANCE product for FY 2021 such as; the ASIA-US GULF new service (EC6), the merger of the EC1 and EC3 in Asia- EC North America route through the deployment of larger vessels and the restructuring and capacity boost of the Transatlantic services, will increase frequency, improve transit times and provide a wider range of port pairs.
- The launch of the new Asia-East Africa (EAF) service in April 2021, where growth is expected.
- As part of the ongoing enhancement of E-Commerce functions, ONE's brand-new digital quotation platform "ONE QUOTE" was launched in Feb 2021. Using the platform customers can receive an instant quotation and place bookings anytime, anywhere.
- ONE conducted a 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's Green Strategy Department was launched in April 2021, to drive ONE's environmental sustainability endeavours through close collaboration with various internal and external stakeholders.
- ONE signed a memorandum of cooperation with the Maritime and Port Authority of Singapore to establish a fund for a maritime decarbonization centre in Singapore. ONE is committed to accelerating maritime-decarbonization-related research and technology development projects through collaboration at both governmental and private sector industry level.

## 4. FY2021 Full Year Forecasts

### ▣ FY2021 Full Year Forecasts

- Whilst the steady demand continues, the excessive strain on the entire global supply chain triggered by the operational restrictions resulting from COVID-19 pandemic still remains.
- COVID-19 pandemic is expected to ease with the global vaccination roll out. But, the resurgence of COVID-19 and possible variants are still a great cause for concern. It is difficult to predict when the pandemic and its effects will be over.
- The FY2021 economic environment will change 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. Reference

### (Lifting, Utilization Rates, Freight Index in Major Trades)

(Unit: 1,000TEU)

Liftings / Utilization by Trades		FY2019	FY2020						
		Full Year Results	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results
Asia - North America Eastbound	Lifting	2,692	610	765	1,375	730	659	1,389	2,764
	Utilization	91%	96%	100%	98%	103%	102%	103%	100%
Asia - Europe Westbound	Lifting	1,830	347	419	766	402	389	791	1,556
	Utilization	93%	96%	98%	97%	102%	99%	100%	99%

Asia - North America Westbound	Lifting	1,310	327	328	654	368	330	698	1,352
	Utilization	44%	51%	43%	47%	54%	56%	55%	51%
Asia - Europe Eastbound	Lifting	1,339	290	289	579	331	308	639	1,219
	Utilization	67%	75%	70%	73%	80%	80%	80%	76%

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

Freight Index by Trades		FY2019	FY2020						
		Full Year Results	1Q Results	2Q Results	1H Results	3Q Results	4Q Results	2H Results	Full Year Results
Asia - North America Eastbound		105	110	119	115	140	157	148	132
Asia - Europe Westbound		102	106	103	104	125	280	201	153

- Liftings, Utilization Rates : The lifting decreased as well as the space due to port congestion. The utilization rate was maintained at almost 100% level on both Asia-North America trade and Asia-Europe trade.
- Freight Index : Both Asia-North America trade and Asia-Europe trade increased by a rise in the short-term freight market.

## 6. Reference (Fleet Structure & Service Structure)

### ▣ Fleet Structure

Size		1)As of end Dec 2020	2)As of end Mar 2021	2)-1)
>= 20,000 TEU	Capacity (TEU)	120,600	120,600	0
	Vessels	6	6	0
10,500 - 20,000 TEU	Capacity (TEU)	411,600	431,600	20,000
	Vessels	30	32	2
9,800 - 10,500 TEU	Capacity (TEU)	100,100	100,100	0
	Vessels	10	10	0
7,800 - 9,800 TEU	Capacity (TEU)	383,326	383,326	0
	Vessels	43	43	0
6,000 - 7,800 TEU	Capacity (TEU)	177,216	170,866	▲ 6,350
	Vessels	27	26	▲ 1
5,200 - 6,000 TEU	Capacity (TEU)	89,458	94,928	5,470
	Vessels	16	17	1
4,600 - 5,200 TEU	Capacity (TEU)	103,731	103,607	▲ 124
	Vessels	21	21	0
4,300 - 4,600 TEU	Capacity (TEU)	67,271	67,271	0
	Vessels	15	15	0
3,500 - 4,300 TEU	Capacity (TEU)	33,193	32,664	▲ 529
	Vessels	8	8	0
2,400 - 3,500 TEU	Capacity (TEU)	71,143	79,282	8,139
	Vessels	27	30	3
1,300 - 2,400 TEU	Capacity (TEU)	13,951	12,171	▲ 1,780
	Vessels	8	7	▲ 1
1,000 - 1,300 TEU	Capacity (TEU)	9,584	8,536	▲ 1,048
	Vessels	9	8	▲ 1
< 1,000 TEU	Capacity (TEU)	0	0	0
	Vessels	0	0	0
<b>Total</b>	<b>Capacity (TEU)</b>	<b>1,581,173</b>	<b>1,604,951</b>	<b>23,778</b>
	<b>Vessels</b>	<b>220</b>	<b>223</b>	<b>3</b>

as of end of 4Q

### ▣ Service Structure

(FY2020 Q4 Structure of dominant and non-dominant space)

