

# QUARTERLY IR NEWSLETTER

## FINANCIAL HIGHLIGHTS: YEAR-END 2023

RCL recorded a profit before vessel impairment for the year ended December 31st, 2023 of THB 2,359 million, representing a decrease of 90.4% compared to the year 2022. The main factor for the decrease was the significant decline in freight rates since the fourth quarter of 2022, as the COVID-19 situation has returned to normal. In 2023, the Company recorded an impairment of vessels of THB 857 million. Consequently, the net profit for the year 2023 amounted to THB 1,502 million with earnings per share standing at THB 1.81 per share.

The aforementioned vessel impairment was partly due to the write-back of vessels during the period of freight rates and charter rates were significantly higher in the market in the past 2-3 years. The reoccurrence of impairment this year occurred when the market adjusted downward. The prices of the vessels and charter rates used for calculating the impairment on vessels were prepared by an independent valuator company.

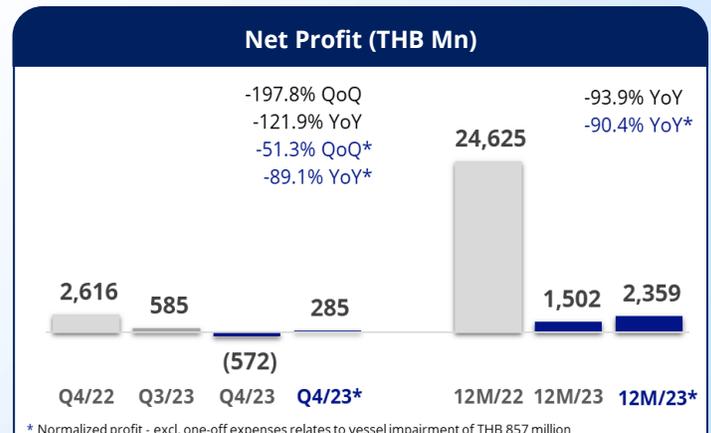
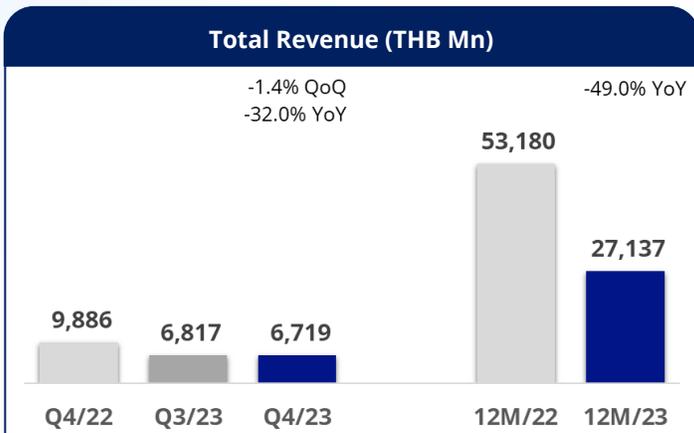
In 2023, the Company maintained its total lifting of 2,200,000 TEUs, which was similar to the year 2022. Nonetheless, freight income decreased by 50%, attributed to the decrease in average freight rates. The average freight rates in 2023 was 343 USD per TEU, showing a 48.19% decrease compared to the year 2022, when the average freight rates stood at 662 USD per TEU. This was due to the continued slowdown of the global economy.

As a result of the Company's stringent cost control measures, operating costs decreased by 14% compared to the previous year. Furthermore, the unrest in the Red Sea at the end of 2023 impacted the marine transportation market and freight rates, with expectations of a subsequent increase in freight rates and charter hire rates, particularly for vessels with a capacity exceeding 5,000 TEUs. This situation will be advantageous for the Company.

The container shipping industry faced various challenges in 2023, including global economic slowdown which affected shipping volume, geopolitical tensions, and high fuel prices and interest rates which increased the costs, while freight rates gradually declined to the pre-COVID levels.

The Company is committed to sustainable business practices and is well-equipped to confront the challenges within the container shipping industry. With a primary focus on optimizing fleet management and efficiency. Therefore, four new 7,000 TEUs vessels and two new 12,000 TEUs vessels will enter the Company's fleet. Notably, two of the 7,000 TEUs vessels, scheduled for delivery in the second quarter of this year, have already been secured under time-chartered agreements, whereas the remaining vessels will be integrated into the Company's fleet. Moreover, the Company has entered into an agreement to construct four vessels with a capacity of 4,400 TEUs each, which will be delivered starting from the year 2027 onwards. These new vessels will strengthen and elevate the efficiency of the Company's fleet while also responding to environmental sustainability policies with their cutting-edge technology, aimed at reducing fuel consumption and supporting environmentally friendly alternative fuels.

Furthermore, the Company has expanded its shipping services to new markets, including the Indian subcontinent, East Africa, and the Middle East. The Company has also implemented reefer container services to support the expansion of its customer service network and future growth. Lastly, the Company is pleased to announce that in 2023, the Company received the awards, namely the Best Company of the Year 2023 in the Service Industry from the Money & Banking Awards 2023 for the second consecutive year, and the Outstanding Company Performance Awards - Business Excellence from the SET Awards 2023. These awards reflect not only the Company's efficient business performance but also its commitment to good corporate governance and promoting sustainable growth for the utmost benefit of all stakeholders.



\* Normalized profit - excl. one-off expenses relates to vessel impairment of THB 857 million

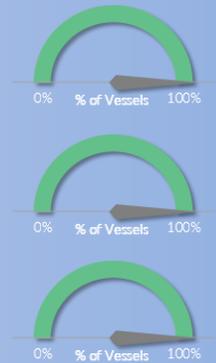
# ENVIRONMENT



*RCL is fully dedicated to responsible shipping, making significant strides in environmental impact reduction, particularly in addressing air and water pollution.*

## Air Pollution Reduction

- NOx Reduction:** The company has implemented scrubber technology and adopted the use of low sulfur fuel, ensuring compliance with stringent emission standards while minimizing nitrogen oxide emissions.
- SOx Reduction:** RCL has installed Selective Catalytic Reduction (SCR) systems across all its vessels, effectively curbing sulfur oxide emissions.
- CO2 Reduction:** By adhering to the IMO Energy Efficiency Existing Ship Index (EEXI), RCL has enhanced the energy efficiency of its fleet, thereby reducing carbon dioxide emissions. Additionally, the company has implemented various measures such as slow streaming, routing optimization, hull cleaning, application of low-friction paint, and the use of dosing additives to further mitigate CO2 emissions.



## Water Pollution Reduction

- Ballast Water Treatment System (BWTS) Installation:** RCL has equipped all its vessels with BWTS, preventing the spread of invasive species and safeguarding marine biodiversity.
- Avoidance of Cybutryne Paint:** By refraining from using Cybutryne-containing antifouling paints, RCL mitigates the risk of harmful chemicals leaching into marine environments.
- Sewage Treatment Plant Installation:** RCL ensures responsible wastewater management by installing sewage treatment plants on all vessels, minimizing the impact of sewage discharge on marine ecosystems.
- Oily Water Separator (OWS) Installation:** Through the installation of OWS, RCL effectively separates oil from bilge water, ensuring compliance with regulatory standards and preventing oil pollution at sea.



## Revitalizing Fleet: Acquiring New Vessels, Disposing Aged Ones to Cut Average Age

Average Age of RCL Owned and Operated Vessels (Years)



### Benefits of a Younger Fleet

- Fuel Efficiency:** Advanced technology for lower fuel and operational costs.
- Environmental Compliance:** Meet strict emissions standards.
- Technological Advancements:** Cutting-edge navigation and automation.
- Reduced Maintenance Costs:** Need less maintenance, lower operating costs.
- Enhanced Safety:** Crew and environmental safety.

# CSR ACTIVITIES UPDATE



"Unity in Giving: Our Legacy of Living Responsibly, Together."

RCL empowers our employees to spearhead social and charitable initiatives, fostering a culture of proactive engagement beyond company mandates. The positive goals are to involve and nurture leadership skills, strengthen team cohesion, and create a cycle of mutual benefit and positive social impact.

## 4Q/2023 CSR Activities:



### Wat Bo Hin, Than To District, Yala

RCL and its employees donated to Wat Bo Hin in Than To District, Yala, supporting facility improvements for monks and presenting the Emerald Buddha in all three seasons.



### Singapore's Garden City Fund

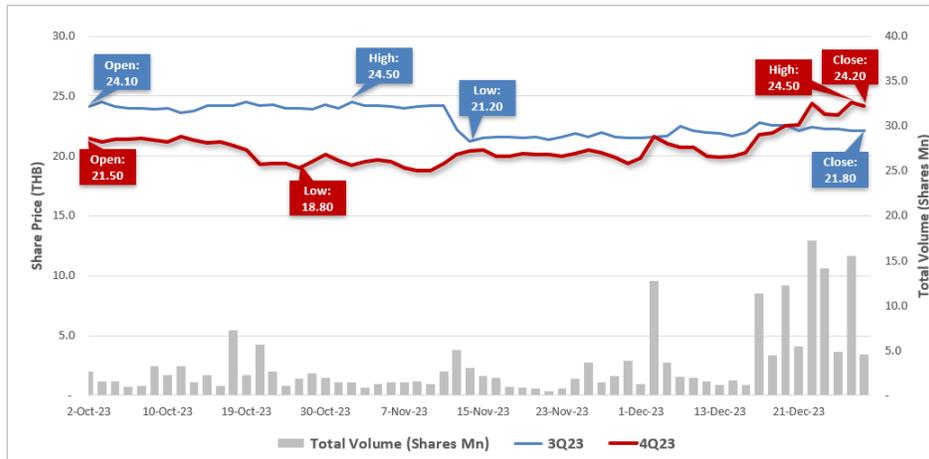
RCL supported environmental sustainability, contributing to Singapore's Garden City Fund and aiding initiatives to restore nature and enhance urban green infrastructure.



### Joint Development School Project in Pattani Province

RCL proudly supports the Joint Development School Project in Pattani Province, contributing financially and providing 30 pre-owned computers to enhance digital skills and learning facilities.

## STOCK PERFORMANCE - 4Q23 v 3Q23



RCL Stock Trading Statistics	3Q23	4Q23
Close price	21.80	24.20
Highest price	24.70	25.25
Lowest price	21.20	18.50
Average price	22.71	21.66
Daily avg. volume (Mn. Shrs)	2.2	3.5
Daily avg. value (Mn. Baht)	49.4	74.9
Market Cap. (Mn. Baht)	18,067	20,056
P/E Ratio	1.72	4.28
P/BV Ratio	0.40	0.43

### Useful Links

- [RCL Website](#)
- [Financial Results 2023](#)
- [MD&A 4Q23](#)
- [YE23 SET Opp Day Presentation](#)

### Upcoming events

Annual General Meeting of Shareholders 2024 @ 19 Apr 2024

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