



新興航運股份有限公司 Sincere Navigation Corporation 2605.TW

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業務 Our Business



主要業務Main Business Areas

Dry Bulk (12) 散裝

Own and operate 4 Kamsarmax, 7 Capesize, and 1 VLOC.

Tanker(3) 油輪

Own 3 VLCCs and join Tanker International operation pool and revenue are distributed based on pool points.

Finance Lease 融資租賃

SNC purchase VLCC US\$62M and lease back to original owner from Aug 2021 to Aug 2028.

1st year daily rental US\$23,500 per day.

2nd year onward rental US\$20,500 per day.

H1FY23 recognized interest revenue US\$1.93M vs US\$1.96M in FY22

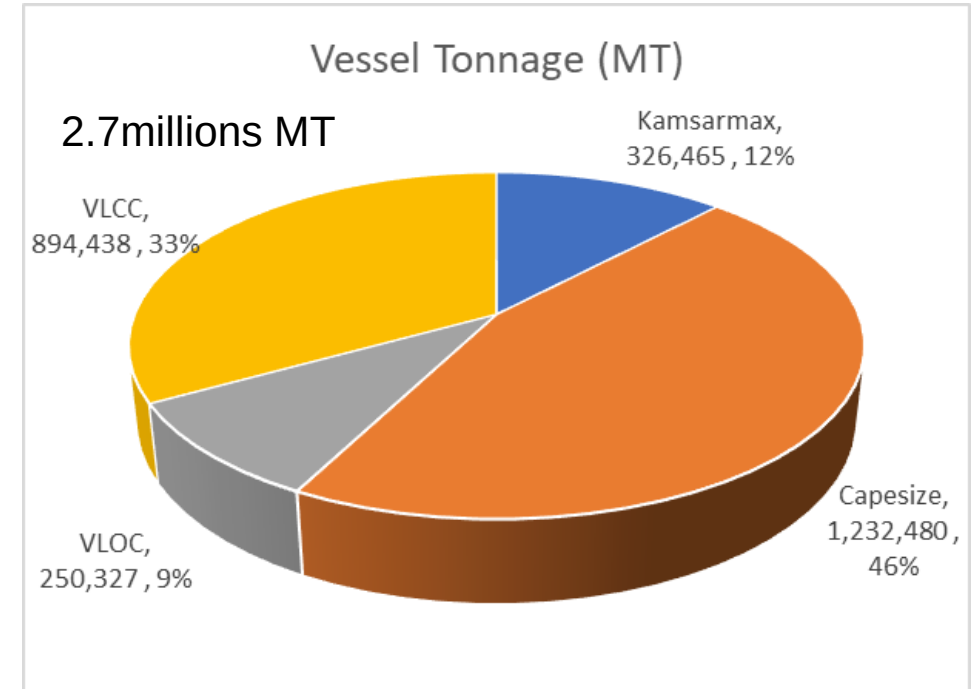
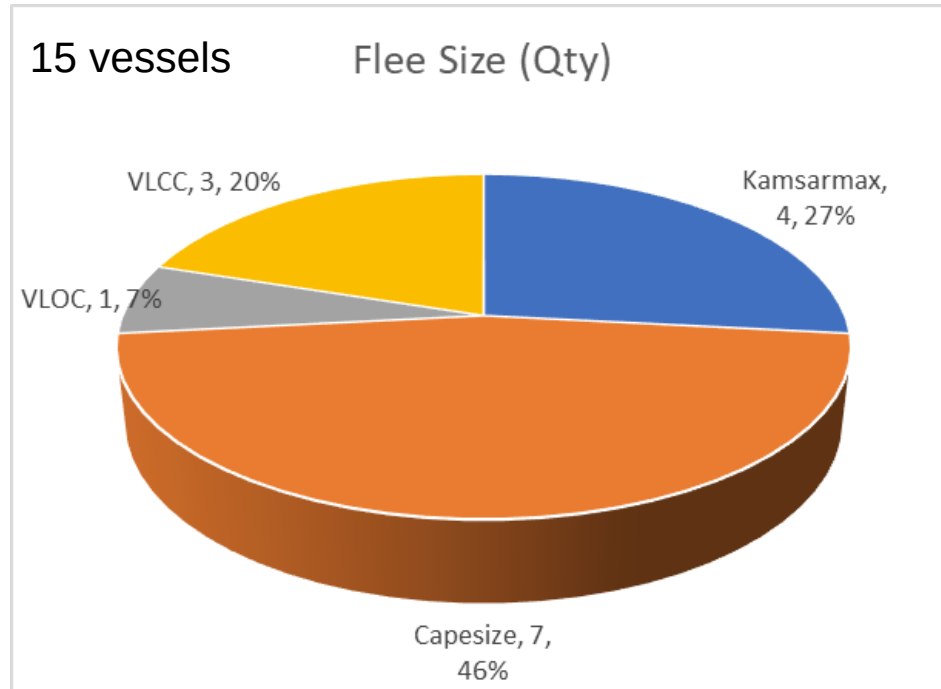
Vessel Management 船舶管理

SNC provide management service to private owners of 3 vessels, including 1 Kamsarmax, 1 Capesize and 1 VLOC.

Total annual revenue US\$0.6M



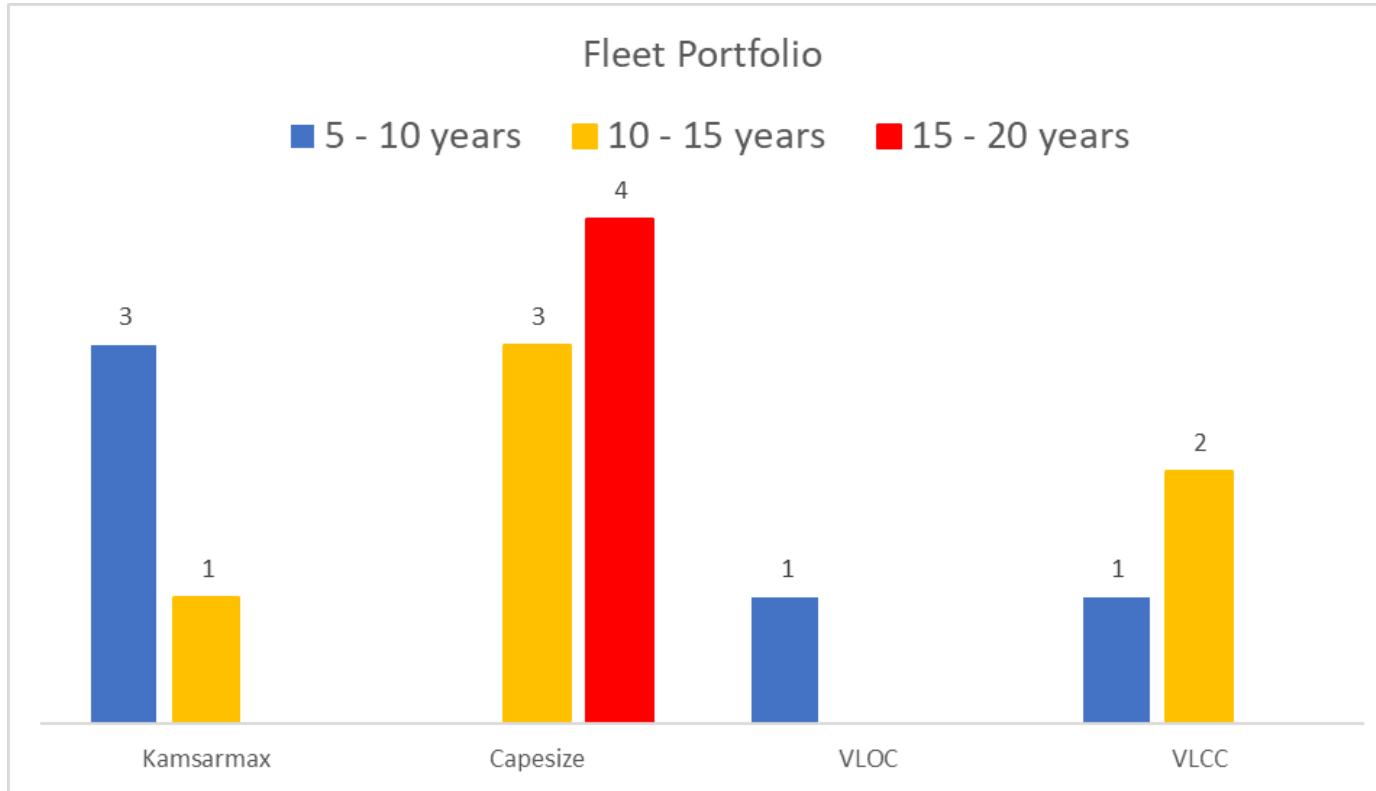
船隊狀態 Fleet Status



- 4 Kamsarmax – mainly carry various kinds of products including Barley (大麥), Sorghum (高粱), Grain(糧食), Soybean, Corn, Coal, Muriate of Potash (氯化鉀) and Woodchips
- 7 Capesize mainly carry coal / iron ore from Australia, Brazil, and West Africa to China and East Asia
- 1 VLOC mainly carry iron ore from Australia to China
- 3 VLCC mainly carry crude oil from US / Middle East to China / Far East Asia



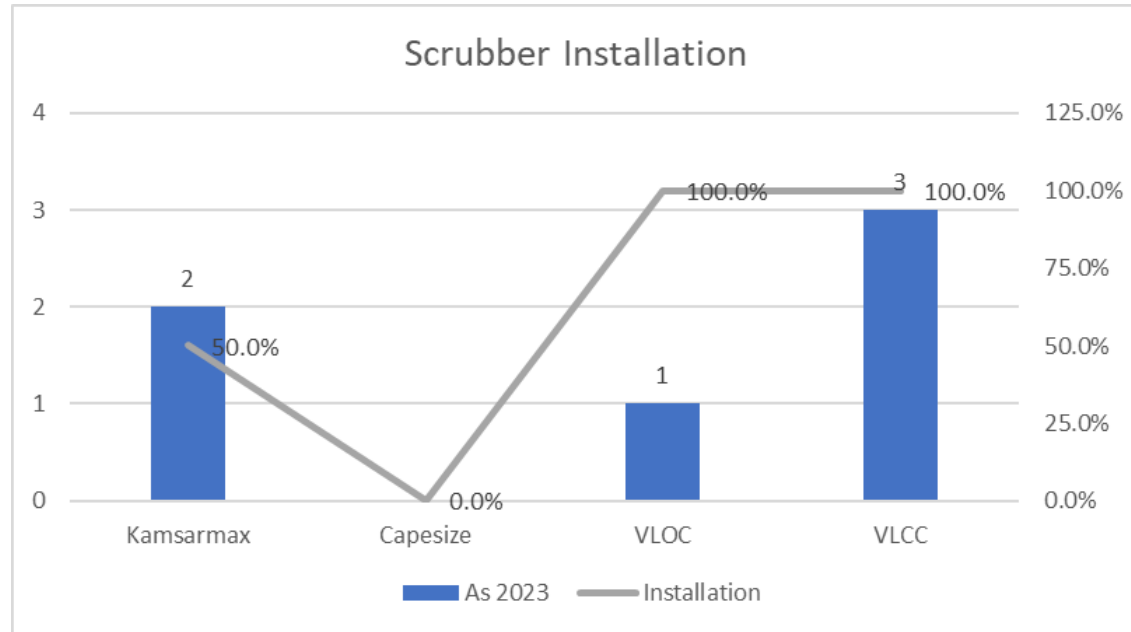
更新船隊組合Renew Fleet Portfolio



- There are 15 vessels with average ages of 12.1 years as of Sep 2023.
- Company is seeking to renew fleet through used vessels or new build when prices are reasonable.



脫硫器安裝情況 Scrubber Installation Status



Ship	Delivery Date	Age	Type	Scrubber
Oceana	2014/9/5	9.1	Kamsarmax	Q3 2024
Palona	2014/11/6	8.9	Kamsarmax	Q4 2023
Tai Shan	2011/8/31	12.1	Capesize	Q4 2023

- As of Sep 2023, there are 6 vessels with scrubbers and planned to install 3 in Q4 2023 / 2024.

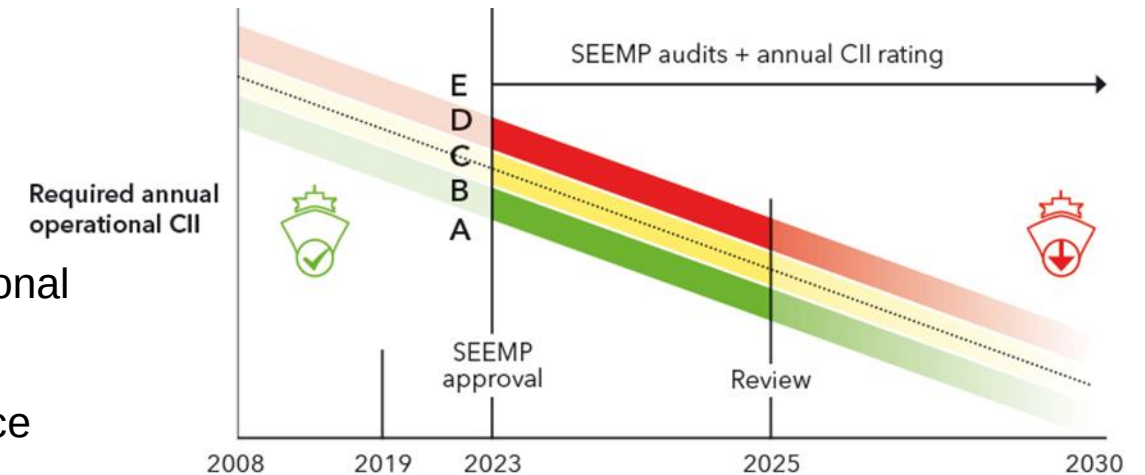


碳強度指標 Carbon Intensity Indicator

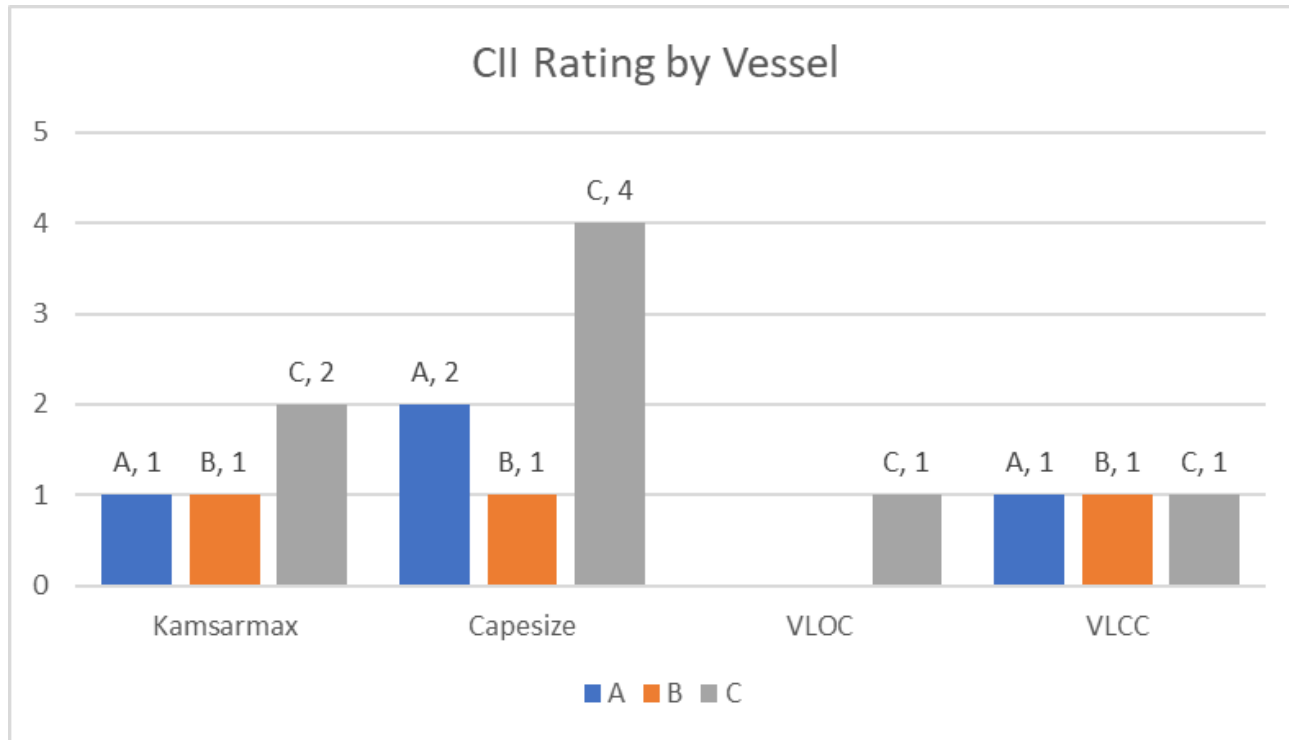
- The CII (Carbon Intensity Indicator) measures how efficiently a vessel above 5,000 GT transports goods or passengers and is given in grams of CO₂ emitted per cargo-carrying capacity and nautical mile.

$$CII = \frac{CO_2 \text{ emissions}}{\text{Transport Work}} = \frac{\text{Fuel Consumption} \times Cf}{DWT \times \text{Distance}}$$

- Carbon Intensity Indicator (“CII”) measurement of operational efficiency of all ships
 - CO₂ pr. transport work, based on fuel used and distance sailed
 - Ships to be rated (A: Best, E: Worst), rating to improve over time
 - Low performing ships to develop a plan of corrective actions



全部滿足碳強度評級 C 以上 All Meet CII Rating C above



A : major superior

B : minor superior

C : moderate

D : minor inferior

E : inferior performance level

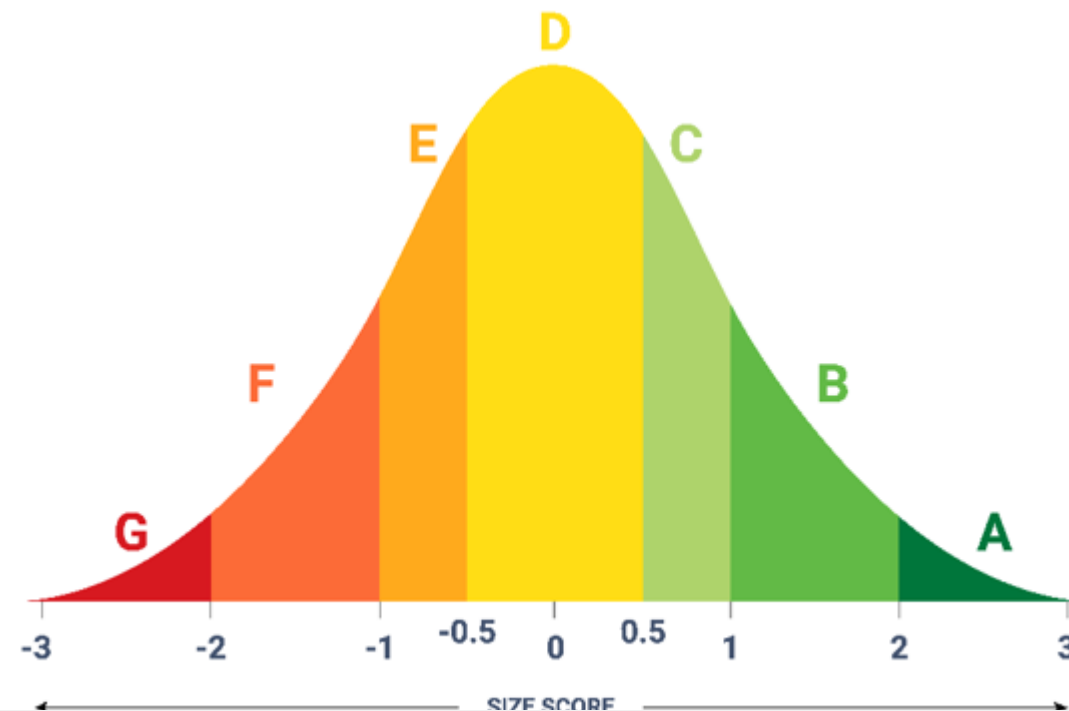
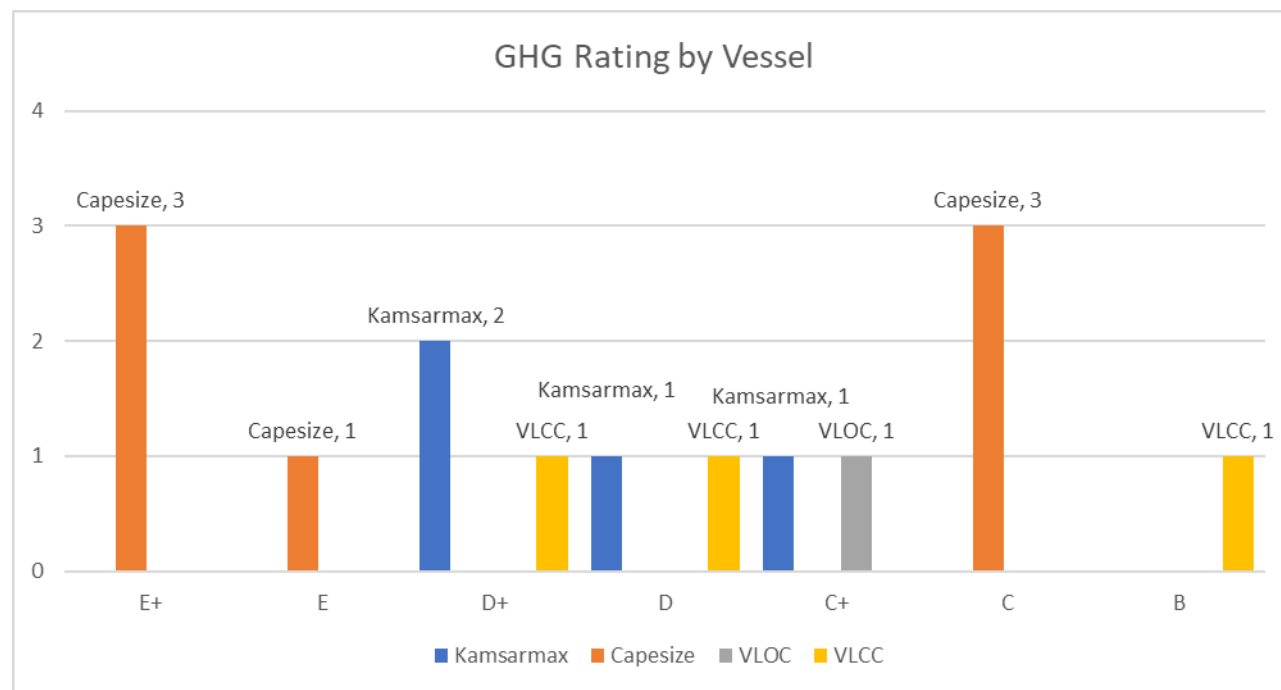
A vessel rated D for three consecutive years

or rated as E, will need to develop a plan of corrective actions.



溫室氣體評級E以上

Our GHG Rating E Above



GHG Rating

Size score

Area under curve

G	F	E	D	C	B	A
≤ -2.0	> -2.0	> -1.0	> -0.5	> 0.5	> 1.0	> 2.0
2.5%	13.5%	16%	36%	16%	13.5%	2.5%





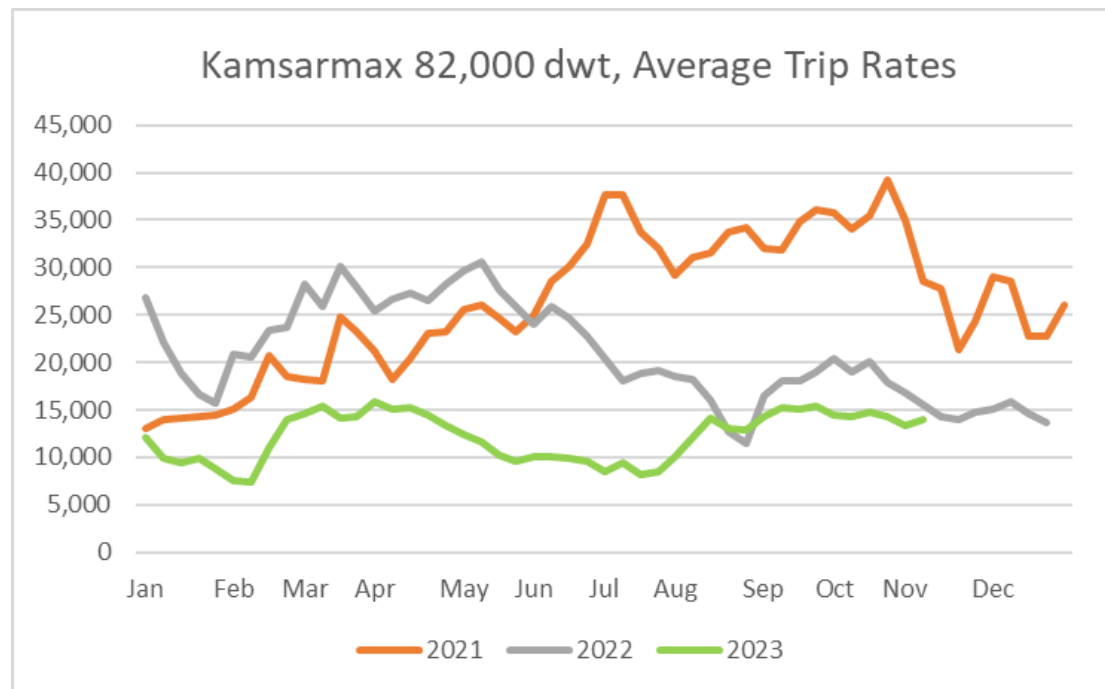
市場及財務資訊

Market and Financial

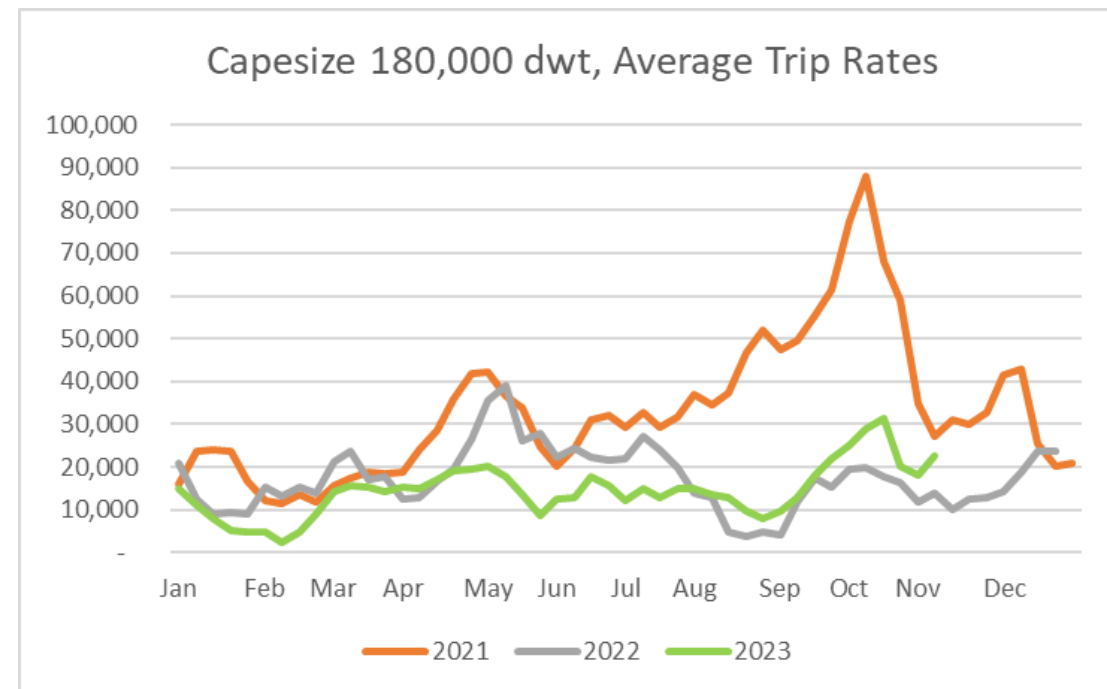


市場散裝運價

Market Kamsarmax and Capesize Rates



Source form Clerksons Shipping Intelligence Weekly

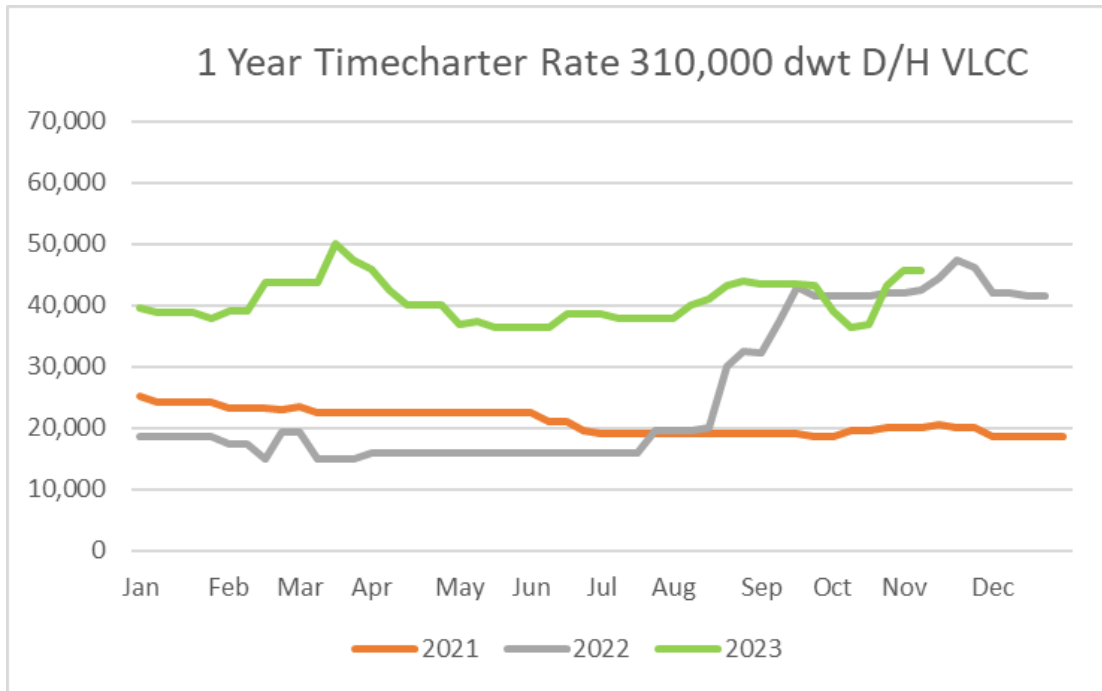


Source form Clerksons Shipping Intelligence Weekly

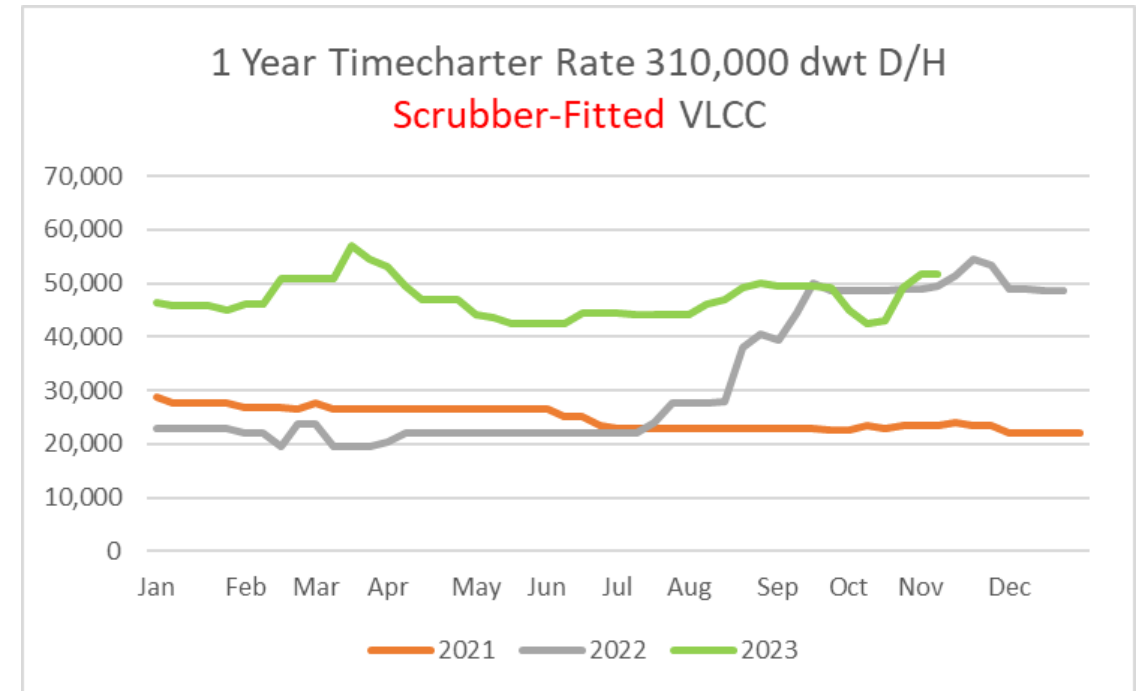
Both Kamsarmax and Capesize Time Charter Equivalent (“TCE”) rates decreased in H2 2022 during China Covid 19 lockdown and remained soft after Covid 19 unlock.



市場油輪運價Market VLCC Rates



Source form Clerksons Shipping Intelligence Weekly



Source form Clerksons Shipping Intelligence Weekly

VLCC rates increased from Q3 in 2022 and remained at high level in H1 2023. This trend expects to continue in FY23 and 24 due to Russia Ukraine War and Middle East Conflict.



財務表現 Financial Performance QoQ

Line Eng	Line Chn	Unit	Q3FY23	Q2FY23	Q3 vs Q2
Revenue	營業收入	(NT\$M)	1,067	1,024	+4.3%
Gross Margin	毛利	(NT\$M)	140	297	-52.9%
Gross Margin %	毛利率		13.1%	29.0%	-15.9%
Profit After Tax	稅後淨利	(NT\$M)	108	158	-31.3%
PAT%	稅後淨利率		10.1%	15.4%	-5.2%
EPS	每股盈餘	(NT\$ per share)	0.18	0.21	-14.3%
Cash on Hand	現金	(NT\$M)	3,816	4,584	-16.8%
ROA %	資產報酬率		0.5%	0.7%	-0.3%
ROE%	股東權益報酬率		0.6%	0.9%	-0.3%
Liability / Asset	負債佔資產比		22%	23%	-0.2%
Operating Cashflow	營業活動現金流量	(NT\$M)	488	553	-11.9%

Q3 FY23's financial performance was lower than Q2 FY23 due to VLCC's higher Dry-docking days and lower freight rate in Q3.



財務表現 Financial Performance YoY

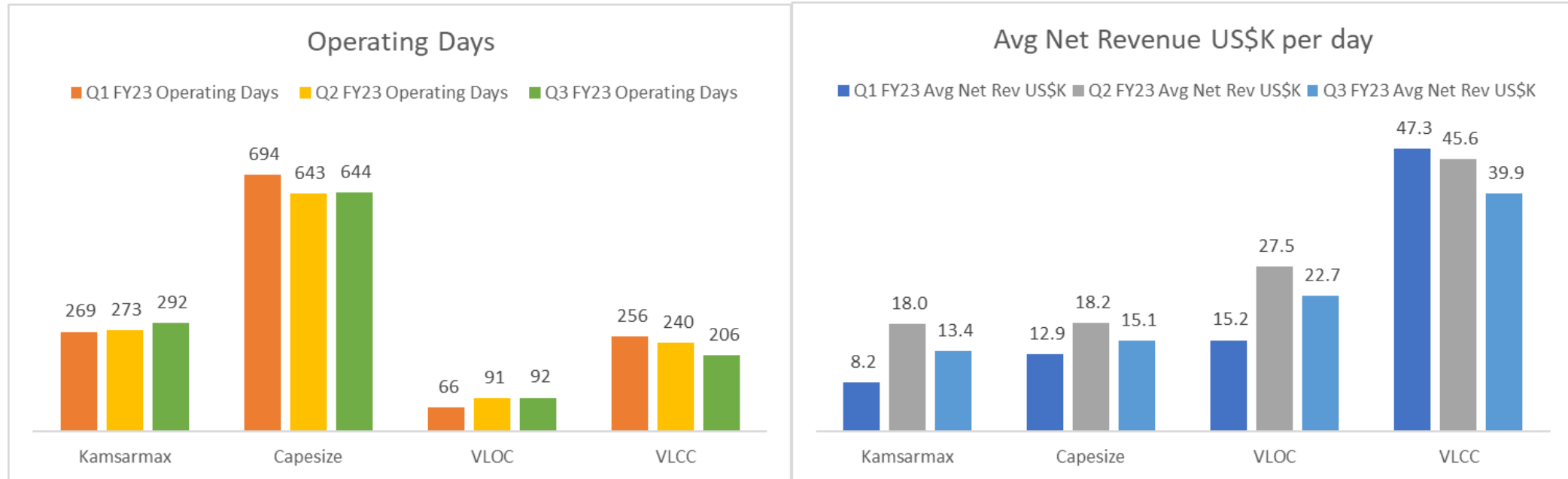
Line Eng	Line Chn	Unit	YTD Sep FY23	YTD Sep FY22	2023 vs 2022
Revenue	營業收入	(NT\$M)	3,098	2,888	+7.3%
Gross Margin	毛利	(NT\$M)	534	360	+48.3%
Gross Margin %	毛利率		17.3%	12.5%	+4.8%
Profit After Tax	稅後淨利	(NT\$M)	390	44	+777.6%
PAT%	稅後淨利率		12.6%	1.5%	+11.1%
EPS	每股盈餘	(NT\$ per share)	0.57	-0.08	
Cash on Hand	現金	(NT\$M)	3,816	3,521	+8.4%
ROA %	資產報酬率		1.7%	0.2%	+1.5%
ROE%	股東權益報酬率		2.2%	0.3%	+1.9%
Liability / Asset	負債佔資產比		22%	20%	+2.8%
Operating Cashflow	營業活動現金流量	(NT\$M)	3,816	3,521	+8.4%

- YTD Sep 2023's financial performance were much higher than YTD Sep 2022 due to higher VLCC rates and higher interest revenue as well as less exchange losses.
- The first 3 quarters' net interest revenue increased to US\$4.1M from US\$1.1M same period in 2022.



運務天數 vs 平均日租金

Operating Days vs Avg Net Revenue

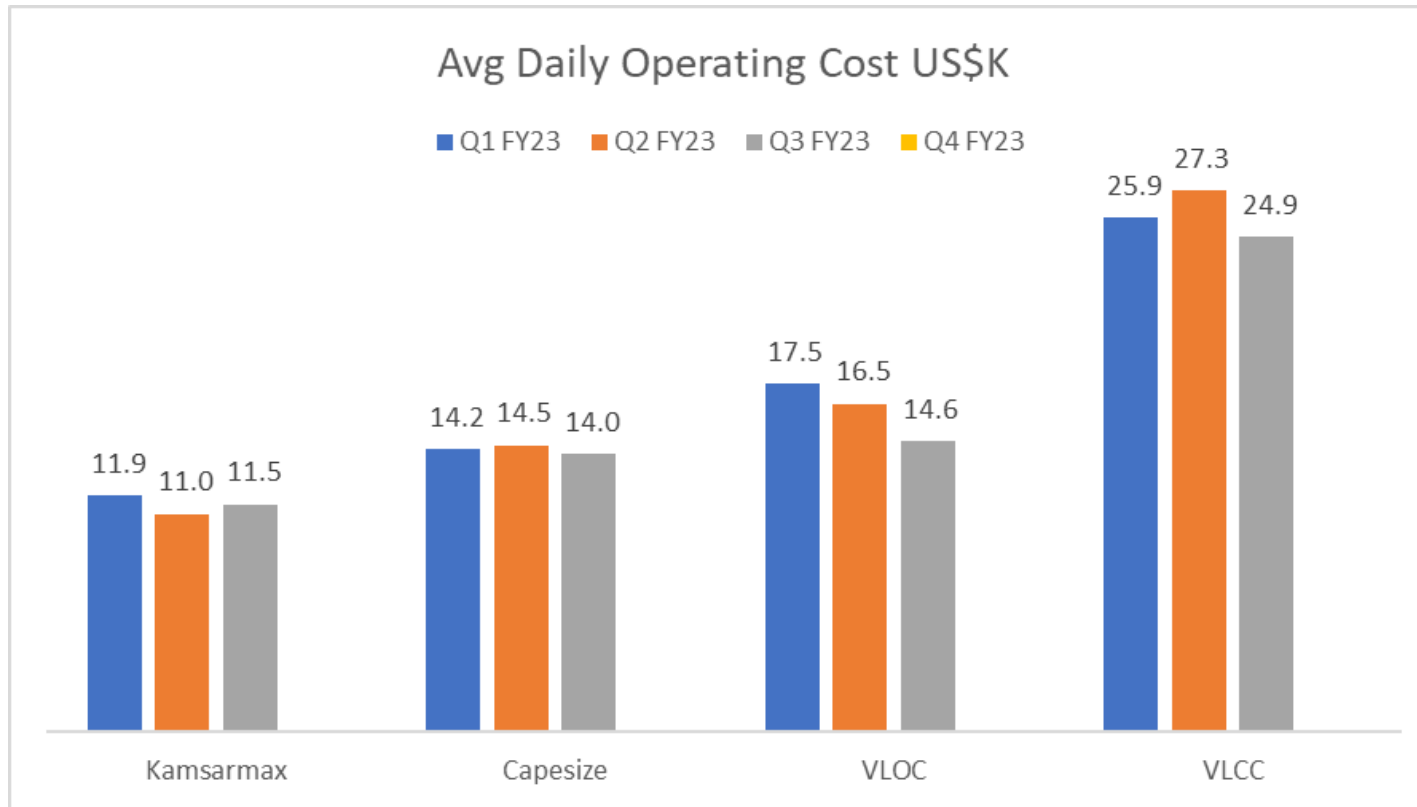


- Sarah (Kamsarmax) delivered to SNC on Sep 11, 2023. Thus, Q3 Operating Days were higher.
- Huang Shan (Capesize) disposed in Q1 and Operating Days decreased in Q2/3.
- Tien Shan (VLOC) had DD 49 days in Q1.
- Kondor had DD 13.6 days + 54 days in Q1 /2 and Maxim had DD 70 days in Q3.
- Kamsarmax, Capesize and VLOC's Avg TCE rates improved in Q2 from Q1.
- VLCC's rate slightly decreased in Q2 / 3.



平均營運成本

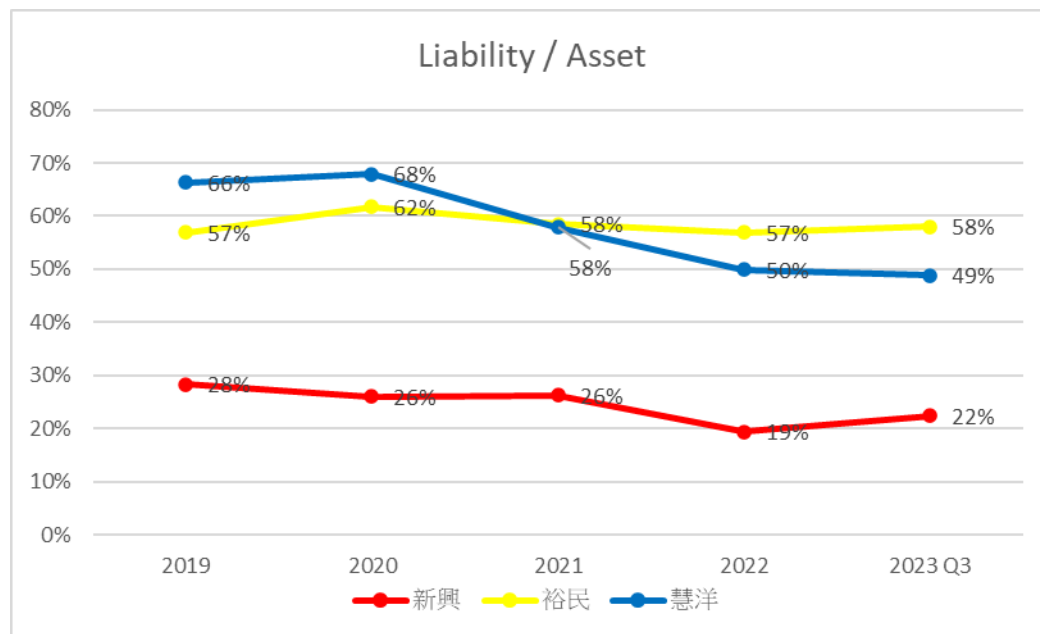
Avg Daily Operating Costs



- Kamsarmax, Capesize and VLOC's daily Operating Cost decreased from Q1.



降低負債比 Deleverage



	Amount (US\$M)	Avg Interest Rate p.a.
Cash	23	1.93%
Time Deposit	164	5.17%
Sub Total	187	4.77%

USD loan	52	6.95%
NTD loan	94	1.84%
Sub Total	146	3.65%

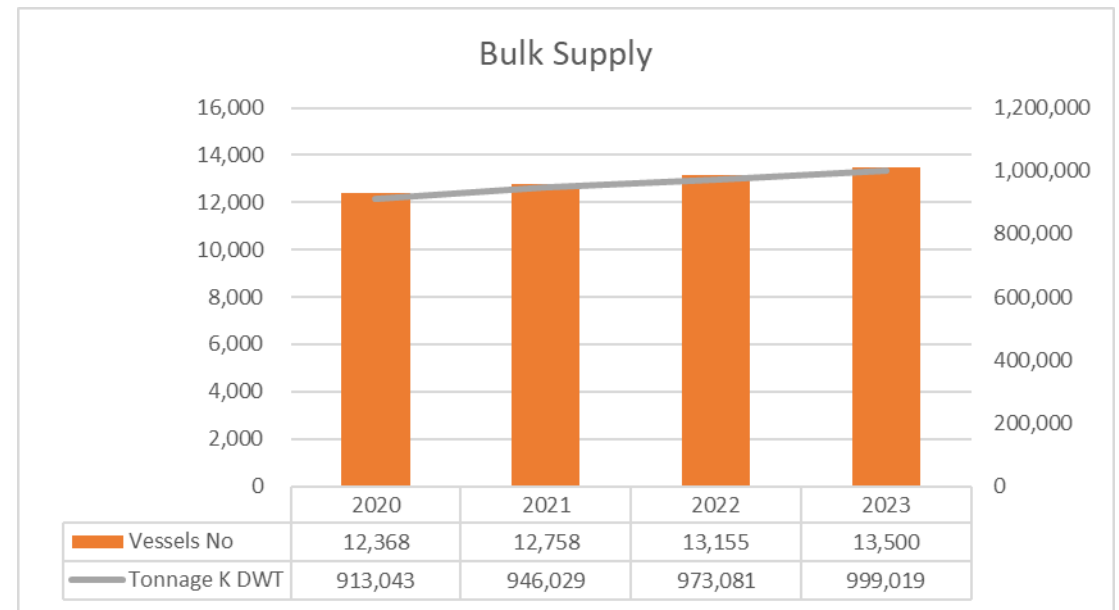
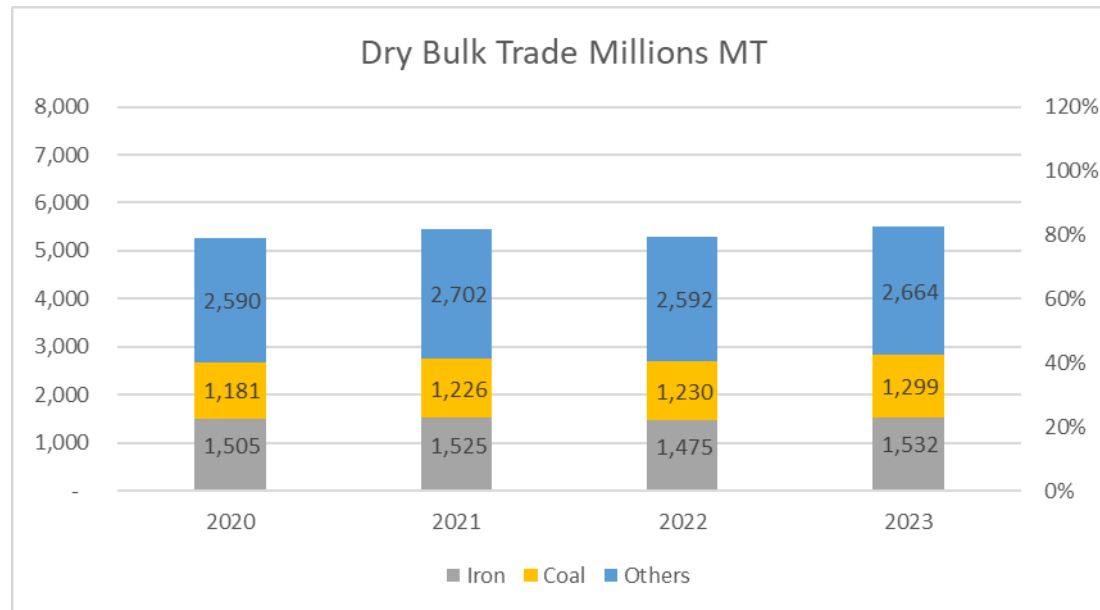
- As of Sep 2023, SNC lowered Debt to Asset Ratio to 22% through repayment mortgage loan.
- Through repayment of loan, SNC reduced interest expense pressure and increase revenue during this cycle.



市場展望 Market Outlook



散裝船需求 Dry Bulk Demand

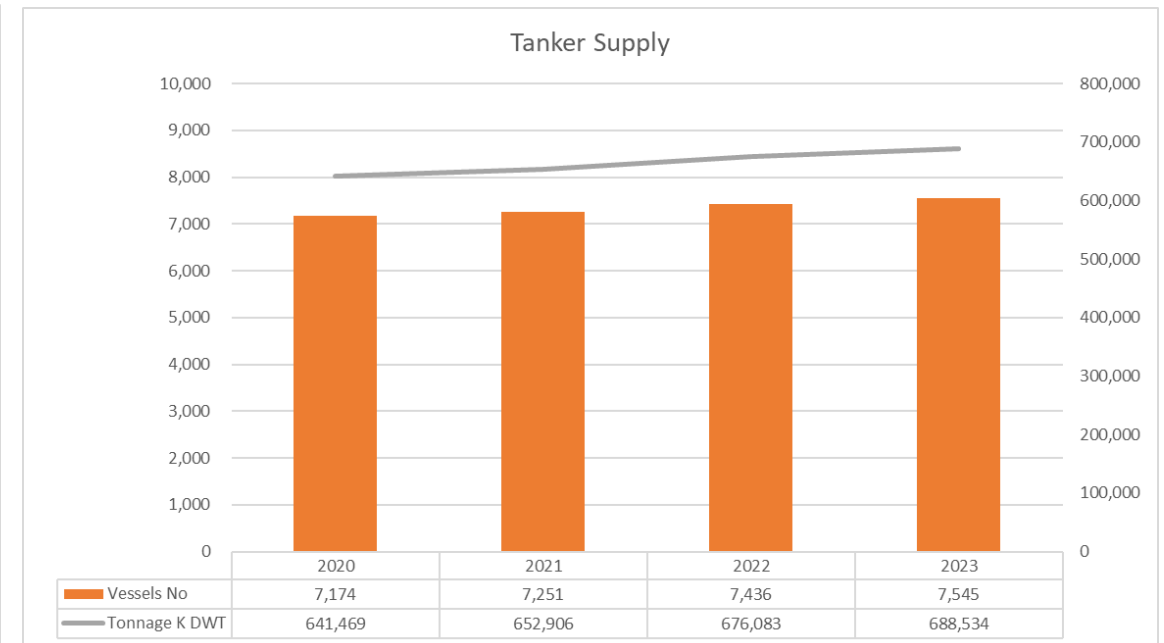
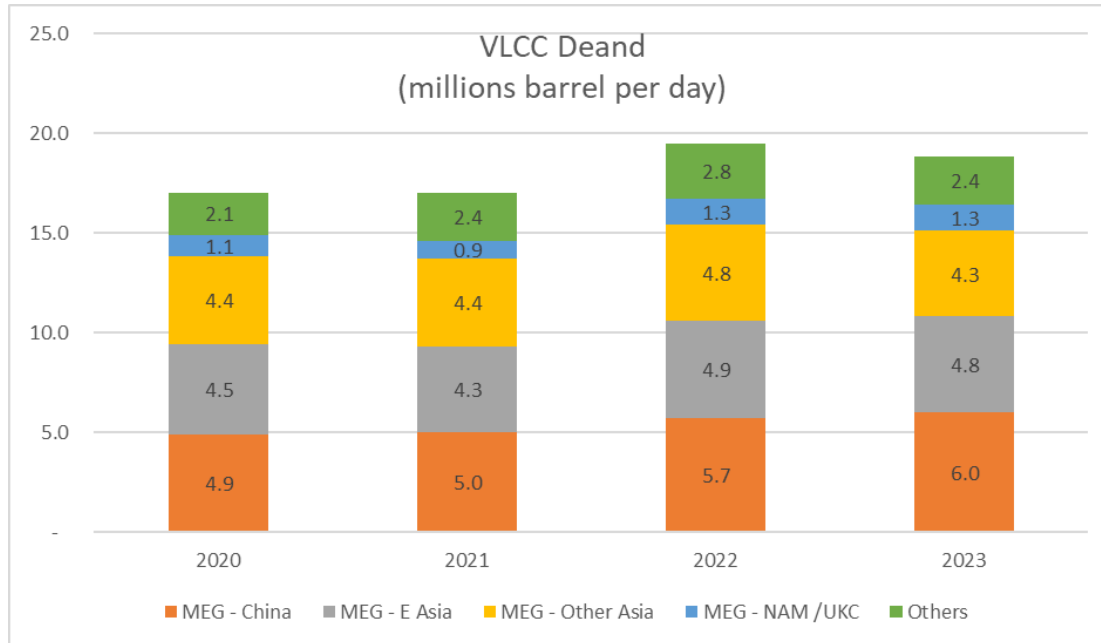


Source form Clerksens Shipping Intelligence Weekly

1. Global dry bulk trade forecasted at 5,499 Millions MT in FY23, 2.9% growth from prior year, including 28% Iron Ore, 23% Coal and 49% Others.
2. Importation of Iron Ore (20.5%) and Coal (5.2%) to China account for 25.7% total dry bulk trade volume.
3. Exporters of Iron Ore and Coal of total dry bulk volumes
 - Australia: 22.8% including 16.4% Iron Ore and 6.4% Coal
 - Indonesia: 9.1% Coal
 - Brazil: 6.4% Iron Ore



油輪供需 Tanker Demand and Supply



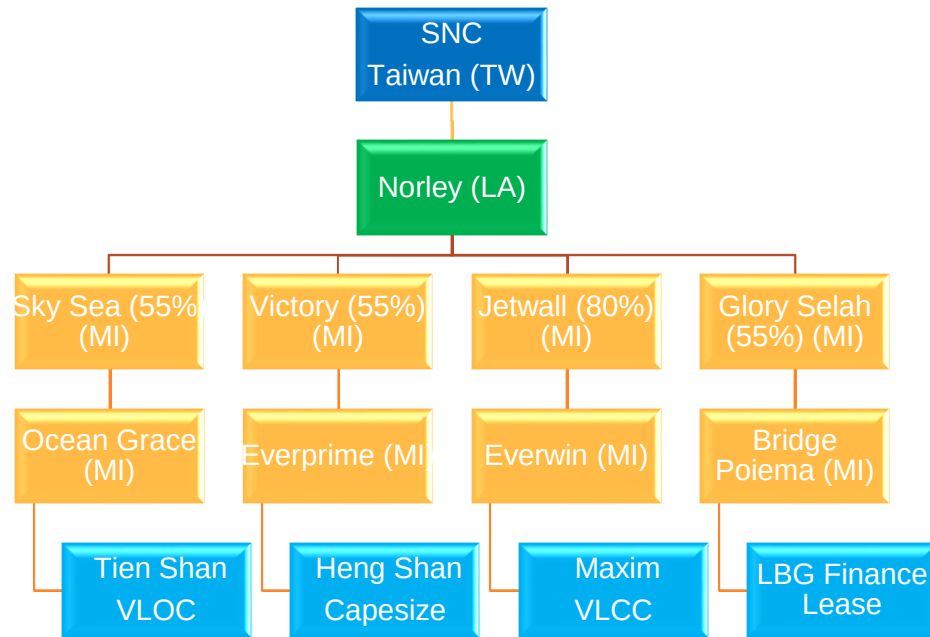
Source from Clarksons Shipping Intelligence Weekly

- FY23 forecasted 2% seaborne crude oil trade increase from FY22.
- VLCCs to China accounted for 13% of total seaborne crude oil trade.

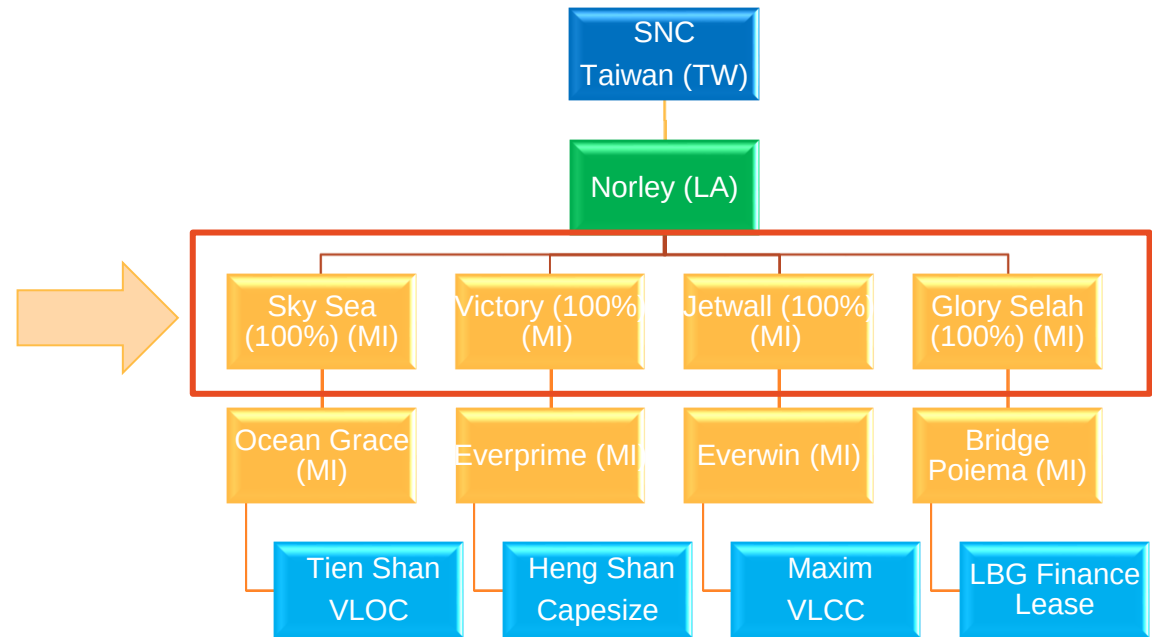


少數股權買回 Minority Shares Buyout

Current Structure



New Structure



- SNC Board approved to buy out minority shares of joint venture companies to increase the ownership of JV companies with planned transaction effective date on Dec 1, 2023 to increase ownership and earnings potential.
- Minority's shares income in first 3 quarters in 2023 were NT\$59Millions.



策略 Strategy



Provide stable dividends and return to shareholders at lower risks.



Continue deleveraging during interest rate increase cycle or financing lower interest rate loans.



Proactively seek to expand fleet size from new building and 2nd hand vessels.



Comply with IMO and other authorities' requirements and regulations.



Q&A

