



Yangzijiang Shipbuilding (Holdings) Ltd.
揚子江船業(控股)有限公司

1H2023 Results Presentation

4 August 2023

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1H2023 Snapshot



Robust earnings growth, strong order win momentum, and on track to hit delivery target for FY2023



1H23 FINANCIAL RESULTS

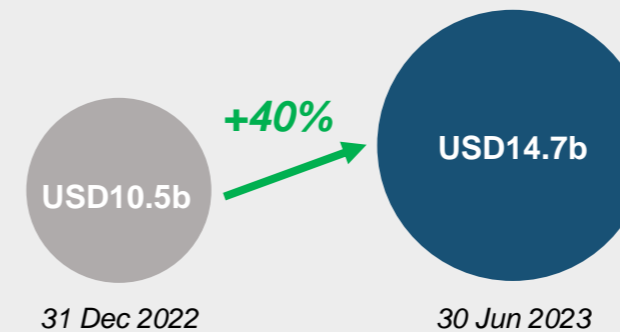


*PATMI = Profit attributable to equity holders from continuing operations

[^] annualized ROE



ORDERBOOK

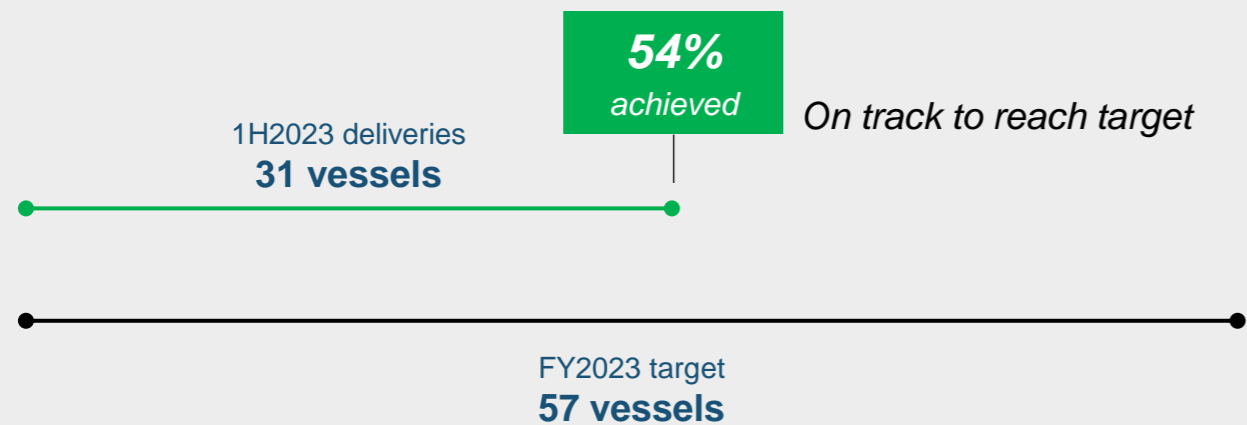


Key Highlights

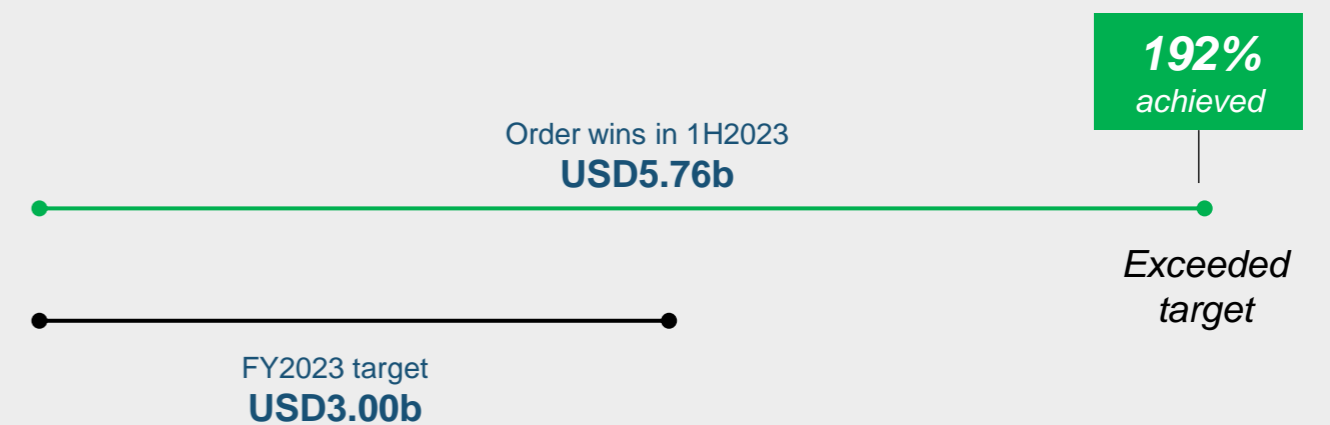
- Historic-high orderbook value
- Secured orders for first-ever methanol dual-fuel containerships
- **CLEAN-ENERGY VESSELS** account for 56% of total value

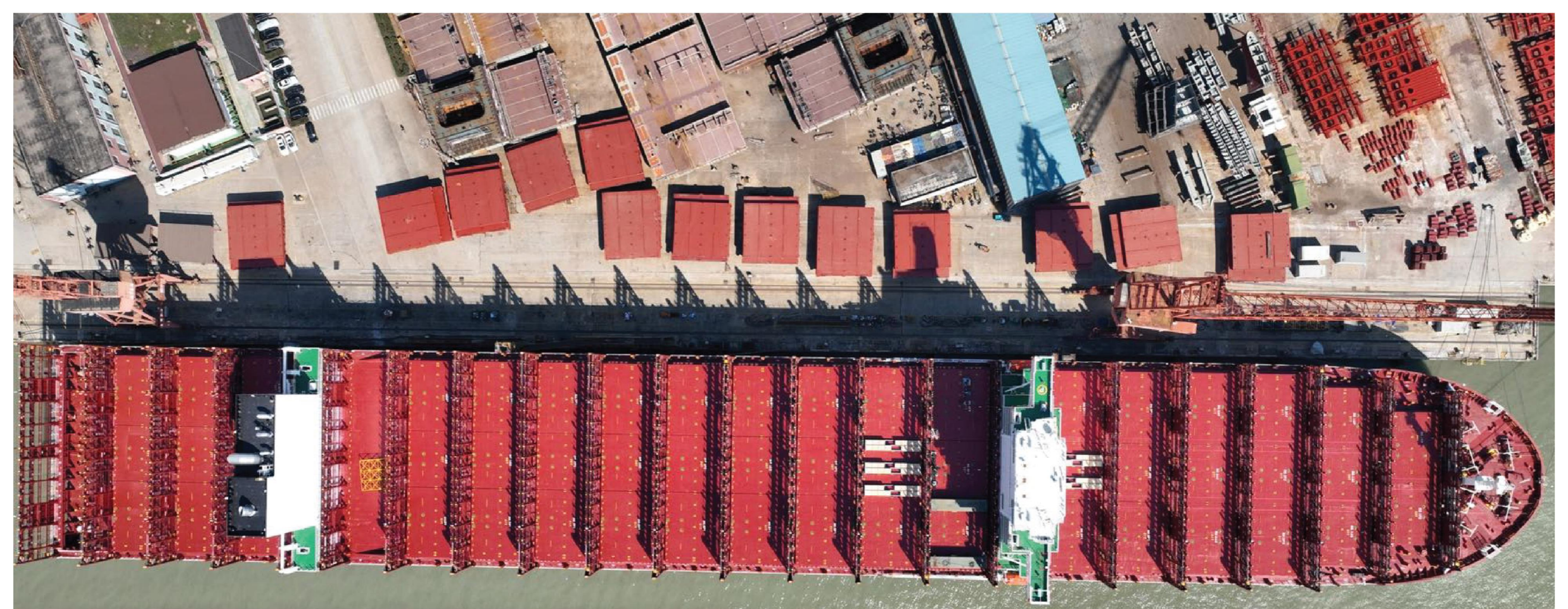


VESSEL DELIVERIES



ORDER WINS





SECTION I FINANCIAL HIGHLIGHTS

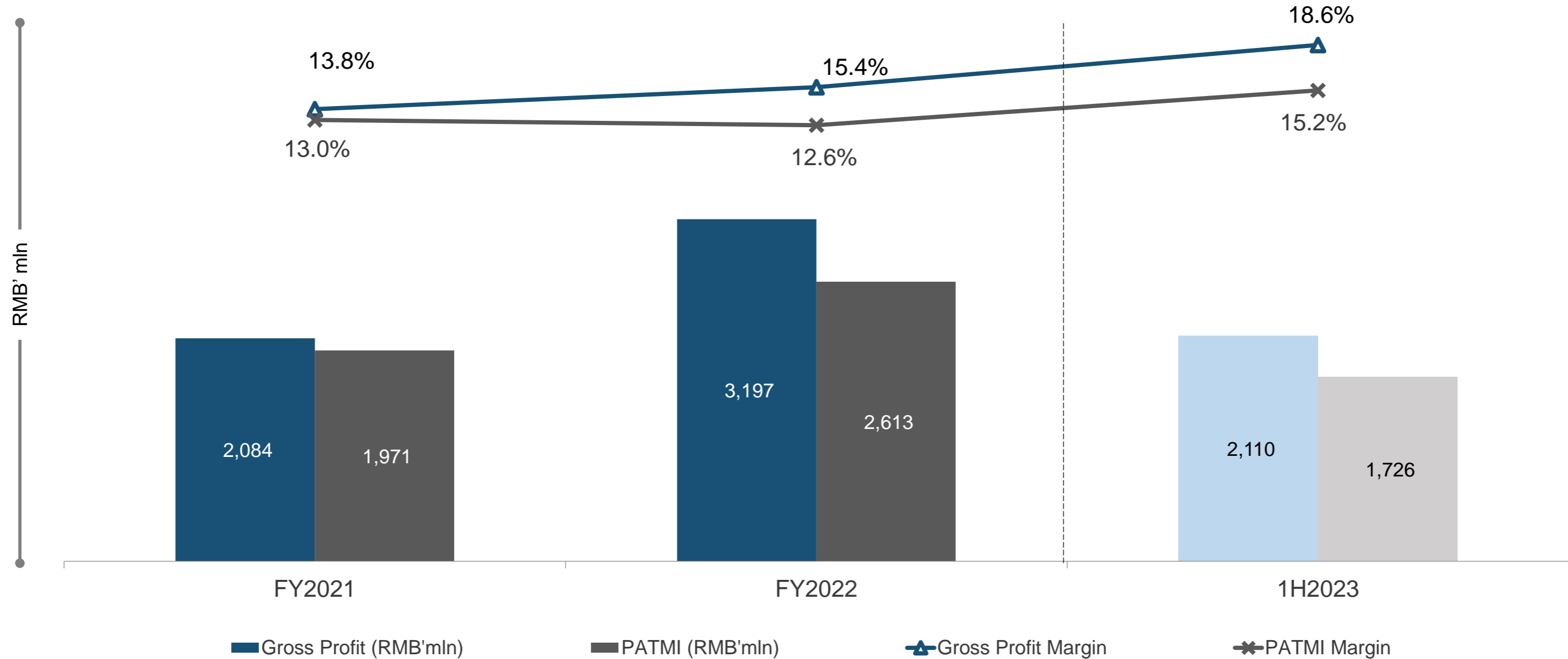
Profitability Trend

Overall improvements in margins



Gross Profit and PATMI* Trends

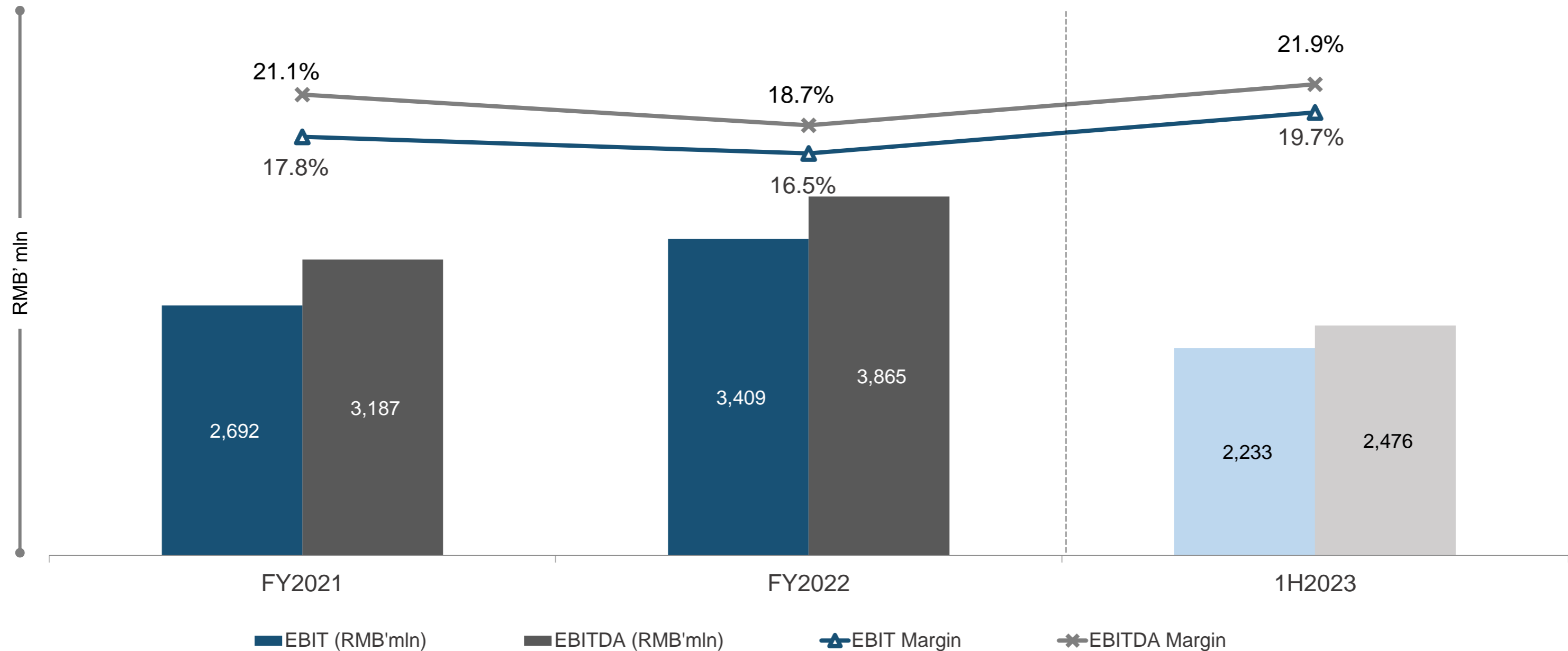
(From Continuing Operations)



*PATMI = Profit attributable to equity holders from continuing operations

EBIT and EBITDA Trends

(From Continuing Operations)



Income Statement Highlights



Strong 1H2023 performance on the back of higher Shipbuilding revenue and better gross margin

	1H2023	1H2022	Change	Commentary
	RMB'000	RMB'000	%	
Revenue	11,321,043	9,741,127	+16%	<ul style="list-style-type: none"> Increased progressive construction activities drove Shipbuilding revenue substantially; delivered 31 vessels in 1H2023 Slightly negated by lower Shipping revenue due to reduced charter rates
Gross Profit	2,109,714	1,423,970	+48%	<ul style="list-style-type: none"> Gross margin for Shipbuilding expanded due to favorable foreign currency exchange rates (USD vs RMB) and lower material costs Gross margin for Shipping compressed due to lower charter rates for bulk carriers
Gross Profit Margin	18.6%	14.6%	+4.0 pts ¹	
PATMI ²	1,725,996	1,170,627	+47%	<ul style="list-style-type: none"> PATMI improved in tandem with higher revenue and improved gross margin stated above Additional drivers include higher interest income and higher contribution from joint ventures (primarily from Yangzi-Mitsui)
Return on Equity ³	19.0%	14.2%	+4.8 pts	<ul style="list-style-type: none"> ROE expansion was in line with higher overall profitability due to the reasons stated above

1. pts = percentage points

2. PATMI = Profit attributable to equity holders from continuing operations

3. Return on Equity = [Profit attributable to equity holders from continuing operations * 2] / [total equity – non-controlling interest]

Revenue and Gross Profit Breakdown



Continuing operations		1H2023	1H2022
		RMB'000	RMB'000
Shipbuilding	Revenue	10,659,105	8,521,106
	Cost	(8,771,091)	(7,431,004)
	Gross Profit	1,888,014	1,090,102
	GP Margin	17.7%	12.8%
Shipping	Revenue	532,444	560,947
	Cost	(352,531)	(334,864)
	Gross Profit	179,913	226,083
	GP Margin	33.8%	40.3%
Others ¹	Revenue	129,494	659,074
	Cost	(87,707)	(551,289)
	Gross Profit	41,787	107,785
	GP Margin	32.3%	16.4%
Total	Revenue	11,321,043	9,741,127
	Cost	(9,211,329)	(8,317,157)
	Gross Profit	2,109,714	1,423,970
	GP Margin	18.6%	14.6%

▶ Increase was due to favourable foreign exchange rates and lower material costs

▶ Decrease was due to lower charter rate for bulk carriers

1. Other businesses such as terminal services, trading, ship design services, and investment retained subsequent to the spin-off.

Balance Sheet Highlights

Robust balance sheet with a strong net cash position



Financial Highlights	30 Jun 2023	31 Dec 2022
	RMB'000	RMB'000
Property, Plant and Equipment	7,047,069	7,277,768
- Property, Plant and Equipment – Shipping Segment	3,115,454	3,182,229
Cash & Cash Equivalents	10,726,594	10,778,393
Total Borrowings	5,057,968	4,567,540
Total Equity	18,367,821	17,704,760
Gross Gearing	27.5%	25.8%
Net Gearing	Net cash position	Net cash position

Decrease was mainly driven by depreciation and the disposal of two vessels during the year

Remains at a healthy gearing position



SECTION II SHIPBUILDING UPDATES

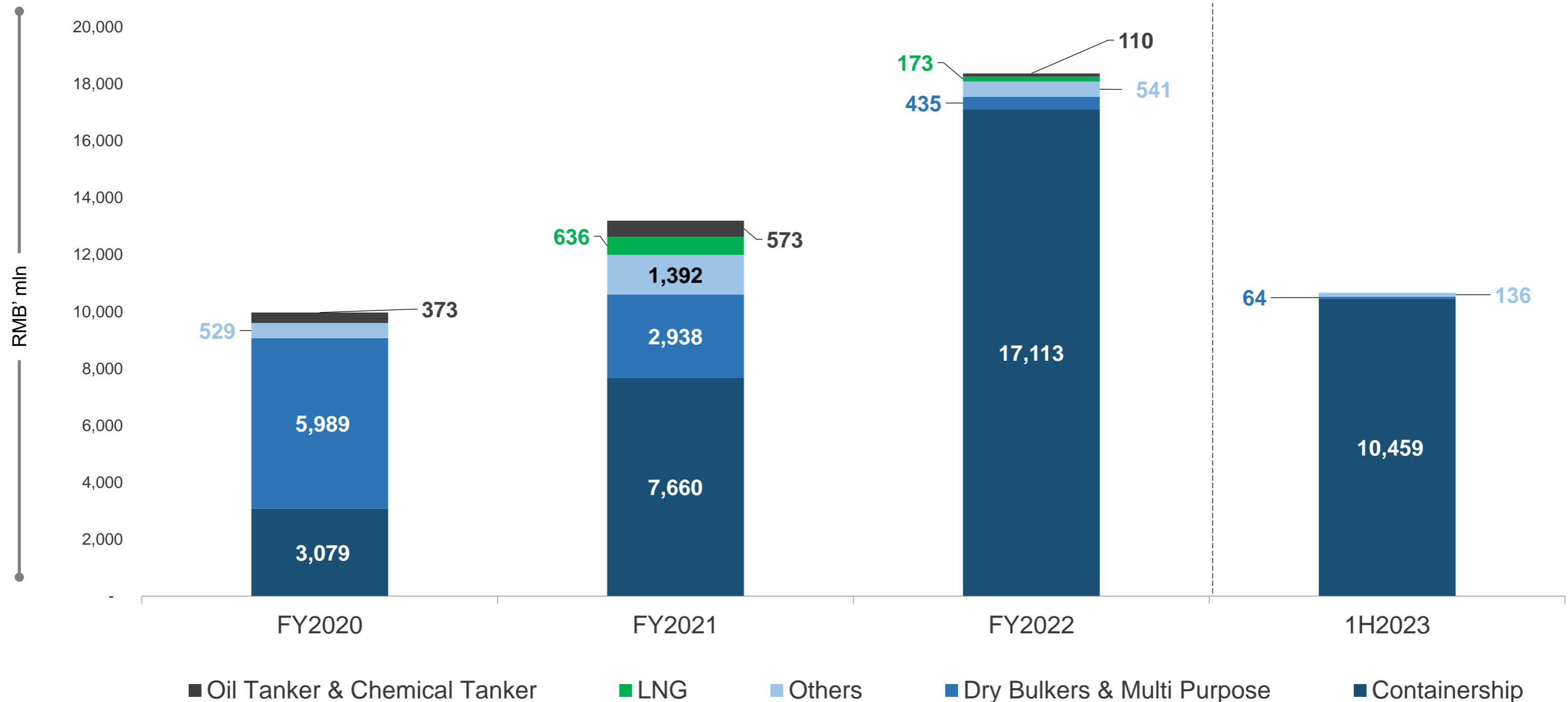


Shipbuilding Segment: Revenue Trend

1H2023 revenue was mainly driven by containerships



Shipbuilding Revenue Breakdown



Shipbuilding Segment: Orderbook Overview



Clean energy vessels account for ~56% of the total outstanding orderbook value

181

Vessels

8.54m

Compensated gross tonnage (CGT)

USD14.70b

Total Contract Value

2023 – 2028

Delivery Timeframe

Containerships	
91 Vessels	6.41m Total CGT
USD10.41b Total Value	
Size & Specifications	Quantity
1,800TEU	5
2,400TEU	4
3,300TEU	3
3,500TEU	6
4,600TEU	3
8,000TEU	4
15,000TEU	13
24,000TEU	2
Methanol Dual-Fuel 950TEU	4
Methanol Dual-Fuel 9,000TEU	6
LNG Dual-Fuel 7,000TEU	15
LNG Dual-Fuel 8,000TEU	4
LNG Dual-Fuel 16,000TEU	12
LNG Dual-Fuel 24,000TEU	10

Bulk Carriers	
53 Vessels	1.06m Total CGT
USD2.06b Total Value	
Size & Specifications	Quantity
29,800DWT	1
31,800DWT	2
32,000DWT	4
40,000DWT	6
45,000DWT	4
63,200DWT	2
66,000DWT	10
80,000DWT	5
82,300DWT	2
82,500DWT	14
Combination 83,300DWT	3

LNG/LPG/LEG	
8 Vessels	0.32m Total CGT
USD0.87b Total Value	
Size & Specifications	Quantity
36,000 CBM LEG	3
40,000 CBM LPG	3
175,000 CBM LNG	2

Oil Tankers	
29 Vessels	0.75m Total CGT
USD1.36b Total Value	
Size & Specifications	Quantity
50,000DWT MR OT	18
75,000DWT LR1 OT	6
114,000DWT LR2 OT	5

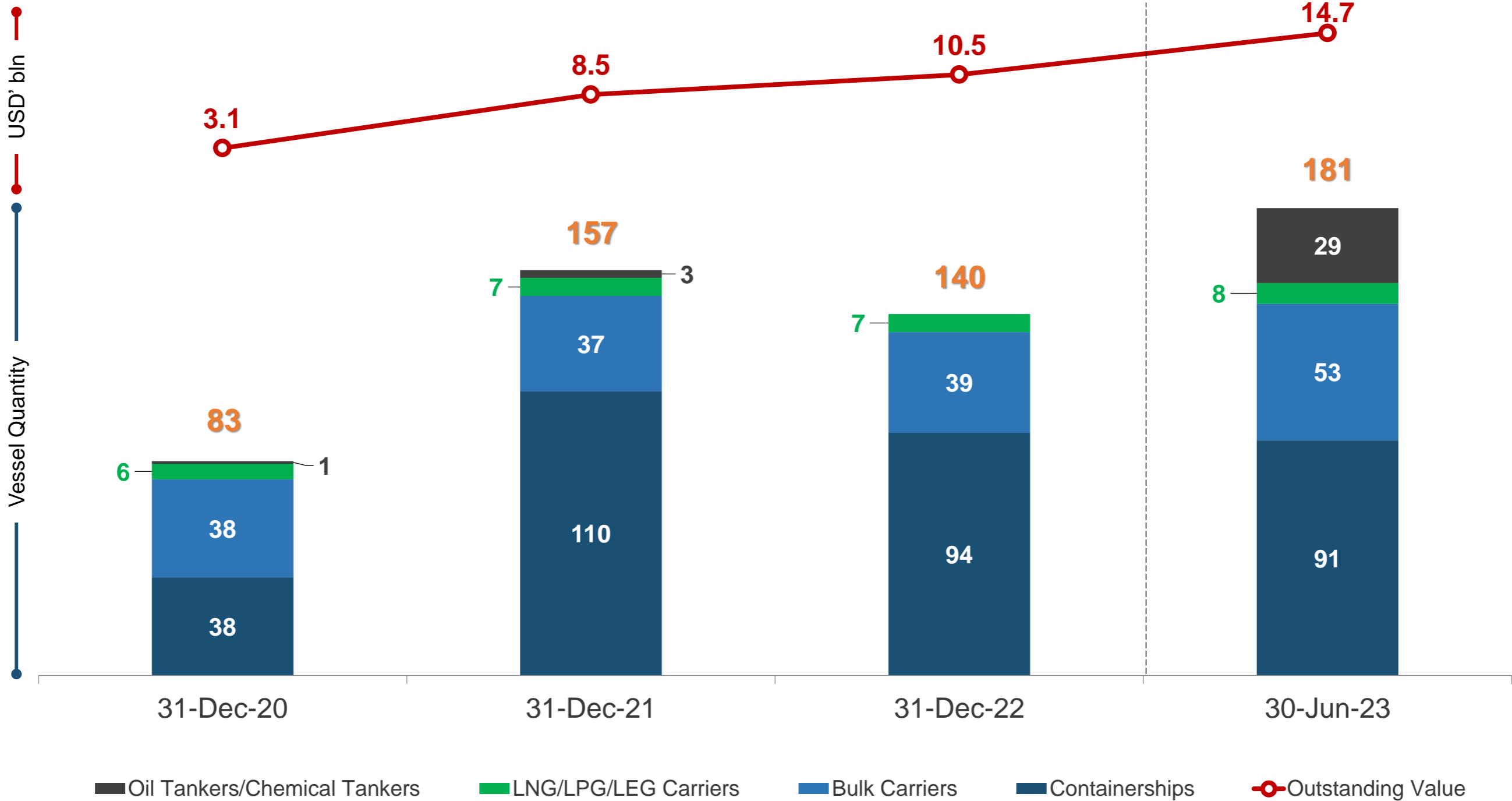
Note: Order book data as of 30 June 2023

Shipbuilding Segment: Outstanding Orderbook



Orderbook at an all-time high of USD14.7 billion; strong earnings visibility up until 2026

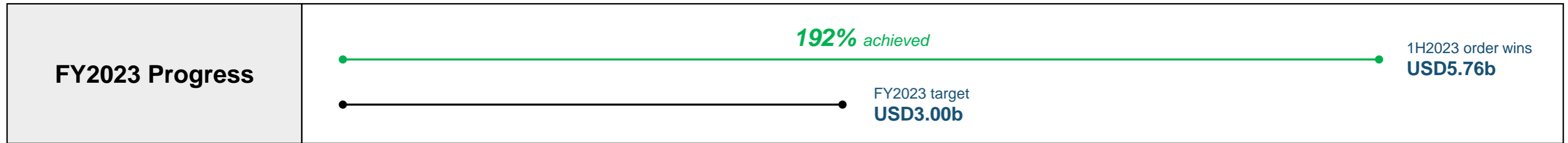
Orderbook Trend



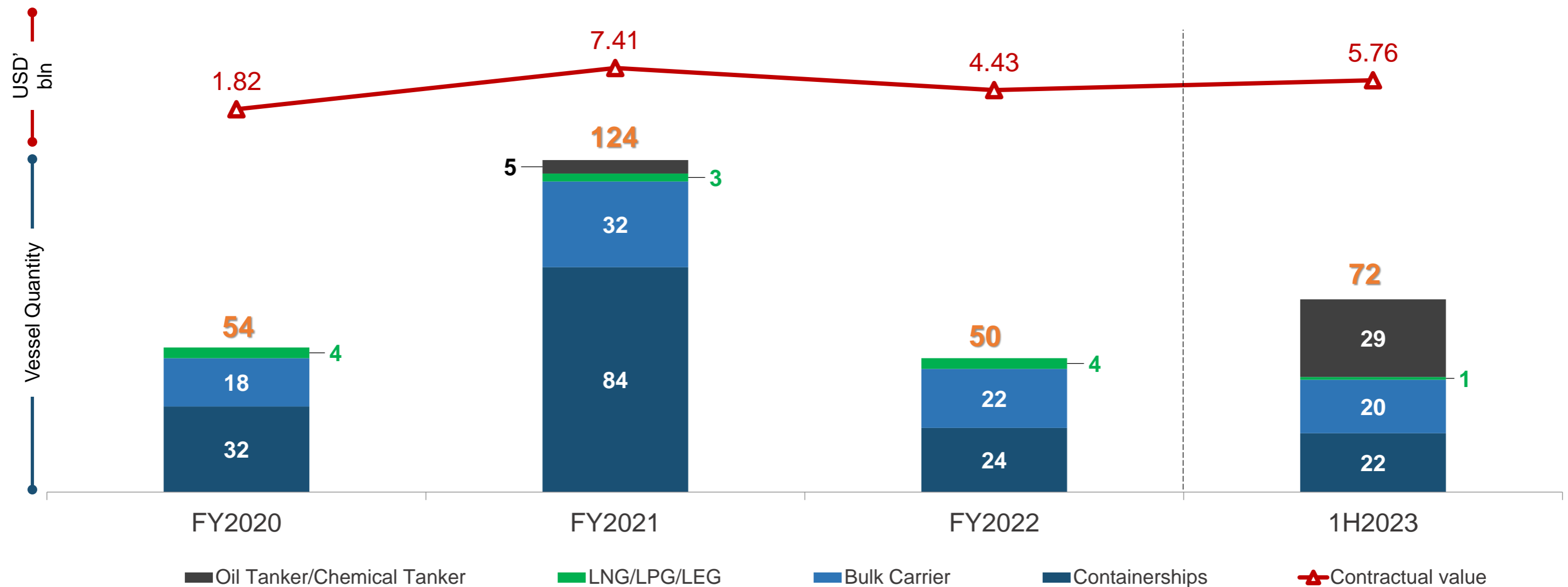
Shipbuilding Segment: Order Win



Almost doubled FY2023 Target of USD3 billion with 6 more months remaining



Order-win Trend



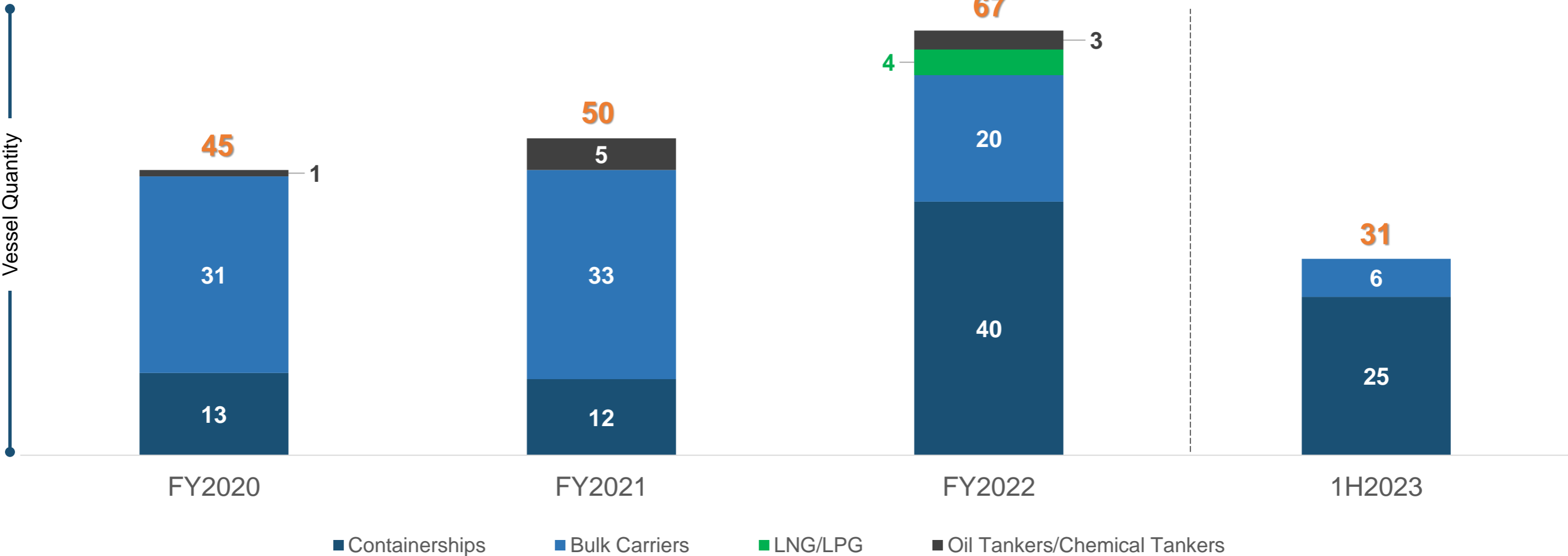
Shipbuilding Segment: Vessel Delivery



On track to hit delivery target of 57 vessels in FY2023



Vessel Delivery Trend





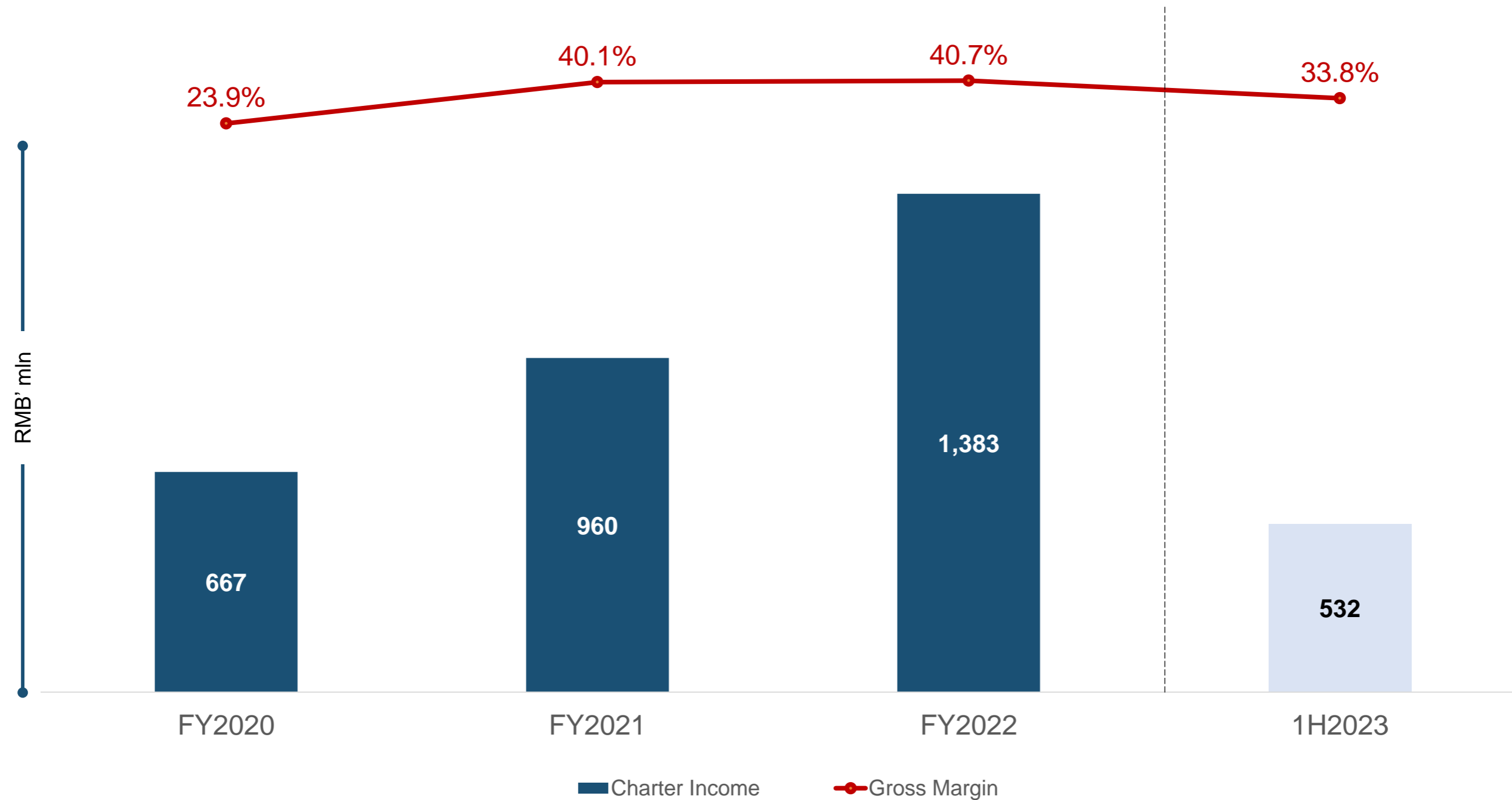
SECTION III
SHIPPING UPDATES



Shipping Segment: Charter Income Trend



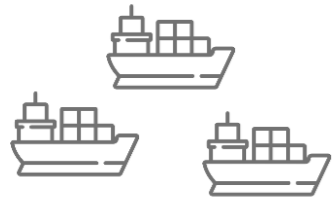
Margin compression due to lower charter rates which coincided with a number of shipping contract renewals; the Group has strategically locked in short-term contracts which gives us flexibility to reassess in the near-term



Shipping Segment: Fleet Portfolio



Well-diversified fleet enables us to offers comprehensive services to our clients



	Quantity	Average Age (Years)	Total Capacity
Bulk Carriers	23	7.86	1,694,600 DWT
Stainless Steel Chemical Tankers	3	8.00	52,200 DWT
Containerships	2	1.33	3,600 TEU
Multiple Purpose Vessels	1	10.17	12,500 DWT
Total	29	7.50	



SECTION IV INDUSTRY OUTLOOK



Industry Outlook

Regulatory factors will continue to boost new-build orders



REGULATORY REVISION TO DRIVE FLEET DECARBONISATION AMONG CONTAINER SHIPOWNERS



Revised GHG reduction strategy for global shipping



**Reach Net Zero
by 2050**

*Cut GHG Emissions
by 50% by 2050*



**Indicative
Checkpoints**

20-30% by 2030
70-80% by 2040

No Checkpoint



**Uptake of alternative
zero/near-zero GHG
fuels by international
shipping**

5-10% by 2030

No Target



**Accelerate fleet
decarbonization
particularly among
container shipowners
due to their strong
financial positions and
the onset of fleet
replacement cycle**



Thank You

For more information,
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