

**IR / MEDIA CONFERENCE**

**AS ONE, WE CAN.**

**ONE**

**OCEAN NETWORK EXPRESS**

23 March 2022



- **Business Overview**
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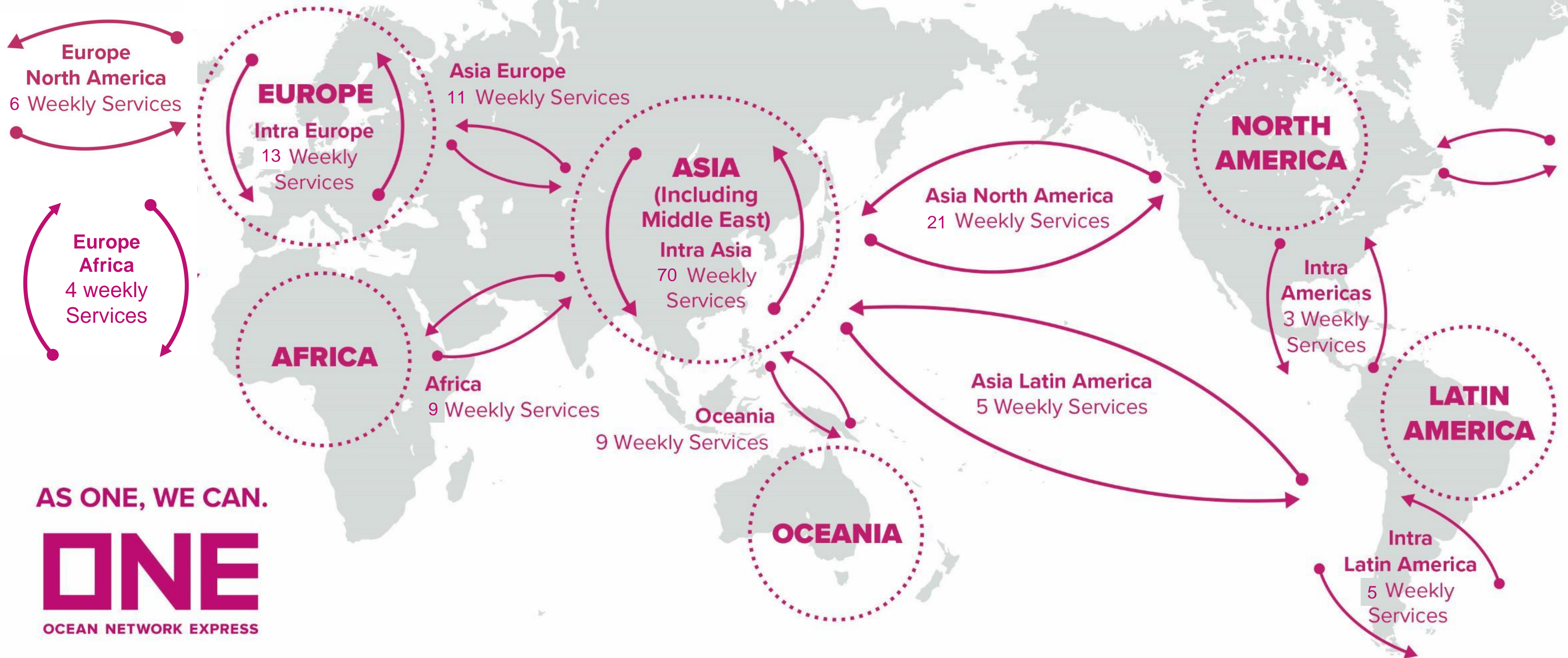


# Business Overview



# ONE's BUSINESS STRUCTURE (GLOBAL NET WORK)

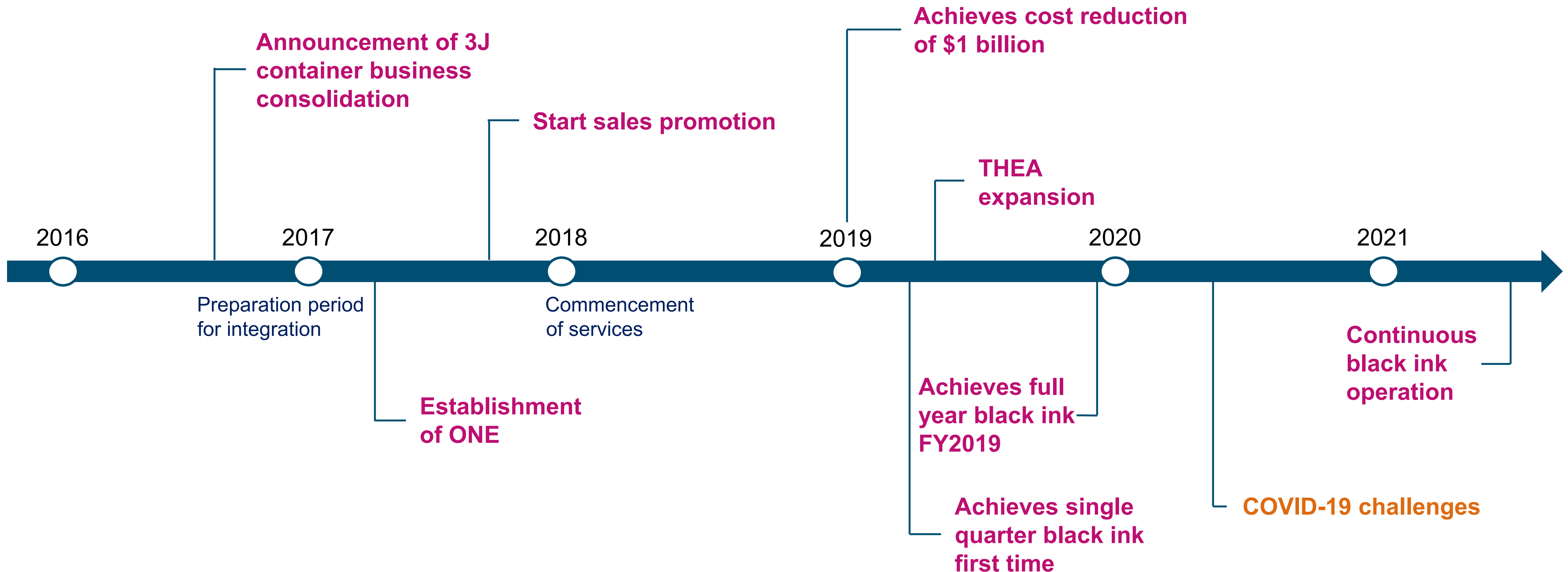
ONE offer an extensive choice of 156 weekly service to over 120 countries around the world



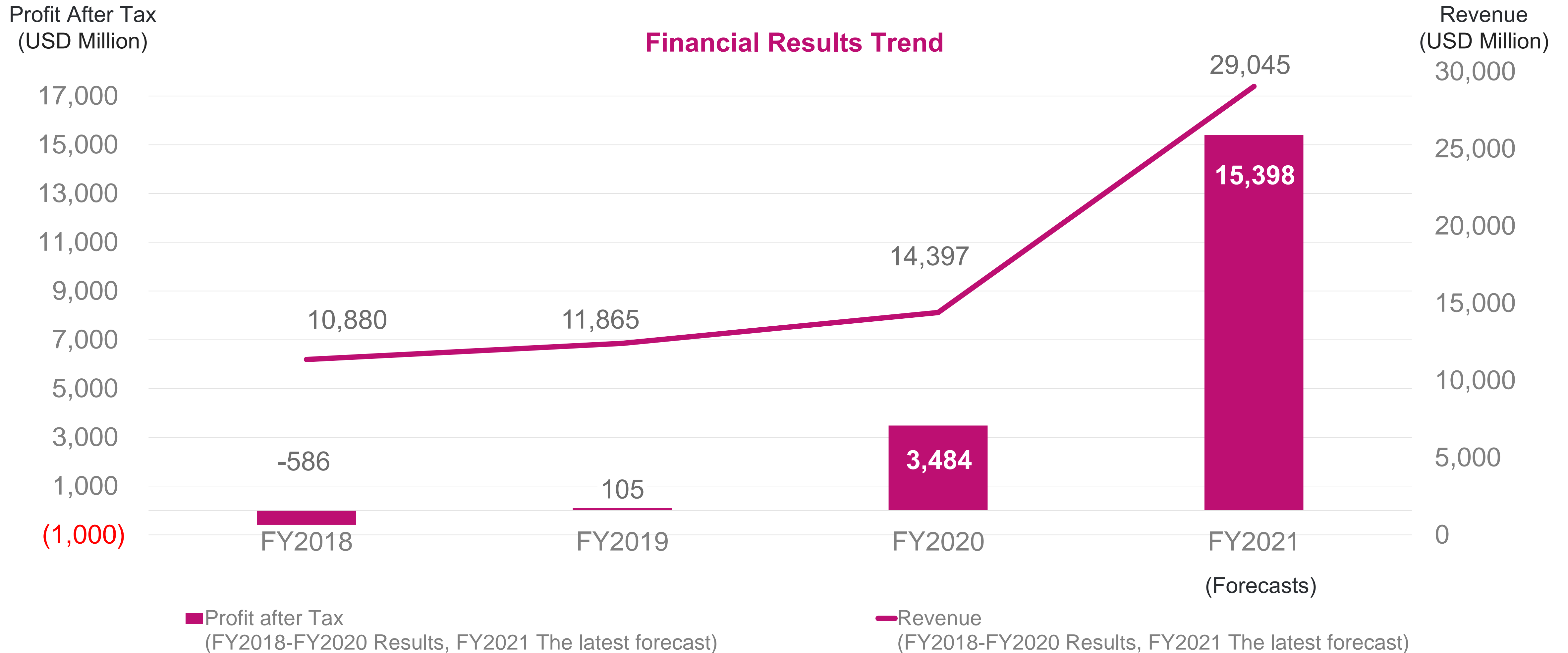
AS ONE, WE CAN.



ONE established in 2017 and started operation in 2018. Providing container transportation services to the world for 4 years with success.



ONE recorded a loss in FY2018, but has produced profit in every year since.



# A CONSISTENTLY PROFITABLE COMPANY

- Top class profitability - ONE's EBIT margin in January to December 2021 was 53%.
- Our business scale as a major container shipping company and our focus on operational excellence is yielding better margins.

- US\$1Bn per annum synergy effects against FY2015 level (of three parent companies) has been fully achieved.
- New "ONE INITIATIVES" – Service network optimization, yield management, operational excellence, etc. have further enhanced performance.

2021 Jan-Dec	ONE	Industry Peers*
REVENUE	26,389	228,000
EBIT	13,922	91,000
EBIT Margin	53%	40%

(USD Million)

\*Industry Peers are top 8 liner companies results, without considering segments, as long as published. ONE converted to US Dollar according to the internal exchange rates.



- Since year 2020, the biggest challenge not only to ONE but also to the industry has been the significant global supply chain shock caused by COVID-19 pandemic.
- As a liner shipping company and a key stakeholder in the global supply chain, ONE executed many measures/initiatives to meet the requirement from society to transport increasing cargo volumes.

## Measures/Initiatives

- Continuation of business and operation worldwide throughout the pandemic period as an essential service provider (despite WFH restrictions).
- Collaboration within and beyond ONE to overcome global supply chain bottlenecks.
- Maximization of vessels and containers deployment.
- Support crew change welfare needs.
- Enhancement of customer digitalization solutions.







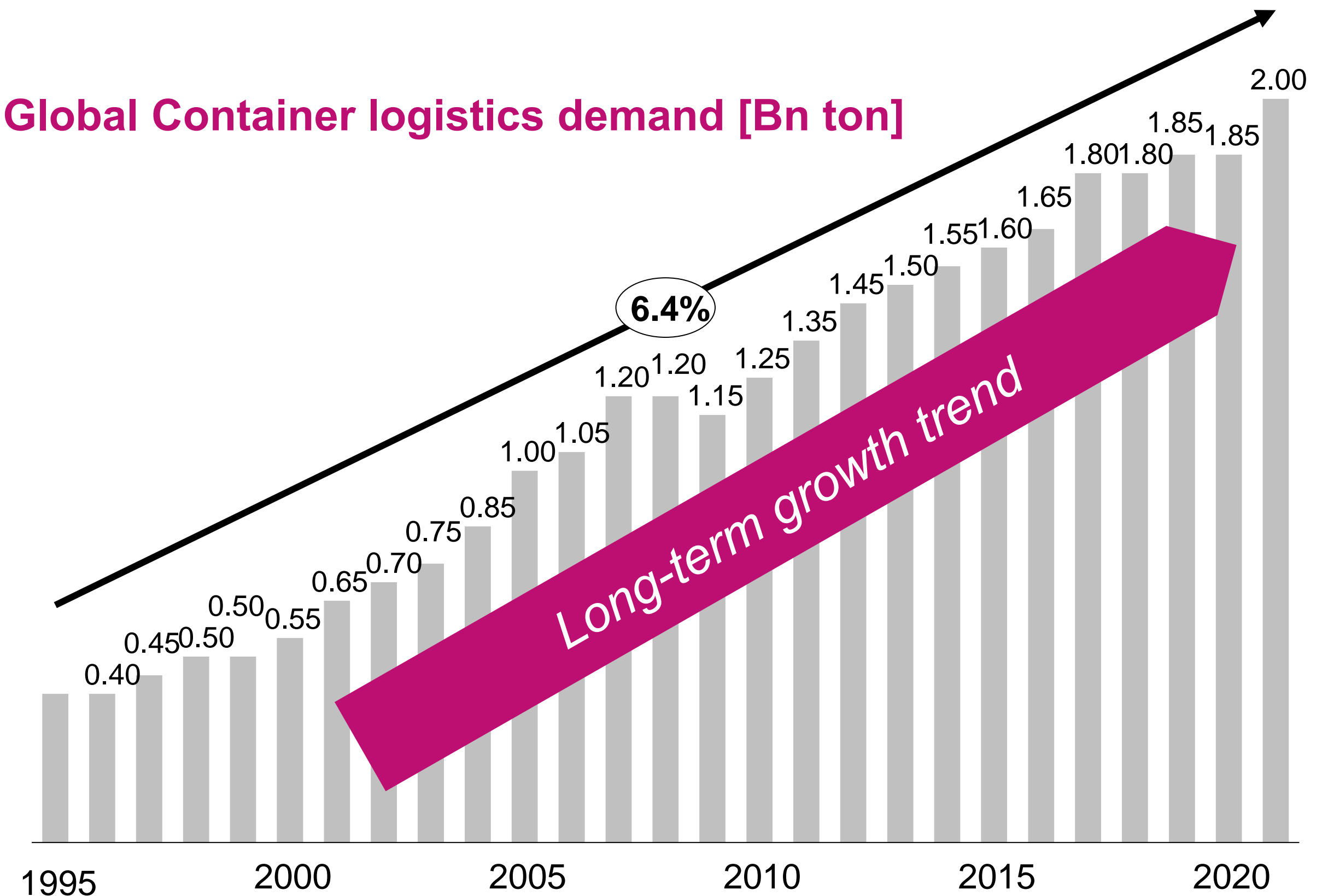
- ❑ The disruption to the global supply chain by the pandemic is not over yet and it will take more time to fully eliminate.
- ❑ In the short-term, we still see supply chain, uncertainties, e.g., timing of normalization from COVID-19 pandemic, Ukraine/Russia tensions, and global inflation, etc.
- ❑ On top of short-term uncertainties, commitment to decarbonization, adaptation to customers changing demands, governance and cyber security are all key components that need continuous management attention.
- ❑ But...



- Container logistics demand has continued to grow steadily over the decades.
- Container demand is still forecasted to grow, supported by strong fundamentals such as population increase, infrastructure development, and global supply chain requirements.

- As a basic part of global infrastructure, continuous investment in assets is needed to meet global transportation needs.
- IMO Decarbonization requirements will increasingly impact global vessel supply.

Global Container logistics demand [Bn ton]





# ONE's Midterm Strategy



ONE will continue to aim for best-in-class industry profitability by successfully combining economy of scale and operational efficiency.



Keep top class industry profitability and target ROE 10% over the long term.



**Key  
Strategies**

1. ONE will continue its strategic investment in the liner business.
2. ONE will be a leader in the decarbonization of shipping and is totally committed to achieving sustainable maritime transport services.

- Committed to high quality and safe global shipping services.
- Focused on environmentally and economically sustainable investments through independent finance.
- Firm actions to achieve net-zero emission by 2050.
- Providing value added and efficient customer service, through digitalization and data driven enterprise architecture.
- Further improve operational efficiency through the maximization of asset utilization.
- Reinforce and strengthen ESG+O(operational excellence) to be a sustainable and resilient organization.

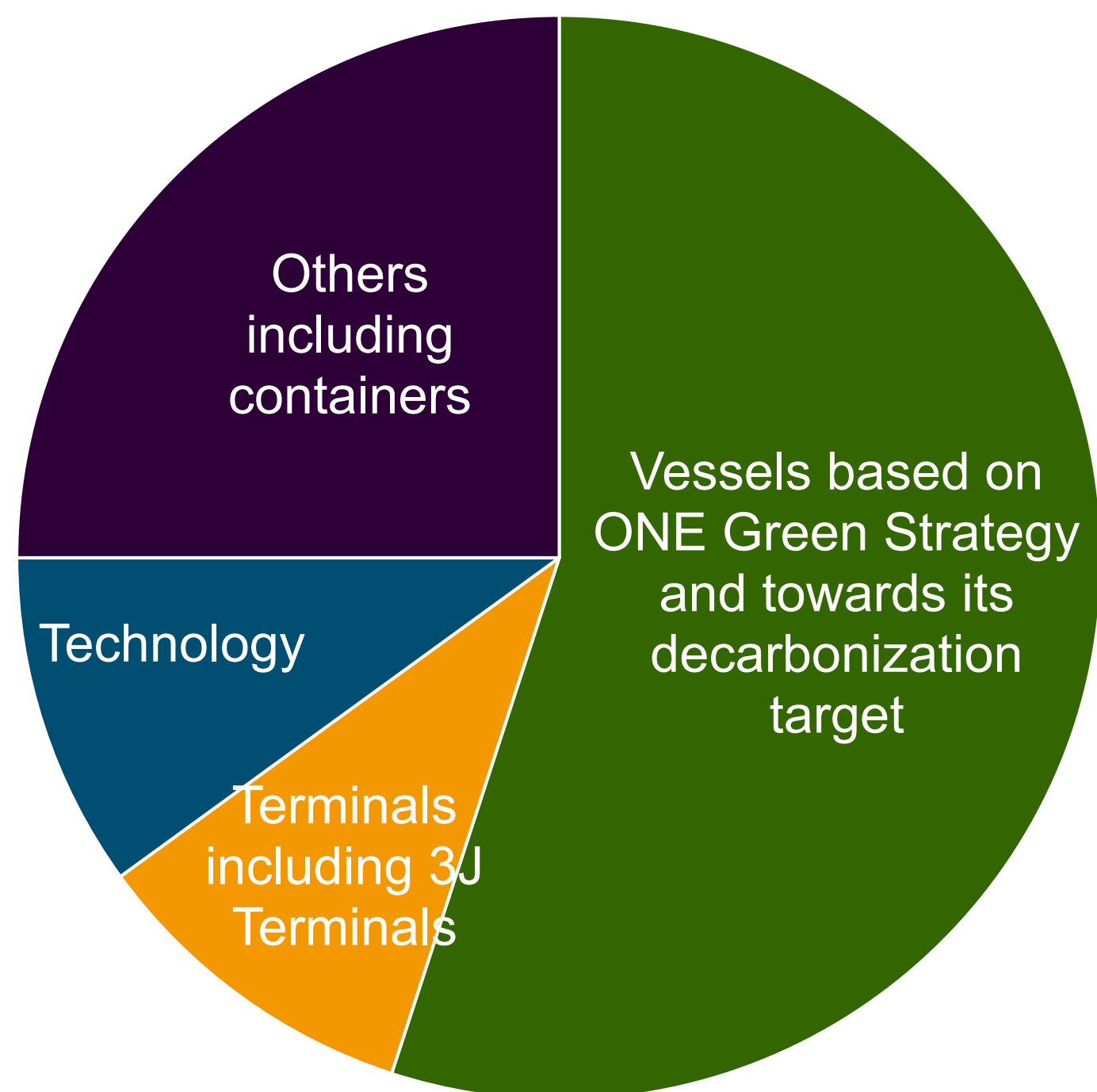


**Establish mutually sustainable partnerships with customers and service providers.**



ONE is committed to the Liner business and plans to invest more than US\$20Bn by 2030. Investment is made to sustain a best in class supply chain for our customers and meet ONE's future decarbonization targets.

## Investment portfolio



## Investment plan

- Based on its mission to provide essential service for society and fulfil customers' requirement, ONE would continue investing in enhancing its core fleet.
- As responsible company, ONE would be investing to upgrade its fleet based on its green strategy and towards its commitment to accelerate decarbonization.
- ONE would also be investing in areas such as terminals to offer superior service to customer as end-to-end logistics provider.
- Digitalization to improve customer experience and more efficient deployment of assets.

\*ONE's investment plan is based on recent trade statistics and assumptions will be regularly reviewed according to cargo demand and other business environment factors.



□ To fulfil growing demand and upgrade ONE’s core fleet, the following investment (over 520K TEU in total) has already been made in newbuilding commitments.

## Fleet investments made and in pipeline

Phase in	Size TEU	No. of Vsl
FY2020	12K	4
FY2020-21	15K	4
FY2022	12K	4
FY2023	15K	4
FY2023	24K	6
FY2024	15K	6
FY2024	7K	10

### Investing in newbuilding

- To fulfil customers’ demand for future sustainable supply chains ONE has already been expanding its core fleet.
- These investments are part of ONE’s green strategy and decarbonization plan.

### Extension of existing charter fleet

- To maintain necessary network growth requirement, ONE will also be extending its existing charter program.



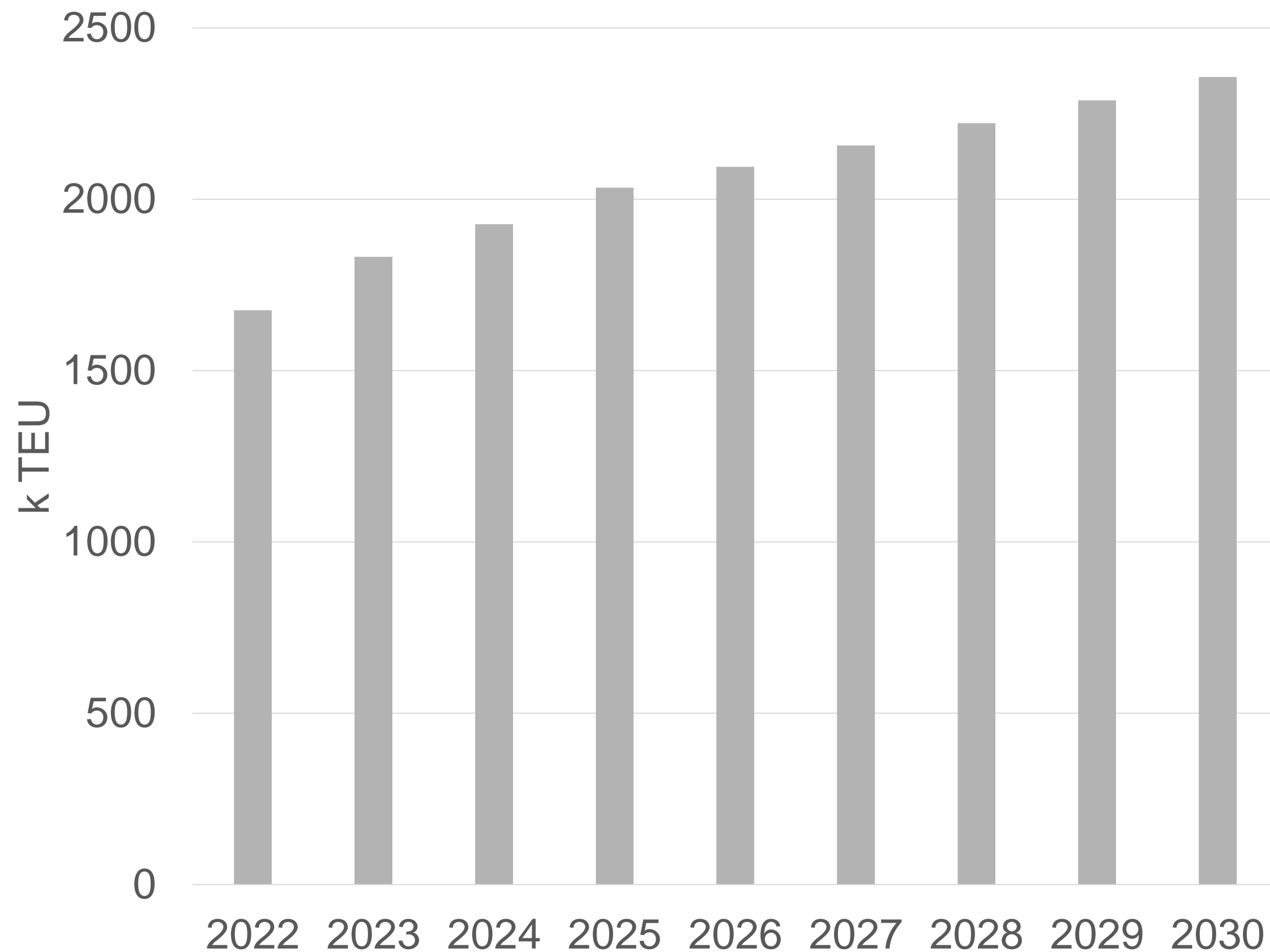
\* 24K vessel image

\* These investments have been completed and are not included in the USD\$20billion investment plan outlined last slide.



□ To meet growing demand and our decarbonization target, ONE plans to invest in approx. 150K TEU of newbuilding annually.

## Future investment and fleet capacity



### Investment to enhance core fleet

- To provide better service addressing long term growth, ONE plans to invest in approx. 150K TEU of newbuilding on annual basis.
- Investment in newbuilding will align with ONE's green strategy.

### Replacement of obsolete vessels to accelerate decarbonization

- Obsolete vessels would gradually be replaced with newbuilding delivered to achieve ONE's commitment towards decarbonization.



Enhancing ONE's service delivery platform.





<b>Vision</b>	<b>“To be sustainable and resilient; a trusted partner for customers in delivering global shipping solutions”.</b>			
<b>Category</b>	Environment	<b>Social</b>	Governance	Operational Excellence

As a responsible and transparent business partner, footprint will be updated through ONE Sustainability Report.



## Social

- Talent Management - Re-establish ONE’s HR infrastructure and policies. Annual engagement survey, Flexible working conditions.
- Human Rights - Regular updates on policies and global training, whistleblowing system. Respect for Seafarers.
- CSR Activities - #OneOcean (marine conservations), #OnePinkRibbon (Awareness), contributions to local society.



## Governance

- Compliance, Anti-corruption, Antitrust law– Global compulsory training program to all employees.
- ISO14001 for environment management and EU inland service procurement, ISO 9001 for vessel safety inspection process.
- Supply Chain Management - Engagement management, ethics guideline endorsement, GHG emission data collection.
- Cyber Security - Top class security and global training.



# Green Strategy



ONE will be a leader in the decarbonization of shipping and is totally committed to achieving sustainable maritime transport.



ONE's **Green Strategy** sits at the top of our management agenda, as does our commitment to achieve **carbon neutrality by 2050**, thereby playing an important role in **global environmental conservation**.



ONE will make **continuous investments in greener assets & technologies** whilst also taking all appropriate actions to achieve our green targets.



ONE will engage in **open collaboration** with industry stakeholders to realize the **Decarbonization of Shipping**.



ONE takes leadership for open collaboration in the concept of “Road to zero emission” of shipping industry.





□ To realize our vision and mission, ONE sets new Environmental target including net-zero GHG emission by 2050.

## Green Vision

- To be a **global leader** in the realization of **environmentally sustainable shipping**.

## Green Mission

- We will achieve **carbon net-zero shipping** in order to protect our planet via **lean and agile** best practices and **open collaboration**.

## Decarbonization targets

Emissions intensity:

- To **Reduce scope 1 GHG** emissions **by 70%** (vs 2008) per TEU km **by 2030**.

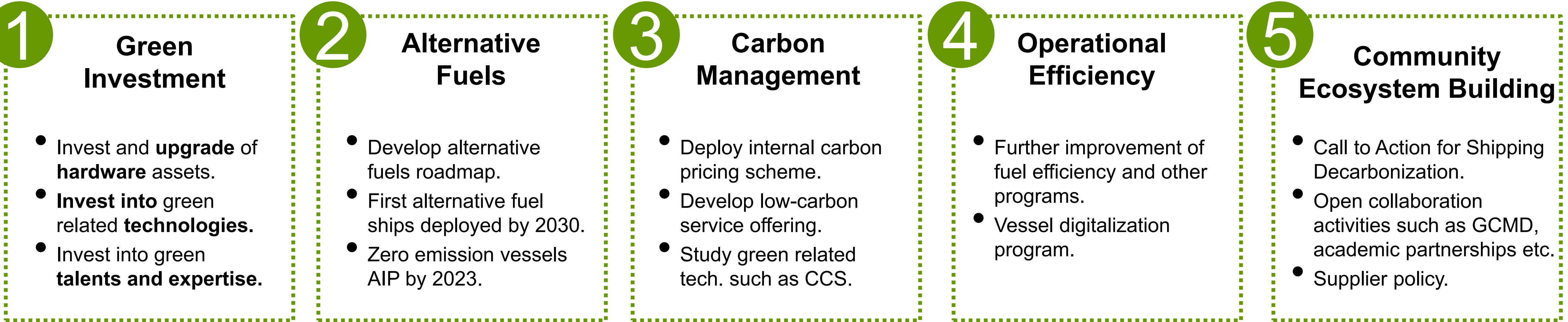
Absolute emissions:

- **Achieve net-zero GHG emissions** (including scope 2 & 3) **by 2050**.

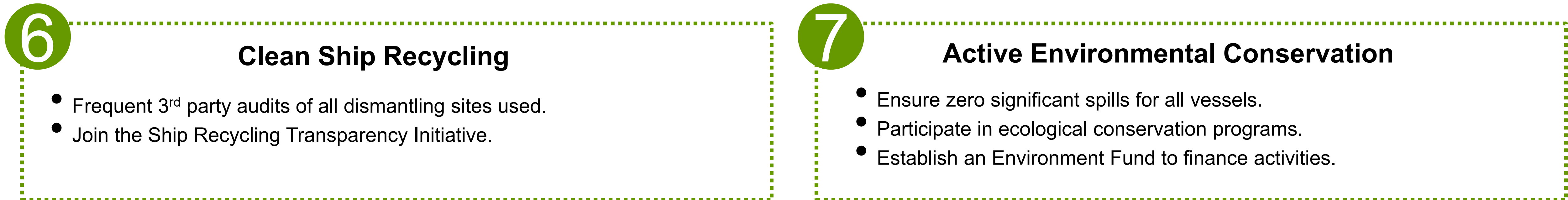


□ To achieve our targets we are addressing 7 key initiatives.

## Decarbonization initiatives



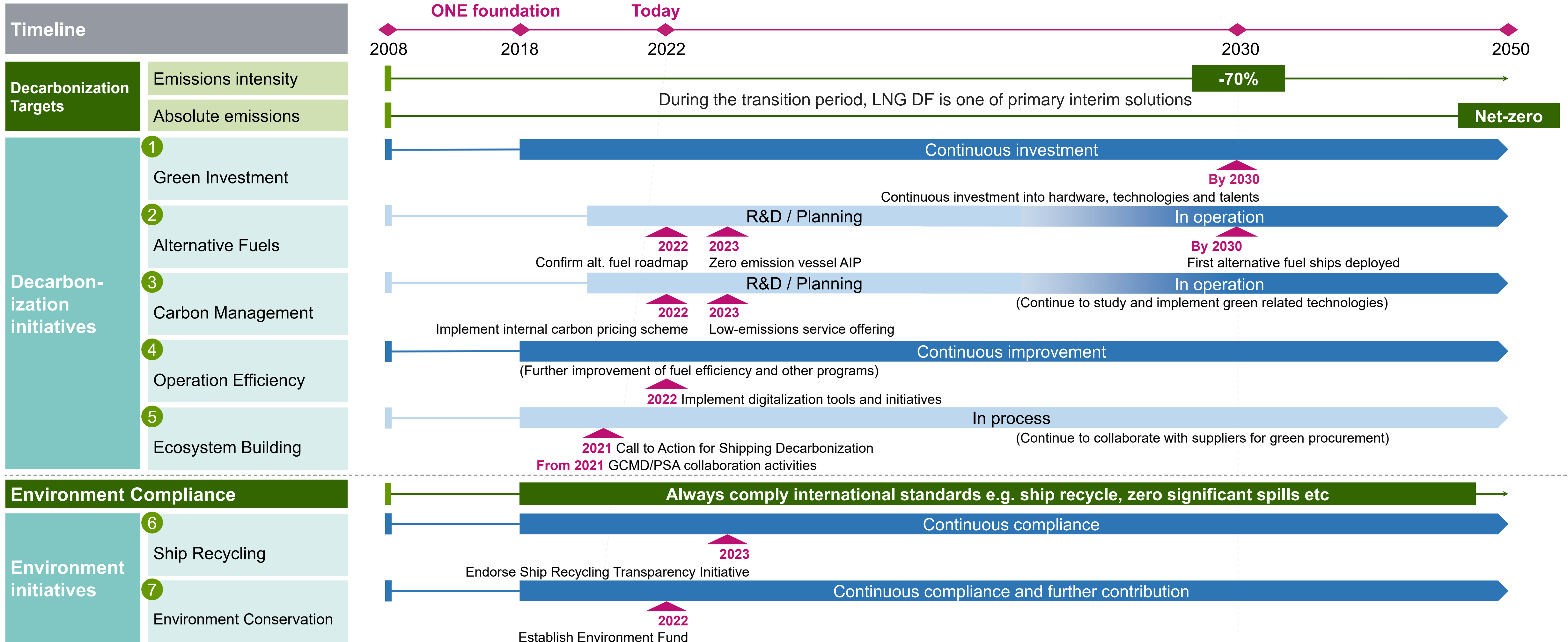
## Environmental initiatives



Note) AIP: Approval in Principle, GCMD: Global Center of Maritime Decarbonization



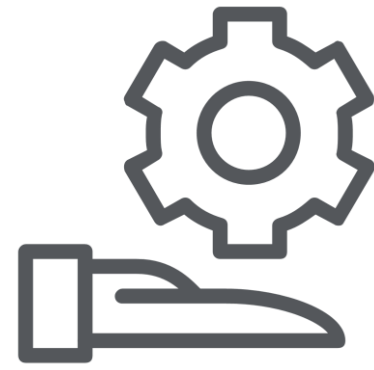
Our Decarbonization Roadmap has 2050 in mind and incorporates beneficial environmental initiatives in the nearer term.



# Digitalization Strategy



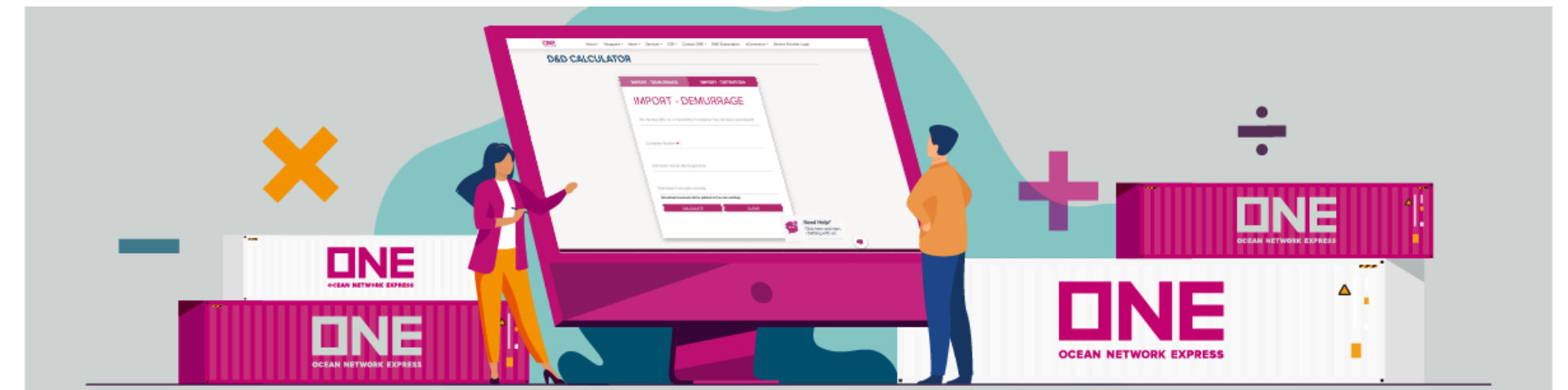
As ONE, we deliver value through big data analytics and digital capability to achieve excellent customer experience.



Develop new digital service for **existing** market



## New market opportunities



Ambitions to create new values to **new** markets



Improve customer experience  
Via **Channel Digitalization.**



Strengthen competitiveness  
Via **Operational Digitalization.**



Maximize optimization of Asset  
Via **Asset Digitalization.**

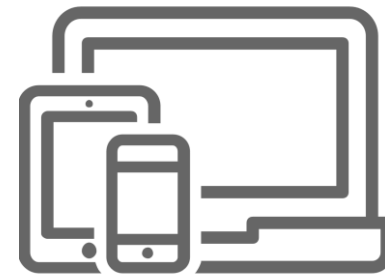


ONE is running more than 20 digitalization initiatives under its Enterprise Architecture blueprint.

## Channel Digitalization

Provide real-time rate quotations, booking confirmations & self-service on E-Platform, EDI and Chatbot.

Enhance ONE's CRM platform for completeness and timeliness of message exchanges with customers.

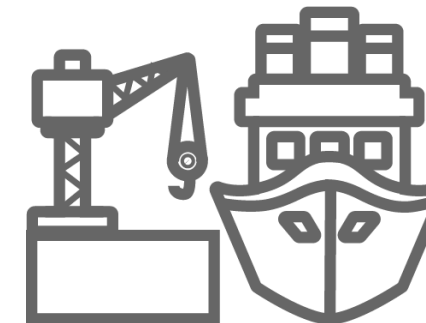


Uplift sales and customer service skills and become better customer experiences

## Operation Digitalization

Maximize EDI/API connections with stakeholders in the supply chain.

Use RPA to automate tasks such as bookings and invoicing. Apply cutting edge-technologies to optimize cargo portfolio and maximize utilization.

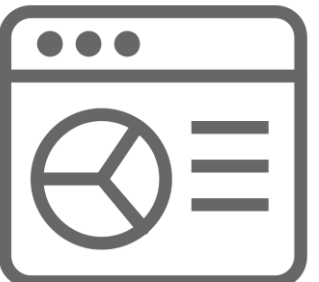


Automate processes and enable to enhance service quality

## Asset Digitalization

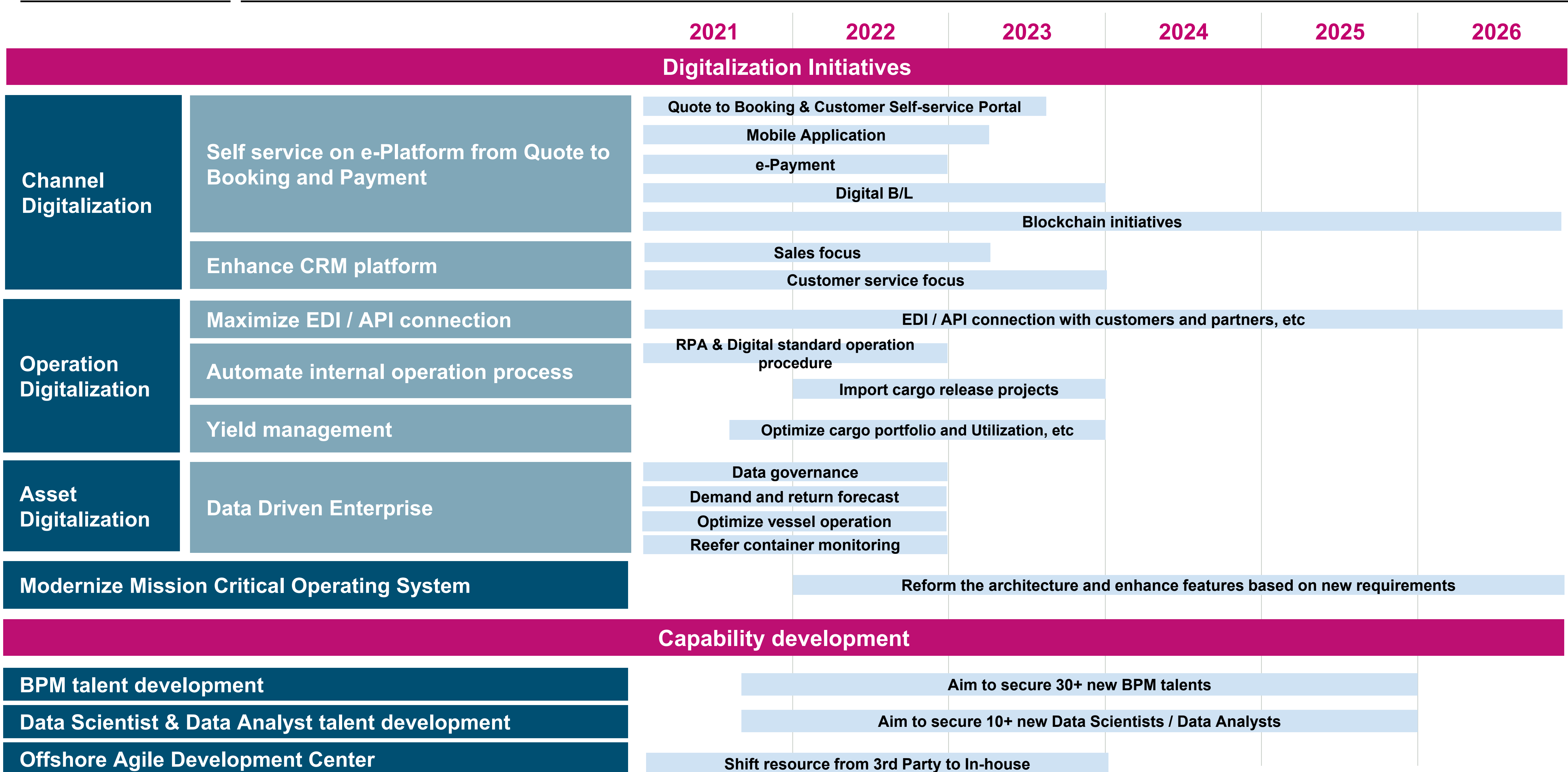
Optimization of Assets using historical data. The use of data analytics for container flow and inventory management.

Vessel operation analysis through various vessel information channels/data.



Optimizing our asset usage for supply chain stabilization and CO2 emission reduction









Thank you

[www.one-line.com](http://www.one-line.com)