



บริษัท อาร์ ซี แอล จำกัด (มหาชน)
Regional Container Lines Public Company Limited

-Translation-

Ref No. RCL 015/2024

August 9th, 2024

Subject: Management Discussion and Analysis Quarter 2 Ending June 30th, 2024

To: The President

The Stock Exchange of Thailand

Regional Container Lines Public Company Limited (the “Company” or “RCL”) would like to inform that the Company recorded its net profit for the second quarter of 2024 of THB 1,148 million, representing an increase of THB 536 million or 87% compared to the first quarter of 2024. This was mainly due to a 12% increase in freight rates but the cost of freight and operations increased by only 1.9%, whereas the total lifting decreased by 5%.

For the first six months of 2024, the Company’s net profit was THB 1,761 million, reflecting an increase of THB 272 million or 18% compared to the same period last year, which had a net profit of THB 1,489 million. This was attributable to an 8.1% increase in freight income and a 15% increase in total lifting compared to the same period last year. This was primarily due to the rise in freight rates caused by the ongoing tensions in the Middle East. Consequently, there was a shortage of containers due to the extended distance and time required for the transportation. Furthermore, the Company’s stringent and effective cost-control measures, along with the enhancement of internal processes, contributed to the aforesaid improved profitability.

Overall, in the second quarter of 2024, the container shipping industry experienced robust growth. Geopolitical pressures have influenced the industry’s landscape, positively affecting freight rates and charter rates. However, environmental challenges and regulations require the Company to adapt and prepare to address these challenges by seeking suitable opportunities to sell old vessels. In the meantime, a new 12,000 TEU vessel, the largest one that the Company will operate on its own, is scheduled to enter its fleet in August 2024. This vessel is planned for long-haul services. In addition, two additional 7,000 TEU vessels are expected to be delivered in September 2024. One of these vessels has already been secured under a long-term charter agreement to meet the growing vessel chartering market, while the other will be utilized in own operations.

The aforementioned initiatives not only align with environmental regulations but also elevate the Company’s fleet management, making it more modern and efficient. Moreover, the Company has expanded its service routes and introduced new destinations to seek high margins. Additionally, the Company has expanded its fleet of reefer containers to focus on specialized cargo shipping. This is coupled with enhancing customer engagement and integrating artificial intelligence into internal processes and customer services to better meet diverse demands and respond to customer needs more effectively.



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Lastly, the Company is pleased to inform that the Board of Directors in its Meeting No. 6/2024 on August 9th, 2024 had a resolution on the interim dividend payment at 0.50 Baht per share for six-month period of operating results of 2024. The Record Date for shareholders who have the right to receive interim dividend is on August 23rd, 2024 and the dividend payment date is set to be September 6th, 2024.

Please be informed accordingly,

Yours faithfully,

-signed-

Mr. Twinchok Tanthuwani

President

Company Secretary

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