



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

-Translation-

Ref No. RCL 003/2023

February 24th, 2023

Subject: Management Discussion and Analysis Yearly Ending December 31st, 2022

To: The President

The Stock Exchange of Thailand

Regional Container Lines Public Company Limited (the “Company” or “RCL”) is pleased to report a highest-ever record net profit of THB 24,625 million for the performance ended December 31st, 2022, representing an increase of THB 6,652 million or 37% growth over the year 2021, mainly driven by the significant growth of freight rate at 24% while the total lifting rose only 1.4% when compared to the previous year.

Due to the remarkable growth in freight rate, 2022 was a banner year for the Company with a 37% growth of total revenue which stood at THB 53,180 million. In addition, the Company’s earnings per share for the year 2022 increased to THB 29.71 per share from THB 21.69 per share in the year 2021.

In 2022 there were several adverse factors affecting the container shipping market such as high bunker prices, inflation, high-interest rate, upcoming recession and disruption in supply chains as well as geopolitical conflicts which consequently led to the increase in costs, while the freight rates were at high levels but began to drop gradually since the second quarter and down to a normal pre-COVID level in the fourth quarter. Nevertheless, the Company has been able to maintain the profits with strict cost control practices as well as improved the fleet profile effectively by selling the five retired vessels in 2022, in which THB 900 million has been included as an extra gain.

As the container shipping industry’s performance mainly depends on freight rate and total lifting, the Company continues to carefully monitor and manage its business strategies to be in line with the downtrend in freight rate as well as continues to put efforts to manage its services network along with fleet optimization. As a result, the Company now owns 40 vessels with 87,450 TEUs of total capacity, which can ensure the capability in customer services and further future growth. In the meantime, the Company also adheres to the sustainable business principles by monitoring its environmental and energy management and supporting society to create shared value and grow in tandem with all stakeholders.

Please be informed accordingly,

Yours faithfully,

-signed-

Mr. Twinchok Tanthuanit

President

Company Secretary

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