



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

-Translation-

Ref No. RCL 022/2023

November 10th, 2023

Subject: Management Discussion and Analysis Quarter 3 Ending 30th September 2023

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 reported its net profit for the third quarter of 2023 at THB 585 million, representing an increase of THB 9 million or 2% compared to the previous quarter. The total revenue for the quarter was THB 6,817 million, increased by THB 234 million or 4%, whereas the lifting rose 9%. In addition, the freight rate for the third quarter of 2023 was \$327 per TEU, decreased by 7% compared to the second quarter of 2023 where the freight rate was at \$353 per TEU due to the market's fragility, exacerbated by the prolonged global economic stagnation.

For the nine-month period of 2023, the Company's net profit stood at THB 2,074 million, reflecting a 91% decrease compared to the same period last year, driven by a significant factor including a 53% decrease in revenue, primarily attributable to the decline in freight rates. This was due to the continuous substantial decline in freight rates since the fourth quarter of 2022, associated with the alleviation of port congestion situations, leading to the market demand reverting to its typical condition and decreasing which was influenced by the global economy's slowdown, as well as the geopolitical tension. Additionally, the lifting decreased by 7%, and the average freight rates significantly declined by 51% compared to the same period in the previous year, while the total cost and total expenses merely dropped by 14% and 15%, respectively, arising from the high level of bunker prices and inflation rates.

Amid the challenging circumstances of the container shipping industry, the Company was able to manage its operational efficiency for the third quarter of 2023 through its rigorous cost control and the strategic alignment of business operations with market changes including shipping market expansion, reefer container services, and enhancing the fleet to a higher state of modernization. In the third quarter of 2023, the Company sold two old vessels aged more than 25 years to enhance service efficiency and align with the Company's strategy and business plans.

Please be informed accordingly,

Yours faithfully,

-signed-

Mr. Twinchok Tanthuanit

President

Company Secretary

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