



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

# FY2022 Results Presentation

23 February 2023



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# FY2022 Highlights

Record-breaking financial results; Operational performance exceeded full year targets

## Revenue

**Record RMB20.7 billion**

↑ 37% yoy; Margins improved to 15%

## Return on equity

**16%**

↑ 6% from 10% for FY2021

## PATMI from continuing operations

**Record RMB2.6 billion**

↑ 33% yoy

## Order-win

**USD4.43 billion**

More than doubled 2022 target of USD2 billion

## Dividend

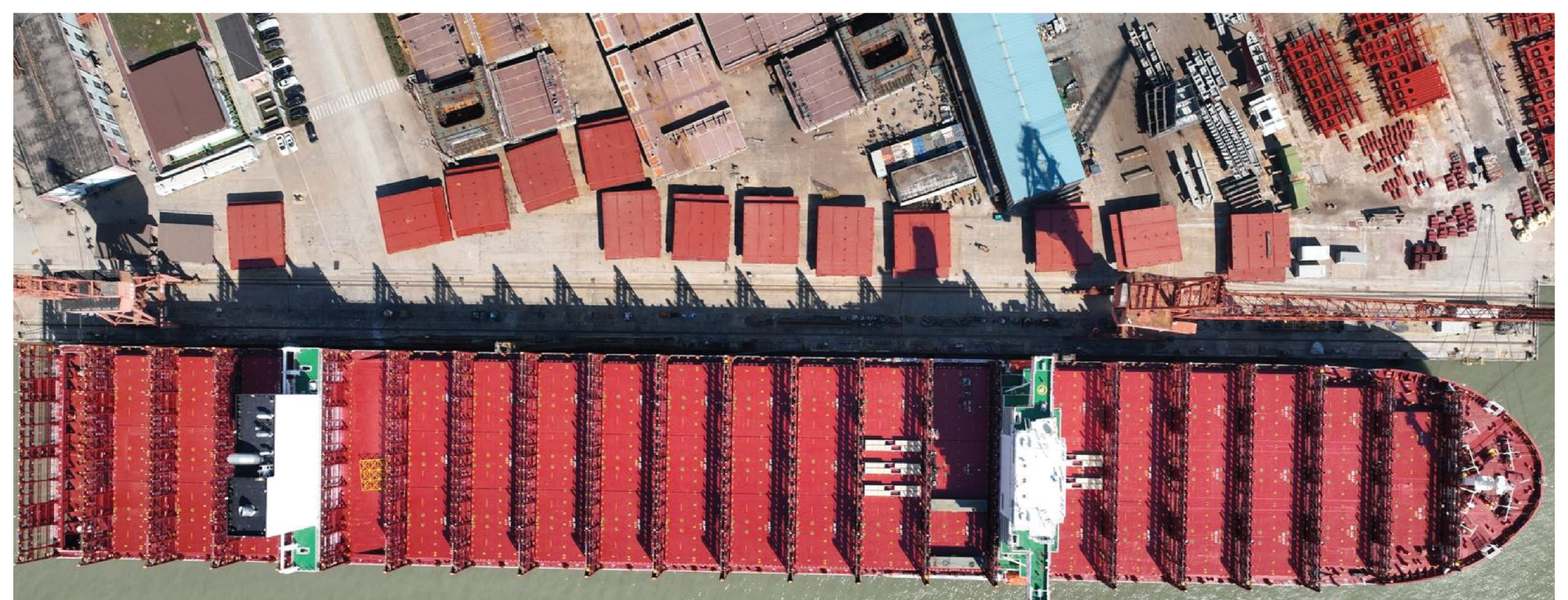
**5 Singapore cents per share**

Equivalent to 36% pay-out ratio

## Vessel Delivery

**67 units**

A total of 71 vessels were built in FY2022, therein 4 units were built for own fleet



# SECTION I FINANCIAL HIGHLIGHTS



# Income Statement Highlights

Record-high revenue with expanding gross margins

Financial Highlights	2H2022	2H2021	Change	FY2022	FY2021	Change	Full Year Comments
	RMB'000	RMB'000	%	RMB'000	RMB'000	%	
Revenue	10,963,949	9,398,156	17	20,705,076	15,137,154	37	The Group delivered 67 vessels to customers in FY2022 vs 50 vessels in FY2021. As a result, <b>shipbuilding</b> revenue was higher at RMB18,372 million in FY2022 vs RMB13,198 million in FY2021.  <b>Shipping</b> revenue increased by 44% to RMB1,383 million from last year due to an expanded charter fleet size and improved charter rates in 2022.
Cost of Sales	(9,190,721)	(8,183,352)	12	(17,507,878)	(13,052,827)	34	
Gross Profit	1,773,228	1,214,804	46	3,197,198	2,084,327	53	<b>Shipbuilding business</b> registered a gross profit margin of 13% in FY2022 vs 12% in FY2021, increment was mainly due to the depreciation of RMB against USD and the normalization of steel prices.
Gross Profit Margin	16.2%	12.9%	3.3 ppts <sup>1</sup>	15.4%	13.8%	1.6 ppts	<b>Shipping business</b> contributed a gross profit margin of 41% in FY2022 vs 40% in FY2021, increment was mainly due to improved charter rates during the period.
Return on Equity <sup>2</sup>				16.0%	10.3%	5.7 ppts	Differences were largely attributed to the <b>spin-off of Yangzijiang Financial Holding Ltd.</b>

1. Ppts: Percentage points

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



# Revenue Breakdown

Improvement across all three business segments

Continuing operations		2H2022		2H2021		FY2022		FY2021	
		RMB'000	%	RMB'000	%	RMB'000	%	RMB'000	%
SHIPBUILDING	Revenue	9,850,997	100	8,420,310	100	18,372,103	100	13,198,473	100
	Cost	(8,525,830)	(87)	(7,510,826)	(89)	(15,956,834)	(87)	(11,641,695)	(88)
	Margin	<b>1,325,167</b>	13	<b>909,484</b>	11	<b>2,415,269</b>	13	<b>1,556,778</b>	12
SHIPPING	Revenue	821,712	100	551,312	100	1,382,659	100	959,638	100
	Cost	(484,398)	(59)	(321,700)	(58)	(819,262)	(59)	(574,532)	(60)
	Margin	<b>337,314</b>	41	<b>229,612</b>	42	<b>563,397</b>	41	<b>385,106</b>	40
OTHERS <sup>1</sup>	Revenue	291,240	100	426,534	100	950,314	100	979,043	100
	Cost	(180,493)	(62)	(350,826)	(82)	(731,782)	(77)	(836,600)	(85)
	Margin	<b>110,747</b>	38	<b>75,708</b>	18	<b>218,532</b>	23	<b>142,443</b>	15
TOTAL	Revenue	<b>10,963,949</b>	<b>100</b>	<b>9,398,156</b>	<b>100</b>	<b>20,705,076</b>	<b>100</b>	<b>15,137,154</b>	<b>100</b>
	Cost	<b>(9,190,721)</b>	<b>(84)</b>	<b>(8,183,352)</b>	<b>(87)</b>	<b>(17,507,878)</b>	<b>(85)</b>	<b>(13,052,827)</b>	<b>(86)</b>
	Margin	<b>1,773,228</b>	<b>16</b>	<b>1,214,804</b>	<b>13</b>	<b>3,197,198</b>	<b>15</b>	<b>2,084,327</b>	<b>14</b>

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

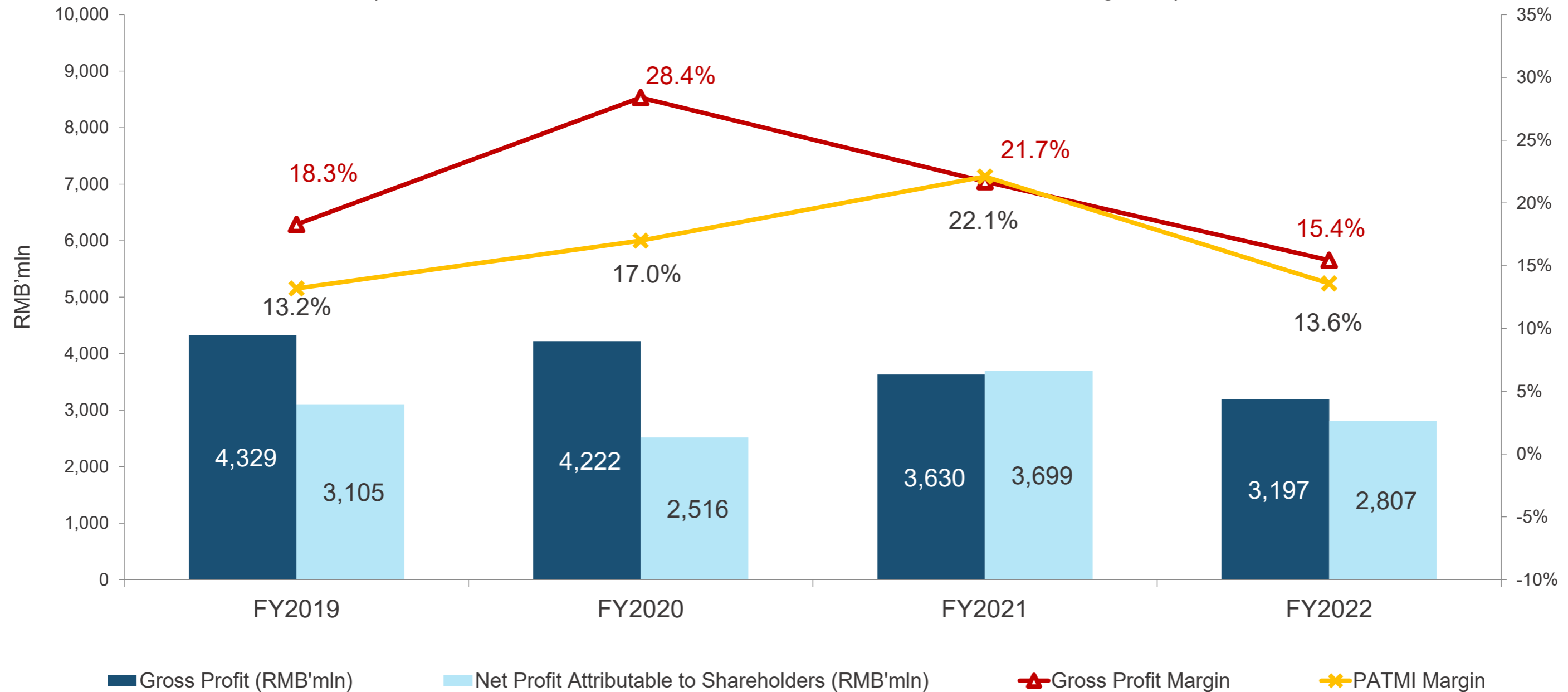


# Profitability Trend

Bottom line remains resilient after the spin-off of our investment arm

## Gross Profit and Net Profit Attributable to Shareholders

(FY2019 to FY2021 includes contributions from investment segment)

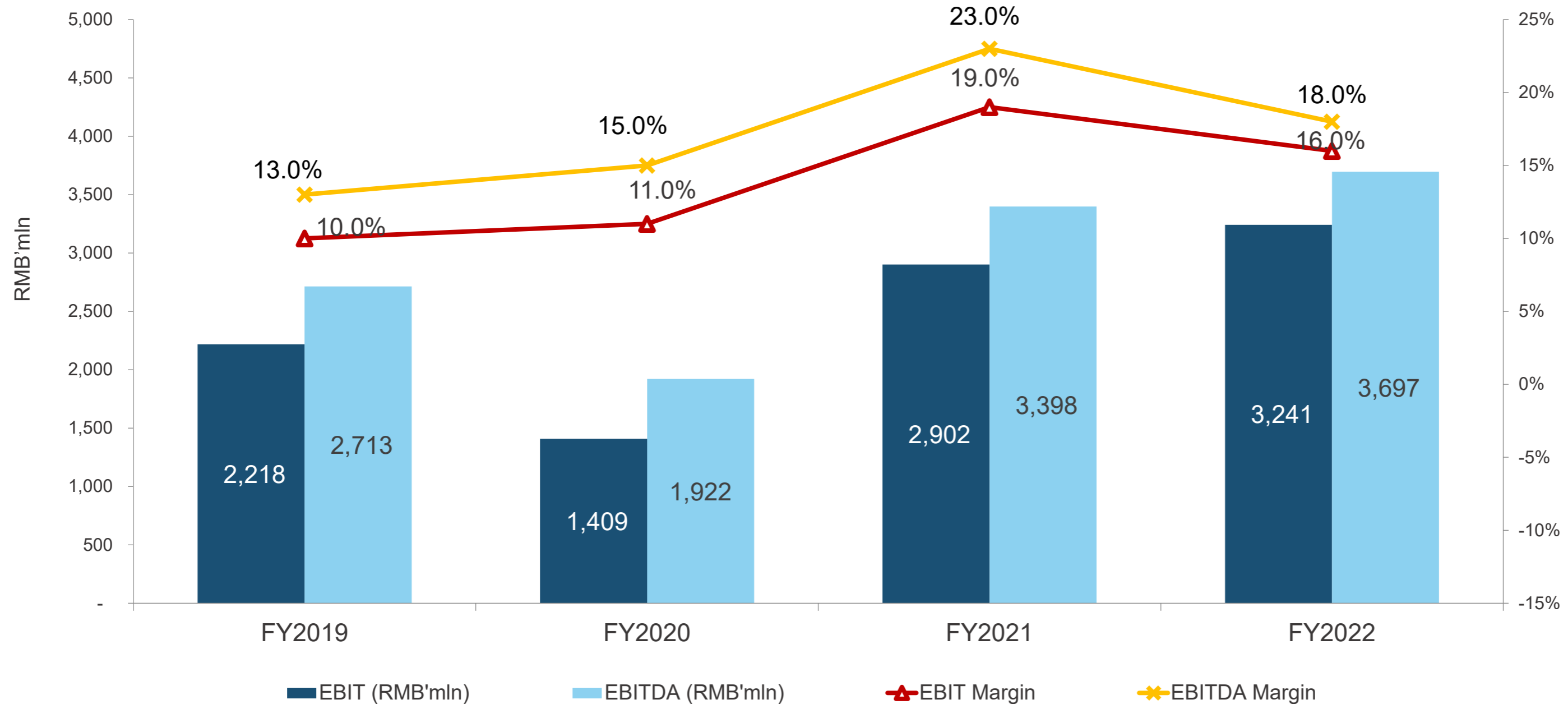




# Profitability Trend

EBIT and EBITDA on the rise since FY2020; FY2022 margins normalized due to the normalization of foreign exchange gains

## EBIT AND EBITDA (Excluding contributions from investment segment)







# Balance Sheet Highlights

Strong balance sheet position with net cash position

Financial Highlights	31 Dec 2022	31 Dec 2021
	RMB'000	RMB'000
Property, Plant and Equipment	7,277,768	6,335,345
- Including Property, Plant and Equipment - Shipping	3,182,229	2,184,691
Cash & Cash Equivalents	10,778,393	12,363,193
Total Debt	4,567,540	4,456,593
Total Equity	17,704,760	36,061,565
Gross Gearing	25.8%	12.4%
Net Gearing	Net Cash	Net Cash



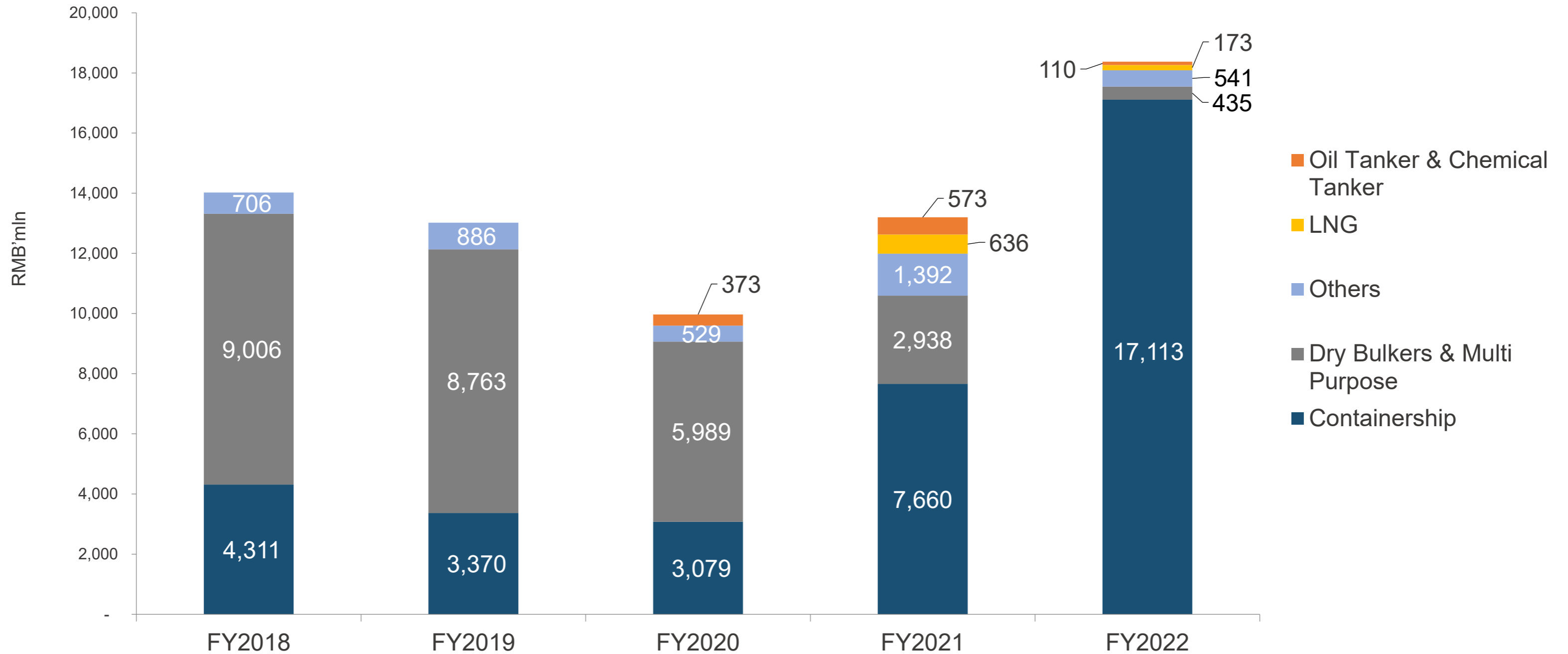
SECTION II  
**SEGMENTAL REVIEW:  
SHIPBUILDING**



# Shipbuilding Segment: Revenue Trend

On an upward trajectory since FY2020 with a growing diversity of ship profile

## Shipbuilding Revenue Breakdown





# Shipbuilding Segment: Orderbook Overview

Robust and diversified orderbook; revenue visibility extends all the way into FY2026

140 vessels

US\$10.51 billion in contract value

7.79 million CGT

Delivery: 2023 - 2026

## Containerships

94 units  
Total CGT – 6.77 million  
Total value – US\$8.44 billion

Size	No. of Vessels
1,800 TEU	11
2,400 TEU	4
2,600 TEU	5
3,300 TEU	3
3,500 TEU	9
4,600 TEU	8
8,000 TEU	2
15,000 TEU	15
24,000 TEU	6
LNG Dual-Fuel 7,000 TEU	15
LNG Dual-Fuel 8,000 TEU	4
LNG Dual-Fuel 16,000 TEU	12

## Bulk Carriers

39 units  
Total CGT – 0.72 million  
Total value – US\$1.28 billion

Size	No. of Vessels
29,800 DWT	1
31,800 DWT	2
32,000 DWT	4
40,000 DWT	6
45,000 DWT	4
63,200 DWT	2
66,000 DWT	13
82,300 DWT	5
82,500 DWT	2

## LNG/LPG/LEG

7 units  
Total CGT – 0.3 million  
Total value – US\$0.79 billion

Size	No. of Vessels
36,000 CBM LEG	2
40,000 CBM LPG	3
175,000 CBM LNG	2

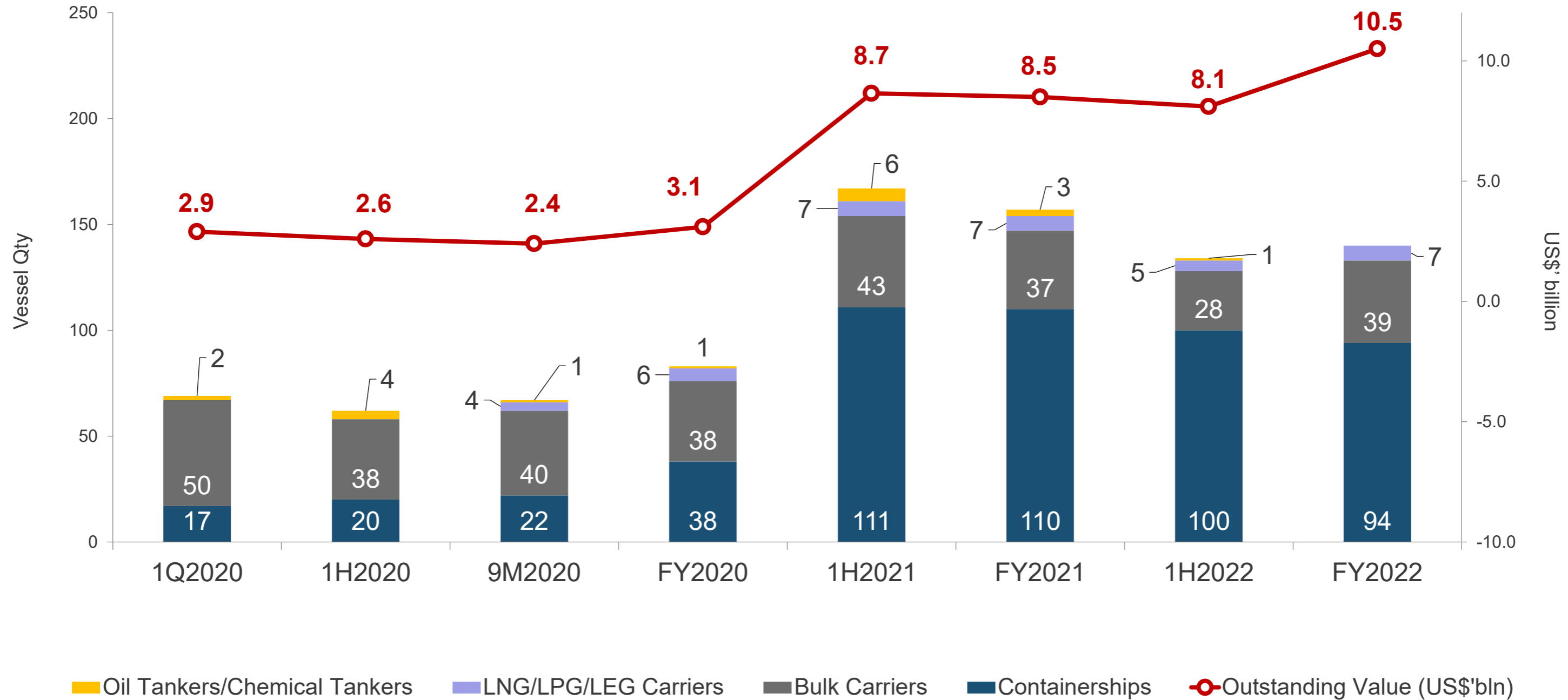
\* 67% of the vessel orders are containerships, which contribute to over 80% of the total outstanding orderbook value

Note: Order book is as of 31 December 2022



# Shipbuilding Segment: Historic-high Outstanding Orderbook

Order-win momentum continues; achieves record outstanding orderbook value of US\$10.5 billion

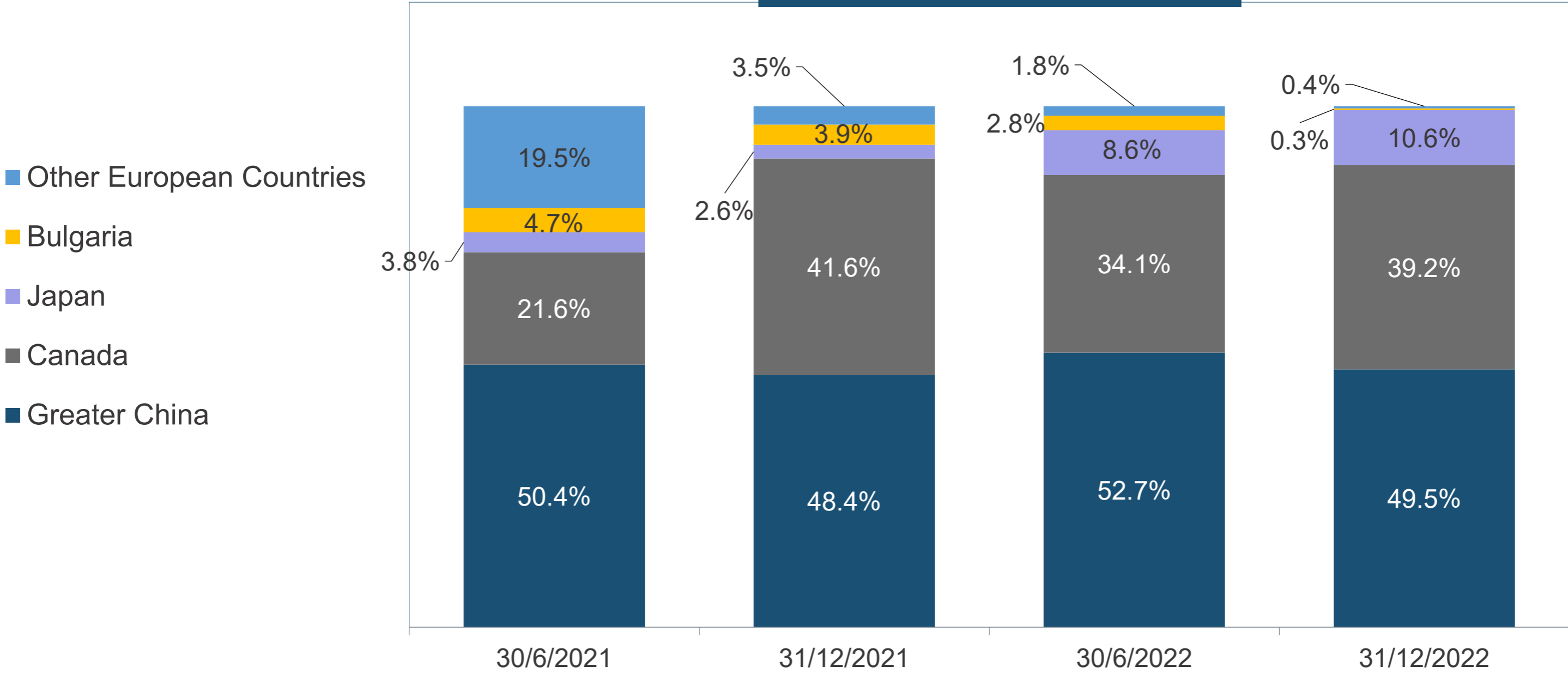


# Shipbuilding Segment: Customer Profile

Most customers are global top-tier liners; Cross continent customer exposure



## Orderbook Overview

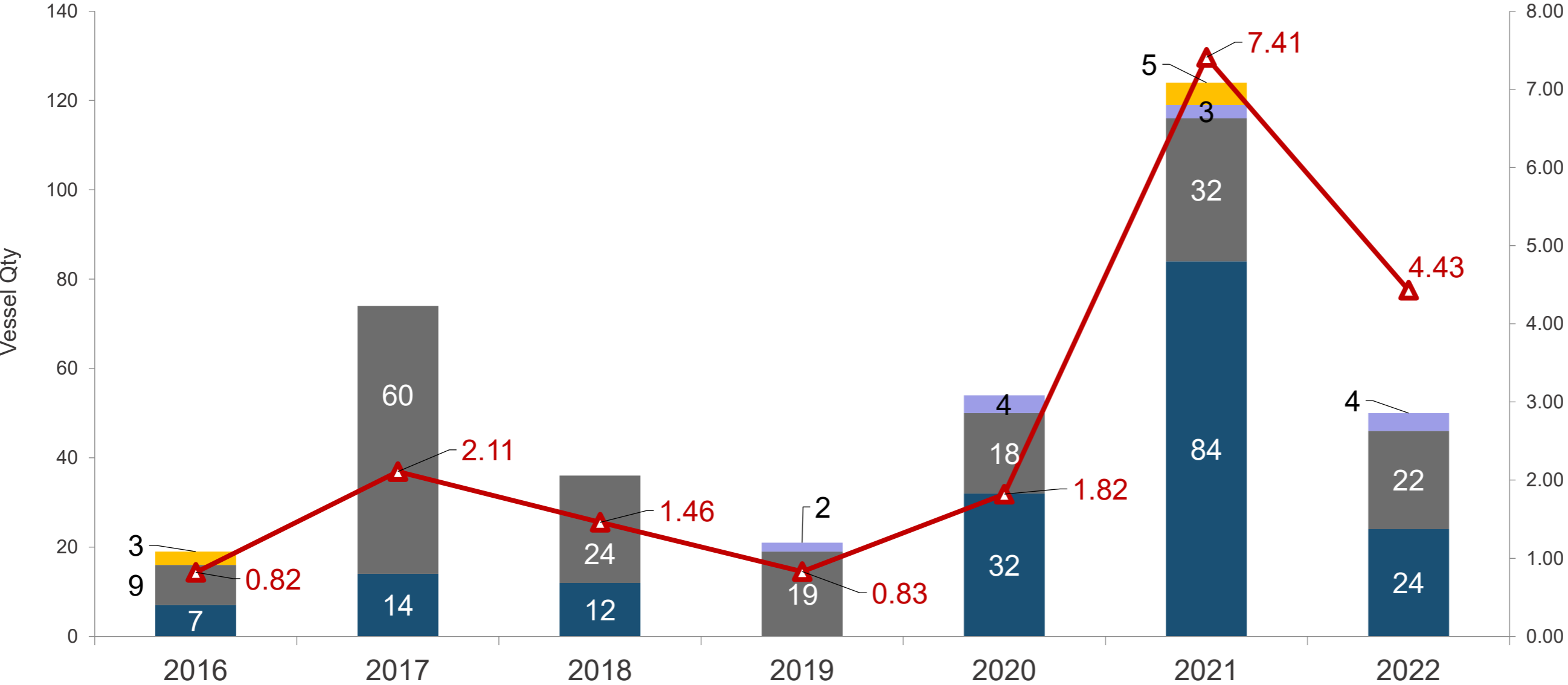


# Shipbuilding Segment: Order-win

FY2022 order-wins more than doubled initial target



## New contracts secured in terms of vessel quantity and contract value



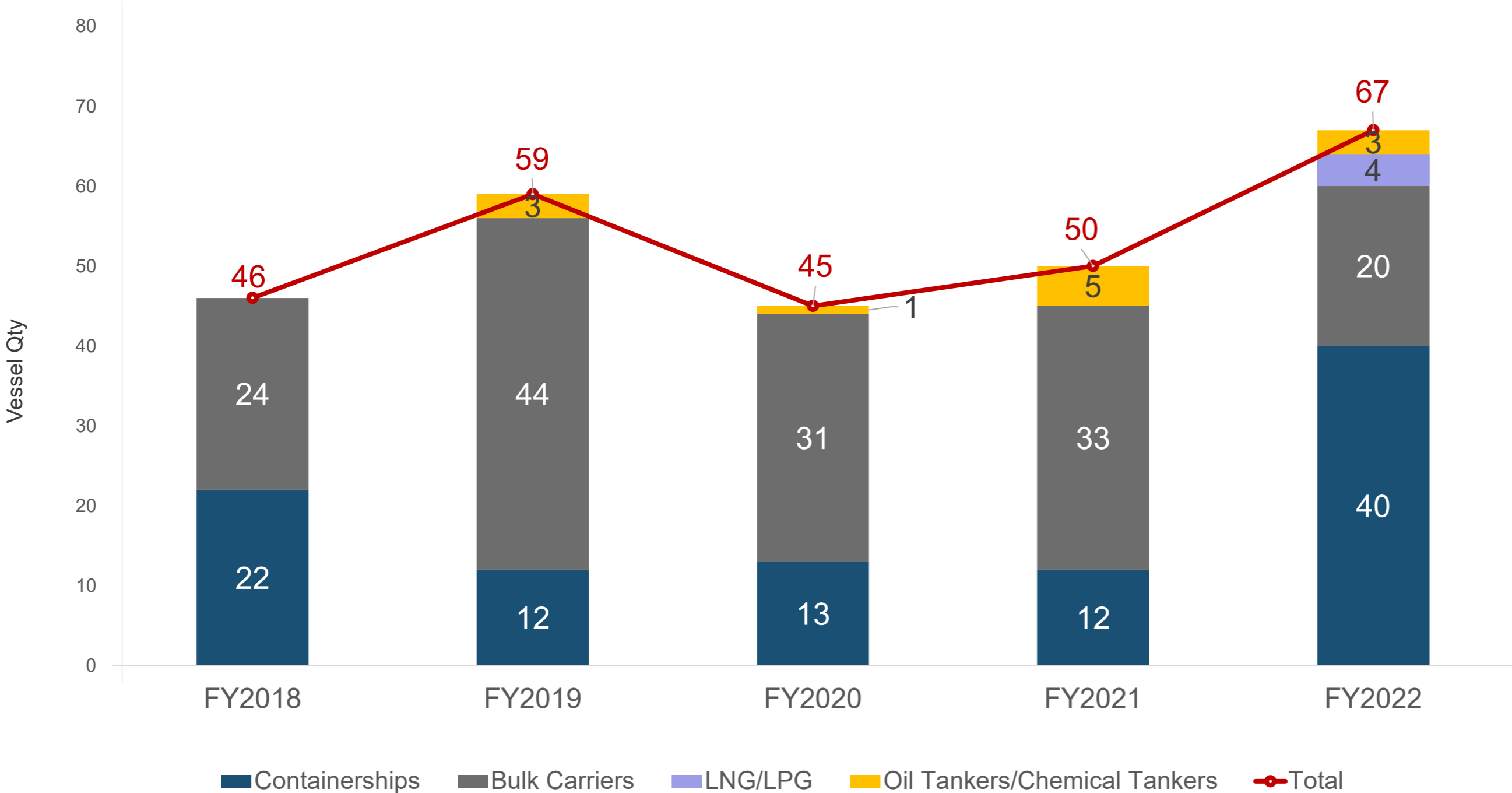
**2022 ORDER-WIN**

Target
<b>US\$2.00 billion</b>
Achieved
<b>US\$4.43 billion</b>

Oil Tanker/Chemical Tanker    LNG/LPG/LEG    Bulk Carrier    Containerships    Contractual value (US\$' bln)

# Shipbuilding Segment: Vessel Delivery

71 vessels were built in 2022, including 67 vessels delivered to customers and 4 vessels added into own fleet



2022 Delivery Target
<b>70</b>
2022 Vessel Delivery
<b>67</b>
<i>(A total of 71 vessels were built in FY2022, including 4 units built for own fleet)</i>





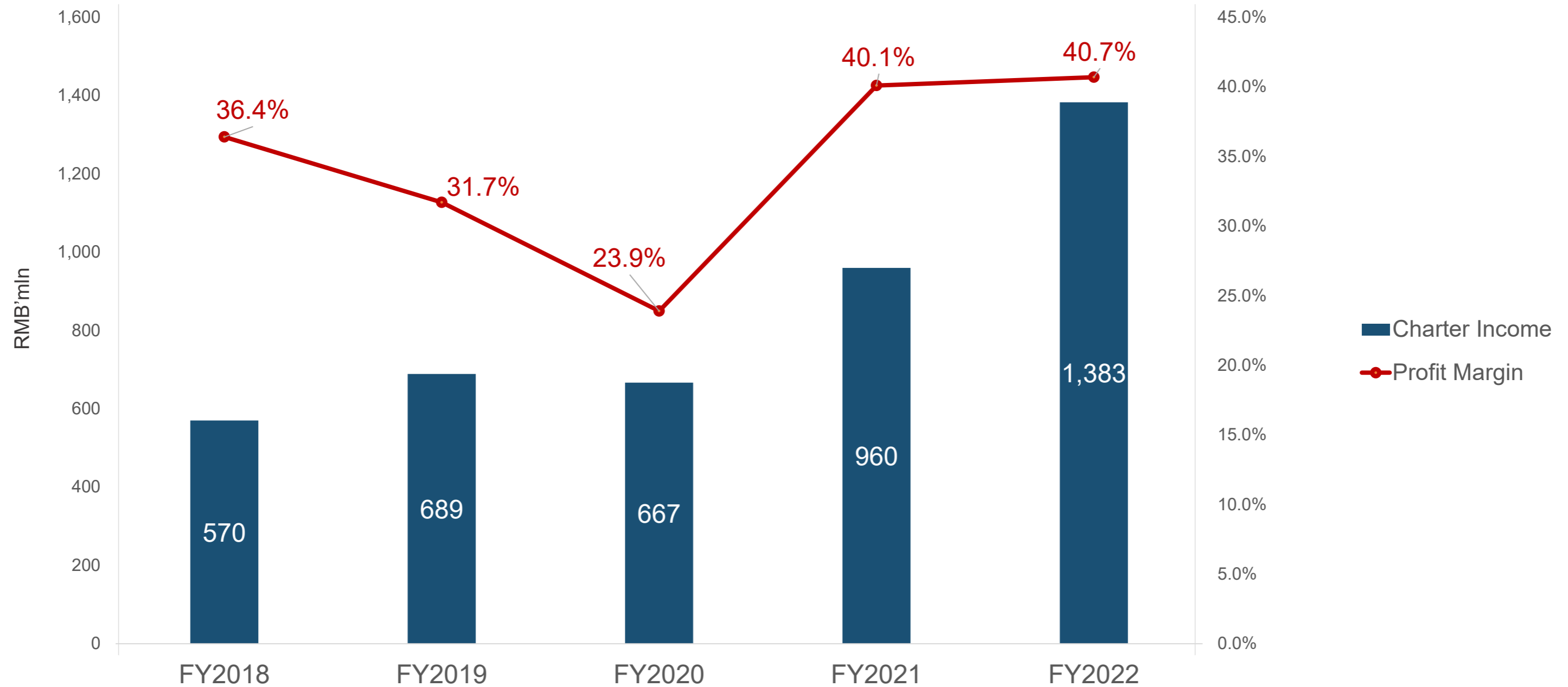
SECTION III  
**SEGMENTAL REVIEW:  
SHIPPING**





# Shipping Segment: Charter Income Trend

Increasing revenue contributions from shipping segment driven by larger fleet size and higher charter rates



# Shipping Segment: Diversified Fleet Portfolio

The addition of two bulk carriers and two containerships further diversified the Group's fleet to better meet customers' demand



	Fleet Size	Average Age (yrs)	Capacity
<b>Bulk Carriers</b>	24 (↑ 3)	7.50	1,787,100 DWT (↑ 246,000 DWT)
<b>Stainless Steel Chemical Tankers</b>	4	10.92	72,100 DWT
<b>Containerships</b>	2 (↑ 2)	0.83	3,600 TEU (↑ 3,600 TEU)
<b>Multiple Purpose Vessel</b>	1	9.67	12,500 DWT
<b>Total</b>	<b>31</b>	<b>7.30</b>	

\* As of 31 December 2022



SECTION VI  
**BUSINESS  
STRATEGIES AND  
OUTLOOK**



# Core Business Strategies

Accelerating the pathway towards green megatrends



## Facilitate Organic Business Growth & Deliver Sustainable Shareholder Returns



Deepening our

### Shipbuilding Capability

- ❖ Methanol dual-fuel vessels
- ❖ LNG dual-fuel vessels
- ❖ LNG carriers
- ❖ Ethylene carriers



Focusing on

### Higher Value-added Orders

- ❖ Increase order-win target to US\$3B
- ❖ Continue being selective on new orders
- ❖ Enhance long-term profitability and aim to be one of the leading shipbuilders in the world



Growing value through

### Advantaged Growth Projects

- ❖ Look into LNG terminal operations
- ❖ Diversify revenue streams
- ❖ Emphasize on partnerships
- ❖ Link to core shipbuilding business

# Shipping Business Strategies

Sustaining strong cash flow generation



Leveraging own shipbuilding facilities to build and manage vessels



Sustainable cash flow and income generator

Shipping Business Strategies



A ready fleet to better meet shipowners' demand



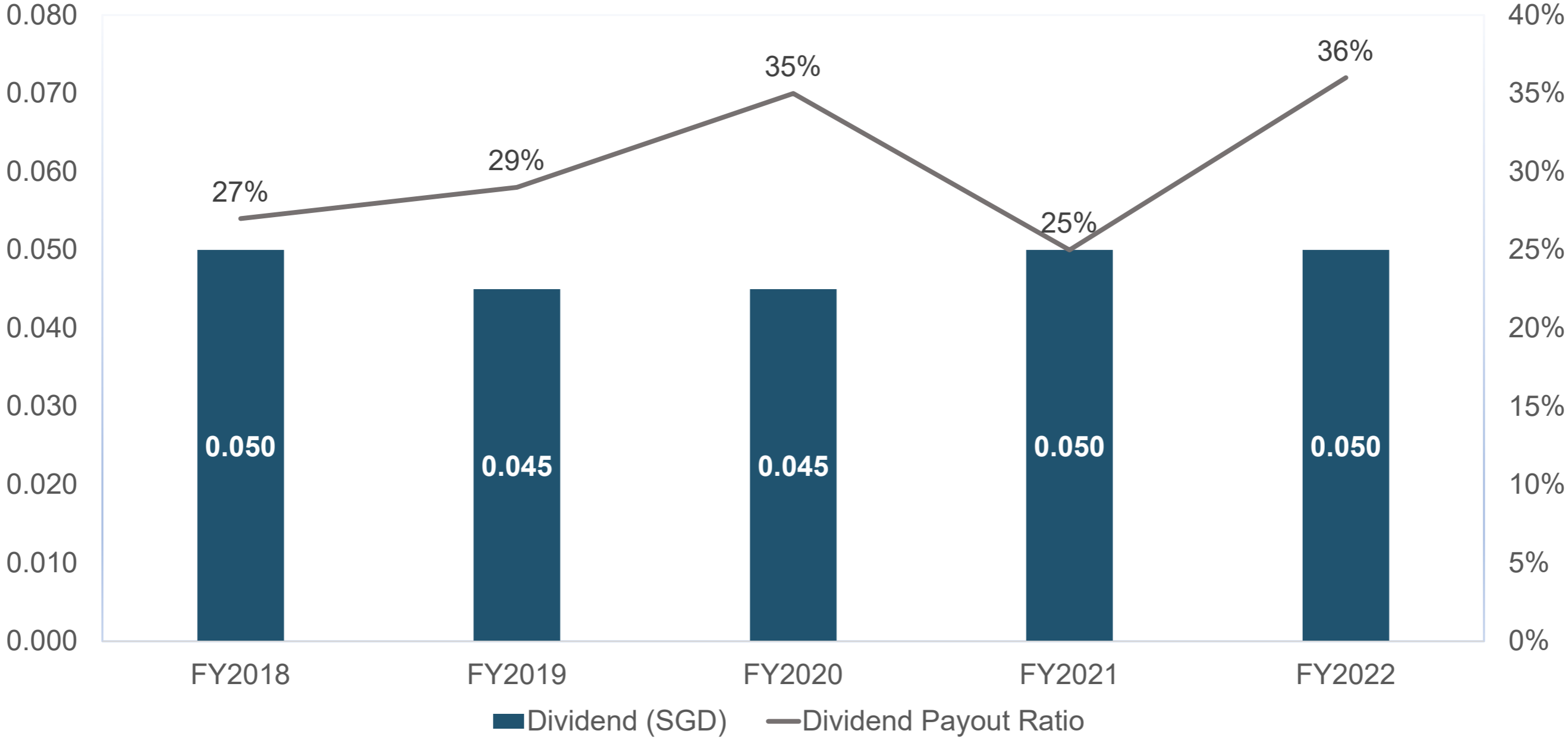
Capability to deliver multiple fleet sizes and ready to sell when valuation is desirable

# Dividend Summary

Sustainable dividends to reward shareholders' long-term loyalty



## Dividend and Dividend Pay-out Ratio



# FY2023 Operational Guidance

Remains cautiously optimistic about the eco-friendly vessel demand; increases order-win target to US\$3 billion

## Order-win Target

FY2023: US\$3 billion | YTD Order-win: 0.67 billion



- ❖ Tightened environmental regulatory by International Maritime Organisation (“**IMO**”) will continue to drive fleet renewal decisions by shipowners
- ❖ Increasing appetite for alternative fuel vessels continues to drive vessel demand
- ❖ Vessel supply is expected to remain tight in the next 3 years

## Vessel Delivery Target

FY2023: 57 units | YTD Vessel Delivery: 5 units



- ❖ Targets to deliver more large-size vessels in 2023
- ❖ Well-positioned to progressively convert the record high orderbook. As such, we expect to generate healthy cash flow in the coming years





# Yangzijiang's ESG Commitment

Newly established ESG committee to drive implementation of a systematic framework; getting in tune with the world's climate ambitions

## Formation of ESG Committee



## The Group's ESG Commitment

<b>Decarbonisation</b>	<ul style="list-style-type: none"> <li>❖ To contribute to the world's climate ambitions             <ul style="list-style-type: none"> <li>❖ <b>China:</b> To reach net-zero emissions by 2060</li> <li>❖ <b>International Maritime Organisation (IMO)</b> : To reduce carbon emissions by 50% in 2050, as compared to 2008 levels</li> <li>❖ <b>Science Based Targets Initiative (SBTi):</b> To achieve carbon neutrality by 2050</li> </ul> </li> </ul>
<b>Indigenous Partnerships</b>	<ul style="list-style-type: none"> <li>❖ To build good relationships with stakeholders based on trust and mutual benefits</li> </ul>
<b>Safety and Future-ready Workforce</b>	<ul style="list-style-type: none"> <li>❖ To enhance workplace safety, optimise training programs, and strengthen employees' capabilities</li> </ul>
<b>Empowering Local Community</b>	<ul style="list-style-type: none"> <li>❖ To support and care for local community for common prosperity</li> </ul>
<b>Equality and Discipline</b>	<ul style="list-style-type: none"> <li>❖ Having appointed first women director, Ms Liu Hua, to the Board to increase board diversity</li> <li>❖ To provide equal opportunities for each employee</li> </ul>

# Strategic ESG Initiatives

Two-pronged strategies towards our ESG goals

## ESG Initiatives: Two-carbon Strategy

### Green Factory Strategy

1. Utilisation of renewables
  - Set up **Photovoltaic Power Generation** on the factory roof to reduce emissions
2. Management of **water and electricity**
  - Conserve natural water resources
  - Build energy storage plant
3. Efficient usage of steel
  - Improve **steel primary utilisation rate to 92.32%**

### Green Vessel Strategy

1. Developments in clean energy vessels
  - Secured **31 units of LNG dual-fuel containerhips.**
  - Another **2 units of 36,000CBM LEG vessels, 2 units of 175,000CBM LNG carriers, and 3 units of 40,000CBM LPG carriers.**
2. Continuous efforts in **R&D**
  - Being granted **“High-and-New Technology Enterprise”** status for major yards
  - Cost-saving, efficient vessel launching method
  - Lower paint volatile organic compounds (“VOC”)



# Thank You

For more information,  
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