



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

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Ref No. RCL 001/2025

February 21, 2025

Subject: Management Discussion and Analysis Yearly Ending December 31, 2024

To: The President

The Stock Exchange of Thailand

Regional Container Lines Public Company Limited (the “Company” or “RCL”) is pleased to inform that the Company achieved its net profit for the year ended December 31, 2024 of THB 9,171 million, representing a significant 511% increase compared to the net profit of THB 1,502 in 2023. This growth was primarily driven by an increase in freight income of THB 8,828 million, or 34%, mainly due to a substantial improvement in both total lifting and average freight rates. In 2024, the total lifting reached 2,450,000 TEU, an increase of 263,631 TEU or 12%, while the cost of operation rose by 10%. The average freight rates improved reaching USD 404 per TEU in 2024, reflecting an 18% increase compared to the average rates of USD 343 per TEU in 2023. Additionally, in 2024 the Company recognized revenue from the reversal on impairment of vessels amounting to THB 847 million, whereas also recording a provision for dispute of THB 450 million.

In the fourth quarter of 2024, the Company reported a net profit for the period of THB 3,318 million, which was 121% higher than the total net profit for 2023. However, it declined by THB 773 million or 19% compared to the previous quarter due to a 10% decrease in freight income. This decline resulted from long holidays in China during the final quarter of the year, leading to a 17% drop in average freight rates. Nonetheless, total lifting continued to increase by 11% driven by efficient cost management and strategic fleet management. Notably, 5 new vessels have been added to the fleet in 2024 and 2 of them were entered into long-term charter agreements amid a market shortage of vessels and high demand. Meanwhile, the other 3 new vessels were deployed by the Company for own operations to accommodate the increasing and diverse needs of customers. As a result, the Company is able to generate continuous profits from its fleet utilization.

In 2024, several factors impact the container shipping industry, including fluctuations in freight rates, port congestion, and global geopolitics that influence economic conditions and policy trends. However, the Company has implemented various strategic initiatives and measures aimed at ensuring sustainable business operations to cope with market volatility and enhance its business capabilities as well as to meet future customer demands. These include expanding its services into high-potential markets such as the Middle East, the Indian subcontinent, and East Africa, as well as expanding its reefer container services, which are anticipated to experience significant growth.

Furthermore, 2024 marks a significant milestone for the Company in fleet development. This includes the sale of old vessels in timely opportunities and the acquisition of 5 new vessels as previously mentioned, technologically advanced vessels that support alternative energy sources, along with an additional 10 vessels currently under construction.



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These efforts reflect the Company's commitment to environmental policies. Additionally, by the end of 2024, the Company has secured long-term charter agreements for 9 vessels. This aligns with the upward trend of the Time Charter Index, which has been rising since early September 2024, and the increasing demand for vessels in the container shipping industry. As a result, the Company has been able to secure long-term charter agreements at favorable charter rates, which remain at high levels.

Lastly, the Company is pleased to inform that the Board of Directors in its Meeting No. 1/2025 on February 21, 2025, passed a resolution to propose the Shareholders' Meeting to approve the dividend for the year 2024 operational results, aggregating at THB 2.50 per share. The Company had already made two interim dividend payments during the year 2024 totaling THB 1.00 per share. The remaining dividend, therefore, will be paid at the rate of THB 1.50 per share and such dividend payment is yet to be approved by the shareholders at the Shareholders' Meeting on April 18, 2025. The dividend payment shall be made on May 16, 2025.

Please be informed accordingly,

Yours faithfully,

-signed-

Mr. Twinchok Tanthuwani

President

Company Secretary

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