



SITC International Holdings Company Limited

(Stock Code: HK1308)

August 2024





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1 1H2024 Highlights

2 Operational Review

3 Financial Overview

4 Company Overview



1. 1H2024 Highlights



1H2023 Highlights



We continued to perform well in 1H2024 and recorded a net profit of US\$352.8million, which represented a YoY increase of 12.8%.

	1H2024	1H2023	Variance
Container shipping volume (TEU)	1,705,164	1,550,075	10%
Revenue (US\$ m)	1,300.5	1,253.4	3.8%
Gross profit (US\$ m)	402.6	332.2	21.2%
Net profit (US\$ m)	352.8	312.7	12.8%
Earnings per share – basic (US cents per share)	13.25	11.70	13.2%

Development of the Company in 1H2024



* Business development :

- The self-owned container fleet added 2 new-building vessels, purchased 1 second-hand new ship, sold and delivered 1 old vessels
- SITC built 10,000 TEUs of new containers.
- SITC opened direct services to Hitachinaka, Weifang, Yangpu, Batam, Iloilo and Haldia.
- Shenzhen Depot, Shanghai Waigaoqiao Empty Container Dispatch Center, Xiamen Oceanwide United Empty Container Center officially put into operation. The No.2 depot in Laem chabang, Thailand is under construction.
- “The Yiwu Warehouse” of SITC E-commerce was officially launched
- SITC signed strategic cooperation framework agreements with Fujian Port Group and Xiamen Port

* IT:

- SITC SAP on S4 HANA Upgrade Project Kick-off
- SITC Comprehensive Ship Management Platform Launched

* Community and Employee Responsibility:

- Pursuing Green Fashion and Embracing Green Life-SITC branches carried out 2024 Environmental Protection Theme Activities
- SITC has participated in many activities supporting Chinese University of Hong Kong, Dalian Maritime University, Shanghai Maritime University and Shandong Foreign Trade Vocational College.

* Accolades:

- SITC receives multiple rankings in “Asia Pacific(ex-Japan) Executive Team” by Institutional Investor for four consecutive years, and garners top rankings in Asia Pacific and Small & Midcap categories in 2024



2. Operational Review



Segment Review

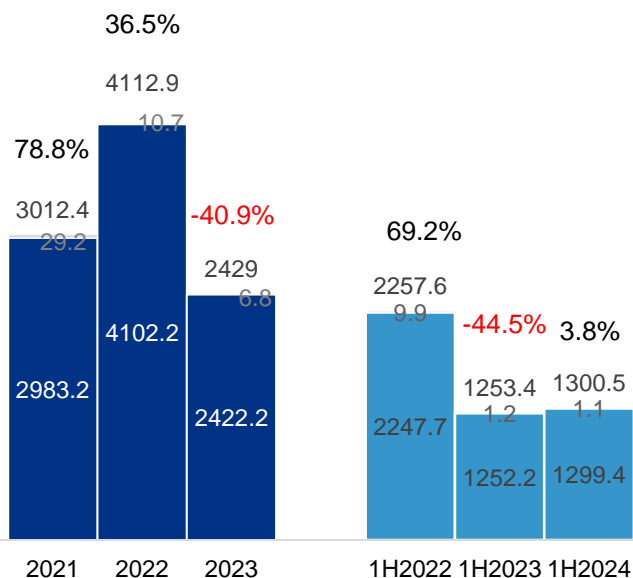


Our revenue increased by 3.8% in 1H2024 compared to 1H2023, gross profit margin increased from 26.5% in 1H2023 to 31% in 1H2024.

Revenue and Year-on-year growth rate

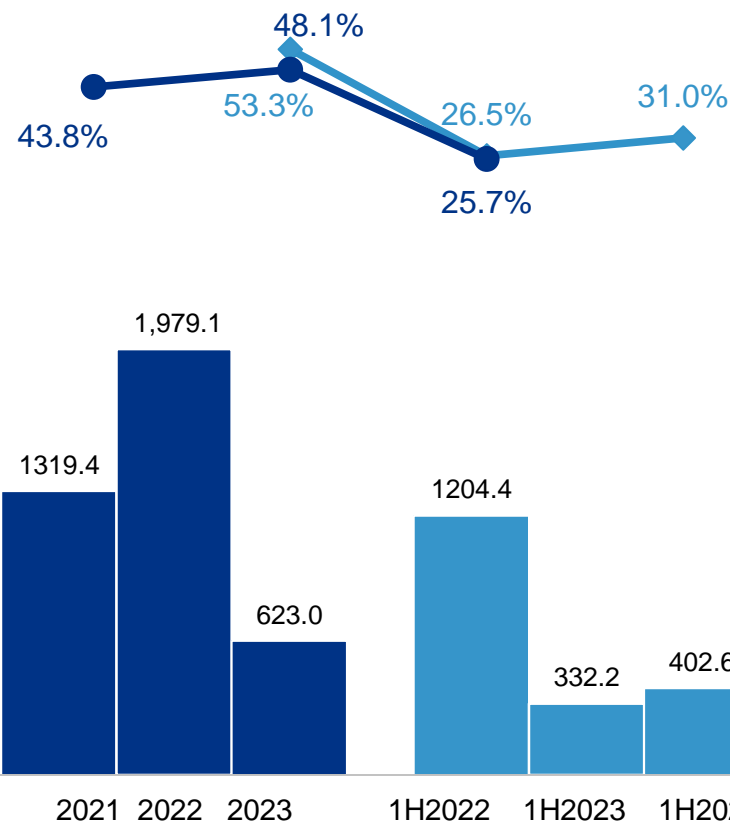
(US\$ Million)

- Container shipping and supporting logistics
- Other



Gross Profit and Gross Profit Margin

(US\$ Million)



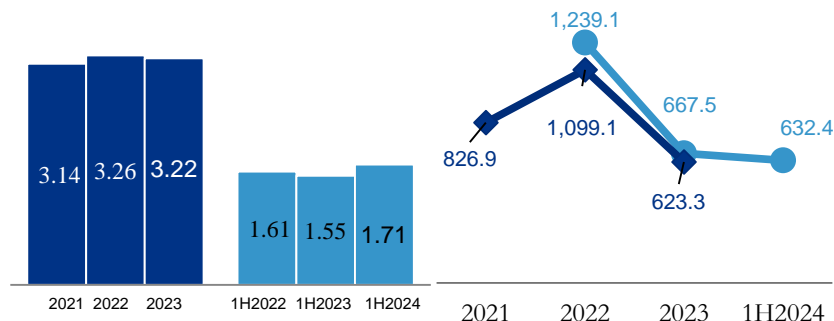
Container Shipping and Logistics: Overview



Container Shipping Volume and Avg. Freight Rate (Excluding the slot exchange fee)

Container Shipping Vol.
(TEU million)

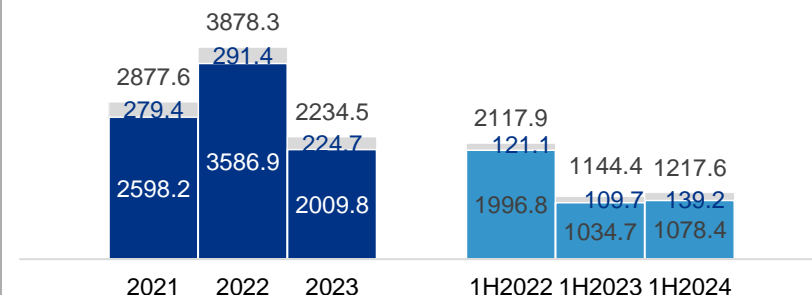
Average Freight Rate
(US\$/TEU)



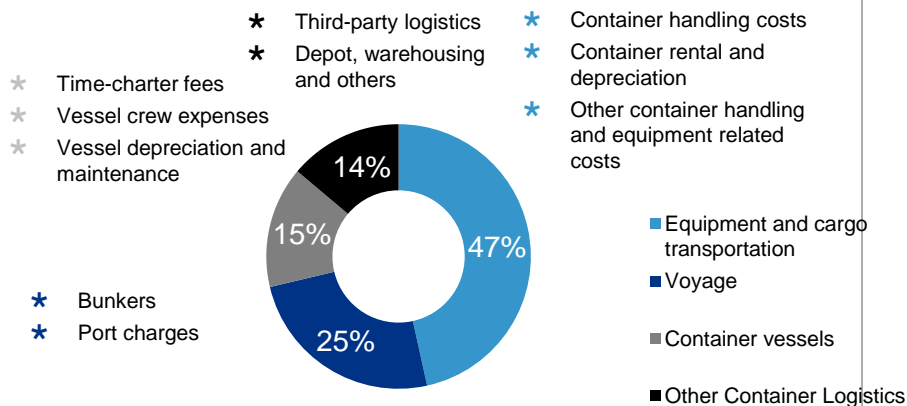
Revenue(Excluding the slot exchange fee)

(US\$ million)

■ Other logistic income
■ Container shipping and support logistic

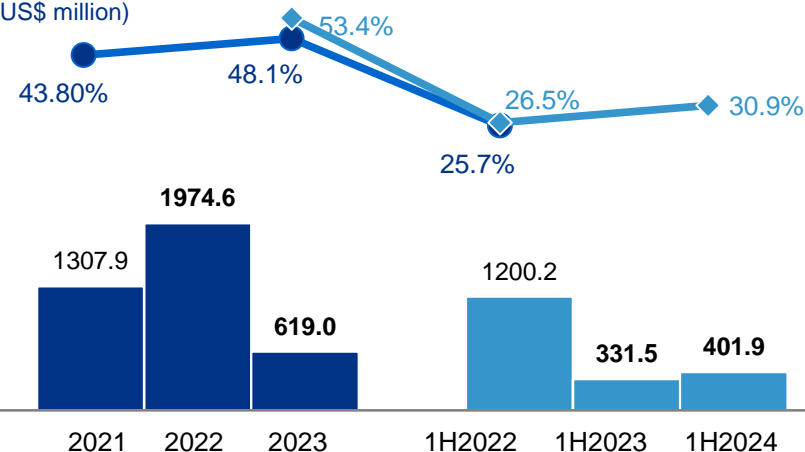


Cost of Sales Breakdown(Excluding the slot exchange fee)



Gross Profit and Gross Profit Margin

(US\$ million)

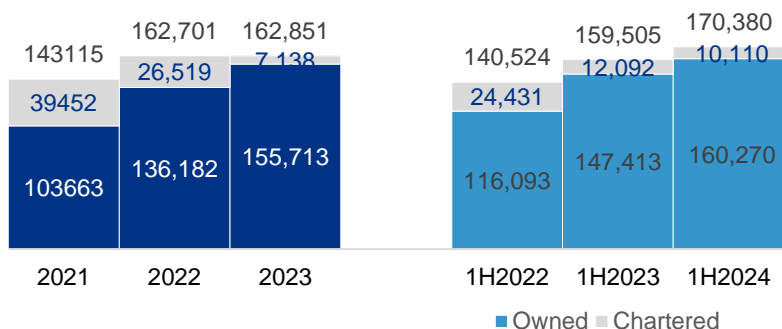


Container Shipping and Logistics: Fleet

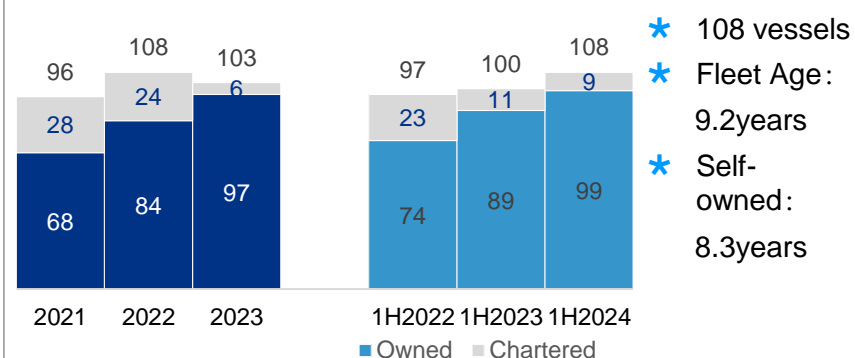


Capacity

(TEU)

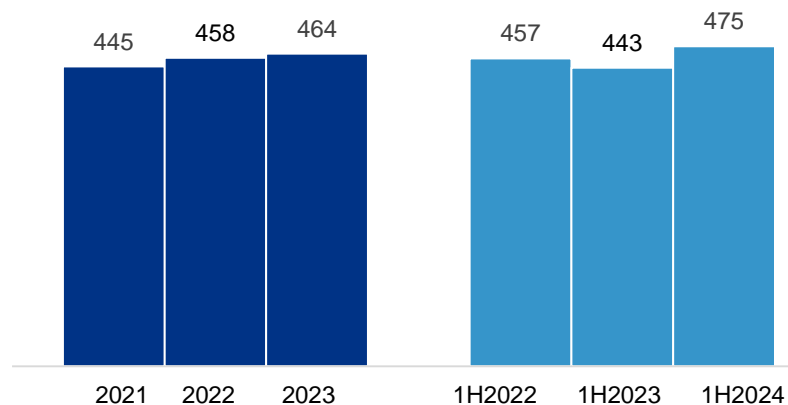


Vessel Quantity (Owned v.s. Chartered)



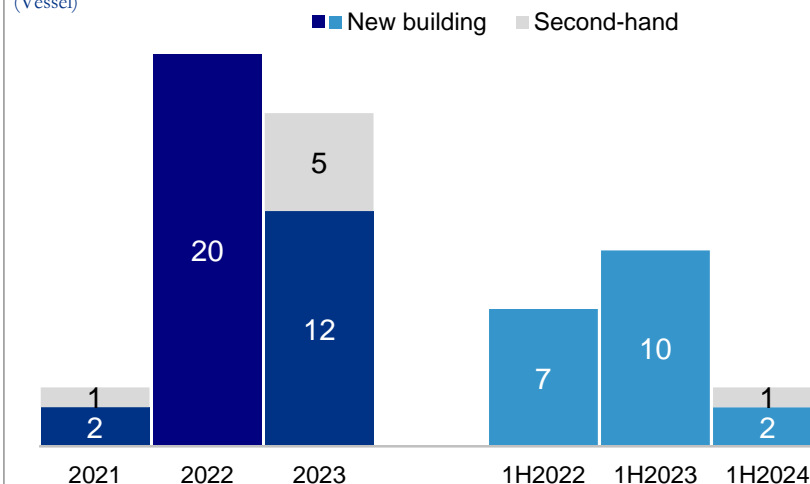
Weekly Port Calls

(Port call per week)



Vessel Delivery

(Vessel)



Note: Sold vessels: 2022: 4 vessels(1 in 1H); 2023:4 (4 in 1H); 2024:1



3. Financial Overview

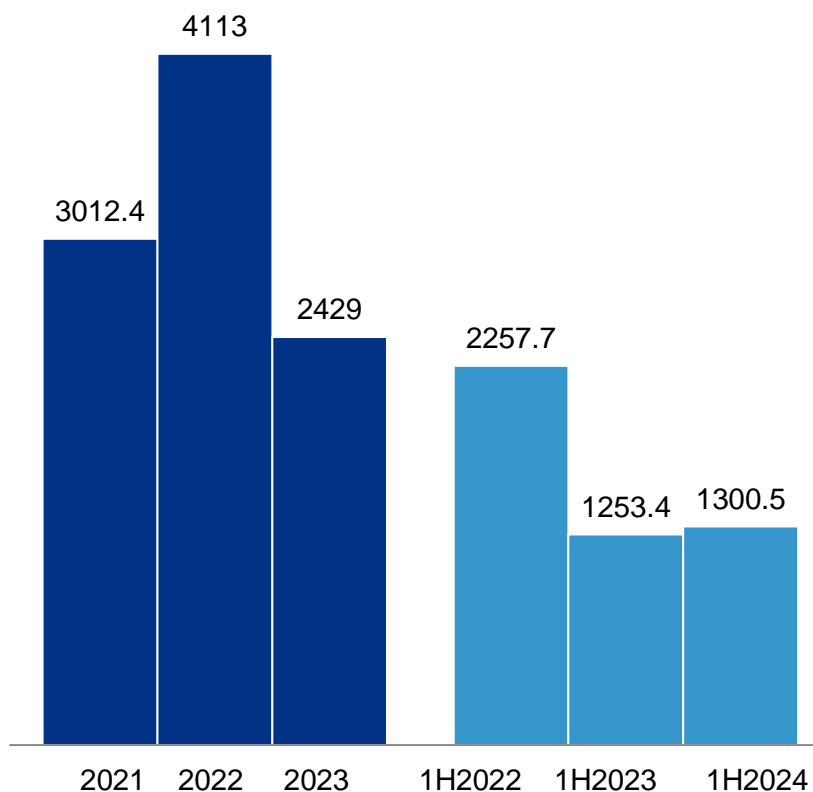


Financial Overview



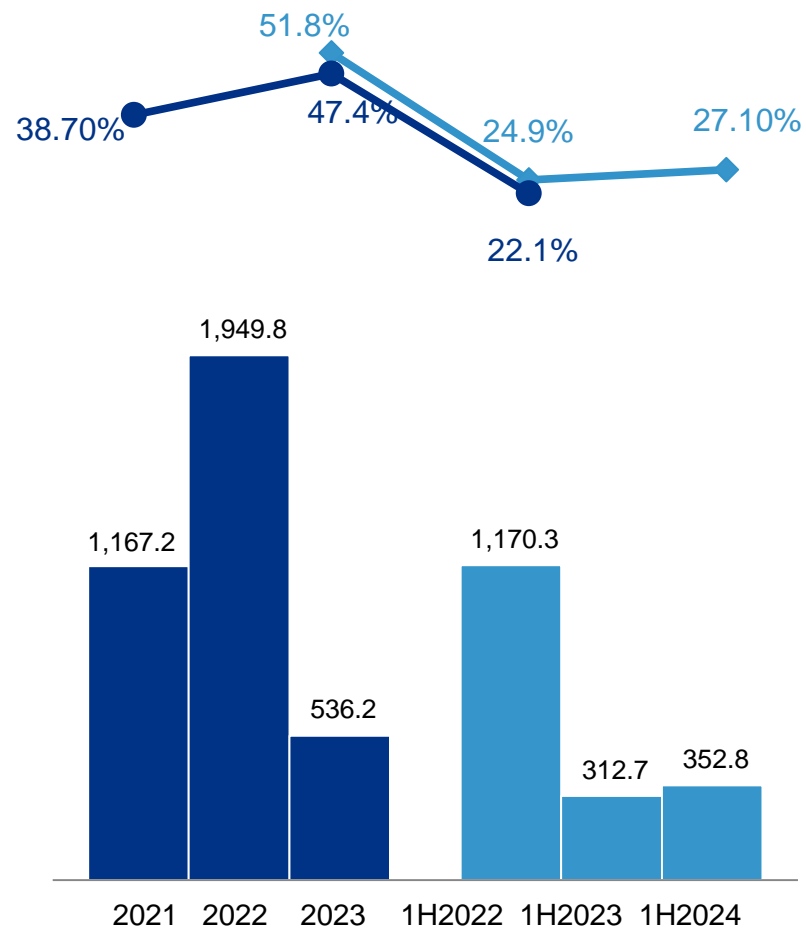
Revenue

(US\$ million)



Net Profit and Net Profit Margin

(US\$ million)

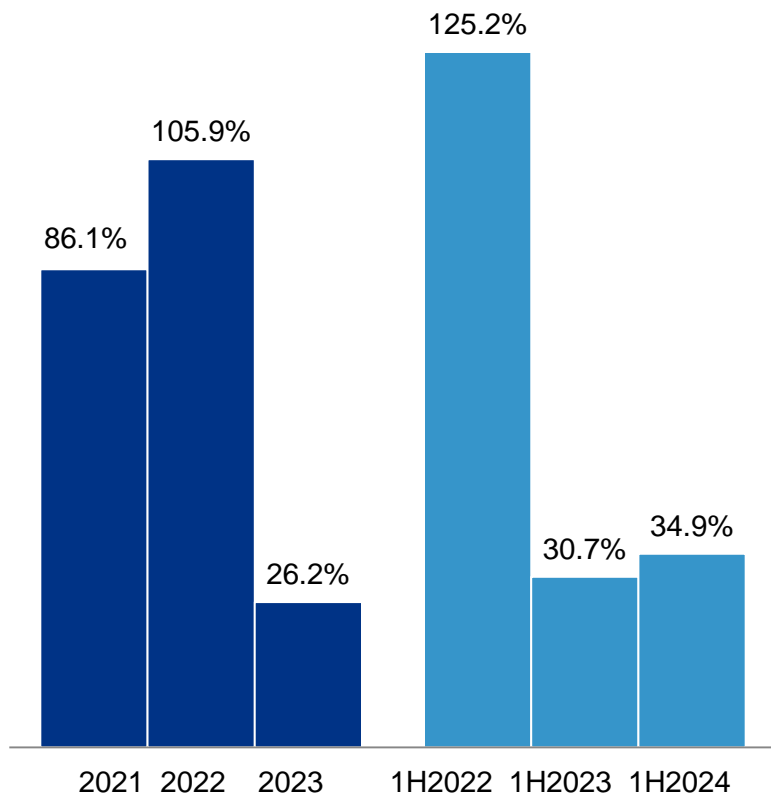


Return Analysis



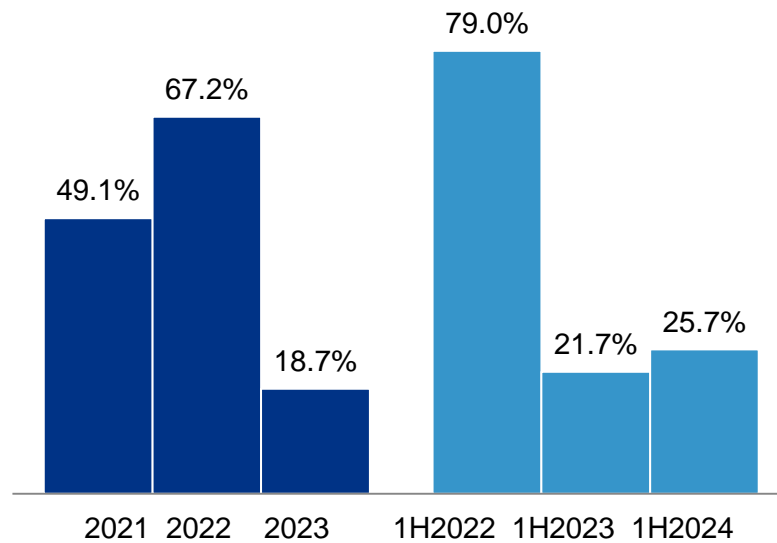
ROE⁽¹⁾

(%)



ROA⁽¹⁾

(%)

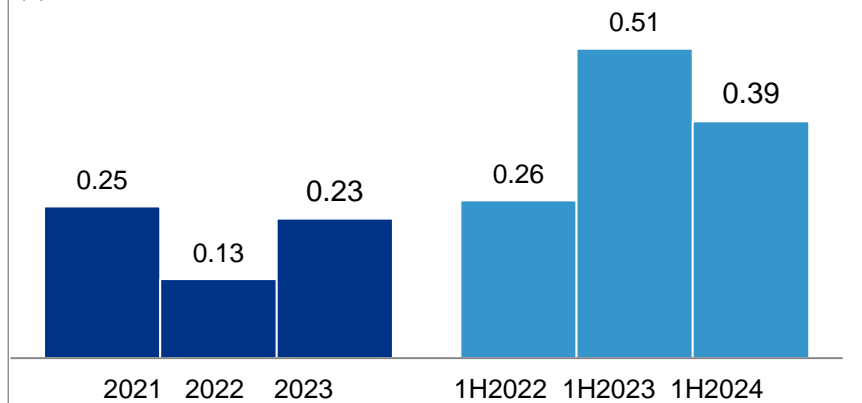


Credit Overview



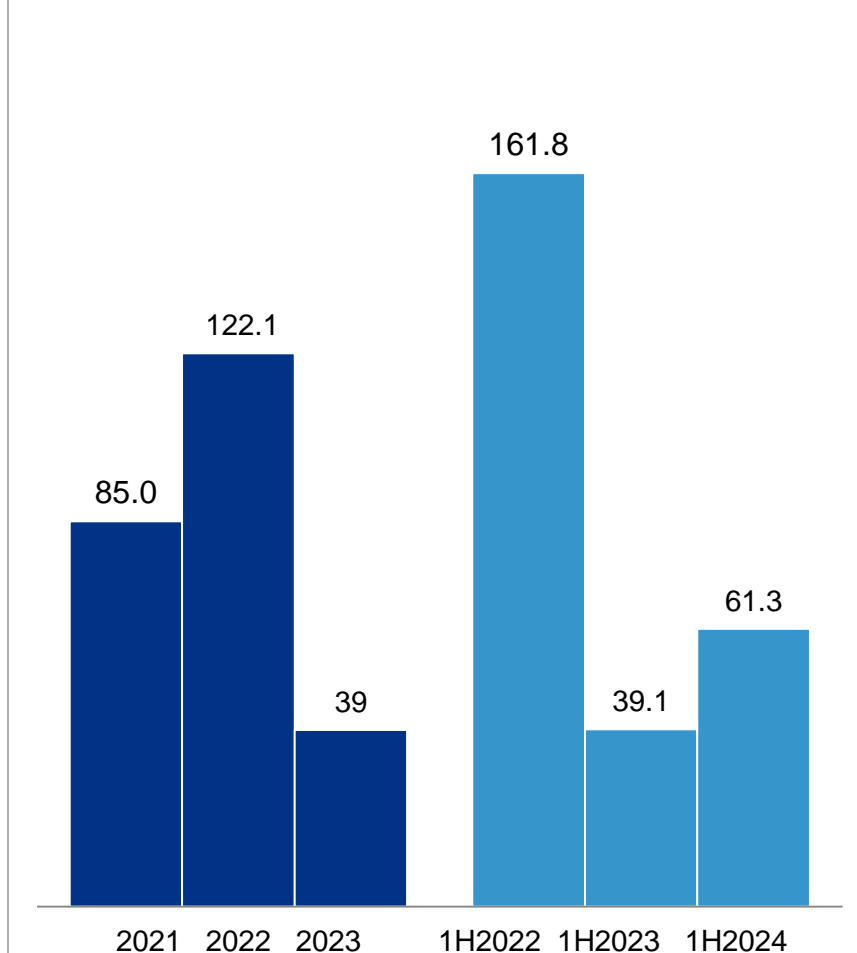
Interest-Bearing Bank Borrowings⁽¹⁾ / EBITDA⁽¹⁾

(x)



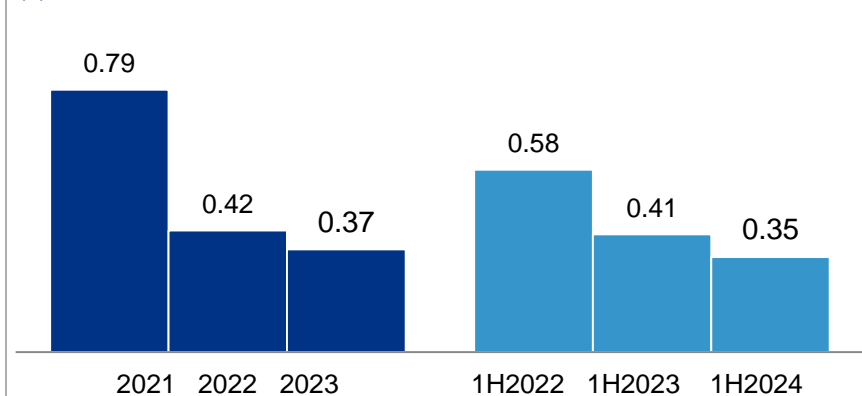
Interest Coverage⁽¹⁾

EBITDA / Interest Expense (x)



Total Liabilities / Shareholders' Equity⁽¹⁾

(x)



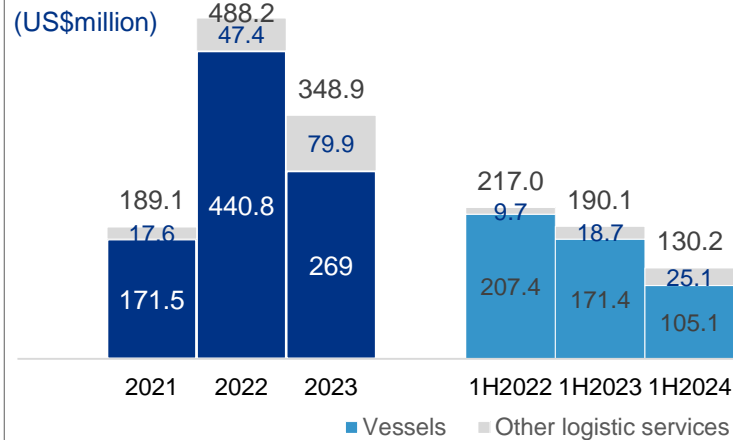
Note:

(1) Extracted/calculated based on the financial statements of the relevant periods

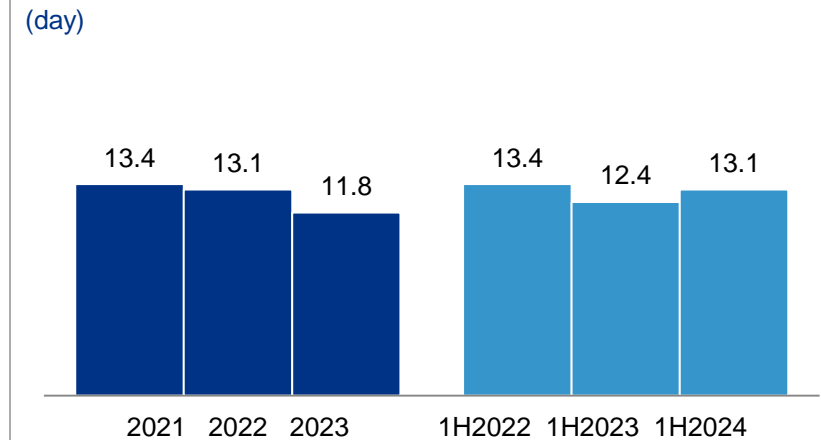
Cash Flow Overview



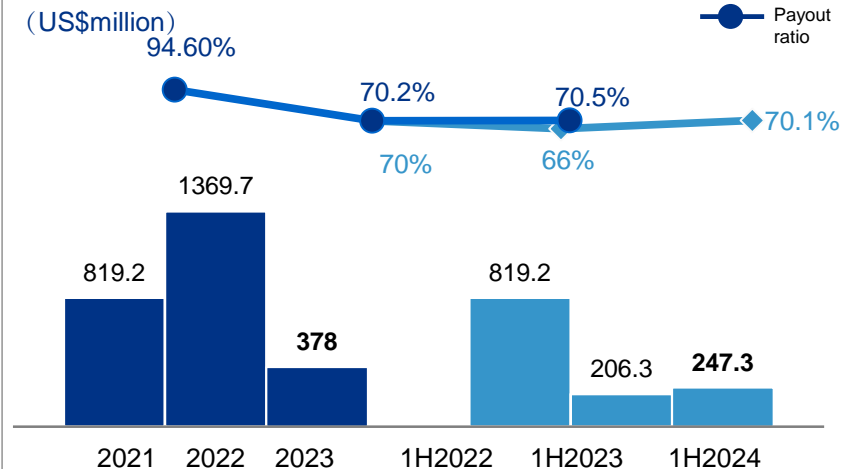
Capital Expenditure



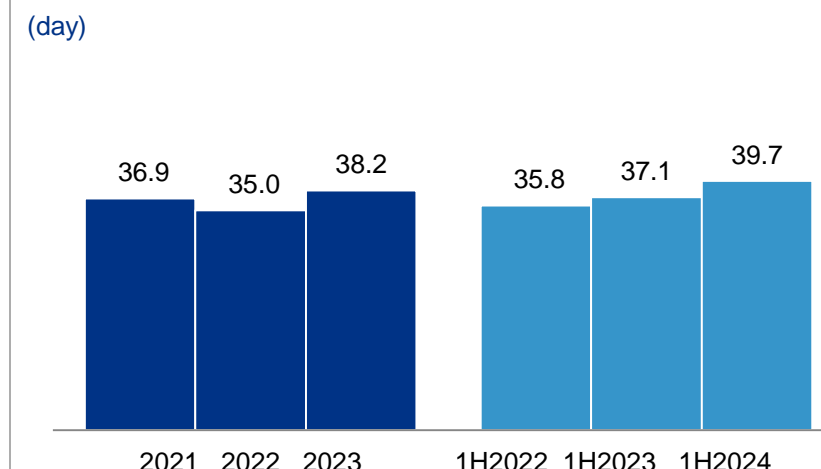
Trade Receivable Days



Dividend and Payout ratio



Trade Payable Days



Income Statement Summary



US\$'000	1H2024	1H2023	Variance
Revenue	1,300,521	1,253,379	3.8%
Cost of Sales	(897,906)	(921,201)	-2.5%
Gross Profit	402,615	332,178	21.2%
Other Income and Gains, net	20,228	58,777	-65.6%
Administrative Expenses	(63,824)	(63,981)	-0.2%
Other Expenses, net	(399)	(4,402)	-90.9%
Finance Costs	(7,345)	(10,511)	-30.1%
Share of Profits and Losses of Associates and Joint Ventures	11,103	10,180	9.1%
Profit Before Tax	362,378	322,241	12.5%
Income Tax	(9,532)	(9,561)	-0.3%
Profit For The Year	352,846	312,680	12.8%

Balance Sheet Summary



US\$'000	30 Jun 2024	31 Dec 2023	Variance
Cash and cash equivalents	507,534	416,323	21.9%
Trade receivables	153,423	113,333	35.4%
Property, plant, equipment & their prepayments	1,803,395	1,732,685	4.1%
Right of use asset	211,282	215,463	-1.9%
Investment in JV and Associates	74,476	70,569	5.5%
Other assets	99,851	104,090	-4.1%
Total assets	2,849,961	2,652,463	7.4%
Trade payables	233,318	203,514	14.6%
Interest-bearing bank borrowings	173,337	169,034	2.5%
Lease liability	202,473	204,527	-1.0%
Other liabilities	124,581	144,330	-13.7%
Equity attributable to owners of the parents	2,099,942	1,914,536	9.7%
Non-controlling interests	16,310	16,522	-1.3%
Total liabilities and equity	2,849,961	2,652,463	7.4%



4. Company Overview



Our Corporate Milestones



SITC has established its **leading market position** since its listing in 2010.



2024 ★ General election of Board of Directors

2022 ★ Marched in India Market

2021 ★ Opened new routes to West Malaysia and Myanmar

2020 ★ Marched in Bangladesh Market

2015 ★ Entered the Fortune 500 of China

2014 ★ Marched in Malaysia and Singapore Market

2012 ★ Marched in Indonesia Market

2011 ★ Marched in Cambodia market, the first Chinese shipping operator calling Sihanouk

2010 ★ Successfully listed on the Hong Kong Stock Exchange in October 2010

Our Business



We are a **leading Intra-Asia shipping logistics company**, providing integrated transportation and logistics solutions



Container Shipping and Logistics: Network



Our **high-frequency, high-density** business model and constantly expanding logistics network effectively meet our customer's needs and positions us well to benefit from intra-Asia trade and volume growth

Our Shipping and Logistics Network



★ High Density

- Own one of the highest density networks in Asia
- Trade routes and composite logistics network cover 17 countries and regions, 84 major ports and 78 trade routes
- Operate, including joint ventures, approximately 1,897,490 m² of depot and 155,575 m² of warehousing space
- Wide range of scheduling options for customers

★ High Frequency

- Own one of the highest service frequencies in Asia
- 475 port calls per week
- Higher flexibility in scheduling for customers

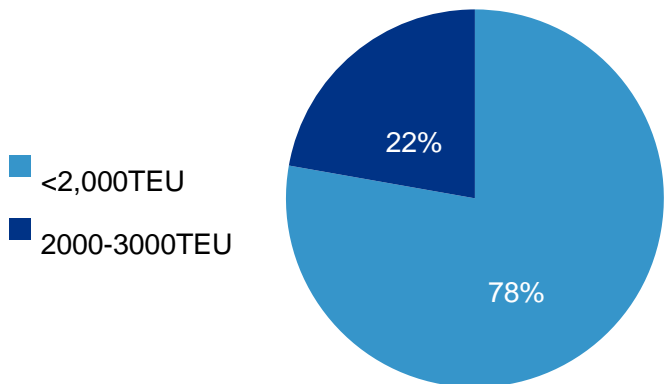
Note: As of 30 Jun 2024

Single-Typed, Flexible Fleet Drives Our Network Driven Model



Focusing on small vessels improves our flexibility and lowers the vessel costs, which is fundamental to our network driven model.

84 of 108 Vessels are smaller than 2,000 TEU

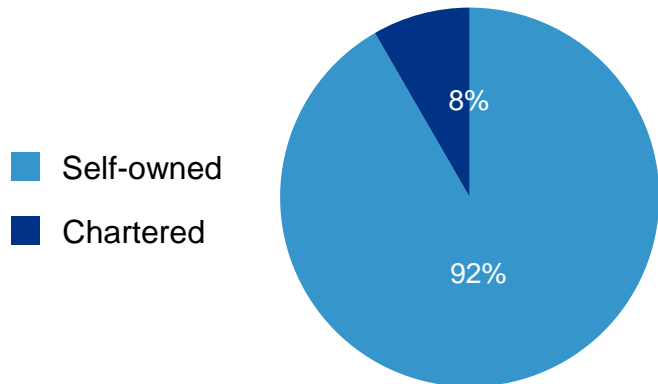


- * Small vessel best suits our business model in terms of space utilization, operating efficiency and speed

- * Uniformed fleet tailored for regional markets provides higher flexibility in allocating vessels along different routes

- * Lower operating cost from lower port charges and lower maintenance cost as a result of fleet standardization

99 of 108 Vessels are self-owned



- * Young fleet with average age of 9.2 years. Younger vessels are more efficient, technologically advanced and enjoy lower maintenance cost

- * Highly flexible fleet with some proportion of chartered vessels enables us to adjust fleet size in responding to rapid changing market.

- * Self owned vessels purchased at relatively low cost which provide us sustainable long term cost advantage.



1 Business Model

- ★ Mainly focus on the Asia market and provide our clients with high efficiency and high quality logistic service, to become the preferred choice for clients

2 Pattern of Development

- ★ On the basis of self-operation and asset-light model, establishing logistic channels and facilities with an integration of sea and land
- ★ Constantly improving high-frequency, high-density sea liner network, and providing low carbon environmental protection supply chain service to clients

3 Diversified Competition

- ★ We provide focused, high quality, unique and innovative solutions

4 Focuses on the Solutions

- ★ Application of digitization and artificial intelligence, and relevant organizational change,
- ★ Gradually achieve the goal of zero carbon emissions and protect biodiversity