



THE WAY FORWARD



# IR Newsletter

## Q1 - 2023



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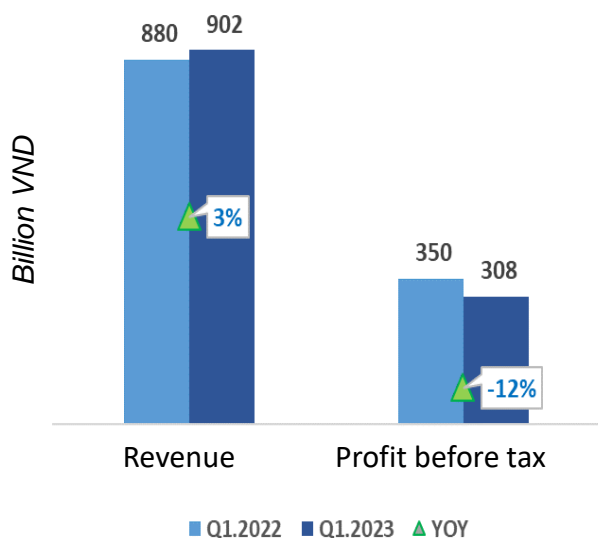


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## GEMADEPT BUSINESS RESULTS Q1/2023 REMARKABLE RESILIENCE



	Q1.2023	Q1.2022
Gross Profit Margin	47%	40%
PBT margin	34%	40%
EBITDA Margin	50%	54%

- Revenue for Q1/2023 reached **902 billion VND**.
- PBT for Q1/2023 reached **308 billion VND**.

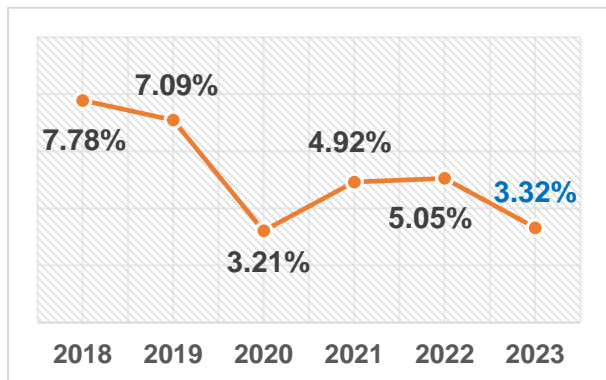
## SEIZING THE OPPORTUNITY

The commodity market experienced a sharp decline from the end of 2022 and continued into Q1/2023, impacting most businesses in the industry. Proactively anticipating the turbulent market, GMD has developed flexible solutions, focused on responding to the unpredictable market developments, while simultaneously preparing available resources to seize opportunities and create a solid momentum for a strong and robust growth in the future.





## VIETNAM'S GDP FOR Q1/2023



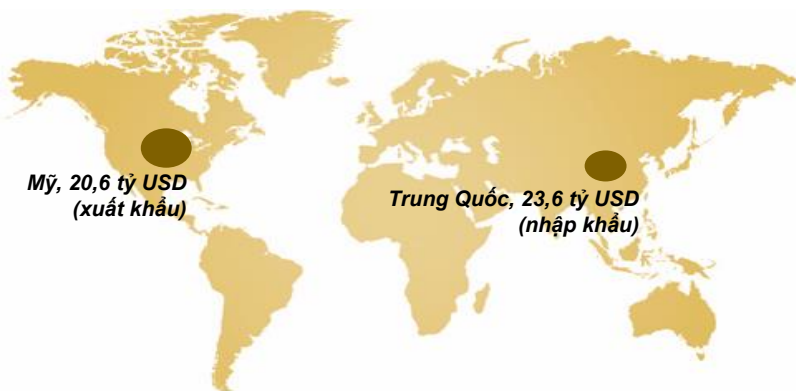
*The GDP growth rate for Q1 in the period 2018-2023 (%).*

The Gross Domestic Product (GDP) in Q1/2023 increased by **3.32%** compared to the same period in 2022, which is the second-lowest growth rate during the period from 2011 to 2022.

The socio-economic situation in Q1 faced numerous difficulties, such as global banking system instability and declining commodity demand. The value added in the industrial sectors in Q1/2023 decreased by **0.82%** compared to the same period last year, marking the deepest decline during the period 2011-2023.

Source: GSO

## IMPORT & EXPORT



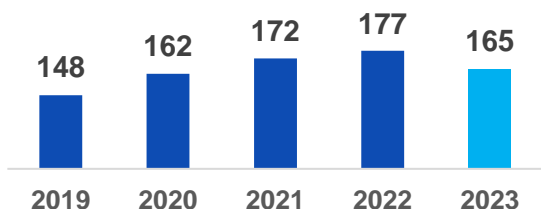
The total imports and exports in Q1/2023 reached **USD 154.27 billion**, a decrease of **13.3%** compared to the same period in 2022.

USD 75,10 Bil	USD 79,17 Bil
Import	Export
- 14,7%	-11,9%

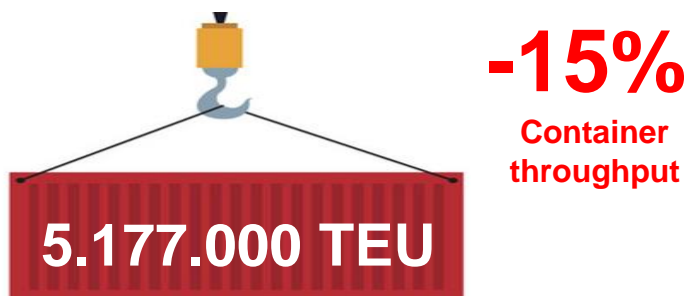
The two largest import-export markets of Vietnam in Q1/2023.

Source: GSO

## CARGO THROUGHPUT VIA VIETNAM'S PORTS



*The total volume of port throughput in Q1 during the period 2019-2023 (million tons).*



In Q1/2023, the estimated total volume of port throughput reached **165.3 million** tons, a decrease of **4%** compared to the same period in 2022. Among them, container cargo is estimated to reach nearly **5.2 million** TEUs, a decrease of 15% compared to the same period.

Source: Vietnam Maritime Administration

## GEMADEPT PORT SYSTEM'S THROUGHPUTS MARKET SHARE IN Q1.2023

GMD PORT SYSTEM  
THROUGHPUTS

**584.000 TEUs**

NORTH SYSTEM

**18.14 %**

242,000 TEU

CENTRAL SYSTEM

**30.59 %**

388,000 TON

SOUTH SYSTEM

**17.28 %**

342,000 TEU

## GEMADEPT OVERCOMES CHALLENGES TO EMBRACE THE FUTURE

- In Q1/2023, the world continued to witness unpredictable economic fluctuations, particularly with the banking crisis in the United States and Switzerland, raising concerns of a new financial crisis alike the one in 2008, interest rates rising, and the ongoing Russia-Ukraine conflict had no resolution in sight. The United States, the Eurozone, and China were all going through a period of weakness, negatively impacting the global growth prospects. According to the World Bank, global growth is projected to reach only 1.7% in 2023.
- In such challenging period for the market, with a sharp decline in imports and exports, the volume of Gemadept's port throughput as a whole was greatly affected, experiencing a decrease compared to the same period in 2022, especially in the southern region. However, the decline was lower than other ports in the same region. The total volume of Gemadept's port throughput reached nearly **600,000 TEUs** in Q1/2023.
- Overcoming many difficulties and challenges faced by the entire industry, in Q1/2023, Gemadept made plenty of efforts to efficiently continue operating activities and achieve impressive milestones. The Gemalink Deep-sea Port had successfully welcomed the M/V OOCL Spain - one of the largest and smartest container vessel in the world - making its first call at a Vietnamese port.
- Gemalink Port also officially reached the milestone of 2 million TEUs throughput in just over 2 years of operation, setting a record in the Vietnamese port operation industry.



## NAM DINH VU PORT URGENTLY PUTS PHASE 2 INTO OPERATION

Nam Dinh Vu Port - one of the strategic terminal in the Northern region of Vietnam, continues to receive 3 modern STS, ready to be installed and put into operation.

Having a berth length of nearly 900m and modern handling equipment, Nam Dinh Vu Port will increase its cargo handling capacity from receiving 3 vessels at the same time to 4-5 vessels once the new cranes officially put into operation.



## DUNG QUAT PORT SUCCESSFULLY OPERATED PROJECT CARGO OF AN AMERICAN CORPORATION (GE)

On March 24, 2023, Gemadept Dung Quat Port received the LAKAS vessel and successfully operated nearly 450 tons of carbon steel pipe for the construction project of General Electric Corporation (USA) in the Dung Quat Economic Zone, Quang Ngai, Vietnam.

Gemadept Dung Quat Port aims to build the first Eco-Port in the Central region, contributing to raising public awareness about environmental protection, safety and energy saving. With the advantage of a prime location, located in Dung Quat Industrial Park - according to the Government's plan, the Port always focuses on providing customers with the most optimal solutions, improving the efficiency of economic development in Quang Ngai province as well as the economic zone of Central Vietnam

## OPENING THE HAI PHONG - HA NAM INTERNAL TRANSPORT LINE

Nam Hai Port held the opening ceremony of the inland waterway transport route from Nam Hai port to Thai Ha port on March 21, 2023. This allows connection for the cargo flow between Hai Phong and Ha Nam.

This event not only contributes to promoting the development of goods trade in seaport services but also increases the connection between the ports and domestic shipping lines..

Ha Nam province located more than 50km away from the center of Hanoi city to the south, has nearly 20 industrial zones with many factories invested by US, Korean, Japanese and Taiwanese, etc.

Particularly in 2022, Ha Nam province has an economic growth rate of 10.8%, ranking 3rd in the Red River Delta region and 12th in the whole country..

## NAM DINH VU PORT WELCOMED THE ASL PEONY FIRST CALLING AT THE PORT

On February 28, 2023, Nam Dinh Vu port was honored to welcome the first calling of ASL PEONY at the port after it was officially launched on December 3, 2022 and handed over to ASL on February 23.

In the past time, Nam Dinh Vu Port has continuously received newly built vessels owned by ASL shipping lines such as ASL Hongkong, ASL Peony. This is a testament to the strong and long-term support and cooperation of ASL as well as other leading global shipping lines for Gemadept.





## SHIPPING AND LOGISTICS ACTIVITIES IN Q.1/2023

- In Q1/2023, the demand for shipping containers dropped significantly and the recovery rate after the Lunar New Year happened slower than previous years.
- Freight rates remained low due to (1) reduced consumption demand; (2) excess inventory; (3) increased shipping capacity from the newly built fleet entering the market. The Drewry Rates Index on March 20 recorded \$1,756.83/FEU, equivalent to an 83% decrease from the peak in September 2021..
- Empty container depots, especially in China, were nearly at full capacity and were unable to take new customers.
- The rate of port abandonment and cancellation was at a high level and is gradually decreasing from an average of 14% at the end of 2022, early 2023 to 9% at the end of Q1/2023.

Container ship contracting and order book



- The number of new vessels ordered has increased sharply since 2020, peaking in 2023.
- Shipping lines began to deploy more maritime routes through South Asia (Indian subcontinent) and the Middle East – both are emerging potential markets.

### PBT FROM CORE BUSINESS ACTIVITIES IN Q1/2023



### Business results in Q1/2023

Logistics and Shipping sectors contributed about **48%** to PBT of business activities of Gemadept.

- **Revenue from Logistics and Shipping activities** of Gemadept **recorded an increase of 2%** and thanks to the strict and timely measures in management, PBT recorded an **increase of 43%** over the same period. With the ability to forecast and proactively seize opportunities, chartering continues to contribute greatly to the overall results. Warehousing services also gradually recovered and improved efficiency in Q1.
- In the declining market demand, GMD focused on improving the efficiency of existing services, researching and putting into operation new transportation routes in order to diversify operations and increase flexibility to deal with unpredictable developments in the economy.

## CELEBRATING 5 YEARS OF CJ GEMADEPT LOGISTICS JOINT VENTURE



Gemadept Corporation and CJ Logistics Global had created a stir in the logistics industry on March 2018 when they signed a joint venture agreement between the two biggest logistics firms in South Korea and Vietnam. As a result, CJ Gemadept Logistics was founded with the goal of offering customers across the country complete and expert logistics services.

Over the past five years, CJ Gemadept Logistics has made significant strides, achieving many accomplishments and asserting its position in the market

The "Leading Logistics Service Provider" award from the Ministry of Industry and Trade and the "Best Logistics Service" award from Vietnam Logistics Magazine are only a couple of the notable and major accomplishments that CJ Gemadept Logistics has made recently. These are accomplishments to be proud of, and they motivate CJ Gemadept Logistics to keep growing and enhancing the caliber of its services.

The goal of CJ Gemadept Logistics in the coming years is to become one of the leading logistics companies in Southeast Asia, while maintaining its position in the Vietnamese market. To achieve this goal, CJ Gemadept Logistics will continue to invest in technology, enhance its human resources capabilities, expand its warehouse system, and diversify its services.

### CJ GEMADEPT SOLVES THE LOGISTICS PROBLEMS OF RETAILER WITH "PICK TO LIGHT SOLUTION"

The Pick To Light solution combined with Automatic Conveyor - a specialized and pioneering operating model has been successfully implemented by CJ Gemadept

This technology executes orders in accordance with guidance from light modules. The only thing the pickers need to do is walk to the picking locations with the LED signals and precisely take the indicated amount. By doing this, the picking process is sped up and the operators are given the right tools to do tasks quickly. .

CJ Gemadept Logistics is constantly concerned about the digitization and automation narrative in logistics operations in general and retail warehouse operations in Vietnam in particular.

### GREEN LOGISTICS - AN IMPORTANT LINK IN SUSTAINABLE DEVELOPMENT

With the vision and commitment towards the goal of "Greening the logistics industry", CJ Gemadept Logistics has deployed a variety of green operating models in the activities of the joint venture.

At the same time, CJ Gemadept Logistics also focuses on the reuse and recycle of materials and equipment used during operation while encourages employees to use environmentally friendly products daily at work.

With the application of green operating methods, CJ Gemadept Logistics not only minimizes the impact on the environment, but also saves costs for businesses, improves service quality and meets customers' needs..

## GEMALINK – A CONSTANT PRESENCE TO OUR CUSTOMERS & PARTNERS

### ➤ **Gemalink Port welcomed the world's largest mega vessel OOCL Spain sailing on the Asia – Europe route**

On March 30, 2023 at the Cai Mep - Thi Vai port cluster, Ba Ria - Vung Tau province, Gemalink International Port held a ceremony to welcome the mega vessel M/V OOCL Spain with a capacity of 24,188 TEUs operated by OOCL shipping line on its first journey on the route connecting Asia - Europe. This marks an important event for Gemalink Port, Gemadept as well as for Cai Mep area by setting a new record in not just Vietnam's seaport industry but also the maritime industry.

### ➤ **Gemalink's new operating record**

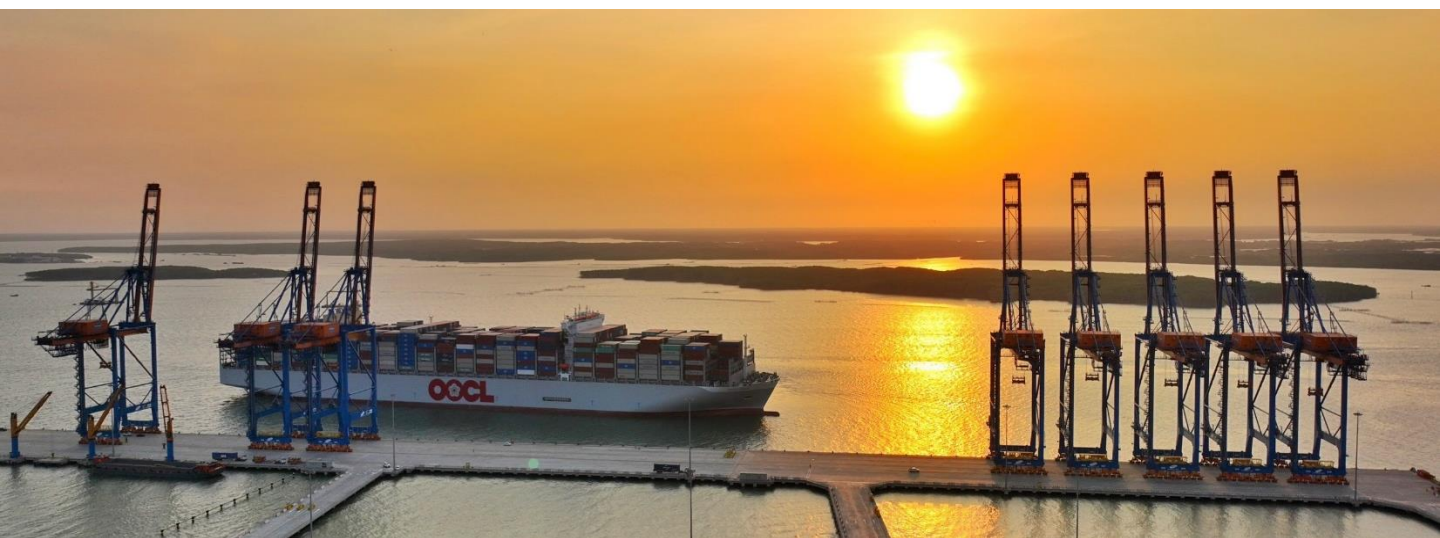
On April 3, 2023, Gemalink Deep-sea Port has set a new record for berth handling capacity, reaching 208 moves/hour. The process of receiving and operating the CMA CGM MARCO POLO ship was very safe and timely. The vessel departed the port earlier than scheduled time. With the cultural principle of "Be Better", Gemalink Port constantly strives to improve the quality of operation in order to bring customers and partners the best experience and optimal value.

### ➤ **Gemalink doubles the joy by celebrated 2 million TEUs throughput and welcoming the CMA CGM's FAL3 service**

On March 21, 2023, Gemalink held a celebration to celebrate achieving 2 million TEUs throughput since coming into operation in 2021 to now. Gemalink has continuously achieved many accomplishments and safely operated 2 million TEU even though it has only been in operation for more than 2 years. At the same time, Gemalink officially welcomed and operated the FAL3 service (French Asia Line 3) on the mother vessel APL TEMASEK. This is the fourth service line as well as one of the largest and most important service that CMA CGM trusts to assign to Gemalink.

### ➤ **Gemalink Port simultaneously received two mother vessels of CMA CGM**

On the morning of February 25, 2023, M/V CMA CGM A.LINCOLN and M/V CMA CGM NABUCCO on the JAX and PEX3 service routes respectively arrived at Gemalink International Port. Gemalink has been affirming its outstanding capacity and doing better to recognize its important role in connecting Vietnam - International maritime routes. Gemalink is proud to be the first choice of many international shipping lines and customers and to be able to contribute to promoting the economy and realizing the development goals of Vietnam's port industry.





## GEMALINK PHASE 2

- Gemalink Port continues to complete the procedures for implementing the construction permit of Gemalink Port's phase 2, ready to put into operation in 2024 & 2025, meeting the market's and partner shipping lines' growing demand.
- Phase 2 of Gemalink continues to invest in research in stages in line with the growth of the market and optimizes resources to develop the most modern and efficient Gemalink Deep-sea Port in the region.
- On December 19, 2022, the Southern Vietnam Maritime Safety Corporation announced the technical specifications of the water area in front of Gemalink Deep-sea Port phase 1 reaching a depth of -16.5 meters. In Q1/2023 Gemalink has successfully operated the world's biggest mega vessels, including the 24,188 TEU OOCL Spain.



## NAM DINH VU PHASE 2

- The scale of Phase 1 and Phase 2 has an area of 22- 44ha, 440-1,100m of berth and has a capacity of 900K-1,200K TEU;
- Phase 2 of NDV is being implemented on schedule. Currently the project is completed and is in the testing phase. The official opening ceremony is expected to be held in May 2023.
- Gemadept continues to research to start the construction and put into operation Nam Dinh Vu port Phase 3. Once completed all phases, Nam Dinh Vu Port to become the largest port in Hai Phong area.



## GEMALINK & A GREEN FUTURE – MANGROVES FOREST PLANTING IN TRA VINH

On April 10, 2023, Gemalink Port launched the program **"Planting Mangroves for Sustainable Green Agriculture."** The first batch of 300 Rhizophora Apiculata was planted in the shrimp farm belongs to the households in Long Toan commune, Duyen Hai district, Tra Vinh province.

During the program launching ceremony, representatives from Long Toan commune, Duyen Hai district, Tra Vinh province, expressed sincere gratitude to Gemalink Port (a subsidiary of Gemadept Corporation with a 75% stake) and the Seed for Sea project for their efforts in restoring mangroves and contributing to the development of sustainable green agriculture in the Mekong Delta region, with the aim of replicating the model nationwide.

This program not only raises awareness of sustainable green practices within the local community but also inspires port and logistics businesses in Vietnam to take responsibility for the environment, community, and society.



## NAM DINH VU PORT WELCOMED THE FUTURE TALENTS VISITING THE PORT

On the afternoon of March 16, the group of student delegations from Hanoi Foreign Trade University (FTU) had visit and work at Nam Dinh Vu Port.

Gemadept pays special attention to the country's young generation and creates maximum conditions for student delegations to visit, observe, and practice at the Company's Port and Logistics system so that students can have a broader and clearer view of port operations and logistics, as well as help young people on the path of their own career orientation in the future.



## GEMADEPT PARTICIPATED IN THE INDIA - VIETNAM LOGISTICS INVESTMENT - TRADE PROMOTION CONFERENCE

On March 30, the representative of Gemadept Corporation attended the India - Vietnam Logistics Investment - Trade Promotion Conference. Also present at the conference were representatives of different agencies, departments and leading enterprises operating in the field of Logistics of both countries.

Gemadept's active participation in the conference demonstrates the Company's role in the development of the country's logistics industry. Always in the Top 3 Logistics companies in Vietnam, with experience, logistics infrastructure network and a team of skilled employees, Gemadept continues to contribute to the effort to make Vietnam's logistics industry grow stronger and stronger. .



## GEMADEPT CONTINUES TO CREATE GREAT ATTRACTIONS TO MANY INVESTORS

In Q1/2023, Gemadept's Investor Relations Department continued to actively coordinate with reputable securities companies and organizations such as SSI, HSC, VCSC, JP Morgan, Ban Viet, etc. to organize meetings and investment conferences attracting the attendance of many shareholders and investors.

2023 is the first year that investor conference events are held in person on a large scale after a two-year hiatus due to the Covid-19 pandemic and Gemadept had attended several common conferences such as Vietnam Access Day of Viet Capital, C-Suite of SSI, etc.

Through face-to-face as well as online meetings, investors expressed concerns focused on Gemadept's business activities and ESG topics (environment, society, governance), the Company's development orientations and plans, inflation situation, the impact of the Russia-Ukraine conflict, etc. Investors are especially interested in the progress of Gemalink Deep-sea Port phase 2 and the Nam Dinh Vu Port port cluster phase 2 and 3.

As a leading listed company in the market, Gemadept always adheres to regulations on transparency and public information disclosure in the market. Shareholders and investors can freely access information about Gemadept through the Company's Website, the web portal of the Securities and Exchange Commission, Ho Chi Minh City Stock Exchange, etc., or they can contact Gemadept Investor Relations Department directly.

## GEMADEPT AND THE STEPS TOWARD THE GREEN ROAD OF ESG

With growing interest in the topic of ESG, the Government has set a roadmap for Carbon Neutralization by 2050. Gemadept has been taking specific actions to develop a "greener and smarter" Port-Logistics ecosystem. Representing the Company, the Investor Relations Department had attended various international conferences and seminars such as Forbes Sustainability Leaders Summit, Global Victoria's Vietnam Technology & Innovation Trade Mission 2023, etc.

Through these seminars, Gemadept has had the opportunity to listen to the opinions of experts and having exchanges with potential partners about solutions and how to build an appropriate roadmap for businesses, helping them working towards the government goals, applying information technology in production and business activities and communicating about ESG, etc.





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