



THE WAY FORWARD



# IR Newsletter

## Q3 - 2023



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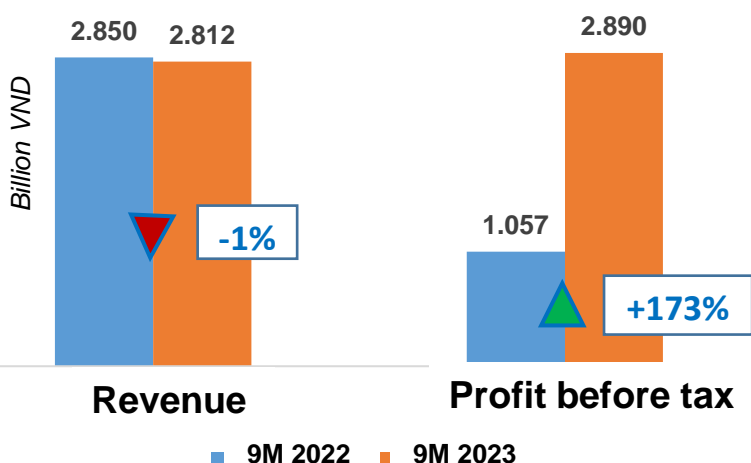


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## GEMADEPT BUSINESS RESULTS IN 9M/2023 FACING CHALLENGES HEAD ON



	9M 2023	9M 2022
Gross Profit Margin	48%	42%
PBT Margin	103%	37%
EBITDA Margin	117%	50%

## OVERCOMING DIFFICULTIES

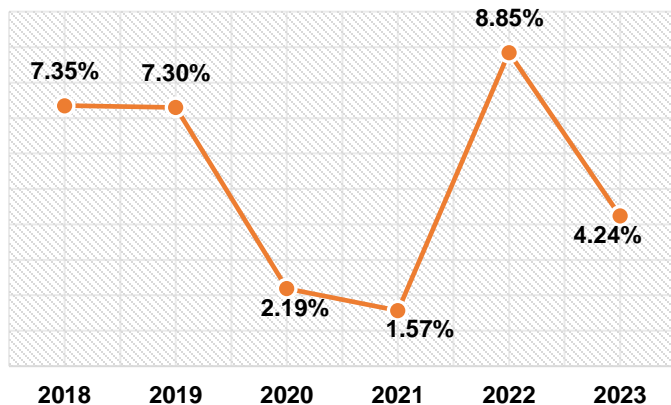
The economy continues to face potential instability. However, Gemadept manages to demonstrate its determination to overcome obstacles, as evidenced by the improving production and business results quarter after quarter.

In light of the continued forecast difficulties, the Company's top goal is to focus on efficiency and proactively seize opportunities.





## VIETNAM'S GDP GROWTH IN 9M/2023



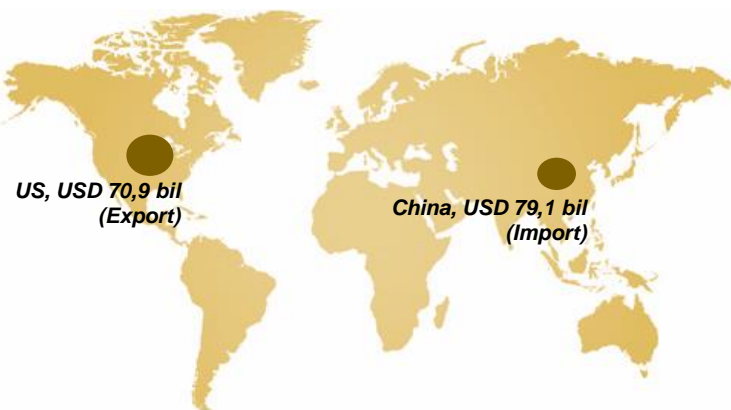
GDP growth rate in the first 9 months, period 2018 - 2023 (%)

The Gross Domestic Product (GDP) in 9M/2023 increased by **4,24%** compared to the same period in 2022, which is the third lowest 9-month growth rate in the period 2011-2023.

The socio-economic situation in the 9M 2023 face many difficulties and challenges, such as the Russia-Ukraine conflict and other geopolitical tensions increase, global inflation has cooled down but is still higher than the target level of central banks, China's economic recovery process still has many risks, weak consumption, etc.

Source: GSO

## IMPORT & EXPORT OF GOODS



The total imports and exports in the 9M/2023 reached **USD 497,66 bil**, decreased by **10,9%** compared to the same period in 2022.

**USD 237,99 bil**

**Import**

**- 13,8%**

**USD 259,67 bil**

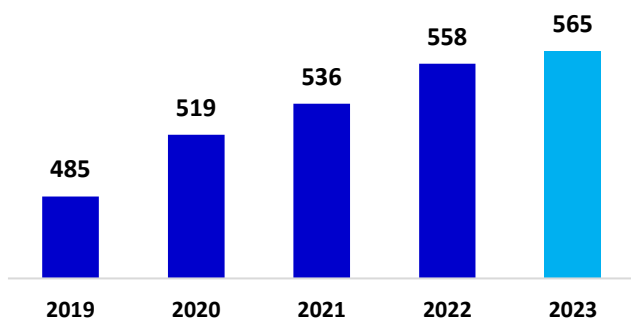
**Export**

**-8,2%**

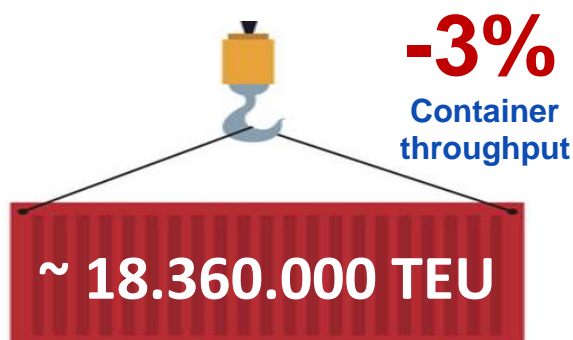
Source: GSO

The 2 largest import-export markets of Vietnam in 9M/2023

## CARGO THROUGHPUT VIA VIETNAM'S PORTS



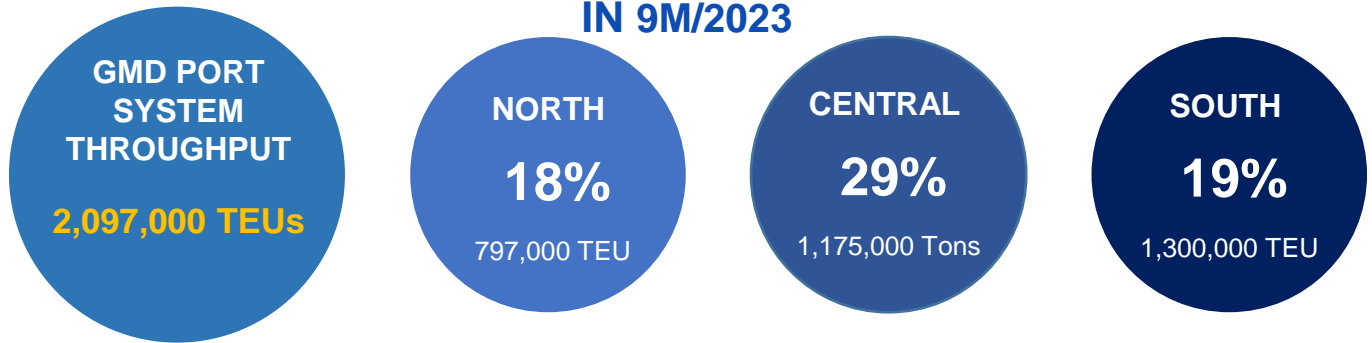
The total volume of port throughput in 9M during the period 2019 – 2023 (million tons)



In the 9M/2023, the estimated total volume of port throughput reached **564,917 million tons**, up by **3%** compared to the same period in 2022. Container cargo throughput reached **18,36 million TEUs**, down by **3%** over the same period.

Source: Vietnam Maritime Administration

## GEMADEPT PORT SYSTEM'S THROUGHPUTS & MARKET SHARE IN 9M/2023



## GEMADEPT “OVERCOMING THE STORM”

- In the first 9 months of 2023, the global economy still faces many uncertainties due to the prolonged impact of the Russia - Ukraine war and newly arising geopolitical conflicts, monetary policy continues to tighten to control inflation, the sharp decline in consumer demand in the Chinese market, and the continued sluggishness in the global labor market. The factors that drove global economic recovery in the first half of 2023 are also expected to slow down in the latter half of the year. This suggests that the global economic activity in 2023 will slow down, reflecting a clear deceleration in developed economies. According to the World Bank, global growth is projected to decelerate to 2.1% in 2023.
- Domestically, Vietnam's economy is still experiencing a slowdown. Import and export are still declining, and GDP growth is only half of what it was in the same period last year. The throughput through Vietnam's seaport system has somewhat recovered in recent months, but it has yet to show any significant breakthrough. Accordingly, the throughput of Gemadept port system is also affected, but is still doing better than the region in general.
- Container throughput of Gemadept port system reached more than **2 million TEU** in 9M/2023. Of which, container throughput increased steadily each quarter, demonstrating the Company's efforts to overcome the common difficulties of the market and contributing to the growth of the country's maritime industry.
- In Q3/2023, Gemadept was pleased to receive and operate the Ever Lunar vessel, Evergreen's first TPA service route to arrive at Gemalink port. Evergreen's representatives also visited Gemalink Port on the same day.
- The Company is also honored to be in the Top 10 Innovative and Effective Businesses in 2023 of the logistics industry - Port Operations and Warehousing Services Group.



## THE OCCUPATIONAL SAFETY AND HEALTH (OSH) AND FIRE PREVENTION MONTH OF 2023

Nam Dinh Vu Port (NDV) has just completed the training course on implementing fire safety at work held from August 23, 2023 to September 23, 2023. This is a time when management is particularly focused on emphasizing the importance of maintaining a safe working environment and being ready to deal with fire and explosion risks.

Activities during training include skills training and inspection and maintenance of fire protection equipment. In addition, NDV also tested the alcohol concentration of all staff operating machinery and equipment at the port site.

Imbued with Gemadept's cultural principle of "Do your best", Nam Dinh Vu Port has been building itself not only on being GREEN - CLEAN - BEAUTIFUL but also with a high sense of compliance with OSH, gradually becoming the No. 1 port model in the Dinh Vu area.



### GEMALINK PORT WELCOMED THE EVER LUNAR VESSEL - TPA SERVICE ROUTE OF EVERGREEN

On July 15, 2023, the EVER LUNAR going on Evergreen's TPA service safely docked at Gemalink. The EVER LUNAR vessel is 355m long, 45.8m wide, has a capacity of 9532 TEU, and weighs 101,063 DWT.

The TPA service route (Transpacific Arabian Service) is a service route connecting Gemalink Port in Ba Ria - Vung Tau province, Vietnam with the ports of Tacoma/ Oakland/ Los Angeles - West Coast of the United States. The route is as follows: Vung Tau - Taipei - Kaohsiung - Yantian - Los Angeles – Oakland – Tacoma

Gemalink is proud to be a connection point on the journey to bring trade goods to the West Coast of the United States, Vietnam's leading export market.

### NAM DINH VU PORT WELCOMED KAGUYA SERVICE UNDER MSC SHIPPING LINE

On July 23, 2023 Nam Dinh Vu Port officially received and handled the first trip of the MSC CARPATHIA III vessel, a part of the Kaguya service line of MSC Shipping Line.

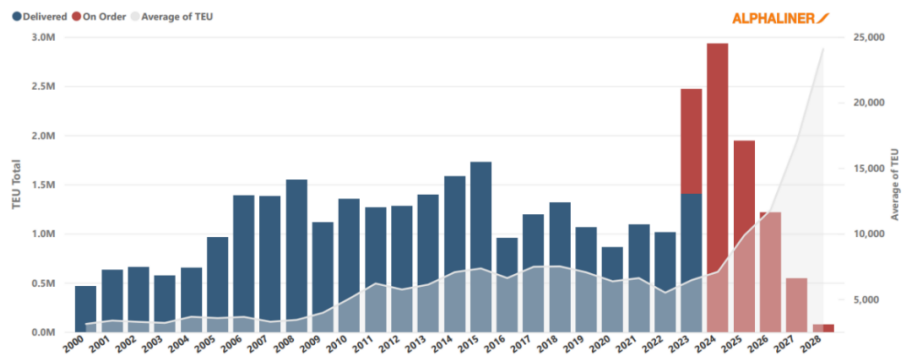
Kaguya is the shipping line's first Intra-Asia service to Haiphong, with the route: Shimizu - Tokyo - Osaka - Kobe - Hakata - Busan - Shanghai - Ningbo - Haiphong - Ho Chi Minh - Laem Chabang - Manila - Busan – Shimizu

With the second phase officially going into operation from May 2023, Nam Dinh Vu Port has consistently delivered positive operational results, further solidifying its capacity and service quality for customers.

## THE LOGISTICS MARKET

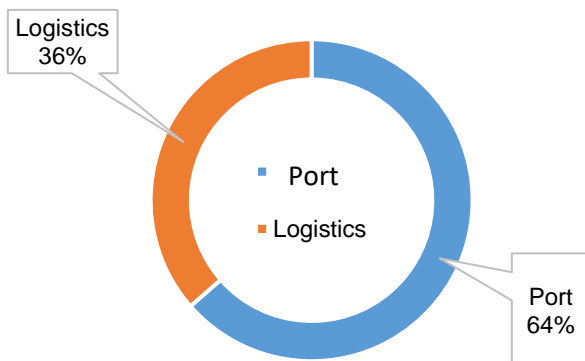
- New vessel delivery capacity created a new peak in Q3, exacerbating the oversupply of container transport in the market. It is expected that the earliest time for the market to absorb all the massive capacity supply is 2028.
- The used vessel charter market maintains a gloomy situation.
- The rate of no-shows remained at an average level of 5% in Q3. However, it increased by around 15% at the end of September due to the impact of China's National Day week.
- Global freight rates recovered compared to the previous quarter. Drewry's World Container Index reached 1,404.38 USD/TEU in the last week of September, marking a 65% decline from the same period last year.
- Some shipping lines began to apply war risk surcharges in response to the war in the Middle East.

Container Vessel Deliveries in TEU



## PERFORMANCE OF GEMADEPT LOGISTICS

### PBT FROM CORE BUSINESS ACTIVITIES IN 9M 2023



### BUSINESS RESULTS IN 9M 2023

Logistics and Shipping activities have contributed about **36%** to PBT of the business activities of Gemadept.

- Continuing the upward momentum in Q2, vessel leasing and cold storage operations continued to bring positive results and made significant contributions to the overall performance. In 9M/2023, PBT recorded a **69%** increase over the same period.
- Amidst the challenging economy, GMD's goal is to be flexible in its solutions and provide the most effective and optimal services for shipping and logistics customers.



## SUCCESSFULLY GO-LIVE THE ELECTRICS & HOME APPLIANCES PROJECT FOR BEKO – HITACHI VIETNAM

September 15, 2023 marked the first goods of the project in the electronics and home appliance industry, Beko - Hitachi, starting to IN - OUT - Store at An Thanh distribution center, Thuan An, Binh Duong.

After months of competing with many big-name competitors in the market, CJ Gemadept is extremely honored to be selected as a strategic partner to provide Logistics services in the Warehouse & Distribution Center segment for

two leading electronics giants. This collaboration extends beyond mere service provision, encompassing a spirit of cooperation throughout the business journey.



CJ Gemadept's team of experienced warehousing experts has developed cost-effective and resource-efficient solutions by implementing the Serial End-To-End standard management model, ensuring seamless operations. Furthermore, the Infor - WMS system integrates with RF, OMS, and customer systems, ensuring data integrity throughout the supply chain. This comprehensive approach streamlines the flow of goods, maximizing productivity and minimizing costs.

### THE CJ GEMADEPT FOOTBALL SEASON 2023 WELCOMES THE NEW CHAMPION VAWD 2

On August 13, 2023, the friendly soccer tournament CJ Gemadept Logistics Cup officially ended with a convincing victory of FC VAWD 2.

More than just a tournament, the CJ GMD Friendly Football Cup is also a meaningful sports and camaraderie platform. Twelve teams dedicated themselves to thrilling and emotional matches, creating a special atmosphere within the stadium.

With consistently impressive performance throughout the tournament, FC VAWD 2 excelled with remarkable strikers, defeating several strong teams to claim the championship title. Their strategic prowess, team spirit, and determination elevated them to the prestigious trophy of champions.

### GEMADEPT BECOMES HOA PHAT'S FIRST CONTAINER TRANSPORTER

On August 4, 2023, Hoa Phat Container Production Joint Stock Company held a handover ceremony of 100 20-foot containers with New Way Lines Company Limited. This is the first batch of containers that Hoa Phat has exported to the market after 2 years of investing in the Container Shell Factory project in the expanded Phu My II Industrial Park - Phu My Town, Ba Ria - Vung Tau.

Binh Duong Multimodal Transport Joint Stock Company (part of Gemadept Corporation) is honored to transport this shipment from the Factory to Suoi Tien 2 Depot (Phuoc Long ICD Port).

Gemadept hopes that in the future, it will continue to work side by side with Vietnamese brands, bringing Vietnamese products to the world.

## GEMALINK PORT CONTINUES TO CREATE BREAKTHROUGHS

### ➤ GEMALINK SETS A NEW RECORD IN PORT OPERATION

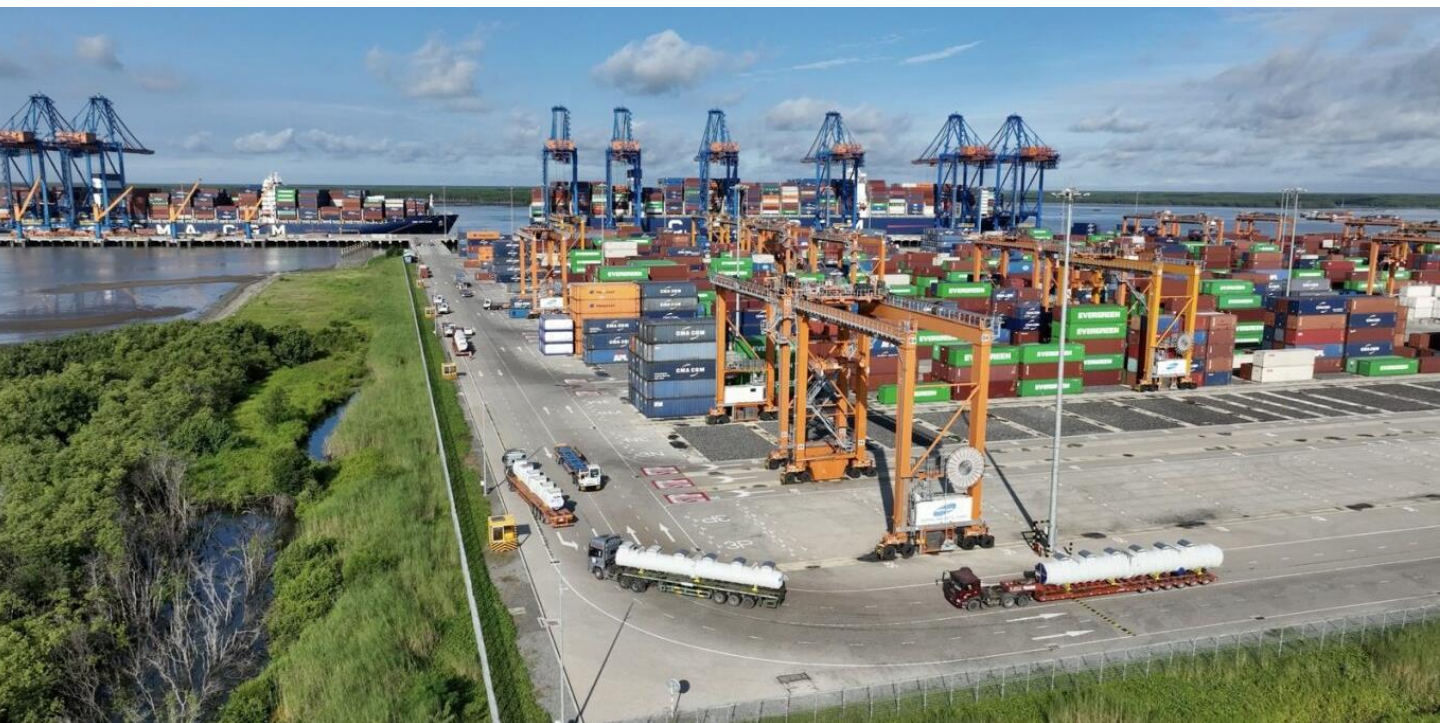
On October 10, 2023, the two vessels CMA CGM CHENNAI and CMA CGM CHILE left Gemalink Port after safely docking and setting a new record of handling 30 thousand TEUs with an average operation productivity of 127.5 moves per hour. This is the highest level of loading and unloading output in Vietnam, and only Gemalink currently has the capacity to load and unload two large tonnage vessels simultaneously. With practical actions, Gemalink is confident in welcoming the world's largest vessels and is ready to seize opportunities from establishing a green shipping corridor between Vietnam's seaports with international ports around the world.

### ➤ GEMALINK COMBATS CLIMATE CHANGE IN THE MEKONG DELTA WITH THE SEED FOR SEA PROJECT

On September 5, 2023, Mr. Chu Duc Trung, a representative of Gemalink Port and the Seed for Sea Project, spoke about the collaborative efforts undertaken by businesses and local authorities to restore mangrove forests at the "Mangrove Planting Workshop in the Mekong Delta" organized by Manglub in Tra Vinh province. Building on the initial achievements, the "Seed for Sea" Project has been deepening its cooperation with local communities in 2023 and beyond to develop innovative solutions for mangrove conservation, including coordinating the planting of mangrove trees in aquaculture and pursuing sustainable development initiatives.

### ➤ GEMALINK WELCOME MEMBERS OF CJ GEMADEPT LOGISTICS VISITING THE PORT

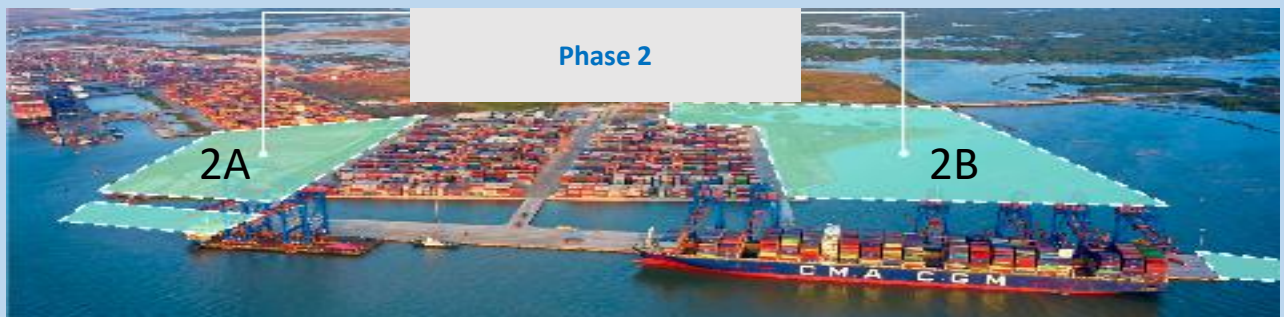
During one of the last days of July, CJ Gemadept Logistics Management Trainees had a meaningful visit to Gemalink Port, accompanied by the TEBS department. This extracurricular activity, part of the training program created by the managers, provided valuable opportunities for the trainees to visit Vietnam's leading international seaport, Gemalink Deep-sea Port - Top 19 commercial ports capable of receiving the largest generation of mega-vessels in the world today. The trip helped the team gain a better understanding of logistics and port operations. Gemalink experts also enthusiastically shared a lot of useful knowledge during the visit.





## GEMALINK DEEP-SEA PORT PHASE 2

- Gemalink is completing related procedures and securing capital to commence construction, aiming to put phase 2 into operation from 2025, meeting the growing needs of the market and partner shipping lines.
- Phase 2 of Gemalink Port is committed to continuous research and investment in line with market growth. By optimizing resources, Gemadept aims to develop Gemalink into the most modern and efficient deep-sea port in the region.
- The Southern Vietnam Maritime Safety Corporation has announced the technical specifications of the water area in front of Gemalink Deep-sea port phase 1, reaching a depth of -16.5m. In Q1/2023 Gemalink successfully received the world's largest container vessels, including the OOCL Spain, with a tonnage of 241,888 TEU.



## NAM DINH VU PORT PHASE 3

- The scale of Phase 1 & 2 has an area of 22 - 44ha, 440-1,100m of berth and has a capacity of 900k – 1,200k TEUs;
- Phase 2 of Nam Dinh Vu Port was officially opened and put into operation from May 2023, doubling the capacity of the port cluster.
- Gemadept continues to complete the preparation to start construction and put into operation Phase 3 of Nam Dinh Vu Port. Once completed, Nam Dinh Vu Port Cluster will become the largest river port in the Northern region.



## GEMADEPT APPEARS IN FORBES ASIA'S BEST UNDER A BILLION 2023

Forbes recently announced the list of Forbes Asia's Best Under A Billion (Asia's best businesses with revenue under a billion USD) in 2023..

This year's Best Under A Billion list honors 200 small and medium-sized listed companies in the Asia region that have achieved impressive business results despite global headwinds such as inflation and rising capital costs.

Gemadep Corporation is honored to be one of four Vietnamese companies being named on the Forbes Asia's Best Under a Billion 2023 list.

In the coming time, Gemadep commits to continue developing projects to optimize the Port - Logistics ecosystem as well as upgrade service quality to create additional value for customers and partners.



## GEMADEPT RUN 2023 – PIONEERING STEPS IN SPREADING GREAT VALUES

After more than 2 months of announcing the event and receiving a great number of responses from the Company's employees, customers, and partners, on the morning of October 22, 2023, at Sala Urban Area, Ho Chi Minh City, the annual "Gemadep Run 2023 - The Way Forward" organized by Gemadep Corporation officially took place.

Gemadep Run 2023 attracted over 1,000 participants, including employees, customers, partners, and media agencies, promoting physical and mental health, solidarity, and community engagement through philanthropy.



## GEMADEPT IS HONORED IN THE LIST OF TOP 50 BEST-PERFORMING COMPANIES IN VIETNAM 2023

Conducted annually by Nhip Cau Dau Tu Magazine and Thien Viet Securities Company for 12 consecutive years (2010-2023), with the advice of leading economic and business experts from Harvard Business School, the list of "TOP 50 best-performing companies in Vietnam 2023" (TOP50) has become one of the most prestigious awards on the Vietnamese stock market, recognizing companies with larger scale, higher capitalization value, and strong growth rates, a source of pride for the country.

With remarkable achievements in production and business activities, Gemadep was honored in the list of TOP 50 best-performing companies in Vietnam 2023.

This is also proof of Gemadep's steadfast efforts through the current turbulent economic period.



## INVESTORS HIGHLY APPRECIATE GEMADEPT'S OUTSTANDING EFFORTS

In the first 9 months of 2023, Gemadept's Investor Relations activities continue to be very active, with the Company working closely with organizations and reputable securities companies such as SSI, HSC, VietCap, Ban Viet, Maybank, etc. to organize meetings with investors. Gemadept has also participated in major investment conferences that have attracted a huge number of shareholders and investors domestically and abroad.

In 2023, the business community must always be prepared to respond to the rapidly changing economy. Through the discussions, investors paid close attention to Gemadept's production and business results, the development orientation and plans in the coming period, the implementation progress of key projects, ESG work (social environment, corporate governance), digital transformation, etc. Investors were particularly interested in the progress of construction of large port projects including Gemalink Deep-sea Port Phase 2 and Nam Dinh Vu Port Cluster Phase 3.

Representatives of the Company's Board of Directors and the Investor Relations Department candidly and thoroughly discussed the Shareholders' and Investors' specific concerns and questions, and at the same time accepted comments and sought cooperation opportunities.

Investors appreciate the dedication, diligence, openness and transparency of Gemadept representatives when providing information. Investors also appreciate how quick the answers were answered. In addition, Investors could visit ports and distribution centers in Gemadept's Port-Logistics ecosystem to directly learn and have a better grasp the Company's production and business activities.

As the leading listed Company in the market, Gemadept always adheres to regulations on transparency and public information disclosure in the market. Shareholders and investors can conveniently access updated information about Gemadept through the Company's Website system, the web portal of the Securities and Exchange Commission, the Ho Chi Minh City Stock Exchange, the quarterly IR newsletters and timely disclosure of important information, etc. In addition, shareholders and investors can contact the Investor Relations Department directly for support and connections to relevant parties.





## Contacts:

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