



TSE: 2603

# Evergreen Marine Corp. 2022 Investor Conference

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# Outline

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1. Company Overview
2. Financial Results
3. Container Shipping Outlook
4. Business Strategy





# Company Overview



# Our Position Highlights

CCWG



5

7<sup>th</sup>

Capacity Ranking

201<sub>vessels</sub>

Group Total Fleet Number  
EMC owned fleet: 62%  
Scrubber installed: 74.8%

1.51<sub>TEU</sub>

Operational Capacity in Million TEU

10+<sub>TEU</sub>

2021 Lifting in Million TEU

5.8%

Capacity Market Share

61

Fleet of Order book  
583,365TEU

12

Owned Seaport Terminals

320

Global Offices and Agency

113

Global Coverage

150+

Weekly Services

250+

Terminal Serving



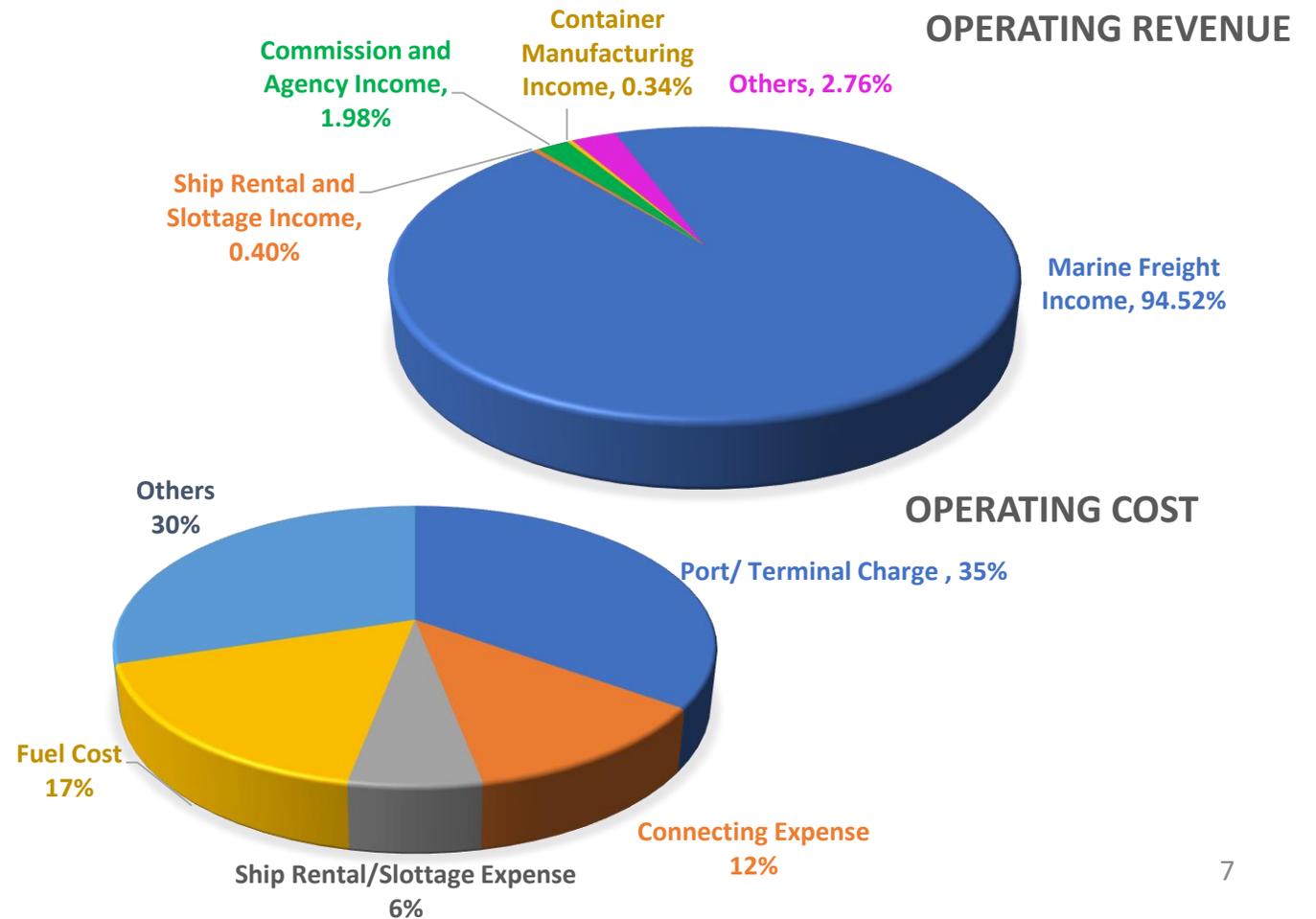
# Financial Results

# Consolidated Income Statement 2021

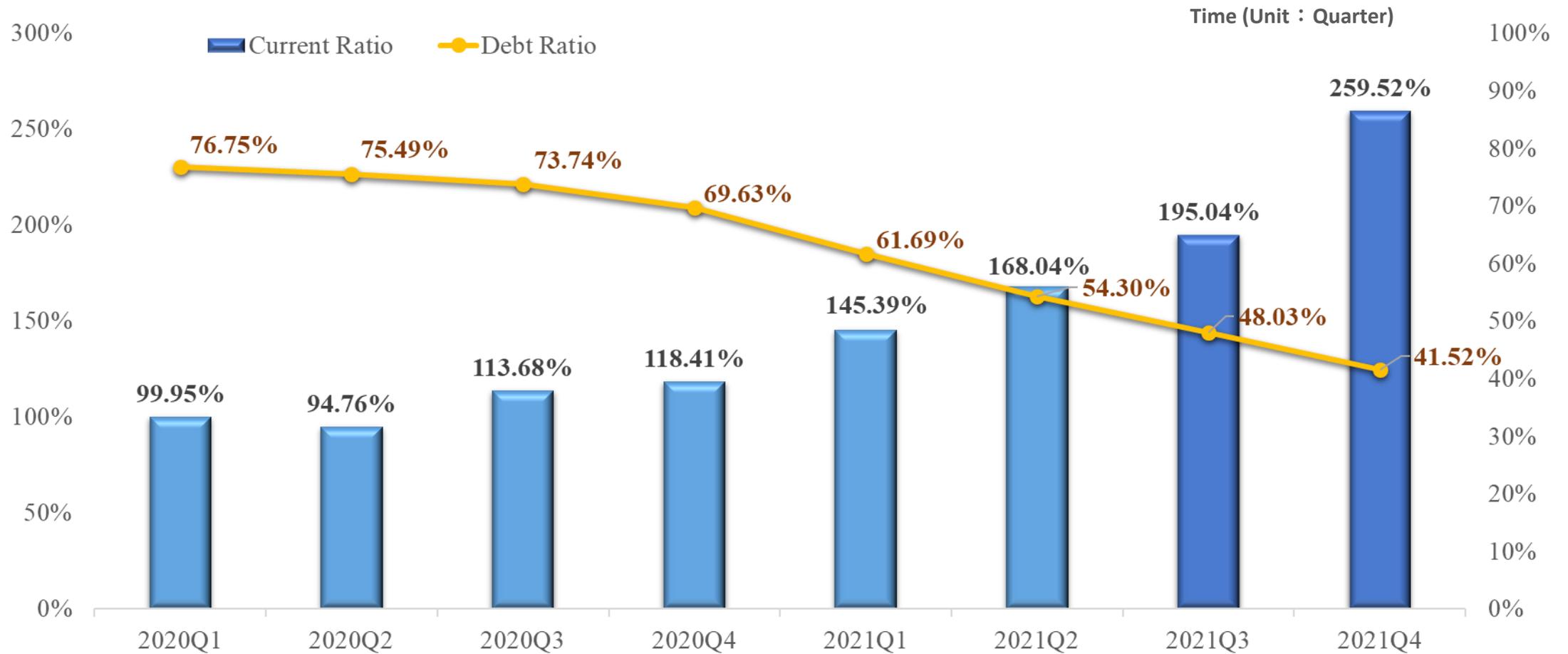
Highlights

Unit : NT\$ Millions

Item	2021
Operating Revenue	489,407
Operating Cost	(187,472)
Gross Profit (Loss)	301,934
Operating Income (Loss)	284,862
Net Income (Loss)	263,110
Profit(Loss), attribute to owners of the parent	239,015
EBITDA	313,696
EBITDA Margin (Unit: %)	64.10
EPS (Unit: NT\$)	45.57



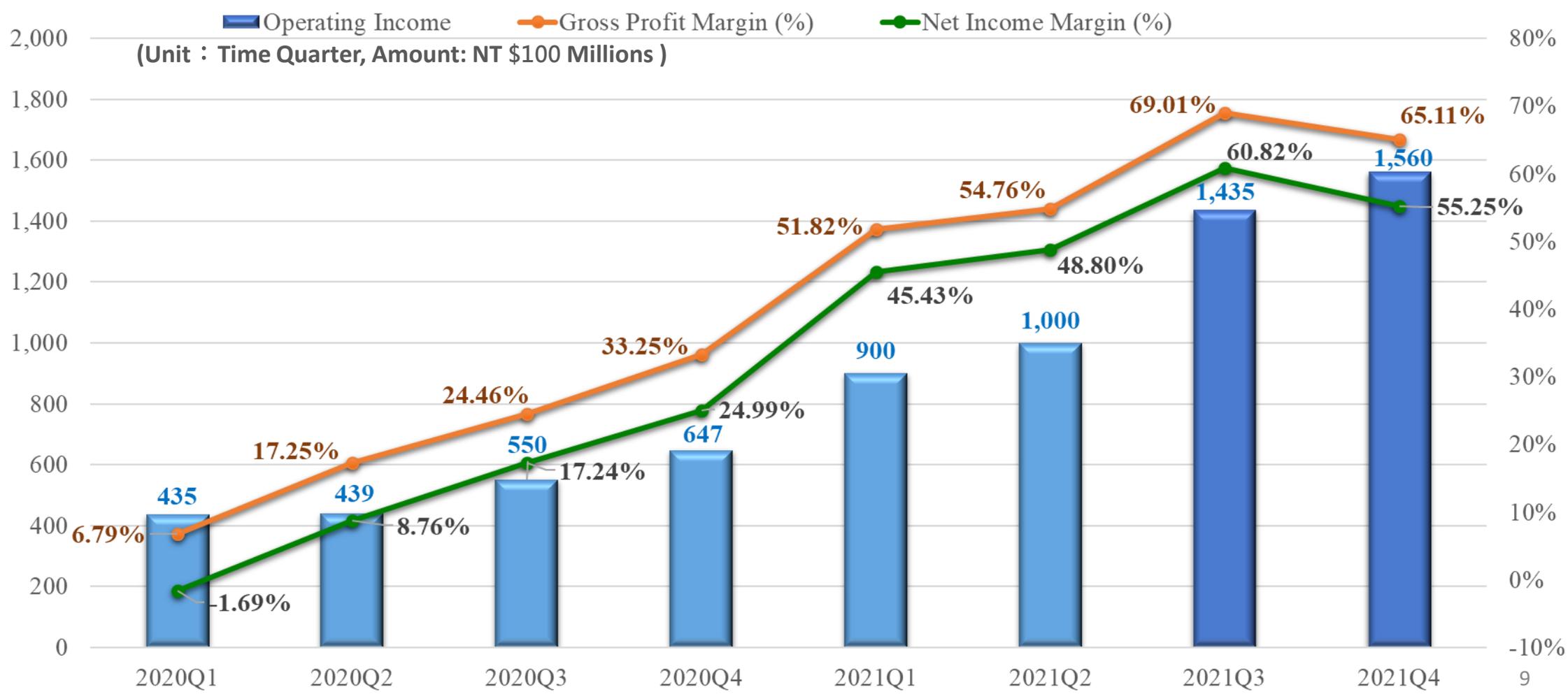
# Financial Ratios



Highlights

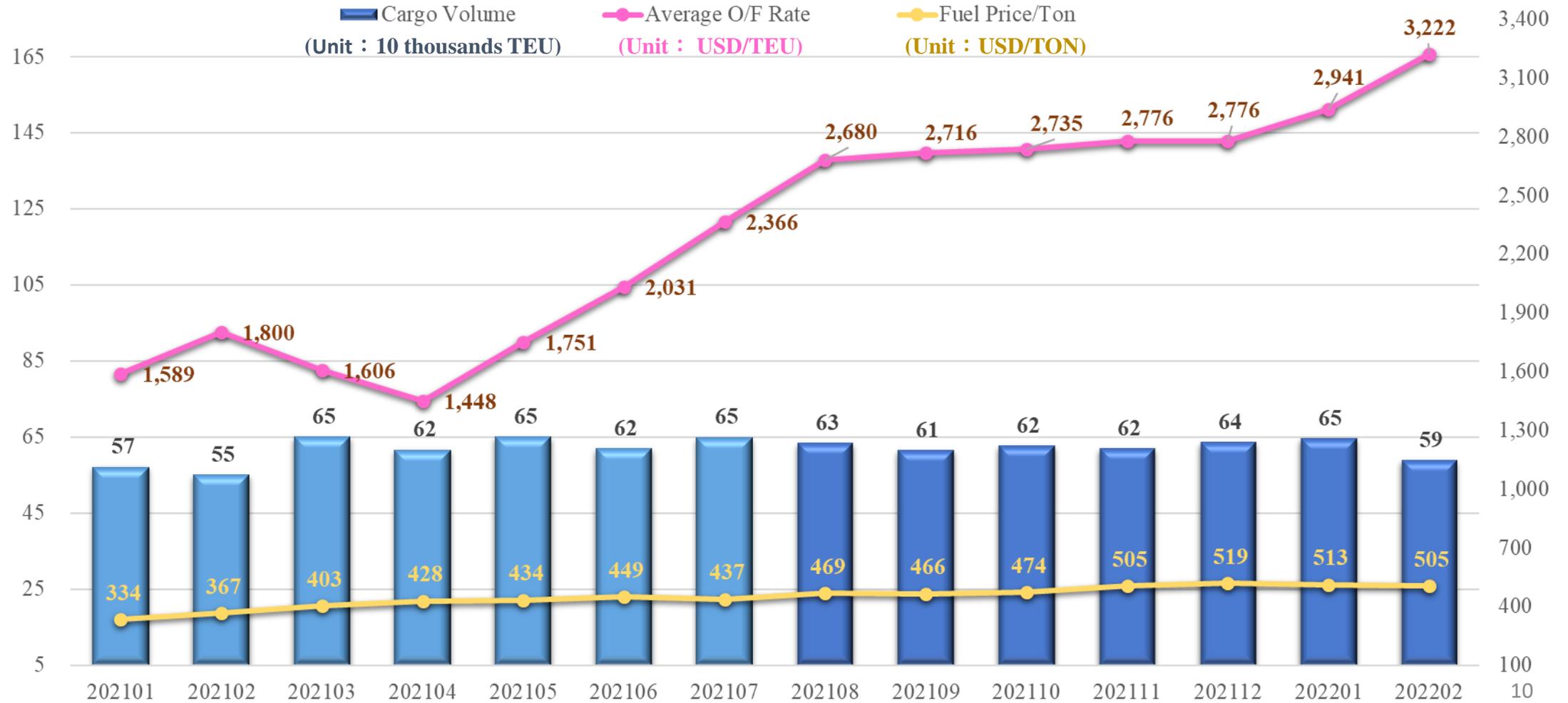
# Quarterly Consolidated Operating Income, Gross Profit Margin and Net Income Margin

Highlights



# Consolidated Operating Revenue, Volume and Fuel

Highlights



# Alpha liner 2022 EBITDA Margin

Maersk Group incl. Ocean/Logistics/Terminals/Manufacturing							Evergreen Marine Corp. (not consolidated for Evergreen Group)							ONE (Operating since April 2018 - fiscal year end March)						
Currency	FY20	1Q21	2Q21	3Q21	4Q21	FY21	Currency	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	Currency	FY20	1Q21	2Q21	3Q21	4Q21	FY21
Revenue US\$ m	39,740	12,439	14,230	16,612	18,506	61,787	Revenue TWD m	55,042	64,690	207,078	89,953	99,966	143,481	Revenue US\$ m	12,640	4,724	5,776	7,557	8,332	26,332
EBITDA	8,226	4,039	5,064	6,943	7,990	24,036	EBITDA	16,160	23,301	55,733	49,163	58,745	102,720	EBITDA	n.a.	2,220	2,924	4,572	5,286	15,000
EBITDA Margin %	20.7%	32.5%	35.6%	41.8%	43.2%	38.9%	EBITDA Margin %	29.4%	36.0%	26.9%	54.7%	58.8%	71.6%	EBITDA Margin %	n.a.	47%	50.6%	60.5%	63.4%	56.8%
EBIT	4,186	3,097	4,084	5,859	6,634	19,674	Core EBIT	10,932	18,504	35,057	45,032	53,165	96,589	Core EBIT	n.a.	1,951	2,657	4,295	5,019	13,900
EBIT Margin %	10.5%	24.9%	28.7%	35.3%	35.8%	31.8%	Core EBIT Margin %	19.9%	28.6%	16.9%	50.1%	53.2%	67.3%	Core EBIT Margin %	n.a.	41.3%	46%	56.8%	60.2%	52.8%
Net Profit	2,900	2,717	3,746	5,461	6,109	18,033	Net Profit	8,185	13,429	24,364	36,083	42,058	80,138	Net Profit	1,599	1,858	2,559	4,200	4,889	13,500
Avg TEU Oper.'000	4,094	4,128	4,116	4,200	4,254	4,175	Avg TEU Oper.'000	1,255	1,264	1,248	1,292	1,342	1,380	Avg TEU Oper.'000	1,564	1,602	1,059	1,589	1,578	1,580
Liftings in '000 TEU	25,268	6,444	6,682	6,526	6,526	26,178	Liftings in '000 TEU	1,950	1,910	7,050	1,770	1,890	n.a.	Liftings in '000 TEU	n.a.	3,026	3,104	3,181	2,939	12,200
Ave. rate (\$/TEU)	998	1,331	1,519	1,780	2,004	1,659	Ave. rate (\$/TEU)	830	1,039	848	1,665	1,743	n.a.	Ave. rate (\$/TEU)	n.a.	1,561	1,860	2,375	2,835	2,150

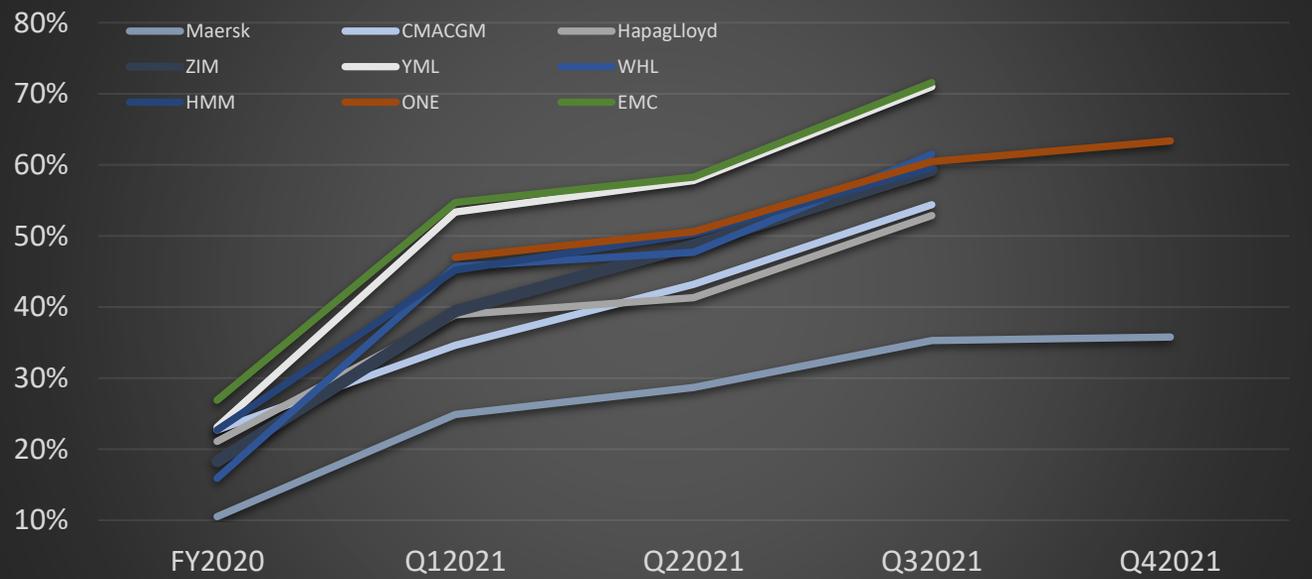
CMA CGM (Shipping activities only, Net Profit for Group from Q121)							Yang Ming							COSCO Shg (incl OOCL from 7 Aug 2018, excl terminals)						
Currency	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	Currency	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	Currency	3Q20	4Q20	FY20	1Q21	2Q21	3Q21
Revenue US\$ m	6,254	7,140	24,230	8,585	9,994	12,490	Revenue TWD m	38,855	46,029	151,276	62,282	73,271	95,452	Revenue RMB m	42,251	52,170	166,008	63,521	72,916	90,700
EBITDA	1,533	2,079	5,499	2,974	4,322	6,796	EBITDA	8,371	17,259	34,930	33,257	42,349	67,731	Gross Profit	6,174	10,179	22,480	21,107	32,020	47,300
EBITDA Margin %	24.5%	29.1%	22.7%	34.6%	43.2%	54.4%	EBITDA Margin %	21.5%	37.5%	23.1%	53.4%	57.8%	71.0%	Gr. Profit Margin%	14.6%	19.5%	13.5%	33.2%	43.9%	52.2%
Core EBIT	978	1,521	3,292	2,420	3,704	6,083	Core EBIT	4,084	14,741	19,506	29,282	42,755	63,013	EBIT	3,875	7,971	14,644	19,100	28,593	45,100
Core EBIT Margin %	15.6%	21.3%	13.6%	28.2%	37.1%	48.7%	Core EBIT Margin %	10.5%	32.0%	12.9%	47.5%	58.4%	66.0%	EBIT Margin %	9.2%	15.3%	8.8%	30.1%	39.2%	49.1%
Net Profit	566	1,058	1,860	2,078	3,479	5,642	Net Profit	2,737	10,126	11,977	24,517	34,535	50,826	Net Profit	3,334	7,347	12,013	17,563	24,477	37,700
Avg TEU Oper.'000	2,792	2,928	2,757	3,006	3,032	3,009	Avg TEU Oper.'000	608	623	616	619	628	624	Avg TEU Oper.'000	2,953	3,028	2,949	3,035	3,008	2,900
Liftings in '000 TEU	5,585	5,690	20,984	5,460	5,690	5,450	Liftings in '000 TEU	1,280	1,440	5,100	1,155	1,065	n.a.	Liftings in '000 TEU	7,082	7,416	26,344	6,784	7,057	6,600
Ave. rate (\$/TEU)	1,120	1,265	1,154	1,570	1,756	2,293	Ave. rate (\$/TEU)	1,034	1,265	1,040	1,715	1,890	n.a.	Ave. rate (\$/TEU)	815	1,020	861	1,375	1,513	2,000

Hapag-Lloyd (incl. UASC from 24 May 2017)							Wan Hai							OOCL: included in COSCO Shg from 7 Aug 2018						
Currency	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	Currency	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	Currency	3Q20	4Q20	FY20	1Q21	2Q21	3Q21
Revenue Euro m	3,002	3,410	12,772	4,067	4,686	6,245	Revenue TWD m	19,663	27,947	81,880	38,616	48,016	70,727	Revenue TWD m	19,663	27,947	81,880	38,616	48,016	70,727
EBITDA	649	883	2,700	1,584	1,933	3,305	EBITDA	3,444	10,086	18,620	19,815	26,930	47,590	EBITDA	3,444	10,086	18,620	19,815	26,930	47,590
EBITDA Margin %	21.6%	25.9%	21.1%	38.9%	41.3%	52.9%	EBITDA Margin %	17.5%	36.1%	22.7%	51.3%	56.1%	67.3%	EBITDA Margin %	17.5%	36.1%	22.7%	51.3%	56.1%	67.3%
Core EBIT	347	457	1,315	1,277	1,616	2,905	Core EBIT	2,003	8,659	12,985	17,645	22,893	43,473	Core EBIT	2,003	8,659	12,985	17,645	22,893	43,473
Core EBIT Margin %	11.6%	13.4%	10.3%	31.4%	34.5%	46.5%	Core EBIT Margin %	10.2%	31.0%	15.9%	45.7%	47.7%	61.5%	Core EBIT Margin %	10.2%	31.0%	15.9%	45.7%	47.7%	61.5%
Net Profit	251	397	927	1,201	1,519	2,838	Net Profit	1,796	7,763	11,317	14,692	18,995	35,547	Net Profit	1,796	7,763	11,317	14,692	18,995	35,547
Avg TEU Oper.'000	1,707	1,710	1,721	1,739	1,795	1,782	Avg TEU Oper.'000	268	307	271	326	376	420	Avg TEU Oper.'000	268	307	271	326	376	420
Liftings in '000 TEU	2,942	3,142	11,838	2,975	3,029	2,976	Liftings in '000 TEU	1,225	1,230	4,515	1,160	1,340	1,220	Liftings in '000 TEU	1,225	1,230	4,515	1,160	1,340	1,220
Ave. rate (\$/TEU)	1,084	1,163	1,115	1,509	1,714	2,234	Ave. rate (\$/TEU)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	Ave. rate (\$/TEU)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Zim							HMM (Gross/Net Profit for Group, Revenue and Core EBIT - cont. segment)						
Currency	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	Currency	3Q20	4Q20	FY20	1Q21	2Q21	3Q21
Ave. rate (\$/TEU)	1,176	1,518	1,229	1,925	2,341	3,226	Revenue KRW Bn	1,541	1,816	5,661	2,261	2,709	3,791
Liftings in '000 TEU	762	799	2,841	818	921	884	EBITDA	350	651	1,284	1,099	1,464	2,395
Avg TEU Oper.'000	303	330	298	380	409	415	EBITDA Margin %	22.7%	35.8%	22.7%	45.2%	50.3%	59.6%
Net Profit	142	365	518	590	888	1,463	Core EBIT	274	541	893	1,012	1,369	2,255
Core EBIT Margin %	18.7%	32.3%	18.3%	39.4%	48.7%	59.3%	Core EBIT Margin %	17.8%	29.8%	15.8%	44.8%	50.5%	59.5%
Core EBIT	189	439	729	688	1,159	1,859	Net Profit	25	137	124	154	211	2,299
EBITDA Margin %	25.9%	39.0%	26.0%	47.1%	56%	66.3%	Avg TEU Oper.'000	631	710	552	719	780	836
EBITDA	262	531	1,036	821	1,335	2,080	Liftings in '000 TEU	1,044	1,070	3,894	944	985	1,085
Revenue US\$ m	1,013	1,361	3,992	1,744	2,382	3,136	Ave. rate (\$/TEU)	1,242	1,685	1,268	2,374	2,362	2,330

	Q321	Q421	FY21
EBITDA Margin %	71.6%	65.04%	64.05%
Core EBIT	13,165	96,589	101,460

## Core EBITDA Margin%





# Industry Outlook

# 2022 Focus : Supply Chain Issues

International Container Shipping

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Cost Increasing, inflation

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QE, Demands, Material inflation due to shortage and limited production for emission control

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Manpower Shortage – terminal, manufacture, truck drivers

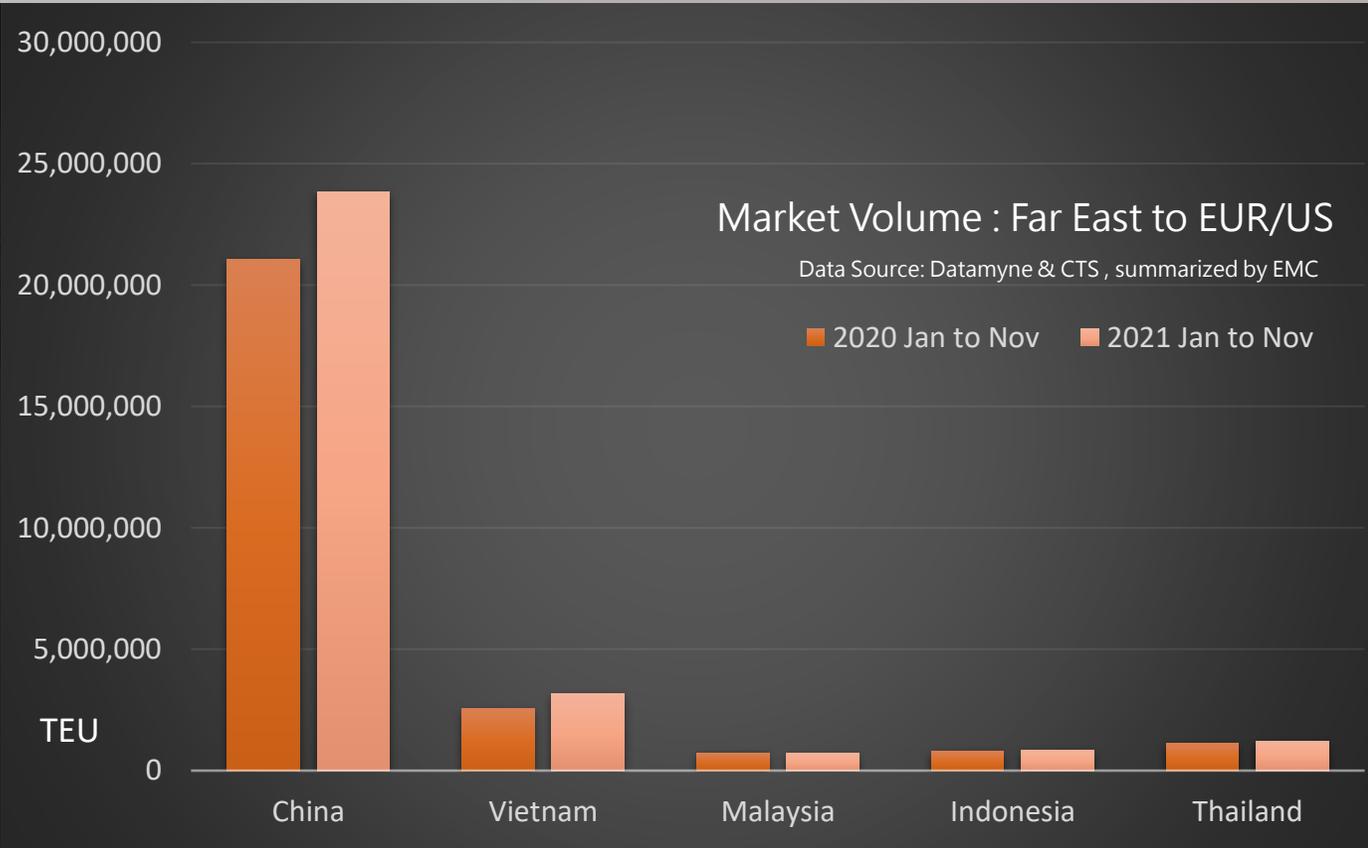
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COVID19 Impacted

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# Risk Management: Long Chain ? Short Chain?



## ASIA-EURO FLEETS UPGRADE



## TRANS-PACIFIC FLEETS UPGRADE



## INTRA-ASIA FLEETS UPGRADE



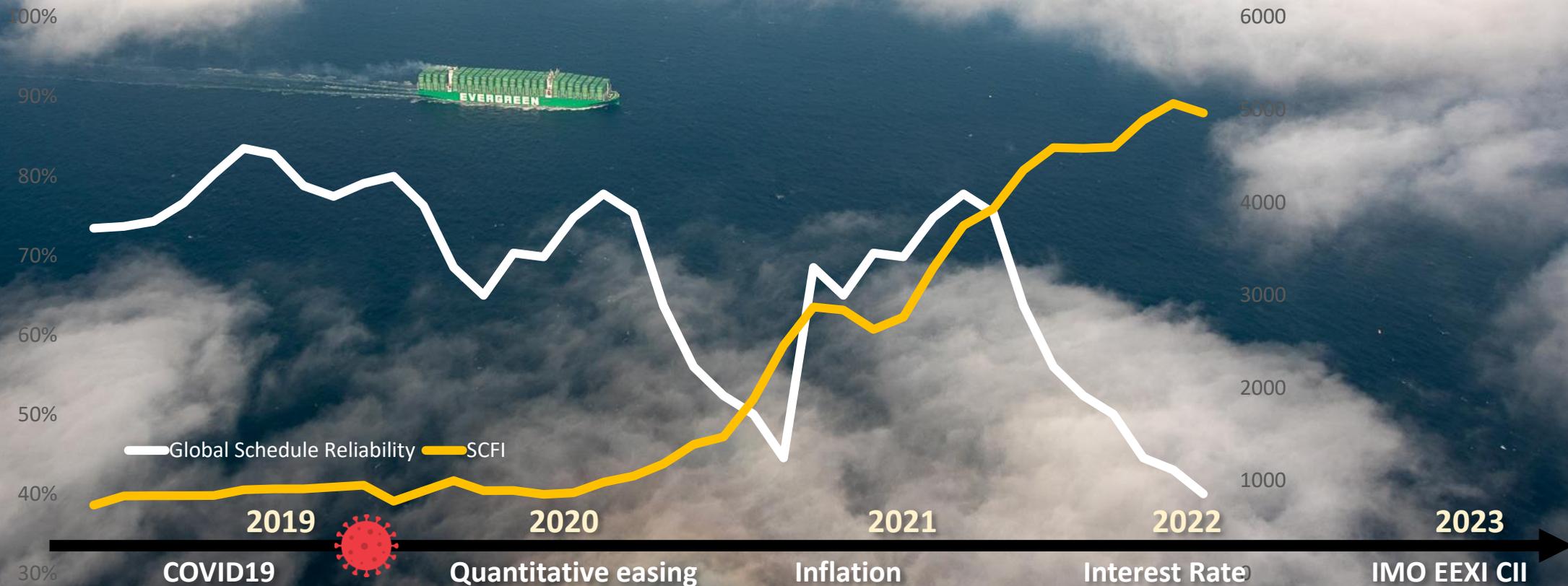
# Services Upgrade and Cascading

Stabilized the Supply-Chain



# Supply and Demand : Will it be balance?

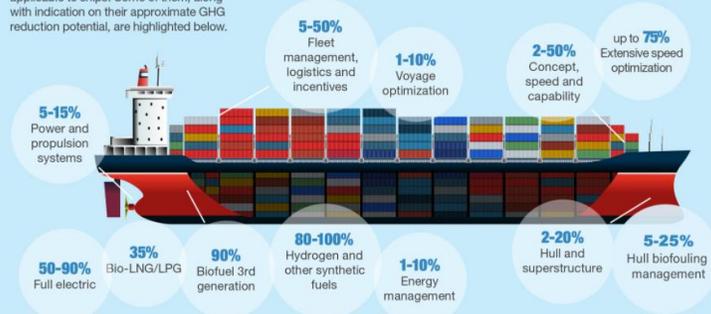
Global container freight rate index from July 2019 to January 2022  
date Source: Statista, SCFI Sea-Intel , Merged by EMC





### A wide variety of design, operational and economic solutions

Achieving the goals of the Initial IMO GHG Strategy will require a mix of technical, operational and innovative solutions applicable to ships. Some of them, along with indication on their approximate GHG reduction potential, are highlighted below.

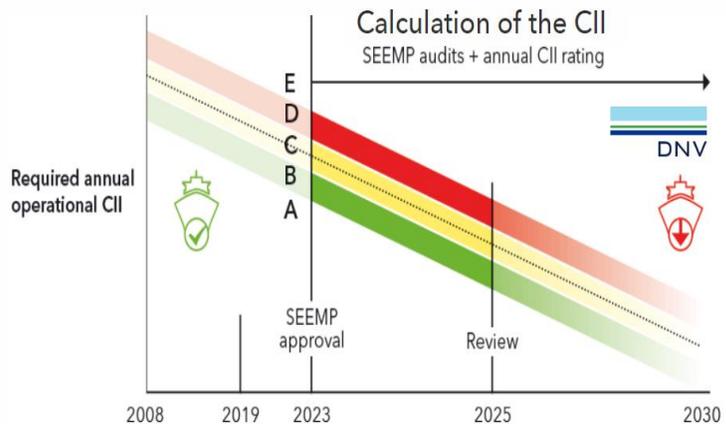


# EEXI (Energy Efficiency Existing Ship Index) & CII (Carbon Intensity Indicator)

Origin Plan – Round trip 42 days with 6 vessels deployment to maintain weekly service

Weekly Service Rotation	1	2	3	4	5	6
Sea Dist.	408	125	5850	400	5200	496
Sea Speed	18	18	19	15	18	19
Sea Speed after CII effective	16	16	16	15	16	16
Travelling time difference 679 Hr. vs. 782 Hr. Diff. 102 Hours (excluding waiting/operation time)	23	7	308	27	289	26
	26	8	366	27	325	31

After CII implemented, Extra 1~2 vessels need to deploy to absorb additional 102hrs to maintain weekly service (the additional consuming time is not considered with the impact of congestion / bad weather..). The other option is to reduce the call of the port.



IMO's Marine Environment Protection Committee (MEPC 76), meeting in a remote session from 10 to 17 June, 2021, adopted amendments to the Prevention of Pollution from Ships (MARPOL) Annex VI. The new measures will require all ships to calculate their Energy Efficiency Existing Ship Index (EEXI) following technical means to improve their energy efficiency and to establish their annual operational Carbon Intensity Indicator (CII) and CII rating. The amendments to MARPOL Annex VI (adopted in a consolidated revised Annex VI) are expected to enter into force on 1 November 2022, with the requirements for EEXI and CII certification coming into effect from 1 January 2023. The EEXI regulations apply to all vessels falling under the ship type categories subject to compliance with EEDI regulations. For all vessels that have been verified for EEDI and issued an International Energy Efficiency Certificate (IEEC), the attained EEDI will be equal to the attained EEXI, provided that the attained EEDI meets the regulatory limit established by newly introduced required EEXI regulation 21A. When a ship's Attained EEDI does not meet the EEXI threshold, technical modification options may be considered for compliance (eg. Engine power limitation, retrofit of energy saving technologies, alternative fuel).





# Business Strategy

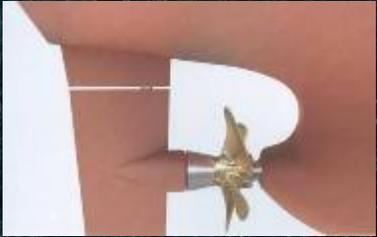
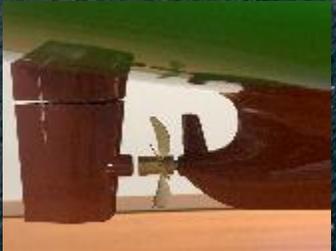
## Evergreen Carbon Emission Strategy

Fleet	E-Commerce	Office	Supply Chain
Digitalization	Platform	Ecology	Society

# Environmental protection and Carbon Emission Reduction

## Fleets

IMO 2023 EEXI coming into effect  
 IMO 2023 CII coming into effect  
 WSC : move away from fossil fuels as quickly as possible  
 EU : Fit for 55



- 80% of owned vessels (age  $\leq 10$ ) meeting Attained EEDI
- Install desulfurization towers to comply IMO SOx emission restriction
- Purchase low-sulfur fuel for the ships without Scrubber equipped
- Install SCR system to neutralize NOx
- Introduce Ballast Water Management System (BWMS)
- Utilize Shore Power system
- Adopt WNI & Cargo Smart navigation system to monitor fleet fuel consumption
- Committed refusing to use Arctic route
- Participating Vessel Speed Reduction Program for Preservation of whales
- Accelerate the study of Marine Transportation Renewable Energy
- Cooperate with customer to develop Green Supply Chain
- Explore more new technology of GHG reduction with Ship yard and vendors

## Evergreen Carbon Emission Strategy

Fleet	E-Commerce	Office	Supply Chain
Digitalization	Platform	Ecology	Society

# Environmental protection and Carbon Emission Reduction

電子商務 e-commerce

carbon reduction

The e-commerce boom, widespread concerns about sustainability, and the digitization trend are spurring innovation in the shipping industry. shipping platform provides the zero contact, sustainable, and smart solution to shippers

- On-line Schedule 23+K Accounts
- On-line Quotation
- On-line Booking 85%
- Booking Confirmed Emission Data **NEW**
- On-line Tracking
- E-Arrived Notices 85%
- Emission Data checking **NEW**
- On-line B/I 90%
- E- Doc i-BL 1% / e-Seaway 86% e-Proofread 98%



Financial Services Partner

Platform Information Partners

Zero Contact



# Evergreen Carbon Emission Strategy

Fleet	E-Commerce	Office	Supply Chain
Digitalization	Platform	Ecology	Society

The image shows a large, modern office building with a green facade and many windows. The word "EVERGREEN" is written in large, white, 3D letters across the top of the building. The building is set against a blue sky with some clouds.

## Environmental protection and Carbon Emission Reduction

Offices, Supply Chain MGT

To quantify GHG emission based on the standard of ISO14064/GHG Protocol.  
Participating GLEC Framework and Cooperate with Suppliers to reduce carbon emission by SFC methodology .  
Office Buildings/Operating Equipment's are 100% in compliance with Environmental regulations.  
Commit to reduce the Carbon emission in accordance to IMO and Authorities' requirement.



Thank you