TSE: 2603

Evergreen Marine Corp.
2019 Investor Conference

Challenge • Innovation • Teamwork

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Outline

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

1. Company Overview

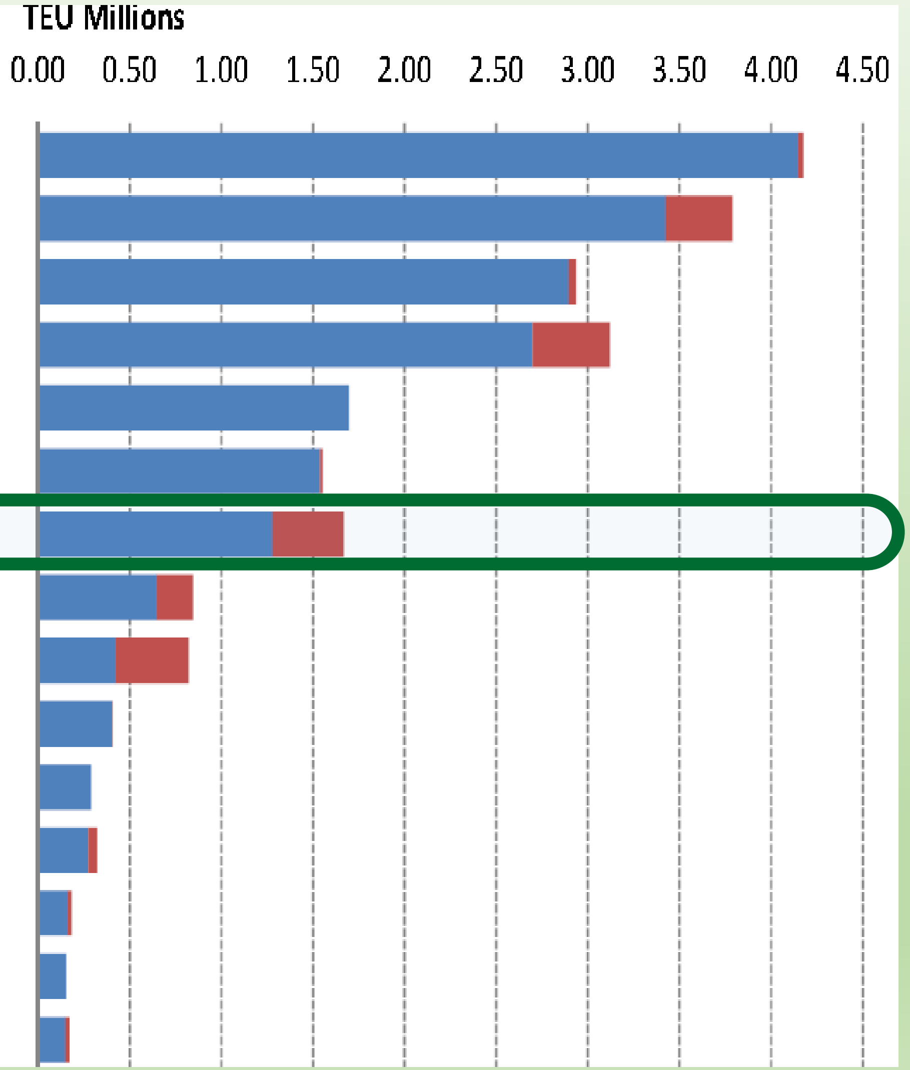
Evergreen Line Ranked 7th in Capacity

Intensive Service Network

Continuous Fleet Renovation

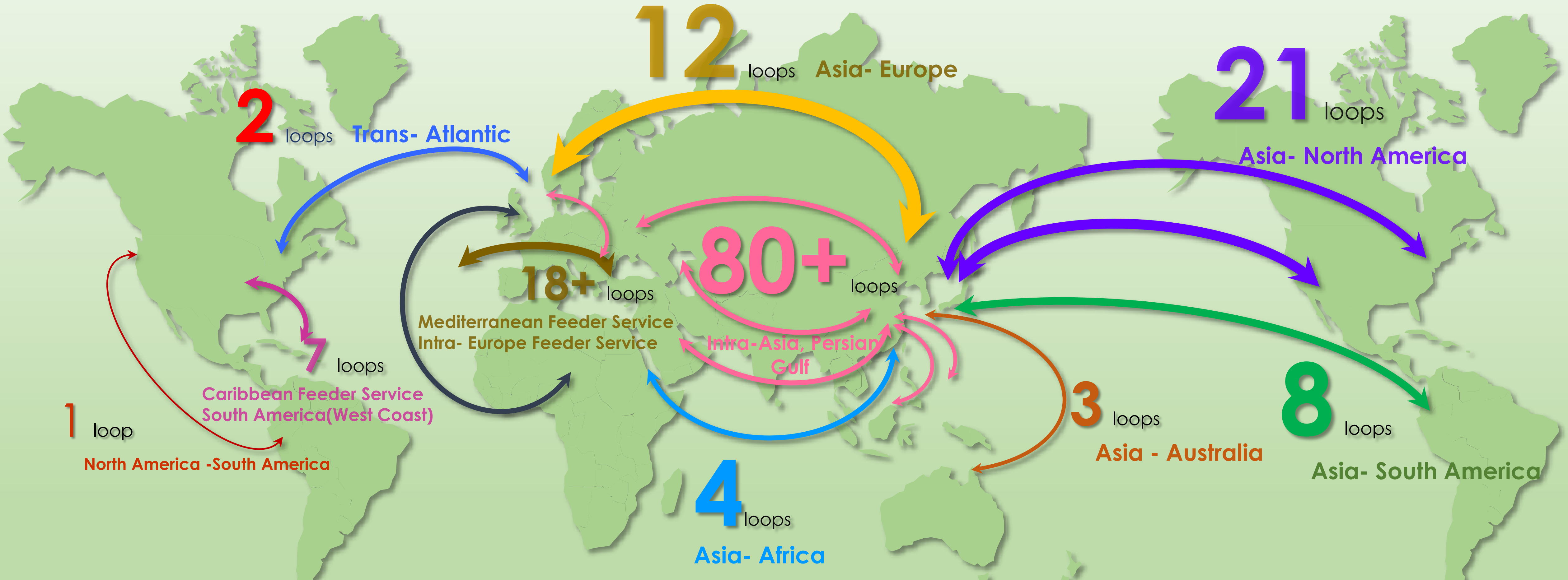
Evergreen Line currently ranked 7th in Capacity

		Total existing		Owned		Chartered			Orderbook			Market
Rank	Operator	TEU	Ships	TEU	Ships	TEU	Ships	% Chart.	TEU	Ships	O/E %	Share
1	APM-Maersk	4,150,047	714	2,356,812	317	1,793,235	397	43%	28,640	13	1%	18.0%
2	MSC	3,424,440	539	1,055,410	180	2,369,030	359	69%	364,644	20	11%	14.8%
3	COSCO Group	2,893,851	475	1,514,296	172	1,379,555	303	48%	41,427	6	1%	12.5%
4	CMA CGM Group	2,698,169	523	1,036,252	130	1,661,917	393	62%	423,520	30	16%	11.7%
5	Hapag-Lloyd	1,697,359	236	1,043,628	111	653,731	125	39%	0	0	0%	7.3%
6	ONE	1,539,835	214	541,934	74	997,901	140	65%	14,052	1	1%	6.7%
7	Evergreen	1,277,291	206	579,225	114	698,066	92	55%	390,782	67	31%	5.5%
8	Yang Ming	647,474	97	187,835	41	459,639	56	71%	198,100	24	31%	2.8%
9	HMM	426,138	72	129,439	14	296,699	58	70%	396,000	20	93%	1.8%
10	PIL	402,966	122	161,226	71	241,740	51	60%	600	1	0%	1.7%
11	Zim	290,089	62	17,742	4	272,347	58	94%	0	0	0%	1.3%
12	Wan Hai	274,148	94	163,124	68	111,024	26	40%	48,744	20	18%	1.2%
13	KMTC	163,297	71	62,387	30	100,910	41	62%	17,927	8	11%	0.7%
14	IRISL Group	154,415	50	96,383	46	58,032	4	38%	0	0	0%	0.7%
15	Antong (QASC)	146,884	120	111,909	60	34,975	60	24%	22,344	18	15%	0.6%



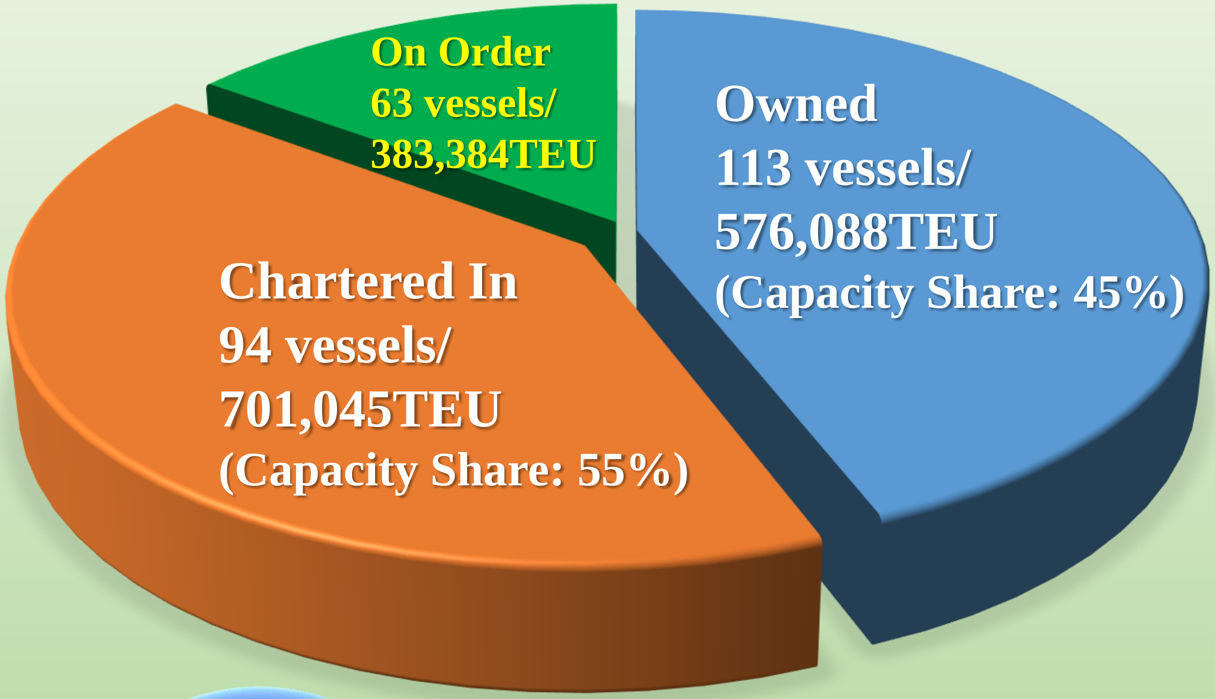
Source：Alphaliner Monthly Monitor Report July 2019

Intensive Service Network



117 Countries /150+ loops/250+ Ports /320 offices

Continuous Fleet Renovation



Evergreen Group Capacity
207 vessels/ 1,277,133TEU
(Up to 20190701)

Future Delivery Plan

Year 2019 (2nd Half)

- 2 x 2800TEU 、3 x 20000TEU 、3 x 1800TEU 。

Year 2020-2022

- 20 x 12000TEU 、21 x 1800TEU 、10 x 2500TEU 、4 x 2500TEU

Group Capacity to be: 1.66MTEU

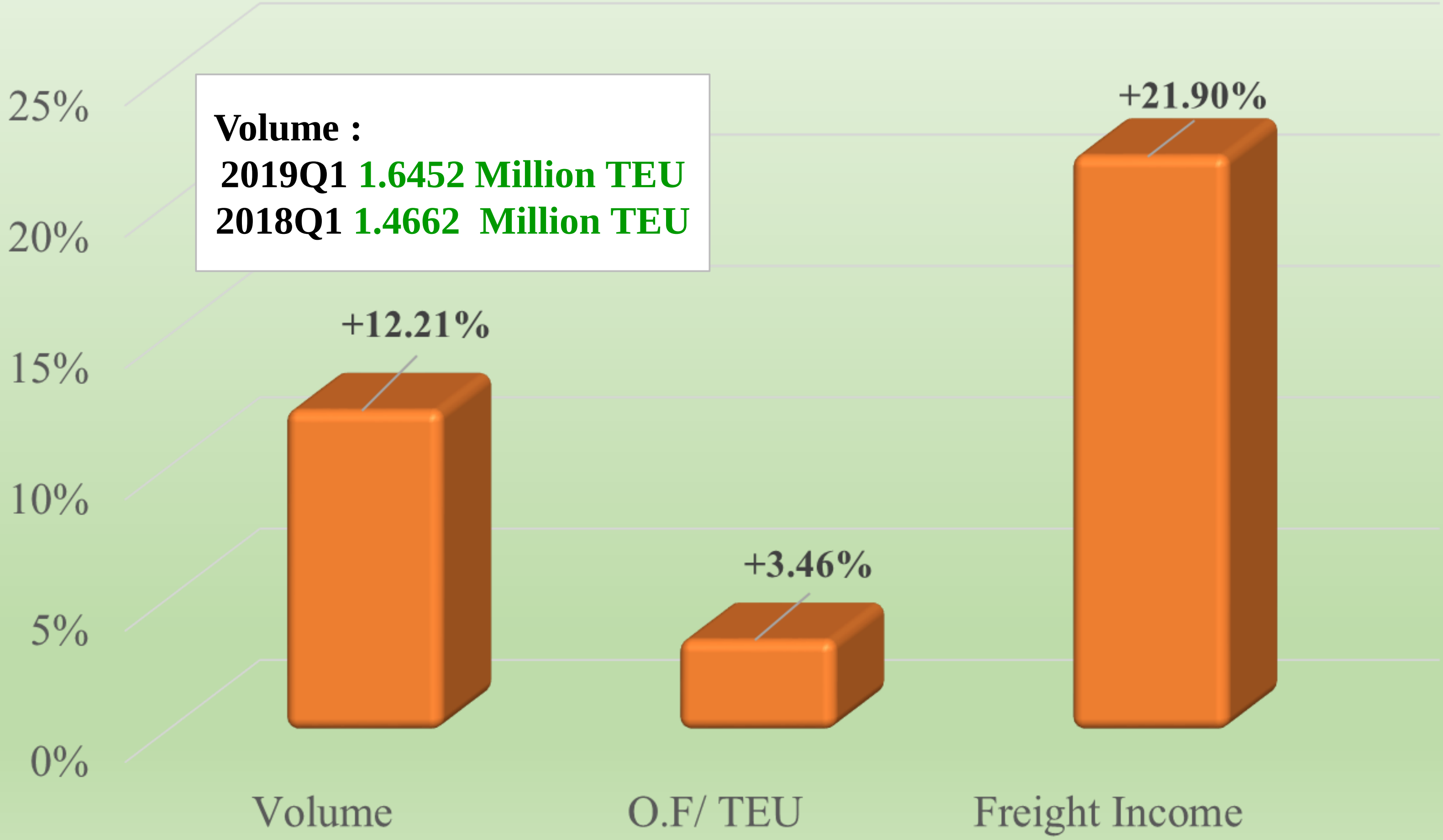
2.Finacial Results

Steady Growth in Revenue

Hovering Burden of Fuel Cost

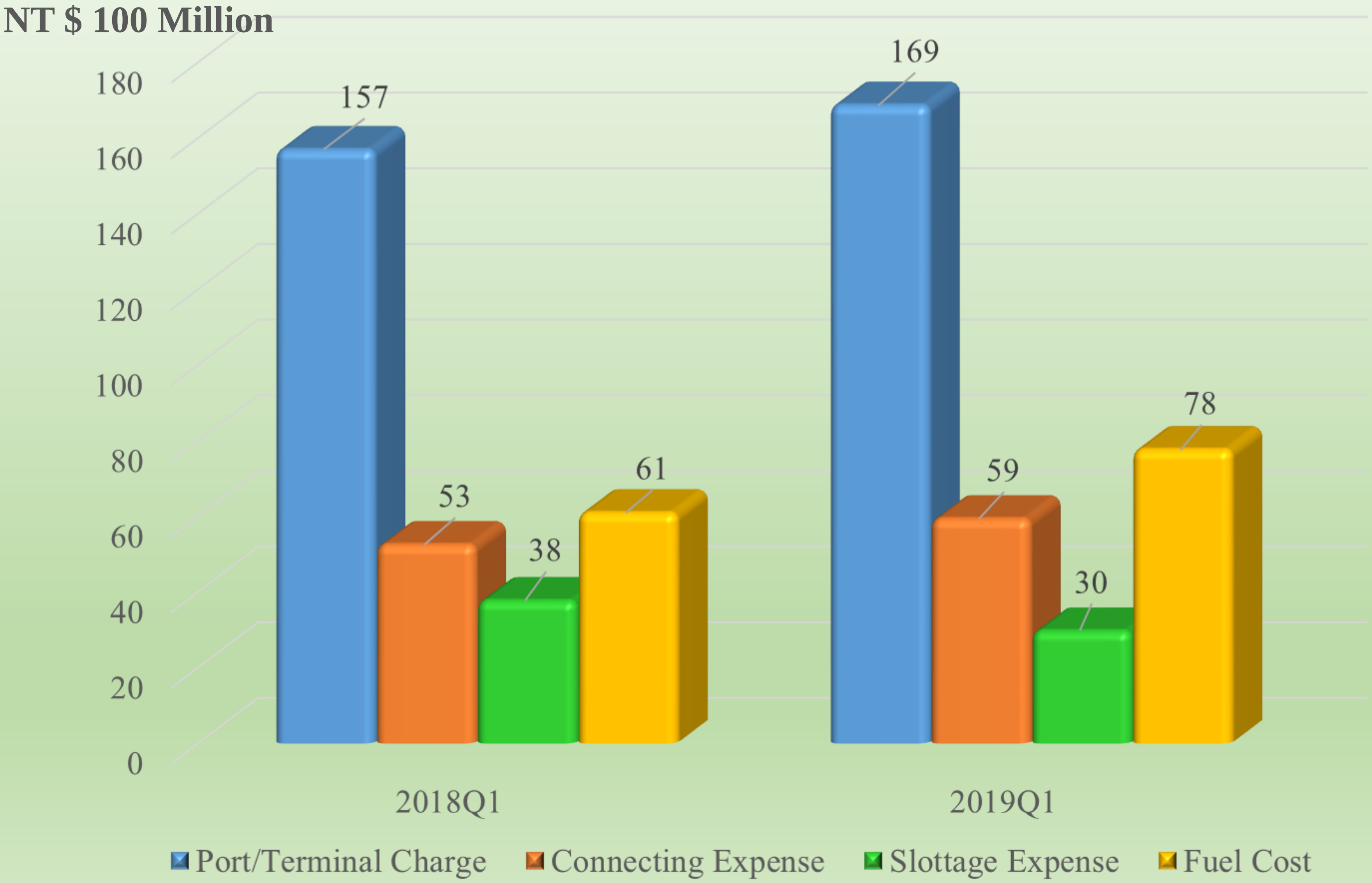
Better YoY Profit Margin

Consolidated Operating Revenue Analysis (2019Q1 VS. 2018Q1)



- The Volume increased by 12.21%.
- Average O/F Rate (USD/ TEU) increased by 3.46%.
- Marine Freight Income increased by 21.90%.

Consolidated Main Operating Costs Analysis



◆ **2018Q1 V.S. 2019Q1**

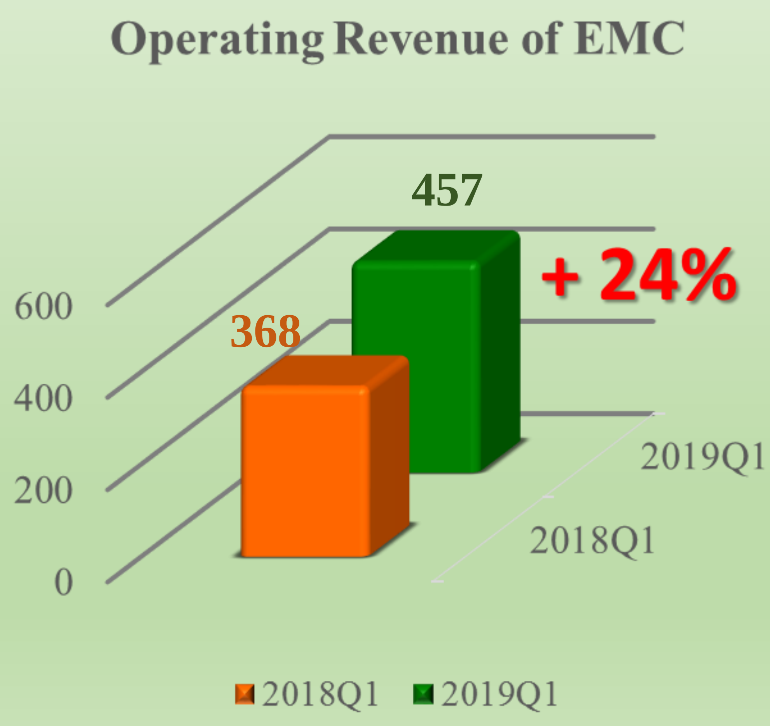
- The Volume increased by 12.21%.
- Port/ Terminal Charge increased by 7.49%.
- Connecting Expense (transshipment/ logistic) increased by 12.99%.
- Slottage Expense decreased by 21.21%.
- Fuel Cost increased by 27.38%.

Consolidated Income Statement

Unit: NT$ Millions

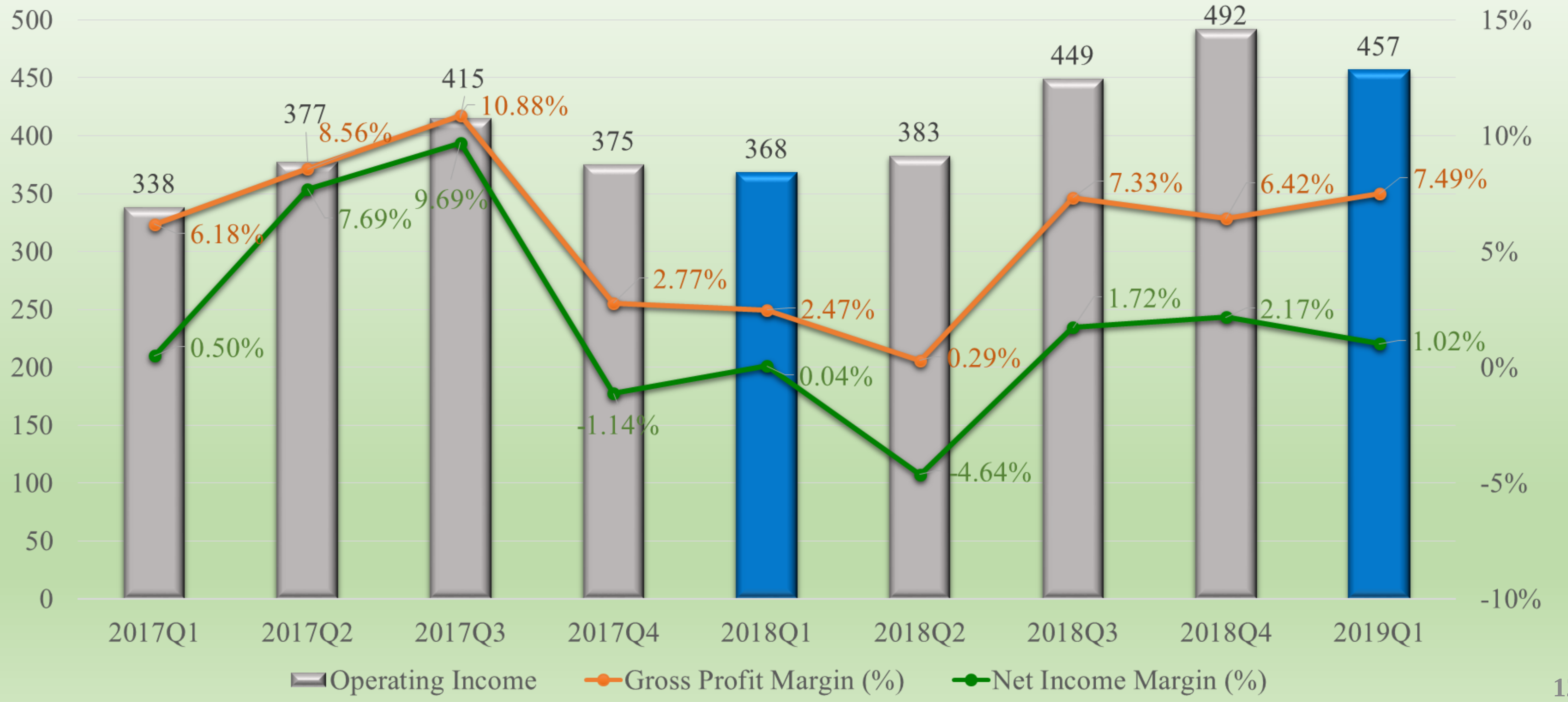
Item	2018Q1	2019Q1	Growth %
Operating revenue	36,840.69	45,697.05	24%
Gross Profit (Loss)	909.15	3,424.76	277%
Operating Income (Loss)	(22.60)	1,303.08	5,866%
Net Income (Loss)	15.88	463.91	2,821%
Profit(Loss), attribute to owners of the parent	137.26	559.57	308%
EBITDA	2,341.55	6,869.42	193%
EPS	0.03	0.12	

Unit: NT$ 100 Millions



Consolidated operating income, gross profit margin and net income margin

NT $ 100 Millions



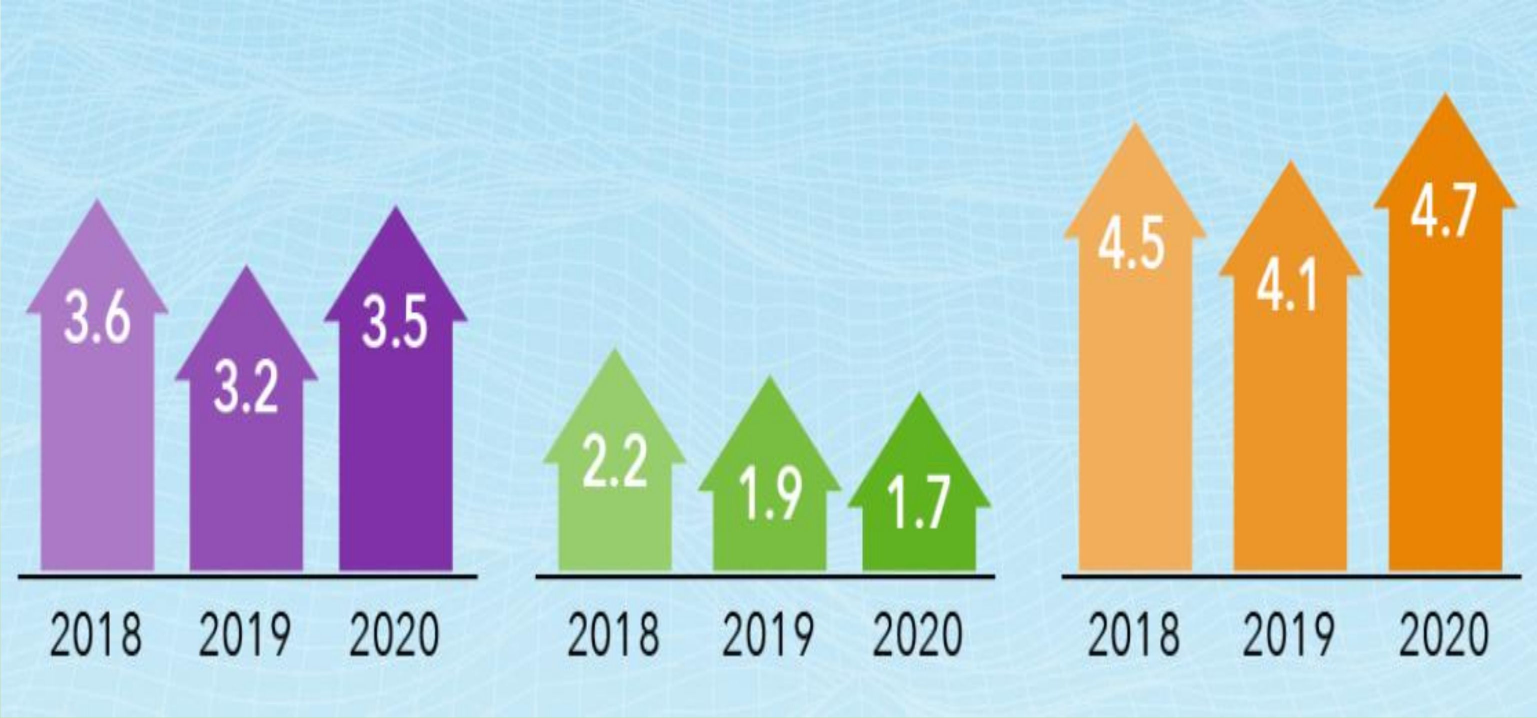
3. Container Shipping Outlook

Moderate Growth in World Economy

Narrowing Gap between Supply and Demand

IMO2020 Low Sulfur Regulations

Moderate Growth in World Economy



World Economy

Advanced economies

Emerging Market and developing economies

Source：2019.07 IMF – World Economic Outlook

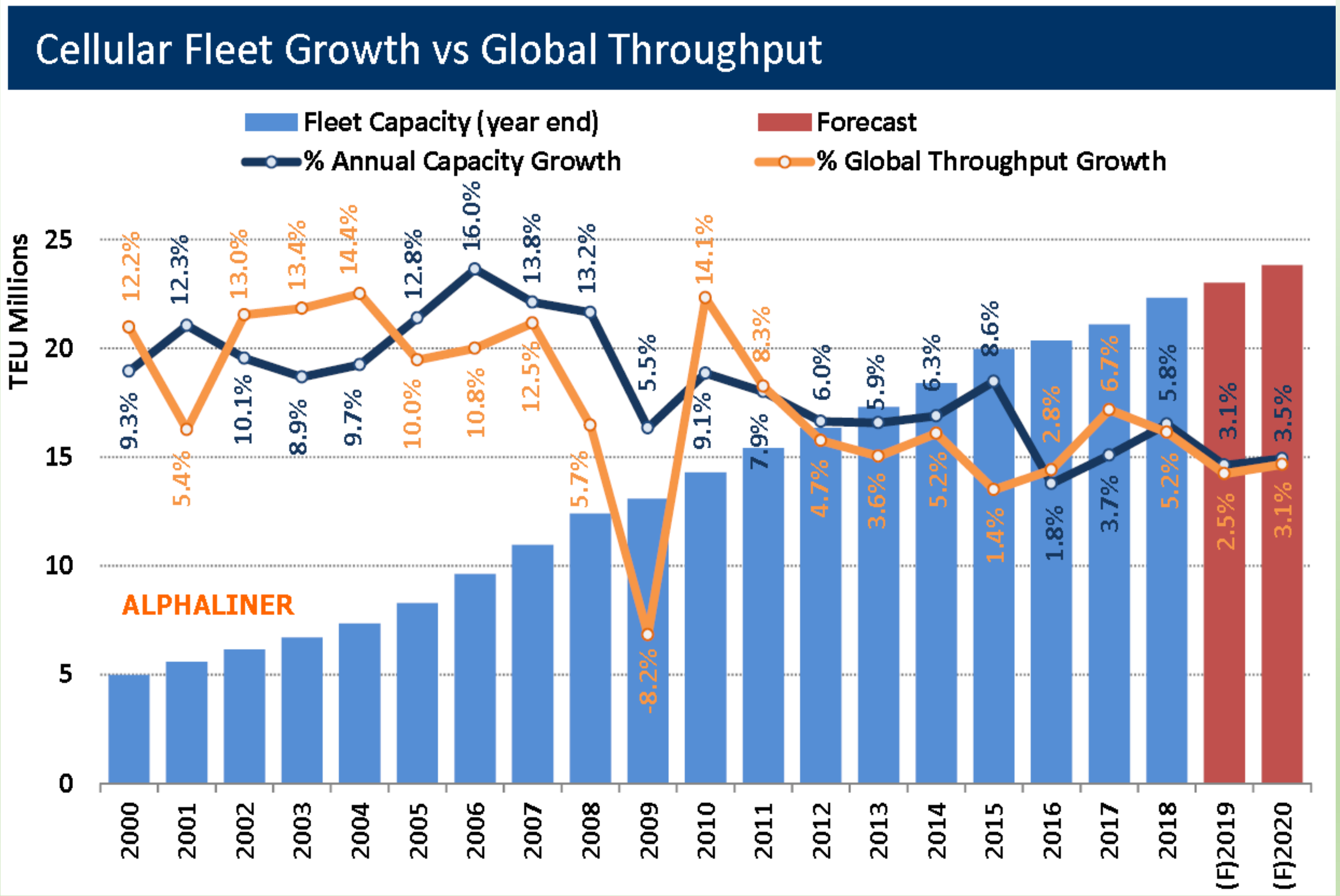
IMF latest World Economic Outlook:

- World GDP growth Forecast:
  2019 3.2%
  2020 3.5%

Forecast of economic growth rate of the world's leading economies:

- U.S.A.: 2019 2.6%, 2020 1.9%
  Euro Area: 2019 1.3%,
  2020 1.6%
  China: 2019 6.2%, 2020 6.0%

Narrowing Gap between Supply and Demand



Alphaliner forecasts 2019 market volume growth slightly lower than total capacity growth rate.

Demand 2.5% vs Supply 3.1%

Estimated 2020 market volume growth will get closer to total capacity growth

Demand 3.1% vs Supply 3.5%

Source：Alphaliner Monthly Monitor Report July 2019

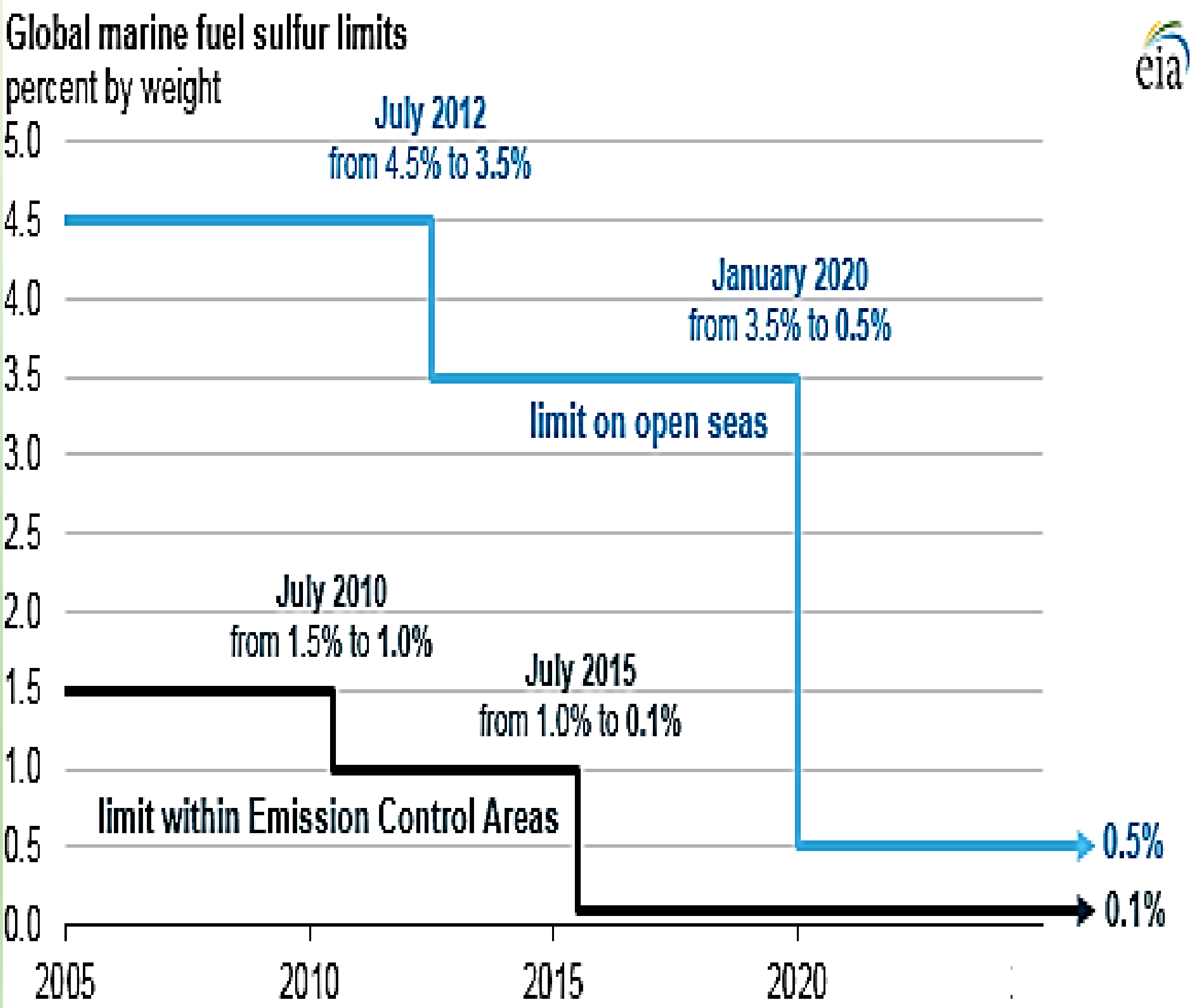
IMO2020 Low Sulfur Regulations

IMO 2020 Regulations

From January 2020, the IMO will ban ships from using fuels with a sulfur content above 0.5%. (0.1% cap has been implemented in Emission Control Areas since July 2015.)

Shipping Lines' 3 Options:

Using 0.5% VLSFO	Using alternative energy, such as Liquefied Natural Gas (LNG)	Installing Sox scrubber



4. Business Strategy

- Steer Along the Trade War
- Build Ships with Scale/Fuel Economy
- Install Scrubber to Save Earth and Cost
- Enhance Cloud Shipping E-Service

Steer Along the Trade War

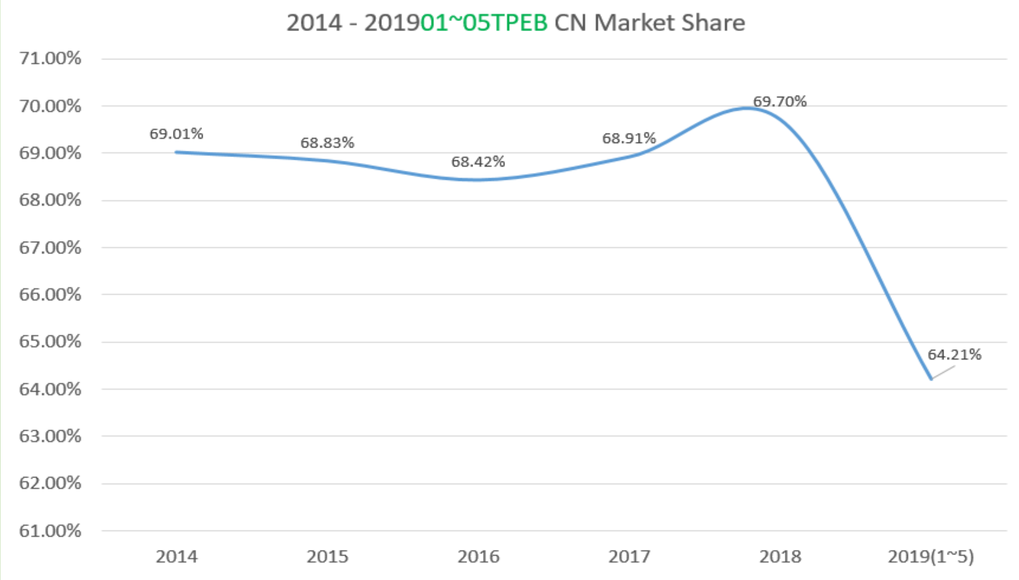
Far East to U.S.

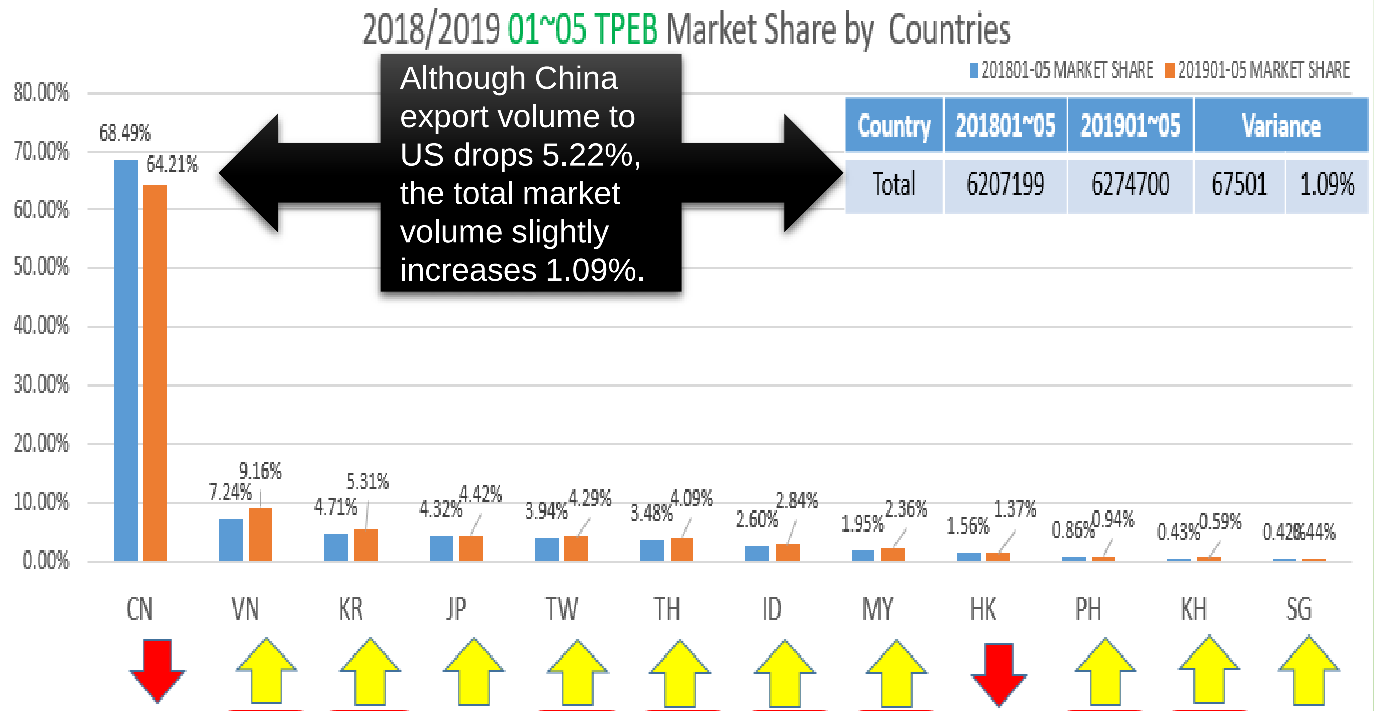
China: volume drops 5.2%, share drops 4.3%

2014 – 2018 share:	2018 (01-05) share:	2019 (01-05) share:
68.97%	68.49%	64.21%

SE Asia: volume adds 21.5%, share adds 3.4%

2014 – 2018 share:	2018 (01-05) share:	2019 (01-05) share:
15.76%	16.98%	20.40%





Although China export volume to US drops 5.22%, the total market volume slightly increases 1.09%.

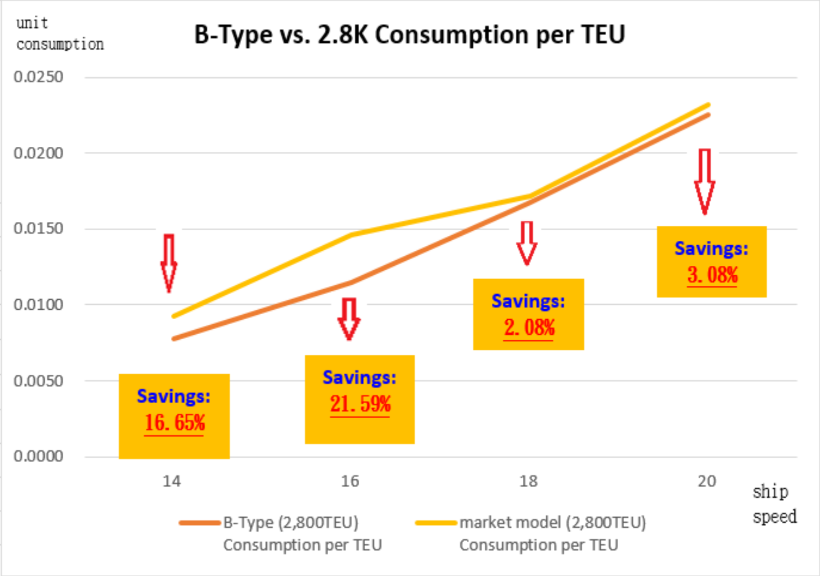
Country	201801~05	201901~05	Variance	
Total	6207199	6274700	67501	1.09%

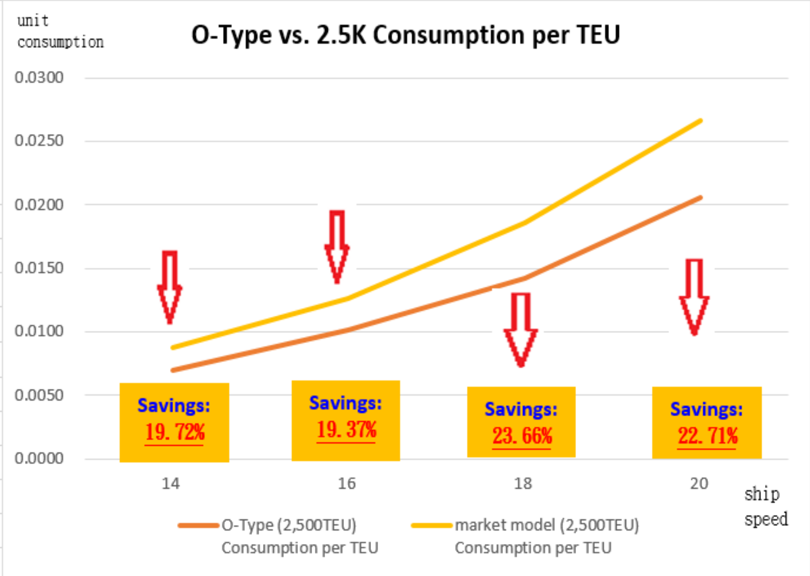
(TEU)	CN	VN	KR	JP	TW	TH	ID	MY	HK	PH	KH	SG
YTD 2019	4029010	574594	332992	277596	269021	256360	177911	147823	85891	58833	37113	27470
YTD 2018	4251045	449406	292407	268270	244499	216179	161507	120960	96783	53328	26437	26231
Variance	-222035	125188	40585	9326	24521	40181	16405	26863	-10891	5506	10676	1239
%	-5.22%	27.86%	13.88%	3.48%	10.03%	18.59%	10.16%	22.21%	-11.25%	10.32%	40.38%	4.72%

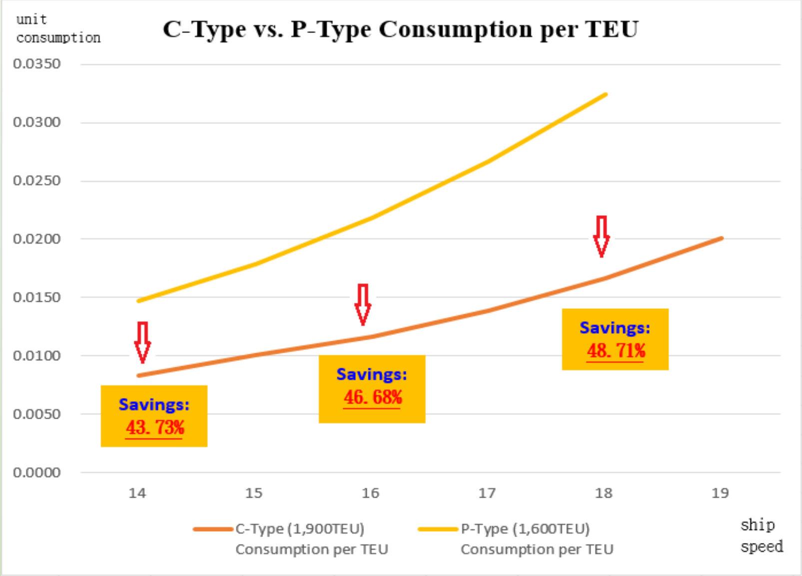
Big volume growth in Vietnam, Thailand, and Malaysia.

Source：Datamyne July 2019

Building New Ships with Scale and Fuel Economy







Evergreen B-Type Profile

- Number: 20 vessels
- LOA/Beam: 211m/32.80m
- Design Draft: 10.00m
- Container Intake: 2,800TEU
- Vessel Feature: Advanced wide beam design; max ship speed up to 21.8 Knots.
- Delivery Year: 2017 – 2019

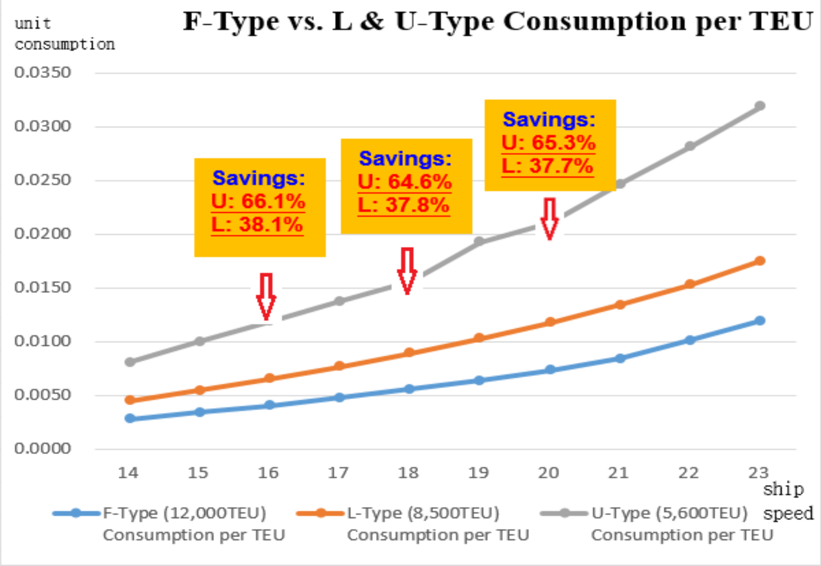
Evergreen O-Type Profile

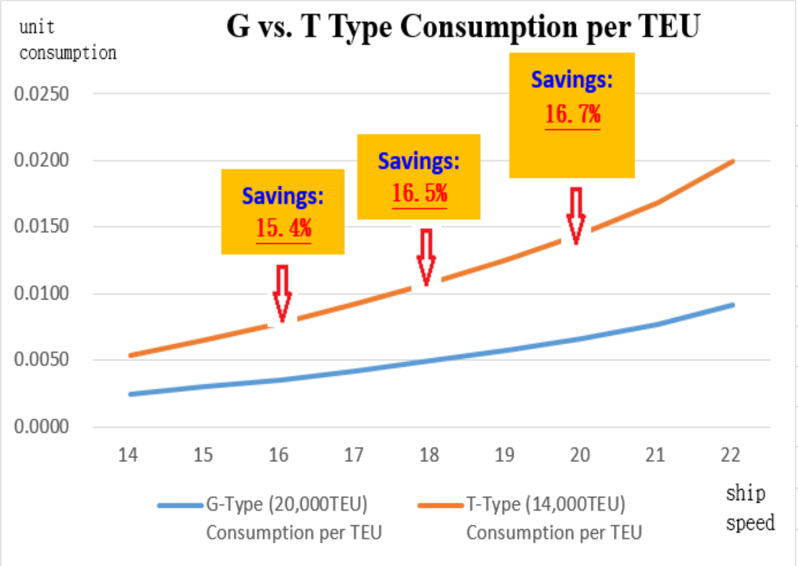
- Number: 14 vessels
- LOA/Beam: 194.90m/32.20m
- Design Draft: 10.00m
- Container Intake: 2,500TEU
- Vessel Feature: Advanced wide beam and shorter LOA design for shallower draft and length restricted ports in the intra-Asia trade；max ship speed up to 20 Knots.
- Delivery Year: 2021 – 2022

Evergreen C-Type Profile

- Number: 24 vessels
- LOA/Beam: 171.90m/28.40m
- Design Draft: 8.50m
- Container Intake: 1,900TEU
- Vessel Intake: Bangkok-max design for shallower draft with better loadability； max ship speed up to 20 Knots.
- Delivery Year: 2019 – 2022

Building New Ships with Scale and Fuel Economy





Evergreen F-Type Profile

- Number: 20 vessels
- LOA/Beam: 333.90m/48.40m
- Design Draft: 13.00m
- Container Intake: 12,000TEU
- Vessel Feature: Ship hull design adopts a twin-island concept which enhances navigation visibility and loadability, and can pass through the Panama Canal; max ship speed up to 23 knots.
- Delivery Year: 2020 – 2021

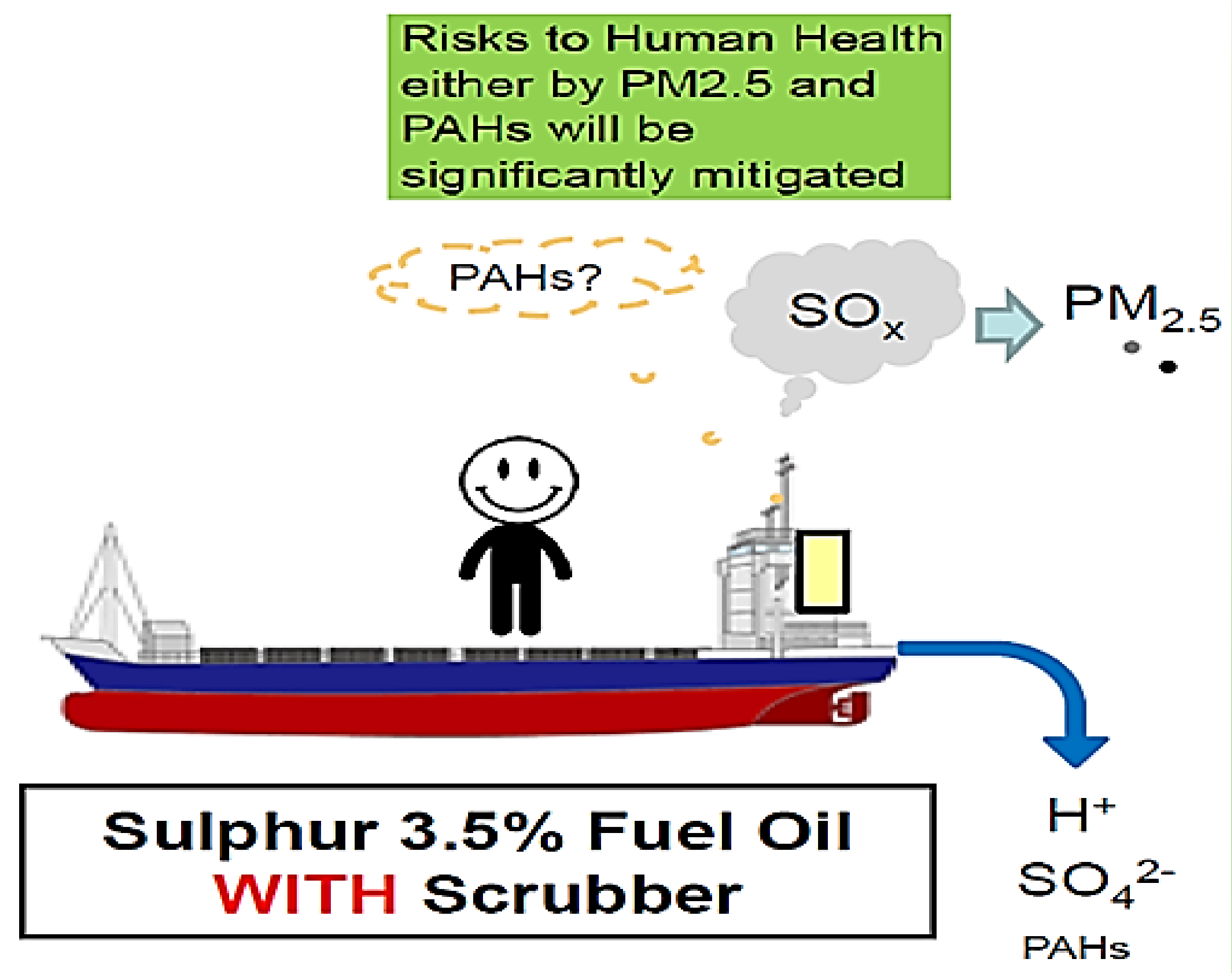
Evergreen G-Type Profile

- Number: 11 vessels
- LOA/Beam: 400.00m/58.80m
- Design Draft: 14.50m
- Container Intake: 20,000TEU
- Vessel Feature: ship hull with optimized design that requires minimum ballast water to maximize loadability; max ship speed up to 22.8 Knots.
- Delivery Year: 2018 – 2019

Install Scrubber to Save Earth and Cost

Open-looped scrubber is already scientifically certified of no adverse impacts on environment by “CSA(Clean Shipping Alliance)”, “Danish Ministry of the Environment” and “Japanese Ministry of Land, Infrastructure, Transportation and Tourism”.

To meet the requirement of upcoming 2020 Global Sulphur Cap, Evergreen will install approved exhaust gas cleaning scrubbers on major fleet ships to clean the emissions.



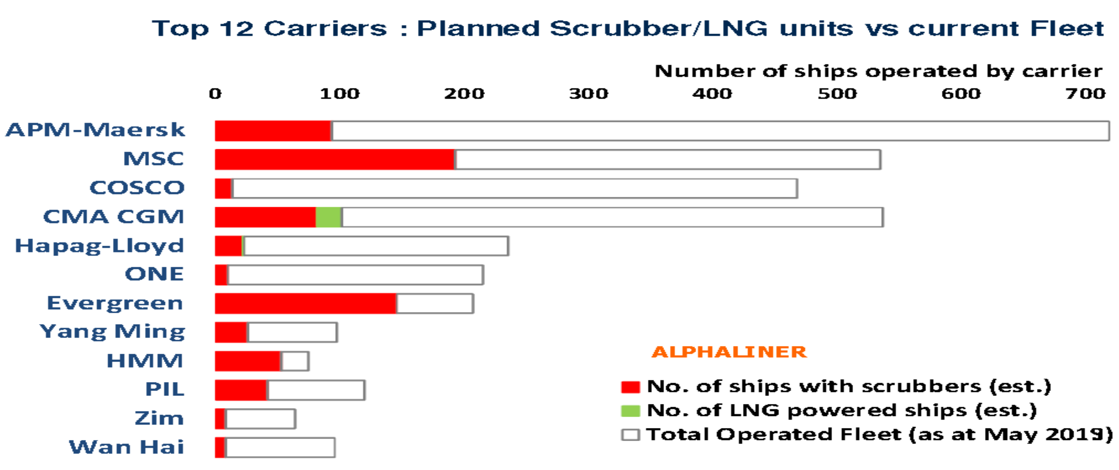
Install Scrubber to Save Earth and Cost

Evergreen's Plan on Scrubber Installation

- Owned: incumbent x 60 + newbuild x 12
- Chartered: incumbent x 21 + newbuild x 46
- Totally 139 vessels(53 of which will be completed before January 1st, 2020.)

Other Liners also in Pursuit

- Alphaliner: by end of May 2019, totally 844 container ships (8.09 mTEU) have or are about to install scrubbers, representing 16% of global container fleet or 35.7% of its capacity.
- (MSC:200, CMA:100+, Maersk: 70+, HMM: 50+, PIL: 40+, COS:23, HPL: 22, YML: 20, ONE:10, WHL:8)

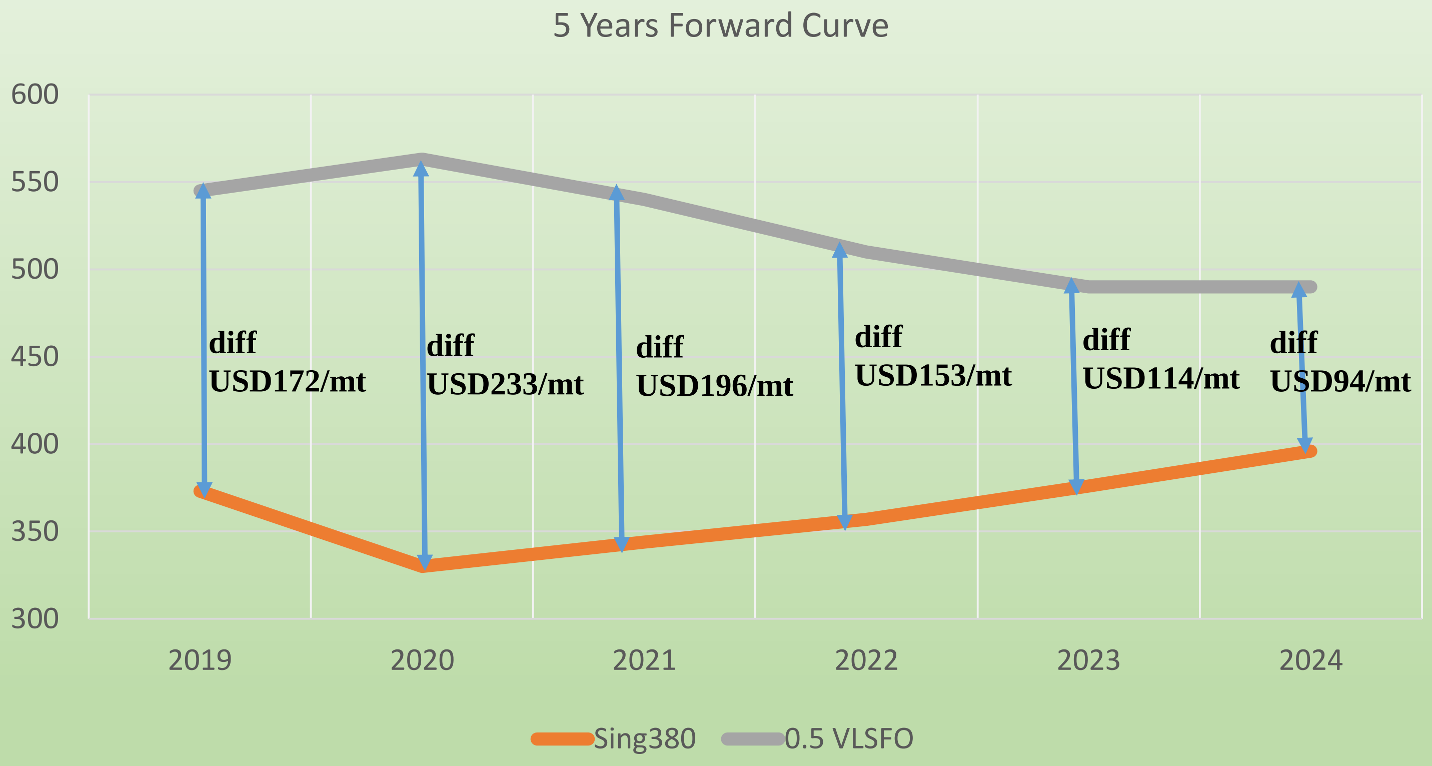


Install Scrubber to Save Earth and Cost

Estimated average price gap (during 2019 – 2024) between HSFO and 0.5%VLSFO could be $160/Ton, so vessels equipped with scrubbers can continue to use cheaper HSFO to save fuel cost.

Year	Sing380	0.5 VLSFO	Diff.
2019	$373	$545	$172
2020	$330	$563	$233
2021	$344	$540	$196
2022	$357	$510	$153
2023	$376	$490	$114
2024	$396	$490	$94
Avg.	$363	$523	$160
based on Brent USD65/barrel			

Source：World Fuel Service



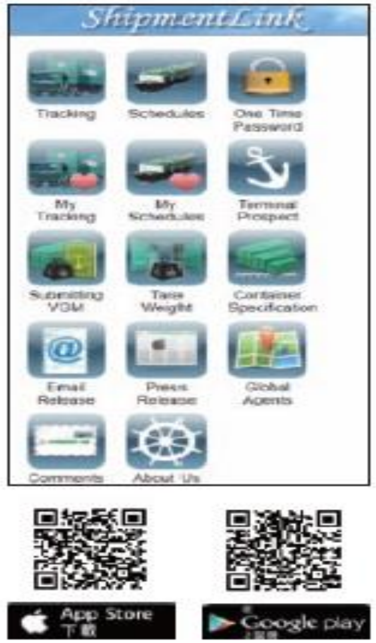
Enhance Cloud Shipping E-Service

i-B/L

- ***i-B/L*** provides paperless BL transaction and alteration to streamline customer's shipping process and efficiency.
- Through Evergreen's own platform "ShipmentLink", customers can generate ***i-B/L*** certified by banks and insurance companies, to speed up transactions such as title of goods, payment, and cargo pickup.

i-Dispatch

- ***i-Dispatch*** facilitates documents like packing lists, commercial invoices, certificates of origin, licenses and inspection reports, etc., to be transferred in an encrypted form to keep commercial confidentiality.



Enhance Cloud Shipping E-Service

DIGITAL CONTAINER SHIPPING ASSOCIATION

DIGITAL CONTAINER SHIPPING ASSOCIATION

Press Release 14 May 2019
Digital Container Shipping Association
Dcsa.org | Twitter | Linkedin
For more information, please contact Maria Steffensen, PR Manager on behalf of the association, info@dcsa.org, +45 2090 7463

CMA CGM, Evergreen Line, Hyundai Merchant Marine, Yang Ming, and ZIM join Digital Container Shipping Association
Five ocean carriers join Digital Container Shipping Association as members, in addition to A.P. Moller – Maersk, Hapag-Lloyd, MSC and ONE, with the purpose of enabling digital standardization in the container shipping industry. Henning Schleyerbach is appointed as COO of DCSA

Digital Container Shipping Association (DCSA) is formed and participated by 9 major container shipping lines to set up standardization of international container shipping by communicating with governments and authorities to streamline the international shipping process and digitalization.

DCSA is approved by concerned authorities in EU, US, and China, to be operated from July 2019, aiming to create common information technology standards, such as port codes and B/L process for digital platforms, to ensure interoperability through standardization and make the industry more efficient for both customers and shipping lines.

Evergreen Line as one of the 9 members of DCSA, is committed to creating more convenient shipping environment and conditions for cargo owners.

Thank You!

http://www.evergreen-marine.com