

Evergreen Marine (2603TW/2603 TT)

Muted freight rate outlook heading into slow season

FTSE4Good TIP Taiwan ESG Index stock

Underperform · Maintained

Price as of September 25 (NT\$)	180.0
12M target price (NT\$)	169.0
Previous target price (NT\$)	169.0
Unchanged (%)	0.0
Downside (%)	6.1

Key message

1. The container shipping industry will enter slow season starting November. We expect Evergreen Marine's earnings to decline QoQ in 4Q25-1Q26F amid a subdued global freight rate outlook.
2. Year-to-date, Asia-Europe freight rates are down over 50% YoY, casting a cloud over Evergreen Marine's negotiations for European long-term contracts.

Trading data

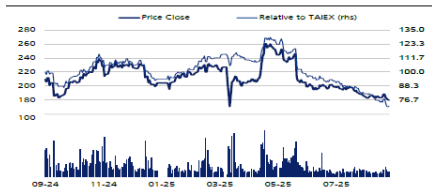
Mkt cap (NT\$bn/US\$m)	389.7 / 12,751
Outstanding shares (mn)	2,165
Foreign ownership (mn)	383.3
3M avg. daily trading (mn)	8.78
52-week trading range (NT\$)	171.0 –260.5

Performance	3M	6M	12M
Absolute (%)	-12.4	-21.6	-14.1
Relative (%)	-28.4	-38.4	-28.4

Quarterly EPS

NT\$	1Q	2Q	3Q	4Q
2024	8.14A	13.70A	28.75A	14.28A
2025	12.64A	5.06A	7.81F	2.39F
2026	2.25F	6.76F	9.53F	8.30F

Share price chart



Source: TEJ

Event

Evergreen Marine held an investor meeting on September 25.

Impact

4Q25F earnings to fall QoQ on poor freight rates amid unfavorable seasonality. Although marine shipping companies tried to raise freight rates in September in a bid to reverse broad-based declines, the attempt was unsuccessful, with rates on US routes falling again in late September due to anemic demand, a lack of cancelled sailings, and a limited number of suspended routes. Going forward, as clients have built up inventory in advance, we think the traditional shipping boom in October, driven by pull-in demand, may not materialize. This will be followed by an industry slow season from November, during which shipping demand will remain low, capping upside for freight rates. As a result, we forecast QoQ earnings declines for Evergreen Marine in 4Q25-1Q26F. However, given its superior operational efficiency and stronger financial position relative to peers, we believe the company can remain profitable even under deteriorating market conditions.

Year-to-date, Asia-Europe freight rates are down over 50% YoY, clouding the firm's negotiations for European long-term contracts. Evergreen Marine's negotiations for European long-term contracts are set to begin in November, while the latest SCFI rate for Europe has dropped to US\$1,052/TEU, the lowest since 2024. As carriers begin adjusting capacity, we've observed reductions in European route capacity, and expect freight rates to stabilize without further sharp declines. However, given the steep declines in September and 3Q25 freight rates, both down over 50% YoY, we are cautious about the long-term contract outlook and expect pricing to fall below last year's levels.

Valuation & Action

Our conservative outlook for the global container shipping industry, as stated in our June 27 report, is unchanged. We maintain Underperform on Evergreen Marine and a target price of NT\$169, based on 0.6x 2025F BVPS, at the mid-to-low end of the ten-year historical PB band of the shipping industry. The target price also implies a 10% cash dividend yield on 2025F earnings. Ranking above both Yang Ming Marine (2609 TT, NT\$55, U) and Wan Hai Lines (2615 TT, NT\$76.2, U), Evergreen Marine is the 26th largest company by market cap on the Taiex and continues to offer a high dividend yield. The risk of large-scale ETF rebalancing and selling is low.

Risks

Red Sea blockade lifting; changes to tariff policies; progress in China-US tariff talks.

Key financials and valuations

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Revenue (NT\$m)	627,284	276,715	463,568	374,416	379,134
Gross profit (NT\$m)	398,442	49,909	176,105	87,684	84,188
Operating profit (NT\$m)	372,563	31,482	149,414	68,140	65,916
Net profit (NT\$m)	334,201	35,337	139,453	60,390	58,091
EPS (NT\$)	87.07	16.70	64.87	27.89	26.83
Cash DPS (NT\$)	70.00	9.97	32.50	17.00	16.00
EPS growth (%)	91.0	(80.8)	288.5	(57.0)	(3.8)
PE (x)	2.1	10.8	2.8	6.5	6.7
PB (x)	0.7	0.9	0.7	0.6	0.6
EV/EBITDA (x)	0.1	3.6	0.9	1.1	0.7
Net debt to equity (%)	Net cash	Net cash	Net cash	Net cash	Net cash
Dividend yield (%)	38.9	5.5	18.1	9.4	8.9
Return on average equity (%)	76.0	7.1	27.3	10.2	9.4

Source: Company data, KGI Research estimates

Figure 1: Breakdown of 3Q-4Q25 forecast revisions vs. consensus

NT \$mn	3Q25F							4Q25F						
	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	QoQ (%)	YoY (%)	Consensus	Diff. (%)
Sales	96,496	90,907	6.1	11.6	(36.8)	94,876	1.7	81,466	77,662	4.9	(15.6)	(29.7)	83,188	(2.1)
Gross profit	23,297	22,099	5.4	24.6	(71.0)	27,433	(15.1)	12,403	14,250	(13.0)	(46.8)	(69.7)	17,407	(28.7)
Operating income	19,034	17,936	6.1	34.2	(74.5)	23,756	(19.9)	6,503	8,450	(23.0)	(65.8)	(78.3)	11,663	(44.2)
Pretax income	21,706	19,984	8.6	44.3	(72.6)	24,094	(9.9)	8,970	10,348	(13.3)	(58.7)	(75.9)	12,907	(30.5)
Net income	16,908	15,359	10.1	54.3	(72.7)	17,789	(5.0)	6,326	6,277	0.8	(62.6)	(79.4)	9,161	(30.9)
EPS (NT\$)	7.81	7.09	10.1	54.3	(72.7)	8.22	(5.0)	2.92	2.90	0.8	(62.6)	(79.4)	4.23	(30.9)
Gross margin (%)	24.1	24.3	(0.2) ppts	2.5 ppts	(28.5) ppts	28.9	(4.8) ppts	15.2	18.3	(3.1) ppts	(8.9) ppts	(20.1) ppts	20.9	(5.7) ppts
OP margin (%)	19.7	19.7	(0.0) ppts	3.3 ppts	(29.1) ppts	25.0	(5.3) ppts	8.0	10.9	(2.9) ppts	(11.7) ppts	(17.9) ppts	14.0	(6.0) ppts
Net margin (%)	17.5	16.9	0.6 ppts	4.9 ppts	(23.0) ppts	18.7	(1.2) ppts	7.8	8.1	(0.3) ppts	(9.8) ppts	(18.7) ppts	11.0	(3.2) ppts

Source: KGI Research

Figure 2: Breakdown of 2025-26 forecast revisions vs. consensus

NT \$mn	2025F						2026F					
	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)	Revision	Previous	Chg. (%)	YoY (%)	Consensus	Diff. (%)
Sales	374,416	365,024	2.6	67.5	379,747	(1.4)	379,134	342,781	10.6	(19.2)	351,001	8.0
Gross profit	87,684	88,334	(0.7)	252.9	98,772	(11.2)	84,188	63,204	33.2	(50.2)	80,583	4.5
Operating income	68,140	68,990	(1.2)	374.6	76,512	(10.9)	65,916	45,331	45.4	(54.4)	57,090	15.5
Pretax income	76,784	76,440	0.4	178.8	84,294	(8.9)	74,747	51,720	44.5	(54.8)	59,592	25.4
Net income	60,390	59,944	0.7	294.6	62,724	(3.7)	58,091	39,539	46.9	(56.7)	43,897	32.3
EPS (NT\$)	27.89	27.69	0.7	294.6	28.97	(3.7)	26.83	18.26	46.9	(56.7)	20.28	32.3
Gross margin (%)	23.4	24.2	(0.8)ppts	20.0 ppts	26.0	(2.6) ppts	22.2	18.4	3.8 ppts	(14.6) ppts	23.0	(0.8) ppts
OP margin (%)	18.2	18.9	(0.7)ppts	20.9 ppts	20.1	(1.9) ppts	17.4	13.2	4.2 ppts	(14.0) ppts	16.3	1.1 ppts
Net margin (%)	16.1	16.4	(0.3)ppts	17.3 ppts	16.5	(0.4) ppts	15.3	11.5	3.8 ppts	(14.0) ppts	12.5	2.8 ppts

Source: KGI Research

Figure 3: Peer comparison – Valuations

Company	Ticker	Market cap (US\$m)	Share price (LCY)	EPS (LCY)			BVPS (LCY)			P/E (x)			P/B ratio			Share performance (%)			
				2024	2025F	2026F	2024	2025F	2026F	2024	2025F	2026F	2024	2025F	2026F	3M	6M	12M	YTD
Evergreen Marine Corp Ltd	2603 TT	12,805	180.00	64.87	27.89	26.83	268.04	279.20	289.93	2.8	6.5	6.7	0.7	0.6	0.6	(12.4)	(21.6)	(14.1)	(20.0)
Yang Ming Marine Transport	2609 TT	6,311	55.00	18.38	4.07	3.55	97.52	99.96	102.09	3.0	13.5	15.5	0.6	0.6	0.5	(24.2)	(29.4)	(21.9)	(27.3)
Wan Hai Lines Ltd	2615 TT	7,026	76.20	16.89	6.49	5.57	93.08	98.27	102.73	4.5	11.7	13.7	0.8	0.8	0.7	(20.0)	(9.5)	(23.6)	(6.0)
T3Ex Global Holdings Corp	2636 TT	331	70.20	9.39	7.61	7.83	64.17	67.29	74.43	7.5	9.2	9.0	1.1	1.0	0.9	(3.2)	(12.0)	(21.3)	(12.0)
Local peer average										4.4	10.2	11.2	0.8	0.8	0.7				
Ap Moller-Maersk A/S-B	MAERSKB DC	32,624	13,145.00	387.00	167.82	(49.43)	3,675.95	3,673.49	3,648.06	34.0	78.3	N.M.	3.6	3.6	3.6	12.6	8.1	18.9	10.4
Cosco Shipping Holdings Co-A	601919 CH	29,976	14.37	3.08	1.70	1.02	14.98	15.35	15.82	4.7	8.4	14.1	1.0	0.9	0.9	(4.6)	(2.0)	2.4	(7.3)
Hapag-Lloyd Ag	HLA gr	24,068	116.60	13.57	3.61	(1.58)	100.46	103.28	96.02	8.6	32.3	N.M.	1.2	1.1	1.2	(9.8)	(19.6)	(27.7)	(24.0)
Zim Integrated Shipping Serv	ZIM US	1,750	14.53	17.84	2.70	(2.96)	32.35	30.33	25.41	0.8	5.4	N.M.	0.4	0.5	0.6	(5.4)	(4.4)	(35.8)	(32.3)
Global peer average										12.0	31.1	14.1	1.5	1.5	1.6				

Source: KGI Research

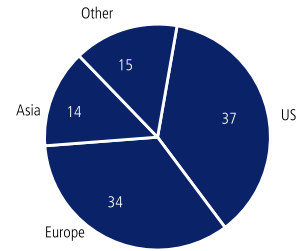
Figure 4: Company profile

Established in 1968, Evergreen Marine is the world's sixth largest container shipper, with US, Europe, and Asia routes contributing a respective 37%, 34%, and 14% of 2024 sales. The firm also provides dock loading and discharging, as well as cargo forwarding services. The firm has exposure to air cargo and passenger transport businesses via a 7.43% stake in EVA Airways (2618 TT, NT\$38.45, N).

Source: KGI Research

Figure 5: Americas & Europe routes the bulk of sales

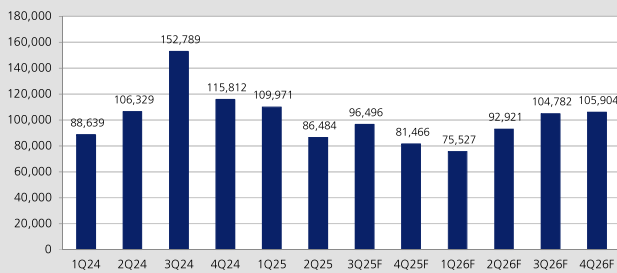
2024 sales by shipping route, percent



Source: KGI Research

Figure 6: Sales

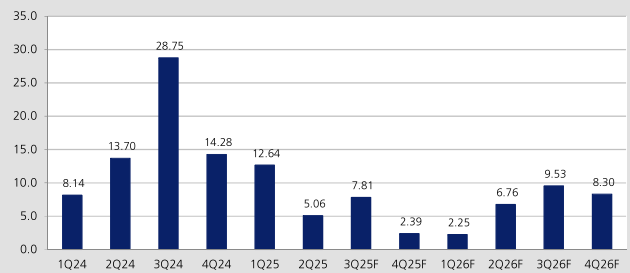
Sales, NT\$m



Source: KGI Research

Figure 7: EPS

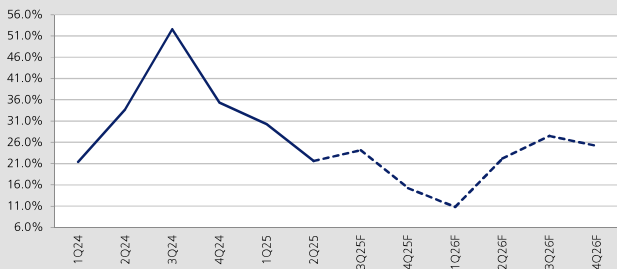
EPS, NT\$



Source: KGI Research

Figure 8: Gross Margin

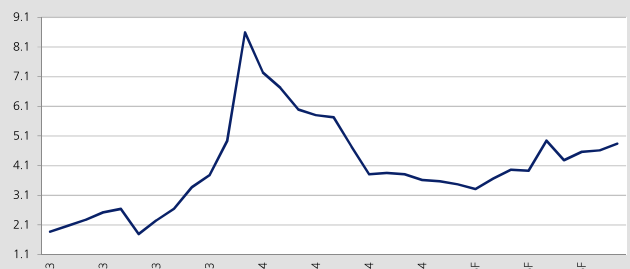
Gross margin, percent



Source: KGI Research

Figure 9: Rolling PE

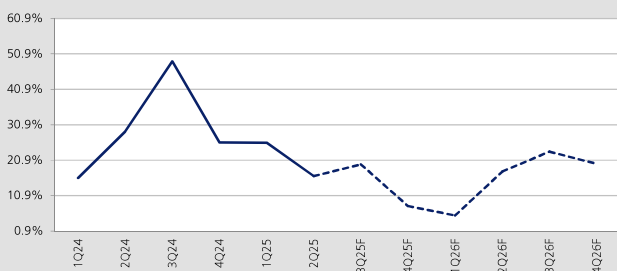
Rolling PE, times



Source: KGI Research

Figure 10: Operating Margin

Operating margin, percent



Source: KGI Research

Figure 11: Rolling PB

Rolling PB, times



Source: KGI Research

Income statement

	Quarterly								Annually		
	Mar-25A	Jun-25A	Sep-25F	Dec-25F	Mar-26F	Jun-26F	Sep-26F	Dec-26F	Dec-24A	Dec-25F	Dec-26F
Income statement (NT\$m)											
Revenue	109,971	86,484	96,496	81,466	75,527	92,921	104,782	105,904	463,568	374,416	379,134
Cost of goods sold	(76,679)	(67,791)	(73,199)	(69,064)	(67,371)	(72,339)	(75,972)	(79,265)	(287,463)	(286,732)	(294,946)
Gross profit	33,292	18,693	23,297	12,403	8,156	20,582	28,810	26,639	176,105	87,684	84,188
Operating expenses	(4,869)	(4,512)	(4,263)	(5,900)	(4,148)	(4,122)	(4,403)	(5,600)	(26,712)	(19,544)	(18,273)
Operating profit	28,428	14,185	19,034	6,503	4,008	16,460	24,408	21,039	149,414	68,140	65,916
Depreciation of fixed assets	(10,653)	(10,382)	(12,303)	(15,874)	(12,688)	(12,688)	(12,688)	(12,688)	(38,956)	(49,212)	(50,753)
Amortisation of intangible assets	(93)	(106)	(88)	(67)	(88)	(88)	(88)	(88)	(364)	(353)	(353)
EBITDA	39,173	24,673	31,425	22,443	16,785	29,237	37,184	33,816	188,733	117,706	117,022
Interest income	2,500	2,284	2,307	2,225	2,093	2,034	1,739	1,818	10,479	9,316	7,683
Investment income	1,139	1,191	-	-	-	-	-	-	4,183	2,329	-
Other non-op income	377	417	1,540	1,404	1,403	1,422	1,499	1,360	4,176	3,739	5,684
Non-operating income	4,016	3,892	3,847	3,630	3,496	3,456	3,237	3,178	18,838	15,384	13,367
Interest expense	(1,299)	(1,186)	(1,175)	(1,163)	(1,151)	(1,140)	(1,128)	(1,117)	(5,226)	(4,823)	(4,536)
Investment loss	-	-	-	-	-	-	-	-	-	-	-
Other non-op expenses	(73)	(1,846)	-	-	-	-	-	-	6,793	(1,918)	-
Non-operating expenses	(1,372)	(3,032)	(1,175)	(1,163)	(1,151)	(1,140)	(1,128)	(1,117)	1,567	(6,741)	(4,536)
Pre-tax profit	31,073	15,045	21,706	8,970	6,353	18,777	26,517	23,101	169,819	76,784	74,747
Current taxation	(4,142)	(3,935)	(4,341)	(1,794)	(1,271)	(3,755)	(5,303)	(4,620)	(36,366)	(14,212)	(14,949)
Minorities	(479)	(396)	(457)	(850)	(220)	(395)	(586)	(505)	(4,531)	(2,182)	(1,706)
Normalised net profit	26,452	10,714	16,908	6,326	4,862	14,626	20,627	17,975	128,922	60,390	58,091
Extraordinary items	907	244	-	-	-	-	-	-	10,532	-	-
Net profit	27,358	10,958	16,908	6,326	4,862	14,626	20,627	17,975	139,453	60,390	58,091
EPS (NT\$)	12.64	5.06	7.81	2.39	2.25	6.76	9.53	8.30	64.87	27.89	26.83
Margins (%)											
Gross profit margin	30.3	21.6	24.1	15.2	10.8	22.2	27.5	25.2	38.0	23.4	22.2
Operating margin	25.9	16.4	19.7	8.0	5.3	17.7	23.3	19.9	32.2	18.2	17.4
EBITDA margin	35.6	28.5	32.6	27.5	22.2	31.5	35.5	31.9	40.7	31.4	30.9
Pretax profit margin	28.3	17.4	22.5	11.0	8.4	20.2	25.3	21.8	36.6	20.5	19.7
Net profit margin	24.9	12.7	17.5	6.4	6.4	15.7	19.7	17.0	30.1	16.1	15.3
Sequential growth (%)											
Revenue growth	(5.0)	(21.4)	11.6	(15.6)	(7.3)	23.0	12.8	1.1			
Gross profit growth	(18.6)	(43.8)	24.6	(46.8)	(34.2)	152.3	40.0	(7.5)			
Operating profit growth	(5.2)	(50.1)	34.2	(65.8)	(38.4)	310.7	48.3	(13.8)			
EBITDA growth	(2.7)	(37.0)	27.4	(28.6)	(25.2)	74.2	27.2	(9.1)			
Pretax profit growth	(16.4)	(51.6)	44.3	(58.7)	(29.2)	195.5	41.2	(12.9)			
Net profit growth	(10.9)	(59.9)	54.3	(69.4)	(6.0)	200.8	41.0	(12.9)			
YoY growth (%)											
Revenue growth	24.1	(18.7)	(36.8)	(29.7)	(31.3)	7.4	8.6	30.0	67.5	(19.2)	1.3
Gross profit growth	75.7	(47.9)	(71.0)	(69.7)	(75.5)	10.1	23.7	114.8	252.7	(50.2)	(4.0)
Operating profit growth	102.2	(54.0)	(74.5)	(78.3)	(85.9)	16.0	28.2	223.6	374.6	(54.4)	(3.3)
EBITDA growth	66.5	(39.1)	(62.8)	(44.3)	(57.2)	18.5	18.3	50.7	188.8	(37.6)	(0.6)
Pretax profit growth	59.7	(55.8)	(72.6)	(75.9)	(79.6)	24.8	22.2	157.5	178.8	(54.8)	(2.7)
Net profit growth	57.4	(62.8)	(72.7)	(83.1)	(82.2)	33.5	22.0	247.3	294.6	(56.7)	(3.8)

Source: Company data, KGI Research estimates

Balance sheet

NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Total assets	887,512	731,831	914,214	907,655	935,622
Current assets	483,935	238,140	312,872	342,990	407,032
Cash & ST securities	443,698	197,420	262,643	298,149	361,880
Inventory	610	780	729	729	750
Accounts receivable	25,801	20,707	28,341	22,953	23,242
Other current assets	13,827	19,234	21,160	21,160	21,160
Non-current assets	403,577	493,690	601,341	564,665	528,590
LT investments	52,093	47,853	52,134	47,351	42,254
Net fixed assets	211,065	260,244	346,026	314,132	283,155
Other assets	140,419	185,593	203,182	203,182	203,182
Total liabilities	304,962	261,036	311,758	278,862	281,886
Current liabilities	164,879	111,750	150,345	121,521	120,056
Accounts payable	46,228	35,642	44,359	44,368	45,639
Interest bearing ST liabilities	6,830	10,704	7,425	12,723	11,365
Other current liabilities	111,822	65,404	98,561	64,431	63,052
Non-current liabilities	140,083	149,286	161,412	157,340	161,830
Long-term debt	38,180	31,666	38,137	34,064	38,555
Other L-T liabilities	23,140	22,150	33,306	33,306	33,306
Total equity	582,550	470,795	602,456	628,793	653,736
Share capital	21,164	21,164	21,650	21,650	21,650
Retained earnings reserve	465,562	320,434	435,141	459,297	482,533
Minority interests	30,336	30,896	22,127	24,309	26,015
Preferred shareholders funds	-	-	-	-	-

Key ratios

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Growth					
Revenue growth	28.2%	(55.9%)	67.5%	(19.2%)	1.3%
Operating profit growth	31.0%	(91.5%)	374.6%	(54.4%)	(3.3%)
EBITDA growth	30.4%	(83.7%)	188.8%	(37.6%)	(0.6%)
Net profit growth	39.8%	(89.4%)	294.6%	(56.7%)	(3.8%)
EPS growth	91.0%	(80.8%)	288.5%	(57.0%)	(3.8%)
Profitability					
Gross profit margin	63.5%	18.0%	38.0%	23.4%	22.2%
Operating margin	59.4%	11.4%	32.2%	18.2%	17.4%
EBITDA margin	63.8%	23.6%	40.7%	31.4%	30.9%
Net profit margin	53.3%	12.8%	30.1%	16.1%	15.3%
Return on average assets	44.6%	4.4%	16.9%	6.6%	6.3%
Return on average equity	76.0%	7.1%	27.3%	10.2%	9.4%
Stability					
Gross debt to equity	7.7%	9.0%	7.6%	7.4%	7.6%
Net debt to equity	Net cash	Net cash	Net cash	Net cash	Net cash
Interest coverage (x)	123.0	13.3	33.5	16.9	17.5
Interest & ST debt coverage (x)	1.0	0.8	0.9	0.8	0.8
Cash flow interest coverage(x)	129.8	(2.8)	36.8	23.4	24.3
Cash flow/int. & ST debt (x)	41.9	(0.9)	15.2	6.4	6.9
Current ratio (x)	2.9	2.1	2.1	2.8	3.4
Quick ratio (x)	2.9	2.1	2.1	2.8	3.4
Net debt (NT\$m)	(347,337)	(127,860)	(207,808)	(242,088)	(302,687)
Per share data					
EPS (NT\$)	87.07	16.70	64.87	27.89	26.83
CFPS (NT\$)	110.05	(6.54)	89.43	52.20	50.88
BVPS (NT\$)	260.92	207.85	268.04	279.20	289.93
Adj BVPS (NT\$)	143.86	207.85	269.93	279.20	289.93
SPS (NT\$)	163.42	130.74	215.62	172.94	175.12
EBITDA/share (NT\$)	104.29	30.88	87.79	54.37	54.05
Cash DPS (NT\$)	70.00	9.97	32.50	17.00	16.00
Activity					
Sales / avg assets	0.84	0.34	0.56	0.41	0.41
Days receivable	15.0	27.3	22.4	22.4	22.4
Days inventory	1.0	1.3	0.9	0.9	0.9
Days payable	73.7	57.4	56.5	56.5	56.5
Cash cycle	(57.7)	(28.8)	(33.2)	(33.2)	(33.2)

Source: Company data, KGI Research estimates

Profit & loss

NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Revenue	627,284	276,715	463,568	374,416	379,134
Cost of goods sold	(228,841)	(226,806)	(287,463)	(286,732)	(294,946)
Gross profit	398,442	49,909	176,105	87,684	84,188
Operating expenses	(25,887)	(18,448)	(26,712)	(19,544)	(18,273)
Operating profit	372,563	31,482	149,414	68,140	65,916
Non-operating income	16,026	26,170	18,838	15,384	13,367
Interest income	6,380	14,379	10,479	9,316	7,683
Investment income	9,188	6,029	4,183	2,329	-
Other non-op income	458	5,762	4,176	3,739	5,684
Non-operating expenses	8,590	3,252	1,567	(6,741)	(4,536)
Interest expense	(3,255)	(4,949)	(5,226)	(4,823)	(4,536)
Investment loss	-	-	-	-	-
Other non-op expenses	11,845	8,201	6,793	(1,918)	-
Pre-tax profit	397,179	60,904	169,819	76,784	74,747
Current taxation	(53,252)	(24,196)	(36,366)	(14,212)	(14,949)
Minorities	(11,972)	(4,639)	(4,531)	(2,182)	(1,706)
Extraordinary items	2,245	3,268	10,532	-	-
Net profit	334,201	35,337	139,453	60,390	58,091
EBITDA	400,322	65,346	188,733	117,706	117,022
EPS (NT\$)	87.07	16.70	64.87	27.89	26.83

Cash flow

NT\$m	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
Operations cash flow	422,430	(13,833)	192,259	113,022	110,159
Net profit	334,201	35,337	139,453	60,390	58,091
Depreciation & amortisation	27,759	33,864	39,320	49,566	51,107
Decrease in working capital	35,904	(12,785)	204	5,396	961
Other operating cash flow	24,566	(70,248)	13,282	(2,329)	(0)
Investing cash flow	26,761	(39,756)	(80,721)	(10,560)	(15,032)
Sale of ST investment	75,621	24,481	18,035	-	-
New investments	452	11,144	3,081	7,113	5,097
Capital expenditure	(17,835)	(12,405)	(22,232)	(17,319)	(19,776)
Others investing cashflow	(31,477)	(62,976)	(79,605)	(353)	(353)
Free cash flow	368,118	27,304	134,345	92,817	84,671
Financing cash flow	(168,395)	(168,079)	(32,626)	(66,957)	(31,395)
Increase in short term debt	(717)	(805)	1	-	-
Increase in long term loans	(24,079)	(2,590)	5,040	1,225	3,133
New ordinary shares issued	(31,746)	-	-	-	-
Ordinary dividends paid	(95,239)	(148,149)	(21,439)	(70,364)	(36,234)
Other financing cashflow	(16,614)	(16,535)	(16,228)	2,182	1,706
Forex effects	3,758	(449)	4,229		
Total cash generated	284,554	(222,117)	83,140	35,505	63,731

ROIC

	Dec-22A	Dec-23A	Dec-24A	Dec-25F	Dec-26F
1 - COGS/revenue					
- Operating exp./revenue	4.1%	6.7%	5.8%	5.2%	4.8%
= Operating margin	59.4%	11.4%	32.2%	18.2%	17.4%
1 / (Working capital/revenue	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
+ Net PPE/revenue	0.3	0.9	0.7	0.8	0.7
+ Other assets/revenue)	0.1	0.2	0.2	0.2	0.2
= Capital turnover	5.0	1.1	1.4	1.1	1.3
Operating margin	59.4%	11.4%	32.2%	18.2%	17.4%
x Capital turnover	5.0	1.1	1.4	1.1	1.3
x (1 - tax rate)	86.6%	60.3%	78.6%	81.5%	80.0%
= After-tax ROIC	255.5%	7.3%	35.4%	16.9%	17.7%

Source: Company data, KGI Research estimates

Evergreen Marine – Recommendation & target price history



Date	Rating	Target	Price
2025-08-22	Underperform	169.0	190.5
2025-06-27	Underperform	169.0	205.5
2025-06-27	Underperform	168.2	205.5
2025-05-27	Neutral	255.0	253.0
2025-04-25	Neutral	222.0	204.5
2024-03-19	Neutral	180.0	177.0
2023-11-14	Neutral	125.0	114.0
2023-08-16	Neutral	121.0	104.0
2023-05-15	Neutral	158.0	152.5
2023-03-20	Neutral	158.0	162.0

Source: TEJ, KGI Research

All the above named KGI analyst(s) is SFC licensed person accredited to KGI Asia Ltd to carry on the relevant regulated activities. Each of them and/or his/her associate(s) does not have any financial interest in the respectively covered stock, issuer and/or new listing applicant.

Disclaimer

All the information contained in this report is not intended for use by persons or entities located in or residing in jurisdictions which restrict the distribution of this information by KGI Asia Limited ("KGI") or an affiliate of KGI. Such information shall not constitute investment advice, or an offer to sell, or an invitation, solicitation or recommendation to subscribe for or invest in any securities or investment products or services nor a distribution of information for any such purpose in any jurisdiction. In particular, the information herein is not for distribution and does not constitute an offer to sell or the solicitation of any offer to buy any securities in the United States of America, or to or for the benefit of United States persons (being residents of the United States of America or partnerships or corporations organised under the laws of the United States of America or any state, territory or possession thereof). All the information contained in this report is for general information and reference purpose only without taking into account of any particular investor's objectives, financial situation or needs. Such information is not intended to provide professional advice and should not be relied upon in that regard.

Some of KGI equity research and earnings estimates are available electronically on www.kgi.com.hk. Please contact your KGI representative for information. The information and opinions in this report are those of KGI internal research activity. KGI does not make any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this report. The information and opinions contained in this report are subject to change without any notice. No person accepts any liability whatsoever for any loss however arising from any use of this report or its contents. This report is not to be construed as an invitation or offer to buy or sell securities and/or to participate in any investment activity. This report is being supplied solely for informational purposes and may not be redistributed, reproduced or published (in whole or in part) by any means for any purpose without the prior written consent of KGI. Members of the KGI group and their affiliates may provide services to any companies and affiliates of such companies mentioned herein. Members of the KGI group, their affiliates and their directors, officers and employees may from time to time have a position in any securities mentioned herein.