

SM KOREA LINE

KOREA LINE CORPORATION



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The forecast includes, but is not limited to, projections and figures contained herein and is purely based on KOREA LINE CORPORATION's current market forecast and its own analysis of business surroundings.

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**COMPANY
STATUS**

- | | |
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**MANAGEMENT
STATUS**

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- 2) Dedicated Carrier Service Segment
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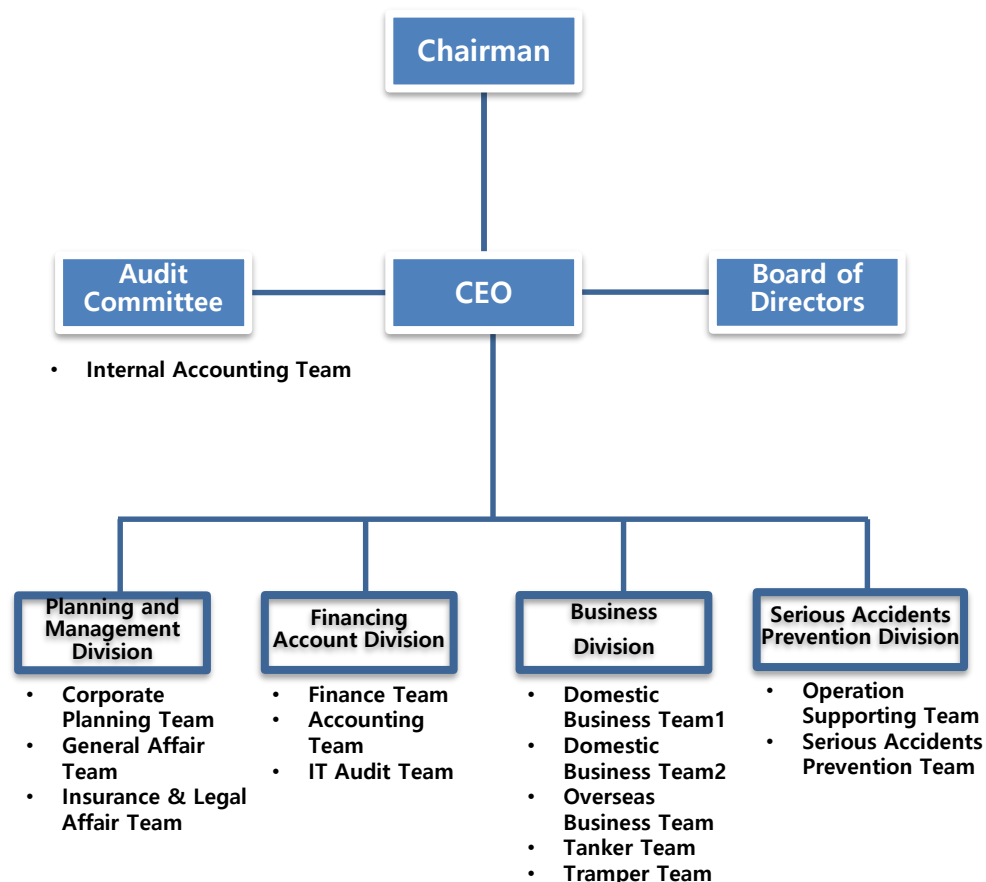
- 1) Dedicated Carrier Service Routes
- 2) Status of the fleet
- 3) Vessels to be delivered

1 – 1) Corporate Profile

Overview

Address	SM R&D Center #78 Magok Jungang8-ro, Gangseo-Gu, Seoul 07803, Republic of Korea (Tel) +82-2-3701-0114 (Fax) +82-2-733-1610	
Founded	12th Dec. 1968	
Services	KLC	Dedicated Carrier Service (Drybulk) Tramper (Drybulk)/ CAR (PCTC) Tanker Business (Crude Oil & Product Oil)
	KLC LNG	Dedicated Carrier Service (LNG) Bunkering (LNG)
*Assets	KRW 2,221.3bn (as of 31 December 2021) ※ Korea Line LNG : KRW 879.0bn	
*Sales	KRW 476.3bn (as of 31 December 2021) ※ Korea Line LNG : KRW 180.2bn	
Owned Fleet	KLC	33 Vessels / Total : 5,016,893 DWT (25 Bulkers, 3 Tankers, 4 VLCCs, 1 PCTC)
	KLC LNG	12 LNG Carriers / Total : 1,449,142 CBM
*Sales Distribution	Dedicated Carrier Service 87%, Tramper Service 12%, Etc 1%	

Organization



SM KOREA LINE

1 – 2) History

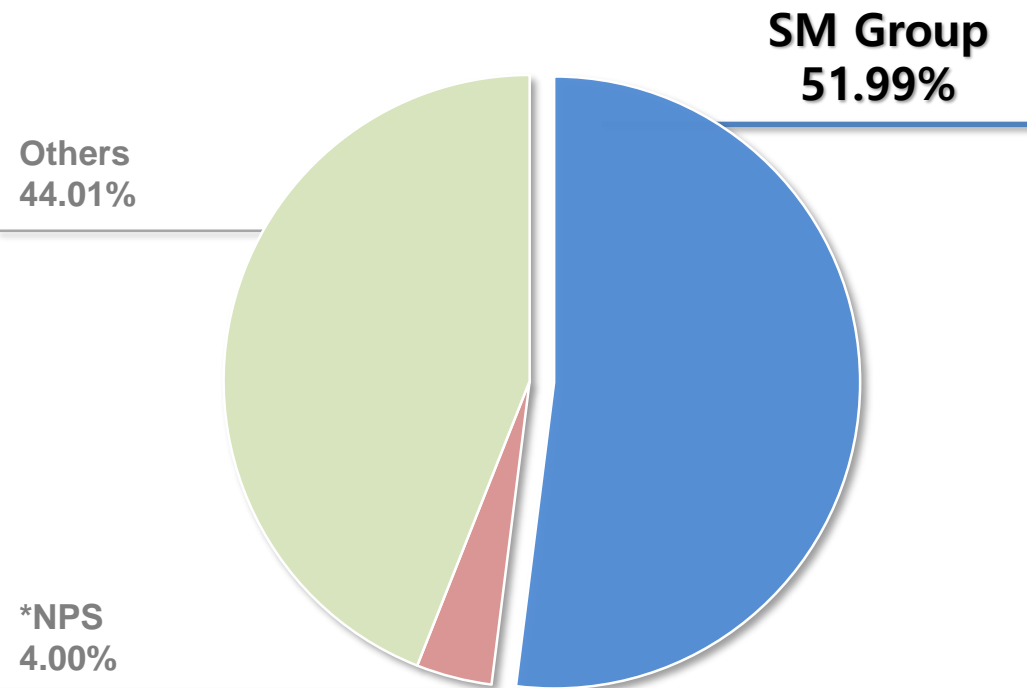
- 1968 Established KOREA LINE CORPORATION
- 1976 Initiated dedicated carrier service in Korea with commencement of POSCO COA
- 1992 Listed on the Korea Stock Exchange
- 1994 Commenced dedicated carrier services for KEPCO
- 2000 Commenced dedicated carrier services for KOGAS
- 2010 Commenced dedicated carrier services for HYUNDAI GLOVIS
- 2013 Joined SM Group
- 2016 Incorporated KOREA SHIPPING CORPORATION
Commenced dedicated carrier services for SNNC
- 2019 Signed long-term time contract with Shell
Commenced CVC for S-OIL, GS CALTEX
- 2020 Korea Line LNG launched by spin-off
Commenced dedicated carrier services for VALE
Signed long-term time contract with Shell
- 2021 *Signed long-term time contract with LNG bunkering supplier in Asia
Capital increase by issuing new stocks (KRW 186.5 bn)
- 2022 *Commenced LNG bunkering service for Shell



1 – 3) Shareholders

Main Shareholders

(as of 31 December 2021)



SM Group	
Name	SM
Group CEO	Woo Oh Hyun
Foundation	8th Jan. 1988
Main Business	Shipping industry, Manufacturing, Construction, Media · Service, Leisure
Main Affiliates	1) Shipping industry : KLC, KSC, SM LINE, etc 2) Manufacturing : TK Chemical, BEXEL, Namsun Aluminum, etc 3) Construction : Kyungnam enterprises, Woobang, etc 4) Media · Service : SM Hiplus, etc 5) Leisure : Hotel Tops10, Oxfield, etc
Homepage	www.smgroup.co.kr

1 – 4) Owned Fleet List

SM KOREA LINE

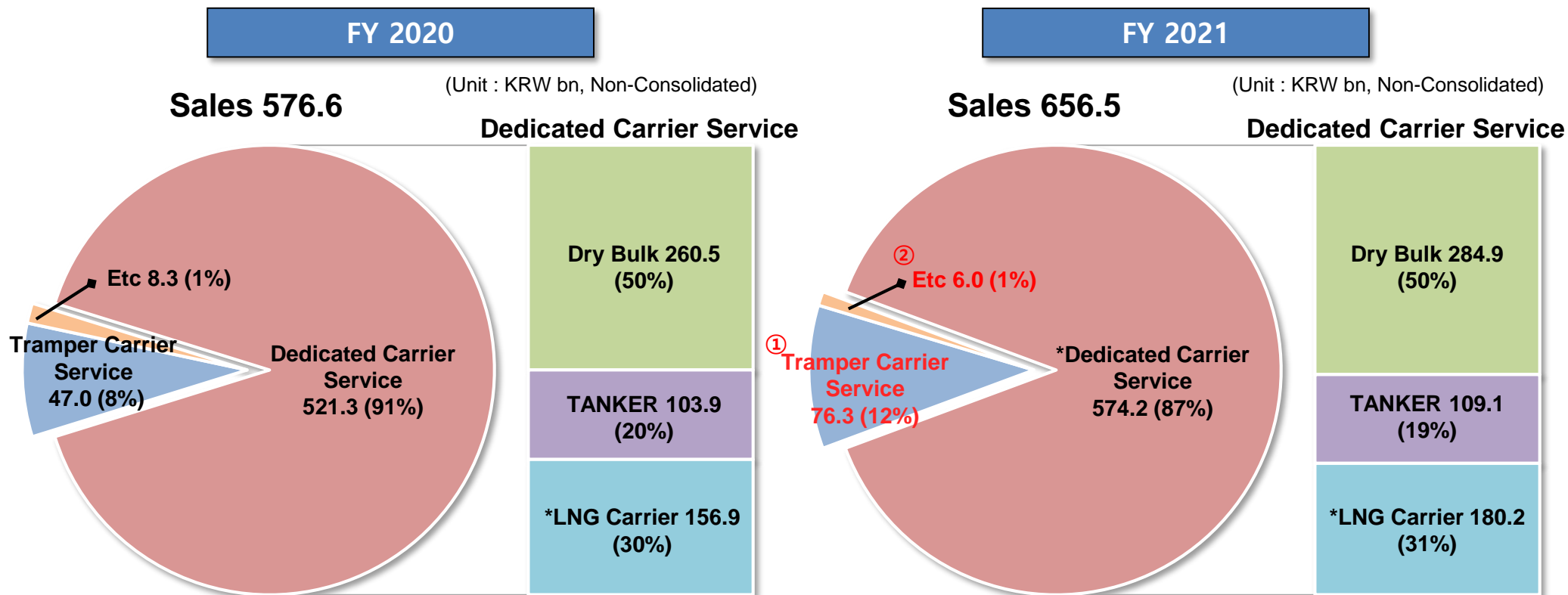
· Total : 45 vessels (KLC 33 vessels, 5,016,893 DWT / KL LNG 12 vessels, 1,449,142 CBM)

(as of 31 December 2021)

Categories		VESSEL NAME	BUILT	DWT	
DEDICATED CARRIERS	POSCO (ORE, COAL)	SM PUMA	2016	206,938	1,362,153
		SM DRAGON	2016	206,938	
		SM LION	2016	206,938	
		SM TIGER	2015	180,784	
		K. DAPHNE	2009	180,786	
		K. ASTER	2009	207,942	
		WHITE ROSE	2006	171,827	
	KEPCO (COAL)	SM HARMONY2	2020	80,895	702,491
		ROSEMARY	2010	179,742	
		SM CHALLENGER	2010	93,273	
		SM VISION	2008	176,838	
		ADONIS	2006	171,743	
	GLOVIS (COAL, PCTC)	LAVENDER	2010	179,874	193,182
		K.ASIAN BEAUTY	1994	13,308	
	SNNC (NICKEL)	SM EMERALD	2016	63,800	127,600
		SM DIAMOND	2016	63,800	
	VALE (ORE)	SM GEMINI2	2020	324,972	649,944
		SM GEMINI1	2020	324,972	
	GS DEP (COAL)	SM DONGHAE2	2002	72,790	148,848
		SM DONGHAE	2001	76,058	
	S-OIL (OIL)	SM WHITEWHALE2	2019	300,758	601,516
		SM WHITEWHALE1	2019	300,758	
	GS CALTEX (OIL)	SM VENUS2	2020	299,696	599,392
		SM VENUS1	2019	299,696	
24 Vessels					4,385,126

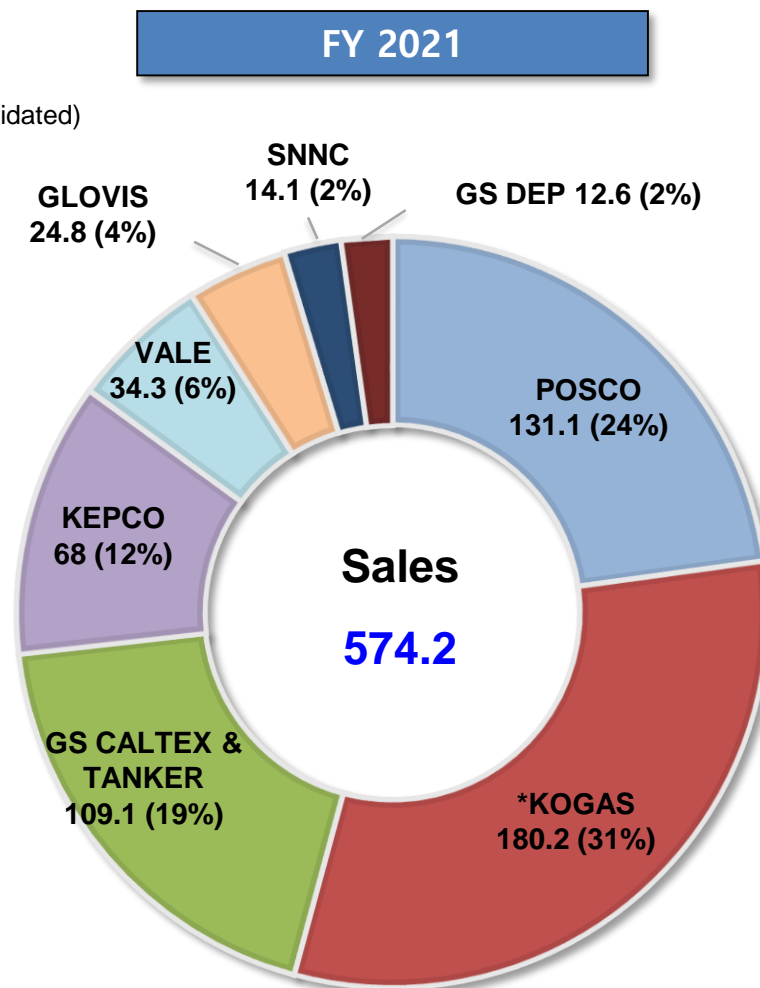
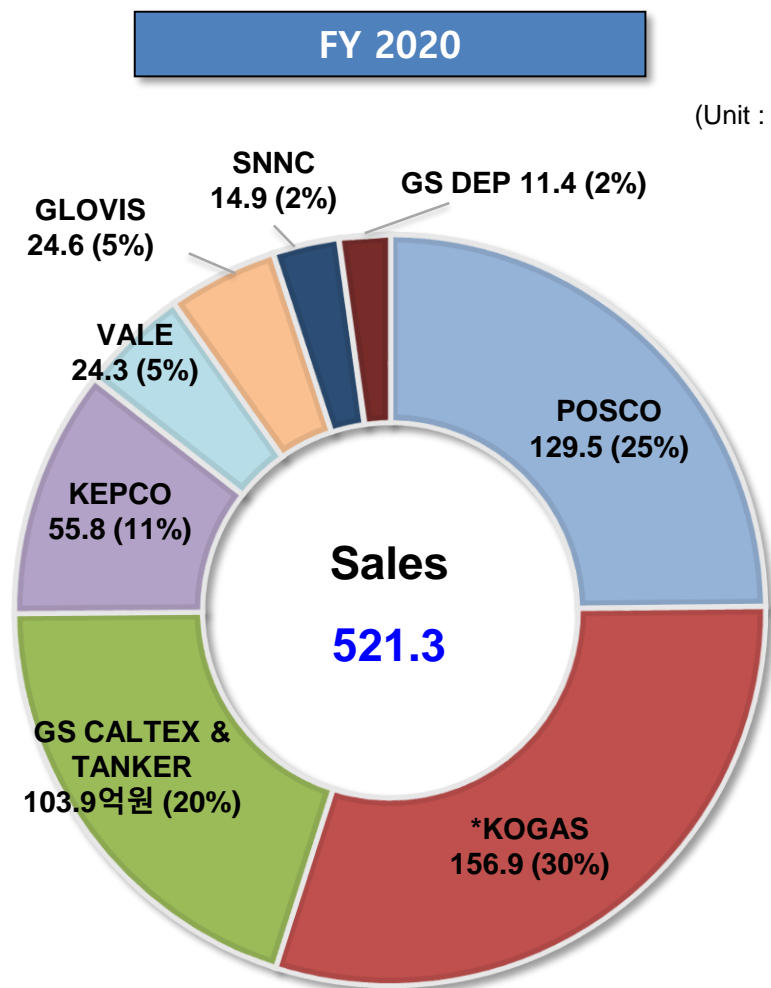
Categories		VESSEL NAME	BUILT	DWT	
TANKER	PRODUCT	SM OSPREY	2017	50,035	150,428
		SM FALCON	2017	50,017	
		SM NAVIGATOR	2008	50,376	
TRAMPER	DRY BULK	SM HARMONY1	2020	80,895	481,339
		GLOBAL BRAVE	2010	57,317	
		GLOBAL FRONTIER	2010	57,295	
		GLOBAL GENESIS	2010	57,338	
		GLOBAL HOPE	2010	57,295	
		OKRA	1999	171,199	
9 Vessels					631,767
Categories		VESSEL NAME	BUILT	CBM	
Korea Line LNG	LNG	SM JEJU LNG2	2020	7,654	1,449,142
		SM JEJU LNG1	2019	7,654	
		SM EAGLE	2017	174,263	
		SM SEAHAWK	2017	174,148	
		K. JASMINE	2008	145,878	
		K. MUGUNGHWA	2008	151,500	
		K. ACACIA	2000	138,017	
		K. FREESIA	2000	138,015	
		*H. GREENPIA	1996	127,137	
		*HL PYEONGTAEK	1995	130,636	
		*H. UTOPIA	1994	127,102	
		*YK. SOVEREIGN	1994	127,138	
12 Vessels					1,449,142

2 – 1) Business Segment



- ① Increase in sales due to the deployment of new vessels and strong bulk shipping market condition.
(The annual average Baltic Dry Index(BDI): 1,066 points (FY 2020) → 2,934 points (FY 2021))
- ② Sales from real estate rental business, etc.

2 – 2) Dedicated Carrier Service Segment

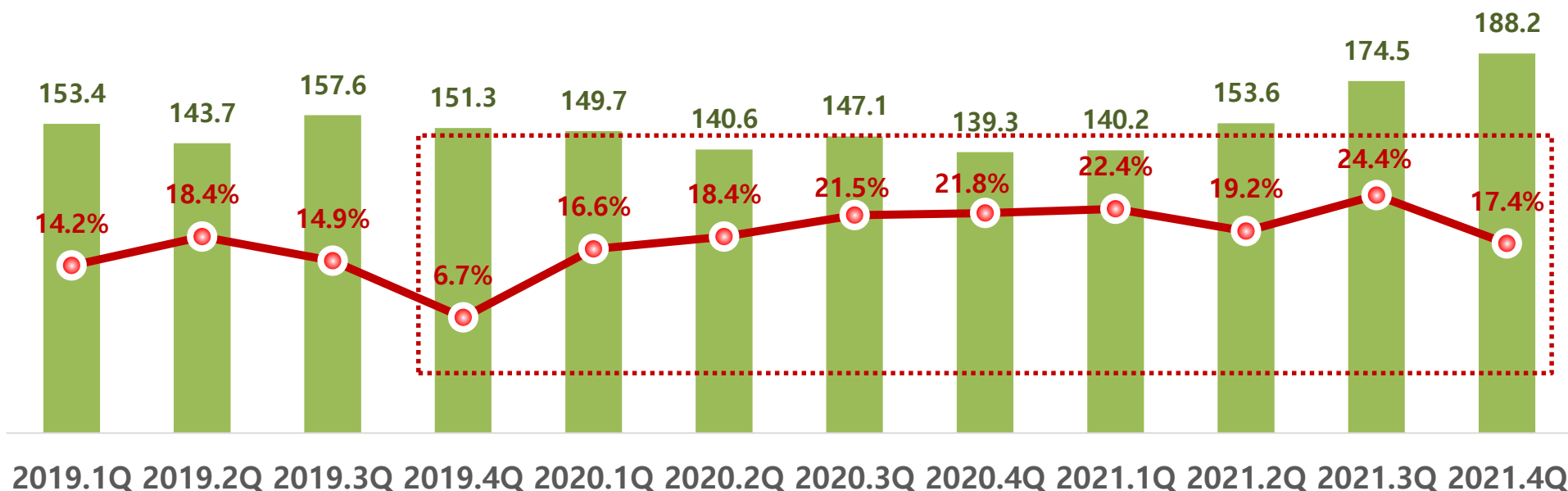


2 – 3) Business Performance

Operating Margin

(Unit : KRW bn, Non-Consolidated)

■ Sales ● Op. Margin



- ✓ Sales declined due to the business portfolio reorganization, but the effect of improving profitability continued
- ✓ '19.4Q : Temporary retrospective impact of the change in accounting standards for dedicated carrier transportation contracts (IFRS 16)
- ✓ '21.2Q / '21.4Q : Temporary decrease in operating margin due to the ship dry dock repair

2 – 4) Major Financial Ratio

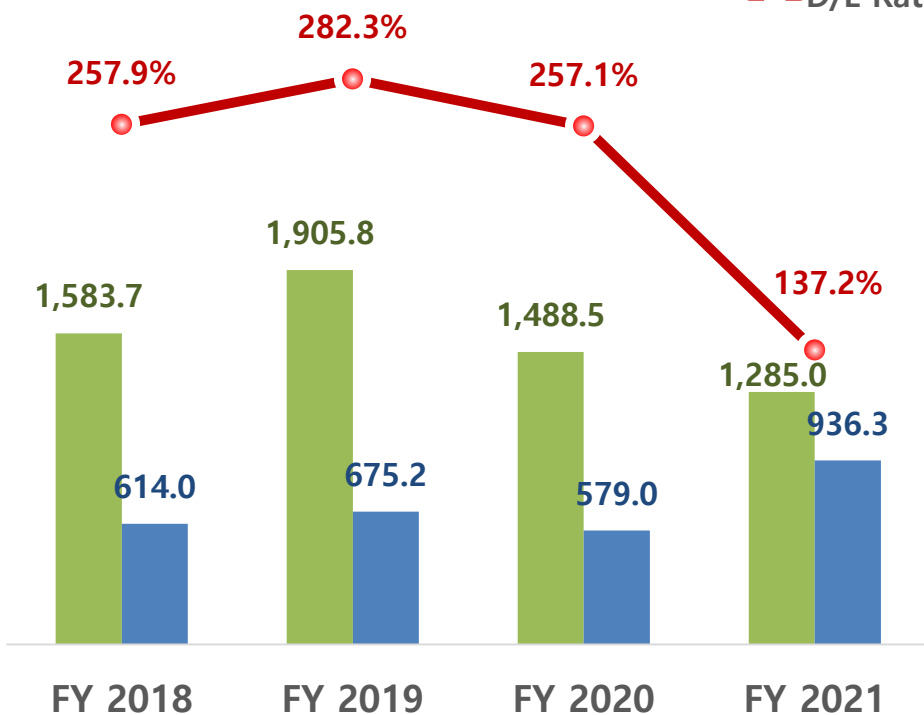
Debt to Equity Ratio

(Unit : KRW bn, Non-Consolidated)

■ Liabilities

■ Equity

● D/E Ratio



*Capital increase
(KRW 186.5bn)

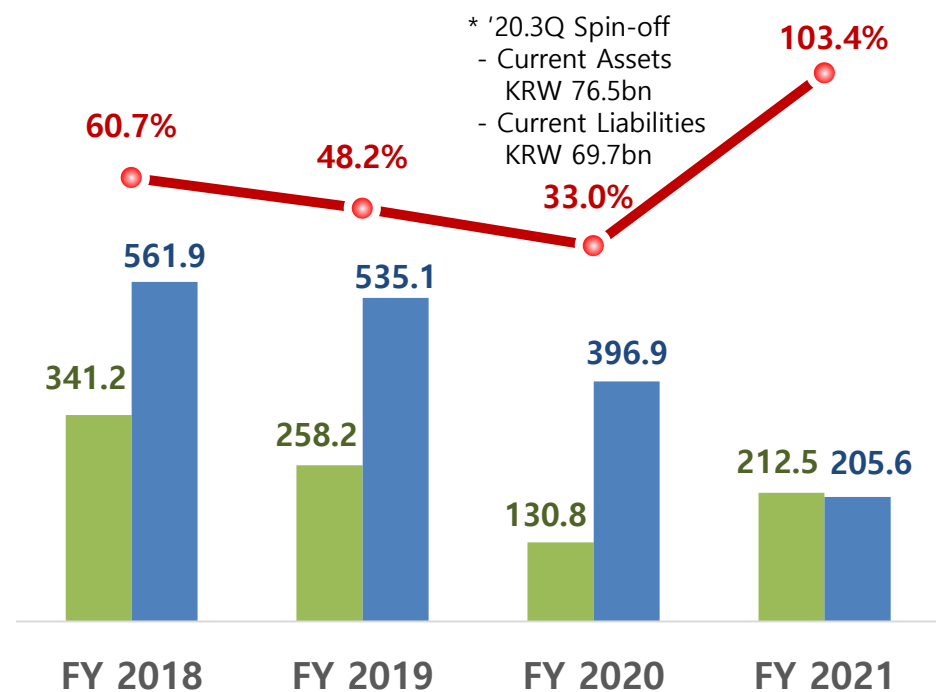
Current Ratio

(Unit : KRW bn, Non-Consolidated)

■ Current Assets

■ Current Liabilities

● Current Ratio



* '20.3Q Spin-off
- Current Assets
KRW 76.5bn
- Current Liabilities
KRW 69.7bn

*4 vessels ordered
(KRW 372.0bn)

*3 vessels ordered
(KRW 481.5bn)

*2 vessels ordered
(KRW 440.0bn)

*Capital increase
(KRW 186.5bn)

2 – 5) Financial Statement Summary

KLC Financial Statement

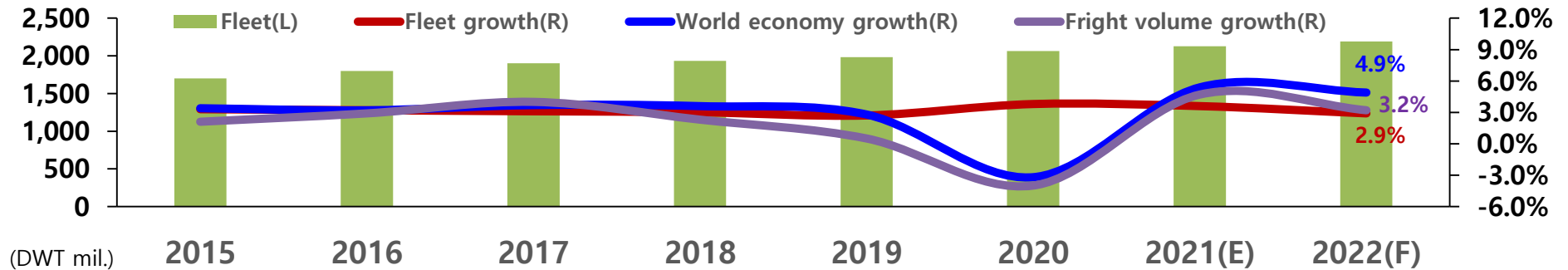
(Unit : KRW mil., Non-Consolidated)

	2021	2020	2019
Sales	476,313 (180,153)	500,046 (76,607)	605,936
Operating Profit	105,033 (30,618)	95,696 (17,027)	81,887
Net Profit	107,948 (23,473)	-41,871 (9,152)	46,486
	2021	2020	2019
Assets	2,221,277 (879,023)	2,067,514 (673,035)	2,580,992
Liabilities	1,285,014 (711,009)	1,488,472 (539,795)	1,905,789
Equity	936,263 (168,014)	579,042 (133,240)	675,203
Issued Capital	159,589 (100,000)	122,136 (100,000)	122,132
Equity/Assets (%)	42% (19%)	28% (20%)	26%

2 – 6) FY 2022 Market Forecast and Strategies

SM KOREA LINE

Market Outlook



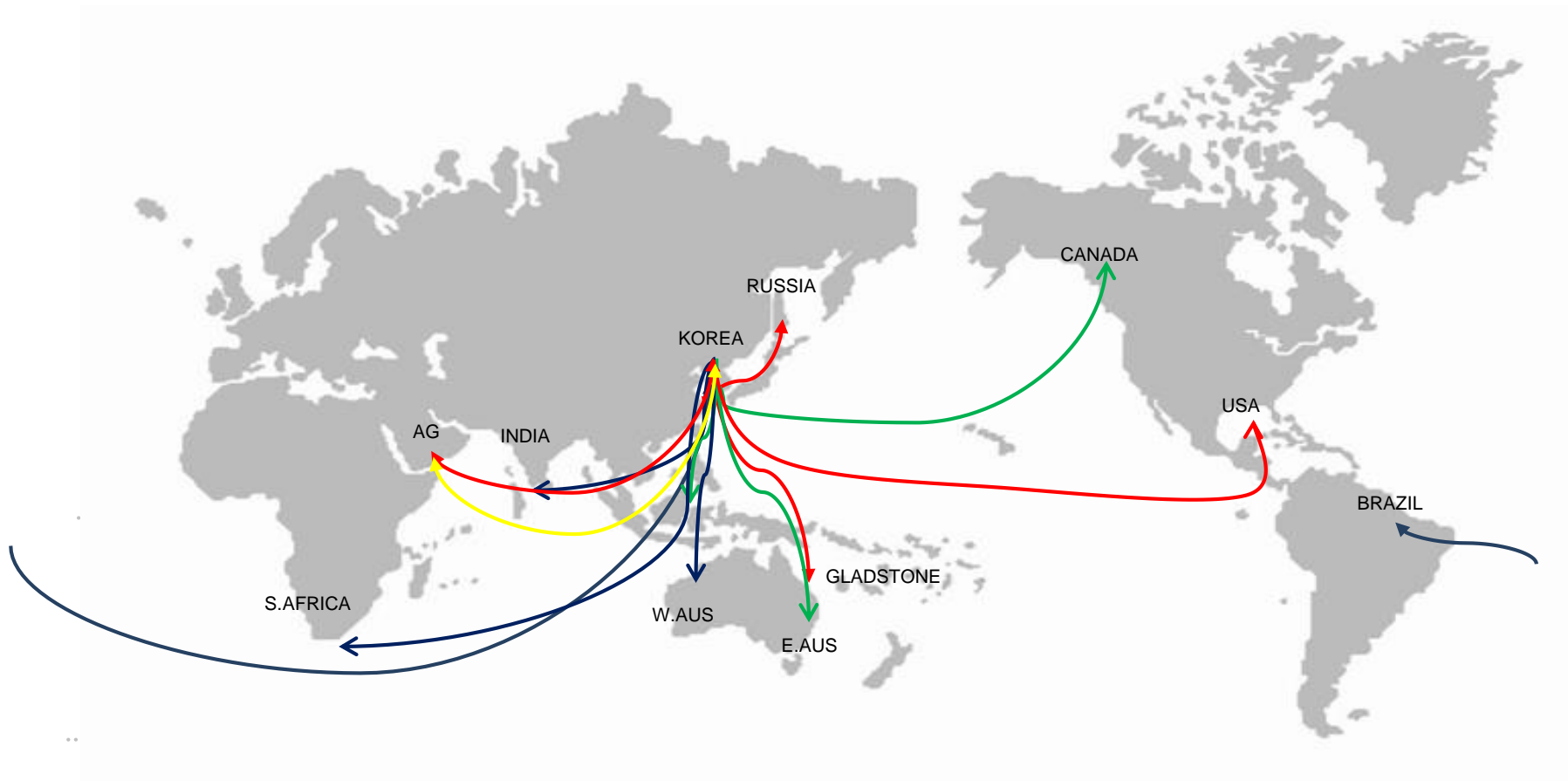
(Source : Clarksons, IMF, KDB Bank)

- ✓ In 2022, Normalization of economic activities and positive supply and demand prospects in shipping market are expected to continue the recovery trend
- ✓ Dry Bulk: Fares are expected to strengthen due to increased global uncertainties such as Russia-Ukraine issues
- ✓ Tanker: Expected to recover due to increased demand for crude oil and product
- ✓ LNG: As IMO environmental regulations are tightened and LNG supply projects are in full swing, LNG ship orders and cargo volume are expected to increase

Strategies

- ✓ Maximization of profitability: Efforts for efficient operation through flexible fleet operation according to market conditions and minimization of empty vessel navigation
- ✓ Expansion of non-financial performance: Prevention of serious accidents and reinforcement of ESG management by improving ship safety management

3 – 1) Dedicated Carrier Service Routes



BLUE ROUTE	ORE
GREEN ROUTE	COAL
RED ROUTE	*LNG
YELLOW ROUTE	OIL

3 – 2) KLC Dedicated Carriers

□ POSCO

● 7 Vessels / 1,362,153 DWT



SM TIGER(2015)



K.ASTER(2009)

VESSEL NAME	CARGO	DWT	BUILT
SM PUMA	ORE / COAL	206,938	2016
SM DRAGON	ORE / COAL	206,938	2016
SM LION	ORE / COAL	206,938	2016
SM TIGER	ORE / COAL	180,784	2015
K. DAPHNE	ORE / COAL	180,786	2009
K. ASTER	ORE / COAL	207,942	2009
WHITE ROSE	ORE / COAL	171,827	2006

3 – 2) KLC Dedicated Carriers

□ KEPCO



ROSEMARY(2010)

- 5 Vessels / 702,491 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM HARMONY2	COAL	80,895	2020
ROSEMARY	COAL	179,742	2010
SM CHALLENGER	COAL	93,273	2010
SM VISION	COAL	176,838	2008
ADONIS	COAL	171,743	2006

□ HYUNDAI GLOVIS



LAVENDER(2010)

- 2 Vessles / 193,182 DWT

VESSEL NAME	CARGO	DWT	BUILT
LAVENDER	ORE / COAL	179,874	2010
K.ASIAN BEAUTY	CAR / TRUCK	4,300 / CEU	1994

3 – 2) KLC Dedicated Carriers

□ SNNC



SM EMERALD (2016)

- 2 Vessels / 127,600 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM EMERALD	NICKEL	63,800	2016
SM DIAMOND	NICKEL	63,800	2016

□ GS DEP



SM DONGHAE (2001)

- 2 Vessels / 148,848 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM DONGHAE2	COAL	72,790	2002
SM DONGHAE	COAL	76,058	2001

3 – 2) KLC Dedicated Carriers

□ GS CALTEX



SM VENUS1(2019)

- 2 Vessels / 599,392 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM VENUS2	OIL	299,696	2020
SM VENUS1	OIL	299,696	2019

□ S-OIL



SM WHITEWHALE2(2019)

- 2 Vessels / 601,516 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM WHITEWHALE2	OIL	300,758	2019
SM WHITEWHALE1	OIL	300,758	2019

3 – 2) KLC Dedicated Carriers

☐ Vale



SM GEMINI1(2020)

- 2 Vessels / 649,944 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM GEMINI2	ORE	324,972	2020
SM GEMINI1	ORE	324,972	2020

☐ Tanker



SM OSPREY(2017)

- 3 Vessels / 150,428 DWT

VESSEL NAME	CARGO	DWT	BUILT
SM OSPREY	PRODUCT	50,035	2017
SM FALCON	PRODUCT	50,017	2017
SM NAVIGATOR	PRODUCT	50,376	2008

3 – 2) KLC Trumper Carriers

□ DRY BULK

● 6 Vessels / 481,339 DWT



SM HARMONY1(2020)



GLOBAL FRONTIER(2010)

VESSEL NAME	CARGO	DWT	BUILT
SM HARMONY1	COAL	80,895	2020
GLOBAL BRAVE	STEEL	57,317	2010
GLOBAL FRONTIER	SULPHUR	57,295	2010
GLOBAL GENESIS	METCOKE	57,338	2010
GLOBAL HOPE	STEEL	57,295	2010
OKRA	COAL	171,199	1999

3 – 2) Korea Line LNG Dedicated Carriers

□ KOGAS

● 12 Vessels / 1,449,142 CBM



SM JEJU LNG1(2019)



SM EAGLE(2017)

VESSEL NAME	CARGO	CBM	BUILT
SM JEJU LNG2	LNG	7,654	2020
SM JEJU LNG1	LNG	7,654	2019
SM EAGLE	LNG	174,263	2017
SM SEAHAWK	LNG	174,148	2017
K.JASMINE	LNG	145,878	2008
K.MUGUNGWHA	LNG	151,500	2008
K.ACACIA	LNG	138,017	2000
K.FREESIA	LNG	138,015	2000
* H.GREENPIA	LNG	127,137	1996
* HL PYEONGTAEK	LNG	130,636	1995
* H.UTOPIA	LNG	127,102	1994
* YK.SOVEREIGN	LNG	127,138	1994

3 – 3) Vessels to be delivered (Korea Line LNG)

□ Total : 6 vessels, 732,000 CBM

(as of 31 December 2021)

No	Charterer	Type	Size(CBM)	Delivery	Shipyard
1	Shell	*LNG Bunkering Vessel	18,000	Mar. '22	HYUNDAI MIPO DOCKYARD
2		LNG Carrier	174,000	'22.3Q	HYUNDAI HEAVY INDUSTRIES
3			174,000	'22.4Q	HYUNDAI HEAVY INDUSTRIES
4			174,000	'23.3Q	HYUNDAI HEAVY INDUSTRIES
5			174,000	'23.4Q	HYUNDAI HEAVY INDUSTRIES
6	Charterer in Asia	LNG Bunkering Vessel	18,000	'23.1Q	HYUNDAI MIPO DOCKYARD
TOTAL			732,000		