PORTS, CONTAINER SHIPPING & SHIPBUILDING – A GLOBAL REVIEW

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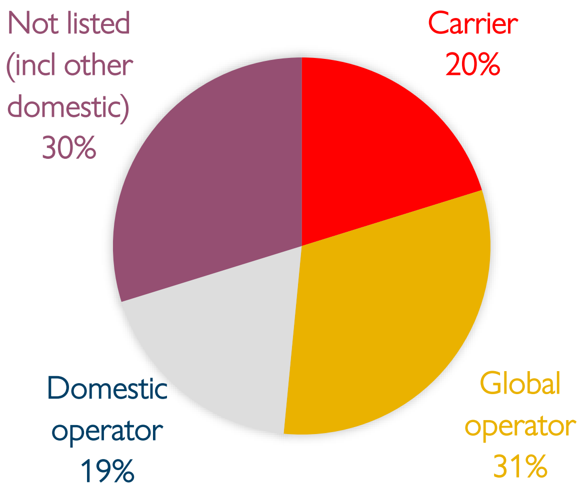
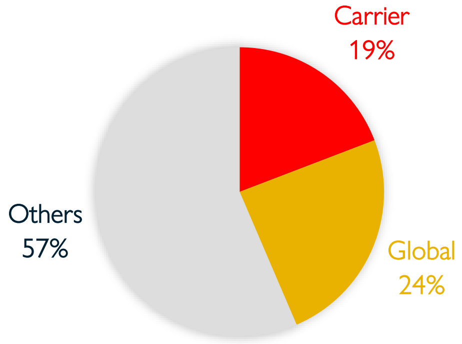
Global Port Operators – Competitive Landscape is shifting

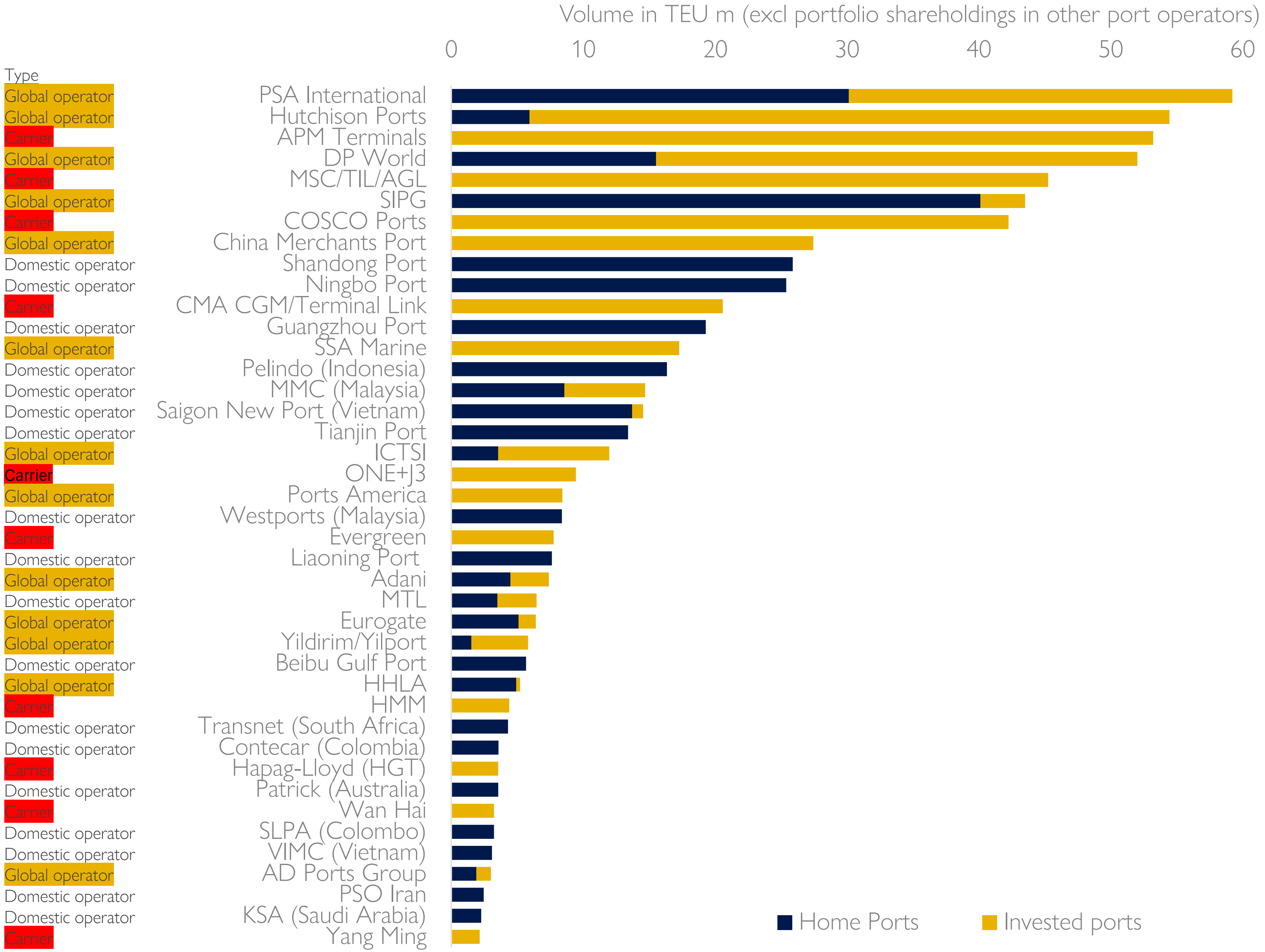
2024 Breakdown
by Operator type



2005 Breakdown
by Operator type



Global Port Operators : Ranked by 2024 Equity throughput



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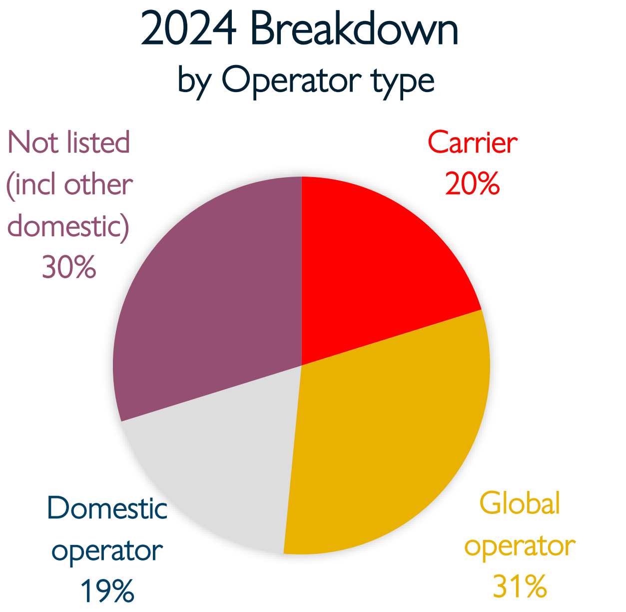
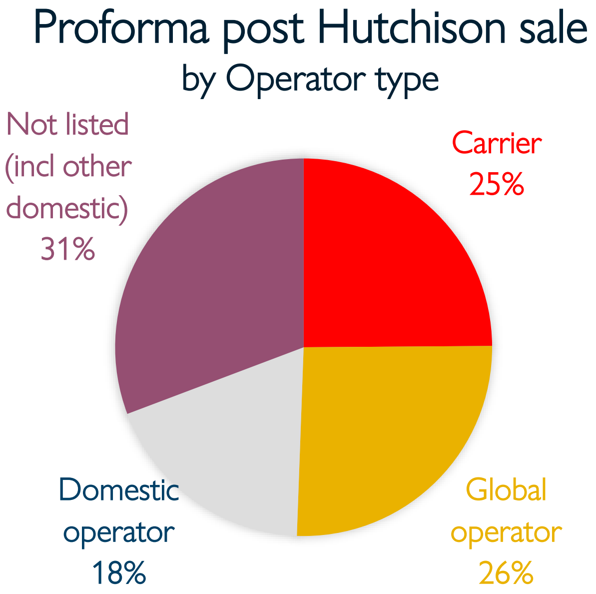
Carriers' share of terminals will rise in next 5 years





- Carriers' share set to grow
  - Lack of balance sheet strength prior to 2020 replaced by surplus cash positions
  - Continuation of MSC's rapid growth from terminals acquisitions (Bollore/HLLA/Wilson Sons) and greenfield investments
  - MSC/Blackrock acquisition of Hutchison Ports will raise carriers share to 25%

- Global operators share will continue to shrink
  - Slower growth in number of local operators transforming into global players
    - China Merchants/SIPG/Adani/Yildirim/AD Ports
  - Port authorities' preference for carrier partners for terminal JVs vs terminal operators as carriers are able to bring
    - Capital
    - Operating expertise
    - Captive container volumes

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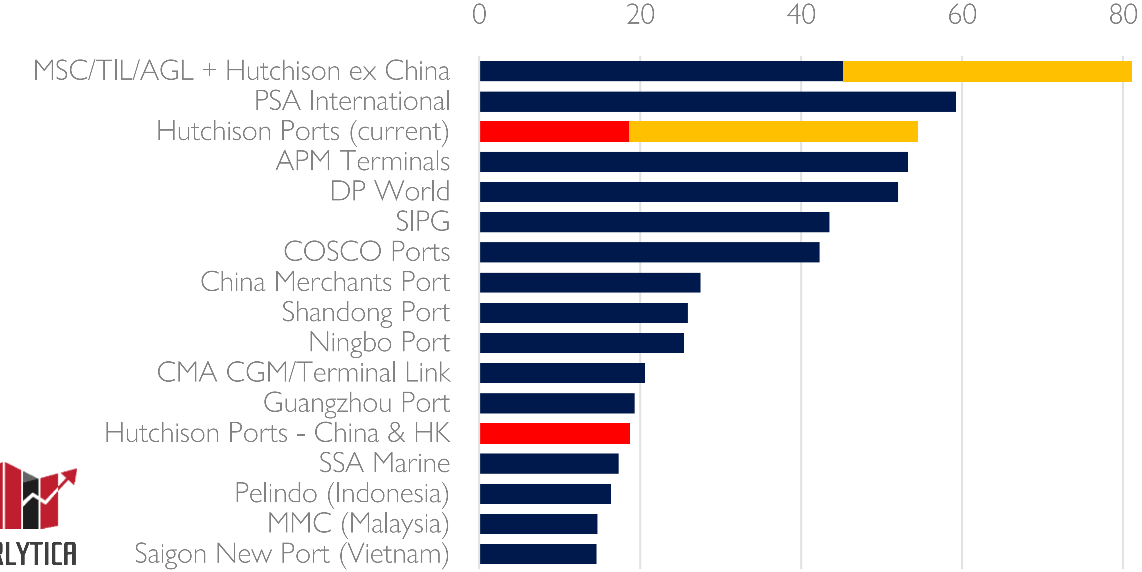
MSC domination complete with Hutchison Ports acquisition

Global Port Operators : Ranked by Proforma 2024 Equity throughput

Volume in TEU m (excl portfolio shareholdings in other port operators)



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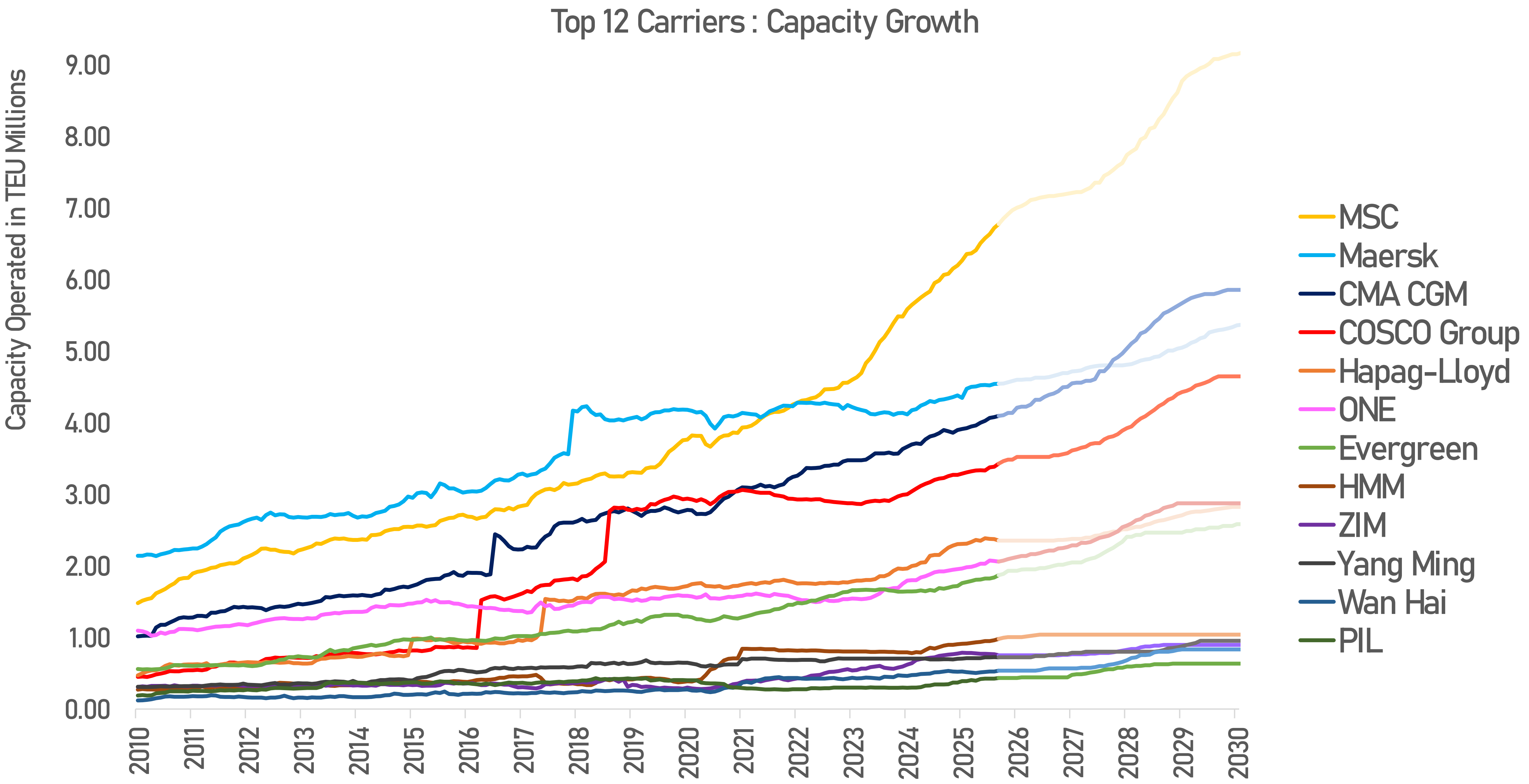
Carriers capacity arms race is underway



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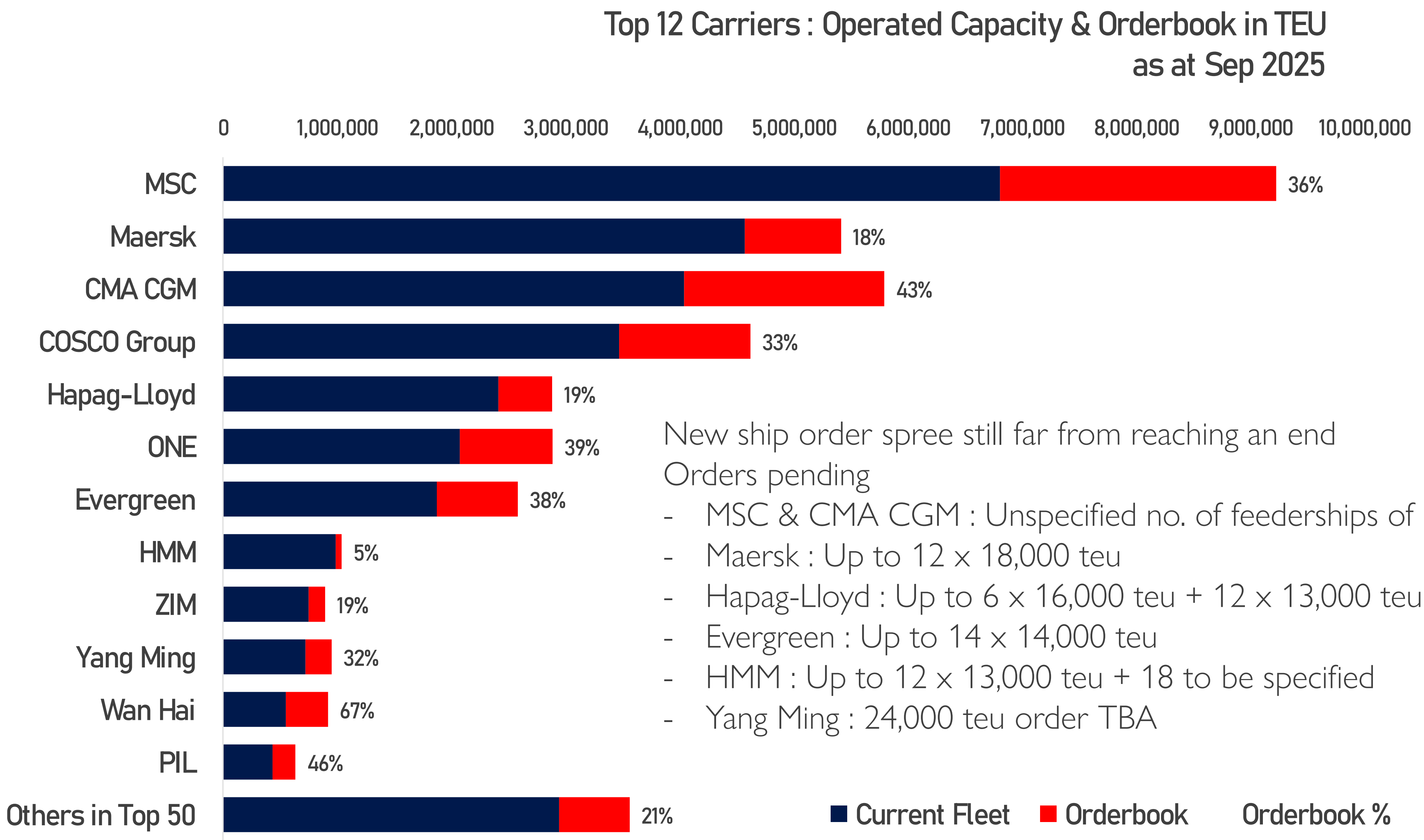
Top 12 Carriers still chasing capacity growth



New ship order spree still far from reaching an end

Orders pending

- MSC & CMA CGM : Unspecified no. of feederships of 1,000-5,000 teu
- Maersk : Up to 12 x 18,000 teu
- Hapag-Lloyd : Up to 6 x 16,000 teu + 12 x 13,000 teu
- Evergreen : Up to 14 x 14,000 teu
- HMM : Up to 12 x 13,000 teu + 18 to be specified
- Yang Ming : 24,000 teu order TBA

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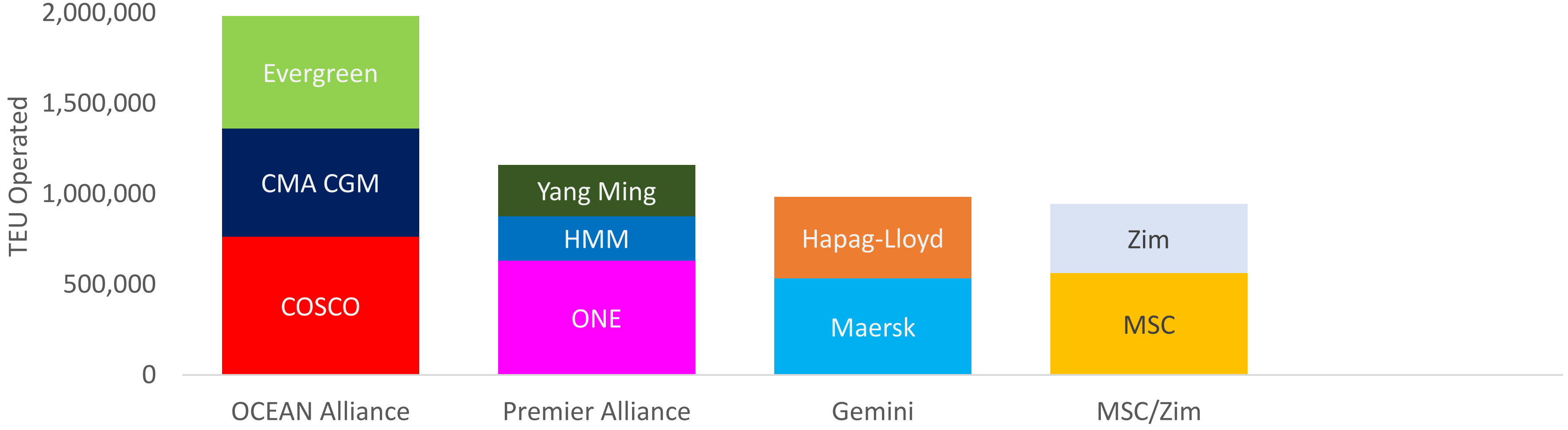
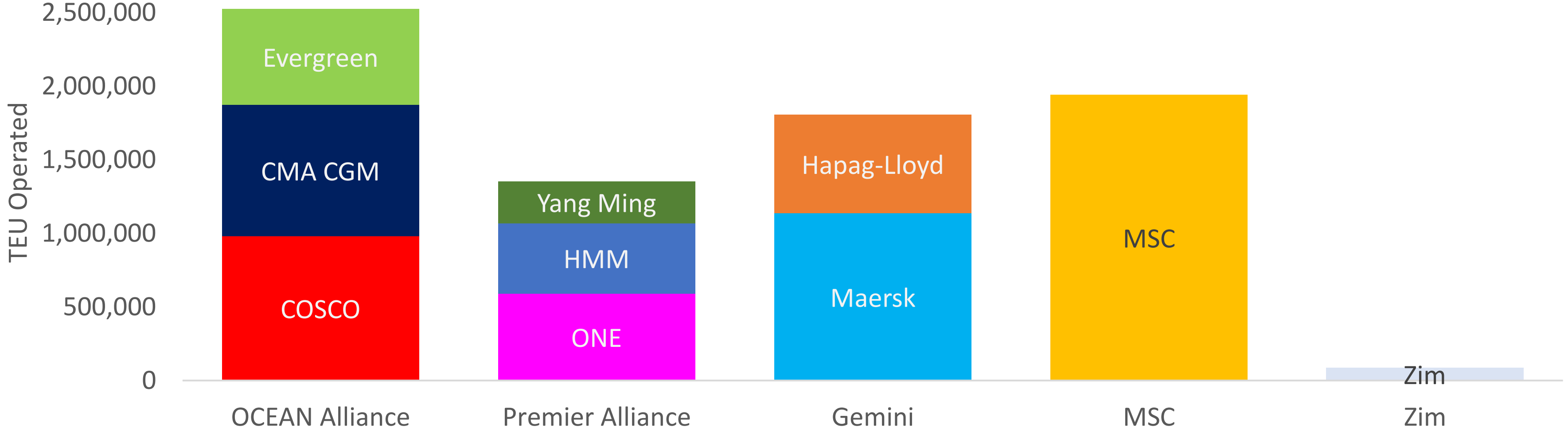
4 Main Alliances in competition for Market share

Transpacific Capacity Deployed by Alliance



Weekly calls at Busan	7	6	7	5

Asia-Europe Capacity Deployed by Alliance



Weekly calls at Busan	2	2	0	4	1

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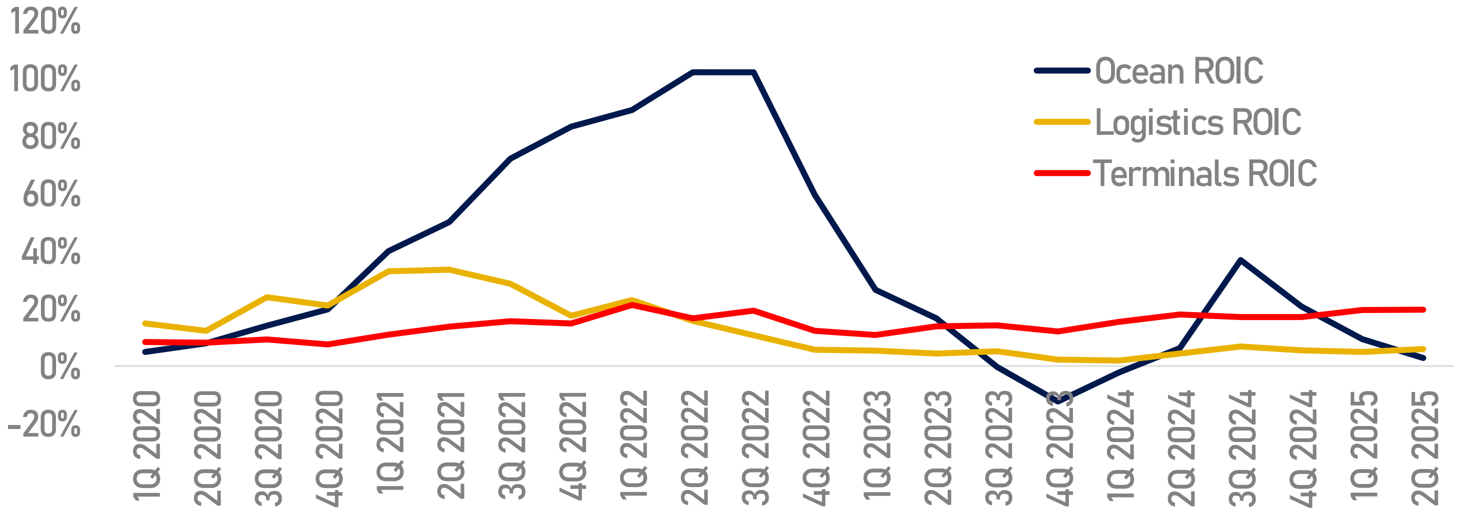
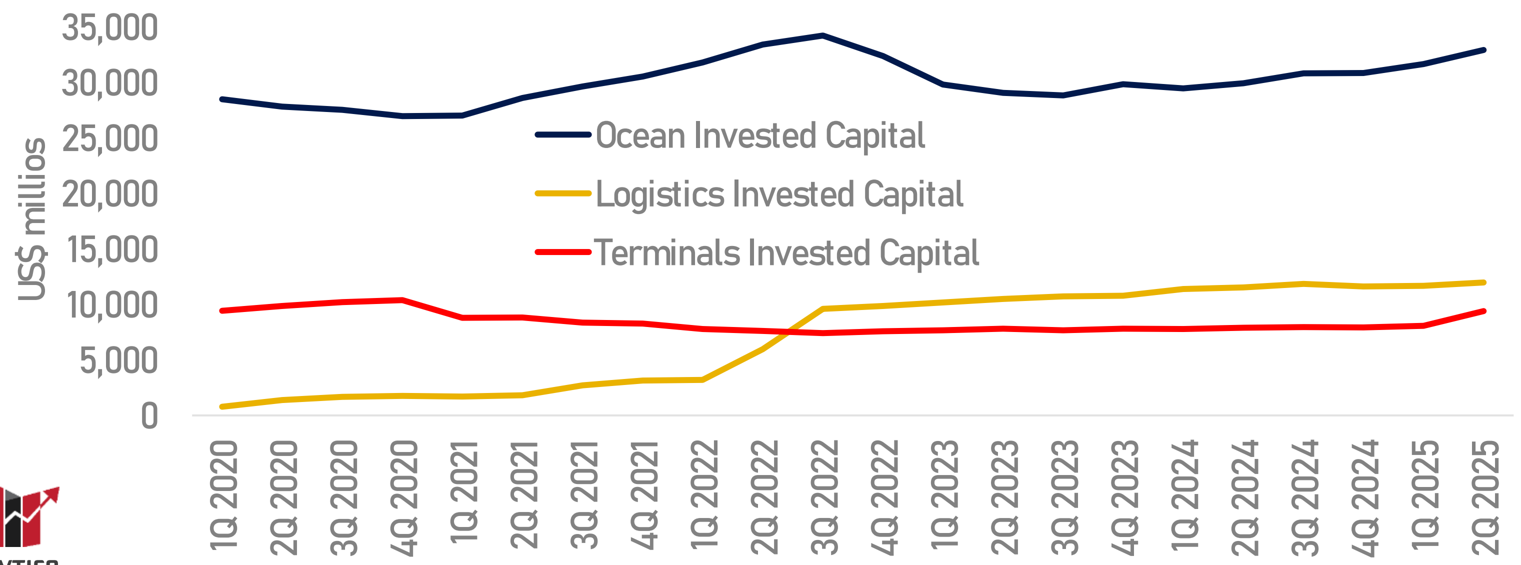
Terminals – steady returns more attractive than logistics

Maersk annualised ROIC by business segment



Maersk Invested Capital by business segment



Has MAERSK misplaced its priorities?

- Failed to grow Liner business during largest bull run in industry's history
- Lost No.1 position and now trailing MSC by 1/3
- Invested >$10bn in logistics business that does not even cover cost of capital
- Decreased investment in terminals business that generates the most consistent positive returns

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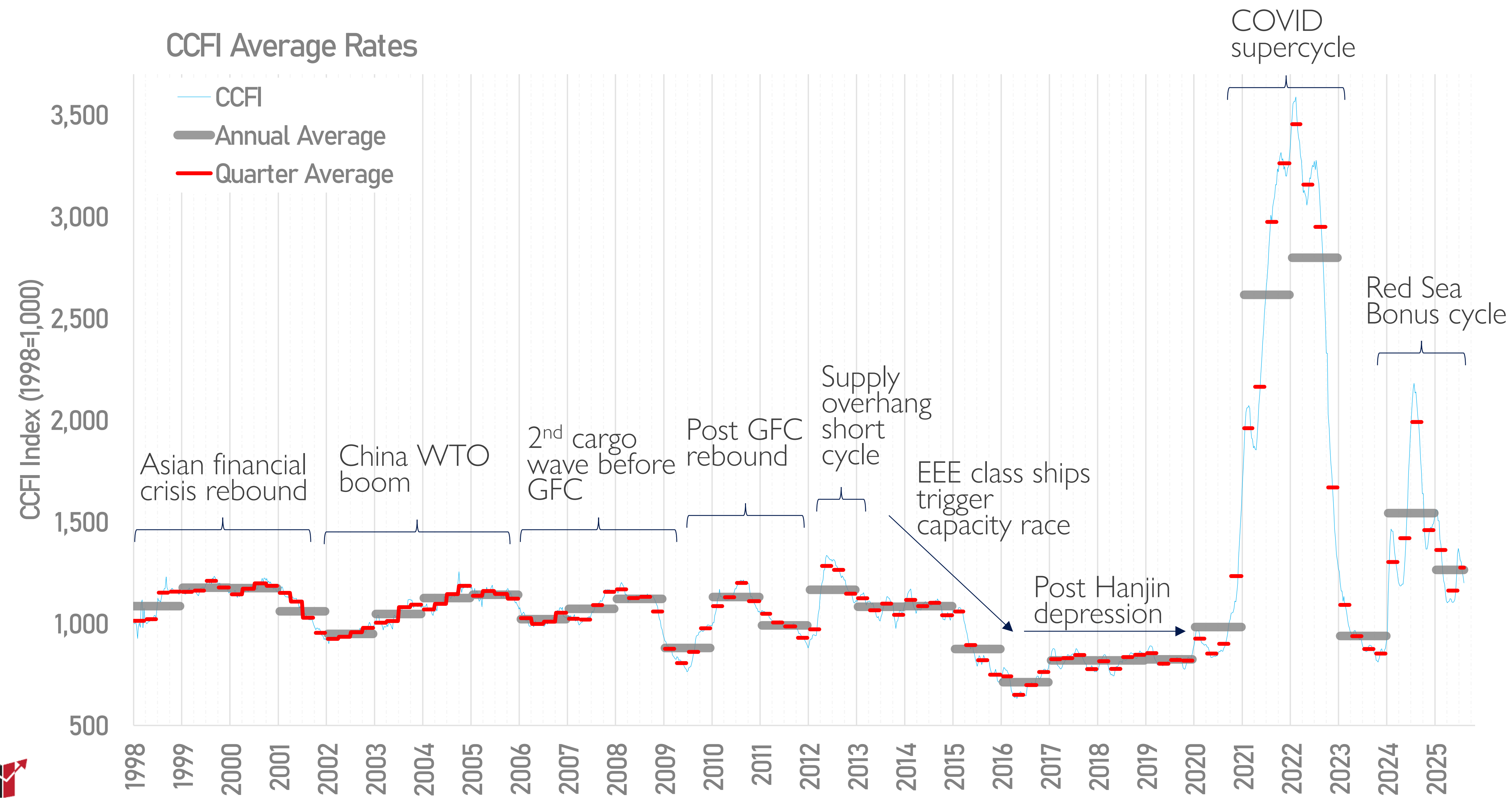
Container shipping in an unprecedented super-cycle



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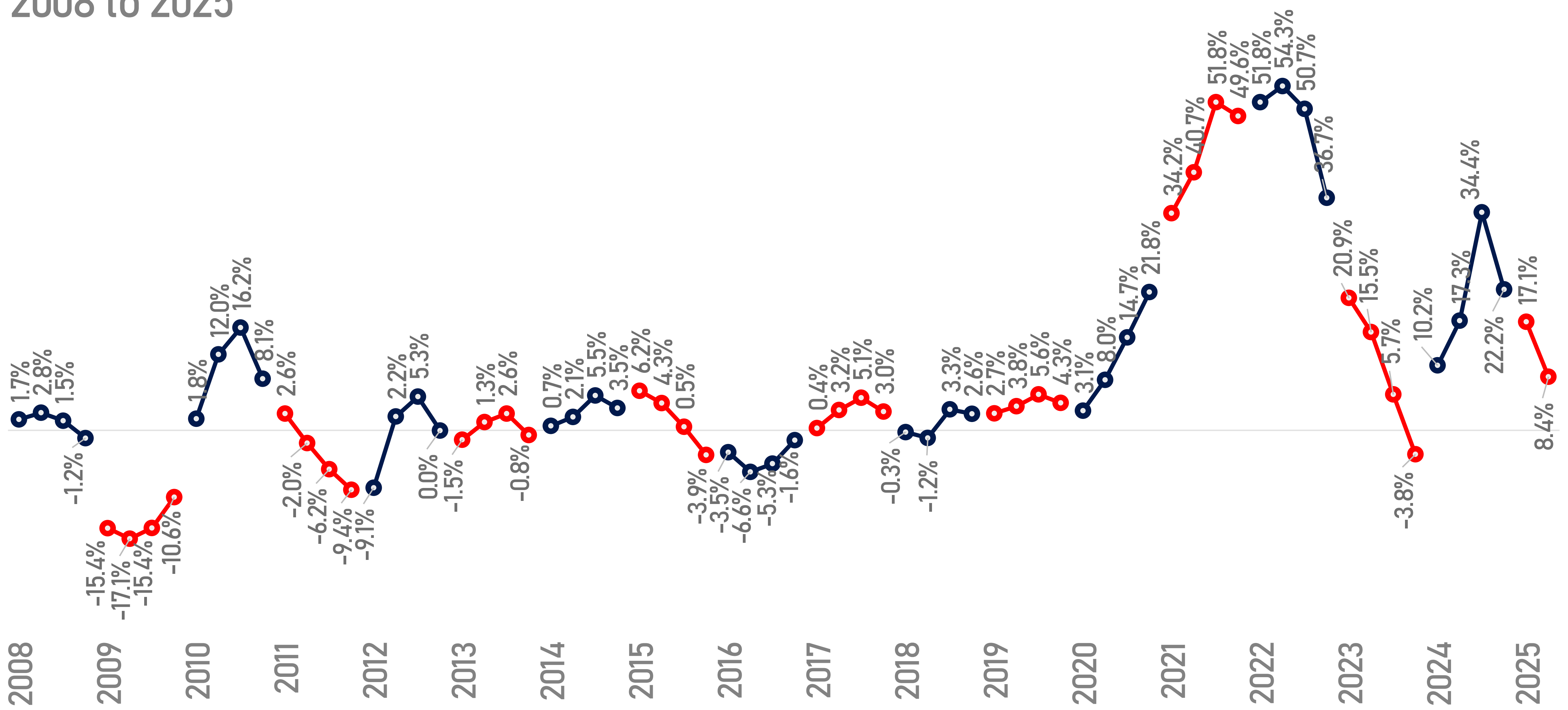
Windfall liner earnings set to normalise

Container carriers' aggregated EBIT margin by quarter 2008 to 2025



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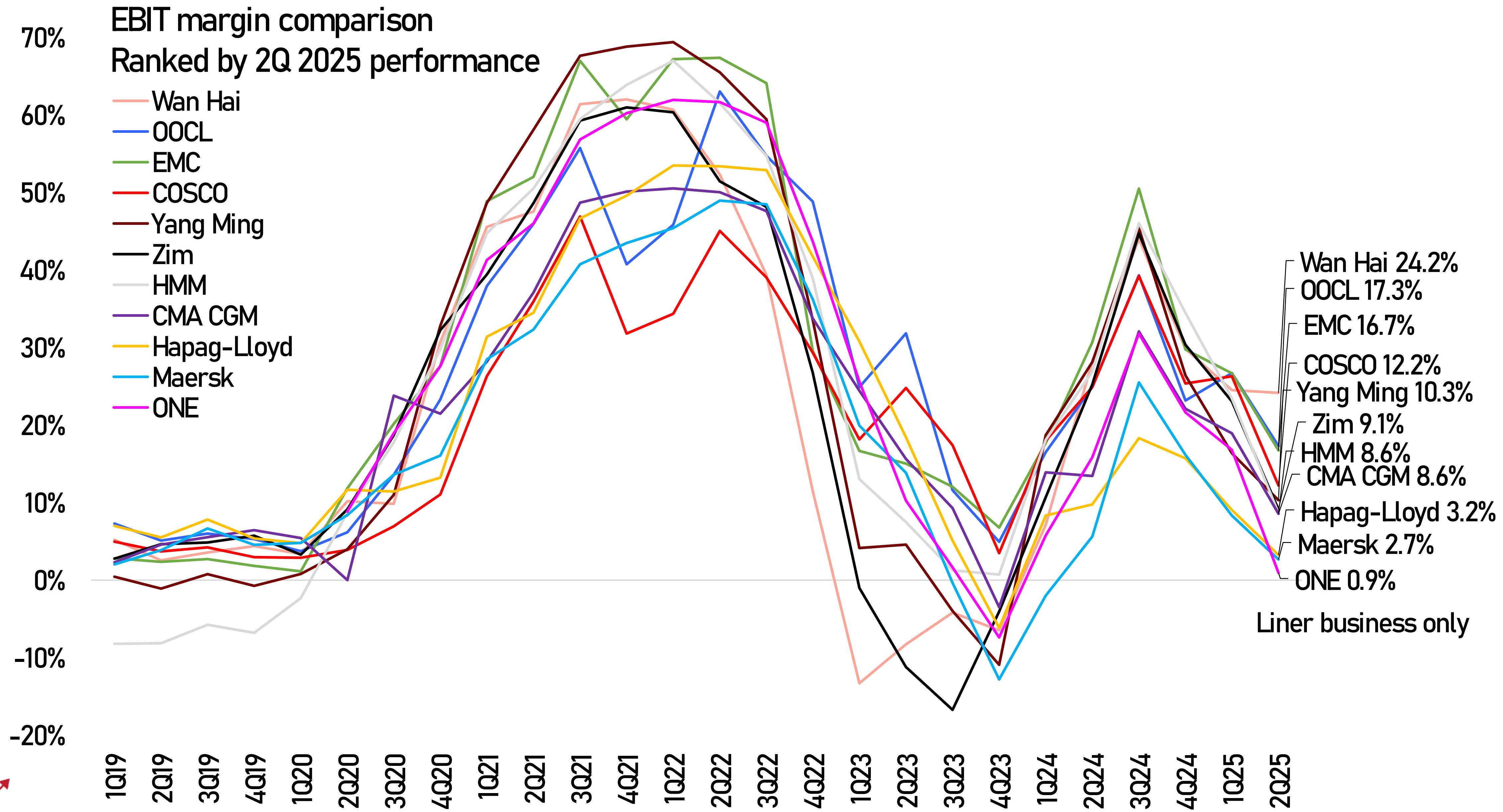
Wide earnings gap would delay capacity action



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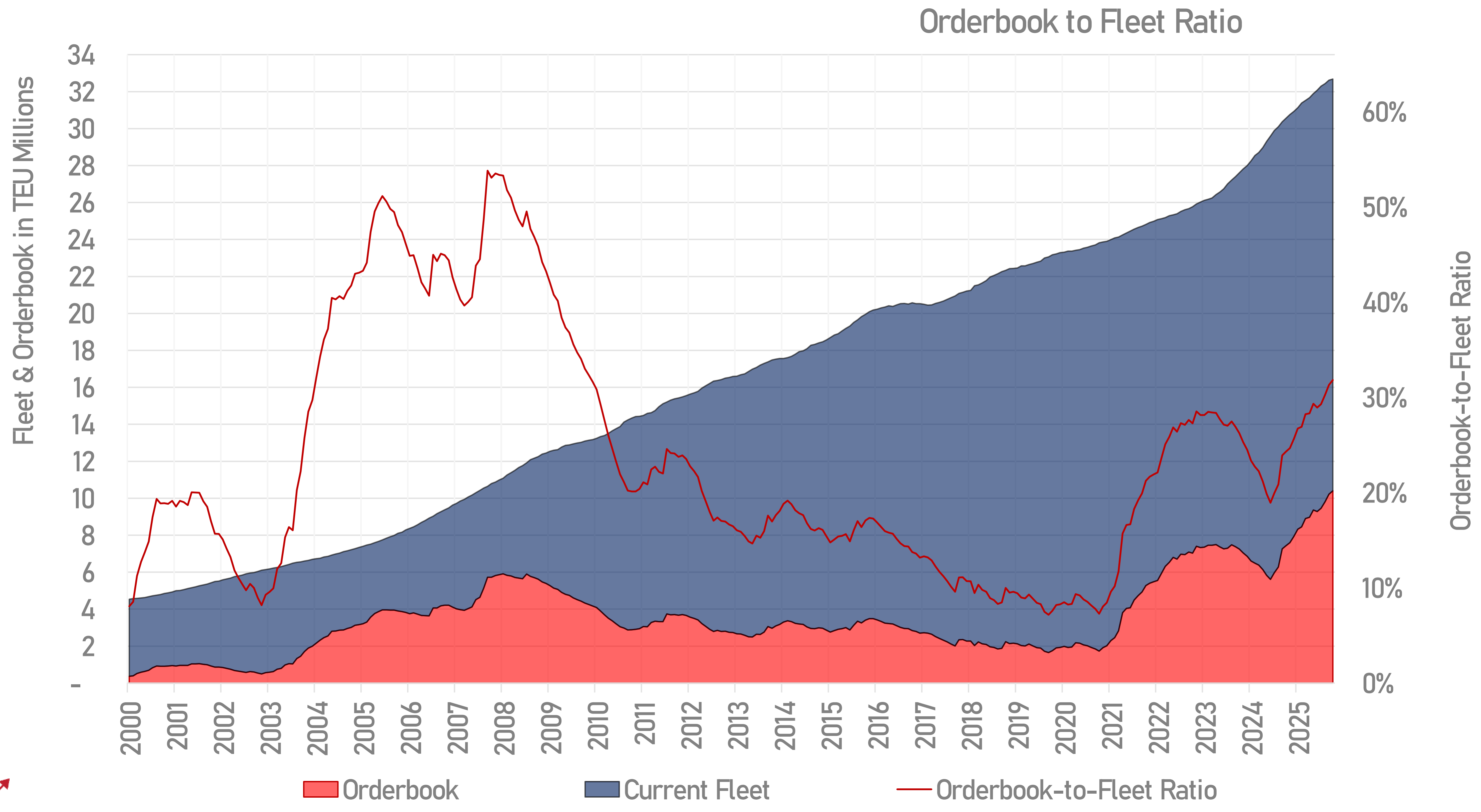
Containership orderbook has risen to a 15 year high



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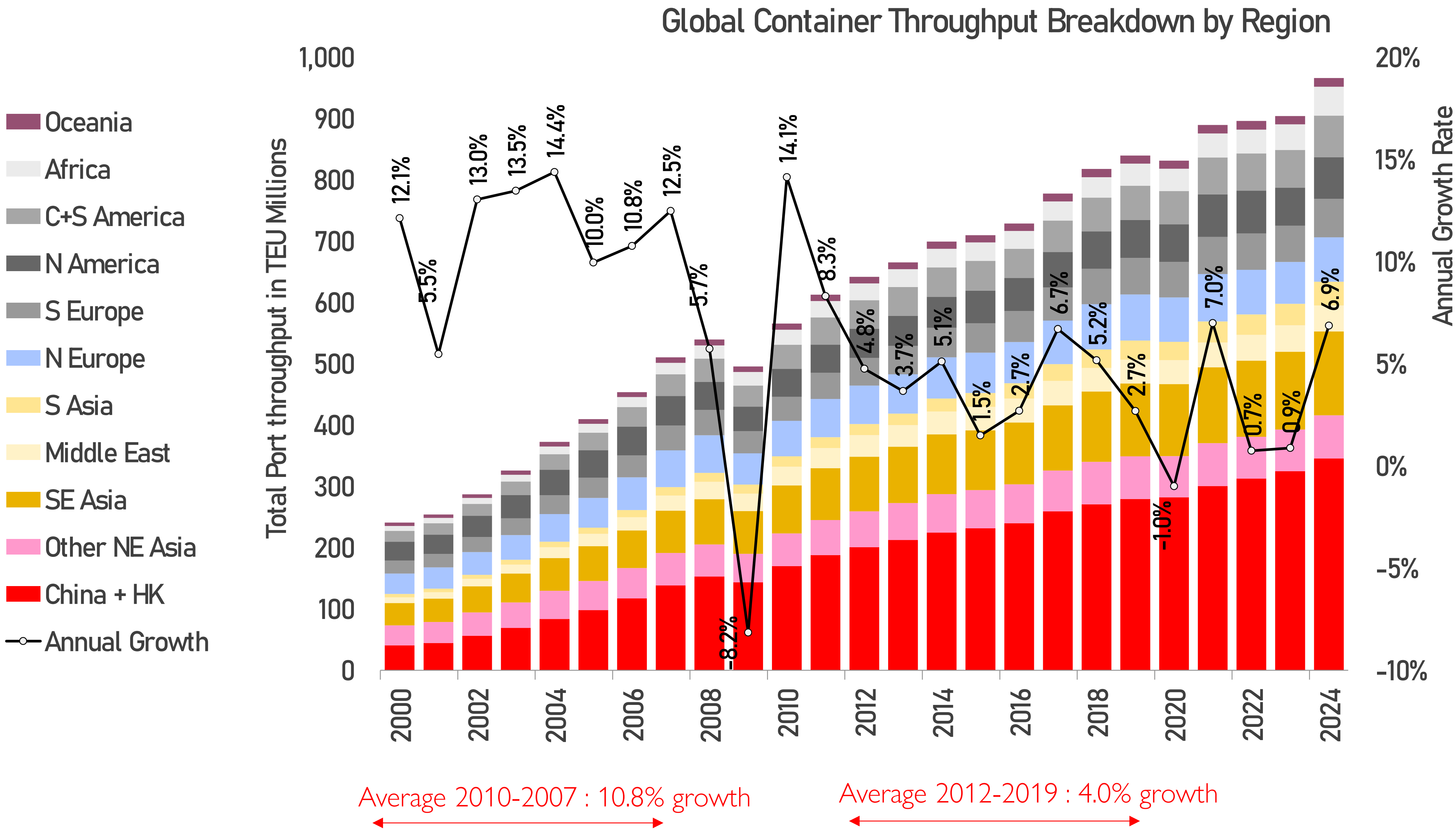
Slower global trade growth remains a threat



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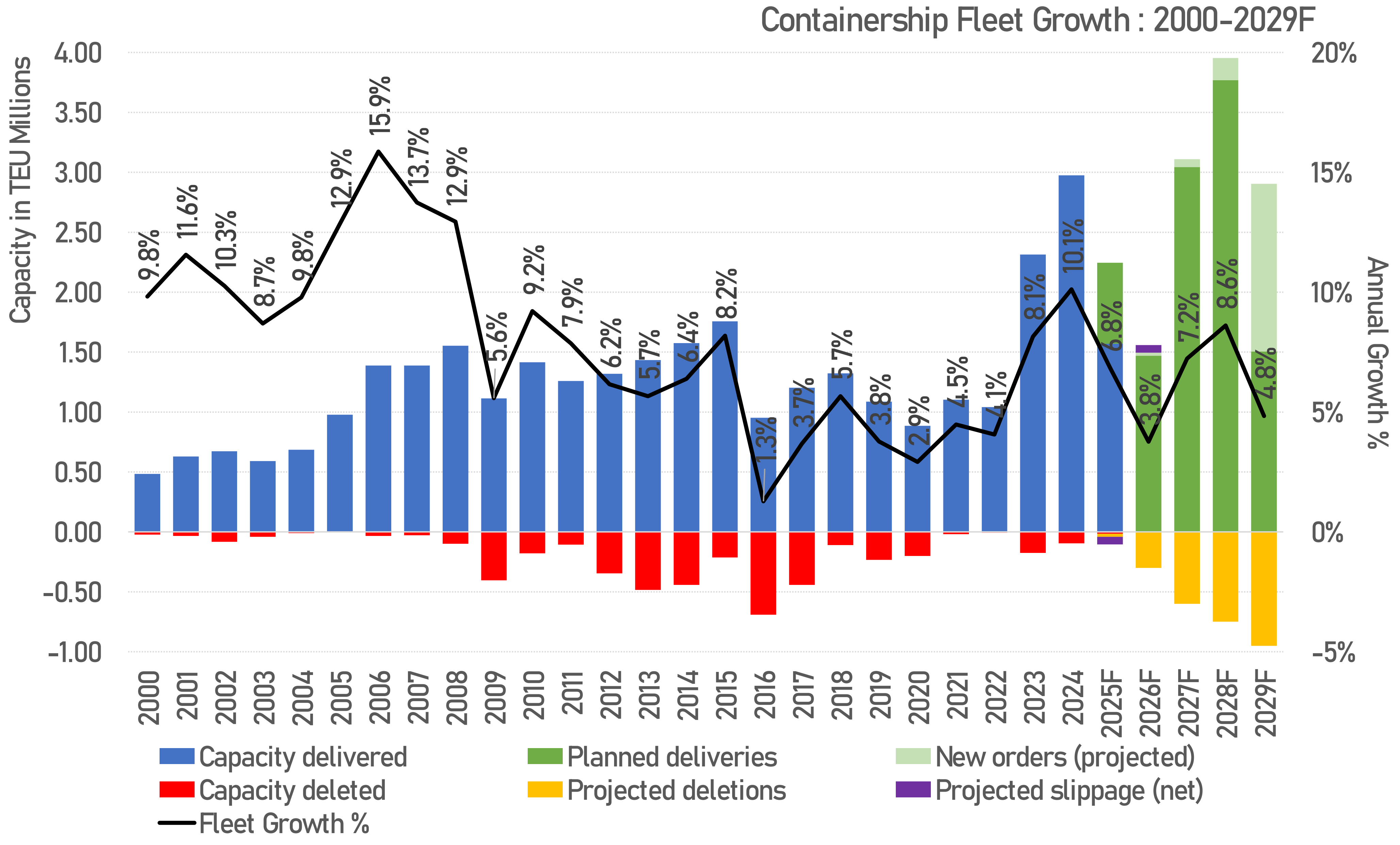
Increased scrapping insufficient to curb excess supply



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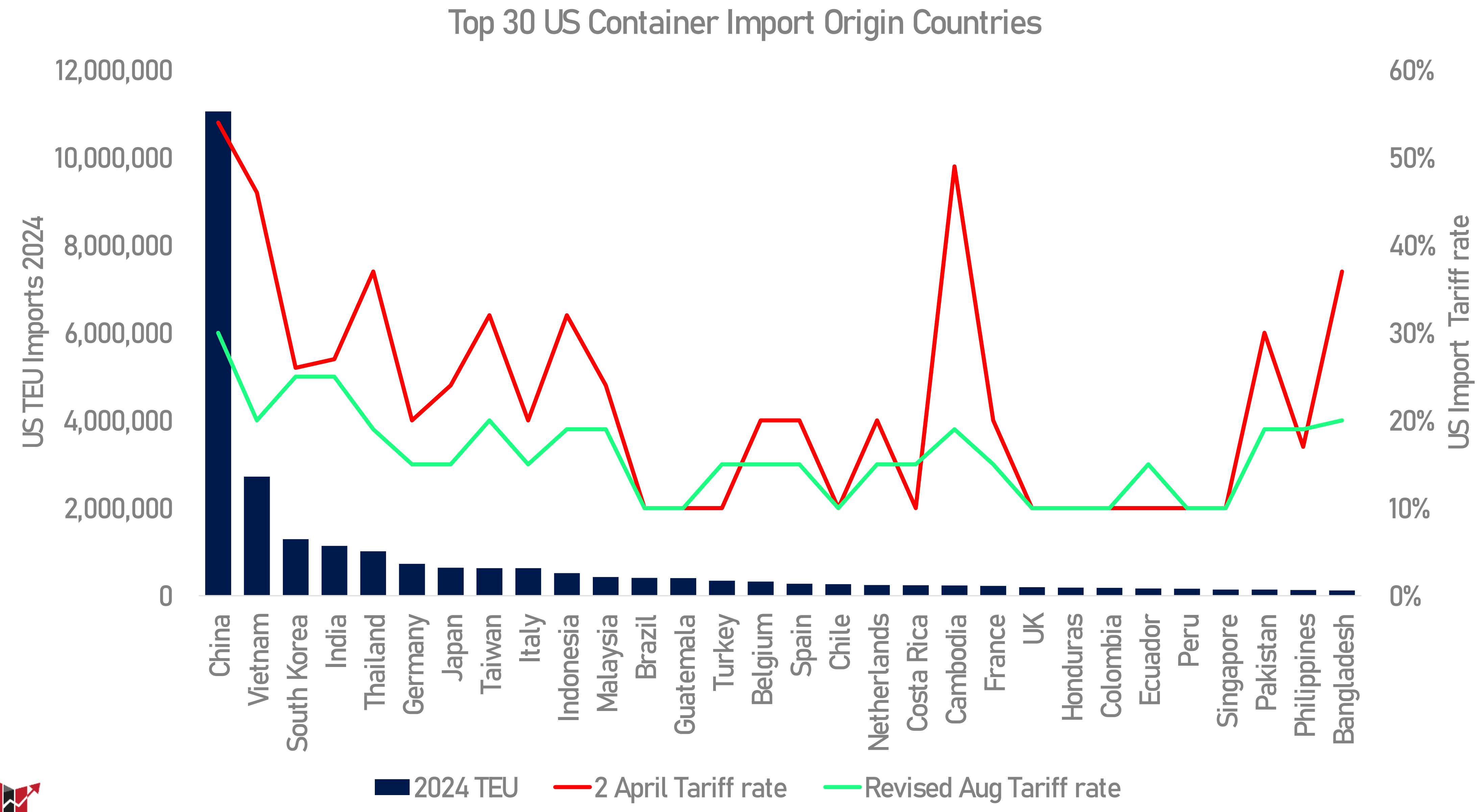
US freight volumes remain resilient despite tariffs



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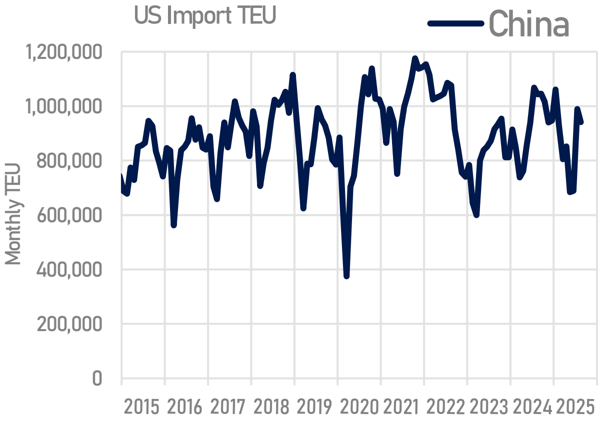
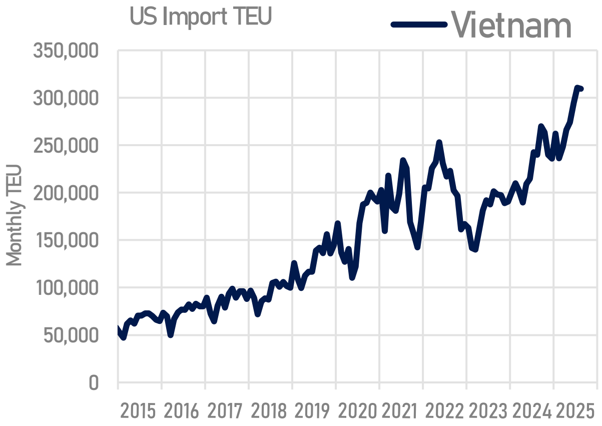
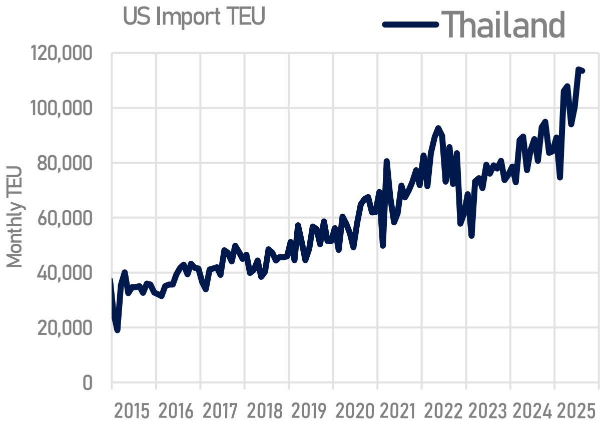
US-China decoupling continues but most of Asia retains growth

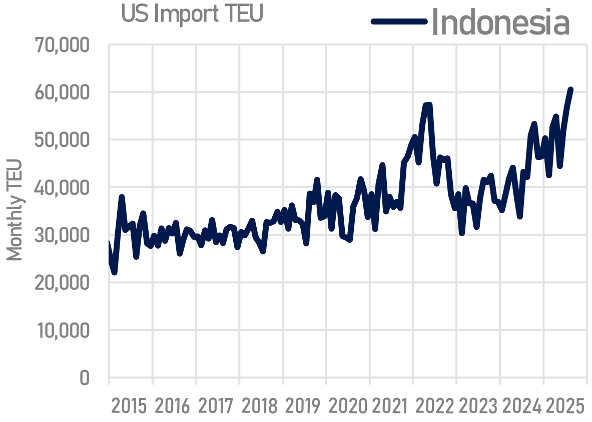
Transpacific container exports 2025 vs 2024 Jan-Aug

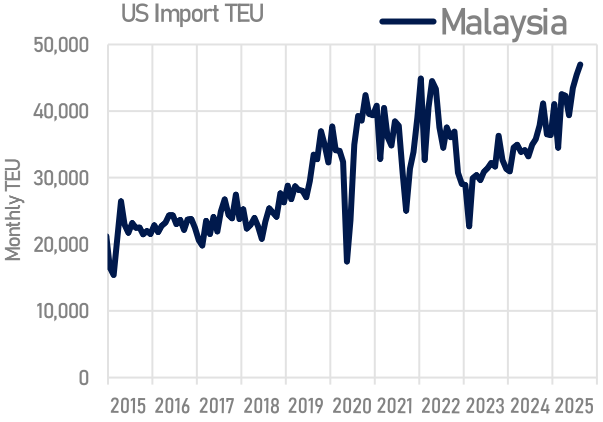
China	-3.1%
Vietnam	28.8%
S Korea	**-4.1%**
Japan	**0.9%**
Taiwan	**4.4%**
Thailand	21.1%
Indonesia	30.5%
Malaysia	23.3%
India	**22.0%**

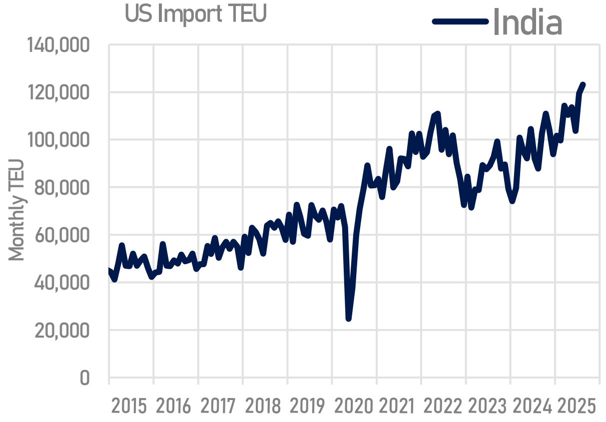


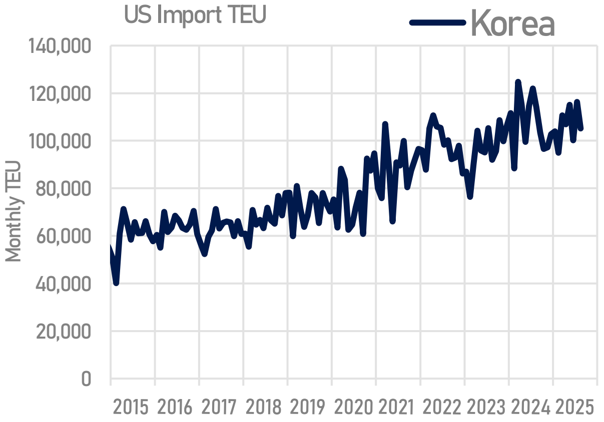


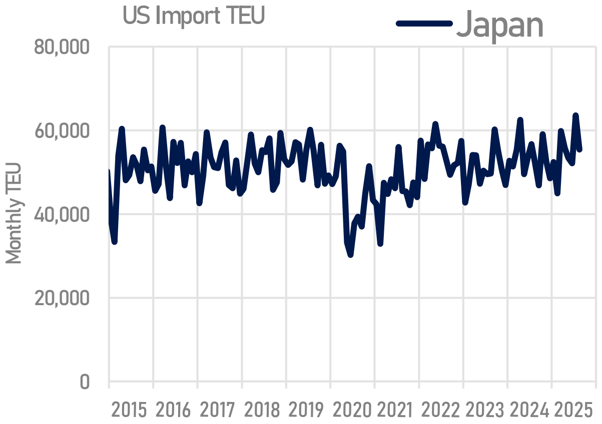


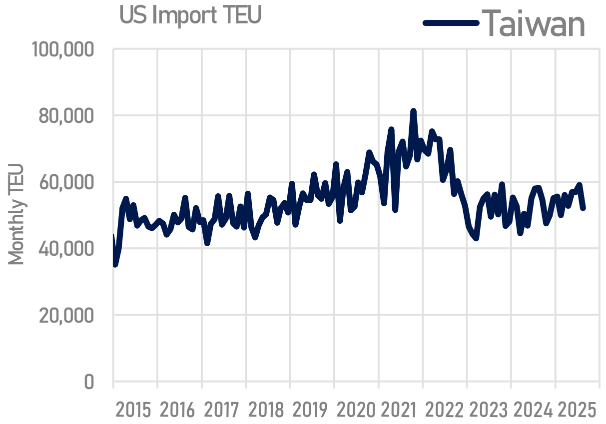












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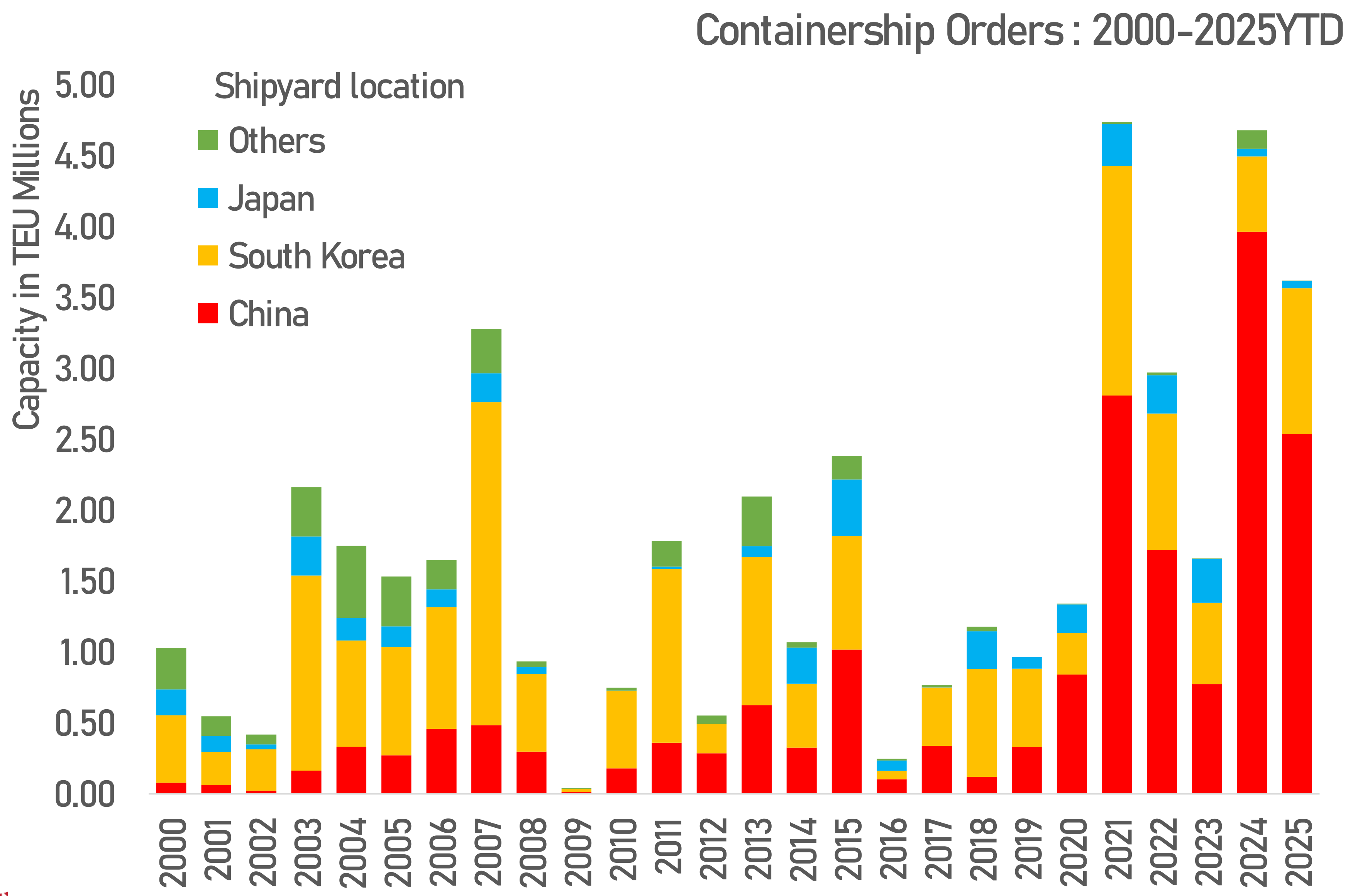
Pace of new ship orders remain very high



USTR301 will not slow China's shipbuilding growth

75% of all containerships ordered in 2025 are in Chinese shipyards

2025 on track to reach >4m TEU in new ship orders

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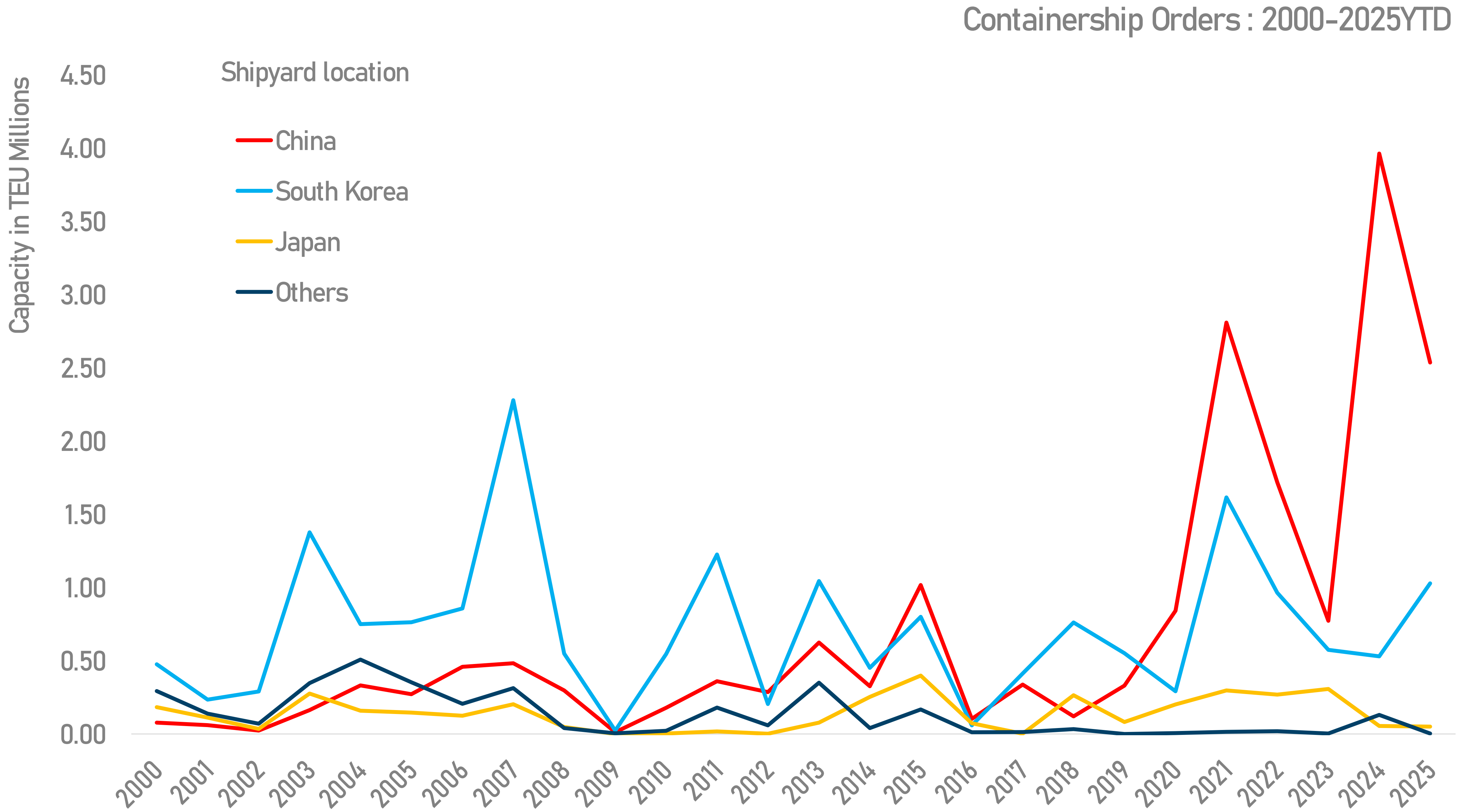
China retains shipbuilding lead despite USTR301 threat



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