

Med America Board Meeting



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Filippo Cimellaro, Area Italy Managing Director
Lisbon, 22 May 2024



We have reported on 2023 where we made good strategic progress but felt the impact of the market downturn in H2



Global demand for container transport remained **fairly flat** in 2023 and **volumes** were **on par** with the previous year.

Carriers invested into new ships during the peak – **supply growth** expected to outpace **demand growth** in 2024.



Average **freight rate decreased** with **spot freight rates** reaching **unsustainably low levels** in many trades in the second half of 2023 – much more than would be expected based on the current supply/demand balance.



Overall, we are looking at a good full year 2023, but we see **weakening results** and we still operate in an **uncertain environment** – especially with geopolitical tensions like the one in the Red Sea. We expect earnings to decline in 2024.



We will focus even more on **cost efficiency** and **productivity and** prioritize quality and sustainability – to give you the level of service you have a right to expect.

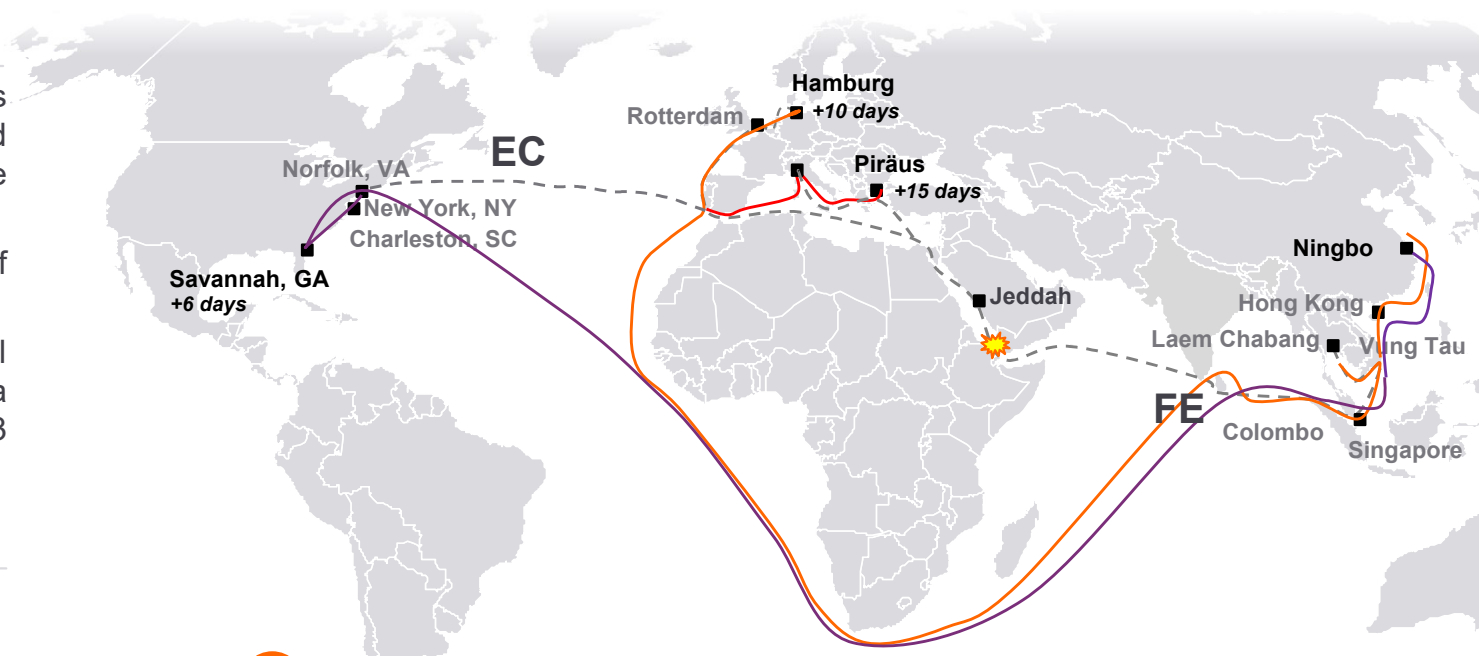
The Red Sea and Panama Canal issues will not disappear tomorrow – our top priority is the safety of our crews, vessels and your cargo.

RED SEA

- Due to the attacks, most carriers continue to avoid the Red Sea and instead use the longer route via the Cape of Good Hope
- Diversions absorb around 5-9% of global container vessel capacity.
- It is unclear when this situation will be resolved. We do not expect a return to the Redsea in the next 2-3 months

PANAMA CANAL

- Situation improved slightly due to better than expected water levels in the Gatun lake.
- However, with draft restrictions and daily transit limits in place, the canal's capacity is still well below normal.



Our Counter Measures



Offering
Inland solutions



Adding more
capacity



Increasing sailing
speeds

... as we equip more and more dry containers with trackers, recently surpassing one million installations



Tracking of standard dry containers through **permanently installed devices**



Installment of tracking devices **across 38 countries** and **245 depots**



Commercial product **“Live Position”** will be rolled out in Q2 2024

We have presented our Strategy 2030, which we developed over the last year – Quality will remain our main priority.

Our key strategic pillars ...

STRATEGIC DIRECTION

Pureplay-Plus

NOT end-to-end logistics

WHERE-TO-PLAY

Top 5 Global Container Line

HOW-TO-WIN

Undisputed Number One for Quality

Sustainability Driver

Top 3rd Performing Carrier

... and what it means for you

To improve our product quality, we will further invest in inland and terminals

We will continue to serve you as a truly global container line

Quality remains our top priority

We intensify our efforts to decarbonize your supply chain

We aim to service you with top efficiency

Gemini Cooperation



Hapag-Lloyd and Maersk agreed on a long-term operational partnership starting February 2025

Gemini Cooperation will bring clear benefits to you



Improved **Schedule Reliability**, **On-Time Delivery** and competitive **Transit Times**



A strong partnership in the **East-West Trades**: Far East/Europe & Mediterranean, Transpacific (excl. India), Atlantic (excl. Canada) and Middle East



An **innovative Hub & Spoke Concept** with an efficient mainliner network, complemented by a dedicated shuttle network and efficient large tonnage

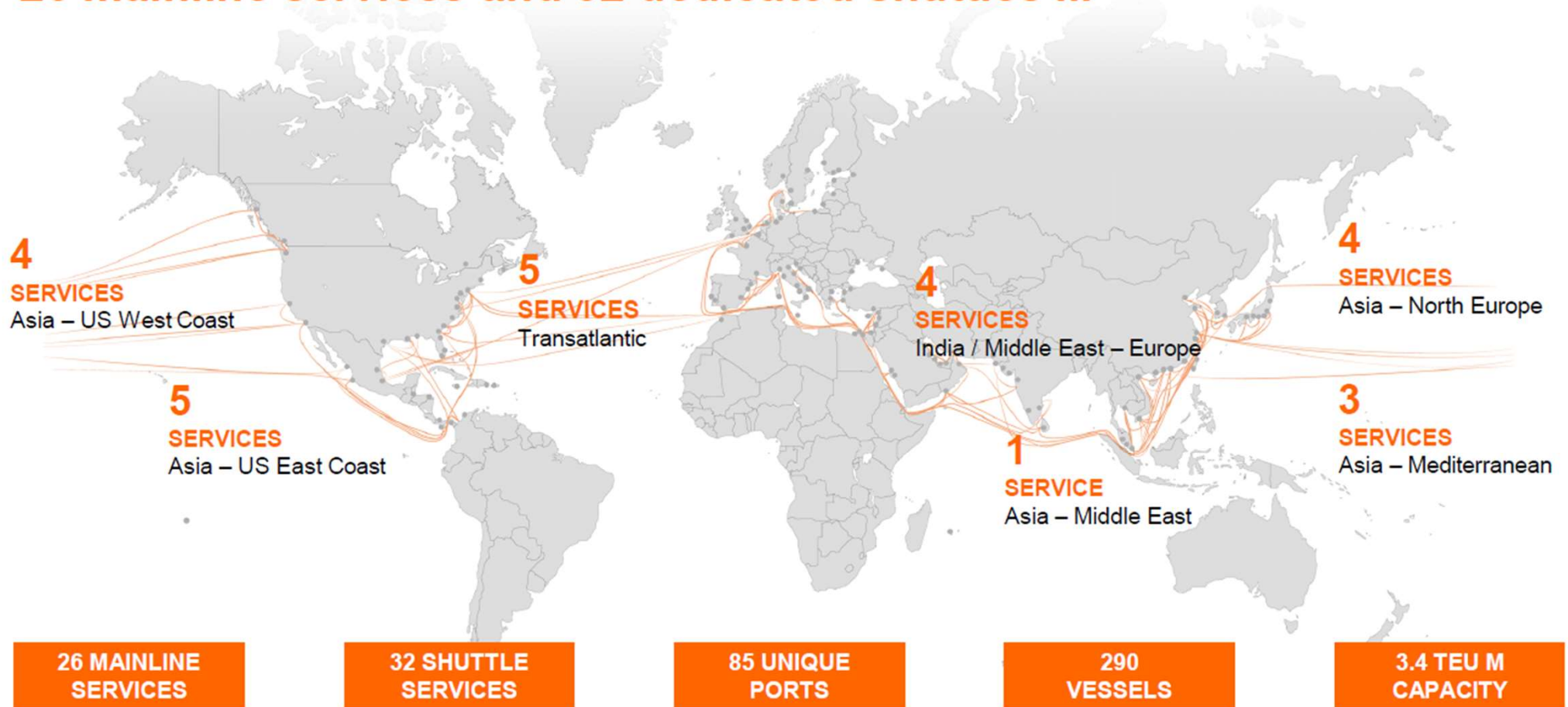


Strong terminal operations in **Key Hubs** that are (mostly) operated by the partners allowing for **“side-by-side transshipment operations”**



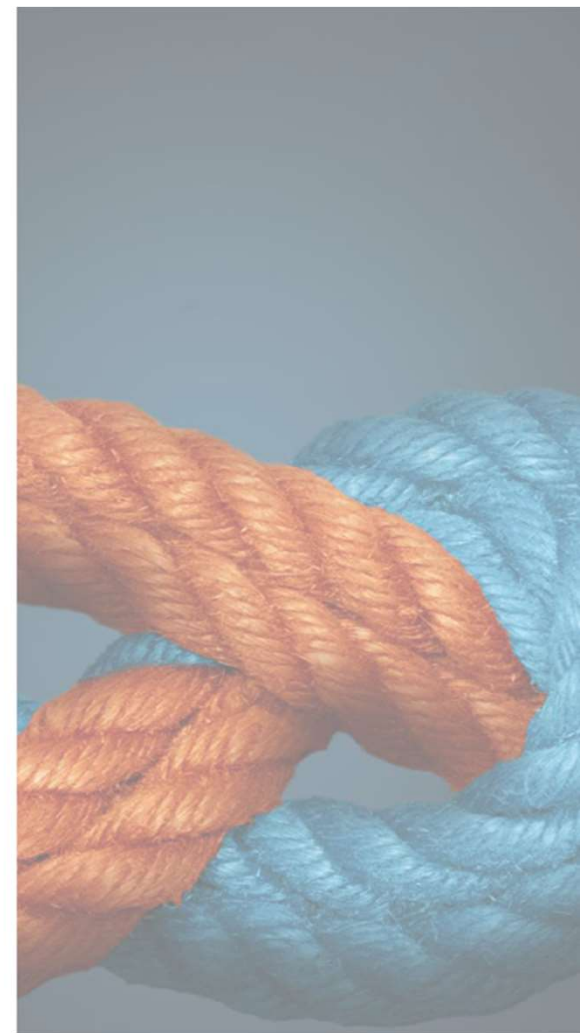
Sustainability Commitments with annually increasing sustainability targets

The network of Gemini Cooperation will consist of 26 mainline services and 32 dedicated shuttles ...



Highlights of the future Atlantic product

- **Highly reliable and resilient Atlantic network** with competitive transit times
- Strong product with **excellent coverage** connecting **North and South Europe** with the **USA and Mexico**
- **Prime product** out of **North Europe** to the full **US East and Gulf Coast**
- **Continued dedicated Mexico services** out of North and South Europe
- **Strong connectivity** from the **West Mediterranean** via our hub in Tangier to the **US East Coast**
- **Dedicated US Flag services** calling the US East and Gulf Coast
- **Efficient US West Coast coverage via Cartagena**
- **Continued Atlantic Canada and East Mediterranean coverage** through **Hapag-Lloyd services** outside of the Gemini Cooperation scope



Mediterranean – North America

Service Profile MGX



KEY SERVICE VALUE PROPOSITION

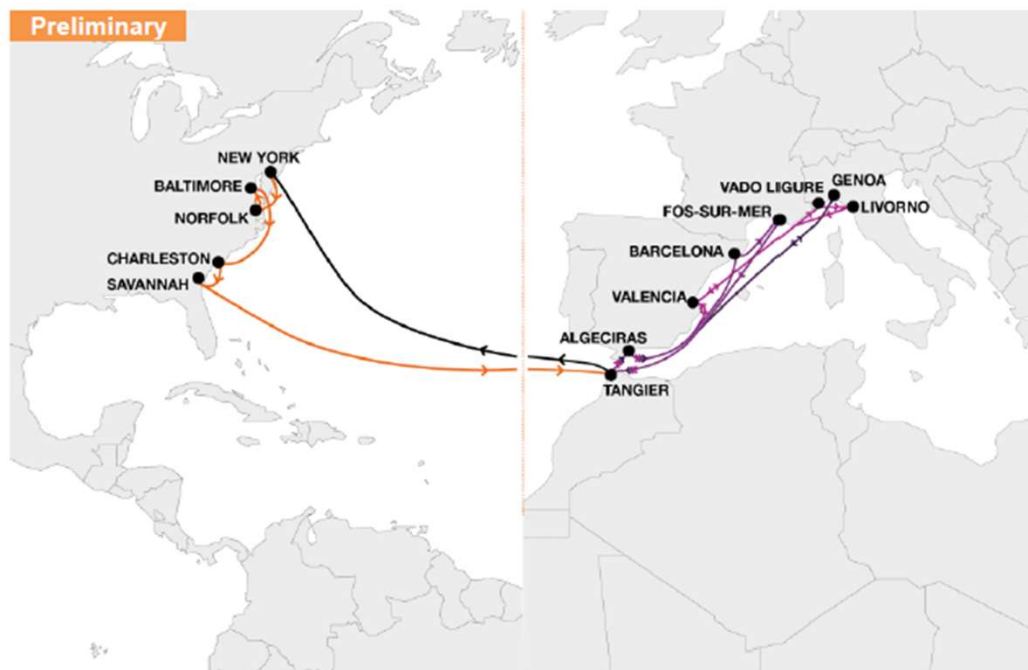
- **Core West Mediterranean to Mexico service** without stopover in the US
- **Comprehensive coverage of the Spanish market**
- **Eastbound and westbound calls in Valencia** providing excellent connections in both directions
- **Connecting Genoa with Mexico and US Gulf**

IMPORTANT CONNECTIONS

- **Livorno and Fos-sur-Mer** connected by reliable shuttle via dedicated hub in Tangier
- Complete range of **other Italian ports** and Mediterranean markets by shuttle/feeder systems via **Tangier**
- **Excellent eastbound connection** from Houston to all other Mediterranean and African markets in connection via Tangier

Mediterranean – North America

West Med Shuttles + US4



KEY SERVICE VALUE PROPOSITION

- **Extensive coverage** of all **West Mediterranean** ports to the US East Coast
- **Connectivity** through **shuttle network** to US4 service via **hub in Tangier**
- **New York** as **first westbound** call for fastest transit time
- **Addition of Baltimore** and **Charleston** coverage on the US East Coast

IMPORTANT CONNECTIONS

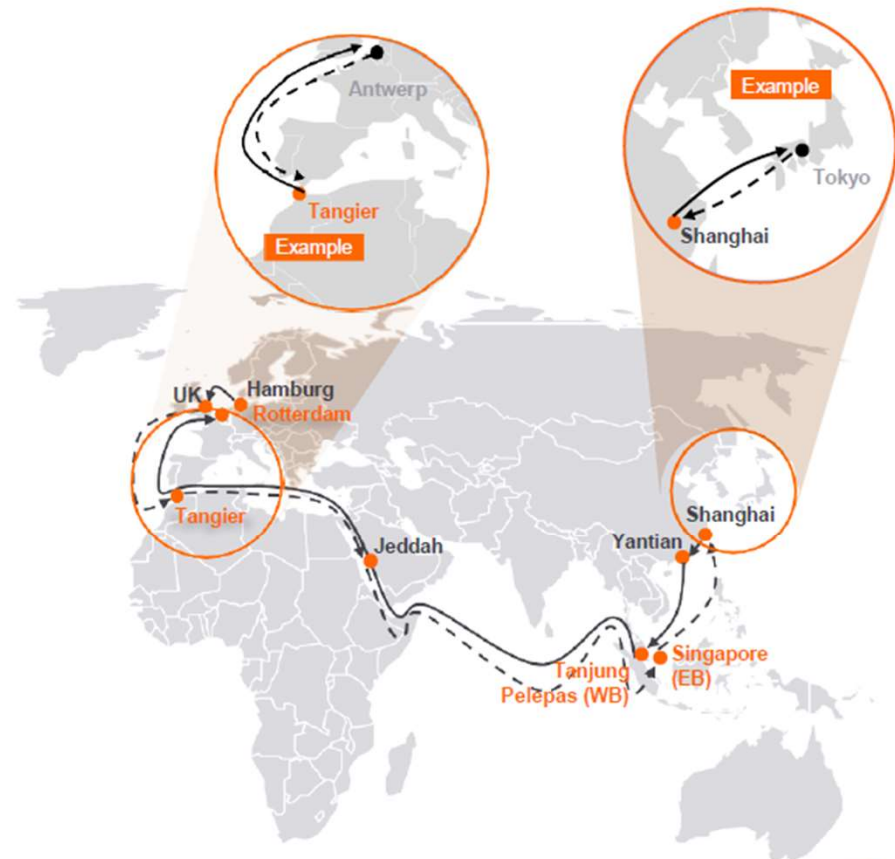
- **Miami** and **Jacksonville** covered through reliable connection via **Tangier** and **Cartagena**

The joint network uses a hub & spoke model to make it much more reliable and resilient, with fast connectivity

NETWORK PRINCIPLES

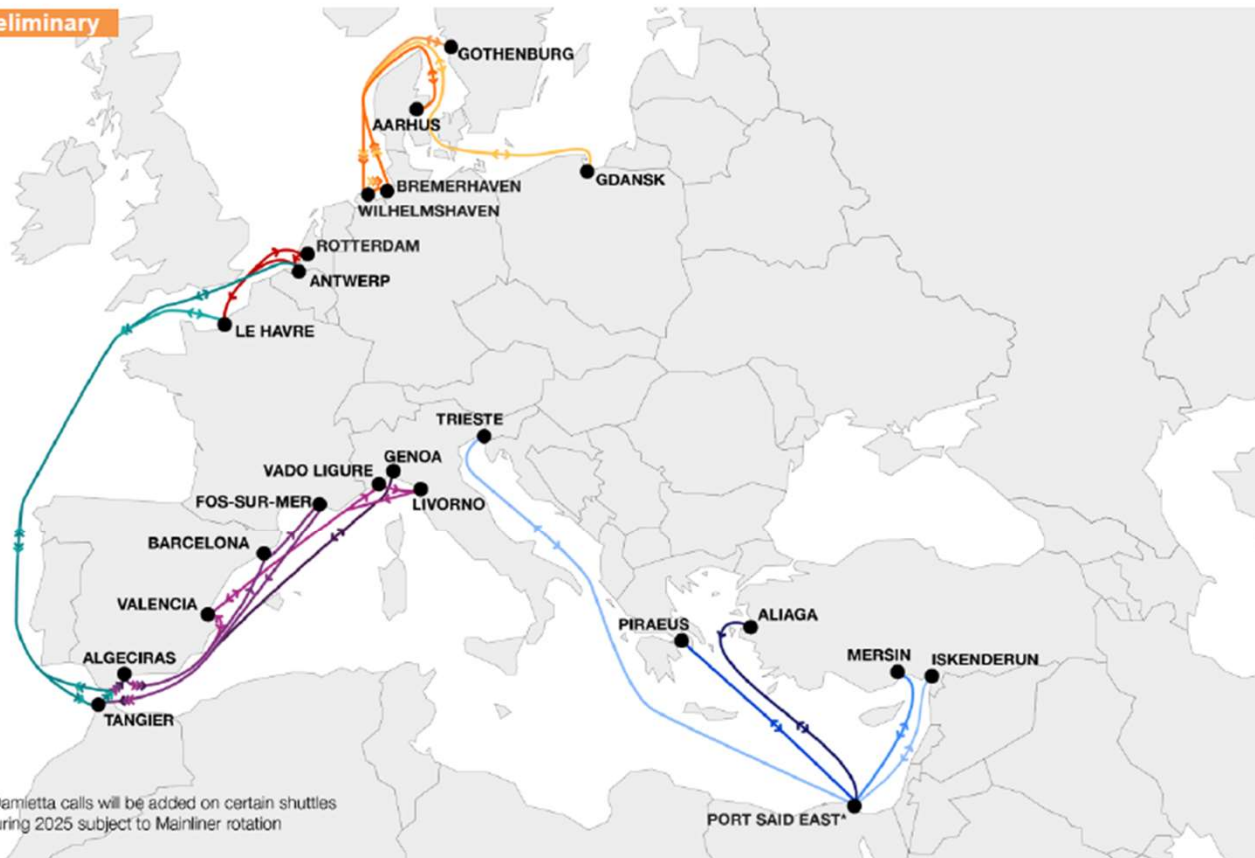
- **Setup** with 2-3 main port calls per region including strategic hubs will enable shorter round voyage times and better reliability
- **All hub terminals are owned and / or controlled** by Hapag-Lloyd or Maersk (except Singapore and Cartagena) and have been carefully selected for top quality & reliability
- Hub & spoke with multiple shuttles will provide **wide coverage** and **fast connections**
- Connections from **mainliners to mainliners** and **to shuttles** will be **synchronized** to significantly reduce dwell times

This network is much more **reliable** and **interconnected** than traditional setups, increasing **resilience** against external effects. We will reach this through a combination of streamlined port calls, controlled hubs and dedicated shuttle services



Europe Shuttles

Preliminary



KEY FACTS

14 shuttles

23 ports

19 vessels

5 TTEU Ø vessel size

3 calls per shuttle (Ø)

Thank you for your attention.

