

Your promise. Delivered.

THE GLOBAL SHIPPING INDUSTRY

AN OPERATOR'S PERSPECTIVE



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Auckland / December 2016

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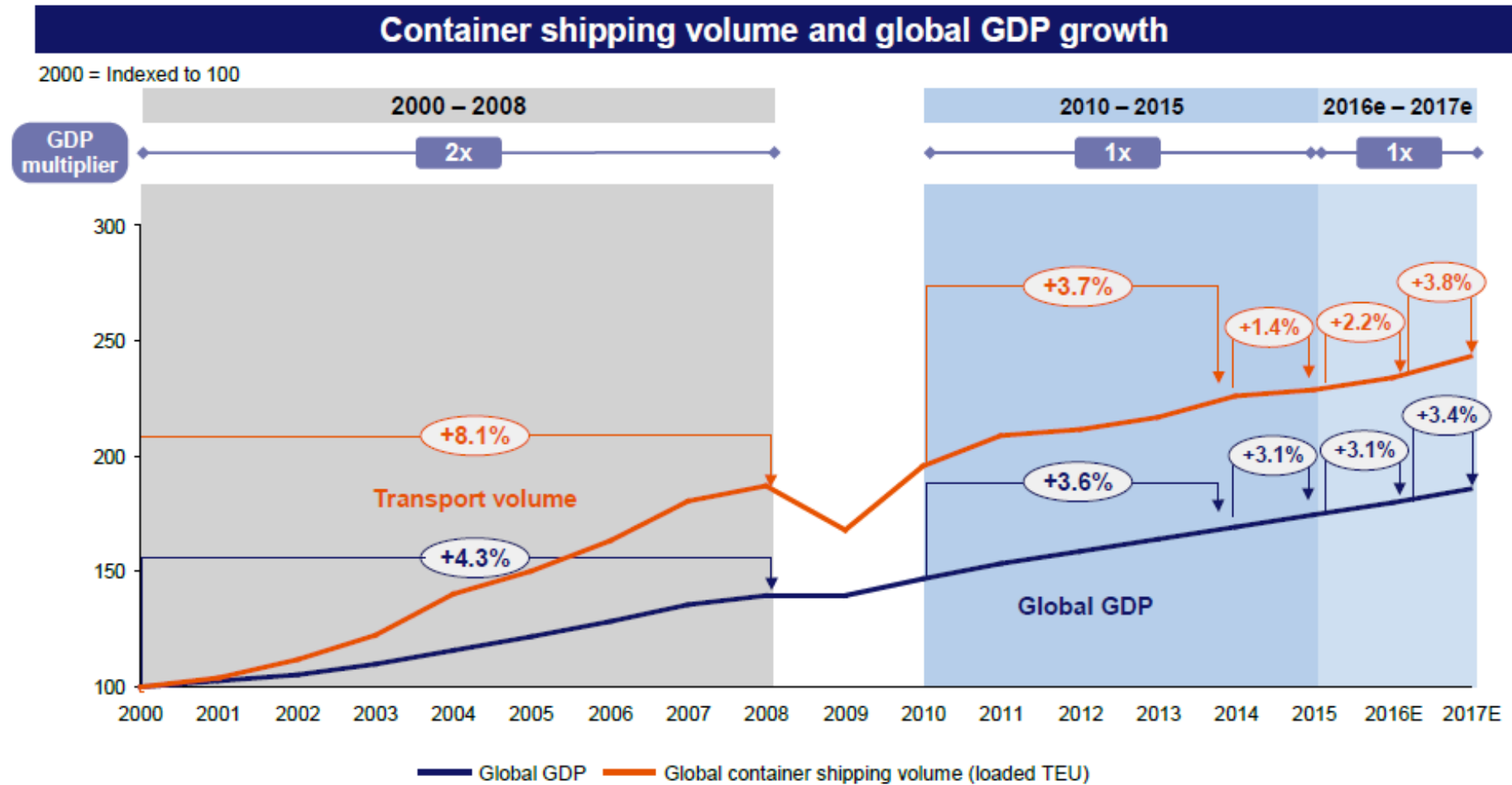
IN A WORD:

SUCKS

Thank You



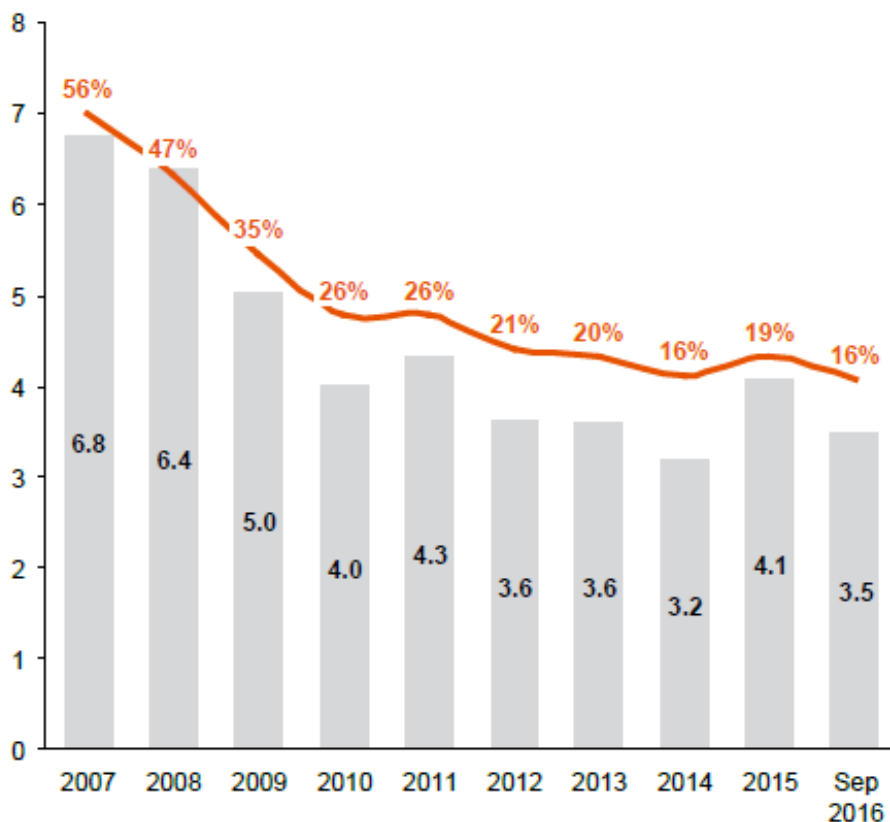
Container DEMAND lost its advantage over GDP growth...



...and it is taking too long to reset SUPPLY to the new normal (but it is happening)

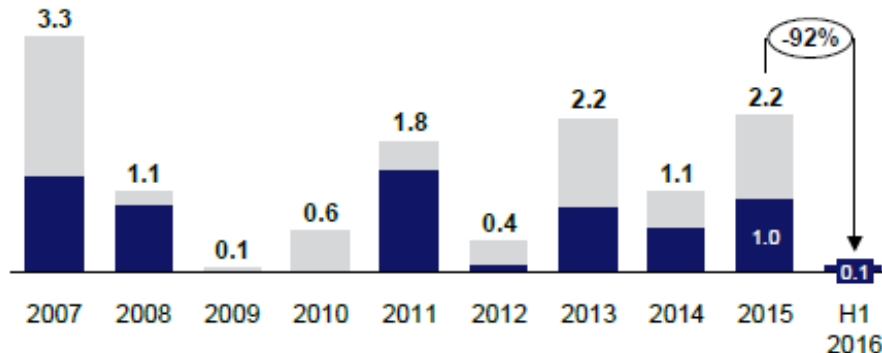
Orderbook continues to deplete ...

Orderbook-to-fleet [TEU m, %]



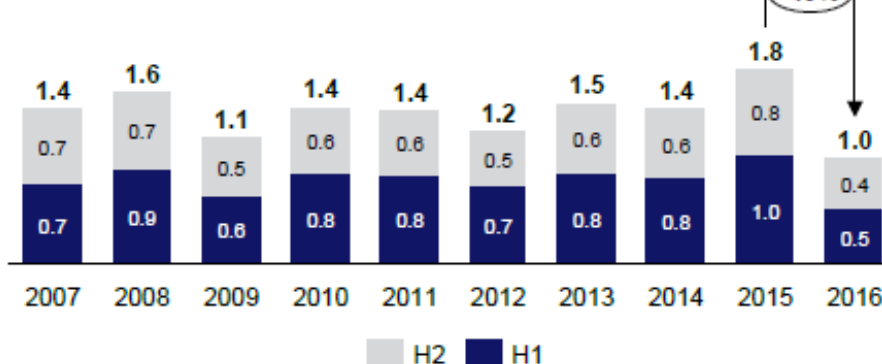
... with decreasing new orders ...

Orders placed by year [TEU m]



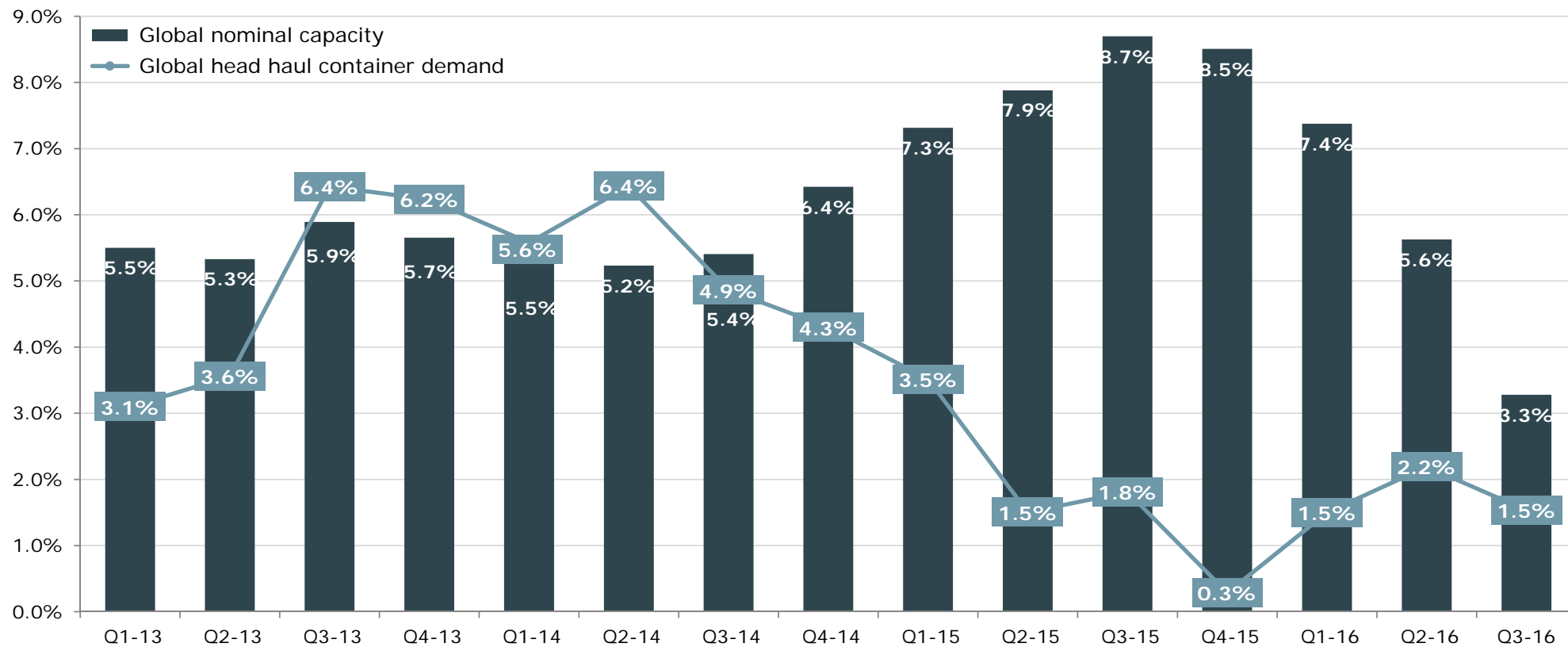
... and vessel deliveries slowing down

Vessel deliveries by year [TEU m]



...so SUPPLY/DEMAND remains unbalanced

Growth y/y, (%)



...resulting in massive decline of FREIGHT RATES...

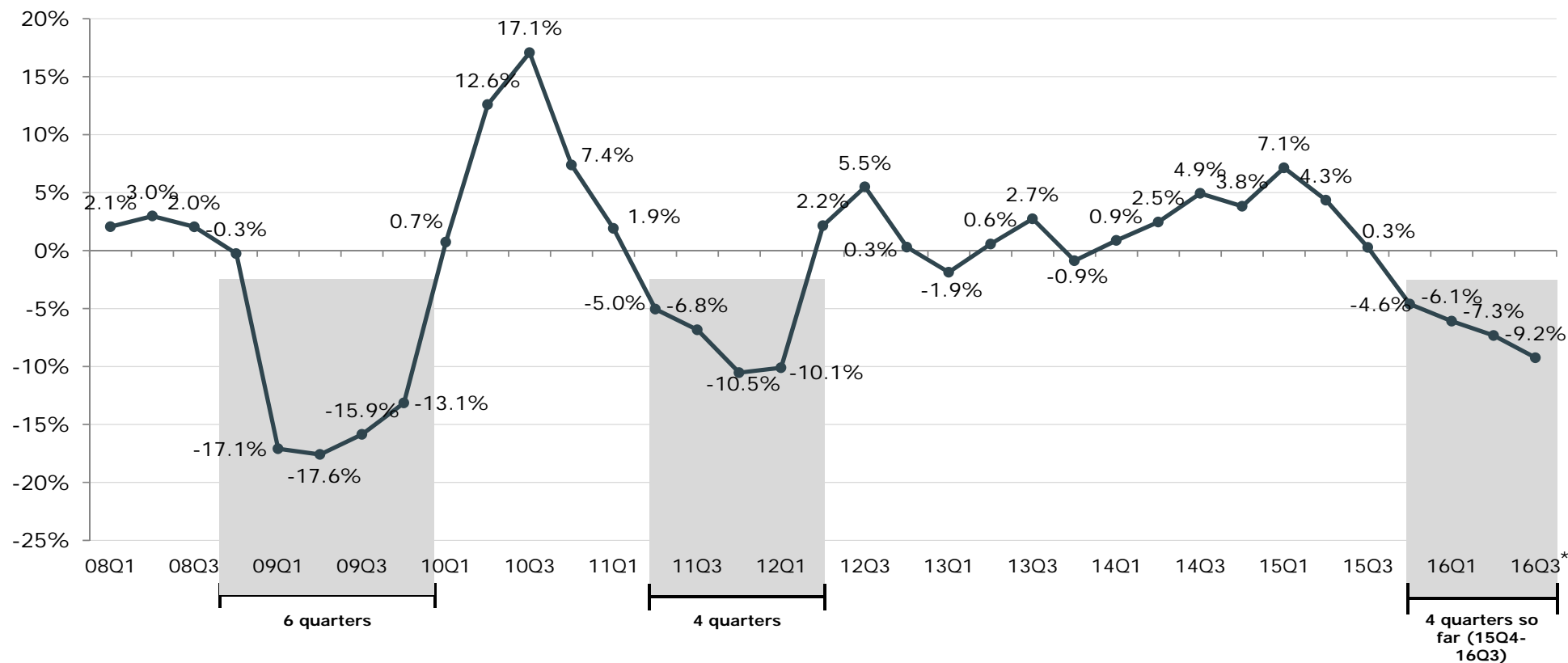
THIS IS THE
REAL SUCKY PART



...and an industry that has been unprofitable for three consecutive quarters – likely four.

THIS IS THE REAL SUCKY PART

Industry EBIT-margin, (%)



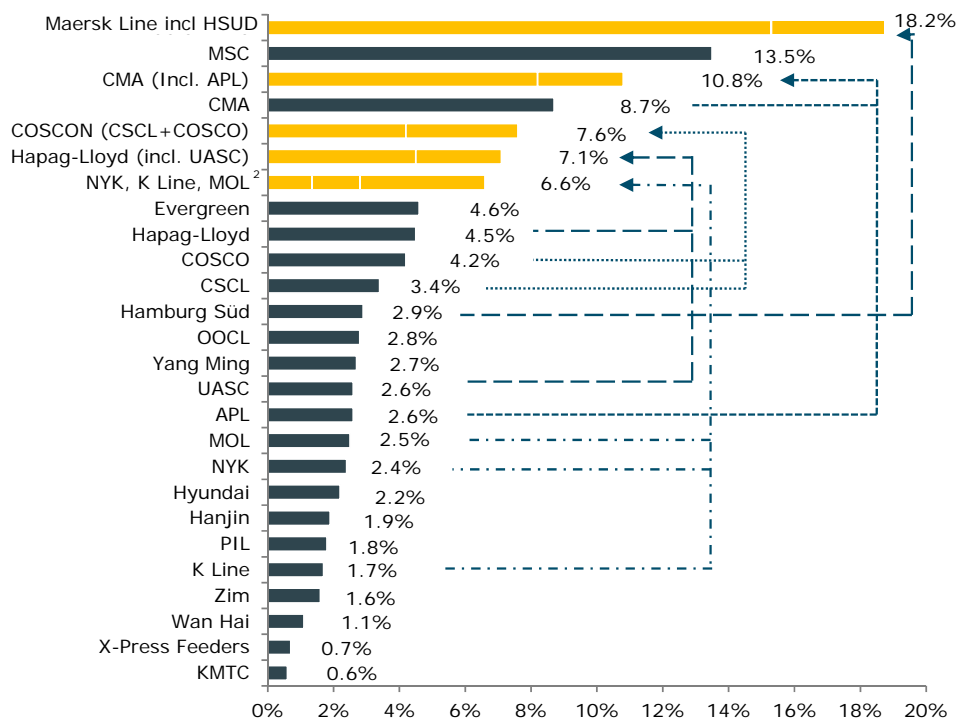
Note: Industry includes global top 20 carriers where financials are available. *16Q3 is estimated industry EBIT-margin

Source: Published company results and Alphaliner

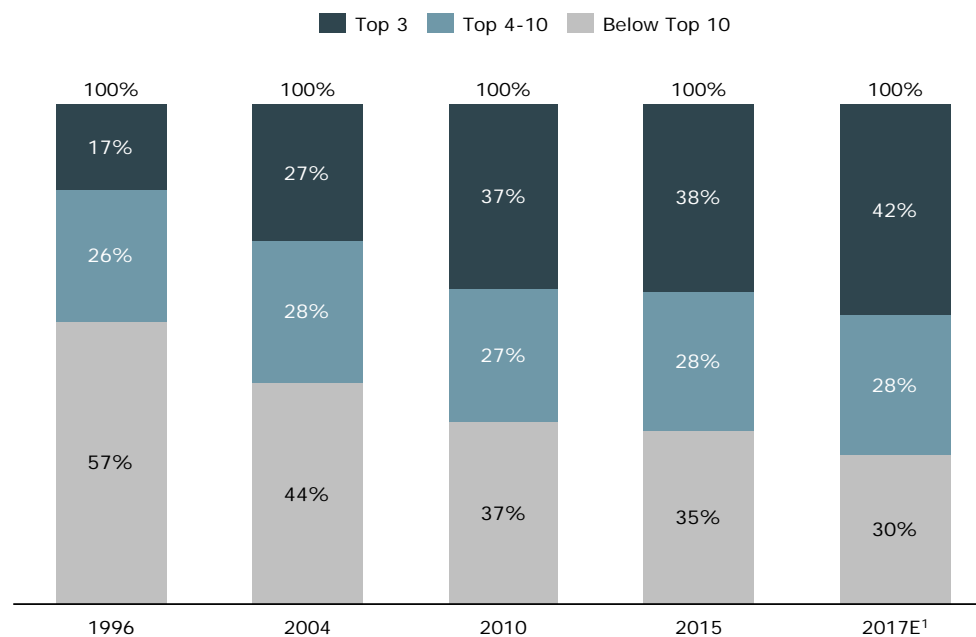


The industry is consolidating in response to low demand growth and poor financial results

Capacity market share (%)



Consolidation has increased top 3's capacity market share



Note: 1. Expected 2017 based on mergers already announced will be completed, with capacity as of 1 October 2016, source Alphaliner, 2. Expect starting operation on 1 April 2018

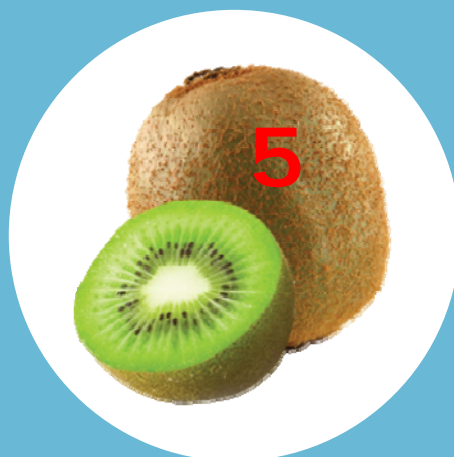
Source: Alphaliner, 1 October 2016, split based on pre-acquisition/merger size

THE UPSIDE?

INTERNATIONAL TRADE HAS NEVER BEEN THIS CHEAP



NZ-EUR



NZ-EUR



ASI-NZ



ASI-NZ

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THANK YOU