

GLOBAL AIR & OCEAN MARKET UPDATE

August 2023



INTRODUCTION



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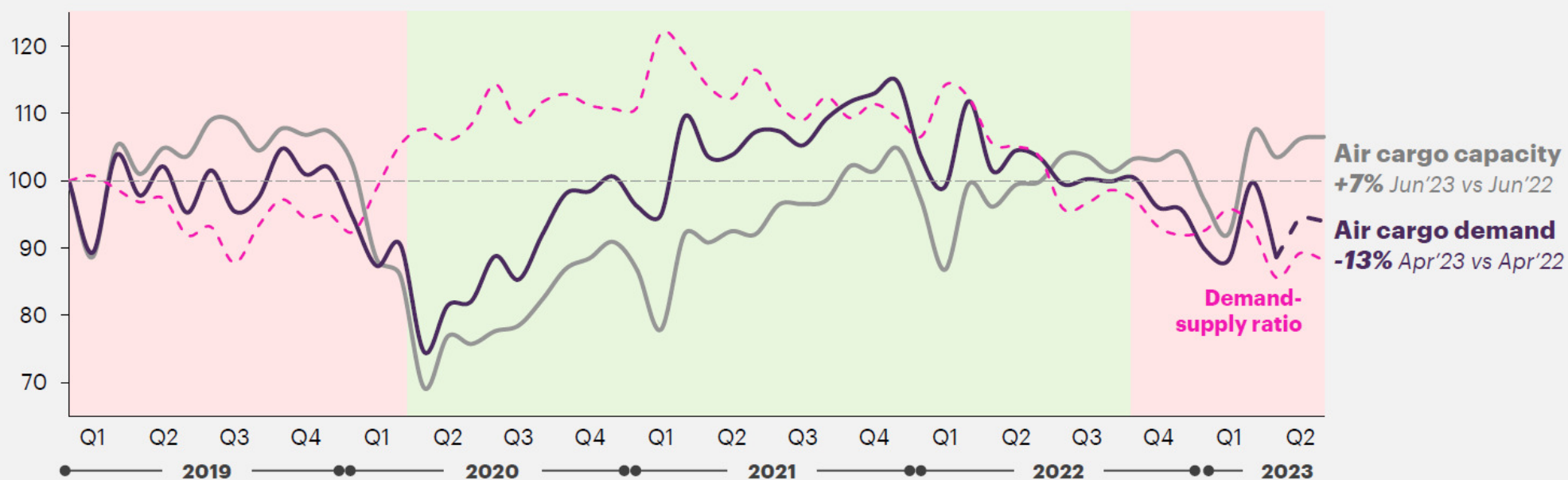
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GLOBAL AIR TRADE

Monthly development of international air trade and air cargo capacity, 2019-2023

Index (Jan 2019 = 100)



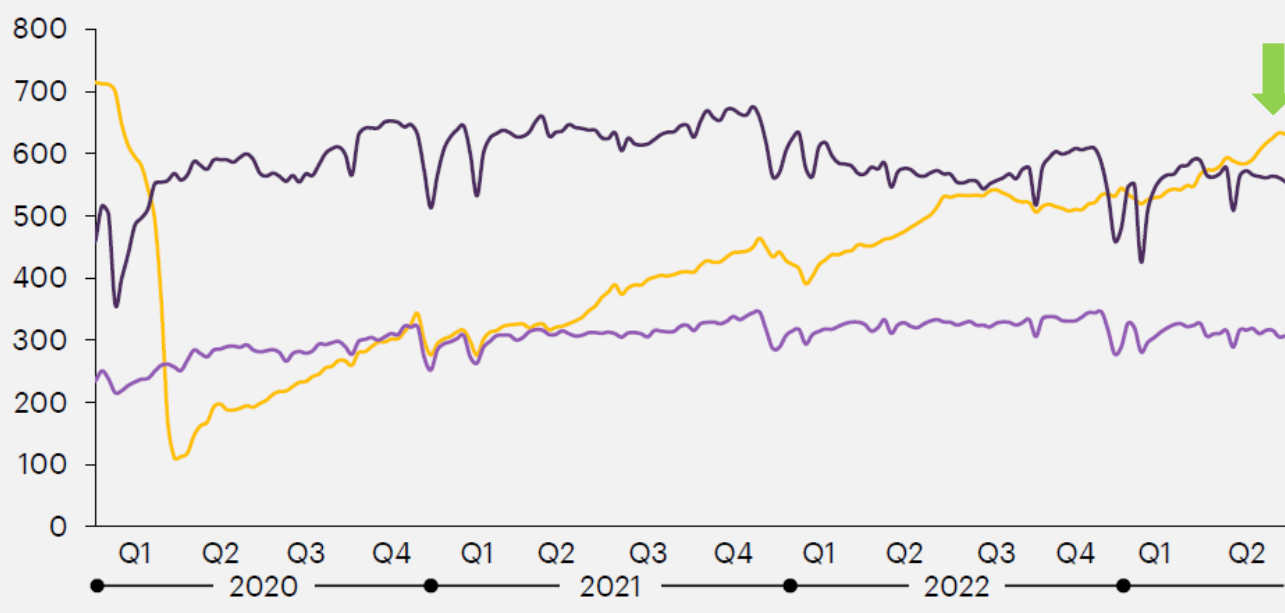
Air cargo's demand-supply balance is now worse than it was during the weak year of 2019



GLOBAL CAPACITY

International air cargo capacity, Jan 2020 – June 2023

Thousand tonnes per week



Q2 2023 air cargo capacity
vs. 2019¹ vs. 2022²

Total capacity	+2%	+7%
Passenger belly (42%) <small>Widebody aircraft only</small>	-16%	+25%
Airline freighters (37%)	+14%	-2%
Integrator freighters (21%)	+34%	-4%

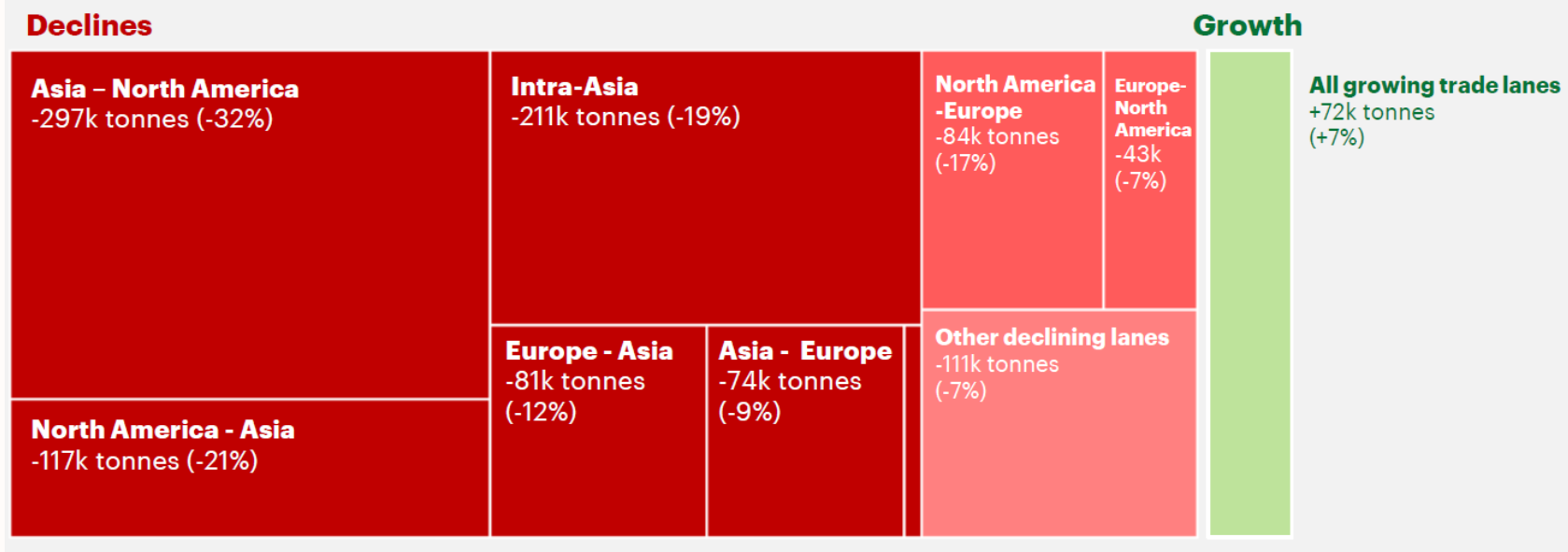
Despite weak demand, freighter capacity fell only by low single digits



GLOBAL AIR TRADE

The global air trade market lost ~1 million tonnes in the first four months of 2023, with 75% of that related to Asia

Global air trade growth by trade lane, Jan-Apr 2023 vs. 2022



Transpacific air trade decreases account for 40% of total declines ..

.. with other APAC trade accounting for another 36% ..












.. of the total net decline of 952,000 tonnes in Jan-Apr



GLOBAL AIR TRADE

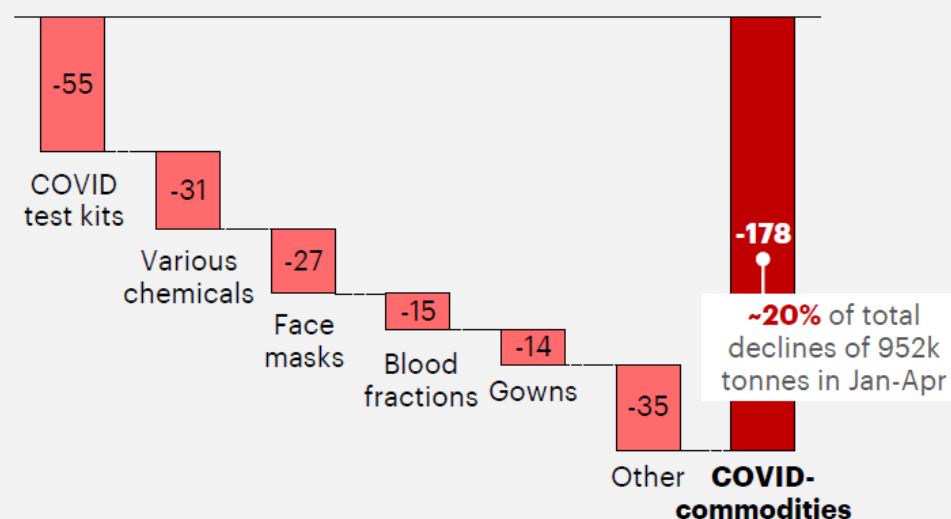
Global air trade growth by industry, Jan-Apr 2023

Growth (% , Thousand tonnes)

COVID-commodities¹  -41% -178	Fashion goods  -18% -85	Raw materials  -16% -224
High technology  -16% -214	Chemicals  -15% -86	Automotive  -13% -49
Machinery parts  -9% -124	Consumer goods  -4% -16	Capital equipment  -1% -5
Temperature control  +2% +26	Other²  +2% +3	

..and top losses of COVID-commodities

Growth (Thousand tonnes, %)



Unlike declines in e.g fashion or high tech, COVID-related commodities are a permanent loss to the air cargo industry



GLOBAL AIR TRADE

Demand vs. 2022

Global market trends

YoY % growth for corresponding timespan

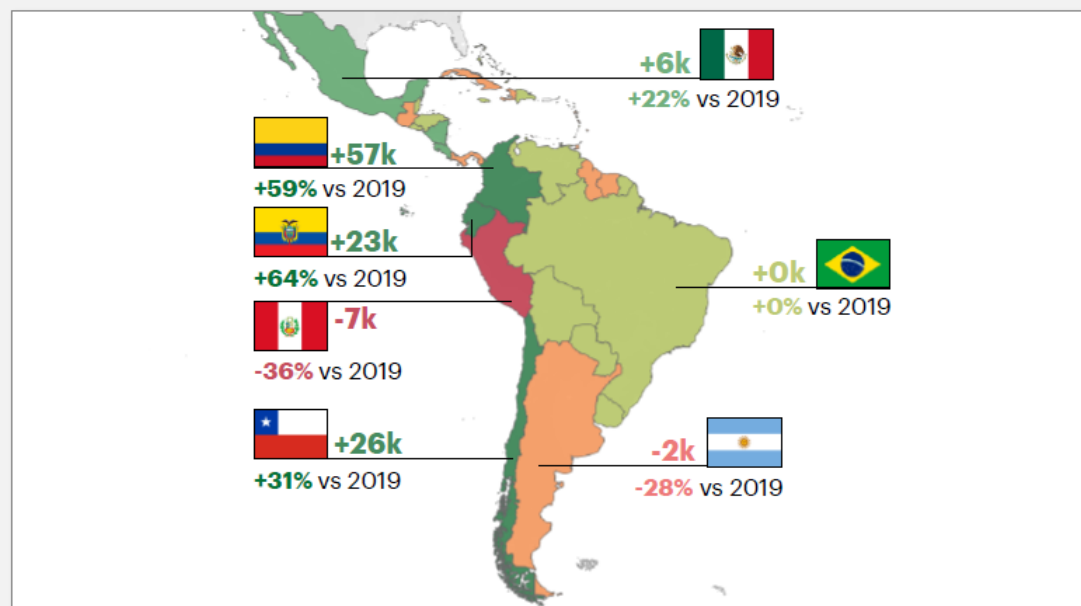
May 2023



GLOBAL AIR TRADE

Air export growth to North America (Jan-May 2023 vs 2019) ..

Change in tonnes, %



..and top commodities

Thousand tonnes



+69k
tonnes
vs. 2019

Mainly from Colombia (+50k tonnes) and Ecuador (+22k tonnes)



+28k
tonnes
vs. 2019

Mainly Chilean salmon (+23k tonnes), limited growth from Colombia (+5k tonnes)



-8k
tonnes
vs. 2019

Decline in asparagus exports from Peru

Colombia (+59%), Ecuador (+64%) and Chile (+32%) together exported >100k tonnes more to North America than in Jan-May 2019

GLOBAL CAPACITY

Last 4 weeks vs 2022

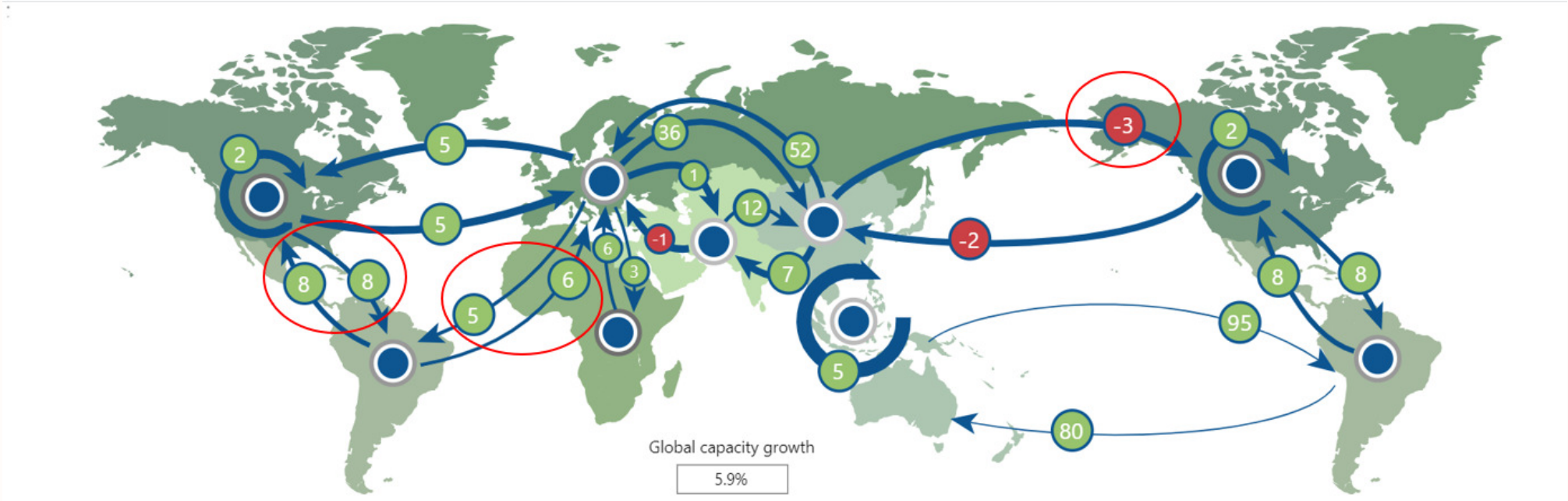


GLOBAL CAPACITY

YTD vs. 2019

Capacity Tracking Global Trends
YoY % growth for selected measure and filters

2023 Wk 1 - Wk 27 vs 2019



GLOBAL RATE LEVEL

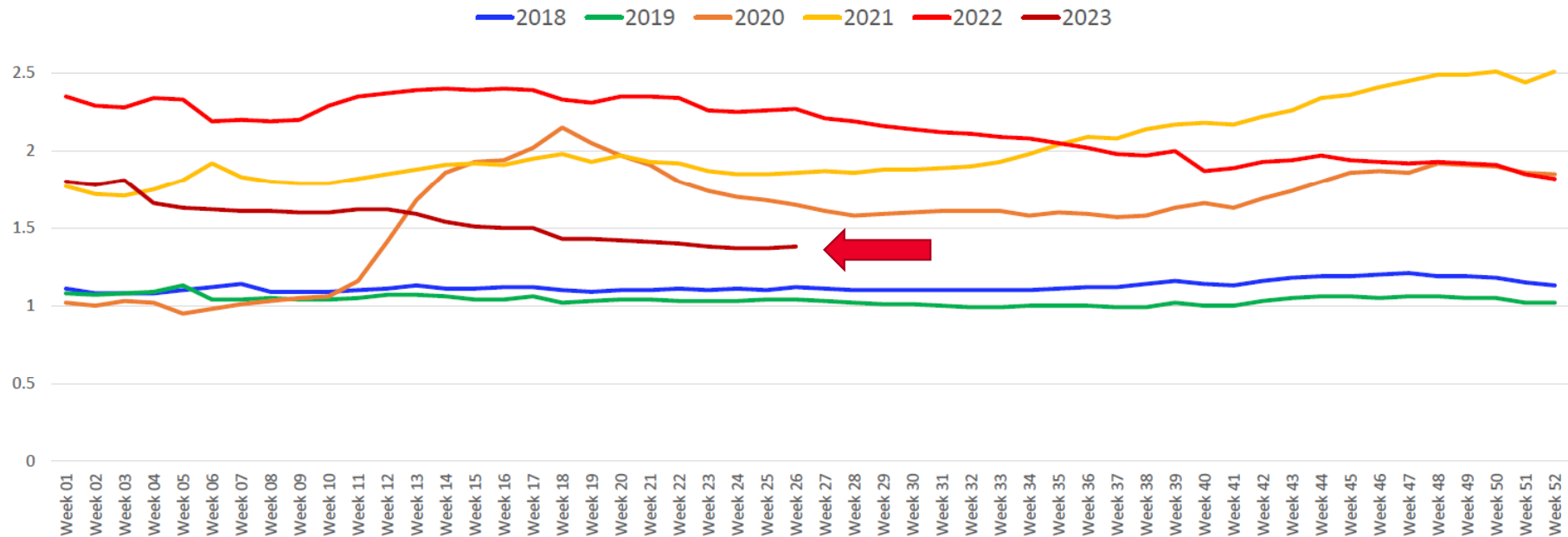
Air Cargo Demand

© IATA CargoIS 2023

Global Trend

Global Average Rate

Global Air Cargo Rate Index (USD)



Source: Classic CargoIS based on CASS

Index 1 = Week 2 2020

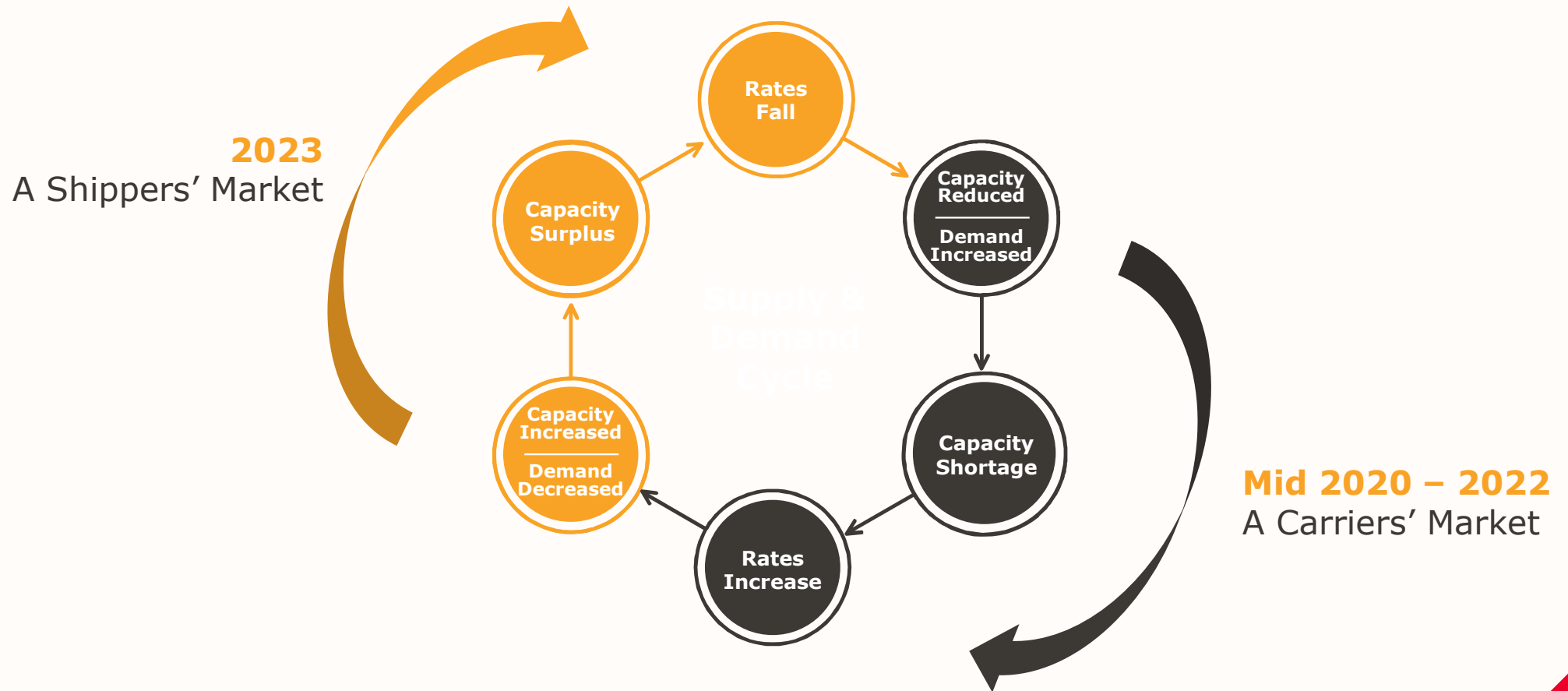


WHAT TO OBSERVE

- Fuel Prices increasing
- Increased operational costs for Airlines
- Balance between increased costs and pressure for reduced rates
- E-Commerce in China – increasing volume

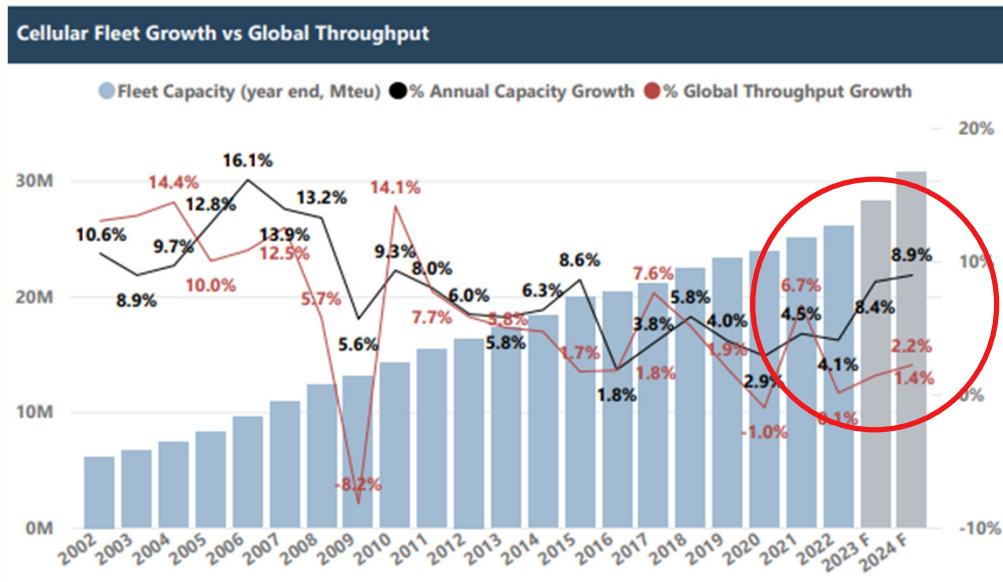


OCEAN - SUPPLY AND DEMAND CYCLE



SUPPLY AND DEMAND

Containership Fleet – Capacity and Demand Growth Projections



Source: Alphaliner Monthly Monitor, June Issue

- Demand is projected to be at 1.4% in 2023.
- Left unchecked, capacity growth is estimated at almost 9% through 2024 if all newbuilds are delivered on time and there's no excessive scrapping

SUPPLY

Containership Fleet Orderbook and Deliveries



Scheduled deliveries

	Existing	2023	2024	2025-28	2023 Change	2024 Change	2025-28 Change
MSC	5015	492	440	681	10%	8%	11%
Maersk	4127	54	140	167	1%	3%	4%
CMA	3475	165	357	438	5%	10%	11%
COSCO	2917	161	232	561	6%	8%	17%
HLL	1805	168	181	0	9%	9%	0%
Evergreen	1659	47	237	203	3%	14%	10%
ONE	1575	213	53	275	14%	3%	15%
HMM	808	0	184	81	0%	23%	8%
YML	706	0	0	78	0%	0%	11%
Zim	589	156	210	0	26%	28%	0%
Wan Hai	441	171	103	9	39%	17%	1%
Total	23117	1627	2137	2493	7%	9%	9%

*Numbers are in TEU Thousands

Source: Alphaliner Monthly Monitor, June Issue



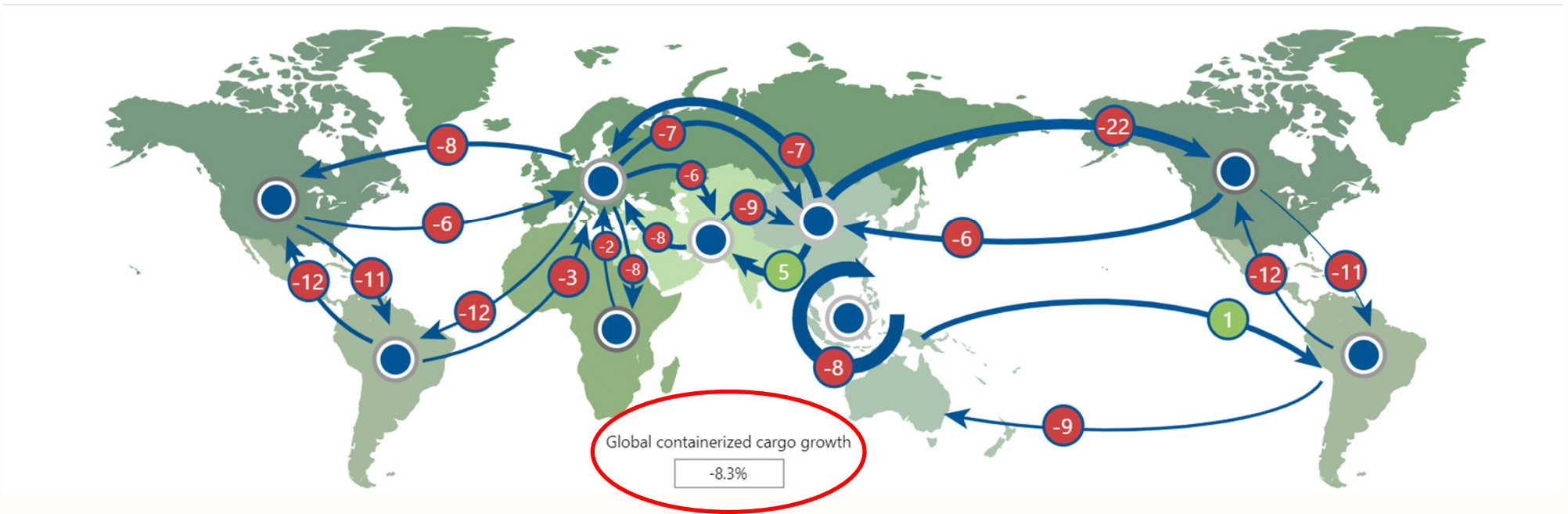
DEMAND

Global Market Trends – January to May 2023

Global Market Trends

YoY % growth for corresponding timespan

January - May 2023



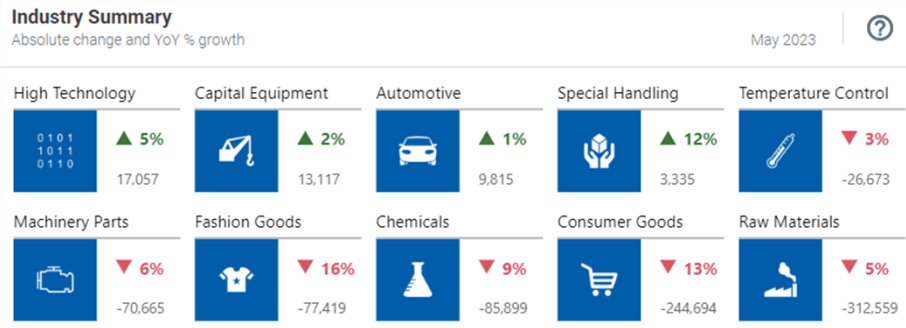
Source: Seabury



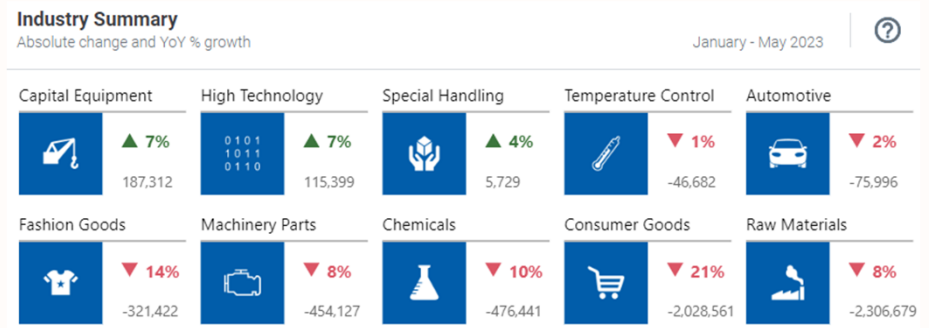
DEMAND

By Industry

May 2023



YTD 2023

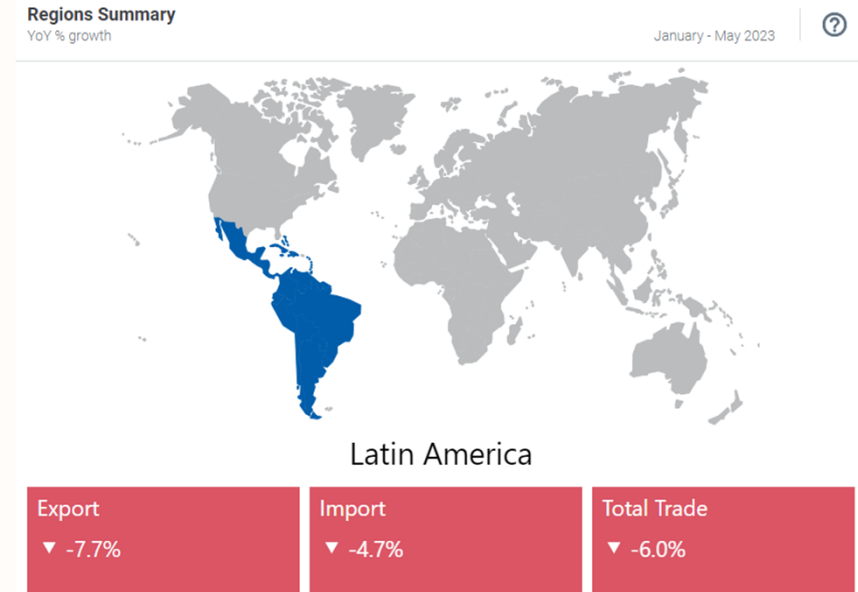
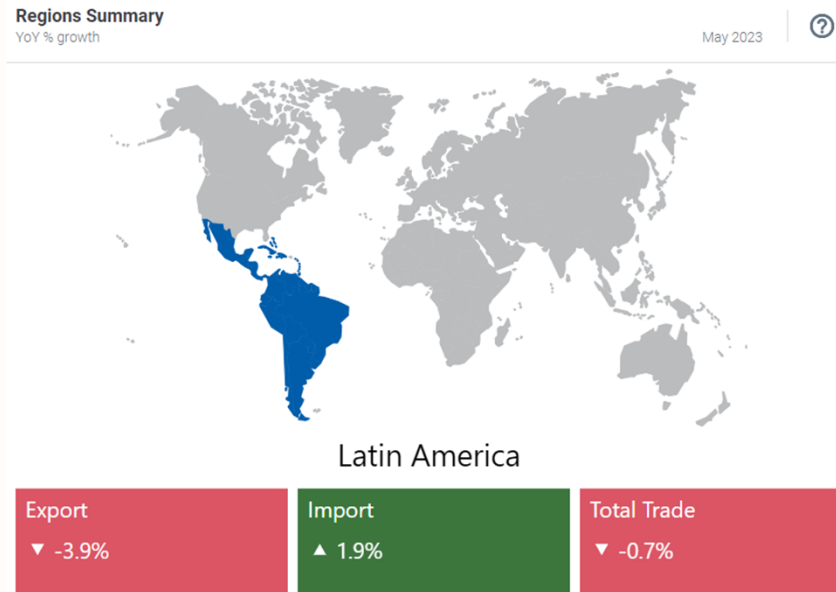


DEMAND

South America

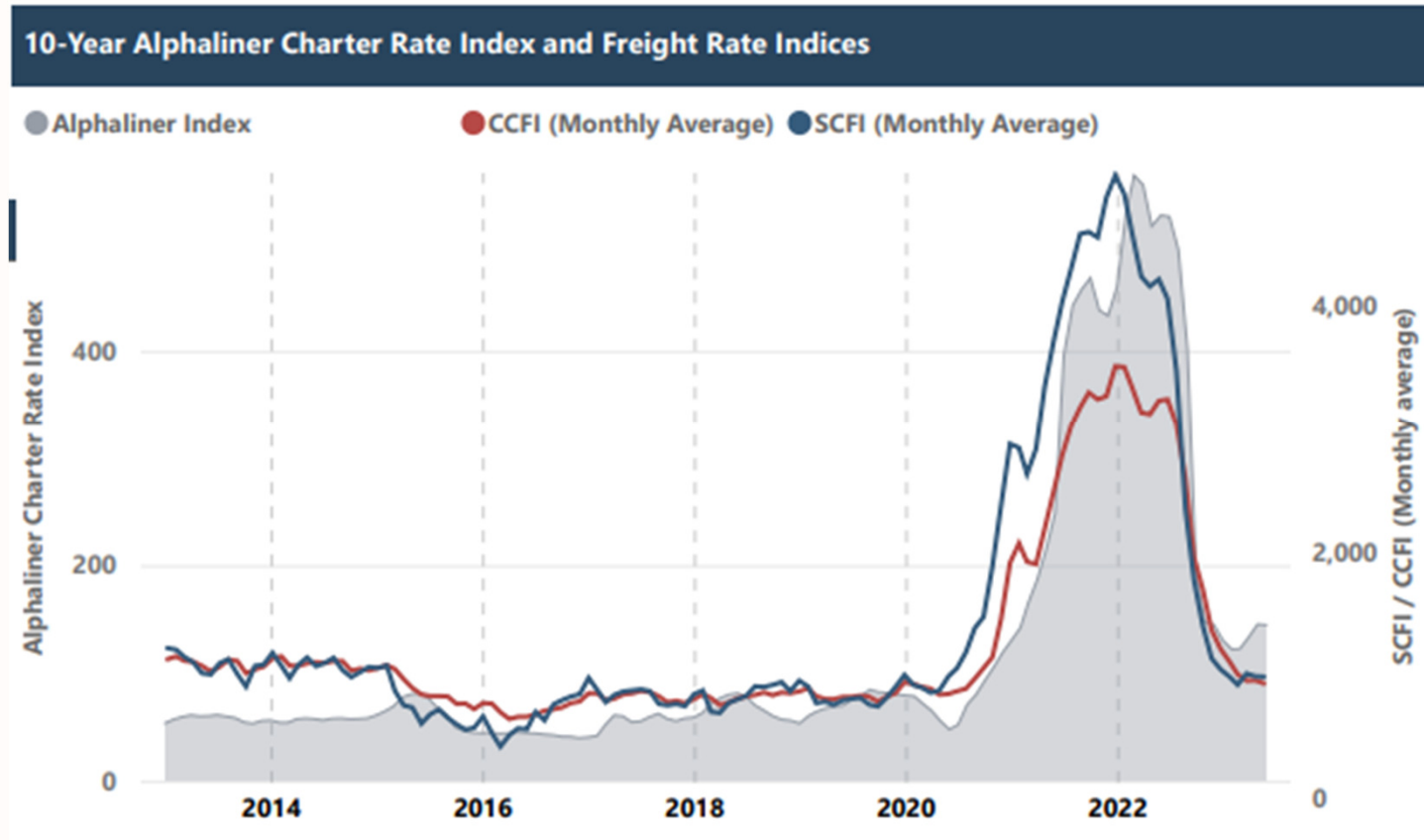
May 2023

YTD 2023



OPERATING EXPENSE - COST

Rate Indices



Source: Alhaliner



FINANCIAL PERFORMANCE

Carriers' Earnings

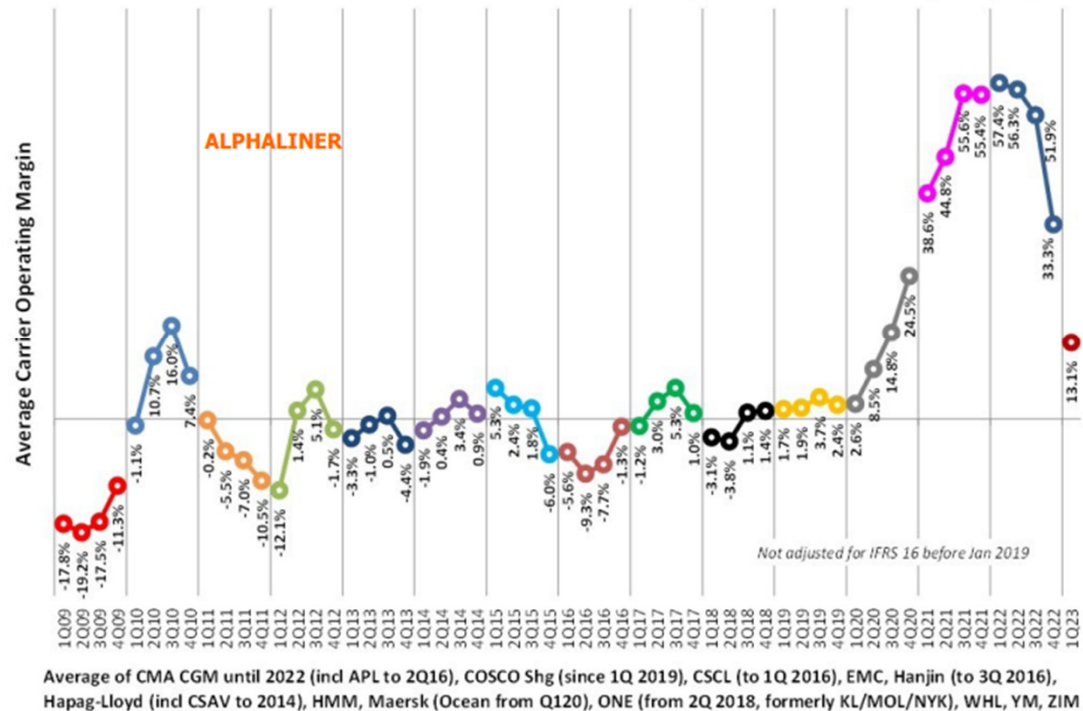
Carrier Operating margin by quarter

	2Q22	3Q22	4Q22	1Q23
Hapag-Lloyd	53.4%	52.9%	42.2%	31.1%
ONE	61.7%	59.0%	43.7%	25.5%
COSCO Grp	50.9%	44.3%	36.1%	20.3%
Maersk	49.0%	48.5%	36.2%	19.9%
Evergreen	69.4%	65.4%	29.4%	18.2%
HMM	61.5%	54.7%	39.0%	13.0%
Yang Ming	64.1%	58.4%	31.5%	4.2%
ZIM	51.4%	48.1%	26.7%	-1.0%
Wan Hai	52.5%	39.5%	11.6%	-13.1%

Container shipping activities only for Maersk and COSCO, OOCL included in COSCO

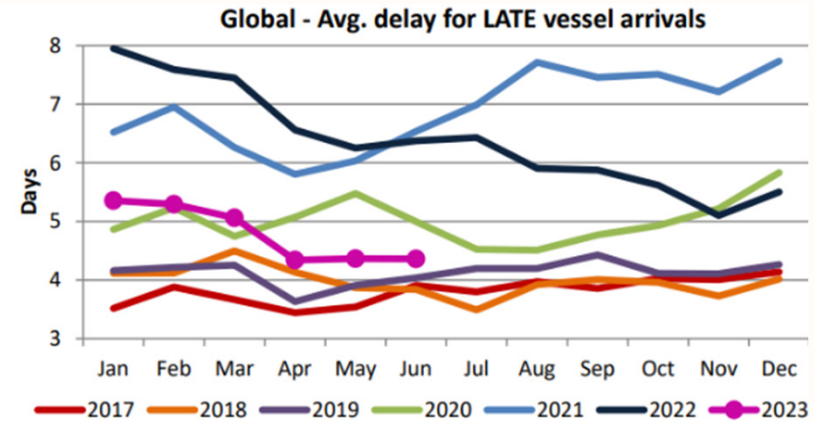
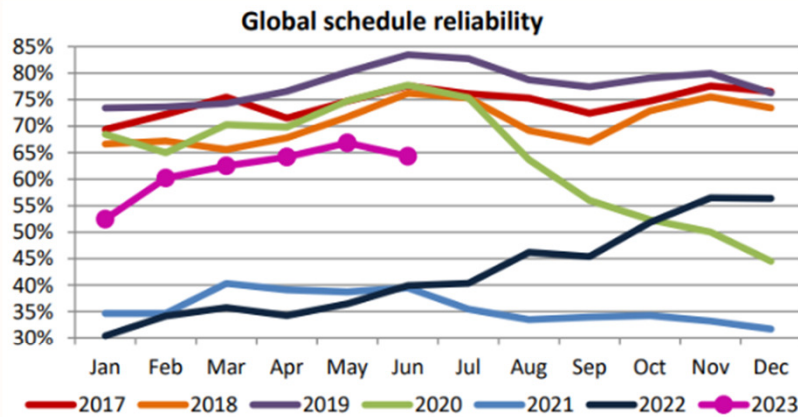
Following the redemption of its bond issue in February, CMA CGM is no longer publishing full financial data and is not included in the latest survey. The average quarterly margin is not materially impacted, and 2023/22 profit comparisons in the text are on a like-for-like basis

Main carriers: Average core EBIT margin by quarter



Source: Alphaliner, 2023 Issue 21

CARRIER SCHEDULE RELIABILITY



Global		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Schedule Reliability	2022	30.4%	34.2%	35.8%	34.3%	36.5%	39.9%	40.3%	46.2%	45.4%	51.8%	56.5%	56.4%
	2023	52.4%	60.2%	62.5%	64.2%	66.8%	64.3%						
	Change	22.0%	26.0%	26.7%	29.9%	30.4%	24.4%						
Avg. delay of LATE vessels	2022	7.95	7.59	7.45	6.56	6.25	6.37	6.43	5.90	5.88	5.62	5.10	5.50
	2023	5.36	5.29	5.06	4.34	4.37	4.36						
	Change	-2.59	-2.30	-2.39	-2.22	-1.88	-2.01						

Source: Sea Intelligence



GLOBAL OCEAN VALUE PROPOSITION



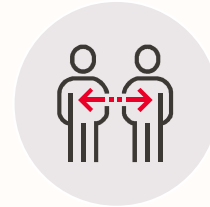
Wide Carrier Footprint



Value Added Services



Flexibility



Local Support



Growing Market Share



Financial Stability



Risk Mitigation



Compliance



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