

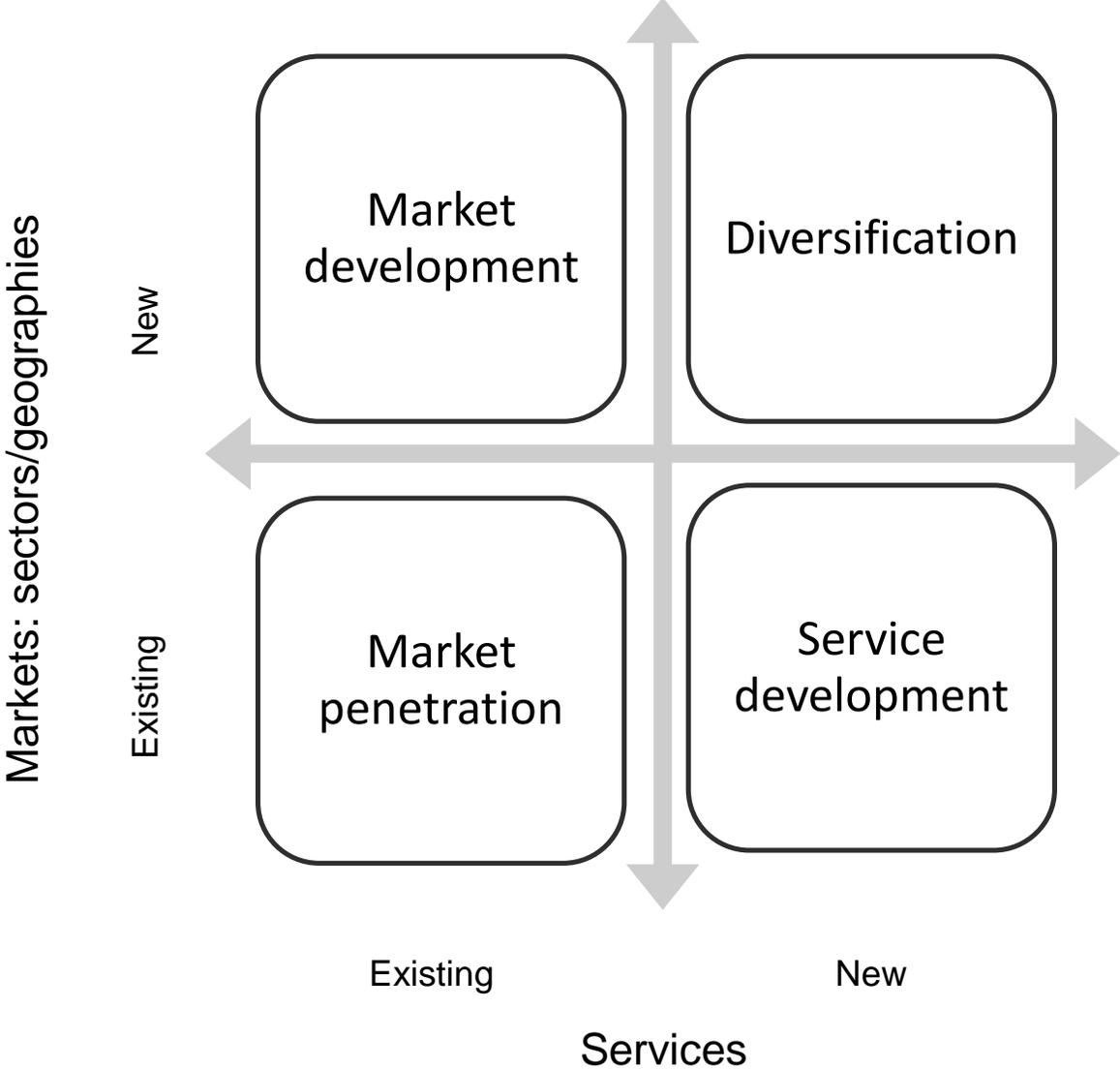
Routes to growth

New paradigms emerging

The 5th Maritime Silk Road Port International
Cooperation Forum

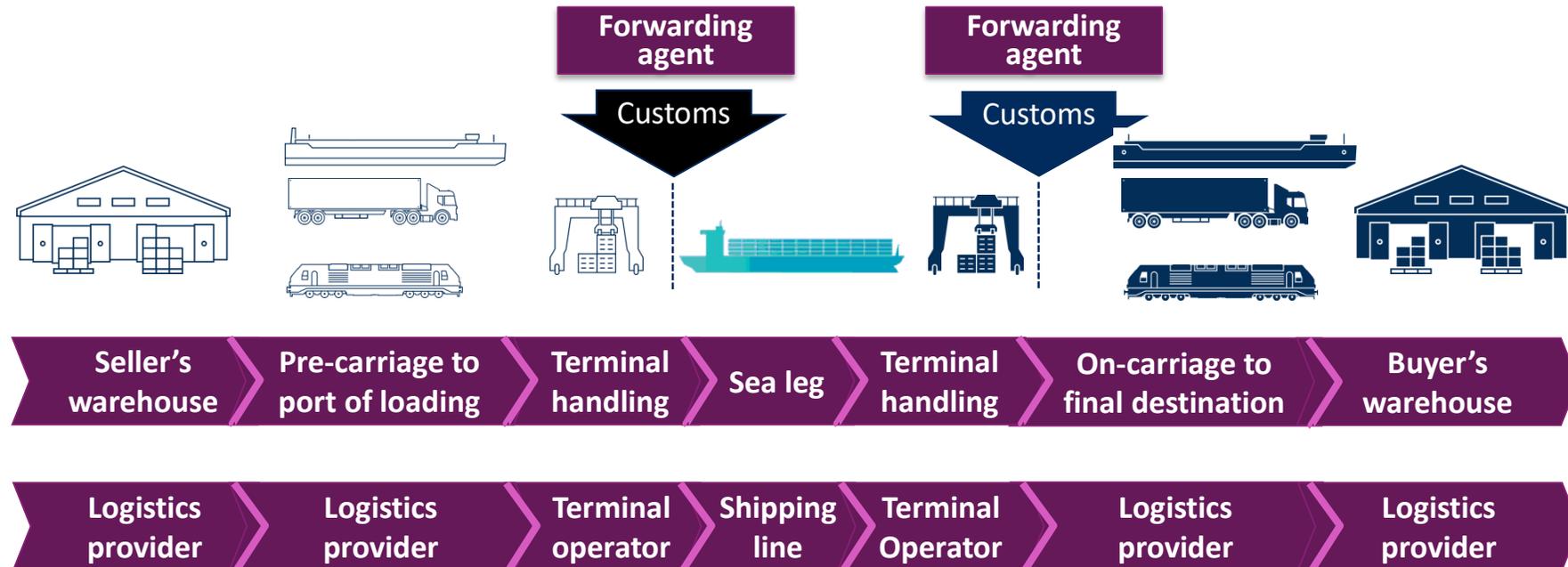
11th July, 2019

Generic routes to growth (Ansoff Matrix)



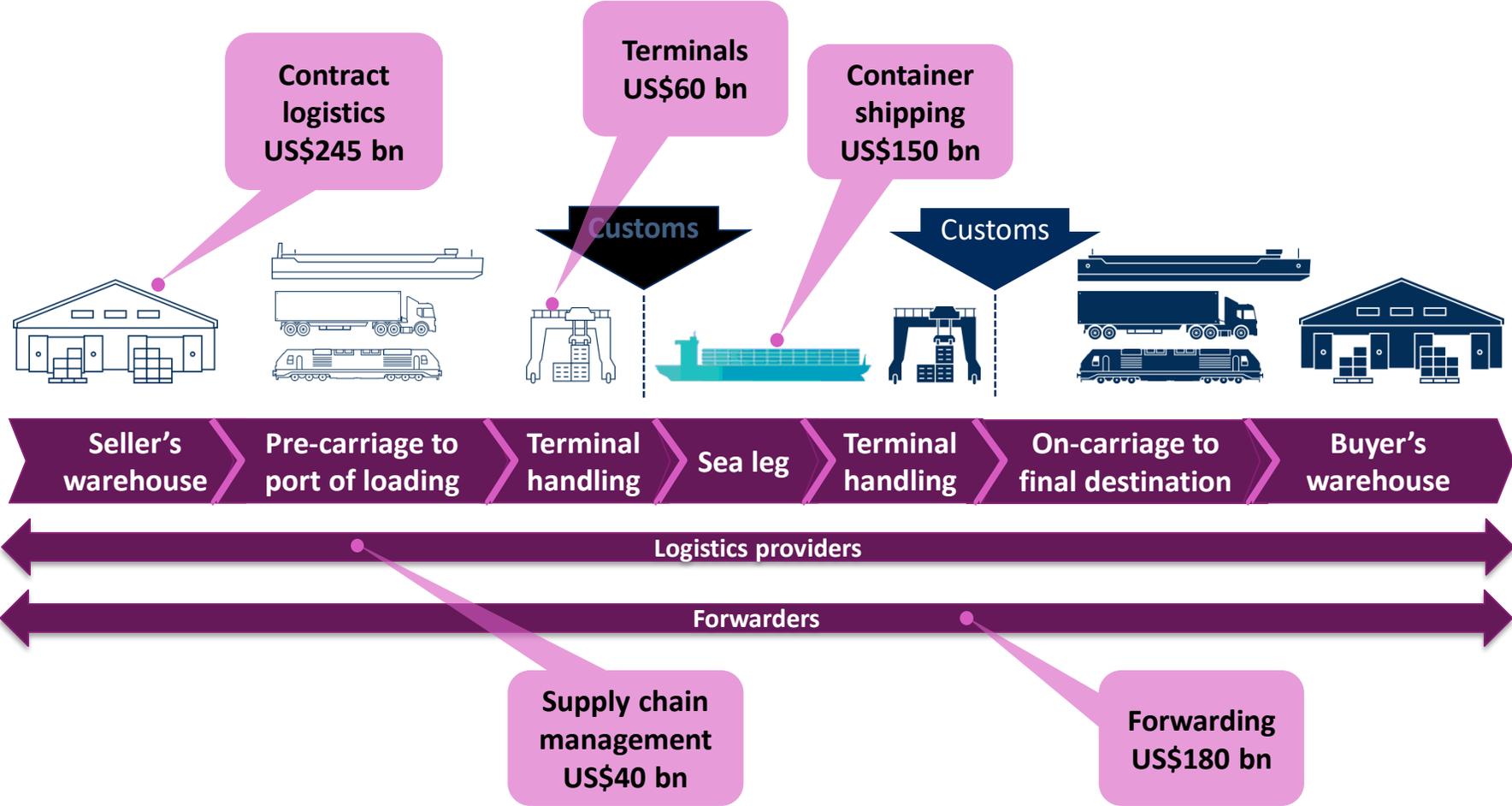
Supply chain scope

- ▶ Intermodal supply chain involves multiple players
- ▶ Each has a core (or original) role



Where is the Money?

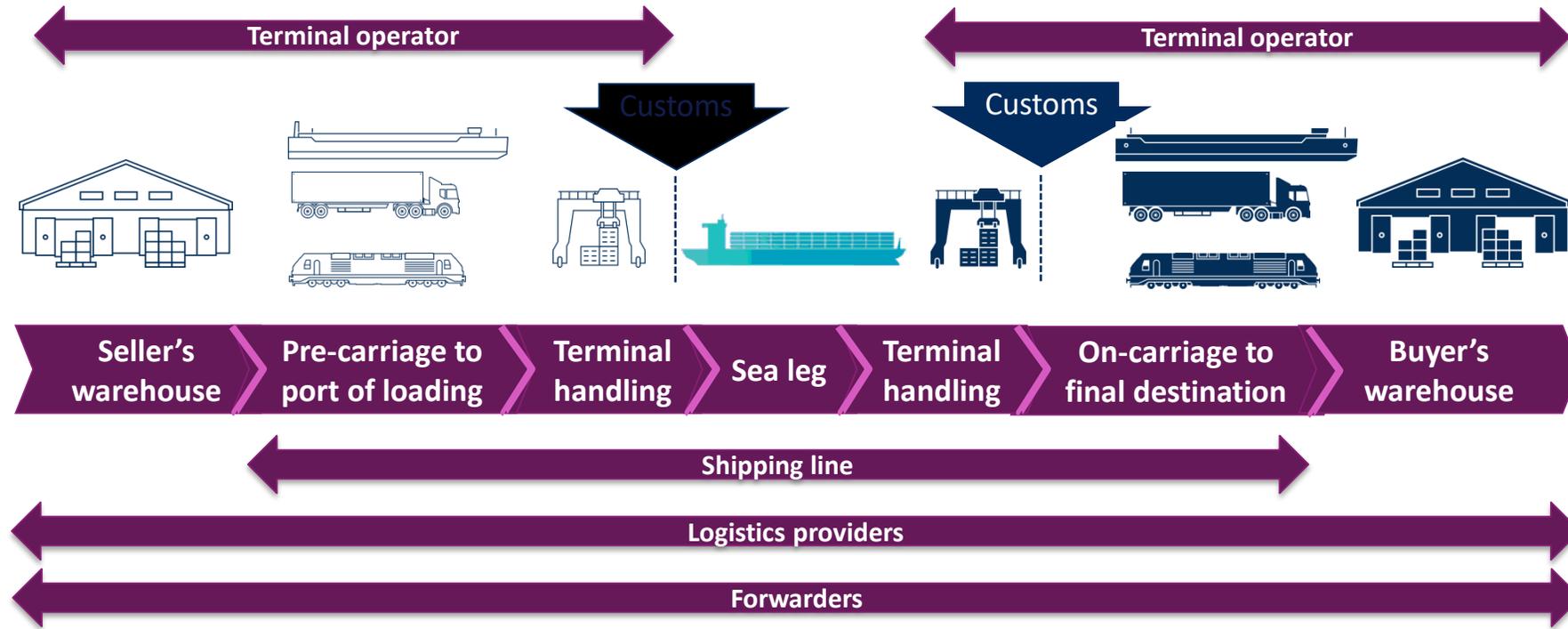
► Wider supply chain offers scope for growth



Extending scope: route to growth

- ▶ Major players are trying to expand scope

“Door-door” and whole supply chain perspective



Terminal operator strategies

Focus of some port and terminal operator switching: From hardware (more ports/terminals) to cargo owner relationships and “software” (global trade enablers)



DP WORLD

PSA
The World's Port of Call

COSCO SHIPPING

HUTCHISON PORTS **APM TERMINALS**
Lifting Global Trade



Global trade enabler

Focus on core terminal business

Changing liner strategies

Shipping line focus switching:

From hardware (big ships) to software: global supply chain integrators



Global integrator of container logistics



MAERSK

Global integrator of container logistics
- connecting and simplifying our customers' supply chains

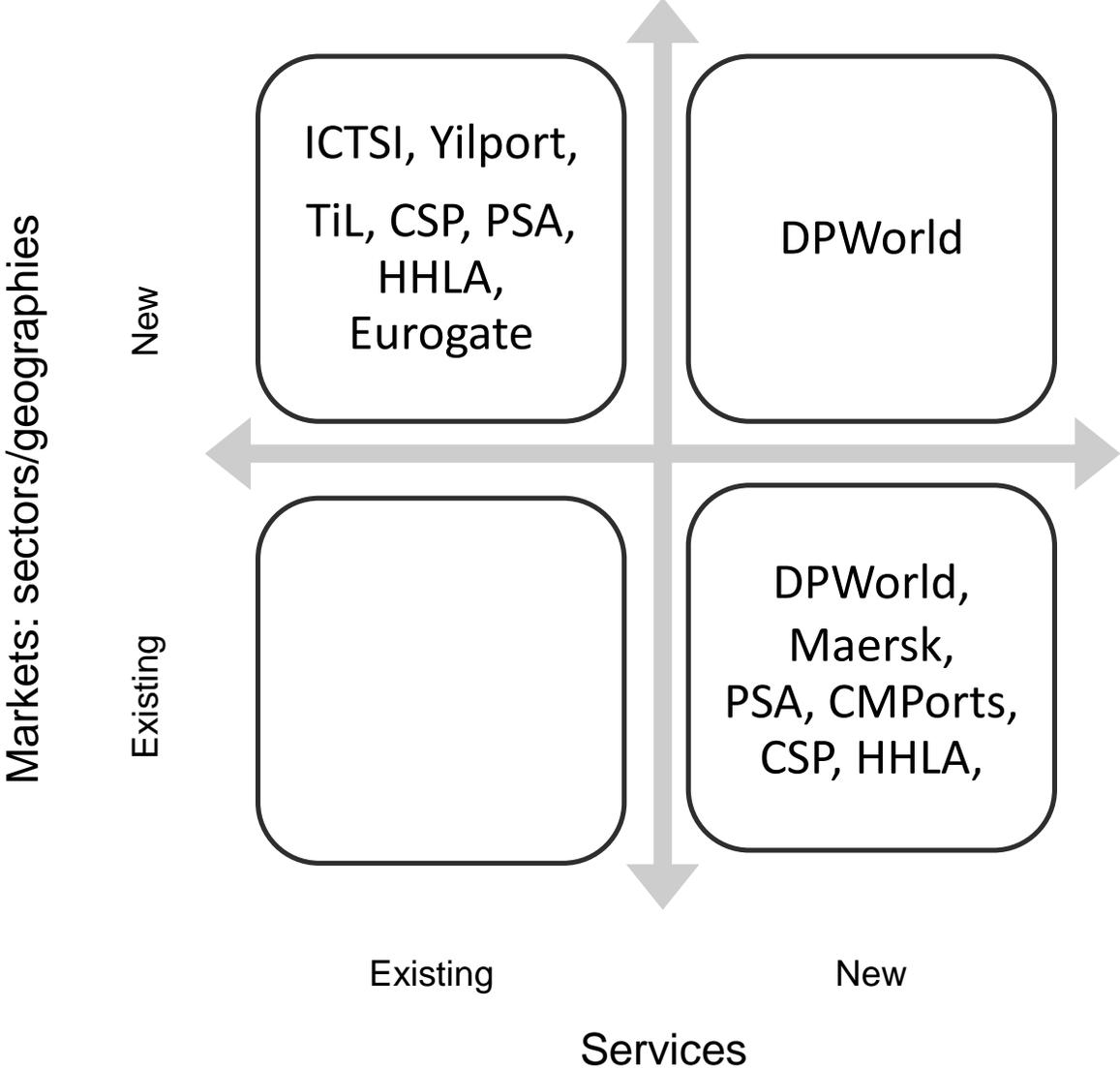
- Providing simple solutions to our customers' complex supply chain needs
- Elevating the customer experience through digital innovation
- Extending the industry's most effective and efficient delivery network to every market in the world



Supply chain
integrator

Focus on core
shipping business

Selected operators' growth strategies



DP World case

DP World aims to win by combining new digital technology, infrastructure and assets; developing a culture of innovation. It is also diversifying, using the P&O brand to become a maritime conglomerate



Container terminals

- Deployment of technology: BoxBay yard system

Cargo owners

- Economic zones and logistics
- Complete offer to BCOs

Technology

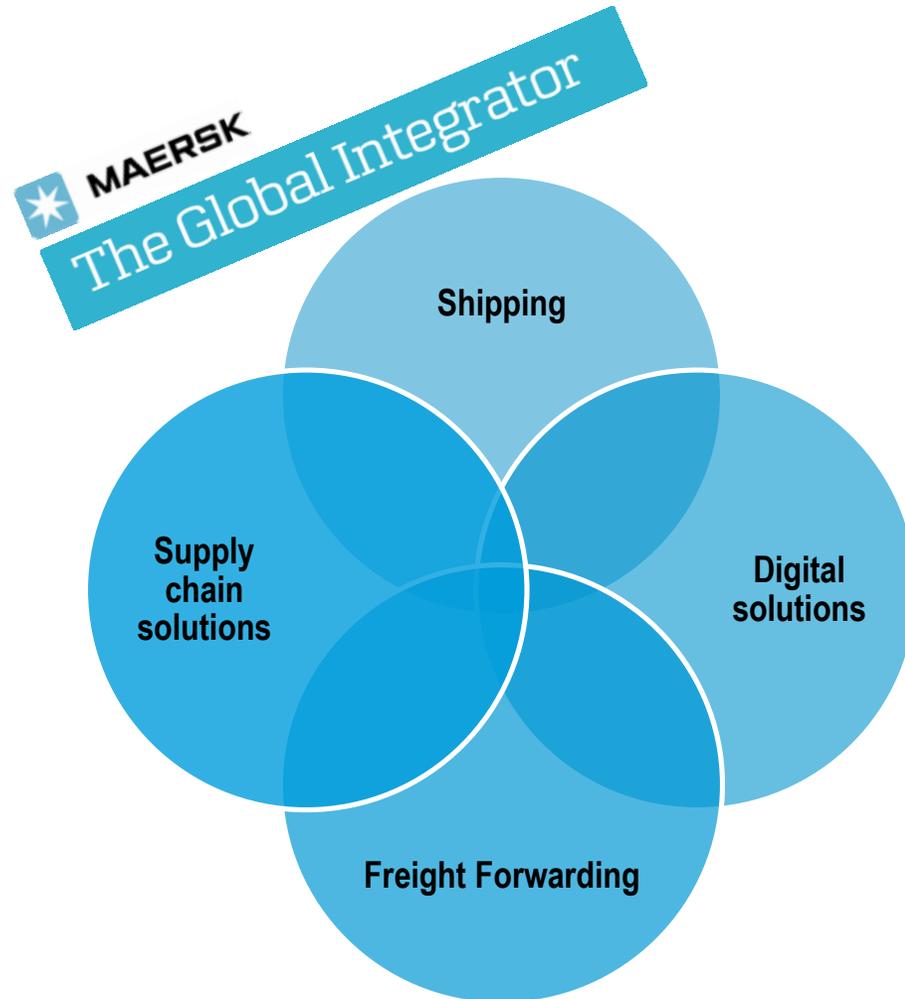
- Digitalisation: to drive trade efficiency and growth
- Speed of cargo movement: hyperloop-enabled cargo systems to support high speed (300 km/h) delivery of palletised cargo.

Diversification

- P&O Ferries
- Unifeeder
- Drydocks World
- DP World Marinas....and Topaz

Maersk case

Maersk is repositioning itself as a global integrator of container logistics



- “We are building a company that is a **global integrator of container logistics** – a company very similar to UPS and FedEx; and I hope they will be considered peers of ours when we are done with this transformation journey in three to five years; a network-based, asset-based global logistics company..”
- Today up to 80% of our earnings comes from container shipping. Hopefully a couple of years from now will be much closer to a **50-50 scenario between ocean and non-ocean services.**”
- We want to **run the warehouse, receive the goods, stuff it into containers, ship it to the U.S. and provide a data feed that says the yellow swim trunks are in that box. Then we take it out of the containers (and send the goods by trucks to distribution centres closer to the final delivery point)**”.

Soren Skou, Maersk
CEO

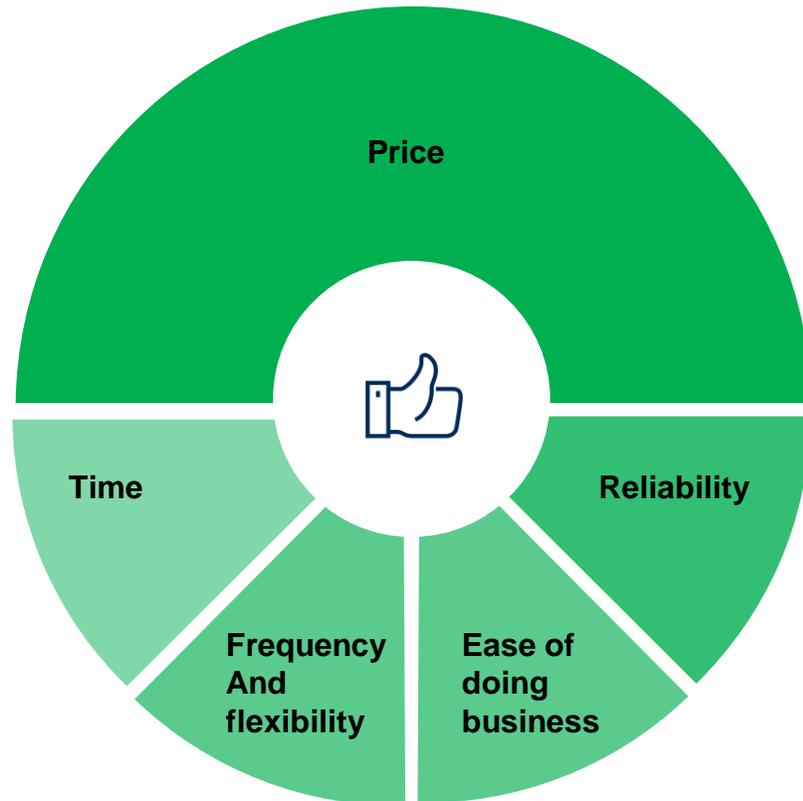
Risks of expanding scope



What delivers?

CUSTOMERS

Delivering **value** to customers....



and

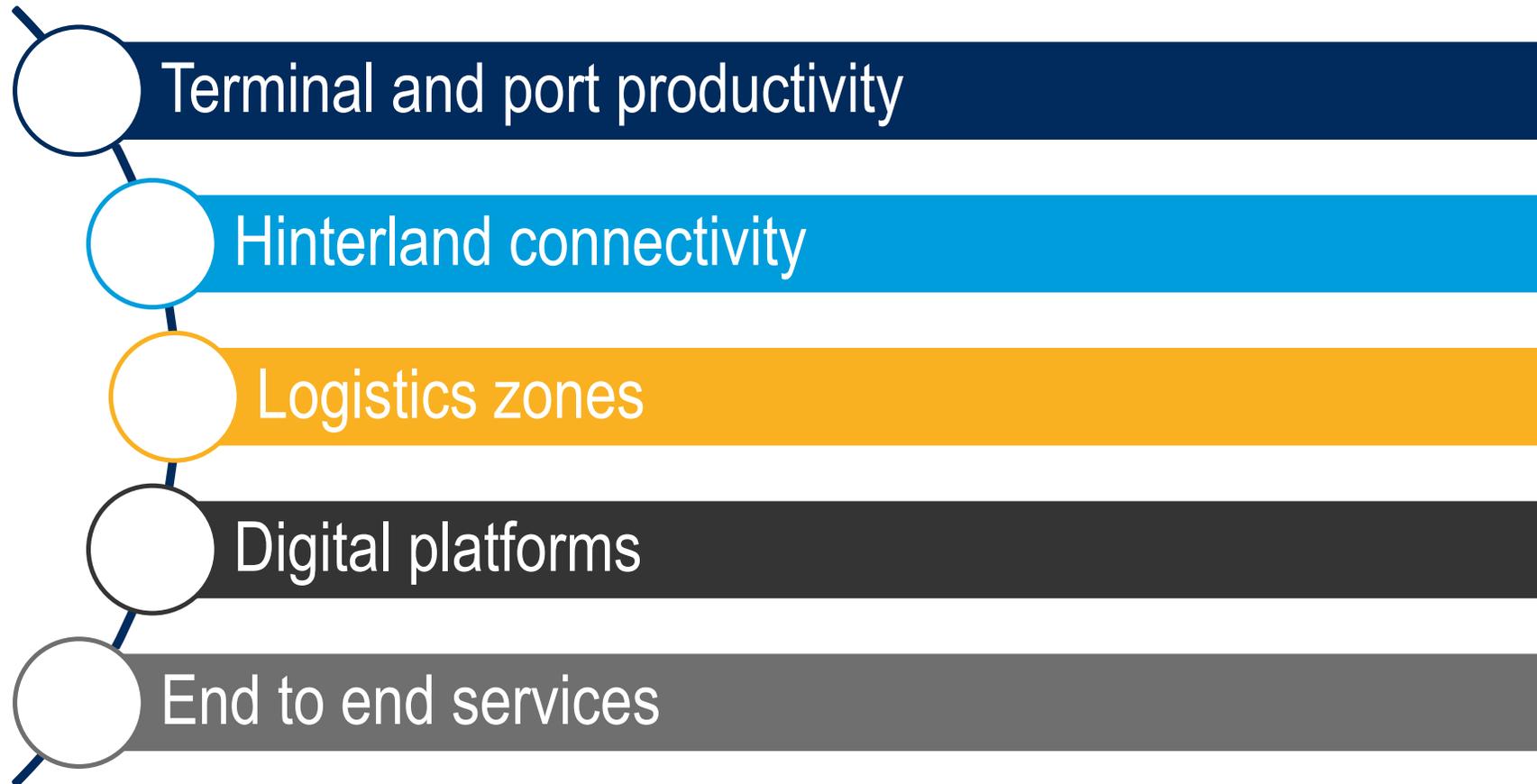
SHAREHOLDERS

...**profitability** to the operator



Our prognosis

Improving productivity, hinterland and digital connectivity will add value to customers and strengthen ports and terminal operators. Offering end to end services will bring them into head-to-head competition with lines and forw



Maritime Research

Robust, objective market analysis and forecasts to inform business decisions

Market Sectors

Container Shipping
Ports and Terminals
Dry Bulk
Gas Shipping
Tanker Shipping
Specialised Shipping
Ship Management
Logistics Management
Intermodal Transport

Maritime Advisors

Bringing together the expertise, insight and resources clients need to achieve their commercial ambitions

Advisory Expertise

Market Analysis
Strategy and Planning
Market Entry Analysis
Operational Due Diligence
Technical Due Diligence
IPO Support

Supply Chain Advisors

Tools, resources and tailored advice to support every stage of the ocean freight procurement process

Advisory Expertise

Ocean Freight Cost Benchmarking
Ocean Freight Procurement Support
Network Design and Optimisation
Commercial Due Diligence
Hinterland Logistics Analysis

Maritime Financial Research

A truly independent investment research and advisory service on companies operating within the maritime industry

Market Sectors

Container Shipping
Container Manufacturing
Ports and Terminals
Dry Bulk
Gas Shipping
Tanker Shipping

Advisory Expertise

Credit Analysis
Bond Analysis

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