

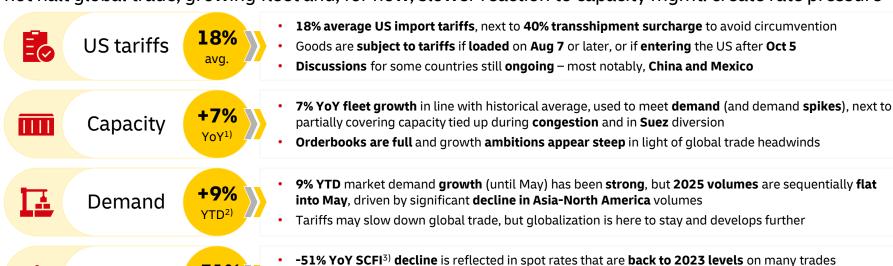
Executive summary

-51%

Rates

Growing demand is met by faster growing capacity and trade volatility

US tariffs are mostly set after months of uncertainty; at highest levels since 1930s, they dampen but do not halt global trade; growing fleet and, for now, slower reaction to capacity mgmt. create rate pressure



Sources: DHL Global Forwarding; 1) Year over year; 2) Year to date: cumulative Jan-May 2025 volume vs. cumulative Jan-May 2024 volume; 3) Shanghai Containerized Freight Index DHL Global Forwarding | OFR Market Update | September 2025

Summer peak season has been short-lived, but Q4 peak season is around the corner

Carrier capacity management could halt decline, but carriers for now did not implement drastic action

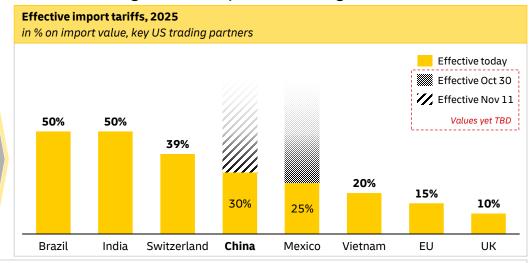
US tariffs

Status quo – for now: Deals were reached, but China remains as the large unknown

After months of uncertainty, US import tariffs have now come into effect; during ongoing negotiations with China, a 30% tariff applies which explains the lack of growth despite recurring deadline extensions

Applicable tariffs

- After months of uncertainty, US tariffs have come into effect
- This brings tariff rates for US imports to an average of approx. 18%, ranging from 10-50%
- Goods are subject to new tariffs if loaded on Aug 7 or later, or if entering the US after Oct 5¹⁾
- Transshipment penalties of 40% on top of duty have been established to avoid circumvention of tariffs
- Next to country-specific tariffs, product-specific tariffs of 25-50% apply particularly on metals and machinery
- Deadline for China tariffs was extended into November, peak season should not be impacted
- Despite extension, a 30% flat tariff still applies, so demand into US has remained flat



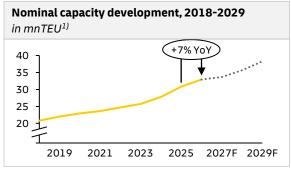


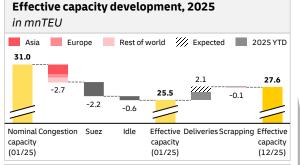
- Almost all imports are subject to 10-50% duty, depending on the origin; there are some product-specific duties that apply instead, irrespective of the origin
- So far, uncertainty around tariffs has slowed global trade full impact on shipping and supply chains to be seen now that rates have come into effect globally
- After tariff go-live, the IMF2 increased 2025 trade growth forecast back to 2.6%, but reduced 2026 forecast down to 1.9% from 2.5% previously

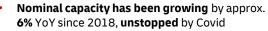
Capacity

Flat today - flooded soon?

While nominal capacity continues to grow, effective capacity is impacted by Suez diversion and port congestion around the world, particularly in Asia and Europe







- 2025 growth of 7% is slightly higher than longterm average, and growth rates are expected to hold up in upcoming years
- Nominal capacity is reduced by almost 20%, largely due to congestion and Suez diversion
- Nominal 2025 growth of 7% hence turns into slightly higher effective growth of 8%, covering less than half of the non-available capacity



- Most top carriers have orderbooks for next 4-5 years in range of 30-40% of their current fleet, with Maersk and Hapag as notable exceptions
- Orderbooks exceed expected nominal growth of 20-25% over same period

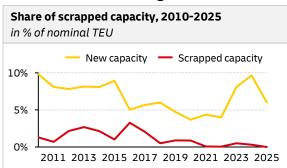


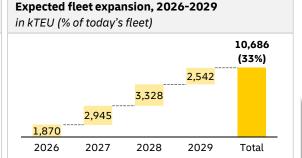
- Capacity increase is currently used to meet demand (and demand spikes), next to partially covering for congestion and Suez diversion
- If either demand growth were to slow down, congestion is eased, or Suez routes reopen, carriers face major challenges to manage capacity, e.g. through scrapping or slow steaming more details on next page

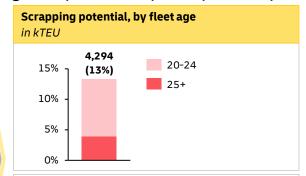
Deep dive: Capacity management

Carriers have hardly scrapped any capacity recently, but this may change soon

Number of 2025 demolitions is second-lowest over past 20 years, only outdone by 2022, given Suez deviation and congestion; to match reduced demand growth, scrapping is expected to pick up shortly







- Share of **new capacity** ranges between **4-10%**
- Share of scrapped capacity has fallen and remained below 1% of capacity since 2018
- **Demand and capacity** are gradually returning to be **balanced** after post-Covid spike and Suez
- New ships are expected to add 1/3 of today's capacity to global fleet over next 4 years
- This is in excess of expected demand growth of 20-25%, so continued fleet expansion is likely to be met with increased scrapping
- Typical ship scrapping age has historically been between 20 and 30 years
- Today, 13% of global fleet are in this age bracket, which could close the gap between fleet expansion and demand growth



- In the last few years, hardly any ships were scrapped, as post-Covid spike and Suez diversion made capacity indispensable
- Carriers are expected to make capacity cuts to prevent freight rate decline
- This may happen soon as fleet is reaching typical scrapping age and fleet expansion exceeds expected demand growth

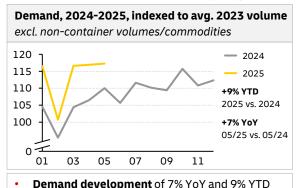
Sources: DHL Global Forwarding, Alphaliner

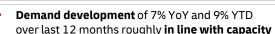
Demand

May 2025 data (most recent available)

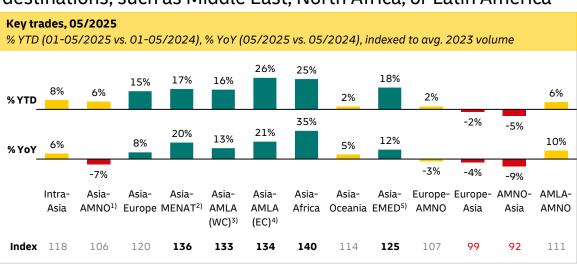
Tariffs slow growth, but globalization is here to stay

Demand development is in line with capacity, but US tariffs announced in April are impacting growth rates; Asian exports surging to other destinations, such as Middle East, North Africa, or Latin America





Growth has tapered off a bit in recent months given announcement of and subsequent uncertainty around US tariffs



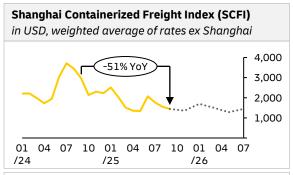


- Overall growth is positive, but 2025 volume growth is flat, driven by overall second-largest trade Asia-AMNO declining by -7% YoY
- Asian exports are surging to other destinations particularly Middle East, North Africa, or Latin America
- This indicates that tariffs may slow down global trade, but not stop it: globalization is here to stay, with MENAT as strongest O/D region despite recent war

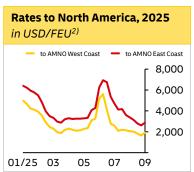
Freight rates

Long-term rates, service and capacity are stable, as spot rates continue to drop

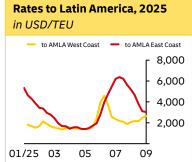
Early summer increases on Trans-Pacific trades have almost completely reversed; with lack of demand growth, drop to 2023 lows is possible if carriers do not resort to aggressive capacity management



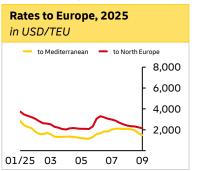
- After a short summer peak, rates are falling again, driven by weak TPEB¹⁾, resulting in YoY decline of -51%
- Futures foresee a slight rate increase towards the end of 2025, thereafter further decline



- Rates fell for 12 weeks but appear to bottom as capacity mgmt. comes into effect
- Little relief from recent
 90-day China tariff extension



- East Coast rates are normalizing after spike from US-bound capacity diversion
- West Coast rates gradually climbing after capacity mgmt.



- FEWB³) rates has had a stable year so far, with solid demand and consistent volumes
- Rates are gradually reducing as peak season is over



- Rates continue to drop, with TPEB reaching 2023 lows, while FEWB has been proven an anchor of stability this year
- Expected slight rate increase in Q4 is driven by upcoming peak season, but lack of demand growth would subsequently again lead to rate decline into 2026
- Aggressive carrier capacity management can halt rate decline, as demonstrated on Asia-AMLA WC trade, but carrier motivation appears less on TPEB

Deep dive: Capacity vs. Demand

Capacity surplus reduces rates and utilization

G Capacity exceeds demand

Capacity and demand balanced

R Demand exceeds capacity

Capacity from new ships entering the market meets flat volumes, creating a surplus in capacity; short-term demand may change given volatility around US trade policy, so caution is advised when planning

| Origin | Destination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | | Sep | Oct | Nov |
|------------------|------------------|-----|-----|-----|-----|-----|-----|-----|-----|----------|-----|-----|-----|
| Asia to | Asia | R | | | | R | R | R | | | R | R | |
| | North America | | | | | | R | R | | | | G | |
| | Europe | | | | | | R | R | | | | | |
| | Middle East | R | | | | G | | R | R | | | | |
| | Latin America WC | G | | G | G | G | R | | | | | | |
| | Latin America EC | G | | G | G | G | R | | | | | | |
| | Africa | R | | G | G | G | G | | | cast | R | | |
| | Oceania | R | | | | | | | | Forecast | R | R | |
| | East Med | R | | | | | | R | R | ш | R | | |
| East Med to | Europe | R | | | | | | | | | | | |
| Europe to | North America | R | R | | | R | R | R | | | | | |
| | Asia | | G | G | G | G | G | G | G | | G | G | G |
| North America to | Asia | G | G | G | G | G | G | G | G | | G | G | G |
| Latin America to | North America | R | | | | | | | | | | | |

Observations

based on DHL Global Forwarding expertise

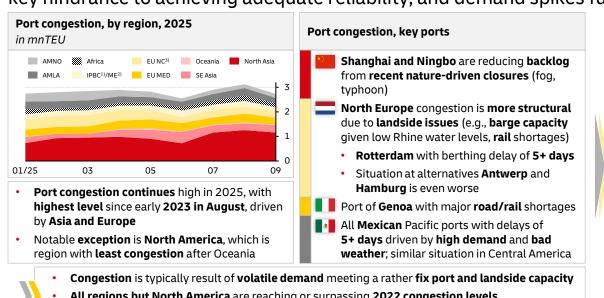
- Strong upcoming seasonal demand with China Golden Week and year-end holidays drives vessel utilization up
- Carriers are expected to strategically reduce capacity and blank sailings to drive General Rate Increases (GRIs), although recent attempts have failed
- Freight rates are fluctuating
 - Intra-Asia and Oceania show tight space and rising rates; carriers prioritize high-yield shipments
 - FEWB and TPEB trades with declining and/or flat volumes
 - Rates into Latin America remain volatile and elevated given growing but unpredictable demand and successful capacity mgmt.

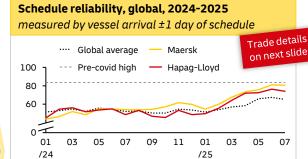
Source: DHL Global Forwarding

Deep dive: Port congestion

Berthing delays are key opponent to schedule reliability

While schedule adherence has been increasing under reshuffled 2025 alliances, port congestion is the key hindrance to achieving adequate reliability, and demand spikes further increase the issue





- Carriers achieved a substantial improvement in schedule reliability this year, but there is still a significant gap to pre-Covid highs of 80-85%
- Among top carriers, Gemini Cooperation (comprised of **Maersk** and **Hapag**) is top of class measuring port-to-port reliability per loop
- From a shipper perspective, perceived reliability is usually 5-10% less due to omitted calls, feeder dwell times, schedule changes, and rolled cargo



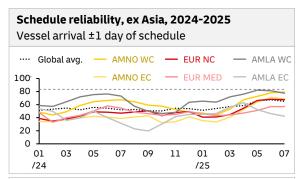
- All regions but North America are reaching or surpassing 2022 congestion levels
- If US trade dispute with China were resolved, congestion could worsen further

Sources: DHL Global Forwarding, Linerlytica, Sea Intelligence; 1) Indian subcontinent (India, Pakistan, Bangladesh and Sri Lanka); 2) Middle East; 3) North Continent, incl. UK DHL Global Forwarding | OFR Market Update | September 2025

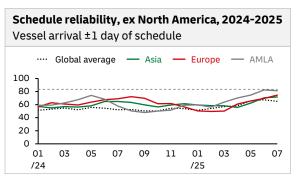
Deep dive: Schedule reliability

Peak season is key test for schedule reliability

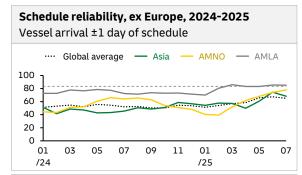
Reliability generally increasing in line with global average for most trades, with exception Asia to Latin America EC; ex Asia, it remains to be seen if increased reliability can be sustained through peak season



- Schedule reliability generally higher to Americas West Coast compared to East Coast
- Average schedule reliability to Europe
- Least reliable service to Latin America East Coast, due to Panama Canal and recent peak
- Typical drop in reliability in Q4 peak season, so recent increase must be taken with care



- Above-average reliability to Latin America
- Average reliability to Asia and Europe
- Lack of North American port congestion is key driver of schedule reliability
- This could change if US-China tariff discussions have a successful outcome with a subsequent spike in volumes



- Above-average reliability to Latin America
- Average reliability to Asia and North America
- Asia reliability with solid increase despite strong demand and port congestion on both sides
- Less pronounced Q4 peak season gives reason to expect that improvements can be sustained

Sources: DHL Global Forwarding, Sea Intelligence

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APPENDIX

Deep dive: Capacity vs. Demand | Additional tradesCapacity surplus reduces rates and utilization

G Capacity exceeds demand
Capacity and demand balanced

R Demand exceeds capacity

Capacity from new ships entering the market meets flat volumes, creating a surplus in capacity; short-term demand may change given volatility around US trade policy, so caution is advised when planning

| Market development on key regional tradelanes, 2025 for further regional tradelanes | | | | | | | | | | | | | |
|---|---------------|-----|-----|-----|-----|-----|-----|-----|-----|----------|-----|-----|-----|
| Origin | Destination | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | | Sep | Oct | Nov |
| Europe to | East Med | G | G | G | G | | | | | | G | G | G |
| | Africa | R | R | R | R | R | R | R | R | | R | R | R |
| | Latin America | R | R | | | R | R | R | | | | | |
| | Middle East | G | G | G | G | G | G | G | G | | G | G | G |
| | Europe | G | G | G | G | G | G | G | G | | G | G | G |
| East Med to | Europe | | | | | | | | | | | | |
| Middle East to | Asia | | G | G | G | G | G | G | G | Forecast | G | G | G |
| | Middle East | G | G | G | G | G | G | G | G | -ore | G | G | G |
| North America to | Latin America | R | | | | | | | | _ | | | |
| | Europe | G | R | G | G | G | G | G | G | | G | G | G |
| | North America | | | | | | | | | | | | |
| Oceania to | Asia | | G | G | G | G | G | G | G | | G | | |
| Latin America to | Europe | | G | G | | | | G | | | G | G | G |
| | Asia | | | | | | | | | | | | |

Source: DHL Global Forwarding

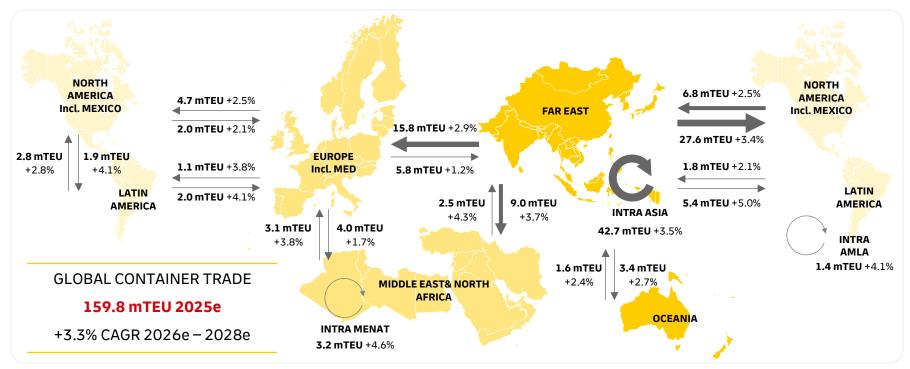
Deep dive: GDP Growth & Bunker Prices

| GDP Growth by Region ¹⁾ | | | | | | | | | | |
|------------------------------------|-------|-------|-------|-------|-------|-------------------|--|--|--|--|
| | 2025F | 2026F | 2027F | 2028F | 2029F | CAGR (2026–29) | | | | |
| Americas | 1.4% | 1.7% | 1.8% | 1.9% | 2.0% | 1.9% | | | | |
| Asia-Pacific | 3.6% | 3.6% | 3.9% | 4.0% | 3.9% | 3.9% | | | | |
| Europe | 1.2% | 1.5% | 1.8% | 1.8% | 1.8% | 1.7% | | | | |
| Middle East Africa | 3.0% | 3.7% | 3.8% | 3.7% | 3.5% | 3.6% | | | | |
| Worldwide Average | 2.2% | 2.4% | 2.6% | 2.7% | 2.7% | 2.7% | | | | |



¹⁾ Real GDP, Copyright © IHS Markit, now part of S&P Global, Q2 2025 Update 2 Jun '25. All rights reserved; 2) Source: Bunkerindex, in USD, status 23 June '25

Deep dive: Demand development, 2025 - 2028



Source: Accenture Cargo; 12/24 update