

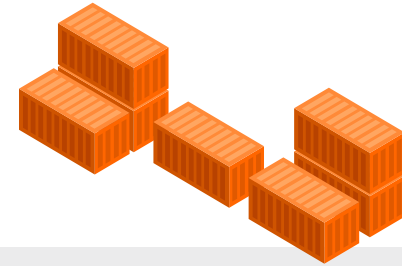
# Gemini Cooperation

Hapag-Lloyd & Maersk are entering  
into an operational cooperation in 2025

October 2024 | Hamburg



With Strategy 2030 we continue our strive to become the “Undisputed Number One for Quality“



# STRATEGY 2030

Undisputed Number One for Quality

STRATEGIC DIRECTION

Pureplay-Plus

WHERE-TO-PLAY

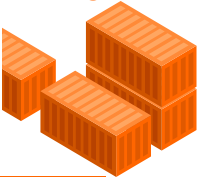
Top 5 Global Player

HOW-TO-WIN

Undisputed #1 For Quality

Sustainability Driver

Top Performing Carrier



The Gemini Cooperation will be an important enabler to deliver on our Strategy 2030



Reliability



Connectivity

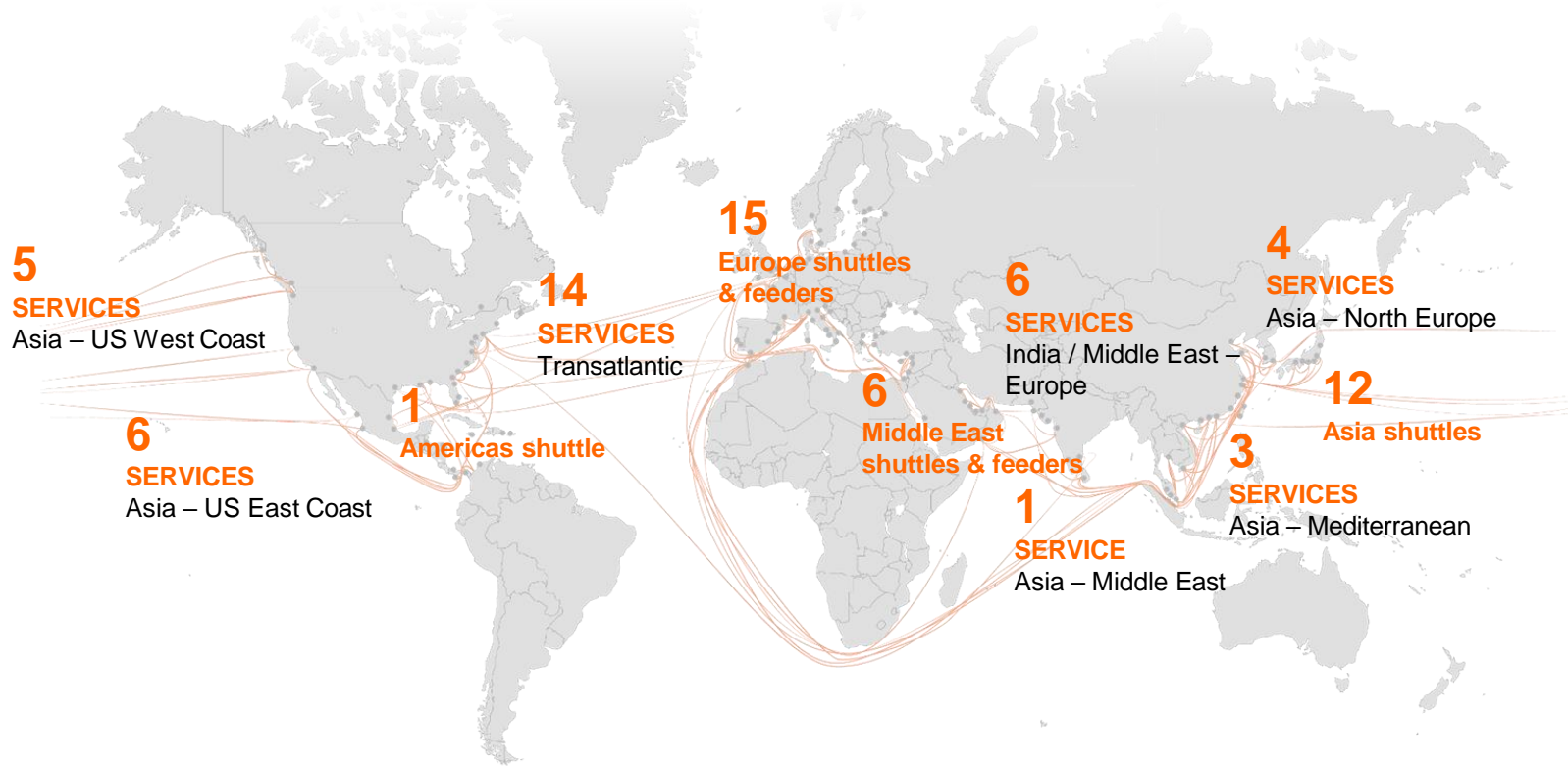


Sustainability

**Gemini Cooperation: Hapag-Lloyd will leave THE Alliance and team up with Maersk**

- A long-term agreement has been signed with Maersk and will start in February 2025
- Partners have been informed that we will leave THE Alliance end of January 2025

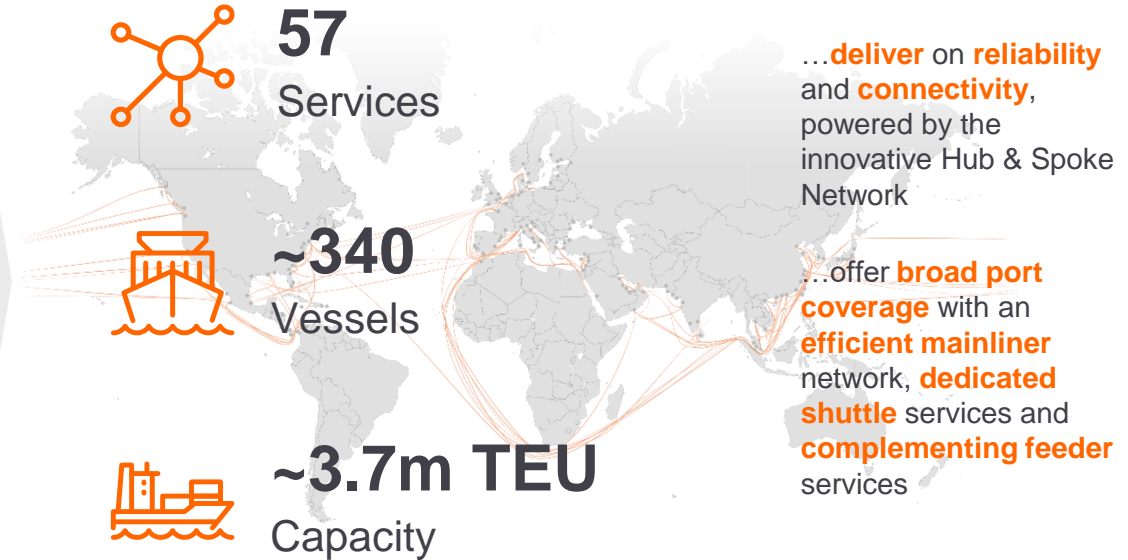
# Hapag-Lloyd's East-West Service Network offers a broad coverage across key trades with complementing intra-regional connectivity



# Gemini Cooperation will be an integral part of Hapag-Lloyd's overall East-West Network ...

- After thorough consideration, **Hapag-Lloyd and Maersk have jointly confirmed** the expected **network design** for our **Gemini Cooperation**, which is set to launch on 1 February 2025
- As the situation in the Red Sea remains highly dynamic, we plan to **continue to sail around the Cape of Good Hope**
- The **safety** and well-being of our **seafarers**, our **vessels** and the **cargo** of our customers **are key**
- We will **return to the Red Sea** when it is **safe** to do so

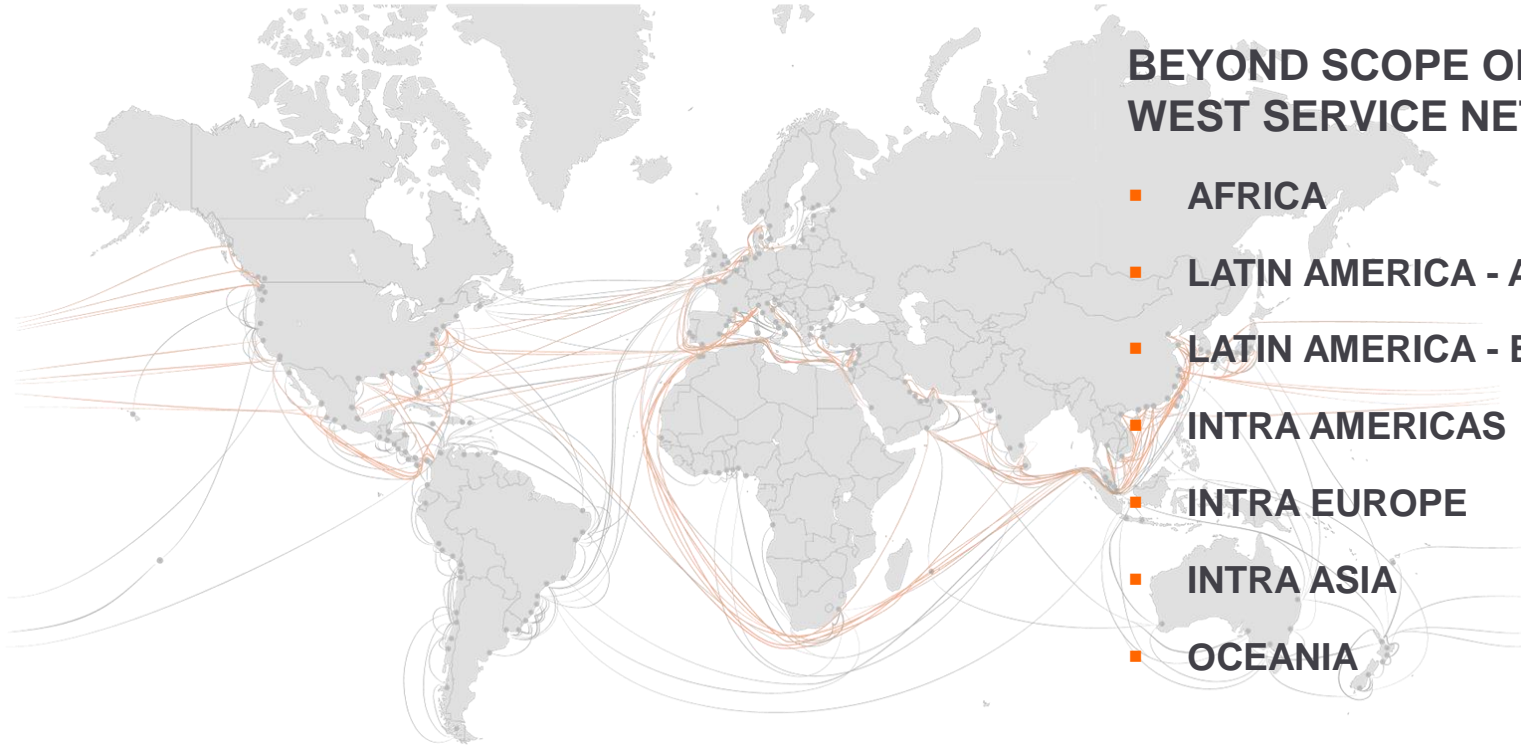
## Our Gemini Cooperation Cape Network will...



... and will be an integral part of Hapag-Lloyd's overall network of in total around 120 services globally

**BEYOND SCOPE OF EAST-WEST SERVICE NETWORK**

- AFRICA
- LATIN AMERICA - ASIA
- LATIN AMERICA - EUROPE
- INTRA AMERICAS
- INTRA EUROPE
- INTRA ASIA
- OCEANIA



# Gemini Cooperation will enable us to offer significantly higher quality liner services to our customers

## Our value proposition ...



**RELIABILITY**



**CONNECTIVITY**



**SUSTAINABILITY**

## ... your benefit

- Enable >80% on-time delivery of your cargo
- Link all your relevant markets with fast and resilient transit times
- Accelerate the decarbonization of your supply chains

# We will deliver industry leading reliability through an efficient network to ensure on-time delivery of your cargo

## RELIABILITY

Industry  
leading  
schedule  
reliability  
of >90%



### Punctuality Promise

- Strong focus within Gemini Cooperation on schedule reliability<sup>1)</sup> to increase on-time delivery on box level from today ~50% to >80% across the Hapag-Lloyd network



### Robust & Resilient Network

- Efficient mainliner network with (mostly) controlled hubs & owned shuttles will improve reliability and port coverage



### Balanced Partnership

- Strategically aligned partners with equal rights will result in faster decision-making, backed by contractual obligations

# Our state-of-the-art operational model will improve how we transport your cargo throughout the entire network

## CONNECTIVITY

Excellent network coverage with efficient connections and competitive transit times



### Tailored Hub Ports & Controlled Operations

- Network centered around hubs that are mostly jointly controlled and managed by Gemini Cooperation partners



### Dedicated Shuttle Network and Complementing Feeders

- Large and dedicated shuttles run by Gemini Cooperation partners will serve an extensive port network
- Smaller sized feeders operated by either Hapag-Lloyd or strategic suppliers will complement the network in specific markets



### Synchronized Connections

- Frequent shuttles in synchronized connections with reliable mainliners will half dwell times and allow cargo to reach the desired destination faster



# With our Strategy 2030 we aim to become a Sustainability Driver to accelerate the decarbonization of the industry

## SUSTAINABILITY

### Accelerate decarbonization efforts

#### Decarbonization is central to our Strategy 2030

- Absolute GHG emission reduction targets to align with 1.5-degree trajectory
- Reduce absolute emissions by over 1/3<sup>rd</sup> by 2030<sup>1)</sup> and net-zero by 2045
- Further enhance green product offerings towards our customers

#### Levers that will enable decarbonization



Effective Hub & Spoke model



Strategic terminal hubs



Speed optimization



Alternative fuels



Larger ships



Reduced waiting times

# Gemini Cooperation is an important enabler to reduce carbon emissions driven by a significantly more efficient network

**Joint  
ambitions  
with a like-  
minded  
partner**



## **Larger vessels in core network**

- Hub & Spoke setup allows us to consolidate transport and deploy larger vessels on high-demand routes with higher efficiency

## **Better utilization of network**

- More targeted deployment of vessels for the respective market requirements leveraging the shuttle network with large vessels instead of calling every port

## **Optimized speed profile and port stays**

- Higher reliability and less unproductive times from, e.g., waiting times in ports allow for optimization of service speeds and less speed-ups

# With Gemini we are building on a hub & spoke network that will be a key enabler to reach >80% on-time delivery of your cargo

## What is Hub & Spoke?

- A network design used in various industries, including transportation and logistics
- Large international airlines are a prominent example who usually operate a Hub & Spoke network
- This model features a number of central hubs connected to multiple spokes
- These central hubs facilitate the movement of goods from the spokes

## Why is Gemini building on Hub & Spoke?



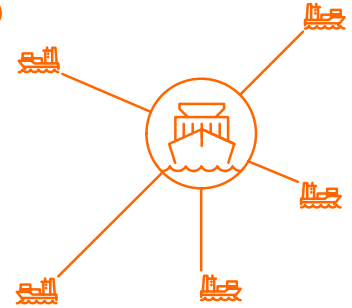
**Classic networks are much more vulnerable, leading to operational performances below customer requirements**

- Recent years have highlighted the vulnerability of classic network designs to global disruptions
- This causes inefficiencies in global supply chains and lowers industry reliability to 50-60%




**A new approach is needed to increase schedule reliability and to bring on-time delivery of cargo to >80%**


- Deploying a Hub & Spoke network will boost our schedule reliability and lay the foundation to significantly increase the on-time delivery of cargo



# The Gemini Hub & Spoke model will make the joint network much more reliable and resilient, with fast and flexible connectivity

## Our network principles...


**Efficient mainline rotations**   
2-3 main port calls per region incl. strategic hubs


**Controlled hub terminals**   
Most hub terminals controlled by Hapag-Lloyd or Maersk with close operative interfaces


**Broad shuttle network**   
Dedicated shuttles with 2-3 port calls and high reliability / plannability


**Synchronized connections**  
Connections from mainliners to shuttles will be synchronized

## ...bring strong advantages

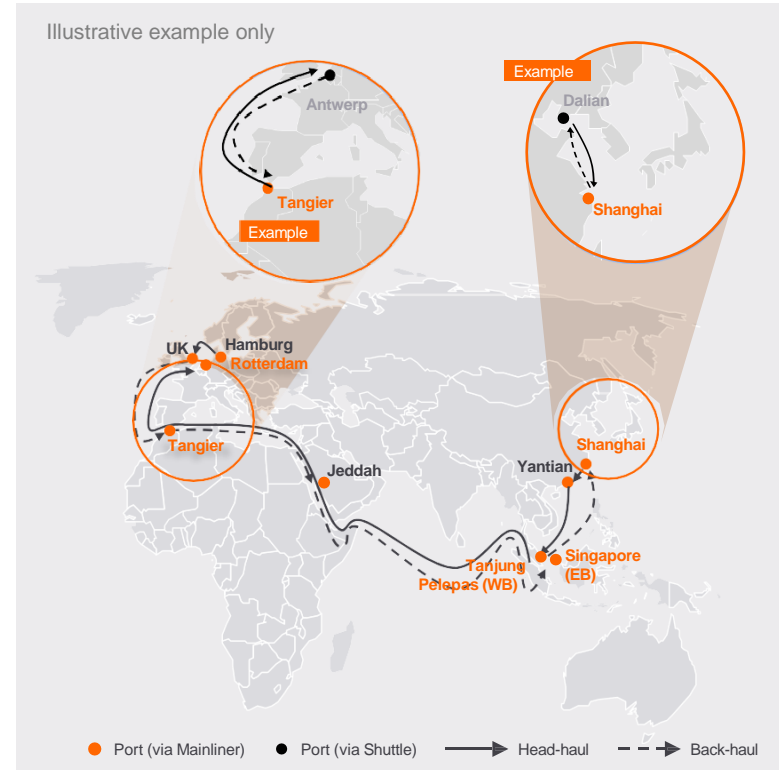
 Shorter round voyage times, more resilience and less sources of disruption

 Consistent high-quality levels and shorter port stays, avoiding hub congestion

 Wide coverage with higher flexibility to adapt to customer demands more quickly

 Clockwork network significantly reducing dwell times for vessels and containers

**These principles will also allow us to better adapt to external shocks, e.g. geo-political situations**



# Our mainliners will become significantly more attractive in the Gemini Cooperation network and direct connections remain a key element

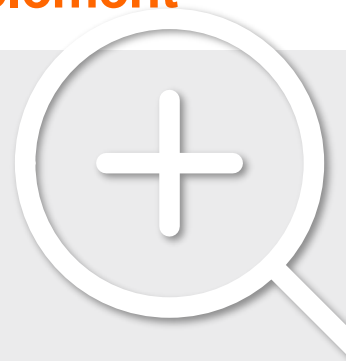
## Efficient Mainline Rotations

- Most of today's directly served volumes will remain on direct connections
- The reduced number of port calls make the services less vulnerable to disruption and thus increases reliability
- The round voyage times thereby decrease, creating faster connections on the key trade corridors

**More than** half of the volume will **remain direct**

**Fewer port calls** due to **leaner** mainline service structures

**>80%** of the volume gets **faster or remains same<sup>1)</sup>**



# Hubs play a crucial part in on-time delivery and Gemini will thus be centered around mostly owned and/or controlled terminal hubs

## Mostly controlled and/or owned Hub Terminals

- Most terminals are owned and / or controlled by Hapag-Lloyd or Maersk and have been carefully selected for top quality and reliability
- Many of these hub terminals already have industry-leading performance and we will continue to work on innovative concepts like side-by-side connectivity
- Controlling the hubs enables close integration of planning and execution between liners and terminals e.g. allowing preferred berthing and more cranes working the vessel



**On-time departure and arrival** will create **fast** and **reliable** connections

# A broad shuttle network will increase flexibility to adapt to changing demands more quickly and ensures wide coverage

## Broad Shuttle Network

- Shuttles will serve 2-3 ports exclusively with aligned and synchronized schedules to the mainliners, reducing dwell times for vessels and containers
- This makes rotations short, more resilient and adaptive to fluctuating market demands
- They will primarily sail from either Hapag-Lloyd or Maersk controlled hubs, with the aim of ensuring the highest level of agility, connecting hubs to strategic markets with clockwork reliability
- The shuttles are mid-size mainline vessels and operated by Gemini Partners with a firm weekly allocation

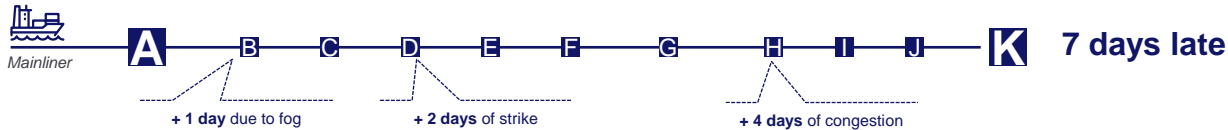




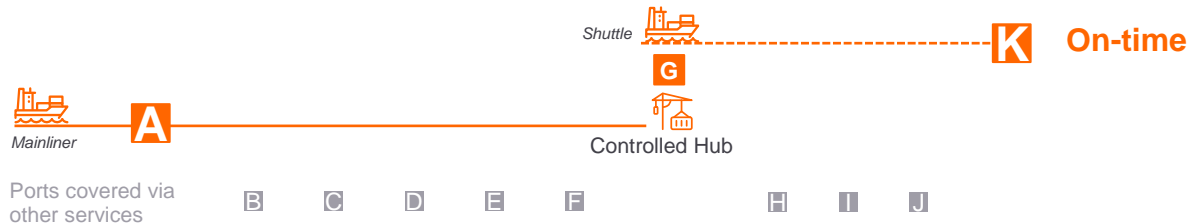


# When comparing a classical network to Gemini, along a practical example, the strong advantages become even more visible

## CLASSICAL NETWORK



## GEMINI NETWORK



### Less stops

- Efficient mainline rotations, with significantly less stops

### High resilience

- Less vulnerable to disruption, e.g. limits impact of congestions

### Synchronized connections

- Significant reduction of dwell time, especially in controlled hubs

### Easily adaptable

- Higher flexibility to adapt services to customer demands more quickly

# In inevitable cases of disruptions, we have a clear set of jointly defined Recovery Measures to safeguard schedule reliability



The **Recovery Measures** are a jointly developed, clear set of rules and shall apply where a delay is anticipated throughout the entire round-voyage

The **Recovery Measures** include

- **Delay mitigation actions** to avoid or mitigate delays and to safeguard schedule reliability
- **Network reliability escalation measures** to ensure optimal schedule reliability
- **Further recovery plans** and set of specific measures

Such pre-defined actions and Recovery Measures are **essential to optimal network execution** and to **mitigate operational disruptions**

## DEFINED RECOVERY MEASURES

### Use buffer

- Vessel will speed up as necessary to use the buffer time available to arrive on proforma schedule on-time

### Maintain call & optimize moves

- Optimize berth planning in controlled hubs to save time and to bring the vessels back on schedule

### Omit port(s)

- Port is not called to recover schedule and alternative routing for cargo is used within the broad network

Severity of delay



# To sum it up: The Gemini Cooperation will deliver significantly higher quality liner services and help to deliver our Strategy 2030 ambitions



## RELIABILITY

Industry leading schedule reliability of >90%

Enable >80% on-time delivery of your cargo



## CONNECTIVITY

Excellent network coverage with efficient connections and competitive transit times

Link all your relevant markets with fast and resilient transit times



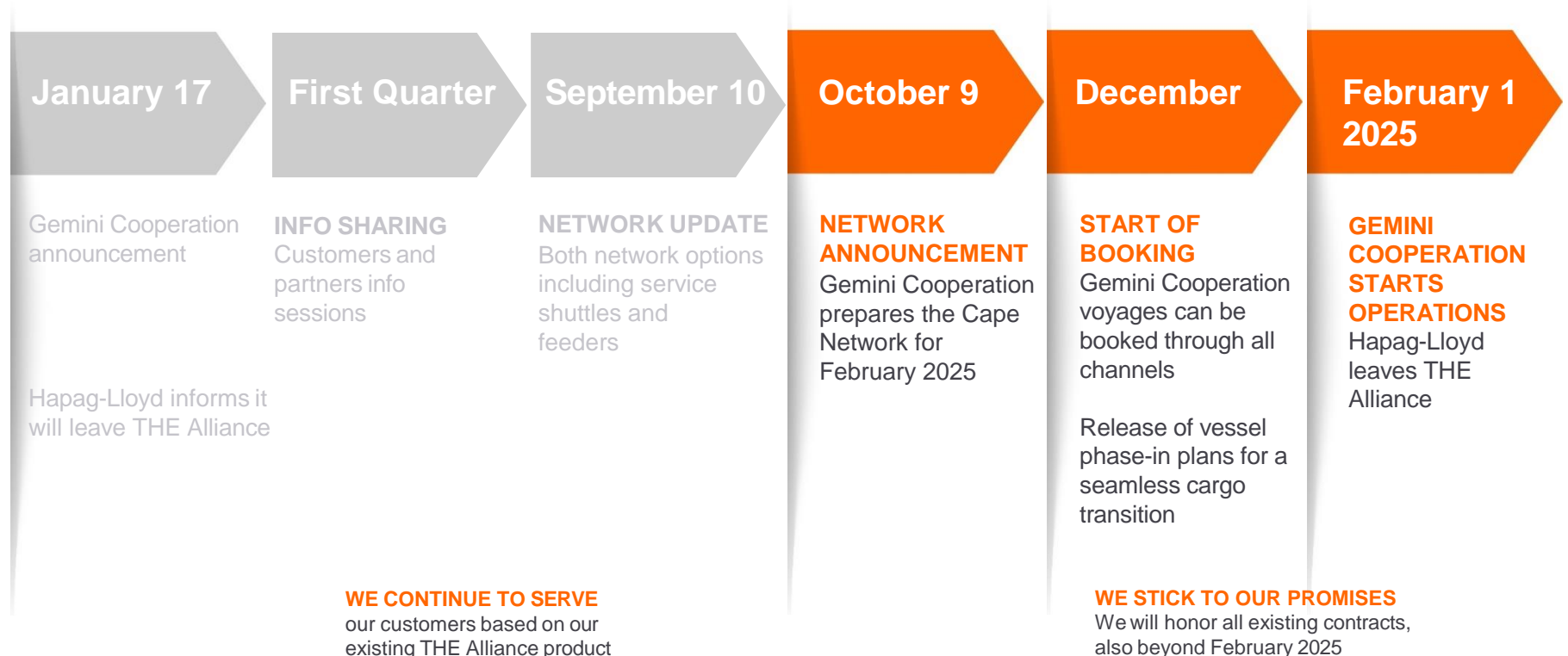
## SUSTAINABILITY

Accelerate decarbonization efforts

Accelerate the decarbonization of your supply chains

# We are now preparing the Start of Booking in December and the implementation of the network for the operational start in 2025

Here is what you can expect until the start in February 2025



FOLLOW OUR STORY



**Thank you for your attention!**



# DISCLAIMER

## Disclaimer

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