



# Tender Experience Example

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- Customer is a Retail industry shipper with 100,000 TEU shipped annually
  - Customer with Xeneta 3 years
  - Solution scope: Gold Service: Tender Experience
  - 4 readouts/year during tender negotiations
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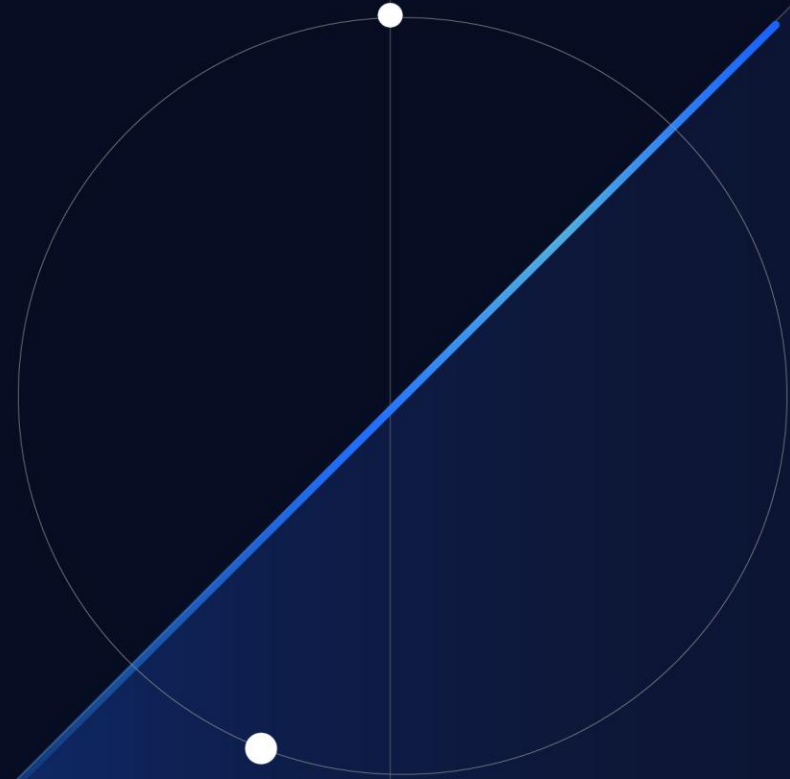
XENETA

# Company Name

## Tender Experience

### Round 3

January 2025





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# Part 01: Executive Summary

# Executive Summary Round 3 (R3)



Extremely positive results after Round 3 with performance improvement of 17% & 21% for Best Bids and Incumbent Bids, respectively.  
Securing xxx as top performer in Retail Industry



Best & Incumbent bids performing in the 1<sup>st</sup> quartile at 42% & 25% respectively below market average



TBN1 & TBN2 remained strong, competitive partners throughout R1–R3, while TBN3 required heavy negotiation to reach competitive rates of R3



With all suppliers now offering best-in-class rates, xxx can focus on customer relationships and service when finalizing bids

## Corridor Highlights



- *Asia* – *Asia* standout Corridor receiving highly competitive bids throughout tender rounds
- *Europe– North America* required heavy negotiation to reach -xx% in R3 , highlighted by xxx

## Supplier Highlights



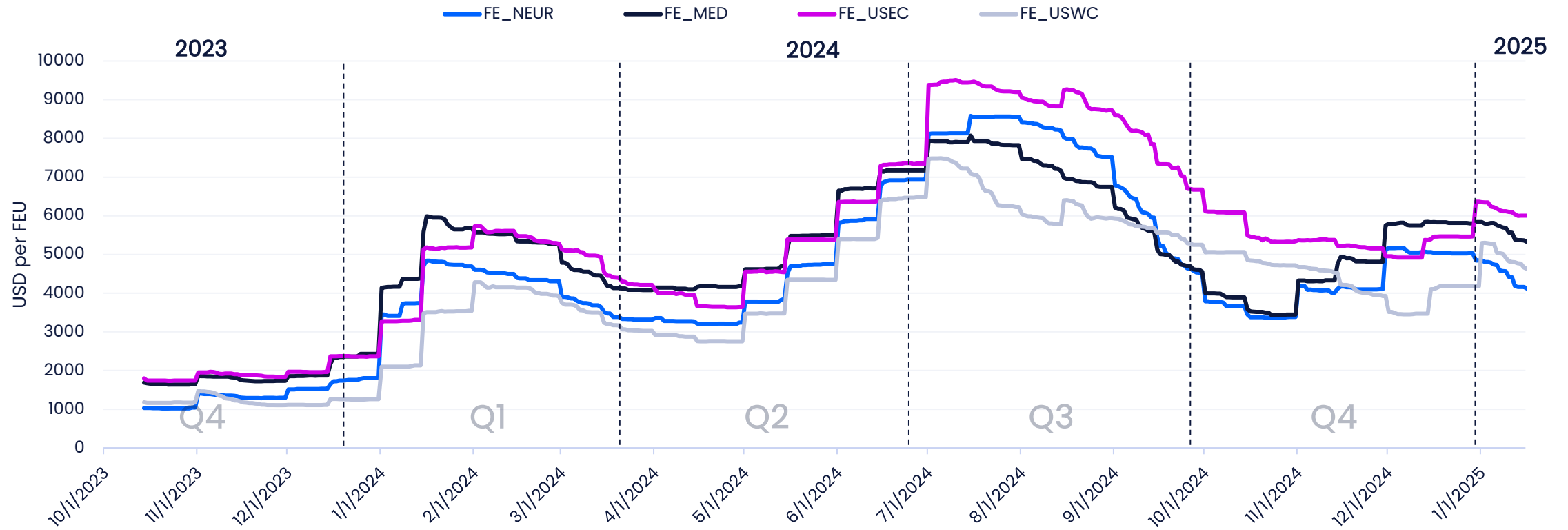
- Significantly improvement across the board with 8 out of 10 suppliers offering best-in-class rates
- TBN1 showing the most notable improvement across all bids



# Part 02:

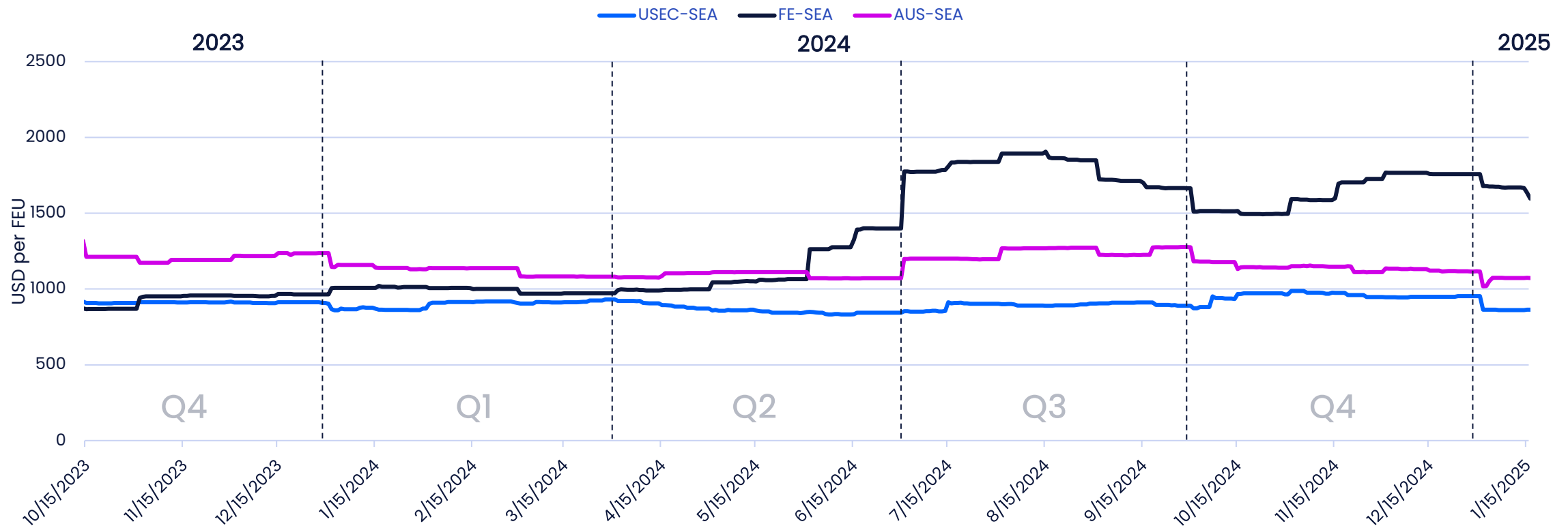
## Market Overview

# Spot rates out of the Far East



- After the easing of spot rates out of the Far East in Q3, carriers attempt to keep rates high by pushing GRIs in Q4
- Greatest increases have been seen to Med Main of +47% from Oct 2024 – Dec 2024 furthermore US East Coast rates have remained high
- So far, we have seen rates start to ease in Jan 2025

# Spot rates into Southeast Asia



- Rates into Southeast Asia have been far more stagnated during 2024 than Ex Far East
- There has been a steady rate reduction in 2024 Q4 and into 2025



# 6 key themes for the year ahead

## Summary of Xeneta's anticipated outlook for Ocean



### Tariffs

#### Trump Administration to impose new Tariffs

25% tariffs on Mexico and Canada has been delayed by one month  
10% higher tariffs on all China imports effective 4<sup>th</sup> February



### Demand

#### Impact of Red Sea conflict on TEU-mile demand

Partial return to Red Sea would see TEU-mile demand change of between +3% and -11%



### Capacity

#### Record fleet growth to slow in 2025

Fleet growth to slow to 4.5% in 2025



### Alliances

#### Choosing the right service provider just got more complicated

Major changes to Alliances in 2025



### Disruption

#### List of risks to manage keeps getting longer

Red Sea will continue to impact supply chains



### Emissions

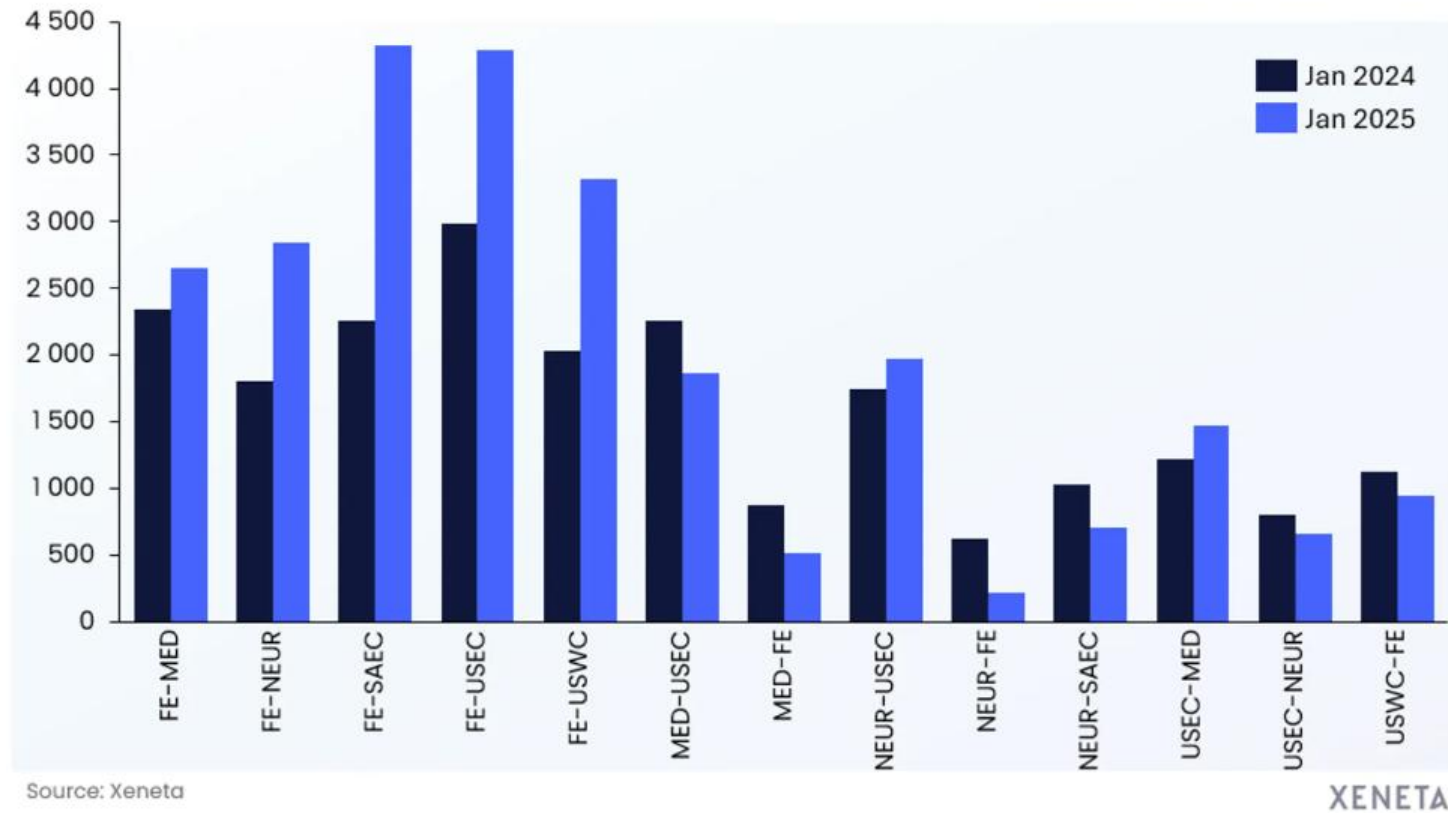
#### Decarbonization & environmental regulation

EU ETS ramps up in 2025 to cover 70% of CO<sub>2</sub>

# Fronthaul long-term rates are increasing year-on-year while backhaul rates are falling

## Year on year change in new long term rates

USD per FEU



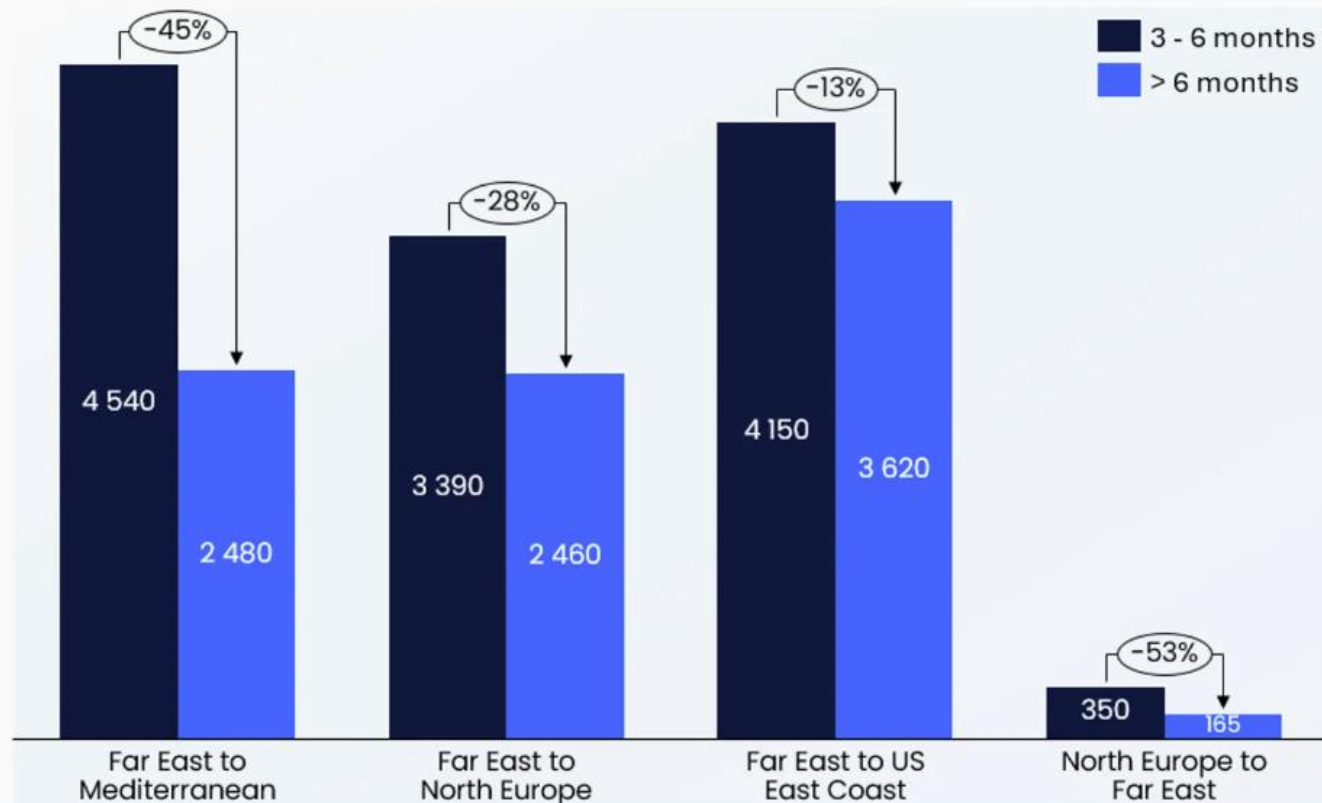
- Shippers who last signed up for long term rates on 1 January 2024, generally saw an increase in their rates 1 January 2025, if shipping on the world's major fronthaul trades.
- Conversely, rates were generally down on the big backhauls.
- New contracted rates on most trades are below current average spot market

# Shippers securing better rates for longer contracts



## Carrier tactic to incentivize longer contracts

Discount offered to shippers on contracts lasting more than six months  
USD per FEU



Source: Xeneta

XENETA

- Shippers signing long-term contracts can secure lower rates when signing up for longer lasting contracts.
- On average, across the top 13 trades, contracts lasting more than six months (predominantly 12 month contracts) are 20% cheaper than contracts lasting six months or less (largely quarterly and semi-annual contracts).
- 28% savings on the Far East to North Europe corridor



# Part 03:

## Tender Analysis R3

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**01** Tender performance review R1 – R3

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**02** Supplier performance review R1 – R3

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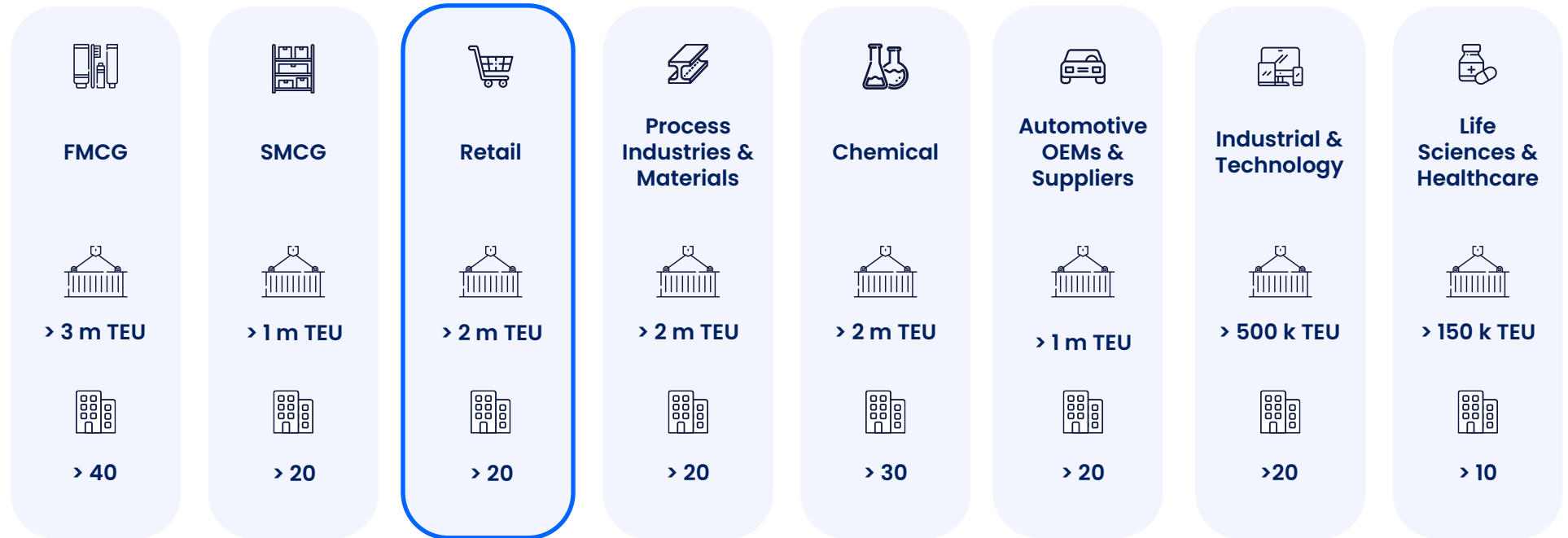
**03** Corridor Performance R2 vs R3

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# Industry Peer Segments

Accessing your performance versus your peers in your respective segment helps to provide unique insights into trends and market fluctuations



This provides the total volume as well as the number of customers Xeneta has within each segment i.e., within FMCG, there is approximately 3 million TEUs being provided from approximately 40 customers (this number fluctuates slightly depending on the tender period).



# Part 3.1:

## Tender Performance Review

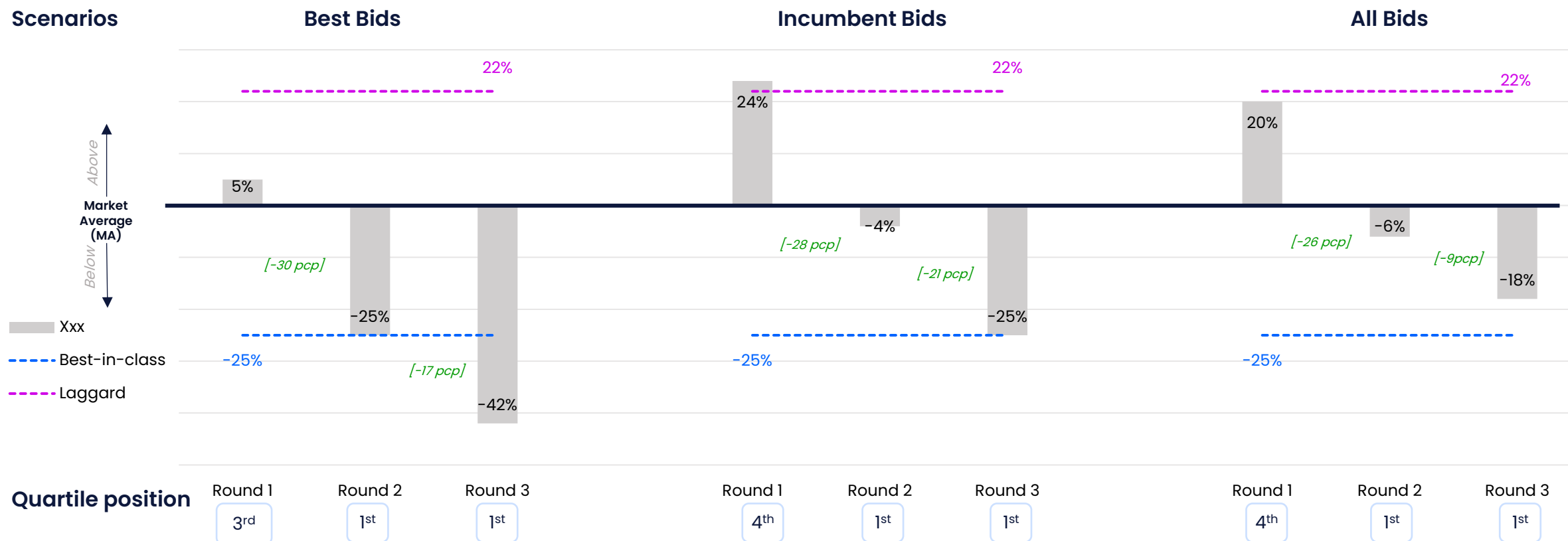
### R1 – R3

(Scenario Analysis)

# XX Performance review R1 – R3



Significant Improvement in performance across all scenarios, with Incumbents offers improving by 49% across R1 – R3



- Best Bid performance surpassing Best-in-Class performance of other peers by 17%
- Incumbents' performance matching Best-in-Class performance of other peers



# Part 3.2:

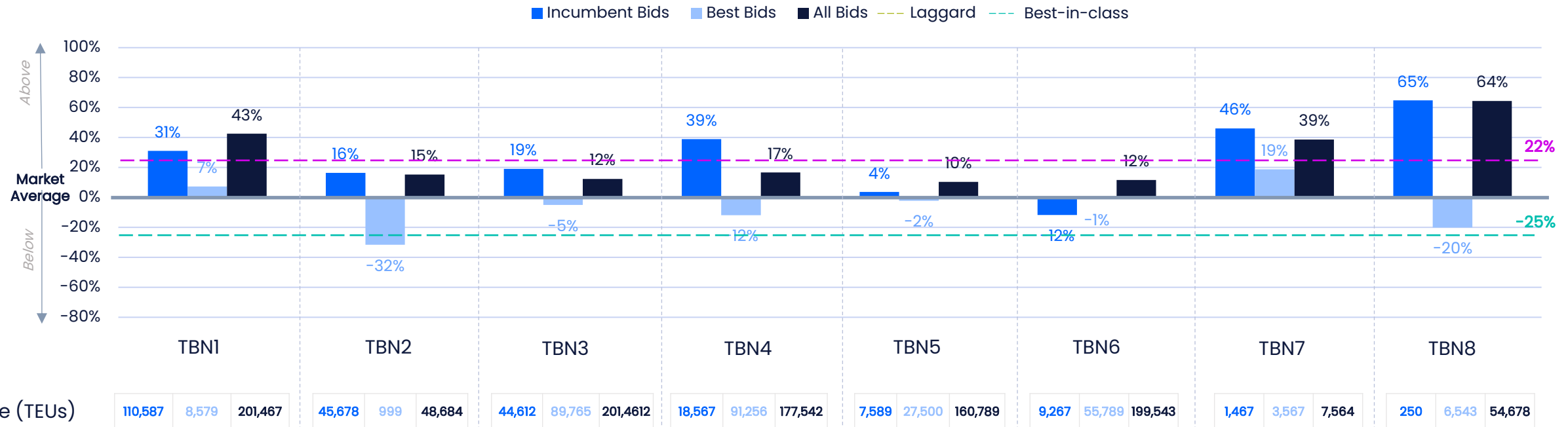
## Supplier Performance



# Incumbent Supplier Review R1



R1 showed majority of suppliers offering above market average with only TBN8 below

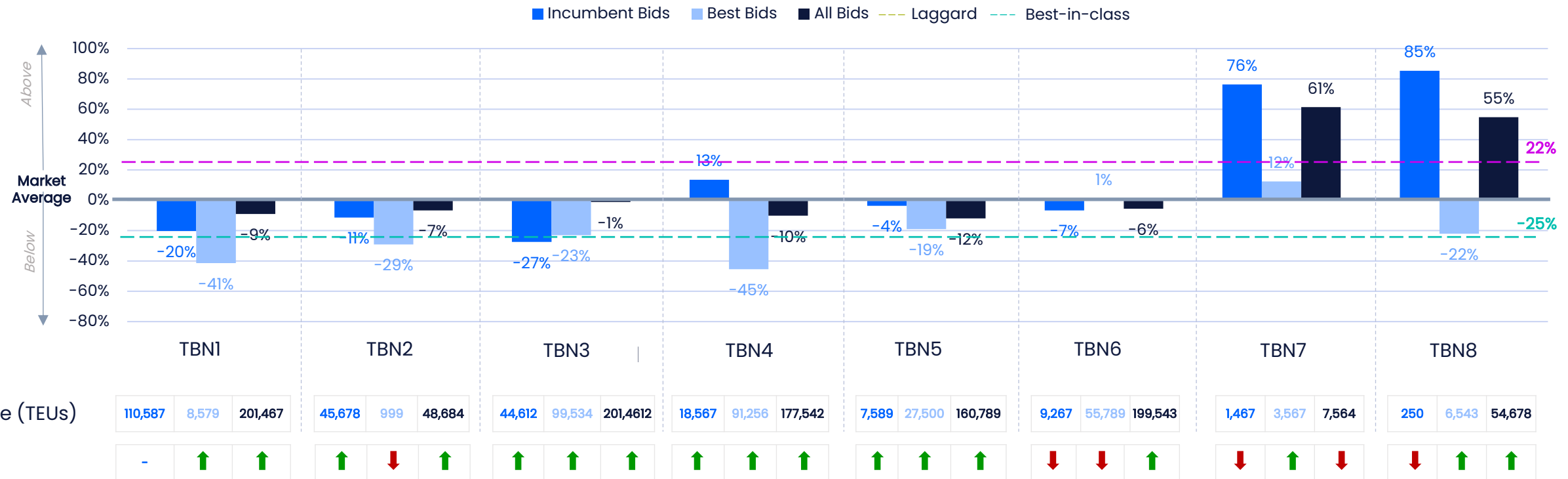


- R1 Incumbent bids were lagging vs market average with TBN7 and TBN8 offering very high incumbent offers
- TBN2,3 & 4 providing some of the most competitive Best Bids offers
- Overall TBN4 being the most competitive in round 1 by offering the best rates on approx. 91,256 TEUs for XX followed by TBN3 with approx. 89,765 TEUs

# Incumbent Supplier Review R2



Significant improvement from XX's top 5 suppliers, TBN1 showing the largest improvement of 51% for Incumbents

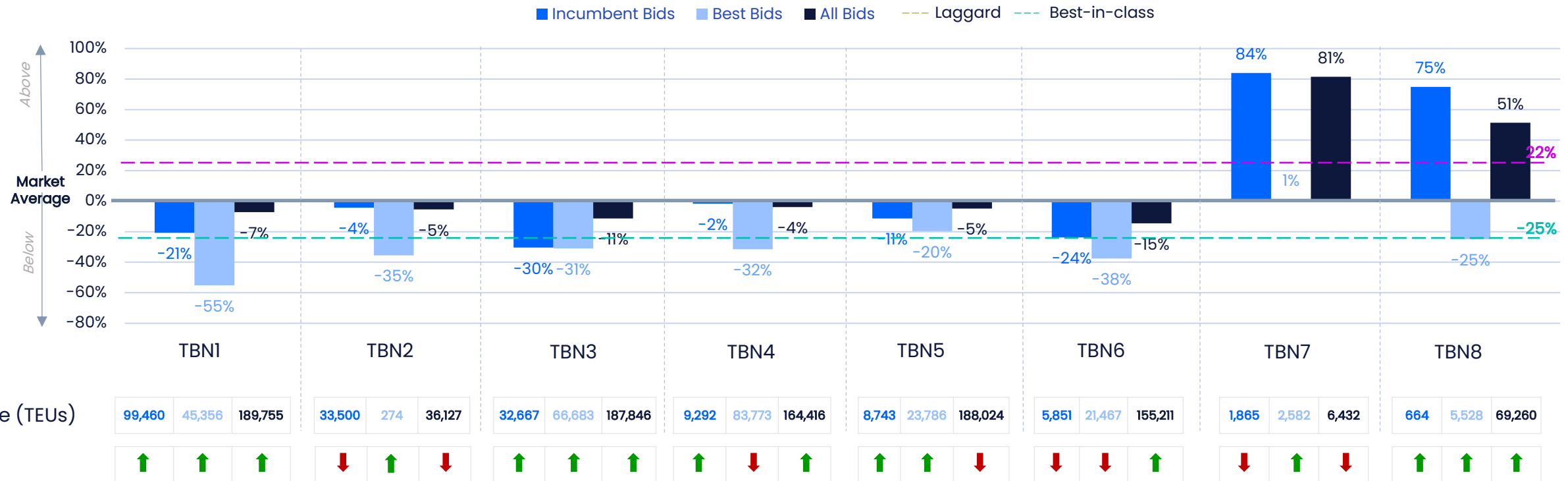


- TBN4 incumbents were not competitive, however they were offering the most competitive best bids on non-incumbent lanes
- TBN7 & 8 bids showed no improvement or had increased rates since R1, further weakening their position compared to the market.

# Incumbent Supplier Review R3



## Further improvements across top 6 suppliers in R3



- TBN4, the least competitive among your top suppliers in R2, has shown a 15% improvement but still lags behind your other top suppliers and peers (slide 26)
- TBN7 & TBN8 continue to be your worst performing supplier with minimal improvements

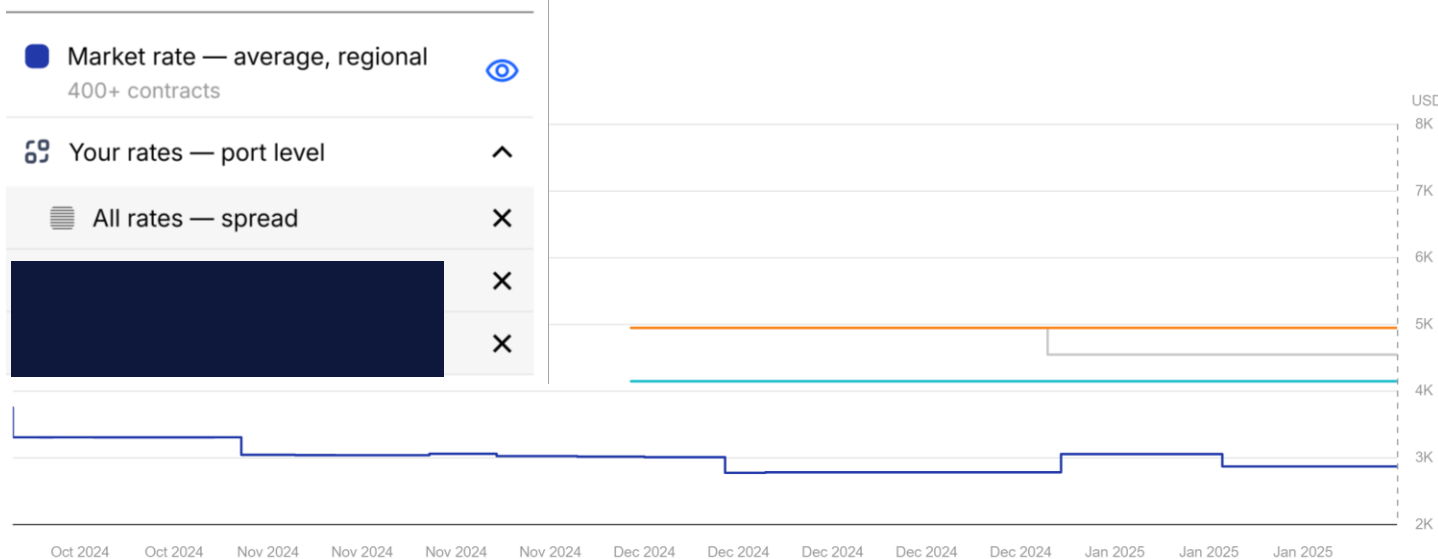
# Key Trade | Asia to North America| Kaohsiung – Seattle



XXX Incumbent rates still lagging above market average

## Rate movement

Market Average<sup>+</sup> for Long-term — last 3 months<sup>+</sup> contracts, 40' HC<sup>+</sup> container type and THC Destination<sup>+</sup>  
from Far East Main for Kaohsiung (TWKHH)<sup>+</sup> to US West Coast for Seattle, WA (USSEA)<sup>+</sup> trade lane with your rates Spread and [REDACTED]  
Oct 15, 2024 - Jan 26, 2025 (CUST), Regional rates (Showing rates on the regional level for better data coverage)



- TBN4 rates still lagging after R3 and above market average
- Average TBN4 rates at -2% below market average vs your peers receiving -8% below market average



# Part 3.3:

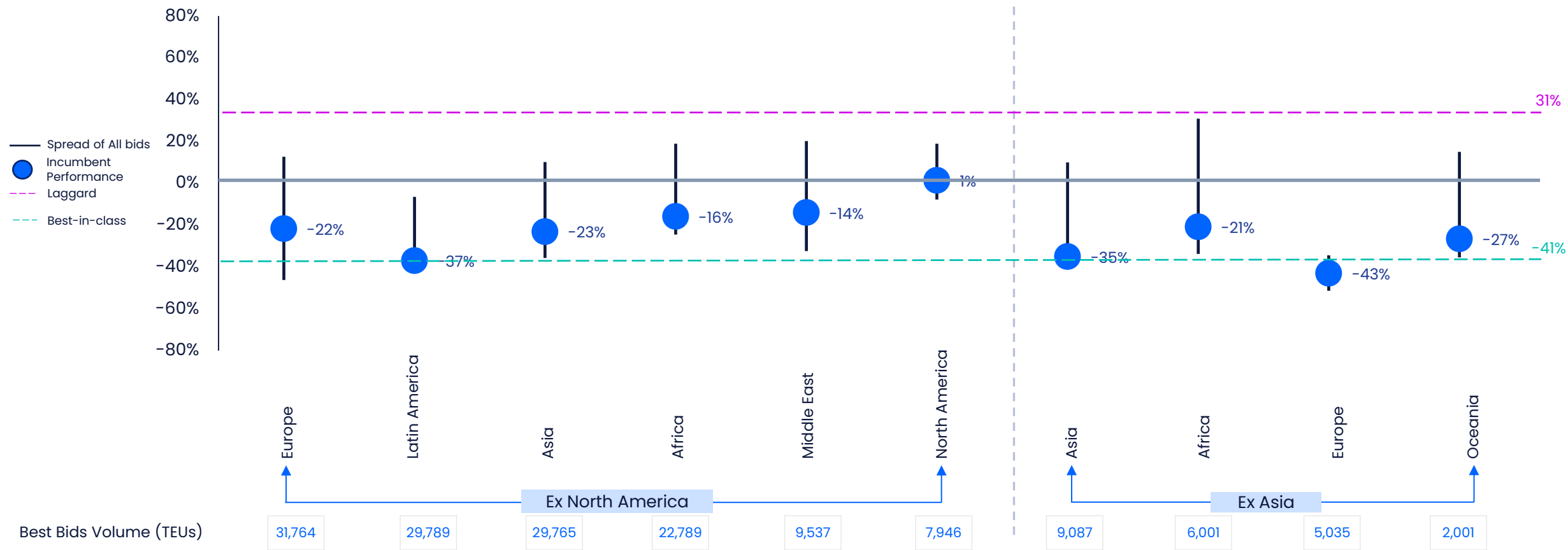
## Corridor Performance

### R2 vs R3

# Corridor Review R2



Europe – North America only corridor above market average in R2

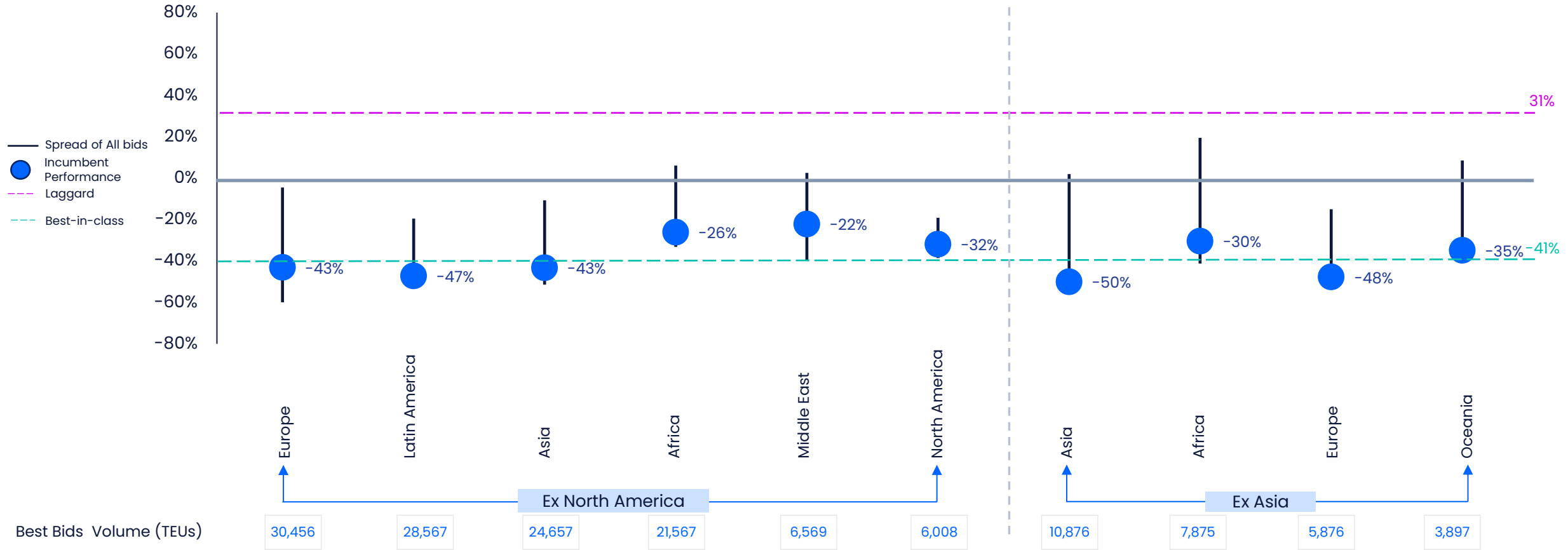


- North America – North America only corridor above market average and needed reviewing moving into R3
- Asia – Asia stand out performing significantly below market average, with xxx offering very competitive bids in this region

# Corridor Review R3



Significant improvement for North America – North America of 31%



- Significant improvement for North America – North America of 31%, highlighted by xxx
- Remainder of Corridors highly competitive, with Asia – Asia continuing to be the standout performer

# Key Trade | Asia to Europe| Shanghai – Rotterdam

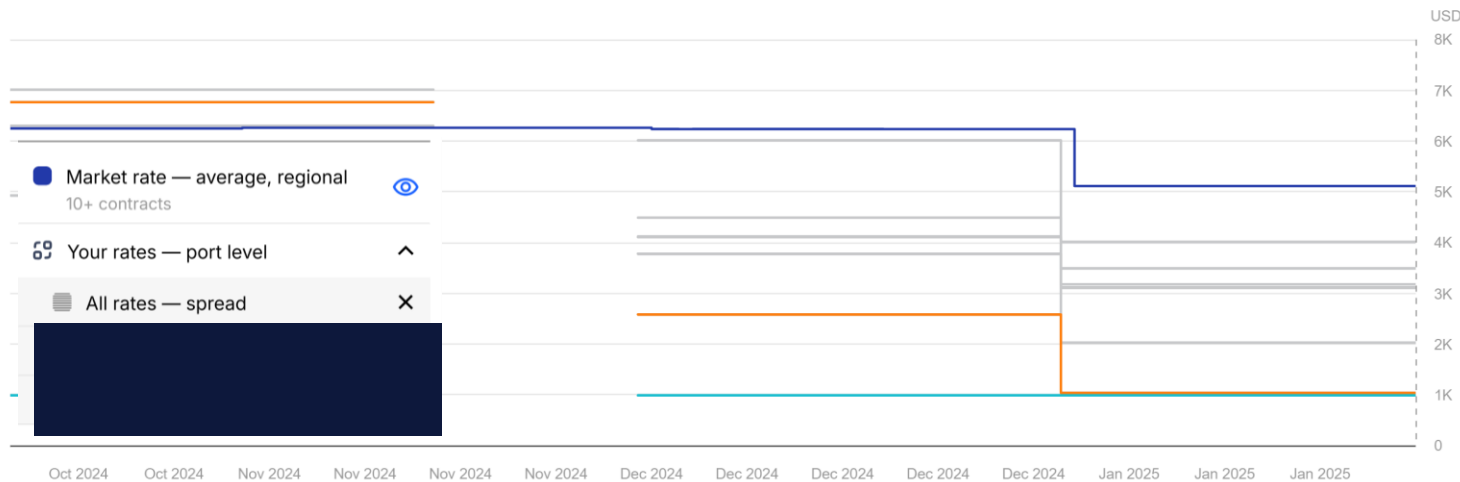


Significant reduction in rates from your incumbent TBN1 of \$xxx/40'

## Rate movement

Market Average<sup>+</sup> for Long-term — last 3 months<sup>+</sup> contracts, 40' HC<sup>+</sup> container type and THC Origin<sup>+</sup> from China Main for Shanghai (CNSGH)<sup>+</sup> to South Africa (ZA) for Durban (ZADUR)<sup>+</sup> trade lane with your rates Spread [REDACTED]

Oct 15, 2024 - Jan 26, 2025 (CUST), Regional rates (Showing rates on the regional level for better data coverage)



- With xxx teus loaded on this sector there is a savings of \$xxMil alone between R2 vs R3
- TBN1 rates now matching xxx
- To note, the long-term market has also fallen resulting in minor changes to your performance vs market average





# Part 04: Appendix

Supplier Performance Review  
Corridor Performance Review



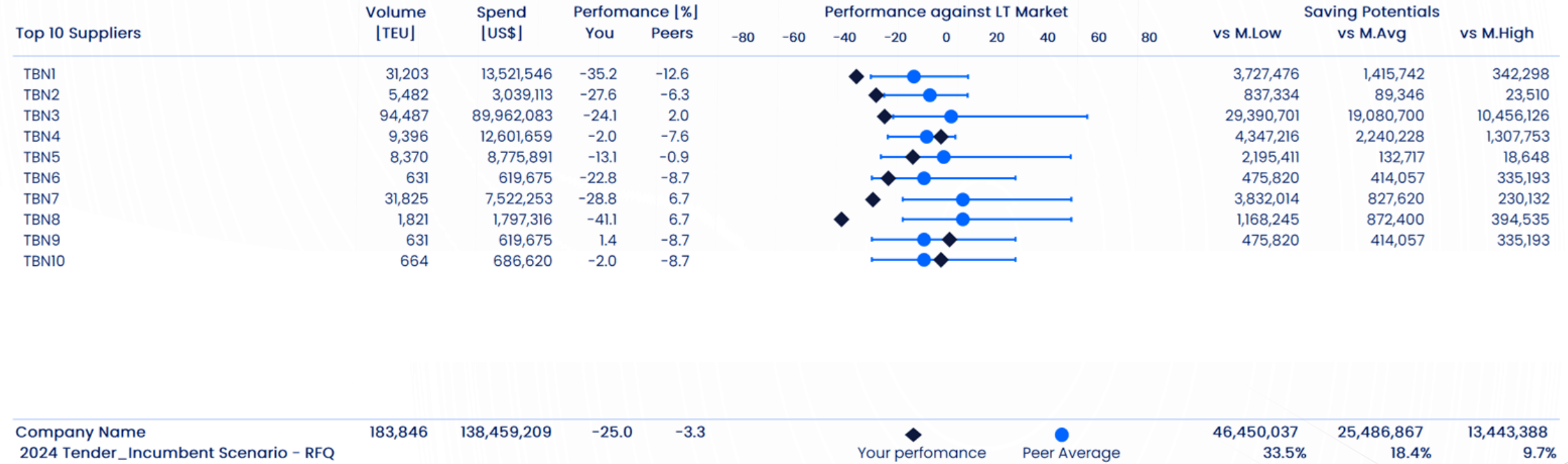
# Part 4.1

## Supplier Performance Review



# Incumbent Bids Supplier Performance R3

## Long Term Contracts



- TBN4, although having improved from R2 is still offering rates above your peers
- TBN9 & 10 Continue to show no improvements



# Best Bids Supplier Performance R3

## Long Term Contracts



Top 10 Suppliers	Volume [TEU]	Spend [US\$]	Performance [%]		Performance against LT Market										Saving Potentials		
			You	Peers	-80	-60	-40	-20	0	20	40	60	80		vs M.Low	vs M.Avg	vs M.High
TBN1	65,914	35,289,300	-35.8	-13.3			◆	●							4,412,899	270,776	110,950
TBN2	44,812	19,659,630	-43.6	-6.6			◆	●							859,991	95,468	18,197
TBN3	43,091	20,938,571	-63.9	2.1	◆			●							738,518	116,930	31,915
TBN4	16,983	6,604,005	-36.5	-8.0			◆	●							1,123,729	114,309	5,683
TBN5	14,053	15,602,805	-22.8	-0.9				◆	●						2,896,861	115,597	9,828
TBN6	3,666	1,396,964	-28.8	-9.2				◆	●						592,342	14,393	
TBN7	260	141,974	-41.1	7.1			◆	●									
TBN8	197	55,410	1.4	7.1				◆	●						24,326	5,656	
TBN9	183	110,710	45.7	-9.2				●					◆		69,271	47,670	37,580
TBN10	183	110,710	30.0	-9.2				●				◆					

Company Name	189,159	99,799,371	-42.0	-3.4		◆	●								10,717,937	780,799	214,153
2024 Tender_Best Bids – RFQ															10.7%	0.8%	0.2%

Your performance

Peer Average

- TBN1 continues to offer biggest volume of very competitive best bids
- TBN3, offering most competitive Best bids

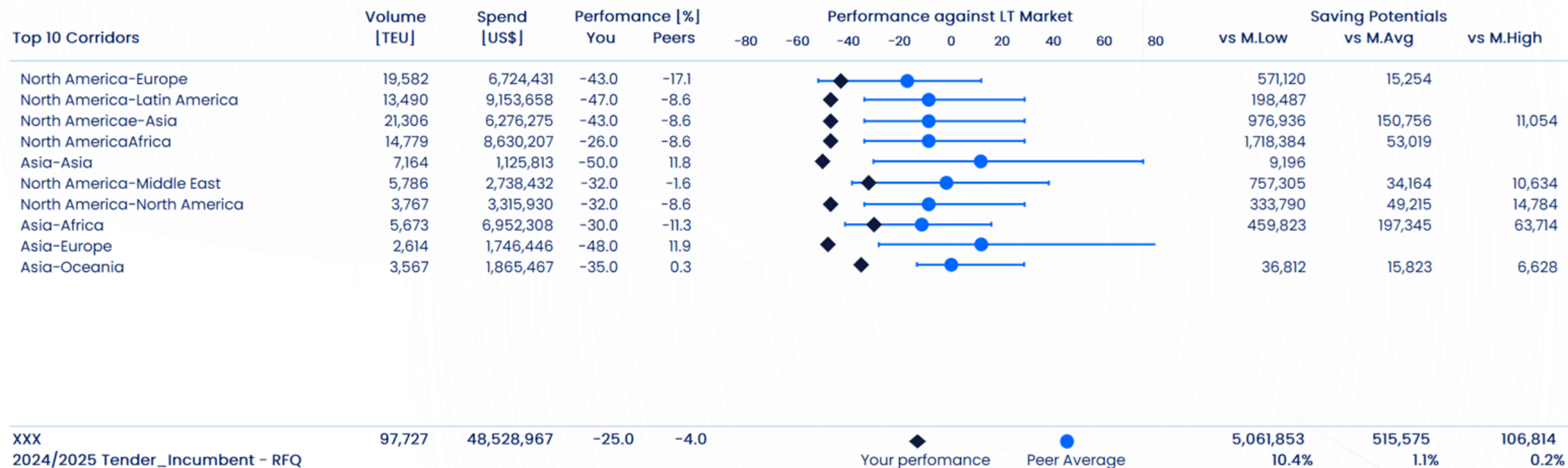


# Part 4.2

## Corridor Performance Review

# Incumbent Bids Corridor Performance R3

## Long Term Contracts

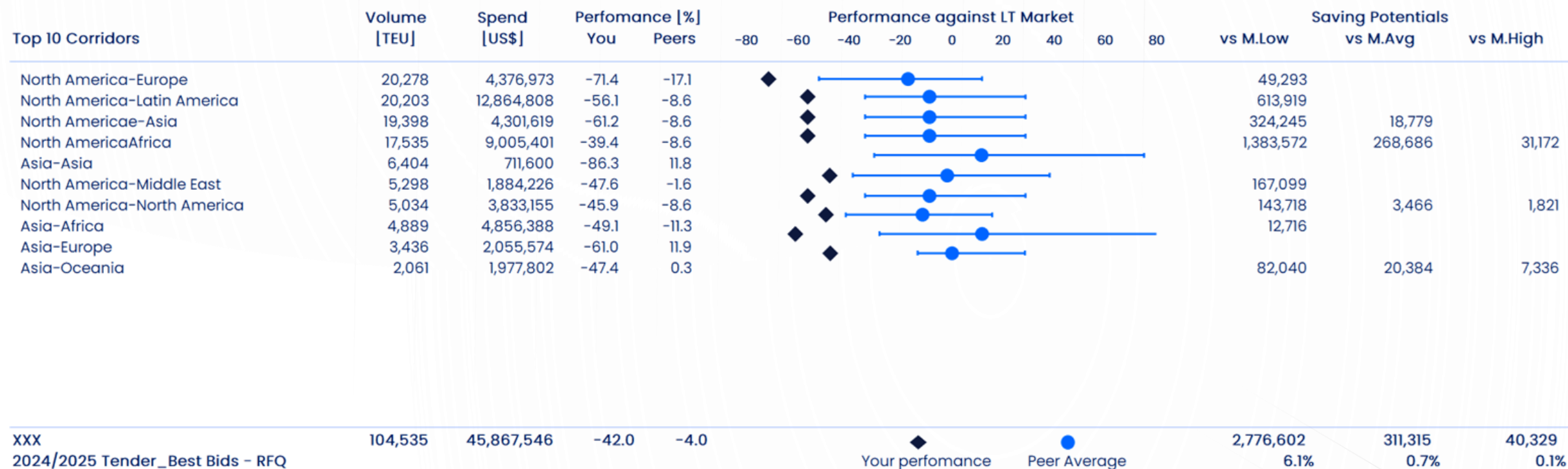


- All Incumbent corridors below market average and very competitive vs your peers



# Best Bids Corridor Performance R3

## Long Term Contracts



- All corridors receiving best bids below market average and your peers
- Best bids improving by 10% vs R2