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# TOC Europe

## Evolving Portfolios - The Shift from Expansion to Consolidation in Container Terminals

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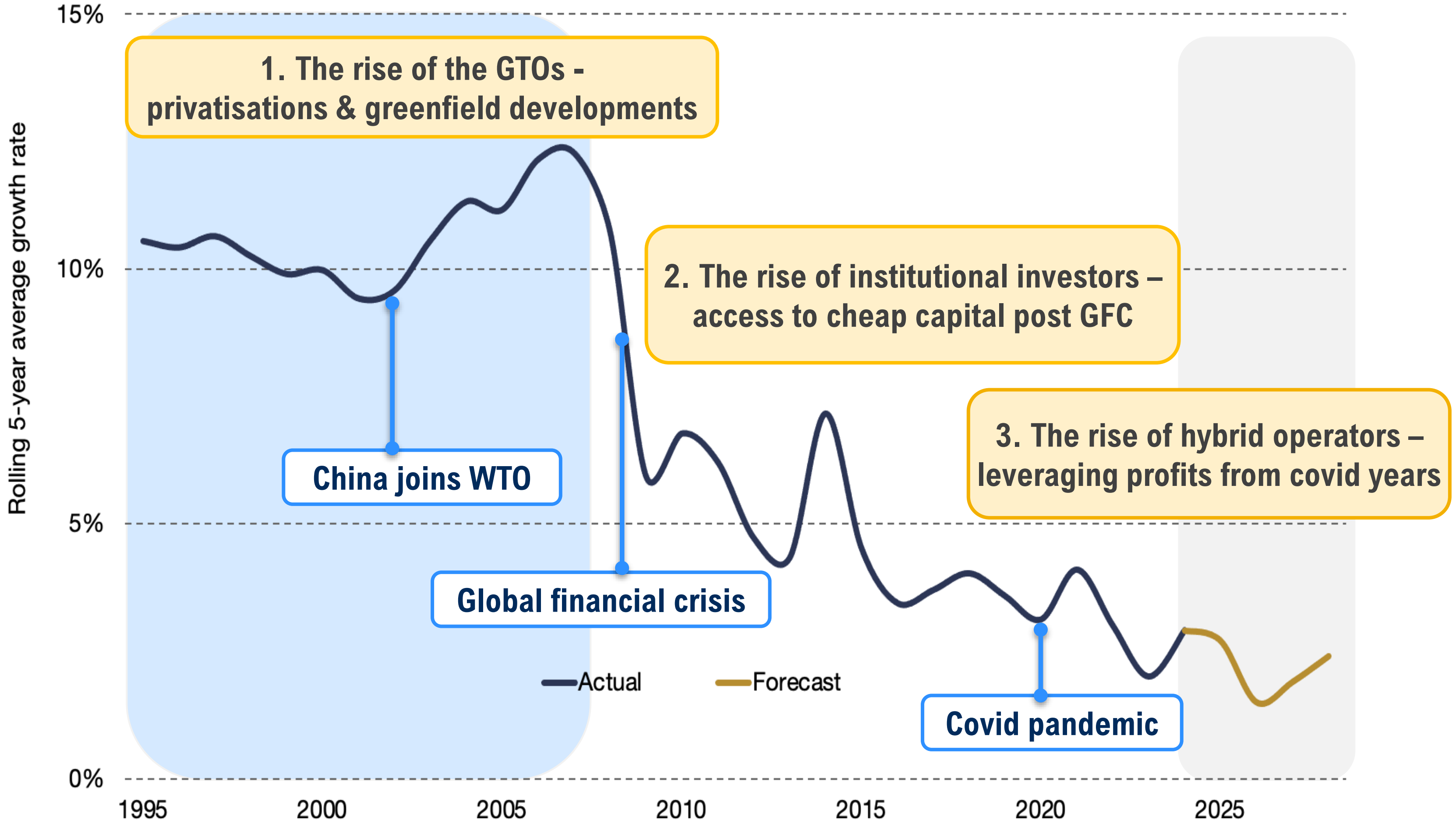
Presentation by:

Eirik Hooper, Senior Associate, Drewry Ports & Terminals

hooper@drewry.co.uk


- **1st age** - portfolio expansion through privatisations and greenfield developments
- **2nd age** - financial players look to invest in stable, long term cashflows
- **3rd age** - terminal capacity integration with liner business and inland logistics

# The three ages of the container terminal industry

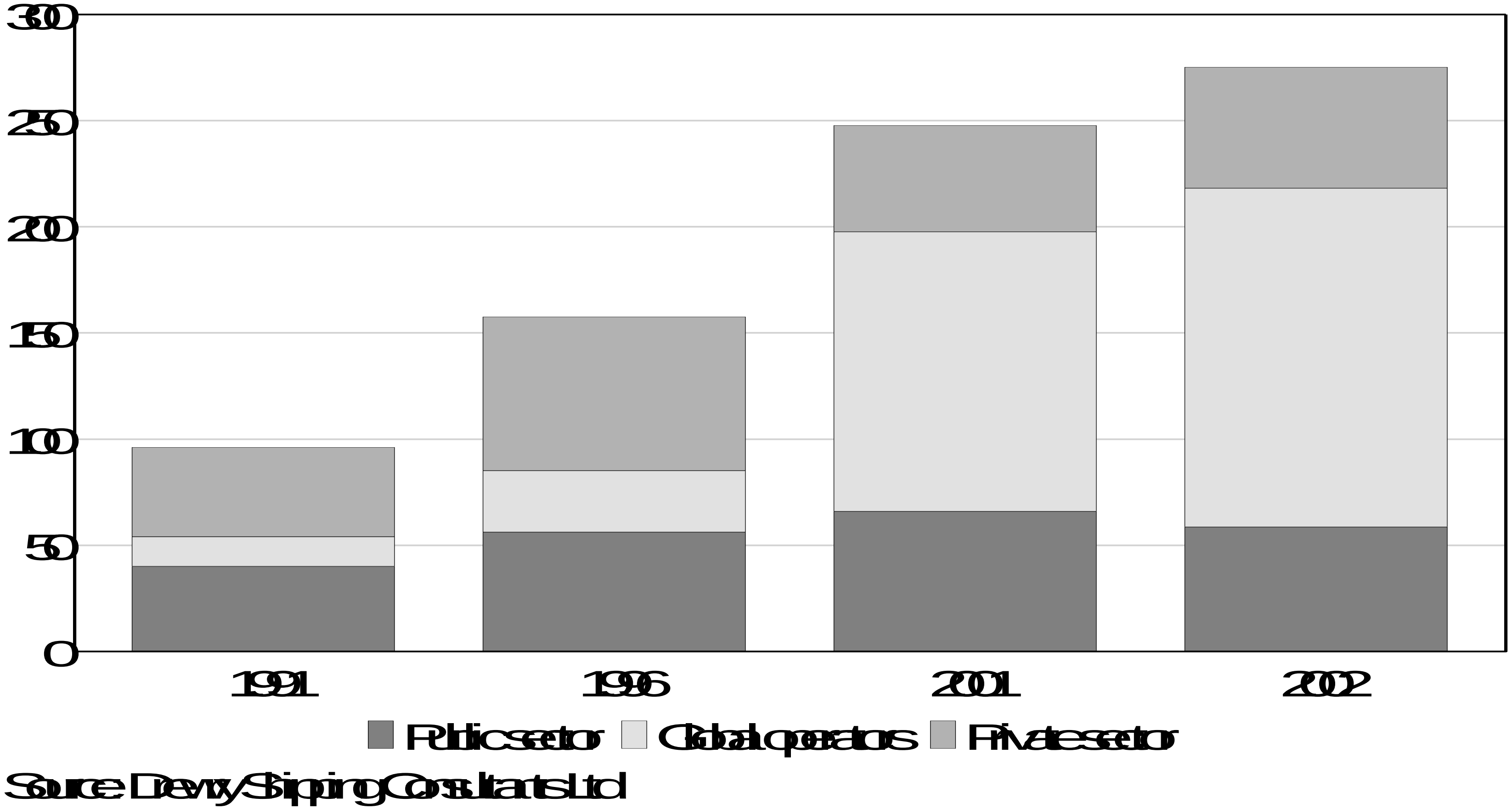



Source: Ports & Terminals Insight – 2Q25 edition

- Global Terminal Operators grew at a remarkable rate in the 90's
- 'First mover' GTOs were able to create global portfolios that could not now be replicated by the same method
- Hutchison alone handled over 13% global throughput by 2002

## The 90's saw huge growth in capacity controlled by Global Operators

GTO's moved from 15% market share in 1991 to 55% by 2002




Source: Ports & Terminals Insight – 2Q25 edition

# In the 2010's institutional investors dominated M&A

| Announcement date | Region | Target | Acquirer | Financial Investor | No Terminals | Deal Size (USD m) |
|---|---|---|---|---|---|---|
| 2017 | Global | OOIL | Cosco / SIPG | No | 4 | 6,300 |
| 2007 | North America | SSA | Goldman Sachs | Yes | 12 | 2,800 |
| 2017 | China | SIPG (15%) | Cosco | No | | 2,780 |
| 2007 | North America | OOCL | Ontario Teachers Pension Plan (OTPP) | Yes | 4 | 2,350 |
| 2013 | Global | TiL (35%) | Global Infrastructure Partners | Yes | | 1,930 |
| 2019 | North America | Cosco (OOCL) Long Beach | Macquarie | Yes | 1 | 1,780 |
| 2011 | Australia | DPW Australia | CITI Infrastructure Partners | Yes | 5 | 1,500 |
| 2007 | Europe | Peel Ports | RREEF (Deutsche Bank) | Yes | 4 | 1,430 |
| 2007 | North America | DPW (P&O Ports America) | AIG | Yes | 6 | 1,100 |
| 2010 | Europe | Dragados | JP Morgan (Noatum) | Yes | 5 | 950 |

- Slower growth and limited privatization opportunities
- Infrastructure funds with access to cheap capital looking to invest in the stable, long term, cashflows of the terminal industry
- GTO's monetise assets to provide capital for further portfolio expansion

**8 of the 10 largest M&A deals in the industry between 2007 and 2019 were led by financial investors**

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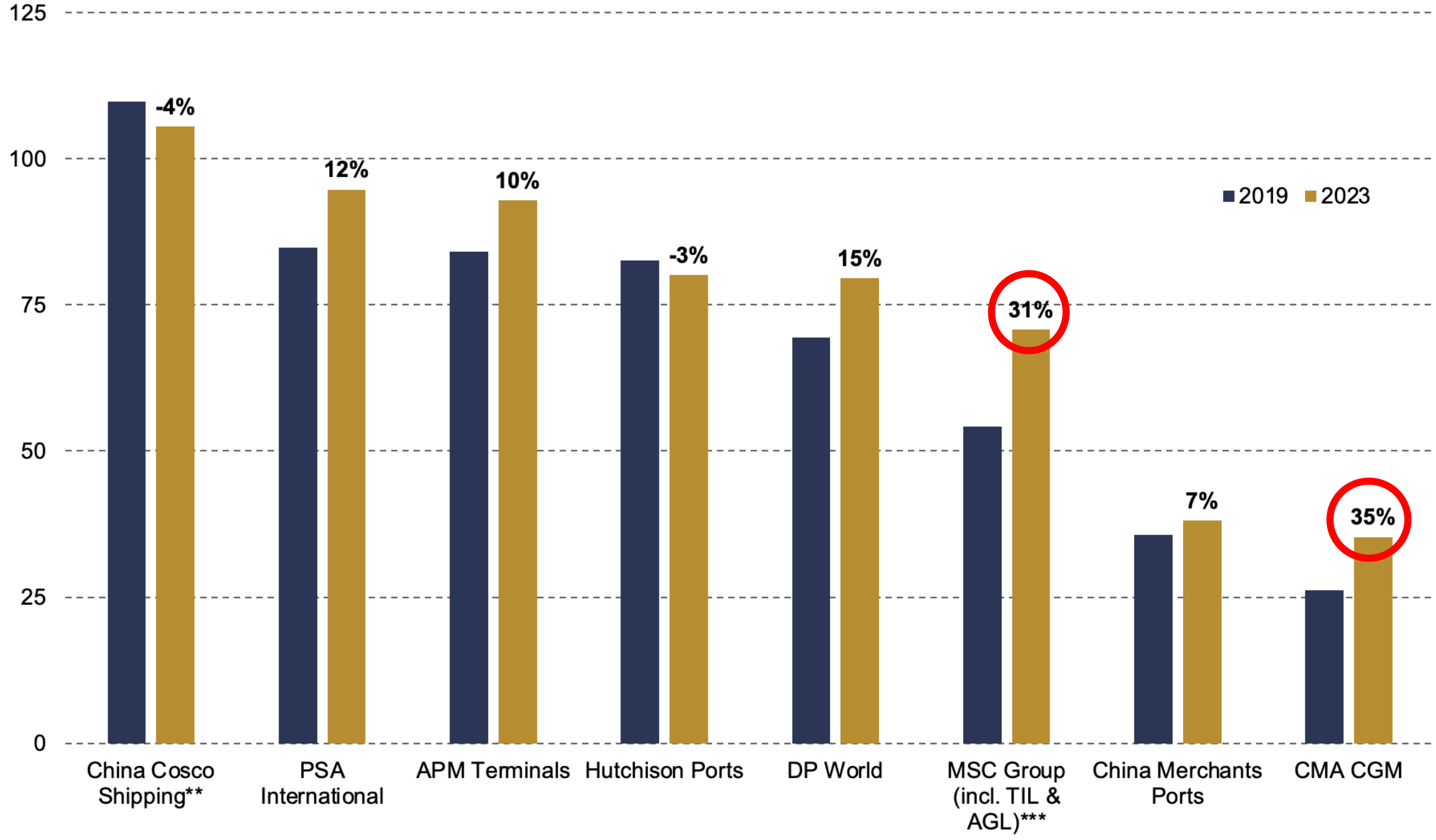
Source: Ports & Terminals Insight – 2Q25 edition

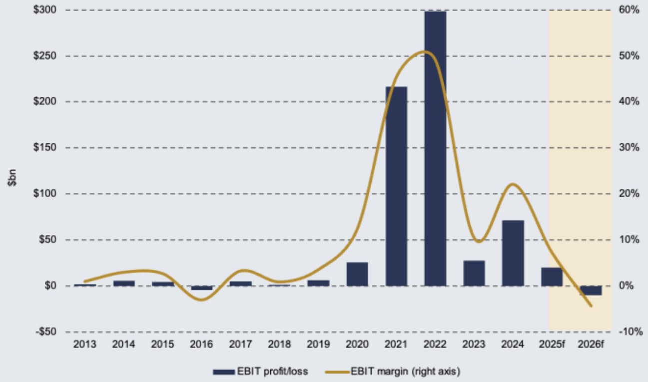
# Hybrid GTOs out-paced market in recent years, 2019-2023

## Carrier profitability rocketed during the covid trade dislocation




Note: * Total throughput calculated on basis of directly-held portfolio terminals in which GTO holds greater than 10% stake;
** China Cosco Shipping includes Cosco Shipping Ports, OOCL and terminals in which China Cosco Shipping holds a direct stake; *** AGL, previously Bollore Africa Logistics, acquired in December 2022

- M&A enables GTOs to overcome barriers to entry especially in more established markets
- Growth for MSC and CMA led by acquisitions to support core liner business
- Huge profits made by carriers during Covid years has led to a surge in portfolio growth

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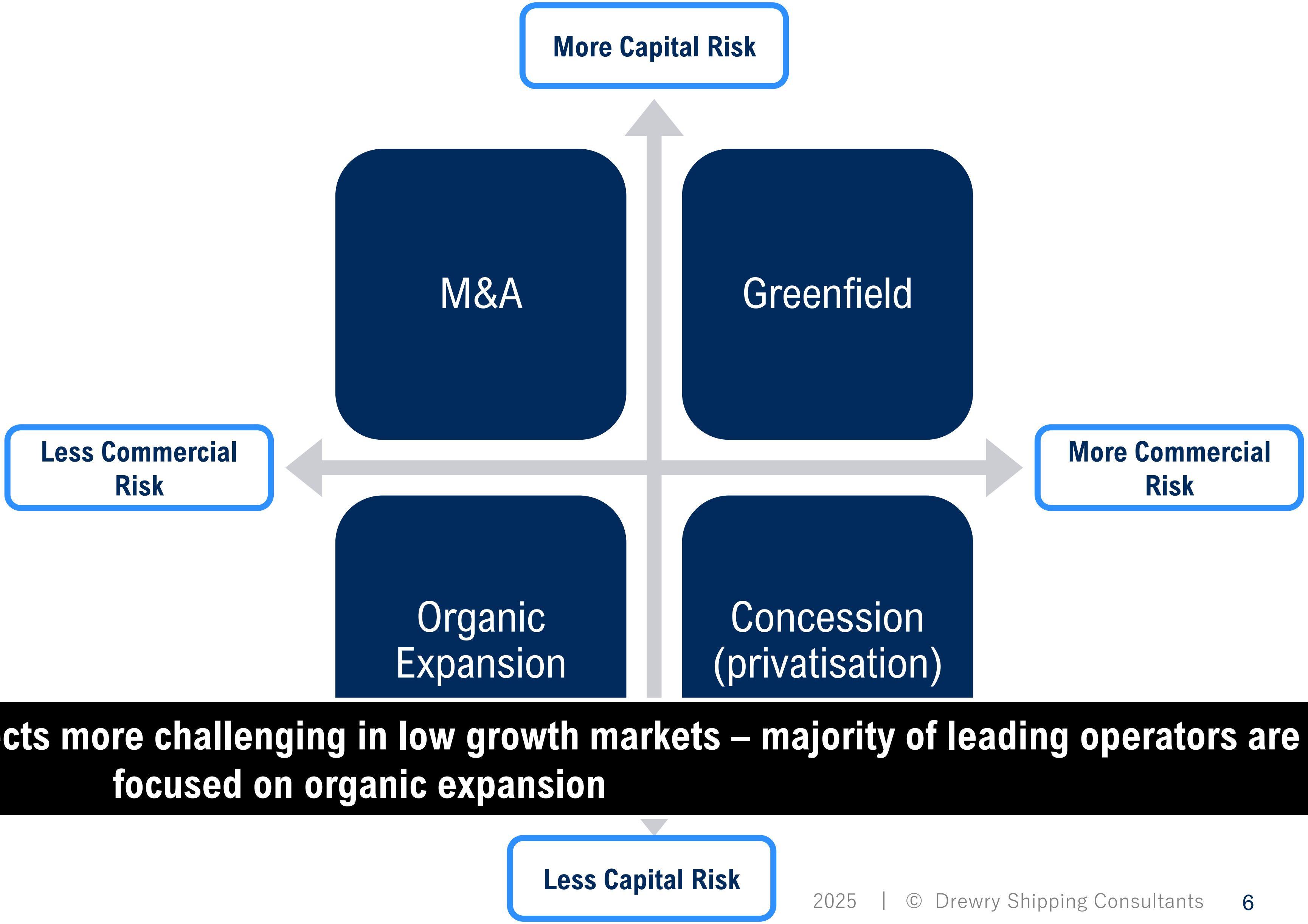
Source: Ports & Terminals Insight – 2Q25 edition

# Options for portfolio growth carry differing risk profiles

- In high growth and/or under-developed markets, the risks inherent in greenfield projects are reduced
- Concessions carry greatly reduced capital risk, but competition is fierce
- Organic expansion offers GTOs the least capital and commercial risk, but requires existing asset base
- M&A is often the only avenue to access specific markets




**Business cases for greenfield projects more challenging in low growth markets – majority of leading operators are focused on organic expansion**

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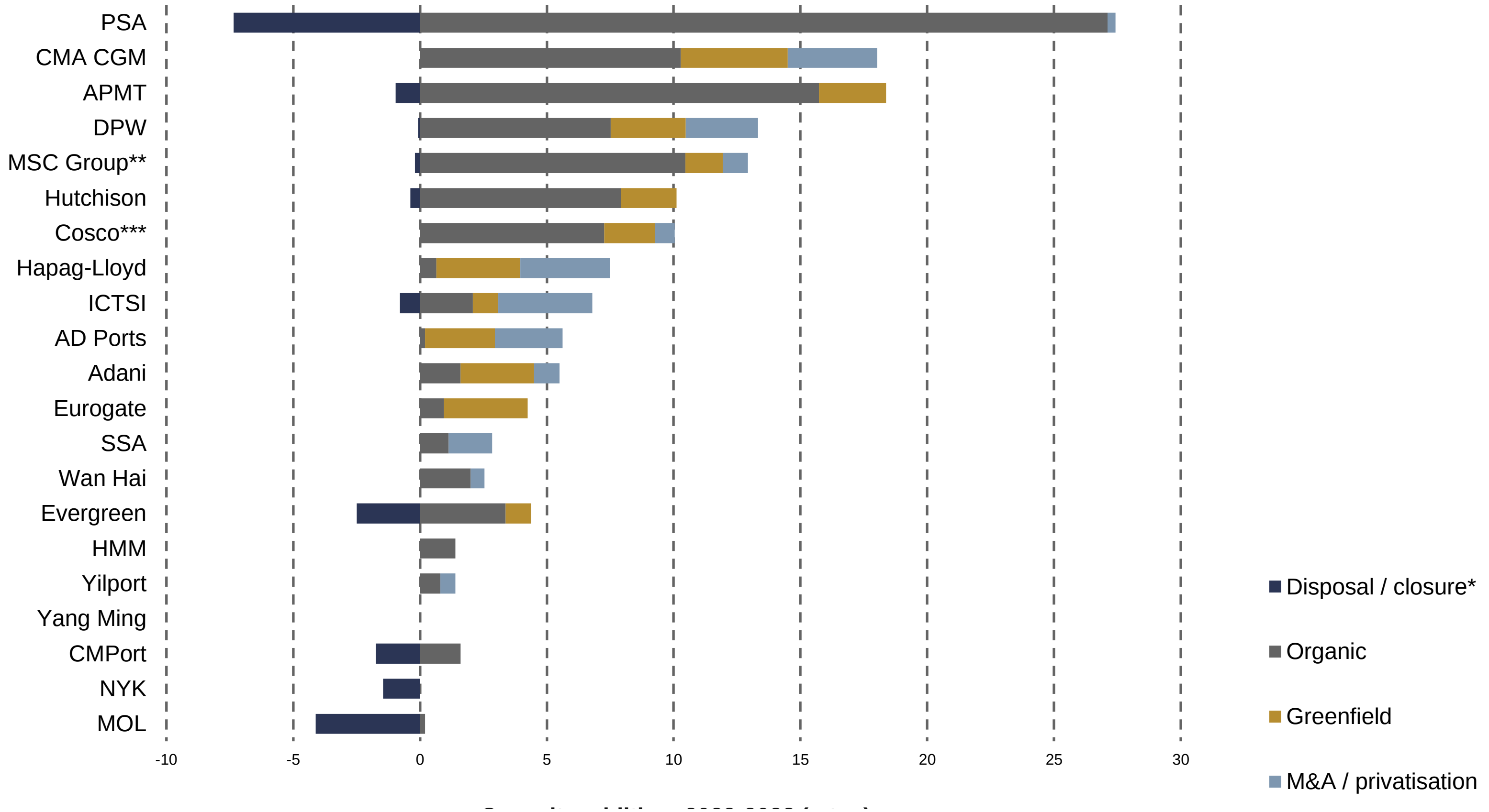
# Global terminal operator capacity forecasts, 2023-2028

## GTOs focus on organic capacity growth




- Organic growth at existing terminals remains favoured route to increase capacity
- Greenfield investments gaining pace compared to 2010s
- M&A enables GTOs to overcome barriers to entry especially in more established markets

**GTOs focused on upgrading and expanding existing terminals**

Some double counting occurs where joint ownership/management structures exist.

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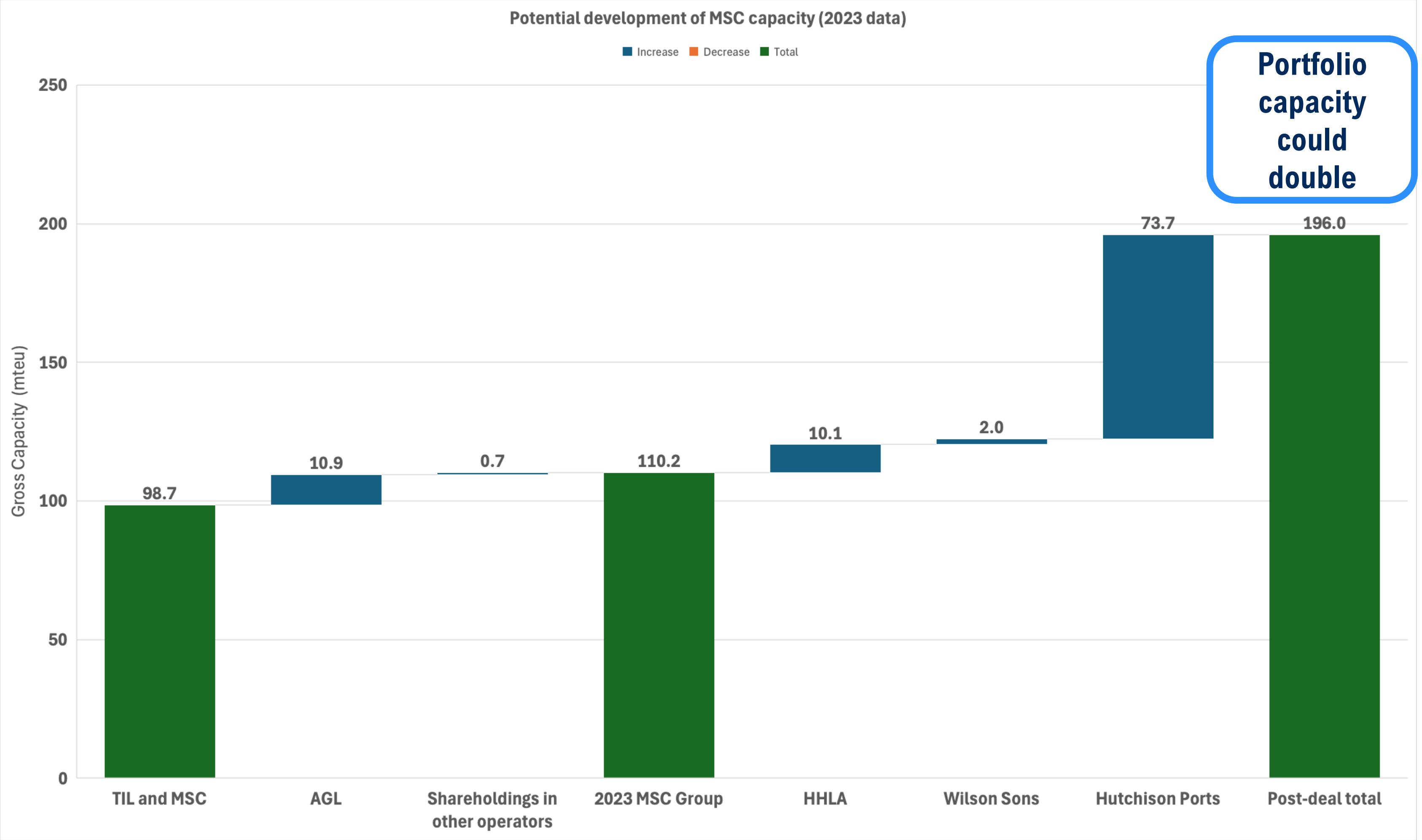
Source: Global Container Terminal Operators – Annual Review & Forecast, 2024/25 edition

- MSC's acquisitions have given it a short-cut to gain capacity in some of the most important markets in the world
  - AGL - West Africa
  - HHLA - Germany and Central Europe
  - Wilson Sons - Brazil
  - Hutchison - Mexico, Panama, Egypt, Pakistan, Oman, Thailand, Malaysia, Indonesia, South Korea, UK, Netherlands (and more)

# MSC's 4 major acquisitions over last 4 years

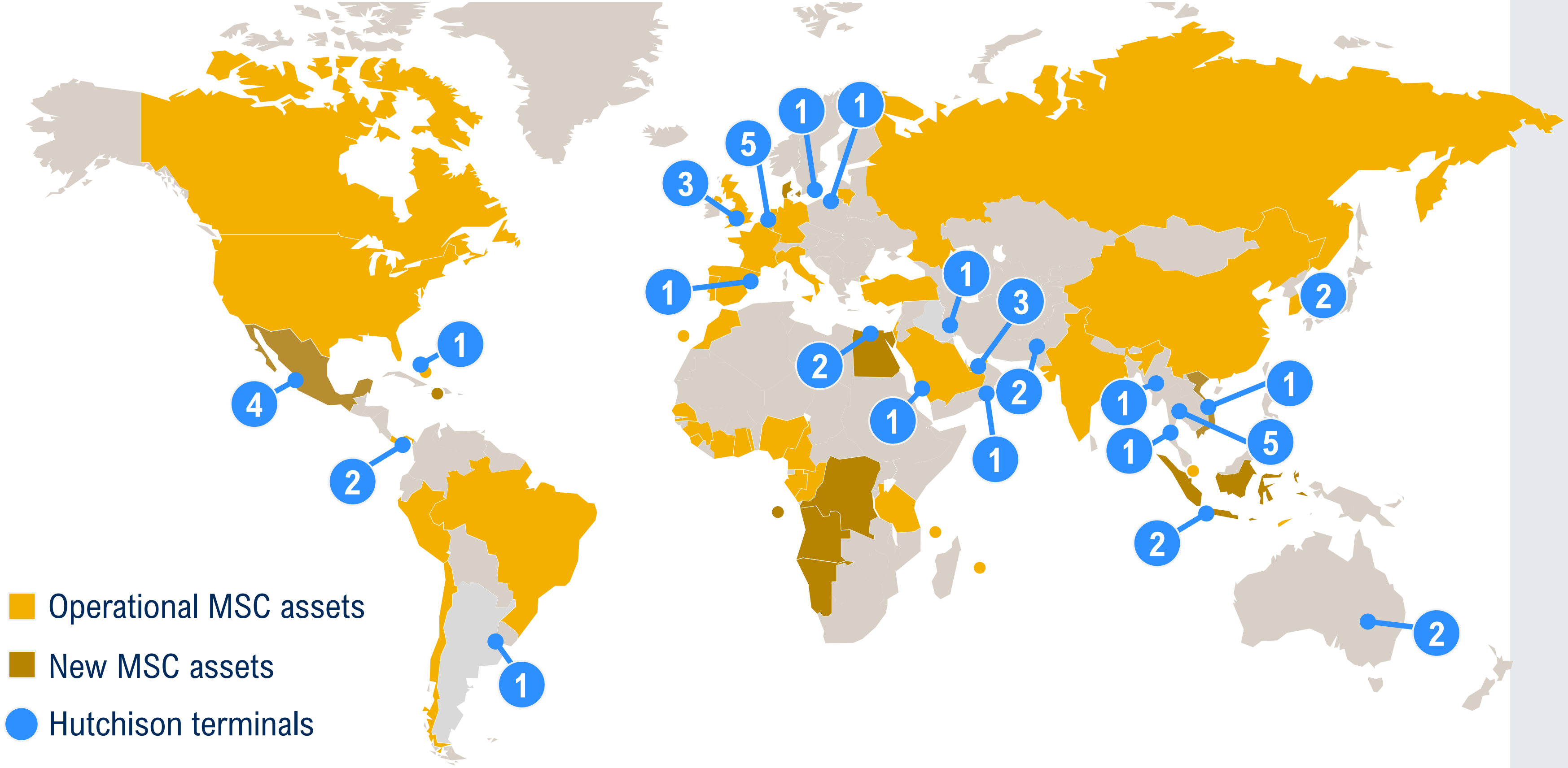
These portfolios have been built over decades and could not be replicated today




Source: Ports & Terminals Insight – 2Q25 edition

# Outlook for MSC portfolio reach after Hutchison Ports deal

Addition of Hutchison Ports seen as highly complementary to existing MSC terminal portfolio




- Secures entry to otherwise inaccessible markets
- Strengthens position in several major ports

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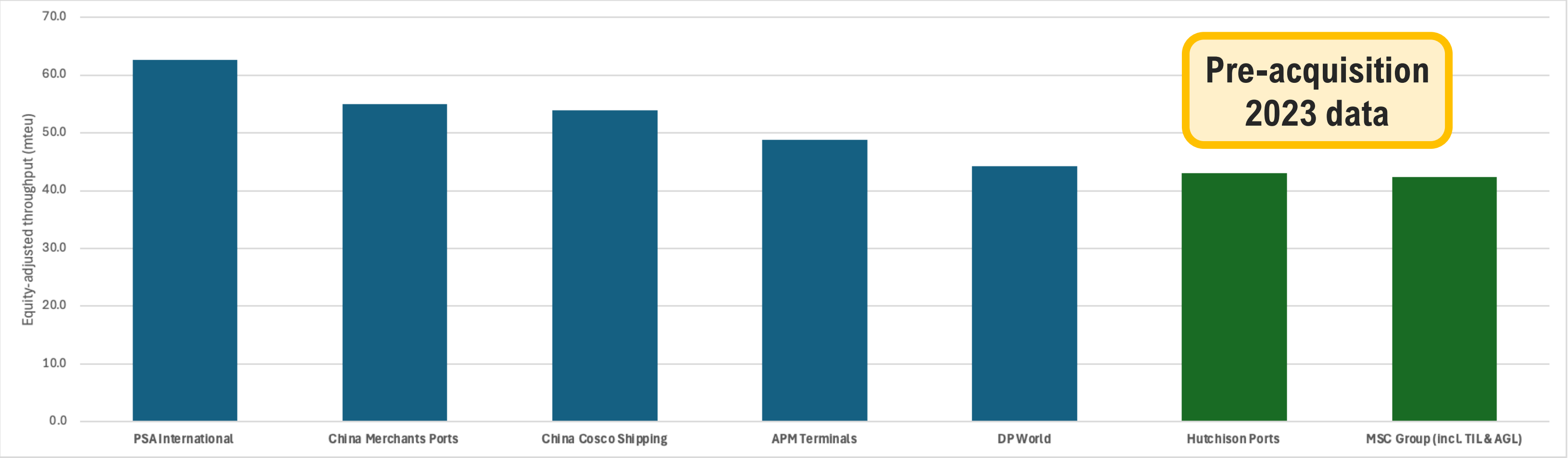
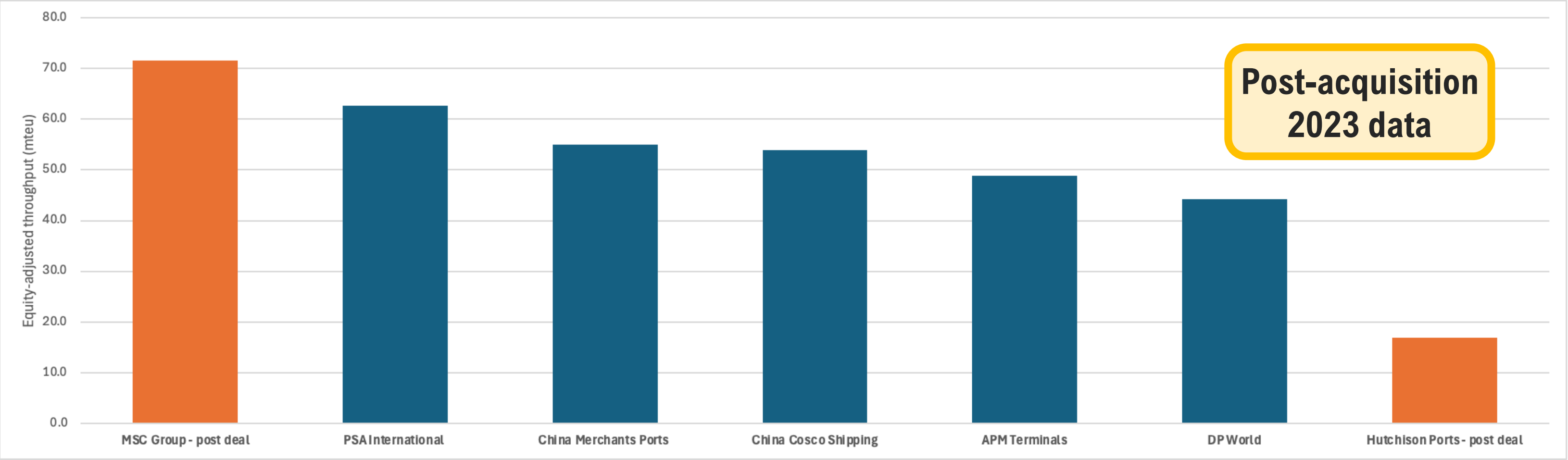
# Global terminal operator capacity forecasts, 2023-2028

Hutchison acquisition would see MSC move to the top of the global rankings




- This deal means 3 of the Top 5 GTOs would be hybrid operators
- These three hybrid operators are also 3 of the Top 4 liner companies
- Are independent terminal operators still able to compete on an even playing field?

# Q&A welcome

Find out more at:

**[www.drewry.co.uk/ports](www.drewry.co.uk/ports)**

or contact us via email:

**enquiries@drewry.co.uk**

# Principal source of material for this webinar

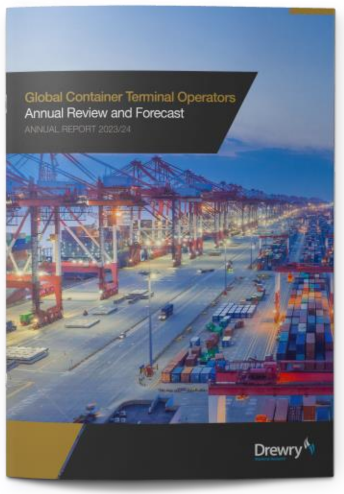
## Drewry Ports and Terminals Insight

- Quarterly report offering:
  - Spotlight analysis: thought leadership
  - Port connectivity index
  - Global Ports Monitor
  - Regional Ports Monitor
  - Deals and developments
  - Port sector financial analysis
- Monthly supplement providing enhanced global and regional data
  - Port Throughput Indices, Port Call Indices
  - Port Performance Indices, Port Congestion Trackers


***Combined package available on annual subscription terms***

## Global Container Terminal Operators Annual Review/Forecast

- Terminal industry structure and performance
- League tables and performance of terminal operators
- Operator strategies, portfolios and risk profiles
- Forecast capacity by terminal operator & region to 2028
- Individual analysis of  more than 40 terminal operators and investors

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