

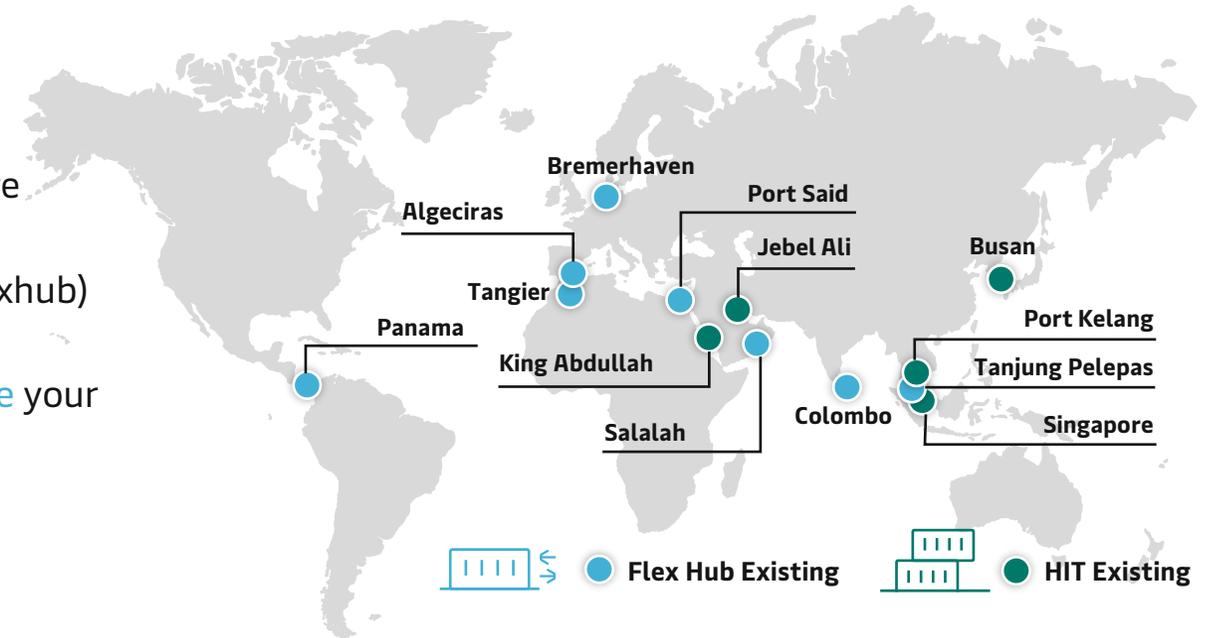


Flex Hub &
Hub In Transit solution

FlexHub & Hub in Transit (HIT)

Ship your cargo now and we'll store it for you in one of our hub ports.

- **Slowdown the inflow** of your cargo in the supply chain to manage demand fluctuation and production timing
- **Position cargo closer** to your key markets in 8 key hub ports (Flexhub) or 3rd parties Hub (HIT)
- **Speed up your time to market** with control over **when** and **where** your cargo needs to be delivered
- **Reduce supply chain cost** with your own 'Virtual Warehouse'
- **Relieve pressure** on storage facilities



Manage warehouse constraint and limited capacity during challenging times in the supply chain



Up to 30% lower costs than traditional warehousing, with less fixed investment or binding volume conditions



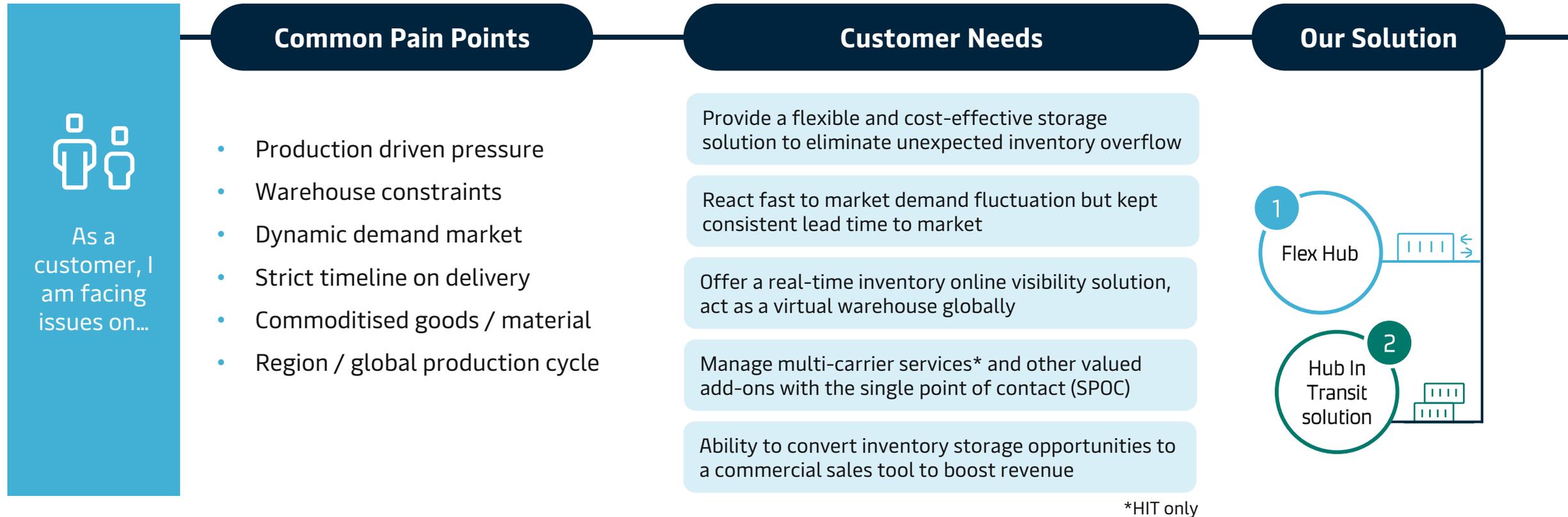
Up to 70% reduced 'Order to Delivery' lead time with unmatched reliability, from our Hubs to final destinations



Single point of contact with full visibility and control of your inventory

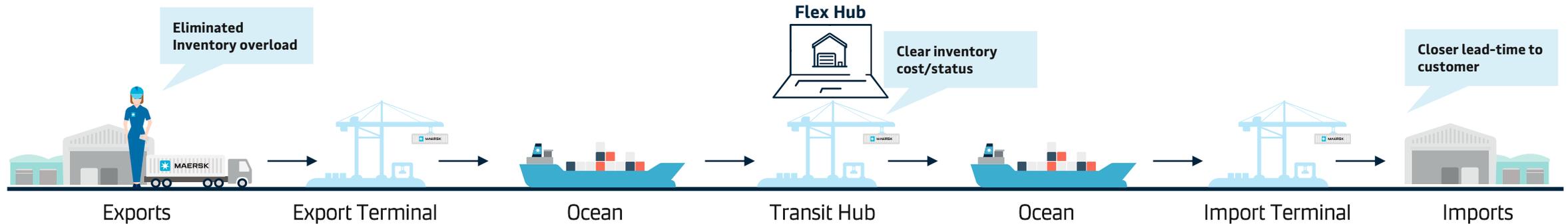
Typical customers interested in Flex Hub & HIT

Flipping the view from short-term delaying request into strategic long-term decision.



What is FlexHub?

Your [Maersk Ocean all-in-one solution](#).



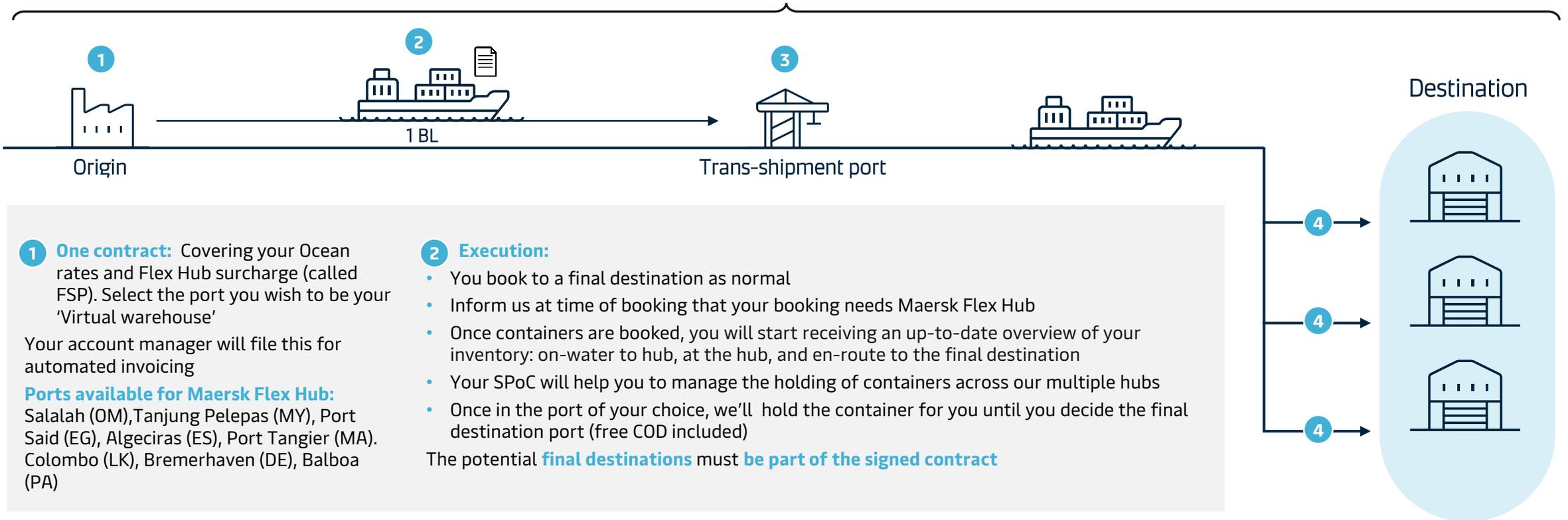
FlexHub

Product family	Integrated product managed by Maersk Ocean + Lead Logistics Services
Pricing model	All-in bundle under one contract: Ocean Freight + Storage fee in Hub (21 or 28 days storage + Slab) + Hub Management*
Services model	Offer customers the flexibility to pre-position cargo in transit hub , closer to the final market, and decide final destination when containers are in the transit hub. Offer SPoC for end-to-end control
Visibility	Access to standard dashboard for tactical and performance analytics on cost inventory and dwell time. Able to offer a vertical-focus dashboard for VIP customers
Hub locations	8 available Hubs to support global trades (Target increase to 10 hubs by 2021)

Flex Hub Services model

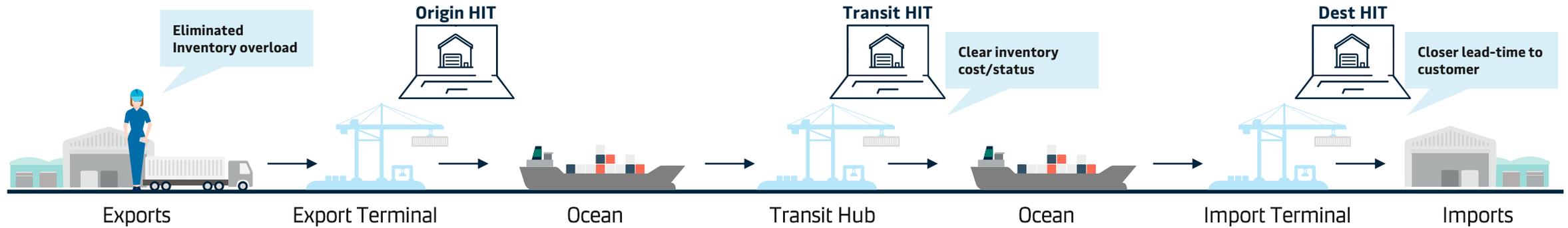
One booking and we handle the rest of the journey for you.

CONTROL TOWER in L&S to manage



What is Hub in Transit (HIT)?

Your Maersk Ocean all-in-one carrier neutral solution.

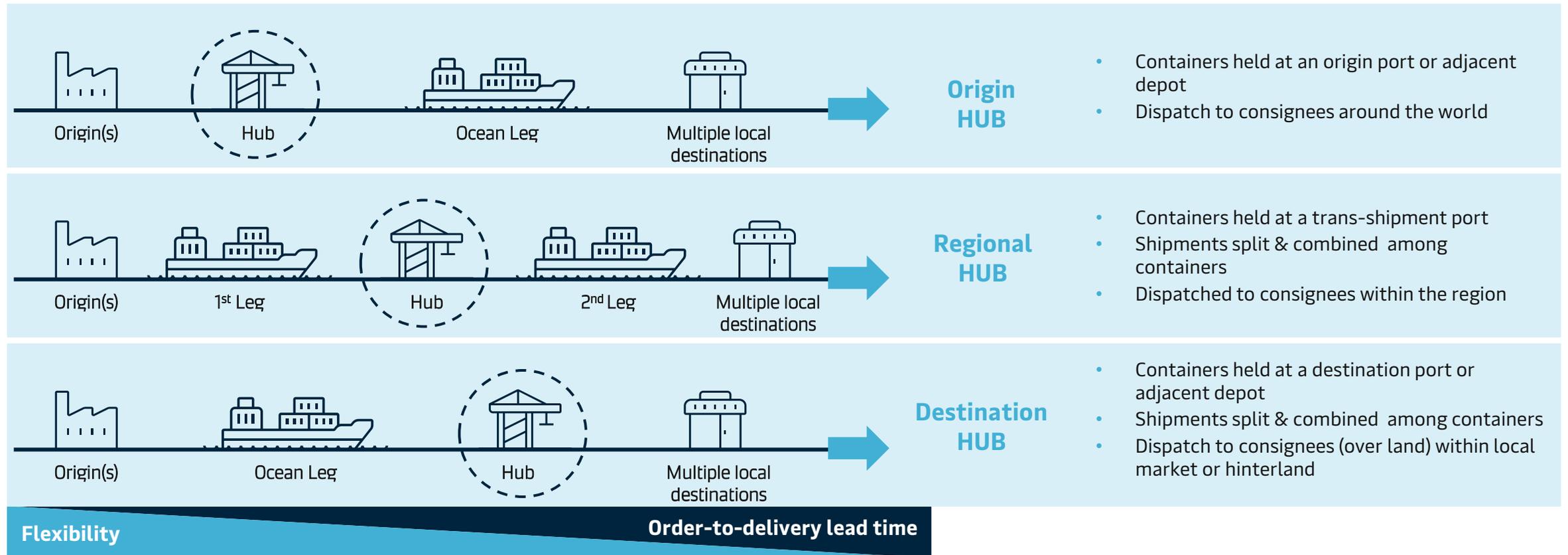


Hub in Transit (HIT) – Different carriers, 3 versions

Product family	Carrier-neutral solution managed by Lead Logistics Services
Pricing model	Standard solution tariff for Hub in Transit Management Services Possibility to offer configurable services as add on , powered by other L&S activities
Services model	Offer 3 different hub models (Origin Hub, Transit Hub and Destination Hub), with the flexibility to pre-position cargo based on client's need. Offer SPoC for customers' visibility and control
Visibility	Configurable dashboard for inventory cost, dwell time and exception. Able to include client injected fields (e.g. Inventory SKU) to enable multiple purposes, + Forecast & Allocation*
Hub locations	Manage 3rd parties hub nominated by client or offer Maersk contracted hub in selected locations*

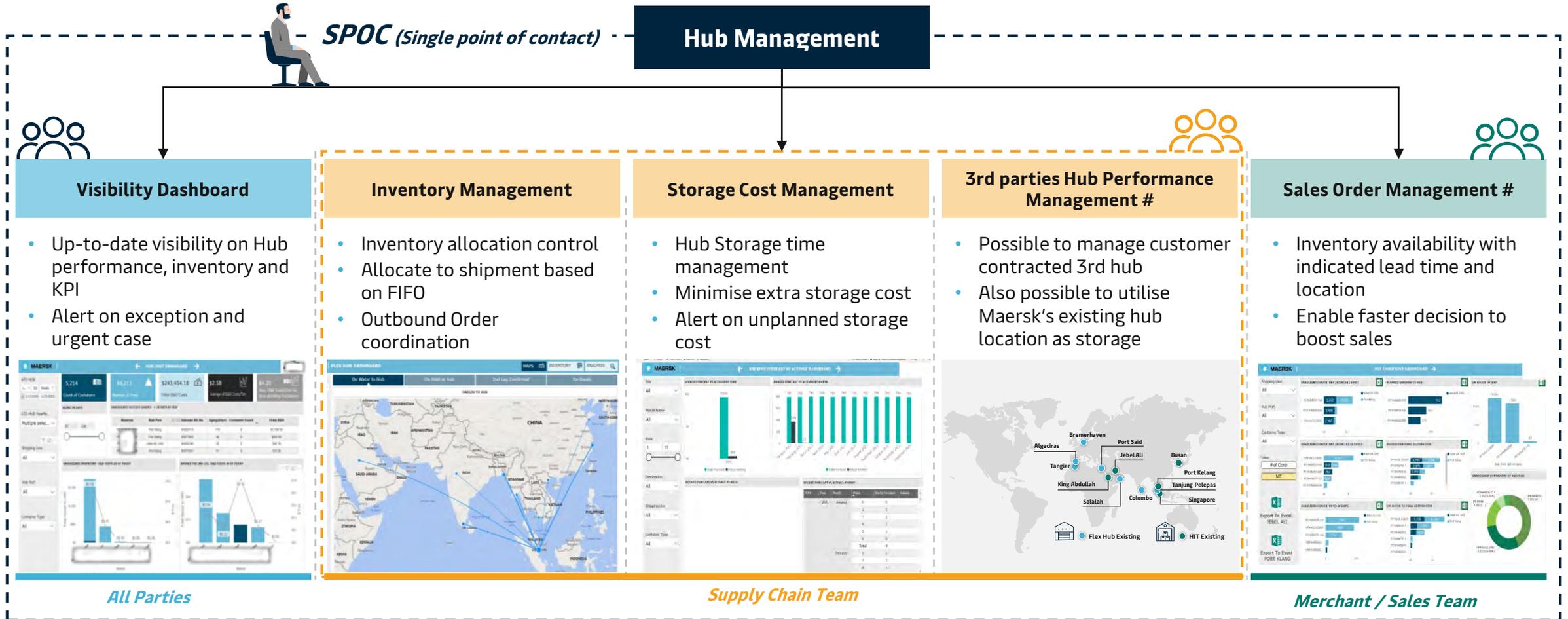
Hub in Transit possible variants

Hub in Transit is a highly configurable solution based on customers needs.



Hub Management - Core services in FlexHub & HIT

Key differentiators compared with typical delay in transit services.



Flex Hub & HIT delivers value to our customers

Our value calculator can help us illustrate how.

Depending on the characteristics of your supply chain and business model, you may be able to benefit from some/all of the following key value propositions



Positioning goods closer to final markets with the agility **to handle fluctuating demand** over time / market



Reducing inventory levels and cash tied up in stock



Maximising revenue by optimising market and timing



Bypassing or eliminating warehousing and handling (cost, inventory and quality control)



Postpone arrival of cargo to manage delays to documentation or payment process from end-customers, or to feed into a production process



Enabling customers to **combine multiple-origin containers** (multiple raw materials or components) and deliver into a production process



Quantify version

Our expert Supply Chain Development team designed a ready to use **Hub Value calculator** to illustrate potential benefits of the Flex Hub and HIT solutions based on:

Vertical

Storage cost

Volume

Business scenarios

Supply Chain Development

OUTPUTS

Dollar value to customer	\$	3,362,662
Value per container	\$	576
Value per cbm	\$	28
Value per ton	\$	36

Value Calculator

Quantitative value drivers bracket	
Revenue impact	Bottom line impact
\$ 423,792	\$ 2,938,870

Output of each value driver		
S. No	Value drivers name	Value from each driver
Value driver -1	Improved Revenue (or elimination of lost sales)	\$ 423,792
Value driver -2	Margin Improvement due to timing	\$ 847,584
Value driver -3	Discounts due to delay	\$ 127,138
Value driver -4	Discounts/penalty due to damages to consignee	\$ 59,331
Value driver -5	Eliminate origin warehousing	\$ 729,875
Value driver -6	Eliminate destination warehousing (release consignee WH space)	\$ 729,875
Value driver -7	D&D Elimination	\$ 58,390
Value driver -8	Freight reduction (HIT carrier neutrality)	\$ 87,585
Value driver -9	Opportunity cost (Inventory holding days reduction)	\$ 182,056
Value driver -10	Opportunity cost (Invoice timing benefit)	\$ 117,036

Thank you



MAERSK