

Press Release

CEVA Logistics to operate four deep-sea, dual-fuel hybrid RORO vessels under long-term lease

- *CEVA will lease four of Eastern Pacific Shipping's vessels from CMA CGM, each ship providing a 7,000-car capacity*
- *10-year agreement with first ship to be delivered in December 2023*
- *Global FVL leader also boosting 'Cars in Containers' logistics solution*

MARSEILLE, France – May 3, 2023 – CEVA Logistics is connecting its global automotive customers with more roll-on, roll-off (RORO) vessel capacity thanks to a new 10-year lease the logistics firm has signed with its parent company, CMA CGM. The agreement for four of Eastern Pacific Shipping's LNG dual-fuel hybrid deep-sea vessels will allow CEVA to transport approximately 140,000 vehicles annually between global markets, especially China and Europe.

The RORO ships are currently under construction by China Merchants Jinling Shipyard (Weihai), with the first vessel expected to be delivered in December and the three subsequent ships coming in 2024. Under the lease agreement, CEVA Logistics will manage and operate the vessels with full commercial control over the RORO capacity.

At nearly 200 meters in length, the vessels will each have the capacity to transport 7,000 cars thanks to nearly 59,000 square meters of effective deck surface spread across 12 levels. With a width of 38 meters, the ships will have a gross tonnage of 72,000 tons and move at a max speed of 19.5 knots. The RORO vessels' hybrid power systems will include both LNG and electric battery capabilities.

End-to-end network for finished vehicles

The new vessels will enable CEVA to offer its owned, controlled capacity to automotive customers and provide a suite of flexible shipping options and end-to-end services. CEVA will offer door-to-door solutions, able to take delivery of finished vehicles directly from manufacturing facilities and then manage transport to final destinations around the world through its network of port connections, RORO capacity, car haulers and vehicle depots.

Cars in Containers Solution for smaller volumes, more direct access

CEVA is also strengthening its Cars in Containers solution to offer a more flexible option for shippers that need to transport small quantities of finished vehicles to strategic ports or in-land locations not easily served by its own RORO vessels or other carrier partners. With lower shipping rates and limited RORO capacity, carmakers can take advantage of this solution for reduced lead times and increased flexibility in terms of shipping schedules.

CEVA has the global network and specialized capabilities to manage the container loading and unloading of finished vehicles, a step that can often make the solution too time-consuming and labor-intensive for shippers. As ocean shipping rates are expected to remain lower than in previous years, the solution offers carmakers another alternative in transporting finished vehicles around the world.

In addition to its finished vehicle logistics solutions, CEVA supports global automotive manufacturers and many global automotive parts suppliers with other logistics solutions, including inbound to manufacturing and aftermarket services.

Finished vehicle volumes rebounding, EVs on the rise

Global new light vehicle sales are expected to reach nearly 83.6 million units in 2023, a 5.6 percent increase year-over-year, according to a recent forecast by S&P Global Mobility. With global 2022 production up approximately 6.0 percent over 2021 levels, estimates place 2023 production at 85 million units for a 4 percent increase from 2022. Production levels are not expected to reach pre-pandemic numbers before 2024 or 2025, according to various industry estimates. In 2022, China exported 3.1 million vehicles, a year-on-year increase of 54.4 percent, according to the China Association of Automobile Manufacturers (CAAM).

The International Energy Agency estimated that 13 percent of 2022 car sales would be electric, a number expected to reach 13.3 percent in 2023, according to S&P. With the European Fit for 55 plan, China's EV policy and the U.S. Inflation Reduction Act's tax credit, EVs are being more widely integrated into public policy, encouraging further growth in the segment.

Supporting expertise from CMA CGM Group

In operating and commercializing the new vessels, CEVA Logistics will benefit from the expertise of the CMA CGM Group's newly formed department dedicated to specialty maritime shipping, including:

- vehicle transport on car carriers.
- La Méridionale, a maritime shipping company operating ro-ro cargo and passenger ships (Ro-Pax), which is currently being acquired by CMA CGM (subject to the approval by regulatory authorities).
- the Group's investment in Brittany Ferries, in which CMA CGM invested €25 million in 2021 to support its recovery.
- the future capacity of Neoline, the first wind-powered RORO vessel, which the Group is helping to finance.

Emmanuel Cheremetinski, global FVL leader, CEVA Logistics, **said:** ***“As the automotive supply chain continues to stabilize from numerous shocks over the past several years, we have remained close to our customers to understand their challenges and growth opportunities. The decision to operate four deep-sea ROROs is a clear example of our promise of responsive logistics. With such a large need for additional capacity, we found a solution that allows us to co-create long-term value with our customers in the global economy by improving the go-to-market conditions for their finished vehicles.”***

About CEVA Logistics

CEVA Logistics, a world leader in third-party logistics, provides global supply chain solutions to connect people, products and providers all around the world. Headquartered in Marseille, France, CEVA Logistics offers a broad range of end-to-end, customized solutions in contract logistics and air, ocean, ground and finished vehicle transport in 170 countries worldwide thanks to its approximately 110,000 employees at more than 1,300 facilities. With pro forma 2022 revenue of US\$18.7 billion, CEVA Logistics is part of the CMA CGM Group, a global player in sea, land, air and logistics solutions.

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