



Charting the Future

Future of Expedition Cruising

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CHART MANAGEMENT CONSULTANTS PTY LTD
CRUISE SHIPPING AND TOURISM STRATEGY & EXECUTION

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Overview of Expedition Cruising

	OUTLINE	
1	Aspects of Expedition Cruising	
2	Review of the order-book	
3	Global overview of the Expedition fleet	
4	Size and Impact of the segment	
5	Major expedition destinations	
6	Expedition cruises in our region	



1. Aspects of Expedition Cruising

- * Expedition is unique among the other segments of our industry
 - ✓ Ships: small, shallow draft; upscale to luxurious; increasingly newly-built (or refurbished/repurposed)
 - ✓ Expedition equipment: zodiacs; even kayaks, helicopters, submarines & special operations boats; mud-room; science lab; polar apparel
 - ✓ Expedition crew: highly qualified, specialists in various sciences
 - ✓ Guests: agile, curious, well-to-do, well-travelled, well-educated, discerning
 - ✓ Destinations: inaccessible, exotic, offering natural beauty/wildlife/culture
 - ✓ Cruises: longer durations, often open-jaw
 - ✓ Onboard: enrichment, fine dining, high service, high crew/guest ratio
- * Expedition operators prefer to avoid destinations visited by the large ships
- * Expeditions have low impact on destinations/communities where their ships call
- * Though passengers are high-spending, they are few in number

2. The Expedition Order Book 2022-23

- * One third of all the ships on order this year and next are Expedition
- * Eight, mostly new, brands are adding 13 ships to their small fleets:
 - Atlas adds 4 to its World Navigator
 - Swan Hellenic adds 2 to its Minerva
 - Seabourn introduces 2 ships 2022 & '23
 - Aurora adds 1 to its Greg Mortimer
 - Albatros adds 1 to its Ocean Victory
 - Vantage adds 1 to its Ocean Explorer
 - Viking Expeditions adds 1 to Octantis
 - Oceanwide adding 1 to its 4 ship fleet
- * Cutting-edge technology/ship design
 - Respectful of the environment
 - Equipped to safely operate in remote regions
 - Bring guests close to the experience

CRUISE ORDERBOOK 2022 & '23 BY SHIP SIZE

Ship size > No. Pax	MEGA >3550	LARGE 2000 - 3550	MID 750 - 2000	SMALL <750	EXPEDITION <400	TOTAL
Number	9	6	4	7	13	39
%	23.1%	15.4%	10.3%	17.9%	33.3%	100.0%

Source: Seatrade JUNE 2022 Analysis: CHART Management Consultants

THE EXPEDITION ORDER BOOK 2022 - 2023			CHART
Cruise Line	Ship	Passenger capacity	Delivery
Atlas Ocean Voyages	World Traveller	200	Jun-22
	World Seeker	200	Q2 2023
	World Adventurer	200	2023
	World Discoverer	200	2023
Oceanwide Expeditions	Janssonius	180	2022
Seabourn	Seabourn Venture	264	Mar-22
	Seabourn Pursuit	234	Feb-23
Sunstone/Vantage Travel	Ocean Odyssey	154	2022
Sunstone/Aurora Expeditions	Sylvia Earle	186	Oct-22
Sunstone/Albatross Expeditions	Ocean Albatross	180	2023
Swan Hellenic	SH Vega	152	Sep-22
	SH Diana	192	Q1 2023
Viking Expeditions	Viking Polaris	378	Aug-22
		13	2,720

Source: Seatrade JUNE 2022 Analysis: CHART Management Consultants



3. The global fleet

- * 25 brands
 - ✓ operate separate 78 ships today
 - ✓ and 91 by late next year
 - ✓ with total berth capacity of 15,700 (excludes brands with occasional charters, e.g. A&K)
- * 8 of the brands are new to Expedition since 2019
- * A few ships are chartered, some seasonally
- * Several ships are dedicated to specific regions, especially:
 - ✓ Polar (Antarctic/Arctic)
 - ✓ Galapagos
 - ✓ South America/Patagonia
 - ✓ Kimberley
- * But most offer a diverse range of global itineraries



THE EXPEDITION FLEET TODAY and TO 2023							CHART
Brand	No. of ships			Passenger capacity			
	Expedition ships since 2019	Current	New Orders	TOTAL	Current	New Orders	TOTAL
Albatros Expeditions	1	1	2	186	180	366	
Aurora Expeditions	1	1	2	160	186	346	
Australis	2		2	420		420	
Celebrity Expeditions	3		3	164		164	
Coral Expeditions	3		3	312		312	
G Aventures	1		1	150		150	
Hapag-Lloyd	3		3	690		690	
Heritage Expeditions	2		2	158		158	
Hurtigruten Expeditions	8		8	2,780		2,780	
Lindblad Expeditions	11		11	1,104		1,104	
Metropolitan Touring	3		3	178		178	
Atlas Ocean Voyages	1	4	5	200	800	1,000	
Nicko Cruises	1		1	176		176	
Quark Expeditions	4		4	688		688	
APT	1		1	99		99	
Noble Caledonia Expeditions	7		7	795		795	
Oceanwide Expeditions	3	1	4	412	180	592	
Ponant	12		12	2,449		2,449	
Poseidon Expeditions	3		3	342		342	
Seabourn Expeditions		2	2		498	498	
Silversea Expeditions	5		5	972		972	
Swan Hellenic		2	2		344	344	
True North Adventure Cruises	1		1	36		36	
Vantage Travel	1	1	2	134	154	288	
Viking Expeditions	1	1	2	378	378	756	
ALL	78	13	91	12,983	2,720	15,703	

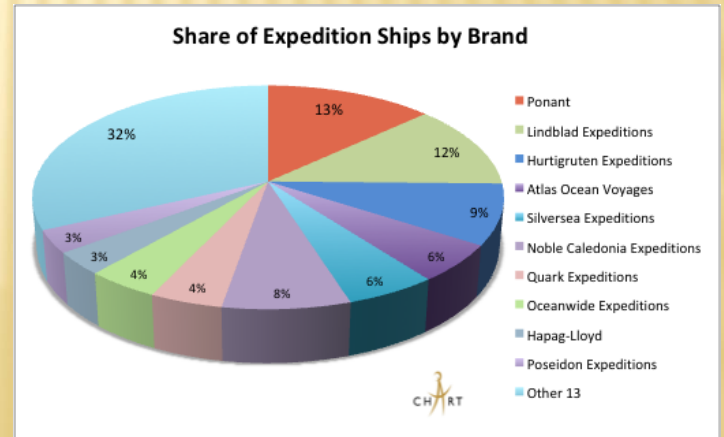
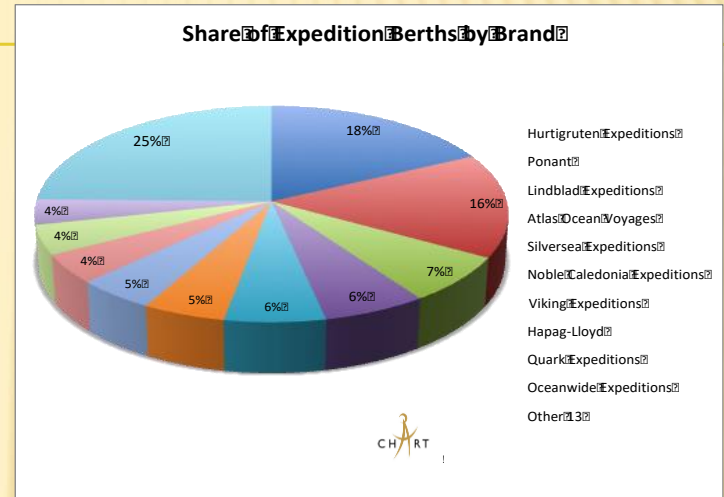
25 brands
8 new

Analysis: CHART Management Consultants
Source: Individual cruise lines & Seatrade JUNE 2022

Excludes most of the very small vessels (e.g. several in Galapagos).
Some vessels operate for more than one brand

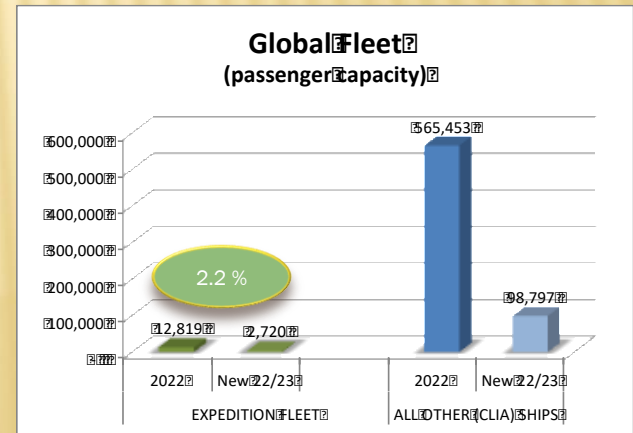
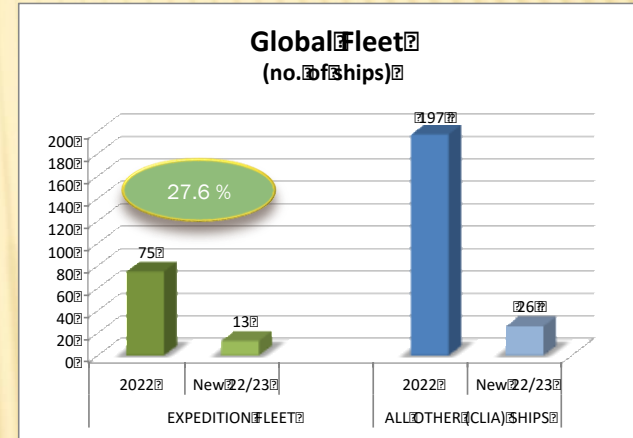
Global fleet capacity

- * No brand occupies a major position
- * The top 10 brands have around ¾ of total supply
- * In berth capacity
 - ✓ Hurtigruten & Ponant have 33%
 - ✓ The 8 new entrants (since 2019) have 26%
- * In number of ships
 - ✓ Ponant, Lindblad and Hurtigruten have 34%
 - ✓ New entrants (since 2019) have 21%



4. Size and impact

- * The segment is still small
 - ✓ Expedition accounts for over a quarter (27.6%) of the global fleet in number of ships
 - ✓ But Expedition capacity is just 2.2% of the world's berths
- * Yet it is growing in importance
 - ✓ Major brands are piling into the segment
 - Silversea (RCG) has been
 - ▶ in Expedition for 10 years,
 - ▶ repurposing classic ships specifically for expedition (Cloud & Wind)
 - ▶ building new Expedition ships (Silver Origin)
 - ▶ and acquired Crystal Endeavour
 - Seabourn (CC) has two new ships for expedition (Venture & Pursuit)
 - Viking the same (V Octantis, V Polaris)
 - Celebrity introduced a newbuild in 2019 (Flora for Galapagos)
 - ✓ One heritage brand is coming back too
 - Swan Hellenic (SH Vega, Diana)
 - ✓ Sunstone is building and chartering ships to several operators



Impact

- ★ Expedition is also in tune with market trends
 - ✓ Demographics
 - ✓ Broadening & internationalising of source markets
- And traveller preferences:
 - ✓ Collecting experiences
 - ✓ Avoiding crowds
 - ✓ Getting close to nature, environmental consciousness
 - ✓ Seeking what is authentic, unique, surprising
 - ✓ Taking “the road less travelled”.



5. Expedition destinations

- * Expedition cruises cover many remote corners of the earth
 - ✓ Polar regions remain the most popular
 - ✓ South & Central America important too
 - ✓ Galapagos - tightly regulated: limited access; Ecuador flag and crew; very few ships licenced for the max 100 pax (most ships <50)
 - ✓ Kimberley (Darwin to Broome) between April & September only
 - ✓ America's Great Lakes
 - ✓ Vietnam, Japan and, though yet to be really discovered, the Philippines
 - ✓ In fact expeditions frequent every region – Caribbean, Mediterranean, Africa, Seychelles, Indian Ocean, etc.



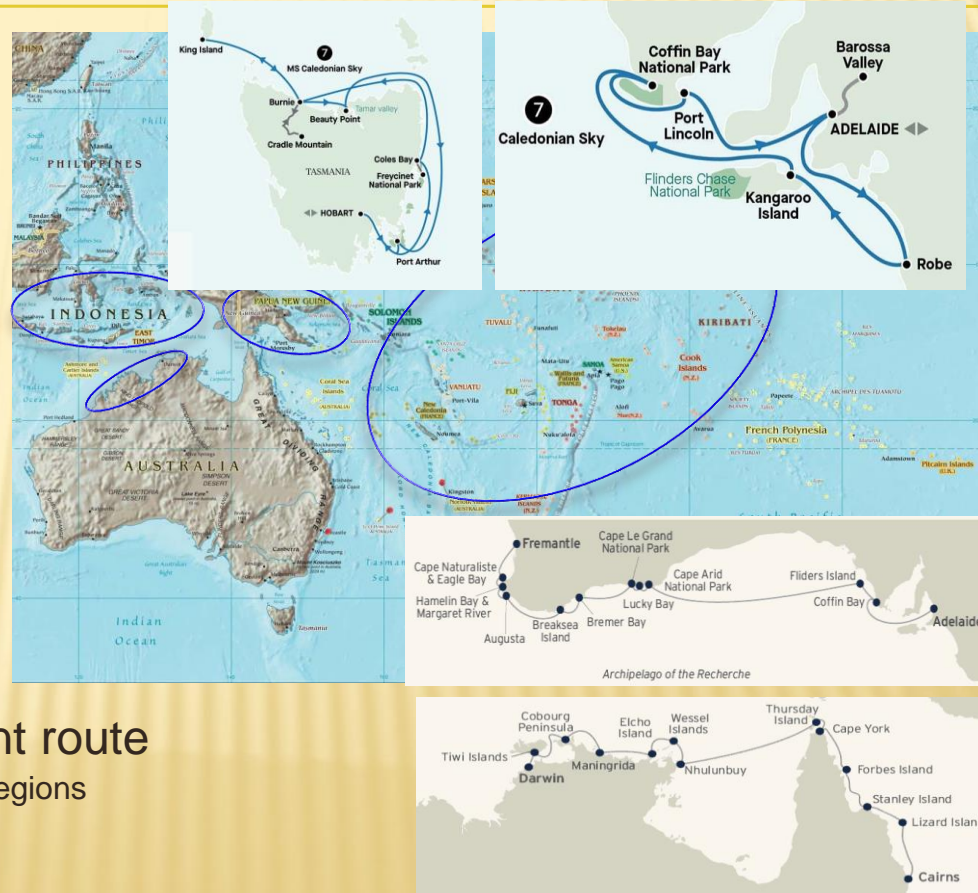
6. Where in our region?

* Opportunities certainly abound in Australasia/Pacific

- ✓ The Kimberley region is already well-established – and spectacular
- ✓ Papua New Guinea has many hardly-visited, intriguing destinations
- ✓ Countries of the South Pacific have many unspoiled islands
- ✓ Many possibilities in the Indonesian archipelago
- ✓ Eco- and wilderness destinations on the AU and NZ coasts and islands: e.g.
 - Coral Expeditions: Australia circumnavigation; Great Aust. Bight; Cape York & Arnhem Land; NZ.
 - APT: Tasmania; South Australian coast

* And Au and NZ are on an important route

- ✓ Expedition ships reposition between the polar regions
- ✓ They need re-provisioning and, often, air links
- ✓ With an active source market to fuel demand



In conclusion

- ✦ Expedition is a segment to watch!
- ✦ It can bring cruise tourism and its economic benefits to many smaller destinations and their communities





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Strategy Consulting to the Global Cruise Industry
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