



Investor Presentation

Q1 2018 Results

May 29, 2018





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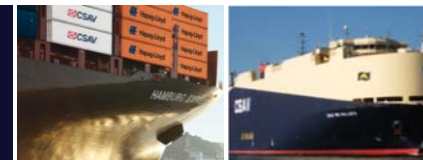
Agenda

1. Highlights
2. Market Overview
3. Q1 2018 Results
4. Outlook



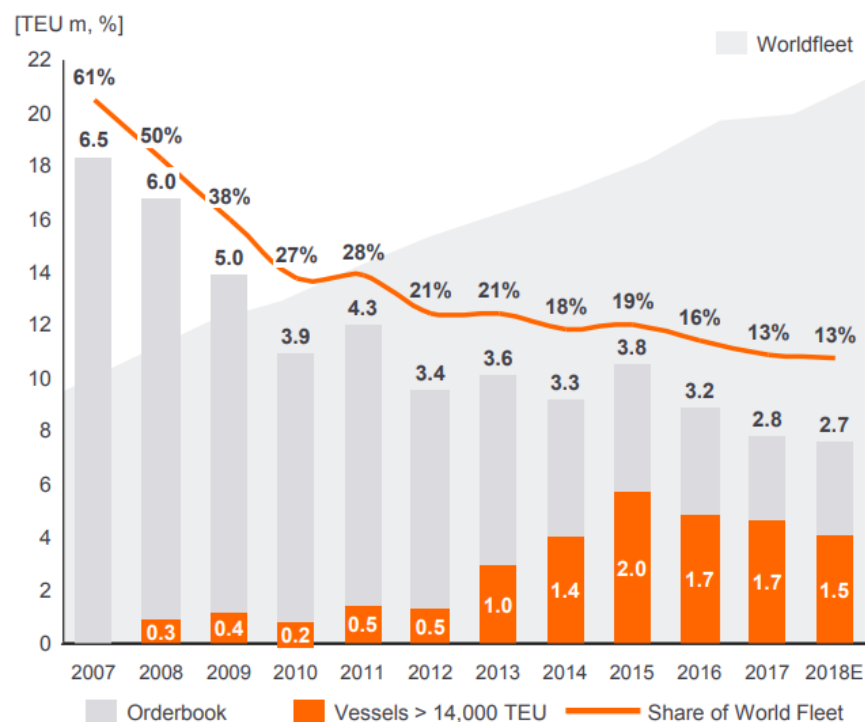
Highlights

- CSAV reported a loss of US\$ 21.4 M in Q1 2018, mainly explained by the result of Hapag-Lloyd AG (“HLAG”), which was affected by the maritime industry's conditions, and also due a deferred tax expenses effect. This result represent an improvement of US\$ 0.7 M compared to Q1 2017.
- At the operating level, HLAG reported in Q1 2018 an improvement in EBIT margin and in EBITDA margin compared to Q1 2017. EBIT 2.1%; EBITDA 8.4%; Net Result US\$ -42 M.
(Q1 2018 vs Q1 2017: Δ EBIT margin +1.7ppt, Δ EBITDA margin +2.7ppt, Δ Net Result US\$ +20 M)
- For CSAV, the Container transport services segment reported a loss of US\$ 22.6 M on Q1 2018, which represent an improvement of US\$ 0.3 M compared to Q1 2017, mainly explained to better result on its HLAG’s participation, partially offset by a higher deferred tax expenses effect.
- Other transport services segment (mainly Car Carrier) reported a profit of US\$ 1.2 M in Q1 2018, which represent an improvement of US\$ 0.4 M compared to 2017 and its eight consecutive quarter of profits for CSAV’s retained activities.

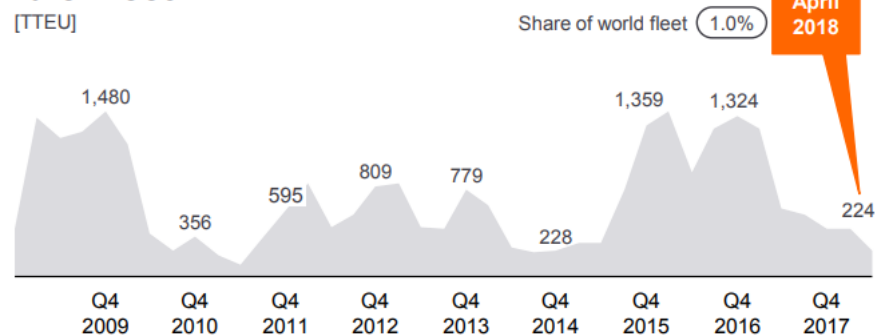


Market Overview

Orderbook-to-fleet

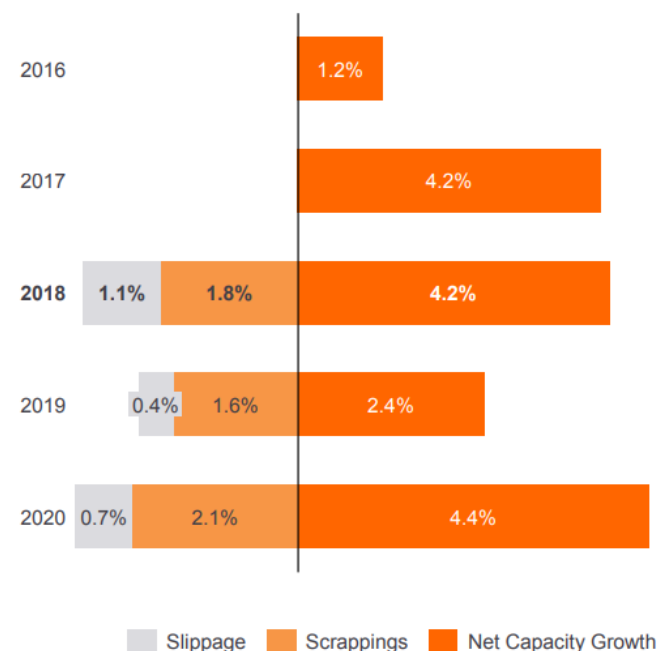


Idle Fleet

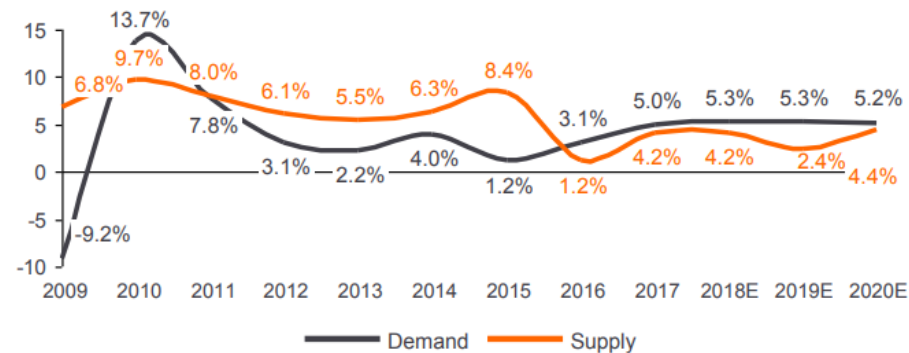


Net Capacity Growth

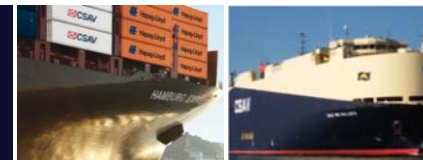
[in % of worldfleet]



Supply / Demand Balance

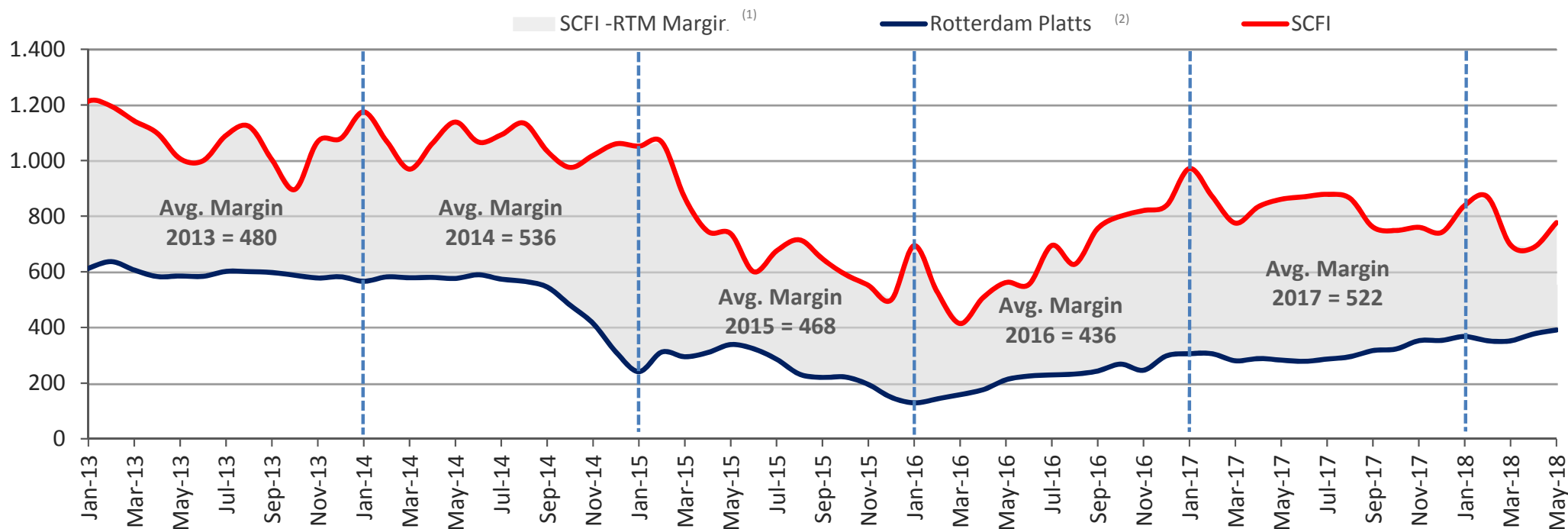


Source: MDS Transmodal (April 2018), Drewry (1Q), Clarksons (Q1), Alphaliner weekly (May 2018)
 Source: Drewry (Forecaster 1Q18), IHS (March 2018), Transmodal (May 2018)



Market Overview

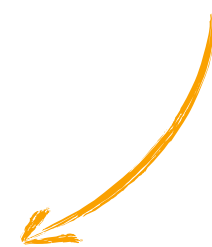
SCFI vs Rotterdam Platts (May 2018)

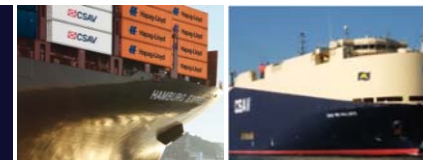


Notes:

- (1) SCFI – RTM Margin is only referential since bunker consumption per TEU may vary depending on the trade and on the vessel efficiency
- (2) The SCFI index includes: Spot rates for Main Haul trades exports from Shanghai

Margin Monthly		Margin Jan-Mar	
Jan 18	471	2013	565
Feb 18	517	2014	496
Mar 18	345	2015	712
Abr 18	311	2016	402
May 18	386	2017	575
		2018	444

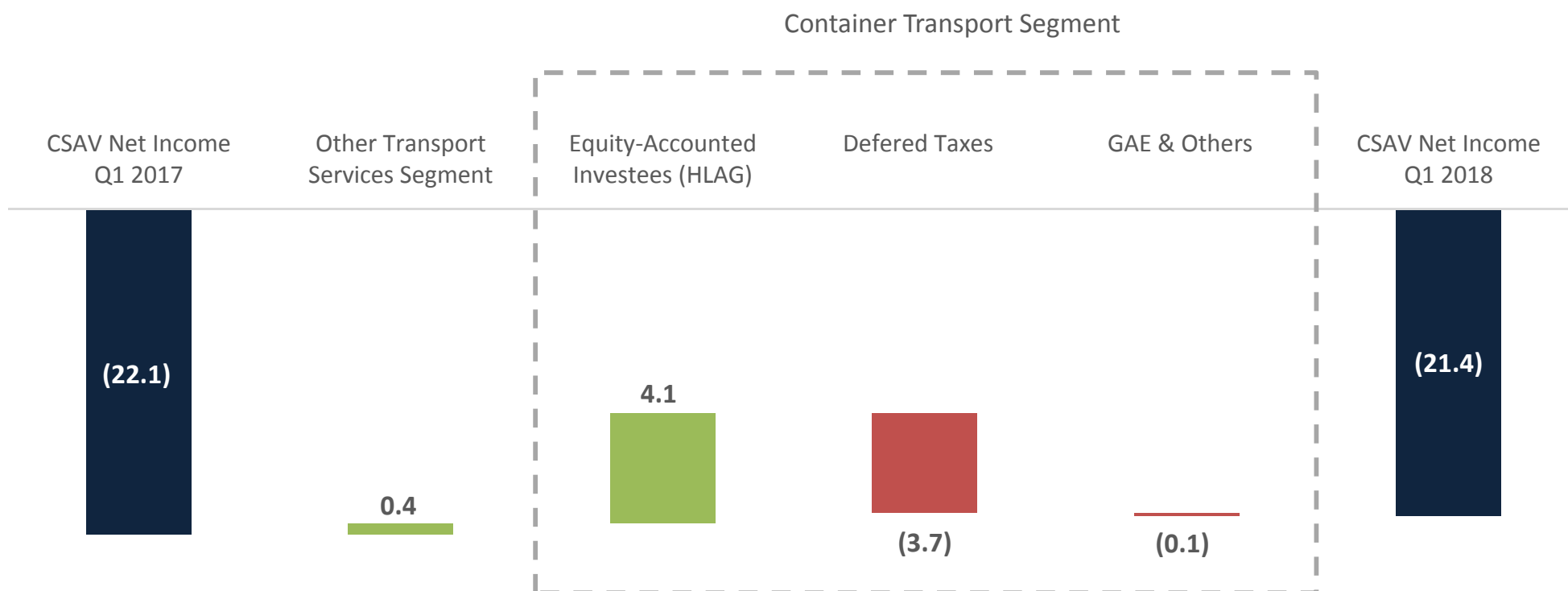


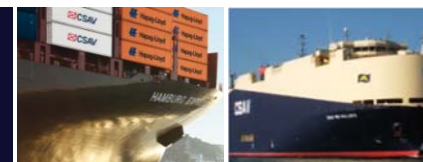


Q1 2018 Results: CSAV

CSAV Net Income Q1 2017 vs Q1 2018

Figures in USD million





Q1 2018 Results: CS&AV

Figures in USD million

	Q1 2018	Q1 2017	YoY	Q4 2017
Operating revenue	20.0	22.6	(2.6)	27.8
Operating cost	(17.9)	(20.8)	2.9	(26.5)
Gross margin	2.1	1.8	0.3	1.3
SG&A and others	(2.2)	(2.4)	0.2	5.1
Other income	0.4	0.4	0.0	(3.7)
Operational result	0.3	(0.2)	0.5	2.7
<i>EBITDA (w/o equity-accounted investees)</i>	<i>0.5</i>	<i>0.0</i>	<i>0.5</i>	<i>(1.8)</i>
Financial result	(1.1)	(0.9)	(0.2)	(1.4)
Equity-accounted investees	(11.3)	(15.4)	4.1	21.3
Exchange rate differences	0.0	0.0	0.0	0.7
Taxes	(9.3)	(5.5)	(3.8)	(7.1)
Net result after taxes	(21.4)	(22.0)	0.6	16.2
Discontinued operations net result after tax	0.0	(0.1)	0.1	(0.7)
Net profit result attributable to shareholders	(21.4)	(22.1)	0.7	15.5

Note: 2017 results has been restated to account for the liquid bulk business unit and the logistics business unit as discontinued operations, according to IFRS 5.



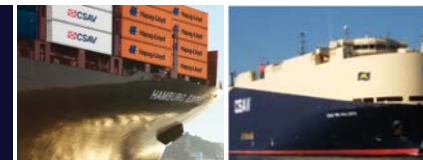
Q1 2018 Results: CSAV Segments Results

Figures in USD million

Other transport services	Q1 2018	Q1 2017	YoY	Q4 2017
Operating revenue	20.0	22.6	(2.6)	27.8
Operating cost	(17.9)	(20.8)	2.9	(26.5)
Gross margin	2.1	1.8	0.3	1.3
SG&A and others	(1.4)	(1.6)	0.2	3.4
Other income	0.4	0.4	0.0	(3.7)
Operational result	1.1	0.6	0.5	1.0
	0.0			
Financial result	0.2	0.2	0.0	0.2
Equity-accounted investees	0.0	0.0	0.0	0.0
Exchange rate differences	(0.1)	0.0	(0.1)	0.1
Taxes	0.0	0.1	(0.1)	0.3
Net result after taxes	1.2	0.9	0.3	1.6
Discontinued operations net result after tax	0.0	(0.1)	0.1	(0.7)
Net profit result attributable to shareholders	1.2	0.8	0.4	0.9

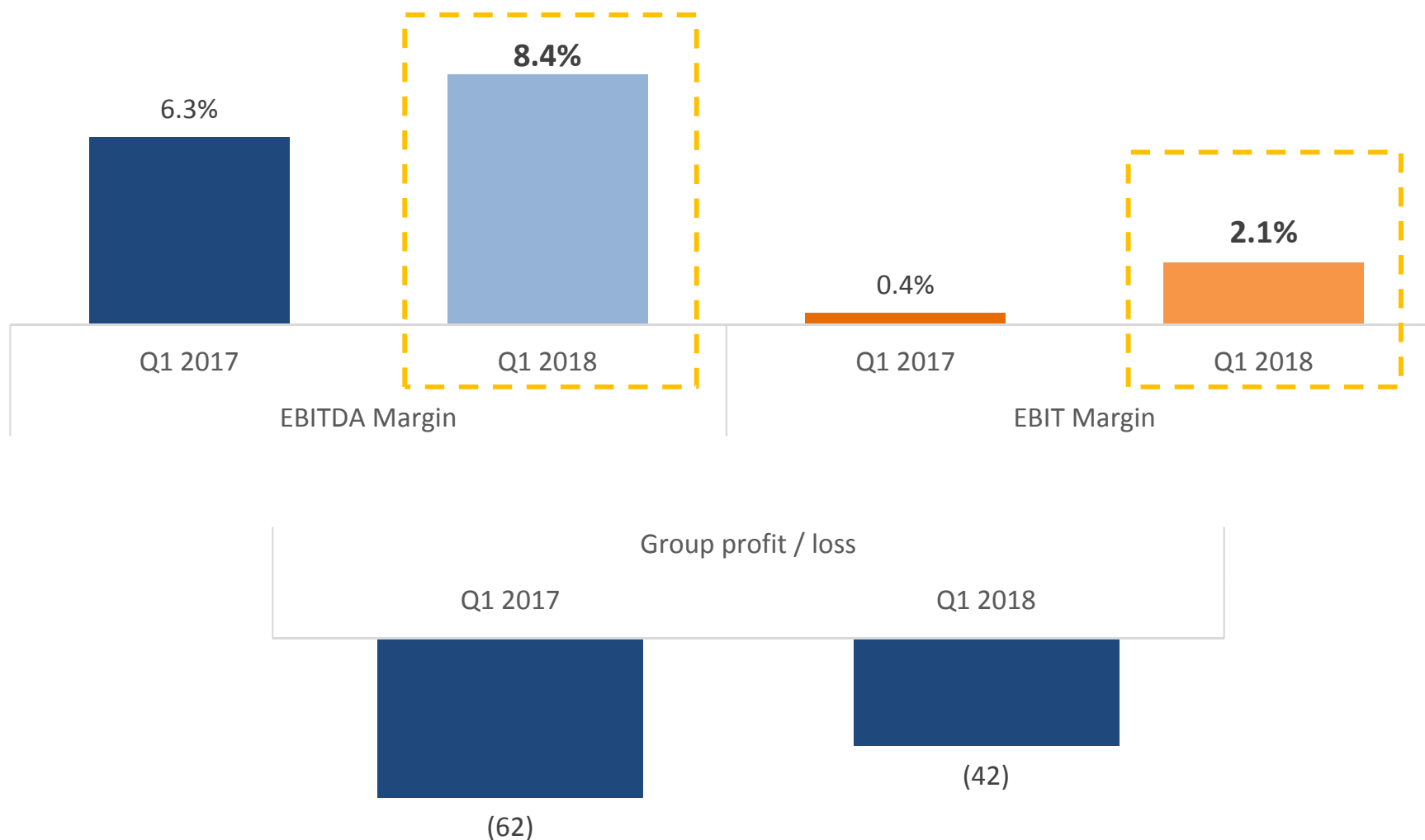
Container transport services	Q1 2018	Q1 2017	YoY	Q4 2017
SG&A and others	(0.8)	(0.8)	0.0	1.7
Other revenue net	0.0	0.0	0.0	0.0
Operational result	(0.8)	(0.8)	0.0	1.7
	0.0			
Financial result	(1.3)	(1.1)	(0.2)	(1.6)
Equity-accounted investees	(11.3)	(15.4)	4.1	21.3
Exchange rate differences	0.1	0.0	0.1	0.6
Taxes	(9.3)	(5.6)	(3.7)	(7.4)
Net result after taxes	(22.6)	(22.9)	0.3	14.6
Net profit result attributable to shareholders	(22.6)	(22.9)	0.3	14.6

Note: 2017 results has been restated to account for the liquid bulk business unit and the logistics business unit as discontinued operations, according to IFRS 5.

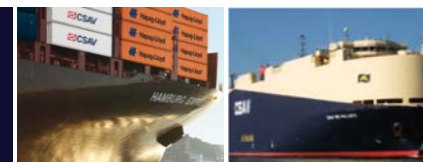


Q1 2018 Results: Hapag-Lloyd

EBITDA Margin, EBIT Margin and Net income trends



Figures in USD million



HLAG Q1 2018: Clearly improved EBITDA margin.

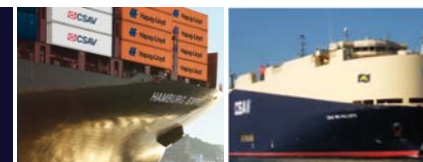
Operational KPIs

	Q1 2018	Q1 2017	YoY	Q4 2017	QoQ
Transport volume [TTEU]	2,861	1,934	+48%	2,774	+3%
Freight rate ¹⁾ [USD/TEU]	1,029	1,056	-3%	1,038	-1%
Bunker [USD/mt]	372	313	+19%	339	+10%
Exchange rate [USD/EUR]	1.23	1.07	+15%	1.18	+4%
Revenue [USD m]	3,217	2,271	+42%	3,119	+3%
EBITDA ²⁾ [USD m]	270	144	+87%	390	-31%
EBITDA margin ²⁾	8.4%	6.3%	+2.1ppt	12.5%	-4.1ppt
EBIT ²⁾ [USD m]	66	8	n.a.	167	-60%
EBIT margin ²⁾	2.1%	0.4%	+1.7ppt	5.4%	-3.3ppt
Group profit ²⁾ [USD m]	-42	-62	+27%	27	n.a.

Note: UASC's Ltd. and its subsidiaries have been included in the figures from the date control was transferred on 24 May 2017. The key figures used are therefore only comparable with the previous year to a limited extent. USD figures as stated in the Investor Report Q1 2018

1) For 2018, local revenues were included in the calculation of freight rates. Previous year's figures adjusted accordingly.

2) Due to retrospective application of the provisions for designated options, previous year's figures have been adjusted.

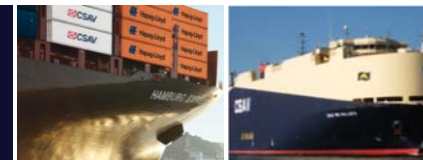


Balance Sheet Position

(Figures in USD million)

Assets	March 2018	December 2017	Var
Cash & cash equivalents	38.8	42.4	(3.6)
Accounts receivables	19.0	20.0	(1.0)
Inventories	3.1	3.2	(0.1)
Other current assets	2.9	3.2	(0.3)
Total current assets	63.8	68.8	(5.0)
Equity accounted investees	1,926.0	1,932.3	(6.3)
Deferred tax asset	237.5	246.8	(9.3)
PP&E and others	18.0	18.0	-
Other	0.1	0.1	0.0
Total non current assets	2,181.6	2,197.2	(15.6)
Total assets	2,245.4	2,266.0	(20.6)

Equity & liabilities	March 2018	December 2017	Var
Accounts payables	24.9	19.3	5.6
Financial obligations	94.7	94.5	0.2
Provisions	17.5	27.6	(10.1)
Other liabilities	7.0	7.1	(0.1)
Total liabilities	144.1	148.5	(4.4)
Equity	2,101.3	2,117.5	(16.2)
Minority interest	-	-	-
Total equity	2,101.3	2,117.5	(16.2)
Total equity & liabilities	2,245.4	2,266.0	(20.6)



Cash Position

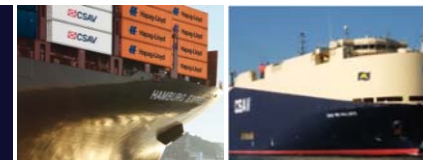
(Figures in USD million)

Cash flow	Q1 2018
Initial cash position	42,4
Operating cash flow	(3.5)
Investing cash flow	0.7
Non-controlling interests & subsidiaries	0.5
Interest & dividends received	0.2
Financing cash flow	(0.9)
Interests paid	(0.9)
Exchange rate variation	0.1
Final cash position	38.8

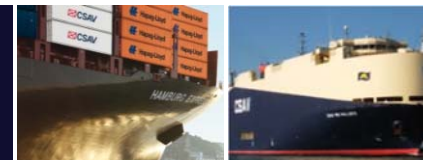


Outlook

- Main focus of HLAG's management to reach up to 90% of expected synergies (US\$ 435 M p/a) at the end of 2018 and 100% from 2019 onwards. At the end of Q1 2018, approximately 60% of the expected synergies had been realized.
- Clear target to deleveraging in HLAG from 2018 onwards, considering highly positive EBITDA and no planned new vessel investments in next years, maximizing free cash flow.
- For the container business, transport volumes expected to increase around 5% in 2018, driven by the global economic growth.
- For 2018, container freight rates showing the similar stability and trends as those saw in 2017, but Bunker price putting pressure on freight rates.
- Regulatory and technical uncertainty about the Low sulfur regulation, which will be enforced worldwide at 2020. Thus, HLAG is exploring and evaluating all possible options.
- For the car carrier business, volumes expected to continue growing throughout 2018, with pressure on freight rates in local markets and also on our streamlined cost structure.



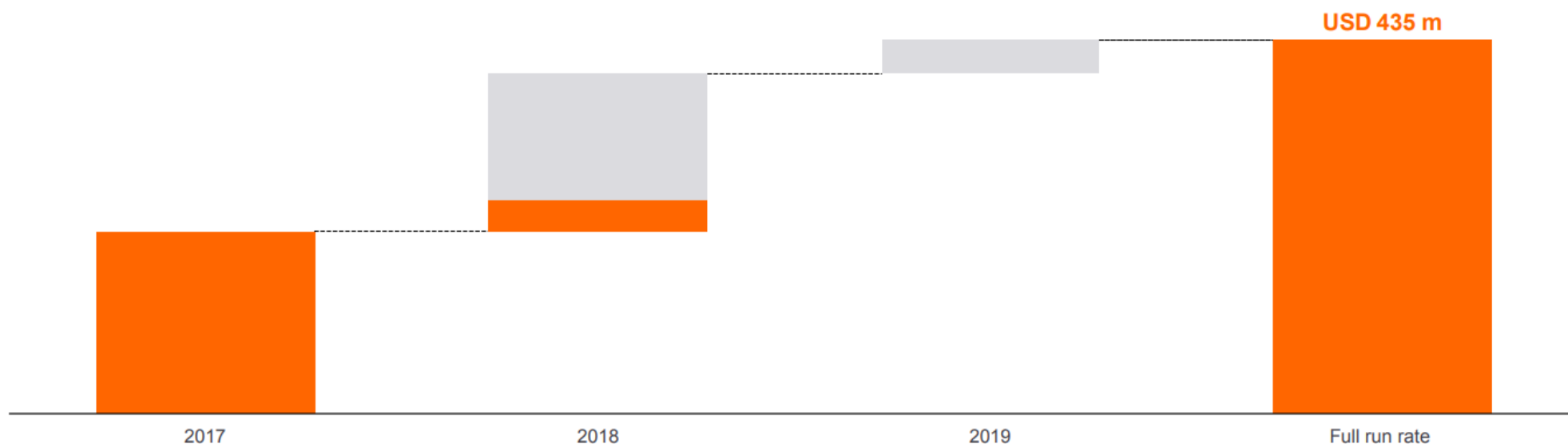
Annexes



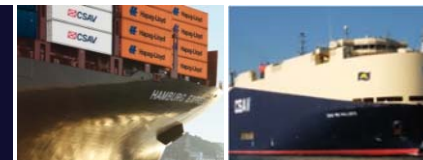
Hapag-Lloyd / UASC Merger: Expected Synergies

Total synergies of USD 435 m p.a. from 2019 onwards confirmed – Up to 90% of full run rate expected to be realized in 2018

Synergy ramp-up



- Approximately **60% of expected synergies realized** until end of Q1 2018
- Up to **90% of full run rate** expected to be realized in 2018
- **Visibility of synergies in P&L is limited** due to counter effects in other cost items



Hapag-Lloyd and LSF 2020: exploring and evaluating all possible options

New regulations as of 2020

- **Low sulphur regulation to be enforced worldwide** beginning January 2020
- IMO announced target to **reduce CO2 emissions by 50% by 2050**

3 options for the industry

1
LNG

- **High upfront CAPEX**
- Significantly **lower exhaust gas emissions** than compliant fuels – regulatory certainty
- **Bunkering logistics not yet sufficiently available** in all ports – LNG infrastructure to be expanded

2
Install Scrubber

- **Lower CAPEX** than LNG
- Allows **continued use of HSFO 3.5%**
- High regulatory and technical uncertainty
- **Increased** fuel consumption and **CO2 emissions**

3
Use compliant fuels

- **Minor CAPEX** to ensure segregation of fuels
- Compliant fuels are expected to **price at a premium to HSFO** – OPEX therefore likely to increase



Hapag-Lloyd's position

- HL's owned fleet comprises **17 vessels** that are **LNG ready**
- We are currently evaluating all of the three possible options for a future marine fuel strategy
- Economics and feasibility will need to be checked on a case-by-case basis

„Hapag-Lloyd plans 20% reduction in CO2 emissions by 2020“

