



# Investor Presentation

## H1 2019 Results





# Agenda

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1. Highlights
2. Market Overview
3. H1 2019 Results
4. Outlook



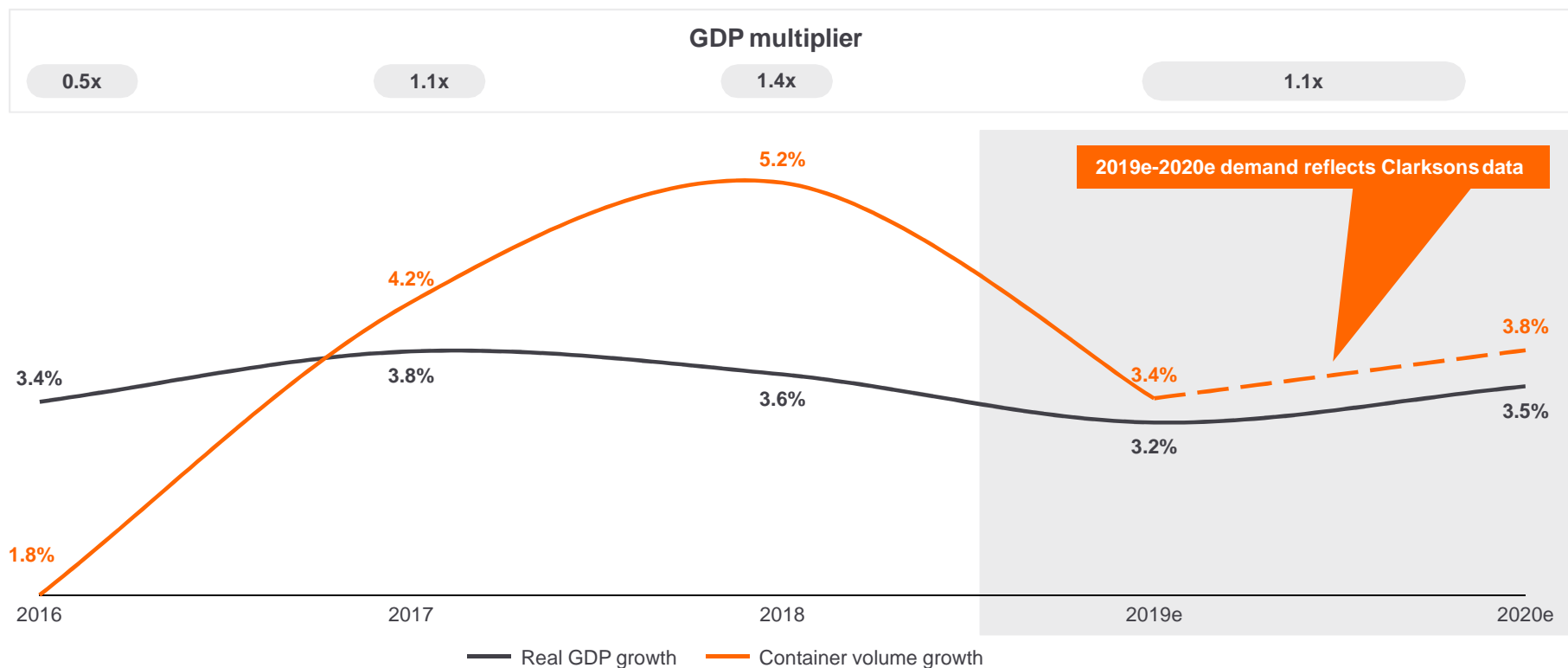
## Highlights

- CSAV reported net income of US\$ 38.7 M in H1 2019 (YoY:  $\Delta$  US\$ +70.8 M), mainly explained by the result of its associate Hapag-Lloyd AG (“HLAG”).
- Container transport services segment: For CSAV, this segment reported net income of US\$ 39.0 M in H1 2019, an improvement of US\$ 71.6 M compared to H1 2018, mainly explained by greater net income from HLAG.
  - HLAG obtained net income of US\$ 165.2 M (YoY:  $\Delta$  US\$ +287.5 M), explained by increased business and higher freight rates compared to prior H1.
  - Improved financial results of HLAG reported in H1 2019: EBITDA US\$ 1,080 M, EBIT US\$ 440 M (YoY:  $\Delta$  EBITDA US\$ +318 M,  $\Delta$  EBIT US\$ +315 M, excl. positive effect of IFRS 16 impact).
  - First savings of cost management program for 2021 accomplished and further progress on implementation of Strategy 2023.
  - A positive operating cash flow of US\$ 1 Bn allowed HLAG to reduce its financial debt by US\$ 573 M (excl. IFRS 16 effect), including full redemption of EUR 450 M Bond due 2022.
- The other transport services segment (car carrier and others): reported a loss of US\$ 0.3 M in H1 2019, a decrease of US\$ 0.8 M compared to H1 2018, mainly explained by higher operating costs related to an increase in charter rates and bunker price.



# Market Overview

## Real GDP Growth vs. Global Container Volume Growth [%]

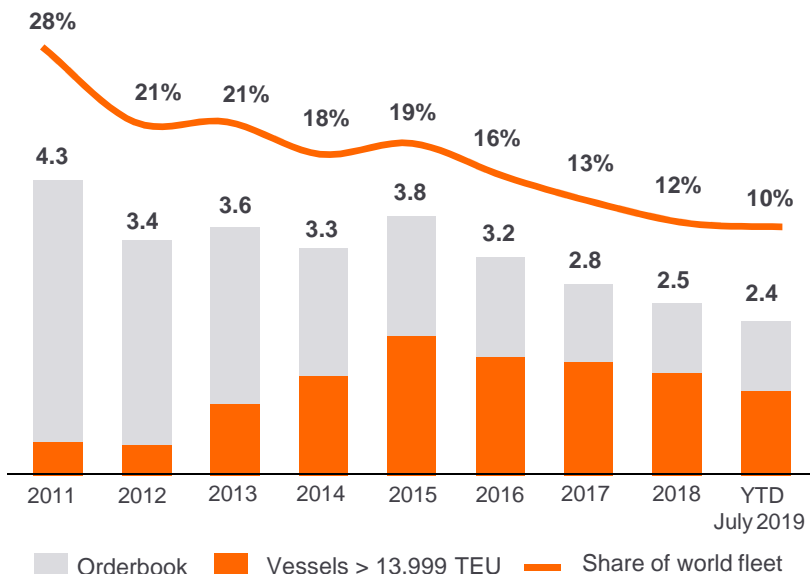


Source: IHS Markit (May 2019), IMF WEO (July 2019), Clarksons (June 2019) Note: IHS Markit has changed their forecast methodology. Figures have limited comparability to previous publications.

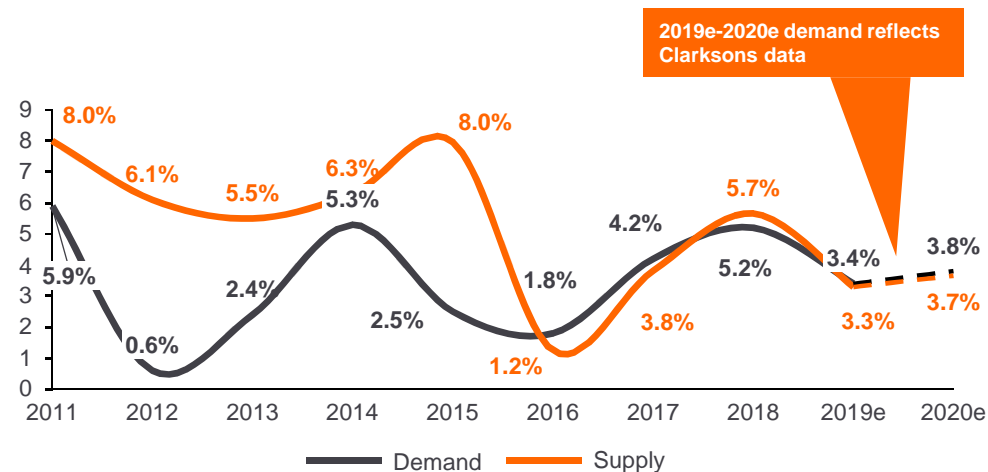


# Market Overview

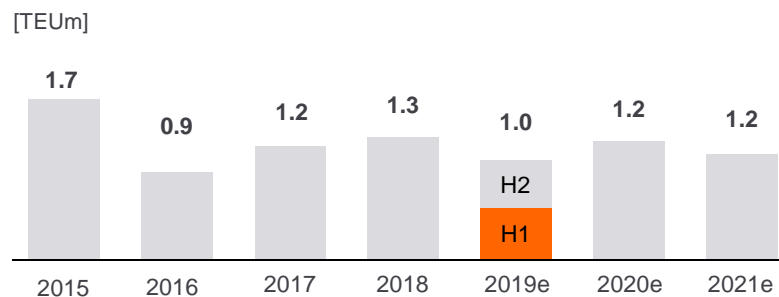
## Orderbook-to-Fleet [TEUm, %]



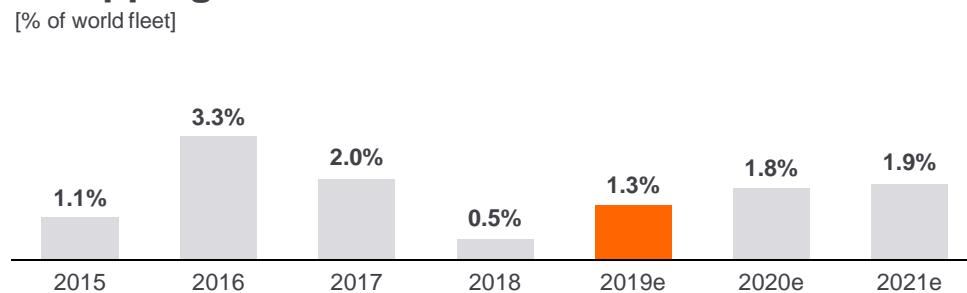
## Supply / demand balance



## Scheduled Vessel Deliveries [TEUm]



## Scrapping [% of world fleet]



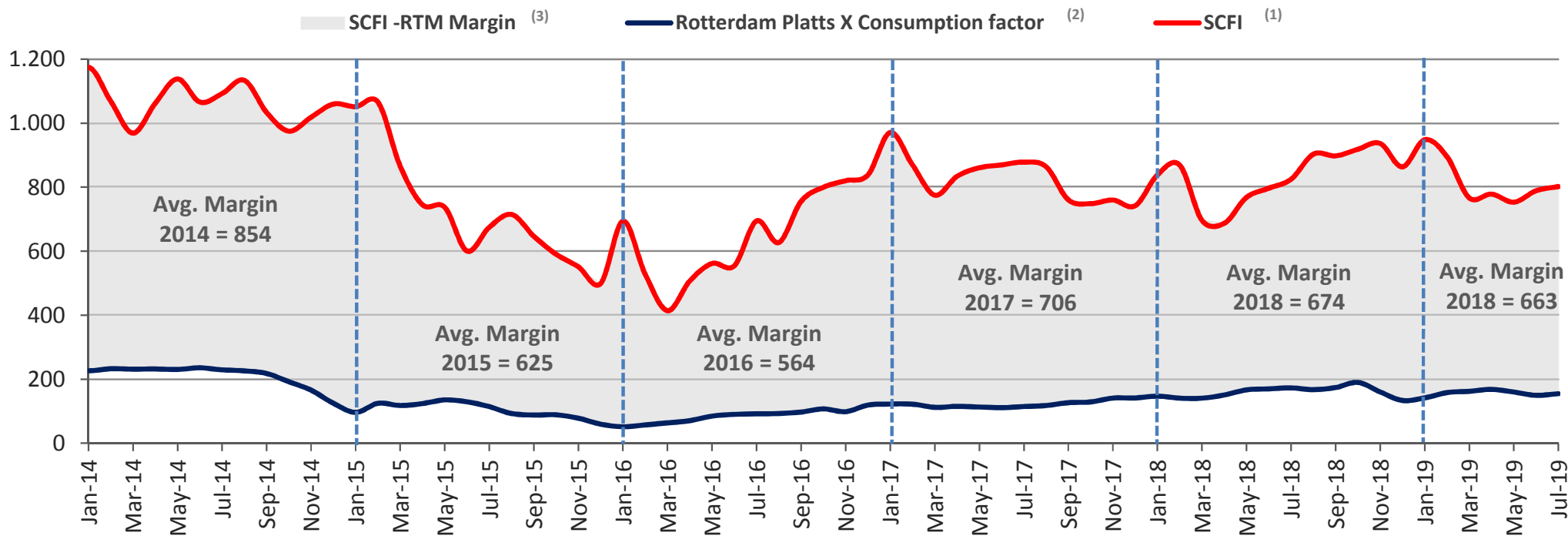
Source: Drewry (Forecaster 2Q19), MDS Transmodal (July 2019), IHS Markit (May 2019), Clarksons (June & July 2019), Alphaliner weekly (various sources).

Note: IHS Markit has changed their forecast methodology. Figures have limited comparability to previous publications.



# Market Overview

## SCFI vs Bunker Consumption (July 2019)



Notes:

- (1) The SCFI index includes: spot rates for main haul trade exports from Shanghai.
- (2) The Rotterdam Platts: spot bunker price per metric ton. Includes a consumption factor of 0.4 ton per TEU.
- (3) SCFI – RTM margin is only referential.

Margin	Jan-Jun	Margin	Monthly
2018	624	Jan 19	807
<b>2019</b>	<b>665</b>	Feb 19	737
		Mar 19	605
		Apr 19	610
		May 19	593
		Jun 19	639
		Jul 19	647



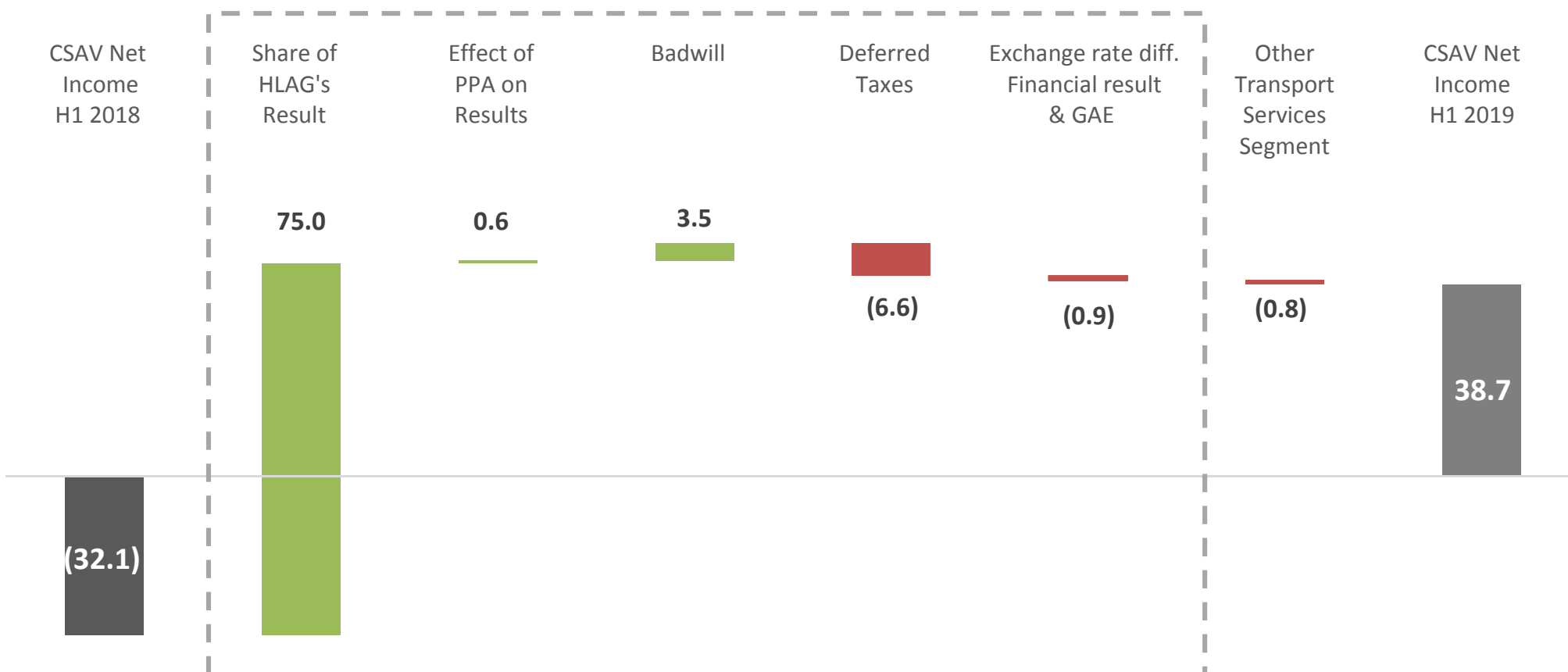


# H1 2019 Results: CS&A

## CS&A Net Income (Loss) H1 2018 vs H1 2019

Figures in USD million

### Container Transport Segment





# H1 2019 Results: CS&AV

Figures in USD million

	H1 2019	H1 2018	YoY	Q2 2019	Q2 2018	QoQ
Operating revenue	46.2	44.6	1.6	24.0	24.6	(0.6)
Operating expenses	(45.4)	(41.5)	(3.9)	(23.2)	(23.6)	0.4
SG&A and others	(3.2)	(4.1)	0.9	(1.1)	(2.3)	1.2
<b>Operating income (loss)</b>	<b>(2.4)</b>	<b>(1.0)</b>	<b>(1.4)</b>	<b>(0.3)</b>	<b>(1.3)</b>	<b>1.0</b>
<i>EBITDA (w/o equity-accounted investees)</i>	<i>10.7</i>	<i>(0.9)</i>	<i>11.6</i>	<i>8.5</i>	<i>(1.3)</i>	<i>9.8</i>
Equity-accounted investees	47.2	(31.9)	79.1	14.9	(20.6)	35.5
Financial result & ex. rate diff.	(3.7)	(3.1)	(0.6)	(2.3)	(2.0)	(0.3)
Taxes	(2.3)	3.9	(6.2)	(6.1)	13.2	(19.3)
Discontinued operations	(0.1)	0.0	(0.1)	0.0	0.0	0.0
<b>Net income (loss)</b>	<b>38.7</b>	<b>(32.1)</b>	<b>70.8</b>	<b>6.2</b>	<b>(10.7)</b>	<b>16.9</b>

Note: EBITDA = Operating income (loss) + Depreciation + Amortization. EBITDA includes depreciation of right-of-use assets associated to the application of IFRS 16 as of January 1, 2019.





# H1 2019 Results: CSAV Segment Results

Figures in USD million

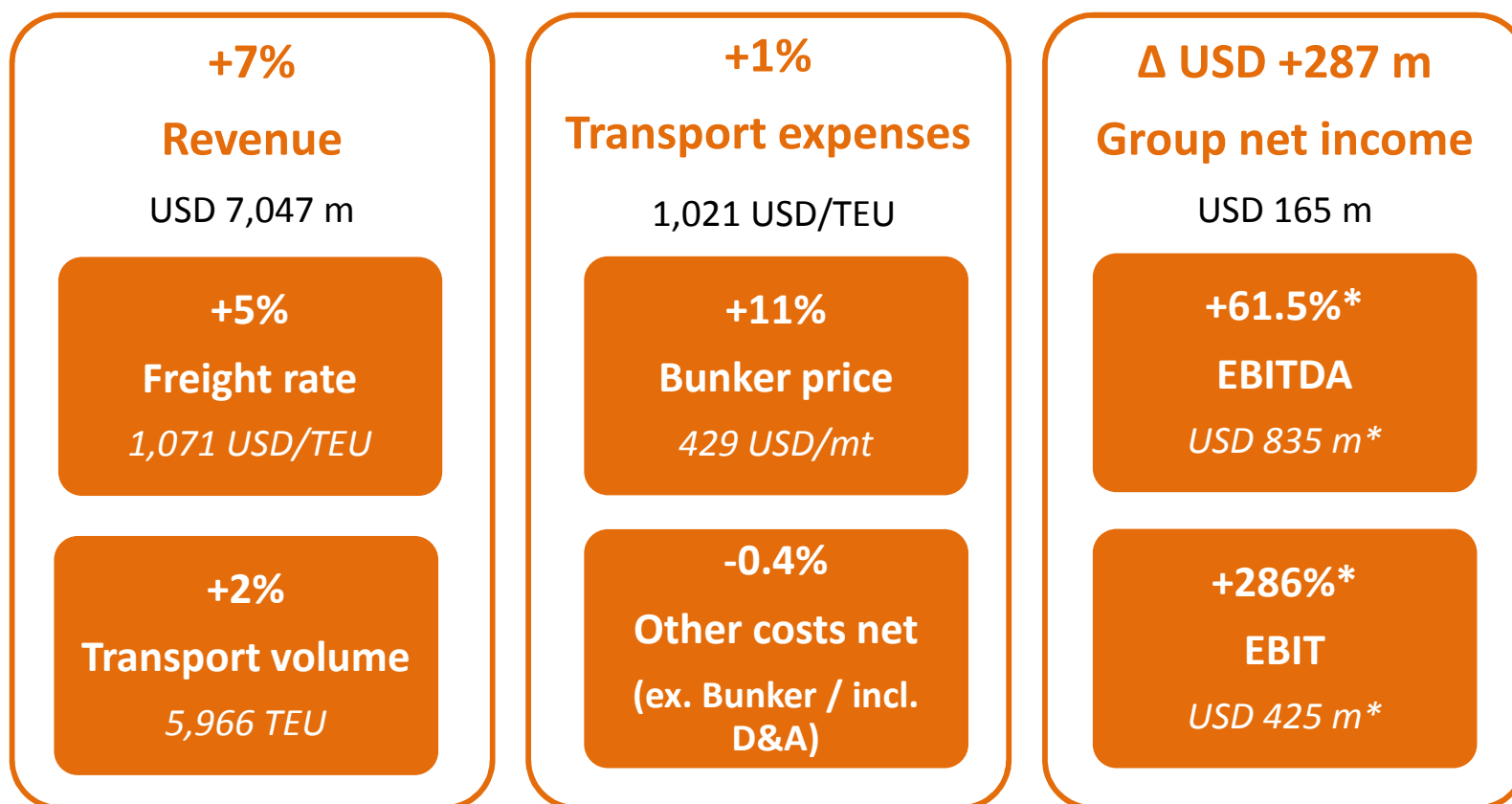
Container transport services	H1 2019	H1 2018	YoY	Q2 2019	Q2 2018	QoQ
SG&A	(2.1)	(1.7)	(0.4)	(1.1)	(0.9)	(0.2)
<b>Equity-accounted investees</b>	<b>47.2</b>	<b>(31.9)</b>	<b>(79.1)</b>	<b>14.9</b>	<b>(20.6)</b>	<b>35.5</b>
Financial result & Ex. rate diff	(3.7)	(3.2)	(0.5)	(2.2)	(2.0)	(0.2)
Taxes	(2.4)	4.2	(6.6)	(5.9)	13.5	(19.4)
<b>Net income (loss)</b>	<b>39.0</b>	<b>(32.6)</b>	<b>71.6</b>	<b>5.7</b>	<b>(10.0)</b>	<b>15.7</b>

Other transport services	H1 2019	H1 2018	YoY	Q2 2019	Q2 2018	QoQ
<b>Operating revenue</b>	<b>46.2</b>	<b>44.6</b>	<b>1.6</b>	<b>24.0</b>	<b>24.6</b>	<b>(0.6)</b>
<b>Operating expenses</b>	<b>(45.4)</b>	<b>(41.5)</b>	<b>(3.9)</b>	<b>(23.2)</b>	<b>(23.6)</b>	<b>0.4</b>
SG&A and others	(1.1)	(2.4)	1.3	0.0	(1.4)	1.4
<b>Operating income (loss)</b>	<b>(0.3)</b>	<b>0.7</b>	<b>(1.0)</b>	<b>0.8</b>	<b>(0.4)</b>	<b>1.2</b>
Financial result & Ex. rate diff.	0.0	0.1	(0.1)	(0.1)	0.0	(0.1)
Taxes	0.1	(0.3)	0.4	(0.2)	(0.3)	0.1
Discontinued operations	(0.1)	0.0	(0.1)	0.0	0.0	0.0
<b>Net income (loss)</b>	<b>(0.3)</b>	<b>0.5</b>	<b>(0.8)</b>	<b>0.5</b>	<b>(0.7)</b>	<b>1.2</b>



# H1 2019 Results: Hapag-Lloyd

## Evolution of Revenue, Transport Expenses and Group Net Income



\* EBITDA and EBIT excludes depreciation of right-of-use assets associated to the application of IFRS 16 as of January 1, 2019.



# HLAG H1 2019: Improved results, EBITDA and EBIT compared to 2018

Operational KPIs	H1 2019	H1 2018	YoY
Transport volume [TTEU]	5,966	5,848	+2%
Freight rate [USD/TEU]	1,071	1,020	+5%
Bunker [USD/mt]	429	385	+11%
Exchange rate <sup>1)</sup> [USD/EUR]	1.13	1.21	n.m.

## Overview of IFRS 16 Effects on P&L Accounts

[USD m]	H1 2019	H1 2018	Δ	Thereof IFRS 16	Δ ex. IFRS 16
Revenue	7,047	6,577	+470	0	+470
Operating expenses (before D&A)	-5,967	-6,060	+93	+245	-152
<b>EBITDA</b>	<b>1,080</b>	517	+563	+245	+318
Depreciation & amortization	-640	-407	-233	-230	-3
<b>EBIT</b>	<b>440</b>	110	+330	+15	+315
Interest result	-254	-209	-45	-36	-9
Income tax / other financial items	-21	-23	+2	0	+2
<b>Group net income</b>	<b>165</b>	-122	+287	-21	+308

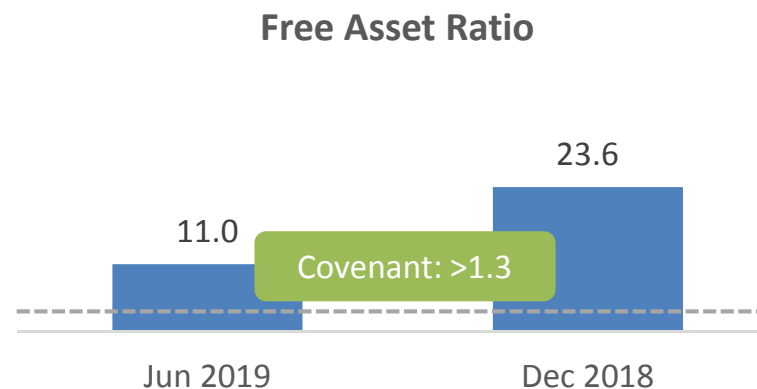
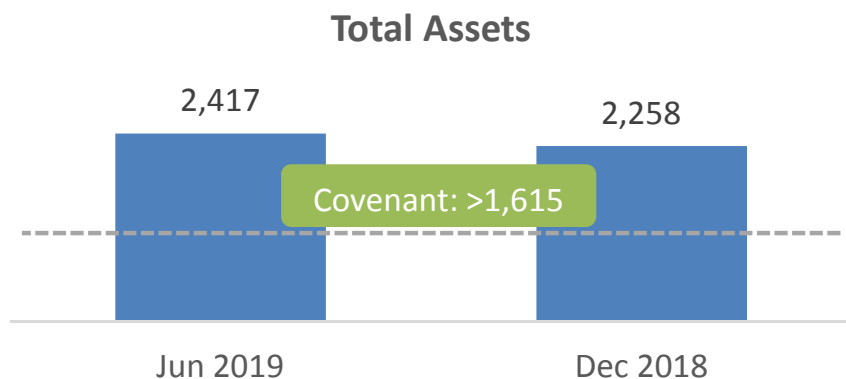
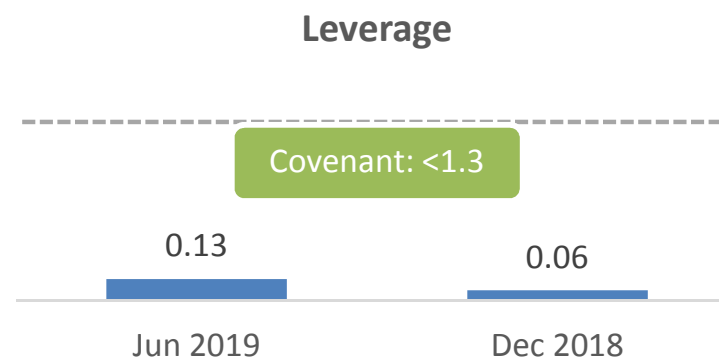
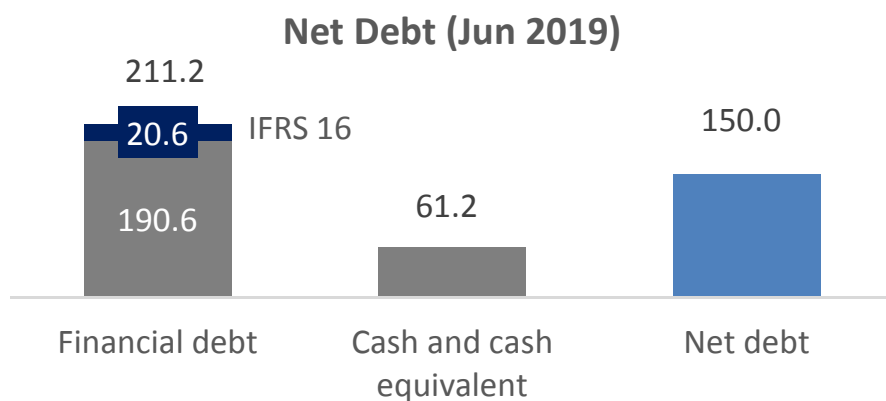
1) Average rate for the period. Note: Figures as stated in the Investor Report Q2/H1 2019. Rounding differences may occur. Due to the first-time application of IFRS 16 "Leases" as at 1 January 2019, the presentation of the group earnings, financial and net asset positions is only comparable with that of the corresponding prior year period to a limited degree. Unless stated otherwise, the figures for Q2/H1 2018 refer to the provisions for leases pursuant to IAS 17.1



# Financial Position: CS&V

New private corporate bond successfully placed for USD 100 million, fully complying with all covenants.

(Figures in USD million)





## Outlook

### HLAG's Guidance 2019

<b>Transport volume, Hapag-Lloyd</b>	Slightly increasing
<b>Average bunker consumption prices, Hapag-Lloyd</b>	Slightly increasing
<b>Average freight rate, Hapag-Lloyd</b>	Slightly increasing
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	EUR 1.6 – 2.0 billion
<b>Earnings before interest and taxes (EBIT)</b>	EUR 0.5 – 0.9 billion



## Outlook

- HLAG's new cost management program and strategy will give run-rate savings of US\$ 350-400 M p.a. and will create more value for customers, improving its performance and profitability in upcoming years, making it number one in quality.
- HLAG will continue with deleverage over next years, reducing its net financial debt.
- The incorporation of HMM as a full member of The Alliance from 2021 will strengthen the alliance's competitiveness.
- About IMO 2020, HLAG is prepared and has based its compliance plan mainly on the utilization of compliant fuels.
- Container business: transport volumes expected to increase in 2019 but less than previous years, due to the global growth projections and geopolitical risks, keeping a tight supply/demand balance.
- Car carrier business: volume projections for 2019 are expected to be lower than 2018, with pressure on the cost structure coming from bunker and charter rates.



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