



Investor Presentation

2019 Results

March 26, 2020





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1. Highlights
2. Market Overview
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Highlights

■ CSAV

- **Net income of US\$ 124.6 m in 2019, a record high since its merger with HLAG in 2014.**

Improvement of 585% over 2018, mainly related to its investment in HLAG's container shipping business.

- **Increased interest in Hapag-Lloyd to 30%.**

After purchases of 1.93% at the stock market in 2019 and 2.21% from Qatar Investment Authority in 1Q 2020.

- **Successful bond issuance of US\$ 100 m in Q2 2019.**

A capital increase will complete final financing structure for its investment in HLAG.

■ Hapag-Lloyd, CSAV's main asset

- **Net income of US\$ 418 m in 2019, a record high since 2010.**

Improvement of 670% over 2018, due to 2.7% rise in freight rates and 1.4% in volumes.

- **Improvement of US\$ 355 m in EBITDA and US\$ 350 m in EBIT (excluding effect of IFRS16).**

Profitability leader and high cash conversion of its EBITDA of US\$ 2,2 bn on 2019. ROIC of 6.1%.

- **Positive operating cash flows allowed to reduce its financial debt by US\$ 981 m.**

Leverage ratio of 3.0x (2019 target: 3.5x) and high liquidity. Bond prepayment of EUR 450 m done in 2019.

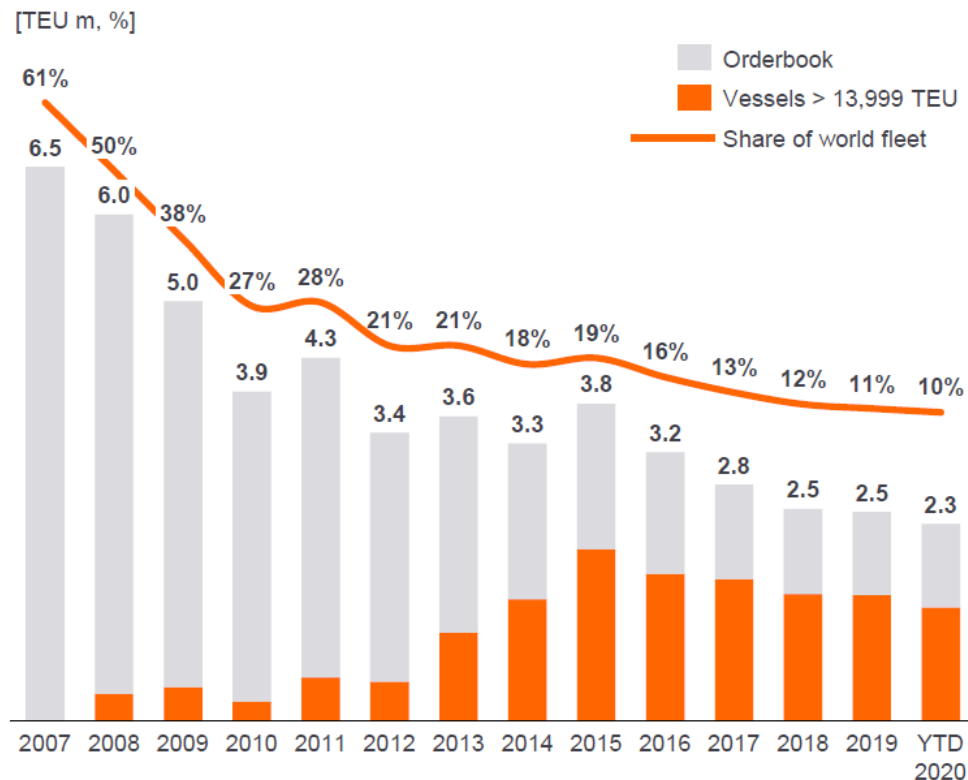
- **Implementation of IMO 2020 and relevant progress on savings plan and 2023 strategy.**

Broad use of compliant fuels, savings captured of US\$ 200 m, beyond estimates, and developments in commercial, digital and organizational aspects of 2023 strategy.

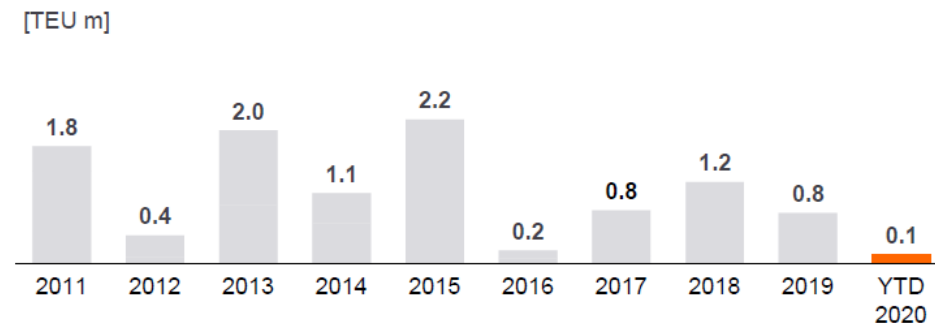


Market Overview

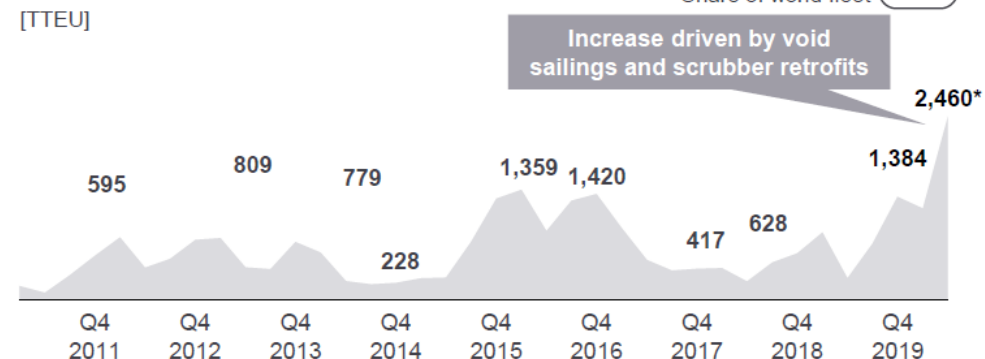
Orderbook-to-fleet



Newly placed orders



Idle fleet



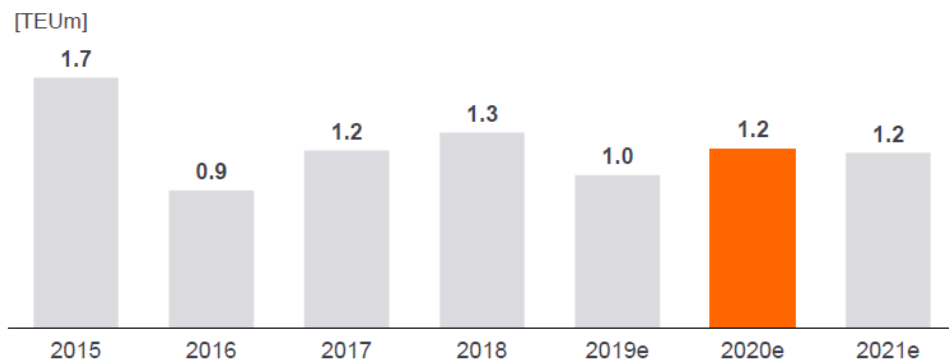
Source: MDS Transmodal (January 2020), Drewry Forecaster (Forecaster 4Q19), Clarksons (March 2020), Alphaliner weekly (10/2020)

*as at 2 March 2020

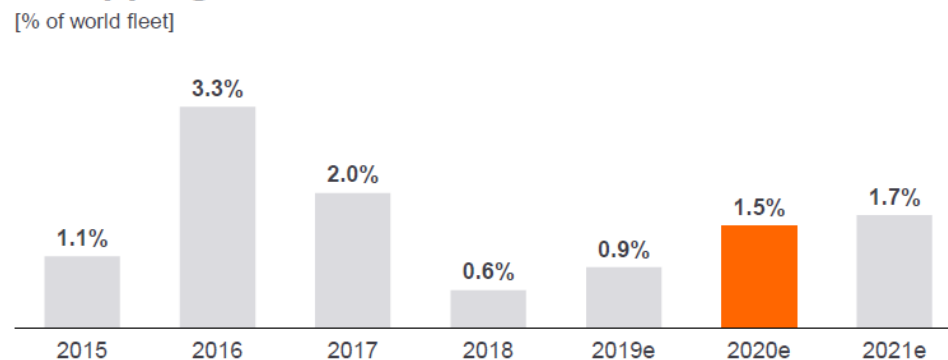


Market Overview

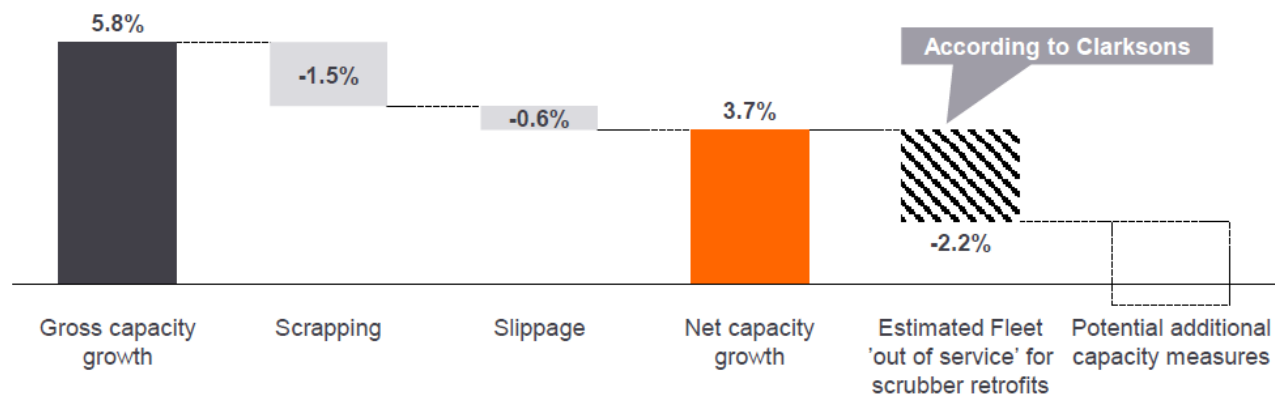
Scheduled vessel deliveries



Scrapping



Net capacity growth in 2020e

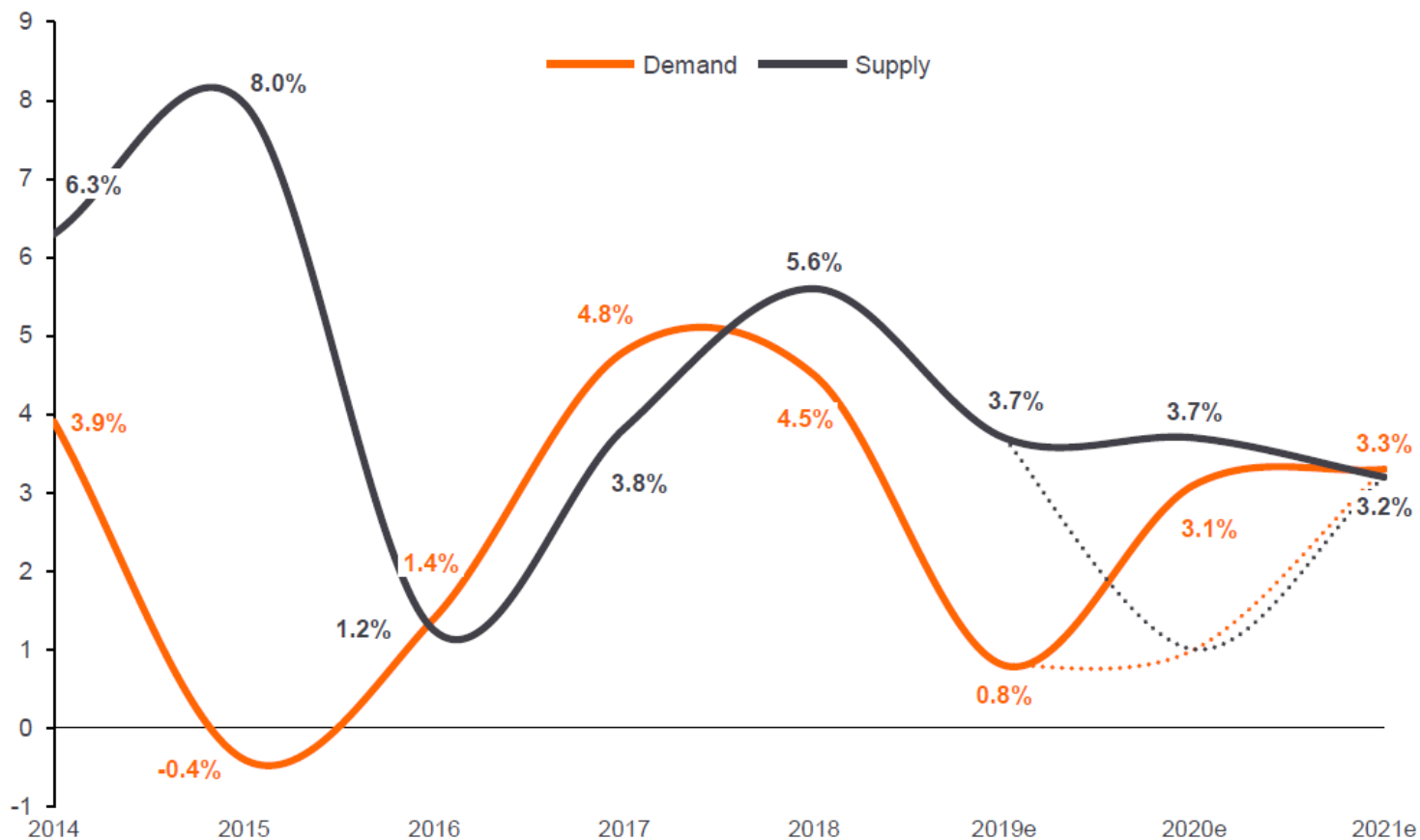


Source: Drewry (Forecaster 4Q19), Seabury (December 2019), Clarksons (Vol. 22, No. 2)



Market Overview

Supply / Demand Balance

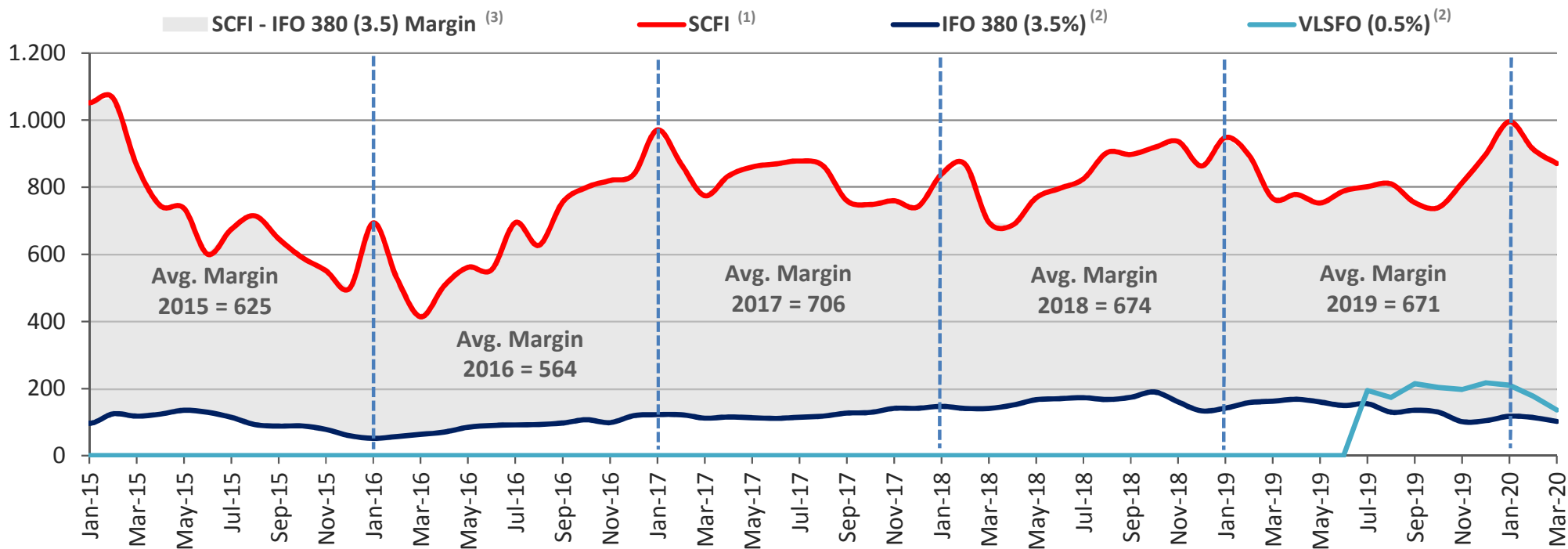


Source: Drewry (Forecaster 4Q19), Seabury (December 2019), Clarksons (Vol. 22, No. 2), own estimates



Market Overview

SCFI vs Bunker Consumption (Mar 2020)



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-Dec	Margin	Monthly	Margin	Monthly
2018	674	Jan 19	807	Jul 19	647
2019	671	Feb 19	737	Ago	681
		Mar 19	605	Sep	619
		Apr 19	610	Oct	610
		May 19	593	Nov	712
		Jun 19	639	Dec	794



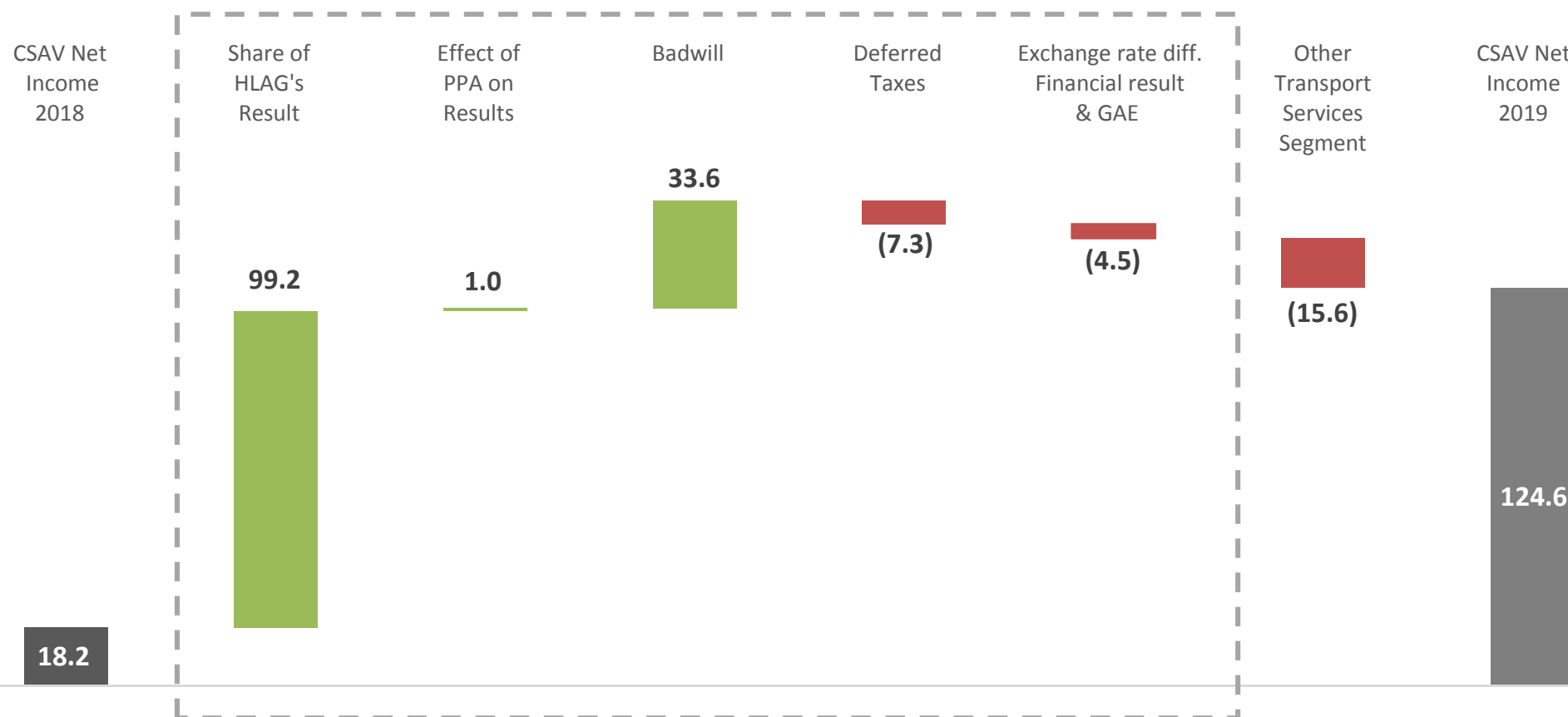


2019 Results: CS&AV

CS&AV Net Income 2018 vs 2019

Figures in USD million

Container Transport Segment





2019 Results: CS&AV

Figures in USD million

	2019	2018	YoY
Operating revenue	93.0	91.4	1.6
Operating expenses	(93.9)	(87.2)	(6.7)
SG&A	(12.2)	(10.5)	(1.7)
Others incomes	2.4	10.0	(7.6)
Operating income (loss)	(10.7)	3.7	(14.4)
<i>EBITDA (w/o equity-accounted investees)</i>	<i>19.8</i>	<i>3.9</i>	<i>15.9</i>
Equity-accounted investees	147.8	14.0	133.8
Financial result & ex. rate diff.	(10.3)	(6.1)	(4.2)
Taxes	(1.3)	7.1	(8.4)
Discontinued operations	(0.9)	(0.5)	(0.4)
Net income	124.6	18.2	106.4

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.



2019 Results: CSAV Segment Results

Figures in USD million

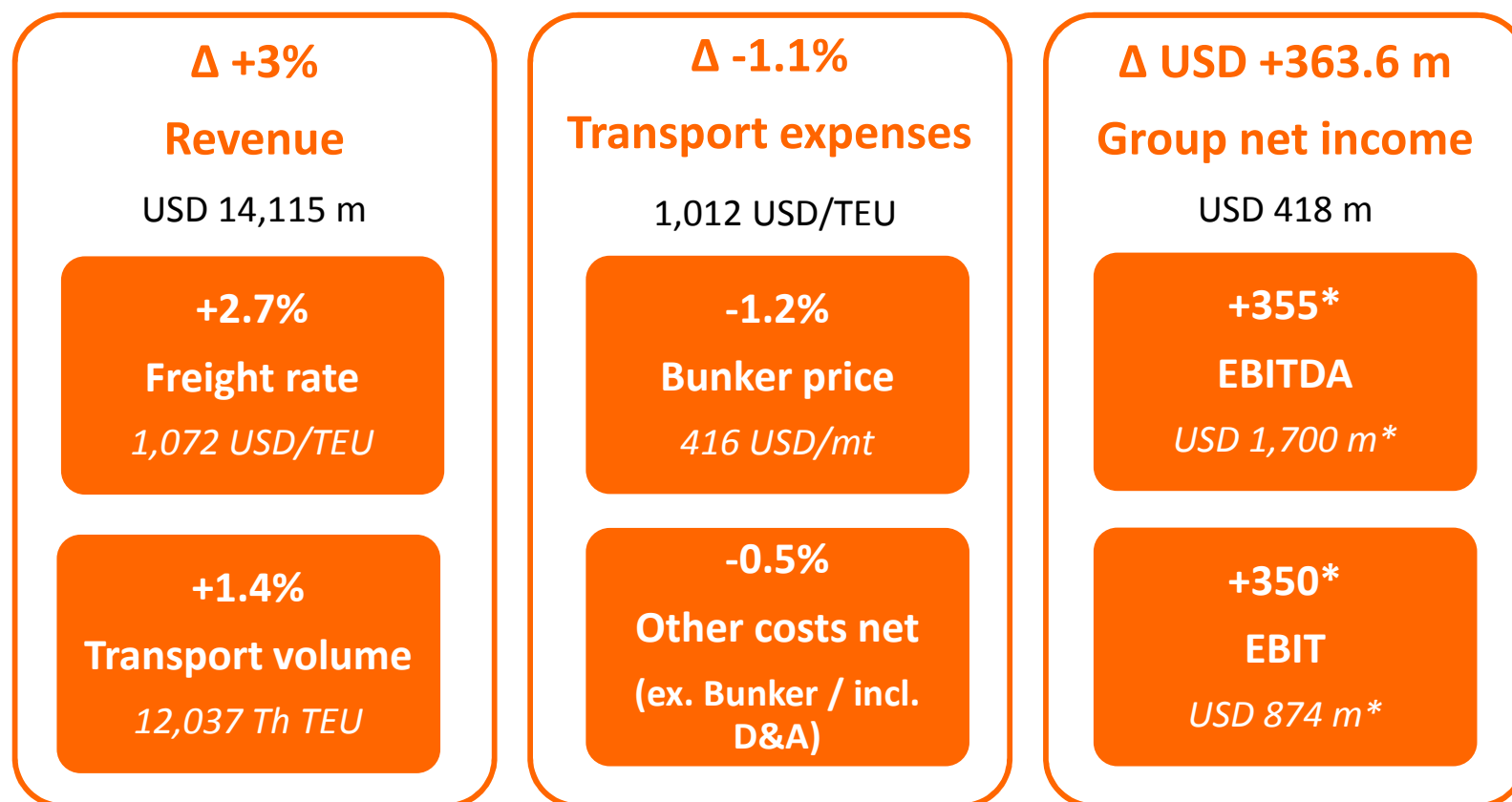
Container transport services	2019	2018	YoY
Equity-accounted investees	147.8	14.0	133.8
SG&A	(4.8)	(4.2)	(0.6)
Financial result & Ex. rate diff	(10.1)	(6.2)	(3.9)
Taxes	(1.6)	5.7	(7.3)
Net income (loss)	131.3	9.3	122.0

Other transport services	2019	2018	YoY
Operating revenue	93.0	91.4	1.6
Operating expenses	(93.9)	(87.2)	(6.7)
SG&A	(7.4)	(6.3)	(1.1)
Other incomes	2.4	10.0	(7.6)
Operating income (loss)	(5.9)	7.9	(13.8)
Financial result & Ex. rate diff	(0.2)	0.1	(0.3)
Taxes	0.3	1.4	(1.1)
Discontinued operations	(0.9)	(0.5)	(0.4)
Net income (loss)	(6.7)	8.9	(15.6)



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 2019: Improved results, EBITDA and EBIT compared to 2018

Overview of IFRS 16 Effects on P&L Accounts

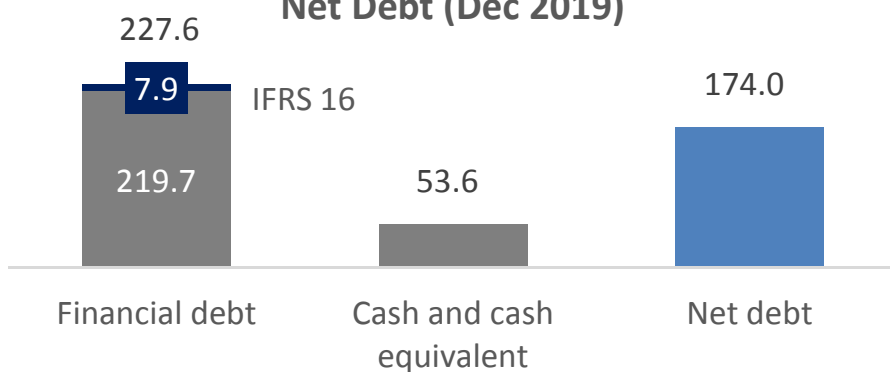
[USD m]	2019	2018	Δ	Thereof IFRS 16	Δ ex. IFRS 16
Revenue	14,115	13,726	+388	0	+388
Operating expenses (before D&A)	-11,892	-12,381	+489	+523	-34
EBITDA	2,223	1,345	+878	+523	+355
Depreciation & Amortization	-1,315	-821	-493	-489	-4
EBIT	908	524	+384	+34	+350
Interest result	-444	-432	-12	-74	+62
Income tax / other financial items	-46	-38	-8	0	-8
EAT	418	54	+364	-40	+404



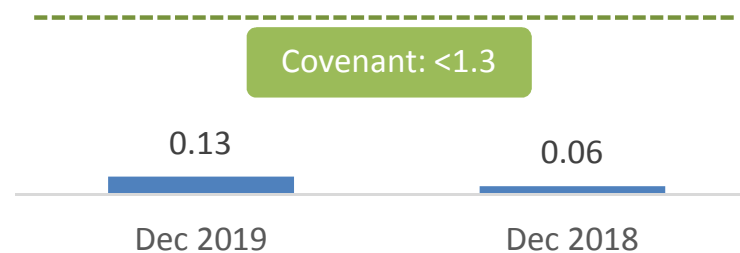
Financial Position: CS&AV

(Figures in USD million)

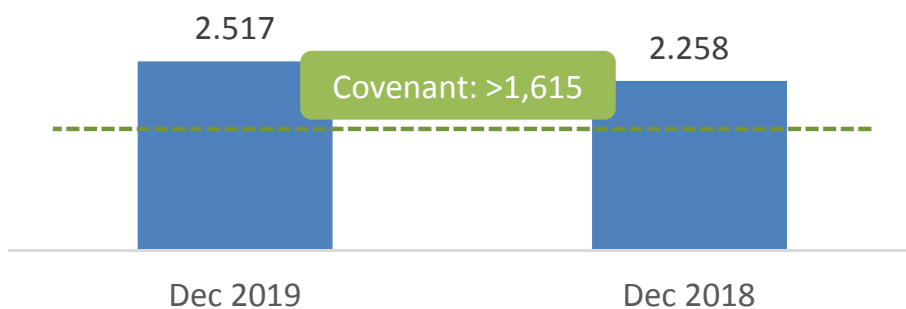
Net Debt (Dec 2019)



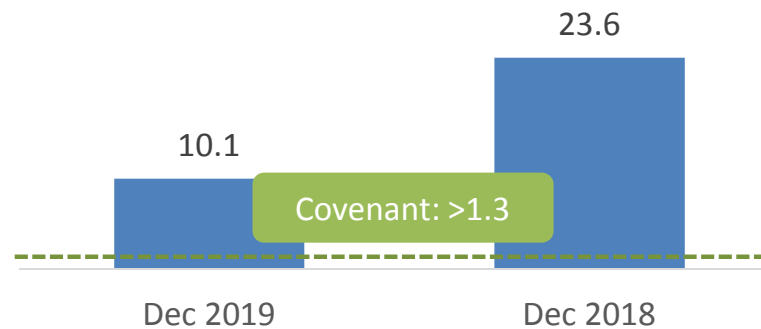
Leverage



Total Assets








Free Asset Ratio





Outlook

HLAG's Guidance 2020

	FY 2019	Outlook 2020	Sensitivities for 2020 ¹⁾	
 Transport volume	12,037 TTEU	Increasing slightly	+/- 100 TTEU	< USD 0.1 bn
 Average freight rate	1,072 USD/TEU	Increasing slightly	+/- 50 USD/TEU	+/- USD 0.6 bn
 Average bunker price	416 USD/mt	Increasing clearly	+/- 50 USD/mt	+/- USD 0.2 bn
 EBITDA	EUR 1,986 m	EUR 1.7 – 2.2 bn	The earnings outlook for 2020 is subject to considerable uncertainty and is influenced in particular by the outbreak of the coronavirus, the effects of which on the further course of the year cannot be conclusively assessed at the time of preparation of the annual report.	
 EBIT	EUR 811 m	EUR 0.5 – 1.0 bn		



Outlook

- CSAV's has been exclusively focused on the container shipping business since 2020, after closing its car carrier business.
- Regarding the global context, the container shipping industry is in a much better position now than it was for the 2009 crisis, but under high uncertainty surrounding COVID-19.
- Hapag-Lloyd still estimates positive earnings figures for 2020, despite the current market conditions due to the spread of COVID-19.
- Thanks to its cost control program, Hapag-Lloyd estimates to capture additional MUS\$ 200 in annual savings, while it continues to work on the objectives of its 2023 strategy of consolidating itself as a leader in service quality with a major global presence and high operating returns.
- Hapag-Lloyd will continue to reduce its debt (Net debt/EBTDA < 3.0x), prioritizing appropriate flexibility given the current circumstances in the industry.
- The April 2020 incorporation of HMM into The Alliance, of which HLAG is also a member, is expected to reinforce its competitiveness and presence along main routes.



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