



# Investor Presentation

## 1Q2021 Financial Results

May 2021





## CSAV



- Net income of US\$ 448.9 million for 1Q21 (US\$ 4.7 million in 1Q20)
- Dividends distribution approved in AGM for US\$ 170 million
- Complete focus on its investment in Hapag-Lloyd
- CSAV's risk rating agencies upgraded its risk rating in April 2021
  - i) ICR: from BBB+ to A-
  - ii) Feller Rate: from BBB- to BBB

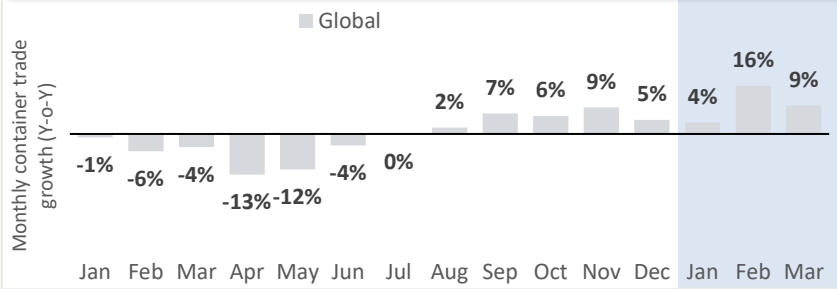
## Hapag-Lloyd, CSAV's main investment



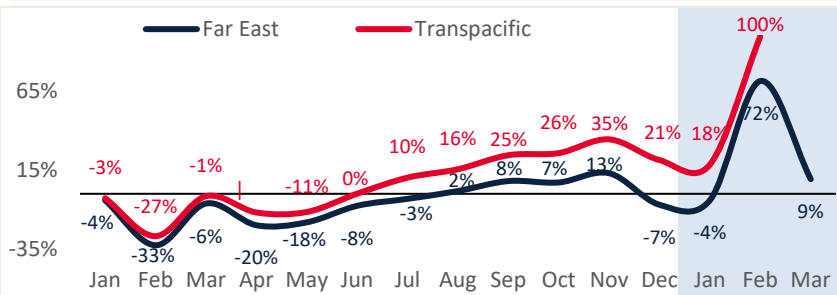
- Net income of around US\$ 1,451 million for 1Q21
- EUR 615 million will be proposed for dividend distribution
- Solid free cash flow and improved debt ratios
- Strong operating performance and lower debt led to historic risk rating reduction
  - i) S&P: from BB- to BB
  - ii) Moody's: from Ba3 to Ba2
- Outlook for FY 2021 has been confirmed



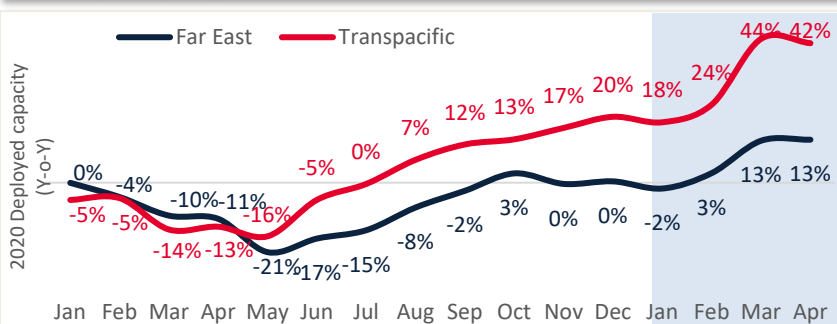
### Heavy demand fluctuations in global demand...



### ...and in major traffics



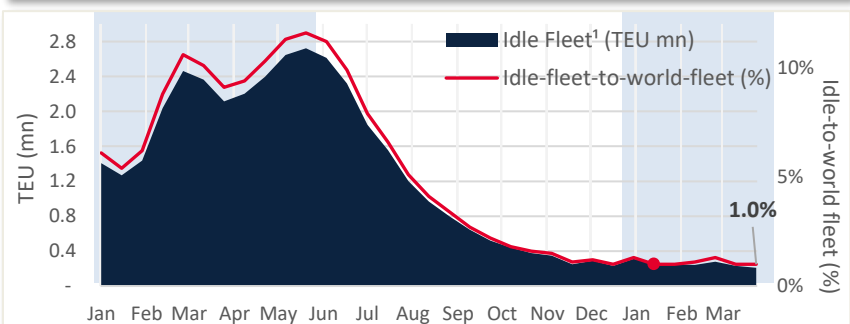
### Capacity adjusted to better deal with demand variation



### Demand explosion since H2 2020

- Global strong demand during 1Q21 and specially in the transpacific route.
- The Industry has been vigilant to demand fluctuations, adapting supply effectively throughout the pandemic.
- The industry continues to be affected by congestion in the logistics chain caused by COVID-19-related disruptions, which was exacerbated by the blockage of the Suez Canal.
- Even though the industry's entire fleet capacity is fully operating, mobility restrictions have led to container and vessel scarcity in the logistics chain.

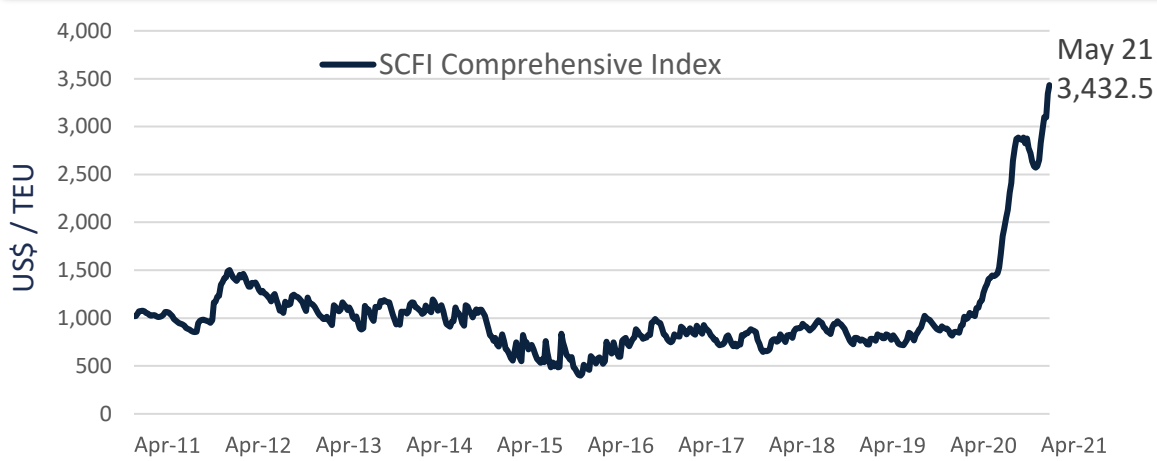
### Idle Fleet at minimum levels



Sources: Clarksons Research (March 2021), Alphaliner Monthly Monitor (February 2021)

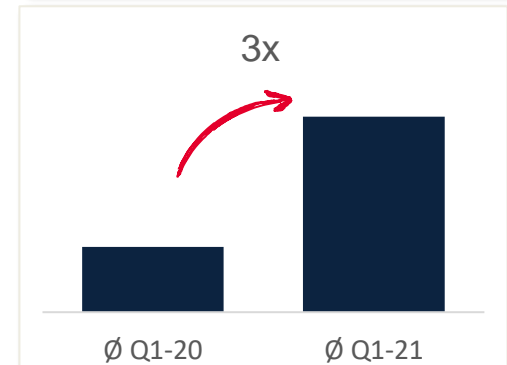


### Freight Rate Indices evolution

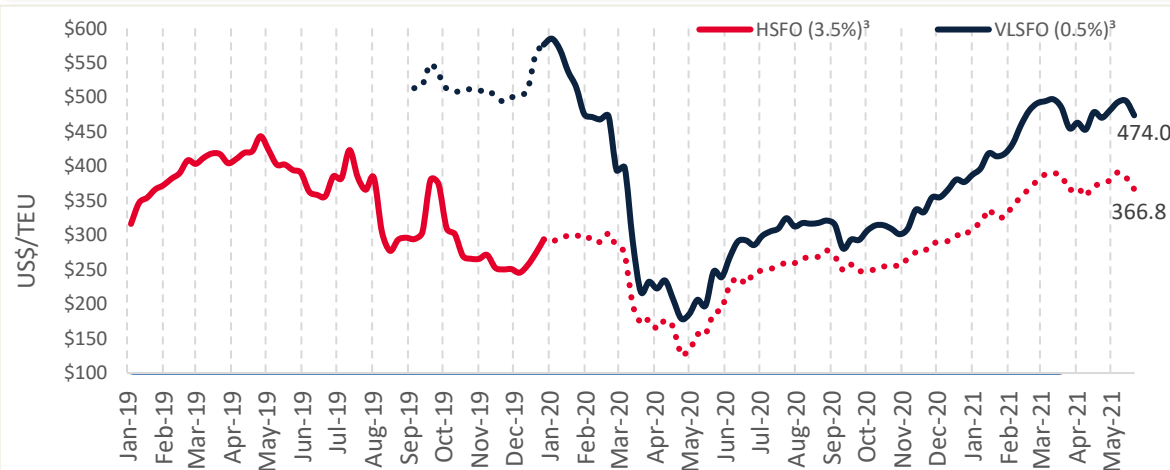


- Operational bottlenecks: mainly on terminals and Inland transport

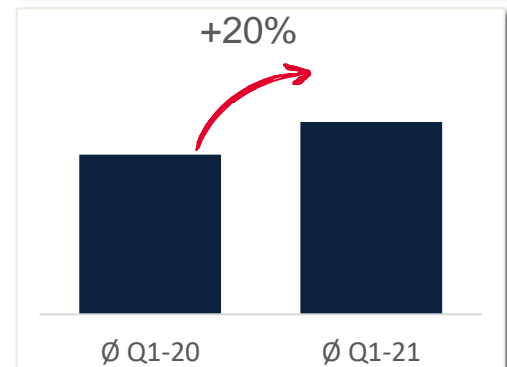
### HLAG average voyage delays [days]



### Bunker price development



### HLAG increasing container usage time [days]





- Chartered in additional vessels and deployed extra-loaders where possible
- Ordered additional container boxes and increased repair and maintenance of older containers
- Double the efforts to maximize allocation (first effects will be seen in Q2)
- Moved capacity to high-demand trades and optimized the service network further
- Re-routed cargo through alternative gate-ways to bypass congested ports
- Added people and IT capacity to improve customer satisfaction and service quality



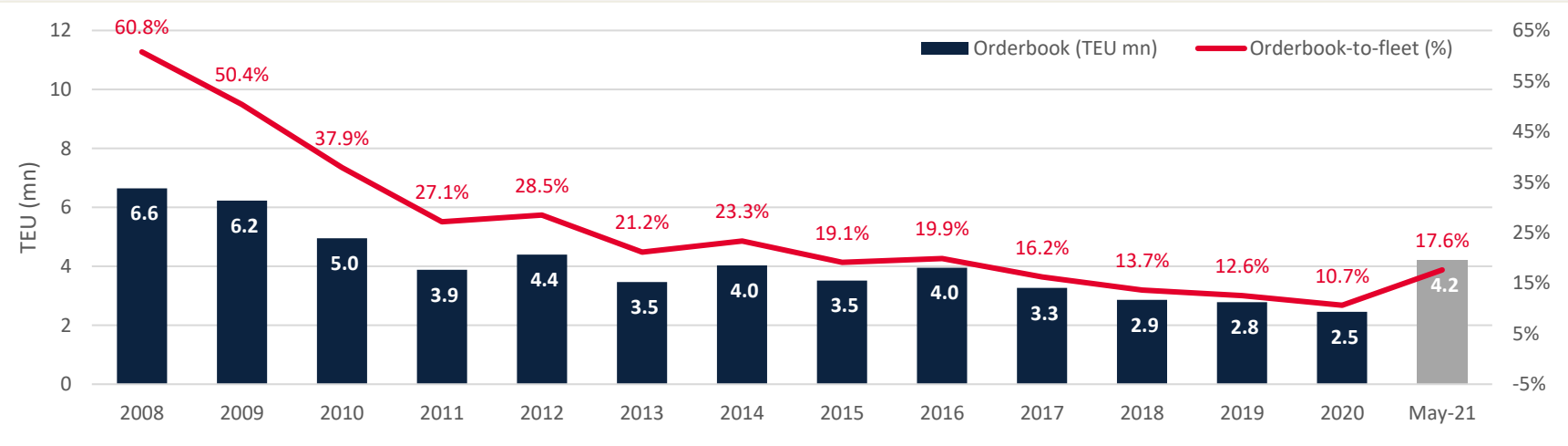
~US\$ 550 million investment  
in 150,000 TEU new  
containers, both standard  
and reefer

# Industry

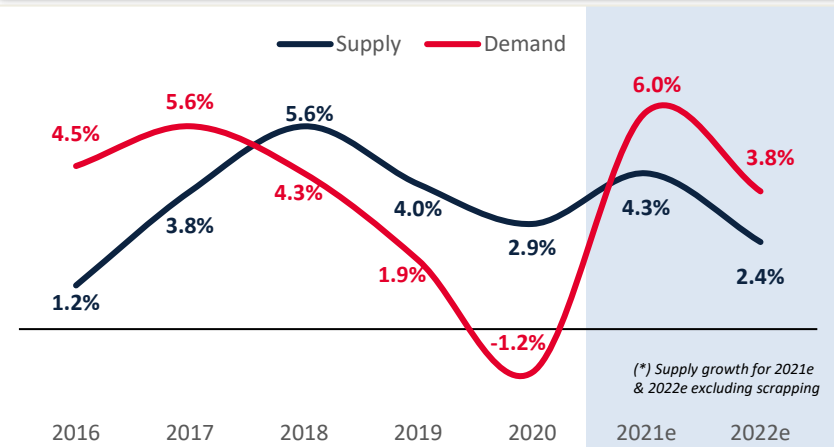
## Supply evolution throughout the years



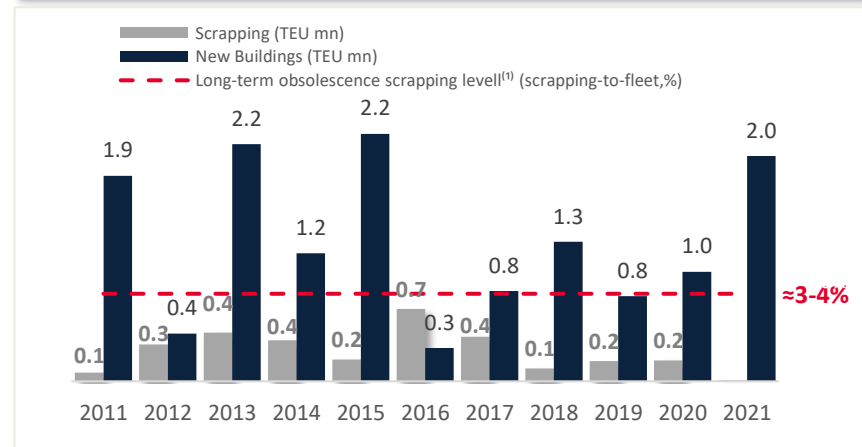
### During 2021 new orders have been placed to better supply customers



### Supply and demand expected to be 'fairly balanced' by mid-term



### ~50% of the orderbook placed during 2021, scrapping still at low levels






Source: Clarksons Research (May 2021), Hapag-Lloyd's 1Q21 Results Investor Presentation (May 2021)

Notes:  
(1) Assumes a useful life of 25 ≈ 33 years for vessels

# Hapag Lloyd's results

## 1Q20 vs 1Q21 – ROIC 43.3%



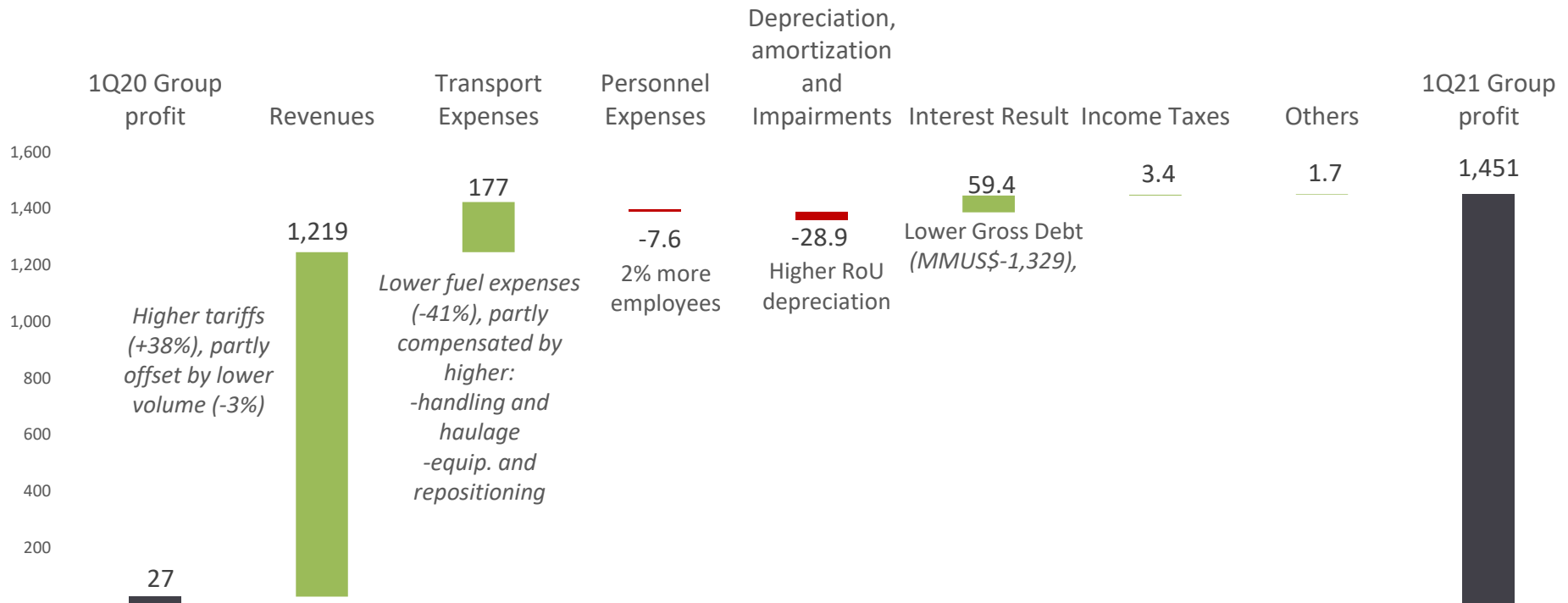
1Q21 Capacity	Financial Result 1Q 2021				
 <b>241</b> Total vessels		1Q21	1Q20	Δ%	
	Transported volume (TTEU)	2,975	3,053	(3%)	↓
 <b>1,734 TTEU</b> Vessels' aggregate capacity		1,509	1,094	38%	↑
	Average freight rate (USD/TEU)	1,509	1,094	38%	↑
 <b>2,758 TTEU</b> Containers' aggregate capacity		4,903	3,684	33%	↑
	Revenue (USD mm)	4,903	3,684	33%	↑
		(1,044)	(1,068)	(2%)	↓
	Transport expenses + D,A&I (USD/TEU)	(1,044)	(1,068)	(2%)	↓
	Avg. bunker price (USD/ton)	384	523	(27%)	↓
	EBITDA (USD mn)	1,909	517	269%	↑
	EBIT (USD mn)	1,539	176	774%	↑
	Net profit (USD mm)	1,451	27	5,274%	↑





## Hapag Lloyd's Net Income 1Q20 vs 1Q21

Figures in USD million





# CSAV's results

## 1Q20 vs 1Q21



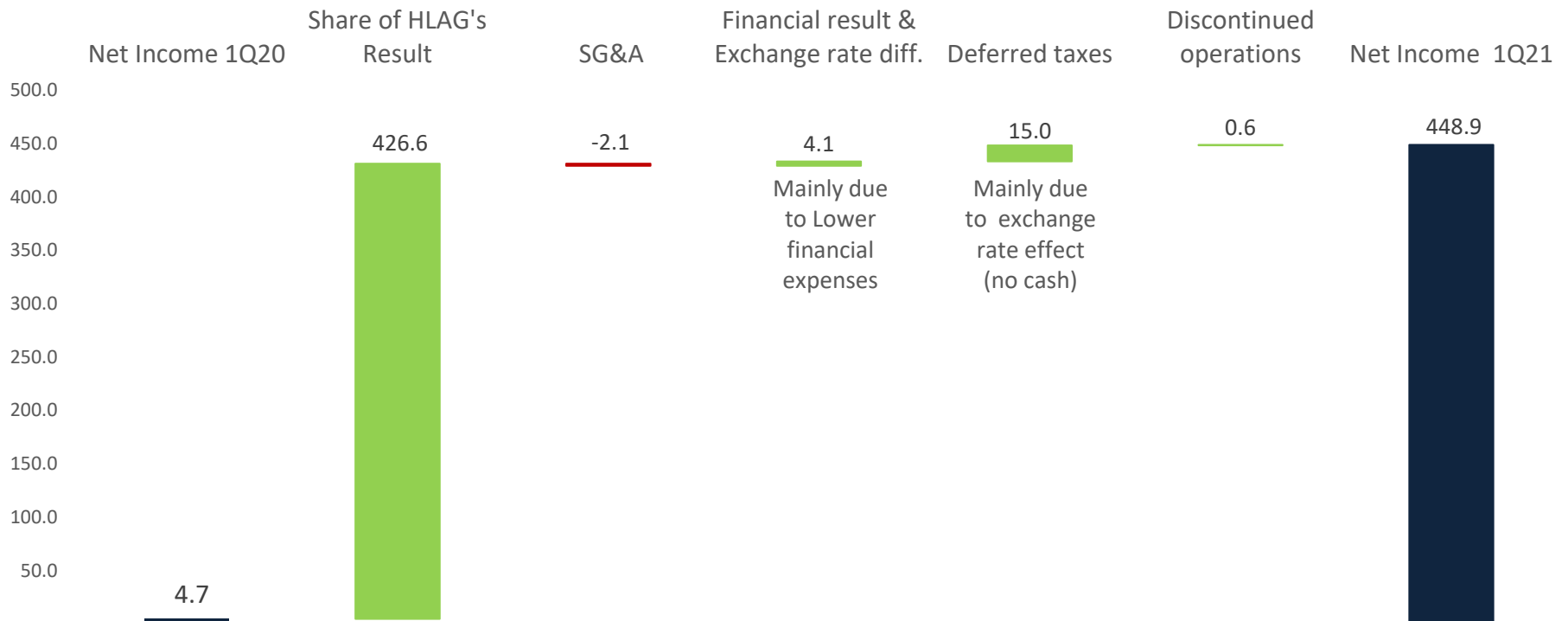
*Figures in USD million*

Result	1Q21	1Q20	Y-o-Y
Equity-accounted investees	434.0	7.4	426.6
SG&A	-3.3	-1.2	-2.1
Financial result & ex. rate diff.	-2.8	-6.9	4.1
Taxes	21.0	6.0	15.0
Discontinued operations	-0.0	-0.6	0.6
<b>Net income</b>	<b>448.9</b>	<b>4.7</b>	<b>444.2</b>



### CSAV's Net Income 1Q20 vs 1Q21

Figures in USD million

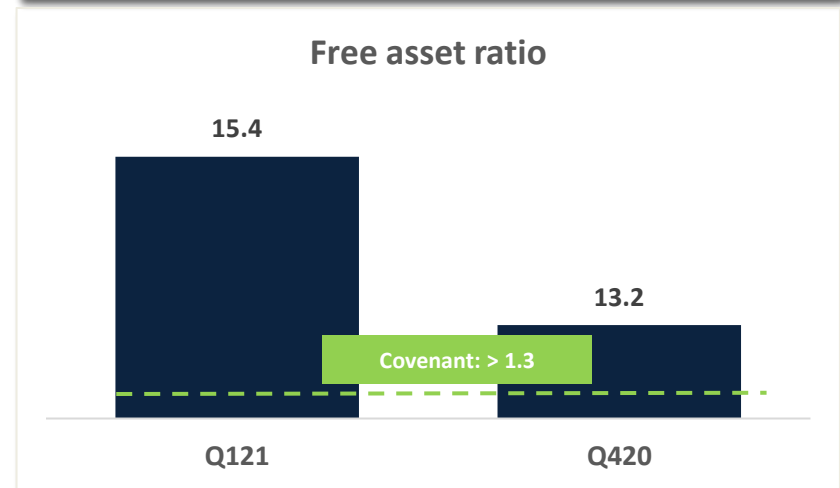
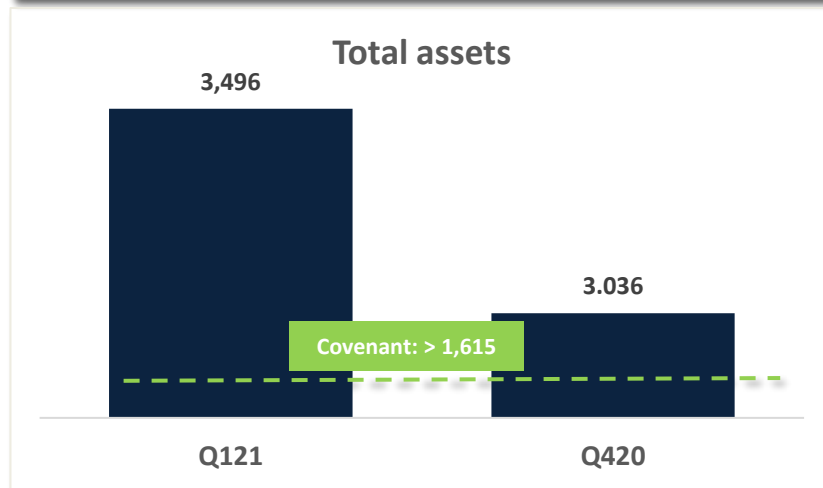
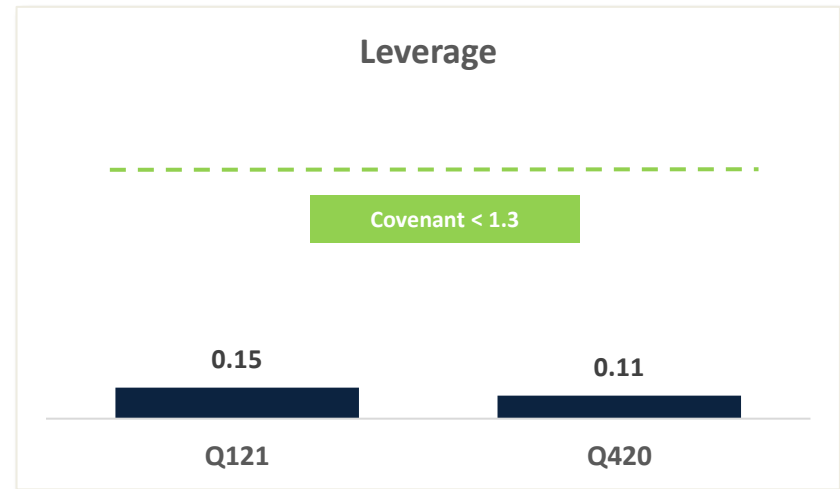
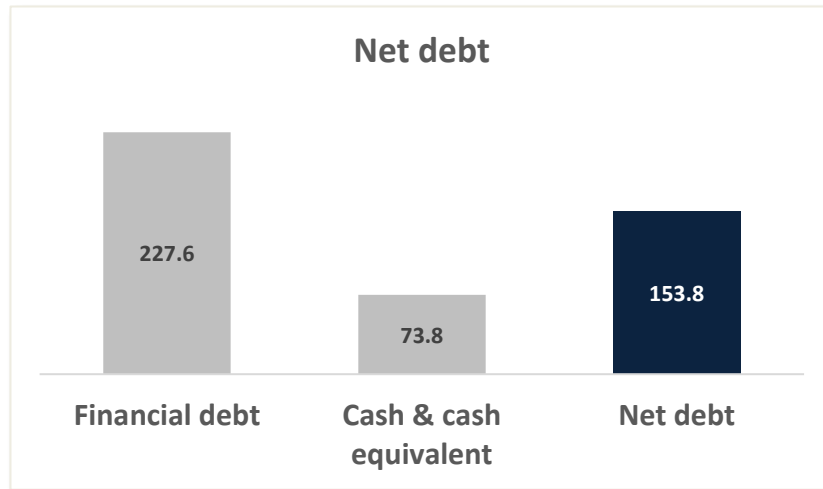


# CSAV's financial position

## 1Q21 vs 4Q20








Figures in USD million





## The outlook for FY 2021 has been confirmed

	2020	Guidance for FY 2021 (*)
 <b>Transport volume</b>	11,838 TTEU	Increasing slightly
 <b>Avg. freight rate</b>	1,115 USD/TEU	Increasing clearly
 <b>Avg. bunker consumption price</b>	379 USD/mt	Increasing clearly
 <b>EBITDA</b>	USD 3,082 m	Increasing clearly
 <b>EBIT</b>	USD 1,501 m	Increasing clearly

**As pandemic-related restrictions are eased, the global logistics chain will probably return to normal, thus reducing the current pressure on freight rates.**

(\*) Subject to considerable uncertainty due to a number of factors, including:

- the above average volatility of freight rates at this time;
- operational challenges caused by existing infrastructural bottlenecks, among other things;
- and the inability to predict the further course or economic impacts of the coronavirus pandemic.

Unlike in previous years, a large proportion of the 2021 earnings will already be generated in the first one or two quarters of the year.



- CSAV has kept an exclusive focus on its stake in Hapag-Lloyd aiming to be an efficient pass-through vehicle to obtain exposure in Hapag-Lloyd.
- The entire supply chain is facing challenging times because of the pandemic, and although the Shipping industry has made a visible effort in deploying its full capacity, there are still evident issues in terms of volume left unserved (explosive demand increase) and the consequent fluctuation in freight rates.
- As for the foreseeable future, demand and supply look fairly balanced, although there are still some uncertainty due to Covid-19 pandemic.
- A financially sound 2Q21 is expected in terms of volumes and freight rates, but with upward pressure on its cost structure due to rising oil costs and logistics chain expenses.
- Despite the improved outlooks, there is still considerable uncertainty surrounding the progress of vaccination campaigns, immunity levels attained, easing of mobility measures, fiscal policy that different governments can implement and other factors. This matters will have an important impact in both transport volumes growth and freight rates.
- Hapag-Lloyd's Strategy 2023 within the company's priorities for 2021