

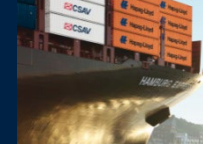


# Investor Presentation

H1 2020 Results

September, 2020





## CSAV

- **Net income of US\$ 66.9 million for first half of 2020**

Mainly from its stake in the container shipping business through Hapag-Lloyd

- **Pre-emptive rights period for the capital increase begins in August 2020**

The US\$350 million will be used to pay back loans taken out by CSAV to obtain a 30% stake in HLAG in January

- **Complete focus to its stake in Hapag-Lloyd**

After ending its last remaining direct shipping operations in July 2020

## Hapag-Lloyd, CSAV's main investment

- **Net income of US\$ 314 million for first half of 2020**

Surpassing 2019 figure by 90.3% despite decrease in activity, especially in May

- **Positive results of contingency plans to mitigate COVID-19 impacts**

Measures focused on personnel safety, cost control, reassessing all investments and financial contingencies

- **Solid free cash flow and improved debt ratios**

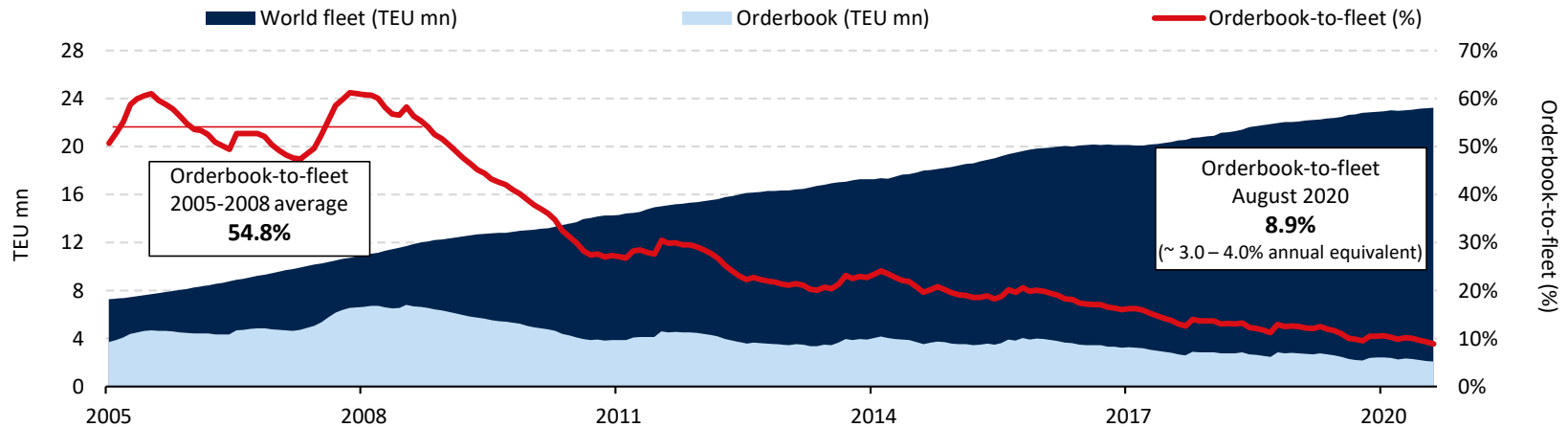
Ratio of net debt to EBITDA decreased to 2.6, and strengthened liquidity position

# Industry

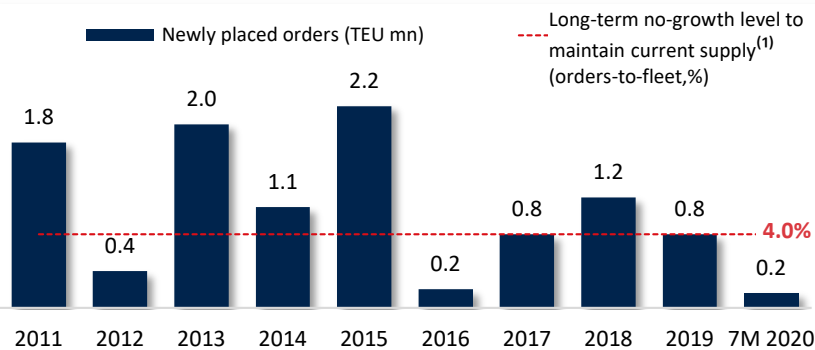
## Supply evolution throughout the years



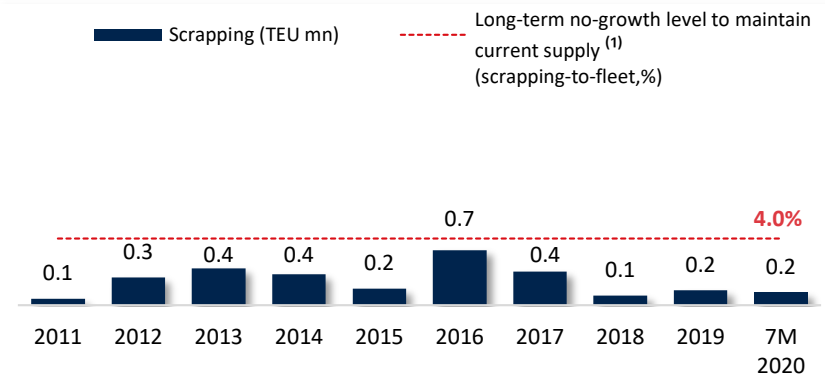
### Record low orderbook



### Hardly new orders placed

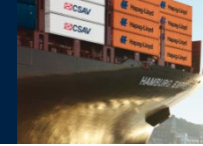


### Scrapping still at low levels

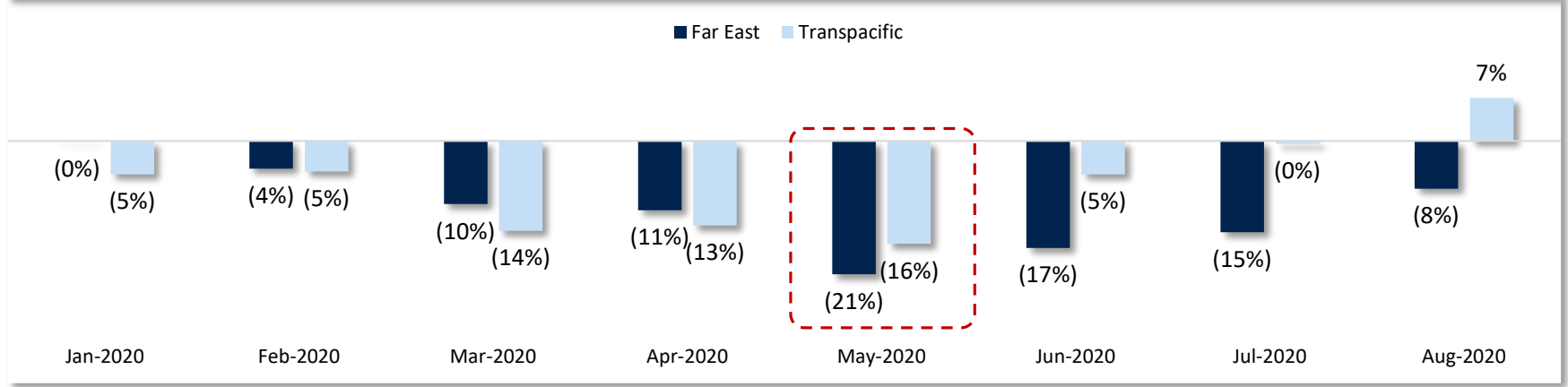


Source: Clarksons (August 2020)

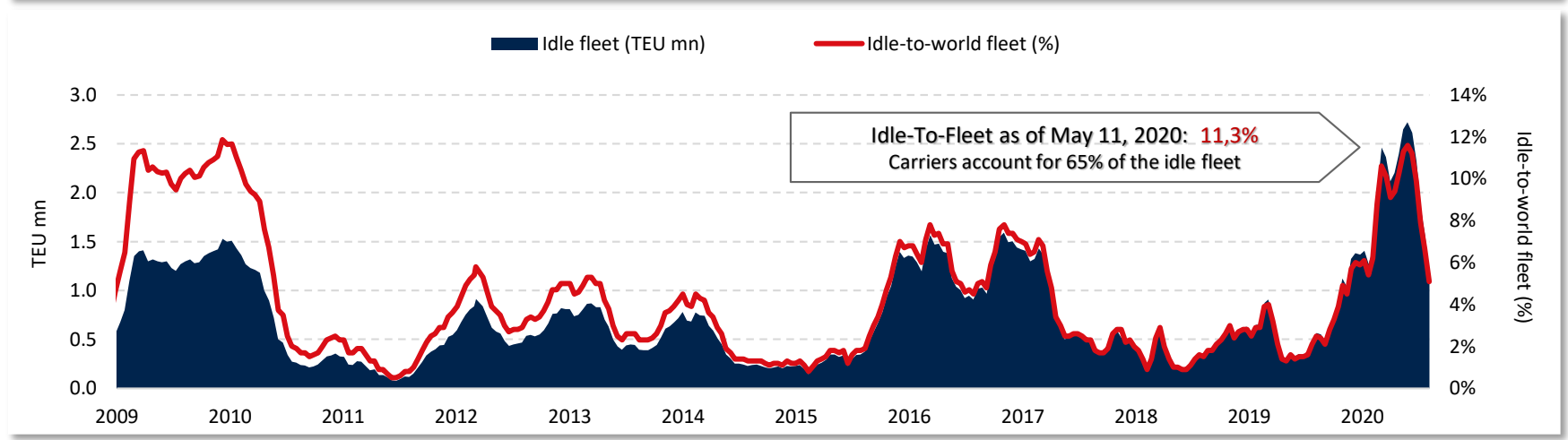
Notes:  
(1) Assumes a useful life of 25 years for vessels



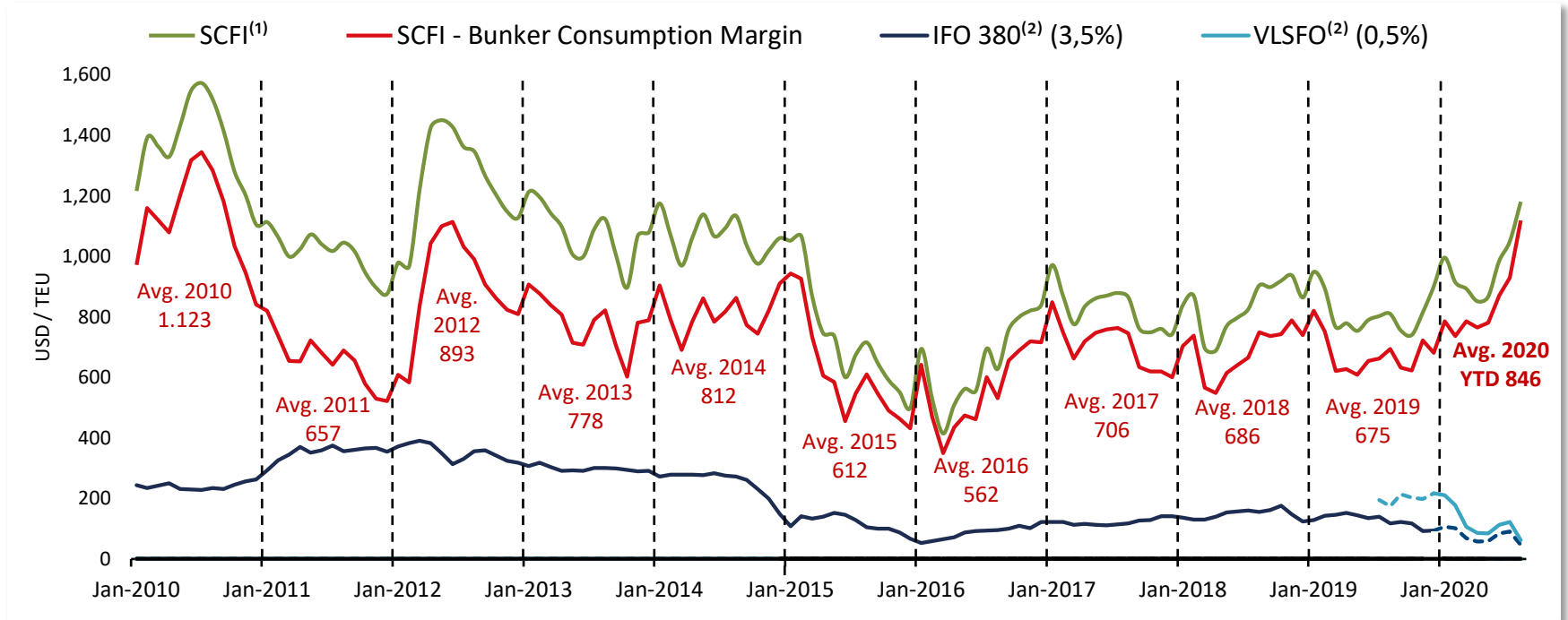
### Adjustment capacity in major trades (YoY %)



### Recent increase in idle fleet levels



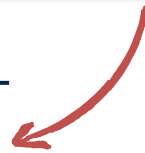
Source: Alphaliner (August 2020)

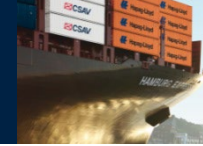


Notas:

- (1) The SCFI represents: spot rates for main haul trade exports from Shanghai port.
- (2) The Rotterdam Platts index represents: spot bunker price per metric ton (IFO 380 or VLSFO) on Rotterdam port, including yearly consumption factor (ton / TEU) registered by Hapag-Lloyd. As of december 2019, VLSFO is used to calculate margin ex-bunker due to new IMO 2020 regulation.
- (3) SCFI – Bunker Consumption margin is only referential.

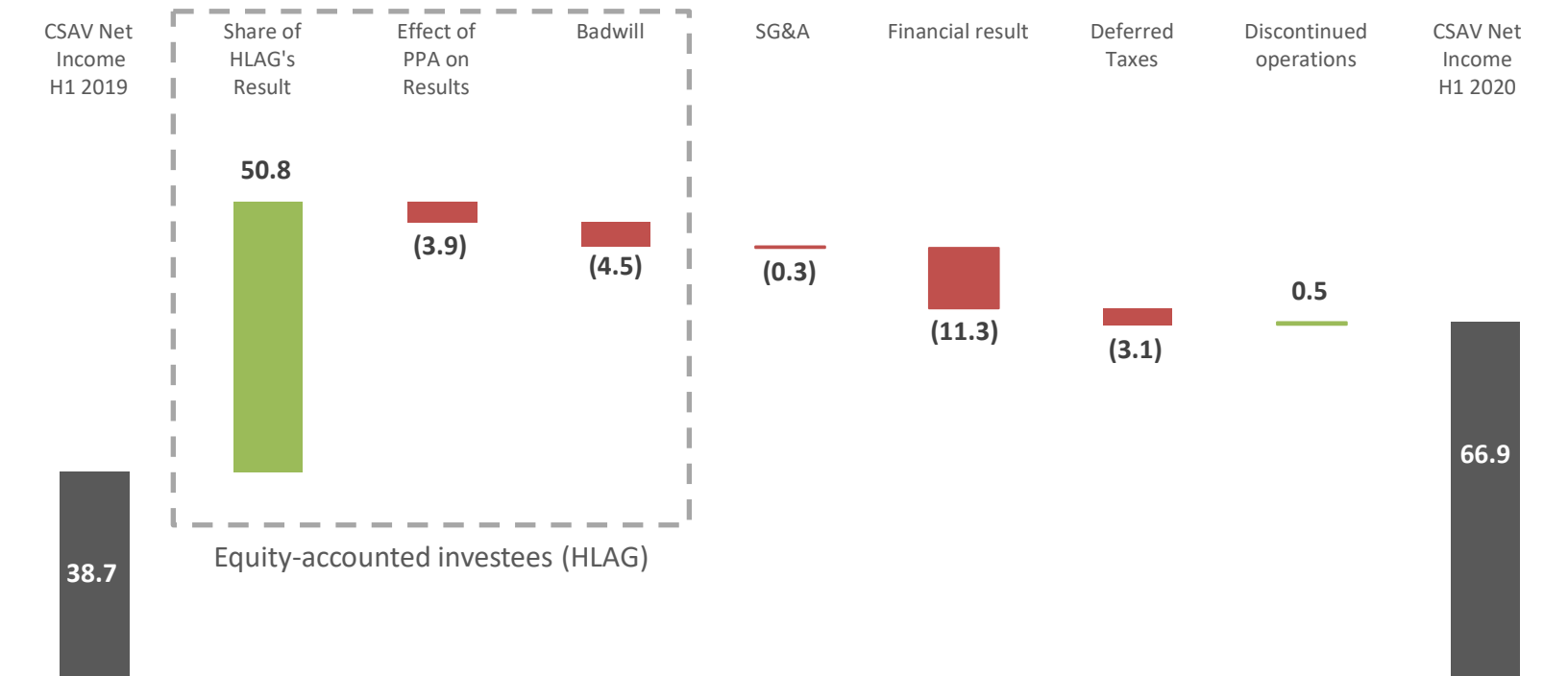
| Margin      | Jan-Jun    | Monthly margin |       |
|-------------|------------|----------------|-------|
| 2019        | 681        | Jan 20         | 786   |
| <b>2020</b> | <b>787</b> | Feb 20         | 737   |
|             |            | Mar 20         | 786   |
|             |            | Apr 20         | 765   |
|             |            | May 20         | 781   |
|             |            | Jun 20         | 870   |
|             |            | Jun 20         | 929   |
|             |            | Aug 20         | 1,118 |





### CSAV Net Income H1 2019 vs H1 2020

Figures in USD million

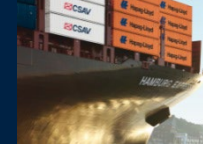




Figures in USD million

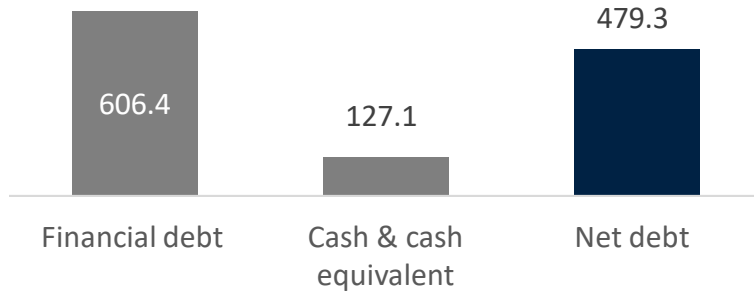
| Results  | H1 2020      | H1 2019      | Var.         |
|--|--------------|--------------|--------------|
| SG&A   | (3.6)        | (4.1)        | 0.5          |
| Other incomes                                  | 0.8          | 1.6          | (0.8)        |
| <b>Operating income (loss)</b>                 | <b>(2.8)</b> | <b>(2.5)</b> | <b>(0.3)</b> |
| <i>EBITDA (w/o equity-accounted investees)</i> | <i>(2.7)</i> | <i>(2.4)</i> | <i>(0.3)</i> |
| Equity-accounted investees                     | 89.6         | 47.2         | 42.4         |
| Financial result & ex. rate diff.              | (14.7)       | (3.4)        | (11.3)       |
| Taxes  | (5.4)        | (2.3)        | (3.1)        |
| Discontinued operations                        | 0.2          | (0.3)        | 0.5          |
| <b>Net income</b>                              | <b>66.9</b>  | <b>38.7</b>  | <b>28.2</b>  |

Note: EBITDA = Operating income (loss) + Depreciation + Amortization

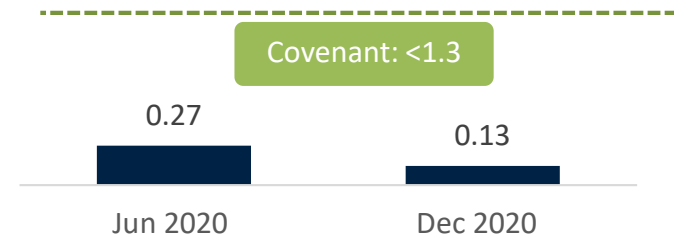


Figures in USD million

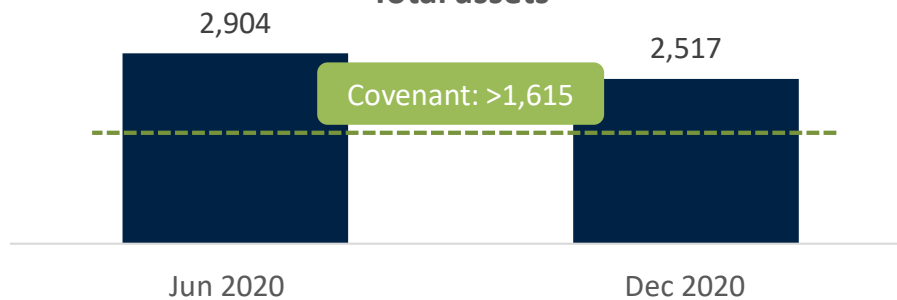
### Net debt (Jun 2020)



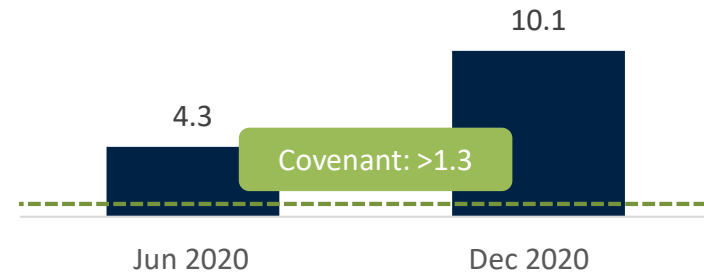
### Leverage



### Total assets






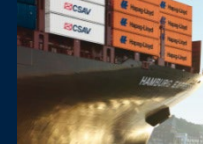
### Free Asset Ratio







| Capacity H1 2020  | Financial results H1 2020             |         |       |          |        |
|---|---------------------------------------|---------|-------|----------|--------|
|   | 2020 H1                               | 2019 H1 | Δ%    | 2019 FY  |        |
| <br><b>1,736 TTEU</b><br>Vessels' aggregate capacity     | <b>Transported volume (TTEU)</b>      | 5,755   | 5,966 | (3.5%) ↓ | 12,037 |
|   | <b>Average freight rate (USD/TEU)</b> | 1,104   | 1,071 | 3.1% ↑   | 1,072  |
|   | <b>Revenue (USD mm)</b>               | 7,005   | 7,047 | (0.6%) ↓ | 14,115 |
|   | <b>Transport expenses (USD mm)</b>    | 5,210   | 5,451 | (4.4%) ↓ | 10,867 |
|   | <b>Average bunker price (USD/ton)</b> | 448     | 429   | 4.4% ↑   | 416    |
|   | <b>EBITDA (USD mm)</b>                | 1,287   | 1,080 | 19.2% ↑  | 2,223  |
|   | <b>EBIT (USD mm)</b>                  | 563     | 440   | 28.0% ↑  | 908    |
|   | <b>Net profit (USD mm)</b>            | 314     | 165   | 90.3% ↑  | 418    |
| <br><b>239</b><br>Total vessels                          |                                       |         |       |          |        |
| <br><b>2,621 TTEU</b><br>Containers' aggregate capacity |                                       |         |       |          |        |

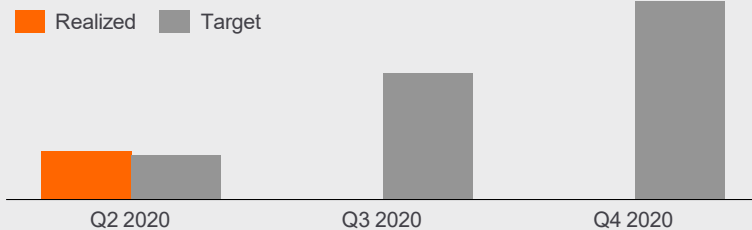


Launched to safeguard earnings and liquidity related to COVID-19



## Costs savings

- Substantial capacity measures taken in coordination with our THE Alliance partners to mitigate variable costs
- Reduction of variable transport expenses and fixed costs (e.g. return of chartered ships, SG&A)
- Savings in the range of a mid three-digit million USD figure expected



## Investment prioritization

- Investment plan reviewed
- Postponement of growth and unnecessary maintenance investments
- Continuous review going forward









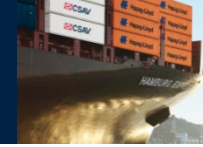
## Financial contingency

- Additional liquidity secured
- Different financial measures executed, e.g. draw-down of USD 400 m from RCF & USD 160 m ABS
- Further actions taken (e.g. vessel re-financing) to enhance liquidity and secure necessary investments



## HLAG's 2020 Guidance

|   | 2019        | Outlook for 2020  |
|---|-------------|---|
|  <b>Transport volume</b>     | 12,037 TTEU |  |
|  <b>Average bunker price</b> | 416 USD/mt  |  |
|  <b>EBITDA</b>               | EUR 1,986 m | EUR 1.7 – 2.2 bn  |
|  <b>EBIT</b>                | EUR 811 m   | EUR 0.5 – 1.0 bn  |



- CSAV has focused exclusively on the container shipping business since early 2020, after close its vehicle transport business.
- CSAV has started its capital increase of US\$350 million to obtain its final debt structure which, combined with the absorption of the accumulated losses, will allow the Company to distribute dividends in the next few years.
- Given current supply conditions, estimates predict that the container shipping industry is in a better position with respect to the 2009 crisis to deal with declining economic activity and uncertainty stemming from COVID-19.
- In order to ensure profitability and good liquidity levels, Hapag-Lloyd has implemented its Performance Safeguarding Program (PSP), which includes active cost management, reevaluating investments and increasing loans, in addition to continuing with its 2023 Strategy.
- Hapag-Lloyd's projections remain within the EBIT guidance range expected for 2020, despite still uncertain market conditions related to the spread of COVID-19.