

Hamburg, 20 March 2020

## **Hapag-Lloyd achieves significantly improved Group net result in 2019**

- **Proposed dividend of EUR 1.10 per share**
- **Financial Debt (excluding IFRS 16) significantly reduced**
- **Coronavirus to influence growth in 2020**

Hapag-Lloyd published its audited business results for 2019 today. The Group net result improved significantly to around USD 418 million (EUR 373 million). Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose to USD 2.2 billion (almost EUR 2 billion). At the same time, earnings before interest and taxes (EBIT) climbed to USD 908 million (EUR 811 million). The results include effects from the first-time application of the IFRS 16 accounting standard, which amount to approximately USD 523 million (EUR 467 million) for the EBITDA and approximately USD 34 million (EUR 31 million) for the EBIT.

“Today we are in rapidly changing and uncertain times, but that does not take away that 2019 was a very good year for Hapag-Lloyd. We benefitted from higher volumes and better freight rates, kept a close eye on our costs and brought down our financial debt significantly. We also continued implementing our Strategy 2023, and achieved a Group net result that is well above the prior-year result,” said Rolf Habben Jansen, Chief Executive Officer of Hapag-Lloyd AG.

# Press Release



Revenues increased in the 2019 financial year by approximately 3 percent, to USD 14.1 billion (EUR 12.6 billion). The average freight rate of 1,072 USD/TEU was up by 2.7 percent over the previous year due to a stronger focus on more profitable trade lanes and active revenue management. The 1.4 percent year-on-year increase in transport volumes, to more than 12 million TEU, also made a positive contribution to revenues. Lower expenses for the handling and inland haulage of containers, a slightly lower average bunker consumption price of USD 416 per tonne as well as the first-time application of IFRS 16 had a positive effect on transport expenses, which amounted to USD 10.9 billion (EUR 9.7 billion).

In addition, almost USD 1 billion (more than EUR 800 million) in financial debt was repaid (excluding IFRS 16) in 2019, which significantly reduced financing costs in the second half of the year. The leverage ratio (Net Debt to EBITDA) decreased to 3.0x and is thereby below the 3.5x target set for 2019.

In light of this, the Executive Board and Supervisory Board of Hapag-Lloyd AG have decided to propose to the Annual General Meeting that a dividend of EUR 1.10 per share shall be paid out for the 2019 financial year.

For 2020, Hapag-Lloyd today expects an EBITDA of EUR 1.7 to 2.2 billion and an EBIT of EUR 0.5 to 1.0 billion. This forecast for 2020 is subject to considerably higher uncertainties than normal, particularly due to the coronavirus outbreak. After a decent start of 2020, global container volumes will be impacted by the global coronavirus crisis, and the magnitude of that is impossible to determine right now. Hapag-Lloyd anticipates that transport capacity deployments may have to be adjusted in light of the coronavirus in the coming months to cope with lower demand. The extent of the coronavirus outbreak cannot be accurately predicted, but Hapag-Lloyd expects that it will have an impact on the development of earnings at least in the first half of 2020.

“2020 will be a very unusual year after we have seen that due to the coronavirus outbreak conditions in many markets have changed very quickly over the last weeks. After the initial

# Press Release



shock, markets in China and other Asian Countries have started to recover probably faster than many feared – but now also the other continents are impacted, and the effects of that will be significant. We will in the upcoming weeks and months mainly focus on the three things that matter most to us: the safety and health of our people, keeping the Supply Chains of our customers flowing and taking precautionary financial measures to weather the storm if it lasts longer than anticipated.” said Rolf Habben Jansen.

The 2019 Annual Report is available at

<https://www.hapag-lloyd.com/en/ir/publications/financial-report.html>

## KEY FIGURES (USD)\*

	Q4 2019	Q4 2018	2019	2018	2019 vs 2018
Transport volume (TTEU)	3,026	2,974	12,037	11,874	163
Freight rate (USD/TEU)	1,062	1,084	1,072	1,044	28
Revenues (USD million)	3,460	3,585	14,115	13,726	388
EBITDA (USD million)	526	375	2,223	1,345	878
EBIT (USD million)	186	167	908	524	384
EBITDA margin	15.2%	10.5%	15.8%	9.8%	6.0 ppt
EBIT margin	5.4%	4.7%	6.4%	3.8%	2.6 ppt
Group net result (USD million)	85	39	418	54	364

## KEY FIGURES (EURO)\*

	Q4 2019	Q4 2018	2019	2018	2019 vs 2018
Revenues (EUR million)	3,126	3,131	12,608	11,618	990
EBITDA (EUR million)	475	327	1,986	1,139	847
EBIT (EUR million)	169	144	811	444	367
Group net result (EUR million)	77	34	373	46	327
Annual average exchange rate (USD/EUR)	n.a.	n.a.	1.12	1.18	-0.06
31.12 exchange rate USD/EUR	n.a.	n.a.	1.12	1.15	-0.03

# Press Release



\* Due to the first-time application of the IFRS 16 accounting standard as of 1 January 2019, the results of the 2019 financial year (including first-time application of IFRS 16) can only be compared to a limited extent with the results of the 2018 financial year (excluding first-time application of IFRS 16). Additionally, as a result of the change in presentation of the consolidated income statement, the previous year's values have been adjusted. In individual cases, rounding differences may occur in the tables for computational reasons.

## Press contacts

Nils.Haupt@hlag.com +49 40 3001 2263

Tim.Seifert@hlag.com +49 40 3001 2291

## About Hapag-Lloyd

With a fleet of 239 modern container ships and a total transport capacity of 1.7 million TEU, Hapag-Lloyd is one of the world's leading liner shipping companies. The company has around 13,000 employees and 392 offices in 129 countries. Hapag-Lloyd has a container capacity of approximately 2.5 million TEU – including one of the largest and most modern fleets of reefer containers. A total of 121 liner services worldwide ensure fast and reliable connections between more than 600 ports on all the continents. Hapag-Lloyd is one of the leading operators in the Transatlantic, Middle East, Latin America and Intra-America trades.

## Disclaimer

This press release contains forward-looking statements that involve a number of risks and uncertainties. Such statements are based on a number of assumptions, estimates, projections or plans that are inherently subject to significant risks, uncertainties and contingencies. Actual results can differ materially from those anticipated in the Company's forward-looking statements.

Follow Hapag-Lloyd on social media

