

Q3 | 9M 2023

Hapag-Lloyd AG

Investor Report

1 January to
30 September 2023



SUMMARY OF HAPAG-LLOYD KEY FIGURES

		Q3 2023	Q3 2022	9M 2023	9M 2022	Change
Operating figures						
Total vessels		264	252	264	252	5%
Aggregate capacity of vessels	TTEU	1,952	1,783	1,952	1,783	9%
Aggregate container capacity	TTEU	2,902	3,042	2,902	3,042	-5%
Freight rate (average for the period)	USD/TEU	1,312	3,106	1,604	2,938	-45%
Transport volume	TTEU	3,110	2,975	8,916	8,987	-1%
Financial figures						
Revenue	million USD	4,464	9,878	15,312	28,439	-46%
EBITDA	million USD	744	5,708	4,519	16,649	-73%
EBIT	million USD	228	5,225	2,989	15,143	-80%
Group profit/loss	million USD	293	5,199	3,425	14,665	-77%
Earnings per share	USD	1.63	29.56	19.42	83.36	-77%
Cash flow from operating activities ¹	million USD	844	5,706	4,987	15,904	-69%
Return figures						
EBITDA margin	%	16.7	57.8	29.5	58.5	-29.0 ppt
EBIT margin	%	5.1	52.9	19.5	53.2	-33.7 ppt
ROIC ²	%	5.0	125.7	22.7	122.3	-99.6 ppt
Balance sheet figures³						
Equity	million USD	20,982	29,795	20,982	29,795	-30%
Equity ratio	%	65.0	72.1	65.0	72.1	-7.1 ppt
Financial debt and lease liabilities	million USD	5,786	5,804	5,786	5,804	-0%
Cash and cash equivalents	million USD	6,734	16,265	6,734	16,265	-59%
Net liquidity ⁴	million USD	2,962	13,437	2,962	13,437	-78%
Number of employees						
Liner Shipping		13,505	14,240	13,505	14,240	-5%
Terminal & Infrastructure		2,563	269	2,563	269	853%
Hapag-Lloyd total		16,068	14,509	16,068	14,509	11%

In individual cases, rounding differences may occur in the tables and charts of this investor report for computational reasons.

¹ From the fourth quarter of the 2022 financial year, payments received for interest are not reported under cash inflow/outflow from operating activities, but under cash inflow/outflow from investing activities. The previous year's figures were adjusted accordingly.

² In the first quarter of 2023, changes were made in the calculation of ROIC, the previous year's figures were adjusted accordingly.

³ The comparison of balance sheet figures refers to the reporting date 31 December 2022.

⁴ Including financial assets

This report intends to focus on the presentation of the main financial highlights and calculated USD figures of the reporting period. It makes no claim to completeness and does not deal with all aspects and details regarding Hapag-Lloyd. For the full quarterly financial report, please visit our website: <https://www.hapag-lloyd.com/en/ir/publications/financial-report.html>

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MAIN DEVELOPMENTS IN 9M 2023

- The first nine months of the 2023 financial year were characterised by weak demand and significantly lower freight rates for container transport, with a corresponding negative impact on the Group's revenue and earnings development.
- Group revenue in the first nine months of the 2023 financial year fell by 46% to USD 15.3 billion (9M 2022: USD 28.4 billion).
- At USD 4.5 billion, Group EBITDA was also far below the previous year's figure of USD 16.6 billion. Likewise, Group EBIT decreased significantly to USD 3.0 billion (9M 2022: USD 15.1 billion).
- Following the completed acquisition of the terminal business of Sociedad Matriz SAAM S.A. on 1 August 2023, the business activities have been separated into the Liner Shipping and Terminal & Infrastructure segments.
- In the Liner Shipping segment, a significant decline in the average freight rate in particular caused EBITDA to fall to USD 4.5 billion in the first nine months of 2023 (9M 2022: USD 16.6 billion). Segment EBIT fell accordingly from USD 15.1 billion to USD 3.0 billion.
- The Terminal & Infrastructure segment generated EBITDA of USD 38.4 million and EBIT of USD 29.4 million in the first nine months of 2023.
- Due to the negative operating performance, earnings per share dropped to USD 19.42, from USD 83.36 in the prior year period.
- Free cash flow was again clearly positive at USD 3.4 billion (9M 2022: USD 14.3 billion).
- Net liquidity decreased to USD 3.0 billion as at 30 September 2023 (31 December 2022: USD 13.4 billion) after distribution of a dividend of USD 12.2 billion and the purchase price payment for SAAM.
- With the business development in the first nine months of 2023 being in line with expectations, the Executive Board of Hapag-Lloyd AG substantiates its forecast for the current financial year 2023 published on 2 March 2023. Group EBITDA is now expected to be in the range of EUR 4.1 to 5.0 billion (previously: EUR 4.0 to 6.0 billion) and EBIT in the range of EUR 2.2 to 3.1 billion (previously: EUR 2.0 to 4.0 billion).
- The forecast is subject to uncertainty given numerous geopolitical conflicts as well as the impact of high inflation and high inventory levels of the customers.

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1. MAIN VALUE DRIVERS OF THE CONTAINER SHIPPING SECTOR

1.1. GENERAL ECONOMIC CONDITIONS

The pace at which the global economy grows and, by extension, at which global trade develops is a significant factor that influences demand for container shipping services and terminal services.

The global economy recorded robust development in the first nine months of 2023. Growth was driven by the services sector, which benefited from catch-up effects following the restrictions imposed by the COVID-19 pandemic, while the manufacturing sector developed weakly (IMF World Economic Outlook, October 2023). Supply chain disruptions continued to ease, while war-related dislocations in energy and food markets, triggered by Russia's war of aggression against Ukraine, receded. Nevertheless, inflation remains at a high level in many regions of the world. Most central banks therefore continued to tighten their monetary policy.

The economy of the People's Republic of China recorded growth of 5.2% in the first nine months of 2023 compared to the prior year. The growth driver was the services sector, which recorded an increase of 6.0% compared to the prior year period. Industrial production rose by 4.0%. While exports of goods increased by 0.6%, imports fell by 1.2% compared to 9M 2022 (National Bureau of Statistics of China, October 2023). The main recipients of Chinese goods are the United States and Europe. The US economy grew by 2.9% in the third quarter of 2023 compared to Q3 2022. In the first two quarters of 2023, the US economy had already grown by 1.7% and 2.4% year-on-year. Growth was driven by private consumption, investments and rising government spending. Both exports and imports decreased in the first eight months of 2023. Exports fell by 2.0% year-on-year while imports dropped significantly by 6.0%. The lower commodity prices and decreases in relation to industrial products weakened both exports and imports. In addition, the high inventory levels and changes in consumer behaviour led to lower imports of consumer goods (U.S. Department of Commerce, October 2023). The EU economy grew by 0.1% in the third quarter of 2023 compared to Q3 2022. In the first quarter of 2023, the EU economy grew by 1.1% and in the second quarter by 0.4% compared to the same quarter of the previous year. Exports of goods from the EU increased by 2.0% in the first eight months of 2023 compared to the prior year period. Export growth was driven in particular by higher exports of machinery and automobiles, while energy exports declined sharply due to lower prices. Imports of goods, on the other hand, fell significantly by 13.6%, mainly due to lower prices for energy and commodity imports. While imports from the USA dropped only slightly by 0.7%, imports from China fell significantly by 15.4% (Eurostat, October 2023).

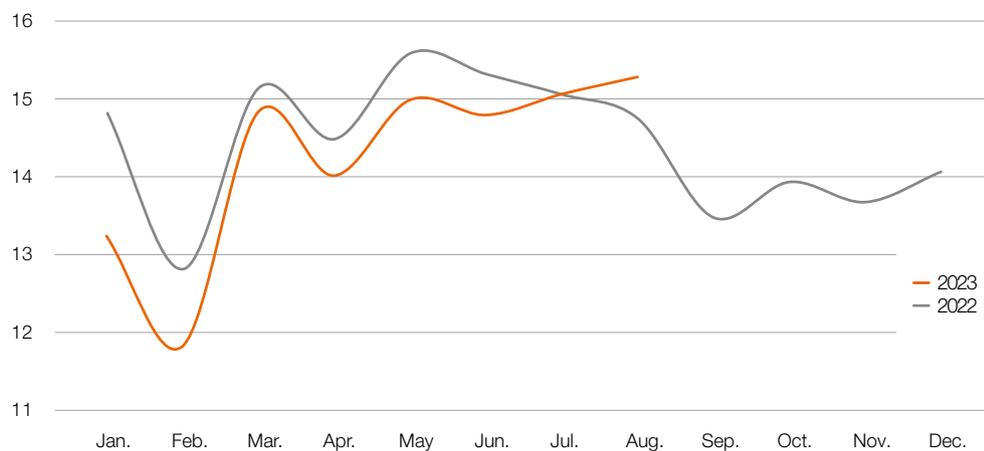
Due to the dampened economic development, the price of Brent crude oil at the end of the first half year 2023 was around 13% lower than at the end of December 2022. During the third quarter 2023, however, the price rose to USD 95.31 per barrel due to a supply tightening by the OPEC, an increase of 10.9% compared to the price of USD 85.91 per barrel as at 31 December 2022 (S&P Global Commodity Insights, Bloomberg).

1.2. SECTOR-SPECIFIC CONDITIONS

The Liner Shipping and Terminal & Infrastructure segments are both fundamentally affected by the same sector-specific developments, in particular the demand for container transport.

After the abrupt decline in transport volumes in the second half of 2022, demand remains down in the current financial year. Global container transport volumes in January–August 2023 were 3.3% lower than in the prior year period (CTS, October 2023). After Intra-Asia traffic, the largest trade in terms of volume from the Far East to North America recorded the sharpest decline with –14.3%. Other major trades, such as from Europe to North America (–13.0%), also showed significantly lower transport volumes compared to the prior year period. The Far East to Europe trade, on the other hand, was just above the previous year’s level at +3.3%. Most of the connections to and from India in particular also recorded growth.

Monthly global container transport volumes (in million TEU)



Source: CTS, October 2023

The Shanghai Containerized Freight Index (SCFI), which tracks spot freight rates on Shanghai’s major trade routes, continued its downward trend in the first nine months of 2023. After trading at USD 1,108/TEU at the end of 2022, the index lost around 20% by the end of September 2023 and stood at USD 887/TEU. On 30 September 2022, the SCFI was still quoted at USD 1,923/TEU.

The proportion of idle vessels as at the end of September 2023 was only slightly higher than a year ago, at 0.32 million TEU or 1.2% of the world fleet, despite weaker demand (30 September 2022: 0.26 million TEU; 1.0%, Alphaliner Weekly, September 2023).

Based on figures from MDS Transmodal, a total of 227 container vessels, with a transport capacity of approximately 1.6 million TEU, were placed into service in the first nine months of 2023 (prior year period: 126 vessels with a transport capacity of approximately 0.7 million TEU). According to Clarksons, only 60 small container vessels with a total of 113 TTEU were scrapped in the same period (prior year period: two vessels, 0.5 TTEU).

In the first nine months of 2023, orders were placed for the construction of 159 container vessels with a transport capacity totalling 1.5 million TEU, somewhat less than the 1.8 million TEU in the prior year period (Clarksons Research, October 2023). According to MDS Transmodal, the tonnage of container vessels on order rose to around 7.1 million TEU at the end of September 2023, compared with around 6.7 million TEU at the end of September 2022. Accordingly, the ratio of order backlog to current world container fleet capacity remained at a high level of 26.4%, but well below the peak of around 61% reached in 2007.

Low-sulphur bunker was quoted at USD 594/t as at 30 September 2023, 15.4% up on the 2022 year-end price of USD 514/t (MFO 0.5%, FOB Rotterdam) and almost unchanged compared with 30 September 2022 (USD 587/t).

2. STRUCTURE OF HAPAG-LLOYD'S VESSEL AND CONTAINER FLEET

As at 30 September 2023, Hapag-Lloyd's fleet comprised a total of 264 container vessels (30 September 2022: 252 vessels). All of the vessels are certified in accordance with the ISM (Inter-national Safety Management) Code and have a valid ISSC (ISPS) certificate. The majority of the vessels are also certified as per ISO 9001 (quality management) and ISO 14001 (environmental management).

The TEU capacity of the entire Hapag-Lloyd fleet as at 30 September 2023 was 1,952 TTEU and is thus 9.5% higher than as at 30 September 2022 (1,783 TTEU). Based on the TEU capacities, 61% of the fleet was owned by the Group as at 30 September 2023 (30 September 2022: 62%). In the first nine months of 2023, seven newbuilds (four owned vessels and three on long-term charters) with a total capacity of 124 TTEU were commissioned, including the Berlin Express, the first 23,664 TEU vessel with a high-pressure dual-fuel engine that can run on both LNG and conventional fuel.

As at 30 September 2023, Hapag-Lloyd's order book comprised nine newbuilds of 23,664 TEU and two newbuilds of 13,000 TEU each. The total capacity of the newbuilds is 239 TTEU. The delivery of the vessels is planned for the years 2023 to 2025.

In addition to the ordered newbuilds, Hapag-Lloyd will add another vessel of a size of 13,250 TEU to its fleet as a long-term chartered vessel in 2024.

As at 30 September 2023, the average age of Hapag-Lloyd's total fleet (capacity-weighted) was 11.1 years (30 September 2022: 11.1 years) and thus slightly above the average age of the world's ten largest container liner shipping companies of 10.9 years (30 September 2022: 10.6 years). The average vessel size within the Hapag-Lloyd Group fleet is 7.4 TTEU (30 September 2022: 7.1 TTEU), which is approximately 12% above the comparable average figure for the ten largest container liner shipping companies worldwide of 6.6 TTEU (30 September 2022: 6.4 TTEU; source: MDS Transmodal) and around 64% above the average vessel size in the global fleet of 4.5 TTEU (30 September 2022: 4.4 TTEU; source: MDS Transmodal).

For the transport of cargo, Hapag-Lloyd had 1.7 million owned or leased containers as at 30 September 2023 (30 September 2022: 1.8 million) with a capacity of 2.9 million TEU (30 September 2022: 3.0 million TEU). The capacity-weighted proportion of owned containers as at 30 September 2023 was approximately 59% (30 September 2022: approximately 57%). In the first nine months of 2023, new container construction orders were placed for 18,200 reefers with a capacity of 36,400 TEU, 6,150 special purpose containers with a capacity of 11,250 TEU and 25,000 general purpose containers with a capacity of 50,000 TEU.

Hapag-Lloyd's service network comprised 113 services as at 30 September 2023 (30 September 2022: 123 services).

Structure of Hapag-Lloyd's container ship fleet

	30.9.2023	31.12.2022	30.9.2022
Number of vessels	264	251	252
thereof			
Own vessels ¹	124	121	120
Chartered vessels	140	130	132
Aggregate capacity of vessels (TTEU)	1,952	1,797	1,783
Aggregate container capacity (TTEU)	2,902	2,972	3,042
Number of services	113	119	123

¹ Including lease agreements with purchase option/obligation at maturity

3. GROUP EARNINGS POSITION

3.1. GROUP EARNINGS

The first nine months of the 2023 financial year were characterised by weak demand and significantly lower freight rates for container transport, resulting in negative effects on the Group's revenue and earnings trend.

In the first nine months of the reporting period Hapag-Lloyd Group's operating earnings before interest, taxes, depreciation and amortisation (EBITDA) came to USD 4,518.8 million and were far below the previous year's figure of USD 16,649.3 million. Likewise, the Group's earnings before interest and taxes (EBIT) decreased significantly to USD 2,989.1 million (prior year period: USD 15,143.2 million). The Group profit came to USD 3,425.3 million (prior year period: USD 14,664.7 million).

Consolidated income statement

million USD	Q3 2023	Q2 2023	Q3 2022	QoQ Change	YoY change	9M 2023	9M 2022	Change
Revenue	4,464.5	4,819.0	9,877.7	-7.4%	-54.8%	15,311.6	28,439.5	-46.2%
Transport and terminal expenses	-3,303.0	-3,070.2	-3,828.3	7.6%	-13.7%	-9,632.7	-10,804.7	-10.8%
Personnel expenses	-292.8	-255.2	-224.5	14.7%	30.5%	-807.0	-691.5	16.7%
Depreciation, amortisation and impairment	-516.2	-508.8	-483.1	1.4%	6.8%	-1,529.7	-1,506.2	1.6%
Other operating result	-123.6	-105.4	-123.9	17.3%	-0.2%	-376.7	-380.3	-1.0%
Operating result	228.9	879.3	5,217.9	-74.0%	-95.6%	2,965.6	15,056.8	-80.3%
Share of profit of equity-accounted investees	-1.3	5.8	10.8	-122.2%	-112.0%	21.2	86.3	-75.4%
Result from investments	-0.1	2.4	-4.1	n.m.	-98.3%	2.4	-	n.m.
Earnings before interest and tax (EBIT)	227.5	887.6	5,224.6	-74.4%	-95.6%	2,989.1	15,143.2	-80.3%
Interest result and other financial result	53.1	110.5	11.4	-52.0%	366.2%	326.3	-81.6	n.m.
Other financial items	2.2	102.1	4.1	-97.8%	-46.3%	166.8	-314.9	n.m.
Income taxes	9.9	1.4	-41.1	n.m.	n.m.	-57.0	-82.0	-30.6%
Group profit/loss	292.7	1,101.6	5,199.0	-73.4%	-94.4%	3,425.3	14,664.7	-76.6%
Basic/diluted earnings per share (in USD)	1.63	6.25	29.56	-73.9%	-94.5%	19.42	83.36	-76.7%
EBITDA	743.7	1,396.5	5,707.7	-46.7%	-87.0%	4,518.8	16,649.3	-72.9%
EBITDA margin (%)	16.7	29.0	57.8	-12.3 ppt	-41.1 ppt	29.5	58.5	-29.0 ppt
EBIT	227.5	887.6	5,224.6	-74.4%	-95.6%	2,989.1	15,143.2	-80.3%
EBIT margin (%)	5.1	18.4	52.9	-13.3 ppt	-47.8 ppt	19.5	53.2	-33.7 ppt

Revenue in the Group

The Hapag-Lloyd Group's revenue fell by USD 13,127.9 million to USD 15,311.6 million in the first nine months of the 2023 financial year (prior year period: USD 28,439.5 million), representing a decrease of 46.2%. This decline was mainly due to the continuing fall in demand for container transport.

Operating expenses in the Group

Transport and terminal expenses fell by USD 1,172.0 million in the first nine months of the 2023 financial year to USD 9,632.7 million (prior year period: USD 10,804.7 million). This corresponds to a decrease of 10.8%. The continuing normalisation of global supply chains and a lower bunker consumption price compared to the same period in the previous year were the main reasons for the decrease.

Personnel expenses rose by USD 115.6 million to USD 807.0 million in the first nine months of the 2023 financial year (prior year period: USD 691.5 million). The increase was mainly attributable to an adjustment in the bonus system and the rise in the number of employees, in particular due to the acquisition of the SAAM companies.

Depreciation and amortisation in the first nine months was roughly unchanged year-on-year and came to USD 1,529.7 million (prior year period: USD 1,506.2 million). The amortisation of right-of-use assets relating to leased assets (essentially vessels and containers) led to amortisation of USD 838.9 million (prior year period: USD 789.6 million).

Other operating result

The other operating result of USD –376.7 million (prior year period: USD –380.3 million) comprised the net balance of other operating income and expenses. Other operating expenses totalled USD 481.3 million for the first nine months of the 2023 financial year (prior year period: expenses of USD 461.5 million). This mainly included IT expenses (USD 218.8 million; prior year period: USD 188.7 million), consultancy fees (USD 80.0 million; prior year period: USD 58.3 million), office and administrative costs (USD 34.6 million; prior year period: USD 29.0 million) and expenses for training and other personnel expenses (USD 34.1 million; prior year period: USD 29.8 million).

Interest result and other financial result

In the first nine months of the 2023 financial year, the interest result and other financial result amounted to USD 326.3 million (prior year period: USD –81.6 million). The increase in interest income and other financial income to USD 518.9 million (prior year period: USD 99.1 million) was mainly due to the significantly higher interest rate level, income from the significantly higher volume of money market transactions of USD 135.4 million (prior year period: USD 17.6 million) and interest income from financial instruments of the special fund “HLAG Performance Express” of USD 26.4 million, which did not exist in the same period of the previous year.

Other financial items

The result for other financial items amounted to USD 166.8 million in the first nine months of the 2023 financial year (prior year period: USD –314.9 million). The main reason for this development was the realised gains (prior year period: losses) from the currency forward contracts in connection with the foreign currency hedging of dividend distributions in euros of USD 130.9 million (prior year period: USD –289.0 million) for the financial years 2021 and 2022.

Group profit

A Group profit of USD 3,425.3 million was achieved in the first nine months of the 2023 financial year (prior year period: USD 14,664.7 million).

Following the acquisition of the terminal and logistics business of SAAM in August 2023, the Hapag-Lloyd Group's business activities were structured into the Liner Shipping and Terminal & Infrastructure segments for the first time as at 30 September 2023.

3.2. LINER SHIPPING EARNINGS

The Liner Shipping segment recorded a significant decline in revenue and earnings in the first nine months of the 2023 financial year due to a sharp drop in the freight rate. Revenue fell by 46.4% to USD 15,229.7 million (prior year period: USD 28,423.8 million). Earnings before interest, taxes, depreciation and amortisation (EBITDA) in the Liner Shipping segment were USD 4,480.7 million, following USD 16,557.4 million in the same period of the previous year, while earnings before interest and taxes (EBIT) were USD 2,960.0 million (prior year period: USD 15,052.1 million).

Income statement for Liner Shipping

million USD	Q3 2023	Q3 2022	YoY change	9M 2023	9M 2022	Change
Revenue	4,392.5	9,872.3	-55.5%	15,229.7	28,423.8	-46.4%
Transport expenses	-3,291.1	-3,829.4	-14.1%	-9,623.0	-10,807.2	-11.0%
thereof						
Transport expenses for completed voyages	-3,271.0	-3,876.6	-15.6%	-9,659.9	-10,857.8	-11.0%
Bunker	-578.4	-923.4	-37.4%	-1,812.6	-2,419.1	-25.1%
Handling and haulage	-1,557.2	-1,808.1	-13.9%	-4,639.5	-5,279.3	-12.1%
Equipment and repositioning ¹	-439.9	-449.7	-2.2%	-1,251.9	-1,235.8	1.3%
Vessels and voyages (excluding bunker) ¹	-695.6	-695.4	0.0%	-1,955.9	-1,923.6	1.7%
Transport expenses for pending voyages ²	-20.1	47.2	-142.5%	37.0	50.6	-26.9%
Amortization and depreciation	-507.8	-482.8	5.2%	-1,520.6	-1,505.2	1.0%
Other income and expenses	-369.9	-348.2	6.3%	-1,126.0	-1,059.2	6.3%
EBITDA	731.4	5,694.8	-87.2%	4,480.7	16,557.4	-72.9%
EBITDA margin (%)	16.7	57.7	-41.0 ppt	29.4	58.3	-28.8 ppt
EBIT	223.7	5,212.0	-95.7%	2,960.0	15,052.1	-80.3%
EBIT margin (%)	5.1	52.8	-47.7 ppt	19.4	53.0	-33.5 ppt

¹ Including lease expenses for short-term leases

² The amounts presented as transport expenses for pending voyages represent the difference between the transport expenses for pending voyages for the current period and the transport expenses for pending voyages for the previous period. The transport expenses for pending voyages recognised in the previous periods are presented in the current period as transport expenses for completed voyages.

Transport volume per trade

The transport volume of 8,916 TTEU in the first nine months of the 2023 financial year was at the previous year's level (prior year period: 8,987 TTEU). The flat development of transport volume is due in particular to weak global demand for container transport. In contrast to the market trend, the transport volume rose on the Intra-Asia and Transpacific trades due to an increase in the available vessel capacity as a result of the normalisation of global supply chains.

Transport volume per trade

TTEU	Q3 2023	Q2 2023	Q3 2022	QoQ change	YoY change	9M 2023	9M 2022	Change
Atlantic	501	511	523	-2.1%	-4.3%	1,538	1,575	-2.3%
Transpacific	513	433	462	18.5%	11.0%	1,366	1,324	3.2%
Far East	592	573	556	3.3%	6.3%	1,647	1,730	-4.8%
Middle East	360	356	370	1.1%	-2.8%	1,085	1,171	-7.4%
Intra-Asia	212	188	157	13.0%	35.1%	562	468	20.2%
Latin America	745	726	714	2.5%	4.4%	2,182	2,199	-0.8%
Africa	188	178	193	5.7%	-2.7%	536	519	3.3%
Total	3,110	2,965	2,975	4.9%	4.5%	8,916	8,987	-0.8%

Freight rate per trade

The average freight rate in the first nine months of the 2023 financial year was USD 1,604/TEU, which was USD 1,334/TEU, or 45.4%, down on the same period in the previous year (USD 2,938/TEU). The lower average freight rate is mainly due to a decline in demand for container transport and a simultaneous normalisation of existing transport capacities due to easing disruptions in global supply chains.

Freight rate per trade

USD/TEU	Q3 2023	Q2 2023	Q3 2022	QoQ change	YoY change	9M 2023	9M 2022	Change
Atlantic	1,547	1,997	3,260	-22.5%	-52.5%	2,074	2,874	-27.8%
Transpacific	1,513	1,714	4,299	-11.7%	-64.8%	1,780	4,036	-55.9%
Far East	1,167	1,321	3,318	-11.7%	-64.8%	1,424	3,275	-56.5%
Middle East	867	1,010	2,184	-14.2%	-60.3%	1,048	2,193	-52.2%
Intra-Asia	656	800	2,020	-18.0%	-67.5%	802	2,005	-60.0%
Latin America	1,476	1,700	2,898	-13.2%	-49.1%	1,764	2,739	-35.6%
Africa	1,545	1,574	2,636	-1.8%	-41.4%	1,685	2,579	-34.7%
Total	1,312	1,533	3,106	-14.4%	-57.8%	1,604	2,938	-45.4%

Revenue per trade

Revenue in the Liner Shipping segment fell by USD 13,194.1 million to USD 15,229.7 million in the first nine months of the 2023 financial year (prior year period: USD 28,423.8 million), representing a decrease of 46.4%. This was mainly due to a decrease in the average freight rate of 45.4% compared to the same period in the previous year.

Revenue per trade

million USD	Q3 2023	Q3 2022	YoY change	9M 2023	9M 2022	Change
Atlantic	774.2	1,704.5	-54.6%	3,190.0	4,526.1	-29.5%
Transpacific	776.2	1,986.7	-60.9%	2,432.7	5,341.2	-54.5%
Far East	690.3	1,846.2	-62.6%	2,344.8	5,665.6	-58.6%
Middle East	311.9	807.9	-61.4%	1,136.6	2,569.2	-55.8%
Intra-Asia	139.0	317.1	-56.2%	451.1	938.2	-51.9%
Latin America	1,099.3	2,067.8	-46.8%	3,847.2	6,025.4	-36.2%
Africa	290.4	509.0	-43.0%	903.4	1,338.8	-32.5%
Revenue not assigned to trades	311.1	633.2	-50.9%	923.9	2,019.3	-54.2%
Total	4,392.5	9,872.3	-55.5%	15,229.7	28,423.8	-46.4%

Transport expenses

Transport expenses fell by USD 1,184.3 million in the first nine months of the 2023 financial year to USD 9,623.0 million (prior year period: USD 10,807.2 million). This corresponds to a decrease of 11.0%. Lower expenses for demurrage and detention for containers and a lower bunker consumption price compared to the same period in the previous year primarily contributed to the decrease in transport expenses. The decrease was counteracted by higher port and canal costs, as well as higher equipment and repositioning expenses compared to the same period in the previous year.

In the first nine months of the 2023 financial year, the average bunker consumption price for Hapag-Lloyd was USD 611/t, which is USD 144/t (19.1%) below the figure of USD 755/t for the same period in the previous year. This led to a decrease in fuel expenses of USD 606.5 million to USD 1,812.6 million (prior year period: USD 2,419.1 million).

Container handling expenses fell in the first nine months of the reporting year by USD 639.8 million to USD 4,639.5 million (prior year period: USD 5,279.3 million). This decline was due in particular to lower demurrage and detention expenses for containers as a result of the steady normalisation of global supply chains.

The decrease in expenses for vessels and voyages (excluding fuel) mainly resulted from lower expenses for vessels on short-term charter and container slot charter costs on third-party vessels. By contrast, port and canal costs in particular were up compared to the same period in the previous year due to higher prices.

Depreciation, amortisation and impairments

In the first nine months of the 2023 financial year, there was a year-on-year rise in depreciation and amortisation of USD 15.4 million to USD 1,520.6 million (prior year period: USD 1,505.2 million). This was largely related to scheduled depreciation and amortisation of vessels and containers in the amount of USD 1,413.4 million (prior year period: USD 1,404.3 million).

Other income and expenses

The increase in other income and expenses resulted primarily from the rise in personnel expenses of USD 85.8 million to USD 771.6 million (prior year period: USD 685.9 million). This was driven by the adjustment in the bonus system and the increase in number of shore-based employees due to the expansion of Service Centers in India.

Operating result

Earnings before interest and taxes (EBIT) of USD 2,960.0 million were achieved in the Liner Shipping segment in the first nine months of the 2023 financial year (prior year period: USD 15,052.1 million).

Unit cost

In total, transport expenses per unit (incl. D&A) in the first nine months of the financial year 2023 decreased by 8.7% to USD 1,250/TEU as compared to the prior year period. "Bunker" expenses decreased by 24.5% or USD 66/TEU because of lower bunker prices. "Handling and Haulage" expenses fell by 11.3% or USD 67/TEU due to lower demurrage and detention expenses for containers as a result of the steady normalisation of global supply chains. "Equipment and Repositioning" expenses increased by 2.4% or USD 3/TEU due to higher expenses for demurrage and detention for empty containers at port terminals. "Vessel and voyage" expenses increased by 2.5% or USD 5/TEU. This mainly results from higher port and canal costs. In contrast, lower expenses for vessels on short-term charter and container slot charter costs on third-party vessels had a relieving effect. "Depreciation and amortisation" unit costs increased by 1.8% (USD 3/TEU).

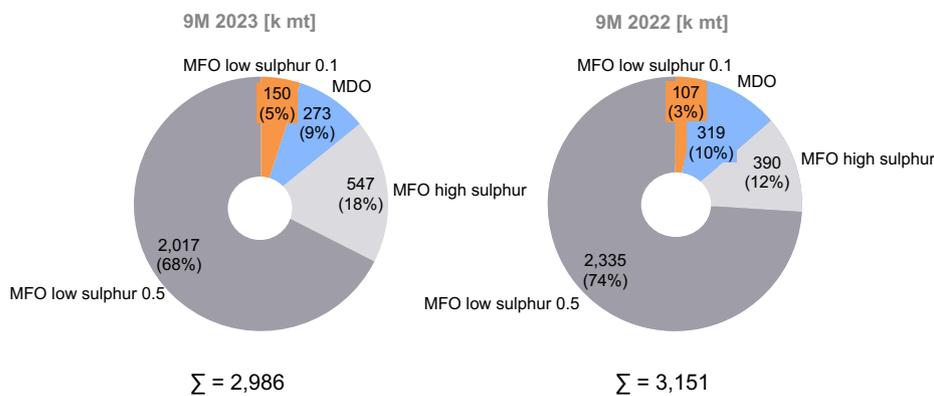
Unit cost

USD/TEU	Q3 2023	Q2 2023	Q3 2022	QoQ Change	YoY change	9M 2023	9M 2022	Change
Transport expenses	-1,058	-1,036	-1,287	2.2%	-17.8%	-1,080	-1,202	-10.2%
thereof								
Bunker	-186	-191	-310	-2.6%	-40.1%	-203	-269	-24.5%
Handling and haulage	-501	-498	-608	0.6%	-17.6%	-521	-587	-11.3%
Equipment and repositioning	-142	-132	-151	7.4%	-6.2%	-140	-137	2.4%
Vessel and voyage (excl. bunker)	-224	-222	-234	1.0%	-4.3%	-219	-214	2.5%
Pending transport expenses	-6	6	16	n.m.	n.m.	4	6	-26.5%
Depreciation, amortisation and impairment (D&A)	-163	-172	-162	-4.9%	0.6%	-171	-168	1.8%
Transport expenses incl. D&A	-1,222	-1,207	-1,449	1.2%	-15.7%	-1,250	-1,370	-8.7%

Bunker consumption development

In the first nine months of 2023, bunker consumption totalled 3.0 million tonnes, down 5.2% year-on-year (prior year period: 3.2 million tonnes). Bunker consumption decreased due to lower transport volumes, the clearing of congestion in front of ports and lower vessel sailing speeds.

The percentage of low-sulphur bunker (MFO low sulphur 0.1% and 0.5%, MDO) and liquefied natural gas (LNG) decreased in the first nine months of 2023 from 88% in 9M 2022 to 82% in 9M 2023 due to the fitting of more vessels with scrubbers. Bunker consumption per slot (measured by average container slot capacity, annualised) in the first nine months of 2023 was down 9.6% year-on-year at 2.16 tonnes (9M 2022: 2.39 tonnes). The improvement was due to efficiency measures and lower bunker consumption. Bunker consumption per TEU transported decreased by 2.9%, from 0.35 tonnes per TEU in 9M 2022 to 0.34 tonnes in 9M 2023.



MFO = Marine Fuel Oil
MDO = Marine Diesel Oil
MFO low sulphur 0.1 including LNG

3.3. TERMINAL & INFRASTRUCTURE EARNINGS

Following the acquisition of SAAM Ports S.A. and SAAM Logistics S.A. as well as an associated real estate portfolio (jointly SAAM) on 1 August 2023, their companies were incorporated into the Hapag-Lloyd Group and consequently into the Terminal & Infrastructure segment.

As such, the earnings position figures of the Terminal & Infrastructure segment for the first nine months can only be compared with those of previous year to a limited extent. As a result, the operating performance of the Terminal & Infrastructure segment has not been presented either.

At USD 38.4 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) in the Terminal & Infrastructure segment were lower than the previous year's figure of USD 92.0 million. Likewise, earnings before interest and taxes (EBIT) decreased to USD 29.4 million (prior year period: USD 91.1 million).

Revenue

In the first nine months of the financial year, revenue of USD 92.1 million (prior year period: USD 18.3 million) was generated in particular from the handling of containers and other cargo and was mainly attributable to the SAAM companies newly included in the group of consolidated companies.

Operating expenses

Operating expenses in the Terminal & Infrastructure segment in the first nine months resulted primarily from expenses for the operation of terminals and handling of containers in the amount of USD 21.0 million (prior year period: USD 3.8 million), as well as from personnel expenses of USD 35.4 million (prior year period: USD 5.6 million).

Share of profit of equity-accounted investees

In the first nine months of the financial year, the share of profit of equity-accounted investees amounted to USD 23.0 million (prior year period: USD 84.4 million). The lower share of profit of equity-accounted investees compared to the same period in the previous year resulted from the difference, recognised as income in the previous year period, between the initially recognised value of the shares of EUROGATE Container Terminal Wilhelmshaven GmbH & Co.KG (CTW) and Rail Terminal Wilhelmshaven GmbH (RTW) and the lower cost of acquisition.

Other income and expenses

Other income and expenses in the first nine months of the financial year mainly related to the other operating result in the amount of USD –22.6 million (prior year period: USD –1.3 million) and mainly refer to administrative and consulting expenses.

Operating result

Earnings before interest and taxes (EBIT) of USD 29.4 million were achieved in the Terminal & Infrastructure segment in the first nine months of the 2023 financial year (prior year period: USD 91.1 million).

4. GROUP NET ASSET POSITION

As at 30 September 2023, the Group's total assets amounted to USD 32,273.5 million and were USD 9,025.0 million lower than at year-end 2022. The change was mainly due to the decrease in cash and cash equivalents and the lower equity as a result of the dividend payment.

Within non-current assets, the carrying amounts of fixed assets increased by a total of USD 2,439.2 million to USD 20,315.7 million (31 December 2022: USD 17,876.5 million), in particular due to the investments in vessels, vessel equipment and containers in the amount of USD 1,343.4 million (prior year period: USD 871.4 million), the addition of non-current assets as a result of the acquisitions of SAAM in the amount of USD 1,064.5 million as well as the investments in interests in Spinelli S.r.l. and J M Baxi Ports & Logistics Limited and other equity-accounted investees in the amount of USD 916.2 million. Newly received and extended rights of use for lease assets of USD 671.8 million (prior year period: USD 1,117.2 million) also contributed to the increase. Scheduled depreciation and amortisation amounting to USD 1,529.7 million (prior year period: USD 1,506.2 million) had an offsetting effect. This includes an amount of USD 838.9 million (prior year period: USD 789.6 million) for the amortisation of capitalised rights of use relating to lease assets.

The increase in deferred tax assets in the current period resulted from the unrealized foreign exchange effects on money market investments as at 30 September 2023 (USD 76.9 million). The corresponding offsetting effects from temporary differences were considered in the current income taxes for the first nine months of 2023. Furthermore, the addition of deferred tax assets from SAAM companies in the amount of USD 20.0 million contributed to the increase.

The decrease in current other financial assets totalling USD 992.9 million resulted mainly from the repayment of time deposits in the amount of USD 2,976.0 million. This was offset by the subscription to the special fund „HLAG Performance Express“ in April 2023. Hapag-Lloyd acquired USD 2,000.0 million of shares in the investment fund, which was concluded for an indefinite period. As at the reporting date, current other financial assets include financial instruments for the special fund (excluding interests) in the amount of USD 2,012.2 million.

Cash and cash equivalents decreased to USD 6,734.0 million compared to year-end 2022 (USD 16,264.5 million) mainly due to the dividend payment for the 2022 financial year on 8 May 2023 in the amount of USD 12,226.1 million. The positive operating cash flow counteracted this decline.

On the liabilities side, equity (including non-controlling interests) declined by USD 8,813.3 million to USD 20,981.8 million. Despite the Group profit of USD 3,425.3 million (prior year period: USD 14,664.7 million) recognised in the retained earnings, the dividend paid from the previous year's retained earnings in the amount of EUR 63.00 (prior year: EUR 35.00) per dividend-eligible individual share, i. e. a total of USD 12,226.1 million, led to a decrease.

The Group's borrowed capital fell slightly by USD 211.7 million in comparison to the 2022 consolidated financial statements. This is mainly due to the significant reduction in contract liabilities by USD 484.3 million (prior year period: USD 170.0 million) to USD 532.9 million, particularly as a result of continued lower freight rates for transport orders on pending voyages as at the reporting date.

The slight decrease in financial liabilities and lease liabilities primarily resulted from redemption payments totalling USD 1,302.6 million (prior year period: USD 1,220.3 million) and was offset by newly acquired or extended charter and leasing contracts of USD 601.8 million (prior year period: USD 1,110.3 million) as well as obtaining new bank loans with the purpose of vessel financing in the amount of USD 416.7 million. Also, the addition of financial debt and lease liabilities resulting from the acquisitions of companies made in the current financial year in the amount of USD 114.4 million (prior-year period: USD 0.0 million) had an offsetting effect.

The increase in deferred tax liabilities is mostly an effect of the purchase price allocation in relation to the acquisition of SAAM group amounting to USD 79.1 million as well as the addition of deferred tax liabilities from the SAAM entities amounting to USD 22.8 million.

As at 30 September 2023, net liquidity, including cash and cash equivalents, money market transactions, money market funds and assets of the special funds included in the items of other financial assets, as well as financial liabilities and lease liabilities, amounted to USD 2,961.8 million (31 December 2022: USD 13,436.7 million).

Group net asset position

million USD	30.9.2023	31.12.2022
Assets		
Non-current assets	20,563.0	18,034.8
of which fixed assets	20,315.7	17,876.5
Current assets	11,710.5	23,263.7
of which cash and cash equivalents	6,734.0	16,264.5
Total assets	32,273.5	41,298.5
Equity and liabilities		
Equity	20,981.8	29,795.1
Borrowed capital	11,291.6	11,503.4
of which non-current liabilities	4,871.2	4,674.6
of which current liabilities	6,420.4	6,828.7
of which financial debt and lease liabilities	5,785.5	5,803.8
of which non-current financial debt and lease liabilities	4,344.2	4,317.9
of which current financial debt and lease liabilities	1,441.4	1,485.9
Total equity and liabilities	32,273.5	41,298.5

5. GROUP FINANCIAL POSITION**5.1. DEVELOPMENTS IN CASH AND CASH EQUIVALENTS****Cash flow from operating activities**

In the first nine month of the 2023 financial year, Hapag-Lloyd generated an operating cash flow of USD 4,987.2 million (prior year period: USD 15,904.0 million). The lower cash flow from operating activities compared to the prior year period is due to the lower result in the current financial year.

Cash flow from investing activities

Cash outflows from investing activities totalled USD 1,554.2 million in the first nine months of the 2023 financial year (prior year period: USD 1,620.7 million). This includes cash outflows for share acquisitions of USD 1,779.8 million (prior year period: USD 124.0 million) and payments for investments, mainly for vessels, vessel equipment and for new containers, of USD 1,408.5 million (prior year period: USD 893.9 million). This was mainly offset by cash inflows from changes in cash and cash equivalents for money market transactions and money market funds, as well as special fund securities of net USD 1,002.4 million (prior year period: cash outflow USD 785.0 million) and interest received of USD 518.6 million (prior year period: USD 75.4 million).

Cash flow from financing activities

Financing activities resulted in a net cash outflow of USD 12,961.3 million in the first nine months of the financial year (prior year period: USD 8,262.3 million). The cash outflow essentially resulted from the dividend payment to the shareholders of Hapag-Lloyd AG of USD 12,217.8 million (prior year period: USD 6,589.9 million). The interest and redemption payments from lease liabilities in accordance with IFRS 16 totalled USD 888.0 million (prior year period: USD 905.0 million). In the first nine month of the financial year, USD 437.9 million was paid for interest and redemption payments for vessel and container financing (prior year period: USD 454.0 million). This was offset by cash inflows from loans taken out to finance vessels amounting to USD 482.3 million (prior year period: USD 16.4 million) and inflows essentially from hedging transactions for dividend payments of USD 172.4 million (prior year period cash outflow: USD 298.3 million).

Development of liquidity reserve

million USD	Q3 2023	Q3 2022	9M 2023	9M 2022
Cash and cash equivalents beginning of the period	7,371.7	10,393.9	16,264.6	8,741.4
EBITDA	743.7	5,707.7	4,518.8	16,649.3
Working capital	152.4	44.4	653.3	-563.2
Others	-52.2	-45.8	-184.8	-182.2
Operating cash flow	843.9	5,706.4	4,987.2	15,904.0
Investments	-672.2	-246.9	-1,408.5	-893.9
thereof vessel	-416.8	-186.4	-897.2	-583.5
thereof container	-214.1	-47.2	-439.5	-261.2
thereof other	-41.2	-13.3	-71.8	-49.2
Net Cash received (+)/made (-) from acquisitions	-846.9	-	-841.2	-177.7
Disinvestments	37.1	29.1	95.4	78.7
Dividends received	0.5	36.9	16.9	36.9
Payments made for Investments in financial assets	-	-	-	-8.7
Payments received (+) for the redemption of issued loans	-	-	0.7	-
Change of financial assets and financial assets held for sale	1.2	-785.0	1,002.4	-785.0
Payments received from the acquisition of shares in joint ventures	-	-	-	53.5
Payments made for the acquisition of shares in joint ventures	-19.9	-	-938.6	-
Payments received for interests	109.3	57.1	518.6	75.4
Investing cash flow	-1,390.8	-908.7	-1,554.2	-1,620.7
Debt intake	334.3	16.6	489.7	16.6
Debt repayment	-94.3	-101.7	-408.0	-381.5
Repayment of Lease liabilities	-268.7	-283.3	-802.2	-838.8
Dividends paid	-1.5	-1.7	-12,230.6	-6,601.1
Interest	-63.2	-54.5	-182.6	-159.3
Payments made from hedges for financial debts	3.0	-4.7	172.4	-298.3
Financing cash flow	-90.3	-429.5	-12,961.3	-8,262.3
Changes due to exchange rate fluctuations and impairments	-0.4	-0.1	-2.3	-0.2
Cash and cash equivalents end of the period	6,734.0	14,762.0	6,734.0	14,762.0

5.2. FINANCIAL SOLIDITY

As at 30 September 2023, the Group's net liquidity amounted to USD 2,961.8 million. This represents a fall of USD 10,474.9 million compared to net liquidity as at 31 December 2022. The decrease was mainly due to the dividend payment and the acquisition of terminal companies and shares. This was offset by a positive operating cash flow.

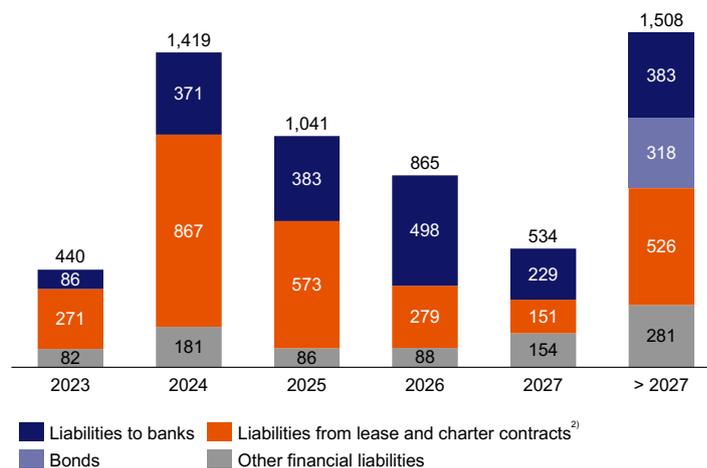
Equity decreased by USD 8,813.3 million compared to 31 December 2022 and amounted to USD 20,981.8 million as at 30 September 2023. The equity ratio was 65.0% (31 December 2022: 72.1%).

Financial solidity

million USD	30.9.2023	31.12.2022	30.9.2022
Financial debt and lease liabilities	5,785.5	5,803.8	6,044.6
Cash and cash equivalents	6,734.0	16,264.5	14,762.0
Money market transactions & funds/fixed income investments (other financial assets)	2,013.3	2,976.0	785.0
Net Liquidity	2,961.8	13,436.7	9,502.4
Unused credit lines	725.0	725.0	725.0
Liquidity reserve ¹	9,472.3	19,965.5	16,272.0
Equity	20,981.8	29,795.1	26,564.3
Assets	32,273.5	41,298.5	38,314.1
Equity ratio (%)	65.0	72.1	69.3

¹ From the first quarter 2023, the liquidity reserve includes fixed income investments which are recognised under other assets. Prior year figures adjusted accordingly.

Contractual maturity profile of financial debt (USD million)¹



¹ Deviation from the total financial debt as shown in the balance sheet as per 30 September 2023 consists of transaction costs and accrued interest.

² Liabilities from lease and charter contracts consist of USD 8 million liabilities from former finance lease contracts and USD 2,659 million from lease contracts presented as on-balance financial liability due to first-time application of IFRS 16.

The total repayment amount of USD 5,807 million is categorized between (1) liabilities to banks, (2) bonds, (3) liabilities from lease and on-balance charter contracts and (4) other financial liabilities.

6. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

No significant transactions took place after the balance sheet date.

7. OUTLOOK

General economic outlook

According to the International Monetary Fund (IMF), the global economy is likely to continue its growth at a slower pace in the current 2023 financial year. According to the IMF's October forecast, a moderate increase of 3.0% is expected in 2023, following 3.5% in the previous year. Economic growth would thus be below the historical average of 3.8% over the period from 2000 to 2019. The increase in key interest rates by many central banks to fight inflation as well as Russia's war in Ukraine are dampening the pace of growth in many economies. While the recovery in the services sector resulting from the lifting of pandemic measures in the previous year is already slowing down, the most recent data indicates far-reaching weakness in the manufacturing industry, with corresponding negative effects on industrial production, investments, and international trade. World trade volume is therefore expected to grow by only 0.9% in 2023, following 5.1% in the prior year period (IMF World Economic Outlook, October 2023).

Developments in global economic growth (GDP) and world trade volume

in %	2024e	2023e	2022	2021	2020
Global economic growth	2.9	3.0	3.5	6.3	-2.8
Industrialised countries	1.4	1.5	2.6	5.6	-4.2
Developing and newly industrialised countries	4.0	4.0	4.1	6.9	-1.8
World trade volume (goods and services)	3.5	0.9	5.1	10.9	-7.8

Source: IMF World Economic Outlook, October 2023

Sector-specific outlook

After global container transport volumes declined by 4.0% in 2022, the consulting firm Accenture Cargo now also expects a decline of 2.9% in transport volumes for 2023. The change in consumer behaviour after the pandemic, with a shift of expenditure back from goods to services, and the weak performance of industrial production are having a negative impact on world trade. The Transpacific trade is likely to record the sharpest drop of -8.0% in 2023, while the transport volumes in the other major trades are likely to decrease slightly. Only Africa is expected to grow slightly by 2.1%.

Development of container transport volume

	2024e	2023e	2022	2021	2020
Growth rate in %	3.7	-2.9	-4.0	6.9	-1.4

Sources: CTS (October 2023: 2020–2022), Accenture Cargo (August 2023: 2023–2024)

According to MDS Transmodal, the tonnage of container vessels on order rose to around 7.1 million TEU at the end of September 2023, compared with around 6.7 million TEU at the end of September 2022. Accordingly, the ratio of order backlog to current world container fleet capacity remained at a high level of 26.4%, but well below the peak of around 61% reached in 2007.

A significant increase in vessel deliveries is planned for 2023. Drewry expects the global available container vessel fleet to grow by 1.9 million TEU, or 7.2%, year-on-year after scrapping and postponement of deliveries.

Expected development of global container fleet capacity

million TEU	2024e	2023e	2022	2021	2020
Existing fleet (beginning of the year)	27.6	25.8	24.7	23.6	23.0
Planned deliveries	3.4	2.5	1.0	1.2	1.1
Expected scrappings	0.6	0.2	0.0	0.0	0.2
Postponed deliveries and other changes	1.0	0.5	-0.1	0.1	0.3
Net capacity growth	1.8	1.9	1.0	1.1	0.7
Net capacity growth (in %)	6.4	7.2	4.2	4.5	3.0

Source: Drewry Container Forecaster Q3 2023. Expected nominal capacity based on planned deliveries. Based on existing orders and current predictions for scrapping and postponed deliveries. Figures rounded.

Expected business development of Hapag-Lloyd

As expected, Hapag-Lloyd saw a gradual normalisation of the earnings trend in the first nine months of 2023, which can be attributed to a significantly changed market environment compared to the previous year. Weaker demand for container transport coupled with a growing supply of capacity have led to a gradual decline in Hapag-Lloyd's average freight rate. At the same time, costs remained on an elevated level, mainly due to inflation.

With the business development in the first nine months of 2023 being in line with expectations, the Executive Board of Hapag-Lloyd AG substantiates its forecast for the current financial year 2023 published on 2 March 2023. Group EBITDA is now expected to be in the range of EUR 4.1 to 5.0 billion (previously: EUR 4.0 to 6.0 billion) and EBIT in the range of EUR 2.2 to 3.1 billion (previously: EUR 2.0 to 4.0 billion). In US dollars, this corresponds to an expected Group EBITDA in the range of USD 4.5 to 5.5 billion (previously: USD 4.3 to 6.5 billion) and EBIT in the range of USD 2.4 to 3.4 billion (previous year: USD 2.1 to 4.3 billion). Given the various geopolitical conflicts as well as the impact of high inflation and high levels of customer inventories, the outlook is subject to uncertainty.

The earnings expectation for the 2023 financial year is based in particular on the assumptions that transport volumes can be increased slightly, while the average freight rate is expected to fall significantly. The recovery of supply chains as well as the implementation of cost reduction measures should simultaneously lead to a decrease in transport expenses. The development in this direction should also be supported by a significantly lower bunker consumption price. However, higher expenses due to inflation are expected to weaken the cost recovery. The earnings forecast is based on the assumption of an average exchange rate of USD 1.09/EUR (2022 financial year: USD 1.05/EUR).

The earnings forecast does not take into account impairments on goodwill, other intangible assets and property, plant and equipment in the course of the 2023 financial year, which are currently not expected but cannot be ruled out.

Key benchmark figures for the 2023 outlook

	Actual 2022	Forecast 2023 (from 2 March 2023)	Updated Forecast 2023
Global economic growth (IMF, Jan./Oct. 2023)	3.5%	2.9%	3.0%
Global trade growth (IMF, Jan./Oct. 2023)	5.1%	2.4%	0.9%
Global container transport volume growth (CTS, Oct. 2023; Accenture Cargo, Dec. 2022/Aug. 2023)	-4.0%	2.2%	-2.9%
Transport volume ¹	11.8 million TEU	Increasing slightly	Increasing slightly
Average freight rate ¹	USD 2,863/TEU	Decreasing clearly	Decreasing clearly
Average bunker consumption price ¹	USD 753/t	Decreasing clearly	Decreasing clearly
Group EBITDA	EUR 19.4 billion	EUR 4.0 – 6.0 billion	EUR 4.1 – 5.0 billion
Group EBIT	EUR 17.5 billion	EUR 2.0 – 4.0 billion	EUR 2.2 – 3.1 billion

¹ Liner shipping segment

In an industry environment dominated by volatile freight rates and stiff competition, business developments at Hapag-Lloyd are subject to risks and opportunities that could cause them to differ from the forecast. These and other risks and opportunities are described in detail in the risk and opportunity report in the combined management report of the 2022 annual report. Significant changes compared to this description are presented below in the risk and opportunity report of this quarterly financial report. The occurrence of one or more of these risks could have a substantial negative impact on the industry and, by extension, on the business development of Hapag-Lloyd, which could also lead to impairments on goodwill, other intangible assets, and property, plant and equipment.

IMPORTANT NOTICE

The information provided in this Investor Report is based on a calculation of US dollar figures, derived from the figures published in EUR within the respective Interim or Annual Report of Hapag-Lloyd AG (available via <https://www.hapag-lloyd.com/en/ir/publications/financial-report.html>).

The US dollar figures presented herein have not been reviewed by auditors and are supplemental information to the respective Interim or Annual Report of Hapag-Lloyd AG for capital market participants. The respective Interim and Annual Reports of Hapag-Lloyd AG remain the prevailing and legally binding documents.

Hapag-Lloyd AG conducts its container shipping business in an international business environment in which transactions are invoiced mainly in US dollars and payment procedures are handled in US dollars. This relates not only to operating business transactions, but also to investment activities, an example being the purchase, chartering and rental of vessels and containers, as well as the corresponding financing of investments. Therefore, the functional currency of Hapag-Lloyd AG is the US dollar. However, the reporting currency of Hapag-Lloyd AG is the euro.

For reconciliation to the Quarterly Financial Report 9M 2023 please find below the respective exchange rates:

Exchange rates

per EUR	Closing Rate			Average rate		
	30.9.2023	30.6.2023	30.9.2022	9M 2023	H1 2023	9M 2022
US dollars	1.0592	1.0854	0.9753	1.0832	1.0808	1.0647

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