

Hamburg, 10 August 2018

## **Hapag-Lloyd half year results: EUR 88.7 million EBIT in a challenging market**

- **EUR 425.2 million EBITDA in the first half year 2018**
- **Slower recovery of freight rates and increasing operational costs**
- **Additional measures implemented for revenue and cost improvements**

Hapag-Lloyd has concluded the first half of the year 2018 with earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 425.2 million. This is EUR 61.4 million higher compared to the EBITDA of the first six months of 2017 (EUR 363.8 million). The earnings before interest and taxes (EBIT) stood at EUR 88.7 million after six months and therefore close to the level of the first half of the year 2017 (EUR 90.7 million). The group net result amounted to EUR -100.9 million, which is EUR 58.2 million below the 2017 half year result (EUR -42.7 million). These developments are mainly driven by the ongoing intense competition as well as higher operational costs, partly compensated by synergies coming from the business combination with United Arab Shipping Company Ltd (UASC).

„The first half of 2018 was shaped by clearly increasing fuel costs, higher charter rates and a slower than expected recovery of freight rates. In response to that, we have implemented additional measures to recover these costs: we are critically reviewing the economic viability of our ship systems and are further optimising our terminal contracts, to gain additional relief on the cost side,“ said Rolf Habben Jansen, Chief Executive Officer of Hapag-Lloyd.

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Revenues climbed up to EUR 5.4 billion in the first six months of this year (H1 2017: EUR 4.5 billion) and the reported transport volume increased by 39 percent to 5,848 TTEU (H1 2017: 4,221 TTEU). The reported average freight rate decreased to 1,020 USD/TEU in the first half of the year 2018 (H1 2017: 1,065 USD/TEU). On a pro forma basis and when compared to the combined business of Hapag-Lloyd and UASC in the first half year of 2017, volumes are up 3.9 percent and rates have increased 3.0 percent. Bunker prices increased significantly to USD 385/tonne in the first six months 2018 (H1 2017: USD 312/tonne) and mainly contributed to higher operational costs.

Rolf Habben Jansen: “For the remainder of the year, we see a slow but steadily improving market environment, but we recognise that there are still significant geopolitical uncertainties that could influence the market. This only reinforces the necessity to be able to react quickly when needed – and we therefore will accelerate some of our digitalisation initiatives and finalise our new strategy until the end of this year.”

The reported figures of the first half year 2018 include United Arab Shipping Company Ltd. (UASC) and can therefore only be compared to a limited extent with the figures of the first half year 2017 (including UASC since 24 May 2017).

The report for the first half year 2018 is available under <https://www.hapag-lloyd.com/en/ir/publications/financial-report.html>

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## KEY FIGURES H1 (EURO)\*

	H1 2018	H1 2017	H1 2018 versus H1 2017
Transport volume (TTEU)	5,848	4,221	1,627
Freight rate (USD/TEU)	1,020	1,065	-45
Revenues (EUR million)	5,424.7	4,518.3	906.4
EBITDA (EUR million)	425.2	363.8	61.4
EBIT (EUR million)	88.7	90.7	-2.0
EBITDA margin	7.8%	8.1%	-0.3Ppt
EBIT margin	1.6%	2.0%	-0.4Ppt
Group net result (EUR million)	-100.9	-42.7	-58.2

## KEY FIGURES H1 (USD)\*

	H1 2018	H1 2017	H1 2018 versus H1 2017
Revenues (USD million)	6,568.7	4,899.7	1,669.0
EBITDA (USD million)	514.9	397.0	117.9
EBIT (USD million)	107.4	100.4	7.0
Group net result (USD million)	-122.3	-44.6	-77.7
Annual average exchange rate USD/EUR	1.21	1.08	0.13
End of period exchange rate USD/EUR	1.16	1.14	0.02

\* UASC Ltd. and its subsidiaries have been incorporated into the consolidated financial statements of Hapag-Lloyd since 24 May 2017, the date of transfer of control. As a result, the presented figures of the first half year 2018 (with UASC) include the effects of the transaction from this time on and can therefore only be compared to a limited extent with the figures of the previous year (mainly without UASC)

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## About Hapag-Lloyd

With a fleet of 226 modern container ships and a total transport capacity of 1.6 million TEU, Hapag-Lloyd is one of the world's leading liner shipping companies. The Company has around 12,000 employees and 389 offices in 127 countries. Hapag-Lloyd has a container capacity of around 2.5 million TEU – including one of the largest and most modern fleets of reefer containers. A total of 120 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.

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