

Announcement: Moody's Ratings says Hapag-Lloyd's acquisition of ZIM combines strategic upside with near-term credit constraints

23 Feb 2026

Stockholm, February 23, 2026 -- Moody's Ratings: On 16 February 2026, Hapag-Lloyd AG (Hapag-Lloyd) (Ba1 stable) announced that it had signed an agreement to acquire 100% of Israeli container shipping company ZIM Integrated Shipping Services Ltd. (ZIM) for USD 35 per share in cash, equivalent to approximately USD 4.2 billion. The transaction remains subject to multiple approvals, including the State of Israel's consent related to its Special State Share, antitrust clearances, and ZIM shareholder approval. While the transaction provides strategic and fleet-related advantages, we assess the overall credit impact on Hapag-Lloyd as negative, reflecting the very long closing timeline and our expectation of a significant weakening of ZIM's liquidity prior to completion amid a very weak market environment over the next 12–18 months. In addition, ZIM's business profile carries very high operational leverage as it leases 87% of its fleet.

Should our expectations of a very weak market in 2026 materialize, we expect the transaction to exert negative pressure on Hapag Lloyd's Ba1 rating at closing. As of 30 September 2025, the Moody's-adjusted debt/EBITDA and net debt/EBITDA stood at 1.7x and 0.2x, respectively. Pro forma for the acquisition, these ratios would have been around 1.8x and 1.0x. In our 2026 base case, which assumes a pro forma negative EBIT margin of 2.1%, amid a soft rate environment, leverage would weaken further to about 3.7x on a gross basis and 2.7x on a net basis.

The main risk of the transaction is the fact that the USD 35 per-share consideration is fixed today, but the earliest anticipated closing is late 2026—or potentially even early 2027—meaning Hapag-Lloyd's effective net purchase price will rise if ZIM's cash position declines. As of September 30, 2025, ZIM held USD 3.0 billion of cash bank deposits and investment instruments, implying that if closing occurred today, Hapag-Lloyd's net cash outflow would be about USD 1.2 billion. However, our expectation that ZIM could burn at least USD 1 billion during 2026 would reduce ZIM's cash to roughly USD 2.0 billion, implying an economic value closer to USD 27 per share one year from now. This potential erosion is credit negative as it creates uncertainty around the liquidity impact of the transaction. Another risk is that Hapag-Lloyd will initially be more operationally leveraged as a result of ZIM's high fixed cost base, with an annual lease cost of \$2.5 billion (FY2024).

At the same time, the transaction includes credit positive strategic elements. ZIM brings a large and modern leased fleet, where our assessment is that for parts of its long-term leasing contracts the company is paying charter rates significantly lower than current market rates. These embedded below-market leases would enhance Hapag-Lloyd's cost competitiveness during a period of persistently elevated charter rates. Moreover, ZIM's substantial orderbook would allow Hapag-Lloyd to avoid placing new orders at today's exceptionally high newbuilding prices and amid multi-year shipyard bottlenecks. An approved transaction would thus reduce capex needs medium-term for Hapag-Lloyd. Together, these factors support Hapag Lloyd's medium term fleet efficiency and capex flexibility by enabling the carrier to let existing high cost leases roll off rather than re chartering vessels at currently elevated rates.

We note positively that Hapag-Lloyd has identified USD 300–500 million in potential synergies, with around 65% expected to be realized in year one. While the realization of synergies is inherently subject to execution risk, this risk is partially mitigated by Hapag-Lloyd's proven track record in integrating similar business combinations, including the mergers with CSAV in 2014 and UASC in 2017.

As we have previously stated, we expect 2026 and possibly also 2027 to see continued pressure on freight rates. The driver of this is the historical as well as expected exceptionally high growth of container ship capacity. The global fleet grew by 8% in 2023, 10% in 2024 and by 7% in 2025. As of year-end 2025, total container

capacity was close to 40% higher than in December 2019, while shipped volumes have increased by only around 13% during the same period. Looking ahead, the fleet is poised to grow by another 35% until year-end 2029, absent scrapping of old vessels.

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