

## PRESS RELEASE

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### **Moody's and Standard & Poor's (S&P) upgrade both Hapag-Lloyd's corporate rating and its senior unsecured bond rating**

- Container shipping has performed strongly despite the pandemic
- Hapag-Lloyd with robust operating performance in the current market environment
- Debt reduction has clearly exceeded expectations

The rating agencies Moody's Investor Service (Moody's) and Standard & Poor's Global Rating (S&P) have today published updated credit ratings for Hapag-Lloyd.

Moody's raised Hapag-Lloyd's credit rating by one notch, from 'Ba3' to 'Ba2'. In addition, the rating for its senior unsecured bonds improved from 'B2' to 'B1'. The ratings have been assigned a 'stable' outlook. Moody's acknowledged that container shipping has performed very strongly despite the pandemic. It positively highlighted Hapag-Lloyd's debt reduction in the second half of the year, which was well above expectations. At the same time, the rating actions also take into account Hapag-Lloyd's prudent financial policy, which is reflected not least in its leverage ratio (net debt to EBITDA), with a basic target of less than 3.0x and significant improvement to 1.8x by year-end 2020.

Furthermore, S&P upgraded Hapag-Lloyd's credit rating from 'BB-' to 'BB' with a 'stable' outlook. At the same time, the rating for its senior unsecured bonds was raised by three notches, from 'B' to 'BB'. S&P reasoned that Hapag-Lloyd's EBITDA performance of EUR 2.7 billion in 2020 was above the original expectations of EUR 2.0 billion. Moreover, the rating agency noted that Hapag-Lloyd's strong operating performance can particularly be attributed to a significant increase in freight rates

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in the fourth quarter and was also assisted by low bunker prices and successful cost-reduction measures. It was also positively mentioned that Hapag-Lloyd has used the strong free operating cash flow of 2020 to further reduce debt.

“We are very pleased that Moody’s and S&P have once again positively recognised our earning power as well as our progress in reducing debt and the improvements in our balance sheet structure. With these rating upgrades, we are also looking at the highest credit ratings that Hapag-Lloyd has received since the research initiation of Moody's and S&P. Looking forward, we will continue pursuing our prudent financial policy while keeping a close eye on our costs. In addition, we will maintain our present course and continue to rigorously implement our Strategy 2023,” said Mark Frese, Chief Financial Officer of Hapag-Lloyd AG.

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### About Hapag-Lloyd

With a fleet of 237 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 13,100 employees and 395 offices in 129 countries. Hapag-Lloyd has a container capacity of approximately 2.7 million TEU – including one of the largest and most modern fleets of reefer containers. A total of 122 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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