

Hamburg, 18 February 2019

Moody's upgrades Hapag-Lloyd credit rating to B1

Rating agency Moody's has upgraded Hapag-Lloyd's corporate family rating (CFR) to B1 from B2 and its senior unsecured bond rating to B3 from Caa1. The outlook remains stable. The improved rating acknowledges Hapag-Lloyd's progress in integrating United Arab Shipping Company Limited (UASC) while reducing leverage and generating positive free cash flow on the back of tight cost management and increased efficiencies, Moody's concluded in its press release published today.

The rating upgrade reflects Hapag-Lloyd's ability to achieve the level of expected synergies resulting from the UASC integration which helped to partially offset cost increases on the back of higher fuel costs. Hapag-Lloyd has substantially reduced leverage since the merger with UASC and is expected to continue its deleveraging path. Moody's also factors in an adequate liquidity as well as a positive free cash flow generation since 2017 and Hapag-Lloyd's capabilities to remain cash generative going forward, which will help to further reduce debt. Furthermore, Hapag-Lloyd's modern and efficient fleet has allowed to reduce operating expenses per TEU despite increasing fuel costs. The stable outlook reflects Moody's expectations of steady performance as a result of Hapag-Lloyd's strong market position despite possible cost increases combined with a volatile freight rate environment.

"We are very pleased that the great dedication and effort of our team implementing our business plan is positively recognized in Moody's upgraded B1 rating and stable outlook for Hapag-Lloyd. Going forward, a consistent cost management and deleveraging effort

Press Release



will remain important goals of our financial agenda as we further progress in the implementation of our Strategy 2023”, said Nicolás Burr, Chief Financial Officer of Hapag-Lloyd.

About Hapag-Lloyd

With a fleet of 222 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 12,500 employees and 394 offices in 127 countries. Hapag-Lloyd has a container capacity of approximately 2.6 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.