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Hapag-Lloyd with EUR 300.8 million EBIT after nine months

- **EUR 212 million EBIT in Q3 – Group net result positive after nine months**
- **Recovery of freight rates in the third quarter**
- **Significant increase in transport volume**

Hapag-Lloyd has concluded the third quarter 2018 with higher earnings before interest and taxes (EBIT) of EUR 212.1 million (Q3 2017: EUR 178.1 million) and a significantly improved group net result of EUR 113.4 million (Q3 2017: EUR 51.8 million). In the first nine months of 2018, earnings before interest, taxes, depreciation and amortisation (EBITDA) rose to EUR 813.7 million (9M 2017: EUR 722.8 million). EBIT amounted to EUR 300.8 million after nine months (9M 2017: EUR 268.8 million) with a positive group net result of EUR 12.5 million, being roughly on a par with the level of the nine-month result of 2017 (EUR 9.1 million).

After the first nine months of the year, revenues stand at EUR 8.4 billion (9M 2017: EUR 7.3 billion). Significantly contributing to this development in revenues was a 27 percent increase in transport volume, which rose to 8,900 TTEU in the nine-month period (9M 2017: 7,029 TTEU). This increase especially resulted from the merger with United Arab Shipping Company Ltd. (UASC). The average freight rate decreased to 1,032 USD/TEU, which is below the prior-year level (9M 2017: 1,068 USD/TEU). On a pro forma basis and when compared to the combined business of Hapag-Lloyd and UASC in the nine-month period,

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the transport volume is up 5.5 percent and the average freight rate is up 1.4 percent. Bunker prices rose by USD 95/tonne in the first nine months 2018 compared to the respective period of the previous year and could not be fully offset by freight-rate increases in the third quarter. A weaker average US dollar exchange rate against the euro and significant upwards pressure on the operational costs were partly offset by synergies coming from the business combination with UASC and other saving measures.

“We have seen a positive development in the third quarter and also ended on a positive group net result after nine months. Higher transport volumes, a better utilisation of our ships and the synergies from the recent merger with UASC have enabled us to partially offset rising operational costs. In addition, the average freight rate improved during the peak season in important trades. Despite the persistent upwards pressure on the operational costs in various parts of our business, we remain cautiously optimistic for the rest of the year,” said Rolf Habben Jansen, CEO of Hapag-Lloyd.

The developments in fuel costs and freight rates are in line with the forecast for 2018 as a whole, which was adjusted on 29 June 2018. This forecast remains unchanged and lies within a range of EUR 200 to 450 million for the EBIT and within a target corridor of EUR 900 to 1,150 million for the EBITDA. Based on the positive development we have seen in the third quarter of 2018, EBIT and EBITDA are expected to be in the upper part of these ranges for the 2018 full financial year.

The current Quarterly Financial Report 9M 2018 is available at: <https://www.hapag-lloyd.com/en/ir/publications/financial-report.html>

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KEY FIGURES 9M (EURO)*

	Q3 2018	Q3 2017	9M 2018	9M 2017	9M 2018 versus 9M 2017
Transport volume (TTEU)	3052	2808	8,900	7,029	1,871
Freight rate (USD/TEU)	1,055	1,073	1,032	1,068	-36
Revenues (EUR million)	3,036	2,796	8,428	7,314	1,114
EBITDA (EUR million)	388.5	359.0	813.7	722.8	90.9
EBIT (EUR million)	212.1	178.1	300.8	268.8	32.0
EBITDA margin	12.8%	12.8%	9.7%	9.9%	-0.2 Ppt
EBIT margin	7.0%	6.4%	3.6%	3.7%	-0.1 Ppt
Group net result (EUR million)	113.4	51.8	12.5	9.1	3.4

KEY FIGURES 9M (USD)*

	Q3 2018	Q3 2017	9M 2018	9M 2017	9M 2018 versus 9M 2017
Revenues (USD million)	3,542	3,268	10,072	8,168	1,904
EBITDA (USD million)	457	412	972.3	809.1	163.2
EBIT (USD million)	252	200	359.4	300.0	59.4
Group net result (USD million)	137	53	14.9	8.8	6.1
Annual average exchange rate USD/EUR	1.16	1.17	1.20	1.11	0.09
End of period exchange rate USD/EUR	1.16	1.18	1.16	1.18	-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 include the effects of the transaction and combined business activities from this time on and the first nine months of 2018 (with UASC) can therefore only be compared to a limited extent with the figures of the previous year's nine months (with UASC since 24 May 2017).

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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 12,000 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.

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