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Hapag-Lloyd delivers 114 million Euro net profit in a challenging market environment

Cost-cutting programme, synergies and a more competitive fleet ensure successful year / Hapag-Lloyd well positioned due to balanced trade portfolio and presence in attractive niche markets / Further earnings-improvement projects in 2016

Hapag-Lloyd achieved a net profit of EUR 114 million (previous year: EUR -604 million) in the financial year 2015. EBITDA amounted to EUR 831 million (previous year: EUR 99 million) and the operating result (EBIT) to EUR 366 million (previous year: EUR -383 million).

“The result for the year is in line with our expectations. Hapag-Lloyd has delivered what we promised. Also in comparison with our main competitors, Hapag-Lloyd has made up tremendous ground and is back among the top performers in the industry,” said Rolf Habben Jansen, CEO of Hapag-Lloyd AG, commenting on the presentation of the final figures for 2015. “We’ve worked hard for this success by quickly integrating CSAV’s container business and by exploiting the synergies, as well as with the OCTAVE cost-cutting and efficiency programme, which will make a total earnings contribution of in total USD 600 million from 2016. More than 70% of the expected result improvements have been realized in 2015 already. On the back of this success, we already launched OCTAVE 2 towards the end of 2015. In this programme we have again identified promising potential that should further improve our efficiency.” In 2016 Hapag-Lloyd has started the roll out of the “Compete to Win” programme, to increase focus on the customer and improve revenue quality.

In 2015, Hapag-Lloyd's transport volume rose by 25.3% year on year to 7.401 million TEU. The average freight rate in the previous financial year was 1,225 USD/TEU, which represents a decline of 202 USD/TEU, or 14.2%, on 2014. Revenue reached EUR 8.842 billion in the past financial year, following EUR 6.808 billion in the previous year. The increases in volume and revenue were primarily attributable to the acquisition of CSAV's container activities.

The transport expenses grew 19.8%, or EUR 1.198 billion, to EUR 7.258 billion. The transport expenses per TEU decreased by 20.1% from 1,363 USD/TEU in 2014 to 1,089 USD/TEU last year. This is caused by a lower bunker consumption price, which, at 312 USD/tonne in 2015, was significantly below the previous year's level of 575 USD/tonne. Also lower consumption (per TEU transported) as well as the synergies and effects of the OCTAVE programme contributed to reducing unit cost.

"In 2016 we will continue to work on our competitiveness, to maintain and further strengthen our performance in the industry," explained Rolf Habben Jansen. "We are well positioned thanks to our balanced portfolio across all trades and our strong presence in attractive niche markets such as reefer, special cargo, dangerous goods or cabotage."

The development of the business so far in 2016 is in line with expectations. "We believe that the ongoing consolidation and the upcoming new alliance set-up should add stability to the market," Habben Jansen said. Thanks to further synergy effects, additional cost reductions and efficiency projects as well as the first effects of the "Compete to Win" project, Hapag-Lloyd plans to achieve a moderate increase in EBITDA in the current financial year when compared to 2015.

The year-on-year improvement in equity to EUR 5.046 billion (equity ratio: 45.5%) and the increased liquidity reserve of EUR 962 million serve as a solid basis for exploiting additional growth opportunities (all figures as at 31. December 2015).

About Hapag-Lloyd

With a fleet of 177 modern container ships, Hapag-Lloyd is one of the world's leading container liner shipping companies. The Company has approx. 9,500 employees at 366 sites in 118 countries. Since the merger with CSAV's container business in December 2014, the Hapag-Lloyd fleet has offered a total transport capacity of almost one million standard containers (TEU) as well as a container fleet of 1.6 million TEU – including one of the world's largest and state-of-the-art reefer fleets. 121 liner services worldwide ensure fast, reliable connections between all the continents. Hapag-Lloyd is a founding member of the G6 Alliance, one of the largest shipping alliances worldwide. Hapag-Lloyd is one of the leading operators in the Atlantic and Latin America trades.