

Analyst's & Investor's Conference Call

9M 2019 Result Presentation

Hamburg, 14 November 2019



Opening Remarks

1 | Highlights

- **Strategy 2023** well on track
- **Freight rate increased by +4.2%** while **transport volume increased by +1.2% YoY** (excl. Intra Asia: +2.7%)
- **Stable unit cost** compared to prior year despite slightly higher bunker prices

2 | Market update

- Despite **weakening GDP expectations**, trend of **container volume growth still intact**
- Orderbook remains on a reasonably low level with only **limited amount of orders placed YTD**
- **Net available capacity reduced** due to scrubber retrofits

3 | Financials

- Strong **EBIT of USD 722 m** in 9M 2019 (USD 357 m in 9M 2018)
- **Substantially improved group profit** of USD 333 m in 9M 2019 (USD 15 m in 9M 2018)
- **Very strong free cash flow** of USD 1.483 m in 9M 2019 (USD 651 m in 9M 2018)

4 | Way forward

- FY 2019 EBITDA and EBIT expected to be **in the upper part of the guided ranges**
- Smooth transition to **IMO 2020**
- Focus on further implementing „**Strategy 2023**“

Financial Highlights 9M 2019

Transport volume

+1.2%

9M 2019: TEU 9.0 m

Transport expenses per TEU¹⁾

+0.2%

9M 2019: 1,017 USD/TEU

Freight rate

+4.2%

9M 2019: 1,075 USD/TEU

EBIT

USD 722 m

6.8% EBIT margin

Group profit

USD 333 m

6.5% ROIC annualized

EBITDA

USD 1,697 m

15.9% EBITDA margin

Equity

USD 7.3 bn

Equity ratio: 40.2%

Liquidity reserve

USD 1.2 bn

Net debt

USD 6.7 bn

Gearing: 92.0%

Tangible steps made on Strategy 2023



GLOBAL PLAYER

We have reinforced our market share and expanded in niche markets

- Global **market share stable** around 10% (excl. IRT Asia)
- **Continued growth in reefer and special equipment** towards 10% market share target
- **Strengthened position in attractive markets** by launching new services e.g. from Turkey to North America East Coast (Apr 2019), from South East India to Europe (Oct 2019) and from Middle East / India to Africa (Oct 2019)



BE PROFITABLE

We are on-track to deliver on profitability and deleveraging targets

- Financial **result significantly up**, EBIT +102% vs. 9M 2018
- **Financial debt reduced** by USD ~800m (excl. IFRS 16), e.g. due to early Bond repayments
- Net **leverage improved** to 3.2x (excl. IFRS 16), earlier than expected
- Strong cash conversion (>90%) and **adequate liquidity reserve** of USD >1.1 bn available
- **Cost Management Program** (incl. restructuring of unprofitable services) **on track** with positive effect on unit cost
- Overall **good results achieved with Revenue Management**



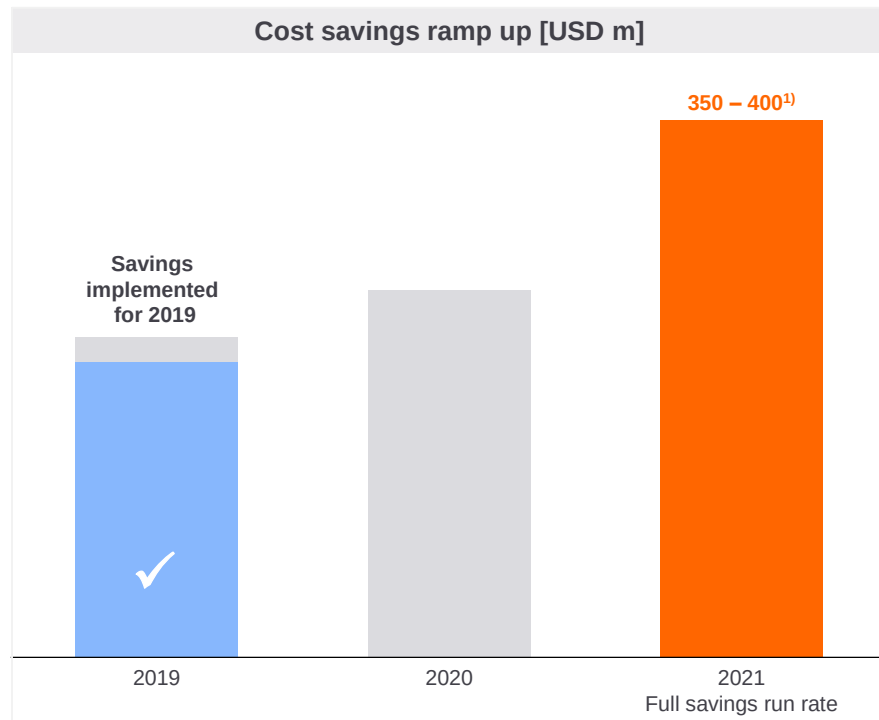
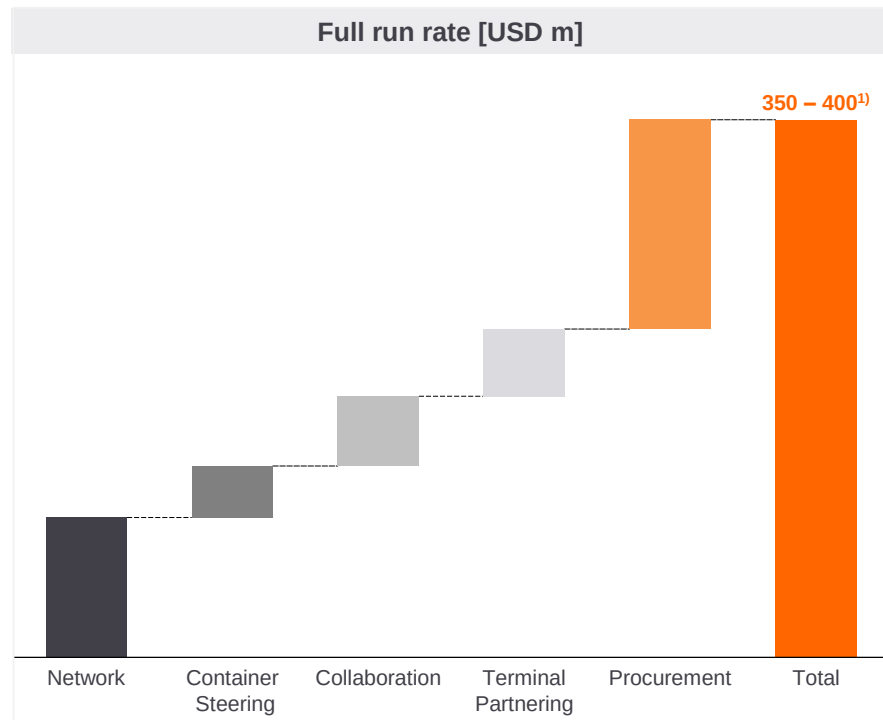
1 FOR QUALITY

We have made further progress in achieving our quality targets

- **Quick Quotes** (Web Channel) with **ongoing strong growth rates** in 2019
- A new **CRM** tool for our sales force launched in summer 2019
- **Further Quality Service Centers** (QSCs) to strengthen our delivery consistency and organizational efficiency
- Substantial improvement in **Net Promoter Score (NPS)**

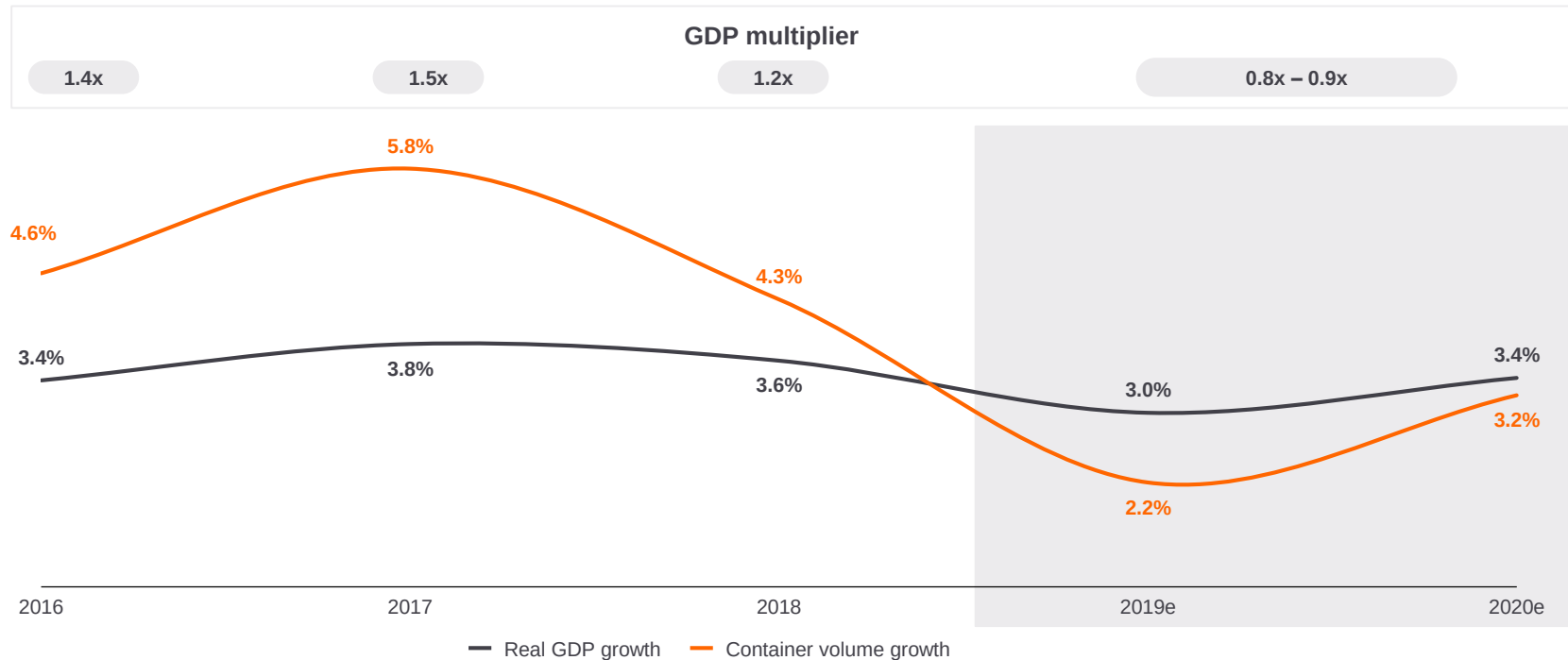
Cost management program continues to be well on track

Cost savings potential



Despite slowing market growth...

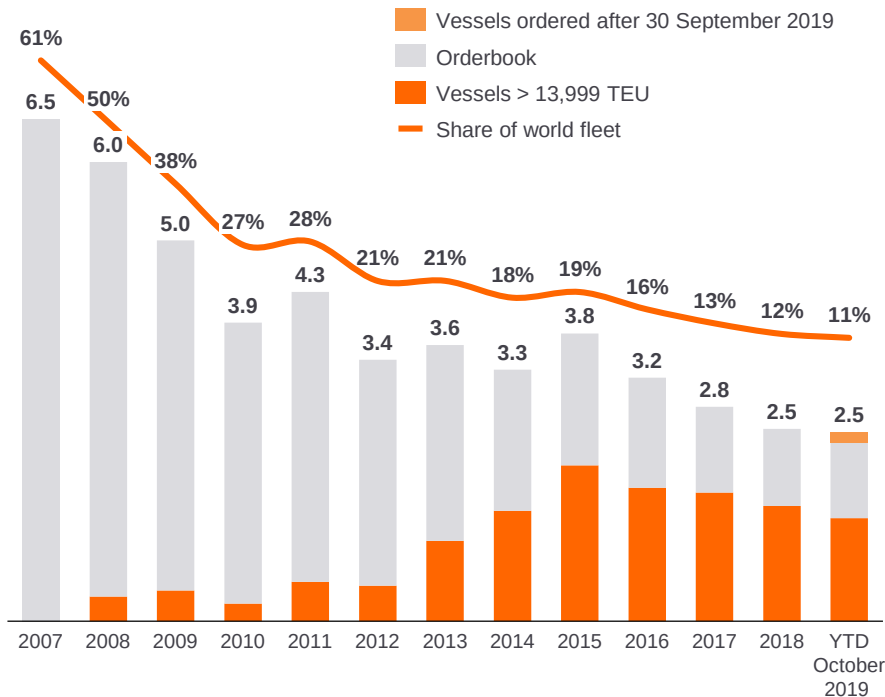
Real GDP Growth vs. Global Container Volume Growth [%]



...the historically low orderbook of only 11%...

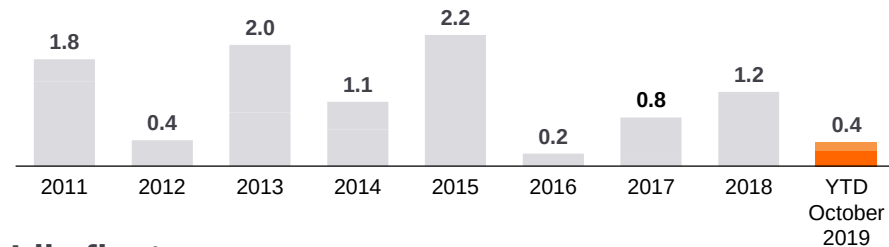
Orderbook-to-fleet

[TEU m, %]



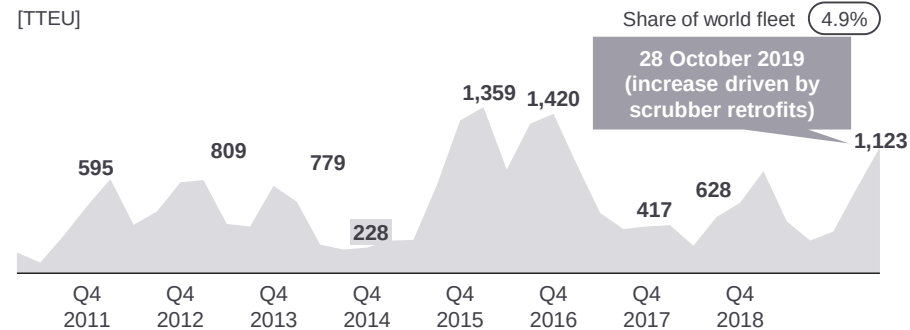
Newly placed orders

[TEU m, %]



Idle fleet

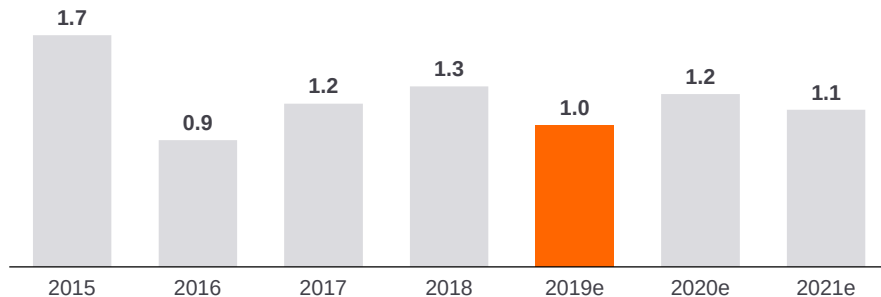
[TTEU]



...combined with an expected increase in scrapping, further indicates a healthier outlook for the industry

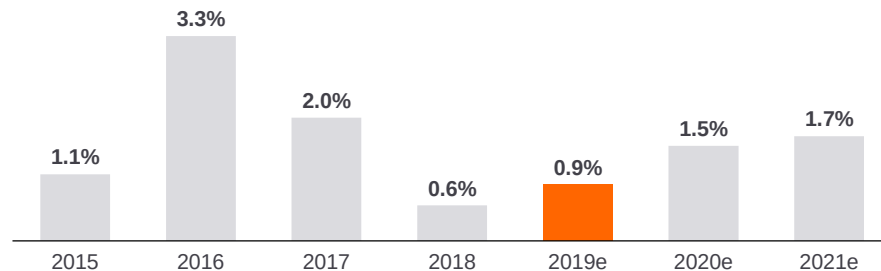
Scheduled vessel deliveries

[TEUm]

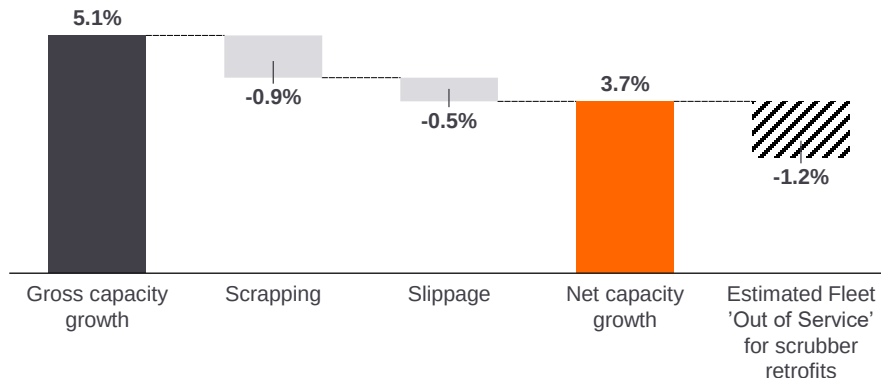


Scrapping

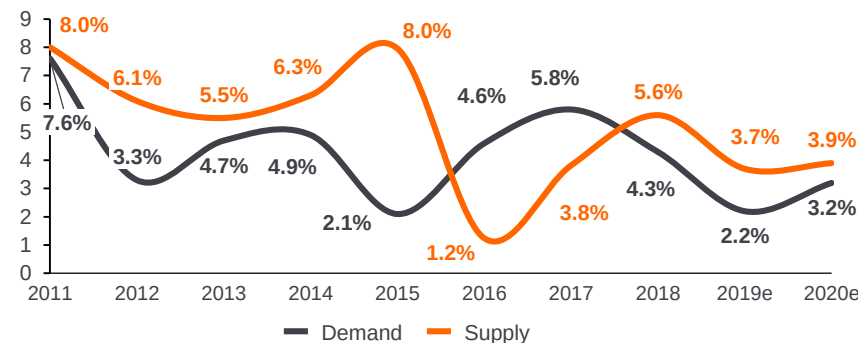
[% of world fleet]



Net capacity growth in 2019e



Supply / demand balance



Results are substantially higher YoY...

Operational KPIs	Q3 2019	Q3 2018	YoY	9M 2019	9M 2018	YoY
Transport volume [TTEU]	3,045	3,052	0%	9,011	8,900	+1%
Freight rate [USD/TEU]	1,084	1,055	+3%	1,075	1,032	+4%
Bunker [USD/mt]	416	446	-7%	425	406	+5%
Exchange rate ¹⁾ [USD/EUR]	n/a	n/a	n/a	1.12	1.20	n.m.
Revenue [USD m]	3,608	3,565	+1%	10,654	10,141	+5%
EBITDA [USD m]	617	453	+36%	1,697	970	+75%
EBITDA margin	17.1%	12.7%	+4.4ppt	15.9%	9.6%	+6.4ppt
EBIT [USD m]	282	248	+14%	722	357	+102%
EBIT margin	7.8%	6.9%	+0.9ppt	6.8%	3.5%	+3.3ppt
Group profit [USD m]	168	137	+23%	333	15	n.m.
ROIC [annualized]	7.6%	6.8%	+0.8ppt	6.5%	3.1%	+3.4ppt

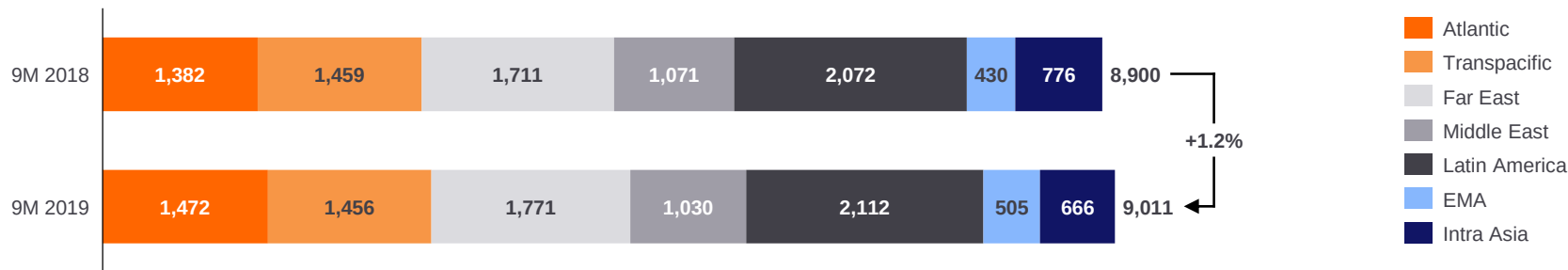
1) Average rate for the period. Note: Figures as stated in the Investor Report Q3/9M 2019. Rounding differences may occur. Due to the first-time application of IFRS 16 "Leases" as at 1 January 2019, the presentation of the group earnings, financial and net asset positions is only comparable with that of the corresponding prior year period to a limited degree. Unless stated otherwise, the figures for Q3/9M 2018 refer to the provisions for leases pursuant to IAS 17.1

...also when correcting for IFRS 16 effects

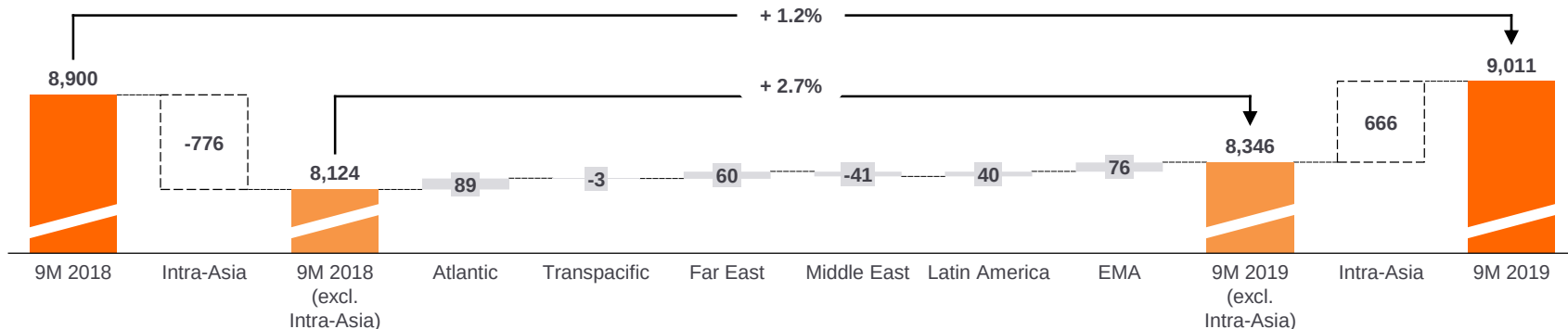
[USD m]	9M 2019	9M 2018	Δ	Thereof IFRS 16	Δ ex. IFRS 16
Revenue	10,654	10,141	+513	0	+513
Operating expenses (before D&A)	-8,957	-9,171	+214	+383	-169
EBITDA	1,697	970	+727	+383	+344
Depreciation & Amortization	-975	-613	-362	-358	-4
EBIT	722	357	+365	+26	+339
Interest result	-357	-311	-46	-56	+10
Income tax / other financial items	-32	-31	-1	0	-1
EAT	333	15	+318	-30	+348

Transport volume increased by 1.2% YoY to 9,011 TTEU in 9M 2019, excluding Intra-Asia transport volume grew by 2.7% YoY

Transport volume by trade [TTEU]

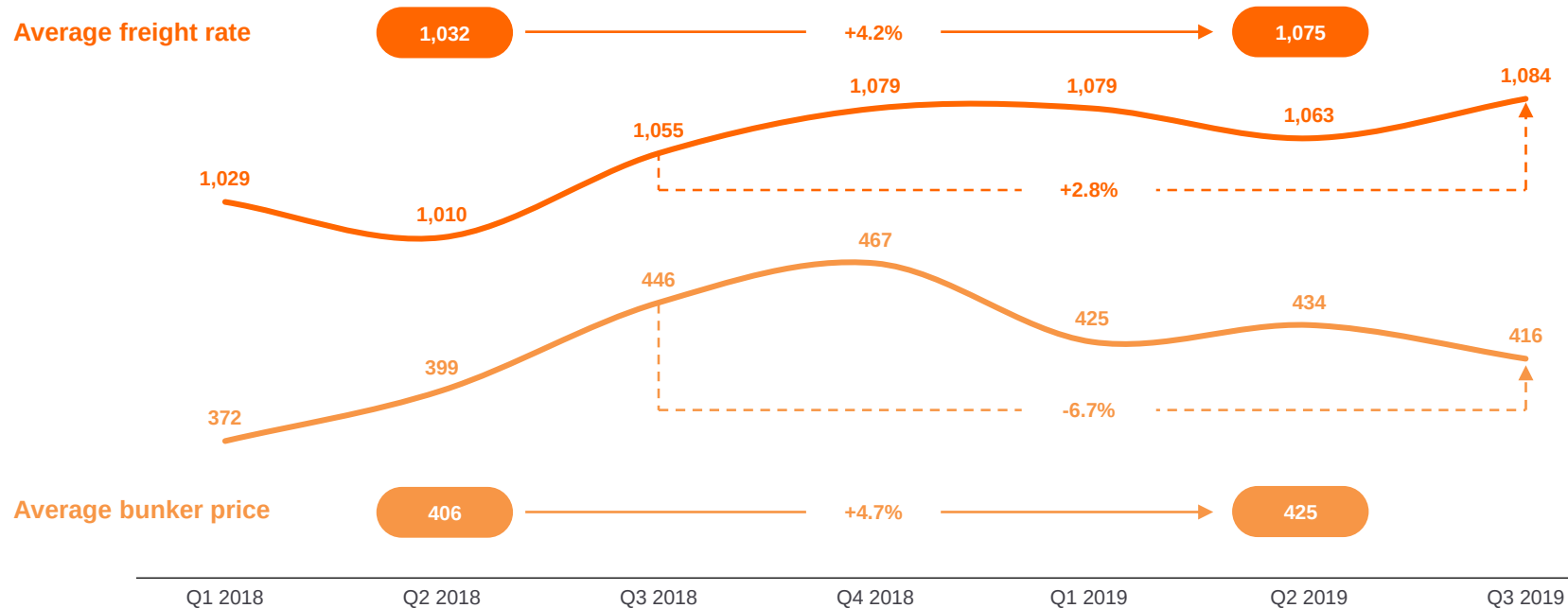


Transport volume development by trade (excl. Intra-Asia) [TTEU]



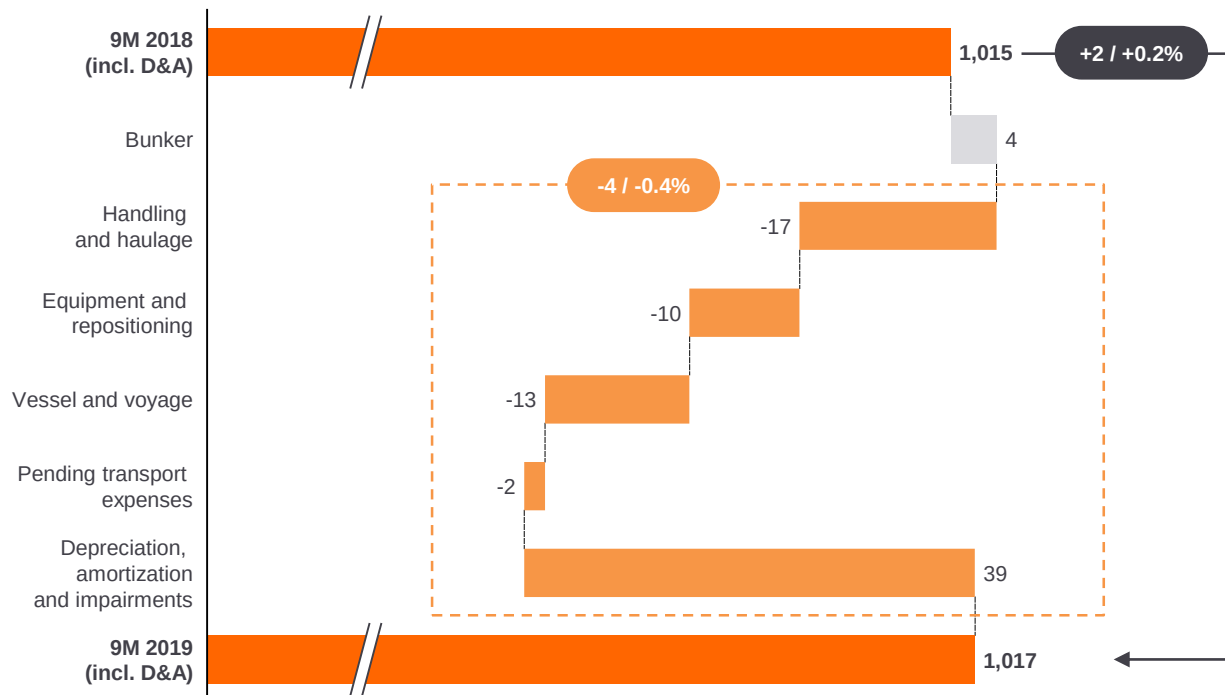
Average freight rate has increased by 4.2% YoY in 9M 2019, while average bunker prices have increased by 4.7% YoY

Freight rate [USD/TEU] vs. Bunker price development [USD/mt]



Transport expenses per unit remained almost flat YoY despite slightly higher bunker costs

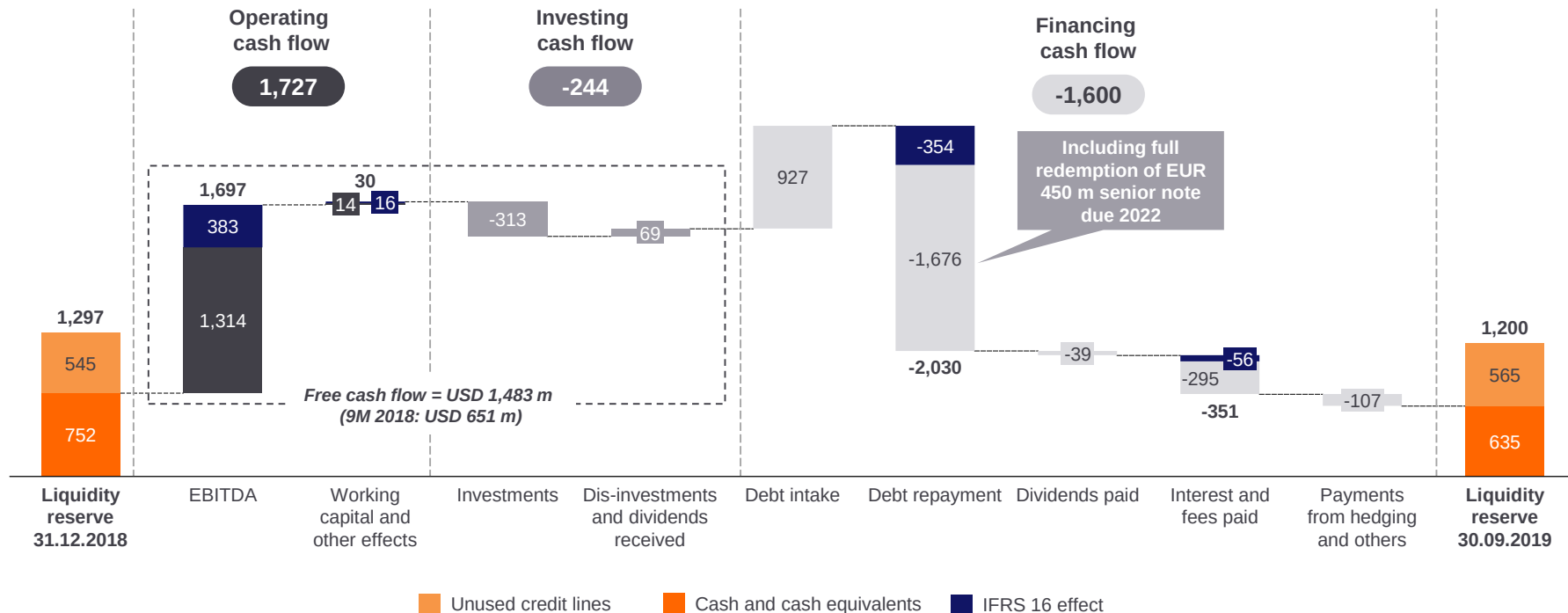
Transport expenses per unit [USD/TEU]



- Slight YoY increase driven by higher **“Bunker”** costs.
- Decrease in **“Handling and haulage”** as less profitable inland business was actively reduced in light of Strategy 2023.
- Decrease in **“Equipment and repositioning”** due to IFRS 16. However, depreciation for rented container more than offset this decrease. Higher empty container repositioning cost drove the net increase.
- Decrease in **“Vessel and voyage”** due to IFRS 16 – increase in depreciation more than offset this decrease. Net increase driven by a capacity expansion and an increase in charter prices has been partly offset by higher slotcharter revenues.

Free cash flow generation of USD 1,483 m significantly stronger than last year, notwithstanding IFRS 16 effects of USD 399 m

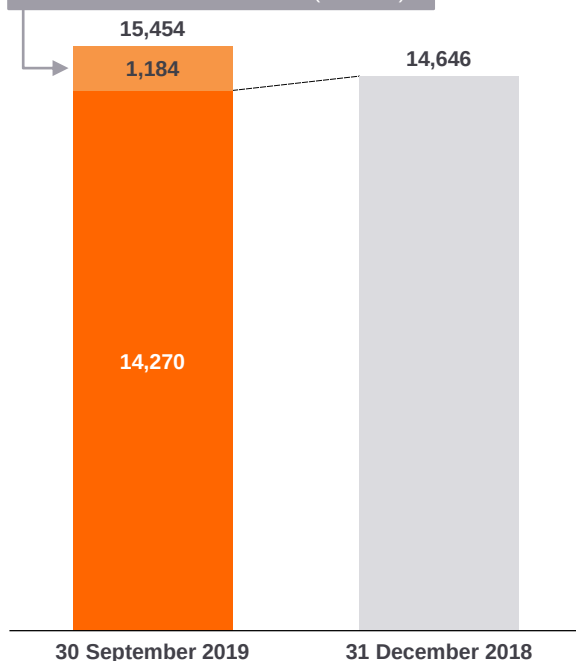
Cash flow 9M 2019 [USD m]



We have continued deleveraging the company...

Fixed assets [USD m]

Right of Use relating to newly recognized lease contracts / leased assets (IFRS 16)

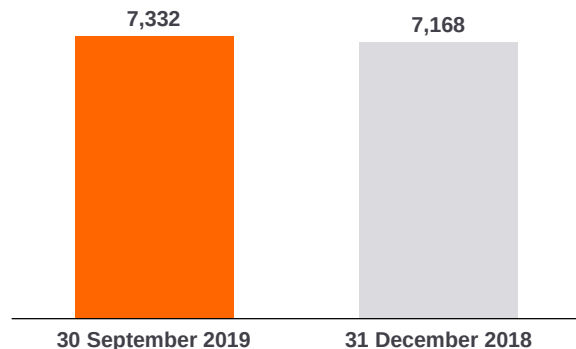


Equity base [USD m]

40.2%

Equity ratio

40.9%



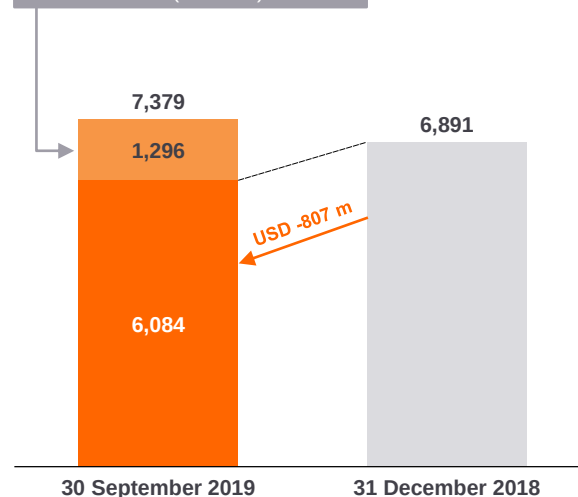
Financial debt [USD m]

6,744

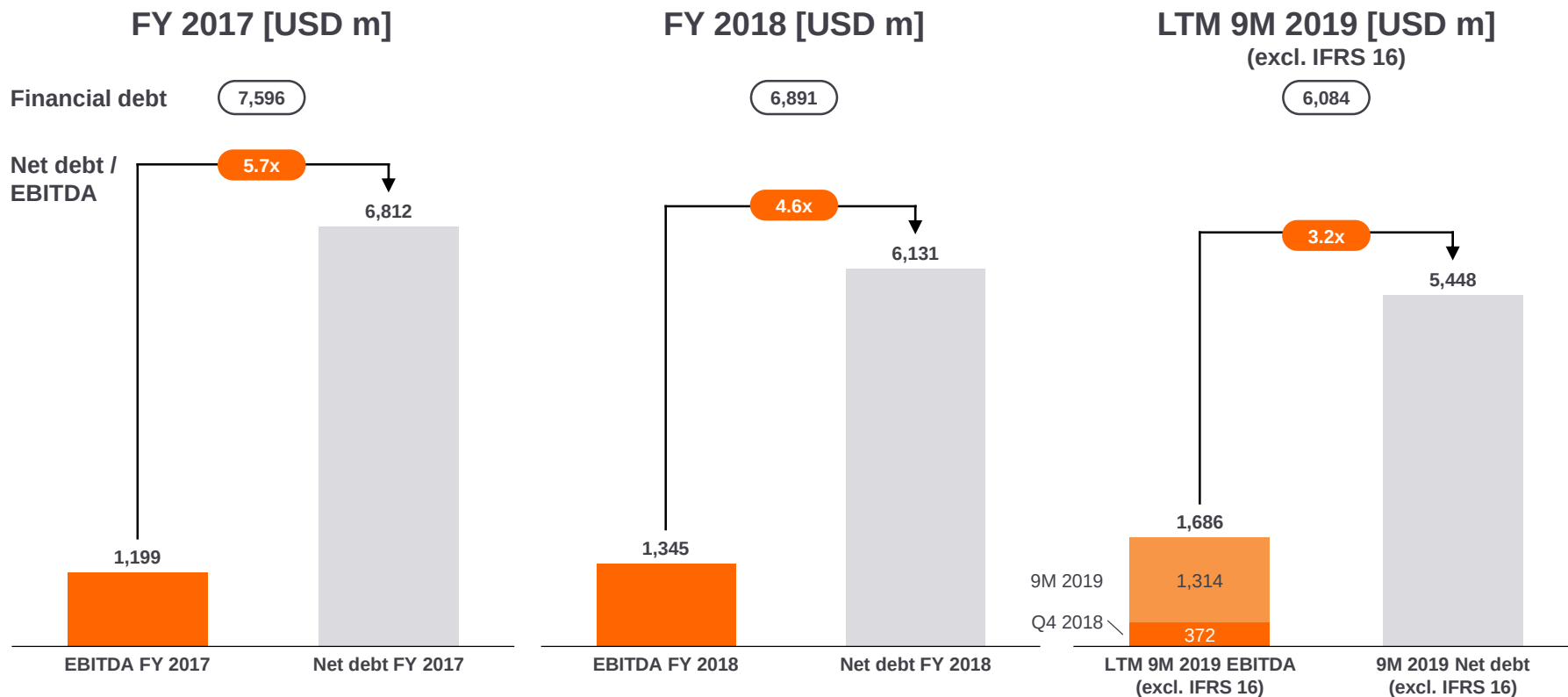
Net debt

6,131¹⁾

Liabilities from newly recognized lease contracts (IFRS 16)



...and have already surpassed our 2019 Net Debt / EBITDA target (excl. IFRS 16) of 3.5x

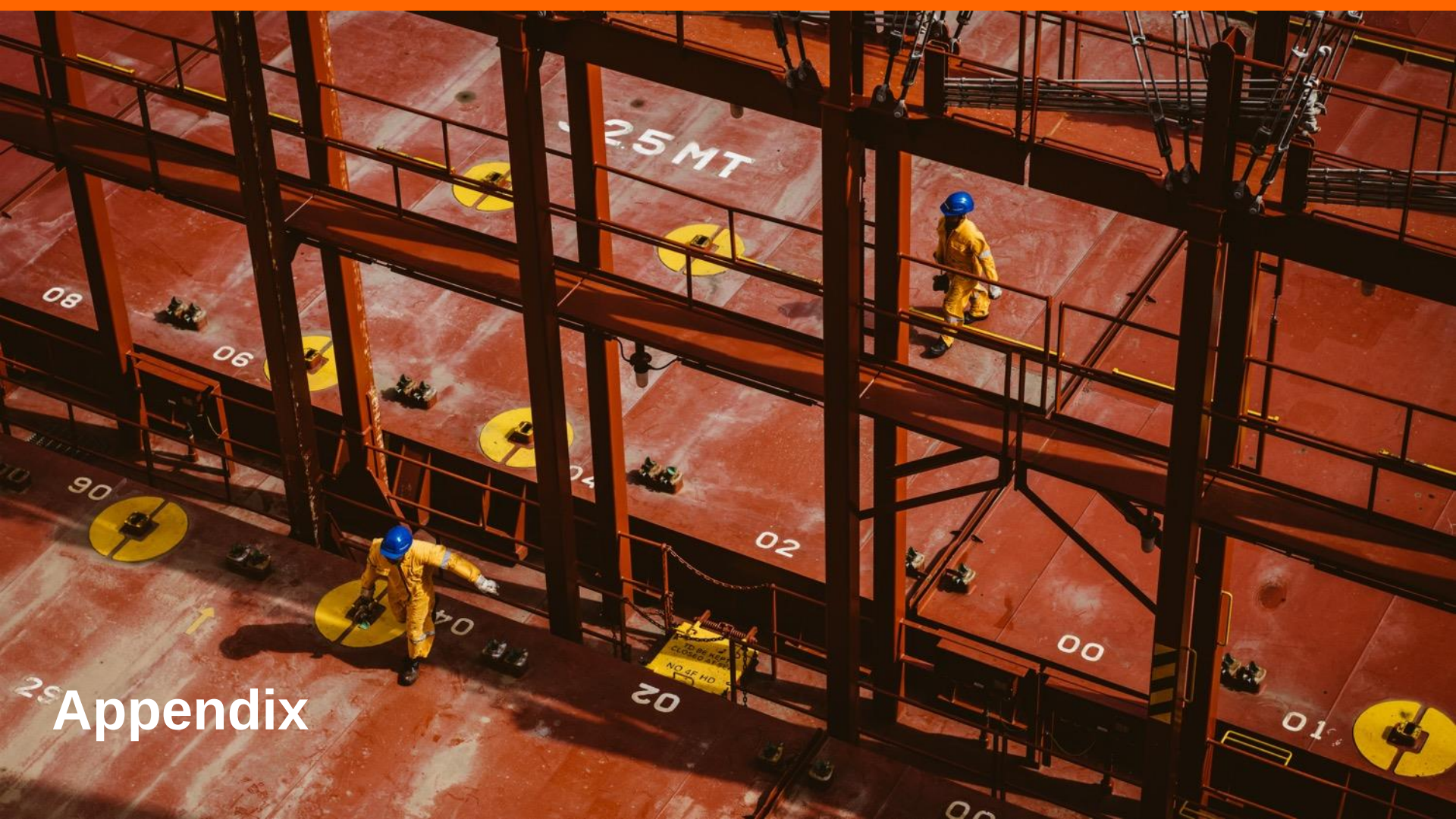


Earnings outlook for 2019 substantiated: EBITDA and EBIT now expected to be in the upper part of the guided ranges

	FY 2018	Outlook 2019 (incl. IFRS 16)	Sensitivities for 2019 ¹⁾	
 Transport volume	11,874 TTEU	On previous years level	+/- 300 TTEU	+/- USD ~0.2 bn
 Average freight rate	1,044 USD/TEU	Slightly increasing	+/- 50 USD/TEU	+/- USD ~0.6 bn
 Average bunker price	421 USD/mt	On previous years level	+/- 50 USD/mt	+/- USD ~0.2 bn
 EBITDA	EUR 1,138 m	EUR 1.6 – 2.0 bn (upper part)	Thereof IFRS 16 Impact	EUR 370 – 470 m (upper part)
 EBIT	EUR 443 m	EUR 0.5 – 0.9 bn (upper part)		EUR 10 – 50 m (upper part)

Major targets for 2019 and beyond continue to remain unchanged

-  Continue to **increase profitability** and further **deleverage our company**
-  Continuously proactively adjust to **changing market conditions**
-  Prepare for **IMO 2020**
-  Continue to implement our “**Strategy 2023**” and create more value for our customers and shareholders as we strive to become number one for quality
-  Further develop and offer more **digitalized solutions** to our customers



Appendix

Hapag-Lloyd with an equity ratio of 40.2% and a gearing of 92.0%

Balance sheet [USD m]

million USD	30.9.2019	31.12.2018
Assets		
Non-current assets	15,524.2	14,709.1
of which fixed assets	15,453.7	14,645.7
Current assets	2,710.0	2,812.6
of which cash and cash equivalents	635.0	752.4
Total assets	18,234.1	17,521.7
Equity and liabilities		
Equity	7,332.2	7,167.5
Borrowed capital	10,902.0	10,354.2
of which non-current liabilities	6,471.8	6,487.4
of which current liabilities	4,430.2	3,866.8
of which financial debt and lease liabilities	7,379.2	6,891.1
of which non-current financial debt and lease liabilities	5,998.8	6,070.8
of which current financial debt and lease liabilities	1,380.4	820.3
Total equity and liabilities	18,234.1	17,521.7

Financial position [USD m]

million USD	30.9.2019	31.12.2018	30.9.2018
Financial debt	7,379.2	6,891.0	7,272.1
Cash and cash equivalents	635.0	752.4	694.4
Restricted Cash	–	7.4	42.6
Net debt	6,744.2	6,131.2	6,535.1
Unused credit lines	565.0	545.0	470.0
Liquidity reserve	1,200.0	1,297.4	1,164.4
Equity	7,332.2	7,167.5	7,171.3
Gearing (net debt / equity) (%)	92.0	85.5	91.1
Equity ratio (%)	40.2	40.9	40.9

Hapag-Lloyd with positive EBIT of USD 722.2 m in 9M 2019

Income statement [USD m]

million USD ¹	Q3 2019	Q2 2019	Q3 2018	QoQ Change	YoY change	9M 2019	9M 2018	Change
Revenue	3,607.5	3,569.0	3,564.6	1%	1%	10,654.1	10,141.3	5%
Transport expenses	-2,736.7	-2,790.5	-2,899.6	-2%	-6%	-8,187.4	-8,416.9	-3%
Personnel expenses	-191.8	-185.5	-175.8	3%	9%	-566.6	-559.5	1%
Depreciation, amortisation and impairment	-334.7	-327.3	-205.4	2%	63%	-975.0	-612.9	59%
Other operating result	-74.4	-78.7	-56.7	5%	-31%	-235.5	-233.8	-1%
Operating result¹	269.9	187.0	227.2	44%	19%	689.7	318.2	117%
Share of profit of equity-accounted investees	11.3	10.1	8.0	12%	42%	31.1	26.7	17%
Result from investments	1.2	0.0	12.5	n.m.	-90%	1.4	12.5	-89%
Earnings before interest and tax (EBIT)¹	282.4	197.1	247.7	43%	14%	722.2	357.4	102%
Interest result	-103.1	-133.5	-101.7	-23%	1%	-357.2	-310.8	15%
Other financial items	3.3	-1.2	4.4	n.m.	-25%	2.3	2.1	12%
Income taxes	-14.5	-6.6	-13.2	121%	10%	-34.0	-33.8	1%
Group profit / loss¹	168.1	55.9	137.2	n.m.	23%	333.3	14.9	n.m.

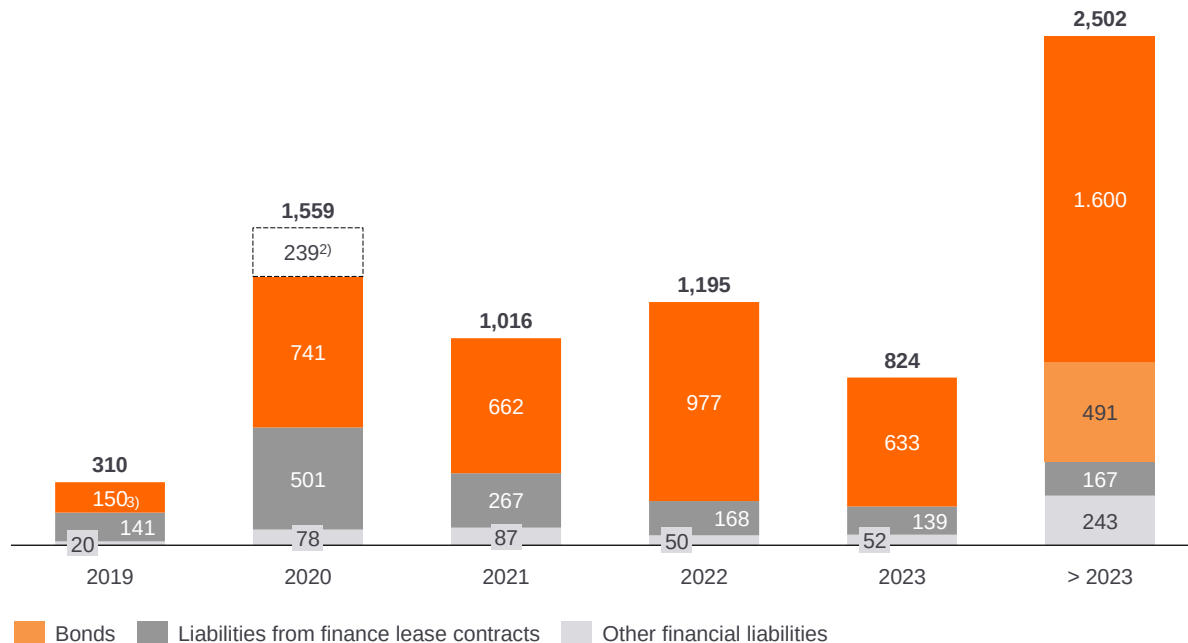
Overview of IFRS 16 effects on cash flow statement

[USD m]	9M 2019	9M 2018	Δ	Thereof IFRS 16	Δ ex. IFRS 16
EBIT	722	357	+365	+26	+339
Depreciation / Amortization	975	613	+362	+359	+3
EBITDA	1,697	970	+727	+383	+344
Working Capital and other effects	30	-98	+128	+16	+112
Cash flow from operating activities	1,727	872	+855	+399	+456
Investing cash flow	-244	-221	-23	0	-23
Free cash flow	1,483	651	832	+399	+433

Reduced financing costs as well as improved maturity structure of financial liabilities

Financial Debt Profile as per 30 September 2019¹⁾, [USD m]

Facility	30 September 2019 [USD m]
Vessel Financings	3,460
Container Financings	1,202
Total Vessel & Container	4,663
EUR Bond 2024	491
Total Bonds	491
Corporate secured	323
Corporate unsecured	634
Total corporate	957
New IFRS 16 debt	1,295
Total financial liabilities	7,407³⁾⁴⁾

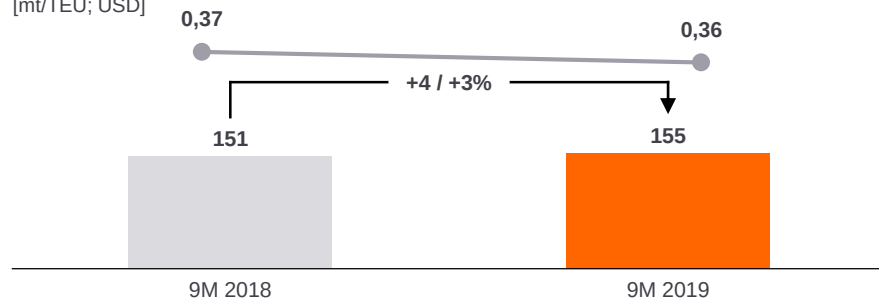


1) As of January 2018 financial debt profile has been changed to the statement of repayment amounts. Deviation from the total financial debt as shown in the balance sheet as per 30.09.2019 consists of transaction costs and accrued interest 2) ABS program maturity in 2020, assumed to be prolonged 3) Total financial liabilities without IFRS 16 at USD 6,111 m 4) Repayment amounts based on contractual debt as per 30.09.2019 Note: Rounding differences may occur.

Bunker price increased by 4.7% YoY to 425 USD/mt in 9M 2019, which drove up bunker expenses per unit to 155 USD/TEU

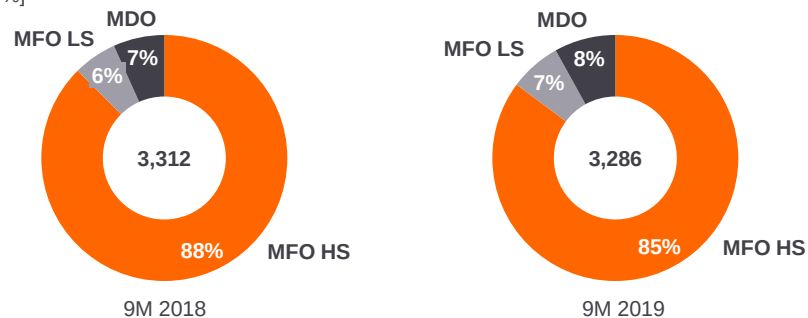
Bunker consumption & expenses per TEU

[mt/TEU; USD]



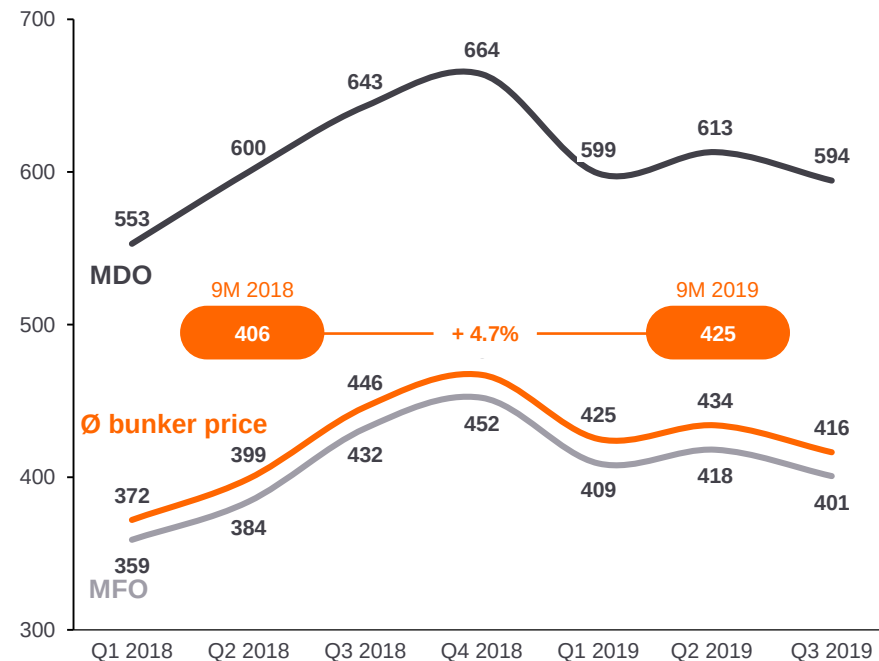
Total bunker consumption

[k mt; %]

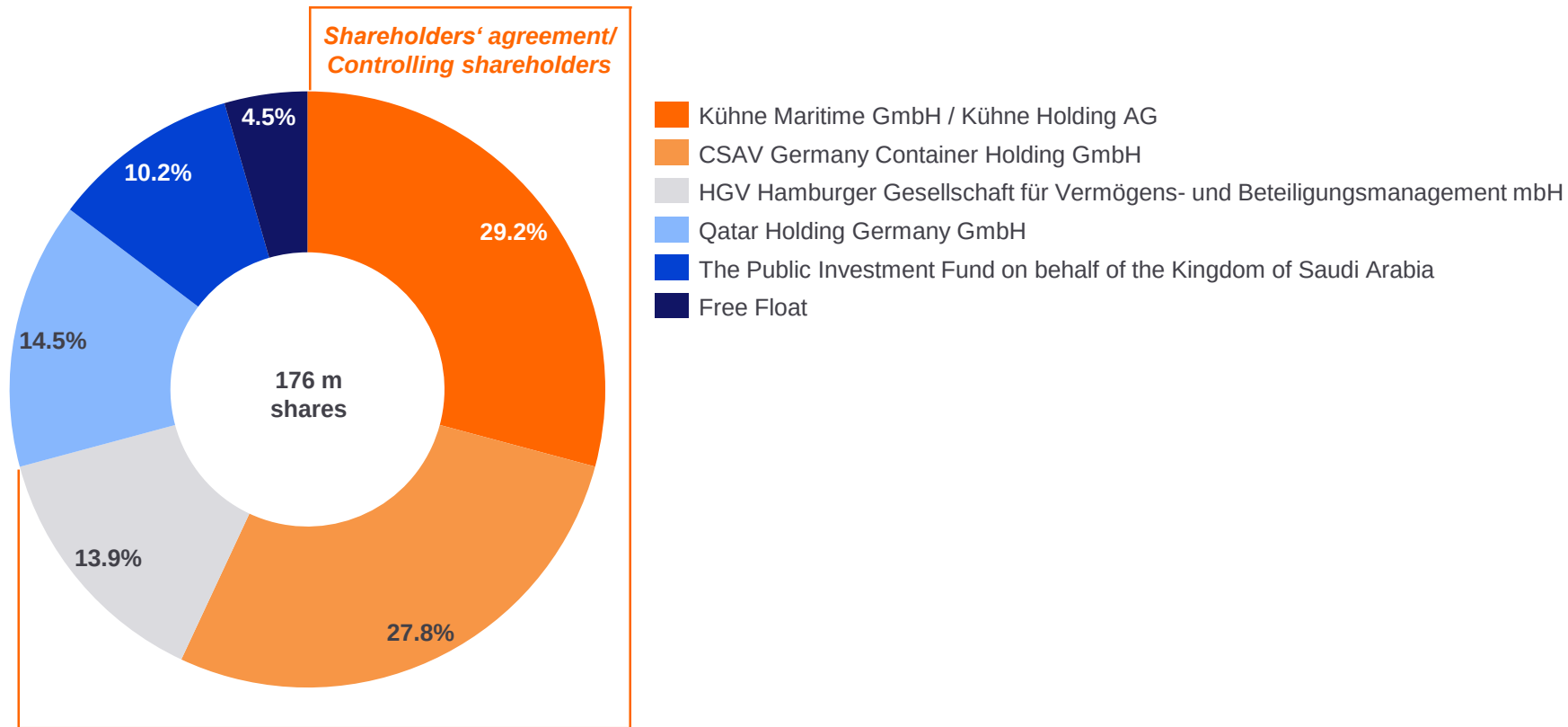


Bunker consumption price

[USD/mt]



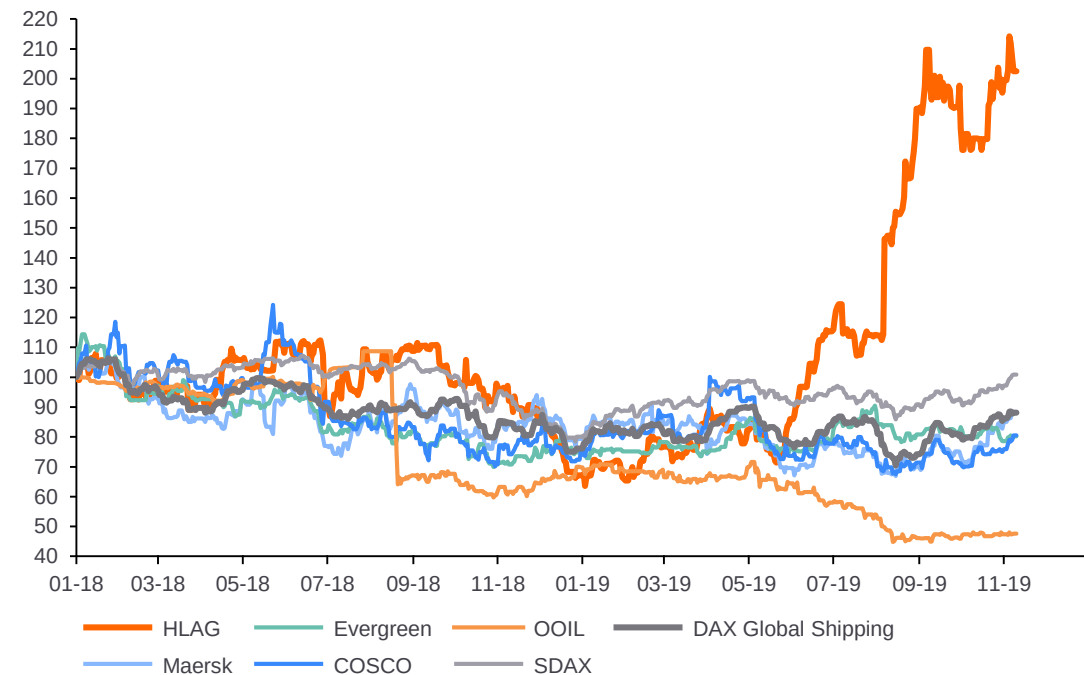
Hapag-Lloyd's shareholder structure as of 30 September 2019



Share price development

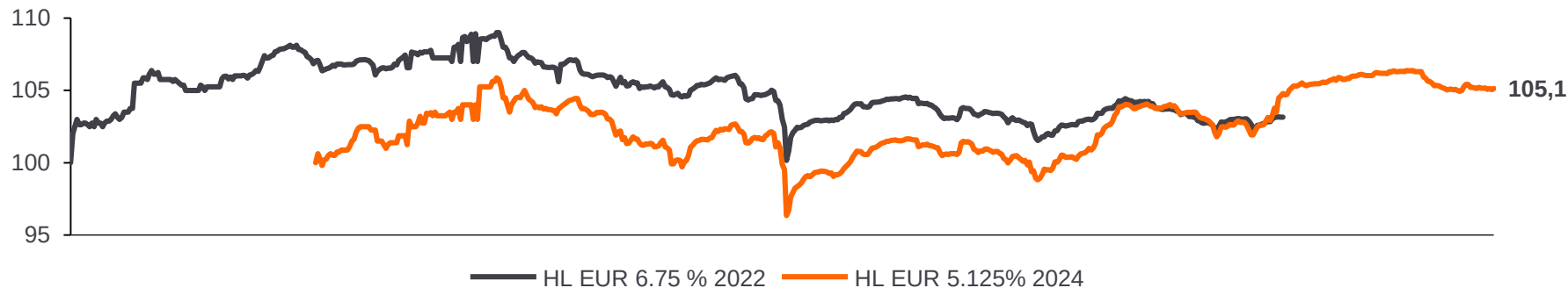
Performance since 1 January 2018

Indexed Price



Stock Exchange	Frankfurt Stock Exchange / Hamburg Stock Exchange
Market segment	Regulated market (Prime Standard)
ISIN / WKN	DE000HLAG475 / HLAG47
Ticker Symbol	HLAG
Primary listing	6 November 2015
Number of shares	175,760,293

Bond trading



	EUR Bond 2024	EUR Bond 2022
Listing	Open market of the Luxembourg Stock Exchange (Euro MTF)	
Volume	EUR 450 m	EUR 450 m
ISIN / WKN	XS1645113322	XS155576641 / A2E4V1
Maturity Date	Jul 15, 2024	Feb 1, 2022
Redemption Price	as of July 15, 2020:102.563%; as of July 15, 2021:101.281%; as of July 15, 2022:100%	as of Feb 1, 2019: 103.375%; as of Feb 1, 2020: 101.688%; as of Feb 1, 2021: 100%
Coupon	5.125%	6.75%

Financial Calendar 2019

25 February 2019

Preliminary Financials 2018 ✓

22 March 2019

Annual Report 2018 ✓

09 May 2019

Quarterly Financial Report Q1 2019 ✓

12 June 2019

Annual General Meeting 2019 ✓

07 August 2019

Half-year Financial Report 2019 ✓

14 November 2019

Quarterly Financial Report 9M 2019 ✓

Disclaimer

Forward-looking statements

This presentation 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, as well as uncertainties and contingencies that are subject to change. Actual results can differ materially from those anticipated in the Company's forward-looking statements as a result of a variety of factors, many of which are beyond the control of the Company, including those set forth from time to time in the Company's press releases and reports and those set forth from time to time in the Company's analyst calls and discussions. We do not assume any obligation to update the forward-looking statements contained in this presentation.

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