Investor Presentation

Q1 2019 Results

Hamburg, 9 May 2019

Opening Remarks

1 Highlights

- Positive development of **freight rates**; Q1 2019 almost 5% **above previous year‘s level**
- **Increase in transport volume** of +2.4% YoY to TEU 2.9 m in Q1 2019

2 Market Update

- Despite recent GDP downgrades, trend of **container demand growth still intact**
- **Slowing supply growth** leads to tightening of Supply / Demand Balance in 2019e and 2020e
- Good **acceptance** of new IMO 2020 **bunker formulas** by the market

3 Financials

- Significantly increased **EBIT of USD 243 m** (thereof USD 5 m IFRS 16 impact)
- Clearly positive **group profit of USD 109 m**, although negatively affected by USD -13 m IFRS 16 impact
- Strong **free cash flow of USD 455 m** (thereof USD 119 m IFRS 16 impact)

4 Way Forward

- Focus on further implementing **„Strategy 2023“**
- Continue to **improve results** and **further deleverage** our company
- Prepare for **IMO 2020**

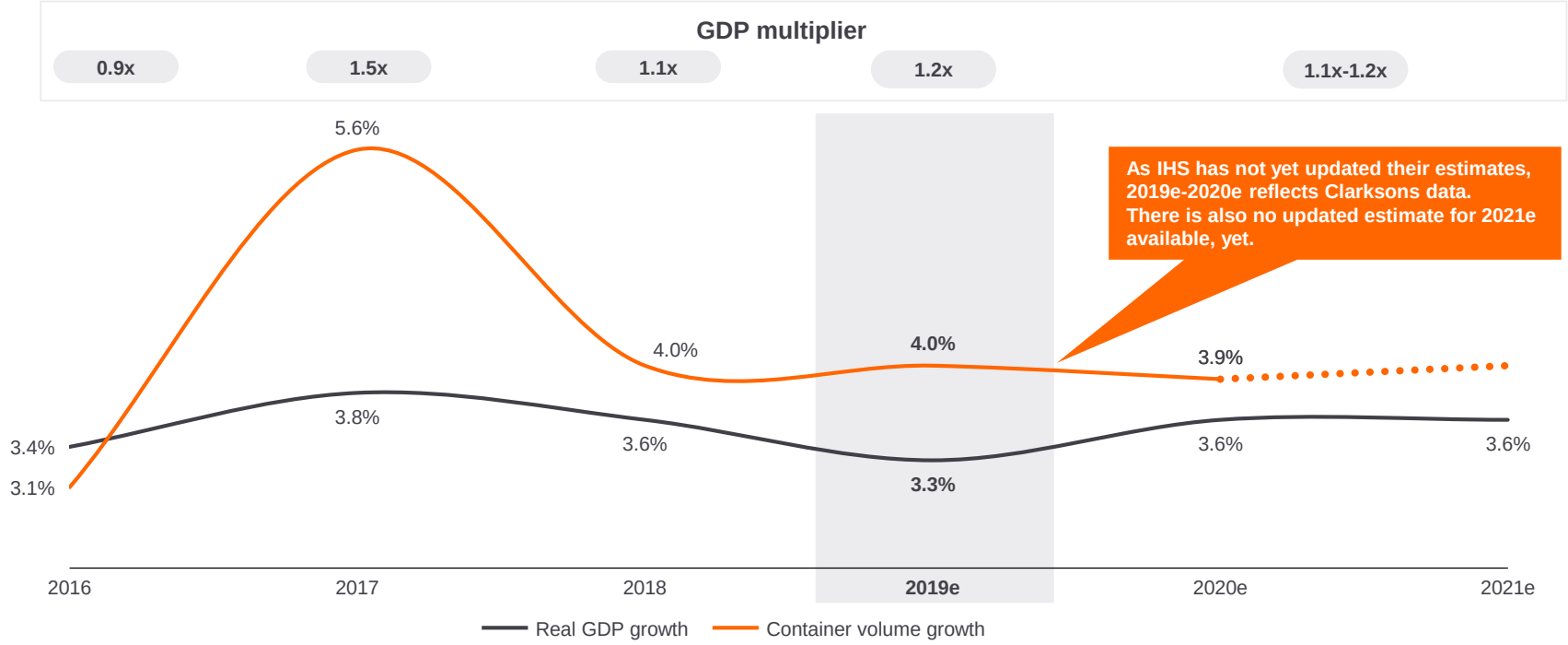
Financial Highlights Q1 2019

Transport volume **+2.4%** Q1 2019: TEU 2.9 m	**Transport expenses per TEU[1)]** **+1.1%** Q1 2019: 1,015 USD/TEU	**Freight rate** **+4.9%** Q1 2019: 1,079 USD/TEU
EBIT **USD 243 m** 7.0% EBIT margin	**Group profit** **USD 109 m** 6.4% ROIC annualized	**EBITDA** **USD 556 m** 16.0% EBITDA margin
Equity **USD 7.2 bn** Equity ratio: 39.1%	**Liquidity reserve** **USD 1.2 bn**	**Net debt** **USD 7.2 bn** Gearing: 99.1%

1) Including Depreciation / Amortization & Impairment since application of IFRS 16

Container trade growth conditions remain broadly healthy, with an expected growth of approx. 1.2x GDP in 2019e

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



Source: IHS Global Insight (January 2019), IMF WEO (April 2019), Drewry (Forecaster 1Q19), Clarksons (CIM, March 2019)

Note: IHS will publish updated figures earliest on May 10th, demand estimates for 2019-2020e are therefore taken from Clarksons CIM, March 2019.

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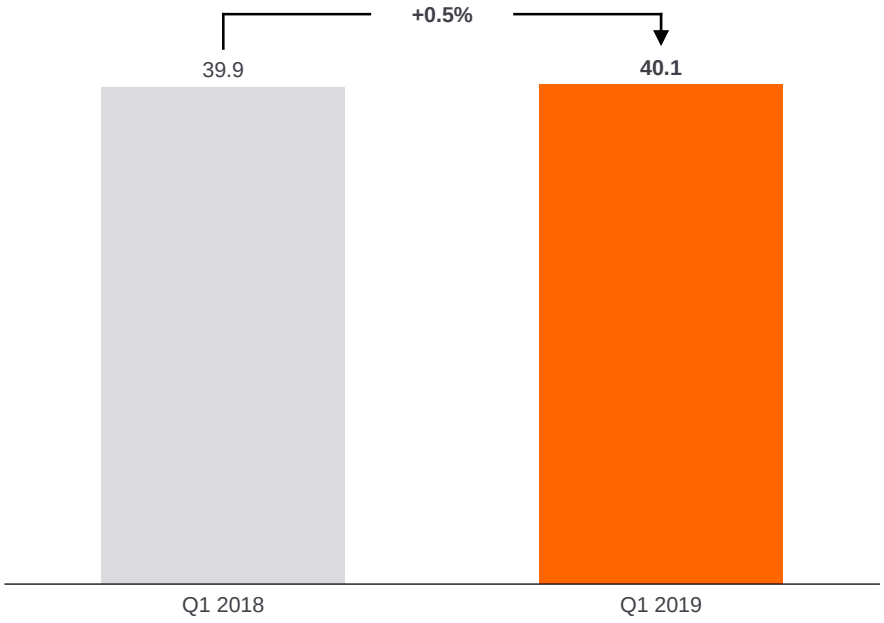
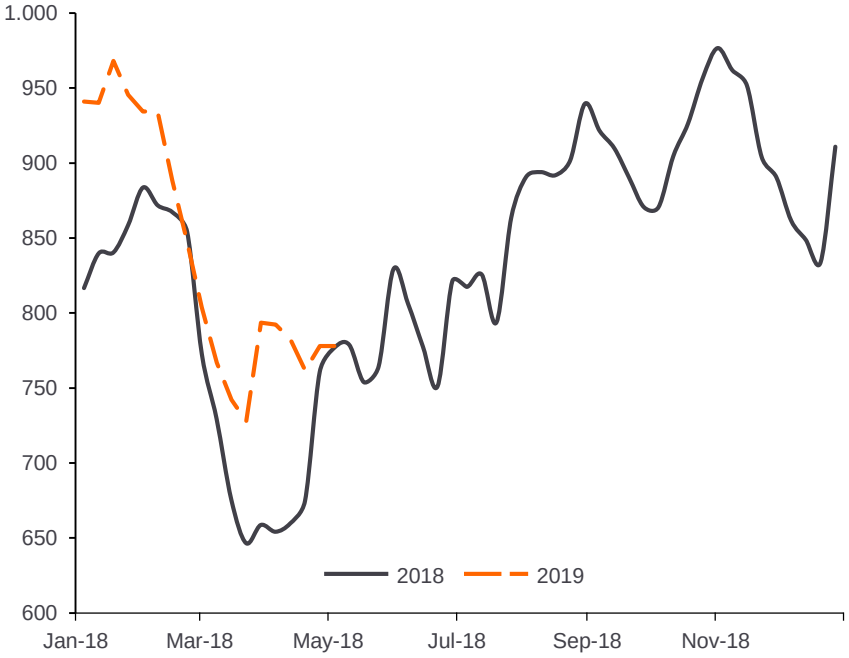
In the first 3 months of 2019, global transport volume was stable YoY, while freight rates have stayed above previous year‘s levels

Global Transport Volume Development

[TEUm]



SCFI Comprehensive Index

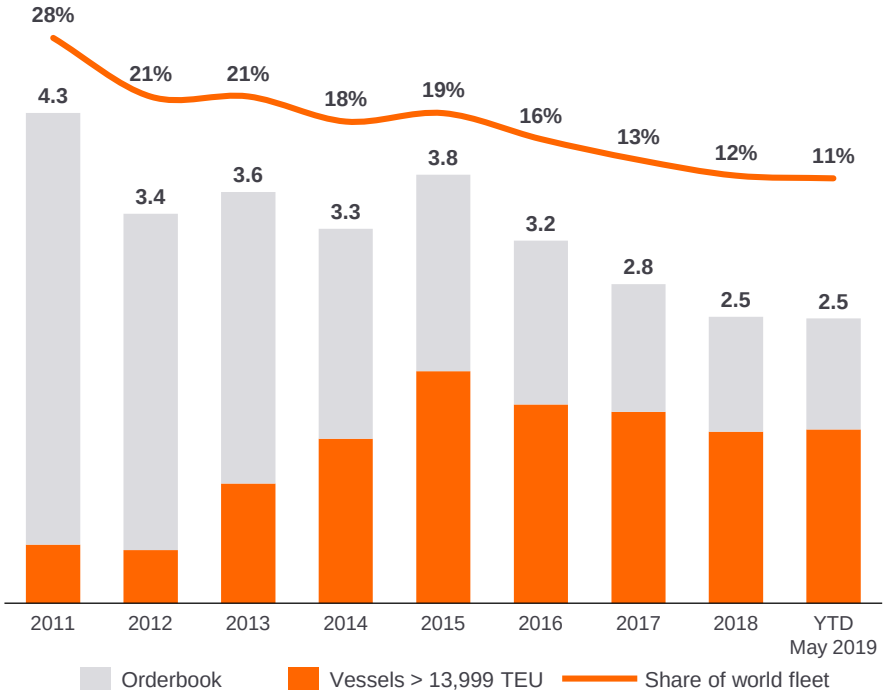


Source: CTS (May 2019), SSE Freight Index (3 May 2019)

Global orderbook remains historically low at only 11%, while idle fleet fell to only 1.3% of the world fleet…

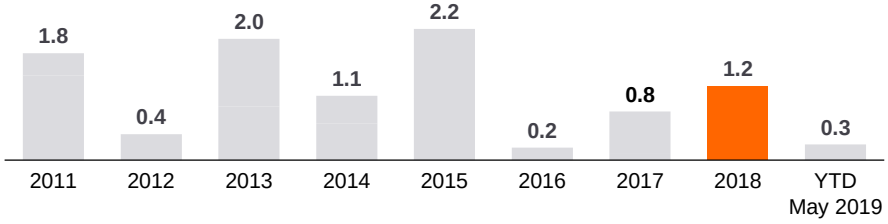
Orderbook-to-fleet

[TEUm, %]



Newly placed orders

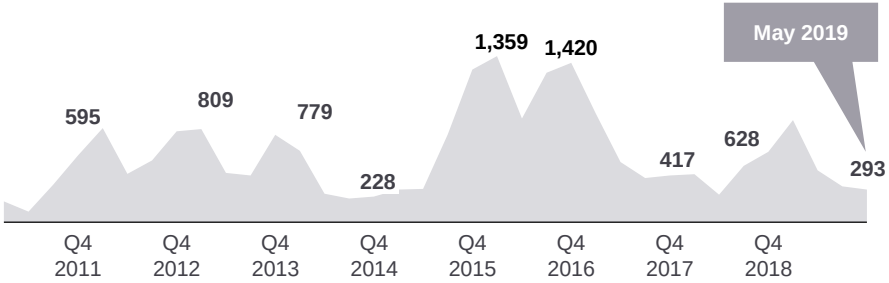
[TEUm, %]



Idle fleet

[TTEU]

Share of world fleet 1.3%

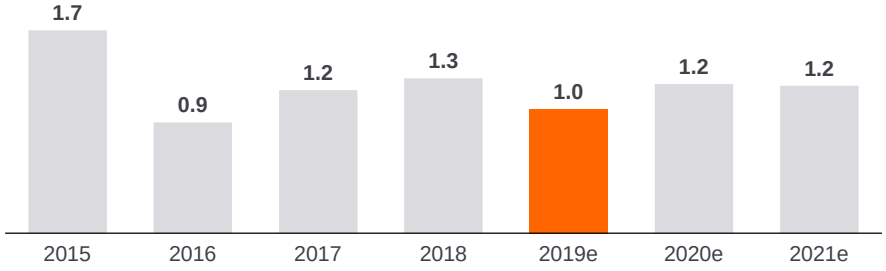


Source: MDS Transmodal (February 2019), Drewry Forecaster (various issues), Clarksons (April 2019), Alphaliner weekly (various sources)

…and scrapping activity is expected to increase and the pace of deliveries will slow, which leads to further tightening of S/D balance

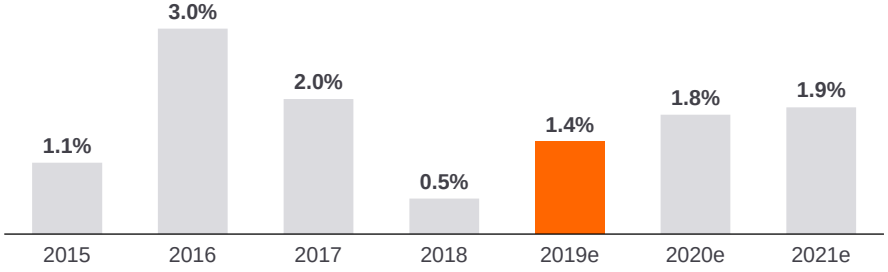
Scheduled vessel deliveries

[TEUm]

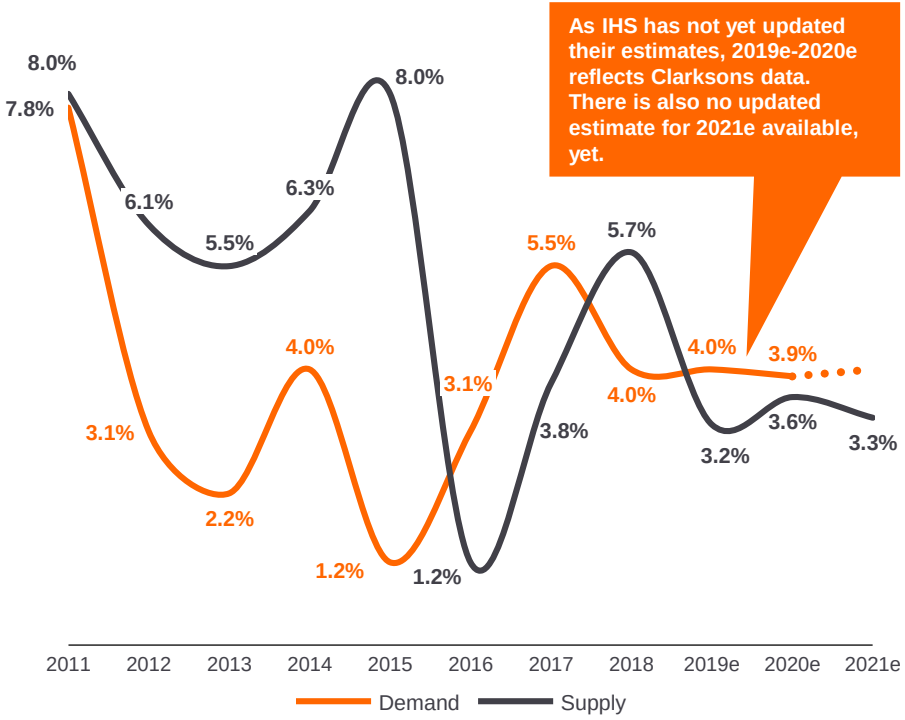


Scrapping

[% of world fleet]



Supply / Demand Balance



Note: IHS will publish updated figures earliest on May 10th, demand estimates for 2019-2020e are therefore taken from Clarksons Container Intelligence Quarterly, Q1 2019.

Source: Drewry (Forecaster 1Q18), IHS Global Insight (January 2019), Clarksons (CIQ, Q1 2019)

Clearly increased EBIT of USD 243 m and a strong improvement in group profit to USD 109 m in Q1 2019

Operational KPIs	Q1 2019	Q1 2018	YoY
Transport volume [TTEU]	2,929	2,861	+2%
Freight rate [USD/TEU]	1,079	1,029	+5%
Bunker [USD/mt]	425	372	+14%
Exchange rate[1)] [USD/EUR]	1.14	1.23	n.m.
Revenue [USD m]	3,478	3,221	+8%
EBITDA [USD m]	556	266	+109%
EBITDA margin	*16.0%*	*8.3%*	*+7.7ppt*
EBIT [USD m]	243	62	+292%
EBIT margin	*7.0%*	*1.9%*	*+5.0ppt*
Group profit [USD m]	109	-42	n.m.
ROIC [annualized]	*6.4%*	*1.6%*	*+4.8ppt*

Note:
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 Q1 2018 refer to the provisions for leases pursuant to IAS 17.1

1) Average rate for the period. Note: Figures as stated in the Investor Report Q1 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 Q1 2018 refer to the provisions for leases pursuant to IAS 17.1

Group profit of USD 109 m in Q1 2019 was negatively impacted by USD ~13 m due to IFRS 16 effects

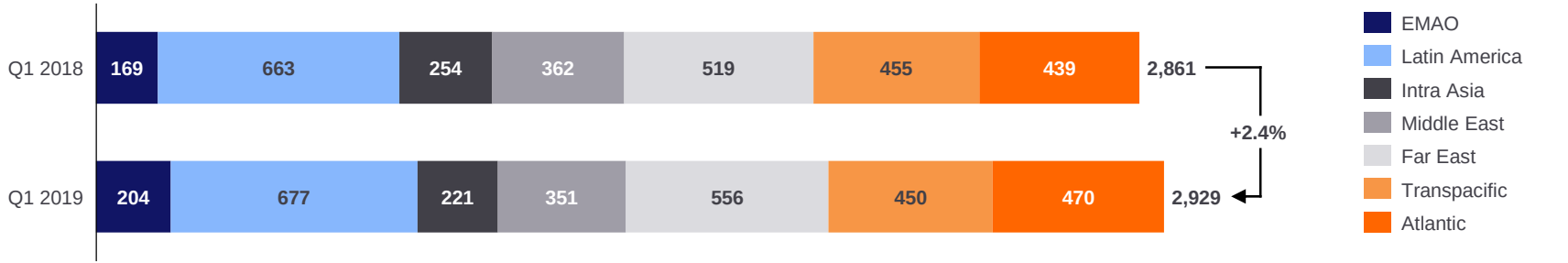
Overview of IFRS 16 effects on P&L accounts

[USD m]	Q1 2019	Q1 2018	Δ	Thereof IFRS 16	Δ ex. IFRS 16
Revenue	**3,478**	3,221	+257	**0**	+257
Operating expenses (before D&A)	**-2,922**	-2,955	+33	**+113**	-80
EBITDA	**556**	266	+290	**+113**	+177
Depreciation & Amortization	**-313**	-204	-109	**-108**	-1
EBIT	**243**	62	+181	**+5**	+176
Interest result	**-121**	-101	-20	**-18**	-2
Income tax / other financial items	**-13**	-3	-10	**0**	-10
Group profit	**109**	-42	151	**-13**	164

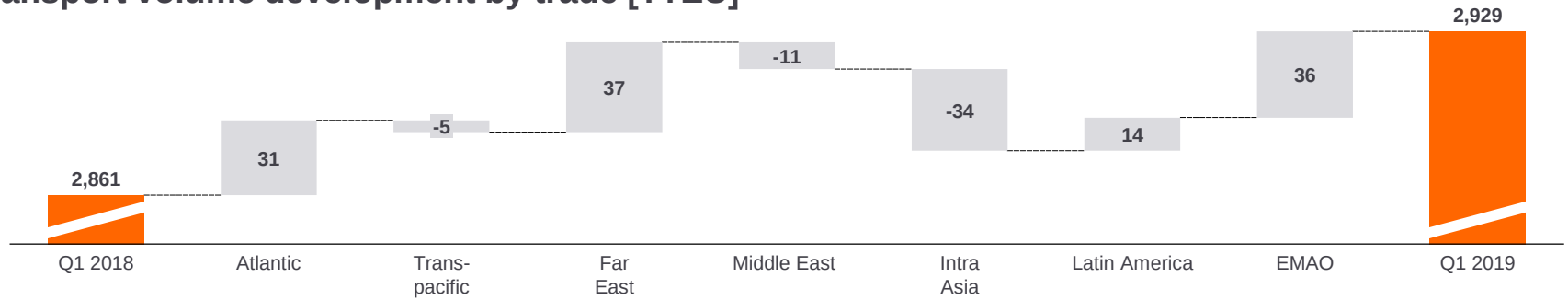
Note: Rounding differences may occur.

Transport volume increased by 2.4% YoY to 2,929 TTEU in Q1 2019 mainly driven by Atlantic, Far East, Latin America and EMAO

Transport volume by trade [TTEU]



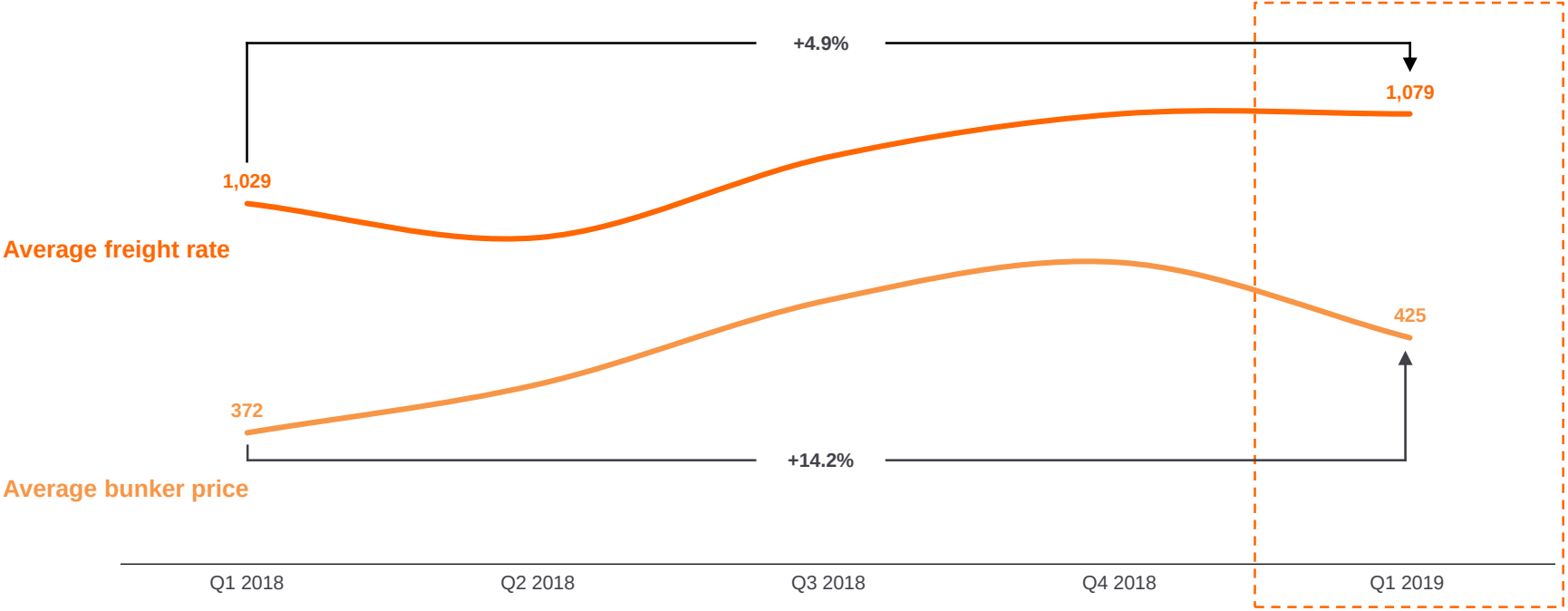
Transport volume development by trade [TTEU]



Note: Figures as stated in the Investor Report Q1 2019. Rounding differences may occur.

Average freight rate has increased by 4.9% YoY, driven by a positive development in almost all trades

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

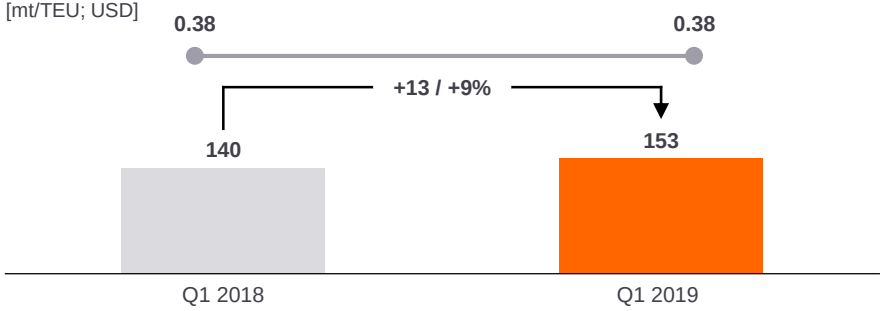


Note: Figures as stated in the Investor Report Q1 2019. Rounding differences may occur.

Bunker price significantly increased by 14% YoY to 425 USD/mt which drove up bunker expenses per unit by 13 USD/TEU

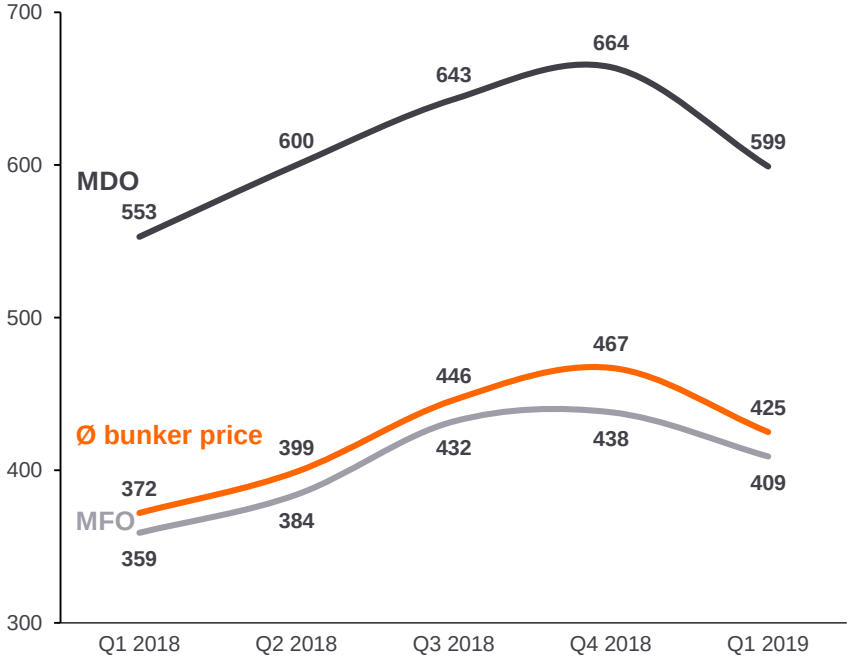
Bunker consumption & expenses per TEU

[mt/TEU; USD]



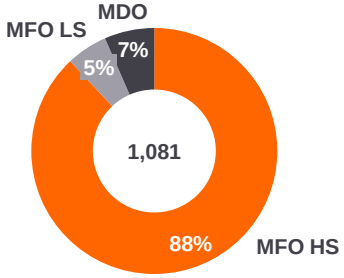
Bunker consumption price

[USD/mt]

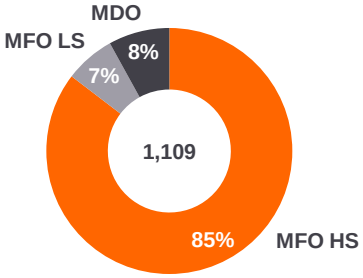


Total bunker consumption

[k mt; %]



Q1 2018



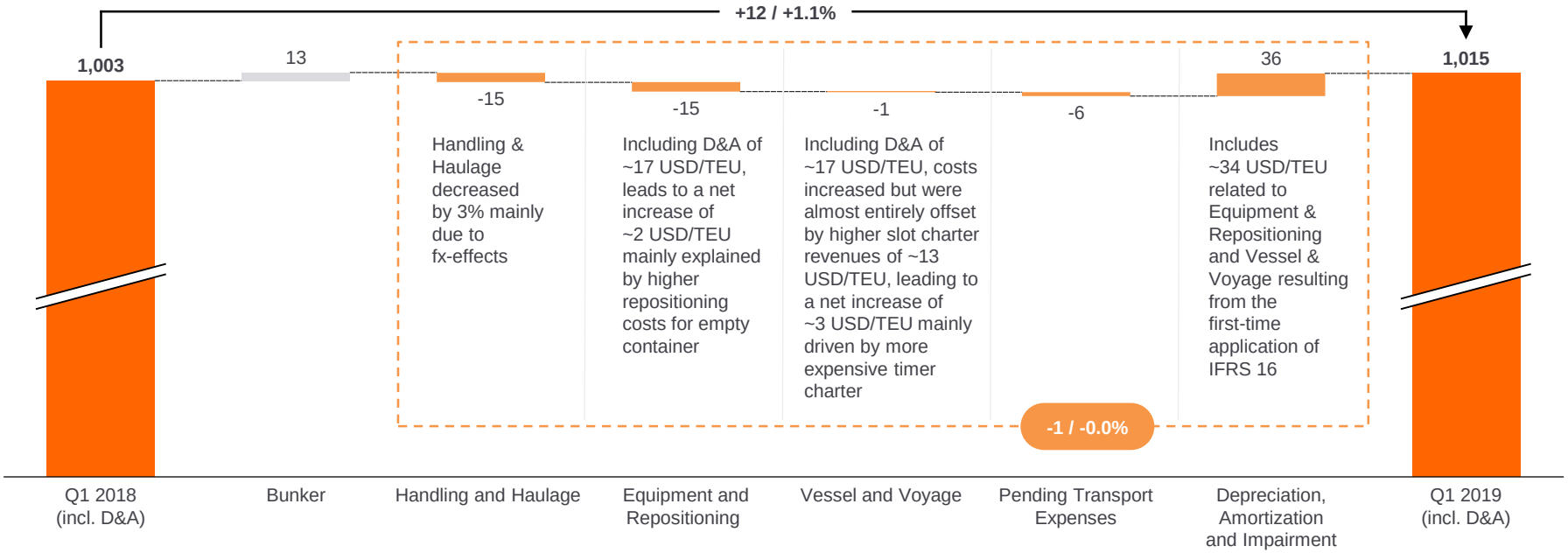
Q1 2019

Note: Figures as stated in the Investor Report Q1 2019. Rounding differences may occur.

Transport expenses (ex. bunker) remained almost flat YoY

Transport expenses per TEU [USD/TEU]

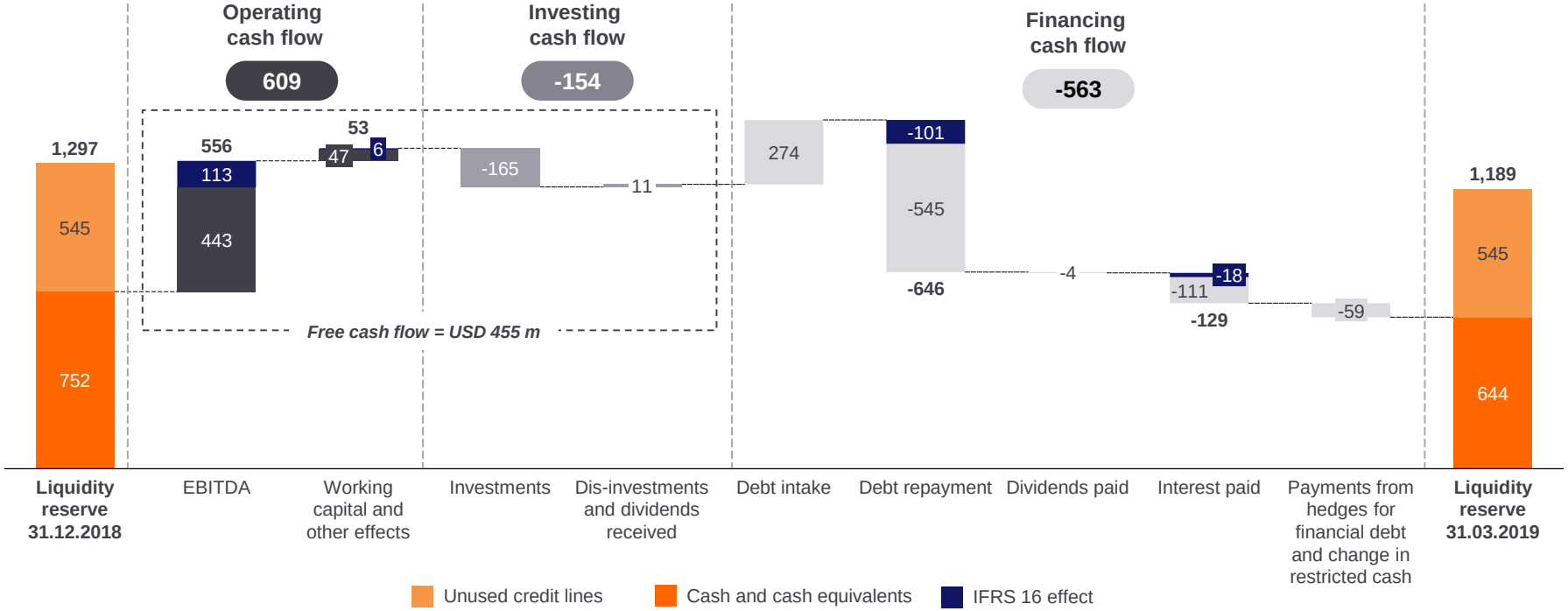
Due to the application of IFRS 16, for analysis purposes and **better traceability** of unit cost development, **transport expenses** are now shown **together with depreciation**.



Note: Figures as stated in the Investor Report Q1 2019. Rounding differences may occur.

Strong free cash flow of USD 455 m positively impacted by the first-time application of IFRS 16 in the amount of USD 119 m

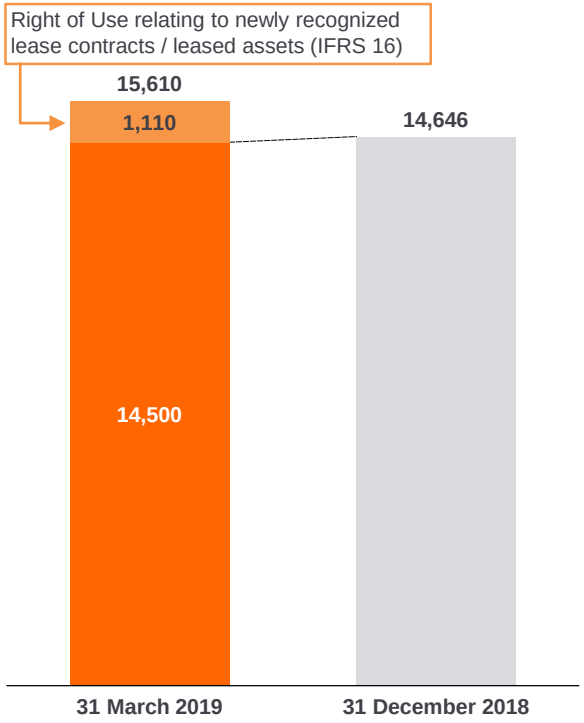
Cash flow Q1 2019 [USD m]



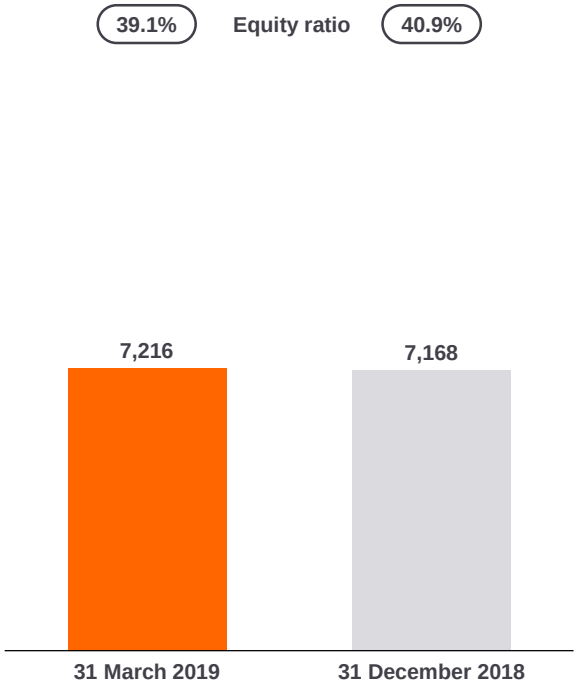
Note: Figures as stated in the Investor Report Q1 2019. Rounding differences may occur.

Like for like, financial debt has been decreased by USD ~300 m but first time application of IFRS 16 lead to an increase in assets and debt

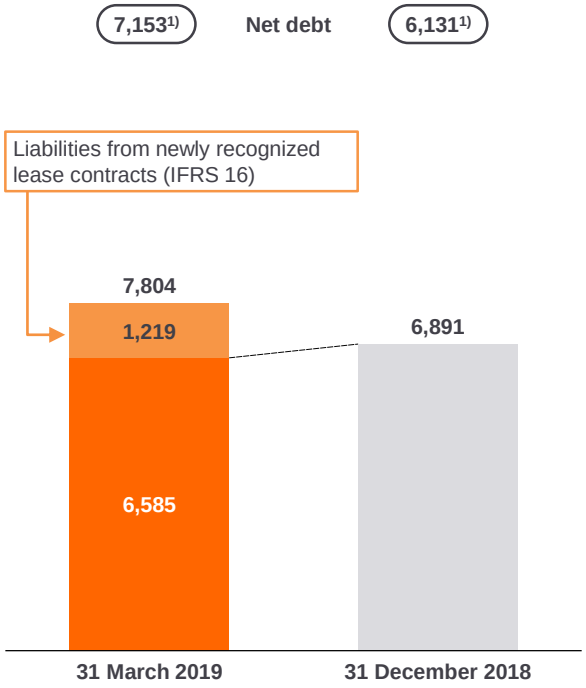
Fixed assets [USD m]



Equity base [USD m]



Financial debt [USD m]



Note: Figures as stated in the Investor Report Q1 2019. Rounding differences may occur. 1) Includes Restricted Cash booked as other assets: USD 7.2 m as of 31 March 2019 & USD 7.4 m as of 31 December 2018

Earnings outlook for 2019 confirmed

	FY 2018	Outlook 2019 (incl. IFRS 16)	Sensitivities for 2019[1]	
Transport volume	11,874 TTEU	Increasing slightly	+/- 100 TTEU	+/- USD <0.1 bn
Average freight rate	1,044 USD/TEU	Increasing slightly	+/- 50 USD/TEU	+/- USD ~0.6 bn
Average bunker price	421 USD/mt	Increasing slightly	+/- 50 USD/mt	+/- USD ~0.2 bn
EBITDA	EUR 1,138 m	EUR 1.6 – 2.0 bn	Thereof IFRS 16 Impact	EUR 370 – 470 m
EBIT	EUR 443 m	EUR 0.5 – 0.9 bn		EUR 10 – 50 m

1) Full year effect

Major targets for 2019 and beyond:

Continue to **increase profitability** and further **deleverage our company**

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 39.1% and a gearing of 99.1%

Balance sheet [USD m]

	31.03.2019	31.12.2018
Assets		
Non-current assets	**15,672.6**	14,709.1
of which fixed assets	**15,609.7**	14,654.7
Current assets	**2,765.6**	2,812.6
of which cash and cash equivalents	**644.3**	752.4
Total assets	**18,438.2**	17,521.7
Equity and liabilities		
Equity	**7,215.9**	7,167.5
Borrowed capital	**11,222.3**	10,354.2
of which non-current liabilities	**6,892.9**	6,487.4
of which current liabilities	**4,329.3**	3,866.8
of which financial debt	**7,804.4**	6,891.1
thereof Non-current financial debt	**6,476.5**	6,070.8
Current financial debt	**1,327.9**	820.3
Total equity and liabilities	**18,438.2**	17,521.7

Financial position [USD m]

	31.03.2019	31.12.2018
Financial debt	**7,804.4**	6,891.1
Cash and cash equivalents	**644.3**	752.4
Restricted Cash	**7.2**	7.4
Net debt	**7,152.9**	6131.3
Unused credit lines	**545.0**	545.0
Liquidity reserve	**1,189.3**	1,297.4
Equity	**7,215.9**	7,167.5
Gearing (net debt / equity) (%)	**99.1%**	85.5%
Equity ratio (%)	**39.1%**	40.9%

Note: Figures as stated in the Investor Report Q1 2019. Rounding differences may occur.

Hapag-Lloyd with positive EBITDA of USD 555.6 m in Q1 2019

Income statement [USD m]

	Q1 2019	Q1 2018	% change
Revenue	**3,477.6**	3,220.6	**8%**
Transport expenses	**-2,660.2**	-2,667.7	0%
Personnel expenses	**-189.3**	-195.8	-3%
Depreciation, amortization & impairment	**-312.9**	-203.7	54%
Other operating result	**-82.4**	-101.0	-18%
Operating result	**232.8**	52.4	**n.m.**
Share of profit of equity-accounted investees	**9.7**	9.9	-2%
Result from investments	**0.2**	0.0	n.m.
Earnings before interest & tax (EBIT)	**242.7**	62.3	**n.m.**
EBITDA	**555.6**	266.0	**109%**
Interest result	**-120.6**	-101.2	19%
Income taxes	**-13.0**	-7.0	86%
Other financial items	**0.2**	3.8	-95%
Group profit / loss	**109.3**	-42.2	**n.m.**

Note: Figures as stated in the Investor Report Q1 2019. Rounding differences may occur.

Unit costs slightly increased by 1% to 1,015 USD/TEU in Q1 2019

Operating expenses [USD m]

	Q1 2019	Q1 2018	% change
Transport expenses	**2,660**	2,668	0%
Thereof			
Bunker	**448**	401	12%
Handling and Haulage	**1,354**	1,366	-1%
Equipment and repositioning	**323**	358	-10%
Vessel and voyage (excluding bunker)	**560**	551	2%
Pending Transport expenses	**-25**	-8	n.m.
Personnel expenses	**189**	196	-3%
Depreciation, amortization and impairments	**313**	204	54%
Other operating result	**-82**	-101	-18%
Total operating expenses	**3,245**	3,168	**2%**

Unit costs [USD]

	Q1 2019	Q1 2018	% change
Transport expenses	**908**	932	-3%
Thereof			
Bunker	**153**	140	9%
Handling and Haulage	**462**	478	-3%
Equipment and repositioning	**110**	125	-12%
Vessel and voyage (excluding bunker)	**191**	192	-1%
Pending Transport expenses	**-9**	-3	n.m.
Depreciation, amortization and impairment (D&A)	**107**	71	50%
Transport expenses incl. D&A	**1,015**	1,003	1%

Note: Figures as stated in the Investor Report Q1 2019. Rounding differences may occur.

Hapag-Lloyd's new P&L structure from Q1 2019 onwards – Transport expenses

New P&L Structure

- Revenues
- Transport expenses
  - Handling & Haulage
  - Equipment and repositioning
  - Bunker
  - Vessel & voyage (excluding bunker)
  - *Pending transport expenses*
- Personnel expenses
- Depreciation, amortization & impairment
- Other operating result
- Share of profit (equity-acc. Invest.), other fin. result
- EBIT
- Other financial items
- Interest result
- Earnings before income taxes

Transport expenses (new structure)

Handling & Haulage	Equipment and repositioning	Bunker	Vessel & voyage (excluding bunker)
Container related		Vessel / Voyage related	

Including the following items (old structure)

Terminal costs	Terminal costs	Raw Materials and supplies	Port, canal and terminal costs
Container transport costs	Container transport costs		Chartering, leases and container rentals
	Chartering, leases and container rentals		Maintenance / repair / other
	Maintenance / repair / other		

Change of presentation in the consolidated income statement

Simplified view

Q1 2018 – OLD STRUCTURE		Transport expenses: Handling & Haulage	Equipment and Repositioning	Bunker	Vessel & voyage (excl. bunker)	Reclassification of Pending transport expenses	Other reclassification	Q1 2018 – NEW STRUCTURE	
Revenues	3,217						4	Revenues	3,221
Transport expenses	-2,648							Transport expenses	-2,667
Raw materials and supplies	-428	9	1	401	23	-6		Handling & Haulage	-1,366
Port, canal and terminal costs	-1,182	757	155		270			Equipment & Repositioning	-358
Container transport costs	-690	575	123		2	*-2*	*-8*	Bunker	-401
Chartering, leases & cont. rentals	-270	1	45		224			Vessel & Voyage (excl. bunker)	-551
Maintenance / repair / other	-77	5	34		32		*6*	Pending transport expenses	8
Personnel expenses	-206						10	Personnel expenses	-196
Depreciation, amortization & impairment	-204							Depreciation, amortization & imp.	-204
Other operating income , other operating expenses	-103	19					-17	Other operating result	-101
Share of profit of equity accounted investees	10							Share o. profit of equity acc. investees	10
EBIT	66							EBIT	62
							4	Other financial items	4
		1,366	358	401	551	-8			

Hapag-Lloyd

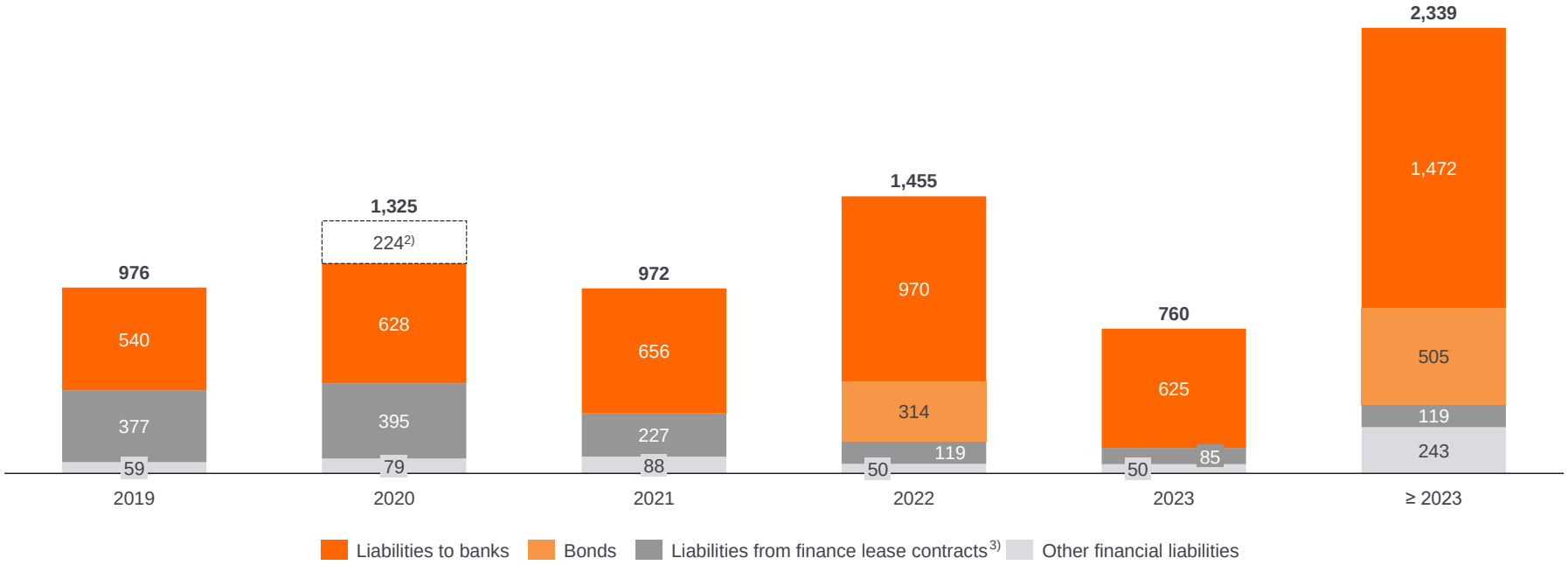
Overview of IFRS 16 effects on cash flow statement

[USD m]	Q1 2019	Q1 2018	Δ	Thereof IFRS 16	Δ ex. IFRS 16
EBIT	**243**	62	+181	**+5**	+176
Depreciation / Amortization	**313**	204	+109	**+108**	+1
EBITDA	**556**	266	+290	**+113**	+177
Working Capital and other effects	**53**	46	+7	**+6**	+1
Cash flow from operating activities	**609**	312	+297	**+119**	+178
Investing cash flow	**-154**	-72	-82	**0**	-82
Free cash flow	**455**	240	+215	**+119**	+96
Additional payments for liabilities from leases	**-101**	n.a.	-101	**-101**	0
Additional interest payments for liabilities from leases	**-18**	n.a.	-18	**-18**	0
Free cash flow (adjusted by IFRS 16 effect)	**336**	240	+96	**0**	+96

Note: Rounding differences may occur.

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

Financial Debt Profile as per 31 March 2019[1)], [USDm]



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 31.12.2018 consist of transaction costs and accrued interest 2) ABS program prolonged until 2020 3) Liabilities from lease contracts consist of 104 USD m liabilities from old contracts and 1,219 USD m of new contracts due to first-time IFRS 16 implementation

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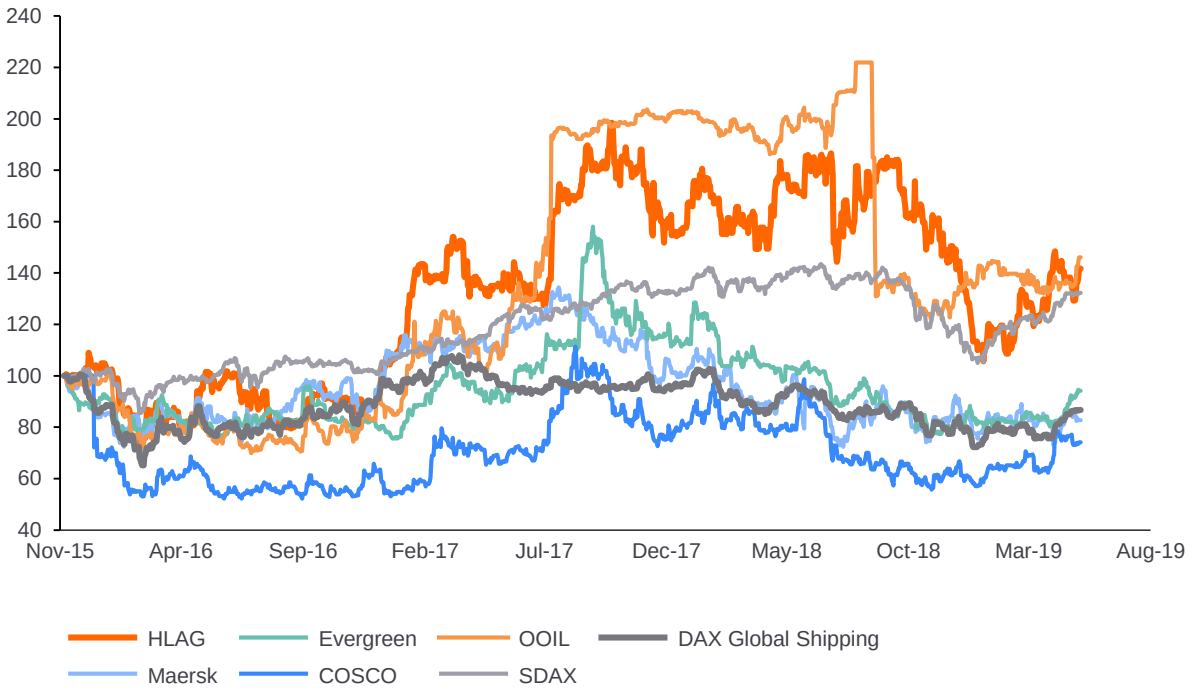
Share price development

Share trading since November 2015

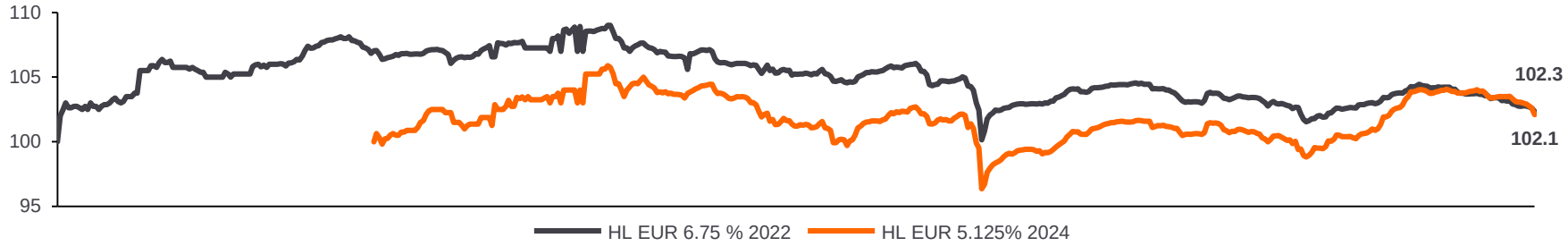


Stock Exchange	Frankfurt Stock Exchange / Hamburg Stock Exchange
Market segment / Index	Regulated market (Prime Standard) / SDAX
ISIN / WKN	DE000HLAG475 / HLAG47
Ticker Symbol	HLAG
Primary listing	6 November 2015
Number of shares	175,760,293

Source: Bloomberg (6 May 2019)

Bond trading

Bonds trading



	EUR Bond 2024	EUR Bond 2022
Listing	Open market of the Luxembourg Stock Exchange (Euro MTF)	
Volume	EUR 450 m	EUR 280 m
ISIN / WKN	XS1645113322	XS1555576641 / 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%

Source: Citi (7 May 2019)

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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Hapag-Lloyd

Hapag-Lloyd Investor Relations

Ballindamm 25

20095 Hamburg

Tel: +49 (40) 3001-2896

ir@hlag.com

https://www.hapag-lloyd.com/en/ir.html