

# Annual General Meeting 2021



Rolf Habben Jansen, CEO  
Hamburg, 28 May 2021



# Review of business development in fiscal year 2020

The fiscal year 2020 was characterized by the **outbreak of the COVID-19 pandemic** and by a related **volatile development in demand**

Early implementation of **cost saving measures** and an unexpectedly **strong recovery in demand** in H2 led to a **very good Group result** of about EUR 0.9 bn

Our shareholders shall benefit from the good earnings development – we propose to distribute a **dividend of EUR 3.50 per share**

Continuation of the **very good development throughout 2021** increases the room for additional and **sustainable investments for the future**



Container shipping, as part of the critical infrastructure, is the engine of global trade – even in the course of the Corona pandemic

About

**5,500**

Container vessels are in operation day and night worldwide

Roughly

**90%**

of all goods are transported by sea

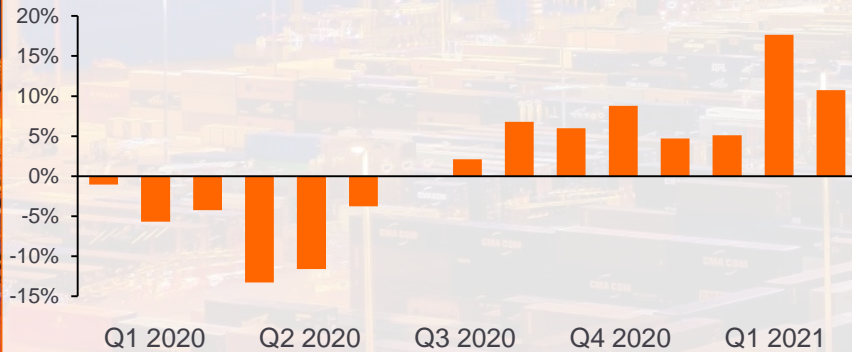
For more than

**12** months

employees work from home & have been at sea longer than usual

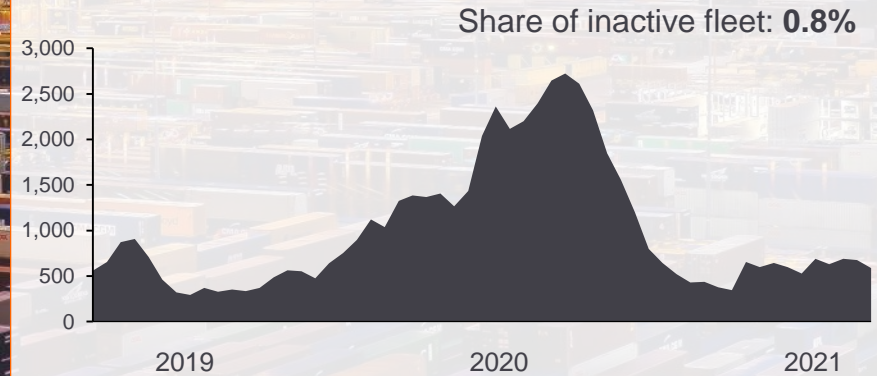
# The restrictions associated with the pandemic led to a major change in consumer behaviour...

## Demand explosion since H2 2020



Global container transport volume growth [%]

## Almost no vessel capacity available



Idle fleet [TTEU]

A worker in a yellow rain suit is operating machinery in a port setting. The background shows industrial structures and equipment. The worker is looking towards the camera while working.

... and the resulting sharp increase in demand created enormous operational challenges

**Port congestions**

**Increased container usage time & voyage delays**

**Limited availability of vessels & containers**

**Corona-related staff shortages**

# We have taken early measures to safeguard global trade and the supply chains of our customers



## OUR CUSTOMERS

- Equipment-resources optimized
- Developed new digital products
- Started initiatives to improve customer service

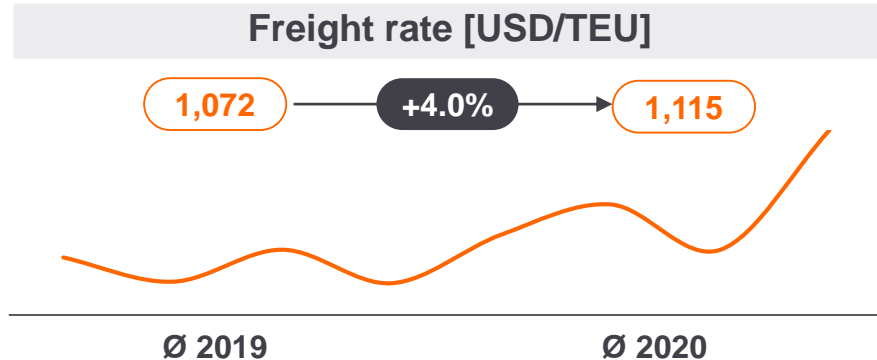
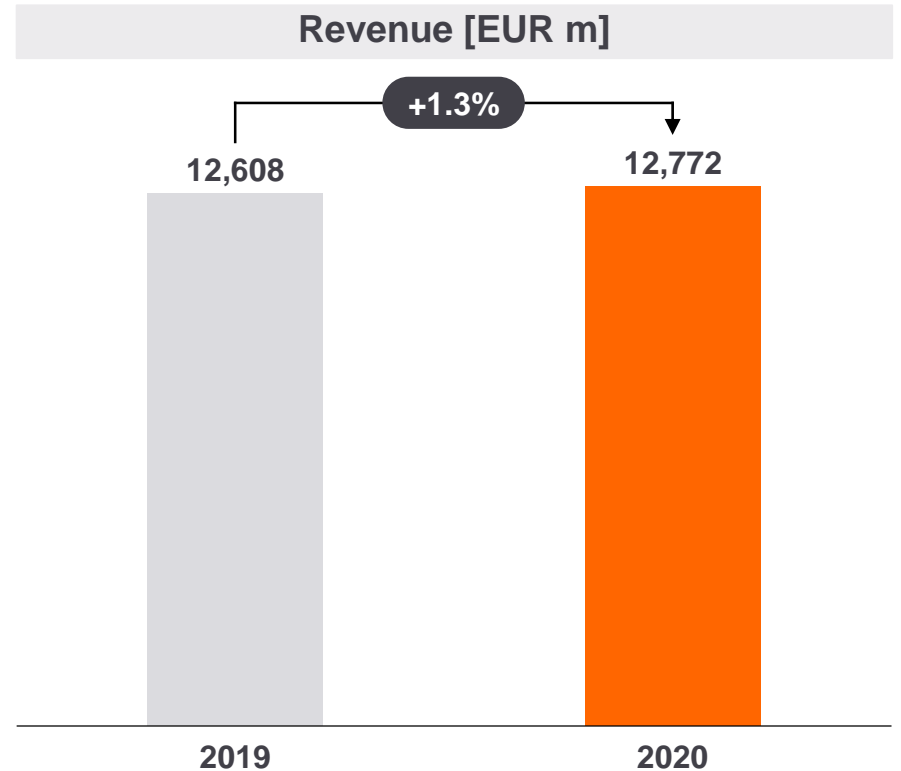
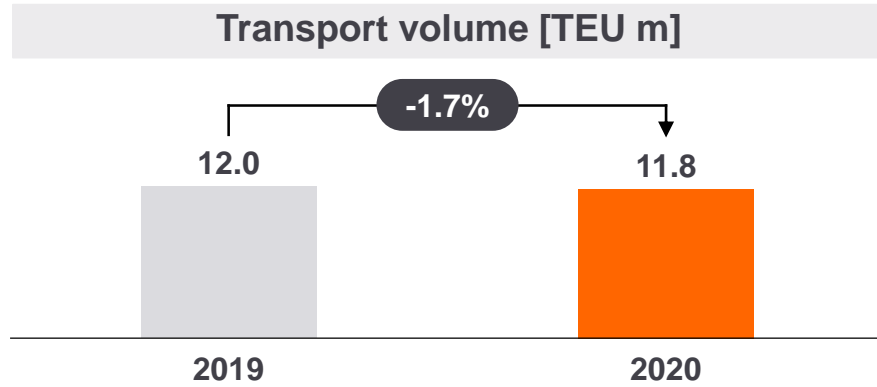
## OUR NETWORK

- Moved capacity to high-demand trades
- Re-routing of cargo through alternative gateways to bypass congested ports

## OUR FLEET

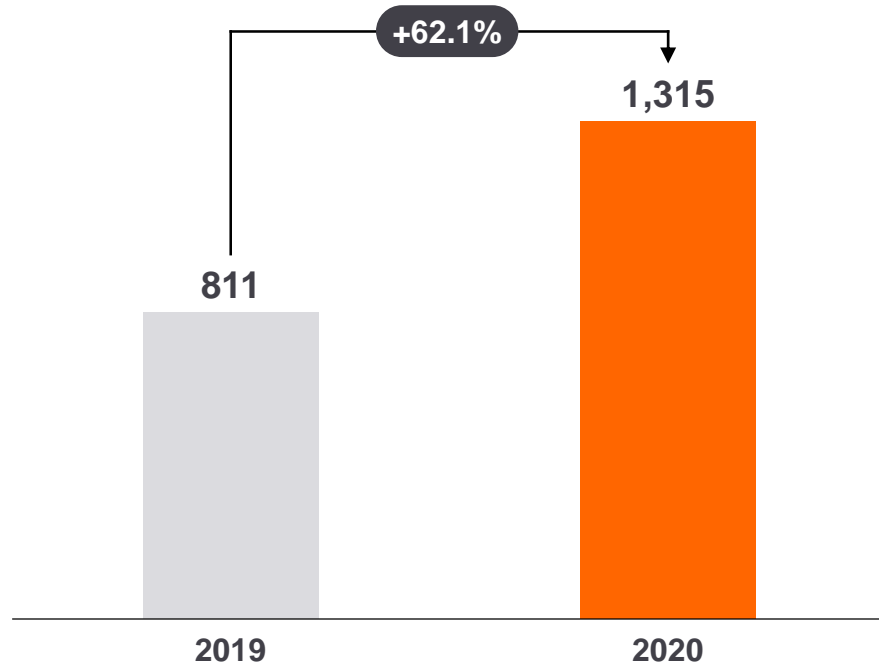
- > 300,000 TEU additional container capacity ordered
- Invested in 6 LNG ULCVs
- Chartered in additional vessels

# Despite a slight decline in transport volume, higher freight rates led to an improvement in revenue...

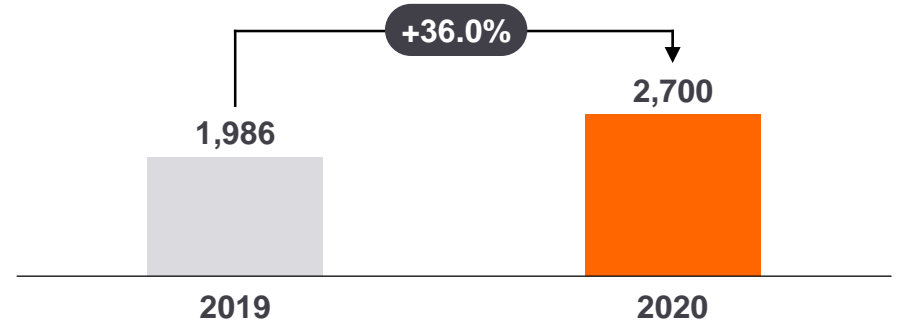


...and, combined with a strict cost management to a significantly increased profit in the 2020 financial year

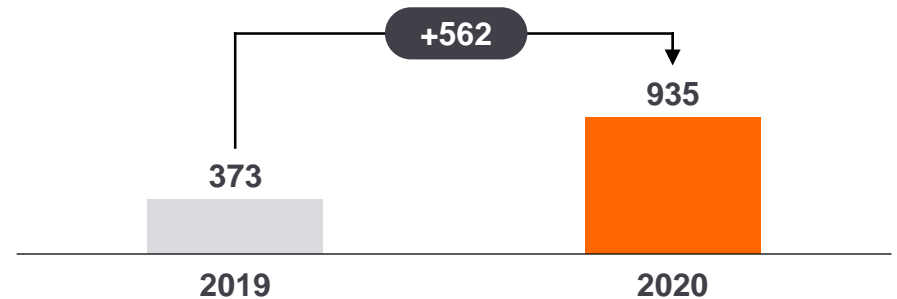
EBIT [EUR m]



EBITDA [EUR m]



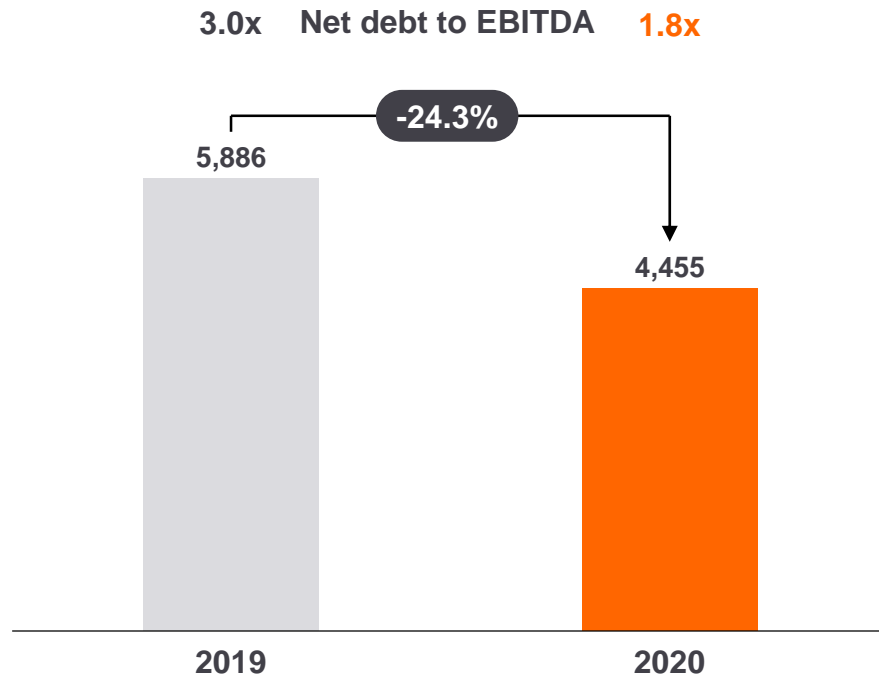
Group profit [EUR m]



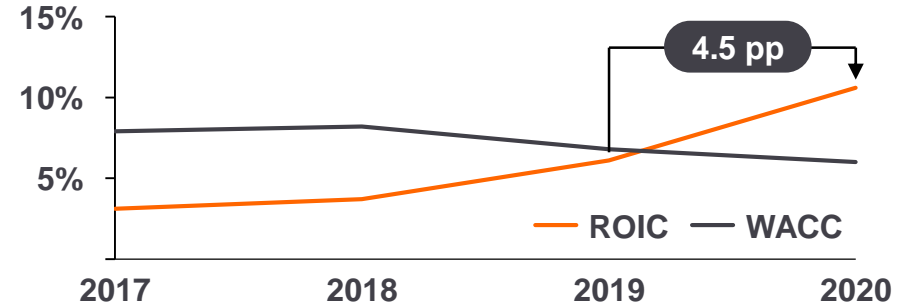


# We have clearly reduced our net debt and earned more than our cost of capital – S&P & Moody’s upgraded our rating

### Net debt [EUR m]



### ROIC / WACC [%]



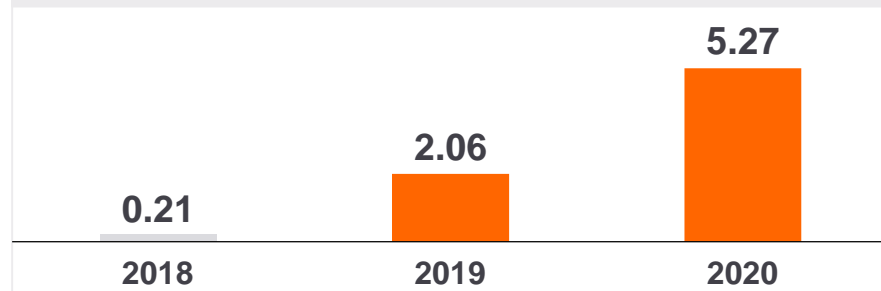
### Rating

**Ba2**  
MOODY'S

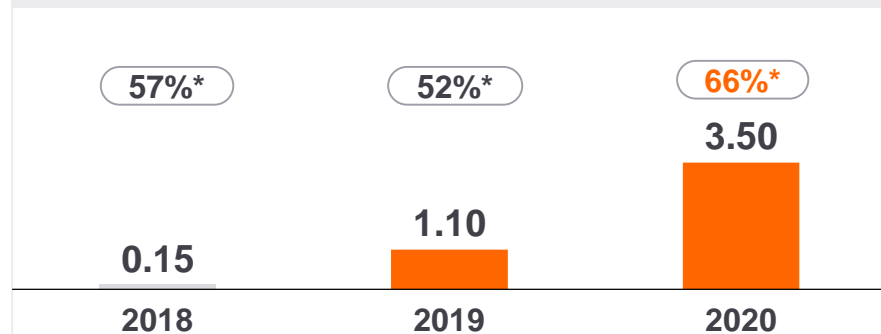
**BB**  
S&P Global  
Ratings

# Based on the positive business development, we are proposing a dividend of EUR 3.50 to the Annual General Meeting

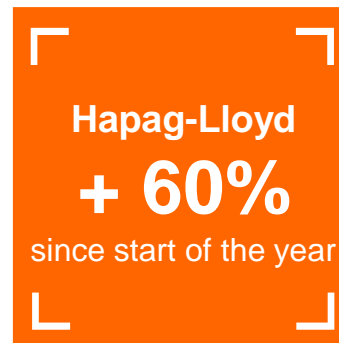
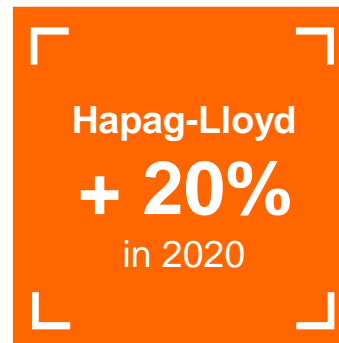
## Earnings per share [EUR]



## Dividends & dividend proposal per share [EUR]



## Share price development



\* Note: Dividend ratio based on IFRS reported EAT

# We also made further progress in implementing our Strategy 2023 in the 2020 financial year

Hapag-Lloyd  
STRATEGY  
**20  
23**

## NUMBER ONE FOR QUALITY



Transparent Quality  
Promises & sustainable  
actions

## SUSTAINABLE PROFITABILITY



Be profitable throughout  
the cycle

## GLOBAL PLAYER



Expansion in strategically  
important markets

# We have launched our Dashboard and the first 5 Quality Promises and we will launch the remaining ones until the end of 2021



**Timely and accurate documentation**

Timely and correct Bill of Lading



**Booked and loaded as agreed**

Loaded as booked



**Issue resolution**



**Responsive service**



**Reliable transport**

Fast booking confirmation

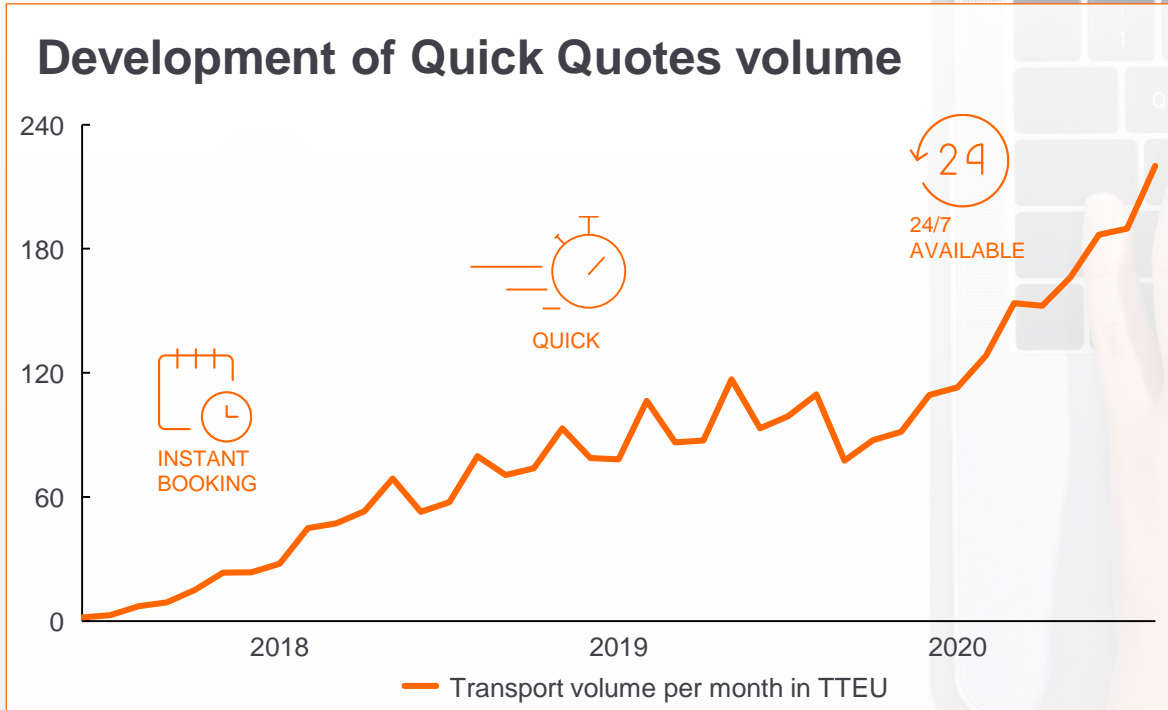
Accurate invoicing

Volume agreements honored

.....

.....

# With Quick Quotes we have further automated the process of digital quote generation and online booking



**40%**  
increase  
compared to  
prior year

**13%**  
volumes booked  
online

# We have continued to drive our international growth and will further expand our presence in India and Africa



**New liner services:**  
MIAX; IEX & CKX

**Start of Tangiers Container Terminal (TC3)**

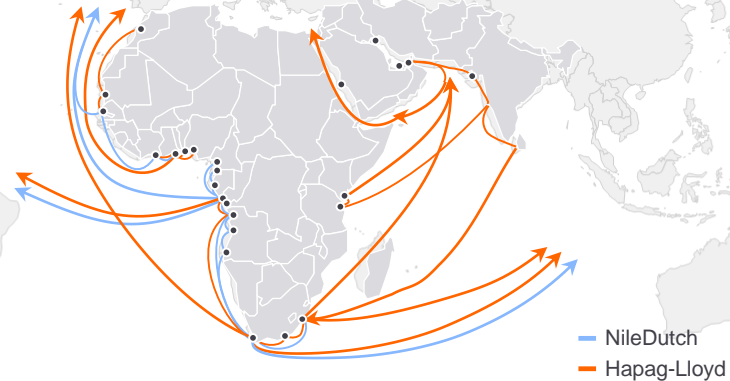
**Quality Service Center in Mauritius and Europe opened**

**New offices**  
Ghana, Nigeria & Kenya opened

**Setting up a Knowledge Center in Gdansk**

## NileDutch

- Clear focus on Africa
- ~35 TTEU Transport- and ~80 TTEU container capacity
- 10 liner services
- 85 locations and 16 own offices



Based on our comprehensive sustainability strategy,  
we will set the course for the next 10 years



## CLEAN SHIPPING AND FUTURE-PROOF PROPULSION SYSTEMS



**GHG Emissions**



**Clean air**



**Sustainable  
Supply Chains**

## DIVERSITY AND SOCIETY



**Diversity**



**Corporate  
Citizenship**

## COMPLIANCE AND RESPONSIBILITY



**Resource  
Use**



**Transport Care**

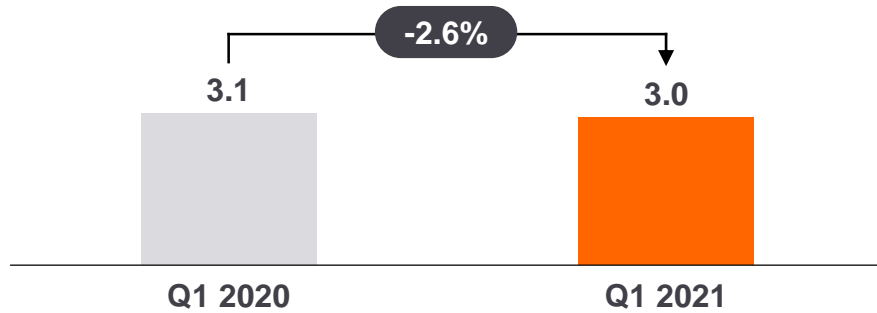


**Biodiversity**

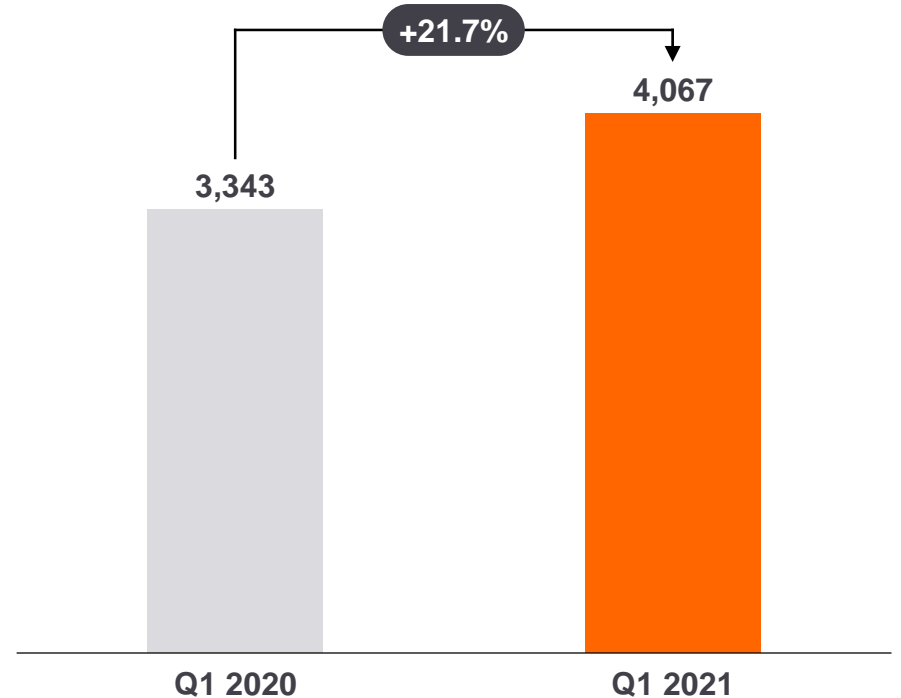


# Very good start to 2021 driven by a strong freight rate increase...

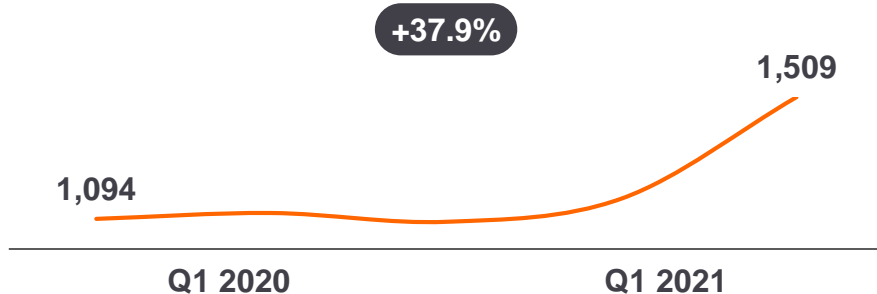
Transport volume [TEU m]



Revenue [EUR m]

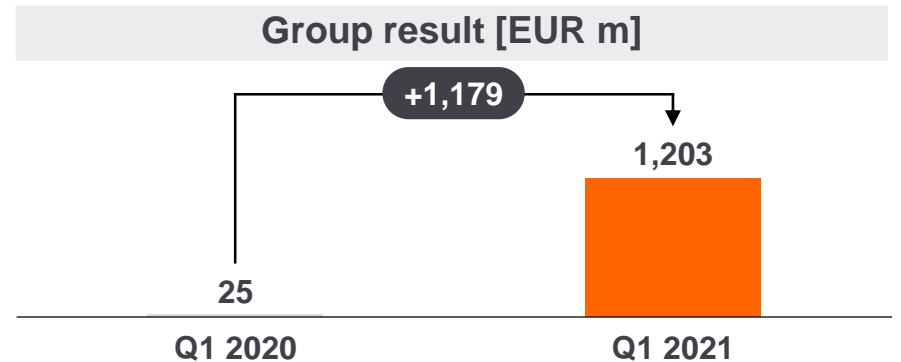
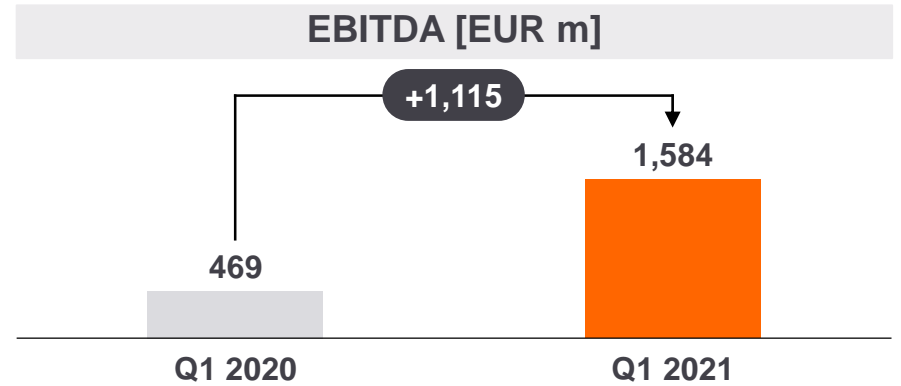
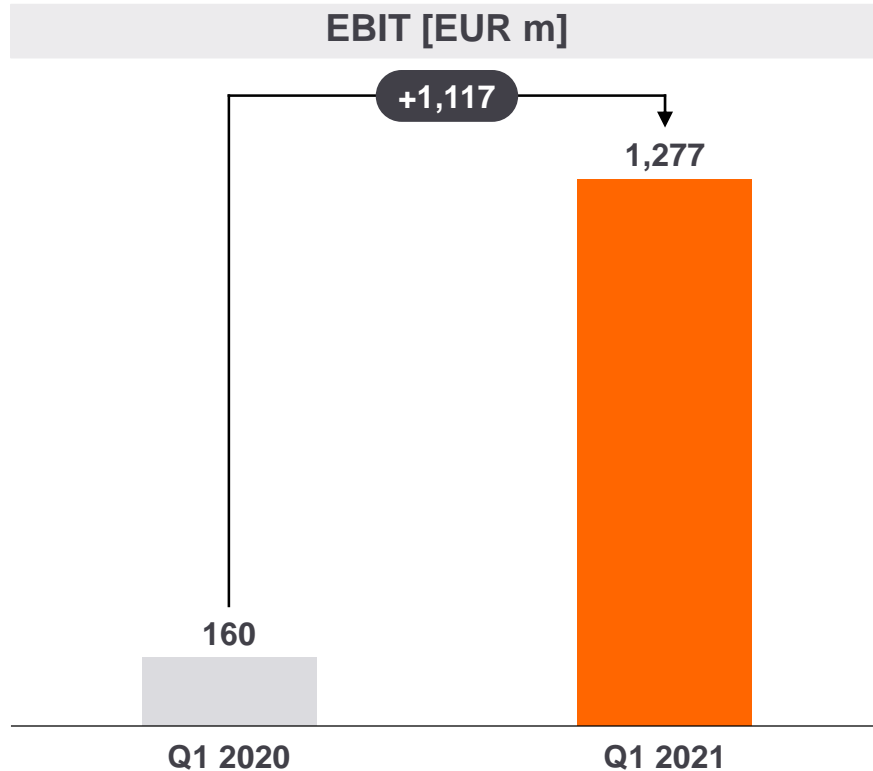


Freight rate [USD/TEU]





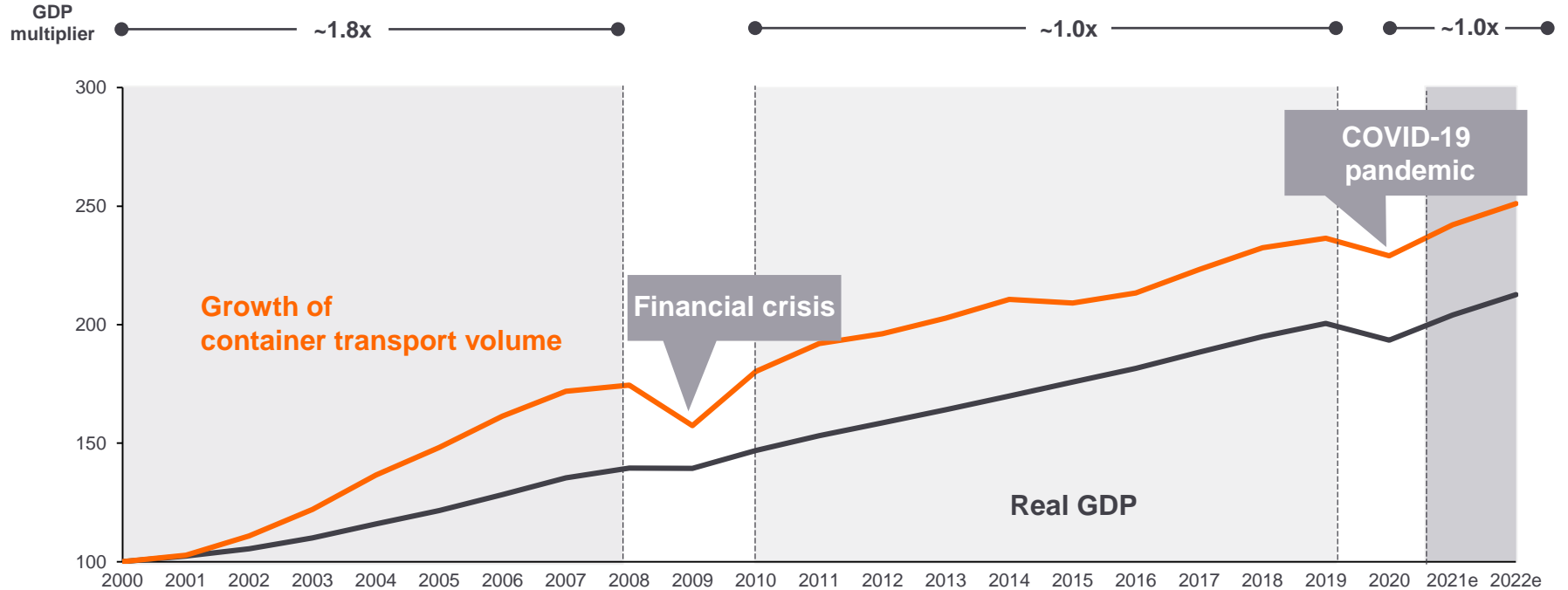
# ...which also led to a significant year-on-year increase in profitability in Q1 2021



# Despite a Corona-related decline in transport volume in 2020, container shipping remains a growth industry ...

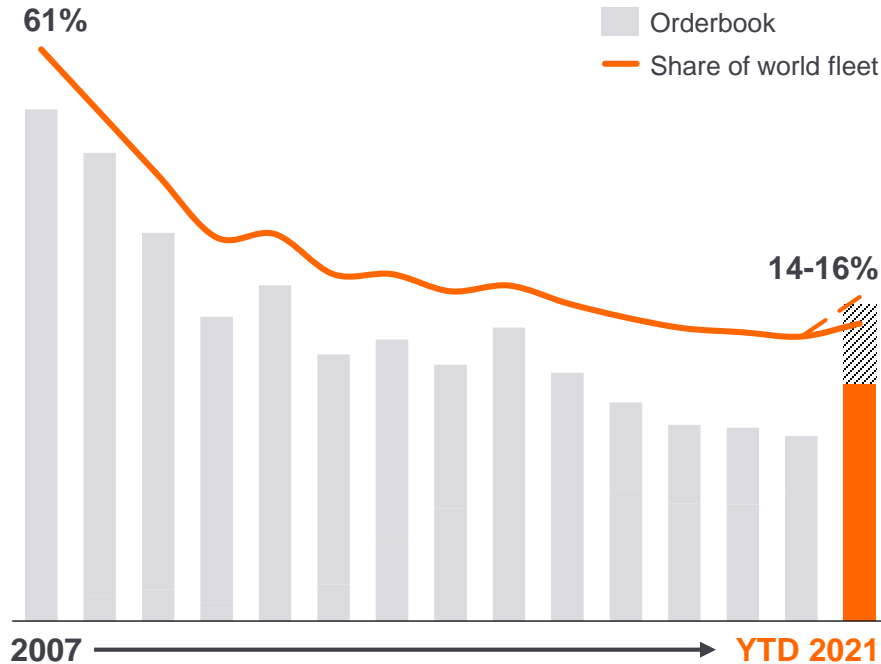
## Global container transport volume growth & real GDP growth [%]

2000 = Indexed on 100

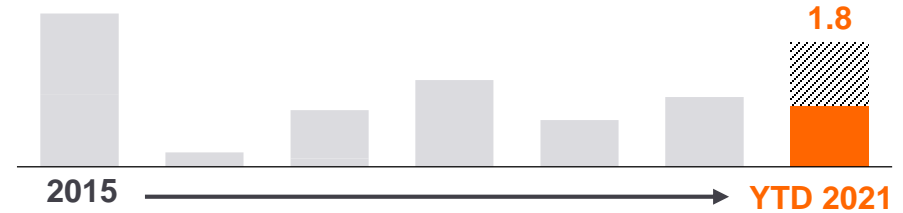


# ... with a good starting position in the midterm – despite some new vessel orders in the past weeks and months ...

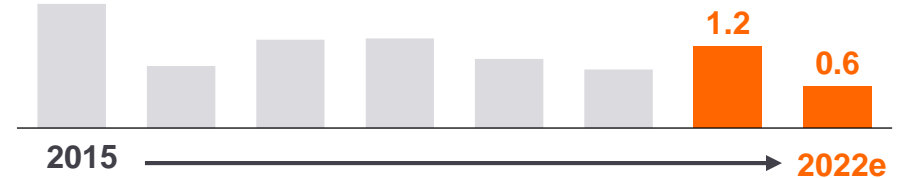
Orderbook-to-fleet ratio [TEU m; %]



New vessel orders [TEU m]



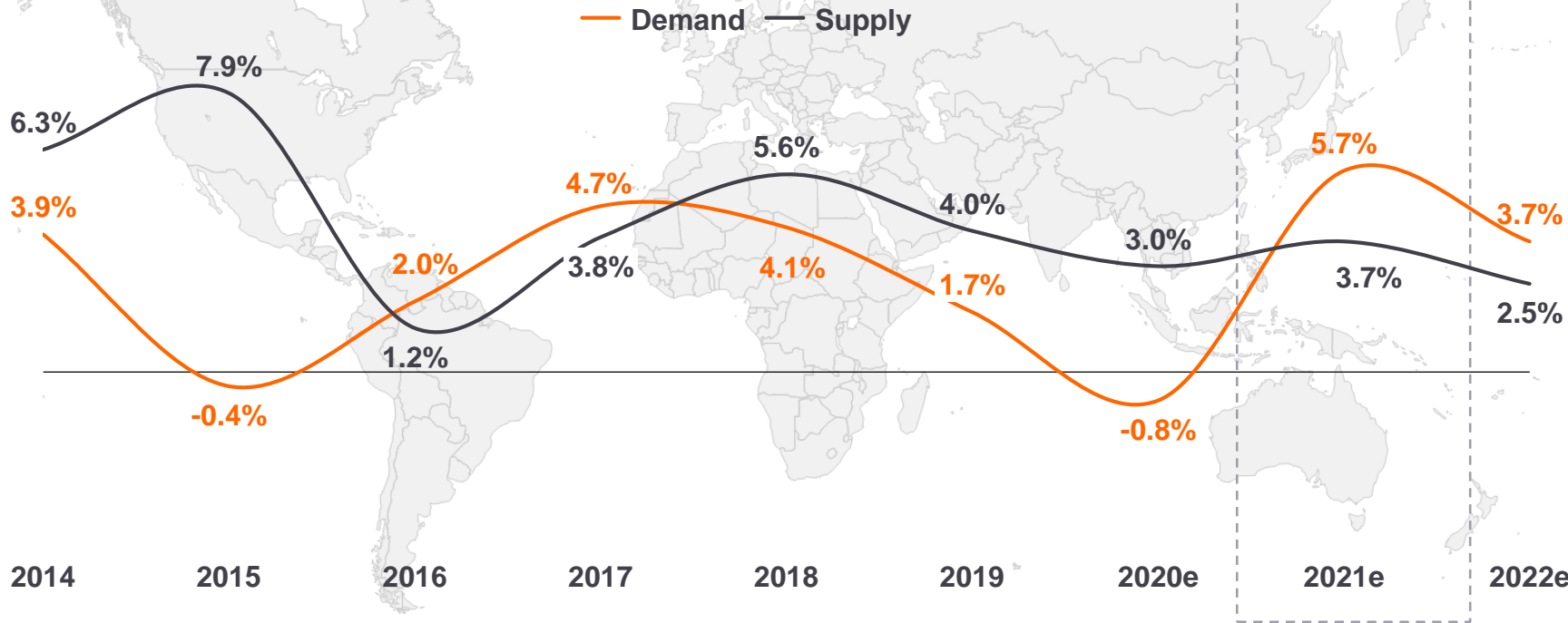
Scheduled vessel deliveries [TEU m]



Source: MDS Transmodal (April 2021), Drewry Forecaster (Forecaster 1Q21), Clarksons (April 2021)

# ... as supply and demand are expected to be relatively balanced in the coming years

## Supply / Demand Balance



# For 2021, we also expect a positive business development

FINANCIAL YEAR 2020

OUTLOOK FOR 2021



Transport volume

11,838 TTEU

Increasing slightly



Bunker price

379 USD/t

Increasing clearly



Freight rate

1,115 USD/TEU

Increasing clearly



EBITDA

EUR 2,700 m

Increasing clearly



EBIT

EUR 1,315 m

Increasing clearly



# Our focus for the upcoming months and beyond:

Deliver on our  
**Strategy 2023**

Focus on our  
**customers'**  
needs

Continue to follow  
a **prudent**  
financial policy

Prepare for a  
**seamless**  
integration of  
NileDutch

**Investments** in a  
more efficient and  
**sustainable fleet**

**Take care of our**  
**people** and  
prepare for **post-**  
**COVID** way of  
work

# Thank you!



HLXU