

H1 2024

Hapag-Lloyd AG

Half-year financial report

1 January to
30 June 2024



SUMMARY OF HAPAG-LLOYD KEY FIGURES HALF-YEAR FINANCIAL REPORT H1 2024

		Q2 2024	Q2 2023	H1 2024	H1 2023	Change absolute
Liner Shipping segment						
Total vessels ¹		287	258	287	258	29
Aggregate capacity of vessels ¹	TTEU	2,184	1,865	2,184	1,865	319
Aggregate container capacity ¹	TTEU	3,232	2,876	3,232	2,876	356
Freight rate	USD/TEU	1,422	1,533	1,391	1,761	-370
Transport volume	TTEU	3,060	2,965	6,097	5,807	290
Revenue	million EUR	4,452	4,412	8,623	10,027	-1,404
EBITDA	million EUR	921	1,270	1,756	3,469	-1,713
EBIT	million EUR	434	803	782	2,532	-1,749
Terminal & Infrastructure segment						
Revenue	million EUR	103	6	201	11	190
EBITDA	million EUR	34	6	66	24	42
EBIT	million EUR	16	6	31	23	7
Group financial figures						
Revenue	million EUR	4,544	4,417	8,804	10,036	-1,233
EBITDA	million EUR	954	1,276	1,822	3,493	-1,671
EBIT	million EUR	450	808	813	2,555	-1,742
Group profit/loss	million EUR	434	1,005	732	2,898	-2,167
Earnings per share	EUR	2.44	5.71	4.12	16.46	-12.35
Cash flow from operating activities	million EUR	701	1,270	1,262	3,836	-2,574
Group return figures						
EBITDA margin	%	21.0	28.9	20.7	34.8	-14.1
EBIT margin	%	9.9	18.3	9.2	25.5	-16.2
ROIC	%	9.7	21.0	9.0	32.8	-23.8
Group balance sheet figures at 30 June²						
Equity	million EUR	18,476	18,763	18,476	18,763	-287
Equity ratio	%	62.1	64.7	62.1	64.7	-2.6
Financial debt and lease liabilities	million EUR	5,778	5,064	5,778	5,064	714
Cash and cash equivalents	million EUR	4,240	5,810	4,240	5,810	-1,570
Net liquidity ³	million EUR	378	2,592	378	2,592	-2,213

¹ Reporting date values at the end of the respective half-year.

² The comparison of balance sheet figures refers to the reporting date 31 December 2023. The comparative information is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes of the condensed interim consolidated financial statements.

³ Including the financial investments recognised in other financial assets (strategic liquidity reserve)

For computational reasons, rounding differences may occur in some of the tables and charts of this half-year financial report.

This half-year financial report was published on 14 August 2024.

MAIN DEVELOPMENTS IN H1 2024

- The first half of 2024 was characterised by an upturn in demand and renewed disruptions in global supply chains due to the tense security situation in the Red Sea.
- Group revenue in the first half of the 2024 financial year fell by 12% to EUR 8.8 billion (H1 2023: EUR 10.0 billion), which is mainly due to a significantly lower average freight rate in the Liner Shipping segment.
- Against the backdrop of declining revenues and higher operating expenses, Group EBITDA fell to EUR 1.8 billion (H1 2023: EUR 3.5 billion) and Group EBIT to EUR 0.8 billion (H1 2023: EUR 2.6 billion).
- The Liner Shipping segment recorded a 5% year-on-year increase in transport volumes to 6.1 million TEU (H1 2023: 5.8 million TEU). However, the 21% decline in the average freight rate in particular led to a decrease in EBITDA in the first half of 2024 to EUR 1.8 billion (H1 2023: EUR 3.5 billion). Segment EBIT fell accordingly from EUR 2.5 billion to EUR 0.8 billion.
- The Terminal & Infrastructure segment generated an EBITDA of EUR 66.1 million and an EBIT of EUR 30.7 million in the first half of 2024.
- Due to the declining operating performance, earnings per share dropped to EUR 4.12 from EUR 16.46 in the prior year period.
- Free cash flow was once again positive at EUR 0.5 billion (H1 2023: EUR 3.7 billion).
- As at 30 June 2024, the Group maintained a net liquidity position of EUR 0.4 billion (31 December 2023: EUR 2.6 billion).
- Due to stronger than expected demand and freight rates, the Executive Board of Hapag-Lloyd AG raised its earnings outlook for the financial year 2024 on 9 July. Group EBITDA is now expected to be in the range of EUR 3.2 to 4.2 billion (previously: EUR 2.0 to 3.0 billion) and Group EBIT in the range of EUR 1.2 to 2.2 billion (previously: EUR 0.0 to 1.0 billion).
- Against the backdrop of very volatile freight rates and major geopolitical challenges, the outlook is subject to a high degree of uncertainty.

CONTENTS

3 INTERIM GROUP MANAGEMENT REPORT

3 Business activities

6 Important financial performance indicators

7 Important non-financial principles

10 Economic report

10 General economic conditions

10 Sector-specific conditions

13 Earnings, financial and net asset position

13 Earnings position of the Hapag-Lloyd Group

16 Earnings position in the segments

21 Group financial position

23 Group net asset position

25 Executive Board's statement on the business developments

26 Outlook, risk and opportunity report

29 Note on significant transactions with related parties

30 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

30 Consolidated income statement

31 Consolidated statement of comprehensive income

32 Consolidated statement of financial position

34 Consolidated statement of cash flows

36 Consolidated statement of changes in equity

38 Condensed notes to the interim consolidated financial statements

49 Other notes

51 RESPONSIBILITY STATEMENT

52 Financial calendar 2024

53 Imprint

INTERIM GROUP MANAGEMENT REPORT

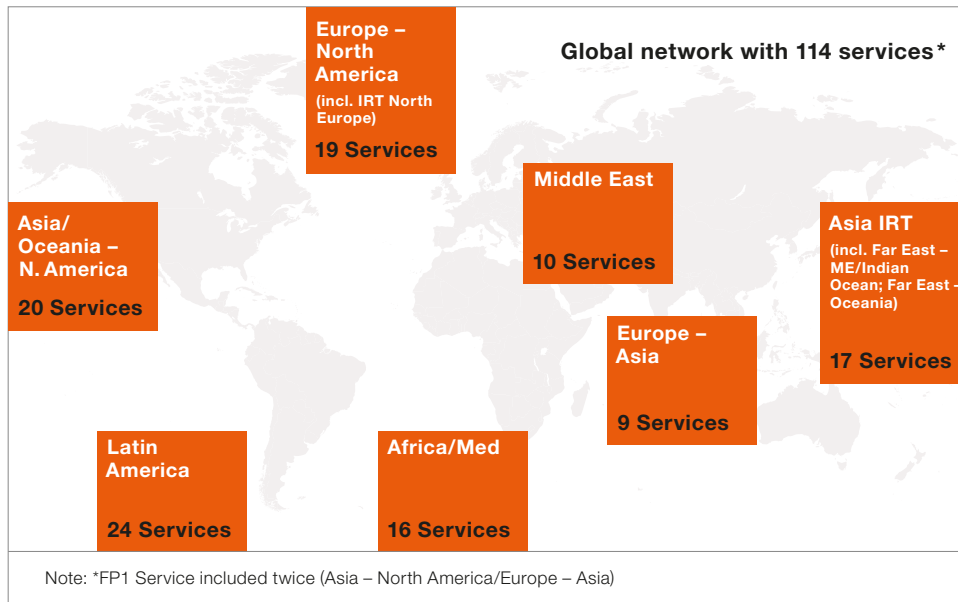
BUSINESS ACTIVITIES

The Hapag-Lloyd Group is one of the world’s leading container liner shipping companies. The Group’s core business encompasses the shipping of containers from port to port using both owned and chartered vessels as well as the associated hinterland transport from door to door. In addition, Hapag-Lloyd has continuously expanded its activities in the terminal sector. Following the acquisition of SAAM Ports S.A. and SAAM Logistics S.A. as well as an associated real estate portfolio (jointly SAAM Terminals) in August 2023, the business activities have been separated into the Liner Shipping and Terminal & Infrastructure segments.

Liner Shipping segment

As at 30 June 2024, Hapag-Lloyd’s fleet consisted of 287 container vessels (30 June 2023: 258) with a transport capacity of 2.2 million TEU (30 June 2023: 1.9 million TEU). The segment is represented by 399 sales offices in 139 countries (30 June 2023: 399 sales offices in 135 countries) and offers its customers access to a global network of 114 services (30 June 2023: 115 services). In the first half of 2024, the segment served approximately 23,500 customers around the world (prior year period: approximately 25,600).

Network of Hapag-Lloyd services



Cooperations

Vessel sharing agreements and alliances are an important part of container liner shipping, as they enable a more comprehensive range of liner services and help to reduce unit costs and greenhouse gas emissions through better capacity utilisation. Hapag-Lloyd operates “THE Alliance” together with ONE, HMM and Yang Ming. As at 30 June 2024, “THE Alliance”

covered all East-West trades with 255 container vessels and 25 services (30 June 2023: 230 container vessels and 29 services). There are also two other global alliances, the “2M Alliance”, consisting of the two market leaders MSC and Maersk, and the “Ocean Alliance”, consisting of CMA CGM, COSCO, including its subsidiary OOIL, and Evergreen. On 17 January 2024, Hapag-Lloyd and Maersk announced that they have reached an agreement for a new, long-term operational cooperation called “Gemini Cooperation”, which is scheduled to start in February 2025 and will be limited to the major East-West trades between the Far East, North America and Europe. As a result of the new partnership, Hapag-Lloyd will leave “THE Alliance” in January 2025. Maersk and MSC had already announced in January 2023 that the “2M Alliance” would be terminated in January 2025.

Capacity share of alliances based on selected trades

in %	Far East	Transpacific	Atlantic
2M	39	21	49
Ocean Alliance	32	39	17
THE ALLIANCE	24	28	28
Other	5	12	7

Source: Alphaliner June 2024

Terminal & Infrastructure segment

Hapag-Lloyd is the majority owner of five seaport terminals in the USA and Latin America. In addition, Hapag-Lloyd has holdings in terminals in Latin America, Europe, North Africa and India. Along with the terminal activities, complementary logistics services are offered at some locations. With effect from 1 July 2024, the business unit operates under the brand name Hanseatic Global Terminals.

Hapag-Lloyd terminals and terminal holdings



Functional currency of the Group

The Hapag-Lloyd Group operates in an international business environment. Transactions are invoiced mainly in US dollars and payment procedures are handled in US dollars. This relates not only to operating business transactions, but also to investment activities and the corresponding financing of investments.

The Hapag-Lloyd Group's functional currency is the US dollar. The reporting currency of the interim consolidated financial statements of Hapag-Lloyd AG is, however, the euro. Assets and liabilities recognised in the interim consolidated financial statements of Hapag-Lloyd AG are translated into euros as at the balance sheet date (closing date rate) using the mean rate of that day. The cash flows listed in the consolidated statement of cash flows and the expenses, income and result shown in the consolidated income statement are translated at the average exchange rate for the reporting period. The currency translation differences are recognised directly in the Group's other comprehensive income. If required, hedging transactions are conducted in the Hapag-Lloyd Group to hedge against the USD/EUR exchange rate.

Shareholder structure of Hapag-Lloyd AG

The shareholder structure of Hapag-Lloyd AG is dominated by its five major shareholders, which together hold around 96.4% of the Company's share capital. These include Kühne Maritime GmbH together with Kühne Holding AG (Kühne), CSAV Germany Container Holding GmbH (CSAV), Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH (HGV), and Qatar Holding Germany GmbH on behalf of the Qatar Investment Authority (QIA) and Public Investment Fund of the Kingdom of Saudi Arabia (PIF). In addition, CSAV, Kühne Maritime GmbH and HGV have agreed under a shareholders' agreement to exercise their voting rights from the shares in Hapag-Lloyd AG by issuing a common voting proxy, thereby making important decisions together.

As at 30 June 2024, the shareholder structure of Hapag-Lloyd AG (unchanged from 31 December 2023) is as follows:

in %	30.6.2024
Kühne Holding AG and Kühne Maritime GmbH	30.0
CSAV Germany Container Holding GmbH	30.0
HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH	13.9
Qatar Holding Germany GmbH	12.3
Public Investment Fund of the Kingdom of Saudi Arabia	10.2
Free float	3.6
Total	100.0

IMPORTANT FINANCIAL PERFORMANCE INDICATORS

Important financial performance indicators for the Hapag-Lloyd Group include earnings before interest, taxes, depreciation and amortisation (EBITDA) and earnings before interest and taxes (EBIT). Important factors influencing the development of results are the transport volume and freight rate, the US dollar exchange rate against the euro and operating costs such as transport expenses and personnel expenses. The development of the financial performance indicators in the first half of the 2024 financial year is presented in the section “Group earnings position and earnings position in the segments”.

Hapag-Lloyd aims to be profitable throughout the entire economic cycle, i.e., to achieve a return on invested capital that is at least equal to the company’s weighted average cost of capital. For this reason, return on invested capital (ROIC) is used as an additional strategic performance indicator. ROIC compares net operating profit after tax (NOPAT), defined as EBIT less related taxes, with the average invested capital for the reporting period. Invested capital is defined as assets excluding cash, cash equivalents and interest-bearing assets less liabilities excluding financial debt and lease liabilities. Average invested capital is calculated as the mean of the invested capital at the beginning and end of the reporting period. To facilitate comparison with other international shipping and terminal companies, the return on invested capital is calculated and presented exclusively on the basis of the functional currency, the US dollar.

In the first half of the 2024 financial year, Hapag-Lloyd generated an annualised return on invested capital (ROIC) of 9.0% (prior year period: 32.8%). The weighted average cost of capital at the balance sheet date 31 December 2023 was 9.4%. Calculation of the ROIC is as follows:

Return on invested capital of Hapag-Lloyd Group

	million EUR		million USD	
	H1 2024	H1 2023	H1 2024	H1 2023
Non-current assets ¹	20,236.4	17,566.2	21,680.2	19,066.1
Inventory	542.2	399.5	580.9	433.6
Accounts receivables	2,327.0	1,952.8	2,493.1	2,119.5
Other current assets ¹	474.3	454.1	508.1	492.9
Assets	23,579.9	20,372.6	25,262.2	22,112.1
Provisions	1,312.4	1,234.9	1,406.1	1,340.4
Accounts payable	2,535.0	2,639.3	2,715.8	2,864.6
Other liabilities	1,635.0	1,003.3	1,751.5	1,088.6
Liabilities	5,482.4	4,877.5	5,873.5	5,293.7
Invested Capital				
at end of period	18,097.5	15,495.2	19,388.8	16,818.4
at beginning of period	16,171.2	15,324.0	17,912.0	16,358.4
Average Invested Capital	17,134.3	15,409.6	18,650.4	16,588.4
EBIT	813.0	2,555.1	878.8	2,761.6
Income taxes (EBIT related) ²	39.9	37.2	43.1	40.2
Net Operating Profit after Tax (NOPAT)	773.1	2,518.0	835.7	2,721.4
Return on Invested Capital (ROIC, annualised, in %)			9.0	32.8

¹ Excluding interest-bearing assets

² Excluding taxes related to income from interest-bearing assets

IMPORTANT NON-FINANCIAL PRINCIPLES

In addition to the financial performance indicators, the optimum utilisation of the available vessel and container capacities, as well as terminal capacity utilisation and productivity, has a substantial influence on whether Hapag-Lloyd achieves long-term profitable growth.

Sustainable and quality-conscious corporate governance and highly qualified and motivated employees are also important parameters for Hapag-Lloyd's long-term profitable growth. The following non-financial parameters are important for understanding Hapag-Lloyd as a liner shipping company and terminal operator. However, they are not used by the company as performance indicators.

Fleet and capacity development

As at 30 June 2024, Hapag-Lloyd's fleet consisted of a total of 287 ships (30 June 2023: 258 ships). All of the vessels are certified in accordance with the ISM (International Safety Management) Code and have a valid ISSC (ISPS) certificate. The majority of the vessels are also certified as per ISO 9001 (quality management) and ISO 14001 (environmental management).

The TEU capacity of the Hapag-Lloyd fleet as at 30 June 2024 amounted to 2,184 TTEU, an increase of 17.1% compared with 30 June 2023 (1,865 TTEU). Based on TEU capacity, 60% of the fleet was owned as at 30 June 2024 (30 June 2023: 62%). In the first half of the 2024 financial year, six newbuilds (five ships owned and one as a long-term charter) with a total capacity of around 111 TTEU were put into service.

As at 30 June 2024, Hapag-Lloyd's order book comprised six newbuilds, each with a slot capacity of 23,664 TEU. The total capacity of the newbuilds is approximately 142 TTEU. Two vessels will be delivered in 2024, the other four in 2025.

The average age of Hapag-Lloyd's entire fleet as at 30 June 2024 (capacity-weighted) was 11.0 years (30 June 2023: 11.2 years) and was therefore slightly above the average level of the ten largest container liner shipping companies worldwide of 10.7 years (30 June 2023: 10.9 years). At 7.6 TTEU (30 June 2023: 7.2 TTEU), the average ship size of the Hapag-Lloyd Group's fleet was around 11% above the comparable average of 6.9 TTEU for the world's ten largest container liner shipping companies (30 June 2023: 6.5 TTEU; source: MDS Transmodal) and around 65% above the average ship size of the global fleet of 4.6 TTEU (30 June 2023: 4.4 TTEU; source: MDS Transmodal).

As at 30 June 2024, Hapag-Lloyd had 1.9 million (30 June 2023: 1.7 million) owned and leased containers at its disposal to transport cargo with a capacity of 3.2 million TEU (30 June 2023: 2.9 million TEU). The capacity-weighted share of containers owned as at 30 June 2024 was approximately 61% (30 June 2023: approximately 59%). In the first half of the 2024 financial year, around 149,000 new containers were ordered, including 6,850 reefer containers, with a total capacity of around 260,000 TEU.

Hapag-Lloyd's service network comprised 114 services as at 30 June 2024 (30 June 2023: 115 services).

Structure of Hapag-Lloyd's container ship fleet

	30.6.2024	31.12.2023	30.6.2023
Number of vessels	287	266	258
thereof			
Own vessels ¹	127	123	124
Chartered vessels	160	143	134
Aggregate capacity of vessels (TTEU)	2,184	1,972	1,865
Aggregate container capacity (TTEU)	3,232	2,975	2,876
Number of services	114	113	115

¹ Including lease agreements with purchase option/obligation at maturity

In the first half of the financial year 2024, bunker consumption totalled 2.3 million tonnes, up 16.4% on the previous year (prior year period: 2.0 million tonnes). The increase in bunker consumption is due in particular to the tense security situation in the Red Sea and the resulting need to divert ships around the Cape of Good Hope. Bunker consumption per slot (measured in terms of average container slot capacity, annualised) was 2.22 tonnes in the first half of the 2024 financial year, up 1.7% on the same period of the previous year (H1 2023: 2.18 tonnes). Bunker consumption per TEU transported increased accordingly by 10.8% from 0.34 tons per TEU in H1 2023 to 0.38 tons in H1 2024.

The percentage of low-sulphur bunker (MFO low sulphur 0.1% and 0.5%, MDO) and liquefied natural gas (LNG) decreased from 83% in H1 2023 to 77% in H1 2024 due to the fitting of more vessels with scrubbers.

Customers

Hapag-Lloyd's aim in its Liner Shipping activities is to maintain a diversified customer portfolio consisting of direct customers and freight forwarders, with the latter ensuring a permanent regular supply of cargo volumes. Contractual relationships of up to 36 months generally exist with direct customers. Direct customers allow Hapag-Lloyd to plan the required transport capacity better because of the framework agreements concluded with them. Hapag-Lloyd has a balanced customer base, as demonstrated by the fact that its 50 largest customers represent considerably less than 50% of its cargo volume. In the first half year of 2024, Hapag-Lloyd completed transport contracts for approximately 23,500 customers (H1 2023: approximately 25,600).

The customer structure of the Terminal & Infrastructure segment differs significantly from that of the Liner Shipping segment. The terminals' customers are primarily the globally operating container shipping companies, most of which are also part of alliances. In addition, Hapag-Lloyd and "THE Alliance" are a major customer of the Terminal & Infrastructure segment.

Employees

As at 30 June 2024, the Hapag-Lloyd Group employed a total of 16,554 persons (30 June 2023: 13,849). The increase is mainly due to the acquisition of SAAM Terminals (Terminal & Infrastructure segment) and the expansion of hinterland transport and customer services in the Liner Shipping segment.

Number of employees

	30.6.2024	31.12.2023	30.6.2023
Liner Shipping	13,691	13,426	13,567
thereof marine personnel	1,321	1,305	1,318
Terminal & Infrastructure	2,863	2,869	282
Total	16,554	16,295	13,849

ECONOMIC REPORT

General economic conditions

The pace at which the global economy grows and, by extension, at which global trade develops is a significant factor that influences demand for container shipping services and terminal services.

According to the International Monetary Fund (IMF), the global economy recorded robust growth in the first half of 2024 despite the numerous geopolitical crises and persistently high inflation (IMF World Economic Outlook, July 2024).

The economy of the People's Republic of China grew by 5.0% year-on-year in the first half year of 2024, despite the negative impact of the real estate crisis. Exports of goods rose by 6.9%, while imports increased by 5.2% compared to the first half year of 2023 (National Bureau of Statistics of China, July 2024). The main recipients of Chinese goods are the USA and Europe. The US economy grew by 3.1% in the second quarter of 2024 compared to the second quarter of 2023. In the first quarter of 2023, the US economy had already grown by 2.9% compared with the previous year. Growth was driven by investments and rising government spending. In the first five months of 2024, imports of goods rose by 2.5% compared to the same period of the previous year, while exports increased by 1.0% (U.S. Department of Commerce, July 2024). The EU economy grew by 0.7% in the second quarter of 2024 compared to Q2 2023. In the first quarter of 2024, the EU economy grew by 0.6% year-on-year. Exports of goods from the EU increased slightly by 0.7% in the first five months of 2024 compared to the prior year period. In contrast, imports of goods fell significantly by 9.3% (Eurostat, July 2024).

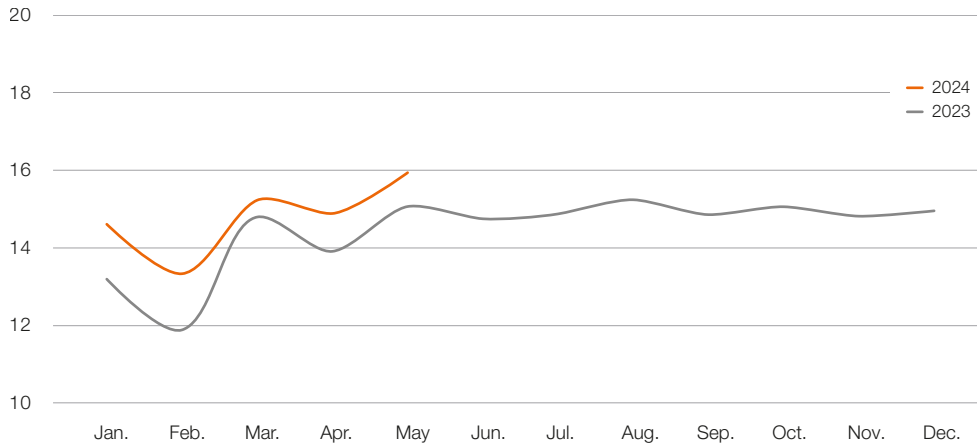
Crude oil and bunker prices rose in the first half of 2024 due to tensions in the Middle East. Brent crude oil rose by 12.2% and was quoted at USD 86.41 per barrel as at 30 June 2024 (end of 2023: USD 77.04 per barrel). Low sulphur bunker (MFO 0.5%, FOB Rotterdam) was quoted at USD 562/t as of 30 June 2024 up 7.4% on the 2023 year-end price of USD 523/t (S&P Global Commodity Insights, Bloomberg).

Sector-specific conditions

The Liner Shipping and Terminal & Infrastructure segments are both fundamentally affected by the same sector-specific developments, in particular international trade.

Global container transport volumes recovered by 7.5% year-on-year in the period from January to May 2024 (CTS, July 2024). Almost all trades recorded significant growth. The transport volume in the major trades from the Far East to North America rose by 16.9% and from the Far East to Europe by 6.5%.

Monthly global container transport volumes (in million TEU)

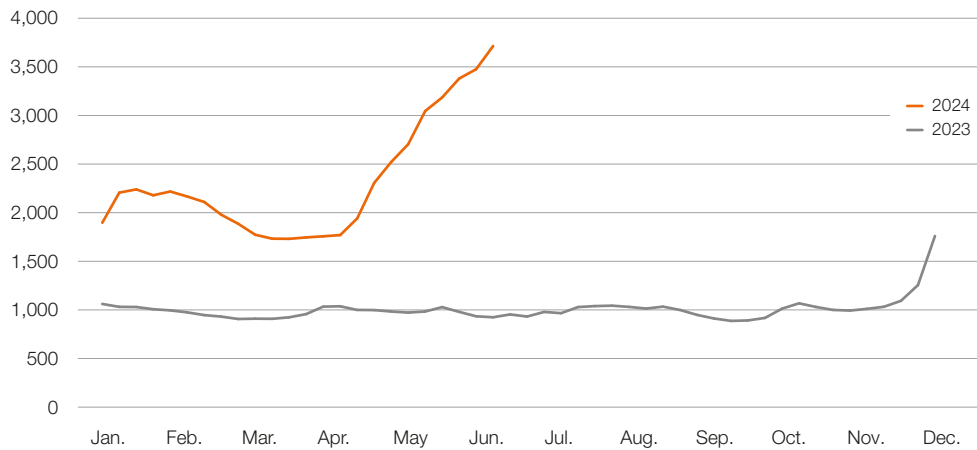


Source: CTS, July 2024

Liner Shipping segment

The Shanghai Containerized Freight Index (SCFI), which tracks spot freight rate trends on Shanghai’s most important trade routes, was significantly higher in the first half of 2024 than in the same period of the previous year. At the end of June 2024, the index stood at USD 3,714/TEU (previous year: USD 954/TEU). Due to the tense security situation in the Red Sea, many container shipping companies have been rerouting their ships around the Cape of Good Hope since mid-December 2023. The longer voyage times are leading to a shortage of shipping capacity and rising transport costs.

Development of the Shanghai Containerized Freight Index (in USD/TEU)



Source: Shanghai Shipping Exchange, July 2024

At the end of June 2024, the proportion of laid-up, i.e. idle ships, was 0.22 million TEU or 0.7% of the global fleet, down on the previous year's level (30 June 2023: 0.27 million TEU; 1.0%, Alphaliner Weekly, June 2024). The reason for this is the increased demand for ship capacity due to the longer routes around the Cape of Good Hope.

According to MDS Transmodal, a total of 260 container ships with a transport capacity of around 1.7 million TEU were put into service in the first half of 2024 (prior year period: 143 ships, transport capacity: around 1.1 million TEU). According to Clarksons, only 25 small container ships with a total of 40 TTEU were scrapped in the same period (previous year period: 38 ships, 56 TTEU).

In the first half of 2024, orders were placed for the construction of 97 container ships with a total transport capacity of 0.9 million TEU (prior year period: 93 ships with a capacity of 0.9 million TEU, Clarksons Research, July 2024).

According to MDS Transmodal, the tonnage of container ships on order fell to around 5.3 million TEU at the end of June 2024, compared to around 7.0 million TEU at the end of June 2023. The ratio of order backlog to global container fleet capacity was at 18.2% (as at 30 June 2023: 26.5%) and thus well below the peak of around 61% reached in 2007.

EARNINGS, FINANCIAL AND NET ASSET POSITION

Earnings position of the Hapag-Lloyd Group

Business performance Hapag-Lloyd Group

The first half of the 2024 financial year continued to be characterised by a significantly lower average freight rate compared to the same period of the previous year. In contrast, the transport volume increased, driven primarily by an upturn in demand. As a result of these developments, the Hapag-Lloyd Group generated a lower Group net result in the first half of 2024 compared to the same period of the previous year.

With an amount of EUR 1,821.7 million, consolidated earnings before interest, taxes, depreciation, and amortisation (EBITDA) were significantly lower in the first half of the 2024 financial year than the previous year's figure of EUR 3,492.9 million. The Hapag-Lloyd Group's earnings before interest and taxes (EBIT) also fell significantly to EUR 813.0 million (prior year period: EUR 2,555.1 million). The Group result totalled EUR 731.6 million (prior year period: EUR 2,898.4 million).

Consolidated income statement

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Revenue	4,543.6	4,417.1	8,803.6	10,036.2
Transport and terminal expenses	3,169.6	2,818.2	6,209.8	5,856.5
Personnel expenses	307.4	234.3	547.2	475.8
Depreciation, amortisation and impairment	504.3	467.3	1,008.7	937.8
Other operating result	-105.5	-96.5	-212.0	-234.1
Operating result	456.9	800.8	825.8	2,532.1
Share of profit of equity-accounted investees	-7.0	5.3	-12.8	20.8
Result from investments	-	2.2	-	2.2
Earnings before interest and tax (EBIT)	449.9	808.3	813.0	2,555.1
Interest result and other financial result	10.9	101.1	48.1	252.8
Other financial items	0.3	94.1	-10.2	152.3
Income taxes	27.6	-1.8	119.3	61.9
Group profit/loss	433.6	1,005.2	731.6	2,898.4
thereof profit/loss attributable to shareholders of Hapag-Lloyd AG	429.7	1,003.0	723.3	2,893.4
thereof profit/loss attributable to non-controlling interests	4.0	2.3	8.3	5.0
Basic/diluted earnings per share (in EUR)	2.44	5.71	4.12	16.46
EBITDA	954.2	1,275.6	1,821.7	3,492.9
EBITDA margin (%)	21.0	28.9	20.7	34.8
EBIT	449.9	808.3	813.0	2,555.1
EBIT margin (%)	9.9	18.3	9.2	25.5

Revenue in the Group

In the first half of the 2024 financial year, the Hapag-Lloyd Group's revenue fell by EUR 1,232.6 million to EUR 8,803.6 million (prior year period: EUR 10,036.2 million), which corresponds to a decrease of 12.3%. This development was mainly due to the lower average freight rates. This was offset by a 5.0% increase in transport volume compared with the prior year period. Further details on sales revenue can be found in the section "Earnings position in the segments".

Operating expenses in the Group

Transport and terminal expenses increased by EUR 353.4 million to EUR 6,209.8 million in the first half of the 2024 financial year (prior year period: EUR 5,856.5 million). This corresponds to an increase of 6.0%.

Personnel expenses increased by EUR 71.5 million to EUR 547.2 million in the first half of the 2024 financial year (prior year period: EUR 475.8 million). The increase is mainly due to the higher costs for the employees taken over as a result of the acquisition of the SAAM Terminals companies in the third quarter of the previous year. Salary increases also contributed to the rise.

In the first half of the 2024 financial year, depreciation and amortisation increased by EUR 70.9 million to EUR 1,008.7 million (prior year period: EUR 937.8 million). The increase was mainly due to higher depreciation and amortisation for new vessels and containers as well as the addition of depreciation and amortisation from the acquisition of SAAM Terminals. The scheduled amortisation of right-of-use assets (primarily vessels and containers) led to depreciation and amortisation of EUR 521.1 million (prior year period: EUR 520.6 million).

Other operating result

The other operating result of EUR -212.0 million (prior year period: EUR -234.1 million) comprised the net balance of other operating income and expenses. Other operating expenses totalled EUR 275.9 million for the first half of the 2024 financial year (prior year period: EUR 289.8 million). This mainly included IT and communication expenses (EUR 129.0 million; prior year period: EUR 131.0 million), office and administrative expenses (EUR 30.5 million; prior year period: EUR 21.7 million), expenses for training and other personnel expenses (EUR 26.7 million; prior year period: EUR 18.4 million) and fees for consultancy and other professional services (EUR 26.5 million; prior year period: EUR 48.7 million).

Interest result and other financial result

In the first half of the 2024 financial year, the interest result and other financial result amounted to EUR 48.1 million (prior year period: EUR 253.3 million). The decrease in interest income and other financial income to EUR 194.8 million (prior year period: EUR 382.4 million) was mainly due to the lower volume of money market transactions, which were reduced in the context of the dividend payment. Money market funds and money market transactions yielded income totalling EUR 141.7 million (prior year period: EUR 346.5 million). Interest income from the securities of the special fund "HLAG Performance Express" totalled EUR 33.8 million (prior year period: EUR 10.3 million).

Other financial items

In the first half of the 2024 financial year, the result for other financial items amounted to EUR -10.2 million (prior year period: EUR 152.3 million). The main reasons for this change were the realised losses (prior year period: gains) from the currency forward contracts for the dividend distribution in euros in May 2024 respectively May 2023 and the realised foreign currency losses (prior year period: foreign currency losses) from the corresponding dividend payment.

Income taxes

The increase in income taxes in the first half of the 2024 financial year by EUR 57.5 million to EUR 119.3 million (prior year period: EUR 61.8 million) is mainly due to the development of deferred taxes in the Hapag-Lloyd Group. While current income taxes fell by EUR 33.7 million to EUR 28.4 million (prior year period: EUR 62.1 million), there was a significant increase in expenses for deferred taxes to EUR 91.0 million (prior year period: EUR 0.2 million). The increase is mainly the result of the recognition of deferred tax liabilities on temporary differences in the area of exchange rate effects on investments and the recognition of deferred tax liabilities on valuation differences of a special fund held.

Group profit

In the first half of the 2024 financial year a consolidated Group profit of EUR 731.6 million was achieved (prior year period: EUR 2,898.4 million).

Earnings position in the segments

Liner Shipping segment

In the first half of the 2024 financial year, the Liner Shipping segment recorded a sharp decline in earnings due to a significant drop in the average freight rate. Revenue fell by 14.0% to EUR 8,622.7 million (prior year period: EUR 10,027.0 million). Operating earnings before interest, taxes, depreciation, and amortisation (EBITDA) in Liner Shipping amounted to EUR 1,755.7 million, compared to EUR 3,468.9 million in the prior year period, while operating earnings before interest and taxes (EBIT) stood at EUR 782.4 million (prior year period: EUR 2,531.8 million).

Income statement for Liner Shipping

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Revenue	4,451.8	4,412.5	8,622.7	10,027.0
Transport expenses	3,155.2	2,819.2	6,183.1	5,858.5
thereof				
Transport expenses for completed voyages	3,125.2	2,836.1	6,219.4	5,911.3
Bunker and emissions	663.6	519.5	1,316.9	1,141.9
Handling and haulage	1,504.5	1,353.7	2,984.5	2,851.9
Equipment and repositioning ¹	396.1	359.5	796.5	751.3
Vessels and voyages (excluding bunker) ¹	560.8	603.5	1,121.5	1,166.1
Transport expenses for pending voyages ²	30.0	-17.0	-36.2	-52.8
Armortization and depreciation	486.4	467.0	973.3	937.2
Other income and expenses	-376.0	-323.7	-683.8	-699.6
EBITDA	920.6	1,269.7	1,755.7	3,468.9
EBITDA margin (%)	20.7	28.8	20.4	34.6
EBIT	434.1	802.7	782.4	2,531.8
EBIT margin (%)	9.8	18.2	9.1	25.2

¹ Including lease expenses for short-term leases

² The amounts presented as transport expenses for pending voyages represent the difference between the transport expenses for pending voyages for the current period and the transport expenses for pending voyages for the previous period. The transport expenses for pending voyages recognised in the previous periods are presented in the current period as transport expenses for completed voyages.

Operating performance of Liner Shipping

Transport volume per trade

TTEU	Q2 2024	Q2 2023	H1 2024	H1 2023
Atlantic	555	511	1,086	1,038
Transpacific	523	433	1,062	853
Far East	565	573	1,124	1,055
Middle East	294	356	570	725
Intra-Asia	192	188	378	350
Latin America	756	726	1,519	1,437
Africa	175	178	359	348
Total	3,060	2,965	6,097	5,807

At 6,097 TTEU (prior year period: 5,807 TTEU), the transport volume in the first half of the 2024 financial year was up on the previous year (+5.0%).

The increase in transport volumes in the Transpacific, Far East and Intra-Asia trades is in particular due to increased transport capacity. By contrast, transport volumes in the Middle East trade fell, primarily due to the ongoing conflict in the Red Sea and the associated additional transit times and proportionate suspension of services.

Freight rates per trade

USD/TEU	Q2 2024	Q2 2023	H1 2024	H1 2023
Atlantic	1,379	1,997	1,384	2,328
Transpacific	1,731	1,714	1,665	1,941
Far East	1,516	1,321	1,430	1,568
Middle East	1,391	1,010	1,263	1,137
Intra-Asia	756	800	773	891
Latin America	1,327	1,700	1,342	1,913
Africa	1,521	1,574	1,536	1,760
Total (weighted average)	1,422	1,533	1,391	1,761

In the first half of 2024, the average freight rate was USD 1,391/TEU and was therefore USD 370/TEU or 21.0% lower than in the same period of the previous year (USD 1,761/TEU).

The lower average freight rate is mainly the result of fewer disruptions to global supply chains compared to the previous year and the associated release of transport capacity.

Result performance of Liner Shipping

Revenue

In the first half of the 2024 financial year, revenue in the Liner Shipping segment fell by EUR 1,404.3 million to EUR 8,622.7 million (prior year period: EUR 10,027.0 million), which corresponds to a decrease of 14.0%. This was mainly due to a 21.0% decline in the average freight rate compared to the same period in the previous year. The 5.0% increase in transport volumes compared to the same period in the previous year had a slightly offsetting effect.

Revenue per trade

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Atlantic	711.3	934.9	1,390.9	2,235.2
Transpacific	840.3	680.7	1,635.4	1,532.6
Far East	795.1	694.1	1,486.4	1,530.8
Middle East	379.5	329.0	665.8	763.0
Intra-Asia	135.2	137.8	269.9	288.7
Latin America	931.9	1,132.1	1,885.2	2,542.5
Africa	247.3	256.5	510.0	567.2
Revenue not assigned to trades	411.3	247.4	778.9	567.0
Total	4,451.8	4,412.5	8,622.7	10,027.0

Revenue not assigned to trades mainly includes income from demurrage and detention charges for containers as well as compensation payments for shipping space. Furthermore, realised revenue from pending voyages are included in revenue not assigned to trades.

Transport expenses

Transport expenses increased by EUR 324.6 million to EUR 6,183.1 million in the first half of the 2024 financial year (prior year period: EUR 5,858.5 million). This corresponds to an increase of 5.0%.

The increase in expenses for bunker and emissions is mainly due to higher bunker consumption compared to the prior year period, whereby expenses for bunker increased by EUR 132.0 million to EUR 1,274.0 million (prior year period: EUR 1,141.9 million). At USD 601/t, the average bunker consumption price for Hapag-Lloyd in the first half of the 2024 financial year was USD 24/t lower than the figure of USD 625/t in the same period of the previous year. However, the increased bunker consumption, particularly due to the rerouting of ships around the Cape of Good Hope, contributed to an increase in fuel expenses. In addition, the first-time recognition of expenses for CO₂ emission certificates totalling EUR 42.9 million (prior year period: EUR 0.0 million) contributed to the increase in bunker and emissions. With the inclusion of shipping emissions in the EU Emissions Trading System, Hapag-Lloyd has been obliged to purchase and submit EU allowances (EUAs) for CO₂ emissions since the 2024 financial year.

Expenses for container handling rose by EUR 132.6 million to EUR 2,984.5 million in the first half of the reporting year (prior year period: EUR 2,851.9 million). This increase is due in particular to higher demurrage and detention fees for containers.

Expenses for containers and repositioning increased compared to the prior year period, mainly due to the additional handling activities in connection with the conflict in the Red Sea.

The decrease in expenses for vessels and voyages (excluding bunker) is mainly due to lower canal costs in connection with the avoidance of the Suez Canal. By contrast, expenses for short-term chartered ships and container slot charter costs on third-party vessels in particular increased compared to the same period of the previous year.

Depreciation, amortisation and impairments

In the first half of the 2024 financial year, depreciation and amortisation increased by EUR 36.1 million year-on-year to EUR 973.3 million (prior year period: EUR 937.2 million). This was mainly due to the scheduled depreciation and amortisation of ships and containers totaling EUR 905.4 million (prior year period: EUR 879.0 million).

Operating result

In the first half of the 2024 financial year, the Liner Shipping segment generated earnings before interest and taxes (EBIT) of EUR 782.4 million (prior year period: EUR 2,531.8 million).

Terminal & Infrastructure segment

The figures in the results of operations for the Terminal & Infrastructure segment for the first half of the 2024 financial year are only comparable with the figures for the same period of the previous year to a limited extent, as the activities reclassified in this segment as part of the new segmentation were very small in the same period of the previous year. For this reason, the operating performance of the Terminal & Infrastructure segment is not presented.

At EUR 66.1 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) in the Terminal & Infrastructure segment in the first half of the reporting year were higher than the figure of EUR 24.0 million in the same period of the previous year. At EUR 30.7 million, earnings before interest and taxes (EBIT) remained at the previous year's level (prior year period: EUR 23.4 million).

Income statement Terminal & Infrastructure

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Revenue	102.8	5.6	201.1	11.2
Terminal expenses	24.1	–	46.8	–
thereof				
Cost of material	5.8	–	10.9	–
Container terminal expenses	12.2	–	23.0	–
Terminal equipment expenses	6.1	–	12.8	–
Non-core operational terminal expenses	0.1	–	0.2	–
Personnel expenses	29.7	1.6	58.3	3.4
Share of profit of equity-accounted investees	1.3	6.4	5.2	22.1
Other income and expenses	–34.5	–4.7	–70.5	–6.6
EBITDA	33.7	6.0	66.1	24.0
EBITDA margin (%)	32.8	106.2	32.9	214.0
Depreciation, amortisation and impairment	17.8	0.3	35.4	0.6
EBIT	15.8	5.7	30.7	23.4
EBIT margin (%)	15.4	100.9	15.3	208.7

Result performance of Terminal & Infrastructure**Revenue**

In the first half of the 2024 financial year, revenue of EUR 201.1 million (prior year period: EUR 11.2 million) was generated in particular from the handling of containers and other freight and was mainly attributable to the SAAM Terminals companies, which have been included in the group of consolidated companies since August 2023.

Operating expenses

Operating expenses in the Terminal & Infrastructure segment in the first half of the reporting year were mainly due to expenses for the operation of terminals and container handling totalling EUR 46.8 million (prior year period: EUR 0.0 million), as well as personnel expenses of EUR 58.3 million (prior year period: EUR 3.4 million).

Other income and expenses

Other income and expenses in the first half of the 2024 financial year mainly resulted from the other operating result of EUR –35.1 million (same period of the previous year: EUR –8.2 million) and related in particular to administrative expenses. Depreciation and amortisation of property, plant and equipment and intangible assets amounted to EUR 35.4 million (prior year period: EUR 0.6 million).

Operating result

In the first half of the 2024 financial year, the Terminal & Infrastructure segment generated earnings before interest and taxes (EBIT) of EUR 30.7 million (prior year period: EUR 23.4 million).

Group financial position

Condensed statement of cash flows

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Cash flow from operating activities	701.0	1,269.8	1,261.7	3,836.2
Cash flow from investing activities	-450.8	-807.4	-805.9	-146.1
Free cash flow	250.3	462.5	455.8	3,690.1
Cash flow from financing activities	-1,878.0	-11,216.4	-2,218.5	-11,677.2
Cash-effective changes in cash and cash equivalents	-1,627.8	-10,754.0	-1,762.7	-7,987.1

Cash flow from operating activities

In the first half of the 2024 financial year, Hapag-Lloyd generated an operating cash flow of EUR 1,261.7 million (prior year period: EUR 3,836.2 million). The lower cash flow from operating activities compared to the prior year period is due to the lower result in the current financial year.

Cash flow from investing activities

Cash outflows from investing activities totalled EUR 805.9 million in the first half of the 2024 financial year (prior year period: EUR 146.1 million). This includes cash outflow payments for investments, mainly for vessels, vessel equipment and for the construction of new containers of EUR 946.4 million (prior year period: EUR 681.3 million) and cash outflows for share acquisitions and payments for capital contributions in existing equity-accounted investees of EUR 89.1 million (prior year period: EUR 839.4 million). This was mainly offset by cash inflows from interest received of EUR 179.9 million (prior year period: EUR 378.7 million). The cash inflows in the prior year period mainly resulted from the change in cash and cash equivalents for money market transactions and money market funds with a term of more than three months.

Cash flow from financing activities

Financing activities resulted in a net cash outflow of EUR 2,218.5 million in the first half of the financial year (prior year period: EUR 11,677.2 million). The cash outflow essentially resulted from the dividend payment to the shareholders of Hapag-Lloyd AG of EUR 1,625.8 million (prior year period: EUR 11,072.9 million). The interest and redemption payments from lease liabilities in accordance with IFRS 16 totalled EUR 571.4 million (prior year period: EUR 545.3 million). In the first half of the financial year, EUR 248.8 million was paid for interest and redemption payments for vessel and container financing (prior year period: EUR 296.6 million). This was offset by cash inflows from loans taken out to finance vessels amounting to EUR 273.1 million (prior year period: EUR 143.7 million).

Developments in cash and cash equivalents

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Cash and cash equivalents at beginning of period	5,828.6	17,689.4	5,809.8	15,236.1
Changes due to exchange rate fluctuations	39.5	-143.8	193.2	-457.4
Net changes	-1,627.8	-10,754.0	-1,762.7	-7,987.1
Cash and cash equivalents at end of period	4,240.3	6,791.6	4,240.2	6,791.6

In total, there was a cash outflow of EUR 1,762.7 million in the first half of the 2024 financial year, resulting in cash and cash equivalents of EUR 4,240.2 million at the end of the reporting period on 30 June 2024 (30 June 2023: EUR 6,791.6 million), taking into account exchange rate related effects of EUR 193.2 million. The cash and cash equivalents recognised in the statement of cash flows correspond to the balance sheet item "Cash and cash equivalents". In addition, there are unused credit facilities of EUR 676.7 million (30 June 2023: EUR 668.0 million) as well as special fund securities as other financial assets of EUR 1,916.4 million (30 June 2023: money market transactions/money market funds as other financial assets: EUR 1,819.3 million), resulting in a total liquidity reserve of EUR 6,833.4 million (30 June 2023: EUR 9,279.3 million).

Financial solidity

million EUR	30.6.2024	31.12.2023 (adjusted)*
Financial debt and lease liabilities	5,778.2	5,063.8
Cash and cash equivalents	4,240.2	5,809.8
Special fund securities (other financial assets)	1,916.4	1,845.5
Net liquidity¹	378.4	2,591.5
Unused credit lines	676.7	654.8
Equity ratio (%)	62.1	64.7

¹ Cash and cash equivalents plus assets of the special funds (other financial assets) less financial debt and lease liabilities

As at 30 June 2024, the Group's net liquidity amounted to EUR 378.4 million. This represents a fall of EUR 2,213.1 million compared to net liquidity as at 31 December 2023*. The decrease was mainly due to the dividend payment and the increase of financial debt and lease liabilities.

Equity decreased by EUR 286.8 million compared to 31 December 2023* and amounted to EUR 18,475.9 million as at 30 June 2024. The equity ratio was 62.1% (31 December 2023*: 64.7%). A detailed overview of the change in equity is provided in the consolidated statement of changes in equity in the interim consolidated financial statements.

* The comparative information is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes of the condensed interim consolidated financial statements.

Group net asset position

Changes in the asset structure

million EUR	30.6.2024	31.12.2023 (adjusted)*
Assets		
Non-current assets	20,239.4	18,761.6
of which fixed assets	20,042.9	18,492.8
Current assets	9,497.2	10,232.5
of which cash and cash equivalents	4,240.2	5,809.8
Total assets	29,736.6	28,994.2
Equity and liabilities		
Equity	18,475.9	18,762.7
Borrowed capital	11,260.7	10,231.5
of which non-current liabilities	4,955.5	4,330.9
of which current liabilities	6,305.1	5,900.6
of which financial debt and lease liabilities	5,778.2	5,063.8
of which non-current financial debt and lease liabilities	4,420.2	3,808.0
of which current financial debt and lease liabilities	1,358.1	1,255.8
Total equity and liabilities	29,736.6	28,994.2
Net liquidity	378.4	2,591.5
Equity ratio (%)	62.1	64.7

As at 30 June 2024, the Group's total assets amounted to EUR 29,736.6 million and were only slightly higher than at year-end 2023 (31 December 2023*: EUR 28,994.2 million). The change was mainly due to investments in newly built vessels and newly received and extended rights of use for lease assets as well as a corresponding increase in financial liabilities and lease liabilities. The USD/EUR exchange rate was quoted at 1.07 on 30 June 2024 (31 December 2023: 1.11).

Within non-current assets, the carrying amounts of fixed assets increased by a total of EUR 1,550.1 million to EUR 20,042.9 million (31 December 2023*: EUR 18,492.8 million), in particular due to newly received and extended rights of use for lease assets of EUR 1,001.5 million as well as the investments in vessels, vessel equipment and containers including payments on accounts and assets under construction in the amount of EUR 908.2 million. Exchange rate effects as at the reporting date totalling EUR 607.0 million contributed to the increase. Scheduled depreciation and amortisation amounting to EUR 1,008.7 million had an offsetting effect. This includes an amount of EUR 521.1 million for the amortisation of capitalised rights of use relating to lease assets.

* The comparative information is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes of the condensed interim consolidated financial statements.

The decrease in deferred tax assets to EUR 123.7 million compared to the prior year (31 December 2023: EUR 186.5 million) resulted from the reduction in temporary differences relating to exchange rate effects on investments from the prior year in the amount of EUR 63.3 million. Deferred tax assets of EUR 10.0 million on domestic tax losses from realised exchange rate effects from the prior year partially offset this decrease.

Cash and cash equivalents decreased to EUR 4,240.2 million compared to year-end 2023 (EUR 5,809.8 million) mainly due to the dividend payment for the 2023 financial year in the amount of EUR 1,625.8 million.

On the liabilities side, equity (including non-controlling interests) decreased by EUR 286.8 million to EUR 18,475.9 million. Despite the Group profit of EUR 731.6 million (prior period: EUR 2,898.4 million) recognised in the retained earnings and unrealised gains from currency translation of EUR 614.8 million (prior period: losses EUR 654.1 million), the dividend paid from the previous year's retained earnings in the amount of EUR 9.25 (prior year: EUR 63.0) per dividend-eligible individual share, i.e. a total of EUR 1,625.8 million (prior year: EUR 11,072.9 million), led to a decrease.

The Group's borrowed capital rose by EUR 1,029.2 million in comparison to the 2023 consolidated financial statements. This results from the increase in financial liabilities and lease liabilities primarily due to newly acquired or extended charter and leasing contracts of EUR 991.2 million and to construction instalments of EUR 273.1 million drawn down under existing financing commitments in the form of Chinese leases (sale-and-leaseback transactions) in connection with the delivery of three newly built vessels. In addition, increased contract liabilities of EUR 385.1 million, particularly because of higher freight rates for transport orders on pending voyages as at the reporting date with slightly higher transport volume, as well as exchange rate effects as at the reporting date of EUR 168.4 million contributed to this increase. This was offset by redemption payments totalling EUR 820.2 million.

The increase in deferred tax liabilities to EUR 181.0 million compared to the prior year (31 December 2023*: EUR 153.7 million) is mostly an effect of the recognition of deferred tax liabilities on the increased valuation difference of the special fund in the amount of EUR 25.1 million and on unrealised exchange rate effects on investments of the first half year of the financial year 2024 in the amount of EUR 14.0 million.

* The comparative information is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes of the condensed interim consolidated financial statements.

As at 30 June 2024, net liquidity, including cash and cash equivalents and assets of the special fund included in the item of other financial assets, as well as financial liabilities and lease liabilities, amounted to EUR 378.4 million (31 December 2023*: EUR 2,591.5 million).

For further information on significant changes in individual balance sheet items, please refer to the notes to the consolidated statement of financial position in the condensed interim consolidated financial statements.

Executive Board's statement on the business developments

Demand for container transport recovered in the first half of the 2024 financial year. Although the average freight rate also increased at the end of the first half of the year, it was significantly lower than in the same period of the previous year. Hapag-Lloyd's Group net result therefore fell in the first half of 2024 compared to the prior-year period.

In view of the rebound in demand for container transport and rising freight rates, particularly at the end of the first half of 2024, and the resulting expected positive earnings performance for the remainder of the financial year, the Executive Board raised its earnings forecast for the 2024 financial year on 9 July 2024.

The existing geopolitical tensions in the Middle East continue to have a direct impact on the development of the industry environment. Due to the conflict in the Red Sea, vessels are being diverted around the Cape of Good Hope, leading to a shortage of vessel capacity on some routes, higher spot freight rates and rising transport costs. The number of vessel deliveries made and planned over the course of the year could counteract the resulting capacity bottleneck in tonnage and should prevent lasting disruptions to the supply chain. For these reasons in particular, the Executive Board considers the remainder of the 2024 financial year to be challenging and subject to a high degree of uncertainty.

* The comparative information is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes to the condensed interim consolidated financial statements.

OUTLOOK, RISK AND OPPORTUNITY REPORT

Outlook

General economic outlook

For 2024, the International Monetary Fund expects global economic growth of 3.2%, similar to the previous year's figure. The forecast thus remains below the historical average from 2000 to 2019 of 3.8%. This prediction is based in particular on the continued restrictive monetary policy, the withdrawal of fiscal support and lower productivity growth.

Global trade is expected to grow by 3.1% in 2024, which is below the historical average of 4.9%. Increasing trade distortions and geo-economic fragmentation are likely to continue to weigh on the level of global trade (IMF World Economic Outlook, July 2024).

Developments in global economic growth (GDP) and world trade volume

in %	2025e	2024e	2023	2022	2021
Global economic growth	3.3	3.2	3.3	3.5	6.5
Industrialised countries	1.8	1.7	1.7	2.6	5.7
Developing and newly industrialised countries	4.3	4.3	4.4	4.1	7.0
World trade volume (goods and services)	3.4	3.1	0.8	5.6	11.0

Source: IMF World Economic Outlook, July 2024

Sector-specific outlook

The Liner Shipping and Terminal & Infrastructure segments are both fundamentally affected by the same sector-specific developments, in particular international trade.

The maritime industry consulting firm Accenture Cargo expects global container transport volumes to increase by 4.0% in 2024, compared to 0.5% in the previous year. According to the forecast, all submarkets will grow.

Development of container transport volume

in %	2025e	2024e	2023	2022	2021
Growth rate	3.1	4.0	0.5	-4.1	6.7

Sources: CTS (May 2024: 2021–2023), Accenture Cargo (June 2024: 2024–2025)

According to MDS Transmodal, the tonnage of container ships on order fell to around 5.3 million TEU at the end of June 2024, compared to around 7.0 million TEU at the end of June 2023. Accordingly, the ratio of order book to current global container fleet capacity remained at a high level of 18.2% (as at 30 June 2023: 26.5%), albeit well below the peak of around 61% reached in 2007. As in 2023, a very high number of deliveries of vessels is anticipated again in 2024. Drewry assumes that the globally available container ship fleet will grow by 3.1 million TEU or 11.1% compared to the previous year after postponed deliveries and scrapping.

Expected development of global container fleet capacity

million TEU	2025e	2024e	2023	2022	2021
Existing fleet (beginning of the year)	30.9	27.8	25.8	24.7	23.6
Planned deliveries	1.9	3.2	2.5	1.0	1.2
Expected scrappings	0.4	0.1	0.2	0.0	0.0
Postponed deliveries and other changes	0.3	–	0.3	–0.1	0.1
Net capacity growth	1.2	3.1	2.1	1.0	1.1
Net capacity growth (in %)	4.0	11.1	8.1	4.2	4.5

Source: Drewry Container Forecaster Q2 2024. Expected nominal capacity based on planned deliveries. Based on existing orders and current predictions for scrapping and postponed deliveries. Figures rounded.

Expected business development of Hapag-Lloyd

Hapag-Lloyd recorded a positive business performance in the first half of the 2024 financial year due to a recovery in demand and freight rates. Demand for container transport continued to rise at the end of the first half of the year, with the result that earnings momentum for the second half of the year is expected to exceed previous expectations. The Executive Board of Hapag-Lloyd AG therefore raised its earnings forecast for the 2024 financial year on 9 July 2024. Group EBITDA is now expected to be in the range of EUR 3.2 to 4.2 billion (previously: EUR 2.0 to 3.0 billion) and Group EBIT in the range of EUR 1.2 to 2.2 billion (previously: EUR 0.0 to 1.0 billion). In US dollars, this corresponds to an expected Group EBITDA of USD 3.5 to 4.6 billion (previously: USD 2.2 to 3.3 billion) and Group EBIT of USD 1.3 to 2.4 billion (previously: USD 0.0 to 1.1 billion).

The earnings expectation for the 2024 financial year is based in particular on the assumption that the transport volume can be increased moderately (previously: increasing slightly), while the average freight rate is likely to decrease slightly (previously: decreasing moderately) compared to the previous year. The bunker consumption price is expected to be slightly below the previous year's level (previously: at previous year's level). Continuous active cost management in areas such as procurement and the service network is expected to reduce transport costs sustainably. However, it is expected that increased transport expenses in connection with longer voyages around the Cape of Good Hope and the first-time inclusion of shipping in the European Emissions Trading System (ETS) will more than offset these measures in the current financial year. The earnings forecast is also based on the assumption of an average exchange rate of 1.09 USD/EUR (financial year 2023: 1.08 USD/EUR).

Against the backdrop of very volatile freight rates and major geopolitical challenges, the forecast is subject to a high degree of uncertainty.

The earnings forecast does not take into account impairments on goodwill, other intangible assets and property, plant and equipment in the course of the 2024 financial year, which are currently not expected but cannot be ruled out.

Key benchmark figures for the 2024 outlook

	Actual 2023	Forecast 2024 (from 14 March 2024)	Forecast 2024 (from 15 May 2024)	Forecast 2024 (from 9 July 2024)
Global economic growth (IMF, Jan./Apr./Jul. 2024)	3.3%	3.1%	3.2%	3.2%
Increase in global trade (IMF, Jan./Apr./Jul. 2024)	0.8%	3.3%	3.0%	3.1%
Increase in global container transport volume (CTS, Jul. 2024; Accenture Cargo, Dec. 2023/Apr./Jun. 2024)	0.5%	3.8%	3.8%	4.0%
Transport volume ¹	11.9 million TEU	Increasing slightly	Increasing slightly	Increasing moderately
Average freight rate ¹	USD 1,500/TEU	Decreasing clearly	Decreasing moderately	Decreasing slightly
Average bunker consumption price ¹	USD 614/t	At previous year's level	At previous year's level	Decreasing slightly
Group EBITDA	EUR 4.5 billion	EUR 1.0 to 3.0 billion	EUR 2.0 to 3.0 billion	EUR 3.2 to 4.2 billion
Group EBIT	EUR 2.5 billion	EUR –1.0 to 1.0 billion	EUR 0.0 to 1.0 billion	EUR 1.2 to 2.2 billion

¹ Liner Shipping segment

In an industry environment dominated by volatile freight rates and stiff competition, business developments at Hapag-Lloyd are subject to risks and opportunities that could cause them to differ from the forecast. These and other risks and opportunities are described in detail in the risk and opportunity report in the combined management report of the 2023 annual report. Significant changes compared to this description are presented below in the risk and opportunity report of this half-year financial report. The occurrence of one or more of these risks could have a substantial negative impact on the industry and, by extension, on the business development of Hapag-Lloyd, which could also lead to impairments on goodwill, other intangible assets, and property, plant and equipment.

Risk and opportunity report

The significant opportunities and risks and an assessment of these are detailed in the 2023 annual report. The assessment of the risks and opportunities detailed for the 2024 financial year has changed as follows.

Against the backdrop of the geopolitical conflicts, such as the Russia-Ukraine war and especially the current situation in the Middle East, the uncertainty regarding their further development, including the scope of existing sanctions and embargoes and their direct impact on supply chains and industrial production, it is not possible to conclusively assess the extent or duration of the potential consequences.

Due to the commodity price level factored into the forecast and the expected procurement volume in the remainder of the financial year, the negative effects of an increase in the bunker consumption price on the financial and earnings position for this risk are, based on the forecast assumptions, classified as bearable. As such, the assessment from the first quarter of 2024 remains unchanged.

The key risks regarding the expected performance of the Group in the remaining months of the financial year are currently classified as follows in relation to the business development planned and presented in the “Outlook”:

Risk	Probability of occurrence	Potential impact
Fluctuation in average freight rate	Medium	Critical
Fluctuation in transport volume	Medium	Severe
Impairment of goodwill and other intangible assets	Low	Critical
Risks arising from investments	Low	Critical
Information technology & security – cyberattack	Medium	Severe
Bunker consumption price fluctuation	Low	Bearable

At the time of reporting on the first half of the 2024 financial year, there were no risks threatening the continued existence of the Hapag-Lloyd Group.

NOTE ON SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

The notes on relationships and transactions with related parties can be found in the section “Other notes to the condensed interim consolidated financial statements” of the half-year financial report.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

of Hapag-Lloyd AG for the period 1 January to 30 June 2024

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Revenue	4,543.6	4,417.1	8,803.6	10,036.2
Transport and terminal expenses	3,169.6	2,818.2	6,209.8	5,856.5
Personnel expenses	307.4	234.3	547.2	475.8
Depreciation, amortisation and impairment	504.3	467.3	1,008.7	937.8
Other operating result	-105.5	-96.5	-212.0	-234.1
Operating result	456.9	800.8	825.8	2,532.1
Share of profit of equity-accounted investees	-7.0	5.3	-12.8	20.8
Result from investments	-	2.2	-	2.2
Earnings before interest and taxes (EBIT)	449.9	808.3	813.0	2,555.1
Interest income and other finance income	90.2	153.5	194.9	364.6
Interest expenses and other finance expenses	79.3	52.4	146.7	111.8
Other financial items	0.3	94.1	-10.2	152.3
Earnings before taxes	461.2	1,003.5	850.9	2,960.3
Income taxes	27.6	-1.8	119.3	61.9
Group profit/loss	433.6	1,005.2	731.6	2,898.4
thereof attributable to shareholders of Hapag-Lloyd AG	429.7	1,003.0	723.3	2,893.4
thereof attributable to non-controlling interests	4.0	2.3	8.3	5.0
Basic/diluted earnings per share (in EUR)	2.44	5.71	4.12	16.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
of Hapag-Lloyd AG for the period 1 January to 30 June 2024

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Group profit/loss	433.6	1,005.2	731.6	2,898.4
Items that will not be reclassified to profit and loss:				
Remeasurements from defined benefit plans after tax	11.8	-0.4	15.5	-5.1
Remeasurements from defined benefit plans before tax	11.9	-0.4	15.3	-5.1
Tax effect	-	-	0.1	-
Currency translation differences (no tax effect)	133.8	-134.2	614.8	-654.1
Items that may be reclassified to profit and loss:				
Cash flow hedges (no tax effect)	-3.3	0.6	-6.9	-7.9
Effective share of the changes in fair value	-2.4	31.5	-12.1	35.0
Reclassification to profit or loss	-1.0	-30.9	4.5	-42.3
Currency translation differences	0.1	-	0.7	-0.6
Cost of hedging (no tax effect)	1.0	2.5	2.0	1.1
Changes in fair value	-0.4	1.2	-0.9	-1.3
Reclassification to profit or loss	1.4	1.4	2.8	2.4
Currency translation differences	-	-	0.1	-
Financial assets at fair value through other comprehensive income after tax	0.6	-14.6	-4.5	-14.6
Financial assets at fair value through other comprehensive income before tax	0.8	-14.6	-6.7	-14.6
Tax effect	-0.2	-	2.2	-
Other comprehensive income after tax	144.0	-146.0	620.8	-680.6
Total comprehensive income	577.6	859.3	1,352.4	2,217.8
thereof attributable to shareholders of Hapag-Lloyd AG	573.1	856.9	1,341.8	2,213.1
thereof attributable to non-controlling interests	4.4	2.4	10.6	4.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
of Hapag-Lloyd AG as at 30 June 2024

Assets

million EUR	30.6.2024	31.12.2023 (adjusted)*
Goodwill	1,995.7	1,909.4
Other intangible assets	1,725.6	1,721.1
Property, plant and equipment	14,978.2	13,580.7
Investments in equity-accounted investees	1,343.3	1,281.7
Other financial assets	55.5	56.0
Other non-financial assets	10.4	18.7
Derivative financial instruments	0.6	1.4
Income tax receivables	6.5	6.1
Deferred tax assets	123.7	186.5
Non-current assets	20,239.4	18,761.6
Inventories	542.2	454.3
Trade accounts receivable	2,327.0	1,657.0
Other financial assets	2,183.0	2,083.1
Other non-financial assets	197.9	202.6
Derivative financial instruments	0.1	11.8
Income tax receivables	6.7	13.8
Cash and cash equivalents	4,240.2	5,809.8
Current assets	9,497.2	10,232.5
Total assets	29,736.6	28,994.2

* The comparative information is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes of the condensed interim consolidated financial statements.

Equity and liabilities

million EUR	30.6.2024	31.12.2023 (adjusted)*
Subscribed capital	175.8	175.8
Capital reserves	2,637.4	2,637.4
Retained earnings	14,402.0	15,304.5
Cumulative other equity	1,190.3	571.9
Equity attributable to shareholders of Hapag-Lloyd AG	18,405.5	18,689.5
Non-controlling interests	70.4	73.2
Equity	18,475.9	18,762.7
Provisions for pensions and similar obligations	234.5	247.0
Other provisions	85.1	86.6
Financial debt	2,474.9	2,318.9
Lease liabilities	1,945.2	1,489.2
Other financial liabilities	34.5	35.1
Other non-financial liabilities	0.3	0.5
Deferred tax liabilities	181.0	153.7
Non-current liabilities	4,955.5	4,330.9
Provisions for pensions and similar obligations	12.4	12.4
Other provisions	980.4	1,101.2
Income tax liabilities	214.6	239.3
Financial debt	453.4	451.2
Lease liabilities	904.7	804.5
Trade accounts payable	2,535.0	2,487.4
Contract liabilities	951.6	566.5
Other financial liabilities	196.2	176.0
Other non-financial liabilities	51.2	51.3
Derivative financial instruments	5.7	10.8
Current liabilities	6,305.1	5,900.6
Total equity and liabilities	29,736.6	28,994.2

* The comparative information is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes of the condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS of Hapag-Lloyd AG for the period 1 January to 30 June 2024

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Group profit/loss	433.6	1,005.2	731.6	2,898.4
Income tax expenses (+)/income (-)	27.6	-1.8	119.3	61.9
Other financial items	-0.3	-94.1	10.2	-152.3
Interest result	-10.9	-101.1	-48.1	-252.8
Depreciation, amortisation and impairment (+)/write-backs (-)	504.3	467.3	1,008.7	937.8
Profit (-)/loss (+) from disposals of non-current assets	-5.5	-16.3	-11.6	-28.2
Income (-)/expenses (+) from equity accounted investees and dividends from other investments	7.0	-7.5	12.8	-23.1
Other non-cash expenses (+)/income (-)	-15.1	8.5	-25.2	4.6
Increase (-)/decrease (+) in inventories	-57.8	-11.5	-71.8	33.3
Increase (-)/decrease (+) in receivables and other assets	-165.7	298.1	-597.2	858.7
Increase (+)/decrease (-) in provisions	-175.6	-97.2	-194.4	-48.1
Increase (+)/decrease (-) in liabilities (excl. financial debt)	177.9	-132.4	360.4	-380.4
Payments received from (+)/made for (-) income taxes	-18.3	-47.5	-33.1	-73.5
Cash inflow (+)/outflow (-) from operating activities	701.0	1,269.8	1,261.7	3,836.2
Payments received from disposals of property, plant and equipment and intangible assets	19.2	29.2	39.8	54.0
Payments received from dividends of equity-accounted investees	12.1	15.0	12.1	15.0
Payments made for investments in property, plant and equipment and intangible assets	-496.8	-462.6	-946.4	-681.3
Payments received for the redemption of issued loans	-	-	2.9	0.7
Payments made for the issuing of loans	-1.6	-	-1.6	-
Net cash Inflow (+)/outflow (-) from acquisition	-	-	-23.2	5.3
Payments made for the acquisition of shares of equity-accounted investees ¹	-46.9	-579.2	-65.9	-844.8
Change of financial assets and financial assets held for investment	-16.0	16.6	-3.5	926.3
Payments received for interest	79.2	173.7	179.9	378.7
Cash inflow (+)/outflow (-) from investing activities	-450.8	-807.4	-805.9	-146.1

¹ Includes also payments for capital contributions in existing equity-accounted investees

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Payments made for dividends	-1,625.9	-11,083.4	-1,639.2	-11,083.4
Payments received from raising financial debt	181.5	143.8	275.7	143.8
Payments made for the redemption of financial debt	-100.3	-168.5	-207.9	-290.2
Payments made for the redemption of lease liabilities	-255.7	-249.7	-502.5	-493.6
Payments made for interest and fees	-70.1	-58.7	-132.6	-110.5
Payments received (+) and made (-) from hedges for financial debt and payments of dividends	-7.5	200.0	-12.0	156.7
Cash inflow (+)/outflow (-) from financing activities	-1,878.0	-11,216.4	-2,218.5	-11,677.2
Net change in cash and cash equivalents	-1,627.8	-10,754.0	-1,762.7	-7,987.1
Cash and cash equivalents at beginning of period	5,828.6	17,689.4	5,809.8	15,236.1
Change in cash and cash equivalents due to exchange rate fluctuations	39.5	-143.8	193.2	-457.4
Net change in cash and cash equivalents	-1,627.8	-10,754.0	-1,762.7	-7,987.1
Cash and cash equivalents at end of period	4,240.2	6,791.6	4,240.2	6,791.6

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
of Hapag-Lloyd AG for the period 1 January to 30 June 2024

million EUR	Equity attributable to shareholders		
	Subscribed capital	Capital reserves	Retained earnings
As at 1.1.2023	175.8	2,637.4	23,447.3
Total comprehensive income	–	–	2,893.4
thereof			
Group profit/loss	–	–	2,893.4
Other comprehensive income	–	–	–
Transactions with shareholders	–	–	–11,072.9
thereof			
Distribution to shareholders	–	–	–11,072.9
Distribution to non-controlling interests	–	–	–
As at 30.6.2023	175.8	2,637.4	15,267.9
As at 1.1.2024 (adjusted)*	175.8	2,637.4	15,304.5
Total comprehensive income	–	–	723.3
thereof			
Group profit/loss	–	–	723.3
Other comprehensive income	–	–	–
Transactions with shareholders	–	–	–1,625.8
thereof			
Distribution to shareholders	–	–	–1,625.8
Distribution to non-controlling interests	–	–	–
As at 30.6.2024	175.8	2,637.4	14,402.0

* The comparative information is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes of the condensed interim consolidated financial statements.

of Hapag-Lloyd AG

Remeasurements from defined benefit pension plans	Reserve for cash flow hedges	Reserve for cost of hedging	Financial assets at fair value through other comprehensive income	Translation reserve	Reserve for put-options on non-controlling interests	Cumulative other equity	Total	Non-controlling interests	Total equity
-33.8	39.0	1.5	-	1,626.3	-	1,632.9	27,893.4	17.7	27,911.1
-5.1	-7.9	1.1	-14.6	-653.8	-	-680.3	2,213.1	4.7	2,217.8
-	-	-	-	-	-	-	2,893.4	5.0	2,898.4
-5.1	-7.9	1.1	-14.6	-653.8	-	-680.3	-680.3	-0.3	-680.6
-	-	-	-	-	-	-	-11,072.9	-10.0	-11,082.9
-	-	-	-	-	-	-	-11,072.9	-	-11,072.9
-	-	-	-	-	-	-	-	-10.0	-10.0
-38.9	31.0	2.5	-14.6	972.4	-	952.6	19,033.6	12.5	19,046.0
-52.3	21.8	3.3	5.3	593.7	-	571.9	18,689.5	73.2	18,762.7
15.5	-6.9	2.0	-4.5	612.4	-	618.5	1,341.8	10.6	1,352.4
-	-	-	-	-	-	-	723.3	8.3	731.6
15.5	-6.9	2.0	-4.5	612.4	-	618.5	618.5	2.3	620.8
-	-	-	-	-	-	-	-1,625.8	-13.4	-1,639.2
-	-	-	-	-	-	-	-1,625.8	-	-1,625.8
-	-	-	-	-	-	-	-	-13.4	-13.4
-36.8	15.0	5.3	0.8	1,206.1	-	1,190.3	18,405.5	70.4	18,475.9

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FUNDAMENTAL ACCOUNTING PRINCIPLES

General information

Hapag-Lloyd is an international Group whose primary purpose is to provide ocean container liner shipping activities, logistical services, all associated business operations and services, and transshipment facilities (terminals).

Hapag-Lloyd Aktiengesellschaft (Hapag-Lloyd AG), domiciled in Hamburg at Ballindamm 25, Hamburg, Germany, is the parent company of the Hapag-Lloyd Group and a listed company in accordance with German law. The Company is registered in commercial register B of the District Court in Hamburg under the registration number HRB 97937. The Company's shares are traded on the Frankfurt and Hamburg Stock Exchanges.

The interim consolidated financial statements cover the period 1 January to 30 June 2024 and are reported and published in euros (EUR). All amounts recognised for the financial year are reported in millions of euros (EUR million) unless otherwise stated. In individual cases, rounding differences may occur in the tables and charts included in these interim consolidated financial statements. Such differences arise for computational reasons.

On 6 August 2024, the Executive Board approved the condensed interim consolidated financial statements for publication.

Accounting principles

The interim consolidated financial statements of Hapag-Lloyd AG and its subsidiaries were prepared in accordance with the International Financial Reporting Standards (IFRS) laid out by the International Accounting Standards Board (IASB), including the interpretations of the IFRS Interpretations Committee (IFRIC), as they are to be applied in the European Union (EU). This interim report as at 30 June 2024 was prepared in compliance with the provisions of IAS 34. It is presented in condensed form. These condensed interim consolidated financial statements and the interim Group management report of Hapag-Lloyd AG have neither been reviewed nor audited in accordance with section 317 HGB.

The standards and interpretations applicable in the EU since 1 January 2024 have been applied in the preparation of the interim consolidated financial statements. The standards to be applied for the first time in the 2024 financial year have no significant impact on the net asset, financial and earnings position of the Hapag-Lloyd Group. In the first half of 2024, the IASB adopted new and revised standards that have yet to be endorsed by the EU Commission. In particular, the effects of IFRS 18 – Presentation and Disclosure in Financial Statements, which is mandatory from 1 January 2027, are currently being examined. The first-time application of IFRS 18 will have a significant impact on the presentation of the amounts recognised in the consolidated income statement. The interim consolidated financial statements as at 30 June 2024 are to be read in conjunction with the audited and published consolidated financial statements as at 31 December 2023.

The interim consolidated financial statements have been prepared using the same accounting policies as the consolidated financial statements as at 31 December 2023. Estimates and discretionary decisions are basically used in the same way as in the previous year. The actual values may differ from the estimated values.

The functional currency of Hapag-Lloyd AG and all main subsidiaries is the US dollar. The reporting currency of Hapag-Lloyd AG, on the other hand, is the euro. For reporting purposes, the assets and liabilities of the Hapag-Lloyd Group were translated into euros at the average rate at the balance sheet date (closing rate). The cash flows listed in the consolidated statement of cash flows and the expenses, income and result shown in the consolidated income statement are translated at the average exchange rate for the reporting period. The resulting differences are recognised in other comprehensive income.

As at 30 June 2024, the USD/EUR closing rate was quoted as 1.07135 (31 December 2023: USD 1.10765/EUR). For the first half of 2024, the average USD/EUR exchange rate was 1.08090 (prior year period: USD 1.08080/EUR).

Group of consolidated companies

The interim consolidated financial statements include all significant subsidiaries and equity-accounted investments. As at 30 June 2024, the group of consolidated companies comprised 132 fully consolidated companies (31 December 2023: 130) and 21 companies consolidated using the at-equity method (31 December 2023: 21) besides Hapag-Lloyd AG.

As part of the acquisition of the British company ATL Haulage Contractors Limited, one fully consolidated company was added to the group of consolidated companies. Furthermore, one fully consolidated company was newly founded in the 2024 financial year.

Adjustments in the measurement period

The acquisition accounting of 100% of the shares in the Chilean companies SAAM Ports S.A. and SAAM Logistics S.A. acquired on 1 August 2023 as well as an associated real estate portfolio (jointly SAAM Terminals) had not yet been completed in the consolidated financial statements as at 31 December 2023 due to the high level of complexity.

New details about facts and circumstances which already existed at acquisition date were identified after the preparation date of the consolidated financial statements as at 31 December 2023 that led to adjustments of the following assets and liabilities at that time. As a result, the fair values of the acquired intangible assets (decrease of EUR 117.7 million) and the corresponding deferred tax liabilities (decrease of EUR 46.9 million) were adjusted retrospectively. The intangible assets mainly relate to acquired concessions and customer relationships whose terms were adjusted. In direct connection with this, the corresponding rights of use for terminal areas (increase of EUR 33.2 million) and lease liabilities (increase of EUR 33.2 million), reported under property, plant and equipment, were also adjusted. Overall, these adjustments increased goodwill by EUR 68.5 million from EUR 191.9 million to EUR 260.4 million. The purchase price allocation is therefore no longer provisional.

The following table summarises the amortised adjustments in the consolidated statement of financial position as at 31 December 2023. The effects on retained earnings from the changes in amortisation of intangible assets (increase of EUR 1.2 million) resulting from the adjustments described and the offsetting effects on the tax expense from the development of deferred tax liabilities (decrease of EUR 0.1 million) in the financial year from 1 January to 31 December 2023.

million EUR	As previously reported	Adjustments	As adjusted
Goodwill	1,841.1	68.2	1,909.4
Other intangible assets	1,840.7	-119.6	1,721.1
Property, plant and equipment	13,547.5	33.2	13,580.7
Other	11,783.1	-	11,783.1
Total assets	29,012.4	-18.2	28,994.2
Lease liabilities	2,260.5	33.2	2,293.7
Deferred tax liabilities	200.8	-47.1	153.7
Other	7,784.2	-	7,784.2
Total liabilities	10,245.5	-13.9	10,231.6
Earned consolidated equity	15,305.6	-1.1	15,304.5
Non-controlling interests	76.4	-3.2	73.2
Other	3,384.9	-	3,384.9
Equity	18,766.9	-4.3	18,762.6

For the period from 1 January to 31 March 2024, the adjustments described above result in changes in the amortisation of intangible assets (increase of EUR 1.6 million) and the offsetting effects on tax expenses from the development of deferred tax liabilities (decrease of EUR 0.4 million).

SEGMENT REPORTING

The Hapag-Lloyd Group is one of the world's leading container liner shipping companies. As chief operating decision maker, the Executive Board allocates resources and assesses the profitability of Hapag-Lloyd Group's operating segments. The primary operational activities have been divided into the Liner Shipping and Terminal & Infrastructure segments since 30 September 2023. The information for the prior year period has been adjusted accordingly. The differentiation of the segments as well as the selection of key performance indicators are made in accordance with the internal management and reporting systems ("management approach").

Liner Shipping segment

The business activity within the Liner Shipping segment comprises the maritime transport of containers, and the related hinterland transport. Consequently, globally generated revenues comprise revenues from the shipping and handling of containers as well as from related services and commissions. The allocation of resources (deployment of vessels and containers) and the management of the sales market and key customers are carried out based on the entire liner service network and deployment of all the maritime assets. The primary performance indicators regularly provided to the Executive Board of Hapag-Lloyd Group for decision-making on the allocation of resources to this segment and the measurement of its profitability are EBIT and EBITDA, as well as the freight rate and transport volume for the individual trades.

Terminal & Infrastructure segment

The business activity within the Terminal & Infrastructure segment mainly comprises the operation of terminals, the associated handling of containers and other freights. The relevant performance indicators regularly provided to the Executive Board of Hapag-Lloyd Group as a basis for decision-making on the allocation of resources to this segment and the measurement of its profitability are EBIT and EBITDA.

Accounting and measurement principles

The accounting and measurement principles for segment reporting are based on the International Financial Reporting Standards (IFRS) used in the consolidated financial statements. For further explanations, please refer to the section "Accounting and measurement".

Segment reporting information

The following table shows the performance indicators used by the Executive Board of Hapag-Lloyd Group to assess the performance of the operating segments, as well as additional segment-related indicators. Revenue of the Hapag-Lloyd Group results from the consolidated revenue of the individual segments and the adjustment of inter-segment revenue.

million EUR	1.1.–30.6.2024			
	Liner Shipping	Terminal & Infrastructure	Transition	Hapag-Lloyd Group
Revenues	8,622.7	201.1	-20.1	8,803.6
thereof inter-segment revenues	0.1	20.0	-20.1	–
thereof external revenues	8,622.6	181.0	–	8,803.6
Share of profit from equity-accounted investees	-18.0	5.2	–	-12.8
EBITDA	1,755.7	66.1	-0.1	1,821.7
EBITDA margin (in %)	20.4	32.9	–	20.7
Depreciation of intangible assets and property, plant and equipment	973.3	35.4	–	1,008.7
EBIT	782.4	30.7	-0.1	813.0
EBIT margin (in %)	9.1	15.3	–	9.2
Interest income and other finance income	191.8	4.2	-1.1	194.9
Interest expenses and other finance expenses	142.0	5.8	-1.1	146.7
Income tax	111.6	7.8	–	119.3
EAT	710.3	21.3	-0.1	731.6

million EUR	1.1.–30.6.2023			
	Liner Shipping	Terminal & Infrastructure	Transition	Hapag-Lloyd Group
Revenues	10,027.0	11.2	-2.0	10,036.2
thereof inter-segment revenues	–	2.0	-2.0	–
thereof external revenues	10,027.0	9.2	–	10,036.2
Share of profit from equity-accounted investees	-1.3	22.1	–	20.8
EBITDA	3,468.9	24.0	–	3,492.9
EBITDA margin (in %)	34.6	214.0	–	34.8
Depreciation of intangible assets and property, plant and equipment	937.2	0.6	–	937.8
EBIT	2,531.8	23.4	–	2,555.1
EBIT margin (in %)	25.2	208.7	–	25.5
Interest income and other finance income	365.0	0.1	-0.5	364.6
Interest expenses and other finance expenses	109.0	2.9	-0.5	111.4
Income tax	61.7	0.2	–	61.9
EAT	2,878.2	20.2	–	2,898.4

Revenue per trade in the Liner Shipping segment

The following table shows the revenue per trade¹ in the Liner Shipping segment.

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Atlantic	711.3	934.9	1,390.9	2,235.2
Transpacific	840.3	680.7	1,635.4	1,532.6
Far East	795.1	694.1	1,486.4	1,530.8
Middle East	379.5	329.0	665.8	763.0
Intra-Asia	135.2	137.8	269.9	288.7
Latin America	931.9	1,132.1	1,885.2	2,542.5
Africa	247.3	256.5	510.0	567.2
Revenue not assigned to trades	411.3	247.4	778.9	567.0
Total	4,451.8	4,412.5	8,622.7	10,027.0

¹ The revenue shown relates to the Liner Shipping segment. External revenue of the Terminal & Infrastructure segment totalling EUR 181.0 million in the reporting period (prior year period: EUR 9.2 million) represents only a minor share in the total revenues of Hapag-Lloyd Group.

Revenue not assigned to trades mainly includes income from demurrage and detention charges for containers as well as compensation payments for shipping space. Furthermore, realised revenues from unfinished voyages are included in revenue not assigned to trades.

Information about products and services

Revenue with external customers for the groups of comparable products and services developed as follows:

million EUR	Q2 2024	Q2 2023	H1 2024	H1 2023
Segment Liner Shipping	4,451.8	4,412.5	8,622.6	10,027.0
Container transport service	4,119.7	4,049.1	7,961.8	9,230.6
Other	332.1	363.4	660.8	796.4
Segment Terminal & Infrastructure	91.9	4.7	181.0	9.2
Container handling	67.6	–	132.4	–
Other	24.3	4.7	48.6	9.2
Hapag-Lloyd Group	4,543.6	4,417.1	8,803.6	10,036.2

SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

Detailed notes to the income statement are presented in the interim Group management report in the chapter "Group earnings position".

Earnings per share

	Q2 2024	Q2 2023	H1 2024	H1 2023
Profit/loss attributable to shareholders of Hapag-Lloyd AG in million EUR	429.7	1,003.0	723.3	2,893.4
Weighted average number of shares in millions	175.8	175.8	175.8	175.8
Basic earnings per share in EUR	2.44	5.71	4.12	16.46

Basic earnings per share is the quotient of the Group net result attributable to the shareholders of Hapag-Lloyd AG and the weighted average of the number of shares in circulation during the financial year.

There were no dilution effects in the first half of the 2024 financial year or in the corresponding period of the previous year.

SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Property, plant and equipment

million EUR	30.6.2024	31.12.2023 (adjusted)*
Vessels	9,787.0	8,562.9
Container	3,767.0	3,456.0
Property, buildings and other equipment	703.9	635.5
Prepayments on account and assets under construction	720.4	926.3
Total	14,978.2	13,580.7

* The comparative information of the Property, buildings and other equipment item is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes of the condensed interim consolidated financial statements.

In the first half of the 2024 financial year, investments in vessels, vessel equipment and containers resulted in a net addition to property, plant and equipment of EUR 1,909.7 million. Moreover, currency effects associated with the reporting date led to an additional rise of EUR 465.3 million. However, scheduled depreciation and amortisation on property, plant and equipment and amortisation of rights of use in the amount of EUR 939.3 million essentially reduced the carrying amount of property, plant and equipment. Overall, there was an increase of EUR 1,397.6 million in property, plant and equipment.

Other financial assets

Other financial assets primarily comprise the securities of the special fund “HLAG Performance Express” in the amount of EUR 1,912.3 million (31 December 2023: EUR 1,841.5 million). The fund was subscribed in April 2023 and concluded for an indefinite period. The fund is focused on fixed-income instruments with the aim of establishing a structured, low-risk platform for investing surplus financial resources and creating a long-term liquidity reserve. Hapag-Lloyd is the sole shareholder in the investment fund, and there are no restrictions regarding redemption on a daily basis.

Cash and cash equivalents

million EUR	30.6.2024	31.12.2023
Cash on hand, cheques, demand deposits and overnights	631.6	670.3
Reverse repo transactions	2,222.7	2,920.3
Term deposits with up to 3-month-term	823.4	1,239.7
Money market funds	562.5	979.5
Total	4,240.2	5,809.8

The development of cash and cash equivalents is set out in the interim Group management report in the section on the Group's financial position.

Cumulative other equity

Cumulative other equity includes the defined benefit remeasurement reserve, the cash flow hedge reserve, the reserve for cost of hedging, the reserve for special fund instruments and the translation reserve.

The reserve for remeasurements from defined benefit pension plans (30 Juni 2024: EUR –36.8 million; 31 December 2023: EUR –52.3 million) contains gains and losses from the remeasurement of pension obligations and plan assets recognised cumulatively in other comprehensive income, among other things due to the change in actuarial and financial parameters in connection with the valuation of pension obligations and the associated fund assets. The effect of remeasuring pension obligations and the associated plan assets recognised in other comprehensive income in the first half of 2024 resulted in a decrease of EUR 15.5 million in the negative reserve (prior year period: increase of EUR –5.1 million).

The reserve for cash flow hedges contains changes in the cash component of currency forward contracts and changes in the market value of interest rate swaps that are recognised in other comprehensive income and amounted to EUR 15.0 million as at 30 June 2024 (31 December 2023: EUR 21.8 million). In the first half of 2024, the resulting gains and losses totalling EUR –12.1 million were recognised in other comprehensive income as an effective part of the hedging relationship (previous year: EUR 35.0 million), while gains and losses of EUR 4.5 million (prior year period: EUR –42.3 million) were reclassified and recognised through profit or loss.

The reserve for cost of hedging comprises changes in the forward component of currency forward contracts recognised in other comprehensive income and amounts to EUR 5.3 million as at 30 June 2024 (31 December 2023: EUR 3.3 million). In the first half of 2024, the resulting gains and losses totalling EUR –0.9 million were recognised in other comprehensive income (prior year period: EUR –1.3 million), while gains and losses of EUR 2.8 million (prior year period: EUR 2.4 million) were reclassified and recognised through profit or loss.

The reserve for the development of financial assets at fair value contains changes in special fund instruments that are recognised in other comprehensive income and amounted to EUR 0.8 million as at 30 June 2024 (31 December 2023: EUR 5.3 million). The effect recognised in other comprehensive income in the first half of 2024 is EUR –4.5 million (prior year period: EUR –14.6 million).

The translation reserve of EUR 1,206.1 million (31 December 2023*: EUR 593.7 million) includes differences from currency translation. The differences from currency translation of EUR 614.80 million recognised in other comprehensive income in the first half of 2024 (prior year period: EUR –654.1 million) were due to the translation of the financial statements of Hapag-Lloyd AG and its subsidiaries into the reporting currency. Currency translation differences are recognised in the statement of comprehensive income under the items that are not reclassified and recognised through profit or loss, because the currency translation effects of subsidiaries with the same functional currency as the parent company cannot be recycled.

* The comparative information is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes of the condensed interim consolidated financial statements.

Financial instruments

Carrying amounts and fair values

The carrying amounts and fair values of the financial instruments are presented in the table below.

million EUR	30.6.2024		31.12.2023 (adjusted)*	
	Carrying amount	Fair Value	Carrying amount	Fair value
Assets				
Trade accounts receivable	2,327.0	2,327.0	1,657.0	1,657.0
Other financial assets	2,238.4	2,238.0	2,139.2	2,138.7
Derivative financial instruments (FVTPL)	0.5	0.5	9.8	9.8
Embedded derivatives	0.5	0.5	1.4	1.4
Currency forward contracts and currency options	–	–	8.4	8.4
Derivative financial instruments (Hedge accounting) ¹	0.2	0.2	3.5	3.5
Currency forward contracts	0.1	0.1	3.1	3.1
Interest rate swaps	0.1	0.1	0.4	0.4
Cash and cash equivalents	4,240.2	4,240.2	5,809.8	5,809.8
Liabilities				
Financial debt	2,928.4	2,873.6	2,770.1	2,722.4
Liabilities from lease contracts	2,849.9	2,849.9	2,293.7	2,293.7
Trade accounts payable	2,535.0	2,535.0	2,487.4	2,487.4
Derivative financial instruments (FVTPL)	–	–	9.4	9.4
Currency forward contracts	–	–	9.4	9.4
Derivative financial instruments (Hedge accounting) ¹	5.7	5.7	1.4	1.4
Currency forward contracts	5.7	5.7	1.4	1.4
Other financial liabilities	230.7	230.7	211.1	211.1

¹ The market values of the non-designated forward components, the changes of which are recognised in the reserve for cost of hedging, are also recognised.

* The comparative information is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes of the condensed interim consolidated financial statements.

The derivative financial instruments were measured at fair value. They serve to hedge currency risks and interest rate risks in the area of financing.

Other financial assets also include the securities of the special fund with a market value of EUR 1,912.3 million (31 December 2023: EUR 1,841.5 million). The assets of the special fund in the amount of EUR 1,894.8 million (31 December 2023: EUR 1,831.5 million) are "recognised at fair value through other comprehensive income" and in the amount of EUR 17.5 million (31 December 2023: EUR 10.1 million) "recognised through profit and loss", they are part of level 1 of the fair-value hierarchy. In addition, other financial assets include further securities with a fair value of EUR 0.6 million (31 December 2023: EUR 0.6 million), which are allocated to level 1 of the fair value hierarchy because their prices are quoted on an active market. Other financial assets also include unlisted investments for which there are no quoted market prices on an active market. As there is insufficient current information to determine the fair value, these investments belonging to level 3 of the fair value hierarchy are measured at acquisition cost of EUR 14.1 million (31 December 2023: EUR 13.7 million) as the best estimate of fair value. There are currently no plans to sell these investments.

Cash and cash equivalents include money market funds “recognised at fair value through profit or loss” of EUR 562.5 million (31 December 2023: EUR 979.5 million), which are classified in level 1 of the fair value hierarchy.

The liabilities from the bond included in financial liabilities, which are allocated to level 1 of the fair value hierarchy due to the quotation on an active market, have a fair value of EUR 283.2 million (31 December 2023: EUR 282.0 million).

The stated fair values for the remaining financial liabilities and the derivative financial instruments are allocated to level 2 of the fair value hierarchy. This means that the valuation is based on valuation methods whose influencing factors are derived directly or indirectly from observable market data.

For all other financial instruments, the carrying amounts are generally a reasonable approximation of the fair values.

There were no transfers between levels 1, 2 and 3 in the first half of the 2024 financial year.

Financial debt and lease liabilities

The following tables contain the carrying amounts for the individual categories of financial debt and lease liabilities.

Financial debt and lease liabilities

million EUR	30.6.2024	31.12.2023 (adjusted)*
Financial debt	2,928.4	2,770.1
Liabilities to banks ¹	1,574.9	1,672.1
Bonds	301.1	301.1
Other financial debt	1,052.4	797.0
Lease liabilities	2,849.9	2,293.7
Total	5,778.2	5,063.8

¹ This includes liabilities which result from sale and leaseback transactions that are accounted for as loan financing in accordance with IFRS 16 in conjunction with IFRS 15 insofar as the liabilities are to banks or special purpose entities, which are established and financed by banks.

* The comparative information is adjusted. For further information, refer to section “Corrections in the measurement period” in the notes of the condensed interim consolidated financial statements.

Financial debt and lease liabilities by currency

million EUR	30.6.2024	31.12.2023 (adjusted)*
Denoted in USD (excl. transaction costs)	5,284.6	4,581.4
Denoted in EUR (excl. transaction costs)	402.0	406.2
Denoted in other currencies (excl. transaction costs)	105.5	92.2
Interest liabilities	21.0	19.5
Transaction costs	-34.9	-35.5
Total	5,778.2	5,063.8

* The comparative information is adjusted. For further information, refer to section "Corrections in the measurement period" in the notes of the condensed interim consolidated financial statements.

The Hapag-Lloyd Group had available credit facilities totalling EUR 676.7 million as at 30 June 2024 (31 December 2023: EUR 654.5 million).

OTHER NOTES**Legal disputes**

As at the reporting date, there were contingent liabilities from legal disputes not classified as probable in the amount of EUR 6.2 million (31 December 2023: EUR 6.6 million). As at the reporting date, there was EUR 217.2 million in contingent liabilities from tax risks not classified as probable (31 December 2023: EUR 189.6 million). The main reasons for the increase are newly identified risks from current audits and updated calculations of risk measures for the South Europe and Middle East regions.

Other financial obligations

The Hapag-Lloyd Group's other financial obligations totalled EUR 832.9 million as of 30 June 2024 (31 December 2023: EUR 975.0 million) and comprised purchase obligations (nominal values)

- for investments in the construction and acquisition of six container vessels amounting to EUR 382.0 million,
- for investments in the acquisition of new containers amounting to EUR 250.8 million,
- for investments in the retrofitting of five container vessels to methanol-fuelled engines amounting to EUR 113.0 million,
- for investments in the acquisition of new propellers, in capacity expansions of container vessels and in the renewal of the bulbous bow of container vessels amounting to EUR 66.9 million,
- for investments in equipping the container fleet with real-time tracking amounting to EUR 7.4 million,
- for investments in exhaust gas cleaning systems (EGCS) on container vessels amounting to EUR 4.4 million,
- and for further investments on container vessels totalling EUR 8.4 million.

The future cash outflows from leases which Hapag-Lloyd has already entered into but which have not yet commenced and are therefore not yet recognised in the balance sheet, totalled EUR 1,250.6 million (31 December 2023: EUR 1,524.2 million).

Related party disclosures

Apart from the subsidiaries included in the interim consolidated financial statements, the Hapag-Lloyd Group had direct or indirect relationships with related parties in the course of its ordinary business activities. These supply and service relationships are transacted at market prices. Overall, there have been no significant changes in the scope of these supply and service relationships compared to 31 December 2023.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No significant transactions took place after the balance sheet date.

Hamburg, 6 August 2024

Hapag-Lloyd Aktiengesellschaft

Executive Board



Rolf Habben Jansen



Donya-Florence Amer



Dheeraj Bhatia



Mark Frese



Dr Maximilian Rothkopf

RESPONSIBILITY STATEMENT PURSUANT TO SECTION 297 (2) AND SECTION 315 (1) OF THE GERMAN COMMERCIAL CODE (HGB)

We confirm that, to the best of our knowledge and in accordance with the applicable accounting principles, the interim consolidated financial statements give a true and fair view of the net asset, financial and earnings position of the Group and that the interim Group management report includes a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks that it faces in the remainder of the financial year.

Hamburg, 6 August 2024

Hapag-Lloyd Aktiengesellschaft

Executive Board



Rolf Habben Jansen



Donya-Florence Amer



Dheeraj Bhatia



Mark Frese



Dr Maximilian Rothkopf

FINANCIAL CALENDAR 2024

14 NOVEMBER 2024

Publication of quarterly financial report 9M 2024

IMPRINT

Hapag-Lloyd AG
Ballindamm 25
20095 Hamburg

Investor Relations

Phone: +49 40 3001 – 3705
E-Mail: ir@hlag.com

Corporate Communications

Phone: +49 40 3001 – 2529
E-Mail: presse@hlag.com

Consulting, concept and layout

Hapag-Lloyd Corporate Communications
Silvester Group, Hamburg
www.silvestergroup.com

Translation

EnglishBusiness GmbH
www.englishbusiness.de

www.hapag-lloyd.com



www.hapag-lloyd.com

