Investor Presentation

Full Year 2018 Results

Hamburg, 22 March 2019

Opening Remarks

1	**Highlights**	■ Full run rate of UASC synergies in the amount of USD 435 m achieved ahead of time in 2018 ■ “Strategy 2023” launched at the Capital Markets Day in November 2018
2	**Market Update**	■ Stable container demand despite recent reduction in trade projections and geopolitical risks ■ Sector fundamentals remain favorable in the mid-term
3	**Financials**	■ Clearly increased EBITDA of USD 1,345 m in 2018 (USD 1,199 m in 2017) ■ Strong free cash flow of USD 1,145 m in 2018 and reduced Net Debt / EBITDA of 4.6x
4	**Way Forward**	■ Continue to increase profitability and further deleverage our company ■ Deliver on our financial and non-financial targets of our new mid-term strategy

The first half of 2018 was affected by a tough market environment and a steep increase in bunker prices – but H2 2018 gradually improved

2018

Profit warning due to steep increase in operational costs

AGM approves **dividend payment**

Implementation of **Operational Cost Recovery**

Launch of **WebChannel – Quick Quotes**

Marine Fuel Recovery (MFR) announced

Launch of **Strategy 2023**

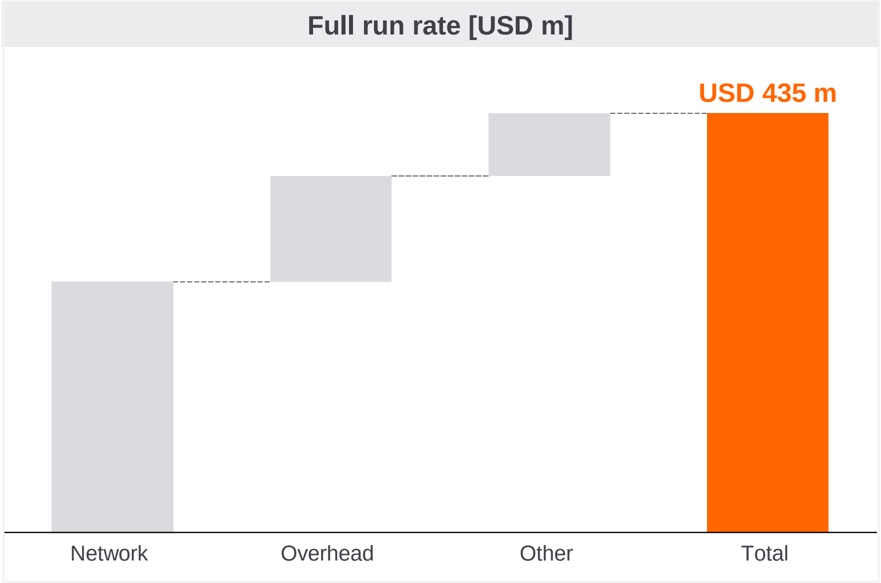
2019

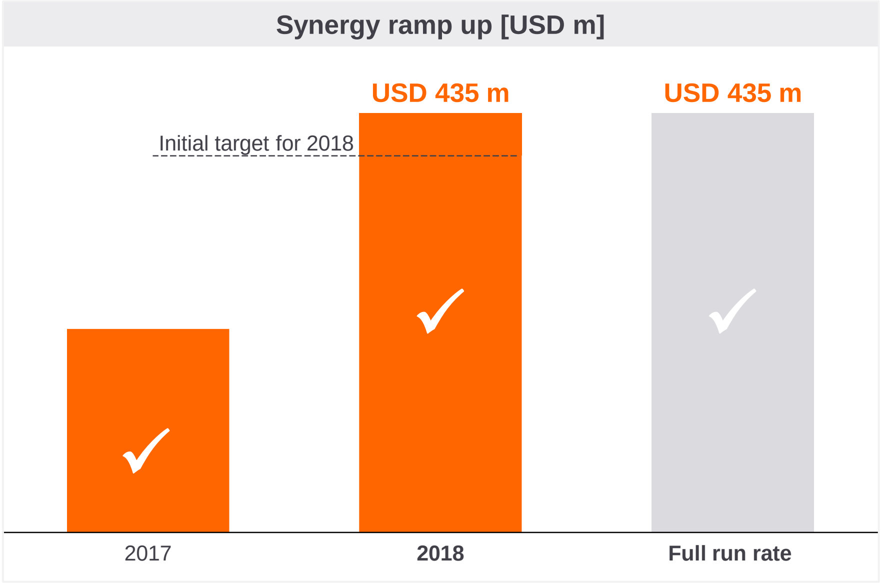
Successful **implementation** of **MFR**

Hapag-Lloyd reports **increased group profit**

Synergy target of USD 435 million achieved ahead of time in 2018

Synergy potential





- **Visibility of synergies in P&L in FY 2018 is limited** due to counter effects in other cost items

We have defined our Strategy 2023 and will deliver on our 3 overarching goals

Be profitable **throughout the cycle**

Deliver **unparalleled quality**, be **customer-oriented**, and **create value** for customers as well as **capture value** for Hapag-Lloyd

Focus on **customer segments willing to pay** for value

Reinforce **strongholds**

Expand in key **growth markets**

Global **market share** (excluding Intra Asia) **greater than 10%**

Since the Capital Markets Day in November 2018, we have made further progress on our initiatives of Strategy 2023

Profitability

Terminal Partnering

- **Successful pilots** in i.a. Singapore, Jebel Ali & Colombo
  - Closer cooperation allows **faster and more efficient handling of ships**
  - time and cost savings were identified through **enhanced data sharing**

Procurement

- Following the successful pilot and first wave in Asia and Europe we now enter the second wave in all Regions
  - additionally to the hinterland we now also focus on Terminal services

Container Steering

- We have **prioritized 9 initiatives** to reduce empty container moves

Number one for quality

Digitization

- Volumes booked via the **Web Channel** have reached **7% of total bookings**
- We are **continuously developing** our Web Channel to further improve user experience and add features

Quality Service Center

- Establishment of the **Quality Service Center Middle East** in Mumbai in December 2018
- Expansion of the **Quality Service Center North America** in Georgia

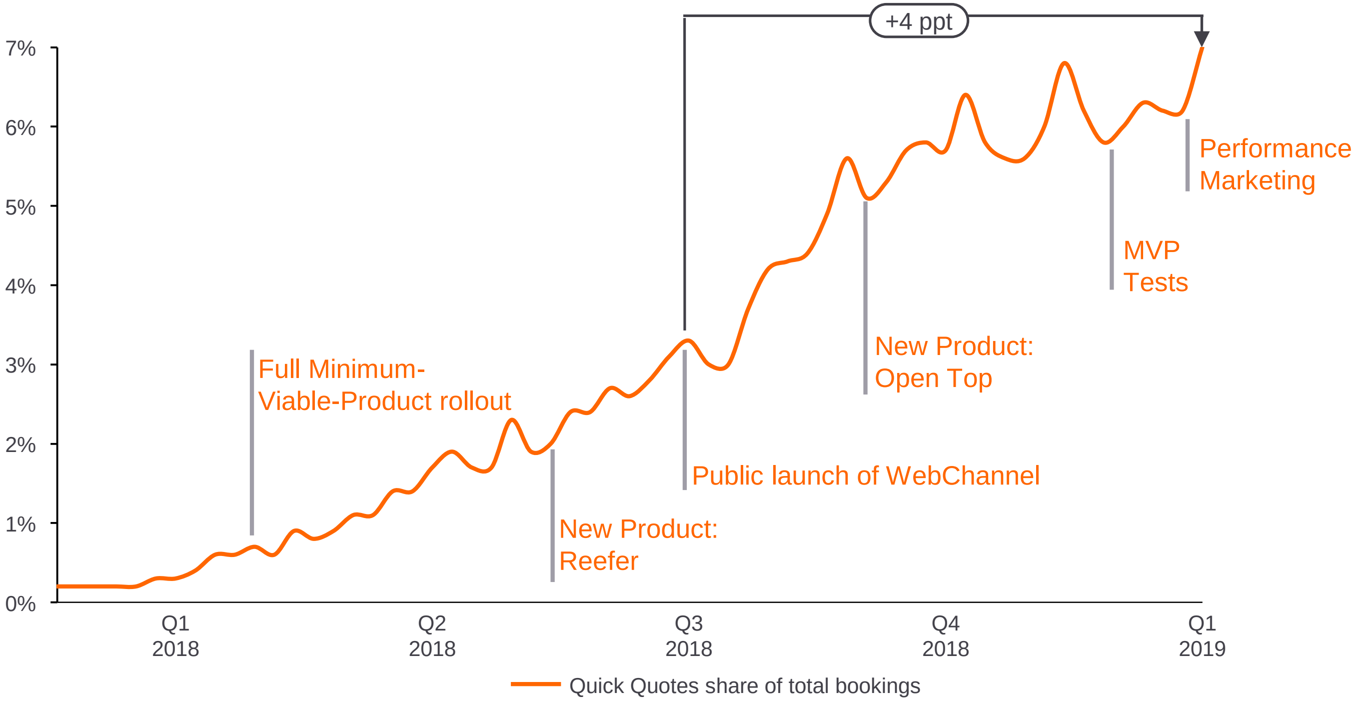
Global Player

Attractive Markets

- New **Caribbean Express Service (CES)** started in January 2019
  - introduced to further strengthen and optimize our presence in the Caribbean and Central America with **special focus on serving the reefer segment**
- End of 2018, we have introduced the **East Africa Service 2 (EAS2)** and the **Dakar Express (DEX)** which further enhance our product in East and West Africa

Continously improving volumes booked via WebChannel, since launch in August 2018

Quick Quotes development [% of total bookings]



Comments

- Total of **350 TEUk booked via Quick Quotes in 2018**
- Current run rate of **~15,000 TEU per week**
- Continuous improvements through **MVP tests** such as **shipping guarantee pilot**
- Accelerated **performance marketing** since the beginning of 2019

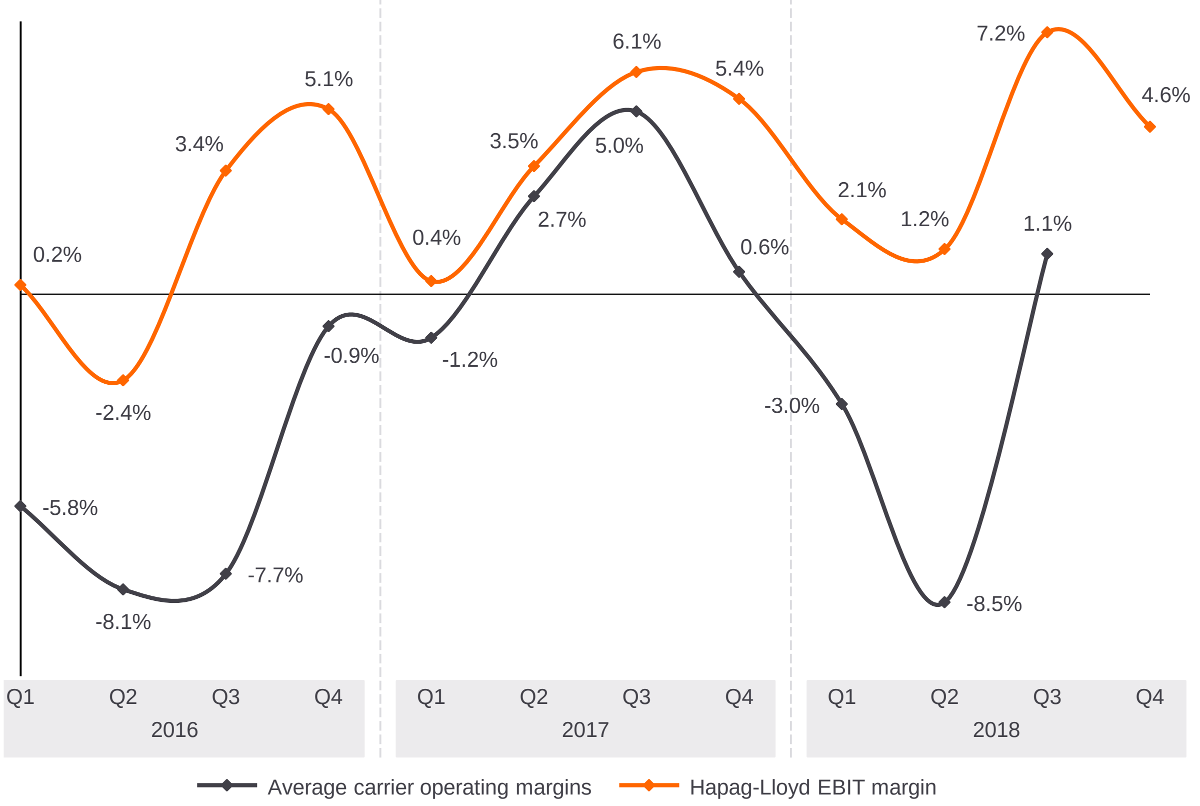
Financial Highlights FY 2018

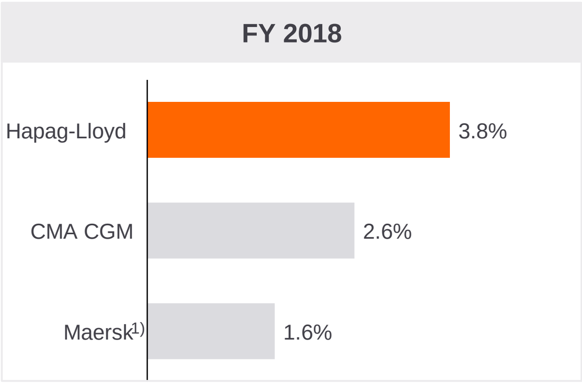
Transport volume (Pro forma +5.9%)	Transport expenses per TEU	Freight rate (Pro forma +2.1%)
+21.1%	+1.4%	-1.5%
FY 2018: TEU 11.9 m	FY 2018: 935 USD/TEU	FY 2018: 1,044 USD/TEU

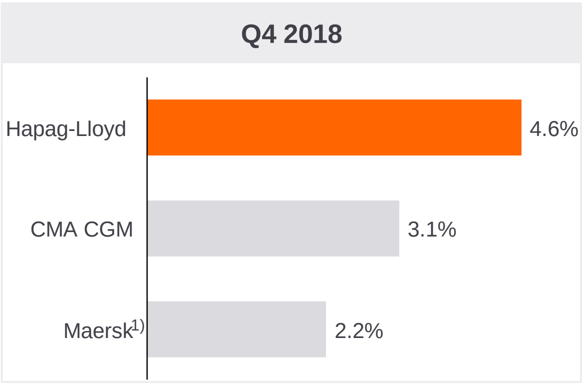
EBIT	EBITDA	Group profit
USD 524 m	USD 1,345 m	USD 54 m
3.8% EBIT margin	9.9% EBITDA margin	3.7% ROIC

Equity	Liquidity reserve	Net debt
USD 7.2 bn	USD 1.3 bn	USD 6.1 bn
Equity ratio: 40.9%		Gearing: 85.5%

Industry profitability took a slump in H1 2018, but came back in H2 – Hapag-Lloyd is one of the most profitable carriers



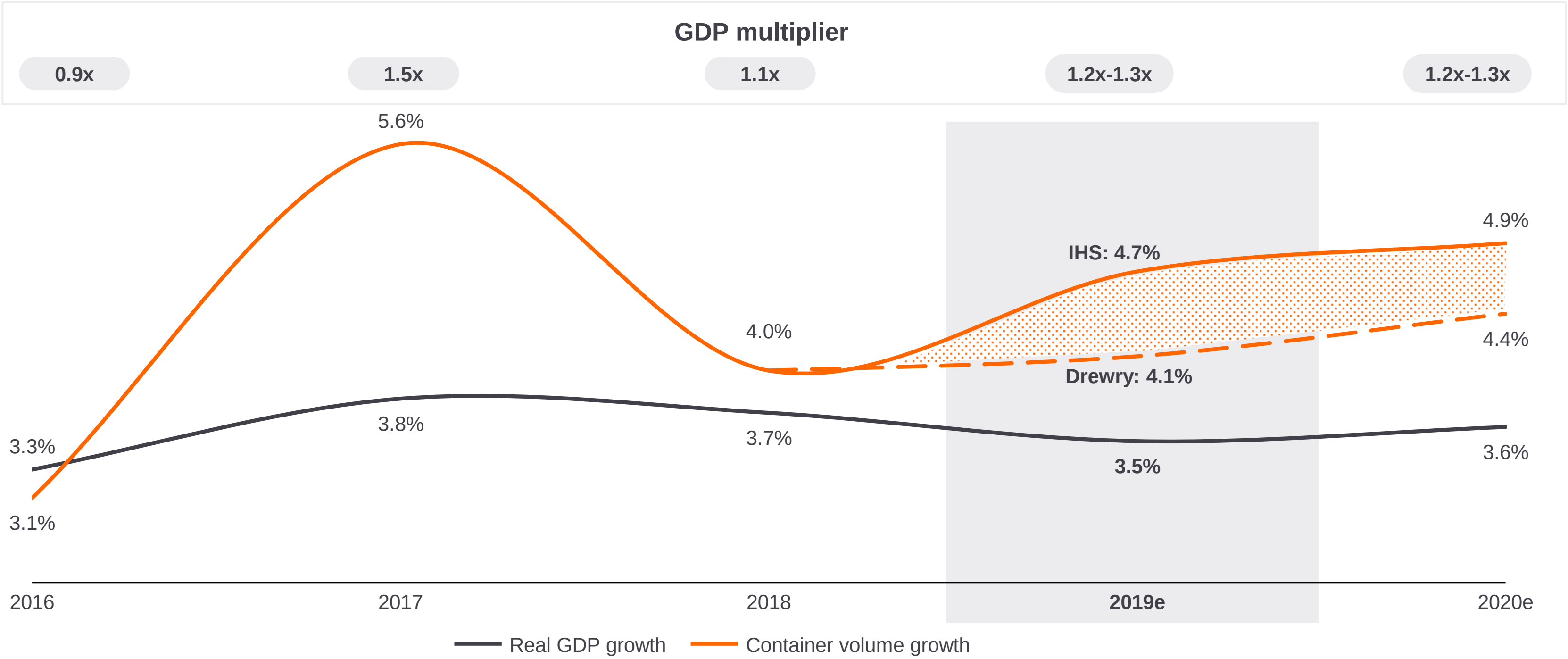




 Source: Company data 1) Group EBIT margin, as Maersk does not publish an Ocean EBIT since Q1 2018 Note: Further carrier publications expected within the next weeks

Despite increasing geopolitical risks, container shipping volume growth expectation remains on a healthy level…

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



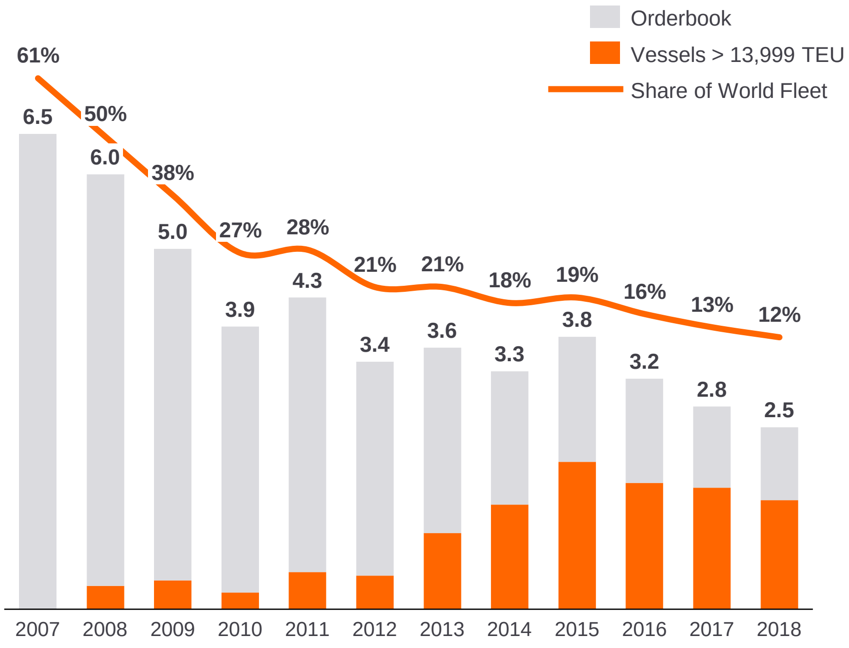
Source: IHS Global Insight (January 2019), IMF WEO (January 2019), Drewry (Forecaster 4Q18)

Hapag-Lloyd

…which, combined with the historically low orderbook and reasonable new orders…

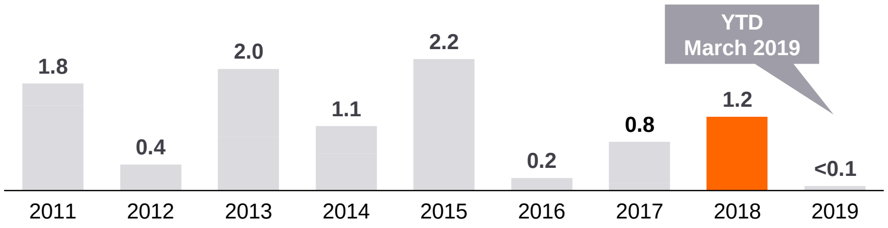
Orderbook-to-fleet

[TEUm, %]



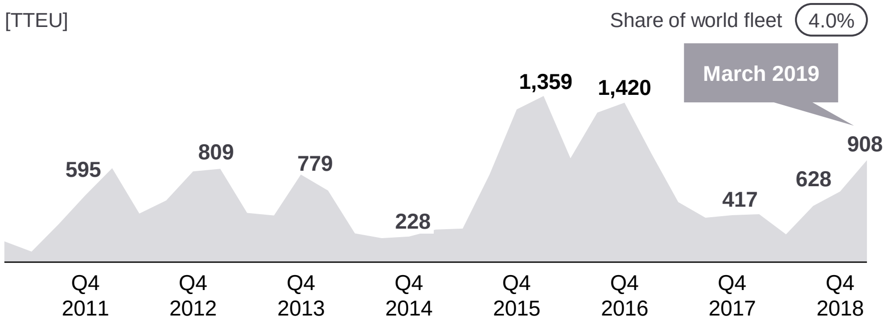
Newly placed orders

[TEUm, %]



Idle fleet

[TTEU]

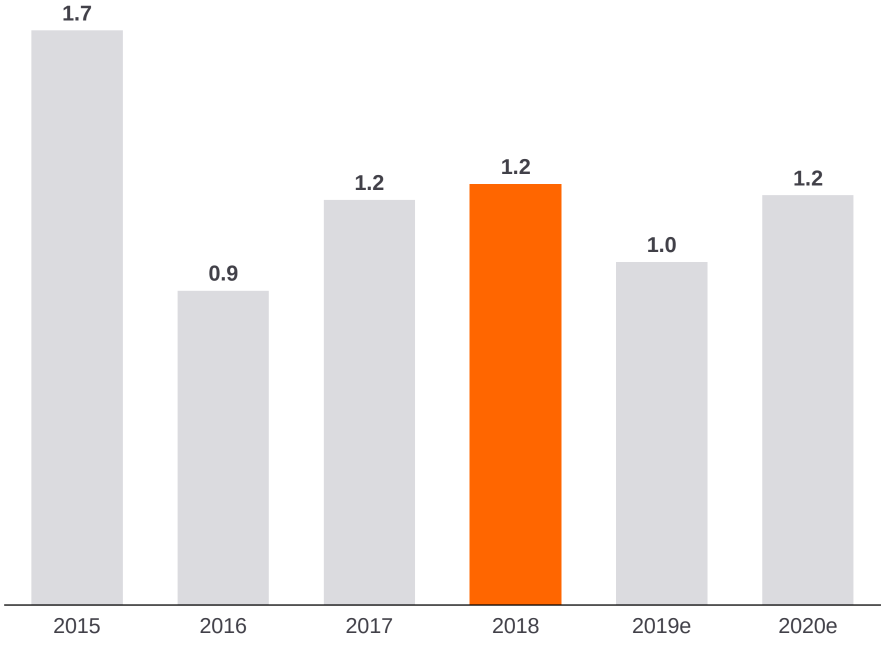


Source: MDS Transmodal (February 2019), Drewry (Forecaster 4Q18), Clarksons (March 2019), Alphaliner weekly (various sources)

…will lead to a further improving supply / demand balance in the years to come

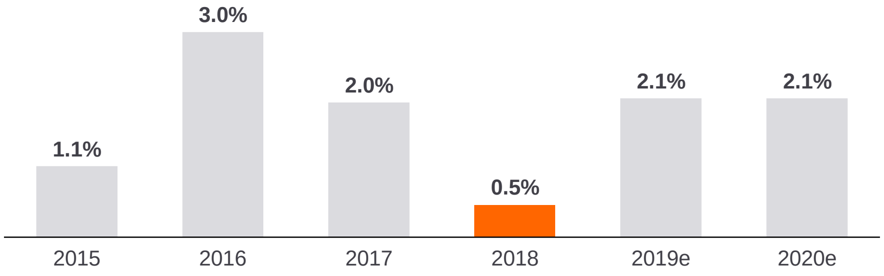
Scheduled vessel deliveries

[TEUm]

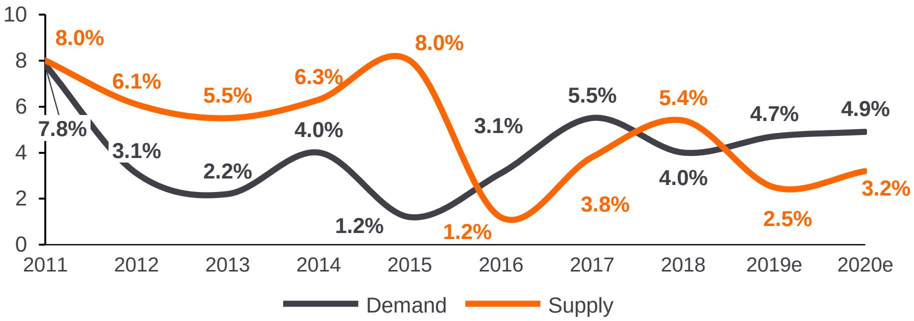


Scrapping

[% of world fleet]



Supply / Demand Balance



 Source: Drewry (Forecaster 4Q18), IHS Global Insight (January 2019)

Clearly increased EBITDA of USD 1,345 m and positive Group Profit in FY 2018, despite a challenging H1 2018

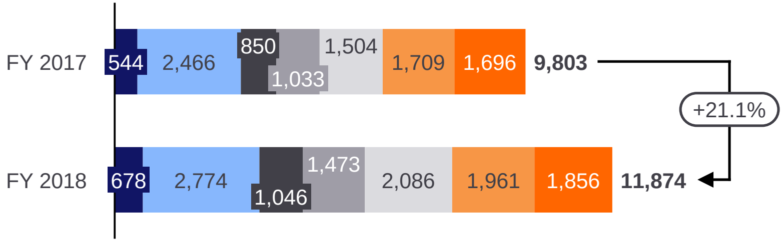
Operational KPIs

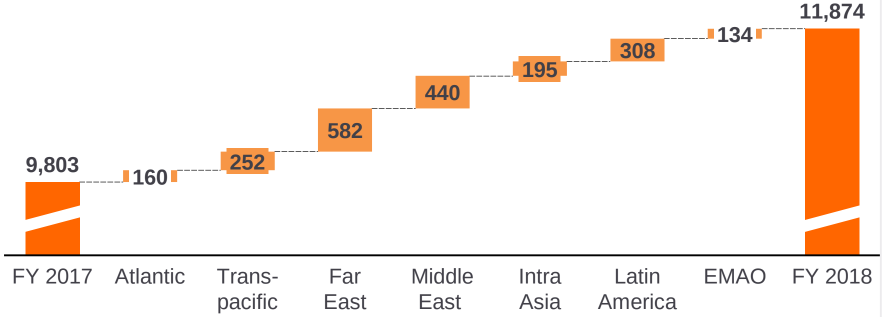
	Q4 2018	Q4 2017	YoY	FY 2018	FY 2017	YoY
Transport volume [TTEU]	**2,974**	2,774	+7%	**11,874**	9,803	+21%
Freight rate[1)] [USD/TEU]	**1,079**	1,038	+4%	**1,044**	1,060	-1%
Bunker [USD/mt]	**467**	338	+38%	**421**	318	+32%
Exchange rate [USD/EUR]	**1.14**	1.18	n.m.	**1.18**	1.13	n.m.
Revenue [USD m]	**3,534**	3,119	+13%	**13,605**	11,286	+21%
EBITDA[2)] [USD m]	**372**	390	-4%	**1,345**	1,199	+12%
EBITDA margin[2)]	***10.5%***	*12.5%*	*-2.0ppt*	***9.9%***	*10.6%*	*-0.7ppt*
EBIT[2)] [USD m]	**164**	167	-2%	**524**	467	+12%
EBIT margin[2)]	***4.6%***	*5.3%*	*-0.7ppt*	***3.8%***	*4.1%*	*-0.3ppt*
Group profit[2)] [USD m]	**39**	27	+45%	**54**	36	+51%

Note: UASC's Ltd. and its subsidiaries have been included in the figures from the date control was transferred on 24 May 2017. The key figures used are therefore only comparable with the previous year to a limited extent. USD figures as stated in the Investor Report FY 2018. Rounding differences may occur. 1) For 2018, local revenues were included in the calculation of freight rates. Previous year's figures adjusted accordingly. 2) Due to retrospective application of the provisions for designated options, previous year's figures have been adjusted.

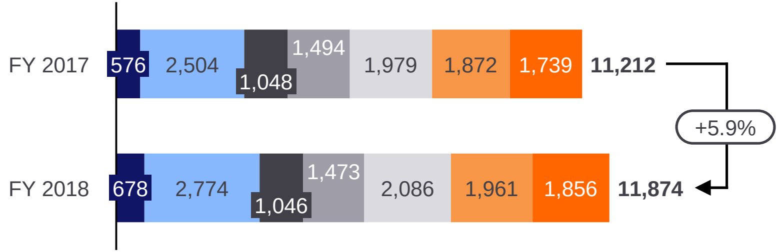
Continuously strong transport volume growth of 21.1% YoY due to UASC merger – pro-forma transport volume grew by 5.9% YoY

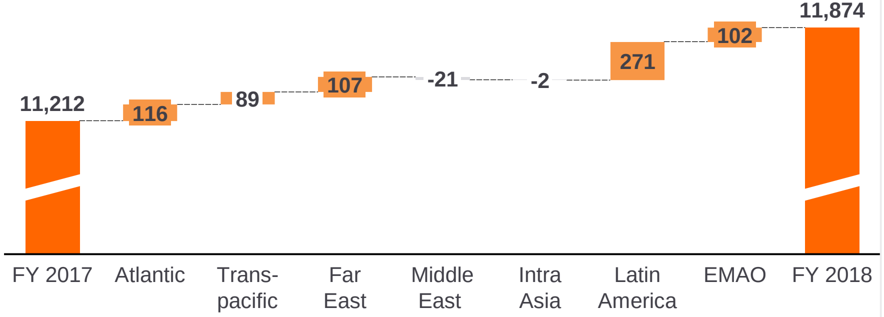
Transport volume development by trade [TTEU]





Pro-forma volume development by trade[1] [TTEU]





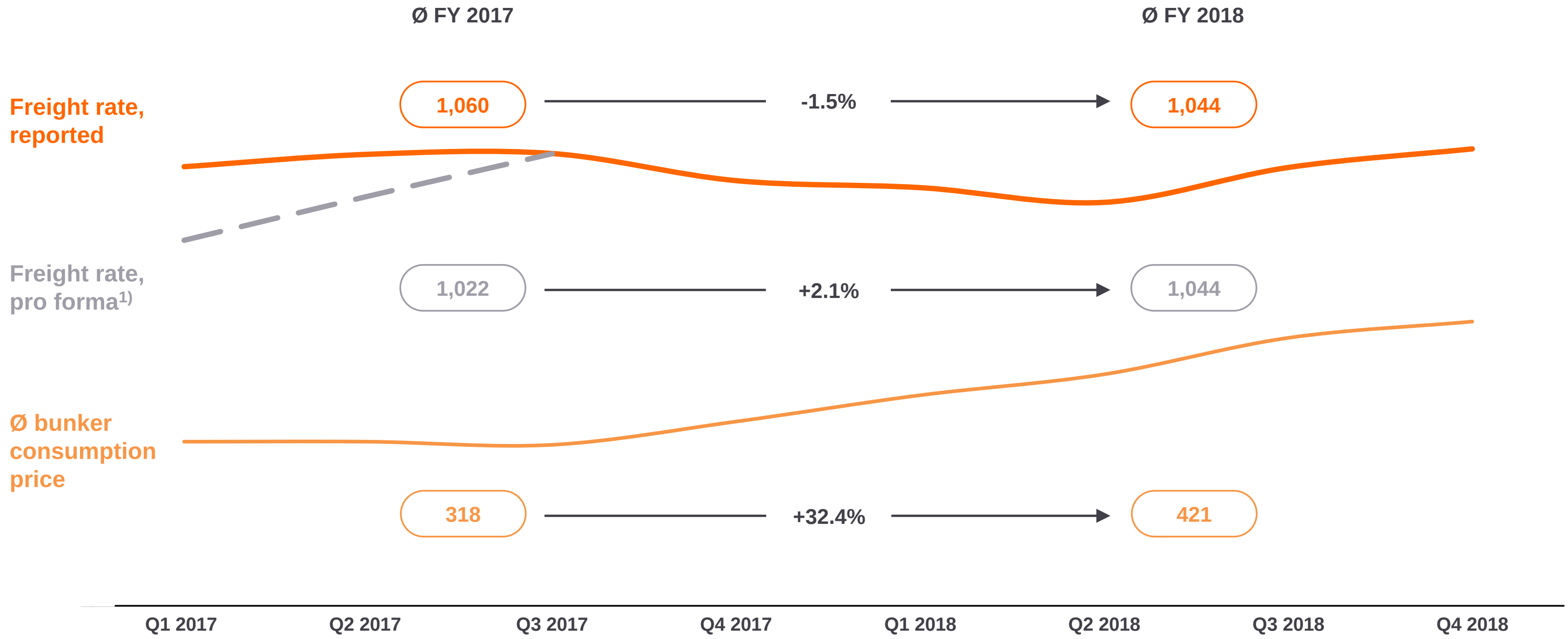
EMAO | Latin America | Intra Asia | Middle East | Far East | Transpacific | Atlantic

Note: Figures as stated in the Investor Report FY 2018. Rounding differences may occur. 1) Assuming UASC Group has been included since 1 January 2017

Hapag-Lloyd

On a pro-forma basis, freight rates have increased by 2.1% YoY, but average bunker consumption price increased sharply by 32.4% YoY

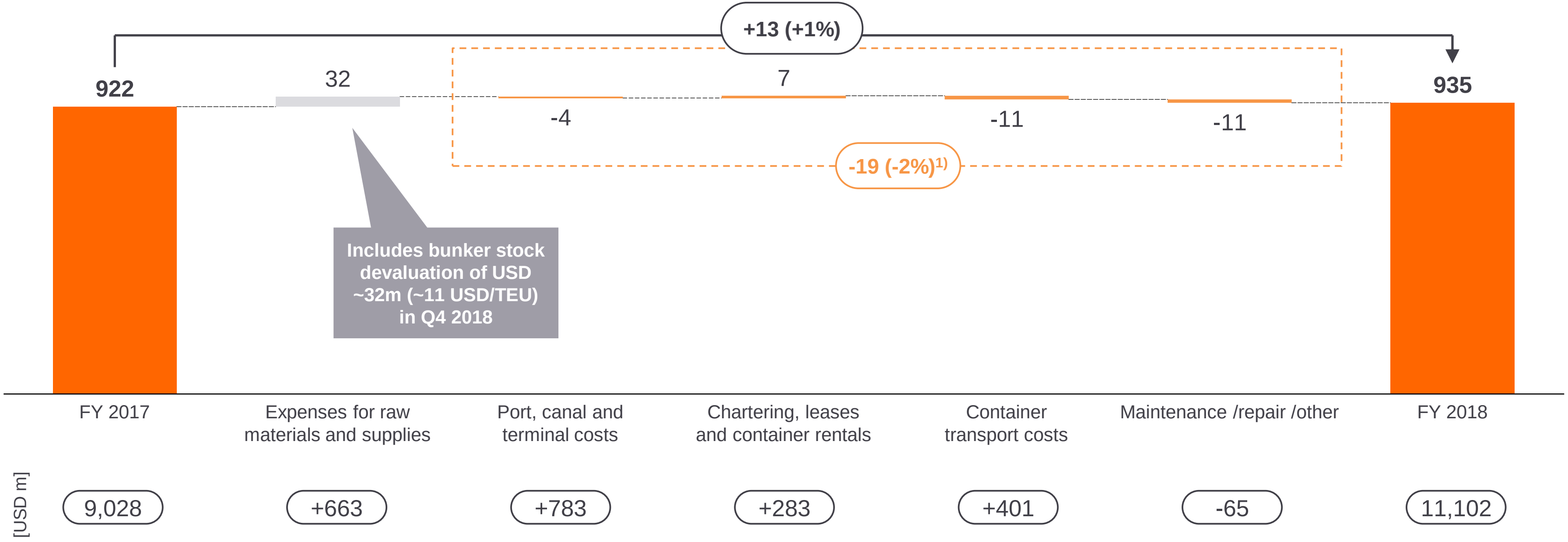
Freight rate [USD/TEU] vs. Bunker price development [USD/mt]



Note: Due to the inclusion of UASC in the Hapag-Lloyd Group from the first-time consolidation date of 24 May 2017, figures provided can only be compared with those of the previous year to a limited extent. The figures for the first quarter of 2017 relate to Hapag-Lloyd only and do not include the UASC Group. For the financial year 2018, local revenues were included in the calculation of freight rates. The previous year's figures have been adjusted accordingly. Rounding differences may occur. 1) Assuming UASC Group has been included since 1 January 2017

Higher expenses for raw materials and supplies were largely offset by cost-cutting programs and synergies from the UASC integration

Transport expenses per TEU [USD/TEU]

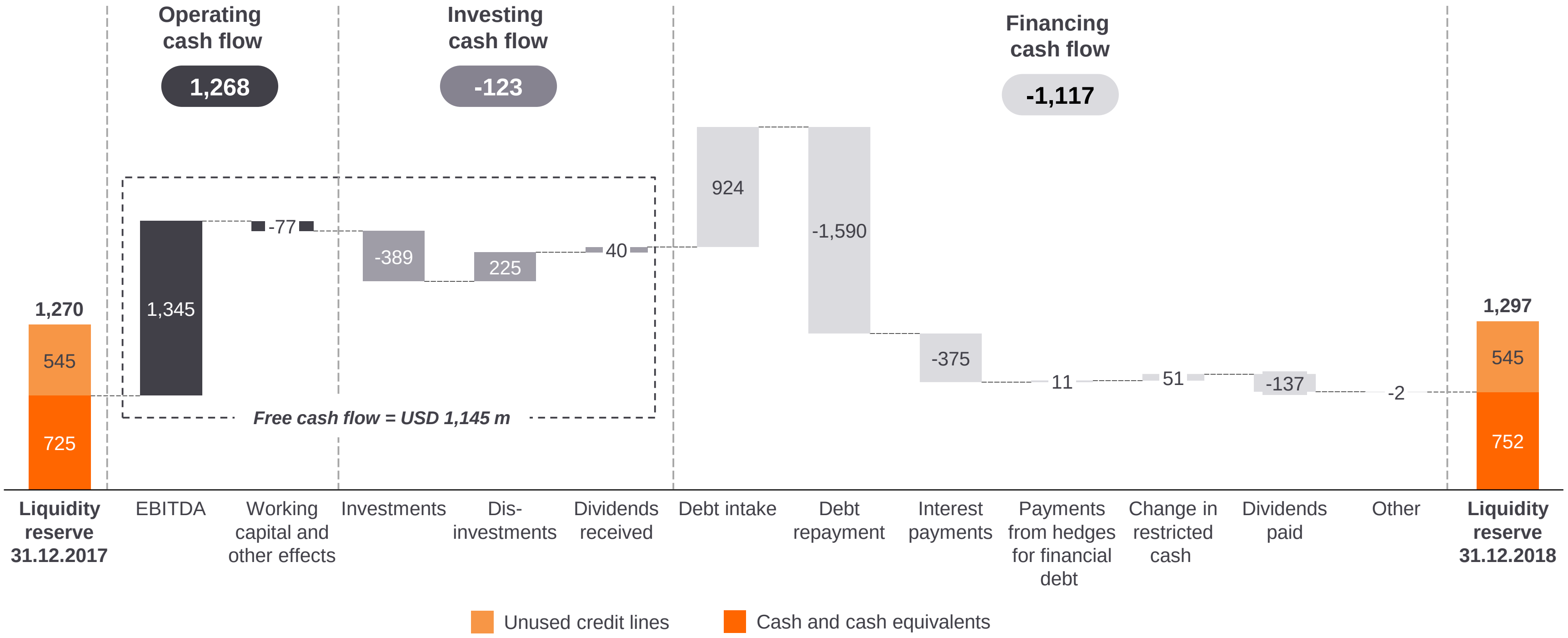


Note: UASC's Ltd. and its subsidiaries have been included in the figures from the date control was transferred on 24 May 2017. The key figures used are therefore only comparable with the previous year to a limited extent. Rounding differences may occur.

1) Cost of purchased services FY 2018: 786 USD/TEU

Strong free cash flow of USD 1,145 m in 2018 driven by a high cash conversion ratio of ~94% and limited investment needs

Cash flow FY 2018 [USD m]

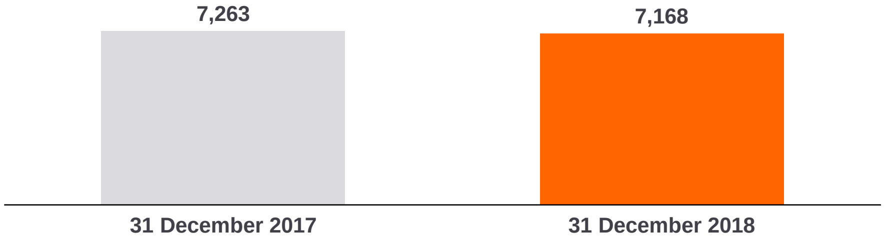


 Note: USD figures as stated in Investor Report FY 2018. Rounding differences may occur.

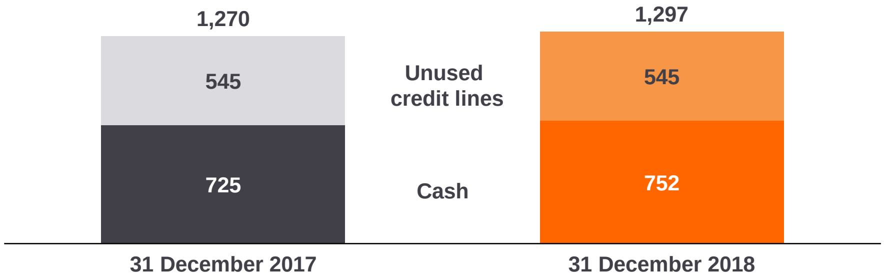
Hapag-Lloyd

Stable equity base, solid liquidity reserve and reduced net debt – Net debt / EBITDA reduced to 4.6x as at 31 December 2018

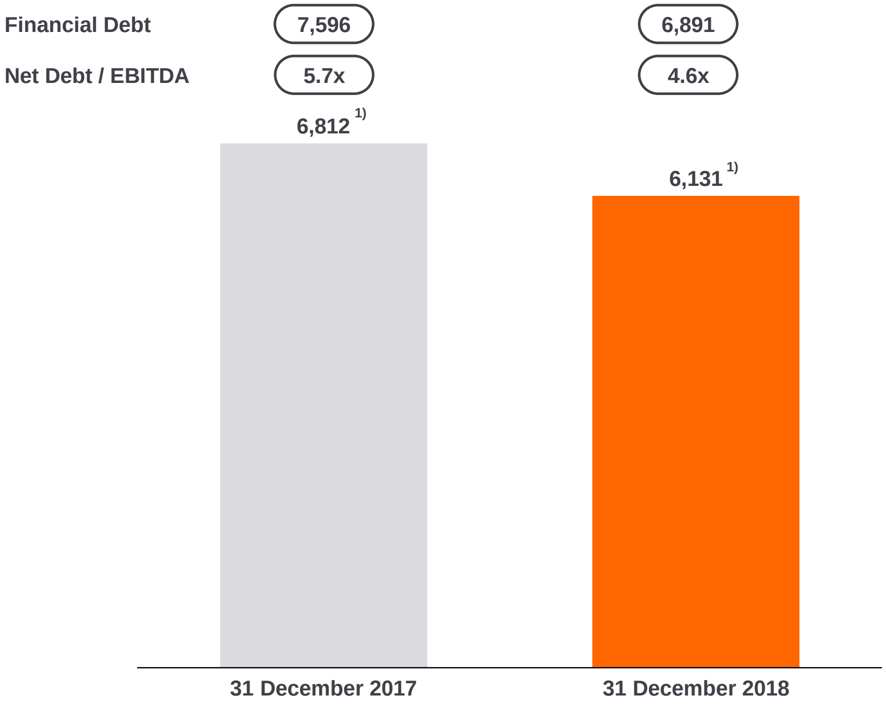
Equity base [USD m]



Liquidity reserve [USD m]



Net debt [USD m]



Note: UASC's Ltd. and its subsidiaries have been included in the figures from the date control was transferred on 24 May 2017. The key figures used are therefore only comparable with the previous year to a limited extent.

1) Includes Restricted Cash booked as other assets: USD 58.6 m as of 31 December 2017 & USD 7.4 m as of 31 December 2018

Hapag-Lloyd

Implementation of IFRS 16 – indicative figures for 2018

Key KPIs for 2018 incl. IFRS 16

Indicative / unaudited

	FY 2018	IFRS 16 impact	FY 2018 Incl. IFRS 16
EBITDA [USD bn]	1.35	0.37	1.72
EBITDA margin	9.9%	2.7%	12.6%
D&A [USD bn]	-0.82	-0.35	-1.17
EBIT [USD bn]	0.52	0.02	0.54
EBIT margin	3.8%	0.1%	3.9%
Interest result [USD bn]	-0.43	-0.06	-0.49
Group profit / loss [USD bn]	0.05	-0.04	0.01
Non-current assets[1)] [USD bn]	14.7	1.0	15.7
Net debt[1)] [USD bn]	6.1	1.0	7.1

- As of 1 January 2019, Hapag-Lloyd will publish financial figures including IFRS 16. Prior year figures will not be restated or adjusted. FY 2018 (incl. IFRS 16) figures as shown in this presentation are unaudited and based on internal assumptions only.
- Under the new accounting standard, expenses related to operating leases under IAS 17 are no longer entirely included in EBITDA. Therefore, EBITDA would have increased significantly.
- EBIT would have increased only marginally due to higher depreciation.
- EAT initially would have decreased slightly due to frontloading effect.
- Approx. 20 % of Hapag-Lloyds vessel lease commitments mature within 12 months – lowering the IFRS 16 impact – and are therefore not included on the balance sheet.

Note: 2018 figures incl. IFRS 16 are indicative. They are unaudited and based on internal assumptions only. Rounding differences may occur.
1) Based on opening balance as of 1 January 2019 at the time of the initial application of IFRS 16.

We will implement a new P&L structure from Q1 2019 onwards which will be more transparent and will allow a more driver based analysis

Driver based

- New split in **Container** Handling & **Vessel** Voyage related costs allows better explanation of (unit) cost development for variable and fixed cost

Clearly structured

- The new P&L separates costs into finished and unfinished voyages (**pending**)
- Hence the analysis of unit cost development is easier because the pending costs are not directly linked to the reported transport volume

Transparent

- Operational and financial **valuation effects** will be shown separately and do not distort the unit cost development per single cost category
- Consequently better visibility of operational performance

New P&L Structure as of Q1 2019

- Revenues
- Transport expenses
  - Handling & Haulage
  - Equipment and repositioning
    - → **Container** handling costs (mainly variable)
  - Bunker
  - Vessel & voyage (excluding bunker)
    - → **Vessel/Voyage** related costs (mainly fix)
  - *Pending transport expenses*
    - → **Pending costs**
- Personnel expenses
- Depreciation, amortization & impairment
- Other operating result
  - → Incl. **Valuation Effects** (operative)
- Share of profit (equity-acc. Invest.), other fin. result
- EBIT
- Other financial items
  - → **Valuation Effects** (financial)
- Interest result
- Earnings before income taxes

Outlook for 2019 including IFRS 16

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

1) Full year effect

Major targets for 2019 and beyond:

Continue to increase profitability and further deleverage our company

Prepare for IMO 2020

Continue to implement our "Strategy 2023" and create more value for our customers and shareholders as we strive to become number one for quality

Further develop and offer more digitalized solutions to the customer

Q&A

Hapag-Lloyd with positive EBITDA of USD 1,345 m in FY 2018

Income statement [USD m]

	FY 2018	FY 2017	% change
Revenue	**13,605.1**	11,286.2	**21%**
Other operating income	**136.0**	149.9	-9%
Transport expenses	**-11,102.1**	-9,038.4	23%
Personnel expenses	**-779.1**	-770.8	1%
Depreciation, amortization & impairment	**-821.2**	-732.0	12%
Other operating expenses	**-566.4**	-493.2	15%
Operating result	**472.3**	401.7	**18%**
Share of profit of equity-acc. investees	**36.3**	43.1	-16%
Other financial result	**14.9**	22.0	-32%
Earnings before interest & tax (EBIT)	**523.5**	466.8	**12%**
EBITDA	**1,344.7**	1,198.8	**12%**
Interest result	**-431.5**	-403.5	7%
Income taxes	**-37.7**	-27.3	38%
Group profit / loss	**54.3**	36.0	**51%**

Transport expenses [USD m]

	FY 2018	FY 2017	% change
Expenses for raw materials & supplies	**2,001.6**	1,338.9	49%
Cost of purchased services	**9,100.5**	7,699.5	18%
Thereof			
Port, canal & terminal costs	**4,712.1**	3,929.5	20%
Chartering leases and container rentals	**1,227.1**	944.2	30%
Container transport costs	**2,930.6**	2,530.0	16%
Maintenance/ repair/ other	**230.7**	295.8	-22%
Transport expenses	**11,102.1**	9,038.4	**23%**

Transport expenses per TEU [USD m]

	FY 2018	FY 2017	% change
Expenses for raw materials & supplies	**168.6**	136.6	23%
Cost of purchased services	**766.4**	786.2	-2%
Thereof			
Port, canal & terminal costs	**396.8**	400.9	-1%
Chartering leases and container rentals	**103.3**	96.3	7%
Container transport costs	**246.8**	258.1	-4%
Maintenance/ repair/ other	**19.4**	30.2	-36%
Transport expenses	**935.0**	922.0	**1%**

Note: The previous year's figures have been adjusted due to the retrospective application of the rules for designation of option contracts. This improved the previous year's transport expenses by USD 1.1 million.

Hapag-Lloyd with a stable equity ratio of 40.9% and a reduced gearing of 85.5%

Balance sheet [USD m]

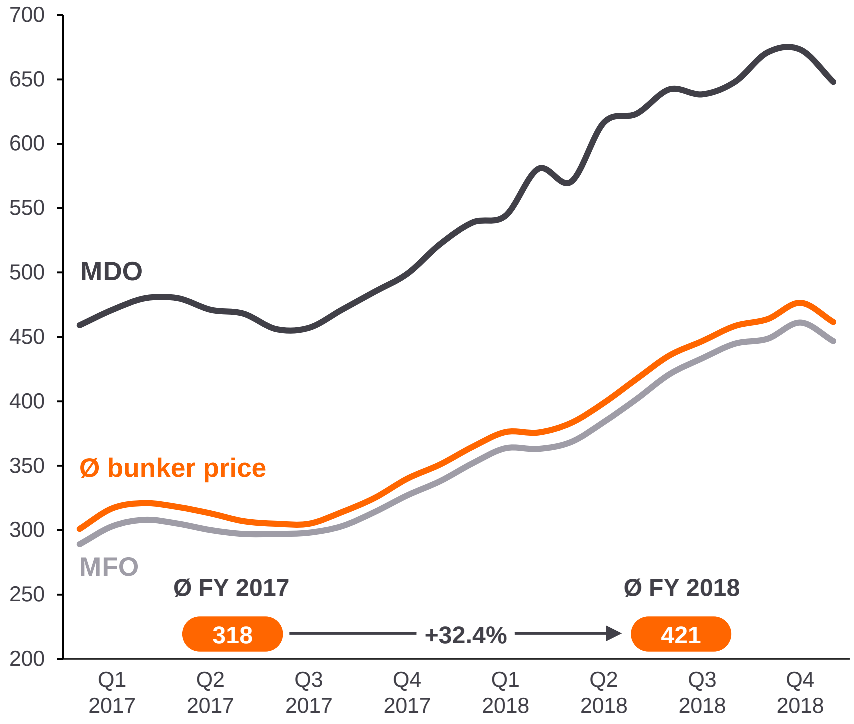
	31.12.2018	31.12.2017
Assets		
Non-current assets	**14,709.1**	15,146.1
of which fixed assets	**14,645.7**	15,071.1
Current assets	**2,812.6**	2,630.8
of which cash and cash equivalents	**752.4**	725.2
Total assets	**17,521.7**	17,776.9
Equity and liabilities		
Equity	**7,167.5**	7,263.3
Borrowed capital	**10,354.2**	10,513.6
of which non-current liabilities	**6,487.4**	7,197.8
of which current liabilities	**3,866.8**	3,315.8
of which financial debt	**6,891.1**	7,595.5
thereof Non-current financial debt	**6,070.8**	6,750.6
Current financial debt	**820.3**	844.9
Total equity and liabilities	**17,521.7**	17,776.9

Financial position [USD m]

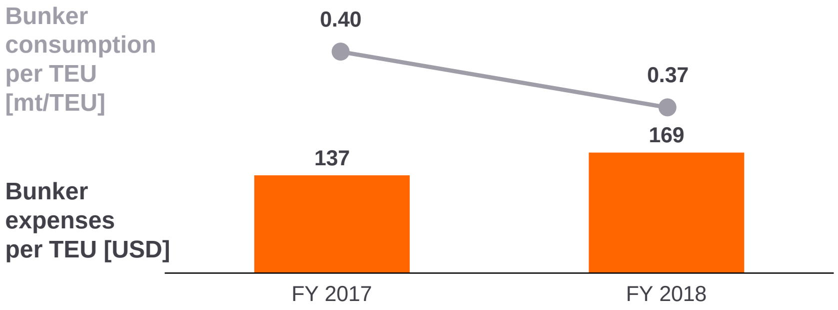
	31.12.2018	31.12.2017
Cash and cash equivalents	**752.4**	725.2
Financial debt	**6,891.1**	7,595.5
Restricted Cash	**7.4**	58.6
Net debt	**6,131.3**	6,811.7
Unused credit lines	**545.0**	545.0
Liquidity reserve	**1,297.4**	1,270.2
Equity	**7,167.5**	7,263.3
Gearing (net debt / equity) (%)	**85.5%**	93.8%
Equity ratio (%)	**40.9%**	40.9%

Hapag-Lloyd benefits from optimized bunker consumption, but substantial increase in bunker price harms P&L

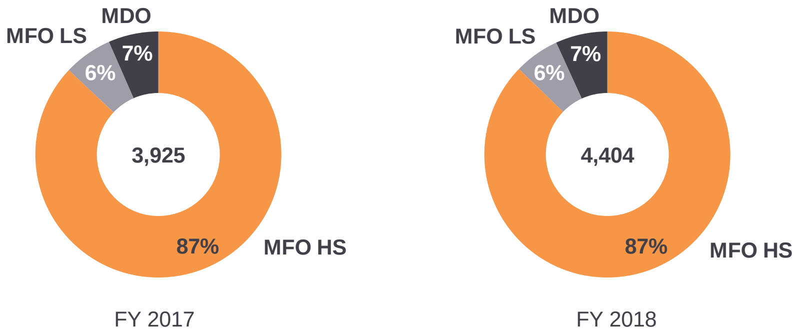
Bunker consumption price [USD/mt]



Bunker consumption & expenses per TEU



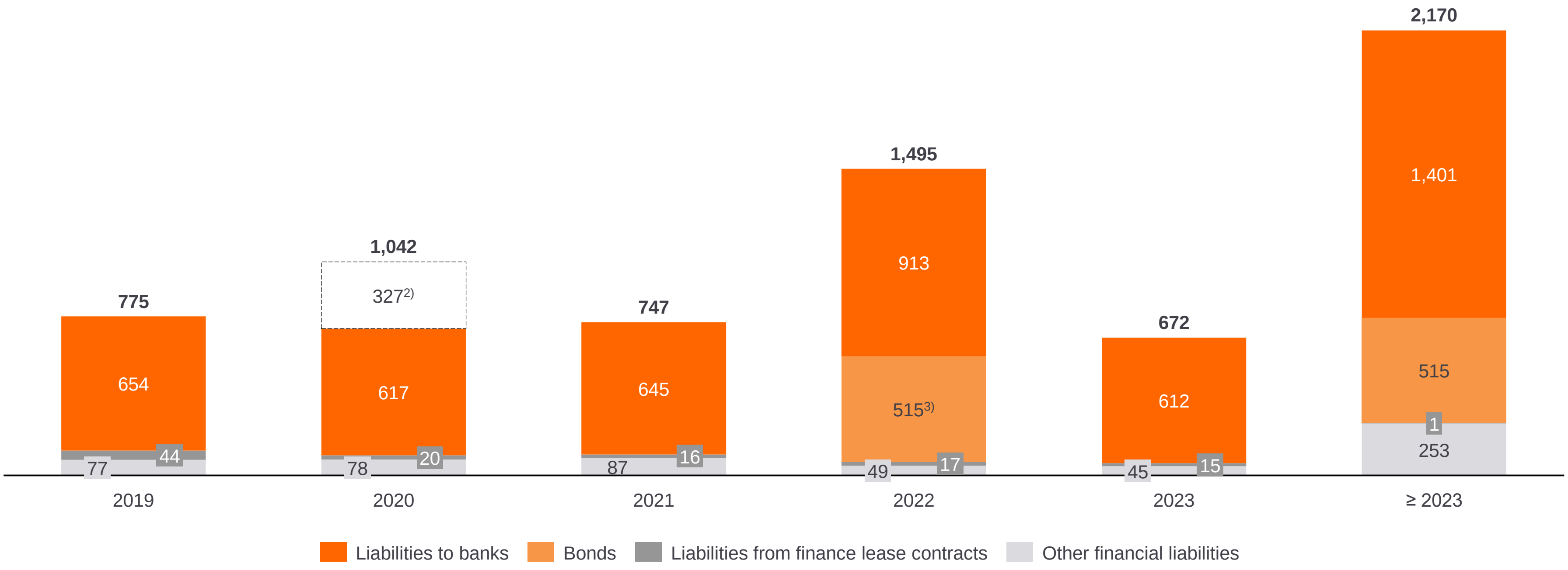
Total bunker consumption [k mt]



Hapag-Lloyd

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

Financial Debt Profile as per 31 December 2018[1], [USDm]



1) As of January 2018 financial debt profile has been changed to the statement of repayment amounts. Deviation from the total financial debt as shown in the balance sheet as per 31.12.2018 consist of transaction costs and accrued interest 2) ABS program prolonged until 2020 3) Partial voluntary redemption of EUR bond with contractual maturity in 2022 in the amount of EUR 170 million has been executed in February 2019

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

New P&L Structure

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

Transport expenses (new structure)

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

Including the following items (old structure)

Handling & Haulage	Equipment and repositioning	Bunker	Vessel & voyage (excluding bunker)
Terminal costs	Terminal costs	Raw Materials and supplies	Port, canal and terminal costs
Container transport costs	Container transport costs		Chartering, leases and container rentals
	Chartering, leases and container rentals		Maintenance / repair / other
	Maintenance / repair / other		

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Hapag-Lloyd has a clearly defined policy to create shareholder value…

Financial Targets to be achieved until 2023

Profitability	ROIC (throughout the cycle) **> WACC** [This implies an EBITDA-margin of ~ 12%]
Deleveraging	Net Debt / EBITDA **≤ 3.0x**
Equity	Equity ratio **> 45%**
Liquidity	Adequate liquidity reserve of **~ USD 1.1 bn**

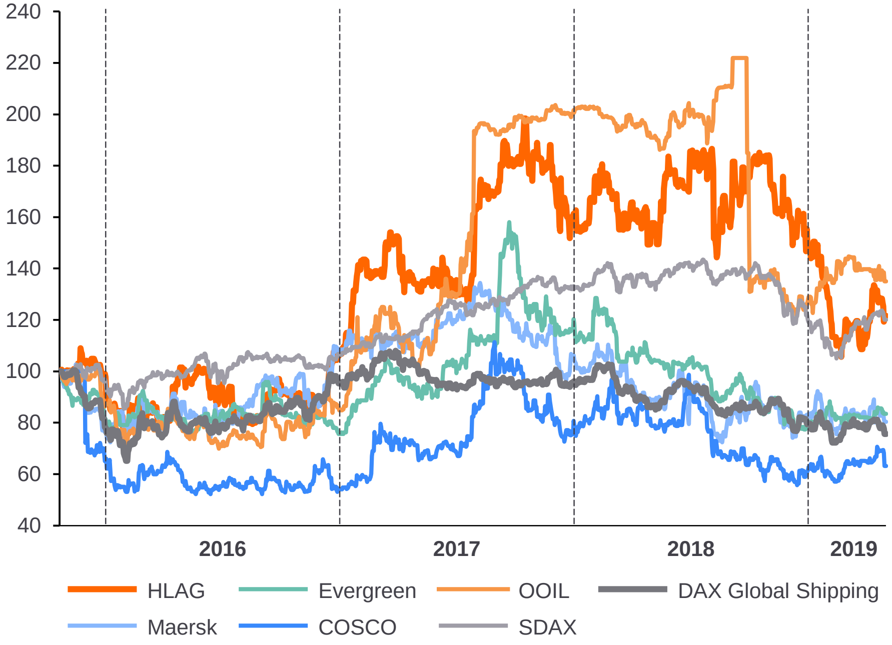
…as well as customer value

Non-Financial Targets to be achieved until 2023

Quality	Achieve best in class **Net Promoter Score** (NPS) Measure and improve **On Time Delivery**
Superior landside capabilities	Increase share of **door-to-door business** to **over 40%** of total by 2023
Attractive Markets	Grow volume in selected attractive markets and achieve a **market share of ~10%** (excl. Intra Asia) in reefer market by 2023
Environmental	Comply with or exceed all IMO environmental regulations
Web Channel	Grow **volume booked** via Web Channel to **15% by 2023**

Share price development

Share trading since November 2015

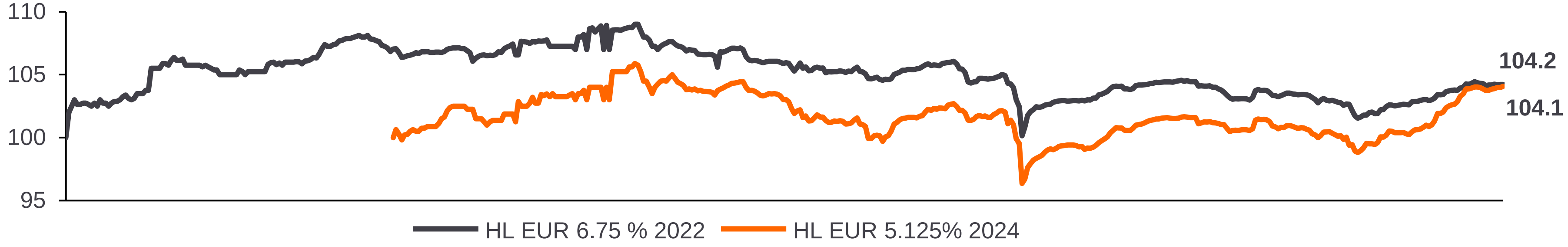


Stock Exchange	Frankfurt Stock Exchange / Hamburg Stock Exchange
Market segment / Index	Regulated market (Prime Standard) / SDAX
ISIN / WKN	DE000HLAG475 / HLAG47
Ticker Symbol	HLAG
Primary listing	6 November 2015
Number of shares	175,760,293

 Source: Bloomberg (15 March 2019)

Bond trading

Bonds trading



	EUR Bond 2024	EUR Bond 2022
Listing	Open market of the Luxembourg Stock Exchange (Euro MTF)	
Volume	EUR 450 m	EUR 280 m
ISIN / WKN	XS1645113322	XS1555576641 / A2E4V1
Maturity Date	Jul 15, 2024	Feb 1, 2022
Redemption Price	as of July 15, 2020:102.563%; as of July 15, 2021:101.281%; as of July 15, 2022:100%	as of Feb 1, 2019:103.375%; as of Feb 1, 2020:101.688%; as of Feb 1, 2021:100%
Coupon	5.125%	6.75%

 Source: Citi (20 March 2019)

Hapag-Lloyd

Moody‘s has recently upgraded Hapag-Lloyd‘s corporate family rating from B2 to B1 / Stable – S&P rates Hapag-Lloyd at B+ / Stable

	Corporate Family Rating	Bond Rating
Investment Grade	Aaa	Aaa
	Aa1	Aa1
	Aa2	Aa2
	Aa3	Aa3
	A1	A1
	A2	A2
	A3	A3
	Baa1	Baa1
	Baa2	Baa2
	Baa3	Baa3
Non-Investment Grade	Ba1	Ba1
	Ba2	Ba2
	Ba3	Ba3
	B1	B1
	B2	B2
	B3	**B3**
	Caa1	**Caa1**
	Caa2	Caa2
	Caa3	Caa3
	Ca	Ca
	C	C

Stable outlook reflects Moody’s expectation of a **steady performance** due to the company’s:

- Strong market position
- Good deleveraging track record
- Experienced management team

Key findings

- Strengthened business profile due to UASC merger (Top 5 position)
  - Synergies help to offset cost pressures
- Young and fuel efficient fleet leading to a moderate CAPEX in the next few years that supports the adequate liquidity profile
- Committed majority shareholders with a solid track record of support
- However, the container shipping industry remains a volatile business
  - Challenging economic environment and rising geopolitical risks

Hapag-Lloyd

Financial Calendar 2019

25 February 2019	Preliminary Financials 2018 ✓
22 March 2019	Annual Report 2018 ✓
09 May 2019	Quarterly Financial Report Q1 2019
12 June 2019	Annual General Meeting 2019
07 August 2019	Half-year Financial Report 2019
14 November 2019	Quarterly Financial Report 9M 2019

Disclaimer

Forward-looking statements

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

This presentation does not constitute an offer to sell or a solicitation or offer to buy any securities of the Company, and no part of this presentation shall form the basis of or may be relied upon in connection with any offer or commitment whatsoever. This presentation is being presented solely for your information and is subject to change without notice.

UASC's Ltd. and its subsidiaries have been included in the figures from the date control was transferred on 24 May 2017.The key figures used are therefore only comparable with the previous year to a limited extent.

Hapag-Lloyd

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