

Q3 | 9M 2021

Hapag-Lloyd AG

# Investor Report

1 January to  
30 September 2021



# SUMMARY OF HAPAG-LLOYD KEY FIGURES

		Q3 2021	Q3 2020	9M 2021	9M 2020	Change
<b>Key operating figures</b>						
Total vessels, of which		257	234	257	234	10%
Own vessels <sup>1</sup>		112	112	112	112	–
Chartered vessels		145	122	145	122	19%
Aggregate capacity of vessels	TTEU	1,779	1,709	1,779	1,709	4%
Aggregate container capacity	TTEU	2,971	2,674	2,971	2,674	11%
Bunker price (average for the period)	USD/t	514	307	452	402	12%
Freight rate (average for the period)	USD/TEU	2,234	1,084	1,818	1,097	66%
Transport volume	TTEU	2,976	2,942	8,980	8,696	3%
Revenue	million USD	7,394	3,519	17,945	10,525	71%
Transport expenses	million USD	–3,159	–2,486	–8,895	–7,696	16%
EBITDA	million USD	3,923	756	8,163	2,044	299%
EBIT	million USD	3,451	402	6,938	965	619%
Group profit/loss	million USD	3,371	290	6,655	605	1,000%
Cash flow from operating activities	million USD	3,554	837	7,469	2,166	245%
Investment in property, plant and equipment <sup>2</sup>	million USD	600	347	2,217	1,153	92%
<b>Key return figures</b>						
EBITDA margin (EBITDA/revenue)	%	53.1	21.5	45.5	19.4	26.1 ppt
EBIT margin (EBIT/revenue)	%	46.7	11.4	38.7	9.2	29.5 ppt
<b>Key balance sheet figures<sup>3</sup></b>						
Balance sheet total	million USD	25,841	18,640	25,841	18,640	39%
Equity	million USD	14,179	8,253	14,179	8,253	72%
Equity ratio (equity/balance sheet total)	%	54.9	44.3	54.9	44.3	10.6 ppt
Borrowed capital	million USD	11,662	10,387	11,662	10,387	12%
<b>Key financial figures<sup>3</sup></b>						
Financial debt and lease liabilities	million USD	6,389	6,305	6,389	6,305	1%
Cash and cash equivalents	million USD	5,181	836	5,181	836	519%
Net debt (financial debt – cash and cash equivalents)	million USD	1,208	5,469	1,208	5,469	–78%
Gearing (net debt/equity)	%	8.5	66.3	8.5	66.3	–57.8 ppt
Liquidity reserve	million USD	5,766	1,421	5,766	1,421	306%
<b>Number of employees</b>						
Marine personnel		2,075	2,103	2,075	2,103	–1%
Shore-based personnel		11,813	11,071	11,813	11,071	7%
Hapag-Lloyd total		13,888	13,174	13,888	13,174	5%

In individual cases, rounding differences may occur in the tables and charts of this investor report for computational reasons.

<sup>1</sup> Including lease agreements with purchase option/obligation at maturity

<sup>2</sup> As of 2019, investments in property, plant and equipment include additions to the Rights of Use according to IFRS 16

<sup>3</sup> The comparison refers to the balance sheet date 31 December 2020.

This report intends to focus on the presentation of the main financial highlights and calculated USD figures of the reporting period. It makes no claim to completeness and does not deal with all aspects and details regarding Hapag-Lloyd.

For the full quarterly financial report, please visit our website: <https://www.hapag-lloyd.com/en/ir/publications/financial-report.html>

This investor report was published on 12 November 2021.

## MAIN DEVELOPMENTS IN 9M 2021

- The first 9 months of the 2021 financial year were dominated by continuing strong demand for transport from the Far East to the rest of the world and the resulting operational challenges. The sharp rise in transport volumes and the effects of the COVID-19 protective measures led to congestion of port and hinterland infrastructure in North America and, increasingly, in Asia and Europe as well.
- Hapag-Lloyd's transport volume increased in the first 9 months of 2021 by 3.3% to 8,980 TTEU compared with the prior year period. The development of volumes was negatively affected by the ongoing disruption to global supply chains.
- Given the high demand and a simultaneous shortage of transport capacity in a congested market environment, the average freight rate rose by 65.7% to USD 1,818/TEU compared with the prior year period (prior year period: USD 1,097/TEU).
- Revenue increased in the first 9 months of 2021 by 70.5% to USD 17,945.2 million (prior year period: USD 10,524.6 million).
- Transport expenses rose by 15.6% in the first 9 months of the 2021 financial year to USD 8,895.0 million (prior year period: USD 7,696.0 million), primarily due to higher container handling expenses.
- EBITDA rose to USD 8,162.7 million (prior year period: USD 2,043.5 million). The EBITDA margin was 45.5% (prior year period: 19.4%).
- EBIT of USD 6,937.9 million in the first 9 months of 2021 was also much higher than in the previous year (prior year period: USD 964.9 million).
- Earnings per share jumped to USD 37.81 from USD 3.39 in the prior year period.
- Free cash flow of USD 6,597.4 million was clearly positive (prior year period: USD 1,866.0 million).
- Due to the positive development of earnings, net debt was further reduced by USD 4.3 billion compared with 31 December 2020.
- At the same time, the liquidity reserve (consisting of cash, cash equivalents and unused credit facilities) rose to USD 5.8 billion as at 30 September 2021 (31 December 2020: USD 1.4 billion).
- In the third quarter of 2021, Hapag-Lloyd completed the takeover of the container shipping company NileDutch, which specialises in Africa trades. In addition, agreements were signed for a 30% investment in Container Terminal Wilhelmshaven and a 50% investment in Rail Terminal Wilhelmshaven.
- Hapag-Lloyd posted an exceptionally positive financial performance in the first 9 months of 2021. For the rest of the 2021 financial year earnings momentum is likely to remain on a high level. Against this backdrop, the Executive Board of Hapag-Lloyd AG raised its earnings outlook for the 2021 financial year on 29 October 2021. EBITDA is now expected to be in the range of EUR 10.1 to 10.9 billion (previously: EUR 7.6 to 9.3 billion) and EBIT in the range of EUR 8.7 to 9.5 billion (previously: EUR 6.2 to 7.9 billion).

# CONTENTS

<b>3</b>	<b>1. MAIN VALUE DRIVERS OF THE CONTAINER SHIPPING SECTOR</b>
<b>3</b>	<b>1.1. General economic conditions</b>
<b>4</b>	<b>1.2. Sector-specific conditions</b>
<b>6</b>	<b>2. STRUCTURE OF HAPAG-LLOYD'S VESSEL AND CONTAINER FLEET</b>
<b>7</b>	<b>3. GROUP EARNINGS POSITION</b>
<b>7</b>	<b>3.1. Consolidated income statement</b>
<b>8</b>	<b>3.2. Transport volume per trade</b>
<b>9</b>	<b>3.3. Freight rate per trade</b>
<b>10</b>	<b>3.4. Revenue per trade</b>
<b>10</b>	<b>3.5. Operating expenses</b>
<b>12</b>	<b>3.6. Unit costs</b>
<b>13</b>	<b>3.7. Operating profit</b>
<b>14</b>	<b>3.8. Other expenses</b>
<b>14</b>	<b>4. GROUP NET ASSET POSITION</b>
<b>16</b>	<b>5. GROUP FINANCIAL POSITION</b>
<b>16</b>	<b>5.1. Developments in cash and cash equivalents</b>
<b>18</b>	<b>5.2. Financial solidity</b>
<b>19</b>	<b>6. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE</b>
<b>19</b>	<b>7. OUTLOOK</b>
<b>22</b>	<b>IMPORTANT NOTICE</b>
<b>23</b>	<b>DISCLAIMER</b>
<b>24</b>	<b>IMPRINT</b>

## 1. MAIN VALUE DRIVERS OF THE CONTAINER SHIPPING SECTOR

### 1.1. 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 thus the development of the container shipping companies' cargo volumes.

Following the pandemic-related downturn in 2020, global economic conditions improved significantly again in the first 9 months of 2021. According to the IMF, this was helped by companies adapting to the changes in operating conditions and by numerous governments and central banks implementing extensive fiscal and monetary policy measures. In Western industrialised countries, rising vaccination rates have also led to a gradual reduction in the economically damaging restrictions on movement and contact. However, due to the global disruption to supply chains, companies are increasingly having to contend with a shortage of primary and intermediate products, which is slowing down the economic recovery in industrialised countries.

Following a strong start to the year, the economic recovery in China has gradually weakened in the course of 2021. Rising commodity prices, electricity outages and supply shortages have had a negative effect. In the third quarter of 2021, growth fell to 4.9% compared with the same quarter of the previous year, which was significantly weaker than in the preceding quarters. Economic growth in the first 9 months 2021 was 9.8%, while imports and exports rose by a total of 22.7% in the same period. The main recipients of Chinese goods are the USA and Europe. The US economy grew in the third quarter of 2021 by 9.6% compared with the prior year period thanks to strong consumption which was driven by the stimulus cheques that were issued directly to many US citizens. However, the pace of growth has also slowed down here recently. Imports and exports rose by 23.1% and 23.9% respectively in the period January to August 2021 compared with the prior year period. After economic growth in the EU was slightly negative in the first quarter at -1.2%, economic output recovered in the second and third quarter and recorded growth of 13.7% and 3.9% respectively compared to the same quarters of the previous year. Imports and exports of goods increased by 16.7% and 13.8% respectively in the period January to August 2021 compared with the prior year period.

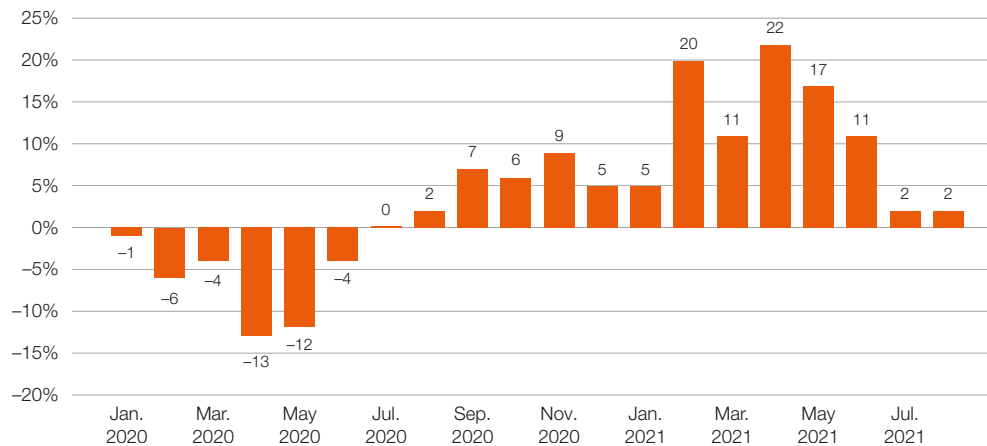
As a result of the global economic upturn, the increase in the oil price continued in the first 9 months of 2021. At the end of September 2021, the price of Brent Crude was USD 78.52 per barrel, up from USD 51.80 per barrel at the end of 2020.

## 1.2. SECTOR-SPECIFIC CONDITIONS

Global container transport volumes increased by 10.8% in the period January to August 2021 compared with the prior year period (CTS, October 2021). However, growth weakened noticeably in July and August, partly due to the worsening disruption of global supply chains and a stronger prior-year base. In the previous year, a significant drop in transport volumes was still recorded in the first half of the year due to corona, before demand gradually recovered in the second half of the year.

Compared with the previous year, the transport volume on all of the major trades grew, in some case significantly. In particular, transport volumes from the Far East to North America rose significantly in the first 8 months of 2021, increasing by 28% compared with the prior year period (CTS, October 2021). However, bottlenecks at ports on the west coast of North America in August led to a slight decrease in volumes.

### Monthly growth in global container transport volumes compared to the previous year period in %



Source: CTS, October 2021

Since the fourth quarter of 2020, the increasing container transport from the Far East to North America and Europe has resulted in disruption to global supply chains. Particularly in North America, the sharp rise in transport volumes has led to congestion of port and hinterland infrastructure. The already challenging situation was further exacerbated by port closures in China due to the coronavirus and the temporary blocking of the Suez Canal by a container ship. Given the high demand and a simultaneous shortage of transport capacity in a congested market environment, there has been a continuous rise in spot freight rates since the fourth quarter of 2020. The Shanghai Containerized Freight Index (SCFI), which tracks spot freight rates on the major trade routes from Shanghai, climbed to a new all-time high of USD 4,644/TEU at the end of the first 9 months of 2021. At the end of September 2020 the value was USD 1,422/TEU and at the end of 2020 it was USD 2,642/TEU.

The strong demand in the first 9 months of 2021 was also reflected in the low share of idle ships. This totalled around 2.7 million TEU (Alphaliner Weekly, June 2020) at the end of May 2020, which corresponded to approximately 12% of the global fleet. Due to the rising demand for container transport from as early as the third quarter of 2020, suspended services were gradually reinstated, with idle ships entering service once again. This significantly reduced the capacity of idle ships again to just 0.2 million TEU at the end of September 2021 (Alphaliner Weekly, September 2021), which equated to around 0.7% of the global fleet (September 2020: approximately 0.5 million TEU or around 2.2% of the global fleet). The majority of idle vessels have a capacity of up to 5,100 TEU.

Based on figures from MDS Transmodal, a total of 126 container ships with a transport capacity of approximately 838 TTEU were placed into service in the first 9 months of 2021 (prior year period: 88 ships with a transport capacity of approximately 633 TTEU). 40 of these ships had a capacity of over 11,000 TEU. Scrapping of obsolete ships was at a very low level of approximately 12 TTEU in 9M 2021 compared with around 180 TTEU in the prior year period. Only 15 very small container ships with capacities of between 320 TEU and 1,840 TEU were scrapped. The average age was 28 years (9M 2020: 24 years, Clarksons, October 2021). Accordingly, the capacity of the container shipping fleet rose by approximately 856 TTEU to 24.5 million TEU, which was somewhat more than the 791 TTEU recorded in 9M 2020.

In the months of January to September 2021, orders were placed for the construction of 470 container ships with a transport capacity totalling approximately 3.9 million TEU. This was a very significant increase compared with the 35 ships ordered in the prior year period 9M 2020 with a capacity of 0.2 million TEU (Clarksons Research, October 2021). 57 of the newbuilds ordered with a capacity of 725 TTEU will be able to use LNG as fuel, while a further 14 newbuilds with a capacity of 159 TTEU will be able to use methanol or other alternative fuels.

According to MDS Transmodal, the tonnage of the commissioned container ships rose to around 5.4 million TEU at the end of September 2021, up from 1.9 million TEU in the previous year. This means that, although the order volume in proportion to the current global container fleet capacity is 22.0% and therefore at its highest level since 2011, it is still significantly below the peak of around 61% recorded in 2007.

The bunker price has continued to increase in the course of 2021. At the end of September, low-sulphur bunker cost USD 538/t, up from USD 367/t at the end of 2020 and USD 298/t as at 30 September 2020 (MFO 0.5%, FOB Rotterdam).

## 2. STRUCTURE OF HAPAG-LLOYD'S VESSEL AND CONTAINER FLEET

As at 30 September 2021, Hapag-Lloyd's fleet comprised a total of 257 container ships (30 September 2020: 234 ships). The takeover of NileDutch increased the fleet by 10 container ships. All of the ships are certified in accordance with the ISM (International Safety Management) Code and have a valid ISSC (ISPS) certificate.

The majority of the ships are certified as per ISO 9001 (quality management) and ISO 14001 (environmental management). The TEU capacity of the entire Hapag-Lloyd fleet as at 30 September 2021 was 1,778.8 TTEU, thus 4.1% higher than as per 30 September 2020 (1,709.0 TTEU). The takeover of NileDutch increased the TEU capacity by 29.5 TTEU (+1.7%). The share of ships chartered by Hapag-Lloyd was approximately 41% as at 30 September 2021 based on TEU capacity (30 September 2020: approximately 40%). At present, 2 ships with a capacity of 9.3 TTEU are subchartered to other shipping companies.

As at 30 September 2021, the average age of Hapag-Lloyd's total fleet (capacity-weighted) was 10.3 years. The average ship size within the Hapag-Lloyd Group fleet is 6.9 TTEU, which is approximately 10% above the comparable average figure for the 10 largest container liner shipping companies worldwide (30 September 2021: 6.3 TTEU; Source: MDS Transmodal) and around 57% above the average ship size in the global fleet (30 September 2021: 4.4 TTEU; Source: MDS Transmodal).

As at 30 September 2021, Hapag-Lloyd owned or rented 1.79 million containers (30 September 2020: 1.62 million) with a capacity of 2,971.1 TTEU for shipping cargo (30 September 2020: 2,674.0 TTEU). The capacity-weighted share of leased containers was around 43% as at 30 September 2021 (30 September 2020: 45%). Having already ordered 83.0 TTEU in containers at the end of last year (of which 9.0 TTEU related to reefers and 8.0 TTEU to special containers) to counteract the capacity shortages and further strengthen its position in the reefer market as per Strategy 2023, Hapag-Lloyd ordered a further 199.8 TTEU in containers in the first 9 months of 2021 (of which 40.3 TTEU related to reefers).

Hapag-Lloyd's service network comprised 129 services as at 30 September 2021 (30 September 2020: 121 services). The increased number is due to the additional services of NileDutch.

### Structure of Hapag-Lloyd's container ship fleet

	30.9.2021	31.12.2020	30.9.2020
<b>Number of vessels</b>	257	237	234
thereof			
Own vessels <sup>1</sup>	112	112	112
Chartered vessels	145	125	122
<b>Aggregate capacity of vessels (TTEU)</b>	<b>1,779</b>	<b>1,719</b>	<b>1,709</b>
<b>Aggregate container capacity (TTEU)</b>	<b>2,971</b>	<b>2,704</b>	<b>2,674</b>
<b>Number of services</b>	<b>129</b>	<b>122</b>	<b>121</b>

<sup>1</sup> Including lease agreements with purchase option/obligation at maturity



In order to improve its competitiveness in the Europe–Far East trade, Hapag-Lloyd signed 2 new-build contracts, each for the construction of 6 large container vessels, at the end of 2020 and in June 2021 with Korea's Daewoo Shipbuilding & Marine Engineering. The ships will be sized at 23,660 TEU and will be delivered to Hapag-Lloyd between April 2023 and December 2024. The total value of the investment will be approximately USD 2 billion. The relevant funding has already been agreed on. The purchase price will be paid in a number of instalments until final delivery, with the largest part of the payment due with delivery of the vessel. As part of the Hapag-Lloyd sustainability strategy, the ships will be fitted with modern, high-pressure, dual-fuel engines, which will be highly fuel-efficient. The engines will run on liquefied natural gas (LNG), but will have sufficient tank capacity to run using conventional fuel if required. LNG offers a number of environmental advantages over conventional oil-based fuels, in particular reducing CO<sub>2</sub> emissions by around 15% to 25%

During the first 9 months of 2021 Hapag-Lloyd also acquired 3 newbuilding agreements for 13,000 TEU ships, which will be delivered in 2022 and 2023, as well as 2 newbuilding agreements for ships with a capacity of 13,250 TEU, which will be delivered in 2024.

In addition to ordering the ships that run on LNG, Hapag-Lloyd completed the first conversion of a large container vessel (15,000 TEU "Brussels Express", formerly "Sajir") to run on liquefied natural gas (LNG). The vessel is equipped with a dual-fuel system, i.e. it can use both LNG and/or low-sulphur fuel. The "Brussels Express" has been deployed on the Europe-Far East trade since 1 April 2021.

### 3. GROUP EARNINGS POSITION

#### 3.1. CONSOLIDATED INCOME STATEMENT

The first 9 months of the 2021 financial year were characterized by unabatedly strong demand for exported goods from the Asian region, which essentially contributed to the positive development of the sector. However, there were ongoing operational challenges in North America and, increasingly, in Asia and Europe as well with regard to congestion of port and hinterland infrastructure as a result of both the increased transport volumes and temporary port closures in China due to the coronavirus. As a result, turnaround times for ships and containers have increased.

Compared with the first 9 months of 2020, the rise in the average freight rate of 65.7% and the transport volume of 3.3% in particular resulted in revenue growth of 70.5%. By contrast, higher container handling expenses (+20.2%) and an increase in the average bunker consumption price (+12.6%) reduced the operating result.

Hapag-Lloyd generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of USD 8,162.7 million in the reporting period (prior year period: USD 2,043.5 million) and earnings before interest and taxes (EBIT) of USD 6,937.9 million (prior year period: USD 964.9 million). The Group profit came to USD 6,654.8 million (prior year period: USD 604.8 million).

### Consolidated income statement

million USD	Q3 2021	Q2 2021	Q3 2020	QoQ change	YoY change	9M 2021	9M 2020	Change
<b>Revenue</b>	<b>7,393.9</b>	<b>5,648.1</b>	<b>3,519.4</b>	<b>30.9%</b>	<b>110.1%</b>	<b>17,945.2</b>	<b>10,524.6</b>	<b>70.5%</b>
Transport expenses	-3,158.6	-2,999.4	-2,486.1	5.3%	27.1%	-8,895.0	-7,696.0	15.6%
Personnel expenses	-206.2	-232.6	-201.1	-11.4%	2.5%	-636.9	-576.0	10.6%
Depreciation, amortisation and impairment	-472.4	-382.4	-354.6	23.6%	33.2%	-1,224.8	-1,078.6	13.6%
Other operating result	-113.3	-98.6	-86.5	-14.9%	-30.9%	-272.0	-236.8	-14.9%
<b>Operating result</b>	<b>3,443.4</b>	<b>1,935.1</b>	<b>391.1</b>	<b>77.9%</b>	<b>780.5%</b>	<b>6,916.5</b>	<b>937.3</b>	<b>637.9%</b>
Share of profit of equity-accounted investees	7.7	12.8	10.6	-40.0%	-27.6%	21.9	27.9	-21.4%
Result from investments	-0.5	0.0	0.1	n.m.	-667.0%	-0.5	-0.2	n.m.
<b>Earnings before interest and tax (EBIT)</b>	<b>3,450.5</b>	<b>1,947.9</b>	<b>401.7</b>	<b>77.1%</b>	<b>758.9%</b>	<b>6,937.9</b>	<b>964.9</b>	<b>619.0%</b>
Interest result	-62.9	-95.0	-93.9	-33.8%	-33.0%	-235.4	-318.6	-26.1%
Other financial items	1.5	-4.4	-4.8	-135.4%	n.m.	-0.7	-1.8	n.m.
Income taxes	-18.3	-15.3	-12.8	19.7%	43.6%	-46.9	-39.8	17.9%
<b>Group profit/loss</b>	<b>3,370.8</b>	<b>1,833.2</b>	<b>290.3</b>	<b>83.9%</b>	<b>1,061.1%</b>	<b>6,654.8</b>	<b>604.8</b>	<b>1,000.4%</b>

### 3.2. TRANSPORT VOLUME PER TRADE

The transport volume increased by 283 TTEU to 8,980 TTEU in the first 9 months of the 2021 financial year (prior year period: 8,696 TTEU). This equates to a rise of 3.3%.

The strong demand for exported goods from Asia led to an increase in transport volumes on the Latin America, Middle East and Far East trades in particular compared with the prior year period.

The lower transport volume on the Intra-Asia trade was essentially due to the optimised repositioning of containers to other trades, aimed at meeting the strong demand for container transport from the Asia region as a result of the coronavirus. In the Transpacific trade, the congestion of local port infrastructures and the resulting delays and suspension of container handling led to a slight decline in transport volumes, despite high demand for container transport.

### Transport volume per trade

TTEU	Q3 2021	Q2 2021	Q3 2020	QoQ change	YoY change	9M 2021	9M 2020	Change
Atlantic <sup>1</sup>	536	532	487	0.8%	10.0%	1,584	1,534	3.2%
Transpacific	456	462	478	-1.4%	-4.6%	1,355	1,368	-1.0%
Far East	558	596	581	-6.4%	-4.0%	1,739	1,644	5.8%
Middle East	378	395	382	-4.2%	-1.0%	1,162	1,081	7.5%
Intra-Asia	130	159	216	-18.0%	-39.6%	460	639	-28.0%
Latin America	755	766	689	-1.5%	9.6%	2,290	2,100	9.1%
Africa <sup>1</sup>	164	120	109	36.4%	49.9%	390	331	17.8%
<b>Total</b>	<b>2,976</b>	<b>3,029</b>	<b>2,942</b>	<b>-1.8%</b>	<b>1.2%</b>	<b>8,980</b>	<b>8,696</b>	<b>3.3%</b>

<sup>1</sup> As part of the integration of NileDutch in the third quarter of 2021, the EMA trade (Europe – Mediterranean – Africa) was renamed the Africa trade. Transport volumes within Europe are now added to the Atlantic trade. The previous year's values have been adjusted accordingly.

### 3.3. FREIGHT RATE PER TRADE

The average freight rate in the first 9 months of the 2021 financial year was USD 1,818/TEU, which was USD 721/TEU, or 65.7%, up on the prior year period (USD 1,097/TEU).

The continuing increase in the freight rate was primarily due to ongoing strong demand for consumer goods from Asia as a result of the coronavirus and to a simultaneous scarcity of transport capacity in an overstrained market environment.

### Freight rate per trade

USD/TEU	Q3 2021	Q2 2021	Q3 2020	QoQ change	YoY change	9M 2021	9M 2020	Change
Atlantic <sup>1</sup>	2,039	1,578	1,298	29.2%	57.1%	1,646	1,323	24.4%
Transpacific	3,122	2,256	1,476	38.4%	111.6%	2,444	1,394	75.3%
Far East	2,844	2,117	963	34.4%	195.2%	2,300	969	137.4%
Middle East	1,602	1,352	823	18.5%	94.7%	1,353	820	65.1%
Intra-Asia	1,381	1,131	533	22.1%	159.4%	1,161	568	104.2%
Latin America	1,870	1,473	1,068	26.9%	75.1%	1,566	1,132	38.4%
Africa <sup>1</sup>	2,150	1,725	1,175	24.6%	83.0%	1,847	1,168	58.1%
<b>Total</b>	<b>2,234</b>	<b>1,714</b>	<b>1,084</b>	<b>30.3%</b>	<b>106.0%</b>	<b>1,818</b>	<b>1,097</b>	<b>65.7%</b>

<sup>1</sup> As part of the integration of NileDutch in the third quarter of 2021, the EMA trade (Europe – Mediterranean – Africa) was renamed the Africa trade. Transport volumes within Europe are now added to the Atlantic trade. The previous year's values have been adjusted accordingly.

### 3.4. REVENUE PER TRADE

The Hapag-Lloyd Group's revenue rose by USD 7,420.6 million to 17,945.2 million in the first 9 months of the 2021 financial year (prior year period: USD 10,524.6 million), representing an increase of 70.5%.

The main reasons for this were the rise in the average freight rate of 65.7% and the growth in the transport volume of 3.3% compared with the prior year period.

#### Revenue per trade

million USD	Q3 2021	Q2 2021	Q3 2020	QoQ Change	YoY change	9M 2021	9M 2020	Change
Atlantic <sup>1</sup>	1,092.7	838.9	631.9	143,643.3%	90.8%	2,606.7	2,029.5	28.4%
Transpacific	1,422.5	1,042.8	704.9	36.4%	101.8%	3,310.8	1,907.8	73.5%
Far East	1,586.9	1,261.8	560.2	25.8%	183.3%	4,000.0	1,592.0	151.3%
Middle East	605.3	533.2	314.2	13.5%	92.6%	1,572.2	885.8	77.5%
Intra-Asia	180.1	179.7	115.0	0.2%	56.6%	534.1	363.2	47.1%
Latin America	1,410.7	1,128.4	735.3	25.0%	91.8%	3,585.4	2,375.9	50.9%
Africa <sup>1</sup>	351.9	207.0	128.3	115,243.5%	86.1%	720.8	386.8	86.3%
Revenue not assigned to trades	743.9	456.3	329.6	-50.4%	125.7%	1,615.2	983.7	64.2%
<b>Total</b>	<b>7,393.9</b>	<b>5,648.1</b>	<b>3,519.4</b>	<b>30.9%</b>	<b>110.1%</b>	<b>17,945.2</b>	<b>10,524.6</b>	<b>70.5%</b>

<sup>1</sup> As part of the integration of NileDutch in the third quarter of 2021, the EMA trade (Europe – Mediterranean – Africa) was renamed the Africa trade. Transport volumes within Europe are now added to the Atlantic trade. The previous year's values have been adjusted accordingly.

### 3.5. OPERATING EXPENSES

#### Transport expenses

Transport expenses rose by USD 1,199.0 million in the first 9 months of 2021 to USD 8,895.0 million (prior year period: USD 7,696.0 million). This represents an increase of 15.6%, which was primarily due to the rise in container handling expenses compared with the previous year.

In the first 9 months of the 2021 financial year, the average bunker consumption price for Hapag-Lloyd was USD 452/t, up USD 50/t (+12.4%) on the figure of USD 402/t for the prior year period.

Container handling expenses increased by 20.2% million in the first 9 months of the reporting year to USD 4,721.7 million (prior year period: USD 3,928.9 million). This mainly resulted from increased demurrage and detention for containers due to partial congestion of port and hinterland infrastructure and local COVID-19 restrictions.

Container and repositioning expenses increased by 11.7% to USD 1,053.5 million (prior year period: USD 943.2 million) due to higher expenses for demurrage and detention for empty containers at port terminals, particularly in North America.

Expenses for vessels and voyages (excluding fuel) increased by 11.2% to USD 1,688.7 million. The increase resulted primarily from the rise in the percentage of ships chartered in on a medium-term basis and the resulting operating expenses as well as from the increased expenses for container slotcharter costs on third-party ships.

### Personnel expenses

Personnel expenses rose by 10.6% in the first 9 months of 2021 to USD 636.9 million (prior year period: USD 576.0 million). The increase was mainly attributable to a special bonus paid to employees in relation to COVID-19.

### Depreciation and amortisation

In the first 9 months of the 2021 financial year, there was a year-on-year rise in depreciation and amortisation of 13.6% to USD 1,224.8 million. This increase was primarily due to the rise in the percentage of ships chartered in on a medium-term basis at simultaneously higher charter rates and the resulting increase in rights of use. The amortisation of rights of use relating to leased assets (essentially vessels, containers, buildings) led to amortisation of USD 585.9 million (prior year period: USD 438.0 million).

### Other operating result

The other operating result of USD –272.0 million (prior year period: USD –236.8 million) comprised the net balance of other operating income and expenses. Other operating expenses totalled USD 328.8 million for the first 9 months of the 2021 financial year (prior year period: expenses of USD 282.5 million). This mainly included IT expenses (USD 173.1 million; prior year period: USD 143.3 million), consultancy fees (USD 28.1 million; prior year period USD 25.6 million), office and administrative costs (USD 23.6 million; prior year period: USD 29.7 million) and expenses for allowances for doubtful accounts (USD 10.2 million; prior year period: USD 11.0 million). Other operating income totalled USD 56.9 million for the first 9 months of the 2021 financial year (prior year period: USD 45.6 million).

### Operating expenses

million USD	Q3 2021	Q2 2021	Q3 2020	QoQ Change	YoY change	9M 2021	9M 2020	Change
<b>Transport expenses</b>	<b>-3,158.6</b>	<b>-2,999.4</b>	<b>-2,486.1</b>	<b>5.3%</b>	<b>27.1%</b>	<b>-8,895.0</b>	<b>-7,696.0</b>	<b>15.6%</b>
thereof								
Bunker	-539.9	-486.3	-315.7	11.0%	71.0%	-1,414.1	-1,266.1	11.7%
Handling and haulage	-1,644.9	-1,614.7	-1,289.6	1.9%	27.5%	-4,721.7	-3,928.9	20.2%
Equipment and repositioning	-372.7	-346.2	-324.1	7.7%	15.0%	-1,053.5	-943.2	11.7%
Vessels and voyages (excluding bunker)	-594.6	-555.1	-502.2	7.1%	18.4%	-1,688.7	-1,518.8	11.2%
Pending transport expenses <sup>1</sup>	-6.5	2.9	-54.4	n.m.	n.m.	-17.0	-39.0	-56.5%
Personnel expenses	-206.2	-232.6	-201.1	-11.4%	2.5%	-636.9	-576.0	10.6%
Depreciation, amortisation and impairments	-472.4	-382.4	-354.6	23.6%	33.2%	-1,224.8	-1,078.6	13.6%
Other operating result	-113.3	-98.6	-86.5	-14.9%	30.9%	-272.0	-236.8	-14.9%
<b>Total operating expenses</b>	<b>-3,950.5</b>	<b>-3,713.0</b>	<b>-3,128.3</b>	<b>6.4%</b>	<b>26.3%</b>	<b>-11,028.7</b>	<b>-9,587.4</b>	<b>15.0%</b>

<sup>1</sup> 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

### 3.6. UNIT COSTS

In total, transport expenses per unit (incl. D&A) in the first 9 months of the financial year 2021 increased by 11.7% to USD 1,127 /TEU as compared to the prior year period. 9M 2021 “Bunker” expenses increased by 8.2% or USD 11 /TEU on the back of higher average bunker consumption prices. “Handling and Haulage” as well as “Equipment and Repositioning” expenses increased by 16.4% and 8.2% (USD 74/TEU and USD 9/TEU ) respectively due to operational disruptions leading to higher storage cost at the ports. “Vessel and voyage” expenses increased by 7.7% (USD 13 /TEU) mainly as a result of higher slotcharter costs. “Depreciation and amortisation” unit cost increased by 10.0% (USD 12/TEU). This increase was primarily due to the rise in the percentage of ships chartered in on a medium-term basis at simultaneously higher charter rates and the resulting increase in rights of use.

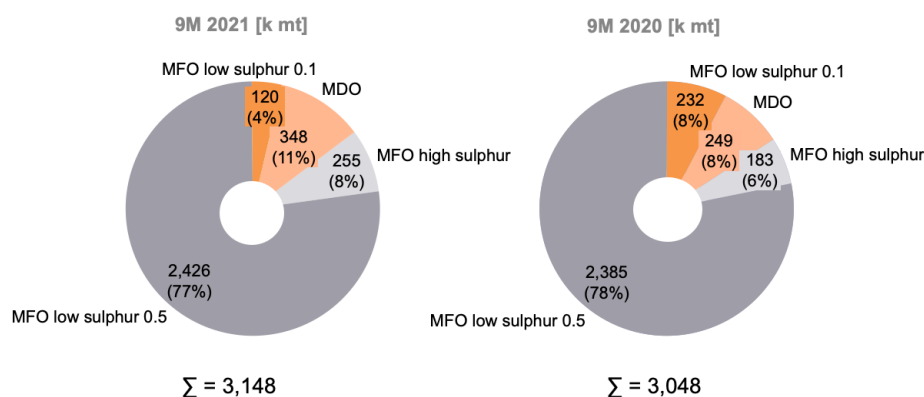
#### Unit cost

USD/TEU	Q3 2021	Q2 2021	Q3 2020	QoQ Change	YoY change	9M 2021	9M 2020	Change
<b>Transport expenses</b>	<b>-1,061</b>	<b>-990</b>	<b>-845</b>	<b>7.2%</b>	<b>25.6%</b>	<b>-991</b>	<b>-885</b>	<b>11.9%</b>
thereof								
Bunker	-181	-161	-107	13.0%	69.0%	-157	-146	8.2%
Handling and haulage	-553	-533	-438	3.7%	26.1%	-526	-452	16.4%
Equipment and repositioning	-125	-114	-110	9.6%	13.7%	-117	-108	8.2%
Vessel and voyage (excl. bunker)	-200	-183	-171	9.1%	17.0%	-188	-175	7.7%
Pending transport expenses	-2	1	-18	n.m.	n.m.	-2	-4	n.m.
<b>Depreciation, amortisation and impairment (D&amp;A)</b>	<b>-159</b>	<b>-126</b>	<b>-121</b>	<b>25.8%</b>	<b>31.7%</b>	<b>-136</b>	<b>-124</b>	<b>10.0%</b>
<b>Transport expenses incl. D&amp;A</b>	<b>-1,220</b>	<b>-1,116</b>	<b>-966</b>	<b>9.3%</b>	<b>26.4%</b>	<b>-1,127</b>	<b>-1,009</b>	<b>11.7%</b>

#### Bunker consumption development

Bunker consumption totalled approximately 3.148 million tonnes in the first 9 months of the year 2021 and was therefore around 3.3% higher than in the previous year period (9M 2020: approximately 3.048 million tonnes). This increase was essentially caused by a rise in ship capacity and transport volume compared with the prior year period, the additional NileDutch fleet and longer waiting times at and outside of ports. For the first time 1,972 tonnes of LNG was used as a fuel in the first 9 months of 2021.

The percentage of low-sulphur bunker (MFO low sulphur 0.1% and 0.5%, MDO) and LNG fell slightly from 94% in 9M 2020 to 92% in the first 9 months of 2021. Bunker consumption per slot (as measured by the average container storage capacity, annualised) increased slightly to 2.39 tonnes in 9M 2021 (9M 2020: 2.34 tonnes). In terms of transported TEU, bunker consumption remained stable at 0.35 tonnes per TEU.



- <sup>1</sup> MFO = Marine Fuel Oil;  
<sup>2</sup> MDO = Marine Diesel Oil

### 3.7. OPERATING PROFIT

Hapag-Lloyd generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of USD 8,162.7 million in the reporting period (prior year period: USD 2,043.5 million) and earnings before interest and taxes (EBIT) of USD 6,937.9 million (prior year period: USD 964.9 million).

#### EBIT and EBITDA margin

million USD	Q3 2021	Q2 2021	Q3 2020	QoQ change	YoY change	9M 2021	9M 2020	Change
Revenue	7,393.9	5,648.1	3,519.4	30.9%	110.1%	17,945.2	10,524.6	70.5%
EBIT	3,450.5	1,947.9	401.7	77.1%	758.9%	6,937.9	964.9	619.0%
EBITDA	3,923.0	2,330.2	756.3	68.4%	418.7%	8,162.7	2,043.5	299.4%
EBIT margin	46.7%	34.5%	11.4%	12.2 ppt	35.3 ppt	38.7%	9.2%	29.5 ppt
<b>EBITDA margin</b>	<b>53.1%</b>	<b>41.3%</b>	<b>21.5%</b>	<b>11.8 ppt</b>	<b>31.6 ppt</b>	<b>45.5%</b>	<b>19.4%</b>	<b>26.1 ppt</b>

### 3.8. OTHER EXPENSES

#### Interest result

The interest result for the first 9 months of the 2021 financial year was USD –235.4 million (prior year period: USD –318.6 million). The decrease in interest expenses compared with the first 9 months of 2020 resulted primarily from savings on effective interest expenses in the amount of USD 94.1 million which was mainly due to the reduction of bank debt (including the EUR bond) through early unscheduled repayments and the lower capital market interest rates as a result of the COVID-19 pandemic. The valuation and realisation of the interest rate swaps (USD –8.7 million; prior year period: USD –17.2 million) improved the interest result by a further USD 8.6 million. In addition, the valuation of the (old and new) embedded derivative (USD 1.6 million; prior year period : USD –14.7 million) contributed to a positive change in interest expenses in the amount of USD 16.2 million. By contrast, the derecognition of the embedded derivative in relation to the exercising of the early repurchase option of the EUR bond as at 7 April 2021 caused interest expenses to increase by USD 28.8 million. The adjustment to the carrying amount of the bond liability through profit or loss associated with the early repayment also had a negative effect on the interest result, reducing it by USD 10.3 million.

## 4. GROUP NET ASSET POSITION

As at 30 September 2021, the Group's statement of financial position total was USD 25,841.2 million, which is USD 7,201.0 million higher than the figure at year-end 2020. The reasons for this change primarily included the rise in cash and cash equivalents, price-related increases in receivables and liabilities and the higher equity as a result of the strong result for the period.

Within non-current assets, the carrying amounts of fixed assets increased by a total of USD 1,199.0 million to USD 16,612.3 million (31 December 2020: USD 15,413.3 million). This rise was essentially due to newly received and extended rights of use for lease assets in the amount of USD 1,237.6 million (prior year period: USD 788.0 million) and investments in ships, ship equipment and containers in the amount of USD 1,029.6 million. In addition, the Group acquired property, plant and equipment in the amount of USD 242.6 million through its acquisition of NileDutch. Depreciation and amortisation of USD 1,238.3 million had an opposite effect (prior year period: USD 1,078.6 million) on fixed assets. This includes an amount of USD 585.9 million (prior year period: USD 438.0 million) for the amortisation of capitalised rights of use relating to lease assets.

Cash and cash equivalents increased by USD 4,344.8 million to USD 5,181.2 million compared to the end of 2020 (USD 836.4 million) primarily as a result of the positive operating cash flow.

On the liabilities side, equity (including non-controlling interests) grew by USD 5,926.0 million to a total of USD 14,178.8 million. This increase was mainly due to the Group profit of USD 6,654.8 million (prior year period: USD 604.8 million) recognised in retained earnings. The equity ratio was 54.9% as at 30 September of the current year (31 December 2020: 44.3%).



The Group's borrowed capital has risen by USD 1,275.0 million to USD 11,662.4 million since the 2020 consolidated financial statements were prepared. The increase in financial debt and lease liabilities due to the placement of a sustainability-linked euro bond totalling EUR 300 million and new lease liabilities relating to newly acquired or extended rights of use for lease assets in the amount of USD 1,225.9 million (prior year period: USD 717.1 million) contrasted with redemption payments for financial debt and lease liabilities totalling USD 1,847.7 million (prior year period: USD 2,401.6 million). The redemption payments included USD 356.6 million for the early redemption of Hapag-Lloyd's existing 5.125% euro bond (original maturity in 2024).

A further increase of USD 784.8 million to USD 1,454.7 (31 December 2020: USD 669.9 million) resulted from contract liabilities which increased mainly due to higher freight rates for transport orders on unfinished voyages. The trade accounts payable increased to USD 2,465.9 million (31 December 2020: USD 2,146.0 million) as at the reporting date.

Taking cash and cash equivalents, financial debt and lease liabilities into account, net debt as at 30 September 2021 was USD 1,207.7 (31 December 2020: USD 5,468.8 million).

### Group net asset position

million USD	30.9.2021	31.12.2020
<b>Assets</b>		
Non-current assets	16,699.1	15,508.3
of which fixed assets	16,612.3	15,413.3
Current assets	9,142.2	3,131.9
of which cash and cash equivalents	5,181.2	836.4
<b>Total assets</b>	<b>25,841.2</b>	<b>18,640.2</b>
<b>Equity and liabilities</b>		
Equity	14,178.8	8,252.8
Borrowed capital	11,662.4	10,387.4
of which non-current liabilities	5,506.9	5,731.3
of which current liabilities	6,155.5	4,656.1
of which financial debt and lease liabilities	6,388.8	6,305.1
of which non-current financial debt and lease liabilities	4,975.0	5,119.6
of which current financial debt and lease liabilities	1,413.8	1,185.5
<b>Total equity and liabilities</b>	<b>25,841.2</b>	<b>18,640.2</b>

## 5. GROUP FINANCIAL POSITION

### 5.1. DEVELOPMENTS IN CASH AND CASH EQUIVALENTS

#### Cash flow from operating activities

Hapag-Lloyd generated an operating cash flow of USD 7,468.9 million in the first 9 months of the 2021 financial year (prior year period: USD 2,166.4 million). The increase in the cash flow from operating activities was primarily due to higher earnings in the current financial year.

#### Cash flow from investing activities

In the first 9 months of the 2021 financial year, the cash outflow from investing activities totalled USD 871.5 million (prior year period: USD 300.4 million). This primarily included payments for investments of USD 886.8 million (prior year period: USD 360.7 million) in ships, ship equipment and new containers. The payments for containers acquired in the previous year included in the investment amount were USD 26.1 million. There was also a net cash outflow from the acquisition of NileDutch in the amount of USD 82.5 million.

#### Cash flow from financing activities

Financing activities resulted in a net cash outflow of USD 2,252.5 million in the first 9 months of the financial year (prior year period: USD 1,479.1 million). The cash outflow essentially resulted from interest and redemption payments relating to financial liabilities for vessel and container financing in the amount of USD 955.2 million (prior year period: USD 1,479.4 million). In addition, the corporate bond maturing in 2024 in the amount of USD 356.6 million and the loan from the ABS programme in the amount of USD 100.0 million were repaid in full. The payment of a dividend to the shareholders of Hapag-Lloyd AG for the 2020 financial year led to an additional cash outflow of USD 747.7 million (prior year period: USD 219.0 million). The interest and redemption payment from lease liabilities in accordance with IFRS 16 totalled USD 626.8 million in the first 9 month of the financial year (prior year period: USD 498.2 million).

The cash outflows contrasted with cash inflows from the placement of a new corporate bond of USD 354.1 million. Cash inflows of USD 241.1 million resulted from the financing of ships/ ship equipment and containers (prior year period: USD 892.4 million).

## Development of liquidity reserve

million USD	Q3 2021	Q3 2020	9M 2021	9M 2020
Cash and cash equivalents beginning of the period	2,391.6	1,691.2	836.4	574.1
Unused credit lines beginning of the period	585.0	185.0	585.0	585.0
<b>Liquidity reserve beginning of the period</b>	<b>2,976.6</b>	<b>1,876.2</b>	<b>1,421.4</b>	<b>1,159.1</b>
EBITDA	3,923.0	756.3	8,162.7	2,043.5
Working capital	-354.2	86.2	-626.6	143.8
Others	-14.7	-5.5	-67.2	-21.0
<b>Operating cash flow</b>	<b>3,554.1</b>	<b>837.1</b>	<b>7,468.9</b>	<b>2,166.4</b>
Investments	-314.8	-196.8	-886.8	-360.7
thereof vessel	-42.7	-41.2	-415.1	-106.1
thereof container	-266.4	-153.7	-456.5	-233.5
thereof other	-5.7	-1.9	-15.2	-21.1
Net Cash received (+)/ made (-) from acquisitions	-82.5	-	-82.5	-
Disinvestments	39.8	9.0	56.1	29.2
Dividends received	30.0	39.6	30.2	39.8
Payments made for Investments in financial assets	-	-	-1.0	-
Payments received (+) for the redemption of issued loans	-	-	12.6	-
Payments made for the issuing of loans	-	-	-	-8.7
<b>Investing cash flow</b>	<b>-327.6</b>	<b>-148.2</b>	<b>-871.5</b>	<b>-300.4</b>
Payments made from changes in ownership interests	-0.7	-	-0.7	-
Debt intake	28.9	191.8	595.5	1,454.8
Debt repayment	-174.9	-1,365.7	-1,284.0	-1,962.6
Repayment of Lease liabilities	-223.5	-152.2	-563.7	-439.0
Dividends paid	-4.0	-3.4	-767.1	-229.1
Payments made for leasehold improvements	-	-2.5	-0.4	-29.1
Interest	-57.7	-96.7	-208.7	-276.5
Payments made from hedges for financial debts	-5.1	9.6	-23.5	2.4
<b>Financing cash flow</b>	<b>-436.9</b>	<b>-1,419.1</b>	<b>-2,252.5</b>	<b>-1,479.1</b>
Changes due to exchange rate fluctuations	-	-	-0.1	-
<b>Liquidity reserve end of the period</b>	<b>5,766.2</b>	<b>1,546.1</b>	<b>5,766.2</b>	<b>1,546.1</b>
Cash and cash equivalents end of the period	5,181.2	961.1	5,181.2	961.1
Unused credit lines end of the period	585.0	585.0	585.0	585.0

## 5.2. FINANCIAL SOLIDITY

The Group's net debt amounted to USD 1,207.7 million as at 30 September 2021. This was a fall of USD 4,261.1 million compared to net debt of USD 5,468.8 million as at 31 December 2020. The improvement in net debt was primarily due to a positive operating cash flow.

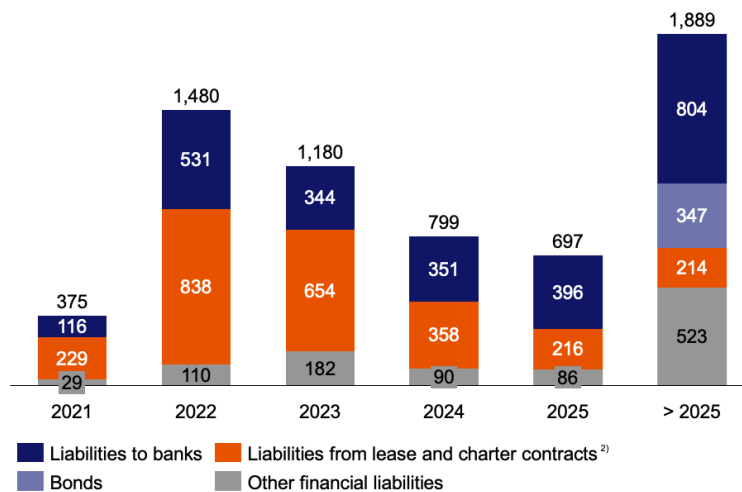
The equity ratio increased by 10.6 percentage points, from 44.3% as at 31 December 2020 to 54.9%. Due to the increased earnings in the reporting period, equity was up by USD 5,926.0 million compared with 31 December 2020 and came to USD 14,178.8 million as at 30 September 2021.

### Financial solidity

million USD	30.9.2021	31.12.2020	30.9.2020
Financial debt and lease liabilities	6,388.8	6,305.1	6,980.4
Cash and cash equivalents	5,181.2	836.4	961.1
<b>Net debt</b>	<b>1,207.7</b>	<b>5,468.8</b>	<b>6,019.3</b>
Unused credit lines	585.0	585.0	585.0
<b>Liquidity reserve</b>	<b>5,766.2</b>	<b>1,421.4</b>	<b>1,546.1</b>
Equity	14,178.8	8,252.8	7,783.8
<b>Gearing (net debt/equity) (%)</b>	<b>8.5</b>	<b>66.3</b>	<b>77.3</b>
<b>Net debt to EBITDA<sup>1</sup></b>	<b>0.1x</b>	<b>1.8x</b>	<b>2.3x</b>
<b>Equity ratio (%)</b>	<b>54.9</b>	<b>44.3</b>	<b>42.0</b>

<sup>1</sup> Based on last 12 months.

### Contractual maturity profile of financial debt (USD million)<sup>1</sup>



<sup>1</sup> Deviation from the total financial debt as shown in the balance sheet as per 30.06.2021 consists of transaction costs and accrued interest

<sup>2</sup> Liabilities from lease and charter contracts consist of USD 40 million liabilities from former finance lease contracts and USD 2,227 USD million from lease contracts presented as on-balance financial liability due to first-time application of IFRS 1

The total repayment amount of USD 6,420 million is categorized between (1) liabilities to banks, (2) bonds, (3) liabilities from lease and on-balance charter contracts and (4) other financial liabilities.

## 6. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

No significant transactions took place after the balance sheet date.

## 7. OUTLOOK

### General economic outlook

According to the International Monetary Fund (IMF), the general economic conditions that are important for container shipping are likely to improve significantly in 2021, even though the momentum has been somewhat hampered by the increasing disruption to global supply chains, rising inflation and the spread of the delta virus variant recently. According to the IMF's October forecast, the global economy is expected to grow by 5.9% in 2021, after contracting by 3.1% in the previous year. The higher growth expectations for the global economy compared with the January forecast (up from 5.5%) are attributable to stronger growth in the advanced economies, particularly in the USA. International trade in goods and services is expected to grow by 9.7% in 2021, even more than the IMF expected in January (January forecast: 8.1%).

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

in %	2022e	2021e	2020	2019	2018
Global economic growth	4.9	5.9	-3.1	2.8	3.6
Industrialised countries	4.5	5.2	-4.5	1.6	2.3
Developing and newly industrialised countries	5.1	6.4	-2.1	3.7	4.5
World trade volume (goods and services)	6.7	9.7	-8.2	0.9	3.9

Source: IMF World Economic Outlook, October 2021

### Sector-specific outlook

Global container transport volumes are also expected to increase again in 2021 as a result of the economic recovery. Seabury predicts growth of 7.4% for 2021. The container transport volume was slightly down in the previous year at -1.0%.

### Development of container transport volume

	2022e	2021e	2020	2019	2018
million TEU	168	160	149	151	149
Growth rate in %	4.8	7.4	-1.0	1.0	4.0

Sources: Seabury (August 2021)

The significant rise in container transport from the Far East, particularly to North America, combined with lower productivity at ports due to COVID-19 infections among the workforce and the associated higher occupational health and safety regulations, resulted in a clear disruption to global supply chains in the first 9 months of 2021. The already challenging situation was further exacerbated by port closures in China due to the coronavirus and the temporary blocking of the Suez Canal by a container ship. As a result, turnaround times for vessels and containers have increased significantly, leading to a reduction in the transport capacity actually available. With demand continuing uninterrupted, Drewry does not expect global supply chains to return to normal operation before the end of 2022 (Drewry Container Forecaster Q3 2021, October 2021).

The strong demand for transport combined with a shortage of available chartered ships resulted in a noticeable increase in ship orders at the end of 2020 and in the first 9 months of 2021. According to MDS Transmodal, the tonnage of the commissioned container ships rose to around 5.4 million TEU at the end of September 2021, up from 1.9 million TEU in the previous year. This means that, although the order volume in proportion to the current global container fleet capacity is 22.0% and therefore at its highest level since 2011, it is still significantly below the peak of around 61% recorded in 2007.

For 2021, Drewry expects the globally available container ship fleet to grow by 1.1 million TEU, or 4.5%, which is less than the growth in demand. The majority of the recently ordered ships are unlikely to be put into service before 2023.

#### Expected development of global container fleet capacity

million TEU	2022e	2021e	2020	2019	2018
Existing fleet (beginning of the year)	24.6	23.6	23.0	22.1	20.9
Planned deliveries	1.0	1.2	1.1	1.1	1.5
Expected scrappings	0.1	0.0	0.2	0.2	0.1
Postponed deliveries and other changes	0.1	0.1	0.3	0.1	0.2
<b>Net capacity growth</b>	<b>0.8</b>	<b>1.1</b>	<b>0.7</b>	<b>0.9</b>	<b>1.2</b>
Net capacity growth (in %)	3.4	4.5	3.0	4.0	5.6

Source: Drewry Container Forecaster Q3 2021, October 2021. Expected nominal capacity based on planned deliveries. Based on existing orders and current predictions for scrapping and postponed deliveries. Figures rounded. Rounding differences may be the result of changes in the databases.

#### Expected business development of Hapag-Lloyd

Hapag-Lloyd posted an exceptionally positive financial performance in the first 9 months of 2021 due to the unabated global demand for container transports and the continuing disruptions in global supply-chains causing a shortage of available transport capacity. For the rest of the 2021 financial year earnings momentum is likely to remain on a high level. Against this backdrop, the Executive Board of Hapag-Lloyd AG raised its earnings outlook for the 2021 financial year on 29 October 2021. EBITDA is now expected to be in the range of EUR 10.1 to 10.9 billion (previously: EUR 7.6 to 9.3 billion) and EBIT in the range of EUR 8.7 to 9.5 billion (previously: EUR 6.2 to 7.9 billion). The earnings expectation for the 2021 financial year is based in particular on the assumptions that despite high demand transport volumes will remain stable compared to the previous year (previously: increasing slightly) as a consequence of the continuing disruption of supply chains, whereas the average freight rate can be increased clearly. At the same time, a clear increase in the average bunker consumption price is assumed, which should have a dampening effect on the development of earnings. Our earnings perspective is based on the assumption of an average exchange rate of USD 1.19/EUR.

The earnings forecast does not take into account material impairments on goodwill, other intangible assets and property, plant and equipment in the course of the 2021 financial year, which are currently not expected but cannot be ruled out.

	Actual 2020	Previous Forecast 2021	Forecast 2021
Global economic growth (IMF, October 2021)	-3.1%	6.0%	5.9%
Increase in global trade (IMF, October 2021)	-8.2%	9.7%	9.7%
Increase in global container transport volume (Seabury, August 2021)	-1.0%	6.3%	7.4%
Transport volume, Hapag-Lloyd	11.8 million TEU	Increasing slightly	On previous year's level
Average bunker consumption prices, Hapag-Lloyd	USD 379/t	Increasing clearly	Increasing clearly
Average freight rate, Hapag-Lloyd	USD 1,115/TEU	Increasing clearly	Increasing clearly
EBITDA (earnings before interest, taxes, depreciation and amortisation), Hapag-Lloyd	EUR 2.7 billion	EUR 7.6–9.3 billion	EUR 10.1–10.9 billion
EBIT (earnings before interest and taxes), Hapag-Lloyd	EUR 1.3 billion	EUR 6.2–7.9 billion	EUR 8.7–9.5 billion

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. The general risks are described in detail in the risk and opportunity report in the combined management report of the 2020 annual report. Risks and opportunities that may have an impact on the forecast for business development are also described in detail in the risk and opportunity report in the quarterly financial report 9M 2021. 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.

## IMPORTANT NOTICE

The information provided in this Investor Report is based on a calculation of US dollar figures, derived from the figures published in EUR within the respective Interim or Annual Report of Hapag-Lloyd AG (available via <https://www.hapag-lloyd.com/en/ir/publications/financial-report.html>).

The US dollar figures presented herein have not been reviewed by auditors and are supplemental information to the respective Interim or Annual Report of Hapag-Lloyd AG for capital market participants. The respective Interim and Annual Reports of Hapag-Lloyd AG remain the prevailing and legally binding documents.

Hapag-Lloyd AG conducts its container shipping business in an international business environment in which 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, an example being the purchase, chartering and rental of vessels and containers, as well as the corresponding financing of investments. Therefore, the functional currency of Hapag-Lloyd AG is the US dollar. However, the reporting currency of Hapag-Lloyd AG is the euro.

For reconciliation to the Quarterly Financial Report 9M 2021 please find below the respective exchange rates:

### Exchange rates

per EUR	Closing Rate			Average rate		
	30.9.2021	30.6.2021	30.9.2020	9M 2021	H1 2021	9M 2020
USD	1.1577	1.1892	1.1714	1.1965	1.2054	1.1242



## DISCLAIMER

This report provides general information about Hapag-Lloyd AG. It consists of summary information based on a calculation of USD figures. It does not purport to be complete and it is not intended to be relied upon as advice to investors.

No representations or warranties, expressed or implied, are made as to, and no reliance should be placed on the accuracy, fairness or completeness of the information presented or contained in this report.

This report contains forward looking statements within the meaning of the 'safe harbor' provision of the US securities laws. These statements are based on management's current expectations or beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, market conditions affecting the container shipping industry, intense competition in the markets in which we operate, potential environmental liability and capital costs of compliance with applicable laws, regulations and standards in the markets in which we operate, diverse political, legal, economic and other conditions affecting the markets in which we operate, our ability to successfully integrate business acquisitions and our ability to service our debt requirements). Many of these factors are beyond our control.

This report is intended to provide a general overview of Hapag-Lloyd's business and does not purport to deal with all aspects and details regarding Hapag-Lloyd. Accordingly, neither Hapag-Lloyd nor any of its directors, officers, employees or advisers nor any other person makes any representation or warranty, expressed or implied, as to, and accordingly no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the presentation or of the views given or implied. Neither Hapag-Lloyd nor any of its directors, officers, employees or advisers nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith.

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Each investor must conduct and rely on its own evaluation in taking an investment decision.

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