

Q4 | FY 2023

Hapag-Lloyd AG

# Investor Report

1 January to  
31 December 2023



# SUMMARY OF HAPAG-LLOYD KEY FIGURES

		Q4 2023	Q4 2022	FY 2023	FY 2022	Change
<b>Segment Liner Shipping</b>						
Total vessels <sup>1</sup>		266	251	266	251	6%
Aggregate capacity of vessels <sup>1</sup>	TTEU	1,972	1,797	1,972	1,797	10%
Aggregate container capacity <sup>1</sup>	TTEU	2,975	2,972	2,975	2,972	0%
Freight rate (average for the period)	USD/TTEU	1,190	2,625	1,500	2,863	-48%
Transport volume	TTEU	2,990	2,857	11,907	11,843	1%
Revenue	million USD	3,980	7,957	19,210	36,380	-47%
EBITDA	million USD	294	3,813	4,775	20,371	-77%
EBIT	million USD	-243	3,313	2,717	18,365	-85%
<b>Segment Terminal &amp; Infrastructure<sup>1</sup></b>						
Revenue	million USD	110	6	202	24	733%
EBITDA	million USD	11	11	50	103	-52%
EBIT	million USD	-9	11	21	102	-80%
<b>Group key financial figures</b>						
Revenue	million USD	4,079	7,962	19,391	36,401	-47%
EBITDA	million USD	306	3,825	4,825	20,474	-76%
EBIT	million USD	-251	3,324	2,738	18,467	-85%
Group profit/loss	million USD	-234	3,295	3,191	17,959	-82%
Earnings per share	USD	-1.36	18.74	18.06	102.11	-82%
Cash flow from operating activities	million USD	400	4,687	5,387	20,591	-74%
<b>Group key return figures</b>						
EBITDA margin	%	7.5	48.0	24.9	56.2	-31.3 ppt
EBIT margin	%	-6.2	41.8	14.1	50.7	-36.6 ppt
ROIC <sup>2</sup>	%	-5.8	78.2	15.6	114.3	-98.7 ppt
<b>Group balance sheet figures<sup>1</sup></b>						
Equity	million USD	20,787	29,795	20,787	29,795	-30%
Equity ratio	%	64.7	72.1	64.7	72.1	-7.4 ppt
Financial debt and lease liabilities	million USD	5,572	5,804	5,572	5,804	-4%
Cash and cash equivalents	million USD	6,435	16,265	6,435	16,265	-60%
Net liquidity <sup>3</sup>	million USD	2,907	13,437	2,907	13,437	-78%

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

<sup>1</sup> Figures as per 31 December of the respective financial year.

<sup>2</sup> In the first quarter of 2023, changes were made in the calculation of ROIC, the previous year's figures were adjusted accordingly.

<sup>3</sup> Including the financial investments recognised in other financial assets (strategic liquidity reserve).

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 14 March 2024.**

## MAIN DEVELOPMENTS IN THE 2023 FINANCIAL YEAR

- The 2023 financial year was characterised by initially weak demand and significantly lower freight rates for container transport, resulting in negative effects on the Group's revenue and earnings trend.
- Group revenue in the 2023 financial year declined by 46.7% to USD 19.4 billion (2022: USD 36.4 billion).
- As expected, Group EBITDA of USD 4.8 billion was significantly below the previous year's figure of USD 20.5 billion due to the normalisation of supply chains and the freight rate level. Likewise, Group EBIT decreased significantly to USD 2.7 billion (2022: USD 18.5 billion).
- Following the completed acquisition of the terminal business of Sociedad Matriz SAAM S.A. on 1 August 2023, the business activities have been separated into the Liner Shipping and Terminal & Infrastructure segments.
- In the Liner Shipping segment, the transport volume rose by 0.5% to 11.9 million TEU (2022: 11.8 million TEU). Due to the decline in the average freight rate to USD 1,500/TEU (2022: USD 2,863/TEU), the segment's EBITDA decreased to USD 4.8 billion (2022: USD 20.4 billion) and its EBIT fell to USD 2.7 billion (2022: USD 18.4 billion).
- In the 2023 financial year, the Terminal & Infrastructure segment recorded an EBITDA of USD 49.7 million (2022: USD 103.2 million) and EBIT of USD 20.5 million (2022: USD 101.9 million).
- Due to the negative operating development, earnings per share dropped to USD 18.06, from USD 102.11 in the prior year period.
- Free cash flow was again clearly positive at USD 3.6 billion (2022: USD 16.3 billion).
- Net liquidity decreased to USD 2.9 billion as at 31 December 2023 (31 December 2022: USD 13.4 billion) after distribution of a dividend of USD 12.2 billion and investments in the fleet and the terminal portfolio.
- The Executive Board and Supervisory Board will propose to the Annual General Meeting on 30 April 2024 that a dividend of EUR 9.25 per share be paid for the 2023 financial year (previous year: EUR 63). This represents a distribution ratio in relation to the Group profit of 55% (previous year: 65%).
- For the 2024 financial year, the Executive Board expects Group EBITDA to range between USD 1.1 to 3.3 billion or EUR 1.0 to 3.0 billion and Group EBIT to range between USD –1.1 to 1.1 billion or EUR –1.0 to 1.0 billion. Against the backdrop of very volatile freight rates and major geopolitical challenges, the forecast is subject to a high degree of uncertainty.

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## 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 terminal services.

Despite the wide-ranging adverse effects and uncertainties as a result of geopolitical crises and high inflation, the performance of the global economy was robust in 2023. Year-on-year growth of 3.1% was driven by the services sector, which benefited from catch-up effects following the restrictions imposed by the COVID-19 pandemic, while the manufacturing sector developed weakly (IMF World Economic Outlook, October 2023 and January 2024). Supply chain disruptions eased, while war-related dislocations in energy and food markets, triggered by Russia's war of aggression against Ukraine, receded. Nevertheless, inflation remains at a heightened level in many regions of the world. Most central banks therefore maintained their tight monetary policy.

The economy of the People's Republic of China recorded growth of 5.2% in 2023 compared to the previous year. The growth driver was the services sector, which recorded an increase of 5.8% compared to the prior year period. Industrial production rose by 5.0%. While exports of goods increased slightly by 0.6%, imports fell by 0.3% compared to the previous year (National Bureau of Statistics of China, January 2024).

The main recipients of Chinese goods are the USA and Europe. The US economy grew in the fourth quarter of 2023 by 3.1% compared with Q4 2022, thus making the fourth quarter the year's strongest quarter in terms of growth. In the first three quarters of 2023, the US economy had already grown by 1.7%, 2.4% and 2.9% year-on-year. Economic growth for the full year was 2.5%, significantly higher than the previous year's growth rate (1.9%). Growth was driven by rising government spending and private consumption. The US economy thus recorded the strongest growth among industrialised nations, which only grew by an average of 1.6%. In the first eleven months of 2023, exports rose slightly by 1.0% year-on-year while imports dropped significantly by 3.6%. The lower commodity prices weakened both exports and imports. In addition, the high inventory levels and changes in consumer behaviour led to lower imports of consumer goods (U.S. Department of Commerce, January 2024).

The EU economy grew by just 0.2% in the fourth quarter of 2023 compared to Q4 2022. In the first quarter of 2023, the EU economy grew by 1.1%, in the second quarter by 0.5% and in the third quarter by 0% compared to the same quarters of the previous year. Exports of goods from the EU stagnated at the previous year's level in the first eleven months of 2023 compared to the prior year period. While exports of machinery and automobiles rose by 9.1%, energy and commodity exports in particular decreased sharply due to lower prices, with chemical exports also dropping significantly compared with the prior year period. Imports of goods fell significantly by 16.1%, mainly due to lower prices for energy and commodity imports. All categories of goods recorded year-on-year decreases (Eurostat, January 2024).

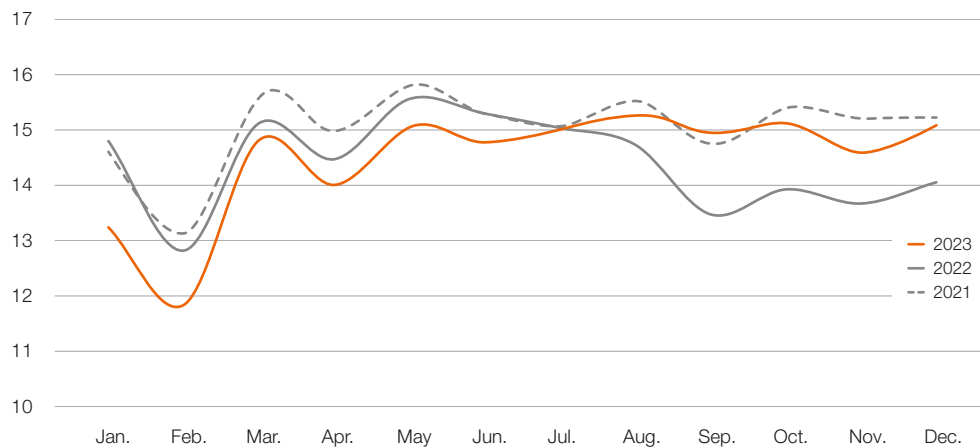
The economy of the countries of Latin America recorded growth of 2.5% in 2023, following 4.2% in 2022 (IMF, January 2024). The development of imports and exports of goods was weak. Imports of goods increased in 2023 by 0.8%, following growth of 5.8% in the previous year, while exports of goods fell slightly by 0.5%, following an increase of 6.3% in 2022.

## 1.2. SECTOR-SPECIFIC CONDITIONS

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

The global container transport volume in 2023 was at the same level as the same period of the previous year with an increase of merely 0.2 % (CTS, February 2024). A fall in demand at the start of the financial year was followed by a noticeable recovery in the second half of the year. Growth was recorded in particular on the Far East to Europe trade as well as on most of the routes to and from India. Despite a significant recovery in demand at the end of the year, transport volumes from a full-year perspective were lower on the two biggest trades, Intra-Asia and from the Far East to North America.

### Monthly global container transport volumes (in million TEU)

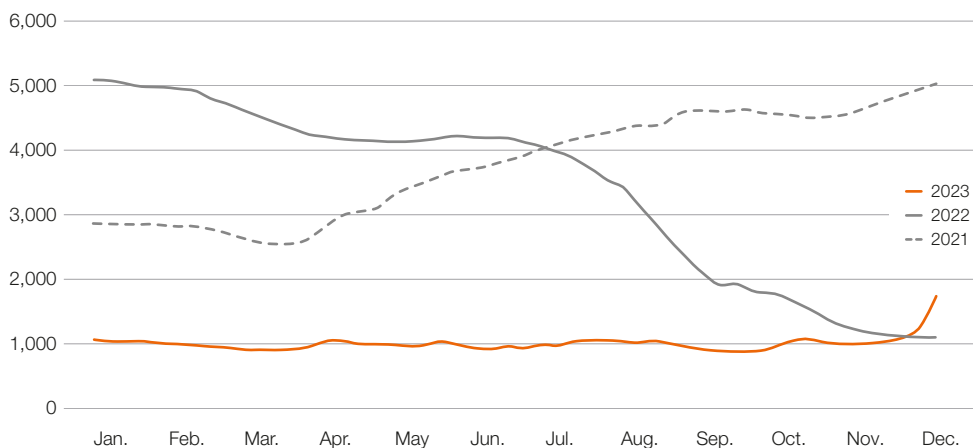


Source: CTS, February 2024

### Liner Shipping segment

The Shanghai Containerized Freight Index (SCFI), which tracks spot freight rate rates on Shanghai's major trade routes, was significantly down on the previous year's level for almost the entire financial year. Against the background of a growing number of attacks on ships in the Red Sea by Houthi rebels, many liner shipping companies began rerouting their vessels around the Cape of Good Hope in mid-December. The longer journey times are leading to a shortage of ship capacities and rising transport costs. As a result, there was a sharp jump in spot freight rates at the end of 2023. The SCFI was quoted at USD 1,760/TEU at the end of 2023 (previous year: USD 1,108/TEU).

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



Source: Shanghai Shipping Exchange, January 2024

The proportion of idle vessels as at the end of December 2023 was lower than a year previously (31 December 2022: 0.66 million TEU; 2.6%, Alphaliner Weekly, January 2024), at 0.29 million TEU or 1.0% of the world fleet, despite weaker demand. The increased demand for ship capacity due to the rerouting of vessels around the Cape of Good Hope from mid-December 2023 led to a slight reduction in the idle fleet in the final days of the year.

Based on figures from MDS Transmodal, a total of 319 container vessels with a transport capacity of approximately 2.3 million TEU were placed into service in 2023 (prior year period: 178 ships with a transport capacity of approximately 1.0 million TEU). According to Clarksons, only 83 small container vessels with a total of 0.2 million TEU were scrapped in the same period (prior year period: eight vessels, 0.1 TTEU).

In 2023, orders were placed for the construction of 188 container vessels with a transport capacity totalling around 1.6 million TEU, significantly less than the approximately 2.7 million TEU in the prior year period (Clarksons Research, January 2024). According to MDS Transmodal, the tonnage of container vessels on order fell to around 6.7 million TEU at the end of December 2023, compared with around 7.2 million TEU at the end of December 2022. Accordingly, the ratio of order backlog to current world container fleet capacity remained at a high level of 24.4%, but well below the peak of around 61% reached in 2007.

Low-sulphur bunker was quoted at USD 523/t in Rotterdam at year-end, almost unchanged from the price of USD 514/t at the end of the previous year (MFO 0.5%, FOB Rotterdam). From a full-year perspective, however, bunker prices were significantly lower and less volatile in the 2023 financial year than in the previous year, when Russia's attack on Ukraine led to a temporary price shock on the energy markets (S&P Global Commodity Insights, Bloomberg).

### Terminal & Infrastructure segment

With the end of the pandemic and a simultaneous weakening of demand, the congestion at ports and in the hinterland largely resolved itself in the first half of 2023. As a result of this, container dwell times at ports decreased to a normal level, which led to a significant drop in the revenue generated from storage charges at many terminals. At the same time, terminal operators recorded significant increases in costs in the 2023 financial year, in particular for personnel and energy. It was only possible to pass these on to customers in part or with a delay.

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

### Fleet and capacity development

As at 31 December 2023, Hapag-Lloyd's fleet comprised a total of 266 container vessels (31 December 2022: 251). 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 certified as per ISO 9001 (quality management) and ISO 14001 (environmental management).

The TEU capacity of the entire Hapag-Lloyd fleet as at 31 December 2023 was 1,972 TTEU and is thus 9.7% higher than as at 31 December 2022 (1,797 TTEU). Based on the TEU capacities, 61% of the fleet was owned by the Group as at 31 December 2023 (31 December 2022: 62%). In the 2023 financial year, seven newbuilds (four owned vessels and three on long-term charters) with a total capacity of 125 TTEU were commissioned, including the Berlin Express, the first 23,664 TEU vessel with a high-pressure dual-fuel engine that can run on both LNG and conventional fuel.

As at 31 December 2023, Hapag-Lloyd's order book comprised nine newbuilds of 23,664 TEU and two newbuilds of 13,288 TEU each. The total capacity of the newbuilds is 240 TTEU. The delivery of the vessels is planned in 2024 and 2025. In addition to the newbuilds owned by the company, Hapag-Lloyd will add another vessel of a size of 13,288 TEU to its fleet as a long-term chartered vessel in 2024.

As at 31 December 2023, the average age of Hapag-Lloyd's total fleet (capacity-weighted) was 11.2 years (31 December 2022: 11.2 years) and thus slightly above the average of the world's ten largest container liner shipping companies of 10.9 years (31 December 2022: 10.8 years). The average vessel size within the Hapag-Lloyd Group fleet is 7.4 TTEU (31 December 2022: 7.2 TTEU), which is approximately 10% above the comparable average figure for the ten largest container liner shipping companies worldwide of 6.7 TTEU (31 December 2022: 6.5 TTEU; source: MDS Transmodal) and around 63% above the average vessel size in the global fleet of 4.5 TTEU (31 December 2022: 4.4 TTEU; source: MDS Transmodal).

As at 31 December 2023, Hapag-Lloyd owned and rented 1.7 million containers (31 December 2022: 1.8 million) with a capacity of 3.0 million TEU (31 December 2022: 3.0 million TEU) for shipping cargo. The capacity-weighted proportion of owned containers as at 31 December 2023 is 60% (31 December 2022: around 58%). In the 2023 financial year, new container construction orders were placed for 28,300 reefers with a capacity of 55,850 TEU, 7,400 special purpose containers with a capacity of 13,750 TEU and 107,300 general purpose containers with a capacity of 202,300 TEU.



Hapag-Lloyd's service network comprised 113 services as at 31 December 2023 (31 December 2022: 119 services).

### Structure of Hapag-Lloyd's ship and container fleets

	31.12.2023	31.12.2022	31.12.2021	31.12.2020
Number of vessels	266	251	253	237
thereof				
Own vessels <sup>1</sup>	123	121	113	112
Chartered vessels	143	130	140	125
Aggregate capacity of vessels (TTEU)	1,972	1,797	1,769	1,719
Aggregate container capacity (TTEU)	2,975	2,972	3,058	2,704
Number of services	113	119	126	122

<sup>1</sup> Including lease agreements with a purchase option/obligation at the end of the term.

The energy efficiency regulations for ships applicable globally since the start of 2023, the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII), are further important criteria for assessing the efficiency of the ship fleet in use. For this reason, in 2022 Hapag-Lloyd launched an optimisation programme for more than 150 vessels. Depending on requirements, the vessels will receive more efficient propellers, a drag-reducing underwater coating and flow-optimised bulbous bows by 2025. The use of low-CO<sub>2</sub>e or CO<sub>2</sub>e-neutral fuels is also to be expanded gradually. „Slow steaming“ is another option to be able to meet the increasing energy efficiency regulations. Since the optimisation programme began, structural and technical improvements have been made to 82 vessels.

## 3. GROUP EARNINGS POSITION

### 3.1. GROUP EARNINGS

The 2023 financial year was characterised by weak demand, the normalisation of supply chains and the resulting significant drop in freight rates for container transport. This had a corresponding dampening effect on the Group's revenue and earnings.

Revenue in the Hapag-Lloyd Group in the 2023 financial year fell by 46.7% to USD 19,390.8 million (prior year period: USD 36,401.1 million). At USD 4,824.5 million, the Hapag-Lloyd Group's earnings before interest, taxes, depreciation and amortisation (EBITDA) in the reporting year were far below the previous year's figure of USD 20,473.9 million. Likewise, the Hapag-Lloyd Group's earnings before interest and taxes (EBIT) decreased significantly to USD 2,738.0 million (prior year period: USD 18,467.3 million). The Group net result came to USD 3,191.1 million (prior year period: USD 17,959.4 million).

## Consolidated income statement

million USD	Q4 2023	Q3 2023	Q4 2022	QoQ Change	YoY change	FY 2023	FY 2022	Change
<b>Revenue</b>	<b>4,079.2</b>	<b>4,464.5</b>	<b>7,961.7</b>	<b>-8.6%</b>	<b>-48.8%</b>	<b>19,390.8</b>	<b>36,401.1</b>	<b>-46.7%</b>
Transport and terminal expenses	-3,268.4	-3,303.0	-3,664.7	-1.0%	-10.8%	-12,901.1	-14,469.4	-10.8%
Personnel expenses	-306.6	-292.8	-343.3	4.7%	-10.7%	-1,113.6	-1,034.8	7.6%
Depreciation, amortisation and impairment	-556.8	-516.2	-500.4	7.9%	11.3%	-2,086.5	-2,006.6	4.0%
Other operating result	-192.4	-123.6	-137.5	55.6%	40.0%	-569.0	-517.8	9.9%
<b>Operating result</b>	<b>-245.0</b>	<b>228.9</b>	<b>3,315.8</b>	<b>n.m.</b>	<b>n.m.</b>	<b>2,720.5</b>	<b>18,372.6</b>	<b>-85.2%</b>
Share of profit of equity-accounted investees	-6.1	-1.3	8.5	371.5%	n.m.	15.1	94.8	-84.1%
Result from investments	-	-0.1	-0.1	n.m.	-120.5%	2.4	-0.1	n.m.
<b>Earnings before interest and tax (EBIT)</b>	<b>-251.1</b>	<b>227.5</b>	<b>3,324.1</b>	<b>n.m.</b>	<b>n.m.</b>	<b>2,738.0</b>	<b>18,467.3</b>	<b>-85.2%</b>
Interest result and other financial result	53.9	53.1	105.3	1.6%	-48.8%	380.2	23.8	n.m.
Other financial items	-2.9	2.2	-5.4	n.m.	-46.1%	163.9	-320.3	n.m.
Income taxes	-34.1	9.9	-129.4	n.m.	-73.6%	-91.1	-211.4	-56.9%
<b>Group profit/loss</b>	<b>-234.3</b>	<b>292.7</b>	<b>3,294.7</b>	<b>n.m.</b>	<b>n.m.</b>	<b>3,191.1</b>	<b>17,959.4</b>	<b>-82.2%</b>
Basic/diluted earnings per share (in USD)	-1.36	1.63	18.74	n.m.	n.m.	18.06	102.11	-82.3%
EBITDA	305.7	743.7	3,824.5	-58.9%	-92.0%	4,824.5	20,473.9	-76.4%
EBITDA margin (%)	7.5	16.7	48.0	-9.2 ppt	-40.5 ppt	24.9	56.2	-31.4 ppt
EBIT	-251.1	227.5	3,324.1	n.m.	n.m.	2,738.0	18,467.3	-85.2%
EBIT margin (%)	-6.2	5.1	41.8	-11.3 ppt	-47.9 ppt	14.1	50.7	-36.6 ppt

### Operating expenses in the Group

Transport and terminal expenses fell by USD 1,568.3 million in the 2023 financial year to USD 12,901.1 million (prior year period: USD 14,469.4 million). This corresponds to a decrease of 10.8%. The continuing normalisation of global supply chains and a lower bunker consumption price compared to the prior year period were the main reasons for the decrease.

Personnel expenses rose by USD 78.8 million to USD 1,113.6 million in the 2023 financial year (prior year period: USD 1,034.8 million). The increase was mainly attributable to an adjustment in the bonus system and the rise in the number of employees, in particular due to the acquisition of the SAAM terminals companies.

Depreciation and amortisation in the 2023 financial year was roughly unchanged year-on-year and came to USD 2,086.5 million (prior year period: USD 2,006.6 million). The amortisation of right-of-use assets relating to leased assets (essentially vessels and containers) led to amortisation of USD 1,118.6 million (prior year period: USD 1,074.4 million).

### Other operating result

The other operating result of USD –569.0 million (prior year period: USD –517.8 million) comprised the net balance of other operating income and expenses. Other operating expenses came to a total of USD 746.4 million in the 2023 financial year (prior year period: expenses of USD 648.6 million). This mainly included IT and communication expenses (USD 305.4 million; prior year period: USD 267.0 million), fees for consultancy and other professional services (USD 123.9 million; prior year period: USD 90.0 million), office and administrative expenses (USD 54.2 million; prior year period: USD 42.6 million) and expenses for training and other personnel expenses (USD 51.4 million; prior year period: USD 46.0 million).

### Interest result and other financial result

In the 2023 financial year, the interest result and other financial result amounted to USD 380.2 million (prior year period: USD 23.8 million). The year-on-year increase in interest income in the amount of USD 356.4 million was mainly due to the significantly higher interest rate level, income from the higher volume of money market transactions in the amount of USD 151.6 million (prior year period: USD 55.2 million) and interest income from financial instruments of the special fund “HLAG Performance Express” which was newly set up in the reporting year in the amount of USD 44.9 million (prior year period: USD 0.0 million). The rise in interest expenses to USD 262.0 million (prior year period: USD 242.1 million) resulted essentially from the increased interest expenses from charter, lease and concession agreements in the amount of USD 116.2 million (prior year period: USD 93.8 million).

### Other financial items

The result for other financial items amounted to USD 163.9 million in the 2023 financial year (prior year period: USD –320.3 million). The main reasons for this change were the realised exchange rate gains (prior year period: exchange rate losses) from the currency forward contracts for the dividend distribution in euros in May 2023 and the realised foreign currency gains (prior year period: foreign currency losses) from the corresponding dividend payment.

### Income taxes

The year-on-year decline in income tax expenses of USD 120.3 million to USD 91.1 million (prior year period: USD 211.4 million) was essentially due to the recognition of higher deferred tax assets in relation to the German income taxes of Hapag-Lloyd AG (prior year period: deferred tax liabilities). One of the main reasons for this is the tax treatment of unrealised currency effects in relation to capital investments outside of tonnage taxation. This effect from deferred taxes was partly offset by an increase in current income taxes in Germany. In addition, foreign current income taxes were significantly lower in the financial year compared with the previous year. This was due to the general deterioration of the Group's earnings position in the financial year, which also could not be fully offset by the first-time consolidation of the SAAM Terminals group companies.

### Group profit

Overall, Group profit was lower than in the previous year at USD 3,191.1 million (prior year period: USD 17,959.4 million). Earnings after taxes consist of the earnings attributable to shareholders of the parent company of USD 3,174.7 million (prior year period: USD 17,946.2 million) and the earnings attributable to non-controlling interests of USD 16.4 million (prior year period: USD 13.2 million).

### 3.2. LINER SHIPPING EARNINGS

Since 30 September 2023, the Hapag-Lloyd Group's business activities have been divided into the Liner Shipping and Terminal & Infrastructure segments. This took place as part of the acquisition of SAAM's terminal and logistics business in August 2023.

The Liner Shipping segment recorded a sharp decline in revenue and earnings in the financial year 2023 due to a significant drop in the freight rate. Revenue fell by 47.2% to USD 19,209.9 million (prior year period: USD 36,380.4 million). Earnings before interest, taxes, depreciation and amortisation (EBITDA) in the Liner Shipping segment were USD 4,774.7 million, following USD 20,370.6 million in the prior year period, while earnings before interest and taxes (EBIT) were USD 2,717.4 million (prior year period: USD 18,365.3 million).

#### Income statement Liner Shipping

million USD	Q4 2023	Q4 2022	YoY change	FY 2023	FY 2022	Change
<b>Revenue</b>	<b>3,980.3</b>	<b>7,956.7</b>	<b>-50.0%</b>	<b>19,209.9</b>	<b>36,380.4</b>	<b>-47.2%</b>
Transport expenses	-3,257.0	-3,665.7	-11.2%	-12,879.9	-14,473.0	-11.0%
thereof						
Transport expenses for completed voyages	-3,145.8	-3,619.8	-13.1%	-12,805.7	-14,477.6	-11.5%
Bunker	-625.0	-726.1	-13.9%	-2,437.6	-3,145.2	-22.5%
Handling and haulage	-1,449.5	-1,694.0	-14.4%	-6,089.0	-6,973.3	-12.7%
Equipment and repositioning <sup>1</sup>	-398.7	-438.1	-9.0%	-1,650.7	-1,673.9	-1.4%
Vessels and voyages (excluding bunker) <sup>1</sup>	-672.6	-761.6	-11.7%	-2,628.5	-2,685.3	-2.1%
Transport expenses for pending voyages <sup>2</sup>	-111.1	-45.9	141.9%	-74.2	4.6	n.m.
Armortization and depreciation	-536.7	-500.1	7.3%	-2,057.3	-2,005.3	2.6%
Other income and expenses	-429.3	-477.7	-10.1%	-1,555.3	-1,536.8	1.2%
<b>EBITDA</b>	<b>294.0</b>	<b>3,813.3</b>	<b>-92.3%</b>	<b>4,774.7</b>	<b>20,370.6</b>	<b>-76.6%</b>
EBITDA margin (%)	7.4	47.9	-40.5 ppt	24.9	56.0	-31.1 ppt
<b>EBIT</b>	<b>-242.6</b>	<b>3,313.2</b>	<b>-107.3%</b>	<b>2,717.4</b>	<b>18,365.3</b>	<b>-85.2%</b>
EBIT margin (%)	-6.1	41.6	-47.7 ppt	14.1	50.5	-36.3 ppt

<sup>1</sup> Including lease expenses for short-term leases

<sup>2</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.

#### Transport volume per trade

The transport volume of 11,907 TTEU in the 2023 financial year was 0.5% up on the previous year's level (previous year: 11,843 TTEU). In contrast to the market trend, the transport volume rose on the Intra-Asia, Transpacific and Africa trades due to an increase in the available vessel capacity as a result of the normalisation of global supply chains, among other factors. The weak development of transport volumes on the remaining trades is due in particular to restrained global demand for container transport.

### Transport volume per trade

TTEU	Q4 2023	Q3 2023	Q4 2022	QoQ change	YoY change	FY 2023	FY 2022	Change
Atlantic	493	501	541	-1.6%	-9.0%	2,031	2,116	-4.0%
Transpacific	505	513	412	-1.6%	22.7%	1,871	1,735	7.9%
Far East	533	592	500	-9.9%	6.5%	2,180	2,230	-2.3%
Middle East	342	360	342	-5.0%	-0.1%	1,426	1,514	-5.8%
Intra-Asia	207	212	166	-2.5%	24.5%	769	634	21.3%
Latin America	726	745	734	-2.5%	-1.0%	2,908	2,933	-0.9%
Africa	185	188	162	-1.4%	14.7%	721	681	6.0%
<b>Total</b>	<b>2,990</b>	<b>3,110</b>	<b>2,857</b>	<b>-3.8%</b>	<b>4.7%</b>	<b>11,907</b>	<b>11,843</b>	<b>0.5%</b>

### Freight rate per trade

The average freight rate in the 2023 financial year was USD 1,500/TEU, which was USD 1,363/TEU, or 47.6%, down on the prior year period (USD 2,863/TEU).

The lower average freight rate is mainly due to a decline in demand for container transport and a simultaneous normalisation of existing transport capacities due to easing disruptions in global supply chains.

### Freight rate per trade

USD/TEU	Q4 2023	Q3 2023	Q4 2022	QoQ change	YoY change	FY 2023	FY 2022	Change
Atlantic	1,368	1,547	3,164	-11.6%	-56.8%	1,903	2,948	-35.5%
Transpacific	1,388	1,513	3,190	-8.2%	-56.5%	1,675	3,835	-56.3%
Far East	1,007	1,167	2,650	-13.7%	-62.0%	1,322	3,134	-57.8%
Middle East	785	867	1,677	-9.5%	-53.2%	985	2,077	-52.6%
Intra-Asia	625	656	1,395	-4.7%	-55.2%	755	1,845	-59.1%
Latin America	1,363	1,476	2,653	-7.6%	-48.6%	1,664	2,718	-38.8%
Africa	1,401	1,545	2,454	-9.3%	-42.9%	1,612	2,549	-36.8%
<b>Total</b>	<b>1,190</b>	<b>1,312</b>	<b>2,625</b>	<b>-9.3%</b>	<b>-54.7%</b>	<b>1,500</b>	<b>2,863</b>	<b>-47.6%</b>

### Revenue per trade

Revenue in the Liner Shipping segment fell by USD 17,170.5 million to USD 19,209.9 million in the 2023 financial year (prior year period: USD 36,380.4 million), representing a decrease of 47.2%. This was mainly due to a decrease in the average freight rate of 47.6% compared to the prior year period.

## Revenue per trade

million USD	Q4 2023	Q3 2023	Q4 2022	QoQ Change	YoY change	FY 2023	FY 2022	Change
Atlantic	673.8	774.2	1,713.0	-13.0%	-60.7%	3,863.9	6,239.1	-38.1%
Transpacific	701.2	776.2	1,313.3	-9.7%	-46.6%	3,133.9	6,654.5	-52.9%
Far East	536.6	690.3	1,325.4	-22.3%	-59.5%	2,881.5	6,991.0	-58.8%
Middle East	268.1	311.9	574.0	-14.0%	-53.3%	1,404.7	3,143.2	-55.3%
Intra-Asia	129.3	139.0	231.7	-7.0%	-44.2%	580.3	1,169.8	-50.4%
Latin America	989.9	1,099.3	1,946.8	-9.9%	-49.2%	4,837.1	7,972.2	-39.3%
Africa	259.6	290.4	396.4	-10.6%	-34.5%	1,162.9	1,735.2	-33.0%
Revenue not assigned to trades	421.7	311.1	456.1	35.5%	-7.5%	1,345.6	2,475.4	-45.6%
<b>Total</b>	<b>3,980.3</b>	<b>4,392.5</b>	<b>7,956.7</b>	<b>-9.4%</b>	<b>-50.0%</b>	<b>19,209.9</b>	<b>36,380.4</b>	<b>-47.2%</b>

## Transport expenses

Transport expenses fell by USD 1,593.0 million in the 2023 financial year to USD 12,879.9 million (prior year period: USD 14,473.0 million). This corresponds to a decrease of 11.0%. Lower expenses for demurrage and detention for containers and a lower bunker consumption price compared to the prior year period primarily contributed to the decrease in transport expenses. The decrease was counteracted by higher port and canal costs, as well as higher equipment and repositioning expenses compared to the prior year period.

In the 2023 financial year, the average bunker consumption price for Hapag-Lloyd was USD 614/t, which is USD 139/t (18.5%) below the figure of USD 753/t for the prior year period. This led to a decrease in fuel expenses of USD 707.6 million to USD 2,437.6 million (prior year period: USD 3,145.2 million).

Container handling expenses fell in the reporting year by USD 884.3 million to USD 6,089.0 million (prior year period: USD 6,973.3 million). This decline was due in particular to lower demurrage and detention expenses for containers as a result of the steady normalisation of global supply chains.

The decrease in expenses for vessels and voyages (excluding fuel) mainly resulted from lower expenses for vessels on short-term charter and container slot charter costs on third-party vessels. By contrast, port and canal costs in particular were up compared to the prior year period due to higher prices.

## Depreciation, amortisation and impairment

In the 2023 financial year, there was a year-on-year fall in depreciation and amortisation of USD 52.0 million to USD 2,057.3 million (prior year period: USD 2,005.3 million). This was largely related to scheduled depreciation and amortisation of vessels and containers in the amount of USD 1,894.8 million (prior year period: USD 1,860.6 million).

## Operating result

Earnings before interest and taxes (EBIT) of USD 2,717.4 million were achieved in the Liner Shipping segment in the 2023 financial year (prior year period: USD 18,365.3 million).

## Unit cost

In total, transport expenses per unit (incl. D&A) in the financial year 2023 decreased by 9.8% to USD 1,255/TEU as compared to the prior year period. “Bunker” expenses decreased by 22.9% or USD 61/TEU because of lower bunker prices and a lower bunker consumption per TEU. “Handling and Haulage” expenses fell by 13.1% or USD 77/TEU due to lower demurrage and detention expenses for containers as a result of the steady normalisation of global supply chains. “Equipment and Repositioning” expenses decreased by 1.7% or USD 2/TEU due to lower expenses for demurrage and detention for empty containers at port terminals. “Vessel and voyage” expenses decreased by 2.6% or USD 6/TEU. This mainly results from lower expenses for vessels on short-term charter and container slot charter costs on third-party vessels. In contrast, higher port and canal costs had a counteracting effect. “Depreciation and amortisation” unit costs increased by 2.0% (USD 3/TEU).

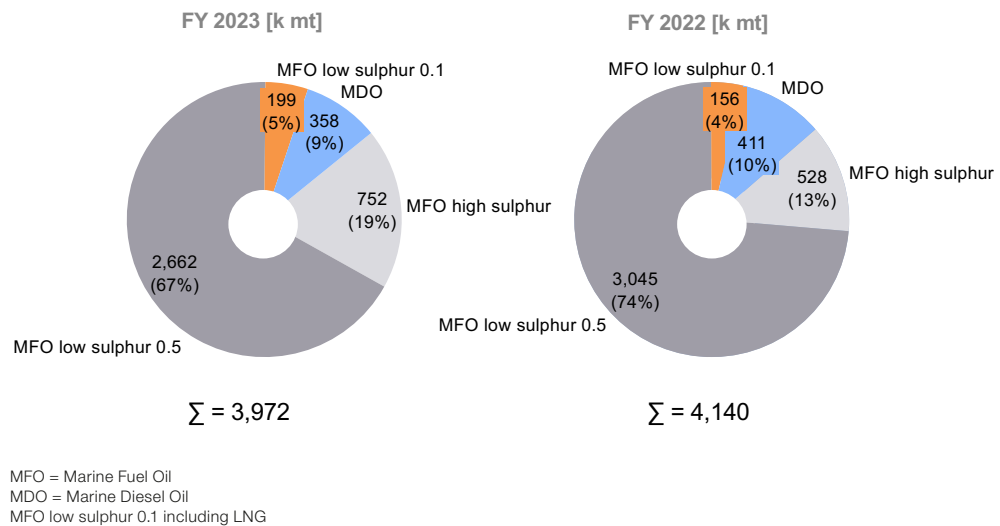
## Unit cost

USD/TEU	Q4 2023	Q3 2023	Q4 2022	QoQ Change	YoY change	FY 2023	FY 2022	Change
<b>Transport expenses</b>	<b>-1,089</b>	<b>-1,058</b>	<b>-1,283</b>	<b>2.9%</b>	<b>-15.1%</b>	<b>-1,082</b>	<b>-1,222</b>	<b>-11.5%</b>
thereof								
Bunker	-209	-186	-254	12.4%	-17.8%	-205	-266	-22.9%
Handling and haulage	-485	-501	-593	-3.2%	-18.3%	-511	-589	-13.1%
Equipment and repositioning	-133	-142	-153	-5.8%	-12.8%	-139	-141	-1.7%
Vessel and voyage (excl. bunker)	-225	-224	-267	0.6%	-15.6%	-221	-227	-2.6%
Pending transport expenses	-37	-6	-16	475.2%	131.1%	-6	-	n.m.
<b>Depreciation, amortisation and impairment (D&amp;A)</b>	<b>-179</b>	<b>-163</b>	<b>-175</b>	<b>9.9%</b>	<b>2.5%</b>	<b>-173</b>	<b>-169</b>	<b>2.0%</b>
<b>Transport expenses incl. D&amp;A</b>	<b>-1,269</b>	<b>-1,222</b>	<b>-1,458</b>	<b>3.8%</b>	<b>-13.0%</b>	<b>-1,255</b>	<b>-1,391</b>	<b>-9.8%</b>

**Bunker consumption development**

An essential criterion for assessing a container vessel fleet is the vessel’s bunker consumption. In the 2023 financial year, bunker consumption by Hapag-Lloyd’s fleet totalled 4.0 million tonnes, which was down 4.1% from the previous year (prior year period: 4.1 million tonnes). Bunker consumption decreased despite a slight rise in transport volumes due to the clearing of congestion in front of ports and lower vessel sailing speeds. Bunker consumption per TEU transported decreased by 4.6%, from 0.35 tonnes per TEU in 2022 to 0.33 tonnes in 2023. Compared with the reference year 2009, bunker consumption per TEU has been cut by 63%. Bunker consumption per slot (as measured by the annual average container storage capacity) was 2.12 t/slot, which was 10% below the previous year’s figure of 2.35 t/slot (reference year 2009: 5.8 t/slot).

The percentage of low-sulphur bunker (MFO low sulphur 0.1% and 0.5%, MDO) and liquefied natural gas (LNG) bunkers decreased from 87% in 2022 to 81% in the 2023 financial year due to the fitting of more vessels with scrubbers. Biofuel use increased by 80%, from 0.1 million tonnes in 2022 to 0.2 million tonnes in 2023.



**3.3. TERMINAL & INFRASTRUCTURE EARNINGS**

The earnings position figures of the Terminal & Infrastructure segment for the financial year can only be compared with those of the previous year to a limited extent, as the activities in this segment, reclassified when the new segments were formed, only had a very small scope in the previous year. As a result, the operating performance of the Terminal & Infrastructure segment has not been presented either.



At USD 49.7 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) in the Terminal & Infrastructure segment were lower than the previous year's figure of USD 103.2 million. Likewise, earnings before interest and taxes (EBIT) decreased to USD 20.5 million (prior year period: USD 101.9 million).

### Income statement Terminal & Infrastructure

million USD	FY 2023	FY 2022
<b>Revenue</b>	<b>202.3</b>	<b>24.3</b>
Transport expenses	47.7	–
thereof		
Material expenses	10.8	–
Container terminal expenses	23.0	–
Terminal equipment expenses	13.5	–
Personnel expenses	69.3	7.8
Share of profit of equity-accounted investees	19.4	92.6
Other income and expenses	–84.1	–7.3
<b>EBITDA</b>	<b>49.7</b>	<b>103.2</b>
EBITDA margin (%)	24.6	425.0
Depreciation, amortisation and impairment	29.2	1.3
<b>EBIT</b>	<b>20.5</b>	<b>101.9</b>
EBIT margin (%)	10.1	419.8

### Revenue

In the 2023 financial year, revenue of USD 202.3 million (prior year period: USD 24.3 million) was generated in particular from the handling of containers and other cargo and was mainly attributable to the SAAM companies newly included in the group of consolidated companies.

### Operating expenses

Operating expenses in the Terminal & Infrastructure segment in the 2023 financial year resulted primarily from expenses for the operation of terminals and handling of containers in the amount of USD 47.7 million (prior year period: USD 0.0 million), as well as from personnel expenses of USD 69.3 million (prior year period: USD 7.8 million).

### Share of profit of equity-accounted investees

In the 2023 financial year, the share of profit of equity-accounted investees amounted to USD 19.4 million (prior year period: USD 92.6 million). The lower share of profit of equity-accounted investees compared to the prior year period resulted from the difference, recognised as income in the previous year, between the initially recognised value of the shares of EUROGATE Container Terminal Wilhelmshaven GmbH & Co.KG (CTW) and Rail Terminal Wilhelmshaven GmbH (RTW) and the lower cost of acquisition.

### Other income and expenses

Other income and expenses in the 2023 financial year mainly resulted from the other operating result in the amount of USD –57.3 million (prior year period: USD –6.7 million) and USD 15.4 million related to non-capitalisable transaction costs and other expenses in connection with the company acquisitions of the entities of SAAM Terminals in the reporting year and the acquisition of a shareholding in J M Baxi Ports & Logistics Limited. The remaining amount resulted from other administrative expenses. Depreciation and amortisation amounted to USD 29.2 million (prior year period: USD 1.3 million).

### Operating result

Earnings before interest and taxes (EBIT) of USD 20.5 million were achieved in the Terminal & Infrastructure segment in the 2023 financial year (prior year period: USD 101.9 million).

## 4. GROUP NET ASSET POSITION

As at 31 December 2023, the Group's total assets amounted to USD 32,135.2 million and were USD 9,163.3 million lower than at year-end 2022. The change was mainly due to the decrease in cash and cash equivalents and the lower equity as a result of the dividend payment. The USD/EUR exchange rate was quoted at 1.11 on 31 December 2023 (31 December 2022: 1.07).

Within non-current assets, the carrying amounts of fixed assets increased by a total of USD 2,627.2 million to USD 20,503.7 million (31 December 2022: USD 17,876.5 million), in particular due to the investments in vessels, vessel equipment and containers in the amount of USD 1,859.3 million (prior year period: USD 1,390.0 million), the addition to fixed assets as a result of the acquisition of SAAM Terminals in the amount of USD 1,150.1 million and the investments in holdings in Spinelli S.r.l. and J M Baxi Ports & Logistics Limited and other equity-accounted investees in the amount of USD 916.2 million. Newly received and extended rights of use for lease assets of USD 806.4 million (prior year period: USD 1,271.1 million) also contributed to the increase. Scheduled depreciation and amortisation amounting to USD 2,086.5 million (prior year period: USD 2,012.1 million) had an offsetting effect. This includes an amount of USD 1,120.8 million (prior year period: USD 1,086.4 million) for the depreciation of capitalised rights of use relating to lease assets.

The increase in deferred tax assets of USD 171.2 million compared to the previous year was due to the first-time recognition of deferred tax assets on unrealised exchange rate effects on investments (USD 140.4 million). Corresponding offsetting effects from temporary differences were considered in the calculation of current income taxes for the 2023 financial year. The addition of deferred tax assets from SAAM Terminals entities totalling USD 25.7 million also contributed to the increase.

The decrease in current other financial assets totalling USD 966.7 million resulted mainly from the repayment of time deposits in the amount of USD 2,976.0 million. This was offset by the subscription to the special fund „HLAG Performance Express“ in April 2023. Hapag-Lloyd acquired USD 2,000.0 million of shares in the investment fund, which was concluded for an indefinite period. As at the reporting date, current other financial assets include financial instruments for the special fund (excluding interests) in the amount of USD 2,039.8 million.

Cash and cash equivalents decreased to USD 6,435.2 million compared to year-end 2022 (USD 16,264.5 million) mainly due to the dividend payment for the 2022 financial year on 8 May 2023 in the amount of USD 12,217.8 million. The positive operating cash flow amounting to USD 5,386.9 million counteracted this decline.

On the liabilities side, equity (including non-controlling interests) declined by USD 9,007.9 million to USD 20,787.2 million. Despite the Group profit of USD 3,191.1 million (prior year period: USD 17,959.4 million) recognised in the retained earnings, the dividend paid from the previous year's retained earnings led to a decrease. The equity ratio as at 31 December 2023 came to 64.7% (31 December 2022: 72.1%).

The Group's borrowed capital fell only slightly by USD 155.4 million in comparison to the 2022 financial year. The slight decrease in financial liabilities and lease liabilities primarily resulted from the redemption payments totalling USD 1,623.1 million (prior year period: USD 1,671.0 million), which were offset, however, by newly added or extended charter and lease agreements of USD 712.0 million (prior year period: USD 1,252.3 million) as well as new bank loans in connection with vessel financing of USD 416.7 million (prior year period: USD 0.0 million) and the addition of financial liabilities and lease liabilities of USD 114.4 million (prior year period: USD 0.0 million) as part of the acquisitions of companies made in the 2023 financial year.

Contract liabilities decreased significantly by USD 389.7 million to USD 627.4 million (31 December 2022: USD 1,017.2 million), particularly as a result of continued lower freight rates for transport orders on pending voyages as at the reporting date.

The increase in other current provisions to USD 1,233.4 million (31 December 2022: USD 1,040.9 million) was primarily due to pending legal disputes arising from country-specific matters.

The increase in deferred tax liabilities of USD 178.8 million compared to the previous period is mainly due to the purchase price allocation of the SAAM Terminals Group totalling USD 130.6 million, the addition of deferred tax liabilities from significant SAAM Terminals entities in the amount of USD 32.9 million as well as the recognition of deferred tax liabilities on future tax charges on profit distributions in the amount of USD 9.7 million and on the valuation difference of the special fund in the amount of USD 6.0 million.

As at 31 December 2023, net liquidity, including cash and cash equivalents, money market transactions, money market funds and assets of the special funds included in the item of other financial assets, as well as financial debt and lease liabilities, amounted to USD 2,907.2 million (31 December 2022: USD 13,436.7 million).

### Group net asset position

million USD	31.12.2023	31.12.2022
<b>Assets</b>		
Non-current assets	20,801.1	18,034.8
of which fixed assets	20,503.7	17,876.5
Current assets	11,334.1	23,263.7
of which cash and cash equivalents	6,435.2	16,264.5
<b>Total assets</b>	<b>32,135.2</b>	<b>41,298.5</b>
<b>Equity and liabilities</b>		
Equity	20,787.2	29,795.1
Borrowed capital	11,348.0	11,503.4
of which non-current liabilities	4,810.0	4,674.6
of which current liabilities	6,538.0	6,828.7
of which financial debt and lease liabilities	5,572.1	5,803.8
of which non-current financial debt and lease liabilities	4,179.0	4,317.9
of which current financial debt and lease liabilities	1,393.2	1,485.9
<b>Total equity and liabilities</b>	<b>32,135.2</b>	<b>41,298.5</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 5,386.9 million in the 2023 financial year (prior year period: USD 20,590.7 million). The decrease in the cash flow from operating activities was primarily due to lower earnings in the 2023 financial year.

#### Cash flow from investing activities

In the 2023 financial year, the cash outflow from investing activities totalled USD 1,804.5 million (prior year period: USD 4,287.5 million). This includes cash outflows for share acquisitions of USD 1,791.1 million (prior year period: USD 145.4 million) and payments for investments, mainly for vessels, vessel equipment and for new containers, of USD 1,843.5 million (prior year period: USD 1,518.1 million). This was mainly offset by cash inflows from changes in money market transactions and money market funds, as well as assets of the special funds of net USD 1,000.2 million (prior year period, time deposits with a maturity of more than three months: USD 2,976.0 million) and interest received of USD 634.8 million (prior year period: USD 205.1 million).

#### Cash flow from financing activities

Financing activities resulted in a net cash outflow of USD 13,411.4 million in the current reporting period (prior year period: USD 8,779.8 million). The cash outflow essentially resulted from the dividend payment to the shareholders of Hapag-Lloyd AG of USD 12,217.8 million (prior year period: USD 6,589.9 million). The interest and redemption payments from lease liabilities in accordance with IFRS 16 totalled USD 1,226.3 million in the current financial year (prior year period: USD 1,205.8 million). In the 2023 financial year, USD 576.2 million was paid for interest and redemption payments for vessel and container financing (prior year period: USD 657.9 million). This was offset by cash inflows from loans taken out to finance vessels amounting to USD 515.1 million (prior year period: USD 49.2 million) and cash inflows essentially from hedging transactions of dividend payments of USD 172.2 million (prior year period, cash outflows: USD 295.0 million).

Overall, cash outflow totalled USD 9,829.0 million in the 2023 financial year, with the result that, cash and cash equivalents at the end of the reporting period on 31 December 2023 amounted to USD 6,435.2 million (31 December 2022: USD 16,264.5 million). The cash and cash equivalents dealt with in the statement of cash flows correspond to the balance sheet item "Cash and cash equivalents". In addition, there are unused credit lines of USD 725.0 million (31 December 2022: USD 725.0 million) and money market transactions/money market funds as well as assets of the special funds (other financial assets) of USD 2,044.2 million, resulting in a total liquidity reserve of USD 9,204.4 million (31 December 2022: USD 19,965.5 million).

### Development of liquidity reserve

million USD	Q4 2023	Q4 2022	FY 2023	FY 2022
<b>Cash and cash equivalents beginning of the period</b>	<b>6,734.0</b>	<b>14,762.0</b>	<b>16,264.6</b>	<b>8,741.4</b>
EBITDA	305.7	3,824.5	4,824.5	20,473.9
Working capital	125.9	909.3	779.1	346.2
Others	-31.9	-47.2	-216.7	-229.4
<b>Operating cash flow</b>	<b>399.7</b>	<b>4,686.7</b>	<b>5,386.9</b>	<b>20,590.7</b>
Investments	-435.0	-624.2	-1,843.5	-1,518.1
thereof vessel	-172.7	-527.8	-1,069.9	-1,111.3
thereof container	-227.4	-71.5	-666.9	-332.7
thereof other	-34.9	-24.9	-106.7	-74.1
Net Cash received (+)/made (-) from acquisitions	-	-4.1	-841.2	-181.8
Disinvestments	40.5	40.0	135.9	118.7
Dividends received	44.7	-	61.7	36.9
Payments made for Investments in financial assets	-	-	-	-8.7
Payments received (+) for the redemption of issued loans	-	-	0.7	-
Payments made for the issuing of loans	-3.1	-	-3.1	-
Change of financial assets and financial assets held for sale	-2.3	-2,191.0	1,000.2	-2,976.0
Payments received from the acquisition of shares in joint ventures	-	-0.2	-	53.3
Payments made for the acquisition of shares in joint ventures	-11.3	-17.0	-949.9	-17.0
Payments received for interests	116.2	129.6	634.8	205.1
<b>Investing cash flow</b>	<b>-250.2</b>	<b>-2,666.8</b>	<b>-1,804.5</b>	<b>-4,287.5</b>
Payments made from changes in ownership interests	-	-38.5	-	-38.5
Debt intake	34.6	32.7	524.3	49.3
Debt repayment	-105.0	-177.4	-513.0	-559.0
Repayment of Lease liabilities	-308.0	-273.3	-1,110.1	-1,112.1
Dividends paid	-3.9	-2.9	-12,234.5	-6,604.0
Interest	-67.8	-61.3	-250.4	-220.6
Payments made from hedges for financial debts	-0.1	3.2	172.2	-295.0
<b>Financing cash flow</b>	<b>-450.2</b>	<b>-517.5</b>	<b>-13,411.4</b>	<b>-8,779.8</b>
Changes due to exchange rate fluctuations and impairments	1.9	0.1	-0.4	-0.1
<b>Cash and cash equivalents end of the period</b>	<b>6,435.2</b>	<b>16,264.5</b>	<b>6,435.2</b>	<b>16,264.5</b>

### 5.2. FINANCIAL SOLIDITY

The Group's net liquidity amounted to USD 2,907.2 million as at 31 December 2023. This represents a fall of USD 10,529.5 million compared to net liquidity as at 31 December 2022 of USD 13,436.7 million. The decrease was mainly due to the dividend payment and the acquisition of terminal investments. This was offset by a positive operating cash flow.

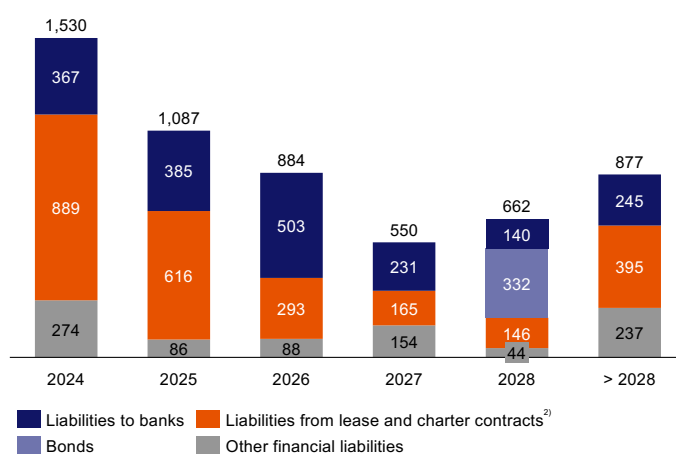
The equity ratio decreased by 7.4 percentage points, from 72.1% as at 31 December 2022 to 64.7%. This reduction was largely attributable to the lower annual net result. Equity decreased by USD 9,007.9 million compared to 31 December 2022 and amounted to USD 20,787.2 million as at 31 December 2023.

### Financial solidity

million USD	31.12.2023	31.12.2022
Financial debt and lease liabilities	5,572.1	5,803.8
Cash and cash equivalents	6,435.2	16,264.5
Money market transactions & funds/fixed income investments (other financial assets)	2,044.2	2,976.0
<b>Net Liquidity</b>	<b>2,907.2</b>	<b>13,436.7</b>
Unused credit lines	725.0	725.0
Liquidity reserve <sup>1</sup>	9,204.4	19,965.5
Equity	20,787.2	29,795.1
Assets	32,135.2	41,298.5
<b>Equity ratio (%)</b>	<b>64.7</b>	<b>72.1</b>

<sup>1</sup> From the first quarter 2023, the liquidity reserve includes fixed income investments which are recognised under other assets. Prior year figures adjusted accordingly.

### 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 31.12.2023 consists of transaction costs and accrued interest.

<sup>2</sup> Liabilities from lease and charter contracts consist of USD 1 million liabilities from former finance lease contracts and USD 2,503 USD million from lease contracts presented as on-balance financial liability due to first-time application of IFRS 16.

The total repayment amount of USD 5,590 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

For 2024, the International Monetary Fund expects global economic growth of 3.1%, similar to the previous year's figure. The forecast is thus below the historical average of 3.8% from 2000 to 2019. This prediction is based in particular on more restrictive monetary policy, the withdrawal of fiscal support and lower productivity growth. For industrialised countries, slightly weaker growth is forecast in 2024, while growth in developing and emerging markets is expected to be stable.

World trade is predicted to grow by 3.3% in 2024, which is lower than the historical average of 4.9%. Increasing trade distortions and geo-economic fragmentation will likely continue to have an adverse impact on world trade (IMF World Economic Outlook, January 2024).

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

in %	2025e	2024e	2023	2022	2021
Global economic growth	3.2	3.1	3.1	3.5	6.3
Industrialised countries	1.8	1.5	1.6	2.6	5.6
Developing and newly industrialised countries	4.2	4.1	4.1	4.1	6.9
World trade volume (goods and services)	3.6	3.3	0.4	5.2	10.9

Source: IMF, January 2024

### Sector-specific outlook

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

After global container transport volumes declined by 4.0% in 2022 and rose by just 0.2% in 2023, the consulting firm Accenture Cargo now expects container transport volumes to grow again by 3.8% in 2024. All the sub-markets of the international container transport market will record growth, according to its forecast. The lowest levels of growth are expected on the Atlantic and Middle East trades, both at 3.3%, while the strongest growth is predicted on the Transpacific trade, at 4.7%. The effects of the conflict in the Red Sea are not included in this forecast by Accenture Cargo.

### Global growth of container transport volume

	2025e	2024e	2023	2022	2021
Growth rate (in %)	3.4%	3.8%	0.2%	-4.0%	6.9%

Sources: CTS, February 2024: 2021–2023; Accenture Cargo, December 2023: 2024–2025



According to MDS Transmodal, the tonnage of commissioned container vessels fell to around 6.7 million TEU at the end of December 2023, compared with around 7.2 million TEU at the end of December 2022. Accordingly, the ratio of order backlog to current world container fleet capacity remained at a high level of 24.4%, but 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 expects the globally available container vessel fleet to grow by 1.9 million TEU, or 6.8%, year-on-year after scrapping and postponement of deliveries.

#### Expected development of global container fleet capacity

million TEU	2025e	2024e	2023	2022	2021
Existing fleet (beginning of the year)	29.6	27.7	25.8	24.7	23.6
Planned deliveries	3.0	3.5	2.5	1.0	1.2
Expected scrappings	0.7	0.6	0.2	–	–
Postponed deliveries and other changes	0.9	1.1	0.4	–0.1	0.1
Net capacity growth	1.4	1.9	2.0	1.0	1.1
Net capacity growth (in %)	4.8%	6.8%	7.7%	4.2%	4.5%

Source: Drewry Container Forecaster Q4 2023. 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

As expected, Hapag-Lloyd recorded a significant decline in earnings in 2023, which was primarily due to a sharp fall in freight rates. Due to the precarious security situation in the Red Sea, there was another significant increase in spot freight rates in many trade lanes at the end of 2023, as the rerouting of ships around the Cape of Good Hope led to a reduction of shipping capacity and rising transport costs. At the time the forecast was prepared, it was unclear when the Red Sea passage would be safe again. Regardless of the outcome of the conflict, the high number of ship deliveries in the current financial year will lead to a gradual increase in transport capacity which is likely to have a negative impact on freight rate development.

Against this backdrop, the Executive Board of Hapag-Lloyd AG expects Group EBITDA for the current 2024 financial year to be in the range of EUR 1.0 to 3.0 billion (previous year: EUR 4.5 billion) and Group EBIT in the range of EUR –1.0 to 1.0 billion (previous year: EUR 2.5 billion). In US dollars, this corresponds to an expected Group EBITDA in the range of USD 1.1 to 3.3 billion (previous year: USD 4.8 billion) and a Group EBIT in the range of USD –1.1 to 1.1 billion (previous year: USD 2.7 billion). Based on the expected normalisation of freight rates during 2024, it is assumed that a large part of the projected result will be generated in the first half of the year.

The earnings expectation for the 2024 financial year is based in particular on the assumptions that transport volumes can be increased slightly while the average freight rate is likely to fall significantly. Increased transport expenses in connection with longer voyage times around the Cape of Good Hope and the first-time inclusion of shipping in the European Emissions Trading System (ETS) are expected to more than offset the planned cost-cutting measures. The bunker consumption price is expected to remain at the previous year's level. The earnings forecast is also based on the assumption of an average exchange rate of USD 1.11/EUR (financial year 2023: USD 1.08/EUR).

In view of the highly volatile development of 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 2023 financial year, which are currently not expected but cannot be ruled out.

#### Key benchmark figures for the 2024 Outlook

	Actual 2023	Forecast 2024
Global economic growth (IMF, Jan 2024)	3.1%	3.1%
Increase in global trade (IMF, Jan 2024)	0.4%	3.3%
Increase in global container transport volume (CTS, Feb. 2024; Accenture Cargo, Dec. 2023)	0.2%	3.8%
Transport volume <sup>1</sup>	11.9m TEU	Increasing slightly
Average freight rate <sup>1</sup>	USD 1,500/TEU	Decreasing clearly
Average bunker consumption price <sup>1</sup>	USD 614/t	At previous year's level
Group EBITDA	EUR 4.5 billion	EUR 1.0 to 3.0 billion
Group EBIT	EUR 2.5 billion	EUR –1.0 to 1.0 billion

<sup>1</sup> Liner Shipping segment

The most significant risks and opportunities that could cause business development to deviate from the forecast are described in detail in the risk and opportunity report in the combined management report of the 2023 annual report. The main risks to the Group's sales and earnings performance are, in particular, a slowdown in the growth of the global economy and global trade volumes, also due to international crises and geopolitical disputes as well as a further escalation of the conflicts in the Middle East, and the resulting lower growth in transport volumes as well as a sustained decline in the average freight rate beyond the decline assumed in the forecast. The risk of cyberattacks on information technology and security is also one of the most significant risks.

The occurrence of one or more of these risks could have a significant negative impact on the industry and thus also on the business performance of Hapag-Lloyd in the 2024 financial year, resulting in negative effects on liquidity and also impairments of goodwill and 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 Annual Report 2023 please find below the respective exchange rates:

### Exchange rates

per EUR	Closing rate			Average rate		
	<b>31.12.2023</b>	30.9.2023	31.12.2022	<b>FY 2023</b>	9M 2023	FY 2022
US dollars	1.1077	1.0592	1.0675	1.0815	1.0832	1.0538

## 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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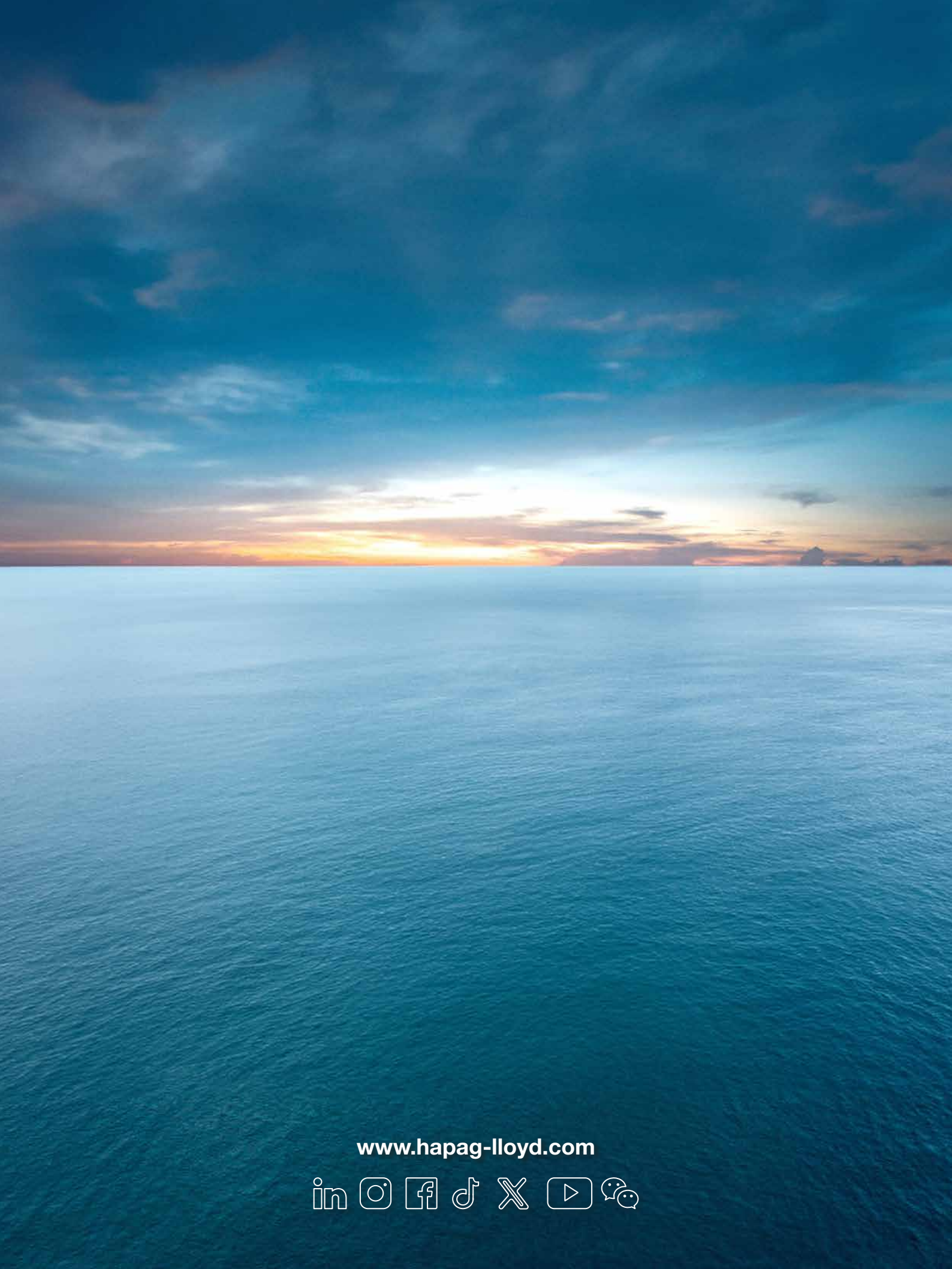
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