

Q3 | 9M 2024

Investor Report

1 January to
30 September 2024



SUMMARY OF HAPAG-LLOYD KEY FIGURES

		Q3 2024	Q3 2023	9M 2024	9M 2023	Change
Liner Shipping segment						
Total vessels ¹		292	264	292	264	11%
Aggregate capacity of vessels ¹	TTEU	2,253	1,952	2,253	1,952	15%
Aggregate container capacity ¹	TTEU	3,409	2,902	3,409	2,902	17%
Freight rate	USD/TTEU	1,612	1,312	1,467	1,604	-9%
Transport volume	TTEU	3,227	3,110	9,323	8,916	5%
Revenue	million USD	5,668	4,392	14,988	15,230	-2%
EBITDA	million USD	1,580	731	3,478	4,481	-22%
EBIT	million USD	1,038	224	1,884	2,960	-36%
Terminal & Infrastructure segment²						
Revenue	million USD	110	80	327	92	255%
EBITDA	million USD	43	14	114	40	189%
EBIT	million USD	22	3	56	28	97%
Group key financial figures²						
Revenue	million USD	5,767	4,464	15,283	15,312	-
EBITDA	million USD	1,623	745	3,592	4,520	-21%
EBIT	million USD	1,061	226	1,939	2,988	-35%
Group profit/loss	million USD	1,043	292	1,833	3,424	-46%
Earnings per share	USD	5.93	1.63	10.38	19.42	-47%
Cash flow from operating activities	million USD	1,723	844	3,096	4,987	-38%
Group key return figures²						
EBITDA margin	%	28.1	16.7	23.5	29.5	-6.0 ppt
EBIT margin	%	18.4	5.1	12.7	19.5	-6.8 ppt
ROIC	%	21.0	4.9	13.1	22.7	-9.6 ppt
Group balance sheet figures²						
				30.9.2024	31.12.2023	Change
Equity	million USD			20,857	20,782	-
Equity ratio	%			61.9	64.7	-2.8 ppt
Financial debt and lease liabilities	million USD			6,447	5,609	15%
Cash and cash equivalents	million USD			5,158	6,435	-20%
Net liquidity ³	million USD			817	2,870	-72%

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

¹ Reporting date values at the end of the respective quarter.

² The comparative information has been adjusted. For further information, refer to section "Adjustments in the measurement period" in the notes of the condensed interim consolidated financial statements of the 9M 2024 Financial Report.

³ 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 November 2024.

MAIN DEVELOPMENTS IN Q3 2024

- The first nine months of the 2024 financial year were characterised by good demand and renewed disruptions in global supply chains due to the tense security situation in the Red Sea.
- At USD 15.3 billion, Group revenue for the first nine months of the 2024 financial year was 0.2% below the previous year's level (9M 2023: USD 15.3 billion). The Group's EBITDA totalled USD 3.6 billion (9M 2023: USD 4.5 billion) and the Group's EBIT totalled USD 1.9 billion (9M 2023: USD 3.0 billion).
- This development is mainly due to lower freight rates in the first half of the year and higher transport expenses in connection with the necessary diversion of vessels around the Cape of Good Hope.
- In the third quarter of 2024, improved demand and rising freight rates led to a considerable increase in earnings compared to the previous quarters.
- The Liner Shipping segment recorded an EBITDA of USD 3.5 billion (9M 2023: USD 4.5 billion) and an EBIT of USD 1.9 billion (9M 2023: USD 3.0 billion) in the first nine months of 2024. Transport volume increased by 4.6% to 9.3 million TEU compared to 9M 2023. In contrast, the average freight rate fell by 8.5% to USD 1,467/TEU compared to 9M 2023.
- The Terminal & Infrastructure segment generated an EBITDA of USD 114.4 million and an EBIT of USD 55.7 million in the first nine months of 2024.
- Due to the lower operating result, earnings per share dropped to USD 10.38 from USD 19.42 in the prior year period.
- Free cash flow was once again positive at USD 1.7 billion (9M 2023: USD 3.4 billion).
- As at 30 September 2024, the Group maintained a net liquidity position of USD 0.8 billion (31 December 2023: USD 2.9 billion).
- After the balance-sheet date, Hapag-Lloyd signed two contracts for the construction of a total of 24 container vessels with a total capacity of 312,000 TEU, which are to be delivered between 2027 and 2029. The investment volume amounts to around USD 4 billion. The corresponding long-term financing of USD 3 billion has already been committed.
- Given the current course of business, characterised by stronger than expected demand and improved freight rates, and despite increased transport expenses, the Executive Board of Hapag-Lloyd AG raised its earnings outlook for the 2024 financial year on 24 October 2024. Group EBITDA is now expected to be in the range of USD 4.6 to 5.0 billion (previously: USD 3.5 to 4.6 billion) and Group EBIT in the range of USD 2.4 to 2.8 billion (previously: USD 1.3 to 2.4 billion).
- In the light of very volatile freight rates and major geopolitical challenges, the outlook is subject to 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.

According to the International Monetary Fund (IMF), the global economy recorded stable growth overall in the first nine months of 2024 despite the numerous geopolitical crises. The IMF thus expects the global economy to grow by 3.2% for the year as a whole (IMF World Economic Outlook, October 2024).

The economy of the People's Republic of China grew by 4.8% year-on-year in the first nine months of 2024, despite the negative impact of the real estate crisis. Exports of goods rose by 6.2%, while imports increased by 4.1% compared to the first nine months of 2023 (National Bureau of Statistics of China, October 2024). The main recipients of Chinese goods are the USA and Europe. The US economy grew by 2.7% in the third quarter of 2024 compared to Q3 2023. In the first two quarters of 2024, the US economy had already grown by 2.9% and 3.0% compared to the same quarters of the previous year. Growth was driven by investments and rising government spending. In the first eight months of 2024, imports of goods rose by 4.4% compared to the same period of the previous year, while exports increased by 2.3% (U.S. Department of Commerce, October 2024). The EU recorded economic growth 0.9% in the third quarter of 2024 compared to Q3 2023. In the first two quarters of 2024, the EU economy grew by 0.6% and 0.8% compared to the corresponding quarters of the previous year. Exports of goods from the EU increased slightly by 0.8% in the first eight months of 2024 compared to the prior year period. In contrast, imports of goods fell significantly by 6.3% (Eurostat, October 2024).

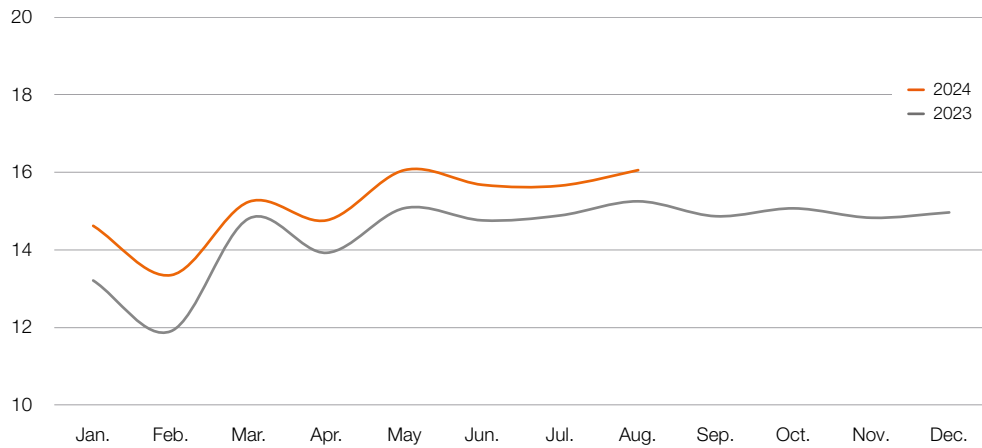
Due to the tensions in the Middle East, crude oil and bunker prices rose in the first five months of 2024, but then fell again due to lower demand for energy sources. The price of Brent crude oil was quoted at USD 71.77 per barrel as at 30 September 2024, 6.8% below the 2023 year-end price of USD 77.04 per barrel. Bunker with a low sulphur content (MFO 0.5%, FOB Rotterdam) was quoted at USD 500/t as at 30 September 2024, 4.4% lower than the 2023 year-end price of USD 523/t (S&P Global Commodity Insights, Bloomberg).

1.2. SECTOR-SPECIFIC CONDITIONS

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

Global container transport volumes rose by 6.7% year-on-year in the period from January to August 2024 (CTS, October 2024). Exports from the Far East in particular recorded significant growth. The transport volume in the major trade lanes rose by 17.0% from the Far East to North America and by 7.7% from the Far East to Europe. By contrast, transport volumes in the Middle East declined due to the tense security situation in the Red Sea.

Monthly global container transport volumes (in million TEU)

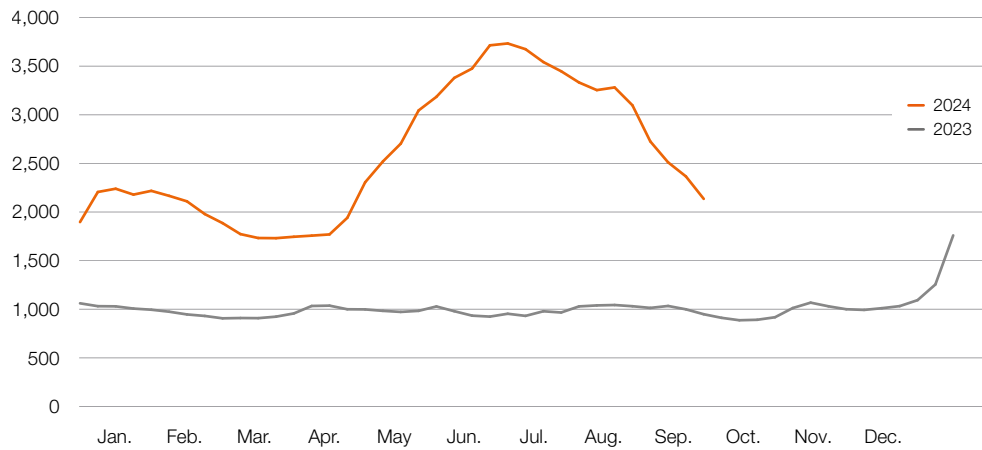


Source: CTS, October 2024

Liner Shipping segment

The Shanghai Containerized Freight Index (SCFI), which tracks spot freight rate trends on Shanghai’s most important trade routes, was significantly higher in the first nine months of 2024 than in the same period of the previous year. At the end of September 2024, the index stood at USD 2,135/TEU (previous year: USD 887/TEU). This development is mainly due to a recovery in demand coupled with a shortage of shipping capacity. As a result of the tense security situation in the Red Sea, many container shipping companies have been rerouting their ships around the Cape of Good Hope since mid-December 2023. The longer voyage times reduce the effectively available transport capacity and lead to rising transport costs.

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



Source: Shanghai Shipping Exchange, October 2024

At the end of September 2024, the proportion of laid-up, i.e. idle, ships was 0.2 million TEU or 0.7% of the global fleet, down on the previous year's level (30 September 2023: 0.32 million TEU; 1.2%, *Alphaliner Weekly*, October 2024). The reason for this is the increased demand for ship capacity due to the longer routes around the Cape of Good Hope.

According to MDS Transmodal, a total of 361 container vessels with a transport capacity of around 2.4 million TEU were put into service in the first nine months of 2024 (prior year period: 227 ships, transport capacity: around 1.6 million TEU). According to Clarksons, only 47 small container vessels with a total of 64 TTEU were scrapped in the same period (previous year period: 60 ships, 113 TTEU).

In the first nine months of 2024, orders were placed for the construction of 248 container vessels with a total transport capacity of 2.9 million TEU (prior year period: 159 vessels with a capacity of 1.5 million TEU, Clarksons Research, October 2024).

According to MDS Transmodal, the tonnage of container ships on order fell to around 6.2 million TEU at the end of September 2024, compared to around 7.1 million TEU at the end of September 2023. The ratio of orders to global container fleet capacity was 20.7% (as at 30 September 2023: 26.4%) and thus well below the peak of around 61% reached in 2007.

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

Fleet and capacity development

As at 30 September 2024, Hapag-Lloyd's fleet consisted of a total of 292 vessels (30 September 2023: 264 vessels). The fleet expansion resulted from the addition of newbuilds owned by the company and chartered vessels. In addition to the increased demand for vessel capacity due to volume growth and the rerouting of vessels around the Cape of Good Hope, the changes in the fleet are due to the preparations for the new Gemini network structure. All of the vessels are certified in accordance with the ISM (International Safety Management) Code and have a valid ISCC (ISPS) certificate. The majority of the vessels are also certified as per ISO 9001 (quality management) and ISO 14001 (environmental management).

The TEU capacity of the Hapag-Lloyd fleet as at 30 September 2024 amounted to 2,253 TTEU, an increase of 15.4% compared with 30 September 2023 (1,952 TTEU). Based on TEU capacity, 59% of the fleet was owned as at 30 September 2024 (30 September 2023: 61%). In the first nine months of the 2024 financial year, seven newbuilds (six vessels owned and one as a long-term charter) with a total capacity of around 135 TTEU were put into service.

As at 30 September 2024, Hapag-Lloyd's order book comprised five newbuilds with a total capacity of approximately 118 TTEU which will be delivered in 2024 and 2025. After the balance sheet date 30 September 2024, Hapag-Lloyd has signed two orders for a total of 24 container vessels with a total capacity of 312 TTEU, which are to be delivered between 2027 and 2029.

The average age of Hapag-Lloyd's total fleet as at 30 September 2024 (capacity-weighted) was 11.0 years (30 September 2023: 11.1 years) and thus slightly above the average of the world's ten largest container liner shipping companies of 10.7 years (30 September 2023: 10.9 years). The average vessel size within the Hapag-Lloyd fleet was 7.7 TTEU (30 September 2023: 7.4 TTEU), which is approximately 11% above the comparable average figure for the ten largest container liner shipping companies worldwide of 6.9 TTEU (30 September 2023: 6.6 TTEU; source: MDS Transmodal) and around 69% above the average vessel size in the global fleet of 4.6 TTEU (30 September 2023: 4.5 TTEU; source: MDS Transmodal).

As at 30 September 2024, Hapag-Lloyd had 2.0 million (30 September 2023: 1.7 million) owned and leased containers at its disposal to transport cargo with a capacity of 3.4 million TEU (30 September 2023: 2.9 million TEU). The total capacity of the container fleet thus increased significantly by 17.5% compared to the previous year's figure. The capacity-weighted share of containers owned as at 30 September 2024 was approximately 62% (30 September 2023: approximately 59%). In the first nine months of the 2024 financial year, around 350,700 containers with a total capacity of around 640,600 TEU were ordered, including 6,850 reefer containers with a capacity of 13,350 TEU.

Hapag-Lloyd's service network comprised 113 services as at 30 September 2024 (30 September 2023: 113 services).

Structure of Hapag-Lloyd's container ship fleet

	30.9.2024	31.12.2023	30.9.2023
Number of vessels	292	266	264
thereof			
Own vessels ¹	130	123	124
Chartered vessels	162	143	140
Aggregate capacity of vessels (TTEU)	2,253	1,972	1,952
Aggregate container capacity (TTEU)	3,409	2,975	2,902
Number of services	113	113	113

¹ Including lease agreements with purchase option/obligation at maturity

3. GROUP EARNINGS POSITION

3.1. GROUP EARNINGS

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

With an amount of USD 3,591.8 million, consolidated earnings before interest, taxes, depreciation, and amortisation (EBITDA) were significantly lower in the first nine months of the 2024 financial year than the previous year's figure of USD 4,520.0 million. The Hapag-Lloyd Group's earnings before interest and taxes (EBIT) also fell significantly to USD 1,939.3 million (prior year period: USD 2,988.0 million). The Group profit totalled USD 1,833.3 million (prior year period: USD 3,424.5 million).

Consolidated income statement

million USD	Q3 2024	Q2 2024	Q3 2023*	QoQ Change	YoY change	9M 2024	9M 2023*	Change
Revenue	5,766.9	4,892.5	4,464.5	17.9%	29.2%	15,282.7	15,311.6	-0.2%
Transport and terminal expenses	-3,683.3	-3,412.6	-3,303.0	7.9%	11.5%	-10,395.5	-9,632.7	7.9%
Personnel expenses	-337.4	-331.2	-292.8	1.9%	15.2%	-928.9	-807.0	15.1%
Depreciation, amortisation and impairment	-562.2	-542.9	-518.4	3.6%	8.4%	-1,652.5	-1,531.9	7.9%
Other operating result	-126.2	-113.5	-123.6	11.1%	2.1%	-355.3	-376.7	-5.7%
Operating result	1,057.8	492.3	226.6	114.9%	366.8%	1,950.5	2,963.3	-34.2%
Share of profit of equity-accounted investees	-0.2	-7.5	-0.2	-97.3%	30.6%	-14.1	22.4	n.m.
Result from investments	2.9	-	-	n.m.	n.m.	2.9	2.4	22.8%
Earnings before interest and tax (EBIT)	1,060.6	484.7	226.4	118.8%	368.4%	1,939.3	2,988.0	-35.1%
Interest result and other financial result	0.7	11.7	53.1	-94.0%	-98.7%	52.7	326.3	-83.8%
Other financial items	-4.9	0.4	2.2	n.m.	n.m.	-15.9	166.8	n.m.
Income taxes	-13.8	-29.4	10.2	-53.0%	n.m.	-142.8	-56.7	151.9%
Group profit/loss	1,042.6	467.4	291.9	123.1%	257.2%	1,833.3	3,424.5	-46.5%
Basic/diluted earnings per share (in USD)	5.93	2.64	1.63	124.6%	263.8%	10.38	19.42	-46.5%
EBITDA	1,622.7	1,027.6	744.8	57.9%	117.9%	3,591.8	4,520.0	-20.5%
EBITDA margin (%)	28.1	21.0	16.7	7.1 ppt	11.5 ppt	23.5	29.5	-6.0 ppt
EBIT	1,060.6	484.7	226.4	118.8%	368.4%	1,939.3	2,988.0	-35.1%
EBIT margin (%)	18.4	9.9	5.1	8.5 ppt	13.3 ppt	12.7	19.5	-6.8 ppt

* The comparative information has been marginally adjusted. For further information, refer to section "Adjustments in the measurement period" in the notes of the condensed interim consolidated financial statements of the 9M 2024 Financial Report.

Revenue in the Group

In the first nine months of the 2024 financial year, the Hapag-Lloyd Group's revenue fell by USD 28.9 million to USD 15,282.7 million (prior year period: USD 15,311.6 million), which corresponds to a decrease of 0.2%. This development was mainly due to the lower average freight rates. This was offset by a 4.6% increase in transport volume compared with the prior year period.

Operating expenses in the Group

Transport and terminal expenses increased by USD 762.8 million to USD 10,395.5 million in the first nine months of the 2024 financial year (prior year period: USD 9,632.7 million). This corresponds to an increase of 7.9%.

Personnel expenses increased by USD 121.9 million to USD 928.9 million in the first nine months of the 2024 financial year (prior year period: USD 807.0 million). The increase is mainly due to the higher costs for the employees taken over as a result of the acquisition of the SAAM Terminals companies in the third quarter of the previous year. Salary increases also contributed to the rise.

In the first nine months of the 2024 financial year, depreciation and amortisation increased by USD 120.6 million to USD 1.652.5 million (prior year period: USD 1.531.9 million). The increase was mainly due to higher depreciation and amortisation for new vessels and containers as well as the addition of depreciation and amortisation from the acquisition of SAAM Terminals in the previous year. The scheduled amortisation of right-of-use assets (primarily vessels and containers) led to depreciation and amortisation of USD 858.2 million (prior year period: USD 840.0 million).

Other operating result

The other operating result of USD –355.3 million (prior year period: USD –376.7 million) comprised the net balance of other operating income and expenses. Other operating expenses totalled USD 462.0 million for the first nine months of the 2024 financial year (prior year period: expenses of USD 481.3 million). This mainly included IT and communication expenses (USD 218.7 million; prior year period: USD 218.8 million), fees for consultancy and other professional services (USD 45.2; prior year period: USD 80.0 million), office and administrative expenses (USD 39.2 million; prior year period: USD 34.6 million) and expenses for training and other personnel expenses (USD 28.8 million; prior year period: USD 34.1 million).

Interest result and other financial result

In the first nine months of the 2024 financial year, the interest result and other financial result amounted to USD 52.7 million (prior year period: USD 326.3 million). The decrease in interest income and other financial income to USD 303.5 million (prior year period: USD 518.9 million) was mainly due to the lower volume of money market transactions, which were reduced in the context of the dividend payment. Money market funds and money market transactions yielded income totalling USD 214.2 million (prior year period: USD 470.0). Interest income from the securities of the special fund „HLAG Performance Express“ totalled USD 56.9 million (prior year period: USD 26.4 million).

Other financial items

In the first nine month of the 2024 financial year, the result for other financial items amounted to USD –15.9 million (prior year period: USD 166.8 million). The main reasons for this change were the realised losses (prior year period: gains) from the currency forward contracts for the dividend distribution in euros in May 2024 and May 2023 respectively and the realised foreign currency losses (prior year period: foreign currency gains) from the corresponding dividend payment.

Income taxes

The increase in income taxes in the current financial year by USD 86.1 million to USD 142.8 million (prior year period: USD 56.7 million) is mainly due to the development of deferred taxes in the Hapag-Lloyd Group. While current income taxes fell to USD 34.0 million (prior year period: USD 127.2 million), there was a significant increase in expenses for deferred taxes to USD 108.8 million (prior year period: USD 70.5 million). The adjustment of the tax treatment of expenses and income from investments led to a reduction in current income tax expenses of USD 37.2 million and an increase in deferred income tax expenses of USD 16.3 million. The increase in deferred tax expenses is also mainly due to the recognition of deferred tax liabilities on temporary differences in the area of exchange rate effects on investments and the reversal of deferred tax assets from the previous year due to reversal effects in this area. In addition, part of the deferred tax expense results from the recognition of deferred tax liabilities on valuation differences of a special fund held.

3.2. LINER SHIPPING EARNINGS

In the first nine months of the 2024 financial year, the Liner Shipping segment recorded a sharp decline in earnings. Operating earnings before interest, taxes, depreciation, and amortisation (EBITDA) in Liner Shipping amounted to USD 3,477.7 million, compared to USD 4,480.7 million in the prior year period, while operating earnings before interest and taxes (EBIT) stood at USD 1,884.0 million (prior year period: USD 2,960.0 million).

Income statement Liner Shipping

million USD	Q3 2024	Q2 2024	Q3 2023	QoQ Change	YoY change	9M 2024	9M 2023	Change
Revenue	5,668.0	4,793.6	4,392.5	18.2%	29.0%	14,988.2	15,229.7	-1.6%
Transport expenses	-3,647.6	-3,397.1	-3,291.1	7.4%	10.8%	-10,330.9	-9,623.0	7.4%
thereof								
Transport expenses for completed voyages	-3,601.6	-3,364.4	-3,271.0	7.1%	10.1%	-10,324.1	-9,659.9	6.9%
Bunker and emissions	-745.7	-714.5	-578.4	4.4%	28.9%	-2,169.1	-1,812.6	19.7%
Handling and haulage	-1,769.4	-1,619.7	-1,557.2	9.2%	13.6%	-4,995.3	-4,639.5	7.7%
Equipment and repositioning ¹	-464.9	-426.4	-439.9	9.0%	5.7%	-1,325.8	-1,251.9	5.9%
Vessels and voyages (excluding bunker) ¹	-621.6	-603.8	-695.6	2.9%	-10.6%	-1,833.8	-1,955.9	-6.2%
Transport expenses for pending voyages ²	-46.0	-32.8	-20.1	40.4%	128.9%	-6.8	37.0	n.m.
Amortisation and depreciation	-541.7	-523.7	-507.8	3.4%	6.7%	-1,593.7	-1,520.6	4.8%
Other income and expenses	-440.4	-405.1	-369.9	8.7%	19.1%	-1,179.6	-1,126.0	4.8%
EBIT	1,038.2	991.4	223.7	4.7%	364.1%	1,884.0	2,960.0	-36.4%
EBIT margin (%)	18.3	20.7	5.1	-2.4 ppt	13.2 ppt	12.6	19.4	-6.9 ppt
EBITDA	1,579.9	467.7	731.4	237.8%	116.0%	3,477.7	4,480.7	-22.4%
EBITDA margin (%)	27.9	9.8	16.7	18.1 ppt	11.2 ppt	23.2	29.4	-6.2 ppt

¹ Including lease expenses for short-term leases

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

Transport volume per trade

At 9,323 TTEU (prior year period: 8,916 TTEU), the transport volume in the first nine months of the 2024 financial year was up on the previous year (+4.6%).

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

Transport volume per trade

TTEU	Q3 2024	Q2 2024	Q3 2023	QoQ change	YoY change	9M 2024	9M 2023	Change
Atlantic	540	555	501	-2.8%	7.8%	1,626	1,538	5.7%
Transpacific	575	523	513	9.9%	11.9%	1,636	1,366	19.7%
Far East	662	565	592	17.2%	12.0%	1,786	1,647	8.5%
Middle East	312	294	360	6.0%	-13.3%	882	1,085	-18.7%
Intra-Asia	183	192	212	-5.0%	-13.8%	560	562	-0.4%
Latin America	751	756	745	-0.7%	0.8%	2,270	2,182	4.0%
Africa	205	175	188	16.9%	8.8%	564	536	5.1%
Total	3,227	3,060	3,110	5.4%	3.8%	9,323	8,916	4.6%

Freight rate per trade

The average freight rate in the first nine months of the 2024 financial year was USD 1,467/TEU, which was USD 137/TEU, or 8.5% lower than in the same period of the previous year (USD 1,604/TEU). The lower average freight rate is mainly the result of fewer disruptions to global supply chains compared to the previous year and the associated release of transport capacity.

Freight rate per trade

USD/TEU	Q3 2024	Q2 2024	Q3 2023	QoQ change	YoY change	9M 2024	9M 2023	Change
Atlantic	1,369	1,379	1,547	-0.8%	-11.5%	1,379	2,074	-33.6%
Transpacific	1,997	1,731	1,513	15.4%	32.0%	1,782	1,780	0.1%
Far East	1,845	1,516	1,167	21.7%	58.1%	1,584	1,424	11.2%
Middle East	1,390	1,391	867	-0.1%	60.3%	1,308	1,048	24.8%
Intra-Asia	884	756	656	16.9%	34.7%	809	802	0.9%
Latin America	1,451	1,327	1,476	9.3%	-1.7%	1,378	1,764	-21.9%
Africa	2,002	1,521	1,545	31.6%	29.6%	1,705	1,685	1.2%
Total	1,612	1,422	1,312	13.4%	22.9%	1,467	1,604	-8.5%

Revenue per trade

In the first nine months of the 2024 financial year, revenue in the Liner Shipping segment fell by USD 241.5 million to USD 14,988.2 million (prior year period: USD 15,229.7 million), which corresponds to a decrease of 1.6%. This was mainly due to an 8.5% decline in the average freight rate compared to the same period in the previous year. The 4.6% increase in transport volumes compared to the same period in the previous year had a slightly offsetting effect.

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

Revenue per trade

million USD	Q3 2024	Q2 2024	Q3 2023	QoQ Change	YoY change	9M 2024	9M 2023	Change
Atlantic	738.9	765.8	774.2	-3.5%	-4.6%	2,242.3	3,190.0	-29.7%
Transpacific	1,147.4	904.8	776.2	26.8%	47.8%	2,915.1	2,432.7	19.8%
Far East	1,222.1	856.4	690.3	42.7%	77.0%	2,828.8	2,344.8	20.6%
Middle East	433.3	409.0	311.9	5.9%	38.9%	1,153.0	1,136.6	1.4%
Intra-Asia	161.5	145.5	139.0	11.0%	16.2%	453.3	451.1	0.5%
Latin America	1,089.4	1,003.1	1,099.3	8.6%	-0.9%	3,127.1	3,847.2	-18.7%
Africa	409.5	266.1	290.4	53.9%	41.0%	960.8	903.4	6.4%
Revenue not assigned to trades	465.9	442.9	311.1	5.2%	49.8%	1,307.9	923.9	41.6%
Total	5,668.0	4,793.6	4,392.5	18.2%	29.0%	14,988.2	15,229.7	-1.6%

Transport expenses

Transport expenses increased by USD 707.9 million to USD 10,330.9 million in the first nine months of the 2024 financial year (prior year period: USD 9,623.0 million). This corresponds to an increase of 7.4%.

The increase in expenses for bunker and emissions is mainly due to higher bunker consumption compared to the prior year period, whereby expenses for bunker increased by USD 356.5 million to USD 2,169.1 million (prior year period: USD 1,812.6 million). At USD 598/t, the average bunker consumption price for Hapag-Lloyd in the first nine months of the 2024 financial year was USD 13/t lower than the figure of USD 611/t in the same period of the previous year. However, the increased bunker consumption, particularly due to the rerouting of ships around the Cape of Good Hope, contributed to an increase in fuel expenses. In addition, the first-time recognition in 2024 of expenses for CO₂ emission certificates totalling USD 68.6 million (prior year period: USD 0.0 million) contributed to the increase in bunker and emissions. With the inclusion of shipping emissions in the EU Emissions Trading System, Hapag-Lloyd has been obliged to purchase and submit EU allowances (EUAs) for CO₂ emissions since the 2024 financial year.

Expenses for container handling rose by USD 355.8 million to USD 4,995.3 million in the first nine months of the reporting year (prior year period: USD 4,639.5 million). This increase is due in particular to higher expenses for the transshipment of container in connection with the conflict in the Red Sea.

Expenses for containers and repositioning increased compared to the prior year period, mainly due to the additional handling activities of empty container in connection with the tense security situation in the Red Sea.

The decrease in expenses for vessels and voyages (excluding bunker) in the reporting period by USD 122.1 million to USD 1,833.8 million (prior year period: USD 1,955.9 million) results mainly due to lower canal costs in connection with the avoidance of the Suez Canal. By contrast, expenses for short-term chartered ships and container slot charter costs on third-party vessels in particular increased compared to the same period of the previous year.

Depreciation, amortisation and impairments

In the first nine months of the 2024 financial year, depreciation and amortisation increased by USD 73.1 million year-on-year to USD 1,593.7 million (prior year period: USD 1,520.6 million). This was mainly due to the scheduled depreciation and amortisation of ships and containers totalling USD 1,472.0 million (prior year period: USD 1,413.4 million).

Operating result

In the first nine months of the 2024 financial year, the Liner Shipping segment generated earnings before interest and taxes (EBIT) of USD 1,884.0 million (prior year period: USD 2,960.0 million).

Unit cost

In total, transport expenses per unit (incl. D&A) in the first nine months of 2024 increased by 2.3% to USD 1,279/TEU as compared to the prior year period. "Bunker and emissions" expenses increased by 14.4% or USD 29/TEU because of higher bunker consumption due to the rerouting of ships around the Cape of Good Hope. In addition, the first-time recognition of expenses for CO₂ emission certificates contributed to the increase, while lower bunker prices had an offsetting effect. "Handling and Haulage" expenses increased by 2.9% or USD 15/TEU due to higher expenses for transshipments of container in connection with the conflict in the Red Sea. "Equipment and Repositioning" expenses increased by 1.2% or USD 2/TEU due to additional handling activities of empty container also caused by the conflict in the Red Sea. "Vessel and voyage" expenses decreased by 10.4% or USD 23/TEU. This mainly results from lower expenses for canal cost in connection with the avoidance of the Suez Canal. By contrast, vessels on short-term charter and container slot charter costs on third-party vessels increased compared to the same period of the previous year. "Depreciation and amortisation" unit costs increased by 0.2%.

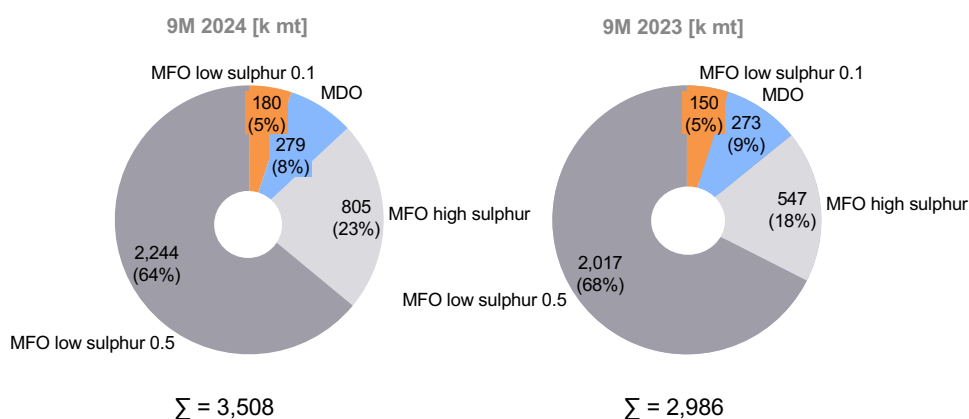
Unit cost

USD/TEU	Q3 2024	Q2 2024	Q3 2023	QoQ Change	YoY change	9M 2024	9M 2023	Change
Transport expenses	-1,130	-1,110	-1,058	1.8%	6.8%	-1,108	-1,080	2.6%
thereof								
Bunker & emissions	-231	-233	-186	-1.0%	24.3%	-233	-203	14.4%
Handling and haulage	-548	-529	-501	3.6%	9.5%	-536	-521	2.9%
Equipment and repositioning	-144	-139	-142	3.4%	1.8%	-142	-140	1.2%
Vessel and voyage (excl. bunker)	-193	-197	-224	-2.4%	-13.9%	-197	-219	-10.4%
Pending transport expenses	-14	-11	-6	33.2%	120.6%	-1	4	n.m.
Depreciation, amortisation and impairment (D&A)	-168	-171	-163	-1.9%	2.8%	-171	-171	0.2%
Transport expenses incl. D&A	-1,298	-1,281	-1,222	1.3%	6.3%	-1,279	-1,250	2.3%

Bunker consumption development

In the first nine months of the 2024 financial year, bunker consumption totalled 3.5 million tonnes, up 17.5% on the previous year (prior year period: 3.0 million tonnes). The increase in bunker consumption is due in particular to the tense security situation in the Red Sea and the resulting need to divert ships around the Cape of Good Hope. The increase in transport volumes also led to higher consumption. Bunker consumption per slot (measured in terms of average container slot capacity, annualised) was 2.20 tonnes in the first nine months of the 2024 financial year, up 1.9% on the same period of the previous year (prior year period: 2.16 tonnes). Bunker consumption per TEU transported increased accordingly by 12.2% from 0.34 tons per TEU in the first nine months of the 2023 financial year to 0.38 tons in the first nine months of the 2024 financial year.

The percentage of low-sulphur bunker (MFO low sulphur 0.1% and 0.5%, MDO) and liquefied natural gas (LNG) decreased from 82% in the first nine months of the 2023 financial year to 77% in the first nine months of the 2024 financial year due to the fitting of more vessels with scrubbers.



MFO = Marine Fuel Oil
MDO = Marine Diesel Oil
MFO low sulphur 0.1 including LNG

3.3. TERMINAL & INFRASTRUCTURE EARNINGS

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

At USD 114.4 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) in the Terminal & Infrastructure segment in the first nine months of the reporting year were higher than the figure of USD 39.6 million in the same period of the previous year. Earnings before interest and taxes (EBIT) amounted to USD 55.7 million (prior year period: USD 28.3 million).

Income statement Terminal & Infrastructure

million USD	Q3 2024	Q2 2024	Q3 2023*	QoQ change	YoY change	9M 2024	9M 2023*
Revenue	109.5	110.7	80.0	-1.1%	37.0%	326.9	92.1
Terminal expenses	-48.2	-26.0	-21.0	85.5%	129.7%	-98.8	-21.0
thereof							
Cost of Material	-6.3	-6.2	-5.0	0.9%	26.9%	-18.0	-5.0
Container terminal expenses	-35.2	-13.1	-9.1	168.6%	285.2%	-60.1	-9.1
Terminal equipment expenses	-6.6	-6.6	-5.1	1.1%	29.4%	-20.4	-10.3
Non-core operational terminal expenses	-0.1	-0.1	-1.7	-26.6%	-97.1%	-0.2	-1.7
Personnel expenses	-33.1	-32.0	-31.7	3.4%	4.2%	-96.0	-35.4
Depreciation, amortisation and impairment	-20.5	-19.2	-10.7	6.6%	92.3%	-58.8	-11.3
Share of profit of equity-accounted investees	5.7	1.4	0.2	317.2%	n.m.	11.3	24.1
Other income and expenses	9.0	-17.9	-13.8	-69.0%	-16.6%	-29.0	-20.2
EBIT	22.5	17.1	3.0	31.8%	651.5%	55.7	28.3
EBIT margin (%)	20.5	15.4	3.7	5.1 ppt	16.8 ppt	17.0	30.7
EBITDA	43.0	36.3	13.6	18.5%	214.9%	114.4	39.6
EBITDA margin (%)	39.2	32.8	17.1	6.5 ppt	22.2 ppt	35.0	43.0

* The comparative information has been marginally adjusted. For further information, refer to section "Adjustments in the measurement period" in the notes of the condensed interim consolidated financial statements of the 9M 2024 Financial Report.

Revenue

In the first nine months of the 2024 financial year, revenue of USD 326.9 million (prior year period: USD 92.1 million) was generated in particular from the handling of containers and other freight and was mainly attributable to the SAAM Terminals companies, which have been included in the group of consolidated companies since August 2023.

Operating expenses

Operating expenses in the Terminal & Infrastructure segment in the first nine months of the reporting year were mainly due to expenses for the operation of terminals and container handling totalling USD 98.8 million (prior year period: USD 21.0 million), as well as personnel expenses of USD 96.0 million (prior year period: USD 35.4 million). In addition, there was depreciation and amortisation of property, plant and equipment and intangible assets in the amount of USD 58.8 million (prior year period: USD 11.3 million).

Other income and expenses

Other income and expenses in the first nine months of the 2024 financial year mainly resulted from the other operating result of USD -31.8 million (prior year period: USD -22.6 million) and related in particular to administrative expenses.

Operating result

In the first nine months of the 2024 financial year, the Terminal & Infrastructure segment generated earnings before interest and taxes (EBIT) of USD 55.7 million (prior year period: USD 28.3 million).

4. GROUP NET ASSET POSITION

As at 30 September 2024, the Group's total assets amounted to USD 33,712.8 million and were only slightly higher than at year-end 2023 (31 December 2023*: USD 32,115.0 million). The change was mainly due to investments in newly built vessels and newly received and extended rights of use for lease assets as well as a corresponding increase in financial liabilities and lease liabilities.

Within non-current assets, the carrying amounts of fixed assets increased by a total of USD 1,825.7 million to USD 22,309.2 million (31 December 2023*: USD 20,483.5 million), in particular due to newly received and extended rights of use for lease assets of USD 1,749.1 million as well as the investments in vessels, vessel equipment and containers including payments on accounts and assets under construction in the amount of USD 1,567.8 million. Scheduled depreciation and amortisation amounting to USD 1,652.5 million had an offsetting effect. These include an amount of USD 858.2 million for the amortisation of capitalised rights of use relating to lease assets.

The decrease in deferred tax assets to USD 114.2 million compared to the prior year (31 December 2023: USD 206.2 million) resulted from the reduction in temporary differences relating to exchange rate effects on investments from the prior year. Additionally, the adjustment of the tax treatment of expenses and income from investments led to a release of deferred tax assets for prior years amounting to USD 16.3 million. Deferred tax assets of USD 27.3 million on domestic tax losses from realised exchange rate effects from the prior year partially offset this decrease.

Within current assets, cash and cash equivalents decreased to USD 5,158.1 million compared to the end of 2023 (31 December 2023: USD 6,435.2 million). This is mainly due to the dividend payment for the 2023 financial year in the amount of USD 1,751.5 million. By contrast, there was an increase in trade accounts receivable of USD 1,022.4 to USD 2,857.8 million (31 December 2023: USD 1,835.4 million), which is mainly driven by a higher average freight rate.

On the liabilities side, equity (including non-controlling interests) increased by USD 74.2 million to USD 20,856.7 million. This increase is mainly due to the Group profit of USD 1,833.3 million (prior period: USD 3,424.5 million) recognised in the retained earnings. The dividend paid from the previous year's retained earnings in the amount of EUR 9.25 (prior year: EUR 63.0) per dividend-eligible individual share, i.e. a total of USD 1,751.5 million (prior year: USD 12,217.8 million) had an offsetting effect.

The Group's borrowed capital rose by USD 1,523.6 million in comparison to the 2023 consolidated financial statements. This results from the increase in financial liabilities and lease liabilities primarily due to newly acquired or extended charter and leasing contracts of USD 1,773.5 million and to construction instalments of USD 295.2 million drawn down under existing financing commitments in the form of Chinese leases (sale-and-leaseback transactions) in connection with the delivery of three newly built vessels. In addition, contract liabilities increased with an amount of USD 483.8 million, particularly because of a higher transport volume in conjunction with slightly higher freight rates for transport orders on pending voyages as at the reporting date. This was offset by redemption payments totalling USD 1,229.4 million.

The increase in deferred tax liabilities to USD 194.0 million compared to the prior year (31 December 2023*: USD 169.9 million) is mostly an effect of the recognition of deferred tax liabilities on the increased valuation difference of the special fund in the amount of USD 32.5 million and on unrealised exchange rate effects on investments of the financial year 2024 in the amount of USD 8.7 million. The decrease of deferred tax liabilities of several foreign subsidiaries amounting to USD 11.0 million partially compensated these effects.

As at 30 September 2024, net liquidity, including cash and cash equivalents and assets of the special fund included in the item of other financial assets, as well as financial liabilities and lease liabilities, amounted to USD 816.7 million (31 December 2023*: USD 2,870.5 million).

Group net asset position

million USD	30.9.2024	31.12.2023*
Assets		
Non-current assets	22,502.0	20,780.9
of which fixed assets	22,309.2	20,483.5
Current assets	11,210.9	11,334.1
of which cash and cash equivalents	5,158.1	6,435.2
Total assets	33,712.8	32,115.0
Equity and liabilities		
Equity	20,856.7	20,782.5
Borrowed capital	12,856.1	11,332.5
of which non-current liabilities	5,555.3	4,796.7
of which current liabilities	7,300.8	6,535.8
of which financial debt and lease liabilities	6,446.5	5,608.9
of which non-current financial debt and lease liabilities	4,952.5	4,217.9
of which current financial debt and lease liabilities	1,494.0	1,390.9
Total equity and liabilities	33,712.8	32,115.0

* The comparative information has been adjusted. For further information, refer to section "Adjustments in the measurement period" in the notes of the condensed interim consolidated financial statements of the 9M 2024 Financial Report.

5. GROUP FINANCIAL POSITION

5.1. DEVELOPMENTS IN CASH AND CASH EQUIVALENTS

Cash flow from operating activities

In the first nine months of the 2024 financial year, Hapag-Lloyd generated an operating cash flow of USD 3,095.9 million (prior year period: USD 4,987.2 million). The lower cash flow from operating activities compared to the prior year period is due to the lower result in the current financial year.

Cash flow from investing activities

Cash outflows from investing activities totalled USD 1,434.7 million in the first nine months of the 2024 financial year (prior year period: USD 1,554.2 million). This includes cash outflow payments for investments, mainly for vessels, vessel equipment and for the construction of new containers of USD 1,570.5 million (prior year period: USD 1,408.5 million). Furthermore, cash outflows of USD 219.4 million (prior year period: USD 1,779.8 million) were incurred for share acquisitions and payments for capital contributions in existing equity-accounted investees, that continue to be recognised as such. This was mainly offset by cash inflows from interest received of

USD 278.1 million (prior year period: USD 518.6 million). The cash inflows in the prior year period mainly resulted from the change in cash and cash equivalents for money market transactions and money market funds with a term of more than three months.

Cash flow from financing activities

Financing activities resulted in a net cash outflow of USD 2,935.9 million in the first nine months of the financial year (prior year period: USD 12,961.3 million). The cash outflow essentially resulted from the dividend payment to the shareholders of Hapag-Lloyd AG of USD 1,751.5 million (prior year period: USD 12,217.8 million). The interest and redemption payments from lease liabilities in accordance with IFRS 16 totalled USD 939.8 million (prior year period: USD 888.0 million). In the first nine months of the financial year, USD 484.2 million was paid for interest and redemption payments for vessel and container financing (prior year period: USD 437.9 million). This was offset by cash inflows from loans taken out to finance vessels amounting to USD 295.2 million (prior year period: USD 482.3 million).

Consolidated cash flow statement

million USD	Q3 2024	Q3 2023	9M 2024	9M 2023
Cash and cash equivalents beginning of the period	4,542.8	7,371.6	6,435.3	16,264.6
EBITDA	1,622.7	744.8	3,591.8	4,520.0
Working capital	120.5	152.4	-423.2	653.3
Others	-20.3	-53.3	-72.8	-186.0
Operating cash flow	1,723.0	843.9	3,095.9	4,987.2
Investments	-547.5	-672.2	-1,570.5	-1,408.5
thereof vessel	-177.2	-416.8	-772.9	-897.2
thereof container	-342.0	-214.1	-739.2	-439.5
thereof other	-28.3	-41.1	-58.4	-71.8
Net Cash received (+)/made (-) from acquisitions	-	-846.9	-25.2	-841.2
Disinvestments	17.9	37.1	60.9	95.4
Dividends received	31.0	0.5	43.9	16.9
Payments received (+) for the redemption of issued loans	1.6	-	4.7	0.7
Payments made for the issuing of loans	-5.0	-	-6.7	-
Change of financial assets and financial assets held for sale	-21.9	1.2	-25.7	1,002.4
Payments made for the acquisition of shares in joint ventures	-122.8	-19.9	-194.2	-938.6
Payments received for interests	83.6	109.3	278.1	518.6
Investing cash flow	-563.2	-1,390.8	-1,434.7	-1,554.2
Payments made from changes in ownership interests	-1.1	-	-1.1	-
Debt intake	0.6	334.3	298.6	489.7
Debt repayment	-184.6	-94.3	-409.4	-408.0
Repayment of lease liabilities	-276.8	-268.7	-820.0	-802.2
Dividends paid	-	-1.5	-1,765.9	-12,230.6
Interest	-83.0	-63.2	-226.3	-182.6
Payments made from hedges for financial debts	1.1	3.0	-11.9	172.4
Financing cash flow	-543.8	-90.3	-2,935.9	-12,961.3
Changes due to exchange rate fluctuations and impairments	-0.7	-0.4	-2.4	-2.3
Cash and cash equivalents end of the period	5,158.1	6,734.0	5,158.1	6,734.0

5.2. FINANCIAL SOLIDITY

As at 30 September 2024, the Group's net liquidity amounted to USD 816.7 million. This represents a fall of USD 2,053.8 million compared to net liquidity as at 31 December 2023*. The decrease was mainly due to the dividend payment and the increase of financial debt and lease liabilities.

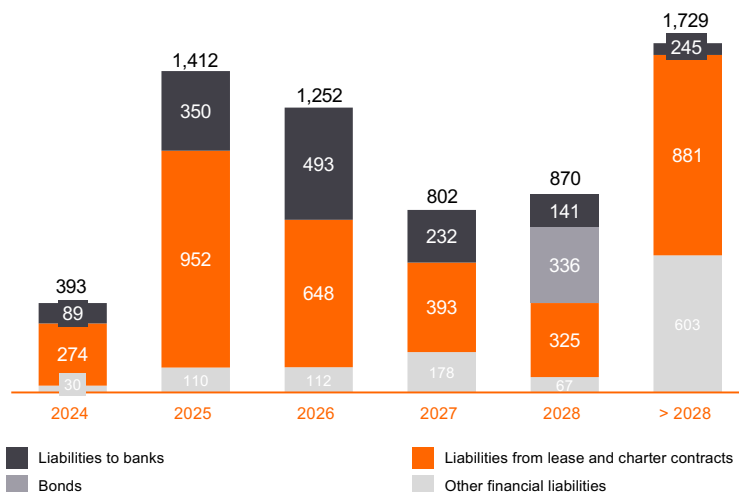
Equity decreased by USD 74.2 million compared to 31 December 2023* and amounted to USD 20,856.7 million as at 30 September 2024. The equity ratio was 61.9% (31 December 2023*: 64.7%).

Financial solidity

million USD	30.9.2024	31.12.2023*	30.9.2023*
Financial debt and lease liabilities	6,446.5	5,608.9	5,822.3
Cash and cash equivalents	5,158.1	6,435.2	6,734.0
Special fund securities (other financial assets)	2,105.2	2,044.2	2,013.3
Net liquidity	816.7	2,870.5	2,925.0
Unused credit lines	725.0	725.0	725.0
Liquidity reserve	7,988.2	9,204.4	9,472.3
Equity	20,856.7	20,782.5	21,016.3
Assets	33,712.8	32,115.0	32,345.6
Equity ratio (%)	61.9	64.7	65.0

* The comparative information has been adjusted. For further information, refer to section "Adjustments in the measurement period" in the notes of the condensed interim consolidated financial statements of the 9M 2024 Financial Report.

Contractual maturity profile of financial debt (USD million)¹



¹ Deviation from the total financial debt as shown in the balance sheet as per 30 September 2024 consists of transaction costs and accrued interest.

The total repayment amount of USD 6,458 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

Published on 15 October 2024, a verdict was passed regarding the award of a terminal concession to Spinelli S.r.l., based in Genoa, Italy. The Company is working with the Port Authority and the Italian Ministry of Transport to ensure that the terminal's business operations continue unchanged. Due to the timing and complexity of the judgment, the economic impact on Spinelli's future cash flows and respective effects on valuation cannot be reliably estimated at this time.

On 18 October 2024, Hapag-Lloyd has signed two orders for a total of 24 container vessels. These are twelve vessels with a capacity of 16,800 TEU and twelve more vessels with a capacity of 9,200 TEU. The vessels are scheduled to be delivered between 2027 and 2029 and have a total capacity of 312,000 TEU with an investment volume of around USD 4 billion. The investments are secured by long-term financing commitments totalling around USD 3 billion.

7. OUTLOOK

General economic outlook

For 2024, the International Monetary Fund (IMF) expects global economic growth to remain stable at 3.2% compared to the previous year. This forecast is below the historical average of 3.8% for the years 2000 to 2019. Among the advanced economies, the US is the main growth driver thanks to continued strong consumption. By contrast, the eurozone economy is expected to grow only slightly. In particular, economic output in Germany is expected to stagnate due to the weakness of the manufacturing sector. According to IMF estimates, the emerging market and developing economies will grow by 4.2%. Continued strong development is forecast for the two largest Asian economies, China and India, in particular. Following a period of weakness in 2023, global trade is expected to grow again by 3.1% and thus at the same rate as the global economy (IMF World Economic Outlook, October 2024).

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

in %	2025e	2024e	2023	2022	2021
Global economic growth	3.2	3.2	3.3	3.6	6.6
Advanced economies	1.8	1.8	1.7	2.9	6.0
Emerging market and developing economies	4.2	4.2	4.4	4.0	7.0
World trade volume (goods and services)	3.4	3.1	0.8	5.7	10.8

Source: IMF World Economic Outlook, October 2024

Sector-specific outlook

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

The maritime industry consulting firm Accenture Cargo expects global container transport volumes to increase by 5.5% in 2024, compared to 0.5% in the previous year according to CTS. This means that growth is now expected to be stronger than at the beginning of the year (3.8%). According to the forecast, all submarkets will grow.

Development of container transport volume

in %	2025e	2024e	2023	2022	2021
Growth rate	3.0	5.5	0.5	-4.0	6.7

Sources: CTS (October 2024: 2021 – 2023), Accenture Cargo (August 2024: 2024 – 2025)

Nominal container ship capacity is also expected to grow significantly in 2024 due to a high number of vessel deliveries. Drewry expects a year-on-year capacity increase of 3.1 million TEU or 11.2%. In the third quarter of 2024, vessel orders increased considerably again, with the result that the tonnage of container ships on order remains at an elevated level of 6.2 million TEU according to MDS Transmodal (previous year: 7.1 million TEU). This corresponds to a ratio of order book to current global container fleet capacity of 20.7% (as at 30 September 2023: 26.4%).

Expected development of global container fleet capacity

million TEU	2025e	2024e	2023	2022	2021
Existing fleet (beginning of the year)	31.0	27.8	25.8	24.7	23.6
Planned deliveries	1.9	3.2	2.5	1.0	1.2
Expected scrappings	0.2	0.1	0.2	0.0	0.0
Postponed deliveries and other changes	0.1	–	0.3	-0.1	0.1
Net capacity growth	1.6	3.1	2.1	1.0	1.1
Net capacity growth (in %)	5.2	11.2	8.1	4.2	4.5

Source: Drewry Container Forecaster Q3 2024. Expected nominal capacity based on planned deliveries. Based on existing orders and current predictions for scrapping and postponed deliveries. Figures rounded.

Expected business development of Hapag-Lloyd

Hapag-Lloyd experienced a positive business development in the first nine months of the 2024 financial year, which exceeded the expectations set at the beginning of the year. In the third quarter, earnings also improved clearly compared to the previous quarters. Given the current course of business, characterised by stronger than expected demand and improved freight rates, and despite increased expenses related to the necessary diversion of vessels around the Cape of Good Hope, the Executive Board of Hapag-Lloyd AG again raised its earnings outlook for the 2024 financial year on 24 October 2024. Group EBITDA is now expected to be in the range of USD 4.6 to 5.0 billion (previously: USD 3.5 to 4.6 billion) and Group EBIT in the range of USD 2.4 to 2.8 billion (previously: USD 1.3 to 2.4 billion). In euros, this corresponds to an expected Group EBITDA of EUR 4.2 to 4.6 billion (previously: EUR 3.2 to 4.2 billion) and Group EBIT of EUR 2.2 to 2.6 billion (previously: EUR 1.2 to 2.2 billion).

The earnings expectation for the 2024 financial year is based in particular on the assumption that the transport volume can be increased moderately compared to the previous year, while the average freight rate is likely to remain on previous year's level (previously: decreasing slightly).

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

In the light of very volatile freight rates and major geopolitical challenges, the outlook is subject to uncertainty.

The earnings outlook does not take into account impairments on goodwill, other intangible assets and property, plant and equipment as well as for companies accounted for using the equity method in the course of the 2024 financial year, which are currently not expected but cannot be ruled out.

Key benchmark figures for the 2024 outlook

	Actual 2023	Forecast 2024 (from 14 March 2024)	Forecast 2024 (from 15 May 2024)	Forecast 2024 (from 9 July 2024)	Forecast 2024 (from 24 October 2024)
Global economic growth, IMF ¹	3.3%	3.1%	3.2%	3.2%	3.2%
Increase in global trade, IMF ¹	0.8%	3.3%	3.0%	3.1%	3.1%
Increase in global container transport volume, CTS (Act 2023)/ Accenture Cargo ¹	0.5%	3.8%	3.8%	4.0%	5.5%
Transport volume ²	11.9 million TEU	Increasing slightly	Increasing slightly	Increasing moderately	Increasing moderately
Average freight rate ²	USD 1,500/TEU	Decreasing clearly	Decreasing moderately	Decreasing slightly	At previous year's level
Average bunker consumption price ²	USD 614/t	At previous year's level	At previous year's level	Decreasing slightly	Decreasing slightly
Group EBITDA	EUR 4.5 billion	EUR 1.0 to 3.0 billion	EUR 2.0 to 3.0 billion	EUR 3.2 to 4.2 billion	EUR 4.2 to 4.6 billion
Group EBIT	EUR 2.5 billion	EUR –1.0 to 1.0 billion	EUR 0.0 to 1.0 billion	EUR 1.2 to 2.2 billion	EUR 2.2 to 2.6 billion

¹ Based on the latest publication prior to the release of the respective forecast

² Liner shipping segment

In an industry environment dominated by volatile freight rates and stiff competition, business developments at Hapag-Lloyd are subject to risks and opportunities that could cause them to differ from the forecast. These and other risks and opportunities are described in detail in the risk and opportunity report in the combined management report of the 2023 annual report. Significant changes compared to this description are presented in the risk and opportunity report of the quarterly financial report 9M 2024. 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, property, plant and equipment as well as for companies accounted for using the equity method.

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 2024 please find below the respective exchange rates:

Exchange rates

per EUR	Closing rate			Average rate		
	30.9.2024	30.6.2024	30.9.2023	9M 2024	H1 2024	9M 2023
US dollars	1.1191	1.0714	1.0592	1.0869	1.0809	1.0832

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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