

Q1 2024

Hapag-Lloyd AG

Quarterly financial report

1 January to
31 March 2024



SUMMARY OF HAPAG-LLOYD KEY FIGURES QUARTERLY FINANCIAL REPORT Q1 2024

		Q1 2024	Q1 2023	Change absolute
Liner Shipping segment				
Total vessels ¹		280	250	30
Aggregate capacity of vessels ¹	TTEU	2,066	1,818	248
Aggregate container capacity ¹	TTEU	3,065	2,892	173
Freight rate	USD/TEU	1,359	1,999	-640
Transport volume	TTEU	3,037	2,842	195
Revenue	million EUR	4,171	5,615	-1,444
EBITDA	million EUR	835	2,199	-1,364
EBIT	million EUR	348	1,729	-1,381
Terminal & Infrastructure segment				
Revenue	million EUR	98	6	93
EBITDA	million EUR	32	18	14
EBIT	million EUR	16	18	-1
Group financial figures				
Revenue	million EUR	4,260	5,619	-1,359
EBITDA	million EUR	868	2,217	-1,350
EBIT	million EUR	365	1,747	-1,382
Group profit/loss	million EUR	299	1,893	-1,594
Earnings per share	EUR	1.68	10.76	-9.08
Cash flow from operating activities	million EUR	561	2,566	-2,006
Group return figures				
EBITDA margin	%	20.4	39.5	-19.1
EBIT margin	%	8.6	31.1	-22.5
ROIC	%	8.3	45.7	-37.4
Group balance sheet figures at 31 March²				
Equity	million EUR	19,530	18,767	763
Equity ratio	%	64.4	64.7	-0.3
Financial debt and lease liabilities	million EUR	5,315	5,031	285
Cash and cash equivalents	million EUR	5,829	5,810	19
Net liquidity ³	million EUR	2,395	2,625	-230

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

² The comparison of key balance sheet figures refers to the reporting date 31 December 2023.

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

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

This quarterly financial report was published on 15 May 2024.

MAIN DEVELOPMENTS IN Q1 2024

- The first three months of the 2024 financial year were characterised by an upturn in demand and renewed disruptions in global supply chains due to the tense security situation in the Red Sea.
- Group revenue in the first three months of the 2024 financial year fell by 24% to EUR 4.3 billion (Q1 2023: EUR 5.6 billion), which is mainly due to a significantly lower average freight rate in the Liner Shipping segment.
- Against the backdrop of declining revenues and virtually unchanged operating expenses, Group EBITDA fell to EUR 867.5 million (previous year: EUR 2,217.3 million) and Group EBIT to EUR 364.6 million (previous year: EUR 1,746.8 million).
- The Liner Shipping segment recorded a 6.8% year-on-year increase in transport volumes to 3.0 million TEU (previous year: 2.8 million TEU). However, the 32% decline in the average freight rate in particular led to a decrease in EBITDA in the first three months of the 2024 financial year to EUR 835.1 million (previous year: EUR 2,199.3 million). Segment EBIT fell accordingly from EUR 1,729.1 million to EUR 348.3 million.
- The Terminal & Infrastructure segment generated EBITDA of EUR 32.4 million and EBIT of EUR 16.3 million in the first three months of the 2024 financial year.
- Due to the negative operating performance, earnings per share dropped to EUR 1.68, from EUR 10.76 in the prior year period.
- Free cash flow was once again positive at EUR 205.5 million (Q1 2023: EUR 3,227.7 million).
- As at 31 March 2024, the Group continued to have high net liquidity of EUR 2.4 billion (31 December 2023: EUR 2.6 billion).
- Due to the positive business performance, the Executive Board has specified its outlook for the current financial year published on 14 March 2024 and now expects to achieve this in the upper half. Group EBITDA is expected to be in the range of EUR 2.0 to 3.0 billion (previously: EUR 1.0 to 3.0 billion) and Group EBIT in the range of EUR 0.0 to 1.0 billion (previously: EUR -1.0 to 1.0 billion).
- Against the backdrop of very volatile freight rates and major geopolitical challenges, the outlook is subject to a high degree of uncertainty.

CONTENTS

3	INTERIM GROUP MANAGEMENT REPORT
3	Business activities
6	Important financial performance indicators
8	Important non-financial principles
11	Economic report
11	General economic conditions
11	Sector-specific conditions
12	Liner Shipping segment
13	Earnings, financial and net asset position
13	Earnings position of the Hapag-Lloyd Group
16	Earnings position in the segments
20	Group financial position
22	Group net asset position
23	Executive Board's statement on the business developments
24	Outlook, risk and opportunity report
24	Outlook
26	Risk and opportunity report
27	Note on significant transactions with related parties
28	INTERIM CONSOLIDATED FINANCIAL STATEMENTS
28	Consolidated income statement
29	Consolidated statement of comprehensive income
30	Consolidated statement of financial position
32	Consolidated statement of cash flows
34	Consolidated statement of changes in equity
36	Condensed notes to the interim consolidated financial statements
36	Fundamental accounting principles
37	Segment reporting
46	Other notes
47	Significant events after the balance sheet date
48	Financial calendar 2024
49	Imprint

INTERIM GROUP MANAGEMENT REPORT

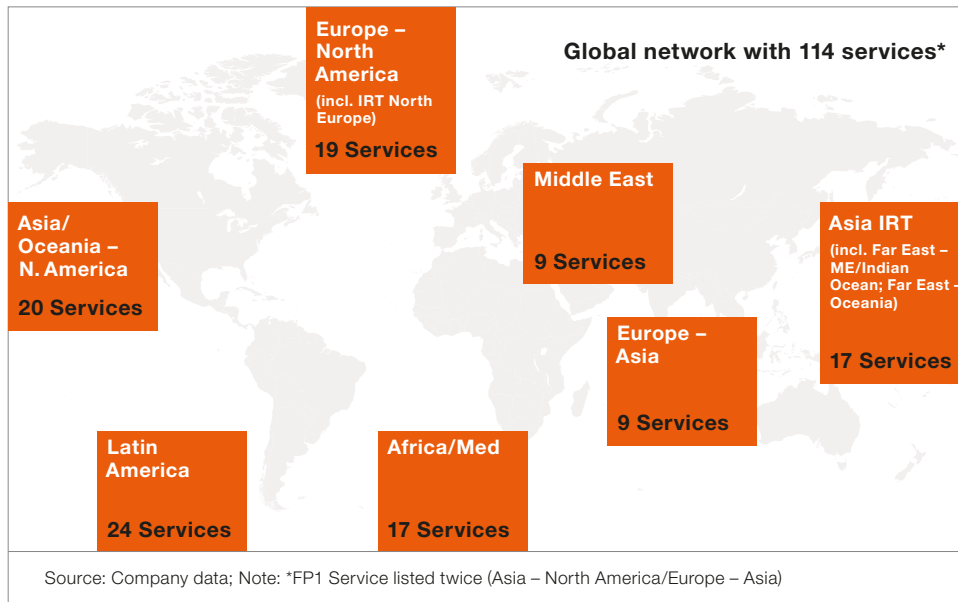
BUSINESS ACTIVITIES

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

Liner Shipping segment

As at 31 March 2024, Hapag-Lloyd’s fleet consisted of 280 container ships (31 March 2023: 250) with a transport capacity of 2.1 million TEU (31 March 2023: 1.8 million TEU). The segment is represented by 400 sales offices in 140 countries (31 March 2023: 401 sales offices in 135 countries) and offers its customers access to a network of 114 services (31 March 2023: 119 services) worldwide. In the first three months of 2024, the segment served approximately 19,200 customers around the world (prior year period: approximately 21,000).

Network of Hapag-Lloyd services



Cooperations

Vessel sharing agreements and alliances are an important part of container liner shipping, as they enable a more comprehensive range of liner services and help to reduce unit costs and greenhouse gas emissions through better capacity utilisation. Hapag-Lloyd operates “THE Alliance” together with ONE, HMM and Yang Ming. As at 31 March 2024, “THE Alliance” covered all

East-West trades with 250 container ships and 24 services (31 March 2023: 258 container ships and 30 services). There are also two other global alliances, the “2M Alliance”, consisting of the two market leaders MSC and Maersk, and the “Ocean Alliance”, consisting of CMA CGM, COSCO, including its subsidiary OOIL, and Evergreen. On 17 January 2024, Hapag-Lloyd and Maersk announced that they have reached an agreement for a new, long-term operational co-operation called “Gemini Cooperation”, which is scheduled to start in February 2025 and will be limited to the major East-West trades between the Far East, North America and Europe. As a result of the new partnership, Hapag-Lloyd will leave “THE Alliance” in January 2025. Maersk and MSC had already announced in January 2023 that the “2M Alliance” would be terminated in January 2025.

Capacity share of alliances based on selected trades

in %	Far East trade	Transpacific trade	Atlantic trade
2M	38	25	48
Ocean Alliance	33	37	16
THE ALLIANCE	24	27	28
Other	5	12	8

Source: Alphaliner March 2024

Terminal & Infrastructure segment

Hapag-Lloyd is the majority owner of five seaport terminals in the USA and Latin America. In addition, Hapag-Lloyd has holdings in terminals in Latin America, Europe, North Africa and India. Along with the terminal activities, complementary logistics services are offered at some locations.

Hapag-Lloyd terminals and terminal holdings



Functional currency of the Group

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

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

Shareholder structure of Hapag-Lloyd AG

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

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

in %	31.3.2024
Kühne Holding AG and Kühne Maritime GmbH	30.0
CSAV Germany Container Holding GmbH	30.0
HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH	13.9
Qatar Holding Germany GmbH	12.3
Public Investment Fund of the Kingdom of Saudi Arabia	10.2
Free float	3.6
Total	100.0

IMPORTANT FINANCIAL PERFORMANCE INDICATORS

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

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

In the first three months of the 2024 financial year, Hapag-Lloyd generated an annualised return on invested capital (ROIC) of 8.3% (prior year period: 45.7%). The weighted average cost of capital at the balance sheet date 31 December 2023 was 9.4%.

Calculation of the ROIC is as follows:

Return on invested capital of Hapag-Lloyd Group

	million EUR		million USD	
	Q1 2024	Q1 2023	Q1 2024	Q1 2023
Non-current assets ¹	19,503.2	16,793.0	21,043.8	18,256.2
Inventory	480.6	387.8	518.6	421.6
Accounts receivables	2,152.5	2,265.6	2,322.6	2,463.0
Other current assets ¹	474.3	543.5	511.8	590.8
Assets	22,610.6	19,989.8	24,396.7	21,731.6
Provisions	1,464.4	1,263.0	1,580.1	1,373.1
Accounts payable	2,426.5	2,770.4	2,618.2	3,011.8
Other liabilities	1,585.1	1,112.8	1,710.2	1,209.4
Liabilities	5,476.0	5,146.2	5,908.4	5,594.4
Invested Capital				
at end of period	17,134.7	14,843.6	18,488.3	16,137.2
at beginning of period	16,142.3	15,324.0	17,880.0	16,358.4
Average Invested Capital	16,638.5	15,083.8	18,184.1	16,247.8
EBIT	364.6	1,746.8	395.7	1,874.0
Income Taxes (EBIT related) ²	17.9	18.5	19.4	19.6
Net Operating Profit after Tax (NOPAT)	346.7	1,728.4	376.3	1,854.3
Return on Invested Capital (ROIC, annualised, in %)			8.3	45.7

¹ Excluding interest-bearing assets

² Excluding taxes related to income from interest-bearing assets

IMPORTANT NON-FINANCIAL PRINCIPLES

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

Sustainable and quality-conscious corporate governance and highly qualified and motivated employees are also important parameters for Hapag-Lloyd's long-term profitable growth.

The following non-financial parameters are important for understanding Hapag-Lloyd as a liner shipping company and terminal operator. However, they are not used by the company as performance indicators.

Fleet and capacity development

As at 31 March 2024, Hapag-Lloyd's fleet consisted of a total of 280 ships (31 March 2023: 250 ships). All of the vessels are certified in accordance with the ISM (International Safety Management) Code and have a valid ISSC (ISPS) certificate. The majority of the vessels are also certified as per ISO 9001 (quality management) and ISO 14001 (environmental management).

The TEU capacity of the Hapag-Lloyd fleet as at 31 March 2024 amounted to 2,066 TTEU, an increase of 13.7% compared with 31 March 2023 (1,818 TTEU). Based on TEU capacity, 60% of the fleet was owned as at 31 March 2024 (31 March 2023: 62%). In the first quarter of 2024, three newbuilds (two vessels owned and one as a long-term charter) with a total capacity of 50 TTEU were put into service.

As at 31 March 2024, Hapag-Lloyd's order book comprised eight newbuilds of 23,664 TEU and one newbuild of 13,288 TEU. The total capacity of the newbuilds is 202.6 TTEU. The delivery of the vessels is planned for the years 2024 to 2025.

The average age of Hapag-Lloyd's entire fleet as at 31 March 2024 (capacity-weighted) was 11.2 years (31 March 2023: 11.2 years) and was therefore slightly above the average level of the ten largest container liner shipping companies worldwide of 10.8 years (31 March 2023: 10.9 years). At 7.4 TTEU (31 March 2023: 7.3 TTEU), the average ship size of the Hapag-Lloyd Group's fleet was around 8% above the comparable average of 6.8 TTEU for the world's ten largest container liner shipping companies (31 March 2023: 6.5 TTEU; source: MDS Transmodal) and around 64% above the average ship size of the global fleet of 4.5 TTEU (31 March 2023: 4.4 TTEU; source: MDS Transmodal).

As at 31 March 2024, Hapag-Lloyd has 1.8 million (31 March 2023: 1.7 million) owned and leased containers at its disposal to transport cargo with a capacity of 3.1 million TEU (31 March 2023: 2.9 million TEU). The capacity-weighted share of containers owned as at 31 March 2024 was approximately 60% (31 March 2023: approximately 58%). In the first three months of 2024, new construction orders were placed for 1,600 special purpose containers with a capacity of 3,200 TEU and 53,750 general purpose containers with a capacity of 95,000 TEU.

Hapag-Lloyd's service network comprised 114 services as at 31 March 2024 (31 March 2023: 119 services).

Structure of Hapag-Lloyd's vessel and container fleets

	31.3.2024	31.12.2023	31.3.2023
Number of vessels	280	266	250
thereof			
Own vessels ¹	124	123	122
Chartered vessels	156	143	128
Aggregate capacity of vessels (TTEU)	2,066	1,972	1,818
Aggregate container capacity (TTEU)	3,065	2,975	2,892
Number of services	114	113	119

¹ Including lease agreements with purchase option/obligation at maturity

In the first three months of 2024, bunker consumption totalled 1.2 million tonnes, up 12.6% on the previous year (prior year period: 1.0 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 percentage of low-sulphur bunker (MFO low sulphur 0.1% and 0.5%, MDO) and liquefied natural gas (LNG) bunkers decreased from 83% in Q1 2023 to 76% in Q1 2024 due to the fitting of more vessels with scrubbers. Bunker consumption per slot (measured in terms of average container storage capacity, annualized) in the first three months of 2024 was at the same level as in the same period of the previous year (Q1 2023: 2.29 tonnes), but significantly higher than the Q4 2023 figure of 2.01 tonnes. After consumption per slot was significantly reduced in the course of 2023, there was an increase again in Q1 2024 due to the longer routes around the Cape of Good Hope. Bunker consumption per transported TEU increased accordingly by 5.6% from 0.36 tonnes per TEU in Q1 2023 to 0.38 tonnes in Q1 2024.

Customers

Hapag-Lloyd's aim in its liner shipping activities is to maintain a diversified customer portfolio consisting of direct customers and freight forwarders, with the latter ensuring a permanent regular supply of cargo volumes. Contractual relationships of up to 36 months generally exist with direct customers. Direct customers allow Hapag-Lloyd to plan the required transport capacity better because of the framework agreements concluded with them. Hapag-Lloyd has a balanced customer base, as demonstrated by the fact that its 50 largest customers represent considerably less than 50% of its cargo volume. In the first three months of the 2024 financial year, Hapag-Lloyd completed transport contracts for approximately 19,200 customers (Q1 2023: approximately 21,000).

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

Employees

As at 31 March 2024, the Hapag-Lloyd Group employed a total of 16,576 people (31 March 2023: 14,108). The increase in the number of employees is due to the set-up of the Terminal & Infrastructure segment. The Liner Shipping segment accounted for 13,721 employees (31 March 2023: 13,840), while the Terminal and Infrastructure segment accounted for 2,855 employees (31 March 2023: 268). The increase in the number of employees in the liner shipping segment is due to the expansion of hinterland transport and investments in customer service as part of Strategy 2030.

Number of employees

	31.3.2024	31.12.2023	31.3.2023
Liner Shipping	13,721	13,426	13,840
thereof marine personnel	1,319	1,305	1,609
Terminal & Infrastructure	2,855	2,869	268
Total	16,576	16,295	14,108

ECONOMIC REPORT

General economic conditions

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

According to the International Monetary Fund (IMF), the global economy recorded robust growth and a further decline in inflation at the start of the year despite the numerous geopolitical crises (IMF World Economic Outlook, April 2024).

The economy of the People's Republic of China grew by 5.3% year-on-year in the first three months of 2024, despite the negative impact of the real estate crisis. Exports of goods rose by 4.9%, while imports increased by 5% compared to the first quarter of 2023 (National Bureau of Statistics of China, April 2024). The main recipients of Chinese goods are the USA and Europe. The US economy grew by 3.0% in the first quarter of 2024 compared to the first quarter of 2023. Growth was driven by investments and rising government spending. In the first quarter of 2024, imports of goods rose by 1.0% compared to the same period of the previous year, while exports fell by 1.2% (U.S. Department of Commerce, May 2024). The EU economy grew by 0.5% in the first quarter of 2024 compared to Q1 2023. Exports of goods from the EU increased slightly by 0.5% in the first two months of 2024 compared to the prior year period. In contrast, imports of goods fell significantly by 14.2% (Eurostat, April 2024).

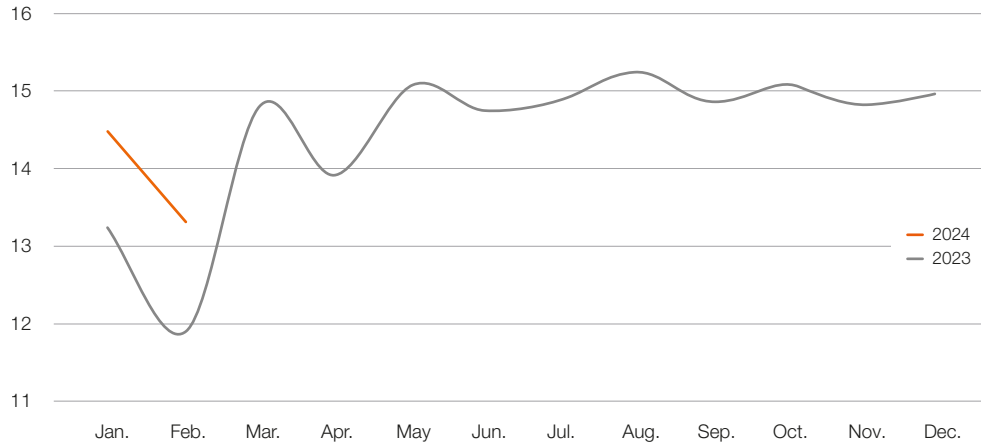
Due to the tensions in the Middle East, crude oil prices rose by 13.6% in the first quarter of 2024 to USD 87.48 per barrel of Brent crude oil as at 31 March 2024 compared to USD 77.04 per barrel at the end of December 2023 (S&P Global Commodity Insights, Bloomberg).

Sector-specific conditions

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

Global container transport volumes recovered significantly by 12.0% year-on-year in the period from January to February 2024 (CTS, April 2024). This development is due in particular to a weak prior year basis, which was due to the reduction of excessively high inventories world-wide. Almost all major trades recorded significant growth. The transport volume in the Far East to North America trade rose by 25.4% and from the Far East to Europe by 11.5%.

Monthly global container transport volumes (in million TEU)

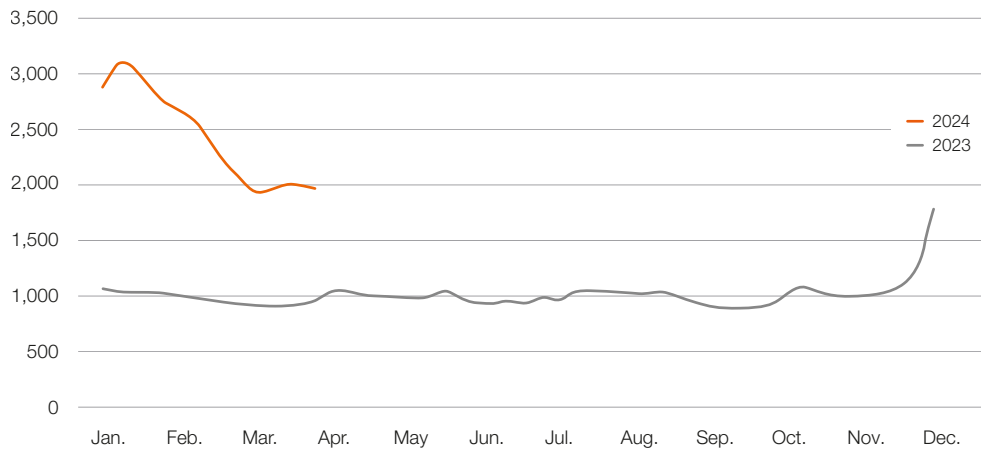


Source: CTS, April 2024

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 quarter of 2024 than in the same quarter of the previous year. Against the backdrop of a growing number of attacks on ships in the Red Sea by the Houthi rebels, many container shipping companies began re-routing their ships around the Cape of Good Hope from mid-December 2023. The longer journey times lead to a shortage of shipping capacity and rising transportation costs. As a result, there has been a sharp rise in spot freight rates since the end of 2023. The SCFI was quoted at USD 1.994/TEU at the end of March 2024 (previous year: USD 863/TEU).

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



Source: Shanghai Shipping Exchange, April 2024

At the end of March 2024, the proportion of laid-up, i.e. idle, ships was 0.25 million TEU or 0.9% of the global fleet, down on the previous year's level (31 March 2023: 0.60 million TEU; 2.3%, Alphaliner Weekly, March 2023). 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 108 container ships with a transport capacity of around 0.8 million TEU were put into service in the first three months of 2024 (prior year period: 60 ships, transport capacity: around 0.4 million TEU). According to Clarksons, only 14 small container ships with a total of 23 TTEU were scrapped in the same period (previous year: 19 ships, 31 TTEU).

In the first three months of 2024, orders were placed for the construction of 26 container ships with a total transport capacity of 0.2 million TEU, less than the 0.4 million TEU in the prior year period (Clarksons Research, April 2024).

According to MDS Transmodal, the tonnage of container ships on order fell to around 6.1 million TEU at the end of March 2024, compared to around 7.1 million TEU at the end of March 2023. Accordingly, the ratio of order backlog to current global container fleet capacity remained at a high level of 21.4% (as at 31 March 2023: 27.6%), albeit well below the peak of around 61% reached in 2007.

Low sulphur bunker was quoted at USD 588/t on 31 March 2024, 12.4% higher than the 2023 year-end price of USD 523/t (MFO 0.5%, FOB Rotterdam).

EARNINGS, FINANCIAL AND NET ASSET POSITION

Earnings position of the Hapag-Lloyd Group

Business developments of the Hapag-Lloyd Group

The first quarter 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, which results in particular from the normalisation of supply chains. 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 result in the first quarter of 2024 compared to the same period of the previous year.

With an amount of EUR 867.5 million, consolidated earnings before interest, taxes, depreciation, and amortisation (EBITDA) were significantly lower in the first quarter of the 2024 financial year than the previous year's figure of EUR 2,217.3 million. The Hapag-Lloyd Group's earnings before interest and taxes (EBIT) also fell significantly to EUR 364.6 million (prior year period: EUR 1,746.8 million). The Group result totalled EUR 299.1 million (prior year period: EUR 1,893.2 million).

Consolidated income statement

million EUR	Q1 2024	Q1 2023
Revenue	4,260.0	5,619.0
Transport and terminal expenses	3,040.3	3,038.2
Personnel expenses	239.8	241.4
Depreciation, amortisation and impairment	502.9	470.5
Other operating result	-106.6	-137.6
Operating result	370.4	1,731.3
Share of profit of equity-accounted investees	-5.8	15.5
Earnings before interest and tax (EBIT)	364.6	1,746.8
Interest result and other financial result	37.2	151.7
Other financial items	-10.6	58.3
Income taxes	92.2	63.6
Group profit/loss	299.1	1,893.2
thereof profit/loss attributable to shareholders of Hapag-Lloyd AG	294.7	1,890.4
thereof profit/loss attributable to non-controlling interests	4.3	2.7
Basic/diluted earnings per share (in EUR)	1.68	10.76
EBITDA	867.5	2,217.3
EBITDA margin (%)	20.4	39.5
EBIT	364.6	1,746.8
EBIT margin (%)	8.6	31.1

Revenue in the Group

In the first quarter of the 2024 financial year, the Hapag-Lloyd Group's revenue fell by EUR 1,359.1 million to EUR 4,260.0 million (prior year period: EUR 5,619.0 million), which corresponds to a decrease of 24.2%. This development was mainly due to the lower average freight rates. The weaker US dollar against the euro also contributed to the decline in revenue for the Hapag-Lloyd Group. Adjusted for exchange rate movements, revenue would have fallen by EUR 1,297.3 million or 23.3%. This was offset by a 6.8% increase in transport volume compared with the prior year period. Further details on sales revenue can be found in the section "Earnings position in the segments".

Operating expenses in the Group

Transport and terminal expenses increased by EUR 2.0 million to EUR 3,040.3 million in the first quarter of the 2024 financial year (prior year period: EUR 3,038.2 million). This corresponds to an increase of 0.1%. By contrast, the weaker US dollar against the euro had a positive impact on the Hapag-Lloyd Group's expenses. Adjusted for exchange rate fluctuations, transport expenses would have risen by EUR 37.0 million or 1.2%.

Personnel expenses decreased by EUR 1.6 million to EUR 239.8 million in the first quarter of the 2024 financial year (prior year period: EUR 241.4 million). The decrease is mainly due to a lower provision for bonus payments. In particular, the increased costs for the employees taken over due to the acquisition of the SAAM Terminals companies in the third quarter of the previous year had the opposite effect.

In the first quarter of the 2024 financial year, depreciation and amortisation increased by EUR 32.4 million to EUR 502.9 million (prior year period: EUR 470.5 million). The increase was mainly due to higher depreciation and amortisation for new ships and containers as well as the addition of depreciation and amortisation from the acquisition of SAAM Terminals. The scheduled amortisation of right-of-use assets (primarily ships and containers) led to depreciation and amortisation of EUR 258.1 million (prior year period: EUR 265.9 million).

Other operating result

The other operating result of EUR –106.6 million (prior year period: EUR –137.6 million) comprised the net balance of other operating income and expenses. Other operating expenses totalled EUR 135.2 million for the first quarter of the 2024 financial year (prior year period: expenses of EUR 158.7 million). This mainly included IT and communication expenses (EUR 63.6 million; prior year period: EUR 66.4 million), office and administrative expenses (EUR 15.3 million; prior year period: EUR 10.7 million), expenses for training and other personnel expenses (EUR 12.8 million; prior year period: EUR 8.8 million) and fees for consultancy and other professional services (EUR 12.5 million; prior year period: EUR 23.0 million).

Interest result and other financial result

In the first quarter of the 2024 financial year, the interest result and other financial result amounted to EUR 37.2 million (prior year period: EUR 151.7 million). The decrease in interest income and other financial income to EUR 104.6 million (prior year period: EUR 211.1 million) was mainly due to the lower volume of money market transactions. Money market transactions yielded income totalling EUR 78.0 million (prior year period: EUR 210.2 million). Interest income from the securities of the special fund “HLAG Performance Express” totalled EUR 16.3 million (prior year period: EUR 0.0 million).

Other financial items

In the first quarter of the 2024 financial year, the result for other financial items amounted to EUR –10.6 million (prior year period: EUR 58.3 million). The main reason for this development was the valuation effect from the derivatives in connection with the dividend distributions in euros for the financial years 2022 and 2023.

Income taxes

The increase in income taxes in the first quarter of the 2024 financial year by EUR 28.5 million to EUR 92.2 million (prior year period: EUR 63.6 million) is mainly due to the development of deferred taxes in the Hapag-Lloyd Group. While current income taxes fell by EUR 50.3 million to EUR 12.9 million (prior year period: EUR 63.2 million), there was a significant increase in expenses for deferred taxes to EUR 79.5 million (prior year period: EUR 0.4 million). The increase is mainly the result of the decrease in deferred tax assets due to the reduction in temporary prior-year differences in the area of exchange rate effects on investments totalling EUR 31.8 million (prior year period: EUR 0.0 million) and from the recognition of deferred tax liabilities on unrealised exchange rate effects of the first quarter of 2024 on investments in the amount of EUR 30.0 million (prior year period: EUR 0.0 million) as well as on valuation differences of the special fund in the amount of EUR 23.3 million (prior year period: EUR 0.0 million).

Group profit

In the first quarter of the 2024 financial year a consolidated profit of EUR 299.1 million was achieved (prior year period: EUR 1,893.2 million).

Earnings position in the segments

Liner Shipping segment

In the first quarter of the 2024 financial year, the Liner Shipping segment recorded a sharp decline in earnings due to a significant fall in the average freight rate. Revenue fell by 25.7% to EUR 4,170.8 million (prior year period: EUR 5,614.5 million). Operating earnings before interest, taxes, depreciation, and amortisation (EBITDA) in Liner Shipping amounted to EUR 835.1 million, compared to EUR 2,199.3 million in the prior year period, while operating earnings before interest and taxes (EBIT) stood at EUR 348.3 million (prior year period: EUR 1,729.1 million).

Income statement for Liner Shipping

million EUR	Q1 2024	Q1 2023
Revenue	4,170.8	5,614.5
Transport expenses	3,027.9	3,039.3
thereof		
Transport expenses for completed voyages	3,094.2	3,075.1
Bunker and emissions	653.2	622.5
Handling and haulage	1,479.9	1,498.2
Equipment and repositioning ¹	400.3	391.8
Vessels and voyages (excluding bunker) ¹	560.7	562.6
Transport expenses for pending voyages ²	-66.3	-35.8
Armortization and depreciation	486.8	470.2
Other income and expenses	-307.8	-375.9
EBITDA	835.1	2,199.3
EBITDA margin (%)	20.0	39.2
EBIT	348.3	1,729.1
EBIT margin (%)	8.4	30.8

¹ Including lease expenses for short-term leases

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

Operating performance of Liner Shipping

Transport volume per trade

TTEU	Q1 2024	Q1 2023
Atlantic	531	527
Transpacific	539	420
Far East	559	482
Middle East	276	369
Intra-Asia	185	163
Latin America	763	711
Africa	184	170
Total	3,037	2,842

At 3,037 TTEU (prior year period: 2,842 TTEU), the transport volume in the first quarter of the 2024 financial year was up on the previous year (+6.8%).

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

Freight rates per trade

USD/TEU	Q1 2024	Q1 2023
Atlantic	1,390	2,649
Transpacific	1,600	2,176
Far East	1,343	1,861
Middle East	1,127	1,260
Intra-Asia	790	995
Latin America	1,356	2,130
Africa	1,550	1,955
Total (weighted average)	1,359	1,999

In the first quarter of 2024, the average freight rate was USD 1,359/TEU and was therefore USD 640/TEU or 32.0% lower than in the same period of the previous year (USD 1,999/TEU).

The lower average freight rates are mainly due to the normalisation of global supply chains and the associated release of transport capacity.

Result performance of Liner Shipping

Revenue

In the first quarter of the 2024 financial year, revenue in the Liner Shipping segment fell by EUR 1,443.7 million to EUR 4,170.8 million (prior year period: EUR 5,614.5 million), which corresponds to a decrease of 25.7%. This was mainly due to a 32.0% decline in the average freight rate compared to the same period in the previous year. The weakening of the US dollar against the euro also had a negative impact on sales. Adjusted for the exchange rate changes, sales revenue would have fallen by EUR 1,379.0 million or 24.8%. The 6.8% increase in transport volumes compared to the same period in the previous year had a slightly offsetting effect.

Revenue per trade

million EUR	Q1 2024	Q1 2023
Atlantic	679.6	1,300.3
Transpacific	795.0	852.0
Far East	691.3	836.7
Middle East	286.3	434.0
Intra-Asia	134.8	150.9
Latin America	953.3	1,410.4
Africa	262.8	310.6
Revenue not assigned to trades	367.7	319.6
Total	4,170.8	5,614.5

The item for revenue not assigned to trades mainly comprises income from demurrage and detention for containers and compensation payments for shipping space. At the same time, revenue for pending voyages already generated is recognised under revenue not assigned to trades.

Transport expenses

Transport expenses fell by EUR 11.4 million to EUR 3,027.9 million in the first quarter of the 2024 financial year (prior year period: EUR 3,039.3 million). This corresponds to a decrease of 0.4%.

The increase in expenses for bunker and emissions is mainly due to the first-time recognition of expenses for CO₂ emission certificates totalling EUR 22.3 million (prior year period: EUR 0.0 million). 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. At USD 597/t, the average bunker consumption price for Hapag-Lloyd in the first quarter of the 2024 financial year was USD 48/t lower than the figure of USD 645/t in the same period of the previous year. However, driven by higher bunker consumption compared to the prior year period, expenses for bunker increased by EUR 8.4 million to EUR 630.2 million (prior year period: EUR 622.5 million).

Expenses for container handling fell by EUR 18.2 million to EUR 1,479.9 million in the first quarter of the reporting year (prior year period: EUR 1,498.2 million). This decline is due in particular to lower demurrage and storage fees for containers.

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

The decrease in expenses for vessels and voyages (excluding bunker) is mainly due to lower canal costs in connection with the transshipment 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 quarter of the 2024 financial year, depreciation and amortisation fell by EUR 16.7 million year-on-year to EUR 486.8 million (prior year period: EUR 470.2 million). This was mainly due to the scheduled depreciation of ships and containers totalling EUR 460.7 million (prior year period: EUR 445.7 million).

Operating result

In the first quarter of the 2024 financial year, the Liner Shipping segment generated earnings before interest and taxes (EBIT) of EUR 348.3 million (prior year period: EUR 1,729.1 million).

Terminal & Infrastructure segment

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

At EUR 32.4 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) in the Terminal & Infrastructure segment in the first quarter of the reporting year were higher than the figure of EUR 18.0 million in the same period of the previous year. At EUR 16.3 million, earnings before interest and taxes (EBIT) remained at the previous year's level (prior year period: EUR 17.7 million).

Income statement Terminal & Infrastructure

million EUR	Q1 2024	Q1 2023
Revenue	98.2	5.6
Terminal expenses	22.7	–
thereof		
Cost of material	5.1	–
Container terminal expenses	10.8	–
Terminal equipment expenses	6.7	–
Non-core operational terminal expenses	0.1	–
Personnel expenses	28.6	1.8
Share of profit of equity-accounted investees	3.9	15.7
Other income and expenses	–34.6	–1.8
EBITDA	32.4	18.0
EBITDA margin (%)	33.0	322.6
Depreciation, amortisation and impairment	16.1	0.3
EBIT	16.3	17.7
EBIT margin (%)	16.6	317.2

Result performance of Terminal & Infrastructure

Revenue

In the first quarter of the 2024 financial year, revenue of EUR 98.2 million (prior year period: EUR 5.6 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 scope of consolidation since August 2023.

Operating expenses

Operating expenses in the Terminal & Infrastructure segment in the first quarter of the reporting year were mainly due to expenses for the operation of terminals and container handling totalling EUR 22.7 million (prior year period: EUR 0.0 million), as well as personnel expenses of EUR 28.6 million (prior year period: EUR 1.8 million).

Other income and expenses

Other income and expenses in the first quarter of the 2024 financial year mainly resulted from the other operating result of EUR –18.5 million (prior year period: EUR –1.5 million) and related in particular to administrative expenses. There was also depreciation and amortisation of property, plant and equipment and intangible assets in the amount of EUR 16.1 million (prior year period: EUR 0.3 million).

Operating result

In the first quarter of the 2024 financial year, the Terminal & Infrastructure segment generated earnings before interest and taxes (EBIT) of EUR 16.3 million (prior year period: EUR 17.7 million).

Group financial position

Condensed statement of cash flows

million EUR	Q1 2024	Q1 2023
Cash flow from operating activities	560.7	2,566.4
Cash flow from investing activities	–355.2	661.3
Free cash flow	205.5	3,227.7
Cash flow from financing activities	–340.5	–460.8
Cash-effective changes in cash and cash equivalents	–134.9	2,766.9

Cash flow from operating activities

In the first quarter of the 2024 financial year, Hapag-Lloyd generated an operating cash flow of EUR 560.7 million (prior year period: EUR 2,566.4 million). The lower cash flow from operating activities compared to the prior year period is due to the lower result in the current financial year.

Cash flow from investing activities

Cash outflows from investing activities totalled EUR 355.2 million in the first quarter of the 2024 financial year (prior year period cash inflow: EUR 661.3 million). This includes cash outflow payments for investments, mainly for vessels, vessel equipment and for new container constructions of EUR 449.6 million (prior year period: EUR 218.7 million) and cash outflows for share acquisitions of EUR 42.3 million (prior year period: EUR 260.3 million). This was mainly offset by cash inflows from interest received of EUR 100.8 million (prior year period: EUR 205.0 million). The cash inflows in the prior year period mainly resulted from the change in cash and cash equivalents for money market transactions and money market funds with a term of more than three months.

Cash flow from financing activities

Financing activities resulted in a net cash outflow of EUR 340.5 million in the first quarter of the financial year (prior year period: EUR 460.8 million). The cash outflow essentially resulted from the interest and redemption payments from lease liabilities in accordance with IFRS 16 totalling EUR 278.3 million (prior year period: EUR 270.0 million). In the first quarter of the financial year, EUR 122.0 million was paid for interest and redemption payments for vessel and container financing (prior year period: EUR 141.1 million). This was offset by cash inflows from loans taken out to finance vessels amounting to EUR 90.7 million (prior year period: EUR 0.0 million).

Developments in cash and cash equivalents

million EUR	Q1 2024	Q1 2023
Cash and cash equivalents at beginning of period	5,809.8	15,236.1
Changes due to exchange rate fluctuations	153.7	-313.6
Net changes	-134.9	2,766.9
Cash and cash equivalents at end of period	5,828.6	17,689.4

In total, there was a cash outflow of EUR 134.9 million in the first quarter of the 2024 financial year, so that, taking into account exchange rate related effects of EUR 153.7 million, cash and cash equivalents of EUR 5,828.6 million were reported at the end of the reporting period on 31 March 2024 (31 March 2023: EUR 17,689.4 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 facilities of EUR 671.9 million (31 March 2023: EUR 666.9 million) as well as special fund securities as other financial assets of EUR 1,881.6 million (31 March 2023: money market transactions/money market funds as other financial assets: EUR 1,861.8 million), resulting in a total liquidity reserve of EUR 8,382.1 million (31 March 2023: EUR 20,218.1 million).

Financial solidity

million EUR	31.3.2024	31.12.2023
Financial debt and lease liabilities	5,315.2	5,030.6
Cash and cash equivalents	5,828.6	5,809.8
Special fund securities (other financial assets)	1,881.6	1,845.5
Net liquidity¹	2,395.0	2,624.7
Unused credit lines	671.9	654.5
Equity ratio (%)	64.4	64.7

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

As at 31 March 2024, the Group's net liquidity amounted to EUR 2,395.0 million. This represents a fall of EUR 229.7 million compared to net liquidity as at 31 December 2023. The decrease was mainly due to the increase of financial debt and lease liabilities.

Equity increased by EUR 762.7 million compared to 31 December 2023 and amounted to EUR 19,529.7 million as at 31 March 2024. The equity ratio was 64.4% (31 December 2023: 64.7%). A detailed overview of the change in equity is provided in the consolidated statement of changes in equity in the interim consolidated financial statements.

Group net asset position**Changes in the asset structure**

million EUR	31.3.2024	31.12.2023
Assets		
Non-current assets	19,506.1	18,779.9
of which fixed assets	19,277.4	18,511.0
Current assets	10,814.7	10,232.5
of which cash and cash equivalents	5,828.6	5,809.8
Total assets	30,320.8	29,012.4
Equity and liabilities		
Equity	19,529.7	18,766.9
Borrowed capital	10,791.1	10,245.5
of which non-current liabilities	4,670.4	4,342.9
of which current liabilities	6,120.8	5,902.6
of which financial debt and lease liabilities	5,315.2	5,030.6
of which non-current financial debt and lease liabilities	4,053.2	3,772.8
of which current financial debt and lease liabilities	1,261.9	1,257.8
Total equity and liabilities	30,320.8	29,012.4
Net liquidity	2,395.0	2,624.7
Equity ratio (%)	64.4	64.7

As at 31 March 2024, the Group's total assets amounted to EUR 30,320.8 million and were only slightly higher than at year-end 2023. 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 higher equity resulting from the positive Group result for the first quarter of 2024. The USD/EUR exchange rate was quoted at 1.08 on 31 March 2024 (31 December 2023: 1.11).

Within non-current assets, the carrying amounts of fixed assets increased by a total of EUR 766.4 million to EUR 19,277.4 million (31 December 2023: EUR 18,511.0 million), in particular due to the investments in vessels, vessel equipment and containers including payments on accounts and assets under construction in the amount of EUR 341.3 million as well as newly received and extended rights of use for lease assets of EUR 421.2 million. Exchange rate effects as at the reporting date totalling EUR 473.1 million contributed to the increase. Scheduled depreciation and amortisation amounting to EUR 502.9 million had an offsetting effect. These include an amount of EUR 258.1 million for the amortisation of capitalised rights of use relating to lease assets.

The decrease in deferred tax assets to EUR 153.5 million compared to the prior year (31 December 2023: EUR 186.5 million) resulted from the reduction in temporary differences relating to exchange rate effects on investments from the prior year in the amount of EUR 31.8 million.

Cash and cash equivalents remained nearly unchanged at EUR 5,828.6 million compared to year-end 2023 (EUR 5,809.8 million).

On the liabilities side, equity (including non-controlling interests) increased by EUR 762.7 million to EUR 19,529.7 million. This increase is mainly due to unrealised gains from currency translation of EUR 481.1 million and the Group profit of EUR 299.1 million recognised in the retained earnings.

The Group's borrowed capital rose slightly by EUR 545.7 million in comparison to the 2023 consolidated financial statements. This results from the increase in contract liabilities by EUR 231.2 million, particularly because of higher freight rates for transport orders on pending voyages as at the reporting date, and the increase in financial liabilities and lease liabilities primarily due to newly acquired or extended charter and leasing contracts of EUR 404.7 million. This was offset by redemption payments totalling EUR 354.4 million.

The increase in deferred tax liabilities to EUR 246.9 million compared to the prior year (31 December 2023: EUR 200.8 million) is mostly an effect of the recognition of deferred tax liabilities on unrealised exchange rate effects on investments of the first quarter of the financial year 2024 in the amount of EUR 30.0 million and on the valuation difference of the special fund in the amount of EUR 21.1 million.

As at 31 March 2024, net liquidity, including cash and cash equivalents and assets of the special funds included in the items of other financial assets, as well as financial liabilities and lease liabilities, amounted to EUR 2,395.0 million (31 December 2023: EUR 2,624.7 million).

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

Executive Board's statement on the business developments

In the first quarter of the 2024 financial year, the average freight rate was significantly lower than in the same period of the previous year, mainly due to the normalization of supply chains. However, the transport volume increased compared to the same period of the previous year. This increase is mainly due to a revival in demand. Hapag-Lloyd's Group result fell in the first quarter of 2024 compared to the prior year period.

The existing geopolitical tensions in the Middle East have a direct impact on the development of the industry environment. Due to the conflict in the Red Sea, vessels are being rerouted around the Cape of Good Hope, leading to a shortage of vessel capacity on some routes, higher spot freight rates and rising transport costs. The number of planned vessel deliveries in the reporting year counteracts this development and should avoid lasting disruptions to the supply chain. The commissioning of new tonnage could lead to an imbalance between surplus and demand for the available transport capacity in the second half of the financial year. For these reasons in particular, the Executive Board considers the remainder of the 2024 financial year to be challenging and subject to a high degree of uncertainty.

OUTLOOK, RISK AND OPPORTUNITY REPORT

Outlook

General economic outlook

For 2024, the International Monetary Fund expects global economic growth of 3.2%, similar to the previous year's figure. The forecast 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.

Global trade is expected to grow by 3.0% in 2024, which is below the historical average of 4.9%. Increasing trade distortions and geo-economic fragmentation are likely to continue to weigh on the level of global trade (IMF World Economic Outlook, April 2024).

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

in %	2025e	2024e	2023	2022	2021
Global economic growth	3.2	3.2	3.2	3.5	6.5
Industrialised countries	1.8	1.7	1.6	2.6	5.7
Developing and newly industrialised countries	4.2	4.2	4.3	4.1	7.0
World trade volume (goods and services)	3.3	3.0	0.3	5.6	11.0

Source: IMF World Economic Outlook, April 2024

Sector-specific outlook

The two segments of Liner Shipping and Terminal & Infrastructure are essentially determined by the same economic developments, in particular international trade.

The maritime industry consulting firm Accenture Cargo expects global container transport volumes to increase by 3.8% in 2024, compared to 0.5% in the previous year. According to the forecast, all submarkets will grow.

Development of container transport volume

in %	2025e	2024e	2023	2022	2021
Growth rate	3.0	3.8	0.5	-4.1	6.8

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

According to MDS Transmodal, the tonnage of container ships on order fell to around 6.1 million TEU at the end of March 2024, compared to around 7.1 million TEU at the end of March 2023. Accordingly, the ratio of order book to current global container fleet capacity remained at a high level of 21.4% (as at 31 March 2023: 27.6%), albeit well below the peak of around 61% reached in 2007. As in 2023, a very high number of deliveries of vessels is anticipated again in 2024. Drewry assumes that the globally available container ship fleet will grow by 2.2 million TEU or 8.0% compared to the previous year after postponed deliveries and scrapping.

Expected development of global container fleet capacity

million TEU	2025e	2024e	2023	2022	2021
Existing fleet (beginning of the year)	30.1	27.8	25.8	24.7	23.6
Planned deliveries	2.8	3.2	2.5	1.0	1.2
Expected scrappings	0.5	0.2	0.2	0.0	0.0
Postponed deliveries and other changes	0.7	0.8	0.3	-0.1	0.1
Net capacity growth	1.6	2.2	2.1	1.0	1.1
Net capacity growth (in %)	5.2	8.0	8.1	4.2	4.5

Source: Drewry Container Forecaster Q1 2024. Expected nominal capacity based on planned deliveries. Based on existing orders and current predictions for scrapping and postponed deliveries. Figures rounded.

Expected business development of Hapag-Lloyd

Hapag-Lloyd recorded a positive business performance in the first quarter of 2024 due to a good demand situation and the increase in freight rates compared to the previous quarter. Against this backdrop, the Executive Board is specifying its outlook for the current financial year published on 14 March 2024 and expects to achieve it in the upper half. Accordingly, Group EBITDA is now expected to be in the range of EUR 2.0 to 3.0 billion (previously: EUR 1.0 to 3.0 billion) and Group EBIT in the range of EUR 0.0 to 1.0 billion (previously: EUR -1.0 to 1.0 billion). In US dollars, this corresponds to an expected Group EBITDA in the range of USD 2.2 to USD 3.3 billion (previously: USD 1.1 to USD 3.3 billion) and a Group EBIT in the range of USD 0.0 to USD 1.1 billion (previously: USD -1.1 to USD 1.1 billion). It is still 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 assumption that the transport volume can be increased slightly, while the average freight rate is likely to decrease moderately (previously: clearly) compared to the previous year. Continuous active cost management in areas such as procurement and the service network is expected to reduce transport costs sustainably. However, it is expected that increased transport expenses in connection with longer voyages around the Cape of Good Hope and the first-time inclusion of shipping in the European Emissions Trading System (ETS) will more than offset these measures in the current financial year. The 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 1.10 USD/EUR (financial year 2023: 1.08 USD/EUR).

Against the backdrop of very volatile freight rates and major geopolitical challenges, the forecast is subject to a high degree of uncertainty. The difficult security situation in the Red Sea is likely to continue to lead to additional capacity demand and might affect global supply chains. However, the planned commissioning of new tonnage over the course of the year should help to sustain supply chains and avoid substantial disruption.

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

Key benchmark figures for the 2024 outlook

	Actual 2023	Forecast 2024 (from 14 March 2024)	Forecast 2024 (updated)
Global economic growth (IWF, January/April 2024)	3.2%	3.1%	3.2%
Increase in global trade (IWF, January/April 2024)	0.3%	3.3%	3.0%
Increase in global container transport volume (CTS, April 2024; Accenture Cargo, December 2023/April 2024)	0.5%	3.8%	3.8%
Transport volume ¹	11.9 million TEU	Increasing slightly	Increasing slightly
Average freight rate ¹	USD 1,500/TEU	Decreasing clearly	Decreasing moderately
Average bunker consumption price ¹	USD 614/t	At previous year's level	At previous year's level
Group EBITDA	EUR 4.5 billion	EUR 1.0 to 3.0 billion	EUR 2.0 to 3.0 billion
Group EBIT	EUR 2.5 billion	EUR –1.0 to 1.0 billion	EUR 0.0 to 1.0 billion

¹ Liner shipping segment

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

Risk and opportunity report

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

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

Due to the commodity price level factored into the forecast and the expected procurement volume in the remainder of the financial year, the negative effects of an increase in the bunker consumption price on the financial and earnings situation for this risk are now lower, based on the forecast assumptions, and therefore classified as bearable.

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

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

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

NOTE ON SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

of Hapag-Lloyd AG for the period 1 January to 31 March 2024

million EUR	Q1 2024	Q1 2023
Revenue	4,260.0	5,619.0
Transport and terminal expenses	3,040.3	3,038.2
Personnel expenses	239.8	241.4
Depreciation, amortisation and impairment	502.9	470.5
Other operating result	-106.6	-137.6
Operating result	370.4	1,731.3
Share of profit of equity-accounted investees	-5.8	15.5
Earnings before interest and taxes (EBIT)	364.6	1,746.8
Interest income and other finance income	104.6	211.1
Interest expenses and other finance expenses	67.4	59.4
Other financial items	-10.6	58.3
Earnings before taxes	391.2	1,956.8
Income taxes	92.2	63.6
Group profit/loss	299.1	1,893.2
thereof attributable to shareholders of Hapag-Lloyd AG	294.7	1,890.4
thereof attributable to non-controlling interests	4.3	2.7
Basic/diluted earnings per share (in EUR)	1.68	10.76

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
of Hapag-Lloyd AG for the period 1 January to 31 March 2024

million EUR	Q1 2024	Q1 2023
Group profit/loss	299.1	1,893.2
Items that will not be reclassified to profit and loss:		
Remeasurements from defined benefit plans after tax	3.6	-4.7
Remeasurements from defined benefit plans before tax	3.5	-4.7
Tax effect	0.2	-
Currency translation differences (no tax effect)	481.1	-519.9
Items that may be reclassified to profit and loss:		
Cash flow hedges (no tax effect)	-3.6	-8.5
Effective share of the changes in fair value	-9.7	3.5
Reclassification to profit or loss	5.5	-11.4
Currency translation differences	0.6	-0.6
Cost of hedging (no tax effect)	0.9	-1.5
Changes in fair value	-0.5	-2.5
Reclassification to profit or loss	1.3	1.0
Currency translation differences	0.1	-
Financial assets at fair value through other comprehensive income, after tax	-5.1	
Financial assets at fair value through other comprehensive income, before tax	-7.5	-
Tax effect	2.4	-
Other comprehensive income after tax	477.0	-534.6
Total comprehensive income	776.1	1,358.6
thereof attributable to shareholders of Hapag-Lloyd AG	769.8	1,356.2
thereof attributable to non-controlling interests	6.2	2.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
of Hapag-Lloyd AG as at 31 March 2024

Assets

million EUR	31.3.2024	31.12.2023
Goodwill	1,912.0	1,841.1
Other intangible assets	1,869.7	1,840.7
Property, plant and equipment	14,184.8	13,547.5
Investments in equity-accounted investees	1,310.8	1,281.7
Other financial assets	54.0	56.0
Other non-financial assets	14.7	18.7
Derivative financial instruments	0.9	1.4
Income tax receivables	5.6	6.1
Deferred tax assets	153.5	186.5
Non-current assets	19,506.1	18,779.9
Inventories	480.6	454.3
Trade accounts receivable	2,152.5	1,657.0
Other financial assets	2,134.1	2,083.1
Other non-financial assets	199.7	202.6
Derivative financial instruments	8.9	11.8
Income tax receivables	10.2	13.8
Cash and cash equivalents	5,828.6	5,809.8
Current assets	10,814.7	10,232.5
Total assets	30,320.8	29,012.4

Equity and liabilities

million EUR	31.3.2024	31.12.2023
Subscribed capital	175.8	175.8
Capital reserves	2,637.4	2,637.4
Retained earnings	15,600.3	15,305.6
Cumulative other equity	1,047.0	571.8
Equity attributable to shareholders of Hapag-Lloyd AG	19,460.4	18,690.6
Non-controlling interests	69.3	76.4
Equity	19,529.7	18,766.9
Provisions for pensions and similar obligations	245.8	247.0
Other provisions	87.7	86.6
Financial debt	2,372.7	2,318.9
Lease liabilities	1,680.5	1,454.0
Other financial liabilities	36.4	35.1
Other non-financial liabilities	0.4	0.5
Deferred tax liabilities	246.9	200.8
Non-current liabilities	4,670.4	4,342.9
Provisions for pensions and similar obligations	12.4	12.4
Other provisions	1,118.6	1,101.2
Income tax liabilities	239.1	239.3
Financial debt	454.7	451.2
Lease liabilities	807.3	806.5
Trade accounts payable	2,426.5	2,487.4
Contract liabilities	797.6	566.5
Other financial liabilities	188.4	176.0
Other non-financial liabilities	49.6	51.3
Derivative financial instruments	26.5	10.8
Current liabilities	6,120.8	5,902.6
Total equity and liabilities	30,320.8	29,012.4

CONSOLIDATED STATEMENT OF CASH FLOWS
of Hapag-Lloyd AG for the period 1 January to 31 March 2024

million EUR	Q1 2024	Q1 2023
Group profit/loss	299.1	1,893.2
Income tax expenses (+)/income (-)	92.2	63.6
Other financial items	10.6	-58.3
Interest result	-37.2	-151.7
Depreciation, amortisation and impairment (+)/write-backs (-)	502.9	470.5
Profit (-)/loss (+) from disposals of non-current assets	-6.0	-11.9
Income (-)/expenses (+) from equity accounted investees and dividends from other investments	5.8	-15.5
Other non-cash expenses (+)/income (-)	-10.1	-4.0
Increase (-)/decrease (+) in inventories	-14.0	44.8
Increase (-)/decrease (+) in receivables and other assets	-431.5	560.7
Increase (+)/decrease (-) in provisions	-18.8	49.1
Increase (+)/decrease (-) in liabilities (excl. financial debt)	182.5	-248.1
Payments received from (+)/made for (-) income taxes	-14.8	-26.0
Cash inflow (+)/outflow (-) from operating activities	560.7	2,566.4
Payments received from disposals of property, plant and equipment and intangible assets	20.6	24.8
Payments made for investments in property, plant and equipment and intangible assets	-449.6	-218.7
Payments received for the redemption of issued loans	2.9	0.7
Net cash Inflow (+)/outflow (-) from acquisition	-23.2	5.3
Payments made for the acquisition of shares of equity-accounted investees ¹	-19.1	-265.6
Change of financial assets and financial assets held for investment	12.5	909.8
Payments received for interest	100.8	205.0
Cash inflow (+)/outflow (-) from investing activities	-355.2	661.3

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

million EUR	Q1 2024	Q1 2023
Payments made for dividends	-13.3	-
Payments received from raising financial debt	94.2	-
Payments made for the redemption of financial debt	-107.6	-121.7
Payments made for the redemption of lease liabilities	-246.8	-244.0
Payments made for interest and fees	-62.5	-51.8
Payments received (+) and made (-) from hedges for financial debt and payments of dividends	-4.6	-43.3
Cash inflow (+)/outflow (-) from financing activities	-340.5	-460.8
Net change in cash and cash equivalents	-134.9	2,766.9
Cash and cash equivalents at beginning of period	5,809.8	15,236.1
Change in cash and cash equivalents due to exchange rate fluctuations	153.7	-313.6
Net change in cash and cash equivalents	-134.9	2,766.9
Cash and cash equivalents at end of period	5,828.6	17,689.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
of Hapag-Lloyd AG for the period 1 January to 31 March 2024

	Equity attributable to shareholders		
million EUR	Subscribed capital	Capital reserves	Retained earnings
As at 1.1.2023	175.8	2,637.4	23,447.3
Total comprehensive income	-	-	1,890.4
thereof			
Group profit/loss	-	-	1,890.4
Other comprehensive income	-	-	-
Deconsolidation	-	-	-0.2
As at 31.3.2023	175.8	2,637.4	25,337.5
As at 1.1.2024	175.8	2,637.4	15,305.6
Total comprehensive income	-	-	294.7
thereof			
Group profit/loss	-	-	294.7
Other comprehensive income	-	-	-
Transactions with shareholders	-	-	-
thereof			
Distribution to non-controlling interests	-	-	-
As at 31.3.2024	175.8	2,637.4	15,600.3

of Hapag-Lloyd AG

Remeasurements from defined benefit pension plans	Reserve for cash flow hedges	Reserve for cost of hedging	Financial assets at fair value through other comprehensive income	Translation reserve	Reserve for put-options on non-controlling interests	Cumulative other equity	Total	Non-controlling interests	Total equity
-33.8	39.0	1.5	-	1,626.3	-	1,632.9	27,893.4	17.7	27,911.1
-4.7	-8.5	-1.5	-	-519.6	-	-534.3	1,356.2	2.4	1,358.6
-	-	-	-	-	-	-	1,890.4	2.7	1,893.2
-4.7	-8.5	-1.5	-	-519.6	-	-534.3	-534.3	-0.3	-534.6
-	-	-	-	0.2	-	0.2	-	-	-
-38.5	30.5	-	-	1,106.9	-	1,098.9	29,249.6	20.1	29,269.7
-52.3	21.8	3.3	5.3	593.6	-	571.8	18,690.6	76.4	18,766.9
3.6	-3.6	0.9	-5.1	479.2	-	475.1	769.9	6.2	776.1
-	-	-	-	-	-	-	294.7	4.3	299.1
3.6	-3.6	0.9	-5.1	479.2	-	475.1	475.1	1.9	477.0
-	-	-	-	-	-	-	-	-13.3	-13.3
-	-	-	-	-	-	-	-	-13.3	-13.3
-48.6	18.2	4.2	0.3	1,072.9	-	1,047.0	19,460.4	69.3	19,529.7

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FUNDAMENTAL ACCOUNTING PRINCIPLES

General information

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

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

The interim consolidated financial statements cover the period 1 January to 31 March 2024 and are reported and published in euros (EUR). All amounts recognised for the financial year are reported in millions of euros (EUR million) unless otherwise stated. In individual cases, rounding differences may occur in the tables and charts included in these interim consolidated financial statements. Such differences arise for computational reasons.

On 7 May 2024, the Executive Board approved the condensed interim consolidated financial statements for publication.

Accounting principles

The interim consolidated financial statements of Hapag-Lloyd AG and its subsidiaries were prepared in accordance with the International Financial Reporting Standards (IFRS) laid out by the International Accounting Standards Board (IASB), including the interpretations of the IFRS Interpretations Committee (IFRIC), as they are to be applied in the European Union (EU). This interim report as at 31 March 2024 was prepared in compliance with the provisions of IAS 34. It is presented in condensed form. These condensed interim consolidated financial statements and the interim group management report of Hapag-Lloyd AG have neither been reviewed nor audited in accordance with section 317 HGB.

The standards and interpretations applicable in the EU since 1 January 2024 have been applied in the preparation of the interim consolidated financial statements. The standards to be applied for the first time in the 2024 financial year have no significant impact on the net asset, financial and earnings position of the Hapag-Lloyd Group. With regard to the possible effects of standards and interpretations that have already been adopted but will only become mandatory in future, we refer to the explanations in the notes to the consolidated financial statements as at 31 December 2023. The interim consolidated financial statements as at 31 March 2024 are to be read in conjunction with the audited and published consolidated financial statements as at 31 December 2023.

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

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

As at 31 March 2024, the closing US dollar/euro exchange rate was quoted as USD 1.07900/EUR (31 December 2023: USD 1.10765/EUR). For the first quarter of 2024, the average US dollar/euro exchange rate was USD 1.08530/EUR (prior year period: USD 1.07280/EUR).

Group of consolidated companies

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

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

SEGMENT REPORTING

The Hapag-Lloyd Group is one of the world's leading container liner shipping companies. As chief operating decision maker, the Executive Board allocates resources and assesses the profitability of Hapag-Lloyd Group's operating segments. The primary operational activities have been divided into the Liner Shipping and Terminal & Infrastructure segments since 30 September 2023.

The information for prior year period has been adjusted accordingly. The differentiation of the segments as well as the selection of key performance indicators are made in accordance with the internal management and reporting systems ("management approach").

Liner Shipping segment

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

Terminal & Infrastructure segment

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

Accounting and measurement principles

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

Segment reporting information

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

	1.1. – 31.3.2024			
million EUR	Liner Shipping	Terminal & Infrastructure	Transition	Hapag-Lloyd Group
Revenues	4,170.8	98.2	-9.1	4,260.0
thereof inter-segment revenues	–	9.0	-9.1	–
thereof external revenues	4,170.8	89.2	–	4,260.0
Share of profit from equity-accounted investees	-9.7	3.9	–	-5.8
EBITDA	835.1	32.4	-0.1	867.5
EBITDA margin (in %)	20.0	33.0	–	20.4
Depreciation of intangible assets and property, plant and equipment	-486.8	-16.1	–	-502.9
EBIT	348.3	16.3	-0.1	364.6
EBIT margin (in %)	8.4	16.6	–	8.6
Interest income and other finance income	103.5	2.2	-1.0	104.6
Interest expenses and other finance expenses	-65.3	-3.2	1.0	-67.5
Income tax	-86.8	-5.4	–	-92.2
EAT	289.1	10.0	-0.1	299.1

million EUR	1.1.–31.3.2023			
	Liner Shipping	Terminal & Infrastructure	Transition	Hapag-Lloyd Group
Revenues	5,614.5	5.6	-1.0	5,619.0
thereof inter-segment revenues	–	1.0	-1.0	–
thereof external revenues	5,614.5	4.5	–	5,619.0
Share of profit from equity-accounted investees	-0.2	15.7	–	15.5
EBITDA	2,199.3	18.0	–	2,217.3
EBITDA margin (in %)	39.2	322.6	–	39.5
Depreciation of intangible assets and property, plant and equipment	-470.2	-0.3	–	-470.5
EBIT	1,729.1	17.7	–	1,746.8
EBIT margin (in %)	30.8	317.2	–	31.1
Interest income and other finance income	211.1	0.1	–	211.1
Interest expenses and other finance expenses	-59.3	-0.1	–	-59.4
Income tax	-63.6	–	–	-63.6
EAT	1,875.7	17.4	–	1,893.2

Revenues per trade in Liner Shipping segment

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

million EUR	Q1 2024	Q1 2023
Atlantic	679.6	1,300.3
Transpacific	795.0	852.0
Far East	691.3	836.7
Middle East	286.3	434.0
Intra-Asia	134.8	150.9
Latin America	953.3	1,410.4
Africa	262.8	310.6
Revenue not assigned to trades	367.7	319.6
Total	4,170.8	5,614.5

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

¹ The revenue shown relates to the Liner Shipping segment. External revenues of the Terminal & Infrastructure segment totalling EUR 89.2 million in the reporting period (prior year period: EUR 4.5 million) represent only a minor share in the total revenues of Hapag-Lloyd Group.

Information about products and services

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

million EUR	Q1 2024	Q1 2023
Segment Liner Shipping	4,170.8	5,614.5
Container transport service	3,842.1	5,181.5
Other	328.7	433.0
Segment Terminal & Infrastructure	89.2	4.5
Container handling	64.8	–
Other	24.4	4.5
Hapag-Lloyd Group	4,260.0	5,619.0

SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

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

Earnings per share

	Q1 2024	Q1 2023
Profit/loss attributable to shareholders of Hapag-Lloyd AG in million EUR	294.7	1,890.4
Weighted average number of shares in millions	175.8	175.8
Basic earnings per share in EUR	1.68	10.76

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

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

SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION**Property, plant and equipment**

million EUR	31.3.2024	31.12.2023
Vessels	9,098.2	8,562.9
Container	3,573.5	3,456.0
Property, buildings and other equipment	615.2	602.3
Prepayments on account and assets under construction	898.0	926.3
Total	14,184.8	13,547.5

In the first quarter of the 2024 financial year, investments in vessels, vessel equipment and containers resulted in a net addition to property, plant and equipment of EUR 736.7 million. Moreover, currency effects associated with the reporting date led to an additional rise of EUR 359.1 million. However, depreciation on property, plant and equipment and amortisation of rights of use in the amount of EUR 470.0 million essentially reduced the carrying amount of property, plant and equipment. Overall, there was an increase of EUR 637.3 million in property, plant and equipment.

Other financial assets

Other financial assets primarily comprise the securities of the special fund "HLAG Performance Express" in the amount of EUR 1,876.3 million (31 December 2023: EUR 1,841.5 million). The fund was subscribed in April 2023 and concluded for an indefinite period. The fund is focused on fixed-income instruments with the aim of establishing a structured, low-risk platform for investing surplus financial resources and creating a long-term liquidity reserve. Hapag-Lloyd is the sole shareholder in the investment fund, and there are no restrictions regarding redemption on a daily basis.

Cash and cash equivalents

million EUR	31.3.2024	31.12.2023
Cash on hand, cheques, demand deposits and overnights	656.1	670.3
Money market funds	2,157.7	979.5
Reverse repo transactions	2,068.8	2,920.3
Term deposits with up to 3-month-term	946.0	1,239.7
Total	5,828.6	5,809.8

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

Cumulative other equity

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

The reserve for remeasurements from defined benefit pension plans (31 March 2024: EUR –48.6 million; 31 December 2023: EUR –52.3 million) contains gains and losses from the remeasurement of pension obligations and plan assets recognised cumulatively in other comprehensive income, among other things due to the change in actuarial and financial parameters in connection with the valuation of pension obligations and the associated fund assets. The effect of remeasuring pension obligations and the associated plan assets recognised in other comprehensive income in the first quarter of the 2024 financial year resulted in a decrease of EUR 3.6 million in the negative reserve (prior year period: reduction of EUR 4.7 million).

The reserve for cash flow hedges contains changes in the cash component of currency forward contracts and changes in the market value of interest rate swaps that are recognised in other comprehensive income and amounted to EUR 18.2 million as at 31 March 2024 (31 December 2023: EUR 21.8 million). In the first quarter of the 2024 financial year, the resulting gains and losses totalling EUR –9.7 million were recognised in other comprehensive income as an effective part of the hedging relationship (previous year: EUR 3.5 million), while gains and losses of EUR 5.5 million (prior year period: EUR –11.4 million) were reclassified and recognised through profit or loss.

The reserve for cost of hedging comprises changes in the forward component of currency forward contracts recognised in other comprehensive income and amounts to EUR 4.2 million as at 31 March 2024 (31 December 2023: EUR 3.3 million). In the first quarter of the 2024 financial year, the resulting gains and losses totalling EUR –0.5 million were recognised in other comprehensive income (prior year period: EUR –2.5 million), while gains and losses of EUR 1.3 million (prior year period: EUR 1.0 million) were reclassified and recognised through profit or loss.

The reserve for the development of financial assets at fair value contains changes in special fund instruments that are recognised in other comprehensive income and amounted to EUR 0.3 million as at 31 March 2024 (31 December 2023: EUR 5.3 million). The effect recognised in other comprehensive income in the first quarter of the 2024 financial year is EUR –5.1 million (prior year period: EUR 0.0 million).

The translation reserve of EUR 1,072.9 million (31 December 2023: EUR 593.6 million) includes differences from currency translation. The differences from currency translation of EUR 481.1 million recognised in other comprehensive income in the first quarter of the 2024 financial year (prior year period: EUR –519.9 million) were due to the translation of the financial statements of Hapag-Lloyd AG and its subsidiaries into the reporting currency. Currency translation differences are recognised in the statement of comprehensive income under the items that are not reclassified and recognised through profit or loss, because the currency translation effects of subsidiaries with the same functional currency as the parent company cannot be recycled.

Financial instruments

Carrying amounts and fair values

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

million EUR	31.3.2024		31.12.2023	
	Carrying amount	Fair Value	Carrying amount	Fair value
Assets				
Trade accounts receivable	2,152.5	2,152.5	1,657.0	1,657.0
Other financial assets	2,188.2	2,187.7	2,139.2	2,138.7
Derivative financial instruments (FVTPL)	9.5	9.5	9.8	9.8
Embedded derivatives	0.9	0.9	1.4	1.4
Currency forward contracts and currency options	8.6	8.6	8.4	8.4
Derivative financial instruments (Hedge accounting) ¹	0.4	0.4	3.5	3.5
Currency forward contracts	0.2	0.2	3.1	3.1
Interest rate swaps	0.2	0.2	0.4	0.4
Cash and cash equivalents	5,828.6	5,828.6	5,809.8	5,809.8
Liabilities				
Financial debt	2,827.4	2,768.3	2,770.1	2,722.4
Liabilities from lease contracts	2,487.8	2,487.8	2,260.5	2,260.5
Trade accounts payable	2,426.5	2,426.5	2,487.4	2,487.4
Derivative financial instruments (FVTPL)	16.5	16.5	9.4	9.4
Currency forward contracts	16.5	16.5	9.4	9.4
Derivative financial instruments (Hedge accounting) ¹	9.9	9.9	1.4	1.4
Currency forward contracts	9.9	9.9	1.4	1.4
Other financial liabilities	224.8	224.8	211.1	211.1

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

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

Other financial assets also include the financial instruments for the special fund with a market value of EUR 1,876.3 million (31 December 2023: EUR 1,841.5 million). The assets of the special funds in the amount of EUR 1,858.9 million (31 December 2023: EUR 1,831.5 million) are “recognised at fair value through other comprehensive income” and in the amount of EUR 17.3 million (31 December 2023: EUR 10.1 million) “recognised through profit and loss”, they are part of level 1 of the fair-value hierarchy. In addition, other financial assets include further securities with a fair

value of EUR 0.6 million (31 December 2023: EUR 0.6 million), which are allocated to level 1 of the fair value hierarchy because their prices are quoted on an active market. Other financial assets also include unlisted investments for which there are no quoted market prices in an active market. As there is insufficient current information to determine the fair value, these investments belonging to level 3 of the fair value hierarchy are measured at acquisition cost of EUR 14.0 million (31 December 2023: EUR 13.7 million) as the best estimate of fair value.

Cash and cash equivalents include money market funds “recognised at fair value through profit or loss” of EUR 2,157.7 million (31 December 2023: EUR 979.5 million), which are classified in level 1 of the fair value hierarchy.

The liabilities from the bond included in financial liabilities, which are allocated to level 1 of the fair value hierarchy due to the quotation on an active market, have a fair value of EUR 281.4 million (31 December 2023: EUR 282.0 million).

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

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

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

Financial debt and lease liabilities

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

Financial debt and lease liabilities

million EUR	31.3.2024	31.12.2023
Financial debt	2,827.4	2,770.1
Liabilities to banks ¹	1,638.9	1,672.1
Bonds	302.9	301.1
Other financial debt	885.5	797.0
Lease liabilities	2,487.8	2,260.5
Total	5,315.2	5,030.6

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

Financial debt and lease liabilities by currency

million EUR	31.3.2024	31.12.2023
Denoted in USD (excl. transaction costs)	4,816.2	4,548.2
Denoted in EUR (excl. transaction costs)	404.3	406.2
Denoted in other currencies (excl. transaction costs)	109.8	92.2
Interest liabilities	19.7	19.5
Transaction costs	-34.9	-35.5
Total	5,315.2	5,030.6

The Hapag-Lloyd Group had available credit facilities totalling EUR 671,9 million as at 31 March 2024 (31 December 2023: EUR 654.5 million).

OTHER NOTES

Legal disputes

As at the reporting date, there were contingent liabilities from legal disputes not to be classified as probable in the amount of EUR 6.1 million (31 December 2023: EUR 6.6 million). As at the reporting date, there was EUR 182.6 million in contingent liabilities from tax risks not classified as probable (31 December 2023: EUR 189.6 million). The main reasons for the decrease are new information regarding the scope of application of new legal regulations and updated calculations of risk measures for the Southern Europe and Latin America regions.

Other financial obligations

The Hapag-Lloyd Group's other financial obligations totalled EUR 982.7 million as of 31 March 2024 (31 December 2023: EUR 975.0 million) and comprised purchase obligations (nominal values)

- for investments in the construction and acquisition of nine container vessels amounting to EUR 626.4 million,
- for investments in the acquisition of new containers amounting to EUR 158.0 million,
- for investments in the conversion of five container vessels to methanol-fuelled engines amounting to EUR 106.9 million,
- for investments in the acquisition of new propellers, in capacity expansions of container vessels and in the renewal of the bulbous bow of container vessels amounting to EUR 79.5 million,
- for investments in exhaust gas cleaning systems (EGCS) on container vessels amounting to EUR 4.4 million,
- for investments in equipping the container fleet with real-time tracking amounting to EUR 1.3 million, and
- for further investments on container vessels totalling EUR 6.1 million.

The future cash outflows from leases which Hapag-Lloyd has already entered into but which have not yet commenced and are therefore not yet recognised in the balance sheet, totalled EUR 1,462.1 million (31 December 2023: EUR 1,524.2 million).

Related party disclosures

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

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

No significant transactions took place after the balance sheet date.

Hamburg, 7 May 2024

Hapag-Lloyd Aktiengesellschaft

Executive Board



Rolf Habben Jansen



Donya-Florence Amer



Dheeraj Bhatia



Mark Frese



Dr. Maximilian Rothkopf

FINANCIAL CALENDAR 2024

14 AUGUST 2024

Publication of quarterly financial report H1 2024

14 NOVEMBER 2024

Publication of quarterly financial report 9M 2024

www.hapag-lloyd.com

IMPRINT

Hapag-Lloyd AG
Ballindamm 25
20095 Hamburg

Investor Relations

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

Corporate Communications

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

Consulting, concept and layout

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

Translation

EnglishBusiness GmbH
www.englishbusiness.de



www.hapag-lloyd.com

