

Q1 2023

Hapag-Lloyd AG

# Quarterly financial report

1 January to  
31 March 2023



# SUMMARY OF HAPAG-LLOYD KEY FIGURES QUARTERLY FINANCIAL REPORT Q1 2023

		Q1 2023	Q1 2022	Change absolute
<b>Key operating figures<sup>1</sup></b>				
Total vessels		250	248	2
Aggregate capacity of vessels	TTEU	1,818	1,750	68
Aggregate container capacity	TTEU	2,892	3,033	-141
Freight rate (average for the period)	USD/TEU	1,999	2,774	-775
Transport volume	TTEU	2,842	2,987	-145
Revenue	million EUR	5,619	7,977	-2,358
EBITDA	million EUR	2,217	4,726	-2,509
EBIT	million EUR	1,747	4,267	-2,520
Group profit/loss	million EUR	1,893	4,171	-2,278
Earnings per share	EUR	10.76	23.71	-12.95
Cash flow from operating activities <sup>2</sup>	million EUR	2,566	4,488	-1,921
<b>Key return figures<sup>1</sup></b>				
EBITDA margin (EBITDA/revenue)	%	39.5	59.3	-19.8 ppt
EBIT margin (EBIT/revenue)	%	31.1	53.5	-22.4 ppt
ROIC (Return on Invested Capital)	%	45.7	119.7	-74.1 ppt
<b>Key balance sheet figures as at 31 March<sup>1</sup></b>				
Balance sheet total	million EUR	39,541	38,687	854
Equity	million EUR	29,270	27,911	1,359
Equity ratio (equity/balance sheet total)	%	74.0	72.1	1.9 ppt
Borrowed capital	million EUR	10,271	10,776	-505
<b>Key balance sheet figures as at 31 March<sup>1</sup></b>				
Financial debt and lease liabilities	million EUR	5,125	5,437	-312
Cash and cash equivalents	million EUR	17,689	15,236	2,453
Net liquidity	million EUR	14,426	12,587	1,839

<sup>1</sup> The key operating figures and key return figures refer to the respective reporting period. The comparison of key balance sheet figures and key financial figures refers to the reporting date 31 December 2022.

<sup>2</sup> From the fourth quarter of the 2022 financial year, payments received for interest are not reported under cash inflow/outflow from operating activities, but under cash inflow/outflow from investing activities. The previous year's values were adjusted accordingly.

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 11 May 2023.**

## MAIN DEVELOPMENTS IN Q1 2023

- The first quarter of 2023 was characterised by weak demand and declining freight rates for container transports.
- Hapag-Lloyd's transport volume in the first quarter of financial year 2023 was 2,842 TTEU, 4.9% below the prior-year level of 2,987 TTEU.
- The average freight rate decreased by 27.9% to USD 1,999/TEU (prior year period: USD 2,774/TEU) due to weaker demand and normalisation of supply chains.
- Revenue decreased by 29.0% to EUR 5.6 billion in the first quarter of 2023 (prior year period: EUR 8.0 billion) in light of lower transport volumes and freight rates.
- Transport expenses, on the other hand, increased by 3.0% to EUR 3.0 billion (prior year period: EUR 3.0 billion) mainly due to a stronger US dollar against the euro.
- Accordingly, EBITDA fell by 53.1% to EUR 2.2 billion in the first quarter of 2023 (prior year period: EUR 4.7 billion). The EBITDA margin was 39.5% (prior year period: 59.3%).
- EBIT of EUR 1.7 billion was also significantly below the previous year's figure of EUR 4.3 billion.
- Earnings per share fell to EUR 10.76, after EUR 23.71 in the prior year period.
- Free cash flow was again clearly positive at EUR 3.2 billion (prior year period: EUR 4.1 billion).
- Net liquidity increased to EUR 14.4 billion as at 31 March 2023 (31 December 2022: EUR 12.6 billion).
- With the implementation of Strategy 2023, Hapag-Lloyd has further intensified its involvement in the terminal sector in the current financial year. In January 2023, the acquisition of a 49% minority interest in the Italian Spinelli Group and in April 2023, the acquisition of a 40% interest in the Indian company J M Baxi Ports & Logistics Limited were each successfully completed.
- For the current 2023 financial year, the Executive Board of Hapag-Lloyd AG expects a gradual normalisation of the earnings trend. Group EBITDA is still expected to be in the range of EUR 4.0 to 6.0 billion (previous year: EUR 19.4 billion) and EBIT in the range of EUR 2.0 to 4.0 billion (previous year: EUR 17.5 billion).
- The forecast is subject to considerable uncertainty given the ongoing war in Ukraine and other geopolitical conflicts, as well as the impact of high inflation.

# CONTENTS

<b>3</b>	<b>INTERIM GROUP MANAGEMENT REPORT</b>
<b>3</b>	<b>Business activities</b>
<b>5</b>	<b>Important financial performance indicators</b>
<b>6</b>	<b>Important non-financial principles</b>
<b>9</b>	<b>Economic report</b>
9	General economic conditions
10	Sector-specific conditions
<b>11</b>	<b>Group earnings, financial and net asset position</b>
11	Group earnings position
16	Group financial position
18	Group net asset position
19	Executive Board's statement on the business developments
<b>20</b>	<b>Outlook, risk and opportunity report</b>
<b>23</b>	<b>Note on significant transactions with related parties</b>
<b>24</b>	<b>INTERIM CONSOLIDATED FINANCIAL STATEMENTS</b>
<b>24</b>	<b>Consolidated income statement</b>
<b>25</b>	<b>Consolidated statement of comprehensive income</b>
<b>26</b>	<b>Consolidated statement of financial position</b>
<b>28</b>	<b>Consolidated statement of cash flows</b>
<b>30</b>	<b>Consolidated statement of changes in equity</b>
<b>32</b>	<b>Condensed notes to the interim consolidated financial statements</b>
42	Financial calendar 2023
43	Imprint

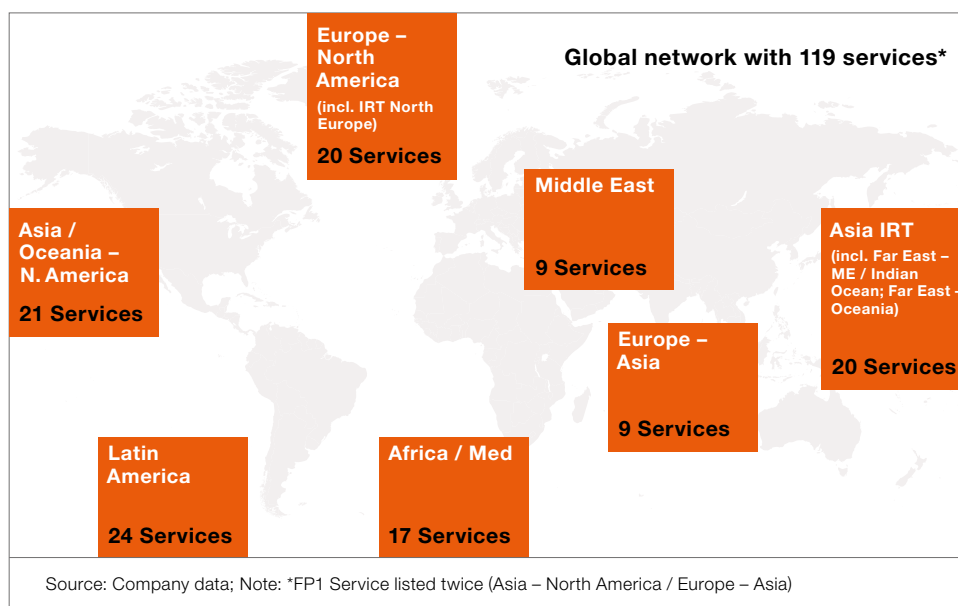
# INTERIM GROUP MANAGEMENT REPORT

## BUSINESS ACTIVITIES

The Hapag-Lloyd Group is Germany’s largest container liner shipping company and is one of the world’s leading container liner shipping companies in terms of global market coverage. The Group’s core business is the shipping of containers by sea, but also encompasses transport services from door to door.

As of 31 March 2023, Hapag-Lloyd’s fleet consisted of 250 container ships (31 March 2022: 248) with a transport capacity of 1.8 million TEU (31 March 2022: 1.8 million TEU). The Group has 401 sales offices in 135 countries (31 March 2022: 418 sales offices in 137 countries) and offers its customers access to a network of 119 services (31 March 2022: 123 services) worldwide. In the first three months of 2023, Hapag-Lloyd served approximately 21,000 customers around the world (prior year period: approximately 22,000).

### Network of Hapag-Lloyd services



Alliances are an essential part of the container shipping industry as they enable better utilisation of vessels and a more extensive range of services. There are currently three global alliances. Measured in terms of transport capacity, the largest alliance is the “2M” Alliance, consisting of the two market leaders – Mediterranean Shipping Company S. A. (Switzerland) (MSC) and A.P. Møller – Mærsk A/S (Denmark) (Maersk). The “Ocean Alliance” consists of CMA CGM S. A. (France), China COSCO Shipping Corporation Limited (China), including its subsidiary OOIL (Hong Kong), and Evergreen Marine Corp. Ltd. (Taiwan) (Evergreen) and is the second-biggest

alliance. Hapag-Lloyd (Germany) operates THE Alliance in partnership with ONE (Singapore), Hyundai Merchant Marine (South Korea) (HMM) and Yang Ming Marine Transport Corp. Ltd. (Taiwan) (Yang Ming). As at 31 March 2022, THE Alliance covered all East–West trades with 258 container vessels and 30 services (31 March 2022: 258 container vessels and 29 services). In January 2023, MSC and Maersk announced that the “2M” alliance will end in two years (January 2025).

#### Capacity share of alliances based on selected trades

in %	Far East trade	Transpacific trade	Atlantic trade
2M	36	23	51
Ocean Alliance	34	39	18
<b>THE ALLIANCE</b>	<b>25</b>	<b>27</b>	<b>24</b>
Other	5	11	7

Source: Alphaliner March 2023

Hapag-Lloyd conducts its container liner shipping business 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 2023, the shareholder structure of Hapag-Lloyd AG (unchanged from 31 December 2022) is as follows:

in %	31.3.2023
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
<b>Total</b>	<b>100.0</b>

### 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). Transport volume and freight rates are important factors influencing the development of revenue and results. The development of the financial performance indicators in the first three months of 2023 is presented in the section "Group earnings position".

Hapag-Lloyd is aiming 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 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 2023, Hapag-Lloyd generated an annualised return on invested capital (ROIC) of 45.7% (prior year period: 119.7%). The weighted average cost of capital at the balance sheet date 31 December 2022 was 9.1%.

Calculation of the ROIC is as follows:

### Return on Invested Capital

	million EUR <sup>1</sup>		million USD <sup>1</sup>	
	Q1 2023	Q1 2022	Q1 2023	Q1 2022
Non-current assets	16,793.0	15,498.5	18,256.2	17,206.9
Inventory	387.8	424.5	421.6	471.3
Accounts receivables	2,265.6	3,374.1	2,463.0	3,746.1
Other current assets <sup>2</sup>	543.5	401.1	590.8	445.3
<b>Assets</b>	<b>19,989.8</b>	<b>19,698.2</b>	<b>21,731.6</b>	<b>21,869.6</b>
Provisions	1,263.0	1,070.0	1,373.1	1,188.0
Accounts payable	2,770.4	2,332.7	3,011.8	2,589.9
Other liabilities	1,112.8	1,781.3	1,209.4	1,977.4
<b>Liabilities</b>	<b>5,146.2</b>	<b>5,184.0</b>	<b>5,594.4</b>	<b>5,755.3</b>
<b>Invested Capital</b>				
at end of period	14,843.6	14,514.1	16,137.2	16,114.3
at beginning of period	15,324.0	13,935.8	16,358.4	15,772.5
<b>Average Invested Capital</b>	<b>15,083.8</b>	<b>14,224.9</b>	<b>16,247.8</b>	<b>15,943.4</b>
EBIT	1,746.8	4,266.9	1,874.0	4,790.9
Income Taxes (EBIT related) <sup>3</sup>	18.5	16.5	19.6	18.5
<b>Net Operating Profit after Tax (NOPAT)</b>	<b>1,728.4</b>	<b>4,250.4</b>	<b>1,854.3</b>	<b>4,772.3</b>
<b>Return on Invested Capital (ROIC, annualised, in %)</b>			<b>45.7</b>	<b>119.7</b>

<sup>1</sup> Figures as of the end of the respective period, unless otherwise stated. Prior-year figures restated.

<sup>2</sup> Excluding interest-bearing assets (money market transactions and money market funds, which are reported under other financial assets)

<sup>3</sup> Excluding taxes related to income from interest-bearing assets

From the first quarter 2023, only taxes related to EBIT are deducted in NOPAT (previously: all income taxes). Furthermore, average invested capital across the Group is used (previously: invested capital at balance sheet date). The changes will lead to greater consistency in the parameters underlying ROIC.

### IMPORTANT NON-FINANCIAL PRINCIPLES

In addition to the financial performance indicators, the optimum utilisation of the available vessel and container capacities 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 principles for Hapag-Lloyd's targeted profitable growth.

The following non-financial parameters are important for understanding Hapag-Lloyd as a container liner shipping company. However, they are not used by the Company as performance indicators. As part of Strategy 2023, further non-financial parameters, such as quantifiable quality targets in particular, are successively being implemented. The majority of the quality targets have already been published and the customer is provided with Hapag-Lloyd's performance in relation to these quality promises.



### Flexible fleet and capacity development

As at 31 March 2023, Hapag-Lloyd's fleet comprised a total of 250 container vessels (31 March 2022: 248 vessels). 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 entire Hapag-Lloyd fleet as at 31 March 2023 was 1,817.6 TTEU and is thus 3.9% higher than as per 31 March 2022 (1,750.1 TTEU). Based on the TEU capacities, 62% of the fleet was owned by the Group as at 31 March 2023 (31 March 2022: 61%). At present, two vessels with a capacity of 10.7 TTEU are subchartered to other shipping companies. In the first quarter, two newbuilds (one owned and one under long-term charter) with a capacity of 13,312 TEU each were put into service.

As at 31 March 2023, the average age of Hapag-Lloyd's total fleet (capacity-weighted) was 11.2 years (31 March 2022: 10.7 years) and thus slightly above the average of the world's ten largest container liner shipping companies of 10.9 years (31 March 2022: 10.3 years). The average ship size within the Hapag-Lloyd Group fleet is 7.3 TTEU (31 March 2022: 7.1 TTEU), which is approximately 12% above the comparable average figure for the ten largest container liner shipping companies worldwide of 6.5 TTEU (31 March 2022: 6.4 TTEU; Source: MDS Transmodal) and around 64% above the average ship size in the global fleet of 4.4 TTEU (31 March 2022: 4.4 TTEU; Source: MDS Transmodal).

For the transport of cargo, Hapag-Lloyd has 1.7 million (31 March 2022: 1.8 million) owned or leased containers with a capacity of 2,892.2 TTEU as at 31 March 2023 (31 March 2022: 3,033.0 TTEU). The capacity-weighted proportion of owned containers as at 31 March 2023 was approximately 58% (31 March 2022: approximately 58%). In Q1 2023, new container construction orders were placed for 18,200 reefers with a capacity of 36,400 TEU and 6,150 special purpose containers with a capacity of 11,250 TEU.

Hapag-Lloyd's service network comprised 119 services as at 31 March 2023 (31 March 2022: 123 services).

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

	31.3.2023	31.12.2022	31.3.2022
Number of vessels	250	251	248
thereof			
Own vessels <sup>1</sup>	122	121	116
Chartered vessels	128	130	132
Aggregate capacity of vessels (TTEU)	1,818	1,797	1,750
Aggregate container capacity (TTEU)	2,892	2,972	3,033
Number of services	119	119	123

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

In the first three months of 2023, bunker consumption totalled 1.03 million tonnes, down 2.7% year-on-year (prior year period: 1.06 million tonnes).

The percentage of low-sulphur bunker (MFO low sulphur 0.1% and 0.5%, MDO) and liquefied natural gas (LNG) bunkers decreased from 89% in Q1 2022 to 83% in Q1 2023 due to the fitting of more vessels with scrubbers. Bunker consumption per slot (measured by average container slot capacity, annualised) in the first three months of 2023 was down year-on-year at 2.29 tonnes (prior year period: 2.43 tonnes). At 0.36 tonnes per TEU, bunker consumption per transported TEU remained at the previous year's level in Q1 2023.

As at 31 March 2023, Hapag-Lloyd's order book comprised twelve newbuilds of 23,660 TEU and two newbuilds of around 13,000 TEU each. The total capacity of the newbuilds is 302 TTEU. The delivery of the ships is planned for the years 2023 to 2025.

In addition to the newbuilds owned by the company, Hapag-Lloyd will add three new vessels of about 13,000 TEU to its fleet as long-term charters. Two of these newbuilds are to be taken over in the current financial year and the last vessel in 2024.

### Customers

Hapag-Lloyd's aim 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 2023 financial year, Hapag-Lloyd completed transport contracts for approximately 21,000 customers (Q1 2022: approximately 22,000).

### Employees

As at 31 March 2023, Hapag-Lloyd Group employed a total of 14,108 employees (31 March 2022: 14,023). Of this total, 12,394 were shore-based employees (31 March 2022: 11,939) and 1,510 were employed in the marine division (31 March 2022: 1,857). The number of shore-based employees therefore rose significantly by 455. The increase is due to the expansion of the Global Service Center in India, the IT department and the takeover of DAL in the second quarter of 2022. The reduction of 347 marine personnel resulted from a transfer of the operation of some vessels and their crew to an external ship management company. Hapag-Lloyd employed 204 apprentices as at 31 March 2023 (31 March 2022: 227).

### Number of employees

	31.3.2023	31.12.2022	31.3.2022
Marine personnel	1,510	1,704	1,857
Shore-based personnel	12,394	12,316	11,939
Apprentices	204	228	227
<b>Total</b>	<b>14,108</b>	<b>14,248</b>	<b>14,023</b>

## 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 thus the development of the container shipping companies' transport volumes.

On the one hand, the global economy saw a gradual recovery in the first quarter from the severe setbacks caused by the COVID-19 pandemic and Russia's war of aggression against Ukraine. Supply chain disruptions continued to ease, while war-related disruptions in the energy and food markets receded. However, core inflation remains at a very high level and the consequences of high interest rates are becoming more and more apparent, including in the financial sector with the insolvency of banks (IMF World Economic Outlook, April 2023).

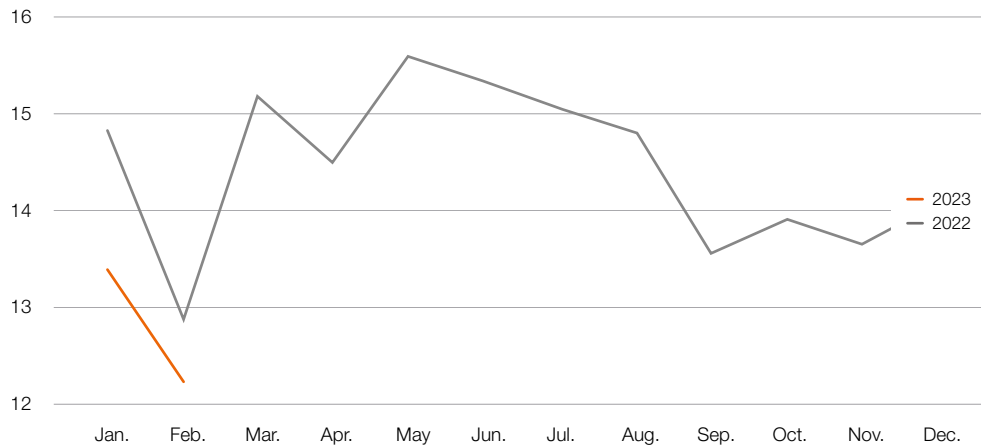
The economy of the People's Republic of China recorded a growth of 4.5% in the first three months of 2023 compared to Q1 2022 (prior year period: 4.8%). Economic growth was driven by the services sector after strict COVID-19 restrictions were lifted at the end of 2022. Industrial production, on the other hand, rose only moderately by 2.8%. While exports of goods increased by 8.4%, imports remained at the previous year's level (+0.2%) (General Administration of Customs People's Republic of China, April 2023). The main recipients of Chinese goods are the USA and Europe. The US economy grew by 1.6% in the first quarter of 2023 compared to Q1 2022. Growth was driven by private consumption, higher exports and rising government spending. The decline in private investment in particular had a dampening effect on economic growth. Exports in the first three months of 2023 increased significantly by 9.6% compared to Q1 2022, primarily due to the sharp rise in energy and commodity prices as well as high demand for industrial goods. Imports, on the other hand, remained at the previous year's level (-0.1%) due to high retail inventories (U.S. Department of Commerce, April 2023). The EU recorded economic growth of 1.3% in the first quarter of 2023 compared to the same quarter of the previous year and 0.3% compared to the fourth quarter of 2022. Exports of goods from the EU increased by 9.2% in the first two months of 2023 compared to the same period last year. Imports of goods grew moderately by 2.4%. Export growth was driven by higher energy exports and the increase in exports of machinery and automobiles. Import volumes were relatively constant or slightly down in most categories except for machinery and automobiles and food. Imports from the US and the UK grew by 20.1% and 18.3% respectively, with imports from China falling by 5.5% (Eurostat, April 2023).

Due to the cooled economic performance in the first quarter of 2023, the price of Brent crude was USD 79.77 per barrel on 31 March 2023, down 7.1% from USD 85.91 per barrel at the end of December 2022 (S&P Global Commodity Insights, Bloomberg).

**Sector-specific conditions**

After the abrupt decline in transport volumes in the second half of 2022, demand was also down at the beginning of 2023. Global container transport volumes in January–February 2023 were 7.5% lower than the prior year period (CTS, April 2023). After Intra-Asia traffic, the largest trade in terms of volume from the Far East to North America recorded the sharpest decline with –26.3%. Other major trades, such as from the Far East to Europe or Europe to North America, also showed significantly lower transport volumes compared to the prior year period. In contrast, the connections to and from India in particular recorded growth.

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



Source: CTS, April 2023

The Shanghai Containerized Freight Index (SCFI), which tracks spot freight rate rates on Shanghai’s major trade routes, continued its downward trend gradually in the first three months of 2023. After trading at USD 1,108/TEU at the end of 2022, the index lost more than 16% by the end of March and stood at USD 924/TEU.

The proportion of idle vessels as at the end of March 2023 was significantly higher than a year ago (31 March 2022: 0.2 million TEU; 0.8%), at 0.6 million TEU or 2.3% of the world fleet, due to weaker demand.

Based on figures from MDS Transmodal, a total of 60 container vessels with a transport capacity of approximately 411 TTEU were placed into service in the first three months of 2023 (prior year period: 27 vessels with a transport capacity of approximately 177 TTEU). According to Clarksons, only 19 small container ships with a total of 31 TTEU were scrapped in the same period (prior year period: no scrappings).

In the first quarter of 2023, orders were placed for the construction of 37 container ships with a total transport capacity of 0.4 million TEU, significantly less than the 1.0 million TEU in the prior year period (Clarksons Research, April 2023). According to MDS Transmodal, the tonnage of container ships on order rose to around 7.1 million TEU at the end of March 2023, compared with around 6.3 million TEU at the end of March 2022. Accordingly, the ratio of order backlog to current world container fleet capacity remained at a high level of 27.6%, but well below the peak of around 61% reached in 2007.

Low-sulphur bunker was quoted at USD 525/t as of 31 March 2023, almost unchanged from the 2022 year-end price of USD 514/t (MFO 0.5%, FOB Rotterdam).

## GROUP EARNINGS, FINANCIAL AND NET ASSET POSITION

### Group earnings position

In the first quarter of the 2023 financial year, the decline in demand for container transports, which had already begun in the second half of the 2022 financial year, continued. In contrast, the disruptions in global supply chains have continued to weaken and energy and raw material prices, which had initially risen as a result of the Russia-Ukraine war, are showing a downward trend.

Compared to the first quarter of 2022, the decrease in average freight rate (in USD/TEU) by 27.9% in particular led to a decrease in revenue by 29.6%. Transport volumes also fell by 4.9% compared to the same period last year. An increased average bunker consumption price (5.2%) additionally burdened the operating result. The stronger US dollar had a compensating effect. The average USD/EUR exchange rate was USD 1.07/EUR in the first quarter of 2023, compared to USD 1.12/EUR in the same period of the previous year.

Hapag-Lloyd generated earnings before interest, taxes, depreciation and amortisation (EBITDA) of EUR 2,217.3 million in the reporting period (prior year period: EUR 4,726.4 million) and earnings before interest and taxes (EBIT) of EUR 1,746.8 million (prior year period: EUR 4,266.9 million). The Group profit came to EUR 1,893.2 million (prior year period: EUR 4,171.3 million).

**Consolidated income statement**

million EUR	Q1 2023	Q1 2022
Revenue	5,619.0	7,976.6
Transport expenses	3,038.2	2,950.7
Personnel expenses	241.4	210.0
Depreciation, amortisation and impairment	470.5	459.5
Other operating result	-137.6	-100.9
<b>Operating result</b>	<b>1,731.3</b>	<b>4,255.4</b>
Share of profit of equity-accounted investees	15.5	11.5
<b>Earnings before interest and tax (EBIT)</b>	<b>1,746.8</b>	<b>4,266.9</b>
Interest result and other financial result	151.7	-48.0
Other financial items	58.3	-31.0
Income taxes	63.6	16.6
<b>Group profit/loss</b>	<b>1,893.2</b>	<b>4,171.3</b>
thereof profit/loss attributable to shareholders of Hapag-Lloyd AG	1,890.4	4,167.1
thereof profit/loss attributable to non-controlling interests	2.7	4.2
Basic/diluted earnings per share (in EUR)	10.76	23.71
<b>EBITDA</b>	<b>2,217.3</b>	<b>4,726.4</b>
<b>EBITDA margin (%)</b>	<b>39.5</b>	<b>59.3</b>
<b>EBIT</b>	<b>1,746.8</b>	<b>4,266.9</b>
<b>EBIT margin (%)</b>	<b>31.1</b>	<b>53.5</b>

**Transport volume per trade**

TTEU	Q1 2023	Q1 2022
Atlantic	527	489
Transpacific	420	432
Far East	482	601
Middle East	369	414
Intra-Asia	163	157
Latin America	711	735
Africa	170	160
<b>Total</b>	<b>2,842</b>	<b>2,987</b>

The transport volume in the first quarter of the 2023 financial year was below the prior year period (-4.9%) at 2,842 TTEU (prior year period: 2,987 TTEU).

The increase in transport volumes in the Atlantic trade is mainly due to the gradual easing of local port congestion and the resulting higher container throughput. The increase in transport volumes in the Africa trade is mainly due to the acquisition of the container liner business of Deutsche Afrika-Linien GmbH & Co. KG (DAL) in the second quarter of the 2022 financial year.

In the Far East and Middle East trades in particular, a steady decline in demand for container transport, which was mainly due to inflation in Europe, led to a drop in transport volumes.

### Freight rates per trade

USD/TEU	Q1 2023	Q1 2022
Atlantic	2,649	2,439
Transpacific	2,176	3,788
Far East	1,861	3,265
Middle East	1,260	2,047
Intra-Asia	995	2,055
Latin America	2,130	2,616
Africa	1,955	2,530
<b>Total (weighted average)</b>	<b>1,999</b>	<b>2,774</b>

In the first quarter of the 2023 financial year, the average freight rate was USD 1,999/TEU, down USD 775/TEU or 27.9% below the value of the same period of the previous year (USD 2,774/TEU).

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

### Revenue per trade

million EUR	Q1 2023	Q1 2022
Atlantic	1,300.3	1,062.2
Transpacific	852.0	1,457.0
Far East	836.7	1,747.7
Middle East	434.0	753.9
Intra-Asia	150.9	287.0
Latin America	1,410.4	1,713.3
Africa	310.6	360.3
Revenue not assigned to trades	324.2	595.2
<b>Total</b>	<b>5,619.0</b>	<b>7,976.6</b>

In the first quarter of the 2023 financial year, Hapag-Lloyd Group's revenue decreased by EUR 2,357.5 million to EUR 5,619.0 million (prior year period: EUR 7,976.6 million), a decrease of 29.6%. This was mainly due to a decrease in the average freight rate by 27.9% as well as a decrease in the transport volume by 4.9% compared to the prior year period. The strengthening of the US dollar against the euro in contrast caused revenue to increase. Adjusted for exchange rate movements, revenue would have fallen by approximately EUR 2.7 billion, or 32.7%.

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

## Operating expenses

million EUR	Q1 2023	Q1 2022
Transport expenses	3,038.2	2,950.7
thereof		
Transport expenses for completed voyages	3,074.1	2,954.7
Bunker	622.5	581.4
Handling and haulage	1,498.2	1,495.1
Equipment and repositioning <sup>1</sup>	390.8	341.8
Vessels and voyages (excluding bunker) <sup>1</sup>	562.6	536.4
Transport expenses for pending voyages <sup>2</sup>	-35.8	-3.9
Personnel expenses	241.4	210.0
Depreciation, amortisation and impairments	470.5	459.5
Other operating result	-137.6	-100.9
<b>Total operating expenses</b>	<b>3,887.8</b>	<b>3,721.2</b>

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

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

Transport expenses rose by EUR 87.5 million to EUR 3,038.2 million in the first quarter of the 2023 financial year (prior year period: EUR 2,950.7 million). This corresponds to an increase of 3.0%. The stronger US dollar against the euro was the main contributor to the increase in transport expenses. Adjusted for exchange rate changes, transport expenses would have decreased by EUR 50.0 million or 1.6%. Basically, the lower transport volume (4.9%) compared to the prior year period contributed to the decrease in transport expenses, which was, however, counteracted by increased container and repositioning expenses as well as the higher average bunker consumption price.

In the first quarter of the 2023 financial year, the average bunker consumption price for Hapag-Lloyd was USD 645/t which is USD 32/t (5.2%) above the figure of USD 613/t for the prior year period. This led to an increase in fuel expenses of EUR 41.1 million to EUR 622.5 million (prior year period: EUR 581.4 million).

Container handling expenses rose in the first quarter of the reporting year by EUR 3.0 million to EUR 1,498.2 million (prior year period: EUR 1,495.1 million). The increase is mainly due to the stronger US dollar compared to the euro. Adjusted for exchange rate changes, expenses would have decreased by EUR 69.7 million. This decline is due in particular to lower demurrage and detention for containers as a result of the easing congestion in the port and hinterland infrastructure. Increased expenses for hinterland transport of containers, mainly by truck and rail, had a compensating effect on the decline.

Container and repositioning expenses increased year-on-year due to higher expenses for demurrage and detention for empty containers at port terminals and for repositioning them.



The increase in expenses for ships and voyages (excluding fuel) mainly results from the increased port and canal costs. A decrease in expenses for container slot rentals on third-party vessels had a relieving effect.

Personnel expenses increased by EUR 31.5 million to EUR 241.4 million in the first quarter of the 2023 financial year (prior year period: EUR 210.0 million). The increase was mainly attributable to an adjustment of the bonus system and the rise in the number of employees in the Hapag-Lloyd Group. In addition, the strengthening of the US dollar against the euro had the effect of increasing expenses.

In the first quarter of the 2023 financial year, depreciation and amortisation increased by EUR 10.9 million to EUR 470.5 million compared to the prior year period (EUR 459.5 million). This increase was primarily due to the year-on-year rise in the percentage of vessels chartered in on a medium-term basis at simultaneously higher charter rates and the resulting increase in rights of use. The amortisation of right-of-use assets relating to leased assets (essentially vessels and containers) led to amortisation of EUR 265.9 million (prior year period: EUR 227.1 million). The stronger US dollar compared with the euro also led to a rise in depreciation and amortisation. However, the extension of the remaining useful life of selected vessels in the second half of the 2022 financial year had a compensating effect on the increase.

The other operating result of EUR –137.6 million (prior year period: EUR –100.9 million) comprised the net balance of other operating income and expenses. Other operating expenses in the first quarter of the 2023 financial year came to a total of EUR 158.7 million (prior year period: expenses of EUR 120.8 million). The main expenses were IT costs (EUR 66.4 million; prior year period: EUR 54.8 million), consulting costs (EUR 23.0 million; prior year period: EUR 10.3 million), expenses for bad debt allowances (EUR 11.1 million; prior year period: EUR 11.6 million) and office and administrative costs (EUR 10.7 million; prior year period: EUR 8.5 million).

#### Share of profit of equity-accounted investees

The Notes to the share of profit of equity-accounted companies can be found in the section “Share of profit of equity-accounted investees” in the condensed notes to the consolidated financial statements of the interim group financial report.

#### Key earnings figures

million EUR	Q1 2023	Q1 2022
Revenue	5,619.0	7,976.6
EBIT	1,746.8	4,266.9
EBITDA	2,217.3	4,726.4
EBIT margin (%)	31.1	53.5
EBITDA margin (%)	39.5	59.3
Basic earnings per share (in EUR)	10.76	23.71
Return on invested capital (ROIC) annualised (%) <sup>1</sup>	45.7	119.7

<sup>1</sup> The calculation of the return on invested capital is based on the functional currency USD.

### Interest result and other financial result

In the first quarter of the 2023 financial year, the interest result and other financial result amounted to EUR 151.7 million (prior year period: EUR –48.0 million). The increase in interest income and other financial income of EUR 211.1 million (prior year period: EUR 5.6 million) was mainly due to the significant rise in interest rates and income from money market funds, which did not exist in the same quarter of the previous year.

### Other financial items

In the first quarter of the 2023 financial year, the result for the other financial items was EUR 58.3 million (prior year period: EUR –31.0 million). The main reason for this development was the valuation effects from the derivatives in connection with the dividend distributions in euros for the financial years 2021 and 2022.

### Group profit

In the first quarter of the 2023 financial year, a consolidated profit of EUR 1,893.2 million was achieved (prior year period: EUR 4,171.3 million).

### Group financial position

#### Condensed statement of cash flows

million EUR	Q1 2023	Q1 2022
Cash flow from operating activities	2,566.4	4,487.6
Cash flow from investing activities	661.3	–365.7
<b>Free cash flow</b>	<b>3,227.7</b>	<b>4,122.0</b>
Cash flow from financing activities	–460.8	–400.0
<b>Cash-effective changes in cash and cash equivalents</b>	<b>2,766.9</b>	<b>3,722.0</b>

#### Cash flow from operating activities

In the first quarter of the 2023 financial year, Hapag-Lloyd generated an operating cash flow of EUR 2,566.4 million (prior year period: EUR 4,487.6 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 inflows from investing activities totalled EUR 661.3 million in the first quarter of the 2023 financial year (prior year period: cash outflow of EUR 365.7 million). The cash inflow is mainly due to the change in cash and cash equivalents for money market transactions and money market funds with a maturity of more than three months amounting to EUR 909.8 million (prior year period: EUR 0.0 million) and interest received amounting to EUR 205.0 million (prior year period: EUR 3.3 million). This was offset by cash outflows from share acquisitions of EUR 260.3 million in net terms. Payments for investments in vessels and vessel equipment as well as for new container constructions amounted to EUR 218.7 million (prior year period: EUR 384.7 million).

### Cash flow from financing activities

Financing activities resulted in a net cash outflow of EUR 460.8 million in the first quarter of the financial year (prior year period: EUR 400.0 million). The cash outflow is mainly due to interest payments and repayments of vessel and container financing of EUR 141.1 million (prior year period: EUR 134.1 million) and leasing liabilities in accordance with IFRS 16 of EUR 270.0 million (prior year period: EUR 256.7 million). Furthermore, payments were made for hedging transactions of financial liabilities in the amount of EUR 43.3 million (prior year period: EUR 2.3 million).

### Developments in cash and cash equivalents

million EUR	Q1 2023	Q1 2022
<b>Cash and cash equivalents at beginning of period</b>	<b>15,236.1</b>	<b>7,723.4</b>
Changes due to exchange rate fluctuations	-313.6	192.0
Net changes	2,766.9	3,722.0
<b>Cash and cash equivalents at end of period</b>	<b>17,689.4</b>	<b>11,637.3</b>

In total, there was a cash inflow of EUR 2,766.9 million in the first quarter of the 2023 financial year, so that, taking into account exchange rate-related effects of EUR -313.6 million, cash and cash equivalents of EUR 17,689.4 million were reported at the end of the reporting period on 31 March 2023 (31 March 2022: EUR 11,637.3 million). In addition, there are freely available credit lines of EUR 666.9 million (31 March 2022: EUR 653.0 million) and money market transaction and money market funds with a maturity of more than three months of EUR 1,861.8 million (31 March 2022: EUR 0.0 million), resulting in a liquidity reserve (consisting of cash and cash equivalents, money market transaction and money market funds as well as unused credit lines) totalling EUR 20,218.1 million (31 March 2022: EUR 12,290.3 million).

### Financial solidity

million EUR	31.3.2023	31.12.2022
Financial debt and lease liabilities	5,125.0	5,436.8
Cash and cash equivalents	17,689.4	15,236.1
Money market transactions/money market funds (other financial assets)	1,861.8	2,787.8
<b>Net liquidity<sup>1</sup></b>	<b>14,426.1</b>	<b>12,587.1</b>
<b>Unused credit lines</b>	<b>666.9</b>	<b>679.2</b>
<b>Equity ratio (%)</b>	<b>74.0</b>	<b>72.1</b>

<sup>1</sup> Cash and cash equivalents plus money market transactions and money market funds (other financial assets) less financial debt and lease liabilities

As at 31 March 2023, the Group's net liquidity amounted to EUR 14,426.1 million. This represents a rise of EUR 1,839.0 million compared to net liquidity as at 31 December 2022. The improvement was primarily due to a positive operating cash flow.

The equity ratio increased by 1.9 percentage points, from 72.1% as at 31 December 2022 to 74.0%. Equity increased by EUR 1,358.6 million compared to 31 December 2022 and amounted to EUR 29,269.7 million as at 31 March 2023. 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	31.3.2023	31.12.2022
<b>Assets</b>		
Non-current assets	16,793.0	16,894.7
of which fixed assets	16,653.8	16,746.1
Current assets	22,747.9	21,792.7
of which cash and cash equivalents	17,689.4	15,236.1
<b>Total assets</b>	<b>39,541.0</b>	<b>38,687.3</b>
<b>Equity and liabilities</b>		
Equity	29,269.7	27,911.1
Borrowed capital	10,271.3	10,776.2
of which non-current liabilities	4,073.3	4,379.3
of which current liabilities	6,198.0	6,397.0
of which financial debt and lease liabilities	5,125.0	5,436.8
of which non-current financial debt and lease liabilities	3,732.3	4,044.9
of which current financial debt and lease liabilities	1,392.8	1,392.0
<b>Total equity and liabilities</b>	<b>39,541.0</b>	<b>38,687.3</b>
Net liquidity	14,426.1	12,587.1
Equity ratio (%)	74.0	72.1

As at 31 March 2023, the Group's total assets amounted to EUR 39,541.0 million and were EUR 853.6 million higher than at year-end 2022. The change was mainly due to the increase in cash and cash equivalents, which was partially offset by the decrease in current other financial assets and trade receivables, as well as the higher equity. The USD/EUR exchange rate was quoted at 1.09 as at 31 March 2023 (31 December 2022: 1.07).

Within non-current assets, the carrying amounts of fixed assets decreased by a total of EUR 92.3 million to EUR 16,653.8 million (31 December 2022: EUR 16,746.1 million). The decrease was mainly due to depreciation and amortisation of EUR 470.5 million (prior year period: EUR 459.5 million). This includes an amount of EUR 265.9 million (prior year period: EUR 227.1 million) for the amortisation of capitalised rights of use relating to lease assets. Exchange rate effects at as reporting date totalling EUR 293.8 million (prior year period increase: EUR 285.4 million) also contributed to the decline. This was offset by the investment in equity-accounted investees in the amount of EUR 265.6 million (prior year period: EUR 0.0 million), investments in ships, ship equipment and containers in the amount of EUR 250.3 million (prior year period: EUR 205.0 million) as well as newly received and extended rights of use for lease assets in the amount of EUR 155.2 million (prior year period: EUR 161.4 million).

The decrease in current other financial assets resulted mainly from the repayment of time deposits in the amount of EUR 1,688.1 million and was partially compensated by the conclusion of two money market funds amounting to EUR 538.1 million, that do not meet the criteria for cash and cash equivalents, and a reverse repo transaction with a maturity of more than three months amounting to EUR 230.0 million.

Cash and cash equivalents increased by EUR 2,453.3 million to EUR 17,689.4 million compared to year-end 2022 (EUR 15,236.1 million) essentially due to the positive operating cash flow.

On the liabilities side, equity (including non-controlling interests) grew by EUR 1,358.6 million to EUR 29,269.7 million. The increase is due in particular to the Group profit of EUR 1,893.2 million (prior year period: EUR 4,171.3 million) recognised in retained earnings and was reduced by the unrealised losses from currency translation of EUR 519.9 million (prior year period: gains of EUR 355.2 million) recognised in other comprehensive income.

The Group's borrowed capital fell slightly by EUR 504.9 million in comparison to the 2022 consolidated financial statements. This is mainly due to the decrease in financial debts and lease liabilities as a result of repayments totalling EUR 552.2 million (prior year period: EUR 351.8 million) as well as exchange rate effects as at reporting date of EUR 86.6 million (prior year period: increase of EUR 97.0 million). An increase in financial liabilities and lease liabilities associated with newly acquired or extended charter and leasing contracts in the amount of EUR 143.0 million (prior year period: EUR 157.1 million) counteracted this decline.

Furthermore, the significant reduction in contract liabilities by EUR 352.9 million (prior year period increase: EUR 9.5 million) to EUR 600.0 million, particularly as a result of continued lower freight rates for transport orders on pending voyages as at the reporting date, contributed to the decline in debt capital.

As at 31 March 2023, net liquidity, including cash and cash equivalents, money market transactions and money market funds with a maturity of more than three months included in the items of other financial assets, as well as financial liabilities and lease liabilities, amounted to EUR 14,426.1 million (31 December 2022: EUR 12,587.1 million).

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

### **Executive Board's statement on the business developments**

In the first quarter of the 2023 financial year, the decline in demand for container transport that began in the second half of 2022 continued. This development and the simultaneous normalization of global supply chains resulted in freed-up transport capacities and a decline in average freight rates. As a result, Hapag-Lloyd's Group result declined year-on-year.

The Executive Board expects demand for container transport to recover only slowly in fiscal year 2023 due to inflation, with a significant increase in the supply of container shipping capacity. These conditions will exert increasing pressure on the balance between supply and demand and significantly change the economic conditions of the industry. For these reasons, the remaining fiscal year 2023 is classified as challenging. In addition, the ongoing war in Ukraine and other geopolitical conflicts, as well as the effects of high inflation, mean that the further course of business is subject to high uncertainties.

## OUTLOOK, RISK AND OPPORTUNITY REPORT

### Outlook

#### General economic outlook

According to the International Monetary Fund (IMF), the global economy is likely to continue its growth at a slower pace in the current 2023 financial year. According to the IMF's April forecast, a moderate increase of 2.8% is expected in 2023, down from 3.4% in the previous year. Economic growth would thus be below the historical average of 3.8% over the period from 2000 to 2019. The increase in key interest rates by many central banks to fight inflation as well as Russia's war in Ukraine are likely to dampen the pace of growth in many economies. Only China is expected to experience stronger economic growth due to the lifting of COVID-19 restrictions. Global trade is also likely to lose momentum, according to the IMF. World trade volume is expected to grow by only 2.4% in 2023, down from 5.1% in the prior year period.

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

in %	2024e	2023e	2022	2021	2020
Global economic growth	3.0	2.8	3.4	6.3	-2.8
Industrialised countries	1.4	1.3	2.7	5.4	-4.2
Developing and newly industrialised countries	4.2	3.9	4.0	6.9	-1.8
World trade volume (goods and services)	3.5	2.4	5.1	10.6	-7.8

Source: IMF World Economic Outlook, April 2023

#### Sector-specific outlook

Global container transport volumes fell by 4.1% in 2022. There was an abrupt drop in demand in the second half of the year in particular. The maritime industry consultancy Accenture Cargo (formerly Seabury) expects transport volumes to continue to decline initially in the first half of 2023. Growth is not expected until the second half of 2023, mainly due to the low comparison base. For 2023 as a whole, Accenture Cargo expects global container transport volumes to increase slightly by 1.8%. In the December forecast, growth of 2.2% had been expected.

### Development of container transport volume

	2024e	2023e	2022	2021	2020
Growth rate in %	3.3	1.8	-4.1	7.1	-1.3

Sources: CTS (from April 2023 for 2020–2022), Accenture Cargo (from April 2023 for 2023, from December 2022 for 2024)

The tonnage of container vessels on order stood at 7.1 million TEU as at the end of March 2023, down from 7.2 million TEU at the end of 2022, according to MDS Transmodal. Thus, the ratio of order backlog to current world container fleet capacity remained at a comparatively high level of 27.6%, but well below the peak of around 61% reached in 2007.

A significant increase in vessel deliveries is planned for 2023. However, Drewry expects that the postponement of deliveries as well as a greater number of scrappings should result in the global available container ship fleet growing at 1.1 million TEU or 4.3% respectively, only on par with previous years.

### Expected development of global container fleet capacity

million TEU	2024e	2023e	2022	2021	2020
Existing fleet (beginning of the year)	26.9	25.8	24.7	23.6	23.0
Planned deliveries	3.9	2.5	1.0	1.2	1.1
Expected scrappings	0.6	0.4	0.0	0.0	0.2
Postponed deliveries and other changes	1.6	1.0	-0.1	0.1	0.3
<b>Net capacity growth</b>	<b>1.7</b>	<b>1.1</b>	<b>1.0</b>	<b>1.1</b>	0.7
Net capacity growth (in %)	6.5	4.3	4.2	4.5	3.0

Source: Drewry Container Forecaster Q1 2023. Expected nominal capacity based on planned deliveries. Based on existing orders and current predictions for scrapping and postponed deliveries. Figures rounded.

### Expected business development of Hapag-Lloyd

As expected, Hapag-Lloyd saw a decline in earnings in the first quarter of 2023, primarily due to weaker demand for container transport and falling freight rates. At the same time, costs remained elevated, mainly as a result of inflation.

Against the background of the significant change in market conditions compared with the previous year, the Executive Board of Hapag-Lloyd AG expects a gradual normalisation of the earnings trend in the current 2023 financial year. Group EBITDA is still expected to be in the range of EUR 4.0 to 6.0 billion (previous year: EUR 19.4 billion) and EBIT in the range of EUR 2.0 to 4.0 billion (previous year: EUR 17.5 billion). In US dollars, this corresponds to an expected Group EBITDA in the range of USD 4.3 to 6.5 billion (previous year: USD 20.5 billion) and EBIT in the range of USD 2.1 to 4.3 billion (previous year: USD 18.5 billion).

The earnings expectation for the 2023 financial year is based in particular on the assumptions that transport volumes can be increased slightly, while the average freight rate is expected to fall significantly. The recovery of supply chains as well as the implementation of cost reduction measures should simultaneously lead to a decrease in transport expenses. The development in this direction should also be supported by a significantly lower bunker consumption price. However, higher expenses due to inflation are expected to weaken the cost recovery. The earnings forecast is based on the assumption of an average exchange rate of USD 1.08/EUR (2022 financial year: USD 1.05/EUR).

The earnings forecast does not take into account impairments on goodwill, other intangible assets and property, plant and equipment in the course of the 2023 financial year, which are currently not expected but cannot be ruled out.

	Actual 2022	Forecast 2023
Global economic growth (IMF, April 2023)	3.4%	2.8%
Global trade growth (IMF, April 2023)	5.1%	2.4%
Global container transport volume growth (CTS, April 2023; Accenture Cargo, April 2023)	-4.1%	1.8%
Transport volume, Hapag-Lloyd	11.8 million TEU	Increasing slightly
Average freight rate, Hapag-Lloyd	USD 2,863/TEU	Decreasing clearly
Average bunker consumption prices, Hapag-Lloyd	USD 753/t	Decreasing clearly
EBITDA (earnings before interest, taxes, depreciation and amortisation), Hapag-Lloyd	EUR 19.4 billion	EUR 4.0–6.0 billion
EBIT (earnings before interest and taxes), Hapag-Lloyd	EUR 17.5 billion	EUR 2.0–4.0 billion

In an industry environment dominated by volatile freight rates and stiff competition, business developments at Hapag-Lloyd are subject to risks and opportunities that could cause them to differ from the forecast. These and other risks and opportunities are described in detail in the risk and opportunity report in the combined management report of the 2022 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 2022 annual report. The assessment of the risks and opportunities detailed for the 2023 financial year has changed as follows.

Against the background of the Russia-Ukraine war and the uncertainty regarding its further development, including the extent of sanctions and embargoes and their direct impact on supply chains and industrial production, it is not possible to make a conclusive assessment of potential consequences either in terms of their extent or with regard to their duration.

Due to the commodity price level factored into the forecast as well as the procurement and consumption volumes expected for the remaining financial year, the negative effects of a rise in the bunker consumption price on the financial and earnings situation for this risk are now, based on the forecast assumptions, classified as bearable.

The key risks regarding the Group's expected performance for the rest of the financial year are currently classified as follows with regard 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	Critical
Impairment of goodwill and other intangible assets	Low	Critical
Information technology & security – cyberattack	Medium	Severe
Bunker consumption price fluctuation	Low	Bearable

At the time of reporting on the first quarter of 2023, there were no risks which threatened 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 2023

million EUR	Q1 2023	Q1 2022
Revenue	5,619.0	7,976.6
Transport expenses	3,038.2	2,950.7
Personnel expenses	241.4	210.0
Depreciation, amortisation and impairment	470.5	459.5
Other operating result	-137.6	-100.9
<b>Operating result</b>	<b>1,731.3</b>	<b>4,255.4</b>
Share of profit of equity-accounted investees	15.5	11.5
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,746.8</b>	<b>4,266.9</b>
Interest income and other finance income	211.1	5.6
Interest expenses and other finance expenses	59.4	53.5
Other financial items	58.3	-31.0
<b>Earnings before taxes</b>	<b>1,956.8</b>	<b>4,187.9</b>
Income taxes	63.6	16.6
<b>Group profit/loss</b>	<b>1,893.2</b>	<b>4,171.3</b>
thereof attributable to shareholders of Hapag-Lloyd AG	1,890.4	4,167.1
thereof attributable to non-controlling interests	2.7	4.2
<b>Basic/diluted earnings per share (in EUR)</b>	<b>10.76</b>	<b>23.71</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**of Hapag-Lloyd AG for the period 1 January to 31 March 2023**

million EUR	Q1 2023	Q1 2022
<b>Group profit/loss</b>	<b>1,893.2</b>	<b>4,171.3</b>
<b>Items which will not be reclassified to profit and loss:</b>		
Remeasurements from defined benefit plans after tax	-4.7	38.8
Remeasurements from defined benefit plans before tax	-4.7	38.8
Tax effect	-	0.1
Currency translation differences (no tax effect)	-519.9	355.2
<b>Items which may be reclassified to profit and loss:</b>		
Cash flow hedges (no tax effect)	-8.5	21.9
Effective share of the changes in fair value	3.5	13.6
Reclassification to profit or loss	-11.4	8.1
Currency translation differences	-0.6	0.2
Cost of hedging (no tax effect)	-1.5	3.4
Changes in fair value	-2.5	2.4
Reclassification to profit or loss	1.0	0.9
<b>Other comprehensive income after tax</b>	<b>-534.6</b>	<b>419.3</b>
<b>Total comprehensive income</b>	<b>1,358.6</b>	<b>4,590.6</b>
thereof attributable to shareholders of Hapag-Lloyd AG	1,356.2	4,586.2
thereof attributable to non-controlling interests	2.4	4.4

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**of Hapag-Lloyd AG as at 31 March 2023**

**Assets**

million EUR	<b>31.3.2023</b>	31.12.2022
Goodwill	1,681.2	1,712.1
Other intangible assets	1,494.4	1,540.4
Property, plant and equipment	12,843.8	13,140.2
Investments in equity-accounted investees	634.4	353.4
Other financial assets	47.6	49.9
Other non-financial assets	21.3	22.7
Derivative financial instruments	31.4	37.3
Income tax receivables	5.9	5.7
Deferred tax assets	33.0	33.0
<b>Non-current assets</b>	<b>16,793.0</b>	<b>16,894.7</b>
Inventories	387.8	440.0
Trade accounts receivable	2,265.6	2,895.0
Other financial assets	2,110.6	3,067.1
Other non-financial assets	165.9	132.5
Derivative financial instruments	112.8	5.5
Income tax receivables	16.0	16.4
Cash and cash equivalents	17,689.4	15,236.1
<b>Current assets</b>	<b>22,747.9</b>	<b>21,792.7</b>
<b>Total assets</b>	<b>39,541.0</b>	<b>38,687.3</b>

**Equity and liabilities**

million EUR	<b>31.3.2023</b>	31.12.2022
Subscribed capital	175.8	175.8
Capital reserves	2,637.4	2,637.4
Retained earnings	25,337.5	23,447.3
Cumulative other equity	1,098.9	1,632.9
<b>Equity attributable to shareholders of Hapag-Lloyd AG</b>	<b>29,249.6</b>	<b>27,893.4</b>
Non-controlling interests	20.1	17.7
<b>Equity</b>	<b>29,269.7</b>	<b>27,911.1</b>
Provisions for pensions and similar obligations	218.9	212.5
Other provisions	77.6	80.9
Financial debt	2,131.6	2,319.4
Lease liabilities	1,600.7	1,725.4
Other financial liabilities	–	–
Other non-financial liabilities	0.3	0.2
Derivative financial instruments	3.3	–
Deferred tax liabilities	41.0	40.8
<b>Non-current liabilities</b>	<b>4,073.3</b>	<b>4,379.3</b>
Provisions for pensions and similar obligations	10.4	10.5
Other provisions	956.1	964.6
Income tax liabilities	209.1	165.9
Financial debt	487.2	457.3
Lease liabilities	905.6	934.7
Trade accounts payable	2,770.4	2,615.7
Contract liabilities	600.0	952.9
Other financial liabilities	161.3	177.2
Other non-financial liabilities	62.6	81.2
Derivative financial instruments	35.3	37.0
<b>Current liabilities</b>	<b>6,198.0</b>	<b>6,397.0</b>
<b>Total equity and liabilities</b>	<b>39,541.0</b>	<b>38,687.3</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**of Hapag-Lloyd AG for the period 1 January to 31 March 2023**

million EUR	Q1 2023	Q1 2022
Group profit/loss	1,893.2	4,171.3
Income tax expenses (+)/income (-)	63.6	16.6
Other financial items	-58.3	31.0
Interest result	-151.7	48.0
Depreciation, amortisation and impairment (+)/write-backs (-)	470.5	459.5
Profit (-)/loss (+) from disposals of non-current assets	-11.9	-11.9
Income (-)/expenses (+) from equity accounted investees and dividends from other investments	-15.5	-11.5
Other non-cash expenses (+)/income (-)	-4.0	-2.1
Increase (-)/decrease (+) in inventories	44.8	-79.8
Increase (-)/decrease (+) in receivables and other assets	560.7	-335.4
Increase (+)/decrease (-) in provisions	49.1	79.9
Increase (+)/decrease (-) in liabilities (excl. financial debt)	-248.1	130.4
Payments received from (+)/made for (-) income taxes	-26.0	-8.4
<b>Cash inflow (+)/outflow (-) from operating activities</b>	<b>2,566.4</b>	<b>4,487.6</b>
Payments received from disposals of property, plant and equipment and intangible assets	24.8	15.7
Payments made for investments in property, plant and equipment and intangible assets	-218.7	-384.7
Payments received for the redemption of issued loans	0.7	-
Net cash Inflow (+)/outflow (-) from acquisition	5.3	-
Payments made for the acquisition of shares of equity accounted investees	-265.6	-
Change of financial assets and financial assets held for investment	909.8	-
Payments received for interest <sup>1</sup>	205.0	3.3
<b>Cash inflow (+)/outflow (-) from investing activities</b>	<b>661.3</b>	<b>-365.7</b>

<sup>1</sup> Since the fourth quarter of the 2022 business year, interest received is no longer reported under cash inflow/outflow from operating activities, but under cash inflow/outflow from investing activities. The previous year's values were adjusted accordingly.

million EUR	Q1 2023	Q1 2022
Payments made for dividends	–	–1.0
Payments received from raising financial debt	–	0.2
Payments made for the redemption of financial debt	–121.7	–112.7
Payments made for the redemption of lease liabilities	–244.0	–239.1
Payments made for interest and fees	–51.8	–45.1
Payments received (+) and made (–) from hedges for financial debt and payments of dividends	–43.3	–2.3
<b>Cash inflow (+)/outflow (–) from financing activities</b>	<b>–460.8</b>	<b>–400.0</b>
<b>Net change in cash and cash equivalents</b>	<b>2,766.9</b>	<b>3,722.0</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>15,236.1</b>	<b>7,723.4</b>
Change in cash and cash equivalents due to exchange rate fluctuations	–313.6	192.0
Net change in cash and cash equivalents	2,766.9	3,722.0
<b>Cash and cash equivalents at end of period</b>	<b>17,689.4</b>	<b>11,637.3</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**of Hapag-Lloyd AG for the period 1 January to 31 March 2023**

million EUR	Equity attributable to shareholders		
	Subscribed capital	Capital reserves	Retained earnings
<b>As at 1.1.2022</b>	<b>175.8</b>	<b>2,637.4</b>	<b>12,608.8</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>4,167.1</b>
thereof			
Group profit/loss	-	-	4,167.1
Other comprehensive income	-	-	-
<b>Transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>-1.0</b>
thereof			
Distribution to non-controlling interests	-	-	-1.0
<b>As at 31.3.2022</b>	<b>175.8</b>	<b>2,637.4</b>	<b>16,775.0</b>
<b>As at 1.1.2023</b>	<b>175.8</b>	<b>2,637.4</b>	<b>23,447.3</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,890.4</b>
thereof			
Group profit/loss	-	-	1,890.4
Other comprehensive income	-	-	-
<b>Deconsolidation</b>	<b>-</b>	<b>-</b>	<b>-0.2</b>
<b>As at 31.3.2023</b>	<b>175.8</b>	<b>2,637.4</b>	<b>25,337.5</b>



of Hapag-Lloyd AG

Remeasurements from defined benefit plans	Reserve for cash flow hedges	Reserve for cost of hedging	Translation reserve	Reserve for put-options on non-controlling interests	Cumulative other equity	<b>Total</b>	Non-controlling interests	<b>Total equity</b>
<b>-149.6</b>	<b>-0.1</b>	<b>0.6</b>	<b>876.7</b>	<b>-0.5</b>	<b>727.1</b>	<b>16,149.1</b>	<b>12.9</b>	<b>16,162.0</b>
<b>38.8</b>	<b>21.9</b>	<b>3.4</b>	<b>355.0</b>	<b>-</b>	<b>419.1</b>	<b>4,586.2</b>	<b>4.4</b>	<b>4,590.6</b>
-	-	-	-	-	-	4,167.1	4.2	4,171.3
38.8	21.9	3.4	355.0	-	419.1	419.1	0.2	419.3
-	-	-	-	-	-	<b>-1.0</b>	<b>-</b>	<b>-1.0</b>
-	-	-	-	-	-	-1.0	-	-1.0
<b>-110.8</b>	<b>21.8</b>	<b>4.0</b>	<b>1,231.7</b>	<b>-0.5</b>	<b>1,146.2</b>	<b>20,734.3</b>	<b>17.3</b>	<b>20,751.7</b>
<b>-33.8</b>	<b>39.0</b>	<b>1.5</b>	<b>1,626.3</b>	<b>-</b>	<b>1,632.9</b>	<b>27,893.4</b>	<b>17.7</b>	<b>27,911.1</b>
<b>-4.7</b>	<b>-8.5</b>	<b>-1.5</b>	<b>-519.6</b>	<b>-</b>	<b>-534.3</b>	<b>1,356.2</b>	<b>2.4</b>	<b>1,358.6</b>
-	-	-	-	-	-	1,890.4	2.7	1,893.2
-4.7	-8.5	-1.5	-519.6	-	-534.3	-534.3	-0.3	-534.6
-	-	-	<b>0.2</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>-38.5</b>	<b>30.5</b>	<b>-</b>	<b>1,106.9</b>	<b>-</b>	<b>1,098.9</b>	<b>29,249.6</b>	<b>20.1</b>	<b>29,269.7</b>

# 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 and all other associated business operations and services.

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 from 1 January to 31 March 2023 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 2 May 2023 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). These interim financial statements as at 31 March 2023 have been prepared in accordance with the provisions of IAS 34. They are 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 2023 have been applied in the preparation of the interim consolidated financial statements. The standards to be applied for the first time in the 2023 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 2022. The interim consolidated financial statements as at 31 March 2023 should be read in conjunction with the audited and published consolidated financial statements as at 31 December 2022.

The interim consolidated financial statements have been prepared using the same accounting policies as the consolidated financial statements as at 31 December 2022. 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 2023, the USD/EUR closing rate was quoted at USD 1.08715/EUR (31 December 2022: USD 1.06750/EUR). For the first quarter of 2023, the average USD/EUR exchange rate was USD 1.07280/EUR (prior year period: USD 1.12280/EUR).

#### **Group of consolidated companies**

All significant subsidiaries and at-equity investments are included in the interim consolidated financial statements. As at 31 March 2023, the group of consolidated companies comprised 111 fully consolidated companies (31 December 2022: 112) and ten companies consolidated using the at-equity method (31 December 2022: nine) besides Hapag-Lloyd AG.

Through the investment in Spinelli S.r.l., one fully consolidated and one at-equity consolidated company are included in the scope of consolidation. Two immaterial companies were liquidated in the first quarter of 2023.

#### **Investments in equity-accounted investees**

On 12 January 2023, Hapag-Lloyd AG indirectly acquired 49% of the shares in Spinelli S.r.l., based in Genoa, Italy. Spinelli S.r.l., together with its affiliates as the Spinelli Group (Spinelli), operates in the container logistics business, offering integrated services along the entire logistics value chain, including terminal services, transport services, warehousing, depots for customs clearance and container repair and sales, among others for the Hapag-Lloyd Group. The shares are accounted for as investments in an associate using the equity method and are initially recognised at cost including directly attributable incidental costs totalling EUR 265.6 million.

As the acquisition costs have not yet been finally determined, the initial recognition of the shares is provisional.

The acquisition costs mainly comprise the purchase price paid. Other costs associated with the acquisition, such as brokerage fees and costs for the preparation of a fairness opinion and due diligence, were capitalised if directly attributable.

## SEGMENT REPORTING

The Hapag-Lloyd Group is managed by the Executive Board as a single, global business unit with one sphere of activity. The primary performance indicators are freight rates and transport volume by geographic region, as well as EBIT and EBITDA at the Group level.

The allocation of resources (use of vessels and containers) and the management of the sales market and key customers are done on the basis of the entire liner service network and deployment of all of the maritime assets. The Group generates its revenue solely through its activities as a container liner shipping company. This revenue comprises income from transporting and handling containers and from related services and commissions, all of which is generated globally. As the Hapag-Lloyd Group operates with the same product around the world throughout its entire liner service network, the Executive Board has decided that there is no appropriate measure with which assets, liabilities, EBIT and EBITDA, as the key performance indicators, can be allocated to different trades. All of the Group's assets, liabilities, income and expenses are thus only allocable to the container liner shipping segment. The figures given per trade are the transport volume and freight rate, as well as the revenue allocable to said trade.

### Disclosures at Group level

#### Transport volume per trade

TTEU	Q1 2023	Q1 2022
Atlantic	527	489
Transpacific	420	432
Far East	482	601
Middle East	369	414
Intra-Asia	163	157
Latin America	711	735
Africa	170	160
<b>Total</b>	<b>2,842</b>	<b>2,987</b>

#### Freight rates per trade

USD/TEU	Q1 2023	Q1 2022
Atlantic	2,649	2,439
Transpacific	2,176	3,788
Far East	1,861	3,265
Middle East	1,260	2,047
Intra-Asia	995	2,055
Latin America	2,130	2,616
Africa	1,955	2,530
<b>Total (weighted average)</b>	<b>1,999</b>	<b>2,774</b>

**Revenue per trade**

million EUR	Q1 2023	Q1 2022
Atlantic	1,300.3	1,062.2
Transpacific	852.0	1,457.0
Far East	836.7	1,747.7
Middle East	434.0	753.9
Intra-Asia	150.9	287.0
Latin America	1,410.4	1,713.3
Africa	310.6	360.3
Revenue not assigned to trades	324.2	595.2
<b>Total</b>	<b>5,619.0</b>	<b>7,976.6</b>

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

Operating earnings before interest, taxes, depreciation and amortisation (EBITDA) are derived from consolidated operating earnings before interest and taxes (EBIT) as shown in the table below. Earnings before taxes (EBT) and the result from the companies of the segment included according to the at-equity method correspond to those of the Group.

million EUR	Q1 2023	Q1 2022
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>2,217.3</b>	<b>4,726.4</b>
Depreciation, amortisation and impairment	470.5	459.5
<b>Earnings before interest and taxes (EBIT)</b>	<b>1,746.8</b>	<b>4,266.9</b>
<b>Earnings before taxes (EBT)</b>	<b>1,956.8</b>	<b>4,187.9</b>
<b>Share of profit of equity-accounted investees</b>	<b>15.5</b>	<b>11.5</b>

## 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 2023	Q1 2022
Profit/loss attributable to shareholders of Hapag-Lloyd AG in million EUR	1,890.4	4,167.1
Weighted average number of shares in millions	175.8	175.8
<b>Basic earnings per share in EUR</b>	<b>10.76</b>	<b>23.71</b>

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 three months of the 2023 financial year or in the corresponding period of the previous year.

## SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Goodwill and other intangible assets

Goodwill and intangible assets decreased compared to 31 December 2022, mainly due to currency translation effects of EUR –58.5 million (prior year period: EUR 60.8 million) and scheduled amortisation of EUR 22.8 million (prior year period: EUR 21.5 million).

### Property, plant and equipment

million EUR	31.3.2023	31.12.2022
Vessels	8,539.9	8,765.8
Container	3,169.0	3,254.9
Other equipment	287.1	295.0
Prepayments on account and assets under construction	847.8	824.4
<b>Total</b>	<b>12,843.8</b>	<b>13,140.2</b>

In the first quarter of the 2023 financial year, investments in ships, ship equipment and containers resulted in a net addition to property, plant and equipment of EUR 386.5 million. On the other hand, depreciation on property, plant and equipment and rights of use amounting to EUR 447.6 million as well as exchange rate effects of EUR –235.1 million as of the reporting date had the effect of reducing the carrying amount of property, plant and equipment. Overall, there was a reduction of EUR 296.4 million in property, plant and equipment.

### Other financial assets

Other financial assets mainly include time deposits and reverse repo transactions with a term of more than three months amounting to EUR 1,301.6 million (31 December 2022: EUR 2,787.8 million) and money market funds amounting to EUR 538.1 million (31 December 2022: EUR 0.0), that do not meet the criteria for cash and cash equivalents.

### Cash and cash equivalents

million EUR	31.3.2023	31.12.2022
Cash on hand, cheques, demand deposits and overnights	557.2	647.5
Money market funds	6,665.7	4,764.2
Term deposits with up to 3-month-term	5,714.6	5,140.6
Reverse repo transactions	4,751.8	4,683.8
<b>Total</b>	<b>17,689.4</b>	<b>15,236.1</b>

The development of cash and cash equivalents is explained in the interim group management report in the section "Group financial position".

### Cumulative other equity

Cumulative other equity includes the defined benefit remeasurement reserve, the cash flow hedge reserve, the hedging cost reserve and the translation reserve.

The reserve for remeasurements from defined benefit pension plans (31 March 2023: EUR –38.5 million; 31 December 2022: EUR –33.8 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 from the revaluation of pension obligations and plan assets recognised in other comprehensive income in the first quarter of 2023 reduced the negative reserve by EUR 4.7 million (prior year period: EUR 38.8 million).

The translation reserve of EUR 1,106.9 million (31 December 2022: EUR 1,626.3 million) includes differences from currency translation. The differences from currency translation of EUR –519.9 million recognised in other comprehensive income in the first quarter of the 2023 financial year (prior year period: EUR 355.2 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.

Mio. EUR	31.3.2023		31.12.2022	
	Carrying amount	Fair Value	Carrying amount	Fair value
<b>Assets</b>				
Trade accounts receivable	2,265.6	2,265.6	2,895.0	2,895.0
Other financial assets	2,158.3	2,157.6	3,116.9	3,116.2
Derivative financial instruments (FVTPL)	108.7	108.7	0.4	0.4
Embedded derivatives	0.8	0.8	0.4	0.4
Currency forward contracts and currency options	108.0	108.0	–	–
Derivative financial instruments (Hedge accounting) <sup>1</sup>	35.4	35.4	42.4	42.4
Currency forward contracts	2.4	2.4	2.1	2.1
Interest rate swaps	33.0	33.0	40.3	40.3
Cash and cash equivalents	17,689.4	17,689.4	15,236.1	15,236.1
<b>Liabilities</b>				
Financial debt	2,618.8	2,546.8	2,776.7	2,673.6
Liabilities from lease contracts	2,506.3	–	2,660.1	–
Trade accounts payable	2,770.4	2,770.4	2,615.7	2,615.7
Derivative financial instruments (FVTPL)	0.4	0.4	–	–
Currency forward contracts	0.4	0.4	–	–
Derivative financial instruments (Hedge accounting) <sup>1</sup>	38.1	38.1	37.0	37.0
Currency forward contracts	38.1	38.1	37.0	37.0
Other financial liabilities	161.3	161.3	177.2	177.2

<sup>1</sup> 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. In the first quarter of the 2023 financial year, a currency forward contract and a currency option were concluded due to the upcoming distribution of the EUR-denominated dividend on 8 May 2023, for which hedge accounting is not applicable and therefore only an FVTPL measurement is eligible. The market value of these two derivatives amounts to a total of EUR 107,9 million.

Other financial assets include money market funds with a market value of EUR 538.1 million that do not qualify as cash and cash equivalents. They are measured at fair value through profit or loss and belong to 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 2022: EUR 0.6 million), which are to be 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 13.9 million (31 December 2022: EUR 14.2 million) as the best estimate of fair value.

Cash and cash equivalents include money market funds at fair value through profit or loss of EUR 6,665.7 million (31 December 2022: EUR 4,764.2 million), which are classified in level 1 of the fair value hierarchy.

The liabilities from the bond included in financial liabilities, which are to be allocated to level 1 of the fair value hierarchy due to the quotation on an active market, have a fair value of EUR 274.4 million (31 December 2022: EUR 263.7 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 level 1, level 2 and level 3 in the first quarter of the 2023 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	31.3.2023	31.12.2022
Financial debt	2,618.8	2,776.7
Liabilities to banks <sup>1</sup>	1,518.4	1,604.5
Bonds	302.8	300.9
Other financial debt	797.5	871.3
Lease liabilities	2,506.3	2,660.1
<b>Total</b>	<b>5,125.0</b>	<b>5,436.8</b>

<sup>1</sup> 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	31.3.2023	31.12.2022
Denoted in USD (excl. transaction costs)	4,632.3	4,949.3
Denoted in EUR (excl. transaction costs)	410.8	410.9
Denoted in other currencies (excl. transaction costs)	92.5	92.9
Interest liabilities	14.8	12.3
Transaction costs	-25.3	-28.6
<b>Total</b>	<b>5,125.0</b>	<b>5,436.8</b>

As at 31 March 2023, the Hapag-Lloyd Group had available credit lines totalling EUR 666.9 million (31 December 2022: EUR 679.2 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 8.1 million (31 December 2022: EUR 8.3 million). Contingent liabilities from tax risks not to be classified as probable amounted to EUR 132.1 million as at the reporting date (31 December 2022: EUR 98.4 million). The main reasons for the increase are newly identified risks in Latin America as well as updated calculations of risk measures and currency translation effects for the Southern Europe and Middle East regions.

**Other financial obligations**

The Hapag-Lloyd Group's other financial obligations totalled EUR 1,718.1 million as at 31 March 2023 (31 December 2022: EUR 1,664.3 million) and comprised purchase obligations (nominal values)

- for investments in the construction and acquisition of 14 container vessels amounting to EUR 1,299.3 million (31 December 2022: EUR 1,436.8 million),
- for investments in containers amounting to EUR 208.2 million (31 December 2022: EUR 0 million),
- for investments in equipping the container fleet with real-time tracking amounting to EUR 67.9 million (31 December 2022: EUR 92.4 million),
- for investments in the acquisition of new propellers, in capacity expansions of container vessels and in the renovation of the bulbous bow of container vessels amounting to EUR 58.9 million (31 December 2022: EUR 57.5 million),
- for investments in exhaust gas cleaning systems (EGCS) on container vessels amounting to EUR 30.3 million (31 December 2022: EUR 39.5 million),
- for investments in the acquisition of a new office building amounting to EUR 20.5 million (31 December 2022: EUR 20.5 million),
- for investments in the acquisition of a container vessel on the secondary market amounting to EUR 19.2 million (31 December 2022: EUR 0 million),
- for investments in equipment for ballast water treatment on container vessels amounting to EUR 1.3 million (31 December 2022: EUR 4.0 million), and
- for further investments on container vessels totalling EUR 12.4 million (31 December 2022: EUR 13.6 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 recognized in the balance sheet, totalled EUR 1,789.1 million (31 December 2022: EUR 1,915.9 million). In addition, leases for existing charter vessels were extended after the reporting date. This will result in future cash outflows of EUR 100.9 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. There have been no significant changes in the scope of these supply and service relationships compared to 31 December 2022.

### SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Hapag-Lloyd successfully completed the acquisition of a 40%-stake in J M Baxi Ports & Logistics Limited (JMBPL) on 19 April 2023, which was previously approved by the relevant antitrust authority. The transaction was agreed in January 2023 with JMBPL's majority owner, the Kotak family, and with a Bain Capital Private Equity company, which had a 35% investment in JMBPL.

Hamburg, 2 May 2023

### Hapag-Lloyd Aktiengesellschaft

Executive Board



Rolf Habben Jansen



Donya-Florence Amer



Mark Frese



Dr. Maximilian Rothkopf

## FINANCIAL CALENDAR 2023

### 10 AUGUST 2023

Publication of quarterly financial report H1 2023

### 9 NOVEMBER 2023

Publication of quarterly financial report 9M 2023

# IMPRINT

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