

9M 2023

Hapag-Lloyd AG

# Quarterly financial report

1 January to  
30 September 2023



# SUMMARY OF HAPAG-LLOYD KEY FIGURES QUARTERLY FINANCIAL REPORT 9M 2023

		Q3 2023	Q3 2022	9M 2023	9M 2022	Change absolute
<b>Operating figures</b>						
Total vessels		264	252	264	252	12
Aggregate capacity of vessels	TTEU	1,952	1,783	1,952	1,783	169
Aggregate container capacity	TTEU	2,902	3,042	2,902	3,042	-140
Freight rate (average for the period)	USD/TEU	1,312	3,106	1,604	2,938	-1,334
Transport volume	TTEU	3,110	2,975	8,916	8,987	-70
<b>Group financial figures</b>						
Revenue	million EUR	4,099	9,741	14,136	26,711	-12,576
EBITDA	million EUR	679	5,634	4,172	15,638	-11,466
EBIT	million EUR	204	5,155	2,760	14,223	-11,464
Group profit/loss	million EUR	264	5,120	3,162	13,774	-10,612
Earnings per share	EUR	1.47	29.11	17.93	78.30	-60.37
Cash flow from operating activities <sup>1</sup>	million EUR	757	5,609	4,593	14,903	-10,310
<b>Group return figures</b>						
EBITDA margin (EBITDA/revenue)	%	16.6	57.8	29.5	58.5	-29.0 ppt
EBIT margin (EBIT/revenue)	%	5.0	52.9	19.5	53.2	-33.7 ppt
ROIC (Return on Invested Capital) <sup>2</sup>	%	5.0	125.7	22.7	122.3	-99.6 ppt
<b>Group balance sheet figures as at 30. September<sup>3</sup></b>						
Equity	million EUR	19,810	27,911	19,810	27,911	-8,101
Equity ratio (equity/balance sheet total)	%	65.0	72.1	65.0	72.1	-7.1 ppt
Financial debt and lease liabilities	million EUR	5,462	5,437	5,462	5,437	26
Cash and cash equivalents	million EUR	6,358	15,236	6,358	15,236	-8,878
Net liquidity <sup>4</sup>	million EUR	2,796	12,587	2,796	12,587	-9,791

<sup>1</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 figures were adjusted accordingly.

<sup>2</sup> In the first quarter of 2023, changes were made in the calculation of ROIC, the previous year's figures were adjusted accordingly. The changes are explained in the chapter "Important financial performance indicators".

<sup>3</sup> The comparison of key balance sheet figures refers to the reporting date 31 December 2022.

<sup>4</sup> Including financial assets

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 9 November 2023.**

## MAIN DEVELOPMENTS IN 9M 2023

- The first nine months of the 2023 financial year were characterised by weak demand and significantly lower freight rates for container transport, with a corresponding negative impact on the Group's revenue and earnings development.
- Group revenue in the first nine months of the 2023 financial year fell by 47% to EUR 14.1 billion (9M 2022: EUR 26.7 billion).
- At EUR 4.2 billion, Group EBITDA was also far below the previous year's figure of EUR 15.6 billion. Likewise, Group EBIT decreased significantly to EUR 2.8 billion (9M 2022: EUR 14.2 billion).
- Following the completed acquisition of the terminal business of Sociedad Matriz SAAM S.A. on 1 August 2023, the business activities have been separated into the Liner Shipping and Terminal & Infrastructure segments.
- In the Liner Shipping segment, a significant decline in the average freight rate in particular caused EBITDA to fall to EUR 4.1 billion in the first nine months of 2023 (9M 2022: EUR 15.6bn). Segment EBIT fell accordingly from EUR 14.1 billion to EUR 2.7 billion.
- The Terminal & Infrastructure segment generated EBITDA of EUR 35.5 million and EBIT of EUR 27.1 million in the first nine months of 2023.
- Due to the negative operating performance, earnings per share dropped to EUR 17.93, from EUR 78.30 in the prior year period.
- Free cash flow was again clearly positive at EUR 3.2 billion (9M 2022: EUR 13.4 billion).
- Net liquidity decreased to EUR 2.8 billion as at 30 September 2023 (31 December 2022: EUR 12.6 billion) after distribution of a dividend of EUR 11.1 billion and the purchase price payment for SAAM.
- With the business development in the first nine months of 2023 being in line with expectations, the Executive Board of Hapag-Lloyd AG substantiates its forecast for the current financial year 2023 published on 2 March 2023. Group EBITDA is now expected to be in the range of EUR 4.1 to 5.0 billion (previously: EUR 4.0 to 6.0 billion) and EBIT in the range of EUR 2.2 to 3.1 billion (previously: EUR 2.0 to 4.0 billion).
- The forecast is subject to uncertainty given numerous geopolitical conflicts as well as the impact of high inflation and high inventory levels of the customers.

# CONTENTS

<b>3</b>	<b>INTERIM GROUP MANAGEMENT REPORT</b>
<b>3</b>	<b>Business activities</b>
<b>6</b>	<b>Important financial performance indicators</b>
<b>8</b>	<b>Important non-financial principles</b>
<b>11</b>	<b>Economic report</b>
11	General economic conditions
12	Sector-specific conditions
<b>13</b>	<b>Earnings, financial and net asset position</b>
13	Earnings position of the Hapag-Lloyd Group
16	Earnings position in the segments
21	Group financial position
23	Group net asset position
25	Executive Board's statement on the business developments
<b>26</b>	<b>Outlook, risk and opportunity report</b>
<b>29</b>	<b>Note on significant transactions with related parties</b>
<b>30</b>	<b>INTERIM CONSOLIDATED FINANCIAL STATEMENTS</b>
<b>30</b>	<b>Consolidated income statement</b>
<b>31</b>	<b>Consolidated statement of comprehensive income</b>
<b>32</b>	<b>Consolidated statement of financial position</b>
<b>34</b>	<b>Consolidated statement of cash flows</b>
<b>36</b>	<b>Consolidated statement of changes in equity</b>
<b>38</b>	<b>Fundamental accounting principles</b>
<b>50</b>	<b>Other notes</b>
53	Preliminary financial calendar 2024
54	Imprint

# INTERIM GROUP MANAGEMENT REPORT

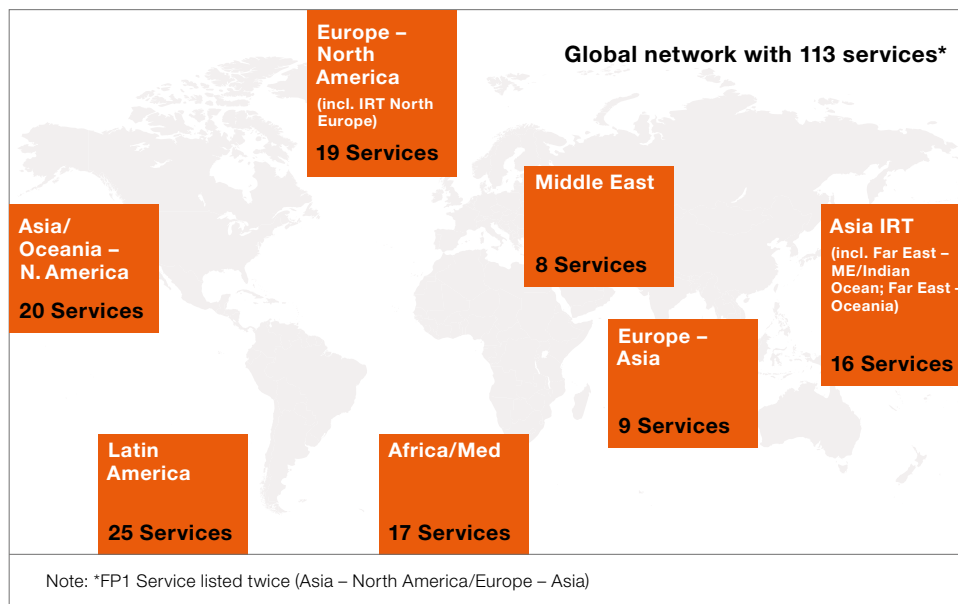
## BUSINESS ACTIVITIES

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) in August 2023, the business activities have been separated into the Liner Shipping and Terminal & Infrastructure segments.

### Liner Shipping segment

As at 30 September 2023, Hapag-Lloyd's fleet consisted of 264 container vessels (30 September 2022: 252) with a transport capacity of 2.0 million TEU (30 September 2022: 1.8 million TEU). The segment has 398 sales offices in 135 countries (30 September 2022: 408 sales offices in 137 countries) and offers its customers access to a network of 113 services (30 September 2022: 123 services) worldwide. In the first nine months of 2023, the Liner Shipping segment served approximately 28,800 customers around the world (prior year period: approximately 30,900).

### Network of Hapag-Lloyd services



### Cooperations

Alliances and vessel-sharing agreements 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. The largest alliance is “2M” and comprises the market leaders MSC and Maersk. Both companies have announced that the alliance agreement will not be extended, and that the alliance will thus end in January 2025. The second-largest alliance is the “Ocean Alliance”, consisting of CMA CGM, COSCO, including its subsidiary OOIL, and Evergreen. Hapag-Lloyd operates “THE Alliance” together with ONE, HMM and Yang Ming. As at 30 September 2023, THE Alliance covered all East–West trades with 256 container vessels and 28 services (30 September 2022: 256 container vessels and 30 services).

### Capacity share of alliances based on selected trades

in %	Far East trade	Transpacific trade	Atlantic trade
2M	37	24	48
Ocean Alliance	35	38	18
<b>THE ALLIANCE</b>	<b>24</b>	<b>28</b>	<b>28</b>
Other	4	10	6

Source: Alphaliner September 2023

On 10 October 2023, the European Commission announced that it would let the EU's Consortia Block Exemption Regulation for liner shipping companies (CBER) expire on 25 April 2024. Even after the end of the EU block exemption, operational cooperation between liner shipping companies in the EU will still be possible. However, the administrative burden for consortia will increase, as individual antitrust analyses (so-called self-assessments) will now also be required for cooperations with market shares below 30 per cent.

### 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 30 September 2023, the shareholder structure of Hapag-Lloyd AG (unchanged from 31 December 2022) is as follows:

in %	<b>30.9.2023</b>
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). 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 nine 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 the invested capital at the beginning and end of the reporting period. To facilitate comparison with other inter-national 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 nine months of 2023, Hapag-Lloyd generated an annualised return on invested capital (ROIC) of 22.7% (prior year period: 122.3%). 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 of Hapag-Lloyd Group

	million EUR <sup>1</sup>		million USD <sup>1</sup>	
	9M 2023	9M 2022	9M 2023	9M 2022
Non-current assets	19,414.9	18,213.2	20,563.0	17,762.3
Inventory	452.2	568.4	478.9	554.3
Accounts receivables	1,822.5	4,065.2	1,930.3	3,964.6
Other current assets <sup>2</sup>	523.0	498.2	554.0	485.9
<b>Assets</b>	<b>22,212.6</b>	<b>23,345.0</b>	<b>23,526.2</b>	<b>22,767.1</b>
Provisions	1,378.7	1,024.8	1,460.2	999.5
Accounts payable	2,647.2	2,881.3	2,803.7	2,810.0
Other liabilities	1,173.1	1,944.0	1,242.2	1,895.8
<b>Liabilities</b>	<b>5,198.9</b>	<b>5,850.1</b>	<b>5,506.1</b>	<b>5,705.2</b>
<b>Invested Capital</b>				
at end of period	17,013.7	17,494.8	18,020.1	17,061.8
at beginning of period	15,324.0	13,935.8	16,358.4	15,772.5
<b>Average Invested Capital</b>	<b>16,168.9</b>	<b>15,715.3</b>	<b>17,189.2</b>	<b>16,417.2</b>
EBIT	2,759.5	14,223.1	2,989.1	15,143.2
Income Taxes (EBIT related) <sup>3</sup>	49.9	48.9	53.7	52.0
<b>Net Operating Profit after Tax (NOPAT)</b>	<b>2,709.6</b>	<b>14,174.2</b>	<b>2,935.5</b>	<b>15,091.2</b>
<b>Return on Invested Capital (ROIC, annualised, in %)</b>			<b>22.7</b>	<b>122.3</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, money market funds and special fund securities, 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 should 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 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 principles for Hapag-Lloyd's targeted 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. As part of Strategy 2023, further non-financial parameters, such as quantifiable quality targets in the Liner Shipping segment in particular, are gradually being implemented. The customer is provided with Hapag-Lloyd's performance in relation to these quality promises.

### **Fleet and capacity development**

As at 30 September 2023, Hapag-Lloyd's fleet comprised a total of 264 container vessels (30 September 2022: 252 vessels). All of the vessels are certified in accordance with the ISM (Inter-national 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 30 September 2023 was 1,952 TTEU and is thus 9.5% higher than as at 30 September 2022 (1,783 TTEU). Based on the TEU capacities, 61% of the fleet was owned by the Group as at 30 September 2023 (30 September 2022: 62%). In the first nine months of 2023, seven newbuilds (four owned vessels and three on long-term charters) with a total capacity of 124 TTEU were commissioned, including the Berlin Express, the first 23,664 TEU vessel with a high-pressure dual-fuel engine that can run on both LNG and conventional fuel.

As at 30 September 2023, Hapag-Lloyd's order book comprised nine newbuilds of 23,664 TEU and two newbuilds of 13,000 TEU each. The total capacity of the newbuilds is 239 TTEU. The delivery of the vessels is planned for the years 2023 to 2025.

In addition to the ordered newbuilds by the company, Hapag-Lloyd will add another vessel of a size of 13,250 TEU to its fleet as a long-term chartered vessel in 2024.

As at 30 September 2023, the average age of Hapag-Lloyd's total fleet (capacity-weighted) was 11.1 years (30 September 2022: 11.1 years) and thus slightly above the average of the world's ten largest container liner shipping companies of 10.9 years (30 September 2022: 10.6 years). The average vessel size within the Hapag-Lloyd Group fleet is 7.4 TTEU (30 September 2022: 7.1 TTEU), which is approximately 12% above the comparable average figure for the ten largest container liner shipping companies worldwide of 6.6 TTEU (30 September 2022: 6.4 TTEU; source: MDS Transmodal) and around 64% above the average vessel size in the global fleet of 4.5 TTEU (30 September 2022: 4.4 TTEU; source: MDS Transmodal).

For the transport of cargo, Hapag-Lloyd had 1.7 million owned or leased containers as at 30 September 2023 (30 September 2022: 1.8 million) with a capacity of 2.9 million TEU (30 September 2022: 3.0 million TEU). The capacity-weighted proportion of owned containers as at 30 September 2023 was approximately 59% (30 September 2022: approximately 57%). In the first nine months of 2023, new container construction orders were placed for 18,200 reefers with a capacity of 36,400 TEU, 6,150 special purpose containers with a capacity of 11,250 TEU and 25,000 general purpose containers with a capacity of 50,000 TEU.

Hapag-Lloyd's service network comprised 113 services as at 30 September 2023 (30 September 2022: 123 services).

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

	30.9.2023	31.12.2022	30.9.2022
Number of vessels	264	251	252
thereof			
Own vessels <sup>1</sup>	124	121	120
Chartered vessels	140	130	132
Aggregate capacity of vessels (TTEU)	1,952	1,797	1,783
Aggregate container capacity (TTEU)	2,902	2,972	3,042
Number of services	113	119	123

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

In the first nine months of 2023, bunker consumption totalled 3.0 million tonnes, down 5.2% year-on-year (prior year period: 3.2 million tonnes). Bunker consumption decreased due to lower transport volumes, the clearing of congestion in front of ports and lower vessel sailing speeds.

The percentage of low-sulphur bunker (MFO low sulphur 0.1% and 0.5%, MDO) and liquefied natural gas (LNG) decreased in the first nine months of 2023 from 88% in 9M 2022 to 82% in 9M 2023 due to the fitting of more vessels with scrubbers. Bunker consumption per slot (measured by average container slot capacity, annualised) in the first nine months of 2023 was down 9.6% year-on-year at 2.16 tonnes (9M 2022: 2.39 tonnes). The improvement was due to efficiency measures and lower bunker consumption. Bunker consumption per TEU transported decreased by 2.9%, from 0.35 tonnes per TEU in 9M 2022 to 0.34 tonnes in 9M 2023.

### 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 nine months of the 2023 financial year, Hapag-Lloyd completed transport contracts for approximately 28,800 customers (9M 2022: approximately 30,900).

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 30 September 2023, the Hapag-Lloyd Group employed a total of 16,068 employees (30 September 2022: 14,509). Of this total, 13,505 employees were in the Liner Shipping segment (30 September 2022: 14,240). The Terminal and Infrastructure segment employed 2,563 persons.

#### Number of employees

	30.9.2023	31.12.2022	30.9.2022
Liner Shipping	13,505	13,982	14,240
thereof marine personnel	1,340	1,802	2,010
Terminal & Infrastructure	2,563	266	269
<b>Total</b>	<b>16,068</b>	<b>14,248</b>	<b>14,509</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 terminal services.

The global economy recorded robust development in the first nine months of 2023. Growth was driven by the services sector, which benefited from catch-up effects following the restrictions imposed by the COVID-19 pandemic, while the manufacturing sector developed weakly (IMF World Economic Outlook, October 2023). Supply chain disruptions continued to ease, while war-related dislocations in energy and food markets, triggered by Russia's war of aggression against Ukraine, receded. Nevertheless, inflation remains at a high level in many regions of the world. Most central banks therefore continued to tighten their monetary policy.

The economy of the People's Republic of China recorded growth of 5.2% in the first nine months of 2023 compared to the prior year. The growth driver was the services sector, which recorded an increase of 6.0% compared to the prior year period. Industrial production rose by 4.0%. While exports of goods increased by 0.6%, imports fell by 1.2% compared to 9M 2022 (National Bureau of Statistics of China, October 2023). The main recipients of Chinese goods are the United States and Europe. The US economy grew by 2.9% in the third quarter of 2023 compared to Q3 2022. In the first two quarters of 2023, the US economy had already grown by 1.7% and 2.4% year-on-year. Growth was driven by private consumption, investments and rising government spending. Both exports and imports decreased in the first eight months of 2023. Exports fell by 2.0% year-on-year while imports dropped significantly by 6.0%. The lower commodity prices and decreases in relation to industrial products weakened both exports and imports. In addition, the high inventory levels and changes in consumer behaviour led to lower imports of consumer goods (U.S. Department of Commerce, October 2023). The EU economy grew by 0.1% in the third quarter of 2023 compared to Q3 2022. In the first quarter of 2023, the EU economy grew by 1.1% and in the second quarter by 0.4% compared to the same quarter of the previous year. Exports of goods from the EU increased by 2.0% in the first eight months of 2023 compared to the prior year period. Export growth was driven in particular by higher exports of machinery and automobiles, while energy exports declined sharply due to lower prices. Imports of goods, on the other hand, fell significantly by 13.6%, mainly due to lower prices for energy and commodity imports. While imports from the USA dropped only slightly by 0.7%, imports from China fell significantly by 15.4% (Eurostat, October 2023).

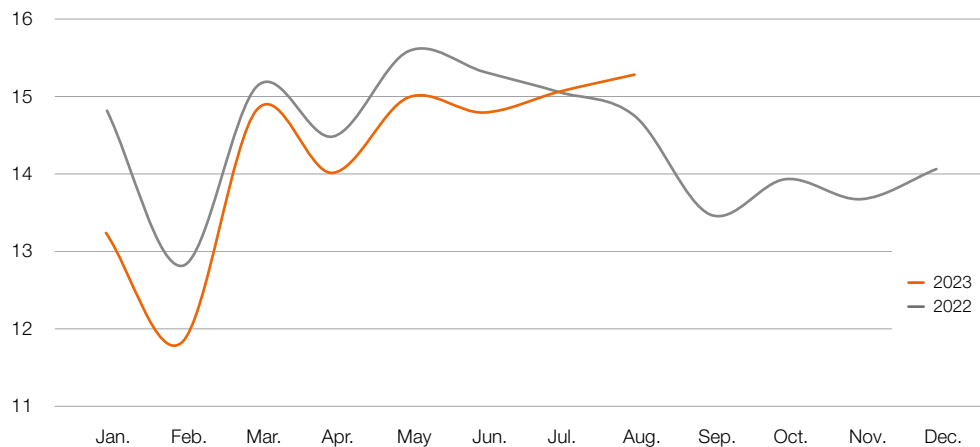
Due to the dampened economic development, the price of Brent crude oil at the end of the first half year 2023 was around 13% lower than at the end of December 2022. During the third quarter 2023, however, the price rose to USD 95.31 per barrel due to a supply tightening by the OPEC, an increase of 10.9 % compared to the price of USD 85.91 per barrel as at 31 December 2022 (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 the demand for container transport.

After the abrupt decline in transport volumes in the second half of 2022, demand remains down in the current financial year. Global container transport volumes in January–August 2023 were 3.3% lower than in the prior year period (CTS, October 2023). After Intra-Asia traffic, the largest trade in terms of volume from the Far East to North America recorded the sharpest decline with –14.3%. Other major trades, such as from Europe to North America (–13.0%), also showed significantly lower transport volumes compared to the prior year period. The Far East to Europe trade, on the other hand, was just above the previous year’s level at +3.3%. Most of the connections to and from India in particular also recorded growth.

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



Source: CTS, October 2023

The Shanghai Containerized Freight Index (SCFI), which tracks spot freight rates on Shanghai’s major trade routes, continued its downward trend in the first nine months of 2023. After trading at USD 1,108/TEU at the end of 2022, the index lost around 20% by the end of September 2023 and stood at USD 887/TEU. On 30 September 2022, the SCFI was still quoted at USD 1,923/TEU.

The proportion of idle vessels as at the end of September 2023 was only slightly higher than a year ago, at 0.32 million TEU or 1.2% of the world fleet, despite weaker demand (30 September 2022: 0.26 million TEU; 1.0%, Alphaliner Weekly, September 2023).

Based on figures from MDS Transmodal, a total of 227 container vessels, with a transport capacity of approximately 1.6 million TEU, were placed into service in the first nine months of 2023 (prior year period: 126 vessels with a transport capacity of approximately 0.7 million TEU). According to Clarksons, only 60 small container vessels with a total of 113 TTEU were scrapped in the same period (prior year period: two vessels, 0.5 TTEU).

In the first nine months of 2023, orders were placed for the construction of 159 container vessels with a transport capacity totalling 1.5 million TEU, somewhat less than the 1.8 million TEU in the prior year period (Clarksons Research, October 2023). According to MDS Transmodal, the tonnage of container vessels on order rose to around 7.1 million TEU at the end of September 2023, compared with around 6.7 million TEU at the end of September 2022. Accordingly, the ratio of order backlog to current world container fleet capacity remained at a high level of 26.4%, but well below the peak of around 61% reached in 2007.

Low-sulphur bunker was quoted at USD 594/t as at 30 September 2023, 15.4% up on the 2022 year-end price of USD 514/t (MFO 0.5%, FOB Rotterdam) and almost unchanged compared with 30 September 2022 (USD 587/t).

## **EARNINGS, FINANCIAL AND NET ASSET POSITION**

### **Earnings position of the Hapag-Lloyd Group**

The first nine months of the 2023 financial year were characterised by weak demand and significantly lower freight rates for container transport, resulting in negative effects on the Group's revenue and earnings trend.

In the first nine months of the reporting period Hapag-Lloyd Group's operating earnings before interest, taxes, depreciation and amortisation (EBITDA) came to EUR 4,171.7 million and were far below the previous year's figure of EUR 15,637.7 million. Likewise, the Group's earnings before interest and taxes (EBIT) decreased significantly to EUR 2,759.5 million (prior year period: EUR 14,223.1 million). The Group profit came to EUR 3,162.2 million (prior year period: EUR 13,773.7 million).

**Consolidated income statement**

million EUR	Q3 2023	Q3 2022	9M 2023	9M 2022
Revenue	4,099.3	9,741.2	14,135.5	26,711.3
Transport and terminal expenses	3,036.3	3,770.0	8,892.8	10,148.1
Personnel expenses	269.3	222.5	745.0	649.5
Depreciation, amortisation and impairment	474.4	479.3	1,412.2	1,414.6
Other operating result	-113.6	-122.7	-347.7	-357.2
<b>Operating result</b>	<b>205.7</b>	<b>5,146.7</b>	<b>2,737.8</b>	<b>14,141.9</b>
Share of profit of equity-accounted investees	-1.2	12.1	19.6	81.1
Result from investments	-0.1	-3.8	2.2	0.2
<b>Earnings before interest and tax (EBIT)</b>	<b>204.4</b>	<b>5,154.9</b>	<b>2,759.5</b>	<b>14,223.1</b>
Interest result and other financial result	48.4	8.4	301.2	-76.6
Other financial items	1.7	-4.1	154.0	-295.7
Income taxes	-9.3	39.6	52.6	77.0
<b>Group profit/loss</b>	<b>263.8</b>	<b>5,119.6</b>	<b>3,162.2</b>	<b>13,773.7</b>
thereof profit/loss attributable to shareholders of Hapag-Lloyd AG	257.6	5,115.7	3,151.1	13,761.7
thereof profit/loss attributable to non-controlling interests	6.2	3.9	11.2	12.0
Basic/diluted earnings per share (in EUR)	1.47	29.11	17.93	78.30
<b>EBITDA</b>	<b>678.8</b>	<b>5,634.2</b>	<b>4,171.7</b>	<b>15,637.7</b>
<b>EBITDA margin (%)</b>	<b>16.6</b>	<b>57.8</b>	<b>29.5</b>	<b>58.5</b>
<b>EBIT</b>	<b>204.4</b>	<b>5,154.9</b>	<b>2,759.5</b>	<b>14,223.1</b>
<b>EBIT margin (%)</b>	<b>5.0</b>	<b>52.9</b>	<b>19.5</b>	<b>53.2</b>

**Revenue in the Group**

The Hapag-Lloyd Group's revenue fell by EUR 12,575.7 million to EUR 14,135.5 million in the first nine months of the 2023 financial year (prior year period: EUR 26,711.3 million), representing a decrease of 47.1%. This decline was mainly due to the continuing fall in demand for container transport. Further details on revenue can be found in the section "Earnings position in the segments".

**Operating expenses in the Group**

Transport and terminal expenses fell by EUR 1,255.3 million in the first nine months of the 2023 financial year to EUR 8,892.8 million (prior year period: EUR 10,148.1 million). This corresponds to a decrease of 12.4%. The continuing normalisation of global supply chains and a lower bunker consumption price compared to the same period in the previous year were the main reasons for the decrease. The weaker US dollar compared with the euro also reduced expenses in the Hapag-Lloyd Group. Adjusted for exchange rate changes, transport expenses would have decreased by EUR 1,082.0 million or 10.8%.



Personnel expenses rose by EUR 95.6 million to EUR 745.0 million in the first nine months of the 2023 financial year (prior year period: EUR 649.5 million). The increase was mainly attributable to an adjustment in the bonus system and the rise in the number of employees, in particular due to the acquisition of the SAAM companies.

Depreciation and amortisation in the first nine months was roughly unchanged year-on-year and came to EUR 1,412.2 million (prior year period: EUR 1,414.6 million). The amortisation of right-of-use assets relating to leased assets (essentially vessels and containers) led to amortisation of EUR 775.5 million (prior year period: EUR 741.6 million).

#### **Other operating result**

The other operating result of EUR –347.7 million (prior year period: EUR –357.2 million) comprised the net balance of other operating income and expenses. Other operating expenses totalled EUR 444.3 million for the first nine months of the 2023 financial year (prior year period: expenses of EUR 433.4 million). This mainly included IT expenses (EUR 202.0 million; prior year period: EUR 177.3 million), consultancy fees (EUR 73.8 million; prior year period: EUR 54.8 million), office and administrative costs (EUR 31.9 million; prior year period: EUR 27.3 million) and expenses for training and other personnel expenses (EUR 31.5 million; prior year period: EUR 28.0 million).

#### **Interest result and other financial result**

In the first nine months of the 2023 financial year, the interest result and other financial result amounted to EUR 301.2 million (prior year period: EUR –76.6 million). The increase in interest income and other financial income to EUR 479.1 million (prior year period: EUR 93.1 million) was mainly due to the significantly higher interest rate level, income from the significantly higher volume of money market transactions of EUR 125.0 million (prior year period: EUR 16.5 million) and interest income from financial instruments of the special fund “HLAG Performance Express” of EUR 24.4 million, which did not exist in the same period of the previous year.

#### **Other financial items**

The result for other financial items amounted to EUR 154.0 million in the first nine months of the 2023 financial year (prior year period: EUR –295.7 million). The main reason for this development was the realised gains (prior year period: losses) from the currency forward contracts in connection with the foreign currency hedging of dividend distributions in euros of EUR 121.1 million (prior year period: EUR –264.2 million) for the financial years 2021 and 2022.

#### **Group profit**

A Group profit of EUR 3,162.2 million was achieved in the first nine months of the 2023 financial year (prior year period: EUR 13,773.7 million).

### Earnings position in the segments

Following the acquisition of the terminal and logistics business of SAAM in August 2023, the Hapag-Lloyd Group's business activities were structured into the Liner Shipping and Terminal & Infrastructure segments for the first time as at 30 September 2023.

#### Liner Shipping segment

The Liner Shipping segment recorded a significant decline in revenue and earnings in the first nine months of the 2023 financial year due to a sharp drop in the freight rate. Revenue fell by 47.3% to EUR 14,059.9 million (prior year period: EUR 26,696.5 million). Earnings before interest, taxes, depreciation and amortisation (EBITDA) in the Liner Shipping segment were EUR 4,136.5 million, following EUR 15,551.4 million in the same period of the previous year, while earnings before interest and taxes (EBIT) were EUR 2,732.7 million (prior year period: EUR 14,137.6 million).

#### Income statement for Liner Shipping

million EUR	Q3 2023	Q3 2022	9M 2023	9M 2022
Revenue	4,032.9	9,736.0	14,059.9	26,696.5
Transport expenses	3,025.4	3,771.1	8,883.8	10,150.5
thereof				
Transport expenses for completed voyages	3,006.7	3,815.5	8,917.9	10,198.0
Bunker	531.4	904.7	1,673.4	2,272.1
Handling and haulage	1,431.3	1,784.9	4,283.1	4,958.5
Equipment and repositioning <sup>1</sup>	404.4	442.0	1,155.8	1,160.7
Vessels and voyages (excluding bunker) <sup>1</sup>	639.5	683.9	1,805.7	1,806.7
Transport expenses for pending voyages <sup>2</sup>	18.7	-44.4	-34.1	-47.5
Armortization and depreciation	466.7	479.0	1,403.8	1,413.8
Other income and expenses	-339.9	-344.8	-1,039.5	-994.6
EBITDA	667.6	5,620.1	4,136.5	15,551.4
EBITDA Margin (%)	16.8	57.7	29.4	58.3
EBIT	200.9	5,141.1	2,732.7	14,137.6
<b>EBIT Margin (%)</b>	<b>5.0</b>	<b>52.8</b>	<b>19.4</b>	<b>53.0</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.

## Operating performance of Liner Shipping

### Transport volume per trade

TTEU	Q3 2023	Q3 2022	9M 2023	9M 2022
Atlantic	501	523	1,538	1,575
Transpacific	513	462	1,366	1,324
Far East	592	556	1,647	1,730
Middle East	360	370	1,085	1,171
Intra-Asia	212	157	562	468
Latin America	745	714	2,182	2,199
Africa	188	193	536	519
<b>Total</b>	<b>3,110</b>	<b>2,975</b>	<b>8,916</b>	<b>8,987</b>

The transport volume of 8,916 TTEU in the first nine months of the 2023 financial year was at the previous year's level (prior year period: 8,987 TTEU). The flat development of transport volume is due in particular to weak global demand for container transport. In contrast to the market trend, the transport volume rose on the Intra-Asia and Transpacific trades due to an increase in the available vessel capacity as a result of the normalisation of global supply chains.

### Freight rates per trade

USD/TEU	Q3 2023	Q3 2022	9M 2023	9M 2022
Atlantic	1,547	3,260	2,074	2,874
Transpacific	1,513	4,299	1,780	4,036
Far East	1,167	3,318	1,424	3,275
Middle East	867	2,184	1,048	2,193
Intra-Asia	656	2,020	802	2,005
Latin America	1,476	2,898	1,764	2,739
Africa	1,545	2,636	1,685	2,579
<b>Total (weighted average)</b>	<b>1,312</b>	<b>3,106</b>	<b>1,604</b>	<b>2,938</b>

The average freight rate in the first nine months of the 2023 financial year was USD 1,604/TEU, which was USD 1,334/TEU, or 45.4%, down on the same period in the previous year (USD 2,938/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.

## Financial performance of Liner Shipping

### Revenue

Revenue in the Liner Shipping segment fell by EUR 12,636.6 million to EUR 14,059.9 million in the first nine months of the 2023 financial year (prior year period: EUR 26,696.5 million), representing a decrease of 47.3%. This was mainly due to a decrease in the average freight rate of 45.4% compared to the same period in the previous year. The weakening of the US dollar against the euro also reduced revenue. Adjusted for exchange rate movements, revenue would have fallen by approximately EUR 12.2 billion, or 46.4%.

### Revenue per trade

million EUR	Q3 2023	Q3 2022	9M 2023	9M 2022
Atlantic	709.8	1,671.5	2,945.0	4,251.0
Transpacific	713.2	1,949.8	2,245.9	5,016.7
Far East	633.9	1,829.5	2,164.7	5,321.3
Middle East	286.3	802.8	1,049.3	2,413.1
Intra-Asia	127.7	313.3	416.4	881.2
Latin America	1,009.2	2,041.0	3,551.7	5,659.2
Africa	266.8	498.8	834.0	1,257.4
Revenue not assigned to trades	285.9	629.3	852.9	1,896.6
<b>Total</b>	<b>4,032.9</b>	<b>9,736.0</b>	<b>14,059.9</b>	<b>26,696.5</b>

The item for revenue not assigned to trades mainly comprises income from demurrage and detention for containers and compensation payments for shipping space. Income from demurrage and detention decreased due to easing disruptions in global supply chains in particular. 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 1,266.7 million in the first nine months of the 2023 financial year to EUR 8,883.8 million (prior year period: EUR 10,150.5 million). This corresponds to a decrease of 12.5%. Lower expenses for demurrage and detention for containers and a lower bunker consumption price compared to the same period in the previous year primarily contributed to the decrease in transport expenses. The weaker US dollar compared with the euro also led to a reduction in transport expenses. Adjusted for exchange rate changes, transport expenses would have decreased by EUR 1,093.3 million or 11.0%. The increase was counteracted by higher port and canal costs, as well as higher equipment and repositioning expenses compared to the same period in the previous year.

In the first nine months of the 2023 financial year, the average bunker consumption price for Hapag-Lloyd was USD 611/t, which is USD 144/t (19.1%) below the figure of USD 755/t for the same period in the previous year. This led to a decrease in fuel expenses of EUR 598.7 million to EUR 1,673.4 million (prior year period: EUR 2,272.1 million).

Container handling expenses fell in the first nine months of the reporting year by EUR 675.3 million to EUR 4,283.1 million (prior year period: EUR 4,958.5 million). This decline was due in particular to lower demurrage and detention expenses for containers as a result of the steady normalisation of global supply chains.

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

#### Depreciation, amortisation and impairments

In the first nine months of the 2023 financial year, there was a year-on-year fall in depreciation and amortisation of EUR 9.9 million to EUR 1,403.8 million (prior year period: EUR 1,413.8 million). This was largely related to scheduled depreciation and amortisation of vessels and containers in the amount of EUR 1,304.9 million (prior year period: EUR 1,318.9 million).

#### Other income and expenses

The increase in other income and expenses resulted primarily from the rise in personnel expenses of EUR 68.2 million to EUR 712.4 million (prior year period: EUR 644.2 million). This was driven by the adjustment in the bonus system and the increase in number of shore-based employees due to the expansion of Service Centers in India. With regard to the change in the share of profit of equity-accounted investees, please refer to the section "Earnings position of the Hapag-Lloyd Group" in the condensed Group management report.

#### Operating result

Earnings before interest and taxes (EBIT) of EUR 2,732.7 million were achieved in the Liner Shipping segment in the first nine months of the 2023 financial year (prior year period: EUR 14,137.6 million).

#### Terminal & Infrastructure segment

Following the acquisition of SAAM Ports S.A. and SAAM Logistics S.A. as well as an associated real estate portfolio (jointly SAAM) on 1 August 2023, their companies were incorporated into the Hapag-Lloyd Group and consequently into the Terminal & Infrastructure segment.

As such, the earnings position figures of the Terminal & Infrastructure segment for the first nine months can only be compared with those of previous year to a limited extent. As a result, the operating performance of the Terminal & Infrastructure segment has not been presented either.

At EUR 35.5 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) in the Terminal & Infrastructure segment were lower than the previous year's figure of EUR 86.4 million. Likewise, earnings before interest and taxes (EBIT) decreased to EUR 27.1 million (prior year period: EUR 85.5 million).

## Financial performance of Terminal & Infrastructure

### Revenue

In the first nine months of the financial year, revenue of EUR 85.0 million (prior year period: EUR 17.2 million) was generated in particular from the handling of containers and other cargo and was mainly attributable to the SAAM companies newly included in the group of consolidated companies.

### Operating expenses

Operating expenses in the Terminal & Infrastructure segment in the first nine months resulted primarily from expenses for the operation of terminals and handling of containers in the amount of EUR 19.4 million (prior year period: EUR 3.5 million), as well as from personnel expenses of EUR 32.7 million (prior year period: EUR 5.3 million).

### Share of profit of equity-accounted investees

In the first nine months of the financial year, the share of profit of equity-accounted investees amounted to EUR 21.2 million (prior year period: EUR 79.2 million). The lower share of profit of equity-accounted investees compared to the same period in the previous year resulted from the difference, recognised as income in the previous year period, between the initially recognised value of the shares of EUROGATE Container Terminal Wilhelmshaven GmbH & Co.KG (CTW) and Rail Terminal Wilhelmshaven GmbH (RTW) and the lower cost of acquisition. Additional disclosures on the share of profit of equity-accounted investees can be found in the section "Investments in equity-accounted investees" in the condensed Notes to the interim consolidated financial statements.

### Other income and expenses

Other income and expenses in the first nine months of the financial year mainly related to the other operating result in the amount of EUR –20.8 million (prior year period: EUR –1.2 million) and mainly refer to administrative and consulting expenses.

### Operating result

Earnings before interest and taxes (EBIT) of EUR 27.1 million were achieved in the Terminal & Infrastructure segment in the first nine months of the 2023 financial year (prior year period: EUR 85.5 million).

**Group financial position****Condensed statement of cash flows**

million EUR	Q3 2023	Q3 2022	9M 2023	9M 2022
Cash flow from operating activities	756.5	5,609.5	4,592.7	14,902.8
Cash flow from investing activities <sup>1</sup>	-1,271.7	-867.6	-1,417.8	-1,520.2
<b>Free cash flow</b>	<b>-515.2</b>	<b>4,741.9</b>	<b>3,174.9</b>	<b>13,382.6</b>
Cash flow from financing activities	-82.1	-434.3	-11,759.2	-7,722.3
<b>Cash-effective changes in cash and cash equivalents</b>	<b>-597.3</b>	<b>4,307.6</b>	<b>-8,584.4</b>	<b>5,660.3</b>

<sup>1</sup> Since the fourth quarter of 2022 financial 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.

**Cash flow from operating activities**

In the first nine month of the 2023 financial year, Hapag-Lloyd generated an operating cash flow of EUR 4,592.7 million (prior year period: EUR 14,902.8 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 1,417.8 million in the first nine months of the 2023 financial year (prior year period: EUR 1,520.2 million). This includes cash outflows for share acquisitions of EUR 1,625.9 million (prior year period: EUR 115.2 million) and payments for investments, mainly for vessels, vessel equipment and for new containers, of EUR 1,300.3 million (prior year period: EUR 839.6 million). This was mainly offset by cash inflows from changes in cash and cash equivalents for money market transactions and money market funds, as well as special fund securities of net EUR 925.4 million (prior year period: cash outflow EUR 737.3 million) and interest received of EUR 478.7 million (prior year period: EUR 70.9 million).

**Cash flow from financing activities**

Financing activities resulted in a net cash outflow of EUR 11,759.2 million in the first nine months of the financial year (prior year period: EUR 7,722.3 million). The cash outflow essentially resulted from the dividend payment to the shareholders of Hapag-Lloyd AG of EUR 11,072.9 million (prior year period: EUR 6,151.6 million). The interest and redemption payments from lease liabilities in accordance with IFRS 16 totalled EUR 819.8 million (prior year period: EUR 850.0 million). In the first nine month of the financial year, EUR 404.3 million was paid for interest and redemption payments for vessel and container financing (prior year period: EUR 426.4 million). This was offset by cash inflows from loans taken out to finance vessels amounting to EUR 445.3 million (prior year period: EUR 15.4 million) and inflows essentially from hedging transactions for dividend payments of EUR 159.1 million (prior year period cash outflow: EUR 280.1 million).

### Developments in cash and cash equivalents

million EUR	Q3 2023	Q3 2022	9M 2023	9M 2022
<b>Cash and cash equivalents at beginning of period</b>	<b>6,791.6</b>	<b>10,000.4</b>	<b>15,236.1</b>	<b>7,723.4</b>
Changes due to exchange rate fluctuations	163.6	828.6	-293.8	1,752.9
Net changes	-597.3	4,307.6	-8,584.4	5,660.3
<b>Cash and cash equivalents at end of period</b>	<b>6,357.9</b>	<b>15,136.6</b>	<b>6,357.9</b>	<b>15,136.6</b>

In total, there was a cash outflow of EUR 8,584.4 million in the first nine months of the 2023 financial year, so that, taking into account exchange rate-related effects of EUR -293.8 million, cash and cash equivalents of EUR 6,357.9 million were reported at the end of the reporting period on 30 September 2023 (30 September 2022: EUR 15,136.6 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 684.5 million (30 September 2022: EUR 743.4 million) as well as money market transactions/money market funds and special fund securities as other financial assets of EUR 1,900.9 million (30 September 2022: money market transactions/money market funds as other financial assets: EUR 804.9 million), resulting in a total liquidity reserve of EUR 8,949.3 million (30 September 2022: EUR 16,684.9 million).

### Financial solidity

million EUR	30.9.2023	31.12.2022
Financial debt and lease liabilities	5,462.4	5,436.8
Cash and cash equivalents	6,357.9	15,236.1
Money market transactions/money market funds as well as special fund securities (other financial assets)	1,900.9	2,787.8
<b>Net liquidity<sup>1</sup></b>	<b>2,796.4</b>	<b>12,587.1</b>
<b>Unused credit lines</b>	<b>684.5</b>	<b>679.2</b>
<b>Equity ratio (%)</b>	<b>65.0</b>	<b>72.1</b>

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

As at 30 September 2023, the Group's net liquidity amounted to EUR 2,796.4 million. This represents a fall of EUR 9,790.7 million compared to net liquidity as at 31 December 2022. The decrease was mainly due to the dividend payment and the acquisition of terminal companies and shares. This was offset by a positive operating cash flow.

Equity decreased by EUR 8,101.0 million compared to 31 December 2022 and amounted to EUR 19,810.8 million as at 30 September 2023. The equity ratio was 65.0% (31 December 2022: 72.1%). 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	30.9.2023	31.12.2022
<b>Assets</b>		
Non-current assets	19,414.9	16,894.7
of which fixed assets	19,181.2	16,746.1
Current assets	11,056.5	21,792.7
of which cash and cash equivalents	6,357.9	15,236.1
<b>Total assets</b>	<b>30,471.4</b>	<b>38,687.3</b>
<b>Equity and liabilities</b>		
Equity	19,810.1	27,911.1
Borrowed capital	10,661.3	10,776.2
of which non-current liabilities	4,599.5	4,379.3
of which current liabilities	6,061.8	6,397.0
of which financial debt and lease liabilities	5,462.4	5,436.8
of which non-current financial debt and lease liabilities	4,101.6	4,044.9
of which current financial debt and lease liabilities	1,360.9	1,392.0
<b>Total equity and liabilities</b>	<b>30,471.4</b>	<b>38,687.3</b>
Net liquidity	2,796.4	12,587.1
Equity ratio (%)	65.0	72.1

As at 30 September 2023, the Group's total assets amounted to EUR 30,471.4 million and were EUR 8,215.9 million lower than at year-end 2022. The change was mainly due to the decrease in cash and cash equivalents and the lower equity as a result of the dividend payment. The USD/EUR exchange rate was quoted at 1.06 on 30 September 2023 (31 December 2022: 1.07).

Within non-current assets, the carrying amounts of fixed assets increased by a total of EUR 2,435.0 million to EUR 19,181.2 million (31 December 2022: EUR 16,746.1 million), in particular due to the investments in vessels, vessel equipment and containers in the amount of EUR 1,240.0 million (prior year period: EUR 818.5 million), the addition of non-current assets as a result of the acquisitions of SAAM in the amount of EUR 965.5 million as well as the investments in interests in Spinelli S.r.l. and J M Baxi Ports & Logistics Limited and other equity-accounted investees in the amount of EUR 842.5 million. Newly received and extended rights of use for lease assets of EUR 620.2 million (prior year period: EUR 1,049.3 million) as well as exchange rate effects as at the reporting date totalling EUR 188.4 million (prior year period: EUR 2,416.6) also contributed to the increase. Scheduled depreciation and amortisation amounting to EUR 1,412.2 million (prior year period: EUR 1,417.1 million) had an offsetting effect. This includes an amount of EUR 775.2 million (prior year period: EUR 741.6 million) for the amortisation of capitalised rights of use relating to lease assets.

The increase in deferred tax assets in the current period resulted from the unrealized foreign exchange effects on money market investments as at 30 September 2023 (EUR 72.6 million). The corresponding offsetting effects from temporary differences were considered in the current income taxes for the first nine months of 2023. Furthermore, the addition of deferred tax assets from SAAM companies in the amount of EUR 18.8 million contributed to the increase.

The decrease in current other financial assets totalling EUR 913.3 million resulted mainly from the repayment of time deposits in the amount of EUR 2,787.8 million. This was offset by the subscription to the special fund "HLAG Performance Express" in April 2023. Hapag-Lloyd acquired USD 2,000.0 million of shares in the investment fund, which was concluded for an indefinite period. As at the reporting date, current other financial assets include financial instruments for the special fund (excluding interests) in the amount of EUR 1,899.9 million.

Cash and cash equivalents decreased to EUR 6,357.9 million compared to year-end 2022 (EUR 15,236.1 million) mainly due to the dividend payment for the 2022 financial year on 8 May 2023 in the amount of EUR 11,072.9 million. The positive operating cash flow counteracted this decline.

On the liabilities side, equity (including non-controlling interests) declined by EUR 8,101.0 million to EUR 19,810.1 million. Despite the Group profit of EUR 3,163.0 million (prior year period: EUR 13,773.7 million) recognised in the retained earnings, the dividend paid from the previous year's retained earnings in the amount of EUR 63.0 (prior year: EUR 35.0) per dividend-eligible individual share, i.e. a total of EUR 11,072.9 million, led to a decrease.

The Group's borrowed capital fell slightly by EUR 114.9 million in comparison to the 2022 consolidated financial statements. This is mainly due to the significant reduction in contract liabilities by EUR 449.7 million (prior year period: increase of EUR 57.8 million) to EUR 503.1 million, particularly as a result of continued lower freight rates for transport orders on pending voyages as at the reporting date.

The slight increase in financial liabilities and lease liabilities primarily resulted from newly acquired or extended charter and leasing contracts of EUR 555.6 million (prior year period: EUR 1,042.8 million) as well as obtaining new bank loans with the purpose of vessel financing in the amount of EUR 387.3 million. Also, the addition of financial debt and lease liabilities resulting from the acquisitions of companies made in the current financial year in the amount of EUR 104.3 million (prior-year period: EUR 0.0 million) and exchange rate effects of EUR 32.1 million (prior-year period: EUR 835.2 million) as at the reporting date contributed to the increase, which was offset by redemption payments totalling EUR 1,205.1 million (prior year period: EUR 1,146.1 million).

The increase in deferred tax liabilities is mostly an effect of the purchase price allocation in relation to the acquisition of SAAM group amounting to EUR 74.7 million as well as the addition of deferred tax liabilities from the SAAM entities amounting to EUR 21.5 million.

As at 30 September 2023, net liquidity, including cash and cash equivalents, money market transactions, money market funds 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 2,769.4 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 in the condensed interim consolidated financial statements.

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

In the first nine month of the 2023 financial year, the decline in demand for container transport continued. The simultaneous normalisation of global supply chains led to freed-up transport capacities which were increasingly reinforced by the increase in the supply of container vessel capacities as part of vessel newbuilds. This development was reflected in a significant decline in average freight rates. As a result, Hapag-Lloyd's Group result decreased year on year.

For the 2023 financial year, the Executive Board expects only a slow recovery in demand for container transport due to inflation in a tense market environment with intensifying geopolitical conflicts as well as high inventory levels from customers. For these reasons, the remainder of the 2023 financial year is considered challenging and uncertain.

## 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 October forecast, a moderate increase of 3.0% is expected in 2023, following 3.5% 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 dampening the pace of growth in many economies. While the recovery in the services sector resulting from the lifting of pandemic measures in the previous year is already slowing down, the most recent data indicates far-reaching weakness in the manufacturing industry, with corresponding negative effects on industrial production, investments, and international trade. World trade volume is therefore expected to grow by only 0.9% in 2023, following 5.1% in the prior year period (IMF World Economic Outlook, October 2023).

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

in %	2024e	2023e	2022	2021	2020
Global economic growth	2.9	3.0	3.5	6.3	-2.8
Industrialised countries	1.4	1.5	2.6	5.6	-4.2
Developing and newly industrialised countries	4.0	4.0	4.1	6.9	-1.8
World trade volume (goods and services)	3.5	0.9	5.1	10.9	-7.8

Source: IMF World Economic Outlook, October 2023

#### Sector-specific outlook

After global container transport volumes declined by 4.0% in 2022, the consulting firm Accenture Cargo now also expects a decline of 2.9% in transport volumes for 2023. The change in consumer behaviour after the pandemic, with a shift of expenditure back from goods to services, and the weak performance of industrial production are having a negative impact on world trade.

The Transpacific trade is likely to record the sharpest drop of -8.0% in 2023, while the transport volumes in the other major trades are likely to decrease slightly. Only Africa is expected to grow slightly by 2.1%.

#### Development of container transport volume

	2024e	2023e	2022	2021	2020
Growth rate in %	3.7	-2.9	-4.0	6.9	-1.4

Sources: CTS (October 2023: 2020-2022), Accenture Cargo (August 2023: 2023-2024)

According to MDS Transmodal, the tonnage of container vessels on order rose to around 7.1 million TEU at the end of September 2023, compared with around 6.7 million TEU at the end of September 2022. Accordingly, the ratio of order backlog to current world container fleet capacity remained at a high level of 26.4%, but well below the peak of around 61% reached in 2007.

A significant increase in vessel deliveries is planned for 2023. Drewry expects the global available container vessel fleet to grow by 1.9 million TEU, or 7.2%, year-on-year after scrapping and postponement of deliveries.

#### Expected development of global container fleet capacity

million TEU	2024e	2023e	2022	2021	2020
Existing fleet (beginning of the year)	27.6	25.8	24.7	23.6	23.0
Planned deliveries	3.4	2.5	1.0	1.2	1.1
Expected scrappings	0.6	0.2	0.0	0.0	0.2
Postponed deliveries and other changes	1.0	0.5	-0.1	0.1	0.3
<b>Net capacity growth</b>	<b>1.8</b>	<b>1.9</b>	<b>1.0</b>	<b>1.1</b>	<b>0.7</b>
Net capacity growth (in %)	6.4	7.2	4.2	4.5	3.0

Source: Drewry Container Forecaster Q3 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 gradual normalisation of the earnings trend in the first nine months of 2023, which can be attributed to a significantly changed market environment compared to the previous year. Weaker demand for container transport coupled with a growing supply of capacity have led to a gradual decline in Hapag-Lloyd's average freight rate. At the same time, costs remained on an elevated level, mainly due to inflation.

With the business development in the first nine months of 2023 being in line with expectations, the Executive Board of Hapag-Lloyd AG substantiates its forecast for the current financial year 2023 published on 2 March 2023. Group EBITDA is now expected to be in the range of EUR 4.1 to 5.0 billion (previously: EUR 4.0 to 6.0 billion) and EBIT in the range of EUR 2.2 to 3.1 billion (previously: EUR 2.0 to 4.0 billion). In US dollars, this corresponds to an expected Group EBITDA in the range of USD 4.5 to 5.5 billion (previously: USD 4.3 to 6.5 billion) and EBIT in the range of USD 2.4 to 3.4 billion (previous year: USD 2.1 to 4.3 billion). Given the various geopolitical conflicts as well as the impact of high inflation and high levels of customer inventories, the outlook is subject to uncertainty.

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 1.09/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.

**Key benchmark figures for the 2023 outlook**

	Actual 2022	Forecast 2023 (from 2 March 2023)	Updated Forecast 2023
Global economic growth (IMF, Jan./Oct. 2023)	3.5%	2.9%	3.0%
Global trade growth (IMF, Jan./Oct. 2023)	5.1%	2.4%	0.9%
Global container transport volume growth (CTS, Oct. 2023; Accenture Cargo, Dec. 2022/Aug. 2023)	-4.0%	2.2%	-2.9%
Transport volume <sup>1</sup>	11.8 million TEU	Increasing slightly	Increasing slightly
Average freight rate <sup>1</sup>	USD 2,863/TEU	Decreasing clearly	Decreasing clearly
Average bunker consumption price <sup>1</sup>	USD 753/t	Decreasing clearly	Decreasing clearly
Group EBITDA	EUR 19.4 billion	EUR 4.0– 6.0 billion	EUR 4.1– 5.0 billion
Group EBIT	EUR 17.5 billion	EUR 2.0– 4.0 billion	EUR 2.2– 3.1 billion

<sup>1</sup> 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 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 backdrop of the Russia-Ukraine war and the uncertainty regarding its 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 potential consequences either in terms of extent or duration. It is also not possible to fully assess the potential consequences of an expansion of the armed conflicts in Israel's border regions to other states in the region.

The negative effects on the financial and earnings position due to a fluctuation of the average freight rate are now classified as severe for the remaining financial year against the background of the transport volume already contracted.

Considering the transport volumes already contracted and the available transport capacities for the rest of the financial year, the negative effects on the financial and earnings position due to a fluctuation in transport volumes continue to be classified as severe, as in the second quarter.

Due to the uncertainties in the macroeconomic environment, such as rising interest rates, as well as taking into account the development of demand for container transport services and the increasing supply of transport capacity, the probability of a potential impairment of goodwill or other intangible assets is now classified as medium.

There is no change in the assessment from the first quarter of 2023 that due to the commodity price level already factored into the forecast as well as the procurement and consumption volumes expected for the remaining financial year, the negative effects of an increase in the bunker consumption price on the financial and earnings situation for this risk are classified as bearable, based on the forecast assumptions.

The key risks regarding to the expected performance of the Group's 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	Severe
Fluctuation in transport volume	Medium	Severe
Impairment of goodwill and other intangible assets	Medium	Critical
Information technology & security – cyberattack	Medium	Severe
Bunker consumption price fluctuation	Low	Bearable

At the time of reporting on the first nine months of 2023, 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 30 September 2023

million EUR	Q3 2023	Q3 2022	9M 2023	9M 2022
Revenue	4,099.3	9,741.2	14,135.5	26,711.3
Transport and terminal expenses	3,036.3	3,770.0	8,892.8	10,148.1
Personnel expenses	269.3	222.5	745.0	649.5
Depreciation, amortisation and impairment	474.4	479.3	1,412.2	1,414.6
Other operating result	-113.6	-122.7	-347.7	-357.2
<b>Operating result</b>	<b>205.7</b>	<b>5,146.7</b>	<b>2,737.8</b>	<b>14,141.9</b>
Share of profit of equity-accounted investees	-1.2	12.1	19.6	81.1
Result from investments	-0.1	-3.8	2.2	0.2
<b>Earnings before interest and taxes (EBIT)</b>	<b>204.4</b>	<b>5,154.9</b>	<b>2,759.5</b>	<b>14,223.1</b>
Interest income and other finance income	114.4	70.1	479.1	93.1
Interest expenses and other finance expenses	66.0	61.7	177.8	169.7
Other financial items	1.7	-4.1	154.0	-295.7
<b>Earnings before taxes</b>	<b>254.5</b>	<b>5,159.2</b>	<b>3,214.8</b>	<b>13,850.8</b>
Income taxes	-9.3	39.6	52.6	77.0
<b>Group profit/loss</b>	<b>263.8</b>	<b>5,119.6</b>	<b>3,162.2</b>	<b>13,773.7</b>
thereof attributable to shareholders of Hapag-Lloyd AG	257.6	5,115.7	3,151.1	13,761.7
thereof attributable to non-controlling interests	6.2	3.9	11.2	12.0
<b>Basic/diluted earnings per share (in EUR)</b>	<b>1.47</b>	<b>29.11</b>	<b>17.93</b>	<b>78.30</b>



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**of Hapag-Lloyd AG for the period 1 January to 30 September 2023**

million EUR	Q3 2023	Q3 2022	9M 2023	9M 2022
<b>Group profit/loss</b>	<b>263.8</b>	<b>5,119.6</b>	<b>3,162.2</b>	<b>13,773.7</b>
<b>Items that will not be reclassified to profit and loss:</b>				
Remeasurements from defined benefit plans after tax	13.3	33.3	8.2	169.3
Remeasurements from defined benefit plans before tax	13.2	33.1	8.1	168.9
Tax effect	–	0.2	0.1	0.5
Currency translation differences (no tax effect)	462.5	1,533.8	–191.6	3,248.1
<b>Items that may be reclassified to profit and loss:</b>				
Cash flow hedges (no tax effect)	–4.5	13.5	–12.4	44.2
Effective share of the changes in fair value	–34.0	–9.6	1.0	–11.7
Reclassification to profit or loss	28.9	20.9	–13.4	52.2
Currency translation differences	0.6	2.2	–	3.7
Cost of hedging (no tax effect)	0.5	–1.3	1.5	3.1
Changes in fair value	–0.9	–2.4	–2.3	–
Reclassification to profit or loss	1.3	1.0	3.8	2.7
Currency translation differences	0.1	0.1	–	0.4
Financial assets at fair value through other comprehensive income	0.2	–	–14.4	–
<b>Other comprehensive income after tax</b>	<b>472.0</b>	<b>1,579.3</b>	<b>–208.6</b>	<b>3,464.7</b>
<b>Total comprehensive income</b>	<b>735.8</b>	<b>6,698.9</b>	<b>2,953.6</b>	<b>17,238.4</b>
thereof attributable to shareholders of Hapag-Lloyd AG	728.1	6,693.8	2,941.2	17,224.1
thereof attributable to non-controlling interests	7.7	5.1	12.5	14.3

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**of Hapag-Lloyd AG as at 30 September 2023**

**Assets**

million EUR	<b>30.9.2023</b>	31.12.2022
Goodwill	2,009.3	1,712.1
Other intangible assets	1,725.0	1,540.4
Property, plant and equipment	14,041.9	13,140.2
Investments in equity-accounted investees	1,404.9	353.4
Other financial assets	71.4	49.9
Other non-financial assets	20.3	22.7
Derivative financial instruments	0.7	37.3
Income tax receivables	6.3	5.7
Deferred tax assets	135.0	33.0
<b>Non-current assets</b>	<b>19,414.9</b>	<b>16,894.7</b>
Inventories	452.2	440.0
Trade accounts receivable	1,822.5	2,895.0
Other financial assets	2,153.8	3,067.1
Other non-financial assets	223.4	132.5
Derivative financial instruments	8.6	5.5
Income tax receivables	32.9	16.4
Cash and cash equivalents	6,357.9	15,236.1
Assets classified held for sale	5.2	–
<b>Current assets</b>	<b>11,056.5</b>	<b>21,792.7</b>
<b>Total assets</b>	<b>30,471.4</b>	<b>38,687.3</b>

**Equity and liabilities**

million EUR	30.9.2023	31.12.2022
Subscribed capital	175.8	175.8
Capital reserves	2,637.4	2,637.4
Retained earnings	15,525.4	23,447.3
Cumulative other equity	1,423.1	1,632.9
<b>Equity attributable to shareholders of Hapag-Lloyd AG</b>	<b>19,761.7</b>	<b>27,893.4</b>
Non-controlling interests	48.4	17.7
<b>Equity</b>	<b>19,810.1</b>	<b>27,911.1</b>
Provisions for pensions and similar obligations	217.6	212.5
Other provisions	87.7	80.9
Financial debt	2,493.1	2,319.4
Lease liabilities	1,608.5	1,725.4
Other financial liabilities	32.6	–
Other non-financial liabilities	0.9	0.2
Deferred tax liabilities	159.1	40.8
<b>Non-current liabilities</b>	<b>4,599.5</b>	<b>4,379.3</b>
Provisions for pensions and similar obligations	11.9	10.5
Other provisions	1,061.5	964.6
Income tax liabilities	218.3	165.9
Financial debt	451.2	457.3
Lease liabilities	909.7	934.7
Trade accounts payable	2,647.2	2,615.7
Contract liabilities	503.1	952.9
Other financial liabilities	187.1	177.2
Other non-financial liabilities	48.7	81.2
Derivative financial instruments	23.3	37.0
<b>Current liabilities</b>	<b>6,061.8</b>	<b>6,397.0</b>
<b>Total equity and liabilities</b>	<b>30,471.4</b>	<b>38,687.3</b>

### CONSOLIDATED STATEMENT OF CASH FLOWS of Hapag-Lloyd AG for the period 1 January to 30 September 2023

million EUR	Q3 2023	Q3 2022	9M 2023	9M 2022
Group profit/loss	263.8	5,119.6	3,162.2	13,773.7
Income tax expenses (+)/income (-)	-9.3	39.6	52.6	77.0
Other financial items	-1.7	4.1	-154.0	295.7
Interest result	-48.4	-8.4	-301.2	76.6
Depreciation, amortisation and impairment (+)/write-backs (-)	474.4	479.3	1,412.2	1,414.6
Profit (-)/loss (+) from disposals of non-current assets	-9.4	-19.4	-37.7	-49.5
Income (-)/expenses (+) from equity accounted investees and dividends from other investments	1.3	-12.0	-21.8	-81.2
Other non-cash expenses (+)/income (-)	-28.5	-18.3	-23.9	-57.0
Increase (-)/decrease (+) in inventories	-33.8	37.3	-0.5	-160.5
Increase (-)/decrease (+) in receivables and other assets	149.3	100.9	1,008.0	-552.8
Increase (+)/decrease (-) in provisions	170.0	79.7	121.9	60.4
Increase (+)/decrease (-) in liabilities (excl. financial debt)	-145.9	-191.3	-526.4	124.0
Payments received from (+)/made for (-) income taxes	-25.2	-1.6	-98.7	-18.3
<b>Cash inflow (+)/outflow (-) from operating activities</b>	<b>756.5</b>	<b>5,609.5</b>	<b>4,592.7</b>	<b>14,902.8</b>
Payments received from disposals of property, plant and equipment and intangible assets	23.7	28.6	77.7	73.9
Payments received from dividends of equity-accounted investees	0.5	35.1	15.5	35.1
Payments received from the disposal of assets held for sale	10.4	-	10.4	-
Payments made for investments in property, plant and equipment and intangible assets	-619.0	-248.0	-1,300.3	-839.6
Payments made for investments in financial assets	-	-	-	-8.0
Payments received for the redemption of issued loans	-	-	0.7	-
Net cash Inflow (+)/outflow (-) from acquisition	-768.1	-	-762.8	-166.0
Payments received from the acquisition of shares of equity-accounted investees	-	-	-	50.8
Payments made for the acquisition of shares of equity-accounted investees	-18.3	-	-863.1	-
Change of financial assets and financial assets held for investment	-0.9	-737.3	925.4	-737.3
Payments received for interest <sup>1</sup>	100.1	54.1	478.7	70.9
<b>Cash inflow (+)/outflow (-) from investing activities</b>	<b>-1,271.7</b>	<b>-867.6</b>	<b>-1,417.8</b>	<b>-1,520.2</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 figures were adjusted accordingly.

million EUR	Q3 2023	Q3 2022	9M 2023	9M 2022
Payments made for dividends	-1.3	-1.7	-11,084.7	-6,162.0
Payments received from raising financial debt	308.3	15.6	452.1	15.6
Payments made for the redemption of financial debt	-86.4	-102.5	-376.7	-358.3
Payments made for the redemption of lease liabilities	-246.9	-280.0	-740.5	-787.8
Payments made for interest and fees	-58.1	-53.8	-168.6	-149.6
Payments received (+) and made (-) from hedges for financial debt and payments of dividends	2.4	-11.8	159.1	-280.1
<b>Cash inflow (+)/outflow (-) from financing activities</b>	<b>-82.1</b>	<b>-434.3</b>	<b>-11,759.2</b>	<b>-7,722.3</b>
<b>Net change in cash and cash equivalents</b>	<b>-597.3</b>	<b>4,307.6</b>	<b>-8,584.4</b>	<b>5,660.3</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6,791.6</b>	<b>10,000.4</b>	<b>15,236.1</b>	<b>7,723.4</b>
Change in cash and cash equivalents due to exchange rate fluctuations	163.6	828.6	-293.8	1,752.9
Net change in cash and cash equivalents	-597.3	4,307.6	-8,584.4	5,660.3
<b>Cash and cash equivalents at end of period</b>	<b>6,357.9</b>	<b>15,136.6</b>	<b>6,357.9</b>	<b>15,136.6</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**of Hapag-Lloyd AG for the period 1 January to 30 September 2023**

	Equity attributable to shareholders		
million EUR	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>13,761.7</b>
thereof			
Group profit/loss	-	-	13,761.7
Other comprehensive income	-	-	-
<b>Transactions with shareholders</b>	-	-	<b>-6,155.4</b>
thereof			
Distribution to shareholders	-	-	-6,151.6
Distribution to non-controlling interests	-	-	-3.8
<b>As at 30.9.2022</b>	<b>175.8</b>	<b>2,637.4</b>	<b>20,215.1</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>3,151.1</b>
thereof			
Group profit/loss	-	-	3,151.1
Other comprehensive income	-	-	-
<b>Transactions with shareholders</b>	-	-	<b>-11,072.9</b>
thereof			
Distribution to shareholders	-	-	-11,072.9
Distribution to non-controlling interests	-	-	-
Addition of shares of non-controlling interests from first-time consolidation	-	-	-
<b>Reclassification from reserve for Remeasurements from defined benefit pension plans</b>	-	-	<b>-0.2</b>
<b>Deconsolidation</b>	-	-	<b>0.1</b>
<b>As at 30.9.2023</b>	<b>175.8</b>	<b>2,637.4</b>	<b>15,525.4</b>

## 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
-149.6	-0.1	0.6	-	876.7	-0.5	727.1	16,149.1	12.9	16,162.0
169.3	44.2	3.1	-	3,245.8	-	3,462.4	17,224.1	14.3	17,238.4
-	-	-	-	-	-	-	13,761.7	12.0	13,773.7
169.3	44.2	3.1	-	3,245.8	-	3,462.4	3,462.4	2.3	3,464.7
-	-	-	-	-	-	-	-6,155.4	-6.5	-6,162.0
-	-	-	-	-	-	-	-6,151.6	-	-6,151.6
-	-	-	-	-	-	-	-3.8	-6.5	-10.4
19.7	44.0	3.7	-	4,122.5	-0.5	4,189.5	27,217.8	20.7	27,238.4
-33.8	39.0	1.5	-	1,626.3	-	1,632.9	27,893.4	17.7	27,911.1
8.2	-12.4	1.5	-14.4	-192.9	-	-209.9	2,941.2	12.5	2,953.6
-	-	-	-	-	-	-	3,151.1	11.2	3,162.2
8.2	-12.4	1.5	-14.4	-192.9	-	-209.9	-209.9	1.3	-208.6
-	-	-	-	-	-	-	-11,072.9	18.2	-11,054.7
-	-	-	-	-	-	-	-11,072.9	-	-11,072.9
-	-	-	-	-	-	-	-	-11.4	-11.4
-	-	-	-	-	-	-	-	29.5	29.5
0.2	-	-	-	-	-	0.2	-	-	-
-	-	-	-	-0.1	-	-0.1	-	-	-
-25.4	26.6	3.0	-14.4	1,433.3	-	1,423.1	19,761.7	48.4	19,810.1

# 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 30 September 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 3 November 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). This interim report as at 30 September 2023 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 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 30 September 2023 are to be read in conjunction with the audited and published IFRS consolidated financial statements as at 31 December 2022.



With the exception of the matters explained in the chapter Accounting and measurement, 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 30 September 2023, the closing US dollar/euro exchange rate was quoted as USD 1.05915/EUR (31 December 2022: USD 1.06750/EUR). For the first nine months of 2023, the average US dollar/euro exchange rate was USD 1.08320/EUR (prior year period: USD 1.06470/EUR).

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

The consolidated financial statements include all significant subsidiaries and equity-accounted investments. As at 30 September 2023, the group of consolidated companies comprised 134 fully consolidated companies (31 December 2022: 112) and 21 companies consolidated using the at-equity method (31 December 2022: nine) besides Hapag-Lloyd AG.

As part of the acquisition of the Chilean companies SAAM Ports S.A. and SAAM Logistics S.A., 28 companies were added to the group of consolidated companies in the third quarter of 2023.

Four immaterial companies were liquidated in the first nine months of the 2023 financial year.

#### **Business acquisitions**

On 1 August 2023, Hapag-Lloyd acquired 100% of the shares and voting rights in the Chilean companies SAAM Ports S.A. and SAAM Logistics S.A., as well as an associated real estate portfolio (jointly SAAM). The vendor belongs to the group of Chilean-based company Quiñenco S.A., which indirectly holds a 30% stake in Hapag-Lloyd via CSAV S.A. The parties to the contract are therefore related parties. The transaction includes SAAM's entire terminal business and associated logistics services. The terminal business comprises ten terminals in six countries in North, Central and South America with around 4,000 employees and a container throughput of more than 3.0 million TEU in 2022. The container logistics sector complements the terminal business at five locations in Chile with around 300 employees. With the acquisition of SAAM, Hapag-Lloyd is expanding its strategic terminal interests and further strengthening its liner shipping business in Latin America. Investments in terminal infrastructure are an essential part of Hapag-Lloyd's strategic agenda.

A cash amount of EUR 891.0 million was transferred as consideration for the acquisition of the company.

Acquisition-related costs were incurred in the amount of EUR 13.8 million. These costs were recognised as other operating expenses and mainly result from consultancy fees.

The provisional fair values recognised for the acquired assets and assumed liabilities at the acquisition date are summarised below:

million EUR	
Other intangible assets	222.0
Property, plant and equipment	306.5
Investments in equity-accounted investees	164.4
Trade accounts receivable	0.7
Other assets	16.1
Derivative financial instruments	0.7
Deferred tax assets	23.2
<b>Non-current assets</b>	<b>733.6</b>
Inventories	8.0
Trade accounts receivable	42.5
Other assets and receivables	21.8
Derivative financial instruments	0.1
Income tax receivables	3.0
Cash and cash equivalents	122.9
Assets classified held for sale	0.2
<b>Current assets</b>	<b>198.5</b>
<b>Total assets</b>	<b>932.1</b>
Provisions for pensions and similar obligations	8.7
Other provisions	4.4
Financial debt	44.0
Lease liabilities	6.5
Other liabilities	33.7
Deferred tax liabilities	102.4
<b>Non-current liabilities</b>	<b>199.7</b>
Provisions for pensions and similar obligations	0.6
Other provisions	7.9
Income tax liabilities	10.9
Financial debt	27.0
Lease liabilities	5.4
Trade accounts payable	19.4
Contract liabilities	2.1
Other liabilities	10.0
<b>Current liabilities</b>	<b>83.3</b>
<b>Total liabilities</b>	<b>283.0</b>
Acquired net assets	649.1
Non-controlling interests	30.7
<b>Acquired net assets attributable to Hapag-Lloyd AG shareholders</b>	<b>618.4</b>
<b>Consideration transferred</b>	<b>891.0</b>
Goodwill	272.6

Due to the short time between the date of acquisition and the preparation date of the interim financial statements, the valuation of the acquired assets, transferred liabilities and non-controlling interests in the acquired companies, as well as the calculation of goodwill have not yet been completed. This concerns in particular the valuation of the other intangible assets, property, plant and equipment and the investments in equity-accounted investees, the corresponding deferred tax liabilities and, consequently, the amount of goodwill, which is why the information in this regard is provisional.

Goodwill includes in particular synergies from joint activities and non-separable intangible assets, such as employee expertise, and is not expected to be deductible for tax purposes.

Receivables with a fair value of EUR 84.1 million were acquired. The gross amount is EUR 85.2 million, of which EUR 1.1 million is likely to be uncollectable.

Since the acquisition date, revenue of EUR 67.9 million and earnings (EBIT) of EUR –3.4 million have been attributed to SAAM.

Had the acquisition taken place on 1 January 2023 (pro forma analysis), Group revenue would have come to EUR 14,318.9 million and earnings (EBIT) would have totalled EUR 2,777.1 million. In calculating these amounts, it was assumed that the fair values at the time of acquisition would also have been valid if the acquisition had occurred on 1 January 2023. The pro forma analysis is based on the available information and on assumptions. Based on these assumptions, the presented pro forma amounts do not necessarily equate to the Group revenue and Group earnings (EBIT) that the Group would have generated had the acquisition of SAAM in fact been closed on 1 January 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 264.8 million. These were settled in cash.

On 19 April 2023, Hapag-Lloyd AG indirectly acquired 40% of the shares in J M Baxi Ports & Logistics Limited, Mumbai, India. J M Baxi Ports & Logistics Limited, together with its associated companies within the J M Baxi Group, operates a number of container terminals and a multi-purpose terminal, as well as inland container depots and container freight stations. It is also engaged in various other logistics-related activities, such as providing rail-based services across India. The investment in J M Baxi will allow Hapag-Lloyd to strengthen its position in the strategic growth market of India. The shares are accounted for as an investment in a joint venture using the equity method and are initially recognised at cost (EUR 574.3 million). The acquisition costs comprise expenses directly attributable to the acquisition and were settled in cash.

## Accounting and measurement

### Service Concession Arrangements

The acquisition of the terminal business of Sociedad Matriz SAAM S.A. (SAAM Matriz) was completed on 1 August 2023, comprising ten terminals in six countries in North, Central and South America, as well as related logistics services in Chile. Concession arrangements were also acquired in the course of the acquisition of the terminal business. Accordingly, the Group (as concession operator) must recognise service concession arrangements related to the operation of the (port) terminals for the first time, which have to be accounted for either under IFRIC 12 or other standards. In the Hapag-Lloyd Group, both agreements with construction and upgrade works by Hapag-Lloyd as concession operator, and arrangements under which Hapag-Lloyd makes fixed (minimum) payments to the concession grantor for existing infrastructure facilities are relevant. In addition, there are arrangements within the Hapag-Lloyd Group that represent a combination of the two aforementioned arrangements. If Hapag-Lloyd provides construction or upgrade works, the consideration received for these works is recognised pursuant to IFRS 15. Revenue associated with construction or upgrade works under a service concession arrangement is generally recognised over a period of time. Revenue from operating or service activities is recognised in the period in which the services are provided by the Group.

The Hapag-Lloyd Group recognises an intangible asset from a service concession arrangement when it has a right to charge a fee for the use of the infrastructure facility of the concession. The intangible asset is initially measured at fair value corresponding to the fair value of the services provided and, if applicable, at the present value of the contractually arranged fixed concession fees. Borrowing costs are capitalised as part of the cost of acquisition if the conditions are met. The capitalised rights are subsequently measured at the amount of the cost of acquisition or production less accumulated scheduled amortisation, in principle over the term of the concessions.

The liabilities arising from the contracts to pay contractually fixed concession fees are recognised as a financial liability. Initial measurement is at the fair value of the liability using a risk-adjusted discount rate with matching terms. The recognised financial liabilities are subsequently measured at amortised cost using the effective interest method. Provisions for maintenance activities are created if maintenance obligations that are fixed in terms of amount arise from the concession arrangements. Costs for ongoing, scheduled maintenance activities are recognised as current expenses for the period.

## SEGMENT REPORTING

The Hapag-Lloyd Group is one of the world's leading container liner shipping companies. The acquisition of SAAM's terminal and logistics business in August 2023 further expanded the company's involvement in the terminal sector. As the main decision-making body, the Executive Board is responsible for allocating resources and assessing the profitability of Hapag-Lloyd Group's business segments. The primary business activities are divided into the segments Liner Shipping and Terminal & Infrastructure for the first time as at 30 September 2023. 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, the globally generated revenue comprises income from the shipping and handling of containers and from related services and commissions. 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 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 geographical regions.

### **Terminal & Infrastructure segment**

The business activity within the Terminal & Infrastructure segment mainly comprises the operation of terminals, the associated handling of containers and other freight. 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 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. The revenue of the Hapag-Lloyd Group results from the consolidated revenue of the individual segments and the adjustment of inter-segment revenue.

million EUR	1.1.–30.9.2023			
	Liner Shipping	Terminal & Infrastructure	Transition	Hapag-Lloyd Group
<b>Revenues</b>	<b>14,059.9</b>	<b>85.0</b>	<b>-9.3</b>	<b>14,135.5</b>
thereof inter-segment revenues	0.1	9.3	-9.3	–
thereof external revenues	14,059.8	75.7	–	14,135.5
Share of profit from equity-accounted investees	-1.6	21.2	–	19.6
<b>EBITDA</b>	<b>4,136.5</b>	<b>35.5</b>	<b>-0.2</b>	<b>4,171.7</b>
EBITDA margin (in %)	29.4	41.7	–	29.5
Depreciation of intangible assets and property, plant and equipment	1,403.8	8.4	–	1,412.2
<b>EBIT</b>	<b>2,732.7</b>	<b>27.1</b>	<b>-0.2</b>	<b>2,759.5</b>
EBIT margin (in %)	19.4	31.9	–	19.5

million EUR	1.1.–30.9.2022			
	Liner Shipping	Terminal & Infrastructure	Transition	Hapag-Lloyd Group
<b>Revenues</b>	<b>26,696.5</b>	<b>17.2</b>	<b>-2.4</b>	<b>26,711.3</b>
thereof inter-segment revenues	–	2.4	-2.4	–
thereof external revenues	26,696.5	14.7	–	26,711.3
Share of profit from equity-accounted investees	1.8	79.2	–	81.1
<b>EBITDA</b>	<b>15,551.4</b>	<b>86.4</b>	<b>-0.1</b>	<b>15,637.7</b>
EBITDA margin (in %)	58.3	502.9	–	58.5
Depreciation of intangible assets and property, plant and equipment	1,413.8	0.9	–	1,414.6
<b>EBIT</b>	<b>14,137.6</b>	<b>85.5</b>	<b>-0.1</b>	<b>14,223.1</b>
EBIT margin (in %)	53.0	497.7	–	53.3

### Information about products and services

Revenue with external customers for the groups of comparable products and services performed as follows:

million EUR	9M 2023	9M 2022
<b>Segment Liner Shipping</b>	<b>14,059.8</b>	<b>26,696.5</b>
Container transport service	12,937.0	24,583.9
Other	1,122.8	2,112.6
<b>Segment Terminal &amp; Infrastructure</b>	<b>75.7</b>	<b>14.7</b>
Container handling	53.9	–
Other	21.7	14.7
<b>Hapag-Lloyd Group</b>	<b>14,135.5</b>	<b>26,711.3</b>

**Revenue Liner Shipping per trade<sup>1</sup>**

million EUR	Q3 2023	Q3 2022	9M 2023	9M 2022
Atlantic	709.8	1,671.5	2,945.0	4,251.0
Transpacific	713.2	1,949.8	2,245.9	5,016.7
Far East	633.9	1,829.5	2,164.7	5,321.3
Middle East	286.3	802.8	1,049.3	2,413.1
Intra-Asia	127.7	313.3	416.4	881.2
Latin America	1,009.2	2,041.0	3,551.7	5,659.2
Africa	266.8	498.8	834.0	1,257.4
Revenue not assigned to trades	285.9	629.3	852.9	1,896.6
<b>Total</b>	<b>4,032.9</b>	<b>9,736.0</b>	<b>14,059.9</b>	<b>26,696.5</b>

<sup>1</sup> The revenue presented relate to the liner shipping segment. At EUR 85.0 million in the reporting period (prior year period: EUR 17.2 million), the revenue of the terminal & infrastructure segment represents a subordinate share of Group revenue and is therefore not included at present.

The item for revenue not assigned to trades mainly comprises income from demurrage and detention for containers and compensation payments for shipping space. Income from demurrage and detention decreased due to easing disruptions in global supply chains in particular. At the same time, revenue for pending voyages already generated is recognised under revenue not assigned to trades.

**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**

	Q3 2023	Q3 2022	9M 2023	9M 2022
Profit/loss attributable to shareholders of Hapag-Lloyd AG in million EUR	257.6	5,115.7	3,151.1	13,761.7
Weighted average number of shares in millions	175.8	175.8	175.8	175.8
<b>Basic earnings per share in EUR</b>	<b>1.47</b>	<b>29.11</b>	<b>17.93</b>	<b>78.30</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 dilutive effects in the first nine months of the 2023 financial year or in the corresponding prior year period.

## SELECTED NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Goodwill and other intangible assets

Goodwill and intangible assets increased compared with 31 December 2022, mainly due to the goodwill of EUR 272.6 million and intangible assets of EUR 222.0 million acquired in the course of the addition of the Chilean SAAM companies.

In addition, effects from currency translation of EUR 43.3 million (prior year period: EUR 496.4 million) increased the balance sheet items. Scheduled depreciation and amortisation of EUR 73.7 million had an opposite effect (prior year period: EUR 68.8 million).

### Property, plant and equipment

million EUR	30.9.2023	31.12.2022
Vessels	9,065.6	8,765.8
Container	3,402.7	3,254.9
Property, buildings and other equipment	632.8	295.0
Prepayments on account and assets under construction	940.8	824.4
<b>Total</b>	<b>14,041.9</b>	<b>13,140.2</b>

In the first nine months of the 2023 financial year, investments in vessels, vessel equipment and containers resulted in a net addition to property, plant and equipment of EUR 1,810.9 million. In addition, property, plant and equipment increased by EUR 306.5 million due to the addition of the SAAM-companies. Moreover, currency effects associated with the reporting date led to an additional rise of EUR 125.8 million. However, depreciation on property, plant and equipment and amortisation of rights of use in the amount of EUR 1,338.7 million essentially reduced the carrying amount of property, plant and equipment. Overall, there was an increase of EUR 901.8 million in property, plant and equipment.

### Other financial assets

Other financial assets are composed primarily of the financial instruments of the special fund "HLAG Performance Express" subscribed in the first nine months of the financial year amounting to EUR 1,899.9 million (prior year period: EUR 0.0 million). The fund was subscribed in April 2023 and concluded for an indefinite period. The fund is focused on fixed-income instruments (bonds, corporate bonds and government bonds) 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	30.9.2023	31.12.2022
Cash on hand, cheques, demand deposits and overnights	676.3	647.5
Reverse repo transactions	3,053.7	4,683.8
Term deposits with up to 3-month-term	1,603.8	5,140.6
Money market funds	1,024.1	4,764.2
<b>Total</b>	<b>6,357.9</b>	<b>15,236.1</b>



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

#### **Non-current assets held for sale**

As at 30 September 2023, one container ship was classified as a non-current asset held for sale. The original three vessels, some of which are more than 25 years old, are being disposed of in order that they may be recycled under the EU Ship Recycling Regulation (1257/2013), which will contribute to the strategic optimisation of the fleet. Binding contracts for the disposal of the vessels were concluded in the second quarter, two of which were handed over in the third quarter. The vessels will be continuously replaced by more efficient charter ships.

As at 30 September 2023, the carrying amount is EUR 5.2 million based on the agreed purchase prices and depreciation.

#### **Subscribed Capital**

In order to ensure that the Company remains able to react to future developments and to cover its financial needs quickly and flexibly, new authorised capital was approved at the Annual General Meeting on 3 May 2023. Accordingly, the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the Company's share capital once or several times by up to EUR 6 million in total in the period to 2 May 2028 by issuing up to six million new no-par registered shares in exchange for cash and/or non-cash contributions (Authorised Share Capital 2023). Subscription rights should be provided to the shareholders. The articles of association were amended accordingly.

#### **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 (30 September 2023: EUR –25.4 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 of remeasuring pension obligations and the associated plan assets recognised in other comprehensive income in the first nine months of 2023 resulted in a decrease of EUR 8.2 million in the negative reserve (prior year period: EUR 169.3 million).

The translation reserve of EUR 1,433.3 million (31 December 2022: EUR 1,626.3 million) includes differences from currency translation. The differences from currency translation of EUR –191.6 million recognised in other comprehensive income in the first nine months of 2023 (prior year period: EUR 3,248.1 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	30.9.2023		31.12.2022	
	Carrying amount	Fair Value	Carrying amount	Fair value
<b>Assets</b>				
Trade accounts receivable	1,822.5	1,822.5	2,895.0	2,895.0
Other financial assets	2,225.2	2,224.7	3,116.9	3,116.2
Derivative financial instruments (FVTPL)	6.4	6.4	0.4	0.4
Embedded derivatives	0.1	0.1	0.4	0.4
Currency forward contracts and currency options	6.3	6.3	–	–
Derivative financial instruments (Hedge accounting) <sup>1</sup>	2.9	2.9	42.4	42.4
Currency forward contracts	2.3	2.3	2.1	2.1
Interest rate swaps	0.6	0.6	40.3	40.3
Cash and cash equivalents	6,357.9	6,357.9	15,236.1	15,236.1
<b>Liabilities</b>				
Financial debt	2,944.2	2,788.0	2,776.7	2,673.6
Liabilities from lease contracts	2,518.2	2,518.2	2,660.1	2,660.1
Trade accounts payable	2,647.2	2,647.2	2,615.7	2,615.7
Derivative financial instruments (FVTPL)	7.9	7.9	–	–
Currency forward contracts	7.9	7.9	–	–
Derivative financial instruments (Hedge accounting) <sup>1</sup>	15.4	15.4	37.0	37.0
Currency forward contracts	15.4	15.4	37.0	37.0
Other financial liabilities	219.8	219.8	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. 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 subscribed in the financial year, with a market value of EUR 1,899.9 million. The fair value of the annuities is measured at EUR 1,892.4 million as recognised through other comprehensive income and at EUR 7.5 million as recognised through profit and loss, and 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 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 14.3 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 1,024.1 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 267.7 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 levels 1, 2 and 3 in the first nine months of the 2023 financial year.

As part of the IBOR reform, the previous reference interest rates (the interbank offered rates – IBOR) were replaced by alternative risk-free interest rates. The USD LIBOR terms relevant to Hapag-Lloyd (including 3M, 6M and 12M) were switched to the Secured Overnight Financing Rate (SOFR) as at 30 June 2023. The nominal volume of the variable financing affected by this change was USD 1,228.6 million. In the first nine months of the 2023 financial year, Hapag-Lloyd Group fixed part of this variable-interest loan on the basis of the new SOFR reference interest rate. The associated cashflow hedges designed to mitigate the interest-rate risks arising from this variable-rate financing were dissolved when the reference rate changed. This ensured that no ineffectiveness arose from hedging relationships as a result of the switch. The remaining loans subject to the IBOR reform will be fixed against SOFR as scheduled in the second half of 2023. The associated cashflow hedges designed to mitigate interest-rate risks will expire when they reach their next respective fixing dates. As of 30 September 2023, the nominal volume of the financial instruments that remained in a hedging relationship for hedging interest rate risks was USD 11.0 million.

### 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	30.9.2023	31.12.2022
Financial debt	2,944.2	2,776.7
Liabilities to banks <sup>1</sup>	1,818.4	1,604.5
Bonds	302.9	300.9
Other financial debt	823.0	871.3
Lease liabilities	2,518.2	2,660.1
<b>Total</b>	<b>5,462.4</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	30.9.2023	31.12.2022
Denoted in USD (excl. transaction costs)	4,979.5	4,949.3
Denoted in EUR (excl. transaction costs)	408.8	410.9
Denoted in other currencies (excl. transaction costs)	94.7	92.9
Interest liabilities	19.6	12.3
Transaction costs	-40.2	-28.6
<b>Total</b>	<b>5,462.4</b>	<b>5,436.8</b>

In the first nine months of 2023, Hapag-Lloyd drew down loans for a total of USD 416.7 million (EUR 387.3 million) in connection with the delivery of three newly built ships.

The Hapag-Lloyd Group had total available credit facilities of EUR 684.5 million as at 30 September 2023 (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 8.2 million (31 December 2022: EUR 8.3 million). As at the reporting date, there was EUR 191.9 million in contingent liabilities from tax risks not classified as probable (31 December 2022: EUR 98.4 million). The main reasons for the increase are newly identified risks in Latin America and Asia, as well as updated calculations of risk measures and currency translation effects for the Southern Europe region.

In addition, management is constantly monitoring developments relating to the implementation of international tax reforms to introduce a global minimum tax. Due to the present uncertainties, it is not possible to estimate any future effects on the Group at this time.

**Other financial obligations**

The Hapag-Lloyd Group's other financial obligations totalled EUR 999.1 million as at 30 September 2023 (31 December 2022: EUR 1,664.3 million) and comprised purchase obligations (nominal values)

- for investments in the construction and acquisition of 11 container vessels amounting to EUR 857.4 million (31 December 2022: EUR 1,436.8 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 83.0 million (31 December 2022: EUR 57.5 million),
- for investments in equipping the container fleet with real-time tracking amounting to EUR 17.4 million (31 December 2022: EUR 92.4 million),
- for investments in exhaust gas cleaning systems (EGCS) on container vessels amounting to EUR 26.1 million (31 December 2022: EUR 39.5 million),
- for investments in containers amounting to EUR 7.3 million (31 December 2022: EUR 0 million), and
- for further investments on container vessels totalling EUR 7.9 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 recognised in the balance sheet, totalled EUR 1,819.2 million (31 December 2022: EUR 1,915.9 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. Overall, there have been no significant changes in the scope of these supply and service relationships compared to 31 December 2022.

At the beginning of this year (and in consultation with an independent external expert) the Supervisory Board reviewed and adjusted the remuneration system for board members in accordance with the established procedure, taking account of business growth. The Annual General Meeting approved the adjusted remuneration system on 3 May 2023. The remuneration of the current board members has been updated to reflect the amended remuneration system with effect from 1 January 2023. With a view to ensuring that the long-term variable remuneration package remains attractive, the adjustments include amendments to the performance-related criteria and weighting of the LTIP. From now on, components focused on EBIT, return on invested capital (ROIC), EBITDA and ESG will each account for 25 per cent of the amounts allocated to board members.

The acquisition of SAAM represents a transaction with a related party. Further details can be found in the section "Business acquisitions".

**SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE**

No significant transactions took place after the balance sheet date.

Hamburg, 3 November 2023

**Hapag-Lloyd Aktiengesellschaft**

Executive Board



Rolf Habben Jansen



Donya-Florence Amer



Mark Frese



Dr. Maximilian Rothkopf

# PRELIMINARY FINANCIAL CALENDAR 2024

**JANUARY 2024**

Publication of preliminary financial KPIs 2023

**MARCH 2024**

Publication of financial statements and annual report 2023

**APRIL 2024**

Annual general meeting

**MAY 2024**

Publication of quarterly financial report Q1 2024

**AUGUST 2024**

Publication of quarterly financial report H1 2024

**NOVEMBER 2024**

Publication of quarterly financial report 9M 2024

## IMPRINT

Hapag-Lloyd AG  
Ballindamm 25  
20095 Hamburg

### **Investor Relations**

Phone: +49 40 3001 – 3705  
E-Mail: [ir@hlag.com](mailto:ir@hlag.com)

### **Corporate Communications**

Phone: +49 40 3001 – 2529  
E-Mail: [presse@hlag.com](mailto:presse@hlag.com)

### **Consulting, concept and layout**

Hapag-Lloyd Corporate Communications  
Silvester Group, Hamburg  
[www.silvestergroup.com](http://www.silvestergroup.com)

### **Translation**

EnglishBusiness GmbH  
[www.englishbusiness.de](http://www.englishbusiness.de)

[www.hapag-lloyd.com](http://www.hapag-lloyd.com)







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