

PRESS RELEASE

Hamburg, 5 October 2020

Standard & Poor's upgrades Hapag-Lloyd to 'BB-' with 'positive' outlook

- Improved credit quality validated by resilient EBITDA, tight cost control and continuous debt reduction
- Positive outlook indicates possible further rating upgrade within the next 12 months if current credit profile will be maintained
- Issue rating on Hapag-Lloyd's senior unsecured debt raised to 'B' from 'B-'

Rating Agency Standard & Poor's (S&P) has published an updated report on Hapag-Lloyd today. The credit rating was raised one notch from 'B+' to 'BB-' with a 'positive' outlook, which is the highest credit rating assigned to Hapag-Lloyd since the research initiation by S&P in 2010. Additionally, the senior unsecured bond rating was raised to 'B' from 'B-'.

S&P argued, that it expects Hapag-Lloyd to continue its solid 2019 EBITDA performance in 2020. Positively mentioned was also that Hapag-Lloyd's strengthened cash flow generation, coupled with gradually reducing adjusted debt from free operating cash flow, will result in stronger than previously expected credit metrics in 2020. Furthermore, S&P recognised that Hapag-Lloyd has outperformed its cost-reduction targets, enhanced its operating efficiency, decreased cost per container shipped, and improved its profitability. As a result, Hapag-Lloyd has posted above-industry-average EBITDA margins over the past few years. The positive outlook reflects S&P's view that Hapag-Lloyd has the capacity to further reduce leverage and to increase credit quality.

"We are very pleased that our earnings performance and our consistent cost management as well as our deleveraging efforts are positively recognized with this S&P rating action. Going forward, our prudent financial policy remains unchanged with a clear focus on profitability, cost control, debt reduction and balance sheet stability. At the same time we are focusing on the consequent implementation of our Strategy 2023," said Mark Frese, Chief Financial Officer of Hapag-Lloyd AG.

Hapag-Lloyd Aktiengesellschaft
Corporate Communications
Ballindamm 25
20095 Hamburg
Phone: +49 40 3001 - 2529
presse@hlag.com

Investor Relations
Ballindamm 25
20095 Hamburg
Phone: +49 40 3001 - 2896
ir@hlag.com
www.hapag-lloyd.com

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Press contacts

Nils.Haupt@hlag.com

+49 40 3001 - 2263

Tim.Seifert@hlag.com

+49 40 3001 - 2291

About Hapag-Lloyd

With a fleet of 239 modern container ships and a total transport capacity of 1.7 million TEU, Hapag-Lloyd is one of the world's leading liner shipping companies. The company has around 13,000 employees and 388 offices in 129 countries. Hapag-Lloyd has a container capacity of approximately 2.6 million TEU – including one of the largest and most modern fleets of reefer containers. A total of 121 liner services worldwide ensure fast and reliable connections between more than 600 ports on all the continents. Hapag-Lloyd is one of the leading operators in the Transatlantic, Middle East, Latin America and Intra-America trades.

Disclaimer

This press release contains forward-looking statements that involve a number of risks and uncertainties. Such statements are based on a number of assumptions, estimates, projections or plans that are inherently subject to significant risks, uncertainties and contingencies. Actual results can differ materially from those anticipated in the Company's forward-looking statements.

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