NEWS RELEASE

ZIM Q1 2019 results

5/21/2019

- Total revenues in Q1 2019 were $796.2 million, reflecting an increase of 6.0% compared to $751.4 million in Q1 2018
- In Q1 2019, ZIM carried 668 thousand TEUs (reflecting a decrease of 4.3% compared to Q1 2018)
- Adjusted EBITDA of $69.3 million in Q1 2019, compared to $27.5 million in Q1 2018
- Adjusted EBIT of $22.0 million in Q1 2019, compared to a negative Adjusted EBIT of $0.3 million in Q1 2018
- Adjusted net loss of $17.5 million compared to $26.1 million in Q1 2018
- Operating cash flow of $59.7 million in Q1 2019, compared to $57.9 million in Q1 2018

The container shipping industry is dynamic and volatile and has been marked in recent years by instability, characterized by volatility in freight rates and bunker prices, as a result of ever-changing market environment and the extensive activity of mergers and acquisitions that also led to reorganization of the global alliances. The instability and volatility in the market, including significant uncertainties in the global trade, continue to affect the market environment.

Since the fourth quarter of 2017 and until the second quarter of 2018, freight rates have decreased while bunker prices, as well as charter rates, increased, negatively affecting the industry as a whole. In the second half of 2018, freight rates started to recover, with a slight decrease during the first quarter of 2019, while bunker prices remained highly volatile.

Confronted with tough business environment, ZIM continued to record improvements and to introduce new services to its customers.

In September 2018, the Company launched its strategic operational cooperation with the “2M” Alliance (Maersk and MSC), in several lines between Asia and the US East-Coast. During the first quarter of 2019 such cooperation was

further extended also in two additional trades: Asia - East Mediterranean and Asia - American Pacific Northwest. Such cooperation agreements enable ZIM to provide its customers with improved product portfolio, larger port coverage and better transit time, while generating cost efficiencies.

Eli Glickman, ZIM President & CEO, said: “ZIM continues to pursue its strategic goals, and the Q1 2019 results reflect an improvement, achieved against a backdrop of challenging market conditions. The second phase of our strategic cooperation with the 2M Alliance, in the Asia - East Mediterranean and Asia - American Pacific Northwest trades, began during this quarter. This cooperation is expected to create additional cost efficiencies, while enabling significantly upgraded service levels to our customers. Our focus and differentiating advantage remains our multi-service approach, combining best-in-market lines, premium and personal customer service and advanced digital solutions.”

Financial and Operating Highlights for the Three Months Ended March 31, 2019

- Total revenues were $796.2 million compared to $751.4 million in Q1 2018, a 6.0% increase
- ZIM carried 668 thousand TEUs compared to 698 thousand TEUs in Q1 2018, a 4.3% decrease
- The average freight rate per TEU was $1,019 compared to $938 in Q1 2018, a 8.6% increase
- Adjusted EBITDA was $69.3 million compared to $27.5 million in Q1 2018
- EBITDA was $68.0 million compared to $22.6 million in Q1 2018
- Adjusted EBIT was $22.0 million compared to negative Adjusted EBIT of $0.3 million in Q1 2018
- EBIT was $18.6 million compared to negative EBIT of $5.2 million in Q1 2018
- Adjusted net loss was $17.5 million compared to $26.1 million in Q1 2018
- Net loss was $24.3 million compared to $34.1 million in Q1 2018
- Operating cash flow was $59.7 million compared to $57.9 million in Q1 2018

NOTE: As from January 1, 2019 the Company applies IFRS 16 (Leases), resulting in a reduction in the Company’s lease expenses, along with an increase in its depreciation expenses and interest expenses. Accordingly, the comparability of results in prior periods is limited. In addition, as from January 1, 2019 the Company includes its share of profit of associates as part of its Results from operating activities (EBIT), in all reported periods.