



NEWS RELEASE

ZIM 2019 Annual Reports

3/19/2020

Haifa, 19 March 2020

Adjusted, pre IFRS16, net profit of \$12.0 million in 2019, compared to adjusted net loss of \$44.6 million in 2018

Total revenues in 2019 were \$3,299.8 million, the highest in the last 5 years, reflecting an increase of 1.6% compared to \$3,247.9 million in 2018

Operating cash flow of \$370.6 million in 2019, compared to \$225.0 million in 2018

Adjusted EBITDA of \$385.9 million in 2019, compared to \$150.7 million in 2018

Adjusted EBIT of \$148.9 million in 2019, compared to \$39.1 million in 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. The instability and volatility in the market, including significant uncertainties in the global trade, mainly due to USA related trade restrictions and the recent escalation of the coronavirus outbreak, continue to affect the market environment.

Confronted with this challenging business environment, ZIM continued to improve its performance and to expand its global network 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 2019 the cooperation was expanded in three additional trades: Asia - East Mediterranean, Asia - American Pacific Northwest and the Asia - US Gulf. These

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: "2019 has been a challenging year for the industry which had to cope with the escalation of the US-China trade war whilst simultaneously getting itself ready for the IMO 2020 new regulation enforcement. Despite those difficult market conditions, we delivered a strong operational and financial performance with better EBIT margin contribution than most of our peers. We also accelerated the deleveraging of our balance sheet.

This clearly indicates that our strategy proves to be fruitful and effective and we intend to continue the path we initiated. We remain committed to our vision and values, focusing on providing exceptional service levels to customers, as reflected in a recent independent survey, ranking ZIM as the best performing global carrier in 2019 in Schedule Reliability. We continue to develop and implement lead innovative solutions, and we remain agile and ready to respond fast to new challenges. I'm convinced that these values will enable us to overcome the current Corona virus crisis, which we all hope will be contained soon".

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

- Total revenues were \$827.3 million compared to \$852.6 million in Q4 2018, a 3.0% decrease
- ZIM carried 698 thousand TEUs, compared to 714 thousand TEUs in Q4 2018, a 2.2% decrease
- The average freight rate per TEU was \$1,017, compared to \$1,045 in Q4 2018, a 2.7% decrease
- Adjusted EBITDA was \$115.4 million compared to \$49.0 million in Q4 2018
- EBITDA was \$114.7 million compared to \$43.6 million in Q4 2018
- Adjusted EBIT was \$47.4 million, compared to \$20.8 million in Q4 2018
- EBIT was \$44.6 million, compared to negative EBIT of \$22.6 million in Q4 2018
- Adjusted net profit was \$7.6 million, compared to \$0.8 million in Q4 2018
- Net profit was \$1.2 million, compared to net loss of \$46.0 million in Q4 2018
- Operating cash flow was \$89.3 million, compared to \$60.4 million in Q4 2018

Financial and Operating Highlights for the Year Ended December 31, 2019

- Total revenues were \$3,299.8 million compared to \$3,247.9 million in 2018, a 1.6% increase
- ZIM carried 2,821 thousand TEUs compared to 2,914 thousand TEUs in 2018, a 3.2% decrease

- The average freight rate per TEU was \$1,009 compared to \$973 in 2018, a 3.7% increase
- Adjusted EBITDA was \$385.9 million compared to \$150.7 million in 2018
- EBITDA was \$399.7 million compared to \$126.3 million in 2018
- Adjusted EBIT was \$148.9 million compared to \$39.1 million in 2018
- EBIT was \$153.0 million compared to negative EBIT of \$23.2 million in 2018
- Adjusted net loss was \$3.2 million compared to Adjusted net loss \$44.6 million in 2018
- Net loss was \$13.0 million compared to net loss of \$119.9 million in 2018
- Operating cash flow was \$370.6 million compared to \$225.0 million in 2018

(*)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.