NEWS RELEASE

ZIM’s Q2 2018 results

8/22/2018

Total revenues were $803.2 million in Q2 2018, compared to $745.7 million in Q2 2017, an increase of 7.7%

In Q2 2018, ZIM carried 772 thousand TEUs, an all-time record (reflecting a growth of 17.1% compared to Q2 2017)

Adjusted EBITDA of $23.1 million in Q2 2018, compared to Adjusted EBITDA of $70.1 million in Q2 2017

Operating cash flow was $52.6 million, compared to $88.9 million in Q2 2017

The container shipping industry is dynamic and volatile and has been marked in recent years by instability, as a result of continued deterioration of market environment. Furthermore, the shipping liner industry went through major developments and structural changes which include reshaping of the alliances and M&A activities that took place over the last quarters. The instability and volatility in the market, including significant uncertainties in the global trade, continue to affect the market environment.

Since the second half of 2016 and through the third quarter of 2017, increases were recorded in freight rates as well as in bunker prices. Commencing the fourth quarter of 2017, freight rates have decreased while bunker prices as well as charter rates continued to increase. As a result, the industry as a whole was negatively affected in Q1 and Q2 2018 compared to the same period of 2017.

In the face of this tough business environment, ZIM continues to outperform the industry and increase its carried quantities.

ZIM reported an adjusted EBITDA of $23.1 million in Q2 2018 compared to $70.1 million in Q2 2017, with an adjusted EBITDA margin of 2.9%.

The carried quantities increased by 17.1% to 772 thousand TEUs in Q2 2018, compared to 659 thousand TEUs in the

same period of 2017.

Eli Glickman, ZIM President & CEO, said: “Q2 2018 was characterized by the continued rise in fuel prices and chartering rates, as well as low freight rates, all with a negative impact on the results of carriers, including ZIM. In spite of these adverse circumstances, we were able to increase liftings, maintain exceptional service to our customers and record an adjusted EBIT margin above industry average. ZIM continues to be among the top performing companies in the industry.

ZIM’s recent announcement of a long-term strategic cooperation with the 2M Alliance in the Pacific-USEC trade is evidence of the company’s strength and excellent performance. This agreement is expected to bring considerable efficiencies and savings, along with a far improved service portfolio, supporting ZIM’s strategy going forward.”

Financial and Operating Highlights for the Three Months Ended June 30, 2018

- Total revenues were $803.2 million compared to $745.7 million in Q2 2017, a 7.7% increase
- ZIM carried 772 thousand TEUs, compared to 659 thousand TEUs in Q2 2017, a 17.1% increase
- The average freight rate per TEU was $907, compared to $1007 in Q2 2017, a 9.9% decrease
- Adjusted EBITDA was $23.1 million compared to $70.1 million in Q2 2017
- EBITDA was $13.6 million compared to $62.8 million in Q2 2017
- Adjusted EBIT was negative $4.3 million, compared to adjusted EBIT of $43.7 million in Q2 2017
- EBIT was negative $13.8 million, compared to EBIT of $36.4 million in Q2 2017
- Adjusted net loss was $20.6 million, compared to adjusted net profit of $12.5 million in Q2 2017
- Net loss was $33.2 million, compared to net profit of $2.3 million in Q2 2017
- Operating cash flow was $52.6 million, compared to $88.9 million in Q2 2017

Financial and Operating Highlights for the Six Months Ended June 30, 2018

- Total revenues were $1554.6 million compared to $1400.7 million in H1 2017, a 11.0% increase
- ZIM carried 1470 thousand TEUs, compared to 1257 thousand TEUs in H1 2017, a 16.9% increase
- The average freight rate per TEU was $922, compared to $981 in H1 2017, a 6% decrease
- Adjusted EBITDA was $48.7 million compared to $127.5 million in H1 2017
- EBITDA was $34.3 million compared to $114.1 million in H1 2017
- Adjusted EBIT was negative $6.5 million, compared to adjusted EBIT of $74.4 million in H1 2017
- EBIT was negative $20.9 million, compared to EBIT of $61.0 million in H1 2017
- Adjusted net loss was $46.7 million, compared to adjusted net profit of $15.1 million in H1 2017

- Net loss was $67.3 million, compared to net loss of $4.1 million in H1 2017
- Operating cash flow was $110.5 million, compared to $122.7 million in H1 2017