NEWS RELEASE

ZIM's Q3 2019 results

11/20/2019

- Net profit of $5.0 million in Q3 2019, compared to Net loss of $6.6 million in Q3 2018
- Total revenues in Q3 2019 were $842.0 million, compared to $840.7 million in Q3 2018
- Operating cash flow of $157.5 million in Q3 2019, compared to $54.1 million in Q3 2018
- Adjusted EBITDA of $106.8 million in Q3 2019, compared to $49.8 million in Q3 2018
- Adjusted EBIT of $40.8 million in Q3 2019, compared to $21.7 million in Q3 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, mainly due to USA related trade restrictions, continue to affect the market environment.

Since the second half of 2018, freight rates started to recover, with a partial decrease during the first half of 2019, while bunker prices remained highly volatile.

Confronted with this challenging business environment, ZIM continued to record improvements 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 the first nine months of 2019 the cooperation was expanded in three additional trades: Asia - East Mediterranean, Asia - American Pacific Northwest and the Asia - US Gulf. Theses 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: “In spite of the challenging market conditions, ZIM continued to record improved results in Q3, as it did throughout 2019. While the challenges in the market endure, the advantages gained by our global strategic cooperations and our customer focus enable us to pursue our goals and strengthen our position. We provide ever better services and a wider portfolio to customers, while achieving cost efficiencies and maintaining the levels of cargo carried. Our ongoing efforts in the spheres of customer experience and digitalization also bear fruits, as we continue to focus on our customers’ needs and push for commercial excellence in all fields.”

Financial and Operating Highlights for the Three Months Ended September 30, 2019

- Total revenues were $842.0 million compared to $840.7 million in Q3 2018, a 0.2% increase
- ZIM carried 725 thousand TEUs compared to 730 thousand TEUs in Q3 2018, a 0.7% decrease
- The average freight rate per TEU was $1,009 compared to $1,006 in Q3 2018, a 0.3% increase
- Adjusted EBITDA was $106.8 million compared to $49.8 million in Q3 2018
- EBITDA was $115.0 million compared to $45.2 million in Q3 2018
- Adjusted EBIT was $40.8 million compared to $21.7 million in Q3 2018
- EBIT was $45.6 million compared to $17.1 million in Q3 2018
- Adjusted net profit was $3.7 million compared to $1.4 million in Q3 2018
- Net profit was $5.0 million compared to net loss of $6.6 million in Q3 2018
- Operating cash flow was $157.5 million compared to $54.1 million in Q3 2018

Financial and Operating Highlights for the Nine Months Ended September 30, 2019

- Total revenues were $2,472.5 million compared to $2,395.3 million in 1-9 2018, a 3.2% increase
- ZIM carried 2,124 thousand TEUs compared to 2,200 thousand TEUs in 1-9 2018, a 3.5% decrease
- The average freight rate per TEU was $1,007 compared to $950 in 1-9 2018, a 6.0% increase
- Adjusted EBITDA was $270.5 million compared to $101.7 million in 1-9 2018
- EBITDA was $285.0 million compared to $82.7 million in 1-9 2018
- Adjusted EBIT was $101.5 million compared to $18.4 million in 1-9 2018
- EBIT was $108.4 million compared to negative EBIT of $0.6 million in 1-9 2018
- Adjusted net loss was $10.8 million compared to adjusted net loss of $45.3 million in 1-9 2018
- Net loss was $14.2 million compared to net loss of $73.9 million in 1-9 2018
- Operating cash flow was $281.3 million compared to $164.6 million in 1-9 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.