
Hapag-Lloyd finishes first quarter of 2017 with positive operating result

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Hapag-Lloyd finished the first three months of the current financial year with a positive operating result, in spite of higher bunker prices.

The **transport volume increased by 6.8% year-on-year to more than 1.9 million TEU** (prior-year period: 1.8 million TEU). While the average freight rate was USD 20 lower than in the same quarter of the previous year at USD 1,047/TEU, there were further signs of a slight upward curve compared with the past quarters. The greater transport volume and exchange rate effects pushed revenue up by 10.4% to EUR 2.13 billion (prior-year period: EUR 1.93 billion).

EBITDA improved by 6.4% to EUR 131.3 million (prior-year period: EUR 123.4 million), while EBIT remained relatively unchanged year-on-year at EUR 3.5 million (prior-year-period: EUR 4.8 million). The Group net result was lower than in the first quarter of 2016 at EUR -62.1 million (prior-year period: EUR -42.8 million).

Rate increases were successfully introduced in a number of trades even though the industry environment remains challenging, but these rate increases are only going to have an impact on the company's result later in the year. Meanwhile, the first-quarter result was noticeably affected by ongoing bunker price increases. At 313 USD/tonne, the average bunker price was clearly above the previous year's figure of 197 USD/tonne. This is the highest level seen since June 2015.

“Our activities in the first quarter focused on preparations for the merger with UASC and on the launch of our new alliance. The launch of the THE Alliance went well, and the merger with UASC will be closed shortly,” said Rolf Habben Jansen, CEO of Hapag-Lloyd AG. “After the closing our priority will be to integrate UASC into Hapag-Lloyd quickly and to realize initial synergies from the merger.”

Overall, the merger with the Arabian liner shipping company is expected to generate annual savings of USD 435 million from 2019 onwards, with a large proportion of this already to be achieved in 2018.