CEVA reports its unaudited results for the first two months of 2019

Baar, Switzerland, 5 April, 2019 – In the context of considering strategic financing options, CEVA Logistics AG (“CEVA” or the “Company”) reported today its unaudited results for the first two months of 2019.

- Revenue growth of almost 3% in the first two months of 2019 in constant FX, compared to previous year driven by strong volume growth in Ocean Freight
- Strong yield in Air Freight and strong retention rate in Contract Logistics
- New business performance off to a solid start
- Adjusted EBITDA of US$30 million¹
- Net debt down by US$922 million¹ as of 28 February, 2019, a decrease of 40% compared to US$2,309 million a year earlier

1 Pre-IFRS 16

<table>
<thead>
<tr>
<th>Key Financials for the First Two Months-Unaudited</th>
<th>2019 (US$ million)</th>
<th>IFRS 16 Impact</th>
<th>2019 Pre-IFRS 16</th>
<th>2018 Pre-IFRS 16</th>
<th>Change YoY</th>
<th>Change YoY constant FX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,111</td>
<td>-</td>
<td>1,111</td>
<td>1,151</td>
<td>-3.5%</td>
<td>+2.8%</td>
</tr>
<tr>
<td>EBITDA (a)</td>
<td>90.5</td>
<td>67.2</td>
<td>23.3</td>
<td>26.4</td>
<td>-11.7%</td>
<td>-6.4%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>8.1%</td>
<td>6.0%</td>
<td>2.1%</td>
<td>2.3%</td>
<td>-20 bps</td>
<td>-20 bps</td>
</tr>
<tr>
<td>Adjusted EBITDA (b)</td>
<td>98.2</td>
<td>68.7</td>
<td>29.5</td>
<td>34.5</td>
<td>-14.5%</td>
<td>-9.4%</td>
</tr>
<tr>
<td>Net Debt as of February 28</td>
<td>2,588</td>
<td>1,201</td>
<td>1,387</td>
<td>2,309</td>
<td>-40%</td>
<td></td>
</tr>
</tbody>
</table>

(a) EBITDA excludes specific items and share-based compensation cost (SBC) in the table and in the whole document.
(b) Adjusted EBITDA includes the 50% share of the Anji-CEVA joint venture and excludes specific items and share-based compensation cost.

“Despite a challenging global environment, CEVA has continued to perform in line with our targets and achieved a number of productivity improvements. We are definitely confident that the support of CMA CGM will help us turnaround the company quickly and achieve our medium-term objectives,” says Xavier Urbain, CEO of CEVA Logistics.
Group results (on a pre-IFRS 16 basis)
Revenue increased by 2.8% in constant currency to US$1,111 million in the first two months of 2019 (same period in 2018: US$1,151 million). The Group’s EBITDA¹ was US$23 million in the first two months of 2019 (same period of 2018: US$26 million) resulting in an EBITDA margin of 2.1% (same period in 2018: 2.3%).

EBITDA continues to be negatively impacted by the performance in Contract Logistics in Italy as the contract issues are in the process of being solved. In addition, despite stronger yields (Net revenue per tonne) Air Freight has experienced a relatively slow start to the year with weaker volumes than in the same period last year, due to high inventory levels in the US built at the end of 2018. Furthermore, the translation effect of some currencies into US$, notably the BRL, the TRY and the CNY negatively impacted EBITDA by a further US$1.5 million in January and February 2019.

Adjusted EBITDA in the first two months of 2019 amounted to US$30 million (same period in 2018: US$35 million).

Freight Management (on a pre-IFRS 16 basis)
Revenue in Freight Management increased by 1% to US$519 million in the first two months of 2019 (same period of 2018: US$513 million). In constant FX, revenue increased by 5.6% year-on-year. CEVA continued to experience good volume growth in Ocean, up 7% year-on-year to 126,566 TEUs, ahead of market growth. Ocean yield (Net revenue /TEU), consistent with the same period of 2018, was US$285 /TEU, which represents a strong increase compared with the fourth quarter of 2018 (US$226 /TEU). Air volumes decreased by 7.4% year-on-year, mainly from downtrading of some trade lanes and a selective approach to new business whilst Air yield (Net revenue per ton) has increased by 5.7% to 848 US$/t.

EBITDA was broadly flat year-on-year to US$5.3 million in the first two months of 2019. EBITDA margin was also flat at 1% for the first two months of 2019, compared to the same period of 2018. Meanwhile, productivity actions continued to deliver improvement in the File per Operator ratio in both Air (up nearly 3%) and Ocean (up 4%).

Contract Logistics (on a pre-IFRS 16 basis)
Revenue in Contract Logistics decreased by 7.2% to US$592 million in the first two months of 2019 (same period of 2018: US$638 million) as significant currency impact has hit some of our major geographies (Turkey, Brazil and Australia). In constant FX, revenue decreased by 0.4% year over year. The company handled solid volumes in existing contracts and there was good implementation of new business. A significant albeit low margin supply chain service in Contract Logistics in the US has been terminated therefore impacting revenue growth. However, the retention rate in Contract Logistics has significantly improved in the first two months of 2019.

Contract Logistics EBITDA was down by US$3 million to US$18 million for the first two months of 2019 (same period of 2018: US$21 million). Despite productivity improvements in the majority of geographies and structural margin improvement in several low margin contracts, one of the two challenging contracts in Italy continued to weigh on the Group’s overall

¹ EBITDA excludes specific items and share-based compensation cost (SBC).
performance. In addition, unexpected factory shutdowns in the automotive sector have negatively impacted performance in Central Europe and Brazil. As a consequence, the EBITDA margin was down 20 bps in the first two months of 2019 to 3.0%, compared to the same period of 2018.

**Anji-CEVA (CEVA’s share is 50%- on a pre-IFRS 16 basis)**

In the first two months of 2019, revenue at Anji-CEVA Joint Venture (owned 50% by CEVA) amounted to US$238 million, an increase of 0.4% compared to the same period of 2018. In constant currency, the revenue increase by 6.4%. EBITDA for the first two months of 2019 was US$12.5 million, down 23% compared to the same period of 2018 (-18.9% in constant currency). This performance reflected the current challenges of the Chinese automotive market. However, the current diversification outside the Automotive sector is well underway.

**Good new business momentum**

CEVA experienced continued strong momentum with new business wins up 14% in the first two months of 2019. Significant new contracts and extensions were won in January and February: CEVA has won Automotive contracts in Benelux, Asia and Americas regions, Consumer & Retail in IMEA region, as well as Technology and Industrial contracts in North America. Pipeline is healthy 2% above last year and well above target. The partnership with CMA CGM is also delivering additional revenues.

**Outlook**

CEVA is confirming its medium term targets for 2021:

- CEVA’s 2021 revenue target above US$9 billion, reflecting a 5% average annual organic growth and the contribution of CMA CGM Logistics of US$630 million;
- upgraded 2021 management expectations on Adjusted EBITDA raised from US$380 million to US$470-490 million pre-IFRS 16 implementation.

Management’s expectations remain that 2019 will see progress in line with the 2021 objectives, including improvement in EBITDA margin and in free cash flow.

**Notes from Editors:**

All references to EBITDA exclude specific items and share-based compensation cost (SBC).

A CEVA Credit update Investor Call is planned on Tuesday, 9 April, 2019 at 9AM UKT/10AM CET.

A presentation will be available on [CEVA’s website/IR section](#) on 8 April, 2019.

**Dial–in details**

UK : 0800 640 6441  
France : 0800 94 5619  
Germany : 032 221098334  
Switzerland 022 518 90 26  
Access Code : 332153
For additional information please contact:

**Investors:**
Pierre Bénaich  
SVP Investor Relations  
pierre.benaich@cevalogistics.com  
+41 41 547 0048

**Media:**
Matthias Hochuli  
Group Head of Marketing and Communications  
matthias.hochuli@cevalogistics.com  
+41 41 547 00 52

Cathy Howe  
Pilot Marketing  
ch@pilotmarketing.co.uk  
Tel: +44 (0)208 941 5381

**CEVA - Making business flow**
CEVA Logistics, a global asset-light third-party logistics company, designs and operates industry leading supply-chain solutions for large and medium-size national and multinational companies. Its integrated network in Freight Management and Contract Logistics spans more than 160 countries. Approximately 58,000 employees are dedicated to delivering effective solutions across a variety of industry sectors where CEVA applies its operational expertise to provide best-in-class services. CEVA generated revenue of USD 7.4 billion and adjusted EBITDA of USD 260 million in 2018. CEVA Logistics is listed on SIX Swiss Exchange under ticker symbol CEVA. For more information, please visit www.cevalogistics.com.

**Safe Harbour Statement**
This news release contains specific forward-looking statements. These forward-looking statements include, but are not limited to, its results for 2018 and guidance beyond, discussions regarding industry outlook, CEVA’s expectations regarding the performance of its business or joint ventures, its liquidity and capital resources, and other non-historical statements. These statements can be identified by the use of words such as "believes" "anticipates," "expects," "intends," "plans," "continues," "estimates," "predicts," "projects," "forecasts," and similar expressions. All forward-looking statements are based on management’s current expectations and beliefs only as of the date of this news release and, in addition to the assumptions specifically mentioned in the above paragraphs, there are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements, including the effect of local and national economic, credit and capital market conditions, a downturn in the industries in which we operate (including the automotive industry and the air freight business), risks associated with CEVA’s global operations, fluctuations and increases in fuel prices, CEVA’s substantial indebtedness, restrictions contained in its debt agreements and risks that it will be unable to compete effectively. Further information concerning CEVA and its business, including factors that potentially could materially affect CEVA’s financial results, is contained in the annual and quarterly reports of CEVA Logistics AG (and its predecessor CEVA Holdings LLC), available on the Company’s website, which investors are strongly encouraged to review. Should one or more of these risks or uncertainties materialise or the consequences of such a development worsen, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. CEVA disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.