Press Release

Making business flow

CEVA makes further progress in second quarter 2018

CEVA Logistics AG
Results for the Second Quarter and Half Year ended 30 June 2018

- **Revenue up 5.1% year on year in constant currency**
- **Adjusted EBITDA of $77 million, up $7 million year on year**
- **EBITDA margin improved by 30bps in constant currency, driven by Freight Management**
- **Good business momentum following IPO**
- **Developing partnership with CMA CGM following regulatory approvals**
- **Refinancing underway, expected to be completed early August**

Baar, Switzerland, 27 July, 2018 – CEVA Logistics AG ("CEVA" or the "Company"), one of the leading asset-light third-party logistics companies, announced today its results for the second quarter and the first half ended 30 June 2018.

Key Financials for Q2 ($ million)	**Q2 2018**	**Q2 2017**	**Change YoY**	**Change YoY constant FX**
Revenue	1,848	1,721	+7.3%	+5.1%
EBITDA [a]	66	59	+11.9%	+13.5%
EBITDA margin	3.6%	3.4%	+20 bps	+30 bps
Adjusted EBITDA [b]	77	70	+10.0%	+11.6%

Key Financials for H1 ($ million)	**H1 2018**	**H1 2017**	**Change YoY**	**Change YoY constant FX**
Revenue	3,638	3,317	+9.7%	+5.2%
EBITDA [a]	119	104	+14.4%	+15.5%
EBITDA margin	3.3%	3.1%	+20 bps	+30 bps
Adjusted EBITDA [b]	143	124	+15.3%	+15.3%

[a] EBITDA excludes specific items and share-based compensation cost
[b] Adjusted EBITDA includes the proportional contribution of the ANJI-CEVA joint venture and excludes specific items and share-based compensation cost

"*CEVA continues to perform well. We now have achieved seven consecutive quarters of strong top-line growth and stronger EBITDA" said Xavier Urbain, CEO of CEVA Logistics. "We continue to reduce our cost base, work on productivity and address our underperforming activities. In the first half of the year, margin growth has been skewed towards Freight Management, we expect Contract Logistics to make more progress in the second half of the year as we have largely addressed the issues. We are committed to further improving our margins and are moving in the right direction."*

"Whilst still early days, initial benefits from the deleveraging through the IPO are already materializing. We have increased business with some existing clients and are engaged in a number of promising discussions. In general, we have good momentum in business

development. We are also making progress in developing our partnership with our new strategic shareholder CMA CGM."

"Looking ahead, we are confident in further improving our performance this year and in meeting our medium-term targets."

Freight Management

Revenue in Freight Management increased by 8.1% in the second quarter 2018, year on year; in constant currency, revenue growth was 5.4%.

CEVA had good volume growth in Ocean, up 8.3% in the second quarter and ahead of market growth. Air volumes were softer, as in Q1, mainly from the earlier loss of certain customers. However, the implementation of important new contracts which were won during the spring tender season will drive volume growth going forward.

Freight Management EBITDA increased by $7 million year on year to $27 million driven by improved yields in Air, increased productivity and progress in reducing losses in other FM activities. Profits were adversely impacted by increased cost in our US Ground business due to driver shortages, the impact of which is expected to reduce in coming quarters as we take mitigating actions. EBITDA margin improved by 70 bps to 3.2%.

For the first half year 2018, revenue in Freight Management increased by 7.0% year on year in constant currency and EBITDA was $42 million, up $12 million year on year.

Contract Logistics

Revenue in Contract Logistics increased by 6.8% in the second quarter 2018 year on year; in constant currency, revenue increased by 4.7%.

The acceleration of revenue growth was driven by good volumes in existing contracts as well as the implementation of new business won previously; we had important contract start-ups in consumer/retail, automotive spare parts, technology and e-commerce.

Contract Logistics EBITDA was stable at $39 million. Improvements in productivity at many of the large, focus contracts were offset by issues in a limited number of operations in Italy and in the US. The issues have now been largely addressed and are expected to have a reduced impact over the second half of 2018. Our low margin contract initiative is also gaining traction. As such, we anticipate margins to trend upwards in the second half of 2018.

For the first half year 2018, revenue in Contract Logistics increased by 3.8% year on year in constant currency and EBITDA was $77 million, up $4 million year on year in constant currency. EBITDA margin improved by 10 bps year on year in constant currency.

Good Business Momentum

We continue to see good momentum in business development. CEVA has won more business across all business lines the first six months of 2018 compared to the same period in the prior year with total new business wins approximately 10% higher. We have won or extended a number of important contracts in automotive, industrials, technology, consumer and e-commerce.

The IPO is already showing a positive impact on business development, and the tone of conversation with many of our existing and prospective clients has shifted markedly. We have already secured the first wins and contract renewals which would not have happened without the IPO.

Financial results

The second quarter of 2018 shows the progress CEVA is making in its transformation with continued good revenue growth and improved EBITDA.

Revenue in the second quarter 2018 was $1,848 million, up 7.3% year on year or 5.1% in constant currency. For the first six months of 2018, revenue was up 5.2% year on year in constant currency. Increased volume in existing contracts as well as new business implementations accounted for the growth despite certain contract losses. Revenue grew well across most sectors, particularly in industrials and healthcare but also in consumer/retail/e-commerce and automotive.

Adjusted EBITDA in the second quarter 2018 was $77 million, up $7 million year on year. EBITDA margin was 3.6% in the second quarter 2018, an improvement of 30 basis points in constant currency. For the first six months of 2018, Adjusted EBITDA was $143 million up $19 million or 15% year on year.

CMA CGM partnership

CMA CGM has obtained all regulatory approvals for its investment in CEVA. We expect that the CMA CGM securities will be converted into registered shares by no later than 13 August 2018.

Both companies have worked closely together over the past weeks to exploit partnership opportunities in a number of areas, particularly to offer integrated end-to-end solutions and expand geographic coverage. The first contracts have been concluded, where CEVA was introduced to clients from CMA CGM, and further discussions are ongoing.

While CEVA will seek to exploit the opportunities from this partnership, all dealings with CMA CGM will be structured at arm's length and CEVA will continue to work closely with all its ocean carriers in the interest of its clients.

Repayment of Debt and Refinancing

CEVA has used a substantial part of the proceeds from the IPO on SIX Swiss Exchange and the concurrent private placement to CMA CGM in May to repay debt. As a consequence, net debt as of 30 June 2018 was reduced to $1,132 million compared to $2,228 million as of 31 March 2018.

The Company is currently in the process of raising new facilities to refinance the majority of our existing debt at lower interest rates and longer maturities. We have successfully placed a new $475 million Term Loan (TLB; at L+375bps with leverage step-down to L+350bps) and a new $585 million Revolving Credit and Ancillary Facility (at L+237.5bps). We have upsized the

TLB in view of strong demand to provide the Company with even more headroom. CEVA has also announced a private offering of €300 million of senior secured notes. The refinancing is expected to complete early August, subject to market conditions.

Following the deleveraging from the IPO proceeds and refinancing, CEVA expects to reduce its finance charges by more than $100 million annually, subject to prevailing interest rates and currency drawings.

The Company is committed to further deleveraging with a target of 1.5x-2.0x net debt/adjusted EBITDA in the medium-term.

Outlook

CEVA is expecting good growth and continued margin progression in the second half of 2018; management is confident to meet expectations, subject to no changes in market conditions.

Medium-term, CEVA is confirming its targets to grow revenue above market and to increase EBITDA margins from the 3.3% achieved in 2017 to at least 4%; this should result in an additional approximately $100 million in Adjusted EBITDA.

Investor call

CEVA Logistics will hold an investor call and webcast today at 12.00 CET to present its second quarter and first half 2018 results. To participate, please dial-in the following number:
Switzerland: +41 44 580 03 09
UK: +44 20 3365 3210
US: +1 (866) 349 6093
Global: +31 20 341 82 49

Webcast: https://www.kpnwebshow.nl/3fy5gm9k

Documents

CEVA Logistics Q2 2018 report and presentation are available under :
http://www.ir.cevalogistics.com/websites/ceva/English/3000/results-centre.html

The recording of the investor call will be available at the above address after the call.

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Notes to Editors:

1. All references to EBITDA exclude specific items and share-based compensation cost

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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 56,000 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 $7 billion and adjusted EBITDA of $280 million in 2017. 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, discussions regarding the proposed refinancing described above, its guidance for 2018 and 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.

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