

CEVA LOGISTICS new governance to accelerate its strategic transformation

- **Rodolphe Saadé, Chairman and CEO of CMA CGM, elected as Chairman of the CEVA Board of Directors**
- **Appointment of a new CEO and establishment of a centralized operational center in Marseilles**
- **CMA CGM will start a formal squeeze out procedure for CEVA shares**
- **Financial results Q1 2019**
- **Medium term targets for 2021 confirmed with the support of CMA CGM in enhancing profitability**

Baar, Switzerland, 29 April, 2019 – CEVA Logistics AG (“CEVA” or the “Company”) held its Annual General Meeting (AGM) today, which approved all resolutions and appointed a new Board of Directors. CEVA also announces its results for the first quarter of 2019.

New step in CEVA’s Corporate Governance

CEVA held its Annual General Meeting (AGM) earlier today. All resolutions were approved by shareholders. Among the key resolutions was the proposal to renew governance following CMA CGM’s successful completion of its Public Tender Offer to acquire CEVA.

Rodolphe Saadé elected Chairman of the Board of Directors

Rodolphe Saadé, Chairman and Chief Executive Officer of CMA CGM, has been elected as Chairman of the CEVA Board of Directors, with Rolf Watter acting as Vice-Chairman.

Marvin O. Schlanger, Victor Balli, Dr. Rosalind Rivaz and John F. Smith did not stand for re-election. Rolf Watter, Daniel Hurstel and Emanuel R. Pearlman were re-elected for a one-year term of office until the AGM 2020. Three new Board members have been elected: Farid Salem, Michel Sirat and Béatrice de Clermont-Tonnerre.

The three independent directors are Rolf Watter, Manny Pearlman and Béatrice de Clermont-Tonnerre. Finally, KPMG has been elected as the independent auditor for the next one year term of office until the AGM 2020.

A new CEO for CEVA

Nicolas Sartini, who currently holds the position of Group Chief Operating Officer and Deputy CEO is appointed Chief Executive Officer as from June 1st. He will bring his experience and expertise to CEVA as it embarks on a new journey. He will replace Xavier Urbain who will become Executive Advisor to Rodolphe Saadé.



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Squeeze out procedure

After the settlement of the public tender offer and taking into account additional shares CMA CGM has subsequently purchased in the market, it now holds more than 98% of the share capital and voting rights of CEVA.

CMA CGM will therefore proceed with the squeeze out procedure and will file the claim for cancellation of the remaining outstanding CEVA shares.

Group results for Q1 2019

Key Financials for the First Quarter	2019	IFRS 16	2019	2018	Change YoY	Change YoY constant FX
(USD million)	Reported	Impact	Pre-IFRS 16	Reported	Pre-IFRS 16	Pre-IFRS 16
Revenue	1,698	-	1,698	1,790	-5.1%	+1.1%
EBITDA ^(a)	134	98	36	53	-32.1%	-28.0%
EBITDA margin	7.9%	5.8%	2.1%	3.0%	-90 bps	-90 bps
Adjusted EBITDA ^(b)	147	100	47	66	-28.8%	-24.2%
Net Debt as of March 31	2,427	1,161	1,266	2,228	-43.2%	

^(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.

Growth in Revenue

In the first quarter of 2019, revenue increased by 1.1% in constant currencies to US\$1,698 million.

On a reported basis, the revenue in the first quarter declined by 5.2% year-on-year due to negative translation of foreign currencies such as the BRL, the TRY, the EUR and the AUD into USD.

Revenue at Anji-CEVA Joint Venture (owned 50% by CEVA) amounted to US\$369 million, an increase of 6.6% compared to the same period of 2018. In constant currency, the revenue increased by 13.2%.

Freight Management (on a pre-IFRS 16 basis)

Revenue in Freight Management decreased by 0.7% to US\$797 million in the first quarter of 2019 (Q1 2018: US\$803 million). In constant FX, revenue increased by 3.8% year-on-year. CEVA continued to experience good volume growth in Ocean, up 6.2 % year-on-year to 192,900 TEUs, ahead of market growth. Ocean yield (Net revenue /TEU), was a robust US\$288 /TEU, which represents a strong



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increase compared with the fourth quarter of 2018 (US\$226 /TEU). Air volumes decreased by 6.9% 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 2.2% to 806 US\$/t.

Contract Logistics (on a pre-IFRS 16 basis)

Revenue in Contract Logistics decreased by 8.7% to US\$901 million in the first quarter of 2019 (Q1 2018: US\$987 million) as significant currency impact has hit major geographies (Turkey, Brazil and Australia). In constant FX, revenue decreased by 1.1% year-on-year. The company handled solid volumes in some existing contracts. The retention rate in Contract Logistics has significantly improved in the first quarter of 2019.

Operating Result

The Group's EBITDA¹ was US\$134 million in the first quarter of 2019.

On a pre-IFRS 16 basis the Group's EBITDA represented US\$36 million resulting in an EBITDA margin of 2.1%.

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 on one contract whilst an additional provision of US\$10 million was created for the second challenging contract. 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. Furthermore, the translation effect of some currencies into US\$, as mentioned above for revenue, negatively impacted EBITDA by a further US\$3 million in the first quarter of 2019.

Pre-IFRS 16 EBITDA at Anji-CEVA Joint Venture for the first quarter of 2019 was US\$22 million.

Group Adjusted EBITDA (on a pre-IFRS 16 basis) in the first quarter of 2019 amounted to US\$47 million.

Freight Management (on a pre-IFRS 16 basis)

EBITDA was down US\$2 million year-on-year to US\$13 million in the first quarter of 2019. EBITDA margin was down 30bps at 1.6% for the first quarter 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 3%) and Ocean (up 3.5%).

Contract Logistics (on a pre-IFRS 16 basis)

Contract Logistics EBITDA was down by US\$15 million to US\$23 million for the first quarter of 2019 (Q1 2018: US\$38 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 performance, and an additional provision of US\$10 million was taken as described above. 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 130 bps in the first quarter of 2019 compared to the same period of 2018, to 2.6%.

¹ EBITDA excludes specific items and share-based compensation cost (SBC).



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Significant decrease of the debt

As of 31 March, 2019, the company had a net debt of US\$2,427 million, representing on a pre-IFRS 16 basis US\$1,266 million, down 43% compared to US\$2,228 million as of 31 March, 2018.

This decrease is in line with the significant de-leveraging following the Initial Public Offering.

Good new business momentum

CEVA experienced continued strong momentum with new business wins up 12% in the first quarter of 2019.

Significant new contracts and extensions were won in the first three months:

- Automotive contracts in Benelux, Asia and Americas regions,
- Consumer & Retail contracts in North America, IMEA and Asia regions,
- Technology and Industrial contracts in North America.

The strategic partnership with CMA CGM is also delivering additional revenues.

Outlook

Despite a challenging global environment in the beginning of the year, CEVA has performed in line with its roadmap and targets and achieved a number of productivity improvements. The implementation of CEVA's new strategic plan, prepared jointly with CMA CGM, and the close cooperation between the teams of the two companies are going to drive an improvement in CEVA's financial performance and help it turn around quickly.

This cooperation will be further improved with the opening of a CEVA operational center in Marseilles to bring together CEVA's management teams and support functions, i.e. 200 jobs (creation and transfer).

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

An Investor Call is planned on Tuesday, 30 April 2019 at 9AM UKT / 10AM CET.

A presentation will be available on CEVA's website / IR section on Tuesday, 30 April at 7:00am CET.

Dial-in details:

Switzerland: 044 580 03 09

UK: 020 3365 3210

France: 01 70 72 49 09

Germany: 069 222 214 709



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Or register here:

<https://www.kpneventcall.nl/EventRegistration/028f7ed1-b69c-4f02-8924-95ef8cb88f9b>

Webshow

<https://www.kpnwebshow.nl/tr3sp4fh>

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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



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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.