

CEVA Logistics Announces Preliminary Financial Results for 2018

- 2018, a year of structural changes, including a major move towards deleveraging
- Expected revenue growth of 5.2% in 2018 compared to previous year (5.4% at constant currency)
- Net debt down to \$1,190 million as of 31 December, 2018, representing a very significant decrease of 43% compared to \$2,089 million a year earlier

Baar, Switzerland, 4 February, 2019 – CEVA Logistics AG (“CEVA” or the “Company”) announced today preliminary results for the year ended 31 December, 2018 . This communication is done in the context of the launch of a proposed offering of \$825 million in aggregate principle amount of Secured Term Loan B due 2025 in a private transaction in connection with the likely change of control triggered by the Public Tender Offer published by CMA CGM SA on 28 January, 2019.

The year 2018 has been a year of structural changes for CEVA, not least of which was the Company’s successful initial public offering on the SIX Swiss Stock Exchange which was followed by a transformational refinancing that saw the Company overhaul its pre-IPO structure, extend maturities and reduce interest costs. Since the transaction, the company has made positive management and organizational adjustments and remains focused on its long-term strategy rather than on short-term performance.

The Company’s underlying business has continued to perform in line with expectations in both freight management and contract logistics, albeit various one-time items have significantly impacted profitability in the third and the fourth quarters of the year. In the meantime, new business performance has remained promising with a strong pipeline of new customers as well as new opportunities with existing customers in both Freight Management and Contract Logistics as a positive consequence of the IPO.

CEVA Logistics expects to report revenue growth of approximately 5.2% in 2018 versus the prior year, (by approximately 5.4% in constant currency) to around US\$7,356 million of revenues versus US\$6,994 million in 2017. Net revenue for 2018 was US\$3,629 million. Freight Management revenue growth is estimated at a strong 7.3% (7.2% in constant currency) to approximately US\$3,507 million while revenue growth in Contract Logistics is estimated to be 3.3% (3.9% in constant currency) to approximately US\$3,848 million.

The Company anticipates Adjusted EBITDA¹ for 2018 to be approximately US\$260 million, compared to US\$280 million in the prior year. This number includes US\$62 million representing CEVA’s share of 50% from the Chinese JV Anji CEVA. Whilst CEVA teams have achieved continued progress in productivity, cost reduction and other margin improvement initiatives, EBITDA has been negatively impacted by various one-time adverse events: Contract Logistics issues in Italy in the third quarter as well as some changes in accounting estimates in the fourth quarter reflecting a more conservative approach from management. Without these events, CEVA estimates that Adjusted EBITDA for 2018 would have been approximately US\$54 million higher at US\$314 million. In addition, CEVA has been facing negative foreign exchange impacts from the BRL, the EUR and the TRY. These events have been mitigated by a capital gain of US\$14 million in the Chinese joint venture Anji CEVA Logistics Co. Ltd.

EBITDA (before specific items and share-based compensation) amounted to approximately US\$198 million, compared to US\$230 million in 2017. This represents an EBITDA margin² of approximately 2.7%, compared with 3.3% in 2017. Excluding the adverse events CEVA’s EBITDA margin would have seen an improvement versus the prior year. EBITDA for Freight Management amounted to US\$93 million, up US\$17 million versus the prior year and Contract Logistics EBITDA was US\$105 million versus US\$154 million in 2017. Excluding the



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impact of the issues in Italy and changes in estimates, Contract Logistics EBITDA would have been US\$52 million higher and showing an increase versus the prior year.

CEVA capital expenditures have remained relatively stable at approximately US\$109 million in 2018 compared to US\$102 million in the prior year. The company anticipates net debt as of 31 December 2018 to be approximately US\$1,190 million down 43% compared to US\$2,089 million as of 31 December 2017 in line with the significant de-leveraging following the Initial Public Offering. Net working capital in the balance sheet was 2.3% of revenues at the end of 2018.

The publication of CEVA's audited financial results for the year ended 31 December 2018 will be released on 28 February 2019. A conference call will be held at 14:00 CET on this date.

Note: These preliminary results are based on internal management accounts and reflect CEVA's preliminary expectations for its results for the year ended 31 December 2018. These estimates have been prepared by management and have not been reviewed or audited by an independent auditor. The estimates should not be regarded as a representation or forecast by CEVA or any other person regarding CEVA's results that will be reported for 2018 and investors should not place undue reliance on them. The preliminary results for 2018 quoted above are subject to our normal close process. Our actual results for 2018 could vary from these estimates and the differences could be material.

1 Adjusted EBITDA includes the Group's share of EBITDA from the Anji-CEVA joint venture and excludes specific items and non-cash share based compensation.

2 EBITDA margin is calculated based on the Group's EBITDA excluding the Anji-CEVA joint venture, specific items and non-cash 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 44,000 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 US\$7 billion and adjusted EBITDA of US\$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, its preliminary estimated 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.