Press Release

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CEVA achieves revenue growth and significant net debt decrease in 2018 – CMA CGM partnership well on track

Baar, Switzerland, 27 February, 2019 – CEVA Logistics AG ("CEVA" or the "Company") reported today its results for the fourth quarter and full year ended 31 December 2018.

2018 was a year of structural changes including a major move towards deleveraging:

- **Revenue growth of 5.2% in 2018 compared to previous year**
- **Adjusted EBITDA of US$260 million, including US$54 million of one-time costs**
- **Net debt down to US$1,192 million as of 31 December, 2018, representing a significant decrease of 43% compared to US$2,089 million a year earlier**
- **Strategic partnership launched with CMA CGM to boost CEVA's growth and improve its profitability**
- **Launch of a friendly Public Tender Offer of CMA CGM on 12 February until 14 March, 2019 to fully settle around 17 April, 2019**
- **Confirmation of medium term financial targets**

"CEVA finished the year with sound commercial performance in 2018. Margins have been impacted by one-time costs, in particular Contract Logistics in Italy. Looking ahead, we are confident in our ability to meet our enhanced medium-term targets with the support of our strategic partner CMA CGM. The organization is on track to accelerate its transformation and turnaround action plan in the next three years and beyond. Our expectations for 2021 are to exceed US$9 billion of revenue and reach an Adjusted EBITDA of US$470-490 million which corresponds to an EBITDA margin of 4.5 to 5%. A new chapter for CEVA is being written, together with our strategic partner," says Xavier Urbain, CEO of CEVA Logistics.

Key Financials for Q4 (US$ million)	**Q4 2018**	**Q4 2017**	**Change YoY**	**Change YoY constant FX**
Revenue	1,908	1,895	+0.7%	+6.6%
EBITDA [a]	50	57	-12.3%	-5.7%
EBITDA margin	2.6%	3.0%	-40 bps	-40 bps
Adjusted EBITDA [b]	62	71	-12.7%	-6.1%

Key Financials for full year (US$ million)	**2018**	**2017**	**Change YoY**	**Change YoY constant FX**
Revenue	7,356	6,994	+5.2%	+5.4%
EBITDA [a]	198	230	-13.9%	-10.4%
EBITDA margin	2.7%	3.3%	-60 bps	-50 bps
Adjusted EBITDA [b]	260	280	-7.1%	-4.4%
Net Debt as of 31 Dec.	1,192	2,089	-43%	

[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.

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2018 BUSINESS AND FINANCIAL PERFORMANCE

Group results

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.

Revenue increased by 5.2% to US$7,356 million in 2018 compared to previous year. The Group's EBITDA[1] was US$198 million in 2018 with an EBITDA margin of 2.7%.

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 events including Contract Logistics issues in Italy 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 in 2018 would have been approximately US$54 million higher. Furthermore, the translation effect of some currencies into US$, notably the BRL, the TRY and the EUR negatively impacted EBITDA by a further US$9 million in 2018.

Adjusted EBITDA in 2018 amounted to US$260 million, including US$62 million representing CEVA's 50% share of EBITDA from the Chinese joint venture Anji-CEVA (involving a capital gain of US$14 million).

Revenue in Freight Management increased by 7.3% to US$3,508 million in 2018.

- CEVA experienced good volume growth in Ocean, up 7.9% year on year ahead of market. Ocean yields (Net revenue per TEU) have moderately decreased as a result of a policy of market share expansion to US$261 per TEU. CEVA Freight Management operations have felt limited impact from the US-China trade tariffs discussion. Air volumes slightly decreased by 0.7% year on year, mainly from the earlier loss of certain customers and a selective approach to new business. However, Air yields (Net revenue per tonne) have increased by 6.7% to US$688 per tonne.
- EBITDA increased significantly year-on-year by US$17 million to US$93 million in 2018 resulting from better revenues, productivity actions and improvements in the Valued Added Services (VAS) operations, partly offset by challenges in North America relating to the increased cost of transportation in the US Ground business due to driver shortages.
- EBITDA margin improved by 40 bps to 2.7% in 2018 compared to 2017.

Revenue in Contract Logistics increased by 3.3% to US$3,848 million in 2018.

- The company handled good volumes in existing contracts and there was successful implementation of new business, e.g. in Consumer & Retail, and e-Commerce for leading customers in North America; Industrial customers in the Benelux and scope extension for Healthcare and Consumer Goods customers in Europe.
- Contract Logistics EBITDA was nevertheless down by 31.8% to US$105 million for 2018. Despite many productivity improvements across various contracts and geographies and

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

continued gains on focus contracts, two contracts in Italy and the bankruptcy of a local partner for temporary staff resulted in additional unplanned costs of US$42 million in 2018 (including provisions taken for future years). CEVA has put into place a plan to resolve the issues in Italy. This plan is currently under way.

- In addition, EBITDA performance has also been impacted by a conservative change in accounting estimates resulting in additional expense of US$10 million in 2018. In total, US$52 million one-time additional costs have impacted Contract Logistics.

In 2018, revenue at Anji-CEVA Joint Venture (owned 50% by CEVA) amounted to US$1.4 billion, an increase of 23.7% compared to 2017 in constant currency.

- This healthy revenue growth was fuelled by a strong increase in volume of existing contracts, new implementations and the transfer of CEVA's Contract Logistics business in July 2017.
- EBITDA for 2018 was up US$22 million in constant currency to US$124 million, including a capital gain on an asset disposal for US$28 million, compared to a capital gain of US$12 million in the same period of 2017.

BUSINESS OUTLOOK

Good New Business Momentum

CEVA experienced continued strong momentum across all sales products and business lines, with new business wins up approximately 6% in 2018. The IPO and subsequent deleveraging and improvement of the capital structure, has definitely changed customers' perceptions as well as unlocked many new business opportunities. Significant new contracts and extensions were secured in 2018: In Air and Ocean freight, CEVA won contracts with Technology and Automotive customers, in Contract Logistics mostly with Automotive, Healthcare, e-Commerce and Consumer & Retail clients. The partnership with CMA CGM started to deliver additional opportunities. Finally, CEVA is investing in its salesforce in order to accelerate sustainable growth in strategic geographies and segments.

2019 Outlook

Although 2018 Full Year results were impacted by the Contract Logistics issues in Italy, CEVA is confirming its medium term targets:

- 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.

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STRATEGIC AND REFINANCING UPDATE

Strategic Developments and Public Tender Offer

In the context of the IPO, CMA CGM agreed to subscribe for 24.99% of CEVA's share capital and CMA CGM and CEVA agreed to start working together and evaluate opportunities to expand the commercial cooperation and jointly develop services which address the increasing customer need for integrated end-to-end solutions and one-stop shop providers. As a result of the discussions between CMA CGM and CEVA, both partners have developed a revised business plan with realistic profitability targets and agreed in a transaction agreement dated 24 October, 2018 that CMA CGM will, besides fostering CEVA's development plan, submit an Offer to CEVA shareholders and, upon settlement of this Offer, transfer its Freight Management activities to CEVA. With the Offer, CMA CGM wishes to grant to those shareholders wishing to exit their investment in the Company to purchase their shares for CHF 30.00 per share through a Public Tender Offer (PTO). The PTO has started on 12 February, 2019 and is expected to end on 14 March, 2019 to be fully settled around 17 April, 2019.

Debt Refinancing Update

With a change of control being a possible consequence of the Public Tender Offer launched by CMA CGM on CEVA shares, the following actions have been undertaken or prepared with CMA CGM to secure the financing of CEVA:

- with respect to the Senior Secured Notes and the Term Loan B (TLB), CMA CGM has entered into a commitment letter with certain banks, which agreed to underwrite an amount of up to US$825 million; In February 2019, a new TLB to refinance its existing US$475 million TLB due August 2025 has been finalized and CEVA is considering any options to refinance its bonds;
- with respect to the Revolving Credit Facility, CEVA has received waivers from the majority of the lenders providing that they agree to the Change of Control Event provided it occurs on or before 31 December, 2019;
- with respect to the European Facility, it has been amended in order not to trigger a Change of Control.

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Adoption of IFRS 16 in 2019

The new standard addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting about the leasing activities. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet. The standard is effective for annual reports beginning on or after 1 January, 2019.

The analysis conducted as part of the Group-wide project on initial application indicated that IFRS 16 will have a material effect on components of the Consolidated Financial Statements and the presentation of the net assets, financial position and results of the Group, as summarized below:

Balance sheet: CEVA will recognize right-of-use assets totaling approximately US$1.2 billion and lease liabilities in the balance sheet totaling approximately US$1.2 billion.

Income statement: The Group expects that net profit after tax will decrease by approximately US$17 million as a result of adopting the accounting treatment for leases, whilst EBITDA is expected to increase by approximately US$370 million.

Cash flow statement: Cash flow from operations will increase and cash flows from financing activities will decrease by approximately US$370 million as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

Investor call

CEVA Logistics will hold an investor call and webcast today at 10:00 CET to present its fourth quarter and 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/aj7rz7hy

Documents

CEVA Logistics Q4 and FY 2018 Annual Report and investor 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.

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

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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 US$ 7.4 billion and Adjusted EBITDA of US$ 260 million in 2018. CEVA Logistics is listed on SIX Swiss Exchange under ticker symbol CEVA. For more information, please visit www.cevalogistics.com.

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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.