

Q3 results impacted by significant provisions in Italy – Plan to deepen strategic relationship with CMA CGM

Baar, Switzerland, 13 November, 2018 – CEVA Logistics AG (“CEVA” or the “Company”) announced today its results for the third quarter and the first nine months ended 30 September 2018.

- Revenue up 5% YTD in constant currency; good new business momentum
- Adjusted EBITDA of USD 55 million for Q3 and USD 198 million YTD, down USD 27 million and USD 8 million respectively in constant currency mainly due to provisions for Italian Contract Logistics business
- Excellence & cost-saving programs intensified
- Refinancing successfully completed in August 2018
- Agreement on a significant strengthening of strategic partnership with CMA CGM to be implemented in coming months

Key Financials for Q3 (USD million)	Q3 2018	Q3 2017	Change YoY	Change YoY constant FX
Revenue	1,810	1,782	+1.6%	+4.7%
EBITDA ^(a)	29	69	-58.0%	-55.4%
EBITDA margin	1.6%	3.9%	-230 bps	-220 bps
Adjusted EBITDA ^(b)	55	85	-35.3%	-32.9%

Key Financials for 9 Months (USD million)	9M 2018	9M 2017	Change YoY	Change YoY constant FX
Revenue	5,448	5,099	+6.8%	+5.0%
EBITDA ^(a)	148	173	-14.5%	-11.9%
EBITDA margin	2.7%	3.4%	-70 bps	-50 bps
Adjusted EBITDA ^(b)	198	209	-5.3%	-3.9%

^(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% proportional contribution of the ANJI-CEVA joint venture and excludes specific items and share-based compensation cost

"CEVA continues to reduce its cost base, with a strong focus on productivity addressing underperforming activities both in FM and CL. Most of our operations continue to perform well and our new business performance is promising. However, in the third quarter, margins have been adversely impacted by one-time provisions taken in Contract Logistics in Italy. Looking ahead, we are confident that we will further improve our performance and meet our medium-term targets. More importantly, we plan to intensify the cooperation with our strategic partner CMA CGM which will bring additional value for all our stakeholders," says Xavier Urbain, CEO of CEVA Logistics.

Group results

CEVA's revenue increased by 4.7% in constant currency in the third quarter and by 5.0% in constant currency in the first nine months of 2018. Excluding one-time provisions impacting the Italian Contract Logistics operation, business continued to perform broadly in line with management's expectations with an adjusted EBITDA of USD 55 million in the third quarter and USD 198 million in the first nine months of 2018. Progress was made in productivity, cost reduction and other margin improvement initiatives.

Freight Management

Revenue in Freight Management increased by 4.9% on a reported basis and by 6.8% in constant currency in the third quarter of 2018 compared to the same period in the prior year. Freight Management EBITDA decreased by USD 3 million at constant currency to USD 22 million in the third quarter of 2018 with better revenues offset by challenges in North America relating to the increased cost of transportation in our Ground business due to driver shortages, partly mitigated by improvements in the VAS (Value added Services) operation. For the nine months of 2018, EBITDA was USD 64 million, up USD 9 million year on year in constant currency.

Contract Logistics

Revenue in Contract Logistics increased by 2.8% in constant currency, but decreased by 1.4% on a reported basis in the third quarter of 2018. Contract Logistics EBITDA was USD 7 million for the three months ended 30 September 2018 compared with USD 43 million in the same quarter of 2017. Despite many productivity improvements across many contracts and geographies, and continued productivity gains on focus contracts, two contracts in Italy and the bankruptcy of a local Italian partner for temporary staff have resulted in additional unplanned costs of USD 26 million in the third quarter and USD 42 million for the first nine months. A plan is currently being executed to address and resolve the issues in Italy. For the first nine months of 2018, revenue in Contract Logistics increased by 3.4% in constant currency and EBITDA was USD 84 million, down USD 29 million in constant currency year-on-year.

Anji-CEVA (CEVA's share is 50%)

In the first nine months of 2018, revenue at Anji-CEVA amounted to USD 1,069 million, an increase of 17.6% in constant currency, compared to the prior year. This healthy revenue increase was fuelled by strong volumes growth in existing contracts, new contract implementations and the transfer of the Chinese CEVA CL business in July 2017. In particular the new Non-Automotive Division is gathering pace and winning significant new business. EBITDA for the first nine months of 2018 was USD 99 million including a capital gain from a fixed asset disposal of USD 28 million in Q3 2018 compared to a capital gain of USD 12 million in Q3 2017.

Good Business Momentum

CEVA experienced continued strong momentum across all sales segments and business lines, with new business wins up approximately 8% YTD. Significant new contracts and extensions were won in the third quarter: in Air and Ocean freight, CEVA won contracts with Technology and Automotive customers, in Contract Logistics this was mostly with Automotive, Healthcare, Consumer & Retail clients. The partnership with CMA CGM started to deliver additional opportunities. Finally, the company is investing in its salesforce in order to accelerate sustainable growth in strategic geographies and segments.

Repayment of Debt and Refinancing

CEVA has successfully completed its comprehensive refinancing in August 2018. Through the IPO and the refinancing, CEVA has raised approximately USD 1.2 billion in equity and approximately USD 1.4 billion in new debt facilities. Following the deleveraging from the IPO proceeds and refinancing, CEVA expects to reduce its finance charges by more than USD 100 million annually, subject to prevailing interest rates and currency drawings.

Strategic Developments

The Board of Directors of CEVA announced on 25 October 2018 that it will broaden the strategic partnership with CMA CGM. As part of this initiative, CEVA will acquire the freight management business of CMA CGM, subject to anti-trust approval. The two companies will generate new commercial opportunities supported by investment in IT and digital transformation and further increase operational efficiency to deliver a strong and sustainable value creation for all stakeholders. Furthermore, the Board of CEVA has agreed with CMA CGM, that CMA CGM will offer to CEVA's shareholders wishing to exit their investment in CEVA to purchase their shares for CHF 30.00 per share.

The Board of Directors of CEVA strongly believes that the partnership with CMA CGM will provide an attractive value proposition to shareholders in the mid and long term. CEVA Logistics and CMA CGM have agreed that CEVA Logistics will remain a listed company with an arm's length business relationship with CMA CGM.

Outlook

Although 2018 FY results will be impacted by the contract logistics issues in Italy, CEVA is confirming its medium term targets to grow revenue above market and to increase EBITDA margins from the 3.3% achieved in 2017 to at least 4%; which should result in an additional approximately USD 100 million in adjusted EBITDA, excluding any additional benefits from the much closer cooperation with CMA CGM.



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Investor call

CEVA Logistics will hold an investor call and webcast today at 15.00 CET to present its third quarter and first nine months 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/jq3oc3gk>

Documents

CEVA Logistics Q3 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.

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 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 USD 7 billion and adjusted EBITDA of USD 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.