



# INVESTOR PRESENTATION

## Q4 & FULL YEAR 2020

## FINANCIAL RESULTS



22 March 2021

# | Today's presenters:



**Eli Glickman**

*President & Chief Executive Officer*



**Xavier Destriau**

*Executive Vice President,  
Chief Financial Officer*



# Disclaimer

## Forward-Looking Statements

The following information contains, or may be deemed to contain forward-looking statements (as defined in the U.S. Private Securities Litigation Reform Act of 1995 and the Israeli Securities Law, 1968). In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions about the Company, may include projections of the Company’s future financial results, its anticipated growth strategies and anticipated trends in its business. These statements are only predictions based on the Company’s current expectations and projections about future events or results. There are important factors that could cause the Company’s actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause such differences include, but are not limited to: market changes in freight, bunker, charter and other rates or prices, new legislation or regulation affecting the Company’s operations, new competition and changes in the competitive environment, the outcome of legal proceedings to which the Company is a party, and other risks and uncertainties detailed from time to time in the Company’s filings with the U.S. Securities and Exchange Commission, including under the caption “Risk Factors” in its 2020 Annual Report.

Although the Company believes the expectations reflected in the forward-looking statements contained herein are reasonable, it cannot guarantee future results, level of activity, performance or achievements. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. The Company assumes no duty to update any of these forward-looking statements after the date hereof to conform its prior statements to actual results or revised expectations, except as otherwise required by law.

The Company prepares its financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

### Use of non-IFRS financial measures

The Company presents non-IFRS measures as additional performance measures as the Company believes that it enables us to compare operating performance between periods on a consistent basis. These measures should not be considered in isolation, or as a substitute for operating income, any other performance measures, or cash flow data, which were prepared in accordance with Generally Accepted Accounting Principles as measures of profitability or liquidity. Please note that Adjusted EBITDA does not take into account debt service requirements, or other commitments, including capital expenditures, and therefore, does not necessarily indicate the amounts that may be available for the Company’s use. In addition, Non-IFRS financial measures, as those presented by the Company, may not be comparable to similarly titled measures reported by other companies, due to differences in the way these measures are calculated.

**Adjusted EBITDA** is a non-IFRS financial measure which we define as net income (loss) adjusted to exclude financial expenses (income), net, income taxes, depreciation and amortization in order to reach EBITDA, and further adjusted to exclude impairment of assets, non-cash charter hire expenses, capital gains (losses) beyond the ordinary course of business and expenses related to legal contingencies.

**Adjusted EBIT** is a non-IFRS financial measure which we define as net income (loss) adjusted to exclude financial expenses (income), net and income taxes, in order to reach our results from operating activities, or EBIT, and further adjusted to exclude non-cash charter hire expenses, impairment of assets, capital gains (losses) beyond the ordinary course of business and expenses related to legal contingencies.

**Free cash flow** is a non-IFRS measure which we define as net cash generated from operating activities plus the net cash generated (used) from investment activities.

See the reconciliation of net income to Adjusted EBITDA and Adjusted EBIT below.







# Achieving major milestones

Completed successful IPO, raising \$225\* million in proceeds



Achieved record profitability in Q4 and 2020

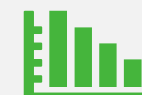


Increase of **168%** in Adjusted EBITDA vs. YTD dec-2019 – reaching **\$1,036 Mn** EBITDA in 2020



Outstanding net result!  
Reaching net profit **\$524 Mn** in 2020

Announced strategic chartering agreement for 10 LNG-fueled vessels



Improved EBIT margins of **32%** in Q4: ZIM continues to deliver industry leading margins

# | The new ZIM



Global-niche  
strategy

Asset-light and  
agile model

Focus on  
profitability  
supported by Big  
Data, BI and AI

Innovation and  
digitalization

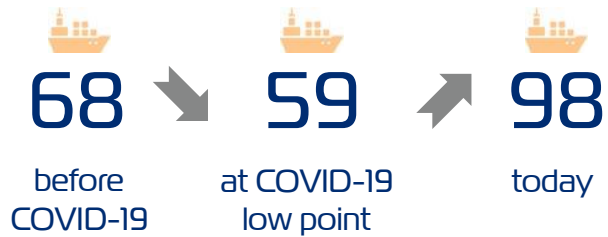
Multiple growth  
engines

Customer-centric  
approach  
“Powered by our  
Customers”



# Main achievements and highlights for 2020

## Operational agility



## Commercial agility



## Operational excellence

- Strict COVID-19 crisis management
- Cooperation with 2M
- Cost avoidance/reduction

## Digitalization and innovation



### ZIMGuard

AI system to detect possible misdeclarations of dangerous cargo



### Hive

Yield management platform enabling instant cargo selection and booking acceptance

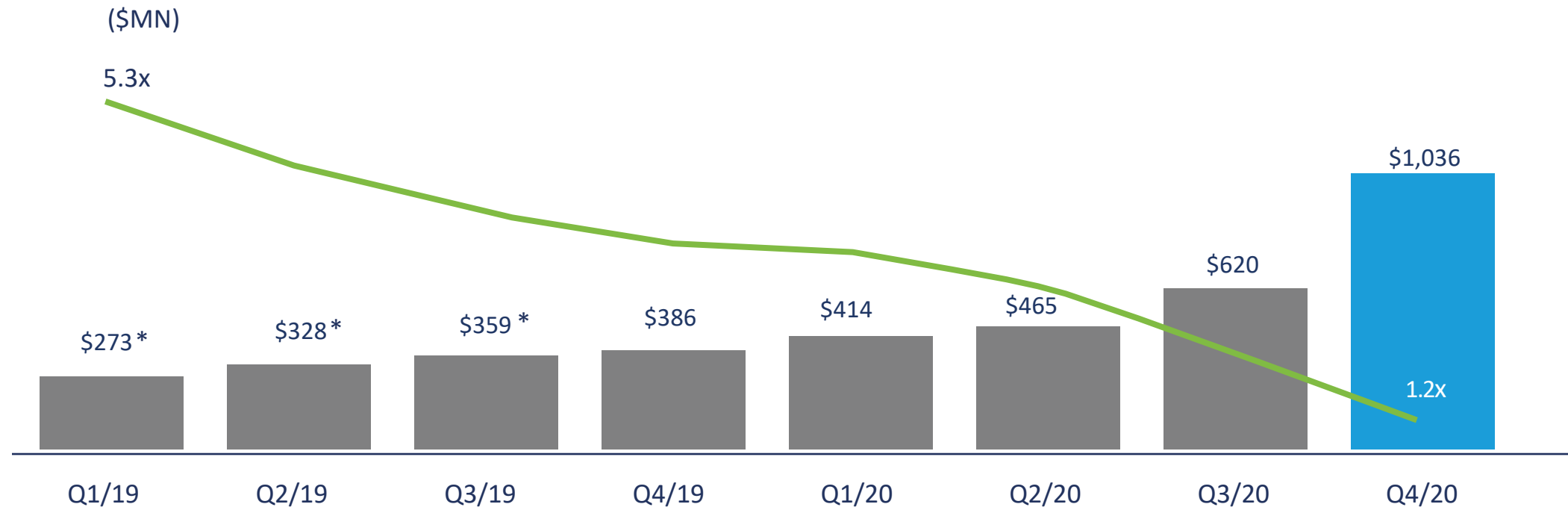


### Ladingo

A one-stop-shop for cross border shipments with all-in-one software and services



# Consistent earnings growth and disciplined deleveraging strategy





Cash position significantly improved in FY 2020, and together with increased earnings our leverage ratio decreased to lowest level

### Operational

Carried Volume (K TEUs)	2,841 2,821	>	0.7%
Freight Rate (USD/TEU)	1,229 1,009	>	21.8%
Revenue (USD M)	3,992 3,300	>	21%

### Cash flow

FCF (USD M)	846 409	>	106.8%
Cash Conversion Rate	82% 106%	>	-24%

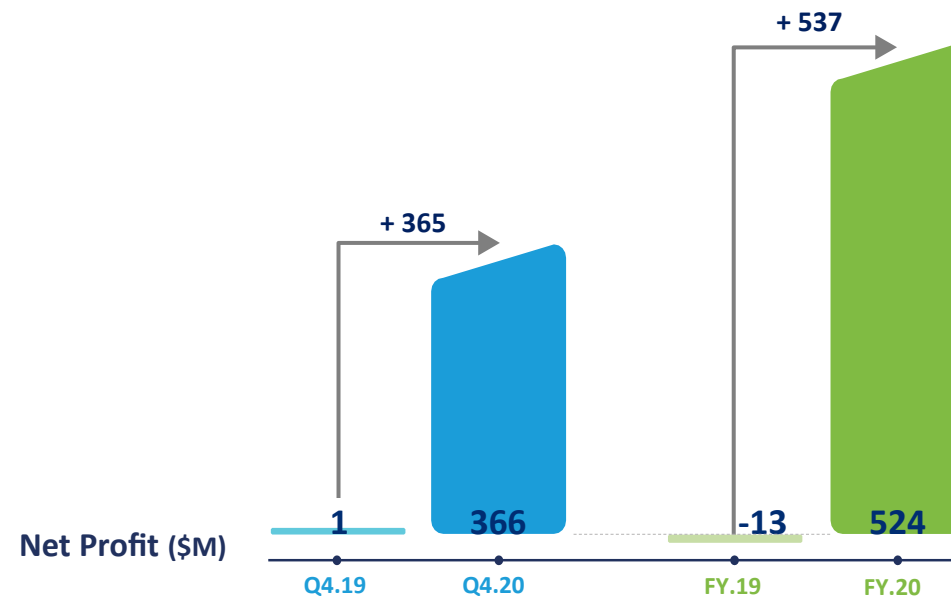
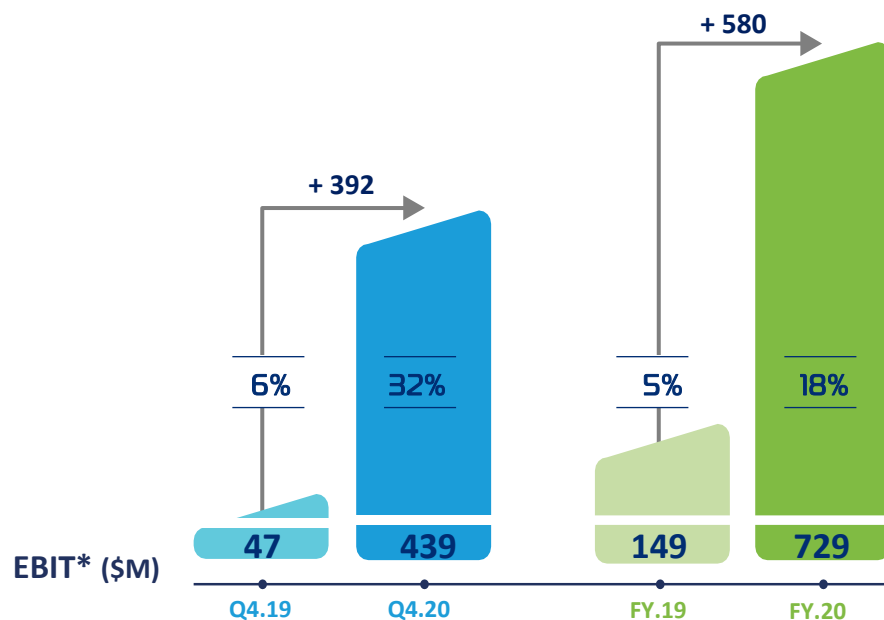
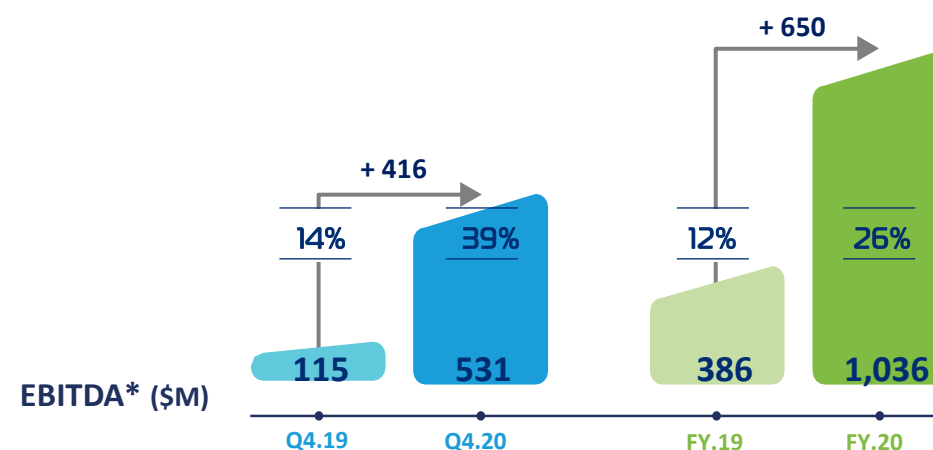
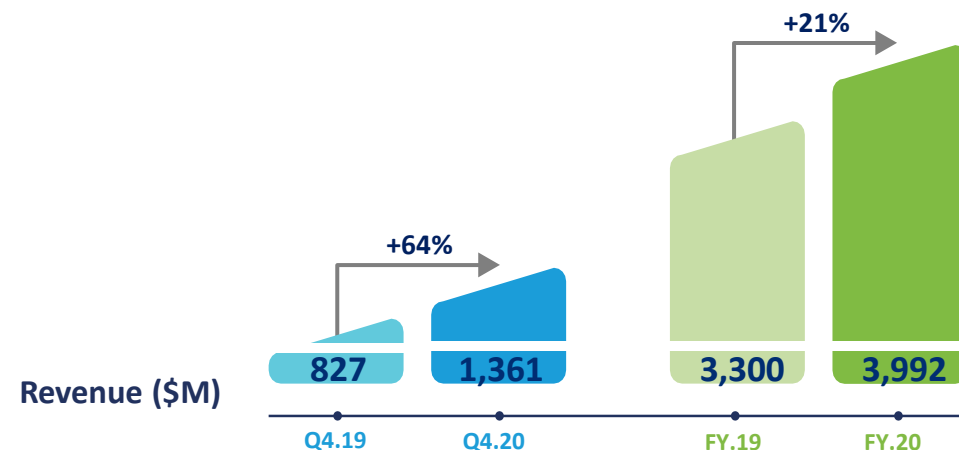
### Balance Sheet

Total Debt* (USD M)	1,862 1,611	>	251
Cash, Cash Equivalents and ST Deposits (USD M)	626 239	>	387
Net Debt (USD M)	1,236 1,372	>	-136
Net Leverage Ratio	1.2 3.6	>	-66.7%

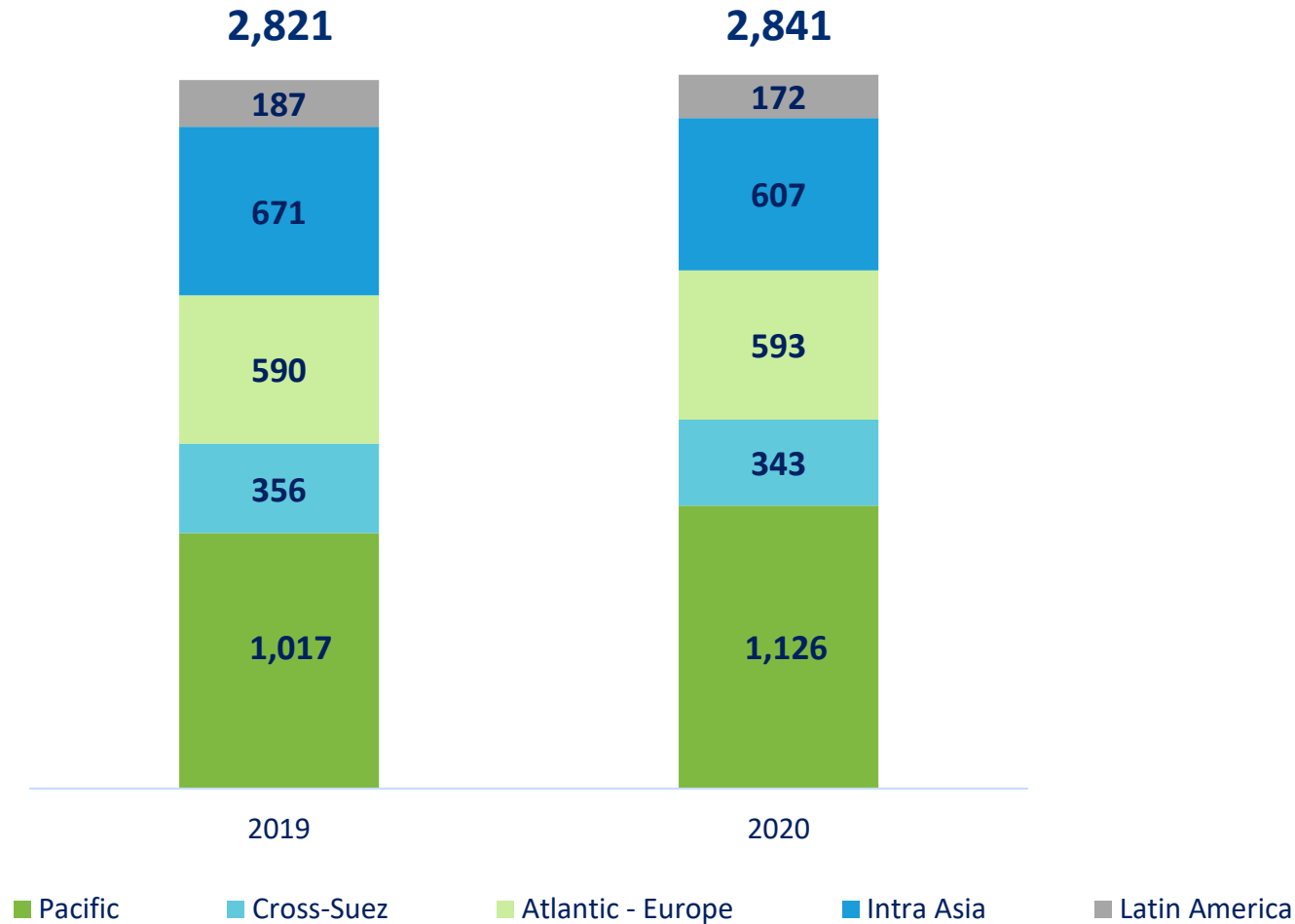




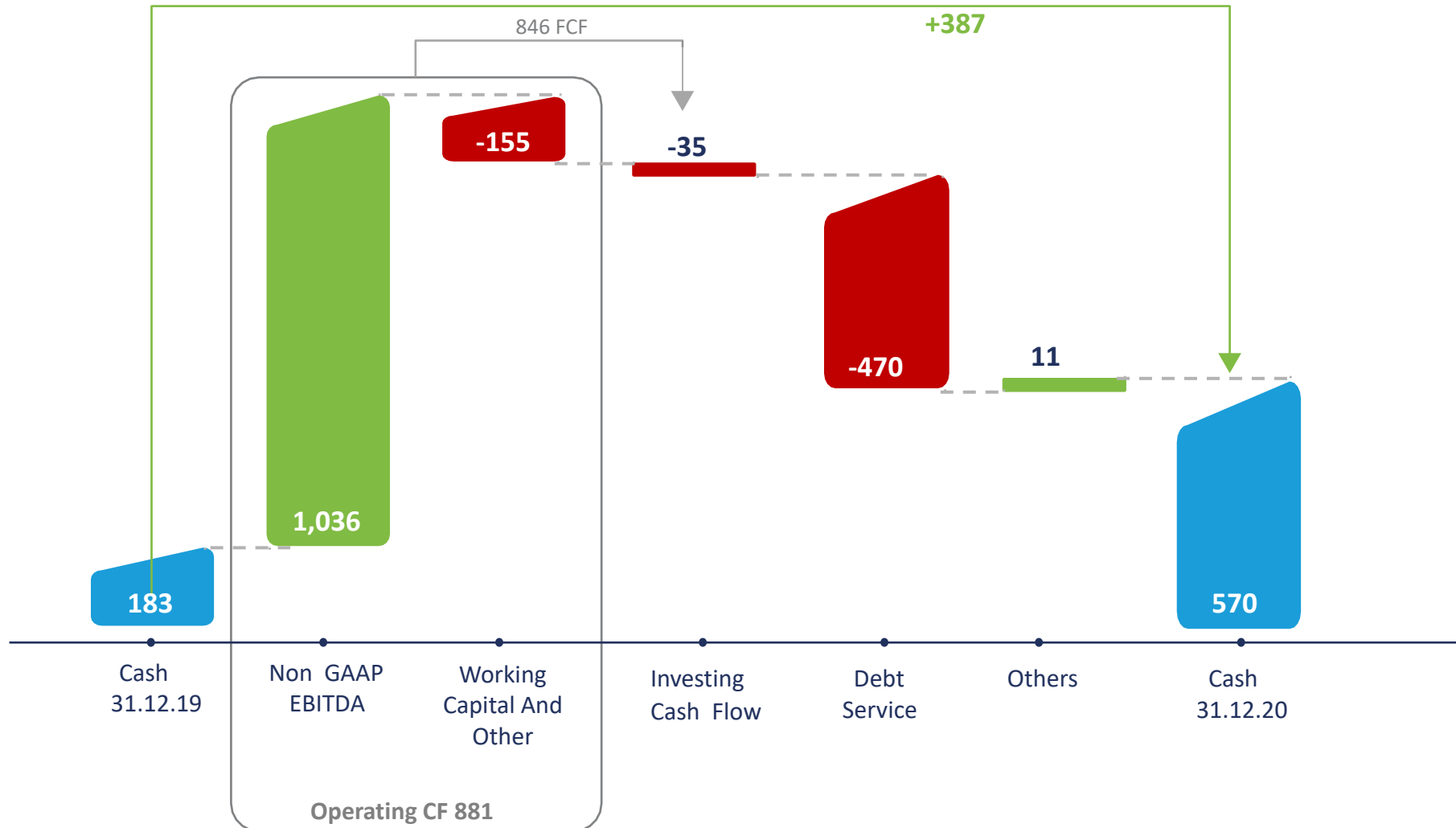
# Significant improvement in all metrics in Q4 and FY 2020



# Volume breakdown by geographic trade zone (K TEU)



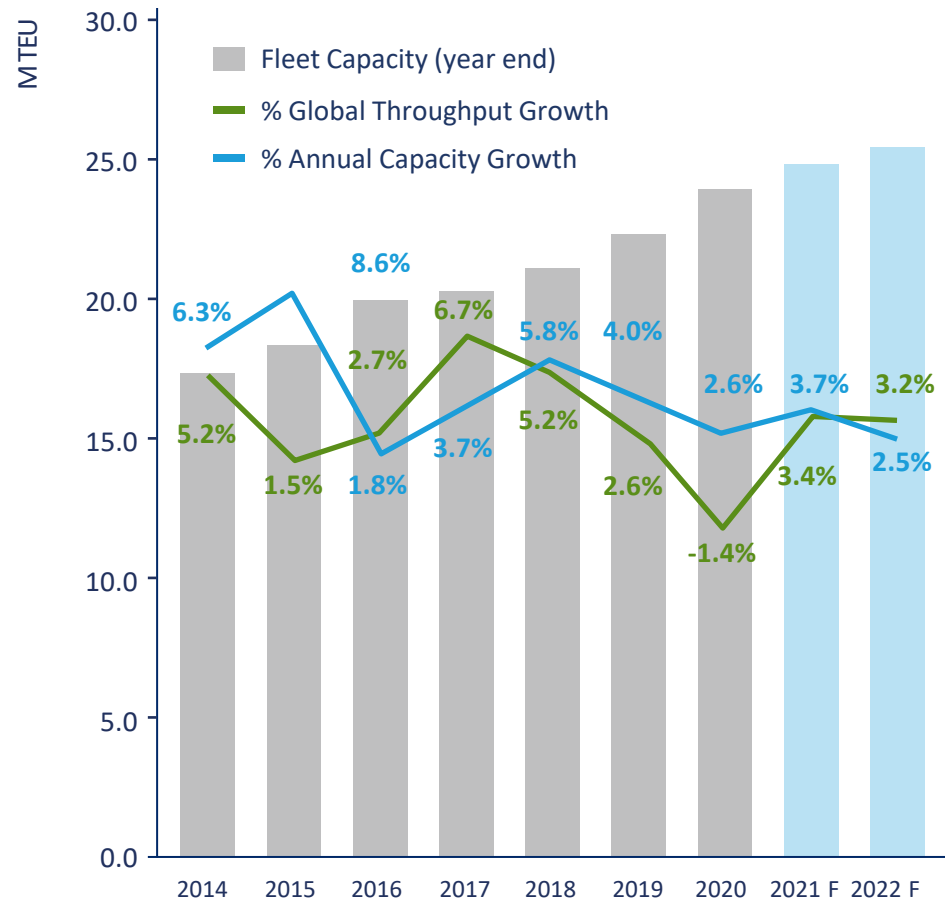
# Cash flow 2020 highlights (\$M)



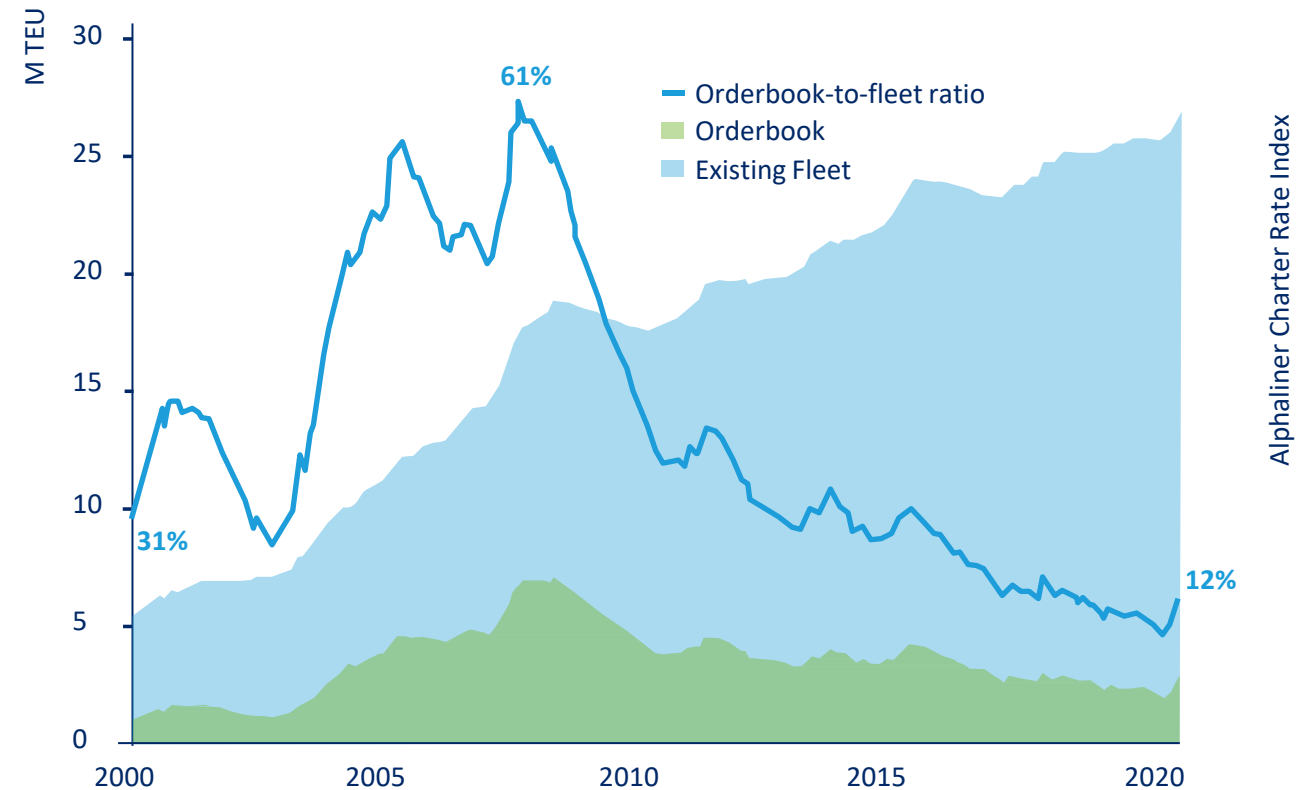
Market supply/demand fundamentals are positive;  
Record low orderbook supports favorable near-term future supply dynamics



Supply/Demand balance



Orderbook-to-Fleet

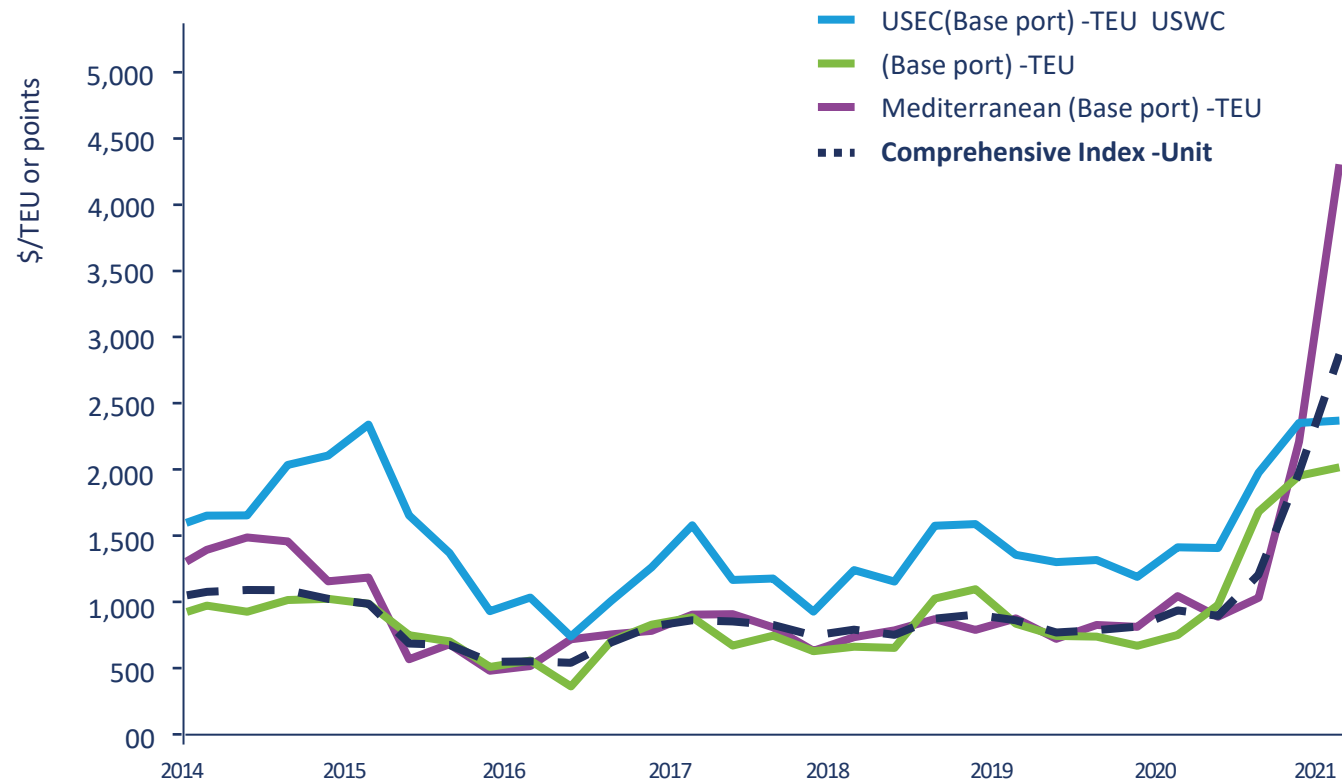




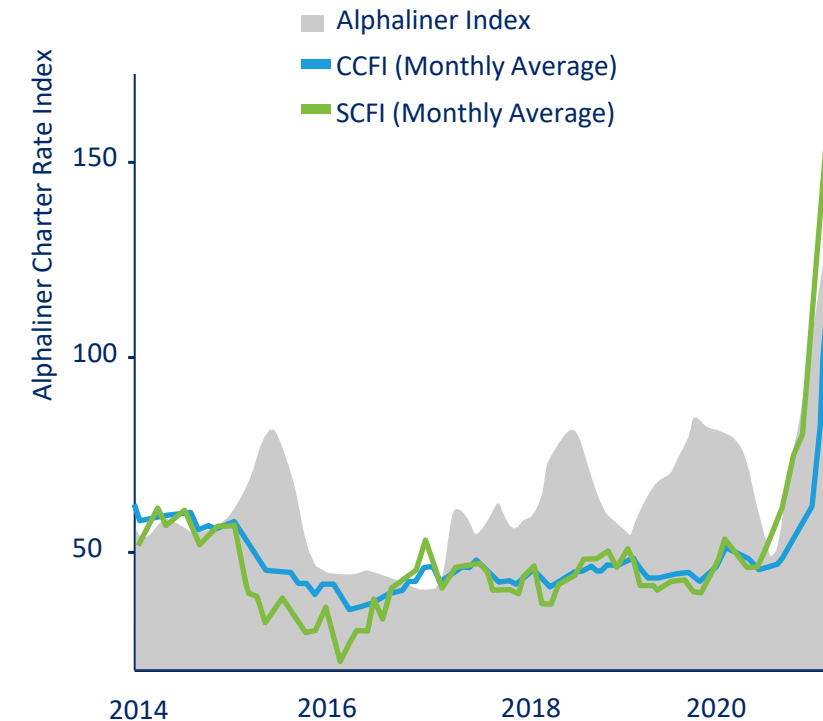
Catching up to lost revenue - current record-high contract rates expect to last to spring 2022;  
Charter hire trend correlates with demand as reflected by spot rates



### Shanghai Container Freight Index development



### 10 Year Charter Rate Index and Freight Rate Indices



Source: Alphaliner Monthly Monitor, February 2021

Despite 6 months of demand boom, retailers' inventory replenishment expected to drive strong container growth

Retailers: Inventory to Sales ratio (US Census Bureau) – lowest level in 28 years



Producers are expected to ease supply curbs as economies start to slowly recover from COVID-19



Bunker price development





# Significant momentum going forward!

Positioning ZIM as an innovative leader of seaborne transportation and logistics services with relentless focus on:



- Maintaining agility
- Promoting our core sustainability values
- Maximizing financial performance
- Expanding growth engines
- Fostering unique “Z-Factor” culture
- Embracing “Startup Nation” DNA to fuel growth
- Harnessing digital strategies

# | 2021 full-year guidance



Average  
freight rate

Higher



Average  
bunker price

Higher



Volume

Higher



Charter  
Rates

Higher



EBITDA

\$ 1,400 – 1,600 M



EBIT

\$ 850 – 1,050 M



**THANK  
YOU.**



# APPENDIX



# Reconciliation of net income (loss) to Adjusted EBITDA and Adjusted EBIT

(\$ in Millions)

	FY2017	FY2018	FY2019	FY 2020
Net Income (Loss)	11	(120)	(13)	524
Financial Expenses (Income), net	117	83	154	181
Income Taxes	14	14	12	17
Depreciation and Amortization	108	112	246	314
<b>EBITDA</b>	<b>251</b>	<b>88</b>	<b>399</b>	<b>1,036</b>
Non-Cash Charter Hire Expenses <sup>(2)(3)</sup>	22	20	2	1
Capital Gain (Loss), Beyond the Ordinary Course of Business <sup>(4)</sup>	0	(0)	(14)	0
Assets Impairment loss (recovery)	2	38	1	(4)
Expenses Related to Legal Contingencies	2	5	(2)	3
<b>Adjusted EBITDA</b>	<b>278</b>	<b>151</b>	<b>386</b>	<b>1,036</b>
Operating Income (EBIT)	143	(23)	153	722
Non-Cash Charter Hire Expenses <sup>(3)</sup>	22	20	11	8
Capital Gain (Loss), Beyond the Ordinary Course of Business <sup>(4)</sup>	0	(0)	(14)	0
Impairment of Assets	2	38	1	(4)
Expenses Related to Legal Contingencies	2	5	(2)	3
<b>Adjusted EBIT</b>	<b>169</b>	<b>39</b>	<b>149</b>	<b>729</b>

## Notes :

- (1) On January 1, 2019, the company initially applied the new accounting guidance for leases in accordance with IFRS 16. As such, comparability of results to prior periods is limited.
- (2) Mainly related to amortization of deferred charter hire costs, recorded in connection with the 2014 restructuring.
- (3) Following the adoption of IFRS 16 on January 1, 2019, part of the adjustments are recorded as amortization of right-of-use assets.
- (4) Related to disposal of assets, other than containers and equipment (which are disposed on a recurring basis).