



# INVESTOR PRESENTATION Q1 2023 FINANCIAL RESULTS

May 22, 2023



# Disclaimer

## | Forward-Looking Statements |

This presentation 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 as well as its intended dividend policy. 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 2021 Annual Report.

Although the Company believes that 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 the comparison of 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 |

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 |

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 impairment of assets, non-cash charter hire expenses, capital gains (losses) beyond the ordinary course of business and expenses related to legal contingencies.

## | Free cash flow |

Net cash generated from operating activities minus capital expenditures, net.

## | Total cash position |

Includes cash and cash equivalents and investments in bank deposits and other investment instruments.

## | Net debt |

Face value of short- and long-term debt, minus cash and cash equivalents, bank deposits and other investment instruments. Net cash: cash and cash equivalents, bank deposits and other investment instruments exceeding the face value of short- and long-term debt.

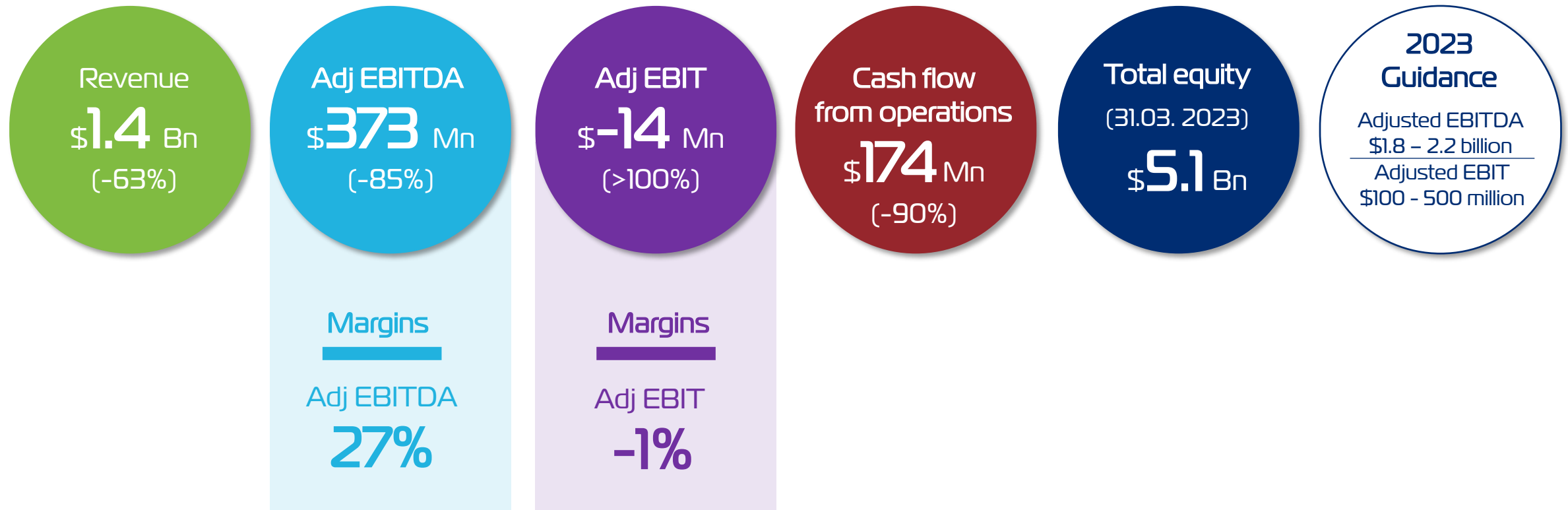
## | Net leverage ratio |

Net debt (defined above) divided by Adjusted EBITDA for the last twelve-month period.

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



## Q1.23 Results Reflect Industry Downturn; Reaffirming Full Year 2023 Guidance



# Long-term Strategy & Priorities Remain Unchanged; Key Strengths: Agility, Excellence and Innovation



## Key Operational and Financial Indicators\*

Operational	Q1-23	Cash flow	Q1-23	Balance Sheet	31-3-2023
Carried volume (K TEUs)	769 (-10%)	Free cash flow (\$ Mn)	+142 (-1,341)	Total debt** (\$ Mn)	4,639 (+307)
Freight rate (\$/TEU)	1,390 (-64%)	Cash conversion rate	38% (-21%)	Cash, bank deposit and investment instruments (\$ Mn)	4,258 (-353)
Revenues (\$ Mn)	1,374 (-63%)			Net debt (\$ Mn)	381 (+660)
				Net leverage ratio	0.1x

\* Operational and cash flow metrics – figures in parentheses reflect comparison to the same period prior year

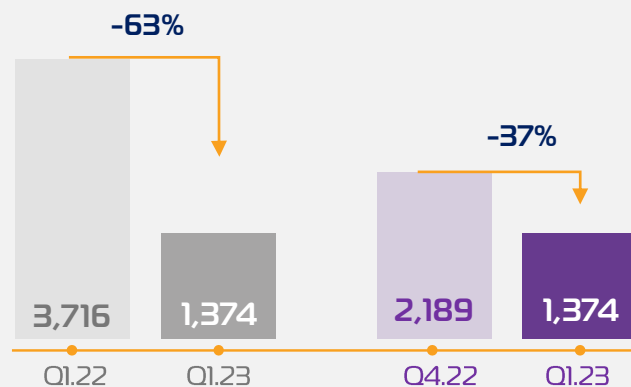
Balance sheet metrics – figure in parentheses reflect comparison to year-end 2022

\*\* Face value

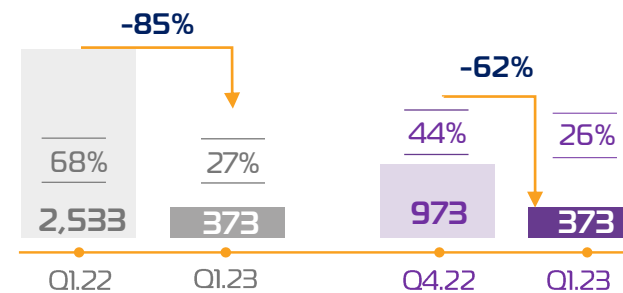
# Q1.2023 Financial Highlights

XX% - margin

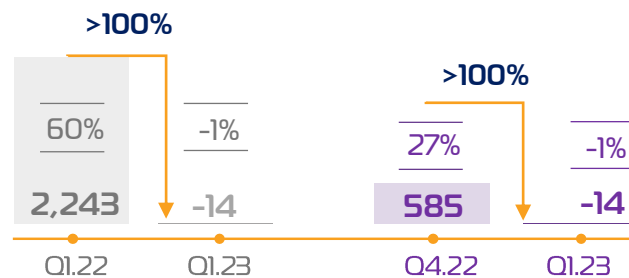
Revenue  
(\$Mn)



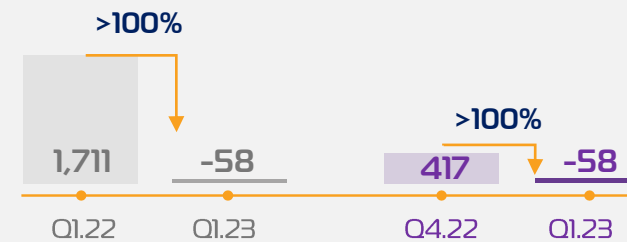
Adjusted  
EBITDA  
(\$Mn)



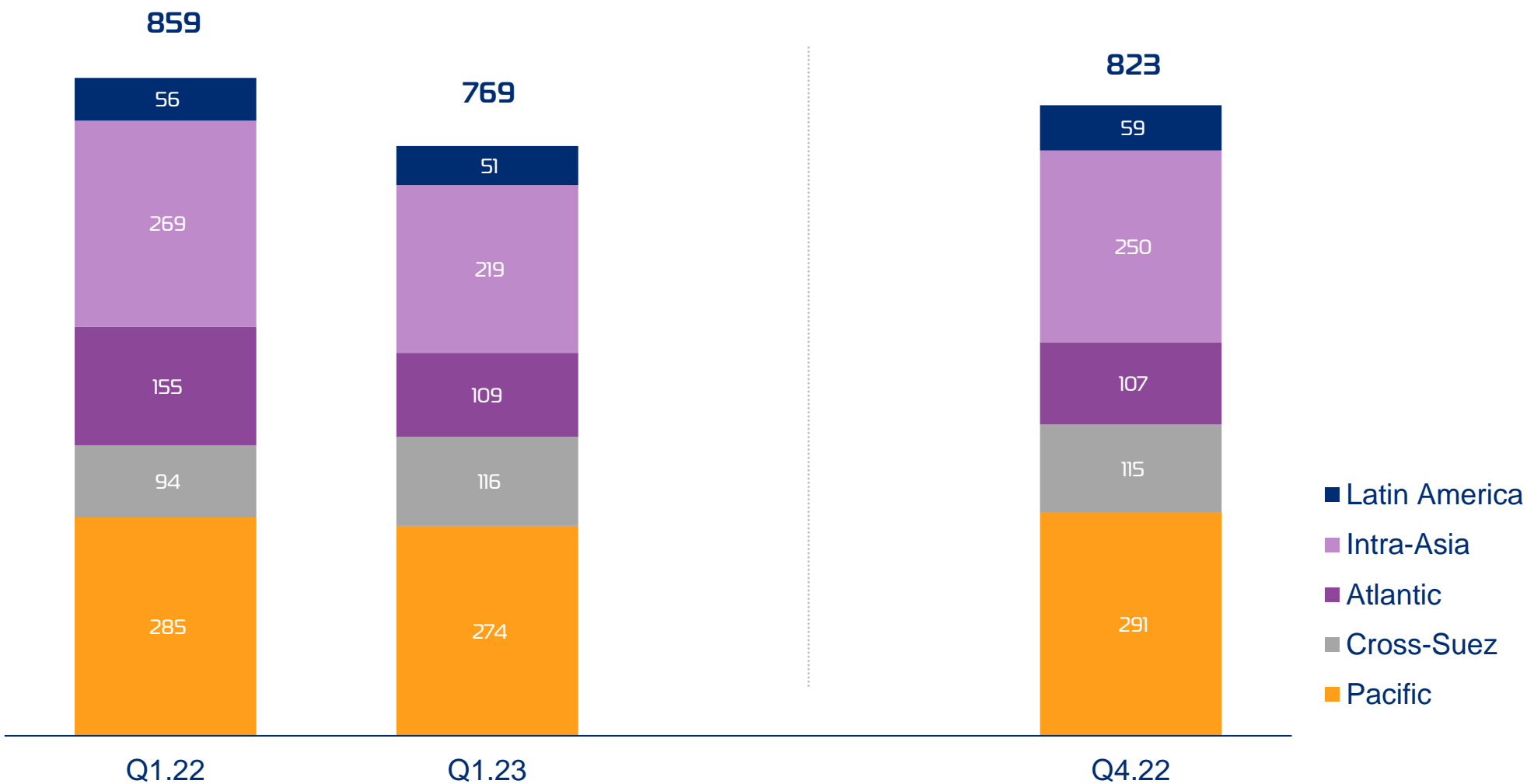
Adjusted  
EBIT  
(\$Mn)



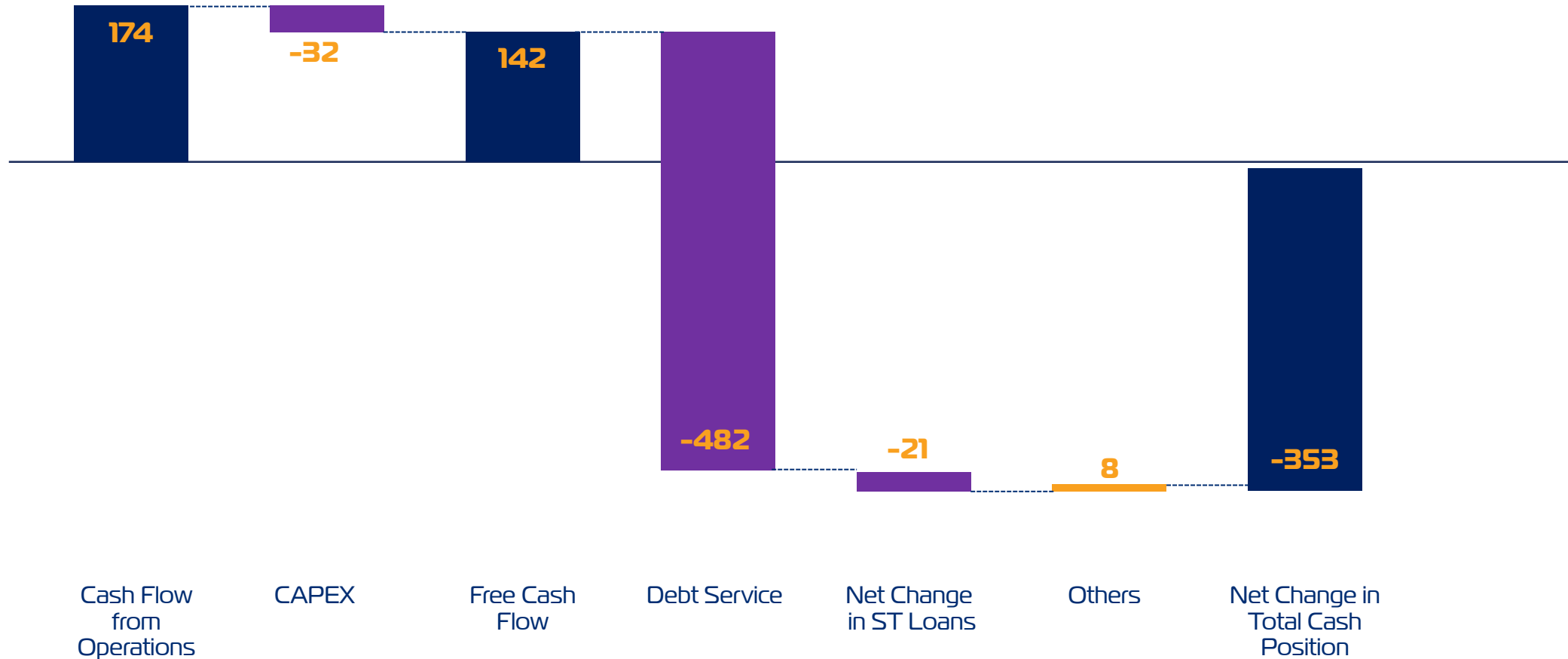
Net Income /  
(Loss) (\$Mn)



## Volume Breakdown By Geographic Trade Zone (K TEU)



## Q1 2023 cash flow bridge (\$Mn)\*



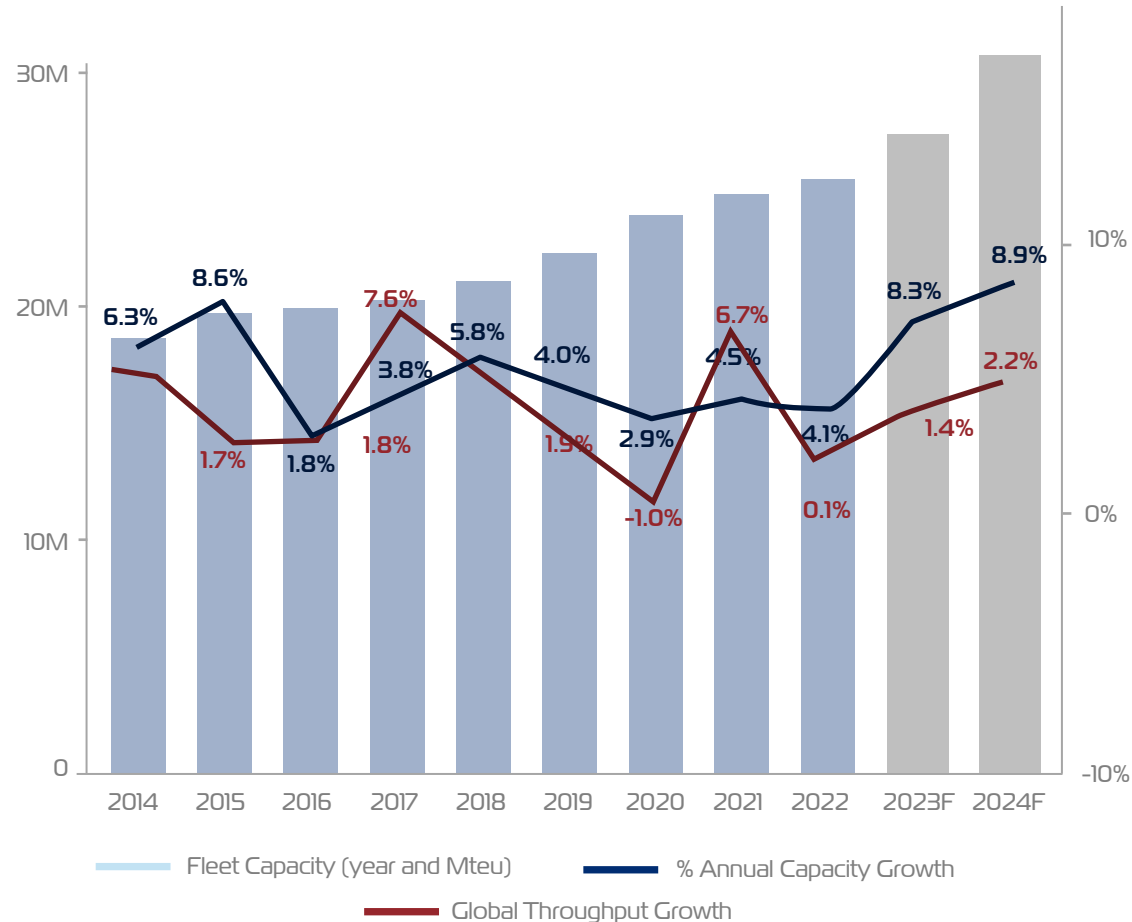


## Reaffirming 2023 Full Year Guidance



# Oversupply in 2023 & 2024 Expected; Potential Mitigating Factors: Only Slow Steaming Meaningful To Date

## Supply/Demand Balance



Source: Alphaliner Monthly Monitor, April 2023

1

### Slow Steaming

Reduced up to 6% of effective capacity in 2023\*

2

### Scrapping

Q1 2023 scrapping almost x4 total 2022, but negligible in absolute terms\*\*

3

### Slippage

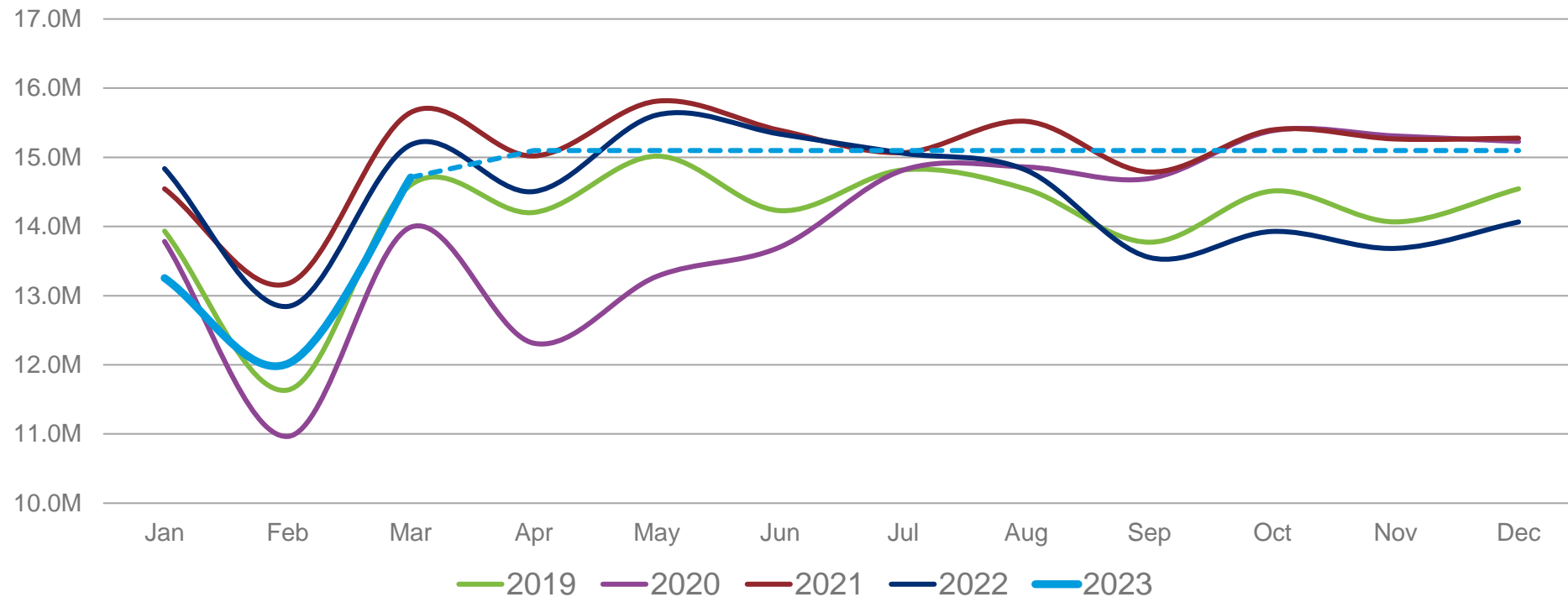
Minimal to date

\* BIMCO market reports (based Clarkson data), May 2023

\*\* Alphaliner Monthly Monitor, April 2023

## Recent Demand Development is Positive; Assuming 1.4% YoY Growth in Demand, 2023 Volume Expected to Grow from Current Levels

Global volumes TEU/month



Source: internal analysis based on CTS data

# Q&A SESSION



# Positioning ZIM as an Innovative Leader of Seaborne Transportation





# APPENDIX



# Reconciliation of net income to Adjusted EBITDA and Adjusted EBIT

(\$ in Mn)

## RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBIT

	Q1'23	Q1'22	Q1'21
Net income (loss)	(58)	1,711	590
Financial expenses, net	51	24	39
Income taxes	(7)	508	54
Operating income (EBIT)	(14)	2,243	683
Non-cash charter hire expenses <sup>(1)(2)</sup>	0	0	1
Expenses related to legal contingencies	0	0	4
Adjusted EBIT	(14)	2,243	688

## RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA

Net income (loss)	(58)	1,711	590
Financial expenses, net	51	24	39
Income taxes	(7)	508	54
Depreciation and amortization	387	290	134
EBITDA	373	2,533	817
Expenses related to legal contingencies	0	0	4
Adjusted EBITDA	373	2,533	821

Notes: (1) Mainly related to amortization of deferred charter hire costs, recorded in connection with the 2014 restructuring. (2) Following the adoption of IFRS 16 on January 1, 2019, part of the adjustments are recorded as amortization of right-of-use assets.