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## Standard & Poor's upgrades Hapag-Lloyd to 'BB-' with a 'positive' outlook

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Rating Agency Standard & Poor's (S&P) has published an updated report on Hapag-Lloyd today. The credit rating was raised one notch from 'B+' to 'BB-' with a 'positive' outlook, which is the highest credit rating assigned to Hapag-Lloyd since the research initiation by S&P in 2010. Additionally, the senior unsecured bond rating was raised to 'B' from 'B-'.

S&P argued, that it expects Hapag-Lloyd to continue its solid 2019 EBITDA performance in 2020. Positively mentioned was also that Hapag-Lloyd's strengthened cash flow generation, coupled with gradually reducing adjusted debt from free operating cash flow, will result in stronger than previously expected credit metrics in 2020.

Furthermore, S&P recognised that Hapag-Lloyd has outperformed its cost-reduction targets, enhanced its operating efficiency, decreased cost per container shipped, and improved its profitability. As a result, Hapag-Lloyd has posted above-industry-average EBITDA margins over the past few years. The positive outlook reflects S&P's view that Hapag-Lloyd has the capacity to further reduce leverage and to increase credit quality.

"We are very pleased that our earnings performance and our consistent cost management as well as our deleveraging efforts are positively recognized with this S&P rating action. Going forward, our prudent financial policy remains unchanged with a clear focus on profitability, cost control, debt reduction and balance sheet stability. At the same time we are focusing on the consequent implementation of our Strategy 2023," said Mark Frese, Chief Financial Officer of Hapag-Lloyd AG.

**(Hapag-Lloyd)**