

# Press Release



## CEVA Logistics Announces Preliminary Results for Second Quarter 2018

Baar, Switzerland, 23 July 2018 – CEVA Logistics AG (“CEVA” or the “Group”), one of the world’s leading asset-light third-party logistics companies, announced today preliminary results for the second quarter 2018 in the context of its ongoing refinancing. These preliminary results are based on internal management accounts and reflect CEVA’s preliminary expectations for its results for the period. The preliminary results have not been reviewed or audited by CEVA’s independent auditor.

Our business has continued to perform well in the second quarter ended 30 June 2018.

We expect revenue growth of approximately 7.3% versus the prior year comparable period for the Group, with revenue increasing approximately 5.1% in constant currency. Freight Management revenue growth is estimated at approximately 5.4% while revenue growth in Contract Logistics has accelerated to approximately 4.7%, both in constant currency. Major industry sectors, including automotive, continue to exhibit good growth.

We anticipate Adjusted EBITDA<sup>1</sup> for the second quarter to be approximately \$77 million, an increase of approximately \$7 million over the prior year comparable period. This represents an EBITDA margin<sup>2</sup> of approximately 3.6%, up approximately 30 bps year on year in constant currency. We have made progress in our productivity, cost reduction and other margin improvement initiatives.

For the first six months of 2018, Adjusted EBITDA is expected to be approximately \$143 million, \$19 million higher year on year, with revenue growth of approximately 5.2% in constant currency.

We expect net capex<sup>3</sup> to be approximately \$47 million for the first six months of 2018 compared to \$48 million in the prior year comparable period. We anticipate net debt as of 30 June 2018 to be approximately \$1,132 million compared to \$2,228 million as of 31 March 2018.

We have experienced limited impact on volumes from tariffs to date. Actually, we have seen an acceleration of air volume growth in recent weeks. Our ongoing cost reduction initiatives, we believe, will help us minimise any potential impact from tariffs.

As part of its previously announced refinancing of the majority of its existing debt facilities, CEVA has today also announced the launch of a private offering of €300 million of senior secured notes due 2025 (the “Notes”). More details regarding the private offering of the Notes can be found in a separate release. This follows the prior launch of a private offering of \$400 million of secured term loan due 2025 and a \$600 million new Revolving Credit and Ancillary Facility due 2023. Subject to market conditions, the refinancing is expected to complete early August.



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In view of the ongoing refinancing, the publication of full financial results for the second quarter 2018 has been brought forward; results will now be released on 27 July 2018. A conference call will be held at 12pm CET.

To participate, please dial-in the following number:

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Switzerland: +41 44 580 03 09

UK: +44 20 3365 3210

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**Ends**

**Notes to Editors:**

- 1 Adjusted EBITDA includes the Group's share of EBITDA from the Anji-CEVA joint venture and excludes specific items and non-cash share based compensation
- 2 EBITDA margin is calculated based on the Group's EBITDA excluding the Anji-CEVA joint venture, specific items and non-cash share based compensation cost
- 3 Capital expenditure excluding finance leases additions

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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 \$7 billion and adjusted EBITDA of \$280 million in 2017. CEVA Logistics is listed on SIX Swiss Exchange under ticker symbol CEVA. For more information, please visit [www.cevalogistics.com](http://www.cevalogistics.com).

#### **Safe Harbor 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.

The information on estimated second quarter ended 30 June 2018 results is based on internal management accounts and reflects CEVA's preliminary expectations for its results for the period. These estimates have been prepared by management and have not been reviewed or audited by an independent auditor. The estimates should not be regarded as a representation or forecast by CEVA or any other person regarding CEVA's results that will be reported for the second quarter ended 30 June 2018 and investors should not place undue reliance on them. CEVA's actual results could vary from these estimates and the differences could be material.

#### **Disclaimer:**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Notes will be offered and issued only (i) in the United States, to persons who are "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) and (ii) outside the United States, to persons who are not "U.S. persons" (as defined in Rule 902 under the Securities Act) in reliance on Regulation S of the Securities Act other than retail investors in the European Economic Area, whereby a retail investor is defined as a person



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