



# ALPHALINER

## Weekly Newsletter

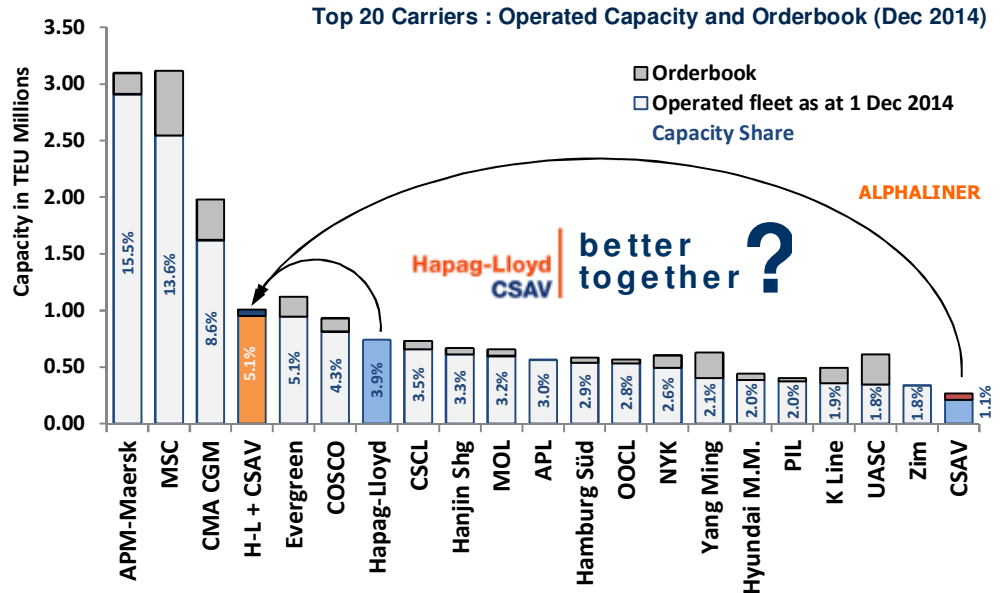
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- The combined Hapag-Lloyd-CSAV entity, with an operated fleet reaching 182 containerships and a cumulated capacity of 951,000 teu, becomes the world's fourth largest carrier in capacity terms, based on Alphaliner figures as at 2 December
- Hapag-Lloyd/CSAV sits behind APM-Maersk, MSC and CMA CGM in the global capacity rankings, and just ahead of Evergreen, which operates a fleet of 197 ships totalling 948,000 teu.
- The cumulated fleets of both carriers reached 1 Mteu six months ago, before rationalizations led to a drop in total operated capacity. This included the transfer of a few large CSAV ships to Hapag-Lloyd services, where they replaced charter vessels, as well as the chartering out of excess tonnage.
- CSAV currently operates 40 ships for 211,000 teu, of which 55% (by capacity) are chartered. It also has six ships of 9,300 teu due for delivery over the next eight months. These six ships are the only vessels in the joint orderbook of HL/CSAV.

### Chart of the week



### CSAV and Kühne pay high price for new Hapag-Lloyd shares

CSAV's shareholders will likely not enjoy any immediate benefits from the completion of the merger of its container shipping activities with Hapag-Lloyd, even though CSAV will book a gain of about \$510 M from the transaction.

Instead, CSAV will need to inject a further €259 M (\$319 M) to raise its shareholding in Hapag-Lloyd from the current 30% to 34%, together with Klaus-Michael Kühne who will invest another €111 M (\$137 M) to raise his stake in Hapag-Lloyd from 19.7% to 20.7%. The total new capital of €370 M (\$456 M) will be channelled to Hapag-Lloyd before the end of this year. These transactions are part of the shareholders' agreement under the terms of the merger of CSAV's container shipping business with Hapag-Lloyd, which was completed on 2 December after receiving final regulatory approval.

The deal values Hapag-Lloyd's current equity at €3.3 Bn (\$4.1 Bn) before the new capital injection, while the combined company currently carries some €3.7 Bn (\$4.6 Bn) of debt. Although CSAV's existing 30% stake in Hapag-Lloyd is valued at €997 M (\$1,228 M) before the capital increase, its market capitalisation is worth only CLP 447 Bn (\$731 M), or a discount of 47% against its current book value which also includes CSAV's remaining car carrier, conventional reefer and freight forwarding businesses. Investors can obtain an indirect holding in Hapag-Lloyd by buying CSAV's publicly listed shares at a substantially lower price than what CSAV and Kühne would be paying for their direct stakes in Hapag-Lloyd.

None of the other shareholders of Hapag-Lloyd will participate in the new capital

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