



ERNST RUSS AG
QUARTERLY REPORT
2024

KEY FIGURES

EARNINGS	UNIT	1/1 – 31/3/2024	1/1 – 31/3/2023
Revenue	EUR million	46.9	48.2
EBITDA	EUR million	27.4	20.6
Operating earnings (EBIT)*	EUR million	21.0	13.7
Earnings before taxes (EBT)	EUR million	22.1	15.4
Profit attributable to non-controlling interests	EUR million	7.9	4.9
Consolidated net income for the period after non-controlling interests	EUR million	13.8	10.2
Earnings per share**	EUR	0.41	0.31
* Determined in accordance with economic criteria.			
** The company does not hold any treasury shares.			
BALANCE SHEET	UNIT	31/3/2024	31/12/2023
Total equity and liabilities	EUR million	360.0	340.3
Ship assets shown on the balance sheet***	EUR million	245.2	251.8
Equity	EUR million	274.1	260.1
Equity ratio	%	76.1	76.4
Cash at hand and bank balances	EUR million	94.9	67.3
*** Includes down payments made on assets in the course of construction.			
EMPLOYEES	UNIT	1/1 – 31/3/2024	1/1 – 31/3/2023
Average employee capacity (total)	Full-time equivalent	75	84
Average employee capacity (shore-based)	Full-time equivalent	31	37
Personnel expenses (not including maritime personnel)	EUR million	1.2	1.2
Personnel expense ratio (not including maritime personnel)	%	2.5	2.6
KEY FIGURES SPECIFIC TO VESSELS	UNIT	31/3/2024	31/3/2023
Number of fully consolidated vessels		30	29
Capacity	TEU	60,191	49,113
Capacity	DWT	801,994	684,833
	UNIT	1/1 – 31/3/2024	1/1 – 31/3/2023
Average charter rate	USD/day	18,139	20,307
Days employed	Day	2,719	2,443
Technical availability	%	99.6	93.6
Employment ratio	%	99.6	93.6

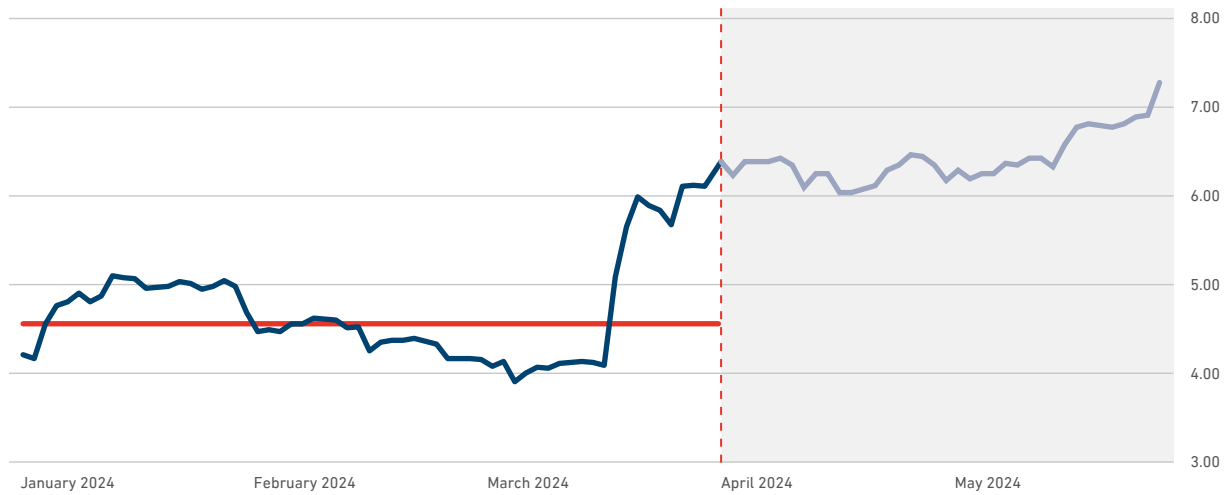
SHARE AND INVESTOR RELATIONS

PERFORMANCE OF THE SHARE IN Q1 2024

The opening price of the Ernst Russ share in 2024 was EUR 4.19. The share reached its low of EUR 3.91 on 4 March its high of EUR 6.07 on 28 March. The average

price of the Ernst Russ share in the first three months of 2024 was EUR 4.67. The share price has risen sharply to over EUR 7 since mid-March 2024.

SHARE PRICE (IN EUR)



CLOSING PRICE IN EUR

AVERAGE PRICE (EUR 4.67)

Source: EQS Group AG (as at 24/5/2024)

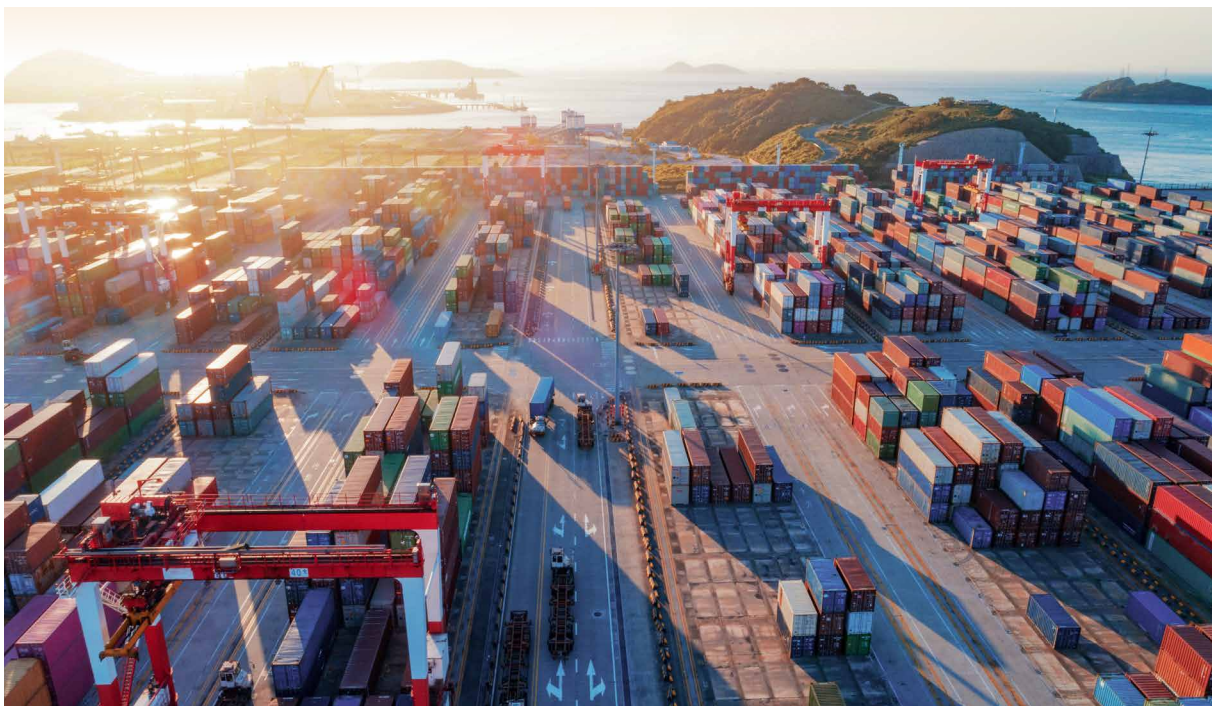


Photo: Adobe Stock © zhu qifeng

KEY DATA FOR THE ERNST RUSS SHARE

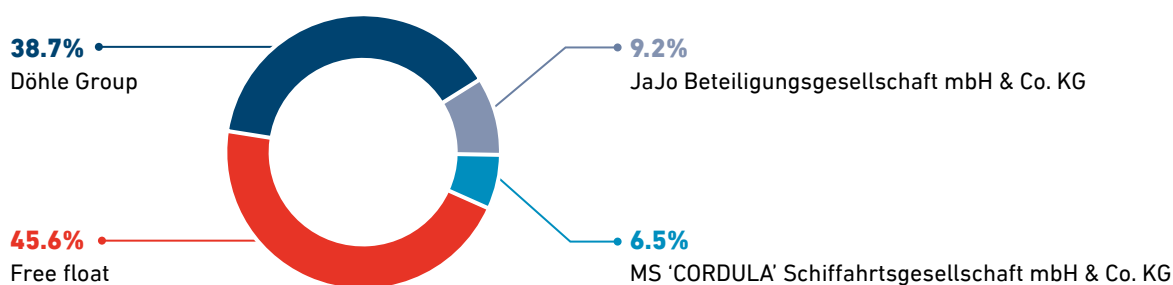
	31/3/2024	31/3/2023
Number of shares	33,500,286	32,434,030
Share capital in EUR	33,500,286	32,434,030
Market capitalisation in EUR million	203.3	175.1
	1/1 – 31/3/2024	1/1 – 31/3/2023
High in EUR	6.07	5.85
Low in EUR	3.91	4.19
Earnings per share for the quarter in EUR*	0.41	0.31

* The company does not hold any treasury shares.

BASIC DATA FOR THE ERNST RUSS SHARE

Share type	No-par value shares
Market segment	Scale (Frankfurt Stock Exchange), Mittelstandsbörse Deutschland (Hanseatic Stock Exchange Hamburg)
ISIN/WKN	DE000A161077/A16107
Stock exchange code	HXCK

SHAREHOLDER STRUCTURE OF ERNST RUSS AG AS AT 31/3/2024



DATES*

30 MAY 2024

2024 Annual General Meeting
(in-person event in Hamburg)

29 AUGUST 2024

Publication of
2024 Half-Year Report

13 NOVEMBER 2024

Publication of
Nine-Month Report 2024

14 NOVEMBER 2024

Attendance at MKK –
Munich Capital Market Conference

* Ernst Russ AG reserves the right to change or add dates where appropriate.

MARKET DEVELOPMENT

MACROECONOMIC ENVIRONMENT

In the wake of the impact caused by the extreme events over the course of this decade and recent inflationary pressure, the global economy appears to be in a phase of moderate growth. The German economy, however, is only picking up speed slowly following last year's recession, prompted, among other things, by high energy prices and interest rates, inflation and lower international competitiveness. The International Monetary Fund (IMF) in Washington is forecasting economic growth of 0.2% for Germany this year and hence the weakest growth of all the leading western G7 industrial nations. However, the German economy may have bottomed out in Q1. According to the Bundesbank, GDP has 'risen slightly' in the first three months of the year. Both the ifo Business Climate Index and the economic expectations of the ZEW Leibniz Centre for European Economic Research in Mannheim recently showed a slight improvement in future expectations. Furthermore, the volume of global trade rose again slightly year-on-year in January which should also benefit German industrial production going forward.

Economic experts at the World Trade Organization (WTO) are predicting that global trade will recover in the long term, with forecast growth in the volume of trade in goods of 2.6% this year and even stronger growth of 3.3% in 2025. Overall, the IMF believes that the global economy is showing remarkable resilience with stable growth and falling inflation. In its April 2024 forecast, the IMF therefore raised its global growth forecast again compared to January and is now predicting growth of 3.2% this year, citing the robust development in the United States and in some emerging markets as further reasons for this change. In China, economic development in Q1 2024 was also better than expected. Positive momentum was observed in 2023 following the country's reopening after the pandemic. GDP growth of 5.2% in 2023 was roughly in line with the government's target of 5%. China's economy also continued to grow more strongly than expected at the start of 2024, mainly due to robust growth in the high-tech industry. According to the national statistics office, China's gross domestic product (GDP) grew by 5.3% year-on-year in Q1.

Inflation rates fell in most economies, but remained above the central banks' published targets. The annual rate of price increases in the United States was just over 3.0% in Q1 2024, but the target is still an average of 2.0%. In the eurozone, consumer prices rose by just 2.4% year-on-year in March 2024, according to the EU Statistical Office. A year ago, inflation was still at 6.9% and in autumn 2022 peaked at over 10.0%. The current level of inflation is relatively close to the ECB's target of 2.0%. ECB President Christine Lagarde reported that the process of reducing inflation is proceeding as expected. She simply wants to build up a little more confidence in the current course of disinflation and therefore prepared the financial markets for an imminent first interest rate cut possibly as early as June 2024. The euro stabilised around the USD 1.08 mark at the end of March, thus depreciating by almost 2% against the US dollar over the quarter.



Photo: Adobe Stock © Graham

➤ **Economic experts forecast that global trade will recover in the long term.**

SHIPPING MARKETS

Despite mixed global economic signals, the volume of seaborne trade grew by 2.5% to 12.3 billion tons in 2023, where trade with China made a positive contribution to this result. Clarksons expects further growth of 2.3% in 2024. The attacks by Yemeni militia on cargo ships attempting to pass through the Red Sea and the Suez Canal in recent months continued in Q1 2024, with the result that most shipping companies continued to divert their sailings away from the Red Sea and around the Cape of Good Hope. The situation is likely to remain tense, as ships have continued to be attacked and Iranian forces captured a container ship at the beginning of April. According to Clarksons, ship transits fell by around 44% from around 6,200 in Q1 2023 to 3,500 in Q4 2024. In the container ship sector alone, this would lead to a significant increase in demand of 11%. The restrictions on ship transits through the Panama Canal due to low water levels have had a similar effect. In a comparison of the first quarters of 2023 and 2024, the number of transits has fallen by around 35% from 3,200 to 2,080. However, improved water level forecasts have prompted the Panama Canal Authority to ease the transit restrictions over the next few months.

Container freight rates rose sharply at the beginning of Q1 2024 and have stabilised at a lower level since mid-March 2024. The Shanghai Containerized Freight Index (SCFI), which tracks the weekly freight rate trends of container shipments departing from Shanghai, was around 23% below the level of the quarterly high in mid-January 2024 (2,240 points) at the beginning of April 2024. The low index values in December 2023 had risen by around 60% by the end of Q1 2024. The rerouting of ships around the Cape of Good Hope has freed container shipping freight rates from their lows for the time being. Charter rates are also gradually increasing. According to Clarksons,

the average charter rates for all container ship segments have risen by 37% since the end of the year. Feeder container ships, in the 1,000 TEU segment, for example, went up 32% between the beginning of January and the end of March 2024. The Clarksons Containership Timecharter Index (CCTI) was also around 50% higher at the end of Q1 2024 than in mid-December 2023.

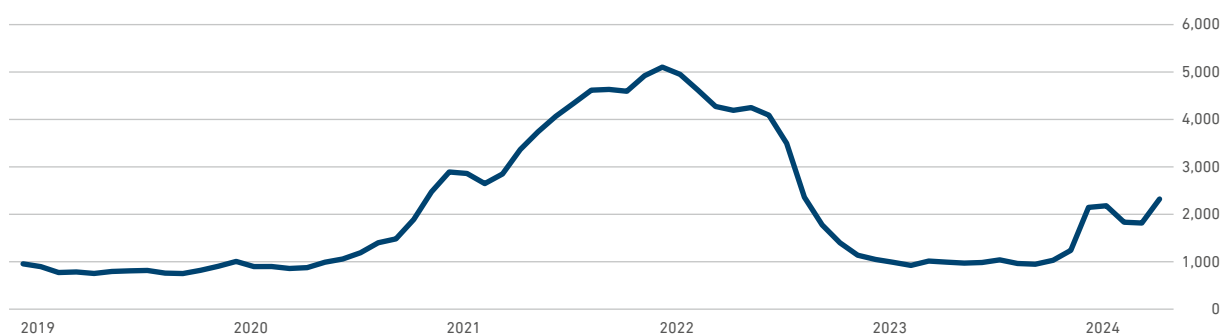
At 665,000 TEU, deliveries of container vessels in Q1 2024 were at a similarly high level as in Q4 2023. Ships in the 12,000 to 17,000 TEU segment accounted for 56% of the capacity delivered. Container ship recycling, however, was very low in Q1 2024. In March 2024, only four ships totalling just over 7,000 TEU were sold for scrapping, bringing the total for the year to date to 14 units with around 23,000 TEU. This is 48% down on the previous quarter.

The pace of container shipping has increased in the course of the rerouting around the Cape of Good Hope, but a longer-term downward trend could offset some capacity growth in the second half of the year.

On 1 January 2024, the scope of the European Emissions Trading System (ETS) was extended to include maritime transport. EU Emission Allowances (EUAs) have had to be purchased for shipping routes that pass through the European Union since the beginning of the year. A three-year introductory phase applies: EUAs will be required for 40% of verified CO₂ emissions in 2024, 70% in 2025 and all verified CO₂, methane and nitrogen oxide emissions from 2026 onwards.

DEVELOPMENT OF THE SCFI (IN USD/TEU)

(Shanghai Containerized Freight Index)



Source: Clarksons Research Services Limited 2024 (as at May 2024)

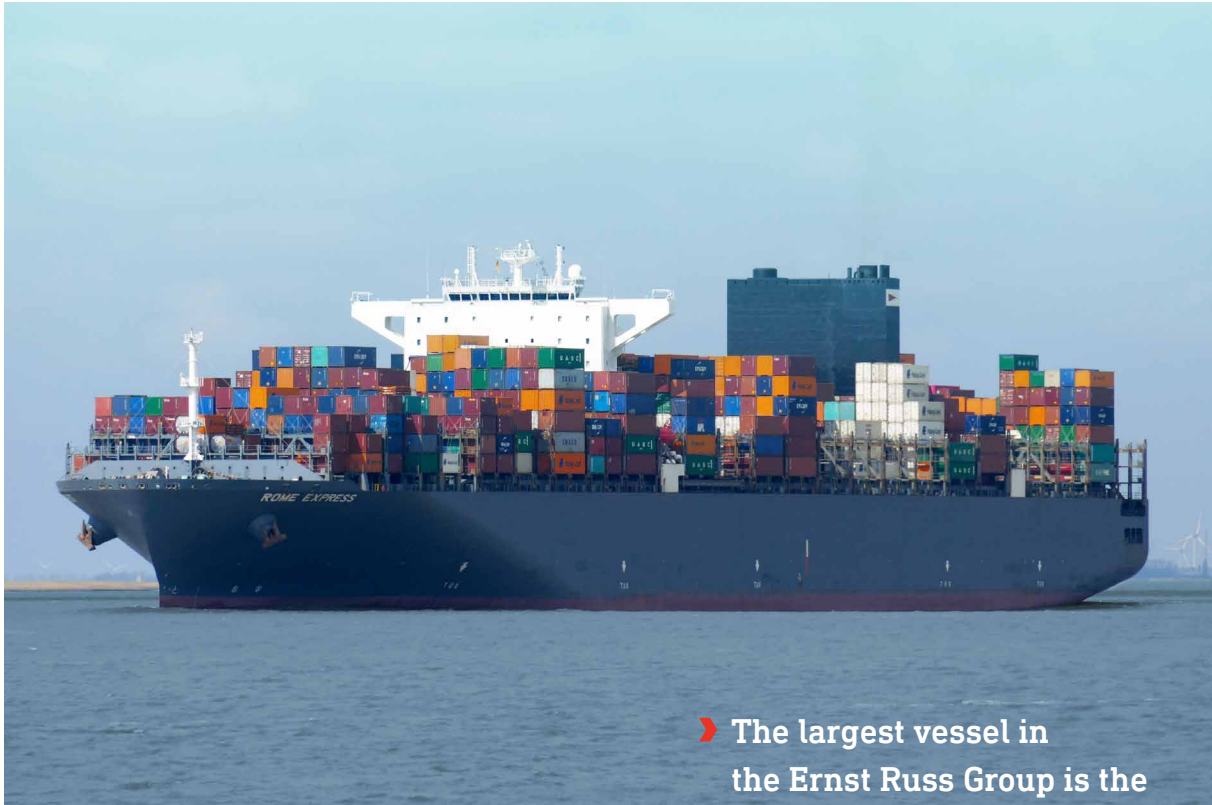


Photo: Adobe Stock © MaggioreStockStudio

➤ **The largest vessel in the Ernst Russ Group is the Rome Express with a container capacity of 13,400 TEU.**

COURSE OF BUSINESS

The Ernst Russ Group (hereinafter 'ER Group') had a majority holding in 30 vessels as of 31 March 2024. The ship portfolio consists mainly of container ships in the 700 to 4,200 TEU classes, plus two larger container ships of around 6,600 and 13,400 TEU respectively, a 38,000 DWT handysize bulker and a multi-purpose vessel. Foreign vessels are also managed.

In Q1 2024, ongoing ship operations ran smoothly and without any specific incidents in close and excellent cooperation with the commissioned ship management companies and chartering brokers.

The employment concept developed for the ER Group fleet is geared to the sustainable securing of income over the long term. In a stable market environment, we were able to achieve an average charter rate of around USD 18,139 per day in Q1 2024. This means that a total of fifteen ships are still chartered with term of up to twelve months. Four vessels generate revenue from charter income pools. All other vessels are in medium to long term operation.

Of the 2,730 possible operating days, the ER Group's fleet of fully consolidated vessels was operational on 2,719 days in the first three months of 2024 (99.6%, equivalent period in the previous year: 93.6%). Technical downtime of 0.4% (equivalent period in the previous year: 6.4%) was due to normal operational disruptions and the time needed to carry out necessary repairs.

The ER Group reviews opportunities that come up in the market to develop and rejuvenate its existing fleet on an ongoing basis. Therefore, the 868 TEU container ship, the MS 'Moveon', which was built in 2001, was sold in April 2024.

ASSETS, FINANCIAL POSITION AND EARNINGS

The assets, financial position and earnings of the ER Group continued to show very stable trends in Q1 2024. Revenue was down slightly by EUR 1.3 million or -2.7% year-on-year to currently EUR 46.9 million. The average charter rate fell by USD 2,168 per day to USD 18,139 per day. The number of days employed went up during the reporting period from 2,443 to 2,719 due to the larger fleet and fewer dock stays. Ship operating costs fell from EUR 23.2 million to EUR 16.1 million due to the lower number of ship class renewals in the first quarter of the cur-

rent financial year compared to the first quarter of the previous year. Operating earnings of EUR 21.0 million (previous year: EUR 13.7 million) generated earnings before tax of EUR 22.1 million (previous year: EUR 15.4 million). Consolidated net income after non-controlling interests amounted to EUR 13.8 million (previous year: EUR 10.2 million). Ship assets were down EUR 6.6 million to EUR 245.2 million. Equity of EUR 274.1 million (31 December 2023: EUR 260.1 million) produced an equity ratio of 76.1% (31 December 2023: 76.4%).

OUTLOOK

We are still expecting revenue between EUR 155 million and EUR 175 million and operating earnings between EUR 47 million and EUR 67 million for the 2024 financial year as a whole.



» **The assets, financial position and earnings of the Ernst Russ Group continued to show very stable trends in Q1 2024.**

DISCLAIMER

These documents include forward-looking statements and information about future developments that are based on the convictions of the Executive Board of Ernst Russ AG and on assumptions and information currently available to Ernst Russ AG. Words such as 'expect', 'estimate', 'assume', 'intend', 'plan', 'should', 'could', 'project' and similar terms referring to the company are intended to indicate forward-looking statements which are subject to uncertainties.

There are many contributing factors which may cause the actual results of the ER Group to be significantly different from the forecasts made in these forward-looking statements.

Ernst Russ AG accepts no responsibility towards the public to update or correct forward-looking statements. All forward-looking statements are subject to various risks and uncertainties, which may mean that the actual results differ numerically from expectations. The forward-looking statements reflect the views at the time at which they were made.

In accordance with Section 317 HGB (German Commercial Code), the Quarterly Report has not been audited or reviewed by an auditor.

LEGAL INFORMATION

PUBLISHED BY

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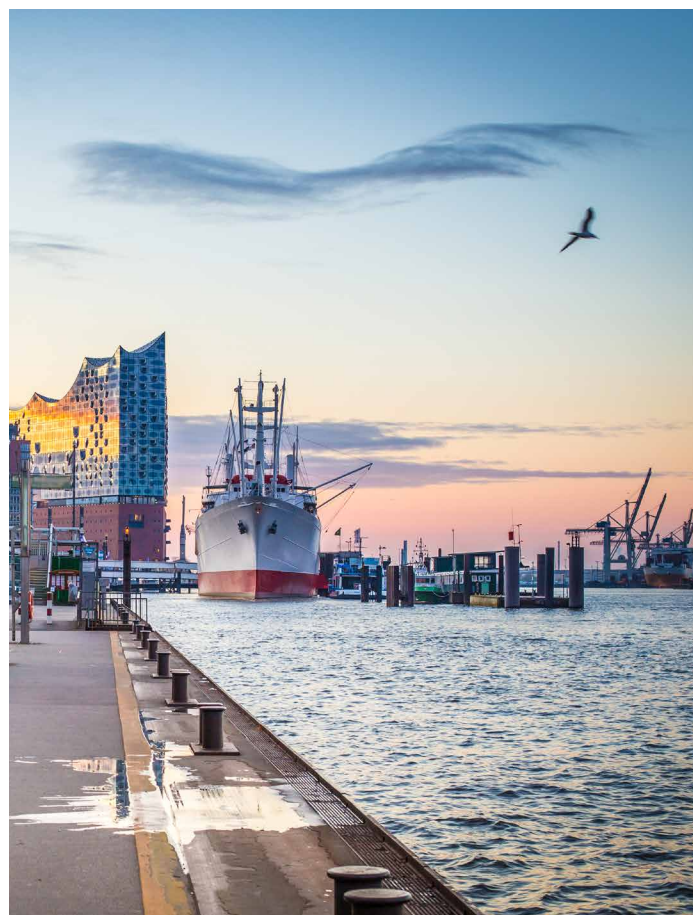


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