

Quarterly statement – Development of earnings and revenue under the influence of the corona pandemic

Overall economic conditions

Grevenmacher (Luxembourg) – The development of the global economy in the first quarter of 2020 is characterized by the economic impact of the corona pandemic and the measures to counteract it. Leading economic research institutes now expect a global recession, the extent of which will depend on the duration of the corona pandemic and the associated economic restrictions. The disruption to world trade caused by the corona pandemic and the effects of the measures taken to counteract the pandemic, particularly on stationary retail and industrial production, will have a significant impact on the logistics markets relevant to Logwin.

Net assets, financial situation and earnings position

Revenues In the first three months of 2020 the revenues of the Logwin Group decreased by 4.5 % to EUR 270.8 million (2019: EUR 283.5 million). The Air + Ocean business segment generated sales of EUR 180.5 million which fell short of the previous year by EUR 6.6 million mainly due to slightly declining volumes in ocean and air freight. At EUR 90.4 million, sales of the business segment Solutions were below the previous year's figure of EUR 96.4 million, due to the effects of the corona pandemic on network activities for the retail business and other terminations of customer business.

EBITA The Logwin Group achieved an operating result of EUR 9.4 million in the first three months of 2020 (2019: EUR 12.1 million). The Air + Ocean business segment fell short of the previous year's level due to declining volumes in ocean freight and air freight and due to a decrease in margins. The effects of the corona pandemic initially had a considerable negative impact on the Logwin Group's Asian activities in the course of the first quarter of 2020. The occurrence of the economic recovery in Asia was superseded by the serious negative impact of the corona pandemic at the end of the reporting quarter, particularly in the ocean freight also in Europe and the rest of the world. Special activities and demand, particularly from European customers in air freight, had a counteracting positive effect on the development of operating result in the Air + Ocean business segment. The Solutions business segment also was already affected at various locations by the Europe-wide public measures to combat the corona pandemic in the first quarter of 2020. Due to a one-off effect in connection with the sale of a site in Germany, the operating result was nevertheless higher than in the previous year.

Net result The net result of the Logwin Group amounted to EUR 6.1 million in the first three months of 2020 (2019: EUR 8.7 million).

Free cash flow The Logwin Group's free cash flow was below the comparable figure for the first quarter of 2019 as a result of a negative development of working capital and the declining operating result after the first three months of 2020. The overall financial situation and liquidity of the Logwin Group remains stable.

Risks and change in forecast

Compared to the disclosures in the annual financial report 2019, the risk situation for the Logwin Group has changed significantly due to the global impact of the corona pandemic on economic activity. A negative impact on the net assets, financial situation and earnings position of the Logwin Group is considered likely. National and international transport activities and contract logistics are affected in many ways by the measures taken to combat the pandemic. In addition, the generally gloomy economic development has led to increased procurement and sales risks as well as an increased financial risk assessment. As part of its consistent risk management, Logwin identifies emerging risks at an early stage and consistently pursues their minimization. Please refer to the Annual Financial Report 2019 with regards to other existing and potential risks.

In comparison with the information provided in the Annual Financial Report 2019 the Logwin Group is adjusting its forecast for its earnings position in 2020 due to the global impact of the corona pandemic. In view of the risks that now have to be taken into account worldwide, in particular also due to the duration and only gradual reduction in public measures to contain the corona pandemic, the Logwin Group now expects operating earnings (EBITA) to significantly decrease compared to the previous year. Both the Air + Ocean and the Solutions business segments are affected by the reassessment of EBITA development. Until now, the Logwin Group had expected a significant increase in operating earnings in the Solutions business segment and a decline in operating earnings (EBITA) in the Air + Ocean business segment compared with the previous year. Accordingly the net result for the period will also show a significant decline. The forecast uncertainty has increased significantly compared with previous statements on the development of the Logwin Group.

The aforementioned key performance indicators (KPIs) are an integral part of Logwin Group's system of key figures and are described and defined in the section „Financial Performance Management“ of the management report of the annual financial report 2019 in line with the European Securities and Markets Authority's (ESMA) Guidelines on Alternative Performance Measures (APM) dated 5 October 2015.

The Quarterly statement as of 31 March 2020 of Logwin Group is available on the internet at:
www.logwin-logistics.com

About Logwin AG

Logwin AG (Grevenmacher, Luxembourg) provides efficient logistics and transport solutions for its customers from industry and trade. In 2019, the group generated sales of EUR 1.1bn and currently employs about 4,300 staff. Logwin operates in all main markets worldwide and has around 190 locations on six continents. With its two business segments Solutions and Air + Ocean, Logwin AG is one of the leaders in the market.

Logwin AG is listed in the Prime Standard of the Deutsche Börse. The majority shareholder is DELTON Logistics S.à r.l., Grevenmacher (Luxembourg).

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