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MEDIA RELEASE

CEVA Logistics plans IPO on SIX Swiss Exchange

Baar, Switzerland, 9 April 2018 – CEVA Logistics (“CEVA” or the “Company”), one of the world’s leading third-party logistics companies with USD 7.0 billion of revenue today announces its intention to conduct an initial public offering (IPO) and to list its shares on SIX Swiss Exchange. The proposed IPO is expected to consist of an all primary offering in the amount of approximately CHF 1.3 billion. The objective of the IPO is to accelerate the execution of the Company’s growth and margin expansion strategy by strengthening the balance sheet. CEVA expects to list in the second quarter of 2018, subject to market conditions.

Company highlights

- CEVA Logistics is one of the world’s leading third-party logistics companies with 56,000 staff and a comprehensive service portfolio in Freight Management and Contract Logistics.
- Strong strategic platform through global presence in 160 countries with a strong footprint in high growth markets, notably Asia, a diversified blue-chip customer base and end-to-end solutions capabilities.
- Revenues in 2017 were USD 7.0 billion, up by 5.2%, and Adjusted EBITDA was USD 280 million, up by 10.2% vs. the prior year.
- CEVA Logistics AG is incorporated in Baar, Switzerland, where the majority of the Executive Board is based.

Transaction highlights

- All primary IPO planned on SIX Swiss Exchange in the amount of approximately CHF 1.3 billion.
- Expected proceeds used to repay debt, in order to deleverage the balance sheet to below 3x net debt/Adjusted EBITDA.
- A new Board of independent Directors will be elected, chaired by the designated chairman Prof. Dr. Rolf Watter.



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Xavier Urbain, CEO of CEVA said: “Our global presence, end-to-end service offering in contract logistics and freight forwarding, our balanced blue-chip customer portfolio and our strong capabilities make CEVA stand-out among third-party logistics providers. Our improving financial results and new business wins are confirmation of the successful execution of our strategy to establish CEVA as one of the global leaders in the asset-light logistics industry. The planned IPO and deleveraging will allow us to open the next chapter in the development of the Company: CEVA will be able to accelerate organic growth and participate in market consolidation. We are executing plans to further improve our profitability significantly and we are confident that we can deliver attractive returns to shareholders.”

Global player with comprehensive service portfolio

CEVA was established in 2007 by the combination of the contract logistics business of TNT Logistics and the freight management business of Eagle Global Logistics. CEVA Logistics AG is incorporated in Baar, Switzerland, where most of the executive management is based.

CEVA is one of the world’s leading third-party logistics companies and offers a broad spectrum of services in both Contract Logistics (Warehousing, Distribution, Value-Added Services), where it is No. 5 worldwide, and Freight Management (Air, Ocean, Ground, Customs Brokerage, other), ranking No. 10. In 2017, the Company generated revenues of USD 7.0 billion with over 56,000 employees and temporary/agency workers in more than 1,000 locations.

CEVA covers 160 countries with balanced coverage and significant exposure to high-growth markets – Asia Pacific accounted for 26% of revenues in 2017, the Americas for 33% and Europe, Middle East and Africa for 40%. CEVA serves a diversified blue-chip customer base across logistically intensive industry verticals. Consumer and Retail, including e-commerce, generated 29% of revenues in 2017, Automotive 25%, Industrial and Aerospace 22% and Technology 15%.

Strong strategic platform

CEVA operates a flexible asset-light business model, with suppliers providing the majority of the physical transportation and warehousing assets. Based on its industry expertise and capabilities and its skilled workforce, CEVA is able to develop end-to-end solutions that optimise customers’ supply chains and their logistics costs. CEVA has continuously invested in the development of its IT systems, notably in its Freight Management platform deployed worldwide and its state-of-the-art suite of warehouse management systems.

CEVA’s global presence, its comprehensive service portfolio, skilled people, as well as its solution expertise and technology capabilities, give it a strong strategic platform for the future and is well positioned to compete in its core segments.



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Poised to benefit from favourable industry dynamics

CEVA's target markets are expected to continue to grow above GDP in the future, driven by structural trends such as outsourcing of logistics activities, e-commerce and growing middle-classes in emerging markets. The Company is well positioned to profit from these trends. In addition, the fragmented nature of the provider landscape should give integrated players such as CEVA the opportunity to gain market share and to actively participate in market consolidation.

Successful transformation under new management team

CEVA's management team is headed by CEO Xavier Urbain, who joined in January 2014. Since joining, Xavier Urbain has brought on an almost entirely new management team, with many years of industry experience, which has executed a transformation of the business. The actions taken have improved CEVA's competitive position and cost structure. The transformation has resulted in improved performance as demonstrated by CEVA's 2017 financial results, including above-market revenue growth of 5.2%, driven by significant new business wins and volumes, and Adjusted EBITDA growth of 10.2%, to USD 280 million, as a result of realised cost savings.

Further substantial earnings upside from cost reductions and growth opportunities

CEVA is executing plans to further drive margin expansion as well as to accelerate growth. It targets margin improvement by continued focus on productivity in Freight Management and Contract Logistics' operations, further cost reductions and pricing. CEVA aims to generate at least 4% revenue growth over the medium-term through the growth of the global logistics market and by gaining share; management also targets to expand margins by at least 80 bps and as such to grow Adjusted EBITDA by approximately USD 100 million over the medium-term.

Deleveraging from IPO

The planned IPO and deleveraging of the balance sheet to below 3.0x net debt/Adjusted EBITDA is expected to unlock additional growth opportunities with existing and new customers and result in lower finance charges. As a result of deleveraging and anticipated profitability improvements, CEVA expects to generate attractive cash flows. The Company expects to pay a dividend to shareholders for the financial year 2018, subject to the dividend policy to be determined by the new Board.

New Board of independent Directors

The new Board of Directors will be comprised of new and existing independent members chaired by Prof. Dr. Rolf Watter who is a partner with the Swiss law firm Bär & Karrer and well-recognized in the Swiss market. Presently he is the chairman of PostFinance AG as well as a Board member of Arysza AG. He was formerly chairman of Nobel Biocare and Board member inter alia of Syngenta, Zurich Insurance Group and Centerpulse. The other members of the Board of Directors will be nominated shortly.



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Current principal shareholders remain invested

The current three largest shareholders of CEVA - investment funds managed by affiliates of Capital Research and Management Company, Franklin Advisors, Inc. and Apollo Global Management LLC - will remain invested in the company after the IPO and have agreed to a lock-up period of 180 days.

Offer summary

The intended IPO in the amount of approximately CHF 1.3 billion will consist of an all primary offering to institutional and retail investors in Switzerland and to certain qualified institutional investors in various other jurisdictions. Credit Suisse and Morgan Stanley are acting as Joint Global Coordinators and Joint Bookrunners for the planned IPO. Deutsche Bank, UBS and Berenberg are acting as Joint Bookrunners, HSBC and Vontobel as Co-Bookrunners (collectively, the “Managers”) and Rothschild as independent IPO adviser.

Notes to the Editors:

- In connection with the proposed IPO, CEVA Holdings LLC shall be merged with CEVA Logistics AG, Baar, Switzerland, which shall become the new holding company of the CEVA group simultaneously with the IPO. The Company is managed out of Baar, Switzerland already, where the majority of the Executive Board is based.
- Currently, the three principal shareholders of CEVA are investment funds managed by affiliates of (i) Capital Research and Management Company, (ii) Franklin Advisers, Inc. and (iii) Apollo Global Management LLC, which each held approximately 26%, 25% and 22%, respectively, of the Company’s shares at December 31, 2017. They will be significantly diluted through the planned IPO.
- Adjusted EBITDA is EBITDA before specific items and share-based compensation and includes 50% of the EBITDA of the ANJI-CEVA Joint-Venture in China.

This news release does neither constitute an offer to buy or to subscribe for securities of CEVA Logistics AG nor a prospectus within the meaning of applicable Swiss law (i.e. article 652a of the Swiss Code of Obligations) nor a listing prospectus within the meaning of article 27 et seq. of the SIX Swiss Exchange Listing Rules or within the meaning of similar rules of any other exchange or regulated trading venue in Switzerland. Investors should make their decision to buy or to subscribe for shares of CEVA Logistics AG solely based on the offering and listing prospectus published by CEVA Logistics AG for such purpose. The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, in any jurisdiction in which such offer or solicitation would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any jurisdiction.

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Any offer of securities to the public that may be deemed to be made pursuant to this news release in any EEA Member State that has implemented Directive 2003/71/EC of the European Union (and any amendments thereto, including Directive 2010/73/EC to the extent implemented in the relevant EEA Member State, together with any applicable implementing measures in any Member State, the "Prospectus Directive") is only addressed to qualified investors in that Member State within the meaning of the Prospectus Directive.



The Managers and their affiliates are acting exclusively for the Company and no one else in connection with the offering. The Managers will not regard any other person as their respective clients in relation to the offering and will neither be responsible for providing the protections afforded to clients nor for providing advice in relation to the potential offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.



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CEVA Logistics, a leading global asset-light supply chain management company, designs and implements industry leading solutions for large and medium-size national and multinational companies. Approximately 56,000 employees in more than 160 countries are dedicated to delivering effective and robust supply-chain solutions across a variety of sectors where CEVA applies its operational expertise to provide best-in-class services across its integrated network. For more information, please visit 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 offering of CEVA Logistics AG shares 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



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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 Holdings LLC, available on the Company's website, which investors are strongly encouraged to review. Should one or more of these risks or uncertainties materialize 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.