



# Analyst conference call on the interim results January to March 2021

Hamburg, 12 May 2021

# Agenda

## 01 At a glance

Angela Titzrath, CEO

## 02 Financial performance 1-3 | 2021

Dr. Roland Lappin, CFO

## 03 Guidance 2021

Angela Titzrath, CEO

## 04 Questions & answers

Angela Titzrath, CEO

Dr. Roland Lappin, CFO

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# HHLA achieved a promising start to 2021 in line with full-year guidance

Strong EBIT based on increase in storage fees and favourable development of transport volumes



## Major achievements

- Multi-function terminal in Trieste went into operation
- HHLA kept production running despite pandemic-related restrictions
- Health & safety of employees maintained continuously
- Automation of block storage at CTB to boost efficiency continued



## Market environment

- Persisting imbalances in trade flows due to a lack of empty containers and shipping space as a result of catch-up effects
- Delays in sailing schedules led to high pressure on terminals and hinterland transport systems



## Results

- Container throughput impacted by the loss of a Far East service in May 2020 whereas container transport grew strongly, esp. continental rail transportation
- EBIT benefitted from rise in revenue quality
- ROCE met the medium- and long-term target of 8.5 %

## Key figures for 1-3 | 2021

Throughput  
**1,677k TEU**  
– 6.6 %

Transport  
**418k TEU**  
+ 10.7 %

Revenue  
**€ 342.0 m**  
+ 4.4 %

EBIT  
**€ 43.3 m**  
+ 33.4 %

EBIT margin  
**12.7 %**  
+ 2.8 pp

Profit after tax  
and minorities  
**€ 19.6 m**  
+ 155.5 %

ROCE  
**9.0 %**  
+ 2.1 pp

Operating cash flow  
**€ 63.5 m**  
– 13.6 %

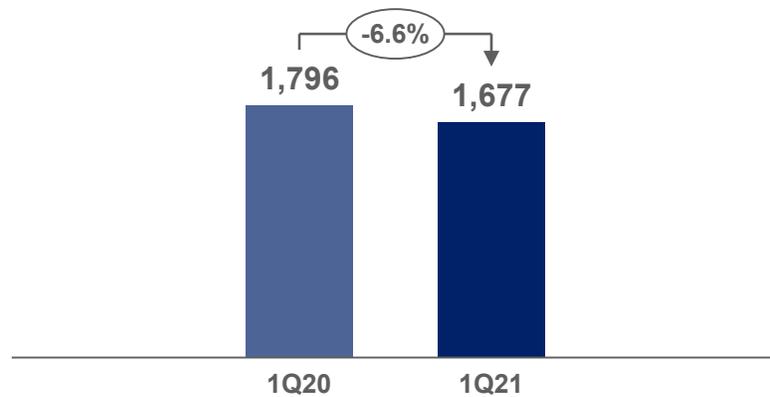


Container

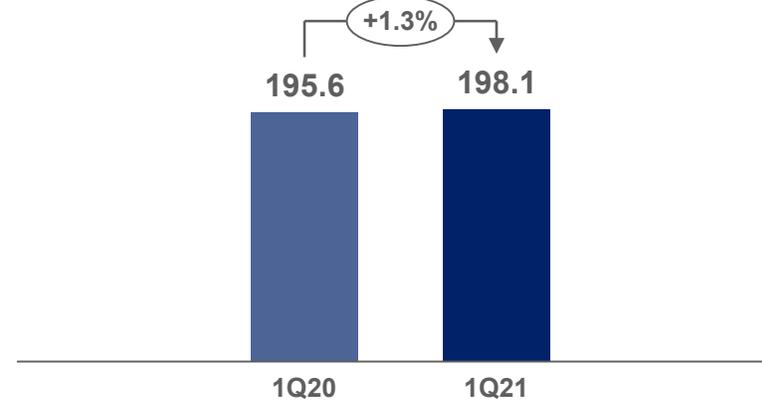
# Strong EBIT development mainly driven by increase in storage fees

Volume recovery masked by loss of Far East service in Q2/2020

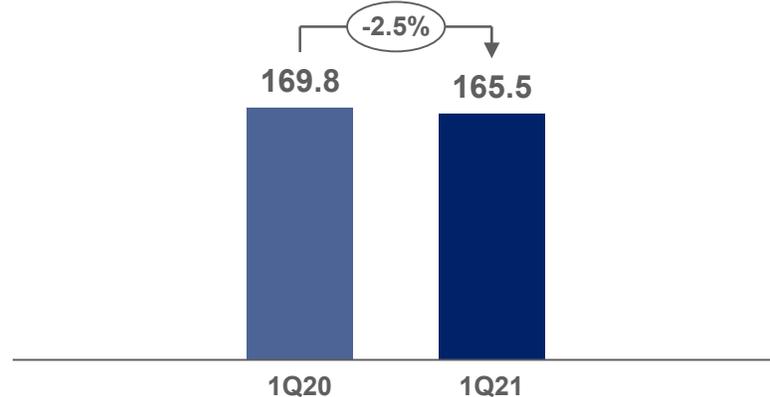
## Container throughput in thousand TEU



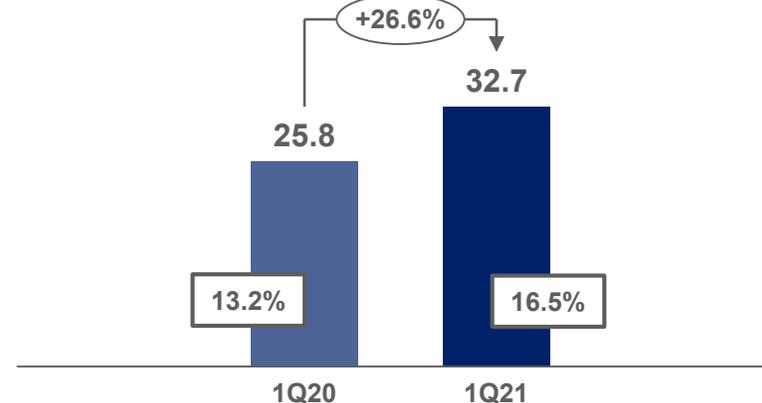
## Revenue in € million



## OpEx in € million



## EBIT and EBIT margin in € million



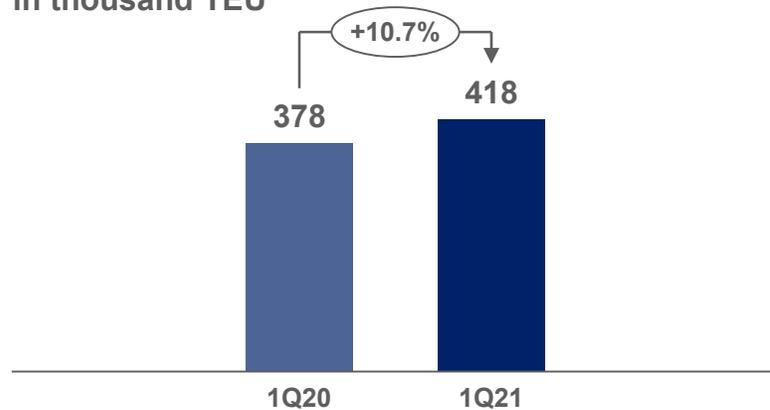
- Container throughput down by 6.6 % (Hamburg down by 7.2 %; Internationals down by 0.3 %)
- Decline in throughput due to loss of a Far East service in May 2020
- Increase in revenue quality offset decline in volume; average revenue per TEU + 8.5 % y-o-y mainly attributable to
  - advantageous modal split with high share of hinterland volumes
  - temporary increase in storage fees due to longer dwell times as a result of ongoing delays in shipping schedules
- OpEx decreased due to volume-related adjustments; i.e. use of external personnel)
- EBIT up strongly mainly due to improved revenue quality compared to previous year
- Favourable EBIT margin of 16.5%



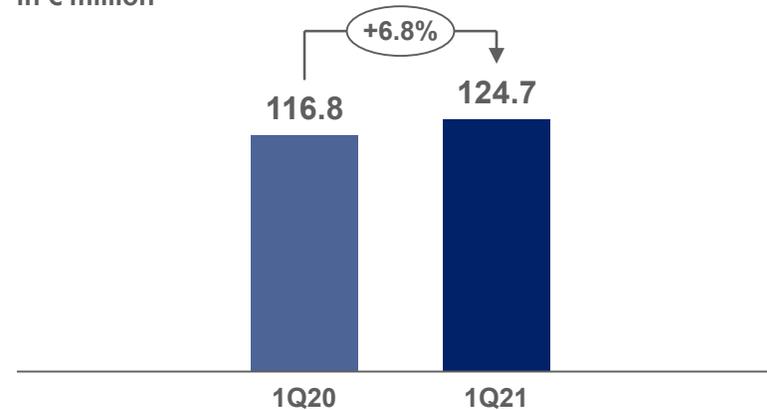
Intermodal

# Encouraging volume development led to strong EBIT growth

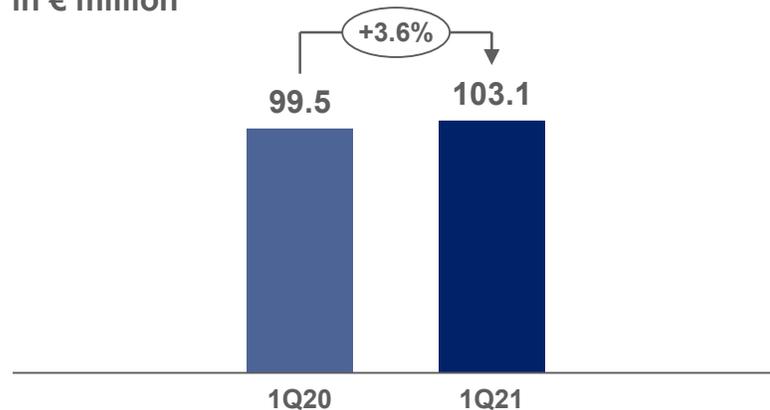
## Container transport in thousand TEU



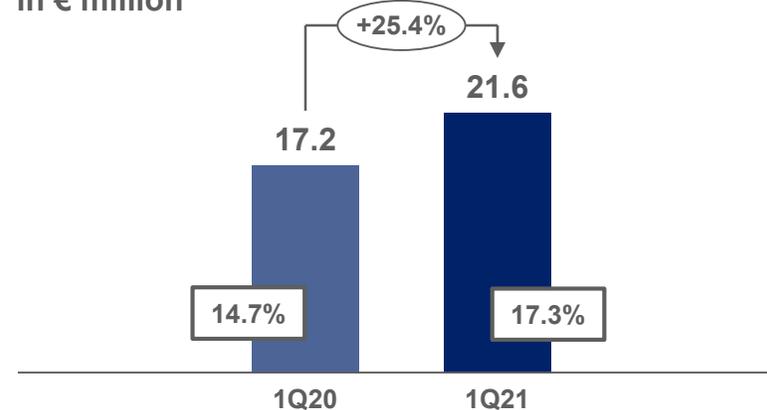
## Revenue in € million



## OpEx in € million



## EBIT and EBIT margin in € million



- Strong rise in transport volumes more pronounced in rail transport than road transportation (+ 12.1% vs. + 5.4 %)
- Rail share up to 80.4 % (+1.0 pp)
- Rise in rail volumes mainly driven by an increase in continental traffic
- Revenue up significantly but lagged behind volume growth as average revenue per TEU fell due to a change in structure of cargo flows
- EBIT up strongly by 25.4 %
- Favourable EBIT margin of 17.3 % (+2.6 pp)

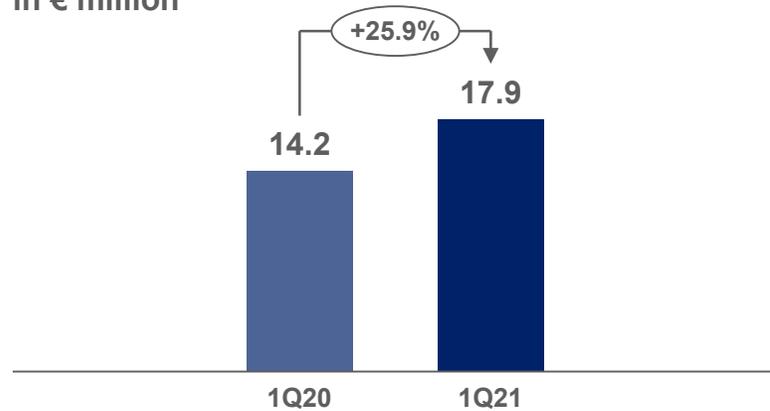


Logistics

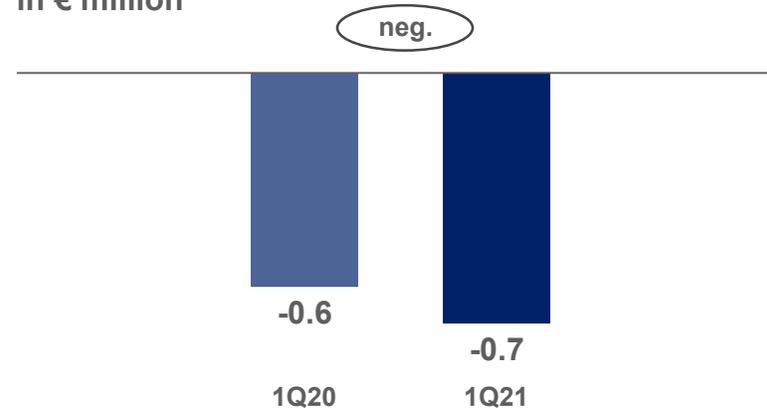
# Revenue increase supported by first-time consolidation of iSAM

EBIT burdened by planned start-up losses of new activities

Revenue  
in € million



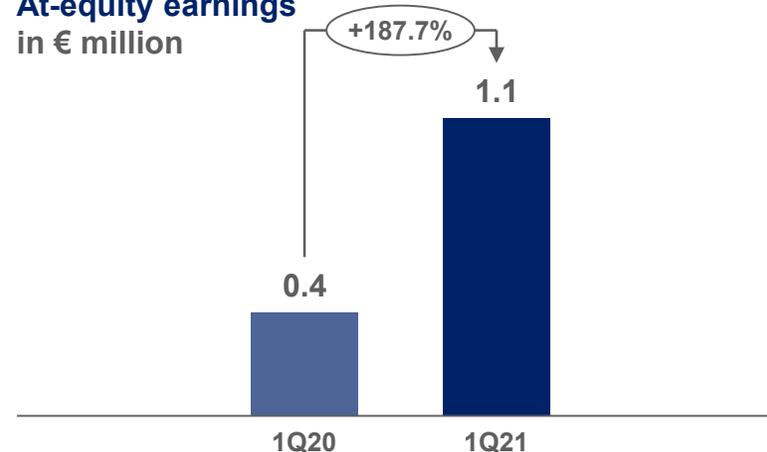
EBIT  
in € million



- Revenue from consolidated companies increased mainly due to
  - first-time consolidation of automation specialist iSAM
  - strong increase in vehicle logistics
- EBIT impacted by temporary increases in start-up losses of new activities
- At-equity earnings recorded a strong overall increase, in particular due to favourable development of bulk cargo



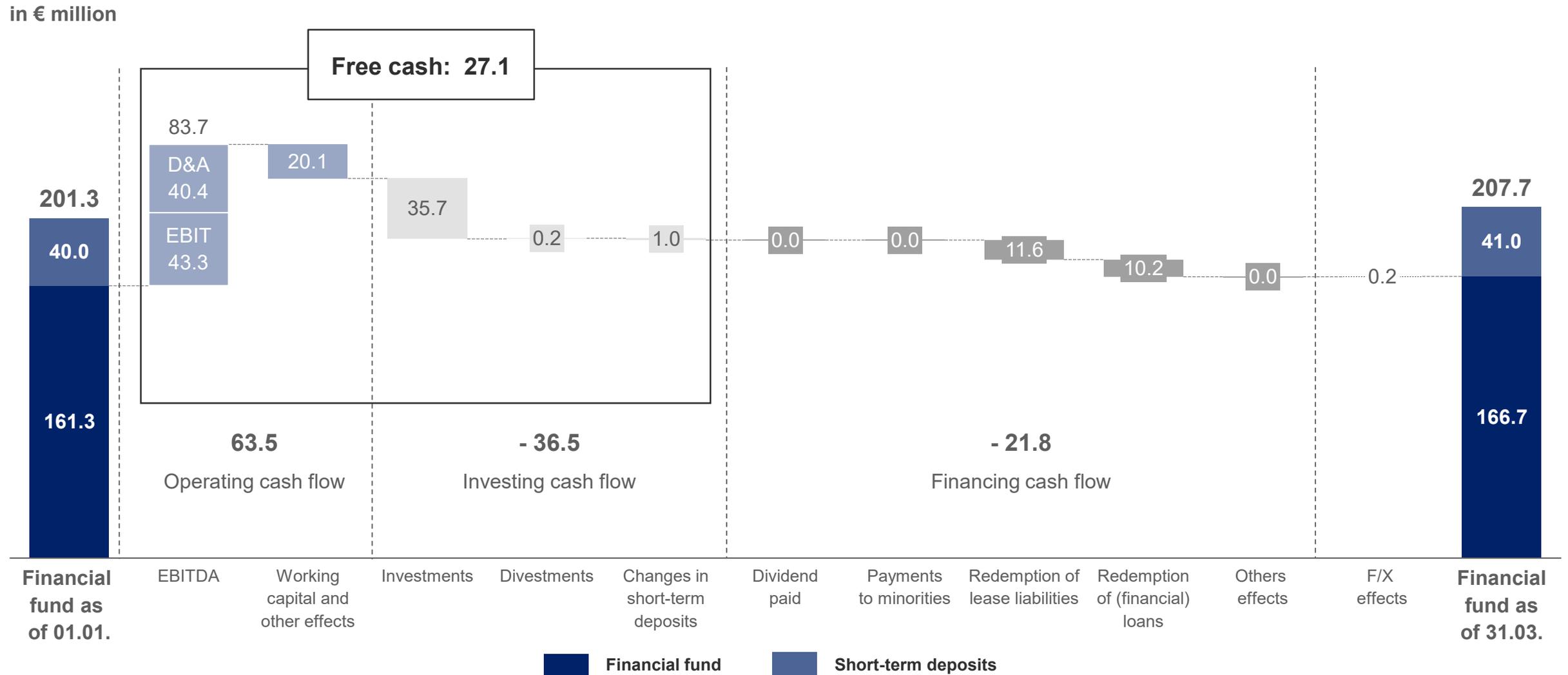
At-equity earnings  
in € million





# Comfortable liquidity position to meet payment obligations at all times

Cash flow development in line with business development





Port Logistics

# Guidance 2021 unchanged

European throughput outlook has become much gloomier; still high unpredictability

## Research estimates for 2021

### GDP development

by IMF	January	March
World	+ 5.5 %	<b>+ 6.0 %</b>
China	+ 8.1 %	<b>+ 8.4 %</b>
Russia	+ 3.0 %	<b>+ 3.8 %</b>
CEE	+ 4.0 %	<b>+ 4.4 %</b>
World trade	+ 8.1 %	<b>+ 8.4 %</b>

### Throughput development

by Drewry	December	March
World	+ 8.9 %	<b>+ 8.7 %</b>
China	+ 9.1 %	<b>+ 12.4 %</b>
Europe	+ 7.7 %	<b>+ 4.0 %</b>
NW Europe	+ 8.1 %	<b>+ 0.3 %</b>
Scan. & Baltics	+ 10.5 %	<b>+ 4.1 %</b>

Sources: IMF // Drewry Maritime Research

## Constraints of guidance 2021

The forecast for the year is subject to considerable uncertainty.

This applies in particular to the intensity and timing of the economic recovery.

## Guidance for the Port Logistics subgroup 2021

	2020	1-3   2021	Guidance for 2021
<b>Container throughput</b>	6,776 k TEU	1,677 k TEU	<b>Moderate increase</b>
<b>Container transport</b>	1,536 k TEU	418 k TEU	<b>Moderate increase</b>
<b>Revenue</b>	€ 1,269.3 m	€ 342.0 m	<b>Moderate increase</b>
<b>EBIT</b>	€ 110.3 m	€ 43.3 m	<b>in the range of € 140 to 165 million</b>
<b>Capital expenditure</b>	€ 178.7 m	€ 35.8 m	<b>in the range of € 220 to 250 million</b>
<b>Liquidity</b>	€ 201.3 m	€ 207.7 m	<b>sufficient to meet payment obligations at all times</b>
<b>Dividend per A class share</b>	€ 0.45	<b>commitment to pay out 50 to 70 % of net profit after minority interests</b>	

# Q&A

**Recording will be available at**

<https://hhla.de/en/investors/publications/reports/conference-call>

# Financial calendar and contact

## Financial calendar 2021

**25 March 2021**

Annual Report 2020  
Analyst conference call

**12 May 2021**

Interim Statement  
Analyst conference call

**10 June 2021**

Virtual Annual General Meeting

**12 August 2021**

Half-year Financial Report  
Analyst conference call

**11 November 2021**

Interim Statement  
Analyst conference call



## Interim Statement 1-3 | 2021

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# Back up

# Several developments driving HHLA's transformation process

Advanced momentum through implementation of an efficiency programme in the Container segment

## Structural sector developments

### 01 Ship size development

Increasing number of mega carriers demands more efficiency and operational flexibility as well as investments

### 02 Consolidation of shipping liners

Formation of alliances leads to increased price and performance pressure

### 03 Increasing degree of automation

Share of highly automated systems such as CTA is steadily increasing

### 04 Overcapacity in the North Range

Pressure on pricing due to fierce competition

### 05 Cooperation of port authorities

Consolidation of the port authorities in France, Belgium and the Netherlands to enhance efficiency

### 06 Dedicated terminals prevailed

Many shipping lines have established stakes in terminals, putting HHLA multi-user approach under pressure

## Hamburg-specific topics

### 07 Nautical restrictions almost solved

Elbe dredging already completed; full approval anticipated for H2/2021

### 08 Infrastructure maintenance

Ongoing infrastructure maintenance and projects, i.e. replacement of Köhlbrandbrücke, are on track

## HHLA's response: targets of the efficiency programme

Lean and sustainable organisational structure

Improved productivity in line with customer expectations

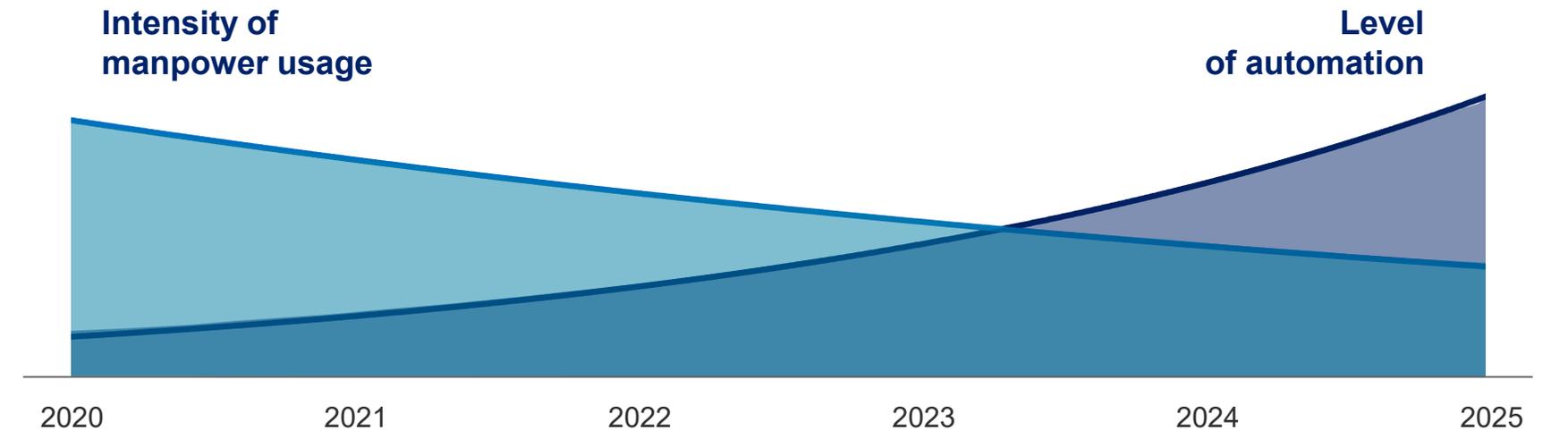
Expansion for mega carriers > 24,000 TEU

Laying groundwork for regaining market share

Reduction of emissions and energy consumption

# Further automation at Hamburg terminals will lead to increased performance

... and support medium-term profitability target of the Port Logistic subgroup



## 2025 targets of the Port Logistics subgroup

EBIT 2025

**€ 300 m**

Capex 2021-2025

**€ 1,050 m**

### Operational measures

- Roll-out of N4 terminal software on all terminals by end of 2022
- Stepwise expansion of automatic block storages at CTB from 12 in 2020 to 22 in 2024
- Construction of an AGV service centre and testing field at CTB by 2023
- Replacement of straddle carriers with Automated Guided Vehicles (AGVs) at CTB from 2024 onwards

### Personnel measures

- Net provision of € 43 million in 2020 earmarked for socially responsible personnel measures
  - Main instrument: early retirement programme will have a positive P&L effect from 2023 onwards
  - Further instruments: flexi-time, reduction of overtime, education & training and re-qualification



Port Logistics

# Focus on three profit sources to fuel our future success

## Rationale for 2025



### Container

- Increase efficiency at Hamburg terminals by further automation
  - Further area optimisation by taking up to 22 block storages into operation at CTB
  - Automation of horizontal transport from the quayside to yard via AGV
  - Further optimisation of the existing systems by using intelligent system control
- Growing EBIT contribution from international terminals

→ **Striving for efficiency**



### Intermodal

- Expansion of rail terminals and hubs, i.e. Zalaegerszeg (Hungary)
- Expansion of hinterland rail network in Central and Eastern Europe by increasing frequency on existing connections and adding new connections, particularly in Southern and South-Eastern Europe
- Taking advantage of EU green deal

→ **Growing EBIT contribution**



### Logistics

- Moderate increase expected from at-equity earnings
- Strong top-line growth from new ventures anticipated from 2021 onwards
- Positive EBIT contribution from new ventures expected for 2023 onwards
- Clear commitment to invest in new technologies along future transport streams

→ **Positioned for growth**