

# Investor presentation

January 2022





# Agenda

## 01 HHLA at a glance

page 3

## 02 Investment case

page 7

## 03 Financial performance 1-9 | 2021 and guidance 2021

page 17

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## 04 Fact book



### Port Logistics

page 25



### Container segment

page 28



### Intermodal segment

page 44



### Logistics segment

page 52



### ESG

page 55

**Hamburger Hafen und Logistik AG (HHLA) is a leading European logistics company. Listed on the stock exchange since 2007.**

**With a tight network of container terminals in Hamburg, Odessa, Tallinn and Trieste, excellent hinterland connections and well-connected intermodal hubs in Central and Eastern Europe, HHLA represents a logistics and digital hub along the transport streams of the future. Its business model is based on innovative technologies and is committed to sustainability.**



# One of Europe's leading logistics companies

Group is divided into two subgroups: Port Logistics and Real Estate

Group



Subgroups

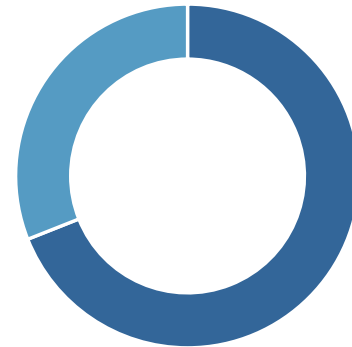
Port Logistics

Real Estate

Shareholder structure

## Listed class A shares

- Free and Hanseatic City of Hamburg (FHH) holds 69.0 % of the listed class A shares
- Class A shares comprise all segments of the Port Logistics subgroup (Container, Intermodal, Logistics)
- Index affiliation: SDAX
- Stock exchanges: Frankfurt am Main, Hamburg



69.0 %  
Free and  
Hanseatic City  
of Hamburg

31.0 %  
Free float

## Non-listed class S shares



Segments



Container



Intermodal



Logistics



Real Estate



# Executive Board

Experienced management with focus on strengthening the creative power and future viability of HHLA

## Executive Board



**Angela Titzrath**

First appointment October 2016

### Chairwoman

- Corporate development
- Corporate communications
- Sustainability
- Container sales
- Intermodal segment
- Logistics segment



**Dr. Roland Lappin**

First appointment May 2003

### Chief Financial Officer

- Finance and controlling (including organisation)
- Investor relations
- Internal audit
- Real Estate segment



**Jens Hansen**

First appointment April 2017

### Chief Operating Officer

- Container operations
- Technology
- Information systems



**Torsten Seibold**

First appointment April 2019

### Chief HR Officer

- Human resources
- Purchasing and materials management
- Health and safety in the workplace
- Legal and insurance

# Port Logistics subgroup well positioned along vertical logistic chain services

State-of-the-art container throughput and transport services supported by specialised and new logistic activities



## Container segment

- Three container terminals in Hamburg with a local market share of 74 %
- Terminals in Odessa (UKR) and Tallinn (EST); majority stake in Trieste (ITA)
- Container handling and transfer between modes of transport (ship, rail, truck)
- Container-related services (e.g. storage, maintenance, repair)



## Intermodal segment

- Container transport via rail and truck in the ports' hinterland
- Loading and unloading of carriers
- Operation of five hub terminals and nine inland terminals in CEE
- Around 450 regular train connections per week with own fleet



## Logistics segment

- Specialist handling of dry bulk, general cargo, vehicles, fruit, etc.
- New business activities, such as additive manufacturing, airborne logistics services, etc.
- Consulting and training

## Key figures 2020

Throughput	Revenue	Revenue share
<b>6,776 k TEU</b>	<b>€ 737.5 m</b>	<b>58 %</b>
EBIT	EBIT margin	
<b>€ 65.4 m</b>	<b>8.9 %</b>	

Transport	Revenue	Revenue share
<b>1,536 k TEU</b>	<b>€ 476.8 m</b>	<b>38 %</b>
EBIT	EBIT margin	
<b>€ 88.3 m</b>	<b>18.5 %</b>	

Revenue	EBIT	Revenue share
<b>€ 51.4 m</b>	<b>€ -3.9 m</b>	<b>4 %</b>
At-equity earnings	EBIT margin	
<b>€ 3.4 m</b>	<b>€ -7.5 %</b>	

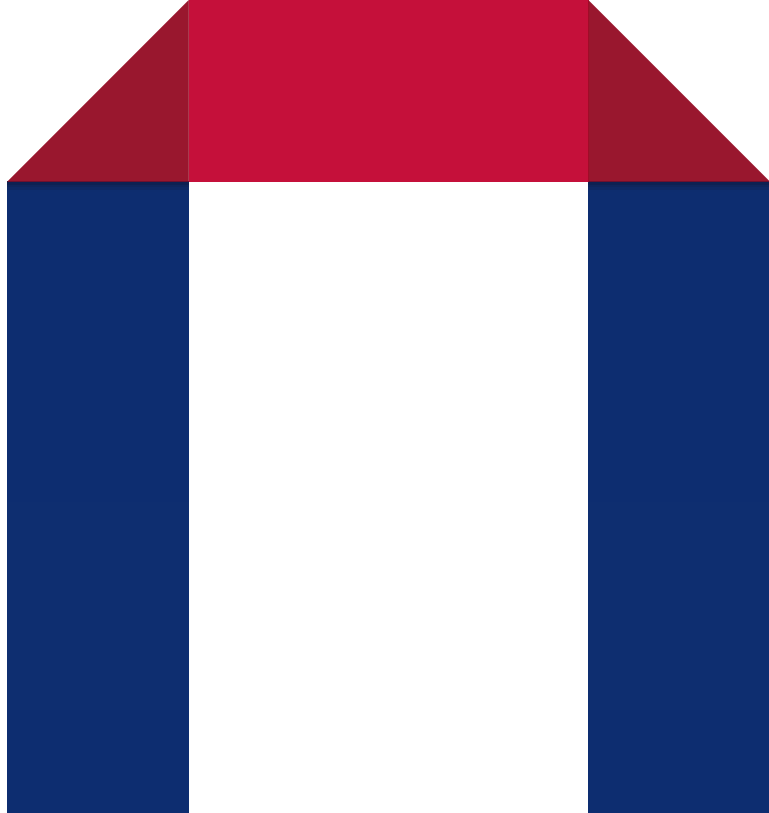


# Investment case



# Investment case

At a glance



.....  
**THE logistical and digitally innovative hub**  
.....

.....  
**Favourable geographical location in a market with solid growth outlook**  
.....

.....  
**Well-invested asset base with state-of-the-art technology**  
.....

.....  
**Solid financial foundation with strong cash flows**  
.....

.....  
**Balanced logistics – environmental protection and sustainability approach**  
.....

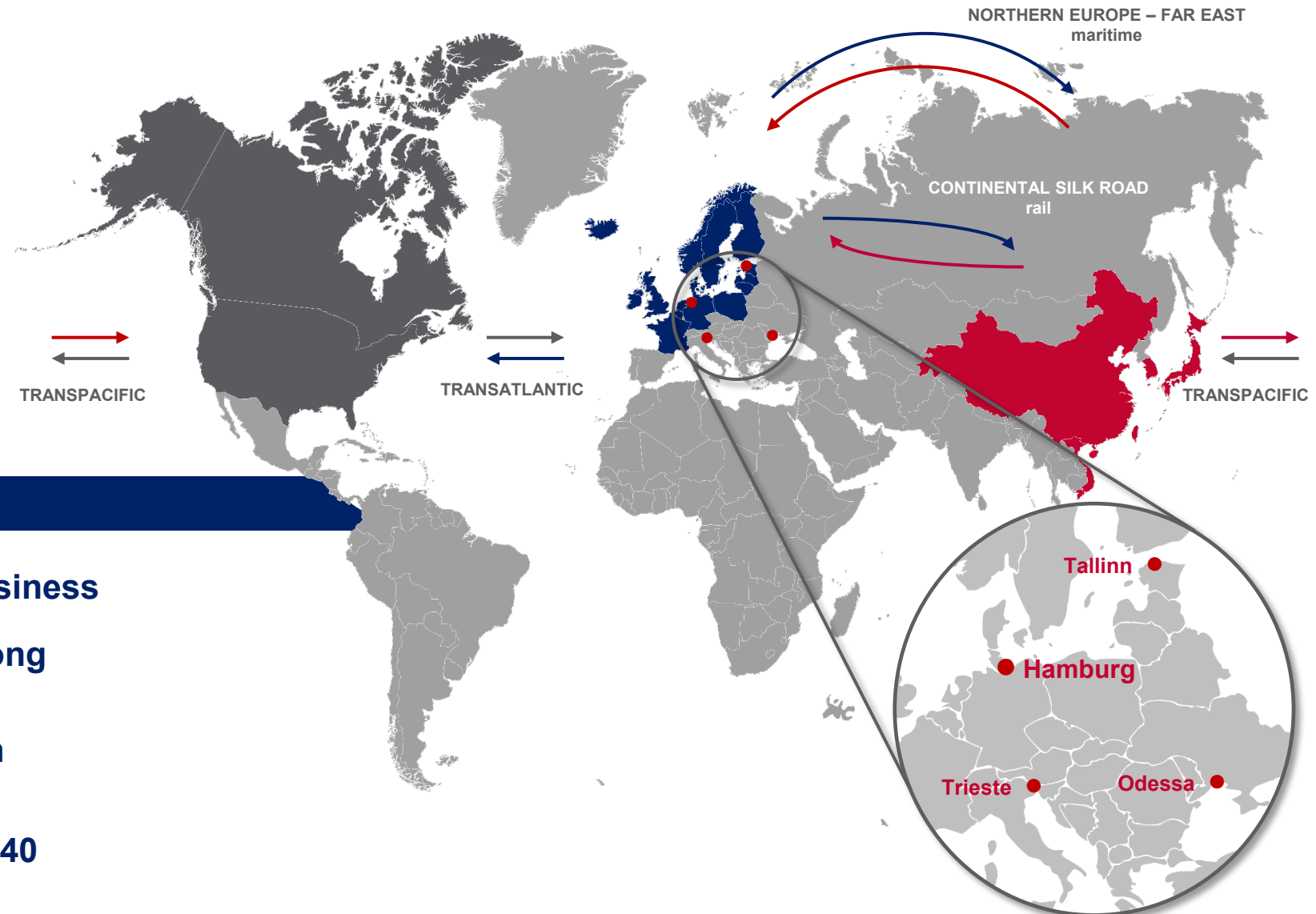
.....  
**Ambition 2025: Growth and efficiency as guiding principles**  
.....



# Local player well connected to Central Eastern Europe and Asia

Further internationalisation, digitalisation and automation will be main drivers for future growth

- **Internationalisation**  
will continue with HHLA benefitting from new transport routes
- **Digitalisation & automation**  
will open up further opportunities and HHLA will benefit from new and optimised logistic processes

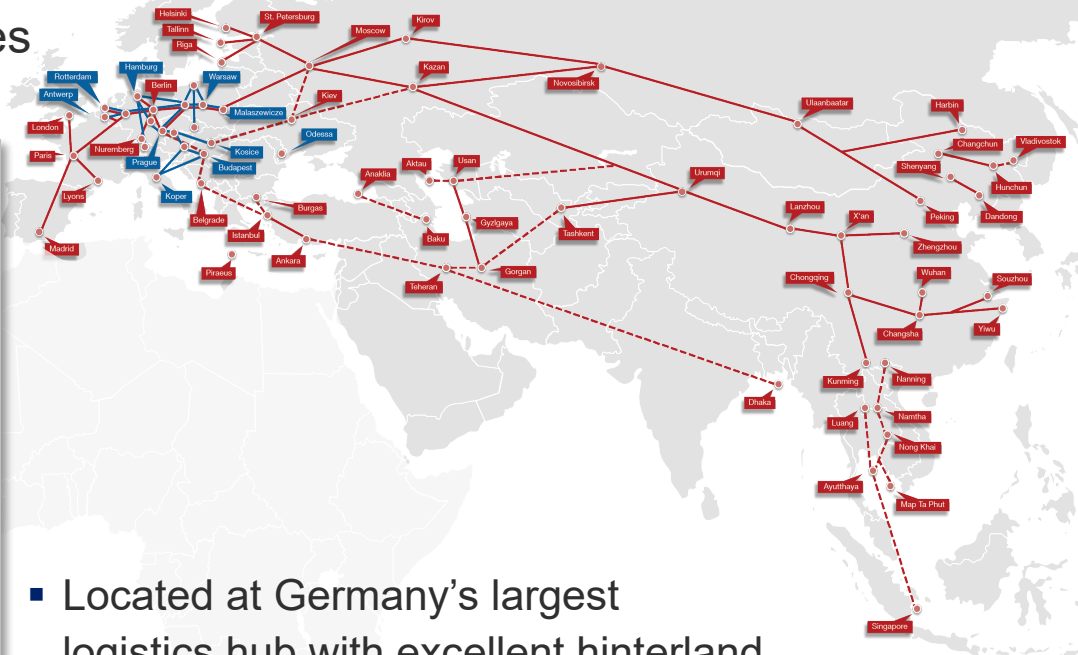
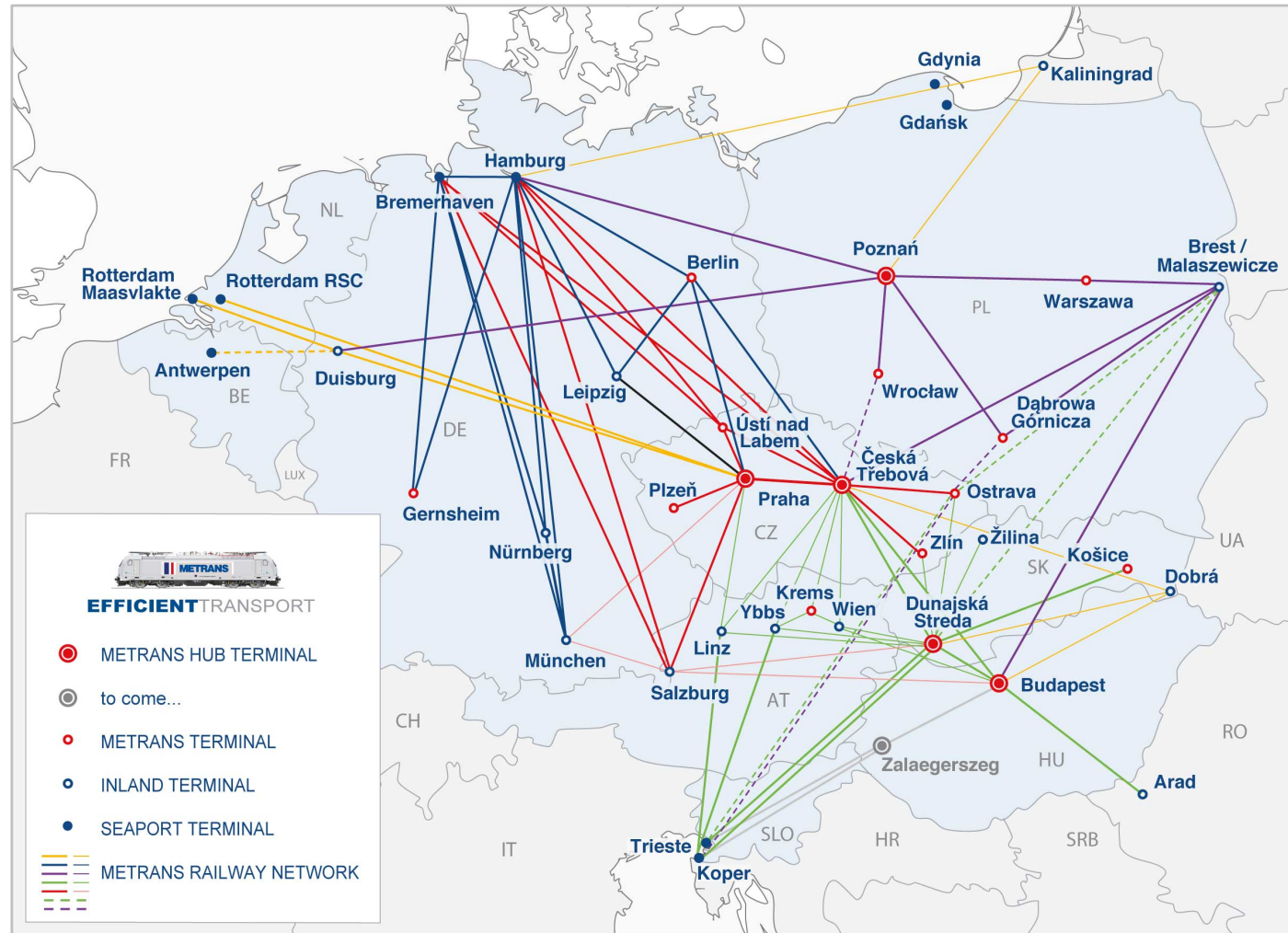


## Strategic levers of HHLA

- **Strengthening the existing core business**
- **Exploiting growth opportunities along transport streams of the future**
- **Improving efficiency by automation and growing sustainably**
- **Striving for climate neutrality by 2040**

# Dense rail network connect own port terminals within CEE and towards Asia

Favourable geographical location in markets with robust economies



- Located at Germany's largest logistics hub with excellent hinterland
- Europe's largest railway port with a dense rail network in CEE and the west to the new silk road
- Owing 5 hubs and 12 hinterland terminals as well as light-weighted railway wagons and state-of-art locomotives
- Traction with cross-border transport solutions
- Offering climate friendly modes of transport

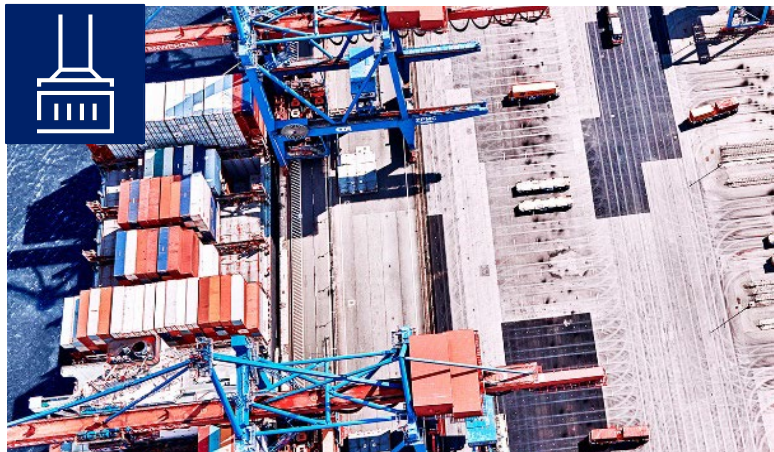
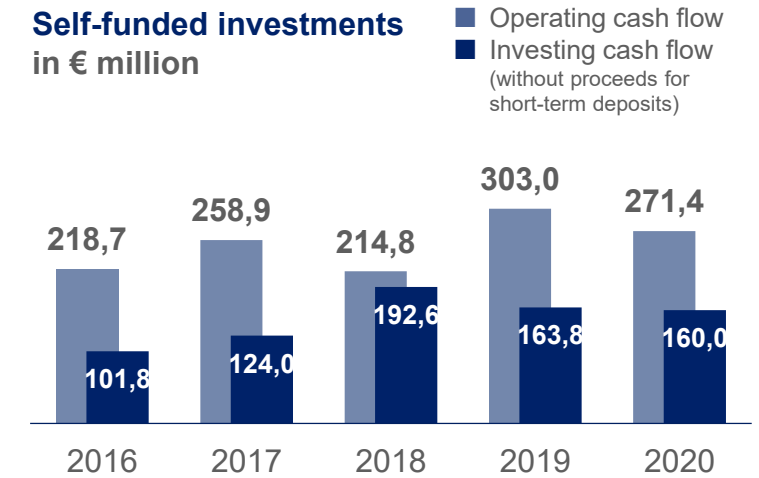


# Well-invested asset base

## Operations with state-of-the-art technology

- State-of-the-art handling technology, innovative IT systems and a high level of automation
- In line with client needs: Three fully equipped berths for mega carriers in operation at the container terminals Burchardkai (CTB) and Tollerort (CTT)
- Further rollout of additional automated block storage capacities at CTB
- On-dock railway stations at all facilities able to comply with future 740m block trains
- Optimised traffic coordination for an improved cargo flow and terminal access
- HHLA Pure: climate-neutral handling and transport from the port to the hinterland

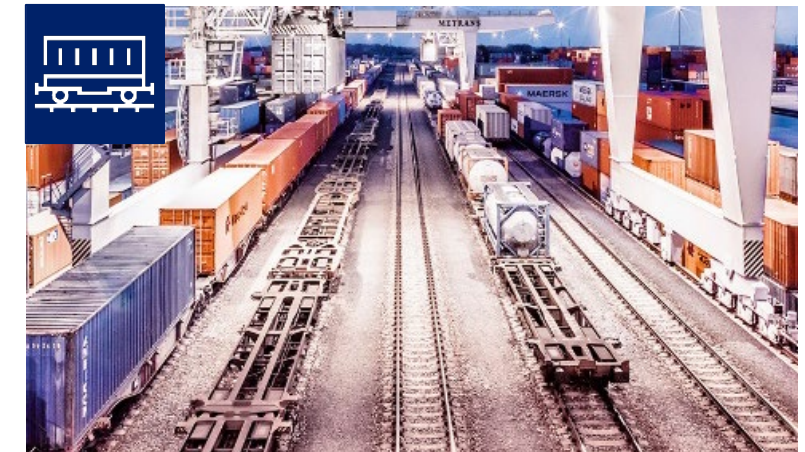
### Self-funded investments in € million



Rollout of additional automated block storage



Own fleet of multi-system locomotives



Own designed light-weighted wagons

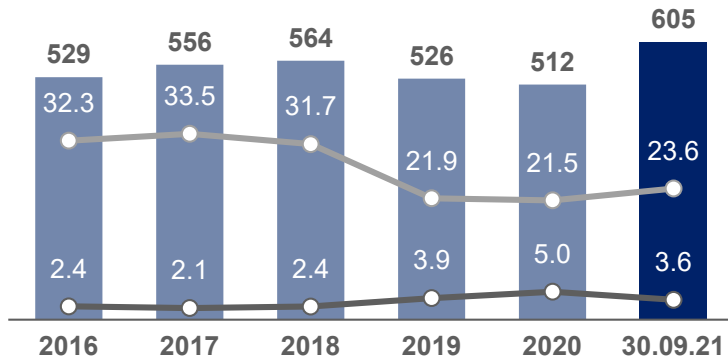
# Solid financial track record with strong cash flows even in recent years ...

... with high market volatility that required exceptional operational flexibility due to Coronavirus pandemic

## Equity development

in € million

—○— Equity ratio in % —○— Net debt / EBITDA

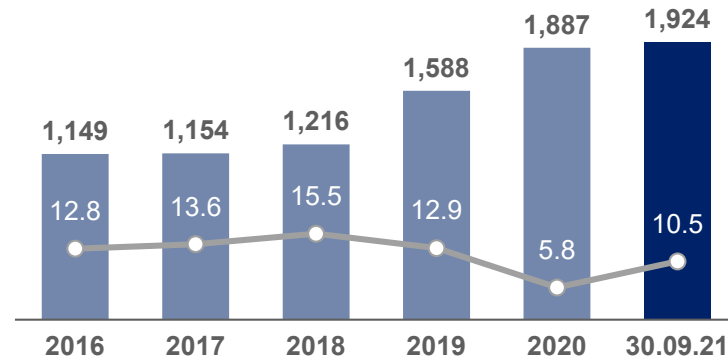


## Ø Capital employed / ROCE

in € million

—○— ROCE in %

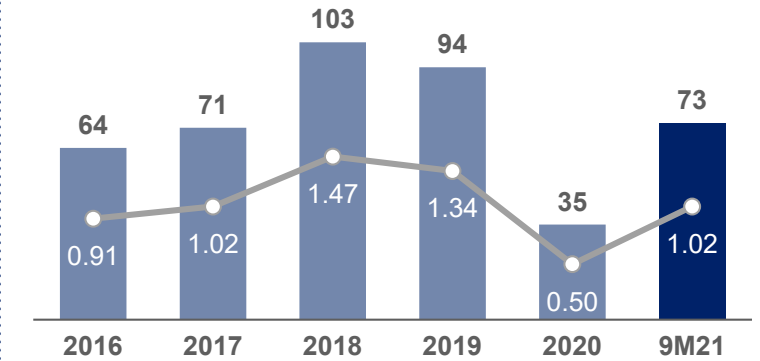
Since 2019:  
Capital employed  
including right of use  
(IFRS16)



## Profit after tax and minorities

in € million

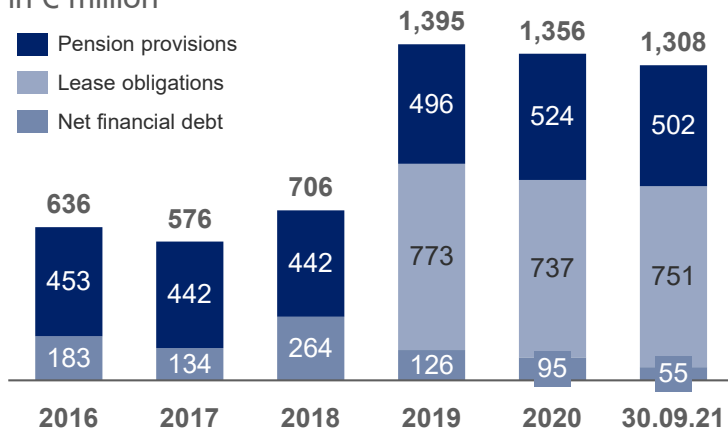
—○— EPS in €



## Net debt

in € million

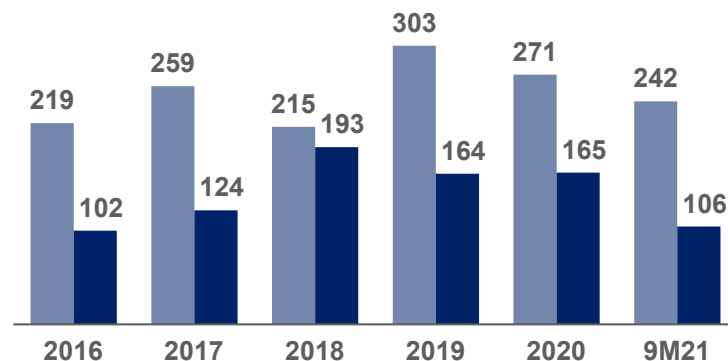
■ Pension provisions  
■ Lease obligations  
■ Net financial debt



## Self-funded investments

in € million

■ Operating cash flow  
■ Investing cash flow

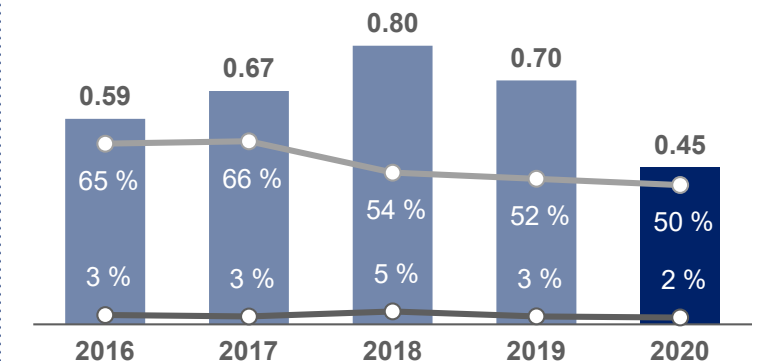


Investing cash flow without proceeds for short-term deposits

## Dividend development

in €

—○— Payout ratio —○— Dividend yield as of 31.12.



2020: Pay out ratio adjusted by changes in net provisions



# Sustainable management anchored in business model

Ambitious climate protection target supported by concrete measures



## Excellent prerequisites for green infrastructure in the Port of Hamburg

- Europe's largest railway port with around 165 rail operators
- Efficient handling of around 200 freight trains per day with more than 5,000 wagons
- 2020: Up to 60,000 freight trains with up to 1.6 million wagons handled at the Port of Hamburg

**Reduction of  
CO<sub>2</sub> emissions  
by at least 50%  
by 2030** (base 2018)

## HHLA Pure: climate-neutral handling and transport from the port to the hinterland

- Extensive electrification and use of green electricity on the terminals
- Transport by Metrans with CO<sub>2</sub> optimized equipment (e.g. use of hybrid locomotives designed for heavy-duty shunting and use of light-weighted container wagons (30% lighter than normal equipment) and “whispering” brakes for 50% reduction of noise)
- Unavoidable CO<sub>2</sub> emissions are currently offset by certified development projects according to the highest international Gold standard
- Complete conversion of the diesel-powered AGV fleet to battery-powered AGV by 2021/22 >> reduction of around 15,500 tonnes a year once the system has been completed
- Certification of the climate-neutral container throughput and transport service by TÜV Nord

**Climate neutral  
until  
2040**

# Committed to transparency and engaged in dialogue with stakeholders

## Sustainability recognition

### High standards for high transparency





- HHLA's commitment to sustainability is binding, transparent, measurable and comparable
- HHLA supports the Sustainable Development Goals (SDGs) adopted by the UN
- HHLA applies the Global Reporting Initiative (GRI 4 standard) guidelines on sustainability reporting
- First maritime company to issue a declaration of compliance with the German Sustainability Code (DNK)
- HHLA has reported on its carbon footprint regularly since 2008 as part of the international Carbon Disclosure Project (CDP)
- All major operating companies certified according to DIN 50001 (energy management)

More ESG information on our Sustainability Report

[report.hhla.de/annual-report-2020/sustainability](https://report.hhla.de/annual-report-2020/sustainability)



### ESG ratings

	Scale (high to low)	
<b>MSCI</b> 	AAA to CCC	<b>A</b>
<b>ISS ESG</b> 	A+ to D-	<b>C-</b>
<b>S&amp;P Global Ratings</b>	100 to 0	<i>On the list, but not yet finally assessed</i>
<b>CDP</b> 	A to D-	<b>B</b> <i>Climate Change</i>
<b>SUSTAINALYTICS</b> 	0 to 100	<b>59</b> <i>Average performer</i>



# 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 solved

Elbe dredging completed and fully approved

### 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

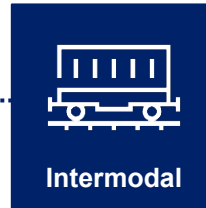
# Focus on three profit sources to fuel our future success

## Rationale for 2025



- Increase efficiency at Hamburg terminals by further automation
  - Targets 2025: Cost savings of € >120m p.a., unit costs reduction of € 30 per box, performance increase by ≥ 30 boxes/Cbh
  - Automation of block storages and 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



- 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

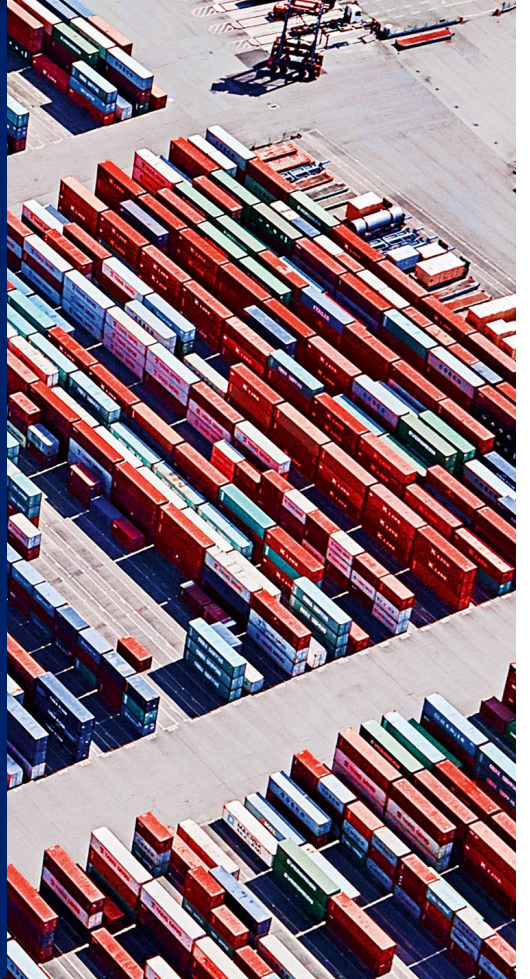
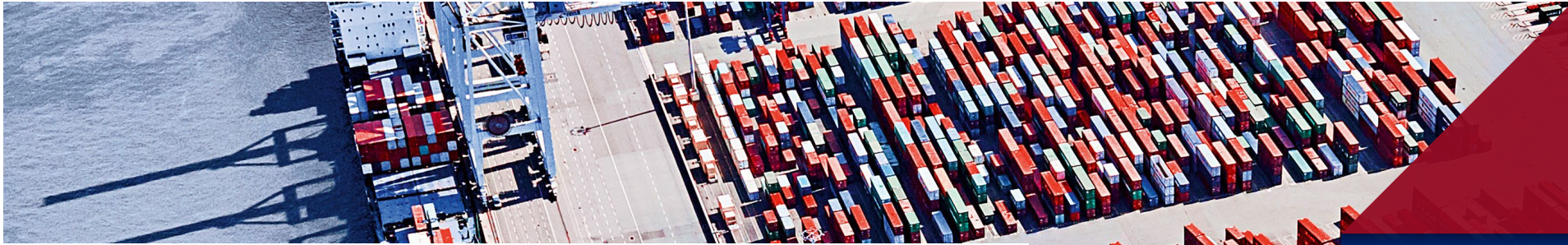
→ Growing EBIT contribution



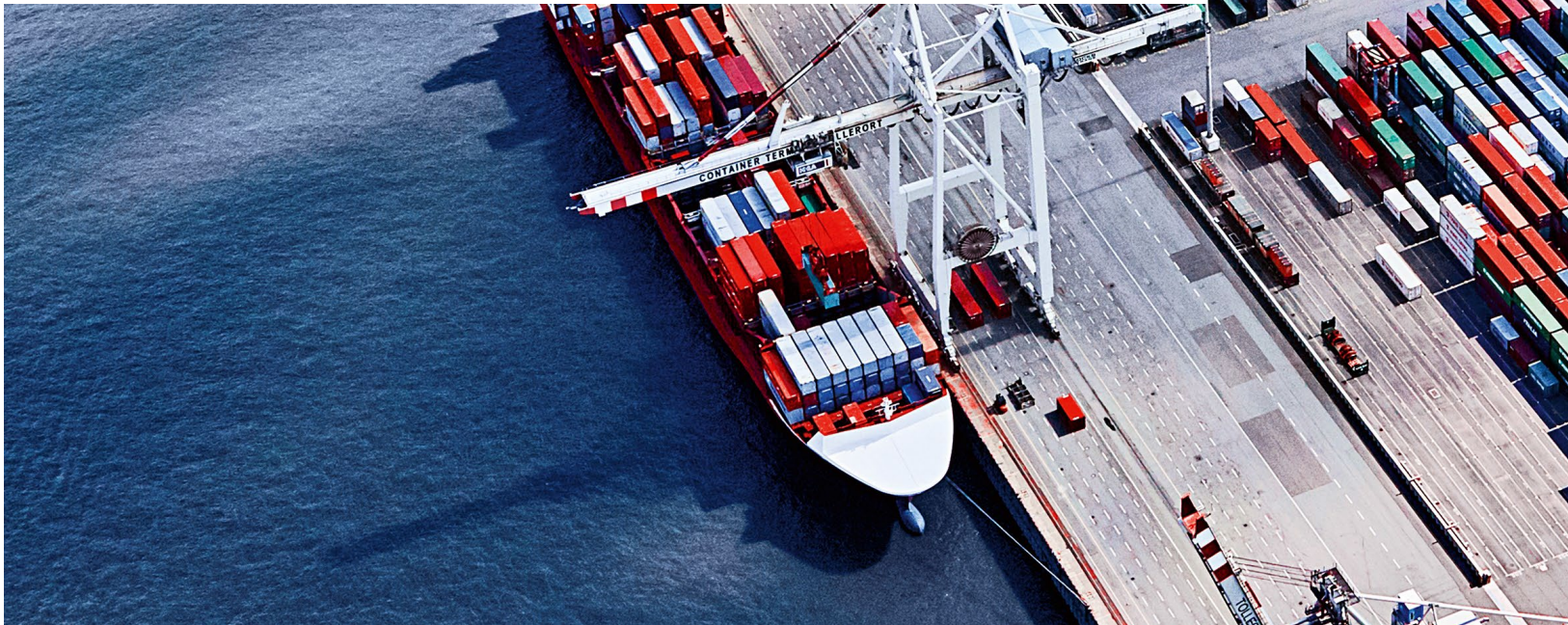
- Moderate increase expected from at-equity earnings
- Strong top-line growth from new ventures anticipated from 2021 onwards
- Positive EBIT contribution from new ventures expected for 2023 onwards
- Clear commitment to invest in new technologies along future transport streams

→ Positioned for growth





# Financial performance 1-9 | 2021 and guidance 2021





# Strong increase in revenue and EBIT supported by temporary effects

Favourable growth in container transport volumes; full-year guidance for 2021 raised



## Major achievements

- HHLA kept production running 24/7 despite pandemic-related restrictions
- Automation of block storage at CTB continued
- COSCO Shipping Ports receives minority stake of 35 % in Container Terminal Tollerort
- HHLA became part of H2Global Foundation and successfully completed joint project with MAN “Hamburg TruckPilot”



## Market environment

- Several effects worldwide led to persisting imbalances in trade flows, i.e. accident in Suez Canal, shutdowns at key export ports in China due to corona outbreaks, fire at a Japanese semiconductor factory, power supply problems in China
- Ongoing delays in sailing schedules led to high pressure on terminals and hinterland transport systems



## Results

- Slight increase in container throughput despite loss of a Far East service in previous year; container transport grew strongly
- EBIT benefited from temporary increase in storage fees and strong transport volumes
- ROCE exceeds medium- and long-term target of 8.5 %

## Key figures for 1-9 | 2021

Throughput  
**5,165 k TEU**  
+ 1.6 %

Transport  
**1,154 k TEU**  
+ 11.1 %

Revenue  
**€ 1,057.5 m**  
+ 12.8 %

EBIT  
**€ 151.3 m**  
+ 56.7 %

EBIT margin  
**14.3 %**  
+ 4.0 pp

Profit after tax  
and minorities  
**€ 73.1 m**  
+ 133.7 %

ROCE  
**10.5 %**  
+ 3.7 pp

Operating cash flow  
**€ 242.4 m**  
+ 29.2 %



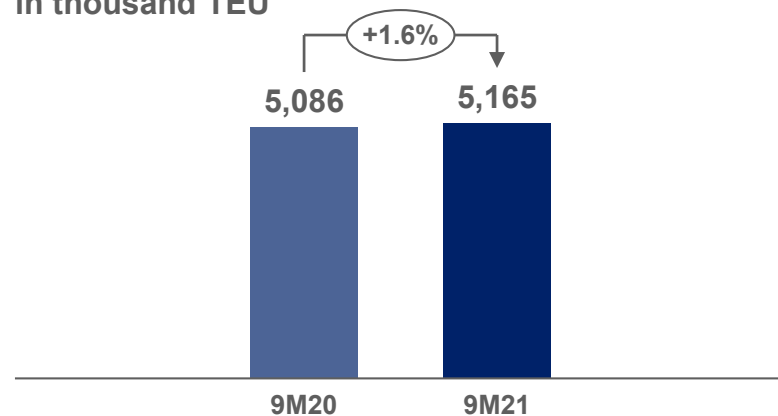


Container

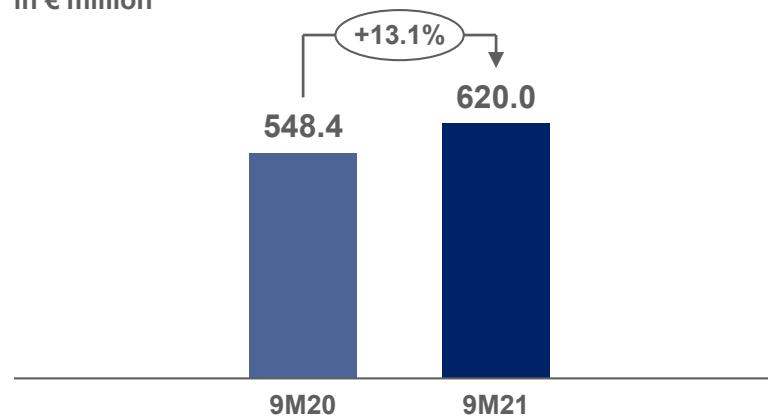
# Strong rise in top and bottom line due to temporary increase in storage fees

Volume increase mainly driven by Far East as well as Americas shipping regions

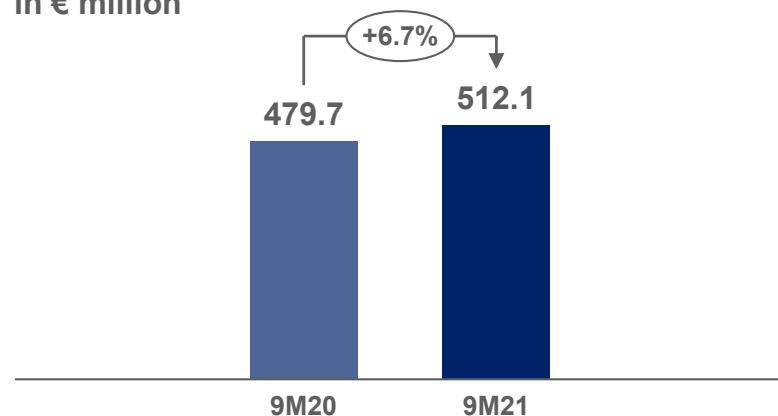
## Container throughput in thousand TEU



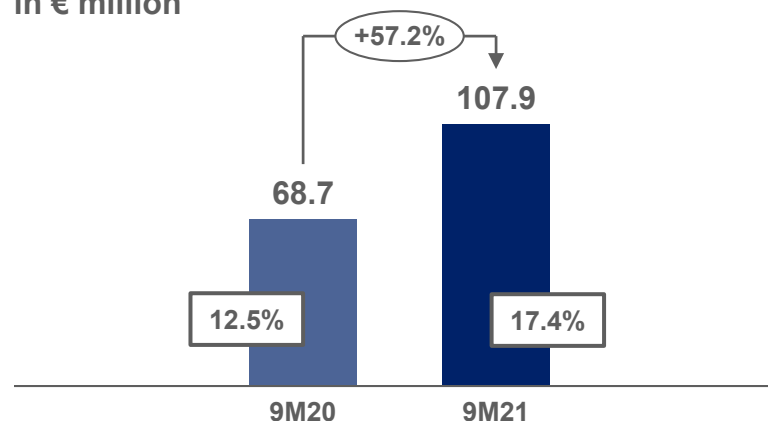
## Revenue in € million



## OpEx in € million



## EBIT and EBIT margin in € million



- Container throughput up by 1.6 % overall, mainly driven by Internationals (+4.8 %) whilst Hamburg volumes (+1.3 %) masked by loss of Far East service in previous year
- Positive volume development driven by
  - moderate increase in the shipping regions Far East, North America and South America
  - acquisition of an additional feeder service for the Baltic Sea region in the third quarter
- Average revenue per TEU up by 12.0 % y-o-y mainly attributable to
  - higher storage fees due to longer dwell times as a result of ongoing delays in shipping schedules
- OpEx increased by 6.7% due to
  - higher external staff and material costs
  - additional provisions for the restructuring measures
  - union wage rate increases
  - ramp-up costs for PLT Italy (Trieste)
- EBIT increased despite higher opex due to improved revenue quality

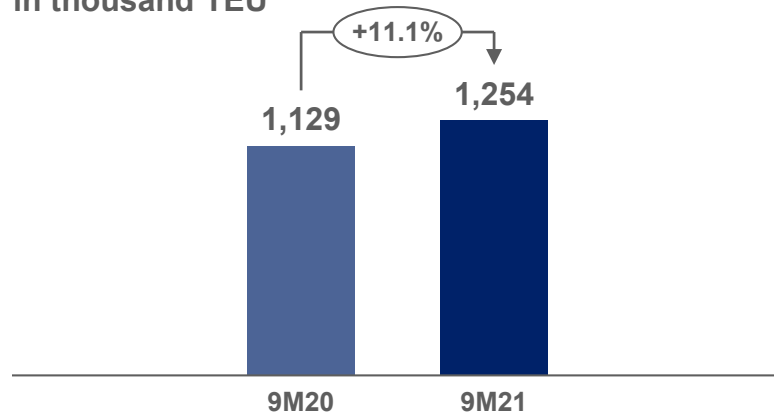


Intermodal

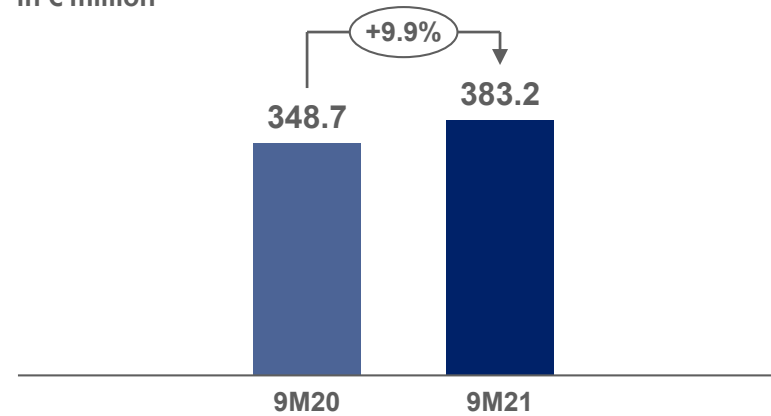
# Pleasing revenue development driven by increase in rail transport volumes

EBIT growth supported by one-off effect from retroactively granted higher subsidy

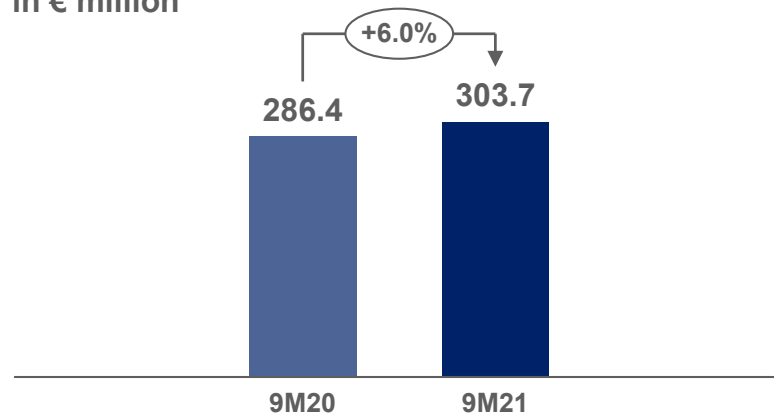
## Container transport in thousand TEU



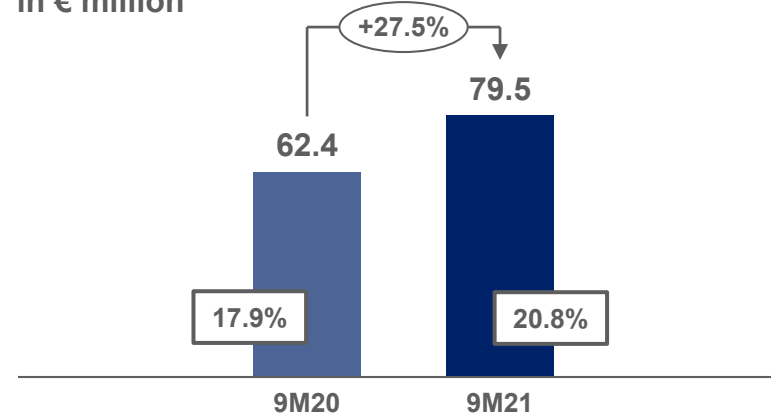
## Revenue in € million



## OpEx in € million



## EBIT and EBIT margin in € million



- Strong rise in transport volumes driven by increase in rail transport (+14.0%) while road transportation kept stable
- Rail share up to 81.4 % (+2.1 pp)
- Volume growth was broadly diversified
- Revenue increased significantly but lagged behind volume growth as average revenue per TEU came down as a result of a change in structure of cargo flows
- OpEx rise driven by higher personnel expenses due to increased staff base
- EBIT development supported by
  - favourable top line growth and
  - retroactively granted higher subsidy for route prices of € 11 m.
- EBIT margin increased by 2.9 pp to 20.8 %

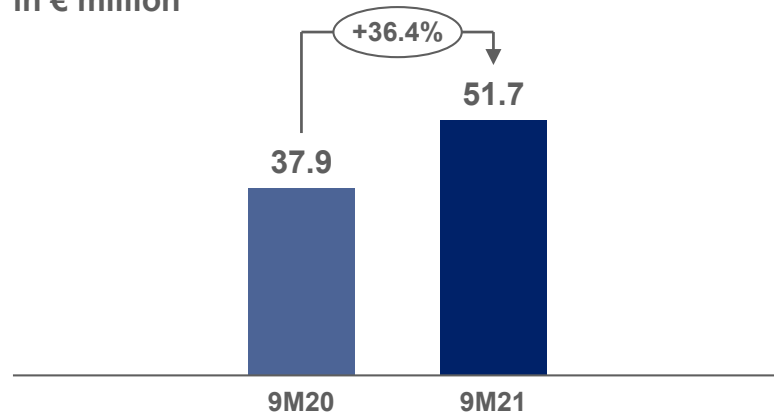


Logistics

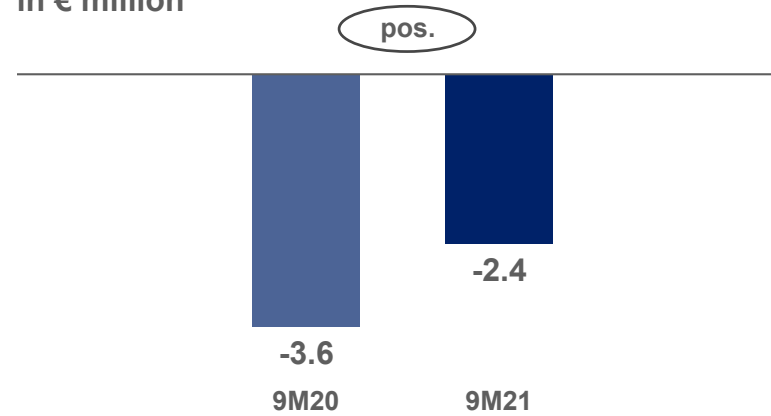
# Top line growth supported by first-time consolidation of iSAM AG

Profitability burdened by start-up losses of new activities

Revenue  
in € million



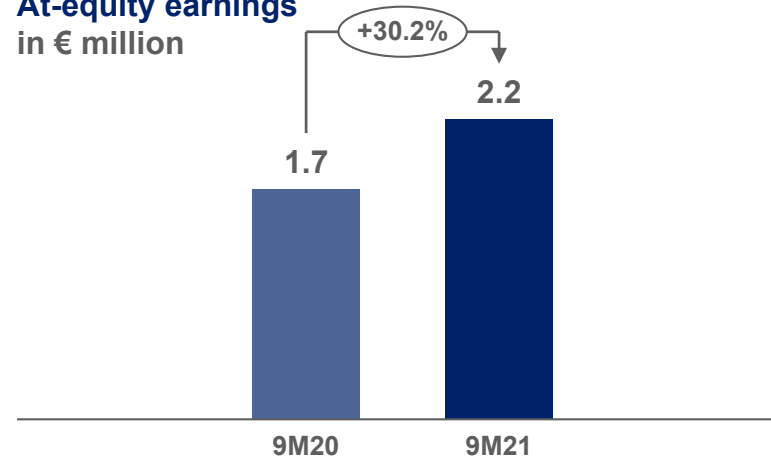
EBIT  
in € million



- Revenue from consolidated companies increased strongly mainly due to
  - first-time consolidation of automation specialist iSAM AG (incl. its three subsidiaries)
  - strong increase in vehicle logistics
- EBIT impacted by temporary increases in start-up losses of new activities
- At-equity earnings recorded a strong increase overall



At-equity earnings  
in € million

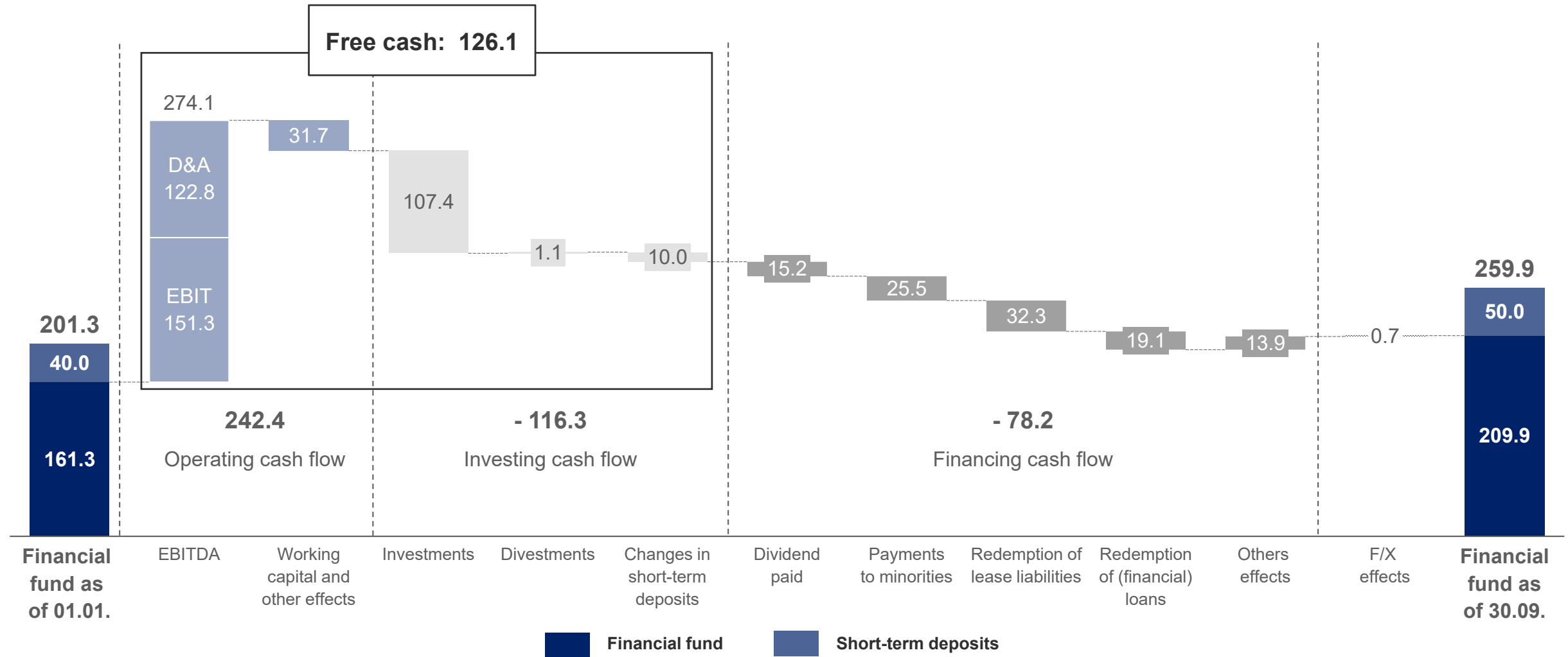






# Comfortable liquidity position secured by strong cash flow

in € million





Port Logistics

# Full-year guidance has been updated

Disruptions to global production and supply chains are expected to persist until 2022

## Research estimates for 2021

### GDP development

by IMF	April	July	October
World	+ 6.0 %	+ 6.0 %	+ 5.9 %
China	+ 8.4 %	+ 8.1 %	+ 8.0 %
Russia	+ 3.8 %	+ 4.4 %	+ 4.7 %
CEE	+ 4.4 %	+ 4.9 %	+ 6.0 %
World trade	+ 8.4 %	+ 9.7 %	+ 9.7 %

### Throughput development

by Drewry	March	June	September
World	+ 8.7 %	+ 10.1 %	+ 8.2 %
China	+ 12.4 %	+ 12.0 %	+ 7.1 %
Europe	+ 4.0 %	+ 6.8 %	+ 6.5 %
NW Europe	+ 0.3 %	+ 8.1 %	+ 7.6 %
Scan. & Baltics	+ 4.1 %	+ 5.6 %	+ 6.9 %

Sources: IMF // Drewry Maritime Research

## Guidance for the Port Logistics subgroup 2021

	2020	1-9   2021	Guidance for 2021
<b>Container throughput</b>	6,776 k TEU	5,165 k TEU	<b>Moderate increase</b>
<b>Container transport</b>	1,536 k TEU	1,254 k TEU	<b>Significant increase</b>
<b>Revenue</b>	€ 1,269.3 m	€ 1,057.5 m	<b>↗ Around € 1,410 m (previously: significant increase)</b>
<b>EBIT</b>	€ 110.3 m	€ 151.3 m	<b>↗ Around € 190 m (previously: in the range of € 140 to 165 m)</b>
<b>Capital expenditure</b>	€ 178.7 m	€ 105.3 m	<b>↘ Around € 175 m (previously: in the range of € 220 to 250 m)</b>
<b>Liquidity</b>	€ 201.3 m	€ 259.9 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>	

# Fact book

## HHLA Port Logistics subgroup

page 25

## Container segment

page 28

## Intermodal segment

page 44

## Logistics segment

page 52



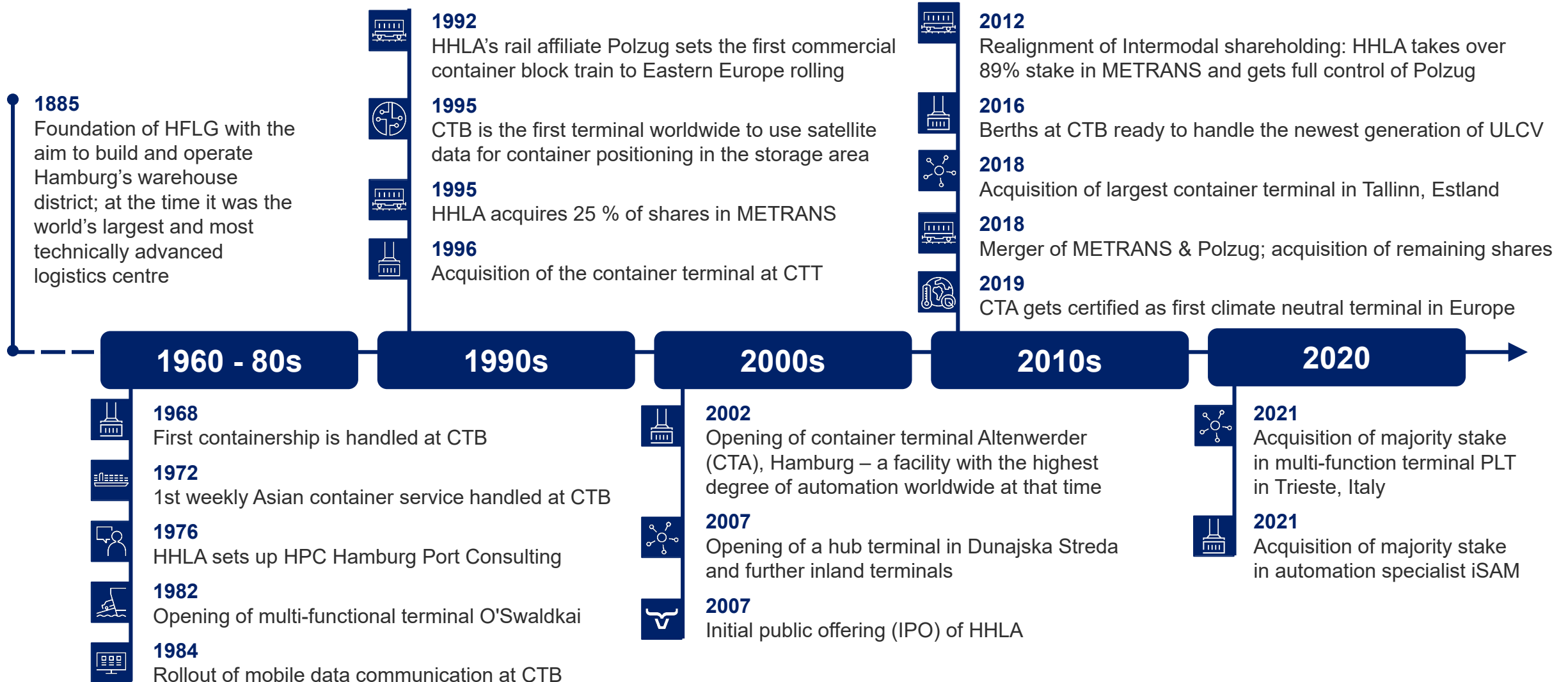




Port Logistics

# HHLA's successful development since more than 135 years

From a port logistics operator to a globally vertical integrated service provider





# Key figures

## Port Logistics subgroup

in € million

	2016	2017	2018	2019	2020
<b>Revenue</b>	1,146.0	1,220.3	1,285.5	1,350.0	<b>1,269.3</b>
<b>EBIT</b>	147.6	156.6	188.4	204.4	<b>110.3</b>
<b>Profit after tax and minorities</b>	63.7	71.2	102.9	93.6	<b>35.3</b>
<b>Earnings per share in €</b>	0.91	1.02	1.47	1.34	<b>0.50</b>
<b>ROCE in %</b>	12.8	13.6	15.5	11.1	<b>5.8</b>
<b>Free cash flow</b> (excl. proceeds from short term deposits)	116.9	134.9	19.8	116.6	<b>111.4</b>
<b>Capex</b> (without Group internal transaction)	136.9	136.4	132.9	214.9	<b>178.7</b>



# Balance sheet, assets and liabilities

Port Logistics subgroup

in € million

	2016	2017	2018	2019	2020
<b>Balance sheet total</b>	1,638.1	1,658.9	1,783.3	2,401.4	<b>2,383.3</b>
<b>Non-current assets</b>	1,165.1	1,184.6	1,280.5	1,936.6	<b>1,953.4</b>
<b>Current assets</b>	473.1	474.4	502.8	464.8	<b>429.9</b>
<b>Equity</b>	528.7	555.8	564.5	525.6	<b>512.5</b>
<b>Pension provisions</b>	453.5	442.1	442.1	496.3	<b>523.9</b>
<b>Other non-current liabilities</b>	452.2	430.8	545.1	1,111.8	<b>1,068.0</b>
<b>Current liabilities</b>	203.7	230.3	231.6	267.7	<b>278.9</b>





Container

# Key figures

## Container segment

in € million

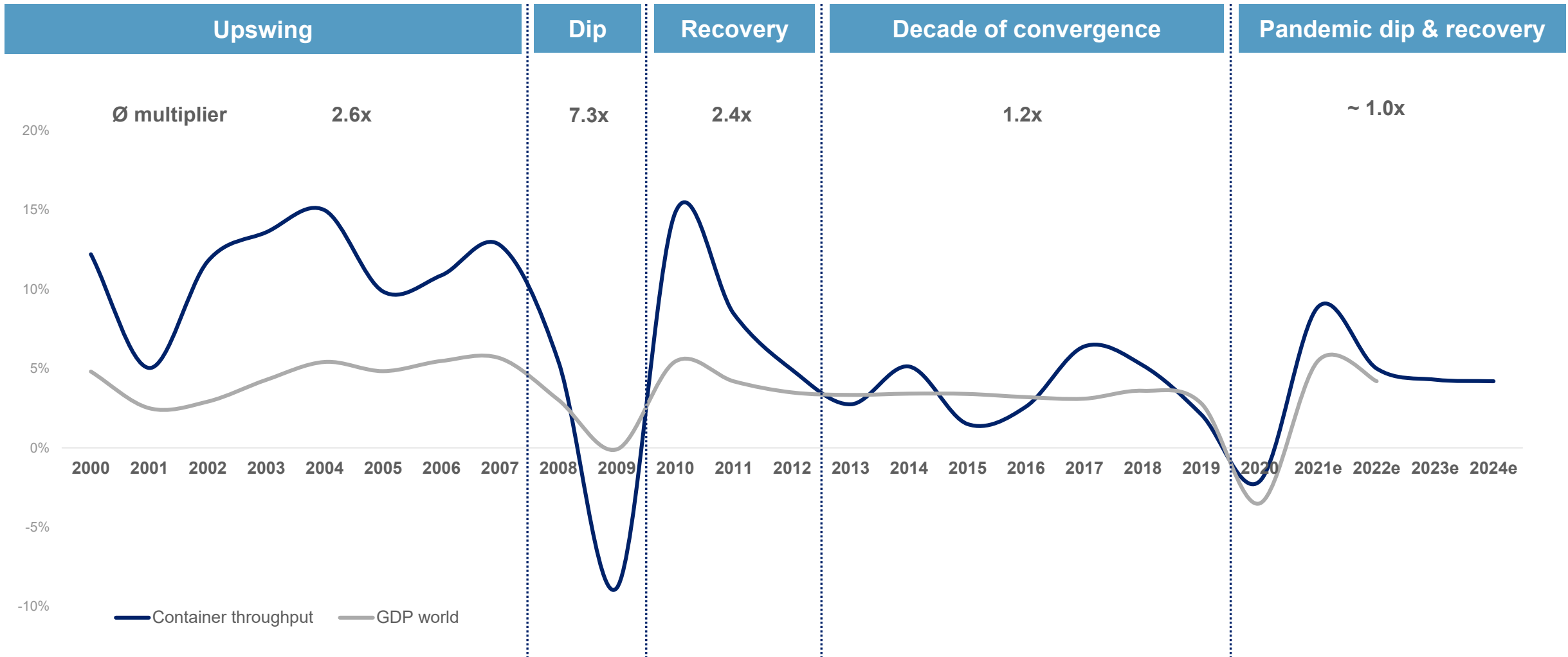
	2016	2017	2018	2019	2020
<b>Container throughput in thousand TEU</b>	6,658	7,196	7,336	7,577	<b>6,776</b>
<b>Revenues</b>	694.6	746.6	758.9	799.7	<b>737,5</b>
<b>EBITDA</b>	201.5	194.7	209.8	240.2	<b>160,4</b>
<b>EBITDA margin in %</b>	29.0	26.1	27.6	30.0	<b>21,7</b>
<b>EBIT</b>	117.8	109.4	131.6	141.3	<b>65,4</b>
<b>EBIT margin in %</b>	17.0	14.7	17.3	17.7	<b>8,9</b>
<b>Segment assets</b>	824.5	810.8	888.9	1,295.6	<b>1,282.6</b>



Container

# Growth of global container throughput and GDP

## Slowdown of growth multiplier on GDP since 2012

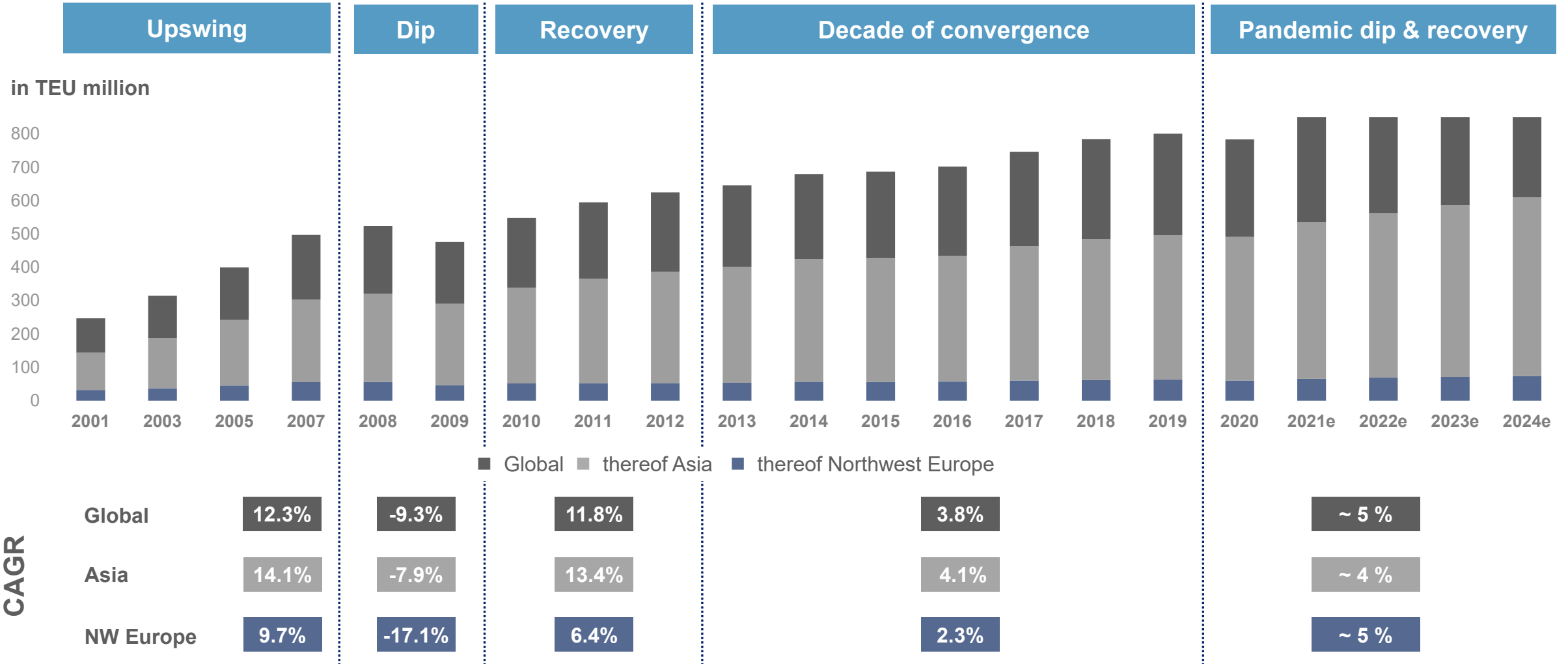


Source: Drewry Maritime Research, Container Forecaster, December 2020 / IMF World Economic Outlook, January 2021



# Ports are an investment opportunity in GDP growth

After a decade of convergence continued growth in line with GDP development expected



Source: Drewry Maritime Research, Container Forecaster, December 2021 / HHLA

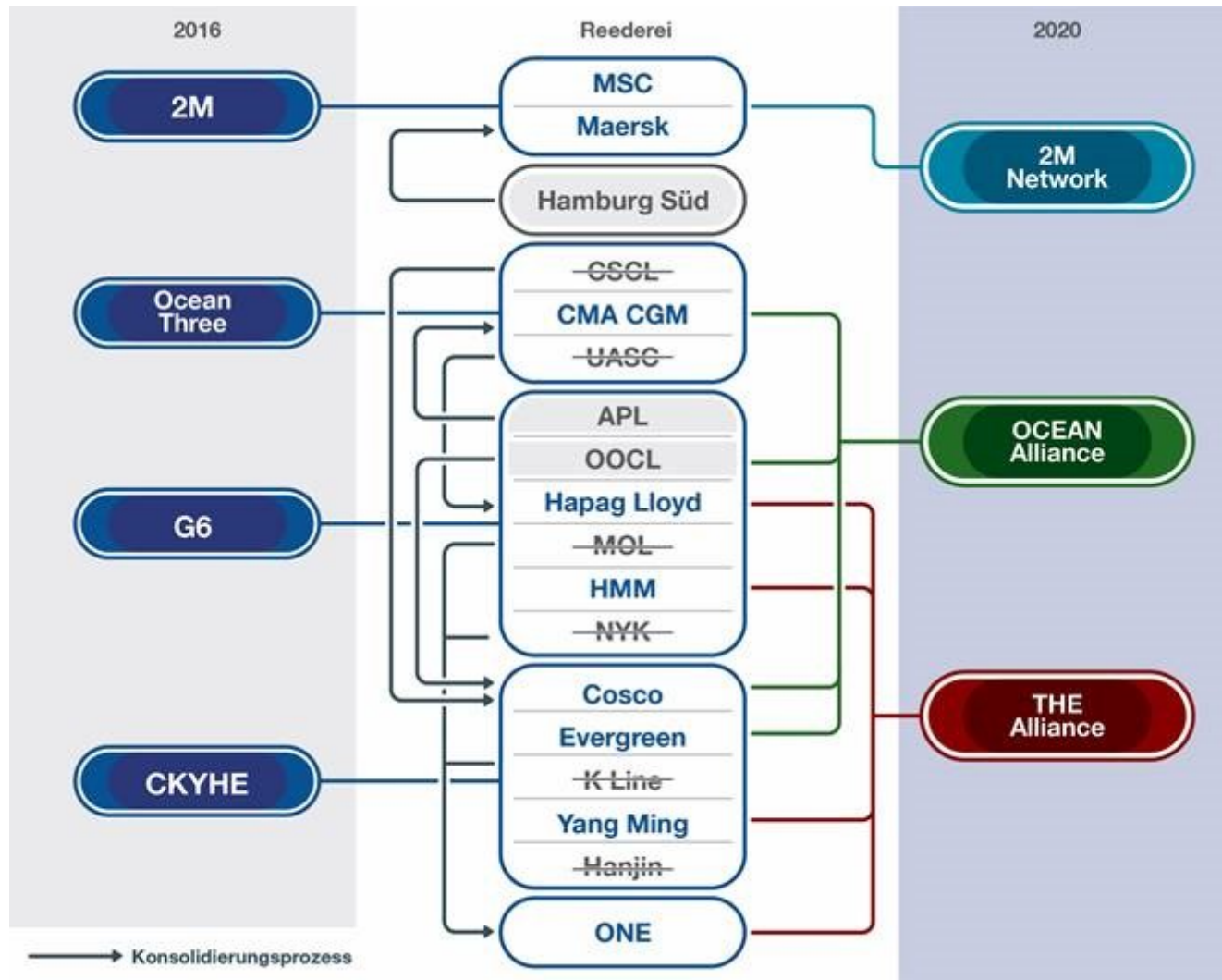




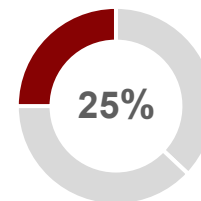
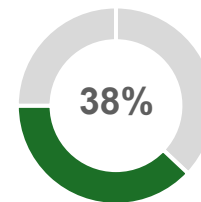
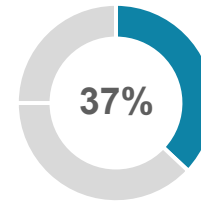
Container

# Development of alliances in the Asia – Far East services

Concentration in the shipping industry substantially increased



Share  
FE – Europe



Source: HHLA /  
AXS Alphaliner Monthly  
Monitor, March 2021

## Main developments since 2016

- Acquisition of CSCL by COSCO
- Acquisition of APL by CMA CGM
- Insolvency of Hanjin
- Acquisition of Hamburg Süd by Maersk
- Integration of UASC in Hapag-Lloyd
- Acquisition of OOCL by COSCO
- Merger of Japanese carriers

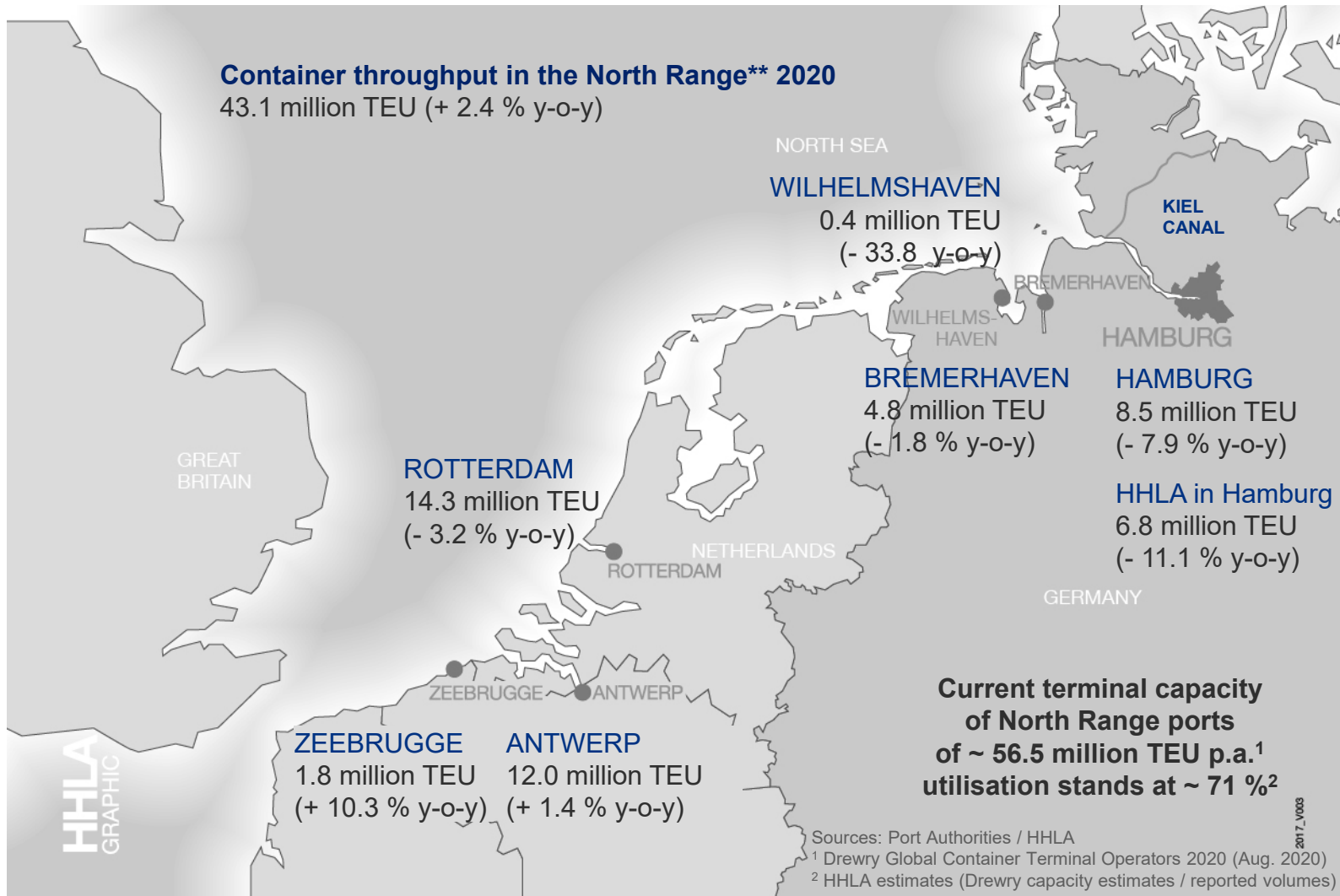
## Implications

- Re-shaping of alliances and cooperation to improve load factor and slot costs
- Consolidation process in the shipping industry led to a highly concentrated market; only smaller changes expected
- **Perspectives**
- Deployment of largest vessel sizes and focus on calls at gateway ports (hubs)

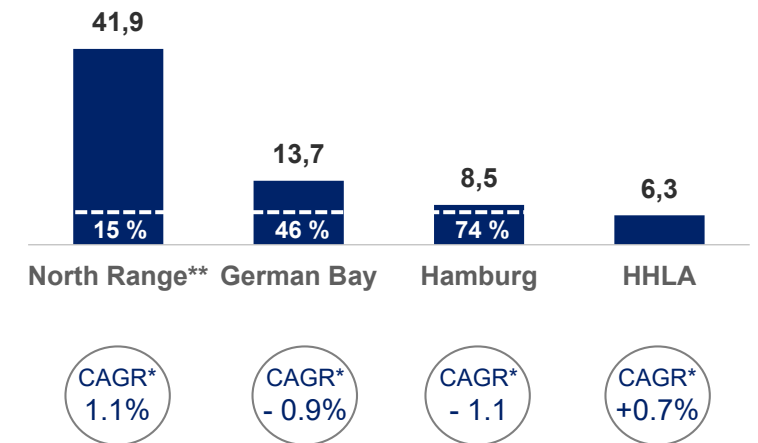


# Competing ports of the North Range

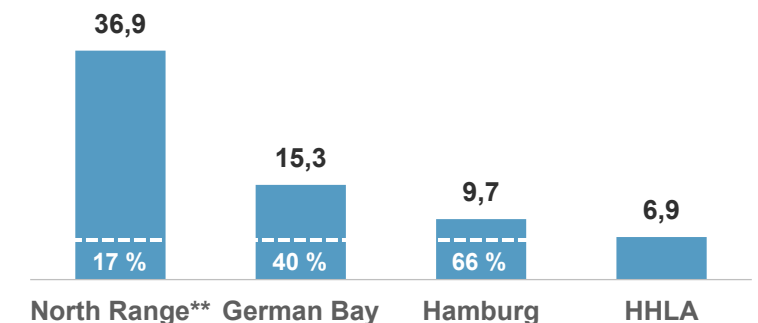
## Container throughput and market share development



**Throughput and market share of HHLA in 2020 in TEU million**



**Throughput and market share of HHLA in 2008 in TEU million**



\* CAGR: 2008-2020, \*\* North Range ports (Antwerp, Rotterdam, Zeebrugge, Hamburg, Bremerhaven / 2018 incl. Amsterdam / 2020 incl. Wilhelmshaven)



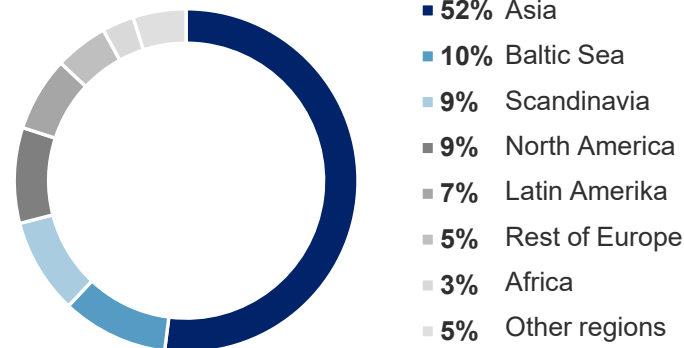
Container

# Favourable geographical location of Hamburg

Still a hub for the major economies of Asia and CEE



Sea-bound container throughput in Hamburg FY20 by region



Source: HHLA

## Port of Hamburg: Hub with network

- Germany's largest logistics hub
- Europe's largest railway port with dense rail network to CEE and dense feeder network to the Baltics
- Cost advantages for shipping lines due to central location deep inland
- Attractive cargo mix
- Well balanced import/export flows

## Challenges

- Underutilized capacities in most North Range ports puts pressure on pricing
- Formation of alliances leads to increased price and performance pressure
- Increasing number of mega carriers demands more efficiency and operational flexibility as well as investments

## Potential

- Elbe dredging already completed; full approval anticipated for H2/2021 > adjustment of the waterway enabling a higher load factor, extended time slots and more flexibility for handling of mega carriers
- Ongoing infrastructure projects, i.e. replacement of Köhlbrandbrücke, are on track
- Recovery of the Russian economy

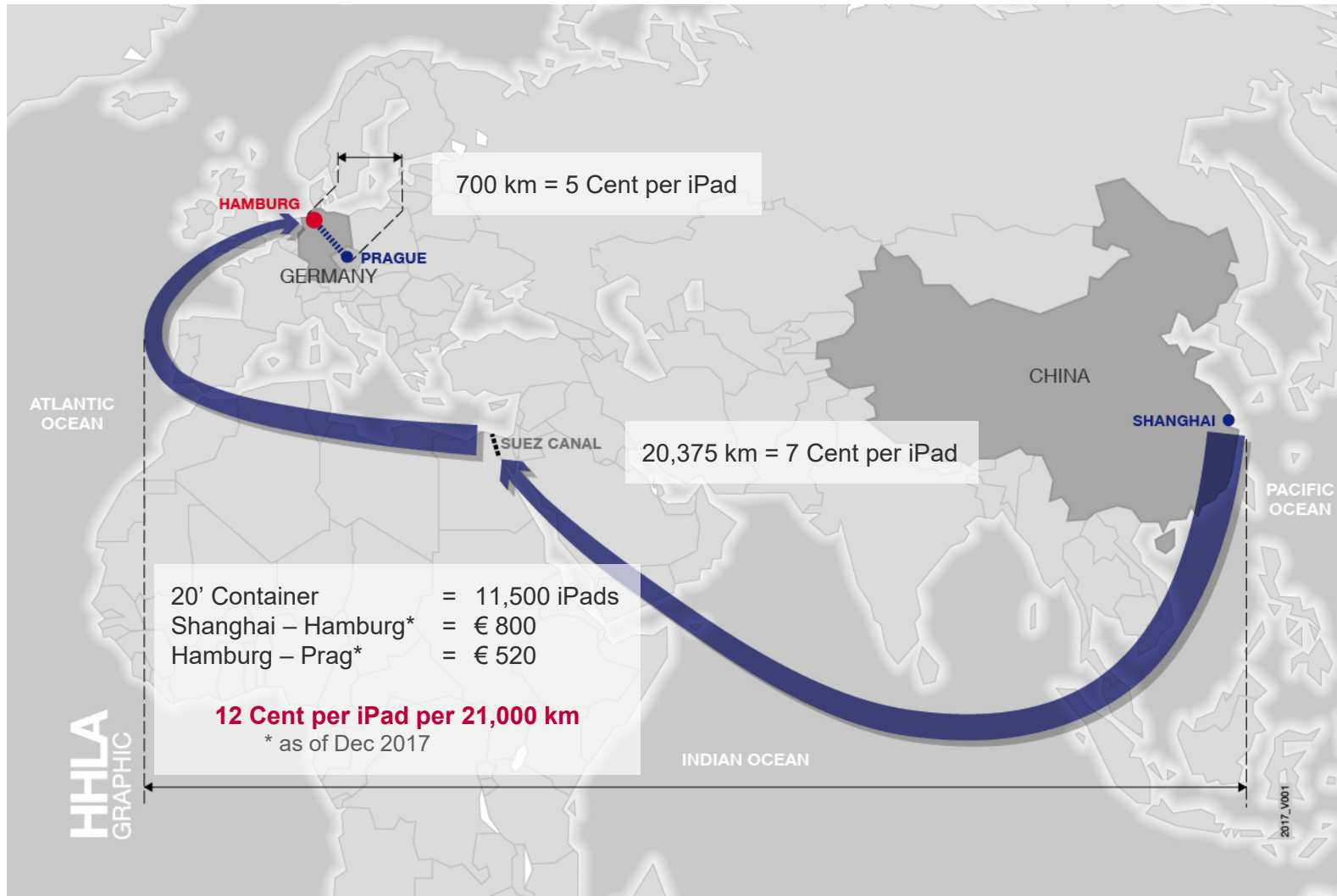




Container

# Far East transport chain

Hamburg's location offers cost benefits compared to other North Range\* ports



## Shanghai <> Hamburg

(one-way: ~ 20,375 km)

- 60 % of costs for about 97 % of total distance
- No differentiation in freight rates between North Range\*\* ports

## Hamburg <> Prague

(one-way: ~ 700 km)

- 40 % of costs for about 3 % of total distance
- Clear differentiation between North Range\* ports

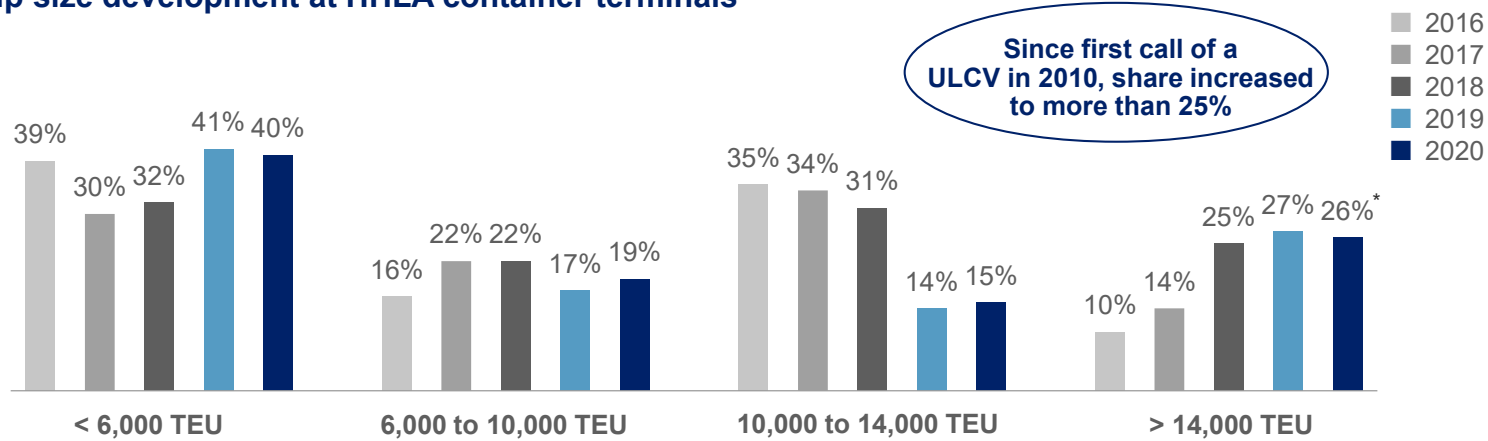
\*\* North Range ports (Antwerp, Rotterdam, Hamburg, Bremen Ports incl. Wilhelmshaven)



# Handling of ultra large container vessels (ULCVs) require extra effort

Ongoing growth in ship sizes

## Ship size development at HHLA container terminals

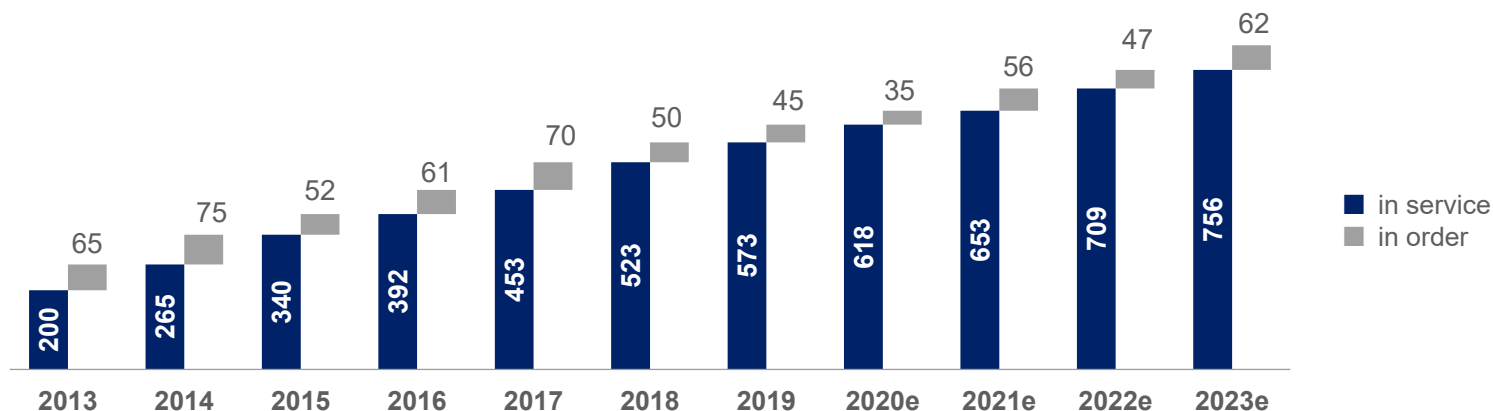


\* 2020 trend impacted by loss of a Far East service

## Implications

- Nautical restrictions tightened by increasing number of mega carriers because of more width and draught
- Peak load conditions due to narrower time windows requires higher degree of automation
- Capex requirements (suitable quay walls, gantry cranes etc.)

## ULCV (>10,000 TEU) fleet worldwide and order book until 2022



## Counteraction

- Enhancing service quality by continuous investment in technology and efficiency
- Proper equipment for ULCV's (quay walls, gantry cranes etc.)
- Optimising vessel calls within the port
- Raising attractiveness of HHLA terminals by expanding hinterland network



# Ship size development

Mega carriers of > 24 thousand TEU have become standard on the Asia-North Europe route

			TEU tdw	LOA m	Breath m	Draft m	Containers rows across
HMM Algeciras 2020			24.000 TEU 233.000	400	61,0	16,5	24
CMA CGM Jacques Saade 2020			23.100 TEU 217.000	400	61,3	16,0	24
OOCL Hong Kong 2017			21.100 TEU 200.000	400	58,8	16,0	23
Maersk McKinney Møller 2013			18.270 TEU 200.000	400	59,0	16,0	23
CMA CGM Marco Polo 2012			16.020 TEU 180.000	395	53,6	16,0	21
Emma Maersk 2006			15.550 TEU 175.000	397	56,4	16,0	22
Gudrun Maersk 2005			9.500 TEU 115.700	367	42,8	15,0	17
Sovereign Maersk 1997			8.160 TEU 105.000	347	42,8	14,5	17
NYK Altair 1994			4.953 TEU 63.000	300	37,1	13,0	15

2021\_V021

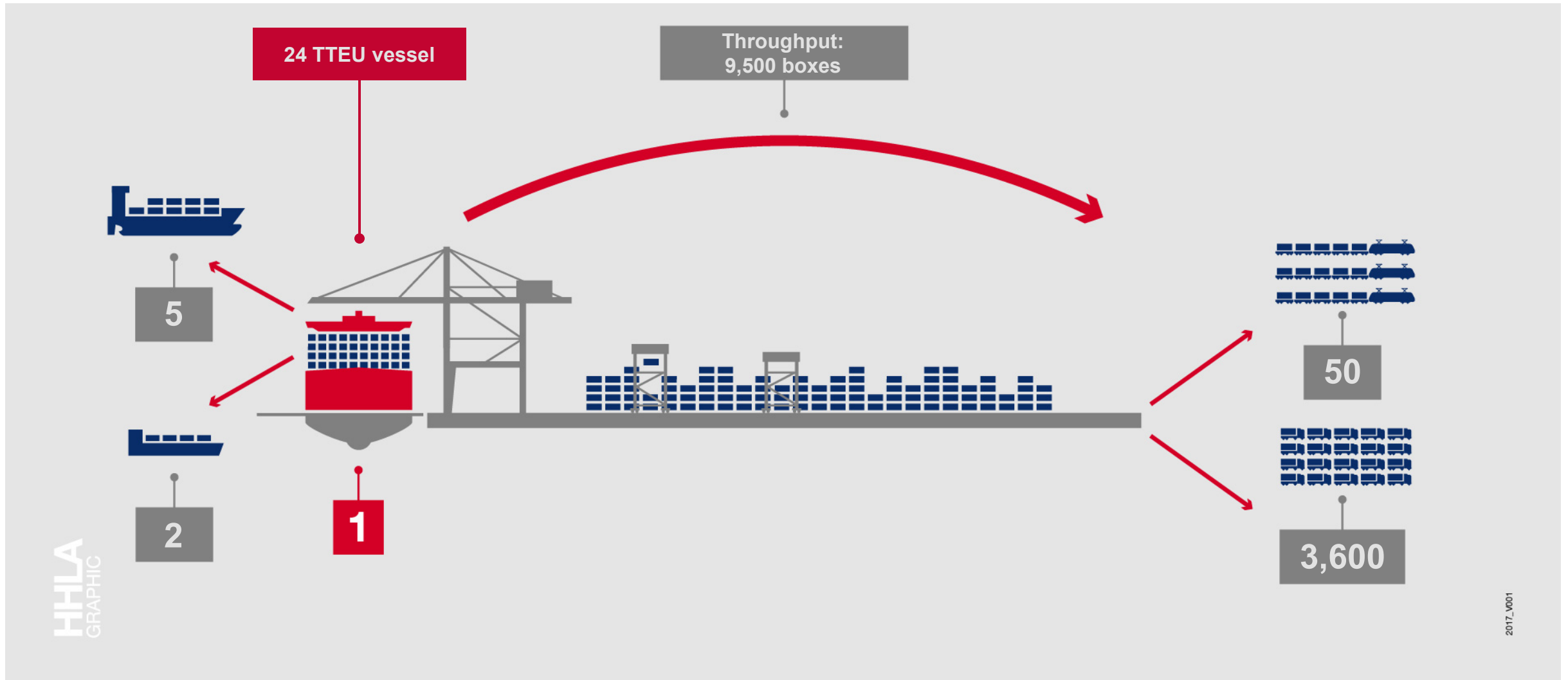




Container

# Mega carriers led to challenging peak load conditions

Example for the impact of a 24 TTEU vessel on all modes of transport and the block storage system



# HHLA is ready for 24,000 TEU vessels

Measures for smooth container throughput on the waterside and in the hinterland



## NTK: Nautische Terminal Koordination

- Coordination of arriving and departing vessels in the river Elbe already starting in the North Sea

## FLZ: Feeder Logistik Zentrale

- Neutral platform and single point of contact for feeder vessel planning and terminal rotation coordination



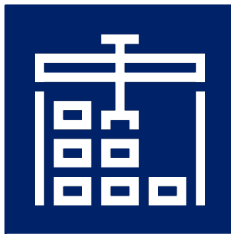
## Rail handling: Project "RaMoNa"

- Introduction of RAngierMOdells NOrdhafen (*Shunting model Northern port*)
- Reduction of shunting, increase of efficiency and reduction of turnaround times in rail traffic



## Truck handling: Project "Fuhre 4.0" incl. slot booking *Tightening of the system in 2021*

- Reduce handling and waiting times for HGVs and distribute them evenly throughout the day.
- Increasing the capacity and efficiency of existing infrastructure (public transport network, transshipment companies, technical equipment)



## Terminal operation

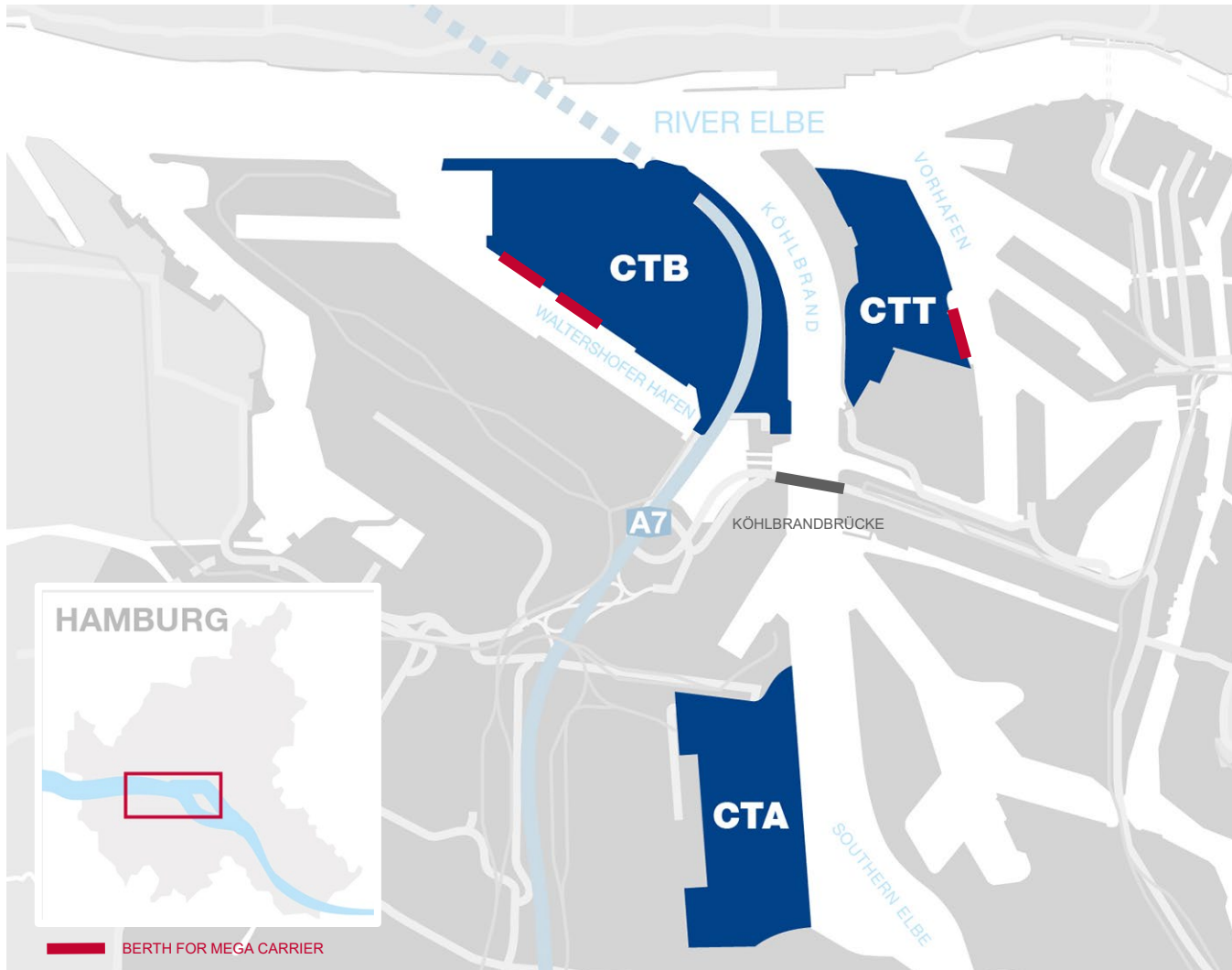
- Implementation of a new terminal operating system from Navis
- Electrically operated storage blocks instead of sole use of VCs at CTB



Container

# Focus on client needs: mega carrier ready

Investments in terminal expansion and process optimisation continued at all terminals in Hamburg



## Organisation

- Centralisation of planning and administration functions
- Set-up container operations with partly flexible allocation of workforce across terminals and integrated steering model
- Bundling of technical services including maintenance & repair

## Automation

- Automation of horizontal transport and extension of storage crane systems at CTB
- Remote control / automation of railroad crane at CTA
- Automation of ship-to-shore cranes at CTA

## Process optimisation and digitalisation

- Standardization and digitalisation in administrative and control functions enabled through N4
- New truck and train operations to enhance handling efficiencies
- AI-supported yard optimisation by forecasting dwell times and final destinations of containers

## Cost optimisation

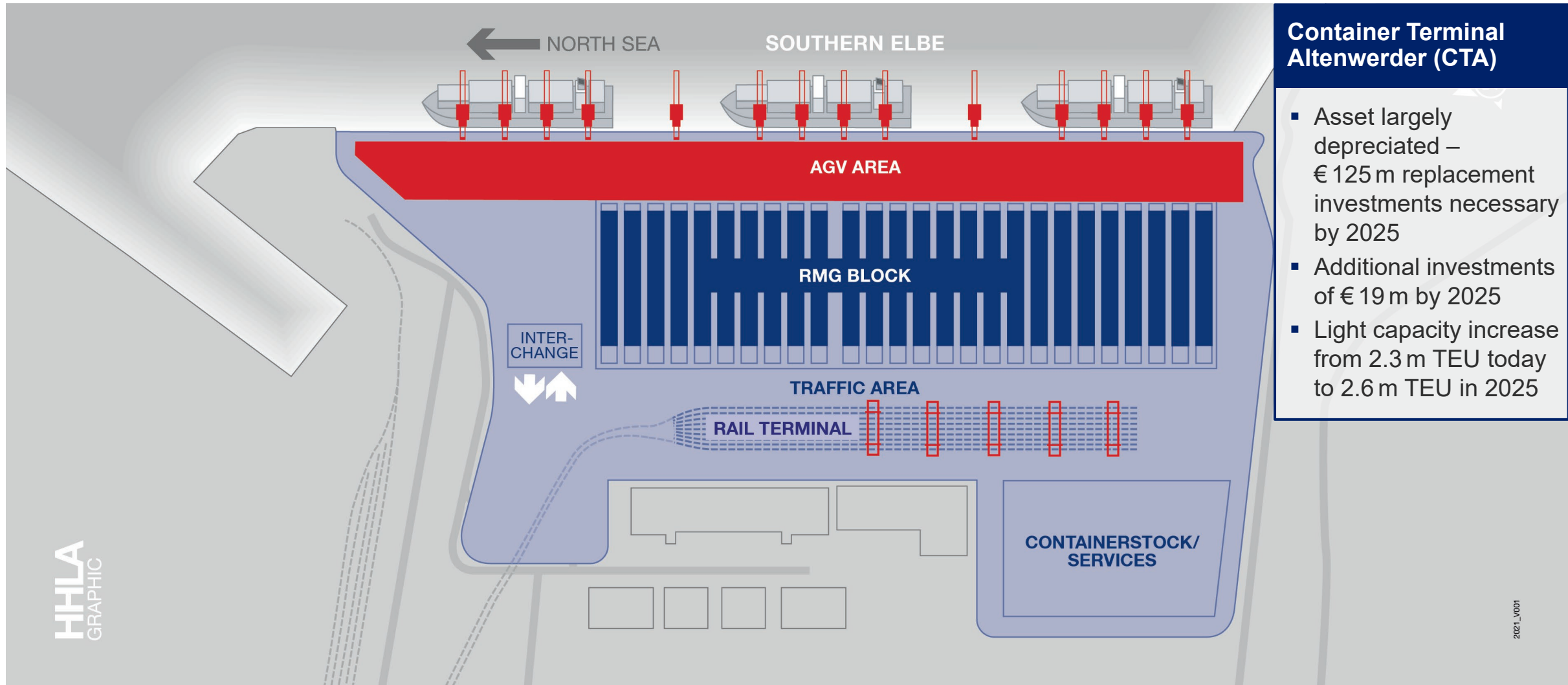
- Peak shaving to reduce energy costs
- Cross-terminal asset management
- Optimisation of internal and external services



Container

# HHLA Container Terminal Altenwerder

## CTA Terminal Layout 2025



HHLA  
GRAPHIC

2021\_V001

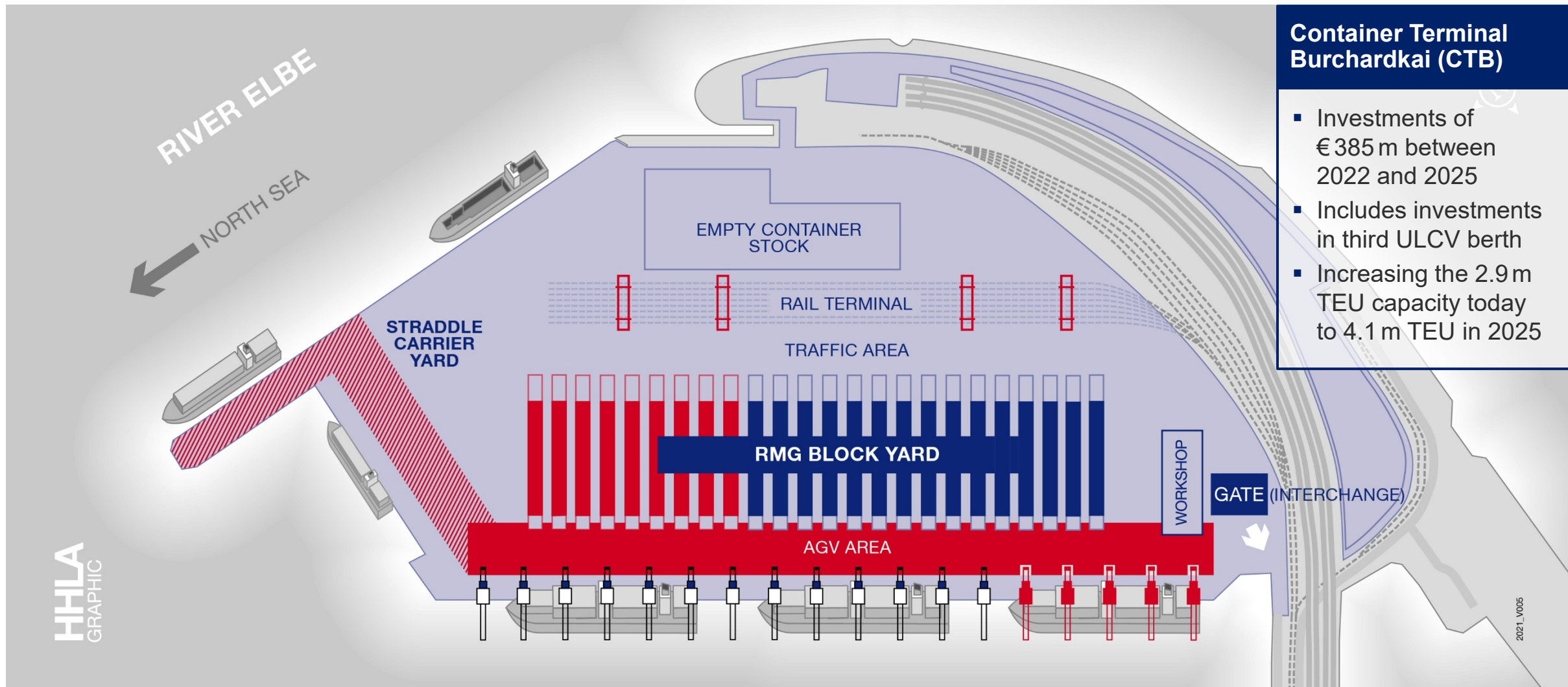




Container

# HHLA Container Terminal Burchardkai

## CTB Terminal Layout 2025

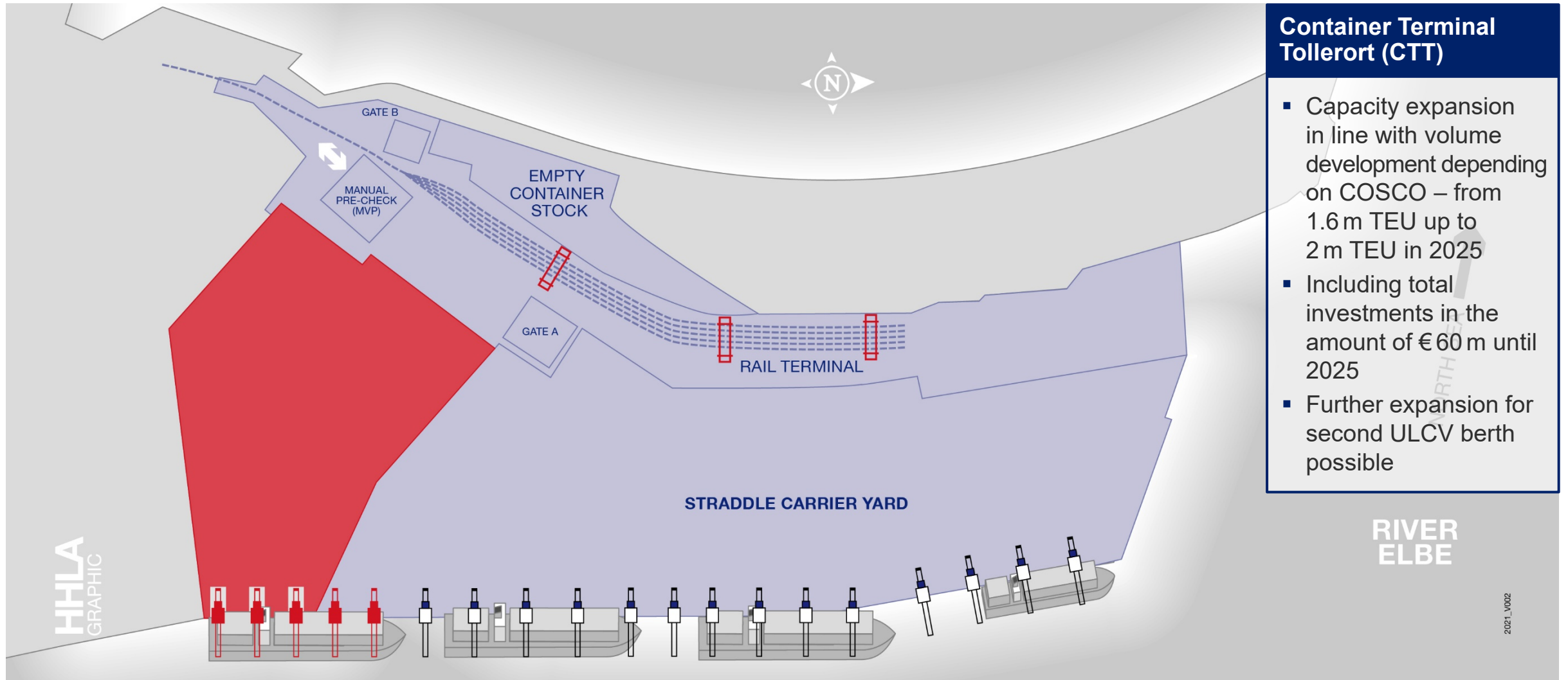




Container

# HHLA Container Terminal Tollerort

## CTT Terminal Layout 2025 ff.



### Container Terminal Tollerort (CTT)

- Capacity expansion in line with volume development depending on COSCO – from 1.6 m TEU up to 2 m TEU in 2025
- Including total investments in the amount of € 60 m until 2025
- Further expansion for second ULCV berth possible

HHLA  
GRAPHIC

2021\_V002





Container

# High automation level with mega-carrier berths in operation

Advanced terminal technology



## HHLA in the Port of Hamburg

- Market share of 74 % in Hamburg and 15 % in the North Range in 2020
- State-of-the-art handling technology, innovative IT systems and a high level of automation
- Three fully equipped berths for the latest generation of ULCV's already in operation at the container terminals Burchardkai (CTB) and Tollerort (CTT)
- Further rollout of additional automated block storage capacities at CTB
- On-dock railway stations at all facilities able to comply with future 740 metre block trains
- Optimised traffic coordination for an improved cargo flow and terminal access

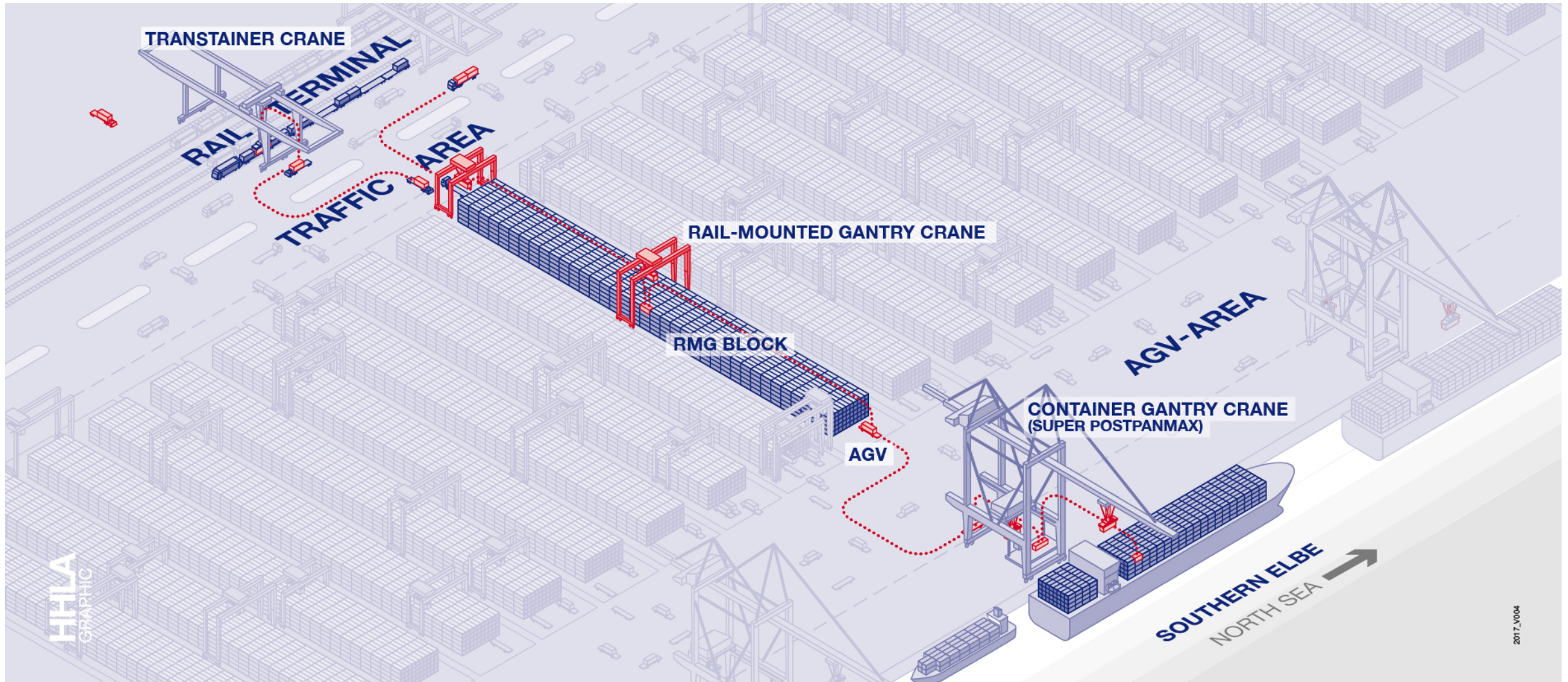




Container

# State-of-the-art container handling at CTA

Maximum efficiency by high degree of automation and compact layout



HHLA  
GRAPHIC

2017\_V004

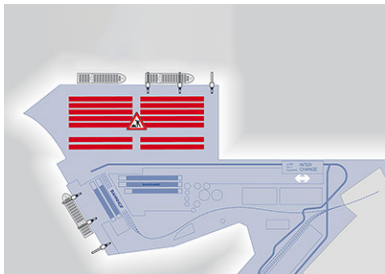




Container

# International container terminals

Port Logistics subgroup with international presence



## Container terminal Odessa (CTO) operated by UIC, Odessa / Ukraine

- Largest and most modern container terminal in Ukraine
- Multipurpose terminal for containers and also bulk, general and project cargo

Since	Current capacity	Potential capacity
<b>2001</b>	<b>850k TEU</b>	<b>1.2m TEU</b>
Stake	Area	Length of quay wall
<b>100 %</b>	<b>~ 35 ha</b>	<b>970 m</b>



## Terminal Muuga operated by HHLA TK Estonia, Muuga (close to Tallinn) / Estonia

- Market leader in Estonia
- Multipurpose terminal for break bulk, bulk and RoRo handling
- Geographic position links the Northern European market with the New Silk Road
- Location is developing into a multimodal hub as a result of regional infrastructural projects (such as the Rail Baltica project)

Since	Current capacity	Potential capacity
<b>2018</b>	<b>300k TEU</b>	<b>800k TEU</b>
Stake	Area	Length of quay wall
<b>100 %</b>	<b>~ 35 ha</b>	<b>950 m</b>



## Piattaforma Logistica Trieste (PLT), Trieste / Italy

- Multipurpose terminal: Northern part is already handling general cargo transports, southern part is newly developed to handle container and RoRo cargo
- Operations and ramp-up have already started in the first quarter of 2021
- Favourable geographic location as the most northern port in the Mediterranean to serve CEE as southern gateway

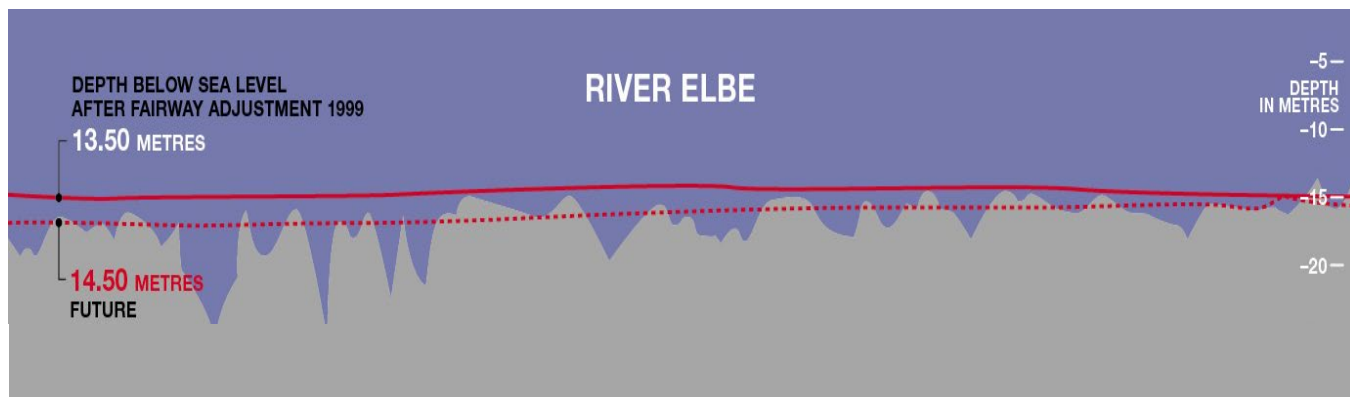
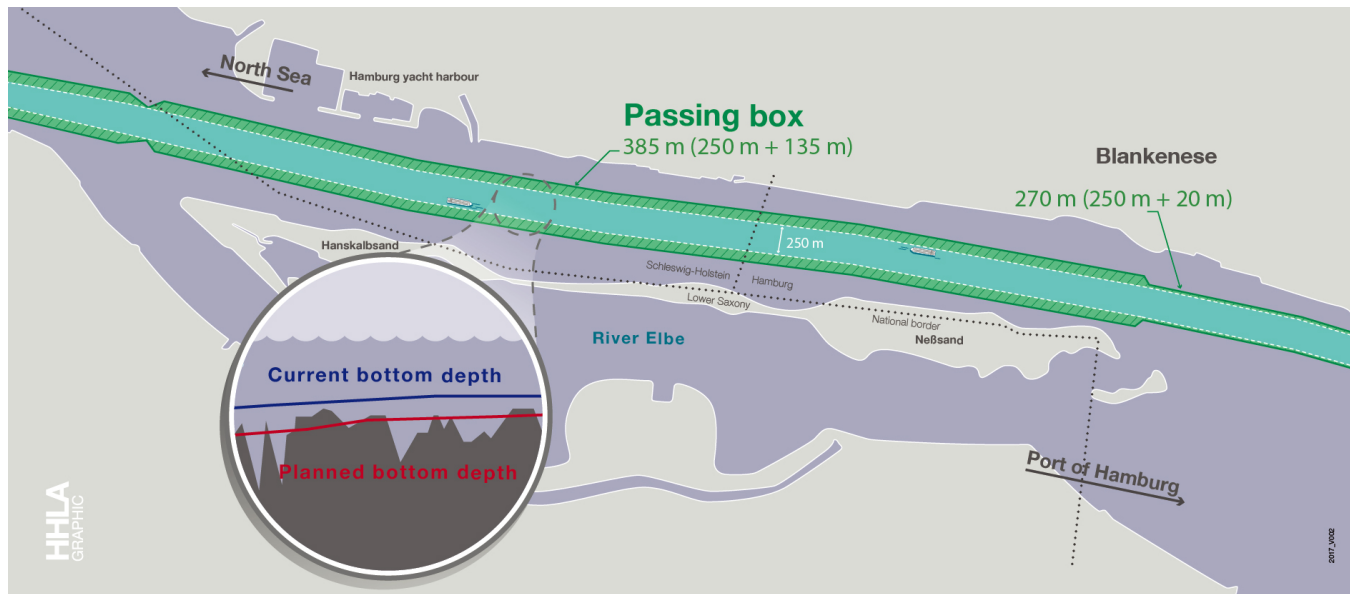
Since	Current capacity	Potential capacity
<b>2021</b>	<b>Ramp up</b>	<b>300k TEU</b>
Stake	Area	
<b>50.01 %</b>	<b>~ 28 ha</b>	



Container

# Nautical restrictions of Elbe waterway solved

Arrivals and departures of large container ships are much more stable as a result



- ✔ **Passing boxes**  
 for extended time slots and more flexibility to handle entrance and departure of mega-carriers
- ✔ **Cutting the peaks in the river bed**  
 enables a higher load factor for mega-carriers
- ✔ **Frist stage approval**  
 since May container ships can utilise about 50 % of the draught improvements; depending on ship size draughts increase by 0.3 m to 0.9 m
- ✔ **Final approval at the end of 2021**



Enabling a higher load factor, extended time slots and more flexibility for mega carriers



Intermodal

# Key figures

## Intermodal segment

in € million

	2016	2017	2018	2019	2020
<b>Container transport in thousand TEU</b>	1,408	1,480	1,480	<b>1,565</b>	<b>1,536</b>
<b>Revenues</b>	390.1	414.0	433.8	<b>486.9</b>	<b>476.8</b>
<b>EBITDA</b>	79.6	95.0	112.7	<b>139.0</b>	<b>131.8</b>
<b>EBITDA margin in %</b>	20.4	22.9	26.0	<b>28.6</b>	<b>27.7</b>
<b>EBIT</b>	55.9	69.9	89.1	<b>99.2</b>	<b>88.3</b>
<b>EBIT margin in %</b>	14.3	16.9	20.5	<b>20.4</b>	<b>18.5</b>
<b>Segment assets</b>	405.0	408.1	436.1	<b>585.1</b>	<b>614.5</b>



Intermodal

# EBIT multiplied several times since realignment

Strategic decision to invest in own assets is a prerequisite to boost utilisation and efficiency

## CAGR

2007\* – 2020

# 6.8%

## CAGR

2012 – 2020

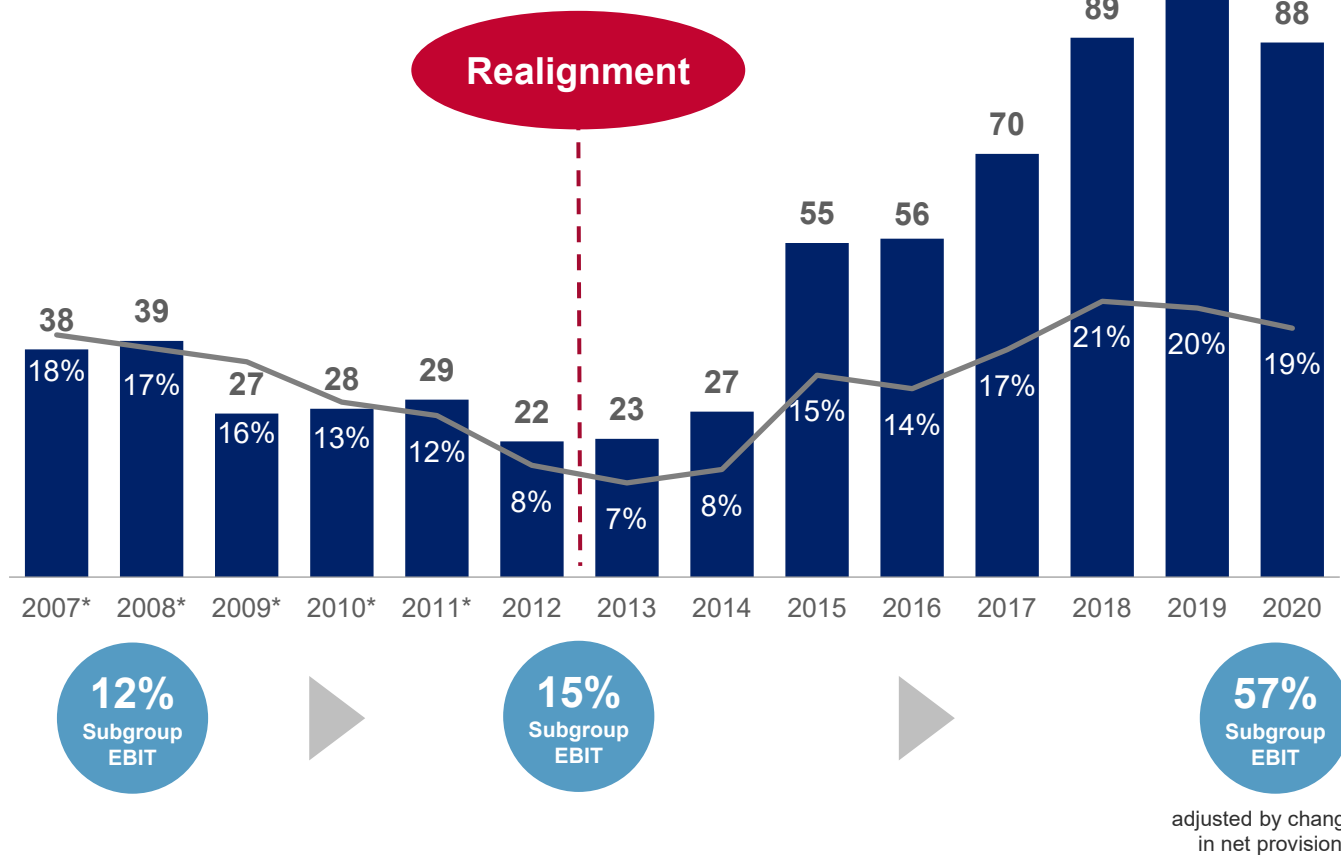
# 18.7%

## CAGR

2017 – 2020

# 8.1%

EBIT & EBIT margin  
in million €



- Since realignment the operating result (EBIT) multiplied compared to prior years and significantly outperformed volume and revenue growth
- Strategic decision to invest in own assets is a prerequisite to boost utilization and efficiency

Outlook 2021

## Moderate increase of transport volume

(2020: 1.5 million TEU)

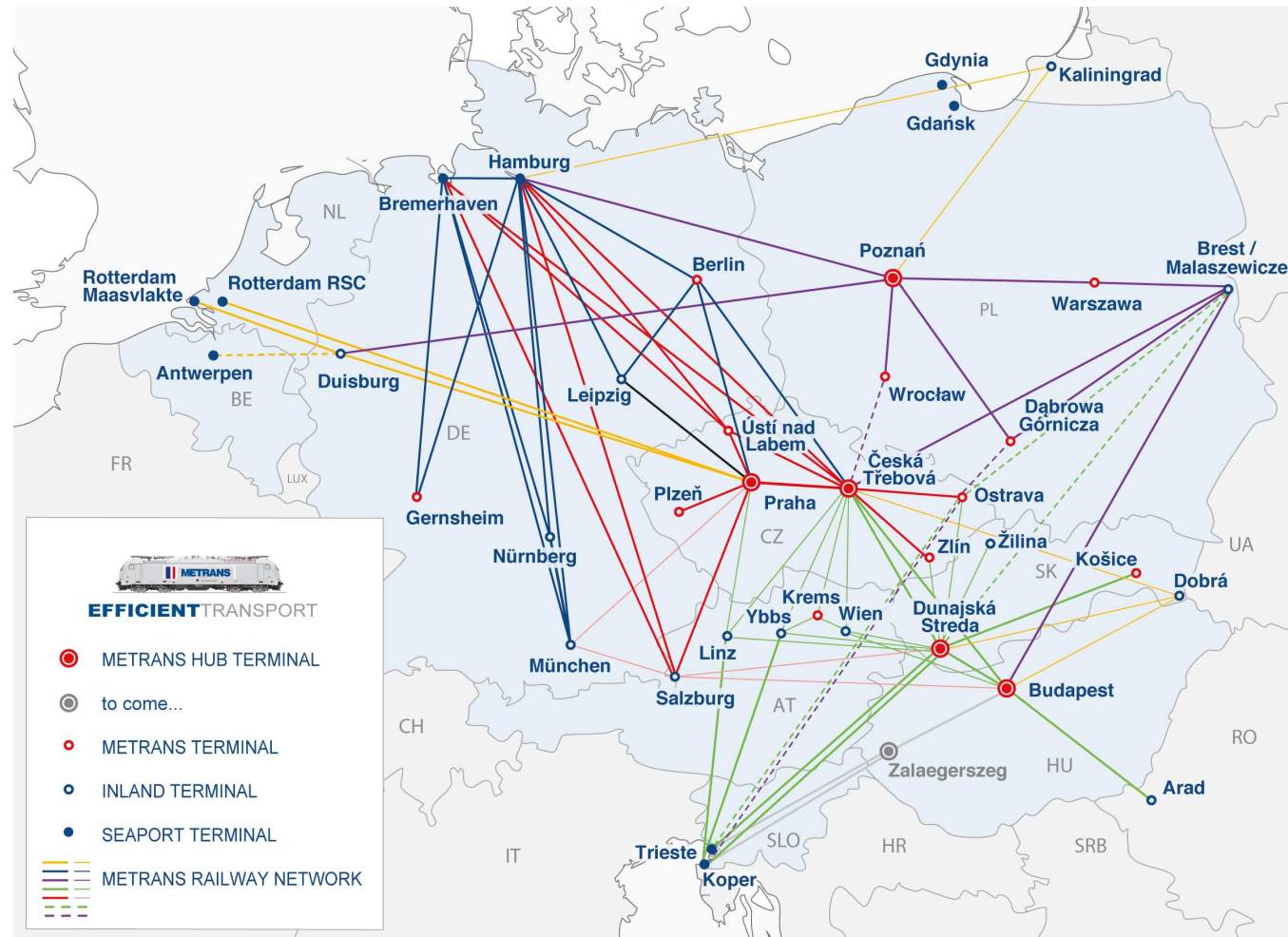
\* 2007-2011 pro forma: applying the ownership structure end of 2018



# We have established more than 550 regular train connections per week

General overview of the METRANS network

From / to		trains per week
Hamburg	↔ Praha	54
Hamburg	↔ Ceska Trebova	32
Hamburg	↔ Dunajska Streda	14
Bremerhaven	↔ Praha	13
Bremerhaven	↔ Ceska Trebova	12
Bremerhaven	↔ Dunajska Streda	6
Rotterdam	↔ Praha	10
Duisburg	↔ Praha	6
Koper	↔ Dunajska Streda	35
Koper	↔ Budapest	28
Praha	↔ Ceska Trebova	28
Praha	↔ Salzburg	10
Praha	↔ Leipzig	1
Ceska Trebova	↔ Dunajska Streda	28
Ceska Trebova	↔ Kosice	4
Ceska Trebova	↔ Zlin	14
Ceska Trebova	↔ Ostrava	12
Ceska Trebova	↔ Kreams	4
Ceska Trebova	↔ Linz	6
Dunajska Streda	↔ Kosice	12
Dunajska Streda	↔ Budapest	13
Dunajska Streda	↔ Kreams	2
Hamburg	↔ Nürnberg	16
Hamburg	↔ München	16
Hamburg	↔ Leipzig	14
Bremerhaven	↔ Nürnberg	8
Bremerhaven	↔ München	8
Nürnberg	↔ München	8
Hamburg	↔ Berlin	10
Hamburg	↔ Gernsheim	6
Hamburg	↔ Gadki	18



Terminals

17

Train connections per week

> 550

Locomotives

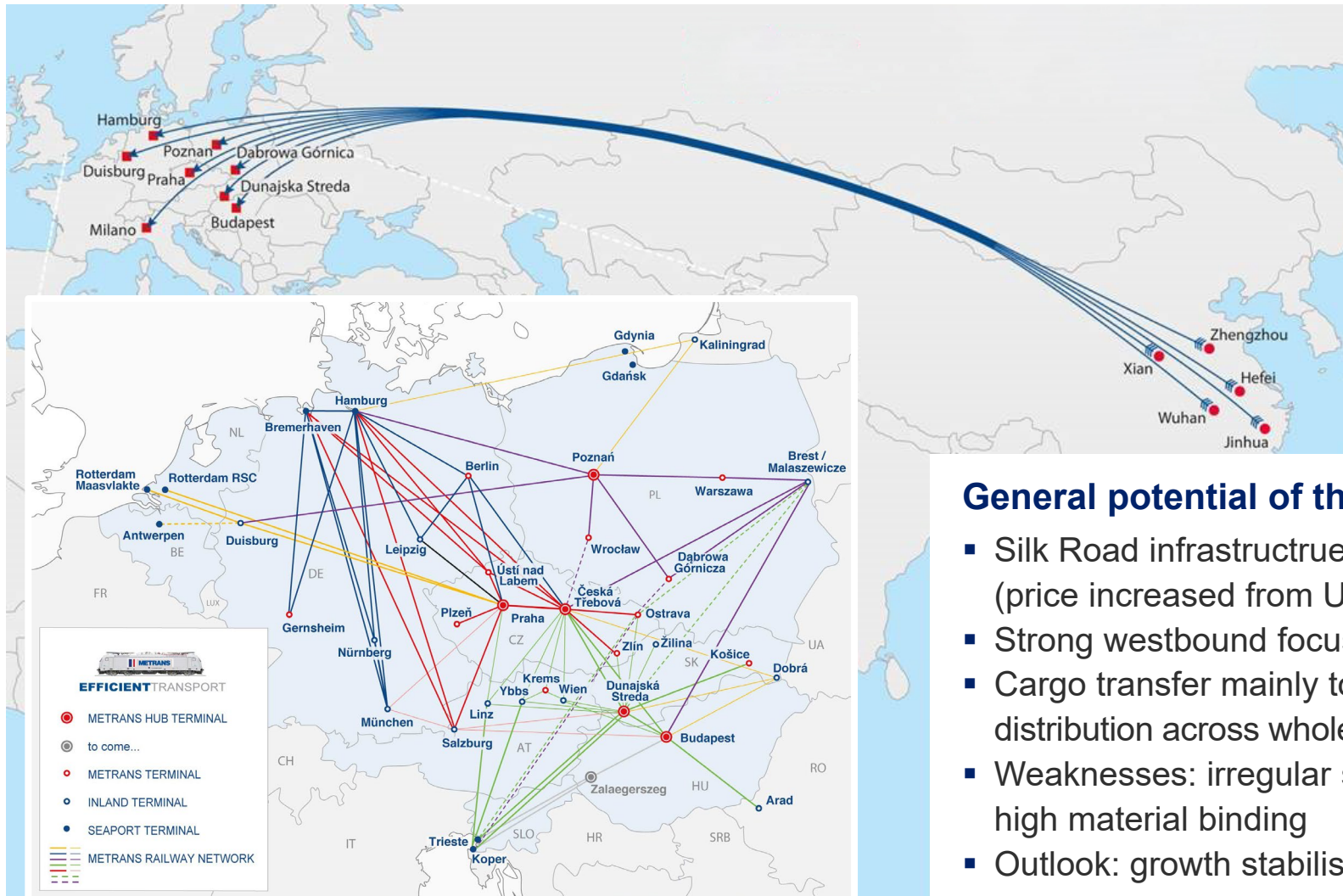
128

Wagons

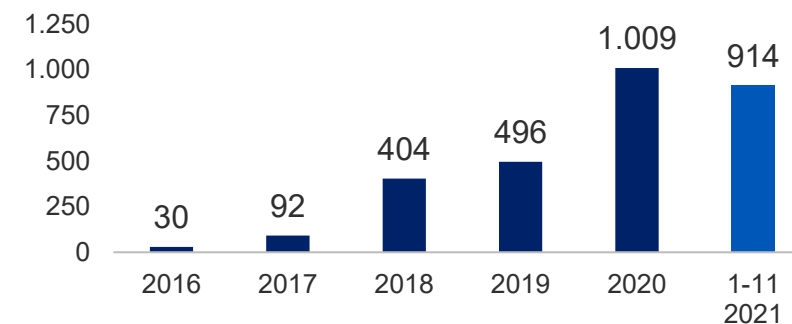
> 3,200

# We are well connected to the new continental Silk Road

General overview of the METRANS network



Number of operated trains by METRANS that originated in or went to China



## General potential of the new Silk Road

- Silk Road infrastructure project is economically viable (price increased from USD 5,000 to USD 15,000)
- Strong westbound focus (imbalance of 70:30)
- Cargo transfer mainly to Germany (Hamburg and Duisburg); distribution across whole Europe (key role of Poland as transit country)
- Weaknesses: irregular service, delays (transport, customs); high material binding
- Outlook: growth stabilisation



Intermodal

# Focussed capex for higher value added

Approx. € 547 million investment in own assets since 2012

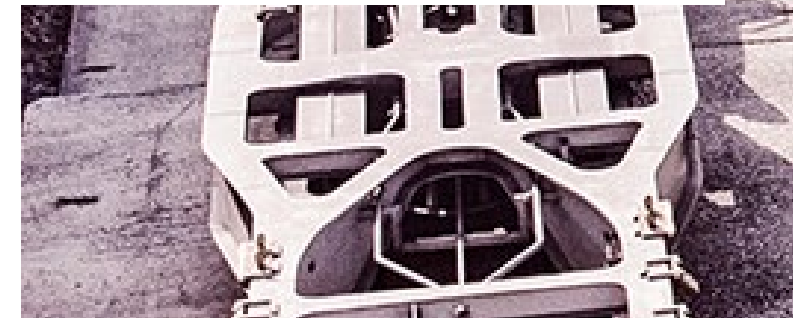
**17** Hub and inland terminals in the hinterland



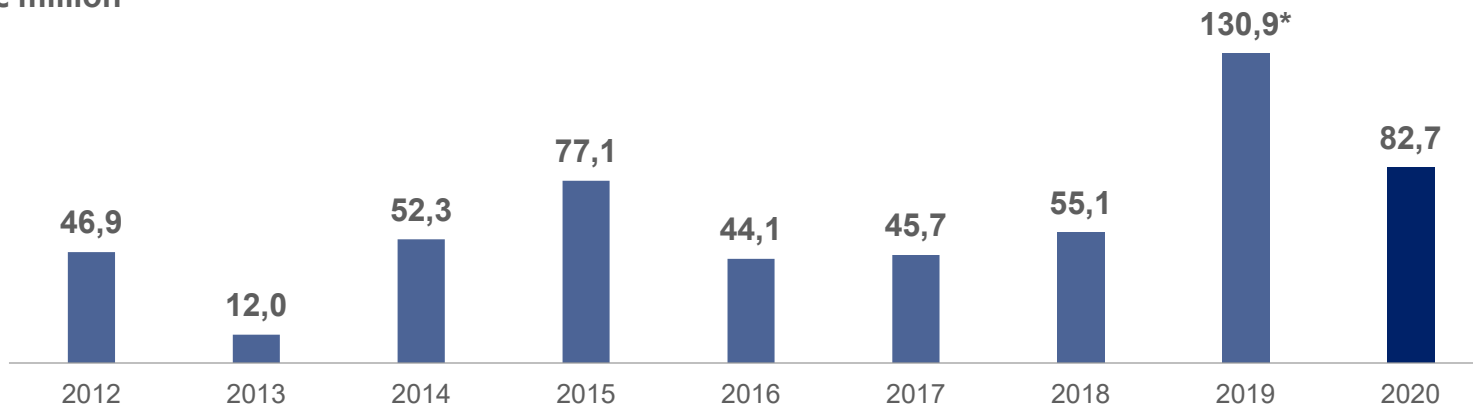
**>120** Multi-system locomotives and shunting engines



**>3,200** Own designed light-weighted wagons



**Investments**  
in € million



2019: limited comparability due to first-time application of IFRS 16

**Focus of investments**  
in 2021 on the renewal and  
expansion of own transport and  
handling capacities





Intermodal

# The HHLA on-dock rail terminals

**HHLA**
**CTA**

- 9 sidings suitable for trains >700 m
- 4 RMGs (half-automated)
- Upgrading completed

Biggest container  
rail terminal  
in Europe


**HHLA**
**CTB**

- 10 sidings over 700 m long
- 4 RMGs
- Upgrading underway


**HHLA**
**CTT**

- 5 sidings over 700 m long
- 3 RMGs
- Upgrading according to needs



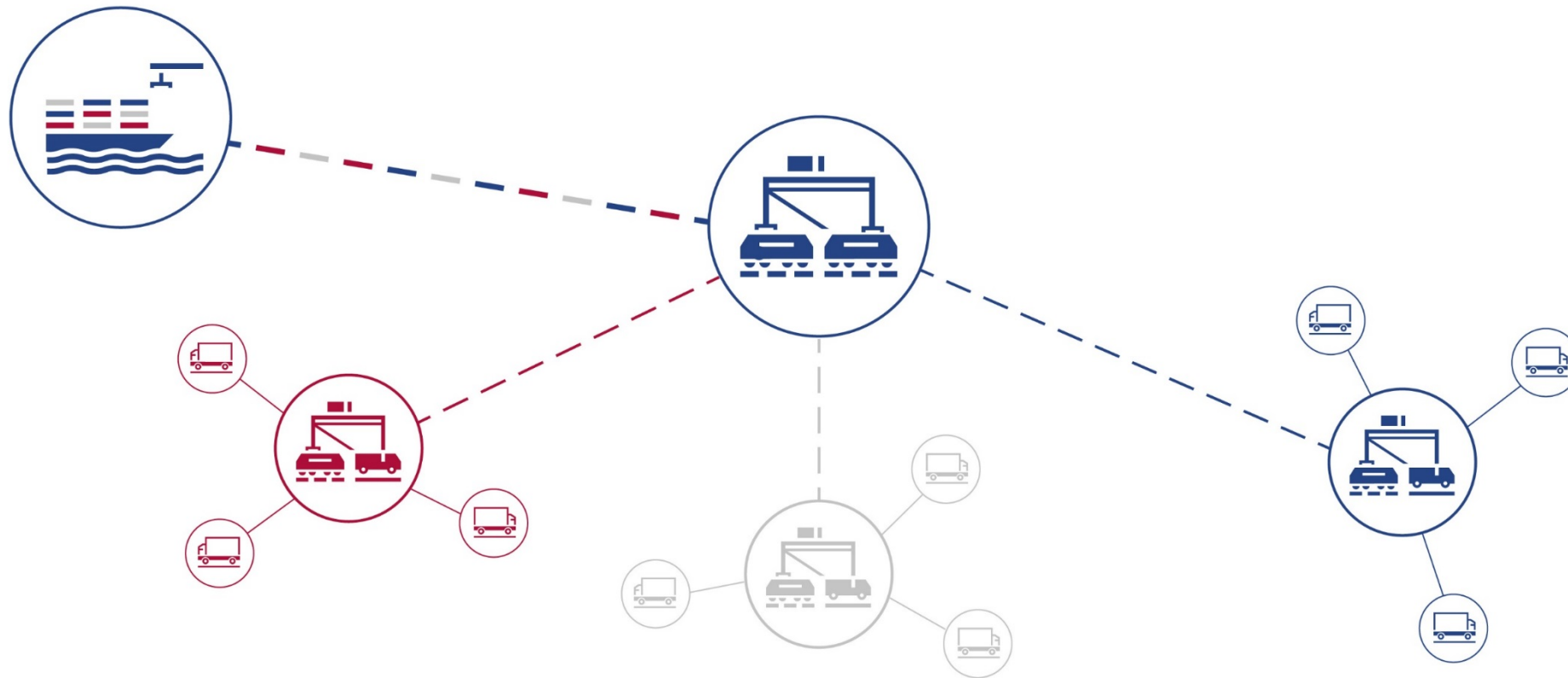




Intermodal

# The hub and shuttle system

Every port is linked with a network of hubs and inland terminals



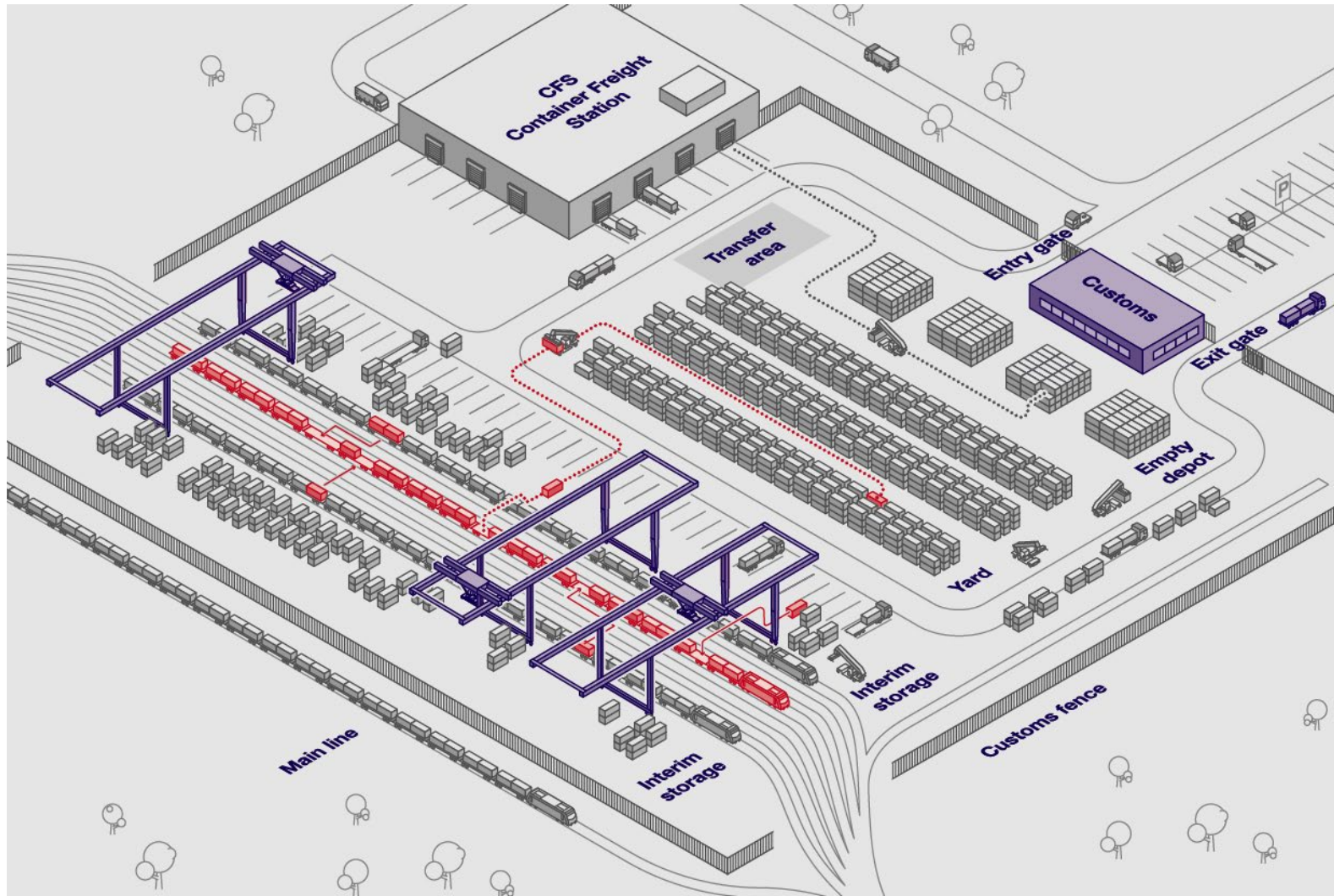
**System success derives from a transport design that involves hinterland hubs and shuttle trains plus comprehensive monitoring of the transport and logistics chain between the seaport and the hinterland customer**



Intermodal

# Value drivers: Differentiating know-how and service excellence

Know-how and intelligent terminal layout to the customer's profit



- Innovative design of transport system and terminal layout that is customized on the special needs of container transportation
- Highly efficient terminal layout (e.g. 12 trains can be handled at the same time at the Prague terminal)
- CEE terminals operate 24/7/365
- High level of value added service like repair services for containers and on-site customs services
- Offices in the ports of Hamburg, Bremerhaven, Koper and Istanbul
- Experienced management with entrepreneurial passion and incentive structures
- Engaged and locally well connected sales force



Intermodal

## Value drivers: Equipment

### Own wagon design for customized container transportation

- Approx. 3,200 own container wagons
- Own design and development of light-weighted wagons with modern “whispering” braking system
- Optimal distribution
  - 92 containers fit on the standard maximum length of 610 m in CEE
  - 108 containers fit on the standard maximum length of 720 m in WE
- Overall weight of the container flat wagon is around 4,000 kilograms resp. approx. 30 % lighter than the conventional equipment in Europe

### Own locomotives enhance the production quality and improve cost efficiency

- Metrans owns 40 TRAXX F140 MS locomotives from Bombardier
- Metrans operates 128 locomotives
- Multi-system locomotives can be deployed in up to seven different electricity grids used all over Europe since it can be operated using both alternating and direct current
- No locomotive changes at each border saves time and costs and ensures a high degree of reliability

### Own shunting locomotives with state-of-the-art technology

- Next innovation driver: shunting locomotives with hybrid technology
- Depending on the assignment, shunting locomotives can run on battery power for between 50-70 % of the time it is in operation
- Reduction of fuel consumption by up to 50 %
- 50 % less CO<sub>2</sub> than conventional shunting locomotives



Intermodal

# Strong position in Central and Eastern Europe

## Markets and competitors

### Germany

- Very competitive market
- High share of trucks
- METRANS serves specific regions (Munich, Nuremberg, Leipzig, Berlin)

### Austria

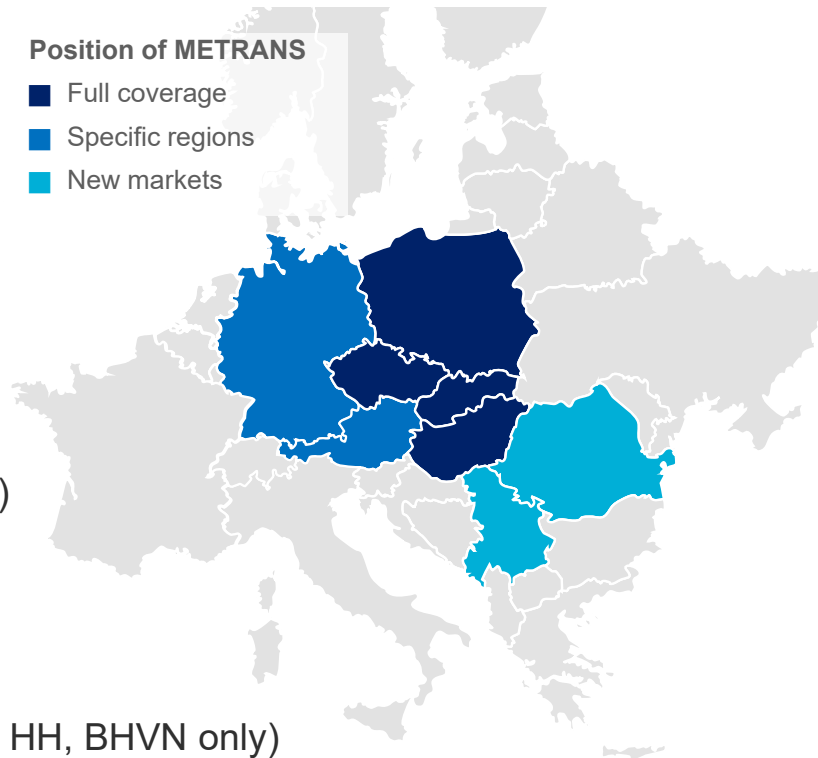
- Very competitive market
- METRANS serves specific regions (Salzburg, Upper Austria, Lower Austria)

### Poland

- Very competitive market
- High share of trucks
- METRANS covers whole country (focus HH, BHVN only)

Position of METRANS

- Full coverage
- Specific regions
- New markets



### Czech Republic

- Strong position of METRANS, serving whole country

### Slovakia

- Strong position of METRANS, serving whole country

### Hungary

- Strong position of METRANS, serving whole country

### New markets

- Romania, Serbia

Competition

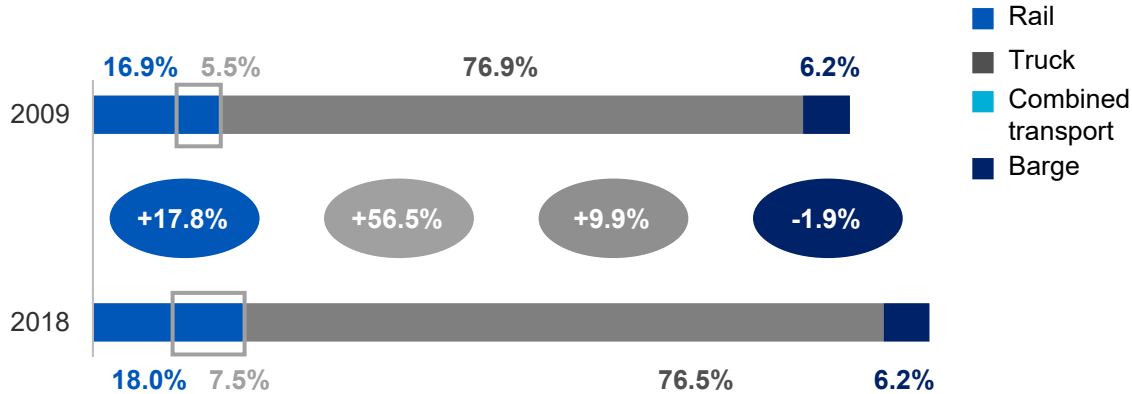






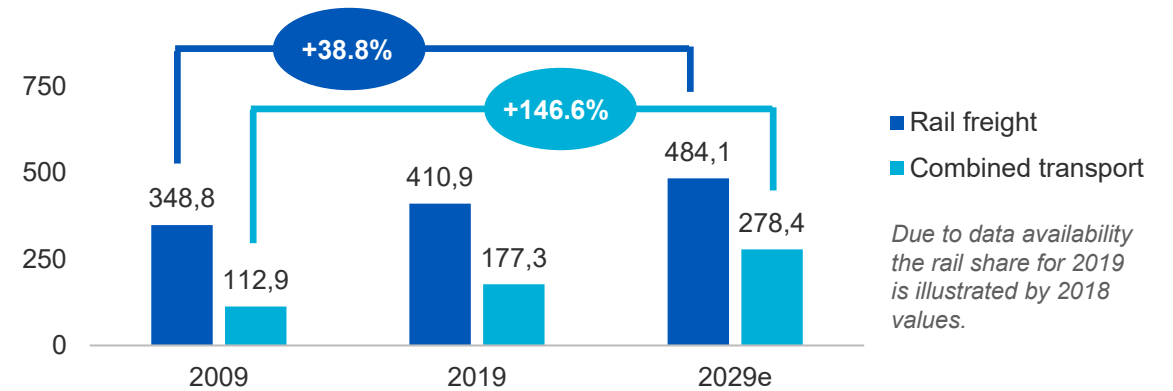
# Combined transport is key driver to achieve significant increase in modal split

## Share of intermodal and total rail freight in the overall modal split in million tkm



Source: UIRR / UIC presentation

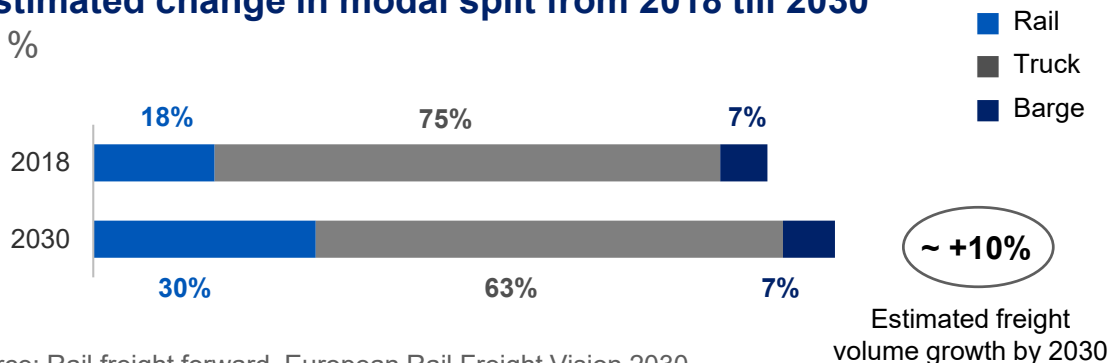
## Previous and expected combined transport and total rail freight volume growth in billion tkm



*Due to data availability the rail share for 2019 is illustrated by 2018 values.*

Source: UIRR / UIC presentation

## Estimated change in modal split from 2018 till 2030 in %



Source: Rail freight forward, European Rail Freight Vision 2030

## Economic importance of European combined transport

- Market volume of more than € 6 billion
- Important contribution to EU climate change target
- Reduced CO<sub>2</sub> emissions: 5 million tonnes p.a.
- Freight growth driver: + 50 % more tonnes within 10 years
- High investments in new technologies and digitalisation

Source: UIRR / UIC presentation



# With HHLA Pure, we offer our clients CO<sub>2</sub>-neutral handling and transport

Certified CO<sub>2</sub>-neutrality for transportation from the port in Hamburg all the way to Europe's hinterland

## Climate-neutral logistics chain



### → Product design

- Handling at the container terminals in Hamburg, esp. at Container Terminal Altenwerder, with widely electrified processes
- Transport and collection via METRANS with CO<sub>2</sub>-optimised trains and wagons
- Any currently unavoidable CO<sub>2</sub> emissions are offset through certified development projects with the highest international standard (Gold)
- Confirmation of climate-neutral transports for customers

### → Process

- Certification of HHLA Pure by TÜV Nord
- Receiving customer-specific transport (volume / route)
- Offsetting and monitoring by TÜV Nord

### → Course of action

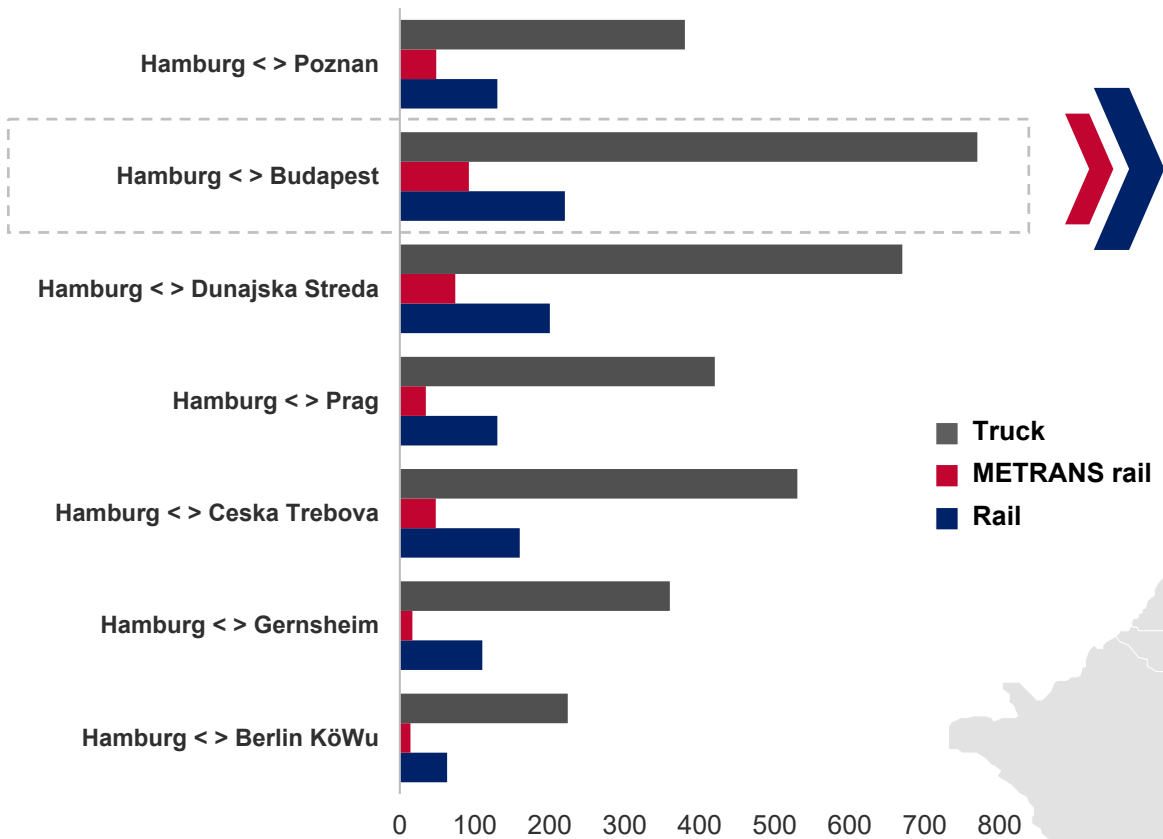
- Modern hybrid and electric locomotives
- Electrification at the port container terminal with electric storage crane system, electric vehicles



# Network and equipment enable massive savings in CO<sub>2</sub> emissions

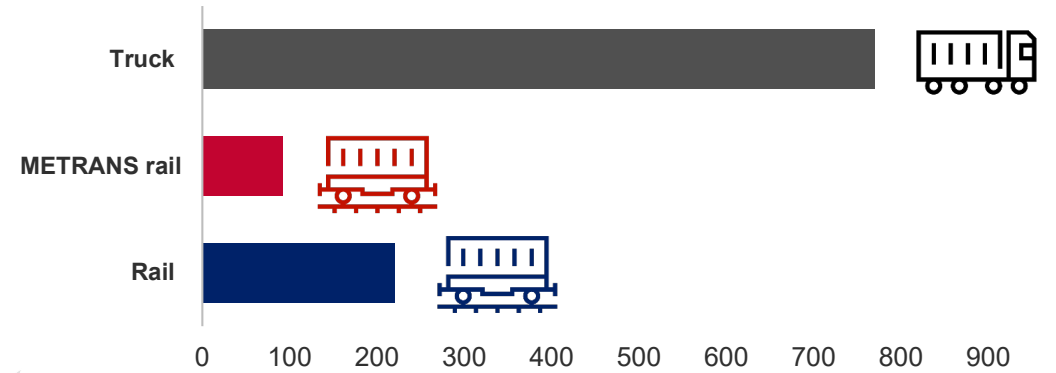
## CO<sub>2</sub> emissions on selected routes in the METRANS network

KG CO<sub>2</sub> per TEU



## CO<sub>2</sub> emissions on the Hamburg-Budapest

KG CO<sub>2</sub> per TEU



**-88%**

METRANS savings compared to truck\*

**-58%**

METRANS savings compared to rail\*

\* Budapest <> Hamburg

Truck and rail data based on EcoTransit calculator, an emission calculator for greenhouse gases and emissions. Data provided by METRANS is TÜV-certified.





Logistics

# Key figures

## Logistics segment

in € million

	2016	2017	2018	2019	2020
<b>Revenues</b>	55.0	50.8	59.8	59.0	<b>51.4</b>
<b>EBITDA</b>	2.4	6.9	10.0	8.5	<b>6.9</b>
<b>EBITDA margin in %</b>	4.3	13.7	16.7	14.3	<b>13.4</b>
<b>EBIT</b>	- 1.7	2.6	5.6	2.5	<b>- 3.9</b>
<b>EBIT margin in %</b>	- 3.1	5.0	9.4	4.3	<b>- 7.5</b>
<b>At-equity earnings</b>	3.7	3.9	4.4	3.0	<b>3.4</b>
<b>Segment assets</b>	62.0	40.9	42.0	55.8	<b>51.7</b>



Logistics

# Overview of the Logistics segment activities

HHLA continues a tradition leading the way in port innovations

## Specialist handling



### RoRo

- UNIKAI Lagerei- und Speditionsgesellschaft mbH, Hamburg
- ARS-UNIKAI GmbH, Hamburg *at equity*



### Bulk

- Hansaport Hafenbetriebsgesellschaft mit beschränkter Haftung, Hamburg *at equity*



### Fruits

- HHLA Frucht- und Kühl-Zentrum GmbH, Hamburg *at equity*
- Ulrich Stein Gesellschaft mit beschränkter Haftung, Hamburg *at equity*

## Consulting services



### Consulting

- HPC Hamburg Port Consulting GmbH, Hamburg



### Automation technology

- iSAM AG, Mülheim an der Ruhr

## Logistic services



### Additive manufacturing

- Bionic Production GmbH, Lüneburg



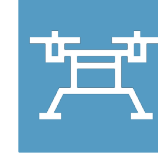
### Hyperloop transport system

- Hyperport Cargo Solutions GmbH i.G., Hamburg *at equity*



### Digital solutions

- modility GmbH, Hamburg



### Airborne solutions

- HHLA Sky GmbH, Hamburg
- Spherie UG(haftungsbeschränkt), Hamburg *at equity*
- Third Element Aviation GmbH, Bielefeld *at equity*



Logistics

## Examples for new business fields

HHLA continues a tradition leading the way in port innovations



### Digital solutions modility

- Corporate spin-off founded in 2020
- HHLA initiated the new booking portal with several partners from the transport and freight-forwarding sector
- **Business concept:** Booking and brokerage portal to connect intermodal operators' available transport capacities with the transport needs of freight forwarders; focus on combined road/rail transport in Europe
- **Benefits:** opportunity to gain easy access to intermodal transport offers while fostering new customer relationships; additionally, Intermodal transport will thus be further bolstered as an efficient, environmentally friendly transport system



### Additive manufacturing Bionic Production

- Founded in 2015
- Independent provider of consultancy services for additive manufacturing
- **Business concept:** introduce 3D printing processes into industrial series production and employ bionic designs to suitable components and development of hardware and software components for 3D printing equipment
- **Benefits:** optimised components in line with bionic principles allow a production using minimal materials and energy



### Airborne solutions HHLA Sky

- Founded in 2018
- **Business concept:** in-house developed industrial drones with a globally first scalable end-to-end drone system that enables drones to be operated safely beyond the visual line of sight (BVLOS)
- **Benefits:** Variety of assignments from civil and industrial safety at airports and industrial sites, to environmental monitoring and surveying grounds and buildings to collect specific data on behalf of customers or transmit real-time images using extremely powerful cameras

# Financial calendar and contact

## Financial calendar 2022

**24 March 2022**

Annual Report 2021  
Analyst conference call

**12 May 2022**

Interim Statement  
Analyst conference call

**16 June 2022**

Virtual Annual General Meeting

**10 August 2022**

Half-year Financial Report  
Analyst conference call

**15 November 2022**

Interim Statement  
Analyst conference call



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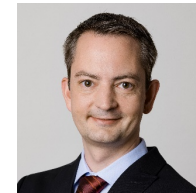
<http://report.hhla.de>



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