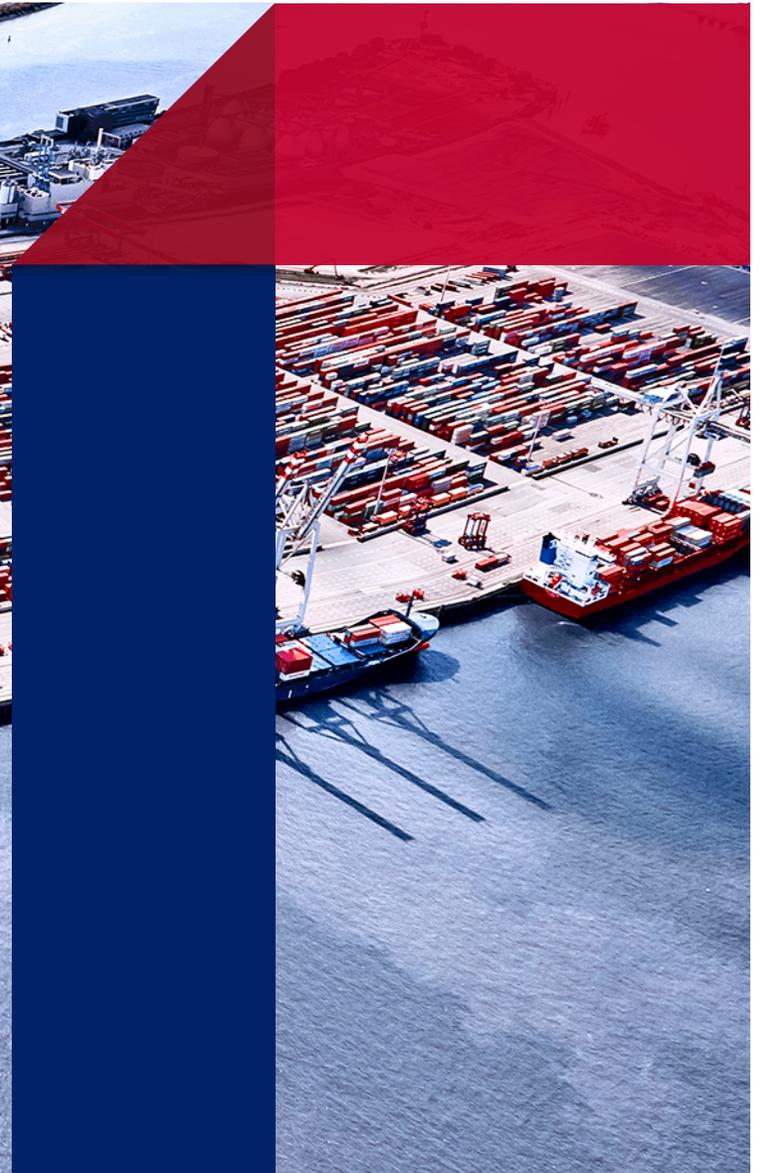
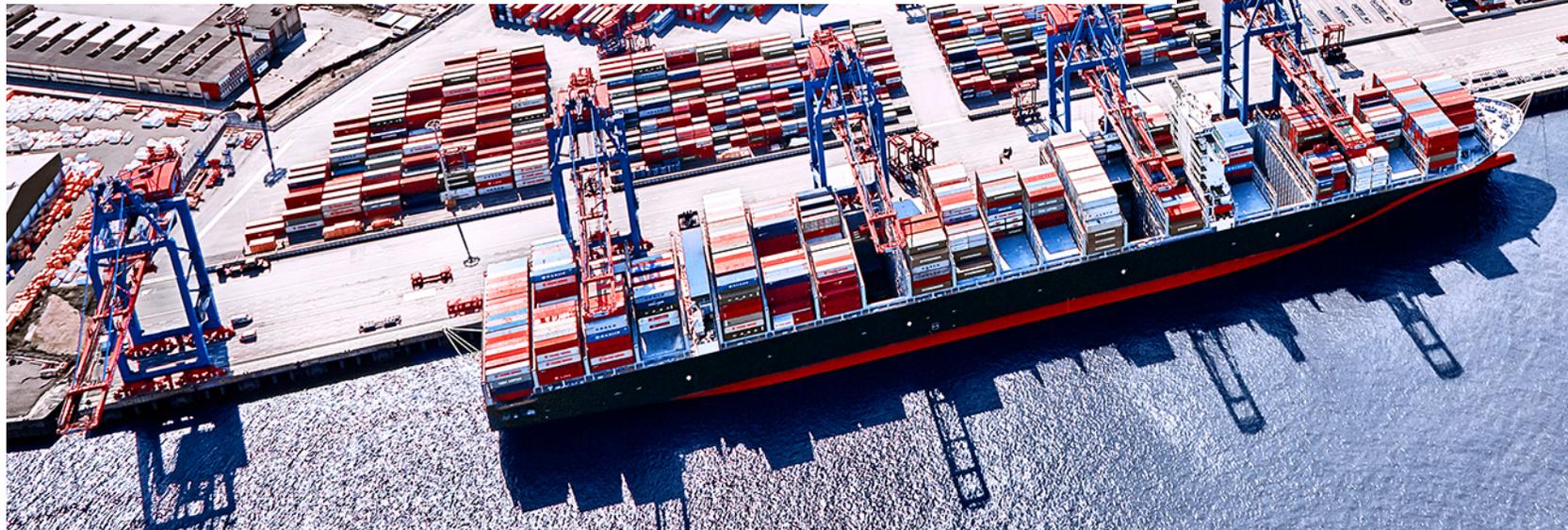


# Investor presentation

November 2019



# Content and disclaimer

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# Investment highlights

Positioned for future challenges



## Port Logistics

listed class A shares



**Container**  
segment



**Intermodal**  
segment



**Logistics**  
segment

1. **THE logistical and digitally innovative hub**
2. **Favourable geographical location in a market with solid growth outlook**
3. **Well-invested asset base with state-of-the-art technology**
4. **Solid financial foundation with strong cash flows**
5. **Growth and efficiency as guiding principles**
6. **Environmental protection and sustainability**

## Real Estate

non-listed class S shares

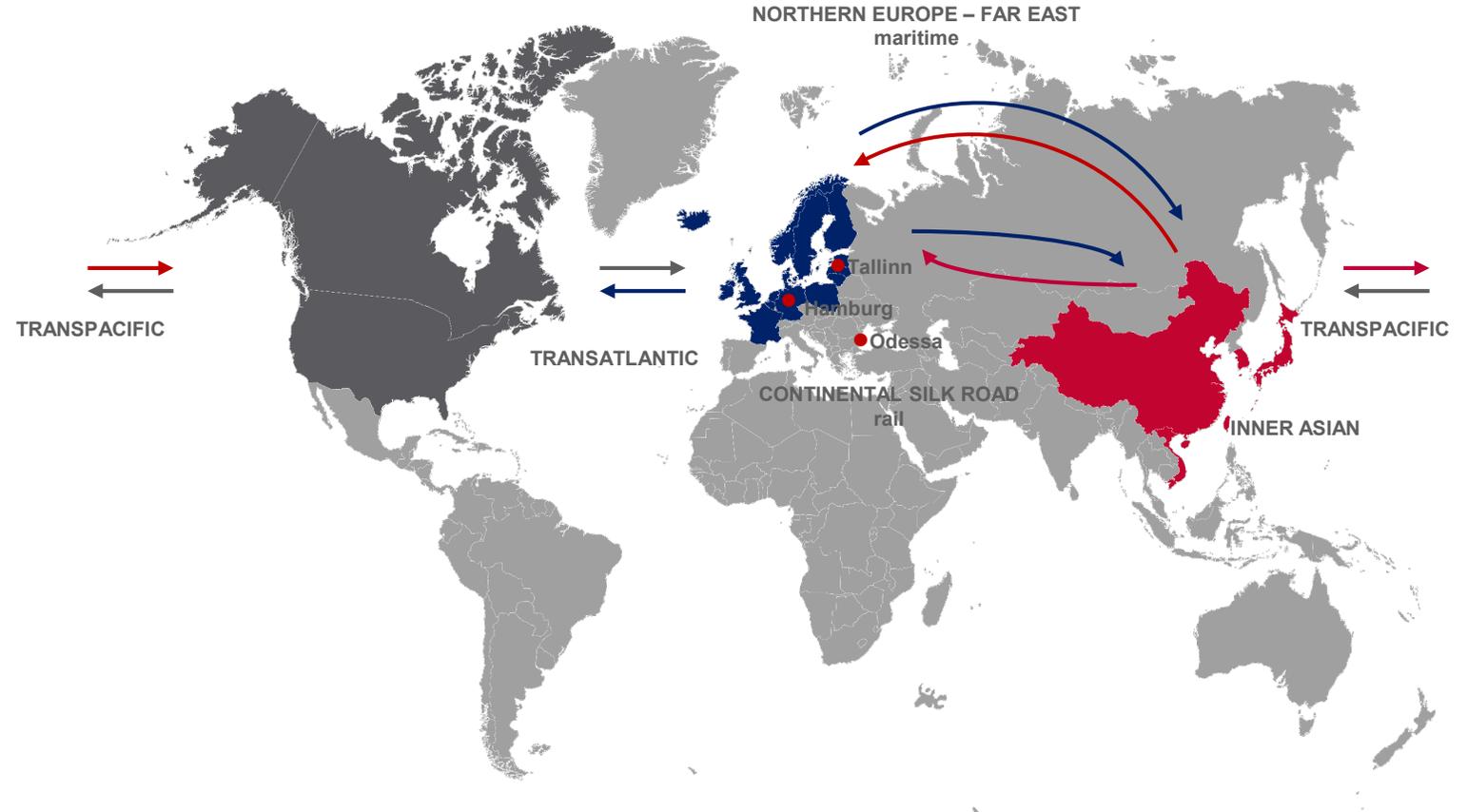


The particular attractiveness of the portfolio in the Hamburger Speicherstadt and on the northern Elbufer / Fischereihafen area is justified by the unique structure and the location. The in-house development and implementation know-how is aimed at balancing market-oriented tenant needs and heritage-friendly handling of buildings protected as world heritage.

# 1. THE logistical and digitally innovative hub

## HHLA Port Logistics' strategic position

- **Internationalisation** will continue with HHLA opening up for new transport routes
- **Digitalisation** will open up further opportunities and HHLA will benefit from new production processes
- HHLA is
  - strengthening the existing core of its business;
  - will exploit growth opportunities along the transport streams of the future;
  - will improve efficiency and grow sustainably.

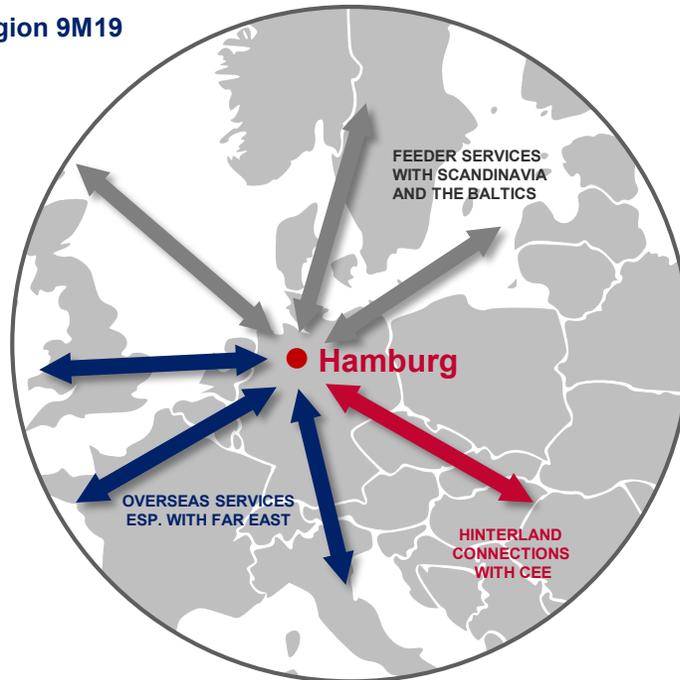
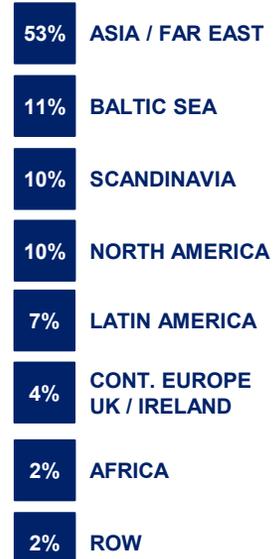


**HHLA Port Logistics is the logistical and digitally innovative hub along the new continental and maritime silk road**

## 2. Local player connected to Europe and Asia

Favourable geographical location in a market with solid growth outlook

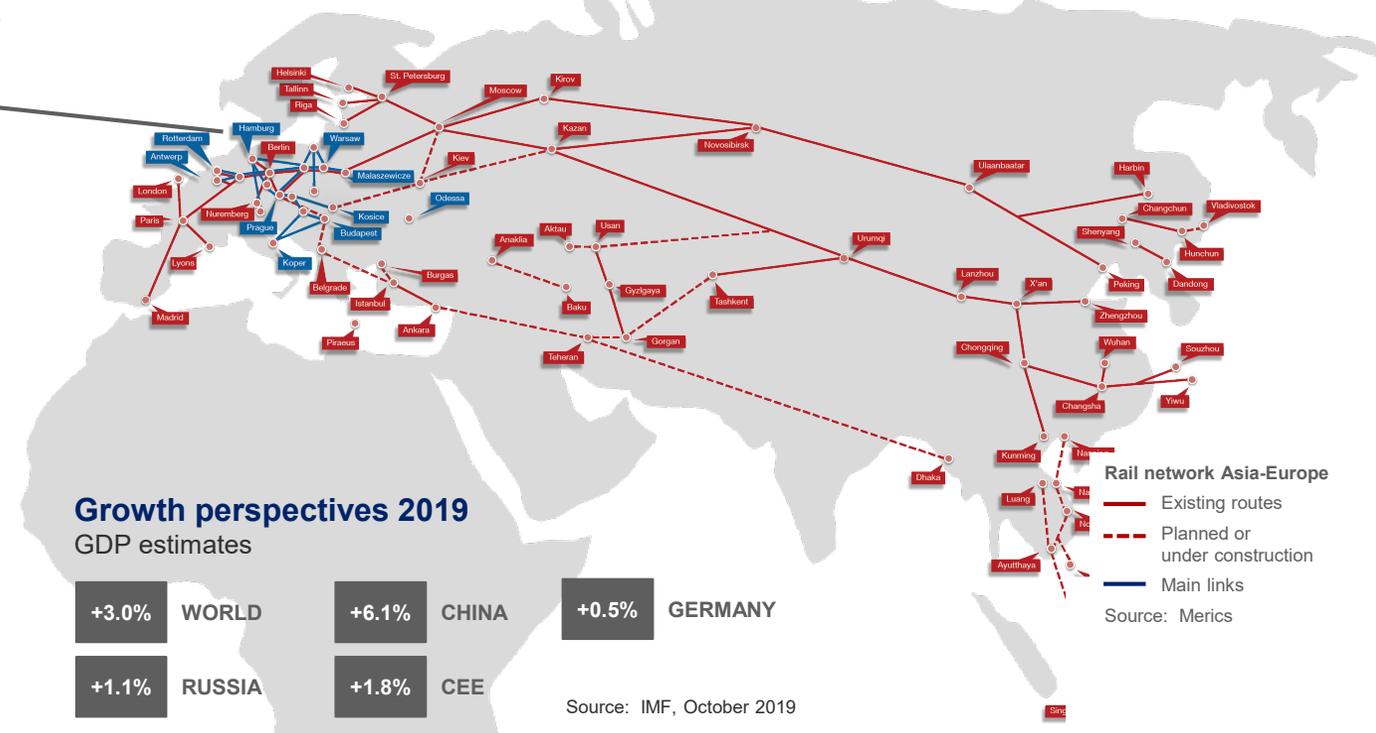
**Throughput by shipping region 9M19**  
HHLA in the Port of Hamburg



Source: HHLA

- Germany's largest logistics hub
- Market leader in the Port of Hamburg
- Excellent hinterland
- Europe's largest railway port with a dense rail network

- Dense hub & railway network in the West of the new silk road
- Own fleet of railway waggons and traction
- Cross-border transport solutions



**HHLA Port Logistics is the logistical and digitally innovative hub along the new continental and maritime silk road**

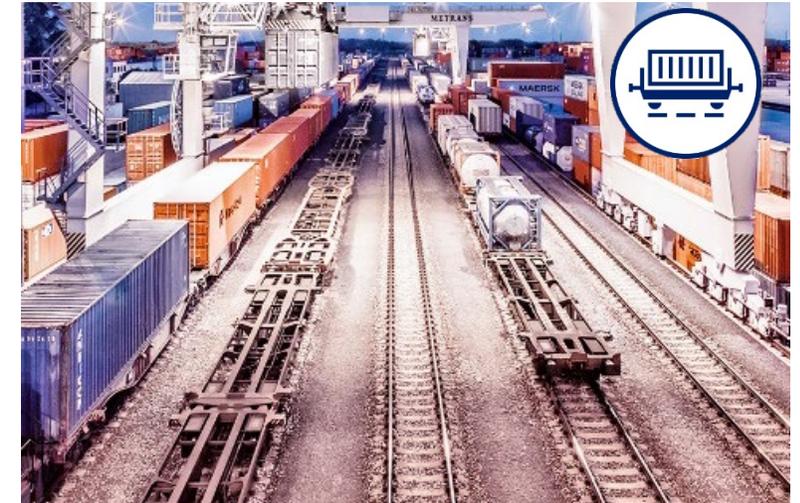
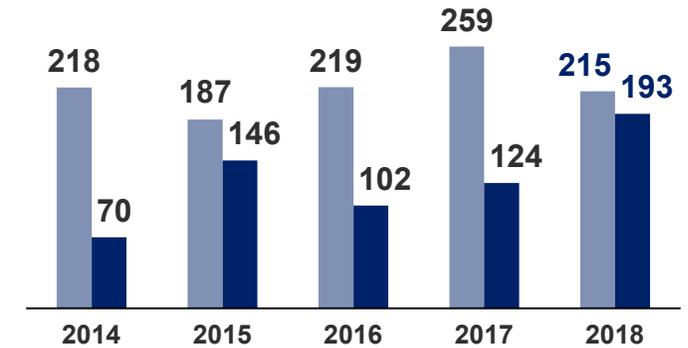
# 3. Well-invested asset base

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

- State-of-the-art handling technology, innovative IT systems and a high level of automation
- Three fully equipped berths for the latest generation of mega carriers 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 740m block trains
- Optimised traffic coordination for an improved cargo flow and terminal access
- In line with client needs: ready for mega carriers

Self-funded investments  
in € million

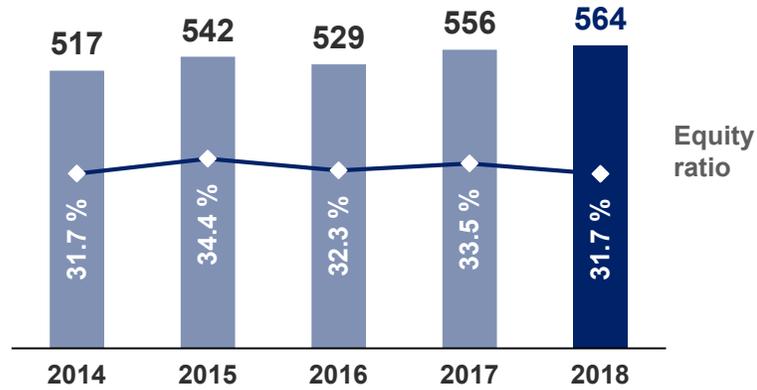
■ Operating cash flow  
■ Investing cash flow  
(without proceeds for short-term deposits)



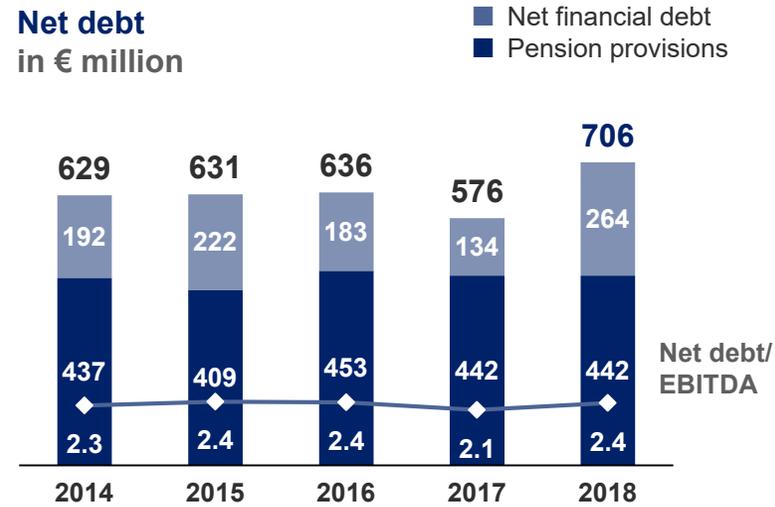
# 4. Solid financial foundation with strong cash flows

Stable KPIs even through difficult waters

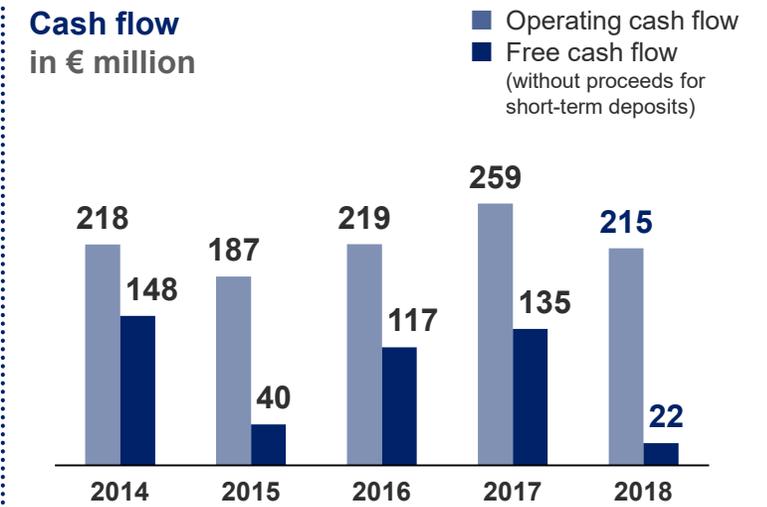
**Equity development / Equity ratio**  
in € million



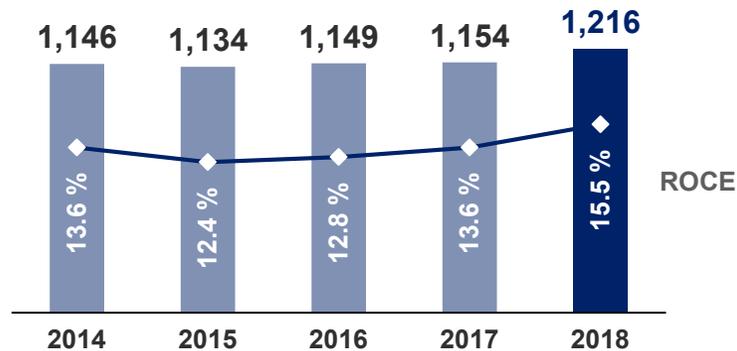
**Net debt**  
in € million



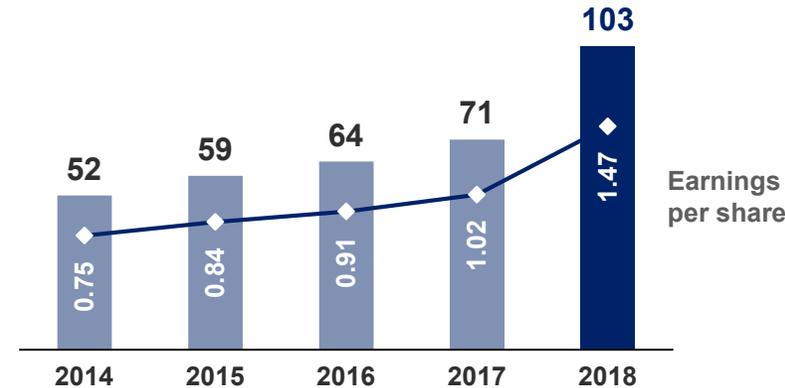
**Cash flow**  
in € million



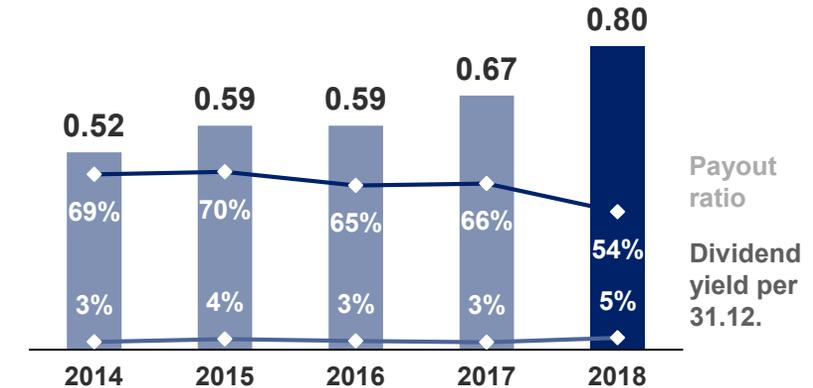
**Ø Capital employed / ROCE**  
in € million



**Profit after tax and minorities / EPS**  
in € million / in €

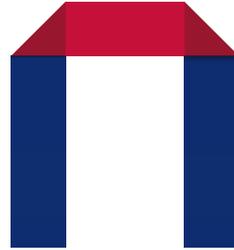


**Dividend development**



## 5. Growth and efficiency as guiding principles

Strategy will allow for sustained growth in the Port Logistics subgroup



→ **Mid-term targets** to ensure growth and efficiency improvements

Investing approx.  
€ 800 million until 2022  
to grow organically

Funding investments  
from own funds and  
free cash flow

Growing inorganically  
and achieve a positive  
value contribution

Keeping net debt /  
EBITDA in investment  
grade territory

Pursuing a dividend  
policy and distribute  
50-70 % of net profit

→ **Long-term targets**

Strong market position

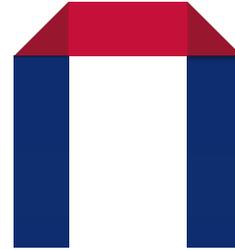
Smart investment and  
efficiency programmes

New business fields

**EBIT in 2025 of € 300\* million**

# 5. Growth and efficiency as guiding principles

Strategic two-tier approach along three action fields to enhance growth and efficiency

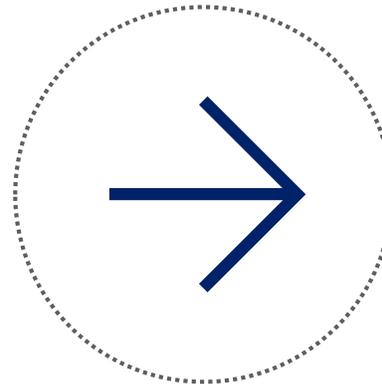


→ Action fields

Investments

Innovations

Merges & acquisitions



→ Programme

1

Strengthen the existing core business

2

Open up new growth potential along the transport streams of the future

# 5. Growth and efficiency as guiding principles

Investment programme to facilitate profitable growth

1 Strengthen the existing core business

## Investments 2018 – 2022

excl. M&A



**Container**  
~ € 450 million



**Intermodal**  
~ € 350 million

### Challenges

- Increasing volume peaks due to growing ship sizes
- Consolidation amongst customers
- Demand for sustainable solutions
- Necessity for efficiency

- Bottlenecks in infrastructural capacities
- Sustain know-how- and efficiency-based price-performance-ratio
- Necessity for efficiency improvements
- Logistic solutions across borders and rail networks

### Growth

- 5 new gantry cranes for mega carriers at CTB until 2019
- Preparation of another berth for mega carriers at CTT

- Substantial investments planned at METRANS for locomotives and waggons to renew and expand the company's own transportation and handling capacities

### Efficiency

- Implementation of a uniform terminal planning system and database
- Increase agility
- Reduce overhead costs

- Acquisition of remaining stake in METRANS
- Full integration of POLZUG in the METRANS group, make use of synergies
- Increase agility
- Reduce overhead costs

# 5. Growth and efficiency as guiding principles

Investment programme to facilitate profitable growth

2 Open up new growth potential along the transport streams of the future



Container



Intermodal



Logistics

## Innovations and M&A 2018 – 2022

### Organically

### Inorganically

Growth from innovations

- IHATEC – Innovative Hafentechnologien (funding programme for innovative port technologies)
- HHLA Pure – climate-neutral handling and transport from the port to the hinterland
- Automation and digitalisation of processes
- Bundling and processing of data
- Digitalisation and automation of processes

Growth from M&A

- Structured terminal evaluation to identify and evaluate attractive investment options
- Focus on existing terminals in growth markets with a high proportion of gateways and efficiency potential
- Open up new potential by orienting on the existing intermodal network
- Expansion of regional focus

### Efficiency increases

- Establish strategic partnerships
- Manage the inorganic growth, make use of synergies, reduce overhead costs
- Increase value creation from denser network

- Serve rising customer demands without proportionally rising costs
- Reduce overhead costs

# HHLA and HTT form new joint venture

HHLA continues a tradition leading the way in port innovations



- HHLA and Hyperloop Transportation Technologies (HyperloopTT/HTT) establish a joint venture.
- The company will focus on integrating the latest container movement innovations with Hyperloop technology into the largest rail port in Europe.
- The goal of the joint venture is to develop and later market a Hyperloop transport system for shipping containers.
- The project will begin with an initial study on connecting a cargo-based Hyperloop system from the HHLA container terminal CTA to container yards located further inland.
- In general the system aims at expanding the port's capacity, while reducing congestion within the port and city area, and lowering the carbon footprint of the port.
- Initially, the construction of a transfer station for testing purposes at the HHLA terminal CTA in Hamburg is planned, including an initial 100 meter cargo route along with a special freight capsule and loading dock.

# HHLA TK Estonia: Biggest terminal operator in Estonia

Port Logistics subgroup is stepping up its international presence



- HHLA acquired 100 % of the shares of the Estonian port operator Transiidikeskuse AS (TK) in Muuga (Tallinn) in 2018
- TK is clear market leader in container handling in the Baltic country and operates a multipurpose terminal for break bulk, bulk and RoRo handling
- TK's 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)
- Container terminal currently with high utilisation of its capacity of around 300 TTEU; can be increased to approximately 800 TTEU
- HHLA expects to leverage synergies by further professionalising sales and operations and integrating the port operator into the HHLA network
- HHLA is expanding its regional diversification and confirming its goal of also achieving international growth
- First-time consolidation of HHLA TK Estonia in Q2 2018

# 6. Environmental protection and sustainability

Sustainable management anchored in business model



- Ecological and highly efficient transport chain connects port and the hinterland
- All major operating companies certified according to DIN 5001 (energy management)
- **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 train and wagon material (e.g. use of hybrid locomotives used for heavy-duty shunting or use of container flat wagons which are 30% lighter than normal equipment)
  - Unavoidable CO<sub>2</sub> emissions are currently offset by certified development projects according to the highest international Gold standard
  - Complete convert the AGV fleet completely to B-AGV by 2021/22
  - Certification of the climate-neutral service by TÜV Nord

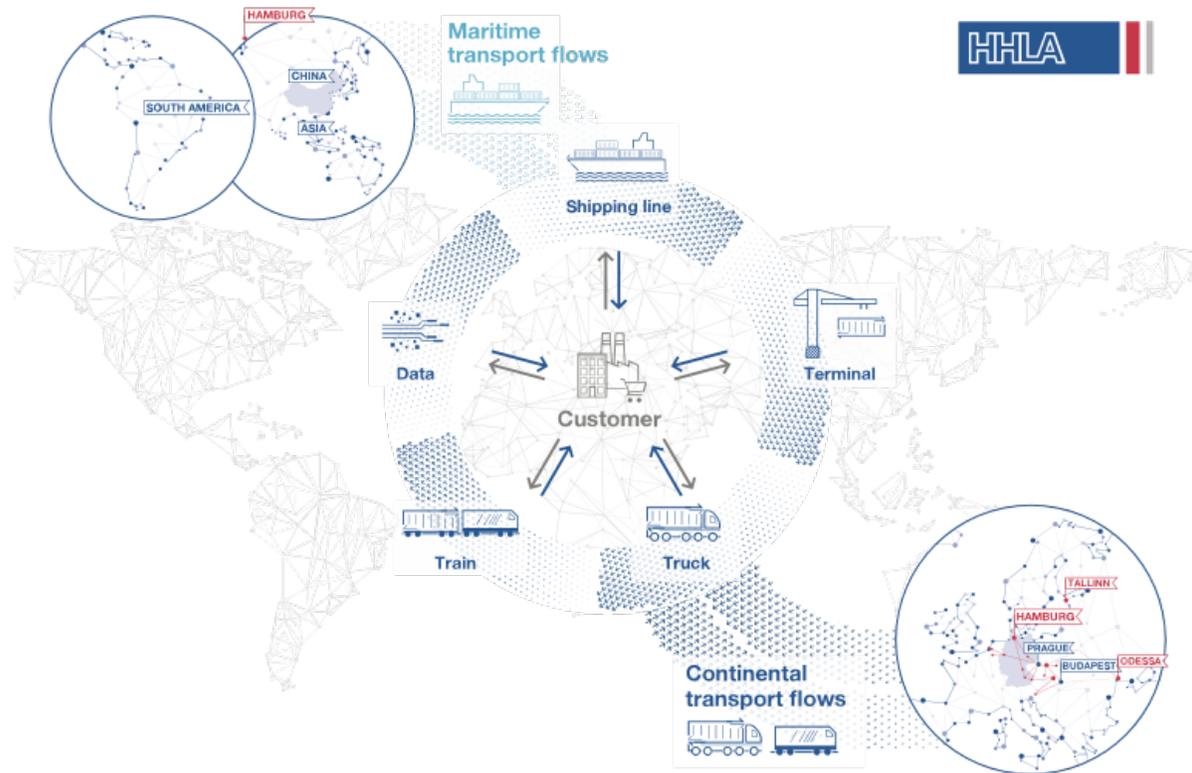
Reduction of  
specific CO<sub>2</sub> emission by  
**31.7 %** since 2008

**> 4 million €**  
investment per year  
in education and training

**> 670 million €**  
net added value

# HHLA Port Logistics

THE logistical and digitally innovative hub



Connection of transport streams and data streams

Cross-borders, cross-countries, cross-languages,  
cross-infrastructure

Port of Hamburg is Germany's largest logistics hub

Dense hub and railway network for the transport  
streams of the future

# At a glance

In an increasingly volatile market environment, business at HHLA continues to make good progress in 9M19



**Successful business development continued: throughput exceeds previous year's strong level while transport and revenues rise significantly; EBIT increases strongly**



**Dampened market environment: ongoing geopolitical and economic tensions causing sustained uncertainty**



**Secure future viability: investments in equipment and technology**



**Ecological responsibility: roll-out of further offerings for environmentally friendly transport**



**Guidance 2019 updated: HHLA expects growing business with a significant increase in operating result\***

\* mainly due to changes in lease accounting policy (IFRS 16)

# Business environment in the first nine months of 2019

Pace of global economic activity remains sluggish and container throughput recovery is weaker than expected

## Trend in the first nine months 2019

GDP World	→
GDP China	↘
GDP Russia	→
World trade	↘

## Estimates for Q3 2019

World throughput	+ 3.5 %
Europe throughput	+ 4.1 %
NW Europe throughput	+ 4.3 %
Scandinavia & Baltics	+ 5.7 %

## Macroeconomic environment

- The pace of global economic activity remains sluggish, in particular, momentum in manufacturing activity has weakened substantially to levels not seen since global crisis<sup>1</sup>
- China's economic growth slowed more than expected to 6.0 % in the third quarter<sup>2</sup>
- Russian economic growth picked up to 0.9 % in Q2; but, still weaker than expected<sup>3</sup>
- Rising trade and geopolitical tensions have increased uncertainty about the future of the global trading system<sup>1</sup>

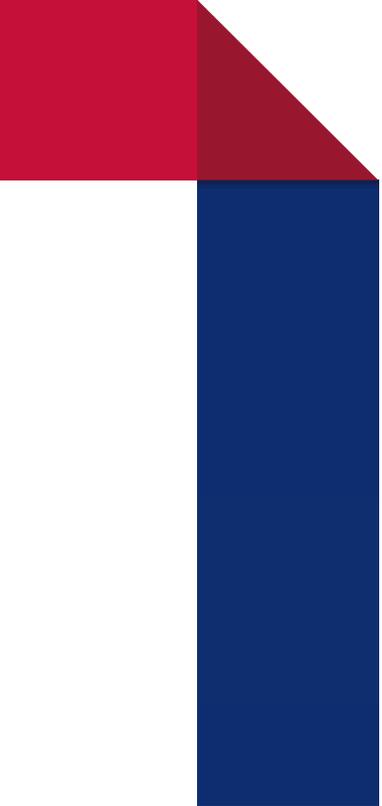
Sources: 1 International Monetary Fund – World Economic Outlook October 2019; 2 National Bureau of Statistics of China – Press Release (18.10.2019); 3 World Bank – Russia Monthly Economic Developments September 2019

## Sector development

- After strong decline in volume growth dynamics in Q1 (1.7 %), world container throughput recovery that started in Q2 (2.6 %) gained further momentum in Q3
- European container volumes picked up again in Q3 (Q1: 2.2 % // Q2: 2.7 %) and exceeded expectations of previous forecast (3.6 %)
- North West Europe outperformed the European port region (Q1: 3.8 % // Q2: 3.2 %)
- After two years of extraordinary growth, Scandinavia & Baltics container growth slowed significantly in Q1 (1.8 %) and Q2 (0.7 %); but recovered significantly in Q3

Source: Drewry Maritime Research, Container Forecaster, October 2019  
© Hamburger Hafen und Logistik AG

# Financial highlights of Port Logistics subgroup in the first nine months of 2019



Revenue  
**€ 1,020.2 million**  
+ 8.6 %

EBIT  
**€ 162.7 million**  
+ 13.3 %

EBIT margin  
**15.9 %**  
+ 0.6 pp

Profit after tax  
and minorities  
**€ 76.6 million**  
± 0.0 %

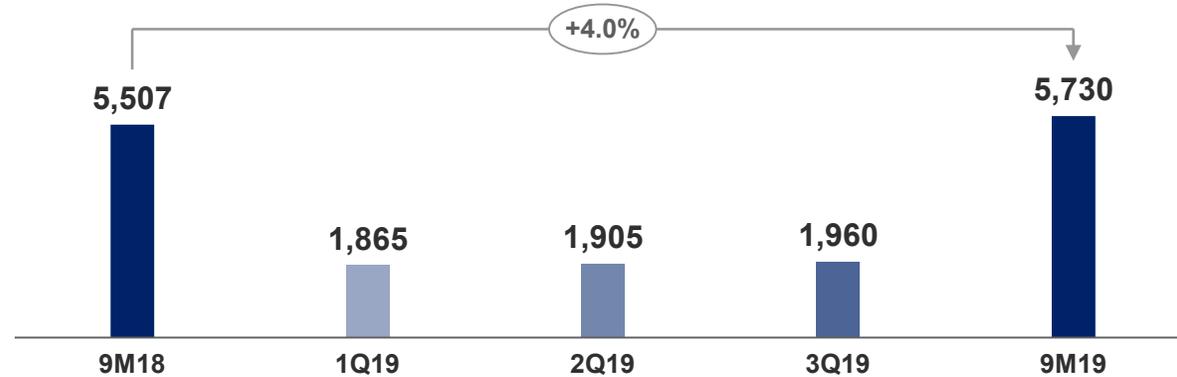
ROCE  
**11.8 %**  
– 4.2 pp

Operating cash flow  
**€ 246.4 million**  
+ 49.5 %

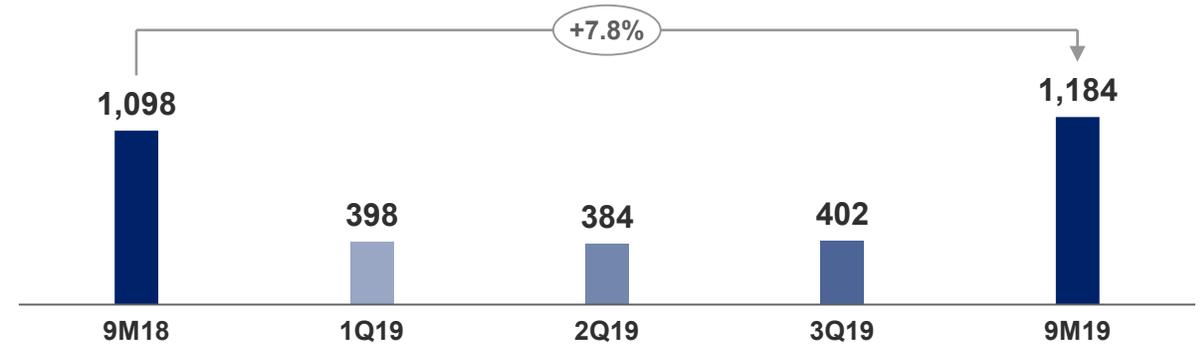
# Throughput and transport trend in the first nine months of 2019

Successful development from a strong prior-year basis

Container throughput  
in thousand TEU



Container transport  
in thousand TEU



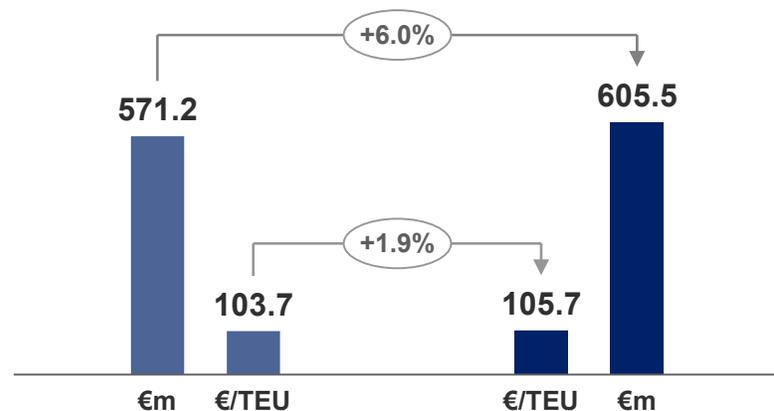
- Hamburg terminals with slight increase of 1.2 % mainly due to changes in liner service structures
  - gain of North America services, loss of Far East service
  - Asian traffic slightly down on previous year
  - feeder volumes in total down by 3.7 %  
with a feeder ratio of 22.7 % (previous year: 23.9 %)
- International terminals account for nearly 8 % of container throughput after first-time consolidation of HHLA TK Estonia

- Significant rise in transport volume growth driven by
  - strong increase in rail transportation (+ 7.6 % y-o-y)
  - above-average rise in both traffic between the North Range ports with the CEE hinterland and the Adriatic ports with the CEE hinterland as well as Poland traffic
  - recovery of road transportation volumes (+ 8.8 % y-o-y)

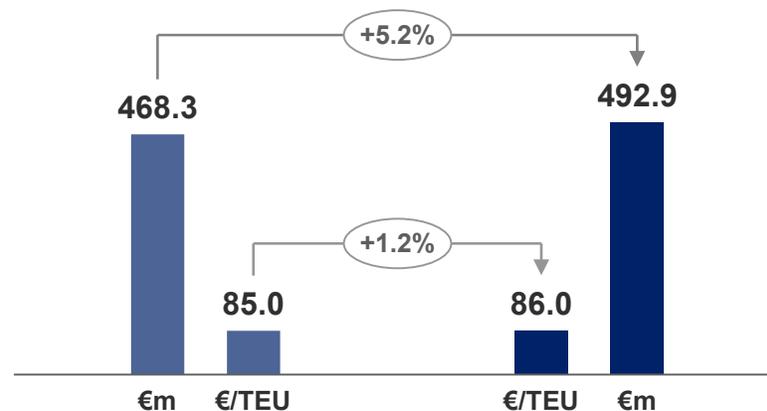
# Container segment

Positive revenue trend dampened by rise in opex; EBIT improvement mainly attributable to IFRS 16 effects

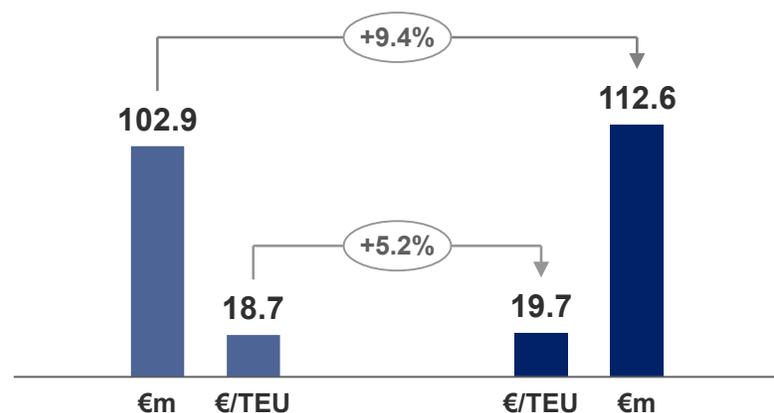
**Revenue** ■ 9M18 ■ 9M19



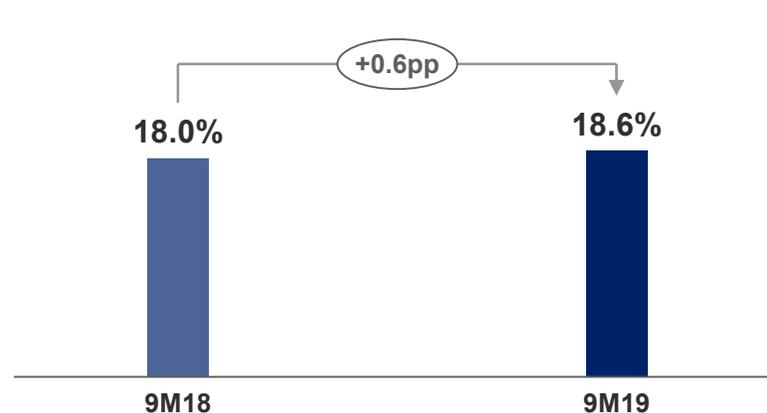
**OpEx** ■ 9M18 ■ 9M19



**EBIT** ■ 9M18 ■ 9M19



**EBIT margin**

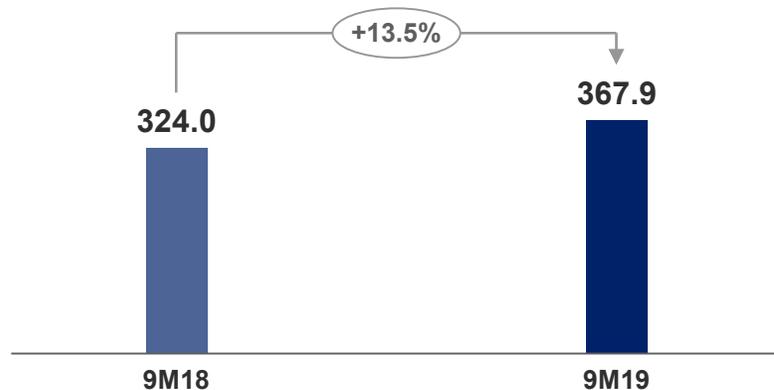


- Revenue grew faster than volume
- Average revenue per TEU up 1.9 % mainly due to
  - contractual rate adjustments
  - further increase in share of rail volumes
- Rise in opex of 5.2 % impacted by
  - temporary higher personnel deployment due to introduction of new terminal software
  - higher number of employees at HHLA TK Estonia
  - adjustment of company pension schemes
  - small relief due to first-time application of IFRS 16
- EBIT up € 9.7 million (thereof roughly € 8.0 million due to first-time application of IFRS 16)
- EBIT margin improved by 0.6pp

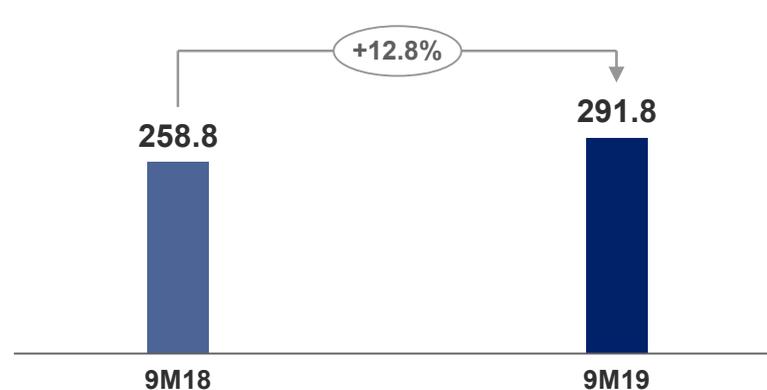
# Intermodal segment

Superior EBIT level further expanded, margin improved, IFRS 16 with negligible effect

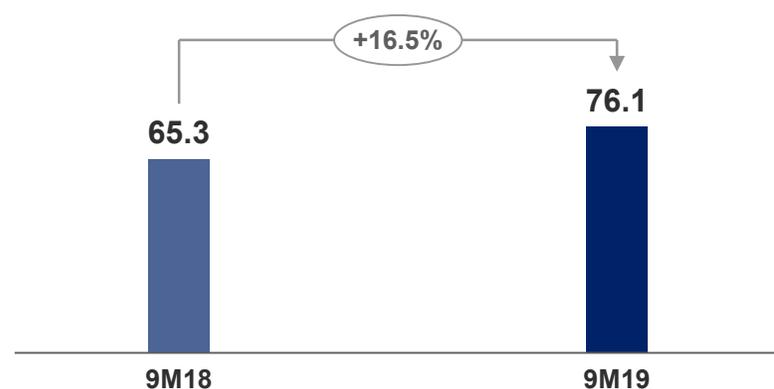
Revenue  
in € million



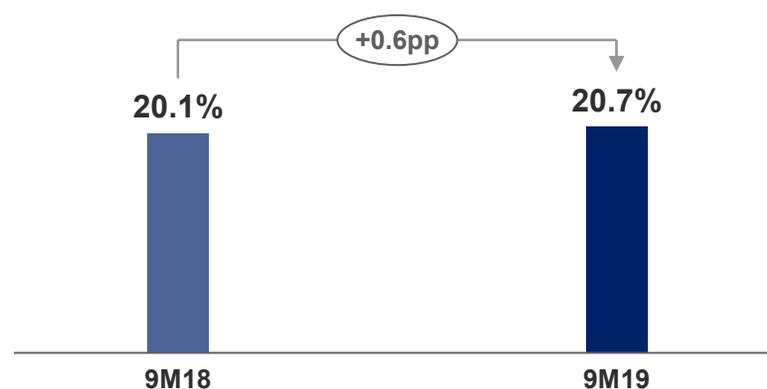
OpEx  
in € million



EBIT  
in € million



EBIT margin

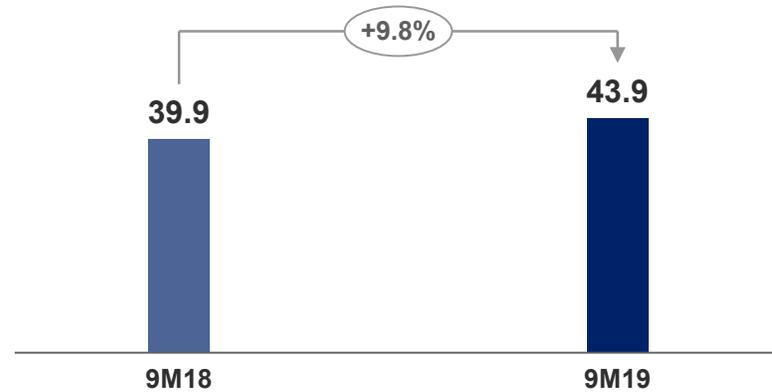


- Revenue growth clearly exceeded transport volume development
- Strong EBIT increase due to
  - rise in volumes with a largely unchanged rail share of 78.5 %
  - longer transport distances,
  - price adjustments
  - negligible effect from first-time application of IFRS 16
- EBIT margin growth: outstanding level of 20.7 %

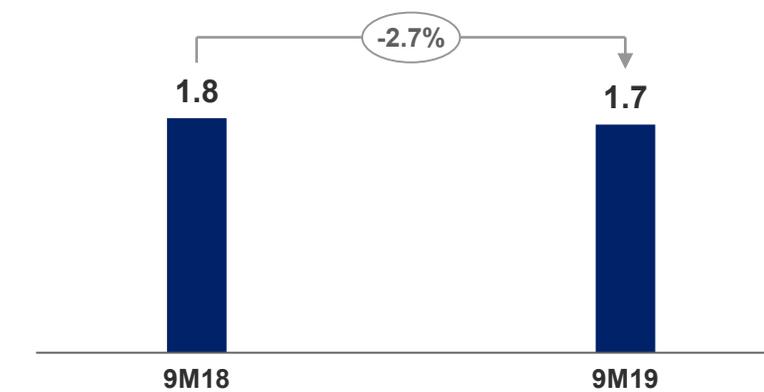
# Logistics segment

Positive development continues

Revenue  
in € million



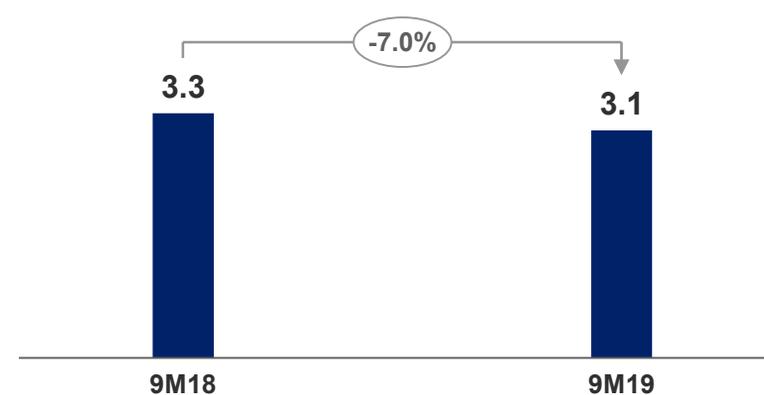
EBIT  
in € million



- Strong rise in revenue, mainly driven by vehicle logistics and consulting activities
- EBIT impacted by:
  - improved results in vehicle logistics
  - positive order situation in consulting
  - ramp-up costs for new digital business fields
  - negligible effect from first-time application of IFRS 16
- At-equity earnings burdened by bulk cargo result due to first-time application of IFRS 16



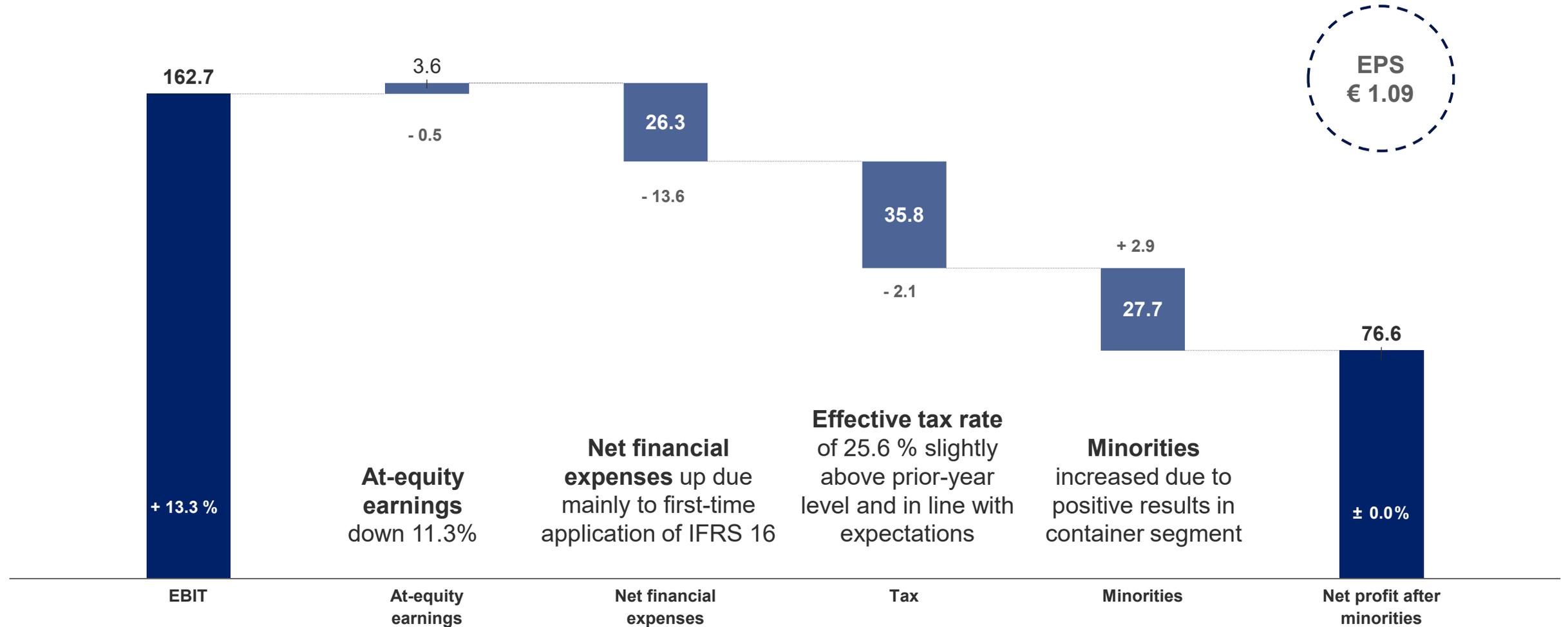
At-equity earnings  
in € million



# Earnings bridge of the Port Logistics subgroup

Net profit showed a stable development

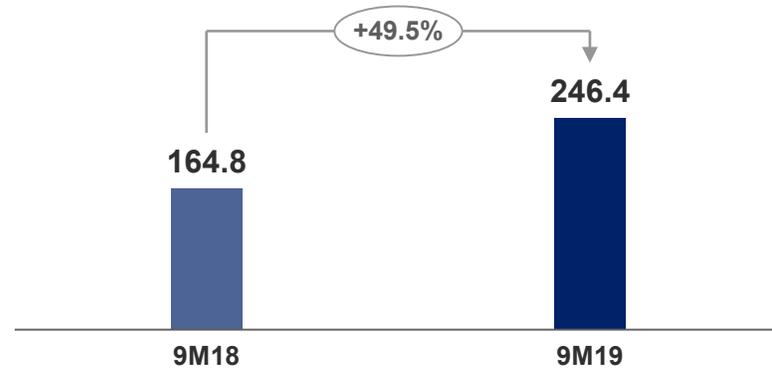
in € million / absolute change vs. 9M18



# Cash flow development of the Port Logistics subgroup

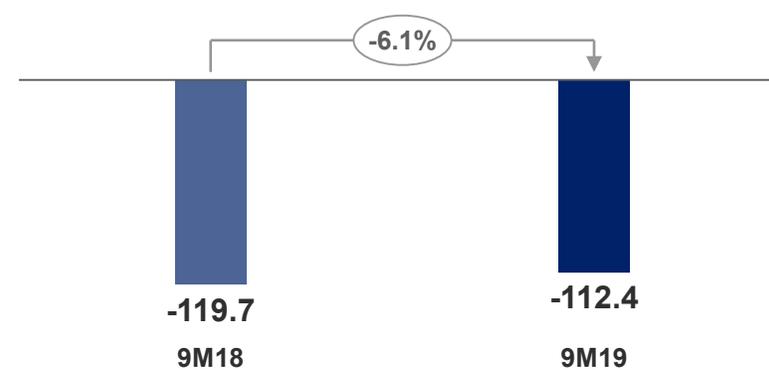
In line with business development, reflecting IFRS 16

## Cash flow from operating activities in € million



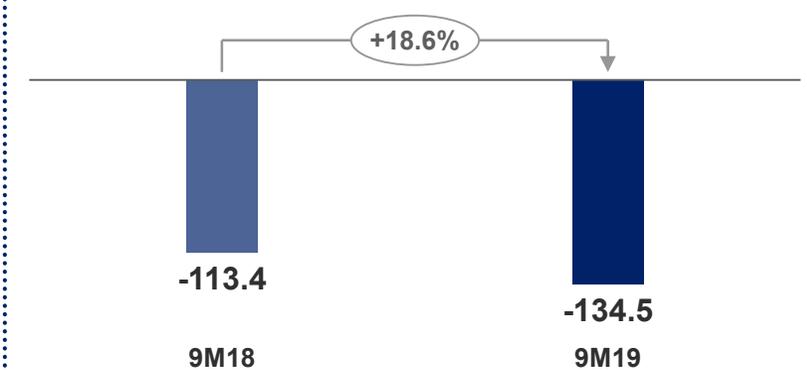
- Improved EBIT trend
- Lower rise in trade receivables and other assets
- Slight increase in trade payables and other liabilities
- Higher depreciation due to IFRS 16

## Cash flow from investing activities in € million



- Ongoing capex programme
- Payments for short-term deposits
- Payments for acquisition of HHLA TK Estonia in H1 18

## Cash flow from financing activities in € million



- Payments for remaining minority stake in Metrans in the previous year
- Higher payments for lease liabilities resulting from IFRS 16

**Financial funds as of 30 September 2019: € 234.4 million (30 September 2018: € 176.4 million)**

# Forecast for 2019

Projected global growth for 2019 is the weakest since 2009 and container throughput growth remains soft

## GDP outlook 2019

**GDP World** + 3.0 %

**GDP China** + 6.1 %

**GDP Russia** + 1.1 %

**World trade** + 1.1 %

## Container outlook 2019

**World throughput** + 2.6 %

**Europe throughput** + 3.0 %

**NW Europe throughput** + 3.3 %

**Scandinavia & Baltics** + 3.3 %

## Macroeconomic outlook for 2019

- Global growth is forecast at 3.0 % for 2019, the lowest level since global financial crisis 2008 / 2009 and a 0.2 pp downgrade against outlook in July 2019
- Chinese growth dynamics are projected to gradually slow to a rate of 6.1 %
- Russian recovery is still likely to be weaker than most expect and downgraded by 0.1 pp
- In the light of rising trade tensions and weak global economic activity, trade prospects again have been lowered significantly by 1.4 pp against previous outlook in July 2019

Sources: International Monetary Fund – World Economic Outlook October 2019

## Sector outlook for 2019

- Although global container throughput recovery picked up in 2019, the momentum remains soft and still markedly below growth dynamics of 2018 (- 0.4 pp vs. July estimates)
- Performance in Europe is better than expected as Chinese shippers have directed more goods to Europe to compensate for export shortfalls to US (+ 0.4 pp vs. July estimates)
- Strong gains have been seen in North West European ports boosted by higher imports from Asia and more transshipment activity (+ 0.0 pp vs. July estimates)
- Scandinavia & Baltics container volumes recovered slightly in Q3; but annual growth is expected to be weak regarding container slowdown in H1 19 (- 0.9 pp vs. July estimates).

Source: Drewry Maritime Research, Container Forecaster, October 2019

# Forecast for 2019

Updated forecast for Port Logistics subgroup

	2018	Guidance 2019
<b>Container throughput</b> <span>updated ↗</span>	7,336 thousand TEU	<b>Moderate increase on previous year</b> (previously: Slight increase on previous year)
<b>Container transport</b> <span>updated ↗</span>	1,480 thousand TEU	<b>Significant increase on previous year</b> (previously: Slight increase on previous year)
<b>Revenues</b> <span>updated ↗</span>	€ 1,258.5 million	<b>Significant increase on previous year</b> (previously: Slight increase on previous year)
<b>EBIT</b>	€ 188.4 million	<b>Significant increase on previous year*</b>
<b>EBIT Container segment</b> <span>updated ↗</span>	€ 131.6 million	<b>Moderate increase on previous year</b> (previously: in the region of previous year)
<b>EBIT Intermodal segment</b> <span>updated ↗</span>	€ 89.1 million	<b>Strong increase</b> (previously: significant increase)
<b>Capital expenditure</b>	€ 132.9 million	<b>in the range of € 200 million**</b>

\* mainly due to changes in lease accounting policy (IFRS 16)

\*\* mainly attributable to the Port Logistics subgroup

# Fact book

## HHLA Port Logistics subgroup

page 28

## Container segment

page 33

## Intermodal segment

page 48

## Logistics segment

page 58



# Key figures

## Port Logistics subgroup

in € million	2014	2015	2016	2017	2018
<b>Revenue</b>	1,171.2	1,111.0	1,146.0	1,220.3	<b>1,285.5</b>
<b>EBIT</b>	155.6	141.1	147.6	156.6	<b>188.4</b>
<b>Profit after tax and minorities</b>	52.3	58.9	63.7	71.2	<b>102.9</b>
<b>Earnings per share in €</b>	0.75	0.84	0.91	1.02	<b>1.47</b>
<b>ROCE in %</b>	13.6	12.4	12.8	13.6	<b>15.5</b>
<b>Free cash flow</b> (excl. proceeds from short term deposits)	147.9	40.5	116.9	134.9	<b>19.8</b>
<b>Capex</b> (without Group internal transaction)	114.4	144.6	136.9	136.4	<b>132.9</b>

# Segment performance in 2018

Container and Intermodal segments as main pillars, Logistics segment strategically relevant

in € million



Container



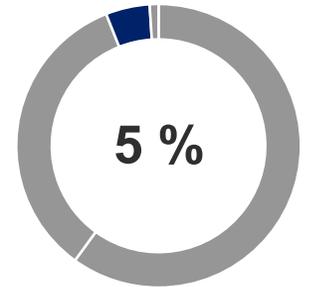
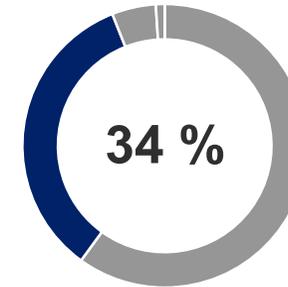
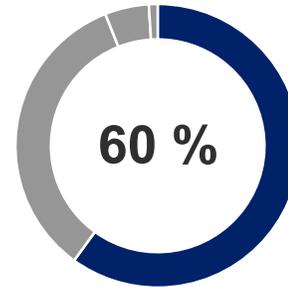
Intermodal



Logistics

## Share of revenue

on subgroup level incl. Holding/Others



## Revenue

758.9

433.8

59.8

## EBIT

131.6

89.1

5.6

## EBIT margin in %

17.3

20.5

9.4

# Key figures

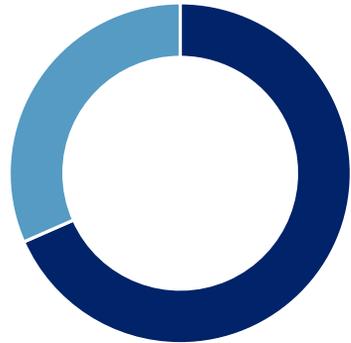
Balance sheet, assets and liabilities of the Port Logistics subgroup

in € million	2014	2015	2016	2017	2018
<b>Balance sheet total</b>	1,630.6	1,576.4	1,638.1	1,658.9	<b>1,783.3</b>
<b>Non-current assets</b>	1,141.7	1,138.6	1,165.1	1,184.6	<b>1,280.5</b>
<b>Current assets</b>	488.9	437.8	473.1	474.4	<b>502.8</b>
<b>Equity</b>	517.0	542.5	528.7	555.8	<b>564.5</b>
<b>Pension provisions</b>	436.7	409.2	453.5	442.1	<b>442.1</b>
<b>Other non-current liabilities</b>	433.3	445.2	452.2	430.8	<b>545.1</b>
<b>Current liabilities</b>	243.6	179.6	203.7	230.3	<b>231.6</b>

# Shareholder structure

Listed class A shares

## Shareholder structure



- 68,4% Free and Hanseatic City of Hamburg
- 31,6% Free float

## Class A shares

- Free and Hanseatic City of Hamburg (FHH) holds 68.4 % of the listed class A shares
- Class A shares comprise Port Logistics subgroup (Container segment, Intermodal segment, Logistics segment)
- Index affiliation: SDAX
- Stock exchanges: Frankfurt am Main, Hamburg

## Class S shares

- Non-listed class S shares comprise Real Estate subgroup
- Class S shares are not tradable and are held in total by the Free and Hanseatic City of Hamburg (FHH)

## Group



## Subgroups



## Segments

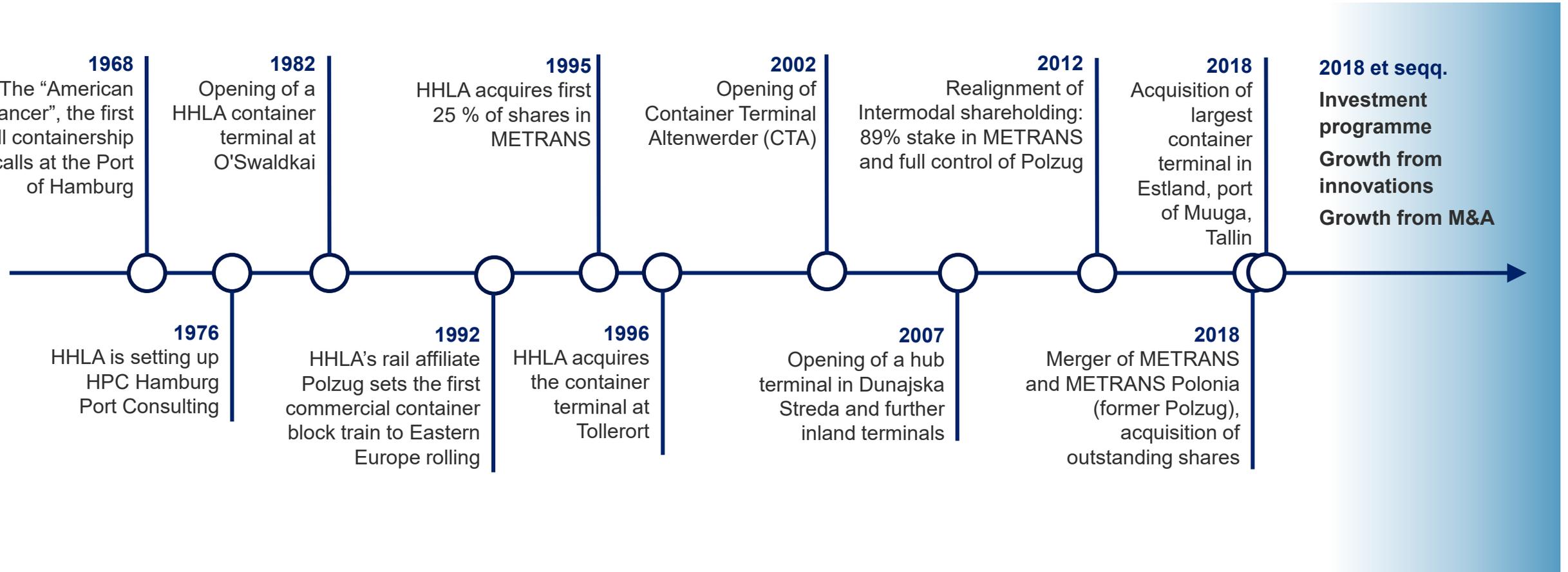


## Shareholder structure



# Milestones in HHLA Port Logistics' history

From port logistics operator to integrated service provider



# Fact book

## Container segment



# Key figures

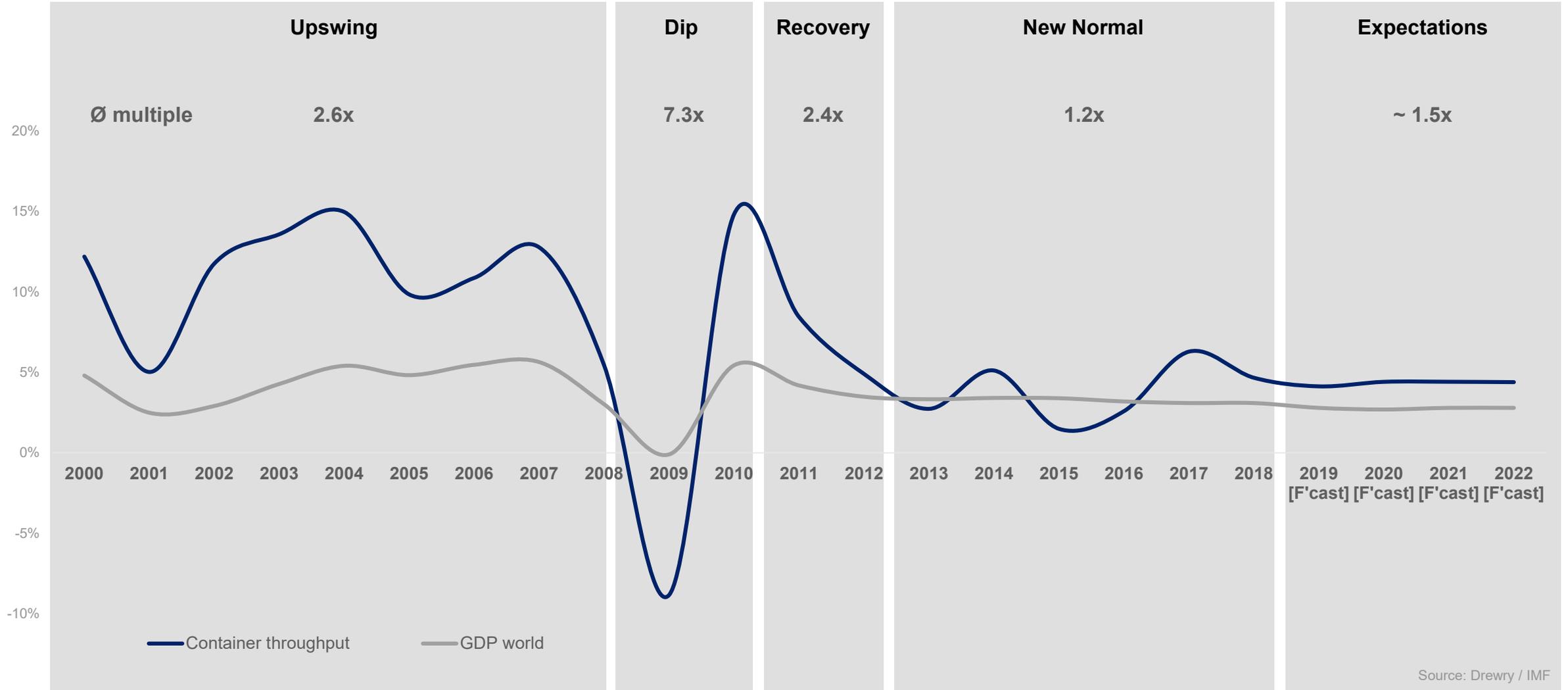
## Container segment



in € million	2014	2015	2016	2017	2018
<b>Container throughput in thousand TEU</b>	7,480	6,561	6,658	7,196	<b>7,336</b>
<b>Revenues</b>	743.7	675.2	694.6	746.6	<b>758.9</b>
<b>EBITDA</b>	247.1	195.8	201.5	194.7	<b>209.8</b>
<b>EBITDA margin in %</b>	33.2	29.0	29.0	26.1	<b>27.6</b>
<b>EBIT</b>	156.1	110.6	117.8	109.4	<b>131.6</b>
<b>EBIT margin in %</b>	21.0	16.4	17.0	14.7	<b>17.3</b>
<b>Segment assets</b>	857.7	806.6	824.5	810.8	<b>888.9</b>

# Growth of global container throughput and GDP

Growth multiplier on GDP slowed down substantially since 2012



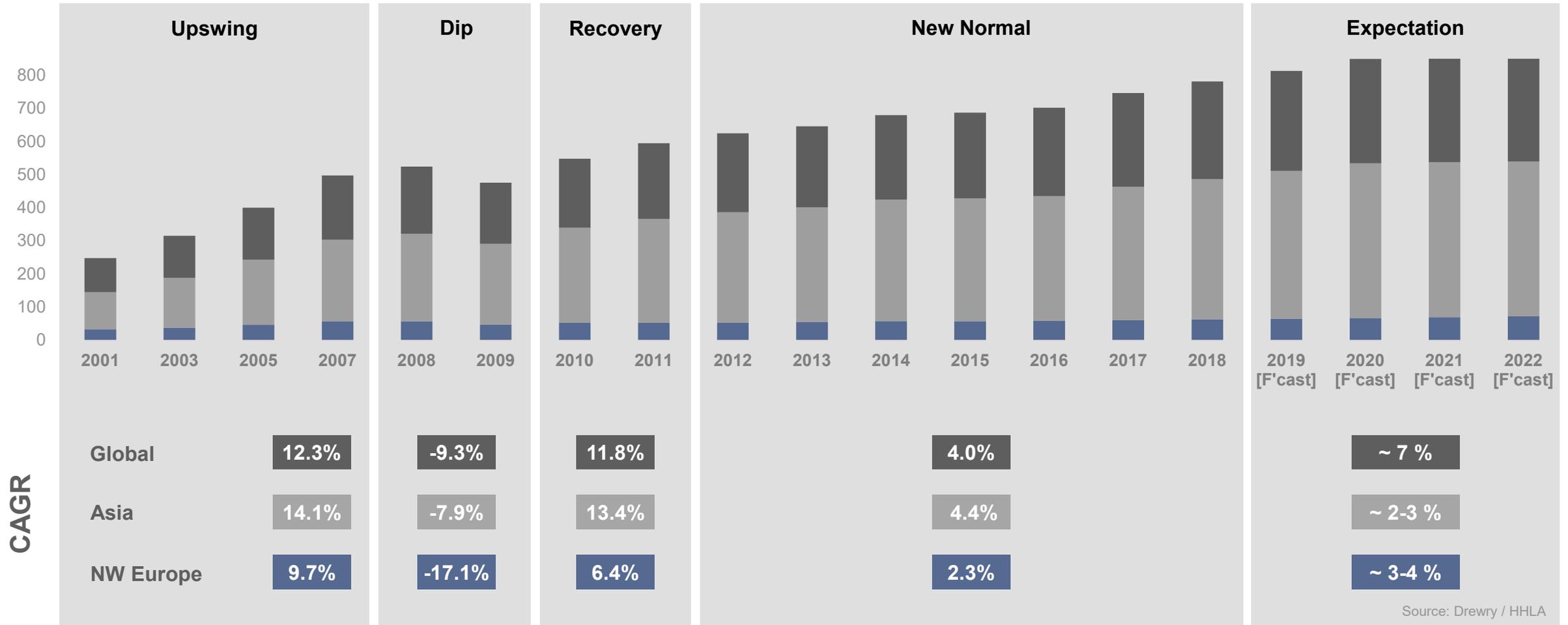
# Ports remain an attractive industry on a “new normal” level

After above average growth dynamics a new momentum has established



in TEU million

■ Global ■ thereof Asia ■ thereof Northwest Europe

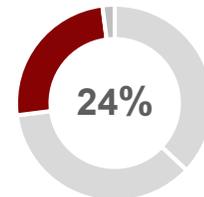
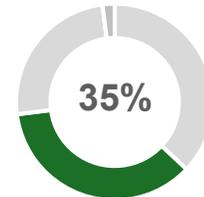
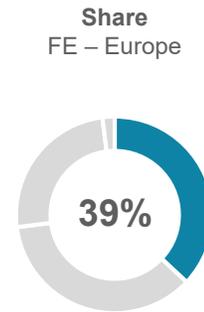
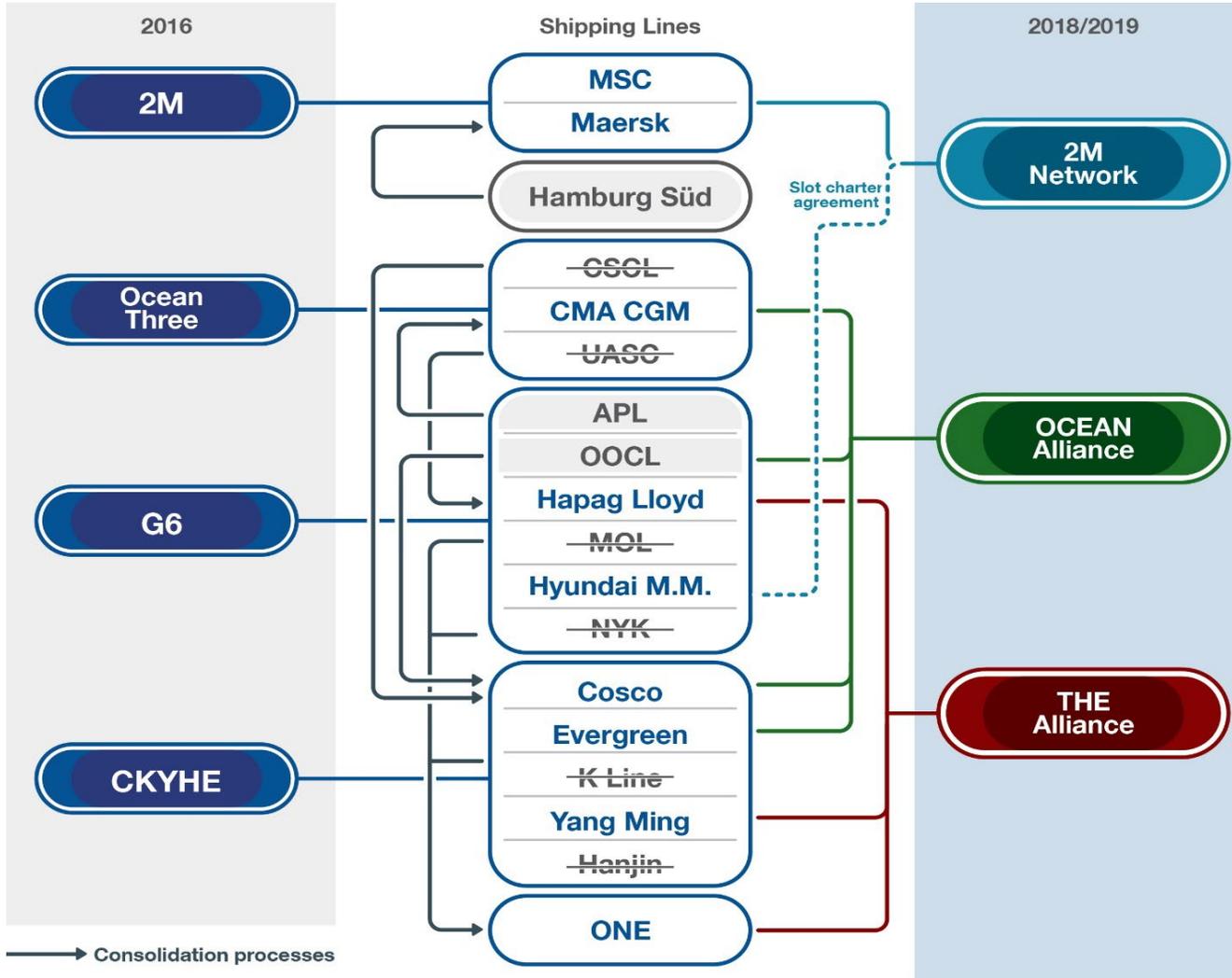


Source: Drewry / HHLA

# Development of alliances in the Asia – Far East services



Concentration in the shipping industry substantially increased



Source: HHLA / AXS Alphaliner Monthly Monitor, March 2019

## 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

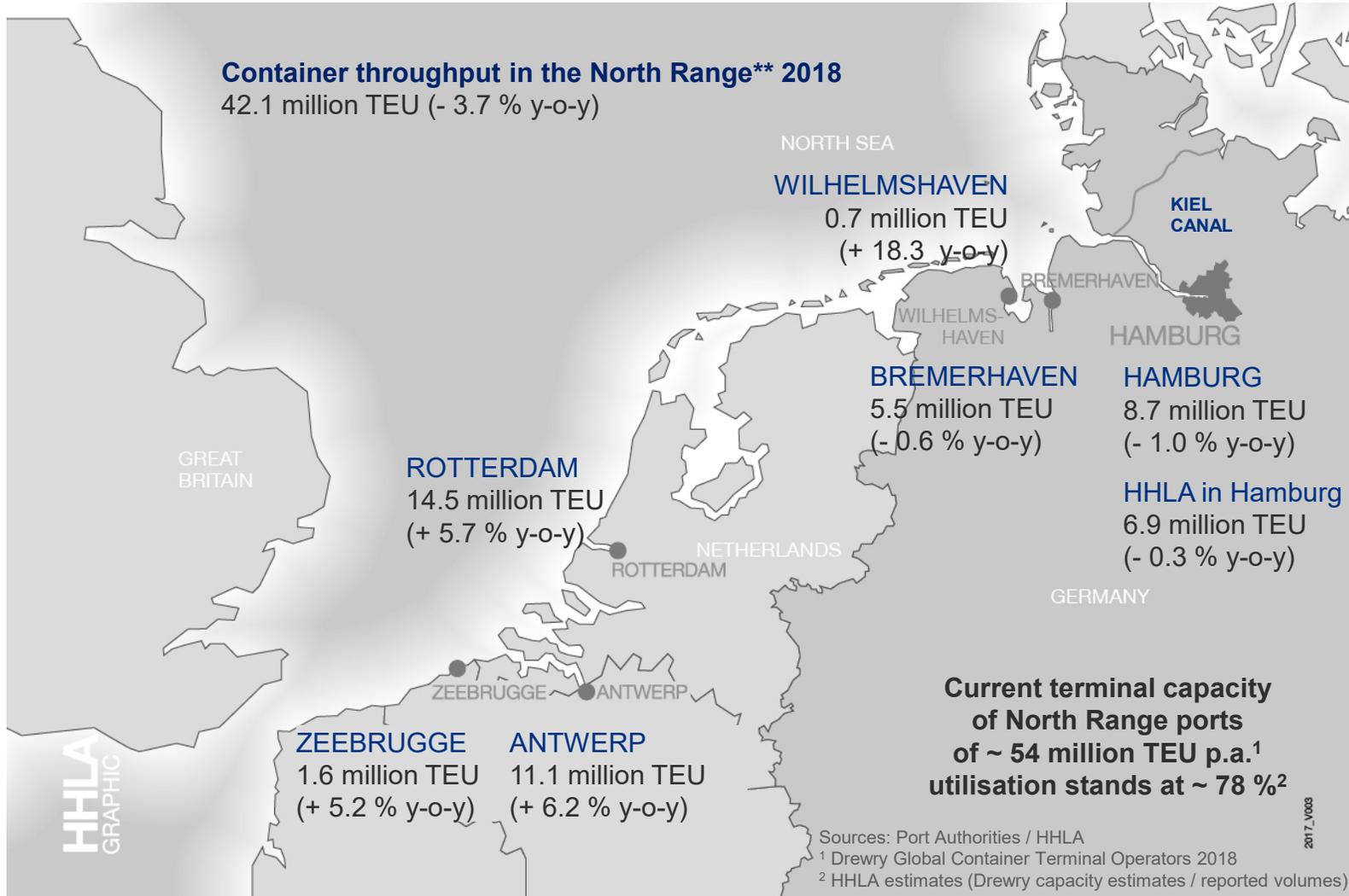
- Re-shaping of alliances and cooperation to improve load factor and slot costs
- Consolidation process in the shipping industry is supposed to be continued

## Perspectives

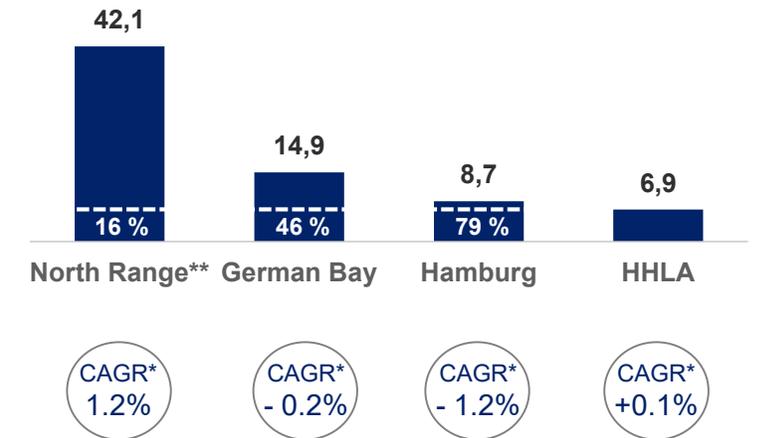
- Deployment of largest vessel sizes and focus on calls at gateway ports (hubs)

# Competing ports of the North Range

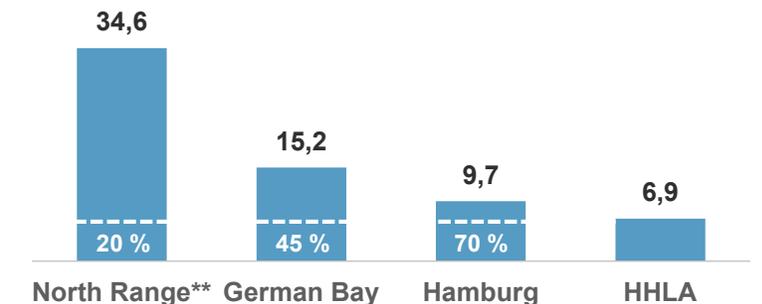
Container throughput and market share development



**Throughput and market share of HHLA in 2018**  
in TEU million



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



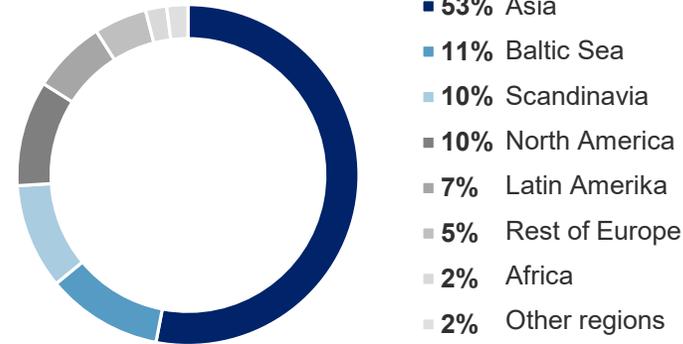
\* CAGR: 2008-2018, \*\* North Range ports (Antwerp, Rotterdam, Zeebrugge, Hamburg, Bremerhaven, Wilhelmshaven)

# Favourable geographical location of Hamburg

Still a hub for the major economies of Asia and CEE



Sea-bound container throughput in Hamburg 9M19 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

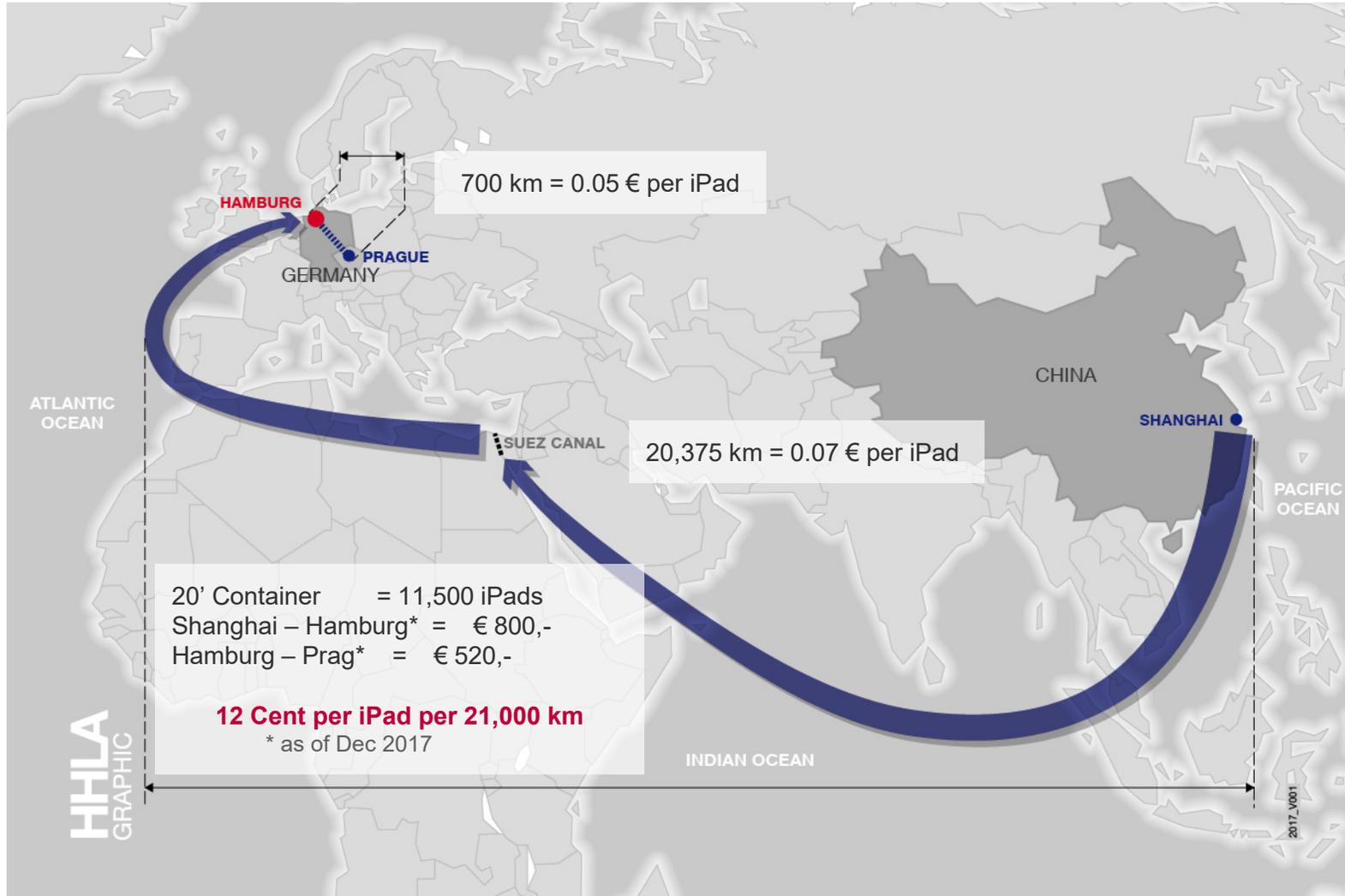
- Timely implementation of the highly needed Elbe waterway adjustment
- Underutilized capacities in most North Range ports

## Potential

- Adjustment of the waterway enabling a higher load factor, extended time slots and more flexibility for handling of mega carriers
- Recovery of the Russian economy

# 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

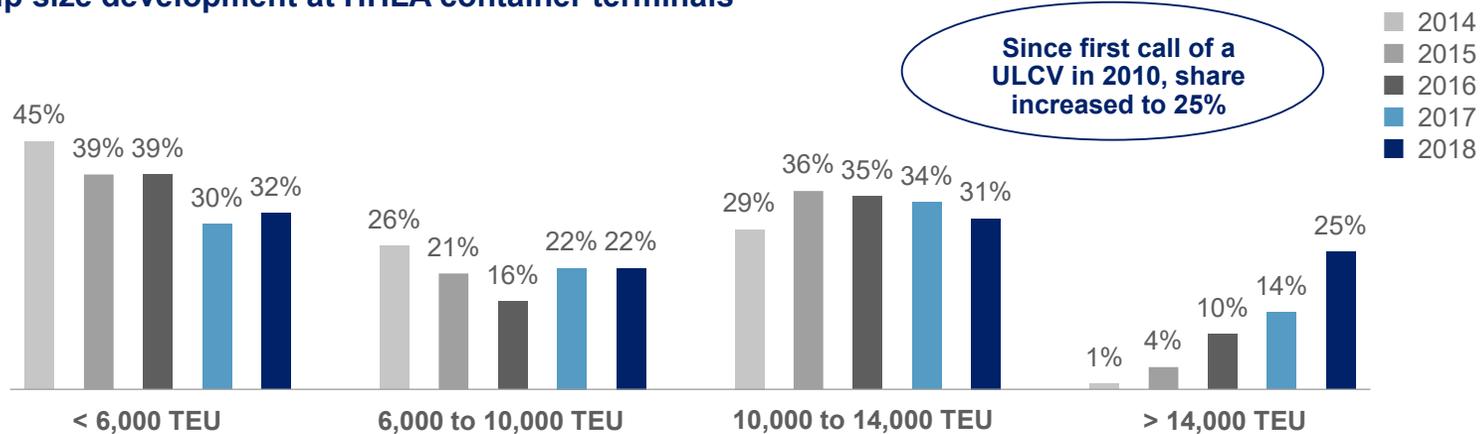
\* North Range ports (Antwerp, Rotterdam, Hamburg, Bremen Ports incl. Wilhelmshaven)

# Growth in ship sizes

Handling of ultra large container vessels (ULCV's) require extra effort



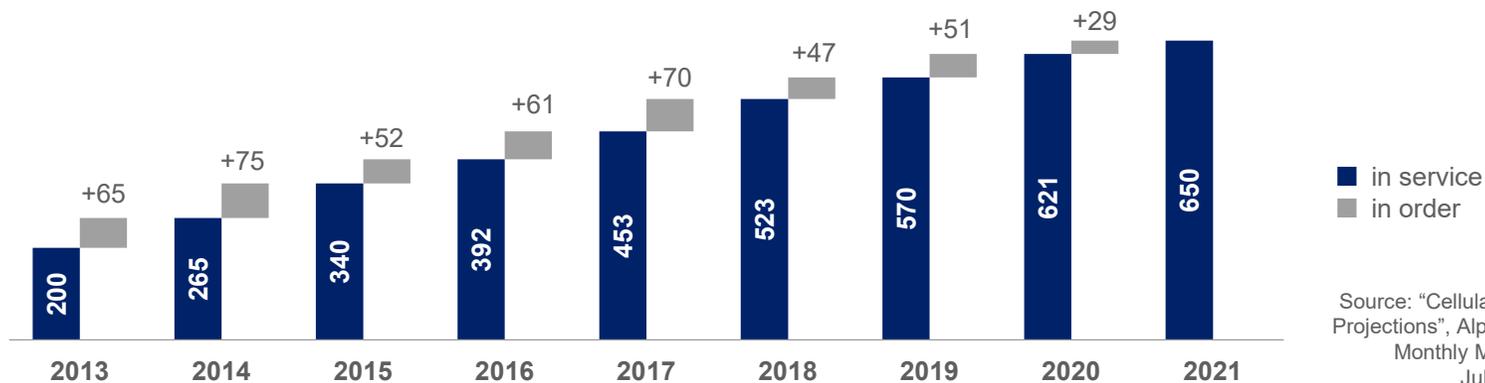
## Ship size development at HHLA container terminals



## Implications

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

## ULCV (>10,000 TEU) fleet worldwide and order book until 2021



## 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

# Deviations in ship calls per week

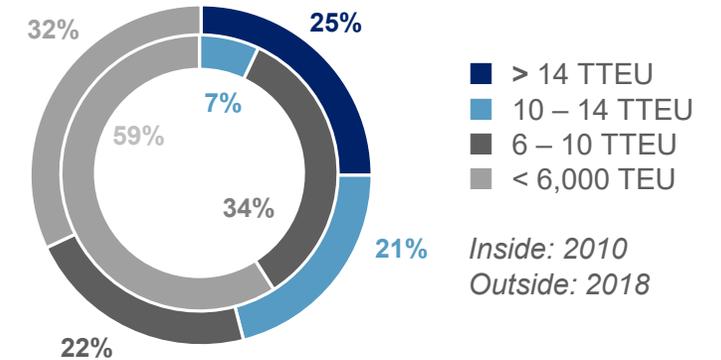
Peak loads due to bigger ship sizes in a “new normal” environment



## Development of carrying container ship capacity



## Ship-size development at HHLA terminals

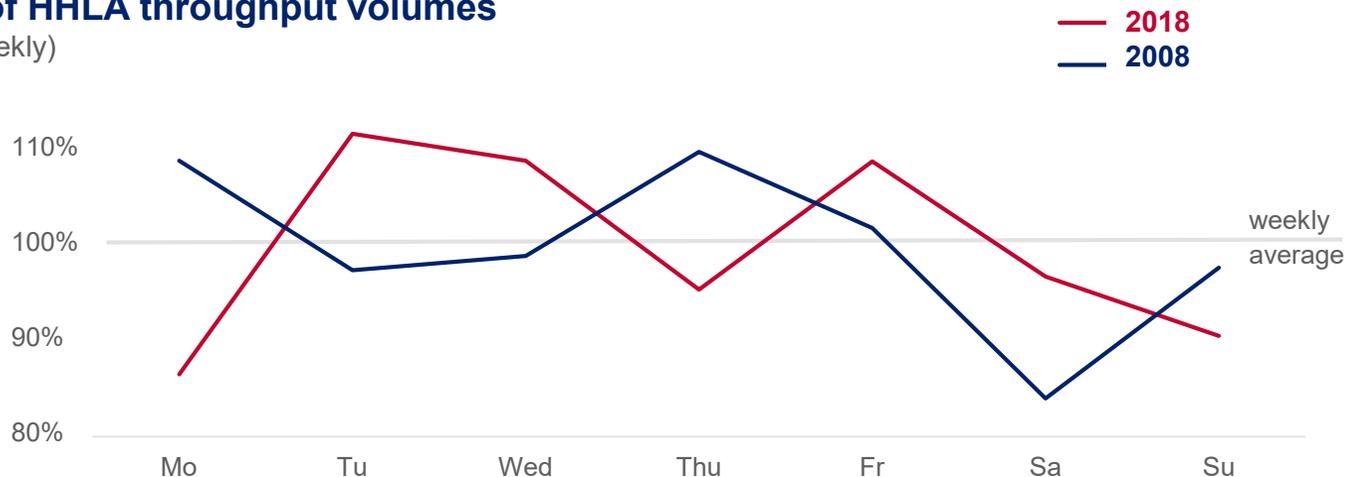


## Weekly path of HHLA throughput volumes

Index (100 = Ø weekly)

Standard deviation  
2007/08: 8.1 %  
2018: 9.3 %

+ 15.4 %  
vs. 2008

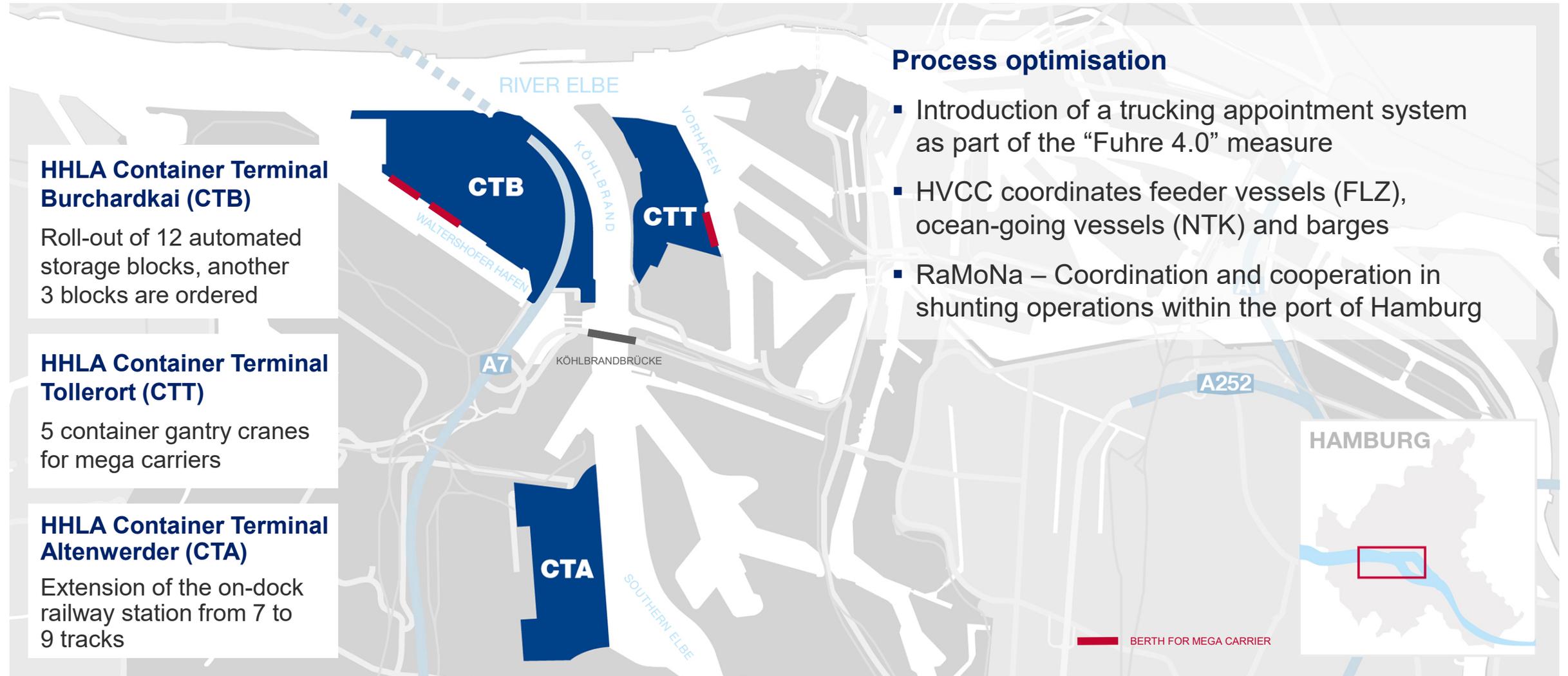


## Development of load conditions

- In 2008 load conditions with homogeneous distribution of weekly throughput volumes
- Nowadays uneven utilization due to rising volumes per call
- Average standard deviation continued to increase by 15.4% since 2008

# Focus on client needs: mega carrier ready

Investments in terminal expansion and process optimisation continued



## HHLA Container Terminal Burchardkai (CTB)

Roll-out of 12 automated storage blocks, another 3 blocks are ordered

## HHLA Container Terminal Tollerort (CTT)

5 container gantry cranes for mega carriers

## HHLA Container Terminal Altenwerder (CTA)

Extension of the on-dock railway station from 7 to 9 tracks

## Process optimisation

- Introduction of a trucking appointment system as part of the “Fuhre 4.0” measure
- HVCC coordinates feeder vessels (FLZ), ocean-going vessels (NTK) and barges
- RaMoNa – Coordination and cooperation in shunting operations within the port of Hamburg

# Advanced terminal technology

High automation level with mega-carrier berths in operation

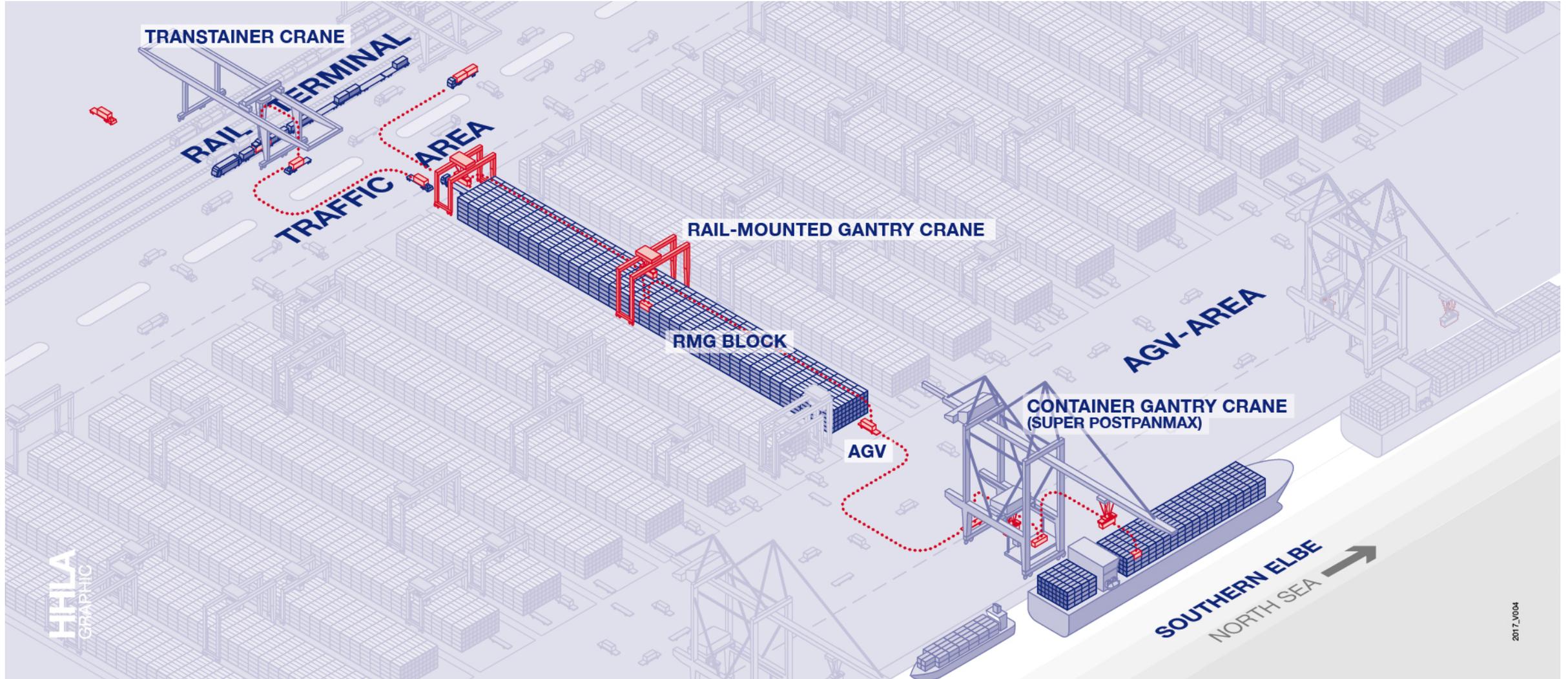


## HHLA in the Port of Hamburg

- Market share of 79 % in Hamburg and 16 % in the North Range in 2018
- 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

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

Maximum efficiency by high degree of automation and compact layout



HHLA  
GRAPHIC

2017\_V004

# Elbe waterway adjustment

Administrative steps by the public authorities in charge



Initiation and final plan approval	Main hearings on legal objections	ECJ judgement on the EU Water Framework Directive	Decision on the planning supplement	Plan amendment concluded	Start of dredging
Sep 2006 – Apr 2012 ✓	July 2014 ✓	1 July 2015 ✓	9 Feb 2017 ✓	23 August 2018 ✓	23 July 2019 ✓
Federal Water and Shipping Authority	Federal Administrative Court (FAC)	European Court of Justice (ECJ)	Federal Administrative Court (FAC)	Federal Water and Shipping Authority / Hamburg Port Authority	

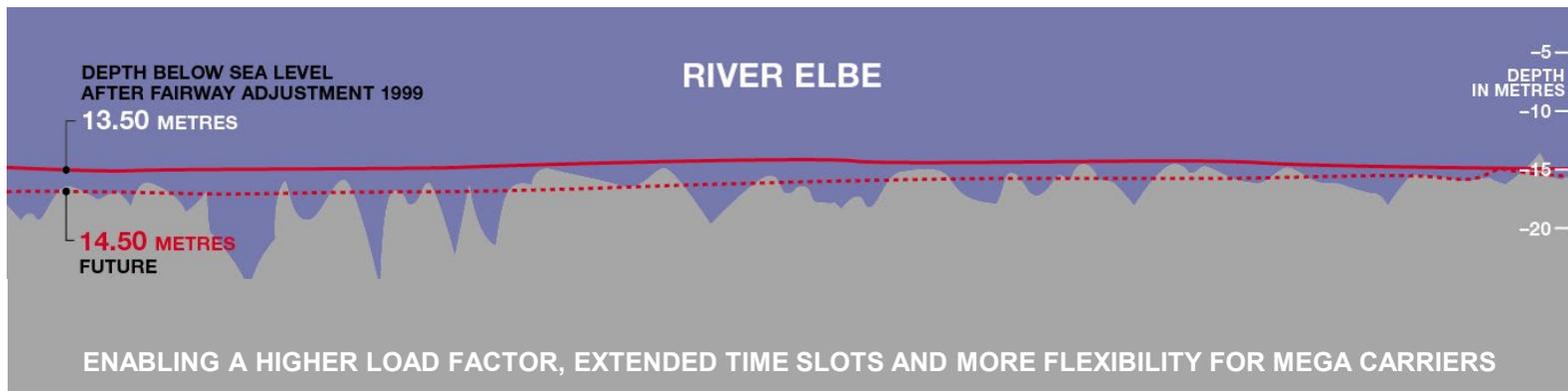
“The Elbe dredging is the best-tested and best-planned infrastructure project and was approved by the highest court.”

Andreas Scheuer, Federal Minister of transport and digital infrastructure, 23/07/2019

“With today's plan supplement decision, we are creating construction rights for the waterway adjustment which makes the port of Hamburg internationally much more competitive.”

Dr Peter Tschentscher, Mayor of Hamburg, 23/08/2018

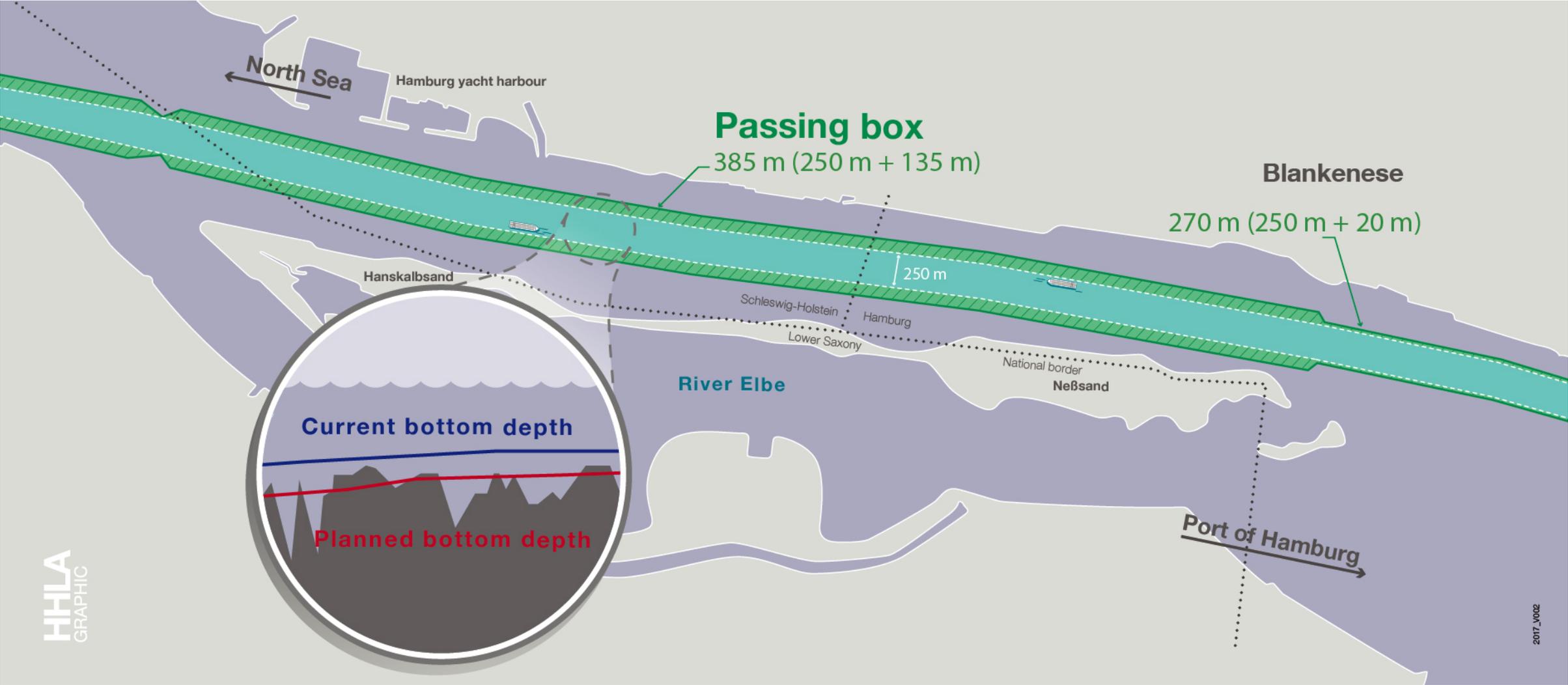
## Adjustment of navigation channel



**The dredging is scheduled to be completed in 2021.**  
Federal Water and Shipping Authority

# Elbe waterway adjustment

## Passing box



# Fact book

## Intermodal segment



# Key figures

Intermodal segment



in € million	2014	2015	2016	2017	2018
<b>Container transport in thousand TEU</b>	1,283	1,318	1,408	1,480	<b>1,480</b>
<b>Revenues</b>	351.5	364.0	390.1	414.0	<b>433.8</b>
<b>EBITDA</b>	47.8	78.8	79.6	95.0	<b>112.7</b>
<b>EBITDA margin in %</b>	13.6	21.7	20.4	22.9	<b>26.0</b>
<b>EBIT</b>	27.3	55.2	55.9	69.9	<b>89.1</b>
<b>EBIT margin in %</b>	7.8	15.2	14.3	16.9	<b>20.5</b>
<b>Segment assets</b>	329.6	375.2	405.0	408.1	<b>436.1</b>

# EBIT multiplied several times since realignment

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



**CAGR**  
2007\* – 2018  
**8.2%**

**CAGR**  
2012 – 2018  
**25.9%**

**CAGR**  
2017 – 2018  
**27.5%**

**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

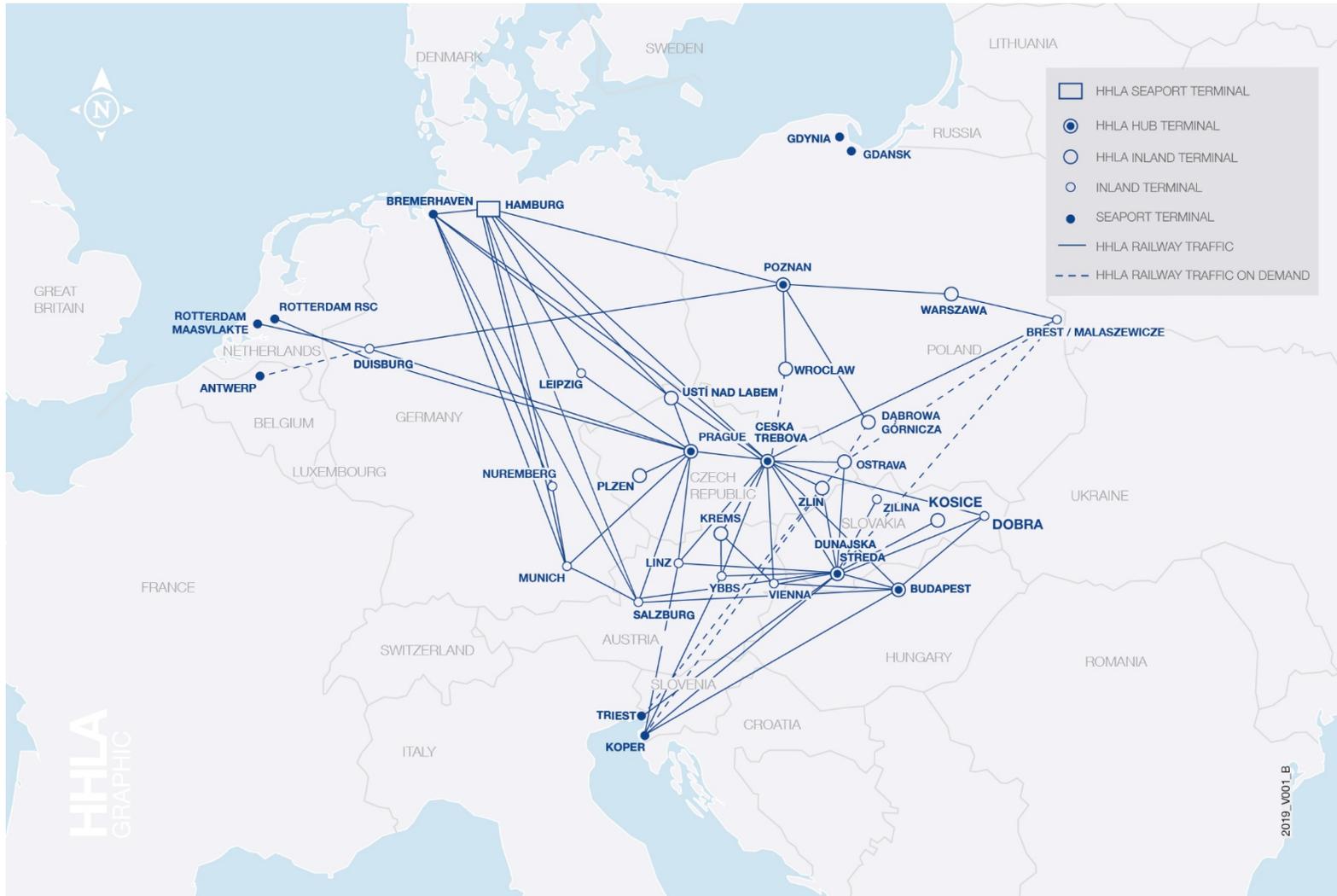
Outlook 2019  
**Significant increase on previous year \*\***  
(2018: € 89.1 million)

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

\*\* mainly due to changes in lease accounting policy (IFRS 16)

# Intermodal network terminal technology

Coverage and high capacity utilisation matter as important prerequisite for growth going forward



- Five hub terminals in the Czech Republic, Slovakia, Hungary & Poland
- Nine inland terminals in the Czech Republic, Poland, Hungary, Slovakia and Austria
- Around 450 regular train connections per week
- Independent services in the D-A-CH region since 2012
- Projects 2018:
  - Integration of METRANS Polonia (former POLZUG)
  - Acquisition of remaining stake in METRANS
- Further targets: Increasing the frequency of existing connections / providing new profitable connections on demand

# Focussed capex for higher value added

Approx. € 333 million investment in own assets since 2012



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



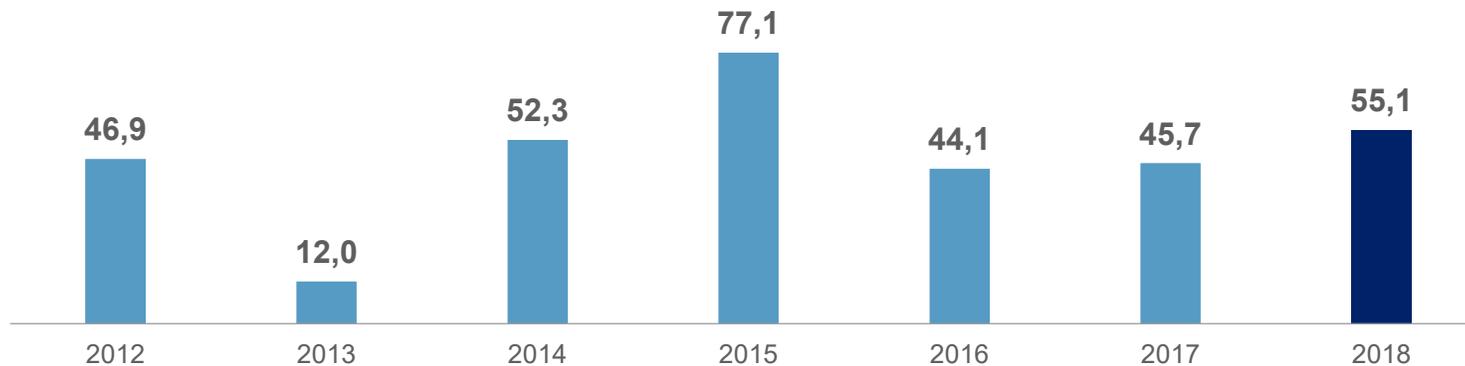
**85** Multi-system locomotives and shunting engines



**>2,800** Own designed light-weighted wagons



## Investments in € million



**Focus of investments in 2018 on the purchase of locomotives and wagons in line with transport volume development**

# The HHLA on-dock rail terminals



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

Biggest container rail terminal in Europe



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



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



# Value drivers: Differentiating know-how

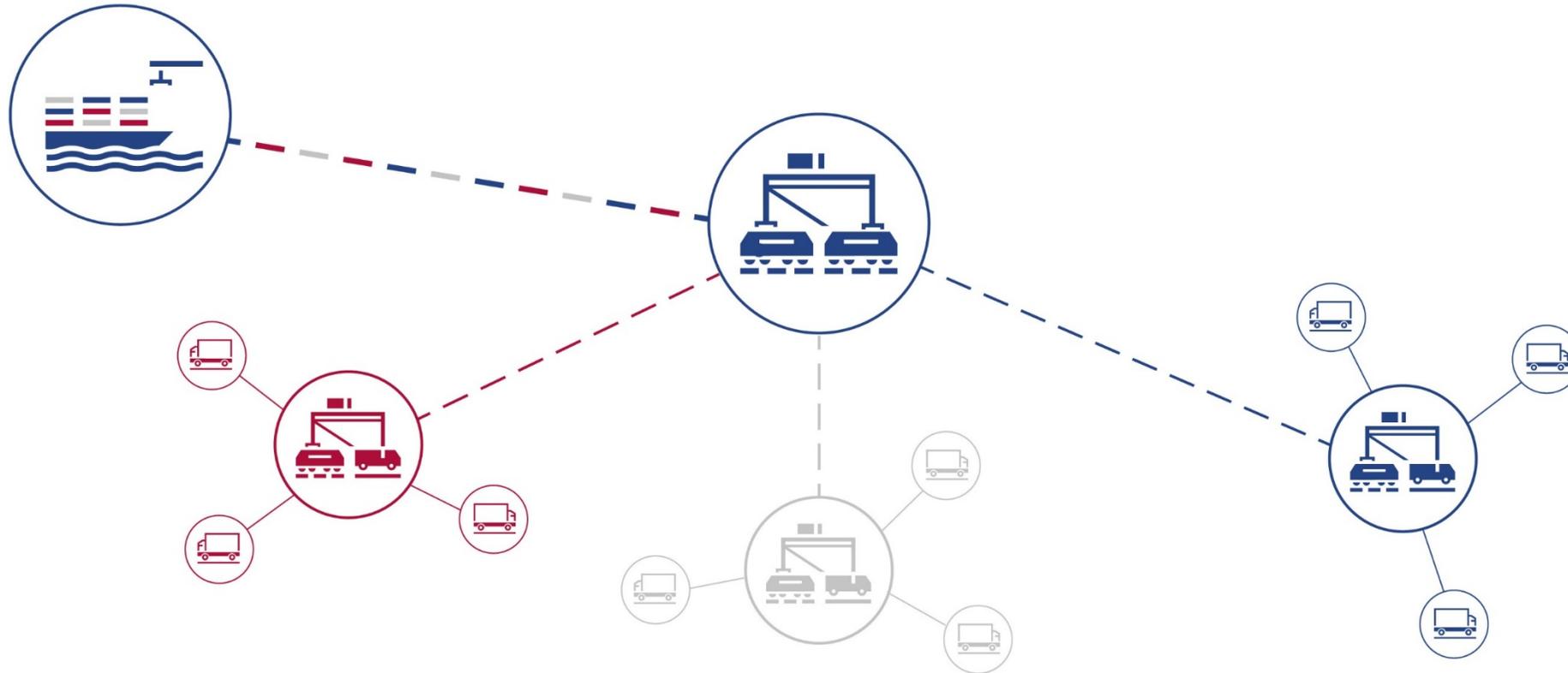
Our know-how is the customer's profit



- Experienced management with entrepreneurial passion and incentive structures
- Engaged and locally well connected sales force
- Innovative design of transport system and terminal layout that is customized on the special needs of container transportation
- State-of-the-art equipment with added value as a result of own inventions and design

# The hub and shuttle system

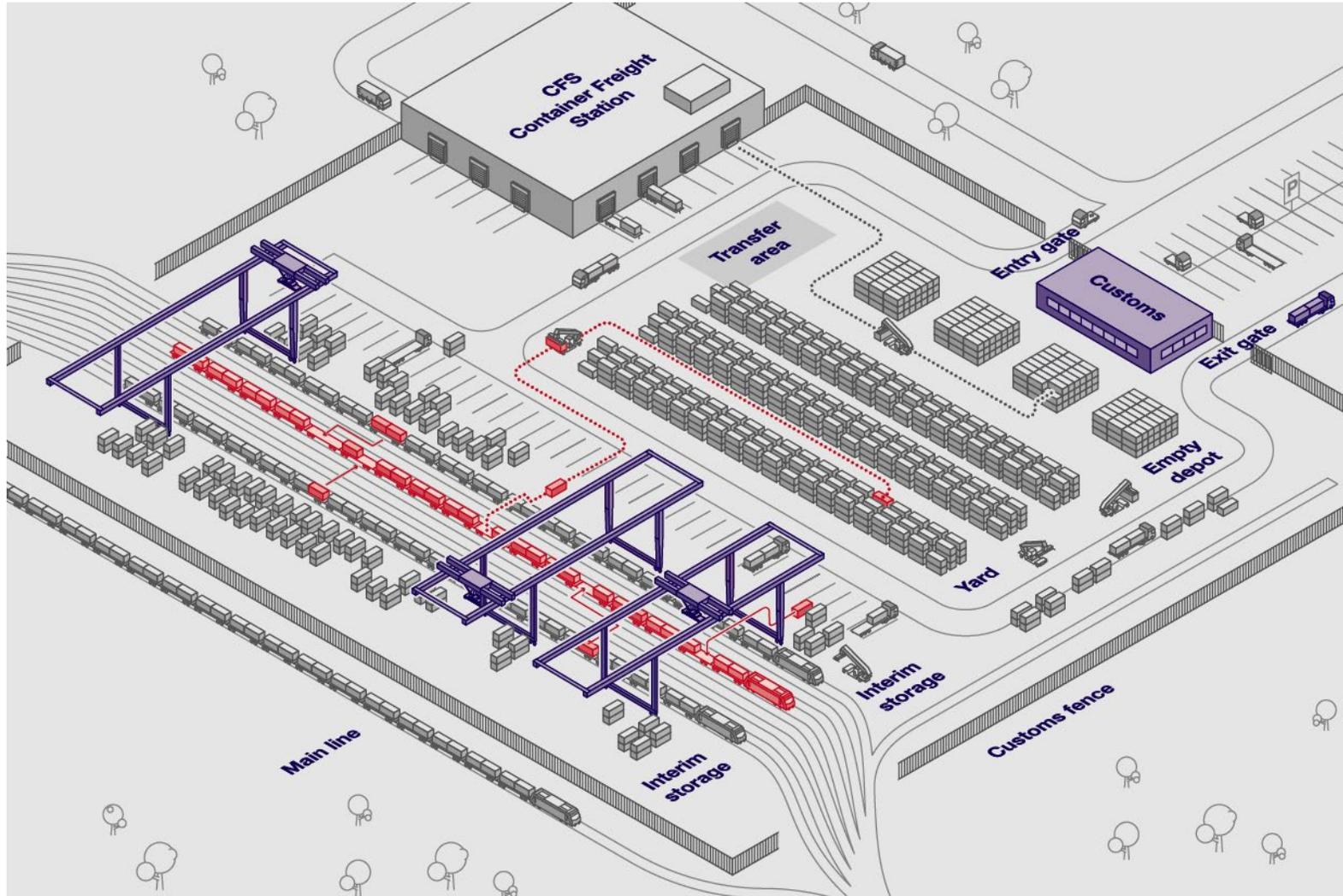
Every port is linked with a network of hubs and inland terminals



**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**

# Value drivers: Service excellence

## Intelligent terminal layout



- Highly efficient terminal layout, e.g. 12 trains can be handled at the same time in Prague terminal
- CEE terminals operate 24/7/365
- Inland hub terminals offer 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

# Value drivers: Equipment



## Own wagon design for customized container transportation

- More than 2,800 own wagons
- Own design and development of light-weighted waggons with modern 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 approximately 30 % lighter than the normal equipment in Europe

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

- Metrans owns 40 TRAXX F140 MS locomotives from Bombardier
- Model boasts 7,616 hp and pulls trains weighing up to 2,200 tonnes
- 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
- Reduction of fuel consumption by up to 50 %



# Fact book

## Logistics segment



# Key figures

## Logistics segment



in € million

	2014	2015	2016	2017	2018
<b>Revenues</b>	65.4	65.1	55.0	50.8	<b>59.8</b>
<b>EBITDA</b>	0.5	4.6	2.4	6.9	<b>10.0</b>
<b>EBITDA margin in %</b>	0.8	7.0	4.3	13.7	<b>16.7</b>
<b>EBIT</b>	- 0.7	- 0.8	- 1.7	2.6	<b>5.6</b>
<b>EBIT margin in %</b>	- 1.0	- 1.3	- 3.1	5.0	<b>9.4</b>
<b>At-equity earnings</b>	4.3	3.0	3.7	3.9	<b>4.4</b>
<b>Segment assets</b>	22.9	48.4	62.0	40.9	<b>42.0</b>

# Financial calendar / IR contact

## Financial calendar 2020

### 25 March 2020

Annual Report 2019  
Analyst conference call

### 12 May 2020

Interim Statement January – March 2020  
Analyst conference call

### 10 June 2020

Annual General Meeting (AGM)

### 12 August 2020

Half-year Financial Report January – June 2020  
Analyst conference call

### 12 November 2020

Interim Statement January – September 2020  
Analyst conference call

## IR contact

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Fax: +49 40 3088 55 3397

E-mail: [investor-relations@hhla.de](mailto:investor-relations@hhla.de)

Web: [www.hhla.de](http://www.hhla.de)

## Annual Report 2018

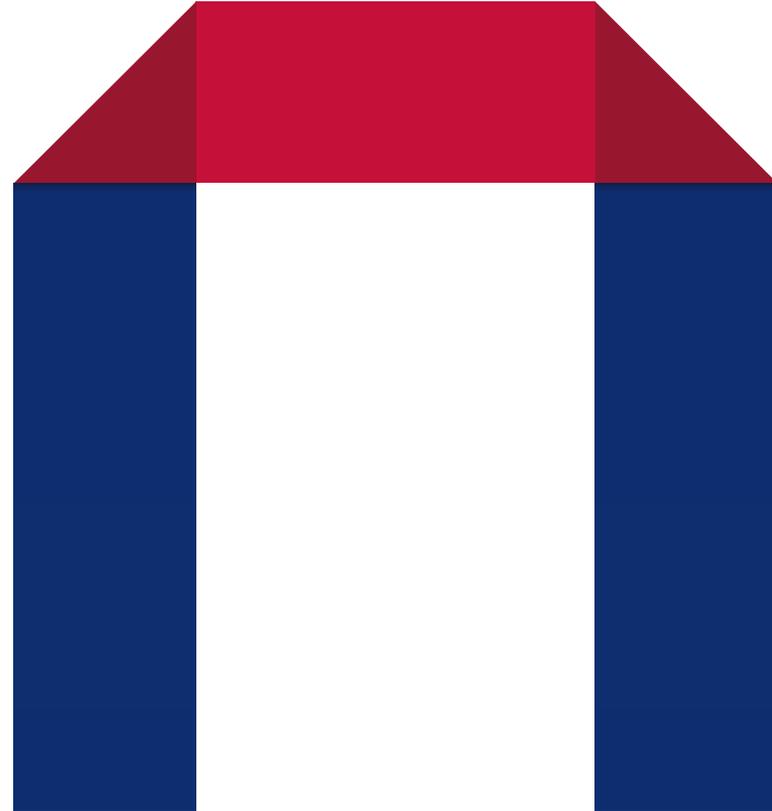
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<http://report.hhla.de>



# Appendix

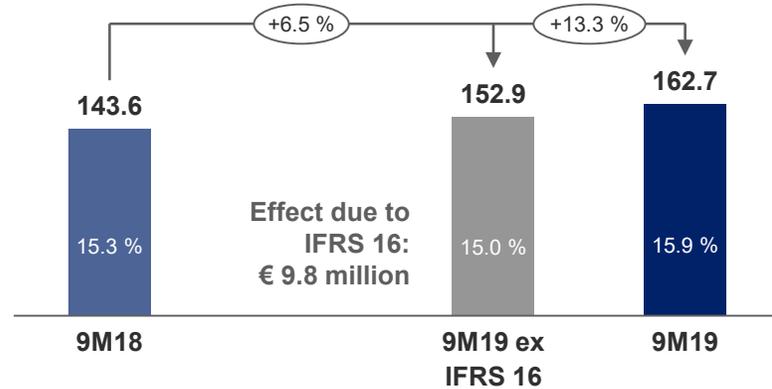
## IFRS 16



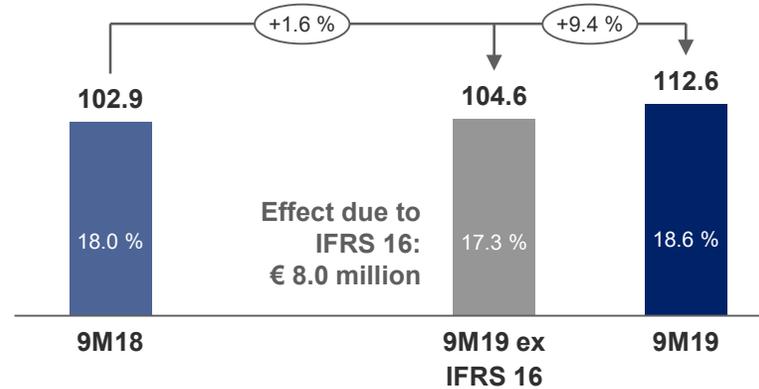
# Effects on EBIT development due to first-time application of IFRS 16

## Port Logistics and segment level

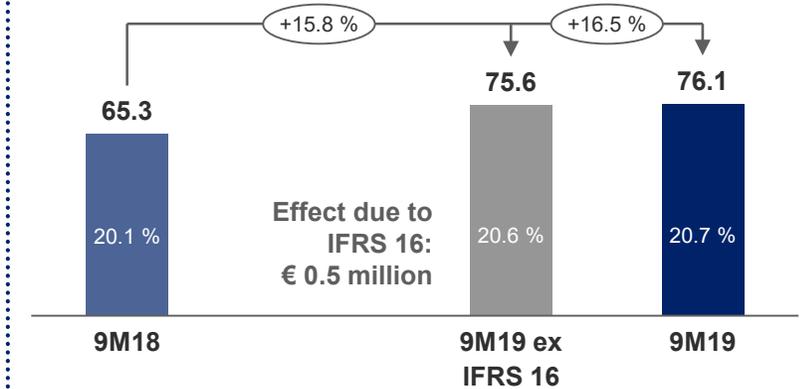
Port Logistics subgroup: EBIT & EBIT margin in € million



Container segment: EBIT & EBIT margin in € million

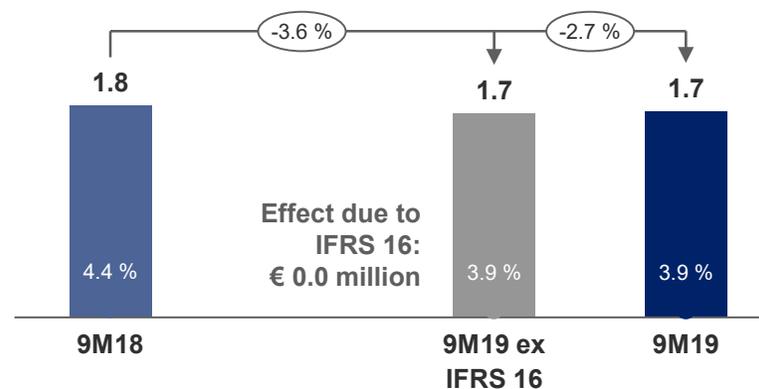


Intermodal segment: EBIT & EBIT margin in € million

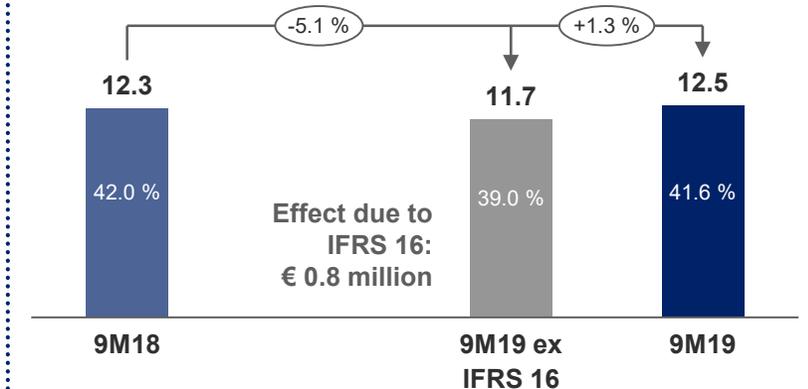


**IFRS 16**

Logistics segment: EBIT & EBIT margin in € million

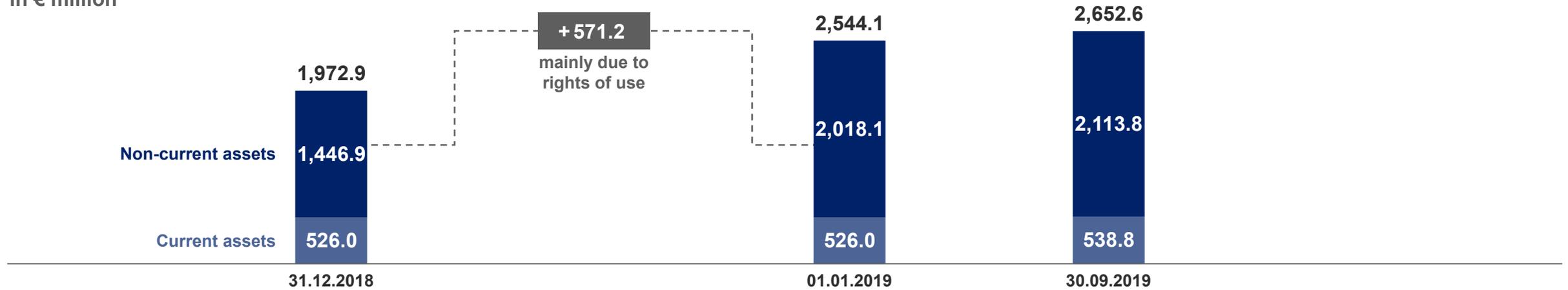


Real Estate segment: EBIT & EBIT margin in € million



# Effects on balance sheets due to first-time application of IFRS 16 and current equity trend at Group level

## Assets in € million



## Equity and liabilities in € million

