

Investor presentation

May 2020



Content and disclaimer

01 Investment highlights and strategy

page 3

02 Business update and financials Q1 2020

page 15

03 Business forecast 2020

page 25

04 Fact book

page 27

Disclaimer

The facts and information contained herein are as up to date as is reasonably possible and are subject to revision in the future. Neither the Company nor any of its parent or subsidiary undertakings nor any of such person's directors, officers, employees or advisors nor any other person makes any representation or warranty, express or implied as to, and no reliance should be placed on, the accuracy or completeness of the information contained in this presentation. Neither the Company, nor any of its parents or subsidiary undertakings nor any of their directors, employees and advisors nor any other person shall have any liability whatsoever for loss howsoever arising, directly or indirectly, from any use of this presentation. The same applies to information contained in other material made available at the presentation.

While all reasonable care has been taken to ensure that the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by the Company as being accurate.

This presentation contains forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which the Company operates. These statements generally are identified by words such as "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets" and similar expressions. The forward-looking statements, including but not limited to assumptions, opinions and views of the Company for information from third party sources, contained in this presentation are based on current plans, estimates, assumptions and projections and involve uncertainties and risks. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. The Company does not represent or guarantee that the assumptions underlying such forward-looking statements are free from errors and the Company does not accept any responsibility for the future accuracy of the opinions expressed in this presentation. No obligation is assumed to update any forward-looking statements.

By accepting this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company's business.

This presentation is not a prospectus and does not constitute an offer or an invitation or solicitation to subscribe for, or purchase, any shares of the Company and neither this presentation nor anything contained herein shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever.

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

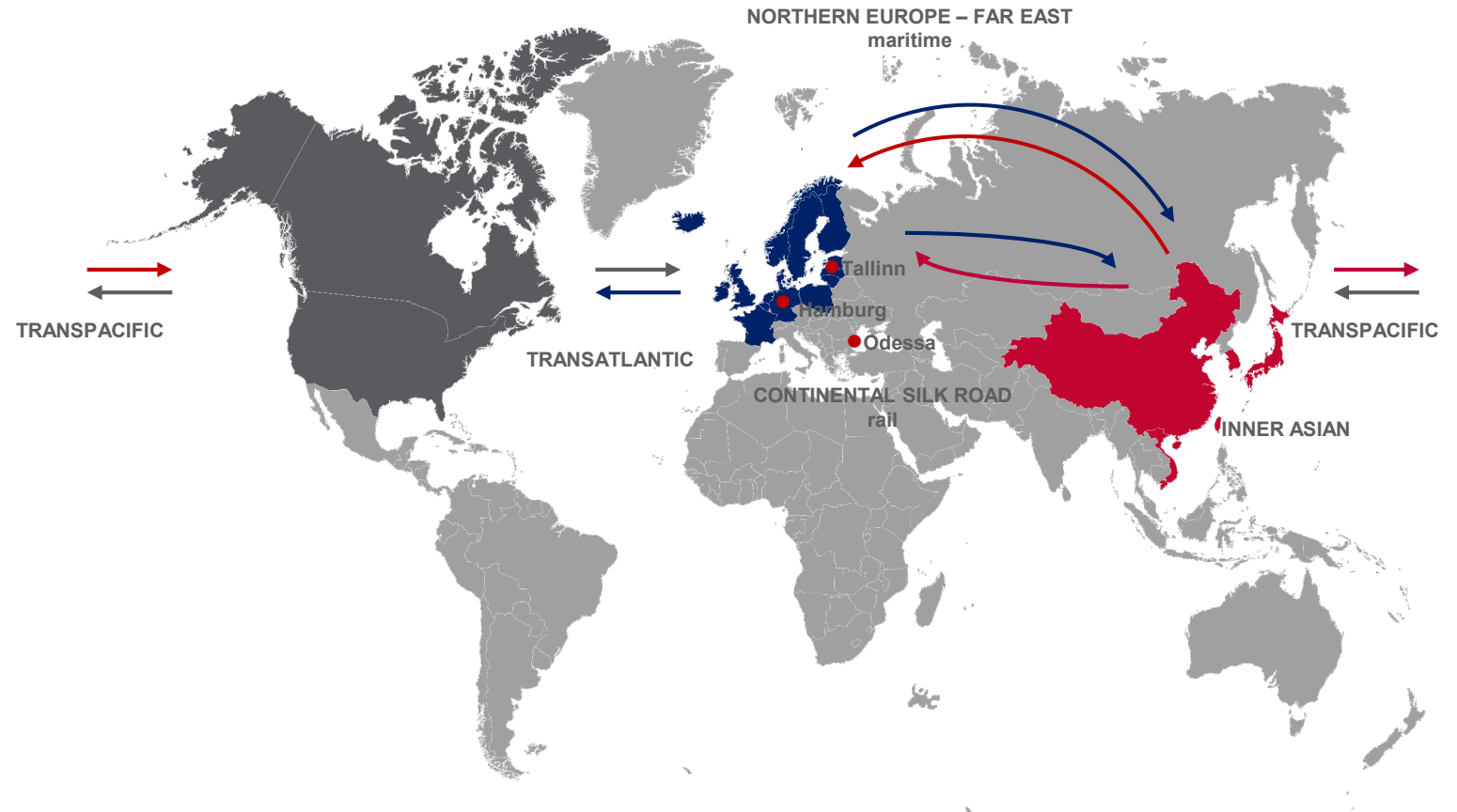


The particular attractiveness of the portfolio in the Hamburger Speicherstadt and on the northern Elbufer / Fischereihafen area is justified by the unique structure and the location. The in-house development and implementation know-how is aimed at balancing market-oriented tenant needs and heritage-friendly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

1. THE logistical and digitally innovative hub

HHLA Port Logistics' strategic position

- **Internationalisation** will continue with HHLA exploiting 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;
 - will become climate neutral by 2040.



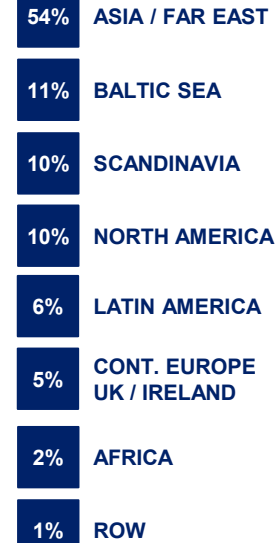
HHLA Port Logistics is the logistical and digitally innovative hub along the transport streams of the future.

2. Local player connected to Europe and Asia

Favourable geographical location in markets with robust economies

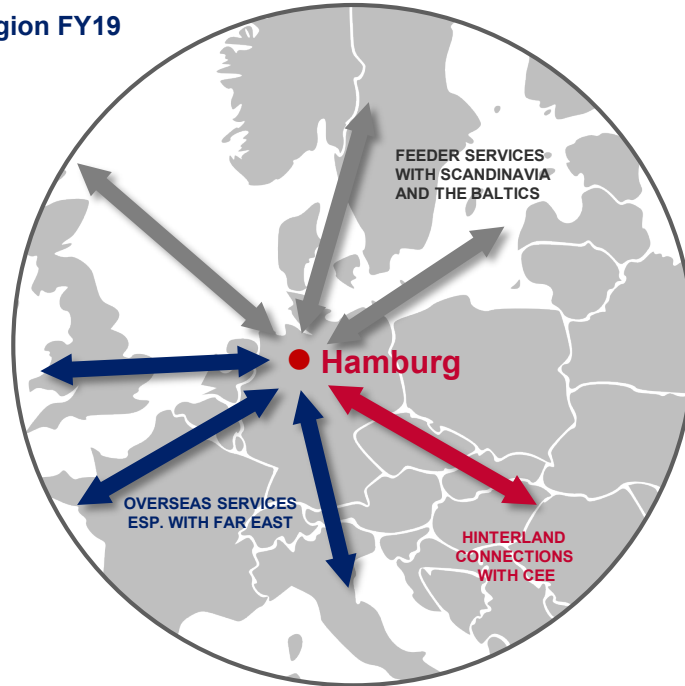
Throughput by shipping region FY19

HHLA in the Port of Hamburg

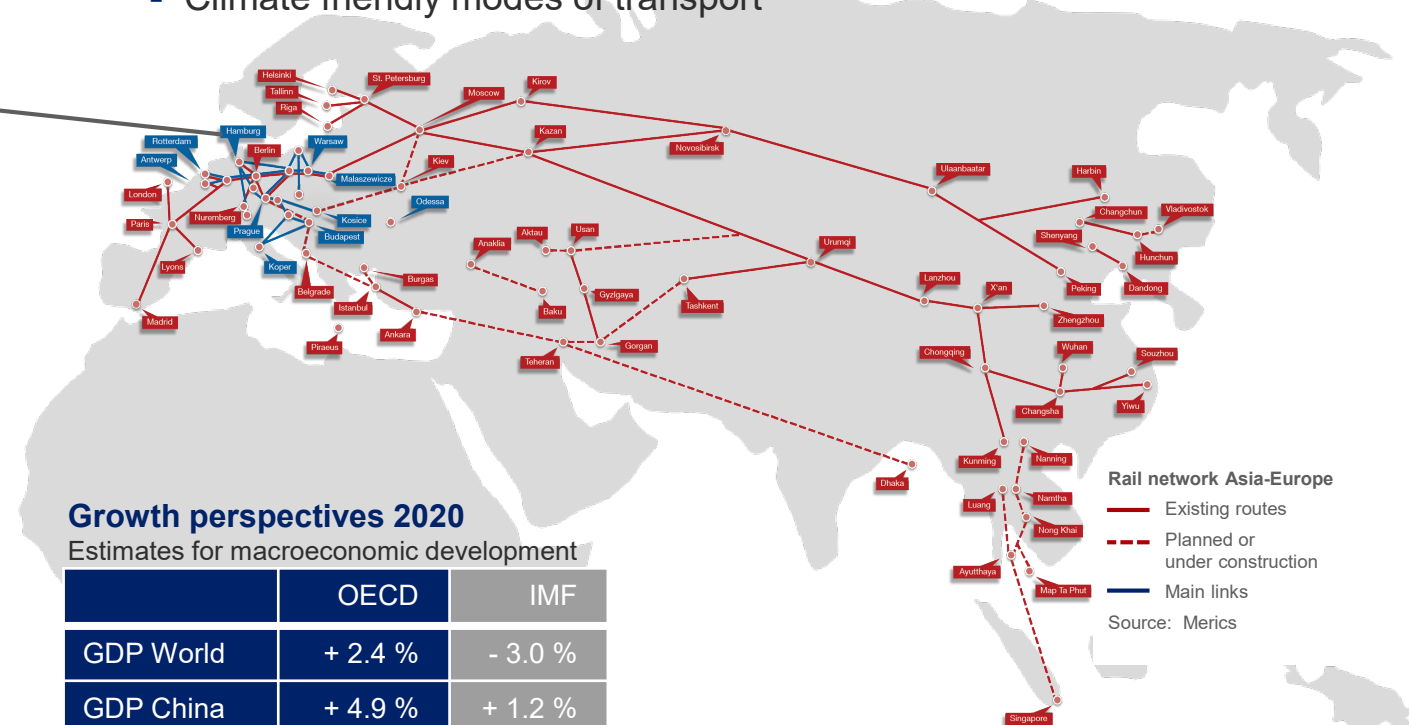


Source: HHLA

- 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 waggon and locomotives
- Traction with cross-border transport solutions
- Climate friendly modes of transport



Growth perspectives 2020

Estimates for macroeconomic development

	OECD	IMF
GDP World	+ 2.4 %	- 3.0 %
GDP China	+ 4.9 %	+ 1.2 %
GDP Russia	+ 1.2 %	- 5.2 %
World trade	- 0.9 %	- 11.0 %

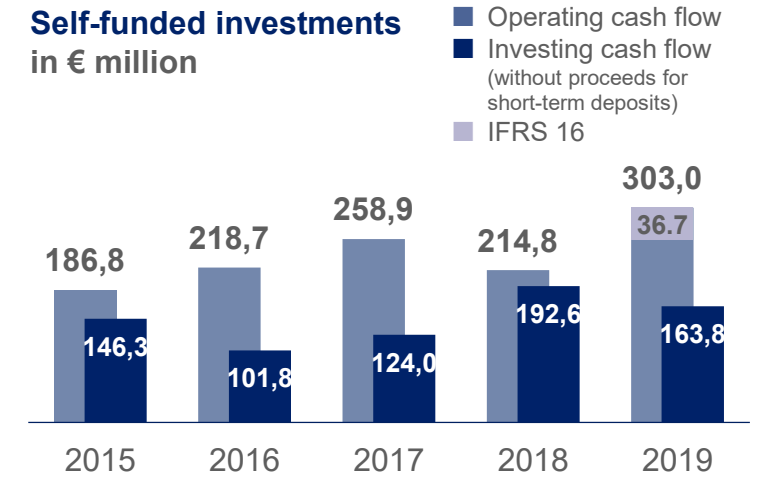
OECD Interim Economic Outlook, March 2020
IMF World Economic Outlook Update, April 2020

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
- 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

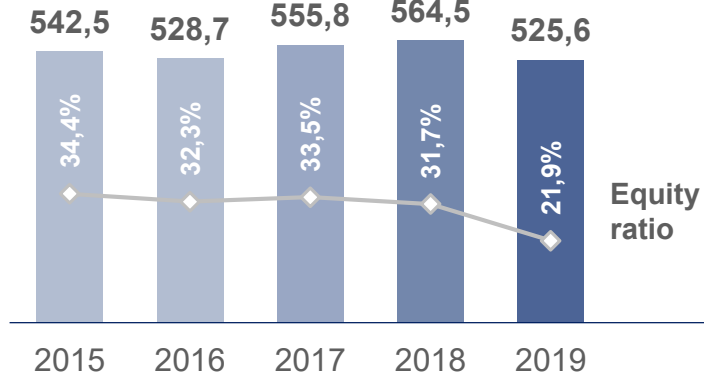
Self-funded investments
in € million



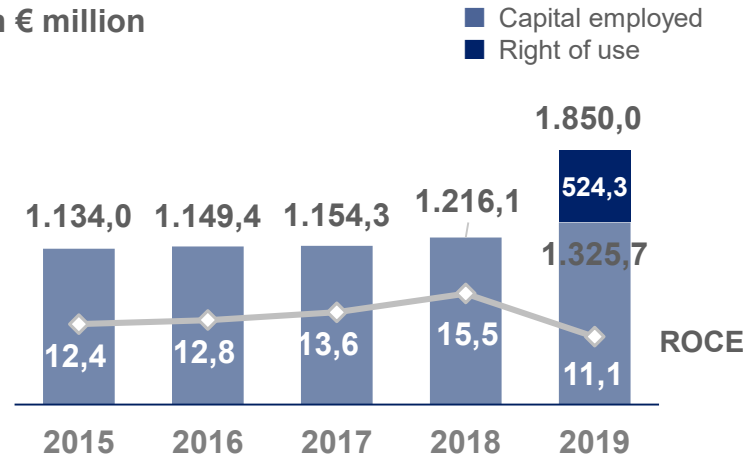
4. Solid financial foundation with strong cash flows

Focus on profitability and shareholder participation

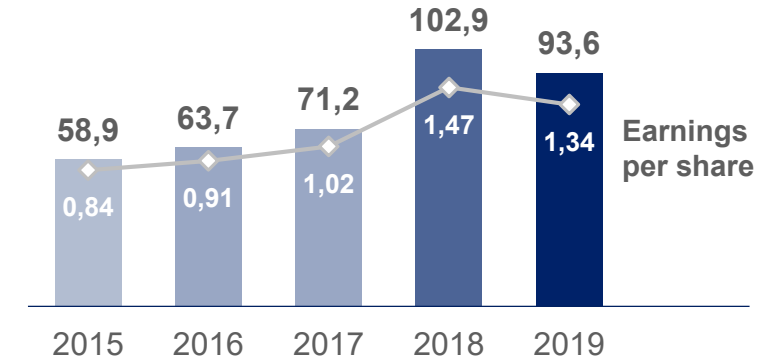
Equity development / Equity ratio
in € million



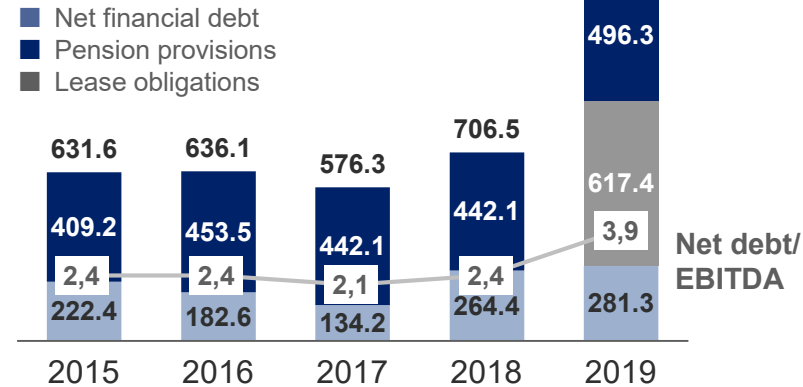
Ø Capital employed / ROCE
in € million



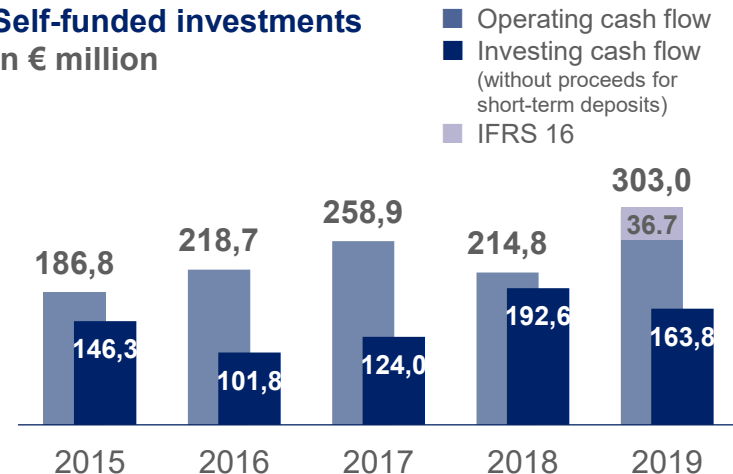
Profit after tax and minorities / EPS
in € million / in €



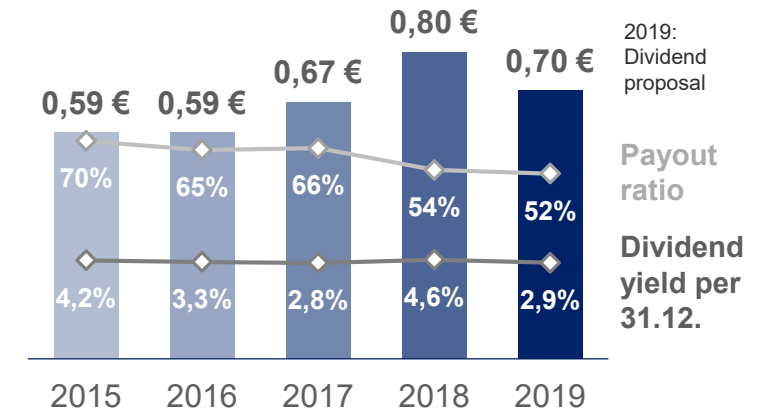
Net debt
in € million



Self-funded investments
in € million

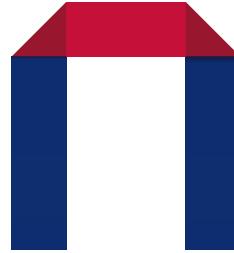


Dividend development



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** to reconcile economic success with environmental and social responsibility

Strong
market
position

Smart investment
and efficiency
programmes

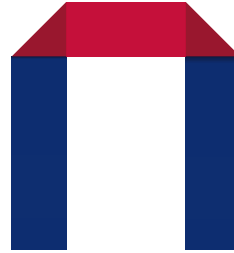
New
business
fields

Reduction of CO₂
emissions by 50% by 2030
Climate neutral by 2040

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

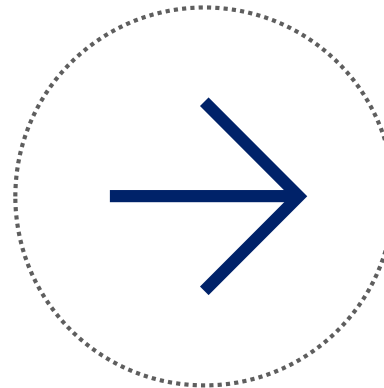


→ Action fields

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

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

Growth

- 5 new gantry cranes for mega carriers at CTB until 2020
 - Preparation of another berth for mega carriers at CTT
 - Climate neutral container handling
- Substantial investments at METRANS for locomotives and waggons to renew and expand own transportation and handling capacities
 - Support climate targets by increasing rail share in European modal split through offering of climate neutral onward transportation

Efficiency

- Implementation of a uniform terminal planning system and database
 - Make use of artificial intelligence and machine learning for improving on-dock processes
 - Increase agility, reduce overhead costs
- Acquisition of remaining stake in METRANS
 - Make use of synergies from full integration of POLZUG
 - Add new hubs to the network
 - 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

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, make use of artificial intelligence and machine learning
- Bundling and processing of data
- Digitalisation and automation of processes

- 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

Growth from M&A

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

6. Environmental protection and sustainability

Sustainable management anchored in business model – ambitious climate protection target

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 5001 (energy management)

Ecological responsibility – four fields of activity defined

Environmentally friendly logistics chains

Create sustainable, environmentally friendly transport chains



Area optimisation

Increase the efficient use of port and logistics areas



Climate protection and energy efficiency

Reduction of CO₂ emissions by energy efficiency and innovations



Protection of environment and resources

Reduction of environmental impacts and conservation of resources



HHLA will reduce its CO₂ emissions by at least 50% by 2030 (base 2018)

Until 2040 HHLA will be a climate neutral company



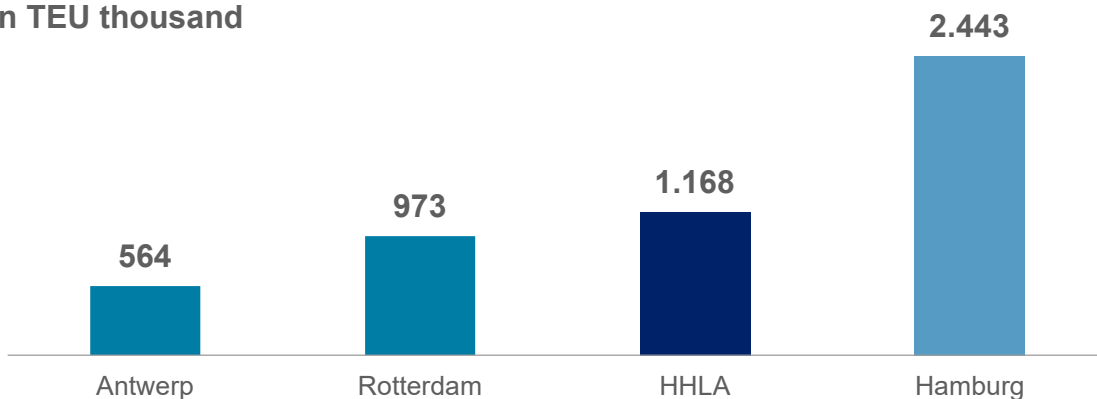
6. Environmental protection and sustainability

Ambitious targets supported by concrete actions

Green infrastructure in the Port of Hamburg

- More than 135 rail operators use the infrastructure at the Port of Hamburg
- Up to 220 freight trains with up to 5,900 wagons daily arrive at or depart at the Port of Hamburg
- Approximately 2,000 container rail connections are on offer every week

Rail freight traffic in 2018
in TEU thousand



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

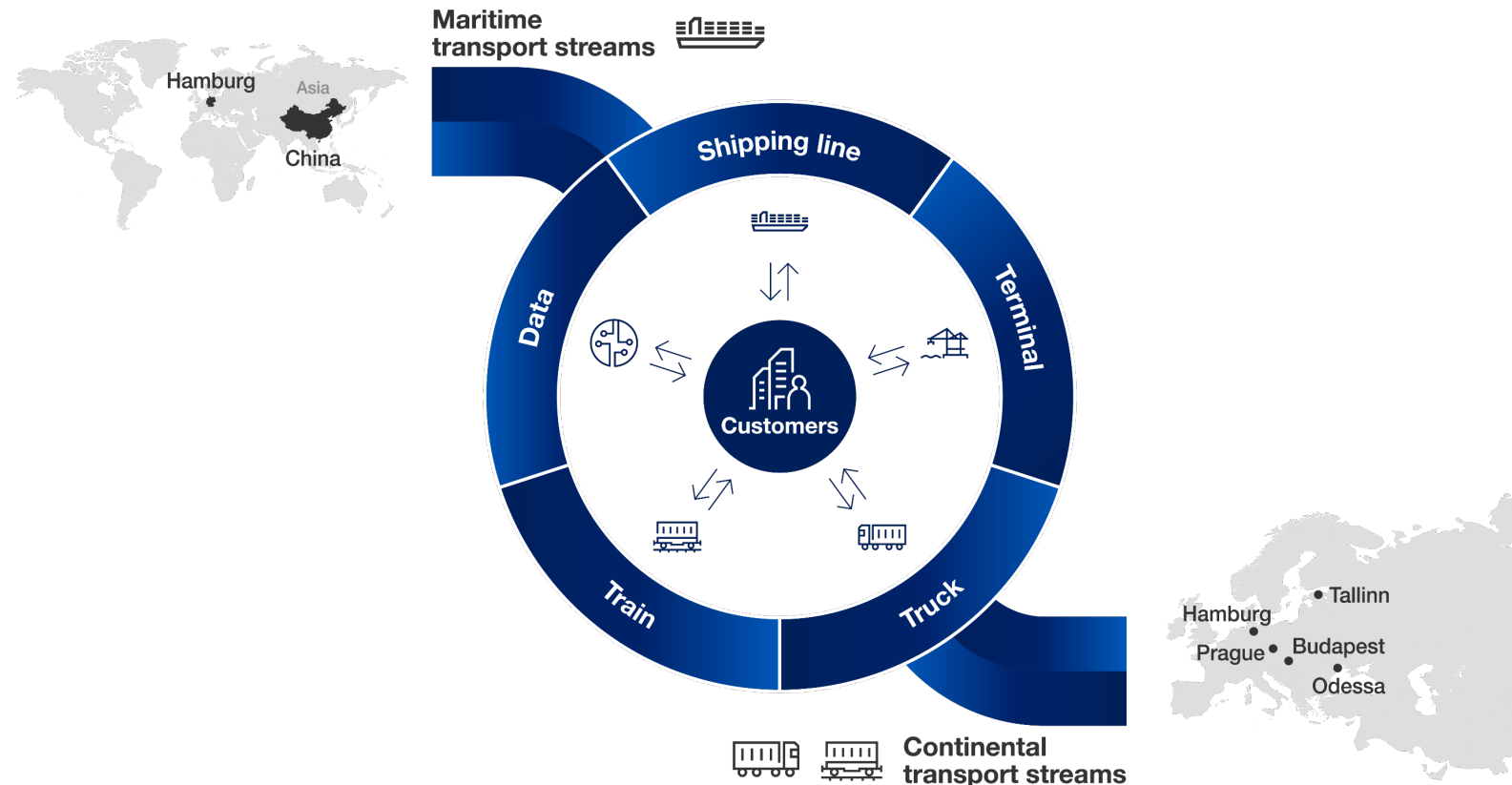
- Extensive electrification and use of green electricity on the terminals
- Transport by Metrans with CO₂ optimized train and wagon material (e.g. use of hybrid locomotives used for heavy-duty shunting or use of container flat wagons which are 30% lighter than normal equipment)
- Unavoidable CO₂ emissions are currently offset by certified development projects according to the highest international Gold standard
- Complete conversion of the AGV fleet to B-AGV by 2021/22
- Certification of the climate-neutral service by TÜV Nord

HHLA Port Logistics

THE logistical and digitally innovative hub

The HHLA service network

HHLA connects its customers with maritime and continental transport streams



Connection of transport streams and data streams

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

Port of Hamburg is Germany's largest logistics hub

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

Ecological consciousness as integral part of the business model

At a glance

Challenging market environment highly affects the first quarter results 2020



Revenues fell moderately while EBIT declined strongly with a corresponding impact on profitability



Market environment in Q1 affected by poor weather conditions and the first signs of a weakening of trade due to the spreading coronavirus pandemic



High pressure on transport systems due to ship delays and a first series of blank sailings



Liquidity sufficient to meet due payment obligations at all times, despite the pandemic-induced burdens



Guidance 2020 remains: Strong decline in volumes, revenues and EBIT expected

Business environment in the first quarter 2020

Global economic facing recession as a result of the coronavirus pandemic

Trend in the first quarter 2020

GDP World



GDP China



GDP Russia



World trade



Estimates for 1Q20

World throughput – 3.8 %

Europe throughput – 2.2 %

NW Europe throughput – 1.8 %

Scandinavia & Baltics – 1.4 %

Macroeconomic environment

- IMF believes it is very likely that the global economy will experience the worst recession since the Great Depression this year, the disruptions are assumed to start in Q1 and to be concentrated mostly in Q2 for almost all countries except China (peak in Q1) ¹
- China reports a negative result for Q1 for the first time since the quarterly figures were published in 1992 as the result of the shutdown beginning end of January ²
- Weakening growth in Russia due to the impact of COVID-19 and oil price fall in March ³
- Significant drop in world trade as a result of strong trade restrictions ¹

Sources: 1 International Monetary Fund – World Economic Outlook April 2020; 2– Press Release (20.04.2020); 3 World Bank ECA Economic Update Spring 2020

Sector development

- As a consequence of the coronavirus pandemic, Drewry expects clear drops in Q1
- World container throughput expected to dip moderately, but with strong catch-up in Q4 on the horizon
- After an already weak Q4 19, European volumes will deteriorate further in Q1 20
- Slightly less impact for North West Europe compared to West Mediterranean (– 3.5%)
- Scandinavia & Baltics with the lowest drop in Europe

Source: Drewry Maritime Research, Container Forecaster, April 2020

Financial results of Port Logistics subgroup in the first quarter 2020



Revenue
€ 327.4 million
– 3.7 %

EBIT
€ 32.5 million
– 41.7 %

EBIT margin
9.9 %
– 6.5 pp

Profit after tax
and minorities
€ 7.7 million
– 71.7 %

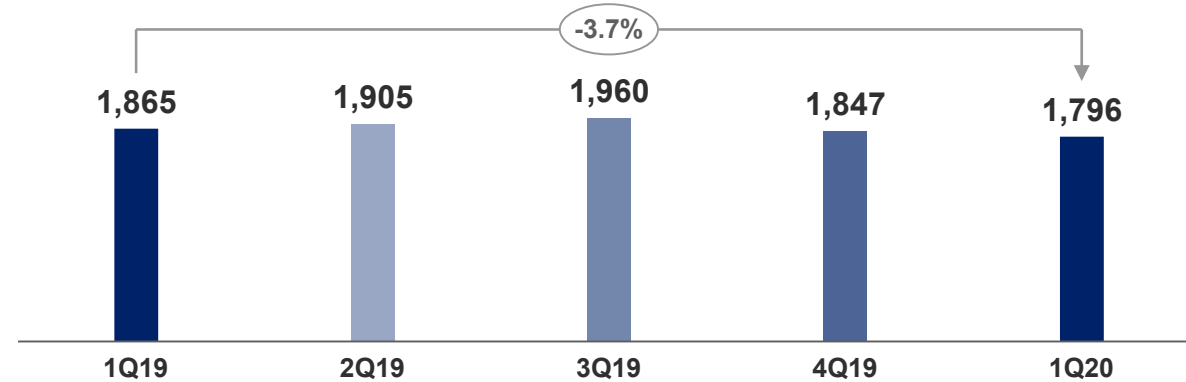
ROCE
6.9 %
– 5.4 pp

Operating cash flow
€ 73.5 million
– 17.9 %

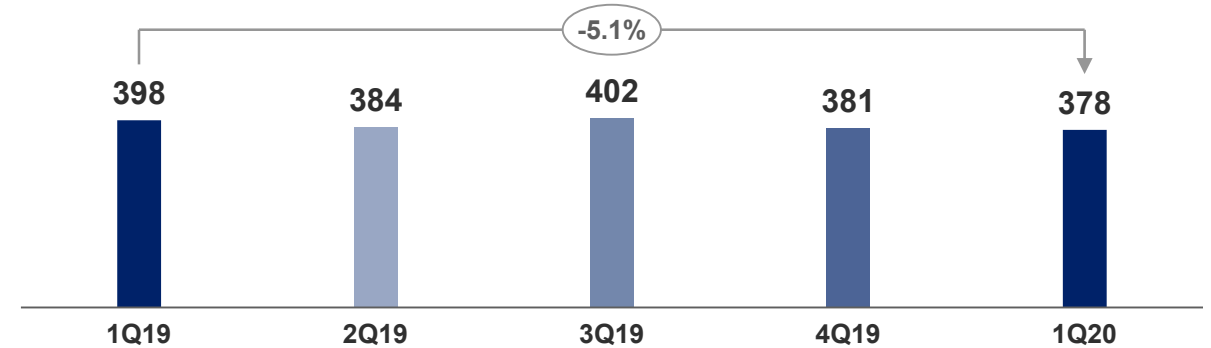
Throughput and transport trend in the first quarter 2020

Performance affected by poor weather conditions and the first effects of the coronavirus pandemic

Container throughput
in thousand TEU



Container transport
in thousand TEU



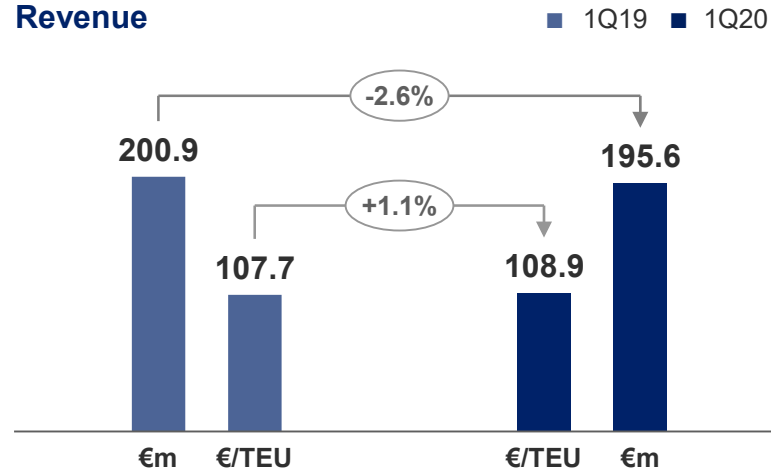
- Hamburg terminals with moderate decrease of 4.1 % mainly due to
 - ship delays due to storm lows across Northern Europe,
 - first wave of blank sailings resulting from the coronavirus pandemic (moderate loss in Asian traffic)
- Feeder volumes in down by 2.6 pp with a feeder ratio of 20.9 % (previous year: 23.5 %)
- International terminals on a par with the previous year

- Significant decrease in transport volume driven by
 - moderate decrease in rail transportation (– 3.3 % y-o-y)
 - traffic from both the North German and the Adriatic seaports recorded significant declines that couldn't be compensated by strong growth in continental traffic
 - downward trend in road transportation continued (– 11.4 % y-o-y)

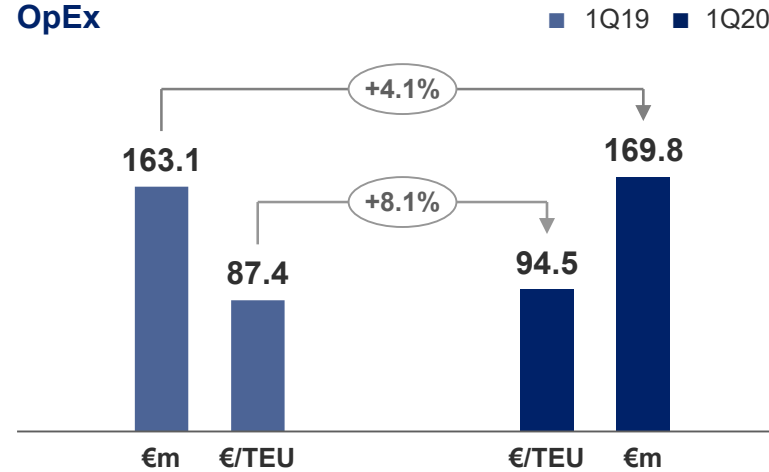
Container segment

In addition to a drop in volumes, EBIT was impacted by a rise in opex

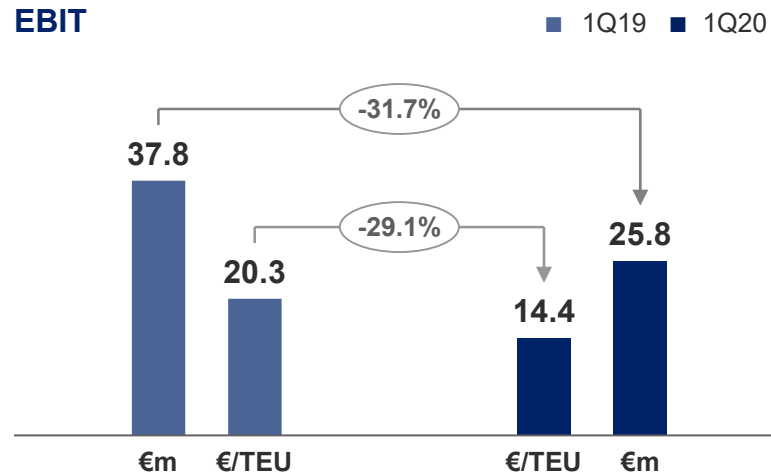
Revenue



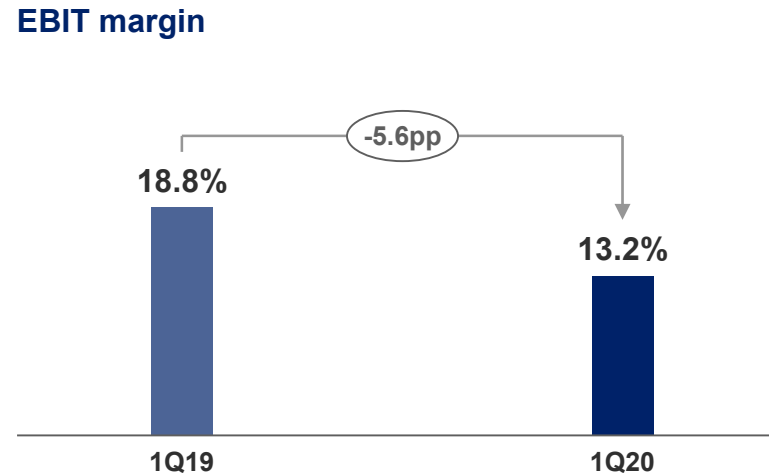
OpEx



EBIT



EBIT margin

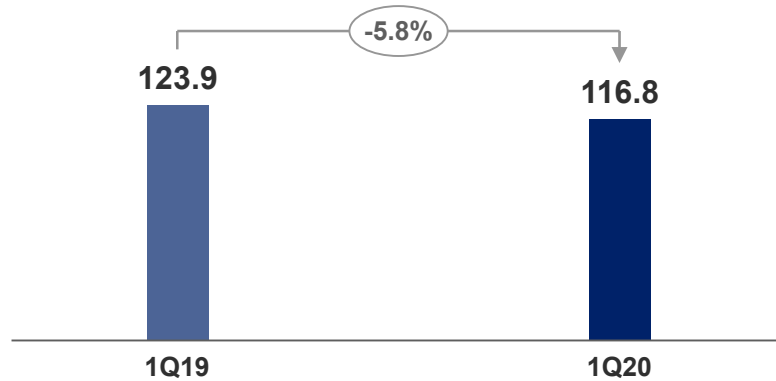


- Revenue slightly down as a result of lower volumes
- Average revenue per TEU up 1.1 % due to
 - advantageous modal split with a high proportion of hinterland volume
 - temporary increase in storage fees due to longer dwell times brought about by weather-related delays
- Rise in opex of 4.1 % impacted by
 - personnel expenses due to rising hinterland volumes, adjustments to the company pension schemes and lower productivity as a result of increased storage capacity utilisation
 - higher service and energy costs
- EBIT significantly down to € 25.8 million
- EBIT margin down by 5.6 pp to 13.2 %

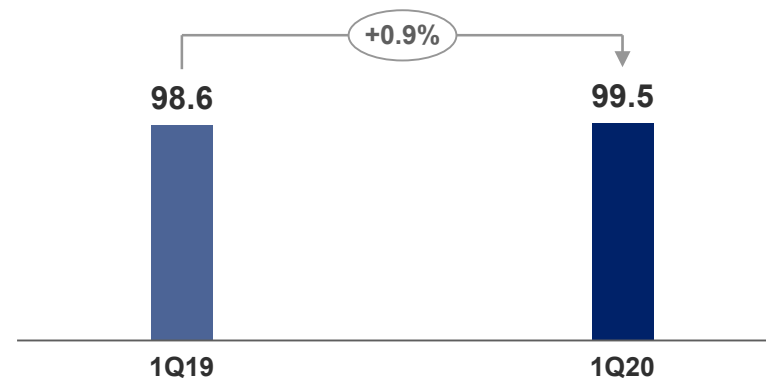
Intermodal segment

EBIT affected by lower volumes and utilisation of the train systems, EBIT margin still on a sound level

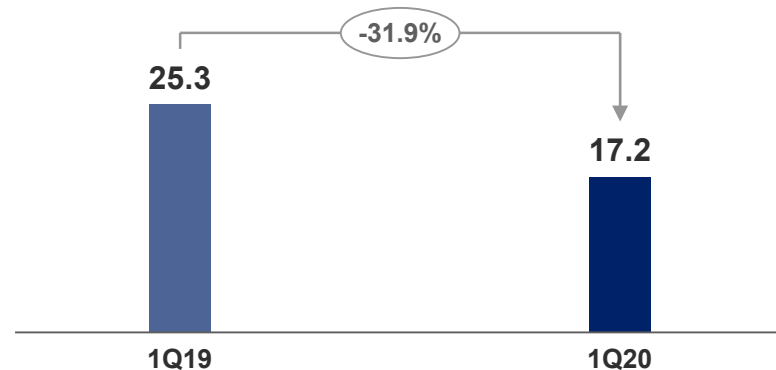
Revenue
in € million



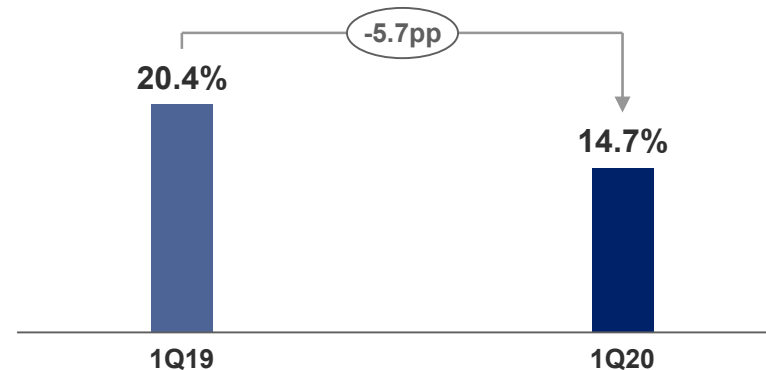
OpEx
in € million



EBIT
in € million



EBIT margin

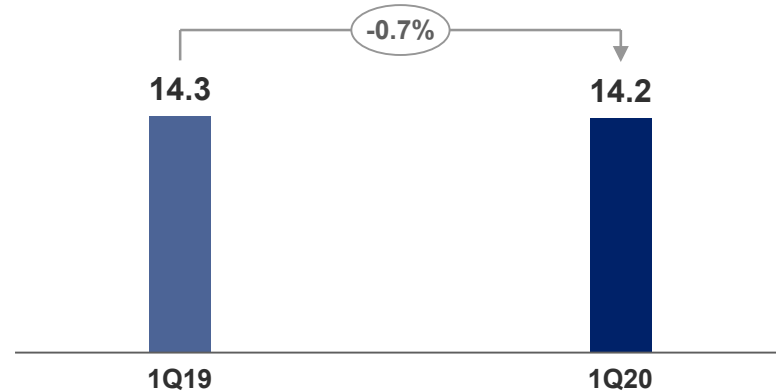


- Decrease in revenue slightly stronger than decline in transport volume
- Despite a slight increase in rail share in HHLA's total transportation volume from 77.9 % to 79.4 %, average revenue per TEU decreased as a result of the disproportionately strong decrease in freight flows with longer transport distances
- Sharp drop of EBIT as a result of
 - decline in volumes and revenues
 - increased fluctuations in the volume of import and export loads leading to a decrease in the utilization of the train systems
- EBIT margin deteriorated, but still at a sound level of 14.7 %

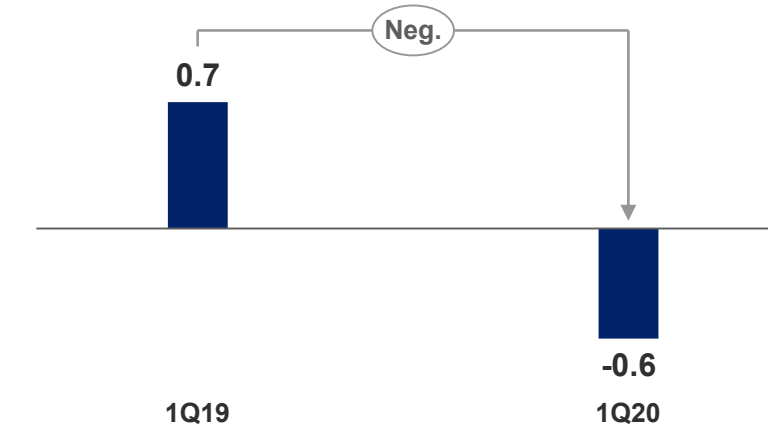
Logistics segment

Integration and management of digital projects and participations

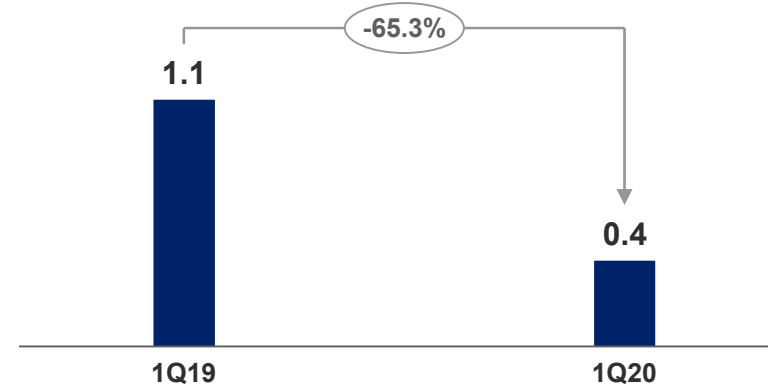
Revenue
in € million



EBIT
in € million



At-equity earnings
in € million

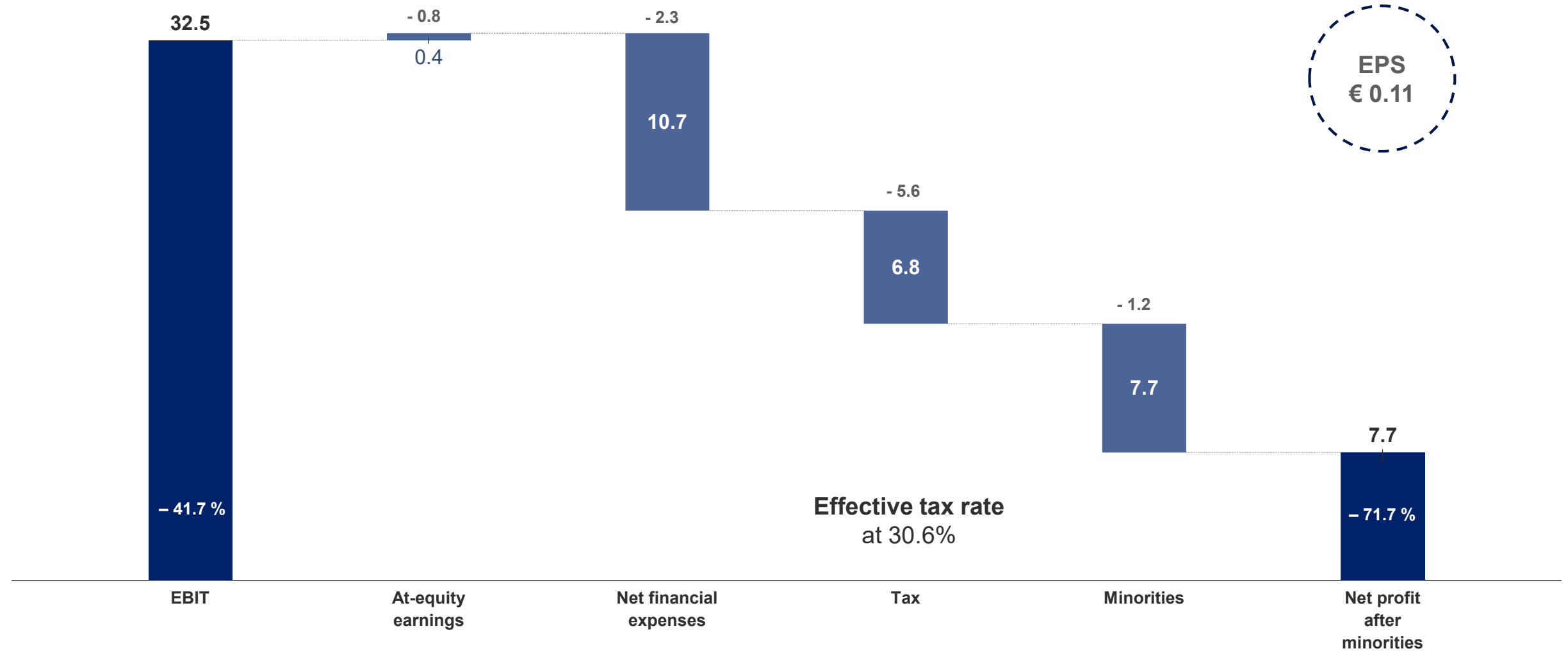


- Strengthening of the Logistics segment: digital projects and investments bundled in this segment from now on
- Revenue almost in line with previous year
- Strong drop in vehicle logistics was compensated by gains in consulting activities and additive manufacturing technologies (which was not included 1Q19)
- EBIT impacted by start-up losses in the new growth areas
- At-equity earnings was positive, but fell significantly short of the previous year's figure

Earnings bridge of the Port Logistics subgroup

Net profit showed a stable development

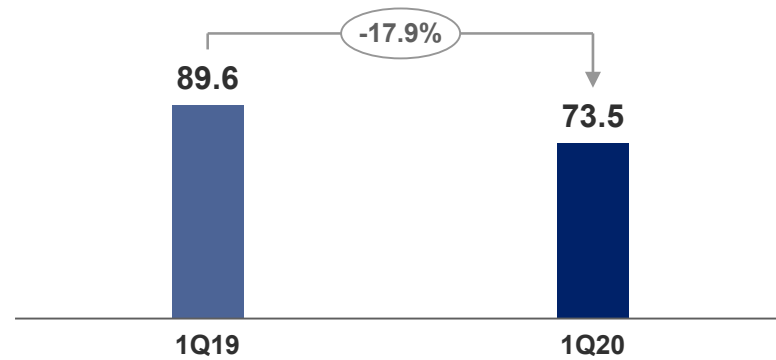
in € million / absolute change vs. 1Q19



Cash flow development of the Port Logistics subgroup

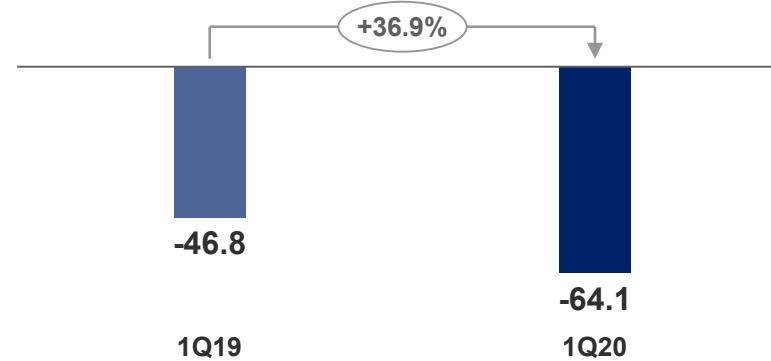
In line with business development

Cash flow from operating activities
in € million



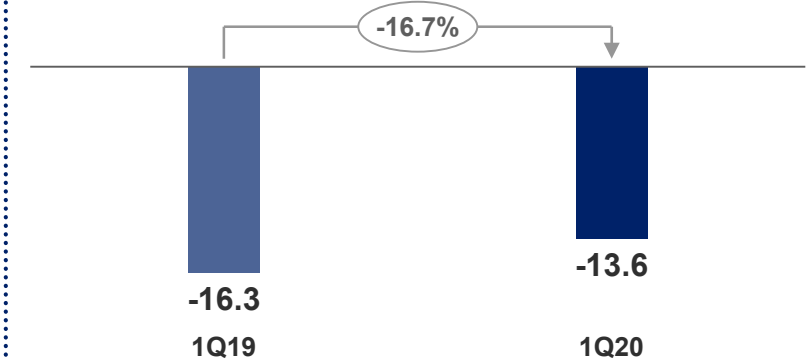
- Lower EBIT due to lower container throughput and transport

Cash flow from investing activities
in € million



- Ongoing capex programme
- Higher payments for investments in property, plant and equipment compared to the previous year
- Lower payments for short-term deposits

Cash flow from financing activities
in € million

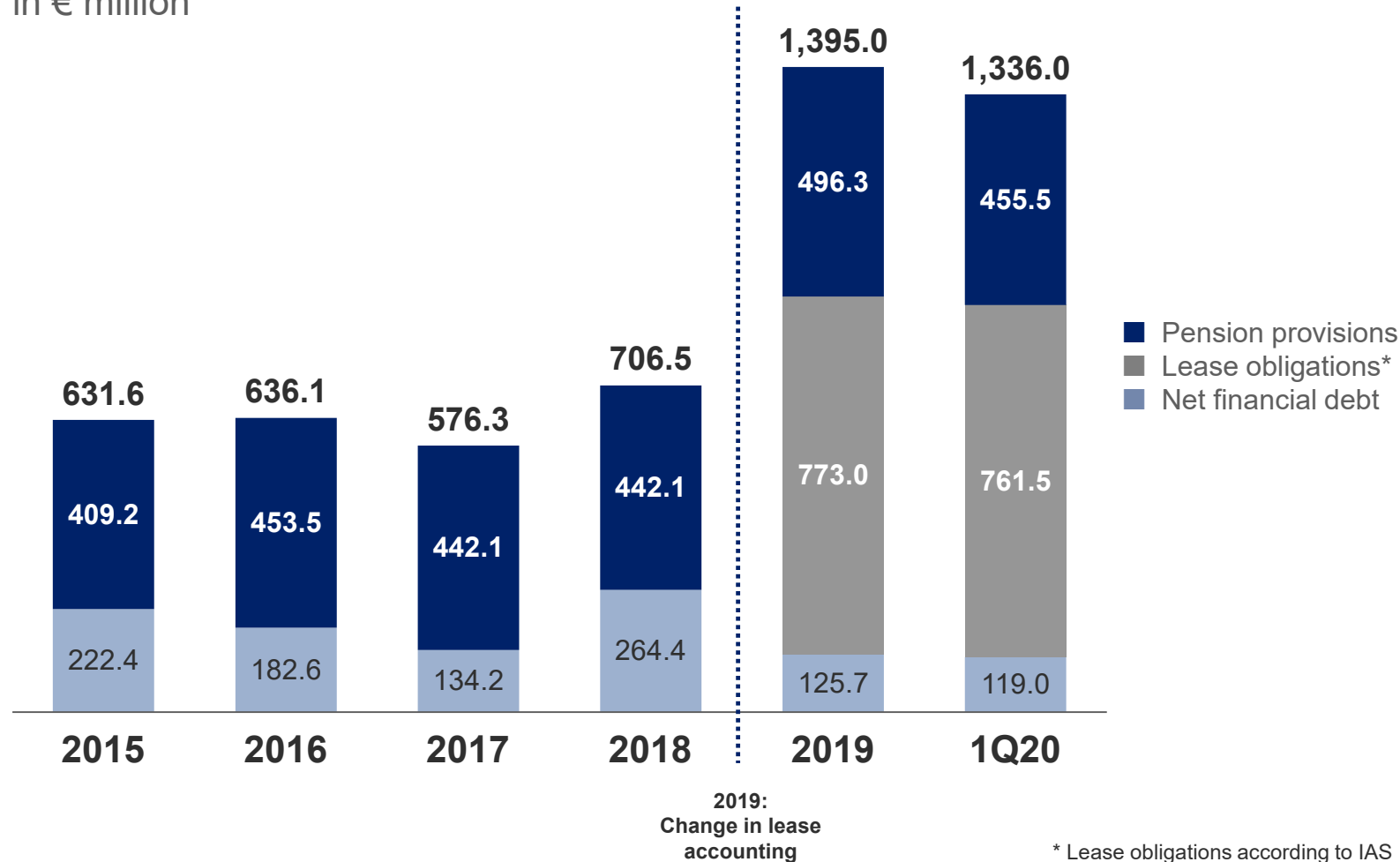


- Stable development over the quarter

Available liquidity as of 31 March 2020: € 236.5 million (31 December 2019: € 232.2 million)

Financial stability with focus on cash flows

Net debt Port Logistics in € million



* Lease obligations according to IAS 17

- Available liquidity as of 31 March 2020: **€ 236.5 million**
- Dividend policy to strengthen financial stability:
 - Reduction of dividend proposal to 0.70 € per listed class A share (previous year: 0.80 €)
 - Pay-out ratio at 52 %
 - Accumulation of approx. € 45 million of 2019 net profit
- Postponement and revision of investments
- Focus on cash flow control in the months to come

Expected business environment 2020

Corona pandemic with massive impact on macroeconomic perspectives

GDP World	– 3.0 %
GDP China	+ 1.2 %
GDP Russia	– 5.5 %
GDP CEE	– 5.2 %
World trade	– 11.0 %

World throughput	– 0.5 %
Europe throughput	– 0.8 %
NW Europe throughput	– 0.5 %
Scandinavia & Baltics	– 0.2 %

Expected macroeconomic environment 2020

Baseline scenario: pandemic fades in H2, containment can be gradually unwound

- Global economy down sharply (↘ 6.3 pp), far worse than during the 2009 financial crisis
- Even with a sharp rebound in the remainder of the year and sizable fiscal support, the Chinese economy is projected to grow subdued only in 2020 (↘ 4.8 pp)
- After upward trend at the end of 2019, Russia is projected to contract strongly (↘ 7.4 pp)
- Growth dynamics in CEE also massively interrupted (↘ 7.8 pp)
- For world trade development a double-digit decline is estimated (↘ 13.9 pp)

Source: IMF – World Economic Outlook, April 2020

Expected sector development 2020

Baseline scenario: Bigger slow down in GDP growth to possible contraction. Recovery from 4Q20 and smaller in scale as some of the pent-up demand will have vanished.

- World throughput expected to decline slightly (↘ 3.8 pp) with several blank sailings
- Europe considered to go into “sleep mode” except for essential services (↘ 3.6 pp)
- Estimated volume in North West Europe also slightly under previous years level (↘ 3.5 pp)
- Scandinavia & Baltics expected to see the lowest impact in Europe (↘ 3.0 pp)

Source: Drewry Maritime Research, Container Forecaster, April 2020

Forecast for Port Logistics subgroup 2020

Very high degree of uncertainty

	2019	Guidance 2020
Container throughput	7,577 thousand TEU	<u>Strong</u> decrease on previous year
Container transport	1,565 thousand TEU	<u>Strong</u> decrease on previous year
Revenues	€ 1,350.0 million	<u>Strong</u> decline on previous year
EBIT	€ 204.4 million	<u>Strong</u> decline on previous year
Capital expenditure	€ 214.9 million	Adapted to current market environment
Liquidity	Liquidity sufficient to meet due payment obligations at all times, despite the pandemic-induced burdens	

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

	2015	2016	2017	2018	2019
Revenue	1,111.0	1,146.0	1,220.3	1,285.5	1,350.0
EBIT	141.1	147.6	156.6	188.4	204.4
Profit after tax and minorities	58.9	63.7	71.2	102.9	93.6
Earnings per share in €	0.84	0.91	1.02	1.47	1.34
ROCE in %	12.4	12.8	13.6	15.5	11.1
Free cash flow (excl. proceeds from short term deposits)	40.5	116.9	134.9	19.8	116.6
Capex (without Group internal transaction)	144.6	136.9	136.4	132.9	214.9

Segment performance in 2019

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

in € million



Container



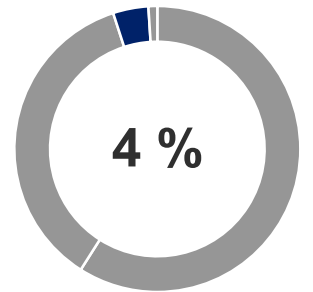
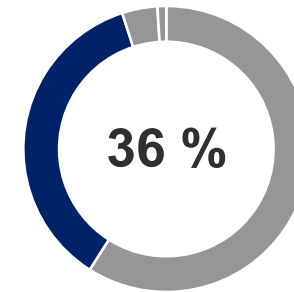
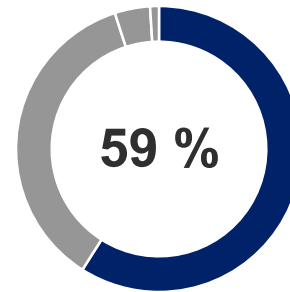
Intermodal



Logistics

Share of revenue

on subgroup level incl. Holding/Others



Revenue

799.7

486.9

59.0

EBIT

141.3

99.2

2.5

EBIT margin in %

17.7

20.4

4.3

Key figures

Balance sheet, assets and liabilities of the Port Logistics subgroup

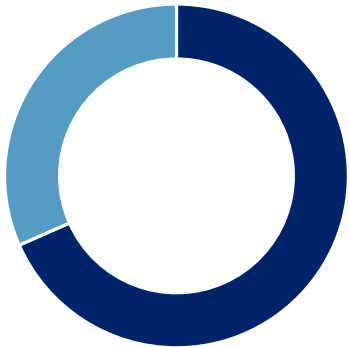
in € million

	2015	2016	2017	2018	2019
Balance sheet total	1,576.4	1,638.1	1,658.9	1,783.3	2,401.4
Non-current assets	1,138.6	1,165.1	1,184.6	1,280.5	1,936.6
Current assets	437.8	473.1	474.4	502.8	464.8
Equity	542.5	528.7	555.8	564.5	525.6
Pension provisions	409.2	453.5	442.1	442.1	496.3
Other non-current liabilities	445.2	452.2	430.8	545.1	1,111.8
Current liabilities	179.6	203.7	230.3	231.6	267.7

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

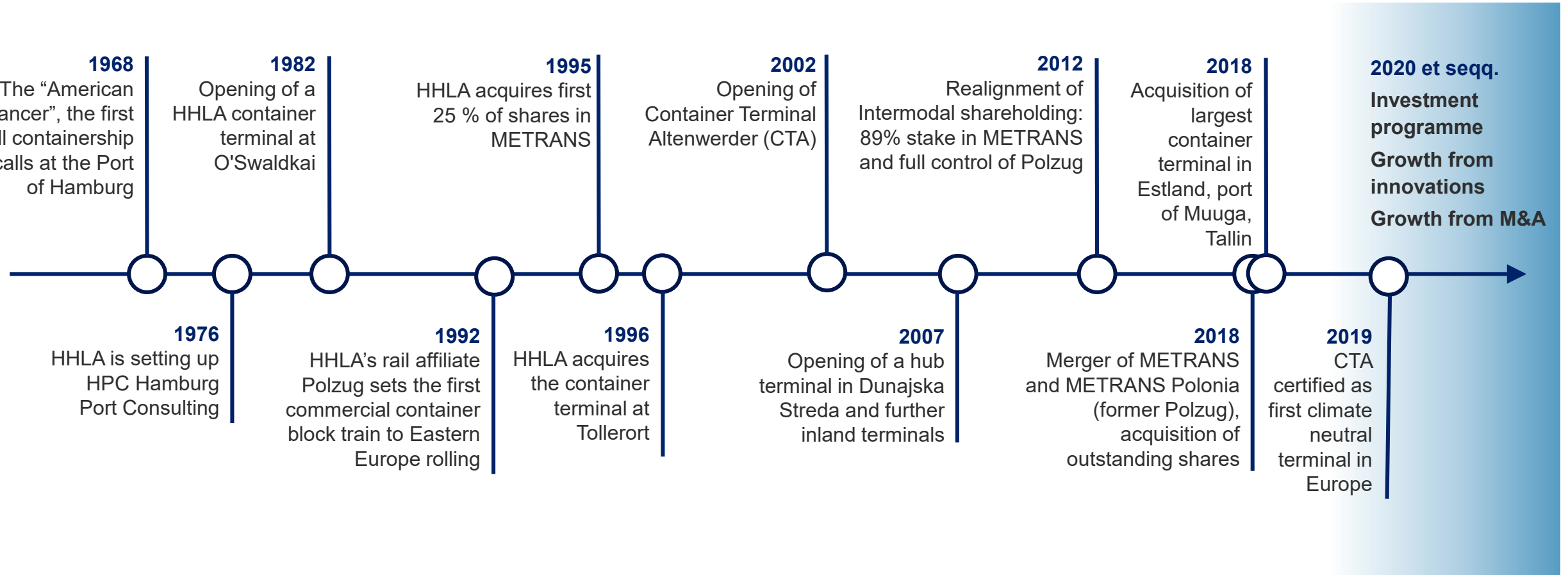
Segments

Port Logistics			Real Estate
 Container	 Intermodal	 Logistics	 Real Estate
Listed class A shares			Non-listed class S shares
31.6 % Free float			100 % FHH

Shareholder structure

Milestones in HHLA Port Logistics' history

From port logistics operator to integrated service provider





Fact book

Container segment

Key figures

Container segment

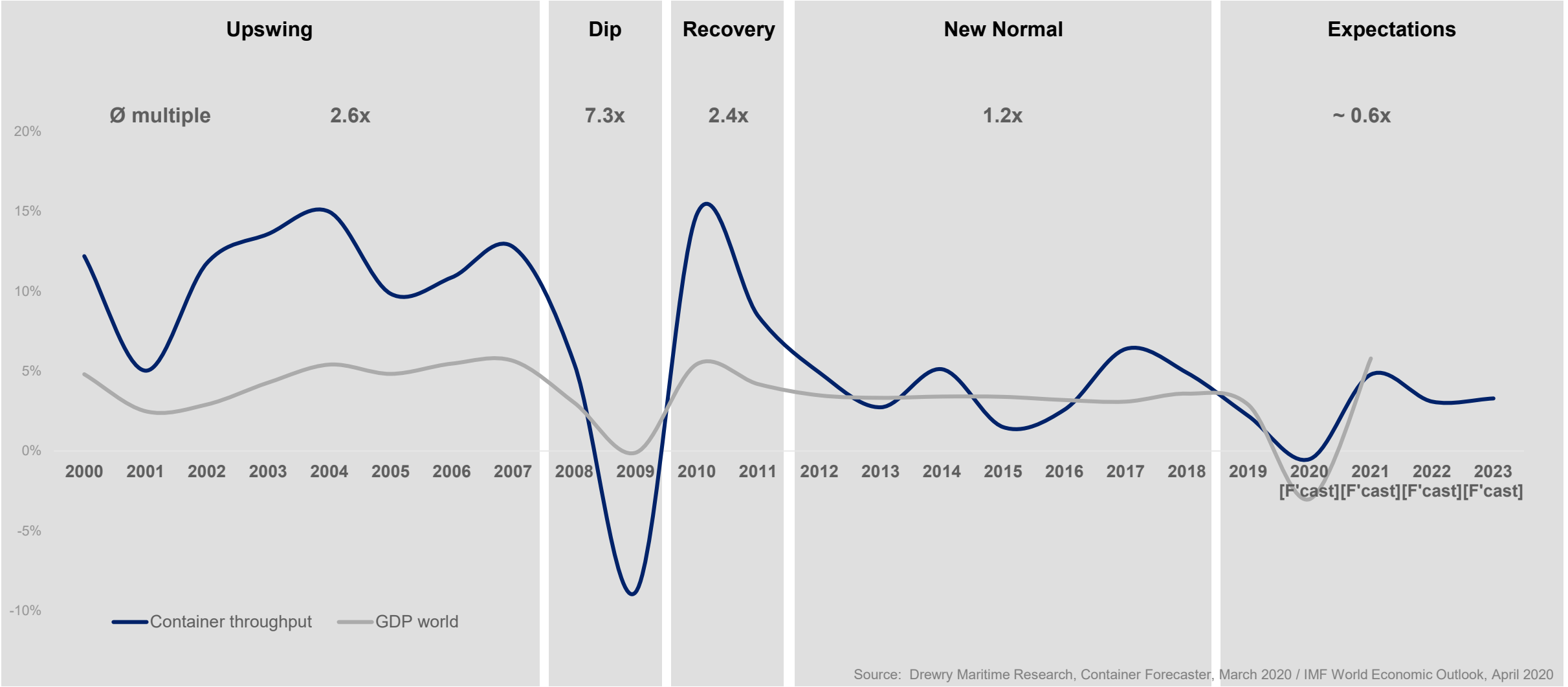


in € million

	2015	2016	2017	2018	2019
Container throughput in thousand TEU	6,561	6,658	7,196	7,336	7,577
Revenues	675.2	694.6	746.6	758.9	799.7
EBITDA	195.8	201.5	194.7	209.8	240.2
EBITDA margin in %	29.0	29.0	26.1	27.6	30.0
EBIT	110.6	117.8	109.4	131.6	141.3
EBIT margin in %	16.4	17.0	14.7	17.3	17.7
Segment assets	806.6	824.5	810.8	888.9	1,295.6

Growth of global container throughput and GDP

Growth multiplier on GDP slowed down substantially since 2012



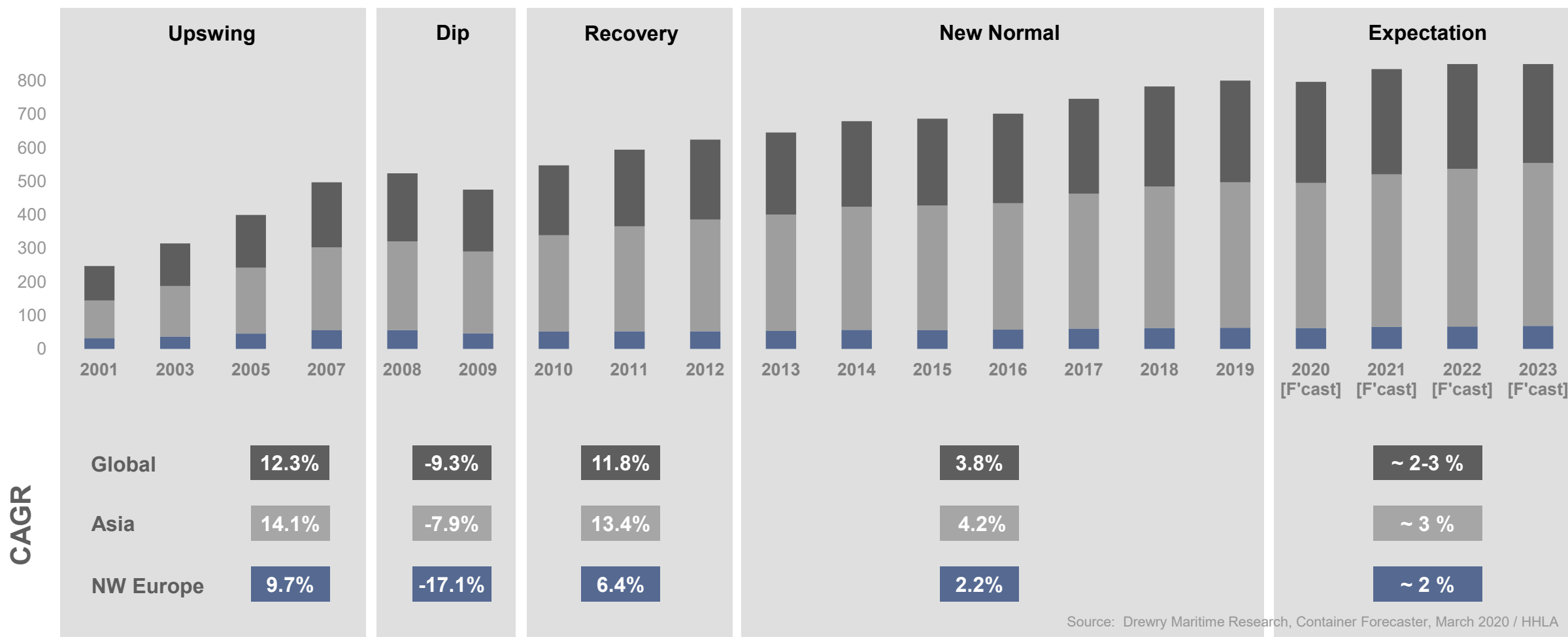
Ports remain an attractive industry on a “new normal” level

After above average growth dynamics a new momentum has established



in TEU million

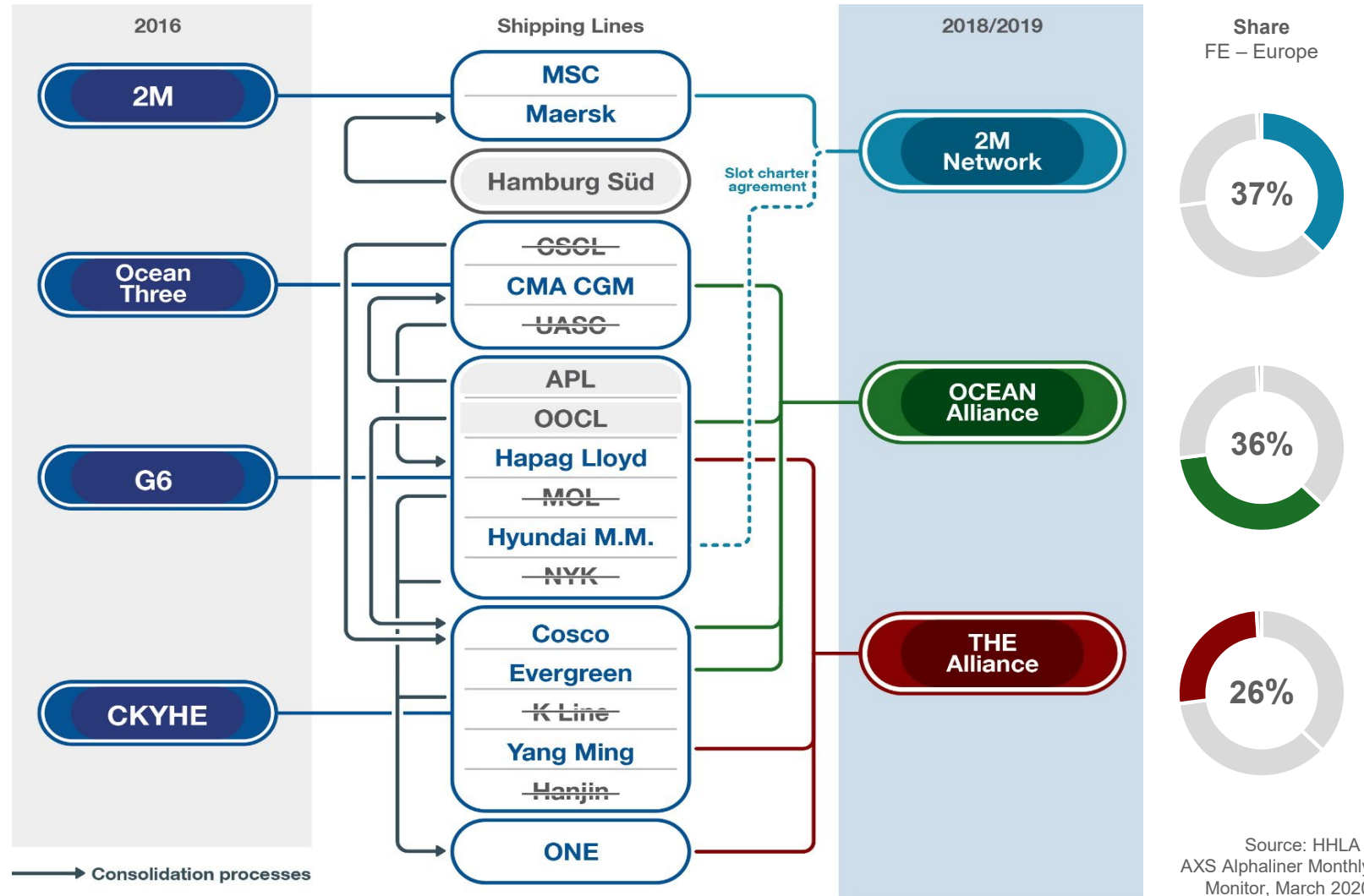
■ Global ■ thereof Asia ■ thereof Northwest Europe



Source: Drewry Maritime Research, Container Forecaster, March 2020 / HHLA

Development of alliances in the Asia – Far East services

Concentration in the shipping industry substantially increased



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

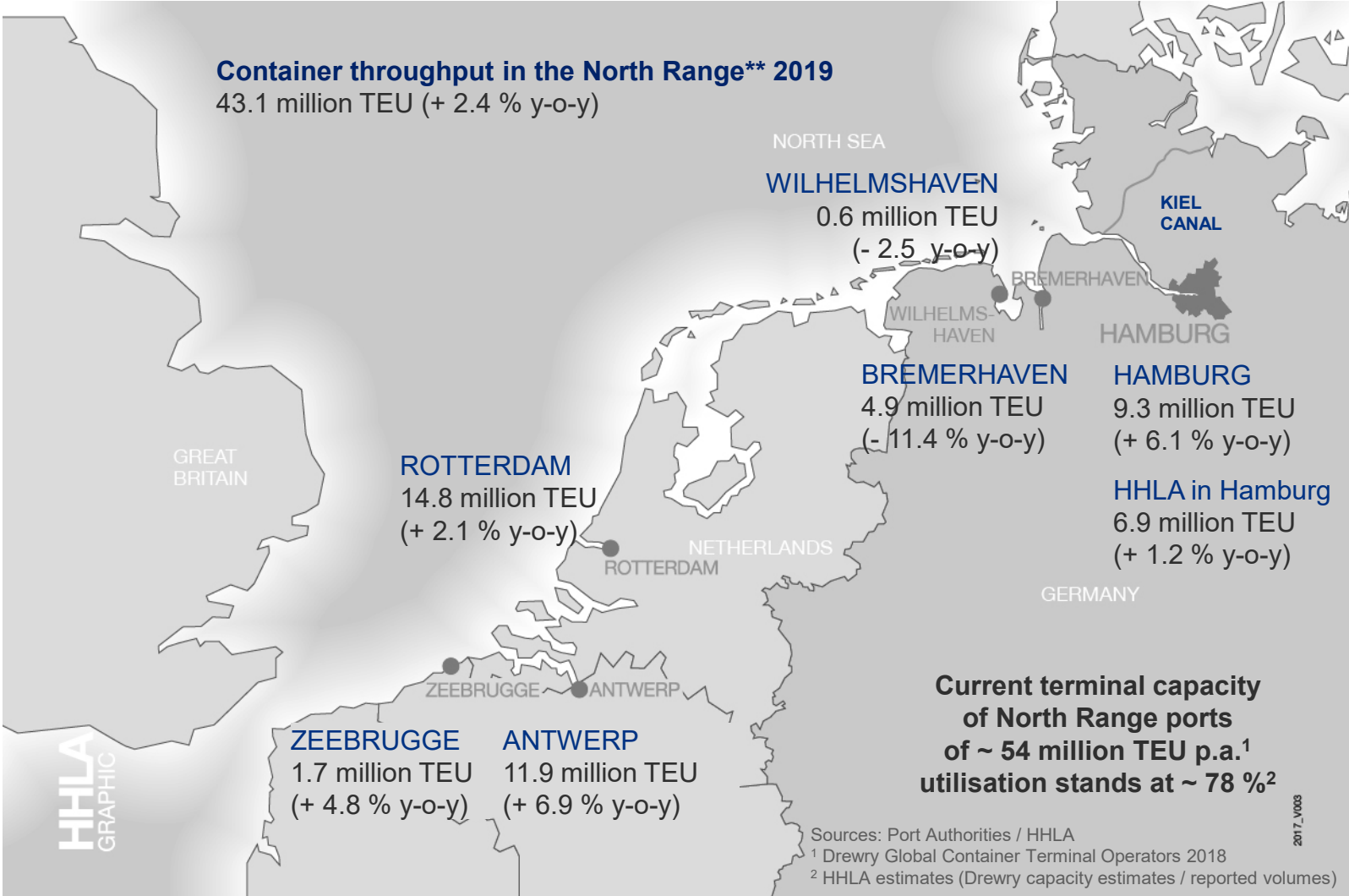
Perspectives

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

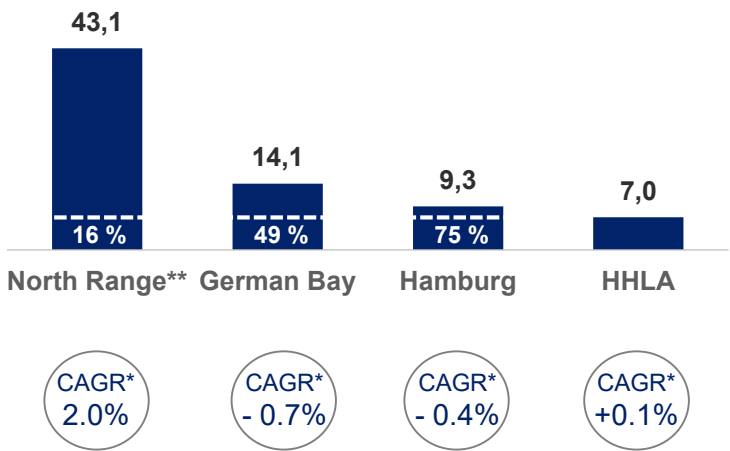
Source: HHLA /
AXS Alphaliner Monthly
Monitor, March 2020

Competing ports of the North Range

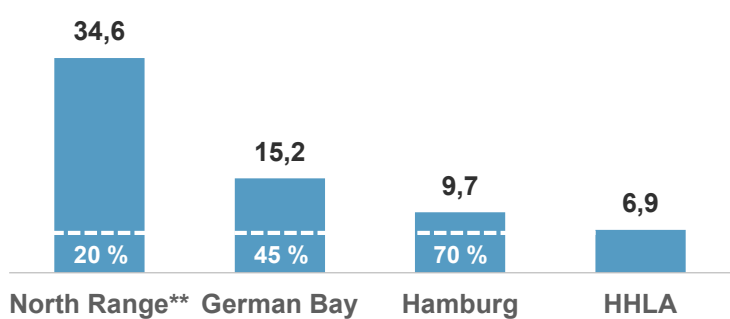
Container throughput and market share development



Throughput and market share of HHLA in 2019 in TEU million



Throughput and market share of HHLA in 2008 in TEU million



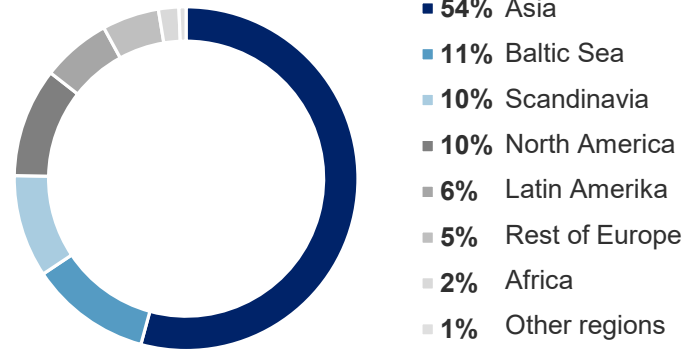
* CAGR: 2008-2019, ** North Range ports (Antwerp, Rotterdam, Zeebrugge, Hamburg, Bremerhaven, Wilhelmshaven)

Favourable geographical location of Hamburg

Still a hub for the major economies of Asia and CEE



Sea-bound container throughput in Hamburg FY19 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

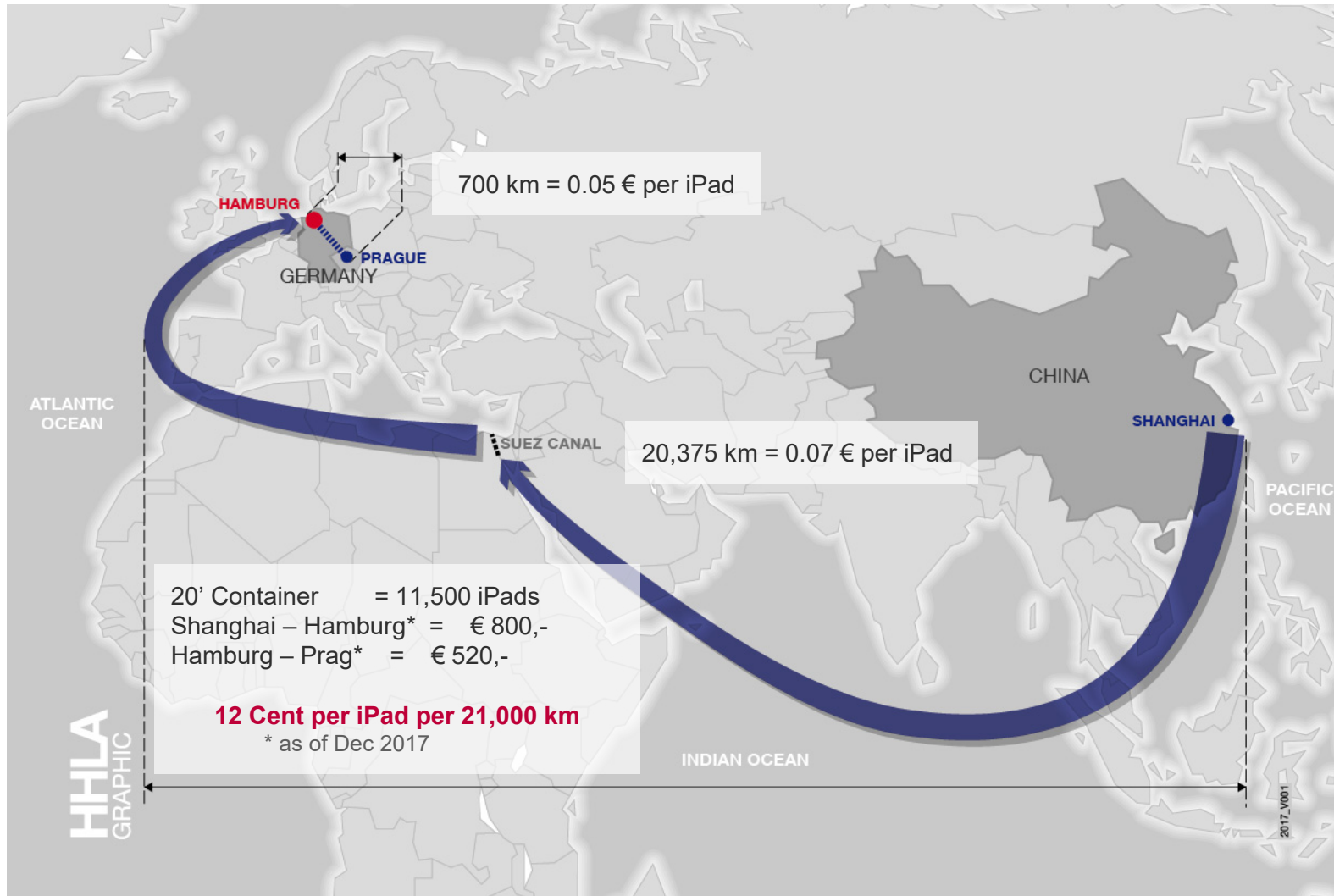
- Timely implementation of the highly needed Elbe waterway adjustment
- Underutilized capacities in most North Range ports

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

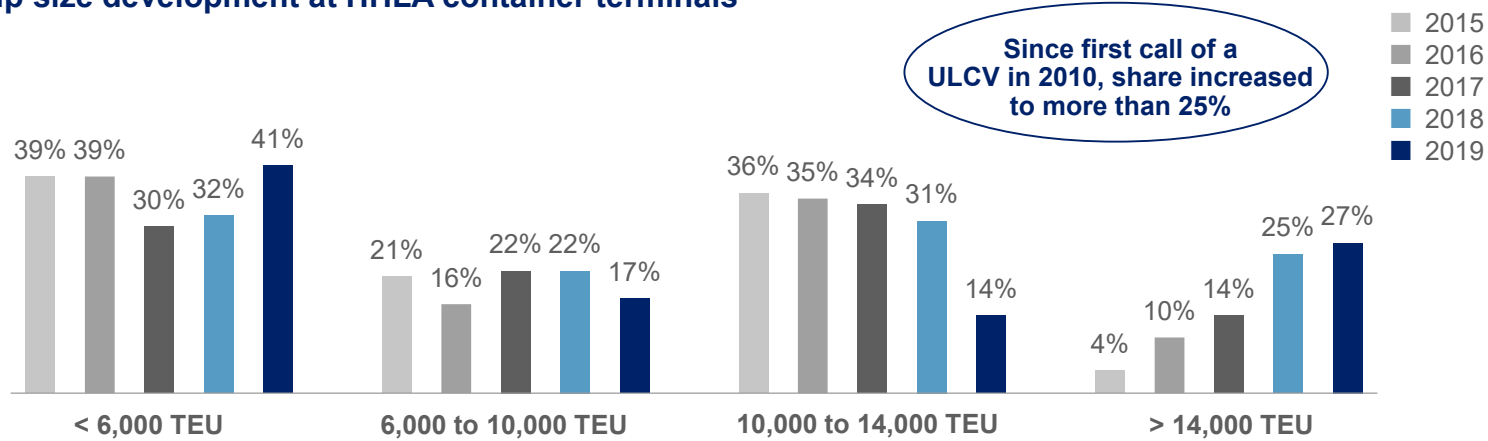
* North Range ports (Antwerp, Rotterdam, Hamburg, Bremen Ports incl. Wilhelmshaven)

Growth in ship sizes

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



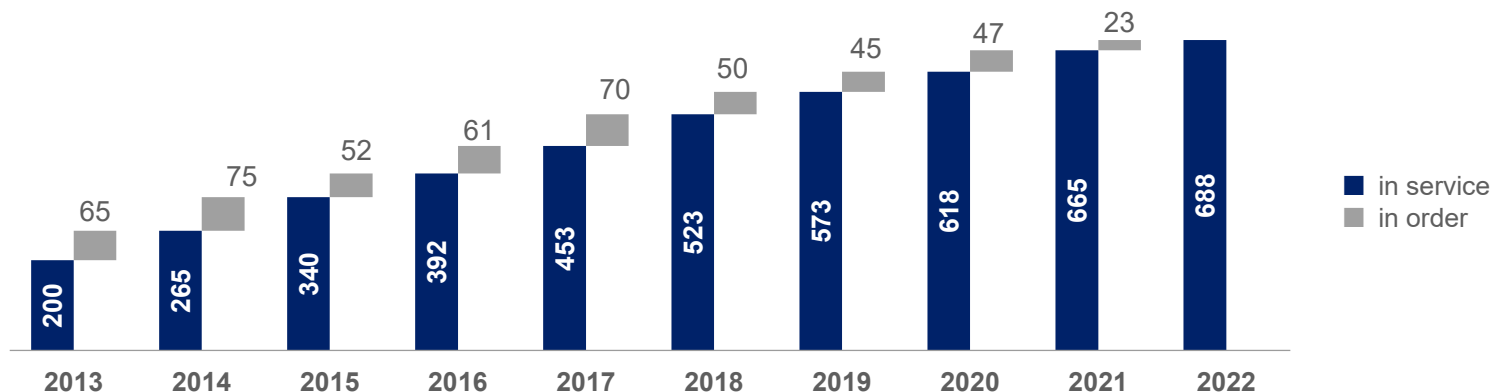
Ship size development at HHLA container terminals



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 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

Deviations in ship calls per week

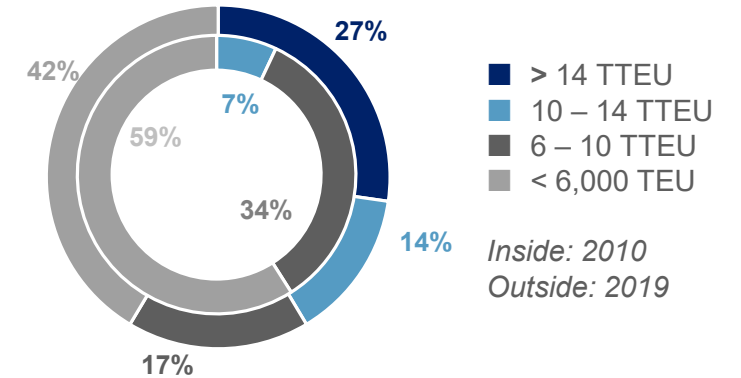
Peak loads due to bigger ship sizes in a “new normal” environment



Development of carrying container ship capacity



Ship-size development at HHLA terminals

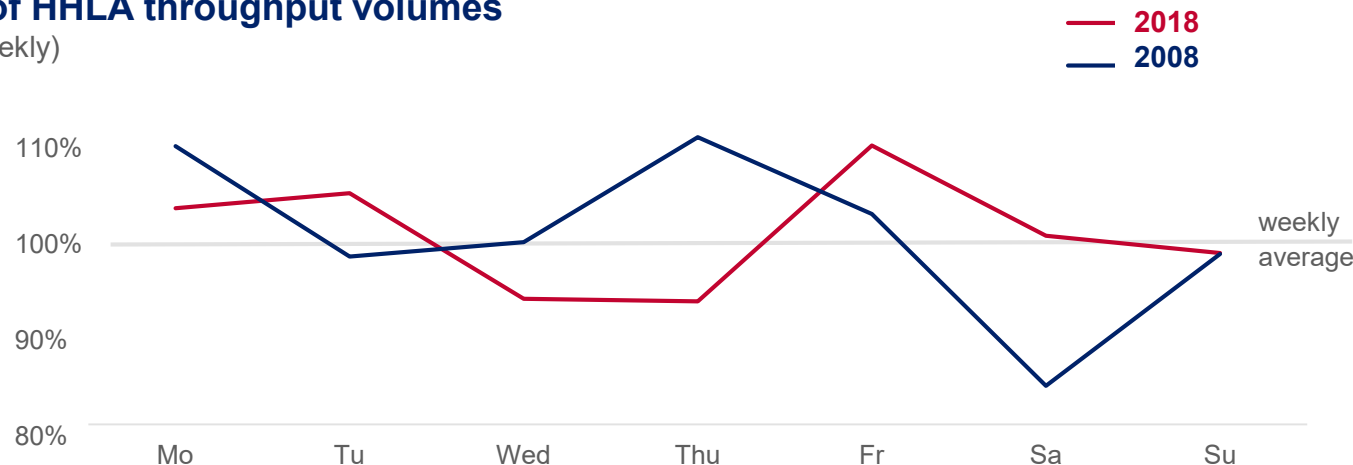


Weekly path of HHLA throughput volumes

Index (100 = Ø weekly)

Standard deviation
2007/08: 8.1 %
2019: 5.5 %

- 31.9 %
vs. 2008

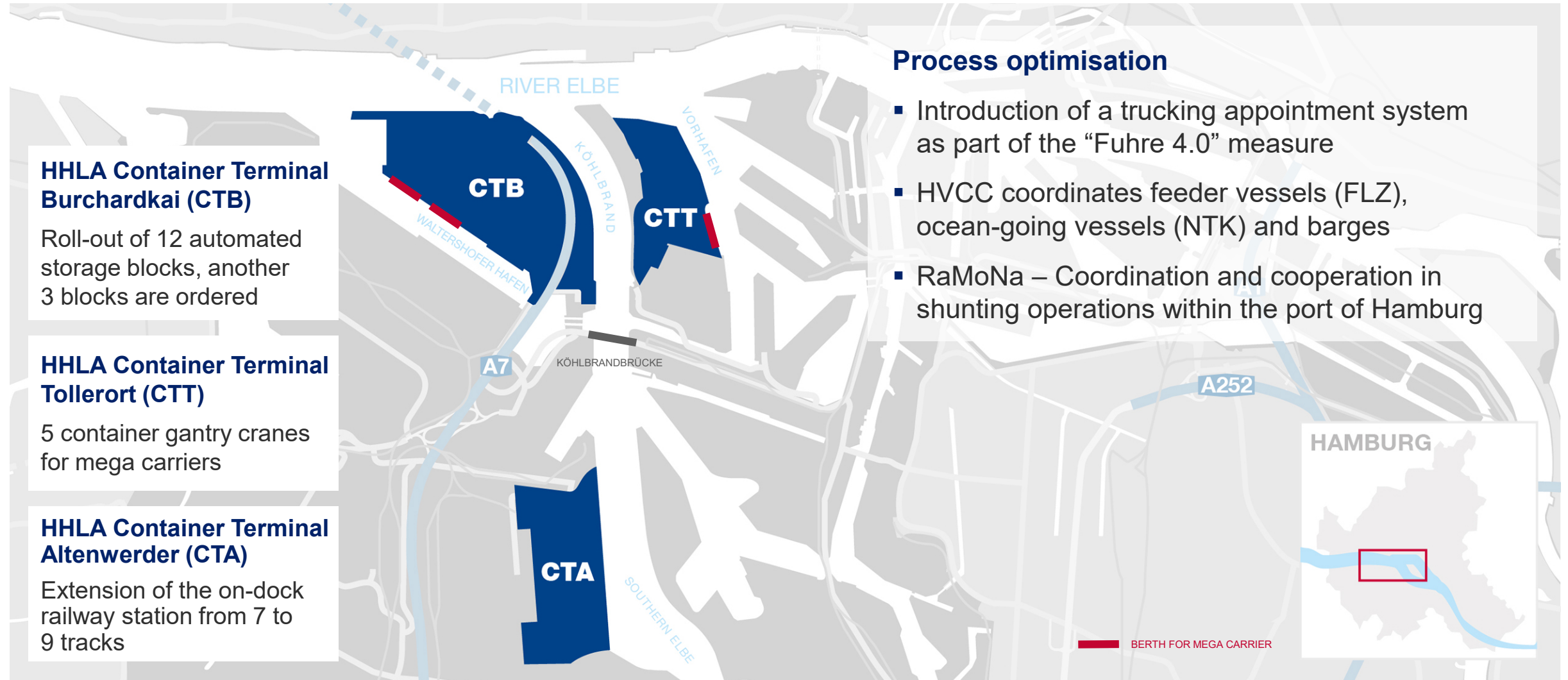


Development of load conditions

- 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 decrease by roughly 32 % since 2008
- Peak loads especially during the weekend

Focus on client needs: mega carrier ready

Investments in terminal expansion and process optimisation continued



Advanced terminal technology

High automation level with mega-carrier berths in operation

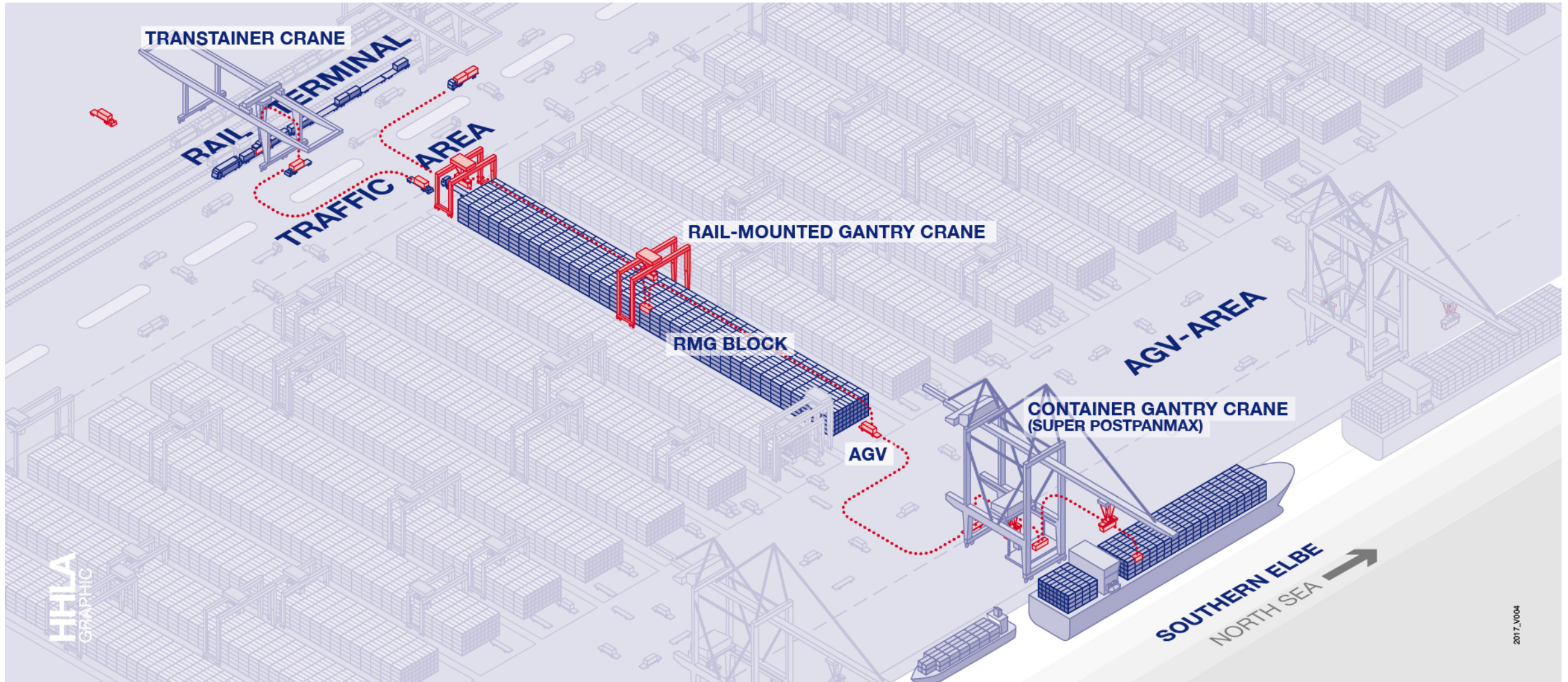


HHLA in the Port of Hamburg

- Market share of 75 % in Hamburg and 16 % in the North Range in 2019
- 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

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

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	

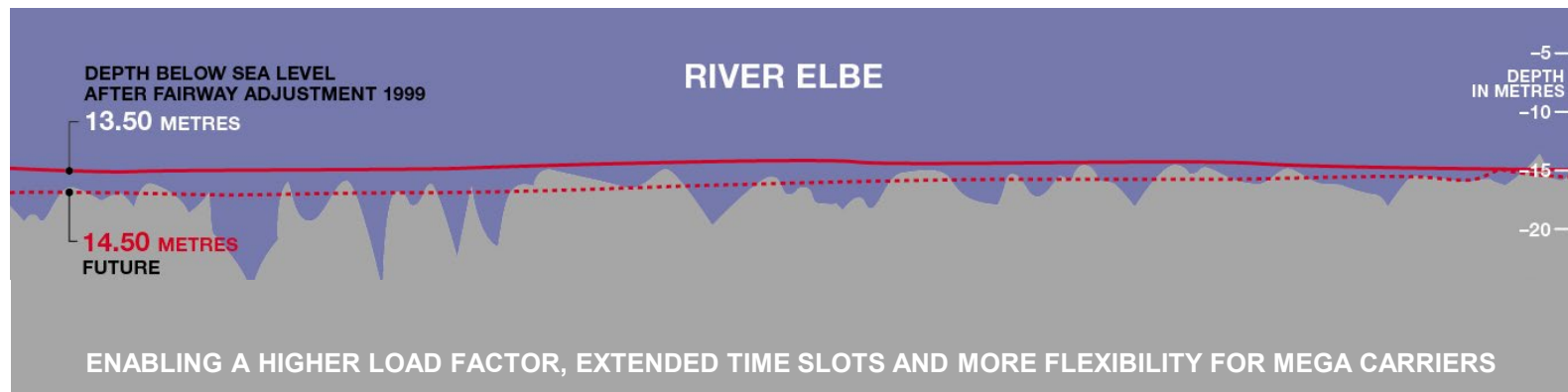
“The Elbe dredging is the best-tested and best-planned infrastructure project and was approved by the highest court.”

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

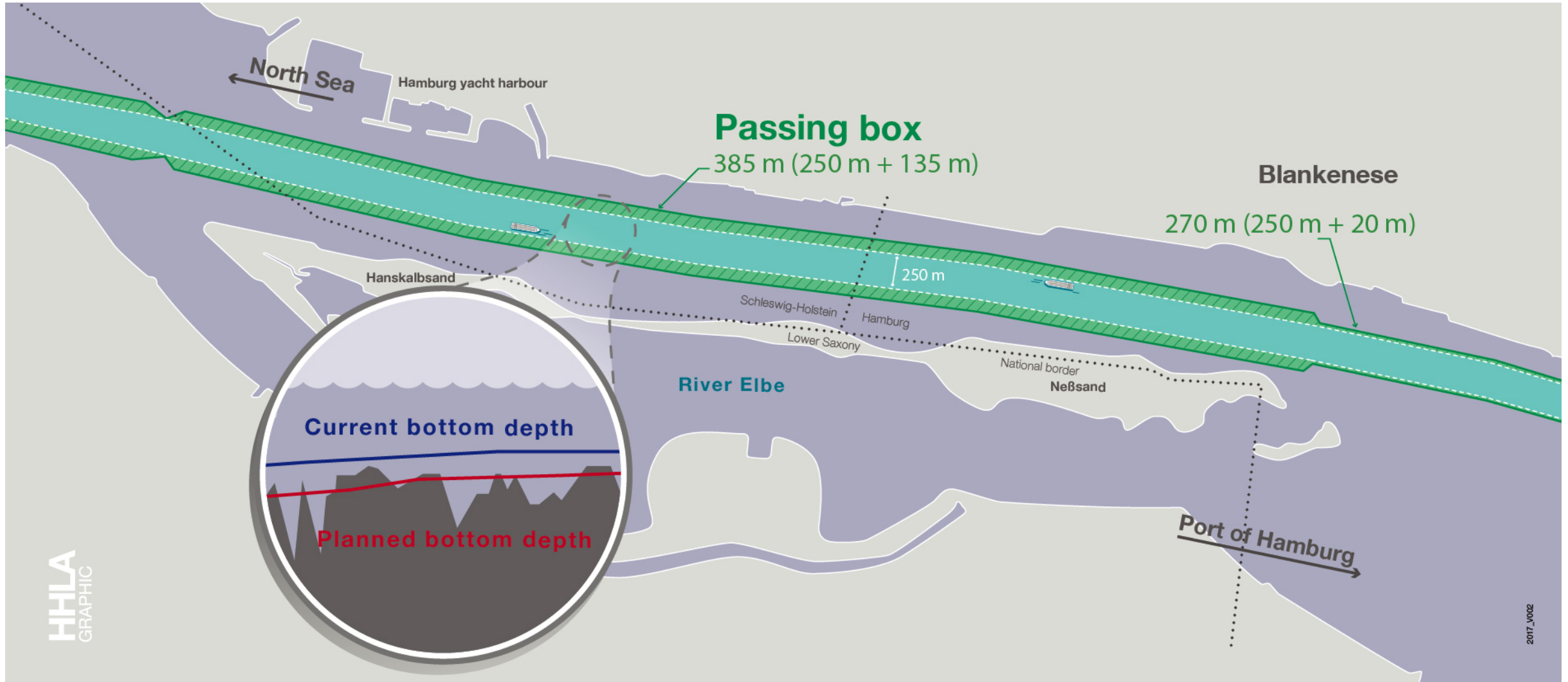


The dredging is scheduled to be completed in 2021.

Federal Water and Shipping Authority

Elbe waterway adjustment

Passing box



Fact book

Intermodal segment



Key figures

Intermodal segment



in € million

	2015	2016	2017	2018	2019
Container transport in thousand TEU	1,318	1,408	1,480	1,480	1,565
Revenues	364.0	390.1	414.0	433.8	486.9
EBITDA	78.8	79.6	95.0	112.7	139.0
EBITDA margin in %	21.7	20.4	22.9	26.0	28.6
EBIT	55.2	55.9	69.9	89.1	99.2
EBIT margin in %	15.2	14.3	16.9	20.5	20.4
Segment assets	375.2	405.0	408.1	436.1	585.1

EBIT multiplied several times since realignment

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



CAGR

2007* – 2019

8.4%

CAGR

2012 – 2019

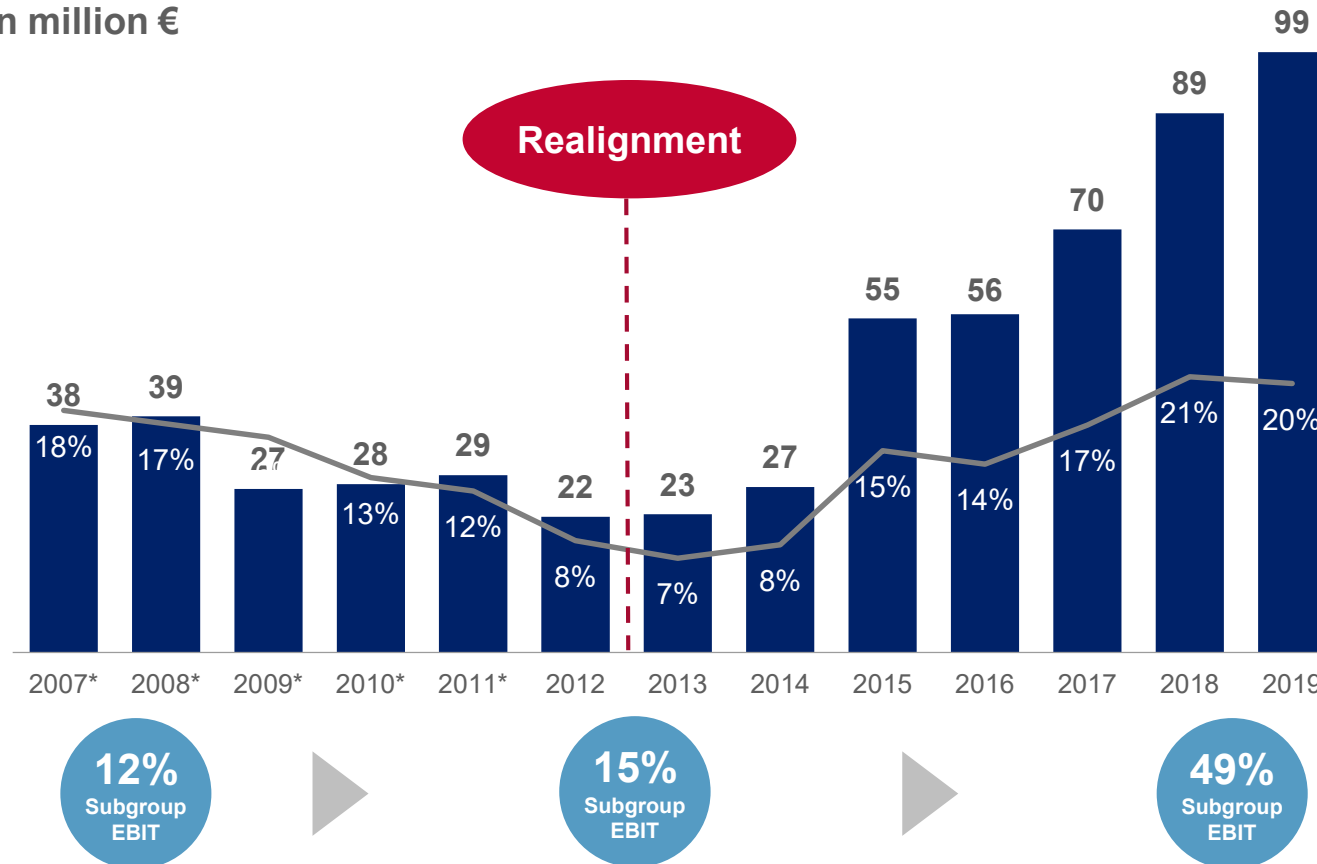
23.7%

CAGR

2017 – 2019

19.1%

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 2020

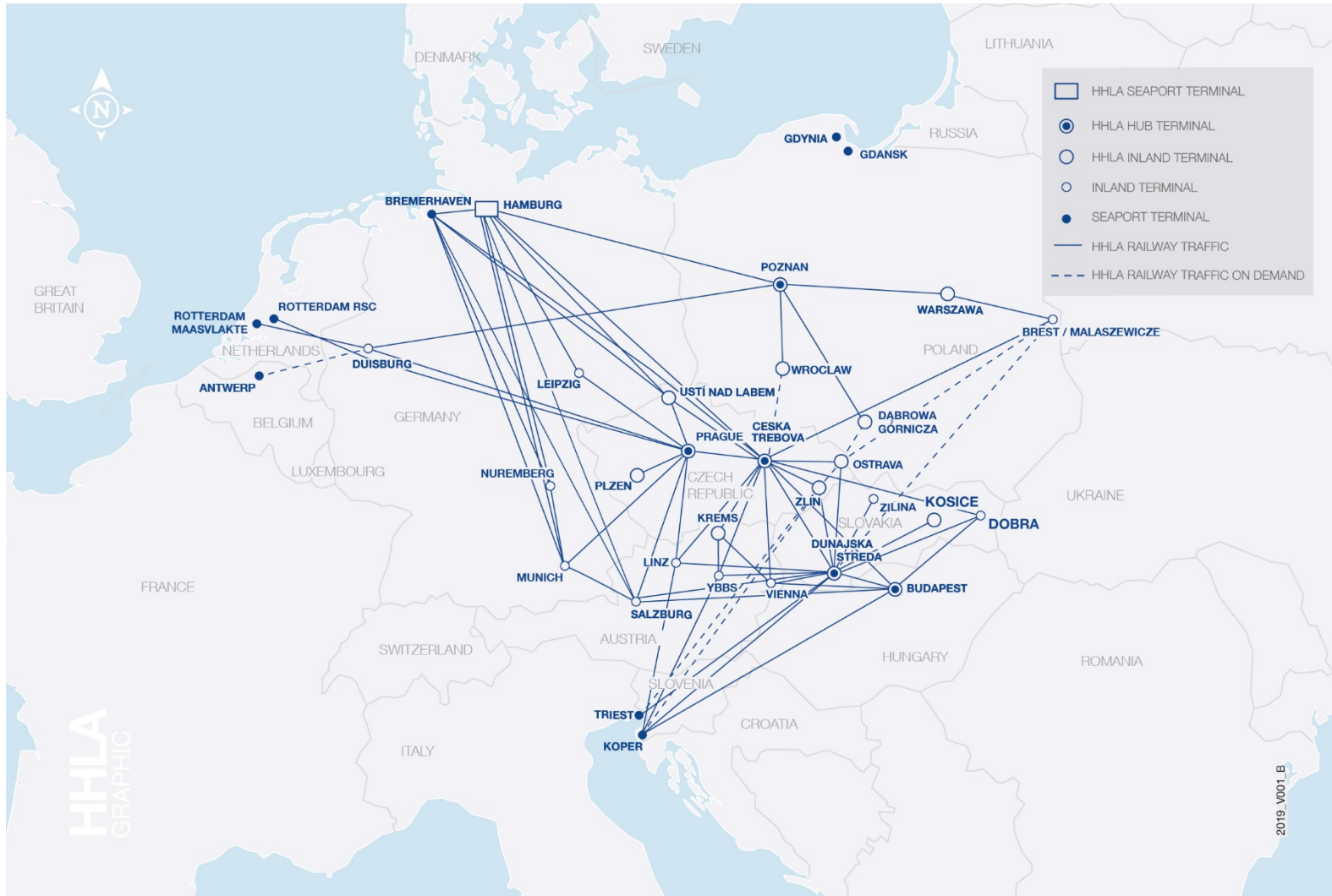
Strong decline on previous year

(2019: € 99.2 million)

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

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 2019:
 - Opening-up of new inland terminal in Zilina
 - Putting new locomotives and waggons into operation
- Further targets: Increasing the frequency of existing connections / providing new profitable connections on demand

Focussed capex for higher value added

Approx. € 464 million investment in own assets since 2012



14 Hub and inland terminals in the hinterland



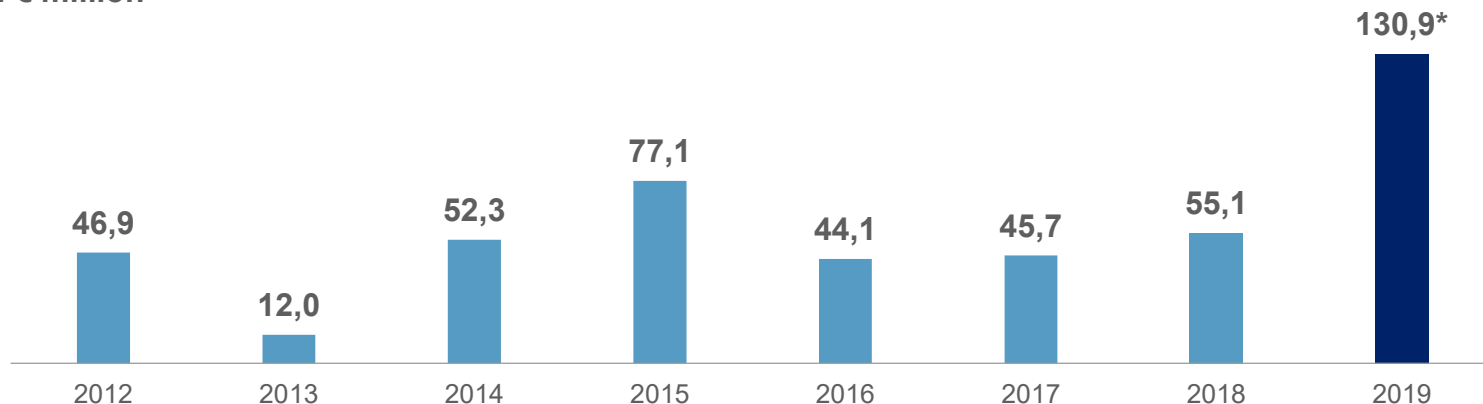
>100 Multi-system locomotives and shunting engines



>2,800 Own designed light-weighted wagons



Investments
in € million



**Focus of investments in 2020
on the purchase of locomotives
and wagons in line with transport
volume development**

The HHLA on-dock rail terminals

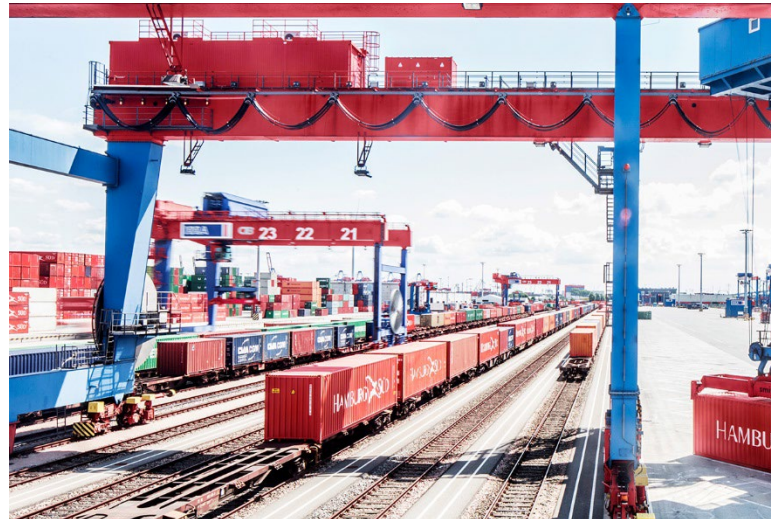


- 9 sidings suitable for trains >700 m
- 4 RMGs (half-automated)
- Upgrading completed

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

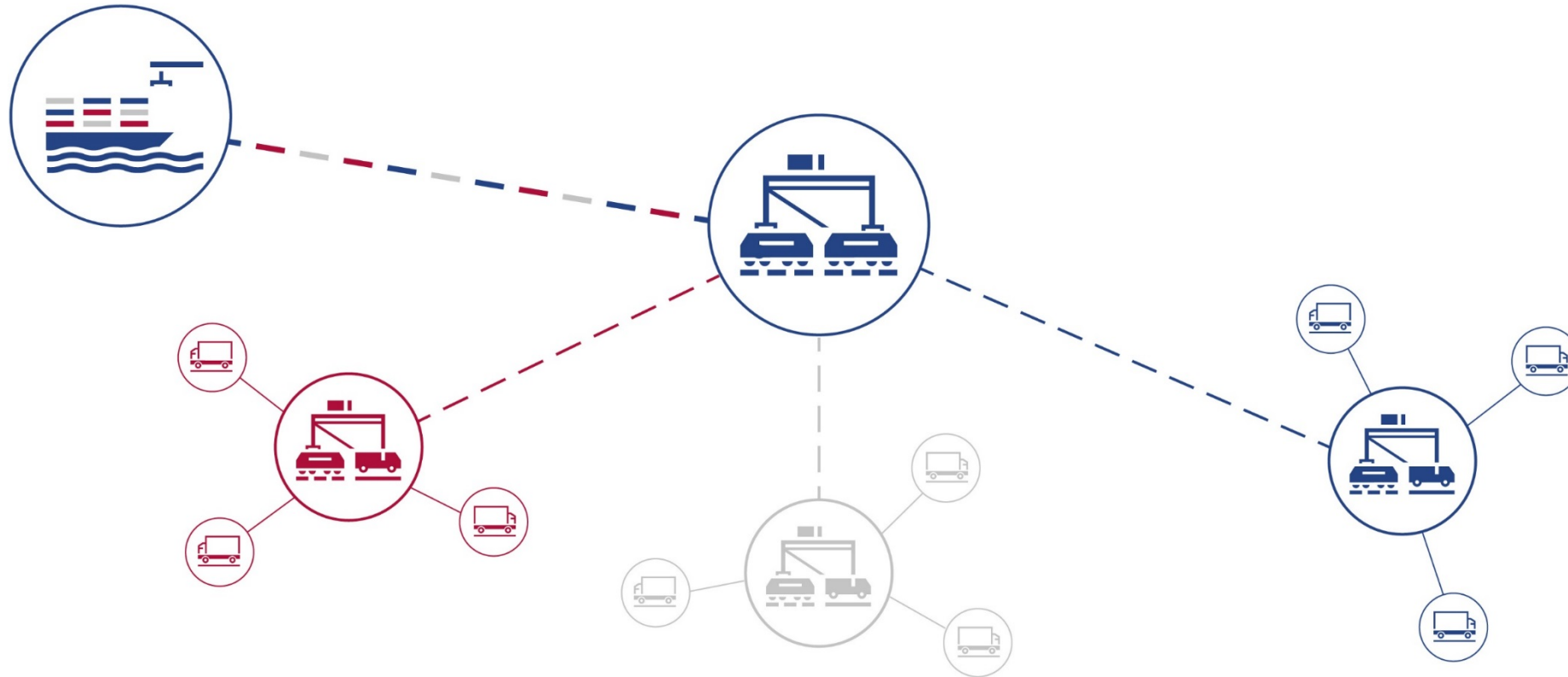
Our know-how is the customer's profit



- 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

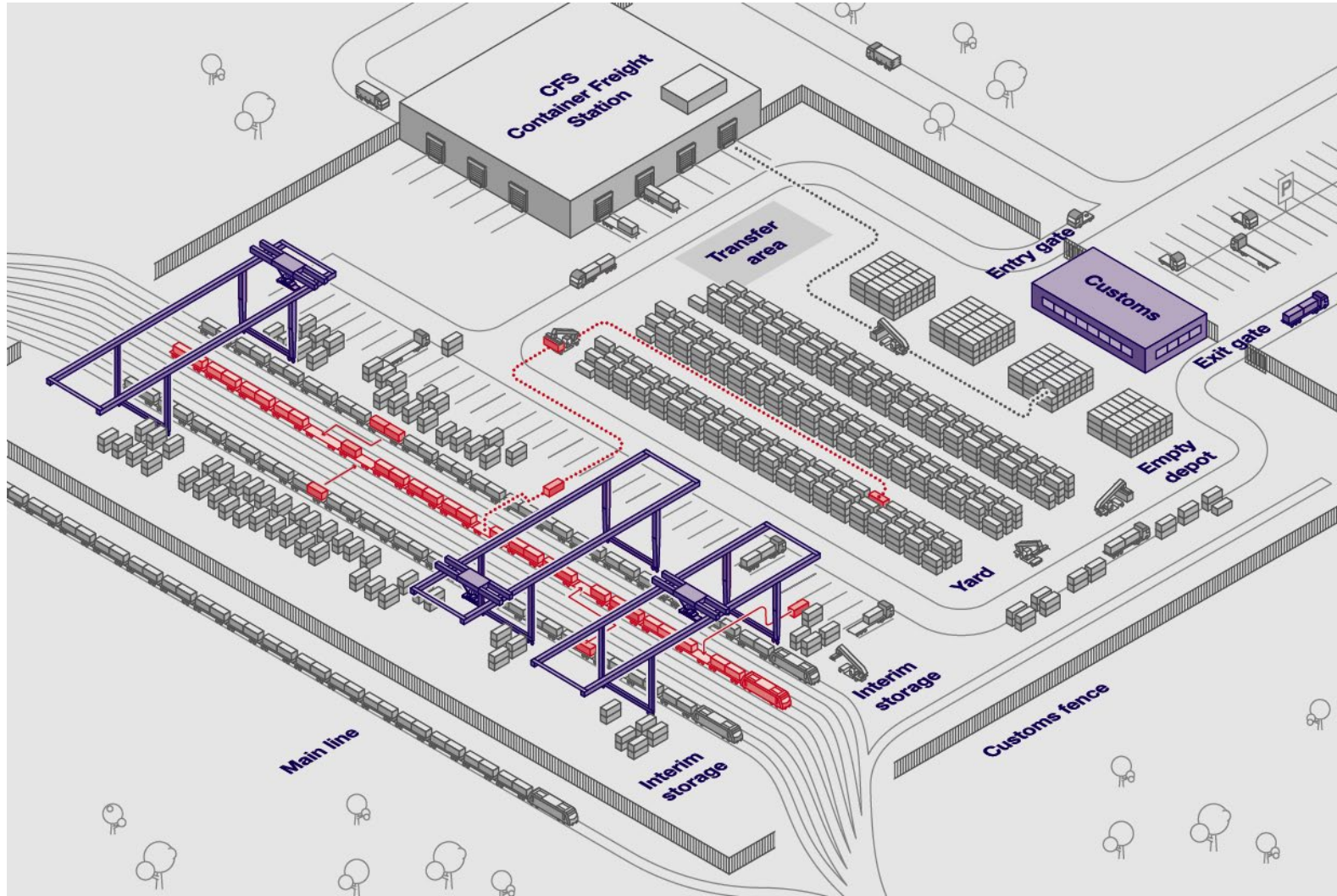
Every port is linked with a network of hubs and inland terminals



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 waggon 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

	2015	2016	2017	2018	2019
Revenues	65.1	55.0	50.8	59.8	59.0
EBITDA	4.6	2.4	6.9	10.0	8.5
EBITDA margin in %	7.0	4.3	13.7	16.7	14.3
EBIT	- 0.8	- 1.7	2.6	5.6	2.5
EBIT margin in %	- 1.3	- 3.1	5.0	9.4	4.3
At-equity earnings	3.0	3.7	3.9	4.4	3.0
Segment assets	48.4	62.0	40.9	42.0	55.8

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.

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

12 August 2020

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

20 August 2020

Annual General Meeting (virtual)

12 November 2020

Interim Statement January – September 2020
Analyst conference call

IR contact

Phone: +49 40 3088 3397

Fax: +49 40 3088 55 3397

E-mail: investor-relations@hhla.de

Web: www.hhla.de

Annual report 2019

Visit our latest reports

<http://report.hhla.de>

