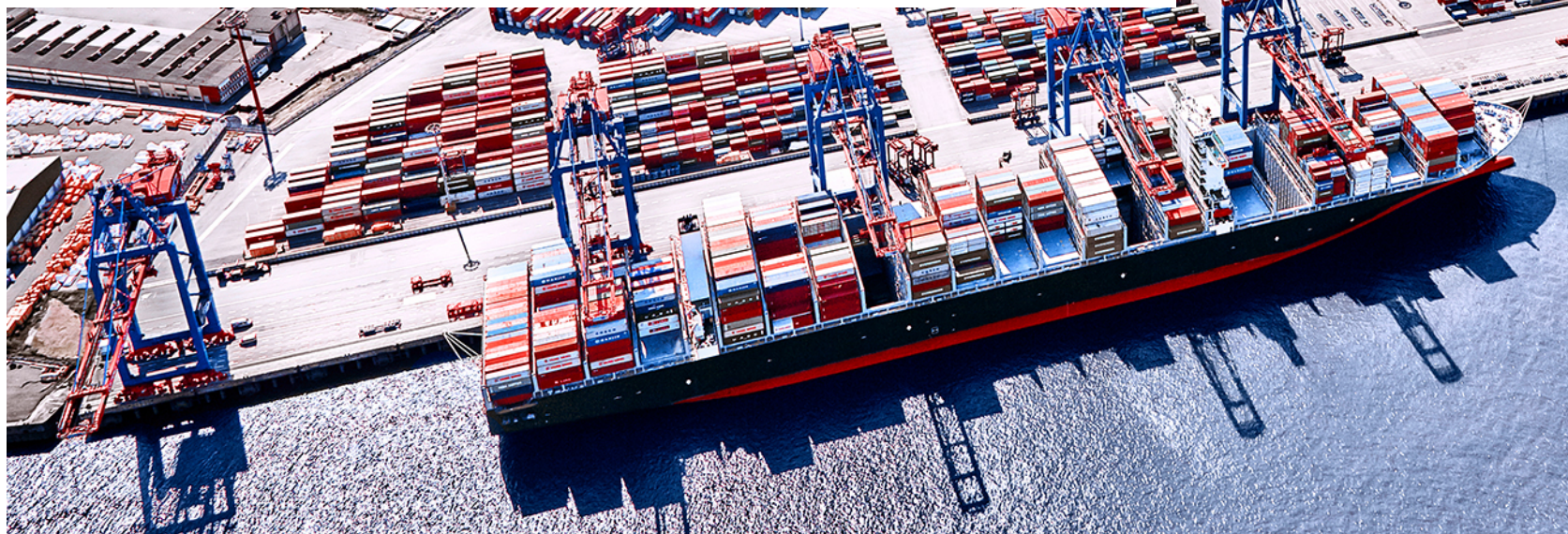


# Investor presentation

September 2020



# 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

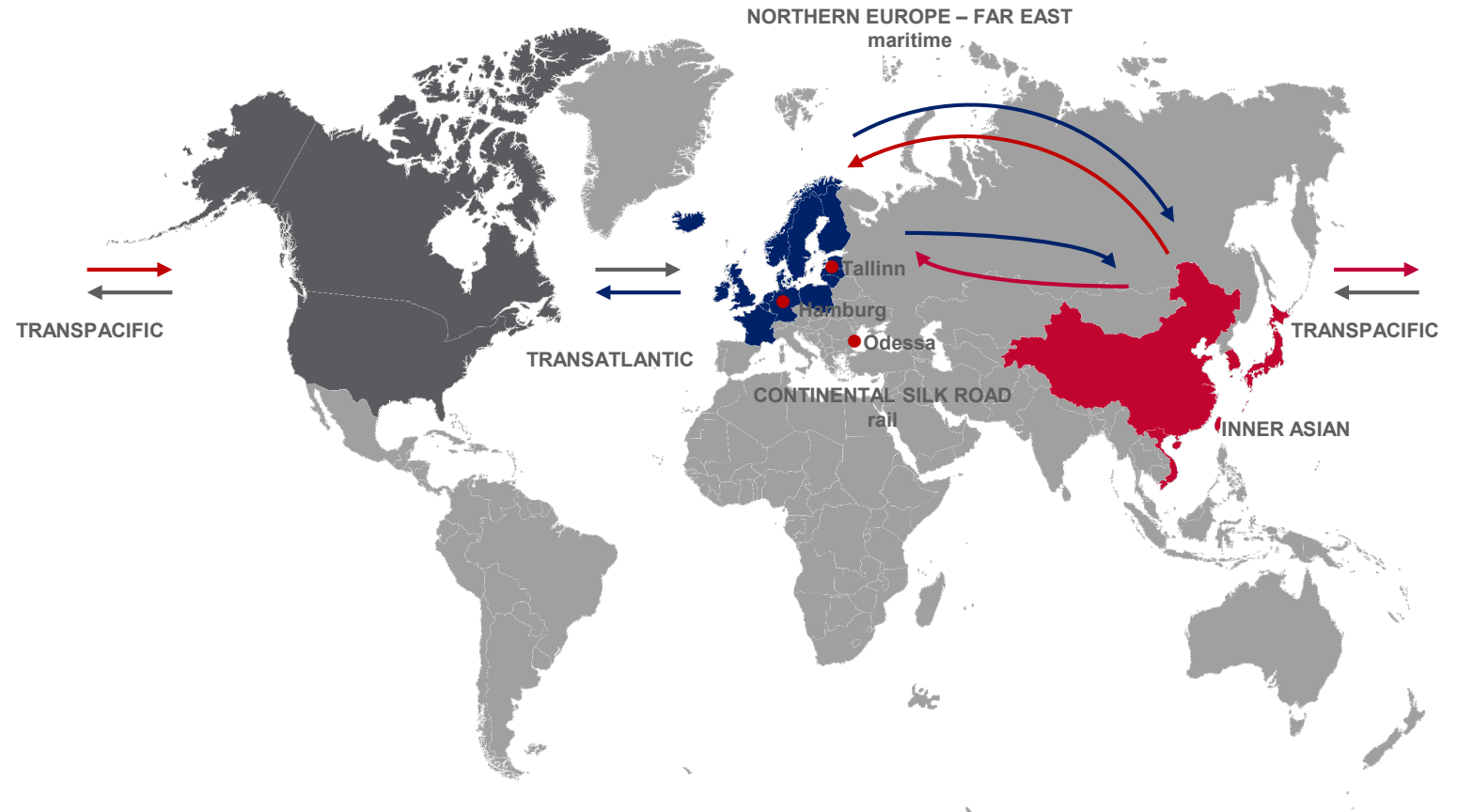


The particular attractiveness of the portfolio in the Hamburger Speicherstadt and on the northern Elbufer / Fischereihafen area is justified by the unique structure and the location. The in-house development and implementation know-how is aimed at balancing market-oriented tenant needs and heritage-friendly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

# 1. THE logistical and digitally innovative hub

## HHLA Port Logistics' strategic position

- **Internationalisation** will continue with HHLA 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



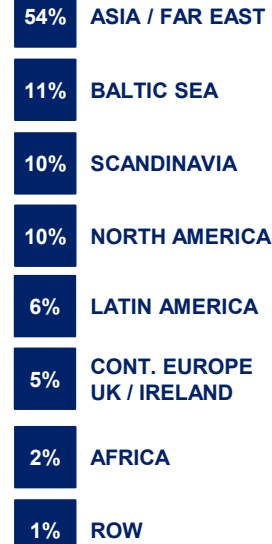
**HHLA Port Logistics is the logistical and digitally innovative hub along the transport streams of the future.**

## 2. Local player connected to Europe and Asia

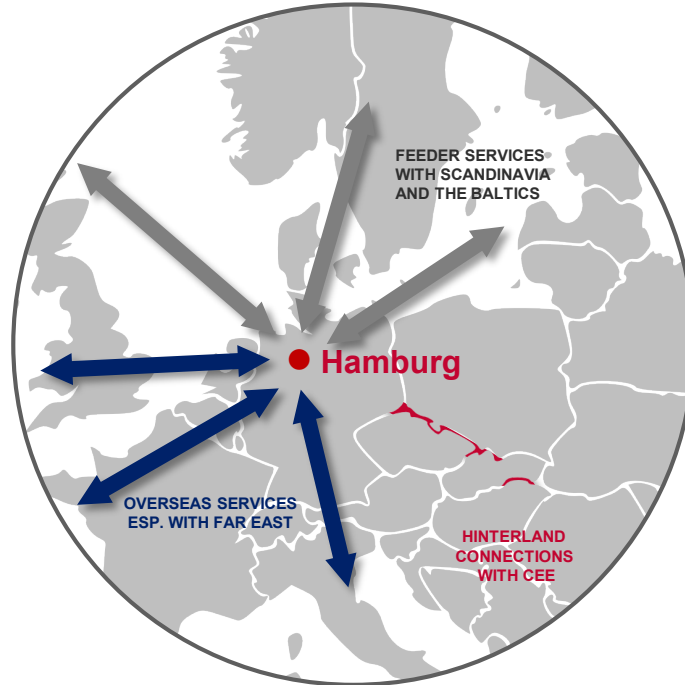
Favourable geographical location in markets with robust economies

### Throughput by shipping region FY19

HHLA in the Port of Hamburg

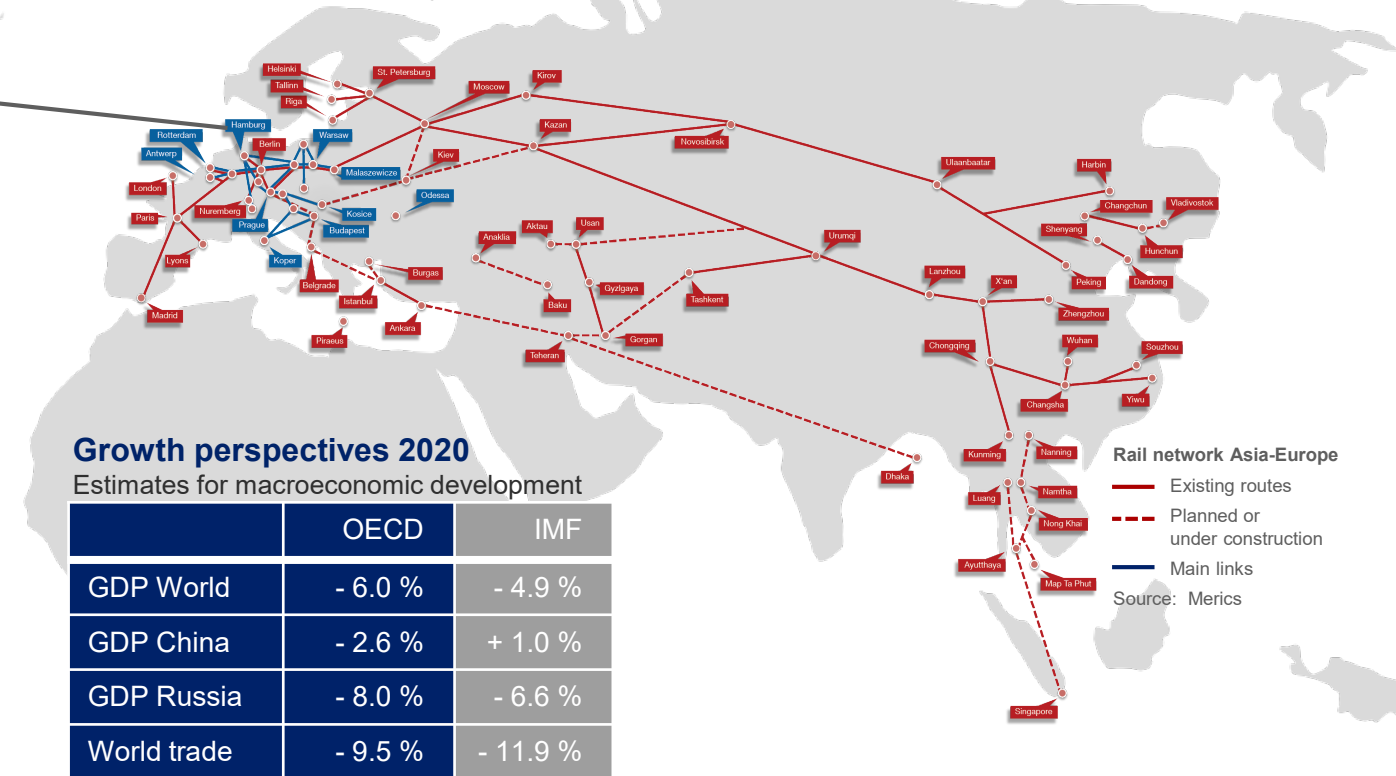


Source: HHLA



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



### Growth perspectives 2020

Estimates for macroeconomic development

	OECD	IMF
GDP World	- 6.0 %	- 4.9 %
GDP China	- 2.6 %	+ 1.0 %
GDP Russia	- 8.0 %	- 6.6 %
World trade	- 9.5 %	- 11.9 %

OECD Interim Economic Outlook, Single-hit scenario June 2020

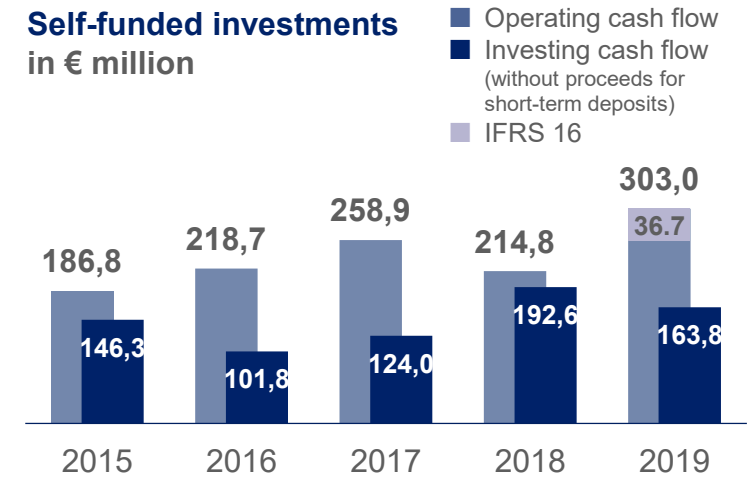
IMF World Economic Outlook Update, June 2020

# 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

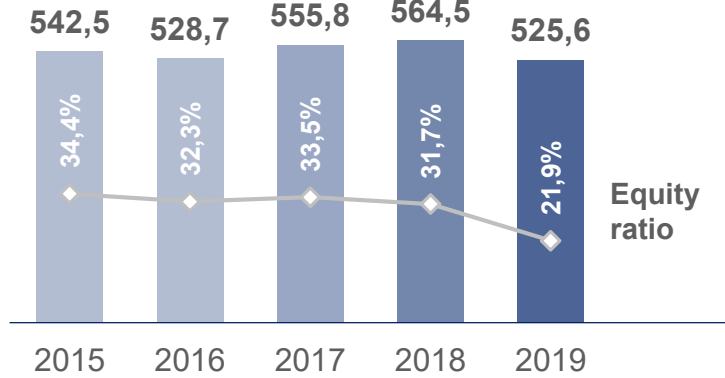
Self-funded investments in € million



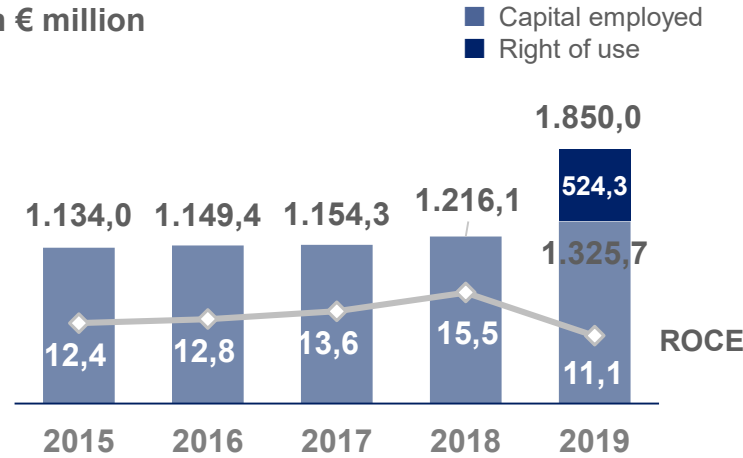
# 4. Solid financial foundation with strong cash flows

Focus on profitability and shareholder participation

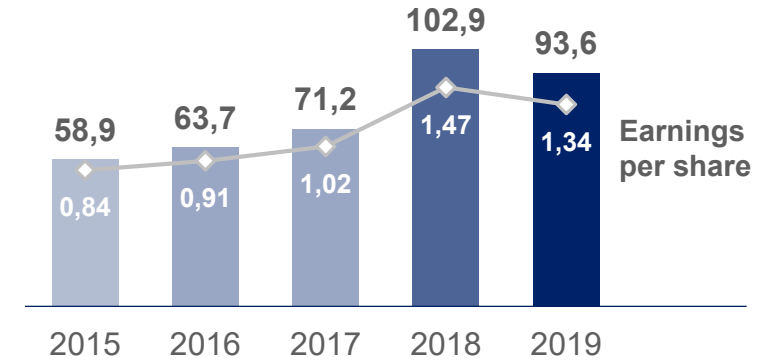
**Equity development / Equity ratio**  
in € million



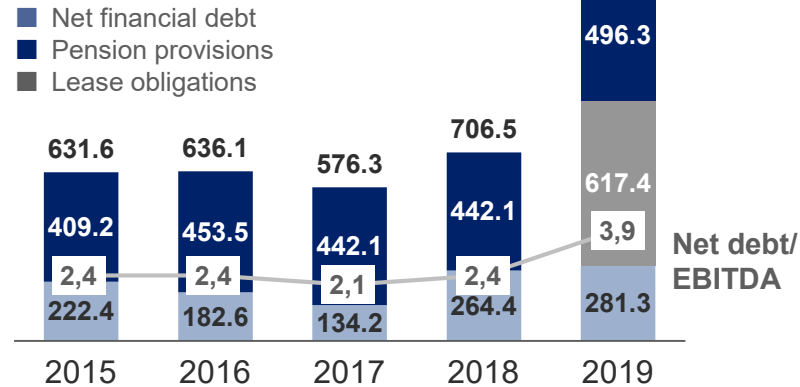
**Ø Capital employed / ROCE**  
in € million



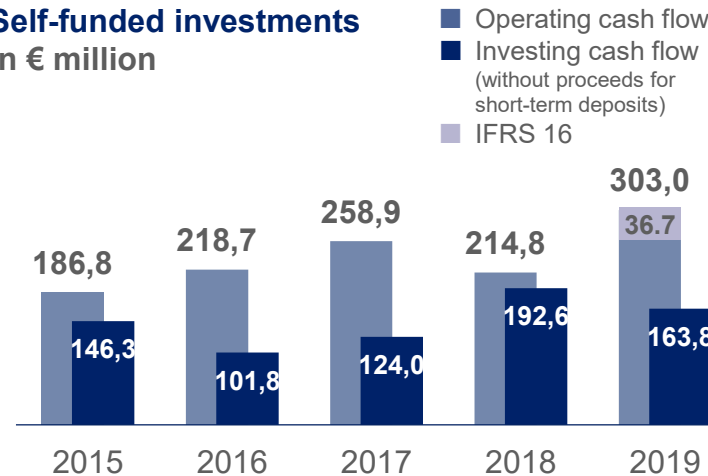
**Profit after tax and minorities / EPS**  
in € million / in €



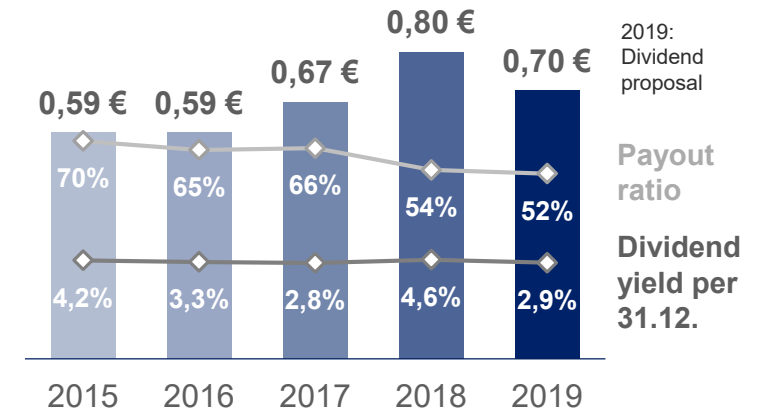
**Net debt**  
in € million



**Self-funded investments**  
in € million

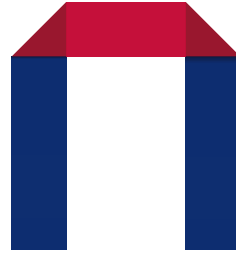


**Dividend development**



# 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

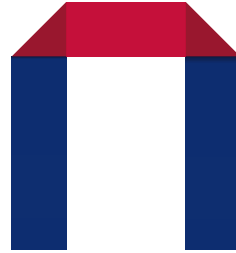
Reduction of CO<sub>2</sub>  
emissions by 50% by 2030  
Climate neutral by 2040

**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



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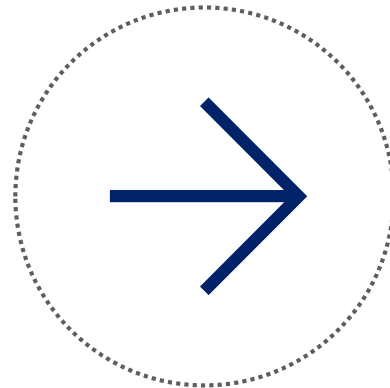
## → Action fields

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Investments

Innovations

Merges & acquisitions



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## → 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

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

# 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 CO<sub>2</sub> emissions by energy efficiency and innovations



### Protection of environment and resources

Reduction of environmental impacts and conservation of resources



**HHLA will reduce its CO<sub>2</sub> 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 waggons daily arrive at or depart at the Port of Hamburg
- Approximately 2,000 container rail connections are on offer every week



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

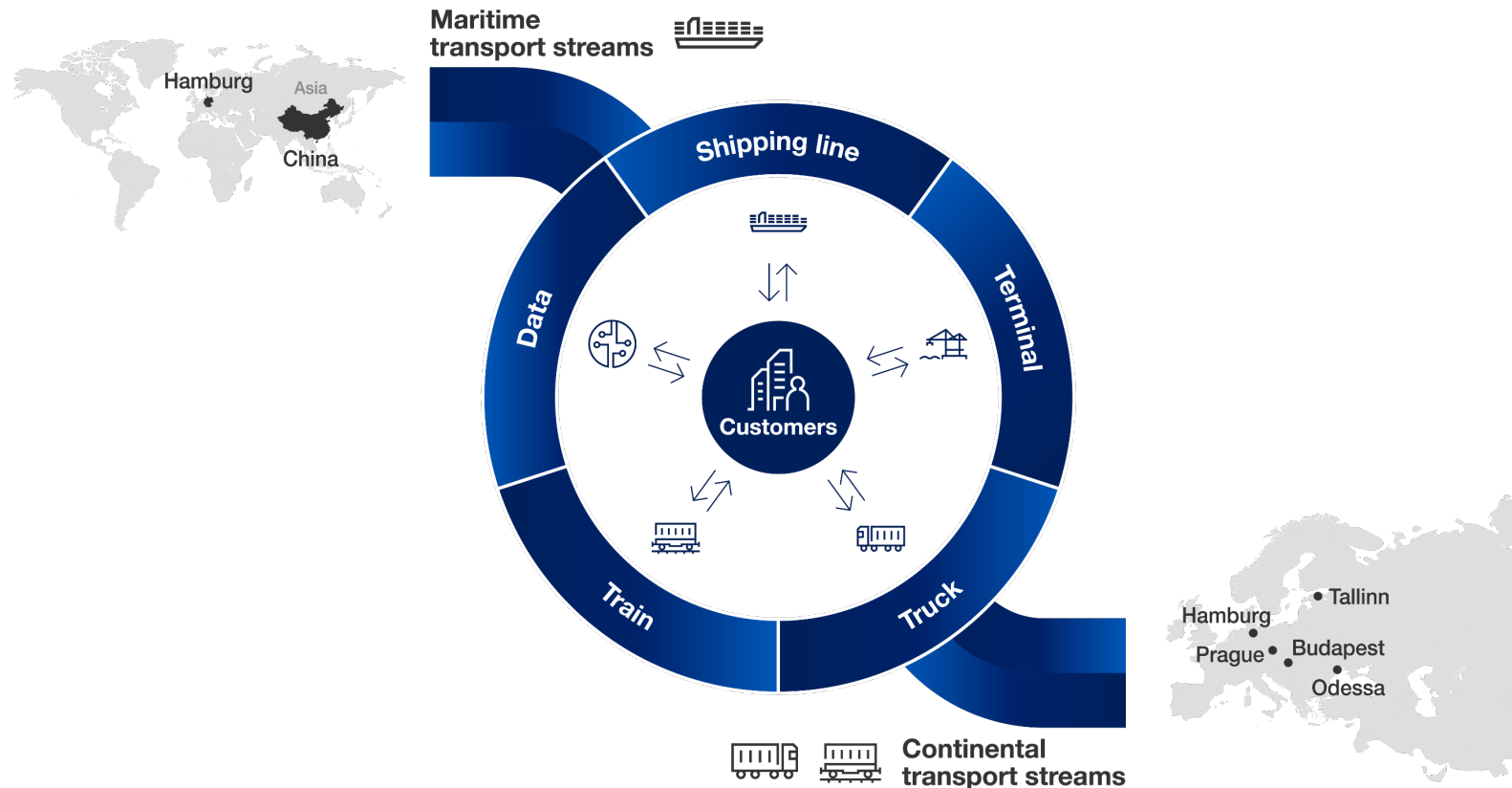
- Extensive electrification and use of green electricity on the terminals
- Transport by Metrans with CO<sub>2</sub> optimized train and wagon material (e.g. use of hybrid locomotives used for heavy-duty shunting or use of container flat wagons which are 30% lighter than normal equipment)
- Unavoidable CO<sub>2</sub> emissions are currently offset by certified development projects according to the highest international Gold standard
- Complete 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

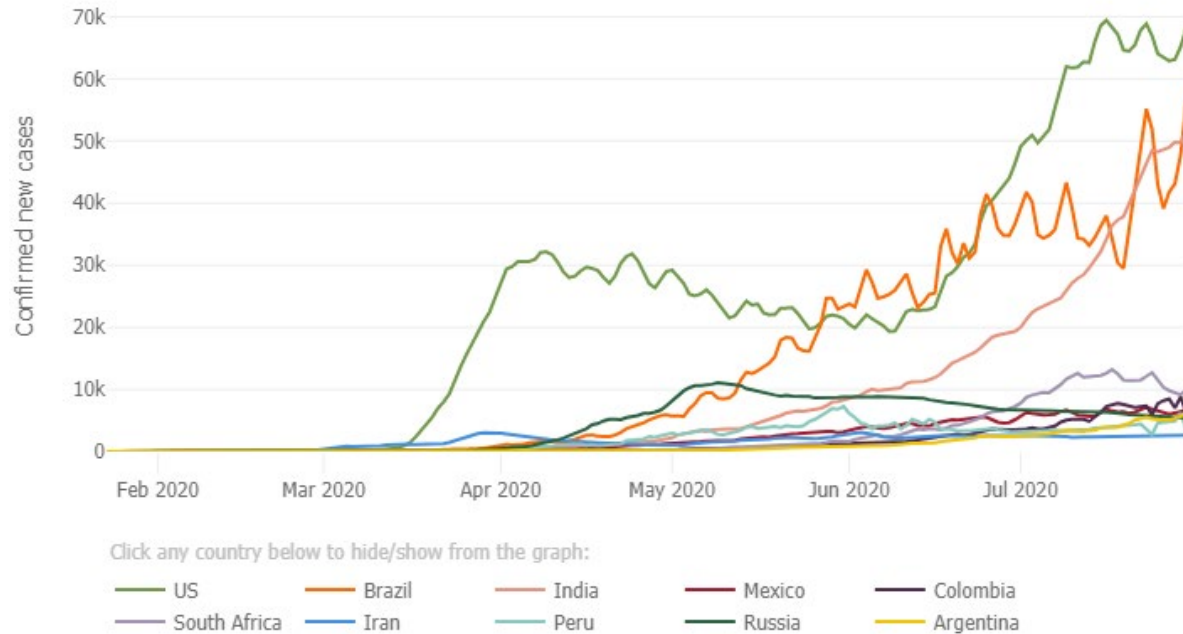
Dense hub and railway network for the transport streams of the future

Ecological consciousness as integral part of the business model

# Economic and social life largely shut down in Q2 2020

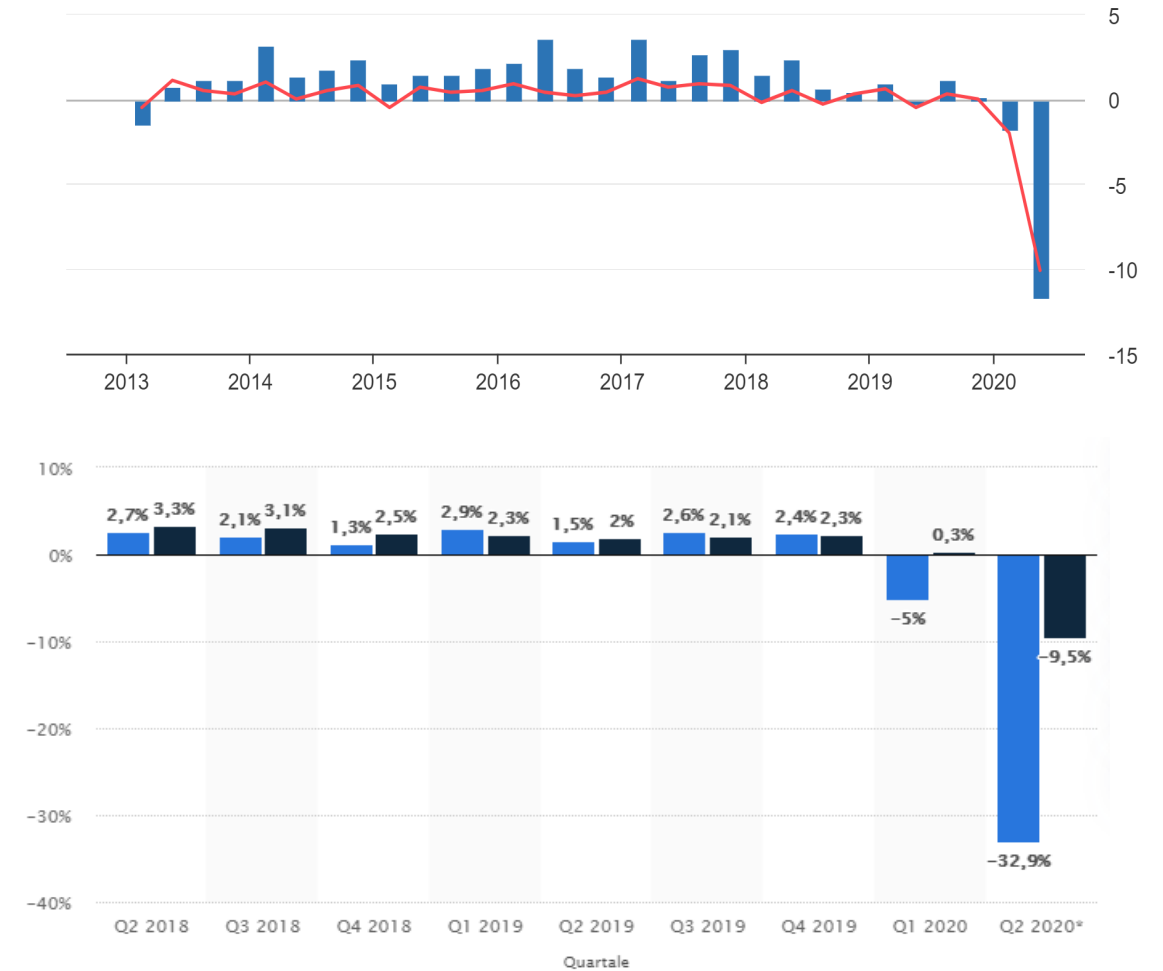
Effects on the economy of historic dimension

## Pandemic



Source: Johns Hopkins University

## Economy – GDP Germany and USA



Sources: Destatis and Statista

# The first half-year 2020 at a glance

Challenging market environment highly affects the first half-year results 2020



**Revenue declined sharply while EBIT fell by half**



**Market environment was hit hard by the impact of the coronavirus pandemic in Q2**



**High pressure on transport systems due to blank sailings and reduced utilisation**



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



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



# Business environment in the first half-year 2020

Global economy facing recession as a result of the coronavirus pandemic

## Trend in the first half-year 2020

GDP World



GDP China



GDP Russia



World trade



## Estimates for Q2 2020

World throughput – 16.2 %

Europe throughput – 21.3 %

NW Europe throughput – 16.7 %

Scandinavia & Baltics – 33.3 %

## Macroeconomic environment

- Global economic activity fell dramatically in H1 20 as a result of the coronavirus pandemic
- IMF expects that the impact in Q2 was even more negative than previously expected.<sup>1</sup>
- Chinese economy has already bottomed out and reported a surprisingly sound GDP in H1 20 (Q2: 3.2 % // Q1: - 6.8 %) <sup>2</sup>
- By contrast, COVID-19 has not yet been contained e.g. in Russia where the economic downturn has not yet been reached (Q1: 1.6 %; ) <sup>3</sup>
- Significant drop in world trade as a result of strong trade restrictions expected<sup>1</sup>

Sources: 1 International Monetary Fund – World Economic Outlook June 2020; 2 Press Release (16.07.2020); 3 World Bank Russia Monthly Economic Update May 2020

## Sector development

- Whereas the minus in worldwide container throughput in Q1 20 was not as intense as expected, global volumes plummeted drastically in Q2 20 (Q2: - 16.2 % // Q1: - 2.7 %)
- Europe was particularly hard hit by the crisis (Q2: - 21.3 % // Q1: - 2.8 %)
- Northwest Europe as well as Scandinavia and the Baltic region also performed significantly worse in Q2 than previously forecast
- North West Europe with the lowest impact within Europe (Q2: - 16.7 % // Q1: - 2.9 %)
- Scandinavia & Baltics with the strongest decline in Europe (Q2: - 33.3 % // Q1: - 2.4 %)

Source: Drewry Maritime Research, Container Forecaster, July 2020

# Financial results of Port Logistics subgroup in the first half-year 2020



Revenue  
**€ 614.2 million**  
– 9.3 %

EBIT  
**€ 49.1 million**  
– 53.5 %

EBIT margin  
**8.0 %**  
– 7.6 pp

Profit after tax  
and minorities  
**€ 10.7 million**  
– 78.6 %

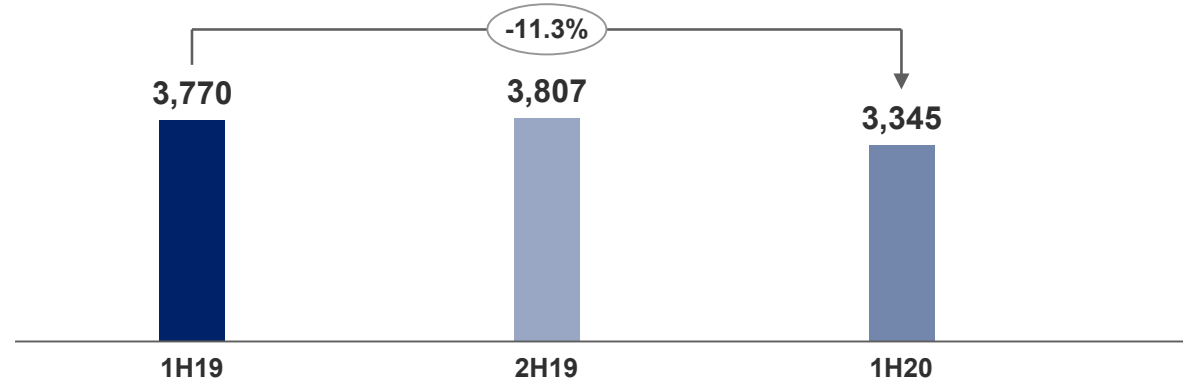
ROCE  
**5.2 %**  
– 6.3 pp

Operating cash flow  
**€ 150.0 million**  
– 8.3 %

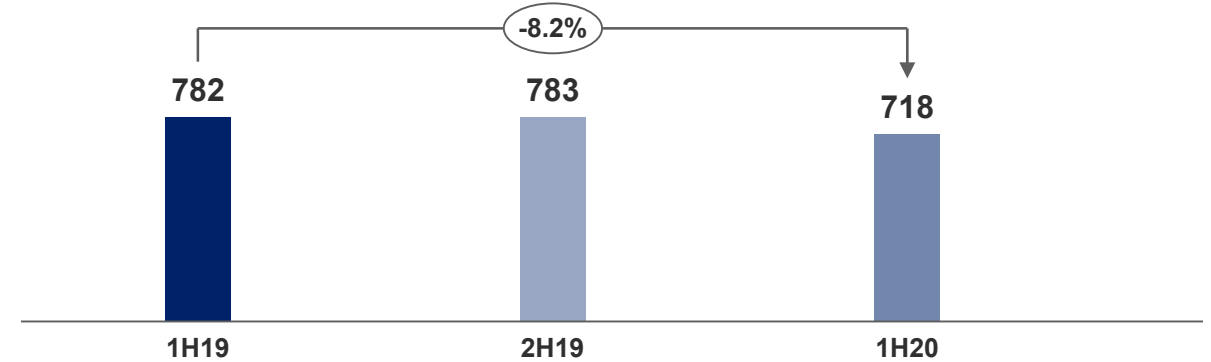
# Throughput and transport development in the first half of 2020

Performance data burdened by impact of coronavirus pandemic

Container throughput  
in thousand TEU



Container transport  
in thousand TEU



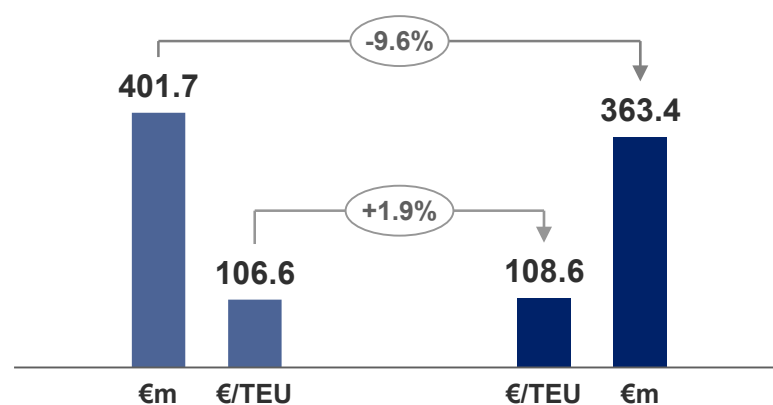
- Hamburg terminals with sharp decrease of 12.0 % mainly due to blank sailings resulting from the coronavirus pandemic causing strong loss in Asian traffic
- Feeder volumes down by 2.3 pp with a feeder ratio of 20.6 % (previous year: 22.9 %)
- International terminals slightly down against previous year

- Significant decrease in transport volume driven by
  - strong decrease in rail transportation (– 6.9 % y-o-y)
  - traffic from both the North German and the Adriatic seaports recorded significant or strong declines that couldn't be compensated by strong growth in continental traffic
  - downward trend in road transportation continued (– 13.0 % y-o-y)

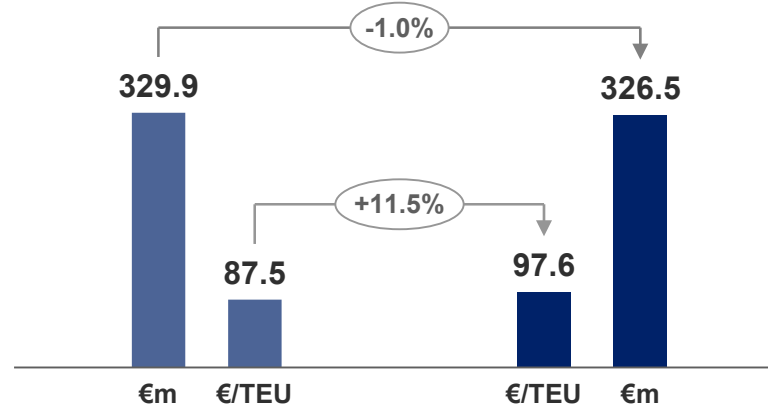
# Container segment

Drop in volumes led to falling revenue, EBIT impacted by a disproportionate fall in opex

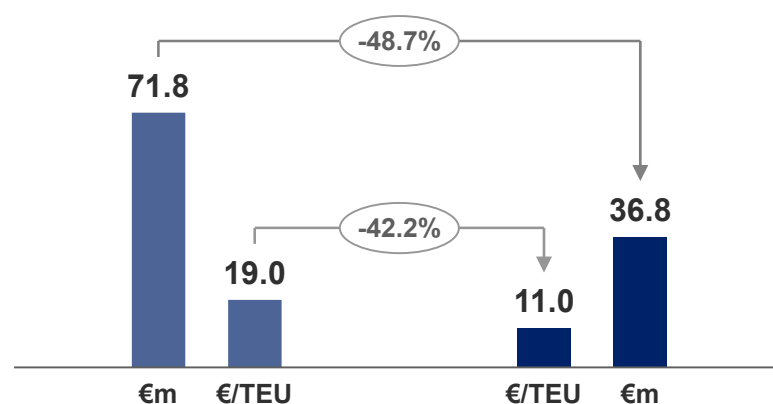
**Revenue** ■ 1H19 ■ 1H20



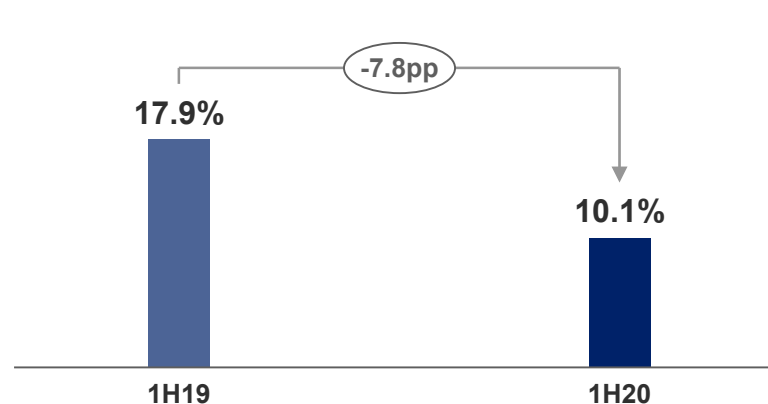
**OpEx** ■ 1H19 ■ 1H20



**EBIT** ■ 1H19 ■ 1H20



**EBIT margin**

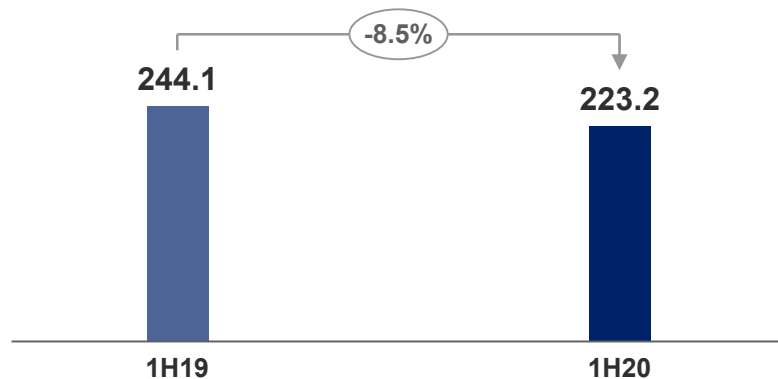


- Revenue significantly down as a result of lower volumes
- Average revenue per TEU up 1.9 % due to
  - advantageous modal split with a high proportion of hinterland volume
  - temporary increase in storage fees due to longer dwell times brought about by weather-related delays in 1Q20 and the coronavirus pandemic throughout 1H20
- Opex decrease of 1.0 % impacted by
  - lower material and personnel expenses (resulted primarily from the reduced use of external personnel as a result of the drop in volumes)
  - higher maintenance and service costs
- EBIT significantly down to € 36.8 million
- EBIT margin down to 10.1 %

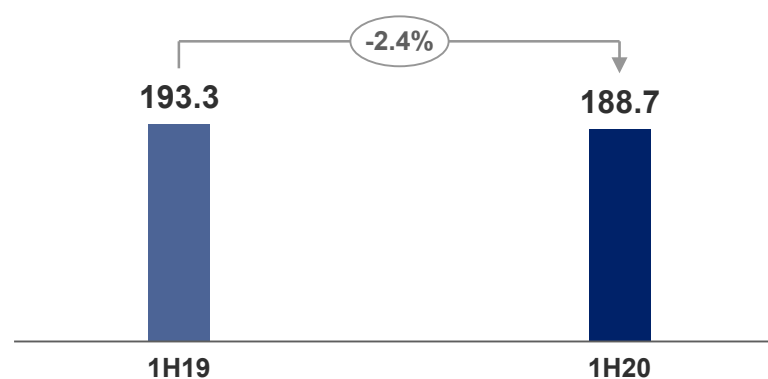
# Intermodal segment

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

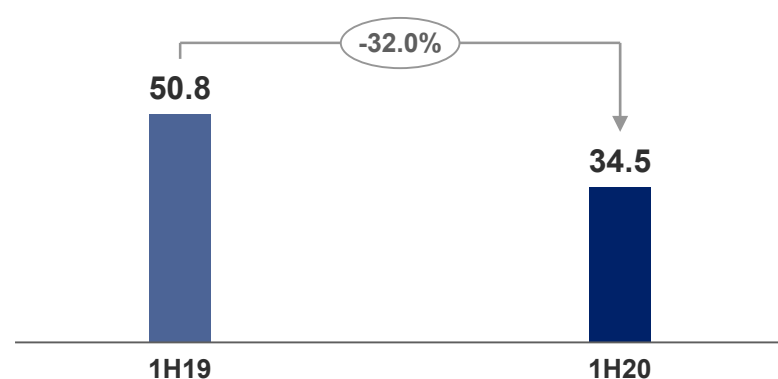
Revenue  
in € million



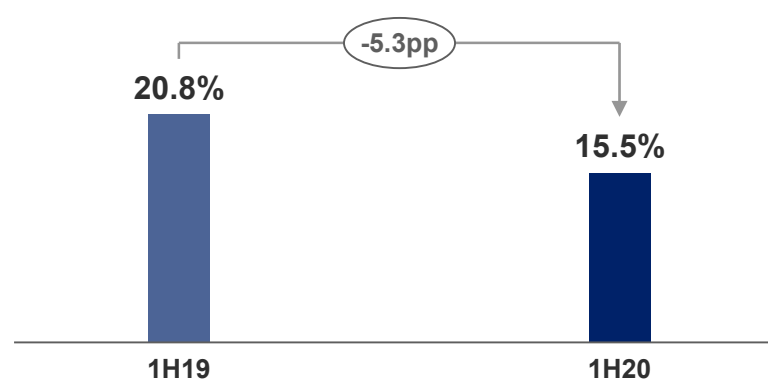
OpEx  
in € million



EBIT  
in € million



EBIT margin

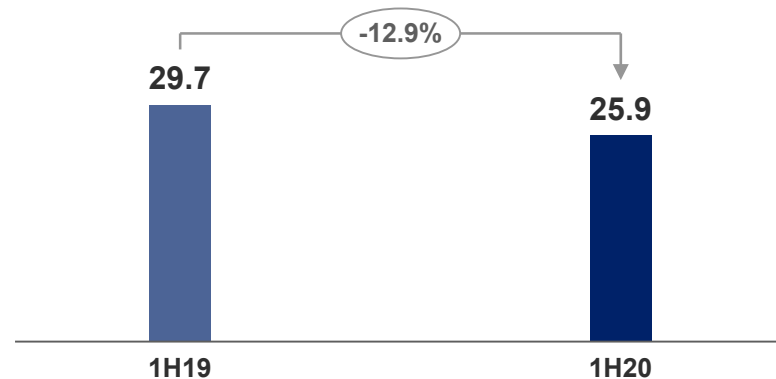


- Decrease in revenue 0.3 pp stronger than decline in transport volume
- Despite a slight increase in rail share in HHLA's total transportation volume from 78.0 % to 79.2 %, average revenue per TEU decreased as a result of the disproportionately strong decrease in freight flows with longer transport distances
- Sharp drop in EBIT as a result of
  - decline in volumes and revenue
  - increased fluctuations in the volume of import and export loads leading to a decrease in the utilisation of the train systems
- EBIT margin deteriorated, but still at a sound level of 15.5 %

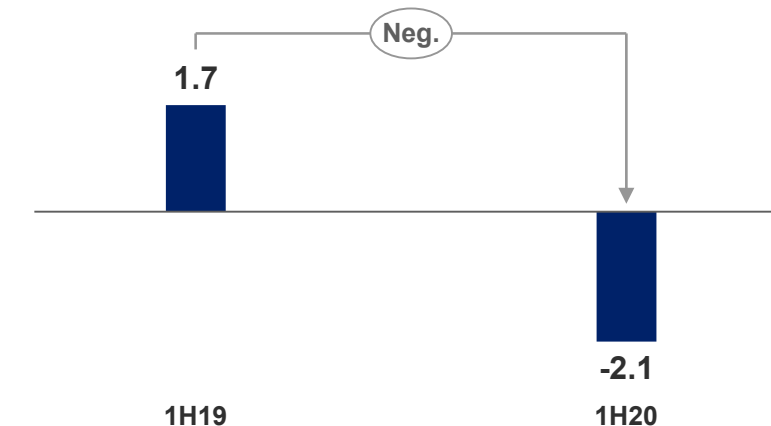
# Logistics segment

Vehicle logistics, consulting activities, digital projects and participations

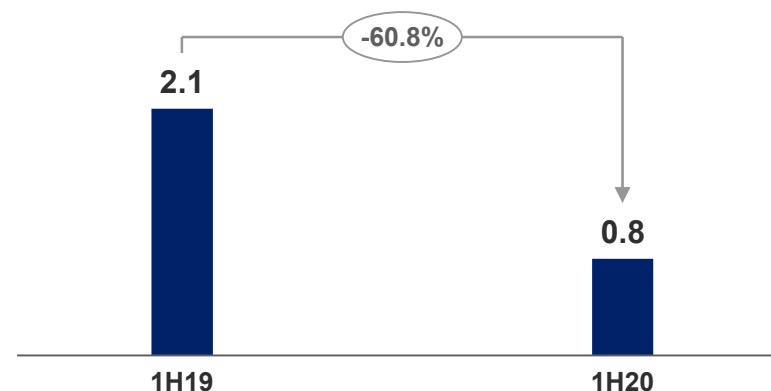
Revenue  
in € million



EBIT  
in € million



At-equity earnings  
in € million

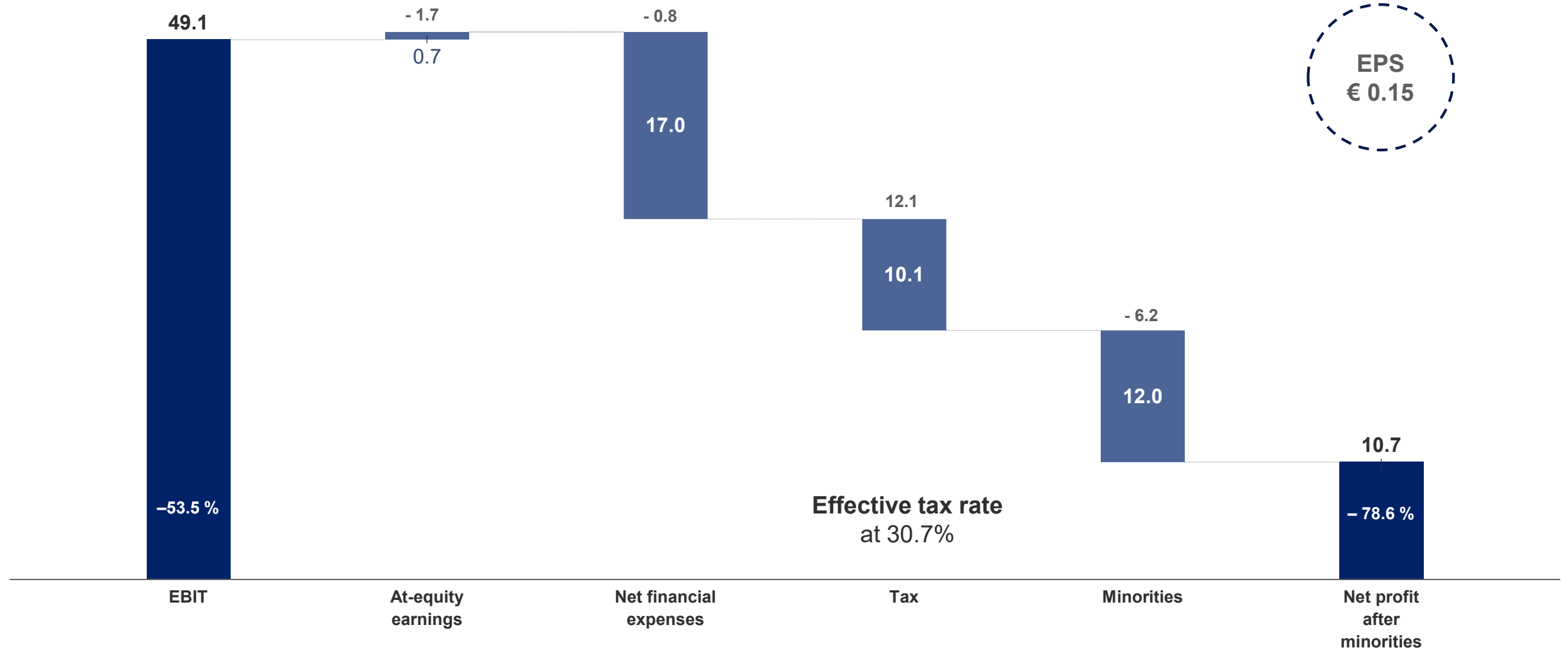


- Revenue strongly down against previous year impacted by
  - strong drop in vehicle logistics
  - consulting activities slightly below previous year
  - additive manufacturing technologies (which was not included 1H19)
- EBIT impacted by start-up losses in the new growth areas; in addition, vehicle logistics and consulting activities remained below the previous year
- At-equity earnings continued to be positive in 1H20, but declined sharply

# Earnings bridge of the Port Logistics subgroup

Net profit showed a stable development

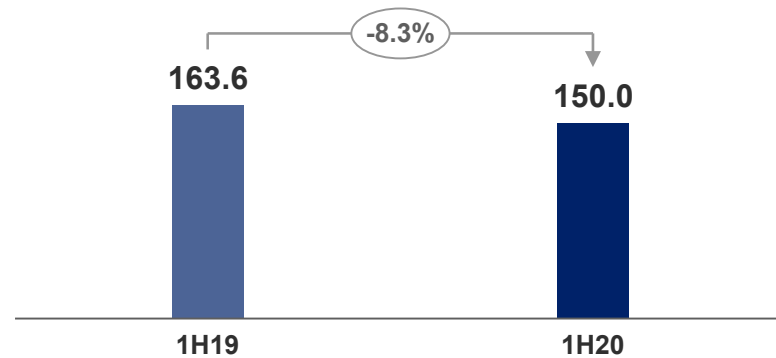
in € million / absolute change vs. 1H19



# Cash flow development of the Port Logistics subgroup

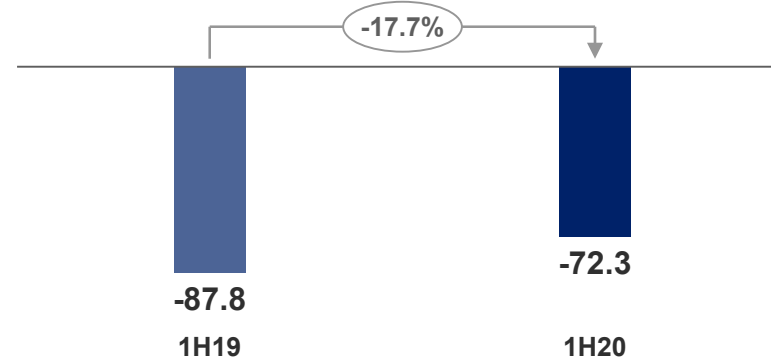
In line with business development

Cash flow from operating activities  
in € million



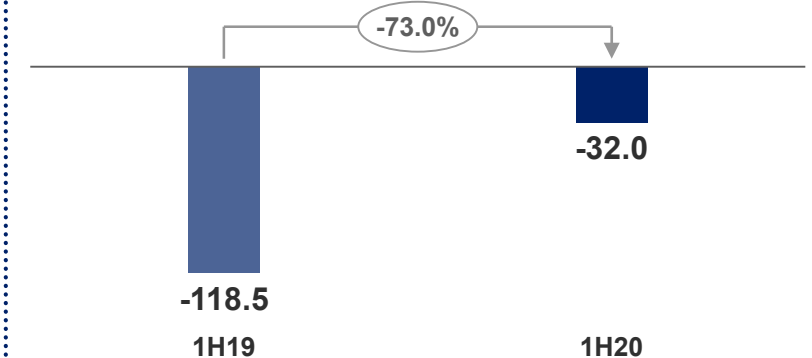
- Lower EBIT due to lower container throughput and transport vs. a decrease (previous year: increase) in trade receivables and other assets as well as lower tax payments compared to the previous year

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



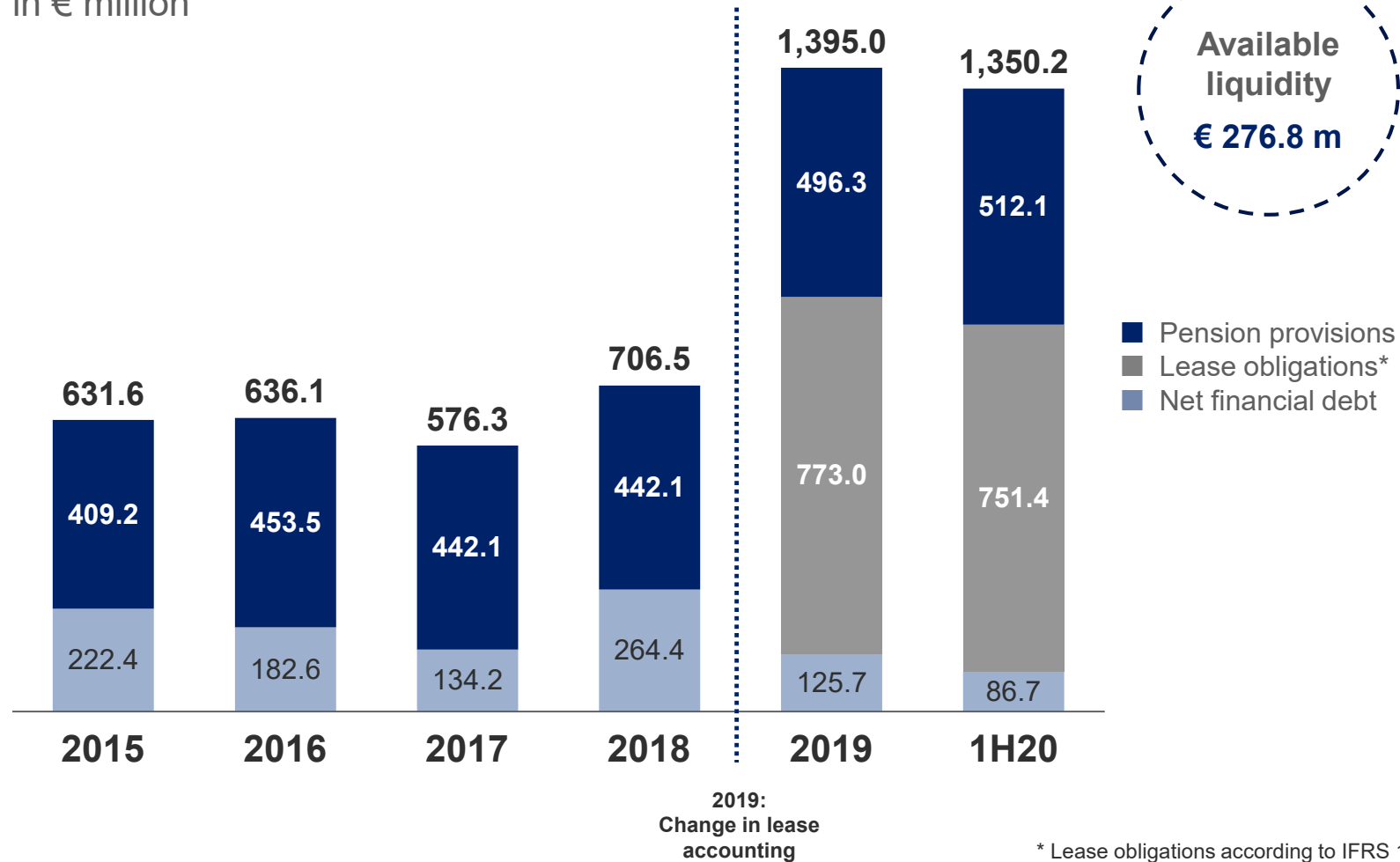
- Strong change against previous year mainly due to the fact that the dividend has not yet been paid to shareholders as well as the compensation obligation to a minority shareholder

**Available liquidity as of 30 June 2020: € 276.8 million (31 December 2019: € 232.2 million)**



# Financial stability with focus on cash flows

## Net debt Port Logistics in € 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 of 52 %
  - accumulation of approx. € 49 million of 2019 net profit
  - proposal of a scrip dividend to provide additional financial scope to develop HHLA successfully – main shareholder will choose shares
- Postponement and revision of investments
- Focus on cash flow control in the months to come

\* Lease obligations according to IFRS 16

# Expected business environment 2020

Updated forecasts factor in a larger hit to activity in H1 and a slower path of recovery in H2 than expected in spring

**GDP World** – 4.9 %

**GDP China** + 1.0 %

**GDP Russia** – 5.5 %

**GDP CEE** – 5.2 %

**World trade** – 11.9 %

**World throughput** – 7.3 %

**Europe throughput** – 9.7 %

**NW Europe throughput** – 7.7 %

**Scandinavia & Baltics** – 17.2 %

## Expected macroeconomic environment 2020

**Baseline scenario: against the backdrop of the unexpectedly strong economic impact, the recovery is likely to be more gradual than previously forecast**

- Global economic downturn in H1 worse than expected, outlook further subdued (↘ 1.9 pp)
- For China, experts still expect positive but strongly weakened growth (↘ 0.2 pp)
- After upward trend at the end of 2019, Russia is projected to contract strongly (↘ 1.1 pp)
- Growth dynamics in CEE also massively interrupted (↘ 0.6 pp)
- For world trade development a dramatic double-digit decline is estimated (↘ 0.9 pp)

Source: IMF – World Economic Outlook, July 2020

## Expected sector development 2020

**Baseline scenario: market to bottom out in 2Q20 followed by a steady reintroduction of capacity from H2 20 with freight rates stabilising in H2 20**

- World throughput expected to decline significantly (↘ 6.8 pp) with several blank sailings
- Europe considered to go into “sleep mode” except for essential services (↘ 8.9 pp)
- Estimated volume in North West Europe also significantly under previous year (↘ 7.2 pp)
- Scandinavia & Baltics expected to see the highest impact in Europe (↘ 17.0 pp)

Source: Drewry Maritime Research, Container Forecaster, July 2020

# Forecast for Port Logistics subgroup 2020 unchanged

Still 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
Revenue	€ 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 57



# Key figures

## Port Logistics subgroup

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

# Segment performance in 2019

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

in € million



Container



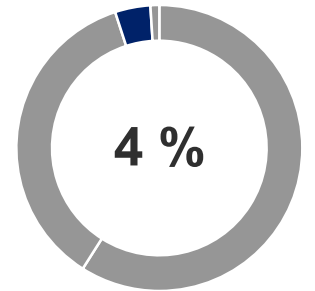
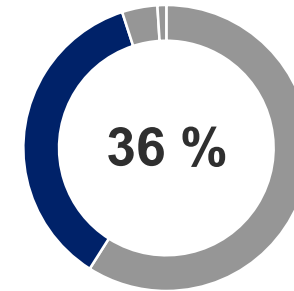
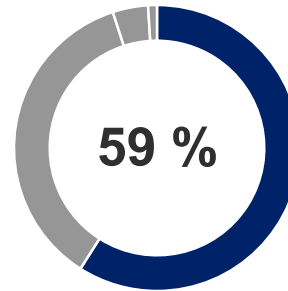
Intermodal



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

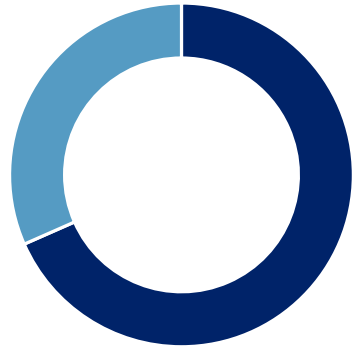
Balance sheet, assets and liabilities of the Port Logistics subgroup

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



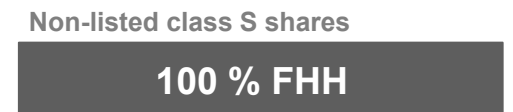
Subgroups



Segments



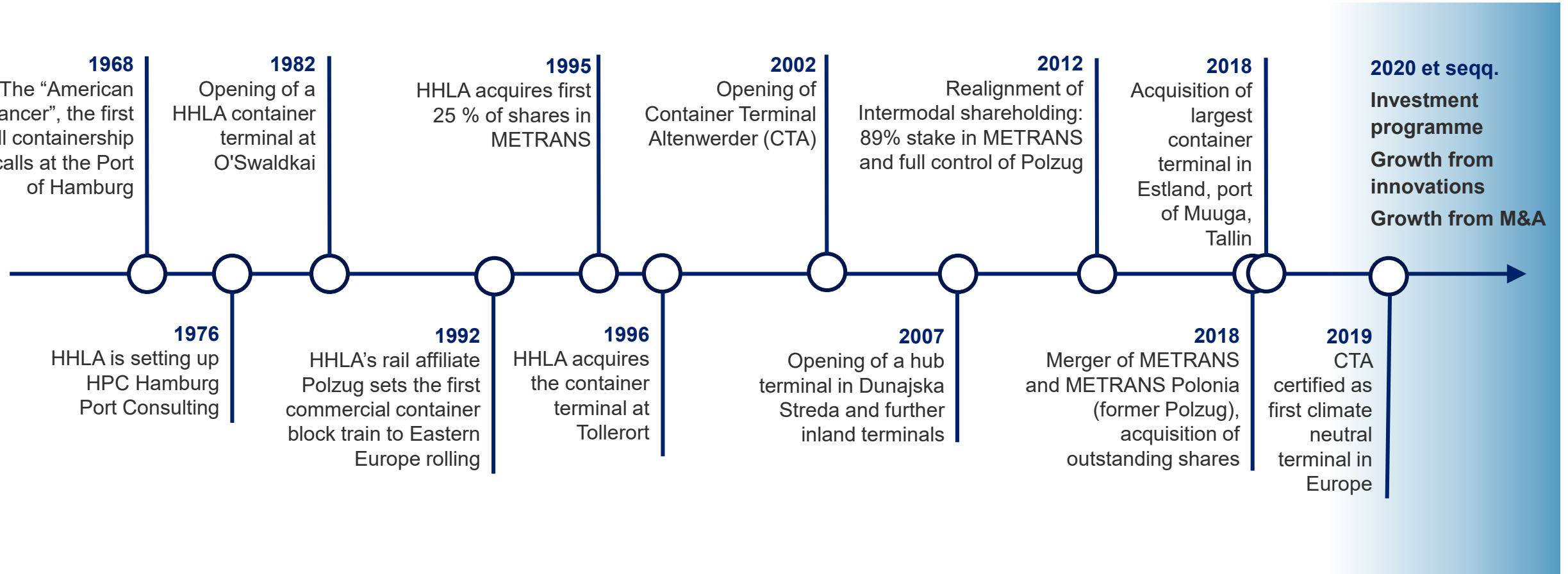
Shareholder structure





# Milestones in HHLA Port Logistics' history

From port logistics operator to integrated service provider



# Key figures

## Container segment

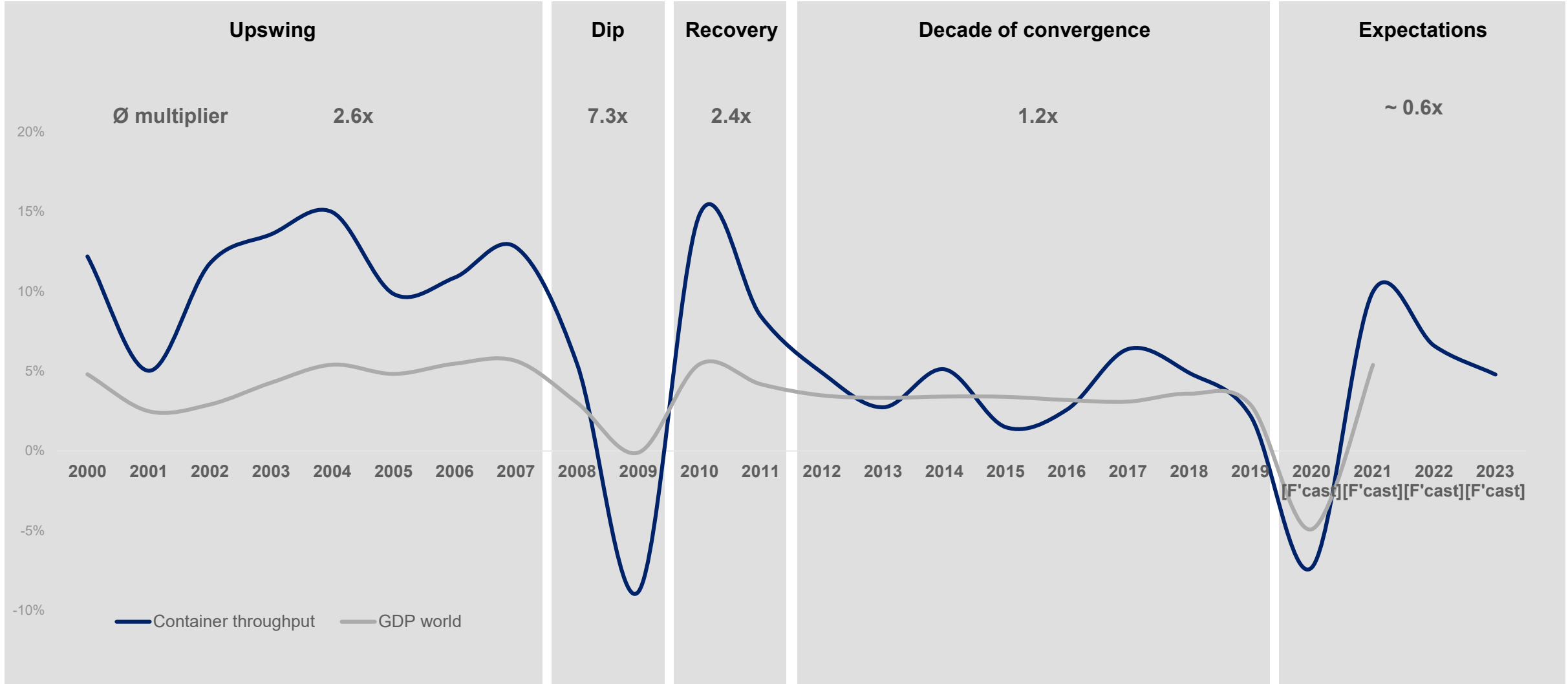


in € million

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

# Growth of global container throughput and GDP

Slowdown of growth multiplier on GDP since 2012



Source: Drewry Maritime Research, Container Forecaster, June 2020 / IMF World Economic Outlook, June 2020

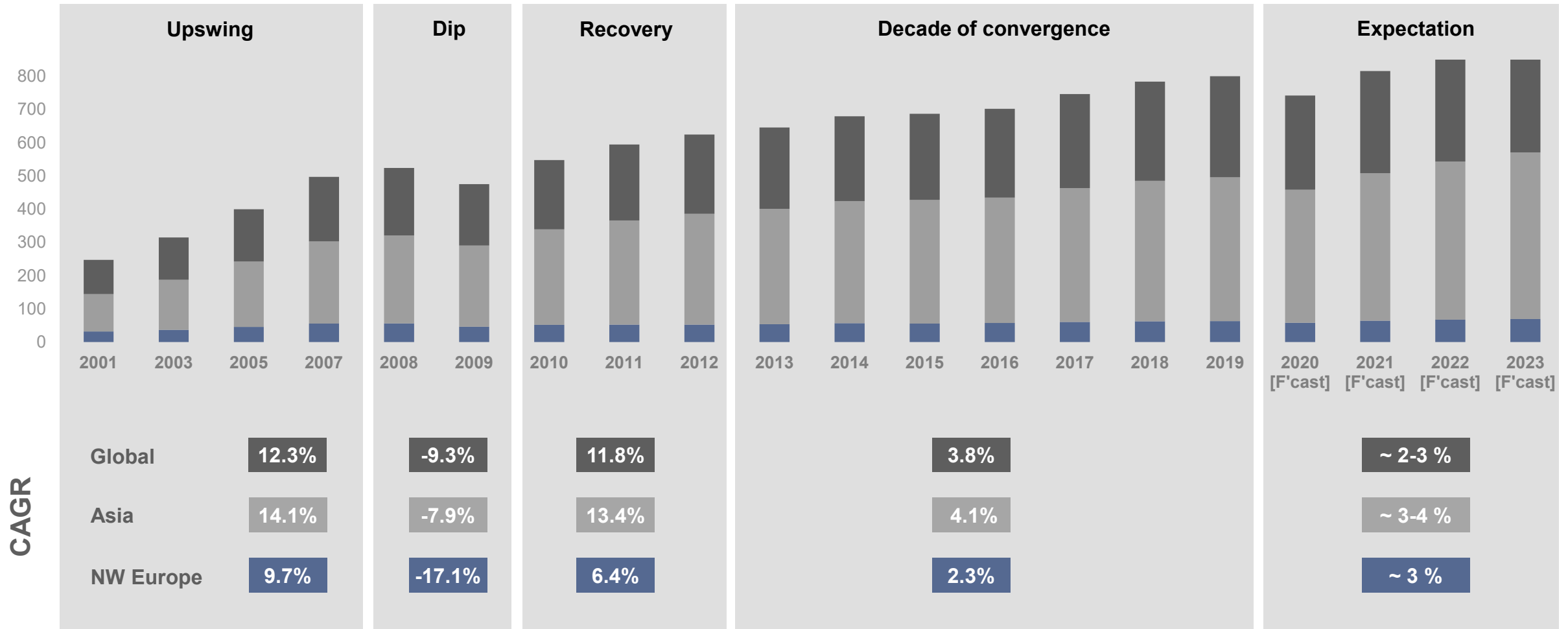
# Ports are an investment opportunity in GDP growth

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



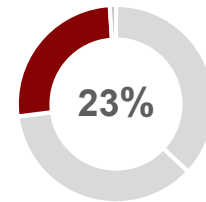
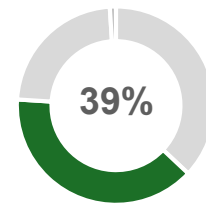
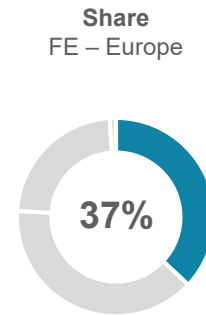
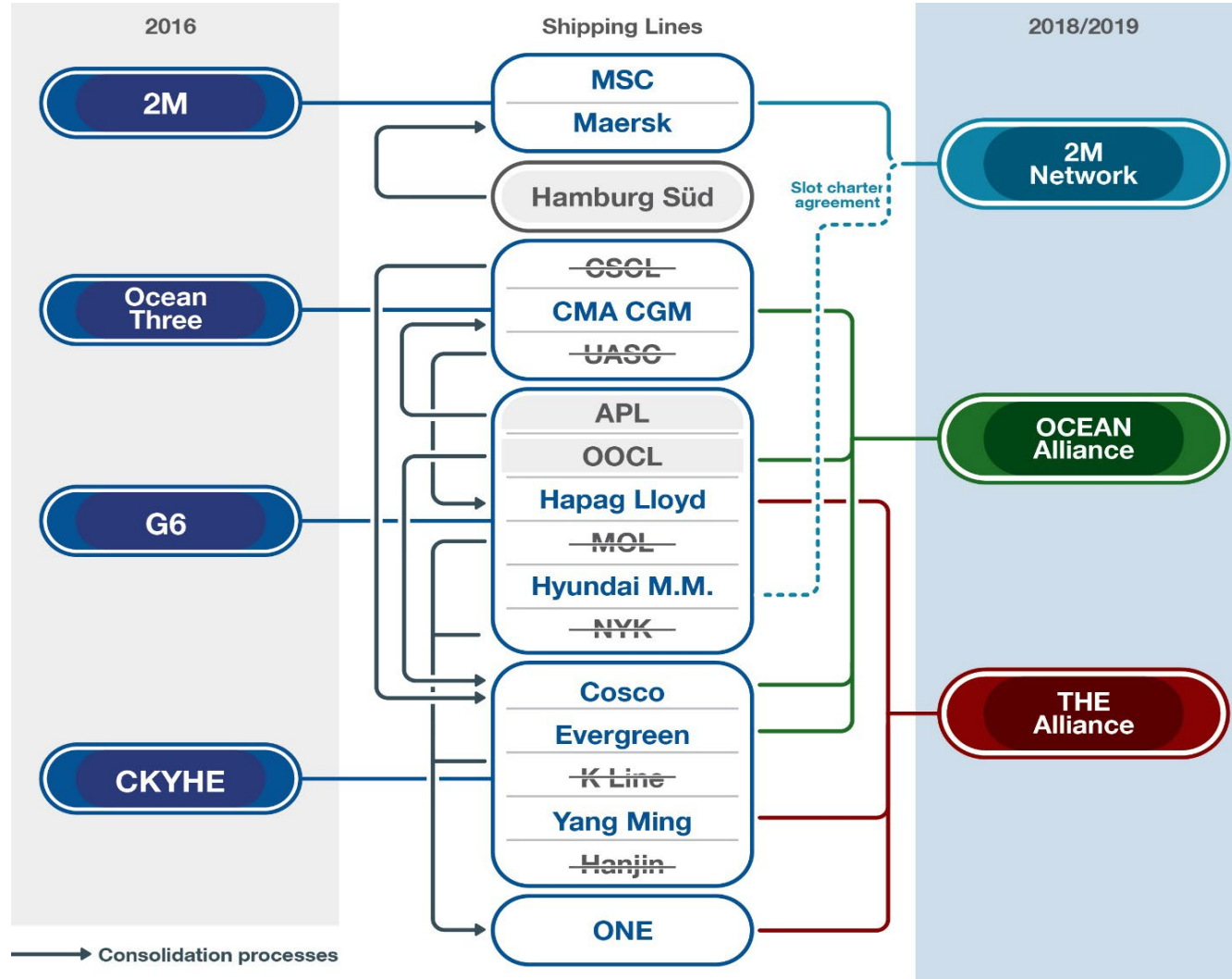
in TEU million

■ Global ■ thereof Asia ■ thereof Northwest Europe



# Development of alliances in the Asia – Far East services

Concentration in the shipping industry substantially increased



Source: HHLA / AXS Alphaliner Monthly Monitor, July 2020

## 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

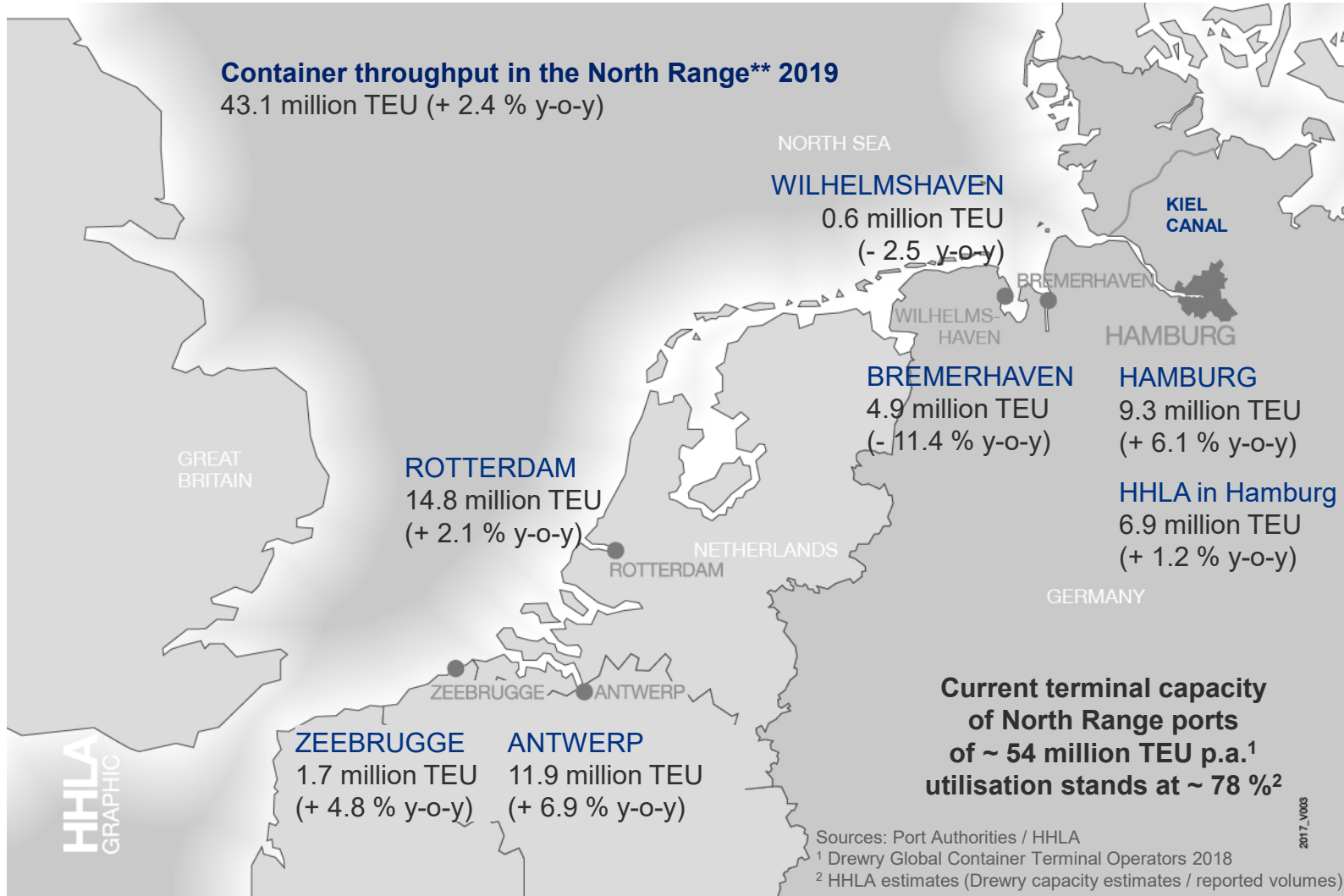
- Re-shaping of alliances and cooperation to improve load factor and slot costs
- Consolidation process in the shipping industry is supposed to be continued

## Perspectives

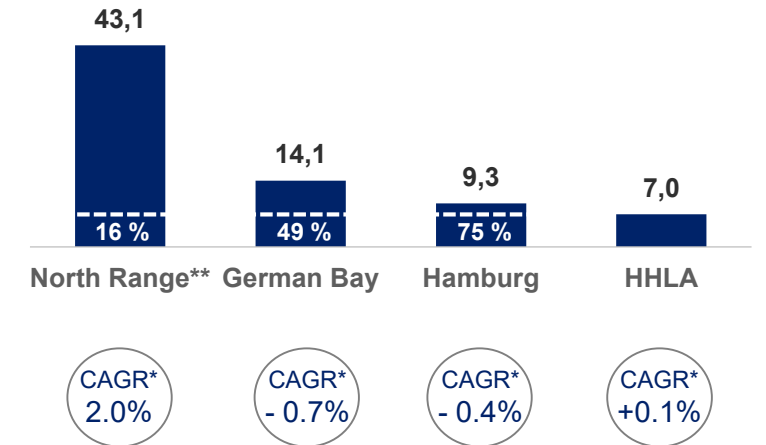
- Deployment of largest vessel sizes and focus on calls at gateway ports (hubs)

# Competing ports of the North Range

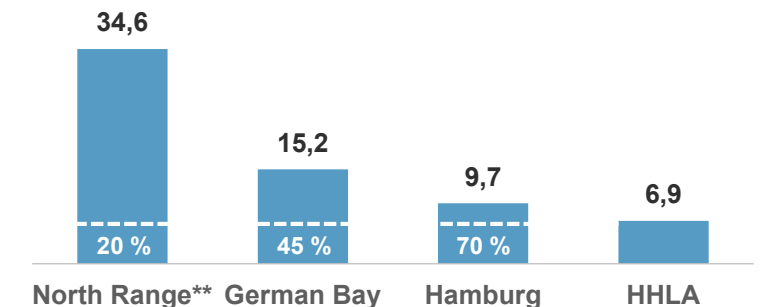
Container throughput and market share development



**Throughput and market share of HHLA in 2019**  
in TEU million



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



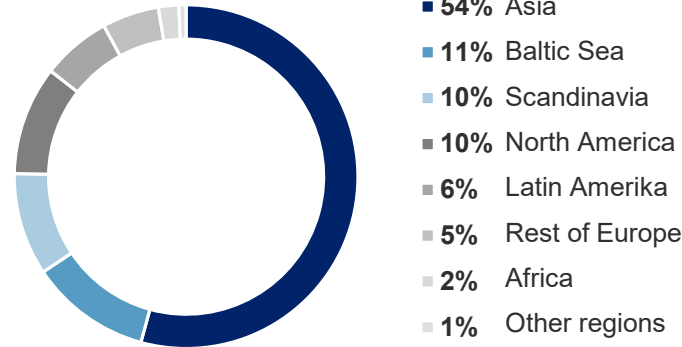
\* CAGR: 2008-2019, \*\* North Range ports (Antwerp, Rotterdam, Zeebrugge, Hamburg, Bremerhaven, Wilhelmshaven)

# 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

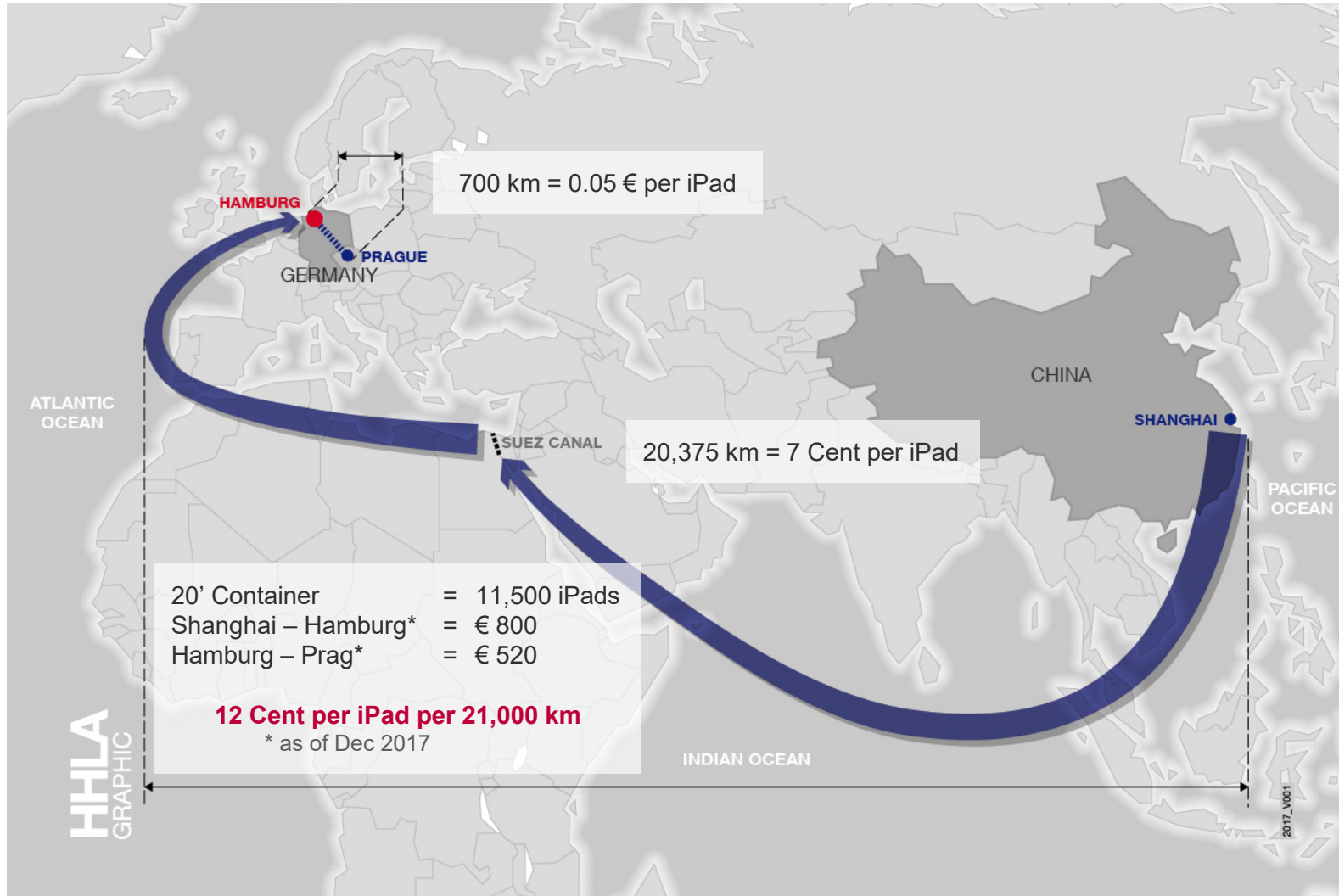
- Timely implementation of the highly needed Elbe waterway adjustment
- Underutilized capacities in most North Range ports

## 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)

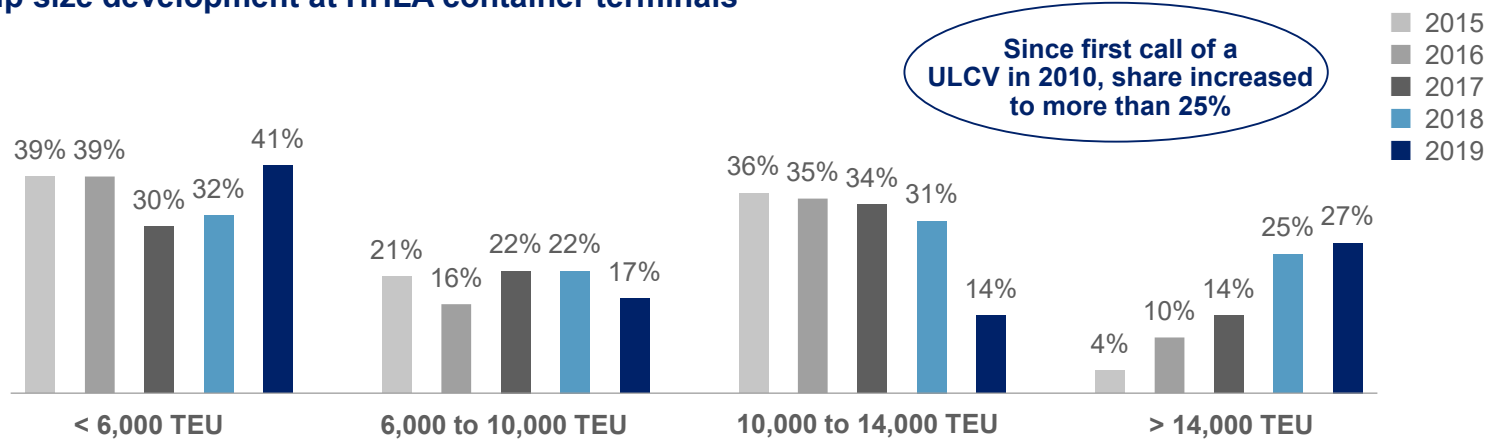


# Growth in ship sizes

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



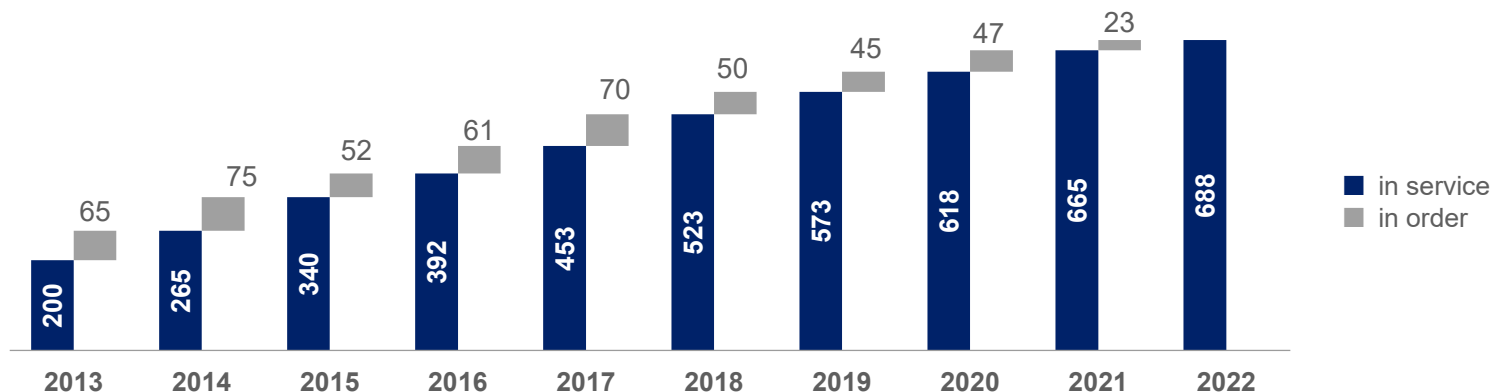
## Ship size development at HHLA container terminals



## 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

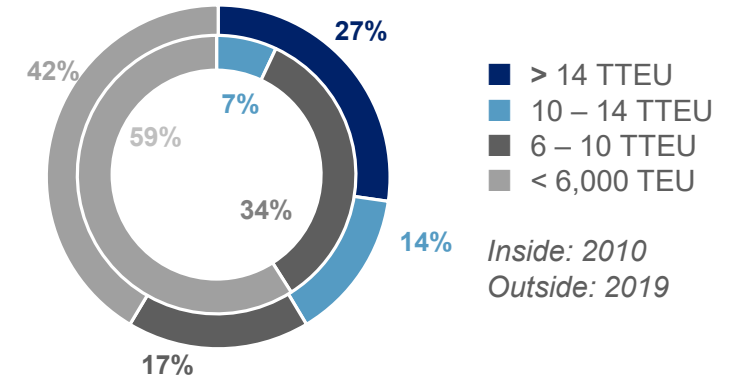
Peak loads due to bigger ship sizes in a “new normal” environment



## Development of carrying container ship capacity



## Ship-size development at HHLA terminals

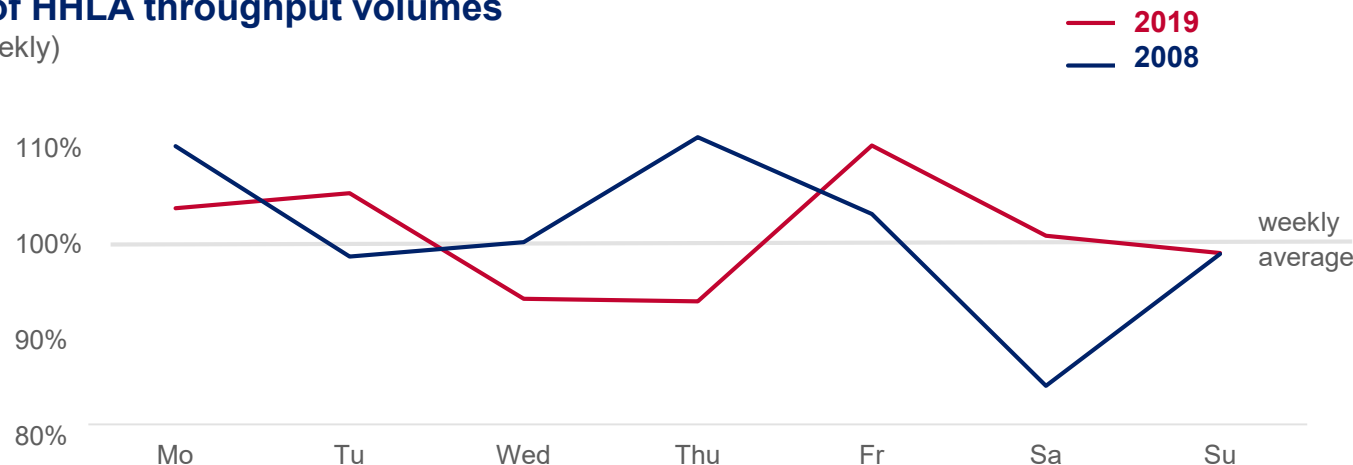


## Weekly path of HHLA throughput volumes

Index (100 = Ø weekly)

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

- 31.9 %  
vs. 2008

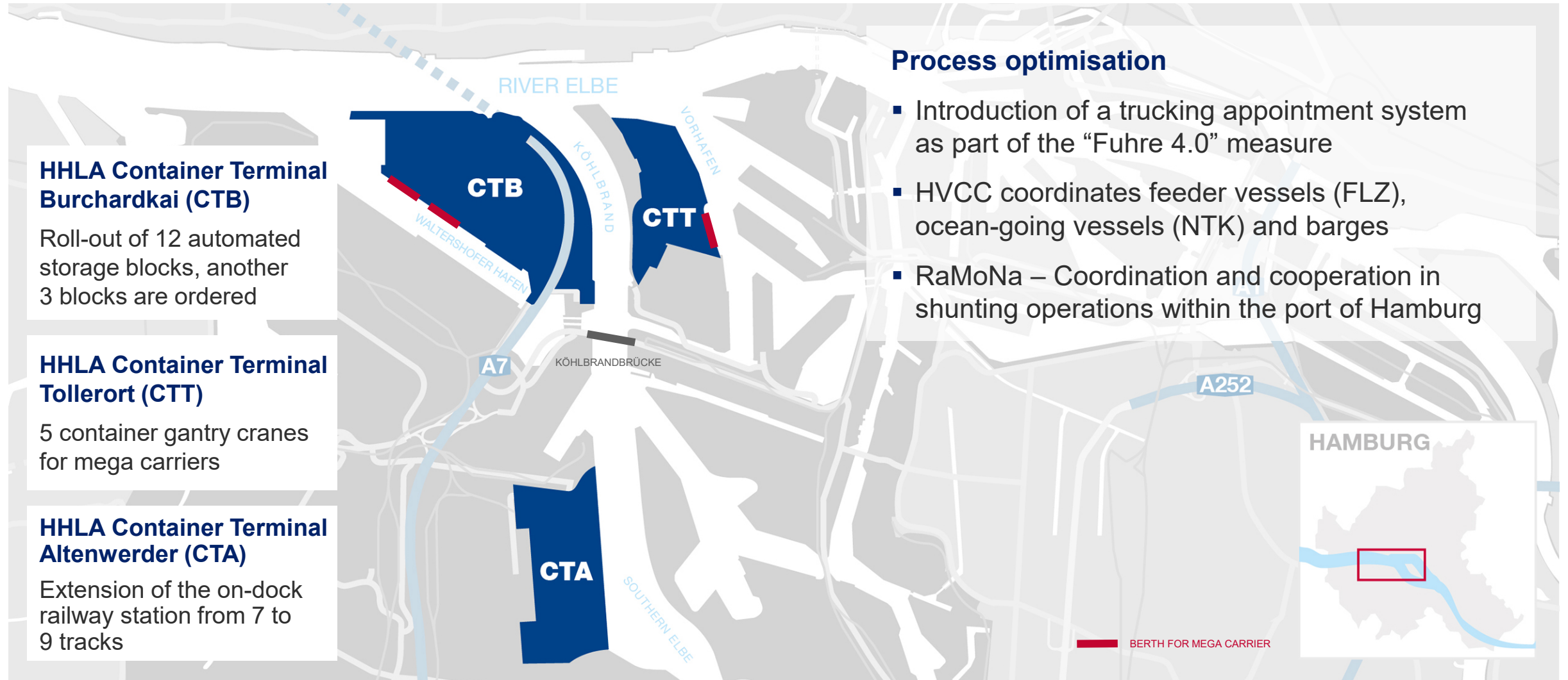


## Development of load conditions

- 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



## 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

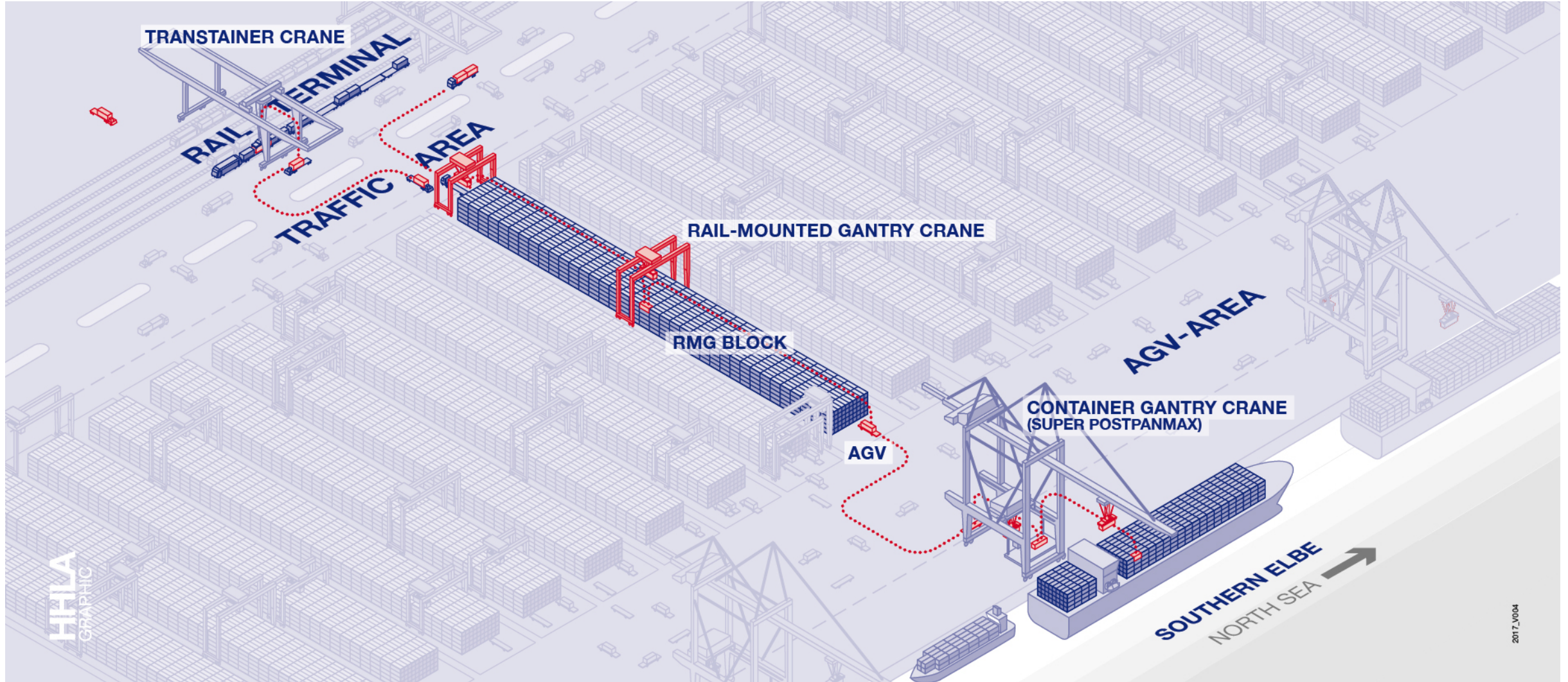


## HHLA in the Port of Hamburg

- Market share of 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 Waterways and Shipping Administration	Federal Administrative Court (FAC)	European Court of Justice (ECJ)	Federal Administrative Court (FAC)	Federal Waterways and Shipping Administration / Hamburg Port Authority	

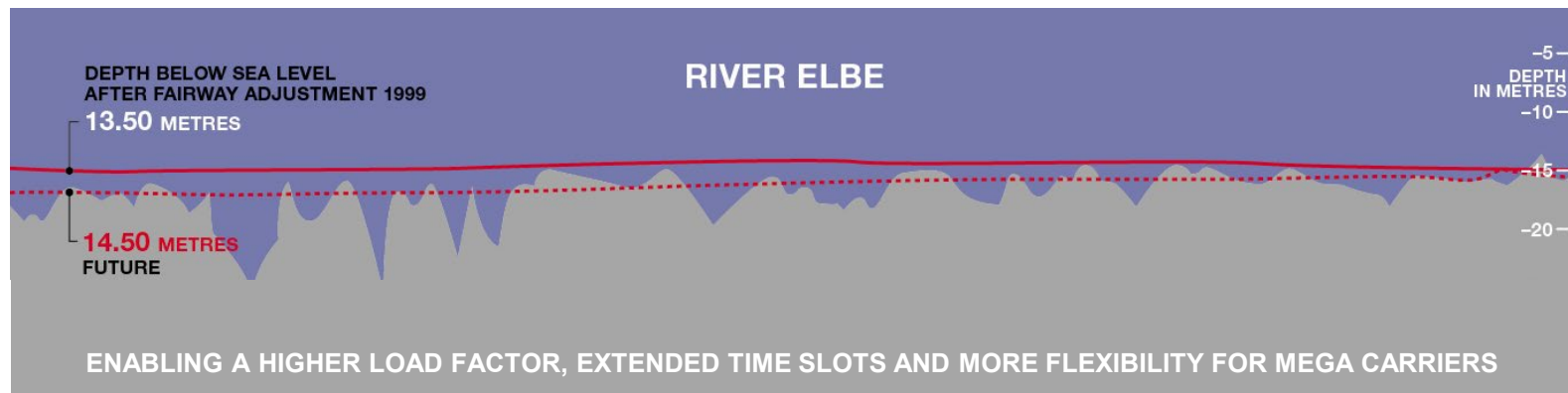
“The Elbe dredging is the best-tested and best-planned infrastructure project and was approved by the highest court.”

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

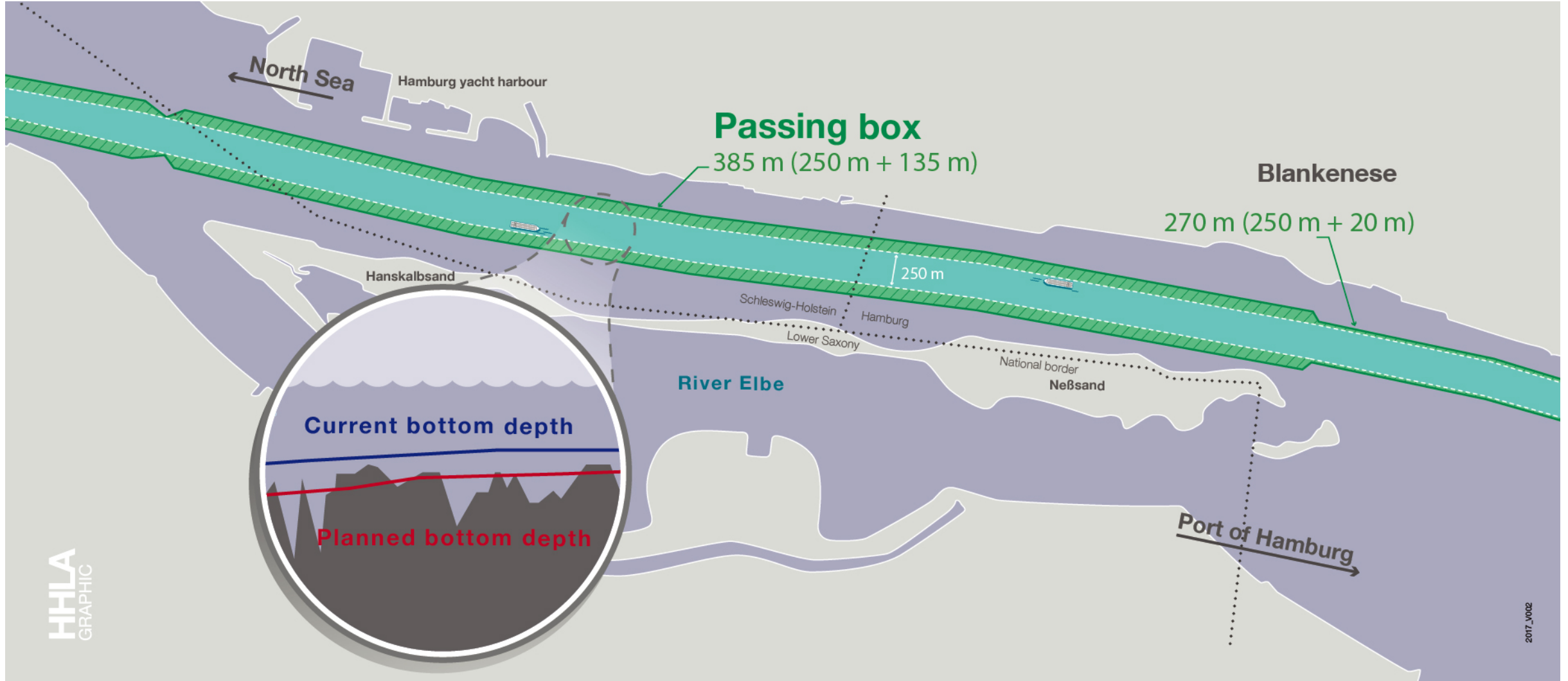
## Adjustment of navigation channel



**The dredging is scheduled to be completed in 2021.**  
Federal Waterways and Shipping Administration

# Elbe waterway adjustment

## Passing box





# Key figures

Intermodal segment



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

# EBIT multiplied several times since realignment

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

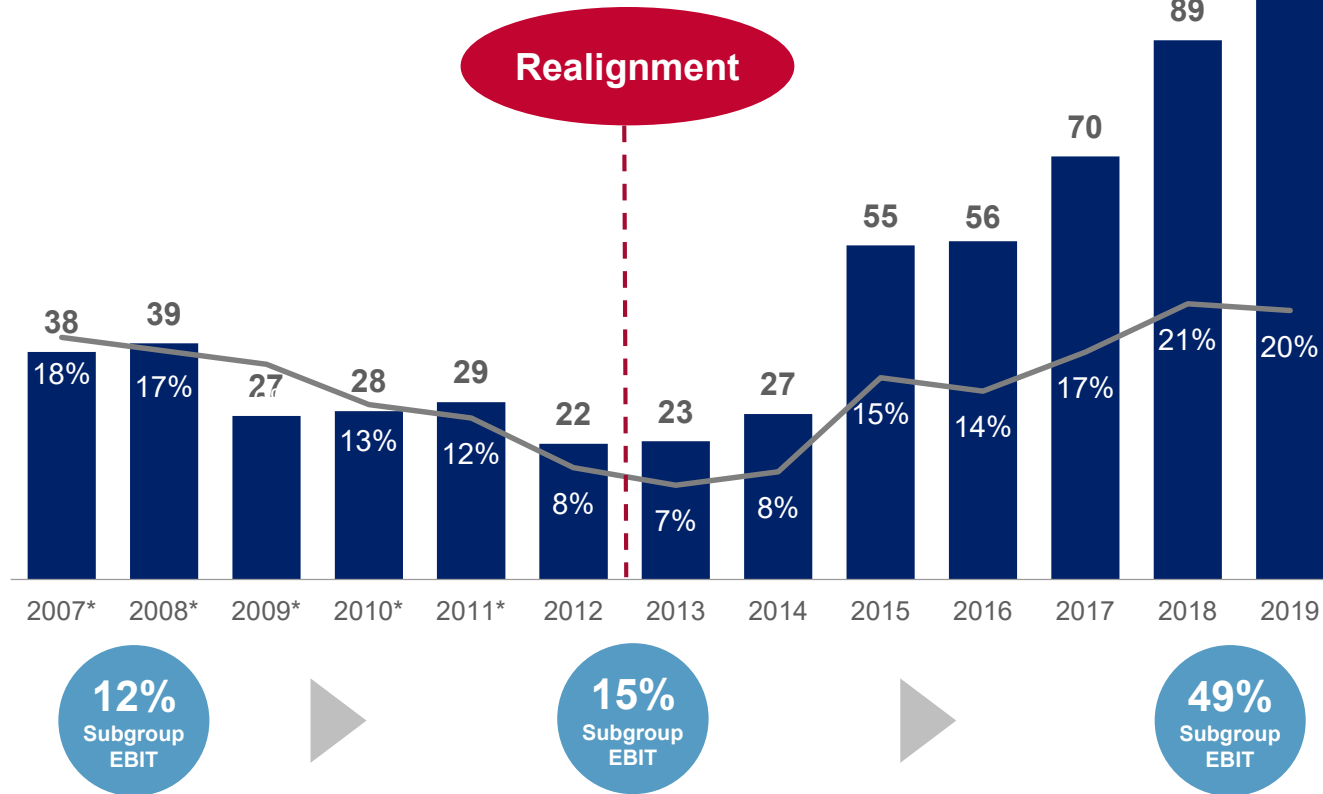


**CAGR**  
2007\* – 2019  
**8.4%**

**CAGR**  
2012 – 2019  
**23.7%**

**CAGR**  
2017 – 2019  
**19.1%**

**EBIT & EBIT margin**  
in million €



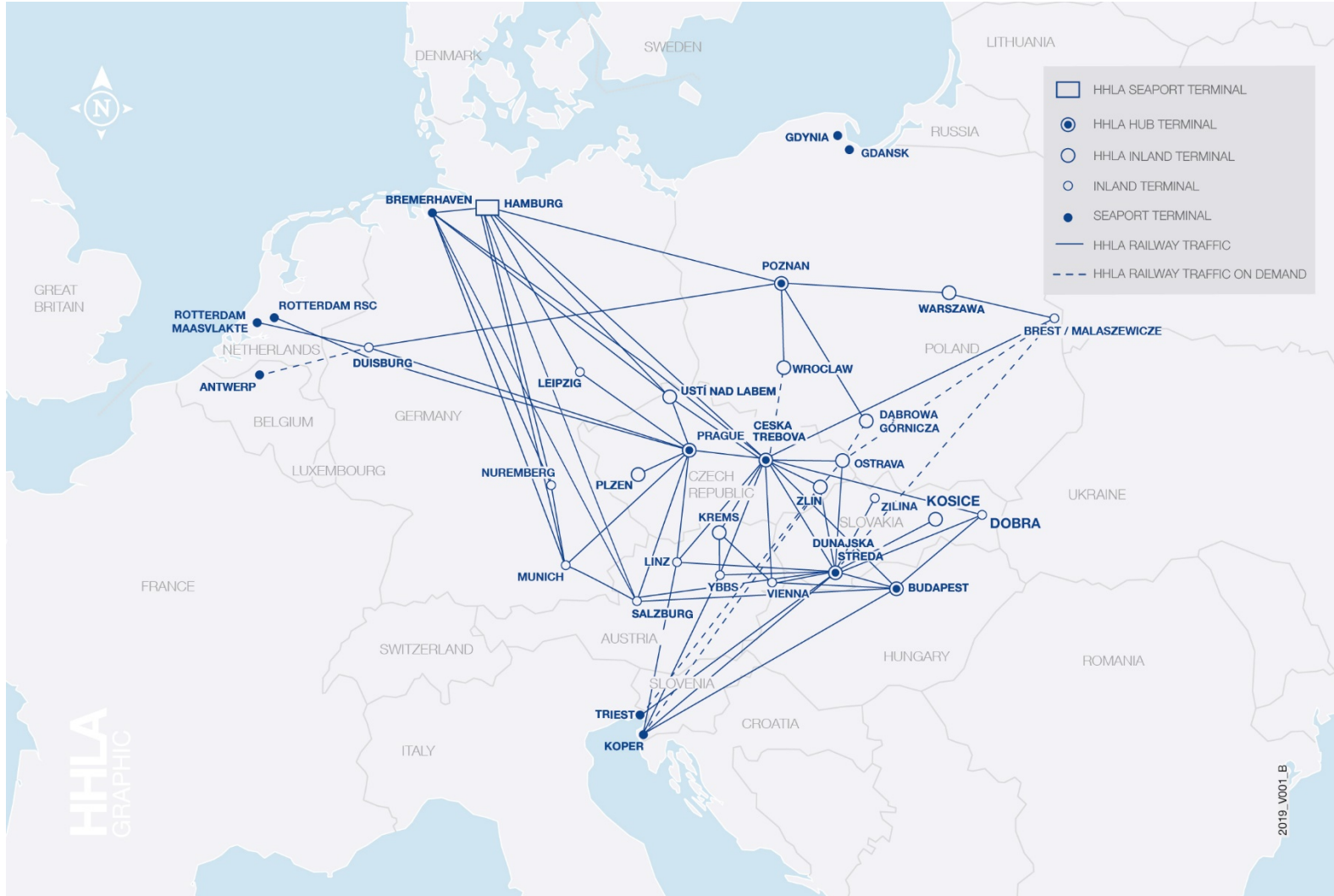
- Since realignment the operating result (EBIT) multiplied compared to prior years and significantly outperformed volume and revenue growth
- Strategic decision to invest in own assets is a prerequisite to boost utilization and efficiency

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



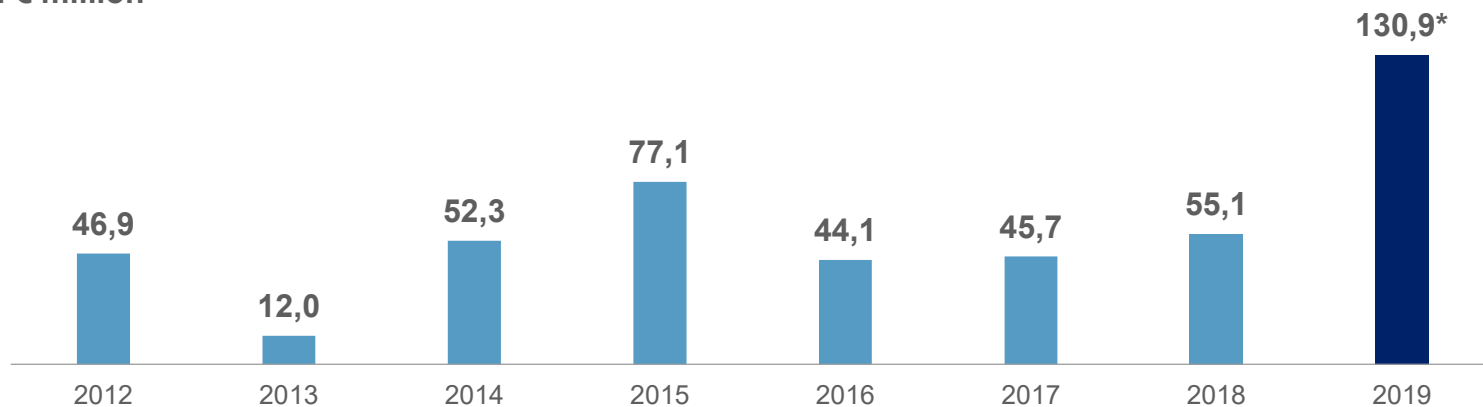
**>100** Multi-system locomotives and shunting engines



**>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

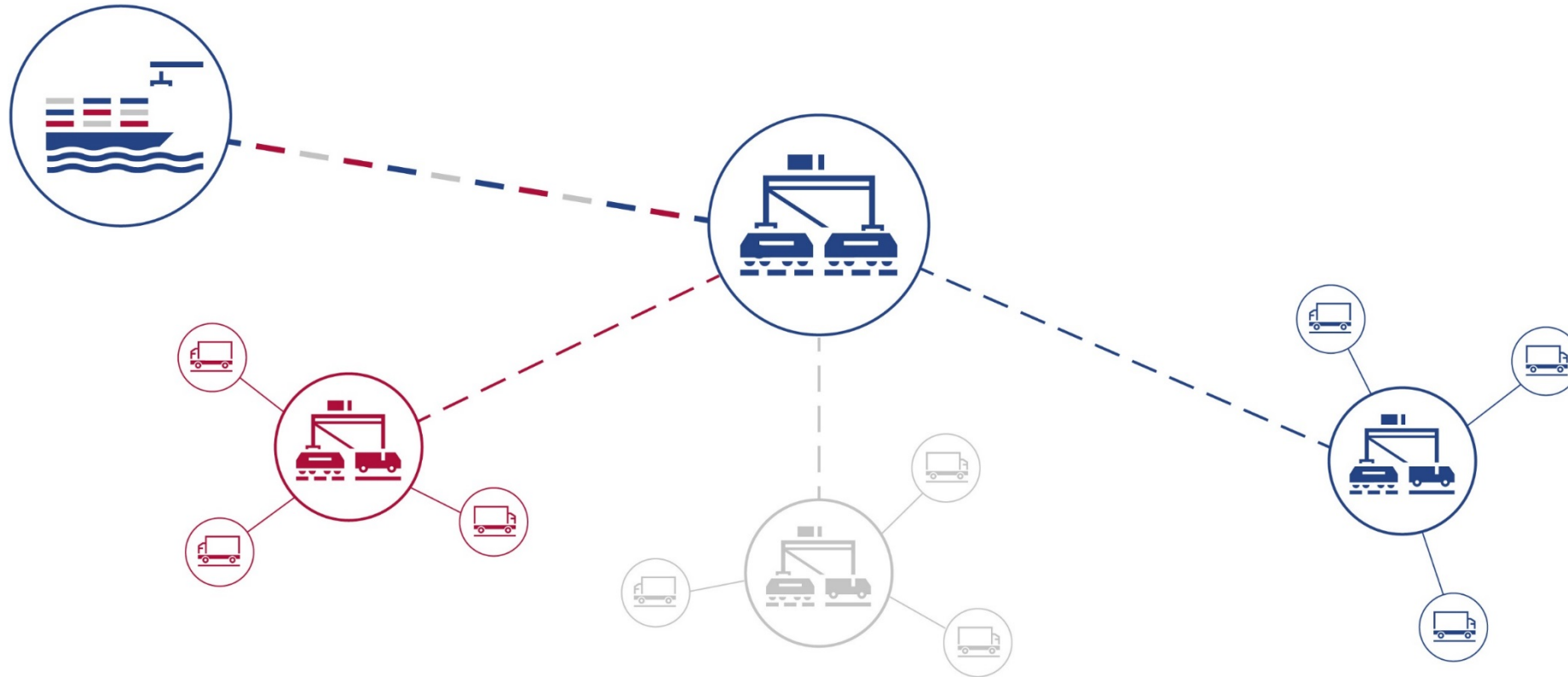
Our know-how is the customer's profit



- 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

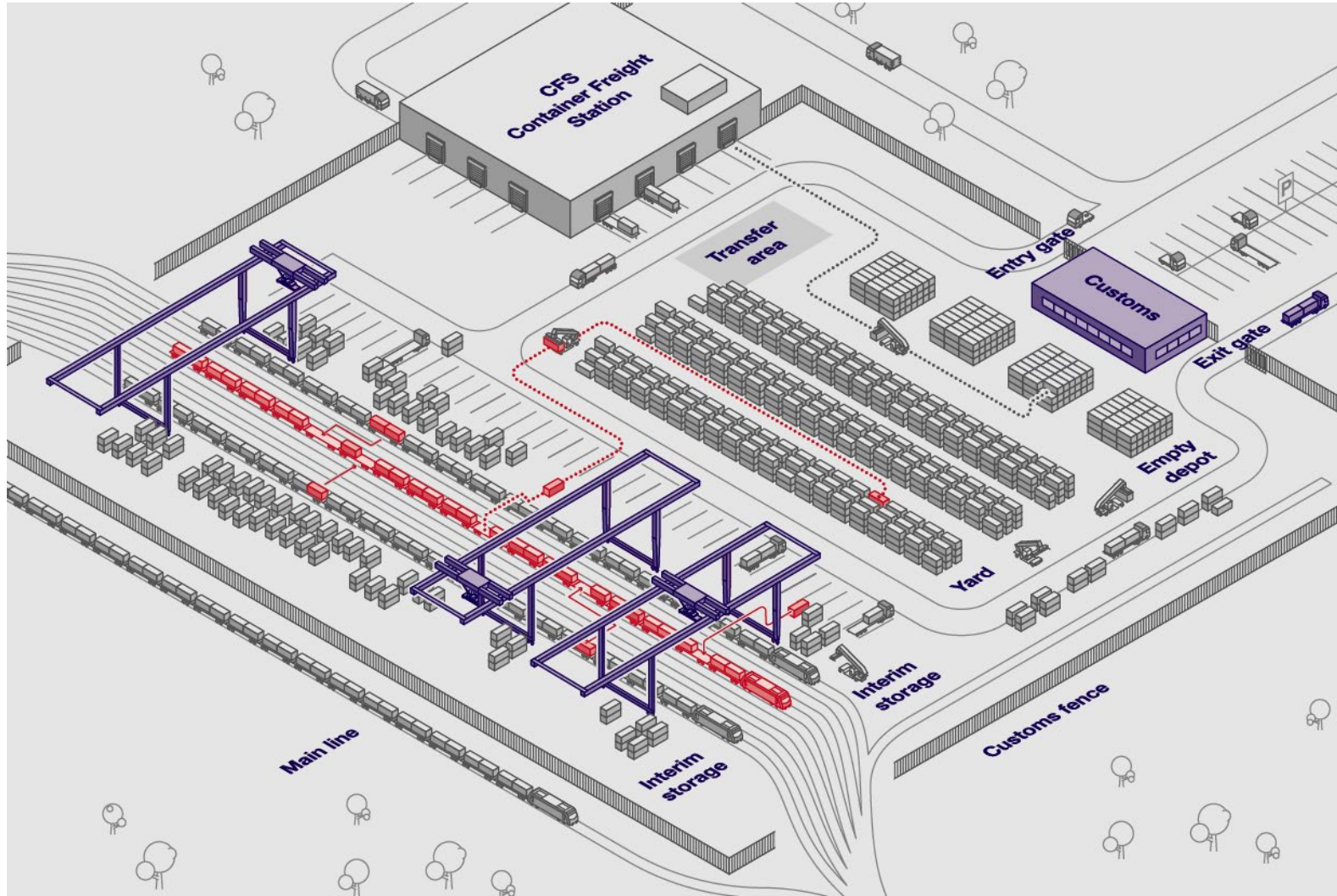
Every port is linked with a network of hubs and inland terminals



**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 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 %



# Key figures

## Logistics segment



in € million

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

# 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

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## Annual report 2019

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