

# Investor presentation

April 2021





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

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



# One of Europe's leading logistics companies

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

## Group



## Subgroups

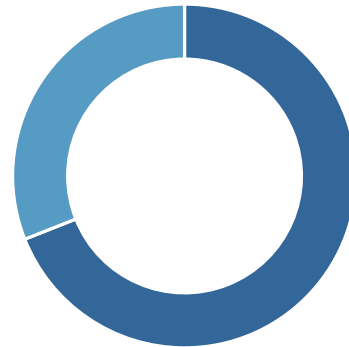
Port Logistics

Real Estate

## Shareholder structure

### Listed class A shares

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



69.0 %  
Free and  
Hanseatic City  
of Hamburg

31.0 %  
Free float

### Non-listed class S shares



## Segments



Container



Intermodal



Logistics



Real Estate



# Executive Board

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

## Executive Board



**Angela Titzrath**

First appointment October 2016

### Chairwoman

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



**Dr. Roland Lappin**

First appointment May 2003

### Chief Financial Officer

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



**Jens Hansen**

First appointment April 2017

### Chief Operating Officer

- Container operations
- Technology
- Information systems



**Torsten Seibold**

First appointment April 2019

### Chief HR Officer

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

# One of Europe's leading logistics companies

Strong fundament for operational excellence



## Container segment

- Three container terminals in Hamburg with a market share of 85 %
- Two terminals in Odessa (UKR) and Tallinn (EST); majority stake in Trieste (ITA)
- Container handling and transfer between modes of transport (ship, rail, truck)
- Container-related services (e.g. storage, maintenance, repair)



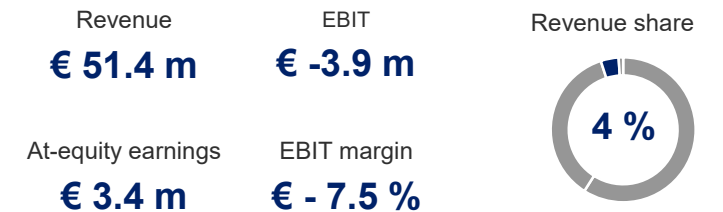
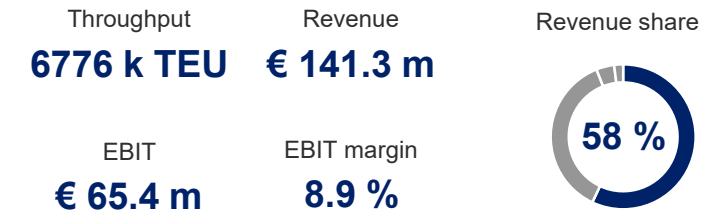
## Intermodal segment

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



## Logistics segment

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



\* Financial figures based on FY 2020

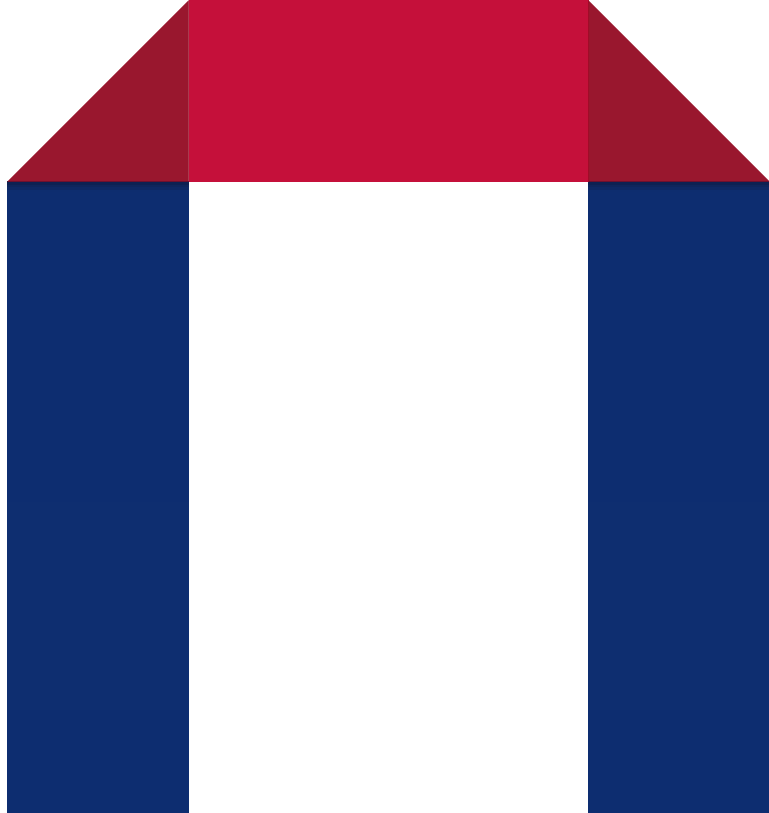


# Investment case



# Investment case

At a glance



.....

**THE logistical and digitally innovative hub**

.....

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

.....

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

.....

**Solid financial foundation with strong cash flows**

.....

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

.....

**Targets 2025: Growth and efficiency as guiding principles**

.....



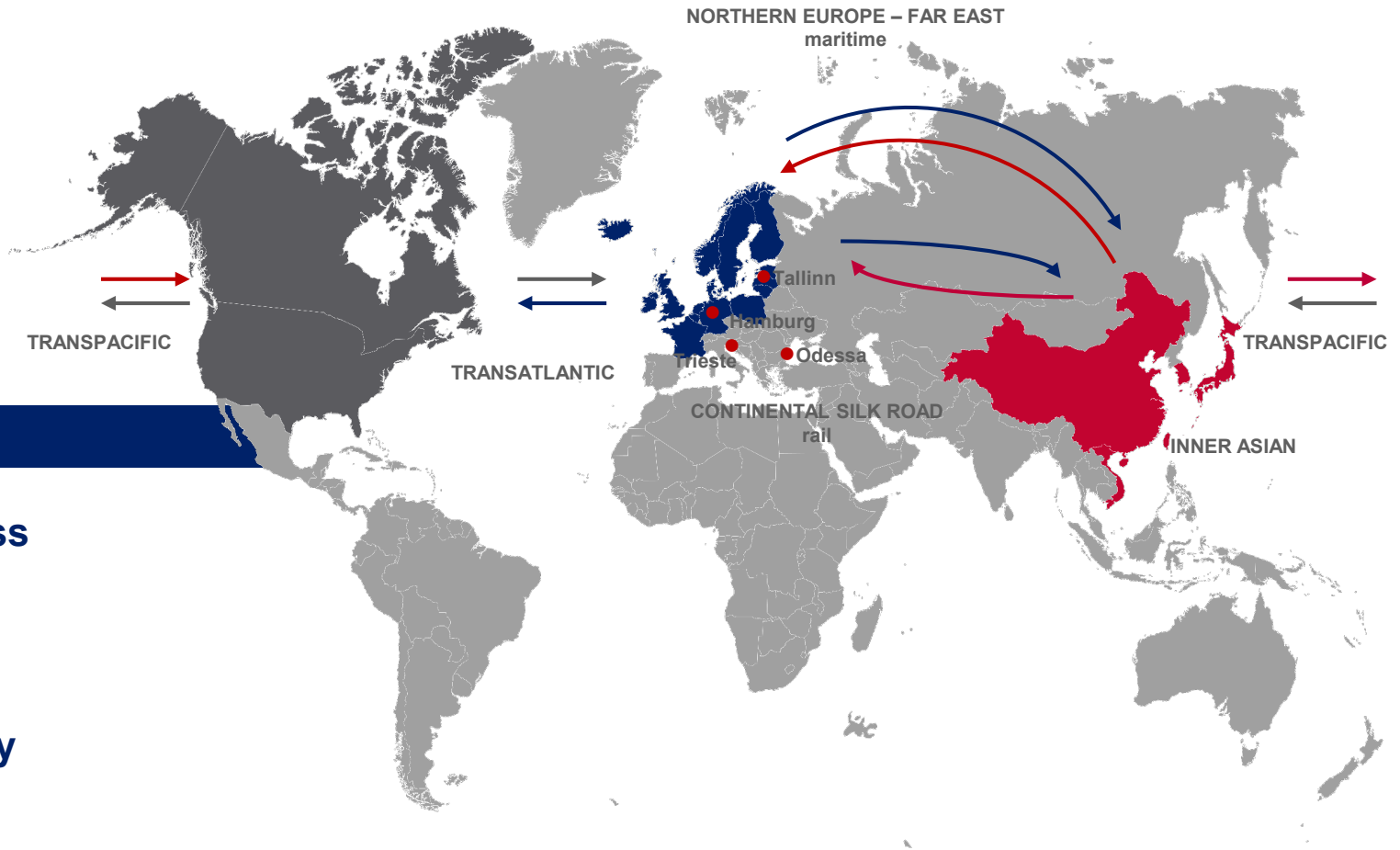
# THE logistical and digitally innovative hub

Further internationalisation and digitalisation main drivers for logistic growth

- **Internationalisation**  
will continue with HHLA  
exploiting new transport routes
- **Digitalisation**  
will open up further opportunities  
and HHLA will benefit from new  
production processes

## Strategic levers of HHLA

- **Strengthening the existing core business**
- **Exploiting growth opportunities along transport streams of the future**
- **Improve efficiency and grow sustainably**
- **Climate neutral by 2040**



# Local player connected to Europe and Asia

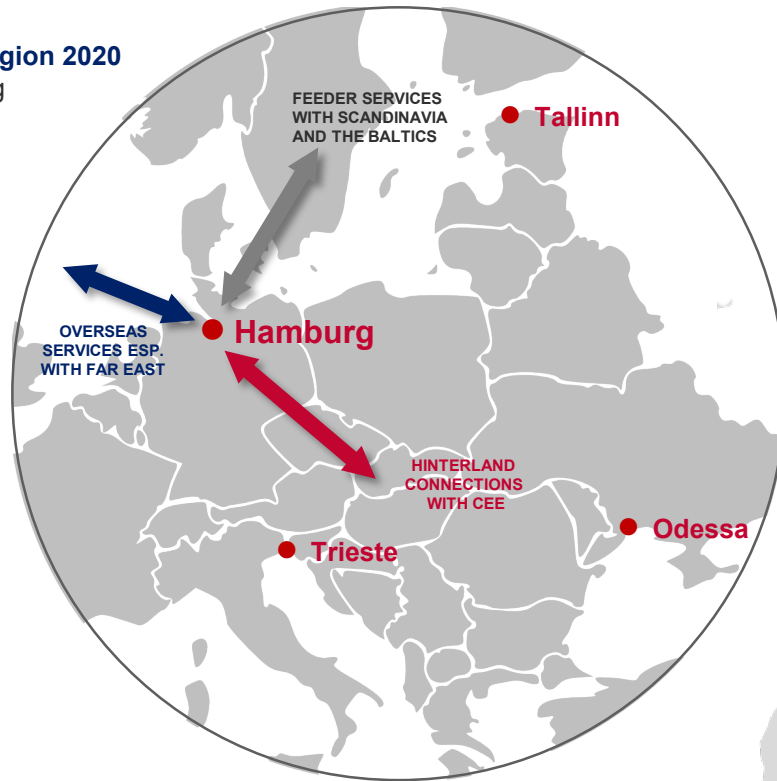
Favourable geographical location in markets with robust economies

## Throughput by shipping region 2020

HHLA in the Port of Hamburg

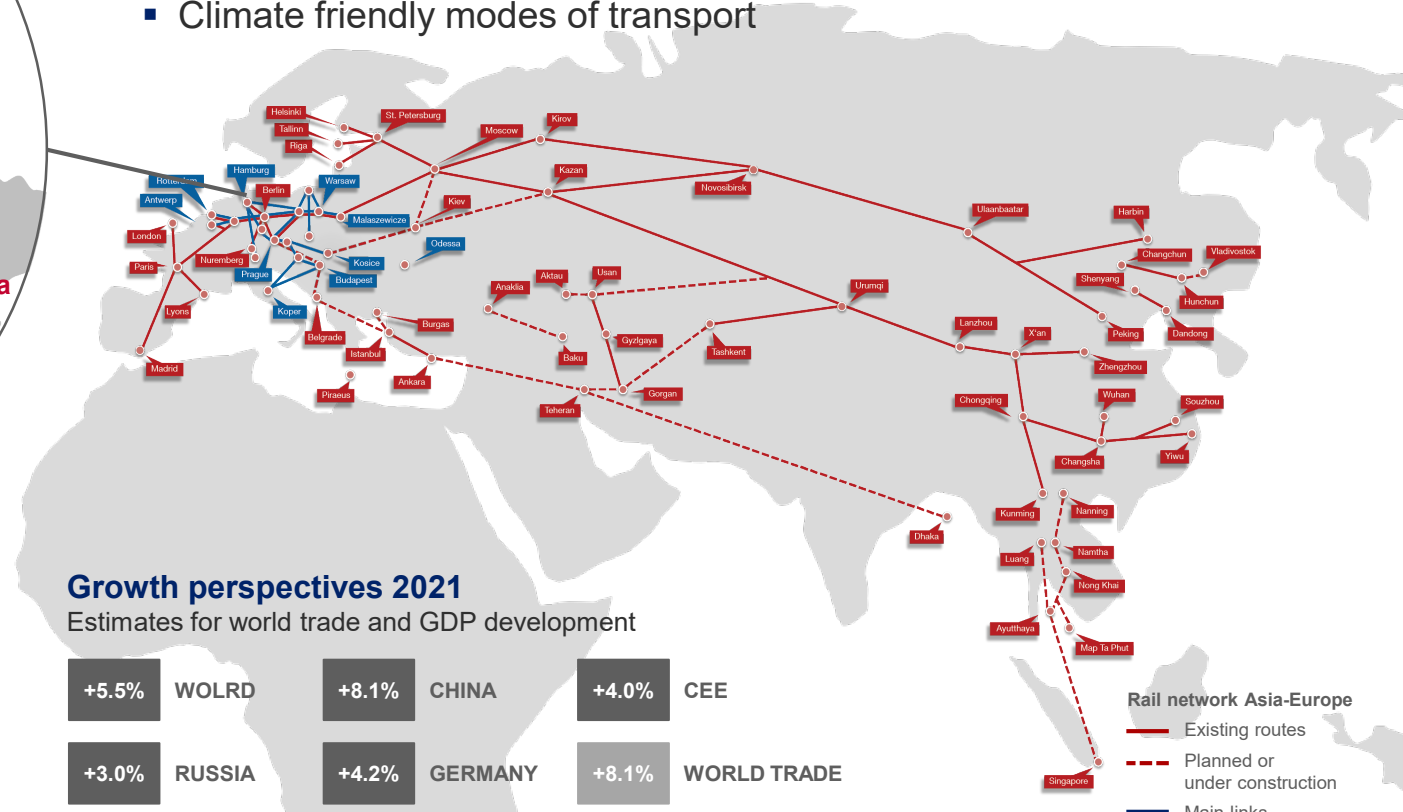
52%	ASIA / FAR EAST
10%	BALTIC SEA
9%	SCANDINAVIA
9%	NORTH AMERICA
7%	CONT. EUROPE UK / IRELAND
5%	LATIN AMERICA
3%	AFRICA
5%	ROW

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



Source: IMF, January 2021

Source: Merics



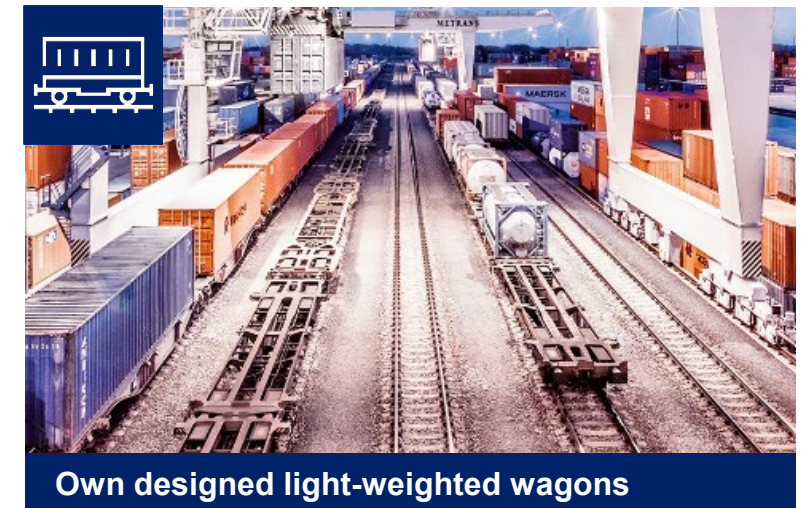
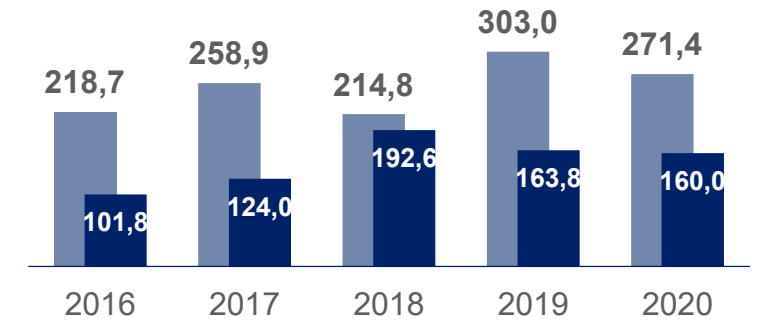
# Well-invested asset base

## 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

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



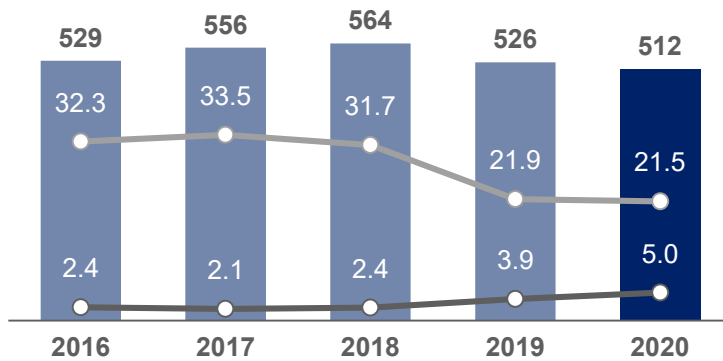
# Solid financial foundation with strong cash flows

Focus on profitability and shareholder participation

## Equity development

in € million

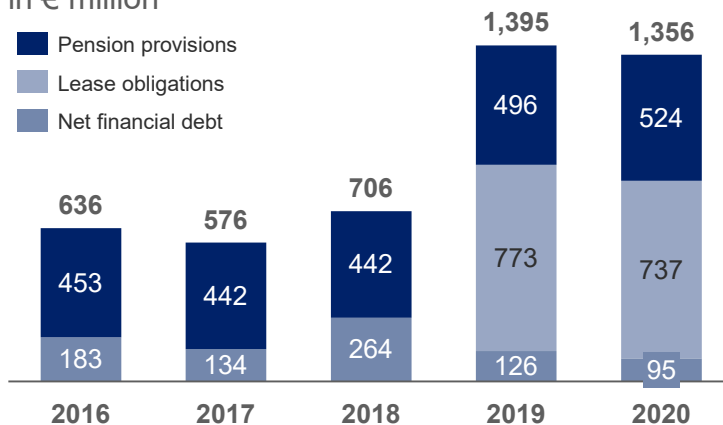
—○— Equity ratio in % —○— Net debt / EBITDA



## Net debt

in € million

■ Pension provisions  
■ Lease obligations  
■ Net financial debt

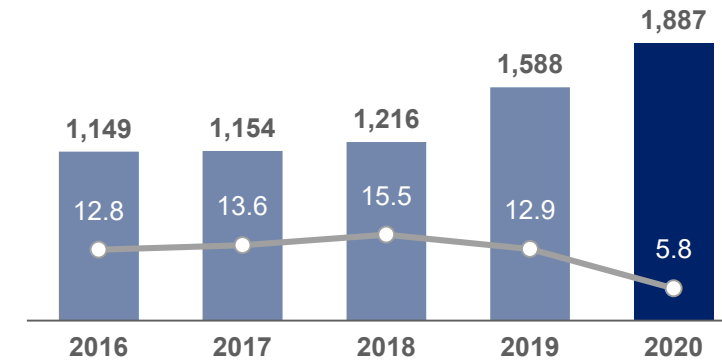


## Capital employed / ROCE

in € million

—○— ROCE in %

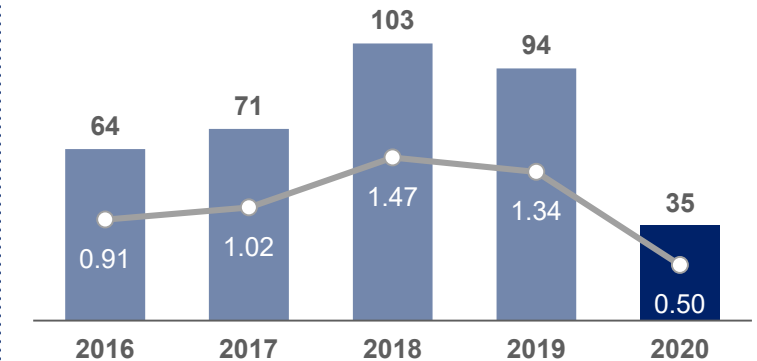
Since 2019:  
Capital employed  
including right of use  
(IFRS16)



## Profit after tax and minorities

in € million

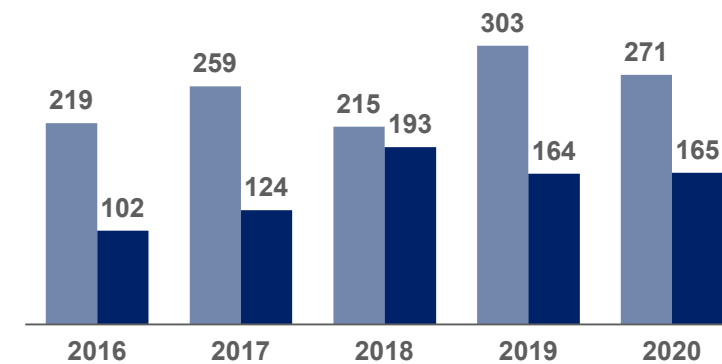
—○— EPS in €



## Self-funded investments

in € million

■ Operating cash flow  
■ Investing cash flow

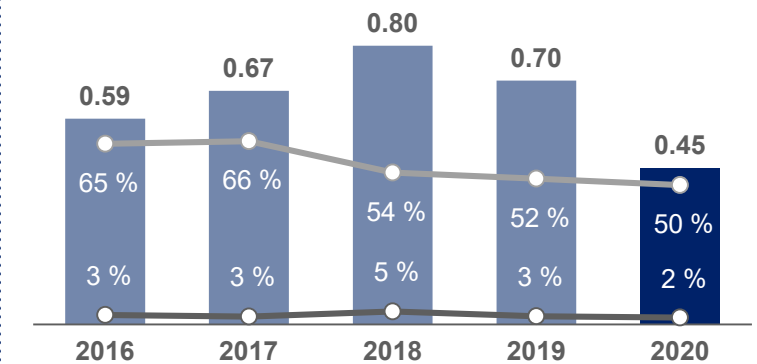


Investing cash flow without proceeds for short-term deposits

## Dividend development

in €

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



2020: Dividend proposal; Pay out ratio adjusted by changes in net provisions



# 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**



# Environmental protection and sustainability

Ambitious targets supported by concrete actions

## Green infrastructure in the Port of Hamburg

- Around 165 rail operators use the infrastructure at the Port of Hamburg
- Efficient handling of around 200 freight trains per day with more than 5,000 wagons
- Up to 60,000 freight trains with up to 1.6 million wagons arrived at or departed the Port of Hamburg in 2020



## 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 and “whispering” brakes for 50% reduction of noise)
- Unavoidable CO<sub>2</sub> emissions are currently offset by certified development projects according to the highest international Gold standard
- Complete conversion of the diesel-powered AGV fleet to battery-powered AGV by 2021/22 >> reduction of around 15,500 tonnes a year once the system has been completed
- Certification of the climate-neutral service by TÜV Nord

# Several developments driving HHLA's transformation process

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

## Structural sector developments

### 01 Ship size development

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

### 02 Consolidation of shipping liners

Formation of alliances leads to increased price and performance pressure

### 03 Increasing degree of automation

Share of highly automated systems such as CTA is steadily increasing

### 04 Overcapacity in the North Range

Pressure on pricing due to fierce competition

### 05 Cooperation of port authorities

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

### 06 Dedicated terminals prevailed

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

## Hamburg-specific topics

### 07 Nautical restrictions almost solved

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

### 08 Infrastructure maintenance

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

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

**Lean and sustainable organisational structure**

**Improved productivity in line with customer expectations**

**Expansion for mega carriers > 24,000 TEU**

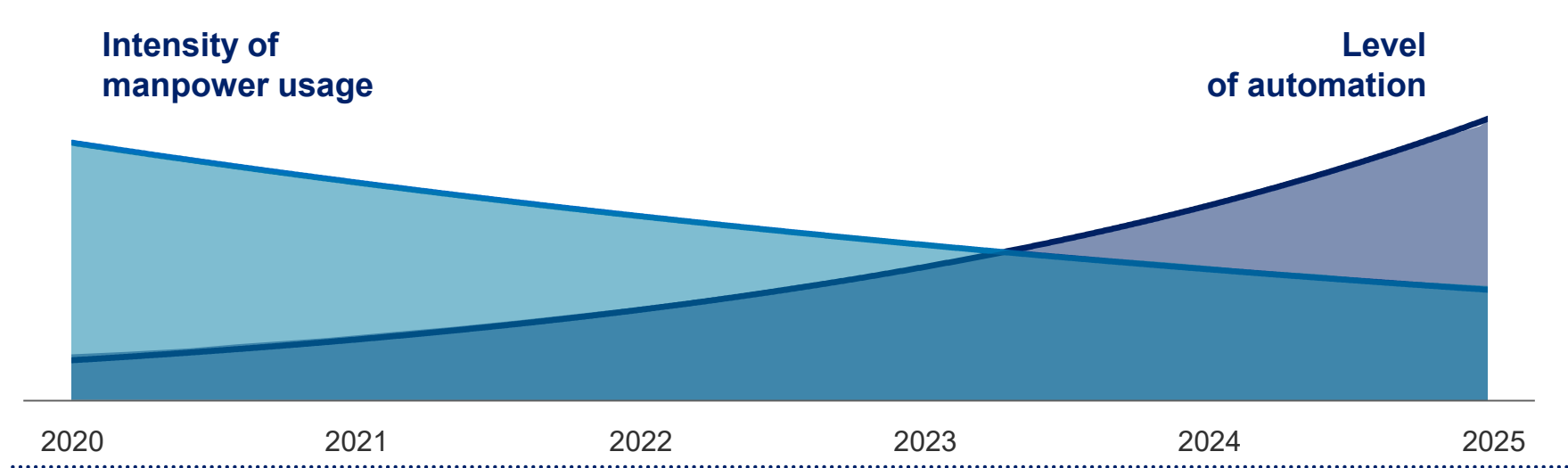
**Laying groundwork for regaining market share**

**Reduction of emissions and energy consumption**



# Further automation at Hamburg terminals will lead to increased performance

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



## 2025 targets of the Port Logistics subgroup

EBIT 2025

**€ 300 m**

Capex 2021-2025

**€ 1,050 m**

### Operational measures

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

### Personnel measures

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



Port Logistics

# Focus on three profit sources to fuel our future success

## Rationale for 2025


**Container**

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

→ **Striving for efficiency**


**Intermodal**

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

→ **Growing EBIT contribution**


**Logistics**

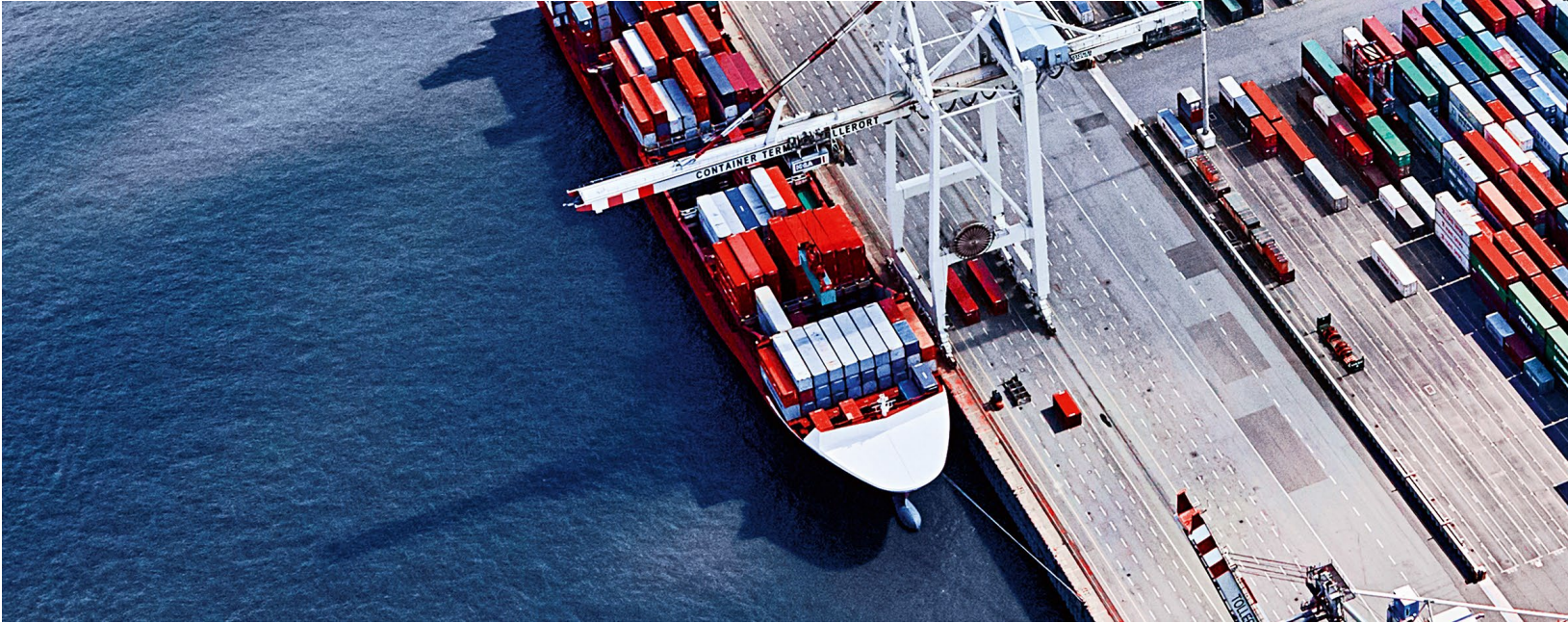
- Moderate increase expected from at-equity earnings
- Strong top-line growth from new ventures anticipated from 2021 onwards
- Positive EBIT contribution from new ventures expected for 2023 onwards
- Clear commitment to invest in new technologies along future transport streams

→ **Positioned for growth**





# Financial performance 2020 and guidance 2021





# HHLA achieves positive result in a challenging year

EBIT impacted by pandemic-related strains and provision for efficiency programme



## Major achievements

- HHLA kept stable financial position despite restrictions due to coronavirus pandemic
- Health & safety of employees maintained; kept production running
- Acquisition of a majority share in a multi-function terminal at the Port of Trieste
- Acquisition of 80.0 % stake in automation specialist iSAM AG



## Market environment

- While H1 was affected by pandemic-related blank sailings and drop in volumes, the sector struggled with imbalances in trade flows in H2, resulting from a lack of empty containers and shipping space due to catch-up effects esp. in Asia
- Both led to delays in sailing schedules that put high pressure on terminals and hinterland transport systems



## Results

- Container throughput impacted by pandemic-related downturn and changes in market share while container transport was only slightly down
- EBIT impacted by revenue decrease and provision of ~ € 43 million set aside in Q4 for an efficiency programme in the Container segment
- Dividend proposal of € 0.45 per class A share in form of a scrip dividend

## FY 2020

Throughput  
**6,776k TEU**  
– 10.6 %

Transport  
**1,536k TEU**  
– 1.9 %

Revenue  
**€ 1,269.3 m**  
– 6.0 %

EBIT  
**€ 110.3 m**  
– 46.0 %

EBIT margin  
**8.7 %**  
– 6.4 pp

Profit after tax  
and minorities  
**€ 35.3 m**  
– 62.3 %

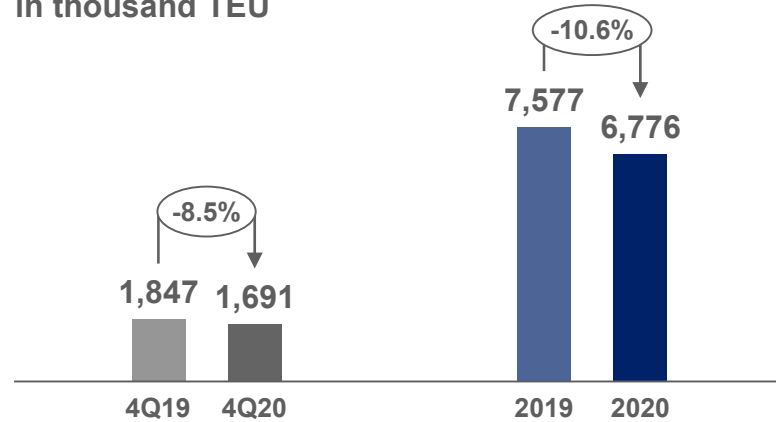
ROCE  
**5.8 %**  
– 5.3 pp

Operating cash flow  
**€ 271.4 m**  
– 10.4 %

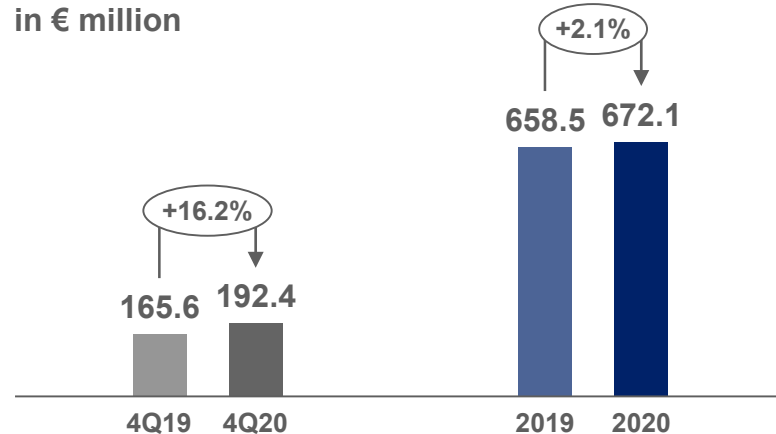


# Strong volume decline burdens revenue development while EBIT impacted by net provisions for an efficiency programme

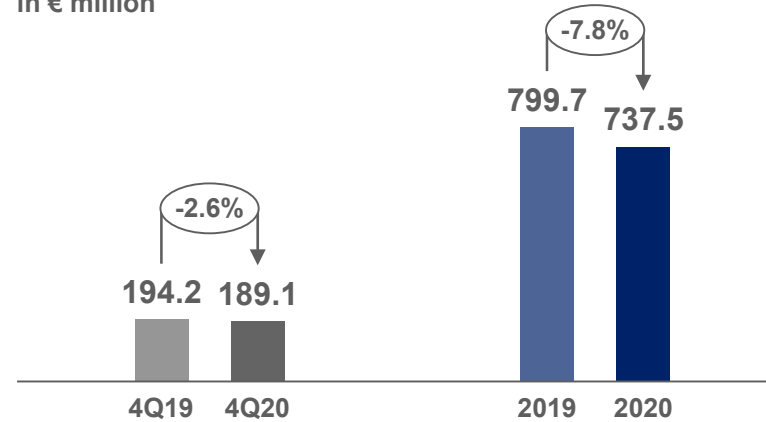
Container throughput  
in thousand TEU



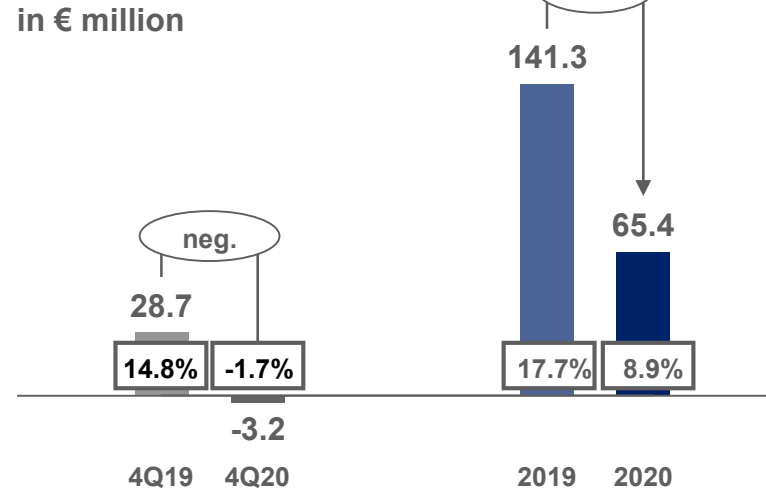
OpEx  
in € million



Revenue  
in € million



EBIT and EBIT margin  
in € million



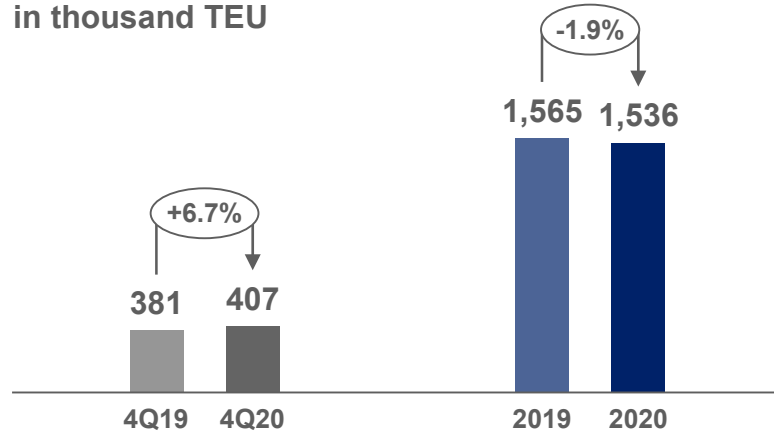
- Strong decline in throughput due to pandemic-related downturn and loss of a Far East service
- Revenue reduced as a result of lower volumes (Hamburg down 11.1 %; Internationals down 4.7 %)
- Average revenue per TEU +4.3 % y-o-y mainly attributable to
  - advantageous modal split with high share of hinterland volumes
  - temporary increase in storage fees due to longer dwell times as a result of pandemic-related trade flow imbalances and weather-related delays
- OpEx up by 2.1 % (down 3.3 % adjusted for net provisions and subsidies of public authorities)
- EBIT mainly impacted by net provisions of € 43 million in 4Q20 as result of the implementation of restructuring measures



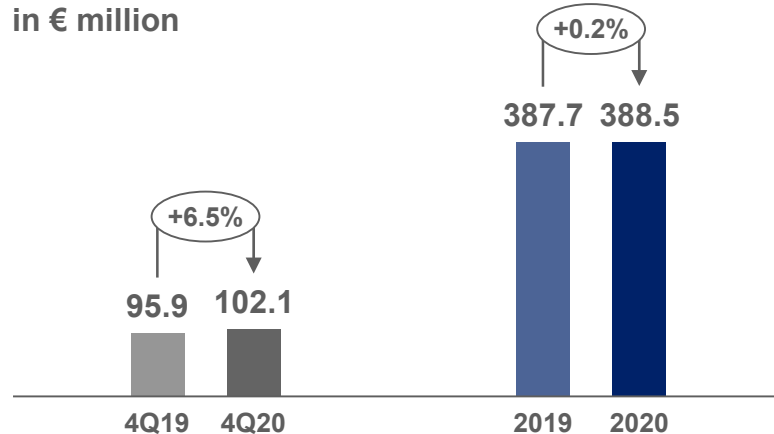
Intermodal

# Strong recovery of volumes in H2 led to only slight decline in revenues and kept EBIT margin at a sound level

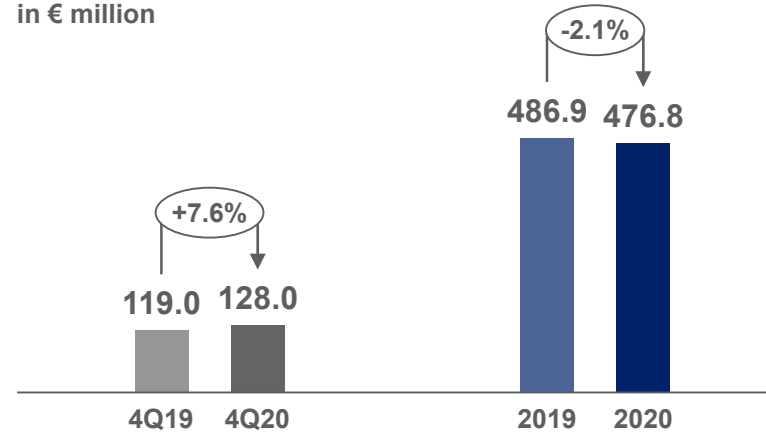
## Container transport in thousand TEU



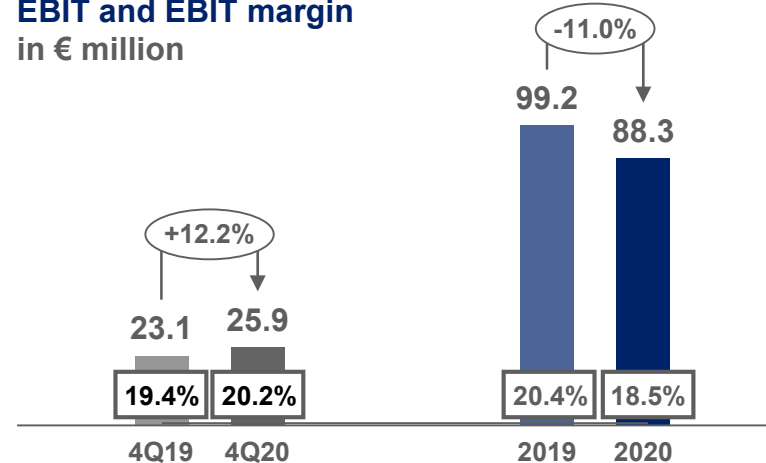
## OpEx in € million



## Revenue in € million



## EBIT and EBIT margin in € million



- Decrease in transport volumes more pronounced for road transport than for rail transportation (– 5.2% vs. – 1.0%); slight increase in rail share of total transportation volume from 78.8% to 79.6%
- Revenues slightly down by 2.1 % due to volume declines mainly in H1 that could not be completely offset by strong recovery in H2
- Average revenue per TEU decreased as a result of disadvantageous mix of short and long haul distance cargo loads
- EBIT dropped by 11.0 %
- EBIT margin still at a favourable level of 18.5 %

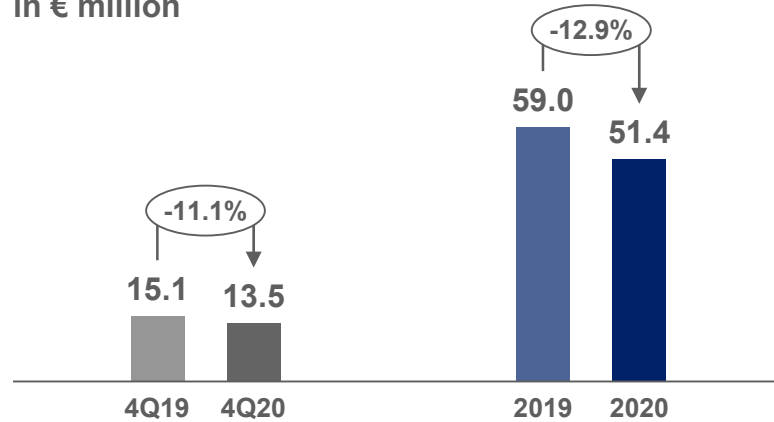




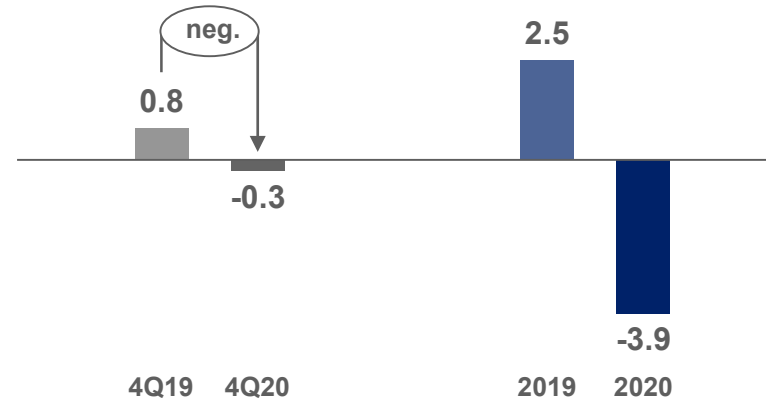
Logistics

# Revenues suffered from pandemic-related downturn while at-equity earnings remained comparatively robust

Revenue  
in € million



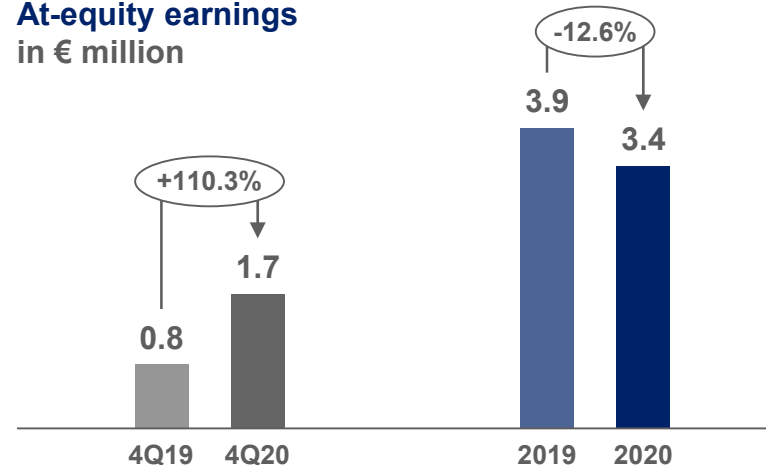
EBIT  
in € million



- Revenue from consolidated companies decreased mainly due to
  - strong decline in vehicle logistics
  - significant fall in consulting activities
- Expected revenue growth from new activities was held back by the pandemic
- EBIT development was adversely impacted by temporary increases in start-up losses of new activities and pandemic-related decline in earnings of existing activities
- At-equity earnings remained comparably robust with a positive result
- modility GmbH, a booking portal for intermodal traffic, was initially consolidated in the fourth quarter of 2020



At-equity earnings  
in € million

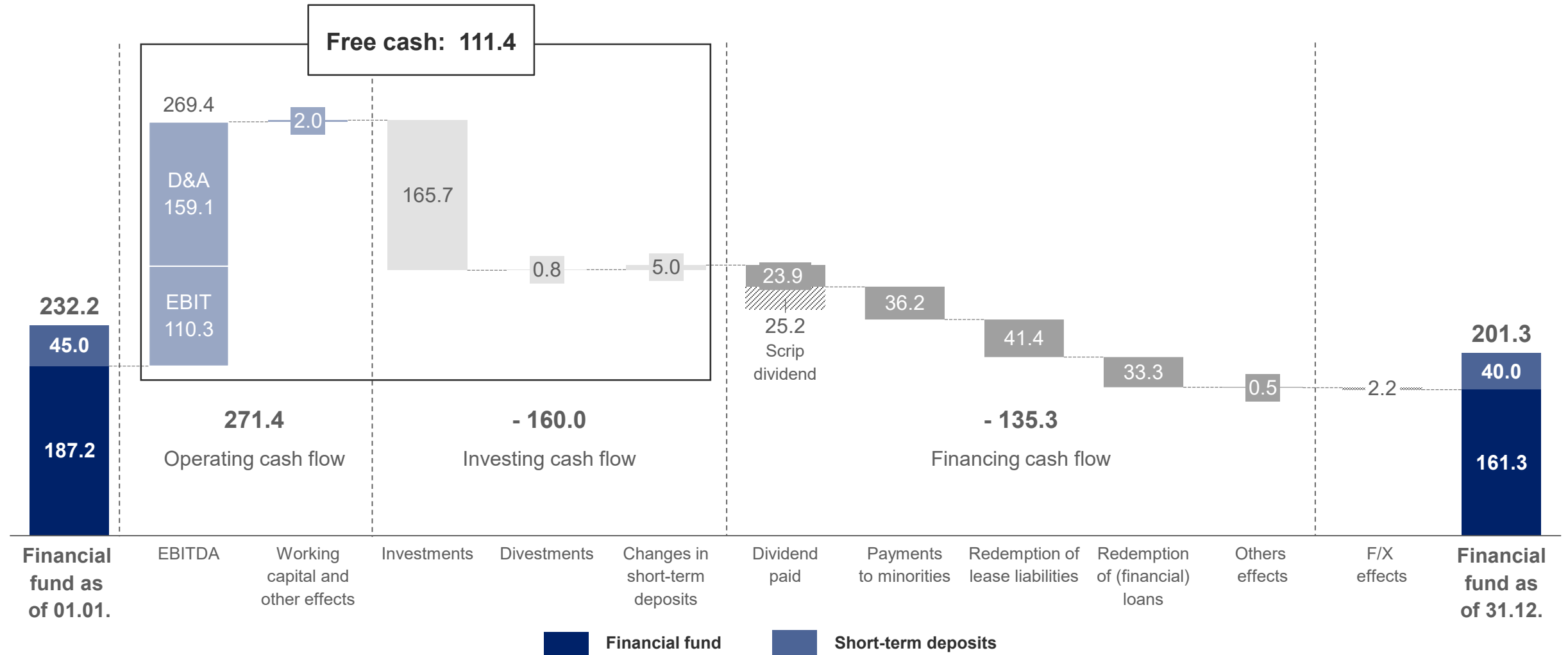




# Comfortable liquidity position to meet payment obligations at all times

Cash flow development in line with business development

in € million

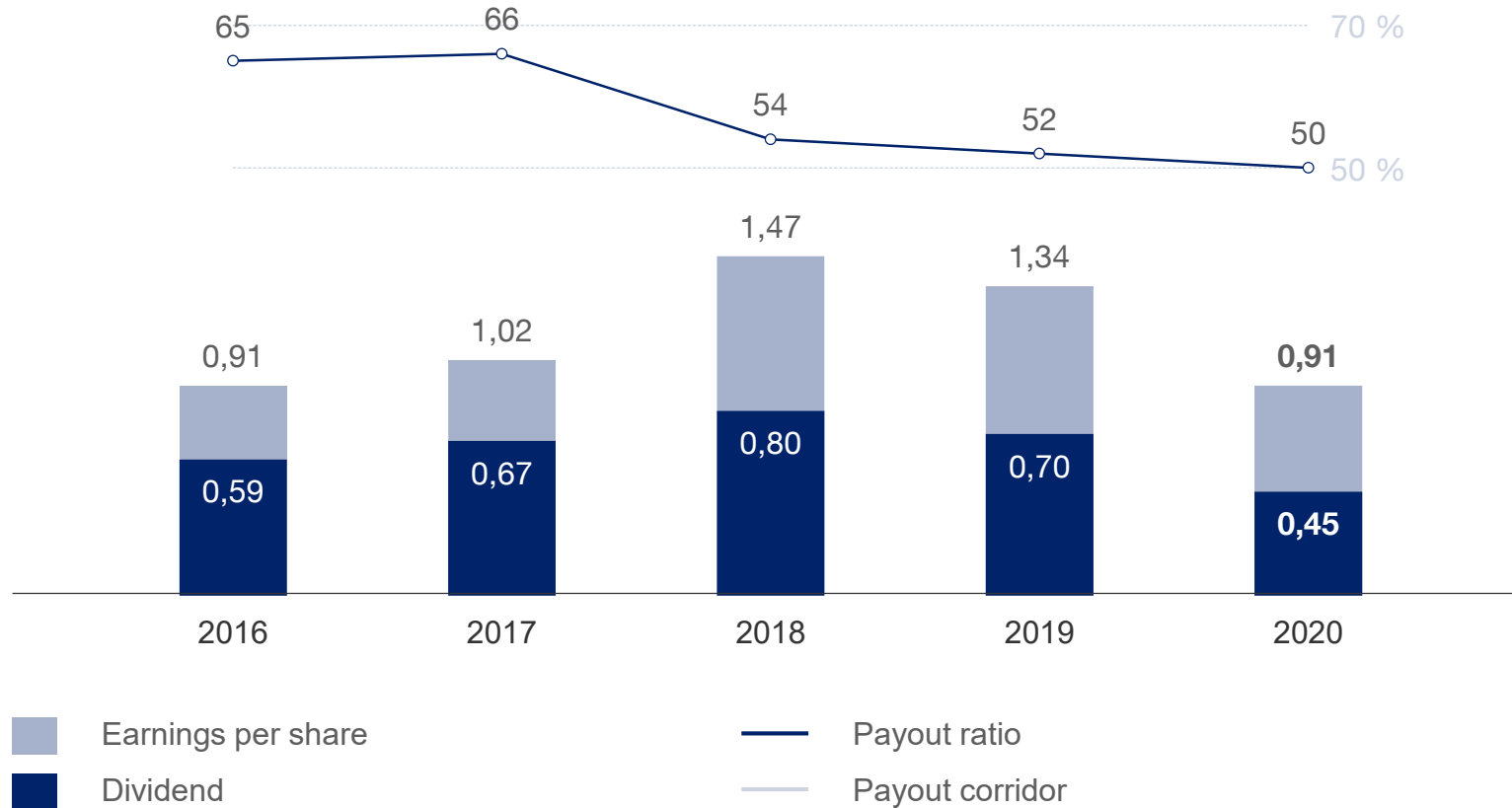




# Attractive dividend proposal per class A share

HHLA confirms its payout corridor of 50 to 70 %

## Dividend development in € / payout ratio in %



2020: Dividend proposal, EPS adjusted by changes in net provision

## Dividend development

- Scrip dividend of 45 cents per class A share (option to choose cash or scrip dividend)
- For determination, result was adjusted by the change in the restructuring provision affecting net income in the amount of € 43 million
- Payout ratio at the lower end of the payout corridor of 50 to 70 % of the annual net profit after non-controlling interests





# Effective match of technological and sustainable innovation

Various examples of efforts to implement our sustainability strategy

## Reduction of specific CO<sub>2</sub> emissions



# 42.8%

against base year 2008

HHLA wants to have cut its total CO<sub>2</sub> emissions at least in half by 2030 against 2018, and be climate-neutral by 2040

Climate-neutral  
by  
**2040**



# 12

  
of 22 block storages  
have been put into  
operation at CTB

More area efficiency by using the storage crane systems since lanes are no longer needed for van carriers and containers can be stacked up higher



## Whisper brakes

Almost all of approx. 3,000 container wagons have been fitted with brakes which **reduce the driving and braking noise by half**

## Effective concepts for

# Covid-19



Health and safety of employees was maintained while neither introducing short-time working nor cutting wages

## Supplier Code of Conduct



launched in 2020 and enshrined in the purchasing guidelines incl. anti-corruption regulations



Port Logistics

# Guidance 2021

Still high unpredictability regarding intensity and timing of economic recovery

## Research estimates for 2021

### GDP development

World	+ 5.5 %
China	+ 8.1 %
Russia	+ 3.0 %
CEE	+ 4.0 %
World trade	+ 8.1 %

### Throughput development

World	+ 8.9 %
China	+ 9.0 %
Europe	+ 7.7 %
NW Europe	+ 8.1 %
Scan. & Baltics	+ 10.5 %

Sources: IMF, January 2021 // Drewry Maritime Research, December 2020

## Constraints of guidance 2021

The forecast for the year is subject to considerable uncertainty.  
This applies in particular to the intensity and timing of the economic recovery.

## Guidance for the Port Logistics subgroup 2021

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

# Fact book

## HHLA Port Logistics subgroup

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## Container segment

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## Intermodal segment

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## Logistics segment

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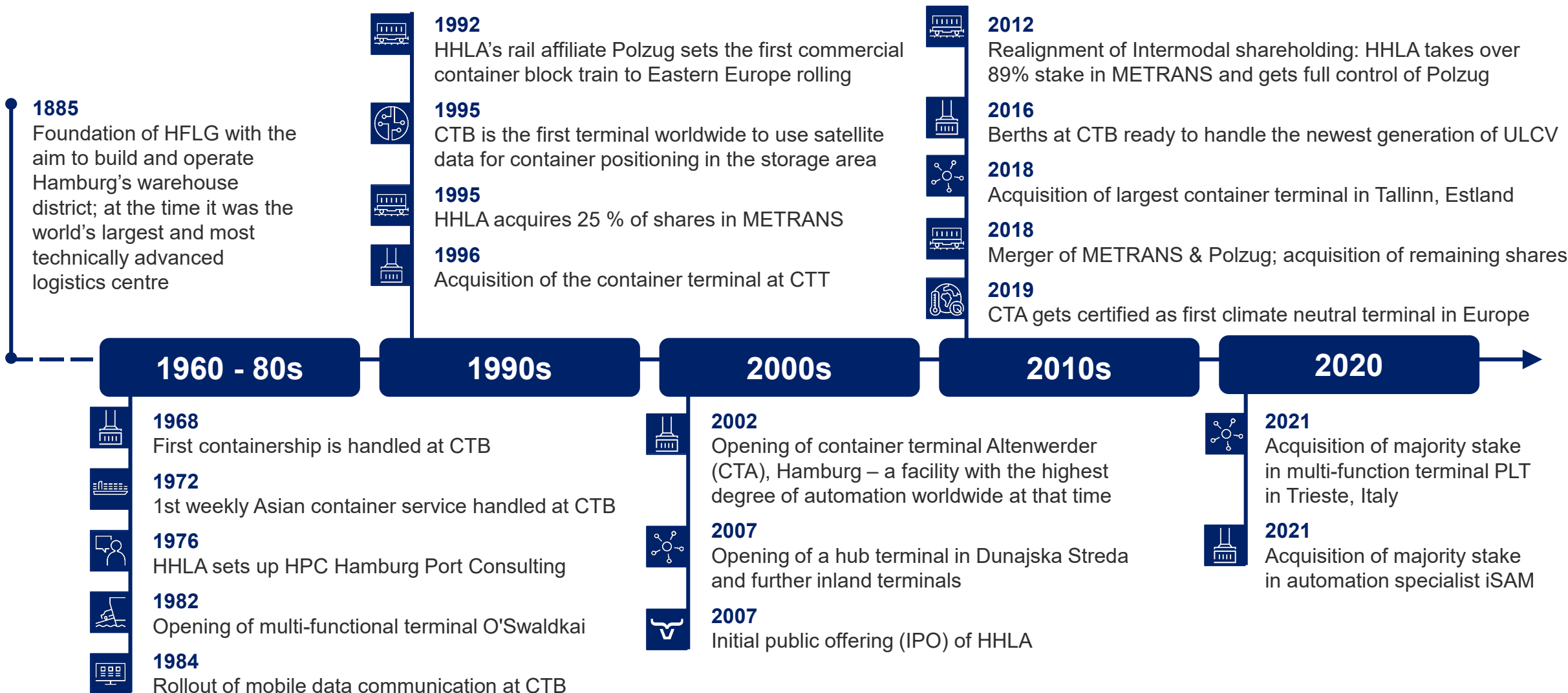






# HHLA's successful development since more than 135 years

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





# Key figures

Port Logistics subgroup

in € million

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



# Balance sheet, assets and liabilities

Port Logistics subgroup

in € million

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



# Key figures

## Container segment

in € million

	2016	2017	2018	2019	2020
<b>Container throughput in thousand TEU</b>	6,658	7,196	7,336	7,577	<b>6.776</b>
<b>Revenues</b>	694.6	746.6	758.9	799.7	<b>737,5</b>
<b>EBITDA</b>	201.5	194.7	209.8	240.2	<b>160,4</b>
<b>EBITDA margin in %</b>	29.0	26.1	27.6	30.0	<b>21,7</b>
<b>EBIT</b>	117.8	109.4	131.6	141.3	<b>65,4</b>
<b>EBIT margin in %</b>	17.0	14.7	17.3	17.7	<b>8,9</b>
<b>Segment assets</b>	824.5	810.8	888.9	1,295.6	<b>1,282.6</b>

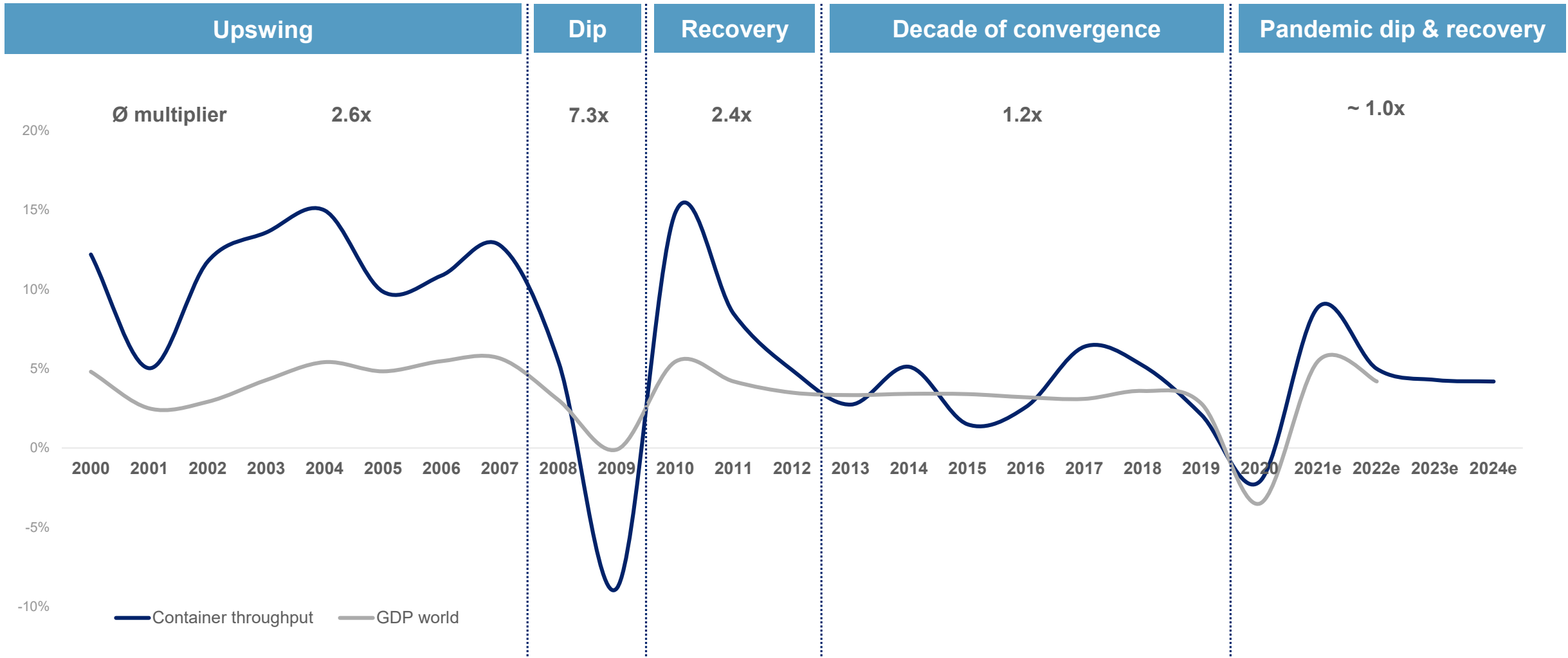




Container

# Growth of global container throughput and GDP

Slowdown of growth multiplier on GDP since 2012



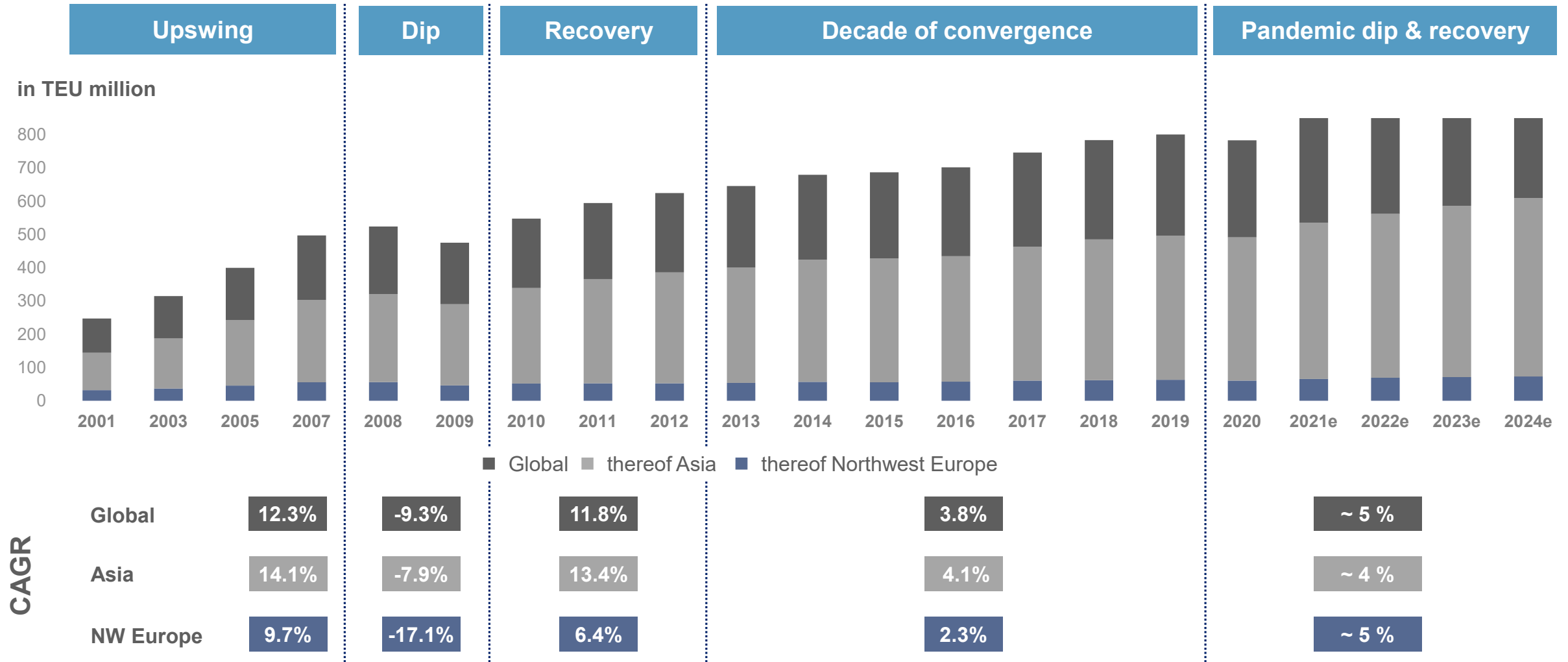
Source: Drewry Maritime Research, Container Forecaster, December 2020 / IMF World Economic Outlook, January 2021



Container

# Ports are an investment opportunity in GDP growth

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



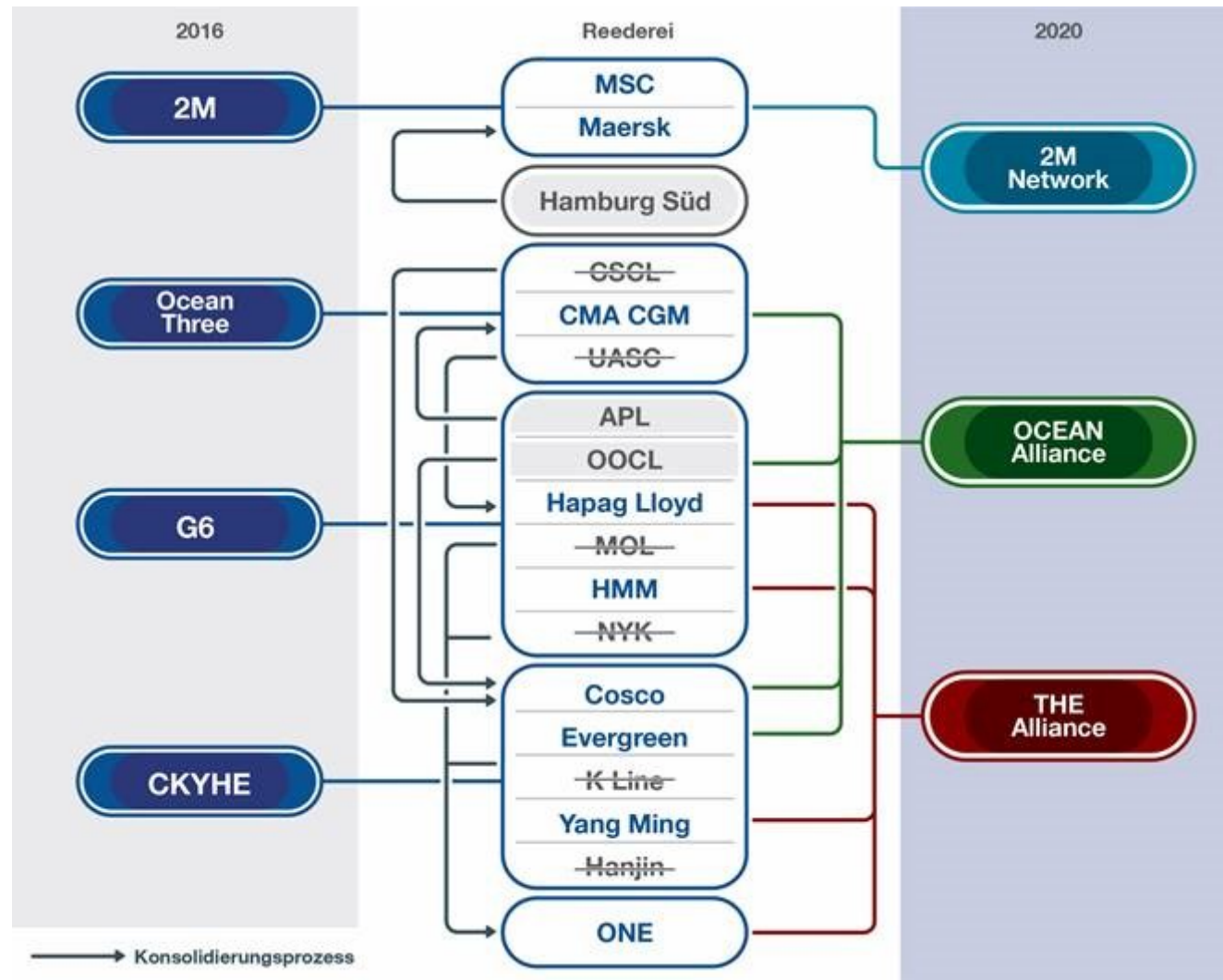
Source: Drewry Maritime Research, Container Forecaster, December 2021 / HHLA



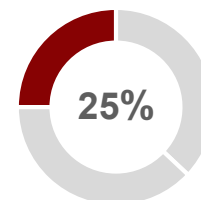
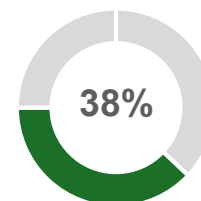
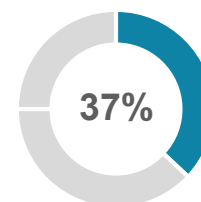
Container

# Development of alliances in the Asia – Far East services

Concentration in the shipping industry substantially increased



Share  
FE – Europe



Source: HHLA /  
AXS Alphaliner Monthly  
Monitor, March 2021

## Main developments since 2016

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

## Implications

- Re-shaping of alliances and cooperation to improve load factor and slot costs
- Consolidation process in the shipping industry led to a highly concentrated market; only smaller changes expected

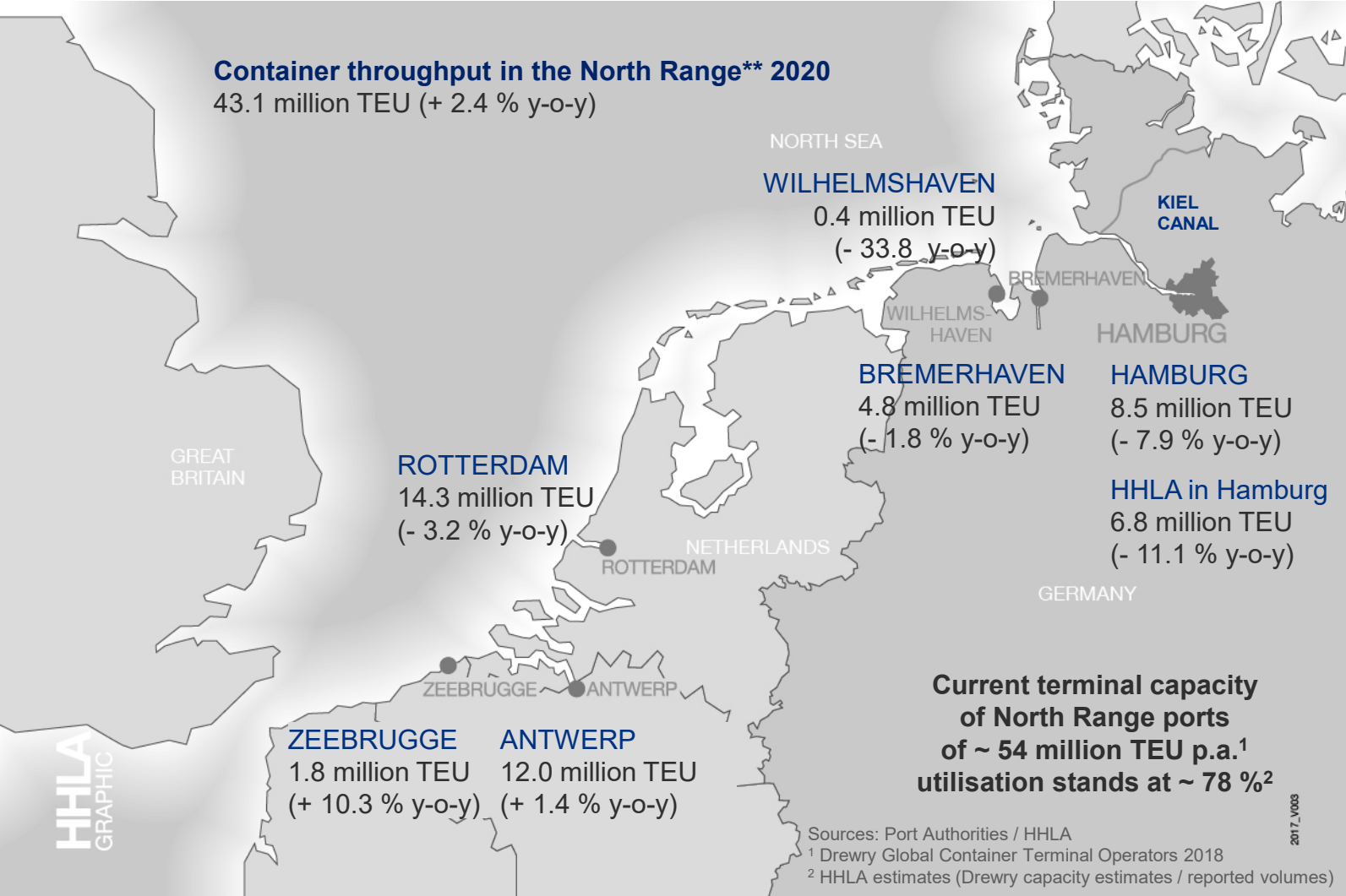
## Perspectives

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

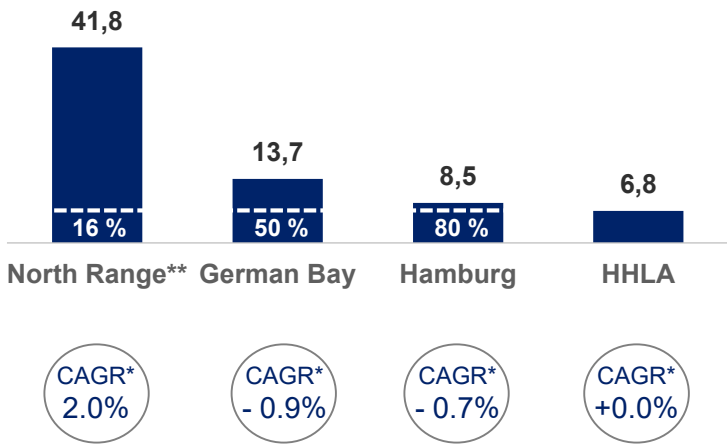


# Competing ports of the North Range

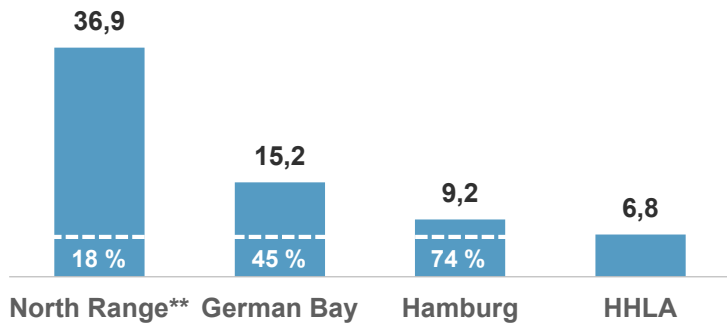
Container throughput and market share development



Throughput and market share of HHLA in 2020 in TEU million



Throughput and market share of HHLA in 2008 in TEU million



\* CAGR: 2008-2020, \*\* North Range ports (Antwerp, Rotterdam, Zeebrugge, Hamburg, Bremerhaven, Wilhelmshaven)





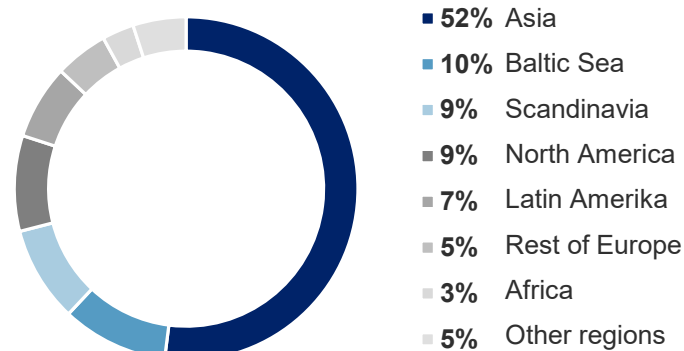
Container

# Favourable geographical location of Hamburg

Still a hub for the major economies of Asia and CEE



Sea-bound container throughput in Hamburg FY20 by region



Source: HHLA

## Port of Hamburg: Hub with network

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

## Challenges

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

## Potential

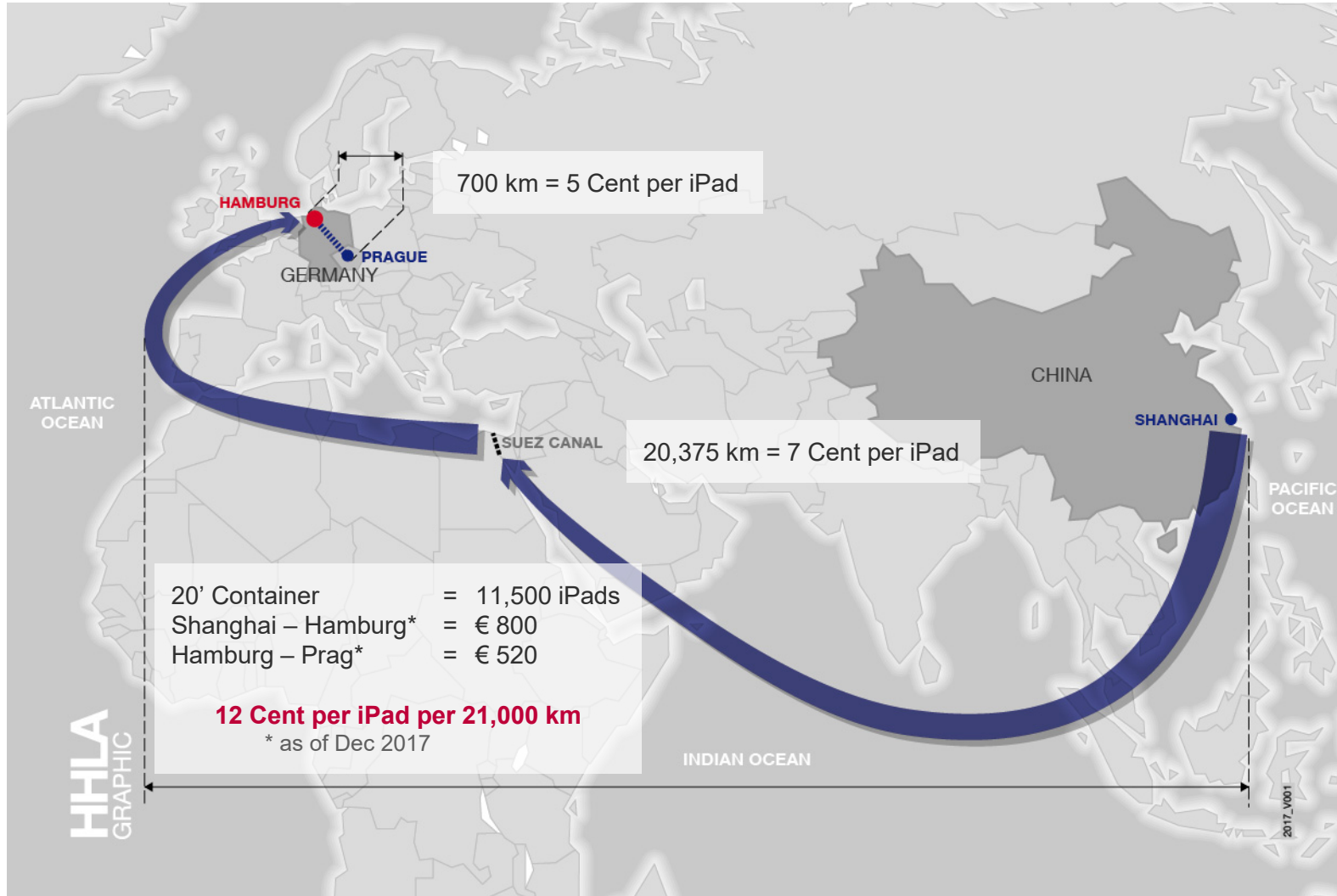
- Elbe dredging already completed; full approval anticipated for H2/2021  
> adjustment of the waterway enabling a higher load factor, extended time slots and more flexibility for handling of mega carriers
- Ongoing infrastructure projects, i.e. replacement of Köhlbrandbrücke, are on track
- Recovery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



Container

# Far East transport chain

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



## Shanghai <> Hamburg

(one-way: ~ 20,375 km)

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

## Hamburg <> Prague

(one-way: ~ 700 km)

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

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

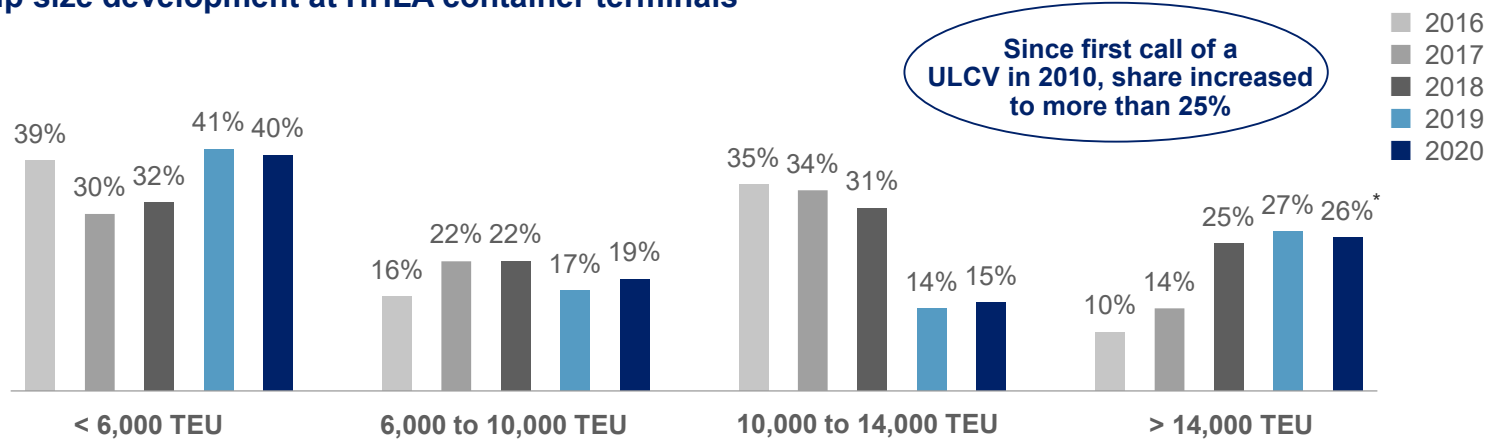


Container

# Growth in ship sizes

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

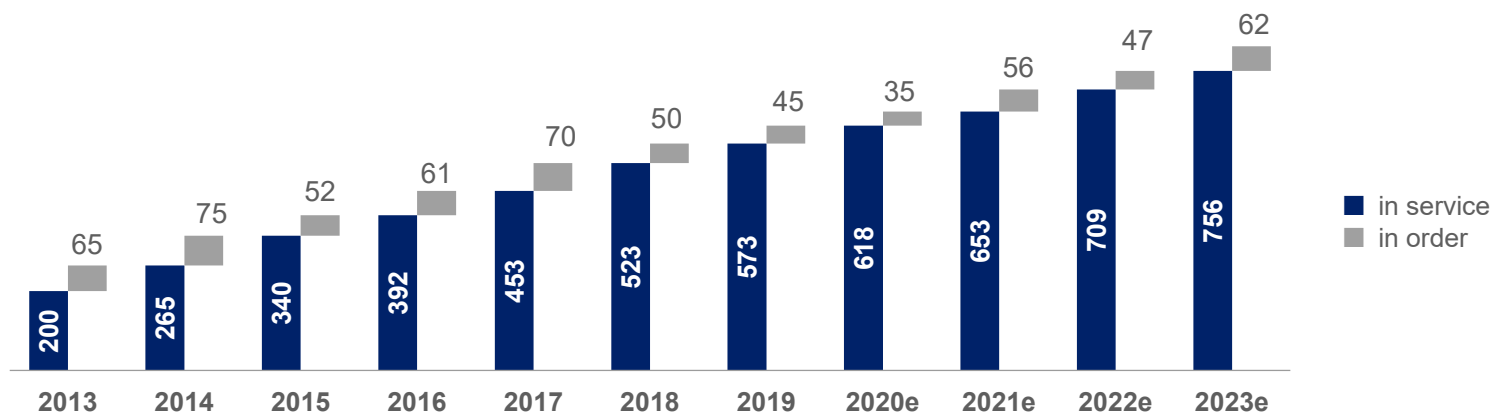
## Ship size development at HHLA container terminals



## 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





Container

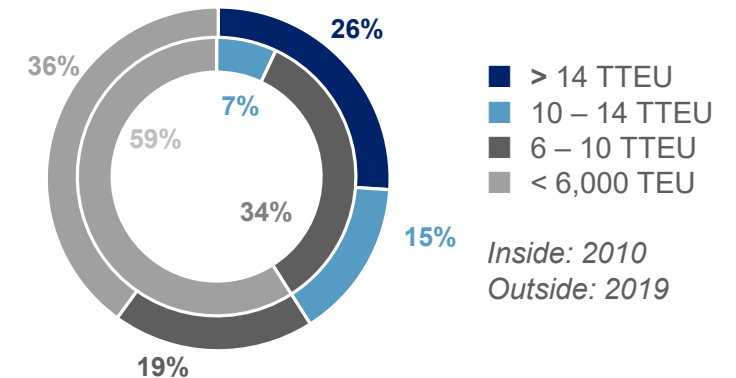
# Deviations in ship calls per week

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

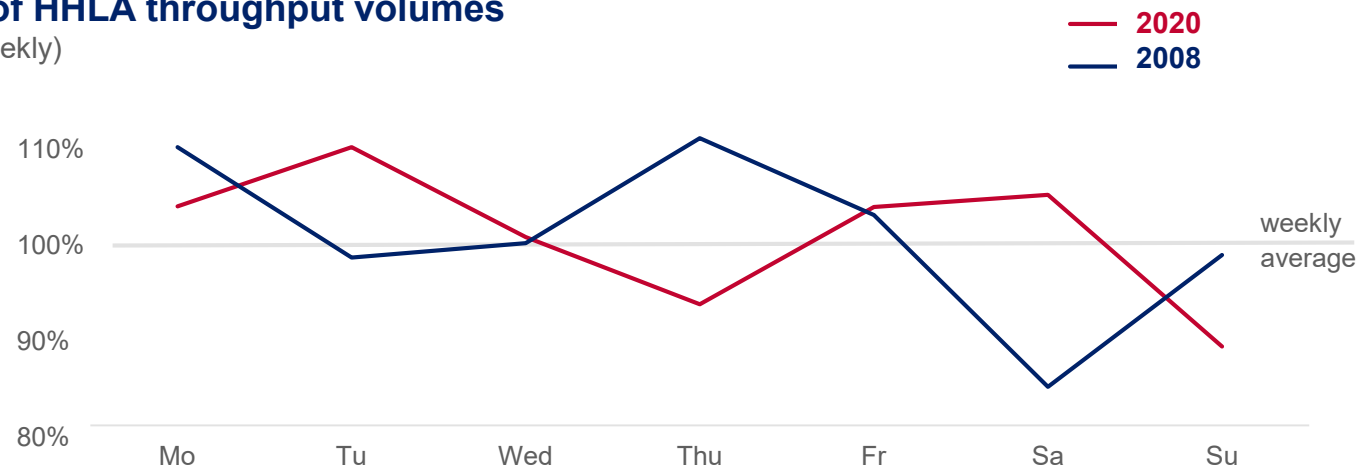
Index (100 = Ø weekly)

Standard deviation

2007/08: 8.1 %

2020: 6.7 %

- 17.6 %  
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 30 % since 2008
- Peak loads especially during the weekend



Container

# Focus on client needs: mega carrier ready

Investments in terminal expansion and process optimisation continued

## HHLA Container Terminal Burchardkai (CTB)

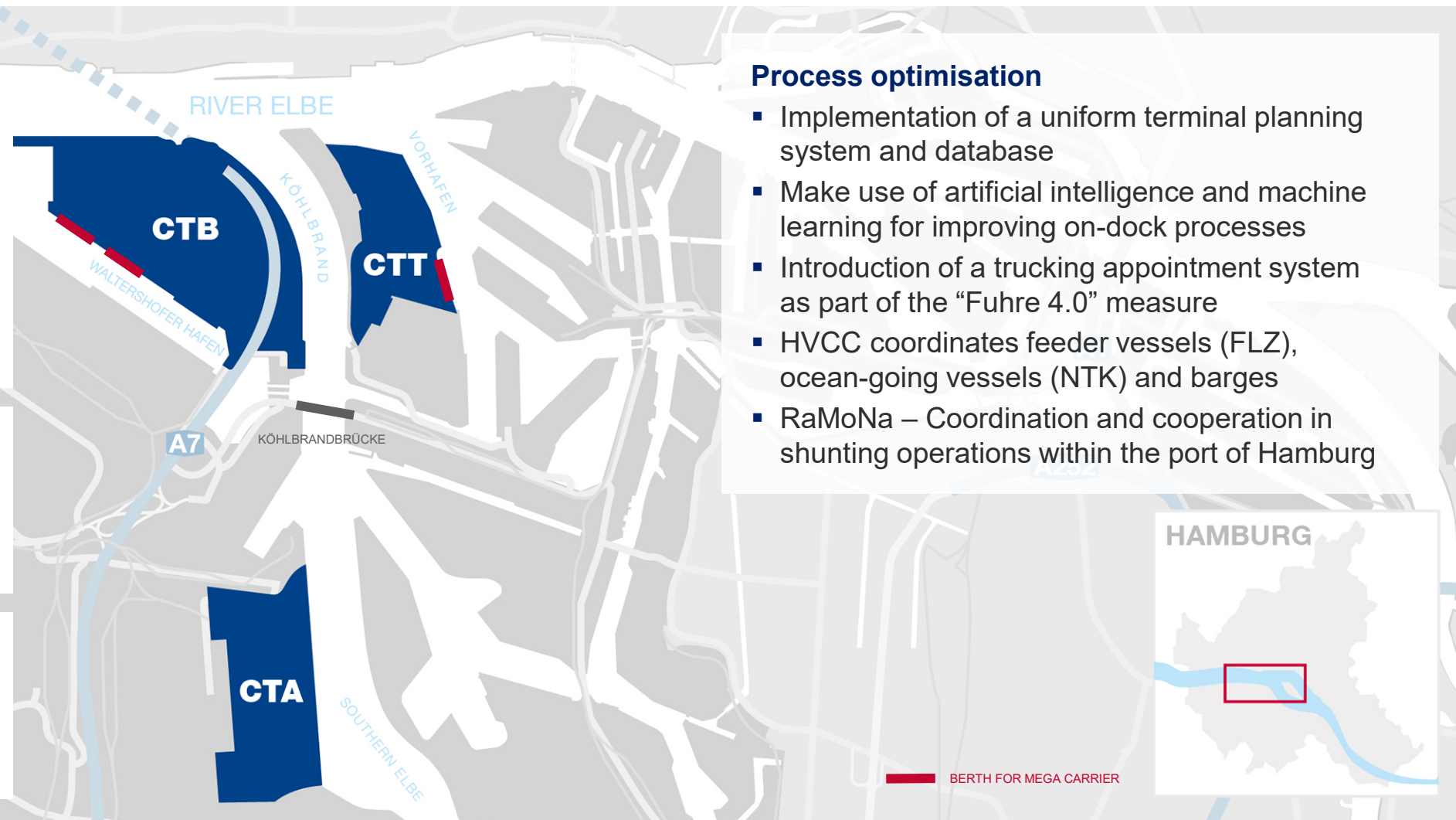
12 automatic block storages in operation; stepwise expansion to 22 in 2024

## 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







Container

# Advanced terminal technology

High automation level with mega-carrier berths in operation



## HHLA in the Port of Hamburg

- Market share of 80 % in Hamburg and 16 % in the North Range in 2020
- State-of-the-art handling technology, innovative IT systems and a high level of automation
- Three fully equipped berths for the latest generation of ULCV's already in operation at the container terminals Burchardkai (CTB) and Tollerort (CTT)
- Further rollout of additional automated block storage capacities at CTB
- On-dock railway stations at all facilities able to comply with future 740 metre block trains
- Optimised traffic coordination for an improved cargo flow and terminal access

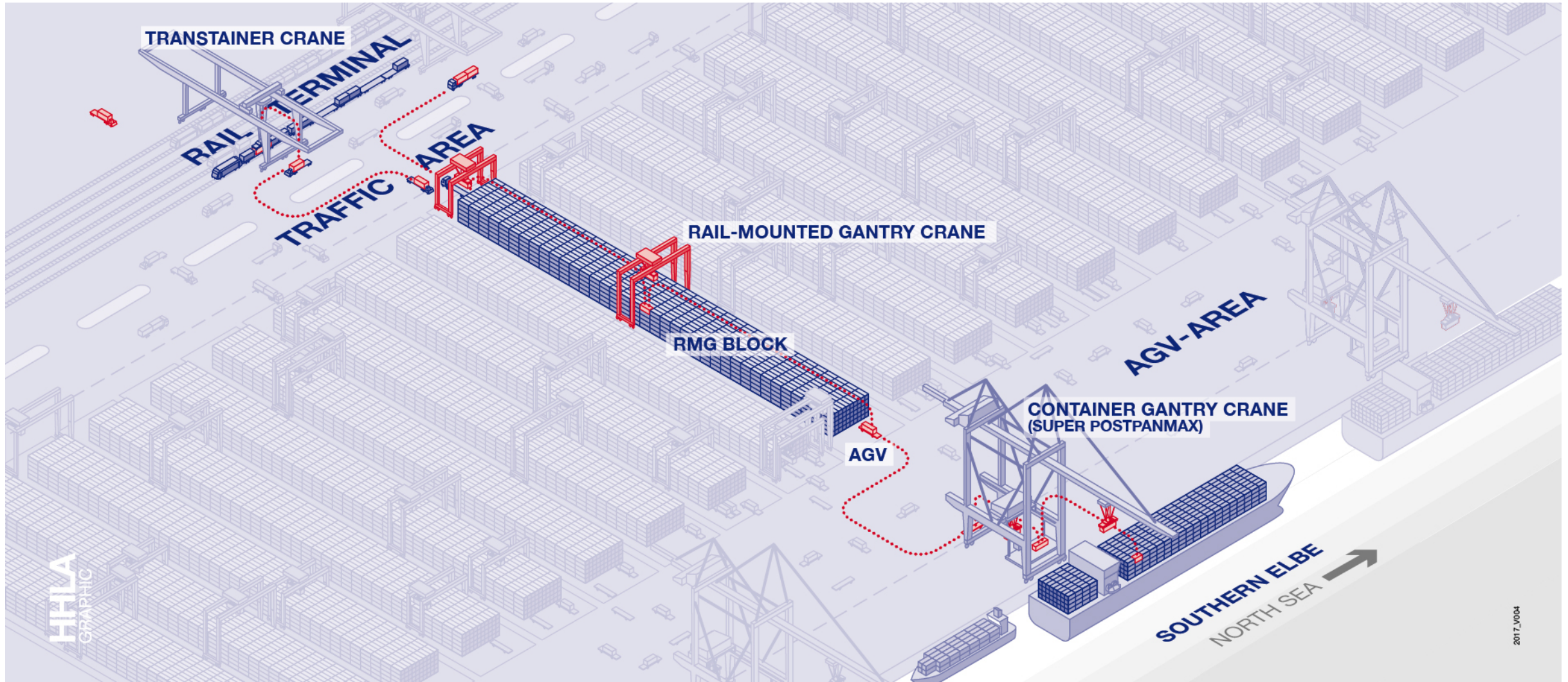




Container

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

Maximum efficiency by high degree of automation and compact layout



HHLA  
GRAPHIC

2017\_V004

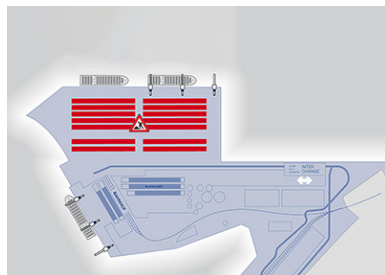




Container

# International container terminals

Port Logistics subgroup with international presence



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

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

Since  
**2001**

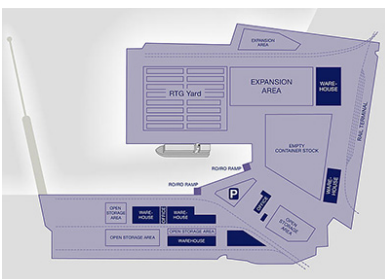
Current capacity  
**850k TEU**

Potential capacity  
**1.2m TEU**

Stake  
**100 %**

Area  
**~ 35 ha**

Length of quay wall  
**970 m**



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

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

Since  
**2018**

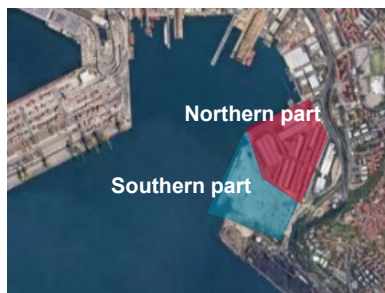
Current capacity  
**300k TEU**

Potential capacity  
**800k TEU**

Stake  
**100 %**

Area  
**~ 35 ha**

Length of quay wall  
**950 m**



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

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

Since  
**2021**

Current capacity  
**Ramp up**

Potential capacity  
**300k TEU**

Stake  
**50.01 %**

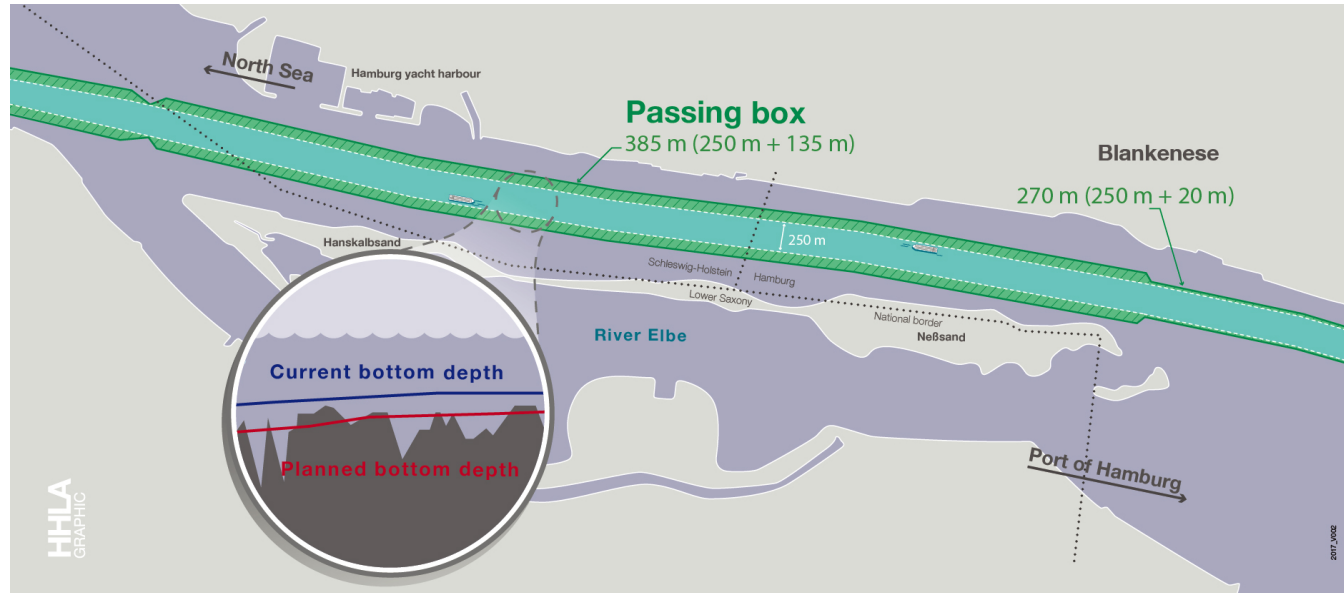
Area  
**~ 28 ha**



Container

# Nautical restrictions of Elbe waterway almost solved

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



- ☒ **Passing boxes**  
for extended time slots and more flexibility to handle entrance and departure of mega-carriers
- ☒ **Cutting the peaks in the river bed**  
enables a higher load factor for mega-carriers
- ☐ **Approval**



**The dredging is scheduled to be completed in 2021.**

Federal Waterways and Shipping Administration



Intermodal

# Key figures

Intermodal segment

in € million

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



Intermodal

# EBIT multiplied several times since realignment

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

## CAGR

2007\* – 2020

# 6.8%

## CAGR

2012 – 2020

# 18.7%

## CAGR

2017 – 2020

# 8.1%

EBIT & EBIT margin  
in million €



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

Outlook 2021

## Moderate increase of transport volume

(2020: 1.5 million TEU)

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

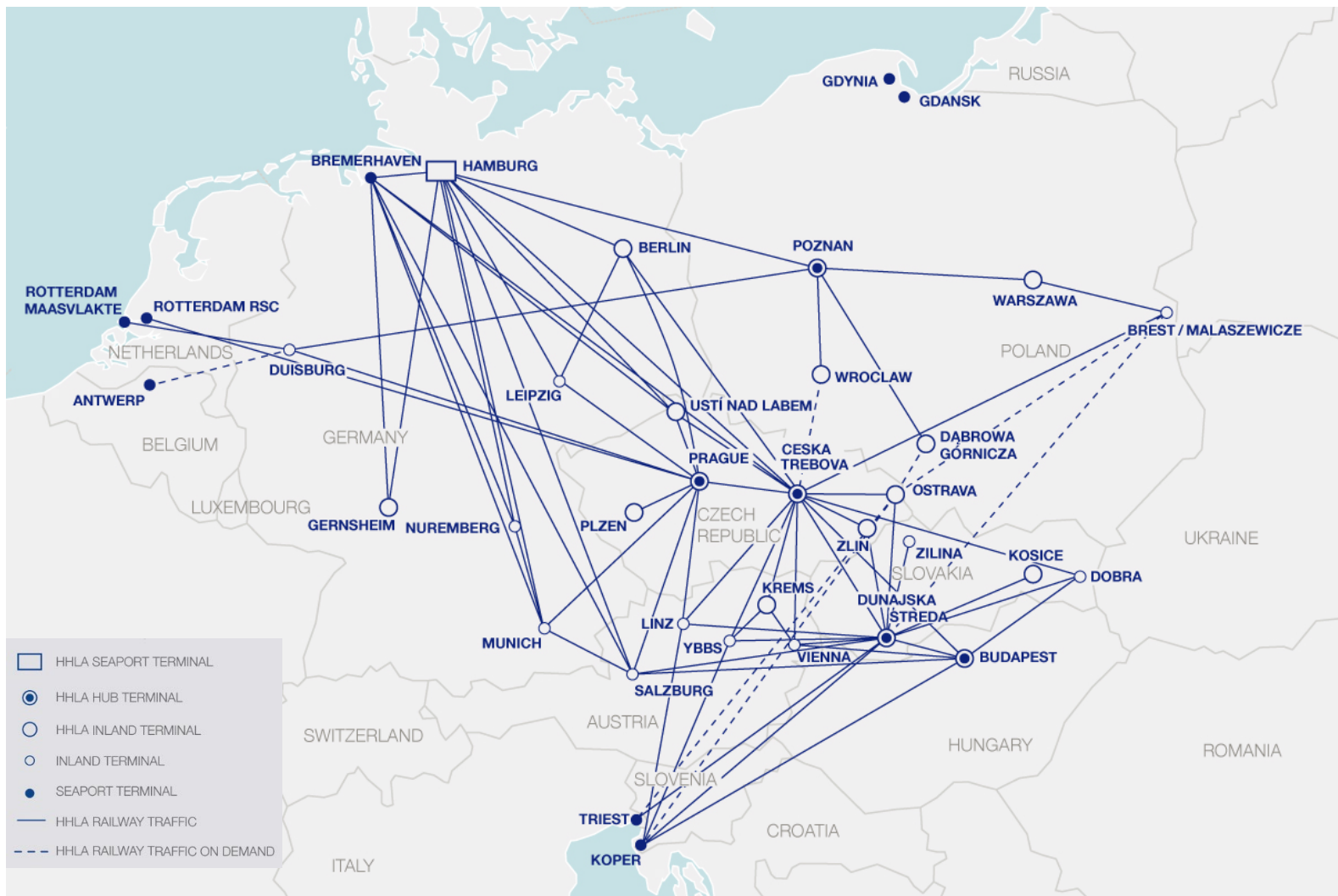




Intermodal

# 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
- Current projects
  - Establishing an own intermodal company in Ukraine
  - Hub terminal will be built in Zalaegerszeg, Ungary
- Further targets: Continuously increasing the frequency of existing connections / providing new profitable connections on demand



Intermodal

# Focussed capex for higher value added

Approx. € 547 million investment in own assets since 2012

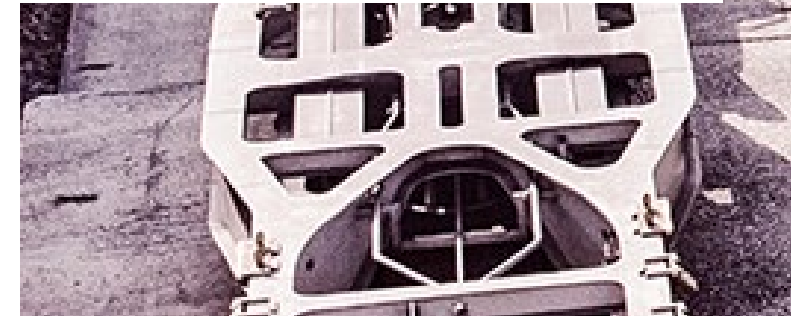
**16** Hub and inland terminals in the hinterland



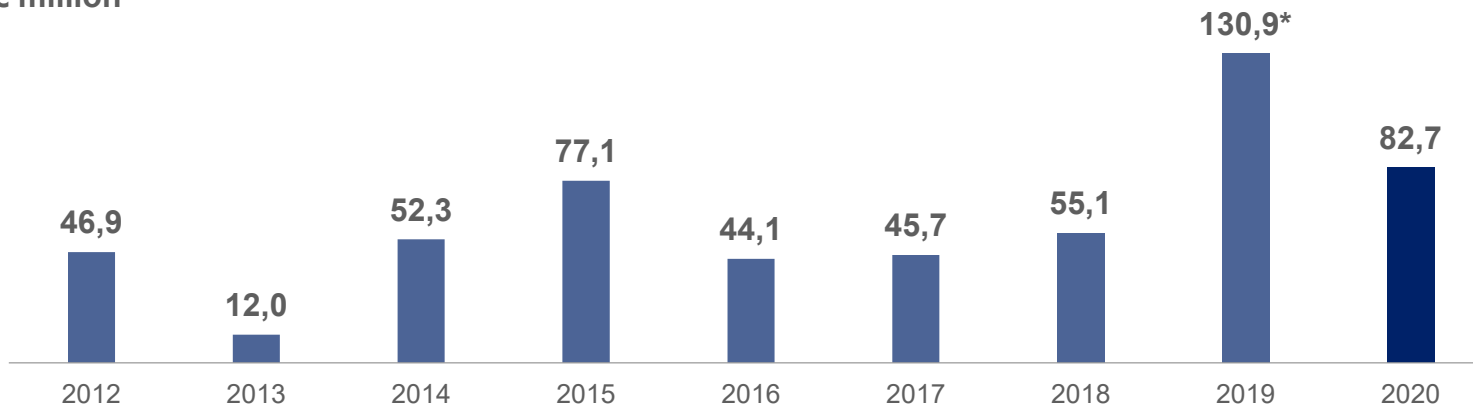
**>100** Multi-system locomotives and shunting engines



**>2,900** Own designed light-weighted wagons



**Investments**  
in € million



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

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





Intermodal

# The HHLA on-dock rail terminals

HHLA

CTA

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

Biggest container  
rail terminal  
in Europe



HHLA

CTB

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



HHLA

CTT

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

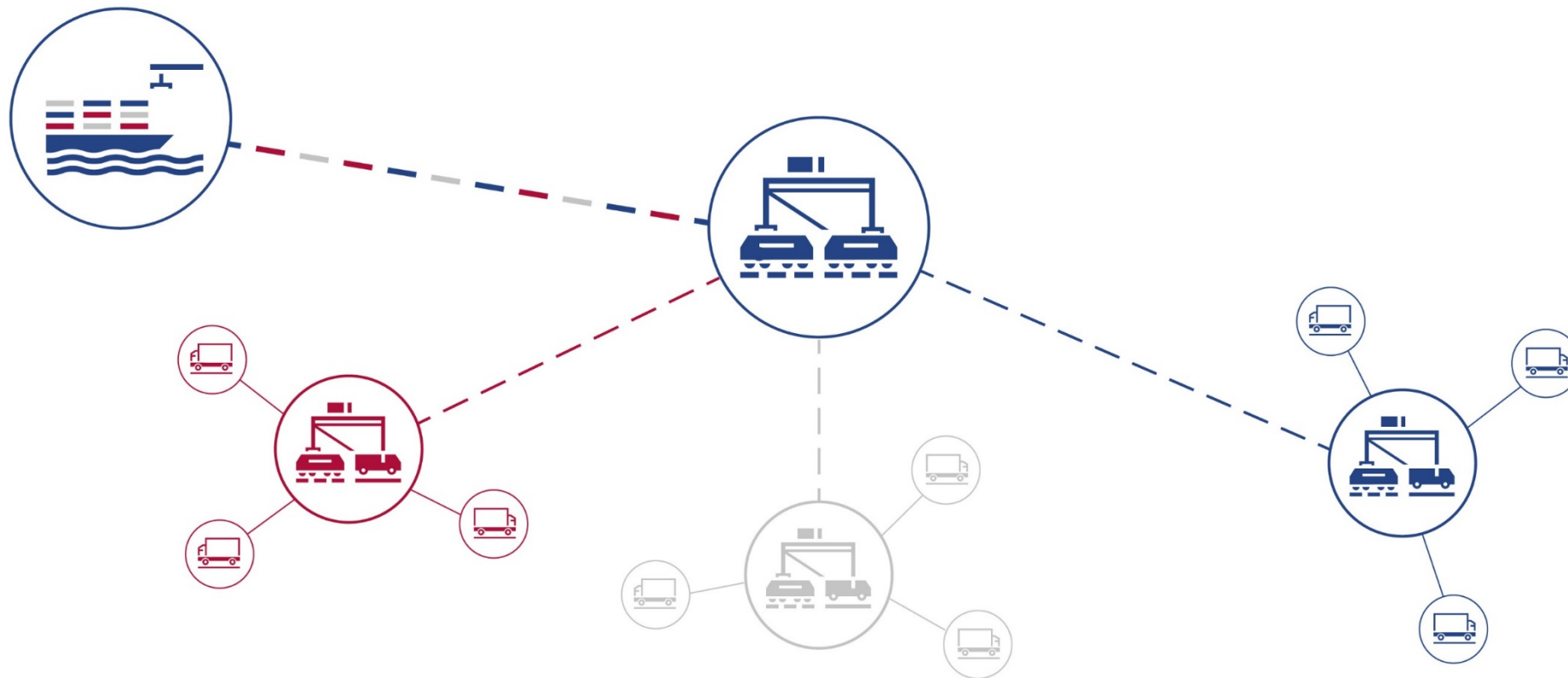




Intermodal

# The hub and shuttle system

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



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

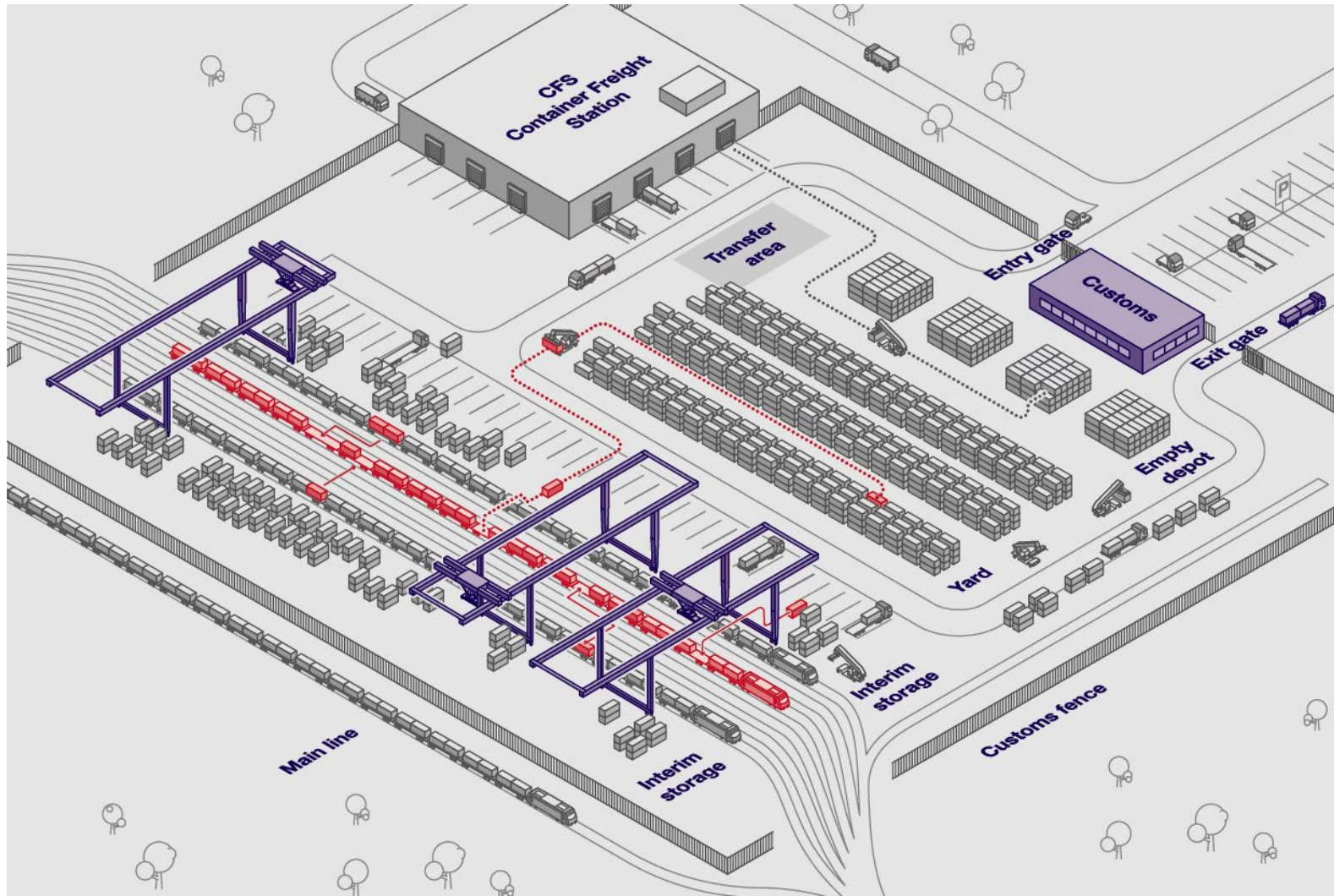




Intermodal

# Value drivers: Differentiating know-how and service excellence

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



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



Intermodal

# Value drivers: Equipment

## Own wagon design for customized container transportation

- Approx. 2,900 own container wagons
- Own design and development of light-weighted wagons with modern “whispering” braking system
- Optimal distribution
  - 92 containers fit on the standard maximum length of 610 m in CEE
  - 108 containers fit on the standard maximum length of 720 m in WE
- Overall weight of the container flat wagon is around 4,000 kilograms resp. approx. 30 % lighter than the conventional equipment in Europe

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

- Metrans owns 40 TRAXX F140 MS locomotives from Bombardier
- Metrans operates 78 locomotives, thereof 38 own equipment
- Multi-system locomotives can be deployed in up to seven different electricity grids used all over Europe since it can be operated using both alternating and direct current
- No locomotive changes at each border saves time and costs and ensures a high degree of reliability

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

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



Logistics

# Key figures

## Logistics segment

in € million

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



Logistics

# Overview of the Logistics segment activities

HHLA continues a tradition leading the way in port innovations

## Specialist handling



### RoRo

- UNIKAI Lagerei- und Speditionsgesellschaft mbH, Hamburg
- ARS-UNIKAI GmbH, Hamburg



### Bulk

- Hansaport Hafenbetriebsgesellschaft mit beschränkter Haftung, Hamburg



### Fruits

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

## Consulting services



### Consulting

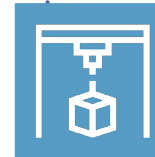
- HPC Hamburg Port Consulting GmbH, Hamburg



### Automation technology

- iSam AG, Mülheim

## Logistic services



### Additive manufacturing

- Bionic Production GmbH, Lüneburg



### Hyperloop transport system

- Hyperport Cargo Solutions GmbH i.G., Hamburg



### Digital solutions

- modility GmbH, Hamburg



### Airborne solutions

- HHLA Sky GmbH, Hamburg
- Spherie UG, Hamburg
- Third Element Aviation GmbH, Bielefeld





Logistics

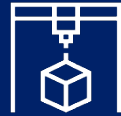
# Examples for new business fields

HHLA continues a tradition leading the way in port innovations



## Digital solutions modility

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



## Additive manufacturing Bionic Production

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



## Airborne solutions HHLA Sky

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

# Financial calendar and contact

## Financial calendar 2021

**25 March 2021**

Annual Report 2020  
Analyst conference call

**12 May 2021**

Interim Statement  
Analyst conference call

**10 June 2021**

Virtual Annual General Meeting

**12 August 2021**

Half-year Financial Report  
Analyst conference call

**11 November 2021**

Interim Statement  
Analyst conference call



**Annual Report 2020**

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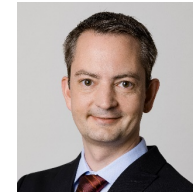
<http://report.hhla.de>



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