



Analyst conference call on the interim results January to September 2020

Hamburg, 12 November 2020

Agenda

01 Remarks on 9M20

Angela Titzrath, CEO

02 Business development in 9M20

Angela Titzrath, CEO

03 Financial performance in 9M20

Dr. Roland Lappin, CFO

04 Business forecast for 2020

Angela Titzrath, CEO

05 Questions & answers

Angela Titzrath, CEO

Dr. Roland Lappin, CFO

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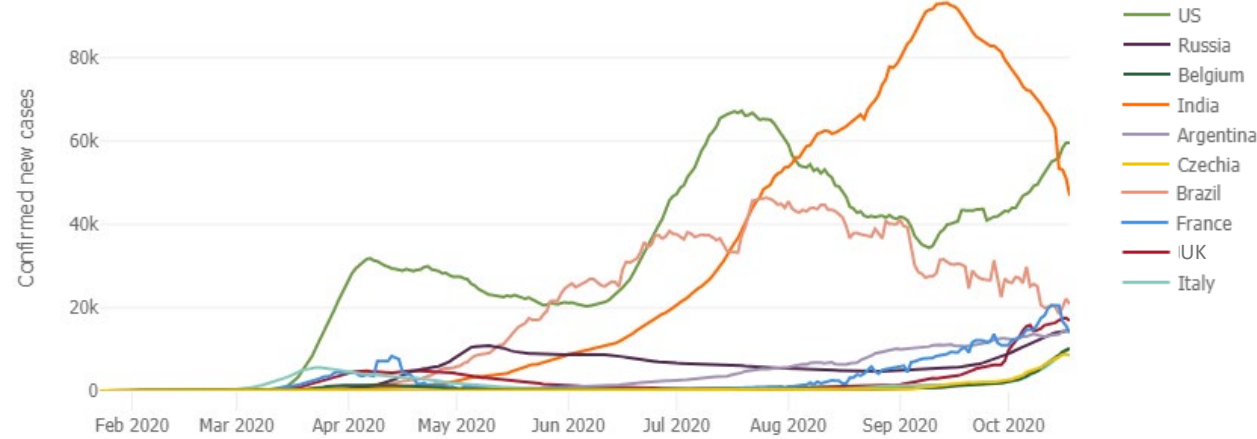
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Europe and the USA showed a brief respite from the pandemic in 3Q20

Long-term effects on the economy of historic dimension

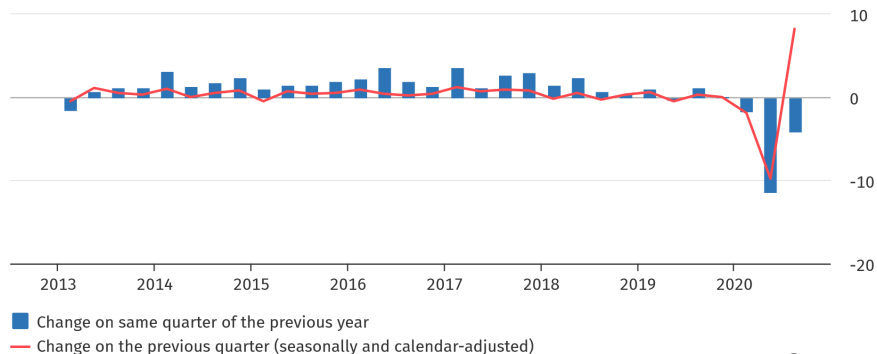
Outbreak evolution for the current 10 most affected countries



Source: Johns Hopkins University, October 2020

Historic drop in Germany's GDP development

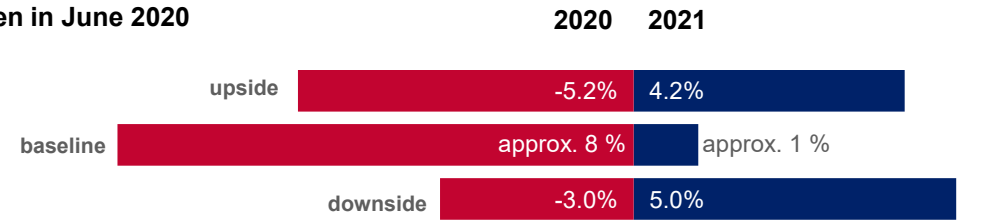
Price-adjusted in %



Source: Destatis, October 2020

Estimated global GDP development for 2020 and 2021 different scenarios

Forecast given in June 2020



OECD



IMF



Forecast given in September 2020



IMF



¹ Sporadic local outbreaks will continue; targeted local intervention rather than national lockdowns

² Stronger resurgence of the coronavirus pandemic or more stringent containment measures

Source: World Bank, OECD, IMF

Macroeconomic environment in the first nine months of 2020

Global economy facing recession as a result of the coronavirus pandemic

Trend in the first nine months 2020 y-o-y

GDP World



GDP China



GDP Russia



World trade



Estimates for Q3 2020

World throughput – 2.2 %

Europe throughput 0.3 %

NW Europe throughput – 4.0 %

Scandinavia & Baltics – 7.0 %

Macroeconomic environment

- Global economic activity shows signs of recovery in the third quarter
- IMF expects that the impact in Q2 was even more negative than previously expected.¹
- China finally returns to growth path and reported growth of 0.7 % y-o-y for the first nine months 2020 (Q3: 4.9 % // Q2: 3.2 % // Q1: -6.8 %) ²
- Since COVID-19 has not yet been contained in Q3, Russian economy expected to be in recession (Q2: -8.5 %; Q1: 1.6 %) ³
- Global trade picked up in Q3 as lockdowns were eased¹

Sources: 1 International Monetary Fund (IMF) – World Economic Outlook, October 2020;
2 Press Release (19.10.2020); 3 Press releases (19.05.2020 and 11.08.2020)

Sector development

- After a marked drop in global throughput, the decline in Q3 was less pronounced than recently feared (Q3: - 2.2 % // Q2: -8.2 % // Q1: -2.9 %)
- Europe experienced a strong decline in Q2 but turned almost neutral in Q3 (Q3: 0.3 % // Q2: -12.2 % // Q1: -2.0 %)
- While West Mediterranean as well as East Med & Black Sea turned positive in Q3 Northwest Europe as well as Scandinavia and the Baltic region still struggling (NW: Q3: -4.0 % // Q2: -10.1 % // Q1: -3.2 % /// S&B: Q3: -7.0 % / Q2: -9.7 % / Q1: -2.5 %)

Source: Drewry Maritime Research, Container Forecaster, October 2020

At a glance

First nine months results 2020 burdened by challenging market environment



Revenue and EBIT declined sharply



Negative impact of the coronavirus pandemic on the macroeconomic environment weakened somewhat in Q3



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



We are set to expand our network with a majority stake in a new multi-function terminal in the Adriatic port of Trieste and Metrans has already invested in two facilities in Germany



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



Guidance 2020: Throughput volumes expected to drop strongly while container transport will decline significantly; furthermore, a strong decline in revenue and EBIT is expected

Financial results of Port Logistics subgroup in the first nine months of 2020

Financial results strongly impacted by coronavirus pandemic



Revenue

€ 937.4 million

– 8.1 %

EBIT

€ 96.6 million

– 40.7 %

EBIT margin

10.3 %

– 5.6 pp

Profit after tax
and minorities

€ 31.3 million

– 59.2 %

ROCE

6.8 %

– 5.0 pp

Operating cash flow

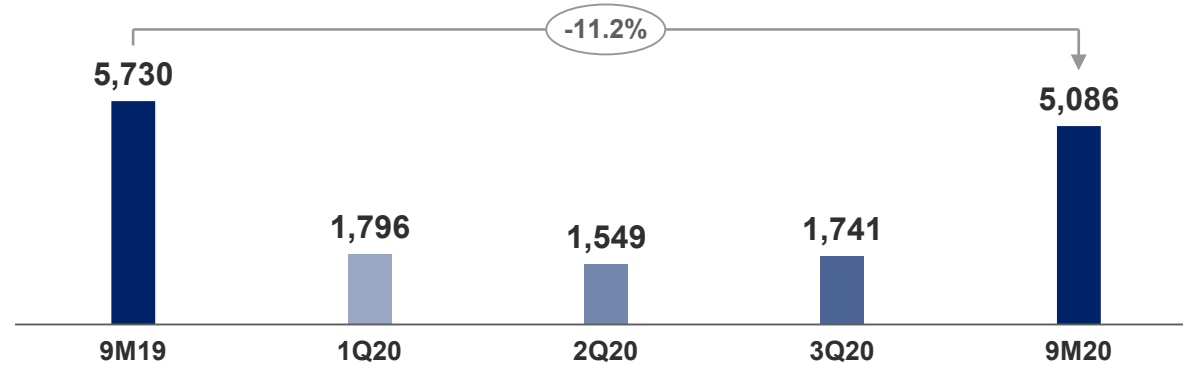
€ 187.6 million

– 23.9 %

Throughput and transport trend in the first nine months of 2020

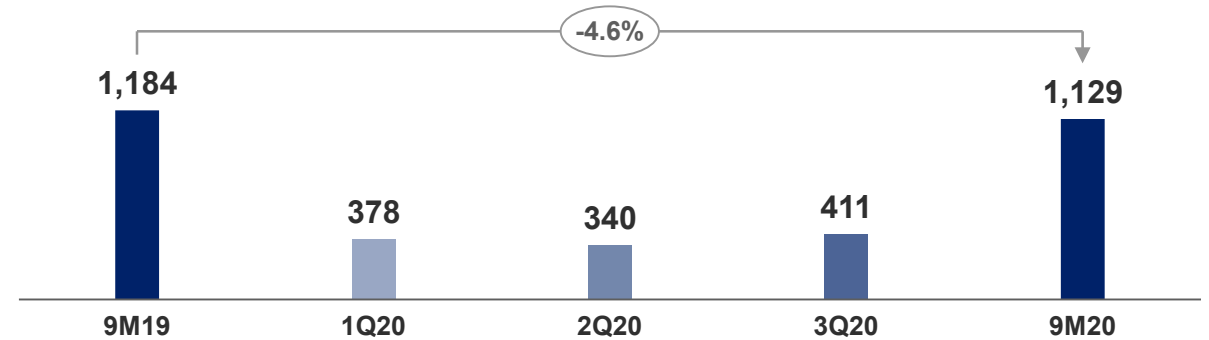
Reduction in container transport less pronounced

Container throughput
in thousand TEU



- Container throughput decreased strongly by 11.2 %, mainly due to blank sailings as a result of the coronavirus pandemic and the loss of a Far East service at the Hamburg container terminals
- Feeder volumes down by 2.6 pp with a feeder ratio of 20.1 % (previous year: 22.7 %)
- International terminals moderately down compared to previous year

Container transport
in thousand TEU

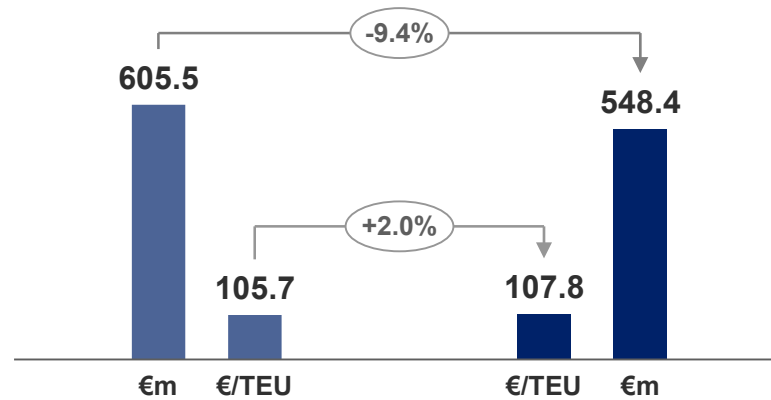


- Moderate decrease in transport volume driven by
 - moderate decrease in rail transportation (– 3.7 % y-o-y) since traffic from the North German seaports recorded significant to strong declines that could not be compensated by favourable growth in continental traffic
 - downward trend in road transportation weakened q-o-q (– 8.0 % y-o-y)

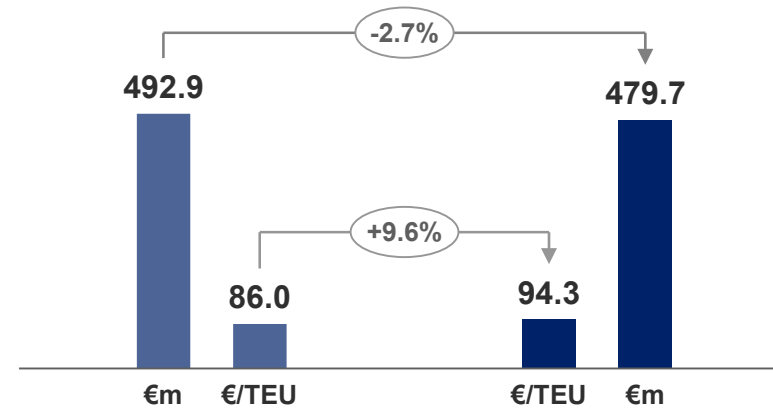
Container segment

Drop in volumes burdens revenue development, EBIT impacted by a disproportionate fall in opex

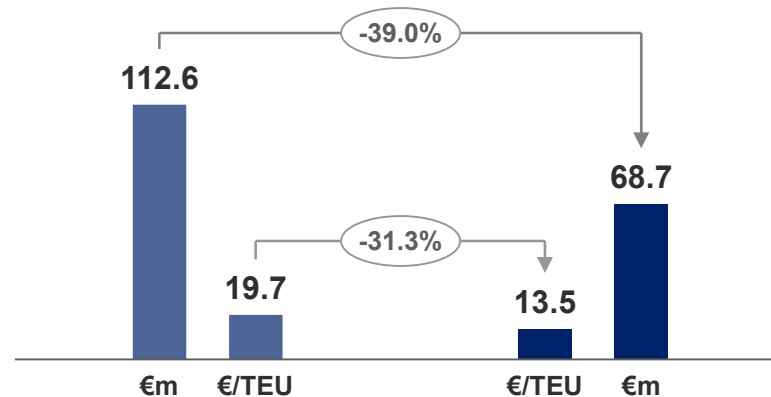
Revenue ■ 9M19 ■ 9M20



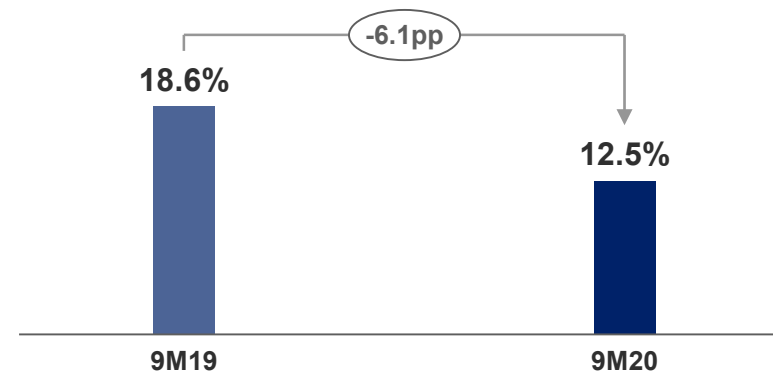
OpEx ■ 9M19 ■ 9M20



EBIT ■ 9M19 ■ 9M20



EBIT margin



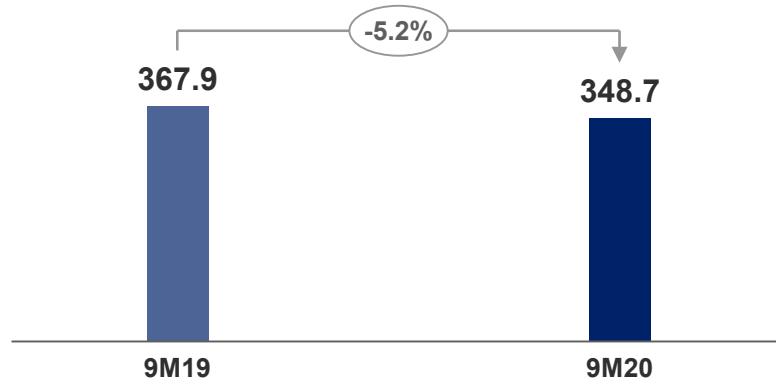
- Revenue significantly down as a result of lower volumes
- Average revenue per TEU up by 2.0 % due to
 - advantageous modal split with a high proportion of hinterland volumes
 - temporary increase in storage fees as a result of longer dwell times brought about by weather-related delays and blank sailings caused by the pandemic
- Opex decrease of 2.7 % supported by
 - lower material costs and personnel expenses (resulted primarily from reduced use of external personnel)
 - partly offset by higher maintenance and service costs
- EBIT markedly down to € 68.7 million
- EBIT margin of 12.5 %, still at acceptable level

Intermodal segment

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

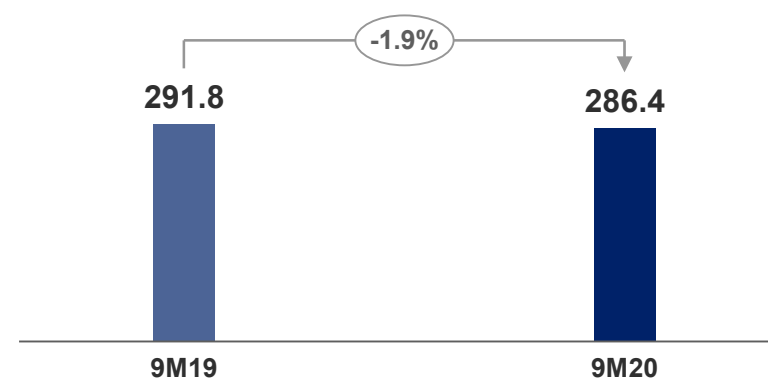
Revenue

in € million



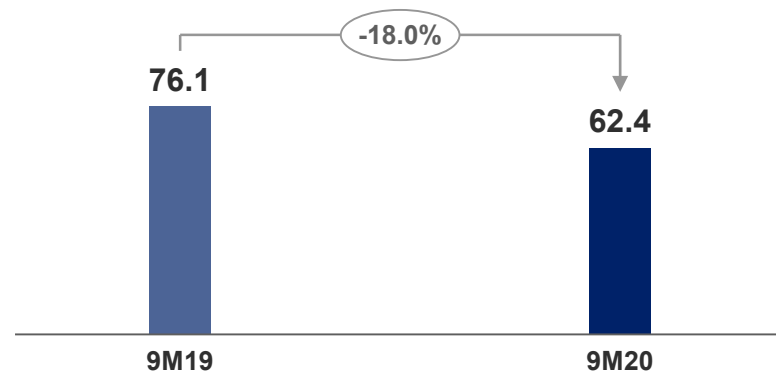
OpEx

in € million

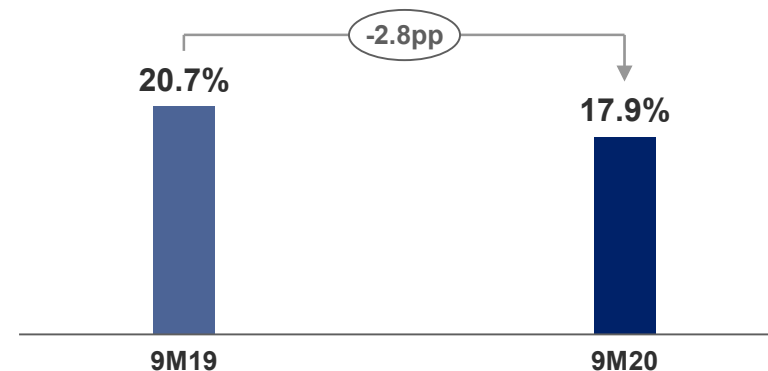


EBIT

in € million



EBIT margin

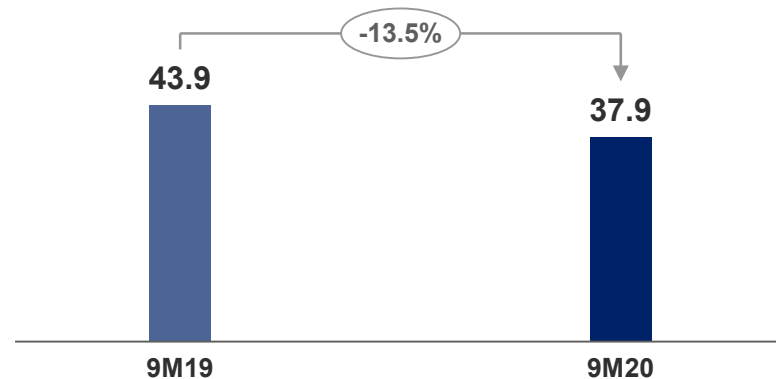


- Decline in revenue mainly volume-driven
- Despite a slight increase in rail share of total transportation volume from 78.5 % to 79.3 %, average revenue per TEU decreased as a result of the disproportionately strong decrease in freight flows with longer transport distances
- Sharp drop in EBIT as a result of
 - decline in volumes and revenue
 - increased fluctuations in import and export cargo loads led to a decrease in capacity utilisation of rail systems
- EBIT margin deteriorated, but still at a favourable level of 17.9 %

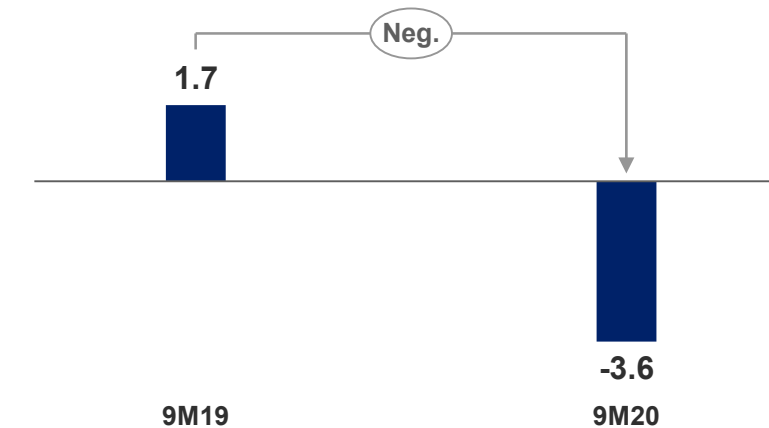
Logistics segment

Vehicle logistics, consulting activities, digital projects and participations

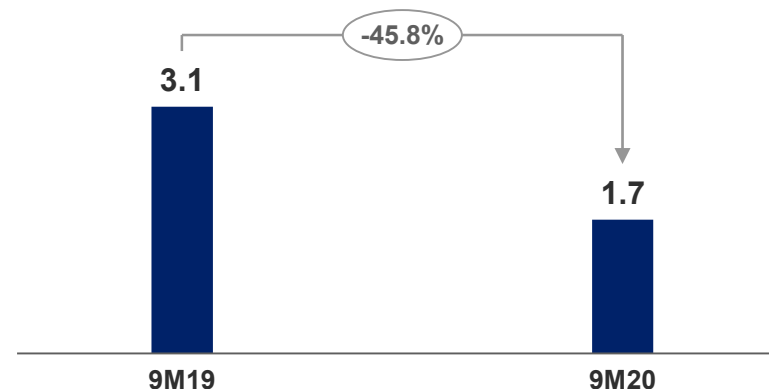
Revenue
in € million



EBIT
in € million



At-equity earnings
in € million

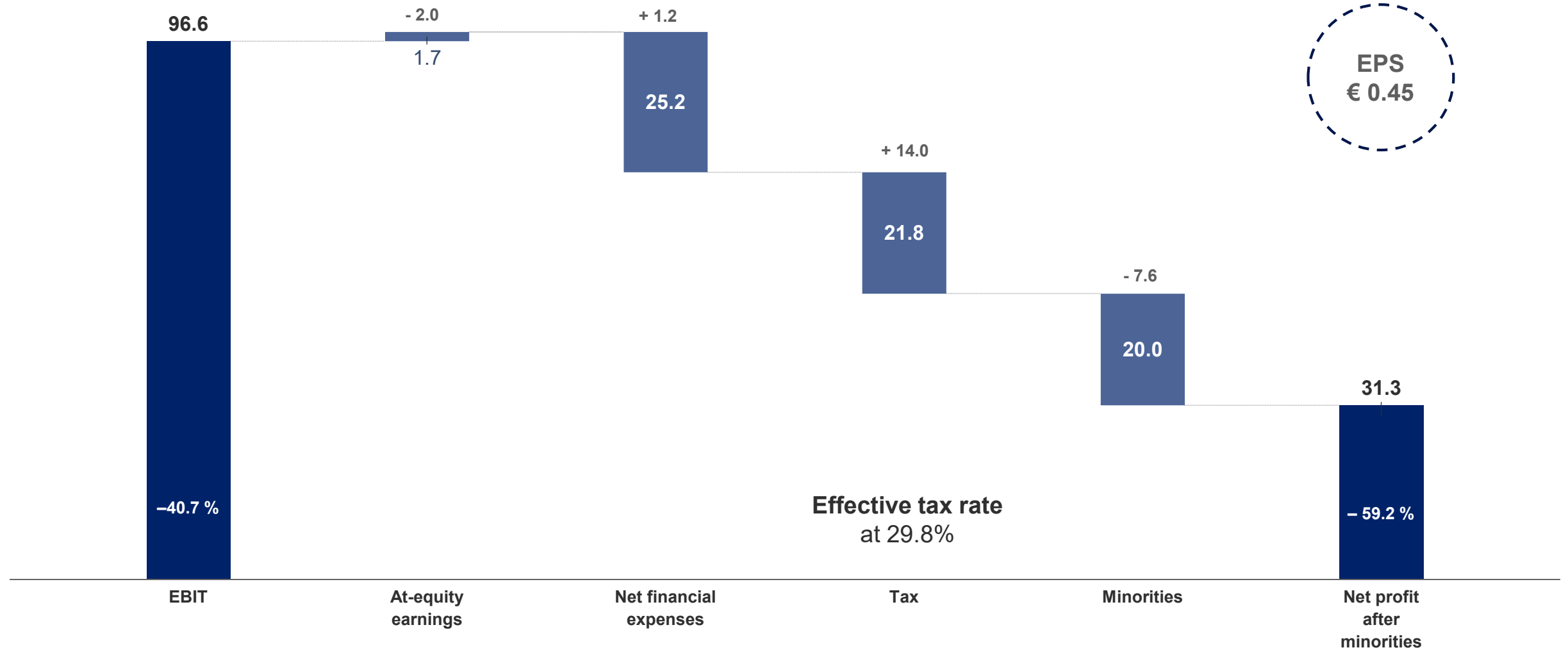


- Revenue strongly down due to
 - strong decline in vehicle logistics
 - consulting activities strongly below prior-year level
 - first-time consolidation of additive manufacturing technologies in Q3 2019
- EBIT impacted by expected start-up losses in the new growth areas and reduced vehicle logistics and consulting activities
- At-equity earnings remained positive, but declined sharply compared to previous year

Earnings bridge of the Port Logistics subgroup

Net profit showed strong decline

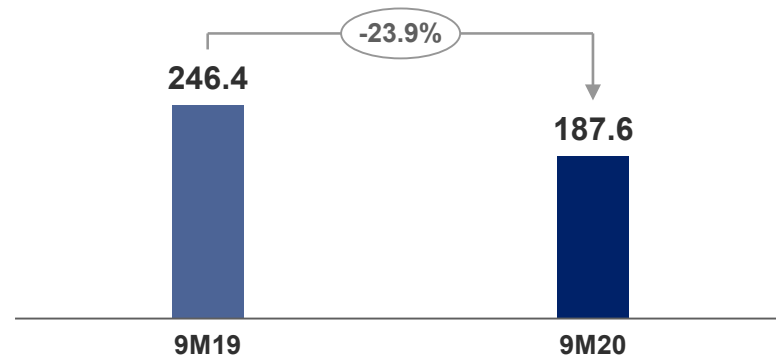
in € million / absolute change 9M20 vs. 9M19



Cash flow development of the Port Logistics subgroup in the first nine months

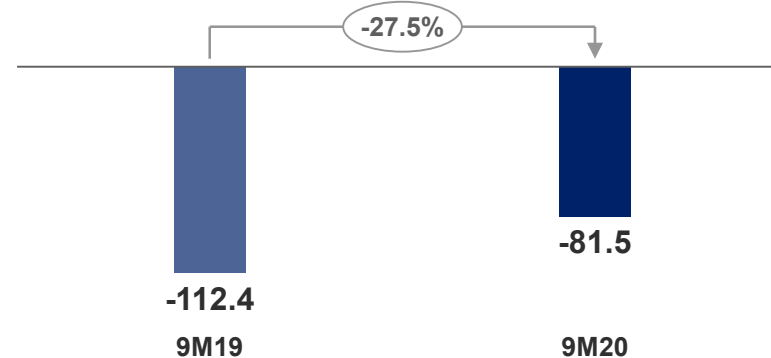
In line with business development

Cash flow from operating activities in € million



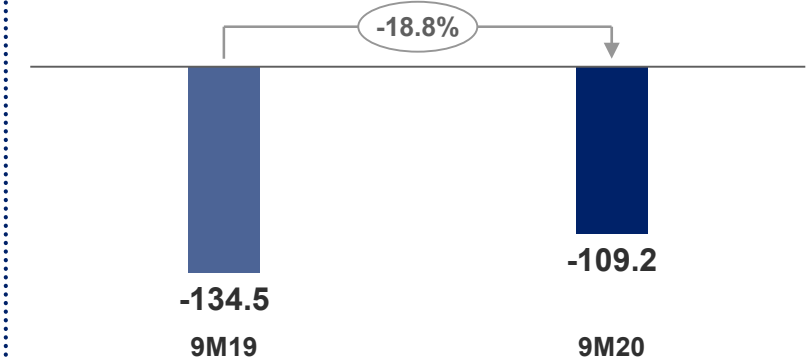
- Lower EBIT due to volume drop
- Increase in trade receivables and other assets
- Lower increase in trade payables and other liabilities
- Counteracted by lower tax payments

Cash flow from investing activities in € million



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

Cash flow from financing activities in € million



- Strong change against previous year mainly due to a lower cash dividend payment compared to the previous year

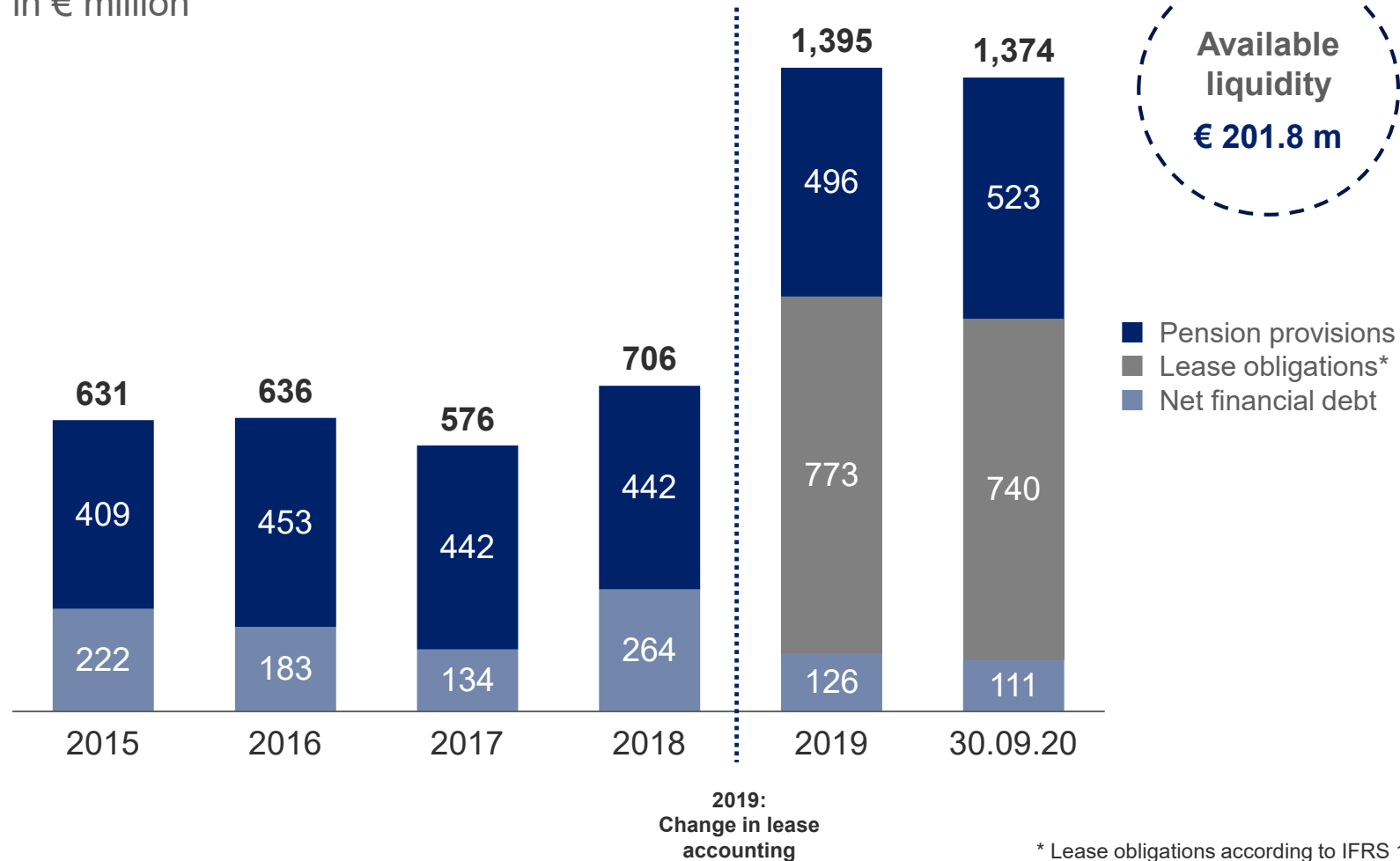
Available liquidity as of 30 September 2020: € 201.8 million (31 December 2019: € 232.2 million)

Financial stability with focus on cash flows

Liquidity remains primary focus for management

Net debt Port Logistics

in € million



- Focus on cash flow control
- Dividend policy to strengthen financial stability:
 - reduction of dividend to € 0.70 per listed class A share (previous year: € 0.80)
 - pay-out ratio of 52 %
 - distribution of ~ € 49 million of 2019 net profit
 - thereof ~ € 25 million as scrip dividend to provide additional financial scope to develop HHLA successfully
 - postponement and revision of investments

Expected macroeconomic and sector development for 2020

Updated forecasts factor in a larger hit to activity in H1 and a slower path to recovery in H2

GDP World – 4.4 %

GDP China + 1.9 %

GDP Russia – 4.1 %

GDP CEE – 4.6 %

World trade – 10.4 %

World throughput – 3.3 %

Europe throughput – 3.6 %

NW Europe throughput – 4.2 %

Scandinavia & Baltics – 6.2 %

Expected macroeconomic environment 2020

- Global economic downturn less negative than expected (↗ 0.8 pp), outlook still subdued
- Economists assume that this year China will be the only major economy to end the year with positive growth (↗ 0.9 pp)
- Russian GDP will shrink markedly, but decrease will be less than formerly feared (↗ 2.5 pp)
- Pre-pandemic growth dynamics in CEE already massively interrupted (↗ 1.2 pp)
- World trade development estimates show a dramatic double-digit decline (↗ 1.5 pp)

Source: 1 International Monetary Fund (IMF) – World Economic Outlook, October 2020

Expected sector development 2020

- World throughput expected to register a smaller decline than envisaged in Q2 (↗ 4.0 pp)
- European volumes declining, but forecast was noticeably raised (↗ 6.1 pp)
- North West Europe volumes down y-o-y, but a slightly positive Q4 expected (↗ 3.5 pp)
- Scandinavia & Baltics with the highest impact in Europe, despite a strong upgrade forecast (↗ 11.0 pp)

Source: Drewry Maritime Research, Container Forecaster, October 2020

Forecast for Port Logistics subgroup unchanged except for transport volumes

Decline in transport less pronounced than recently expected; still a sharp decline in all other areas

	2019	Guidance 2020
Container throughput	7,577 thousand TEU	<u>Strong</u> decrease on previous year
Container transport	1,565 thousand TEU	<u>Significant</u> decrease on previous year (previously: strong decrease)
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	

Financial calendar / IR contact

Financial calendar 2021

25 March 2021

Annual Report 2020
Analyst conference call

12 May 2021

Interim Statement January – March 2021
Analyst conference call

10 June 2021

Annual General Meeting (AGM)

12 August 2021

Half-year Financial Report January – June 2021
Analyst conference call

11 November 2021

Interim Statement January – September 2021
Analyst conference call

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