



Analyst conference call on the interim results January to March 2019

Hamburg, 9 May 2019

Agenda

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Angela Titzrath, CEO

02 Financial performance in Q1 2019

Dr. Roland Lappin, CFO

03 Business forecast for 2019

Angela Titzrath, CEO

04 Questions & answers

Angela Titzrath, CEO

Dr. Roland Lappin, CFO

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Summary of major achievements in the first quarter 2019

HHLA starts with a strong rise in revenue and operating result in the 2019 financial year



Successful start: Strong rise in revenue and operating result



Subdued environment: Despite lowered growth expectations, economists continue to forecast growth



Driving digitalisation: Successful rollout of N4 terminal software at first terminal in Hamburg paving the way for further process improvement



Ecological responsibility: CTA first zero-emission terminal in Europe



Guidance confirmed: For 2019 HHLA expects a stable business development with a significant increase in operating result*

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

Business environment in the first quarter 2019

World economy on a sound level with loss of momentum

Trend in the first quarter 2019

GDP World



GDP China



GDP Russia



World trade



World throughput + 0.4 %

Europe throughput - 2.2 %

NW Europe throughput - 0.9 %

Scandinavia & Baltics + 0.9 %

Macroeconomic environment

- Business climate indicators point towards a further deceleration in global economic growth in Q1 2019 after output growth of 0.8 % in both Q3 and Q4 2018¹
- Chinese GDP growth in Q1 slightly above expectations at 6.4 %²
- Russian economic growth still burdened by EU sanctions, but buoyed by the easing of global financing conditions, higher oil prices and a lower risk perception³
- World trade volumes with lower growth dynamics⁴

Sources: 1 Kiel institute for the world economy – Economic outlook, March 2019; 2 National Bureau of Statistics of China – Press Release (18.04.2019); 3 World Bank – Russia Monthly Economic Developments March 2019; 4 International Monetary Fund – World Economic Outlook April 2019

Sector development in the first quarter 2019

- World throughput momentum faces a strong decline (- 5.9 pp vs. Q1 2018)
- Anticipated drop in European volumes turns out stronger than expected (- 9.6 pp vs. Q1 2018)
- North European volumes also with a weak start to 2019 (- 3.9 pp vs. Q1 2018)
- Despite heavy losses, Scandinavia & Baltics is the only European shipping region still developing positively (- 11.4 pp vs. Q1 2018)

Source: Drewry Maritime Research, Container Forecaster, March 2019

Financial highlights of Port Logistics subgroup in the first quarter 2019



Revenue
€ 339.8 million
+ 10.6 %

EBIT
€ 55.7 million
+ 26.1 %

EBIT margin
16.4 %
+ 2.0 pp

Profit after tax
and minorities
€ 27.2 million
+ 26.2 %

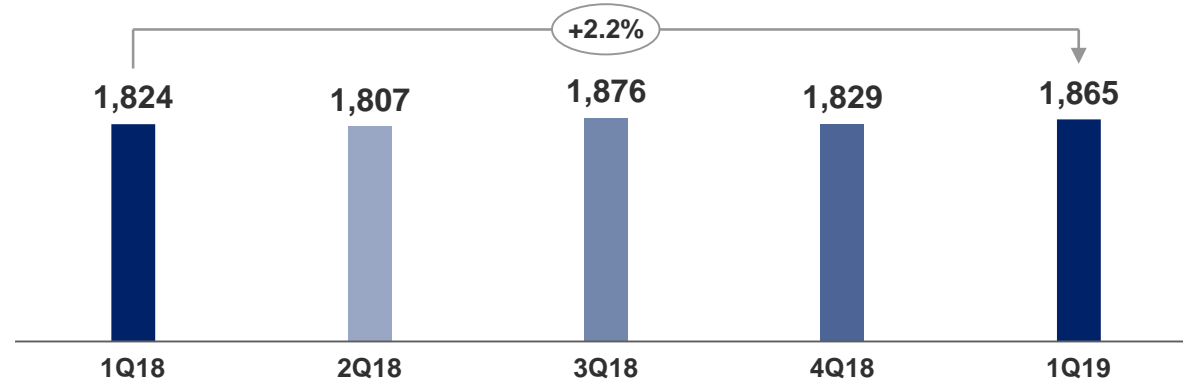
ROCE
14.4 %
– 0.9 pp

Operating cash flow
€ 89.6 million
+ 78.0 %

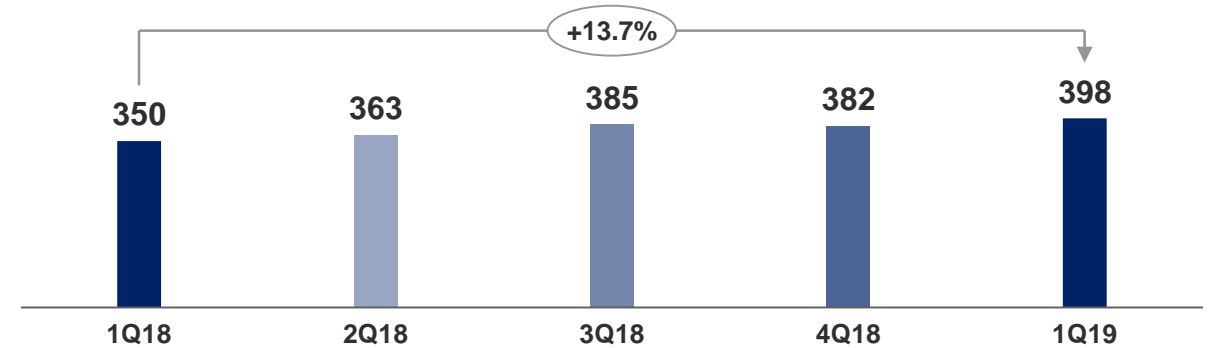
Throughput and transport development in the first quarter 2019

Successful start from a strong prior-year basis

Container throughput in thousand TEU



Container transport in thousand TEU



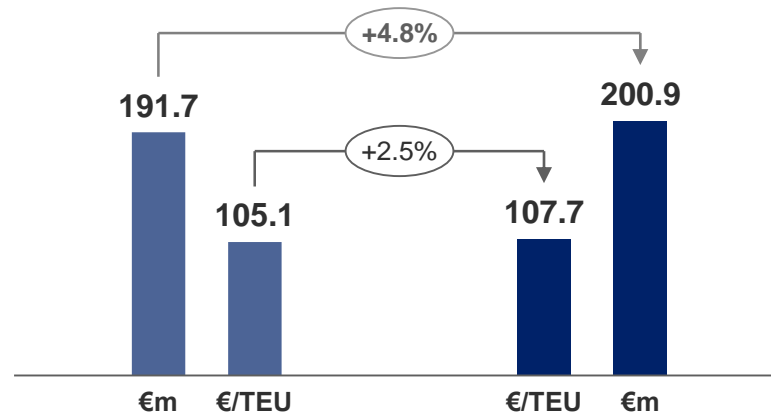
- Hamburg terminals with a slight decrease of 1.3 % mainly due to changes in liner service structures
 - Gain of North America services, loss of Far East service
 - Feeder volumes at previous year's level with a slightly higher feeder ratio of 23.5 % (previous year: 23.1 %)
- International terminals account for nearly 8 % of container throughput after first-time consolidation of HHLA TK Estonia

- Strong rise in transport volume growth driven by
 - strong increase in rail transportation (+ 14.7 % y-o-y)
 - above-average rise in both traffic between the North Range ports with the CEE hinterland and the Adriatic ports with the CEE hinterland
 - recovery of road transportation volumes (+ 10.1 % y-o-y)

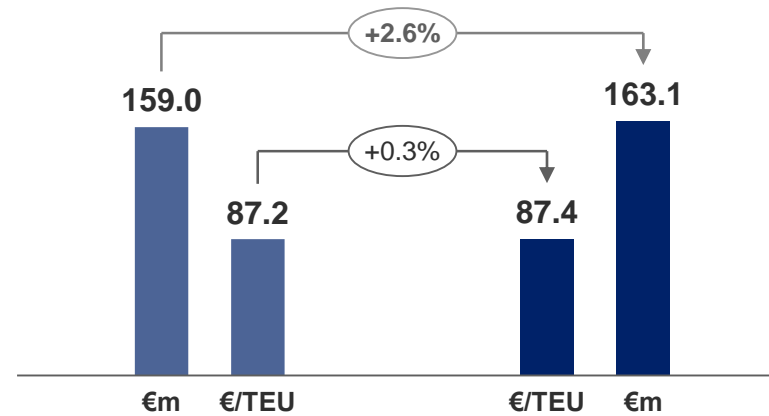
Container segment

EBIT improved strongly, still significant increase when IFRS 16 effects are excluded

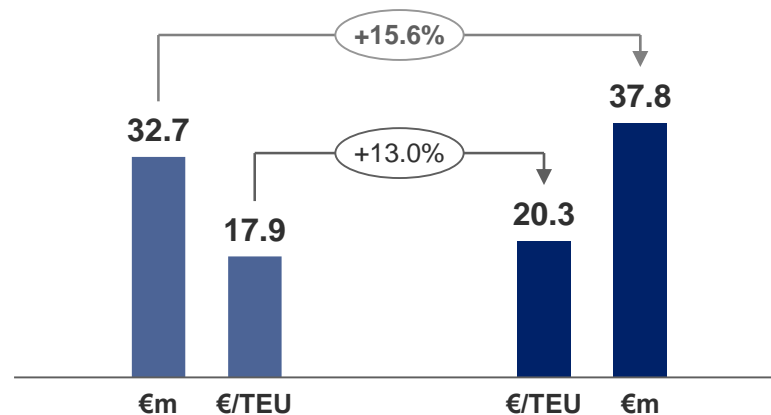
Revenue ■ 3M18 ■ 3M19



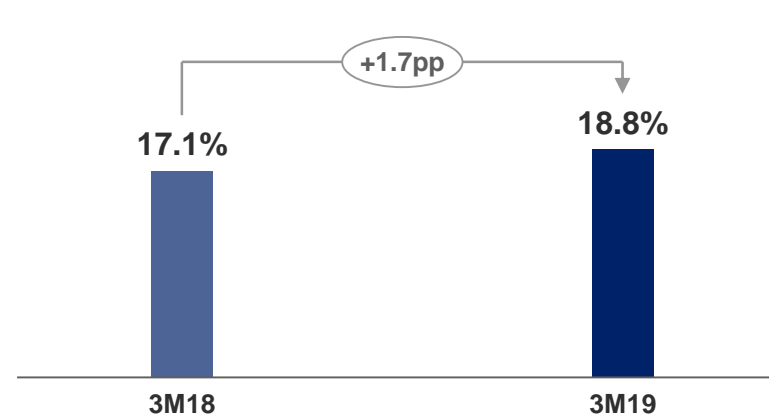
OpEx ■ 3M18 ■ 3M19



EBIT ■ 3M18 ■ 3M19



EBIT margin



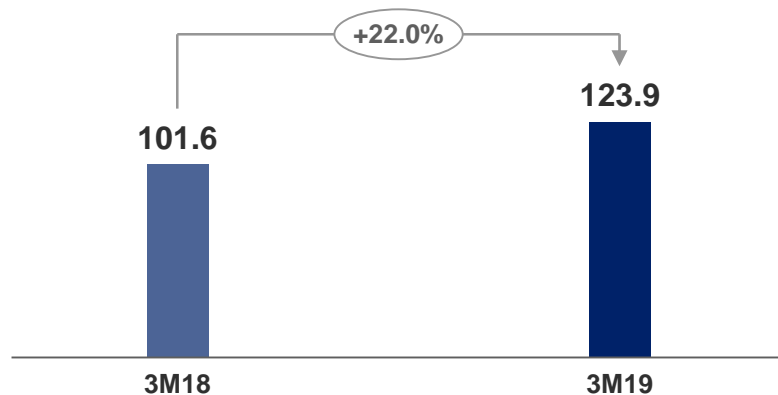
- Revenue grew faster than volume
- Average revenue per TEU up 2.5 % mainly due to
 - temporarily higher storage fees
 - further increase in share of rail volumes
- Rise in opex impacted by
 - shipping delays
 - higher number of employees at HHLA TK Estonia
 - positive effect due to first-time application of IFRS 16
- EBIT up €5.1 million (thereof €2.6 million due to first-time application of IFRS 16)
- EBIT margin increased

Intermodal segment

Superior EBIT level further expanded, margin progressed

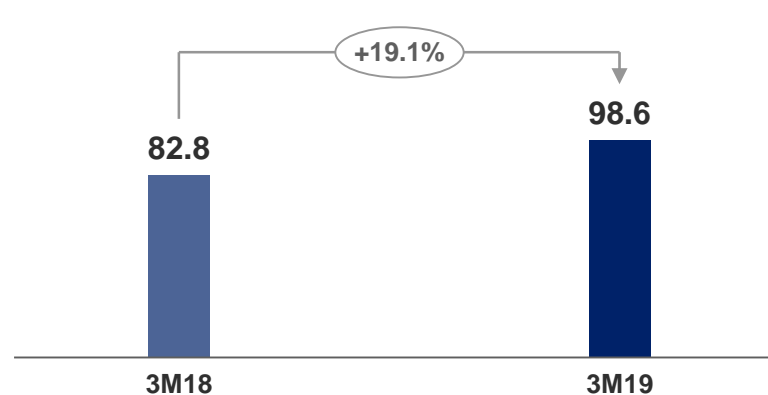
Revenue

in € million



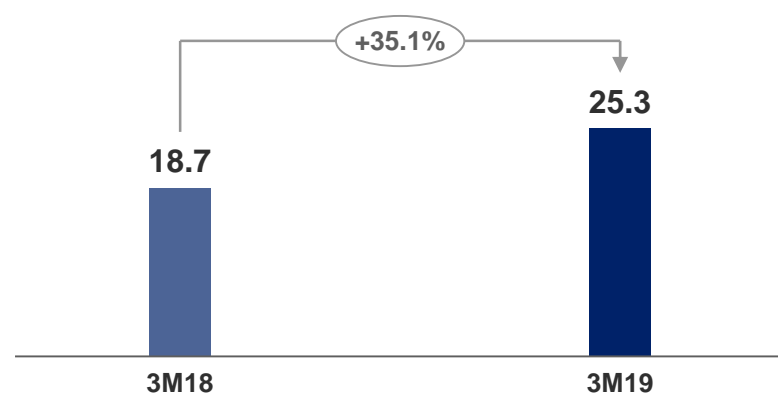
OpEx

in € million

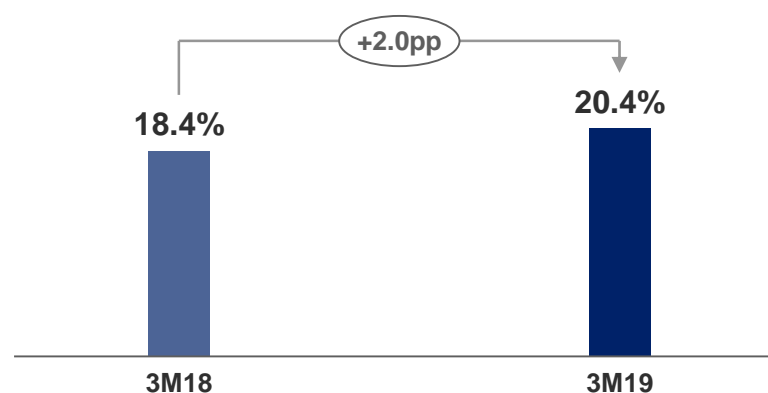


EBIT

in € million



EBIT margin

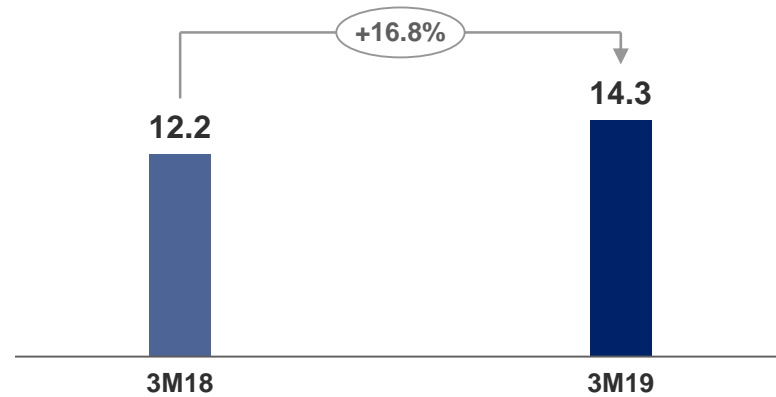


- Revenue growth clearly exceeded transport volume development
- Strong EBIT increase due to
 - rise in volumes,
 - better average revenue,
 - higher utilisation of train system resulting from lower track access fees
 - negligible effect due to first-time application of IFRS 16
- EBIT margin progression: outstanding level of 20.4 %

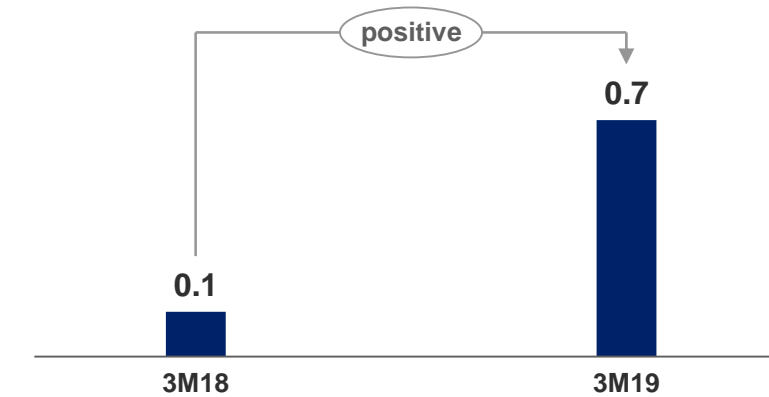
Logistics segment

Positive development continues

Revenue
in € million



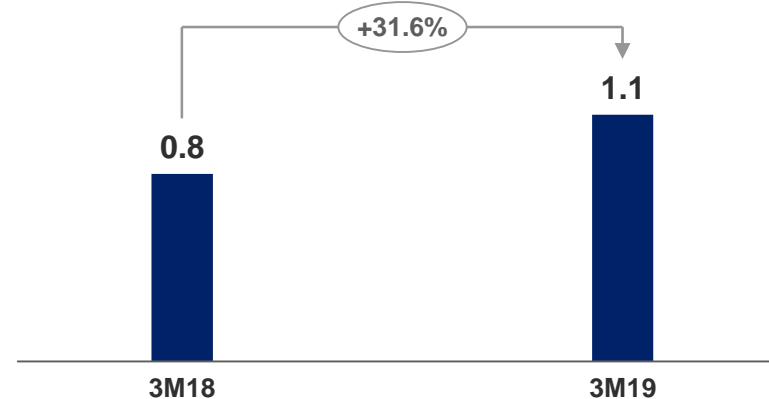
EBIT
in € million



- Strong rise in revenue, mainly driven by vehicle logistics and consulting
- Significant EBIT increase due to:
 - improved results in vehicle logistics
 - Positive order situation in consulting
 - negligible effect due to first-time application of IFRS 16
- At-equity earnings increased substantially mainly due to a positive development of bulk cargo handling



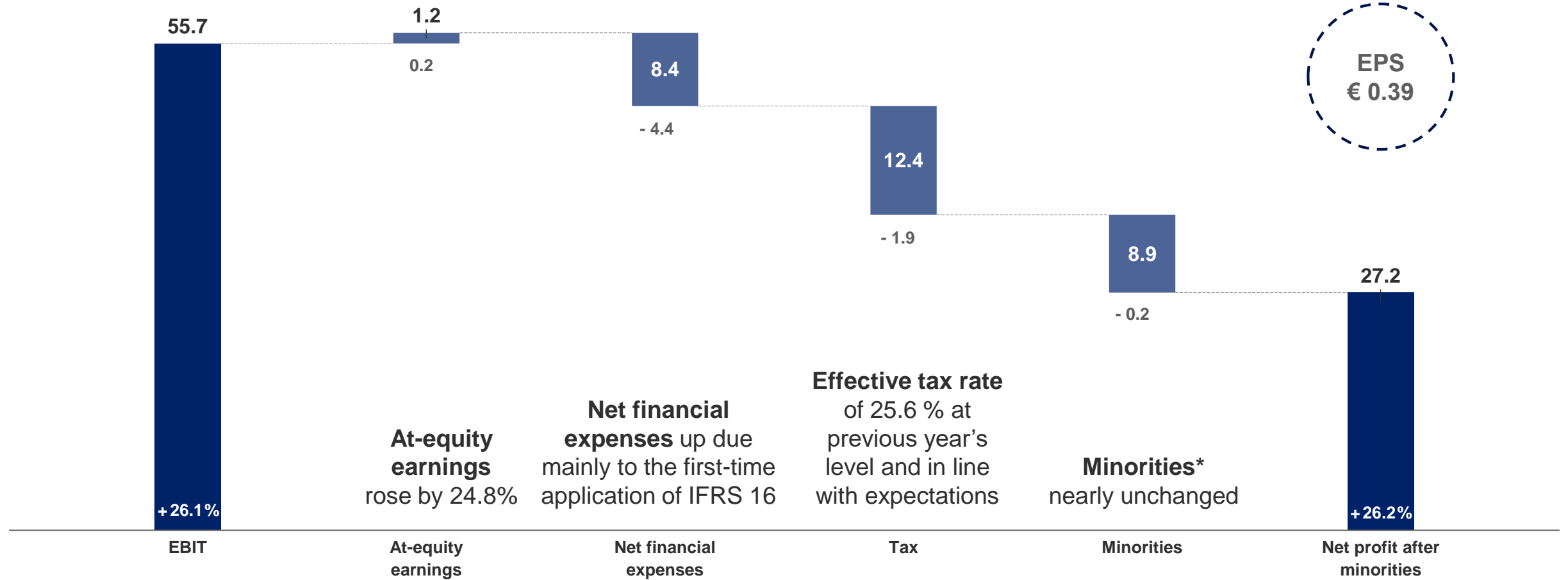
At-equity earnings
in € million



Earnings bridge of the Port Logistics subgroup

Net profit increased substantially due mainly to improved operating result and lower minorities

in € million / absolute change vs. 3M18

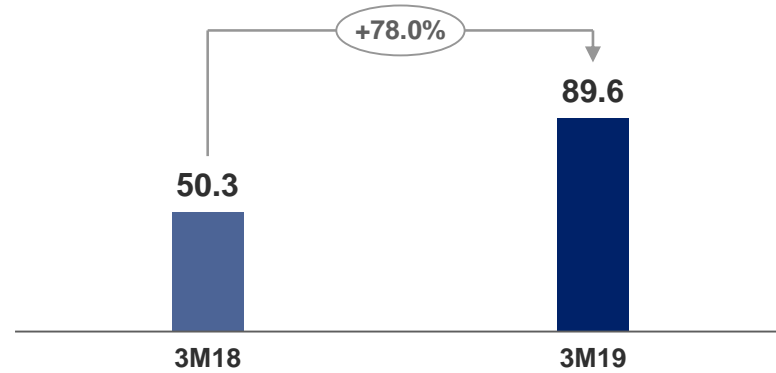


* Minorities influenced by acquisition of remaining stake in Metrans in Q1 18 and positive results in the container segment

Cash flow development of the Port Logistics subgroup

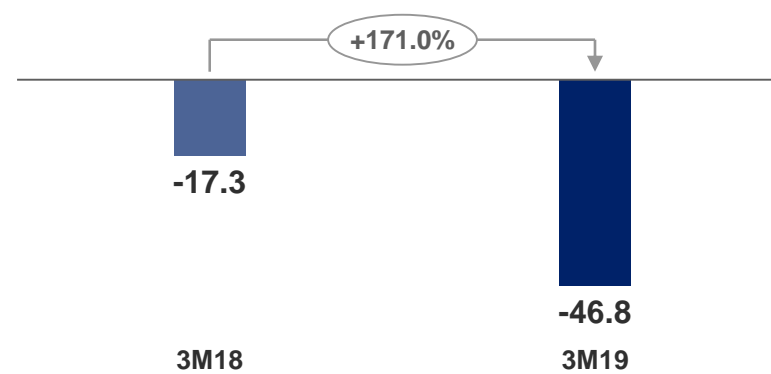
In line with business development, reflecting IFRS 16

Cash flow from operating activities in € million



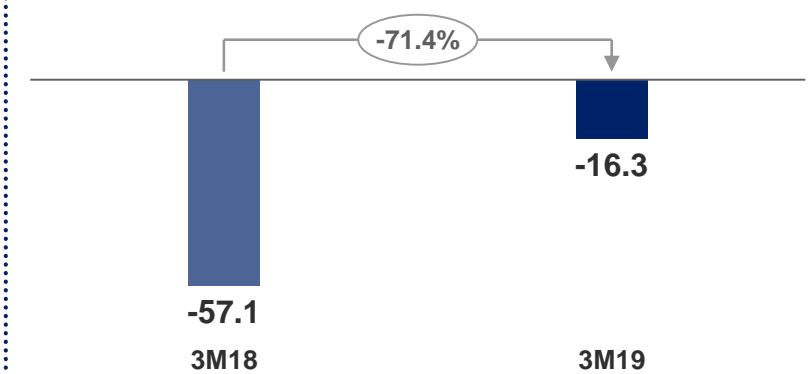
- Improved EBIT development
- Lower rise in trade receivables and other assets
- Slight impact from IFRS 16

Cash flow from investing activities in € million



- Ongoing capex programme
- Payments for short-term deposits

Cash flow from financing activities in € million



- Payments for remaining minority stake in Metrans in the previous year
- Higher payments for the redemption of lease liabilities resulting from IFRS16

Financial funds as of 31 March 2019: € 259.8 million (31 March 2018: € 221.0 million)

Outlook 2019

Macroeconomic forecast subdued

GDP World + 3.3 %

GDP China + 6.3 %

GDP Russia + 1.6 %

World trade + 3.4 %

World throughput + 3.9 %

Europe throughput + 2.7 %

NW Europe throughput + 2.9 %

Scandinavia & Baltics + 2.4 %

Macroeconomic outlook 2019

- Global economic output still expected to be slightly below previous year again
- World trade prospects remain at a sound level but continue to cloud, reflecting the IMF's downturn in April of 0.6 pp to 3.4 %
- Chinese growth dynamics settled at a stable level above 6 %
- Russian recovery expected to continue at prior-year level

Source: IMF – World Economic Outlook Update, April 2019

Sector outlook 2019

- Drewry expects momentum of world throughput growth to slow further in 2019 and forecasts robust growth rate (- 0.2 pp vs. January estimates // - 0.4 pp vs. 2018)
- Expectation for Europe brightens slightly, but still with volumes clearly below previous year (+ 0.5 pp vs. January estimates // - 2.2 pp vs. 2018)
- Growth expectations for North Range ports lowered, but recovery trend remains (- 0.3 pp vs. January estimates // + 0.5 pp vs. 2018)
- After gloomy prospects for Scandinavia & Baltics volumes, pace of decline revised (+ 2.6 pp vs. January estimates // - 5.4 pp vs. 2018)

Source: Drewry Maritime Research, Container Forecaster, March 2019

Outlook 2019

Port Logistics subgroup

	2018	Guidance 2019
Container throughput	7,336 thousand TEU	Slight increase on previous year
Container transport	1,480 thousand TEU	Slight increase on previous year
Revenues	€ 1,258.5 million	Slight increase on previous year
EBIT	€ 188.4 million	Significant increase on previous year*
EBIT Container segment	€ 131.6 million	in the region of previous year
EBIT Intermodal segment	€ 89.1 million	Significant increase
Capital expenditure	€ 132.9 million	in the range of € 200 million**

* mainly due to changes in accounting policy for leasing (IFRS 16)

** mainly attributable to the Port Logistics subgroup

Financial calendar / IR contact

Financial calendar 2019

27 March 2019

Annual Report 2018
Analyst conference call

9 May 2019

Interim Statement January – March 2019
Analyst conference call

18 June 2019

Annual General Meeting (AGM)

14 August 2019

Half-year Financial Report January – June 2019
Analyst conference call

13 November 2019

Interim Statement January – September 2019
Analyst conference call

IR contact

Phone: +49 40 3088 3397

Fax: +49 40 3088 55 3397

E-mail: investor-relations@hhla.de

Web: www.hhla.de

Annual Report 2018

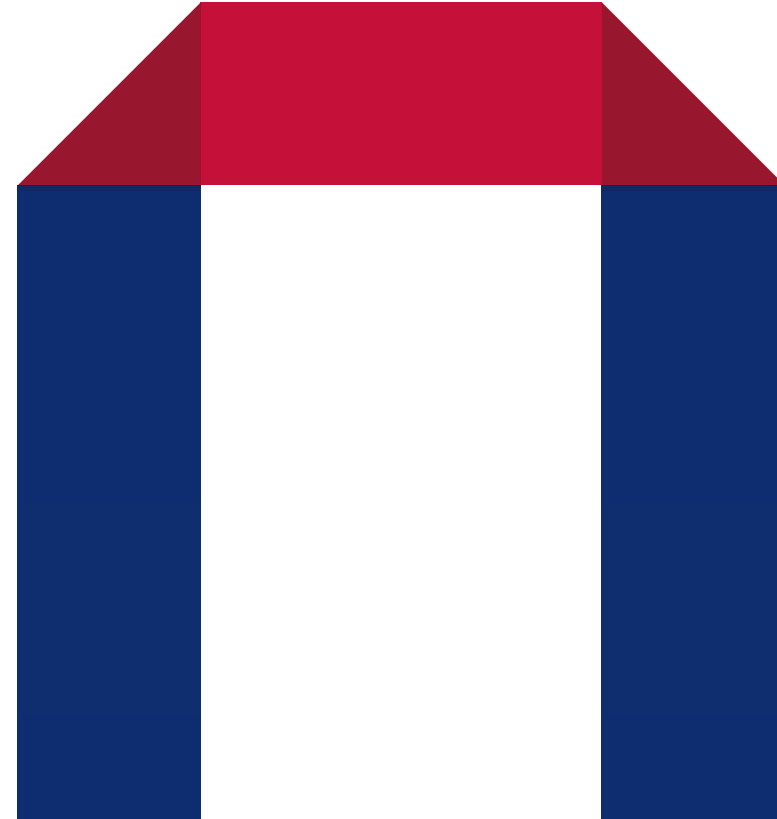
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Appendix

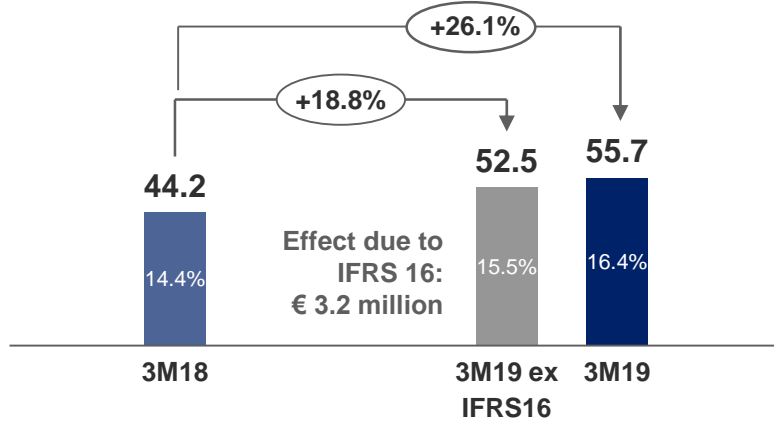
IFRS 16



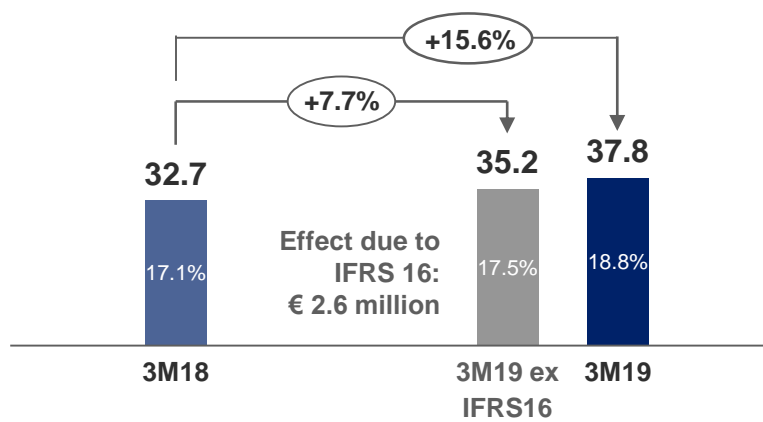
Effects on EBIT development due to first-time application of IFRS16

Port Logistics and segment level

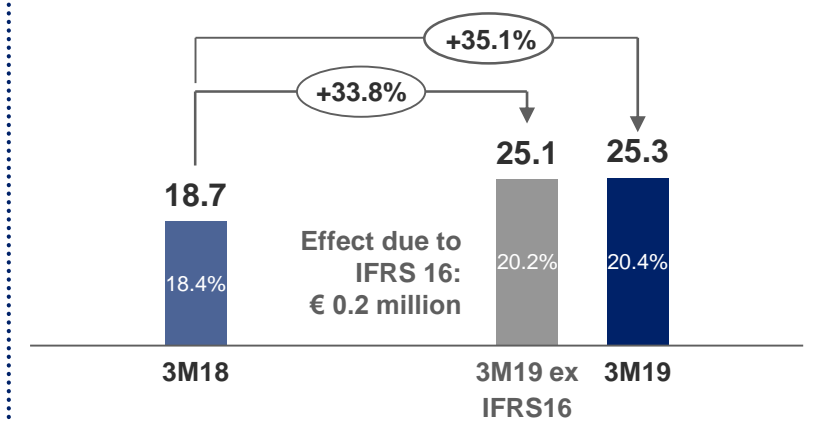
Port Logistics subgroup: EBIT & EBIT margin in € million



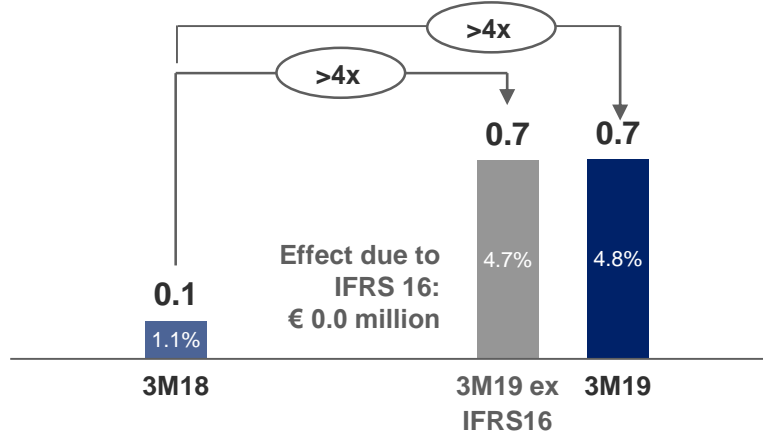
Container segment: EBIT & EBIT margin in € million



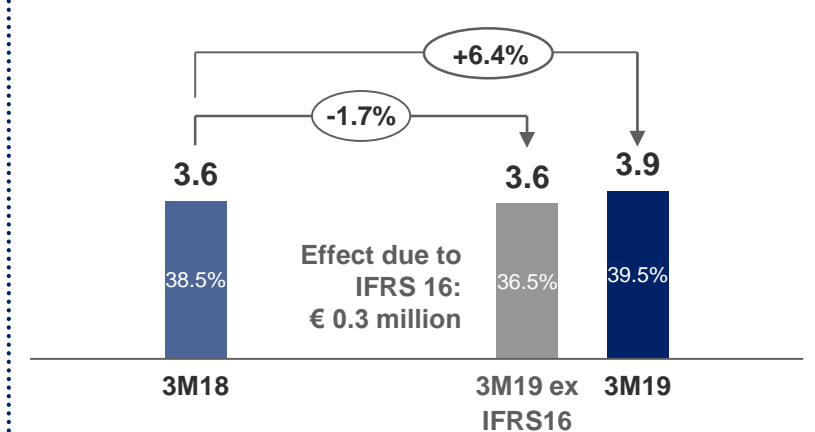
Intermodal segment: EBIT & EBIT margin in € million



Logistics segment: EBIT & EBIT margin in € million



Real Estate segment: EBIT & EBIT margin in € million



Effects on balance sheets due to first-time application of IFRS16 and current development in equity on Group level

