

HAMBURGER HAFEN UND LOGISTIK AG

Analyst Conference Call on the
2016 Financial Year Results

Hamburg, 30 March 2017



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Agenda

- **Business Development 2016**

Angela Titzrath
Chairwoman of the Executive Board

- Financial Performance 2016

Dr. Roland Lappin
Chief Financial Officer

- Business Forecast 2017

Angela Titzrath
Chairwoman of the Executive Board

- Questions & Answers

Angela Titzrath
Chairwoman of the Executive Board

Dr. Roland Lappin
Chief Financial Officer

New Executive Board Members, New Structure

First Assessment

First assessment January to March 2017

Constructive and successful transitions in the Executive Board

Concentration of all sales activities at CEO level

Business development process will be shaped by the whole executive staff

Intensive 1-on-1 meetings with the most important customers worldwide



Open communication with employees

Challenging Environment

Market conditions for HHLA

Global economic development

GDP with slowed momentum

Sector development

Weak growth in global container throughput

Shipping sector

Ongoing consolidation process

Infrastructure

Further delay in dredging the river Elbe



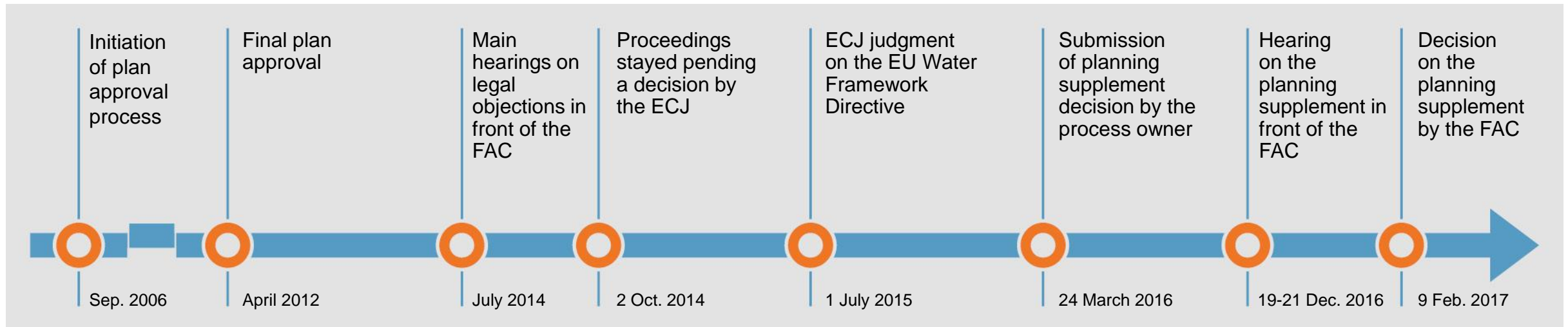
Nautical Accessibility Must be Ensured

Further delay in dredging the river Elbe

We are supporting the dialogue between the parties involved in the proceedings

We are demanding planning security for our customers and ourselves

HHLA is well prepared for ULCV's with a total carrying capacity of 20,000 TEU +



Added Value Far Beyond Hamburg's Borders

The strengths of HHLA

A **market leader and driver of innovation** at Germany's most important hub for world trade

Employer for more than 5,500 qualified employees

More than € 600 million added value for the economy

International footprint with a **highly efficient transportation chain** between the port and its hinterland

High customer retention by quality, reliability and efficiency

Sustainable with a CO₂ reduction of 27.3 % since 2008

GDP with Slowed Momentum

Global economic development compared to the previous year

Global GDP

+ 3.1 %



World trade

+ 1.9 %

GDP China

+ 6.7 %

GDP Russia

- 0.6 %

GDP Ukraine

+ 1.5 %

Weak Growth in Global Container Throughput

Container throughput compared to the previous year

Global container throughput

+ 1.3 %



North-West Europe

+ 1.5 %

Scandinavia/Baltic region

+ 1.5 %

Eastern Mediterranean/
Black Sea

+ 1.9 %

New Alliances, Ultra Large Container Vessels (ULCV's)

Shipping lines affected by major changes

Insolvency of seventh largest shipping line Hanjin



Ongoing consolidation process with acquisitions and mergers

Former alliances

New alliances

2M

Maersk, MSC

2M Network

Maersk, MSC, Hyundai

O3

CSCL, CMACGM, UASC

OCEAN Alliance

CMACGM, OOCL, Cosco, Evergreen

G6

APL, OOCL, Hapag-Lloyd, NYK/MOL, Hyundai

THE Alliance

Hapag-Lloyd, NYK/MOL, Yang Ming, K-Line

CKYHE

Cosco, K-Line, Yang Ming, Hanjin, Evergreen

Newly aligned services with ULCV's as of 2Q17

Forward-Looking Enhancement for ULCV's

Investments in terminal expansion and process optimisation

HHLA Container Terminal Burchardkai (CTB)

Acquisition of 3 container gantry cranes, roll-out of 4 automated storage blocks

HHLA Container Terminal Tollerort (CTT)

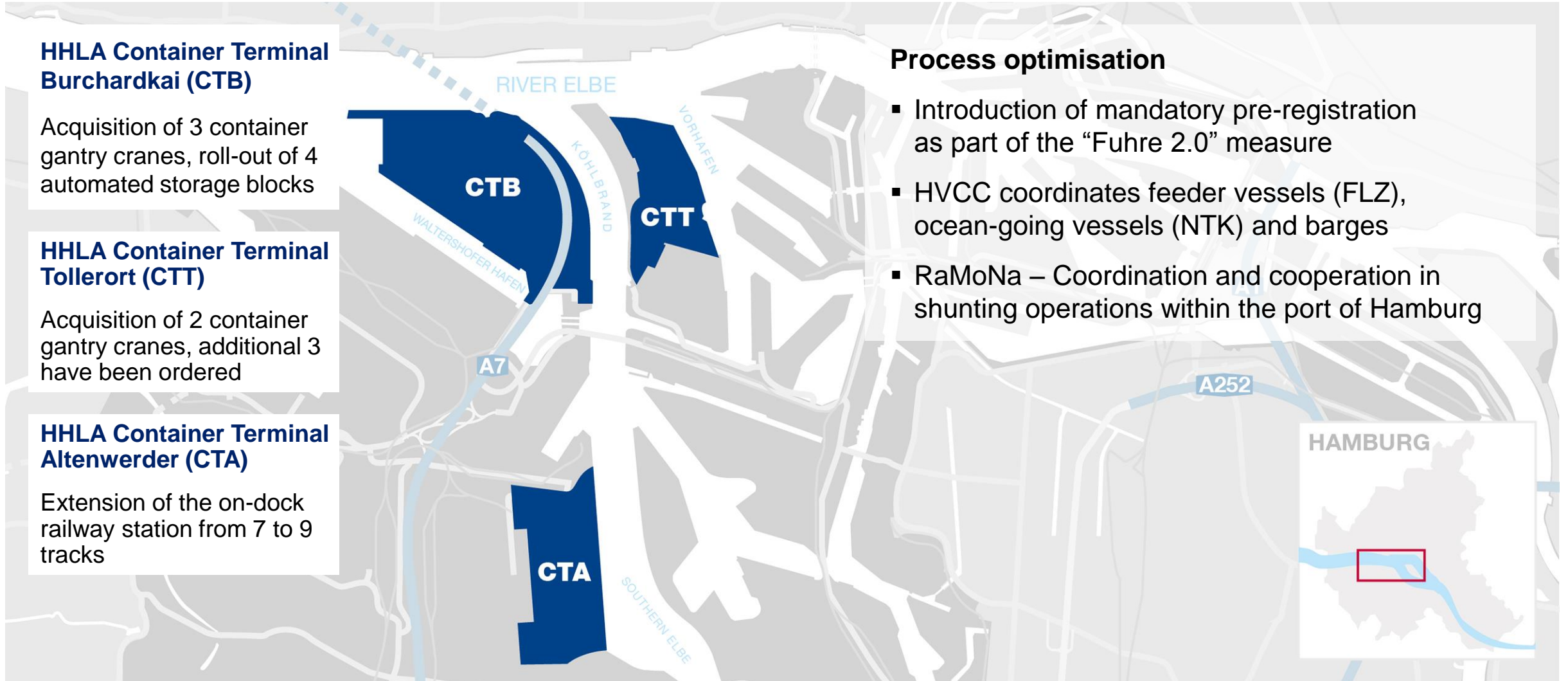
Acquisition of 2 container gantry cranes, additional 3 have been ordered

HHLA Container Terminal Altenwerder (CTA)

Extension of the on-dock railway station from 7 to 9 tracks

Process optimisation

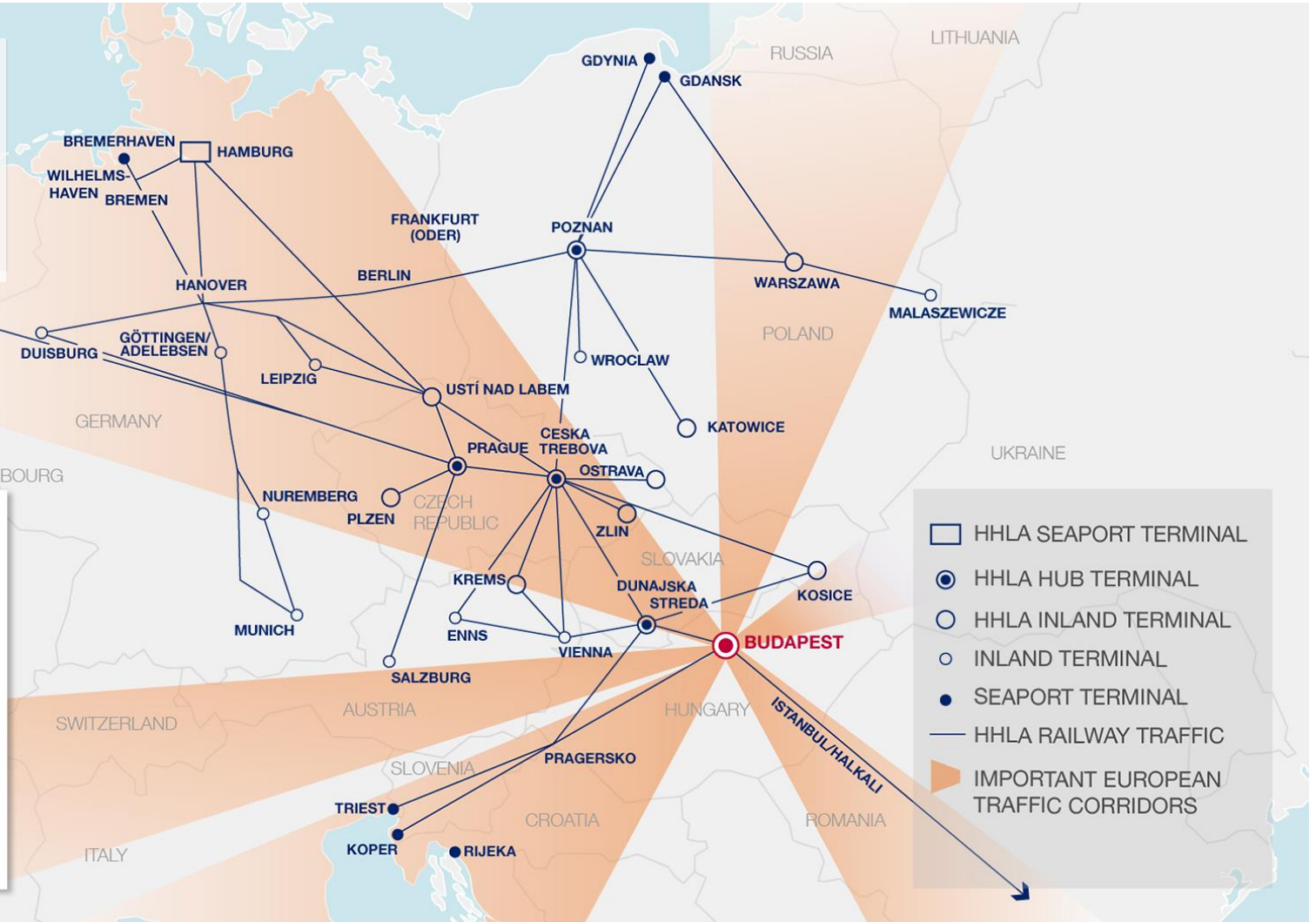
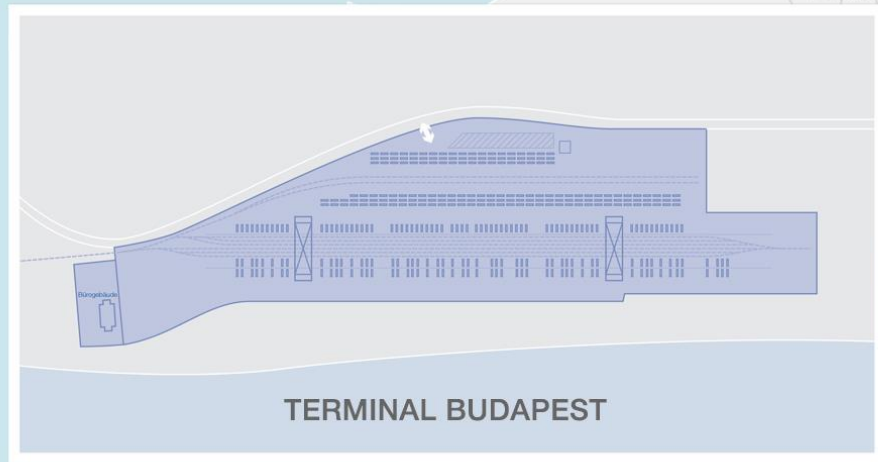
- Introduction of mandatory pre-registration as part of the "Fuhre 2.0" measure
- HVCC coordinates feeder vessels (FLZ), ocean-going vessels (NTK) and barges
- RaMoNa – Coordination and cooperation in shunting operations within the port of Hamburg



New Hub Terminal in Budapest

Investments in network expansion and own traction

- 13 hinterland terminals
- More than 60 locomotives
- Approx. 2,400 waggons
- Approx. 400 train connections per week



Solid Development Despite Challenging Environment

Business Development 2016

Financial Highlights 2016 of Port Logistics subgroup

Container throughput

6,658 TTEU

+ 1.5 %

Container transport

1,408 TTEU

+ 6.8 %

Revenue

€ 1,146.0 million

+ 3.1 %

EBIT

€ 147.6 million

+ 4.7 %

Profit after tax
and minorities

€ 63.7 million

+ 8.1 %

ROCE

12.8 %

+ 0.4 pp

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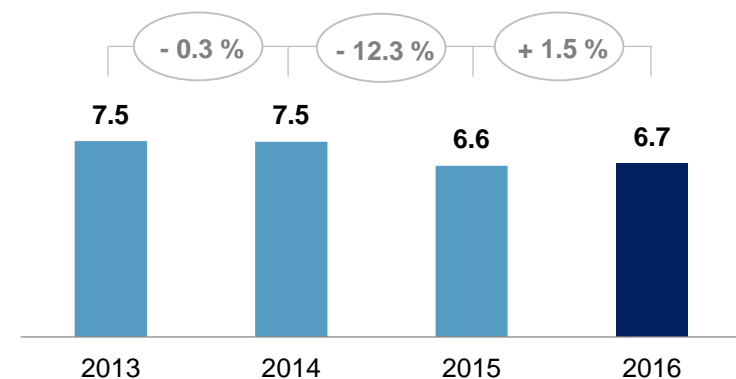
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EBIT up due to increased throughput volume and higher revenue per TEU

Container throughput

in TEU million



Key figures

in € million

	2016	2015	Change
Revenue	694.6	675.2	+ 2.9 %
Revenue / TEU	104.3	102.9	+ 1.4 %
OpEx	576.8	564.6	+ 2.2 %
OpEx / TEU	86.6	86.0	+ 0.7 %
EBIT	117.8	110.6	+ 6.5 %
EBIT / TEU	17.7	16.9	+ 5.0 %
EBIT margin	17.0 %	16.4 %	+ 0.6 pp

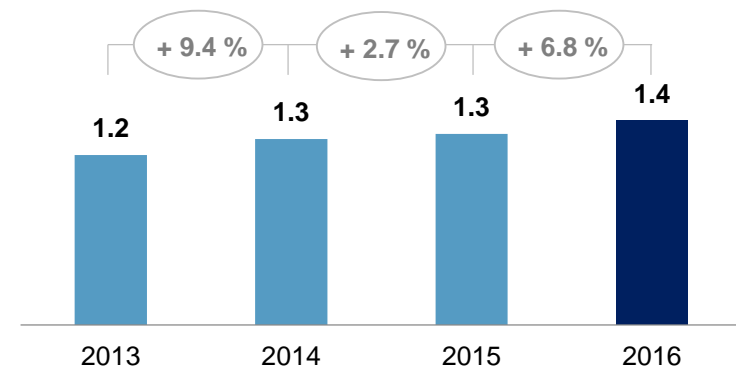
- Throughput at Hamburg terminals up by 1.1 % to 6,375 TTEU
- Positive development at CTO (+ 10.6 % y-o-y)
- Recovery of feeder volumes continues (+ 6 % y-o-y), especially Russia (+ 15 % y-o-y)
- Revenue increase mainly due to higher storage fees
- Unit costs almost on previous year's level

Intermodal Segment

Dynamic growth in transport volume, revenue and EBIT continued

Container transport

in TEU million



- Dynamic volume growth mainly driven by a rise in rail transportation of 8.0 % to 1,089 TTEU
- Road transport volume grew by 2.9 % y-o-y
- Revenue increase was mainly driven by a higher rail share as well as an improved import/export mix and a higher train utilisation
- EBIT includes one-off expenses of € 7.2m from an onerous lease for a hinterland terminal
- EBIT for FY15 positive affected by a one-off gain of € 4.3m from the disposal of assets

Key figures

in € million

	2016	2015	Change
Revenue	390.1	364.0	+ 7.2 %
OpEx	334.2	308.8	+ 8.2 %
OpEx adjusted*	327.0	313.1	+ 4.4 %
EBIT	55.9	55.2	+ 1.2 %
EBIT margin	14.3 %	15.2 %	- 0.9 pp
EBIT adjusted*	63.1	50.9	+ 23.9 %
EBIT adjusted margin*	16.2 %	14.0 %	+ 2.2 pp

* adjusted for described one-off effects

Termination of project and contract logistics successfully completed



Key figures

in € million	2016	2015	Change
Revenue	55.0	65.1	- 15.6 %
EBIT	- 1.7	- 0.8	neg.
EBIT adjusted*	2.1	4.5	- 52.6 %
At-equity earnings	3.7	3.0	23.6 %

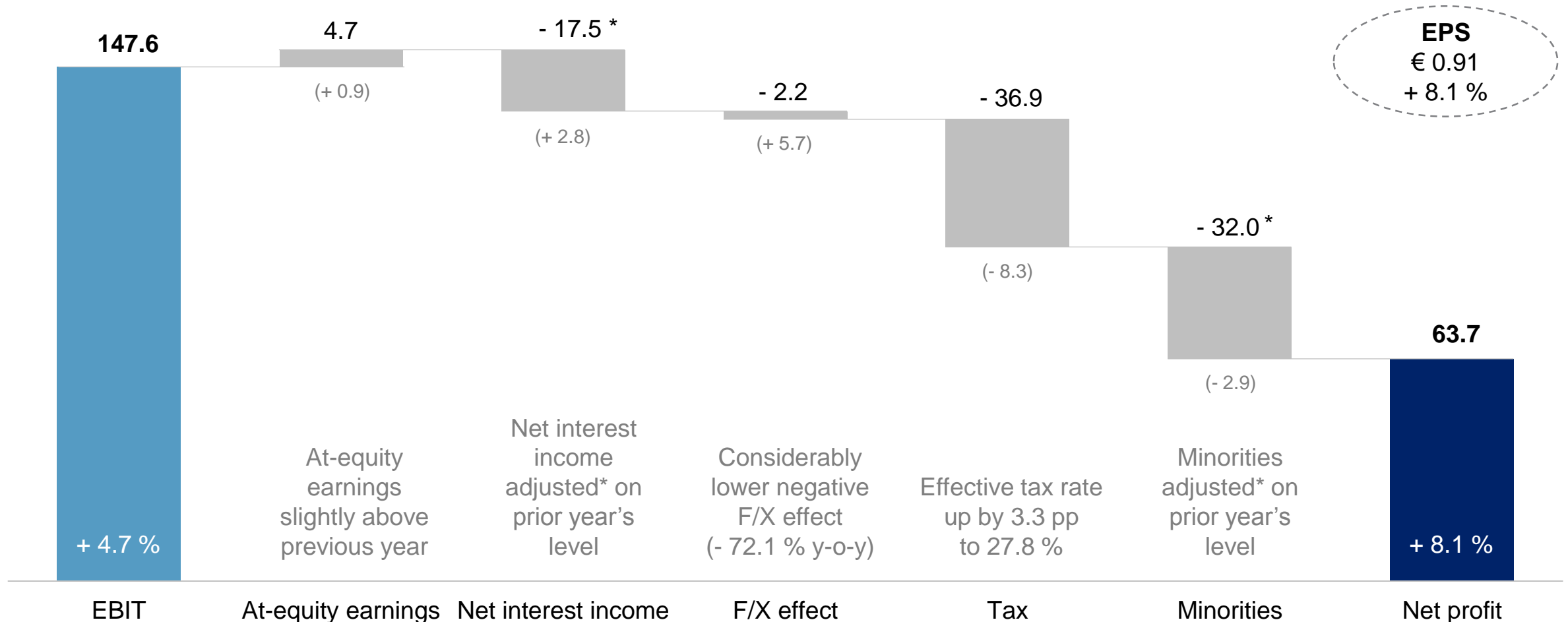
- Termination of project and contract logistics activities successfully completed
- Revenue decline mainly from the discontinuation of project and contract logistics and cruise activities as well as from project-related lower revenue of consulting activities
- One-off expenses of € 14.9m in 2Q16 caused by restructuring were largely offset by a one-off gain of approx. € 15 m for the termination of a lease in 3Q16
- EBIT of continued activities positive but declined compared to previous year mainly due to volatile results of consulting activities and weaker results of vehicle logistics
- At-equity earnings improved clearly compared to previous year

* adjusted for operating results from project and contract logistics as well as from cruise logistics activities

Earnings Bridge

Net profit increased mainly due to improved EBIT and lower negative F/X effects

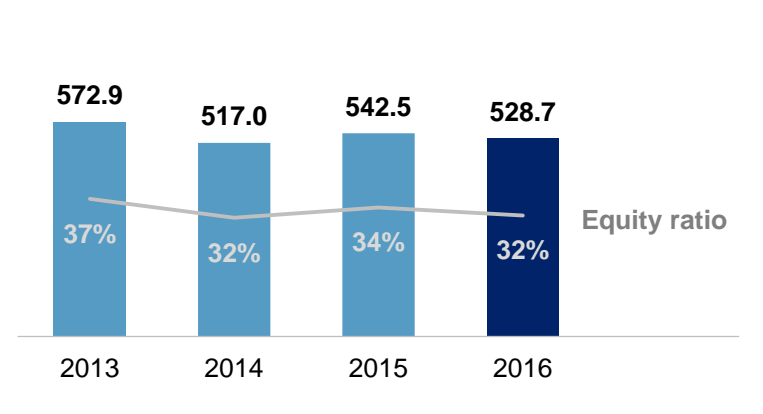
in € million, Figures of Port Logistics subgroup
(change vs. FY15)



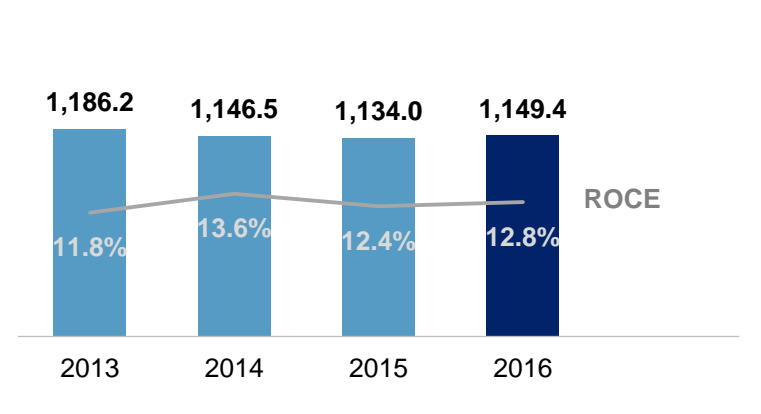
Financial Stability

Solid financial fundament

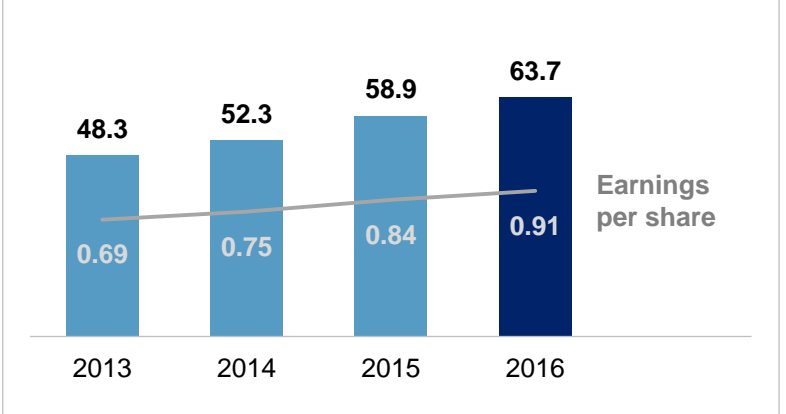
Equity development / Equity ratio
in € million



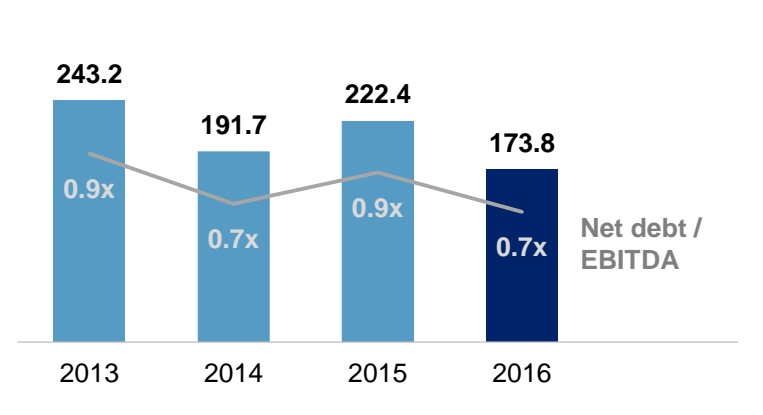
Ø Capital employed / ROCE
in € million



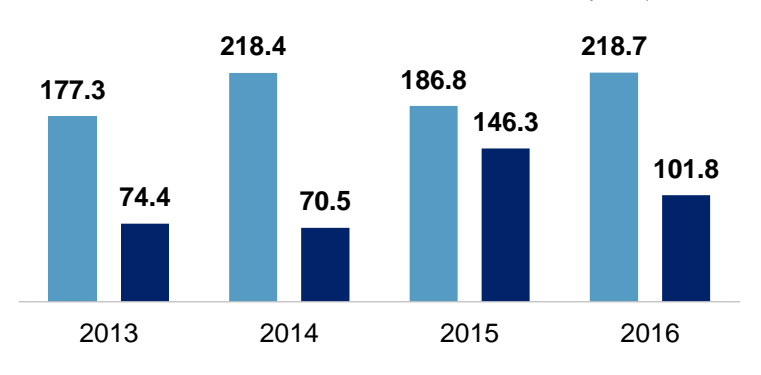
Profit after tax and minorities / EPS
in € million



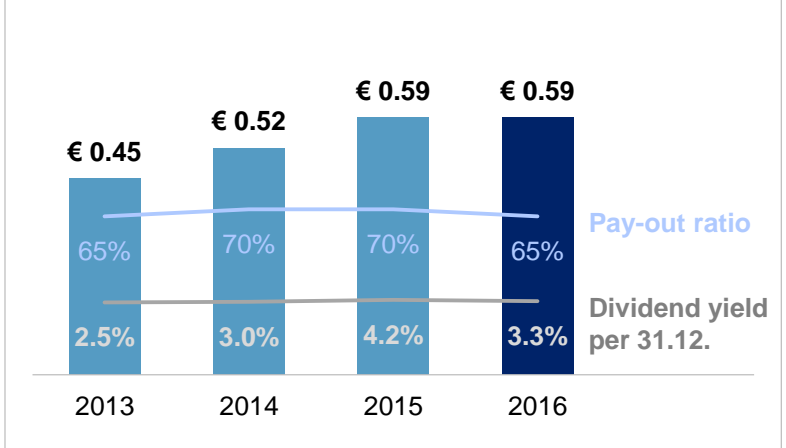
Net financial debt (excl. pensions)
in € million



Self-funded investments
in € million



Dividend development



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Port Logistics Subgroup

in € million	2016	2017e
Container throughput <small>in thousand TEU</small>	6,658	on previous year's level
Container transport <small>in thousand TEU</small>	1,408	moderate increase
Revenue	1,146.0	on previous year's level
EBIT	147.6	in a range between € 115 and € 145 million*
thereof Container segment	117.8	in a range between € 65 and € 95 million*
thereof Intermodal segment	55.9	strong increase
thereof Logistics segment	- 1.7	positive
Capital expenditure	136.9	Group capex of € 160 million mainly attributable to the Port Logistics subgroup incl. approx. € 25 million postponed capex from FY16

Range explanation

EBIT range 2017e

in € million



2017e

* Possible one-off expenses for the reorganisation of the Container segment could reduce the expected EBIT-range by up to € 15 million additionally

External uncertainties

- World economic policy risks with effects on world trade
- Continuing consolidation process of container shipping lines may lead to shifts in services between ports and container terminals

Operational challenges

- Implementation of a new Terminal Operating System
- Increased depreciation due to the implementation of handling equipment for ULCV's
- Increased maintenance costs due to life-cycle extensions
- Possible cost increases due to higher peak load conditions

Objectives of the business development process and upcoming activities in 2017

Business development process with **participation** of the **whole executive staff**

Strengthening the capability of shaping HHLA's **future development**

Development and evaluation of **strategical options** by the end of 2017

Upcoming activities in 2017

- The first ship with more than 20,000 TEU carrying capacity will be handled at CTB in May
- Opening of the hub terminal in Budapest in June
- Expansion of the on-dock railway station at CTB
- Introduction of a trucking appointment system at all HHLA terminals in Hamburg
- Expansion of own traction and establishment of new connections within HHLA's rail network

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Financial Calendar / IR Contact

Financial Calendar

30 March 2017	Annual Report 2016 Press Conference / Analyst Conference Call
12 May 2017	Interim Statement January - March 2017 Analyst Conference Call
21 June 2017	Annual General Meeting (AGM)
14 August 2017	Half-Year Financial Report January - June 2017 Analyst Conference Call
14 November 2017	Interim Statement January - September 2017 Analyst Conference Call

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Online Annual Report 2016



<http://report.hhla.de>

Annual Report 2016
<http://report.hhla.de/annual-report-2016>

