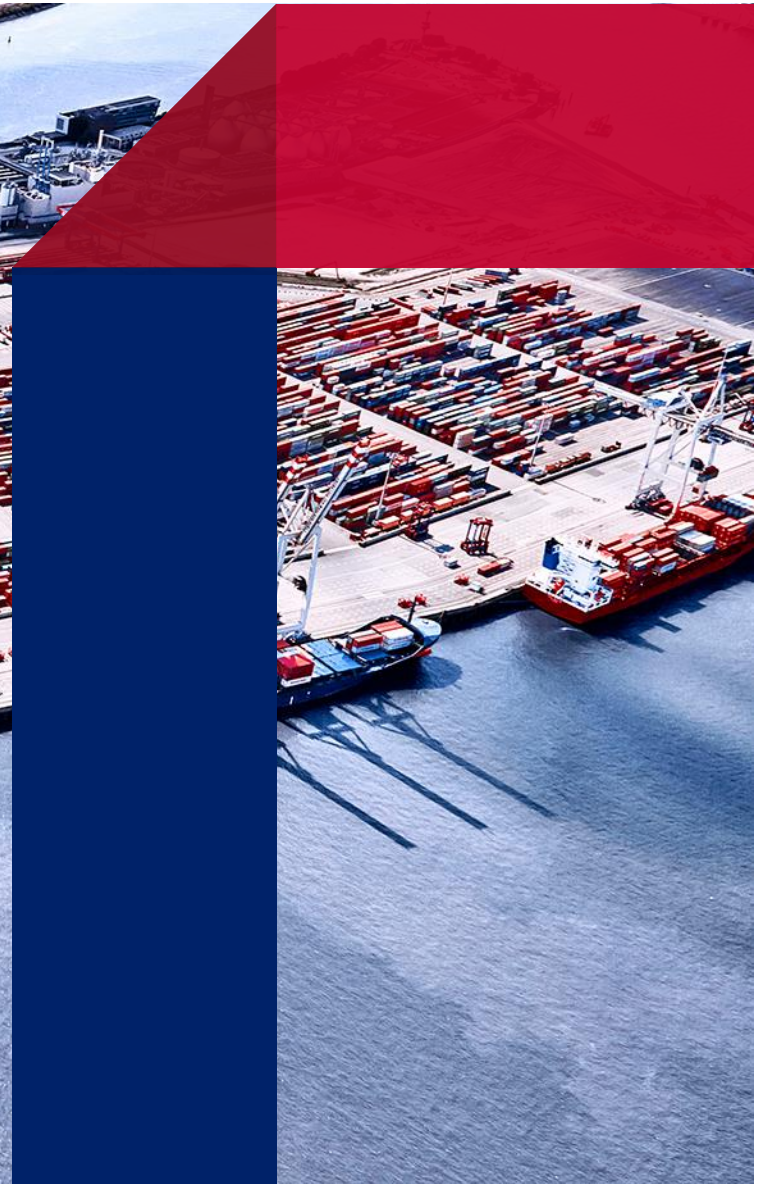
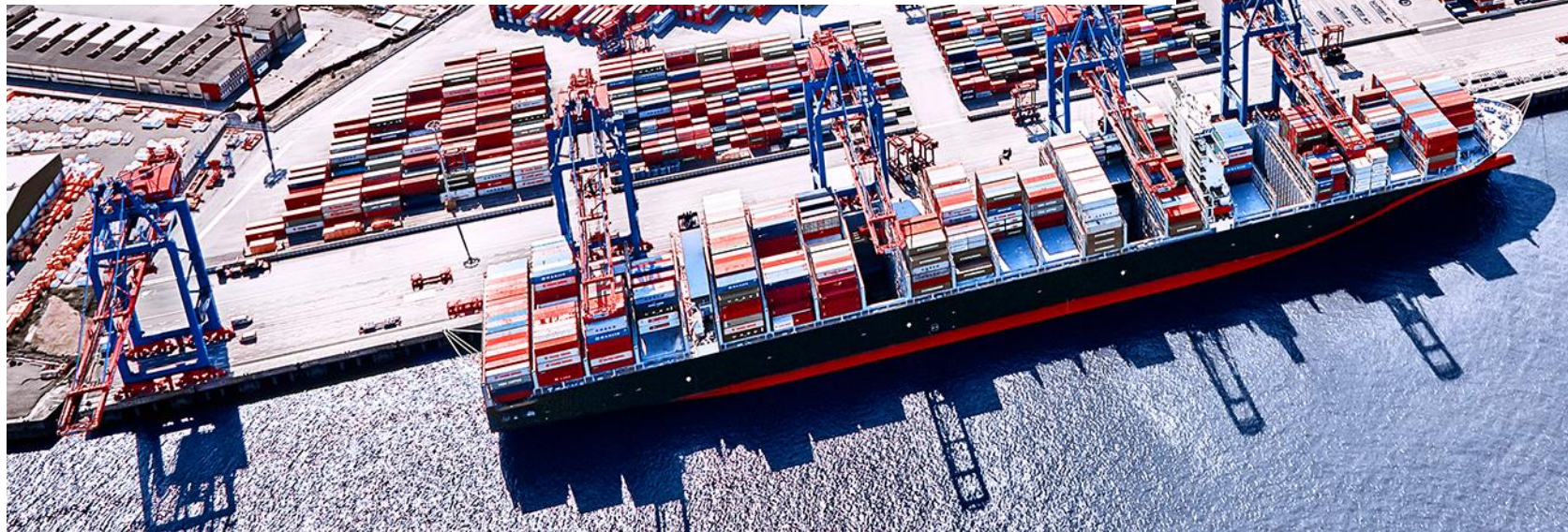


# Investor presentation on the 2019 full year results

Hamburg, 25 March 2020



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# Summary of major achievements in 2019

Performance confirms strategy



**HHLA with significant increase in revenue and operating result fully in line with guidance for the 2019 financial year in an increasingly volatile market environment**



**Ongoing investments in core business, especially in strongly growing Intermodal segment**



**Reorganisation of Logistics segment by integration of future-oriented businesses**



**Ambitious sustainability targets set**



**Dividend proposal at € 0.70 for 2019 (previous year: € 0.80) per listed class A share with a pay-out ratio at 52 % (previous year: 54%)**

# Business environment 2019

World economy on a sound level but with loss of momentum

**GDP World + 2.9 %**

**GDP China + 6.1 %**

**GDP Russia + 1.1 %**

**World trade + 1.0 %**

**World throughput + 2.3 %**

**Europe throughput + 3.3 %**

**NW Europe throughput + 3.4 %**

**Scandinavia & Baltics + 3.5 %**

## Macroeconomic environment 2019

- Global economic growth slightly weaker in 2019 than in the previous year
- China has just reached its 6.0% to 6.5% growth target, growing at its slowest rate in nearly three decades
- After a weak H1, the Russian economy took up its upward trend at the end of H2
- CEE development weaker than 2018, still on a growth path at 1.8 %
- World trade volumes reflected lack of economic stimulus with 1.0 pp below 2019


Source: IMF – World Economic Outlook Update, January 2020

## Sector development 2019

- World throughput with a decline of 2.6 pp on a solid level of 2.3 %
- Europe with a sound development, but 1.9 pp under previous year
- Volume growth in North West Europe 0.5 pp under previous years level
- After two years of extraordinary growth, Scandinavia & Baltics container growth slowed significantly by 7.8 pp but showed signs of significant recovery in H2

Source: Drewry Maritime Research, Container Forecaster, December 2019

# Financial highlights 2019 of Port Logistics subgroup



Revenue  
**€ 1,350.0 million**  
+ 7.3 %

EBIT  
**€ 204.4 million**  
+ 8.5 %\*

EBIT margin  
**15.1 %**  
+ 0.1 pp

Profit after tax  
and minorities  
**€ 93.6 million**  
- 9.0 %

ROCE  
**11.1 %**  
- 4.4 pp

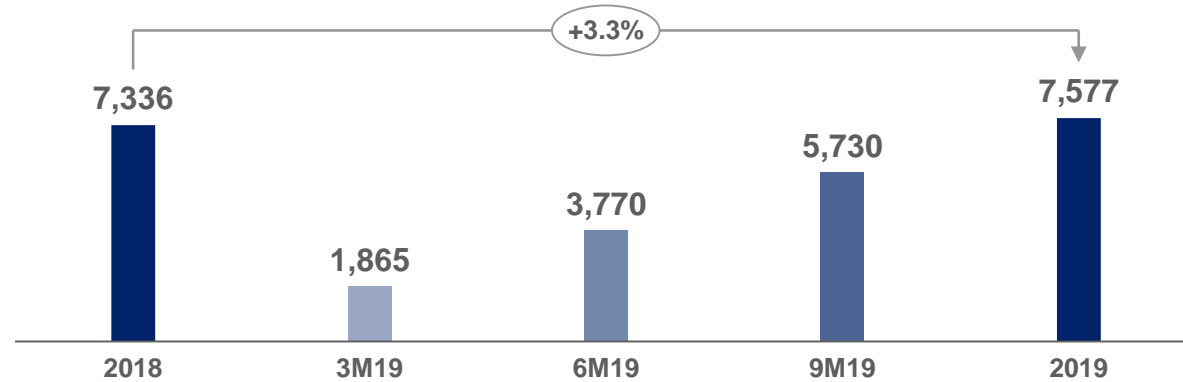
Operating cash flow  
**€ 303.0 million**  
+ 41.1 %

\* Mainly due to first time application of IFRS 16

# Throughput and transport development 2019

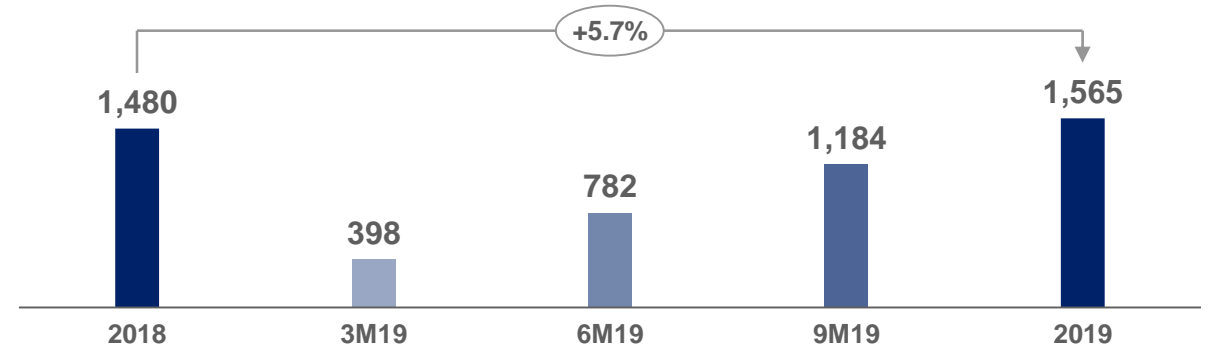
Successful development despite an increasingly volatile market environment

## Container throughput in thousand TEU



- Hamburg terminals slightly above previous year's level (+ 1.2 %)
  - Overseas traffic volumes continued to grow by 3.2 % as part of the realignment of the shipping consortia
  - Changes in service structure (loss of a Far East service vs. gain of North American services) roughly offset each other
  - Strong decrease in lower-margin feeder volumes led to a feeder ratio of 22.5 % (previous year: 24.0 %)
- International terminals up after first-time consolidation of HHLA TK Estonia

## Container transport in thousand TEU

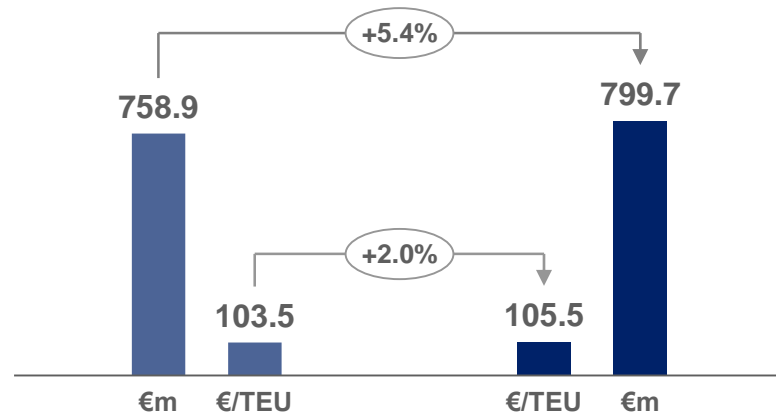


- Container transport significantly exceeded the strong result of the previous year
- Growth driven by
  - rail transportation (+ 5.6 % y-o-y) with above-average rise in traffic between North Range ports and CEE hinterland and significant increase in Poland traffic after the successful consolidation in the previous year
  - road transportation (+ 6.1 % y-o-y) due to strong growth in delivery traffic

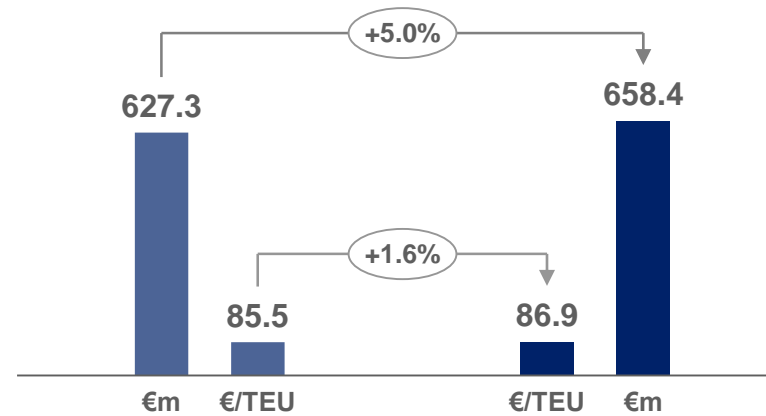
# Container segment

Positive revenue trend dampened by rise in opex; EBIT improvement mainly attributable to IFRS 16 effects

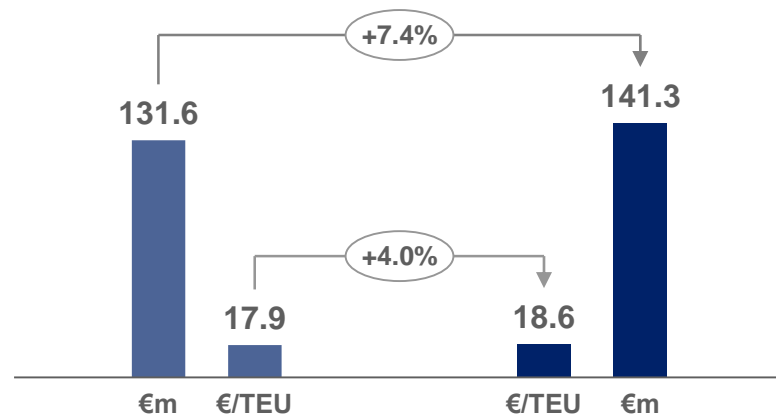
**Revenue** ■ 2018 ■ 2019



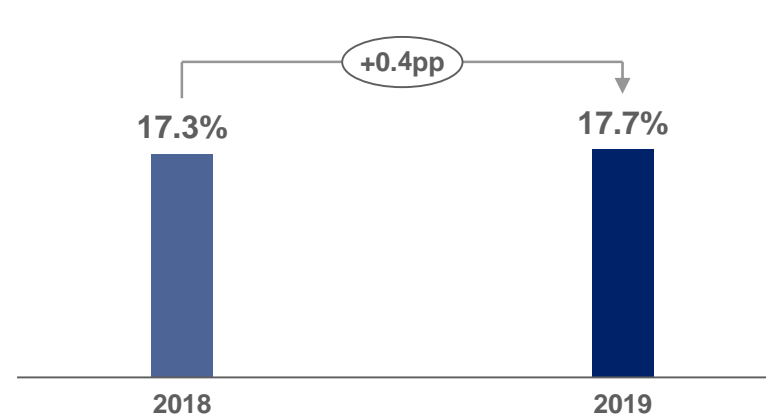
**OpEx** ■ 2018 ■ 2019



**EBIT** ■ 2018 ■ 2019



**EBIT margin**



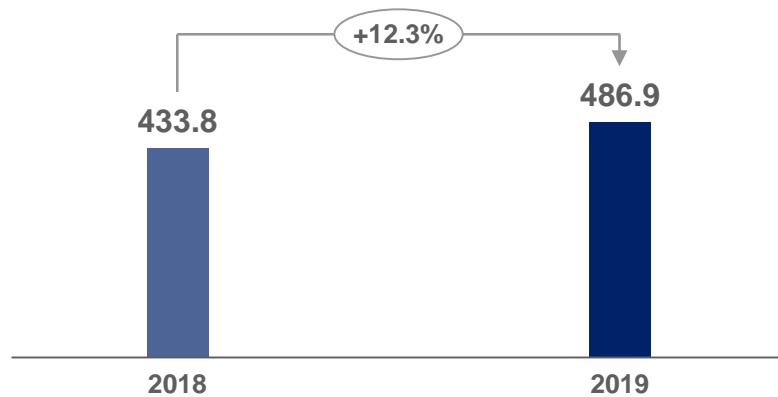
- Revenue grew faster than volume
- Average revenue per TEU up 2.0 % mainly due to further rise in share of rail volumes
- Opex increase of 5.0 % impacted by
  - temporary higher personnel deployment due to introduction of new terminal software and higher hinterland volumes
  - adjustment of company pension schemes
  - new costs by HHLA TK Estonia consolidated at the end of the second quarter of 2018
- EBIT up to € 141.3 million (thereof roughly € 11.0 million due to first-time application of IFRS 16)
- EBIT margin improved by 0.4 pp

# Intermodal segment

Superior EBIT level further expanded, margin improved, IFRS 16 with negligible effect

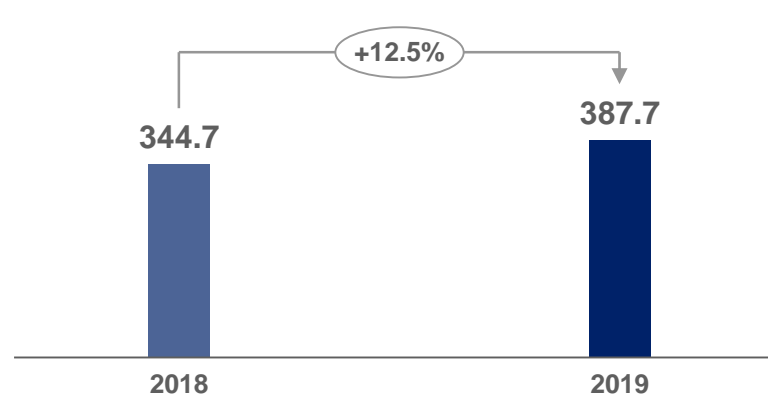
## Revenue

in € million



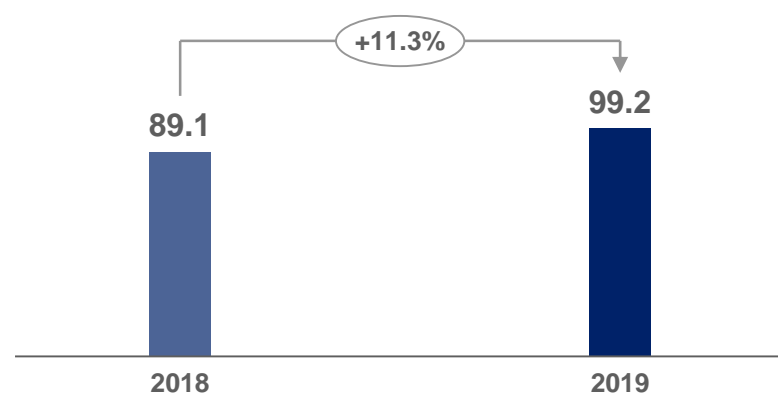
## OpEx

in € million

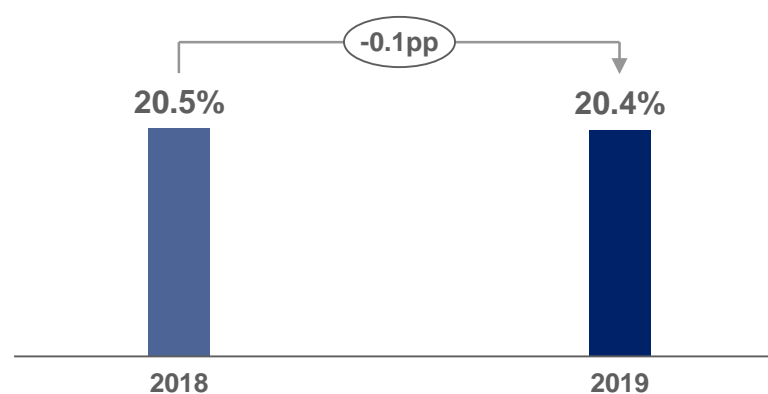


## EBIT

in € million



## EBIT margin



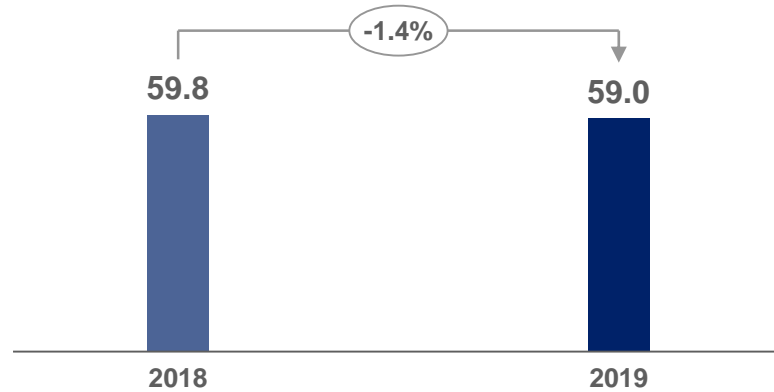
- Revenue growth clearly exceeded transport volume development
- Strong EBIT increase due to
  - rise in volumes with a largely unchanged rail share of 78.5 %
  - longer transport distances,
  - price adjustments
  - negligible effect from first-time application of IFRS 16
- EBIT margin: outstanding level of 20.4 %



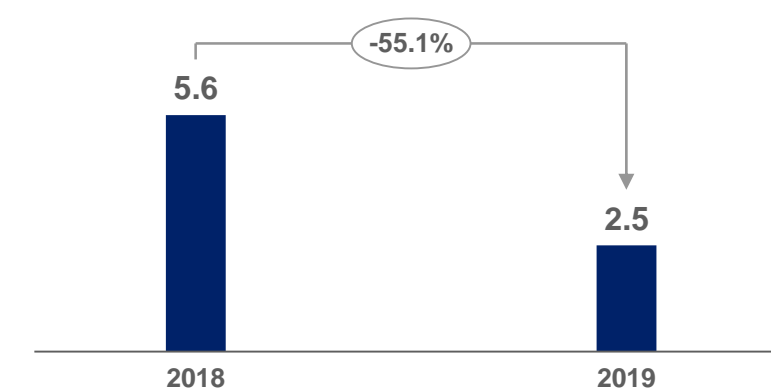
# Logistics segment

Positive development continues

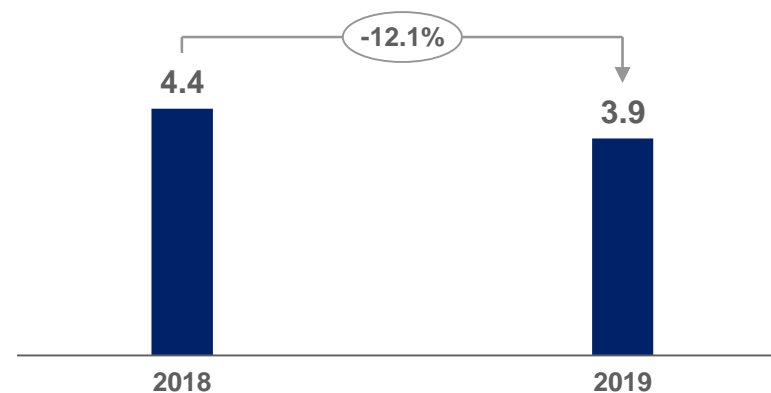
Revenue  
in € million



EBIT  
in € million



At-equity earnings  
in € million



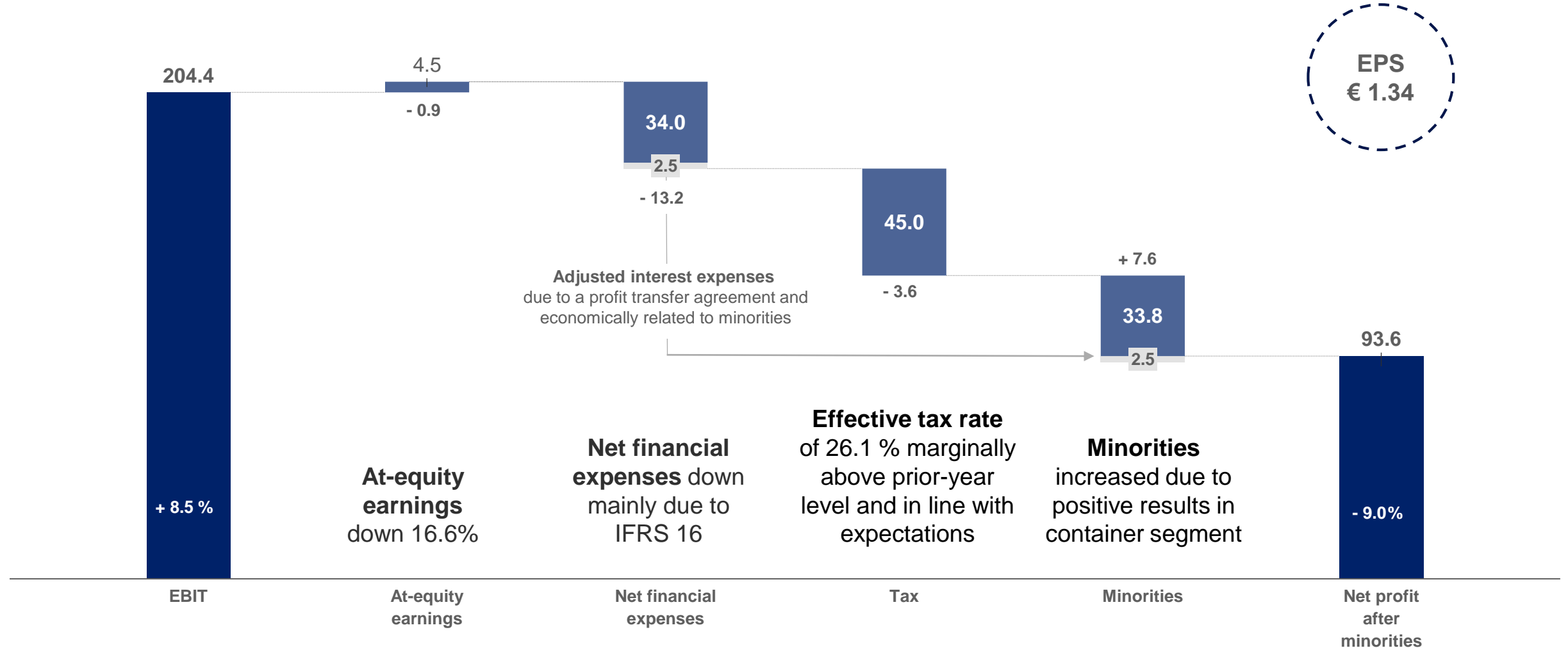
- Slight decrease in revenue, mainly due to a significant decline in vehicle logistics, which benefited from temporary additional business in the fourth quarter of 2018
- EBIT impacted by:
  - decline in earnings in vehicle logistics compared to the exceptionally strong previous year
  - ramp-up costs for new business fields
  - positive order situation in consulting
  - negligible effect from first-time application of IFRS 16
- At-equity earnings burdened by bulk cargo result due to first-time application of IFRS 16
- Since Q3 2019, additive manufacturing technologies and associated logistics services have also been included in the segment

# Earnings bridge of the Port Logistics subgroup

Net profit showed a stable development

**Dividend proposal**  
€ 0.70 per class A share

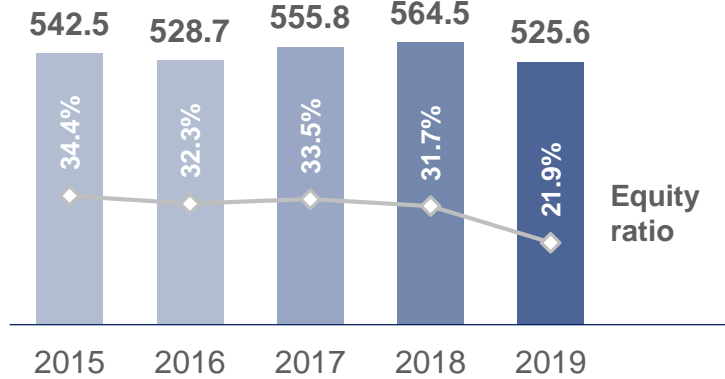
in € million / absolute change vs. 2018



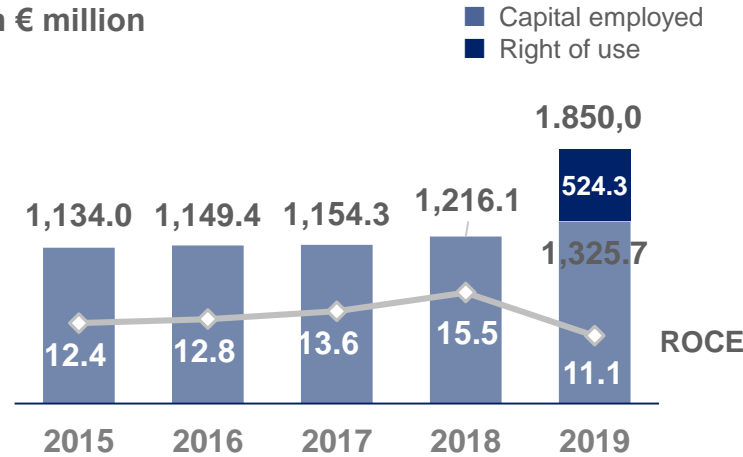
# Financial stability

Focus on profitability and shareholder participation

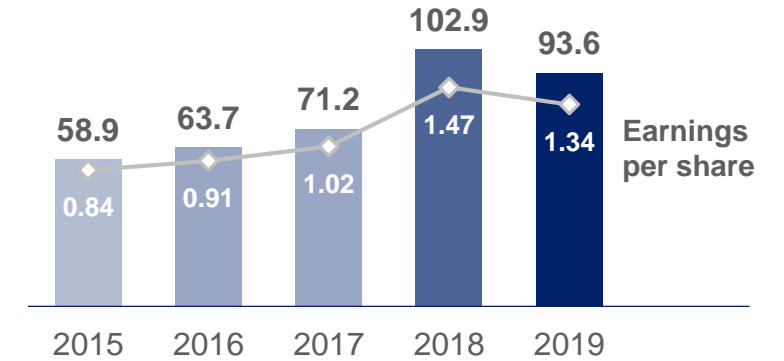
## Equity development / Equity ratio in € million



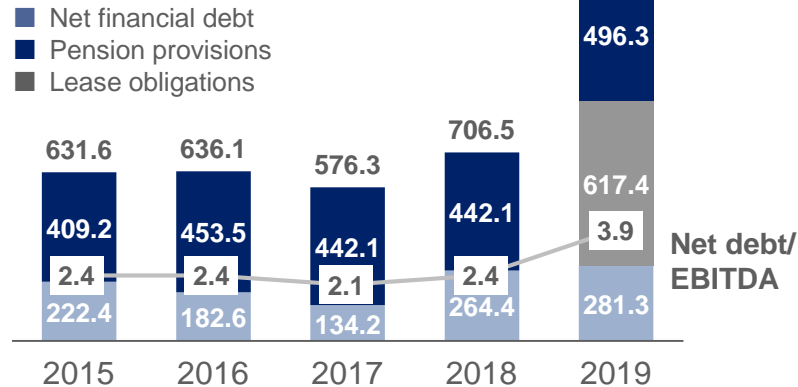
## Ø Capital employed / ROCE in € million



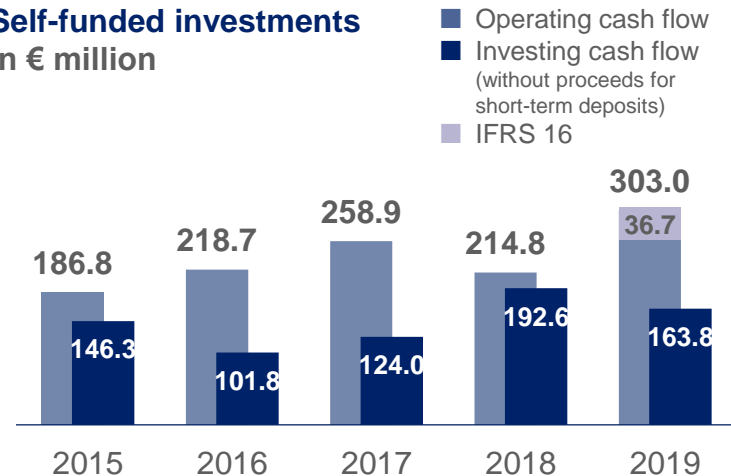
## Profit after tax and minorities / EPS in € million / in €



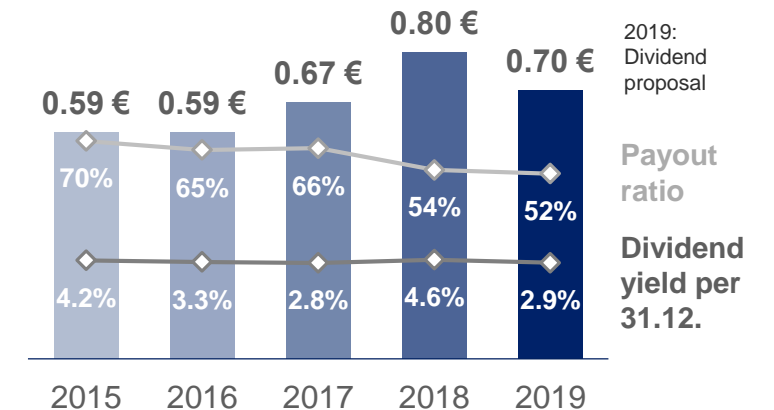
## Net debt in € million



## Self-funded investments in € million



## Dividend development



# Outlook 2020

## Highly volatile macroeconomic environment

### Expected macroeconomic development by OECD

Estimates include consequences of corona epidemic

GDP World	+ 2.4 %	↘
GDP China	+ 4.9 %	↘
GDP Russia	+ 1.2 %	↘
World trade	- 0.9 %	↘

Source: OECD Interim Economic Outlook, March 2020

- Base scenario: If outbreaks in other countries will be mild and localized, global GDP growth could decrease by 0.5 PP to 2.4% and world trade might decline by 0.9%
- Worse scenario: If the corona virus spreads widely across Asia and the northern hemisphere, GDP growth could decrease by up to 1.75 basis points and global trade could even shrink by 3.75%

### Expected macroeconomic development by IMF

Estimates do not include consequences of corona epidemic

GDP World	+ 3.3 %	↗
GDP China	+ 6.0 %	→
GDP Russia	+ 1.9 %	↗
World trade	+ 2.9 %	↗

Source: IMF – World Economic Outlook Update, January 2020

- Global economic output should be slightly below previous year again
- Despite subdued GDP growth, world trade prospects at a sound level
- IMF expects a sustained weakening of Chinese growth dynamics but still forecasts growth rise above 6 %
- Russian recovery supposed to continue on previous year's level

### Expected throughput development by Drewry

Estimates do not include consequences of corona epidemic

World	+ 3.3 %	↗
Europe	+ 2.8 %	↘
NW Europe	+ 3.0 %	↘
Scandinavia & Baltics	+ 2.8 %	↘

Source: Drewry Maritime Research, Container Forecaster, Dec 2019

- After only slight growth in 2019, Drewry expects higher momentum in 2020
- Prospects for European throughput have deteriorated noticeably overall
- Estimates for Europe only at a rate of 2.8%
- North Range ports expected to grow slightly under previous years level
- Scandinavia & Baltics volumes expected to grow on a robust but comparably low level

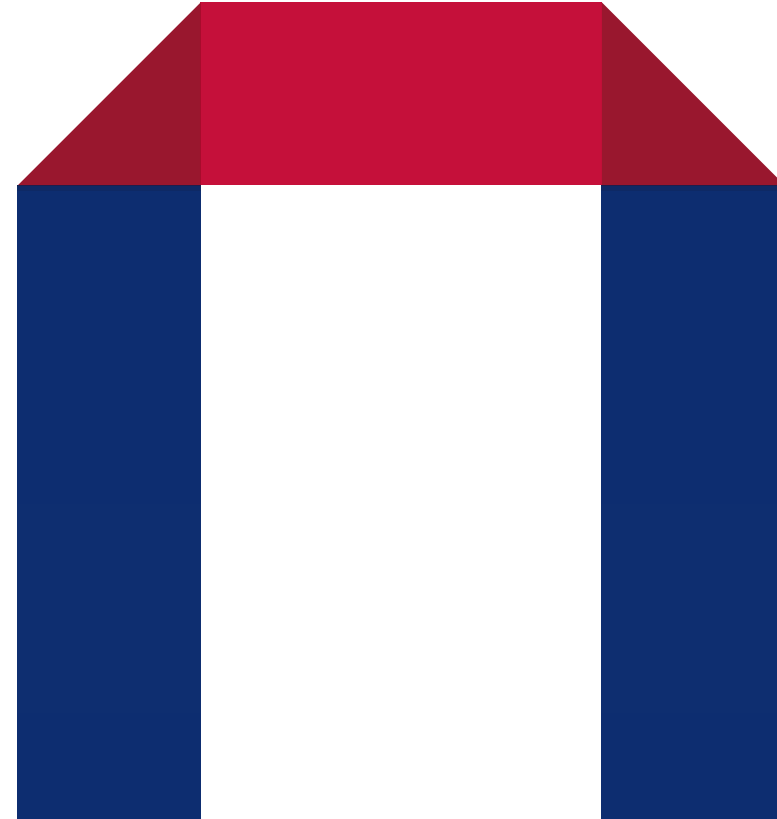
# Outlook 2020

Port Logistics subgroup

	2019	Guidance 2020
<b>Container throughput</b>	7,577 thousand TEU	<b>Strong decrease on previous year</b>
<b>Container transport</b>	1,565 thousand TEU	<b>Strong decrease on previous year</b>
<b>Revenues</b>	€ 1,350.0 million	<b>Strong decline on previous year</b>
<b>EBIT</b>	€ 204.4 million	<b>Strong decline on previous year</b>
<b>Capital expenditure</b>	€ 214.9 million	<b>Adapted to the current market environment</b>
<b>Available liquidity</b>	€ 232.2 million	<b>Sufficient liquidity to meet payment obligations at all times</b>

# Appendix

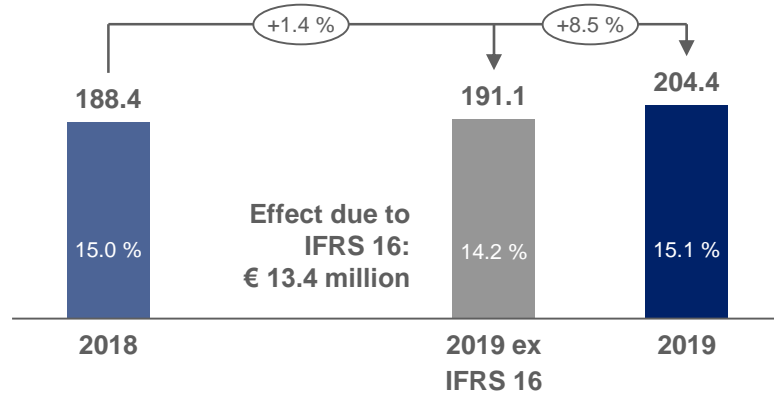
## IFRS 16



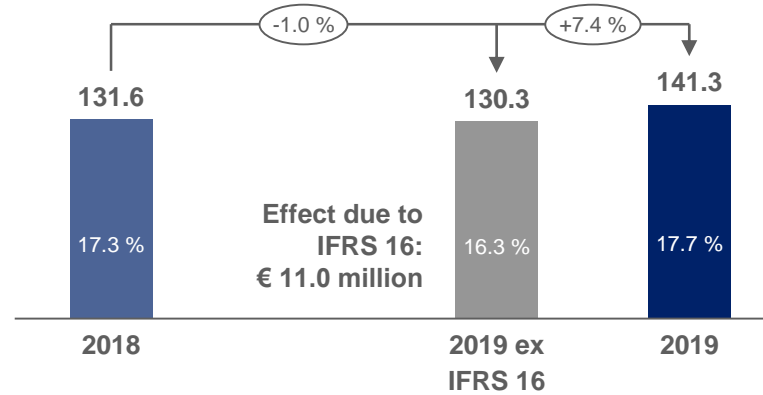
# Effects on EBIT development due to first-time application of IFRS 16

## Port Logistics and segment level

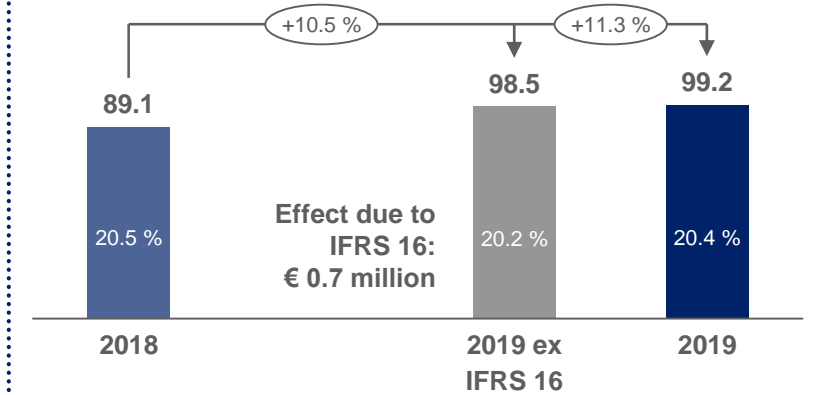
Port Logistics subgroup: EBIT & EBIT margin in € million



Container segment: EBIT & EBIT margin in € million

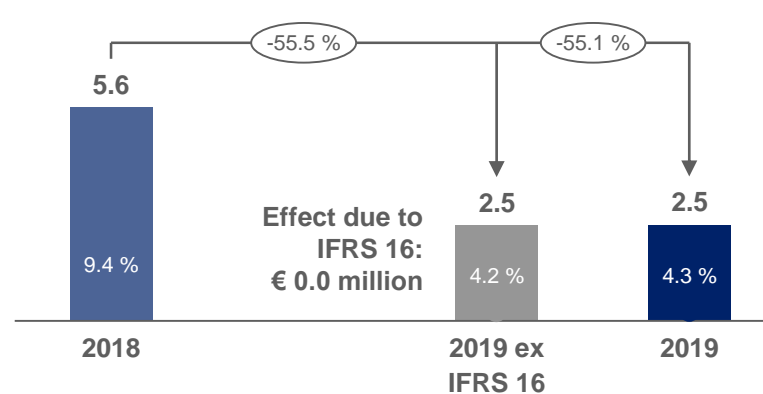


Intermodal segment: EBIT & EBIT margin in € million

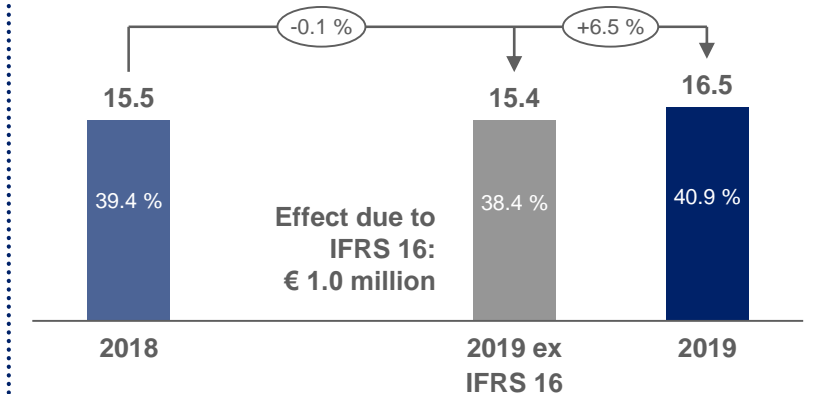


**IFRS 16**

Logistics segment: EBIT & EBIT margin in € million

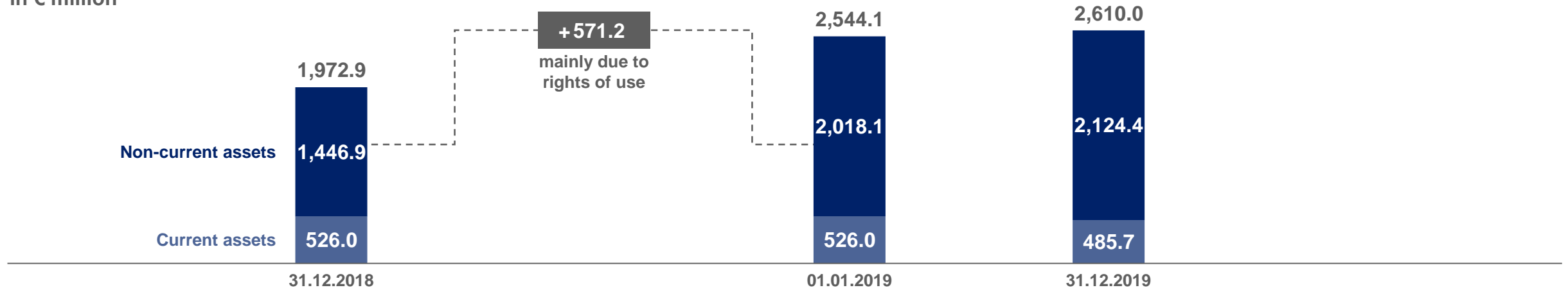


Real Estate segment: EBIT & EBIT margin in € million

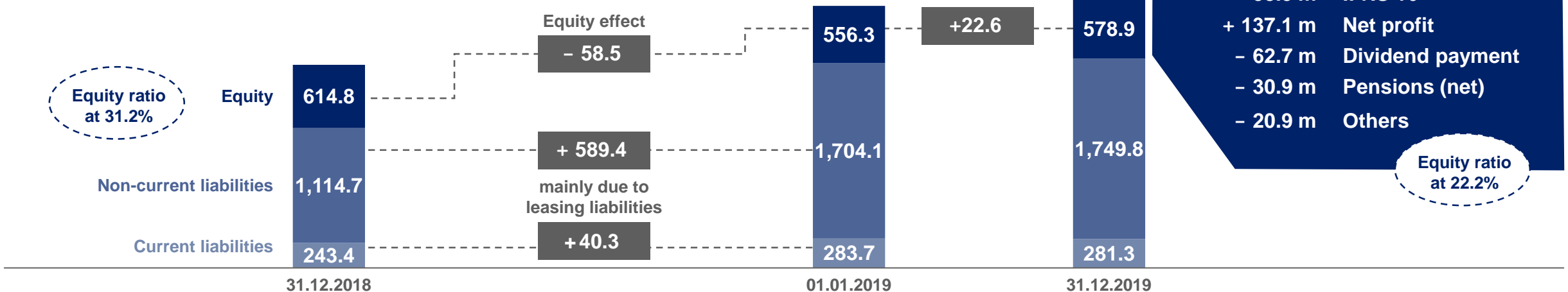


# Effects on balance sheets due to first-time application of IFRS 16 and current equity trend at Group level

Assets  
in € million



Equity and liabilities  
in € million





# Financial calendar / IR contact

## Financial calendar 2019

### 25 March 2020

Annual Report 2019  
Analyst conference call

### 12 May 2020

Interim Statement January – March 2020  
Analyst conference call

### 10 June 2020

Annual General Meeting (AGM)

### 12 August 2020

Half-year Financial Report January – June 2020  
Analyst conference call

### 12 November 2020

Interim Statement January – September 2020  
Analyst conference call

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